



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: February 27, 2025

IBA Report Number: 25-07

Docket Date: March 3, 2025

Item Number: 201 and 202

Review of Proposed FY 2026 User Fees with Partial Cost Recovery

OVERVIEW

On [February 5, 2025](#), the Budget and Government Efficiency (B&GE) Committee discussed proposed actions by the Department of Finance (DoF) and Parks and Recreation Department (PAR) to:

1. Adopt an updated comprehensive user fee schedule that would increase, decrease, eliminate, create, or maintain City user fees for programs and services in compliance with California [Proposition 26](#), [Proposition 218](#), and [City Council Policy 100-05](#); and
2. Authorize user fees to be adjusted at the beginning of each fiscal year based on the incremental changes to personnel-related salary and fringe-benefit expenses, in addition to existing changes based on the regional Consumer Price Index.

The B&GE Committee forwarded both items to City Council without making a recommendation on the proposed actions, but asked staff to work with the Office of the Independent Budget Analyst (IBA) to provide information and analysis in several areas:

1. For general user fees, additional analysis and information, particularly on user fees that are not proposed to be 100% cost recoverable.
2. For Parks and Recreation fees, the feasibility of and options for implementing different fees for City residents and non-residents.

In response to those requests, this report discusses six proposed user fee increases whose costs to administer are offset by their respective funds and the feasibility of a residency-based fee structure specifically for Parks and Recreation Department user fees.

OFFICE OF THE INDEPENDENT BUDGET ANALYST

202 C STREET MS 3A SAN DIEGO, CA 92101

TEL (619) 236-6555 FAX (619)-236-6556

FISCAL AND POLICY DISCUSSION

This report is divided into two sections – a review of general user fees that were not proposed at full cost recovery, and Parks and Recreation Department Fees. Both sets of fees are scheduled to be considered by Council on March 3rd, though they will be presented as separate items.

General User Fees (excluding Park & Recreation Fees) ¹

There are about 680 non-PAR user fees across multiple departments and funds that are proposed to be increased, decreased, eliminated, created, or left unchanged. In order to focus on those fees that have the most impact on the General Fund, our Office focused on fees where the total difference between the revenue from fees and the cost to provide the corresponding service or program is greater than \$100,000 per year, paying particularly close attention to those fees that have a direct General Fund impact. The difference between projected fee revenue and program costs has been referred to as “User Fee Subsidized Costs,” however, we note that the term “subsidy” may sometimes be a misnomer, as each fee must be reviewed in the context of the larger department and program that it supports.

Of the approximately 680 fees included in the comprehensive user fee update, there are six proposed fees where total subsidized costs are greater than \$100,000; together they make up 91.5% of the total User Fee Subsidized Costs for all approximately 680 non-PAR user fees. [Attachment 1](#) of the report provides an overview table of the proposed FY 2026 user fees, and in the following sections we provide more information on each of those fees.

General Plan Maintenance Fee – City Planning

Fee Name	Department	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
General Plan Maintenance Fee	City Planning	General Plan Maintenance Fund	\$ 548.00	\$ 737.00	\$ 1,475.33	50%	\$ 5,822,000	\$ 11,655,000	\$ 5,833,000

Currently, the City charges a General Plan Maintenance Fee (GPMF) of \$548.00 on eligible permit applications, and the City Planning Department is proposing to increase the fee to \$737.00 in FY 2026. The GPMF is a flat fee charged on seven types of permit applications regardless of project size: building permits, combination building permits, grading and right-of-way permits, right-of-way permits, right-of-way construction plan permits, sign permits, and substantial conformance review permits. For FY 2026, the total projected cost associated with GPMF activities is estimated at \$11.7 million and projected revenue under the proposed GPMF fee increase is estimated at \$5.8 million, equal to 50% cost recovery. This represents an increase of \$1.7 million in GPMF revenue relative to FY 2024 levels.

The GPMF is intended to offset City costs associated with the City Planning Department’s [work initiatives](#) that are deemed to benefit fee payers. In contrast to traditional user fees where fee payers directly receive a City-provided service and can then be charged the full cost for the provided

¹ The entire proposed FY 2026 user fee schedule for non-Park-and-Recreation fees is available [here](#).

services, the Department's work initiatives benefit both fee payers specifically *and taxpayers more generally*, which limits the ability to set fees at full cost recovery. The City Planning Department's work initiatives include a broad range of planning activities, but only the portion of planning activities that have a connection directly back to fee payers are considered eligible for GPMF revenues. Examples of work initiatives typically supported by the GPMF include:

- General Plan Updates (last updated 2024): The City's General Plan sets the long-range foundation and vision for future development, and incorporates 11 major elements, including land use and community planning, housing, recreation, public facilities, and other components to support sustainable growth. The land use element of the General Plan is further detailed through 52 community plans, community-specific policies, and land use designation maps that are regularly maintained and updated by the Department.

