



# MARIPOSA COUNTY

Administration · 966-3222



## **RESOLUTION - ACTION REQUESTED 2018-480**

MEETING: October 2, 2018  
TO: The Board of Supervisors  
FROM: Dallin Kimble, County Administrative Officer  
RE: Adopt a County-Wide Fee Policy

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### **RECOMMENDATION AND JUSTIFICATION:**

Staff is recommending that the Board of Supervisors adopt a County-wide Fee Policy.

NBS consulting firm has been contracted to conduct a comprehensive analysis of County service delivery costs and fees for Planning, Building, Environmental Health, and Public Works services. As costs increase and organizations change, it is imperative to stay on top of fees to ensure financial stability in the years to come. Calibrating fees closer or equal to the cost of providing services will help fund operational program needs and reserve requirements, and ensure compliance with Proposition 26 and Government Code 66014 (specific to development permitting fees).

In anticipation of the results of the cost recovery analysis being conducted by NBS, we are proposing the draft fee policy attached to this item. By adopting this policy first, we will ensure that our decisions with regard to implementation of a new fee structure will be driven by policy and best practice rather than numerical results or favoritism.

It is also worth noting that this policy will represent the first in what we hope will be a series of best practice financial management policies to help guide County elected and appointed officials in making decisions on behalf of Mariposa County and our wonderful community.

### **BACKGROUND AND HISTORY OF BOARD ACTIONS:**

The County currently does not have a Fee Policy in place.

### **ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:**

A non-affirmative vote will mean that the County will not have a fee policy to guide decisions with regard to setting fees for services delivered. This is not required by law, so there are no substantive negative consequences of this decision.

### **ATTACHMENTS:**

**Mariposa County DRAFT Fee Policy (DOCX)**

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**RESULT:** ADOPTED [UNANIMOUS]

**MOVER:** Merlin Jones, District II Supervisor

**SECONDER:** Kevin Cann, District IV Supervisor

**AYES:** Smallcombe, Jones, Long, Cann, Menetrey



## Mariposa County

### Administrative Policies and Procedures Manual

<b>TITLE:</b> User Fee Cost Recovery Policy	<b>DEPARTMENT:</b> County Administrative Office
<b>TYPE:</b> Policy	<b>DATE:</b> 8/30/18

#### **A. ONGOING REVIEW**

1. Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery and associated costs.
2. In implementing this goal, a comprehensive analysis of County service delivery costs and fees should be made at least every five years. In the interim, fees will be adjusted annually by a percentage equal to the change in the Consumer Price Index. Fees may be adjusted during this interim period based on supplemental analysis whenever there have been significant changes in the method, level or cost of service delivery.

#### **B. USER FEE COST RECOVERY LEVELS**

In setting user fees and cost recovery levels, the following factors shall be considered:

1. **Community-Wide Versus Special Benefit.** The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general-purpose revenues to reduce cost recovery levels may be deemed appropriate for community-wide services, while high cost recovery user fees are appropriate for services that are of special benefit to easily identified individuals or groups.
2. **Effect of Pricing on the Demand for Services.** The level of cost recovery and related pricing of services can affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the County is providing services for which there is genuinely a market that is not overly-stimulated by artificially low costs. Conversely, high levels of cost recovery may negatively impact the delivery of services to lower income groups. This negative feature is especially pronounced, and works against the public welfare, if the services are specifically targeted to low income groups.
3. **Feasibility of Collection and Recovery.** Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify costs and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

#### **C. FACTORS FAVORING LOW COST RECOVERY LEVELS**

Low cost recovery levels may be deemed appropriate under the following circumstances:

1. There is no intended relationship between the amount paid and the benefit received. Almost all "social service" programs fall into this category as it is expected that one group will subsidize another.
2. Collecting fees is not cost-effective or will significantly impact the efficient delivery of the service.
3. There is no intent to limit the use of (or entitlement to) the service. Again, most "social service" programs fit into this category as well as many public safety (police and fire) emergency response services. Historically, access to neighborhood and community parks would also fit into this category.
4. The service is non-recurring, generally delivered on a "peak demand" or emergency basis, cannot reasonably be planned for on an individual basis, and is not readily available from a private sector source. Many public safety services also fall into this category.
5. Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the County. Many small-scale licenses and permits might fall into this category.



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**D. FACTORS FAVORING HIGH COST RECOVERY LEVELS**

The use of service charges as a major source of funding service levels is especially appropriate under the following circumstances:

1. For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service requested.
2. The use of the service is specifically discouraged. Police responses to disturbances or false alarms may fall into this category.
3. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan checks, and subdivision review fees for large projects would fall into this category.

**E. COST RECOVERY LEVELS**

Based on the criteria listed in this document, the following types of services should have cost recovery goals outlined below.

SERVICE	COST RECOVERY LEVEL
Maintaining and developing public facilities that are provided on a uniform, community-wide basis such as streets, parks and general-purpose buildings	No
Providing social service programs and economic development activities	Low
Recreation activities directed to adults	Med
Recreation activities directed to youth and seniors	Low
Facility rentals (e.g. rooms, pools, gymnasiums, ball fields, special-use areas, etc.)	Med / High
Special events	Med / High
Planning (planned development permits, tentative tract and parcel maps, re-zonings, general plan amendments, variances, use permits)	100%
Building and safety (building permits, structural plan checks, inspections)	100%
Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments)	100%
Fire plan check	100%
Environmental Health	100%

**F. GENERAL CONCEPTS REGARDING THE USE OF SERVICE CHARGES**

The following general concepts will be used in developing and implementing service charges:

1. Revenues should not exceed the reasonable cost of providing the service.
2. Cost recovery goals should be based on the total cost of delivering the service, including direct and indirect



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<p>costs including departmental administration costs and organization-wide support costs such as accounting, personnel, information technology, legal services, fleet maintenance and insurance.</p> <ol style="list-style-type: none"><li>3. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.</li><li>4. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.</li><li>5. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.</li></ol>	