



**Agenda Item A.1
STUDY SESSION
Meeting Date: June 24, 2008**

TO: Mayor and Councilmembers
FROM: Daniel Singer, City Manager
CONTACT: Tina Rivera, Finance Director
SUBJECT: Cost Allocation and User Fee Study Session

RECOMMENDATION:

- A. Receive the results of the City's Cost Allocation and User Fee studies by MuniFinancial; and
- B. Provide direction to staff to return to Council in July for adoption of said Fees.

BACKGROUND:

Upon incorporation the City adopted the County of Santa Barbara's user fees and rates. Various other fees were established by the Council soon after incorporation and have not been adjusted since.

On September 18, 2006, the City Council awarded a contract to MuniFinancial for Cost Allocation and User Fee studies. Since that time, staff has been working with MuniFinancial compiling the information to complete these studies, the purpose of which is to determine the actual costs of the services rendered by the City that benefit individual users.

According to the Mitigation Fee Act, public agencies can impose fees for government services when, 1) the individual's decision to use the service is voluntary, and 2) the fees charged to an individual user are reasonably related to the level of service rendered and the cost of providing that service.

DISCUSSION:

At this time, the Council is being presented with the results of both a cost allocation study and user fee study for purposes of discussion and further direction.

Cost Allocation Study

The primary objective of a cost allocation study is to determine the appropriate allocation of costs from central City services to all other departments. It is prudent to allocate costs from the central services departments, such as Finance, General Government and Administrative Services because these departments provide vital

services and support to those operational departments directly serving the community and various end-users.

The methodology used in this study is approved by the Federal Office of Management and Budget, which has approved five methods for allocating indirect costs. Of those five methods, the Step Down method, which was used in this study, is believed to be the most accurate and equitable.

Briefly stated, the allocation method works by taking the central services department budgets for FY 08-09 and:

1. Determining what portion of the budget is eligible for allocation (for example 20% of Council expenses are not allocable as they are ceremonial in nature, neither are the grants to other agencies).
2. Basing amounts on applicable criteria (Agenda Frequency, number of employees, department budget) allocated to arrive at a Total Allocation per Department figure.
3. Redistributing the total allocation to only the operating departments (Planning, Community Services, Neighborhood Services, Police, and RDA).

The establishment of a cost allocation system will allow the City to accurately charge overhead costs to outside agencies, special funds, grants, and user fees.

User Fee Study

A user fee is a payment made by an individual for a requested service that primarily benefits that individual. The primary objective of this User Fee Study is to determine the full cost to the City for providing services, although the establishment of the actual fee structure is a policy matter made by the City Council.

The total cost of each service included in this analysis is based on the fully burdened ("FB") hourly rates that were determined for personnel directly involved in providing a service. The FB hourly rates not only include personnel salary and benefits but also departmental overhead costs (operation costs and administration personnel costs), and central services costs (per the cost allocation study). The FB hourly rates are then multiplied by the average estimated number of hours, or portion thereof, by position, needed to complete each service. The result is the total cost to the City for providing a service. The cost is also referred to as the full cost recovery fee throughout the User Fee Study report. A complete copy of the MuniFinancial user fee and cost allocation study is attached to this report.

Review of Study Findings

Set Fees - In cases where a particular service is fairly predictable as to the time and resources required to perform the service, a fixed fee amount may be set. The set fee is base on the FB hourly rates of the position performing the service, multiplied by the average estimated time to perform such service. Table A.1 of the MuniFinancial study

compares the City's current fees charged for services with the Full Cost Recovery Fees by type of service rendered. While the Full Cost Recovery Fees is the cost of providing each service, the Council may wish to consider how the City's fees compare to those of surrounding communities in determining the desired fees for Goleta. In order to facilitate that consideration, this study includes a comparison of the common fees to those charged by the City of Santa Barbara and the County of Santa Barbara as they are our two nearest and most applicable neighbors. These tables are located at the end of the report and are identified as B.1, B.2, and B.3.

Planning Deposit Cases – Currently the number of staff hours devoted to working on any given project is charged to the project at a rate of \$95 per hour. Assuming a Full Cost Recovery figure, which varies by the staff position performing the work, the hourly rate charged to the project would range between \$84.26 and \$161.27 (per Table 2.2: Planning – FB Hourly Rates Summary). In addition, the City proposes charging for legal services for such items as the drafting of Development Agreements or responding to legal issues on discretionary projects. Deposit cases involving staff from other departments would have a similar effect.

While the study results identify the full cost recover fees, the fees charged to the user are a matter of Council policy. The City Council has complete discretion of setting user fees up to the level for full cost recovery and may want to closely consider what neighboring jurisdictions are charging so that Goleta fees are not too far out of proportion with other communities. While from a financial perspective it may be practical to implement a full cost recovery, there may be other motivations the City Council has for altering the fee schedule.

CONCLUSION:

Representatives from MuniFinancial will provide a Power Point presentation (Attachment 3) on the methodology of these fee structures and will be available to answer Council's questions.

Following the presentation, Council should provide further direction to staff on the development of a fee schedule so that staff can prepare the matter for final approval in July.

Submitted By:

Reviewed By:

Approved By:

Tina Rivera
Finance Director

Michelle Greene
Admin. Services Director

Daniel Singer
City Manager

Attachments:

1. City of Goleta Cost Allocation Plan
2. City Of Goleta User Fee Study
3. Power Point Presentation

Attachment 1

City of Goleta Cost Allocation Plan

**CITY OF GOLETA
COST ALLOCATION PLAN
JANUARY 31, 2008**



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Executive Summary

This cost allocation plan summarizes a comprehensive analysis completed for the City of Goleta, California (“the City”) to determine the appropriate allocation of costs from City central services departments to all other departments. The primary objective is to allocate costs from departments generally known as central services departments because they provide services and support to operational departments and cost centers that conduct the operations necessary to serve the community.

To ensure that all costs associated with the provision of central services are appropriately allocated to the respective operational departments, we have analyzed and identified all central service expenditures and determined which are allocable to operational departments as indirect costs, otherwise known as overhead.

Additionally, this report describes the methodology used for distributing costs associated with the operation of each of the central services expenditures, as allocated to each of the operating departments, for cost recovery.

Table 13 summarizes the allowable central services expenditures, as allocated to each of the operating departments, for cost recovery.

Introduction

In the early 1970's, the cost allocation plan concept was introduced to many government agencies by identifying the indirect costs related to providing services, and allocating them to direct cost programs in a fair and equitable manner. Since then, local governments have found that through this process, city departments that are supported substantially by other departments can be allocated their fair share of the City's overhead costs, and that service fees, or user fees can more accurately reflect the total costs involved in providing services to the public.

City governments have administrative and general management departments and related cost centers. Central services departments provide services to operating departments and cost centers. These operating departments provide services directly to the community. A City may allocate a portion of the costs of the central services departments to the operating departments to more accurately represent the costs of the operating departments and to permit a more accurate calculation of fees charged by the operating departments.

The purpose of this study is twofold: first, to determine the allocable portions of costs from the central services departments to the operating departments, and second, to provide user fees with the appropriate overhead costs to determine the actual cost of services. To accomplish this, this report should be used as a supplement to the comprehensive user fee study.

Methodology

The methodology used in the Cost Allocation Plan is based on the methods of the federal Office of Management and Budget (OMB). OMB Circular A-87 describes five different methods for allocating indirect costs. The double step down method, chosen for this study, is considered the most accurate and equitable method described in Circular A-87. The double step down method utilizes two steps to allocate indirect costs. In the first step, central services department expenditures are identified and allocated as indirect costs to both central services departments and operating departments. The second step allocates indirect costs from the central services departments to the operating departments.

COST ALLOCATION ANALYSIS

There are six (6) departments that comprise the City's Central Services Departments. These are: City Council, City Manager, City Clerk, City Attorney, Administrative Services, and Finance. Costs from these Central Services Departments are distributed to Operating Departments to ensure that the City of Goleta is maximizing the recovery of general fund indirect costs from its various chargeable funds.

Indirect costs are not always identifiable with a specific operating program, but are incurred for a joint purpose that benefits more than one cost objective in the City. Common examples include finance, procurement, human resources and utility costs, and others such as postage and telephones that are sometimes budgeted in non-departmental accounts and utilize allowance costs (similar to depreciation schedules for capital assets).

The following is a description of each of the central service departments, a description of the methodology used in allocating indirect costs to operating departments, and a table for each central services department showing the methodology utilized in allocating indirect costs to operating departments.

City Council

The primary responsibility of the City Council is to determine the best use of allocation of the City’s financial and human resources by providing policy direction and enacting municipal legislation. But in addition to legislative and policy decisions, the City Council deals with a number of administrative functions such as serving in a quasi-judicial role on certain administrative appeals and directing the administration of its policy decisions through the City Manager for delegation to appropriate City staff. Due to this, we estimate that 80% of the City Council’s budget is allocable to the operating departments, while the remaining 20% is not allocable.

Of the eighty percent allocable, we have determined that forty percent (40%) should be allocated to operating departments based upon the frequency with which each operating department has items listed on City Council agendas. To determine this frequency, a survey was conducted on a random sampling of eight City Council agendas selected from each of the past four quarters to determine the number of times each department had matters on the agenda. We believe that the remaining forty percent (40%) should be allocated based upon the number of Full-Time Equivalent (FTE) employees assigned to each department. Lastly, the 20% of the budget that is not allocable is considered to be time that the City Council spends on ceremonial duties that is reasonably subsidized by the General Fund.

Table 1: City Council Budget and Allocation Summary

Table 1 below summarizes the Total Department Budget, Total Allocable Funds, and provides a Percent Allocation Detail for the distribution of allocable funds.

Sources of Funds: ^{1,2}	
General Fund	\$ 148,048
Total Department Budget	\$ 148,048
Uses of Funds: ¹	
Personnel Cost	\$ 52,748
Operations Expenses	95,300
Total Department Budget	\$ 148,048
Allocable Funds:	
General Fund	\$ 148,048
Total	\$ 148,048
Percent Allocation Detail:	
20.0% Unallocable	\$ (29,610)
40.0% Agenda Frequency	59,219
40.0% Total FTE	59,219
Total Allocable	\$ 118,438

¹ From City of Goleta Fiscal Year 2008-09 Budget.

² Excludes support to other agencies

Table 2: Total Allocable City Council Budget

Table 2 below provides an account of how the total allocable amount of the City Council budget should be distributed to each Operating Department.

Dept. No.	Departments	Agenda Frequency ¹	Dept. % ²	Allocation ³	Total FTE ⁴	Dept. % ⁵	Allocation ⁶	Total Allocation ⁷
Central Services Departments								
1100	City Council	2	2.99%	\$ 1,768	-	0.00%	\$ -	\$ 1,768
1200	City Manager	22	32.84%	19,445	3.75	8.00%	4,740	24,185
1300	City Clerk	-	0.00%	-	2.00	4.27%	2,528	2,528
1400	City Attorney	6	8.96%	5,303	-	0.00%	-	5,303
2100	Administrative Services	6	8.96%	5,303	3.00	6.40%	3,792	9,095
3100	Finance	-	0.00%	-	4.00	8.54%	5,056	5,056
Operating Departments								
4100	Planning & Environmental Serv.	10	14.93%	8,839	13.50	28.82%	17,064	25,903
5100	Community Services	9	13.43%	7,955	15.00	32.02%	18,960	26,915
6100	Neighborhood Services	5	7.46%	4,419	1.60	3.42%	2,022	6,442
7100	Police	4	5.97%	3,535	1.60	3.42%	2,022	5,558
	RDA	3	4.48%	2,652	2.40	5.12%	3,034	5,685
Total ⁸		67	100%	<u>\$ 59,219</u>	46.85	100%	<u>\$ 59,219</u>	<u>\$ 118,438</u>

¹ Allocation based on the frequency that a City department has agenda items listed on City Council agendas. Departmental totals derived from a survey of eight City of Goleta City Council agendas from February 21, 2006 through December 18, 2006.

² Percentage derived by dividing the number of departmental items on agendas by the total number of agenda items from City Council agenda survey.

³ Dollar amount allocable to each City department based upon agenda frequency data.

⁴ Number of Full-Time Equivalent ("FTE") employees in each department based upon data received from the City.

⁵ Percentage derived by dividing the total number of FTE employees in each Department by the total number of FTE positions.

⁶ Dollar amount of City Council budget allocated to each department based upon the number of FTE employees in each department.

⁷ Allocable portion of total City's FY 2008-2009 City Council budget expenditures distributed to other departments.

⁸ Total City Council budget allocable to City departments.

City Manager

The Office of the City Manager is responsible for the implementation of City Council policy by directing and coordinating the operations of the City and providing leadership and direction to the City departments in the administration of their operations. The City Manager is the Chief Executive Officer and is responsible for providing direct support to the City Council in developing and executing policy. The City Manager is responsible for managing the day-to-day operations of the City.

One hundred percent (100%) of the City Manager's budget is reasonably allocated among other departments based on the City Council agenda frequency and the number of Full-Time Equivalent (FTE) employees in each department.

Table 3: City Manager Budget and Allocation Summary

Table 3 below summarizes the Total Department Budget, Total Allocable Funds, and provides a Percent Allocation Detail for the distribution of allocable funds.

Sources of Funds: ¹	
General Fund	\$ 572,274
Total Department Budget	\$ 572,274
Uses of Funds: ¹	
Personnel Cost	\$ 493,474
Operations Expenses	78,800
Total Department Budget	\$ 572,274
Allocable Funds:	
General Fund	\$ 572,274
Total	\$ 572,274
Percent Allocation Detail:	
50.0% Agenda Frequency	\$ 286,137
50.0% Total FTE	286,137
Total Allocable	\$ 572,274

¹ From City of Goleta Fiscal Year 2008-09 Budget.

Table 4: Total Allocable City Manager Budget

Table 4 below provides an account of how the total allocable amount of the City Manager budget should be distributed to each Operating Department.