City residents benefit from updates to the General Plan and Community Plans that reflect the current priorities and needs of residents and their communities. GPMF fee payers benefit from General Plan and Community Plan Updates in specific ways, such as updates that result in rezoning plots of land to allow higher density development than is currently allowed. As a result, potential developments could become more financially feasible and generally benefit from City Planning's work to consistently update the General Plan and to implement corresponding zoning changes.

- Housing Action Package 2.0 (approved December 2023): This legislative package identified changes to the San Diego Municipal Code aimed at new home creation by addressing issues such as housing for college students, single-room occupancy homes, parking requirements for housing located near public transit, accessory dwelling units (ADUs) for seniors and individuals with disabilities, modifications to the Complete Communities program, and encouraging the use of public land and underutilized commercial land for new housing development. Taxpayers generally benefit from additional avenues to increase housing supply and affordability. A GPMF fee payer developing a housing project utilizing incentives established in the Housing Action Package 2.0 would additionally benefit from these changes.
- Affordable Home Development Master Plan (pending 2026): This plan is intended to identify how City-owned property and public land can be used to develop homes for residents of all income levels close to transit and other amenities. This plan would benefit residents of San Diego generally by encouraging more housing development and increasing housing supply, especially affordable housing. A GPMF fee payer using the streamlined processes to construct new housing on an expedited timeline, as to be outlined in the plan, would further benefit from this work.

GPMF activities have benefits to *both* general taxpayers *and* fee payers; therefore, some degree of sharing costs between the City General Fund and GPMF revenue is appropriate.

Possible changes to the GPMF structure aimed at addressing equity concerns may allow for additional cost recovery in the future. In FY 2026, the City Planning Department plans to study options for restructuring the fee to be more equitable across fee payers. Since the GPMF is currently structured as a flat fee, all fee payers are charged the same fee despite differences in project size and complexity. For instance, a permit applicant requesting to build an addition on a single-family home is required to pay the same amount as a developer requesting a zoning change to build a new 300-unit housing development, even though the developer’s project will have a larger impact on the General Plan. Most other California cities charge a percentage based on developer fees, building permits, planning fees, or project valuations. According to staff, the fee restructuring study and stakeholder outreach are planned for FY 2026, with implementation targeted for July 1, 2026.

Large Aircraft over 12,500 lbs. – Economic Development

Fee Name	Department	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C-B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Large Aircraft (over 12,500lb) Landing Fee	Economic Development Department	Airport Enterprise Fund	\$ 1.10	\$ 1.26	\$ 10.93	12%	\$ 135,000	\$ 1,174,000	\$ 1,038,000

Brown Field Municipal Airport and Montgomery-Gibbs Executive Airport charge a landing fee to all non-scheduled commercial small aircraft (12,500 lbs. and below) and all commercial and non-commercial large aircraft (over 12,500 lbs.). Currently, the landing fee for large aircraft is \$1.10 per 1,000 lbs. of gross take-off weight, and the proposed FY 2026 user fee update would increase the fee to \$1.26 per 1,000 lbs. of gross take-off weight.

The current and proposed landing fees are largely in line with industry benchmarks, including rates charged at nearby Gillespie Field and Palomar Airport.² While our office has not conducted sensitivity modeling on a higher fee, increasing the large aircraft landing fee to be fully cost recoverable at \$10.92 per 1,000 lbs. of gross take-off weight would likely push large aircraft to other airports at the expense of a relatively marginal increase in revenue to the Airport Enterprise Fund (AEF). In FY 2024, landing fees generated \$131,000, 1.35% of total revenue, to the AEF.

Importantly, The AEF is a self-supporting enterprise fund, distinct from the General Fund, where revenue generated from fees and leases goes directly back into the expenses to operate Brown Field Municipal Airport and Montgomery-Gibbs Executive Airport. All personnel and non-personnel expenses associated with administering user fees and other airport operations are paid for by larger revenue sources, like leases on airport property and jet fuel flowage fees, which stay in the AEF. Therefore, **the City’s General Fund is not subsidizing landing fee costs.** Additionally, while any marginal increase in user fee-generated revenue that stays in the AEF could be used for qualifying capital improvement projects, over 90% of most projects are funded by the Federal Aviation Administration (FAA) and the State.

² Ordinance No. 10763 (N.S.), *San Diego County Ordinance to Amend the Schedule of Rates and Charges and Use Control Policy for County of San Diego Airports*, December 08, 2021.

