

CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

Staff Report

DATE: February 25, 2025

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Update of User Regulatory Fees

CEQA: The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. The approval of the resolution meets the above criteria and is not subject to CEQA. No additional environmental review is required.

Recommendation

Adopt resolution updating and establishing user and regulatory fees. Updated fees will be effective July 1, 2025.

Background

This item provides findings and recommendations from the recently completed user and regulatory fee study. The user and regulatory fee study, completed with support from ClearSource Financial Consulting (ClearSource), provides an up-to-date analysis of the City's current costs of providing fee-related services. This information can be used by the City Council as it considers potential updates to fees. User and regulatory fees are set at the direction of the City Council at the conclusion of a public hearing to consider adoption of any new fees or fee increases.

The services for which a city imposes a user or regulatory fee typically derive from an individual person or entity's action, request, or behavior. Therefore, except in cases where there is an overwhelming public benefit generated by a city's involvement in the individual action, a fee for service ensures that the individual bears most, if not all, of the cost incurred by the City to provide that service. When a fee targets "100% or full cost recovery," the individual is bearing the entirety of the cost. When a fee targets less than full cost recovery, another City revenue source – in most cases, the General Fund – subsidizes the individualized activity.

Industry best practice and California statute are in harmony: User and regulatory fees should be set according to the estimated reasonable cost of service and should bear a fair and reasonable relationship to the payer's burdens on, or benefits received from, the activities and/or services provided by the City.

Ongoing review and adjustment of fees provides multiple benefits, including:

- Increasing the availability of General Fund revenues to be used for services and activities available to all Del Rey Oaks residents and businesses, such as public safety services.
- Keeping pace with general cost inflation.
- Avoiding fee spikes that are more likely to occur when municipalities leave fees unchanged for a multi-year period.
- Providing fee payers, city staff, and city policymakers with a pattern of consistency that provides information for forecasting and decision-making purposes.
- Helping meet fee-payer service level expectations by collecting fees to fund the existing level of services provided.
- Encouraging generational equity among fee payers by avoiding long-term stagnation of fees followed by significant fee increases.

Fee Categories that Were Examined in this Study

This study specifically examined fee categories including, but not limited to:

- Building Fees: such as permitting of new construction or modifications to existing structures
- Planning Fees: such as entitlement review and review for compliance with the zoning code
- Land Development Engineering Fees: such as review and inspection of requests for subdivision and grading
- Encroachment Permit Fees: for work or activities conducted in the City right-of-way
- Police Fees: for specialized services provided such as vehicle releases and report delivery
- Reserved Facility Use Fees: such as reservation fees for exclusive use of City facilities by residents, non-profit groups, and non-residents.

Items Not Examined in this Study

This study specifically excluded examination of the following:

- Development Impact Fees
- Taxes
- Assessments
- Fines or Penalties
- Franchise Fees
- Utility Rates and Services Charges

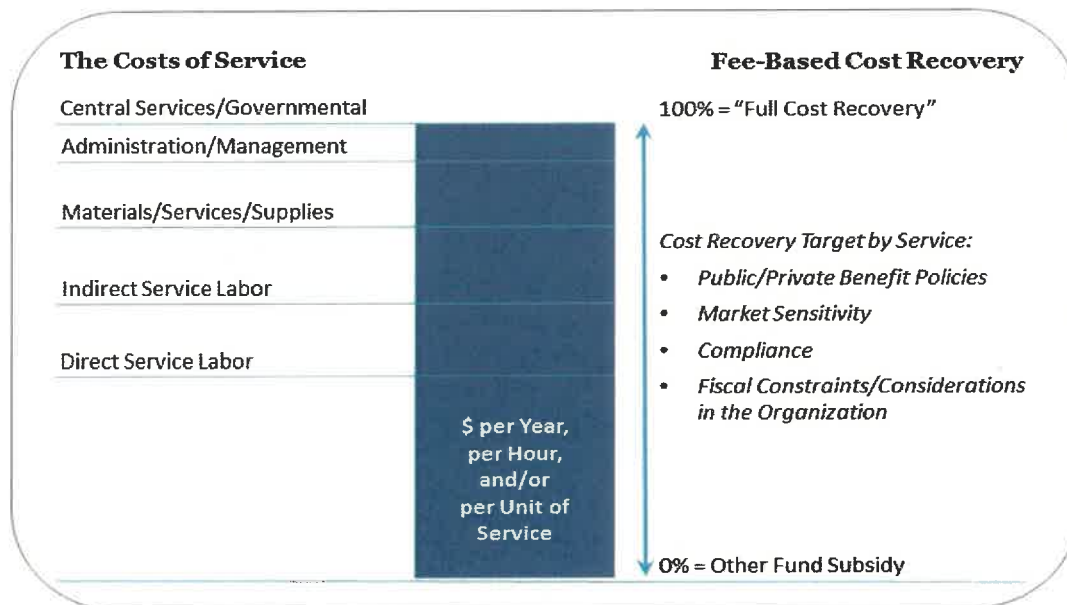
These items are subject to different approval thresholds or are not subject to the same cost of service limitations as the fees examined as part of this study. Consequently, they were specifically excluded from the scope of this study.

Compliance with Law

All adjustments to fees are intended to comply with applicable federal, state, and local laws including providing confirmation that the proposed fees and charges are not a tax as defined in Article 13C of the California Constitution and that the proposed fees are no more than necessary to cover the reasonable costs of the City's activities and services addressed in the fees. Additionally, the manner in which the costs are allocated to a payor bear a fair and reasonable relationship to the payor's burdens on, or benefits received from the activities and services provided by the City.

Overview of the Cost of Service Analysis

Nearly every service for which a fee is imposed can be illustrated as follows, contrasting the components of the full cost of service, which is the maximum fee amount justified, against the local agency's goals for cost recovery:



Generally, fees for service are targeted to full cost recovery, inclusive of operating, direct, indirect, and capital costs, except in cases where the City Council cites a public interest in lower fees. The City may also be influenced by market conditions, comparing to municipalities of similar size and service profile. Based on the consultant's experience working with municipalities throughout California, most fee-paying stakeholders and city councilmembers accept high-cost recovery targets for development-related fees as long as:

- The elements of the cost of service and assumptions are clearly communicated.
- The city clearly communicates that only eligible costs are included in fees.

Summary & Discussion

Attachment 3 of this report includes the complete fee study report and cost of service analysis. Outcomes and proposals anticipated to be of particular interest to the City Council are summarized below.

Building Fees

- Building plan review, permit processing and field inspection fees have been restructured to enhance the correlation between services provided and fees collected. The proposed fee methodology scales to allow for lower fees for less complex projects and higher fees for more complex projects.
- Establish fixed, consolidated fees for the City's most common minor permits. This will allow applicants to easily estimate permit fees and allow staff to efficiently administer the fee calculation and collection process.

- Full cost recovery is targeted from proposed fees.

Planning Fees

- Due to the nature of development within California, many projects take a significant amount of resources over a multi-month and potentially multi-year timeframe, depending on project complexity and magnitude.
- Full cost recovery is targeted from most proposed fees due to the regulatory nature of the fees and the high level of direct benefit resulting from construction activities including enjoyment of property enhancements, increased property values, and the desire to avoid having other Del Rey Oaks residents and businesses subsidize an individual's private construction activities.
- Current cost recovery varies widely depending on the fee examined (10% - 90%).

Engineering and Encroachment Permit Fees

- Engineering and encroachment permit fees are collected to recover the costs associated with improvement plan review, permitting, and construction inspection along with review and inspection of work conducted within the City right-of-way.
- Full cost recovery is targeted from proposed fees.

Reserved Facility Use Fees

- Fees are generally proposed to be adjusted by approximately 20%. This represents an average of the change in regional cost inflation and California minimum wage since the City's most recent fee update. The proposed change results in annualized change of approximately 5% since the City's last update. If fees are left unchanged in an environment of increasing costs, the City's cost recovery levels deteriorate.

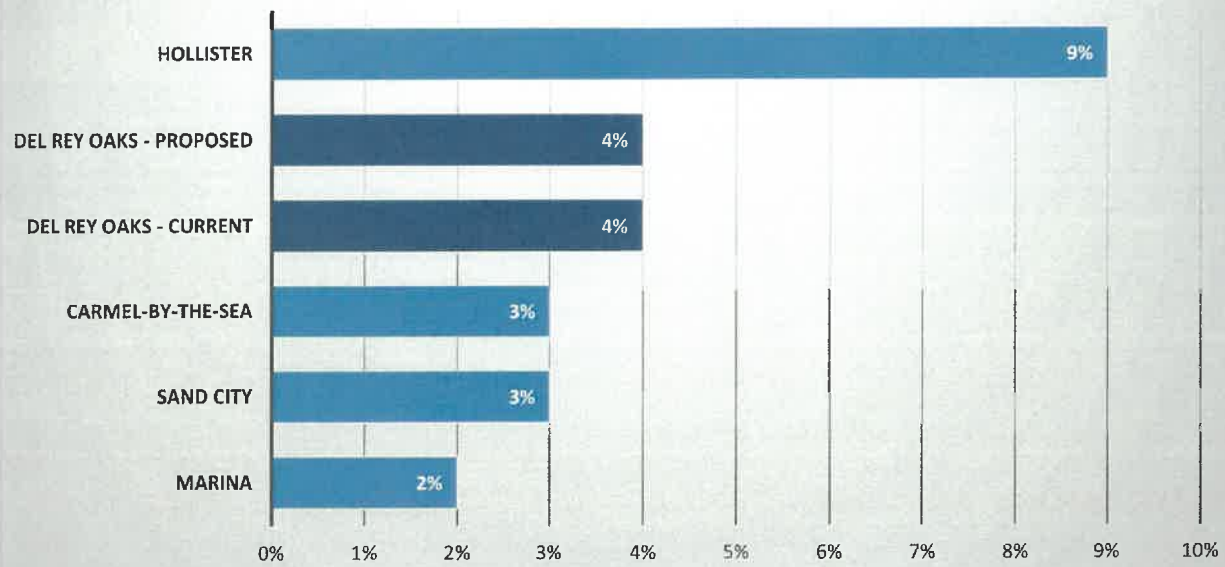
Police Fees

- Minor changes are proposed to Police fees. The changes are intended to align fees to the City's cost of service and/or amounts authorized by the State of California.

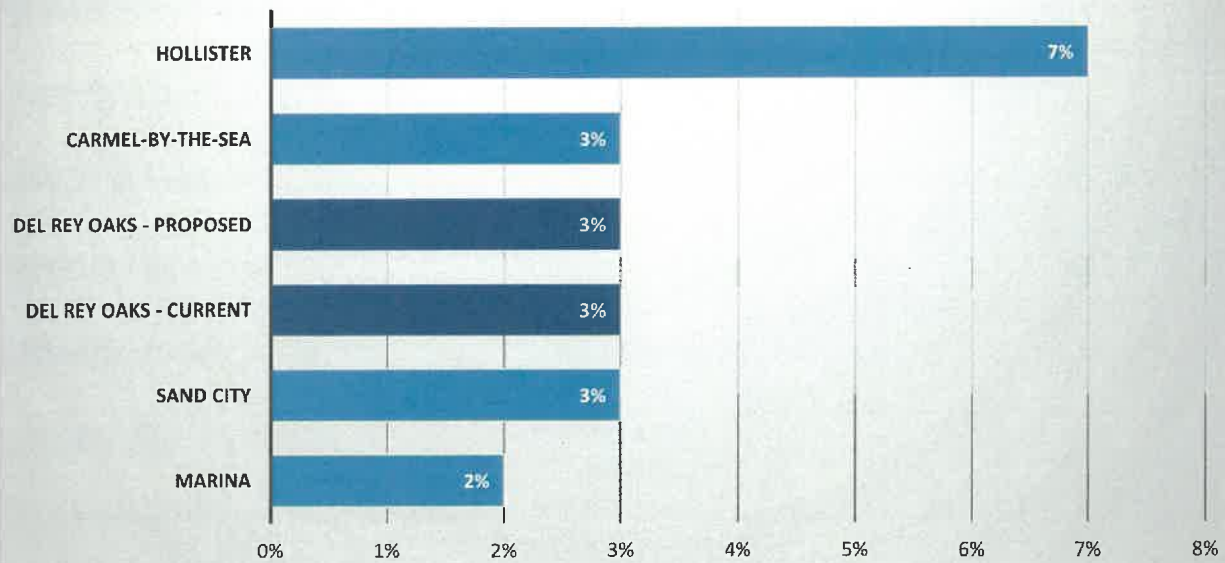
Fee Comparison Information

Similar fees are collected by communities throughout the region and the State. The proposed fee amounts do not exceed the City's cost of service and are in-range of amounts charged by other jurisdictions. The tables below illustrate building permit fees for a variety of scenarios ranging from simple to complex, and some common Planning Department service fees including fees for appeals, map review, sign permits, variance, and zone change. Note, amounts shown are based on consultant interpretation of other agency fee schedule. Amounts shown are intended for illustrative purposes rather than representing an exact calculation.

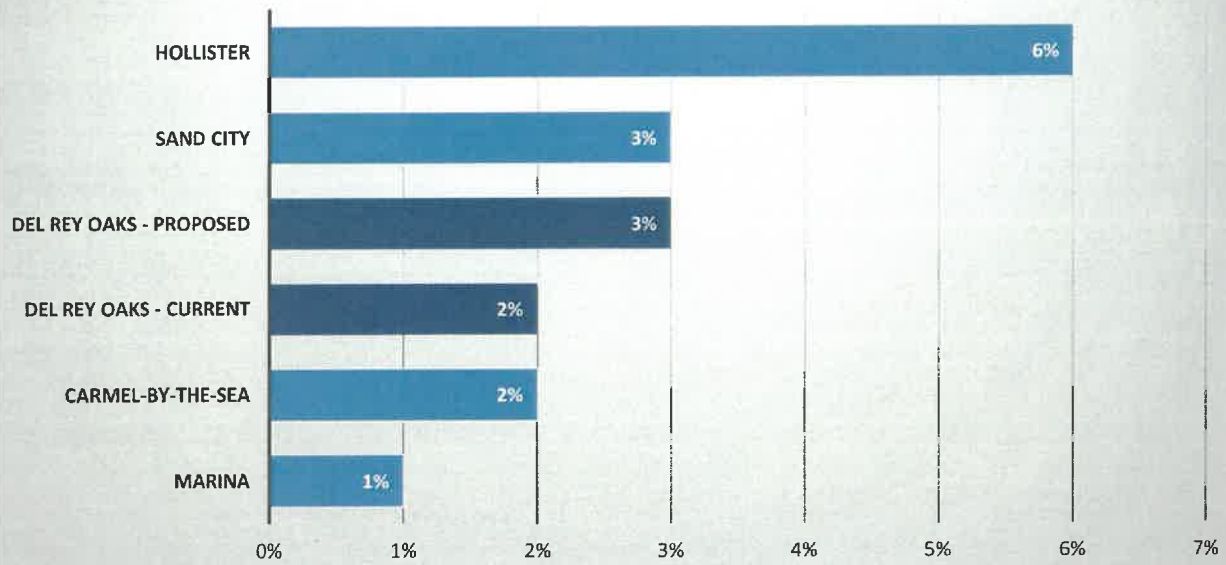
Bldg Permit Fee - \$25,000 Project (Fee as % of Project Cost)



