



City of Palos Verdes Estates Comprehensive User and Regulatory Fee Study

- December 2017 -



Table of Contents

Executive Summary.....	1
Legislative Guidance	5
Study Methodology and Data Sources.....	7
Overview of Findings and Recommendations	9
Building Fees	9
Planning Fees	10
Public Works/Engineering Fees	11
Police Fees.....	12
Community Planning Fee	13
Technology Enhancement Fee.....	14
Fiscal Impact.....	15
Adoption of Fees and Ongoing Fee Management	16
Appendix	
Appendix A – Cost of Service Analysis	

Executive Summary

User and Regulatory Fees

The City derives its annual revenue from a number of sources. These include, but are not limited to, property taxes, sales taxes, franchise taxes, fines, rents, and user and regulatory fees. User and regulatory fees are intended to cover all, or a portion of, the costs incurred by the City for providing fee-related services and activities that are not otherwise provided to those not paying the fee. California law provides guidance regarding the amounts the City may charge for fee-related services and activities. Specifically, in order to avoid being considered taxes, the fees charged shall not exceed the estimated reasonable cost of providing the services, activities, or materials for which fees are charged.

Recovering the Costs of Providing Fee-Related Services Directly Influences the City's Fiscal Soundness

The services for which the City imposes a user or regulatory fee typically derive from an individual person or entity's action, request, or behavior. Therefore, except in cases where there is an overwhelming public benefit generated by the City's involvement in the individual action, a fee for service ensures that the individual bears most, if not all, of the cost incurred by the City to provide that service. When a fee targets "100% or full cost recovery," the individual is bearing the entirety of the cost. When a fee targets less than full cost recovery, another City revenue source – in most cases, the General Fund – subsidizes the individualized activity.

Fairly allocating costs to the services provided and recovering some, or all, of these costs from service recipients creates value and predictability for City customers and reimburses the City for services provided to a single party, as compared to the public at large.

Scope of Work and Purpose for Conducting the Fee Study

The scope of work for the study can be summarized as follows:

- Calculate the costs of providing fee-related services
- Remodel current fee schedules to correlate to prevailing services and practices
- Assist with cost recovery policy development and planning for ongoing maintenance of fees
- Estimate revenue impacts of fee modifications where possible with available data
- Prepare an updated schedule of fees for City review

The City initiated the fee study in 2017. This effort is intended to provide multiple benefits, including:

- Increase the availability of General Fund revenues to be used for services and activities available to all residents and businesses, such as public safety and public works services.
- Help meet the service level expectations of the community by collecting revenues to fund the services provided by each department.

Fee Categories that Were Examined in this Study

This study specifically examined the following categories of fees:

- **Building Fees**, such as construction permit processing, plan check, and inspection
- **Planning Fees**, such as entitlement review and review for compliance with the zoning code
- **Public Works Fees**, such as engineering, encroachment, and excavation review and inspection
- **Police Fees**, such as vehicle impound fees and false alarm response fees
- **Special Event, Group Gathering, Block Party, and Banner Permit Fees**
- **Administrative Fees**, such as fees for requests for copies of public records

Summary of Findings and Recommendations

Table 1 – Estimated Cost Recovery for Fee Services

General Fee Category	Est. Revenue	Est. Fee-Related Expenses	Est. Cost Recovery for Fee Services	Est. General Fund Subsidy
Building	\$704,000	\$911,000	77%	\$207,000
Current Planning	\$160,000	\$350,000	46%	\$190,000
Public Works	\$100,000	\$139,000	72%	\$39,000
Police	\$24,000	\$48,000	50%	\$24,000
Community Planning	\$0	\$79,000	0%	\$79,000
Tech Enhancement	\$0	\$50,000	0%	\$50,000
Total	\$988,000	\$1,577,000	63%	\$589,000

(1) Est. Revenue includes amounts due to professional service providers.

(2) Est. Fee-Related Expenses includes direct labor, professional services, other services and supplies, and citywide overhead.

Options for Ongoing Fee Management

As illustrated in the table above, existing fee collections do not recover the City's costs of providing fee-related services. Moving forward, the City has several options:

- **No change to current practice**
 - The City is not currently over-recovering for fee services, consequently it could leave fee categories unchanged and continue its current practices.
 - This would result in the continued under-recovery of fees.
- **Move to full cost recovery and implement annual adjustments tied to cost inflation index**
 - The City could immediately recalibrate fees to target full cost recovery, except in those instances where fees are limited by another agency (e.g. the State of California).
- **Use a phase-in approach to increase cost recovery levels and implement annual adjustments tied to cost inflation index**
 - This approach would avoid attempting to recover the entire amount of under-collection in a single year. Instead it would recognize the subsidy being provided for services and

consider increases over a multi-year period to reach targeted cost recovery levels which, in some cases, may be less than 100%.

- This approach also allows the City to easily identify service areas targeted for long-term subsidy and set specific cost recovery levels for individual services rather than an across-the-board targeting of full cost recovery.

Any Additional Revenue from Fees is Intended to Offset the Cost of Existing Services

It is important to note that while adjusting fees will provide a fiscal impact in the form of additional revenue, the revenue is not intended to be used to fund new services, rather the revenue is intended to offset the costs of providing existing services that are recoverable from fees. Consequently, while fees may rise annually, typically labor costs (the primary driver of fee-related costs) also rise annually. Recalibration of these fees simply provides an offset of existing expenditures/needs rather than a source of funding for expanded service levels.

Fiscal Impact of Proposed Fee Changes

The fiscal impact of proposed fee changes will be determined based on the level of cost recovery targeted from fees. This will be determined by the City Council at the conclusion of a public hearing to consider any modifications to fees. For illustrative purposes only, the revenue impact of various cost recovery scenarios is presented in the following tables.

Table 2 – Fiscal Impact of Proposed Fee Recalibration

General Fee Category	Current Revenue	Revenue After Fee Changes	Total Fiscal Impact	Adjustment (Contract Svc Share)	Net Fiscal Impact (i.e. City Share)
Building	\$704,000	\$911,000	\$207,000	(\$115,000)	\$92,000
Current Planning	\$160,000	\$317,000	\$157,000	\$0	\$157,000
Public Works	\$100,000	\$138,000	\$38,000	\$0	\$38,000
Police	\$24,000	\$44,000	\$20,000	\$0	\$20,000
Community Planning	\$0	\$79,000	\$79,000	(\$56,000)	\$23,000
Tech Enhancement	\$0	\$50,000	\$50,000	\$0	\$50,000
Total	\$988,000	\$1,539,000	\$551,000	\$171,000	\$380,000

Note: The amounts shown in the tables above represent estimates. For illustrative purposes the table excludes revenues from special event permit fees, film permits, and administrative fees. Due to low volume of annual requests or small fees per transaction, any revenue impact from changes to these fees is anticipated to be minimal.

Analysis of Contract Service Provider Share of Building Revenues at Various Cost Recovery Levels

The City has entered into a contract service agreement for the provision of building inspection and plan review services. Under the terms of the agreement, the contract service provider receives a larger share of fee revenues collected, until a certain revenue threshold is met, and a lesser share of revenues collected, after a certain total revenue threshold is met. Consequently, the City will keep a larger share of any fee-related revenue increases. The recovery structure is illustrated in the following tables.

Table 3 – Allocation of Building Fee Revenues at 100% Cost Recovery

Fees Collected	Contract Svc Allocation	Total Building Fee Revenue	Contract Service Provider Share	City Share
< \$200,000	70%	\$200,000	\$140,000	\$60,000
\$200,000 - \$400,000	55%	\$200,000	\$110,000	\$90,000
>\$400,000	50%	\$511,000	\$255,500	\$255,500
Total		\$911,000	\$505,500	\$405,500
Percentage			55%	45%

Prior to the commencement of FY 18/19, City staff intends to review the terms of the existing contract service agreement to determine if modifications should be made to distribution of revenues retained by the City and those distributed to the contract service provider.

Implementing a Policy of Pro-Active Fee Management

Continued evaluation of these fees would provide benefits, including:

- Avoid fee spikes that are more likely to occur when fees are left unchanged for several years.
- Provide fee payers, City staff, and City policymakers with a pattern of consistency that provides information for forecasting and decision-making purposes.
- Encourage generational equity among fee payers by avoiding long-term stagnation of fees followed by significant fee increases.
- Provide enhanced revenue tracking information to allow for efficient identification of amounts collected on behalf of other agencies or for specific purposes.

Legislative Guidance

The objectives of the study, the methodologies used to complete the study, and the proposed schedule of fees were significantly influenced by Article 13C of the California Constitution and Section 66014 of the California Government Code.

Article 13C states that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. Additionally, Article 13C identifies the following as items that are *not* defined as taxes:

- 1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
- 2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- 3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- 4) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- 5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
- 6) A charge imposed as a condition of property development.
- 7) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Section 66014(a) of the California Government Code includes the following, "Notwithstanding any other provision of law, when a local agency charges fees for zoning variances; zoning changes; use permits; building inspections; building permits; ...the processing of maps under the provisions of the Subdivision Map Act...; or planning services...; those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

The outcomes and recommendations of the study are intended to comply with applicable federal, state, and local laws including providing confirmation that the proposed fees (“charges”) recommended as a result of this study are not taxes as defined in Article 13C of the California Constitution and that the proposed fees are no more than necessary to cover the reasonable costs of the City’s activities and services addressed in the fees. Additionally, this report is intended to show that the manner in which the costs are allocated to a payor bear a fair and reasonable relationship to the payor’s burdens on, or benefits received from the activities and services provided by the City.

Study Methodology and Data Sources

This study calculated the estimated reasonable cost of providing various fee-related services across the City organization. Generally, the estimated reasonable cost of providing the fee-related services and activities examined in this study can be calculated as the product of the composite fully-burdened hourly labor rate of the division responsible for providing services and the estimated labor time required to process a typical request for service (see illustration below).

$$\text{Hourly rate} * \text{Labor hours} = \text{Cost of service}$$

The composite fully-burdened hourly rates calculated in this study are based on the estimated annual hours spent providing fee related services, and estimated labor, services and supplies, and citywide overhead expenditures:

- Estimated annual hours spent providing fee related services were developed based on responses received from multiple interviews and targeted questionnaires.
- Labor expenditures for in-house personnel were based on forecasts of Fiscal Year 2017/18 salary and benefits expenditures.
- Contract service personnel related costs were based on the rates currently used by the City's contract service providers.
- All other services and supplies expenditures were based on Fiscal Year 2017/18 budgeted expenditures.
- Estimated citywide overhead expenditures were based on a reasonable allocation of central service support to direct service departments. Since most of the City's costs lie within the General Fund the City does not maintain a formal central services cost allocation plan. For purposes of estimating the full cost of service, a reasonable, conservative, allocation of central service costs to direct service departments was developed to inform this analysis.
- Estimated labor times were developed based on responses received from multiple interviews and targeted questionnaires of the staff primarily responsible for the provision of services examined in the study. Commonly used industry data also aided in the development of time estimates and proposed fee structures.

