

DEPARTMENTS: Planning, Public Works, Health

BY: Kris Schenk
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10-100

RECOMMENDED ACTION AND JUSTIFICATION: The proposed Professional Services Agreement (PSA) is needed to complete a much-needed and overdue comprehensive update to the County's development permitting fees. A permit fees review by the three departments has been ongoing since August, 2007. The consultant recommended to complete this update is Warren Cheney, Principal with 101 Consulting, who has prepared fiscal studies, performance measures and development fee procedures for a number of local jurisdictions in California and Washington. Based upon his examination of the fee and expenditures data already compiled by the county departments, his meetings with key departmental staff, and his extensive experience with cost-of-service-based fee structures, Warren Cheney proposes to complete the study and his recommendations in approximately three months. The fees analysis will include a recommendation for appropriate planning appeal fees.

On several occasions, the Board has discussed and emphasized the need to complete the fee study and adopt revised fees. The three departments have been seeking the services of a financial consultant to finish the revenue and expenditure projections and wrap up the study in an expedited time frame and at a reasonable cost. We believe that Warren Cheney, who will be performing the study himself, has excellent qualifications and is well suited to carry out these responsibilities.

The overall cost of the proposed PSA is not to exceed \$18,400. The three departments will split this expenditure as follows: Planning - \$8,600; Public Works - \$3,600; and Health - \$6,200. These amounts fall within the respective Fiscal Year 2009-10 departmental budgets. Approval of a budget action is requested for the Health Department expenditure of \$6,200 in order to move funds into the Professional Services Account.

BACKGROUND AND HISTORY OF BOARD ACTIONS: The permit fees currently charged to Planning, Public Works and Health Department applicants only partially recover actual public expenditures. The departmental fee structures are in some cases antiquated - Planning fees have not been studied and revised since 1992. A fiscal consultant (MuniFinancial Services) was hired by Mariposa County in 2007 to undertake a comprehensive fees study for the three departments. That firm was later bought out by a larger financial consultant, which resulted in continuity problems for County staff, consultant staff changes and a failure of the consultants to satisfactorily complete the fees study. Despite these difficulties, a considerable amount of the necessary cost-of-services and revenue data was compiled. This information now needs to be combined with projections for the forthcoming fiscal year, compared with the fee structures of comparable Sierra Foothills counties, presented to community stakeholders, and finally brought to the Board of Supervisors for consideration and adoption.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION: An alternative action of directing the three development services departments to undertake the permitting fee revisions using their own staff resources and time encounters the following limitations and obstacles:

- Progress on the fee study runs the constant risk of being sidetracked by immediate work priorities;
- Indirect cost recovery and overhead projections exceed the scope and technical expertise of any one department;
- Permit fee calculations may be complex, interlinked, and must be legally defensible;
- Local staff is not always aware of best practices and newer fee procedures allowed by State law and utilized by other California city and county jurisdictions;
- A knowledgeable financial consultant can simplify and improve older fee structures and help streamline the process of implementing future fee revisions.

Financial Impact? (X) Yes () No Current FY Cost: \$18,400.

Annual Recurring Cost: \$0

Budgeted In Current FY? (X) Yes () No (X) Partially Funded

Amount in Budget: \$ _____

List Attachments, number pages consecutively

Additional Funding Needed: \$0

1. Professional Services Agreement with Warren Cheney, Principal, 101 Consulting, to perform a comprehensive update of the permit fees charged by Planning, Public Works and Health Department, including Exhibit A, proposed work program and budget

Source: _____

2. Budget Action Form (Health Department)

Internal Transfer _____

Unanticipated Revenue _____ 4/5's vote

Transfer Between Funds _____ 4/5's vote

Contingency _____ 4/5's vote

() General () Other

CLERK'S USE ONLY:

Res. No.: 10-100 Ord. No. _____

Vote - Ayes: 5 Noes: _____

Absent: _____

AW () Approved

() Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended

No Opinion

Comments:

CAO: *WJB*