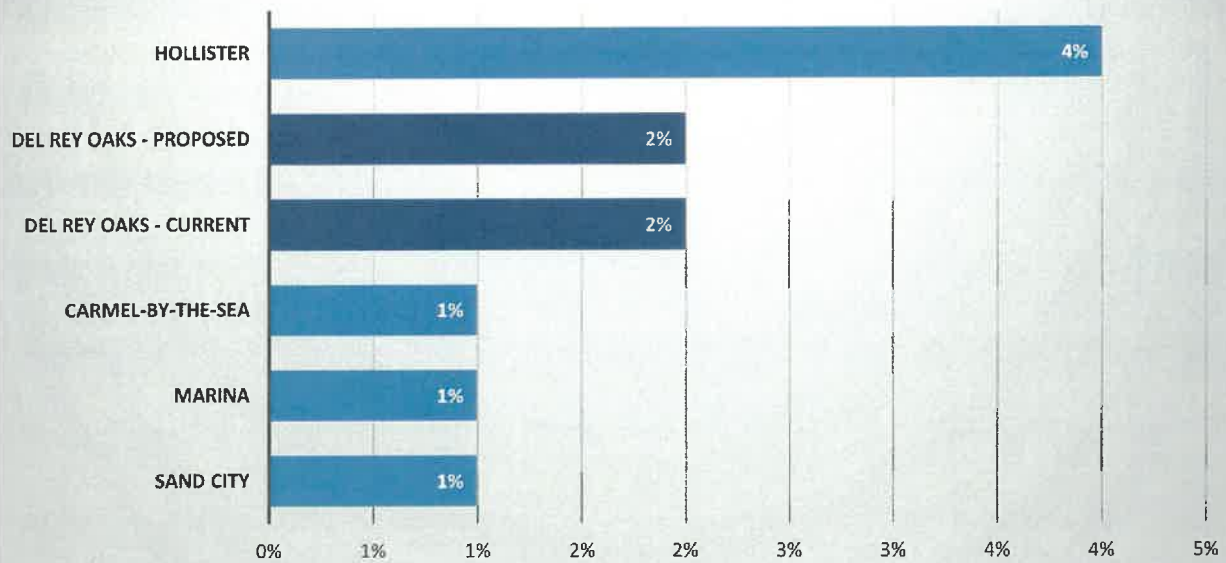
Bldg Permit Fee - \$50,000 Project (Fee as % of Project Cost)



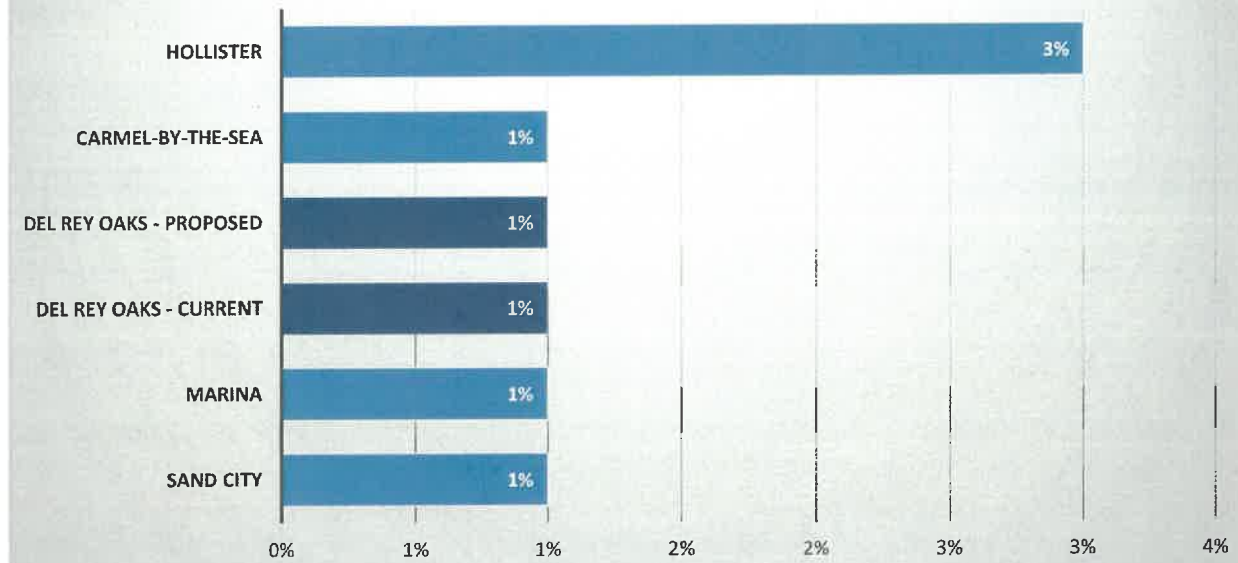
Bldg Permit Fee - \$100,000 Project (Fee as % of Project Cost)



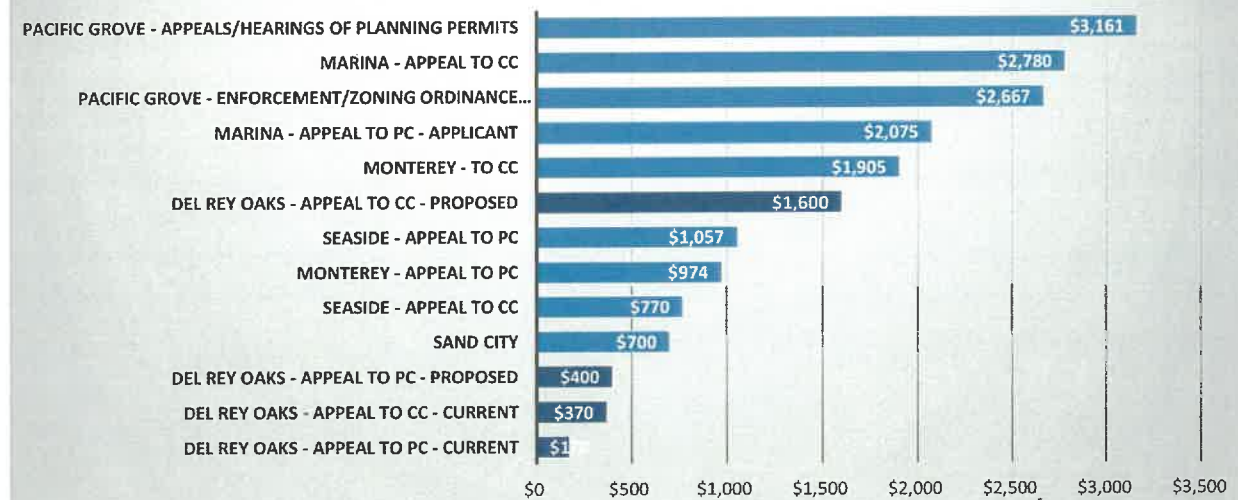
Bldg Permit Fee - \$500,000 Project (Fee as % of Project Cost)



Bldg Permit Fee - \$1,000,000 Project (Fee as % of Project Cost)



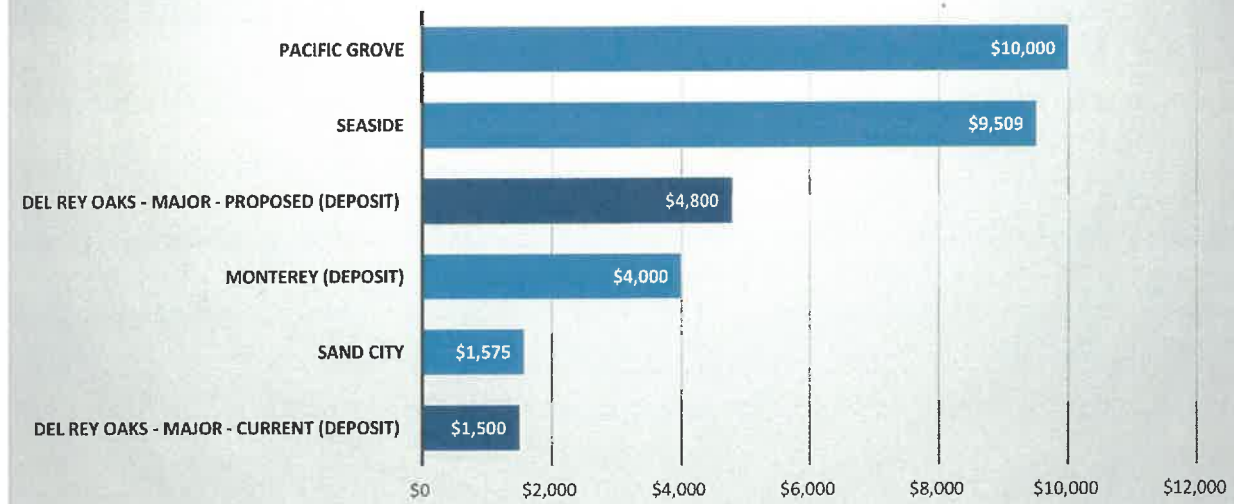
Appeal

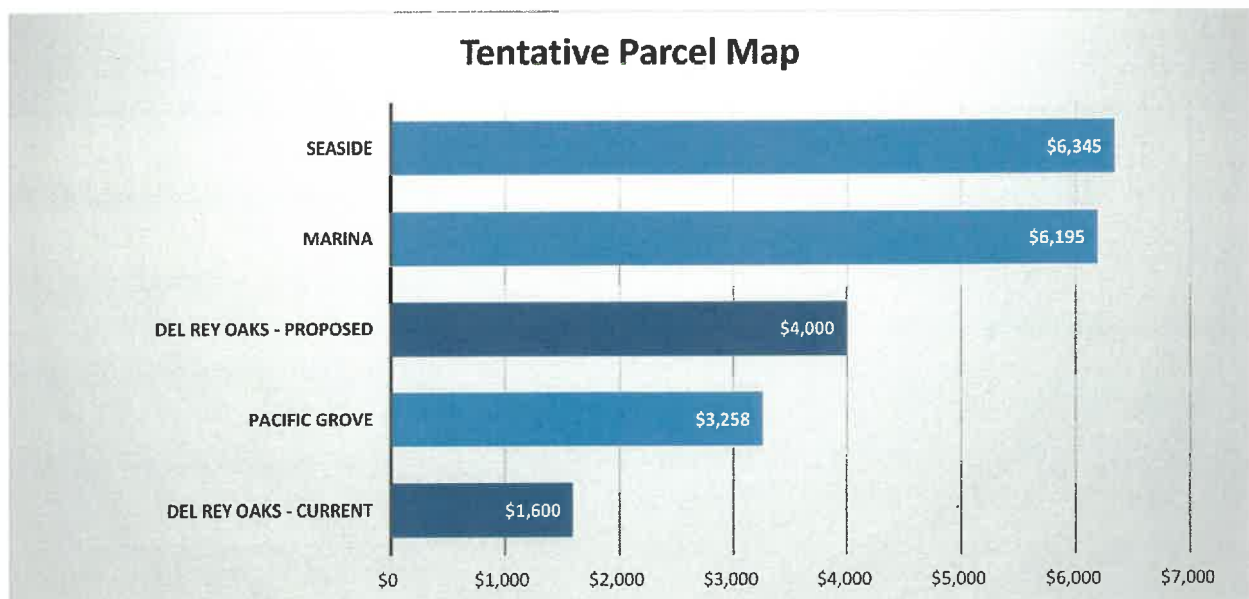


Variance



Zone Change





Fiscal Impact

Based on historical project application requests received by the City, it is anticipated that the proposed fee adjustments will result in additional revenue to the General Fund of approximately \$60,000 annually. This revenue is intended to “offset” the costs of existing services being provided by the City. Recovering these costs from service recipients will free up critical General Fund resources to be used for services and activities available to all Del Rey Oaks residents and businesses, such as public safety, public works, and parks maintenance services.

Recommended Action

Adopt resolution updating and establishing user and regulatory fees. Updated fees will be effective July 1, 2025.

ATTACHMENTS:

1. Resolution
2. Illustration of Current and Proposed Fees
3. Fee Study Report

Respectfully Submitted,

John Guertin
City Manager

RESOLUTION NO. 2025-01

A RESOLUTION OF THE CITY COUNCIL OF DEL REY OAKS UPDATING AND ESTABLISHING USER AND REGULATORY FEES

WHEREAS, user and regulatory fees are established by the City Council; and

WHEREAS, the City recently completed a study to identify the cost of providing various user and regulatory fee-related services; and

WHEREAS, the study examined fee-related services provided by the City, the costs reasonably borne by the City in providing those services, the beneficiaries of those services, and the revenues produced by those paying fees and charges for special services; and

WHEREAS, the City Council finds that providing these services is of direct benefit to applicants both separate and apart from the benefit to the public; and therefore, in the interests of fairness to the general public, the City desires to better recover the costs of providing these services from applicants who have sought or require the City's services by revising its schedule of fees; and

WHEREAS, the City Council hereby finds that the study provides adequate evidence to conclude that the revised fees do not exceed the cost to provide the services for which the fees are charged; and

WHEREAS, the City Council desires that annually the City Manager may update the fees based on the annual percentage change in the all-urban Consumer Price Index for the San Francisco-Oakland-Hayward area (CPI); and

WHEREAS, if the CPI does not change or goes down in a given year, no change shall be made to the fee schedule that year; and

WHEREAS, in adopting this Resolution, the City Council is taking action only on those fees for the services, programs or products set forth in Exhibit "A" which have been modified from prior resolutions of the City Council. The remaining fees that have not been modified from prior resolutions shall remain in full force and effect.

NOW, THEREFORE, be it resolved that the City Council of the City of Del Rey Oaks finds that the foregoing recitals and findings are true and correct and are incorporated herein by reference.

BE IT FURTHER RESOLVED that the City Council of the City of Del Rey Oaks hereby adopts the fees, charges, and rates as set forth in attached Exhibit "A" and incorporated by this reference.

BE IT FURTHER RESOLVED that any new or adjusted fees adopted by this Resolution shall go into effect July 1, 2025.

PASSED AND ADOPTED as a resolution of the City Council of the City of Del Rey Oaks at a meeting held on this 25th day of February, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Scott Donaldson, Mayor

ATTEST:

Karen Minami, City Clerk

Exhibit "A"



Schedule of User and Regulatory Fees

Effective July 1, 2025

City of Del Rey Oaks

Schedule of User and Regulatory Fees

Note: This Fee Schedule does not include all fees, rates, or charges that may be imposed by the City of Del Rey Oaks. Examples of excluded items include, but are not limited to, development impact fees, utility rates, and punitive fines and penalties.

Certain items listed in this schedule are shown for reference purposes only, and are not considered as part of the Public Hearing process for setting user and regulatory fees.

Fee Type	Page
BUILDING FEES	1
PLANNING FEES	6
ENGINEERING AND ENCROACHMENT PERMIT FEES	9
POLICE FEES	10
RESERVED FACILITY USE FEES	11
CLERK / ADMINISTRATIVE FEES	12
ANIMAL REGULATION FEES	13

City of Del Rey Oaks

BUILDING FEES

A. Fees for Commonly Requested and Minor Miscellaneous Building Permit Types. Fees shown in this section (Section A.) include all applicable inspection, and plan review fees. Additional permit processing fees apply. Additional fees may apply for services provided by other City Departments (e.g. Planning Review), Technology Enhancement Fees, and Fees Collected on Behalf of Other Agencies.

Fee Description	Fee	Note	Y'rly CPI
1 HVAC Change-Out - Residential	\$170		Y
2 Water Heater Change-Out - Residential	\$128		Y
3 Residential Re-Roof (without calculation)	\$255		Y
4 Siding - Residential	\$255		Y
5 Service Panel Upgrade - Residential	\$255		Y
6 Battery Backup Storage - Residential	\$170		Y
7 Electric Vehicle Charger - Residential	\$170		Y
8 Generator - Residential	\$170		Y
9 Residential Solar Photovoltaic System - Solar Permit			
a) 15kW or less	\$298	[a]	Y
b) Above 15kW	\$450 base fee, plus \$15 per kW for each kW above 15kW	[a]	N
10 Commercial Solar Photovoltaic System - Solar Permit			
a) 50kW or less	\$1,000	[a]	N
b) 50kW – 250kW	\$1,000 base fee, plus \$7 per kW for each kW above 50kW up to 250kW	[a]	Y
c) Above 250kW	\$2,400 base fee, plus \$5 per kW for each kW above 250 kW	[a]	Y
11 Ground-Mount Solar	\$340		Y
12 Swimming Pool/Spa Equipment Change-out Only	\$170		Y
13 Swimming Pool Replaster	\$255		Y
14 Residential Voluntary Seismic Retrofit	\$255		Y
15 Retaining Wall / CMU Wall			
a) Wall Under 4' in height	\$340		Y
b) Wall Over 4' in height			
i) Up to 100 LF	\$680		Y
ii) Each Additional 100 LF	\$43		Y
16 Window / Sliding Glass Door - Retrofit / Repair			
a) Up to 5	\$170		Y
b) Over 5	See Permit Fee Table		N
17 Fences Requiring a Building Permit	\$170		Y

[a] Total fees shall not exceed amounts outlined in California Government Code 66015(a)(1).

City of Del Rey Oaks

BUILDING FEES

Determination of Valuation for Fee-Setting Purposes

• Building Valuation shall be based on the higher of 1) the applicant's estimated valuation or 2) the most current Building Valuation as printed and published by the International Code Council and adjusted using the most current City Cost Index printed and published by R. S. Means Building Construction Cost Data. CRC, R108.3 Building permit valuations. Building permit valuation shall include total value of the work for which a permit is being issued, such as electrical, gas, mechanical, plumbing equipment, and other permanent systems, including materials and labor. The final building permit valuation shall be set at an amount that allows the City to recover its costs of applicant plan check, permit and inspection activities.