Once cost of service levels are identified, the City may use this information to inform targeted cost recovery from fees. Fees set at the cost of service target full cost recovery. Fees set at any amount less than the cost of service targets less than full cost recovery.

$$\text{Proposed fee} \div \text{Cost of service} = \text{Targeted Cost Recovery}$$

Summary of methodology used to calculate estimated costs of service and cost recovery levels

Step One

Identify annual hours spent providing fee services for each division → This information is developed and tested using a combination of interviews, questionnaires, historical project information, and historical revenue information.

Step Two

Identify annual cost of providing fee services for each division → This information is developed and tested using a combination of information found in the City's adopted budget, expenditure history, and the overhead cost plan.

Step Three

Calculate the estimated hourly rate using information from Steps 1 and 2 → ***Annual cost ÷ Annual hours = Hourly rate***

Step Four

Estimate labor time required to process individual request for service → This information is developed and tested using a combination of interviews, questionnaires, commonly-used measures, and information developed in Step 1.

Step Five

Calculate estimated cost of service using information from Steps 3 and 4 → ***Hourly rate * Labor hours = Cost of service***

Step Six

Calculate current cost recovery level for a specific service → ***Current fee ÷ Cost of service = Current Cost recovery***

Step Seven

Use laws, industry standards, goals and policies, and historical trends to determine targeted cost recovery → ***Proposed fee ÷ Cost of service = Targeted Cost Recovery***

Step Eight

Test to confirm forecast revenue from fees will not exceed program costs → Use historical permit volume and proposed fees to forecast anticipated revenue from fees. Forecast revenues should not exceed program costs.

Overview of Findings and Recommendations

Building Fees

The Building Division of the Planning and Building Department provides permitting, plan check, and inspection services for all new construction, alterations, and additions throughout the City, enforcing the provisions of the California Building Standards Code. Additionally the division serves as a primary building code resource to contractors, architects, engineers, developers, business owners, and property owners. Only the costs of providing fee-related services are proposed to be recovered from fees. Costs associated with non-fee related services are proposed to be paid from other sources, typically the City's General Fund revenues.

Building Fees: Study Outcomes and Recommendations

#	Finding / Recommendation	Description
1	Current fees recover the less than the full cost of providing fee-related services	<ul style="list-style-type: none"> • Fee revenues collected by the division recover 77% of the full cost of providing fee-related services. • Cities throughout the State typically target full cost recovery from building permit fees.
2	Adjust current fees across the board to target increased cost recovery	<ul style="list-style-type: none"> • The City's current fee schedule establishes proportionality by charging lower fees for less complex projects and higher fees for more complex projects. The City may improve cost recovery via an across-the-board recalibration of fees. • Based on the City's current contract service agreement, between 50% and 70% of any fee revenues collected will be paid to the contract service provider.
3	Adjust fees to target full cost recovery (the City's current fiscal challenges associated with the loss of the Fire Special Tax influenced this recommendation)	<ul style="list-style-type: none"> • Recalibrating fees will improve cost recovery. • The City should conduct ongoing reviews of fees and revenue collections to gauge the impact of the fee changes and allow for interim recalibration to ensure that cost recovery levels do not exceed allowable amounts. • Prior to FY 18/19 City staff intends to review the terms of the existing contract service agreement to determine if modifications should be made to distribution of revenues retained by the City and those distributed to the contract service provider.
4	The division provides some services that require a funding source other than Building fees (e.g. unobligated General Fund revenues)	<ul style="list-style-type: none"> • Approximately 5% of costs (≈\$44,000) are allocated to services not intended to be funded from Building fees. These include costs associated with punitive code enforcement. These costs require an alternative funding source, typically unobligated General Fund revenues.

Planning Fees

The Planning Division of the Planning and Building Department maintains and implements the City's Zoning Code and prepares other specialized planning documents. The department reviews development requests for conformance with the City's planning policies and standards. Department staff also oversee the City's advance planning efforts. The costs of providing fee-related services are proposed to be recovered in part, or in full, from fees. Costs associated with non-fee related services are proposed to be paid from other sources, typically the City's General Fund revenues.

Planning Fees: Study Outcomes and Recommendations

#	Finding / Recommendation	Description
1	Current fees recover less than the full cost of providing services	<ul style="list-style-type: none"> The Division collects roughly \$160,000 annually in fee revenues. Fee-related expenditures are roughly \$350,000. This results in an aggregate cost recovery level of 46%.
2	Significant restructuring of fees is proposed	<ul style="list-style-type: none"> Restructuring fees will help enhance the correlation between fee categories and services provided Restructuring fee categories will enhance the City's ability to establish specific cost recovery targets by fee category.
3	Adjust majority of fees to target full cost recovery (the City's current fiscal challenges associated with the loss of the Fire Special Tax influenced this recommendation)	<ul style="list-style-type: none"> Recalibrating fees will improve cost recovery. The City should conduct ongoing reviews of fees and revenue collections to gauge the impact of the fee changes and allow for interim recalibration to ensure that cost recovery levels do not exceed allowable amounts.
4	Continue to subsidize certain fee categories (i.e. fund some portion of the cost of service from a revenue source other than fees; typically the City's General Fund)	<ul style="list-style-type: none"> To encourage City and project applicant collaboration staff will continue to provide significant pre-application support for no charge Reduced fees will be collected for certain activities that promote beautification and other community benefit efforts (<i>example: reduced fees for reviewing code compliance agreements and reviews for changes to the Parklands as part of a community benefit project</i>). Reduced fees will be collected for applicant appeals.
5	The division provides some services that require a funding source other than Planning fees (e.g. unobligated General Fund revenues)	<ul style="list-style-type: none"> Approximately 20% of the Division's costs (≈\$100,000) are allocated to services not intended to be funded from current planning fees. These costs require a funding source other than current planning fees, typically General Fund revenues.

Public Works/Engineering Fees

The Public Works Department regulates activities impacting public facilities, infrastructure, and the right of way. The department reviews development, construction, and other requests for conformance with the City's policies and standards. It also works closely with other departments to review applications and activities. The costs of providing services generated by individualized action, such as encroachments and excavations, are proposed to be recovered in full, or in part, from fees. Costs associated with non-fee related services will be paid from other sources, typically General Fund revenues.

Public Works Fees: Study Outcomes and Recommendations

#	Finding / Recommendation	Description
1	Current fees recover less than the full cost of providing services	<ul style="list-style-type: none"> The Division collects roughly \$100,000 annually in fee revenues. Fee-related expenditures are roughly \$138,000. This results in an aggregate cost recovery level of 72%.
2	Significant restructuring of fees is proposed	<ul style="list-style-type: none"> Restructuring fees will help enhance the correlation between fee categories and services provided Restructuring fee categories will enhance the City's ability to establish specific cost recovery targets by fee category.
3	Adjust majority of fees to target full cost recovery (the City's current fiscal challenges associated with the loss of the Fire Special Tax influenced this recommendation)	<ul style="list-style-type: none"> Recalibrating fees will improve cost recovery. The City should conduct ongoing reviews of fees and revenue collections to gauge the impact of the fee changes and allow for interim recalibration to ensure that cost recovery levels do not exceed allowable amounts.
4	Continue to subsidize certain fee categories (i.e. fund some portion of the cost of service from a revenue source other than fees; typically the City's General Fund)	<ul style="list-style-type: none"> Reduced fees will be collected for tree trimming and parkway tree planting permits.
5	The division provides many services that require a funding source other than fees	<ul style="list-style-type: none"> Approximately \$900,000 of costs attributable to the division are allocated to services not intended to be funded from the fees examined in this study.

Police Fees

The Police Department is predominantly a General Fund-supported operation but performs some services stemming from individual request, behavior, or action. These services include requests for reports, towing, and false alarm response, among others. The costs of providing services generated by individualized action are proposed to be recovered in full, or in part, from fees where allowed. Costs associated with non-fee related services of general public service will continue to be paid from the City's General Fund revenues.

Police Fees: Study Outcomes and Recommendations

#	Finding / Recommendation	Description
1	Current fees recover less than the full cost of providing services	<ul style="list-style-type: none"> • Cost recovery varies by fee, and in some cases is limited by the State. • Current cost recovery for two high volume fee-related services is shown below: • Police Report fee – Current cost recovery is 10%. • Vehicle impound fee – Current cost recovery is ≈75%.
2	Increase cost recovery levels in most service categories but deliberately subsidize certain fees	<ul style="list-style-type: none"> • Sustain prevailing fees for activities with statutory limitations on fee amounts, or when community values influence fees, such as first few false alarm responses in a 365-day period. • Examples of fee increases include: <ul style="list-style-type: none"> ○ Police Report – Current fee \$2.50; Proposed fee \$20 ○ Citation Sign-off – Current fee \$5; Proposed fee \$10 ○ Vehicle Impound – Current \$100; Proposed \$130 ○ Booking Fee – Current \$215; Proposed - \$278

Community Planning Fee

California Government Code Section 66014 states that fees collected by an agency may “...may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations.” Cities and counties throughout California often attempt to recover portions of the costs of updating and maintaining these plans and policies through fees collected on various development projects.

Community Planning Fee: Study Outcomes and Recommendations

#	Finding / Recommendation	Description
1	Establishing a distinct community planning fee will allow for segregation of revenues and reduce reliance on General Fund reserves for funding of periodic projects	<ul style="list-style-type: none"> Clearly identifying this fee will provide enhanced revenue tracking information to allow for efficient identification of amounts collected for specific purposes. The City may use these revenues to offset all or portions of the cost of in-house planning or contract planning services for preparation and revision of the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations. These include, but are not limited to, General Plan and Zoning Ordinance updates. The City does not currently recover fees to offset these costs. The proposed fee revenues would recover ≈\$80,000 per year. For administrative efficiency the fee will be collected as part of the building permit fee. The vast majority of planning fee-related services, and engineering fee-related services are associated with active building permit applications or will ultimately lead to building permit applications. Permit valuation is a readily available metric that provides a reasonable correlation to cost on a repeatable basis (i.e. more complex projects have higher valuations, and typically rely more heavily on community planning documents for approval.

Technology Enhancement Fee

Cities and counties throughout California often attempt to recover portions of the costs of technology enhancement through fees collected on various project types. Amounts collected from these fees should be dedicated specifically toward hardware, software, or services that enhance the City's ability to effectively serve the development community through the use of technology.

Technology Enhancement Fee: Study Outcomes and Recommendations

#	Finding / Recommendation	Description
1	Establishing a distinct technology enhancement fee will allow for segregation of revenues and reduce reliance on General Fund reserves for funding of periodic projects	<ul style="list-style-type: none">• Clearly identifying this fee will provide enhanced revenue tracking information to allow for efficient identification of amounts collected for specific purposes.• The City may use these revenues to offset all or portions of the cost of hardware, software, or services that enhance the City's ability to effectively serve the development community through the use of technology.• The City does not currently recover fees to offset these costs. The proposed fee revenues would recover ≈\$50,000 per year.• For administrative efficiency the fee will be collected as part of the building permit fee. The vast majority of planning fee-related services are associated with active building permit applications or will ultimately lead to building permit applications. Permit valuation is a readily available metric that provides a reasonable correlation to cost on a repeatable basis (i.e. more complex projects have higher valuations, and typically involve more digitizing, more extensive permit processing and tracking, more financial transactions, more use of GIS imagery, etc.