Depart. No.	Departments	Agenda Frequency ¹	Dept. % ²	Allocation ³	Total FTE ⁴	Dept. % ⁵	Allocation ⁶	Total Allocation ⁷
Central Services Departments								
1100	City Council	2	2.99%	\$ 8,541	-	0.00%	\$ -	\$ 8,541
1200	City Manager	22	32.84%	93,955	3.75	8.00%	22,903	116,859
1300	City Clerk	-	0.00%	-	2.00	4.27%	12,215	12,215
1400	City Attorney	6	8.96%	25,624	-	0.00%	-	25,624
2100	Administrative Services	6	8.96%	25,624	3.00	6.40%	18,323	43,947
3100	Finance	-	0.00%	-	4.00	8.54%	24,430	24,430
Operating Departments								
4100	Planning & Environmental Serv.	10	14.93%	42,707	13.50	28.82%	82,451	125,158
5100	Community Services	9	13.43%	38,436	15.00	32.02%	91,613	130,049
6100	Neighborhood Services	5	7.46%	21,354	1.60	3.42%	9,772	31,126
7100	Police	4	5.97%	17,083	1.60	3.42%	9,772	26,855
	RDA	3	4.48%	12,812	2.40	5.12%	14,658	27,470
Total ⁸		67	100%	<u>\$ 286,137</u>	46.85	100%	<u>\$ 286,137</u>	<u>\$ 572,274</u>

¹ Allocation based on the frequency that a City department has agenda items listed on City Council agendas. Departmental totals derived from a survey of eight City of Goleta City Council agendas from February 21, 2006 through December 18, 2006.

² Percentage derived by dividing the number of departmental items on agendas by the total number of agenda items from City Council agenda survey.

³ Dollar amount allocable to each City department based upon agenda frequency data.

⁴ Number of Full-Time Equivalent ("FTE") employees in each department based upon data received from the City.

⁵ Percentage derived by dividing the total number of FTE employees in each Department by the total number of FTE positions.

⁶ Dollar amount of City Manager budget allocated to each department based upon the number of FTE employees in each department.

⁷ Allocable portion of total City's FY 2008-2009 City Manager budget expenditures distributed to other departments.

⁸ Total City Manager budget allocable to City departments.

City Clerk

The City Clerk's office works with the City Council, City Manager, Department Directors, and the Public. The department is responsible for overseeing the preparation of the agenda and minutes for the City Council and Redevelopment Agency, processing documents to carry out the legislative actions of the City Council, preserving official City records, responding to public record requests, and administering the City's General Municipal Elections.

One hundred percent (100%) of the City Clerk's budget is reasonably allocated among other departments based on the City Council agenda frequency and the number of Full-Time Equivalent (FTE) employees in each department as summarized in Table 5 and shown in Table 6.

Table 5: City Clerk Budget and Allocation Summary

Table 5 below summarizes the Total Department Budget, Total Allocable Funds, and provides a Percent Allocation Detail for the distribution of allocable funds.

Sources of Funds: ¹	
General Fund	\$ 269,521
Total Department Budget	\$ 269,521
Uses of Funds: ¹	
Personnel Cost	\$ 237,021
Operations Expenses	32,500
Total Department Budget	\$ 269,521
Allocable Funds:	
General Fund	\$ 269,521
Total	\$ 269,521
Percent Allocation Detail:	
50.0% Agenda Frequency	\$ 134,761
50.0% Total FTE	134,761
Total Allocable	\$ 269,521

¹ From City of Goleta Fiscal Year 2008-09 Budget.

Table 6: Total Allocable City Clerk Budget

Table 6 below provides an account of how the total allocable amount of the City Clerk's budget should be distributed to each Operating Department.

Depart. No.	Departments	Agenda Frequency ¹	Dept. % ²	Allocation ³	Total FTE ⁴	Dept. % ⁵	Allocation ⁶	Total Allocation ⁷
Central Services Departments								
1100	City Council	2	2.99%	\$ 4,023	-	0.00%	\$ -	\$ 4,023
1200	City Manager	22	32.84%	44,250	3.75	8.00%	10,787	55,036
1300	City Clerk	-	0.00%	-	2.00	4.27%	5,753	5,753
1400	City Attorney	6	8.96%	12,068	-	0.00%	-	12,068
2100	Administrative Services	6	8.96%	12,068	3.00	6.40%	8,629	20,697
3100	Finance	-	0.00%	-	4.00	8.54%	11,506	11,506
Operating Departments								
4100	Planning & Environmental Serv.	10	14.93%	20,114	13.50	28.82%	38,832	58,945
5100	Community Services	9	13.43%	18,102	15.00	32.02%	43,146	61,249
6100	Neighborhood Services	5	7.46%	10,057	1.60	3.42%	4,602	14,659
7100	Police	4	5.97%	8,045	1.60	3.42%	4,602	12,648
	RDA	3	4.48%	6,034	2.40	5.12%	6,903	12,937
Total ⁸		67	100%	<u>\$ 134,761</u>	46.85	100%	<u>\$ 134,761</u>	<u>\$ 269,521</u>

¹ Allocation based on the frequency that a City department has agenda items listed on City Council agendas. Departmental totals derived from a survey of eight City of Upland City Council agendas from February 21, 2006 through December 18, 2006.

² Percentage derived by dividing the number of departmental items on agendas by the total number of agenda items from City Council agenda survey.

³ Dollar amount allocable to each City department based upon agenda frequency data.

⁴ Number of Full-Time Equivalent ("FTE") employees in each department based upon data received from the City.

⁵ Percentage derived by dividing the total number of FTE employees in each Department by the total number of FTE positions.

⁶ Dollar amount of City Clerk's budget allocated to each department based upon the number of FTE employees in each department.

⁷ Allocable portion of total City's FY 2008-2009 Community Promotion budget expenditures distributed to other departments.

⁸ Total City Clerk budget allocable to City departments.

City Attorney

The City Attorney is responsible for advising City Council regarding ordinances, resolutions, and contracts before the Council. The Office also provides legal advice to city departments and other agencies, boards and committees, as well as drafting ordinances, contracts, resolutions, and agreements. The City Attorney’s office represents the City in litigation matters and prosecutes violators of City laws.

As the City Attorney provides services that relate to all aspect of government business, one hundred percent (100%) is reasonably allocated among other departments based upon their percentage of the total City budget and the number of Full-Time Equivalent (FTE) employees in each department as summarized in Table 7 and shown in Table 8.

Table 7: City Attorney Budget and Allocation Summary

Table 7 below summarizes the Total Department Budget, Total Allocable Funds, and provides a Percent Allocation Detail for the distribution of allocable funds.

Sources of Funds: ¹	
General Fund	\$ 560,000
Total Department Budget	\$ 560,000
Uses of Funds: ¹	
Operations Expenses	\$ 560,000
Total Department Budget	\$ 560,000
Allocable Funds:	
General Fund	\$ 560,000
Total	\$ 560,000
Percent Allocation Detail:	
50.0% Total Dept. Budget	\$ 280,000
50.0% Total FTE	\$ 280,000
Total Allocable	\$ 560,000

¹ From City of Goleta Fiscal Year 2008-09 Budget.

Table 8: Total Allocable City Attorney Budget

Table 8 below provides an account of how the total allocable amount of the City Attorney’s budget should be distributed to each Operating Department.

Depart. No.	Departments	Total Dept.			Total FTE	Dept. %	Allocation	Total Allocation ⁴
		Budget ¹	Dept. % ²	Allocation ³				
Central Services Departments								
1100	City Council	\$ 148,048	0.68%	\$ 1,912	0	0.00%	\$ -	\$ 1,912
1200	City Manager	572,274	2.64%	7,391	3.75	8.00%	22,412	29,803
1300	City Clerk	269,521	1.24%	3,481	2	4.27%	11,953	15,434
1400	City Attorney	560,000	2.58%	7,233	0	0.00%	-	7,233
2100	Administrative Services	1,812,497	8.36%	23,410	3	6.40%	17,930	41,340
3100	Finance	498,507	2.30%	6,439	4	8.54%	23,906	30,345
Operating Departments								
4100	Planning & Environmental Serv.	2,003,434	9.24%	25,876	13.5	28.82%	80,683	106,559
5100	Community Services	6,194,759	28.58%	80,011	15	32.02%	89,648	169,658
6100	Neighborhood Services	409,153	1.89%	5,285	1.6	3.42%	9,562	14,847
7100	Police	6,202,754	28.61%	80,114	1.6	3.42%	9,562	89,676
	RDA	3,007,833	13.87%	38,849	2.4	5.12%	14,344	53,192
Total⁵		\$ 21,678,780	100%	\$ 280,000	46.85	100%	\$ 280,000	\$ 560,000

¹ Allocation based on the total dollar amount of each departmental budget.

² Percentage derived by dividing the total departmental budget by the total City budget.

³ Dollar amount allocable to each City department based upon total dollar amount of each departmental budget.

⁴ Allocable portion of total City's FY 2008-09 City Attorney's budget expenditures distributed to other departments.

⁵ Total City Attorney's budget allocable to City departments.

Administrative Services

The Administrative Services Department provides overall support to the organization. The department's areas of responsibility include: Administrative Services/Employee Relations, Human Resources, Support Services, Risk Management and Library Services.

The Administrative Services Department is comprised of Human Resources, Risk Management, Information and Communication Systems.

- Human Resources is responsible for administration of the City's classification and compensation plan, employee recruitment and selection, employee benefits, employee training and development, employee relations, equal opportunity requirements, and administration of personnel policies.
- Risk Management provides for the protection of the City's assets through risk identification, avoidance, and resolution; and evaluation of public liability insurance, safety, and loss prevention activities and programs.
- Information and Communication Systems is responsible for maintenance of the City's computer network, City website, and telephone system.

Table 9: Administrative Services Budget and Allocation Summary

Table 9 below summarizes the Total Department Budget, Total Allocable Funds, and provides a Percent Allocation Detail for the distribution of allocable funds.

Sources of Funds: ¹	
General Fund	\$ 1,594,383
Library Assessment Fund	\$ 218,114
Total Department Budget	\$ 1,812,497
Uses of Funds: ¹	
Personnel Cost	\$ 365,288
Operations Expenses	1,447,209
Total Department Budget	\$ 1,812,497
Allocable Funds:	
General Fund	\$ 1,594,383
Total	\$ 1,594,383
Percent Allocation Detail:	
33.3% Total Dept. Budget	\$ 531,461
33.3% Total FTE	531,461
33.3% Agenda Frequency	531,461
Total Allocable	\$ 1,594,383

¹ From City of Goleta Fiscal Year 2008-09 Budget.

Table 10: Total Allocable Administrative Services Budget

Table 10 below provides an account of how the total allocable amount of the Administrative Services budget should be distributed to each Operating Department.

Depart. No.	Departments	Total Dept. Budget ¹	Dept. % ²	Allocation ³	Total FTE ⁴	Dept. % ⁵	Allocation ⁶	Agenda Frequency ⁷	Dept. % ⁸	Allocation ⁹	Total Allocation ¹⁰
Central Services Departments											
1100	City Council	\$ 148,048	0.68%	\$ 3,629	-	0.00%	\$ -	2.00	2.99%	\$ 15,865	\$ 19,494
1200	City Manager	572,274	2.64%	14,029	3.75	8.00%	42,540	22.00	32.84%	174,510	231,079
1300	City Clerk	269,521	1.24%	6,607	2.00	4.27%	22,688	-	0.00%	-	29,295
1400	City Attorney	560,000	2.58%	13,729	-	0.00%	-	6.00	8.96%	47,594	61,322
2100	Administrative Services	1,812,497	8.36%	44,434	3.00	6.40%	34,032	6.00	8.96%	47,594	126,059
3100	Finance	498,507	2.30%	12,221	4.00	8.54%	45,376	-	0.00%	-	57,597
Operating Departments											
4100	Planning & Environmental Serv.	2,003,434	9.24%	49,115	13.50	28.82%	153,142	10.00	14.93%	79,323	281,580
5100	Community Services	6,194,759	28.58%	151,866	15.00	32.02%	170,158	9.00	13.43%	71,390	393,415
6100	Neighborhood Services	409,153	1.89%	10,030	1.60	3.42%	18,150	5.00	7.46%	39,661	67,842
7100	Police	6,202,754	28.61%	152,062	1.60	3.42%	18,150	4.00	5.97%	31,729	201,941
	RDA	3,007,833	13.87%	73,738	2.40	5.12%	27,225	3.00	4.48%	23,797	124,760
Total¹¹		\$ 21,678,780	100%	\$ 531,461	46.85	100%	\$ 531,461	67.00	100%	\$ 531,461	\$ 1,594,383

¹ Allocation based on the total dollar amount of each departmental budget.

² Percentage derived by dividing the total departmental budget by the total City budget.

³ Dollar amount allocable to each City department based upon total dollar amount of each departmental budget.

⁴ Number of Full-Time Equivalent ("FTE") employees in each department based upon data received from the City.

⁵ Percentage derived by dividing the total number of FTE employees in each Department by the total number of FTE positions.

⁶ Dollar amount of Administrative Services budget allocated to each department based upon the number of FTE employees in each department.

⁷ Allocation based on the frequency that a City department has agenda items listed on City Council agendas. Departmental totals derived from a survey of eight City of Goleta City Council agendas from February 21, 2006 through December 18, 2006.

⁸ Percentage derived by dividing the number of departmental items on agendas by the total number of agenda items from City Council agenda survey.

⁹ Dollar amount allocable to each City department based upon agenda frequency data.

¹⁰ Allocable portion of total City's FY 2008-2009 Administrative Services budget expenditures distributed to other departments.

¹¹ Total Administrative Services budget allocable to City departments.

Finance

The Finance Department is responsible for the establishment and maintenance of an effective financial accounting system, which accurately reflects the financial operations of the City and offers a framework for financial planning and analysis. It also oversees and handles the investment program of the City. The primary goal is providing accurate, reliable and timely financial information using professional standards to the City Council, City Manager, City departments and outside requests.

To provide for a fair and reasonable allocation of the Finance Department budget to operating departments, we have assumed that the costs are proportionately divided between all aspects of government business. Similarly as the City Attorney, one hundred percent of the Finance budget is reasonably allocated among other departments based upon their percentage of the total City budget and the number of Full-Time Equivalent (FTE) employees in each department as summarized in Table 11 and shown in Table 12.

Table 11: Finance Budget and Allocation Summary

Table 11 below summarizes the Total Department Budget, Total Allocable Funds, and provides a Percent Allocation Detail for the distribution of allocable funds.

Sources of Funds: ¹	
General Fund	\$ 498,507
Total Department Budget	\$ 498,507
Uses of Funds: ¹	
Personnel Cost	\$ 441,007
Operations Expenses	57,500
Total Department Budget	\$ 498,507
Allocable Funds:	
General Fund	\$ 498,507
Total	\$ 498,507
Percent Allocation Detail:	
50.0% Total Dept. Budget	\$ 249,254
50.0% Total FTE	\$ 249,254
Total Allocable	\$ 498,507

¹ From City of Goleta Fiscal Year 2008-09 Budget.

Table 12: Total Allocable Finance Budget

Table 12 below provides an account of how the total allocable amount of the Finance Department budget should be distributed to each operating department.

