

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Planning and Community Development

BOARD AGENDA: 7.B.7
AGENDA DATE: April 17, 2018

SUBJECT:

Approval to Set a Public Hearing for the May 15, 2018 at the 6:30 p.m. meeting to Consider to Introduce and Waive the First Reading of an Ordinance to Establish New Fees and Amend Existing Fees for Planning Services

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0156

On motion of Supervisor Withrow , Seconded by Supervisor Chiesa
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:



ATTEST: **PAM VILLARREAL, Assistant Clerk**

File No. ORD-56-C-3

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Planning and Community Development

BOARD AGENDA:7.B.7
AGENDA DATE: April 17, 2018

CONSENT:

CEO CONCURRENCE:

4/5 Vote Required: No

SUBJECT:

Approval to Set a Public Hearing for the May 15, 2018 at the 6:30 p.m. meeting to Consider to Introduce and Waive the First Reading of an Ordinance to Establish New Fees and Amend Existing Fees for Planning Services

STAFF RECOMMENDATION:

1. Set a public hearing for the May 15, 2018 at the 6:30 p.m. meeting to introduce and waive the first reading of an ordinance to establish new fees and amend existing fees for planning services.

2. Authorize the Clerk of the Board to publish notice as required by law.

DISCUSSION:

The 2016-2017 Adopted Final Budget included appropriations of \$20,000 for the Planning and Community Development Department to procure a consultant to perform a user fee study for planning services. In April 2017, the Planning Department contacted the following four firms to provide a proposal and pricing to perform a user fee study:

- MGT Consulting Group, Sacramento, California
- Matrix Consulting Group, LTD., Mountain View, California
- Maximus Consulting Services, Rancho Cordova, California
- Public Consulting Group, Clarkston, Washington

The Planning Department received responses from MGT Consulting Group of Sacramento, California and Matrix Consulting Group, LTD., of Mountain View, California. Based on the interviews conducted by department staff and the pricing proposals received, staff awarded a service purchase order to Matrix Consulting Group, LTD. (Matrix Consulting) for a not to exceed amount of \$17,200 to complete a user fee study for the department. The following key deliverables were included in the agreement:

- Develop a schedule of current fees for service
- Perform a total cost analysis
- Identify the legal authority to charge each fee currently on the department's Planning Fee Schedule
- Conduct a comparison county survey
- Prepare a final User Fee Study report

- Assist with identifying recovery policy options

Since that time, a project team was formed to complete the user fee study. The team was comprised of Planning and Community Development Department staff and Matrix Consulting staff. A summary of the results are highlighted in this report.

2017-2018 User Fee Study

User fees and charges are collected to recover costs incurred in providing a specific service from which one or more individuals obtain a benefit. It is a best practice for counties to perform a user fee study every three to five years. In conducting the user fee study, Matrix Consulting employed proven and objective methodologies to calculate the full actual cost of planning services. This “full cost,” includes all legitimate direct and indirect costs associated with providing each service.

The general steps utilized by the project team to determine allocations of cost components to a particular user fee were:

- Calculate fully burdened hourly rates by position, including direct and indirect costs
- Identify average time estimates for each service included in the study
- Include any actual material costs and equipment rental rates
- Ensure that no more than 100% of a position’s time is allocated between fee and non-fee services

The project team spent a significant amount of time identifying average time estimates for each user fee using the following criteria:

- Estimates are representative of average times for providing services
- Estimates for extremely complex or abnormally simple projects are not factored into this analysis
- Estimates reflect the time associated with the position or positions that would typically perform a service based on full staffing

The time estimates provided by the Planning Department underwent a rigorous internal review process in order to ensure estimates reflected the reality of doing business with the department based on current processes.

Planning User Fee Results

The Planning Department collects fees for: review of land use entitlements and land division proposals, the administration of Williamson Act contracts, review of Alcohol Beverage Control Licenses (ABC), and review of building permits. The total cost calculated for each planning service includes direct staff costs, direct material costs (where applicable), and departmental and county-wide overhead. The department currently collects both flat fees and deposit-based fees for planning services.

The table below details the flat permit fees by title/name, current fee, total cost (based on results of the Matrix Study), and surplus or deficit associated with each permit.

Total Cost Per-Unit Results- Planning

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit	Cost Recovery %
Alcohol Beverage Control (ABC) License	\$79	\$102	(\$23)	78%
Appeal of Planning Commission Decision to Board of Supervisors	\$561	\$1,158	(\$597)	48%
Appeal of Staff Determination to Planning Commission	\$561	\$1,799	(\$1,238)	31%
Building / Grading Permit Review	\$90	\$75	\$15	119%
Business License Application	\$20	\$19	\$1	106%
Condition of Approval or Development Standard Modification	\$1,660	\$1,718	(\$58)	97%
Continuance Request for PC	\$227	\$316	(\$89)	72%
Continuance Request for BOS	\$227	\$313	(\$86)	72%
Historical Site Review (Staff Approval)	\$516	\$382	\$134	135%
Historical Site Permit (@ site/Planning Commission)	\$1,581	\$3,579	(\$1,998)	44%
Landscape Plan Review	\$153	\$75	\$78	203%
Landscape/Site Inspection	\$113	\$151	(\$38)	75%
Minor Lot Line Adjustment in R, C, M, PD, PI, IBP, LI Zones	\$187	\$333	(\$146)	56%
Minor Lot Line Adjustment in A-2 Zone without Williamson Act	\$380	\$464	(\$84)	82%
Lot Line Adjustment in A-2 Zone with Williamson Act	\$680	\$717	(\$37)	95%
Merger	\$85	\$257	(\$172)	33%
Mobile Home Application	\$397	\$257	\$140	154%
Mobile Home Renewal	\$57	\$59	(\$2)	97%
Mobile Home Renewal -Late Fee	\$108	\$118	(\$10)	92%
Parcel Maps (R, C, M, LI, IBP, PD, PI Zones)	\$1,286	\$2,626	(\$1,340)	49%
Per Lot	\$30	\$-	\$30	
Parcel Maps (A-2 Zone, Non-Williamson Act and < 4 parcels + remainder)	\$1,405	\$3,136	(\$1,731)	45%
Per Lot	\$30	\$-	\$30	
Parcel Maps (A-2 Zone, with Williamson Act or > 4 parcels + remainder)	\$2,164	\$3,136	(\$972)	69%
Per Lot	\$30	\$-	\$30	
Staff Approval Permit - with referral	\$516	\$495	\$21	104%
Staff Approval Permit - without referral & Single Family Residence in Ag Zone	\$356	\$268	\$88	133%
Subdivision Ord. Exception	\$2,124	\$2,957	(\$833)	72%
Time Extensions	\$448	\$1,718	\$(1,270)	26%
Use Permit - Agricultural - All Tiers	\$2,124	\$3,230	(\$1,100)	66%
Use Permit - non-agriculture zones	\$1,563	\$3,230	(\$1,667)	48%
Use Permit - Requiring Board of Supervisors Approval	\$2,124	\$3,785	(\$1,661)	56%
Verification Letter - single SFD	\$68	\$115	(\$47)	59%
Verification Letter - all other uses	\$142	\$190	(\$48)	75%
Waiver - Noise Control	\$561	\$3,230	(\$2,669)	17%
Williamson Act Contract	\$147	\$420	(\$273)	35%

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit	Cost Recovery %
Williamson Act Notice of Non-Renewal	\$130	\$136	(\$6)	95%
Williamson Act Cancellation	\$669	\$900	(\$231)	74%
Zoning Ordinance Variance	\$2,124	\$2,957	(\$833)	72%

The largest source of over-recovery is \$88 for a Staff Approval Permit without referral and single-family residence, while the largest source of under-recovery for the Planning Department is \$2,669 for a Waiver Noise Control, of which the department has never processed a request.

The study also evaluated the current deposit rates associated with the various types of planning applications received and the total time spent by each position reviewing the different applications. A summary of the findings can be found in the table below:

Deposit-Based Fees Analysis- Planning

Title	Current Deposit	Avg Spent	Difference	Recommended Deposit
Adult Business Permit	\$516	NA	NA	\$3,000
Community Plan Amendment	\$2,917	\$3,902	(\$985)	\$5,000
Development Agreement	\$2,917	\$5,458	(\$2,541)	\$5,000
General Plan Amendment	\$2,917	\$5,458	(\$2,541)	\$5,000
Mine Use Permit/Reclamation Plan (RP)/RP Amendment	\$2,917	\$11,639	(\$8,722)	\$15,000
Recirculation of Mitigated Negative Declaration	\$1,230	\$2,957	(\$1,727)	\$3,000
Rezone	\$2,917	\$8,446	(\$5,529)	\$10,000
Specific Plans	\$2,917	\$19,808	(\$16,891)	\$20,000
Tentative Subdivision	\$2,917	\$6,555	(\$3,638)	\$6,500
Zoning Ordinance Text Amendment	\$2,124	NA	NA	\$5,000

The results of the study indicate that the Planning Department is currently collecting deposits that are below the average cost to provide the requested application service. This results in the department having to request additional funding from applicants. This additional funding can range from a minimal amount of \$985 to a much larger amount of \$16,891. Existing actual deposit planning services missing from the Matrix Study are: Agricultural Grievances, Environmental Impact Report, Environmental Studies and Peer Reviews, Field Inspections and Site Visits, Mine Inspections, Mine Reinspection, and Permit and Zoning Research. Planning staff have assessed these application costs independently and utilizing tools provided by Matrix Consulting included proposed fee increases (see Attachment 1 – Proposed Ordinance and Draft 2018 Planning Fee Schedule). Some of the missing existing planning services have deposit amounts based on cost estimates to be provided by the Planning Department’s contracted environmental or mining consultants.

Fee Schedule Modifications

The project team worked to rename the building permit review to be building/grading permit review to account for staff time spent reviewing grading applications. Additionally, the project team changed the adult business permit and street name change fees from a flat fee to a deposit-based fee due to the complexity and unknowns associated with these services.

Comparative County Survey

As part of the user fee study for Stanislaus County, the Matrix Group conducted a survey of fees in comparable counties. Stanislaus County identified eight jurisdictions to be included in the comparative survey: Fresno County, Kern County, Madera County, Merced County, Monterey County, Sacramento County, San Joaquin County, and Tulare County (see Attachment 2 – Stanislaus County Planning & Community Development Department 2017-2018 User Fee Study).

POLICY ISSUE:

Prior to levying a new fee, or amending an existing fee, Stanislaus County is required by Government Code Section 54985 et seq., to hold a scheduled public hearing as part of a regularly scheduled meeting of the Board of Supervisors. At that time the Board of Supervisors may introduce and waive the first reading of an ordinance to amend existing fees of the Planning and Community Development Department. If approved, these fees will become effective on June 22, 2018.

FISCAL IMPACT:

If approved, as proposed, the increase in revenue is expected to recoup 100% of the total cost associated with processing land use permits, Williamson Act contracts, and other planning services identified in the Planning Fee Schedule. It is estimated that if approved and the permit volume remains consistent with prior years, revenue to the Planning and Community Development Department may increase by approximately \$19,000 in Budget Year 2018-2019.

BOARD OF SUPERVISORS' PRIORITY:

This recommended action is consistent with the Board of Supervisors' priorities of: Supporting Strong and Safe Neighborhoods, Supporting Community Health, Developing a Healthy Economy, Delivering Efficient Public Services and Community Infrastructure by providing for cost recovery needed to allow the Planning Department to continue providing high quality, streamlined permit processing services for the benefit of all our customers.