Fiscal Impact

Assuming fee-related activity remains relatively stable, the following illustrates the fiscal impact of the proposed fee changes.

Revenue Impact Assuming Target Cost Recovery

Revenue Category / Description				FY 17/18 Budget	Est. Revenue Increase at Full Cost Recovery	Revenue After Fee Changes	Revenue Impact at Full Cost Recovery	Target Cost Recovery	Revenue After Fee Changes	Revenue Impact at Target Cost Recovery	General Fd Subsidy at Target Cost Recovery	Adjust for Contract Svcs	Net Revenue Impact
Building Revenues													
1	01	37100	CONSTRUCTION PERMITS	\$ 425,000	29%	\$ 550,159	\$ 125,159	100%	\$ 550,159	\$ 125,159	\$ -	\$ (69,446)	\$ 55,713
2	01	37101	REISSUED BUILDING PERMIT	\$ 12,000	29%	\$ 15,534	\$ 3,534	100%	\$ 15,534	\$ 3,534	\$ -	\$ (1,961)	\$ 1,573
3	01	37210	RESIDENTIAL RESALE REPOR	\$ 22,000	29%	\$ 28,479	\$ 6,479	100%	\$ 28,479	\$ 6,479	\$ -	\$ (3,595)	\$ 2,884
4	01	37220	GRADING/FILLING	\$ 25,000	29%	\$ 32,362	\$ 7,362	100%	\$ 32,362	\$ 7,362	\$ -	\$ (4,085)	\$ 3,277
3	01	37240	PLAN CHECK	\$ 220,000	29%	\$ 284,788	\$ 64,788	100%	\$ 284,788	\$ 64,788	\$ -	\$ (35,949)	\$ 28,839
Subtotal				\$ 704,000		\$ 911,322	\$ 207,322		\$ 911,322	\$ 207,322	\$ -	\$ (115,036)	\$ 92,286
Current Planning Revenues													
1	01	37250	NEIGHBORHOOD COMP. REVIE	\$ 50,000	166%	\$ 132,965	\$ 82,965	100%	\$ 132,965	\$ 82,965	\$ -	\$ -	\$ 82,965
2	01	37260	SITE PLAN REVIEW	\$ 15,000	101%	\$ 30,222	\$ 15,222	100%	\$ 30,222	\$ 15,222	\$ -	\$ -	\$ 15,222
3	01	36155	MAILING MATRIX	\$ 15,000	37%	\$ 20,571	\$ 5,571	100%	\$ 20,571	\$ 5,571	\$ -	\$ -	\$ 5,571
4	01	37230	MISCELLANEOUS PLANNING	\$ 80,000	108%	\$ 166,400	\$ 86,400	80%	\$ 133,120	\$ 53,120	\$ 33,280	\$ -	\$ 53,120
Subtotal				\$ 160,000		\$ 350,159	\$ 190,159		\$ 316,879	\$ 156,879	\$ 33,280	\$ -	\$ 156,879
Public Works													
1	01	37110	MISC PUBLIC WORKS PERMIT	\$ 100,000	39%	\$ 138,505	\$ 38,505	100%	\$ 138,505	\$ 38,505	\$ -	\$ -	\$ 38,505
Subtotal				\$ 100,000		\$ 138,505	\$ 38,505		\$ 138,505	\$ 38,505	\$ -	\$ -	\$ 38,505
Police													
1	01	36105	BOOKING FEES	\$ 4,000	29%	\$ 5,172	\$ 1,172	100%	\$ 5,172	\$ 1,172	\$ -	\$ -	\$ 1,172
2	01	36120	FALSE ALARM	\$ 3,000	varies	\$ 3,000	\$ -	varies	\$ 3,000	\$ -	\$ -	\$ -	\$ -
3	01	36130	COPY SALES, CERTIFICATIO	\$ 2,000	varies	\$ 20,000	\$ 18,000	varies	\$ 16,000	\$ 14,000	\$ 4,000	\$ -	\$ 14,000
4	01	36146	VEHICLE IMPOUND FEES	\$ 15,000	30%	\$ 19,500	\$ 4,500	100%	\$ 19,500	\$ 4,500	\$ -	\$ -	\$ 4,500
Subtotal				\$ 24,000		\$ 47,672	\$ 23,672		\$ 43,672	\$ 19,672	\$ 4,000	\$ -	\$ 19,672
Community Planning Revenues													
1	01	TBD	COMMUNITY PLANNING FEE	\$ -	n/a	\$ 79,118	\$ 79,118	100%	\$ 79,118	\$ 79,118	\$ -	\$ (56,174)	\$ 22,944
Subtotal				\$ -		\$ 79,118	\$ 79,118		\$ 79,118	\$ 79,118	\$ -	\$ (56,174)	\$ 22,944
Technology Enhancement Fee Revenues													
1	01	TBD	TECH ENHANCEMENT FEE	\$ -	n/a	\$ 50,000	\$ 50,000	100%	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000
Subtotal				\$ -		\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Revenues Impacted by Fee Schedule Update				\$ 988,000		\$ 1,576,776	\$ 588,776		\$ 1,539,496	\$ 551,496	\$ 37,280	\$ (171,210)	\$ 380,287

Adoption of Fees and Ongoing Fee Management

The fees included as part of this study are set at the direction of the City Council. Consequently, the City Council may adopt fees and modify them at a future date as costs of service change, city policies or goals change, project volumes change, service recipient feedback is received, and annual revenue impact of fees is confirmed.

If the City decides to adopt modified fees it should:

- **Include the fee revisions as part of all official fee schedules.**
- **Ensure that City staff begin fee collections using updated fee schedules** once the adopted fees are effective.
- **Actively monitor and bill for deposit-based fees** - Staff has confirmed it has systems in place for collecting and refunding, when necessary, deposit-based fees.
- **Periodically Review and Adjust Fees and Calculation Methodologies** – As part of this study, numerous changes were made to fee structures and fee calculation methodologies. The fee schedule was developed to allow for hourly billing of projects that fall outside the scope of those considered when developing the fee schedule. Also, if fees for services are unintentionally omitted from the adopted fee schedule, they should be added to the fee schedule as part of a future update.
- **Monitor feedback and permit statistics** - Monitor permit and application volume and applicant feedback to determine if fee modifications are resulting in any unanticipated changes in project frequency and to increase the level of detail available for revenue forecasting.
- **Adjust fees on an annual basis using inflationary index** - In order to generally maintain pace with regional cost inflation and the City's salary cost inflation, the City should adjust its fees on an annual basis.
- **Conduct future fee studies on regular basis** – The City should conduct future fee studies periodically to confirm that fee levels remain at, or below, legal limits.

Appendix

The appendix provides detailed analytical findings from the study, including the amount of cost, or estimated cost, required to provide the services for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. For any fees targeted to recover less than 100% of the estimated reasonable cost of service, it is anticipated that General Fund revenues of the City will fund the difference between the targeted recovery level and 100% recovery of the estimated cost of service. These amounts are identified in the schedule of fee-based activities included in the appendices. Additionally, under separate cover the City has been provided a schedule identifying current fees, maximum fees, and placeholder fees for review and discussion.

Appendix A – Cost of Service Analysis

User and Regulatory Fees

Fee-Related Cost of Service Analysis

Table of Contents**Page(s)****Fee-Related Cost of Service Analysis**

Building and Grading

Exh A

Planning

Exh B

Public Works

Exh C

Police

Exh D

Special Event, Gathering, Block Party, Banner Hanging, and Pea Fowl Trapping

Exh E

Administrative Services

Exh F

Community Planning

Exh G

Technology Enhancement

Exh H

Fiscal Impact Analysis

Exh I

Building and Grading Fees
Cost of Service and Cost Recovery Analysis

Contents
Allocation of Annual Service Effort
Hourly Rate Calculation
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Building and Grading

Position	Comm Dev Director	Permit Tech	Permit Tech	Bldg Official [Contract]	Bldg Insp [Contract]	Bldg Insp [Contract]	Sr. Plan Chkr [Contract]	Plan Chk Eng [Contract]	Total	Note
Assumptions Regarding Labor Hours										
Annual Paid Hours Per FTE	2,080	2,080	2,080	624	2,080	260	780	480		[a]
Est. Annual Leave Hours Per FTE	216	216	216	-	-	-	-	-		[b]
Est. Productive Hours Per FTE	1,864	1,864	1,864	624	2,080	260	780	480		[c]
Specific Employee Information										
Employee Assignment for this Analysis	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Annual Salary	\$ 156,412	\$ 64,944	\$ 64,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,300	
Annual Benefits	\$ 61,228	\$ 38,848	\$ 38,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,925	
Annual Contract Svcs	\$ -	\$ -	\$ -	\$ 84,240	\$ 197,600	\$ 24,700	\$ 85,800	\$ 62,400	\$ 454,740	[d]
Total Annual Labor Costs	\$ 217,640	\$ 103,792	\$ 103,792	\$ 84,240	\$ 197,600	\$ 24,700	\$ 85,800	\$ 62,400	\$ 879,964	
Salary and Wage Rate Per Paid Hour	\$ 75	\$ 31	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ -		
Benefit Rate Per Paid Hour	\$ 29	\$ 19	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -		
Contract Svc Rate Per Paid Hour	\$ -	\$ -	\$ -	\$ 135	\$ 95	\$ 95	\$ 110	\$ 130		
Total Labor Hourly Rate Per Paid Hour	\$ 105	\$ 50	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -		
Divisional Assignment										
Share Assigned to this Division	50%	50%	50%	100%	100%	100%	100%	100%		[e]
Employee Assigned to this Division for Analysis	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	6.50	
Annual Salary Assigned to this Division	\$ 78,206	\$ 32,472	\$ 32,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,150	
Annual Benefits Assigned to this Division	\$ 30,614	\$ 19,424	\$ 19,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,462	
Annual Contract Svcs Assigned to this Division	\$ -	\$ -	\$ -	\$ 84,240	\$ 197,600	\$ 24,700	\$ 85,800	\$ 62,400	\$ 454,740	
Total Annual Labor Costs	\$ 108,820	\$ 51,896	\$ 51,896	\$ 84,240	\$ 197,600	\$ 24,700	\$ 85,800	\$ 62,400	\$ 667,352	
Est. Annual Hours Assigned to this Division	1,040	1,040	1,040	624	2,080	260	780	480	7,344	
Est. Annual Leave Assigned to this Division	108	108	108	-	-	-	-	-	324	
Est. Productive Hours Assigned to this Division	932	932	932	624	2,080	260	780	480	7,020	
Labor Rate Per Productive Hour	\$ 117	\$ 56	\$ 56	\$ 135	\$ 95	\$ 95	\$ 110	\$ 130	\$ 95	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Building and Grading

