

## TOWN OF WOODSIDE

Report to Town Council

Agenda Item 8

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July 24, 2012

**SUBJECT: RESOLUTION AMENDING THE TOWN'S SCHEDULE OF FEES AND CHARGES**

### RECOMMENDATION

It is recommended that the Town Council review this report, take public input, and adopt the attached resolution which amends the Town's fee schedule by adjusting the hourly charge rates for Town staff and consultants, and provide direction to staff regarding further modifications to the schedule of fees and charges.

### BACKGROUND AND DISCUSSION

#### Hourly Rate Schedule

On January 25, 2011, the Town Council adopted Resolution 2011-6822, which set fees for building services, code enforcement, engineering, miscellaneous, and planning services. Included in the fee schedule is the Hourly Direct Charge Rates, which specifies the hourly rate charged for Town staff time for activities which are billed based on actual job costs. These rates were adjusted in July 2011 to account for the increased cost of employee benefits as of July 1, 2011.

With the adoption of the 2012-13 budget, it is appropriate to again modify the hourly rate schedule to ensure that the cost of employee salaries and benefits, plus overhead, is captured in the schedule. The proposed hourly rate schedule reflects the salary and classification plan for 2012-13, and includes a new position, Senior Management Analyst, and the shift to contractual services for Building Official and Town Geologist. **Attachment 2** shows the change in the rate for each position. A reallocation of overhead based on the staffing of the Planning Department and the Public Works/Engineering Department accounts for the change in the hourly rate for the Director of Planning and the Town Engineer.

#### Planning Fees

On May 8, 2012, the Town Council reviewed the effect of the March 2011 fee update. As part of that review, five Planning Department projects, which included 10 different flat fee permit applications, were reviewed based on the actual staff time spent to process the permits. The projects reviewed were those that were applied for and completed within the time frame covered by the new fee schedule. The projects reviewed did not include many complex projects and did not include projects begun before the new fee implementation date. The staff hourly rate in effect for 2011-12 was utilized for the entire 12 month analysis.

The table below is the summary from the May 8, 2012, review of the five planning projects. The review on May 8, 2012, indicated that the Town of Woodside's General Fund continues to subsidize Planning activities to a great degree, with a current per project cost recovery rate between 17-59%. The actual staff time and cost are based on all Town staff that had a role in reviewing the application, not only the planning staff. For these five completed projects, the General Fund subsidy (under the current fee schedule) was \$11,129 and the cost recovery rate

was 40%. The fees paid were lower in each case than the actual costs to complete the application review process.

<u>Project and Permits Issued</u>	<u>Fee (Revenue)</u>	<u>Actual Staff Cost</u>	<u>Staff Hours</u>	<u>Cost Recovery %</u>
<b>New Main Residence (ASRB), Gate</b>	\$ 1,425	\$ 4,796	28	30%
<b>Site Design (ASRB/PC), 3- Accessory Structures, Other Structure</b>	\$ 3,913	\$ 6,662	38	59%
<b>Gate</b>	\$ 300	\$ 1,795	11	17%
<b>Lot Merger</b>	\$ 625	\$ 2,601	17	24%
<b>Conditional Use Permit Amendment</b>	\$ 1,063	\$ 2,602	15	41%
<b>Total</b>	<b>\$ 7,326</b>	<b>\$ 18,455</b>	<b>108</b>	<b>40%</b>
GENERAL FUND SUBSIDY FOR 5 PROJECTS		\$ 11,129		
COST RECOVERY %		40%		

Based on this review, the Town Council directed staff to develop a proposal for increasing planning fees.

Conceptual Design Review

Since the May review of the performance of the 2011 adopted fees, the Council has taken action to clarify the design review process. The changes to the code (which are on the July 24<sup>th</sup> agenda for adoption) require Conceptual Design Review for most projects requiring Architectural and Site Review Board (ASRB) review, and Formal Design Review for a subset of projects. Small-scale projects and projects for which the ASRB has granted conditional approval for Formal Design Review by the Planning Director or Planning Commission would not need to return to the ASRB.

These changes will result in variability in both the type of project that would require design review and the level of review that will be required before the ASRB. Because of this, staff recommends that the fee type for ASRB applications be changed from flat fee to job cost. The deposit would be based on the components of the project and would be additive. The lone exception would be for the stand-alone small-scale projects, such as gates and fences. Staff recommends that these projects remain a flat fee.

