

*We are a welcoming, active, and business-friendly rural
foothill community built on California's rich gold rush history.*



City Manager's Report

December 9, 2025, City Council Meeting

Prepared by: Gregory P. Horsfall, Building Official

Item #: 12.4

Subject: Consider approving new Building Services Fees and Water Meter Installation fee effective February 9, 2026.

Recommendation: Hold a Public Hearing and adopt a resolution approving the new building services fees as shown in Attachment "B" the new water meter installation fee in the amount of \$1,075 effective February 9, 2025.

Purpose: To update building services fees for full cost recovery and equity among permit applicants, and to convert the water meter installation fee from time-and-materials to a flat rate based on the average actual costs incurred over the last two fiscal years.

Strategic Plan Strategy: Fiscal Stability/Sustainability: 2) Strategy – Increase Revenues

Background: On July 8, 2008, the City Council adopted Resolution No. 7625, establishing the Master Fee Schedule for City services, including building services. These fees have largely remained unchanged since 2008 due to economic constraints and staffing limitations. However, rising costs for personnel, equipment, and compliance with the California Code of Regulations have outpaced current fees. The Building Division has identified the need to update fees to reflect current service delivery costs while maintaining compliance with state and local regulations. The water meter installation fee is being converted from time-and-materials to a flat rate based on average actual costs to streamline billing and improve efficiency.

Discussion: Staff conducted a comprehensive fee study using four years of permit data, detailed time studies, current salary schedule, and overhead costs to evaluate the actual cost of delivering building services. The study revealed that the current fee structure—largely unchanged since 2008—resulted in inconsistent cost recovery, with many permit types subsidizing others and fees varying widely for similar scopes of work.

To address these issues, the proposed schedule shifts the vast majority of minor permits (PV solar, reroofs, water heaters, HVAC, electrical panels, plumbing fixtures, windows, siding, etc.) to simplified, predictable flat-rate fees for processing, plan review, and permit issuance. This eliminates the inequity of two identical projects paying different amounts and greatly improves transparency and administrative efficiency for both customers and staff.

For major projects, the building permit fee continues to be calculated using the tiered valuation table in Attachment A. When the project adds new square footage, including new homes, additions, ADUs, new commercial buildings, covered decks, etc., project valuation is determined by multiplying the added square footage by the square-foot construction costs published in the

current ICC Building Valuation Data table, provided as Attachment C. This industry-standard method produces a consistent, objective, and bid-proof valuation that ensures comparable projects pay comparable fees regardless of contractor pricing. Major projects that do not add square footage, including tenant improvements, large remodels, structural repairs, etc. continue to use the applicant’s declared construction cost, consistent with longstanding practice.

Plan review fees are standardized as a flat fee for minor work and 50% of the building permit fee for major work.

Additionally, the water meter installation charge is being converted from time-and-materials billing to a flat rate that reflects the typical cost of a standard installation, streamlining processing and invoicing.

Regional fee survey confirm that the proposed fees remain competitive and reasonable, and are included as Attachment D. These updates align fees more closely with the actual cost of providing services, ensure equitable treatment of all applicants, reduce administrative burden, maintain affordability for smaller residential projects, and support continued economic development in the City of Placerville.

Fee Description	Fee Type	Fee Amount
<i>Current Building Administration Fees</i>		
Appeal	Flat	\$300.00
Building Inspection	Calculated	Established by Building Code
Building Permit	Calculated	Established by Building Code
Building Permit Renewal/Extension	Flat	\$95.00 Per Inspection
Building: Expired Permit	Flat	\$95.00 For each Inspection
Demolition Permit	Calculated	Established by Building Code
Manufactured Home	Flat	\$95.00 Per Inspection
Manufactured Home Foundation	Calculated	Based on valuation
Overtime Inspection (Billable at overtime rates)	Flat	Billable Overtime Rate
Reinspection Fee	Flat	\$95.00 Per Inspection
Temporary Certificate of Occupancy - Major Commercial	Flat	\$350.00
Temporary Certificate of Occupancy - Minor Commercial	Flat	\$175.00
<i>Proposed Building Administration Fees</i>		
Processing	Flat	\$132.00
Plan Review	Calculated	\$137.00 min. 50% of Building Permit Fee
Building Permit - Minor	Flat	\$181.00
Building Permit - Major	Tiered	Per Valuation Table

Budget Impact: Adoption of the updated fees will improve cost recovery for building services, reducing General Fund subsidy. Actual revenue impacts will depend on development activity levels. No immediate appropriations are requested as part of this action.

Attachments:

- A. Resolution
- B. Fee Schedule
- C. ICC Building Valuation Data Table
- D. Fee Survey



Dave Warren, City Manager



Carole Kendrick, Development Services
Director