Position	Comm Dev Director	Permit Tech	Permit Tech	Bldg Official [Contract]	Bldg Insp [Contract]	Bldg Insp [Contract]	Sr. Plan Chkr [Contract]	Plan Chk Eng [Contract]	Total	Note
Allocation of Productive Hrs to this Division (%)										
Indirect Activities and Services										
General Admin; Mgmt; Policies; Procedures	75%	12%	12%	50%	5%	5%	5%	5%	23%	
Certification and Training	1%	1%	1%	0%	0%	0%	0%	0%	0%	
Public Information and Assistance	5%	20%	20%	0%	5%	5%	5%	0%	6%	
Total Indirect Activities and Svcs	81%	33%	33%	50%	10%	10%	10%	5%	30%	
Direct Activities and Services										
Code Enforcement/Compliance (Punitive)	5%	5%	5%	0%	0%	0%	0%	0%	2%	
Support to Other Divisions/Departments	10%	0%	0%	0%	0%	0%	0%	0%	2%	
Bldg Plan Check, Permitting, Inspections	4%	62%	62%	50%	90%	90%	90%	95%	67%	
Total Direct Activities and Services	19%	67%	67%	50%	90%	90%	90%	95%	70%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Allocation of Productive Hours (Hours)										
Indirect Activities and Services										
General Admin; Mgmt; Policies; Procedures	699	112	112	312	104	13	39	24	1,415	
Certification and Training	9	9	9	-	-	-	-	-	28	
Public Information and Assistance	47	186	186	-	104	13	39	-	575	
Total Indirect Activities and Svcs	755	308	308	312	208	26	78	24	2,018	
Direct Activities and Services										
Code Enforcement/Compliance (Punitive)	47	47	47	-	-	-	-	-	140	
Support to Other Divisions/Departments	93	-	-	-	-	-	-	-	93	
Bldg Plan Check, Permitting, Inspections	37	578	578	312	1,872	234	702	456	4,769	
Total Direct Activities and Services	177	624	624	312	1,872	234	702	456	5,002	
Total	932	932	932	624	2,080	260	780	480	7,020	

[a] Assumes 40 hours per week, 52 weeks per year (40*52 = 2,080) for full-time employees. Contract service employee hours based on estimate of current contract service support.

[b] Assumes 12 holidays, 10 vacation days, 5 sick days for in-house staff. No leave assumed for contract service support.

[c] Productive hours represent hours available for work after accounting for annual leave.

[d] Based on contract svc agreement rates. Assumes \$135/hr for Bldg Official; \$105/hr for Sr. Bldg Inspector; \$130 for plan check engineer.

[e] Planning & Bldg Director and Permit Technicians also serve other functional divisions. Adjustments made to exclude support to other functional divisions.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Building and Grading

Labor and Contract Services Expenditures [a]

Description	Total	Notes
Salaries	\$ 143,150	[a]
Benefits	\$ 69,462	[a]
Contract Svcs	\$ 454,740	[a]
Total	\$ 667,352	

Recurring Non-Labor Expenditures [b]

Description	FY 2017/18 Budget	Adjustment	Subtotal	Notes
62290 - General Services	\$ 1,656	\$ -	\$ 1,656	
64423 - Professional Services Fee Related	\$ 454,000	\$ (454,000)	\$ -	[b]
64530 - Geotechnical and Geological	\$ 50,000	\$ (50,000)	\$ -	[c]
64660 - Strong Motion	\$ 2,000	\$ (2,000)	\$ -	[d]
64665 - Strong Motion/SB 1473	\$ 1,000	\$ (1,000)	\$ -	[d]
66605 - Insurance Allocations	\$ 71,341	\$ -	\$ 71,341	
Total	\$ 579,997	\$ (507,000)	\$ 72,997	

Citywide Overhead

Description	Est. C'wide Overhead	Notes
Estimated Citywide Overhead	\$ 214,793	[e]
Total	\$ 214,793	

Total Allocable Expenditures

Description	Amount	Notes
Labor	\$ 667,352	
Non-Labor	\$ 72,997	
Estimated Citywide Overhead	\$ 214,793	
Total	\$ 955,142	

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Non-Labor	Citywide Overhead	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate	Notes
Indirect Activities and Services									
General Admin; Mgmt; Policies; Procedures	23%	\$ 154,715	\$ 16,923	\$ 49,796	\$ 221,435	95%	\$ 211,276	\$ 44	[f]
Certification and Training	0%	\$ 2,126	\$ 233	\$ 684	\$ 3,043	95%	\$ 2,903	\$ 1	[f]
Public Information and Assistance	6%	\$ 41,604	\$ 4,551	\$ 13,391	\$ 59,546	95%	\$ 56,814	\$ 12	[f]
Total Indirect Activities and Svcs	30%	\$ 198,446	\$ 21,707	\$ 63,871	\$ 284,024		\$ 270,993	\$ 57	
Direct Activities and Services									
Code Enforcement/Compliance (Punitive)	2%	\$ 10,631	\$ 1,163	\$ 3,422	\$ 15,215	0%	\$ -	\$ -	[g]
Support to Other Divisions/Departments	2%	\$ 10,882	\$ 1,190	\$ 3,502	\$ 15,575	0%	\$ -	\$ -	[g]
Bldg Plan Check, Permitting, Inspections	67%	\$ 447,394	\$ 48,937	\$ 143,998	\$ 640,329	100%	\$ 640,329	\$ 134	[h]
Total Direct Activities and Services	70%	\$ 468,907	\$ 51,290	\$ 150,922	\$ 671,119	95%	\$ 640,329	\$ 134	
Total	100%	\$ 667,352	\$ 72,997	\$ 214,793	\$ 955,142	95%	\$ 911,322	\$ 191	< Hourly Rate
							Direct Hours	4,769	[a]

Reasonableness Audit

Contract Service Recovery Structure

Fee Related Revenue	Contract Svc Provider Share of Fee	Notes
< \$200,000	70%	[i]
\$200,000 - \$400,000	55%	[i]
> \$400,000	50%	[i]
Average Assumed for this Analysis	60%	

Reasonableness of Hourly Rate Allocation

Fee Related Revenue	Est. Hourly Rate Share	Hourly Rate Share	Notes
Contract Service Provider	60%	\$ 115	
City	40%	\$ 76	
Total	100%	\$ 191	

<<< Reasonable hourly rate based on current service agreement for various support functions.

Reasonableness of Direct Service Hours Estimate

Fee Related Revenue	Total	Notes
Plan Check, and Inspection	67%	[j]

<<< Reasonable and conservative based on ClearSource calculations for Building services for other agencies.

City of Palos Verdes Estates
User and Regulatory Fee Study
Fully-Burdened Hourly Rate Calculation - Building and Grading

- [a] See "Allocation of Annual Labor Effort" worksheet.
- [b] Adjustment to avoid double counting. For purposes of this analysis, contract service support treated as labor. See "Allocation of Annual Labor Effort" worksheet.
- [c] Adjustment to exclude expenses recovered from geology fees.
- [d] Exclude direct charge collected at building permit issuance.
- [d] Adjustment to exclude portion of budgeted amounts not linked to the provision of fee-related services examined in this study.
- [e] See abbreviated central service cost allocation prepared for this study.
- [f] Adjusted to exclude indirect costs associated with direct services that will be recovered via another funding source. If less than 100% of divisional direct services costs are intended to be collected from fees, a corresponding adjustment to be made to collect less than 100% of indirect costs.
- [g] Amounts intended to be funded from a revenue source other than building fees.
- [h] This amount represents direct plan check, permitting, and construction inspection services.
- [i] Source: Current contract services agreement.
- [j] Examples of recent direct service percentages for Building fees calculated by ClearSource: 48%, 52%, 64%, 65%, 66%, 70%.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Cost of Service Analysis - Building and Grading

Average Annual Revenues

Description	FY 17/18	Notes
Construction Permits	\$ 425,000	[a]
Reissued Building Permit	\$ 12,000	[a]
Residential Resale Report	\$ 22,000	[a]
Grading/Filling	\$ 25,000	[a]
Plan Check	\$ 220,000	[a]
Total - Labor Expenditures	\$ 704,000	

Amount Recoverable from Fees

Description	Total	Notes
Fee-Related Expenditures	\$ 911,322	[b]

Cost Recovery Analysis

Description	Revenues	Expenses	Current Cost Recovery	Increase Required for Full Cost Recovery	Revenue Impact of Moving to Full Cost Recovery	Notes
Total	\$ 704,000	\$ 911,322	77%	29%	\$ 207,322	

Description	Revenues	Expenses	Current Cost Recovery	Target Cost Recovery	Revenue at Target Cost Recovery	Revenue Impact of Moving to Target Cost Recovery	General Fund Subsidy	Notes
Total	\$ 704,000	\$ 911,322	77%	100%	\$ 911,322	\$ 207,322	\$ -	

Allocation of Amounts Recovered at Current Cost Recovery

Fee Related Revenue	Contract Svc Provider Share of Fee	Fee Revenue at Current Cost Recovery	Contract Svc Share	City Share
< \$200,000	70%	\$ 200,000	\$ 140,000	\$ 60,000
\$200,000 - \$400,000	55%	\$ 200,000	\$ 110,000	\$ 90,000
> \$400,000	50%	\$ 304,000	\$ 152,000	\$ 152,000
Average Assumed for this Analysis		\$ 704,000	\$ 402,000	\$ 302,000
Percentage Allocation			57%	43%

Allocation of Amounts Recovered at 80% Cost Recovery

Fee Related Revenue	Contract Svc Provider Share of Fee	Fee Revenue at Current Cost Recovery	Contract Svc Share	City Share
< \$200,000	70%	\$ 200,000	\$ 140,000	\$ 60,000
\$200,000 - \$400,000	55%	\$ 200,000	\$ 110,000	\$ 90,000
> \$400,000	50%	\$ 329,057	\$ 164,529	\$ 164,529
Average Assumed for this Analysis		\$ 729,057	\$ 414,529	\$ 314,529
Percentage Allocation			57%	43%

Allocation of Amounts Recovered at 90% Cost Recovery

Fee Related Revenue	Contract Svc Provider Share of Fee	Fee Revenue at Current Cost Recovery	Contract Svc Share	City Share
< \$200,000	70%	\$ 200,000	\$ 140,000	\$ 60,000
\$200,000 - \$400,000	55%	\$ 200,000	\$ 110,000	\$ 90,000
> \$400,000	50%	\$ 420,190	\$ 210,095	\$ 210,095
Average Assumed for this Analysis		\$ 820,190	\$ 460,095	\$ 360,095
Percentage Allocation			56%	44%

Allocation of Amounts Recovered at 100% Cost Recovery

Fee Related Revenue	Contract Svc Provider Share of Fee	Fee Revenue at Current Cost Recovery	Contract Svc Share	City Share
< \$200,000	70%	\$ 200,000	\$ 140,000	\$ 60,000
\$200,000 - \$400,000	55%	\$ 200,000	\$ 110,000	\$ 90,000
> \$400,000	50%	\$ 511,322	\$ 255,661	\$ 255,661
Average Assumed for this Analysis		\$ 911,322	\$ 505,661	\$ 405,661
Percentage Allocation			55%	45%

[a] Source: Adopted Budget for FY 17/18. Adopted budget for FY 17/18 is consistent with multi-year average annual revenues.

