

Folsom City Council Staff Report

MEETING DATE:	5/28/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Ordinance No. 1344 - An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and Repealing Section 3.50.060 of the <u>Folsom Municipal Code</u> Pertaining to Cost Recovery of Certain City Services (Second Reading and Adoption)
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to conduct a second reading and adopt Ordinance No. 1344 – An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and repealing Section 3.50.060 of the Folsom Municipal Code pertaining to cost recovery of certain City services.

BACKGROUND / ISSUE

Chapter 3.50 “Fee and Service Charge Revenue/Cost Comparison System” of the Folsom Municipal Code (FMC) mandates a specific percentage of costs that are required to be recovered by fees and service charges for development, public safety, recreation, maintenance, administrative and financial services. This list was created based on a cost control system study performed in 1987. The list includes several services that either no longer exist or have been modified substantially since 1987 and does not include several newer services that the City has performed since that time. Chapter 3.50 also currently lists the schedule for the review of each fee.

While Council regularly reviews and approves updated fee schedules for individual departments, these fee schedules may include services that are not specifically listed in FMC Chapter 3.50. In addition to the frequency of fee reviews, the Chapter also includes the percentage of cost recovery required for each fee. However, Council may wish to modify the percentage of cost recovery for certain fees and service charges based on considerations such as community benefit or in support of economic development. Under FMC Chapter 3.50, the Council cannot do this since the chapter lists specific percentages of cost recovery that have to be met.

On May 14, 2024, the City Council reviewed staff's proposed edits to FMC Chapter 3.50. The City Council did not have any questions for staff and voted (5-0-0-0) to introduce and conduct first reading of Ordinance No. 1344 (An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and Repealing Section 3.50.060 of the Folsom Municipal Code).

POLICY / RULE

Under Section 2.12 of the City Charter, amendments to the Folsom Municipal Code require review and approval by the City Council.

ANALYSIS

Staff has provided proposed modifications to FMC Chapter 3.50 (provided in Attachments 1 and 2) to remove the schedule of fees and service charges table that lists specific regulations, products or services provided by the City and the percentages of costs reasonably borne by the City to be recovered by those fees. Staff recommends that instead of listing each of these specific facilities, products and services, that the chapter be amended to provide general guidance about fees and the appropriate cost recovery percentage. This provides greater discretion to the Council if, for example, it chooses to set a lower cost recovery percentage for a service due to community benefit or economic development reasons. In addition, each department already maintains a Council-approved fee schedule that is publicly available, and these schedules capture each department's actual fee-based regulations, products, facilities, and services. Removing the "percentage of costs reasonably borne to be resolved" section allows Council to review each department's fee schedule as needed to modify the percentage of cost recovery desired for each fee (up to 100 percent cost recovery).

In general, staff recommends that Council seek 100 percent cost recovery, but Council may adjust fees to a lower rate at their discretion. Grounds for reducing fee rates are wide-ranging and could include reasons such as economic development, community benefit, public safety, to encourage the public to obtain permits, and to avoid overburdening the general public with large fees. It would also allow departments to charge flat fees or other fee methods rather than deposit-based fees. While deposit-based fees ensure full cost recovery for every service, they require additional administrative resources for invoicing, tracking, and collection that many departments, such as Community Development currently lack.

Staff is also recommending removing the language regarding the frequency of fee reviews by Council. The code currently prescribes either annual, quarterly or seasonal reviews. Given the costs and time involved in producing fee studies, these targets have not been achieved. Fee schedules for individual departments often get updated after the department finds that the fees no longer reflect the type or level of work that goes into specific tasks. While it is often best practice to adjust fee levels annually based on the Consumer Price Index (CPI) or the Construction Cost Index (CCI) depending on the type of fee, service or facility provided, it is not necessary to require this as part of the ordinance as there may be times where staff and/or the Council do not wish to make an annual adjustment. Removing the timing mechanism would formally allow Council and the City Manager to decide when fee updates are necessary.

In researching other jurisdictions with similar code chapters addressing fee and service charge revenue and cost comparison system, none that staff found dictated specific cost recoveries for individual services and only one listed out each individual service provided as Folsom's code currently does. These codes by and large gave Council the discretion to determine specific fee rates to be collected (not exceeding 100% cost recovery) and did not prescribe the frequency with which fees need to be reviewed. As such, staff found that the proposed code modifications would be consistent with the current practices of several other jurisdictions.

FINANCIAL IMPACT

Since the changes to Chapter 3.50 of the FMC still stipulate that the City Council shall generally seek 100 percent cost recovery for City services and this ordinance does not change any specific fee amounts, there is no impact to the General Fund. The proposed modifications to Chapter 3.50 of the FMC would let Council establish new fee and service charge types for any additional services the City provides. It would also allow Council to regularly modify the percentage of cost recovery of each fee and service charge type on a frequency of their choice based on updated economic conditions rather than relying on cost recovery and review targets from 1987.

ENVIRONMENTAL REVIEW

The change to this chapter of the Folsom Municipal Code is not a project under the California Environmental Quality Act (CEQA) and is therefore exempt from environmental review in accordance with Section 15061(b)(3) - Review for Exemption of the CEQA Guidelines.

ATTACHMENTS

1. Ordinance No. 1344 – An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and repealing Section 3.50.060 of the Folsom Municipal Code Pertaining to Cost Recovery of Certain City Services
2. Ordinance No. 1344 – An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and repealing Section 3.50.060 of the Folsom Municipal Code Pertaining to Cost Recovery of Certain City Services (Redlined Version)
3. Public Comments Received

Submitted,



PAM JOHNS
Community Development Director

ATTACHMENT 1

**ORDINANCE NO. 1344 – AN ORDINANCE OF THE CITY OF
FOLSOM AMENDING SECTIONS 3.50.020, 3.50.040 AND 3.50.050
AND REPEALING SECTION 3.50.060 OF THE FOLSOM
MUNICIPAL CODE PERTAINING TO COST RECOVERY OF
CERTAIN CITY SERVICES**

ORDINANCE NO. 1344

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTIONS 3.50.020, 3.50.040 AND 3.50.050 AND REPEALING SECTION 3.50.060 OF THE FOLSOM MUNICIPAL CODE PERTAINING TO COST RECOVERY OF CERTAIN CITY SERVICES

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this Ordinance is to amend the Folsom Municipal Code to remove the specific list of services and percentage of costs reasonably borne to be resolved from fees for those services and instead give City Council the discretion to determine specific services and associated cost recovery goals.

SECTION 2 AMENDMENT TO SECTION 3.50.020 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.020 of the Folsom Municipal Code is hereby amended to read as follows:

3.50.020 Direction to recover costs.

The amount of fees and charges established under this Chapter shall be sufficient to recover a percentage of the costs reasonably borne in providing the services for which the fees and charges are imposed. Costs reasonably borne shall be as are defined in Section 3.50.030. The percentage of the cost to be recovered by the fee shall be at the sole discretion of the council but shall not exceed 100 percent, as set forth by Section 3.50.040 below.

SECTION 3 AMENDMENT TO SECTION 3.50.040 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.040 of the Folsom Municipal Code is hereby amended to read as follows:

3.50.040 Schedule of fees and service charges.

The city council shall periodically review and make adjustments to all services provided by the various city departments to all users and the fees and charges associated with those services. The city council shall generally seek 100 percent cost recovery for these services but may, at its sole discretion, adjust fees and charges to a level below full cost recovery for reasons of economic development, community benefit, or for any other lawful purpose.

All new or increased fees and charges set pursuant to this section shall take effect ten days after adoption by the city council, except that new or increased development impact fee or charge for processing applications for development projects shall take effect sixty days after adoption.

SECTION 4 AMENDMENT TO SECTION 3.50.050 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.050 of the Folsom Municipal Code is hereby amended to read as follows:

3.50.050 Statutory public meeting.

Pursuant to California Government Code Sections 66016 et seq., the city clerk shall cause notice to be provided as set out in said Government Code Sections 66016 and 6062a concerning the fees and charges proposed to be increased or added. Such public meeting notice shall be provided prior to city council taking any action on any new or increased fees or charges.

SECTION 5 REPEAL OF SECTION 3.50.060 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.060 of the Folsom Municipal Code is hereby deleted in its entirety.

