

Aerial view of The City of Fresno



CITY OF FRESNO

Final Report
User Fee Analysis

For the
Code Enforcement Division

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TABLE OF CONTENTS

1. Executive Summary	1
1.1 Findings	1
1.2 Report Format	1
2. Introduction and Fundamentals	3
2.1 Scope of Study	3
2.2 Methods of Analysis	3
3. Code Enforcement Division	8
3.1 Cost of Service Analysis	8
3.2 Fee Establishment	8
3.3 Cost Recovery Evaluation	9
4. Conclusion.....	10

Appendices

Cost of Service Analysis (Fee Tables)

Appendix A

Comparative Fee Survey

Appendix B

1. EXECUTIVE SUMMARY

NBS performed a User Fee Analysis (Study) for the City of Fresno (City). The purpose of this report is to describe the Study's findings and recommendations, which intend to defensibly update and establish user and regulatory fees for service for the City of Fresno, California.

California cities impose user fees and regulatory fees for services and activities they provide through provisions of the State Constitution. First, cities may perform broad activities related to their local policing power and other service authority as defined in Article XI, Sections 7 and 9. Second, cities may establish fees for service through the framework defined in Article XIII C, Section 1. Under this latter framework, a fee may not exceed the estimated reasonable cost of providing the service or performing the activity. For a fee to qualify as such, it must relate to a service or activity under the control of the individual/entity on which the fee is imposed. For example, the individual/entity requests service of the municipality or his or her actions specifically cause the municipality to perform additional activities. In this manner, the service or the underlying action causing the municipality to perform service is either discretionary and/or is subject to regulation. As a discretionary service or regulatory activity, the user fees and regulatory fees considered in this Study fall outside requirements for imposition of taxes, special taxes, or fees imposed as incidences of property ownership.

The City's chief purposes in conducting this Study were to ensure that existing fees do not exceed the costs of service and to provide an opportunity for the City Council to re-align fee amounts with the adopted cost recovery policies.

1.1 Findings

This Study examined regulatory fees managed by the Code Enforcement Division. Table 1 shows a summary of the Study's results.

TABLE 1. REPORT SUMMARY

Division	Estimated Annual Current Fee Revenue	Estimated Annual Full Cost Recovery Fee Revenue	Annual Cost Recovery Surplus / (Deficit)	Current Cost Recovery %
Code Enforcement	\$ 112,697	\$ 164,542	\$ (51,845)	68%

As shown, the Study identified approximately \$113,000 in annual revenue collected at current fee amounts, versus \$165,000 of estimated costs eligible for recovery from fees for service. The City is currently recovering approximately 68% of the total costs associated with providing fee related services. Should the Council adopt fee levels at 100% of the calculated full cost recovery fee amounts determined by this Study, approximately \$52,000 in additional costs could be recovered.

1.2 Report Format

This report documents analytical methods and data sources used throughout the Study, presents findings regarding current levels of cost recovery achieved from user and regulatory fees, discusses recommended fee amounts, and provides a comparative survey of fees to neighboring agencies for similar services.

N Section 2 of the report outlines the foundation of the Study and general approach

- Section 3 discusses the results of the cost of service analysis performed, segmented by category of fee. The analysis applied to each category/department falls into studies of: the fully burdened hourly rate(s) and the calculation of the costs of providing service
- Section 4 provides the grand scope conclusions of the analysis provided in the preceding sections
- Appendices to this report include additional analytical details and a comparison of fees charged by neighboring agencies for similar services

2. INTRODUCTION AND FUNDAMENTALS

2.1 Scope of Study

The following is a summarized list of fees studied for the Code Enforcement Division:

- Complaint Response and Issue Identification
- Notice and Order / Violation
- Code Violation Appeals
- Abatement Enforcement Administrative Fee
- Rental Housing
- Sign Retrieval

The fees examined in this Study specifically excluded development impact fees, utility rates, and any special tax assessments, all of which fall under distinct analytical and procedural requirements different from the body of user/regulatory fees analyzed in this effort. Additionally, this Study excluded facility and equipment rental rates, as well as most of fines and penalties imposed by the City for violations to its requirements or codes. (The City is not limited to the costs of service when charging for entrance to or use of government property, or when imposing fines and penalties.)

