

CITY OF STONECREST

RESOLUTION NO. _____

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF STONECREST APPROVING THE CITY OF STONECREST COMPREHENSIVE USER FEE STUDY AND ADOPTING CHANGES TO THE CITY OF STONECREST FEE SCHEDULE; AND FOR OTHER PURPOSES.

WHEREAS, the City of Stonecrest ("City") is a municipal corporation duly organized and existing under the laws of the State of Georgia; and

WHEREAS, the Mayor and City Council are the governing authority of the City of Stonecrest, Georgia; and

WHEREAS, the City engaged Matrix Consulting Group to conduct a formal fee study to evaluate and determine the full cost (direct and indirect) of providing a variety of City services; and

WHEREAS, the City of Stonecrest intends to establish a Fee Schedule for the purpose of providing reasonable fees that reflect the current service levels and the cost for those services within the City; and

WHEREAS, City's Fee Schedule must be approved by the City Council in accordance with Sec. 2-177 -2-179, Division 1. Article VI. Chapter 2 of the Code of Ordinances.

NOW, THEREFORE BE IT RESOLVED BY MAYOR AND CITY COUNCIL THE CITY OF

STONECREST, GEORGIA, that the City of Stonecrest Comprehensive User Fee Study is hereby adopted as attached in Exhibit "A".

BE IT RESOLVED, that the City's Schedule of Fees located in Appendix A of the Code of Ordinances is amended in accordance with changes to certain fees as established in Exhibit A.

BE IT FINALLY RESOLVED that this Resolution shall be effective immediately upon its adoption.

SO RESOLVED THIS _____ DAY OF _____ 2026.

CITY OF STONECREST, GEORGIA

JAZZMIN COBBLE, MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM

CITY ATTORNEY

EXHIBIT A



COMPREHENSIVE USER FEE STUDY REPORT

OCTOBER 2025

STONECREST, GA

MATRIX
CONSULTING GROUP

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INTRODUCTION AND EXECUTIVE SUMMARY

The report, which follows, presents the results of the Comprehensive User Fee study conducted by Matrix Consulting Group for the City of Stonecrest, Georgia.

PROJECT BACKGROUND AND OVERVIEW

The City of Stonecrest has never conducted a formal fee study. The purpose of this study is to evaluate and determine the full cost (direct and indirect) of providing a variety of City services. The Matrix Consulting Group analyzed the cost-of-service relationships that exist between fees for service activities in the following areas: Building, Finance, Parks & Recreation, and Planning & Zoning. The results of this study provide a tool for understanding current service levels and the cost for those services.

GENERAL PROJECT APPROACH AND METHODOLOGY

The methodology employed by Matrix Consulting Group is a widely accepted “bottom up” approach to cost analysis, where time spent per unit of fee activity is determined for each position within a Department or Program. Once time spent for a fee activity is determined, all applicable City costs are then considered in the calculation of the “full” cost of providing each service. The following table provides an overview of types of costs applied in establishing the “full” cost of services provided by the City:

TABLE 1: OVERVIEW OF COST COMPONENTS

<i>Cost Component</i>	<i>Description</i>
<i>Direct</i>	Fiscal Year 2025 Budgeted salaries, benefits, and allowable expenditures.
<i>Indirect</i>	Division, departmental, clerical, and Citywide support.

Together, the cost components in the table above comprise the calculation of the total “full” cost of providing a service, regardless of whether a fee for that service is charged.

The work accomplished by Matrix Consulting Group in the analysis of the fees for service involved the following steps:

- **Department / Program Staff Interviews:** The project team interviewed department / program staff regarding their needs for clarification to the structure of existing fee items or for addition of new fee items.
- **Data Collection:** Data was collected for each permit / service, including time estimates. In addition, all budgeted costs and staffing levels for Fiscal Year 2025 were entered into Matrix Consulting Group’s analytical software model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established.

- **Review and Approval of Results with City Staff:** Department management has reviewed and approved these documented results.

A more detailed description of user fee methodology and legal and policy considerations are provided in subsequent chapters of this report.

SUMMARY OF RESULTS

The detailed documentation of this study will show an over-collection for some fees (on a per unit basis) and an undercharge for most others. The results of this analysis will provide the Departments and the City with guidance on how to right-size their fees to ensure that each service unit is set at an amount that does not exceed the full cost of providing that service. The display of the cost recovery figures shown in this report are meant to provide a basis for policy development discussions among City Councilmembers and City staff and do not represent a recommendation for where or how the City Council should act. The setting of the “rate” or “price” for services, whether at full cost recovery or lower, is a policy decision to be made only by the City Council with input from City staff and the community.

CONSIDERATIONS FOR COST RECOVERY POLICY AND UPDATES

The Matrix Consulting Group recommends that the City use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, including a standard mechanism for the annual update of fees for service.

ADOPT A FORMAL COST RECOVERY POLICY

The Government Finance Officers Association’s (GFOA) best practices for *Establishing Government Charges and Fees* states that governmental entities should adopt formal policies regarding charges and fees which include the jurisdiction’s intention to recover the full cost or partial costs of providing services, sets forth circumstances under which the jurisdiction might set a charge for fee at less than or more than 100% of full cost, and outlines the considerations that might influence the jurisdiction’s pricing decision.

The Matrix Consulting Group strongly recommends that the Council adopt a formalized, individual cost recovery policy for each service area included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources. The Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

ADOPT AN ANNUAL FEE UPDATE / INCREASE MECHANISM

GFOA best practices for *Establishing Government Charges and Fees* states that governmental entities should review, and update charges and fees periodically based on factors such as the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates to avoid large, infrequent fee increases.

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions, and to account for any major shifts in cost components or organizational structures that have occurred since the City's previous analysis. The City should conduct comprehensive analyses every five to seven years as this practice captures any changes to organizational structure, processes, as well as any new service areas.

In between comprehensive updates, the City should utilize published industry economic factors, such as Consumer Price Index (CPI) or other regional factors, to update the cost calculations established in the Study on an annual basis.

LEGAL FRAMEWORK

This section of the report is intended to provide an overview of the legal rules and regulations that govern what is considered a fee for service, how those fees can be calculated, general principles, philosophies, and general policy considerations for setting fees for service.

LEGAL FRAMEWORK

A “user fee” is a charge for service provided by a governmental agency to a public citizen or group. Georgia municipalities are authorized to collect fees by the Georgia constitution.¹ Georgia has several additional legal provisions that regulate fees for service, with the purpose of ensuring that fees are reasonable and justified. The most prominent and relevant of these relate to the following fee types:

- **Administrative Fees:** Municipalities are permitted to charge administrative fees related to the collection of occupation taxes; these fees must be directly related to the reasonable cost of processing the tax transactions.²
- **Regulatory Fees:** These fees can be charged when the municipality routinely inspects or otherwise investigates a business or other entity to ensure compliance with laws and regulations related to the health and safety of the community.³ The revenue from these fees can only be used in carrying out the associated activities and cannot be used for general purposes; it must also be directly related to the cost of the service provided.⁴ Building-related fees are classified as regulatory fees, but the current law explicitly excludes development impact fees and other zoning and land development costs from this category.⁵
- **Other Fees:** Although the Code of Georgia does not have definitive regulations for fees other than those previously discussed, Georgia case law generally holds that all user fees should be directly related to the cost of providing a service and that the service provided should provide some level of benefit to the applicant.⁶

When determining fees for service it is important to ensure there is a **direct benefit** – the service is provided directly to the payer – and that it is **cost-based** and does not exceed the reasonable cost of providing the service.

GENERAL PRINCIPLES AND PHILOSOPHIES REGARDING USER FEES

Local governments are providers of many types of general services to their communities. While all services provided by local government are beneficial to constituents, some services can be classified as

¹Ga. Const. Article IX, § IV, para. I(b)(2)

² GA Code § 48-13-5; GA Code § 48-13-10

³ GA Code § 48-13-9

⁴ GA Code § 48-13-5; GA Code § 48-13-9

⁵ GA Code § 48-13-5; GA Code § 8-2-26

⁶ *McLeod v. Columbia County*, 278 Ga. 242 (2004)

globally beneficial to all citizens, while others provide more of a direct benefit to a specific group or individual. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

TABLE 2: SERVICES IN RELATION TO BENEFIT RECEIVED

"Global" Community Benefit	"Global" Benefit and an Individual or Group Benefit	Individual or Group Benefit
<ul style="list-style-type: none"> •Police •Park Maintenance •Fire Suppression 	<ul style="list-style-type: none"> •Recreation / Community Services •Fire Prevention 	<ul style="list-style-type: none"> •Building Permits •Planning and Zoning Approval •Engineering Development Review

Funding for local government is obtained from myriad revenue sources such as taxes, fines, grants, special charges, user fees, etc. In recent years, alternative tax revenues, which typically offset subsidies for services provided to the community, have become increasingly limited. These limitations have caused increased attention on user fee activities as a revenue source that can offset costs otherwise subsidized (usually) by the general fund. In Table 3, services in the “global community benefit” section tend to be funded primarily through voter-approved tax revenues. In the middle of the table, one typically finds a mixture of taxes, user fees, and other funding sources. Finally, in the “individual / group benefit” section of the table are the services provided by local government that are typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- ❖ **Fees should be assessed according to the degree of individual or private benefit gained from services.** For example, the processing and approval of a land use or building permit will generally result in monetary gain to the applicant, whereas Police services and Fire Suppression are examples of services that are essential to the safety of the community at large.
- ❖ **A profit-making objective should not be included in the assessment of user fees.** Georgia state case law generally requires that user fees be closely tied to the costs associated with providing the associated services. Once a charge for service is assessed at a level higher than the actual cost of providing a service, the term “user fee” no longer applies. The charge then becomes a tax subject to voter approval.

Therefore, it is commonly accepted that user fees are established at a level that will recover up to, and not more than, the cost of providing a particular service.

GENERAL POLICY CONSIDERATIONS REGARDING USER FEES

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax-based or alternative revenue source. However, it is essential that jurisdictions prioritize the use of revenue sources for the provision of services based on the continuum of benefit received.

Within the services that are typically funded by user fees, the Matrix Consulting Group recognizes several reasons why City staff or City Council may not advocate the full cost recovery of services. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Limitations posed by an external agency.** The State or an outside agency will occasionally set a maximum, minimum, or limit on the jurisdiction's ability to charge a fee. Examples include pass-through fees, such as fees charged by DeKalb County.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide better compliance from the community. For example, if the cost of a permit for changing a water heater in a residential home is higher than the cost of the water heater itself, many citizens will avoid pulling the permit.
- **Benefit received by user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community. Examples include Planning Design Review, historical dedications, and certain types of special events.

The Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services and ensure that the City complies with State law.

SUMMARY OF LEGAL RESTRICTIONS AND POLICY CONSIDERATIONS

Once the full cost of providing services is known, the next step is to determine the "rate" or "price" for services at a level which is up to, and not more than, the full cost amount. The City Council is responsible for this decision, which often becomes a question of balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion and at times fall into a "grey area." However, with the resulting cost-of-services information from a User Fee Study, the City Council can be assured that the adopted fee for service is reasonable, fair, and legal.

USER FEE STUDY METHODOLOGY

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the “bottom-up” approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The following chart describes the components of a full cost calculation:



The following subsections discuss the two components of the basis of the full cost.

TIME ESTIMATION

Utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to the City developed these estimates. The project team worked closely with City staff in developing time estimates with the following criteria:

- Estimates are representative of **average times** for providing services. Extremely difficult or abnormally simple projects are not factored in the analysis.
- Estimates reflect the time associated with the **position or positions** that typically perform a service.
- Estimates are reviewed by the project team for “**reasonableness**” against their experience with other agencies.
- Estimates were not based on time-in-motion studies, as they are not practical for the scope of services and time frame for this project.
- Estimates match the current or proposed staffing levels to ensure there is no over-allocation of staff resources to fee and non-fee related activities.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service on which to base a jurisdiction’s fees for service and meets legal requirements.

The alternative to time estimating is actual time tracking, often referred to billing on a “time and materials” basis. Except in the case of anomalous or very large and complex projects, Matrix Consulting Group believes this approach to not be cost effective or reasonable for the following reasons:

- Accuracy in time tracking is compromised by the additional administrative burden required to track, bill, and collect for services in this manner.

- Additional costs are associated with administrative staff’s billing, refunding, and monitoring deposit accounts.
- Customers often prefer to know the fees for services in advance of applying for permits or participating in programs.
- Departments can better predict revenue streams and staff needs using standardized time estimates and anticipated permit volumes.

Situations arise where the size and complexity of a given project warrants time tracking and billing on a “time and materials” basis. The Matrix Consulting Group has recommended taking a deposit and charging actual costs for such fees as appropriate and itemized within the current fee schedule.