Depart. No.	Departments	Total Dept.			Total FTE	Dept. %	Allocation	Total Allocation ⁴
		Budget ¹	Dept. % ²	Allocation ³				
Central Services Departments								
1100	City Council	\$ 148,048	0.68%	\$ 1,702	0	0.00%	\$ -	\$ 1,702
1200	City Manager	572,274	2.64%	6,580	3.75	8.00%	19,951	26,531
1300	City Clerk	269,521	1.24%	3,099	2	4.27%	10,640	13,739
1400	City Attorney	560,000	2.58%	6,439	0	0.00%	-	6,439
2100	Administrative Services	1,812,497	8.36%	20,839	3	6.40%	15,961	36,800
3100	Finance	498,507	2.30%	5,732	4	8.54%	21,281	27,013
Operating Departments								
4100	Planning & Environmental Serv.	2,003,434	9.24%	23,035	13.5	28.82%	71,823	94,858
5100	Community Services	6,194,759	28.58%	71,225	15	32.02%	79,804	151,028
6100	Neighborhood Services	409,153	1.89%	4,704	1.6	3.42%	8,512	13,217
7100	Police	6,202,754	28.61%	71,317	1.6	3.42%	8,512	79,829
	RDA	3,007,833	13.87%	34,583	2.4	5.12%	12,769	47,351
Total⁵		\$ 21,678,780	100%	\$ 249,254	46.85	100%	\$ 249,254	\$ 498,507

¹ Allocation based on the total dollar amount of each departmental budget.

² Percentage derived by dividing the total departmental budget by the total City budget.

³ Dollar amount allocable to each City department based upon total dollar amount of each departmental budget.

⁴ Allocable portion of total City's FY 2008-09 Finance budget expenditures distributed to other departments.

⁵ Total Finance budget allocable to City departments.

Allocation of Central Service Department Expenditures

The second step of a Full-Cost Allocation plan is known as the ‘close out’ step. This step allocates the indirect costs from the central services departments to all central services departments and on to the operating departments. Once the ‘close out’ step has been completed, all central services costs will have been passed on to operating departments.

Table 13 on the following page summarizes this process by calculating the total indirect costs for the central services departments, subtracting them out, and then allocating them to the operating departments. The footnotes in Table 13 describe how this process is accomplished.

Table 13: Total Indirect Cost Summary

Dept. No.	Departments	City Council	City Manager	City Clerk	City Attorney	Administrative Services	Finance	First Step	Second Step	Final
								Direct Depts Only	Re-distribution to Operating Departments	Total Allocation
Central Services Departments (1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1100	City Council	\$ 1,768	\$ 8,541	\$ 4,023	\$ 1,912	\$ 19,494	\$ 1,702	\$ 37,440	\$ (37,440)	\$ -
1200	City Manager	24,185	116,859	55,036	29,803	231,079	26,531	483,493	(483,493)	-
1300	City Clerk	2,528	12,215	5,753	15,434	29,295	13,739	78,965	(78,965)	-
1400	City Attorney	5,303	25,624	12,068	7,233	61,322	6,439	117,989	(117,989)	-
2100	Administrative Services	9,095	43,947	20,697	41,340	126,059	36,800	277,938	(277,938)	-
3100	Finance	5,056	24,430	11,506	30,345	57,597	27,013	155,946	(155,946)	-
Subtotal		\$ 47,935	\$ 251,616	\$ 109,085	\$ 126,067	\$ 524,845	\$ 112,224	\$ 1,151,770	\$ (1,151,770)	\$ -
Operating Departments (11)										
4100	Planning & Environmental Serv.	25,903	125,158	58,945	106,559	281,580	94,858	693,003	324,285	1,017,289
5100	Community Services	26,915	130,049	61,249	169,658	393,415	151,028	932,314	436,269	1,368,583
6100	Neighborhood Services	6,442	31,126	14,659	14,847	67,842	13,217	148,132	69,317	217,449
7100	Police	5,558	26,855	12,648	89,676	201,941	79,829	416,507	194,901	611,408
	RDA	5,685	27,470	12,937	53,192	124,760	47,351	271,397	126,998	398,394
Subtotal		\$ 70,503	\$ 340,658	\$ 160,438	\$ 433,933	\$ 1,069,538	\$ 386,283	\$ 2,461,353	\$ 1,151,770	\$ 3,613,123
Total		\$ 118,438	\$ 572,274	\$ 269,521	\$ 560,000	\$ 1,594,383	\$ 498,507	\$ 3,613,123	\$ -	\$ 3,613,123

- (1) Central Service Departments are identified as providing some or all of their services directly to City departments.
- (2) The distribution of specific City Council costs to City department from Table 2.
- (3) The distribution of specific City Manager costs to City department from Table 4.
- (4) The distribution of specific City Clerk costs to City department from Table 6.
- (5) The distribution of specific City Attorney costs to City department from Table 8.
- (6) The distribution of specific Administrative Services costs to City department from Table 10.
- (7) The distribution of specific Finance costs to City department from Table 12.
- (8) The sum of allocations from a Central Service Department to City departments.
- (9) The Second Step takes the subtotal allocation from the Central Services Departments of \$1,151,770 and redistributes it to the Operating Departments based on their percent of the allocation in the First Step.
- (10) The Total Allocation is the total amount which can be allocated to Operating Departments as an overhead charge for services rendered.
- (11) Departments that provide services directly to the public and receive some or all of their overhead support from Central Services Departments.

Attachment 2
City of Goleta User Fee Study

CITY OF GOLETA

USER FEE STUDY

JUNE 19, 2008

DRAFT REPORT



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Executive Summary

As local governments deal with increased fiscal limitations in California, service fees, or user fees have become an important source of revenue. A user fee is a payment made by an individual for a requested service provided by a local government that primarily benefits that individual.

The primary objective of this User Fee Study completed for the City of Goleta, California (“City”) is to determine the full cost to the City for providing services. The City requested that this report determine the full cost recovery fees that may be charged to users for each service to:

Recover up to 100% of the total cost of rendering the service, and

Identify and recommend additions or deletions to the City’s existing service fee schedule.

The City can impose fees under the authority granted by California Government Code §§66000 et. seq. (“Code”) and is required by the Code to hold at least one public hearing as part of a regularly scheduled City Council meeting to allow for public comment on its proposed fees. The Code also requires that the City Council adopt approved fees by either ordinance or resolution, and any fees in excess of the estimated total cost of rendering the related services must be approved by a popular vote of two-thirds of those electors voting on the issue.

The total cost of each service included in this analysis is based on the fully burdened (“FB”) hourly rates that were determined for City personnel directly involved in providing a service. The FB hourly rates not only include personnel salary and benefits but also departmental overhead costs (operation costs and administration personnel costs), and central services costs. The FB hourly rates are then multiplied by the average estimated number of hours, or portion thereof, by position, needed to complete each service. The result is the total cost to the City for providing a service. The total cost is also referred to as the full cost recovery fee throughout this report.

Introduction

According to the *Mitigation Fee Act*, public agencies can impose fees for government services when 1) the individual's decision to use the service is voluntary and 2) the fees charged to an individual user are reasonably related to the level of service rendered and the cost of providing that service.

Fees in California are required to conform to the statutory requirements of the California Constitution, the Act, and the California Code of Regulations. According to the Act and subsequent court rulings, fees may not exceed the reasonable cost of providing the service for which they are collected unless the excess fee is approved by a two-thirds vote of the electorate.

The City expressed an interest to determine whether the current fee schedule accurately reflects the actual costs associated with providing fee-related services and if its General Fund is subsidizing many services that benefit users. To address these issues, the City has requested an update of its fee schedule that consists of an analysis of fee amounts to assure that support costs are included in service costs. As a part of the update, this study reviews current fees for services and identifies the full cost recovery fee or the total cost associated with delivering each service.

Policy Considerations

Economists and government practitioners in California advocate the use of fees to finance the actual costs of certain public services that primarily benefit users. Fees are imposed because they recover costs associated with the provision of specific services benefiting the user, thereby reducing the use of General Fund monies for such purposes.

Increasingly, local governments not only want to collect the full cost of staff labor associated with processing and administering services that benefit users, but also wish to recover support costs. Support costs are those costs relating to a local government's central service departments that are properly allocable to the effective functioning of the local government's operating departments. Appropriate support costs are generally derived from a local government's Cost Allocation Plan. For the purpose of this study, MuniFinancial prepared a Cost Allocation Plan for the City, which is used in conjunction with this User Fee Study.

As labor effort and costs associated with the provision of services fluctuate over time, a significant element in the development of any fee schedule is that it be adopted with the flexibility to remain current. A fee schedule that is flexible and easy to use will assist the City in its effort to ensure that fees are based on current and reasonable costs for providing services. As a result, it is recommended that the City include an annual inflation factor in the resolution adopting the fee schedule that allows the Council, by resolution, to annually increase or decrease the fees based upon published information such as the *Consumer Price Index* (CPI) or the *Employee Cost Index for State and Local Government Employees. Total Compensation* as released by the U.S. Department of Labor's Bureau of Labor Statistics.

Shortly after January 1 of each calendar year, the City should consider determining the percentage change in the selected adjustment factor and applying the resulting increase or decrease to the fee schedule by adopting the change through Council resolutions. Fees set by federal or state law are exempt from such adjustment. It is recommended that the City perform this internal review annually with a comprehensive review of services and fees performed every three to five years.

Methodology

The methods of analyses for calculating fees that have been used in this report are the:

Case Study Method: This approach estimates the actual labor and material costs associated with providing a unit of service to a single user. Costs are estimated based upon interviews with City staff regarding the time typically spent on tasks, a review of available records, and a time and materials analysis.

Time and Materials Analysis: The time and materials analysis involves charging a fee based on actual costs, including staff time, material costs and outside contractor costs, if applicable. Use of the time and materials analysis is suitable when City staff time requirements vary dramatically for a service, or for special projects where the time and cost requirements are not easy to identify at the project's outset. Further, the use of the time and materials analysis method is effective in instances when a staff member from one department assists on an application, service or permit for another department on an as-needed basis. To use the time and materials analysis for any of the services provided, the City may want to consider adopting the following policy or a similar one approved by the City Attorney:

Concurrent with the submittal of an application, the project applicant shall pay deposit amounts (when specified) and enter into an agreement to fully reimburse the City for processing costs. The City shall not be required to perform any work on the application prior to receipt of the deposit and execution of the agreement. The agreement shall also include a provision for amendments to the agreement and scope of work to cover work that was unforeseen or substantially exceeded time and materials estimates.

Data Collection

This report identifies three cost layers that, when combined, constitute the FB cost of a service. For the purpose of this study, the cost layers are defined as: direct labor, including salary and benefits, departmental overhead costs, and City central services overhead. These layers are described as follows:

Direct Labor. The salary and benefits cost of staff hours spent directly on fee-related services as shown on the FB Hourly Rate tables

Departmental Overhead. A proportional allocation of departmental overhead costs, including operation costs such as supplies and materials and costs associated with departmental management staff spent on supervising other staff, to the fully burdened hourly rate as shown on the FB Hourly Rate tables

Central Services Overhead. These costs, detailed in the Cost Allocation Plan, represent services provided by those central service departments whose primary function is to support other City departments.

Finally, data collection included a thorough review of relevant City documentation, such as the City General Fund budget, the City's current fee schedules, and City correspondence related to fee services.

Composition of Report

The services and fees for each department are addressed separately in chapters 1 through 3 of this report. The materials included in each chapter consist of a description of the services provided by the department, an analysis of the actual costs of each service, and a summary of the study's findings for each department.

Included in each chapter is the Full Cost Recovery Fee table exhibiting:

A list of services provided by the department.

The result of time and materials survey conducted for each department and completed by City staff. The purpose of the time and material survey is to determine how long it takes City staff to render each service.

The actual cost in terms of staff time and materials to provide each service. This is the result of multiplying each position's FB hourly rate by the estimated number of hours each position spent to render a service, then summing the products. This represents the actual cost in term of staff time and materials of providing a service. This actual cost or total cost is also referred to as the full cost recovery fee.

The City's current fee being charged for each service.

Also included in each chapter is the FB Hourly Rate table, illustrating the FB hourly rates of the positions included in the study.

FB Hourly Rate

The FB Hourly Rate table lists the FB hourly rate for each position directly involved in providing the services included in the fee schedule for each department. FB hourly rates include the direct annual salaries and benefits costs of each position, the allocations of departmental overhead costs (operation costs and administration personnel costs), and the allocations of central services overhead costs based on the position's proportional share of departmental personnel costs. These tables are included in each chapter.

Time & Materials Survey

Determining the amount of time each employee spends on assisting in the provision of the services listed on the fee schedule is essential to identify the total cost of providing each service. Further, in providing these services, a number of employees may become involved in various aspects of the process, spending anywhere from a few minutes to several hours on the service.

Identification of these time elements relative to a particular service is most readily determined through the completion of a time and materials survey. The "time" portion of the survey reflects the average estimated time each department staff position spends on a given service. The "materials" portion of this survey refers to the costs of materials spent by the department and is contained within the departmental overhead allocation in the FB hourly rates. The result of multiplying the FB hourly rates by the time spent by each position reflects the actual costs of time and materials of providing a service.

A time and materials survey provides department management with an opportunity to assess the time requirements for each service by position and record that information onto a spreadsheet that is used to develop the Full Cost Recovery Fee tables. The table shows the amount of time, listed in minutes for each employee, spent in providing a specific service to the user. The table also shows the actual costs (staff time and materials) of providing each service resulting from multiplying each position's FB hourly rate by the time spent on the service and summing all of those results for each service. The actual cost or total cost is also known as the full cost recovery fee as shown in the Full Cost Recovery Fee tables and represents how much it costs the City to render a service.

Chapter 1: Finance And Administration

Description of Services

The Finance and Administration program is responsible for the financial system, general accounting, payroll, accounts payable, budget preparation, debt administration, annual audits, and financial reporting. It provides coordination and direction of the financial operation of the City. This includes directing, monitoring, and controlling the establishment and maintenance of an effective financial accounting system, controlling the assets and financial operation of the City and providing a framework for financial planning and analysis to support the operation and management of all City Departments. The Finance Program is also responsible for processing and maintaining records of all financial transactions of the City.

Analysis and Recommendations

The Finance Department requested that we analyze fees for the following services:

Business License Renewals

Returned Checks

Duplication of Public Records

Business Setup

Election Sign Pick Up

Based on the analysis conducted in this chapter, we conclude the following:

The Finance and Administration department is not currently charging fees for the services listed above.

The City can charge a separate photocopy fee for materials not set at maximum limits by State law.

