

The seal of the City of Victorville, featuring a large 'V' in the center, surrounded by the text 'CITY OF VICTORVILLE' and 'INCORPORATED 1962'. Below the 'V' is the text 'HOME OF THE' and 'COUNTY'.

Victorville



User Fees - 2022

The image shows the official seal of the City of Victorville, California. The seal is circular and features a central figure holding a staff and a banner. The text around the seal includes "CITY OF VICTORVILLE", "INCORPORATED 1962", and "HOME OF THE".

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Agenda

- Project Background
- Overview of User Fees
- Summary Tables by Fee Type
- Sample Project Calculations
- Steps Taken/Feedback Received To Date
- Next Steps
- Comments/Questions

Background

- Projects initiated in October 2019
 - Cost Allocation Plan
 - City-wide User Fee Study
 - DIF Study
- Changes since project initiation:
 - Significant delays due to the COVID-19 pandemic
 - Reorganization & Staffing Changes

Examples of Fees and Fines

Cost Recovery-Based User Fees

- Fees limited to recovering the cost of providing the service
- Example: Building Permits

Fees Set by Law

- Some fees are set by Federal or State Law
- Example: Passport Fees

Taxes under Prop. 218 and Prop. 26


- Certain fees constitute taxes and may not be increased without a vote of the people
- Example: Water Rates

Fines

- Fines are not subject to cost recovery rules and may be set by the Council
- Example: Library Fines

Overview of User Fees

- California cities impose user fees and regulatory fees for services and activities they provide through provisions of the State Constitution
- Article XIII C, Section 1, generally states that a fee may not exceed the reasonable costs of providing the service or performing the activity
- The City's purpose for conducting the user fee study is to ensure that fees do not exceed the costs of service and to provide an opportunity for the City Council to re-align fee amounts with localized cost recovery policies



Understand
Full Cost of
Providing
Services



Set
Municipal
Fees
Accordingly

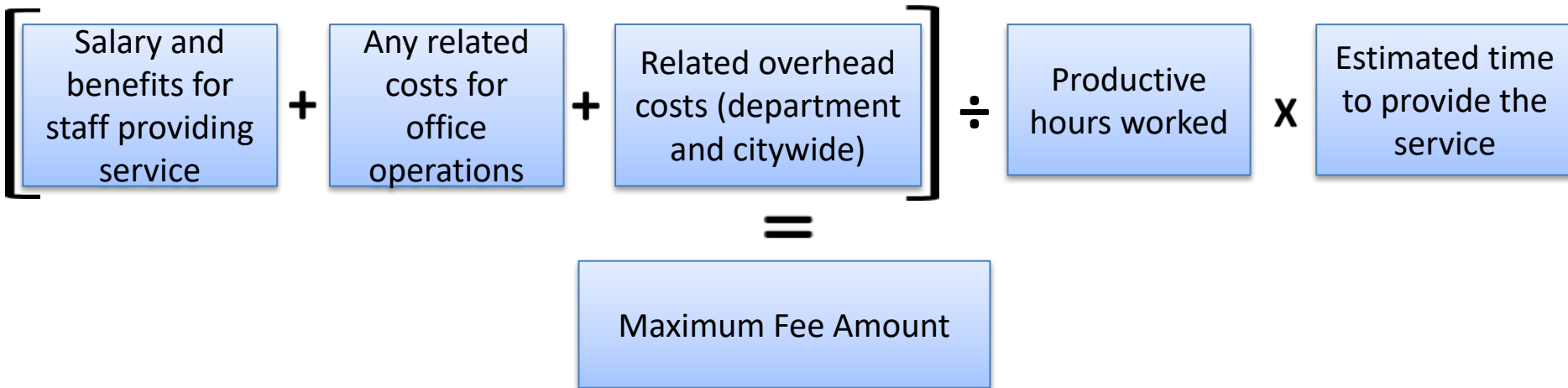
User Fee – Methods of Analysis

- Cost of service analysis – quantitative analysis that compiles the full cost of providing governmental services and activities.
- Cost recovery evaluation – compares the existing fee for each service or activity to the average total cost of service quantified through the analysis.
- Fee establishment – recalibrate the fee amount to match the costs of services and to align fees with local policies.