[b] See worksheet labeled "Fully-Burdened Hourly Rate Calculation - Building", prepared for this study.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - Grading Plan Review and Inspection

Fee Description		Estimated Labor Hours	Hourly Rate	Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
1	Grading Plan Review								
	a) 1 - 50 CY	3.50	\$ 191	\$ 669	\$138	21%	100%	\$669	
	b) 51 - 100 CY	7.00	\$ 191	\$ 1,338	\$217	16%	100%	\$1,338	
	c) 101 - 1,000 CY								
	i) Base Fee for First 100 CY	10.50	\$ 191	\$ 2,006	\$217	11%	100%	\$2,006	
	ii) Fee for Each Additional 100 CY Up to 1,000	0.35	\$ 191	\$ 67	\$55	82%	100%	\$67	
	d) 1,001 - 10,000 CY								
	i) Base Fee for First 1,000 CY	14.00	\$ 191	\$ 2,675	\$707	26%	100%	\$2,675	
	ii) Fee for Each Additional 1,000 CY Up to 10,000	0.30	\$ 191	\$ 57	\$55	95%	100%	\$57	
	e) Over 10,000 CY								
	i) Base Fee for First 10,000 CY	17.00	\$ 191	\$ 3,249	\$1,196	37%	100%	\$3,249	
	ii) Fee for Each Additional 1,000 CY	0.20	\$ 191	\$ 37	\$73	195%	100%	\$37	
2	Grading Permit								
	a) 1 - 50 CY	1.00	\$ 191	\$ 191	\$138	72%	100%	\$191	
	b) 51 - 100 CY	1.50	\$ 191	\$ 287	\$217	76%	100%	\$287	
	c) 101 - 1,000 CY								
	i) Base Fee for First 100 CY	1.50	\$ 191	\$ 287	\$217	76%	100%	\$287	
	ii) Fee for Each Additional 100 CY Up to 1,000	0.45	\$ 191	\$ 86	\$55	64%	100%	\$86	
	d) 1,001 - 10,000 CY								
	i) Base Fee for First 1,000 CY	6.00	\$ 191	\$ 1,147	\$707	62%	100%	\$1,147	
	ii) Fee for Each Additional 1,000 CY Up to 10,000	0.40	\$ 191	\$ 76	\$55	72%	100%	\$76	
	e) Over 10,000 CY								
	i) Base Fee for First 10,000 CY	10.00	\$ 191	\$ 1,911	\$1,196	63%	100%	\$1,911	
	ii) Fee for Each Additional 1,000 CY	0.26	\$ 191	\$ 50	\$73	146%	100%	\$50	
3	Permit Renewal / Permit Extension	0.38	\$ 191	\$ 72	\$0	0%	100%	\$72	
4	Re-Inspection (3rd time or more) and missed inspection	0.75	\$ 191	\$ 143	\$0	0%	100%	\$143	
5	Work Commenced Without a Permit - After-the-fact application (3x application fee)				3x application fee			3x application fee	[a]
6	Requests for Services Not Identified in this Schedule (per fully burdened hourly rate)	1.00	\$ 191	\$ 191	varies		100%	\$191	

** Significant restructuring is proposed. Current fees shown are estimates only, based on ClearSource's interpretation of current fee schedule.

Planning Fees
Cost of Service and Cost Recovery Analysis

Contents
Allocation of Annual Service Effort
Hourly Rate Calculation
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Planning

Position	Comm Dev Director	Planner	Permit Tech	Total	Note
Assumptions Regarding Labor Hours					
Annual Paid Hours Per FTE	2,080	2,080	2,080		[a]
Est. Annual Leave Hours Per FTE	<u>216</u>	<u>216</u>	<u>216</u>		[b]
Est. Productive Hours Per FTE	1,864	1,864	1,864		[c]
Specific Employee Information					
Employee Assignment for this Analysis	1.00	1.00	1.00		
Annual Salary	\$ 156,412	\$ 91,847	\$ 64,944	\$ 313,202	
Annual Benefits	\$ 61,228	\$ 41,578	\$ 38,848	\$ 141,654	
Annual Contract Svcs	\$ -	\$ -	\$ -	\$ -	
Total Annual Labor Costs	\$ 217,640	\$ 133,425	\$ 103,792	\$ 454,857	
Salary and Wage Rate Per Paid Hour	\$ 75	\$ 44	\$ 31		
Benefit Rate Per Paid Hour	\$ 29	\$ 20	\$ 19		
Contract Svc Rate Per Paid Hour	\$ -	\$ -	\$ -		
Total Labor Hourly Rate Per Paid Hour	\$ 105	\$ 64	\$ 50		
Divisional Assignment					
Share Assigned to this Division	50%	100%	50%		[d]
Employee Assigned to this Division for Analysis	0.50	1.00	0.50	2.00	
Annual Salary Assigned to this Division	\$ 78,206	\$ 91,847	\$ 32,472	\$ 202,524	
Annual Benefits Assigned to this Division	\$ 30,614	\$ 41,578	\$ 19,424	\$ 91,616	
Annual Contract Svcs Assigned to this Division	\$ -	\$ -	\$ -	\$ -	
Total Annual Labor Costs	\$ 108,820	\$ 133,425	\$ 51,896	\$ 294,141	
Est. Annual Hours Assigned to this Division	1,040	2,080	1,040	4,160	
Est. Annual Leave Assigned to this Division	<u>108</u>	<u>216</u>	<u>108</u>	<u>432</u>	
Est. Productive Hours Assigned to this Division	932	1,864	932	3,728	
Labor Rate Per Productive Hour	\$ 117	\$ 72	\$ 56	\$ 79	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Planning

Position	Comm Dev Director	Planner	Permit Tech	Total	Note
Allocation of Productive Hrs to this Division (%)					
<u>Indirect Activities and Services</u>					
General Admin; Mgmt; Policies; Procedures	45%	10%	12%	23%	
Certification and Training	1%	1%	1%	1%	
Public Information and Assistance	5%	5%	20%	8%	
Total Indirect Activities and Svcs	51%	16%	33%	32%	
<u>Direct Activities and Services</u>					
Non-Private Development (e.g. CIP)	5%	1%	1%	2%	
Code Enforcement/Compliance (Punitive)	5%	1%	5%	3%	
Support to Other Divisions/Departments	10%	1%	0%	4%	
Long-Range Planning	2%	5%	1%	3%	
Plan Review for Building Permits	2%	10%	10%	7%	
Current Planning (e.g. Development Review)	25%	66%	50%	48%	
Total Direct Activities and Services	49%	84%	67%	68%	
Total	100%	100%	100%	100%	
Allocation of Productive Hours (Hours)					
<u>Indirect Activities and Services</u>					
General Admin; Mgmt; Policies; Procedures	419	186	112	718	
Certification and Training	9	19	9	37	
Public Information and Assistance	47	93	186	326	
Total Indirect Activities and Svcs	475	298	308	1,081	
<u>Direct Activities and Services</u>					
Non-Private Development (e.g. CIP)	47	19	9	75	
Code Enforcement/Compliance (Punitive)	47	19	47	112	
Support to Other Divisions/Departments	93	19	-	112	
Long-Range Planning	19	93	9	121	
Plan Review for Building Permits	19	186	93	298	
Current Planning (e.g. Development Review)	233	1,230	466	1,929	
Total Direct Activities and Services	457	1,566	624	2,647	
Total	932	1,864	932	3,728	

[a] Assumes 40 hours per week, 52 weeks per year (40*52 = 2,080) for full-time employees.

[b] Assumes 12 holidays, 10 vacation days, 5 sick days for in-house staff. No leave assumed for contract service support.

[c] Productive hours represent hours available for work after accounting for annual leave.

[d] Planning & Bldg Director and Permit Technicians also serve other functional divisions. Adjustments made to exclude support to other functional divisions.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Planning

Labor and Contract Services Expenditures [a]

Description	Total	Notes
Salaries	\$ 202,524	[a]
Benefits	\$ 91,616	[a]
Contract Svcs	\$ -	[a]
Total	\$ 294,141	

Recurring Non-Labor Expenditures [b]

Description	FY 2017/18 Budget	Adjustment	Subtotal	Notes
61130 - Travel & Meeting	\$ 1,250	\$ -	\$ 1,250	
62291 - Code Enforcement Supplies	\$ 200	\$ (200)	\$ -	[b]
62215 - Printing & Binding	\$ 200	\$ -	\$ 200	
62245 - Legal Publishing/Public Info	\$ 5,000	\$ -	\$ 5,000	
62225 - Legal Publishing	\$ 7,500	\$ -	\$ 7,500	
62290 - General Services	\$ 7,635	\$ -	\$ 7,635	
64430 - Contractual Services	\$ 4,000	\$ -	\$ 4,000	
66605 - Insurance Allocation	\$ 65,391	\$ -	\$ 65,391	
Total	\$ 91,176	\$ (200)	\$ 90,976	

Citywide Overhead

Description	Est. C'wide Overhead	Notes
Estimated Citywide Overhead	\$ 143,195	[c]
Total	\$ 143,195	

Total Allocable Expenditures

Description	Amount	Notes
Labor	\$ 294,141	
Non-Labor	\$ 90,976	
Estimated Citywide Overhead	\$ 143,195	
Total	\$ 528,312	

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Non-Labor	Citywide Overhead	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate	Notes
Indirect Activities and Services									
General Admin; Mgmt; Policies; Procedures	23%	\$ 68,539	\$ 21,199	\$ 33,366	\$ 123,104	81%	\$ 99,582	\$ 45	[d]
Certification and Training	1%	\$ 2,941	\$ 910	\$ 1,432	\$ 5,283	81%	\$ 4,274	\$ 2	[d]
Public Information and Assistance	8%	\$ 22,491	\$ 6,956	\$ 10,949	\$ 40,397	81%	\$ 32,678	\$ 15	[d]
Total Indirect Activities and Svcs	32%	\$ 93,972	\$ 29,065	\$ 45,748	\$ 168,785		\$ 136,534	\$ 61	
Direct Activities and Services									
Non-Private Development (e.g. CIP)	2%	\$ 7,294	\$ 2,256	\$ 3,551	\$ 13,101	0%	\$ -	\$ -	[e]
Code Enforcement/Compliance (Punitive)	3%	\$ 9,370	\$ 2,898	\$ 4,562	\$ 16,830	0%	\$ -	\$ -	[e]
Support to Other Divisions/Departments	4%	\$ 12,216	\$ 3,778	\$ 5,947	\$ 21,942	0%	\$ -	\$ -	[e]
Long-Range Planning	3%	\$ 9,367	\$ 2,897	\$ 4,560	\$ 16,824	0%	\$ -	\$ -	[f]
Plan Review for Building Permits	7%	\$ 20,708	\$ 6,405	\$ 10,081	\$ 37,195	100%	\$ 37,195	\$ 17	[g]
Current Planning (e.g. Development Review)	48%	\$ 141,213	\$ 43,676	\$ 68,746	\$ 253,636	100%	\$ 253,636	\$ 114	[h]
Total Direct Activities and Services	68%	\$ 200,169	\$ 61,911	\$ 97,447	\$ 359,527	81%	\$ 290,831	\$ 131	
Total	100%	\$ 294,141	\$ 90,976	\$ 143,195	\$ 528,312	81%	\$ 427,365	\$ 192	< Hourly Rate
							Direct Hours	2,227	[a]

Reasonableness Audit

Reasonableness of Hourly Rate Calculation

Fee Related Revenue	Total	Notes
Calculated Hourly Rate	\$ 192	[i]

<<< Reasonable hourly rate in-line with ClearSource calculations for Planning services for other agencies.