Photocopy fees are governed by California Public Records Act, (the "CPRA") which limits the fee charged to "the actual direct cost of duplication" (Government Code Section 6256). The CPRA prohibits incorporation of document retrieval costs into the photocopy fee. Actual photocopy costs fluctuate according to the number of copies requested, thus adversely affecting the validity of any cost/revenue comparison.

For fees that are regulated by the State laws, it is recommended the City comply with the regulations.

Table 1.1 presents the full cost recovery fee or the total cost to the City's Finance Department for providing a service; however, it is the City's decision to determine the fee level, up to 100.00% of the total cost, for each service based on local policy and political considerations.

Table 1.2 lists the FB hourly rate for each position directly involved in providing the services included in the fee schedule for the Finance Department.

TABLE 1.1: FINANCE AND ADMINISTRATION - FULL COST RECOVERY FEE SUMMARY

	City Staff					Fully Burdened Rate ²	Third Party/ Required/ Penalty Fee	Full Cost Recovery Fee (includes 3rd party/required fees) ³	Current Fee		Subsidy / Overcharge ⁴	
	Finance Director	Senior Accountant	Accounting Specialist	Maintenance Worker II Community Services	Permit Technician Planning				Fee	Notes	Fee	Notes
FB Hourly Rate ¹	\$114.68	\$55.75	\$46.61	\$53.46	\$99.72							
FB Minute Rate (FB Hourly Rate/60 Minutes)	\$1.91	\$0.93	\$0.78	\$0.89	\$1.66							
Service/Application	Amount of Time Each Staff Member Spends on Each Service in Minutes					Fee	Notes	Fee	Notes	Fee	Notes	Subsidy%
1 Business License Renewal			20			\$15.54		\$15.00		New Fee	Subsidy: \$15.00	100.00%
2 Process Returned Checks			15		15	\$36.58	\$6.00 Bank Charge	\$42.00	Per Civil Code 1719, fee for the first returned check is \$25. \$35 for each subsequent check.	New Fee	Subsidy: \$42.00	100.00%
3 Duplication of Public Records												
4 Photocopy			5			\$3.88		\$3.00		New Fee	Subsidy: \$3.00	100.00%
5 DVD			10			\$7.77		\$7.00		New Fee	Subsidy: \$7.00	100.00%
6 Business License Setup			30			\$23.30		\$23.00		New Fee	Subsidy: \$23.00	100.00%
7 Election Sign Pick Up (per sign)				15		\$13.37		\$13.00	Per Sign	New Fee	Subsidy: \$13.00	100.00%

¹ FB Hourly Rates from Finance - Fully Burdened Rates Table A1, Planning - Fully Burdened Rates Table A2, and Community Services - Fully Burdened Rates Table A3

² Derived by multiplying each position's FB Hourly Rate by the number of minutes spent on each service

³ Full Cost Recovery Fee represents Total Cost including cost of services and all Third Party costs

⁴ Amount by which General Fund currently subsidizes/overcharges the service.

TABLE 1.2: - FINANCE AND ADMINISTRATION - FE HOURLY RATES SUMMARY

Total Operating Budget ¹	\$ 499,807
Personnel Costs ²	437,064
Dept Direct Allocation	
Administrative Personnel Costs ³	Percent of Personnel Costs
Operations ⁴	57,500
Subtotal	67,500
Central Services Overhead Allocation ⁵	13.79% ¹¹
Total Cost Allocation	0.00% ¹²

Job Classifications ¹	Annual Salary & Benefits ¹	Number of Personnel	Hourly Salary & Benefit Rates ²	% of Time Qualified for User Related Fee Work ³	Annual Salary & Benefits Allocated to User Fees ⁴	% Non-billable Annual Salary & Benefits to Department Overhead ⁵	Non-billable Annual Salary & Benefits to Department Overhead ⁶	% Billable Annual Salary & Benefits (100%-E)% ⁷	Billable Annual Salary & Benefits (A*G)	Total Dept Overhead Allocation ⁸	Central Services Overhead Allocation ⁹	Fully Burdened Direct Labor ¹⁰	Productive Hours ¹⁰	Fully Burdened Hourly Labor Rates ¹¹
	A		B	C	D	E	F	G	H	I	J	K	L	M
Finance Director	101,420	1	100.70	100%	101,420	0%	(A-E)*C	100%	101,420	25,012	-	206,432	1,800	114.66
Senior Accountant	88,184	1	48.99	100%	88,184	0%	-	100%	88,184	12,168	-	100,342	1,800	55.75
Accounting Specialist	147,460	2	40.90	100%	147,460	0%	-	100%	147,460	20,330	-	167,790	3,600	46.61
Position Total	\$ 417,064				\$ 417,064		\$ 417,064		\$ 417,064	\$ 57,500	\$ -	\$ 474,564		

¹ From City's 2007/08 & 2008/09 Budget Plan. Excludes Capital Costs.
² From City's 2008/09 Salary & Benefits Projections; total employee salary & benefits paid by the Department (Column D Total) less Non-billable Annual Salary & Benefits (Column F Total).
³ Hourly Salary & Benefit costs per employee; not including overhead costs.
⁴ Portion of employee salaries and benefits allocation to User Fees determined by multiplying Columns A, C and E.
⁵ Non-billable salary and benefits determined by multiplying Columns A, C and E.
⁶ Billable salary and benefits determined by multiplying Column A and Column G.
⁷ Derived by multiplying Billable Salary & Benefits (Column H) by the Departmental Indirect Labor percentage, which is 13.79%.
⁸ Derived by multiplying the Billable Salary & Benefits (Column H) by the Central Services Overhead percentage, which is 0%.
⁹ Fully Burdened Direct Labor is the sum of Billable Annual Salary & Benefits (Column H); Total Dept Overhead Allocation (Column I); Central Services Overhead Allocation (Column J).
¹⁰ Hours are derived by 2,000 annual working hours minus an estimated 280 vacation/holiday hours (1,800 hrs) and multiplied by % of time allocated to User Fees less any Non-billable percent.
¹¹ Derived by Fully Burdened Direct Labor divided by Productive Hours. Not applicable (N/A) if non-billable percentage (Column E) = 100%.
¹² Indirect Departmental personnel overhead costs not directly impacted by the user fees. Derived from Column F "Non-billable Annual Salary & Benefits."
¹³ Allocation determined from the Central Services Allocation Calculation.
¹⁴ Department Overhead Allocation Percent determined by dividing total Dept Direct Allocation of \$57,500 by Personnel Costs of \$417,064.
¹⁵ Central Services Overhead Allocation Percent determined by dividing total Central Services Overhead Allocation of \$0 by Personnel Costs of \$417,064.

Chapter 2: Planning

Description of Services

The Planning and Environmental Services Department guides or regulates land uses, development projects, the growth of the community, the preparation of housing programs, as well as the safe construction of buildings and structures. The Department includes four divisions: Current Planning, Advance Planning, Building and Safety, and Planning Commission/Design Review Board. Functions and services include public information and application assistance at the Permit & Design Center, land use project review and permitting, subdivision review, design review, environmental review, administration of the General Plan/Costal Land use Plan, administration of the Zoning Code, plan check of building applications, issuance of building and grading permits, inspections, issuance of occupancy permits, and permit compliance review.

Analysis and Recommendations

The Planning Department requested that we analyze fees for all planning services including but not limited to the following:

- Conditional Use Permits
- Development Permits and Plans
- Land Use Permits
- Tentative and Final Maps
- Lot Line Adjustments
- Hearing Related Charges
- Various Other Fees

Based on our analysis, we conclude the following:

- For service that requires a wide range of staff time and to be completed by different staff each time, it is more reasonable for the City to charge actual costs of delivering the service or to calculate fee based on the FB hourly rate of staff who rendered the service.
- For fees that are regulated by the State laws, it is recommended the City comply with the regulations.

Table 2.1 presents the full cost recovery fee or the total cost to the City's Planning Department for providing a service; however, it is the City's decision to determine the fee level, up to 100.00% of the total cost, for each service based on local policy and political considerations.

Table 2.2 lists the FB hourly rate for each position directly involved in providing the services included in the fee schedule for the Planning Department.

	City Staff												Fully Burdened Rate ¹	Third Party/ Required/ Penalty Fee	Full Cost Recovery Fee / Proposed Deposit (includes 3rd party/required fees) ²		Current Fee	Subsidy / Overcharge ⁴
	Planning Director	Planning Manager	Principal City Engineer	Senior Planner	Associate Planner	Assistant Planner	Planning Technician	Administrative Assist	Acting Bldg & Safety Manager	Permit Technician	Senior Planner (limited 1 year term)				Actual Cost	Deposit		
FB Hourly Rate ¹	N/A	\$161.27	\$127.20	\$127.20	\$106.67	\$89.70	\$89.72	\$64.25	\$130.45	\$89.72	\$108.69							
FB Minute Rate (FB Hourly Rate/60 Minutes)	\$0.00	\$2.69	\$2.12	\$2.12	\$1.78	\$1.50	\$1.10	\$1.07	\$2.17	\$1.50	\$1.81							
96 Director Decision																	New Fee	
97 Display Ad in Newspaper																	New Fee	
98 Legal Notices																	New Fee	
99 Mailed Notice																	New Fee	
100 SURCHARGES																		
101 15% on all Contractor Invoices																	New Fee	
102 MISCELLANEOUS																		
103 Photocopies								5					\$7.00		\$7.00		New Fee	
104 APN Page								5					\$7.00		\$7.00		New Fee	
105 Microfilm Copies																	New Fee	
106 Hearing Tapes																	New Fee	
107 Maps																	New Fee	
108 ENERGY PROJECTS																		
109 Pre-Application Consultation																\$5,000.00	Actual Cost Deposit	
110 Production and Processing																\$5,000.00	Actual Cost Deposit	
111 Transportation Facilities																\$5,000.00	Actual Cost Deposit	
112 Supply Base																\$5,000.00	Actual Cost Deposit	
113 Exploratory Drilling																\$2,500.00	Actual Cost Deposit	
114 Mine or Power Generation																\$5,000.00	Actual Cost Deposit	
115 Other Energy Projects																\$2,500.00	Actual Cost Deposit	
116 Other Industrial Projects																\$5,000.00	Actual Cost Deposit	
117 Case Processing Ongoing																\$12,500.00	Actual Cost Deposit	
118 Capital Costs < \$5,000,000																\$25,000.00	Actual Cost Deposit	
119 Capital Costs between \$5,000,000 & \$30,000,000																\$50,000.00	Actual Cost Deposit	
120 Total Capital Costs greater than \$30,000,000																\$50,000.00	Actual Cost Deposit	
121 Certificate of Financial Responsibility																\$5,000.00	Actual Cost Deposit	
122 Certificate of Financial Responsibility (certificate for reliance upon owner of facility and shipper of oil)																\$2,500.00	Actual Cost Deposit	
123 Permit Compliance - Ongoing																\$12,500.00	Actual Cost Deposit	
124 Total Assessed Value less than \$5,000,000																\$25,000.00	Actual Cost Deposit	
125 Total Assessed Value between \$5,000,000 & \$30,000,000																\$50,000.00	Actual Cost Deposit	
126 Total Assessed Value greater than \$30,000,000																\$50,000.00	Actual Cost Deposit	
127 Permit Compliance - Minor																\$5,000.00	Actual Cost Deposit	
128 Change of Owner																\$250.00	Actual Cost Deposit	
129 Existing Partner becomes managing partner / Change of non-managing partner of owner																use existing deposit	Actual Cost Deposit	
130 Merger or change of form of business organization of owner or operator																\$5,000.00	Actual Cost Deposit	
131 Change of owner / guarantor																\$12,500.00	Actual Cost Deposit	
132 Change of operation / temporary operator																\$12,500.00	Actual Cost Deposit	
133 BUILDING AND SAFETY																		
134 Appeal Hearing																\$200.00	Actual Cost Deposit	
135 Recurring Compliance Inspections (as per conditions of approval)																	Actual Cost Per Hr.	
136 Recurring Maintenance Inspections (required by law: tanks, compressors)																	Actual Cost Per Hr.	
137 DIRECTOR DETERMINED FEES																		
138 Coastal Development Permit (local)																\$1,500.00	Actual Cost Deposit	
139 Coastal Development Permit w/ hearing (local)																\$3,000.00	Actual Cost Deposit	
140 Certificate of Compliance																\$1,500.00	Actual Cost Deposit	
141 Conditional Use Permit Compliance Review																\$500.00	Actual Cost Deposit	
142 Design Review Board Revised Final																\$5,000.00	Actual Cost Deposit	
143 Development Plan - Revised																\$5,000.00	Actual Cost Deposit	
144 Development Plan - Amendment																\$5,000.00	Actual Cost Deposit	
145 Development Plan - As Built																\$3,000.00	Actual Cost Deposit	
146 Development Plan - Director																\$1,000.00	Actual Cost Deposit	
147 Emergency Permit																\$150.00	Actual Cost Deposit	
148 Exemption Fee																\$8,000.00	Actual Cost Deposit	
149 General Plan Amendment																\$1,500.00	Actual Cost Deposit	
150 GP Consistency Determination																\$1,000.00	Actual Cost Deposit	
151 Land Use Permit (clearance)																\$2,500.00	Actual Cost Deposit	
152 Land Use Permit Time Extension																	Actual Cost Deposit	
153 Land Use Permit Revision																\$750.00	Actual Cost Deposit	
154 Lot Line Adjustment Clearance																\$750.00	Actual Cost Deposit	
155 Map Clearance - TM																\$3,000.00	Actual Cost Deposit	
156 Map Clearance - TM																\$3,000.00	Actual Cost Deposit	
157 Modification																\$8,000.00	Actual Cost Deposit	
158 Rezone																\$1,500.00	Actual Cost Deposit	
159 Substantial Conformity Determination																	Actual Cost Deposit	
160 Residential																	Actual Cost Deposit	
161 Commercial/Industrial																	Actual Cost Deposit	
162 Time Extension (discretionary project)																\$2,500.00	Actual Cost Deposit	
163 Time Extension (ministerial project)																\$245.00	Actual Cost Deposit	
164 Zoning Conformity Determination																	Actual Cost Deposit	
165 PERMITS NOT PRESENTLY ON ANY FEE SCHEDULE																		
166 Annexation Request																	Actual Cost Deposit	
167 DMV License Sign Off (Wholesale, Retail)																	Actual Cost Deposit	
168 Specific Plan Amendment																	Actual Cost Deposit	

¹ FB Hourly Rates from Planning - Fully Burdened Rates Table A2
² Derived by multiplying each person's FB Hourly Rate by the number of minutes spent on each service
³ Full Cost Recovery Fee represents Total Cost including cost of services and all Third Party costs
⁴ Amount by which General Fund currently subsidizes/overcharges the service.

