



REPORT ON FIRE PREVENTION FEES

March 2026

WOODSIDE FIRE PROTECTION DISTRICT, CA

MATRIX
CONSULTING GROUP

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INTRODUCTION AND EXECUTIVE SUMMARY

The report that follows presents the results of the Fire Prevention Fee Study conducted by Matrix Consulting Group for the Woodside Fire Protection District.

PROJECT BACKGROUND AND OVERVIEW

Historically, Woodside Fire Protection District (District) has updated individual fees as needed but has not undertaken a comprehensive external fee study. Therefore, the focus of this analysis is to establish a baseline fee framework, evaluating its full fee schedule holistically, determining the full cost (direct and indirect) of fire prevention services, and providing stakeholders with the documentation needed to develop appropriate fiscal policies for fee setting.

Matrix Consulting Group analyzed the cost-of-service relationships for services including: Development Plan Review & Inspection fees, Miscellaneous Construction Permits / Fees, Other Fees like additional inspections, PRAs After-Hours Inspections, Code Enforcement fees, and Operational Permits. The results of this study provide a tool for understanding current service levels and the cost for those services.

GENERAL PROJECT APPROACH AND METHODOLOGY

The methodology employed by Matrix Consulting Group is a widely accepted “bottom up” approach to cost analysis, where time spent per unit of fee activity is determined for each position within a District or Program. Once the time spent for a fee activity is defined, all applicable fire prevention costs are then considered in the calculation of the “full” cost of providing each service. The following table provides an overview of the types of costs applied in establishing the “full” cost of services offered by the District:

TABLE 1: OVERVIEW OF COST COMPONENTS

Cost Component	Description
Direct	Fiscal Year 2025-26 Budgeted salaries, benefits, and allowable expenditures.
Indirect	Divisional and clerical support.

Together, the cost components in the table above comprise the calculation of the total “full” cost of providing a service, regardless of whether a fee for that service is charged. The work accomplished by Matrix Consulting Group in the analysis of the proposed fees for service involved the following steps:

- **Staff Interviews:** The project team interviewed staff regarding their needs for clarification to the structure of existing fee items or for the addition of new fee items.
- **Data Collection:** Data was collected for each permit/service, including time estimates. In addition, all budgeted costs and staffing levels for Fiscal Year 2025-26 were entered into Matrix Consulting Group’s analytical software model.

- **Cost Analysis:** The full cost of providing each service included in the analysis was established.
- **Review and Approval of Results with Staff:** District management has reviewed and approved these documented results.

A more detailed description of user fee methodology, legal, and policy considerations is provided in subsequent chapters of this report.

SUMMARY OF RESULTS

The detailed documentation of this study will show an over-collection for some fees (per-unit) and an undercharge for most others. The results of this analysis will provide the District with guidance on how to right-size their fees to ensure that each service unit is set at an amount that does not exceed the full cost of providing that service. The display of the cost recovery figures shown in this report is meant to provide a basis for policy development discussions among the District's Board of Directors. It does not represent a recommendation for where or how the Board of Directors should act. The setting of the "rate" or "price" for services, whether at full cost recovery or at a lower level, is a policy decision to be made only by the Board.

IMPLEMENTATION RECOMMENDATIONS

This report provides the District with detailed information regarding cost recovery at the unit or application level. To ensure the District can maximize the information in this report and appropriately implement the results, Matrix Consulting Group has provided the following recommendations.

1. **Adopt a formal policy** regarding **cost recovery** goals.
2. **Adopt an annual fee-increase mechanism** to raise its fees each year to keep pace with cost-recovery goals and market conditions.
3. **Perform** a comprehensive **update** of its Fee Assessment **every 5 to 7 years**.

The above measures will help the District document any cost-recovery decisions and allow future decision-makers to understand the fees charged for services and the reasons for any subsidies.

LEGAL FRAMEWORK

This section of the report is intended to provide an overview of the legal rules and regulations that govern what constitutes a fee-for-service, how those fees can be calculated, general principles, philosophies, and policy considerations for setting fees for service.

LEGAL FRAMEWORK

A “user fee” is a charge for a service provided by a governmental agency to a member of the public or a group. California has several Government Codes and Propositions that regulate service fees, intending to ensure that fees are reasonable and justified. The most prominent and relevant of these include:

- **Proposition 26:** Passed in 2010, specifically outlined the difference between a fee and a tax and dictates that fees must be directly related to a service and cannot exceed the reasonable cost of that service.
- **Government Code § 50076:** clarifies that fees for service costs are not special taxes and do not need voter approval.
- **Government Code § 65104:** gives local governments the authority to charge planning and zoning fees to recover processing costs.

When determining service fees, it is crucial to ensure there is a **direct benefit** – the service is provided directly to the payer, and that it is **cost-based**, and does not exceed the reasonable cost of providing the service.

GENERAL PRINCIPLES AND PHILOSOPHIES REGARDING USER FEES

Local governments provide many types of general services to their communities. While all services offered by local government are beneficial to constituents, some are globally beneficial to all citizens, while others offer more direct benefits to specific groups or individuals. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

TABLE 2: SERVICES IN RELATION TO BENEFIT RECEIVED

"Global" Community Benefit	"Global" Benefit and an Individual or Group Benefit	Individual or Group Benefit
<ul style="list-style-type: none"> •Police •Park Maintenance •Fire Suppression 	<ul style="list-style-type: none"> •Recreation / Community Services •Fire Prevention 	<ul style="list-style-type: none"> •Building Permits •Planning and Zoning Approval •Engineering Development Review

Funding for local government is obtained from myriad revenue sources, such as taxes, fines, grants, special charges, and user fees. In recent years, alternative tax revenues, which typically offset subsidies for services provided to the community, have become increasingly limited. These limitations have led to increased attention to user fee activities as a revenue source that can offset costs otherwise subsidized (usually) by the general fund. In Table 3, services in the “global community benefit” section are typically funded primarily through voter-approved tax revenues. In the middle of the table, one finds a mixture of taxes, user fees, and other funding sources. Finally, in the “individual/group benefit” section of the table are the services provided by local government that are typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- ❖ **Fees should be assessed based on the degree of individual or private benefit derived from services.** For example, the processing and approval of a land use or building permit generally result in monetary gain for the applicant. In contrast, Police services and Fire Suppression are essential to the community’s safety.
- ❖ **A profit-making objective should not be included in assessing user fees.** In fact, California law requires that the charges for services be in direct proportion to the costs of providing those services. Once a service charge exceeds the actual cost of providing the service, the term “user fee” no longer applies. The charge then becomes a tax subject to voter approval.