Reasonableness of Direct Service Hours Estimate

Fee Related Revenue	16/17 Count	Direct Svcs Hours in Analysis	Avg Hours Per Case	Notes
Planning Cases	154	1,929	13	[j]

<<< Reasonable based on complexity of planning applications. Actual hours will vary by case.

[a] See "Allocation of Annual Labor Effort" worksheet.

[b] Adjustment to exclude expenditures not associated with Planning fees.

[c] See abbreviated central service cost allocation prepared for this study.

[d] Adjusted to exclude indirect costs associated with direct services that will be recovered via another funding source. If less than 100% of divisional direct services costs are intended to be collected from fees, a corresponding adjustment to be made to collect less than 100% of indirect costs.

[e] Amounts intended to be funded from a revenue source other than Planning fees.

[f] Recoverable via community planning fee. Adjusted out to avoid double counting.

[g] This amount represents fee-related planning review activities at the building permit stage of a development project.

[h] This amount represents fee-related current planning activities.

[i] Examples of recent Planning hourly rates calculated by ClearSource: \$142/hr, \$151/hr, \$190/hr, \$197/hr, \$207/hr, \$211/hr; \$236/hr

[j] Source: FY 16/17 counts based on amounts shown in FY 17/18 adopted budget. Actual hours will vary for each project.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - Planning

Fee Description		Estimated Labor Hours				Hourly Rate			Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
		Planning	Bldg	PW	Total	\$ 192	\$ 191	\$ 183						
						Planning	Bldg	PW						
1	Site Plan Review/Revisions													
	a) Minor Modifications (Discretionary Permits)	3.00		0.25	3.25	\$ 576	\$ -	\$ 46	\$ 622	\$118	19%	100%	\$622	
	b) Building Permit Plan Check - Major	1.90		0.25	2.15	\$ 365	\$ -	\$ 46	\$ 411	\$118	29%	100%	\$411	
	c) Building Permit Plan Check - Minor	1.00		0.25	1.25	\$ 192	\$ -	\$ 46	\$ 238	\$118	50%	100%	\$238	
2	Neighborhood Compatibility Review													
	a) Neighborhood Compatibility Review													
	i) Silhouette Required	28.00		1.50	29.50	\$ 5,376	\$ -	\$ 275	\$ 5,651	\$1,585	28%	100%	\$5,651	
	ii) No Silhouette Required	21.00		1.00	22.00	\$ 4,032	\$ -	\$ 183	\$ 4,215	\$1,585	38%	100%	\$4,215	
	b) Neighborhood Compatibility Revision													
	i) Silhouette Required	20.50		0.50	21.00	\$ 3,936	\$ -	\$ 92	\$ 4,028	\$790	20%	100%	\$4,028	
	ii) No Silhouette Required	12.00		0.50	12.50	\$ 2,304	\$ -	\$ 92	\$ 2,396	\$790	33%	100%	\$2,396	
	c) Neighborhood Compatibility Exemption	3.00			3.00	\$ 576	\$ -	\$ -	\$ 576	\$790	137%	100%	\$576	
3	Miscellaneous Application													
	a) Staff Level Review													
	i) Mech Equip w/i Setback	2.50			2.50	\$ 480	\$ -	\$ -	\$ 480	\$300	63%	100%	\$480	
	ii) All Others	3.25			3.25	\$ 624	\$ -	\$ -	\$ 624	\$300	48%	100%	\$624	
	b) Planning Commission Review													
	i) Encroachment in Right of Way (Concurrent w/ discretionary permit 75% of fee)	10.00		2.00	12.00	\$ 1,920	\$ -	\$ 366	\$ 2,286	\$300	13%	100%	\$2,286	
	ii) All Others (Concurrent w/ discretionary permit 75% of fee)	10.50		0.50	11.00	\$ 2,016	\$ -	\$ 92	\$ 2,108	\$300	14%	100%	\$2,108	
4	Conceptual Project Review													
	a) Administrative	1.40			1.40	\$ 269	\$ -	\$ -	\$ 269	\$255	95%	100%	\$269	
	b) Planning Commission	5.00		0.50	5.50	\$ 960	\$ -	\$ 92	\$ 1,052	\$255	24%	100%	\$1,052	
5	Coastal Development Permit													
	a) Minor Permit (Waiver)	4.00		0.50	4.50	\$ 768	\$ -	\$ 92	\$ 860	\$102	12%	100%	\$860	
	b) Coastal Development Permit	15.00		1.00	16.00	\$ 2,880	\$ -	\$ 183	\$ 3,063	\$1,480	48%	100%	\$3,063	
	c) In Conjunction with Another Application	11.00		0.75	11.75	\$ 2,112	\$ -	\$ 137	\$ 2,249	\$740	33%	100%	\$2,249	
6	Residential Property Report	1.50			1.50	\$ 288	\$ -	\$ -	\$ 288	\$113	39%	100%	\$288	
7	Discretionary Grading Authorization (Concurrent w/ discretionary permit 75% of fee)	16.50	0.50	1.50	18.50	\$ 3,168	\$ 96	\$ 275	\$ 3,538	\$990	28%	100%	\$3,538	
8	Landscape Plan Review	5.00			5.00	\$ 960	\$ -	\$ -	\$ 960	\$690	72%	100%	\$960	
9	Trees													
	a) Designation of Authorized Street Tree	2.00		0.25	2.25	\$ 384	\$ -	\$ 46	\$ 430	\$162	38%	100%	\$430	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - Planning

Fee Description		Estimated Labor Hours				Hourly Rate			Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
		Planning	Bldg	PW	Total	\$ 192	\$ 191	\$ 183						
						Planning	Bldg	PW						
	b) Waiver of Planting of Designated Street Tree	2.00		0.25	2.25	\$ 384	\$ -	\$ 46	\$ 430	\$162	38%	100%	\$430	
	c) Change to Parklands (Community Benefit Project)	3.50		1.00	4.50	\$ 672	\$ -	\$ 183	\$ 855	\$0	0%	0%	\$0	
	d) Private Planting in the Parklands/Restoration	3.50		1.00	4.50	\$ 672	\$ -	\$ 183	\$ 855	\$162	19%	100%	\$855	
	e) Tree Removal - Parklands Committee	3.50		1.00	4.50	\$ 672	\$ -	\$ 183	\$ 855	\$162	19%	100%	\$855	
	f) Tree Trimming - Parklands Committee	3.50		1.00	4.50	\$ 672	\$ -	\$ 183	\$ 855	\$0	0%	100%	\$855	
10	Conditional Use Permit													
	a) Conditional Use Permit	13.00		1.00	14.00	\$ 2,496	\$ -	\$ 183	\$ 2,679	\$1,480	55%	100%	\$2,679	
	b) Conditional Use Permit Annual Review	0.85			0.85	\$ 163	\$ -	\$ -	\$ 163	\$0	0%	100%	\$163	
11	Environmental													
	a) Initial Study				-					Cost+20% Adm		100%	Cost+20% Adm	
	b) Environmental Impact Review (EIR)				-					Cost+20% Adm		100%	Cost+20% Adm	
	c) Other Environmental Reviews				-					Cost+20% Adm		100%	Cost+20% Adm	
12	General Plan/Zoning Map Amendment													
	a) General Plan Text Amendment				-					T&M w/ Dep		100%	T&M w/ Dep	
	b) Zoning Text Amendment				-					T&M w/ Dep		100%	T&M w/ Dep	
	c) General Plan / Zoning Map Amendment				-					T&M w/ Dep		100%	T&M w/ Dep	
13	Agreement													
	a) License Agreement for Permanent Encroachment	2.00		2.00	4.00	\$ 384	\$ -	\$ 366	\$ 750	\$30	4%	100%	\$750	
	b) Code Compliance Agreement	4.00		1.00	5.00	\$ 768	\$ -	\$ 183	\$ 951	\$0	0%	79%	\$750	
14	Lighting Permit Application	10.50		1.50	12.00	\$ 2,016	\$ -	\$ 275	\$ 2,291	\$990	43%	100%	\$2,291	
15	Certificate of Compliance / Lot Line Adjustment / Lot Merger													
	a) Base Fee	6.00		4.00	10.00	\$ 1,152	\$ -	\$ 732	\$ 1,884	\$990	53%	100%	\$1,884	
	b) Engineering Consultant / Outside Agency Fees											100%	T&M w/ Dep	
16	Map													
	a) Tentative Map (additional fees for consultant costs as required)	10.50		15.00	25.50	\$ 2,016	\$ -	\$ 2,745	\$ 4,761	\$0	0%	100%	\$4,761	
	b) Final Map (additional fees for consultant costs as required)	3.00		9.50	12.50	\$ 576	\$ -	\$ 1,739	\$ 2,315	\$0	0%	100%	\$2,315	
	c) Engineering Consultant / Outside Agency Fees											100%	T&M w/ Dep	
17	Publishing and/or Mailing													
	a) Mailing Matrix Preparation	2.50			2.50	\$ 480	\$ -	\$ -	\$ 480	\$350	73%	100%	\$480	
	b) Newspaper Publication	2.50			2.50	\$ 480	\$ -	\$ -	\$ 480	\$350	73%	100%	\$480	
18	Sign Plan / Sign Permit													
	a) Administrative	2.00			2.00	\$ 384	\$ -	\$ -	\$ 384	\$110	29%	100%	\$384	
	b) Discretionary	8.00		0.50	8.50	\$ 1,536	\$ -	\$ 92	\$ 1,628	\$990	61%	100%	\$1,628	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - Planning