Note: For construction projects with permit fees calculated using Section B, additional fees apply for permit issuance. Additional fees may apply for services provided by other City Departments (e.g. Planning Review), Technology Enhancement Fees, and Fees Collected on Behalf of Other Agencies (e.g. State of California). Additional fees apply for plan review, when applicable.

B. Permit Fee for New Buildings, Additions, Tenant Improvements, Residential Remodels, and Mechanical, Electrical, and/or Plumbing Permits Not Identified Elsewhere in This Fee Schedule

Valuation	Permit Fee	Y'rly CPI
\$1 to \$2,000	\$170.00	Y
\$2,001 to \$25,000	\$170.00 for the first \$2,000 plus \$36.96 for each add'l \$1,000 or fraction thereof, to and including \$25,000	Y
\$25,001 to \$50,000	\$1,020.00 for the first \$25,000 plus \$27.20 for each add'l \$1,000 or fraction thereof, to and including \$50,000	Y
\$50,001 to \$100,000	\$1,700.00 for the first \$50,000 plus \$20.40 for each add'l \$1,000 or fraction thereof, to and including \$100,000	Y
\$100,001 to \$500,000	\$2,720.00 for the first \$100,000 plus \$13.60 for each add'l \$1,000 or fraction thereof, to and including \$500,000	Y
\$500,001 to \$1,000,000	\$8,160.00 for the first \$500,000 plus \$10.88 for each add'l \$1,000 or fraction thereof, to and including \$1,000,000	Y
\$1,000,001 and up	\$13,600.00 for the first \$1,000,000 plus \$7.07 for each additional \$1,000 or fraction thereof over \$1,000,000	Y

For permits for new construction, additions, tenant improvements or residential remodels requiring plumbing, electric, or mechanical review, the following percentages shall be added to the base permit fee

Plumbing inspection fees = Base permit fee x .10	N
Electrical inspection fees = Base permit fee x .10	N
Mechanical inspection fees = Base permit fee x .10	N

City of Del Rey Oaks

BUILDING FEES

C. Building Plan Review Fees

Activity Description	Fee	Note	Y'rly CPI
1 Building Plan Check Fees - Building			
a) Plan Review Fee, if applicable	75%	[a]	N
b) Expedited Plan Check - At Application Submittal (when applicable)	1.5x standard plan check fee		N
c) Revision Application Fee (per hour) (1-hour minimum)	\$170		Y
d) Tract Home / Master Plan Construction (Production Units)	20% of standard plan check fee	[b]	N
e) Alternate Materials and Materials Review (per hour)	\$170		Y
f) Excess Plan Review Fee (4th and subsequent) (per hour)	\$170		Y
g) Revisions (per hour)	\$170		Y
2 Building Plan Check Fees - Planning (Fees Only Applied to Projects Requiring Review)			
a) Zoning Clearance Verification	\$100		Y
b) Planning Plan Check			
i) Alterations/Additions - Residential	\$250		Y
ii) New Construction - Single Family Residential	\$450		Y
iii) New Construction - 2-4 Residential Units	\$850		Y
iv) New Construction - 5+ Residential Units	\$2,200		Y
v) New Construction - Non-Residential	\$850		Y
vi) Alterations/Additions - Non-Residential	\$450		Y
3 Building Plan Check Fees - Public Works Engineering (Fees Only Applied to Projects Requiring Review)			
a) Swimming Pool	\$200		Y
b) Block Wall	\$100		Y
c) Fence	\$100		Y
d) Sign	\$100		Y
e) Alterations/Additions - Residential	\$150		Y
f) New Construction - Single Family Residential	\$400		Y
g) New Construction - 2-4 Residential Units	\$600		Y
h) New Construction - 5+ Residential Units	\$1,200		Y
i) New Construction - Non-Residential	\$800		Y
j) Alterations/Additions - Non-Residential	\$200		Y
k) Trash Capture, SWPPP, and NPDES Review Fees	See Eng. Fee Schedule		N
l) Permits / Plan checks not listed above	See footnote	[c]	N

Plan check fees are in addition to building permit fees.

[a] Includes up to three plan checks. The City will bill hourly for additional plan review required.

[b] For identical buildings built by the same builder on the same lot or in the same tract and for which building permits are issued at the same time.

[c] Engineer/technician to determine hours and applicable fee at time of application.

City of Del Rey Oaks

BUILDING FEES

D. Other Fees

Activity Description	Fee	Note	Y'rly CPI
1 Permit Processing Fee	\$71		Y
2 Credit Card Transaction Processing Fee	3%		N
3 General Plan Maintenance Fee (% of permit fee)	5%		N
4 Technology Fee (% of plan review and permit fee)	5%		N
5 Strong Motion Instrumentation (SMI) Fee Calculation			
a) Residential	\$0.50 or valuation x .00013		N
b) Commercial	\$0.50 or valuation x .00028		N
6 Building Standards (SB 1473) Fee Calculation (Valuation)			
a) \$1 - \$25,000	\$1		N
b) \$25,001 - \$50,000	\$2		N
c) \$50,001 - \$75,000	\$3		N
d) \$75,001 - \$100,000	\$4		N
e) Each Add'l \$25,000 or fraction thereof	Add \$1		N
7 Business License Inspection Fee	\$85		Y
8 Temporary Certificate of Occupancy (per 30 Days)	\$255		Y
9 Permit Extension	\$71		Y
10 Permit Reactivation Fee			
a) Reactivation Fee if All Inspections Have Been Performed and Approved Up to But Not Including Final Inspection	\$71		Y
b) Reactivation Fee - All Other Scenarios			
i) Permit Expired Up to One Year	50% of Original Base Building Permit Fee		N
ii) Permit Expired More than One Year	100% of Original Base Building Permit Fee		N
11 Permit Reissuance Fee	\$71		Y
12 Damaged Building Survey (Fire, Flood, Vehicle Damage, Etc.)	\$255		Y
13 Residential Property Inspections Reports - Single Family Dwelling	\$255		Y

City of Del Rey Oaks

BUILDING FEES

D. Other Fees

Activity Description	Fee	Note	Y'rly CPI
Other Fees			
14 After Hours Inspection (per hour) (4-hour minimum)	\$204		Y
15 Re-inspection Fee (2nd Time or More) (each)	\$170	[a]	Y
16 Missed Inspection Fee	\$170		Y
17 Duplicate Copy of Permit	\$28		Y
18 Duplicate Copy of Certificate of Occupancy	\$28		Y
19 Construction and Demolition Waste Management Review Fee	\$85		Y
20 Fees for Services Not Listed in this Fee Schedule (per 1/2 hour)	\$85		Y
Violation Fees			
21 Investigation Fee For Work Done Without Permit(s)	equal to permit fee - In addition to standard permit fees		N
Refunds			
22 Refunds			
a) Fees Erroneously Paid or Collected by the City	100% refund		N
b) Refund of Plan Review Fees - Prior to Plan Review Commencing	up to 80% refund		N
c) Refund of Permit Fees - Prior to Inspection Commencing	up to 80% refund		N
d) 180 Days After Payment of Fees	no refund		N

[a] Reinspection fee applies after the first re-inspection.

City of Del Rey Oaks

PLANNING FEES

Activity Description		Fee	Note	Y'rly CPI
Architectural Review Committee Review				
1	Commercial			
	a) Major (New Commercial)	\$3,200		Y
	b) Minor (Commercial additions, remodels, exterior tenant improvements)	\$800		Y
2	Residential			
	a) (New one or two-story buildings, or second-story additions)	\$1,600		Y
	b) Minor (One-story additions, exterior alterations to one-story buildings or one-story of a two-story)	\$400		Y
Architectural Review Committee Sign and Solar Review				
3	Major (Large monument signs, multiple freestanding signs, pole signs, internally illuminated signs)	\$1,200		Y
4	Minor (All signs not included above)	\$200		Y
5	Architectural Review/Solar Panels	\$200		Y
Appeal Fees				
6	Appeals of Planning Commission Decisions to City Council	\$1,600		Y
7	Appeals of Staff Decisions/Home Occupation Permits	\$400		Y
Environmental Review				
8	Environmental Impact Report	Contract Cost plus 15%		N
9	Environmental Initial Study Leading to a Negative Declaration (Excludes Fish and Game Fee and technical studies)	\$6,400		Y
10	Environmental Exemption	\$200		Y
Use Permits				
11	Master (Projects requiring environmental review and/or multiple permits) (deposit)	\$6,000		Y
12	Major (Commercial, industrial, multi-family, cannabis)	\$4,800		Y
13	Minor (Single-family residential uses)	\$1,200		Y
Cannabis				
14	Annual Cannabis Business Permit	\$5,000		Y
15	Cannabis Tax	5% of Gross Receipts		N
Short Term Rental				
16	New (One-time approval fee Whole Home or Home Share)	\$820		Y
17	Annual			
	a) Whole Home	\$500		Y
	b) Home Share	\$250		Y

City of Del Rey Oaks

PLANNING FEES

Activity Description		Fee	Note	Y'rly CPI
Permits				
18	Home Occupation (Business) Permit due every year	\$150		Y
19	Home Occupational Use Permit Application Fee	\$10		Y
20	Permit Extension	\$800		Y
21	Reopen Permit	\$1,200		Y
22	Special Permits (Temporary Use)	\$300		Y
23	Special Sign Permit (Temporary window/banner sign)	\$200		Y
24	Tree Removal/Significant Alteration Permit	\$100		Y
Variance Permit				
25	Master (Multiple variances for commercial, multi-family or industrial projects)	\$4,800		Y
26	Major (One variance {coverage, height, parking adjustments} for commercial, multi-family or industrial sites)	\$3,200		Y
27	Minor (One variance - residential fences, setbacks, parking, etc.)	\$1,200		Y
Zoning Permits				
28	R-1 District	\$200		Y
29	D District (Condo.)	\$200		Y
30	Hotel/motel/multi-family			
	a) 1-7 units	\$1,600		Y
	b) 8-36 units (per unit)	\$200		Y
	c) > 36 units	Negotiated fee for cost of service		N
31	Commercial & Industrial			
	a) < 15,000 sf	\$800 + \$200 K/SF		Y
	b) > 15,000	Negotiated fee for cost of service		N
32	Additional meetings	\$400		Y
Reclassification or Rezoning				
33	Major text (alterations of existing sections) (deposit)	\$4,800		Y
34	Minor text (addition of new section)			
	a) 1st Section	\$3,200		Y
	b) Each Additional Section	\$400		Y

City of Del Rey Oaks

PLANNING FEES

Activity	Description	Fee	Note	Y'rly CPI
Subdivision Map				
35	Tentative Tract Map			
	a) Base Fee	\$4,800		Y
	b) Per Lot	\$100		Y
36	Tentative Parcel Map	\$4,000		Y
37	Exceptions (per lot w/ exceptions)	\$800		Y
38	Additional Meetings for Minor Text Amendments (per meeting)	\$200		Y
Development Agreement				
39	Development Agreement (Deposit)	\$20,000		N
General Plan Amendment				
40	General Plan Amendment	Contract Cost plus 15%		N
Other				
40	Credit Card Transaction Processing Fee	3%		N
41	Missed Inspections or work not complete (per hour)	\$200		Y
42	Investigative fee for work without permit(s)	equal to permit fee - In addition to standard permit fees		N
43	Fee Related Services Not Otherwise Listed Above			
	a) In-House Planning	\$200		Y
	b) Contract Service / Specialized Review	Actual Cost + 15%		N

[a] Each deposit and/or fee listed in this schedule is based on the estimated number of hours required to perform a standard service request and the typical cost of services/materials required to perform the requested service. For service requests that are anticipated to require efforts, services, or materials, materially different than those typically required, the Department reserves the right to modify the initial deposit amount and/or use a time and materials billing methodology rather than a fixed fee for service.

[b] In addition to the fees identified in this schedule, the City will pass-through to the applicant any discrete costs incurred from the use of outside service providers or other agencies required to process the specific application (e.g., County recording fees, Department of Fish and Wildlife fees, LAFCO fees, noticing fees, specialized review service fees, etc.)

City of Del Rey Oaks

ENGINEERING AND ENCROACHMENT PERMIT FEES

Activity Description		Fee	Note	Y'rly CPI
1	Grading Permit Fee	\$200		Y
2	Encroachment Permit			
	a) Residential	\$300		Y
	b) Commercial	\$400 plus 3% of cost of public improvements requires plan check		N
3	Street Opening Permit			
	a) Residential	\$300		Y
	b) Commercial	\$400 plus 3% of cost of public improvements requires plan check		N
4	Driveway, Curb, Gutter, Sidewalk Permit	\$300		Y
5	Construction Activity Road Impact Fee	1% of the sum of the building permit's project valuation		N
6	Storm Water Review & Inspection Fee			
	a) Application Fee	\$300		Y
	b) Plan Review and Inspection (per hour)	\$200		Y
Final Map				
7	Final Tract Map			
	a) Base Fee (plus per lot fee)	\$4,000		Y
	b) Per Lot	\$100		Y
8	Final Parcel Map	\$4,000		Y
9	Lot Line Adjustment	\$3,200		Y
Other				
10	Credit Card Transaction Processing Fee	3%		N
11	Investigative fee for work without permit(s)	equal to permit fee - In addition to standard permit fees		N
12	Fee Related Services Not Otherwise Listed Above	Actual Cost + 15%		N

[a] Each deposit and/or fee listed in this schedule is based on the estimated number of hours required to perform a standard service request and the typical cost of services/materials required to perform the requested service. For service requests that are anticipated to require efforts, services, or materials, materially different than those typically required, the Department reserves the right to modify the initial deposit amount and/or use a time and materials billing methodology rather than a fixed fee for service.

[b] In addition to the fees identified in this schedule, the City will pass-through to the applicant any discrete costs incurred from the use of outside service providers or other agencies required to process the specific application (e.g., County recording fees, Department of Fish and Wildlife fees, LAFCO fees, noticing fees, specialized review service fees, etc.)

City of Del Rey Oaks

POLICE FEES

Activity Description	Fee	Charge Basis	Note
1 Police Report (e.g., accident, crime)	\$30	each	
2 Fingerprinting (hard card; livescan)	\$50	per request	[a]
3 Vehicle Repossession	\$15	each	[b]
4 Vehicle Release	\$250	each	
5 Citation Sign-Off	\$25	each	
6 VIN Verification	\$25	each	
7 DUI Accident Response	Actual Cost; Not to Exceed \$12,000	T&M	
8 Loud Party Response / Noise Disturbance Response			
a) 1st Response in 24-hour Period	No Charge	each	
b) 2nd Response in 24-hour Period	\$100	each	
c) Each Additional Response in 24-hour Period	\$150	each	
9 Police False Alarm Response			
a) 1st False Alarm Response	No Charge	each	[c]
b) 2nd False Alarm Response	\$100	each	[c]
c) 3rd False Alarm Response	\$150	each	[c]
10 Special Event Support / Requests for Special Police Services	\$130	per hour	

[a] In addition to amounts shown, additional amounts due to Department of Justice and/or other agencies will be collected.

[b] Fee set by State of California.

[c] Based on number of false alarms per calendar year.

City of Del Rey Oaks

RESERVED FACILITY USE FEES

Activity Description		Fee	Note	Y'rly CPI
Park Barbeque Reservation Fees				
1	Residents			
	a) Groups of 1 to 50	\$60		Y
	b) Groups of 51 to 100	\$120		Y
	c) Groups of 101 to 150	\$180		Y
2	Non-Residents			
	a) Groups of 1 to 50	\$120		Y
	b) Groups of 51 to 100	\$180		Y
	c) Groups of 101 to 150	\$240		Y
3	Bounce House Permit	\$50		N
4	Temporary Day Use Permit	\$60		Y
Old Town Hall Reservation Fees				
1	Residents			
	a) First 3 hours (per hour)	\$60		Y
	b) Each additional hour	\$30		Y
	c) Cleaning Fee	\$25		Y
	d) Use Permit	\$60		Y
	e) Refundable Cleaning/Damage Deposit	\$250		Y
2	Non-Residents			
	a) First 3 hours (per hour)	\$80		Y
	b) Each additional hour	\$30		Y
	c) Cleaning Fee	\$25		Y
	d) Use Permit	\$60		Y
	e) Refundable Cleaning/Damage Deposit	\$250		Y
3	Non-Profits			
	a) First 3 hours (per hour)	\$50		Y
	b) Each additional hour	\$20		Y
	c) Cleaning Fee	\$25		Y
	d) Use Permit	\$60		Y
	e) Refundable Cleaning/Damage Deposit	\$250		Y

City of Del Rey Oaks

CLERK / ADMINISTRATION FEES

Activity	Description	Fee	Note	Y'rly CPI
1	Business License Application Fee			
	a) Business License Application Fee - New	\$56		Y
	b) Business License Application Fee - Renewal	\$28		Y
2	Stop Payment / NSF Fee	\$35	[a]	N
Duplication Fees				
3	Copies (per page)	\$0.20		N
4	Duplication of Audio Tape	\$50		N
5	Duplication of DVD (Council Meeting, Etc.)	\$50		N
6	Duplication of DVD / Police Photos	\$50		N
7	Enlargement of Photographs	Actual Cost		N
8	Maps	\$5		N
Mailing Fees				
9	Council Packet Yearly Subscription	\$180		N
10	All Other Mailing	Actual Cost of Postage and Materials		N
Credit Card Transaction Processing Fee				
11	Credit Card Transaction Processing Fee	3%		N
Other				
12	Requests Requiring Special Programming or Formatting	Actual Cost		N

[a] Fee limited by State of California.

