

AGENDA ITEM 1(b)

**TOWN OF SAN ANSELMO
STAFF REPORT
May 16, 2003**

For the Meeting of May 27, 2003

TO: Town Council
FROM: Janet Pendoley, Finance & Administrative Services Director
SUBJECT: Report of Warrants Issued, April 2003

RECOMMENDATION

That Council acknowledge and file warrant numbers 45265 to 45525 issued during the month of April 2003 in the amount of \$864,828.52. The following warrant numbers were voided: 44728, 45284, 45371, 45413, and 45486.

BACKGROUND

This report is an itemization of payments made to vendors during the month just ended. It also includes warrants written to Bank of America for the month's two regular payrolls as well as reimbursements to employees for work-related approved expenditures.

Respectfully submitted,

Janet Pendoley
Finance and Administrative Services Director

Attachment 1 - Warrant Registers, April 2003

AGENDA ITEM 1(c)

**TOWN OF SAN ANSELMO
STAFF REPORT
May 16, 2003**

For the Meeting of May 27, 2003

TO: Town Council
FROM: Janet Pendoley, Finance and Administrative Services Director
SUBJECT: **RESOLUTION FIXING EMPLOYER CONTRIBUTION
UNDER PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL
CARE ACT**

RECOMMENDATION

That Council adopt the attached resolution increasing the Employer Contribution under the Public Employees' Medical and Hospital Care Act from \$150 to \$200 per month for Marin Association of Public Employees (MAPE)/SEIU Local 949, San Anselmo Police Officers Association (SAPOA), managers, and confidential employees effective July 1, 2003.

BACKGROUND AND DISCUSSION

The current Memoranda of Understanding between the Town and the MAPE and SAPOA bargaining units provide for a \$50 increase in the monthly employer contribution toward employee/annuitant PERS health plan coverage effective July 1, 2003. Per Resolution No. 3607 (July 9, 2002) non-safety management employees/annuitants receive the same retirement benefits as the MAPE unit and safety management employees/annuitants receive the same retirement benefits as the SAPOA unit. Per Resolution No. 3620 (November 12, 2002) non-safety and safety confidential employees also follow these memoranda. Therefore, the \$50 increase applies to all regular employee groups.

To effect the change, the amount of the employer contribution must be set by resolution and submitted to PERS.

FISCAL IMPACT

There will be no additional cost with regard to employees, since the amount fixed by resolution is permitted to be included within the cafeteria benefit amount. There are, however, eligible annuitants receiving PERS healthcare benefits. The increased cost for fiscal year 2003-04 for annuitant coverage is estimated to be \$14,400. This increase will be funded from the General Fund.

Respectfully submitted,

Janet Pendoley
Finance & Administrative Services Director

TOWN OF SAN ANSELMO
RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF SAN ANSELMO
FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE
PUBLIC EMPLOYEE'S MEDICAL AND HOSPITAL CARE ACT

Whereas, Government Code Section 22825.6 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of the Act, and

Whereas, The Town of San Anselmo is a local agency contracting under the Act; now,

Therefore be it Resolved, That, effective July 1, 2003, the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of:

<u>Month</u>	<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution per</u>
	01	Unrepresented	\$200.00
	02	MAPE/SEIU #949	\$200.00
	03	Police Association	\$200.00
	04	Police Management	\$200.00

Plus administrative fees and Contingency Fund assessment.

Adopted at a regular meeting of the Town Council of the Town of San Anselmo, at San Anselmo, California, on this 27th day of May, 2003 by the following vote:

AYES:

NOES:

ABSENT:

Peter Kilkus, Mayor

ATTEST:

Debra Stutsman, Town Clerk

AGENDA ITEM 1(d)

**TOWN OF SAN ANSELMO
STAFF REPORT
May 16, 2003**

For the Meeting of May 27, 2003

TO: Town Council

FROM: Janet Pendoley, Finance & Administrative Services Director

SUBJECT: Revenue and Expenditure Report, April 2003

RECOMMENDATION

That Council approve the Revenue and Expenditure Report for the period ending April 2003.

BACKGROUND

The Revenue and Expenditure report is a year-to-date summary report of revenues and expenditures that is presented to the Town Council on a monthly basis. The General Fund is included in the monthly report. The purpose of these reports is to present financial information for review and discussion.