Fee Description		Estimated Labor Hours				Hourly Rate			Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
		Planning	Bldg	PW	Total	\$ 192	\$ 191	\$ 183						
						Planning	Bldg	PW						
19	Sports Court Application	9.50		0.50	10.00	\$ 1,824	\$ -	\$ 92	\$ 1,916	\$990	52%	100%	\$1,916	
20	Variance Application	12.50		1.50	14.00	\$ 2,400	\$ -	\$ 275	\$ 2,675	\$1,480	55%	100%	\$2,675	
21	Vendor Permit	1.10		0.50	1.60	\$ 211	\$ -	\$ 92	\$ 303	\$0	0%	100%	\$303	
22	Wireless Telecommunication													
	a) Administrative	5.75		1.50	7.25	\$ 1,104	\$ -	\$ 275	\$ 1,379	\$1,360	99%	100%	\$1,379	
	b) Discretionary	25.00		4.00	29.00	\$ 4,800	\$ -	\$ 732	\$ 5,532	\$1,360	25%	100%	\$5,532	
	c) Eligible Facilities Request Permit	5.75		0.50	6.25	\$ 1,104	\$ -	\$ 92	\$ 1,196	\$1,360	114%	100%	\$1,196	
	d) Wireless Consultant Fee / Deposit									\$2,250		100%	T&M w/ Dep	
23	Revision Prior to Planning Commission or City Council									50% orig fee			50% orig fee	
24	Temporary Certificate of Occupancy	2.50		1.00	3.50	\$ 480	\$ -	\$ 183	\$ 663	\$0	0%	100%	\$663	
25	Re-Inspection (3rd time or more) and missed inspection	1.00			1.00	\$ 192	\$ -	\$ -	\$ 192	\$0	0%	100%	\$192	
26	Enforcement Inspections (Per Hour or Occurance)	1.00			1.00	\$ 192	\$ -	\$ -	\$ 192	\$0	0%	100%	\$192	
27	Requests for Services Not Identified in this Schedule (per fully burdened hourly rate)	1.00			1.00	\$ 192	\$ -	\$ -	\$ 192	\$0	0%	100%	\$192	
28	Work Commenced Without a Permit - After-the-fact application (3x application fee)									3x application fee			3x application fee	[a]
29	Continuance of Public Hearing at Applicant's Request	12.50			12.50	\$ 2,400	\$ -	\$ -	\$ 2,400	\$0	0%	21%	\$500	
30	Appeals													
	a) Appeal of Admin Decision to Planning Commission	10.00		0.50	10.50	\$ 1,920	\$ -	\$ 92	\$ 2,012	\$300	15%	75%	\$1,500	
	b) Appeal of Parkland Committee Recommendation	16.00		0.50	16.50	\$ 3,072	\$ -	\$ 92	\$ 3,164	\$500	16%	63%	\$2,000	
	c) Appeal of Planning Commission Decision	15.00		2.50	17.50	\$ 2,880	\$ -	\$ 458	\$ 3,338	\$600	18%	75%	\$2,500	

[a] If a property owner can demonstrate to the satisfaction of the Planning Director that an unpermitted structure which is the subject on an after-the-fact application was constructed prior to the current property owner taking title to the property and was not disclosed by the previous property owner(s), then only the penalty fees may be waived.

* Significant restructuring is proposed. Current fees shown are estimates only, based on ClearSource's interpretation of current fee schedule.

Public Works Fees
Cost of Service and Cost Recovery Analysis

Contents
Allocation of Annual Service Effort
Hourly Rate Calculation
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Public Works Engineering and Encroachments

Position	PW Director / City Engineer	Permit Tech	Total	Note
Assumptions Regarding Labor Hours				
Annual Paid Hours Per FTE	2,080	2,080		[a]
Est. Annual Leave Hours Per FTE	<u>216</u>	<u>216</u>		[b]
Est. Productive Hours Per FTE	1,864	1,864		[c]
Specific Employee Information				
Employee Assignment for this Analysis	1.00	1.00		
Annual Salary	\$ 147,970	\$ 64,944	\$ 212,914	
Annual Benefits	\$ 25,542	\$ 38,848	\$ 64,390	
Annual Contract Svcs	\$ -	\$ -	\$ -	
Total Annual Labor Costs	\$ 173,512	\$ 103,792	\$ 277,304	
Salary and Wage Rate Per Paid Hour	\$ 71	\$ 31		
Benefit Rate Per Paid Hour	\$ 12	\$ 19		
Contract Svc Rate Per Paid Hour	\$ -	\$ -		
Total Labor Hourly Rate Per Paid Hour	\$ 83	\$ 50		
Divisional Assignment				
Share Assigned to this Division	100%	50%		[d]
Employee Assigned to this Division for Analysis	1.00	0.50	1.50	
Annual Salary Assigned to this Division	\$ 147,970	\$ 32,472	\$ 180,442	
Annual Benefits Assigned to this Division	\$ 25,542	\$ 19,424	\$ 44,966	
Annual Contract Svcs Assigned to this Division	\$ -	\$ -	\$ -	
Total Annual Labor Costs	\$ 173,512	\$ 51,896	\$ 225,408	
Est. Annual Hours Assigned to this Division	2,080	1,040	3,120	
Est. Annual Leave Assigned to this Division	<u>216</u>	<u>108</u>	<u>324</u>	
Est. Productive Hours Assigned to this Division	1,864	932	2,796	
Labor Rate Per Productive Hour	\$ 93	\$ 56	\$ 81	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Public Works Engineering and Encroachments

Position	PW Director / City Engineer	Permit Tech	Total	Note
Allocation of Productive Hrs to this Division (%)				
Indirect Activities and Services				
General Admin; Mgmt; Policies; Procedures	25%	12%	22%	
Certification and Training	2%	1%	2%	
Public Information and Assistance	5%	20%	8%	
Total Indirect Activities and Svcs	32%	33%	32%	
Direct Activities and Services				
Non-Private Development (e.g. CIP)	42%	15%	36%	
Code Enforcement/Compliance (Punitive)	2%	5%	3%	
Long-Range Planning	2%	0%	2%	
Plan Review for Building Permits	5%	0%	4%	
Private Dev Permitting, Plan Rvw, Inspect., etc.	17%	47%	24%	
Total Direct Activities and Services	68%	67%	68%	
Total	100%	100%	100%	
Allocation of Productive Hours (Hours)				
Indirect Activities and Services				
General Admin; Mgmt; Policies; Procedures	466	112	578	
Certification and Training	37	9	47	
Public Information and Assistance	93	186	280	
Total Indirect Activities and Svcs	596	308	904	
Direct Activities and Services				
Non-Private Development (e.g. CIP)	783	140	923	
Code Enforcement/Compliance (Punitive)	37	47	84	
Long-Range Planning	37	-	37	
Plan Review for Building Permits	93	-	93	
Private Dev Permitting, Plan Rvw, Inspect., etc.	317	438	755	
Total Direct Activities and Services	1,268	624	1,892	
Total	1,864	932	2,796	

[a] Assumes 40 hours per week, 52 weeks per year (40*52 = 2,080) for full-time employees.

[b] Assumes 12 holidays, 10 vacation days, 5 sick days for in-house staff. No leave assumed for contract service support.

[c] Productive hours represent hours available for work after accounting for annual leave.

[d] Planning & Bldg Director and Permit Technicians also serve other functional divisions. Adjustments made to exclude support to other functional divisions.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Public Works Engineering and Encroachments

Labor and Contract Services Expenditures [a]

Description	Total	Notes
Salaries	\$ 180,442	[a]
Benefits	\$ 44,966	[a]
Contract Svcs	\$ -	[a]
Total	\$ 225,408	

Recurring Non-Labor Expenditures [b]

Description	FY 2017/18 Budget	Adjustment	Subtotal	Notes
61105 - Dues and Memberships	\$ 604	\$ -	\$ 604	
61130 - Travel/Meetings	\$ 3,795	\$ -	\$ 3,795	
62245 - Legal Publications	\$ 916	\$ -	\$ 916	
63322 - NPDES/MOU City Contribution	\$ 110,700	\$ (110,700)	\$ -	[b]
62290 - General Services	\$ 2,856	\$ -	\$ 2,856	
64425 - Profes Services	\$ 253,349	\$ (253,349)	\$ -	[b]
64429 - Prof. Servs. NPDES	\$ 60,000	\$ (60,000)	\$ -	[b]
64430 - Contractual Services GIS	\$ 17,250	\$ -	\$ 17,250	
64428 - Recycling AB969	\$ 10,160	\$ (10,160)	\$ -	[b]
66605 - Insurance Allocation	\$ 95,123	\$ -	\$ 95,123	
Total	\$ 554,753	\$ (434,209)	\$ 120,544	

Citywide Overhead

Description	Est. C'wide Overhead	Adjustment	Adjusted C'wide Overhead	Notes
Estimated Citywide Overhead	\$ 214,793	\$ (168,120)	\$ 46,673	[c]
Total	\$ 214,793	\$ (168,120)	\$ 46,673	

Total Allocable Expenditures

Description	Amount	Notes
Labor	\$ 225,408	
Non-Labor	\$ 120,544	
Estimated Citywide Overhead	\$ 46,673	
Total	\$ 392,625	

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Non-Labor	Citywide Overhead	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate	Notes
Indirect Activities and Services									
General Admin; Mgmt; Policies; Procedures	22%	\$ 49,605	\$ 26,528	\$ 10,271	\$ 86,405	35%	\$ 30,481	\$ 40	[d]
Certification and Training	2%	\$ 3,989	\$ 2,133	\$ 826	\$ 6,949	35%	\$ 2,451	\$ 3	[d]
Public Information and Assistance	8%	\$ 19,055	\$ 10,190	\$ 3,945	\$ 33,190	35%	\$ 11,709	\$ 16	[d]
Total Indirect Activities and Svcs	32%	\$ 72,013	\$ 38,511	\$ 14,911	\$ 125,435		\$ 44,641	\$ 59	
Direct Activities and Services									
Non-Private Development (e.g. CIP)	36%	\$ 80,659	\$ 43,135	\$ 16,701	\$ 140,496	0%	\$ -	\$ -	[e]
Code Enforcement/Compliance (Punitive)	3%	\$ 6,065	\$ 3,243	\$ 1,256	\$ 10,564	0%	\$ -	\$ -	[e]
Long-Range Planning	2%	\$ 3,470	\$ 1,856	\$ 719	\$ 6,045	0%	\$ -	\$ -	[f]
Plan Review for Building Permits	4%	\$ 8,676	\$ 4,640	\$ 1,796	\$ 15,111	0%	\$ -	\$ -	[g]
Private Dev Permitting, Plan Rvw, Inspect., etc.	24%	\$ 53,888	\$ 28,818	\$ 11,158	\$ 93,865	100%	\$ 93,865	\$ 124	[h]
Total Direct Activities and Services	68%	\$ 152,758	\$ 81,692	\$ 31,630	\$ 266,081	35%	\$ 93,865	\$ 124	
Total	100%	\$ 224,771	\$ 120,204	\$ 46,541	\$ 391,516	35%	\$ 138,505	\$ 183	< Hourly Rate
							Direct Hours	755	[a]

Reasonableness Audit

Reasonableness of Hourly Rate Calculation

Fee Related Revenue	Total	Notes
Calculated Hourly Rate	\$ 183	[i]

<<< Reasonable hourly rate in-line with ClearSource calculations for PW engineering services for other agencies.