City of Del Rey Oaks
ANIMAL REGULATION FEES

Activity Description		Fee	Note	Y'rly CPI
1	County of Monterey Animal Services	See County of Monterey fee schedule		N
2	Dog Park Annual Registration Fee	Free Membership - Replacement Key \$10		N



**CITY OF
DEL REY OAKS**

USER AND REGULATORY FEE STUDY

REPORT | DECEMBER, 2024



7960 B Soquel Drive, Suite 363, Aptos, California 95003
CLEARSOURCEFINANCIAL.COM

REPORTING

- 1 TRANSMITTAL
- 2 EXECUTIVE SUMMARY
- 10 PROJECT ORIENTATION
- 14 IMPLEMENTATION

APPENDIX

- I COST OF SERVICE ANALYSIS





December 2024

CITY OF DEL REY OAKS

Attn: John Guertin, City Manager
650 Canyon Del Rey Blvd.
Del Rey Oaks, CA 93940

USER AND REGULATORY FEE STUDY

Dear Mr. Guertin:

ClearSource Financial Consulting submits the following report describing the findings of our preparation of a User and Regulatory Fee Study for the City of Del Rey Oaks.

Please refer to the Executive Summary for the key findings of the analysis. The balance of the report and its appendix provides the necessary documentation to support those outcomes.

Thank you for the opportunity to serve the City on this topic. We are happy to continue discussion on this study as the need arises or consult with you on additional topics.

Sincerely,

A handwritten signature in blue ink, appearing to read "Terry Madsen".

TERRY MADSEN, PRESIDENT | CLEARSOURCE FINANCIAL CONSULTING

PHONE: 831.288.0608

EMAIL: TMADSEN@CLEARSOURCEFINANCIAL.COM

STUDY OVERVIEW

The City of Del Rey Oaks has completed a User and Regulatory Fee Study. California cities regularly conduct these studies to justify fee amounts imposed and to optimize the overall portfolio of revenues available to the municipality to fund its services.

Industry practice and fiscal conditions in the state have led most cities to link cost recovery for services of individual action, cause, or benefit to that same individual through user fee revenue, relieving the agency's general revenues as much as possible for use toward services of broader community benefit.

USER AND REGULATORY FEES

Cities derive annual revenue from a number of sources. These include, but are not limited to, property taxes, sales taxes, license fees, franchise fees, fines, rents, and user and regulatory fees. **User and regulatory fees are intended to cover all, or a portion of, the costs incurred by the City for providing fee-related services and activities that are not otherwise provided to those not paying the fee.**

California law provides guidance regarding the amounts the City may charge for fee-related services and activities. Specifically, in order to avoid being considered taxes, the **fees charged shall not exceed the estimated reasonable cost of providing the services**, activities, or materials for which fees are charged.

At its conclusion, this study proposes for City Council review and consideration at public hearing a new **Schedule of User and Regulatory Fees** for application in Fiscal Year 2024-2025 and continued update in subsequent years.

COST RECOVERY POLICY AND PRACTICE

Recovering the costs of providing fee-related services directly influences the City's fiscal health and increases the City's ability to meet the service level expectations of fee payers.

The services for which the City imposes a user or regulatory fee typically derive from an individual person or entity's action, request, or behavior. Therefore, except in cases where there is an overwhelming public benefit generated by the City's involvement in the individual action, **a fee for service ensures that the individual bears most, if not all, of the cost incurred by the City to provide that service.** When a fee targets "100% or full cost recovery," the individual is bearing the entirety of the cost. When a fee targets less than full cost recovery, another City revenue source – in most cases, the General Fund – subsidizes the individualized activity.

Generally, **fees for service are targeted to full cost recovery, inclusive of operating, direct, indirect, and capital costs, except in cases where the City Council cites a public interest in lower fees.** The City may also be influenced by market conditions, comparing to municipalities of similar size and service profile.



FINDINGS AND PROPOSED ACTION

During the course of study, information and analysis was generated and is discussed substantively throughout this report and its technical appendix. However, summarized in the following table by broad fee category and highlighted in the subsequent findings statements, are outcomes and proposals of particular interest to City leaders and policymakers.

PRIMARY OUTCOMES

▷ BUILDING FEES

- Building plan review, permit processing and field inspection fees have been restructured to enhance the correlation between services provided and fees collected. The proposed fee methodology scales to allow for lower fees for less complex projects and higher fees for more complex projects.
- Establish fixed, consolidated fees for the City's most common minor permits. This will allow applicants to easily estimate permit fees and allow staff to efficiently administer the fee calculation and collection process.
- Full cost recovery is targeted from proposed fees.

▷ PLANNING FEES

- Due to the nature of development within California, many projects take a significant amount of resources over a multi-month and potentially multi-year timeframe, depending on project complexity and magnitude.
- Full cost recovery is targeted from most proposed fees due to the regulatory nature of the fees and the high level of direct benefit resulting from construction activities including enjoyment of property enhancements, increased property values, and the desire to avoid having other Del Rey Oaks residents and businesses subsidize an individual's private construction activities.
- Current cost recovery varies widely depending on the fee examined (10% - 90%).

▷ ENGINEERING FEES

- Engineering and encroachment permit fees are collected to recover the costs associated with improvement plan review, permitting, and construction inspection along with review and inspection of work conducted within the City right-of-way.
- Full cost recovery is targeted from proposed fees.

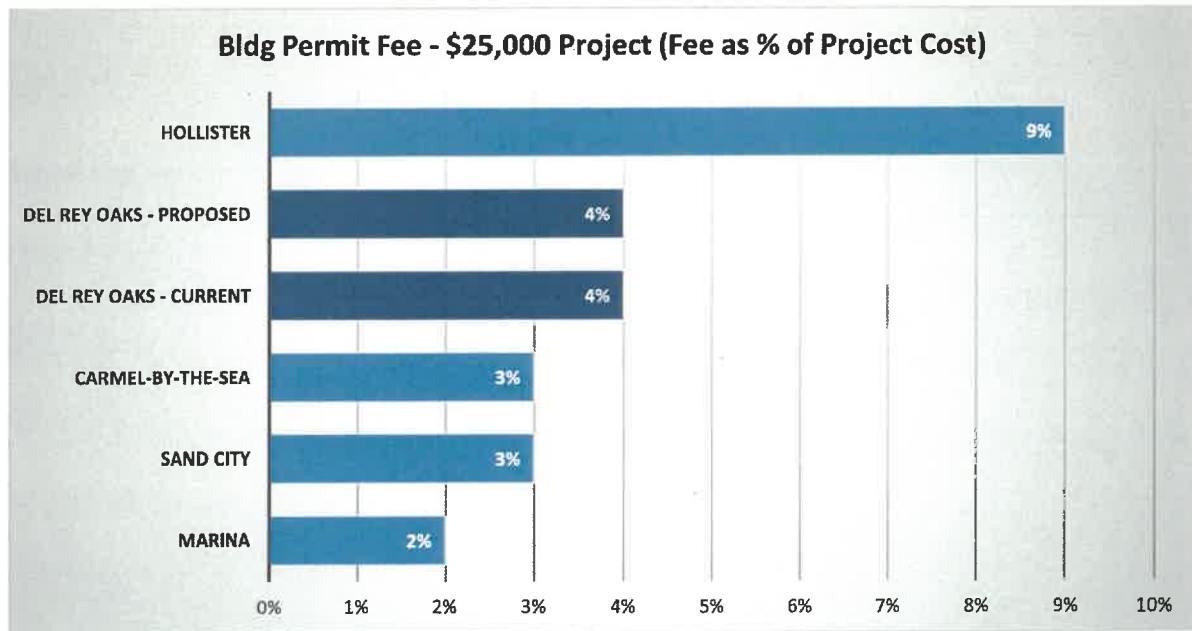
▷ RESERVED FACILITY USE FEES

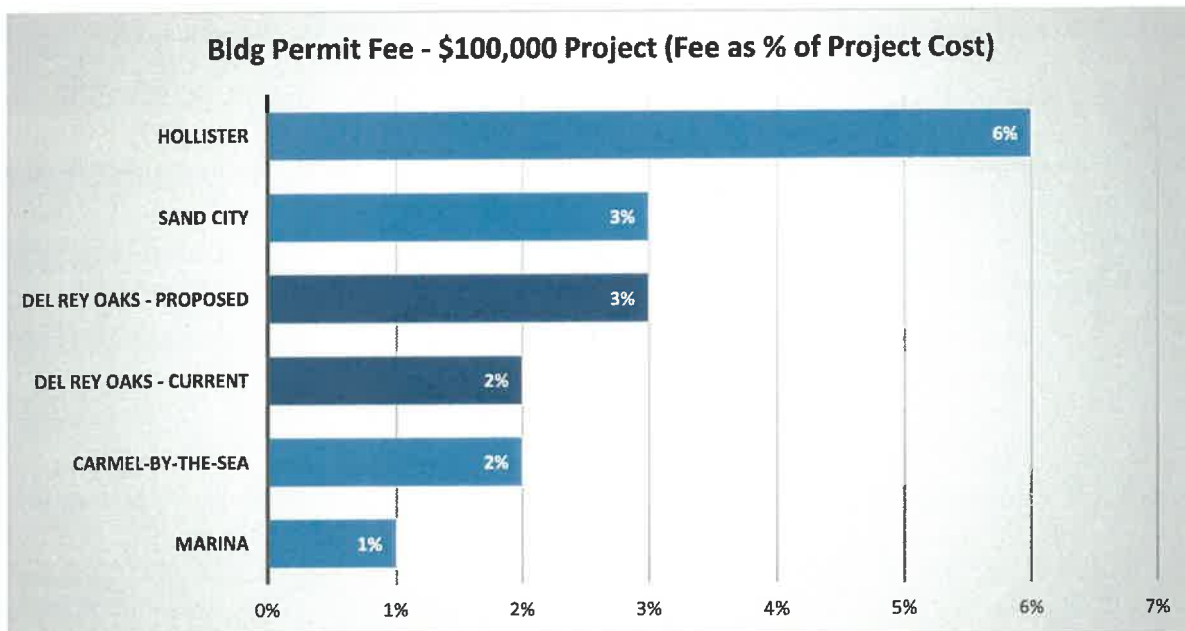
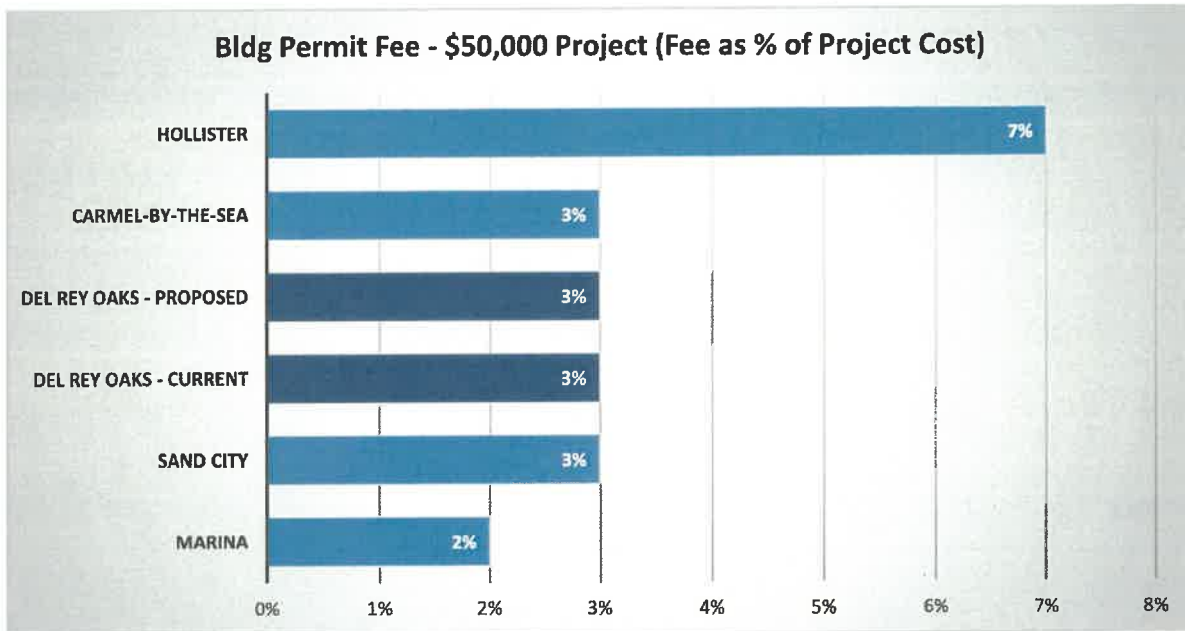
- Fees are generally proposed to be adjusted by approximately 20%. This represents an average of the change in regional cost inflation and California minimum wage since the City's most recent fee update. The proposed change results in annualized change of approximately 5% since the City's last update. If fees are left unchanged in an environment of increasing costs, the City's cost recovery levels deteriorate.