Therefore, it is commonly accepted that user fees are set at a level that recovers up to, but not more than, the cost of providing a particular service.

GENERAL POLICY CONSIDERATIONS REGARDING USER FEES

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax-based or alternative revenue source. However, jurisdictions must prioritize revenue sources for service provision based on the continuum of benefits received.

Within services typically funded by user fees, Matrix Consulting Group recognizes several reasons why fire protection staff or the Board of Directors may not advocate for full cost recovery. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Limitations posed by an external agency.** The State or an outside agency will occasionally set a maximum, minimum, or limit the jurisdiction's ability to charge a fee at all. Examples could include State-licensed residential care facilities.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may improve community compliance. For example, if the cost of a vegetation management plan is too high, the community might not have the fire protection district approve it, which could lead to hazardous conditions.
- **Effect on demand for a particular service.** Sometimes raising the "price" charged for services might reduce the number of participants in a program. This is essentially the case in Fire Prevention programs such as CPR, CERT, Fall Prevention, or defensible space evaluations, where participants may compare the District's fees to those of surrounding jurisdictions or other options for support activities.
- **Benefit received by the user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community as a whole. Examples include event booth inspections and Fire/EMS stand-by at certain special events.

Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a Fee Study are to provide a fair and equitable basis for determining the costs of providing services and ensure that the fire protection district complies with State law.

SUMMARY OF LEGAL RESTRICTIONS AND POLICY CONSIDERATIONS

Once the full cost of providing services is known, the next step is to determine the "rate" or "price" for services at a level that is up to, and not more than, the full cost. The Board of Directors is responsible for this decision, which often involves balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion and, at times, fall into a "grey area." However, with the resulting cost-of-services information from a Fee Study, the Board of Directors can be assured that the adopted fee for services is reasonable, fair, and legal.

USER FEE STUDY METHODOLOGY

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the “bottom-up” approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon one another to comprise the total cost of providing the service. The following chart describes the elements of a full cost calculation:



The following subsections discuss the two components of the full-cost basis.

TIME ESTIMATION

The use of time estimates is a reasonable and defensible approach, as they were developed by experienced staff members who understand the District’s service levels and processes. The project team worked closely with fire protection staff in developing time estimates with the following criteria:

- Estimates represent **average service** times. Extremely difficult or abnormally simple projects are not factored into the analysis.
- Estimates reflect the time associated with the **position or positions** that typically perform a service.
- Estimates are reviewed by the project team for “**reasonableness**” against their experience with other agencies.
- Estimates were not based on time-in-motion studies, as they are not practical for the scope of services and the time frame of this project.
- Estimates match current or proposed staffing levels to ensure no over-allocation of staff resources to fee- and non-fee-related activities.

Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service on which to base a jurisdiction’s fees for service, and it meets the requirements of California law.

The alternative to time estimating is actual time tracking, often referred to billing on a “time and materials” basis. Except in the case of anomalous or very large and complex projects, Matrix Consulting Group believes this approach to not be cost effective or reasonable for the following reasons:

- Accuracy in time tracking is compromised by the additional administrative burden of tracking, billing, and collecting for services in this manner.
- Additional costs are associated with the administrative staff's billing, refunding, and monitoring deposit accounts.
- Customers often prefer to know the fees for services in advance of applying for permits or participating in programs.
- Districts can better predict revenue streams and staff needs using standardized time estimates and anticipated permit volumes.

Situations arise where the size and complexity of a given project warrant time tracking and billing on a "time and materials" basis. Matrix Consulting Group has recommended taking a deposit and charging Actual Costs for such fees as appropriate and itemized within the current fee schedule.

FULLY BURDENED HOURLY RATES

The fully burdened hourly rates calculated through this study include the following components:

- **Salaries:** FY25-26 Budgeted salaries were utilized and consolidated at the positional level.
- **Benefits:** FY25-26 Budgeted benefits were utilized and consolidated at the positional level.
- **Productive Hours:** Based on Woodside Fire Protection District's current personnel system rules, working or productive hours were calculated. This means taking the starting total working hours and reducing the hours by vacation, sick, holidays, training, and administrative leave, based on each bargaining unit.
- **District / Divisional Overhead:** This captures any internal service charges or operating supply costs, such as vehicles, supplies, etc. Additionally, this component includes the cost associated with support from staff who do not directly work on fees.

Together, these components result in the generation of fully burdened hourly rates by position/classification. These rates were multiplied by the time assumptions to calculate the full cost of services noted in this report.

FEE RESULTS

The Woodside Fire Protection District is responsible for providing Emergency Response Services, Emergency Medical Services, Fire Prevention Services, Inspections, Code Enforcement, Vegetation Management / Defensible Space services to the Towns of Woodside, Portola Valley, Emerald Hills, Ladera, Los Trancos/Vista Verde, and Skyline. Its fee-related services include Development Plan Review & Inspection fees, Code Enforcement fees, Operational Permits, Miscellaneous Construction Permits / Fees, and Other Fees like Additional Inspections, PRAs, and After-Hours Inspections.

