

**Final Report on the Cost of Service (User Fee)  
Study for the Department of Public Works,  
Surveyor and Water Resources Divisions  
  
SANTA BARBARA COUNTY, CALIFORNIA**

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## **1. EXECUTIVE SUMMARY**

The report, which follows, presents the results of the Cost of Services (User Fee) Study conducted by the Matrix Consulting Group for the County of Santa Barbara Public Works Department's Surveyor and Water Resources Divisions (Flood Control).

### **1. PROJECT BACKGROUND AND SCOPE OF WORK**

The County contracted with the Matrix Consulting Group to perform an analysis that would clarify the existing fee structure, as well as consider appropriate additions of new fees for services. In support of this initiative, the Matrix Consulting Group analyzed the cost of service relationships that exist between fees for service activities, including:

- Review of active land development permits transmitted to the Surveyor and Water Resources Divisions from the Planning Department; and,
- Plan check and permit processing activities conducted by the Surveyor and Water Resources Divisions as the primary point of contact and project initiation.

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 should be charged.

### **2. GENERAL PROJECT APPROACH AND METHODOLOGY**

The methodology employed by the Matrix Consulting Group is a widely known and 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 considered in the calculation of the full cost of providing each service. Typical costs considered in a full cost calculation include all budgeted expenditures, divisional and departmental

administration, and Countywide overhead. The following table provides an overview of types of costs included in Santa Barbara's analysis:

<b>Cost Component</b>	<b>Description</b>
<b>Direct</b>	Fiscal Year 2008/2009 budgeted salaries, benefits and allowable operating expenditures.
<b>Departmental Overhead</b>	Divisional and Departmental administration, including management and clerical support
<b>Countywide Overhead</b>	Central service costs provided to the Division/Department, such as payroll, human resources, budgeting, County management, etc. These costs were established through the County's annual OMB A-87 Cost Allocation Plan.

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

- **Initial Interviews:** Key project management staff of the Public Works Department, and Surveyor and Water Resources Divisions were interviewed to solidify the mutual understanding of the objectives of this study and potential issues with the implementation of user fees.
- **Division Staff Interviews:** The project team interviewed staff in both the Surveyor and Water Resources Divisions regarding their needs for clarification to the structure of existing fee items, or for addition of new fee items. Data was collected for each item, including, time estimates and volume of activity.
- **Data Collection:** All data components were gathered and entered into the Matrix Consulting Group's user fee analytical software model, including all budgetary, staffing level, time estimate, and volume of activity assumptions.
- **Cost Analysis:** All applicable County costs were applied toward the calculation of the full cost of providing each service.
- **Review and Approval of Results with County Staff:** Because the analysis of fees for service is based on estimates and information provided by County professionals, it is extremely important that all participants are comfortable with our methodology and with the data they have provided. The Public Works Department and appropriate County management have reviewed and approved these documented results.
- **Comparative Survey:** Although such comparisons are not an accurate reflection of a comparison of cost structures across jurisdictions, a survey of fee setting

practices and “prices” for similar services in other jurisdictions is provided to help assess the “market rate” for similar services.

In the following detailed report, the full cost of services for items included in the Study are presented from both a unit and annual cost perspective. A more detailed description of user fee methodology and policy considerations are provided in the Chapter 2 of this report.

### **3. SUMMARY OF RESULTS**

The following is a summary of the results of the Cost of Services (User Fee) Study for the Surveyor and Water Resources Divisions of the Public Works Department.

<b>Division</b>	<b>Annual Current Revenue (Existing Fee Structure)</b>	<b>Total Annual Cost of Providing Fee-Related Services</b>	<b>Annual Surplus / (Subsidy) for Fee-Related Services</b>	<b>Annual Cost Recovery for Fee-Related Services (%)</b>
<b>Surveyor</b>	\$218,000	\$548,000	\$(330,000)	40%
<b>Water Resources</b>	\$78,000	\$294,000	\$(216,000)	27%

The table above presents an annualized overview of cost recovery for fee-related services provided by each Division. Within each Division’s detailed analysis (presented in Chapter 4 of this report, it was determined that on a per unit basis, each Division undercharges for some services and overcharges for others. However, as shown above, the net result is an overall annual undercharge, or subsidy, provided by the County to fee-payers.

The remainder of this report provides a detailed discussion of the approach, methodology, and departmental results of the Matrix Consulting Group study.