Non-Profit Special Events – Police

Fee Name	Department	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Non-Profit Special Event Fee	Police	General Fund	\$ 126.00	\$ 211.00	\$ 281.00	75%	\$ 3,154,000	\$ 4,202,000	\$ 1,048,000
Civilian			\$ 37.00	\$ 57.00	\$ 76.00	75%	\$ 1,803,000	\$ 2,404,000	\$ 601,000
Sworn			\$ 89.00	\$ 154.00	\$ 205.00	75%	\$ 1,351,000	\$ 1,798,000	\$ 447,000

The Police Department’s Special Events Unit is responsible for providing a safe and orderly environment for people involved in, or affected by, special events in the City. This includes parades, street fairs, athletic competitions, concerts, commercial film productions, conventions, and other large gatherings that require crowd and/or traffic control. The rate structure to reimburse the City for these services is based on separate hourly rates for civilian personnel primarily responsible for traffic control services and sworn personnel that provide police presence and other safety services. While 100% cost recovery is proposed for special events held by commercial organizations, consistent with past practice, non-profit special event organizers are proposed to receive a 25% discount (i.e., their fees are proposed to be set to 75% cost recovery for both civilian and sworn hourly rates) which is projected to equate to a General Fund subsidy totaling \$1.0 million when combining civilian and sworn staff time. As shown in the adjacent table, at 75% the proposed cost recovery level for non-profit special events is higher than in recent years.

Fee Name	FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
	Adopted Fee	Cost Recovery %	Adopted Fee	Cost Recovery %	Adopted Fee	Cost Recovery %	Adopted Fee	Cost Recovery %	Adopted Fee	Cost Recovery %
Civilian - Commercial	\$31.00	100%	\$31.00	100%	\$55.00	100%	\$55.00	100%	\$55.00	100%
Civilian - Non-profit	\$23.00	74%	\$23.00	74%	\$23.00	42%	\$28.00	51%	\$37.00	67%
Sworn - Commercial	\$100.00	100%	\$100.00	100%	\$178.00	100%	\$178.00	100%	\$178.00	100%
Sworn - Non-profit	\$55.00	55%	\$55.00	55%	\$55.00	31%	\$72.00	40%	\$89.00	50%

When the prior comprehensive user fee update was presented to the City Council in FY 2023, the Police Department proposed to eliminate the discount for non-profit special event organizers altogether. However, given the City Council’s interest in maintaining a discount for non-profits relative to commercial organizations, a phased-in approach was approved which decreases the discount annually through FY 2027, ultimately reaching a 33% discount (or 67% cost recovery). If approved by the City Council, the 25% discount (75% cost recovery) for non-profits that are currently proposed due to the City structural budget deficit will supersede the previously approved civilian and sworn hourly rates for non-profit special event organizers.

Fee Name	FY 2026 (Approved per R-313899)		FY 2027 (Approved per R-313899)		FY 2026 (Current Proposal)		FY 2027 (Current Proposal)	
	Adopted Fee	Cost Recovery %	Adopted Fee	Cost Recovery %	Adopted Fee	Cost Recovery %	Proposed Fee	Cost Recovery %
Civilian - Commercial	\$55.00	100%	\$55.00	100%	\$76.00	100%	\$76.00	100%
Civilian - Non-profit	\$37.00	67%	\$37.00	67%	\$57.00	75%	\$57.00	75%
Sworn - Commercial	\$178.00	100%	\$178.00	100%	\$205.00	100%	\$205.00	100%
Sworn - Non-profit	\$104.00	58%	\$119.00	67%	\$154.00	75%	\$154.00	75%

Inspection Fee – Engineering & Capital Projects

Fee Name	Department	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Inspection Fee	Engineering & Capital Projects	Engineering and Capital Projects	\$ 290.00	\$ 366.70	\$ 515.63	71%	\$ 1,798,000	\$ 2,555,000	\$ 757,000
Standard			\$ 116.00	\$ 146.80	\$ 220.80	66%	\$ 885,000	\$ 1,331,000	\$ 446,000
After Hours			\$ 174.00	\$ 219.90	\$ 294.83	75%	\$ 913,000	\$ 1,224,000	\$ 311,000

The Engineering and Capital Projects Department (E&CP) Inspection Fee is designed to recover costs associated with inspecting construction activities within the public right-of-way. These inspections ensure that infrastructure projects related to *both* private development *and* City capital improvement projects comply with City standards.

The proposed E&CP inspection fee for FY 2026 is not set for full cost recovery primarily because inspection services for all *new* private development permit work in the right-of-way were transferred to the Development Services Department (DSD) in 2023. However, E&CP remains responsible for inspecting permits throughout the life of existing projects.