TABLE 3.2: PLANNING - FB HOURLY RATES SUMMARY

Total Operating Budget ¹	\$ 2,003,434
Personnel Costs ¹	1,484,868
Dept Direct Allocation	
Administrative Personnel Costs ²	58,304
Operations ¹	308,500
Subtotal	445,204
Central Services Overhead Allocation	\$1,014,212
Total Cost Allocation	2,944,285

		Percent to Personnel Costs
		20.96% ¹⁴
		68.30% ¹⁵

Job Classifications ¹	Annual Salary & Benefits ¹	Number of Personnel	Hourly Salary & Benefit Rates ²	B	C	D	E	F	G	H	I	J	K	L	M
	A		% of Time Qualified for User Related Fee Work	(A)Productive Hours	(A)C	(A)C	% Non-billable Annual Salary & Benefits to Department Overhead	(A)E)C	(100%-E)C	(A)S	(I)Dept Overhead %	(I)Indirect Overhead %	(I)H)L	(Productive Hours)G	Fully Burdened Hourly Labor Rates ¹¹
Planning Director	176,680	1	33%	90.16	58,304	58,304	100%	58,304	0%	292,800	87,790	199,992	500,581	3,600	N/A
Planning Manager	292,800	2	100%	81.33	292,800	0%	0%	-	100%	115,470	34,621	70,870	228,961	1,800	161.27
Principal City Engineer	115,470	1	100%	64.15	115,470	0%	0%	-	100%	230,940	69,242	157,739	457,922	3,600	127.20
Senior Planner	230,940	2	100%	64.15	230,940	0%	0%	-	100%	193,670	58,068	132,283	384,020	3,600	106.67
Associate Planner	193,670	2	100%	53.80	193,670	0%	0%	-	100%	179,200	53,729	122,399	355,328	3,600	98.70
Assistant Planner	179,200	2	100%	48.78	179,200	0%	0%	-	100%	90,520	27,140	61,828	179,488	1,800	99.72
Planning Technicians	90,520	1	100%	50.29	90,520	0%	0%	-	100%	76,488	22,933	52,244	151,665	1,800	84.26
Administrative Assistant	76,488	1	100%	42.49	76,488	0%	0%	-	100%	118,420	35,506	80,865	234,810	1,800	130.45
Acting Bldg & Safety Manager	118,420	1	100%	65.79	118,420	0%	0%	-	100%	90,520	27,140	61,828	179,488	1,800	99.72
Permit Technicians	90,520	1	100%	50.29	90,520	0%	0%	-	100%	90,520	27,140	61,828	179,488	1,800	99.72
Senior Planner (limited 1 year term)	96,840	1	100%	53.00	96,840	0%	0%	-	100%	1,484,868	445,204	1,014,212	2,944,285	1,800	106.68
Position Total	\$ 1,661,948				\$ 1,543,172	\$ 58,304		\$ 58,304		\$ 1,484,868	\$ 445,204	\$ 1,014,212	\$ 2,944,285		

¹ From City's 2007/08 & 2008/09 Budget Plan. Excludes Capital Costs.
² From City's 2008/09 Salary & Benefits Projections; total employee salary & benefits paid by the Department (Column D Total) less Non-billable Annual Salary & Benefits (Column F Total).
³ Hourly Salary & Benefit costs per employee; not including overhead costs.
⁴ Portion of employee salaries and benefits allocation to User Fees determined by multiplying Columns A, C and E.
⁵ Non-billable salary and benefits determined by multiplying Columns A, C and E.
⁶ Billable salary and benefits determined by multiplying Column A and Column G.
⁷ Derived by multiplying Billable Salary & Benefits (Column H) by the Departmental Indirect Labor percentage, which is 29.98%.
⁸ Derived by multiplying the Billable Annual Salary & Benefits (Column H) by the Central Services Overhead percentage, which is 68.3%.
⁹ Fully Burdened Direct Labor is the sum of Billable Annual Salary & Benefits (Column H); Total Dept Overhead Allocation (Column I); Central Services Overhead Allocation (Column J).
¹⁰ Hours are derived by 2,080 annual working hours minus an estimated 280 vacation/holiday hours (1,800 hrs) and multiplied by % of time allocated to User Fees less any Non-billable percent.
¹¹ Derived by Fully Burdened Direct Labor divided by Productive Hours. Not applicable (N/A) if non-billable percentage (Column E) = 100%.
¹² Indirect Departmental personnel overhead costs not directly impacted by the user fees. Derived from Column F "Non-billable Annual Salary & Benefits."
¹³ Allocation determined from the Central Services Allocation Calculation (Appendix B).
¹⁴ Department Overhead Allocation Percent determined by dividing total Dept Direct Allocation of \$445,204 by Personnel Costs of \$1,484,868.
¹⁵ Central Services Overhead Allocation Percent determined by dividing total Central Services Overhead Allocation of \$1,014,212 by Personnel Costs of \$1,484,868.

Chapter 3: Community Services

Description of Services

The Community Services Department is comprised of four divisions that oversee eight separate budget programs. The Administration Division includes the Department Director, who provides direction to the other divisions. The Engineering Division oversees engineering design and construction of the street improvement program and land development projects required to construct improvements within the public right of way, land development review, encroachment permits for work within the public right of way and the street lighting and solid waste programs. The Public Works Maintenance Division oversees the City's street and facility maintenance programs. The Parks and Open Space Division oversee the parks and open space program. The Capital Project Division oversees the City's Capital Improvement Program.

Analysis and Recommendations

The Community Services Department requested that we analyze fees for all services including but not limited to the following:

- Trenching Fees
- Road Closure Permits Fee
- Special Event Permits Fee
- Encroachment Permits Fee
- Filming Permits Fee
- Traffic Control Plan Review Fee
- Various Other Fees

Based on our analysis, we conclude the following:

- For services that require a wide range of staff time and to be completed by different staff each time, it is more reasonable for the City to charge fees based on the FB Hourly Rate of staff who renders the services.
- For fees that are regulated by the State laws, it is recommended the City comply with the regulations.

Table 3.1 presents the full cost recovery fee or the total cost to the City's Community Services Department for providing a service; however, it is the City's decision to determine the fee level, up to 100.00% of the total cost, for each service based on local policy and political considerations.

Table 3.2 lists the FB hourly rate for each position directly involved in providing the services included in the fee schedule for the Community Services Department, Engineering Division.

TABLE 3.1: COMMUNITY SERVICES DEPARTMENT - FULL COST RECOVERY FEE SUMMARY

Service/Application	City Staff													Fully Burdened Rate ² Fee Notes	Third Party/ Required/ Penalty Fee ³ Notes		Full Cost Recovery Fee (includes 3rd party/required fees) ³ Notes		Current Fee		Subsidy / Overcharge ⁴			
	Community Services Director	Management Analyst	Principal Civil Engineer	Senior Project Manager	Project Manager	Assistant Engineer	Public Works Inspector	Public Works Manager	Lead Maintenance Worker	Maintenance Worker II	Public Works Manager	Lead Maintenance Worker	Maintenance Worker II		Fee	Notes	Fee	Notes	Fee	Notes	Subsidy	Subsidy%		
	FB Hourly Rate ¹ \$165.58	\$86.22	\$130.59	\$103.52	\$98.90	\$84.06	\$90.86	\$115.52	\$60.31	\$53.46	\$108.07	\$61.57	\$54.46											
	FB Minute Rate (FB Hourly Rate/60 Minutes)	\$2.76	\$1.44	\$2.18	\$1.73	\$1.85	\$1.40	\$1.34	\$1.93	\$1.01	\$0.89	\$1.77	\$0.91											
		Amount of Time Each Staff Member Spends on Each Service in Minutes																						
1	MINIMUM PERMIT FEES*			15																				
2	Residential Driveway			15																				
3	Commercial Driveway			15																				
4	Sidewalk (+ \$.50/ft over 50 ft)			15																				
5	Landscape Work			30																				
6	TV Filming / Photography - Application & Processing	15		135																				
7	Street use fee for filming and associated parking																							
8	Filming/Photography on City owned lands																							
9	Monitoring			15																				
10	Miscellaneous Minor Construction and/or use of City Road right of way			15																				
11	On Street Trash Bins			15																				
12	Tree Removals/Plantings	15		15																				
	*Permits requiring engineering review, materials testing, or extensive coordinating with other agencies will require an additional fee to equal the costs to the City for the service rendered (\$75 minimum for engineering review)																							
13	MINIMUM TRENCH FEE*																							
14	1. Within Paved Roadway - Cubic Yards of Excavation																							
15	0-10			15																				
16	10-50			15																				
17	50-250			30																				
18	250-500			30																				
19	500-750			45																				
20	Over 750			60																				
	*Permits requiring engineering review, (e.g., drainage facilities, special soil considerations, structural analysis), material testing or extensive coordination with other agencies, will require an additional fee to equal the costs to the City for services rendered (\$75 minimum for engineering review)																							
21	2. Outside the Paved Roadway - Cubic Yards of Excavation																							
22	0-15			15																				
23	15-50			15																				
24	50-250			15																				
25	250-500			15																				
26	500-750			30																				
27	Over 750			45																				
	*Permits requiring engineering review, (e.g., drainage facilities, special soil considerations, structural analysis), material testing or extensive coordination with other agencies, will require an additional fee to equal the costs to the City for services rendered (\$75 minimum for engineering review)																							
28	FEES FOR PUBLIC/PRIVATE ROAD IMPROVEMENT PLAN REVIEW AND CONSTRUCTION INSPECTION*																							
29	Based on a Percentage of the cost of construction																							
30	Minimum Fee																							
31	First \$20,000																							
32	Next \$30,000																							
33	Next \$50,000																							
34	Balance Over \$100,000																							
	*Permits requiring extensive engineering revisions during the plan review and construction process will require an additional fee to equal the costs to the City for services rendered. Additional fees (according to the adopted Material Testing Fee Schedule)																							
35	ROAD CLOSURE PERMIT FEE*																							
36	Road Closure are permitted only after all alternatives have been carefully reviewed																							
37	Road Closure Permit Fee	15		120																				
	*Permits for closures that are particularly lengthy or complicated will require an additional fee to equal the costs to the City for services rendered.																							
38	SPECIAL EVENT PERMITS*																							
39	Each Permit	15		120																				
	*Check to be submitted with permit, except when special arrangement have been made.																							
40	STRIPING FEE SCHEDULE*																							
	This fee shall be charged when striping by City forces is necessary as a result of work performed under a Road Excavation Permit. The Fee Schedule is based on actual City costs. This fee shall be deposited into a separate fund for striping (\$50 minimum)																							
41	Dashed Stripe																							
42	Solid Strip																							
43	Legend																							
	*Replacement of these and other traffic control devices by the permitted may be required before City acceptance of the work performed under the permit.																							
44	PAVEMENT CUT RESTORATION FEE																							
	This fee shall be charged in addition to the fees required above. This fee shall be deposited into a separate fund for restoring pavement cuts.																							
45	Pavement Cut Restoration Fee																							
	Utility Companies and Special Districts are required to continually maintain in good condition the utility trenches constructed for their utilities, and therefore, shall be exempt from the Pavement Cut Restoration Fee.																							
46	PRIVATE IMPROVEMENT ENCROACHMENTS																							
47	Minor Encroachments			120																				
48	Existing improvements are 2/2/2002																							
49	Existing improvements post 2/2/2002																							
50	TRAFFIC CONTROL PLAN REVIEW																							
51	Minor (over the counter permit)																							
52	Major (Requires Traffic Engineer's review)			120																				
53	Haul Routes			30																				
54	MONITORING WELLS																							
55	Monitoring			60																				
56	Installation/Abandonment			15																				
57	ANNUAL UTILITY PERMITS			30																				
58	ILLEGAL DISCHARGE MITIGATION			30																				
59	BUILDING PERMIT OR LAND USE PERMIT																							
60	Building Plan Review																							
61	No Public Works permit issued																							

	City Staff													Fully Burdened Rate ²	Third Party/ Required/ Penalty Fee ³	Full Cost Recovery Fee (includes 3rd party/required fees) ⁴	Current Fee	Subsidy / Overcharge ⁴
	Community Services Director	Management Analyst	Principal Civil Engineer	Senior Project Manager	Project Manager	Assistant Engineer	Public Works Inspector	Public Works Manager	Lead Maintenance Worker	Maintenance Worker II	Public Works Manager	Lead Maintenance Worker	Maintenance Worker II					
FB Hourly Rate ¹	\$165.58	\$86.22	\$130.59	\$103.52	\$99.90	\$84.06	\$90.69	\$115.52	\$80.31	\$53.46	\$106.07	\$81.57	\$54.46					
FB Minute Rate (FB Hourly Rate/60 Minutes)	\$2.76	\$1.44	\$2.18	\$1.73	\$1.65	\$1.40	\$1.34	\$1.93	\$1.01	\$0.89	\$1.77	\$1.03	\$0.91					
71 Minor Projects			15			60								\$116.71		\$116.00	138	Overcharge: \$22.20 -19.14%
72 Major Projects			60			60								\$214.65		\$214.00	381	Overcharge: \$176.70 -52.57%
73 DRC Review			60		60	60								\$313.55		\$313.00		New Fee Subsidy: \$313.00 100.00%
74 Fixed Case Review			15			30	15							\$94.85		\$94.00		New Fee Subsidy: \$94.00 100.00%
75 Planner Consult			60											\$130.59		\$130.00		New Fee Subsidy: \$130.00 100.00%
76 WORK WITHOUT A PERMIT PENALTY																		2 times original permit fees
77 PARK RESERVATION																		
78 Area 1													150	\$136.14		\$136.00	155	Overcharge: \$19.00 -13.97%
79 Area 2													150	\$136.14		\$136.00	80	Subsidy: \$56.00 41.18%
80 Area 3													150	\$136.14		\$136.00	55	Subsidy: \$81.00 59.56%
81 Bouncer (area 2 and 3 only)													150	\$136.14		\$136.00	20	Subsidy: \$116.00
82 OTHER COMMUNITY SERVICE ASSISTANCE																Actual Cost Per Hr.		New Fee

¹ FB Hourly Rates from Public Works / Building - Fully Burdened Rates Table A3
² Derived by multiplying each position's FB Hourly Rate by the number of minutes spent on each service
³ Full Cost Recovery Fee represents Total Cost including cost of services and all Third Party costs
⁴ Amount by which General Fund currently subsidizes/overcharges the service.

