



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: September 20, 2022
SUBJECT: Cost of Services Study

Background and Analysis:

State and local governments use charges and fees to help fund services. The Government Finance Officers Association recommends that when a certain service provided especially benefit a particular group, then the government should consider charges and fees on the direct recipients of those that receive benefits from such services.

As such, the City of Beaumont's Financial Management Policy states that the City will attempt to recover the costs of services providing a private benefit to users through the imposition of user fees and charges. The fees and charges will be based on cost accounting standards consistent with state and federal law when applicable. Fees and charges should include full costs i.e. direct, indirect, depreciation, interest charges, etc. and the Finance Director will ensure an annual user fee and charges schedule is regularly updated and approved by council.

The last fee study was completed and adopted by the City Council in October 2017. The City issued a request for proposals (RFP) on September 28, 2021, for a Cost Allocation and Comprehensive User Fee Study. The RFP stated the City's desire to examine whether a reasonable relationship exists between the cost of providing services and the City's current user fee schedule with significant consideration to recent state and municipal statutory code changes and requirements under Proposition 218 and 26. A contract was approved with Revenue and Cost Specialists on December 7, 2021, to prepare a Cost Allocation and Comprehensive User Fee Study.

The City Council adopted the Cost Allocation Plan that was prepared by RCS as a part of their contract on June 21, 2022. In addition to collecting the direct cost of labor and materials associated with processing and administering user services, it is common for local governments to recover indirect support costs. Indirect costs are those costs

relating to a local government's central service departments (i.e. Finance, Human Resources, and City Clerk) that are properly allocated to the local government's operating departments. The Cost Allocation Plan was then used to provide indirect overhead percentages to determine the burden placed upon central services by the operating departments to allocate a proportionate share of central services costs.

Revenue and Cost Specialists (RCS) has prepared a detailed user fee analysis which is included in this report as Attachment A. This analysis was designed to provide the city with a systematic and documented approach to understand, control, and recapture the costs which are forced on it by normal service demands, growth, and general economic inflation.

Methodology

The methodology used for this analysis is the "costs reasonably borne" test established by Section 8c of Proposition 4, now Article XIII B of the California Constitution. This methodology determines the full business cost of providing the reported City services. It also identifies the beneficiaries of those services and determines if they are paying in relationship to benefits derived or if they are deserving of a subsidy paid from the taxes paid by all local citizens and businesses.

Identifying Service Center

The "service revenue," fee or charge for service, and the related "service cost" comprise a "service center". RCS used the following steps to identify service center:

1. Identify services offered by the City
2. Service costs are calculated
3. Review revenue currently received and match to the cost of providing the service to determine if there is a subsidy from taxes.

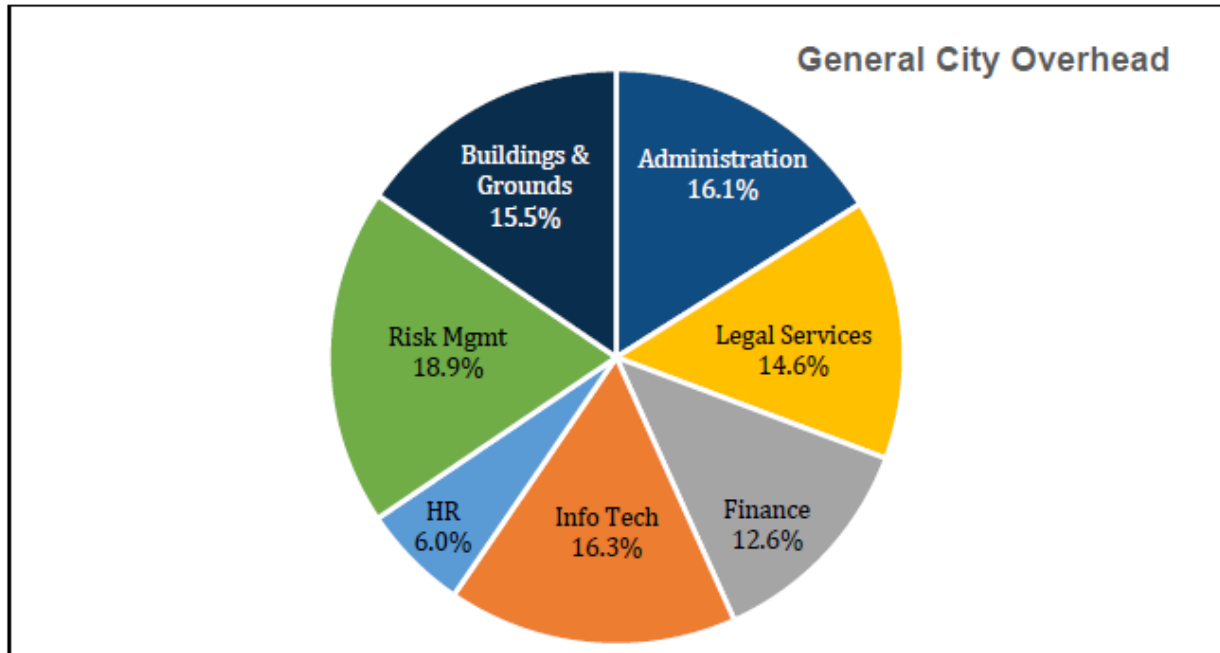
RCS met with City staff from each department, developed a list of services, and then allocated staff time to the appropriate service. Multiple meetings with staff were conducted to ensure that all available staff time was allocated and represented an accurate allocation.

