

CAPISTRANO BAY DISTRICT
AGENDA REPORT
January 28, 2020

Financial Report

ITEM 8b

Progress with Revenue Analysis and User Fee

Since 2003 when the User Fee was voted into inception by the community, there has been some changes in the law that regulates how agencies go about the business of assessing fees for services. Due to these changes, a brief review of our current enabling Resolutions and Engineer's Report indicated that it would be necessary to update our User Fee program. In order to provide time to conduct a thorough review and any subsequent updating, it became necessary for the Board to take a year off from assessing the User Fee, thus, property owners were not billed this year.

For those of you unfamiliar with the purpose of the User Fee, this program was born out of necessity to cover the shortfall between the tax revenue received by the District and expenses necessary to cover District operations.

Currently, the District's Legal Counsel and the original assessment engineering firm are conducting their review of all the enabling documents. The District hopes to have direction in February regarding how to proceed with re-establishing the User Fee program.

Additionally, staff is working with the OC Auditor/Controller to update the current property value and taxation rolls to enable us to provide a more accurate estimate of the revenue received from property taxes each year. Our accuracy here determines what needs to be assessed through the User Fee. And of course as values go up, our revenue increases which eventually gets us to the end goal of lowering the User Fees.