Since February 2012, the Planning Department has been utilizing the Preliminary Review process as it currently exists in the Municipal Code. Utilizing the existing fee schedule, these Preliminary Reviews have been charged actual job cost. Through early July, there have been ten Preliminary Reviews whose costs have ranged from \$1,500 to \$4,500, with an average of \$3,000. Of these ten three have had two Preliminary Reviews and have been forwarded to staff for Formal Design Review, two have had one Preliminary Review and been forwarded to staff for Formal Design Review, two have had one Preliminary Review and will require a second, one has had two Preliminary Reviews and is pending a third, one has had two Preliminary Reviews and the design concept was not supported, and one applicant has elected to switch architects. Utilizing the current fee schedule, each application that returns for Formal Design Review is charged the flat fee included in the adopted fee schedule (see Attachment 3).

If the Council agrees that charging actual job cost for Conceptual and Final Design Review applications is appropriate, staff suggests that other applications be made job cost. These applications include:

- Conditional Use Permits
- Development Permit Extensions
- Exceptions as provided for in the Municipal Code, such as for a second driveway or for increased paved area in the SCP-5 zone
- Lot Mergers
- Tentative Parcel Map Extensions
- Variances

Changing the fee type for these applications from flat fee to job cost recovery is supported by the Town's Financial Management Policy that development service activities be self-supporting, including appropriate overhead costs.

An alternative approach to changing to full job cost recovery would be to increase the flat fees charged for applications by 20 percent, a figure that is supported by the review and analysis conducted in May. The following table compares the effect on cost recovery of increasing flat fees by 20 percent, and changing to full job cost recovery.

<u>Project and Permits Issued</u>	<u>Fee (Revenue)</u>	<u>Actual Staff Cost</u>	<u>Staff Hours</u>	<u>Cost Recovery %</u>	<u>20% Increased Fee Revenue</u>	<u>Job Cost Fee</u>
<b>New Main Residence (ASRB), Gate</b>	\$ 1,425	\$ 4,796	28	30%	\$1,710	\$ 4,796
<b>Site Design (ASRB/PC), 3- Accessory Structures, Other Structure</b>	\$ 3,913	\$ 6,662	38	59%	\$4,696	\$ 6,662
<b>Gate</b>	\$ 300	\$ 1,795	11	17%	\$360	\$ 1,795
<b>Lot Merger</b>	\$ 625	\$ 2,601	17	24%	\$750	\$ 2,601
<b>Conditional Use Permit Amendment</b>	\$ 1,063	\$ 2,602	15	41%	\$1,276	\$ 2,602
<b>Total</b>	<b>\$ 7,326</b>	<b>\$ 18,455</b>	<b>108</b>	<b>40%</b>	<b>\$ 8,791.20</b>	<b>\$ 18,455.30</b>
GENERAL FUND SUBSIDY FOR 5 PROJECTS			\$ 11,129			
COST RECOVERY %			40%			
20% Increase - GENERAL FUND SUBSIDY FOR 5 PROJECTS			\$ 9,664			
Increase in COST RECOVERY %			48%			
Job Cost - GENERAL FUND SUBSIDY FOR 5 PROJECTS			\$ -			
Increase in COST RECOVERY %			100%			

As the table indicates, for the five projects reviewed in May, the cost recovery rate for all applications would increase to 48% if the fees were increased by 20%. Full job cost recovery would result in a 100% job cost recovery.

### Geology Deposit

During 2011-12, the Town transitioned from a staff Town Geologist to a consultant to fill that role. The new Town Geologist, Cotton, Shires, and Associates, has worked and billed within the \$1,200 deposit that is collected at the time that an application is filed. The Geologist has

requested that the deposit be increased to \$1,500 to reflect the true cost of providing geotechnical review. **Attachment 4** provides a breakdown of the tasks that comprise a typical review for a hillside single-family residence.

Staff recommends increasing the deposit for geotechnical review. Additionally, for the purpose of assessing overhead charges, staff recommends that the Town Geologist be treated as staff and that project applicants not be assessed an additional 25% for overhead, to reduce costs for applicants and to better reflect the cost of administering the contract for the Town Geologist.