SECTION 6 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 7 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 8 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on May 14, 2024 and the second reading occurred at the regular meeting of the City Council on May 28, 2024.

On a motion by Council Member _____ seconded by Council Member _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 28th day of May, 2024, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

**ORDINANCE NO. 1344 – AN ORDINANCE OF THE CITY OF
FOLSOM AMENDING SECTIONS 3.50.020, 3.50.040 AND 3.50.050
AND REPEALING SECTION 3.50.060 OF THE FOLSOM
MUNICIPAL CODE PERTAINING TO COST RECOVERY OF
CERTAIN CITY SERVICES (REDLINED VERSION)**

ORDINANCE NO. 1344

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTIONS 3.50.020, 3.50.040 AND 3.50.050 AND REPEALING SECTION 3.50.060 OF THE FOLSOM MUNICIPAL CODE PERTAINING TO COST RECOVERY OF CERTAIN CITY SERVICES (REDLINED VERSION)

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this Ordinance is to amend the Folsom Municipal Code to remove the specific list of services and percentage of costs reasonably borne to be resolved from fees for those services and instead give City Council the discretion to determine specific services and associated cost recovery goals.

SECTION 2 AMENDMENT TO SECTION 3.50.020 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.020 of the Folsom Municipal Code is hereby amended to read as follows:

3.50.020 Direction to ~~city manager~~ recover costs.

The ~~city manager is hereby directed to recommend to the council the adjustment amount~~ amount of fees and charges established under this Chapter shall be sufficient to recover ~~a~~ the percentage of ~~the~~ costs reasonably borne in providing the ~~regulation, products or~~ services for which the fees and charges are imposed enumerated in this chapter and on the schedule of rate review as hereinafter established in this chapter. Costs reasonably borne shall be as are defined in Section 3.50.030. ~~(Ord. 609 § 1, 1988)~~ The percentage of the cost to be recovered by the fee shall be at the sole discretion of the council but shall not exceed 100 percent, as set forth by Section 3.50.040 below.

SECTION 3 AMENDMENT TO SECTION 3.50.040 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.040 of the Folsom Municipal Code is hereby amended to read as follows:

3.50.040 Schedule of fees and service charges.

The ~~city council city manager, and each city department head, under the direction of the city manager,~~ shall periodically review and make adjustments to all services provided by the various city departments to all users and the fees and charges associated with those services. The city council shall generally seek 100 percent cost recovery for these services but may, at its sole discretion, adjust fees and charges to a level below full cost recovery for reasons of economic development, community benefit, or for any other lawful purpose. the fees and service charges, on the schedule of frequency provided for in this section, and

report any new or adjustment of the fee or charge which is required so as to recover the listed percentage of costs reasonably borne necessary to provide the listed regulation, products or services.

Regulation, Product or Service	Percentage of Costs Reasonably Borne to be Resolved	Review Schedule
Development Services		
1. Preliminary Project Review	100%	Annual
2. Building Plan Checking	100%	Annual
3. Construction Inspection	100%	Annual
4. Construction Re-Inspection	100%	Annual
5. Resale Inspection	100%	Annual
6. Mobile Home Park Regulation	100%	Annual
7. Housing Moving Review	100%	Annual
8. Home Occupation Review	100%	Annual
9. Variance Review	100%	Annual
10. Site Design Review	100%	Annual
11. Use Review	100%	Annual
12. PUD Review	100%	Annual
13. PUD Modification Review	100%	Annual
14. PUD Extension Review	100%	Annual
15. Specific Plan Review	100%	Annual
16. Specific Plan Amendment Review	100%	Annual
17. Rezoning Request Review	100%	Annual
18. Zoning Verification Review	100%	Annual
19. Lot Adjustment/Merger Review	100%	Annual
20. Tentative Parcel Map Review	100%	Annual
21. Tentative Parcel Map Revision Review	100%	Annual
22. Tentative Subdivision Map Review	100%	Annual
23. Tentative Subdivision Map Extension Review	100%	Annual
24. Street Name Review	100%	Annual
25. Final Map Check	100%	Annual

26. Environmental Assessment	100%	Annual
27. Environmental Impact Review	100%	Annual
28. Sign Design Review	100%	Annual
29. General Plan Review	100%	Annual
30. Code Amendment Consideration	100%	Annual
31. Reclamation Plan Review	100%	Annual
32. Appeal to Planning Commission Review	100%	Annual
- Owner-Occupied Single Family Dwelling	10%	Annual
33. Appeal to City Council Review	100%	Annual
- Owner-Occupied Single Family Dwelling	10%	Annual
34. Miscellaneous Plans and Standards Review	100%	Annual
35. Rights-of-Way or Easement Abandonment Review	100%	Annual
36. Annexation Processing Service	100%	Annual
- City-Initiated	0%	Annual
37. Historical District Sign Review	100%	Annual
38. Historical District Construction Review	100%	Annual
39. Opinion on Planning Matter	100%	Annual
40. Encroachment Inspection	100%	Annual
41. Grading Plan Inspection	100%	Annual
42. Street Cut Inspection	100%	Annual
43. Subdivision Improvement Plan Review	100%	Annual
44. Subdivision Improvement Plan Inspection	100%	Annual
45. Developer Agreement Processing	100%	Annual
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Public Safety Services	-	-
46. General Code Enforcement	50%	Annual
47. Parking Enforcement	100%	Annual
48. Vehicle Code Enforcement	50%	Annual

49. Abandoned Vehicle Removal	100%	Annual
50. Card Room Regulation	100%	Annual
51. Bingo Regulation	100%	Annual
52. Blasting Review	100%	Annual
53. Wide and Overload Inspection	100%	Annual
54. Police False Alarm Response	100%	Annual
55. Concealed Weapon Investigation Per State Law	100%	Annual
56. Accident Investigation	100%	Annual
57. DUI Arrest Processing	100%	Annual
58. Domestic Violence Response	100%	Annual
59. Fingerprinting for Private Purposes	100%	Annual
60. Clearance Letter Processing	100%	Annual
61. Vehicle Inspection	100%	Annual
62. Police Photograph Sale	100%	Annual
63. Special Event Security	100%	Annual
64. State Mandated Fire Inspection	100%	Annual
65. Fire Company Inspection	25%	Annual
66. Fire Protection Plan Review	100%	Annual
67. Special Fire Inspections	100%	Annual
*68. Fire Report Sales	100%	Annual
69. Fire Salvage Service	100%	Annual
70. Lot Cleaning	100%	Annual
71. Ambulance Service—Contract Service	100%	Annual
- All Others	75%	Annual
72. Fire False Alarm Response	100%	Annual
73. Emergency Medical Assistance	25%	Annual
74. Fire Flooding Cleanup	100%	Annual
75. Fire/Police Lockout Assistance	100%	Annual
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Recreation Services	-	-
76. Adult Special Interest Classes	90%	Quarterly
- Non-Resident	100%	Quarterly

77. Youth Special Interest Classes	75%	Quarterly
- Non-Resident	100%	Quarterly
78. Community Special Interest Classes	75%	Quarterly
- Non-Resident	100%	Quarterly
79. City Adult Sports Program	50%	Seasonally
- Non-Resident	100%	Seasonally
80. City Youth Sports Program	50%	Seasonally
- Non-Resident	100%	Seasonally
81. Private Adult Ballfield Usage	50%	Seasonally
- Non-Resident	100%	Seasonally
82. Private Youth Ballfield Usage	25%	Seasonally
- Non-Resident	100%	Seasonally
*83. Special Community Events	25%	Annual
*84. Recreational Swimming	50%	Annual
85. Swimming Lessons	100%	Annual
86. Trips and Tours	90%	Seasonally
- Non-Resident	100%	Seasonally
*87. Mini-Railroad Operation	0%	Annual
*88. Zoo Maintenance and Operation	50%	Annual
*89. July 4 Celebration	25%	Annual
*90. Memorial Day Celebration	25%	Annual
91. Flea Market	25%	Annual
92. Recreation Buildings Maintenance Operation	25%	Annual
- Non-Resident	75%	Annual
93. Ballfield Lighting Maintenance	25%	Annual
- Non-Resident	100%	Annual
94. Sports Complex Concessions	50%	Annual
- -	-	-
Maintenance Services	-	-
95. Utilities Franchise Fees	100%	Annual
96. Street Lighting (Through Creation of a 1972 Act Assessment District)	-	-

- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
97. Street Landscaping (Through Creation of a 1972 Act Assessment District)	-	-
- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
98. Street Tree Maintenance (Through Creation of a 1972 Act Assessment District)	-	-
- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
99. Street Sweeping	-	-
- May 1, 1988	50%	Annual
- May 1, 1989	100%	Annual
100. Storm Drainage (Through Creation of a 1972 Act Assessment District)	-	-
- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
101. Unimproved Street Maintenance (Through Creation of 1911 and 1915 Act Assessment Districts)	100%	Annual

102. Alley Maintenance (Through Creation of 1911 and 1915 Act Assessment Districts)	100%	Annual
103. Water Service	-	-
- December 1, 1988	70%	Annual
- December 1, 1989	85%	Annual
- December 1, 1990	100%	Annual
104. Delinquent Turn Off/On Processing	100%	Annual
105. Water Turn Off/On Service	100%	Annual
106. Special Water Service Projects	100%	Annual
107. Sewer Service	-	-
- April 1, 1988	50%	Annual
- April 1, 1989	60%	Annual
- April 1, 1990	75%	Annual
- April 1, 1991	90%	Annual
- April 1, 1992	100%	Annual
108. Refuse Service	-	-
- June 1, 1988	75%	Annual
- June 1, 1989	90%	Annual
- June 1, 1990	100%	Annual
109. Dumpster Rental Charges	100%	Annual
*110. Transit Service	90%	Annual
*111. Commuter Transit Center	75%	Annual
112. Private Sewer Service Problem Inspection	100%	Annual
113. State Prison Sewer Service	100%	Annual
114. Special Sewer Service Project	100%	Annual
--	-	-
Administrative and Finance Services	-	-
115. Redevelopment Agency Administration	100%	Annual
116. Regional Sanitation Billing	100%	Annual
117. New Business License Review	100%	Annual
118. Bad Check Collection	100%	Annual

119. Arena Rental	50%	Annual
120. Agenda/Minute Mailing Service	100%	Annual
*121. Document Printing and Copying	100%	Annual
122. Records Research Service	100%	Annual
123. Document Certification Service	100%	Annual
124. Unspecified Service	100%	Annual
125. New Service	100%	Annual

~~*—A Minimum fee of \$10.00 shall be charged in all instances except in the cases of numbers 68, 83, 87, 88, 89, 90, 110, 111 and 121 hereof.~~

~~The hereinabove services as listed in this section are defined in that certain document entitled Cost Control System for the City of Folsom dated December 29, 1987, as produced by Management Services Institute, incorporated, and as updated by city staff.~~

~~The schedule of frequency of review of fee adjustments may be varied by the city manager to adjust revenues sufficient to meet debt service coverage requirements of any bond, certificate, or ordinance, resolution, indenture, contract, or action under which securities have been issued by the city which contain any coverage factor requirement.~~

~~The schedule of frequency of fee adjustments may be varied by the city manager, if, in his judgment and that of the requesting department head, a gross inequity would be perpetrated by the existing rate schedule on a new, and unanticipated event.~~

~~All new or increased fees and charges set pursuant to this section shall take effect ten days after adoption by the city council, except that new or increased development impact fee or charge for processing applications for development projects shall take effect sixty days after adoption. has passed resolution setting the fee or charge and stipulating that all provisions of this section have been complied with, and no written appeal has been filed.~~

~~The schedule of frequency of rate adjustments may be varied by the city manager to adjust revenues sufficient to meet debt service coverage requirements of any bond, certificate, or ordinance, resolution, indenture, contract, or action under which securities have been issued by the city which contain any coverage factor requirement. The schedule of frequency of rate adjustments may be varied by the city manager if, in his judgment and that of the requesting department head, a gross inequity would be perpetrated by the existing rate schedule on a new, and unanticipated event. (Ord. 627, § 2, 1988; Ord. 609 § 1, 1988)~~

SECTION 4 AMENDMENT TO SECTION 3.50.050 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.050 of the Folsom Municipal Code is hereby amended to read as follows:

3.50.050 Statutory public meeting.

Pursuant to California Government Code Sections ~~54992, 54994.1 and 54994.2~~ 66016 et seq., the city clerk shall cause notice to be provided as set out in said Government Code Sections ~~54992, 54994.1~~ 66016 and 6062a ~~and the city council periodically, and at least annually, shall receive at a public regularly scheduled meeting oral and written presentations~~ concerning the fees and charges proposed to be increased or added. Such public meeting notice, ~~oral and written presentation, and public hearing~~ shall be provided ~~by the city council~~ prior to city council taking any action on any new or increased fees or charges. ~~At least one such public hearing shall be held annually at the first regular council meeting in May. (Ord. 609 § 1, 1988)~~

SECTION 5 REPEAL OF SECTION 3.50.060 OF THE FOLSOM MUNICIPAL CODE

Section 3.50.060 of the Folsom Municipal Code is hereby deleted in its entirety.

SECTION 6 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 7 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 8 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on May 14, 2024 and the second reading occurred at the regular meeting of the City Council on May 28, 2024.

On a motion by Council Member _____ seconded by Council Member _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 28th day of May, 2024, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 3
PUBLIC COMMENTS RECEIVED

From: Bob Delp <bdelp@live.com>

Sent: Tuesday, May 14, 2024 8:45 AM

To: Christa Freemantle <cfreemantle@folsom.ca.us>; City Clerk Dept <CityClerkDept@folsom.ca.us>; Mike Kozlowski <mkozlowski@folsom.ca.us>; Sarah Aquino <saquino@folsom.ca.us>; YK Chalamcherla <ykchalamcherla@folsom.ca.us>; Anna Rohrbough <annar@folsom.ca.us>; Rosario Rodriguez <rrodriguez@folsom.ca.us>

Cc: Pam Johns <pjohns@folsom.ca.us>; Stacey Tamagni <stamagni@folsom.ca.us>; Elaine Andersen <eandersen@folsom.ca.us>; Steven Wang <swang@folsom.ca.us>

Subject: Comments to Council re 5-14-24 Agenda Item 18 - Service Fees

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For distribution to the City Council:

As with my correspondence to the Council on April 23 (below) and with all due respect for the Community Development Director, I continue to urge the Council to reject the Community Development Department's (CDD's) proposed amendment/repeal of FMC 3.50 provisions pertaining to service fees and cost recovery. The fee structure of the existing ordinance identifies 125 categories of fees and the percentage of cost recovery that the City is to achieve for each category. The City has neglected to implement and update fees as needed to obtain the FMC 3.50-required cost recovery; however, that is not a deficiency of FMC 3.50, it is a deficiency in the implementation of FMC 3.50. That deficiency is continuing to drain the City's General Fund by improperly subsidizing individuals, business, and development interests utilizing CDD services. It is time for that practice to stop and for the City to update its fees and implement FMC 3.50's directives. Instead, CDD continues to postpone bringing a fee update to the Council and recommends gutting FMC 3.50 to eliminate all fee categories and respective designated cost recovery percentages. CDD's recommendation does not provide an alternative fee structure and kicks that can down the road while continuing to divert General Fund dollars to development services and away from other important City priorities.

On March 12, the Council heard a presentation from staff and a consultant that was hired by the City to prepare a fee study. Staff and the consultant did not discuss FMC 3.50 provisions, and it is almost as if staff and the consultant were simply unaware of the existence of FMC 3.50. Now, CDD suggests that FMC 3.50 be gutted to eliminate its fundamental substance. CDD's rationale does not hold water. Staff suggests that FMC 3.50 should be gutted because its list of categories includes some services that no longer exist and does not include some services that now exist. While that is good reason to update the list of categories, it is not a reason to eliminate all of the categories. Staff further suggests that FMC 3.50 should be gutted because the Council may wish to modify the percentage of cost recovery for certain categories. Yet, the Council has the ability to refine and modify the categories and percentages in FMC 3.50 through a public process any time the Council chooses to do so. Eliminating the categories and percent recovery structure of FMC 3.50 would create a wild-west fee structure requiring this and future Council's to continuously consider and debate over the cost recovery percentages for some 125 categories of service fees.

