



Item No. 15 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: SEPTEMBER 18, 2019

**SUBJECT: REVIEW POSSIBLE REVISIONS TO THE VARIOUS FEES AND
CHARGES ON THE TOWN MASTER FEE SCHEDULE; AND, IF
APPROPRIATE, DIRECT STAFF TO PREPARE A FEE
RESOLUTION FOR ADOPTION**

RECOMMENDATION

Review possible revisions to the various fees and charges on the Town Master Fee Schedule; and, if appropriate, direct staff to prepare a Fee Resolution for Adoption.

BACKGROUND

The Town last performed a Master Fee Study in 2013. The Council received a detailed review that included a cost allocation plan, hourly rate calculation, and user fee study. The Master Fee Study includes all fees charged by all Town Departments.

The fee study included a detailed cost analysis of its user fees. The objectives were to ensure that Town was using comprehensive overhead rates and to accurately account for the true cost of providing Town's various services. It is required that fees represent actual costs and may not be set at an amount that exceeds actual cost. Fees studies provide detailed cost analyses on which to base new fees. Fees for *at market rental* of public spaces may be adjusted independent of a cost analysis.

Most fees are set at full cost recovery; however, some fees, such as those for planning applications, are set below full cost recovery to encourage compliance and to account for customer service hours provided to applicants as part of the process. The Town set its planning fees below full cost recovery.

The 2013 Study recommended that a complete review of fees be conducted every three to five years. The Study recommended the Town also consider a regular escalator based on a local Consumer Price Index in the periods between adoption of the fee resolution and the next comprehensive fee review. That recommendation was not adopted; instead, the Council opted to

Amending Various Fee and charges to Town Master Fee Schedule

September 18, 2019

Page 2 of 4

return the fee resolution to the Council for consideration as needed.

Staff recommends that the Town conduct another complete fee study once the Town Center is complete and there is sufficient data related to administrative overhead. In the interim, staff recommends that the Council consider a labor cost escalator.

ANALYSIS

During the last Council review of this issue, it was suggested that the current fee schedule be adjusted for increases in labor costs since its last update. For example, if labor costs for the Town increased by 3%, then adjust each fee by 3%. This is a simplest and most common method for adjusting fees. Staff contacted Capital Accounting Partners (conducted the last study) to validate this as a methodology to adjust the fees. Capital Accounting Partners concurred with the approach and also advised that it was timely for the Town to consider a full fee study.

Since 2013, the documented cumulative increase in Town labor cost is 19.5%. Planning fees operations are largely outsourced to a consulting firm. Since 2013, these fees have increased by 5%. However, an additional increase is pending for January 2020. Valuation-driven fees, such as Building Permit fees and Plan Check fees, have remained consistent with the market since 2013.

- It is recommended that those fees on the Master Fee Schedule that have a labor component be increased by 19.5%.
- Staff recommends a 5% adjustment to Planning fees followed by a subsequent adjustment in January 2020 once that amount is determined.
- Staff does not recommend changes to the valuation driven fees at this time until a new cost study is performed.

Master Fee Schedule

Attached is the Town's Fee Schedule. The Schedule sets the fees for Planning, Building, Engineering, Public Works, Administrative, Police, and Parks and Facility Rental. The fee schedule includes the fully loaded hourly rate for staff. The recommend increase to any fee with a labor component is 19.5%.

Fees with labor components that would be adjusted by 19.5% or 5% have been highlighted.

Park Revenue (Public Spaces)

Fees for at market rental of public spaces may be adjusted independent of a cost analysis. Staff recommends that in addition to the Labor Cost (19.5%) increases to the Park rental fees, that there also be a consideration for review of current rental fees, in particular, the large group category fee and the fee for rental of the North Meadow. Staff believes there is some compressional value in the current rental of this space and the use. Current rental of the Carriage House comes with

Amending Various Fee and charges to Town Master Fee Schedule

September 18, 2019

Page 3 of 4

the North Meadow park space. A full day rental of the Carriage House for over 100 people is for \$1,100. With the labor cost increase escalator (19.5%) this changes to \$1,315. Staff believes this rental could be increased in similar value for the rental of the pavilion for full day on Saturday and Sunday. This is currently \$4,000 for the Pavilion. Labor cost adjustments to the fees will be made. However, staff suggests that the Council direct review of the fees back to the Park & Recreation Committee to consider modification to the large group and Carriage House/North Meadow rentals

Penalties for Working without a permit

The Town's Municipal Code is silent with regard to penalties imposed on Owners or Contractors that conduct construction work without a permit. The Building Official retains the right to issue a Stop Work Order, which can carry a penalty that is 50% of the permit cost. Outside of this penalty, the Master Fee Schedule does not address work conducted without a permit. It has been the practice of the Town to work with residents who have performed unpermitted work in obtaining the proper and required permits in an effort to ensure compliance moving forward.