STAFFING IMPACT:

Current Planning and Community Development Department staff is responsible for the implementation of any fee changes.

CONTACT PERSON:

Angela Freitas, Planning and Community Development Director
Telephone: (209) 525-6330

ATTACHMENT(S):

1. Proposed Ordinance and Draft 2018 Planning Fee Schedule
2. Stanislaus County Planning Department 2017-2018 User Fee Study
3. 2018 Planning Fee Item Public Hearing Notice

ORDINANCE NO. C.S. _____

AN ORDINANCE TO ADOPT A REVISED FEE SCHEDULE FOR SERVICES BY THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

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

Section 1: The Board of Supervisors hereby adopts the Department of Planning and Community Development 2018 Fee Schedule, attached as Exhibit A and incorporated by reference, a 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 be published once before the expiration of 15 days after passage of this ordinance, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California, and the ordinance shall take effect either (a) pursuant to Section 25123 of the Government Code, 30 days after the date of publication, or (b) pursuant to Section 66017 of the Government Code, 60 days following the final action on the adoption of the fees or charges, whichever date occurs last.

Upon motion of Supervisor _____, seconded by Supervisor _____, the foregoing resolution was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the ____ day of _____, 2018, 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:

Elizabeth A. King
Clerk of the Board of Supervisors,
of the County of Stanislaus,
State of California

By: _____
Pamela Villarreal, Assistant Clerk of the Board

APPROVED AS TO FORM:
JOHN P. DOERING
COUNTY COUNSEL

By: 
Thomas Boze,
Assistant County Counsel

DRAFT 2018 PLANNING FEES (EFFECTIVE JUNE 22, 2018)

FEES	ACTUAL COST ⁽¹⁾	PLANNING	PUBLIC WORKS ^{(7) (8)}	DER ^{(7) (8)}	PLAN. COMM. CLERK	CLERK OF THE BOARD ⁽⁸⁾	GEN PLAN MAINT	FLOOD PLAIN ADMIN	GIS MAINT	TOTAL FEE ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	
Adult Business Permit	Actual Cost Min Charge/ Deposit:	\$516 \$3,000	\$70	\$410			\$50	\$50	\$21	\$1,117 \$3,601	Deposit
Ag Grievances	Actual Cost Min Charge/ Deposit:	\$2,917 \$3,000	\$210	\$410	\$144	\$200	\$200	\$200	\$78	\$4,359 \$4,442	Deposit
Alcohol Beverage Control (ABC) License		\$79 \$102							\$1	\$80 \$103	
Appeal of Planning Commission Decision to Board of Supervisors		\$564 \$1,158				\$100			\$12	\$673 \$1,270	
Appeal of Staff Determination to Planning Commission		\$564 \$1,799			\$144				\$12	\$717 \$1,955	
Building Permit Review (4) Building/Grading Permit Review		\$90 \$75					\$1.28/ \$1,000			\$90 \$75	plus \$1.28/ \$1,000
Business License Application		83 \$82								83 \$82	
Combination Application (2)										See Note 2 Below	
Community Plan Amendment	Actual Cost Min Charge/ Deposit:	\$2,917 \$5,000	\$340	\$410	\$144	\$200	\$200	\$200	\$81	\$4,492 \$6,575	Deposit
Condition of Approval or Development Standard Modification (6)		\$1,660 \$1,718	\$450	\$160	\$72				\$37	\$2,379 \$2,437	
Continuance Request for PC		\$227 \$316			\$72					\$299 \$388	
Continuance Request for BOS		\$227 \$313			\$64	\$144				\$435 \$521	
Development Agreement	Actual Cost Min Charge/ Deposit:	\$2,917 \$5,000	\$210	\$410	\$144	\$200	\$200	\$200	\$78	\$4,359 \$6,442	Deposit
Environmental Impact Report Separate Fee Charged In Addition To Regular Application Fee	Actual Cost Min Charge/ Deposit:									Deposit - To be determined based on cost estimate	
Environmental Studies & Peer Reviews	Actual Cost Min Charge/ Deposit:									Deposit - To be determined based on cost estimate	
Field Inspections & Site Visits (9) To Verify Conditions Of Approval/Mitigation Measures	Actual Cost Min Charge/ Deposit:	\$69 \$151								\$69 \$151	Deposit
General Plan Amendment	Actual Cost Min Charge/ Deposit:	\$2,917 \$5,000	\$210	\$410	\$144	\$200	\$200	\$200	\$78	\$4,359 \$6,442	Deposit
Historical Site Review (Staff Approval)		\$516 \$382	\$70	\$410			\$50	\$50	\$21	\$1,117 \$983	
Historical Site Permit		\$1,581 \$3,579	\$210	\$410	\$144		\$100	\$100	\$46	\$2,591 \$4,589	
Landscape Plan Review		\$153 \$75								\$153 \$75	
Landscape/Site Inspection		\$113 \$151								\$113 \$151	
Minor Lot Line Adjustment In R, C, M, PD, PI, IBP, LI Zones		\$187 \$333	\$210	\$160			\$50	\$50	\$14	\$671 \$817	
Minor Lot Line Adjustment In A-2 Zone Without Williamson Act		\$380 \$464	\$695	\$160			\$50	\$50	\$27	\$1,362 \$1,446	
Lot Line Adjustment In A-2 Zone With Williamson Act		\$680 \$717	\$695	\$160			\$50	\$50	\$33	\$1,718 \$1,755	
Merger		\$85 \$257							\$2	\$87 \$259	
Mine Use Permit/ Reclamation Plan (RP)/ RP Amendment	Actual Cost Min Charge/ Deposit:	\$2,917 \$15,000	\$255	\$160	\$144		\$200	\$200	\$70	\$3,946 \$16,029	Deposit
Mine Inspections	Actual Cost Min Charge/ Deposit:	\$2,200								\$2,200 Deposit Deposit - To be determined based on cost estimate	
Mine Reinspection	Actual Cost Min Charge/ Deposit:	\$830								\$830 Deposit Deposit - To be determined based on cost estimate	
Mobile Home Application		\$397 \$257							\$7	\$404 \$264	
Mobile Home Renewal		\$57 \$59							\$1	\$58 \$60	
Mobile Home Renewal - Late Fee		\$108 \$118							\$1	\$109 \$119	

FEES	ACTUAL COST ⁽¹⁾	PLANNING	PUBLIC WORKS ^{(7) (8)}	DER ^{(7) (8)}	PLAN. COMM. CLERK	CLERK OF THE BOARD ⁽⁸⁾	GEN PLAN MAINT	FLOOD PLAIN ADMIN	GIS MAINT	TOTAL FEE ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	
Parcel Maps (R, C, M, LI, IBP, PD, PI Zones) (6)		\$1,286 \$2,626	\$450	\$410	\$144		\$100	\$100	\$41	\$2,534 \$3,871	plus \$30/lot
Parcel Maps (A-2 Zone, Non-Williamson Act And < 4 Parcels + Remainder) (6)		\$1,405 \$3,136	\$450	\$410	\$144		\$100	\$100	\$43	\$2,652 \$4,383	plus \$30/lot
Parcel Maps (A-2 Zone, With Williamson Act Or > 4 Parcels + Remainder) (6)		\$2,164 \$3,136	\$450	\$410	\$144		\$100	\$100	\$57	\$3,425 \$4,397	plus \$30/lot
Permit and Zoning Research (9)	Actual Cost Min Charge/ Deposit:	\$69 \$151								\$69 \$151	Deposit
Recirculation of Mitigated Negative Declaration	Actual Cost Min Charge/ Deposit:	\$1,230 \$3,000	\$210	\$160	\$144					\$1,744 \$3,514	
Rezone	Actual Cost Min Charge/ Deposit:	\$2,917 \$10,000	\$210	\$410	\$144	\$400	\$200	\$200	\$78	\$4,559 \$11,642	Deposit
Specific Plans	Actual Cost Min Charge/ Deposit:	\$2,917 \$20,000	\$340	\$410	\$144	\$200	\$200	\$200	\$81	\$4,492 \$21,575	Deposit
Staff Approval Permit - With Referral		\$516 \$495	\$70	\$160			\$50	\$50	\$16	\$862 \$841	
Staff Approval Permit - Without Referral & Single-Family Residence In Ag Zone		\$356 \$268					\$20	\$20	\$7	\$403 \$315	
Street Name Change	Actual Cost Min Charge/ Deposit:	\$396 \$500	\$125		\$72				\$11	\$564 \$708	Deposit
Subdivision Ord. Exception		\$2,124 \$2,957	\$140	\$410	\$144		\$100	\$100	\$55	\$3,073 \$3,906	
Tentative Subdivision Map (3)	Actual Cost Min Charge/ Deposit:	\$2,917 \$6,500	\$550	\$888	\$144		\$200	\$200	\$89	\$4,988 \$8,571	Deposit plus \$30/lot
Time Extensions		\$448 \$1,718			\$72				\$10	\$530 \$1,800	
Use Permit - Agricultural - All Tiers (6)		\$2,124 \$3,230	\$450	\$410	\$144		\$100	\$100	\$55	\$3,383 \$4,489	
Use Permit - Non-Agriculture Zones (6)		\$1,563 \$3,230	\$450	\$410	\$144		\$100	\$100	\$45	\$2,812 \$4,479	
Use Permit - Requiring Board Of Supervisors Approval (6)		\$2,124 \$3,785	\$450	\$410	\$144	\$200	\$200	\$200	\$63	\$3,794 \$5,452	
Verification Letter - Single SFD		\$68 \$115							\$1	\$69 \$116	
Verification Letter - All Other Uses		\$142 \$190							\$3	\$145 \$193	
Waiver - Noise Control		\$561 \$3,230			\$144				\$12	\$717 \$3,386	
Williamson Act Contract		\$147 \$420	\$70			\$60			\$4	\$281 \$554	
Williamson Act Notice of Non-Renewal		\$130 \$136							\$2	\$132 \$138	
Williamson Act Cancellation (2)		\$669 \$900				\$400	\$200	\$200	\$28	\$1,497 \$1,728	
Zoning Ordinance Text Amendment	Actual Cost Min Charge/ Deposit:	\$2,124 \$5,000	\$210	\$410	\$144	\$400	\$200	\$200	\$68	\$3,756 \$6,632	Deposit
Zoning Ordinance Variance		\$2,124 \$2,957	\$160	\$410	\$144		\$100	\$100	\$55	\$3,093 \$3,926	

PLANNING FEE SCHEDULE NOTES

(1) Fees described above that require a deposit and are charged at "actual cost" have a minimum charge associated with them. The deposit required is the minimum charge and is non-refundable.* This DOES NOT include any necessary consultant costs for environmental review, specialized studies, financial consulting or any other expert consulting services potentially needed by the County for processing these applications. Monthly draws against the deposit will be made based on staff time and materials needed to process the applications. Staff costs and expenses for Planning, Public Works, and DER will be billed at fully burdened weighted labor rates as provided by the Auditors Office at the time of services rendered.

Invoices will be calculated on a quarterly basis and forwarded to the applicant for payment. If the deposit reaches a balance of 20% of the initial deposit or less, the Applicant will be asked to make a subsequent deposit in an amount dependent upon the amount of work left to complete on processing. Applicants will be expected to pay the subsequent deposit within 30 days of invoice date. In the event that the account is not paid within 30 days of the invoice date, processing will be suspended until such time that payment is made. Any remainder will be used to reconcile your final bill. If there is a balance remaining after reconciling the final bill, a refund check will be mailed to you. Public hearings will not be scheduled until payment in full is received.

