


REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 6, 2021
To: City Council
From: Richard H. Llewellyn, Jr., City Administrative Officer
Reference: Request for report from the Public Works Committee – Motion (O’Farrell – Martinez) related to the addition of species to the Protected Tree Ordinance
Subject: **REVISED PROTECTED TREE PERMIT FEE**

CAO File No. 0220-05850-0000
Council File No. 13-1339
Council District: All



RECOMMENDATION

That the Council, subject to the approval of the Mayor, request the City Attorney to prepare and present an Ordinance to establish a new fee schedule (see Attachment 1) for inspection services provided by the Bureau of Street Services, Urban Forestry Division in relation to the Protected Tree Ordinance.

SUMMARY

On December 2, 2020 the Public Works Committee instructed our Office to work with the Bureau of Street Services (BSS) to report with an updated fee structure in order to fully recover the City’s cost for the protection and replacement of protected trees and shrubs and to report back with a staffing plan.

DISCUSSION

Fee Structure

Proposed New Fee

This Office worked closely with BSS to identify the tasks required for the processing of applications to remove protected trees, the appropriate classifications for each task, and the average time each task takes to complete. We also identified historical and anticipated permit volume. As a result, we have developed a proposed fee structure that is compliant with Prop 26, is full cost recovery, eliminates the General Fund subsidy for the permit process and provides an anticipated increase in revenue.

In recognition that some costs are consistent for all applicants and some costs vary by the number of trees under review, BSS and this Office are proposing to have two fees – an application fee and an inspection fee.

- The application fee will apply to all permit applications as the tasks to intake an application are the same, regardless of the number of trees proposed for removal. The fee will be \$806 per permit.
- The inspection fee will be determined by the number of trees proposed for removal as this effort varies depending upon the number of trees. The inspection fee will be:

Protected Tree Ordinance Proposed Inspection Fee	
Proposed Fee Structure	Fee
1 to 2 Trees	\$ 2,892.48
3 to 5 Trees	\$ 5,139.16
6 to 10 Trees	\$ 5,982.58
Up to 5 Additional Trees	\$ 1,070.76

The results of the fee study project that revenue may be approximately \$317,000 per year.

For comparison purposes, the current fee structure is as follows:

Current Fee Structure	Fee
5 Trees or Less	\$ 1,084
For Each Additional 5 Trees	\$ 1,084

Under the current fee structure, the anticipated fee revenue for 2020-21 is \$33,243.

As detailed later in this report, the staff assigned to the permitting effort do not work full time on the Protected Tree Ordinance permitting process given the estimated number of annual permits. The proposed new fee structure fully covers the cost of the overall permitting process based on the time and effort required to process the permit even though it cannot cover the full cost of the employees involved. Therefore, the proposed fee is in compliance with the City's Financial Policy in that the fee fully recovers the cost to process the permits. Time spent by the employees on non-permit activities is covered by other budgeted resources.

Staffing Levels

Current Staffing

The Bureau of Street Services (BSS), Urban Forestry Division (UFD), is responsible for the processing of requests to remove trees that are identified as Protected Trees as set forth in §46.01 of the Municipal Code. BSS UFD has been processing these cases with existing staff and, due to staffing shortages, experiences an average processing time of four to six months for each case. The addition of the Mexican Elderberry and the Toyon to the list of protected species is expected to increase the number of cases, and the number of species per case, by an unknown amount. The processing of protected tree removals does not currently have dedicated staff and has been served by various personnel within the BSS Land Development unit.

Proposed Staffing

In the fee study, BSS identified that five different classifications of City staff are involved in the process. The anticipated permit volume will not justify the full-time employment of any of the five classifications. However, two of the classifications are anticipated to have approximately six months of work each year (Tree Surgeon Supervisor and Street Tree Superintendent). In order to ensure that the existing processing time (four to six months) is not increased, and hopefully reduced, the Mayor included one new Tree Surgeon Supervisor and one new Street Tree Superintendent in the 2021-22 Proposed Budget. It is hoped that providing these new resources will allow BSS to minimize average processing time and, as a result, to incentivize compliance with the permit process.

The anticipated annual workload for the remaining three classifications is as follows: Management Analyst (approximately 1.5 months), Administrative Clerk (approximately one month) and Principal Clerk (approximately 1.5 weeks). It is projected that this level of work can be absorbed within existing BSS position authority. Therefore, positions were not added by the Mayor to the Proposed Budget.

As part of the Proposed Budget process, BSS indicated support for this staffing strategy.

FISCAL IMPACT STATEMENT

The staff assigned to the permitting effort do not work full time on the permitting process given the estimated number of annual permits. The proposed new fee structure fully covers the cost of the overall permitting process based on the time and effort required to process the permit even though it cannot cover the full cost of the employees involved. Therefore, the proposed fee is in compliance with the City's Financial Policy in that the fee fully recovers the cost to process the permits. Time spent by the employees on non-permit activities is covered by other budgeted resources.

The impact to the General Fund is approximately \$374,000. The first year cost of the positions identified in the report to support the tree removal permit process is \$691,401 (\$269,720 in direct costs and \$421,681 in indirect costs). The 2021-22 estimated revenue from the proposed permit fee is \$317,000.

FINANCIAL POLICY COMPLIANCE

The recommendations comply with City Financial Policies in that the fees proposed in this report are based on the full cost of operations.

RHL:NCT:06210174

Attachment

Protected Tree Ordinance Proposed Fee Structure	
Proposed Fee Structure	Fee (All Costs)
1 to 2 Trees	
Application Fee	\$ 805.99
Inspection Fee	\$ 2,892.48
<i>Subtotal</i>	<i>\$ 3,698.47</i>
3 to 5 Trees	
Application Fee	\$ 805.99
Inspection Fee	\$ 5,139.16
<i>Subtotal</i>	<i>\$ 5,945.15</i>
6 to 10 Trees	
Application Fee	\$ 805.99
Inspection Fee	\$ 5,982.58
<i>Subtotal</i>	<i>\$ 6,788.57</i>
Up to 5 Additional Trees	
Application Fee	
Inspection Fee	\$ 1,070.76
<i>Subtotal</i>	<i>\$ 1,070.76</i>