Staff recommends that a penalty of an escalating 1x, 2x, 3x the cost of the Building Permit Fee for working without a permit. The California Building Codes reveals that the violations of Building Codes, which includes "working without permits", will be subject to penalties as prescribed by law. The jurisdiction falls to local Ordinance or Resolution.

POLICY ISSUES

The City Council's policy discussion should revolve around discussion of setting fees for the areas described above. As a part of managing the expectations of the community and business that perform work within the community staff recommends any policy changes consider a community information notice of offered to local builders or developers in an effort broadly distribute the Town's plans and intentions.

FISCAL IMPACT

Assuming revenue is static to current year budget, the estimated revenue increase due to recommended adjustment in fees is approximately \$180,000 to \$210,000 in revenue.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials. The Town maintains an active and up to date Project Website at <http://ca->

Amending Various Fee and charges to Town Master Fee Schedule
September 18, 2019
Page 4 of 4

[atherton.civicplus.com/index.aspx?NID=290.](http://atherton.civicplus.com/index.aspx?NID=290)

ATTACHMENTS

1. Attachment 1 - Town Master Fee Schedule

Appendix B: Planning Fees

Town of Atherton

Town of Atherton Planning Fees

		Unit Cost Summary	
Fee Name	Unit	Fee	
PLANNING FEES			
Conditional Use Permit/Special Structure Permit		\$	2,600
Variance		\$	2,600
Heritage Tree Removal Permit		\$	2,000
Exception Review			
Excessive Height			
Lot Line Redesignation		\$	2,600
Lot Line Adjustment		\$	1,500
Tentative Parcel Map		\$	2,600
Final Parcel Map		\$	2,600
Appeal		\$	750
School Master Plan		\$	750
Initial Review/Negative Declaration		\$	2,000
Zoning Ordinance Amendment		\$	5,000
General Plan Amendment		\$	5,000
Zoning Review for Home Occupation Business		\$	95
Pre-Application Review		\$	45
Street Easement Vacation		\$	-
Code Enforcement - Administrative (Penalty)		\$	949
Initial Review (2 reviews for fee amount; additional reviews billed hourly):			
a. Fence	Per app	\$	160
b. Accessory Structures (includes pools)	Per app	\$	450
c. Accessory Buildings	Per app	\$	950
d. Additions	Per app	\$	975
e. New Construction	Per app	\$	1,400
Revisions to Previously Approved Plans			
Technology Surcharge (upgrade and maintain development technology) (3.24% of fee)			3.24%
POSITION HOURLY RATES			
Town Planner:	Hourly	\$	225
Deputy Town Planner:	Hourly	\$	177
Senior Planner:	Hourly	\$	168
Associate Planner:	Hourly	\$	135
Administrative Staff:	Hourly	\$	119
Composite Rate for Fee Setting:	Hourly	\$	161

Appendix C: Building Fees

Attachment 1

Table for 10.43% increase

Total Valuation	Building Permit Fee	Plan Review Fee
\$1.00 to \$500	\$24.70	65% of Building Permit Fee
\$501 to \$2,000	\$25.95 for the first \$2,000, plus \$3.37 for each additional \$1,000, or fraction thereof, to and including \$2,000	65% of Building Permit Fee
\$2,001 to \$25,000	\$76.47 for the first \$2,000, plus \$15.46 for each additional \$1,000, or fraction thereof, to and including \$25,000	65% of Building Permit Fee
\$25,001 to \$50,000	\$432.06 for the first \$25,000, plus \$11.15 for each additional \$1,000, or fraction thereof, to and including \$50,000	65% of Building Permit Fee
\$50,001 to \$100,000	\$710.89 for the first \$50,000, plus \$7.73 for each additional \$1,000, or fraction thereof, to and including \$100,000	65% of Building Permit Fee
\$100,001 to \$500,000	\$1,097.40 for the first \$100,000, plus \$6.18 for each additional \$1,000, or fraction thereof, to and including \$500,000	65% of Building Permit Fee
\$500,001 to \$1,000,000	\$3571.03 for the first \$500,000, plus \$5.25 for each additional \$1,000, or fraction thereof, to and including \$1,000,000	45% of Building Permit Fee
1,000,001 and up	\$6,193.74 for the first \$1,000,000, plus \$4.03 for each additional \$1,000, or fraction thereof.	45% of Building Permit Fee