The following subsections discuss fee schedule modifications and detailed per-unit results for the fee-related services provided by the Woodside Fire Protection District.

FEE SCHEDULE MODIFICATIONS

In discussions with staff, the following modifications were proposed to the current fee schedule:

- **New Fees:** Staff proposed the addition of the following fees to capture services already provided but not codified or new services being provided:
 - 'Defensible Space Inspection'
 - 'Residential Block Parties'
 - 'Defensible Space Inspector'
 - 'Fire Prevention Blended Rate'
- **Eliminated Fees:** Staff proposed eliminating the expired-permit fee, as it is no longer offered.
- **Consolidated Fees:** Staff proposed consolidating '31-50 Devices' and '50+ Devices' under the Fire Alarm Fees category into a single fee, 'Each Additional 20 Devices', to simplify the service offered.
- **Modified Fees:** Staff proposed the following fee modifications to more accurately reflect the services offered.
 - 'Pre-app Design Review – Residential' was changed from a flat fee to a per-hour fee
 - '1-30 Devices' was changed from a flat fee to a base fee

The noted modifications ensure that the proposed fee schedule more accurately reflects the services provided by the District.

DETAILED RESULTS

Woodside Fire Protection District collects fees for Development Plan Review & Inspection fees, Miscellaneous Construction Permits / Fees, Other Fees like additional inspections, PRAs and After-Hours Inspections, Code Enforcement fees, and Operational Permits. The total cost calculated for each service

includes direct staff costs and divisional / District overhead. The following table details the fee name, current fee, total cost, and the difference for each service offered.

TABLE 3: TOTAL COST PER UNIT RESULTS

Fee Name	Current Fee	Total Cost	Difference
Building Construction - New and Tenant Improvement			
ASRB / ASCC Planning or Design Review Residential / Commercial			
Residential	\$377	\$355	\$22
Commercial	\$377	\$524	(\$147)
Building Site Review			
Residential	\$368	\$599	(\$231)
Commercial	\$520	\$898	(\$378)
Pre-app Design Review			
Residential	\$368	\$299	\$69
Commercial	\$742	\$299	\$443
Commercial New Construction / TI			
Includes 25,000 Linear Sq. Ft. per floor	\$671	\$748	(\$77)
Additional 25,000 Linear Sq. Ft. per floor	\$335	\$449	(\$114)
Bridges / Driveways	\$192	\$344	(\$152)
Gates (Knox Switches)	\$123	\$374	(\$251)
Fire Pits	\$183	\$449	(\$266)
Gates and Barricades Across Fire Apparatus Access Roads	\$201	\$494	(\$293)
Smoke Control / Smoke Exhaust Systems	\$1,386	\$1,427	(\$41)
Energy Systems			
Electrical Energy Storage System (ESS)	\$335	\$449	(\$114)
Photovoltaic Systems			
Residential	\$183	\$449	(\$266)
Commercial	\$638	\$599	\$39
Fuel Cell Power Systems	\$123	\$449	(\$326)
Generators	\$335	\$524	(\$189)
Sprinkler Systems New Construction / Modification / Addition / TI			
Residential 13D (New)			
Includes up to 100 heads	\$458	\$823	(\$365)
Additional 50 heads	\$307	\$374	(\$67)
Residential Modification/Addition 13D			
Includes up to 50 heads	\$307	\$898	(\$591)
Additional 50 heads	\$246	\$299	(\$53)
Commercial NFPA 13 (New)			
Includes up to 200 heads & 3 inspections per floor	\$1,367	\$1,705	(\$338)
Additional 200 heads per floor	\$458	\$388	\$70
Commercial NFPA 13 (TI)			
Includes up to 20 heads, inspection and final	\$913	\$1,571	(\$658)
Additional 100 heads	\$458	\$239	\$219

Fee Name	Current Fee	Total Cost	Difference
Underground Piping Installation			
Includes first 50 feet	\$1,367	\$1,555	(\$188)
Additional 100 feet	\$458	\$239	\$219
Other Extinguishing Systems (all fees include 2 inspections unless noted otherwise)			
Fire Pump	\$913	\$1,121	(\$208)
Hood and Duct Extinguishing Systems - includes 1 inspection only	\$610	\$627	(\$17)
Pre-Action Systems	\$1,064	\$1,166	(\$102)
Refrigeration Systems	\$661	\$1,077	(\$416)
Spray Booths	\$761	\$1,077	(\$316)
Standpipe Systems / PIV / FDC	\$1,064	\$1,166	(\$102)
Water Tanks	\$458	\$988	(\$530)
Private Fire Hydrants	\$761	\$1,077	(\$316)
Fire Alarm Systems			
1-30 Devices	\$761	\$822	(\$61)
Each Additional 20 Devices	Modified	\$194	N/A
Other Alarm Systems			
2 Way Communication	\$761	\$627	\$134
Emergency Responder Communication Coverage	\$1,064	\$717	\$347
Miscellaneous Construction Permits / Fees			
Including Non-Construction Related Fees			
Tents / Temporary Membrane Structures Installation	\$335	\$748	(\$413)
AB 38 Fire Safety Real Estate Disclosure Inspections	\$486	\$599	(\$113)
Fire Protection Plan	\$638	\$674	(\$36)
Vegetation Management Plan	\$638	\$674	(\$36)
Industrial Ovens	\$335	\$463	(\$128)
Motor Vehicle Repair Rooms / Booths	\$183	\$748	(\$565)
Hazardous Materials			
Compressed Gas - Installation and Plan Review	\$335	\$748	(\$413)
Flammable / Combustible Liquids	\$335	\$748	(\$413)
Storage Tank (above or below ground)	\$486	\$748	(\$262)
Gas Detection System	\$638	\$748	(\$110)
LP-gas System	\$638	\$748	(\$110)
Plant Extraction System	\$638	\$748	(\$110)
Spraying or Dipping Installation / Modification	\$486	\$748	(\$262)
High-piled combustible storage	\$335	\$748	(\$413)
Other Fees			
Additional Inspection / Re-inspection Fee	\$373	\$374	(\$1)
Inspection No Show or <24 hour cancellation	\$638	\$674	(\$36)
Additional Plan Check / Resubmittals	\$207	\$299	(\$92)
After Hours Inspection	Hourly Rate	\$376	N/A
Alternative Materials & Methods Request	\$1,244	\$1,273	(\$29)
Public Records Request (PRA)	\$10	\$374	(\$364)