TABLE 3.51 - COMMUNITY SERVICES DEPARTMENT - FB HOURLY RATES SUMMARY

Total Operating Budget ¹	\$ 0,244,759
Personnel Costs ²	1,266,022
Percent to Personnel Costs	
Dept Direct Allocation	45,063
Administrative Personnel Costs ³	370,900
Subtotal	415,963
Community Services Overhead Allocation ⁴	33.20% ⁵
Total Cost Allocation	33.81% ⁶

Job Classifications ¹	A	B	C	D	E	F	G	H	I	J	K	L	M
	Annual Salary & Benefits ²	Hourly Salary & Benefits ³ (Productive Hours)	% of Time Qualified for Full Time Work	Annual Salary & Benefits Allocated to User Fees ⁴ (NCE)	% Reimbursable Benefits to Department Overhead ⁵	Non-Billable Annual Salary & Benefits to Department Overhead ⁶ (NCE)	Billable Annual Salary & Benefits (NCE)	Billable Annual Salary & Benefits (NCE)	Total Dept Overhead Allocation ⁷ (Productive Hours)	Central Services Overhead Allocation ⁸ (Productive Hours)	Fully Burdened Direct Labor ⁹ (NCE)	Productive Hours ¹⁰	Fully Burdened Hourly Labor Rates ¹¹ (NCE)
Community Services Director	109,720	105.41	25%	47,433	95%	45,061	2,372	769	33.20%	23,523	155,200	1,000	155.20
Management Analyst	98,000	64.00	100%	98,000	0%	-	98,000	32,877	23,523	35,028	155,200	1,000	155.20
Dispatch Civil Engineer	146,640	63.13	100%	146,640	0%	-	146,640	39,472	20,242	20,242	196,334	1,000	196.33
Senior Project Manager	116,620	65.00	100%	116,620	0%	-	116,620	37,712	20,983	20,983	178,025	1,000	178.03
Project Manager	113,320	62.00	100%	113,320	0%	-	113,320	32,052	22,933	22,933	151,304	1,000	151.30
Assistant Engineer	96,320	51.36	100%	96,320	0%	-	96,320	30,764	22,011	22,011	145,225	1,000	145.23
Public Works Inspector	92,460	73.54	100%	92,460	0%	-	92,460	44,048	31,516	31,516	207,934	1,000	207.93
Lead Maintenance Worker	69,110	36.39	100%	69,110	0%	-	69,110	22,997	16,454	16,454	108,562	1,000	108.56
Maintenance Worker II	122,920	34.03	100%	122,920	0%	-	122,920	40,770	29,171	29,171	192,461	3,000	64.15
Public Works Manager	121,540	67.52	100%	121,540	0%	-	121,540	40,444	26,937	26,937	190,921	1,000	190.92
Lead Maintenance Worker	70,950	36.19	100%	70,950	0%	-	70,950	23,476	14,857	14,857	110,824	1,000	110.82
Maintenance Worker II	62,400	34.67	100%	62,400	0%	-	62,400	20,764	14,857	14,857	99,021	1,000	99.02
Position Total	\$ 1,437,380		100%	\$ 1,295,083	0%	\$ 45,061	\$ 1,250,022	\$ 1,250,022	\$ 415,961	\$ 297,615	\$ 1,963,598		

¹ From City's 2007/08 & 2008/09 Budget Plan. Excludes Capital Costs.
² From City's 2008/09 Salary & Benefits Projections; total employee salary & benefits paid by the Department (Column D Total) less Non-Billable Annual Salary & Benefits (Column F Total).
³ Hourly Salary & Benefit costs per employee; not including overhead costs.
⁴ Portion of employee salary and benefits allocation to User Fees determined by multiplying Columns A and C.
⁵ Non-billable salary and benefits determined by multiplying Columns A, C and E.
⁶ Billable salary and benefits determined by multiplying Column A and Column G.
⁷ Derived by multiplying Billable Salary & Benefits (Column H) by the Departmental Indirect Labor Percentage, which is 33.29%.
⁸ Derived by multiplying the Billable Salary & Benefits (Column H) by the Central Services Overhead Percentage, which is 23.81%.
⁹ Fully Burdened Direct Labor is the sum of Billable Annual Salary & Benefits (Column H); Total Dept Overhead Allocation (Column I); Central Services Overhead Allocation (Column J).
¹⁰ Hours are derived by 2,080 annual working hours minus an estimated 280 non-productive hours (1,800 hrs) and multiplied by % of time allocated to User Fees less any Non-billable percent.
¹¹ Derived by Fully Burdened Direct Labor divided by Productive Hours. Not applicable (N/A) if non-billable percentage (Column E) = 100%.
¹² Indirect Departmental personnel overhead costs not directly impacted by the user fees. Derived from Column F "Non-Billable Annual Salary & Benefits."
¹³ Allocation determined from the Central Services Allocation Calculation (Appendix B).
¹⁴ Department Overhead Allocation Percent determined by dividing total Dept Direct Allocation of \$415,961 by Personnel Costs of \$1,250,022.
¹⁵ Central Services Overhead Allocation Percent determined by dividing total Central Services Overhead Allocation of \$297,615 by Personnel Costs of \$1,250,022.

Appendix A: Comprehensive User Fees Schedule

TABLE A.1: COMPREHENSIVE FEES SCHEDULE

Service/Application	Full Cost Recovery Fee 1	Notes	Current Fee	Fees Recommended by City Staff 2
FINANCE AND ADMINISTRATION				
1 Business License Renewal				
2 Process Returned Checks	\$15.00			New Fee
3 Duplication of Public Records	\$42.00	Per Civil Code 1719, fee for the first returned check is \$25. \$35 for each subsequent check.		New Fee
4 DVD	\$3.00			New Fee
5 Photocopy	\$7.00			New Fee
6 Business License Setup	\$33.00			New Fee
7 Election Sign Pick Up (per sign)	\$13.00	Per Sign		New Fee
ZONING				
1 Alcohol Beverage Control Affidavit	\$90.00			
2 Appeals	\$10,176.00		\$100.00	
3 Coastal Development Permit (Local)	\$600.00		\$600.00	Same as land use permit
4 Coastal Development Permit (Local) w/ Hearing	\$1,000.00		\$1,000.00	Actual Cost Deposit
5 Conditional Use Permit - Major	\$3,520.00		\$3,520.00	Actual Cost Deposit
6 Conditional Use Permit - Minor	\$1,520.00		\$1,520.00	Actual Cost Deposit
7 Conditional Use Permit - Director Review	\$2,520.00		\$2,520.00	Actual Cost Deposit
8 Conditional Use Permit Compliance Review	\$1,653.00		\$1,653.00	Actual Cost Deposit
9 Design Review Board Reviewed Final	\$445.00		\$100.00	
10 Determination of Similar Use	\$2,020.00		\$2,020.00	Actual Cost Deposit
11 Development Plan	\$5,020.00		\$5,020.00	Actual Cost Deposit
12 Development Plan - Director Review - New or Revised	\$4,020.00		\$4,020.00	Actual Cost Deposit
13 Development Plan - Amendment	\$2,520.00		\$2,520.00	Actual Cost Deposit
14 Development Plan - As Built	\$2,520.00		\$2,520.00	Actual Cost Deposit
15 Development Plan - Director	\$2,520.00		\$2,520.00	Actual Cost Deposit
16 Emergency Permit	\$1,399.00		\$1,399.00	Actual Cost Deposit
17 Expedited Fee (research required)	\$95.00		\$95.00	
18 Plan and Grading Filing Fees				Current fees, if any, as required by State and Co.
19 General Plan Amendment	\$10,000.00		\$10,000.00	Actual Cost Deposit
20 Govt. Code Consistency Determination (65402)	\$2,520.00		\$2,520.00	Actual Cost Deposit
LAND USE PERMITS				
21 Recreational Structures	\$1,196.00		\$600.00	
22 New Residence	\$440.00		\$200.00	
23 Advisory Structures	\$1,196.00		\$300.00	
24 Additions to Buildings	\$240.00		\$255.00	
25 Minor Alteration - e.g. fireplaces, deck, lanai	\$205.00		\$205.00	
26 Signs and Walls (Over Permitted Height)	\$399.00		\$205.00	
27 Pools and Spas	\$349.00		\$305.00	
28 Gun Cover	\$997.00		\$300.00	
COMMERCIAL/INDUSTRIAL				
29 Minor Alterations	\$653.00		\$255.00	
30 New or Addition to Existing Structure	\$1,173.00		\$805.00	
31 Monument Sign Structure	\$340.00		\$255.00	
LAND USE PERMIT (OTHER)				
32 Change of Use	\$320.00		\$200.00	
33 Community Care Facility	\$1,000.00		\$200.00	
34 Demolition	\$399.00		\$150.00	
35 Energy Public Works Facilities	\$954.00		\$500.00	
36 Staging	\$954.00		\$200.00	
37 Stockpile Permit	\$440.00		\$455.00	
38 Temporary Use Permit	\$999.00		\$1,520.00	
39 Trailers	\$163.00		\$150.00	
40 Tree Bush Removal	\$318.00		\$150.00	
41 Land Use Permit Clearance (following major discretionary permit)	\$150.00		\$500.00	
42 Land Use Permit Extension	\$300.00		\$2,520.00	
43 Land Use Permit Revocation	\$2,520.00		\$1,520.00	
44 Landscape Review - Major	\$1,520.00		\$1,520.00	
45 Lot Line Adjustment	\$1,520.00		\$1,520.00	
46 Lot Line Adjustment Clearance (Prior to recordation)	\$2,520.00		\$2,520.00	
47 Map Clearance w/ conditions (TPM)	\$255.00		\$255.00	
48 Map Clearance w/ no conditions	\$2,020.00		\$2,020.00	
49 Modification	\$2,500.00		\$2,500.00	
50 Oil and Gas Production/ Exploration Plans	\$2,520.00		\$2,520.00	
51 Parcel Map Waiver	\$2,000.00		\$2,000.00	
52 Permit Compliance	\$2,000.00		\$2,000.00	
53 Planner Consult	\$636.00		\$190.00	
54 Pre-Application Consultation	\$1,500.00		\$1,500.00	
Projects for which there is no appropriate category				
55 Research	\$190.00		\$190.00	
56 Record Map Modification	\$2,520.00		\$2,520.00	
57 Road Naming - Naming or Renaming Existing Road	\$10,000.00		\$1,105.00	
58 Road Naming - New Road	\$1,399.00		\$905.00	
59 Sign Certificate of Conformance (Sign permit)	\$440.00		\$155.00	
60 Sign Plan - overall for shopping center or large developments	\$1,520.00		\$1,520.00	
61 Specific Plan	\$5,020.00		\$5,020.00	
62 Substantial Conformity Determination	\$1,500.00		\$400.00	
63 Residential	\$1,526.00		\$1,220.00	
64 Commercial/ Industrial	\$2,520.00		\$2,520.00	
65 Tentative Parcel Map	\$4,020.00		\$4,020.00	
66 Tentative Tract Map	\$1,520.00		\$1,520.00	
67 Tentative Map Modification (prior to recordation)	\$0.00		\$0.00	
68 Time Extension (discretionary permit)	\$2,520.00		\$2,520.00	
69 Time Extension (ministerial permit)	\$349.00		\$349.00	
70 Variance	\$2,520.00		\$2,520.00	
71 Zoning Conformity Determination	\$349.00		\$349.00	
HEARING RELATED CHARGES				
72 Hearing Administrator				
73 Planning Commission				
74 City Council				
75 Continuance (Applicant Requested)				
76 Environmental Hearing				
77 Hearing Secretary				
78 Permit Compliance/Revocation Hearing				
79 Special Planning Commission Hearing				
80 Special City Council Hearing				
OTHER NON-SALARY CHARGES (i.e. Draft MND, Addendum)				
81 Director Decision	\$200.00		\$200.00	
82 Display Ad in Newspaper	\$0.00		\$0.00	
83 Legal Notices	\$0.00		\$0.00	
84 Mailed Notice	\$0.00		\$0.00	
85 BURCHARGES				
86 15% on all Contractor Invoices	\$7.00		\$7.00	
MISCELLANEOUS				
87 Photocopies	\$7.00		\$7.00	
88 APN Page	\$0.00		\$0.00	
89 Microfilm Copies	\$0.00		\$0.00	
90 Hearing Tapes	\$0.00		\$0.00	
91 Maps	\$0.00		\$0.00	
ENERGY PROJECTS				
92 Pre-Application Consultation	\$5,000.00		\$5,000.00	
93 Production and Processing	\$5,000.00		\$5,000.00	
94 Transportation Facilities	\$5,000.00		\$5,000.00	
95 Supply Base	\$5,000.00		\$5,000.00	
96 Exploratory Drilling	\$5,000.00		\$5,000.00	
97 Mine or Power Generation	\$5,000.00		\$5,000.00	
98 Other Energy Projects	\$5,000.00		\$5,000.00	
99 Other Industrial Projects	\$5,000.00		\$5,000.00	
100 Case Processing Ongoing	\$12,500.00		\$12,500.00	
101 Capital Costs < \$5,000,000	\$25,000.00		\$25,000.00	
102 Capital Costs between \$5,000,000 & \$30,000,000	\$50,000.00		\$50,000.00	
103 Total Capital Costs greater than \$30,000,000	\$5,000.00		\$5,000.00	
104 Certificate of Financial Responsibility	\$2,500.00		\$2,500.00	
105 Certificate of Financial Responsibility (certificate for reliance upon owner of facility and shipper of oil)	\$2,500.00		\$2,500.00	
106 Permit Compliance - Ongoing	\$12,500.00		\$12,500.00	
107 Total Assessed Value less than \$5,000,000	\$25,000.00		\$25,000.00	
108 Total Assessed Value between \$5,000,000 & \$30,000,000	\$50,000.00		\$50,000.00	
109 Total Assessed Value greater than \$30,000,000	\$5,000.00		\$5,000.00	
110 Permit Compliance - Minor	\$250.00		\$250.00	
111 Change of Owner	\$250.00		\$250.00	
112 Existing Partner becomes managing partner / Change of non-managing partner	\$250.00		\$250.00	