Town of Atherton
Town of Atherton - Building Fees

		Unit Cost Summary	
Fee Name	Unit	Fee	
Flat Fees			
			0.00%
			0.00%
			0.00%
			0.00%
Permitted Value of Construction			
New Habitable Construction	Valuation base: per SF	\$	350
Remodeled Habitable Construction	Valuation base: per SF	\$	300
New or Remodeled Non-Habitable Construction	Valuation base: per SF	\$	125
Valuation - non defined project	Valuation base	\$	1
Non-habitable construction: ie. Patio covers & gazebos (> 1000 Sq Ft or attached to new construction)	Valuation base: per SF	\$	100
Flat Fees**			
Swimming pools (first 1000 sf)	Plan check and inspection	\$	1,095
Swimming pools (Over 1000 sf)	Plan check and inspection	\$	1,313
Patio covers & gazebos (up to 1000 Sq Ft)	Plan check and inspection	\$	813
Drive way gates	Plan check and inspection	\$	661
Non Habitable new pool house including cabanas (up to and including 1500 sf)	Plan check and inspection	\$	1,336
Other Building (Flat) Fees			
Plumbing, Mechanical, Electrical (MP&E) Permit (single inspection)		\$	143
MP&E each additional inspection		\$	97
MP&E plan check (min .5 hour)		\$	88
Demolition Permit Fee		\$	286
Landscape Screening Permit Fee		\$	389
Water Well Permit Fee		\$	397
Solar Panels Permit Fee *		\$	500
Heritage Tree Removal - Staff Level (First Tree)		\$	261
Heritage Tree Removal - Staff Level (Each Additional Tree)		\$	103
Dead Tree Permit Refunded if ONLY identified and approved by the Town Arborist			
Excavation Permit			
Plan check revision Fee (1 hour min)	Hourly	\$	198.00
Address Change		\$	275.00
Property Search (plus photocopying and/or printing posts and excludes public records searches)	Hourly	\$	92.00
Reactivation of an Expired Permit (Up to One-Half the Amount Required for a New Permit for Such Work)			(Up to One-Half the Amount Required for a New Permit for Such Work)
Code Enforcement - Administrative (Penalty)	Hourly		
Second Utility Deposit (Ordinance 15.04.040)		\$	5,000
Landscape Screening Deposit (Ordinance 17.50.060)		\$	5,000
Temporary Occupancy Deposit:		\$	5,000
		\$	176
Administrative Fee (TOC)		\$	176
Excavation Road Deposit (Ordinance 15.04.045)		\$	5,000
Recycled Deposit			\$1000 Min & \$500 Min for reroof permits
Reinspection and additional inspections exceeding the normal number of inspections	T&M	\$	120
Unusual custom projects not reflected in the fee schedule	T&M		

Town of Atherton
Town of Atherton - Building Fees

		Unit Cost Summary	
Fee Name	Unit		Fee
Technology surcharge (to fund updates and new acquisition of permit systems and digital storage of plans) (3.3% of fee)			3.30%
Storm water compliance review/inspection	T&M	\$	500
Tree protection verification (deposit) + COP	T&M	\$	2,500
Tree protection administration for flat fee permits (initial inspection)		\$	229
Tree protection administration for flat fee permits (full inspection)		\$	573
Surcharge for General Plan Maintenance and Update (2.0%)			2%
Reroofing < 5000SF	Per app	\$	328
Reroofing > 5000SF	Per app	\$	458
Reroofing requiring additional inspections	Per insp.	\$	130
Reroofing requiring plan check (min one hour)	Per PC	\$	176
SMIP Fee (State Mandate)			Residential: valuation amount X 0.00013 Commercial: valuation Amount X 0.00028
Building Standards Administration Special Revolving Fund (Senate Bill No. 1473 State Mandate)			Permit Valuation: \$1-25,000 = \$1; \$25,001-50,000 = \$2; \$50,001 - 75,000 = \$3; \$75,001 - 100,000 = \$4; Every \$25,000 or fraction thereof above \$100,000 = Add \$1

* State mandated limit of \$500

** Current fee = comparable average current valuation based fee

POSITION HOURLY RATES			
Chief Building Official	Hourly	\$	194
Building Inspector	Hourly	\$	127
Building Plans Reviewer	Hourly	\$	172
Building Technician	Hourly	\$	89
Town Arborist	Hourly	\$	68
Code Enforcement	Hourly	\$	54