ANALYSIS

Revenue:

The revenue and expenditure data as of April 30th reflects financial activity transacted during 83% of the budget year. Revenue received, at 83%, includes the first distribution of 55% of property taxes as well as the second distribution of 40%. The final distribution of 5% will occur in June. The largest portion of the Town's taxes come from Secured Taxes, which have been received at exactly 95%. The first ERAF distribution was received and it indicates that annual income from this source will exceed the budgeted amount by approximately \$45,000. This increased revenue will in part offset anticipated losses in sales tax income, franchise fees, and interest earnings (see below). Other sources

of revenue show the normal lag in receipt of periodic payments. Items of note include the following:

- Sales tax income, at 69%, represents revenue through March only (i.e. 75% of the year) and as such trails the budgeted amount by 6%. The current economic uncertainties have resulted in a reduced quarterly advance of these funds from the state. Staff estimates that the total sales tax income from this source will fall short of the budgeted amount by approximately \$30,000 (2.9%).
- Annual business license fees received to date, in the amount of \$244,880 (100.4%), have already exceeded the budgeted amount by \$1,006. It is anticipated that revenue from this source will exceed the budgeted amount by approximately \$11,000 (4.6%), which returns it to the level of fiscal years 00-01 and 01-02.
- Gas, electric, and cable franchise fees, estimated at \$346,241, will fall short of the budgeted amount by approximately \$65,000 due to lower gas prices in the current year as well as changes in the utility companies' methods of fee calculation.
- Interest income, at 30%, includes first and second quarterly earnings only. The third quarter LAIF earnings, received after the end of this report period, reflect a very disappointing return in the amount of \$11,919, which brings the current year to date amount to \$63,247 (36.6%). The interest rate continues to decline into the 4th quarter, and staff estimates a shortfall from this revenue source of approximately \$100,000.
- Motor Vehicle License Fee (MVLFF) income, in the amount of \$611,097 (82%), continues to be received from the State in a timely manner and close to the budgeted amount.
- Planning and construction fee income, at 57% and 75% respectively, reflects the seasonality of winter months as well as refunds of prior years' planning and road bond deposits.

As an informational update, the **Governor's May 14th Revise to the 03-04 State Budget** includes the following items of impact to the Town's revenue:

- ✓ triggering of the MVLFF to its former level, with the intention that local governments will receive full funding in 03-04 from this source. The Town anticipates \$783,117 in MVLFF revenue from this source in 03-04, of which two-thirds (\$524,688) will be generated by this legislative trigger rather than be backfilled by state funds.
- ✓ reinstatement of Citizen Option for Public Safety (COPS) allocations, of which the Town currently receives \$100,000 to support one dispatcher and one motorcycle officer.
- ✓ continued elimination of Booking Fee Reimbursements, of which the Town currently receives \$13,651.

- ✓ continued underfunding of State Library Aid at its 02-03 funding level of \$11,167, a loss of approximately 50% compared to the prior year level of \$22,525.
- ✓ presumed continued reduction in “unallocated funding” across the state of \$250 million. Estimated to have a per capita impact of \$8.73, the Town’s loss of income would approach \$109,000. It is uncertain where this reduction would be made, but predictions include property taxes or Prop. 172 sales tax (.5% for public safety).
- ✓ of indirect impact to the Town, the Governor’s plan to issue debt to cover \$11 billion of the total \$38 billion shortfall, with a .5% increase in sales tax for the 5 year repayment period.

Expenditures:

Expenditures, at 81%, appear to be at a stable level across major categories presented on page 1 of the report. Training, Publications, and Dues, at 64%, appears to reflect the Town staff’s effort to reduce spending during these uncertain economic times. Utilities expense, at 64%, continues to be significantly under budget and as previously noted may in part reflect the savings realized by the LED traffic signal conversion.

Expenditures also appear to be at a stable level across departments presented on page 2 of the report with only a few exceptions:

- Non-departmental expenses (at 89%) are at a significantly higher proportion of budget due to the nature of annual payments made in this department.
- Parks expenditures at 74%, Streets expenditures at 77%, and Finance & Administration expenditures at 76% are all at a lower proportion of budget as a result of employee vacancies and the transitions resulting from in-house promotions. In addition, the Streets budget includes streetsweeping and a large portion of utilities, both of which continue to reflect savings despite the seasonality of the recent winter months.
- Transfers Out (transfer of the Town’s General Fund money to other Town Funds) in the amount of \$1,005,097 have all been processed. In comparison, last year’s transfers were at 90% as of this report period.

BUDGET REVISIONS:

The following budget revision was made to Town funds during this report period:

- \$9,775 budget increase in the Traffic Congestion Relief Fund revenue and expenditure budgets to recognize receipt of the Traffic Congestion Relief Fund 3rd quarter allocation. It has no impact on the Traffic Congestion Relief Fund’s year end reserve.

CONCLUSION

In reviewing the financial data particularly as it compares to the prior year, the Town's revenue collections and spending levels appear to be within normal ranges for this report period. Staff estimates that the revenue losses discussed above will be offset by expenditure savings in the areas of compensation and utilities.