## 2. LEGAL FRAMEWORK AND POLICY CONSIDERATIONS

A “user fee” is a charge for services 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 66012 and 66014, and more recently the Attorney General’s Opinion 92-506 set the parameters under which the user fees typically administered by local government are established and administered.

### 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:

Services that Provide General “Global” Community Benefit	Services that Provide Both “Global” Benefit and also a Specific Group or Individual Benefit	Services that Provide a Primary Benefit to an Individual or Group, with less “Global” Community Benefit
<ul style="list-style-type: none"><li>• Police</li><li>• Park Maintenance</li></ul>	<ul style="list-style-type: none"><li>• Recreation / Community Services</li><li>• Fire Suppression</li></ul>	<ul style="list-style-type: none"><li>• Building Permits</li><li>• Planning and Zoning Approval</li><li>• Site Plan Review</li><li>• Engineering Development Review</li></ul>

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 the table above, 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; and,
- **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 other agency will occasionally set a maximum, minimum, or limit the jurisdiction's ability to charge a fee at all. Examples include Transportation Permits commonly issued by Public Works departments, many types of Police records and processing fees, as well as charging for time spent copying and retrieving public documents in the Clerk's office.
- **Encouragement of desired behaviors.** Keeping fees for certain services below may provide a 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 avoid 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 aquatics or sports leagues, where participants often compare the County's fees to surrounding jurisdictions or other options for leisure activities.
- **Participation for individuals or groups that typically cannot afford services.** Policy makers may decide to fully subsidize or set fees at a level that will allow participation for certain segments of the community, such as Senior recreation programs.
- **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, to name a few.

The Matrix Consulting Group recognizes the need for policy that intentionally subsidizes 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. 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 the total cost calculation of this study includes the following:

<b>Cost Component</b>	<b>Description</b>
<b>Direct</b>	Fiscal Year 2008/2009 budgeted salaries, benefits and allowable operating expenditures.
<b>Departmental Overhead</b>	Divisional and Departmental administration, including management and clerical support
<b>Countywide Overhead</b>	Central service costs provided to the Division/Department, such as payroll, human resources, budgeting, County management, etc. These costs were established through the County’s annual OMB A-87 Cost Allocation Plan.

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

- Develop time-estimates for each service included in the study;
- Calculate the direct cost attributed to each time estimate;
- Utilize the comprehensive allocation of staff time to establish an allocation basis for the other cost components; and,
- Distribute the appropriate amount of the other cost components to each fee or service based on the staff time allocation basis, or other reasonable basis.

The result of these allocations provides detailed documentation for the reasonable estimate of the actual total cost of providing each service. The following are critical points about the use of time estimates and the validity of cost allocation models.

## **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 these estimates were developed by experienced staff members who understand service levels and processes unique to the County of Santa Barbara.

The project team worked closely with the County’s staff in developing time estimates with the following criteria:

- Estimates are representative of average times for providing service. Extremely difficult or abnormally simple projects are excluded from the analysis;
- 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.

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

## **2. DEPOSIT VERSUS FIXED FEE CHARGING MECHANISMS**

The alternative to time estimating is actual time tracking, often referred to billing on a “time and materials” basis. Except for in the case of anomalous or sometimes very large and complex projects, the Matrix Consulting Group believes this approach not to be 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 begin to request assignment of faster or less expensive 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. However, the Matrix Consulting Group discourages this practice whenever possible.

### **3. CROSS CHECKS ENSURE THE VALIDITY OF OUR ANALYTICAL MODEL**

In addition to the collection of time estimate data for each 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 to departments regarding allocation of staff resources, but also provide valuable cross checks that ensure the validity of each cost allocation model. This includes assurance that 100% of staff resources are accounted for and allocated to a fee for service, or "other non fee" related category. 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. If at least and not significantly more than 100% of staff resources are accounted for, then no more than 100% of costs associated with providing services will be allocated to individual services in the Study.

## 4. SUMMARY OF RESULTS BY DEPARTMENT

The motivation behind a cost of services (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. This chapter presents a summary of results for each Division involved in the User Fee Study Update.

The results included for each Division display the cost calculations from two perspectives:

- **First, on a “Per Unit” Basis:** comparing the full cost of providing each unit of service to the current fee for each unit of service (where applicable).
- **Second, on an annualized basis:** the project team utilized volume of activity estimates to project annual subsidies and revenue impacts associated with the implementation of each fee for service at full cost recovery levels.