Keeping FMC 3.50 intact while making limited refinements to the categories and recovery percentages would be a sound approach, whereas, eliminating the FMC 3.50 categories and cost recovery percentages is bizarre, reckless, and fiscally unsound. Please reject this proposal and direct CDD to 1) return with a more discretely amended FMC 3.50 addressing specific category and percentage amendments, 2) return with a fee adjustment proposals so the Council can adopt updated fees and stop the drain on the General Fund, and 3) implement the full/actual cost recovery for development services as prescribed in the attached 2011-adopted-but-never-implemented resolution.

Thank you for considering my comments.

Bob Delp

916-812-8122

bdelp@live.com

Desmond Parrington

From: Bob Delp <bdelp@live.com>
Sent: Tuesday, April 23, 2024 11:20 AM
To: Mike Kozlowski; Sarah Aquino; YK Chalamcherla; Anna Rohrbough; Rosario Rodriguez; City Clerk Dept
Cc: Elaine Andersen; Pam Johns; Steven Wang; Desmond Parrington; Christa Freemantle
Subject: Comments to Council re 4-23-24 Agenda Items 9 and 10
Attachments: Planning Fees CC 3-08-11.pdf

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

On April 19, the City distributed an email newsletter with a headline "**FOLSOM FACES FISCAL CROSSROADS: CITY COUNCIL DIRECTS BUDGET EDUCATION PROGRAM**", followed by an article warning that, "**The city is facing a financial shortfall that could impact public safety, public services, and the quality of life in Folsom. ... Amidst the projected structural deficit, the city faces compounding infrastructure and building maintenance needs that require a dedicated funding source. There is an estimated \$20 million annual shortfall in funding for infrastructure improvements, park and facility repairs, equipment maintenance and replacements, trail maintenance and repairs, and staffing needs.**"

Yet, in the midst of this dire financial reality, City staff is recommending the continued and expanded use of the General Fund to subsidize the cost for the City's processing of private applications for permits and other entitlements. For Item 9 on your 4/23/2024 agenda, I urge the Council to direct staff to revise and return with a full fee schedule for Development Services funding that achieves fee recovery for all services at the percentages specified in the existing FMC section 3.50. For agenda Item 10, I urge the Council to reject staffs' recommended amendments to FMC 3.50 and leave FMC 3.50's sound fiscal policy directives in place. Staffs' recommendations would increase use of the General Fund to subsidize private development proposals, diverting those funds from important public safety, public services, and quality of life programs that are hallmarks of the City of Folsom.

At its March 12 meeting, the Council heard a presentation from staff and its consultant regarding fee schedules for Community Development services. Although some questions were asked and concerns expressed regarding certain fees, I heard no one suggest that the City should not strive to comply with the existing FMC 3.50 provisions that direct the City Manager to recover costs at the percentages outlined in the FMC 3.50.040 Schedule of Fees and Service Charges and I heard no one suggest that the existing FMC 3.50.040 fee percentages should be eliminated. Further, documentation for and discussion during the March 12 meeting acknowledged that the City's fee structure has not been achieving the required cost recovery and that increasing the fees to be at least more in-line with FMC 3.50 requirements is necessary to minimize impacts on the City's General Fund.

Now, just a few weeks later, staff has modified the proposed fee schedule (Agenda Item 9) recommending that the Council adopt a fee schedule revision limited to certain engineering and building permits while leaving all other fees unadjusted, including those known to be clearly insufficient for funding the City's costs and complying with FMC 3.50. Moreover, staff now also recommends (Agenda Item 10) that FMC 3.50 be revised to eliminate the existing requirement to achieve specific cost recovery percentages.

Is this what the Council wants; to continue insufficient recovery of costs for development application processing and building permits and to continue to shift that burden onto Folsom's citizenry by robbing the General Fund?

I hope staff has read the Council wrong on this one and that the Council will reject staff's proposals and direct staff to return with a fee schedule that fully recovers development/permit application processing and one that includes provisions to implement the full cost recovery program requested by staff and approved by the Council in 2011 (attached) that after 13 years is still sitting on the sidelines waiting to be implemented.

Thank you for considering my input.

Bob Delp
916-812-8122
bdelp@live.com

From: Bob Delp <bdelp@live.com>
Sent: Tuesday, March 12, 2024 9:56 AM
To: Mike Kozlowski <mkozlowski@folsom.ca.us>; Rosario Rodriguez <rrodriguez@folsom.ca.us>; Sarah Aquino <saquino@folsom.ca.us>; YK Chalamcherla <ykchalamcherla@folsom.ca.us>; Anna Rohrbough <annar@folsom.ca.us>; Christa Freemantle <cfreemantle@folsom.ca.us>
Cc: Elaine Andersen <eandersen@folsom.ca.us>; Steven Wang <swang@folsom.ca.us>; Sari Dierking <sdierking@folsom.ca.us>; Pam Johns <pjohns@folsom.ca.us>; Desmond Parrington <dparrington@folsom.ca.us>
Subject: Comments to Council re 3-12-24 Agenda Item 5 - Planning Fees

For distribution to City Council:

Dear Council:

Regarding agenda item 5 of tonight's City Council meeting, this message is to urge the City Council to direct staff to implement a full cost recovery program for processing development applications **consistent with the process described in the attached March 2, 2011, staff report and adopted by the Folsom City Council in 2011 through Resolution 8801** (attached). Through such a process, individual applicants would pay for the actual and full cost for processing their individual applications – neither subsidizing nor being subsidized by other applicants and without being subsidized by the City's General Fund.

In 2011, the Community Development Department and City Council wisely determined that through implementation of a full cost recovery system for application processing, the City *"would protect its General Fund monies from subsidizing private development applications."*

Staff's 2011 analysis of the financial impact of the full cost recovery program found that, *"The cost recovery program would allow the City to more accurately cover the actual costs for development permits from the applicants. Although the actual savings to the General Fund are cannot be quantified, this fee recovery program will result in a positive impact to the General Fund and provide direct costs charges to contribute to the General Fund to more accurately fund development processing costs."*

Staff's basis for its 2011 recommendation concisely described the situation that existed then and that still persists today, noting, *"the range of complexity in development applications can vary widely and some projects can remain "active" or "in process" for years because projects are substantially revised and resubmitted (sometimes with years passing in between) in an attempt by applicants to obtain City approval.*

Staff sometimes must effectively begin processing all over with each resubmittal but is unable to request new project fees because the project is still technically active. It is these types of projects that staff seeks to target to ensure that staff costs are fully recovered." These persisting circumstances beg for a system based on actual costs, not flat fees.

Yet, the system requested by CDD and approved by the Council in 2011 still has not been implemented and CDD's current 3/12/24 staff report to the Council for agenda item 5 of tonight's meeting provides a recommendation predominated by "flat fees" which are inherently inequitable and a drain on the City's resources. The current staff report makes no mention of the 2011 Resolution and provides no compelling rationale for abandoning the sound approach that the Council directed be implemented in 2011.

Please direct staff to fulfill the directives of Resolution 8801 and implement the full cost recovery system for development application processing that requires individual applicants to fully fund the costs of processing their applications.

Thank you for considering my input.

Bob Delp
916-812-8122
bdelp@live.com

From: Bob Delp <bdelp@live.com>
Sent: Monday, November 15, 2021 11:12 AM
To: Pam Johns <pjohns@folsom.ca.us>
Cc: Elaine Andersen <eandersen@folsom.ca.us>; Steven Wang <swang@folsom.ca.us>; Scott Johnson <sjohnson@folsom.ca.us>; Sari Dierking <sdierking@folsom.ca.us>; Mike Kozlowski <mkozlowski@folsom.ca.us>; Sarah Aquino <saquino@folsom.ca.us>; Rosario Rodriguez <rrodriguez@folsom.ca.us>; YK Chalamcherla <ykchalamcherla@folsom.ca.us>; kerri@atlanticcorrosionengineers.com <kerri@atlanticcorrosionengineers.com>
Subject: Re: Funding for Development Application Processing

Thanks, Pam. I appreciate the response, but what you describe doesn't strike me as being consistent with the direction of the 2011 resolution. You state that staff doesn't have the discretion to charge more than the fees set by the counsel even if a project exceeds that cost, however, my read of the 2011 resolution is that if a full cost recovery project was being implemented as directed by that resolution, staff would not just have the authority but would also have the obligation to charge an applicant for the actual cost, including City Attorney fees, instead of subsidizing the private project's costs.