## **CONCLUSION**

Staff recommends that the Town Council review this report, take any public comment, and:

- Adopt the attached resolution which modifies the Town's schedule of fees and charges by amending the hourly rate schedule, and
- Provide direction to staff regarding the modification of planning fees and the geology review deposit.

## **Attachments**

RESOLUTION NO. 2012 -

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WOODSIDE  
AMENDING THE TOWN'S FEE SCHEDULE BY ADJUSTING THE HOURLY CHARGE RATES  
FOR TOWN STAFF

WHEREAS, on January 25, 2011, the Town Council passed Resolution No. 2011-6822, which adopted fees and charges for building services, code enforcement, engineering, miscellaneous, and planning services for the Town of Woodside; and

WHEREAS, on June 26, 2012, the Town Council approved the Town Salary and Classification Plan for 2012-13; and

WHEREAS, the Town's costs have increased since the last adjustment of the hourly direct charge billing rate; and

WHEREAS, new job classifications are included in the Town Salary and Classification Plan for 2012-13; and

WHEREAS, the Town Council's Financial Management Policies favor the recovery of the full cost of direct services provided; and

WHEREAS, the Town of Woodside, in adopting the following fees, has complied with all of the provisions of Section 66016 of the State Government Code, including providing the required published notice and conducting a public hearing regarding the fee revisions.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Town Council of the Town of Woodside, that the Hourly Direct Charge Rates for Town staff hours are approved as outlined in Exhibit A, attached hereto, effective July 1, 2012.

\* \* \* \* \*

Passed and adopted by the Town Council of the Town of Woodside, California, at a meeting thereof held on the 24<sup>th</sup> day of July 2012, by the following vote of members thereof:

- AYES, and in favor thereof, Councilmembers:
- NOES, Councilmembers:
- ABSENT, Councilmembers:
- ABSTAIN, Councilmembers:

\_\_\_\_\_  
Mayor of the Town of Woodside

ATTEST

\_\_\_\_\_  
Clerk of the Town of Woodside

## EXHIBIT A

Classification	Hourly Rate
Accounting Office Assistant/Deputy Town Clerk	\$71
Administrative Assistant	\$92
Administrative Technician	\$84
Assistant Planner	\$133
Associate Planner	\$142
Building Inspector/Plan Checker	\$120
Building Official*	\$125
Clerical PT	\$51
Community Preservation Officer	\$81
Deputy Building Official	\$140
Deputy Town Engineer	\$143
Development Services Engineer	\$140
Director of Planning	\$195
Intern PT	\$36
Laborer PT	\$40
Maintenance Worker	\$92
Principal Planner	\$187
Project Manager	\$109
Senior Administrative Technician	\$91
Senior Management Analyst	\$106
Senior Planner	\$169
Senior Project Manager	\$101
Supervising Maintenance Worker	\$130
Town Attorney*	\$250
Town Clerk	\$107
Town Engineer	\$202
Town Geologist*	\$165
Town Manager	\$208

\*Hourly rate per contract

Classification	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
	<u>Hourly Rate</u>	<u>Hourly Rate</u>	
Accounting Office Assistant/Deputy Town Clerk	\$ 70	\$ 71	\$ 1
Administrative Assistant	\$ 86	\$ 92	\$ 6
Administrative Technician	\$ 84	\$ 84	\$ -
Assistant Planner	\$ 133	\$ 133	\$ -
Associate Planner	\$ 142	\$ 142	\$ -
Building Inspector/Plan Checker	\$ 119	\$ 120	\$ 1
Building Official*	\$ 148	\$ 125	\$ (23)
Clerical PT	\$ 51	\$ 51	\$ -
Community Preservation Officer	\$ 80	\$ 81	\$ 1
Deputy Building Official	\$ 139	\$ 140	\$ 1
Deputy Town Engineer	\$ 142	\$ 143	\$ 1
Development Services Engineer	\$ 139	\$ 140	\$ 1
Director of Planning	\$ 218	\$ 195	\$ (23)
Intern PT	\$ 36	\$ 36	\$ -
Laborer PT	\$ 40	\$ 40	\$ -
Maintenance Worker	\$ 90	\$ 92	\$ 2
Principal Planner	\$ 186	\$ 187	\$ 1
Project Manager	\$ 106	\$ 109	\$ 3
Senior Administrative Technician	\$ 87	\$ 91	\$ 4
Senior Management Analyst	NEW	\$ 106	N/A
Senior Planner	\$ 169	\$ 169	\$ -
Senior Project Manager	\$ 101	\$ 101	\$ -
Supervising Maintenance Worker	\$ 129	\$ 130	\$ 1
Town Attorney*	\$ 250	\$ 250	\$ -
Town Clerk	\$ 106	\$ 107	\$ 1
Town Engineer	\$ 176	\$ 202	\$ 26
Town Geologist*	\$ 186	\$ 165	\$ (21)
Town Manager	\$ 208	\$ 208	\$ -