* Fees may be refunded if the Planning Director, or his/her appointed designee, determines extraordinary circumstance warranting a refund exist.

(2) Applications for two or more actions (e.g., Tentative Map and Exception) will be charged the highest application fee, except applications for a Lot Line Adjustment or Williamson Act Cancellation. See Exceptions note below. For those applications for two or more actions that include an action that is charged at "actual cost" (e.g., General Plan Amendment, Rezone, & Parcel Map) they will be charged the highest deposit amount as a minimum charge and deposit; this deposit is non-refundable.* All additional staff time and expenses needed to complete the application processing that exceed the deposit amount will be charged at actual cost, including staff costs to be billed at weighted labor rate per note (1).

Exceptions: If a Lot Line Adjustment is included in a Combination Application, an additional \$695 will be required beyond the set fee or deposit amount in order to obtain a "Certificate of Compliance" from Public Works. Applications for a Williamson Act Cancellation shall pay a separate fee except when combined with an "actual cost" action.

(3) Department of Environmental Resources charges for Tentative Map review reflect a minimum charge of eight hours at a weighted labor rate of \$111.00 per hour. Additional time required for Tentative Map review will be charged at the same hourly rate.

(4) A General Plan Maintenance Fee will be charged for every Building Permit of \$1.28 per \$1,000 of improvement valuation. This fee will be collected with other Building Permit fees and will be calculated based on the total valuation of the improvement as determined through the normal Building Permit process.

(5) If your project falls within an Airport Planning Boundary, a separate application and fee will be required for the Airport Land Use Commission (ALUC). You will be required to contact the ALUC and submit an application for review. For information purposes only: Projects are identified by the ALUC as either "Major" or "Minor" and the ALUC has adopted the following project review fees as of November 2005: Major: \$1,200, Minor: \$225. An amendment to the ALUC Plan will be charged as "actual cost" with a deposit and minimum charge the same as a General Plan Amendment and appeal of a staff determination as reflected on the current Planning Fee Schedule. Applicants should check with the ALUC to verify application costs.

(6) Department of Public Works charges for Condition of Approval or Development Standards Modifications, Parcel Maps, and Use Permits reflect a minimum charge of five hours at a weighted labor rate of \$90.00 per hour. Additional time required for these types of request will be charged at the same hourly rate.

(7) Fees for the Department of Public Works and the Department of Environmental Resources shall only apply when processing of the application(s) require referral to and/or action by the respective departments.

(8) A 1% Administrative Cost Recovery Fee will be charged to Public Works, Department of Environmental Resources, and Clerk of the Board for fees collected during the Land Use Application process. An additional 2.5% fee will be charged for fees collected by credit card.

(9) Deposit reflects a ~~one~~ **two** hour minimum charge calculated annually based on the July 1st average weighted labor rate of planner staff (assistant/associate/senior/deputy director) assigned to performing the work. Actual cost for field inspections/site visits shall include mileage.

(10) Any application which has been inactive for one year or more will be recharged current applicable fees, unless it is determined by the Director that the work performed under the original fee will not need to be revised and/or updated.

(11) Any application submitted to legalize or correct for a violation of **Stanislaus** County Code shall be charged actual cost with a deposit amount equal to the adopted application fee.

ADDITIONAL FEES REQUIRING SEPARATE PAYMENT

California State Archaeology Clearinghouse Fees - Applicable to MANY discretionary Permits - inquire with staff Make Check payable to "Central California Information Center" Payable at the time of Application Submittal *** Fees subject to change without County approval required. Contact Elizabeth Greathouse at (209) 667-3307 for current fees	\$150.00 per hr min. 0.15 per copy
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California Fish and Wildlife Environmental Fees - Applicable to ALL discretionary Permits unless found exempt from CDFW Fees Environmental Impact Report Mitigated Negative Declaration / Negative Declaration Make Check payable to: Stanislaus County Payable within 5 days of Planning Commission or Board of Supervisors Action on Project *** Fees subject to change without County approval required. For current fees go to www.dfg.ca.gov/habcon/ceqa/ceqa_changes.html	\$3,168.00 \$2,280.75
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County Clerk Recorder Fee - Applicable to ALL discretionary Permits, Williamson Act actions, CDFW DeMinimus Findings, and CEQA filings Make check payable to: Stanislaus County Clerk Recorder Payable within 5 days of Planning Commission or Board of Supervisors Action on Project	\$57.00
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ADDITIONAL RECORDER FEES, IN ADDITION TO ANY OTHER FEES, WILL BE REQUIRED IF DOCUMENTS MUST BE RECORDED
 Fees are set by the Clerk Recorder's Office

DOCUMENTS & OTHER MEDIA: Reproduction costs for any document or other media retained by the Planning Department shall be actual cost.

Photocopy Charges:	1st Page	\$1.00
	Additional Pages	\$0.25 per page

2018 PLANNING FEES (EFFECTIVE JUNE 22, 2018)

FEES	ACTUAL COST ⁽¹⁾	PLANNING	PUBLIC WORKS ^{(7) (8)}	DER ^{(7) (8)}	PLAN. COMM. CLERK	CLERK OF THE BOARD ⁽⁸⁾	GEN PLAN MAINT	FLOOD PLAIN ADMIN	GIS MAINT	TOTAL FEE ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	
Adult Business Permit	Actual Cost Min Charge/ Deposit:	\$546 \$3,000	\$70	\$410			\$50	\$50	\$21	\$1,147 \$3,601	Deposit
Ag Grievances	Actual Cost Min Charge/ Deposit:	\$2,047 \$3,000	\$210	\$410	\$144	\$200	\$200	\$200	\$78	\$4,360 \$4,442	Deposit
Alcohol Beverage Control (ABC) License		\$70 \$102							\$1	\$80 \$103	
Appeal of Planning Commission Decision to Board of Supervisors		\$664 \$1,158				\$100			\$12	\$673 \$1,270	
Appeal of Staff Determination to Planning Commission		\$664 \$1,799			\$144				\$12	\$747 \$1,955	
Building Permit Review (4)		\$00 \$75					\$1.28/ \$1,000			\$00 \$75	plus \$1.28/ \$1,000
Building/Grading Permit Review		03 \$82								03 \$82	
Business License Application		03 \$82								03 \$82	
Combination Application (2)										See Note 2 Below	
Community Plan Amendment	Actual Cost Min Charge/ Deposit:	\$2,047 \$5,000	\$340	\$410	\$144	\$200	\$200	\$200	\$81	\$4,402 \$6,575	Deposit
Condition of Approval or Development Standard Modification (6)		\$1,660 \$1,718	\$450	\$160	\$72				\$37	\$2,370 \$2,437	
Continuance Request for PC		\$227 \$316			\$72					\$200 \$388	
Continuance Request for BOS		\$227 \$313			\$64	\$144				\$436 \$521	
Development Agreement	Actual Cost Min Charge/ Deposit:	\$2,047 \$5,000	\$210	\$410	\$144	\$200	\$200	\$200	\$78	\$4,360 \$6,442	Deposit
Environmental Impact Report Separate Fee Charged In Addition To Regular Application Fee	Actual Cost Min Charge/ Deposit:									Deposit - To be determined based on cost estimate	
Environmental Studies & Peer Reviews	Actual Cost Min Charge/ Deposit:									Deposit - To be determined based on cost estimate	
Field Inspections & Site Visits (9) To Verify Conditions Of Approval/Mitigation Measures	Actual Cost Min Charge/ Deposit:	\$60 \$151								\$60 \$151	Deposit
General Plan Amendment	Actual Cost Min Charge/ Deposit:	\$2,047 \$5,000	\$210	\$410	\$144	\$200	\$200	\$200	\$78	\$4,360 \$6,442	Deposit
Historical Site Review (Staff Approval)		\$646 \$382	\$70	\$410			\$50	\$50	\$21	\$1,147 \$983	
Historical Site Permit		\$1,584 \$3,579	\$210	\$410	\$144		\$100	\$100	\$46	\$2,604 \$4,589	
Landscape Plan Review		\$463 \$75								\$463 \$75	
Landscape/Site Inspection		\$443 \$151								\$443 \$151	
Minor Lot Line Adjustment In R, C, M, PD, PI, IBP, LI Zones		\$487 \$333	\$210	\$160			\$50	\$50	\$14	\$674 \$817	
Minor Lot Line Adjustment In A-2 Zone Without Williamson Act		\$380 \$464	\$695	\$160			\$50	\$50	\$27	\$1,362 \$1,446	
Lot Line Adjustment In A-2 Zone With Williamson Act		\$680 \$717	\$695	\$160		\$50	\$50	\$50	\$33	\$1,748 \$1,755	
Merger		\$86 \$257							\$2	\$87 \$259	
Mine Use Permit/ Reclamation Plan (RP)/ RP Amendment	Actual Cost Min Charge/ Deposit:	\$2,047 \$15,000	\$255	\$160	\$144		\$200	\$200	\$70	\$3,946 \$16,029	Deposit
Mine Inspections	Actual Cost Min Charge/ Deposit:	\$2,200								\$2,200 Deposit Deposit - To be determined based on cost estimate	
Mine Reinspection	Actual Cost Min Charge/ Deposit:	\$830								\$830 Deposit Deposit - To be determined based on cost estimate	
Mobile Home Application		\$307 \$257							\$7	\$404 \$264	
Mobile Home Renewal		\$67 \$59							\$1	\$68 \$60	
Mobile Home Renewal - Late Fee		\$408 \$118							\$1	\$409 \$119	