Service costs calculated include the following types of costs:

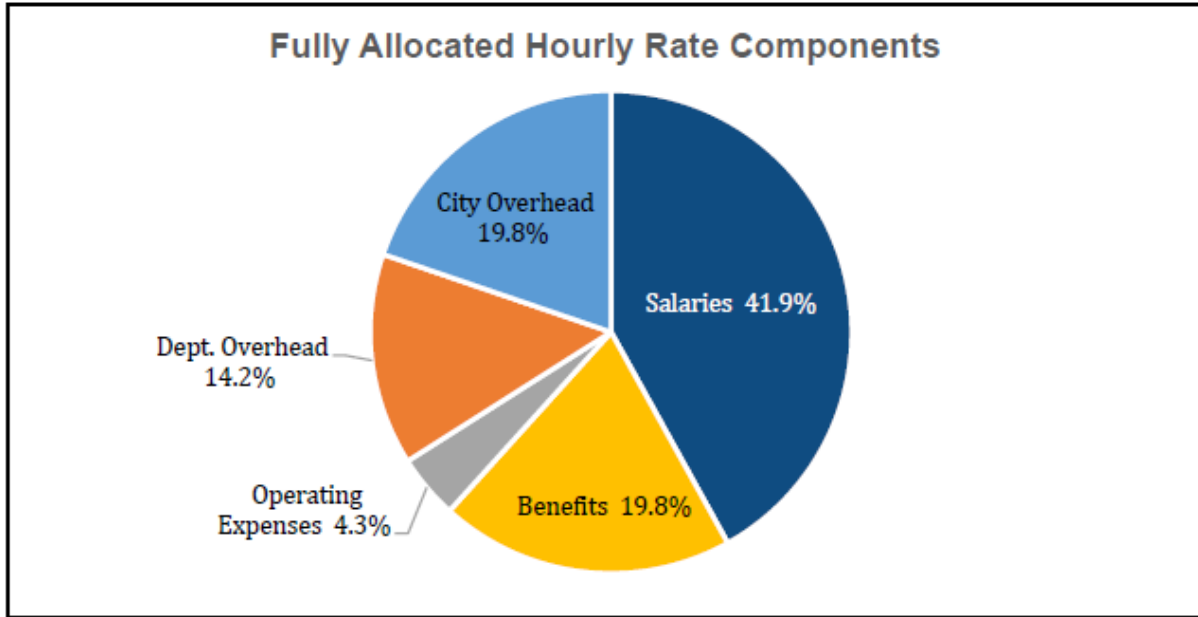
- Salaries and wages
- Employee fringe benefits

- Maintenance and operation costs
- General and departmental overhead costs (identified in Cost Allocation Plan (CAP))

General City overhead are services who primarily set policy and support other departments without providing a deliverable service to the public. If these departments do perform an end-user service, then they have not been included. Costs in the general administration category include the following:



All the above costs make up the fully allocated hourly rate which is calculated for each position in the city. The makeup of each component of the City-wide fully allocated hourly rate is detailed in the chart below:



The study accounts for all revenue but focuses on the relationship between fees and taxes. RCS then determined what total service costs for each fee are and whether the revenue received supports the total cost or if the service is subsidized by taxes. The schedule provided in the report on page 19-23 shows that the city provides \$9.5M in fee services annually, and only recovers \$7.5M from fee revenues. Each year, an additional \$2M, coming from other funding sources, is needed to pay for these fee services as outlined in the table below.

SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)
				ACTUAL (6)	SUGGEST (7)	
[S-001 to S-106] COMMUNITY DEVELOPMENT	\$3,804,984	\$4,036,726	(\$231,742)	94.3%	VAR.	\$255,550
[S-107 to S-153] PUBLIC SAFETY	\$376,296	\$1,082,598	(\$706,302)	34.8%	VAR.	\$234,850
[S-154 to S-156] LEISURE & CULTURAL	\$149,770	\$1,655,091	(\$1,505,321)	9.0%	VAR.	\$0
[S-157 to S-162] ENTERPRISE	\$3,084,384	\$2,454,603	\$629,781	125.7%	VAR.	\$44,700
[S-163 to S-171] ADMINISTRATIVE	\$85,789	\$248,175	(\$162,386)	34.6%	VAR.	\$167,200
	\$7,501,223	\$9,477,193	(\$1,975,970)	79.2%		\$702,300

Service Groups

RCS suggests that services that are Personal Choice as opposed to Community Supported Services should be paid for by the service requestor rather than subsidized by the entire community, however, the City Council has final decision on the nature of the service and whether it deserves to be subsidized.

Personal Choice Services in the report have been categorized into the following service groups:

1. Community Development Services
2. Public Safety Services
3. Leisure & Cultural Services
4. Enterprise Services
5. Administration Services

Community Development Services

The tables on pages 27-29 of Attachment A include services provided by the Community Development Service Group. Development services provided to individuals and businesses account for \$3,804,984 in total service cost recovery revenue for the City through fees. The City is able to recover 94.3% from the current fees, and RCS' suggested fees will potentially recover an additional \$255,550 for the City if all recommended fees are approved.

TABLE 1 – COMMUNITY DEVELOPMENT SERVICES

REF # (1)	SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)
					ACTUAL (6)	SUGGEST (7)	
S-001	CONDITIONAL USE PERMIT	N/A	N/A	N/A	N/A	100%	\$0
S-002	CONDITIONAL USE PERMIT AMENDMENT	\$0	\$2,713	(\$2,713)	0.0%	100%	\$0
S-003	FINDINGS OF PUBLIC CONV/NECESSITY	\$0	\$2,006	(\$2,006)	0.0%	100%	\$0
S-004	CUP TIME EXTENSION	\$829	\$1,968	(\$1,139)	42.1%	100%	\$0
S-005	LARGE GROUP HOME CUP	\$1,118	\$3,729	(\$2,611)	30.0%	100%	\$0
S-006	GENERAL PLAN AMENDMENT	N/A	N/A	N/A	N/A	100%	\$0
S-007	ZONING ORDINANCE TEXT CHANGE	N/A	N/A	N/A	N/A	100%	\$0
S-008	SPECIFIC PLAN	N/A	N/A	N/A	N/A	100%	\$0
S-009	SPECIFIC PLAN AMENDMENT	N/A	N/A	N/A	N/A	100%	\$0
S-010	SPEC PLAN CONFORMITY DETERMINATION	N/A	N/A	N/A	N/A	100%	\$0
S-011	ANNEXATION	N/A	N/A	N/A	N/A	100%	\$0
S-012	PLAN OF SERVICES	N/A	N/A	N/A	N/A	100%	\$0
S-013	DEVELOPMENT AGREEMENT	N/A	N/A	N/A	N/A	100%	\$0
S-014	DEVELOPMENT AGREEMENT ANNUAL REVIEW	\$3,027	\$2,165	\$862	139.8%	100%	\$0
S-015	DEVELOPMENT AGREEMENT AMENDMENT	N/A	N/A	N/A	N/A	100%	\$0
S-016	DEVELOPMENT AGREEMENT ASSIGNMENT	N/A	N/A	N/A	N/A	100%	\$0
S-017	ESTOPPEL CERTIFICATE	N/A	N/A	N/A	N/A	100%	\$0
S-018	ENVIRONMENTAL REVIEW	N/A	N/A	N/A	N/A	100%	\$0
S-019	FACILITY FEE CREDIT AGREEMENT	N/A	N/A	N/A	N/A	100%	\$0
S-020	DENSITY BONUS AGREEMENT	N/A	N/A	N/A	N/A	100%	\$0
S-021	PRE-APPLICATION MEETING	\$23,606	\$57,488	(\$33,882)	41.1%	100%	\$16,950
S-022	ZONING MAP CHANGE	N/A	N/A	N/A	N/A	100%	\$0
S-023	TENTATIVE PARCEL MAP	N/A	N/A	N/A	N/A	100%	\$0
S-024	TENTATIVE TRACT MAP	N/A	N/A	N/A	N/A	100%	\$0
S-025	TENTATIVE MAP TIME EXTENSION	\$847	\$2,188	(\$1,341)	38.7%	100%	\$0
S-026	CONDOMINIUM CONVERSION	N/A	N/A	N/A	N/A	100%	\$0
S-027	VARIANCE	\$19,900	\$33,266	(\$13,366)	59.8%	100%	\$13,400
S-028	MINOR VARIANCE/MODIF OF STANDARDS	\$155	\$246	(\$91)	63.0%	100%	\$0
S-029	PLOT PLAN	N/A	N/A	N/A	N/A	100%	\$0
S-030	PLOT PLAN AMENDMENT	N/A	N/A	N/A	N/A	100%	\$0
S-031	PLOT PLAN TIME EXTENSION	\$565	\$2,006	(\$1,441)	28.2%	100%	\$0
S-032	RESIDENTIAL ADMIN PLOT PLAN	\$10,845	\$19,395	(\$8,550)	55.9%	100%	\$8,600
S-033	NON-RESIDENTIAL ADMIN PLOT PLAN	\$29,954	\$59,852	(\$29,898)	50.0%	100%	\$29,900
S-034	MINOR PLOT PLAN - STAFF	\$9,759	\$11,483	(\$1,724)	85.0%	100%	\$1,700
S-035	MINOR PLOT PLAN - PLAN COMM	\$1,220	\$3,230	(\$2,010)	37.8%	100%	\$0
S-036	PICK A LOT SITE PLAN REVIEW	\$103	\$317	(\$214)	32.5%	100%	\$0
S-037	MAP/PLOT PLAN CONFORMITY DETERMIN.	N/A	N/A	N/A	N/A	100%	\$0
S-038	LANDSCAPE PLAN REVIEW	\$744	\$857	(\$113)	86.8%	100%	\$100
S-039	LANDSCAPE PLAN AMENDMENT	\$615	\$857	(\$242)	71.8%	100%	\$200
S-040	LANDSCAPE INSPECTION	\$82	\$205	(\$123)	40.0%	100%	\$100