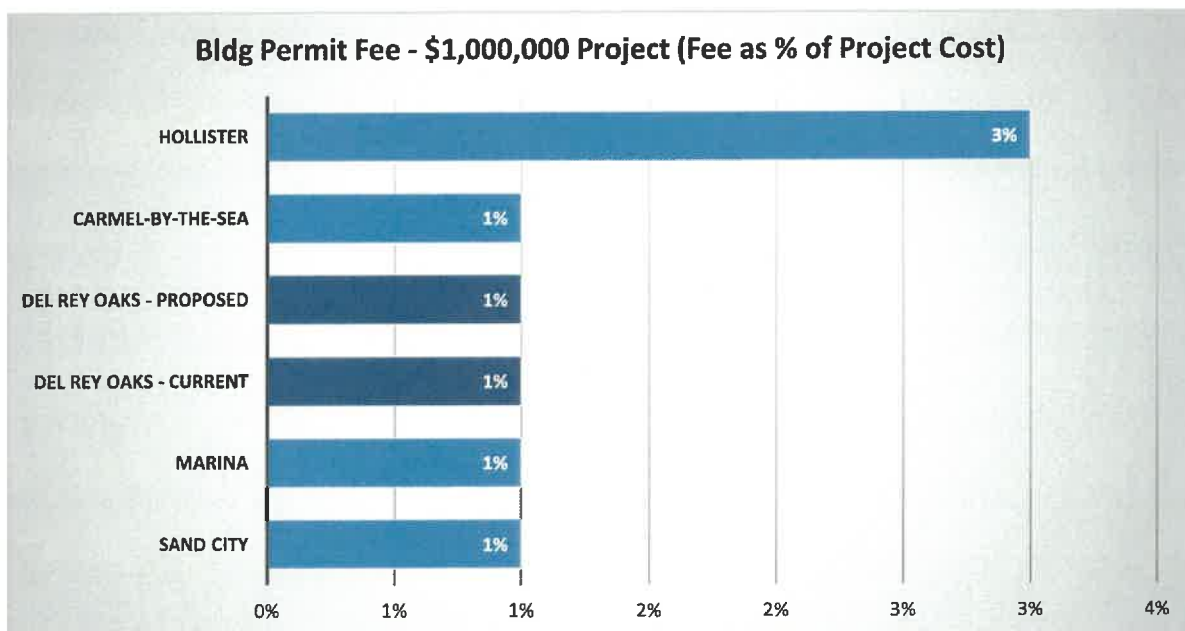
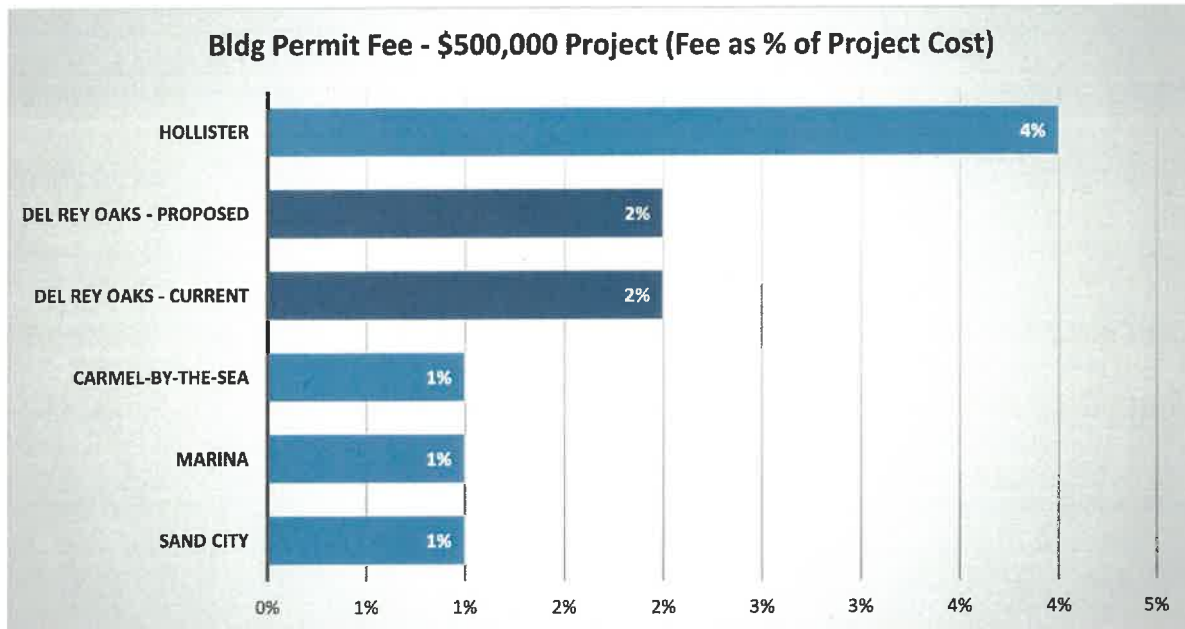


REGIONAL FEE COMPARISON

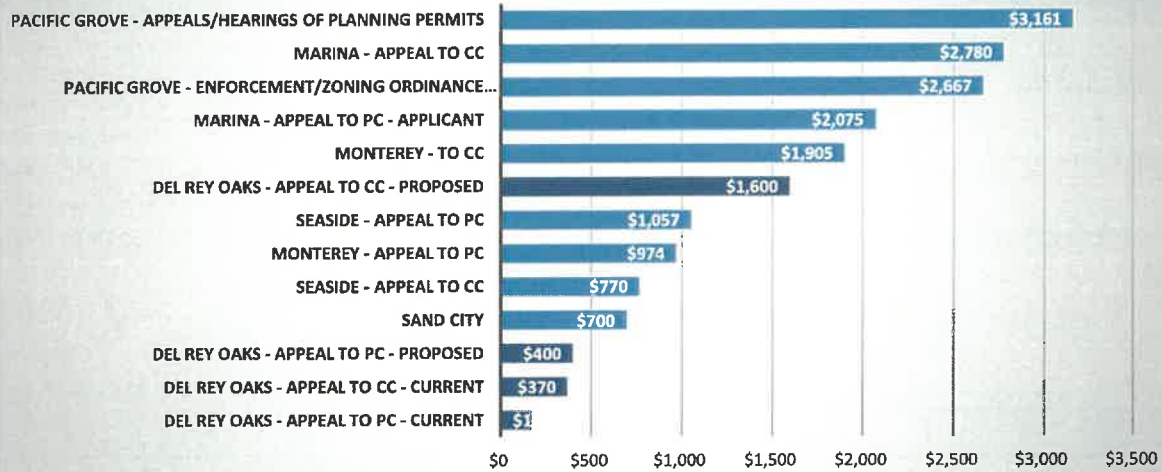
Similar fees are collected by communities throughout the region and the State. The proposed fee amounts do not exceed the City's cost of service and are in-range of amounts charged by other jurisdictions. The tables below illustrate building permit fees for a variety of scenarios ranging from simple to complex, and some common Planning Department service fees including fees for appeals, map review, zone change, sign permits, and variances. Note, amounts shown are based on consultant interpretation of other agency fee schedules. Amounts shown are intended for illustrative purposes rather than representing an exact calculation.



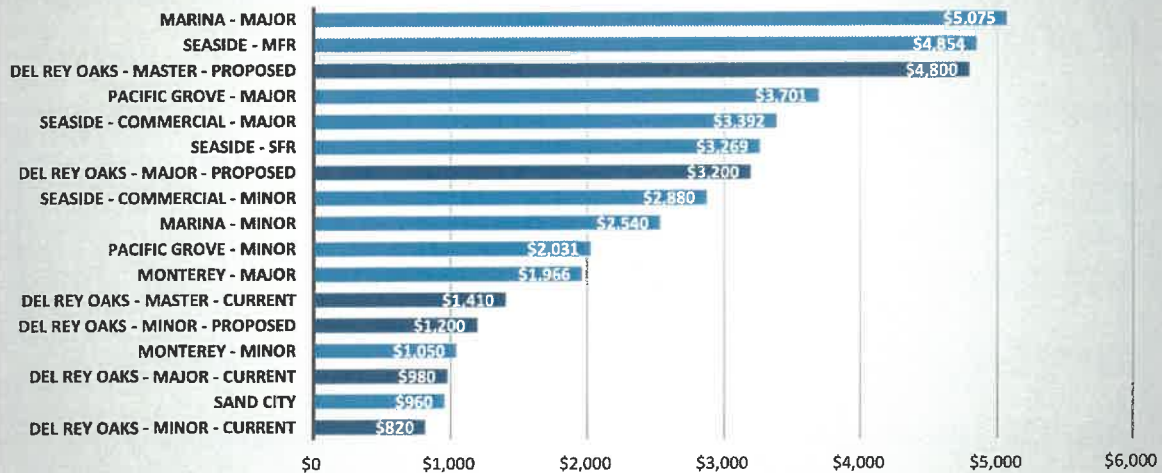


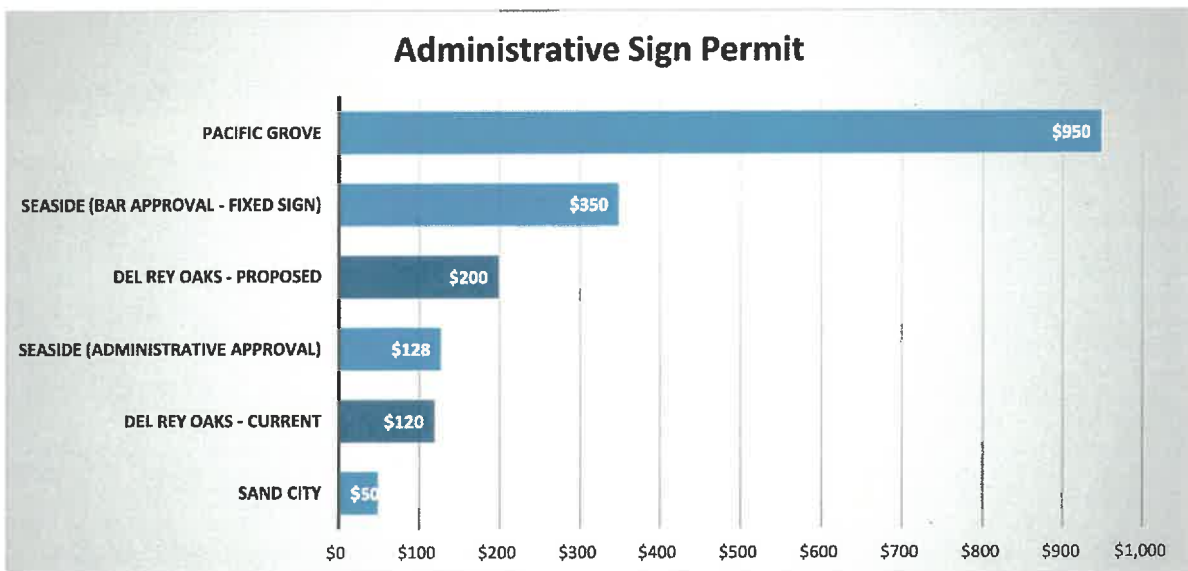
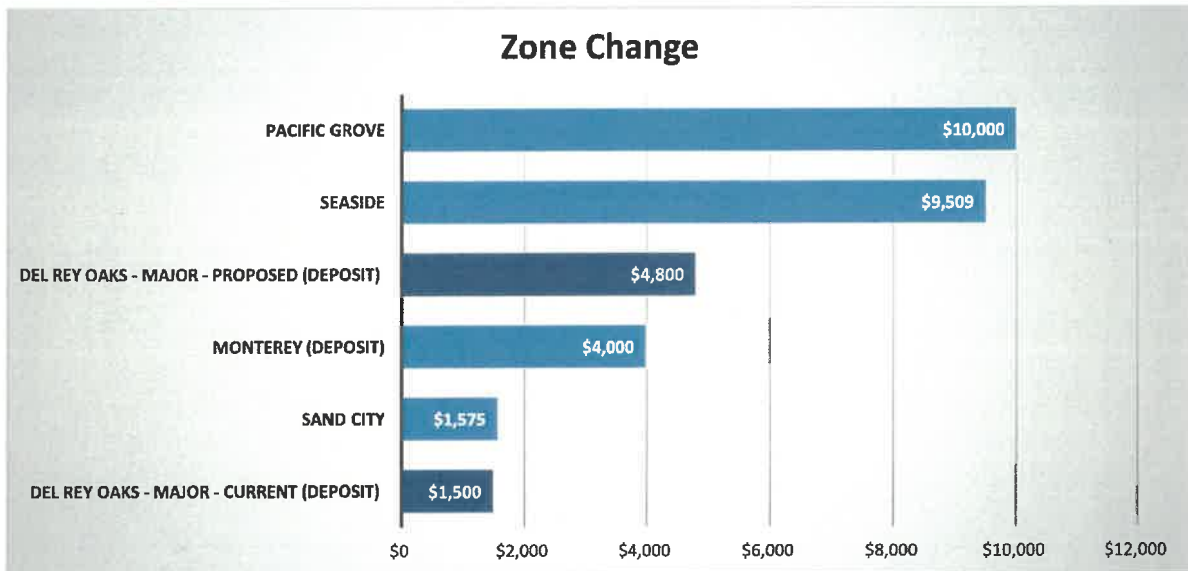


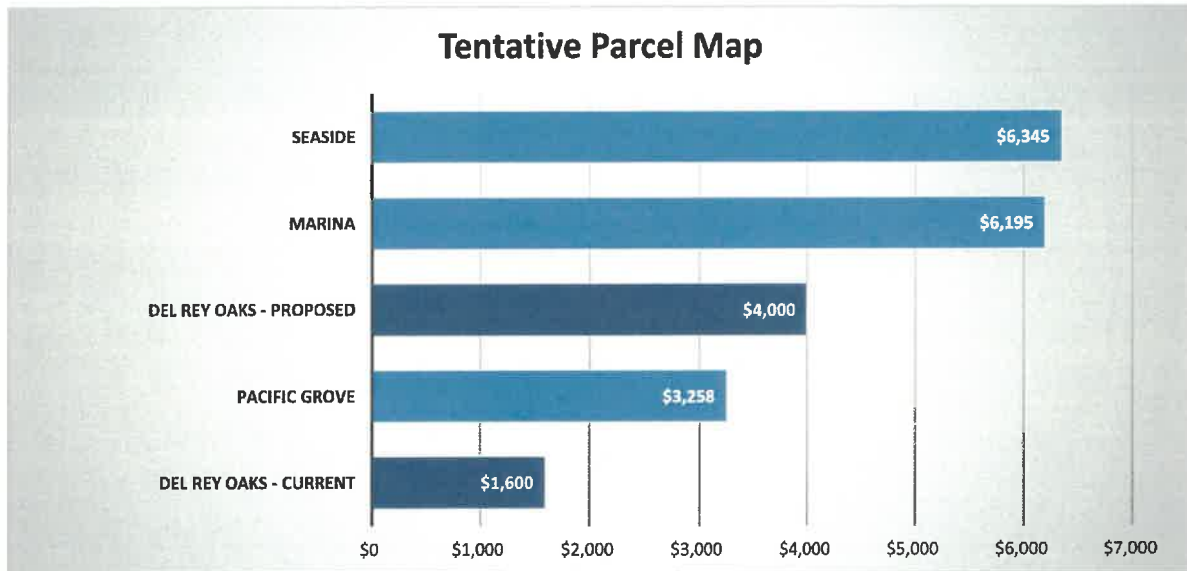
Appeal



Variance







FISCAL IMPACT

The anticipated fiscal impact of the proposed fee changes is an additional \$60,000 in annual General Fund revenue. The primary purpose of the adjustments to the City's fee schedule is to correlate fees to services provided. The City's proposed fees seek to recover the City's full cost of service for new development within the City and avoid cost recovery deterioration for non-development related fees.

Please continue to the following technical report and appendix for further discussion of this User and Regulatory Fee Study.



SCOPE OF STUDY

The City of Del Rey Oaks has completed a **User and Regulatory Fee Study**, which represents an external review of prevailing practices and development of a new **Schedule of User and Regulatory Fees**. ClearSource Financial Consulting has prepared this analysis using FY 2024/25 organizational information and will be available to answer questions as the City proceeds in implementing findings as it chooses.

Key tasks expected by the City from this study included the following:

- ▶ Review eligible fee-related services Citywide to establish the reasonable relationship between current fees for service and the underlying costs of service.
- ▶ Calculate the full cost of service, including estimated Citywide overhead costs.
- ▶ Recommend fees to be charged for each service.
- ▶ Recommend cost recovery strategies and best practices in setting fees, while considering the complexities and demands of responsible programs or departments.
- ▶ Identify underlying billable rates for cost recovery opportunities and as the basis for user fees.

DIRECT SERVICES UNDER REVIEW

FEE CATEGORIES

- ▶ Building – Services include, but are not limited to building plan review, permitting, and inspection for construction and sub-trades.
- ▶ Engineering – Services include, but are not limited to, Including and development plan review and inspection, and encroachment permitting.
- ▶ Planning – Services include, but are not limited to, entitlement review, and review for project compliance with the City's **Zoning Code**.
- ▶ Police Fees - Services include vehicle release and requests for specialized services.
- ▶ Community Services – Services include reserved facility use fees.
- ▶ Administrative Fees - Services include business license application review processing.

REASON FOR STUDY

Cities derive annual revenue from a number of sources. These include, but are not limited to, property taxes, sales taxes, franchise fees, fines, rents, and user and regulatory fees. User and regulatory fees are intended to cover all, or a portion of, the costs incurred by a City for providing fee-related services and activities that are not otherwise provided to those not paying the fee.

California cities regularly conduct fee studies to justify fee amounts imposed and to optimize the overall body of revenues available to the municipality to fund its services. Widespread industry practice and fiscal conditions in the state have led most cities to link cost recovery for services of individual action, cause, or benefit to that individual through user fee revenue, relieving the agency's general revenues for services of broader community benefit.



PREVAILING GUIDANCE

The objectives of this study, the methodology used to complete the study, and the formulation of outcomes and recommendations for future consideration were significantly influenced by Article 13C of the California Constitution and Section 66014 of the California Government Code.

Article 13C states that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer's burdens on, or benefits received from, the governmental activity. Additionally, Article 13C identifies the following as items that are not defined as taxes:

- ▶ A charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
- ▶ A charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- ▶ A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- ▶ A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- ▶ A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
- ▶ A charge imposed as a condition of property development.
- ▶ Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Section 66014(a) of the California Government Code includes the following, "Notwithstanding any other provision of law, when a local agency charges fees for zoning variances; zoning changes; use permits; building inspections; building permits; ...the processing of maps under the provisions of the Subdivision Map Act...; or planning services...; those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

The outcomes and recommendations of the study are intended to comply with applicable federal, state, and local laws including providing confirmation that the proposed fees ("charges") recommended as a result of this study are not taxes as defined in Article 13C of the California Constitution and that the proposed fees are no more than necessary to cover the reasonable costs of the City's activities and services addressed in the fees. Additionally, this report is intended to show that the manner in which the costs are allocated to a payer bear a fair and reasonable relationship to the payer's burdens on, or benefits received from the activities and services provided by the City.



