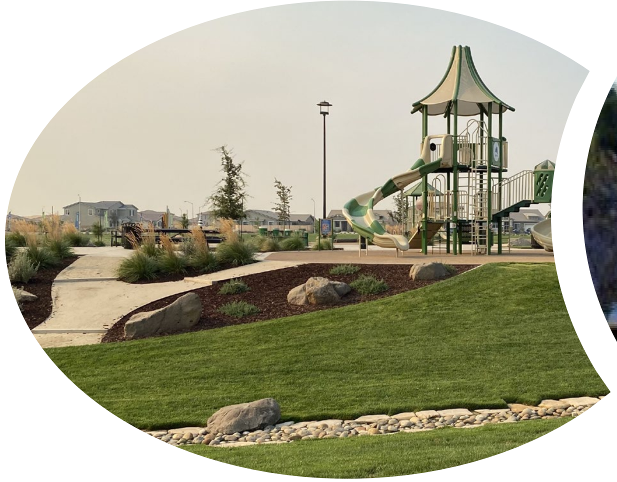
Attachment 4

City of Manteca

Public Works Department

Park Planning and Development Division Fee Study



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What are User Fees

- Provide private benefit with limited or no community benefit
- State law requires that 1) individual use of the service must be voluntary, and 2) fees must reasonably relate to the services provided
- Fee levels & cost recovery determined through City Council fee adoption
- Does not include development impact fees, utility rates, taxes, etc.

Why Update User Fees

- Subsidies in services impact the General Fund
  - Private & specific benefit services are subsidized by general fund
  - Reduces ability to fund general benefit activities like public safety & community events/programs
- Decreased department funding can impact service quality/delivery
- Cost recovery knowledge and planning
  - Provides clarity of pressures on City resources
  - Enables City to strategize and set fees to benefit of the City and community
  - State requirements for reasonable cost-based fees

User Fee Objectives & Steps

- Determine full cost of providing services or programs
  - Update fee schedules based on service delivery
  - Using fully-burdened rates, calculate full cost recovery
- Update fees for services based on cost analysis
  - Based on the types of fee, industry standards, and the private benefit involved determine suggested fees and cost recovery
    - ✓ Development related fees are typically targeted for full cost recovery
  - Ensure appropriate fee levels that:
    - ✓ Conform to local policies and objectives
    - ✓ Maintain legal compliance with state law

Data & City Staff Participation

- Primary types of data used:
  - Expenditure data
  - Staffing structures
  - Central service/Indirect overhead
  - Productive/billable hours
  - Time estimates to complete tasks
  - City/Department input, feedback and policies
- Staff support throughout process essential to ensure analysis fidelity

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Summary Steps of the Study

- **Model Development**
  - Data collection
  - Build fee model
  - Overhead and FBHR Calculation
- **Cost Analysis**
  - Staff meetings
  - Update fee schedules
  - Staffing and time data
  - Full cost for services
- **Set Cost Recovery**
  - Current cost recovery
  - Target cost recovery
- **Fee Study Report**
  - Create draft report
  - Staff report review
  - Finalize report
- **Updated Fee Adoption**
  - Public Hearing

Cost of Service Calculation

- Primary types of data used:
  - Salary & Benefits
  - Services and supply costs
  - Indirect support costs
  - System and maintenance costs
- Hourly rates structured to account for direct work hours

Salary & Benefits ÷ Productive Hours = Salary & Benefit Rate × Direct and Indirect Overhead = Fully Burdened Hourly Rate

Scope of the Study

- Review and calculate cost of providing services and related fees charged by Public Works Department – Park Planning and Development Division
    - Park Planning and Development Plan Check
    - Construction Inspection
    - Site Plan Review
    - Subdivisions
    - Community Facilities Districts

Public Works – Park Planning and Development Division

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Analysis found current fees are below cost recovery
- Suggested fee notes:
    - An increase to 24 fees
    - 1 fee would remain as currently set

Policy Considerations and Next Steps

- General standard: individuals or groups who receive private benefit from service should pay 100% of cost
- Recommend that City utilize inflation factor to annually adjust fees based on CPI, MOU, or another factor
- Comprehensive fee study every 5 years
- If fee increases are adopted, they can become effective after 60 days.

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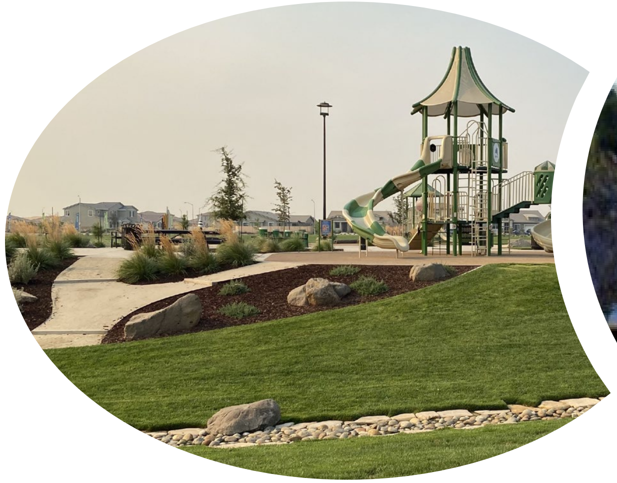
Questions



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Disclosure

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