Respectfully submitted,

Janet Pendoley, Finance and Administrative Services Director

Attachment #1: Revenue and Expenditure Report, April 2003

AGENDA ITEM 1(e)

TOWN OF SAN ANSELMO STAFF REPORT

May 22, 2003

For the meeting of May 27, 2003

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: Sorich Park Area Residents fundraising

A. RECOMMENDATION

That Council acknowledge and file report regarding the Sorich Park Area Residents (SPAR) and the Marin Conservation League offer to take over as fiscal agent for the open space acquisition effort.

BACKGROUND

The Town, County of Marin and SPAR have worked together to purchase an 11-acre parcel near Sorich Park for open space. Unfortunately, negotiations have been unsuccessful to date and have broken off. The Town agreed to be the fiscal agent for the effort and is currently holding the donated funds in a deposit account. At the April 22, 2003 Council directed staff to establish a process whereby SPAR donors have the opportunity either to request that their donations be returned or to indicate that they should be held, pending further property acquisition negotiations. The Open Space Committee was assigned responsibility to be the new fiscal agent for the effort.

B. DISCUSSION

Since that meeting, David Behar, Chair of the SPAR effort, drafted a letter to be sent to donors regarding the disposition of their donation. In the meantime, Mr. Behar has gotten approval from the Marin Conservation League to act as the fiscal agent for SPAR. Staff supports this action, as does the Open Space Committee Chair Jonathan Braun, as it will remove the Town from any fiscal connection to the acquisition effort. If Council concurs, we will move ahead with sending each SPAR donor a letter, indicating that the initial acquisition effort was unsuccessful, but that hope remains that something can be negotiated in the future. Donors would be given the choice to have their donation returned, or indicate in writing that they want the donation kept for the SPAR effort by the fiscal agent, Marin Conservation League.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 1(f)

**TOWN OF SAN ANSELMO
STAFF REPORT**

May 22, 2003

For the meeting of May 27, 2003

TO: Town Council
FROM: Debra Stutsman, Town Administrator
SUBJECT: Temporary Closure of Traffic Lane for Special Event

C. RECOMMENDATION

That Council approve the attached Town Event application allowing for the temporary closure of one traffic lane on Sir Francis Drake Blvd. between Ash Avenue and San Francisco Blvd. to allow for additional parking for the high school graduation ceremony on Thursday, June 12, 2003, from 5:00 p.m. to approximately 9:00 p.m.

BACKGROUND

Sir Francis Drake Blvd. in the area of Sir Francis Drake High School does not allow for any parking. In previous years, the high school has depended on this portion of roadway

for attendees of this ceremony to park their vehicles in order to avoid overly congesting the neighborhood streets that surround the school.

D. DISCUSSION

The Police and Public Works Departments work with school officials to insure the lanes are adequately marked and the smooth flow of traffic is maintained.

E. CONCLUSION

The temporary closure of the right lane of eastbound Sir Francis Drake Blvd. between Ash Avenue and San Francisco Blvd. should have minimal impact on the evening traffic but will have a positive impact on parking in the residential areas surrounding the school.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 2 – Oral report
AGENDA ITEM 3

TOWN OF SAN ANSELMO
STAFF REPORT

May 22, 2003

For the meeting of May 27, 2003

TO: Town Council
FROM: Debra Stutsman, Town Administrator
SUBJECT: 2003-04 Budget Preparations

F. RECOMMENDATION

That Council acknowledge and file the update report on 2003-04 budget status and provide direction to staff on closing the anticipated shortfall of \$600,000.

BACKGROUND

At the meeting of April 8, 2003, Council directed staff to come forward with the proposed 2003-04 budget in late July. This decision was made in order to have a better

handle on the Town's year-end 2002-03 fiscal position in the budget preparation process, and hopefully to have a better grasp of the budget situation and possible funding cuts at the State level.

G. DISCUSSION

Year End 2002-03 Projection: Finance & Administrative Services Director Pendoley has completed a preliminary projection of 2002-03 year-end revenues and expenditures. A shortfall of \$140,000 in projected revenues is anticipated, due primarily to lower revenues in interest income, franchise fees and sales tax. However, staff anticipates that the revenue losses will be offset by savings in projected expenditures due to mid-year cost cutting measures. Carryover is anticipated to be at a level sufficient to replace the two budgeted capital items from which the Corporation Yard overrun was funded this year. It is not anticipated that carryover funds will be available for any additional items.