CORRECTED VERSION

FEES	ACTUAL COST ⁽¹⁾	PLANNING	PUBLIC WORKS ^{(7) (8)}	DER ^{(7) (8)}	PLAN. COMM. CLERK	CLERK OF THE BOARD ⁽⁸⁾	GEN PLAN MAINT	FLOOD PLAIN ADMIN	GIS MAINT	TOTAL FEE ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	
Parcel Maps (R, C, M, LI, IBP, PD, PI Zones) (6)		\$1,296 \$2,626	\$450	\$410	\$144		\$100	\$100	\$41	\$2,634 \$3,871	plus \$30/lot
Parcel Maps (A-2 Zone, Non-Williamson Act And < 4 Parcels + Remainder) (6)		\$1,406 \$3,136	\$450	\$410	\$144		\$100	\$100	\$43	\$2,662 \$4,383	plus \$30/lot
Parcel Maps (A-2 Zone, With Williamson Act Or > 4 Parcels + Remainder) (6)		\$2,164 \$3,136	\$450	\$410	\$144		\$100	\$100	\$57	\$3,426 \$4,397	plus \$30/lot
Permit and Zoning Research (9)	Actual Cost Min Charge/ Deposit:	\$69 \$151								\$69 \$151	Deposit
Recirculation of Mitigated Negative Declaration	Actual Cost Min Charge/ Deposit:	\$1,230 \$3,000	\$210	\$160	\$144					\$1,744 \$3,514	
Rezone	Actual Cost Min Charge/ Deposit:	\$2,947 \$10,000	\$210	\$410	\$144	\$400	\$200	\$200	\$78	\$4,669 \$11,642	Deposit
Specific Plans	Actual Cost Min Charge/ Deposit:	\$2,947 \$20,000	\$340	\$410	\$144	\$200	\$200	\$200	\$81	\$4,492 \$21,575	Deposit
Staff Approval Permit - With Referral		\$646 \$495	\$70	\$160			\$50	\$50	\$16	\$862 \$641	
Staff Approval Permit - Without Referral & Single-Family Residence In Ag Zone		\$366 \$268					\$20	\$20	\$7	\$499 \$315	
Street Name Change	Actual Cost Min Charge/ Deposit:	\$366 \$500	\$125		\$72				\$11	\$664 \$708	Deposit
Subdivision Ord. Exception		\$2,124 \$2,957	\$140	\$410	\$144		\$100	\$100	\$55	\$3,073 \$3,906	
Tentative Subdivision Map (3)	Actual Cost Min Charge/ Deposit:	\$2,947 \$6,500	\$550	\$888	\$144		\$200	\$200	\$89	\$4,988 \$8,571	Deposit plus \$30/lot
Time Extensions		\$448 \$1,718			\$72				\$10	\$630 \$1,800	
Use Permit - Agricultural - All Tiers (6)		\$2,124 \$3,230	\$450	\$410	\$144		\$100	\$100	\$55	\$3,383 \$4,489	
Use Permit - Non-Agriculture Zones (6)		\$1,663 \$3,230	\$450	\$410	\$144		\$100	\$100	\$45	\$2,812 \$4,479	
Use Permit - Requiring Board Of Supervisors Approval (6)		\$2,124 \$3,785	\$450	\$410	\$144	\$200	\$200	\$200	\$63	\$3,794 \$5,452	
Verification Letter - Single SFD		\$68 \$115							\$1	\$69 \$116	
Verification Letter - All Other Uses		\$142 \$190							\$3	\$146 \$193	
Waiver - Noise Control	Actual Cost Min Charge/ Deposit:	\$664 \$3,000			\$144				\$12	\$747 \$3,156	
Williamson Act Contract		\$147 \$420	\$70			\$60			\$4	\$284 \$554	
Williamson Act Notice of Non-Renewal		\$139 \$136							\$2	\$132 \$138	
Williamson Act Cancellation (2)		\$669 \$900				\$400	\$200	\$200	\$28	\$1,497 \$1,728	
Zoning Ordinance Text Amendment	Actual Cost Min Charge/ Deposit:	\$2,124 \$5,000	\$210	\$410	\$144	\$400	\$200	\$200	\$68	\$3,766 \$6,632	Deposit
Zoning Ordinance Variance		\$2,124 \$2,957	\$160	\$410	\$144		\$100	\$100	\$55	\$3,093 \$3,926	

PLANNING FEE SCHEDULE NOTES

(1) Fees described above that require a deposit and are charged at "actual cost" have a minimum charge associated with them. The deposit required is the minimum charge and is non-refundable.* This DOES NOT include any necessary consultant costs for environmental review, specialized studies, financial consulting or any other expert consulting services potentially needed by the County for processing these applications. Monthly draws against the deposit will be made based on staff time and materials needed to process the applications. Staff costs and expenses for Planning, Public Works, and DER will be billed at fully burdened weighted labor rates as provided by the Auditors Office at the time of services rendered.

Invoices will be calculated on a quarterly basis and forwarded to the applicant for payment. If the deposit reaches a balance of 20% of the initial deposit or less, the Applicant will be asked to make a subsequent deposit in an amount dependent upon the amount of work left to complete on processing. Applicants will be expected to pay the subsequent deposit within 30 days of invoice date. In the event that the account is not paid within 30 days of the invoice date, processing will be suspended until such time that payment is made. Any remainder will be used to reconcile your final bill. If there is a balance remaining after reconciling the final bill, a refund check will be mailed to you. Public hearings will not be scheduled until payment in full is received.

* Fees may be refunded if the Planning Director, or his/her appointed designee, determines extraordinary circumstance warranting a refund exist.

(2) Applications for two or more actions (e.g., Tentative Map and Exception) will be charged the highest application fee, except applications for a Lot Line Adjustment or Williamson Act Cancellation. See Exceptions note below. For those applications for two or more actions that include an action that is charged at "actual cost" (e.g., General Plan Amendment, Rezone, & Parcel Map) they will be charged the highest deposit amount as a minimum charge and deposit; this deposit is non-refundable.* All additional staff time and expenses needed to complete the application processing that exceed the deposit amount will be charged at actual cost, including staff costs to be billed at weighted labor rate per note (1).

Exceptions: If a Lot Line Adjustment is included in a Combination Application, an additional \$695 will be required beyond the set fee or deposit amount in order to obtain a "Certificate of Compliance" from Public Works. Applications for a Williamson Act Cancellation shall pay a separate fee except when combined with an "actual cost" action.

(3) Department of Environmental Resources charges for Tentative Map review reflect a minimum charge of eight hours at a weighted labor rate of \$111.00 per hour. Additional time required for Tentative Map review will be charged at the same hourly rate.

(4) A General Plan Maintenance Fee will be charged for every Building Permit of \$1.28 per \$1,000 of improvement valuation. This fee will be collected with other Building Permit fees and will be calculated based on the total valuation of the improvement as determined through the normal Building Permit process.

(5) If your project falls within an Airport Planning Boundary, a separate application and fee will be required for the Airport Land Use Commission (ALUC). You will be required to contact the ALUC and submit an application for review. For information purposes only: Projects are identified by the ALUC as either "Major" or "Minor" and the ALUC has adopted the following project review fees as of November 2005: Major: \$1,200, Minor: \$225. An amendment to the ALUC Plan will be charged as "actual cost" with a deposit and minimum charge the same as a General Plan Amendment and appeal of a staff determination as reflected on the current Planning Fee Schedule. Applicants should check with the ALUC to verify application costs.

(6) Department of Public Works charges for Condition of Approval or Development Standards Modifications, Parcel Maps, and Use Permits reflect a minimum charge of five hours at a weighted labor rate of \$90.00 per hour. Additional time required for these types of request will be charged at the same hourly rate.

(7) Fees for the Department of Public Works and the Department of Environmental Resources shall only apply when processing of the application(s) require referral to and/or action by the respective departments.

(8) A 1% Administrative Cost Recovery Fee will be charged to Public Works, Department of Environmental Resources, and Clerk of the Board for fees collected during the Land Use Application process. An additional 2.5% fee will be charged for fees collected by credit card.

(9) Deposit reflects a one two hour minimum charge calculated annually based on the July 1st average weighted labor rate of planner staff (assistant/associate/senior/deputy director) assigned to performing the work. Actual cost for field inspections/site visits shall include mileage.

(10) Any application which has been inactive for one year or more will be recharged current applicable fees, unless it is determined by the Director that the work performed under the original fee will not need to be revised and/or updated.

(11) Any application submitted to legalize or correct for a violation of Stanislaus County Code shall be charged actual cost with a deposit amount equal to the adopted application fee.

ADDITIONAL FEES REQUIRING SEPARATE PAYMENT

California State Archaeology Clearinghouse Fees - Applicable to MANY discretionary Permits - inquire with staff Make Check payable to "Central California Information Center" Payable at the time of Application Submittal	\$150.00 per hr min. 0.15 per copy
*** Fees subject to change without County approval required. Contact Elizabeth Greathouse at (209) 667-3307 for current fees	

California Fish and Wildlife Environmental Fees - Applicable to ALL discretionary Permits unless found exempt from CDFW Fees Environmental Impact Report Mitigated Negative Declaration / Negative Declaration Make Check payable to: Stanislaus County Payable within 5 days of Planning Commission or Board of Supervisors Action on Project	\$3,168.00 \$2,280.75
*** Fees subject to change without County approval required. For current fees go to www.dfg.ca.gov/habcon/ceqa/ceqa_changes.html	

County Clerk Recorder Fee - Applicable to ALL discretionary Permits, Williamson Act actions, CDFW DeMinimus Findings, and CEQA filings Make check payable to: Stanislaus County Clerk Recorder Payable within 5 days of Planning Commission or Board of Supervisors Action on Project	\$57.00
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ADDITIONAL RECORDER FEES, IN ADDITION TO ANY OTHER FEES, WILL BE REQUIRED IF DOCUMENTS MUST BE RECORDED
 Fees are set by the Clerk Recorder's Office

DOCUMENTS & OTHER MEDIA: Reproduction costs for any document or other media retained by the Planning Department shall be actual cost.		
Photocopy Charges:	1st Page	\$1.00
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Stanislaus County Planning & Community Development Department 2017-2018 User Fee Study

STANISLAUS COUNTY, CALIFORNIA

DRAFT REPORT

matrix 
consulting group

April 2018

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ATTACHMENT:

COMPARATIVE SURVEY

1. EXECUTIVE SUMMARY

The report, which follows, presents the *draft* results of the User Fee Study conducted by the Matrix Consulting Group for Stanislaus County.

1 PROJECT BACKGROUND AND SCOPE OF WORK

The Matrix Consulting Group analyzed the cost of service relationships that exist between fees for service activities related to evaluation of current planning activities such as agricultural rezones, use permits, Williamson act contracts, landscape reviews, and parcel maps. The results of this Study provide a tool for understanding current service levels, the cost and demand for those services, and what fees for service can and may be charged.

2 GENERAL PROJECT APPROACH AND METHODOLOGY

The methodology employed by the Matrix Consulting Group is a widely accepted “bottom up” approach to cost analysis, where time spent per unit of fee activity is determined for each position within a Department. Once time spent for a fee activity is determined, all applicable County costs are then evaluated for inclusion in the calculation of the “full” cost of providing each service. The following table provides an overview of the cost components used to establish the “full” cost of providing services included in this Study:

Cost Components Overview

Cost Component	Description
Direct	Fiscal Year 2017/18 Budgeted salaries, benefits and allowable expenditures.
Indirect	Departmental administration / management and clerical support, along with Countywide overhead as calculated through the Cost Allocation Plan

Together, the cost components in the table above comprise the calculation of the total “full” cost of providing any particular service, regardless of whether a fee for that service is charged.

The work accomplished by the Matrix Consulting Group in the analysis of the proposed fees for service involved the following steps:

- **Staff Interviews:** The project team interviewed Planning staff regarding their needs for clarification to the structure of existing fee items, or for addition of new fee items.

- **Data Collection:** Data was collected for each permit / service, including time estimates and volume of activity. In addition, all budgeted costs and staffing levels for Fiscal Year 17/18 were entered into the Matrix Consulting Group’s analytical software model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established. Cross-checks including allocation of not more than 100% of staff resources to both fee and non-fee related activities assured the validity of the data used in the Study.
- **Review and Approval of Results with County Staff:** Department management have reviewed and approved these documented results.

A more detailed description of user fee methodology, as well as legal and policy considerations are provided in subsequent chapters of this report.

3 CURRENT COST RECOVERY

When comparing Fiscal Year 17-18 fee-related budgeted expenditures with estimated fee-related revenue for Fiscal Year 17-18 the County is under-recovering its costs by approximately \$19,000 and recovering about 85% of its fee-related costs annually. The following table outlines these results:

TCost Recovery Based on Fee-Related Revenue & Expenditures

FY 17-18 Estimated Fee Related Revenue ¹	FY 17-18 Projected Annual Fee-Related Cost	Surplus / (Deficit)	Cost Recovery Percentage
\$158,287	\$177,395	(\$19,108)	89%

Table 2 indicates a cost recovery level of 89%, the information in the table above does not account for any deposit-based revenue and cost, as those services are full cost recovery. The detailed documentation of the Study will show an over-collection for certain fees (on a per unit basis), and an undercharge for others. The display of the cost recovery figures shown in this report are meant to provide a basis for policy development discussions among Board members and County staff, and do not represent a recommendation for where or how the Board should take action. The setting of the “rate” or “price” for services, whether at 100 percent full cost recovery or lower, is a policy decision to be made only by the Board, often with input from County staff and the community.