Currently, the E&CP inspection fee is \$116 per hour and \$174 for after-hours inspections. The new rates, based on the average hourly cost for DSD staff performing inspections, will increase to \$174 per hour and \$219.90 for after-hours work. However, E&CP’s costs are higher, at \$220.80 per hour and \$294.83 for after-hours, due to differences in load, add-on pay, and other operational factors.

To prevent confusion and ensure developers are not charged different amounts for the same services, E&CP recommends aligning its rates with DSD’s fees.

Collection Referral – City Treasurer

Fee Name	Department	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Collection Referral	City Treasurer	General Fund	Greater of \$25 or 10%, up to \$1,000	Greater of \$40 or 10%, up to \$5,000	N/A	91%	\$ 3,840,000	\$ 4,200,000	\$ 360,000

The City Treasurer’s Office’s (CTO’s) Delinquent Accounts Program is responsible for collecting outstanding debts, which incurs a collection referral fee. The CTO is proposing to raise its minimum collection referral fee per incident from \$25 to \$40 and to raise the maximum from \$1,000 to \$5,000.

If the proposed fee increase is approved, the CTO projects that a 100% debt recovery rate in FY 2026 could generate \$4.2 million in collection referral fee revenue, which would cover the full cost of the Delinquent Accounts Program. However, the CTO only projects a 91.0% debt recovery rate for FY 2026, anticipating only \$3.8 million in revenue. The remaining \$360,000 needed to cover the full cost of the program would potentially be subsidized by the General Fund.

Staff noted that the CTO recently implemented a new debt collections system and additional process improvements that could raise the City’s debt recovery rate. If these improvements are successful, increasing the collection referral fee beyond the current proposal may cause collection referral fee revenue to exceed the full cost of the Delinquent Accounts Program.

The Delinquent Accounts Program generates other General Fund revenues beyond the collection referral fee, such as interest and treble damages on principal debt accounts. In FY 2024, the Delinquent Accounts Program generated \$703,000 in revenue from interest and \$2,000 from treble damages.

Interlibrary Loan Service – Library

Fee Name	Department	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C-B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Interlibrary Loan Service	Library	General Fund	\$ 5.00	\$ 5.00	\$ 139.54	4%	\$ 4,000	\$ 105,000	\$ 101,000

Members of the public with a San Diego Public Library card may request books and other library materials that are not available within the San Diego Public Library from other library systems, such as other municipal libraries or the California State Library. Currently, there is a \$5.00 fee related to this service. The Library Department is proposing to retain this fee amount to promote and increase the usage of library services and maintain equitable access for users. The Department projects that this fee would generate \$4,000 in revenue for FY 2026, with an associated cost of \$105,000, potentially requiring a \$101,000 subsidy from the General Fund.

Most of those costs, however, are related to personnel, particularly for librarians who provide various services in addition to supporting interlibrary loan requests. Staff estimates that librarians take about one hour of their staff time to provide this service, which includes researching the availability of library materials and submitting requests for them, and notes that the \$5.00 fee is only intended to cover non-personnel costs, such as mailing supplies.

Parks and Recreation Department Fees³

The Parks and Recreation Department’s current user fee schedule includes approximately 200 fees that are collected for the use of various park facilities, properties, and programs. Most of these fees only partially recover City costs, which is typical for recreation user fees given the general public benefit provided to residents. As a part of the Citywide comprehensive user fee update, Parks and Recreation is recommending that its user fees be increased, largely across the board, by 19.5% based on CPI cost increases.

In response to the direction provided at the February 5, 2025, B&GE Committee meeting, our Office worked with staff to determine whether separate fees could be established and charged based on residency. Parks and Recreation has used a residency-based user fee structure in the past, under which non-residents were charged a fee twice that of the resident rate. This fee structure

³ The entire proposed FY 2026 user fee schedule for PAR fees is available [here](#).

could be reinstated and incorporated into the Department's user fee schedule; however, full implementation across *all* fees cannot be implemented immediately.

Since 2012, the Department has used Active Network recreation management software (ActiveNet) for programming registrations and facility reservations, including the payment of associated fees. An automated fee calculator is used in conjunction with ActiveNet to determine appropriate fee amounts charged to users. Implementing non-resident fees will require a manual update to the fee calculator for each fee, which is expected to take at least 4-6 months for the City's IT consultant (CGI) to complete. For this reason, staff is proposing a *pilot program* under which non-resident user fees that can be updated quickly are instituted as of July 1, 2025.