S-041	SIGN PROGRAM	\$1,653	\$1,872	(\$219)	88.3%	100%	\$200
S-042	SIGN PROGRAM AMENDMENT	\$970	\$1,872	(\$902)	51.8%	100%	\$900
S-043	SIGN PERMIT	\$207	\$376	(\$169)	55.1%	100%	\$200
S-044	SIGN PERMIT PANEL CHANGE	\$83	\$170	(\$87)	48.8%	100%	\$100
S-045	TEMPORARY SIGN PERMIT	\$0	\$170	(\$170)	0.0%	100%	\$200
S-046	UNLICENSED GROUP HOME PERMIT	\$1,600	\$6,671	(\$5,071)	24.0%	100%	\$5,100
S-047	AUTOMOBILE FOR HIRE REVIEW	\$413	\$2,718	(\$2,305)	15.2%	100%	\$0
S-048	HOME OCCUPATION PERMIT	\$77	\$225	(\$148)	34.2%	100%	\$100
S-049	MINOR SPECIAL EVENT PERMIT	\$1,162	\$19,327	(\$18,165)	6.0%	100%	\$18,200
S-050	MAJOR SPECIAL EVENT PERMIT	\$387	\$10,392	(\$10,005)	3.7%	100%	\$10,000
S-051	MISCELLANEOUS SPECIAL EVENT PERMIT	\$77	\$1,000	(\$923)	7.7%	100%	\$900
S-052	APPEAL TO PLANNING COMISSION	\$642	\$2,583	(\$1,941)	24.9%	100%	\$0
S-053	APPEAL TO CITY COUNCIL	\$1,946	\$2,986	(\$1,040)	65.2%	100%	\$0
S-054	PLANNING INFORMATION REQUEST	\$57	\$225	(\$168)	25.3%	100%	\$0
S-055	MISCELLANEOUS PLANNING REVIEW	N/A	N/A	N/A	N/A	100%	\$0
S-056	COM DEV TECHNOLOGY SURCHARGE	\$169,000	\$170,000	(\$1,000)	99.4%	100%	\$0
S-057	BUILDING PLAN CHECK/INSPECTION	\$2,876,175	\$2,549,034	\$327,141	112.8%	100%	\$0
S-058	FINAL PARCEL MAP	N/A	N/A	N/A	N/A	100%	\$0
S-059	FINAL TRACT MAP	N/A	N/A	N/A	N/A	100%	\$0
S-060	TENTATIVE REVERSION TO ACREAGE	N/A	N/A	N/A	N/A	100%	\$0
S-061	LOT LINE ADJUSTMENT/PARCEL MERGER	N/A	N/A	N/A	N/A	100%	\$0
S-062	FINAL MONUMENT SETTING	N/A	N/A	N/A	N/A	100%	\$0
S-063	FINAL MONUMENT INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-064	PRELIMINARY GRADING PLAN CHECK	\$0	\$8,460	(\$8,460)	0.0%	100%	\$8,500
S-065	RESIDENTIAL GRADING PLAN CHECK	\$50,282	\$68,439	(\$18,157)	73.5%	100%	\$18,200
S-066	RES GRADING PLAN CHECK AMENDMENT	N/A	N/A	N/A	N/A	100%	\$0
S-067	RES GRADING PLAN CHECK ADD'L REVIEW	N/A	N/A	N/A	N/A	100%	\$0
S-068	COMMERCIAL GRADING PLAN CHECK	\$19,509	\$29,268	(\$9,759)	66.7%	100%	\$9,800
S-069	COMMERCIAL GRADING PLAN AMENDMENT	N/A	N/A	N/A	N/A	100%	\$0
