

Santa Barbara County Land Development Fee Proposal

April 15, 2008

Principles

- Conform with Board Approved Fee Policy
- Protect General Tax Payers from Subsidizing Development
- Ensure Annual Expenditure and Revenue Review

Fee Policy 1/94

Where allowed or mandated, the County will charge a fee for services provided at a level consistent with the procedures of this policy. Departments are responsible for insuring that all legally allowed fees and charges are presented to the Board for adoption and for reviewing/adjusting as appropriate. Fees should be reviewed at least annually by departments to determine that fee levels are consistent with current cost basis and/or established current criteria.

Protect General Tax Payers from Subsidizing Development

- Incremental Cost Increases Funded through Automatic Adjustment to Fees based on CPI
- Extraordinary Cost Increases (e.g. retirement rate) Requires Recalculation of Hourly Rate

Ensure Annual Review of Expenditures and Revenues

- CPI adjustments linked to the All Urban Consumers, Los Angeles-Anaheim-Riverside Index
- Fee resolutions require Department Directors to annually review costs to ensure that fees charged fairly reflect the cost of the services provided

Planning and Development Fee Analysis

- Reviewed costs and expenditures of permit process
- Completed annual fee analysis each year since 2000
- Received Auditor-Controller's approval of rate calculation
- Compared rates with other jurisdictions in accordance with Board Fee Policy
- Evaluated permit process and procedures for efficiency and effectiveness

Comparison of Current Planning Hourly Rates

Jurisdiction	Hourly Rate	Comments
County of Ventura	\$ 158.5	Entire department, hrly rate \$158, including \$12.75/hr long range planning
City of Ventura	\$ 151	Includes Admin, Advance and Current Planning. Revenue is not broken down. If all revenue is attributed to current planning the general fund subsidy is 30%
City of Santa Barbara	\$ 150	
County of San Luis Obispo	\$ 131	
County of Santa Barbara	\$ 129	Includes \$2.50 technology fee
City of Lompoc	\$ 103-196	Revenues and costs not tracked to this level
City of San Luis Obispo	\$ 103	Revenues and costs not tracked to this level
City of Goleta	\$ 95	
City of Carpinteria	\$ 73	Revenues not tracked by function
City of Santa Maria	\$	Fixed Permit Fees Only

Note: Subsidy often reflected in low fixed cost permits

Public Health Land Use Fees

- PHD fees are based on Activity Based Costing which sets standards for time to be spent for specific services (e.g., 2 hours for a Lot Line Adjustment)
- Provides accountability and allows us to manage to these time standards
- All inclusive fee based on costs for the service being delivered including technical and support staff salaries and benefits as well as program support activities such as training, hearings, legislative review, etc.

P&D Rate Change

Comparison of Current with Proposed

	Current	Proposed	% Change
Hourly Rate	\$126.5	138.48	9.5%*
Technology Fee	\$2.50	\$2.50	0%
General Plan Fee		2.62	n/a
Total	\$129.00	\$ 144.00	11.6%

* Includes Automatic CPI Adjustment Effective 7/08 = 4.2%

PHD Rate Change

	% Increase	Revenue to Offset Costs
Salary Increases (COLA's and equity adjustment)	13.0%	\$54,983
Retirement Cost Increase	6.0%	\$25,377
Total Increase	19.0%	\$80,360

Salary Costs Funded by Current Hourly Rate

- Direct Wages
- Medical Insurance
- Retirement Benefits
- Medicare
- Social Security
- Life and Disability Insurance

Project Billing

For projects that are directly billed (not a fixed fee)