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Cost of Service Analysis



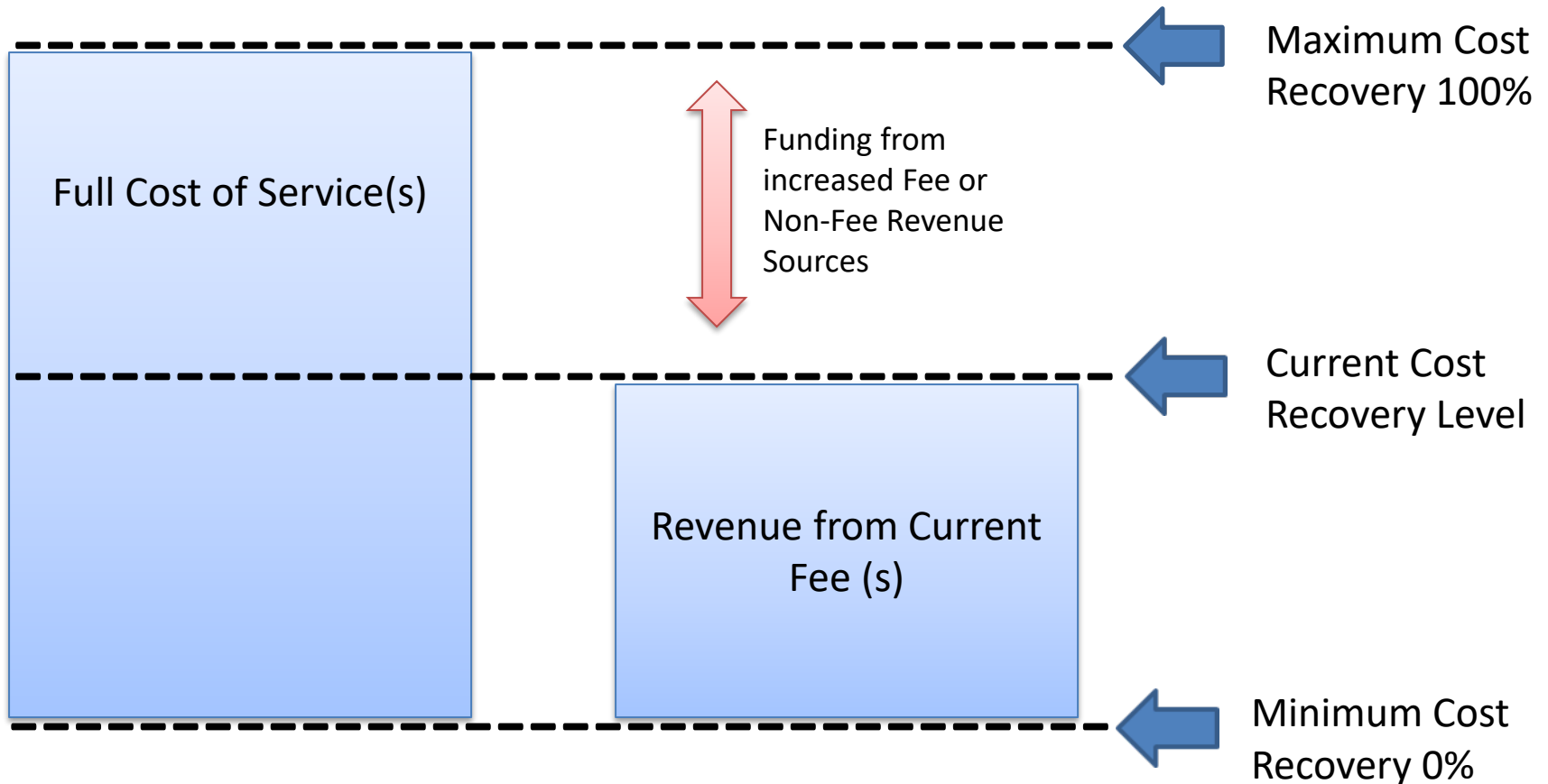
Example: Personnel Budget	\$200,000	Hourly rate	\$130
Operating costs	50,000	Hours required	x 4
Overhead	<u>75,000</u>	Total cost to customer	<u>\$520</u>
Division total costs	\$325,000		
Productive hours	<u>÷2,500</u>		
Hourly rate	\$ 130		