S-070	COMM GRADING PLAN CHECK ADD'L REV	N/A	N/A	N/A	N/A	100%	\$0
S-071	GRADING/STOCKPILE INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-072	GRADING/STOCKPILE RES. INFILL INSP	\$434	\$411	\$23	105.6%	100%	\$0
S-073	STREET LIGHT PLAN REVIEW	\$6,864	\$24,792	(\$17,928)	27.7%	100%	\$17,900
S-074	IMPROVEMENT CONSTRUCTION PLAN CHECK	\$58,385	\$95,699	(\$37,314)	61.0%	100%	\$37,300
S-075	IMPROVEMENT CONSTRUCTION PLAN AMEND	N/A	N/A	N/A	N/A	100%	\$0
S-076	IMPROVEMENT CONSTRUCTION INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-077	SUBDIVISION/IMPROVEMENT AGREEMENT	\$7,781	\$19,620	(\$11,839)	39.7%	100%	\$11,800
S-078	PERFORMANCE BOND RELEASE	\$7,751	\$14,624	(\$6,873)	53.0%	100%	\$6,900
S-079	BOND RELEASE INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-080	MAINTENANCE BOND RELEASE	\$2,907	\$5,484	(\$2,577)	53.0%	100%	\$2,600
S-081	MAINTENANCE BOND INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-082	SUSPENSION OF IMPROVEMENT AGREEMENT	N/A	N/A	N/A	N/A	100%	\$0
S-083	APPEAL SUSPENSION OF IMPROVEMENT	N/A	N/A	N/A	N/A	100%	\$0
S-084	STREET VACATION/OFFER OF DEDICATION	N/A	N/A	N/A	N/A	100%	\$0
S-085	NON-STANDARD ENCROACH PERMIT APPL	\$12,706	\$14,192	(\$1,486)	89.5%	100%	\$1,500
S-086	EXIST RESID STANDARD ENCROACH PRMT	\$2,179	\$2,818	(\$639)	77.3%	100%	\$600
S-087	NON-STANDARD ENCROACH PLAN CHECK	\$80	\$225	(\$145)	35.6%	100%	\$0
S-088	NON-STANDARD ENCROACH INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-089	CERTIFICATE OF COMPLIANCE/CORRECT.	N/A	N/A	N/A	N/A	100%	\$0
S-090	PUBLIC WORKS PERMIT ISSUANCE	\$9,199	\$11,697	(\$2,498)	78.6%	100%	\$2,500
S-091	WATER QUALITY MGMT PRELIM PLAN CHK	\$44,756	\$25,681	\$19,075	174.3%	100%	(\$19,100)
S-092	WATER QUALITY MGMT FINAL PLAN CHECK	\$4,411	\$19,699	(\$15,288)	22.4%	100%	\$15,300
S-093	PRELIM HYDROLOGY/HYDRAULIC STUDY	\$0	\$39,549	(\$39,549)	0.0%	100%	\$39,500
S-094	FINAL HYDROLOGY/HYDRAULIC STUDY	\$50,040	\$39,549	\$10,491	126.5%	100%	(\$10,500)
S-095	STORMWATER POLLUTION PROTECT REVIEW	N/A	N/A	N/A	N/A	100%	\$0