2.2 Methods of Analysis

There are three phases of analysis completed for each City department or program studied:

1. Cost of service analysis
2. Fee establishment
3. Cost recovery evaluation

2.2.1 COST OF SERVICE ANALYSIS

This cost of service analysis is a quantitative effort that compiles the full cost of providing governmental services and activities. There are two primary types of costs considered: direct and indirect costs. Direct costs are those that specifically relate to an activity or service, including the real-time provision of the service. Indirect costs are those that support provision of services in general, but cannot be directly or easily assigned to a singular activity or service.

Components of the full cost of service include direct labor costs, indirect labor costs, specific direct non-labor costs where applicable, allocated non-labor costs, and allocated Citywide overhead. Definitions of these cost components are as follows:

- **Labor costs** – Salary, wages and benefits expenses for City personnel specifically involved in the provision of services and activities to the public.
- **Indirect labor costs** – Personnel expenses supporting the provision of services and activities. This can include line supervision and departmental management, administrative support

within a department, and staff involved in technical activities related to the direct services provided to the public.

- N **Specific direct non-labor costs** – Discrete expenses incurred by the City due to a specific service or activity performed, such as contractor costs, third-party charges, and very specific materials used in the service or activity. (In most fee types, this component is not used, as it is very difficult to directly assign most non-labor costs at the activity level.)
- N **Allocated indirect non-labor costs** – Expenses other than labor for the departments involved in the provision of services. In most cases, these costs are allocated across all services provided by a department, rather than directly assigned to fee categories.
- N **Allocated indirect organization-wide overhead** – These are expenses, both labor and non-labor, related to agency-wide support services. Support services include general administrative services such as Administration, Finance, etc. The amount of costs included in this Study were sourced from a separate analysis provided by the City's Finance Department.

All cost components in this Study use annual (or annualized) figures, representing a twelve-month cycle of expenses incurred by the City in the provision of all services and activities agency-wide.

Nearly all of the fees under review in this Study require specific actions on the part of City staff to provide the service or conduct the activity. Because labor is the primary underlying factor in these activities, the Study expresses the full cost of service as a fully burdened cost per labor hour. NBS calculates a composite, fully burdened, hourly rate for each department, division, program, or activity, as applicable to the specific organization and needs of each area studied. The rate serves as the basis for further quantifying the average full cost of providing individual services and activities. Deriving the fully burdened labor rate for each department, and various functional divisions within a department, requires two figures: the full costs of service and the number of hours available to perform those services. The full costs of service are quantified through the earlier steps described in this analysis. NBS derives the hours available from a complete listing of all City employees and/or hours of service available from contracted professionals.

The City has supplied NBS with the total number of paid labor hours for each function/service within the Code Enforcement Division. These available hours represent the amount of productive time available for providing both fee-recoverable and non-fee recoverable services and activities. The productive labor hours divided into the annual full costs of service equals the composite fully burdened labor rate. Some agencies also use the resulting rates for other purposes than setting fees, such as when the need arises to calculate the full cost of general services or structure a cost recovery agreement with another agency or third party.

Fully burdened labor rates applied at the individual fee level estimate an average full cost of providing each service or activity. This step required the development of staff time estimates for the services and activities listed in the City's fee schedule. For all fee programs studied, time tracking records (if available) were useful in identifying time spent providing general categories of service (e.g. division administration, public information assistance, etc.). However, the City does not systematically track activity service time for all departments or all individual fee-level services provided. Consequently, interviews and questionnaires were used to develop the necessary data sets describing estimated labor time. In many cases, the City estimated the average amount of time (in minutes and hours) it would take to complete a typical occurrence of each service or activity considered.

It should be noted that the development of these time estimates was not a one-step process: estimates received were carefully reviewed by both NBS and departmental management to assess the reasonableness of such estimates. Based on this review, the City reconsidered its time estimates until both parties were comfortable that the fee models reasonably reflected the average service level provided by the City. Then, time estimates were applied to the appropriate fully burdened labor rate to yield an average total cost of the service or activity.

2.2.2 FEE ESTABLISHMENT

Establishing fees includes a range of considerations. The Study's process provided the Division the opportunity to propose additions and deletions to their fee schedules, as well as rename, reorganize, and clarify fee names and categories. In most cases, the current structure of fees did not change; the focus is to recalibrate the fee amount to match the costs of services. In several cases, however, fee categories and fee names were simplified or re-structured to increase the likelihood of full cost recovery, or to enhance the fairness of how the fee applies to various types of fee payers.

