
FINANCE COMMITTEE AGENDA – Special Meeting

A Committee of the Chico City Council: Councilmember Hawley, Vice Mayor Bennett, and Chair van Overbeek

Meeting of Wednesday, May 28, 2025 – 9:00 a.m. to 11:00 a.m.

Meeting Location: Council Chamber Building, Conference Room 1, 421 Main St. Chico, CA

SPECIAL AGENDA - *The public shall have an opportunity to address the Committee on the items described in the agenda before or during consideration of that item. (Government Code § 54954.3(a).) The Committee is prohibited by law from considering any other business at this meeting.*

A. CONSIDERATION OF FEE SCHEDULE CHANGES SUBJECT TO HIGHWAY CONSTRUCTION COST INDEX INCREASE

At its meeting of 05/06/2025, the Council held a Public Hearing regarding amendments to the City's Fee Schedule. The Council referred the fee schedule changes subject to the Highway Construction Cost Index increase to the Finance Committee for further discussion and public input. **(Report – Heather Childs, Accounting Manager)**

Recommendation: *The Administrative Services Director recommends that the Finance Committee approve the changes to existing fees requiring public hearing and forward its recommendation to the City Council for consideration.*

B. FINANCE COMMITTEE MEETING START TIME

Chair van Overbeek has requested to change the official start time of the Finance Committee meetings to 9:00 a.m.

C. ADJOURNMENT - The meeting will adjourn no later than 11:00 a.m. to the next regular Finance Committee Meeting on June 18, 2025, at 9:00 a.m. in Conference Room 1 at 421 Main St.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda. In order to maintain an accurate and complete record, the following procedural guidelines are being implemented:

1. Speaker Cards – speakers will be asked to print his/her name on a speaker card to address the Committee and provide card to the Clerk prior to the completion of the Staff Report.
2. The Clerk will call on speakers in the order the cards are received.
3. Speakers may address the Committee one time per agenda item.
4. Speakers will have three minutes to address the Committee.

Posted: 5/23/25 prior to 5:00 p.m. at 421 Main St. Chico, CA 95928 and www.chicoca.gov

Copies of the agenda packet are available for review at: City Clerk's Office, 411 Main St. Chico, CA.



Please contact the City Clerk at 530-896-7250 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.



TO: Finance Committee

FROM: Heather Childs, Accounting Manager

RE: City of Chico Proposed Fee Schedule Changes

REPORT IN BRIEF:

In accordance with Budget Policy E.5, changes in the City's Fee Schedule will be brought to Council annually and incorporated into the budget approval process each year. At the May 6, 2025 city Council meeting, a Public Hearing was opened regarding amended fees. It was recommended by the City Council to bring the fees increased using the California Department of Transportation Highway Construction Cost Index (HCI) back to the Finance Committee for further discussion.

RECOMMENDATION:

The Administrative Services Director recommends that the Finance Committee approve the changes to existing fees requiring public hearing and forward its recommendation to the City Council for consideration.

FISCAL IMPACT:

Approval of the recommendation to forward fee adjustments to City Council will help ensure that the City is recovering its cost of providing services.

Budgeted: Yes **Supplemental Required:** No

BACKGROUND:

Along with the requirements of the City of Chico Budget Policy E.5, requests for certain fee increases are subject to procedural requirements as set forth in Government Code Sections 66016-66018, including notice and applicable public hearings.

DISCUSSION:

The fees that are increased using the HCI are those fees that are to be used for Transportation Facility Fees and Storm Drainage Facility Fees. The HCI is calculated based on a 3-year average of the annual cost index at December 31st each year. This information is provided by the California Department of Transportation (Caltrans).

City of Chico Municipal Code Sections 3.85.320 and 3.85.420 discuss the annual adjustments to these fees and state: "... proportional to the increase in such costs shall be made by the city manager and shall be based exclusively on the net percentage increase during the preceding year, as published in the Caltrans Highway Construction cost index. The index used shall be a rolling three (3) year average, or prior twelve (12) quarters index average."