I know you'll have your hands full with other things this week, but I (and others) would like more clarity on this. Maybe in the next few weeks you could provide an example of how you track staff time/costs for application projects - perhaps Folsom Prison Brews/Barley Barn since it's a good example of the type of project described in the 2011 staff report requesting the full cost recovery program (I previously submitted a public records request for that project, but I don't recall that any of the documents I received had any records of staff time or of applicant payments).

Thanks,
-Bob

Bob Delp
916-812-8122
bdelp@live.com

From: Pam Johns <pjohns@folsom.ca.us>
Sent: Monday, November 15, 2021 10:05 AM
To: Bob Delp <bdelp@live.com>
Cc: Elaine Andersen <eandersen@folsom.ca.us>; Steven Wang <swang@folsom.ca.us>; Scott Johnson <sjohnson@folsom.ca.us>
Subject: RE: Funding for Development Application Processing

Hi Bob,

I'm just back from unexpected leave and wanted to follow up on your email.

Development processing fees are set by the City Council in an amount that cannot exceed the reasonable cost of providing the service. Accordingly, and generally speaking, staff does not have discretion to charge more than the fees set by the Council even if a particular application takes more time to process than others. Overall, planners and engineers in Community Development track their time working on development applications and also to properly account for deposit-based fees. When it appears that the fees set by the City Council no longer reflect the reasonable cost of providing the service, staff would recommend that the fees be re-evaluated and adjusted.

Pam
Pam Johns
Community Development Director

From: Bob Delp <bdelp@live.com>
Sent: Friday, October 22, 2021 5:01 PM
To: Elaine Andersen <eandersen@folsom.ca.us>
Cc: Pam Johns <pjohns@folsom.ca.us>; Scott Johnson <sjohnson@folsom.ca.us>; Rosario Rodriguez <rrodriguez@folsom.ca.us>; kerri@atlanticcorrosionengineers.com; Sarah Aquino <saquino@folsom.ca.us>; Mike Kozlowski <mkozlowski@folsom.ca.us>; YK Chalamcherla <ykchalamcherla@folsom.ca.us>; Christa Freemantle <cfreemantle@folsom.ca.us>
Subject: Fw: Funding for Development Application Processing

Ms. Andersen:

City Council Resolution 8801 of 2011 is attached with the associated March 2, 2011 staff report, as provided to me by Scott Johnson on October 6, 2021. Mr. Johnson was responding to my Oct 1 request (in string below) for information regarding funding for development applications. Neither Mr. Johnson nor Ms. Johns have yet been able to tell me if or how the Community Development Department has implemented the full cost recovery program for staff time as directed by the Council in Reso 8801.

If such a program is not in place, then taxpaying members of this community have been subsidizing what I expect would amount to hundreds of thousands of dollars of staff time and expenses associated with processing private development applications over the past 10 years when, instead, as directed by the City Council in 2011, those costs should have been directly paid for by applicants.

I am asking that you investigate, provide an explanation to the community, and address this matter as a top priority and that you direct staff to immediately suspend any further processing of current and future applications until a reimbursement agreement for full cost recover is in place.

Thank you,
-Bob Delp

Bob Delp
916-812-8122
bdelp@live.com

From: Bob Delp <bdelp@live.com>
Sent: Sunday, October 17, 2021 7:34 PM
To: Scott Johnson <sjohnson@folsom.ca.us>; Pam Johns <pjohns@folsom.ca.us>
Cc: Elaine Andersen <eandersen@folsom.ca.us>
Subject: Re: Funding for Development Application Processing

Hi, Pam and Scott (Elaine now cc'd). I'm concerned that you haven't yet been able to confirm that the full cost recovery system is in place and being implemented. This is likely a matter of tens of thousands of dollars each year for staff costs that - based on city council 2011 direction - should be covered by applicant reimbursements. Please confirm ASAP that the system is in place.

-Bob
916-812-8122
bdelp@live.com

On Oct 6, 2021, at 8:59 PM, Bob Delp <bdelp@live.com> wrote:

Thanks, Scott. The key thing I see from the 2011 staff report and resolution is the council's direction for staff to implement a full cost recovery fee system. The staff report describes precisely the type of situation I was asking about and seems to provide a clear remedy - full cost recovery. Was that full cost recovery system implemented and where would I find a description of how it's implemented?

-Bob
916-812-8122
bdelp@live.com

On Oct 6, 2021, at 9:36 PM, Scott Johnson <sjohnson@folsom.ca.us> wrote:

Mr. Delp,

Attached is the staff report and resolution adopted by the City Council on 3-08-11 relative to Planning Fees. Approval of this resolution changed our fee structure for planning services to be deposit based for the majority of entitlements.

Scott A. Johnson, AICP
Planning Manager

From: Pam Johns <pjohns@folsom.ca.us>
Sent: Tuesday, October 5, 2021 1:17 PM
To: Bob Delp <bdelp@live.com>

Cc: Scott Johnson <sjohnson@folsom.ca.us>
Subject: RE: Funding for Development Application Processing

Hi Bob.

I've copied Scott Johnson here so he can respond or call you about our planning entitlement fee structure. Thank you.

Pam

From: Bob Delp <bdelp@live.com>
Sent: Tuesday, October 5, 2021 11:50 AM
To: Pam Johns <pjohns@folsom.ca.us>
Subject: Re: Funding for Development Application Processing

Thanks, Pam. That's good to know and answers part of my question. But I'm also interested in knowing if staff time/costs are tracked and reimbursed by applicants. In particular, projects like 603 Sutter Street and 608 1/2 Sutter Street (*Catchy-Name-Here* Brews) have been submitted with substantial staff time invested in reviews, preparing staff reports, preparing for hearings, etc., but then the applicants have decided to pull back the projects and make substantial revisions. I'm sure that even a once-through application requires substantial staff time, and layering in multiple rounds obviously then takes that much more time. So I'm interested in knowing if applicants are funding staff costs for their projects or if I and other taxpayers are paying for staff time to review private projects.

Bob Delp
916-812-8122
bdelp@live.com

From: Pam Johns <pjohns@folsom.ca.us>
Sent: Tuesday, October 5, 2021 11:22 AM
To: Bob Delp <bdelp@LIVE.COM>
Subject: RE: Funding for Development Application Processing

Hi Bob.

Consultant costs are covered entirely by applicant. Contracts are run through the City because we manage the consultant work consistent with approved scopes of work. Just like any city-run project, any cost overages by a consultant for work that is out of scope must be approved by the city in advance of the work and additional costs are the responsibility of the developer. Does that answer your question?

Pam

From: Bob Delp <bdelp@LIVE.COM>
Sent: Friday, October 1, 2021 10:46 AM

To: Pam Johns <pjohns@folsom.ca.us>

Subject: Funding for Development Application Processing

Pam:

I'm interested in understanding the source of funding for City and any City-retained consultant costs associated with your Department's review of development projects. I know there are established fees for certain project types, but I also know that the actual time/cost can be much higher than those fees would cover. Does the City absorb that cost or do you require reimbursement agreements with applicants for them to cover the actual cost?

Thanks,

-Bob

Bob Delp

916-812-8122

bdelp@live.com

<Planning Fees CC 3-08-11.pdf>

**PUBLIC HEARING
Agenda Item No.: 8a
CC Mtg.: 03/08/2011**

DATE: March 2, 2011
TO: Mayor and City Council Members
FROM: David E. Miller, AICP, Community Development Director
SUBJECT: **RESOLUTION NO. 8801 - A RESOLUTION MODIFYING RESOLUTION NO. 8301 TO CONVERT NOTED PLANNING FEES TO DEPOSITS AND DIRECTING STAFF TO IMPLEMENT A PROGRAM FOR FULL COST PLANNING SERVICE FEES**

BACKGROUND /ISSUE

The Planning Department Service Fees were last updated in October 2008. The fees generally reflect the average cost to provide development application processing services. However, the range of complexity in development applications can vary widely and some projects can remain "active" or "in process" for years because projects are substantially revised and resubmitted (sometimes with years passing in between) in an attempt by applicants to obtain City approval. Staff sometimes must effectively begin processing all over with each resubmittal but is unable to request new project fees because the project is still technically active. It is these types of projects that staff seeks to target to ensure that staff costs are fully recovered. As the Council is well aware, in our current fiscal climate the General Fund is unable to cover any unnecessary development service related costs.