METHODOLOGY AND DATA SOURCES

This study calculated the estimated reasonable cost of providing various fee-related services across the City organization. Generally, the estimated reasonable cost of providing the fee-related services and activities examined in this study can be calculated as the product of the composite fully-burdened hourly labor rate of the division responsible for providing services and the estimated labor time required to process a typical request for service.

The composite fully-burdened hourly rates calculated in this study are based on the estimated annual hours spent providing fee related services, and estimated labor, services and supplies, and Citywide overhead expenditures, sourced as follows:

- ▶ Labor expenditures for in-house personnel were based on budgeted salary and benefits expenditures.
- ▶ Contract service personnel and other services and supplies related costs were based on current industry market rates for service.
- ▶ Citywide overhead cost allocations were developed to assign a reasonable share of central service support to the City's direct service units.
- ▶ Estimated labor time spent providing fee related services were developed based on interviews with City staff and are in-line with typical direct service ratios experienced by the consultant via studies of similar municipalities throughout California. Commonly used industry data also aided in the development of time estimates and proposed fee structures.

Once cost of service levels are identified, the City may use this information to inform targeted cost recovery from fees. Fees set at the cost of service target full cost recovery. Fees set at any amount less than the cost of service target less than full cost recovery.

An illustration of the methods used in this analysis is shown in [Exhibit 1](#).



EXHIBIT 1 | STEPS IN ANALYZING COSTS OF SERVICE AND USER FEES

COST OF SERVICE ANALYSIS Process and Methods	
1 ANNUAL LABOR TIME	<ul style="list-style-type: none"> Identify annual hours spent providing fee services for each participating division Information is developed and tested using a combination of interviews, questionnaires, historical project information, and historical revenue information
2 ANNUAL EXPENDITURES	<ul style="list-style-type: none"> Identify annual cost of providing fee services for each participating division Information is developed and tested using a combination of information found in the City's adopted budget, expenditure history, and the overhead cost plan.
3 FULLY BURDENED HOURLY RATES	<ul style="list-style-type: none"> Calculate the estimated fully burdened hourly rate using information from Steps 1 and 2 $\text{Annual Cost} \div \text{Annual Hours} = \text{Hourly Rate}$
4 SERVICE/ACTIVITY LABOR TIME	<ul style="list-style-type: none"> Estimate labor time required to process individual request for service Information is developed and tested using a combination of interviews, questionnaires, commonly used measures, and information developed in Step 1
5 UNIT COST OF SERVICE	<ul style="list-style-type: none"> Calculate the estimated cost of service using information from Steps 3 and 4 $\text{Hourly Rate} \times \text{Labor Hours} = \text{Unit Cost of Service}$
6 CURRENT COST RECOVERY	<ul style="list-style-type: none"> Calculate current cost recovery level for a specific service $\text{Current Fee} \div \text{Unit Cost of Service} = \text{Current Cost Recovery}$
7 TARGETED COST RECOVERY	<ul style="list-style-type: none"> Use laws, industry standards, goals and policies, and historical trends to determine targeted cost recovery $\text{Proposed Fee} \div \text{Unit Cost of Service} = \text{Targeted Cost Recovery}$
8 TEST FOR REASONABLENESS	<ul style="list-style-type: none"> Test to confirm forecast revenue from fees will not exceed program costs Use historical permit volume and proposed fees to forecast anticipated revenue from fees Forecasted revenues should not exceed program costs



CONSIDERATIONS FOR IMPLEMENTATION

If the City decides to adopt or otherwise utilize outcomes generated through this study, it should:

- ▶ **Update Systems for Fee Outcomes** - Ensure that City staff begin using updated fees and associated outcomes once the updated schedule of fees becomes effective. Values should be included in all official fee schedules used throughout the City (e.g., departmental pamphlets, counter schedules, and online information). Additionally, ensure collections processes are updated, which may include coding in billing systems and training for personnel who handle fees directly with the public.
- ▶ **Actively Monitor the Use of Fees** - In order to recover accurate and eligible amounts expected, the City should be diligent about tracking time to projects for time and materials billings and ensuring fees are applied in the correct amount and using the correct and intended basis for fixed fee billings.
- ▶ **Monitor Feedback and Permit Statistics** - Monitor permit and application volume and applicant feedback to determine if fee modifications are resulting in any unanticipated changes in project frequency and to increase the level of detail available for revenue forecasting.
- ▶ **Annually Review and Adjust Fee Values** - In order to generally maintain pace with regional cost inflation and/or the City's salary cost inflation, the City should adjust its fees on an annual basis. A commonly used, reasonable inflation index is the annual change in the all-urban Consumer Price Index (CPI) representative of the region.
- ▶ **Periodically Perform Comprehensive Analysis** - A comprehensive fee study should be conducted periodically (e.g., every three to five years) to ensure fee levels remain at or below legal limits and are consistent with evolving service practices and local conditions.





APPENDIX I

COST OF SERVICE ANALYSIS



7960 B Soquel Drive, Suite 363, Aptos, California 95003
CLEARSOURCEFINANCIAL.COM



User and Regulatory Fees
Fee-Related Cost of Service Analysis

**City of Del Rey Oaks
Cost of Service Analysis**

Description	Page
Building Fees	3
Planning Fees	12
Engineering and Encroachment Permit Fees	21
Police Fees	23
Reserved Facility Use Fees	25
Clerk / Administrative Fees	27
Animal Regulation Fees	29
Allocation of Citywide Overhead	31



User and Regulatory Fees

Cost of Service Calculations

[Building Fees](#)

City of Del Rey Oaks
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Building Division

Position	Hourly	FTE	Yearly	Total Hours Per FTE	Less: Holiday & Leave	Productive Hours Per FTE	Productive Hours	Notes
Deputy City Clerk/Permit Clerk	\$37	0.50	\$38,563	2,080	216	1,864	932	[a],[b]
Total		0.50	\$38,563				932	

Contract Services

Description	Total	Est Hrly Cost	Total Hours	Notes
Annual Contract Services	\$56,599	\$145	390	[c]

Total Productive Hours	Total	Notes
In-House	932	
Contract	390	
Total	1,322	

Allocation of Hours	Share	Total	Notes
Indirect	35%	463	[b]
Direct	65%	860	[b]
Total	100%	1,322	

[a] Source: FY 24/25 authorized positions.

[b] Direct/Indirect hours are intended to serve as reasonable estimates. Amounts will vary from year-to-year depending on activity, projects, and City Council priorities.

[c] Amounts intended to serve as reasonable estimates of market rates for contract service providers.

City of Del Rey Oaks
 User and Regulatory Fee Study
 Calculation of Cost Recovery and Fully-Burdened Hourly Rate - Building

Recurring Expenditures [a]

Fund	Department	Account	Acct Desc	Total	Adjust	Total	Notes
General Fund	Planning & Building Regulation	63639	Economic Development Services	\$7,656	(\$7,656)	\$0	[b]
General Fund	Planning & Building Regulation	63640	Planning Services	\$101,223	(\$101,223)	\$0	[b]
General Fund	Planning & Building Regulation	63642	Contract Services - Housing Ele	\$42,847	(\$42,847)	\$0	[b]
General Fund	Planning & Building Regulation	63648	Building Inspection Services	\$56,299	\$0	\$56,299	
General Fund	Planning & Building Regulation	63649	Engineering Services	\$300	\$0	\$300	
General Fund	Planning & Building Regulation	63656	Code Enforcement Services	\$5,344	(\$5,344)	\$0	[b]
General Fund	Planning & Building Regulation	64610	Travel Expenses	\$0	\$0	\$0	
General Fund	Planning & Building Regulation		Adjustment (Deputy City Clerk/I	\$0	\$57,845	\$57,845	[c]
Total				\$213,669	(\$99,226)	\$114,444	

Allocation of Citywide Overhead

Description	C'wide OH Rate	Mod Op Exp	Allocation of C'wide OH	Notes
Citywide Overhead Allocation	28%	\$114,444	\$32,044	[d]

Allocation of Total Costs

Description	Total	Share	Notes
Direct Expenses	\$114,444	78%	
Allocation of Citywide Overhead	\$32,044	22%	
Total	\$146,488	100%	

City of Del Rey Oaks
 User and Regulatory Fee Study
 Calculation of Cost Recovery and Fully-Burdened Hourly Rate - Building

Revenue Summary

Fund Desc	Acct Desc	Account	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Actual	Multi-Year Average	FY 24/25 Budget
General Fund	Building Permits	43320	\$37,980	\$37,268	\$51,083	\$42,110	\$40,000
General Fund	Plan Check Fees	43330	\$17,425	\$18,871	\$23,853	\$20,050	\$17,000
General Fund	Plumbing Permits	43350	\$1,875	\$2,125	\$2,750	\$2,250	\$1,600
General Fund	Electrical Permits	43360	\$2,055	\$1,000	\$875	\$1,310	\$1,600
General Fund	Other Licenses/Permits	43390	\$1,136	\$0	\$395	\$510	\$1,000
Total			\$60,471	\$59,264	\$78,956	\$66,230	\$61,200

Description	Total
Revenues	\$66,230
Expenditures	\$146,488
Cost Recovery Rate	45%
General Fund Subsidy	\$80,258

Calculation of Fully-Burdened Hourly Rate

Description	Total
Costs	\$146,488
Direct Hours	860
Fully-Burdened Hourly Rate	\$170

Calculation of Cost Multiplier for Fully-Burdened Hourly Rate (Apply to Base Salary Cost Per Hour)

Description	FTE	Annual Hours Per FTE	Total Annual Hours	Estimated Salaries	Hourly Wage Rate Only Assuming Total Annual Hours	Fully-Burdened Hourly Rate	Indirect Cost Rate Multiplier (ICR)
Building	0.50	2,080	1,040	\$38,563	\$37	\$170	4.58

Calculation of Fully-Burdened Hourly Rate by Position

Position	Total Salaries	Total FTE	Avg Salary Per FTE	Avg Salary Per Hour	ICR for Fully- Burdened Hourly Rate	Fully-Burdened Hourly Rate
Deputy City Clerk/Permit Clerk	\$38,563	0.50	\$77,126	\$37	4.58	\$170

- [a] Source: FY 24/25 Adopted Budget.
 [b] Adjustment to exclude costs not linked to building permit fees.
 [c] Adjustment to include 75% of Deputy City Clerk/Permit Technician. Calculation based on top step salary x 1.5 to account for salary and benefits x .75 to account for allocation of time to Building.
 [d] Source: Citywide overhead cost allocation developed for purposes of this analysis. See separate worksheet for details.

City of Del Rey Oaks
User and Regulatory Fee Study
Building Fees
Cost of Service Calculation - At Fully-Burdened Hourly Rate

Fee Description	Service Time		Hourly Rate		Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Note
1 HVAC Change-Out - Residential	1.00	x	\$170	=	\$170	\$125	varies	\$170	100%	
2 Water Heater Change-Out - Residential	0.75	x	\$170	=	\$128	\$125	varies	\$128	100%	
3 Residential Re-Roof (without calculation)	1.50	x	\$170	=	\$255	varies	varies	\$255	100%	
4 Siding - Residential	1.50	x	\$170	=	\$255	\$125	varies	\$255	100%	
5 Service Panel Upgrade - Residential	1.50	x	\$170	=	\$255	\$125	varies	\$255	100%	
6 Battery Backup Storage - Residential	1.00	x	\$170	=	\$170	\$125	varies	\$170	100%	
7 Electric Vehicle Charger - Residential	1.00	x	\$170	=	\$170	\$125	varies	\$170	100%	
8 Generator - Residential	1.00	x	\$170	=	\$170	\$125	varies	\$170	100%	
9 Residential Solar Photovoltaic System - Solar Permit										
a) 15kW or less	1.75	x	\$170	=	\$298	\$125	varies	\$298		[a]
b) Above 15kW							varies	\$450 base fee, plus \$15 per kW for each kW above 15kW		[a]
10 Commercial Solar Photovoltaic System - Solar Permit										
a) 50kW or less						\$125	varies	\$1,000		[a]
b) 50kW – 250kW							varies	\$1,000 base fee, plus \$7 per kW for each kW above 50kW up to 250kW		[a]
c) Above 250kW							varies	\$2,400 base fee, plus \$5 per kW for each kW above 250 kW		[a]
11 Ground-Mount Solar	2.00	x	\$170	=	\$340	\$125	varies	\$340	100%	
12 Swimming Pool/Spa Equipment Change-out Only	1.00	x	\$170	=	\$170	\$125	varies	\$170	100%	
13 Swimming Pool Replaster	1.50	x	\$170	=	\$255	varies	varies	\$255	100%	
14 Residential Voluntary Seismic Retrofit	1.50	x	\$170	=	\$255	varies	varies	\$255	100%	
15 Retaining Wall / CMU Wall										
a) Wall Under 4' in height	2.00	x	\$170	=	\$340	varies	varies	\$340	100%	
b) Wall Over 4' in height										
i) Up to 100 LF	4.00	x	\$170	=	\$680	varies	varies	\$680	100%	
ii) Each Additional 100 LF	0.25	x	\$170	=	\$43	varies	varies	\$43	100%	
16 Window / Sliding Glass Door - Retrofit / Repair										
a) Up to 5	1.00	x	\$170	=	\$170	varies	varies	\$170	100%	
b) Over 5		x	\$170	=	varies	varies	varies	See Permit Fee Table		
17 Fences Requiring a Building Permit	1.00	x	\$170	=	\$170	varies	varies	\$170	100%	

[a] Total fees shall not exceed amounts outlined in California Government Code 66015(a)(1).

City of Del Rey Oaks
 User and Regulatory Fee Study
 Building Fees
 Cost of Service Calculation - At Fully-Burdened Hourly Rate

Fee Description		Service Time		Hourly Rate		Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Note
Permit Fee for New Buildings, Additions, Tenant Improvements, Residential Remodels, and Combined Mechanical, Electrical, and/or Plumbing Permits											
1	\$1 - \$2,000	1.00	x	\$170	=	\$170	\$100	59%	\$170	100%	
2	\$2,001 - \$25,000	1.00	x	\$170	=	\$170	\$125	74%	\$170	100%	
3	\$25,001 - \$50,000	6.00	x	\$170	=	\$1,020	\$880	86%	\$1,020	100%	
4	\$50,001 - \$100,000	10.00	x	\$170	=	\$1,700	\$1,465	86%	\$1,700	100%	
5	\$100,001 - \$500,000	16.00	x	\$170	=	\$2,720	\$2,283	84%	\$2,720	100%	
6	\$500,001 - \$1,000,000	48.00	x	\$170	=	\$8,160	\$7,541	92%	\$8,160	100%	
7	\$1,000,001 and up	80.00	x	\$170	=	\$13,600	\$13,118	96%	\$13,600	100%	
For permits requiring plumbing, electric, or mechanical review, the following percentages shall be added to the base permit fee											
1	Mechanical	10%							10%	100%	
2	Plumbing	10%							10%	100%	
3	Electrical	10%							10%	100%	

City of Del Rey Oaks
User and Regulatory Fee Study
Building Fees
Cost of Service Calculation - At Fully-Burdened Hourly Rate

Fee Description	Service Time	Hourly Rate	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Notes
1 Building Plan Check Fees - Building								
a) Plan Review Fee, If applicable	75%			varies	varies	75%	100%	[a]
b) Expedited Plan Check - At Application Submittal (when applicable)	1.5x standard plan check fee					1.5x standard plan check fee	100%	
c) Revision Application Fee (per hour) (1-hour minimum)	1.00	x	\$170 = \$170			\$170	100%	
d) Tract Home / Master Plan Construction (Production Units)	20%					20% of standard plan check	100%	[b]
e) Alternate Materials and Materials Review (per hour)	1.00	x	\$170 = \$170			\$170	100%	
f) Excess Plan Review Fee (4th and subsequent) (per hour)	1.00	x	\$170 = \$170			\$170	100%	
g) Revisions (per hour)	1.00	x	\$170 = \$170			\$170	100%	
2 Building Plan Check Fees - Planning (Fees Only Applied to Projects Requiring Review)								
a) Zoning Clearance Verification	0.50	x	\$200 = \$100			\$100	100%	
b) Planning Plan Check								
i) Alterations/Additions - Residential	1.25	x	\$200 = \$250			\$250	100%	
ii) New Construction - Single Family Residential	2.25	x	\$200 = \$450			\$450	100%	
iii) New Construction - 2-4 Residential Units	4.25	x	\$200 = \$850			\$850	100%	
iv) New Construction - 5+ Residential Units	11.00	x	\$200 = \$2,200			\$2,200	100%	
v) New Construction - Non-Residential	4.25	x	\$200 = \$850			\$850	100%	
vi) Alterations/Additions - Non-Residential	2.25	x	\$200 = \$450			\$450	100%	
3 Building Plan Check Fees - Public Works Engineering (Fees Only Applied to Projects Requiring Review)								
a) Swimming Pool	1.00	x	\$200 = \$200			\$200	100%	
b) Block Wall	0.50	x	\$200 = \$100			\$100	100%	
c) Fence	0.50	x	\$200 = \$100			\$100	100%	
d) Sign	0.50	x	\$200 = \$100			\$100	100%	
e) Alterations/Additions - Residential	0.75	x	\$200 = \$150			\$150	100%	
f) New Construction - Single Family Residential	2.00	x	\$200 = \$400			\$400	100%	
g) New Construction - 2-4 Residential Units	3.00	x	\$200 = \$600			\$600	100%	
h) New Construction - 5+ Residential Units	6.00	x	\$200 = \$1,200			\$1,200	100%	
i) New Construction - Non-Residential	4.00	x	\$200 = \$800			\$800	100%	
j) Alterations/Additions - Non-Residential	1.00	x	\$200 = \$200			\$200	100%	
k) Trash Capture, SWPPP, and NPDES Review Fees						See Eng. Fee Schedule	100%	
l) Permits / Plan checks not listed above						See footnote		[c]

[a] Includes up to three plan checks. The City will bill hourly for additional plan review required.