Fee Name	Current Fee	Total Cost	Difference
Fire Investigation Report or Incident Report	\$16	\$374	(\$358)
Code Enforcement			
Code Enforcement (Actual time at Staff Hourly Rate)	Actual Cost	Actual Cost	N/A
Nuisance Alarm Notification (>3 within 12 month period)	\$437	\$790	(\$353)
Operational Permits			
Additive Manufacturing	\$374	\$449	(\$75)
Aerosol Products, aerosol cooking spray products and plastic aerosol 3 products (in excess of 500lbs.)	\$374	\$449	(\$75)
Amusement Buildings	\$374	\$449	(\$75)
Apartment, hotel, motel	\$374	\$449	(\$75)
Asbestos Removal	\$374	\$449	(\$75)
Aviation Facilities	\$374	\$449	(\$75)
Cannabis	\$374	\$449	(\$75)
Care Facilities	\$374	\$449	(\$75)
Carnivals and Fairs	\$374	\$449	(\$75)
Cellulose Nitrate Film	\$374	\$449	(\$75)
Christmas Tree Sales	\$374	\$449	(\$75)
Combustible Dust-Producing Operations	\$374	\$449	(\$75)
Combustible Fibers	\$374	\$449	(\$75)
Compressed Gases	\$374	\$449	(\$75)
Covered and Open Mall Buildings	\$374	\$449	(\$75)
Cryogenic Fluids	\$374	\$449	(\$75)
Cutting and Welding	\$374	\$449	(\$75)
Dry Cleaning	\$374	\$449	(\$75)
Emergency Responder Communication Coverage	\$374	\$449	(\$75)
Energy Storage Systems	\$374	\$449	(\$75)
Exhibits and Trade Shows	\$374	\$449	(\$75)
Explosives	\$374	\$449	(\$75)
Fire Hydrants and Valves	\$374	\$449	(\$75)
Flammable and Combustible Liquids	\$374	\$449	(\$75)
Floor Finishing	\$374	\$449	(\$75)
Fruit and Crop Ripening	\$374	\$449	(\$75)
Fumigation and Insecticidal Fogging	\$374	\$449	(\$75)
Hazardous Materials	\$374	\$449	(\$75)
HPM Facilities	\$374	\$449	(\$75)
High-piled Storage	\$374	\$449	(\$75)
High-rise Occupancy (in addition to Fee 1.5)	\$374	\$449	(\$75)
Hot Work Operations	\$374	\$449	(\$75)
Indoor Growing Operations	\$374	\$449	(\$75)
Industrial Ovens	\$374	\$449	(\$75)
Liva Audiences (to install seating for production facilities, studios and sound stages)	\$374	\$449	(\$75)
Live Entertainment	\$374	\$449	(\$75)

Fee Name	Current Fee	Total Cost	Difference
Lumber Yards & Woodworking Plants	\$374	\$449	(\$75)
Liquid or Gas-Fueled Vehicles or Equipment in Assembly Buildings	\$374	\$449	(\$75)
Lithium Batteries (>15 cu. ft.)	\$374	\$449	(\$75)
LP-Gas	\$374	\$449	(\$75)
Magnesium	\$374	\$449	(\$75)
Miscellaneous Combustible Storage	\$374	\$449	(\$75)
Mobile Fueling of Hydrogen-Fueled Vehicles	\$374	\$449	(\$75)
Model Rockets Rental, Sale or Operation	\$374	\$449	(\$75)
Motor Fuel-Dispensing Facilities	\$374	\$449	(\$75)
Open Burning	\$374	\$449	(\$75)
Open Flames and Torches	\$374	\$449	(\$75)
Open Flames and Candles	\$374	\$449	(\$75)
Organic Coatings	\$374	\$449	(\$75)
Outdoor Assembly Event	\$1,099	\$449	\$650
Places of Assembly	\$374	\$449	(\$75)
Plant Extraction Systems	\$374	\$449	(\$75)
Private Fire Hydrants	\$374	\$449	(\$75)
Production Facilities	\$796	\$823	(\$27)
Pyroxylin Plastics	\$374	\$449	(\$75)
Refrigeration Equipment	\$374	\$449	(\$75)
Repair Garages and Motor Fuel-Dispensing Facilities	\$374	\$449	(\$75)
Rooftop Heliports	\$374	\$449	(\$75)
Spraying or Dipping	\$374	\$449	(\$75)
Storage of Scrap Tires and Tire Byproducts	\$374	\$449	(\$75)
Temporary Membrane Structures and Tents	\$374	\$494	(\$120)
Temporary Occupancy	\$374	\$449	(\$75)
Temporary Water Supply	\$374	\$449	(\$75)
Tire-Rebuilding Plants	\$374	\$449	(\$75)
Waste Handling	\$374	\$449	(\$75)
Wood Products	\$374	\$449	(\$75)
Defensible Space Inspection	New	\$1,090	N/A
Residential Block Parties	New	\$316	N/A
Cost Recovery Servies			
Chipping Services	New	Actual Cost	N/A
Fuel Reduction Services	New	Actual Cost	N/A
Cost Recovery Hourly Rates (Minimum 3 Hours)			
Defensible Space Inspector	New	\$191	N/A
Fire Prevention Blended Rate	Modified	\$299	N/A
Fire Fighter	\$179	\$179	\$0
Fire Captain	\$203	\$273	(\$70)
Fuel Management Engineer	\$188	\$160	\$28

Fee Name	Current Fee	Total Cost	Difference
Fuel Mitigation Specialist	\$87	\$160	(\$73)

Nearly all the fees administered by the Woodside Fire Protection District under-recover for its services. The most significant deficit is in relation to the 'Commercial NFPA 13 (TI)' base fee under the sprinkler Systems New Construction / Modification / Addition / TI category at \$658. The smallest deficit is for the 'Additional Inspection / Re-inspection Fee' under the Other Fees category at \$1.

