City of Manteca

Public Works Department

Park Planning and Development Division Fee Study





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

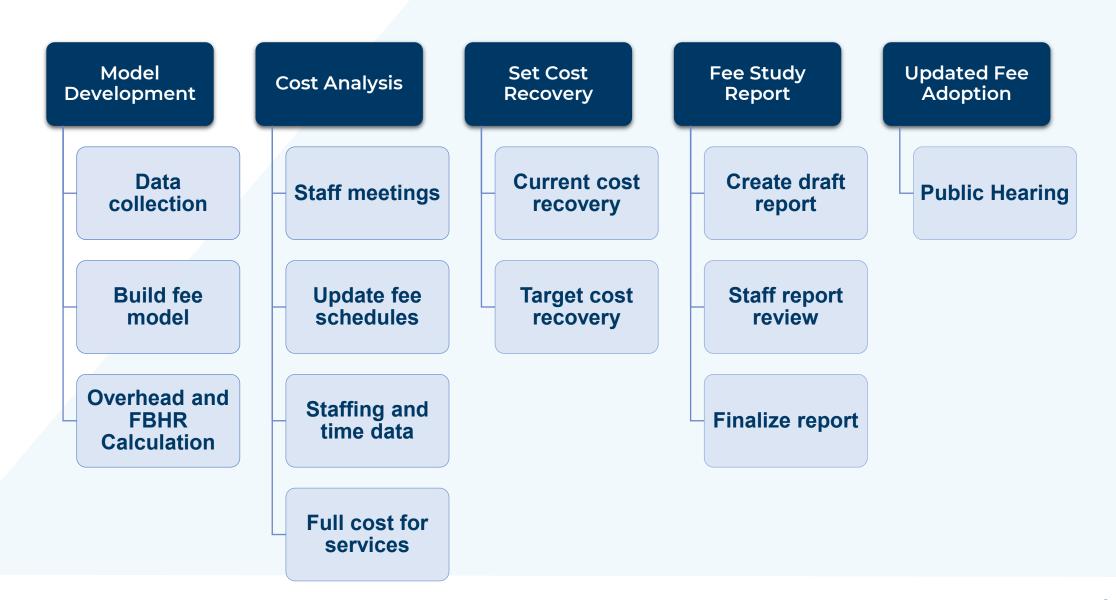
User Fee Objectives & Steps

- 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

Summary Steps of the Study



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



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.

Questions





Disclosure Attachment 4

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