¹ This is the estimated fee-related revenue for planning services based on FY16-17 workload data and the fees for FY17-18.

4 CONSIDERATIONS FOR COST RECOVERY POLICY AND UPDATES

The Matrix Consulting Group recommends that the County use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, and also to implement a mechanism for the annual update of fees for service.

1 Adopt a Formal Cost Recovery Policy

The Matrix Consulting Group strongly recommends that the Board adopt a formalized, individual cost recovery policy for Planning permits and services. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources.

The typical cost recovery level for Planning services is between 50-80% and is based on the Matrix Consulting Group's experience in analyzing local government operations across the United States and in California and reflects the *typical* cost recovery levels observed by local adopting authorities equally between cities and counties. The cost recovery percentage represents the proportion of fee-related revenue to fee-related costs and does not include non-billable or non-fee related services or activities.

Stanislaus County, at a cost recovery level of 89% for current planning services, is higher than the average cost recovery range seen for current planning services. In recent years, more local jurisdictions have adopted formal cost recovery policies at the department level. The Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

2 Adopt an Annual Fee Update / Increase Mechanism

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions applied in previous studies, and to account for any major shifts in cost components or organizational structures. The Matrix Consulting Group believes it is a best management practice to perform a complete update of a Fee Assessment every 3 to 5 years.

In between comprehensive updates, the County could utilize published industry economic factors such as CPI or other regional factors to update the cost calculations established in the Study on an annual basis. The County could also consider the use of its own anticipated labor cost increases such as step increases, benefit enhancements, or cost of living raises. Utilizing an annual increase mechanism would ensure that the County receives appropriate fee and revenue increases that reflect growth in costs.

2. STATE LEGAL FRAMEWORK AND POLICY CONSIDERATIONS

A “user fee” is a charge for service provided by a governmental agency to a public citizen or group. In California, several constitutional laws such as Propositions 13, 4, and 218, State Government Codes 66014 and 66016, and more recently Prop 26 and the Attorney General’s Opinion 92-506 set the parameters under which the user fees typically administered by local government are established and administered. Specifically, California State Law, Government Code 66014(a), stipulates that user fees charged by local agencies “...may not exceed the estimated reasonable cost of providing the service for which the fee is charged”.

1 GENERAL PRINCIPLES AND PHILOSOPHIES REGARDING USER FEES

Local governments are providers of many types of general services to their communities. While all services provided by local government are beneficial to constituents, some services can be classified as globally beneficial to all citizens, while others provide more of a direct benefit to a specific group or individual. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

Table 3: Services in Relation to Benefit Received

“Global” Community Benefit	“Global” Benefit and an Individual or Group Benefit	Individual or Group Benefit
<ul style="list-style-type: none"> • Police • Park Maintenance 	<ul style="list-style-type: none"> • Recreation / Community Services • Fire Suppression / Prevention 	<ul style="list-style-type: none"> • Building Permits • Planning and Zoning Approval • Site Plan Review • Engineering Development Review • Facility Rentals

Funding for local government is obtained from a myriad of revenue sources such as taxes, fines, grants, special charges, user fees, etc. In recent years, alternative tax revenues, which typically offset subsidies for services provided to the community, have become increasingly limited. These limitations have caused increased attention on user fee activities as a revenue source that can offset costs otherwise subsidized (usually) by the general fund. In Table 3, services in the “global benefit” section tend to be funded primarily through voter approved tax revenues. In the middle of the table, one typically finds a mixture of taxes, user fee, and other funding sources. Finally, in the “individual / group benefit” section of the table, lie the services provided by local government that are

typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- **Fees should be assessed according to the degree of individual or private benefit gained from services.** For example, the processing and approval of a land use or building permit will generally result in monetary gain to the applicant, whereas Police services and Fire Suppression are examples of services that are essential to the safety of the community at large.
- **A profit-making objective should not be included in the assessment of user fees.** In fact, California laws require that the charges for service be in direct proportion to the costs associated with providing those services. Once a charge for service is assessed at a level higher than the actual cost of providing a service, the term “user fee” no longer applies. The charge then becomes a tax subject to voter approval.

Therefore, it is commonly accepted that user fees are established at a level that will recover up to, and not more than, the cost of providing a particular service.

2 GENERAL POLICY CONSIDERATIONS REGARDING USER FEES

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax based or alternative revenue source. However, it is essential that jurisdictions prioritize the use of revenue sources for the provision of services based on the continuum of benefit received.

Within the services that are typically funded by user fees, the Matrix Consulting Group recognizes several reasons why County staff or the Board may not advocate the full cost recovery of services. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Limitations posed by an external agency.** The State or an outside agency will occasionally set a maximum, minimum, or limit the jurisdiction’s ability to charge a fee at all. An example includes time spent copying and retrieving public documents.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide better compliance from the community. For example, if the cost of a permit for changing a water heater in a residential home is higher than the cost of the water heater itself, many citizens will do the work without pulling the permit.
- **Affect on demand for a particular service.** Sometimes raising the “price” charged for services might reduce the number of participants in a program. This is

largely the case in Recreation programs such as camps or enrichment classes, where participants often compare the County's fees to surrounding jurisdictions or other options for leisure activities.

- **Benefit received by user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community as a whole. Examples include Recreation programs, Planning Design Review, historical dedications and certain types of special events.

The Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services, and assure that the County is in compliance with State law.

Once the full cost of providing services is known, the next step is to determine the "rate" or "price" for services at a level which is up to, and not more than the full cost amount. The Board of Supervisors is responsible for this decision, which often becomes a question of balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion and at times fall into a "grey area". However, with the resulting cost of services information from a User Fee Study, the Board can be assured that the adopted fee for service is reasonable, fair, and legal.

3. COUNTY AUTHORITY TO PERMIT

As part of the overall review of the County’s Planning permits and fees, the project team was asked to document the County’s legal authority to charge fees. The following sections outline the State and County regulations associated with permitting powers.

1 STATE AUTHORIZED PERMIT AUTHORITY

The California Constitution states that “A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws.” (Cal. Const. at. XI, section7). It is generally understood that this passage provides a City or County with the ability to enact ordinances that will protect the welfare, health, and safety in a land use context, as it provides very broad rights to adopt regulations that implement land use visions and values, providing enacted laws are not in conflict with state general laws.

A jurisdiction’s broad land use authority flows directly from the state constitution in the absence of a statutory prohibition or preemption of the jurisdiction’s otherwise regulatory authority. This authority is consider a “police power”, which allows jurisdictions to establish land use and zoning laws that govern the development and use of the community.

2 COUNTY AUTHORIZED PERMIT AUTHORITY

IN PROGRESS

4. USER FEE STUDY METHODOLOGY

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the “bottom-up” approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The components of a full cost calculation are typically as follows:

Full Cost Calculation Components

Cost Component	Description
Direct	Salaries, benefits and direct expenditures.
Departmental Overhead	Departmental administration / management and clerical support.
Countywide Overhead	County costs associated with central services such as payroll, human resources, budgeting, County management, etc. Calculated by the County through a separate study and approved by the State Controller’s Office annually.

The general steps utilized by the project team to determine allocations of cost components to a particular fee or service are:

- Calculate fully burdened hourly rates by position, including direct & indirect costs;
- Identify average time estimates for each service included in the study;
- Include any actual material costs and equipment rental rates;
- Ensure that not more than 100% of a position’s time is allocated between fee & non-fee services.

The results of these allocations provide detailed documentation for the reasonable estimate of the actual cost of providing each fee-related service. The following sections highlight critical points about the use of time estimates and the validity of the analytical model.

1 TIME ESTIMATES ARE A MEASURE OF SERVICE LEVELS REQUIRED TO PERFORM A PARTICULAR SERVICE

One of the key study assumptions utilized in the “bottom up” approach is the use of time estimates for the provision of each fee related service. Utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to Stanislaus County developed these

estimates.

The project team worked closely with Planning staff in developing time estimates with the following criteria:

- Estimates are representative of average times for providing services. Estimates for extremely complex or abnormally simple projects are not factored into this analysis.
- Estimates reflect the time associated with the position or positions that typically perform a service.
- Estimates provided by staff are reviewed and approved by the department, and often involve multiple iterations before a Study is finalized.
- Estimates are reviewed by the project team for “reasonableness” against their experience with other agencies.
- Estimates were not based on time in motion studies, as they are not practical for the scope of services and time frame for this project. Time in motion studies are typically studies that involve timing every aspect of a process and are generally more appropriate for repetitive tasks.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service for which to base a jurisdiction’s fees for service, and meets the requirements of California law.

The alternative to time estimating is actual time tracking, often referred to billing on a “time and materials” basis. Except in the case of anomalous or sometimes very large and complex projects, the Matrix Consulting Group believes this approach is not cost effective or reasonable for the following reasons:

- Accuracy in time tracking is compromised by the additional administrative burden required to track, bill, and collect for services in this manner.
- Additional costs are associated with administrative staff’s billing, refunding, and monitoring deposit accounts.
- Customers often prefer to know the fees for services in advance of applying for permits or participating in programs.
- Applicants may request assignment of less expensive and experienced personnel to their project.

- Departments can better predict revenue streams and staff needs using standardized time estimates and anticipated permit volumes.

Situations arise where the size and complexity of a given project warrants time tracking and billing on a “time and materials” basis. The Matrix Consulting Group has recommended taking a deposit and charging Actual Costs for such fees as appropriate and itemized within the current fee schedule. The County’s current practices already incorporate this recommendation.

2 CROSS CHECKS ENSURE THE VALIDITY OF OUR ANALYTICAL MODEL

In addition to the collection of time estimate data for each application, fee, or service included in the User Fee Study, annual volume of activity data assumptions are also a critical component. By collecting data on the estimated volume of activity for each fee or service, a number of analyses are performed which not only provide useful information regarding allocation of staff resources, but also provide valuable cross checks that ensure the validity of each model. This includes assurance that 100% of staff resources are accounted for and allocated to a fee for service, or “other non-fee” related categories. Since there are no objectives to make a profit in establishing user fees, it is very important to ensure that services are not estimated at a level that exceeds budgeted resource capacity. By accounting for not more than 100% of staff resources, no more than 100% of costs will be allocated through the Study.

5. PLANNING USER FEE RESULTS

The motivation behind a User Fee analysis is for the Board of Supervisors and County staff to maintain services at a level that is both accepted and effective for the community, and also to maintain control over the policy and management of these services.

It should be noted that the results presented in this report are not a precise measurement. In general, a cost of service analysis takes a “snapshot in time”, where one fiscal year of adopted budgeted cost information is compared to the same fiscal year of revenue and workload data available. Changes to the structure of fee names, along with the use of time estimates allow only for a reasonable projection of subsidies and revenue. Consequently, the Board and County staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

1 FEE SCHEDULE MODIFICATIONS

In discussions with Planning staff, there were very few areas where the current fee schedule could be simplified. The project team worked with staff to rename the Building Permit review to be Building / Grading permit review to account for staff time spent reviewing grading applications. Additionally, the project team worked with staff to change the Adult Business Permit and Street Name Change fee from a flat fee to a deposit-based fee due to the complexity and unknowns associated with those services. These changes resulted in a schedule that was more reflective for staff internally as well as for customers of the county externally.