2003-04 Budget Projection: In the new year, revenues of \$9.76 million are anticipated, which include a reduction of \$122,000 in State funding per the Governor's May revise. In order to maintain status quo level of services, the Town's expenditures in 03-04 total \$10.36 million, resulting in a shortfall of \$600,000. The major sources of these increased expenditures are largely beyond our local control, and include increases in the PERS rate, medical insurance, associated Fire Service costs from PERS and medical, salary costs, and the MERA debt service and administrative fee. In order to balance the budget, we must reduce expenditures or increase revenue by \$600,000.

Options for increasing revenue: Possible revenue enhancements:

- Increase Planning fees to recoup costs, phased in over two years **(Additional revenue \$60,000)**.
- Implement an administrative fee of \$15 on business licenses, to cover administrative processing costs **(Additional revenue \$35,000)**
- Implement other increases based on the cost of providing the service, including construction fees, Recreation fees, Police Department fees, etc. **(Additional revenue unknown)**

Fee increases generally require a 60-day period after approval before going in effect.

Options for decreasing expenditures - Possible expenditure savings:

- Leave vacant positions unfilled, including the Town Clerk/HR Analyst, Maintenance Worker I, Community Resources Assistant, Police Officer, and Police Dispatcher and Officer on long-term leaves. **(Savings -\$360,000)**
- Fund 30% of the Recreation Director from Recreation Fund. **(Savings - \$31,000)**
- Eliminate community contributions. **(Savings - \$21,000)**
- Eliminate Robson Stop-by contribution **(Savings - \$13,000)**
- Eliminate contribution to Road Maintenance fund. **(Savings - \$200,000)**
- Eliminate Promotion of Commerce line item. **(Savings - \$7,000)**
- Cut training budget by 50% Townwide **(Savings - \$23,000)**

H. CONCLUSION

The above options, while not easy to recommend or implement, provide a means to allow us to balance the budget, providing that no additional funding cuts are proposed by the State, which is by no means a certainty. Each expenditure reduction naturally involves a corresponding reduction in services at Town Hall and in the community. The enactment of revenue enhancements can reduce the impact of service reductions.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 4

**TOWN OF SAN ANSELMO
TOWN COUNCIL STAFF REPORT**

For the meeting of May 27, 2003

TO: Town Council
FROM: Tom Bell, Planning Director
SUBJECT: Amendment to Title 10 (Zoning Ordinance) regarding residential second units.

RECOMMENDATION

Introduce the attached Zoning Ordinance amendment, waive the reading, and continue to June 10, 2003 for final hearing and adoption.

Previous Action

May 13, 2003 A motion to approve the introduction of the attached ordinance was made at the Council meeting but it failed with insufficient affirmative votes 2-1 where 3 were required.

April 7, 2003 The Planning Commission unanimously recommended approval of the attached ordinance draft.

July 1976 A second unit ordinance (chapter 6 of Title 10) was adopted regulating residential second units in the Town of San Anselmo.

Discussion

At the meeting of May 13, Councilmember Chignell expressed concern about the affordability requirements and the lack of a survey information that was previously requested by Council regarding 2nd units. At this time, staff is in the process of developing a mail survey to all 2nd unit owners requesting information regarding current rents and occupancy status. As that information becomes available it will be forwarded to the Council.

In 1976, the 2nd unit rent requirement was intended to provide such units affordable to **low income** households. Specifically, the ordinance required to “rent only to persons whose incomes meet a low income definition established by resolution of the Council”. The proposed ordinance would limit tenant rent to “not exceed 30% of total income of a low income household” the definition of which determined by HUD. This proposed change was intended to streamline the process by having automatic adjustments based upon low-income determinations, which are adjusted annually by HUD. This proposed modification would also base rent by household size rather than bedroom number as currently computed.

Affordable rent is typically interpreted to be no more than 30% of a household income. Since 1976 the Council has periodically adjusted rents based upon CPI changes rather than area median income changes. Additionally, HUD had modified the median income “area” to include Marin County in the San Francisco “area” rather than the previous area, which included the east bay communities. As a result, the current rent limitations are significantly below 30% of a low-income household for this area. For example, the most recent rent adjustment resolution (June, 2001) lists a 1-person low-income limit as **\$36,479** with a maximum rent (excluding utilities) as **\$536/mo.** The attached HUD 2003 determination of 1-person low-income limit for this area is **\$63,350.** The affordable rent determination of 30% would be up to **\$1583/mo.**

Although the proposed ordinance would establish “low income household” rents consistent with incomes, the Council may desire to modify the ordinance somewhat in order to adjust existing tenant rates more gradually. This could be accomplished by removing the second paragraph of Section 10-6.401 of the proposed ordinance. However, staff did not recommend such because of potential challenge due to inconsistent rent controls and/or requirements which may tend to discourage the creation of 2nd units.