Another major issue associated with development application fees is the continuing reduction in General Fund revenues. Over the past three years, the City's General Fund expenses have exceeded the General Fund revenue by approximately \$13 million. The City's General Fund cannot subsidize development applications. Given significant increases in productivity and expediting development permits, the expense to process development permits has dropped in many cases. Nevertheless, the General Fund continues to significantly subsidize development permit activity.

Therefore, staff is proposing to implement a program where staff would track time spent on each planning application and begin charging applicants monthly if and when the application fees were exceeded. In addition, a fee would be implemented to cover planning staff time to review building permits. In this manner, the City would protect its General Fund monies from subsidizing private development applications.

POLICY / RULE

Folsom Municipal Code Section 3.50.020 directs the City Manager to recommend to the Council the adjustment of fees and charges to recover the percentage of costs reasonably borne in providing the regulation, products or services enumerated in Chapter 3.50.

Folsom Municipal Code Section 3.50.030 provides direction on calculating “costs reasonably borne” to include the following elements: direct costs (wages, overtime, benefits, overhead, etc), indirect costs (building maintenance, computers, printing, etc.), fixed assets, general overhead, department overhead, and any debt service costs.

Folsom Municipal Code Section 3.50.040 requires fee adjustments be approved by the City Council. It also specifies the percentage of City service costs to be recovered through fees. The majority of Planning Service Fees are directed to be 100% cost recoverable through its fee structure. Building Permit fees are also directed to be 100% cost recovered.

ANALYSIS

Staff recommends that the City Council direct staff to implement a full cost recovery program modeled after one that’s been used by the City of Roseville Planning and Redevelopment Department since 2003. The following is the proposed program outline:

Base Cost

The base cost for processing a full cost application represents the minimum amount of staff time invested by City staff. This base cost is determined by an analysis of actual costs and is non-refundable. Staff recommends that Folsom’s existing fee structure adopted October 1, 2008 be used as this base cost so that no new costly analysis process is required.

Project Initiation

Concurrent with the start-up of a project, the applicant enters into an agreement for full cost billing. Per this agreement, the applicant would pay the base costs associated with the individual entitlements associated with the project.

Full Cost Billing

Following project initiation and payment of the base cost fee, staff will record time spent working on the project against the base cost. If staff time exceeds that covered under the base cost, the applicant shall be billed an hourly rate thereafter on a monthly basis.

The hourly billing rate charged to projects would be a factor of the staff salary to cover costs as enumerated in Folsom Municipal Code Section 3.50.030, including: direct costs (wages, overtime, benefits, overhead, etc), indirect costs (building maintenance, computers, printing, etc.), fixed assets, general overhead, department overhead, and any debt service costs. The Finance Department has completed a full analysis of overhead charges and has submitted rates for all Community Development staff.

These charges are based on the current staff costs per adopted City labor contracts, plus a factor for direct and indirect costs. Included in the monthly billing would be any costs incurred by other departments such as the City Attorney’s Office, Public Works, Utilities, Housing and Redevelopment, Parks and Recreation, etc.

Consultants

As may be required for project evaluation or environmental review, all consultant work shall be paid for by the project applicant and would be included in the payment agreement. The City would charge an administrative cost equal to 10% of the contract amount, which is a typical markup rate industry wide.

Non-Residential Plan Check Fee

Planning staff must review every building permit for compliance with conditions of any project approval (such as a Design Review or Planned Development Permit) to ensure all the Planning Commission and City Council conditions have been complied with. In addition, permits must be reviewed for compliance with the Zoning Code and any other applicable ordinance. Staff recommends that an additional planning review fee equal to 15% of the permit fee (same as City of Roseville fee) be charged to cover planning staff review time for non-residential projects because currently this cost is not being covered and is a drain on the General Fund.

Residential Landscape Review Fee

Due to recent state legislation (AB 1881) all landscape plans are required to be reviewed for water conservation standards. While commercial landscape plan review is covered by the existing fee structure, residential landscaping plans are not. Staff proposes to require a residential fee for each residential landscape plan review and inspection based on the hourly rate of the City Arborist.

As shown in the table below, the proposed fee deposits for typical entitlements are similar to other jurisdictions in the region.

Entitlement	Folsom	Roseville	Sacramento	Elk Grove	Rancho Cordova
General Plan Amendment	\$3,651-\$7,300	\$4,934-\$13,074	\$20,000	\$12,371	\$15,000
Rezone	\$2,502-\$4,997	\$5,154-\$13,338	\$8,000-\$20,000	\$10,176	\$15,000
Specific Plan Amendment	\$5,892	\$5,139-\$13,075	\$10,000	\$3,443	\$5,000
Tentative Parcel Map	\$4,754	\$1,698	\$500 per lot	\$4,854	\$10,000
Tentative Subdivision Map	\$5,721+\$30 per lot	\$3,338-\$4,832	\$500 per lot	\$7,533	\$10,000-\$20,000
Planned Development Permit	\$7,640+\$38 2 per acre	\$4,627	\$6,200	\$5,281	\$10,000
Conditional Use Permit	\$4,954	\$4,085	\$4,000-\$9,000	\$5,223	\$10,000
Variance	\$1,405	\$2,430	\$3,000	\$3,228	\$10,000

Staff recommends the Planning Service Fees convert to this deposit/cost recovery system in accordance with those services specifically identified in Section 3.50.040 to be full cost recovery. Exceptions to full cost recovery identified in this section include appeals (identified costs to be 10% recovered) and tree removal permits/special events permits (by omission from the schedule of Development Services to recover costs reasonably borne).

FINANCIAL IMPACT

The cost recovery program would allow the City to more accurately cover the actual costs for development permits from the applicants. Although the actual savings to the General Fund are cannot be quantified, this fee recovery program will result in a positive impact to the General Fund and provide direct costs charges to contribute to the General Fund to more accurately fund development processing costs.

ENVIRONMENTAL REVIEW

This Resolution is categorically exempt from the California Environmental Quality Act under Public Resources Code §21080, sub. (b)(8) and CEQA Guidelines §15273, establishment, modification, structuring or approval of rates, tolls fares, or other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses. The modification of permit fees has not potential environmental impact upon the environment so does not constitute a project under CEQA.

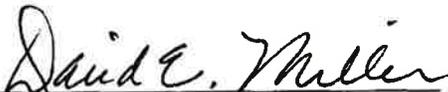
ATTACHMENTS

1. Resolution No. 8801 – A Resolution Modifying Resolution No. 8301 to Convert Noted Planning Fees to Deposits and Directing Staff to Implement a Program for Full Cost Planning Service Fees
2. City of Roseville Planning Fee Schedule – Effective July 1, 2010 (which includes procedures for Full Cost Fees)
3. City of Roseville Planning Department Sample Agreement for Full Cost Billing.

RECOMMENDATION/CITY COUNCIL ACTION

Staff recommends that the City Council adopt Resolution No. 8801 – A Resolution Modifying Resolution No. 8301 to Convert Noted Planning Fees to Deposits and Directing Staff to Implement a Program for Full Cost Planning Fees.