Fees with non-resident amounts under the pilot are proposed to include ground use fees charged to commercial users, parking lot use fees, Regional Parks special use fees, adult hourly field and court rental fees, building and facility rental fees charged to commercial users, and campground use fees.

Notably, the Department is conducting a Request for Proposals (RFP) process to replace ActiveNet with more modern recreation management software. Subject to funding availability, the Department anticipates that new software could be implemented in Fall 2026. This timing should be taken into consideration when determining whether to move forward with ActiveNet updates for remaining non-resident fees beyond the pilot.

Limited data is currently available to determine the extent to which non-residents use Parks and Recreation services and facilities. The department staff's current estimate is 10% non-resident. If this estimate is accurate, the proposed pilot fees would generate approximately \$151,000 assuming non-residents are charged double the amount of proposed rates (i.e., including a 19.5% increase). If fees were doubled across *all* Parks and Recreation fees, the total annual revenue generated would be approximately \$615,000. Implementation of the pilot program should give the City additional information on the proportion of resident and non-resident park users that would allow better revenue estimates.

Parks and Recreation staff indicated that the Department previously moved away from residency-based fees to simplify its user fees and avoid added staff time and responsibility associated with residency verification. However, should the City move forward with non-resident fees, the impact on staff is likely to be mitigated through the use of ActiveNet or subsequent software systems. That said, impacts may remain and could require the City to meet and confer with the San Diego Municipal Employees Association (MEA). Additionally, further legal review by the City Attorney's Office for individual fees may be required to verify compliance with Proposition 26.

Beyond non-resident fees, the City Council should also consider further increasing select user fees to achieve full cost recovery. The Department identified several fees focused on commercial and adult activities which could generate up to \$1.0 million in additional revenue annually. Included are long-term boat beaching (beach bar) fees, mooring rentals, ground use fees, adult sports league team fees, and Mt. Hope Cemetery burial services, among others. Of these, increasing adult sports league team fees up to full cost recovery constitutes the majority of this potential revenue at an estimated \$760,000, though this does not account for any reduced activity that may result from

increased fees. To minimize impacts and allow sufficient time for leagues to adjust their operations, staff recommends a phased-in fee increase: 50% cost recovery beginning July 1, 2025; 75% cost recovery beginning January 1, 2026; and 100% cost recovery beginning July 1, 2026. The fee amounts associated with these cost recovery levels are provided in the table below. A list of potential Parks and Recreation fees to consider for full cost recovery, and the associated General Fund subsidy amounts currently being proposed, is provided in [Attachment 2](#).

Fee Name	Current Fee	Proposed Fee (19.5% increase)		Cost Recovery		
		Amount	Cost Recovery %	50%	75%	100%
Adult League Team Fee (unlit)*	\$ 111.00	\$ 133.00	38%	\$ 176.00	\$ 264.00	\$ 352.00
Adult League Team Fee Lighted*	\$ 138.00	\$ 165.00	47%	\$ 176.00	\$ 264.00	\$ 352.00
Court Use - Adult Team Fee*	\$ 83.00	\$ 99.00	76%	\$ 65.00	\$ 97.50	\$ 130.00

* Fee charged per team. Additional Recreation Center Fund fees apply

CONCLUSION

This report includes additional information on both the Comprehensive User Fee Analysis that was presented to the Budget and Government Efficiency Committee on February 5, 2025, as well as additional analysis on the potential to set separate resident and non-resident fees for Parks and Recreation Department programs. In general, our Office finds the proposed fees to be reasonable and supports updates to fees that will bring them to or closer to full cost recovery. Additional revenue from fees will help offset some of the need for additional cuts during the development and adoption of the FY 2026 Budget. Additional concluding remarks for each set of fees are provided below.

General User Fees (excluding Park & Recreation Fees)

Our Office recommends adopting the FY 2026 Comprehensive User Fee Analysis and authorizing departments to adjust user fees at the beginning of each fiscal year based on the incremental changes to personnel-related salary and fringe benefit expenses.

Beyond the comprehensive user fee study that is performed every three to five years per City Council Policy 100-05, we also recommend that departments regularly and proactively adjust their user fees each year to account for increases in the regional Consumer Price Index, personnel expense increases, and other contractual or policy obligations that may increase the cost to administer fee-based programs and services. Regular and incremental changes will cause less strain on fee payers, particularly non-profits and community groups, than infrequent large changes.

Councilmembers noted legitimate concerns about the City's General Fund subsidizing fees for programs and services that may only benefit select groups, and presenting and understanding the context surrounding each fee is important. Of the user fees we discuss that are not proposed to be 100% cost recoverable, all of them are proposed to be increased by anywhere from 15% to 73% above their current rate. Those increases, in addition to all other proposed fee changes, are estimated to generate \$22.8 million in new revenue Citywide, of which \$19.6 million would go to the General Fund, in FY 2026.