Staff believes that the 2nd unit provisions of state law may significantly change over the next few months, which will necessitate further changes in local ordinances. One of the

primary changes being considered currently is the elimination of all 2nd unit rent controls (AB1160).

At this time staff is concerned with applications that may be submitted on or after July 1. If an application were to be processed in accordance with the state provisions, the only apparent limitations would be with regard to residential zones, height, setback, lot coverage, and 2nd unit floor area maximum of 1200 square feet. Since current architectural review is discretionary in nature without specified standards, it would not be allowed. It appears that parking requirements would also not be allowed. However, the law also contains a provision that would allow a local agency 120 days to hold the first application until an ordinance is passed. Consequently, staff recommends that the attached ordinance be acted upon and that staff hold any application on or after July 1 until the new ordinance is in effect.

Recommendation

Introduce the attached ordinance, waive the reading, and continue to June 10, 2003 for final hearing and adoption.

Respectfully submitted,

Tom Bell
Planning Director

attachments: Proposed Ordinance
Staff report of May 13 with accompanying materials.

AGENDA ITEM 5

TOWN OF SAN ANSELMO TOWN COUNCIL STAFF REPORT

April 29, 2003

For the meeting of May 27, 2003

TO: Town Council

FROM: Tom Bell, Planning Director

SUBJECT: Resolution amending Planning Department Fee Schedule.

RECOMMENDATION

Adopt the attached resolution amending Planning Department fees.

BACKGROUND

On August 24, 1993, the Town Council adopted Resolution 3241 setting the fee schedule for Planning Department services and providing for annual adjustments.

Analysis

The current fee schedule established for the processing of Planning Department requests does not fully recover the cost of providing such services. As explained in the attached Planning Fees-2003 study, the current fee charged on an hourly basis does not cover the indirect hours consumed with interested citizens and outside agencies.

The recommended fee schedule proposes a flat fee based upon average estimated project time applicable to the various entitlements with an hourly fee for projects exceeding certain time limits. It is estimated that this type fee will save significant time and expense in refunding deposits and provide applicants with consistent fee expectations.

Once adopted, the Resolution would not take effect until 60 days as required by state law.

Respectfully submitted,

Tom Bell
Planning Director

attachments: Proposed Resolution
Planning Fees –2003 - Exhibit “A”
San Anselmo Planning Department Fee Schedule – Exhibit “B”

TOWN OF SAN ANSELMO

TOWN COUNCIL RESOLUTION NO. _____

**A RESOLUTION OF THE SAN ANSELMO TOWN COUNCIL SETTING AND AMENDING
PLANNING DEPARTMENT FEES FOR ALL SERVICES AND ENTITLEMENTS PROCESSED
UNDER TITLE 10 OF THE SAN ANSELMO MUNICIPAL CODE**

WHEREAS, Town Planning services are deemed necessary to assure compliance with mandated Federal, State and Municipal laws; and

WHEREAS, the current Planning Fee Schedule authorized under Resolution No. 3241 does not fully recover the cost of providing related services; and

WHEREAS, the 2003 Planning Fees document attached hereto as Exhibit "A" has been prepared for the purpose of evaluating costs and time associated with various Planning services; and

WHEREAS, the Housing Element of the General Plan encourages the production of affordable housing and reduced fees may encourage such housing and be considered a public benefit; and

WHEREAS, Planning service fee increases are authorized in accordance with Sections 65104 and 66016 of the California Government Code.

NOW THEREFORE, BE IT RESOLVED that the Town Council of the Town of San Anselmo has determined as follows:

1. The analysis in Exhibit "A" attached hereto represents an accurate assessment of costs and expenditures attributable to the various services provided by the Planning Department; and the recommended fees therein reflect a reasonable estimate of the costs to provide such services.
2. The Planning Fee Schedule attached hereto as Exhibit "B" is hereby adopted and shall become effective sixty (60) days after the adoption of this resolution.

AYES:

NOES:

ABSTAIN:

ABSENT:

Peter Kilkus, Mayor

ATTEST:

Debra Stutsman, Town Clerk
Exhibit "B"

SAN ANSELMO PLANNING DEPARTMENT
FEE SCHEDULE

ITEM	FEE
1. Use Permits	
Design Reviews	
General Plan Amendments	
Zoning Amendments	
Tentative Maps	
Annexations	
Variances	\$1500*
2. Administrative Design Reviews	
Administrative Variances	\$ 750
3. Administrative Sign Reviews	
Temporary Outdoor Displays	\$ 140
4. Certificates of Compliance	\$ 468
5. Environmental Reviews**	
Negative Declarations	\$1405***
Environmental Impact Reports	consultant cost plus 20%
6. Peer Reviews	consultant cost plus 20%
6. Lot Line Adjustment	\$ 573
7. Appeals	\$ 199
8. Research Fee	\$ 93.71/hr

* Includes the first 8 hours of direct planner time. Projects exceeding 8 hrs planning time will be required to submit deposits in \$500 increments to cover additional planner time at the current hourly research rate.