The fee increase of 23.4% was calculated per the requirements of the City of Chico Municipal Code.

The Finance Committee is asked to review, approve, or comment on the proposed fee changes listed in Exhibit A.

Exhibit A – Proposed Fee Changes for FY2025-26 Subject to HCI Requiring a Public Hearing.

Requests for certain fee increases are subject to procedural requirements as set forth in Government Code Sections 66016-66018, including notice and applicable public hearings. This schedule reflects applicable changes to those inflated by the HCI – 23.40%, which is based on the California Department of Transportation (Caltrans) Annual Cost Index.

Exhibit B – History of California Department of Transportation Highway Construction Cost Index

Includes data dating back to 2012 showing the increase in the Highway Construction Cost Index.

Exhibit C – City of Chico's 3-Year Rolling Average Calculations

Includes data on the % of change calculated by staff.

ATTACHMENTS:

- Exhibit A: Proposed Fee Changes for FY2025-26 Subject to HCI Requiring a Public Hearing
- Exhibit B: History of California Department of Transportation Highway Construction Cost Index
- Exhibit C: City of Chico's 3-Year Rolling Average Calculations

Department	Fee Schedule #	Fee Schedule Title	Fee Item Description	Inflator	Previous Fees	Proposed Fee FY 24-25	Fee Change	Notes
Community Development	50.010	Transportation Facility Fees	Street Facility Improvement Fee - Residential- Single Family	HCI	\$ 11,488.00	\$ 14,176.00	\$ 2,688.00	Per Dwelling Unit
Community Development	50.010	Transportation Facility Fees	Street Facility Improvement Fee - Residential- Multiple Family	HCI	\$ 9,806.00	\$ 12,100.00	\$ 2,294.00	Per Dwelling Unit
Community Development	50.010	Transportation Facility Fees	Street Facility Improvement Fee - Commercial- Retail	HCI	\$ 22.12	\$ 27.30	\$ 5.18	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Street Facility Improvement Fee - Commercial- Office	HCI	\$ 5.13	\$ 6.33	\$ 1.20	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Street Facility Improvement Fee - Industrial	HCI	\$ 2.58	\$ 3.19	\$ 0.60	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Street Facility Improvement Fee - Other	HCI	\$ 248.00	\$ 306.00	\$ 58.00	Avg Daily Vehicle Trips rate
Community Development	50.010	Transportation Facility Fees	Street Maintenance Equipment Fee - Residential- Single Family	HCI	\$ 295.50	\$ 364.50	\$ 69.00	Per Dwelling Unit
Community Development	50.010	Transportation Facility Fees	Street Maintenance Equipment Fee - Residential- Multiple Family	HCI	\$ 252.00	\$ 311.00	\$ 59.00	Per Dwelling Unit
Community Development	50.010	Transportation Facility Fees	Street Maintenance Equipment Fee - Commercial- Retail	HCI	\$ 0.57	\$ 0.70	\$ 0.13	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Street Maintenance Equipment Fee - Commercial- Office	HCI	\$ 0.14	\$ 0.17	\$ 0.03	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Street Maintenance Equipment Fee - Industrial	HCI	\$ 0.06	\$ 0.08	\$ 0.01	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Street Maintenance Equipment Fee - Other	HCI	\$ 9.87	\$ 12.18	\$ 2.31	Avg Daily Vehicle Trips rate
Community Development	50.010	Transportation Facility Fees	Bikeway Improvement Fee - Residential- Single Family	HCI	\$ 794.00	\$ 980.00	\$ 186.00	Per Dwelling Unit
Community Development	50.010	Transportation Facility Fees	Bikeway Improvement Fee - Residential- Multiple Family	HCI	\$ 678.00	\$ 836.00	\$ 158.00	Per Dwelling Unit
Community Development	50.010	Transportation Facility Fees	Bikeway Improvement Fee - Commercial- Retail	HCI	\$ 1.53	\$ 1.89	\$ 0.36	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Bikeway Improvement Fee - Commercial- Office	HCI	\$ 0.35	\$ 0.43	\$ 0.08	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Bikeway Improvement Fee - Industrial	HCI	\$ 0.17	\$ 0.21	\$ 0.04	Per Square Foot
Community Development	50.010	Transportation Facility Fees	Bikeway Improvement Fee - Other	HCI	\$ -	\$ -	\$ -	No Fee
Community Development	50.010	Transportation Facility Fees	Credits to Fees - Change in use from existing residential use to a nonresidential use	HCI	\$ -	\$ -	\$ -	A credit shall be provided at the amount equal to the transportation facility fee for the previous residential use
Community Development	50.010	Transportation Facility Fees	Credits to Fees - Change in use from existing nonresidential use to residential use, or to another nonresidential use which requires a certificate of occupancy	HCI	\$ -	\$ -	\$ -	A credit shall be provided at the amount equal to the transportation facility fee for the previous residential use
Community Development	50.010	Transportation Facility Fees	Properties located in assessment district formed prior to 1/1/1985 and for a purpose which included street facility improvements of general benefit to the City or any portion outside of the district boundaries - Village Park Assessment District	HCI	\$ -	\$ -	\$ -	38% Credit