\*Hourly rate per contract

**Town of Woodside  
Schedule of Fees and Charges**

Activity	Adopted Fee Type	Adopted Fee	Adopted Deposit	Comments
<b>Annexation/Deannexation</b>	Job Cost		100% of estimated Job Cost	Planning Director to estimate Job Cost
<b>Architectural And Site Plan Review</b>	Architectural and Site Plan Review fees are assessed for each component of a project.			
New main residence (ASRB)	Flat Fee	\$1,125		
Site design (ASRB/PC)	Flat Fee	\$2,038		
Major Amendment	Job Cost*		100% of estimated Job Cost	Planning Director to estimate Job Cost
Extension	Flat Fee	\$175		
Accessory Structure	Flat Fee	\$525 per structure		
Remodel/Additions	Flat Fee	\$525		
Other (e.g. landscaping, lighting, gates, fences, signs, etc.)	Flat Fee	\$300		
Additional reviews on project	Flat Fee	\$225		
<b>Archival (Records, Planning)</b>	Flat Fee	\$120		Not charged for fence permits, home occupation permits, sign permits, tree removal permits, zoning compliance permits
<b>Certificate of Compliance</b>	Flat Fee	\$750		
<b>Conditional Use Permit</b>				
Conditional Use Permit	Flat Fee	\$2,238		
Conditional Use Permit Amendment	Flat Fee	\$1,063		
Conditional Use Permit Renewal	Flat Fee	\$331		
<b>Development Agreement</b>				
Initial Agreement	Job Cost*		\$3,450	
Agreement Review	Job Cost*		100% of estimated Job Cost	Planning Director to estimate Job Cost
Agreement Amendment	Job Cost*		100% of estimated Job Cost	Planning Director to estimate Job Cost
<b>Development Permit Extension</b>	Flat Fee	\$331		Excluding ASRB Extension
<b>Environmental Impact Evaluation</b>				
Initial Study/Negative Declaration	Job Cost*		\$1,225	
Environmental Impact Report (EIR)	Job Cost*		100% of estimated Job Cost	Planning Director to estimate Job Cost
Mitigation (condition) monitoring	Job Cost*		100% of estimated Job Cost	Planning Director to estimate Job Cost
<b>Department of Fish and Game - CEQA Filing Fees</b>				
Negative Declaration	Fixed Rate established by California Department of Fish and Game			\$2,044, effective 1/1/2011
Mitigated Negative Declaration				\$2,044, effective 1/1/2011
Environmental Impact Report				\$2,839.25, effective 1/1/2011
County Clerk Processing Fee				\$50, effective 1/1/2011
<b>Exception to For</b>				
Building Height	Flat Fee	\$900		
Development on Slopes in excess of 35%	Flat Fee	\$900		
Grading over 1,500 cubic yards	Flat Fee + Job Cost*	\$1,125	\$600	Deposit to cover Engineering review
Lot Area	Flat Fee	\$900		
Minor improvements for disabled access	Flat Fee	\$300		
Residence Size	Flat Fee	\$1,125		
Satellite Antenna Standards	Flat Fee	\$300		
SCP-5 District Paving Coverage Area	Flat Fee	\$525		Exception only applies to SCP-5 district
Second Driveway	Flat Fee + Job Cost*	\$900	\$600	Deposit to cover Engineering review
Setback	Flat Fee	\$1,050		
Stable Ordinance	Flat Fee	\$300		
Termination of Nonconforming Use	Flat Fee	\$900		