Submitted,



David E. Miller, AICP
Community Development Director

Attachment #1
City Council Resolution

RESOLUTION NO. 8801

A RESOLUTION MODIFYING RESOLUTION NO. 8301 AS SHOWN IN THE ATTACHED FEE SCHEDULE AND DIRECTING STAFF TO IMPLEMENT A PROGRAM FOR FULL COST PLANNING SERVICE FEES

WHEREAS, Folsom Municipal Code Section 3.50.020 directs the City Manager to recommend to the Council the adjustment of fees and charges to recover the percentage of costs reasonably borne in providing the regulation, products or services as enumerated in Chapter 3.50; and

WHEREAS, Folsom Municipal Code Section 3.50.030 provides direction on calculating costs reasonably borne to include the following elements: direct costs (wages, overtime, benefits, overhead, etc.), indirect costs (building maintenance, computers, printing, etc.), fixed assets, general overhead, department overhead, and any debt service costs; and

WHEREAS, Folsom Municipal Code Section 3.50.040 requires fee adjustments be approved by the City Council; and

WHEREAS, Folsom Municipal Code Section 3.50.040 also directs that the majority of Planning Service Fees and Building Permit Fees shall be 100% cost recoverable through its fee structure; and

WHEREAS, the range of complexity in Planning Department development applications can vary widely; and

WHEREAS, in our current fiscal climate the General Fund is unable to cover any unnecessary development service related costs; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that Resolution No. 8301 be modified as shown in the attached fee schedule, effective 60 days from the date of adoption of this Resolution on May 8, 2011 and directs City staff to implement a program for full cost planning service fees as attached and described in the staff report.

PASSED AND ADOPTED this 8th day of March 2011, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Andrew J. Morin, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Resolution No. 8801
Page 1 of 2

000006

#	Department Service	Base Fee (Non-Refundable Deposit)
	Planning	
PE-1	Preliminary Project Review (deposit)	\$ 545
PE-2	Tentative Parcel Map Review (Deposit)	\$ 4,754
PE-3	Tentative Subdivision Map Review (deposit)	\$5,751 + \$30/Lot
PE-4	Tentative Map Amendment Review (deposit)	\$ 7,923
PE-5	Final Map Amend/Cert of Correction	\$ 2,599
PE-6	Tentative Map Extension Review (deposit)	\$ 3,404
PE-7	Site Design Review - Planning Comm. (deposit)	\$ 3,992
PE-8	Planned Development review (deposit)	\$7,640 + \$382/acre
PE-9	Planned Development Mod. Review (deposit)	\$ 7,628
PE-10	Planned Development Ext. Review (deposit)	\$ 2,678
PE-11	Specific Plan Review (deposit)	\$ 5,356
PE-12	Specific Plan Amend. Review (deposit)	\$ 5,892
PE-13	Initial Environmental Study/Assmnt (deposit)	\$ 5,423
PE-15	Environmental Impact Review & Report*	\$ 7,285
PE-16	Notice of CEQA determination	\$ 252
PE-18	Envtl Mitigation Prog. Monitoring*	\$ 5,369
PE-20	Historic Dist SFD Design Rvw (deposit)	\$ 54
PE-21	H.D. Mult Fam/Comm Design Rvw (deposit)	\$ 1,841
PE-22	Arch Review - SFD (deposit)	\$ 54
PE-23	Arch Review - Mult-Fam/Comm. (deposit)	\$ 1,841
PE-24	Historic Dist Sign Review (deposit)	\$ 54
PE-25	Sign Permit - Staff	\$ 107
PE-26	PD Permit Sign Only (deposit)	\$ 1,071
PE-27	Zoning Verification Review (deposit)	\$ 258
PE-28	Rezoning Request Review- < 5 acres (deposit)	\$ 2,502
PE-29	Rezoning Request Review- 5+ acres (deposit)	\$ 4,997
PE-20	Lot Line Adj./Parcel Merger (planning) (deposit)	\$ 844
PE-31	Annexation Processing (deposit)*	\$ 4,280
PE-32	Variance Review- SFD (deposit)	\$ 1,405
PE-33	Variance Review- Other (deposit)	\$ 1,405
PE-35	Appeal - Admin	\$ 214
PE-36	Appeal - by other (deposit)	\$ 429
PE-37	Code Amendment (deposit)*	\$ 1,912
PE-38	General Plan Amendment <5 acres (deposit)	\$ 3,651
PE-39	General Plan Amendment >5 acres (deposit)	\$ 7,300
PE-40	Temporary Use Permit Review	\$ 54
PE-41	Conditional Use Permit Review (deposit)	\$ 4,954
PE-43	Street Name Review/Change (deposit)	\$ 1,071
PE-44	Devl. Agreement Processing (deposit)*	\$ 4,607
PE-45	Non-residential Plan Check Fee	15% of building permit fee
PE-46	Residential Landscape Review Fee	Hourly rate of City Arborist

Attachment #2
City of Roseville Planning Fee Schedule
Effective July 1, 2010



PLANNING and REDEVELOPMENT
311 VERNON STREET * ROSEVILLE, CA 95678

Planning Fee Schedule - Effective July 1, 2010

Adopted by Resolution No. 96-239 - Amended by Resolution No. 97-287 - Amended by Resolution No. 99-507 - Amended by Resolution No. 02-02 - Amended by Resolution No. 02-224
Amended by Resolution No. 04-485 - Amended by Resolution No. 05-176, Amended by resolution 09-124

ENTITLEMENT (APPLICATION TYPE):	FEE	Full Cost Base Cost	ENTITLEMENT (APPLICATION TYPE):	FEE	Full Cost Base Cost
APPEALS			SIGNS		
1. Planning Director's Decision	\$454		1. Standard Sign Permit	\$117	
2. PC/DC Decision to City Council	\$425		2. Planned Sign Permit Program	\$512	
ANNEXATIONS			3. Sign Permit/Program - Public Hearing Req.	\$1,010	
1. Annex/PZ/Detach/SOII/(FULL COST/Deposit) ¹		\$11,786	4. Administrative Permit for Sign Exception ²	\$717	
DEVELOPMENT AGREEMENTS			5. PSP Minor Modification ³	\$58	
1. Adoption of Specific Plan (FULL COST/Deposit) ¹		\$6,837	SPECIFIC PLAN AMENDMENT		
2. Amendment of SPA (FULL COST/Deposit) ¹		\$6,837	1. SPA Adoption, Map/Text (FULL COST/Deposit) ¹		\$11,786
3. Associated with Affordable Housing	\$1,244		2. SPA 10 Acres or LESS, Map or Text	\$5,139	
4. Associated with Single Topic Item	\$2,474		3. SPA 11+ Acres, Map/Text (FULL COST/Deposit) ¹		\$13,075
ENVIRONMENTAL REVIEW			4. SPA Text/Policy Deposit (FULL COST/Deposit) ¹		\$13,075
1. Exemption WITHOUT Initial Study	\$176		SUBDIVISIONS/CONDOMINIUMS*		
2. Exemption WITH Initial Study	\$425		1. Grading Plan / Minor	\$1,201	
3. Negative Declaration with NO Mitigation	\$630		2. Grading Plan / Major	\$2,489	
4. Tiered Negative Declaration WITH Mitigation	\$1,288		3. Lot Line Adjustment	\$1,201	
5. EIR Deposit (FULL COST/Deposit) ¹		\$11,786	4. Extension to a Tentative Map	\$1,201	
GENERAL PLAN AMENDMENT			5. Voluntary Merger	\$1,201	
1. Entitlement Fee - GPA 10 Acres of LESS, Map/Text	\$4,934		6. Reversion to Acreage	\$1,698	
2. GPA 11+ Acres, Map/Text (FULL COST/Deposit) ¹		\$13,074	7. Minor Modification to a Tentative Map	\$1,201	
3. GPA - Text Policy Amend (FULL COST/Deposit) ¹		\$13,074	8. Major Modification to a Tentative Map	\$2,796	
PUBLIC UTILITY EASEMENT ABANDONMENT			9. Tentative Parcel Map with 4 or fewer Lots	\$1,698	
1. Summary Vacation	\$1,259		10. Tentative Map, 5 through 99 Lots	\$3,338	
2. General Vacation	\$1,772		11. Tentative Map, 100 through 499 Lots	\$4,832	
			12. Tentative Map, 500+ Lots (FULL COST/Deposit) ¹		\$12,254

KEY: ¹Full Cost/Base Cost to be collected at submittal. An estimate of processing cost will be provided at PEM. Applicant to pay 100% of Actual Cost to process requested Entitlement.