It should be noted that the results are not a precise measurement. 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.

In addition, the discussion of each Division below is intended as a summary of extensive and voluminous cost allocation documentation for each Division’s analytical model. The full analytical results were provided to County staff under separate cover from this summary report.

## **1. COUNTY SURVEYOR DIVISION**

The Surveyor Division is responsible for maintaining accurate land records within the County of Santa Barbara. The Division has the following major areas of responsibility:

- Checking and recording subdivision maps and documents;
- Providing survey related data to the general public;
- Administration of various State and local programs;
- Providing Real Property services for the Department of Public Works; and,
- Providing and coordinating GIS services and mapping for the Department of Public Works.

Among the many responsibilities and activities listed above, substantial amounts of staff time and County costs are incurred in the checking and recording of subdivision maps and documents, for which the Division currently collects fees for services.

The Division can be further sub-divided into two main functions, Customer Support and Field Survey. The Customer Support Sub-Division contains the staff and budgeted resources that accomplish tasks associated with subdivision map review and documentation, and are therefore considered as the basis of this Cost of Service (User Fee) Study.

The following are the full cost calculation results for the Surveyor Division's fee-related services:

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**Cost Recovery Report Table for Fee Related Services - Surveyor Division**

<b>FEE NO.</b>	<b>Fee Name</b>	<b>Fee Type (D = Deposit / F = Flat )</b>	<b>Current Fee / Deposit (\$)</b>	<b>Total Cost Per Unit (\$)</b>	<b>Surplus / (Deficit) per Unit (\$)</b>	<b>Annual Recoverable Volume</b>	<b>Revenue at Current Fee - Annual (\$)</b>	<b>Total Cost - Annual (\$)</b>	<b>Surplus / (Deficit) - Annual (\$)</b>
1	Agricultural Preserve (Cancellation)	F	730	403	327	-	-	-	-
2	Agricultural Preserve (New)	F	-	452	(452)	8	-	3,618	(3,618)
3	Agricultural Preserve (Non-Renewal)	F	270	403	(133)	-	-	-	-
4	Agricultural Preserve (Replacement)	F	-	518	(518)	8	-	4,142	(4,142)
5	Boundary Line Agreement (Ch. 21A only)	D	1,250	1,117	133	-	-	-	-
7	Certificate of Compliance	D	1,156	1,702	(546)	-	-	-	-
8	Certificate of Correction	F	10	251	(241)	1	10	251	(241)
9	Conditional Certificate of Compliance	D	1,000	331	669	-	-	-	-
10	Corner Record	F	10	628	(618)	41	410	25,759	(25,349)
11	Final Map - 1-25	D	3,100	4,921	(1,821)	-	-	-	-
12	Final Map - 26-75	D	5,300	5,749	(449)	-	-	-	-
13	Final Map - 75 and Up	D	8,100	9,498	(1,398)	-	-	-	-
14	Lot Line Adjustment	D	2,195	1,416	779	1	2,195	1,416	779
16	Monument Inspection (Final Maps)	D	250	362	(112)	-	-	-	-
17	Parcel Map	D	3,046	2,746	300	-	-	-	-
19	Record of Survey - Dev. Related	F	344	2,567	(2,223)	23	7,912	59,044	(51,132)
20	Record of Survey - Not Dev. Related	F	344	2,567	(2,223)	69	23,736	177,131	(153,395)
21	Recorded Map Modification	F	130	898	(768)	-	-	-	-
22	Reversion to Acreage Map (Final Map)	F	988	1,413	(425)	-	-	-	-
23	Reversion to Acreage Map (Parcel Map)	F	843	1,413	(570)	-	-	-	-
24	Road Name (First)	F	50	139	(89)	20	1,000	2,786	(1,786)
25	Road Name (Ea. Add)	F	50	111	(61)	1	50	111	(61)