The District should review the per-unit results and adjust fees in accordance with state laws and District cost recovery policies. To comply with state law, all fees that show an over-recovery should be reduced to full cost immediately. Fees that indicate under-recovery should be reviewed to determine whether they should be increased.

RECOMMENDATIONS

This chapter presents recommendations to strengthen the District's fee structure and its overall cost-recovery framework. The recommendations address strategies for establishing a regular timeline for comprehensive fee studies, implementing an annual fee-adjustment mechanism, and developing formal cost-recovery policies. Together, these recommendations are designed to improve transparency, maintain cost recovery over time, and ensure that the District's fire prevention services remain both financially sustainable and responsive to community needs.

FORMALIZED COST RECOVERY POLICY

This study has identified areas where the District is under-collecting costs associated with service provision. Other District revenue sources are therefore subsidizing this known funding gap. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known funding gap is recognized. It may be recovered through other revenue sources.

The Governmental Finance Officers Association's (GFOA) best practices for *Establishing Government Charges and Fees* state that governmental entities should adopt formal policies regarding charges and fees which include the jurisdiction's intention to recover the full cost or partial costs of providing services, sets forth circumstances under which the jurisdiction might set a charge or fee at less than or more than 100% of full cost, and outlines the considerations that might influence pricing decisions.

The development of cost recovery policies and procedures ensures that current and future decision-makers understand how and why fees were determined and set. It provides a roadmap for ensuring consistency as the District moves forward. Policies can be general in nature and can apply broadly to Fire Prevention as a whole, or to specific fee categories or service types. Fee categories or service-specific policies allow the District to control cost recovery across different service types and ensure alignment with fiscal goals and community benefits.

RECOMMENDATION #1

The District should review current cost-recovery levels and adopt a formal cost-recovery policy.

INCREASE MECHANISMS

To keep fees aligned with cost recovery goals and keep pace with inflation and other market conditions, the District should adopt an annual increase mechanism. The development of annual update mechanisms allows jurisdictions to maintain current levels of cost recovery while accounting for increases in expenditures related to permit services. The two most common types of update

mechanisms are the Consumer Price Index (CPI) and the Cost of Living Adjustment (COLA). The following points provide further detail on each mechanism.

- **COLA/Personnel Cost Factor:** Jurisdictions often provide their staff with annual salary adjustments to account for increases in local costs of living. These increases are not tied to merit or seniority, but rather intended to offset rising costs for housing, gas, and other livability factors. Generally, these factors are around two or three percent annually.
- **CPI Factor:** A standard method for increasing fees or costs is to use regional cost indicators, such as the Consumer Price Index. The Bureau of Labor Statistics calculates these factors, which are released at various intervals throughout the year and are regionally specific.

The District should review its current options internally (COLA) and externally (CPI) to determine which better reflects the District's goals. If choosing a CPI factor, the District should specify which CPI to use, including the specific region and adoption date. If selecting an internal factor, again, the District should be sure to specify which factor, if multiple exist.

RECOMMENDATION #2

The District should adopt an annual fee-increase mechanism to raise its fees each year to keep pace with cost-recovery goals and market conditions.

COMPREHENSIVE ANALYSIS UPDATE

The purpose of a comprehensive update is to revisit the analytical structure, service-level estimates, and assumptions from the previous study, and to account for any significant shifts in cost components, organizational structures, code changes, etc. However, conducting an annual comprehensive analysis of fee-related services and costs would be time-consuming and costly.

The Government Finance Officers Association's (GFOA) best practices for *Establishing Government Charges and Fees* state that governmental entities should review and update fees periodically based on factors such as the impact of inflation, other cost increases, and adequacy of cost recovery, use of services, and the competitiveness of current rates to avoid significant infrequent fee increases.

A general rule of thumb for comprehensive fee analyses is between five and seven years, as this allows for jurisdictions to ensure they account for organizational changes such as staffing levels and merit increases, as well as process efficiencies, code or rule changes, or technology improvements.

RECOMMENDATION #3

The District should perform a comprehensive update of its Fee Assessment every 5 to 7 years.

APPENDIX – COMPARATIVE SURVEY

As part of the Fire Prevention Fee study for the Woodside Fire Protection District, Matrix Consulting Group conducted a comparative survey of user fees. The Woodside Fire Protection District identified four municipalities to be included in the comparative survey: City of Mountain View, City of Palo Alto, Coastside Fire Protection District¹, and Menlo Park Fire Protection District². The project team then reviewed public documents (e.g., agenda items, staff reports, budgets, fee schedules, and ordinances) and/or contacted jurisdictions to obtain comparative information.

While this full report provides the District with a reasonable estimate and understanding of the actual costs of providing services, many jurisdictions also wish to benchmark themselves against other comparable jurisdictions to understand the local “rates” for similar services. This type of comparative analysis allows the Woodside Fire Protection District to assess the types of fee-level changes its community can bear. However, benchmarking does not provide adequate information on the relationship between other jurisdictions’ costs and their fees (e.g., policy decisions to subsidize, cost-recovery goals, etc.). To contextualize this portion of the analysis, the project team provided economic and recency factors for the comparable jurisdictions.