[b] For identical buildings built by the same builder on the same lot or in the same tract and for which building permits are issued at the same time.

[c] Engineer/technician to determine hours and applicable fee at time of application.

City of Del Rey Oaks
 User and Regulatory Fee Study
 Building Fees
 Cost of Service Calculation - At Fully-Burdened Hourly Rate

Fee Description	Service Time		Hourly Rate	=	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Notes
1 Permit Processing Fee	0.42	x	\$170	=	\$71			\$71	100%	
2 Credit Card Transaction Processing Fee								3%		
3 General Plan Maintenance Fee (% of permit fee)								5%		
4 Technology Fee (% of plan review and permit fee)								5%		
5 Strong Motion Instrumentation (SMI) Fee Calculation										
a) Residential								\$0.50 or valuation x .00013		
b) Commercial								\$0.50 or valuation x .00028		
6 Building Standards (SB 1473) Fee Calculation (Valuation)										
a) \$1 - \$25,000								\$1		
b) \$25,001 - \$50,000								\$2		
c) \$50,001 - \$75,000								\$3		
d) \$75,001 - \$100,000								\$4		
e) Each Add'l \$25,000 or fraction thereof								Add \$1		
7 Business License Inspection Fee	1.00	x	\$170	=	\$170			\$85	50%	
8 Temporary Certificate of Occupancy (per 30 Days)	1.50	x	\$170	=	\$255			\$255	100%	
9 Permit Extension	0.42	x	\$170	=	\$71			\$71	100%	
10 Permit Reactivation Fee										
a) Reactivation Fee If All Inspections Have Been Performed and Approved Up to But Not Including Final Inspection	0.42	x	\$170	=	\$71			\$71	100%	
b) Reactivation Fee - All Other Scenarios										
i) Permit Expired Up to One Year								50% of Original Base Building		
ii) Permit Expired More than One Year								100% of Original Base Building		
11 Permit Reissuance Fee	0.42	x	\$170	=	\$71			\$71	100%	
12 Damaged Building Survey (Fire, Flood, Vehicle Damage, Etc.)	1.50	x	\$170	=	\$255			\$255	100%	
13 Residential Property Inspections Reports - Single Family Dwelling	1.50	x	\$170	=	\$255	\$250	98%	\$255	100%	
Other Fees										
14 After Hours Inspection (per hour) (4-hour minimum)	1.20	x	\$170	=	\$204			\$204	100%	
15 Re-Inspection Fee (2nd Time or More) (each)	1.00	x	\$170	=	\$170	\$95 per hour	varies	\$170	100%	[a]

City of Del Rey Oaks
 User and Regulatory Fee Study
 Building Fees
 Cost of Service Calculation - At Fully-Burdened Hourly Rate

Fee Description	Service Time		Hourly Rate		Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Notes
16 Missed Inspection Fee	1.00	x	\$170	=	\$170	\$95 per hour	varies	\$170	100%	
17 Duplicate Copy of Permit	0.17	x	\$170	=	\$28	\$25	88%	\$28	100%	
18 Duplicate Copy of Certificate of Occupancy	0.17	x	\$170	=	\$28			\$28	100%	
19 Construction and Demolition Waste Management Review Fee	0.50	x	\$170	=	\$85			\$85	100%	
20 Fees for Services Not Listed in this Fee Schedule (per 1/2 hour)	0.50	x	\$170	=	\$85			\$85	100%	
Violation Fees										
21 Investigation Fee For Work Done Without Permit(s)								equal to permit fee - in addition to standard permit fees		
Refunds										
22 Refunds										
a) Fees Erroneously Paid or Collected by the City								100% refund		
b) Refund of Plan Review Fees - Prior to Plan Review Commencing								up to 80% refund		
c) Refund of Permit Fees - Prior to Inspection Commencing								up to 80% refund		
d) 180 Days After Payment of Fees								no refund		

[a] Reinspection fee applies after the first re-inspection.



User and Regulatory Fees

Cost of Service Calculations

[Planning Fees](#)

City of Del Rey Oaks
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Building Division

Position	Hourly	FTE	Yearly	Total Hours Per FTE	Less: Holiday & Leave	Productive Hours Per FTE	Productive Hours	Notes
		-		2,080	216	1,864	-	[a],[b]
Total		-	\$0				-	

Contract Services

Description	Total	Est Hrly Cost	Total Hours	Notes
Annual Contract Services	\$101,223	\$145	698	[c]

Total Productive Hours	Total	Notes
In-House	0	
Contract	698	
Total	698	

Allocation of Hours	Share	Total	Notes
Indirect	10%	70	[b]
Direct	90%	628	[b]
Total	100%	698	

[a] Source: FY 24/25 authorized positions.
 [b] Direct/Indirect hours are intended to serve as reasonable estimates. Amounts will vary from year-to-year depending on activity, projects, and City Council priorities.
 [c] Amounts intended to serve as reasonable estimates of market rates for contract service providers.

City of Del Rey Oaks
 User and Regulatory Fee Study
 Calculation of Cost Recovery and Fully-Burdened Hourly Rate - Planning

Recurring Expenditures [a]

Fund	Department	Account	Acct Desc	Total	Adjust	Total	Notes
General Fund	Planning & Building Regulation	63639	Economic Development Services	\$7,656	(\$7,656)	\$0	[b]
General Fund	Planning & Building Regulation	63640	Planning Services	\$101,223	\$0	\$101,223	
General Fund	Planning & Building Regulation	63642	Contract Services - Housing Elements	\$42,847	(\$42,847)	\$0	[b]
General Fund	Planning & Building Regulation	63648	Building Inspection Services	\$56,299	(\$56,299)	\$0	[b]
General Fund	Planning & Building Regulation	63649	Engineering Services	\$300	(\$300)	\$0	[b]
General Fund	Planning & Building Regulation	63656	Code Enforcement Services	\$5,344	(\$5,344)	\$0	[b]
General Fund	Planning & Building Regulation	64610	Travel Expenses	\$0	\$0	\$0	
Total				\$213,669	(\$112,446)	\$101,223	

Allocation of Citywide Overhead

Description	C'wide OH Rate	Mod Op Exp	Allocation of C'wide OH	Notes
Citywide Overhead Allocation	28%	\$101,223	\$28,342	[c]

Allocation of Total Costs

Description	Total	Share	Notes
Direct Expenses	\$101,223	78%	
Allocation of Citywide Overhead	\$28,342	22%	
Total	\$129,565	100%	

Allocation of Annual Labor Effort

Description	Total	Total	Notes
Indirect: General Admin; Mgmt; Policies; Procedures; Training; Public Info	33%	\$42,757	[c]
Direct: Long-Range Planning, Current Planning	67%	\$86,809	[c]
Total	100%	\$129,565	

Allocation of Annual Labor Effort Among Core Services

Description	Total	Total	Notes
Current Planning and Permitting	65%	\$84,218	[c]
All Other Planning Services (e.g., Advance Planning / Regional Planning)	35%	\$45,348	[c]
Total	100%	\$129,565	

City of Del Rey Oaks
 User and Regulatory Fee Study
 Calculation of Cost Recovery and Fully-Burdened Hourly Rate - Planning

Revenue Summary

Fund Desc	Acct Desc	Account	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Actual	Multi-Year Average	FY 24/25 Budget
General Fund	Use Permits	48805	\$17,454	\$21,934	\$31,680	\$23,689	\$22,000
Total			\$17,454	\$21,934	\$31,680	\$23,689	\$22,000

Description	Total
Revenues	\$23,689
Expenditures	\$84,218
Cost Recovery Rate	28%
General Fund Subsidy	\$60,528

Calculation of Fully-Burdened Hourly Rate

Description	Total
Costs	\$129,565
Direct Hours	628
Fully-Burdened Hourly Rate	\$206

- [a] Source: FY 24/25 Adopted Budget.
 [b] Adjustment to exclude costs not linked to planning current planning and planning permit fees.
 [c] Source: Citywide overhead cost allocation developed for purposes of this analysis. See separate worksheet for details.
 [d] Allocation intended to serve as reasonable estimate. Amounts will vary from year-to-year depending on activity, projects, and City Council priorities.

City of Del Rey Oaks
Planning and Community Development Fees
Cost of Service Calculation - Planning Fees

Fee Description	Service Time		Hourly Rate		Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
Architectural Review Committee Review											
1 Commercial											
a) Major (New Commercial)	16.00	x	\$200	=	\$3,200	\$1,990	62%	\$3,200	100%	\$1,210	
b) Minor (Commercial additions, remodels, exterior tenant improvements)	4.00	x	\$200	=	\$800	\$620	78%	\$800	100%	\$180	
2 Residential											
a) (New one or two-story buildings, or second-story additions)	8.00	x	\$200	=	\$1,600	\$840	53%	\$1,600	100%	\$760	
b) Minor (One-story additions, exterior alterations to one-story buildings or one-story of a two-story)	2.00	x	\$200	=	\$400	\$200	50%	\$400	100%	\$200	
Architectural Review Committee Sign and Solar Review											
3 Major (Large monument signs, multiple freestanding signs, pole signs, internally illuminated signs)	6.00	x	\$200	=	\$1,200	\$680	57%	\$1,200	100%	\$520	
4 Minor (All signs not included above)	1.00	x	\$200	=	\$200	\$120	60%	\$200	100%	\$80	
5 Architectural Review/Solar Panels	1.00	x	\$200	=	\$200	\$0	0%	\$200	100%	\$200	
Appeal Fees											
6 Appeals of Planning Commission Decisions to City Council	16.00	x	\$200	=	\$3,200	\$370	12%	\$1,600	50%	\$1,230	
7 Appeals of Staff Decisions/Home Occupation Permits	4.00	x	\$200	=	\$800	\$170	21%	\$400	50%	\$230	
Environmental Review											
8 Environmental Impact Report	varies				varies	contract price + 17%		Contract Cost plus 15%			
9 Environmental Initial Study Leading to a Negative Declaration (Excludes Fish and Game Fee and technical studies)	32.00	x	\$200	=	\$6,400	\$3,570	56%	\$6,400	100%	\$2,830	
10 Environmental Exemption	1.00	x	\$200	=	\$200	\$100	50%	\$200	100%	\$100	
Use Permits											
11 Master (Projects requiring environmental review and/or multiple permits) (deposit)	32.00	x	\$200	=	\$6,400	\$4,000	63%	\$6,000	94%	\$2,000	
12 Major (Commercial, industrial, multi-family, cannabis)	24.00	x	\$200	=	\$4,800	\$2,990	62%	\$4,800	100%	\$1,810	
13 Minor (Single-family residential uses)	6.00	x	\$200	=	\$1,200	\$820	68%	\$1,200	100%	\$380	
Cannabis											
14 Annual Cannabis Business Permit	28.00	x	\$200	=	\$5,600	\$5,000	89%	\$5,000	89%	\$0	
15 Cannabis Tax						5% of Gross Receipts	n/a	5% of Gross Receipts	n/a		

City of Del Rey Oaks
Planning and Community Development Fees
Cost of Service Calculation - Planning Fees

Fee Description	Service Time		Hourly Rate		Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
Short Term Rental											
16 New (One-time approval fee Whole Home or Home Share)	6.00	x	\$200	=	\$1,200	\$820	68%	\$820	68%	\$0	
17 Annual											
a) Whole Home	3.00	x	\$200	=	\$600	\$500	83%	\$500	83%	\$0	
b) Home Share	1.50	x	\$200	=	\$300	\$250	83%	\$250	83%	\$0	
Permits											
18 Home Occupation (Business) Permit due every year	0.75	x	\$200	=	\$150	\$150	100%	\$150	100%	\$0	
19 Home Occupational Use Permit Application Fee	0.75	x	\$200	=	\$150	\$10	7%	\$10	7%	\$0	
20 Permit Extension	4.00	x	\$200	=	\$800	\$780	98%	\$800	100%	\$20	
21 Reopen Permit	6.00	x	\$200	=	\$1,200	\$850	71%	\$1,200	100%	\$350	
22 Special Permits (Temporary Use)	2.00	x	\$200	=	\$400	\$280	70%	\$300	75%	\$20	
23 Special Sign Permit (Temporary window/banner sign)	1.00	x	\$200	=	\$200	\$170	85%	\$200	100%	\$30	
24 Tree Removal/Significant Alteration Permit	2.00	x	\$200	=	\$400	\$50	13%	\$100	25%	\$50	
Variance Permit											
25 Master (Multiple variances for commercial, multi-family or industrial projects)	24.00	x	\$200	=	\$4,800	\$1,410	29%	\$4,800	100%	\$3,390	
26 Major (One variance (coverage, height, parking adjustments) for commercial, multi-family or industrial sites)	16.00	x	\$200	=	\$3,200	\$980	31%	\$3,200	100%	\$2,220	
27 Minor (One variance - residential fences, setbacks, parking, etc.	12.00	x	\$200	=	\$2,400	\$820	34%	\$1,200	50%	\$380	

City of Del Rey Oaks
Planning and Community Development Fees
Cost of Service Calculation - Planning Fees

Fee Description	Service Time		Hourly Rate		Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
Zoning Permits											
28 R-1 District	1.00	x	\$200	=	\$200	\$100	50%	\$200	100%	\$100	
29 D District (Condo.)	1.00	x	\$200	=	\$200	\$100	50%	\$200	100%	\$100	
30 Hotel/motel/multi-family											
a) 1-7 units	8.00	x	\$200	=	\$1,600	\$925	58%	\$1,600	100%	\$675	
b) 8-36 units (per unit)	1.00	x	\$200	=	\$200	\$125	63%	\$200	100%	\$75	
c) > 36 units						Negotiated fee for cost of service		Negotiated fee for cost of service		100%	
31 Commercial & Industrial											
a) < 15,000 sf	4.00	x	\$200	=	\$800	\$500+140 K/sf		\$800 + \$200 K/SF	100%		
b) > 15,000		x	\$200	=	\$0	Negotiated fee for cost of service		Negotiated fee for cost of service		100%	
32 Additional meetings	2.00	x	\$200	=	\$400	\$400	100%	\$400	100%	\$0	
Reclassification or Rezoning											
33 Major text (alterations of existing sections) (deposit)	24.00	x	\$200	=	\$4,800	\$1,500	31%	\$4,800	100%	\$3,300	
34 Minor text (addition of new section)											
a) 1st Section	16.00	x	\$200	=	\$3,200	\$1,000	31%	\$3,200	100%	\$2,200	
b) Each Additional Section	2.00	x	\$200	=	\$400	\$300	75%	\$400	100%	\$100	
Subdivision Map											
35 Tentative Tract Map											
a) Base Fee	24.00	x	\$200	=	\$4,800	\$1,800	38%	\$4,800	100%	\$3,000	
b) Per Lot	0.50	x	\$200	=	\$100	\$100	100%	\$100	100%	\$0	
36 Tentative Parcel Map	20.00	x	\$200	=	\$4,000	\$1,600	40%	\$4,000	100%	\$2,400	
37 Exceptions (per lot w/ exceptions)	4.00	x	\$200	=	\$800	\$700	88%	\$800	100%	\$100	
38 Additional Meetings for Minor Text Amendments (per meeting)	1.00	x	\$200	=	\$200	\$120	60%	\$200	100%	\$80	
Development Agreement											
39 Development Agreement (Deposit)								\$20,000	100%		
General Plan Amendment											
40 General Plan Amendment	40.00	x	\$200	=	\$8,000	Contract Cost plus 10% - 15%	n/a	Contract Cost plus 15%	100%		

City of Del Rey Oaks
 Planning and Community Development Fees
 Cost of Service Calculation - Planning Fees

Fee Description	Service Time	Hourly Rate	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
Other									
40 Credit Card Transaction Processing Fee						3%			
41 Missed Inspections or work not complete (per hour)	1.00	x \$200	= \$200	\$95	48%	\$200	100%	\$105	
42 Investigative fee for work without permit(s)				Cost of the permit		equal to permit fee - In addition to standard permit fees			
43 Fee Related Services Not Otherwise Listed Above									
a) In-House Planning	1.00	x \$200	= \$200			\$200	100%		
b) Contract Service / Specialized Review						Actual Cost + 15%			

[a] Each deposit and/or fee listed in this schedule is based on the estimated number of hours required to perform a standard service request and the typical cost of services/materials required to perform the requested service. For service requests that are anticipated to require efforts, services, or materials, materially different than those typically required, the Department reserves the right to modify the initial deposit amount and/or use a time and materials billing methodology rather than a fixed fee for service.