*Condominium subdivision category has been added to assist in the processing and tracking of condominium units

² Previously processed as Sign Variance

³ Previously processed as ZCC

600000

ENTITLEMENT (APPLICATION TYPE:	FEE	Full Cost Base Cost
ZONING ORDINANCE ENTITLEMENTS		
1. Administrative Permit	\$717	
2. Conditional Use Permit	\$4,085	
3. CUP Extension or Modification	\$2,650	
4. Design Review Permit	\$4,627	
5. DRP/Minor Approved at Public Counter	\$102	
6. DRP/Residential Subdivision w/other Permit	\$2,870	
7. DRP Extension or Modification	\$2,650	
8. CUP/DRP Process with another Permit	\$2,225	
9. Flood Encroachment Permit	\$3,719	
10. MPP Stage 1 or Stages 1 & 2 (FULL COST/Deposit) ¹		\$14,846
11. MPP Stage 2, Mod/Exten of Stage 1 &/or 2	\$2,650	
12. MPP Administrative Modification	\$776	
13. Planned Development Permit	\$4,627	
14. TP Admin - Approved at Public Counter	\$88	
15. TP - Req. Public Hear for SFD or 10 trees/Less	\$1,772	
16. TP - Req. Public Hear for DRP/TM or 11+ trees	\$2,723	
17. Administrative Variance	\$600	
18. Variance to Develop Standards Req. Public Hearing	\$2,035	
19. Variance to Parking Standards	\$2,430	
20. Zoning Clearance Approved Public Counter	\$58	
21. Zoning Interpretation - Hearing Required	\$1,537	
22. Zoning Interpretation - Non Hearing Item	\$73	
ZONING ORDINANCE AMENDMENTS		
1. Zoning Text Amend (Zoning, Subd, Sign) (FULL COST/Deposit) ¹		\$7,965
2. Zoning Map Change (RZ) 10 Acres or LESS	\$5,154	
3. Zoning Map Change (RZ) 11+ Acres (FULL COST/Deposit) ¹		\$13,338
OTHER		
1. New Non-Residential Plan Check ²		15% of Building Plan Check Fee
2. Commercial Plan Check - TI ²	\$58	
2. Planning Dept. Plot Plan Review (Bundles of 10)	\$58	
3. Radius List Prep-Previously Developed Area	\$58	
4. Preparation Undeveloped Area/Mailing	\$146	
5. Farmer's Market Permit	\$410	

PROCEDURES FOR FULL COST FEES**I. Base Cost**

The base costs for processing a full cost application represents the minimum amount of staff time invested by the Planning and Redevelopment Department in processing a certain entitlement. This base fee has been generated based on a time-motion analysis that is available upon request from the Planning and Redevelopment Department. This base cost is non-refundable.

II. Project Initiation

Concurrent with the start-up of a Full Cost project, the applicant shall enter into an agreement for Full Cost billing. This agreement shall be provided to the applicant from the Planning and Redevelopment Department. Per the provisions of this agreement, the applicant shall pay the base costs associated with the individual entitlements associated with the project.

III. Full Cost Billing

Following project initiation and payment of the base cost fee, Planning and Redevelopment staff will record time spent working on the project against the base cost. Once staff time exceeds that covered under the base cost, the applicant shall be billed on a monthly basis. These charges will be based on current staff costs per adopted City labor contracts, plus a factor for direct and indirect costs. The Planning and Redevelopment Department can be contacted for current rates.

Included in the monthly billing will be the costs incurred by the following City departments: City Attorney, Housing, Community Development, Parks and Recreation and Planning and Redevelopment. These costs are outside of what is reflected in the Base Cost.

IV. Consultants

As may be required by the Planning Department for project evaluation or environmental review, all consultant work shall be paid for by the project applicant and shall be included in the payment agreement. The City shall charge 10% of the contract amount for City action. The cost for consultant fees will be paid as a one time cost.

V. Plan Check Fee

This fee shall be 15% of the building Plan Check Fee for New Non-Residential construction (Commercial and Multi-family). Fee to be collected with Building's Plan Check Fee.

REFUND POLICY

Application fees are not refundable except as follows:

1. Refund of 100% shall be made if a determination is made by the Planning Director that the permit and associated fee are not required by the City of Roseville Municipal Code or adopted City Resolution.
2. If an applicant requests withdrawal of a permit prior to the PEM, refund of 50% of the applicable fee shall also be refunded.
3. No refund of application fees shall be made after a Project Evaluation Meeting has been held, unless a fee waiver is approved by the Roseville City Council.

KEY

¹Full Cost/Deposit to be collected at submittal. Applicant to pay 100% of Actual Cost to process requested Entitlement. -See FULL COST Discussion

²Non-Residential - :Per Building Code, this includes Commercial and Multi-family developments. Plan Check Fees to be assessed as part of Building Department Plan Check Fee.

³Parking In Lieu Fee is an optional fee that non-residential uses in the Downtown Specific Plan Area can utilize instead of providing required parking on-site. Fees for the 1st stall will be \$800 (10%), 2nd stall \$2,000 (25%), 3rd stall (50%), 4th stall \$6,000(75%) and 5 or more stalls \$8,000 (100%) of the in lieu fee.

E:/budget/Fee Schedule Effective 07/01/2010

Attachment #3
City of Roseville Planning Department
Sample Agreement for Full Cost Billing

Agreement for Full Cost Billing

I understand that charges for staff time spent processing this application will be based on the current staff costs per adopted City labor contracts plus a factor for direct and indirect costs. Please contact the Planning Division for a handout of current billing rates.

I understand that my initial fee is considered to be a base cost for processing. This initial fee will set up an account that shall be charged at the current rate for all staff processing time. I understand that should the final costs be more than the initial fee, I will be billed quarterly for the additional charges. I also understand that payments received after the due date will be assessed a late fee equal to ten percent (10%) of the amount past due.

I understand that staff processing time may include, but is not limited to: Planning and Other City Departments: City Attorney, Housing, Community Development, and Parks & Recreation. This also includes but is not limited to; Pre-application review of plans; reviewing plans / submittal packages; routing plans to, and communicating with inter-office departments and outside agencies; researching documents relative to site history; site visits; consulting with applicant and/or other interested parties either in person by phone; preparing environmental documents; drafting of staff reports and resolutions; preparing pertinent maps, graphs and exhibits; and attending meetings / public hearings before the Design Committee/Planning Commission/City Council.

I also understand that receipt of all discretionary approvals does not constitute an entitlement to begin work. Non-discretionary approvals may be required from City development departments and outside agencies. I understand additional fees will be assessed for these approvals. Please refer to the City's Residential or Commercial Fee Schedule for other fees to be assessed prior to the issuance of project permits. These fees may include, but are not limited to: Building Permit fees; Improvement plan fees; Traffic Impact fees; Drainage fees; Parkland Dedication fees; Park Construction fees; Utility fees; Filing fees; and Mapping fees.

As applicant, I assume full responsibility for all costs leading to discretionary approvals (as listed above, incurred by the City in processing this application(s)).

PROJECT NAME: _____

PROJECT DESCRIPTION: _____

BILLING CONTACT INFORMATION:

NAME: _____
 COMPANY: _____
 ADDRESS: _____
 CITY, STATE: _____ ZIP: _____
 PHONE #: _____ FAX #: _____
 CELL #: _____ EMAIL: _____

OWNER ARCHITECT
 ENGINEER OTHER: _____

BILLING ADDRESS, IF DIFFERENT FROM CONTACT:

NAME: _____
 COMPANY: _____
 ADDRESS: _____
 CITY, STATE: _____ ZIP: _____
 PHONE #: _____ FAX #: _____
 CELL #: _____ EMAIL: _____

OWNER ARCHITECT
 ENGINEER OTHER: _____

PROPERTY OWNER OR AGENT AUTHORIZATION:

NAME: _____
 COMPANY: _____
 ADDRESS: _____
 CITY, STATE: _____ ZIP: _____
 PHONE #: _____ FAX #: _____
 EMAIL: _____

CHOOSE ONE:

- I am the property owner and hereby authorize the filling of this agreement.
- I am the applicant and am authorized by the owner to file this agreement.

SIGNATURE: _____

DATE: _____

For Staff Use Only	(Date Stamp)
PROJECT ADDRESS: _____	
JOB NUMBER: _____	
Total Deposit Fee: \$ _____	
Receipt #: _____	
Received By: _____	

E:\forms\FULLCOSTBILLINGAGREEMENT.doc