Many such revisions better conform fees to current practices, as well as improve the calculation of fees owed by an individual, the application of fees, and the collection of revenues. Beyond this, some additions to the fee schedule were simply identification of existing services or activities performed by City staff for which no fee is currently charged.

The City's fee schedule should include the list of fully burdened rates developed by the Study. Documenting these rates in the fee schedule provides an opportunity for the City Council to approve rates for cost recovery under a "time and materials" approach. It also provides clear publication of those rates, so fee payers of any uniquely determined fee can reference the amounts. The fee schedule should provide language that supports special forms of cost recovery for activities and services not contemplated by the adopted master fee schedule. These rare instances use the published rates to estimate a flat fee, or bill on an hourly basis, at the discretion of the director of each department.

2.2.3 COST RECOVERY EVALUATION

The NBS fee model compares the existing fee for each service or activity to the average total cost of service quantified through this analysis. A cost recovery rate of 0% identifies no current recovery of costs from fee revenues (or insufficient information available for evaluation). A rate of 100% means that the fee currently recovers the full cost of service. A rate between 0% and 100% indicates partial recovery of the full cost of service through fees. A rate greater than 100% means that the fee exceeded the full cost of service.

User fees and regulatory fees examined in this Study should not exceed the full cost of service. In other words, the cost recovery rate achieved by a fee should not be greater than 100%. In most cases, charging a fee above this threshold could require the consensus of the voters.

NBS also often assists with modeling the "recommended" or "targeted" level of cost recovery for each fee, always established at 100%, or less, than the calculated full cost of service. Targets and recommendations always reflect agency-specific judgments linked to a variety of factors, such as existing policies, agency-wide or departmental revenue objectives, economic goals, community values, market conditions, level of demand, and others.

A general means of selecting an appropriate cost recovery target is to consider the public and private benefits of the service or activity in question.

- N To what degree does the public at large benefit from the service?
- N To what degree does the individual or entity requesting, requiring, or causing the service benefit?

When a service or activity completely benefits the public at large, there is generally little to no recommended fee amount (i.e., 0% cost recovery), reflecting that a truly public-benefit service is best funded by the general resources of the City, such as General Fund revenues (e.g., taxes). Conversely, when a service or activity completely benefits an individual or entity, there is generally closer to or equal to 100% of cost recovery from fees, collected from the individual or entity. An example of a completely private benefit service may be a request for exemption from a City regulation or process.

In some cases, a strict public-versus-private benefit judgment may not be sufficient to finalize a cost recovery target. Any of the following other factors and considerations may influence or supplement the public/private benefit perception of a service or activity:

- N If optimizing revenue potential is an overriding goal, is it feasible to recover the full cost of service?
- N Will increasing fees result in non-compliance or public safety problems?
- N Are there desired behaviors or modifications to behaviors of the service population helped or hindered through the degree of pricing for the activities?
- N Does current demand for services support a fee increase without adverse impact to the citizenry served or current revenue levels? (In other words, would fee increases have the unintended consequence of driving away the population served?)
- N Is there a good policy basis for differentiating between type of users (e.g., residents and non-residents, residential and commercial, non-profit entities and business entities)?
- N Are there broader City objectives that inform a less than full cost recovery target from fees, such as economic development goals and local social values?

Because this element of the Study is subjective, NBS provides each fee calculation at 100% full cost recovery as well as the framework for the City to adjust recommended fee amounts in accordance with the City's goals as pertains to code compliance, cost recovery, economic development, and social values.

2.2.4 COMPARATIVE FEE SURVEY

Appendix B presents the results of the Comparative Fee Survey for the City of Fresno. Often policy makers request a comparison of their jurisdiction's fees to surrounding or similar communities. The purpose of a comparison is to provide a sense of the local market pricing for services, and to use that information to gauge the impact of recommendations for fee adjustments.