Table A1: Comprehensive Fees Schedule

TABLE A.1: COMPREHENSIVE FEES SCHEDULE

Service/Application	Full Cost Recovery Fee ¹	Current Fee	Fees Recommended by City Staff ²
	Fee	Fee	Fee
130 Merge or change of form of business organization of owner or operator			
131 Change of owner / proprietor	use existing deposit	New Fee	Notes
132 Change of operation / temporary operator	\$9,000.00	New Fee	New Fee
133 BUILDING AND SAFETY	\$12,500.00	New Fee	New Fee
134 Appeal Hearing	\$300.00	New Fee	New Fee
135 Recurring Compliance Inspections (as per conditions of approval)	\$0.00	New Fee	New Fee
136 Recurring Maintenance Inspections (required by law, tanks, compressors)	\$0.00	New Fee	New Fee
137 DIRECTOR DETERMINED FEES			
138 Coastal Development Permit (local)	\$0.00	New Fee	New Fee
139 Conditional Use Permit Compliance Review	\$0.00	New Fee	New Fee
140 Coastal Development Permit w/ Hearing (local)	\$1,500.00	New Fee	New Fee
141 Certificate of Compliance	\$9,000.00	New Fee	New Fee
142 Conditional Use Permit Compliance Review	\$1,500.00	New Fee	New Fee
143 Design Review Board Revised Final	\$300.00	New Fee	New Fee
144 Development Plan - Revised	\$9,000.00	New Fee	New Fee
145 Development Plan - Amendment	\$8,000.00	New Fee	New Fee
146 Development Plan - As Built	\$3,000.00	New Fee	New Fee
147 Development Plan - Director	\$3,000.00	New Fee	New Fee
148 Emergency Permit	\$1,000.00	New Fee	New Fee
149 Exemption Fee	\$150.00	New Fee	New Fee
150 General Plan Amendment	\$0,000.00	New Fee	New Fee
151 GR-Consistency Determination	\$1,500.00	New Fee	New Fee
152 Land Use Permit (clearance)	\$1,500.00	New Fee	New Fee
153 Land Use Permit Time Extension	\$2,500.00	New Fee	New Fee
154 Lot Line Adjustment Revision	\$0.00	New Fee	New Fee
155 Lot Line Adjustment Clearance	\$750.00	New Fee	New Fee
156 Map Clearance - TPM	\$3,000.00	New Fee	New Fee
157 Map Clearance - TM	\$3,000.00	New Fee	New Fee
158 Modification	\$8,000.00	New Fee	New Fee
159 Rezone	\$0.00	New Fee	New Fee
160 Substantial Conformity Determination	\$0.00	New Fee	New Fee
161 Residential	\$0.00	New Fee	New Fee
162 Commercial/Industrial	\$2,500.00	New Fee	New Fee
163 Time Extension (discretionary project)	\$2,499.00	New Fee	New Fee
164 Time Extension (ministerial project)	\$0.00	New Fee	New Fee
165 Zoning Conformity Determination	\$0.00	New Fee	New Fee
166 PERMITS NOT PRESENTLY ON ANY FEE SCHEDULE			
167 Annulation Request	\$0.00	New Fee	New Fee
168 DMV License Sign Off (Wholesale, Retail)	\$0.00	New Fee	New Fee
169 Sign Plan Amendment	\$0.00	New Fee	New Fee
170 SPECIAL SERVICES DEPARTMENT			
1 MINIMUM PERMIT FEES*			
2 Residential Driveway	\$156.00	\$65.00	New Fee
3 Commercial Driveway	\$176.00	\$90.00	New Fee
4 Sidewalk (x \$50/ft over 50 ft)	\$176.00	\$65.00	New Fee
5 Landscaping Work	\$262.00	\$65.00	New Fee
6 TV Filming / Photography - Application & Processing	\$375.00	\$500 Motion / \$100 Still	New Fee
7 Street use fee for filming and associated parking	\$0.00		
8 Filming/Photography on City owned lands	\$0.00		
9 Monitoring	\$0.00		
10 Miscellaneous Minor Construction and/or use of City Road Right of Way	\$156.00	\$65.00	New Fee
11 On Street Trash Bins	\$113.00		New Fee
12 Tree Removals/Plantings	\$409.00		New Fee
13 *Permits requiring engineering review, materials testing, or extensive coordinating with other agencies will require an additional fee to equal the costs to the City for the service rendered (\$75 minimum for engineering review)			
14 MINIMUM TRENCH FEES*			
15 1. Within Paved Roadway - Cubic Yards of Excavation			
16 0-10	\$177.00	\$90.00	
17 10-50	\$197.00		
18 50-250	\$230.00		
19 250-500	\$270.00		
20 500-750	\$303.00		
21 Over 750	\$416.00		
22 *Permits requiring engineering review, (e.g., drainage facilities, special soil considerations, structural analysis), material testing or extensive coordination with other agencies, will require an additional fee to equal the costs to the City for services rendered (\$75 minimum for engineering review)			
23 2. Outside the Paved Roadway - Cubic Yards of Excavation			
24 1-9	\$156.00		
25 10-50	\$176.00		
26 50-250	\$216.00		
27 250-500	\$216.00		
28 500-750	\$269.00		
29 Over 750	\$362.00		
30 FEES FOR PUBLIC/PRIVATE ROAD IMPROVEMENT PLAN REVIEW AND CONSTRUCTION INSPECTION*			
31 Based on a Percentage of the cost of construction			
32 Minimum Fee	\$360.00	\$360.00	
33 First \$20,000	\$0.00	\$0.00	
34 Next \$30,000	\$0.00	\$0.00	
35 Next \$50,000	\$0.00	\$0.00	
36 Balance Over \$100,000	\$113.00	\$0.00	
37 *Permits requiring extensive engineering revisions during the plan review and construction process will require an additional fee to equal the costs to the City for services rendered. Additional fees (according to the adopted Material Testing Fee Schedule.			
38 ROAD CLOSURE PERMIT FEE*			
39 Road Closure not permitted only after all alternatives have been carefully reviewed			
40 Road Closure Permit Fee	\$467.00	\$750.00	
41 *Permits for closures that are particularly lengthy or complicated will require an additional fee to equal the costs to the City for services rendered.			
42 SPECIAL EVENT PERMITS*			
43 Each Permit	\$317.00	\$50.00	
44 Check to be submitted with permit, except when special arrangement have been made.			
45 CHARGING FEE SCHEDULE*			
46 This fee shall be charged when stippling by City forces is necessary as a result of work performed under a Road Excavation Permit. The Fee Schedule is based on actual City costs. This fee shall be deposited into a separate fund for Shipping (\$50 minimum)			
47 Drained Strip	\$0.15 per LF	\$0.15 per LF	
48 Solid Strip	\$5.50 per SqFt	\$5.50 per SqFt	
49 Legant			
50 Replacement of hoses and other traffic control devices by the permittee may be required before city acceptance of the work performed under the permit.			
51 PAVEMENT CUT RESTORATION FEE			
52 This fee shall be charged in addition to the fees required above. This fee shall be deposited into a separate fund for restoring pavement cuts.			
53 Pavement Cut Restoration Fee			
54 Utility Companies and Special Districts are required to continually maintain in good condition the utility trenches constructed for their utilities, and therefore, shall be exempt from the Pavement Cut Restoration Fee.			
55 PRIVATE IMPROVEMENT ENCROACHMENTS			
56 Minor Encroachments	\$678.00	New Fee	
57 Existing Improvements pre 2/2/2002			
58 Existing Improvements post 2/2/2002	\$42.00	New Fee	
59 TRAFFIC CONTROL PLAN REVIEW	\$495.00	New Fee	
60 Minor (over the counter permit)	\$230.00	New Fee	
61 Major (requires Traffic Engineer's review)	\$301.00	New Fee	
62 Liquid Rentals	\$381.00	New Fee	
63 MONITORING WELLS	\$197.00	New Fee	
64 Monitoring	\$268.00	New Fee	
65 Installation/Abandonment			
66 ANNUAL UTILITY PERMITS			
67 ILLEGAL DISCHARGE MITIGATION			
68 BUILDING PERMIT OR LAND USE PERMIT			
69 Building Plan Review	\$42.00	\$0.00	
70 No Public Works permit issued	\$136.00	\$136.00	
71 Minor Projects	\$116.00	\$136.00	
72 Major Projects	\$214.00	\$136.00	
73 DRG Review	\$313.00	\$136.00	
74 Fixed-Crate Review	\$94.00	\$136.00	
75 Planner Consult	\$130.00	\$136.00	
76 WORK WITHOUT A PERMIT PENALTY			
77 PARK RESERVATION			
78 Area 1	\$136.00	\$136.00	
79 Area 2	\$136.00	\$136.00	
80 Area 3	\$136.00	\$136.00	
81 Bunker (area 2 and 3 only)	\$136.00	\$136.00	
82 OTHER COMMUNITY SERVICE ASSISTANCE	\$0.00	New Fee	

¹ Full Hourly Rates from Tables A1, A2, A3

² Fees recommended by staff for adoption.

Appendix B: Fees Comparison

TABLE B.1: FINANCE AND ADMINISTRATION - COMMON FEE COMPARISON

Service/Application	City of Goleta Full Cost Recovery Fee ¹		City of Goleta Fee Recommended By Staff ²		City of Santa Barbara	
	Fee	Notes	Fee	Notes	Fee	Notes
Business License Renewal	\$15.00					
Process Returned Checks	\$42.00	Per Civil Code 1719, fee for the first returned check is \$25, \$35 for each subsequent check.			Varies	The City requires annual payment based on the type of business and the estimated first year's gross. For example, if the first year gross is \$185,000 and the business is a cafe, the tax amount due is \$90.00.
Duplication of Public Records					\$10.00	
Photocopy	\$3.00				\$0.20	
DVD	\$7.00				\$12.00	
Business License Setup	\$23.00					The City requires annual payment based on the type of business and the estimated first year's gross. For example, if the first year gross is \$185,000 and the business is a cafe, the tax amount due is \$90.00.
Election Sign Pick Up (per sign)	\$13.00					
						Per Page

¹ Table 1.1

² Table A1

TABLE B.2: PLANNING - COMMON FEE COMPARISON

Service/Application	City of Goleta Full Cost Recovery Fee ¹		City of Goleta Fee Recommended By Staff ²		County of Santa Barbara	
	Fee	Notes	Fee	Notes	Fee	Notes
Conditional Use Permit - Major	\$3,020.00	Actual Cost Deposit			\$5,000.00	Actual Costs Deposit
Conditional Use Permit - Minor	\$1,520.00	Actual Cost Deposit			\$2,624.00	Fixed Fee
Conditional Use Permit Amendment - Director Review	\$2,520.00	Actual Cost Deposit			\$5,519.00	Fixed Fee
Tentative Parcel Map	\$2,520.00	Actual Cost Deposit			\$5,000	Planning - Deposit
Tentative Tract Map	\$4,020.00	Actual Cost Deposit			\$9,000.00	Zoning - Deposit
Lot Line Adjustment	\$2,520.00	Actual Cost Deposit			\$9,000.00	Actual Cost Deposit Less than 49 Lots
Lot Line Adjustment Modification (Prior to recordation)	\$1,520.00	Actual Cost Deposit			\$3,000.00	Actual Costs Deposit
LAND USE PERMITS					\$3,000.00	Actual Costs Deposit
Residential Structures						
New Residence	\$1,196.00				\$1,088.00	Fixed Fee
Accessory Structures	\$448.00				\$507.00	Fixed Fee
Additions to Buildings	\$1,196.00				\$571.00	Fixed Fee
Minor Alteration - e.g. fireplace, deck, balcony	\$249.00				\$507.00	Fixed Fee
Fences and Walls (Over Permitted Height)	\$299.00				\$313.00	Fixed Fee
Pools and Spas	\$396.00				\$313.00	Fixed Fee
Patio Cover	\$349.00				\$507.00	Fixed Fee
Guest Houses/ Pool Houses/ Artist studios	\$897.00				\$836.00	Fixed Fee

¹ Table 2.1

² Table A1

TABLE B.31 COMMUNITY SERVICES - COMMON FEE COMPARISON

Service/Application	City of Colima Full Cost Recovery Fee ¹		City of Golden Fee Recommended By Staff ²		City of Santa Barbara		County of Santa Barbara	
	Fee	Notes	Fee	Notes	Fee	Notes	Fee	Notes
TRAFFIC CONTROL PLAN REVIEW	\$12,000		\$30,000		200 per day	NA	NA	\$5 each additional day
Minor project site plan permit	\$405,000		NA		NA		\$920.00	* \$95 per additional day
Major (Highway Traffic Engineer review)	\$210,000		NA		NA		400 annual	
ROADWORK WELLS	\$300,000		NA		NA		NA	
Installation/Removal	\$300,000		\$485.20	Public/private/City owner	NA		NA	
Tree Removal/Planting	\$400,000		\$785.20	Temporary street closure	NA		\$107.60	
Residential Driveway	\$190,000		\$160.40		\$500.00		\$411.00	
Signage/Signage	\$70,000		\$2.00	per day (day per day bill plus	\$200.00		\$202.00	review, inspection/out
IV Filtration/Removal - Application & Processing	\$115,000		\$250.00	under ten (10) 1/2 plus \$3.00 per ft. (over 20 ft)	\$1,460.00		\$1,460.00	Annual Supplier Comp only
Sidewalk (1.50'x11' over 60 ft)	\$170,000		48,100/22,202/27.00				\$300 - 25 to 100 or 1,400 - 101 to 750 sf	
FEES FOR PUBLIC/Private ROAD IMPROVEMENT PLAN REVIEW AND CONSTRUCTION INSPECTION*								
Based on 1% percentage of the cost of construction	\$300,000		\$300,000		1st 100k		2,250.14, 2.5%	
First \$20,000	\$0.00		2,000.00		next 100k		1,750.32, 2.5%	
Next \$20,000	\$0.00		2,000.00		next 100k		1,500.14, 2.5%	
Next \$20,000	\$0.00		2,000.00		next 100k		1,250.14, 2.5%	
Next \$20,000	\$0.00		2,000.00		next 100k		1,000.14, 2.5%	
Next \$20,000	\$0.00		2,000.00		next 100k		750.14, 2.5%	
Next \$20,000	\$0.00		2,000.00		next 100k		500.14, 2.5%	
Next \$20,000	\$0.00		2,000.00		next 100k		250.14, 2.5%	
Next \$20,000	\$0.00		2,000.00		next 100k		0.00, 2.5%	

* Table B.1
* Table A.1

Attachment 3

Power Point Presentation

City of Goleta
Overhead Cost Allocation
&
User Fee Studies

June 24, 2008

Bill Moses

8	1,204	\$115,093.87	\$2,767.23
1	10,992	\$1,824,863.87	\$17,628.96
4	594	\$1,112,864.34	\$10,273.45



Project
Management
Analysis

1	1,528	\$439,427.98	\$4,723.96
1	1,204	\$206,117.58	\$2,168.96
10	1,238	\$5,558,231.51	\$45,819.96
7	1,762	\$3,759,723.51	\$30,491.96
1	1,234	\$312,581.96	\$2,519.96



12	68,642	\$17,456,819.27	\$150,240.68
5	37,853	\$1,567,918.07	\$9,879.14
84	1,45	\$9,532.96	\$1,002.27