Appendix D: Engineering Fees

Town of Atherton
Town of Atherton Engineering Fees

		Unit Cost Summary	
Fee Name	Unit	Fee	
Encroachment Permits			
Class A - One Inspection Required:	Per app		
Driveway Connection to Street:	Per app	\$	211
Additional Plan Check	Per app	\$	48
Additional Inspection	Per app	\$	71
	Per app		
Class B - Two Inspections Required:	Per app		
Driveway Connection to Street:	Per app	\$	281
Additional Plan Check	Per app	\$	48
Additional Inspection	Per app	\$	71
	Per app		
Class C - Three or More Inspections Required:	Per app		
Driveway Connection to Street - Asphalt/Pavers:	Per app		
Without Driveway Culvert (up to 3 inspections)	Per app	\$	352
Additional Plan Check	Per app	\$	48
Additional Inspection	Per app	\$	71
	Per app		
With Driveway Culvert (up to 4 inspections)	Per app	\$	438
Additional Plan Check	Per app	\$	63
Additional Inspection	Per app	\$	71
	Per app		
Driveway Connection to Street - Concrete:	Per app		
Without Driveway Culvert (up to 4 inspections)	Per app	\$	438
Additional Plan Check	Per app	\$	63
Additional Inspection	Per app	\$	71
	Per app		
With Driveway Culvert (up to 5 inspections)	Per app	\$	509
Additional Plan Check	Per app	\$	63
Additional Inspection	Per app	\$	71
	Per app		
Class D - Public Right of Way	Per app		
Right-of-Way Landscaping, Fence, Etc. - Minor Construction (up to 2 inspections)	Per app	\$	284
Additional Plan Check	Per app	\$	96
Additional Inspection	Per app	\$	96
	Per app		
Right-of-Way Landscaping, Fence, Etc. - Standard (up to 2 inspections)	Per app	\$	379
Additional Plan Check	Per app	\$	96
Additional Inspection	Per app	\$	96
	Per app		
Connection to Storm Drain or Atherton Channel:	Per app		
a. In Pavement	Per app	\$	471
Additional Plan Check	Per app	\$	96
Additional Inspection	Per app	\$	71
	Per app		
b. Outside Pavement	Per app	\$	400
Additional Plan Check	Per app	\$	96
Additional Inspection	Per app	\$	71
	Per app		

Town of Atherton

Town of Atherton Engineering Fees

			Unit Cost Summary
Fee Name	Unit	Fee	
Encroachment Permits			
Utility - Minor (One Inspection Required):	Per app	\$	259
Additional Plan Check	Per app	\$	48
Additional Inspection	Per app	\$	71
	Per app		
Utility Connect/Disconnect:	Per app		
a. In Pavement	Per app	\$	352
Additional Plan Check	Per app	\$	48
Additional Inspection	Per app	\$	71
	Per app		
b. Outside Pavement	Per app	\$	281
Additional Plan Check	Per app	\$	48
Additional Inspection	Per app	\$	71
	Per app		
Utility Main:	Per app		
a. In Pavement	Per app	\$	471
Additional Plan Check	Per app	\$	96
Additional Inspection	Per app	\$	71
	Per app		
b. Outside Pavement	Per app	\$	400
Additional Plan Check	Per app	\$	96
Additional Inspection	Per app	\$	71
	Per app		
Telecommunication and Utilities Installation Permit (25 ft or less):	Per app		
i. Without Trenching	Per app	\$	1,758
ii. With Trenching	Per app	\$	1,829
iii With Trenching > 25 LF (per 100 LF or fraction thereof)	Per app	\$	333
Property Improvement Permits and Reviews	Per app		
Grading and Drainage:	Per app		
a. Without Detention System	Hourly/mi n	\$	1,272
b. With Detention System	Hourly/mi n	\$	1,272
c. With Multiple Detention Systems	Hourly/mi n	\$	1,696
	Per app		
Detention System Annual Report Filing	Per app	\$	424
Detention System Annual Report - Submittals Out of Compliance	Per app	\$	424
StormWater Permit Compliance Review/Inspection Deposit	Hourly	\$	500
StormWater Permit Compliance Review/Inspection	Hourly		
Stop Work Order (Penalty)	50% of permit		
Code Enforcement - Administrative (Penalty)	Hourly		
	Per app		
Public Works application fee	Per app	\$	117
Oversized load permit (outside of right of way)	Per app	\$	333
Technology Surcharge (upgrade and maintain development technology) (1.9% of fee)	Per app		1.86%
Additional work not reflected above - at cost	Hourly		

Town of Atherton
Town of Atherton Engineering Fees

Unit Cost Summary		
Fee Name	Unit	Fee
Encroachment Permits		
PW Staff Hourly Rates		
Public Works Superintendent	Houly	\$ 133
Ast/Assoc Engineer	Houly	\$ 133
Eng Tech	Houly	\$ 133
Office Specialist	Houly	\$ 92
PW Director/Engineer		\$ 133