NBS worked with the City to choose six comparative agencies: Bakersfield, Modesto, Sacramento, Stockton, and Long Beach. The following should be noted about the general approach to, and use of, comparative survey data:

- ¶ Comparative surveys do not provide information about the cost recovery policies or procedures inherent in each comparison agency.
- ¶ A “market based” decision to price services below the full cost of service calculation, is the same as making a decision to subsidize that service.
- ¶ Comparative agencies may or may not base their fee amounts on the estimated and reasonable cost of providing services. NBS did not perform the same level of analysis provided for this Study on the comparative agencies’ fees.
- ¶ Comparative fee survey efforts are often non-conclusive for many fee categories. Comparison agencies typically use varied terminology for provision of similar services.

In general, NBS reasonably attempts to source each comparison agency’s fee schedule from the Internet, and compile a comparison of fee categories and amounts for the most readily comparable fee items that match the client’s existing fee structure.

2.2.5 DATA SOURCES

The following data sources were used to support the cost of service analysis and fee establishment phases of this Study:

- ¶ The City of Fresno’s Adopted Budget for Fiscal Year 2018-2019
- ¶ A complete listing of all City personnel, salary/wage rates, regular hours, paid benefits, and paid leave amounts – provided by the Finance Department.
- ¶ Various correspondences with the City staff supporting the adopted budgets and current fees, including budget notes and expenditure detail not shown in the published document.
- ¶ Prevailing fee schedules for the Division
- ¶ Annual workload data from the prior fiscal year

The City’s adopted budget is the most significant source of information affecting cost of service results. NBS did not audit or validate the City’s financial management and budget practices, nor was cost information adjusted to reflect different levels of service or any specific, targeted performance benchmarks. This Study has accepted the City’s budget as a legislatively adopted directive describing the most appropriate and reasonable level of City spending.

Original data sets also support the work of this Study: primarily, estimated or tracked time at various levels of detail. To develop these data sets, consultants prepared questionnaires and conducted interviews with each division. In the fee establishment phase of the analysis, each division supplied estimates of average time spent providing a service or activity corresponding with an existing or new fee. NBS and departmental management reviewed responses to ensure the best possible set of estimates.

3. CODE ENFORCEMENT DIVISION

The Code Enforcement Division enforces the City’s Minimum Housing Code, which covers safety and livability requirements in housing by processing a variety of cases ranging from public nuisance to zoning. Code Enforcement has specialty teams as well as area teams that respond to complaints and possess specialized training to enforce violations.

3.1 Cost of Service Analysis

NBS developed a composite fully-burdened hourly rate for the Code Enforcement Division, summarized in the table below:

TABLE 2. FULLY BURDENED HOURLY RATE CALCULATION

Cost Element	Code Enforcement - Direct Services
Labor	\$ 2,803,084
Recurring Non-Labor	803,923
Citywide Overhead	388,633
Division Admin	5,131,357
Division Total	\$ 9,126,996
Fully Burdened Hourly Rate	\$ 146
<i>Reference: Direct Hours Only</i>	62,488

The total annual cost of the Code Enforcement Division per year is approximately \$9 million. All subsequent cost of service calculations at the individual fee level assume a fully burdened hourly rate of **\$146** for Code Enforcement support.

3.2 Fee Establishment

The following is a summary of overall changes made to the City’s fee schedule for the Code Enforcement Division:

- Deletion of fees that are no longer used or not needed, such as:
 - Hotel/Motel Inspection Fee
 - Family Day Care Annual Inspection
 - Registration of Vacant Foreclosed Properties
 - Failure to acquire a Specific Building Permit as required by the dated Notice & Order
 - Mobile home Rent Review
 - Shopping Cart Containment Plan Review Fee
 - Sign Storage Fee
 - Solid Waste Recyclers Certification Process
 - Vacant Building Plan – Review Fee

- N In order to create a more user-friendly fee structure, the list of fees was reorganized into three sections: General Complaints and Abatements, Housing Related, and Miscellaneous.
- N Addition of new fee categories, notated as “New” in Appendix A.1:
 - o Rental Housing
 - Courtesy Re-Inspection
 - Compliance Re-Inspection
 - o Lien Release Fee – Policy of Insurance of Record (PIRT)
 - City Processing Fee
 - Vendor Cost

Section 2.2, *Methods of Analysis*, provides additional discussion on the Study’s approach to adding, deleting, and revising fee categories.

