

Approval to Introduce and Waive the First Reading of an Ordinance to Amend Existing Fees for the Department of Public Works Engineering Division

DISCUSSION:

The Public Works Department provides services as required by law to the public and the development community. Some of these services encompass construction inspection, plan review, and project review. These services cannot be paid out of gas tax funds and therefore, Public Works charges fees to provide inspection and review services.

The proposed fee adjustments are based upon average time and costs involved in providing the service. Construction inspection, plan review, and project review fees were last increased in 1991. The cost of providing these services has increased and is not fully recovered under the existing fee structure.

As an example a driveway permit under the current fee system, would cost \$35. A concrete driveway takes a minimum of 3 inspections totaling an average of 2 hours (not including travel time). Calculating the cost of this same permit under the new methodology would be as follows: The base permit fee of \$20 plus the flat rate of \$120 for a total cost of \$140. As a comparison, the City of Modesto's driveway encroachment permit is \$198.

Public Works realizes that in the current economic environment, it would be unreasonable to propose to increase fees in one year to cover the deficit between the current fees charged and the cost of delivering the services that has developed over the last 18 years since the fees were last set in 1991. Therefore, Public Works proposes to increase the fees incrementally over a five-year period.

The majority of Public Works inspection fees are currently at a \$60 flat rate. Flat rates are charged by project category and currently are independent of the actual hours of inspection required for a project. They are also independent of the location, travel time, size, and type of each project.

Public Works proposes to use \$120 flat rate as a baseline for setting inspection services and permit fees based on an average 2 hour inspection per job at \$60/hour. In addition, it is proposed to set a base permit fee of \$20 to cover administrative costs, GIS fee and Flood Plain Administration fee. Public Works is submitting for approval only the first year's fee increase.

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The remaining adjustments will be returned to the Board of Supervisors for approval on an annual basis through year five. The anticipated increments over the next five years for the per hour baseline rate are shown in the following table:

Proposed Increases Over Five Years				
Year 1	Year 2	Year 3	Year 4	Year 5
\$60	\$70	\$80	\$90	\$95

Staff's current average weighted hourly rate is \$85. Based upon the current weighted rate and the proposed fee in year one, Public Works will continue to subsidize these services. With projected equity increases and cost of living increases, it is anticipated that the Department will be able to eliminate the deficit by year five. Exhibit B of the fee analysis includes information indicating how weighted rates were determined for various tasks.

Fee Review Process

In order to determine proposed fee increases, Public Works used the following process:

- Public Works' plan check, encroachment permit, excavation permit, street improvement construction permit, and construction inspection fees were last increased December 17, 1991. In reviewing the fee structure, Public Works staff believed that the fees had fallen behind what is customarily and routinely charged by other San Joaquin Valley governmental entities for the same types of services.
- Public Works' Engineering staff contacted Fresno County, Merced County, and San Joaquin County, and the cities of Ceres, Fresno, Merced, Modesto, and Oakdale to obtain information about the fees they currently charge for plan checks, encroachment permits, excavation permits, street improvement construction permits, and construction inspections.

A spreadsheet was developed listing the fees charged by those government entities along with the current Stanislaus County Public Works fees (Exhibit C).

- The fees charged by other government entities were averaged and compared with the Stanislaus County fees. In addition, the variation in methods for charging the fees was also evaluated. Variations included a flat rate, charging actual time taken to perform the services, and requiring deposits based on a percentage of the engineer's estimated cost to complete the project.
- Based on the above analysis and evaluation, Public Works has arrived at a proposed change in construction review and inspection fees.

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Proposed Fee Changes

Excavation Permit (for any excavation occurring in a County right-of-way): The basic permit fee is proposed to increase to \$20. This fee includes \$5 each for Flood Plain Administrator review and Geographic Information System (GIS) updates as related to the improvements and \$10 for administrative fees. An additional fee for the inspection of the excavation work would change from a \$60 flat fee per 250 or 500 lineal feet of excavation of unpaved or paved area to a \$120 flat fee. The fee is based on the average inspection time of two hours per project.

Encroachment Permit: The flat rate fee that has been charged for an encroachment permit (for construction that occurs in a County right-of-way) for driveway construction has been \$35. The proposed fee increase is to \$120. Inspection for a concrete driveway takes a minimum of 3 inspections totaling on average 2 hours. With an hourly charge of \$60, 2 hours of inspection time equals \$120.