Department	Fee Schedule #	Fee Schedule Title	Fee Item Description	Inflator	Previous Fees	Proposed Fee FY 24-25	Fee Change	Notes
Community Development	50.010	Transportation Facility Fees	Properties located in assessment district formed prior to 1/1/1985 and for a purpose which included street facility improvements of general benefit to the City or any portion outside of the district boundaries - Eastwood Assessment District	HCI	\$ -	\$ -	\$ -	12% Credit
Community Development	50.010	Transportation Facility Fees	Deferral of Fees - Single family residential	HCI	\$ -	\$ -	\$ -	Administrative fee equals 2% of deferred Transportation Facility Fees
Community Development	50.010	Transportation Facility Fees	Deferral of Fees - Single family residential	HCI	\$ -	\$ -	\$ -	Owner May Pay Administrative Fee \$150 at Issuance of Permit for the Temporary Deferral of Transportation Facility Fees - In effect until 9/4/14 - Payment in Full to be Paid 1 Year from the date of Issuance of the Building Permit or Until the Date of the Final Inspection or the Issuance of the Conditional or Final Certificate of Occupancy, Whichever Occurs First
Community Development	50.010	Transportation Facility Fees	Deferral of Fees - Multifamily Residential or Nonresidential	HCI	\$ -	\$ -	\$ -	Administrative fee equals 2% of deferred Transportation Facility Fees
Community Development	50.010	Transportation Facility Fees	Deferral of Fees - Multifamily Residential or Nonresidential	HCI	\$ -	\$ -	\$ -	Owner may pay to the City an Administrative Fee of 1% if the Deferred Transportation Facility Fees in an Amount not to Exceed \$1000. Temporary Deferral of Fees will be in effect until 9/4/14- Payment in Full to be Paid 1 Year from the date of Issuance of the Building Permit or Until the Date of the Final Inspection or the Issuance of the Conditional or Final Certificate of Occupancy, Whichever Occurs First
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Butte Creek	HCI	\$ 25,836.00	\$ 31,881.00	\$ 6,045.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees-Single Family - Butte Creek	HCI	\$ 12,918.00	\$ 15,941.00	\$ 3,023.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees- Multiple Family Residential - Butte Creek	HCI	\$ 19,377.00	\$ 23,912.00	\$ 4,535.00	Multiple Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - Butte Creek	HCI	\$ 20,669.00	\$ 25,506.00	\$ 4,837.00	Commercial and Industrial Per Acre Cost