S-096	STORMWATER POST-CONSTRUCT INSPECT	N/A	N/A	N/A	N/A	100%	\$0
S-097	SEWER CONNECTION/LATERAL INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-098	LANDSCAPE PLAN CHECK	\$9,866	\$15,783	(\$5,917)	62.5%	100%	\$5,900
S-099	LANDSCAPE INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-100	TRAFFIC STUDY REVIEW	N/A	N/A	N/A	N/A	100%	\$0
S-101	SCOPING AGREEMENT	N/A	N/A	N/A	N/A	100%	\$0
S-102	TRANSPORTATION WIDE LOAD PERMIT	\$16	\$20	(\$4)	80.0%	80%	\$0
S-103	HAUL ROUTE REVIEW	\$0	\$245	(\$245)	0.0%	100%	\$0
S-104	DEVELOPMENT ENGINEERING DEPOSIT SVC	\$360,000	\$626,879	(\$266,879)	57.4%	100%	\$0
S-105	ENGINEERING EXTRA PLAN CHECK	N/A	N/A	N/A	N/A	100%	\$0
S-106	MISCELLANEOUS ENGINEERING SERVICES	N/A	N/A	N/A	N/A	100%	\$0

COMMUNITY DEVELOPMENT	\$3,804,984	\$4,036,726	(\$231,742)	94.3%		\$255,550
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Public Safety Services

The tables on pages 30-31 of Attachment A include services provided by the Public Safety Service Group. Public safety services provided to individuals and businesses account for \$376,296 in total service cost recovery revenue for the for the City through fees. The City is able to recover 34.8% from the current fees, and RCS' suggested fees will potentially recover an additional \$234,850 for the City if all recommendations are approved.