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<b>FEE NO.</b>	<b>Fee Name</b>	<b>Fee Type (D = Deposit / F = Flat )</b>	<b>Current Fee / Deposit (\$)</b>	<b>Total Cost Per Unit (\$)</b>	<b>Surplus / (Deficit) per Unit (\$)</b>	<b>Annual Recoverable Volume</b>	<b>Revenue at Current Fee - Annual (\$)</b>	<b>Total Cost - Annual (\$)</b>	<b>Surplus / (Deficit) - Annual (\$)</b>
26	Tentative Final Map - 1-25	F	425	991	(566)	1	425	991	(566)
27	Tentative Final Map - 26-75	F	425	1,107	(682)	3	1,275	3,321	(2,046)
28	Tentative Final Map - 75 and Up	F	425	1,272	(847)	1	425	1,272	(847)
29	Tentative Lot Line Adjust. (PC / ZA)	F	200	1,229	(1,029)	8	1,600	9,831	(8,231)
30	Tentative Parcel Map	F	160	977	(817)	10	1,600	9,773	(8,173)
31	Voluntary Merger	D	860	1,075	(215)	-	-	-	-
32	Parcel Validity Determination (New Fee)	F	-	57	(57)	-	-	-	-
33	Right of Way Determination (New Fee)	F	-	1,546	(1,546)	-	-	-	-
34	Goleta / Solvang Contracted Services (Annual Time)	F	1,722	19,636	(17,914)	1	1,722	19,636	(17,914)
35	Lafo Services (Annual Time)	F	19,000	50,388	(31,388)	1	19,000	50,388	(31,388)
36	Survey Party Chief / Specialist - Full Cost Recovery Hourly	H	117	133	(16)	1,266	148,122	167,914	(19,792)
37	Eng Tech III - Full Cost Recovery Hourly	H	93	91	2	1	93	91	2
38	Mapping Tech - Full Cost Recovery Hourly	H	94	92	2	60	5,640	5,531	109
39	Mapping GIS / Analyst - Full Cost Recovery Hourly	H	117	135	(18)	1	117	135	(18)
40	Admin Secretary - Full Cost Recovery Hourly	H	-	83	(83)	11	-	917	(917)
41	Dpty County Surveyor - Full Cost Recovery Hourly	H	135	185	(50)	23	3,105	4,247	(1,142)
43	PUBLIC INFO / PHONE / COUNTER GENERAL (Annual Time) – (non-fee)*	F	-	58,567	(58,567)	-	-	-	-
NF	NON-USER FEE ACTIVITIES*	F	322,671	801,233	(478,562)	-	-	-	-
<b>TOTAL - ALL ACTIVITIES</b>							<b>218,437</b>	<b>548,304</b>	<b>(329,867)</b>

\* Cost results shown for these items are considered as not recoverable in fees for service / funded through other revenue sources such as the General Fund, special revenue, etc.



As shown in the table above, most fees for service on a per unit basis showed an average undercharge, and the results of the analysis identified an overall annual subsidy of approximately \$330,000 provided to the public for review and recording of subdivision maps and documents. At current fee levels, the Surveyor Division is recovering approximately 40% of the total County cost associated with providing its services.

## **2. WATER RESOURCES DIVISION**

The various tasks of the Water Resources Division include: flood abatement through flood potential recognition, flood protection design and construction projects, regular maintenance of completed projects and natural waterways, and water conservation and pollutant elimination efforts. This Division maintains hundreds of miles of creeks, channels, rivers, as well as 26 miles of levees in the Santa Maria Valley. The staff in this Division performs engineering, environmental, hydrological, and administrative services.

The Division can be further sub-divided into several sections, one of which is the Development Section. This Section provides development review and plan check review for the unincorporated areas of Santa Barbara County, and currently collects fees for services related to their activities. The staff and budgeted resources in this Section of the Water Resources Division are the basis for determining the full cost of providing services in this Study.

The following are the full cost calculation results for the Water Resources Division's fee-related services:

**Cost Recovery Report Table for Fee Related Services – Water Resources Division, Development Section**

<b>FEE NO.</b>	<b>Fee Name</b>	<b>Fee Type (D = Deposit / F = Flat )</b>	<b>Current Fee / Deposit (\$)</b>	<b>Total Cost Per Unit (\$)</b>	<b>Surplus / (Deficit) per Unit (\$)</b>	<b>Annual Recoverable Volume</b>	<b>Revenue at Current Fee - Annual (\$)</b>	<b>Total Cost - Annual (\$)</b>	<b>Surplus / (Deficit) - Annual (\$)</b>
1	New Structure - Agr, Res, Etc.	F	20	133	(113)	26	520	3,458	(2,938)
2	New Structure - Comm / Indust.	F	20	443	(423)	9	180	3,990	(3,810)
3	CUP - Major (New or Revised)	F	455	1,161	(706)	1	455	1,161	(706)
4	CUP - Minor (New or Revised)	F	195	1,055	(860)	31	6,045	32,705	(26,660)
5	Dev. Plan - Director Review (New or Revised)	F	390	1,055	(665)	2	780	2,110	(1,330)
6	Dev. Plan - Plan Comm Review (New or Revised)	F	650	2,254	(1,604)	16	10,400	36,064	(25,664)
7	Dev. Plan - Zon Admin Review (New or Revised)	F	520	2,254	(1,734)	1	520	2,254	(1,734)
8	Maps - Lot Line Adjust. PC	F	390	376	14	4	1,560	1,503	57
9	Maps - Lot Line Adjust. ZA	F	195	376	(181)	8	1,560	3,005	(1,445)
10	Maps - Tentative Map Mod. - Plan Comm	F	130	443	(313)	1	130	443	(313)
11	Maps - Tentative Map Mod. - Zon Admin	F	130	443	(313)	1	130	443	(313)
12	Maps - Tentative Parcel Map - Plan Comm	F	390	992	(602)	1	390	992	(602)
13	Maps - Tentative Parcel Map - Zon Admin	F	390	992	(602)	1	390	992	(602)
14	Maps - Tract Map – Base Fee	F	500	1,706	(1,206)	5	2,500	8,528	(6,028)
15	Maps - Tract Map - Per Lot	F	10	111	(101)	115	1,150	12,745	(11,595)
16	Mining Reclamation Plans	F	390	1,706	(1,316)	1	390	1,706	(1,316)
17	Rezone	F	130	342	(212)	2	260	684	(424)
18	Specific Plan	F	390	510	(120)	1	390	510	(120)
19	Special Use Permit	F	260	510	(250)	1	260	510	(250)
20	Coastal Development Permit (With Hearing)	F	260	1,128	(868)	28	7,280	31,574	(24,294)
21	Surface Mining - Minor Reclamation	F	130	443	(313)	1	130	443	(313)

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22	Surface Mining - Moderate Rec Performed	F	130	443	(313)	1	130	443	(313)
23	Surface Mining - Extensive Rec Performed	F	260	612	(352)	1	260	612	(352)
24	Plan Check - Parcel Maps	D	400	992	(592)	-	-	-	-
25	Plan Check - Tract/Final Dev.	D	1,300	3,146	(1,846)	-	-	-	-
26	Plan Check - Dev. Plan	D	520	3,146	(2,626)	-	-	-	-
27	Plan Check - Lot Line Adjust.	D	260	612	(352)	-	-	-	-
28	Plan Check - Conditional Use Permit	D	260	887	(627)	-	-	-	-
29	Plan Check – Special Use Permit	D	130	887	(757)	-	-	-	-
30	Encroachment Permit	F	65	245	(180)	14	910	3,437	(2,527)
31	Special Project Review	F	65	135	(70)	1	65	135	(70)
32	Flood Hazard Determination	F	25	135	(110)	64	1,600	8,654	(7,054)
35	Floodway Revision (Hourly)	H	65	144	(79)	1	65	144	(79)
36	Recorded Map Modification (New Fee)	F	-	308	(308)	6	-	1,848	(1,848)
37	Elevation Certificate (New Fee)	F	25	137	(112)	1	25	137	(112)
38	P&D - Special Problems Area Cases (New Fee)	F	-	168	(168)	1	-	168	(168)
39	Building and Safety Ministerial Review (New Fee)	F	-	279	(279)	263	-	73,465	(73,465)
40	CE II - Fully Burdened Hourly	F	92	124	(32)	87	8,004	10,745	(2,741)
41	CE III - Fully Burdened Hourly	F	92	149	(57)	250	23,000	37,232	(14,232)
42	Eng. Tech. Spec. - Fully Burdened Hourly	F	92	120	(28)	92	8,464	11,002	(2,538)
44	FLOOD PLAIN MANAGEMENT GENERAL (annual)*	AC	-	70,722	(70,722)	-	-	-	-
45	COUNTY IMPROVEMENT PROJECTS (annual)*	AC	-	1,684	(1,684)	-	-	-	-
46	RESPONSIBLE AGENCY REVIEW (annual)*	AC	-	-	-	-	-	-	-