FULLY BURDENED HOURLY RATES

The fully burdened hourly rates calculated through this study include the following components:

- **Salaries:** FY2025 Budgeted salaries were utilized and consolidated at the positional level.
- **Benefits:** FY2025 Budgeted benefits were utilized and consolidated at the positional level.
- **Productive Hours:** Based on Stonecrest’s current personnel system rules, working or productive hours were calculated. This means taking the starting total working hours and reducing the hours by vacation, sick, holidays, trainings, and administrative leave.
- **Departmental / Divisional Overhead:** This captures any internal service charges or operating costs such as vehicles, supplies, etc. Additionally, this component includes the cost associated with support from Director, administrative, and analytical staff that do not directly work on fees.
- **Citywide Overhead:** This captures support provided by the City Council, City Manager, City Clerk, City Attorney, Finance, and Human Resources. The costs are based on a standard *de minimis* rate (15%).

Together these components result in the generation of fully burdened hourly rates by position / classification and / or department / division. These rates were multiplied against the time assumptions to calculate the full cost of services noted in this report.

RESULTS OVERVIEW

The motivation behind a cost of services (User Fee) analysis is for City Council and Departmental staff to maintain services at a level that is both accepted and effective for the community and to maintain control over the policy and management of these services.

It should be noted that the results presented in this report are not a precise measurement. In general, a cost-of-service analysis takes a “snapshot in time,” where a fiscal year of financial and operational information is utilized. Changes to the structure of fee names, along with the use of time estimates, allow only for a reasonable projection of subsidies and revenue. Consequently, City Council and Department staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

Discussion of results in the following chapters is intended as a summary of extensive and voluminous cost allocation documentation produced during the Study. Each chapter will include detailed cost calculation results for each fee including the following:

- **Modifications:** discussions regarding any proposed revisions to the current fee schedule, including elimination or addition of fees.
- **“Per Unit” Results:** comparison of the full cost of providing each unit of service to the current fee for each unit of service (where applicable).

The full analytical results were provided to City staff under separate cover from this summary report.

BUILDING

The Building and Permitting Division ensures that any construction within the City complies with state and local building codes and regulations. The Building fees examined in this study relate to new construction; remodels and tenant improvements; mechanical, electrical, and plumbing (MEP) permits; swimming pools; certificates of occupancy; and demolition projects. The following subsections discuss fee schedule modifications and detailed per unit results for the fee-related services provided by the Building Department.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** In discussions with City staff, the following eliminations were proposed to the current fee schedule as they represent services no longer offered by the City or are duplicative:
 - ‘Electrical Permits – Low Voltage – Residential’
 - ‘Plumbing Permits – Miscellaneous fee’
 - ‘Sprinkler system processing’
- **New Fee:** Staff proposed the addition of a ‘Temporary Certificate of Occupancy’ fee to represent a service already offered by not codified on the fee schedule.
- **Condensed Fees:** Staff proposed condensing the following fees to simplify the fee schedule:
 - ‘Commercial Grease Trap Processing’ from a base fee with an additional fee per \$1,000 valuation to a single flat fee.
 - ‘HVAC Permits’ from a list of individual appliances to more general fee categories such as ‘Fee per heating appliance’ and ‘Fee per cooling appliance’.
 - ‘Plumbing Permits’ from a list of individual fixtures to a single ‘Fee per plumbing fixture’.
- **Modified Fees:** The following fee modifications were proposed to better clarify the services being provided:
 - ‘Swimming Pool’ fee was created to combine all related MEP permits and was divided into ‘Single-Family’ and ‘Commercial / Multi-Family’ categories.
 - All ‘Minimum Permit Fees’ were renamed ‘Base Permit Fees’.
 - ‘Grease Trap’, ‘Irrigation System’, ‘Sewer Service’, and ‘Water Service’ had the phrase ‘Application Processing’ added to clarify that the fee is only for the City to process these applications and submit them to the County for their review.
 - The ‘Technology Fee’ was converted from a flat fee to a percentage-based fee; this allows the City to better recover costs for large projects that have a greater impact on technology systems.

The modifications noted ensure that the proposed fee schedule more accurately reflects the services being provided by Building and Permitting staff.

DETAILED RESULTS

The Building Division collects fees for new construction; remodels and tenant improvements; mechanical, electrical, and plumbing (MEP) permits; certificates of occupancy; swimming pools; demolition; and processing certain applications that the County reviews. The total cost calculated for each service includes direct staff costs and Departmental, Divisional, and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 3: TOTAL COST PER UNIT RESULTS – BUILDING

Fee Name	Current Fee	Total Cost	Difference
Building Permit Fee Schedule			
Base Permit Fee	\$175	\$178	(\$3)
Technology Fee	Modified	6%	N/A
Plan Review Fee	20%	40%	(20%)
Building Permit (New Construction)			
Building Permit Fee Schedule	\$0.0065	\$0.0085	(\$0.0020)
Interior Tenant Finish/Residential Remodel			
Minimum permit fee	\$175	\$174	\$1
Technology Fee	Modified	6%	N/A
Commercial Interior finish	\$6.00	\$9.33	(\$3.33)
Residential renovation/addition/repair	\$6.00	\$6.97	(\$0.97)
Other Fees			
Certificate of Occupancy Fee/Letter of Completion Fee	\$50	\$122	(\$72)
Temporary Certificate of Occupancy	New	\$182	N/A
Plans Revision Fee			
Residential Site Plan	\$25	\$62	(\$37)
Other	\$50	\$70	(\$20)
Resubmittal Fee - each resubmittal after the 2nd, Temporary Certificate of Occupancy, nonresidential only	\$25	\$62	(\$37)
Permit Extension - same owner	\$300	\$317	(\$17)
Change of Contractor after permit issued	\$175	\$188	(\$13)
House moving permit	\$150	\$169	(\$19)
Swimming Pool			
Single-Family	\$100	\$394	(\$294)
Commercial / Multi-Family			
Up to \$16,000 value	\$100	\$394	(\$294)
Per \$1,000.00 value added	\$7	\$7	(\$1)
Demolition			
Single-Family	\$100	\$164	(\$64)
Commercial / Multi-Family			
Up to \$16,000 value	\$100	\$164	(\$64)
Per \$1,000.00 value added	\$7	\$7	(\$1)
Temporary Construction Trailer	\$100	\$282	(\$182)
Temporary Structure	\$150	\$282	(\$132)

Fee Name	Current Fee	Total Cost	Difference
Minimum Miscellaneous Fee	\$100	\$99	\$1
Commercial Grease Trap Processing	\$200	\$49	\$51
Irrigation system Processing	\$100	\$49	\$51
After hours inspection (min. 4 hours)	\$50	\$142	(\$92)
Reinspection Fees - Building and Trades			
Reinspection - first occurrence	\$25	\$40	(\$15)
Reinspection - second occurrence	\$50	\$80	(\$30)
Reinspection - third and others	\$100	\$120	(\$20)
Plumbing Permits			
Base Permit Fee	\$100	\$109	(\$9)
Technology Fee	Modified	6%	N/A
Fee per plumbing fixture	\$5	\$20	(\$15)
Fee per gas service added	\$25	\$20	\$5
Other			
Re-inspection fee - First	\$25	\$40	(\$15)
Re-inspection fee - Second	\$50	\$80	(\$30)
Re-inspection fee - Third and subsequent	\$100	\$120	(\$20)
After hours inspection (min 4 hours)	\$50	\$142	(\$92)
Sewer Service Application Processing	\$30	\$49	(\$19)
Water Service Application Processing	\$30	\$49	(\$19)
HVAC Permits			
Base Permit Fee	\$100	\$109	(\$9)
Technology Fee	Modified	6%	N/A
Fee per heating appliance	\$35	\$40	(\$5)
Fee per cooling appliance	\$35	\$40	(\$5)
Fee per residential exhaust fan	\$15	\$40	(\$25)
Fee per commercial exhaust fan	\$25	\$40	(\$15)
Fee per gas service added	\$25	\$40	(\$15)
Fee per commercial vent hood	\$80	\$80	\$0
Fee per residential vent hood	\$25	\$40	(\$15)
Miscellaneous equipment	\$15	\$40	(\$25)
Gas Service	\$25	\$40	(\$15)
Gas Reconnect	\$50	\$50	\$0
Electrical Permits			
Base Permit Fee	\$100	\$109	(\$9)
Technology Fee	Modified	6%	N/A
Other			
Re-inspection fee - First	\$25	\$40	(\$15)
Re-inspection fee - Second	\$50	\$80	(\$30)
Re-inspection fee - Third and subsequent	\$100	\$120	(\$20)
After hours inspection (min 4 hours)	\$50	\$142	(\$92)
Temporary Service Pole	\$25	\$30	(\$5)
Number of receptacles	\$2	\$4	(\$2)
Number of Light Fixtures	\$2	\$4	(\$2)
Service Panel between 30 amps and 125 amps	\$20	\$30	(\$10)
Service Panel between 126 amps and 400 amps	\$30	\$40	(\$10)
Service Panel 401 amps and above	\$40	\$60	(\$20)
Number of appliances including furnace and air conditioning	\$5	\$10	(\$5)

Fee Name	Current Fee	Total Cost	Difference
Swimming pool, spa, Jacuzzi	\$50	\$60	(\$10)
Miscellaneous equipment	\$20	\$30	(\$10)
Construction trailer	\$50	\$60	(\$10)
Power reconnect	\$50	\$60	(\$10)
Low Voltage			
Commercial	\$50	\$60	(\$10)

The fees administered by the Building and Permitting Division generally under-recover. The largest deficits are in relation to the base fees for both ‘Single-Family’ and ‘Commercial / Multi-Family’ swimming pool permits at around \$300 each. A few fees do show over-recoveries; the largest overages are in relation to the ‘Commercial Grease Trap Processing’ and ‘Irrigation System Processing’ fees at about \$50 each. The City should review these results and adjust these fees to be in compliance with the state regulations, as well as to allow for greater cost recovery.

FINANCE

The Finance Department is responsible for administering the City’s Alcoholic Beverage and Business Licenses. The fees examined in this study relate to the administrative fees charged for managing those programs. The following subsections discuss fee schedule modifications and detailed per unit results.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, no modifications were proposed to the fees administered by the Finance Department.

DETAILED RESULTS

Finance’s fees are related to the administrative costs associated with providing Alcoholic Beverage Licenses and Business Licenses. The total cost calculated for each service includes direct staff costs and Departmental, Divisional, and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 4: TOTAL COST PER UNIT RESULTS – FINANCE

Fee Name	Current Fee	Total Cost	Difference
Alcoholic Beverage E License			
Administrative Fee			
Beer/Wine	\$100	\$214	(\$114)
Liquor	\$200	\$214	(\$14)
Business Licenses			
Administrative Fee	\$75	\$131	(\$56)

The administrative fees administered by the Finance Department all under-recover the associated costs. The largest under-recovery is for a ‘Beer/Wine’ permit at just over \$100. The smallest under-recovery is for a ‘Liquor’ permit at about \$15.

PARKS & RECREATION

The Parks and Recreation Department operates and maintains the City's parks and facilitates various activities and programs for City residents. The fees examined in this study relate to facility, field, and pavilion rentals; athletic activities; and camps. The following subsections discuss fee schedule modifications and detailed per-unit results.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** Staff proposed eliminating the 'Field Rentals – Artificial Turf Fields' fee, as the City currently does not have any of these fields available for rent.
- **New Fees:** Staff proposed the addition of the following fees as they highlight services the City would like to provide in the near future:
 - 'Afterschool Programming'
 - 'Co-Ed Softball League'
 - 'Co-Ed Kickball League'
 - 'Co-Ed Volleyball League'
 - 'Concession Stand' Rental
 - 'Flag Football'
 - 'Lacrosse'
 - 'Men's / Women's Basketball League'
 - 'School Break Camps'
 - 'Soccer'
 - 'Track and Field'
 - 'Tumbling'
 - 'Youth Basketball Clinic'
 - 'Youth Basketball League'
 - 'Youth T-Ball / Baseball League'
- **Expanded Fees:** For all rentals of spaces in the Browns Mill Recreation Center, staff proposed adding a separate fee for 'Specialty Groups.'

The modifications noted ensure that the proposed fee schedule more accurately reflects the services being provided by Parks and Recreation staff.