3.3 Cost Recovery Evaluation

Appendix A presents the results of the detailed cost recovery analysis for the City’s Code Enforcement Division fees. In the Appendix, the “Cost of Service per Activity” column establishes the maximum adoptable fee amount for the corresponding service identified in the “Fee Name” list. The Cost of Service per Activity for each fee item is compared to the City’s current fee for each service, and the “Existing Cost Recovery %” shows whether each fee is under, over, or approximately equal to the cost of providing the service.

The Code Enforcement Division’s fees currently recover approximately 68% of the total annual cost of providing services. As shown in the following table, the City collects approximately \$113,000 per year in revenues at current fee amounts.

TABLE 3. COST RECOVERY OUTCOMES

Division	Estimated Annual Current Fee Revenue	Estimated Annual Full Cost Recovery Fee Revenue	Annual Cost Recovery Surplus / (Deficit)	Current Cost Recovery %
Code Enforcement	\$ 112,697	\$ 164,542	\$ (51,845)	68%

At full cost recovery, the same demand for these services would recover approximately \$165,000. Should the City Council adopt all fees at 100% of the Cost of Service per Activity amounts shown, approximately \$52,000 in costs could be recovered.

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, City Attorney and Code Enforcement Division staff, will make initial recommendations to set appropriate cost recovery levels at or below that full cost. The City’s Staff Report includes recommendations for fee amounts to be considered by City Council for adoption.

For more discussion on NBS’ overall approach to the Cost Recovery Evaluation, consult Section 2.2.3 of the Report.

4. CONCLUSION

Based on the Cost of Service Analysis, Fee Establishment, and Cost Recovery Evaluation outcomes presented in this Study, the proposed Master Schedule of Fees has been formatted for implementation and included in the Division's accompanying Staff Report.

As discussed throughout this report, the proposed fee schedule intends to improve the City's recovery of costs incurred to provide individual services, as well as to adjust fees downward where fees charged exceed the average costs incurred. Predicting the amount to which any adopted fee increases will affect City revenues is difficult to quantify. For the near-term, the City should not count on increased revenues to meet any specific expenditure plan. Experience with the revised fee amounts should be gained first before revenue projections are revised. However, unless there is some significant, long-term change in activity levels at the City, proposed fee amendments should enhance the City's cost recovery performance, over time, providing it the ability to stretch other resources further for the benefit of the public at large.

The City's Master Fee Schedule should become a living document but handled with care:

-) A fundamental purpose of the fee schedule is to provide clarity and transparency to the public and to staff regarding fees imposed by the City. Once adopted by the Council, the fee schedule is the final word on the amount and manner in which fees should be charged. Old fee schedules should be superseded by the new master document. If the master document is found to be missing fees, those fees need eventually to be added to the master schedule and should not continue to exist outside the consolidated, master framework.
-) The City should consider adjusting these user fees and regulatory fees on an annual basis to keep pace at least with cost inflation. For all fees and charges, the City could use either a Consumer Price Index adjustment or a percentage of Labor Cost increase, and that practice would be well applied to the new fee schedule. Conducting a comprehensive user fee Study is not an annual requirement; it becomes worthwhile only over time as significant shifts in organization, local practices, legislative values, or legal requirements change.

As a final note in this Study, it is worth acknowledging the path that fees in general have taken in California. The public demands ever more precise and equitable accounting of the basis for governmental fees and a greater say in when and how they are charged. It is inevitable in the not too distant future, that user fees and regulatory fees will demand an even greater level of analysis and supporting data to meet the public's evolving expectations. Technology systems will play an increased and significant role in an agency's ability to accomplish this. Continuous improvement and refinement of time tracking abilities will greatly enhance the City's ability to set fees for service and identify unfunded activities in years to come.