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<b>FEE NO.</b>	<b>Fee Name</b>	<b>Fee Type (D = Deposit / F = Flat )</b>	<b>Current Fee / Deposit (\$)</b>	<b>Total Cost Per Unit (\$)</b>	<b>Surplus / (Deficit) per Unit (\$)</b>	<b>Annual Recoverable Volume</b>	<b>Revenue at Current Fee - Annual (\$)</b>	<b>Total Cost - Annual (\$)</b>	<b>Surplus / (Deficit) - Annual (\$)</b>
				20,139	(20,139)				
47	GENERAL TELEPHONE / PUBLIC INFO / PRE-PROJECT (Annual)*	AC	-	91,774	(91,774)	-	-	-	-
48	JF Hourly	F	98	187	(89)	1	98	187	(89)
49	Blended Hourly	F	98	145	(47)	1	98	145	(47)
<b>TOTAL - ALL ACTIVITIES</b>							<b>78,139</b>	<b>294,176</b>	<b>(216,037)</b>

\* Cost results shown for these items are considered as not recoverable in fees for service / funded through other revenue sources such as the General Fund, special revenue, etc

As shown in the table above, most fees for service on a per unit basis showed an average undercharge, and the results of the analysis identified an overall annual subsidy of approximately \$216,000 provided to the public for development review and plan check services. At current fee levels, the Water Resources Division is recovering approximately 27% of the total County cost associated with providing its services.

## **5. COMPARATIVE SURVEY**

For most fee related services, the Matrix Consulting Group recommends setting fees at 100% cost recovery. However, as discussed in Chapter 2 of this report, several political, and economic policy factors often warrant adoption of fee levels at less than 100%. Policy makers often desire to know how existing and potential increases or decreases in fee levels compare to other jurisdictions. Although such comparisons are not an accurate reflection of a comparison of cost structures across jurisdictions, they often assist in assessing the “market” rate for similar services.

The Matrix Consulting Group recommended limiting the number of jurisdictions and fees included in this survey to a vital few in order to provide the most important information for policy makers in a manageable format. Therefore, the Matrix Consulting Group surveyed 5 County jurisdictions considered by staff to be comparable in nature and operations to the County of Santa Barbara, including: Santa Cruz, Sonoma, Monterey, Ventura, San Diego, Orange. In addition, staff chose ten (10) fees for service items to include in the comparison.

### **1. SURVEYOR FEE COMPARISON RESULTS**

The following table presents the findings of the comparative survey of fees for the County Surveyor Division. Out of all jurisdictions surveyed, only Orange County did not respond. In addition, it should be noted that most jurisdictions surveyed use a deposit with time and materials billing structure to recover the costs of Surveyor development review services.

### County Surveyor Fee Comparison

Fee Name	Santa Barbara County (Current Fee)	Santa Cruz County	Sonoma County	San Diego County	Ventura County	Monterey County
<b>Certificate of Compliance</b>	<b>Deposit:</b> \$1,000	N/A	N/A	N/A	<b>Deposit</b> \$500	Deposit and time and materials billing. Deposit is estimated on a per project basis
<b>Conditional Certificate of Compliance</b>	<b>Deposit:</b> \$1,000	N/A	N/A	N/A	<b>Deposit</b> \$500	Deposit and time and materials billing. Deposit is estimated on a per project basis “
<b>Corner Record</b>	\$10	First Page \$7 Ea. Add \$3	First Sheet \$7 Ea. Add \$3	N/A	\$10	Deposit and time and materials billing. Deposit is estimated on a per project basis
<b>Final Map</b>	<b>Deposit:</b> \$3,100 + \$50 per lot	<b>Deposit:</b> Minor Land Division \$3,000 Major Subdivision \$5,000	\$1,651 + \$92 per lot	<b>Deposit:</b> 1 to 4 lots: \$470 Ea. Add'l lot: \$80	<b>Deposit:</b> First 3 Checks \$1,850 + \$30 per lot Add'l Checks \$575 + \$30 per lot	Deposit and time and materials billing. Deposit is estimated on a per project basis
<b>Lot Line Adjustment</b>	<b>Deposit:</b> \$1,250 + \$50 per lot	N/A	\$195	N/A	n/a	Deposit and time and materials billing. Deposit is estimated on a per project basis
<b>Parcel Map</b>	<b>Deposit:</b> \$1,850 + \$50 per lot	N/A	\$1,651 + \$92 per lot	<b>Deposit:</b> 1 to 4 lots: \$470 Ea. Add'l lot: \$80	<b>Deposit:</b> First 3 Checks \$1,850 + \$30.00 per lot Add'l Checks \$575 + \$30.00 per lot	Deposit and time and materials billing. Deposit is estimated on a per project basis