DETAILED RESULTS

The Parks and Recreation Department collects fees for rentals, athletic activities, and camps. The total cost calculated for each service includes direct staff costs and Departmental, Divisional, and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 5: TOTAL COST PER UNIT RESULTS – PARKS & RECREATION

Fee Name	Current Fee	Total Cost	Difference
Browns Mill Recreation Center			
Multipurpose Room			
Event	\$250	\$289	(\$39)
Meeting	\$100	\$149	(\$49)
All Other Rentals:			
Resident	\$45	\$90	(\$45)
Non-Resident	\$70	\$90	(\$20)
Non-Profit	\$35	\$90	(\$55)
Specialty Groups	New	\$90	N/A
Multipurpose Room A or B			
Event	\$250	\$150	\$100
Meeting	\$100	\$59	\$41
All Other Rentals:			
Resident	\$35	\$74	(\$39)
Non-Resident	\$60	\$74	(\$14)
Non-Profit	\$25	\$74	(\$49)
Specialty Groups	New	\$74	N/A
Large Gymnasium			
Athletic Events	\$250	\$236	\$14
All Other Rentals:			
Resident	\$85	\$107	(\$22)
Non-Resident	\$110	\$107	\$3
Non-Profit	\$75	\$107	(\$32)
Specialty Groups	New	\$107	N/A
Auxiliary Gymnasium			
Athletic Events	\$250	\$146	\$104
All Other Rentals:			
Resident	\$60	\$84	(\$24)
Non-Resident	\$85	\$84	\$1
Non-Profit	\$50	\$84	(\$34)
Specialty Groups	New	\$84	N/A
Entire Gymnasium			
Athletic Events	\$250	\$339	(\$89)
All Other Rentals:			
Resident	\$125	\$132	(\$7)
Non-Resident	\$150	\$132	\$18
Non-Profit	\$115	\$132	(\$17)
Specialty Groups	New	\$132	N/A
Opening Facility Fee	\$100	\$85	\$15

Fee Name	Current Fee	Total Cost	Difference
Field Rentals			
Baseball / Football / Soccer / Softball			
Youth	\$40	\$35	\$5
Adult	\$50	\$35	\$15
Non-Profit	\$35	\$35	\$0
Tournaments			
Youth / Adult	\$120	\$218	(\$98)
Lights	\$50	\$85	(\$35)
Field Prep	\$75	\$168	(\$93)
Cleaning / Trash Removal	\$100	\$126	(\$26)
Concession Stand	New	\$63	N/A
Pavilion Rentals			
Salem Pav.			
<u>Half day (< 4 hrs.)</u>			
Resident	\$55	\$144	(\$89)
Non-Resident	\$75	\$144	(\$69)
<u>Full day (4 + hrs.)</u>			
Resident	\$95	\$204	(\$109)
Non-Resident	\$135	\$204	(\$69)
Gregory Moseley Pav.			
<u>Half day (< 4 hrs.)</u>			
Resident	\$55	\$129	(\$74)
Non-Resident	\$75	\$129	(\$54)
<u>Full day (4 + hrs.)</u>			
Resident	\$95	\$174	(\$79)
Non-Resident	\$135	\$174	(\$39)
Browns Mill Pav.			
<u>Half day (< 4 hrs.)</u>			
Resident	\$55	\$135	(\$80)
Non-Resident	\$75	\$135	(\$60)
<u>Full day (4 + hrs.)</u>			
Resident	\$95	\$187	(\$92)
Non-Resident	\$135	\$187	(\$52)
Athletic Programs			
Men's / Women's Basketball League	\$600	\$1,322	(\$722)
Co-Ed Softball League	\$500	\$1,317	(\$817)
Co-Ed Kickball League	\$500	\$1,317	(\$817)
Co-Ed Volleyball League	\$500	\$1,317	(\$817)
Flag Football	\$600	\$1,317	(\$717)
Youth Basketball Clinics	\$125	\$174	(\$49)
Tumbling	\$125	\$174	(\$49)
Youth Basketball League			
Resident	\$80	\$131	(\$51)
Non-Resident	\$95	\$131	(\$36)
Youth T-Ball / Baseball League			
Resident	\$85	\$131	(\$46)
Non-Resident	\$100	\$131	(\$31)
Track and Field			
Resident	\$95	\$131	(\$36)

Fee Name	Current Fee	Total Cost	Difference
Non-Resident	\$110	\$131	(\$21)
Soccer			
Resident	\$85	\$131	(\$46)
Non-Resident	\$100	\$131	(\$31)
Flag Football			
Resident	\$85	\$131	(\$46)
Non-Resident	\$100	\$131	(\$31)
Lacrosse			
Resident	\$95	\$131	(\$36)
Non-Resident	\$110	\$131	(\$21)
Non-Athletic Programs			
Afterschool Programming	New	\$275	N/A
School Break Camps	New	\$382	N/A
Summer Camp	\$60	\$710	(\$650)

The fees charged by the Parks and Recreation Department generally under-recover the costs of providing the associated services, with some exceptions. The largest deficit is seen between the proposed fee and the total cost for the co-ed softball, kickball, and volleyball leagues at about \$800 per team.

A few rental fees show over-recoveries, ranging from just over \$100 ('Auxiliary Gymnasium – Athletic Events') to \$1 ('Auxiliary Gymnasium – Non-Resident'). It is important to note that rental fees are generally not bound by the same cost restrictions as other types of user fees; because rentals are purely voluntary transactions that are influenced by many market factors other than cost (desirability of the facility, availability of other comparable facilities in the area, etc.), these fees can be set at the market rate, rather than purely on a cost basis.

PLANNING & ZONING

The Planning and Zoning Division is responsible for managing the City's growth and development through implementation of the Comprehensive Plan and the Zoning Ordinance. The Planning and Zoning fees included in this study relate to rezoning, variances, public notice, special administrative permits, signs, and land development. The following subsections discuss fee schedule modifications and detailed per-unit results for the fee-related services provided by Planning and Zoning.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** Staff proposed eliminating the following fees as they are either no longer needed or are duplicative:
 - 'Residential – Final Plats – Inspection'
 - 'Residential – Final Plats – Final Inspection and Punch List'
 - 'Revisions'
- **New Fees:** Staff proposed the addition of the following fees as they highlight services either already provided and not codified on the fee schedule or services the City would like to provide in a different way:
 - 'Re-Posting Signs'
 - 'Sign Review'
 - 'Tree Removal Permit'
- **Condensed Fees:** Staff proposed collapsing the 'Clearing', 'Clearing and Grubbing', and 'Grading Permit' fees into a single fee for all residential and non-residential projects.
- **Expanded Fees:** For all zoning districts under the 'Rezoning from any district/major modification' section, staff proposed expanding the current list of acreage-based subcategories to include an additional subcategory for Overlays.
- **Modified Fees:** The 'Technology Fee' was converted from a flat fee to a percentage-based fee; this allows the City to better recover costs for large projects that have a greater impact on technology systems.

The modifications noted ensure that the proposed fee schedule more accurately reflects the services being provided by Planning and Zoning staff.

DETAILED RESULTS

Planning and Zoning collects fees for rezoning, variances, signs, public noticing, and land development. The total cost calculated for each service includes direct staff costs and Departmental, Divisional, and

Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 6: TOTAL COST PER UNIT RESULTS – PLANNING & ZONING

Fee Name	Current Fee	Total Cost	Difference
Technology Fee	Modified	6%	N/A
Permit Applications			
Variations			
<u>Residential Single-Family Zoning Districts</u>			
Base	\$250	\$4,111	(\$3,861)
For each additional variance on the same piece of property (maximum of three variances)	\$50	\$417	(\$367)
<u>Medium and High Density Residential Districts, Mixed-Use Districts, Nonresidential Districts, and Commercial Uses in Residential</u>			
Base	\$350	\$4,359	(\$4,009)
For each additional variance on the same piece of property (maximum of three variances)	\$100	\$417	(\$317)
<u>All Signs</u>			
Base	\$350	\$4,111	(\$3,761)
For each additional variance on the same piece of property (maximum of three variances)	\$100	\$417	(\$317)
Sign Review	New	\$208	N/A
Zoning Certification Letter	\$50	\$124	(\$74)
Minor Modification	\$250	\$339	(\$89)
Major Modification	\$250	\$3,117	(\$2,867)
Special Land Use Permit (SLUP)	\$400	\$4,111	(\$3,711)
Swimming Pool	\$50	\$339	(\$289)
Rezoning from any district/major modification			
RE District			
0 to 5 acres	\$500	\$2,032	(\$1,532)
5+ to 10 acres	\$1,000	\$3,196	(\$2,196)
10+ to 20 acres	\$1,500	\$4,111	(\$2,611)
20+ to 100 acres	\$2,000	\$4,506	(\$2,506)
<u>100+ acres</u>			
Base	\$2,500	\$4,506	(\$2,006)
Per acre for any portion thereof over 100 acres.	\$40	\$62	(\$22)
RE District in an Overlay	New	\$4,359	N/A
RLG, R-100, R-85, R-75, R- 60			
0 to 5 acres	\$300	\$2,032	(\$1,732)
5+ to 10 acres	\$700	\$3,196	(\$2,496)
10+ to 20 acres	\$1,000	\$4,111	(\$3,111)
20+ to 100 acres	\$1,500	\$4,506	(\$3,006)
<u>100+ acres</u>			
Base	\$2,500	\$4,506	(\$2,006)
Per acre for any portion thereof over 100 acres.	\$40	\$62	(\$22)
RLG, R-100, R-85, R-75, R- 60 in an Overlay	New	\$4,359	N/A
MHP, RNC, Medium and High Density Residential Districts, Mixed-Use Districts, Nonresidential Districts			
0 to 5 acres	\$500	\$2,281	(\$1,781)

Fee Name	Current Fee	Total Cost	Difference
5+ to 10 acres	\$100	\$3,568	(\$3,468)
10+ to 20 acres	\$1,500	\$4,359	(\$2,859)
20+ to 100 acres	\$2,000	\$5,127	(\$3,127)
100+ acres			
Base	\$2,500	\$5,127	(\$2,627)
Per acre for any portion thereof over 100 acres.	\$20	\$93	(\$73)
MHP, RNC, Medium and High Density Residential Districts, Mixed-Use Districts, Nonresidential Districts in an Overlay	New	\$4,607	N/A
Public Notice			
All Land Use and Variance, and Administrative Appeal Petitions (except Administrative and Minor)			
Signs	\$80	\$45	\$35
Re-Posting Signs	New	\$45	N/A
Advertising (Public Notice)	\$50	\$68	(\$18)
Special Administrative Permit			
Temporary outdoor events			
Base	\$50	\$508	(\$458)
Per Day	\$10	\$84	(\$74)
Temporary outdoor sales, seasonal	\$50	\$508	(\$458)
Temporary Outdoor Retail Sales			
Base	\$50	\$508	(\$458)
Per Day	\$10	\$84	(\$74)
Temporary or seasonal farmer's markets; Temporary produce stand	\$50	\$508	(\$458)
Temporary Structure	\$50	\$508	(\$458)
Urban Community Garden, over 5 acres	\$50	\$508	(\$458)
Telecommunication	\$50	\$508	(\$458)
Home Occupation or Home-based business	\$100	\$339	(\$239)
Festival/Event (horseshow, music festival, etc.)			
Base	\$50	\$508	(\$458)
Per Day	\$10	\$84	(\$74)
Events, Outdoors Seasonal (Christmas tree, pumpkinseed)	\$50	\$508	(\$458)
Roadside Vendor			
Base	\$50	\$508	(\$458)
Per Day	\$10	\$84	(\$74)
Roadside Produce Stand	\$50	\$508	(\$458)
Sexually Oriented Business	\$50	\$4,359	(\$4,309)
Special Administrative Event Permit			
5 days or less	\$200	\$508	(\$308)
14 days	\$300	\$1,378	(\$1,078)
All Other Administrative Permits	\$25	\$508	(\$483)
Sign Variances			
Sign Variances			
Minor Modification	\$30	\$339	(\$309)
Major Modification	\$250	\$3,117	(\$2,867)
Sign Permit Fees			
Directional Sign/Wayfinding Signs	\$100	\$4,111	(\$4,011)
Special Event Sign	\$100	\$84	\$16

Fee Name	Current Fee	Total Cost	Difference
All other sign permits	\$100	\$508	(\$408)
Banner	\$25	\$508	(\$483)
Wall Signs			
Under 50 square feet	\$50	\$666	(\$616)
50 to 100 square feet	\$75	\$1,084	(\$1,009)
Over 100 square feet	\$100	\$1,378	(\$1,278)
Ground / Monumental Signs			
Under 50 square feet	\$100	\$666	(\$566)
50 to 100 square feet	\$150	\$1,084	(\$934)
Over 100 square feet	\$200	\$1,378	(\$1,178)
Land Development Fee Schedule			
Technology Fee	Modified	6%	N/A
Clearing or Clearing and Grubbing or Grading Permit - Residential/Nonresidential			
Review	\$300	\$852	(\$552)
Inspection	\$25	\$532	(\$507)
Tree Removal Permit	New	\$527	N/A
Development Permit			
Residential - Single Family			
Engineering (less than 2 Acres)			
<u>Review</u>			
Base	\$300	\$1,052	(\$752)
Per Lot	\$15	\$22	(\$7)
<u>Inspection</u>			
Base	\$200	\$532	(\$332)
Per Acre	\$100	\$133	(\$33)
Erosion Control (less than 2 Acres)			
Review	\$200	\$1,052	(\$852)
<u>Inspection</u>			
Base	\$100	\$390	(\$290)
Per Acre	\$50	\$66	(\$16)
Engineering (more than 2 Acres)			
<u>Review</u>			
Base	\$400	\$1,585	(\$1,185)
Per Lot	\$15	\$22	(\$7)
<u>Inspection</u>			
Base	\$400	\$1,065	(\$665)
Per Acre	\$100	\$133	(\$33)
Erosion Control (more than 2 Acres)			
Review	\$300	\$1,585	(\$1,285)
<u>Inspection</u>			
Base	\$200	\$656	(\$456)
Per Acre	\$50	\$133	(\$83)
As-Built Plans Review			
Review	\$0	\$66	(\$66)
Inspection	\$0	\$133	(\$133)
Residential - Town Homes (Fee Simple)			
Engineering			
<u>Review</u>			