TABLE 2 – PUBLIC SAFETY SERVICES

REF # (1)	SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)
					ACTUAL (6)	SUGGEST (7)	
S-107	CODE ENFORCEMENT INSPECTION	\$0	\$122	(\$122)	0.0%	100%	\$0
S-108	INSPECTION WARRANT	N/A	N/A	N/A	N/A	100%	\$0
S-109	ABATEMENT WARRANT	N/A	N/A	N/A	N/A	100%	\$0
S-110	CODE ENFORCEMENT CITATION HEARING	\$0	\$14,813	(\$14,813)	0.0%	100%	\$0
S-111	ABANDONED PROP. INIT. REGISTRATION	\$0	\$2,196	(\$2,196)	0.0%	100%	\$2,200
S-112	ABANDONED PROPERTY MONTHLY INSPECT.	\$0	\$732	(\$732)	0.0%	100%	\$700
S-113	WEED ABATEMENT	\$3,875	\$7,564	(\$3,689)	51.2%	100%	\$3,700
S-114	WEED ABATEMENT SUBSCRIPTION PROGRAM	\$4,425	\$14,396	(\$9,971)	30.7%	100%	\$10,000
S-115	FIRE PLAN CHECK/INSPECTION	\$164,911	\$396,626	(\$231,715)	41.6%	100%	\$115,850
S-116	STORED VEHICLE RELEASE	\$43,125	\$101,137	(\$58,012)	42.6%	100%	\$58,000
S-117	STORED VEHICLE RELEASE - DUI	\$3,750	\$7,269	(\$3,519)	51.6%	100%	\$3,500
S-118	VIN VERIFICATION	\$165	\$643	(\$478)	25.7%	100%	\$500
S-119	TRAFFIC CITATION SIGN OFF	\$105	\$166	(\$61)	63.3%	100%	\$100
S-120	POLICE ALARM LICENSE	\$31,500	\$41,850	(\$10,350)	75.3%	100%	\$10,400
S-121	AUTO REPOSSESSION PROCESSING	\$0	\$19	(\$19)	0.0%	80%	\$0
S-122	SECOND HAND DEALER LICENSE	\$749	\$1,634	(\$885)	45.8%	100%	\$900
S-123	FORTUNETELLER PERMIT	\$240	\$542	(\$302)	44.3%	100%	\$0
S-124	MASSAGE TECHNICIAN PERMIT - NEW	\$100	\$542	(\$442)	18.5%	100%	\$0
S-125	MASSAGE TECHNICIAN PERMIT - RENEWAL	\$100	\$44	\$56	227.3%	100%	\$0
S-126	MASSAGE ESTABLISHMENT PERMIT	\$1,010	\$2,240	(\$1,230)	45.1%	100%	\$1,200
S-127	ADULT ORIENTED ESTABLISHMENT PERMIT	\$424	\$983	(\$559)	43.1%	100%	\$0
S-128	TOBACCO RETAILER PERMIT	\$250	\$983	(\$733)	25.4%	100%	\$0
S-129	GRAFFITI IMPLEMENTATION SALE PERMIT	\$25	\$141	(\$116)	17.7%	100%	\$0
S-130	TOW YARD INSPECTION	\$429	\$1,060	(\$631)	40.5%	100%	\$600
S-131	PEDDLER SOLICITOR PERMIT	\$750	\$2,704	(\$1,954)	27.7%	100%	\$2,000
S-132	BINGO PERMIT	\$100	\$926	(\$826)	10.8%	10%	\$0
S-133	RV PARKING PERMIT	\$60	\$88	(\$28)	68.2%	100%	\$0
S-134	GOLF CART PERMIT	\$500	\$1,733	(\$1,233)	28.9%	100%	\$1,200
S-135	CONCEALED WEAPON CARRY PERMIT	\$100	\$383	(\$283)	26.1%	25%	\$0
S-136	RECORDS CHECK/IMMIGRATION LETTER	\$190	\$496	(\$306)	38.3%	100%	\$300
S-137	FINGERPRINTING	\$18,320	\$35,111	(\$16,791)	52.2%	100%	\$16,800
S-138	BICYCLE REGISTRATION	\$0	\$26	(\$26)	0.0%	15%	\$0
S-139	CITATION PROCESSOR LATE FEE	\$30	\$34	(\$4)	88.2%	100%	\$0
S-140	POLICE REPORT COPY	\$0	\$672	(\$672)	0.0%	25%	\$0
S-141	POLICE ELECTRONIC FILE COPY	\$168	\$702	(\$534)	23.9%	25%	\$0
S-142	ANIMAL RELINQUISHMENT	\$440	\$3,551	(\$3,111)	12.4%	100%	\$3,100
S-143	ANIMAL IMPOUND/RETURN TO OWNER	\$3,600	\$3,891	(\$291)	92.5%	100%	\$300
S-144	DECEASED ANIMAL PICK UP	\$1,272	\$2,781	(\$1,509)	45.7%	100%	\$1,500
S-145	ANIMAL QUARANTINE	\$120	\$581	(\$461)	20.7%	100%	\$500
S-146	DANGEROUS ANIMAL REGISTRATION	\$677	\$661	\$16	102.4%	100%	\$0
S-147	ANIMAL TRAP RENTAL	\$760	\$1,194	(\$434)	63.7%	100%	\$400
S-148	DOG SILENCER RENTAL	\$93	\$166	(\$73)	56.0%	100%	\$0
S-149	KENNEL LICENSE	\$668	\$1,037	(\$369)	64.4%	100%	\$0
S-150	SENTRY KENNEL LICENSE	\$910	\$1,079	(\$169)	84.3%	100%	\$0
S-151	MICROCHIP IDENTIFICATION DEVICE	\$2,520	\$3,644	(\$1,124)	69.2%	100%	\$1,100
S-152	ANIMAL CONTROL RESPONSE	\$153	\$202	(\$49)	75.7%	100%	\$0
S-153	ANIMAL CONTROL SERVICES	\$89,682	\$425,234	(\$335,552)	21.1%	100%	\$0
PUBLIC SAFETY		\$376,296	\$1,082,598	(\$706,302)	34.8%		\$234,850

Leisure and Cultural Services

The table on page 52 of Attachment A include services provided for the Leisure and Cultural Service Group. These types of services provided account for \$149,770 in total

service cost recovery revenue for the City through fees. The City is able to recover 9% from the current fees. The findings suggest that a subsidy level exists for leisure and cultural activities. RCS recommends that leisure and cultural service cost recovery goals be set as a percentage of their program costs. They also suggest that the City Council develop a conscious policy as to what programs and service centers, and to what extent, should be subsidized with tax monies in promoting social benefit.