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<b>Fee Name</b>	<b>Santa Barbara County (Current Fee)</b>	<b>Santa Cruz County</b>	<b>Sonoma County</b>	<b>San Diego County</b>	<b>Ventura County</b>	<b>Monterey County</b>
<b>Record of Survey</b>	\$344	\$350	\$398	<b>Deposit:</b> First Sheet: \$465 Ea. Add'l Sheet: \$ 55	First Check \$340 Ea. Add \$240	Deposit and time and materials billing. Deposit is estimated on a per project basis
<b>Reversion to Acreage Map (Parcel Map)</b>	\$843	Actual Cost \$5000 Deposit	N/A	N/A	N/A	Deposit and time and materials billing. Deposit is estimated on a per project basis
<b>Review of Planning Applications / Referrals</b>	Range of flat fees depending on type of project. Fees range from \$50 to \$425	N/A	\$157	N/A	N/A	Deposit and time and materials billing. Deposit is estimated on a per project basis



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<b>Fee Name</b>	<b>Santa Barbara County (Current Fee)</b>	<b>Santa Cruz County</b>	<b>Sonoma County</b>	<b>San Diego County</b>	<b>Ventura County</b>	<b>Monterey County</b>
<b>Extraordinary Permit or Application Review</b>  <b>(Policy as included in ordinance)</b>	For unique or extra-ordinary cases, the PW Director of designee may require any case based on a “fixed fee” to be converted to cost reimbursement	N/A	After staff review of the application, a preliminary estimate of costs will be provided to the applicant if the costs are expected to exceed the minimum fee. In this case an additional fee will be required prior to completion of work on the project.	Deposit and time and materials billing.	N/A	Deposit and time and materials billing. Deposit is estimated on a per project basis

## **2. WATER RESOURCES FEE COMPARISON RESULTS**

The following table presents the findings of the comparative survey of fees for the Water Resources Division. Out of all jurisdictions surveyed, only Orange County did not respond. Survey participants varied greatly in their approaches to charging for flood plain management / development review services, making it difficult to get a true “apples to apples” comparison of similar services for this Division. Most jurisdictions surveyed utilized a mix of fixed and deposit based fees to charge for development review services.

### Water Resources Division Fee Comparison

Fee Name	Santa Barbara County (Current)	Santa Cruz County	Sonoma County	Monterey County	Ventura County	San Diego County
<b>Coastal Development Permit</b>	<b>Review of Planning Application</b> (With hearing) \$260 each	Collected on Building Permit (see below)	n/a	Tree Removal Only \$227 All Others \$907	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.
<b>Development Plan</b>	<b>Review of Planning Application</b> Dir - \$390 PC - \$650 CA - \$520  <b>Flood Plan Review</b> Deposit \$520	Flood / Drainage Review not associated with Discretionary / Building Permit – Deposit \$5000	n/a	\$1,134 Each	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.
<b>Rezone</b>	<b>Review of Planning Application</b> \$130	Collected on Building Permit (see below)	n/a	Deposit \$6,802 \$113 per hour	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.
<b>Conditional Use Permit</b>	<b>Review of Planning Permit</b> Major \$455 Minor \$195 Special \$260  <b>Flood Plan Check</b> Deposit \$260	Flood / Drainage Review not associated with Discretionary / Building Permit – Deposit \$5000	n/a	\$907 Each	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.