Fee Name	Current Fee	Total Cost	Difference
Base	\$300	\$390	(\$90)
Per Lot	\$15	\$22	(\$7)
<u>Inspection</u>			
Base	\$400	\$532	(\$132)
Per Acre	\$100	\$133	(\$33)
Erosion Control			
<u>Review</u>			
Base	\$150	\$920	(\$770)
Per Lot	\$15	\$22	(\$7)
<u>Inspection</u>			
Base	\$200	\$532	(\$332)
Per Acre	\$50	\$66	(\$16)
Residential - Final Plats			
First Review			
<u>Review</u>			
Base	\$200	\$460	(\$260)
Per Lot	\$5	\$8	(\$3)
Second Review			
<u>Review</u>			
Base	\$200	\$199	\$1
Third Review and Subsequent Reviews			
<u>Review</u>			
Base	\$200	\$199	\$1
Recording Fee			
<u>Review</u>			
Base	\$100	\$136	(\$36)
Per Lot	\$20	\$45	(\$25)
Nonresidential - Condominium			
Engineering			
<u>Review</u>			
Base	\$300	\$328	(\$28)
Per Lot	\$10	\$45	(\$35)
<u>Inspection</u>			
Base	\$400	\$532	(\$132)
Per Acre	\$100	\$133	(\$33)
Erosion Control			
<u>Review</u>			
Base	\$300	\$920	(\$620)
Per Lot	\$10	\$22	(\$12)
<u>Inspection</u>			
Base	\$200	\$266	(\$66)
Per Acre	\$50	\$66	(\$16)
Nonresidential - Apartment			
Engineering			
<u>Review</u>			
Base	\$300	\$461	(\$161)
Per Lot	\$10	\$45	(\$35)
<u>Inspection</u>			
Base	\$400	\$665	(\$265)

Fee Name	Current Fee	Total Cost	Difference
Per Acre	\$100	\$133	(\$33)
Erosion Control			
<u>Review</u>			
Base	\$300	\$1,319	(\$1,019)
Per Lot	\$10	\$22	(\$12)
<u>Inspection</u>			
Base	\$200	\$266	(\$66)
Per Acre	\$50	\$66	(\$16)
Nonresidential - Commercial/Institutional			
Engineering			
<u>Review</u>			
Base	\$300	\$328	(\$28)
<u>Inspection</u>			
Base	\$400	\$665	(\$265)
Per Acre	\$300	\$133	\$167
Erosion Control			
<u>Review</u>			
Base	\$300	\$1,319	(\$1,019)
Per Lot	\$10	\$22	(\$12)
<u>Inspection</u>			
Base	\$200	\$266	(\$66)
Per Acre	\$50	\$66	(\$16)
Nonresidential - Other Service Fees			
State Water Determination Fee			
Review	N/A	\$133	N/A
Inspection	\$200	\$266	(\$66)
Arborist Tree Assessment Fee (Per Site Visit)			
Review	N/A	\$263	N/A
Inspection	\$150	\$263	(\$113)
Dumpster Permit Fee			
Review	\$50	\$195	(\$145)
Inspection	\$50	\$133	(\$83)
Permit Extension (3 Months)	\$300	\$332	(\$32)
Land Development Revisions (After Permit Issuance)	\$300	\$719	(\$419)
Lot Division/Combination			
Review	\$200	\$532	(\$332)
Penalty for Site Activity Prior to Obtaining Permit Review	\$300	\$532	(\$232)
Stream Buffer Variance Application Fee-Existing Home			
Review	\$100	\$133	(\$33)
Inspection	\$100	\$532	(\$432)
Stream Buffer Variance Application Fee-New			
Review	\$100	\$266	(\$166)
Inspection	\$200	\$532	(\$332)
City Review			
Review	\$300	\$332	(\$32)

Most fees administered by Planning and Zoning under-recover. The largest deficit is in relation to a 'Special Administrative Permit' for a 'Sexually Oriented Business' at about \$4,300. The next largest

under-recoveries are associated with the 'Directional Sign/Wayfinding Sign' fee (\$4,000) and the base fees for 'Variances' (from \$3,800 to \$4,000).

Two fees currently over-recover the associated costs. The Development Fee for 'Nonresidential - Commercial/Institutional – Engineering Inspection Per Acre' has the largest overcharge at about \$170.

City staff should review these results and consider adjusting fees to be in compliance with laws and regulations, as well as to allow for greater cost recovery.

COST RECOVERY CONSIDERATIONS

The following sections provide guidance regarding how and where to increase fees, determine annual update factors, and develop cost recovery policies and procedures.

FEE ADJUSTMENTS

This study has documented and outlined on a fee-by-fee basis where the City is under- and over-collecting for its fee-related services. City and Department management will now need to review the study results and adjust fees per Departmental and City philosophies and policies. The following points outline the major options the City has in adjusting its fees:

- **Over-Collection:** Upon review of the fees that were shown to be over-collecting for costs of services provided, the City should reduce the current fee to be in line with the full cost of providing the service.
- **Full Cost Recovery:** For fees that show an under-collection for costs of services provided, the City may decide to increase the fee to full cost recovery immediately.
- **Phased Increase:** For fees with significantly low-cost recovery levels, or which would have a significant impact on the community, the City could choose to increase fees gradually over a set period.

The City will need to review the results of the fee study and associated cost recovery levels and determine how best to adjust fees. While decisions regarding fees that currently show an over-recovery are straightforward, the following subsections provide further detail on why and how the City should consider either implementing Full Cost Recovery or a Phased Increase approach to adjusting its fees.

FULL COST RECOVERY

Based on the permit or review type, the City may wish to increase the fee to cover the full cost of providing services. Certain permits may be close to cost recovery already, and an increase to full cost may not be significant. Other permits may have a more significant increase associated with full cost recovery.

Increasing fees associated with permits and services that are already close to full cost recovery can potentially bring a Department's overall cost recovery level higher. Often, these minimal increases can provide necessary revenue to counterbalance fees that cannot be increased.

The City should consider increasing fees for permits for which services are rarely engaged to full cost recovery. These services often require specific expertise and can involve more complex research and review due to their infrequent nature. As such, setting these fees at full cost recovery will ensure that when the permit or review is requested, the City is recovering the full cost of its services.

PHASED INCREASES

Depending on current cost recovery levels, some current fees may need to be increased significantly to comply with established or proposed cost recovery policies. Due to the type of permit or review or the amount by which a fee needs to be increased, it may be best for the City to use a phased approach to reaching its cost recovery goals.

As an example, you may have a current fee of \$200 with a full cost of \$1,000, representing 20% cost recovery. If the current policy is 80% cost recovery, the current fee would need to increase by \$600, bringing the fee to \$800, to comply with proposed recovery levels. Assuming this service is something the City provides quite often and affects various members of the community, an instant increase of \$600 may not be feasible. Therefore, the City could take a phased approach, whereby it increases the fee annually over a set period until cost recovery is achieved.

Raising fees over a set period not only allows the City to monitor and control the impact to applicants but also ensure that applicants have time to adjust to significant increases. Continuing with the example above, the City could increase the fee by \$150 per year for the next four years, spreading out the increase. Depending on the desired overall increase and the impact to applicants, the City could choose to vary the number of years by which it chooses to increase fees. However, the project team recommends that the City not phase increases for periods greater than five years, as that is the maximum window after which a comprehensive fee assessment should be completed.

ANNUAL ADJUSTMENTS

Conducting a comprehensive analysis of fee-related services and costs annually would be quite cumbersome and costly. The general recommendation is that a comprehensive fee analysis should be conducted every five to seven years. This allows jurisdictions to ensure they account for organizational changes, such as staffing levels and merit increases, and process efficiencies, code or rule changes, or technology improvements. Developing annual update mechanisms allow jurisdictions to maintain current levels of cost recovery, while accounting for increases in staffing or expenditures related to permit services. The two most common types of update mechanisms are Consumer Price Index (CPI) and Cost of Living Adjustment (COLA) factors. The following points provide further detail on each of these mechanisms:

- **COLA / Personnel Cost Factor:** Jurisdictions often provide their staff with annual salary adjustments to account for increases in local cost of living. These increases are not tied to merit or seniority but rather meant to offset rising costs associated with housing, gas, and other livability factors. Sometimes these factors vary depending on the bargaining group of a specific employee. Generally, these factors are around two or three percent annually.
- **CPI / ECI Factor:** A common method of increasing fees or cost is to look at regional cost indicators, such as the Consumer Price Index or Employment Cost Index. These factors are calculated by the Bureau of Labor Statistics, are put out at various intervals within a year, and are specific to states and regions.

The City of Stonecrest should pick one of these factors to ensure that fees are increased in alignment with cost increases.

POLICIES AND PROCEDURES

This study has identified areas where the City is under-collecting the costs associated with providing services. This known funding gap is therefore being subsidized by other City revenue sources.

Development of cost recovery policies and procedures will ensure that current and future decision makers understand how and why fees were determined and set, as well as provide a road map for ensuring consistency when moving forward. The following subsections outline typical cost recovery levels and discuss the benefits of developing target cost recovery goals and procedures for achieving and increasing cost recovery.

TYPICAL COST RECOVERY

The Matrix Consulting Group has extensive experience in analyzing local government operations across the United States and has calculated typical cost recovery ranges. The following table outlines cost recovery ranges by major service area.

TABLE 7: TYPICAL COST RECOVERY RANGES BY MAJOR SERVICE AREA

Service Areas	Typical Cost Recovery Ranges
Building	80-100%
Finance	50-80%
Parks & Recreation	70-90%
Planning & Zoning	50-80%

On average, Stonecrest’s Building fees recover **65%** of their costs on a per-unit basis. This is below the typical cost recovery range seen in other jurisdictions. The average per-unit cost recovery for Finance is **66%**, which is within the typical cost recovery range. Parks and Recreation recovers **71%** of the costs of administering its fees, on average. This falls within the typical cost recovery range. Planning falls below the typical cost recovery range, recovering an average of **40%** of its costs on a per-fee basis.

DEVELOPMENT OF COST RECOVERY POLICIES AND PROCEDURES

The City should review the current cost recovery levels and adopt a formal policy regarding cost recovery. This policy can be general in nature and can apply broadly to the City as a whole or to each department and division specifically. A department-specific cost recovery policy would allow the City to better control the cost recovery associated with different types of services being provided and the community benefit received.

APPENDIX – COMPARATIVE SURVEY

As part of the Cost of Services (User Fee) study for the City of Stonecrest, Matrix Consulting Group conducted a comparative survey of user fees. The City identified five municipalities to be included in the comparative survey: Alpharetta, Brookhaven, Dunwoody, Marietta, and Smyrna. The project team then reviewed public documents (i.e., agenda items, staff reports, budgets, fee schedules, and ordinances) and/or contacted jurisdictions to get comparative information.

While this full report provides the City with a reasonable estimate and understanding of the true costs of providing services, many jurisdictions also wish to benchmark themselves against other comparable jurisdictions to understand the local “rates” for comparable services. This type of comparative analysis allows for the City to assess what types of changes in fee levels their community can bear. However, benchmarking does not provide adequate information regarding the relationship of other jurisdictions’ costs to their fees (i.e., policy decisions to subsidize, cost recovery goals, etc.). To contextualize this portion of the analysis, the project team provided economic and recency factors for the comparable jurisdictions.

The following sections detail various factors to consider when reviewing comparative survey results, as well as graphical comparisons of current fees and total calculated costs for various permits issued or services provided by the City.

ECONOMIC FACTORS

To provide additional context to the comparative survey information, the project team collected economic factors for the jurisdictions included. Three important economic factors to consider when comparing fees across multiple jurisdictions are: population, budget, and workforce size. These factors can impact how and when fees are administered, as a jurisdiction with a smaller population may choose to not charge a fee, or a smaller workforce size may inhibit their ability to administer a fee.

The following tables rank each jurisdiction from smallest to largest for each of these economic factors:

TABLE 8: RANKING OF JURISDICTIONS BY POPULATION

Jurisdiction	Population⁷
Dunwoody	51,795
Smyrna	57,177
Brookhaven	59,370
Stonecrest	61,015
Marietta	63,122
Alpharetta	67,275

⁷ 2024 Census estimates were used for all jurisdictions.

TABLE 9: RANKING OF JURISDICTIONS BY CITYWIDE TOTAL BUDGET

Jurisdiction	FY2025 Budget ⁸
Stonecrest	\$30,147,100
Dunwoody	\$70,533,717
Smyrna	\$105,697,703
Brookhaven	\$142,447,818
Alpharetta	\$163,590,569
Marietta	\$359,947,689

TABLE 10: RANKING OF JURISDICTIONS BY FTE

Jurisdiction	FY2025 Authorized FTE
Stonecrest	102.00
Dunwoody	127.50
Brookhaven	230.60
Alpharetta	473.50
Smyrna	480.49
Marietta	810.00

When compared to the surveyed jurisdictions, the City of Stonecrest has an average population size but the lowest budget and FTE count.

