Fee Study Results

GLENDALE, CA

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AGENDA

Fee Study

1. Project Background

2. Methodology

3. Sample Fee Calculations

4. Cost Recovery Considerations

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Study Objectives

Streamline Fee Structures

Consolidate and expand fees where appropriate to better reflect existing services.

Average Time Assumptions

Identify the average level of effort associated with different permits and applications.

Fully Burdened Hourly Rates

Determine direct and indirect costs associated with staff time.

Comparative Survey

Benchmark against other jurisdictions.

Compliance with Prop 218 and 26

Ensure that the current fees do not exceed direct and indirect costs.

Updated Fee Schedule

Provide an updated fee schedule reflective of current costs.

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Study Background

- City last conducted a fee study in 2014.
  - Annual CPI Adjustments applied

- It is best practice to conduct a comprehensive update every 3-5 years.

- Current study reviewed all citywide fees for service.

- Comparative Survey was conducted of surrounding jurisdictions for sample of fees from each Department.

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Methodology

Fully Burdened Hourly Rate per Position Title	✖	Avg staff time by Position Title per Permit / Application	=	Full Cost

The methodology is based on a "bottom-up" approach, which is considered the most defensible approach for establishing the full cost.

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Fully Burdened Hourly Rates

Salaries & Benefits	• Budgeted Salaries and Benefits assigned at the position level.
Productive Work Hours	• Total available hours subtracting average sick, vacation, holidays, etc.
Services & Supplies Overhead	• Services and supplies such as internal service charges, fuel charges, etc.
Departmental Overhead	• Administration divisions, supervisory, and clerical staff support.
Citywide Overhead	• City Clerk, Finance, Human Resources and other City indirect support.

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Cost Recovery Considerations

- No fee can be set at more than 100% cost recovery. Any fees showing over-recovery will need to be reduced.

- Any state or local / ordinance based fees would remain unchanged.

- Fees should be annually updated based upon local CPI per best practices.

- Setting fees at less than 100% cost recovery, means fees are subsidized through other funding sources.

- Typical considerations for lower cost recovery is given to fees that:

  ➔ Encourage compliance (i.e., water heaters, fire prevention permits, etc.)

  ➔ Don't serve as barrier to entry (i.e., appeals, etc.)

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Questions

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Citywide User Fee Study
Departmental Recommendations

		Total Impacted Fees						
Department/Division	New Service	New Existing Service	Increase	Decrease	Modification	No Change	Total	Deletion
Various (City Clerk, Filming & Special Events, Miscellaneous)	2	3	32	4	3	22	66	13
Community Development	18	4	251	86	72	31	462	67
Community Services & Parks	-		134	2	3	123	262	279
Fire	7	23	113	20	15	14	192	6
Glendale Water & Power	1	5	76	6	27	2	117	6
Library, Arts & Culture	13		43	5	11	20	92	33
Police	-		18	-	1	3	22	3
Public Works	8	8	42	16	4	4	82	25
Grand Total	**49**	**43**	**709**	**139**	**136**	**219**	**1,295**	**432**

Citywide User Fee Study
Cost Recovery

Potential Revenue Impact (In Millions)		
Fund	**Full Cost Recovery**	**Recommended Cost Recovery**
General Fund	$7.6	$4.0
Non-General Fund	$1.7	$1.4
Grand Total	**$9.3**	**$5.4**

Citywide User Fee Study
Sample of Fees with 100% Cost Recovery

Department/Division	Fee Title	Total Cost	Recommended Fee	Jurisdictional Average
CDD – Planning	Accessory Dwelling Unit Review	$350	$350	$1,415
CDD – Planning	Conditional Use Permit New Projects-Up to 50 res. Units, or commercial or industrial projects with up to 20,000 sq. ft. of floor area	$5,964	$5,964	$8,853
CDD – Planning	Lot Line Adjustment	$2,097	$2,097	$2,930
GWP – Customer Service	New Account Setup	$20	$20	$35
Police	Vehicle Impound Release Fee	$125	$125	$155
PWD – Maintenance	Street Tree Permit Application Fee	$205	$205	$213
PWD – Engineering	Land Development - Improvement Plan Check Fees Based on 20 Scale Plans Up to Three Reviews (Title and General Notes Sheets without Plan, Profile or Details is 1/4 of Flat Fee per Sheet)	$6,051	$6,051	$4,947
PWD – Engineering	Sidewalk Dining Permit – New	$664	$664	$684

Citywide User Fee Study
Sample of Fees Below 100% Cost Recovery

Department/Division	Fee Title	Total Cost	Recommended Fee	% Recovery	Jurisdictional Average
Community Services & Parks	Field Rental Fees – Sports Complex Soccer #4 – Weekday Rates	$120	$60	50%	$29
Community Services & Parks	Civic Auditorium Fees – Upper Level/Weekend	$475	$144	30%	$199
Library	Central Library – Main Reading Room Rental – Standard/Private	$4,000	$3,336	83%	$3,930

Citywide User Fee Study
New Fees

- Sample of New Fees associated with new services

Department/ Division	Fee Title	Total Cost	Recommended Fee	% Recovery
CDD – Housing	City Coordinated Lottery – Non-Electronic Application Submittals	$95,342	$80,000	84%
Fire - Prevention	Seasonal Pumpkin and/or Christmas Tree Lot Plan Check	$153	$153	100%
GWP – Electric	Electrical Research	$172	$172	100%

- Sample of New Fees added associated with existing services

Department/Division	Fee Title	Recommended Fee
Fire – Emergency Medical Services	(Various)	Per LA County Fee Schedule

Citywide User Fee Study
Sample of Deleted Fees

Department/Division	Fee Title	Reason
CDD – Licensing	Various Animal License related fees	Services are currently contracted out
Community Services & Parks	Various Non-Profit and Commercial Rate fees related to rentals and programs	To simplify the schedule of fees; a reference will be added to the applicable standard rate fees on the fee schedule with a % discount that will be applied for non-profit customers and the rate factor that will be applied for commercial customers meeting a certain criteria
Finance	Budget Book	Available on the City's website and hard copies are available for review at City library branches
Library	Various Lost/Destroyed Materials and Supplies fees	Deleted to be combined into one single fee

Questions & Comments