TABLE 3 - LEISURE & CULTURAL SERVICES

REF # (1)	SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)
					ACTUAL (6)	SUGGEST (7)	
S-154	RECREATION PROGRAMS	\$18,750	\$816,542	(\$797,792)	2.3%	2%	\$0
S-155	FACILITY RENTALS	\$128,520	\$221,180	(\$92,660)	58.1%	58%	\$0
S-156	BALLFIELD RENTALS	\$2,500	\$617,369	(\$614,869)	0.4%	1%	\$0
LEISURE & CULTURAL		\$149,770	\$1,655,091	(\$1,505,321)	9.0%		\$0

Enterprise Services

Enterprise services represents the enterprising operations within the City, such as transit services and wastewater services. RCS recommended new fees within this category could potentially recover an additional \$44,700 for the wastewater enterprise fund.

TABLE 4 - ENTERPRISE SERVICES

REF # (1)	SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)
					ACTUAL (6)	SUGGEST (7)	
S-157	FATS, OILS OR GREASE INSPECTION	\$0	\$33,334	(\$33,334)	0.0%	100%	\$33,300
S-158	INDUSTRIAL WASTE INSPECTION	N/A	N/A	N/A	N/A	100%	\$0
S-159	WASTEWATER SURVEY	\$0	\$11,400	(\$11,400)	0.0%	100%	\$11,400
S-160	SEWER FLOW MODELING	N/A	N/A	N/A	N/A	100%	\$0
S-161	SEWAGE SPILL RESPONSE	N/A	N/A	N/A	N/A	100%	\$0
ENTERPRISE		\$0	\$44,734	(\$44,734)	0.0%		\$44,700

Administrative Services

The table on page 34 of Attachment A includes services provided for Administrative Services Group. These types of services provided account for \$85,789 in total service cost recovery to the City through fees. The City is able to recover 34.6% from the current fees, and RCS' suggested fees will potentially recover an additional \$167,200 for the City if all recommendations are approved.

TABLE 5 – ADMINISTRATIVE SERVICES

REF # (1)	SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)
					ACTUAL (6)	SUGGEST (7)	
S-163	NEW BUSINESS LICENSE PROCESSING	\$9,145	\$23,187	(\$14,042)	39.4%	100%	\$14,000
S-164	BUSINESS LICENSE RENEWAL PROCESSING	\$19,455	\$50,972	(\$31,517)	38.2%	100%	\$31,500
S-165	RELEASE OF LIEN	\$17,850	\$12,929	\$4,921	138.1%	100%	\$0
S-166	NON-UTILITY NSF CHECK/ACH PROCESS	\$0	\$35	(\$35)	0.0%	100%	\$0
S-167	UTILITY BILLING ACH RETURN PROCESS	\$0	\$11	(\$11)	0.0%	100%	\$0
S-168	CREDIT CARD PROCESSING	\$39,316	\$161,000	(\$121,684)	24.4%	100%	\$121,700
S-169	DOCUMENT REPRODUCTION	\$1	\$1	\$0	100.0%	100%	\$0
S-170	ELECTRONIC FILE REPRODUCTION	\$7	\$4	\$3	175.0%	100%	\$0
S-171	PUBLIC NOTARY	\$15	\$36	(\$21)	41.7%	50%	\$0

ADMINISTRATIVE	\$85,789	\$248,175	(\$162,386)	34.6%		\$167,200
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Recommendations

If all RCS recommendations and suggestions are adopted, the City would potentially raise \$702,300 on an annual basis. The table on page 35 of Attachment A shows that the City is subsidizing \$1,975,970 of Personal Choice Services with City tax dollars. Should the City Council feel that tax dollars are insufficient, or use for different purposes, this report has shown that there are opportunities to either increase the user fees or lower the cost of Personal Choice Services.

RCS recommends that the City adopt a Master Fee Resolution which the Finance Department updates and the City Council adopts annually. It is also recommended that the City Council adopt a policy of not starting any new service without a cost analysis, using the costing approach utilized in this report, to determine ways in which the service could be fee-financed, if possible.

Next Steps

City staff anticipates that it will take time to go through the 435-page report. It is suggested that a special workshop is scheduled to go through the items that the City Council would like to review in detail. Government code 66017 requires entities taking any action adopting a fee or charge, or increasing a fee or charge adopted upon a development project shall be enacted in accordance with the notice and public hearing procedures and shall be effective no sooner than 60 days following the final action on the adoption of the fee or charge or increase in the fee or charge.

Fiscal Impact:

There is no fiscal impact until the actual fee schedule is updated and adopted. The cost to prepare this report is estimated to be \$445.

Recommended Action:

Set a date, time and place for a special workshop and provide direction to City staff on the material they would like to see at that workshop.

Attachments:

- A. Cost of Services Study for the City of Beaumont
- B. RCS Presentation