RECENCY FACTOR

While the above comparative information can provide some perspective when paralleling Stonecrest’s fees with surveyed jurisdictions, other key factors to consider are when a jurisdiction’s fee schedule was last updated and when the last comprehensive analysis was undertaken. It is important to note that even when jurisdictions have conducted recent fee studies, their fees are not always adopted at full cost recovery. The comparative results only show the adopted fee for the surveyed jurisdiction, not necessarily the full cost associated with the comparable service. The following tables detail when each surveyed jurisdiction last updated its fee schedule:

TABLE 11: LAST FEE SCHEDULE UPDATE

Jurisdiction	Response
Alpharetta	N/A ⁹
Brookhaven	2023
Dunwoody	2024
Marietta	2024
Smyrna	2025

All the surveyed jurisdictions have published an updated fee schedule within the last two to three years. However, none of the surveyed jurisdictions have conducted a comprehensive fee study.

⁸ To ensure appropriate comparisons, full operating budget (all funds) has been used for all jurisdictions.
⁹ Alpharetta generally updates fees individually on an as-needed basis.

ADDITIONAL FACTORS

Along with keeping the statistics outlined in the previous sections in mind, the following issues should also be noted regarding the use of market surveys in the setting of fees for service:

- **Cost Recovery Factors:** Each jurisdiction and its fees are different, and many are not based on the actual cost of providing services as various policy decisions may subsidize services.
- **Fee Variance Factors:** A fee with the same name may encompass different types of services or activities across jurisdictions. Variability may stem from differences in service delivery models (e.g., in-house vs. contracted), the scope of work included under the fee, and staffing configurations, all of which can influence how indirect and overhead costs are allocated.

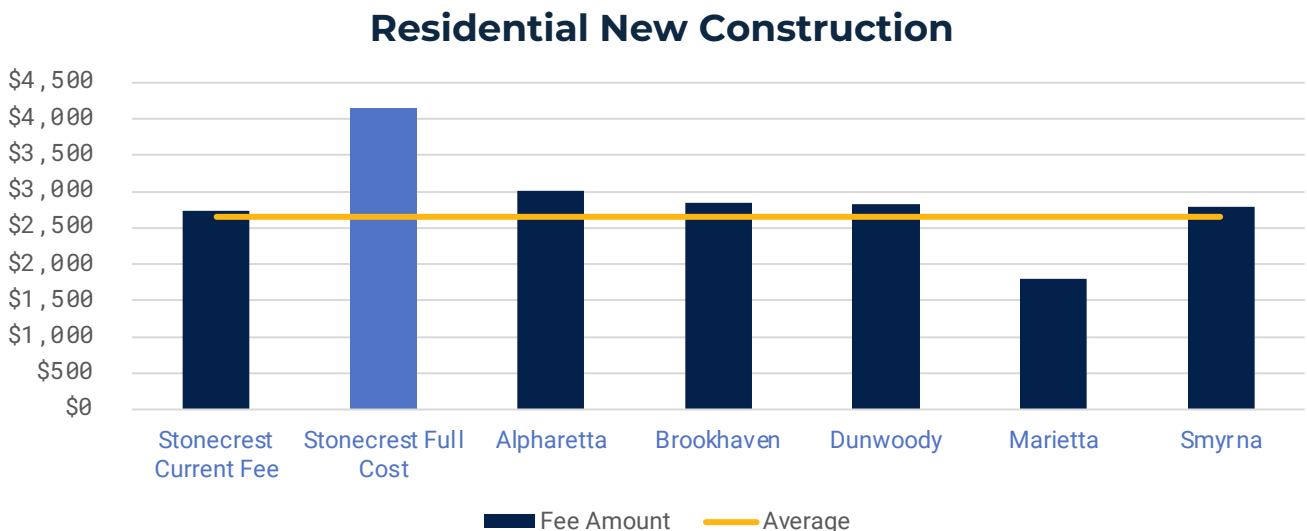
In addition to the issues noted, market surveys can also run the risk of creating a confusing excess of data that will obscure rather than clarify policy issues. Because each jurisdiction is different, the Matrix Consulting Group recommends that the information contained in the market comparison of fees be used as a secondary decision-making tool, rather than the primary method for determining an acceptable price point for services.

COMPARATIVE SURVEY RESULTS

As part of this study, the project team conducted a survey of how the City’s current user fees and calculated full cost compare to other identified jurisdictions. The following subsections provide a comparative look at several fee-related services provided by the City versus the surveyed jurisdictions.

RESIDENTIAL NEW CONSTRUCTION

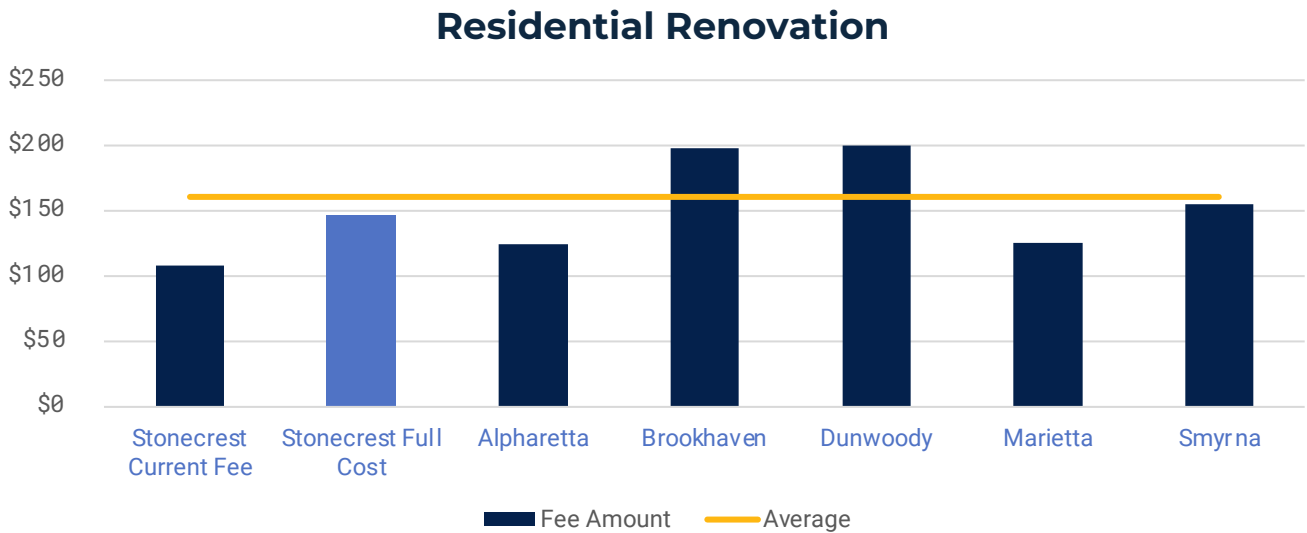
For a residential new construction project valued at \$350,000, Building and Permitting currently charges a fee of \$2,730, which includes both plan check and inspection costs. Through this study, the project team calculated the full cost of this service to be \$4,143. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.



Stonecrest’s current fee is near the jurisdictional average of \$2,655 and is most similar to Smyrna’s fee (\$2,800). The City’s full cost, however, falls significantly above average and is higher than any other surveyed municipality. Marietta has the lowest fee at \$1,800, while Alpharetta has the highest at \$3,008.

RESIDENTIAL RENOVATION

For a small residential renovation project valued at \$15,000, Building and Permitting currently charges a fee of \$108 for plan check and inspection. Through this study, the project team calculated the full cost of this service to be \$146. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

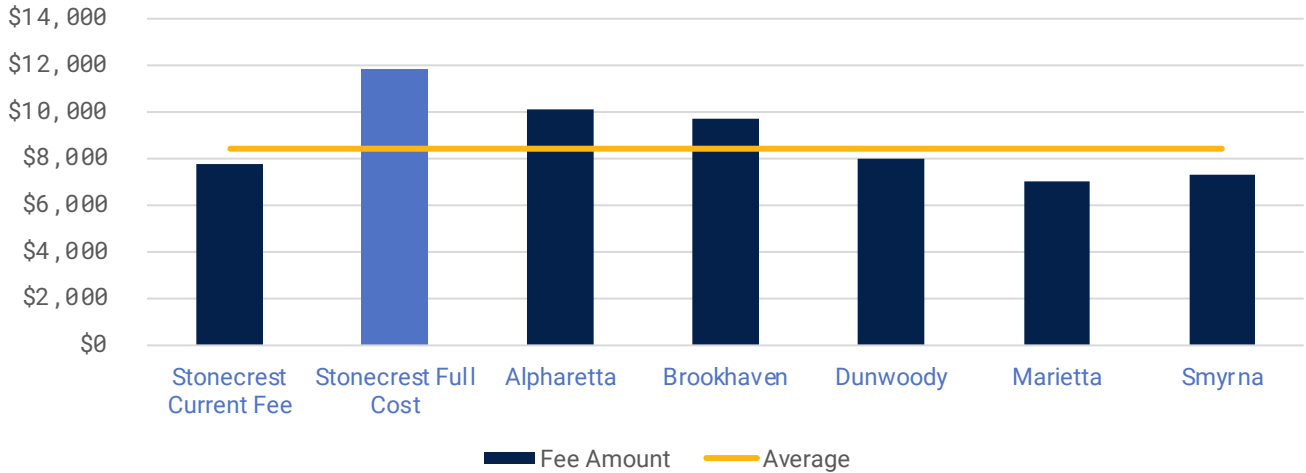


Stonecrest’s current fee and full cost are both below the jurisdictional average of \$160. The City’s current fee is most comparable to Alpharetta’s fee of \$124 and is the lowest fee among the surveyed jurisdictions. The City’s full cost is most comparable to Smyrna’s fee (\$155).

COMMERCIAL NEW CONSTRUCTION

For a commercial new construction project valued at \$1,000,000, Building and Permitting currently charges a fee of \$7,800 for plan check and inspection. Through this study, the project team calculated the full cost of this service to be \$11,837. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

Commercial New Construction

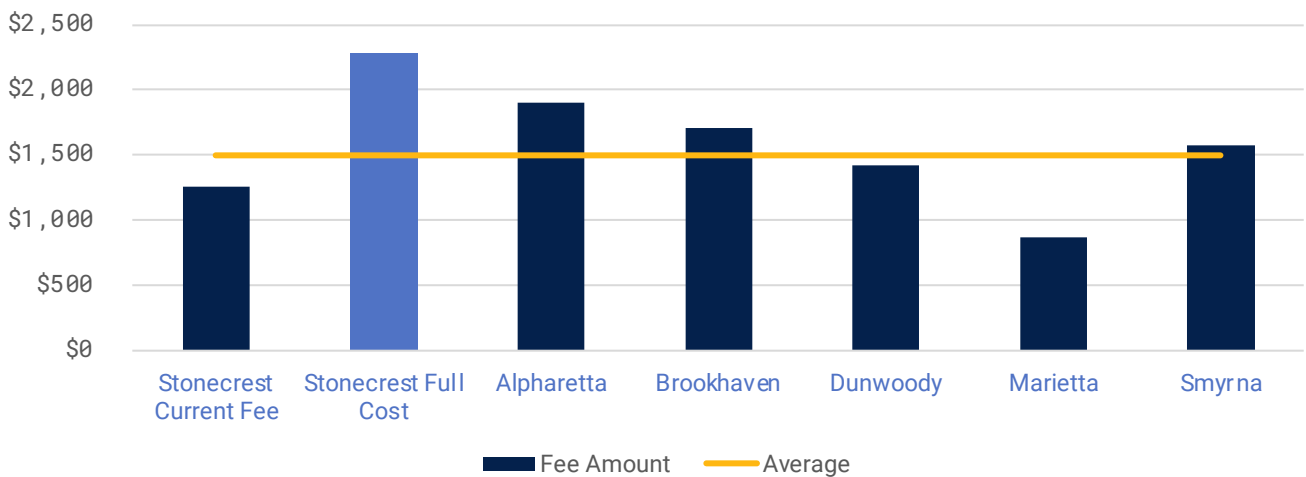


Stonecrest’s current fee falls below the jurisdictional average of \$8,465; it is most similar to Dunwoody’s fee (\$8,025). The City’s full cost, on the other hand, falls above average and is most comparable to Alpharetta’s fee of \$10,150, the highest among the surveyed jurisdictions. Marietta has the lowest fee at \$7,050.