Construction Permits: Permits for street improvements have been charged at a flat rate fee of \$30 for the basic permit and an additional fee of \$60 per 250 lineal feet for inspection of curb and gutter work, sidewalks, and matching pavement construction, and a flat fee of \$60 for drywell inspections. Using a baseline of \$60 per hour and the average inspection time for the listed services of two hours, the proposed fee is \$120 flat rate plus a base permit fee of \$40. This fee includes \$5 each for Flood Plain Administrator review and Geographic Information System (GIS) updates as related to the improvements and \$30 for administration. Fees are to be paid in advance of the inspection.

Re-inspections have been charged, and will continue to be charged, at \$60 per hour. These fees have historically been collected after the work has been performed. It is now proposed to require a deposit of 10% of the engineer's estimate for the offsite cost of the construction. Inspection time would be charged at the rate of \$60 per hour (no change), the charge being drawn down against the deposit. At the completion of the project, the balance of the deposit would be remitted to the customer. If the deposit is not sufficient to cover all inspection charges, the customer will be billed separately for additional charges. The standard rate per hour for construction inspection is proposed to remain at \$60 per hour for this year. A base fee of \$40 will be charged. This fee includes \$5 each for Flood Plain Administrator review and Geographic Information System (GIS) updates as related to the improvements and \$30 for administrative fees. Improvement plan checking is proposed to remain at the rate of \$80 per hour. A base fee of \$40 will be charged. This fee includes \$5 each for Flood Plain Administrator review and Geographic Information System (GIS) updates as related to the improvements and \$30 for administrative fees. As with large construction projects, a deposit of 10% of the engineer's estimate for the off site cost of the project would be required, and review time would be charged back against the deposit.

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The flat rate fee for a parade permit is proposed to be increased from \$25 to \$50. A parade permit takes approximately 45 minutes to process, equivalent to \$50 of staff time. Public Works waives the parade permit fee for non-profit organizations.

The proposed new fee schedule is shown as Exhibit "A" in this document.

Currently, Public Works subsidizes these services in the amount of approximately \$360,000. With the proposed phasing plan, the subsidy will reduce to approximately \$182,000 in year one and the deficit will be eliminated by year five.

POLICY ISSUES:

Authority for the Department of Public Works to charge fees for use of County roads and inspection of constructions, excavations, and installations occurring in Stanislaus County streets is granted in California Street and Highways Code, Division 2, Chapter 2, Section 982, and Chapter 5.5, Article 2, Section 1464. The Board should consider if the recommended action is consistent with its priorities of a well-planned infrastructure system and the efficient delivery of public services.

STAFFING IMPACT:

The proposed increases will enable Public Works staff to continue to provide construction inspection, plan review, and project review services in a timely manner.

DH/LB:lc

H:\David Gein\Engineering Services\Encroachment Inspection & Permits\Fee Increase Project\Fee Increases 2009 – Public Hearing BOS 2

ORDINANCE NO. C.S. _____

**AN ORDINANCE ADOPTING NEW FEES AND INCREASING EXISTING FEES
COLLECTED BY THE DEPARTMENT OF PUBLIC WORKS**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE
OF CALIFORNIA ORDAINS AS FOLLOWS:

Section 1. Fees to be collected by the Department of Public Works are adopted and amended as set forth in the Department of Public Works Fee Schedule attached hereto as Exhibit A and incorporated by reference, copy of which is on file with the Clerk of the Board of Supervisors and is available for public inspection and copying in that office in accordance with the California Public Records Act.

Section 2. This ordinance shall take effect 30 days from and after the date of its passage and before the expiration of 15 days after its passage it shall be published once, with the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor _____ seconded
by Supervisor _____, the foregoing Ordinance was
passed and adopted at a regular meeting of the Board of Supervisors of the
County of Stanislaus, State of California, this ____ day of _____,
2009, by the following called-vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

Jim DeMartini, Chairman
of the Board of Supervisors of the
County of Stanislaus, State of California

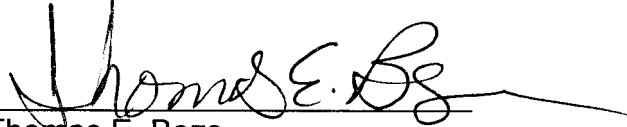
ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk of the
Board of Supervisors of the County of Stanislaus,
State of California