Disclaimer: In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions and events that may occur in the future. This information and assumptions, including the City's budgets, time estimate data, and workload information from City staff, were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions. While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

APPENDIX A

Cost of Service Analysis – Code Enforcement Division

City of Fresno
Code Enforcement - User Fee Study Fiscal Year 2019
Cost of Service Estimate for Fee Related Services and Activities

APPENDIX A

Fee No.	Fee Name	Fee Type (Flat / Deposit / Hourly)	Notes	Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee
I	Code Enforcement Fees - General Complaints and Abatelements										
1	Complaint Response and Issue Identification	hourly		1.00	\$ 146	\$ 146	\$ 100	68%	-	\$ -	\$ -
	**No Charge if complaint is verified and resolved by property owner / party within 30 days										
2	Notice and Order	Hour, 1 hour minimum		1.00	\$ 146	\$ 146	\$447 1-2 Units, plus \$100 each unit over 2 units	%	11	\$ 4,197	\$ 6,130
3	Notice of Violation	Hour, 1 hour minimum		1.00	\$ 146	\$ 146	\$ 100	68%	-	\$ -	\$ -
4	Code Violation Appeal - Minimum Processing Fee	flat	[2]								
	Single Family Residential up to two units						\$ 35				
	Multi-Residential with three or more units						\$ 55				
	Commercial Apartment Complexes and Commercial Business						\$ 75				
4	Code Violation Appeal - Successful Appeal						no charge				
5	Code Violation Appeal - Unsuccessful Appeal	Hour, 1 hour minimum		1.00	\$ 146	\$ 146	\$ 100	68%	-	\$ -	\$ -

City of Fresno
Code Enforcement - User Fee Study Fiscal Year 2019
Cost of Service Estimate for Fee Related Services and Activities

APPENDIX A

Fee No.	Fee Name	Fee Type (Flat / Deposit / Hourly)	Notes	Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee
6	Abatement Enforcement Fees and Penalties										
	Administrative Fee	hourly		1.00	\$ 146	\$ 146	Admin \$100; Summary \$250	%	572	\$ 57,200	\$ 83,547
	Actual Cost of Enforcement / Abatement	Actual Cost					Actual Cost				
	Penalty per abatement (penalty to be determined by department director within specified range)	Penalty					\$500 with a maximum of \$1,500				
7	Code Citation Penalties - General	Penalty	[1]								
	1st citation for non-compliance of code violations up to or maximum						\$ 250				
	2nd citation for non-compliance of code violations up to or maximum						\$ 500				
	3rd citation for non-compliance of code violations up to or maximum						\$ 1,000				
8	Code Citation Penalties - Health and Safety	Penalty	[1]								
	1st citation for non-compliance of code violations up to or maximum						\$ 800				
	2nd citation for non-compliance of code violations up to or maximum						\$ 1,200				
	3rd citation for non-compliance of code violations up to or maximum						\$ 1,600				

City of Fresno
Code Enforcement - User Fee Study Fiscal Year 2019
Cost of Service Estimate for Fee Related Services and Activities

APPENDIX A

Fee No.	Fee Name	Fee Type (Flat / Deposit / Hourly)	Notes	Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee
II	Code Enforcement Fees - Housing Related										
1	Rental Housing	flat									
	Registration Fee						no fee				
	Health and Safety Inspection, per unit			0.93	\$ 146	\$ 135	\$ 100	74%	6	\$ 600	\$ 812
new	Courtesy Re-Inspection			1.00	\$ 146	\$ 146	\$ 50	34%	-	\$ -	\$ -
new	Compliance Re-inspection			1.00	\$ 146	\$ 146	\$ 100	68%	-	\$ -	\$ -
2	Administrative Citation	Penalty									
	1st Violation		[1,3]				\$ 1,000				
	2nd Violation within a rolling 12 month period		[1,3]				\$ 10,000				
	3rd Violation within a rolling 12 month period		[1,3]				\$ 50,000				
III	Code Enforcement Fees - Miscellaneous										
1	Sign Retrieval	per sign		0.25	\$ 146	\$ 37	\$5 - \$50	%	-	\$ -	\$ -
2	Tire Disposal Service	flat	[2]								
	(Tires with wheels will be charged triple the amount)										
	Automobile/light pickup truck tires						\$ 1				
	Large truck tires						\$ 5				
	Tractor tires						\$ 8				
3	Inspection or Enforcement Services Otherwise not Listed for Public Nuisance, Zoning Code, or Housing Code	Hour, 1 hour minimum		1.00	\$ 146	\$ 146	\$ 100	68%	459	\$ 45,900	\$ 67,042

City of Fresno
Code Enforcement - User Fee Study Fiscal Year 2019
Cost of Service Estimate for Fee Related Services and Activities