Additionally, we recommend that future comprehensive user fee studies also identify which fund is paying expenses associated with each fee, which fund receives the fee revenue, and each fee's estimated annual revenue as a percentage of the fund's total revenue sources. This information would provide the Council and public with more context on the relative scale that each fee has on the larger budget for the department, fund, and City as a whole.

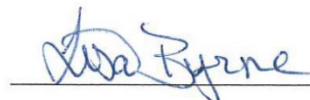
Parks and Recreation Department Fees

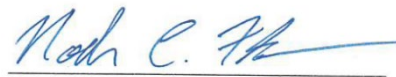
Our Office worked with Parks and Recreation staff to determine that separate fees can be charged to non-resident users of Parks and Recreation services and facilities. However, manual updates to the City's recreation management software will be required, which precludes immediate implementation. Moving forward with the staff's proposed non-resident fee pilot program, which includes those fees that can be implemented most quickly, will allow the City to incrementally move towards a residency-based user fee structure and provide data regarding non-resident park use which can better inform future revenue projections.

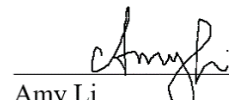
Staff also identified several fees focused on commercial and adult activities that should be considered for full cost recovery. If fully implemented, approximately \$1.0 million in additional revenue could be generated annually, though the most significant component, adult sports league team fees, are recommended to be phased in over the course of FY 2026.

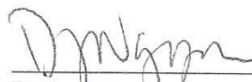
We recommend the City move forward both with implementing the proposed non-resident fee pilot program, as well as seeking additional cost recovery for the proposed fees on commercial and adult activities.


Sergio Alcalde
Associate Fiscal and Policy Analyst



Lisa Byrne
Principal Fiscal and Policy Analyst


Noah Fleishman
Fiscal and Policy Analyst


Amy Li
Senior Fiscal and Policy Analyst


Donny Nguyen
Senior Fiscal and Policy Analyst


Baku Patel
Senior Fiscal and Policy Analyst


APPROVED: Charles Modica
Independent Budget Analyst

Attachment 1: Proposed FY 2026 User Fees - Subsidized Costs Over \$100,000

Attachment 2: Proposed FY 2026 Parks and Recreation User Fees - Subsidized Costs for Select Activities

Attachment 1: Proposed FY 2026 User Fees - Subsidized Costs Over \$100,000

PROPOSED FY 2026 USER FEES - SUBSIDIZED COSTS OVER \$100,000									
Fee Name	Dept.	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
General Plan Maintenance Fee	City Planning	General Plan Maintenance Fund	\$ 548.00	\$ 737.00	\$ 1,475.33	50%	\$ 5,822,000	\$ 11,655,000	\$ 5,833,000
Large Aircraft (over 12,500lb) Landing Fee	Economic Development Department	Airport Enterprise Fund	\$ 1.10	\$ 1.26	\$ 10.93	12%	\$ 135,000	\$ 1,174,000	\$ 1,038,000
Non-Profit Special Event Fee ¹	Police	General Fund	\$ 126.00	\$ 211.00	\$ 281.00	75%	\$ 3,154,000	\$ 4,202,000	\$ 1,048,000
<i>Civilian</i>			\$ 37.00	\$ 57.00	\$ 76.00	75%	\$ 1,803,000	\$ 2,404,000	\$ 601,000
<i>Sworn</i>			\$ 89.00	\$ 154.00	\$ 205.00	75%	\$ 1,351,000	\$ 1,798,000	\$ 447,000
Inspection Fee ²	Engineering & Capital Projects	Engineering and Capital Projects	\$ 290.00	\$ 366.70	\$ 515.63	71%	\$ 1,798,000	\$ 2,555,000	\$ 757,000
<i>Standard</i>			\$ 116.00	\$ 146.80	\$ 220.80	66%	\$ 885,000	\$ 1,331,000	\$ 446,000
<i>After Hours</i>			\$ 174.00	\$ 219.90	\$ 294.83	75%	\$ 913,000	\$ 1,224,000	\$ 311,000
Collection Referral	City Treasurer	General Fund	Greater of \$25 or 10%, up to \$1,000	Greater of \$40 or 10%, up to \$5,000	N/A	91%	3,840,000	4,200,000	\$ 360,000
Interlibrary Loan Service ³	Library	General Fund	\$ 5.00	\$ 5.00	\$ 139.54	4%	\$ 4,000	\$ 105,000	\$ 101,000
Total							\$ 14,754,000	\$ 23,892,000	\$ 9,138,000

Table may not foot due to rounding

1. The Police Department's "Non-Profit Special Event Fee" includes salary and fringe benefits for civil and sworn personnel, so the overall number is the sum of both and not the actual fee.
2. The Engineering & Capital Projects' "Inspection Fee" includes standard and overtime inspection fees, so the overall number is the sum of both and not the actual fee.
3. The total annual cost for Interlibrary Loan Service includes estimated staff time, which may overstate actual costs.