By _____
Liz King, Deputy Clerk

APPROVED AS TO FORM:

JOHN P. DOERING
County Counsel

By: 

Thomas E. Boze
Deputy County Counsel

EXHIBIT A

EXHIBIT "A"

Public Works Inspection Fees

Current Fee Description	Current Fee		Proposed Fee Description	Proposed Fee
	Fee Amount	Fiscal Year Adopted		Fee Amount

Excavation Permits

California Street & Highways 1464; California Code of Regulations. Division 2, Chapter 5.5, Article 2

Permit	\$ 10.00	1991	Base Permit Fee includes Admin and \$5.00 GIS fee, \$5.00 Flood Plain Fee (applies to all excavation permits and in addition to rates below)	\$ 20.00
Inspection fee per 500 ft of trench in unpaved areas	\$ 60.00	1991	Flat Rate/ 500 lineal feet	\$ 120.00
Inspection fee per 250 ft of trench in paved area	\$ 60.00	1991	Flat Rate/ 250 lineal feet	
Encroachment Permits-Driveway construction	\$ 35.00	1991		

Construction Permits - Street Improvements

California Street & Highways 1464

Permit	\$ 30.00	1991	Base Permit Fee includes Admin and \$5.00 GIS fee, \$5.00 Flood Plain Fee (applies to all construction permits and in addition to rates below)	\$ 40.00
Curb & Gutter - for each 250 lineal feet	\$ 60.00	1991	Flat Rate/250 lineal feet	\$ 120.00
Sidewalks - for each 250 lineal feet	\$ 60.00	1991		
Matching Pavement for each 250 lineal feet	\$ 60.00	1991		
Drywell Inspection	\$ 60.00	1991		
Re-inspections (hourly rate)	\$ 60.00	1991	Hourly Rate	\$60.00
Construction Inspection (hourly rate)*	\$ 60.00	1991	Hourly Rate	\$60.00
Improvement Plan Checking (hourly rate)*	\$ 80.00		Hourly Rate	\$80.00
*Actual inspection time to be charged against deposit of 10% of engineer's estimate of total cost of off site work				

Road Use Permit

California Street & Highways 982; California Code of Regulations. Division 2, Chapter 2

Parade Permit	\$ 25.00		Flat Rate	\$ 50.00
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Land Survey

Subdivision Map Act 66451.2, Chapter 3, Article 1

Subdivision Map Processing (per map)	\$ 1,390.00	2004		No Change
Plus additional per lot and block	\$ 10.00			
Parcel Map Processing (per map)	\$ 1,390.00	2004		No Change
Plus additional per parcel	\$ 10.00			
Survey Map Processing (per request)	\$ 565.00	2004		No Change
Certificate of Compliance Processing (per request)	\$ 695.00	2004		No Change
Road Abandonment Processing (per request)	\$ 1,110.00	2004		No Change
Lot Line Adjustment Processing				
A2 Zoning District (per lot line application)	\$ 695.00	2004		No Change
All Other Zoning Districts (per lot line application)	\$ 210.00	2004		No Change

EXHIBIT "B"

FEE ANALYSIS – JANUARY 2009

DETERMINING WEIGHTED RATES FOR VARIOUS TASKS

1. Weighted Rate for Construction Inspection

Hourly rate charged by the construction inspector shall be \$85.00 per hour.

Assistant Engineer	1.0 hr @ \$61.85 = \$61.85
Public Services Manager	0.1 hr @ \$80.84 = \$ 8.08
Assistant Engineer	0.1 hr @ \$61.85 = \$ 6.19
Clerical	0.1 hr @ \$19.59 = \$ 1.60
Deputy Director	0.1 hr @ \$82.94 = \$ 8.29
	<u>\$86.01</u>

All work by others, including traffic engineering and additional inspectors, shall be charged at each individual's weighted labor rate. Per Stanislaus County Subdivision Ordinance 20.58.070, Inspection Fees shall be based on the actual costs incurred plus a reasonable sum for overhead and supervision.

2. Weighted Rate for Project Review

Hourly rate charged by the construction inspector shall be \$85.00 per hour.