** Fees charged by outside agencies for review and processing of environmental documents will be charged to the applicant in addition to the fees herein (County filing fees, State fish & Game review fee, etc.).

*** Includes the first 15 hours of planner time. Projects exceeding 15 hours planning time will be required to submit deposits in \$500 increments to cover additional planner time at the current hourly research rate.

General Conditions:

1. The above fees include Town costs of processing, notice, legal review, and advertising. Projects requiring technical consultant input or legal analyses/opinions shall be charged the actual cost of such services in addition to the above fees.
2. When multiple applications are submitted for the same project (e.g., Use Permit and Variance), the application fee shall be the sum of the most costly fee plus 50% of each of the other application fees.
3. Fee reductions/waivers may be requested and considered for the creation of **affordable housing**. Such requests shall be considered by the **Town Council** on a case by case determination of public benefit consistent with needs identified in the Housing Element of the San Anselmo General Plan.

Exhibit "A"

PLANNING FEES - 2003

**OVERVIEW PLANNING DEPARTMENT
EXPENDITURES/REVENUES**

- FY02-3 Planning Dept Budgeted Costs ≈ \$313,000
- Budgeted Planning Fee Revenue ≈ 59,000 (35,000 estimated)
- In addition to Planning Department budgeted expenditures, other related administrative and overhead costs exist as support services to the Planning Function (dedicated Administrative Assistant support, Admin&Finance, Legal, and Insurance costs)

Expenditures

Revenue

Planning Budget \$313,000

Overhead @ 6.35%

Admin/Finance (\$575,000x.0635) ≈\$ 36,510

Legal (\$150,000x.0635) ≈ 9,525

Insurance (\$390,000x.0635) ≈ 24,765

70,800

Administrative Assistants (½ planning, ½ building/public works)*

* (This administrative staff is budgeted within the Public Works Department Budget)

\$62,099 @ 50%

51,844 @ 50%

57,000

TOTAL PLANNING DEPARTMENT COST ≈ \$ **440,800**

Revenue

Budgeted Planning Fees FY02-03

\$ 59,000

(estimated annual revenue based upon collections to date)

(\$35,000)*

*In previous budgets (FY200-01 and prior years), annual Planning Fees were in excess of \$70,000. However such fees were overstated because they failed to

consider the effects of **refundable** deposits. Actual FY2001-02 planning fee collection was \$33,095.

PLANNING STAFF TIME ALLOCATION ESTIMATE

This past year, Planning Staff expended approximately 50% of its time reviewing, processing, administering, and assisting citizens in private development activity.

Approximately 15% of staff time was allocated to Building Plan Check and inspection.

The remaining 35% was allocated to general public planning activity such as public projects, code revisions, code enforcement, public assistance, general administration, supervision, & training.

These time estimates fluctuate substantially due to a variety of economic and social variables. Currently, it appears that the private development activity may be declining somewhat with the general planning activity increasing.

Estimated annual planning staff hours are 4704 hours due to vacation, holidays, sick leave and administrative leave.

Director	1628
Senior Planner	1538
Assistant Planner	<u>1538</u>
	4704 hours

Consequently, the estimated total average cost/hour for Planning Services is approximately **\$93.71/hr.**
(\$440,800/4704 hr)

Based upon a 50% staff allocation to private development, the Town could potentially receive approximately \$220,400 in annual Planning Application fees assuming full cost recovery.
(50% x 4704 hr x \$93.71/hr)

CURRENT FEE STRUCTURE

Currently, **hourly rate fees are used for all major entitlement processing**. Hourly fees are charged at a rate based upon budgeted Planning Department Labor Costs with a 15% overhead estimate. These rates are adjusted annually to cover salary/benefit increases. Minor projects such as **administrative approvals** are charged a **fixed fee** and adjusted annually by CPI increases.

The January 2003 hourly fee rate is \$83/hr. This represents a \$20/hr increase over the 2002 rate of \$63/hr. The 2002 rate was discovered to be inadequate because it failed to adjust for revised productive hours worked and did not consider the fact that more private processing time is generally performed by senior planning staff due to the complex issues involved. Therefore, a weighted average hourly cost of planning staff is now in effect.