APPENDIX A

Fee No.	Fee Name	Fee Type (Flat / Deposit / Hourly)	Notes	Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee
4	Collection Agency Recovery Fee	flat	[2]				27%				
5	Late Payment Charge	flat	[2]				1.5% or \$1 minimum				
6	Lien Release Fee	flat									
	Per lien release - County Filing Fee		[4]				\$ 60.00				
new	Policy of Insurance of Record (PIRT)										
	City Processing Fee			1.00	\$ 146	\$ 146	\$ 100	68%	48	\$ 4,800	\$ 7,011
	Vendor Cost						actual cost				
TOTAL										112,697	164,542

[Notes]

- [1] Code Citation Penalties may be issued by enforcing officers as set forth in, but not limited to, Fresno Municipal Code Sections I-302 and I-308
- [2] Set per City policy / NBS did not evaluate.
- [3] Plus any abatement, actual, administrative and enforcement costs and administrative expenses incurred.
- [4] Fee Set by the County

APPENDIX B

Comparative Fee Survey – Code Enforcement Division

City of Fresno
Code Enforcement - User Fee Study Fiscal Year 2019
Comparison of Charges for Fee Related Activities and Services - Code Enforcement Division

Appendix B

City of Fresno				Comparative Agencies				
Fee No.	Fee Description	Fee Type / Unit	Current Fee	City of Bakersfield	City of Modesto	City of Sacramento	City of Stockton	City of Long Beach
Code Enforcement Fees								
1	Code Violation Appeal Fee	flat						
	Single Family Residential up to two units		\$ 35	\$ 547	Actual cost of hearing including page cost of packets, postage, and hours worked by administrative staff, Code Enforcement Officers, and the City Attorney.	\$250-400 depending on type	no comparison available	Deposit of total amount of outstanding fine(s), late charges, and/or levies
	Multi-Residential with three or more units		\$ 55					
	Commercial Apartment Complexes and Commercial Business		\$ 75					
2	Code Citation Penalties - General	flat						
	1st citation for non-compliance of code violations up to or maximum		\$ 250	\$ 273	\$ 100	\$ 300	\$ 200	\$ 100
	2nd citation for non-compliance of code violations up to or maximum		\$ 500	\$ 469	\$ 250	\$ 500	\$ 500	\$ 200
	3rd citation for non-compliance of code violations up to or maximum		\$ 1,000	\$ 760	\$ 500	\$ 1,000	\$ 500	\$ 500
3	Code Citation Penalties - Health and Safety	flat						
	1st citation for non-compliance of code violations up to or maximum		\$ 800	no comparison available	\$ 100	no comparison available	no comparison available	no comparison available
	2nd citation for non-compliance of code violations up to or maximum		\$ 1,200		\$ 250			
	3rd citation for non-compliance of code violations up to or maximum		\$ 1,600		\$ 500			
4	Collection Agency Recovery Fee	flat	27%	no comparison available	No comparison available - Finance Department Fee	\$ 19	< \$999: \$35% > \$999: \$45%	25%
5	Late Payment Charge	flat	1.5% or \$1 minimum	\$ 32	No comparison available - Finance Department Fee	\$ 86	\$ 25	1st: 100% up to \$50 max 2nd: 25% delinquent balance
6	Lien Release Fee							
	Per lien release - County Filing Fee	flat	\$ 60	no comparison available	No comparison available - Finance Department Fee	no comparison available	\$ 53	\$ 165
7	Policy of Insurance of Record (PIRT)							
	City Processing Fee		\$ 100	no comparison available	no comparison available	no comparison available	no comparison available	no comparison available
	Consultant Cost		actual cost					

City of Fresno
Code Enforcement - User Fee Study Fiscal Year 2019
Comparison of Charges for Fee Related Activities and Services - Code Enforcement Division