Appendix F: Parks and Facility Rental Fees

Town of Atherton

Town of Atherton

Unit Cost Summary		
Fee Name	Unit	Fee
Park Rental Fees		
The Main House		
(Monday - Thursday afternoon)		
Half day		\$ 400
Full day (until 4:00PM)		\$ 700
Evenings (5:00 PM to midnight)		\$ 700
Friday evening (5:00 PM to midnight)		\$ 700
Saturday & Sunday day use (full day)		\$ 1,500
Saturday & Sunday day use (per Hour) 2-hr. min.	Per hour	\$ 250
Saturday & Sunday evenings (5:00 PM - midnight)		\$ 1,500
Carriage House		
(Monday - Thursday afternoon)		
Half day		\$ 400
Half day (OVER 100 People)		\$ 800
Full day (until 4:00PM)		\$ 700
Full day (until 4:00PM; OVER 100 people)		\$ 1,100
Evenings (5:00 PM to midnight)		\$ 700
Friday evening (5:00 PM to midnight)		\$ 700
Saturday & Sunday day use (half day)		\$ 400
Half day (OVER 100 People)		\$ 800
Saturday & Sunday day use (full day)		\$ 700
Saturday & Sunday day use (full day; OVER 100 people)		\$ 1,100
Saturday & Sunday evenings (5:00 PM - midnight)		\$ 700
Jennings Pavilion		
(Monday - Thursday afternoon)		
Half day		\$ 800
Full day (until 4:00PM)		\$ 1,200
Evenings (4:00 PM to midnight)		\$ 1,200
Friday (until 4 pm)		\$ 1,500
Friday evening (4:00 PM to midnight)		\$ 4,000
Saturday & Sunday day use (half day until 4 PM)		\$ 2,250
Saturday & Sunday day use (full day)		\$ 4,000

Saturday & Sunday evenings (4:00 PM - midnight)		\$	4,000
Security Deposit			
Main House and Carriage House		\$	500
Jennings Pavilion		\$	1,000
Tennis Courts			
Key Purchases:			
1 Standard Key	Resident	\$	50
1 Clay Key **	Resident	\$	50
** Resident Clay Court Access included in Clay Court Key Charge			
1 Standard Key	Non-Resident	\$	200
Clay Court Access	Non-Resident	\$	30
Baseball Field (Per Hour)		\$	30
Other Fields		\$	25
Staff labor rates			
Facility maintenance staff for services related to facility maintenance and preparation (Before & After Events)		\$	100
Facility attendant staff for services related to on-site availability during event		\$	50
Drone Application Fee/Day		\$	150
CLASSES: INDOOR	Per hour	\$	25
CLASSES: OUTDOOR	Per hour	\$	40

Administration Percentage Disclaimer Fee

30% Administration fee will be added at time of booking,
Town of Atherton Residents will have a 15% administration fee added at time of booking

Day Use Permit Fees Holbrook-Palmer Park			
13-25 people	Residents	\$	75
13-25 people	Non-Residents	\$	100
26-50 people	Residents	\$	150
26-50 people	Non-Residents	\$	200
Penalty fee for failure to obtain Day Use Permit		\$	100

Appendix E: Police Fees

Town of Atherton
Town of Atherton - Police Fees

Fee Name	Unit	Fee
Copy of Police Report:		
Without Photos or Tape Copies		\$ 0
With Photos or Tape Copies	Hourly	\$ 50
Vehicle Releases		\$ 65
Vehicle Repossession Fee		\$ 15
Initial Alarm Registration		\$ 100
Alarm Annual Permit Fee		\$ 50
Alarm Alert Signs		\$ 40
Garage Sale/Estate Sale Permits		\$ 21
Fingerprints (plus DOJ processing of \$53)		\$ 75
Solicitor Permit (Valid for six months; business license required)		\$ 31
After Hours Emergency Construction Permits		\$ 62
Special Service Request:		\$ 21
Administrative Fee		\$ -
On-Site Personnel Fee	Hourly (2 Hr min)	\$ 260
Clearance Letter		\$ 21
Microfilmed Reports	Hourly	\$ 62
Civilian Subpoena APD witness		\$ 275
Code Enforcement - Administrative (Penalty)	Hourly	\$ -
False Alarms: (up to 3 false alarms annually)		
4th false alarm		\$ 200
5th false alarm		\$ 300
Each additional false alarm after 5		\$ 400
Records/Communications Staff:	Hourly	\$ 106
Patrol/Investigations Staff:	Hourly	\$ 141
Requires Town ordinance		