Attachment 2: Proposed FY 2026 Parks and Recreation User Fees - Subsidized Costs for Select Activities

PROPOSED FY 2026 PARKS AND RECREATION USER FEES - SUBSIDIZED COSTS FOR SELECT ACTIVITIES								
Fee Name	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Ground Use Fees								
Ground Use Fees 50-300 persons Other Users (Commercial/Non-Commercial/Other)	General Fund	\$ 191.00	\$ 191.00	\$ 203.70	94%	\$ 418,481	\$ 446,307	\$ 27,826
Outdoor Facility Use Fees								
Special Equipment Set-Up (Per equip/per day)	General Fund	\$ 24.00	\$ 29.00	\$ 31.00	94%	\$ 116,870	\$ 124,930	\$ 8,060
ART MART - per Exhibitor per year	General Fund	\$ 17.00	\$ 20.00	\$ 21.00	95%	\$ 1,380	\$ 1,449	\$ 69
Pedi-Cab Permit (Monthly)	General Fund	\$ 48.00	\$ 57.00	\$ 60.00	95%	\$ 1,197	\$ 1,260	\$ 63
Pedi-Cab Permit (Special events per day)	General Fund	\$ 48.00	\$ 57.00	\$ 60.00	95%	\$ -	\$ -	\$ -
Unattended Exhibit Displays (Per Space/event)	General Fund	\$ 24.00	\$ 29.00	\$ 31.00	94%	\$ -	\$ -	\$ -
Annual Beach Bar Rental (Long-term Boat Beaching) (Per location/Per year)	General Fund	\$ 171.00	\$ 204.00	\$ 266.00	77%	\$ 34,680	\$ 45,220	\$ 10,540
Mooring Rental (Per mooring per year)	General Fund	\$ 808.00	\$ 965.00	\$ 1,621.00	60%	\$ 77,200	\$ 129,680	\$ 52,480
Mooring Installation or Relocation Fee (per request)	General Fund	\$ 488.00	\$ 583.00	\$ 644.00	91%	\$ 4,664	\$ 5,152	\$ 488

PROPOSED FY 2026 PARKS AND RECREATION USER FEES - SUBSIDIZED COSTS FOR SELECT ACTIVITIES								
Fee Name	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Sports League Rates - Field, Gymnasium & Courts								
Adult League Team Fee Unlit	General Fund	\$ 111.00	\$ 133.00	\$ 352.00	38%	\$ 267,862	\$ 708,928	\$ 441,066
Adult League Team Fee Lighted	General Fund	\$ 138.00	\$ 165.00	\$ 352.00	47%	\$ 269,610	\$ 575,168	\$ 305,558
Court Use - Adult Team Fee	General Fund	\$ 83.00	\$ 99.00	\$ 130.30	76%	\$ 41,877	\$ 55,117	\$ 13,240
Campground Fees								
Kumeyaay Campground - Overnight per site	General Fund	\$ 22.00	\$ 26.00	\$ 45.29	57%	\$ 103,506	\$ 180,299	\$ 76,793
Mt. Hope Cemetery Burial Services								
Adult Liner Handling/Installation	General Fund	\$ 274.00	\$ 327.00	\$ 357.02	92%	\$ 13,080	\$ 14,281	\$ 1,201
Oversize Adult Liner Handling/Installation	General Fund	\$ 514.00	\$ 614.00	\$ 669.74	92%	\$ -	\$ -	\$ -
Adult Top-Seal Vault Handling/Installation	General Fund	\$ 274.00	\$ 327.00	\$ 357.02	92%	\$ 41,529	\$ 45,342	\$ 3,813
Oversize Top-Seal Vault Handling/Installation	General Fund	\$ 549.00	\$ 656.00	\$ 715.35	92%	\$ 1,968	\$ 2,146	\$ 178
Double Depth Crypt Handling/Installation	General Fund	\$ 549.00	\$ 656.00	\$ 715.35	92%	\$ 99,056	\$ 108,017	\$ 8,961
Urn Vault Handling/Installation	General Fund	\$ 57.00	\$ 68.00	\$ 74.27	92%	\$ 14,008	\$ 15,300	\$ 1,292
Infant Box Handling/Installation	General Fund	\$ 137.00	\$ 164.00	\$ 178.51	92%	\$ 1,148	\$ 1,250	\$ 102
Child Box Handling/Installation	General Fund	\$ 274.00	\$ 327.00	\$ 357.02	92%	\$ 654	\$ 714	\$ 60