Cost Recovery-Based User Fees

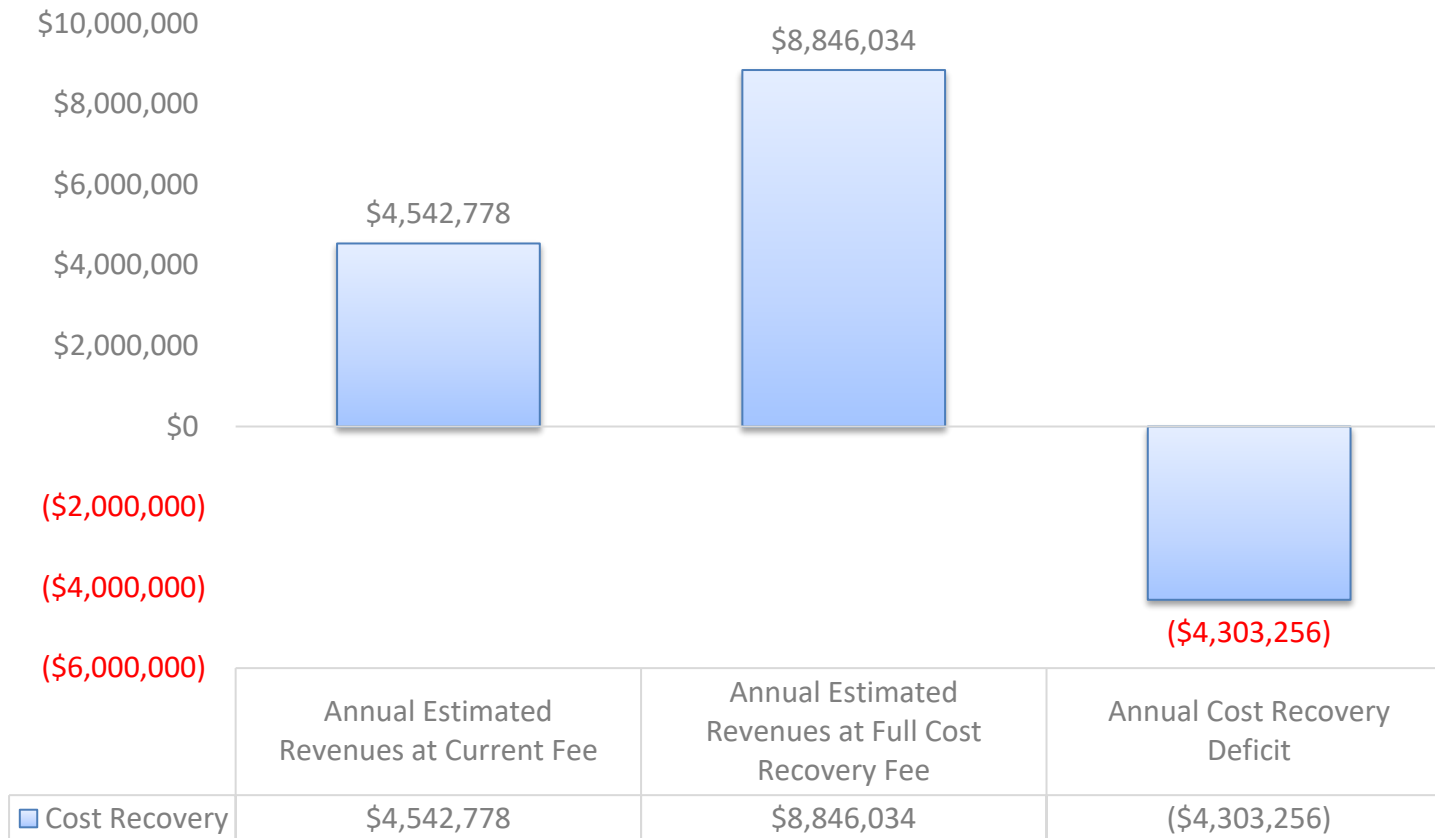
- Fees cannot exceed the cost of providing the service
- Type of fee varies based on fit (flat, tiered based on effort, or deposit-based)
- Degree of cost recovery is a policy decision (Example: Recreation fees are typically subsidized based on community benefit to keep affordable)
- Considerations:
 - ✓ Degree of private benefit
 - ✓ Appropriate cost recovery level
 - ✓ Market competitiveness
 - ✓ Size of increase that would result from full cost recovery

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Cost Recovery – Fee Setting



Cost Recovery Analysis-Victorville



The seal of the City of Victorville is located in the top left corner. It features a central shield with a mountain, a river, and a ship. The shield is surrounded by a circular border containing the text "CITY OF VICTORVILLE" and "INCORPORATED 1962".

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Summary Tables

The Victorville City Seal is a circular emblem featuring a central figure holding a torch and a scale, surrounded by the text 'CITY OF VICTORVILLE' and 'HOME OF THE'.

