

Proposed Fee Ordinance for the Issuance of Encroachment Permits for, and Related Supervision of, Encroachments and Excavations in County Road Right of Way

June 6, 2023



Public Works
Transportation

Fee Study Overview

Purpose of the Fee Study is to:

1. Align with the County's Fee Policy stating Departments shall "ensure appropriate maximum reimbursement of...user fees that fully offset user costs..."
2. Reflect the Board of Supervisor's March 14, 2023 direction.
3. Review and update Permit Fees to be reflective of inflation and changes to service structure and delivery. The last fee update for Transportation Permits was in November of 2007.

MGT of America, LLC, a consulting firm with expertise in Local Government fee analysis, comprehensively studied the Public Works Transportation Division Permit Fees.

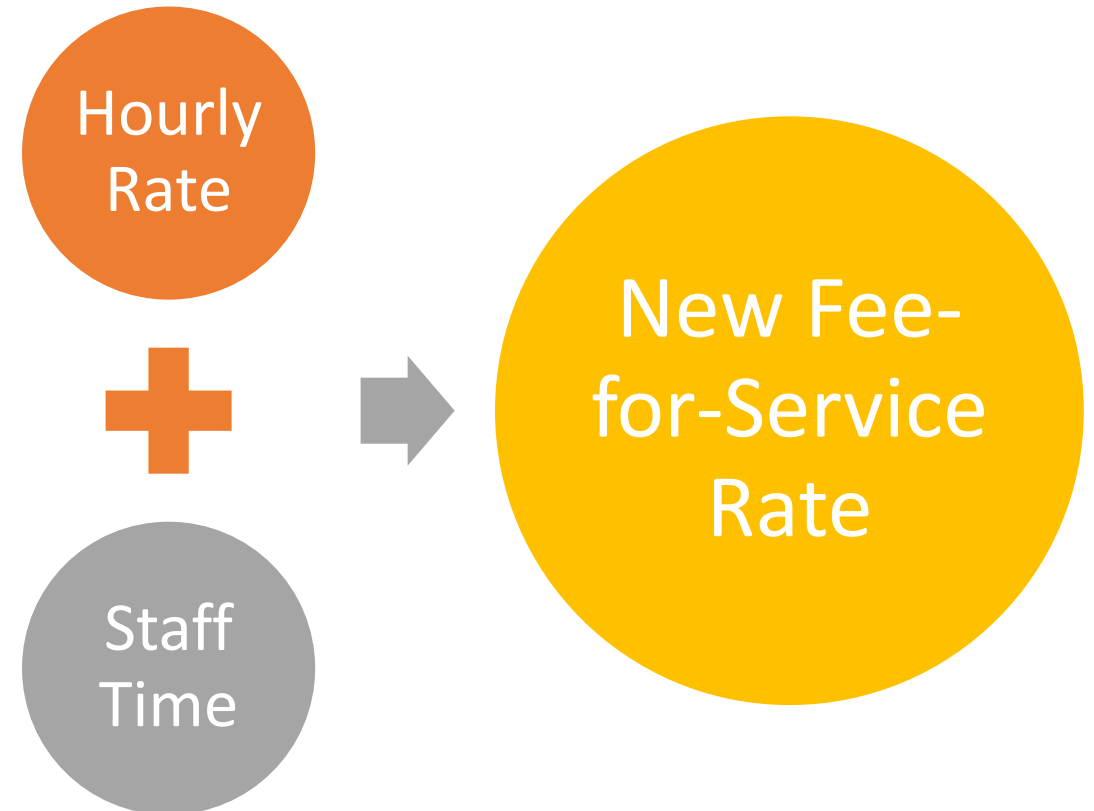


Project Milestones

- Calculated the true cost of providing fee-based services
- Identified the need for additional fees to recover costs
- Assessed levels of cost recovery and evaluate opportunities for adjustments
- Developed revenue projections based on proposed adjustments

Project Methodology

- Cost Calculations
 - Identifying staff members involved with specific services
 - Calculating direct labor & material costs
 - Applying the County approved indirect cost rate
 - Apply fully burdened labor rates to average time to provide the service
- Assessment of Current Level of Cost Recovery
- Annualizing Cost & Revenue Data
- Development of Proposed Changes to Fees



Fee Study Findings

- Current Transportation Permit fees recover only 51% of full costs
- Proposed fees would allow for an overall cost recovery level of 98%
- Increased annual revenues for Transportation Permit fees are estimated to be \$637,760

County of Santa Barbara User Fee Revenue Analysis

Department/Division	Current			Forecasted	
	Costs, User Fee Services (A)	Current Revenue (B)	Subsidy (C)	Recommended Revenue (D)	Potential Increased Revenue (E)
Transportation*	\$1,350,094	\$683,639 51%	\$666,455	\$1,321,399 98%	\$637,760

** The recommended revenue includes estimated revenue through deposits. This revenue may fluctuate depending upon what the actual cost of the service is for these deposit based fees. Deposit based fees are considered revenue neutral since the fee covers the cost of the service.*

Adoption Timeline

June 6, 2023

Introduction (First Reading)

June 27, 2023

Adoption (Second Reading)

August 26, 2023

Ordinance takes effect

Recommended Actions

- a) Approve the introduction (First Reading) of the proposed Ordinance adopting a Schedule of Fees for Services Provided by the Public Works Transportation Division in connection with the Issuance of Permits for, and Related Supervision of, Encroachments and Excavations in County Road Right of Way;
- b) Read the title of the Ordinance and waive further reading in full;
- c) Continue the hearing to the Administrative Agenda of June 27, 2023 (Second Reading) to consider the adoption of an Ordinance adopting a Schedule of Fees for Services Provided by the Department of Public Works, Transportation Division in connection with the Issuance of Permits for, and Related Supervision of, Encroachments and Excavations in County Road Right of Way, as follows:
 - i. Adopt the Ordinance (Second Reading) amending fees for Public Works Department services;
 - ii. Approve an annual fee adjustment linked to the Consumer Price Index (CPI) for the Fee schedule reference in Exhibit A;
 - iii. Authorize the Public Works Director to update and administer approved unit prices used for Bonding and Fee purposes for FY 2023-2024, and update these annually based on increases linked to the California Construction Cost Index (CCCI); and
 - iv. Find that the proposed actions are administrative activities of the County, which will not result in direct or indirect physical changes in the environment and is therefore not a "project" as defined for purposes of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15273(a)(1) and 15378 (b)(5).