COMMERCIAL INTERIOR FINISH

Building and Permitting currently charges a fee of \$1,260 for plan check and inspection of a commercial interior finish project valued at \$175,000. Through this study, the project team calculated the full cost of this service to be \$2,285. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

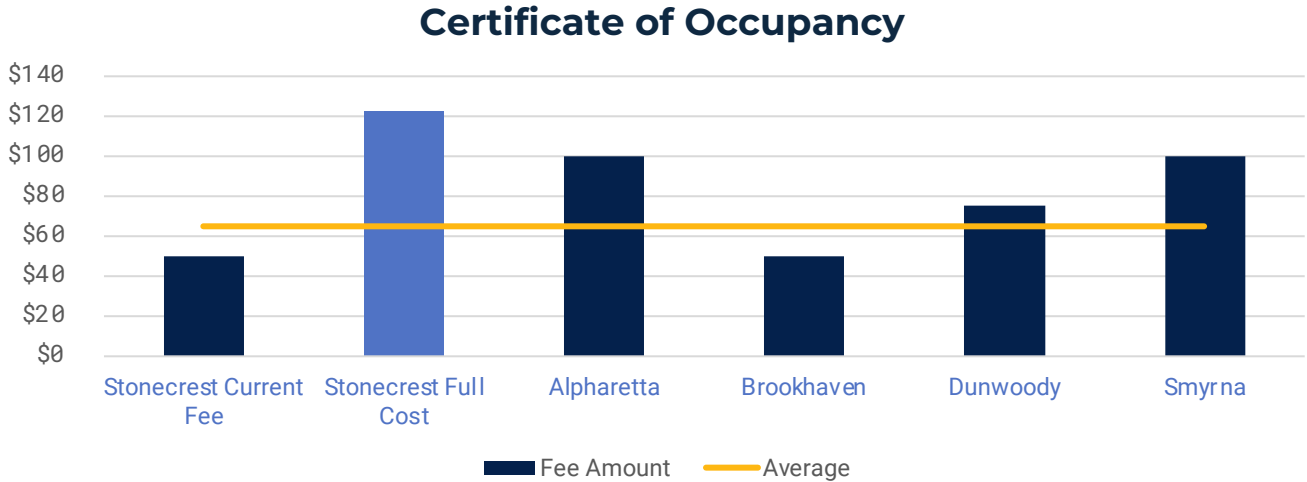
Commercial Interior Finish



Stonecrest’s current fee is below the jurisdictional average of \$1,496 and is closest to Dunwoody’s fee (\$1,425). The City’s full cost falls above average; it is higher than the fee of any surveyed jurisdiction but most similar to Alpharetta’s fee of \$1,900.

CERTIFICATE OF OCCUPANCY

Building and Permitting currently charges a fee of \$50 for a Certificate of Occupancy. Through this study, the project team calculated the full cost of this service to be \$123. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

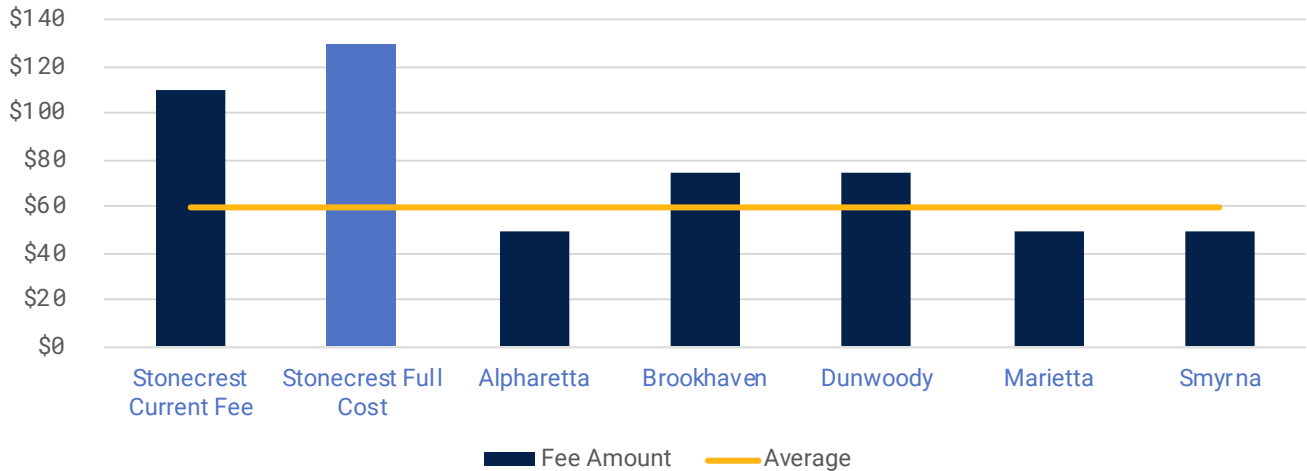


The City’s current fee is below the jurisdictional average of \$81; it is most comparable to Brookhaven’s fee, which is also \$50. Stonecrest’s full cost falls above average and is closest to Alpharetta and Smyrna’s fees (\$100 each).

WATER HEATER REPLACEMENT

Building and Permitting currently charges a fee of \$110 for the replacement of a water heater. Through this study, the project team calculated the full cost of this service to be \$130. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

Water Heater Replacement

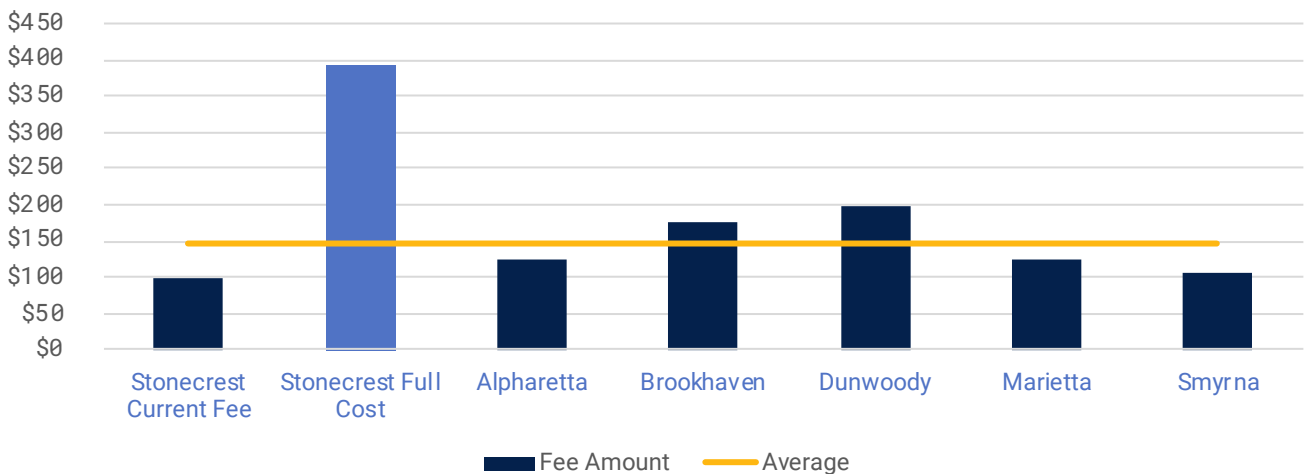


Both Stonecrest’s current fee and full cost are above the jurisdictional average of \$60. The jurisdictions with the highest fees among the survey group are Brookhaven and Dunwoody at \$75; all other jurisdictions charge \$50 for this permit.

SWIMMING POOL – SINGLE-FAMILY

Building and Permitting currently charges a fee of \$100 for a Single-Family Residential Swimming Pool permit. Through this study, the project team calculated the full cost of this service to be \$394. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.¹⁰

Swimming Pool - Single-Family



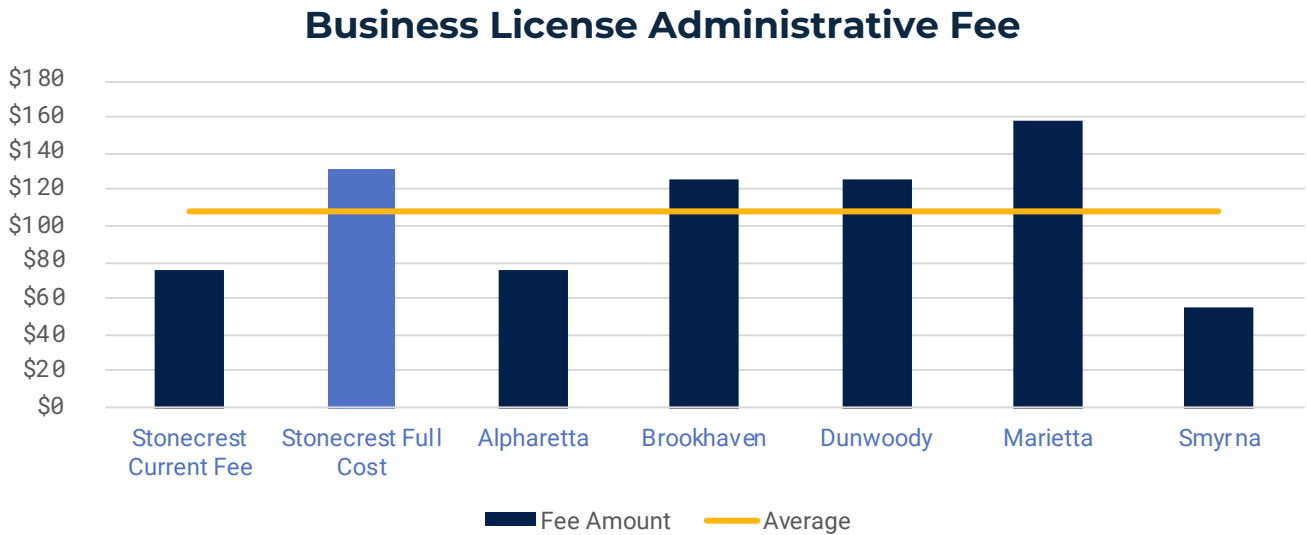
The City’s current fee falls below the jurisdictional average of \$146 and is most similar to Smyrna’s fee of \$100 (the lowest fee among the surveyed jurisdictions). Stonecrest’s full cost falls above average,

¹⁰ For those jurisdictions that do not have a separate Swimming Pool permit, a valuation of \$15,000 was used.

though, and is well above the fee of any surveyed municipality. Among the localities included here, only Brookhaven has a separate Pool fee; the other cities charge this fee based on valuation.

BUSINESS LICENSE ADMINISTRATIVE FEE

Finance currently charges a fee of \$75 as an administrative fee associated with issuing Business Licenses. Through this study, the project team calculated the full cost of this service to be \$131. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

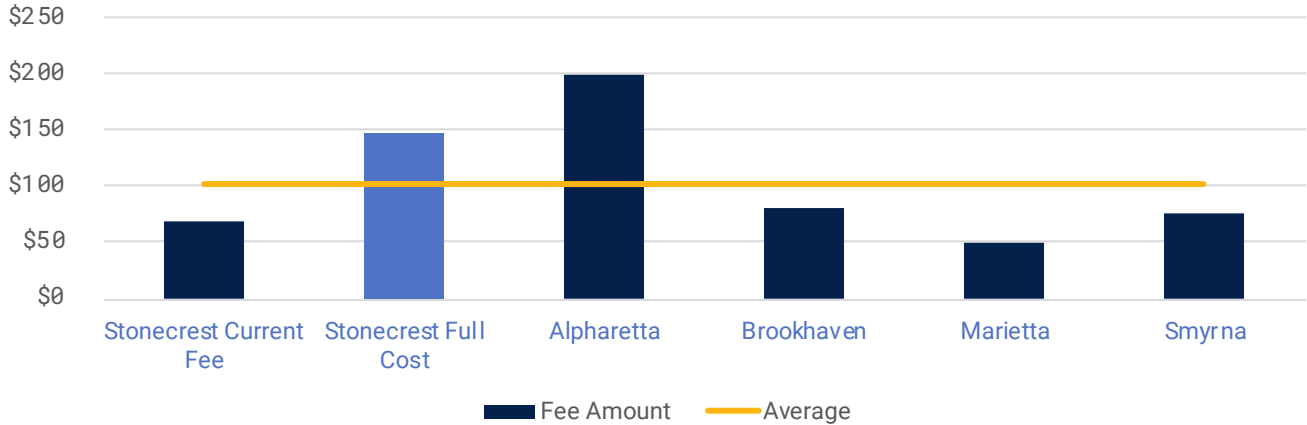


Stonecrest’s current fee is below the jurisdictional average of \$108; it is the same as Alpharetta’s fee (\$75) and higher than the lowest fee among the surveyed municipalities (Smyrna at \$55). The City’s full cost is above the jurisdictional average but lower than Marietta’s fee of \$158. Marietta charges both an Administrative Fee and a Processing Fee; both were considered together here to more directly compare to Stonecrest’s singular fee.