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User Fee – Examined Divisions and Departments

- Planning Department
- Land Development Engineering Division
- Building Department
- Fire Prevention and Community Risk Reduction Division
- Police Department
- Code Compliance Department and Business Licensing Services
- Animal Care and Control Division
- Economic Development
- Recreation Division
- Parks Division
- Victorville Municipal Utility Services (VMUS)
- Water & Solid Waste Customer Services
- Water Utility Division
- Finance Department
- City Clerk's Office
- Library Services
- General Plan Surcharge
- Technology Surcharge



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Report Summary Table

Fee Category	Annual Revenues at Current Fees	Annual Revenues at Full Cost Recovery	Annual Cost Recovery (Deficit)/Surplus	Existing Cost Recovery %
Planning Department	239,254	475,045	(236,791)	50%
Land Development Engineering Division	540,041	1,115,477	(575,436)	48%
Building Division	1,422,065	2,427,945	(1,005,880)	59%
Fire Prevention/Community Risk Reduction	71,227	123,751	(52,524)	58%
Police Department	43,930	81,777	(37,847)	54%
Code Compliance and Business Licensing Services	734,273	1,334,288	(600,015)	55%
Animal Care and Control Division	87,500	280,237	(192,737)	31%
Economic Development	3,500	2,267	1,233	154%
Recreation Division	663,972	1,372,904	(708,933)	48%
Victorville Municipal Utility Services (VMUS)	553	7,142	(6,589)	8%
Water & Solid Waste Customer Services	5,900	12,711	(6,811)	46%
Water Utility Service Fees	555,564	1,009,987	(454,423)	55%
General Plan Maintenance Surcharge	-	335,848	(335,848)	0%
Technology Surcharge	175,000	265,655	(90,655)	66%
Total	\$4,542,778	\$8,846,034	(\$4,303,256)	51%

Report Summary Table – Code Compliance and Business Licensing Services

Fee Category – Code Compliance	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
Compliance Inspection	\$95	\$35	36%
NOP Filed Activity	\$286	\$33	11%
Invoice Activity Fee	\$191	\$9	5%
Total	\$572	\$77	13%

* Each Code Compliance case will include the three fees listed above

* A typical Code Compliance case with no abatement or notice of violation included will require three (3) Compliance Inspections.

Fee Category – Business License	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
In-City New Application – Commercial Business	\$367	\$165	45%
In-City New Application – Single Family Residence Rentals	\$335	\$165	49%
In-City New Application – Contractors	\$367	\$165	45%
Out-of-City New Application – Contractors	\$80	\$120	151%

Report Summary Table – Animal Care and Control Division

Fee Category – Animal Control Enforcement Case	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
Apprehension Fee – 1 st Offense – Unaltered Dog(s)	\$190	\$50	26%
Impound Daily Fee	\$22	\$15	69%
State Mandate Fee – Dog with No License (per day)	\$35	\$35	100%
License Fee	\$48	\$10	21%
Total	\$295	\$110	37%

* Each Animal Control Enforcement case may include the four fees listed above

Fee Category – License Fees	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
License Fee for Altered Dog(s) – 1 year license	\$48	\$10	21%
License Fee for Unaltered Dog(s) – 1 year license	\$48	\$25	53%
License Fee for Senior Citizens with Altered Dogs – 1 year license	\$48	\$5	11%
Grooming Parlor Permit Fee	\$238	\$175	74%

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Sample Project Calculations

Sample Project: Single Family Home – 2,000 Sq. Ft.

User Fee Category	Current Fee	Cost of Service Hesperia Fee per Activity	Fontana Fee
Administrative Charges	-	-	\$121 ¹
Plan Check	\$750.10	\$933	\$938
Permit Fee	\$1,154	\$1,521	\$1,109
M/E/P ² Review	-	-	\$144
M/E/P Permit	\$355	-	\$216
Sprinkler Review/Permit	-	-	\$136
Energy Review/Permit	-	-	\$316
CWMP ³	-	-	\$55
Total	\$2,259.10	\$2,454	\$1,966

¹ Separate charges for General Review Application, Energy Review Application, and Permit Issuance Fee

² Mechanical, Electrical, and Plumbing

³ Construction Waste Management Plan Review for compliance with CalGreen.



Sample Project: Office Building – 16,506 Sq. Ft.

User Fee Category	Current Fee	Cost of Service Hesperia Fee per Activity	Fontana Fee
Administrative Charges	-	-	\$161 ¹
Plan Check	\$3,869.78	\$3,386.12	\$1,206
Permit Fee	\$6,031.50	\$4,330.24	\$2,293
M/E/P ² Review	-	-	\$516.14
M/E/P Permit	\$1,415.24	-	\$915.29
CASp Review/Permit	-	-	\$815
Energy Review/Permit	-	-	\$448
CWMP ³	-	-	-
Total	\$11,316.52	\$7,716.36	\$6,354.43

¹ Separate charges for General Review Application, Energy Review Application, and Permit Issuance Fee

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Sample Project: 461,241 Sq. Ft. Distribution Warehouse