[b] In addition to the fees identified in this schedule, the City will pass-through to the applicant any discrete costs incurred from the use of outside service providers or other agencies required to process the specific application (e.g., County recording fees, Department of Fish and Wildlife fees, LAFCO fees, noticing fees, specialized review service fees, etc.)

City of Del Rey Oaks
Planning and Community Development Fees
Cost of Service Calculation - Planning and Engineering Fees

Fee Description	Service Time	Hourly Rate	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
1 General Plan Amendment - Minor Text (alterations of existing sections)				Contract Cost plus 10%					
2 General Plan Amendment - Major Text (addition of new sections)				Contract Cost plus 15%					
3 Duplicate Job Card				\$25					
4 Electrical/Plumbing/Mechanical Permit				\$125					
Printed Material									
5 R-1 Guidelines				\$10					
6 Commercial Guidelines				\$10					
7 Sign Ordinance				\$10					
8 Subdivision Ordinance				\$10					
9 Zoning Ordinance Text				\$15					
10 General Plan Text				\$20					
Development Agreement									
11 Development Agreement									
Consultant fee, plus 10% of consultant fees to cover normal staff costs, plus 15% of consultant fee as a contingency fund to cover unanticipated costs, plus duplication. These fees shall be considered advanced and should the actual cost be less than the fee advanced, the excess shall be returned to the applicant; should the actual cost be more than the fee advanced, the difference shall be paid by the applicant.									
Applicant shall, in addition to these fees listed in this fee schedule, pay the actual cost of legal advertising.									
It is the City policy and requirement that processing of development or planning projects be fully cost recoverable. Application fees are intended to reimburse the City for minimal costs incurred for the normal or routine amount of time necessary to process applicant's requests. If additional or other unusual time is required on a particular project, then the developer/applicant will be charged for these additional costs to the City, plus a 20% administrative overhead fee.									



User and Regulatory Fees

Cost of Service Calculations

[Engineering and Encroachment Permit Fees](#)

City of Del Rey Oaks
Planning and Community Development Fees
Cost of Service Calculation - Engineering Fees

Fee Description	Service Time		Hourly Rate	=	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
1 Grading Permit Fee	1.00	x	\$200	=	\$200	\$120	60%	\$200	100%	\$80	
2 Encroachment Permit											
a) Residential	2.00	x	\$200	=	\$400	\$250	63%	\$300	75%	\$50	
b) Commercial	varies	x	\$200	=	varies	\$300 plus 2% of cost of public improvements requires plan check	n/a	\$400 plus 3% of cost of public improvements requires plan check	100%		
3 Street Opening Permit											
a) Residential	2.00	x	\$200	=	\$400	\$250	63%	\$300	75%	\$50	
b) Commercial	varies	x	\$200	=	varies	\$300 plus 2% of cost of public improvements requires plan check	n/a	\$400 plus 3% of cost of public improvements requires plan check	100%		
4 Driveway, Curb, Gutter, Sidewalk Permit	2.00	x	\$200	=	\$400	\$150	38%	\$300	75%	\$150	
5 Construction Activity Road Impact Fee						1% of the sum of the building permit's project valuation		1% of the sum of the building permit's project valuation			
6 Storm Water Review & Inspection Fee											
a) Application Fee	1.50	x	\$200	=	\$300	\$250	83%	\$300	100%	\$50	
b) Plan Review and Inspection (per hour)	1.00	x	\$200	=	\$200	\$95	48%	\$200	100%	\$105	
Final Map											
7 Final Tract Map											
a) Base Fee (plus per lot fee)	20.00	x	\$200	=	\$4,000	\$750	19%	\$4,000	100%	\$3,250	
b) Per Lot	0.50	x	\$200	=	\$100	\$60	60%	\$100	100%	\$40	
8 Final Parcel Map	20.00	x	\$200	=	\$4,000	\$600	15%	\$4,000	100%	\$3,400	
9 Lot Line Adjustment	16.00	x	\$200	=	\$3,200	\$1,000	31%	\$3,200	100%	\$2,200	
Other											
10 Credit Card Transaction Processing Fee								3%			
11 Investigative fee for work without permit(s)								equal to permit fee - In addition to standard permit fees			
12 Fee Related Services Not Otherwise Listed Above								Actual Cost + 15%			

[a] Each deposit and/or fee listed in this schedule is based on the estimated number of hours required to perform a standard service request and the typical cost of services/materials required to perform the requested service. For service requests that are anticipated to require efforts, services, or materials, materially different than those typically required, the Department reserves the right to modify the initial deposit amount and/or use a time and materials billing methodology rather than a fixed fee for service.

[b] In addition to the fees identified in this schedule, the City will pass-through to the applicant any discrete costs incurred from the use of outside service providers or other agencies required to process the specific application (e.g., County recording fees, Department of Fish and Wildlife fees, LAFCO fees, noticing fees, specialized review service fees, etc.)



Cost of Service Analysis

Police Fees

City of Del Rey Oaks
Police Fees
Cost of Service Calculation - At Fully-Burdened Hourly Rate

Fee Description	Equivalent to Records / Non-Sworn	Equivalent to Officer / Sgt. / Sworn	Total		\$100	\$165		Cost of Ser.	Current Fee	Cost Recovery	Proposed Fee	Proposed Cost Recovery	Fee Change	Type	Note
					Equivalent to Records / Non-Sworn	Equivalent to Officer / Sgt. / Sworn									
1 Police Report (e.g., accident, crime)	0.33		0.33	x	\$33	\$0	=	\$33	\$25	75%	\$30	90%	\$5	each	
2 Fingerprinting (hard card; livescan)	0.50		0.50	x	\$50	\$0	=	\$50	\$25 - \$70	varies	\$50	100%	varies	per request	[a]
3 Vehicle Repossession	0.33		0.33	x	\$33	\$0	=	\$33	\$25	75%	\$15	45%	(\$10)	each	[b]
4 Vehicle Release	0.33	1.50	1.83	x	\$33	\$248	=	\$281	\$250	89%	\$250	89%	\$0	each	
5 Citation Sign-Off		0.25	0.25	x	\$0	\$41	=	\$41	\$25	61%	\$25	61%	\$0	each	
6 VIN Verification		0.33	0.33	x	\$0	\$55	=	\$55	\$25	45%	\$25	45%	\$0	each	
7 DUI Accident Response			varies						New		Actual Cost; Not to Exceed \$12,000	100%	New	T&M	
8 Loud Party Response / Noise Disturbance Response															
a) 1st Response in 24-hour Period	0.17	0.50	0.67	x	\$17	\$83	=	\$99	New		No Charge	0%	New	each	
b) 2nd Response in 24-hour Period	0.17	0.50	0.67	x	\$17	\$83	=	\$99	New		\$100	50%	New	each	
c) Each Additional Response in 24-hour Period	0.17	0.50	0.67	x	\$17	\$83	=	\$99	New		\$150	84%	New	each	
9 Police False Alarm Response															
a) 1st False Alarm Response	0.17	0.50	0.67	x	\$17	\$83	=	\$99	No Charge	0%	No Charge	0%	\$0	each	[c]
b) 2nd False Alarm Response	0.17	0.50	0.67	x	\$17	\$83	=	\$99	\$150	76%	\$100	50%	varies	each	[c]
c) 3rd False Alarm Response	0.17	0.50	0.67	x	\$17	\$83	=	\$99	\$250	134%	\$150	84%	varies	each	[c]
e) 1st alarm within 60 days									No Charge						
b) 2nd alarm within 60 days									\$150						
e) Subsequent Alarms									\$250						
10 Special Event Support / Requests for Special Police Services		1.00	1.00	x	\$0	\$198	=	\$198	\$125	63%	\$130	66%	\$5	per hour	
Reports															
11 Accident Report									\$25						
12 Police Report									\$25						
Police / Fire Fees															
13 Hazardous Materials / Fire Response Fee / Traffic Accident (Fire presence required)									\$2,500						
14 False Alarm / Fire Response / Fire Alarm - Sprinkler System (Fire presence required)									\$2,500						
15 Fingerprinting - Hard Card									\$25						
16 Fingerprinting - Livescan									\$70						
17 Police Shoulder Patch Request									\$20						

[a] In addition to amounts shown, additional amounts due to Department of Justice and/or other agencies will be collected.

[b] Fee set by State of California.

[c] Based on number of false alarms per calendar year.

* Fully-burdened hourly rates intended to represent reasonable estimates of fully-burdened hourly rates for typical service providers. Del Rey Oaks currently does not have any non-sworn/records dedicated personnel. For purposes of this analysis ClearSource has assumed that certain fee related services would typically be performed by non-sworn/records dedicated personnel.



Cost of Service Analysis

Reserved Facility Use Fees

City of Del Rey Oaks
 Cost of Service Calculation - Reserved Facility Use Fees

Fee Description	Service Time	Hourly Rate	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
Park Barbeque Reservation Fees									
1 Residents									
a) Groups of 1 to 50				\$50		\$60		\$10	
b) Groups of 51 to 100				\$100		\$120		\$20	
c) Groups of 101 to 150				\$150		\$180		\$30	
2 Non-Residents									
a) Groups of 1 to 50				\$100		\$120		\$20	
b) Groups of 51 to 100				\$150		\$180		\$30	
c) Groups of 101 to 150				\$200		\$240		\$40	
3 Temporary Day Use Permit				\$50		\$60		\$10	
4 Bounce House Permit				\$50					
Old Town Hall Reservation Fees									
1 Residents									
a) First 3 hours (per hour)				\$50		\$60		\$10	
b) Each additional hour				\$25		\$30		\$5	
c) Cleaning Fee				\$10		\$25		\$15	
d) Use Permit				\$50		\$60		\$10	
e) Refundable Cleaning/Damage Deposit				\$250		\$250		\$0	
2 Non-Residents									
a) First 3 hours (per hour)				\$70		\$80		\$10	
b) Each additional hour				\$25		\$30		\$5	
c) Cleaning Fee				\$10		\$25		\$15	
d) Use Permit				\$50		\$60		\$10	
e) Refundable Cleaning/Damage Deposit				\$250		\$250		\$0	
3 Non-Profits									
a) First 3 hours (per hour)				\$40		\$50		\$10	
b) Each additional hour				\$15		\$20		\$5	
c) Cleaning Fee				\$10		\$25		\$15	
d) Use Permit				\$50		\$60		\$10	
e) Refundable Cleaning/Damage Deposit				\$250		\$250		\$0	

* Fees proposed to be adjusted by 20%. This represents rounded CPI / CA minimum wage change since last update of fees.



Cost of Service Analysis

Clerk / Administrative Fees

City of Del Rey Oaks
 Cost of Service Calculation - Clerk / Administrative Fees

Fee Description	Service Time		Hourly Rate	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
1 Business License Application Fee										
a) Business License Application Fee - New	0.50	x	\$111	= \$56	\$26	47%	\$56	100%	\$30	
b) Business License Application Fee - Renewal	0.25	x	\$111	= \$28	\$26	94%	\$28	100%	\$2	
2 Stop Payment / NSF Fee	0.50	x	\$111	= \$56	\$35	63%	\$35	63%	\$0	[a]
Duplication Fees										
3 Copies (per page)					\$0.20		\$0.20		\$0	
4 Duplication of Audio Tape					\$50		\$50		\$0	
5 Duplication of DVD (Council Meeting, Etc.)					\$50		\$50		\$0	
6 Duplication of DVD / Police Photos					\$50		\$50		\$0	
7 Enlargement of Photographs					Actual Cost		Actual Cost			
8 Maps					\$5		\$5		\$0	
Mailing Fees										
9 Council Packet Yearly Subscription					\$180		\$180		\$0	
10 All Other Mailing					Actual Cost of Postage and Materials		Actual Cost of Postage and Materials			
Credit Card Transaction Processing Fee										
11 Credit Card Transaction Processing Fee							3%			
Other										
12 Requests Requiring Special Programming or Formatting							Actual Cost			

[a] Fee limited by State of California.



Cost of Service Analysis

Animal Regulation Fees

City of Del Rey Oaks
 Cost of Service Calculation - Animal Regulation

Fee Description		Service Time	Hourly Rate	Cost of Svc	Current Fee	Current Cost Recovery	Proposed Fee	Proposed Cost Recovery	Change	Note
1	County of Monterey Animal Services				See County of Monterey fee schedule		See County of Monterey fee schedule			
2	Dog Park Annual Registration Fee				Free Membership - Replacement Key \$10		Free Membership - Replacement Key \$10			



User and Regulatory Fees

Allocation of Citywide Overhead

City of Del Rey Oaks
 User and Regulatory Fee Analysis
 Estimated Citywide Overhead Allocation (for Cost of Service Calculation Purposes Only)

Central Service Center - General Fund Allocation [a]

Description	Annual Expenses	Adjustment	Adjusted Expenses	Notes
Council	\$23,894	\$0	\$23,894	
City Clerk	\$367,258	(\$57,845)	\$309,414	[b]
City Manager	\$287,642	\$0	\$287,642	
Finance	\$271,604	\$0	\$271,604	
Legal	\$139,898	(\$139,898)	\$0	[c]
Government Buildings	\$10,494	\$0	\$10,494	
Non-Departmental	\$32,256	\$0	\$32,256	
	\$1,133,046	(\$197,743)	\$935,304	

Direct Service Department - General Fund - Estimated Expenditures [a]

Description	Annual Expenses	Adjustment	Adjusted Expenses	Notes
Planning & Building Regulation	\$213,669	\$57,845	\$271,514	[b]
Police Department	\$2,460,541	\$0	\$2,460,541	
Fire/Animal Control	\$219,102	\$0	\$219,102	
Public Works/Streets	\$252,945	\$0	\$252,945	
Parks/Recreation	\$47,721	\$0	\$47,721	
Legal	\$0	\$139,898	\$139,898	[c]
	\$3,193,978	\$197,743	\$3,391,721	

Estimated Townwide Indirect Cost Rate - General Fund

Dept./Division	Total	Notes
Indirect Costs	\$935,304	
Direct Expenses	\$3,391,721	
Total	28%	<<< Indirect cost rate *

* This represents a conservative indirect cost rate calculation. This estimate was developed for purposes of user and regulatory fee cost of service analysis. As part of day-to-day operations, staff may categorize, assign, or quantify indirect costs using different criteria and methods.

[a] Source: FY 22/23 actual expenditures.

[b] Adjustment to exclude 50% of Deputy City Clerk/Permit Clerk. Calculation based on top step salary x 1.5 to account for salary and benefits x .5 to account for allocation of time to Building. Consider this a direct cost to Building.

[c] Adjustment to exclude legal expenditures. For purposes of this analysis only, legal costs are considered direct to avoid potentially allocating direct costs as indirect.