BROWNS MILL RECREATION CENTER MULTIPUPOSE ROOM A RENTAL

The Parks and Recreation Department currently charges a fee of \$70 for a resident to rent Multipurpose Room A at the Browns Bill Recreation Center for two hours. Through this study, the project team calculated the full cost of this service to be \$148. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

Browns Mill Recreation Center Multipurpose Room A Rental

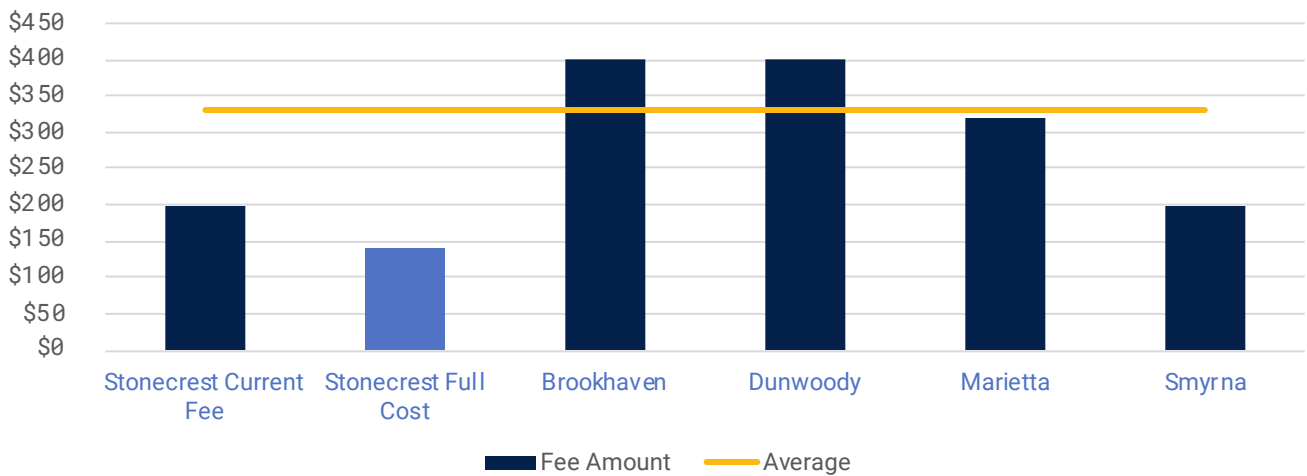


The City’s current fee is below the jurisdictional average of \$101 and most similar to Smyrna’s fee of \$75. Stonecrest’s full cost falls above average but is less than Alpharetta’s fee (\$200). It is important to note that these comparisons do not take into account factors such as the newness or desirability of the facility, although the project team makes the scenarios as comparable as possible.

BASEBALL FIELD RENTAL

The Parks and Recreation Department currently charges a fee of \$200 to rent a baseball field for an adult game for 4 hours. Through this study, the project team calculated the full cost of this service to be \$140. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

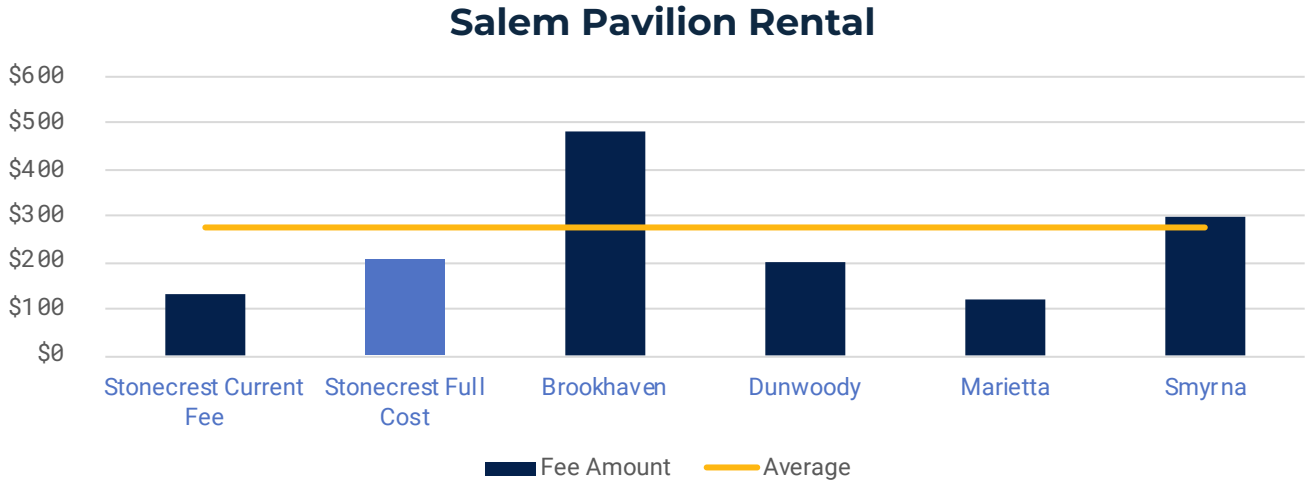
Baseball Field Rental



Stonecrest’s current fee and full cost both fall below the jurisdictional average of \$330. Both fees are most comparable to Smyrna’s fee (\$200). Notably, it is common for rental fees to be set at market rate, which may be above the cost of making those fields available for rent.

SALEM PAVILION RENTAL

Parks and Recreation currently charges a fee of \$135 to rent the Salem Park Pavilion for a full day. Through this study, the project team calculated the full cost of this service to be \$204. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.¹¹



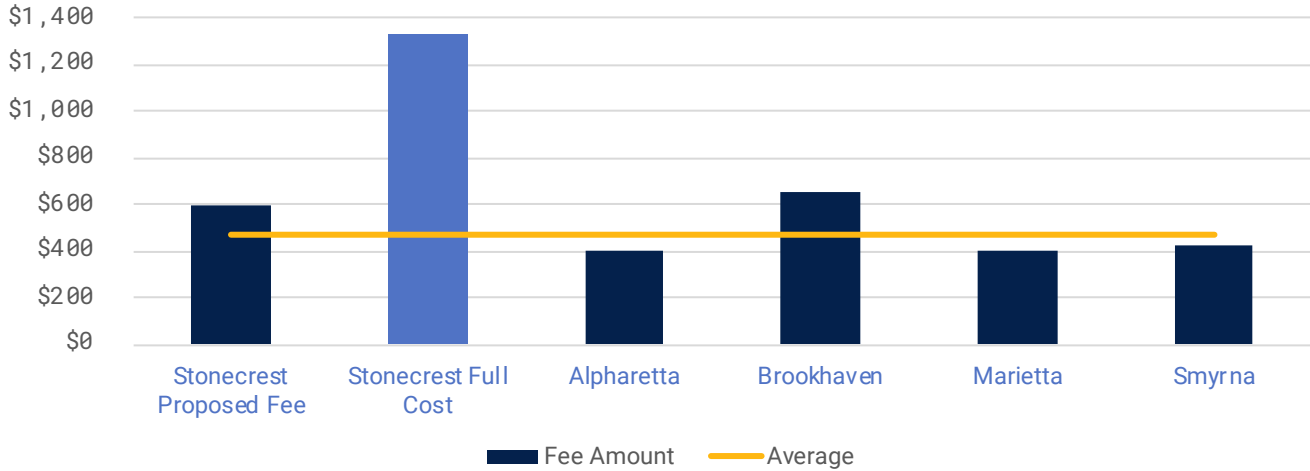
Stonecrest’s current fee and full cost both fall below the jurisdictional average of \$275. The City’s current fee is most similar to Marietta’s fee (\$120), while the full cost is closest to Dunwoody’s fee (\$200). Alpharetta does not rent most of its pavilions and does not charge for those it does rent.

MEN’S / WOMEN’S BASKETBALL LEAGUE

Parks and Recreation has proposed charging a fee of \$600 per team for a men’s or women’s basketball league. Through this study, the project team calculated the full cost of this service to be \$1,322 per team. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

¹¹ For those jurisdictions that charge an hourly fee, a rental duration of 6 hours was used.

Men's / Women's Basketball League

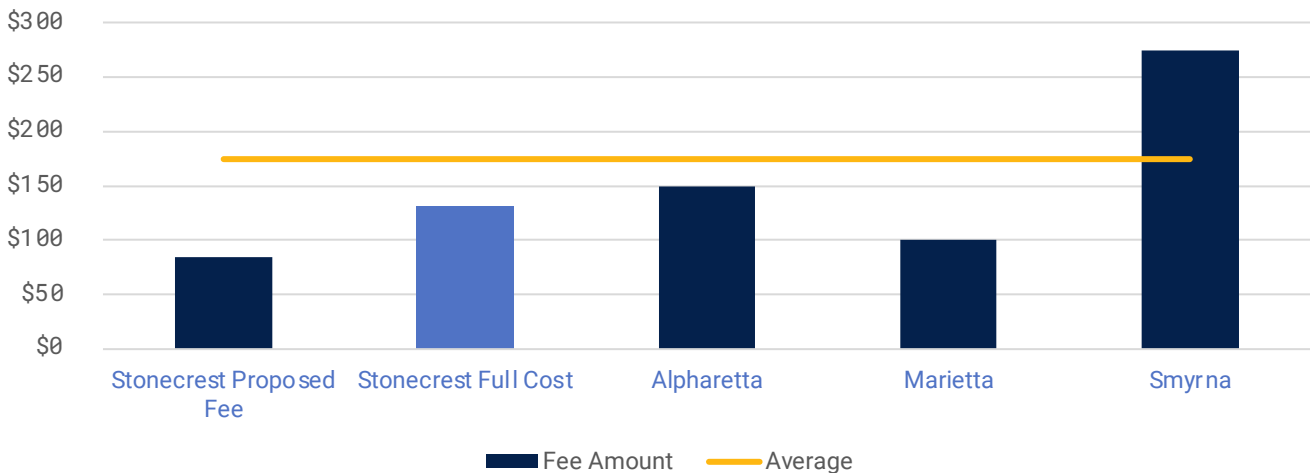


Stonecrest’s proposed fee and full cost are both above the jurisdictional average of \$468. The proposed fee is similar to Brookhaven’s fee of \$650, but the full cost is not comparable to any fee charged by the comparison jurisdictions. It is important to note that recreational activity fees are often subsidized below the full cost of providing the service.

YOUTH BASKETBALL LEAGUE

The Parks and Recreation Department has proposed charging a fee of \$85 per DeKalb County resident for participation in a youth basketball league. Through this study, the project team calculated the full cost of this service to be \$131. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

Youth Basketball League

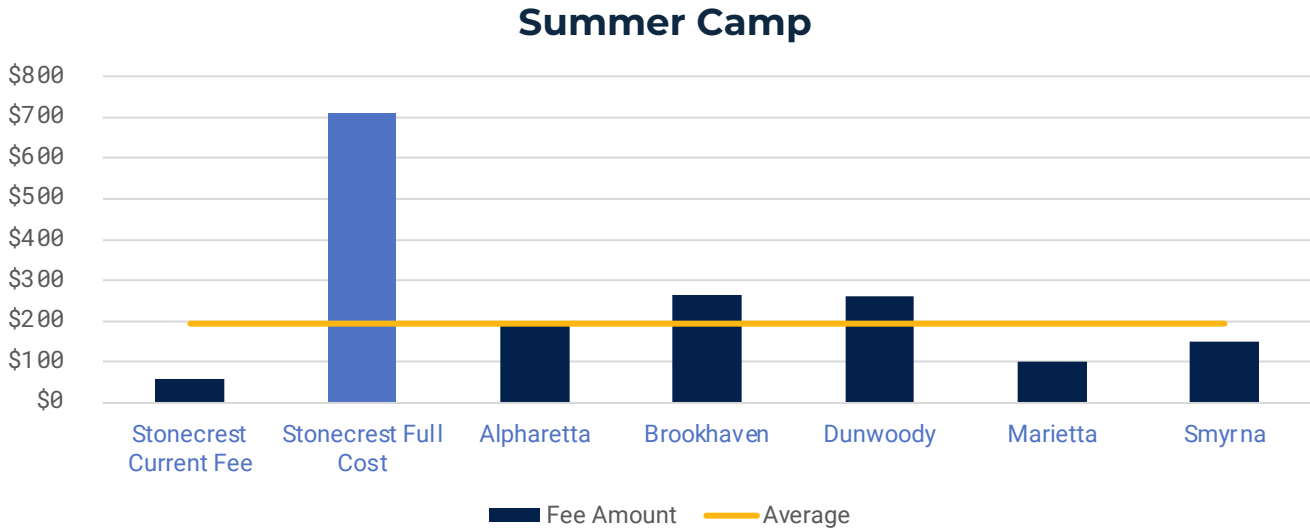


Stonecrest’s current fee and full cost are both below the jurisdictional average of \$175. The City’s current fee is most comparable to Marietta’s fee (\$85) while the full cost is most similar to Alpharetta’s fee

(\$150). Smyrna charges \$275, but it is important to note that Smyrna only provides the facility for these leagues, which are run by a local non-profit rather than in-house staff.