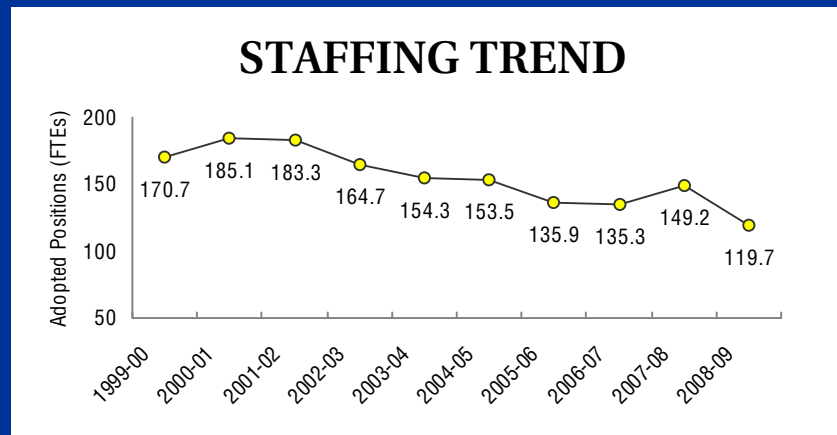
- All projects receive a project costs estimate, prepared by the planner and approved by the supervisor
- All time is tracked and documented by task and activity notes
- Supervisors review time billed bi-weekly
- Managers review random timesheets monthly
- Monthly invoices are prepared, with billing detail
- Email progress updates are available upon request

Retirement Cost Increase 08-09

- **Planning and Development Rate** increase will generate approximately \$200,506 to offset retirement costs

Budget Reductions 08-09

- Reduced General Fund Contribution \$510,000
- Positions reduced 149 to 119 from prior year

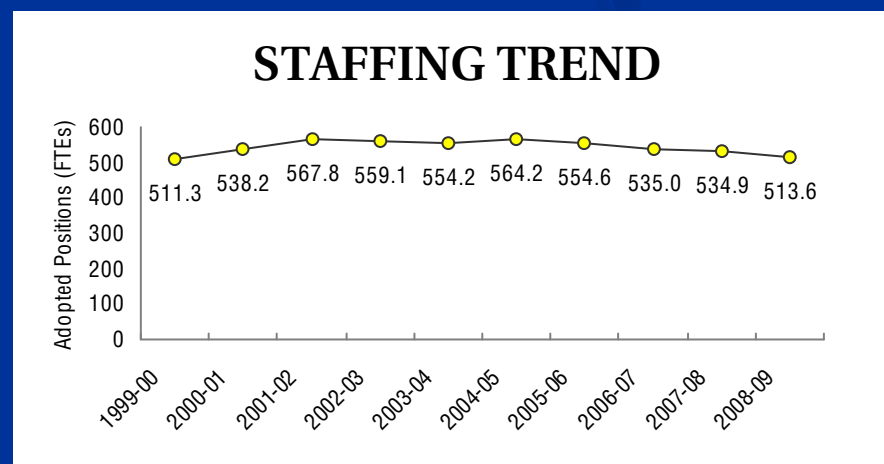


Retirement Cost Increase 08-09

- **Public Health Department** rate increase will generate approximately \$25,377 to offset retirement costs

PHD Budget Reductions 08-09

- Reduced General Fund Contribution \$522,000
- Positions reduced 534.9 to 513.6 from prior year



Breakdown of Proposed Hourly Rate

Average hourly cost for planners (includes benefits)		\$58.08
Planner cost for time which is not directly billed		11.04
Supervision		13.93
Management		4.85
Support Staff		17.81
Total P&D Salary Cost		105.70
Cost Rate Proposal 0.31 (overhead)		32.77
Hourly Rate		\$138.47
Technology Fee		2.50
General Plan Fee		2.62
Hourly Rate*		144.00
*Rounded to next full dollar		15

Recommended Actions

Fee Adjustment For:

Planning and Development

- Fund increased retirement costs - \$200K – 5.3%
- Fund Long Range Planning work related to development \$73K

Environmental Health

- Fund salary equity adjustments and cost of living adjustments \$55K – 13%
- Fund increased retirement costs - \$25K – 6.0%

Policy Alternatives

- Increase General Fund contribution to P & D to offset increased costs (\$273,000)
- Reduce P & D public counter services and support to Planning Commissions and Boards of Architectural Review
- Redirect PHD general fund dollars to subsidize fees; eliminate or reduce services in other PHD programs
- Increase PHD staff reductions for 08-09.

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Conclusion

General Plan Surcharge

Long Range Planning staff support to current planning activities is currently not recovered through fees. The surcharge will fund the following:

- General Plan Consistency Review
- AB1600 (Mitigation Fees) review
- SB 18 Compliance
- Participation in new case review committee