Assistant Engineer	1.0 hr @ \$ 61.85 = \$61.85
Public Services Manager	0.1 hr @ \$ 80.84 = \$ 8.08
Clerical	0.1 hr @ \$ 19.59 = \$ 1.60
Deputy Director	0.1 hr @ \$ 82.94 = \$ 8.29
Director	0.1 hr @ \$122.49 = <u>\$12.25</u>
	<u>\$92.07</u>

All work by others, including traffic engineering and additional inspectors, shall be charged at each individual's weighted labor rate. Per Stanislaus County Subdivision Ordinance 20.58.070, Inspection Fees shall be based on the actual costs incurred plus a reasonable sum for overhead and supervision.

EXHIBIT "C"

Stanislaus County			Fee Comparison		January		2009		Municipalities				
		Proposed	Stan Co	Ceres	Fresno Co	Fresno	Modesto	Merced Co	Merced	Oakdale			
Excavation Permit	Effective Date		12/17/91	9/11/06	6/5/07	1/7/09	7/1/07	9/11/07	1/1/07	5/21/07			
Permit		No Change	\$10	\$100	\$25	\$175.00	\$50	\$54	\$25	\$150			
Inspection fee per 500 feet of trench in unpaved areas		\$60/hour	\$60	\$55	\$125+.21 LF	\$7.48 LF	\$20 LF	\$96	\$1 LF	\$115			
Inspection fee per 250 feet of trench in paved areas		\$60/hour	\$60	\$55	\$125+.77 LF		\$2.50 SF	\$138	\$1 LF	\$20/100 LF			
Pipelines under County Road (Requires Maintenance Agmnt)		\$60/hour	\$60	\$100.00	\$125	\$150.00	\$70	\$138	\$75	\$75			
Manholes, drain inlets		\$60/hour	\$60	\$100.00		\$104.00 ea							
Utility Company Excavation Permit													
Bellholes for new or cut off service	Deleted, will use excavation Permit		\$20.00	\$50.00	\$125	\$150.00	\$245	\$96	\$75	\$80			
Encroachment Permit													
Commercial or Residential Driveway Permit		\$60/hour	\$35	\$50.00	\$275+.23 SF	\$3.43 LF	\$198	\$96	\$35	\$80			
Plancheck fee													
Improvement Plan Checking (hourly rate)	No change + \$10 charge		\$80 HR	\$255	\$640	\$750.00	1.6% of ee	\$250	\$250	TBD			
Construction Permits – Street Improvements													
Permit		\$10 charge + \$60/hour	\$30	\$50.00	\$25		\$50	\$96	3%				
Curb and Gutter- for 250 LF		\$60/hour	\$60	\$200.00	\$275+.77 LF	\$0.85 LF	\$198	.05 x EE	\$1 LF	\$80			
Sidewalks - for each 250 LF		\$60/hour	\$60	\$200.00	\$10+.10 SF	\$0.69 LF	\$198	.05 x EE	\$1 LF	\$80			
Matching Pavement		\$60/hour	\$260	\$100.00	\$275+1.15SY	\$0.07 SF	\$439	.05 x EE	\$1 LF				
Drywell Inspection		\$10 charge + \$60/hour	\$60	\$100.00	\$68	\$100.00	\$245	.05 x EE	\$35				
Re-inspections (hourly rate)		\$60/hour	\$60	\$150.00	\$25	\$100.00	\$35	\$96	\$110				
Construction Inspection (hourly rate)		\$10 charge + \$60/hour											
Parade Permit													
			\$50	\$25	\$50.00	\$77	\$250.00	\$245	\$35	\$50	\$150		

ORDINANCE C.S. 1062

NOTICE IS HEREBY GIVEN that on June 2, 2009, at 9:00 a.m., or as soon thereafter as the matter may be heard, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, 1010 10th St., Modesto, CA, to consider the adoption and the waiving of the second reading of Ordinance C.S. 1062 amending existing fees for the Department of Public Works Engineering Division including construction inspection, plan review and project review services.