Department	Fee Schedule #	Fee Schedule Title	Fee Item Description	Inflator	Previous Fees	Proposed Fee FY 24-25	Fee Change	Notes
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Comanche Creek	HCI	\$ 26,949.00	\$ 33,255.00	\$ 6,306.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Single Family - Comanche Creek	HCI	\$ 13,475.00	\$ 16,628.00	\$ 3,153.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Multiple Family - Comanche Creek	HCI	\$ 20,212.00	\$ 24,941.00	\$ 4,729.00	Multiple Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - Comanche Creek	HCI	\$ 21,559.00	\$ 26,604.00	\$ 5,045.00	Commercial and Industrial Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Little Chico Creek	HCI	\$ 29,362.00	\$ 36,233.00	\$ 6,871.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Single Family - Little Chico Creek	HCI	\$ 14,682.00	\$ 18,118.00	\$ 3,436.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Multiple Family - Little Chico Creek	HCI	\$ 22,022.00	\$ 27,175.00	\$ 5,153.00	Multiple Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - Little Chico Creek	HCI	\$ 23,491.00	\$ 28,988.00	\$ 5,497.00	Commercial and Industrial Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Big Chico Creek	HCI	\$ 21,893.00	\$ 27,016.00	\$ 5,123.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Single Family - Big Chico Creek	HCI	\$ 10,946.00	\$ 13,507.00	\$ 2,561.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Multiple Family - Big Chico Creek	HCI	\$ 16,418.00	\$ 20,260.00	\$ 3,842.00	Multiple Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - Big Chico Creek	HCI	\$ 17,514.00	\$ 21,613.00	\$ 4,099.00	Commercial and Industrial Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Lindo Channel	HCI	\$ 26,713.00	\$ 32,963.00	\$ 6,250.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Single Family - Lindo Channel	HCI	\$ 13,356.00	\$ 16,482.00	\$ 3,126.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Multiple Family - Lindo Channel	HCI	\$ 20,034.00	\$ 24,722.00	\$ 4,688.00	Multiple Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - Lindo Channel	HCI	\$ 21,369.00	\$ 26,370.00	\$ 5,001.00	Commercial and Industrial Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - S.U.D.A.D Ditch	HCI	\$ 23,299.00	\$ 28,751.00	\$ 5,452.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Single Family - S.U.D.A.D Ditch	HCI	\$ 11,649.00	\$ 14,375.00	\$ 2,726.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Multiple Family - S.U.D.A.D Ditch	HCI	\$ 17,473.00	\$ 21,562.00	\$ 4,089.00	Multiple Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - S.U.D.A.D Ditch	HCI	\$ 18,638.00	\$ 23,000.00	\$ 4,362.00	Commercial and Industrial Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Mud-Sycamore Creek	HCI	\$ 20,274.00	\$ 25,018.00	\$ 4,744.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Single Family - Mud-Sycamore Creek	HCI	\$ 10,138.00	\$ 12,510.00	\$ 2,372.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Multiple Family - Mud-Sycamore Creek	HCI	\$ 15,207.00	\$ 18,766.00	\$ 3,559.00	Multiple Family Residential Per Acre Cost

Department	Fee Schedule #	Fee Schedule Title	Fee Item Description	Inflator	Previous Fees	Proposed Fee FY 24-25	Fee Change	Notes
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - Mud-Sycamore Creek	HCI	\$ 16,221.00	\$ 20,017.00	\$ 3,796.00	Commercial and Industrial Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - P.V. Ditch	HCI	\$ 28,732.00	\$ 35,456.00	\$ 6,724.00	Total Cost Per Acre
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Single Family - P.V. Ditch	HCI	\$ 14,366.00	\$ 17,728.00	\$ 3,362.00	Single Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Multiple Family - P.V. Ditch	HCI	\$ 21,549.00	\$ 26,591.00	\$ 5,042.00	Multiple Family Residential Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Storm Drainage Facility Fees - Commercial and Industrial - P.V. Ditch	HCI	\$ 22,986.00	\$ 28,365.00	\$ 5,379.00	Commercial and Industrial Per Acre Cost
Community Development	50.020	Storm Drainage Facility Fees	Fee Computation	HCI	\$ 44.00	\$ 54.00	\$ 10.00	Without Building Plans