SUMMER CAMP

Parks and Recreation currently charges a fee of \$60 per participant per week for summer camp. Through this study, the project team calculated the full cost of this service to be \$710 per participant per week. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

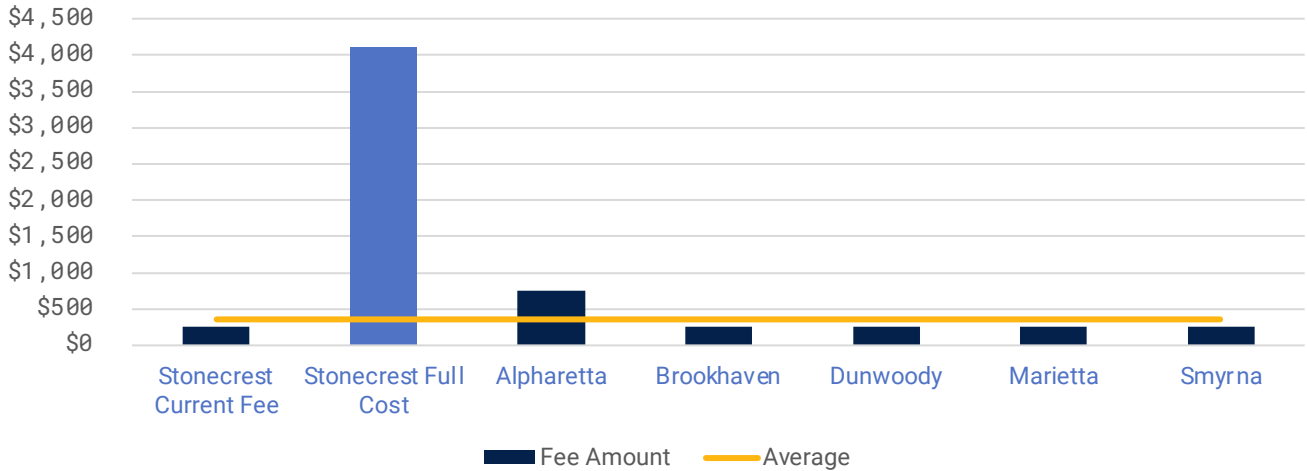


Stonecrest’s current fee falls below the jurisdictional average of \$194 and is closest to Marietta’s fee of \$100. The full cost of providing summer camp, however, is well above average and is not comparable to the fee charged by any of the surveyed municipalities. Brookhaven has the highest fee at \$265, followed closely by Dunwoody at \$260. Brookhaven’s summer camp is provided by the YMCA at Brookhaven facilities and is not provided by City staff. It is important to note that summer camp fees are often set well below full cost recovery due to the community benefit they provide.

VARIANCE – RESIDENTIAL SINGLE-FAMILY ZONING DISTRICTS

Planning and Zoning currently charges a fee of \$250 for a variance in residential single-family zoning districts. Through this study, the project team calculated the full cost of this service to be \$4,111. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

Variance - Residential Single-Family Zoning Districts

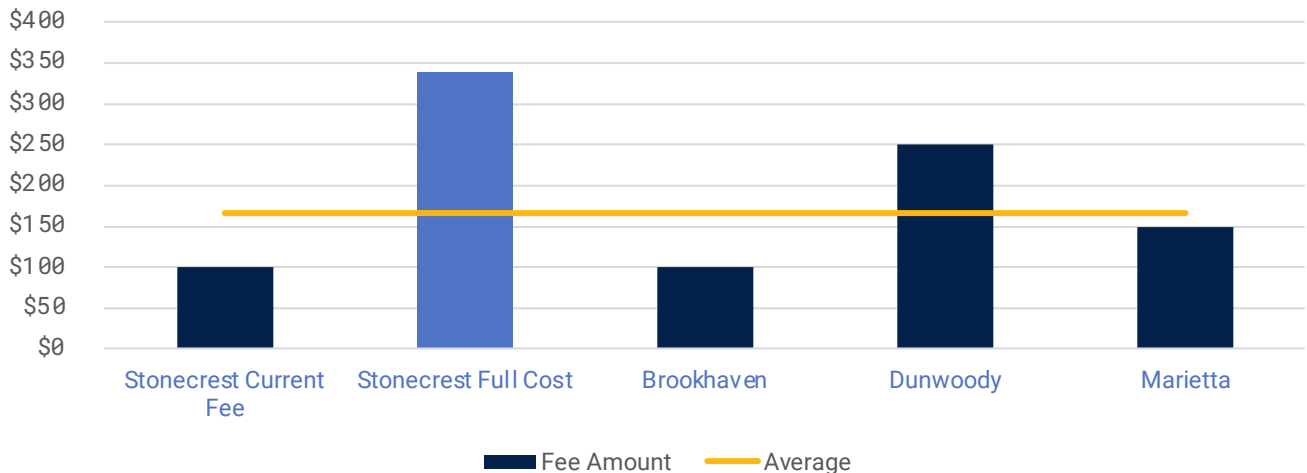


Stonecrest’s current fee is below the jurisdictional average of \$350; the full cost is well above the fee charged by any other surveyed jurisdiction. Brookhaven, Dunwoody, Marietta, and Smyrna all charge the same fee as Stonecrest (\$250). Alpharetta charges \$750 for a variance but does not consider the type of zoning district when assessing their fee.

HOME OCCUPATION OR HOME-BASED BUSINESS

Planning and Zoning currently charges a fee of \$100 for a Home Occupation or Home-based Business permit. Through this study, the project team calculated the full cost of this service to be \$339. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

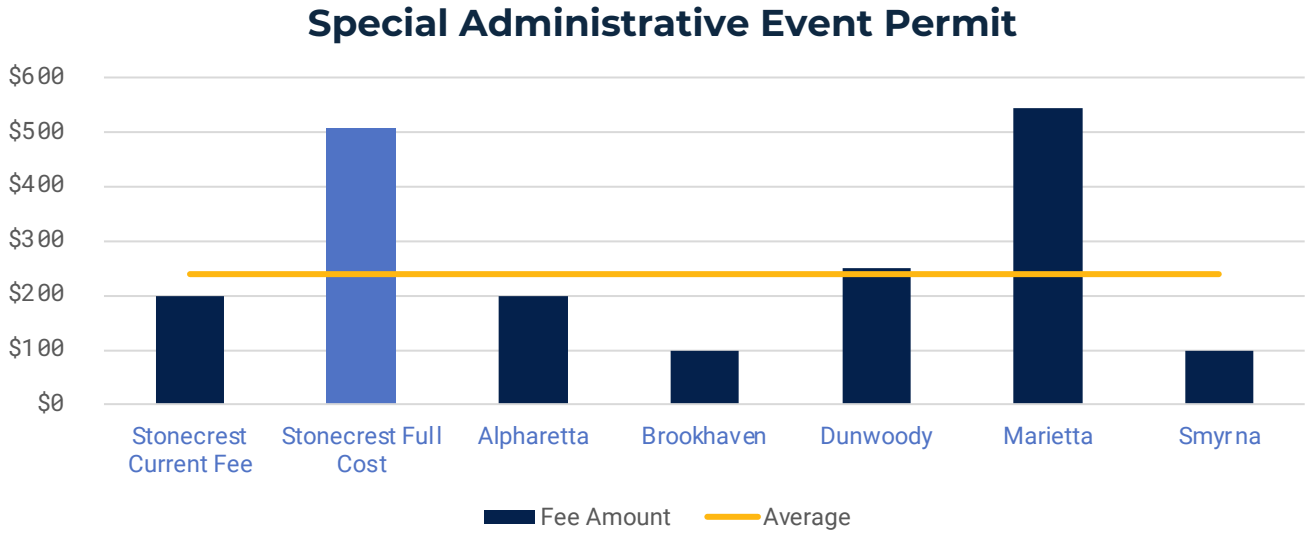
Home Occupation or Home-based Business



Stonecrest’s current fee falls below the jurisdictional average of \$167 and is the same as Brookhaven’s fee (\$100). The full cost is above average and is most comparable to Dunwoody’s fee (\$250).

SPECIAL ADMINISTRATIVE EVENT PERMIT

Planning and Zoning currently charges a fee of \$200 for a Special Administrative Event Permit for events that are 5 days or less. Through this study, the project team calculated the full cost of this service to be \$509. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

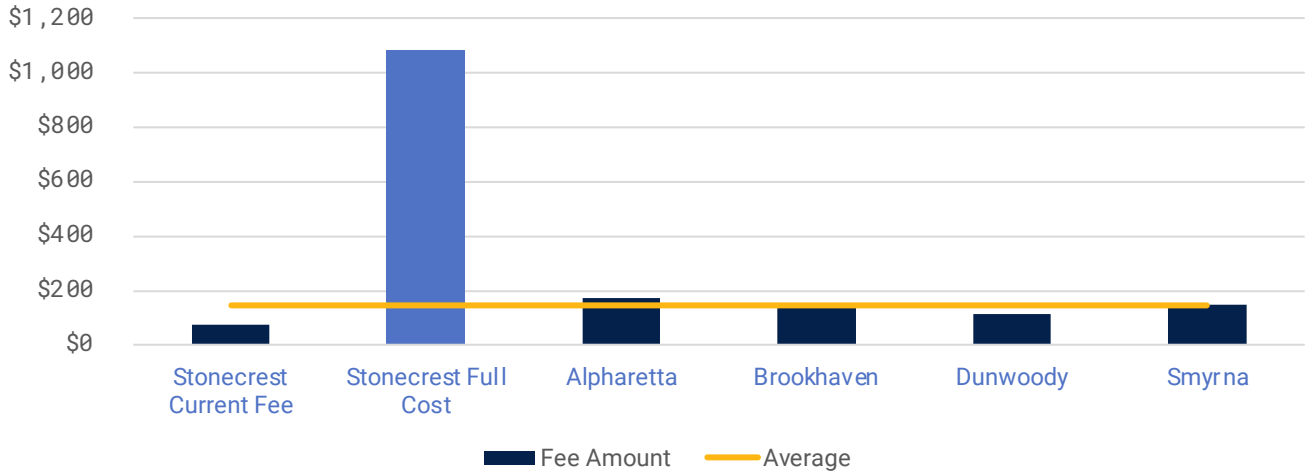


Stonecrest’s current fee is slightly below the jurisdictional average of \$239 and matches Alpharetta’s fee (\$200). The City’s full cost of providing this service is above average but similar to Marietta’s fee (\$545). Marietta’s fee as presented here includes an application fee and one event day; a longer event would incur a larger fee.

WALL SIGN PERMIT

Planning and Zoning currently charges a fee of \$75 for a Wall Sign Permit for signs that are between 50 and 100 square feet. Through this study, the project team calculated the full cost of this service to be \$1,084. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

Wall Sign Permit

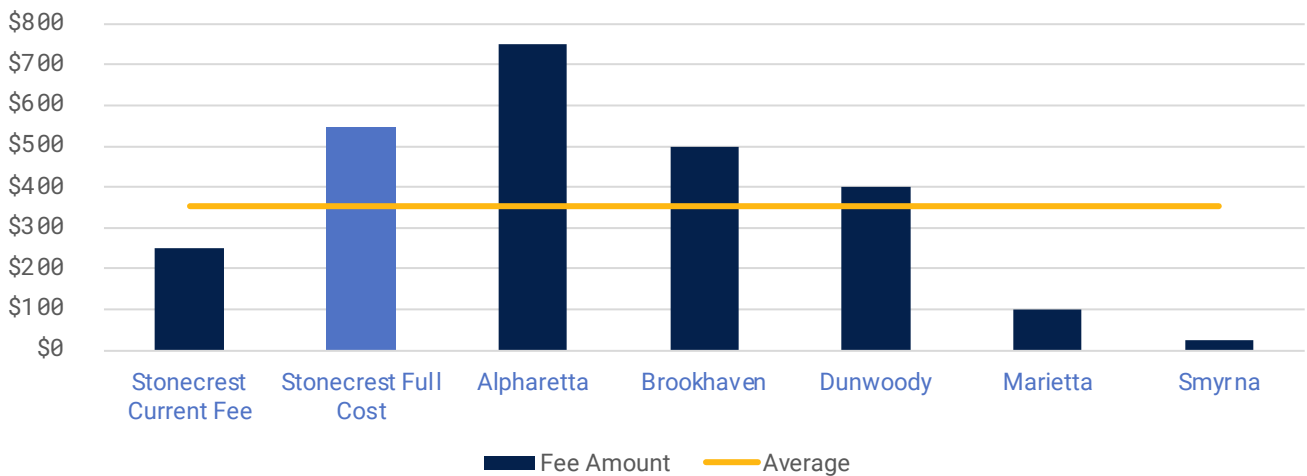


Stonecrest’s current fee is below the jurisdictional average of \$148; it is most similar to Dunwoody’s fee of \$115. The City’s full cost is well above average and is not comparable to the fees charged by any of the surveyed jurisdictions. The highest fee among the surveyed municipalities is Alpharetta’s fee at \$175.

RESIDENTIAL FINAL PLAT

Planning and Zoning currently charges a fee of \$250 for the first review of a Residential Final Plat with 10 lots. Through this study, the project team calculated the full cost of this service to be \$549. The following graph shows how Stonecrest’s current fee and full cost compare to the surveyed jurisdictions.

Residential Final Plat



Stonecrest’s current fee falls below the jurisdictional average of \$355 and falls between Marietta’s fee (\$100) and Dunwoody’s fee (\$400). The City’s full cost is above average but is comparable to Brookhaven’s fee (\$500) and below Alpharetta’s fee (\$750).

SUMMARY

Overall, Stonecrest generally has current fees that are lower than the fees of the other surveyed jurisdictions. Of the surveyed jurisdictions, Stonecrest's current fees are most comparable to Dunwoody's fees. At the same time, the City's full cost is generally above the fees charged by the surveyed jurisdictions and is most comparable to the fees charged by Alpharetta. It is important to note that the results of this survey only show the fees adopted by the respective councils, not the cost recovery policy decisions of departments or a jurisdiction. As such, the results of this survey should be used as a secondary decision-making tool.