The following sections detail various factors to consider when reviewing comparative survey results, as well as graphical comparisons of current fees and total calculated costs for selected permits issued or services provided by Woodside Fire Protection District.

ECONOMIC FACTORS

To provide additional context to the comparative survey information, the project team collected economic factors for the jurisdictions included. Three critical economic factors to consider when comparing fees across multiple jurisdictions are: population, budget, and workforce size. These factors can affect how and when fees are administered: a jurisdiction with a smaller population may choose not to charge a fee, or a smaller workforce may limit its ability to administer fees. The following tables rank each jurisdiction from smallest to largest for each of these economic factors:

TABLE 4: RANKING OF JURISDICTIONS BY POPULATION

Jurisdiction	Population
Woodside Fire Protection District	25,000
Coastside Fire Protection District	30,000
City of Palo Alto	68,794
City of Mountain View	86,513
Menlo Park Fire Protection District	90,000

¹ Coastside Fire Protection District services the City of Half Moon Bay and the Communities of Montara, Moss Beach, Princeton, El Granada and Miramar in addition to the surrounding unincorporated areas.

² Menlo Park Fire Protection District serves Atherton, Menlo Park, East Palo Alto, and some of the unincorporated areas of San Mateo County.

TABLE 5: RANKING OF JURISDICTIONS BY FIRE BUDGET

Jurisdiction	FY25-26 Budget
Coastside Fire Protection District	\$25,635,897
Woodside Fire Protection District	\$30,020,209
City of Mountain View	\$42,153,996
City of Palo Alto	\$59,966,000
Menlo Park Fire Protection District	\$84,648,151

TABLE 6: RANKING OF JURISDICTIONS BY FIRE FTE

Jurisdiction	FY25-26 FTE
Coastside Fire Protection District	32
Woodside Fire Protection District	65
City of Mountain View	89
City of Palo Alto	124.53
Menlo Park Fire Protection District	153

Compared with the surveyed jurisdictions, Woodside Fire Protection District ranks at the lower end in population, budget, and staffing.

RECENCY FACTOR

While the above comparative information can provide some perspective when comparing the Woodside Fire Protection District’s fees with those of surveyed jurisdictions, other key factors to consider include when a jurisdiction’s fee schedule was last updated and when the last comprehensive analysis was conducted. It is important to note that even though jurisdictions may have conducted recent fee studies, their fees are not always adopted at full cost recovery. The comparative results show only the adopted fee for the surveyed jurisdiction, not necessarily the full cost of the comparable service.

The following tables detail when each surveyed jurisdiction last conducted a fee analysis and when they last updated their fee schedule:

TABLE 7: LAST FEE SCHEDULE UPDATE

Jurisdiction	Response
City of Mountain View	2025
City of Palo Alto	2025
Coastside Fire Protection District	2024
Menlo Park Fire Protection District	2023

TABLE 8: LAST FEE STUDY CONDUCTED

Jurisdiction	Response
City of Mountain View	2025
City of Palo Alto	2025
Coastside Fire Protection District	2023
Menlo Park Fire Protection District	N/A

Most of the surveyed jurisdictions have published an updated fee schedule in the last year, except for the Coastside Fire Protection District and the Menlo Park Fire Protection District. Additionally, all but the Menlo Park Fire Protection District have conducted a fee study within the last five years.

ADDITIONAL FACTORS

Along with keeping the statistics outlined in the previous sections in mind, the following issues should also be noted regarding the use of market surveys in the setting of service fees:

- **Cost Recovery Factors:** Each jurisdiction and its fees are different, and many are not based on the actual cost of providing services, as various policy decisions may subsidize services.
- **Fee Variance Factors:** A fee with the same name may encompass different types of services or activities across jurisdictions. Variability may stem from differences in service delivery models (e.g., in-house vs. contracted), the scope of work included under the fee, and staffing configurations, all of which can influence how indirect and overhead costs are allocated.

In addition to the issues noted, market surveys can also risk creating a confusing excess of data that obscures rather than clarifies policy issues. Because each jurisdiction is different, Matrix Consulting Group recommends using market fee comparisons as a secondary decision-making tool, rather than the primary method for determining an acceptable price point for services.

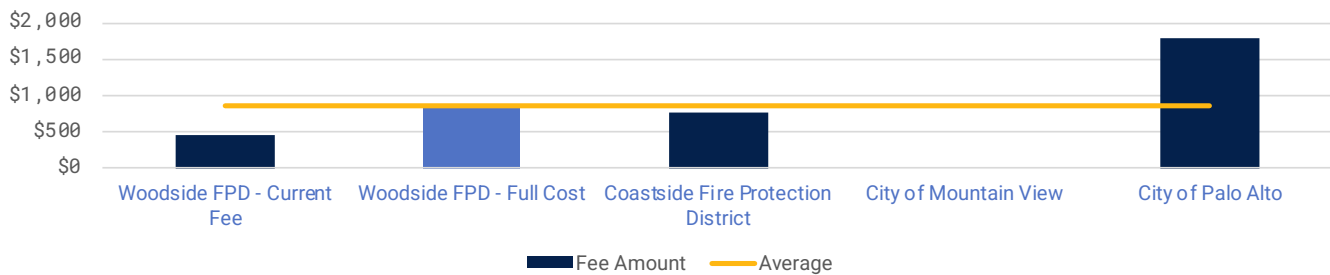
COMPARATIVE SURVEY RESULTS

As part of this study, the project team surveyed how Woodside Fire Protection District's current user fees and calculated full costs compared to those of other identified jurisdictions. The following subsections provide a comparative look at several fee-related services offered by the District versus those of the surveyed jurisdictions.