**Town of Woodside  
Schedule of Fees and Charges**

Activity	Adopted Fee Type	Adopted Fee	Adopted Deposit	Comments
<b>Fence Permit</b>	Flat Fee	\$75		
<b>General Plan</b>				
Amendment	Job Cost*		\$4,425	
Specific Plan	Job Cost*		\$4,425	
Specific Plan Amendment	Job Cost*		\$4,425	
Consistency Determination	Flat Fee		\$750	
<b>Home Occupation Permit</b>	Flat Fee		\$175	
<b>Preliminary Review Process</b>	Flat Fee Job Cost*	\$75	\$250	
<b>Sign Permits</b>				
Sign Permits	Flat Fee	\$75		If not covered by any other discretionary approval
Sign Permit Amendment	Flat Fee	\$75		If not covered by any other discretionary approval
Other (Temporary)	Flat Fee	\$50		If not covered by any other discretionary approval
<b>Special Studies (eg. Arborist, Biology, Historic Reports, Architectural Reports, Floor Area Calculation, Reviews)</b>	Job Cost*		100% of estimated Job Cost	Planning Director to estimate Job Cost
<b>Subdivision Ordinance</b>				
Lot Merger	Flat Fee	\$625		
Lot Line Adjustment	Job Cost*		\$2,850	
Minor Subdivision	Job Cost*		\$8,000	
Tentative Tract Map	Job Cost*		\$10,000	
Amended Map or Certificate of Correction	Job Cost*		\$2,130	subsequent to recordation, pursuant to State Gov't Code 66469
Tentative Parcel Map	Job Cost*		\$10,000	
Tentative Parcel Map Extension	Flat Fee	\$300		
Map Amendment	Job Cost*		\$1,750	prior to recordation
Planning Conformance Inspection	Job Cost*		\$1,500	
<b>Tree Removal Permit</b>	Flat Fee	\$50		
<b>Variance</b>				
New residence	Flat Fee	\$2,375		
Addition/accessory structure	Flat Fee	\$1,775		
Other	Flat Fee	\$938		
Additional variance (same project)	Flat Fee	\$525		
<b>Zoning Ordinance</b>				
Zoning Text Amendment	Job Cost*		\$4,425	
Zoning Compliance (Planning Permit)	Flat Fee	\$75		Review for applications not requiring a building permit
Zoning Compliance (Planning Permit Amendment)	Flat Fee	\$75		
Rezoning	Job Cost*		\$4,425	
Zoning Research Letter	Flat Fee	\$350		

\*Job Cost: Contractor costs plus 25% overhead and/or labor cost for employee time provided for a service. Employee cost is salary and benefits plus citywide and departmental overhead as shown in the Woodside Hourly Rate Schedule.

**PRICE PROPOSAL  
ESTIMATED HOURS AND FEE**

We have estimated the time required for completion of a typical hillside single-family residence geotechnical peer review in terms of individual tasks to be completed. These same tasks apply to evaluation of a multi-purpose building proposed within a liquefaction zone.

<u>TASK</u>	<u>HOURS</u>	<u>RATE (\$/hr.)*</u>
• Log in documents, assign project number	0.5	\$165
• Preliminary review of documents, define scope of work	0.5	165
• Discussions with staff geologist/engineer	0.5	90
• Compile maps and assemble file	1.0	90
• Review project plans	1.0	110
• Review project reports	1.5	110
• Perform field inspection (includes travel)	3.0	110
• Discuss site constraints with principals	1.0	110
• Preparation of draft report	2.0	90
• Draft report evaluated by review coordinator	0.5	165
• Revised draft report evaluated by principals	1.0	165
• Finalize report, mail, file documents	<u>0.5</u>	<u>165</u>

Total Estimated Cost, approximately \$1,500

The above estimated cost covers review of all initially submitted documents and completion of our established review procedures including preparation of a single letter-report. If adequate documents have been submitted, then there should not be additional geotechnical review fees. Costs may exceed this estimate when supplemental technical evaluations must be completed by the Project Geotechnical Consultant, or when an unusually long and complex history is associated with a particular property. If a second phase of project review is required (evaluation of responses to initial comments) then a second peer review evaluation and letter is typically completed at a cost not to exceed \$1,000.

\*See following Schedule of Billing Rates