Only **direct** hourly charges for review and processing time are currently assessed. This time does not account for interdepartmental or interagency consultations, nor does it include neighborhood inquiries regarding a particular project. Unfortunately, even though such time may be related to a particular application, is not charged to the applicant because of the difficulty in documenting the many contacts and lack of applicant consent/control over unknown costs. It is estimated that staff spends about as much time with interested citizens and agency consultations on projects as it does on direct plan review and processing. Consequently, approximately 50% of staff time expended upon a project is actually billed to a project.

CURRENT FEE STRUCTURE PROBLEMS

As mentioned above, it is almost impossible to document staff time for every citizen/agency contact regarding a particular project. Additionally, applicants may not be aware of the amount of citizen interest and have no control over the time staff expended in such efforts. Consequently, direct review and processing time only is charged.

Another problem with the hourly fee charges is the issue of refunds. Since some projects receive a residual refund from deposits collected, the cost to process refunds often exceeds the refund itself. Although not indicated in the overall planning cost of doing business, individual refund preparations and processing can be a burden on the Administration and Finance functions of the Town.

FEE STRUCTURE COMPARISON

In reviewing other agency methodologies, several are based upon a minimum flat fee for various project types with added hourly charges when a given project exceeds a certain number of review hours. Because agencies have different zoning procedures and levels of review, direct comparative analysis cannot be fully achieved. The following is an example of current fee rates for basic comparative purposes.

CURRENT FEE SCHEDULES – JANUARY, 2003

	<i>San Anselmo</i>	County	Ross	San Rafael	Mill Valley
Use Permit	hourly fee \$560 deposit	\$3,320 \$2,100-2 nd unit \$1,035-minor/acc use	\$1,000	\$1,550 –PC* \$730 – Admin *includes 10 hrs	\$945 includes first 10 hours planner time
Design Review	Hourly fee \$560 deposit –PC \$139 – Admin	\$2,430 single-family \$1,100-\$24,595 –mf & com depending upon valuation \$1,055- minor	\$1,000- 500-999sq ft \$2,000 <2000sq ft \$3,000 <3000sq ft \$4,000 >3000sq ft	\$1,700-PC* \$400- Admin *includes 10 hr planner time	\$575< 50k valuation* \$ 740<100k val* \$1,006<250k val** \$1273<500k val** *inc 5hr planner time **inc 10 hr planner time
Variance	Hourly fee \$560 deposit –PC \$178 – Admin	\$2,520 \$1,260- Admin var.	\$800	\$1,550* \$730 – Admin var. *includes 10 hr planner time	\$945* *includes 10 hrs planner time
Sign Review	\$43 -Admin	\$895 review \$365 zoning permit	\$300	\$80 Admin \$1600PC* includes 10 hrs pln	\$103 –Admin \$575 -PC
Environmental Review	Included in primary project application If EIR, = cost of consultant	\$235-catagorical exemption \$2,290- Initial Study cost & 30%- EIR prep	\$3,500 –initial study cost & 15%- EIR & additional studies	\$2,500 – neg dec cost & 25%-EIR	\$155-catagorical exemption \$513- neg dec \$513&15%/contract cost-EIR
Lot Line Adjustment	\$573	\$635	\$500/parcel	\$930	\$740* *includes 5 hr of planner time
Appeals	\$199	\$675 – Board of Sup	\$250	\$150-PC non-appl. \$200-CC non-appl \$1,600-applicant* *includes 15hr of time	\$100

When processing various entitlement combinations such as simultaneous Design Review and Variances for a particular project, San Anselmo considers the application as one item and processes the application with one deposit (\$560) on an hourly basis. The other agencies listed above charge separate fees for each entitlement processed.

With the exception of San Rafael (and San Anselmo), initial deposits are not refundable even if the hours allotted for processing are not fully utilized. Generally, San Anselmo’s \$560 deposit has been adequate in the past given the number of direct hours and rates charged. However, with the updated fee schedule such deposits appear to be inadequate.

In reviewing the above fee comparisons, San Anselmo’s fees are significantly below other jurisdictions. Further, in discussing fees with other jurisdiction personnel, significant fee increases in some agencies may be contemplated in the near future.

I. PROPOSED FEES

1) USE PERMITS, DESIGN REVIEW, VARIANCES

In San Anselmo, the majority of time-consuming projects include **Use Permits, Design Review, and Variances**. Typically these applications have a similar process in that the Planning Commission in the context of a public hearing considers such applications. Such applications generally require about 8 hours planning staff time in direct review and processing. As mentioned previously, an additional 8 hours staff time is spent in discussions with interested neighbors and other staff/ reviewing agencies. Consequently, at \$93.71/hr, the cost of processing an average application is approximately \$1500. Therefore, based upon the problems identified with hourly fees, I would recommend the adoption of a fee of **\$1500 as a base fee with an additional per hour charge for projects exceeding 8 hours of direct planner time.**

Since each entitlement mentioned above requires separate findings and considerations, an application involving more than one entitlement consideration would generally require approximately 4 hours of additional staff time. Therefore, combination application fees of the above entitlements are recommended to be 1 ½ times the \$1500 fee or **\$2250 for any combined application with an additional per hour charge exceeding the first 12 hours of direct planner time.**

Although other agencies charge separate fees for each entitlement requested, staff believes that such combination applications result in some economies in processing and therefore should be reflected in the fees.