User Fee Category	Current Fee	Cost of Service Hesperia Fee per Activity	Fontana Fee
Administrative Charges	-	-	\$161 ¹
Plan Check	\$50,574.88	\$12,278.82	\$2,815
Permit Fee	\$77,799.50	\$9,404.21	\$7,489
M/E/P ² Review	-	-	\$11,069.78
M/E/P Permit	\$4,719.95	-	\$22,139.57
CASp Review/Permit	-	-	\$1,305
Energy Review/Permit	-	-	\$600
CWMP ³	-	-	-
Total	\$133,094.33	\$21,683.03	\$45,579.35

¹ Separate charges for General Review Application, Energy Review Application, and Permit Issuance Fee

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Sample Project– Land Development and Engineering

Fee Category – EROW Permits – Drive Approach	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
Driveway Inspection	\$301	\$97	32%
Issuance	\$201	\$62	31%
Sidewalk Inspection	\$251	\$78	31%
Traffic Control Inspection	\$75	\$34	45%
Tech Fee	\$40	\$13	33%
Total	\$868	\$284	33%

¹ Referenced EROW22-00023

Sample Project– Land Development and Engineering

Fee Category – EROW Permits – New Construction	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
MS-4 Inspection Fee	\$553	\$267	48%
Construction/Excavation Inspection ²	\$5,909	\$5,663	96%
Improvement Plan Check ²	\$5,909	\$5,663	96%
ROW Issuance	\$201	\$62	31%
Water Improvement Plan Check ³	\$955	\$2,451	257%
Water Inspection Permit Fee ³	\$1,005	\$2,451	244%
Tech Fee	\$668	\$795	119%
Total	\$15,200	\$17,352	114%

¹ Referenced EROW22-00008

² Project Cost/Value \$129,085

³ Project Cost/Value \$49,024

Sample Project– Land Development and Engineering

Fee Category – EROW Permits – Subdivision	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
Monumentation Inspection Fee	\$603	\$246	41%
MS4 Inspection Fee	\$5,326	\$3,332	63%
ROW Issuance	\$201	\$62	31%
Construction/Excavation Inspection ²	\$97,056	\$125,185	129%
Improvement Plan Check ²	\$23,666	\$125,185	529%
Water Improvement Plan Check ³	\$19,707	\$26,590	135%
Water Inspection Permit Fee ³	\$53,338	\$26,590	50%
Tech Fee	\$9,195	\$7,463	81%
Total	\$209,092	\$314,652	150%

¹ Referenced EROW21-00070

² Project Cost/Value \$4,172,842 (Based on commercial/residential subdivision fee category 26)

³ Project Cost/Value \$886,317 (Based on fee category 29)

Sample Project – Land Development and Engineering

Fee Category – EUTL Permits – Street Light R/R	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
Traffic Control Inspection x 2	\$150	\$67	45%
Sidewalk Inspection	\$251	\$78	31%
Utility Structure Inspection	\$301	\$78	26%
ROW Issuance	\$201	\$61	31%
Tech Fee	\$43	\$13	32%
Total	\$946	\$297	31%

¹ Referenced EUTL22-0154

Sample Project – Land Development and Engineering

Fee Category – EWTR Permits – Backflow	Cost of Service per Activity	Current Fee	Existing Cost Recovery %
ROW Issuance	\$201	\$61.62	31%
Backflow Test x 2	\$366	\$132	36%
Water Improvement Plan Check ²	\$955	\$2,451	257%
Water Inspection Permit Fee ²	\$1,005	\$2,451	244%
Tech Fee	\$116	\$245	210%
Total	\$2,463	\$5,341	202%

¹ Referenced EROW22-00222

² Assumed Project Cost/Value \$49,024

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Steps Taken Prior to Workshop

- Draft studies distributed to stakeholders April 5th
- Draft study posted on City website April 5th
- Stakeholder meeting scheduled for April 13th

The Victorville City Seal is a circular emblem. It features a central shield with a palm tree and a mountain range. The shield is set against a background of a sun and a river. The seal is surrounded by the text "CITY OF VICTORVILLE" at the top and "HOME OF THE MOUNTAIN PALM" at the bottom. The year "1962" is also visible.

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Feedback Received

- Delay User Fee Study adoption and implementation

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Next Steps

- Recording of stakeholder meeting, studies & presentation to be posted on City website April 14th
- Collect additional feedback & finalize draft studies
- City Council Workshop on User Fee Study – April 25, 2022
- Publish staff recommendations, final studies, and Master Fee Schedule – May 26, 2022
- Public Hearing at City Council meeting – May 31, 2022

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Questions