SPRINKLER SYSTEMS NEW CONSTRUCTION / MODIFICATION / ADDITION / TI - RESIDENTIAL 13D (NEW)

The Woodside Fire Protection District currently charges a fee of \$458 for a Sprinkler Systems New Construction / Modification / Addition / TI - Residential 13D (New) - Includes up to 100 heads. Through this study, the project team calculated the full cost of this service to be \$823. The following graph shows how the Woodside Fire Protection District's current fee and full cost compare with those of surveyed jurisdictions.

Sprinkler Systems New Construction / Modification / Addition / TI - Residential 13D (New)

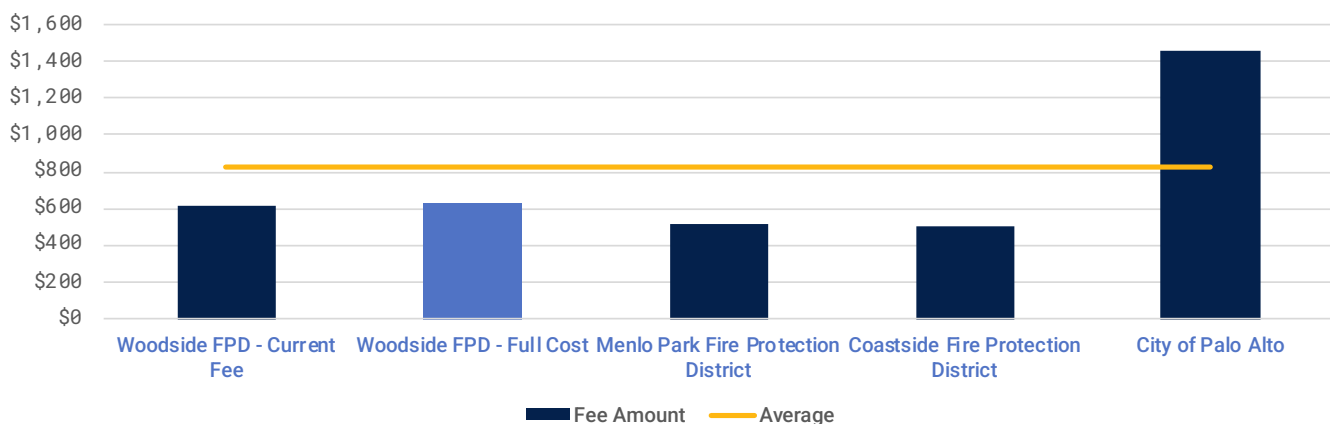


Woodside Fire Protection District’s current fee is the lowest among other jurisdictions at \$458. However, their full cost of \$823 is below the jurisdictional average of \$850. Woodside Fire Protection District’s Full cost is most comparable to the Coastside Fire Protection District’s fee of \$773. It was noted that Menlo Park does have a fee for a Residential Fire Sprinkler System, but they do not charge one. The City of Mountain View has been excluded; the City includes Fire costs in its base fee for Building and Planning, or uses valuation to determine fire fees.

OTHER EXTINGUISHING SYSTEMS - HOOD AND DUCT EXTINGUISHING SYSTEMS

The Woodside Fire Protection District currently charges a fee of \$610 for Other Extinguishing Systems - Hood and Duct Extinguishing Systems. Through this study, the project team calculated the full cost of this service to be \$627. The following graph shows how the Woodside Fire Protection District’s current fee and full cost compare with those of surveyed jurisdictions.

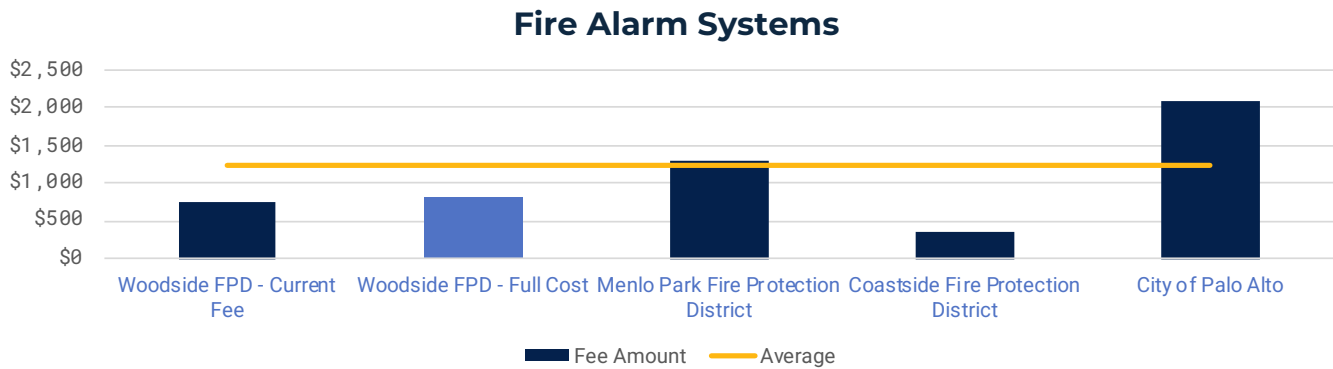
Other Extinguishing Systems - Hood and Duct Extinguishing Systems



The Woodside Fire Protection District’s current fee is in the middle when compared to other jurisdictions, at \$610. However, their full cost of \$627 is below the jurisdictional average of \$830. Woodside Fire Protection District’s Current Fee and Total Cost are most comparable to Menlo Park Fire Protection District’s fee of \$518. The City of Mountain View has been excluded; the City includes Fire costs in its base fee for Building and Planning, or uses valuation to determine fire fees.