2) ADMINISTRATIVE DESIGN REVIEW AND VARIANCES

Administrative Design Review and Variances generally require about ½ the time as regular Variances/Design Review applications because they are minor in nature and do not require Planning Commission processing. Consequently, I would recommend the adoption of a **flat fee of \$750** for these projects (1/2 x \$1500).

The current fee for Administrative Design Review is fixed at \$139. The fee for Administrative Variance is fixed at \$178.

3) ZONE CHANGES/GENERAL PLAN AMENDMENTS/TENTATIVE MAPS/ANNEXATIONS

Although applicant requested General Plan Amendments, Zone Changes, Annexations, and Tentative Maps may require slightly more time to process than Use Permits and Design Review applications, the base fee plus hourly charge proposed (for Use Permits,

Variances, & Design Review) would also assure cost recovery. Since San Anselmo is predominantly built out, the frequency of these requests is not significant. Therefore, I would recommend these fees to be the same as the other major entitlements, or **a base fee of \$1500 with an additional per hour charge for projects exceeding 8 hours of direct planner time.** Likewise, combination applications would be charged as indicated above.

4) SIGN REVIEW/TEMPORARY OUTDOOR DISPLAY- ADMINISTRATIVE

A simple sign permit or temporary outdoor display application requires between 1 and 2 hours to review, research, and issue at staff level. Therefore, I would recommend that a **flat fee** be established for 1 ½ hour's time or **\$140** (1.5 x \$93.71). Sign review at Planning Commission level would be included within another application (Design Review or Use Permit).

5) CERTIFICATES OF COMPLIANCE

A Certificate of Compliance is a certification and recognition of a legal lot or parcel consistent with the Subdivision Map Act. Staff review includes research and legal description review to determine if the subject lot was created legally. This requires approximately 5 hours of planner time per application to make the determination. Currently, the charge is an hourly fee of the planner's time but requires a \$500 deposit. Since the average time is 5 hours, I recommend this fee to be a **flat fee of \$468** (5 x \$93.71). This flat fee would save significant time and cost in preparing residual refunds associated with per hour fees.

6) ENVIRONMENTAL REVIEW

To date, environmental review has been charged to the project as a direct staff time. However since it represents a substantial increase in staff effort (as opposed to an exempt project), it should be charged as a separate fee similar to other agencies. In preparing an Initial Study, Negative Declaration and processing, direct staff time is approximately 15 hours. Therefore, I would recommend a **flat fee of \$1405 with an additional hourly rate in excess of 15 hours** for the preparation and processing of a **Negative Declaration.**

If an Environmental Impact Report should be warranted, a consultant would be required to prepare the document. Since staff would be required to review the document, process it, and administer the contract, an overhead charge of approximately 20% would seem appropriate. Therefore **EIRs** should be charged the consultant **cost plus 20% for review and administration.**

Additional fees charged by outside agencies for review and processing of environmental documents (County filing fee, State fish & Game review fee, etc.) would be charged to the applicant as well.

7) REQUIRED PEER REVIEW

The Town currently requires professional peer review of all geotechnical studies and other reports as may be determined by the Planning Commission/Council. Although consultants conduct these reviews, such peer reviews are reviewed, evaluated, and administered by Town staff. Therefore, I would recommend that the fee be the consultant **cost plus 20%** for evaluation and administration purposes.

8) LOT LINE ADJUSTMENT

The current Lot Line Adjustment fee is **fixed at \$573**. Since staff spends about 5-7 hours in reviewing and processing these items, I would not recommend changing this fee.

9) RESEARCH FEE

Currently, research requested by private citizens is charged at an hourly rate of \$83.00/hr. Since the cost of the department is **\$93.71/hr**, all hourly fees should be changed to reflect this cost.

10) APPEALS

Currently all appeals are charged a fixed fee of **\$199**. Although staff time could be extensive and require additional legal consultation, I would not recommend a change because of the nature of this request. If however, full cost recovery is desirable, a fee of \$468 would be appropriate to cover the cost of review, agenda preparation and processing (approximately 5 hours).

Included in the above-recommended fees would be all administrative processing, noticing, and plan storage charges (microfiche).