PROPOSED FY 2026 PARKS AND RECREATION USER FEES - SUBSIDIZED COSTS FOR SELECT ACTIVITIES								
Fee Name	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Temporary Marker Handling/Installation	General Fund	\$ 57.00	\$ 68.00	\$ 74.27	92%	\$ 68	\$ 74	\$ 6
Adult Lot Opening & Closing	General Fund	\$ 486.00	\$ 581.00	\$ 633.26	92%	\$ 89,474	\$ 97,522	\$ 8,048
Double Depth Lot Opening & Closing	General Fund	\$ 600.00	\$ 717.00	\$ 781.80	92%	\$ 205,779	\$ 224,377	\$ 18,598
Cremation Lot Opening & Closing	General Fund	\$ 240.00	\$ 287.00	\$ 312.72	92%	\$ 59,122	\$ 64,420	\$ 5,298
Child Lot Opening & Closing	General Fund	\$ 366.00	\$ 437.00	\$ 476.90	92%	\$ 874	\$ 954	\$ 80
Infant Lot Opening & Closing	General Fund	\$ 240.00	\$ 287.00	\$ 312.72	92%	\$ 2,009	\$ 2,189	\$ 180
Marker Installation (flat)	General Fund	\$ 286.00	\$ 342.00	\$ 372.66	92%	\$ 120,042	\$ 130,803	\$ 10,761
Re-Set Marker (Like size)	General Fund	\$ 57.00	\$ 68.00	\$ 74.27	92%	\$ 1,020	\$ 1,114	\$ 94
Re-Set Marker (Unlike size)	General Fund	\$ 103.00	\$ 123.00	\$ 134.21	92%	\$ 2,460	\$ 2,684	\$ 224
Vase Installation	General Fund	\$ 86.00	\$ 103.00	\$ 112.06	92%	\$ 36,359	\$ 39,556	\$ 3,197
Monument Base Installation	General Fund	\$ 286.00	\$ 342.00	\$ 372.66	92%	\$ -	\$ -	\$ -
Monument Border Installation	General Fund	\$ 200.00	\$ 239.00	\$ 260.60	92%	\$ -	\$ -	\$ -
Mt. Hope Cemetery Burial Services - Additional Fees for Overtime/Weekends								
Weekend Adult/Child Burial (Exceed 2 Hours)	General Fund	\$ 573.00	\$ 657.00	\$ 717.00	92%	\$ 10,512	\$ 11,472	\$ 960

PROPOSED FY 2026 PARKS AND RECREATION USER FEES - SUBSIDIZED COSTS FOR SELECT ACTIVITIES								
Fee Name	Fund	A Current Fee Amount	B Proposed Fee Amount	C Amount for 100% Cost Recovery	D (C÷B) Cost Recovery %	E Projected Annual Revenue	F Total Annual Cost	G (F-E) Total Subsidized Cost
Weekend Infant Burial (Exceed 2 Hours)	General Fund	\$ 286.00	\$ 321.00	\$ 351.00	91%	\$ 5,136	\$ 5,616	\$ 480
Weekend Cremation (Exceed 2 Hours)	General Fund	\$ 286.00	\$ 321.00	\$ 351.00	91%	\$ -	\$ -	\$ -
Disinterment (Adult)	General Fund	\$ 908.00	\$ 1,037.00	\$ 1,131.00	92%	\$ 13,481	\$ 14,703	\$ 1,222
Disinterment Double Depth in "A" Placement	General Fund	\$ 1,429.00	\$ 1,618.00	\$ 1,764.00	92%	\$ -	\$ -	\$ -
Disinterment (Child)	General Fund	\$ 712.00	\$ 819.00	\$ 893.00	92%	\$ -	\$ -	\$ -
Disinterment (Infant)	General Fund	\$ 516.00	\$ 600.00	\$ 654.00	92%	\$ 1,200	\$ 1,308	\$ 108
Disinterment (Cremains)	General Fund	\$ 516.00	\$ 600.00	\$ 654.00	92%	\$ -	\$ -	\$ -
Canopy	General Fund	\$ 130.00	\$ 155.00	\$ 194.00	80%	\$ 1,550	\$ 1,940	\$ 390
Total						\$ 2,057,856	\$ 3,059,292	\$ 1,001,436