2 DETAILED RESULTS

Planning collects fees for review of land use, entitlements, historical permits, and land division proposals as it relates to development activity. The total cost calculated for each permit includes direct staff costs, direct material costs (where applicable), and Departmental and Countywide Overhead. Planning staff currently collects both flat fees and deposit-based fees. The following subsections discuss the results for each of these analyses.

1 Flat Fees

The table on the following page details the fee title / name, current fee, total cost, and surplus or deficit associated with each permit. The current fee represents the fee charged by the Department for FY17-18, and the total cost per unit represents the cost calculated based upon time estimates provided by the Department and the fully burdened hourly rate for staff.

Total Cost Per Unit Results – Planning

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
Alcohol Beverage Control (ABC) License	\$79	\$102	(\$23)
Appeal of Planning Commission Decision to Board of Supervisors	\$561	\$1,158	(\$597)
Appeal of Staff Determination to Planning Commission	\$561	\$1,799	(\$1,238)
Building / Grading Permit Review	\$90	\$75	\$15
Business License Application	\$20	\$19	\$1
Condition of Approval or Development Standard Modification	\$1,660	\$1,718	(\$58)
Continuance Request for PC	\$227	\$316	(\$89)
Continuance Request for BOS	\$227	\$313	(\$86)
Historical Site Review (Staff Approval)	\$516	\$382	\$134
Historical Site Permit (@ site/Planning Commission)	\$1,581	\$3,579	(\$1,998)
Landscape Plan Review	\$153	\$75	\$78
Landscape/Site Inspection	\$113	\$151	(\$38)
Minor Lot Line Adjustment in R, C, M, PD, PI, IBP, LI Zones	\$187	\$333	(\$146)
Minor Lot Line Adjustment in A-2 Zone without Williamson Act	\$380	\$464	(\$84)
Lot Line Adjustment in A-2 Zone with Williamson Act	\$680	\$717	(\$37)
Merger	\$85	\$257	(\$172)
Mobile Home Application	\$397	\$257	\$140
Mobile Home Renewal	\$57	\$59	(\$2)
Mobile Home Renewal -Late Fee	\$108	\$118	(\$10)
Parcel Maps (R, C, M, LI, IBP, PD, PI Zones)	\$1,286	\$2,626	(\$1,340)
Per Lot	\$30	\$-	\$30
Parcel Maps (A-2 Zone, non-Williamson Act and < 4 parcels + remainder)	\$1,405	\$3,136	(\$1,731)
Per Lot	\$30	\$-	\$30
Parcel Maps (A-2 Zone, with Williamson Act or > 4 parcels + remainder)	\$2,164	\$3,136	(\$972)
Per Lot	\$30	\$-	\$30
Staff Approval Permit - with referral	\$516	\$495	\$21
Staff Approval Permit - without referral & Single Family Residence in Ag Zone	\$356	\$268	\$88
Subdivision Ord. Exception	\$2,124	\$2,957	(\$833)
Time Extensions	\$448	\$1,718	\$(1,270)
Use Permit - Agricultural - All Tiers	\$2,124	\$3,230	(\$1,100)
Use Permit - non-agriculture zones	\$1,563	\$3,230	(\$1,667)
Use Permit - Requiring Board of Supervisors Approval	\$2,124	\$3,785	(\$1,661)
Verification Letter - single SFD	\$68	\$115	(\$47)
Verification Letter - all other uses	\$142	\$190	(\$48)
Waiver - Noise Control	\$561	\$3,230	(\$2,669)
Williamson Act Contract	\$147	\$420	(\$273)
Williamson Act Notice of Non-Renewal	\$130	\$136	(\$6)
Williamson Act Cancellation	\$669	\$900	(\$231)
Zoning Ordinance Variance	\$2,124	\$2,957	(\$833)

Based upon the analysis conducted the majority of the fees being charged by Planning are under-recovering. Overall, the average per unit cost recovery is 78%. The largest source of over-recovery is \$88 for a Staff Approval Permit without referral and Single-Family Residence, while the largest source of under-recovery for the County is \$2,669 for a Waiver Noise Control, of which the County has never processed a request.

2 Deposit-Based Fees

In addition to reviewing flat fees, the project team also evaluated the County’s current deposit-levels associated with the most common types of planning applications received by County. The project team asked the Planning Division to provide information regarding the different applications, and the total time spent by each position reviewing the different applications. Based on the findings, the following table reflects the current deposit amount, the average amount spent or billed to each type of application, the difference, and the recommended deposit amount.

Deposit-Based Fees Analysis

Title	Current Deposit	Avg Spent	Difference	Recommended Deposit
Adult Business Permit	\$516	NA	NA	\$3,000
Community Plan Amendment	\$2,917	\$3,902	(\$985)	\$5,000
Development Agreement	\$2,917	\$5,458	(\$2,541)	\$5,000
General Plan Amendment	\$2,917	\$5,458	(\$2,541)	\$5,000
Mine Use Permit/Reclamation Plan (RP)/RP Amendment	\$2,917	\$11,639	(\$8,722)	\$15,000
Recirculation of Mitigated Negative Declaration	\$1,230	\$2,957	(\$1,727)	\$3,000
Rezone	\$2,917	\$8,446	(\$5,529)	\$10,000
Specific Plans	\$2,917	\$19,808	(\$16,891)	\$20,000
Tentative Subdivision	\$2,917	\$6,555	(\$3,638)	\$6,500
Zoning Ordinance Text Amendment	\$2,124	NA	NA	\$5,000

As the table shows, based upon the Deposits evaluated the County is currently collecting deposits that are well below the average cost to provide the requested application service. This results in the Department having to request additional funding from applicants. This additional funding can range from a minimal amount of \$985 to a much more significant amount of \$16,891. Therefore, it is the project team’s recommendation that the County increase its deposit levels. It is typically a best practice that when collecting deposit-based fees the deposit amount be set at an even number, therefore, the project team’s recommended deposit levels are standardized numbers. The County should consider standardizing its other deposits not listed in the previous table.

3 ANNUAL REVENUE IMPACTS

Utilizing workload data from FY16-17 and the per unit results, Planning is currently under-recovering its fee-related costs by approximately \$19,000. The following table shows the

² The Adult Business Permit current deposit represent the current flat fee charged by the County, and the average spent reflects the average amount of time associated with processing those permits.

annual workload volume for FY 16-17, estimated revenue at the fee for FY17-18, the projected annual cost based upon time estimates and the fully burdened hourly rate, and the associated annual surplus or deficit.

Annual Results – Planning

Fee Name	FY16-17 Volume	Estimated Revenue at Current Fee	Total Estimated Annual Cost	Surplus / (Deficit) - Annual
Alcohol Beverage Control (ABC) License	2	\$158	\$204	(\$46)
Appeal of Planning Commission Decision to Board of Supervisors	1	\$561	\$1,158	(\$597)
Building / Grading Permit Review	592	\$53,280	\$44,400	\$8,880
Business License Application	522	\$10,440	\$9,918	\$522
Condition of Approval or Development Standard Modification	1	\$1,660	\$1,718	(\$58)
Minor Lot Line Adjustment in R, C, M, PD, PI, IBP, LI Zones	7	\$1,309	\$2,331	(\$1,022)
Minor Lot Line Adjustment in A-2 Zone without Williamson Act	8	\$3,040	\$3,712	(\$672)
Lot Line Adjustment in A-2 Zone with Williamson Act	21	\$14,280	\$15,057	(\$777)
Merger	2	\$170	\$514	(\$344)
Mobile Home Application	2	\$794	\$514	\$280
Parcel Maps (R, C, M, LI, IBP, PD, PI Zones)	3	\$3,858	\$7,878	(\$4,020)
Per Lot	48	\$1,440	\$0	\$1,440
Parcel Maps (A-2 Zone, non-Williamson Act and < 4 parcels + remainder)	2	\$2,810	\$6,272	(\$3,462)
Parcel Maps (A-2 Zone, with Williamson Act or > 4 parcels + remainder)	2	\$4,328	\$6,272	(\$1,944)
Staff Approval Permit - with referral	14	\$7,224	\$6,930	\$294
Staff Approval Permit - without referral & Single-Family Residence in Ag Zone	57	\$20,292	\$15,276	\$5,016
Subdivision Ord. Exception	1	\$2,124	\$2,957	(\$833)
Time Extensions	3	\$1,344	\$5,154	(\$3,810)
Use Permit - Agricultural - All Tiers	8	\$16,992	\$25,840	(\$8,848)
Use Permit - non-agriculture zones	1	\$1,563	\$3,230	(\$1,667)
Use Permit - Requiring Board of Supervisors Approval	1	\$2,124	\$3,785	(\$1,661)
Verification Letter - single SFD	3	\$204	\$345	(\$141)
Verification Letter - all other uses	14	\$1,988	\$2,660	(\$672)
Williamson Act Contract	11	\$1,617	\$4,620	(\$3,003)
Williamson Act Notice of Non-Renewal	1	\$130	\$136	(\$6)
Williamson Act Cancellation	1	\$669	\$900	(\$231)
Zoning Ordinance Variance	2	\$4,248	\$5,914	(\$1,666)
TOTAL		\$158,647	\$177,695	(\$19,048)

As the table shows, the County is under-recovering by approximately \$19,000 as it relates to Planning related services. The primary source of this under-recovery is attributable to

the Agricultural Use Permit all tiers, which at an annual deficit of \$8,848 represents approximately 46% of the overall deficit.

4 CROSS-DEPARTMENTAL PLANNING SUPPORT

The Planning fee schedule for the County of Stanislaus details permit amounts for various services and costs associated with each permit, including support provided by other Departments / Divisions. Public Works, Environmental Resources, Clerk of the Board, Flood Plain Administration, General Plan Maintenance Fee, and GIS Fee. These fees are typically determined and set by the Departments / divisions that are responsible for conducting those reviews and analyses and were not evaluated as part of this study.

It is important to note that while the time of the Planning Commission Clerk is accounted for in the total cost associated with the Planning Fees, the costs associated with newspaper publications related to the Planning Commission are reflected through the Planning Commission Clerk line item. The purpose of identifying these costs separately is to maintain transparency regarding these costs and line items. This is also true for the Clerk of the Board, as that line item only reflects the material costs associated with Board hearings.

6. COMPARATIVE MARKET SURVEY

As part of this User Fee Study for Stanislaus County, the Matrix Consulting Group conducted a comparative survey of fees. The County identified eight jurisdictions to be included in the comparative survey: Fresno County, Kern County, Madera County, Merced County, Monterey County, Sacramento County, San Joaquin County, and Tulare County.

While this report will provide the County with a reasonable estimate and understanding of the true costs of providing services, many jurisdictions also wish to consider the local “market rates” for services as a means for assessing what types of changes in fee levels their community can bear. However, a comparative survey does not provide adequate information regarding the relationship of a jurisdiction’s cost to its fees. Three important factors to consider when comparing fees across multiple jurisdictions are: population, operating budget, and workforce size. The following tables provide this information regarding the jurisdictions included in the comparative survey.

Ranking of Jurisdictions by Population

Jurisdiction	2015 Census
Madera	154,998
Merced	268,455
Monterey	433,898
Tulare	459,863
Stanislaus	538,388
San Joaquin	726,106
Kern	882,176
Fresno	974,861
Sacramento	1,501,000

Ranking of Jurisdictions by Planning Operating Budget

Jurisdiction	FY 17/18 Budget
Stanislaus	\$2,168,764
Madera	\$2,364,109
Merced	\$2,868,909
Monterey	\$7,730,098
San Joaquin ³	\$7,796,933
Sacramento	\$11,960,473
Kern	\$13,055,923
Fresno	\$14,827,272
Tulare ⁴	\$18,675,895

³ San Joaquin County’s budget documents did not break out the costs between Planning and Building services. Therefore, the budget represents both services.