FIRE ALARM SYSTEMS

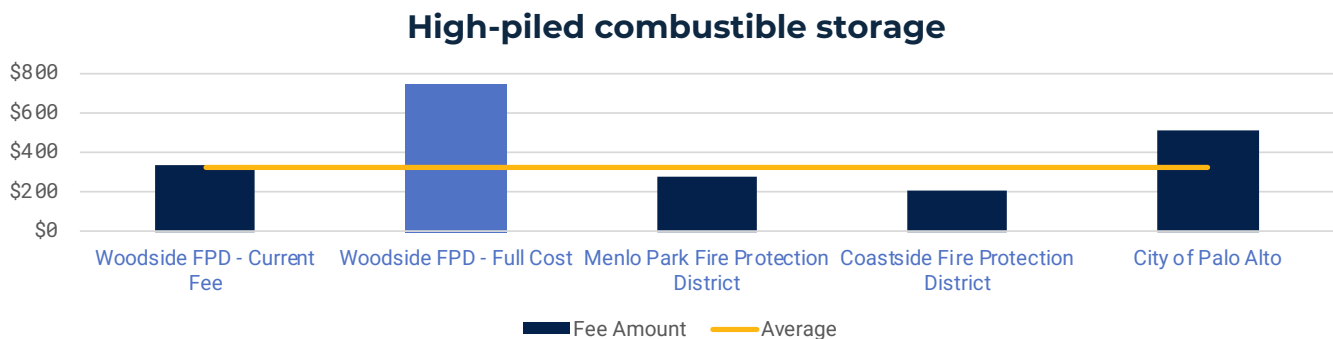
The Woodside Fire Protection District currently charges a fee of \$761 for a Fire Alarm System - 1-30 Devices. Through this study, the project team calculated the full cost of this service to be \$822. The following graph shows how the Woodside Fire Protection District's current fee and full cost compare with those of surveyed jurisdictions.



The Woodside Fire Protection District's current fee is the second-lowest fee at \$761. However, their full cost of \$822 is below the jurisdictional average of \$1,249. It was noted that Coast Side's Fire Alarm System fees are for residential projects. Woodside Fire Protection District's current fee and total cost are most comparable to the Menlo Park Fire Protection District's fee of \$1,303. The City of Mountain View has been excluded; the City includes Fire costs in its base fee for Building and Planning, or uses valuation to determine fire fees.

HIGH-PILED COMBUSTIBLE STORAGE

The Woodside Fire Protection District currently charges a fee of \$335 for a High-piled combustible storage. Through this study, the project team calculated the full cost of this service to be \$748. The following graph shows how the Woodside Fire Protection District's current fee and full cost compare with those of surveyed jurisdictions.



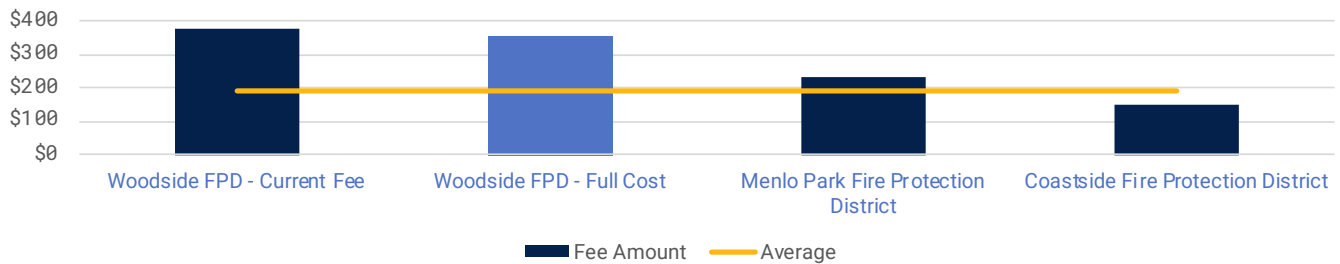
The Woodside Fire Protection District's current fee is in the middle when compared to other jurisdictions at \$335. However, its full cost of \$748 is above the jurisdictional average of \$329. Woodside Fire Protection District's current fee is most comparable to the Menlo Park Fire Protection District's fee of

\$276. The City of Mountain View has been excluded; the City includes Fire costs in its base fee for Building and Planning, or uses valuation to determine fire fees.

BUILDING CONSTRUCTION - NEW AND TENANT IMPROVEMENT - ASRB / ASCC PLANNING OR DESIGN REVIEW RESIDENTIAL / COMMERCIAL - RESIDENTIAL

The Woodside Fire Protection District currently charges a fee of \$377 for a Building Construction - New and Tenant Improvement - ASRB / ASCC Planning or Design Review Residential / Commercial - Residential. Through this study, the project team calculated the full cost of this service to be \$355. The following graph shows how the Woodside Fire Protection District’s current fee and full cost compare with those of surveyed jurisdictions.

Building Construction - New and Tenant Improvement - ASRB / ASCC Planning or Design Review Residential / Commercial - Residential



The Woodside Fire Protection District’s current fee is the lowest among other jurisdictions at \$377. However, its full cost of \$355 is above the jurisdictional average of \$191. Woodside Fire Protection District’s current fee and full cost are most like the Menlo Park Fire Protection District’s \$230 fee. The City of Palo Alto was excluded; their Fire-related costs are included in their Planning fees. The City of Mountain View has been excluded; the City includes Fire costs in its base fee for Building and Planning, or uses valuation to determine fire fees.

SUMMARY

Overall, the Woodside Fire Protection District generally has fees that are lower or in the middle compared to the other surveyed jurisdictions. Of the surveyed jurisdictions, the Woodside Fire Protection District’s current fees are most comparable to the Menlo Park Fire Protection District’s fees. In contrast, the calculated full cost is most like that of the Coastside Fire Protection District. It is important to note that the results of this survey show only the fees adopted by the Board of Directors, not the cost-recovery policy decisions for Districts or the jurisdiction. As such, the results of this survey should be used as a secondary decision-making tool.