Data
Management

Information
People Count

Analysis

\$5,884,231.96 \$57,328.27

\$2,512,769.93 \$23,140.96

\$78,342,763.81 \$680,271.18

\$978,724.67 \$8,714.92

\$439,427.98 \$4,723.12

\$206,654.58 \$2,168.93

\$5,558,231.53 \$51,678.03

\$3,758,032.47 \$31,140.92

\$319,581.45 \$2,567.18

\$17,456,819.27 \$150,240.68

\$1,567,018.07 \$9,879.14

Data \$9,532.96

Management \$1,002.27

Information

People Count

Introduction to MuniFinancial

- Muni Team:
 - Bill Moses, Senior Project Manager

Analysis

\$5,884,231.96	\$57,328.27
\$2,512,769.93	\$23,140.96
\$78,342,763.81	\$680,271.18
\$978,724.67	\$8,714.92
\$439,427.98	\$4,723.12
\$206,654.58	\$2,168.93
\$5,558,231.53	\$51,678.03
\$3,758,032.47	\$31,140.92
\$319,581.45	\$2,567.10
\$17,456,819.27	\$150,240.88
\$1,567,018.07	\$9,879.14
Data Management	\$9,532.96
	\$1,002.27

Information

People Count

Project Approach

- Phase I: Overhead Cost Allocation Plan (CAP)
 - ✓ Develop updatable cost allocation model
 - ✓ Provided as an Excel Workbook Model
- Phase II: Comprehensive User Fee Study
 - ✓ Develop supportable and consistent service fees
 - ✓ Requires minimal staff time
 - ✓ Provided as an Excel Workbook Model

Project
Management

Analysis

\$5,884,231.96 \$57,328.27

\$2,512,769.93 \$23,140.96

\$78,342,763.81 \$680,271.18

\$978,724.67 \$8,714.92

\$439,427.98 \$4,723.12

\$206,654.58 \$2,168.93

\$5,558,231.53 \$51,678.03

\$3,758,032.47 \$31,140.92

\$319,581.45 \$2,567.18

\$17,456,819.27 \$150,240.68

\$1,567,018.07 \$9,879.14

Data \$9,532.96

Management \$1,002.27

Information

People Count

Overhead Cost Allocation Plan

Analysis

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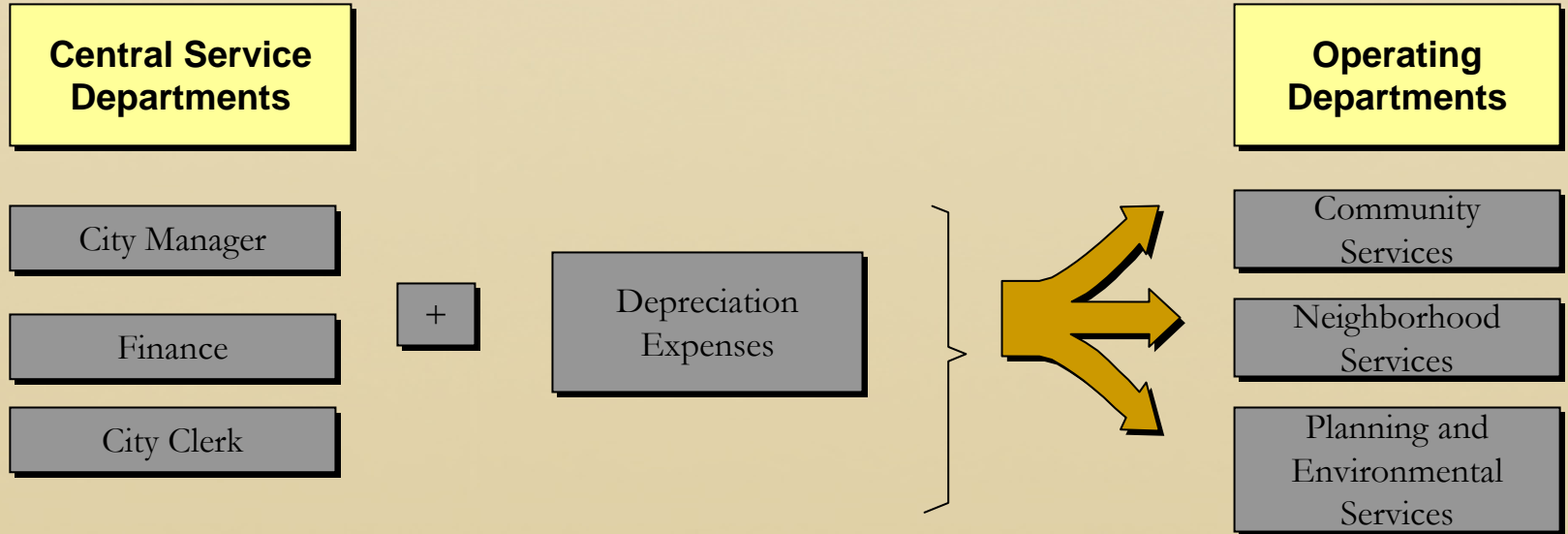
Information

People Count

What is a Cost Allocation Plan (CAP)?

- A comprehensive City-wide CAP ensures that all costs associated with the City's central service departments are appropriately allocated to the operational departments.
- CAP creates a tool that formulates a fair and equitable methodology to identify and allocate indirect costs to direct cost programs.

Cost Allocation Plan



Central service departments provide support to operating departments

Operating departments provide services directly to the public

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Building Blocks of a CAP

- An evaluation of the details of the City's actual costs from its adopted budget for each of the central service departments to determine which amounts are appropriately allocable to the operating departments.
- Direct costs are those that can specifically be identified with a particular service.
- Indirect costs are not inherently identifiable with a specific operating program.

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Direct Costs

- Direct program costs are readily identifiable in the City's budget.
- Direct costs are those that can be specifically identified with a particular service, such as park maintenance, fire suppression or building and safety.

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Indirect Costs

- Indirect costs are not inherently identifiable with a specific operating program, but are incurred for a joint purpose that benefits more than one cost objective.
- Examples of indirect costs are citywide expenditures that are budgeted in what are commonly called non-departmental accounts
 - ✓ utilities
 - ✓ postage
 - ✓ telephones

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Data Collection

- CAP depends on the fundamental determination of how to appropriately allocate each central service department's costs to the operating departments.
 - ✓ The Human Resources Department may allocate its services based on the number of employees in each of the other departments
 - ✓ The Finance Department may allocate according to the size of each department's budget.
 - ✓ The actual allocation process is determined by review and discussion.

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People Count

Methodology

- Double Step-Down
 - ✓ Most accurate and equitable
 - ✓ Utilizes two steps to allocate indirect costs

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People Count

Double Step-Down

- First Step
 - ✓ Identify allocable budget of each central service department
 - ✓ Distribute the allocable budget of each central service department to other central service departments and operating departments as indirect costs
 - ✓ Distribute depreciation expenses to central service departments and operating departments as indirect costs

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Double Step-Down

- Second Step
 - ✓ “Close Out” Step
 - ✓ Allocate indirect costs from central service departments to just operating departments
 - Calculate the total indirect costs for the central service departments, subtract them out, and then allocate them to the operating departments
 - Once this step is complete, all central service departments’ indirect costs will be passed on to the operating departments

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User Fee Study

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Information

People Count

Overview

- City can impose fees for government services
 - ✓ Individual use of the service is voluntary
 - ✓ The fee charged is reasonably related to the level of service and the cost of providing the service
- A User Fee Study helps to ensure that the City's fees
 - ✓ Meet the statutory test
 - ✓ Recover up to 100% of its costs in providing services depending on City cost recovery policy
 - ✓ Identifies where the General Fund is subsidizing current fees

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Information

Components of a User Fee Study

- A review of the department budgets
- Identification of appropriate overhead cost allocations
- A clear description of the services provided by each City department
- A comprehensive listing of each department's staffing levels and associated fully burdened hourly pay rates
- A Time/Materials Survey of each service for which a fee is contemplated
- User Fee Schedule

Analysis

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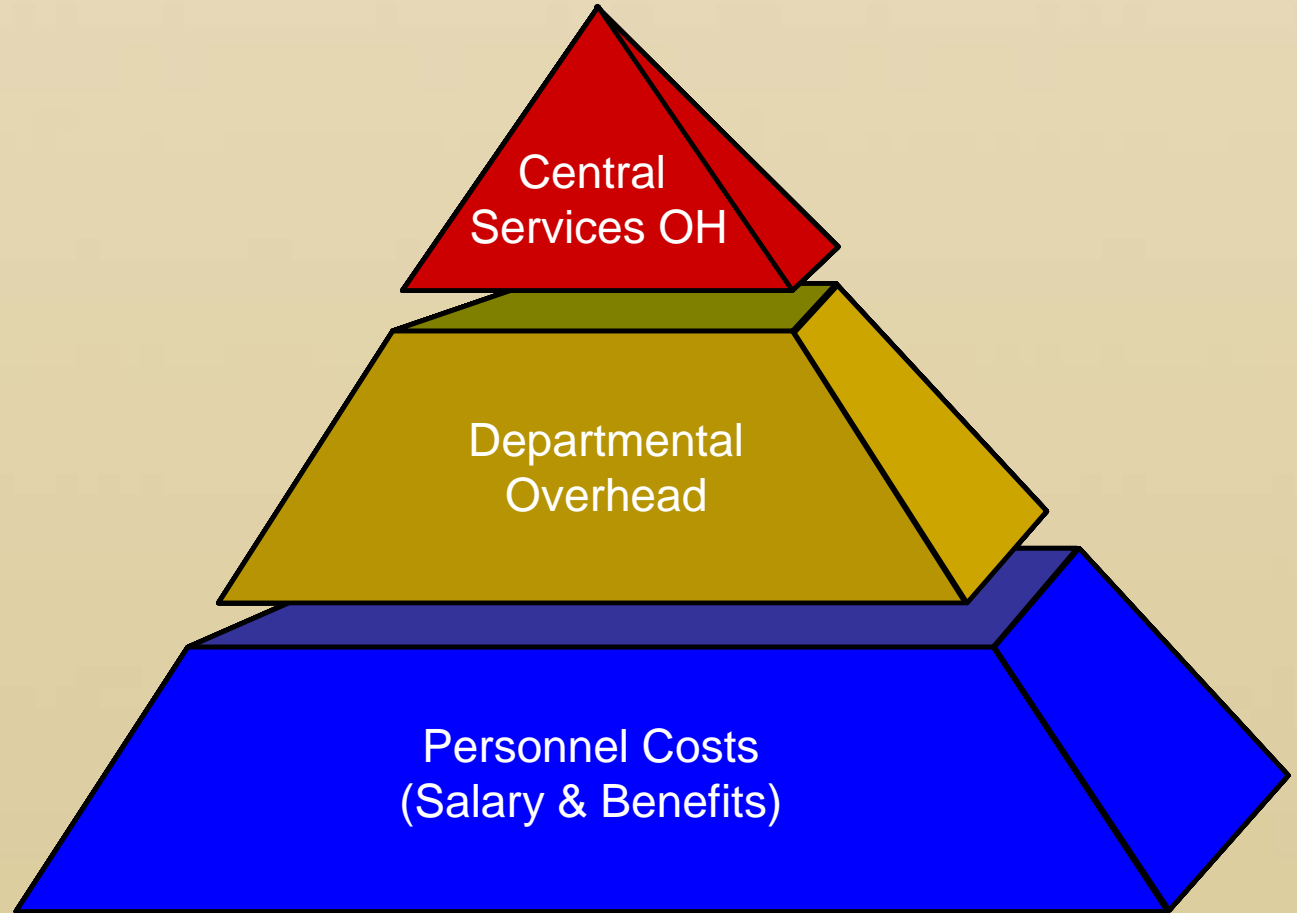
User Fee Data Collection

- User Fee Studies use three cost layers that, when combined, constitute the fully burdened cost of a service; these cost layers are defined as:
 - ✓ **Direct Labor** - staff hours spent directly on fee-related services
 - ✓ **Departmental Indirect Labor** - hours spent on staff supervision and administrative activities
 - ✓ **Central Services Overhead** – Central Services Departments such as the City Manager, Finance, and the City Attorney provide services and support to the operating departments such as Public Works, Planning & Building, and Community Services. The Central Services Departments allocable cost are allocated to the Operating Departments through a Cost Allocation Plan.

Analysis

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Fully Burdened Costs



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User Fee Analysis Methodology

- *Case Study Method* - estimates actual labor and material costs associated with providing a unit of service to a single user
 - ✓ Costs are based on:
 - Interviews with staff
 - A records review
 - A “time and materials” analysis based on actual costs including staff time (at fully burdened rates) and material costs (including outside contractor costs)

Analysis

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Time and Materials Method

- Fees are based on actual costs; variations of this method include charging fees based on:
 - ✓ *A Deposit System* - used when City staff time requirements vary dramatically for a service, or for special projects where the time and cost requirements are not easy to identify at the project's outset
 - ✓ *An Hourly Rate* - fees set on an hourly rate without a deposit requirement

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Time/Materials Surveys

- A Time/Materials Survey determines the amount of time each employee spends on a service
 - ✓ Employees may spend anywhere from a few minutes to several hours on a service
- A Time/Materials Survey provides department management with an opportunity to assess the time requirements for each service
 - ✓ Recorded onto a spreadsheet

Analysis

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Time/Materials Survey Example

Fully burdened rates (per minute).

	City Staff				Fully Cost Recovery Fee	
	Finance Director	Senior Accountant	Accounting Specialist	Accounting Specialist		
FB Minute Rate	\$1.91	\$0.93	\$0.78	\$0.78		
Service/Application	Amount of Time Each Staff Member Spends on Each				Fee	Notes
Business License Renewal			20		\$15.54	

Time (in minutes) determined by City staff.

$(\$0.78 \times 20) = \15.54

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People Count

Develop and Apply Adjustment Factor

- Develop a cost adjustment factor suitable for use in updating the City's user fees
 - ✓ Typically, based on:
 - The local *Consumer Price Index*
 - The *Employee Cost Index for State and Local Government Employees, Total Compensation*
 - Muni provides an updatable copy of the User Fee model
 - Or, a mixture of the adjustment factors listed above

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City Council Recommendations

- To complete the User Fee study, staff and MuniFinancial would like Council direction on the following items:
 - Is 100% cost recovery the goal if not what % of cost recovery is appropriate?
 - Should park facility fees for Non profits or residents recover less than 100% of costs?
 - Should all proposed new fees be implemented?
 - Should staff and MuniFinancial Pursue Advanced Planning Fees. Advanced Planning Fees recover the costs associated with preparing, updating, and maintaining the City's General Plan and other advanced planning goals.

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Questions & Answers