⁴ Tulare County’s budget documents represented the cost for Community Development and did not break out Planning services separately.

Ranking of Jurisdictions by Planning Workforce Size

Jurisdiction	FY 17 / 18 FTE
Madera	13.00
Merced	17.00
Stanislaus	18.00
Monterey	24.00
San Joaquin ³	46.20
Kern	50.00
Sacramento	59.80
Tulare ⁴	72.00
Fresno	77.00

Based on the data shown in the above tables, Stanislaus County ranks in the middle in terms of population size but has the lowest budget among all comparative agencies. In terms of the planning workforce, Stanislaus is among the more leanly staffed agencies.

In addition to the information above, the project team also collected cost recovery information from the budgeted documents for each of the jurisdictions surveyed. The cost recovery level identified was calculated utilizing FY17-18 budgeted expenditures and comparing it to FY16-17 actual / estimated revenue collected by each agency. The following table ranks the agencies in terms of their cost recovery levels.

Ranking of Jurisdictions by Planning Cost Recovery Level

Jurisdiction	FY 17 / 18 Cost Recovery Level
Monterey	19%
Merced	22%
Tulare	32%
Stanislaus	35%
Kern	40%
Fresno	56%
Madera	61%
San Joaquin	63%
Sacramento	73%

As the table shows, Stanislaus ranks in the middle in terms of its cost recovery level. The purpose of presenting this contextual information is to ensure that as comparisons are made between the fee levels it is also important to evaluate the level of cost recovery being achieved by that jurisdiction.

Along with keeping these statistics in mind, the following issues should also be noted regarding the use of market surveys in the setting of fees for service:

- Each jurisdiction and its fees are different, and many are not based on actual cost of providing services.

- The same “fee” with the same name may include more or less steps or sub-activities. In addition, jurisdictions provide varying levels of service and have varying levels of costs associated with providing services such as staffing levels, salary levels, indirect overhead costs, etc.

In addition to the issues noted above, market surveys can also run the risk of creating a confusing excess of data that will obscure rather than clarify policy issues. Because each jurisdiction is different, the Matrix Consulting Group recommends that the information contained in the market comparison of fees be used as a secondary decision-making tool, rather than a tool for establishing an acceptable price point for services.

On average, the survey showed that the County’s fees are in line with the jurisdictions surveyed, with some fees higher than other counties and other fees significantly lower. The results of the survey are shown as an attachment to this report.

7. COST RECOVERY

The following sections provide guidance regarding how and where to increase fees, determining annual update factors, and developing cost recovery policies and procedures.

1 FEE ADJUSTMENTS

This study has documented and outlined on a fee-by-fee basis where the County is under and over collecting for its Planning fee-related services. County and Department management will now need to review the results of the study and adjust fees in accordance with Departmental and County philosophies and policies. The following dot points outline the major options the County has in adjusting its fees.

- **Over-Collection:** Upon review of the fees that were shown to be over-collecting for costs of services provided, the County should reduce the current fee to be in line with the full cost of providing the service.
- **Full Cost Recovery:** For fees that show an under-collection for costs of services provided, the County may decide to increase the fee to full cost recovery immediately.
- **Phased Increase:** For fees with significantly low cost recovery levels, or which would have a significant impact on the community, the County could choose to increase fees gradually over a set period of time.

The County will need to review the results of the fee study and associated cost recovery levels and determine how best to adjust fees. While decisions regarding fees that currently show an over-recovery are fairly straight forward, the following subsections, provide further detail on why and how the County should consider either implementing Full Cost Recovery or a Phased Increase approach to adjusting its fees.

1 Full Cost Recovery

Based on the permit or review type, the County may wish to increase the fee to cover the full cost of providing services. Certain permits may be close to cost recovery already, and an increase to full cost may not be significant. Other permits may have a more significant increase associated with full cost recovery.

Increasing fees associated with permits and services that are already close to full cost recovery can potentially bring the Department's overall cost recovery level higher. Often

times these minimal increases can provide necessary revenue to counterbalance fees which are unable to be increased.

The County should consider increasing fees for permits for which services are rarely engaged to full cost recovery. These services often require specific expertise, and can involve more complex research and review due to their infrequent nature. As such, setting these fees at full cost recovery will ensure that when the permit or review is requested, the County is recovering the full cost of its services.

2 Phased Increases

Depending on current cost recovery levels some current fees may need to be increased significantly in order to comply with established or proposed cost recovery policies. Due to the type of permit or review, or the amount by which a fee needs to be increased, it may be best for the County to use a phased approach to reaching their cost recovery goals.

As an example, you may have a current fee of \$200 with a full cost of \$1,000, representing 20% cost recovery. If the current policy is 80% cost recovery, the current fee would need to increase by \$600, bringing the fee to \$800, in order to be in compliance. Assuming this particular service is something the County provides quite often, and affects various members of the community, an instant increase of \$600 may not be feasible. Therefore, the County could take a phased approach, whereby it increases the fee annually over a set period until cost recovery is achieved.

Raising fees over a set period of time not only allows the County to monitor and control the impact to applicants, but also ensure that applicants have time to adjust to significant increases. Continuing with the example laid out above, the County could increase the fee by \$150 for the next four years, spreading out the increase. Depending on the desired overall increase, and the impact to applicants, the County could choose to vary the number of years by which it chooses to increase fees. However, the project team recommends that the County not phase increases for periods greater than five years, as that is the maximum window for which a comprehensive fee assessment should be completed.

2 ANNUAL UPDATES

Conducting a comprehensive analysis of fee-related services and costs annually would be quite cumbersome and costly. The general rule of thumb for comprehensive fee analyses is between three and five years. This allows for jurisdictions to ensure they account for organizational changes such as staffing levels and merit increases, as well as process efficiencies, code or rule changes, or technology improvements.

Developing annual update mechanisms allow jurisdictions to maintain current levels of

cost recovery, while accounting for increases in staffing or expenditures related to permit services. The two most common types of update mechanisms are Consumer Price Index (CPI) and Cost of Living Adjustment (COLA) factors. The following points provide further detail on each of these mechanisms.

- **COLA / Personnel Cost Factor:** Jurisdictions often provide their staff with annual salary adjustments to account for increases in local cost of living. These increases are not tied to merit or seniority, but rather meant to offset rising costs associated with housing, gas, and other livability factors. Sometimes these factors vary depending on the bargaining group of a specific employee. Generally speaking these factors are around two or three percent annually.
- **CPI Factor:** A common method of increasing fees or cost is to look at regional cost indicators, such as the Consumer Price Index. These factors are calculated by the Bureau of Labor Statistics, put out at various intervals within a year, and are specific to states and regions.

The County should review its current options internally (COLA) as well as externally (CPI) to determine which option better reflects the goals of the Department and the County. If choosing a CPI factor, the County should outline which particular CPI should be used, including specific region, and adoption date. If choosing an internal factor, again, the County should be sure to specify which factor, if multiple exist.

3 POLICIES AND PROCEDURES

This study has identified the permit areas where the County is under-collecting the cost associated with providing services. This known funding gap is therefore being subsidized by other County revenue sources. Based on the information provided in this report, at a global or per unit level, the County may not have any issues with using non-fee related revenue to account for the current deficit.

Development of cost recovery policies and procedures will serve to ensure that current and future decision makers understand how and why fees were determined and set, as well as provide a road map for ensuring consistency when moving forward. The following subsections outline typical cost recovery levels and discuss the benefits associated with developing target cost recovery goals and procedures for achieving and increasing cost recovery.

1 Typical Cost Recovery

The Matrix Consulting Group has extensive experience in analyzing local government operations across the United States and has calculated typical cost recovery levels. For Planning services, typical cost recovery levels are between 50-80%. This study concluded that Stanislaus County is recovering approximately 89% of the cost associated with its

current planning services. The County's current cost recovery places it at higher than the cost recovery range seen for current planning services.

2 Development of Cost Recovery Policies and Procedures

The Department should review the current cost recovery levels and adopt a formal policy regarding cost recovery. This policy can be general in nature and can apply broadly to the County as a whole, or Planning Services specifically. Alternatively, the County could choose to adopt cost recovery policies by major section of the Development Services fee schedule. A fee schedule specific cost recovery policy would allow the County to better control the cost recovery associated with various stages of development projects, as well as ensure that contributing departments are receiving necessary or needing revenue funds.

Throughout the United States, more and more jurisdictions are adopting formal cost recovery policies at a department or divisional level. These policies inform internal staff and external stakeholders about the goals and objectives of a Department or the County as a whole. The Matrix Consulting Group considers a formalized cost recovery policy an industry Best Management Practice.

Along with adopting formal policies outlining cost recovery goals or targets, the County should also consider outlining or establishing a formal procedure for updating fees annually. This includes identifying annual update mechanisms (e.g. COLA or CPI), as well as the frequency for which comprehensive reviews or analysis should be undertaken. Codifying these procedures provides guidance to departmental or finance staff allowing them to better project revenue assumptions. Additionally, it allows new County staff to understand how fees or costs were updated previously.

COMPARATIVE SURVEY

Comparative Survey

Fee Title / Jurisdiction	Stanislaus County		Fresno County	Kern County	Madera County	Merced County	Monterey County	Sacramento County	San Joaquin County	Tulare County
	Current Fee	Full Cost								
Appeal of Planning Commission Decision to Board of Supervisors	\$ 561	\$ 1,158	\$ 508	\$ 420	\$ 326	\$ 541	\$ 2,507	\$ 3,106	\$ 500	\$ 500
Appeal of Staff Determination to Planning Commission	\$ 561	\$ 1,799				\$ 573	\$ 807	\$ 3,106	\$ 205	\$ 300
Business License Application	\$ 20	\$ 19		\$ 85	\$ 161	\$ 59 - \$179	\$ 230	General Business License \$146	\$ 400	Other Dept
Condition of Approval or Development Standard Modification	\$ 1,660	\$ 1,718	50% of App Fee	50% of App Fee/ \$500 if temp CUP	\$ 977		\$ 3,504		\$ 855	\$100 per hr
Continuance Request for PC Development Agreement (Deposit)	\$ 227	\$ 316	\$ 477	\$ 150	\$ 316	\$ 98				
Environmental Impact Report - Separate fee charged in addition to regular application fee	\$ -	\$ -	Type 1 = \$5,151, Type 2 = \$3,901, Type 3 = \$1,212	\$10,000 Deposit	\$8,804 + 20% for processing	\$ 10,000	\$ 12,000		18.50% Notice of Preparation \$3,675	\$1,000 + \$100 / hr \$5,000 deposit \$100/hr + Costs for technical studies
General Plan Amendment	\$ 2,917	\$ 3,953	Varies from \$7,008 to \$12,240	\$ 1,355	0-50 acres = \$1,797 50-100 acres = \$8,501 + \$5/acre 100+ Acres = \$9,536 + \$2/acre	\$ 1,178	\$ 12,000	General Plan Amendment = \$23,34; Ag to Urban = \$1,212; Urban to Comm = \$3,623	Map Amendment: Base Fee (<5 acres) = \$4,600 5-9.99 Acres = \$5,350 10+ Acres = \$42 / acre Text Amendment = \$4,800	Deposit of \$10,000 - \$100 / hr
Lot Line Adjustment in A-2 Zone with Williamson Act Merger	\$ 680	\$ 717	\$ 1,050	\$ 350	\$ 537	\$ 1,026	General = \$2,522.88 Condition Compliance = \$630.72 Williamson Act = \$2,242.56 Williamson Act Condition Compliance = \$560.64	\$ 2,032	\$ 1,125	\$ 750
Mine Use Permit/ Reclamation Plan (RP)/ RP Amendment *(1) (Deposit)	\$ 85	\$ 257	\$ 212	\$ 300	\$ 311	\$ 282			\$ 425	\$ 166
Mine Use Permit/ Reclamation Plan (RP)/ RP Amendment *(1) (Deposit)	\$ 2,917	\$ -	\$ 4,298	\$740 + \$25/lot	Over 25,000 ton = \$9,328 Under 25,000 ton = \$4,671	Small Mine = \$1,000 Large Mine = \$1,450 Interim Management Plan = \$1,001	\$ 14,016			\$ 2,500