NOTICE IS FURTHER GIVEN that a full copy of the proposed ordinance is available for review in the Clerk of the Board Office, 1010 10th Street, Suite 6700, Modesto, CA. For further information, contact Diane Haugh, Assistant Director of the Stanislaus County Department of Public Works at (209) 525-7534 or at 1010 10th Street, Suite 3500, Modesto, CA.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: May 19, 2009

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
of the Board of Supervisors
of the County of Stanislaus,
State of California



BY: _____
Elizabeth A. King, Assistant Clerk of the Board

**Department of Public
Works
Amendment to Existing
Fees**

Department of Public Works

Amendment to Existing Fees

- Department Subsidizes a Current Yearly Deficit of \$362,000.00 in Fees Revenue
- Amendment Would Generate Approx. \$180,000.00 in Revenue in FY 09/10
- Reduces the First Year Deficit to \$182,000.00

Department of Public Works

Amendment to Existing Fees

- Services Cannot be Paid by Gas Tax Funds
- Last Permit Fee Increase in 1991
- Gradual Fee Increases Over Five Years
- Expect deficit to be eliminated by Year Five

Department of Public Works

Amendment to Existing Fees

Current Fee Comparison*

Permit Type	Stan Co.	Merced Co	Ceres	Modesto	Oakdale
Excavation Permit	\$10	\$54	\$100	\$50	\$150
Encroachment Permit	\$35	\$96	\$50	\$198	\$80
Construction Permits	\$30	\$96	\$50	\$50	\$80
Parade Permit	\$25	\$35	\$50	\$245	\$150

*Sample of fees taken from our survey of surrounding municipalities

Department of Public Works

Amendment to Existing Fees

- Proposed Fees Based on Average Time & Cost
- Base Permit Fee Includes Costs for Admin, Flood Plain Analysis (FPA) and GIS Updates
- Flat Rate of \$120 for Routine Inspections
- Hourly Rates for Construction Inspections

Department of Public Works

Amendment to Existing Fees

Proposed Fee Structure	Base Fee	Flat Rate	Hr. Rate	Total Fee
Excavation Permits				
Inspection fee per 500 ft of trench – unpaved area	\$20	\$120		\$140
Inspection fee per 250 ft of trench – paved area	\$20	\$120		\$140
Encroachment Permits – Driveway Construction	\$20	\$120		\$140
Road Use Permit				
Parade Permit		\$50		\$50

Department of Public Works

Amendment to Existing Fees

Proposed Fee Structure	Base Fee	Flat Rate	Per Hr Fee	Total Fee
Construction Permits				
Curb & Gutter – for each 250 lineal feet	\$40	\$120		\$160
Sidewalks – for each 250 lineal feet	\$40	\$120		\$160
Matching Pavement for each 250 lineal feet	\$40	\$120		\$160
Drywell Inspection	\$40	\$120		\$160
Re-Inspections*			\$60	Variable
Constructions Inspection (No Rate Change)*			\$60	Variable
Improvement Plan Checking (No Rate Change)*			\$80	Variable

*Actual Inspection Time to be Charged Against a Deposit of 10% of Engineer's Estimate of Total Cost of Off-Site Work

Department of Public Works

Amendment to Existing Fees

RECOMMENDATION

**Introduce and Waive the First
Reading of an Ordinance to Amend
Existing Fees for the Department of
Public Works Engineering Division**

**DECLARATION OF PUBLICATION
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE**, printed in the City of **MODESTO**, County of **STANISLAUS**, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, Under the date of **February 25, 1951, Action No. 46453**; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

May 27, 2009

ORDINANCE C.S. 1062
NOTICE IS HEREBY GIVEN that on June 2, 2009, at 9:00 a.m., or as soon thereafter as the matter may be heard, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, 1010 10th St., Modesto, CA, to consider the adoption and the waiving of the second reading of Ordinance C.S. 1062 amending existing fees for the Department of Public Works Engineering Division including construction inspection, plan review and project review services. NOTICE IS FURTHER GIVEN that a full copy of the proposed ordinance is available for review in the Clerk of the Board Office, 1010 10th Street, Suite 6700, Modesto, CA. For further information, contact Diane Haugh, Assistant Director of the Stanislaus County Department of Public Works at (209) 525-7534 or at 1010 10th Street, Suite 3500, Modesto, CA. BY ORDER OF THE BOARD OF SUPERVISORS. DATED: May 19, 2009. ATTEST: CHRISTINE FERRARO TALLMAN, Clerk of the Board of Supervisors of the County of Stanislaus, State of California. BY: Elizabeth A. King, Assistant Clerk of the Board
Pub Dates May 27, 2009

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

May 27th, 2009

(Signature)