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<b>Fee Name</b>	<b>Santa Barbara County (Current)</b>	<b>Santa Cruz County</b>	<b>Sonoma County</b>	<b>Monterey County</b>	<b>Ventura County</b>	<b>San Diego County</b>
<b>Lot Line Adjustment</b>	<b>Review of Planning Application</b> PC -\$390 ZA - \$195  <b>Flood Plan Check</b> Deposit \$260	Flood / Drainage Review not associated with Discretionary / Building Permit – Deposit \$5000	n/a	\$680 Each	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.
<b>Tentative Parcel Map Modifications</b>	<b>Review of Planning Application</b> PC - \$130 ZA - \$130	Collected on Building Permit (see below)	n/a	\$567 Each	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.
<b>Tentative / Final Parcel Map Review</b>	<b>Review of Planning Application</b> PC - \$ 390 ZA - \$390  <b>Flood Plan Check</b> Deposit \$400	Flood / Drainage Review not associated with Discretionary / Building Permit – Deposit \$5000	n/a	<b>Tentative - Minor</b> \$2,721 Each  <b>Standard Subdivision Preliminary Map</b> Deposit \$2,721 After 24 hours \$113 per hour  <b>Tentative Map</b> Deposit \$3,401 After 24 hours \$113 per hour	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.

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Fee Name	Santa Barbara County (Current)	Santa Cruz County	Sonoma County	Monterey County	Ventura County	San Diego County
<b>Tentative Tract Map Review</b>	<b>Review of Planning Application</b> Base - \$500 Per Lot - \$10  <b>Flood Plan Review</b> Parcel Map Deposit \$400 Tract / Final Deposit \$1,300	Flood / Drainage Review not associated with Discretionary / Building Permit –  Deposit \$5000	<b>Major Subdivisions</b> \$3012, plus \$209 per lot  <b>Large-Lot Subdivisions</b> \$2,809, plus \$245 per lot  <b>Mobile Home Parks</b> <29 sites - \$2,809 >29 sites – additional \$100 per site  <b>Multi-family, Commercial and Industrial</b> \$3012, plus \$1440 per acre	<b>Standard Subdivision Preliminary Map</b> Deposit \$2,721 After 24 hours \$113 per hour  <b>Tentative Map</b> Deposit \$3,401 After 24 hours \$113 per hour	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.

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Fee Name	Santa Barbara County (Current)	Santa Cruz County	Sonoma County	Monterey County	Ventura County	San Diego County
<b>Building / Grading Permit Review</b>	No Current Fee	<b>RESIDENTIAL</b> SFD Addition - \$240 - \$300 each  New SFD - \$445 - \$720 per unit  Complex New Construction – Deposit \$1,000  Subsequent Review - \$230 per unit  <b>COMMERCIAL</b> Minor Add. - \$375 each  New or Major Add <5K s.f. - \$375 each > 5K s.f. – Deposit \$1,000 - \$2000	n/a	<b>RESIDENTIAL</b> SFD, Additions >50%, and grading - \$680 each  Dwelling Addition <50% - \$453  <b>COMMERCIAL</b> New Commercial / Industrial - \$453  Commercial / Industrial Additions - \$453	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.
<b>New Structure</b>	<b>Review of Planning Application</b> Ag / Res - \$20 each  Comm / Ind - \$20 each	n/a	n/a	n/a	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.

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<b>Fee Name</b>	<b>Santa Barbara County (Current)</b>	<b>Santa Cruz County</b>	<b>Sonoma County</b>	<b>Monterey County</b>	<b>Ventura County</b>	<b>San Diego County</b>
<b>Floodzone Inquiry Report</b>	Hourly - \$65	n/a	n/a	W/ Maps - \$78 each W/O maps - \$52 each	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.
<b>Extraordinary Permit or Application Review</b>  <b>(Policy as included in ordinance)</b>	For unique or extra-ordinary cases, the PW Director of designee may require any case based on a “fixed fee” to be converted to cost reimbursement.	With a finding of extraordinary circumstances, review normally charged on a fixed fee basis may be changed to an actual cost basis either at application acceptance or during application review	Fee Covers first submittal and two revised submittals. If the project requires further submittals for approval an additional fee based on staff time may be assessed.	For applications that require staff time well beyond the typical application, as determined by the Director. Deposit - \$6,082	Deposit plus time and materials billing system. Initial deposit is determined on a per project basis.	Initial \$300 Deposit for all services.

## **6. CONCLUSION**

The County of Santa Barbara Public Works Department engaged the Matrix Consulting Group to determine the total County cost of development review fee-related services provided to its citizens and businesses by its Surveyor and Water Resources Divisions. To calculate the total cost of each Division's services, Matrix Consulting Group employed both a widely accepted and defensible methodology, as well as its experience and input of County staff to complete the necessary data collection and discussion to complete the analysis. County leaders can use this information to make informed decisions and set its fees to meet the fiscal and policy goal objectives of the County.