Appendix B

City of Fresno				Comparative Agencies				
Fee No.	Fee Description	Fee Type / Unit	Current Fee	City of Bakersfield	City of Modesto	City of Sacramento	City of Stockton	City of Long Beach
8	Hotel/Motel Inspection Fee	Hour, 1 hour minimum	\$ 100	\$ 253	<i>no comparison available</i>	\$276-\$718 depending on size	\$190-\$1,040 depending on size	\$445-\$1,115 depending on size
9	Family day care annual inspection	Hour, 1 hour minimum	\$ 100	\$ 253	<i>no comparison available</i>	\$276-\$344 depending on size	<i>no comparison available</i>	\$ 375
10	Housing Code Enforcement Inspection, includes:	Hour, 1 hour minimum	\$ 100	\$ 253	<i>no comparison available</i>	\$ 275	\$198 (charged only if a violation is found)	<i>no comparison available</i>
	Inspection/lender requested							
	Housing code enforcement							
	Family day care licensing inspection							
	Code compliance inspection							
11	Notice and Order	flat						
	1-2 units		\$ 447	Abatement Hearing Processing Fee: \$273	Actual cost of administrative staff and code enforcement officers' time. If compliance isn't received by the date specified, (usually 20 days) on the 21st day penalties will begin as specified in the Notice & Order \$100 per day, \$250 per day, \$500 per day up to \$1,000 per day.	Appeal Processing: \$400	Posting of notice (per notice): \$119	\$35-\$105 depending on number of units
	Each unit over two units	\$ 100		Assessment Hearing Process Fee: \$469		Abate Public Nuisance: \$575		
				Abatement Warrant Processing: \$760		Repair, Rehabilitate or Demolish: \$115-\$1,075		
12	Public Nuisance Enforcement	Hour, 1 hour minimum	\$ 100	<i>no comparison available</i>	<i>no comparison available</i>	\$ 275	<i>no comparison available</i>	\$ 175
13	Registration of Vacant Foreclosed Properties (MC 10-620)	flat						
	Administrative Citation			<i>no comparison available</i>	Jan – March \$214, April – June \$160.50, July – September \$107.00 October – December \$214 Payments made Oct 1 – Dec 31 will cover current and next calendar year.	Response Fee: \$400 Monitoring Fee: \$305	<i>no comparison available</i>	\$175 per registration
	1st Violation	\$ 1,000						
	2nd Violation within a rolling 12 month period	\$ 10,000						
	3rd Violation within a rolling 12 month period	\$ 50,000						

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City of Fresno				Comparative Agencies				
Fee No.	Fee Description	Fee Type / Unit	Current Fee	City of Bakersfield	City of Modesto	City of Sacramento	City of Stockton	City of Long Beach
14	Rental Housing	flat						
	Registration Fee		\$ -	\$ 253	no comparison available	Inspection / Re-inspection: \$127	Inspection: \$182-\$401 depending on size	no comparison available
	Health and Safety Inspection, per unit		\$ 100			Program Fee: \$16		
	Courtesy Re-Inspection		\$ 50			Rescheduling Fee: \$80		
	Compliance Re-inspection		\$ 100					
16	Sign Retrieval	per sign	\$5 - \$50	no comparison available	no comparison available	no comparison available	no comparison available	no comparison available
17	Tire Disposal Service	flat						
	(Tires with wheels will be charged triple the amount)			no comparison available	no comparison available	no comparison available	no comparison available	\$2.73 per tire. First 2 special pick-ups per year are free.
	Automobile/light pickup truck tires		\$ 1					
	Large truck tires		\$ 5					
	Tractor tires		\$ 8					
18	Weed Abatement Enforcement Penalty							
	Administrative Fee	hourly	Admin\$100; Summary \$250	\$ 432	Actual cost of hearing plus pass-through of invoices charged by third party abatement company.	\$ 525	Actual cost plus cost of contractor	no comparison available
	Actual Cost of Enforcement / Abatement	Actual Cost	Actual Cost	\$ 759				
	Penalty per abatement (penalty to be determined by department director within specified range)	Penalty	\$500 with a maximum of \$1,500	Actual Cost		\$ 1,500	\$ 580	
19	Zoning Code Enforcement	hourly - 1 hour minimum	\$ 100	no comparison available	no comparison available	no comparison available	no comparison available	no comparison available

Notes

- [1] Sourced from "Bakersfield MASTER FEE SCHEDULE 07.01.19.pdf"
- [2] Sourced from "Modesto - Code violation appeal fee.docx" compiled by City Staff.
- [3] Sourced from the City of Sacramento website.
- [4] Sourced from "Stockton 2018_19_Adopted_Fee_Schedule.pdf"
- [5] Sourced from the City of Long Beach website.