EXHIBIT A

**Price Index for Selected
Highway Construction Items
2020 = 100, Fisher formula**

YEAR		Quarterly Index	Last 12 Months' Index
2012	(1st Quarter)	50.9	50.9
2012	(2nd Quarter)	53.3	49.5
2012	(3rd Quarter)	45.3	47.6
2012	(4th Quarter)	58.8	49.8
2013	(1st Quarter)	70.0	51.2
2013	(2nd Quarter)	83.2	52.7
2013	(3rd Quarter)	45.5	56.4
2013	(4th Quarter)	65.9	57.1
2014	(1st Quarter)	82.21	56.87
2014	(2nd Quarter)	63.65	60.37
2014	(3rd Quarter)	65.91	63.39
2014	(4th Quarter)	75.13	64.08
2015	(1st Quarter)	96.02	62.79
2015	(2nd Quarter)	68.73	64.82
2015	(3rd Quarter)	68.98	68.28
2015	(4th Quarter)	76.15	72.03
2016	(1st Quarter)	77.68	73.61
2016	(2nd Quarter)	79.66	76.10
2016	(3rd Quarter)	94.08	85.39
2016	(4th Quarter)	96.91	88.01
2017	(2nd Quarter)	99.73	91.39
2017	(2nd Quarter)	100.34	93.19
2017	(3rd Quarter)	87.92	94.75
2017	(4th Quarter)	80.72	88.56
2018	(1st Quarter)	93.94	88.61
2018	(2nd Quarter)	100.74	89.49
2018	(3rd Quarter)	103.52	92.63
2018	(4th Quarter)	106.04	99.25
2019	(1st Quarter)	84.19	92.95
2019	(2nd Quarter)	118.85	105.83
2019	(3rd Quarter)	111.87	95.99
2019	(4th Quarter)	94.63	94.26
2020	(1st Quarter)	120.02	105.18
2020	(2nd Quarter)	91.97	101.18
2020	(3rd Quarter)	102.06	99.64
2020	(4th Quarter)	102.38	100.00
2021	(1st Quarter)	85.13	89.80
2021	(2nd Quarter)	103.39	91.96
2021	(3rd Quarter)	83.72	86.31
2021	(4th Quarter)	84.17	82.10
2022	(1st Quarter)	97.94	85.24
2022	(2nd Quarter)	94.48	83.50
2022	(3rd Quarter)	138.16	95.65
2022	(4th Quarter)	131.72	108.07
2023	(1st Quarter)	134.48	118.21
2023	(2nd Quarter)	125.41	126.40
2023	(3rd Quarter)	175.12	131.80

2023	(4th Quarter)	.....	149.10	137.15
2024	(1st Quarter)	.....	190.72	147.65
2024	(2 nd Quarter)	.....	168.45	161.65
2024	(3rd Quarter)	.....	197.13	162.21
2024	(4th Quarter)	.....	141.33	158.70

3-YEAR ROLLING AVERAGE CALCULATIONS

<u>YEAR AT 12/31</u>	<u>INDEX</u>	<u>ROLLING 3- YEAR AVERAGE</u>	<u>% CHANGE</u>	<u>NOTES</u>
2010	46.00			
2011	51.60			
2012	49.80	49.13		
2013	57.10	52.83	7.53%	
2014	64.08	56.99	7.87%	
2015	72.03	64.40	13.00%	
2016	88.01	74.71	16.00%	
2017	88.56	82.87	10.92%	
2018	99.25	91.94	10.95%	
2019	94.26	94.02	2.27%	
2020	100.00	97.84	4.06%	
2021	82.10	92.12	-5.84%	
2022	108.07	96.72	-1.14%	% Change from 2020 Average
2023	137.15	109.11	11.52%	% Change from 2020 Average
2024	158.70	134.64	23.40%	% Change from 2023 Average