Comparative Survey

Fee Title / Jurisdiction	Stanislaus County		Fresno County	Kern County	Madera County	Merced County	Monterey County	Sacramento County	San Joaquin County	Tulare County
	Current Fee	Full Cost								
Mines Inspections (Deposit)	\$ 2,200	\$ -	\$ 2,257	\$50 min - PW Only Fee	\$200 + Deposit	Small Mine = \$881 Large Mine = \$1,109 Interim Management Plan = \$1,448	Disturbed area <20 acres = \$3,227.91 Disturbed area >20 acres = \$7,600			\$ 400
Mobile Home Application	\$ 397	\$ 257	\$ 187.50				\$ 94	\$ 1,260	\$ 490	\$2,500 +\$100/hour deposit
Parcel Maps (R, C, M, LI, IBP, PD, PI Zones)	\$ 1,286	\$ 2,626	\$ 4,292							
Per Lot	\$ 30	\$ -	\$ 127							
Parcel Maps (A-2 Zone, non-Williamson Act and < 4 parcels + remainder)	\$ 1,405	\$ 3,136		\$ 1,455	Tentative = \$840 + \$15 / lot Final = \$1,106 + \$15 / lot Amend Tentative = \$1,141 + \$15 / lot	Minor Subdivision \$648	Minor Subdivision = \$ 3,000	\$ 8,297	Major Subdivision: Major: Base Fee-Nonvested: \$5,025 Base Fee Vested: \$5, 500 Additional per-lot fee: \$14	Tentative (1-4 lots) = \$1,800 Tentative (more than 4 lots) = \$3,000 + \$100 per lot
Per Lot	\$ 30	\$ -								
Parcel Maps (A-2 Zone, with Williamson Act or > 4 parcels + remainder)	\$ 2,164	\$ 3,136	Tentative = \$1,562.00 + \$33 / lot							
Per Lot	\$ 30	\$ -								
Rezone (Deposit)	\$ 2,917	\$ 3,790	\$ 6,214	\$900 + \$25/lot (TBD Deposit)	\$1,355	Zone Change: \$1,178 & Parallel GPA/ZC: \$1,266	\$ 12,000	\$ 19,193	Base Fee (<5 acres) = \$3,175 5-9.99 Acres = \$4,375 10+ Acres = \$42 / acre	\$6,000 + \$100 per hr
Specific Plans (Deposit)	\$ 2,917	\$ -		(Deposit)	\$ 10,878	Deposit	\$ 12,000	\$ 10,911	18.50%	\$ 5,000
Street Name Change	\$ 356	\$ -		\$ 695	\$ 345				\$ 950	\$ 700
Tentative Subdivision Map (Deposit)	\$ 2,917	\$ -	\$4,490 + \$475 / lot Next 35 lots = \$229 / lot Next 75 lots = \$116 / lot Next 150 lots = \$72.50 / lot Next 300 lots = \$61 / lot	\$1,100 plus \$25 per lot	\$2072 + \$40/lot, (over 100) \$6216 + \$40/lot	No separate fee/Included in Minor Subdivision Charge	Varies: \$6,000 - \$ 12,000	1-25 Lots = \$11,564 26-100 Lots = \$1,035 100+ lots = \$518 / 100 lots	Minor: Non Vested: \$1,995 Base Fee Vested: \$2,230 for each lot more than 2 add: \$360	1-25 Lots = \$3,000 26-100 lots = \$5,000 100+ lots = \$10,000 All of these are deposits
Time Extensions	\$ 448	\$ 1,718	Parcel map = \$320	Parcel Map, Parcel Map Waiver, Lot Line Adjustment = \$200 Tract = \$295 All Other = \$150	Hearing = \$865 No Hearing = \$114		\$ 3,504	Parcel Map = \$5,378 Subdivision = \$8,458	\$ 235	Varies by app \$179 to \$469

Comparative Survey

Fee Title / Jurisdiction	Stanislaus County		Fresno County	Kern County	Madera County	Merced County	Monterey County	Sacramento County	San Joaquin County	Tulare County
	Current Fee	Full Cost								
Use Permit - Agricultural - All Tiers	\$ 2,124	\$ 3,230	Variable; from \$4,589 - \$9,123	Conditional Use Permit = \$1,400 + \$25/lot	Conditional Use Permit = \$1,469	Conditional Use Permit = \$1,505	General = \$3,504	Zoning Administrator = \$5,922 Minor =	Minor = \$3,100 General = \$4,125 Major = \$5,990	\$ 5,000
Use Permit - non-agriculture zones *(6)	\$ 1,563	\$ 3,230	Variable; from \$4,589 - \$9,123				Condition Compliance = \$876			
Use Permit - Requiring Board of Supervisors Approval	\$ 2,124	\$ 3,785	Variable; from \$4,589 - \$9,123					\$ 15,052		
Zoning Ordinance Variance	\$ 2,124	\$ 2,957	Minor = \$1,613 Class 1 = \$3,204 Class 2 = \$6049	\$1,300 + \$25 / lot	\$ 1,235	\$ 774	\$ 2,803	\$ 10,393	Variance: \$3,075 Variance Flood: \$2,450	\$ 3,000
Verification Letter - single SFD	\$ 68	\$ 115		\$ 70	\$ 155	\$ 98		\$ 1,035	\$ 50	
Verification Letter - all other uses	\$ 142	\$ 190	\$ 42					\$ 1,812	\$ 50	
Williamson Act Contract	\$ 147	\$ 420	\$ 184	1-10 = \$590 11-20 = \$740 20+ = \$1,035 1-10 = \$310	\$ 250	\$ 400	\$ 1,577	\$ 5,335	\$ 510	\$ 125
Williamson Act Notice of Non-Renewal	\$ 130	\$ 136	No Fee	11-20 = \$430 20+ = \$675	\$ 725	\$ 100		\$ 1,035	\$ 485	\$220 Full; \$330 Partial
Zoning Ordinance Text Amendment (Deposit)	\$ 2,124	\$ -	\$ 7,326		\$ 1,736	\$ 2,369	\$ 12,000	\$ 14,534	Minor: \$3,100 General: \$4,700	\$ 1,000

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on May 15, 2018, at 6:30 p.m., or as soon thereafter as the matter may be heard, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, Lower Level, 1010 10th St., Modesto, CA, to introduce and waive the first reading of an ordinance to establish new fees and amend existing fees for Planning Services.

ADDITIONAL NOTICE IS GIVEN that Planning and Community Development Department 2018 Planning Fee Schedule will be available for review on April 27, 2018, in the Clerk of the Board Office, 1010 10th Street, Suite 6500, Modesto, CA.

NOTICE IS FURTHER GIVEN that at the said time and place, interested persons will be given the opportunity to be heard. Material submitted to the Board for consideration (i.e. photos, petitions, etc.) will be retained by the County. If a challenge to the above ordinance is made in court, persons may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors. If you have any questions, please call Angela Freitas, Director of the Planning and Community Development Department at (209) 525-6330, between the hours of 8:30 a.m. and 4:30 p.m., planning@stancounty.com, or visit the office at 1010 10th Street, Suite 3400, Modesto, CA.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: April 17, 2018

ATTEST: Elizabeth A. King, Clerk of
the Board of Supervisors
of the County of Stanislaus,
State of California

BY: _____
Pamela Villarreal, Assistant Clerk

NOTICE OF PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN that on May 15, 2018, at 6:30 p.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 introduction and waiving of the first reading of the following proposed ordinances:

- A.** An Ordinance to establish new and amend existing fees for the Department of Environmental Resources. The proposed new fees and fee adjustments would consist of:
- Increased Weighted Labor Rate of the Department
 - Public Water Systems Penalty Fee
 - Hazardous Materials CUPA Program Penalty Fees
 - Changes in the Landfill Fees: Elimination of the Solid Material (Inert) Fee, Increase in Ash Tipping Fee, and Hard-to-Handle Description Clarification

For further information, contact Julie Mendoza at (209) 525-6700, jmendoza@envres.org or at 3800 Cornucopia Way, Suite C, Modesto, CA.

- B.** An Ordinance to amend and eliminate existing fees for the Department of Parks and Recreation. The proposed fee adjustments would consist of:
- Elimination of the Stanislaus County Resident Day Use Discount Fee
 - Increase in Camping Fees and Camping Discounted Fees

For further information, contact Julie Mendoza at (209) 525-6700, jmendoza@envres.org or at 3800 Cornucopia Way, Suite C, Modesto, CA.

- C.** An Ordinance to establish new fees and amend existing fees for Planning Services. For further information, contact Angela Freitas, Director of Planning and Community Development at (209) 525-6330, planning@stancounty.com or at 1010 10th Street, Suite 3400, Modesto, CA.

- D.** An Ordinance to establish new fees and amend or eliminate existing fees for the Public Works Department. The proposed new fees and fee adjustments would consist of:
- Erosion and Sediment Control Plan-Plan Review Fee for Construction Permits
 - Erosion and Sediment Control Plan-Construction Field Inspection Fee for Construction Permits
 - Erosion and Sediment Control Plan-Plan Review for Building Permits
 - Erosion and Sediment Control Plan-Construction Field Inspection Fee for Building Permits

For further information, contact Frederic Clark at (209) 525-4302, clarkf@stancounty.com or at 1010 10th Street, Suite 4204, Modesto, CA.

ADDITIONAL NOTICE IS GIVEN that the proposed Ordinances and Fee Schedules will be available for review on May 4, 2018, in the Clerk of the Board Office, 1010 10th Street, Suite 6700, Modesto, CA.

NOTICE IS FURTHER GIVEN that at the said time and place, interested persons will be given the opportunity to be heard. Material submitted to the Board for consideration (i.e. photos, petitions, etc.) will be retained by the County. If a challenge to one or more of the above items is made in court, persons may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: April 24, 2018

ATTEST: ELIZABETH A. KING, Clerk of
the Board of Supervisors
of the County of Stanislaus,
State of California

BY:


Pam Villarreal, Assistant Clerk

**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 04, 2018, May 10, 2018

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 10th, 2018

(By Electronic Facsimile Signature)

Cynthia A. Villalobos

STANISLAUS COUNTY
NOTICE OF PUBLIC HEARINGS

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BY ORDER OF THE BOARD OF SUPERVISORS. DATED: April 24, 2018. ATTEST: ELIZABETH A. KING, Clerk of the Board of Supervisors of the County of Stanislaus, State of California. BY: Pam Villarreal, Assistant Clerk. Pub Dates May 4,10, 2018