[a] See "Allocation of Annual Labor Effort" worksheet.

[b] Adjustment to exclude expenditures not associated with fee-related services examined in this study.

[c] See abbreviated central service cost allocation prepared for this study. Adjusted to account for significant non-fee related service expenditures budgeted to this division.

[d] Adjusted to exclude indirect costs associated with direct services that will be recovered via another funding source. If less than 100% of divisional direct services costs are intended to be collected from fees, a corresponding adjustment to be made to collect less than 100% of indirect costs.

[e] Amounts intended to be funded from a revenue source other than Public Works Engineering/Encroachment fees.

[f] Recoverable via community planning fee. Adjusted out to avoid double counting.

[g] Recoverable via building fees or distinct engineering fees.

[h] This amount represents fee-related land development engineering / encroachment permit review activities.

[i] Examples of recent Public Works hourly rates calculated by ClearSource: \$146/hr, \$152/hr, \$165/hr, \$166/hr, \$186/hr, \$193/hr

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - PW Engineering, Encroachments

	Fee Description	Estimated Labor Hours	Hourly Rate	Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
1	Curb and Gutter / Hollywood Berm	2.75	\$ 183	\$ 503	\$164	32%	100%	\$503	
2	Curb Core	1.25	\$ 183	\$ 229	\$94	41%	100%	\$229	
3	Driveway (per opening)								
	a) Drive Approach Only	1.63	\$ 183	\$ 297	\$185	62%	100%	\$297	
	b) With Curb (and Gutter)	2.75	\$ 183	\$ 503	\$185	37%	100%	\$503	
4	Walkway	1.13	\$ 183	\$ 206	\$164	79%	100%	\$206	
5	Mailbox	1.25	\$ 183	\$ 229	\$164	71%	100%	\$229	
6	Temporary Encroachment Permit	1.25	\$ 183	\$ 229	\$281	123%	100%	\$229	
7	Encroachment Permit for Work Within the Parklands	3.75	\$ 183	\$ 686	\$281	41%	100%	\$686	
8	Right of Way Improvement Plan Review (Hourly at Fully Burdened Hourly Rate)	1.00	\$ 183	\$ 183	\$281	153%	100%	\$183	
9	Construction & Demolition Waste Special Refuse Bins				\$100			\$100	
10	Temporary Parking Restriction Permit	1.38	\$ 183	\$ 252	\$0	0%	40%	\$100	
11	Transportation / Wide / Heavy Load Permit								
	a) One Day Permit				\$16			\$16	
	b) Annual Permit				\$90			\$90	
12	Traffic Control Only								
	a) Review	2.00	\$ 183	\$ 366	\$257	70%	100%	\$366	
	b) Inspection per Day	0.50	\$ 183	\$ 92	\$257	281%	100%	\$92	
13	Manhole/Vault Permit	2.25	\$ 183	\$ 412	\$257	62%	100%	\$412	
14	NPDES Compliance								
	a) Plan Check								
	i) Less than 1 Acre	1.50	\$ 183	\$ 275	\$0	0%	100%	\$275	
	ii) Greater than or Equal to 1 Acre	8.00	\$ 183	\$ 1,464	\$0	0%	100%	\$1,464	
	b) Site Inspection								
	i) Less than 1 Acre	4.00	\$ 183	\$ 732	\$0	0%	100%	\$732	
	ii) Greater than or Equal to 1 Acre	varies	\$ 183	varies	\$0		100%	Bill Hrly w/ Dep	
15	Sewer Lateral	3.00	\$ 183	\$ 549	\$257	47%	100%	\$549	
16	Trees								
	a) Tree Trimming	2.50	\$ 183	\$ 458	\$0	0%	55%	\$250	
	b) Tree Topping / Removal Permit	2.50	\$ 183	\$ 458	\$162	35%	100%	\$458	
	c) Parkway Tree Planting	1.75	\$ 183	\$ 320	\$0	0%	78%	\$250	
17	Trenching/Excavation for Infrastructure Installation								
	a) Bore/Pit								

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - PW Engineering, Encroachments

Fee Description		Estimated Labor Hours	Hourly Rate	Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
	a) Application Review Fee	1.50	\$ 183	\$ 275		0%	100%	\$275	
	b) Permit Fee								
	i) Minimum fee per location	3.00	\$ 183	\$ 549	\$190	35%	100%	\$549	
	ii) Fee per bore / pit / pothole	1.00	\$ 183	\$ 183		0%	100%	\$183	
	b) Street Cut								
	a) Application Review Fee	1.50	\$ 183	\$ 275		0%	100%	\$275	
	b) Permit Fee								
	i) Minimum fee per location	3.00	\$ 183	\$ 549	\$190	35%	100%	\$549	
	ii) Fee Per 100 SF	1.00	\$ 183	\$ 183	\$100	55%	100%	\$183	
18	Wireless Telecommunication								
	a) Mock up	7.50	\$ 183	\$ 1,373		0%	100%	\$1,373	
	b) New Pole or Co-Location	7.75	\$ 183	\$ 1,418		0%	100%	\$1,418	
	c) New Pole with Street Sign Pole	8.75	\$ 183	\$ 1,601		0%	100%	\$1,601	
19	Permit Renewal / Permit Extension	0.38	\$ 183	\$ 69		0%	100%	\$69	
20	Re-Inspection (3rd time or more) and missed inspection	0.75	\$ 183	\$ 137		0%	100%	\$137	
21	Work Commenced Without a Permit - After-the-fact application (3x application fee)				3x application fee			3x application fee	[a]
22	Requests for Services Not Identified in this Schedule (per fully burdened hourly rate)	1.00	\$ 183	\$ 183			100%	\$183	

* All fees include up to two plan checks and two inspections. The City will bill hourly for additional plan review and inspections required.

** Significant restructuring is proposed. Current fees shown are estimates only, based on ClearSource's interpretation of current fee schedule.

Police Fees

Cost of Service and Cost Recovery Analysis

Contents
Allocation of Annual Service Effort
Hourly Rate Calculation
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Police

Position	Police Chief	Police Captain	Secretary to Police Chief	Sworn [Sgt; Sr. Officer; Officer]	Non-Sworn [Svc's Officer]	Total	Note
Assumptions Regarding Labor Hours							
Annual Paid Hours Per FTE	2,080	2,080	2,080	2,080	2,080		[a]
Est. Annual Leave Hours Per FTE	216	216	216	216	216		[b]
Est. Productive Hours Per FTE	1,864	1,864	1,864	1,864	1,864		[c]
Specific Employee Information							
Employee Assignment for this Analysis	1.00	2.00	1.00	21.00	12.00		
Annual Salary	\$ 174,057	\$ 309,722	\$ 84,189	\$ 2,231,495	\$ 818,792	\$ 3,618,255	
Annual Benefits	\$ 71,053	\$ 127,132	\$ 32,661	\$ 1,041,970	\$ 328,416	\$ 1,601,232	
Work Comp Adjustment	\$ 5,064	\$ 9,012	\$ 2,450	\$ 64,928	\$ 23,824	\$ 105,278	[d]
Total Annual Labor Costs	\$ 250,174	\$ 445,866	\$ 119,300	\$ 3,338,393	\$ 1,171,032	\$ 5,324,765	
Salary and Wage Rate Per Paid Hour	\$ 84	\$ 74	\$ 40	\$ 51	\$ 33		
Benefit Rate Per Paid Hour	\$ 34	\$ 31	\$ 16	\$ 24	\$ 13		
Contract Svc Rate Per Paid Hour	\$ 2	\$ 2	\$ 1	\$ 1	\$ 1		
Total Labor Hourly Rate Per Paid Hour	\$ 118	\$ 105	\$ 56	\$ 75	\$ 46		
Divisional Assignment							
Share Assigned to this Division	100%	100%	100%	100%	100%		
Employee Assigned to this Division for Analysis	1.00	2.00	1.00	21.00	12.00	37.00	
Annual Salary Assigned to this Division	\$ 174,057	\$ 309,722	\$ 84,189	\$ 2,231,495	\$ 818,792	\$ 3,618,255	
Annual Benefits Assigned to this Division	\$ 71,053	\$ 127,132	\$ 32,661	\$ 1,041,970	\$ 328,416	\$ 1,601,232	
Work Comp Adjustment	\$ 5,064	\$ 9,012	\$ 2,450	\$ 64,928	\$ 23,824	\$ 105,278	
Total Annual Labor Costs	\$ 250,174	\$ 445,866	\$ 119,300	\$ 3,338,393	\$ 1,171,032	\$ 5,324,765	
Est. Annual Hours Assigned to this Division	2,080	4,160	2,080	43,680	24,960	76,960	
Est. Annual Leave Assigned to this Division	216	432	216	4,536	2,592	7,992	
Est. Productive Hours Assigned to this Division	1,864	3,728	1,864	39,144	22,368	68,968	
Labor Rate Per Productive Hour	\$ 134	\$ 120	\$ 64	\$ 85	\$ 52	\$ 77	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Police

Position	Police Chief	Police Captain	Secretary to Police Chief	Sworn [Sgt; Sr. Officer; Officer]	Non-Sworn [Svcs Officer]	Total	Note
Allocation of Productive Hrs to this Division (%)							
Indirect Activities and Services							
General Admin; Mgmt; Policies; Procedures	100%	50%	100%	6%	6%	16%	
Certification and Training	0%	4%	0%	4%	4%	4%	
Total Indirect Activities and Svcs	100%	54%	100%	11%	11%	20%	
Direct Activities and Services							
Patrol, Records Requests, Special Svc Requests, etc	0%	46%	0%	89%	89%	80%	
Total Direct Activities and Services	0%	46%	0%	89%	89%	80%	
Total	100%	100%	100%	100%	100%	100%	
Allocation of Productive Hours (Hours)							
Indirect Activities and Services							
General Admin; Mgmt; Policies; Procedures	1,864	1,864	1,864	2,447	1,398	9,437	
Certification and Training	-	160	-	1,680	960	2,800	
Total Indirect Activities and Svcs	1,864	2,024	1,864	4,127	2,358	12,237	
Direct Activities and Services							
Patrol, Records Requests, Special Svc Requests, etc	-	1,704	-	35,018	20,010	56,732	
Total Direct Activities and Services	-	1,704	-	35,018	20,010	56,732	
Total	1,864	3,728	1,864	39,144	22,368	68,968	

[a] Assumes 40 hours per week, 52 weeks per year (40*52 = 2,080) for full-time employees.

[b] Assumes 12 holidays, 10 vacation days, 5 sick days for in-house staff. No leave assumed for contract service support.

[c] Productive hours represent hours available for work after accounting for annual leave.

[d] Workers Comp allocated in payroll data used to calculate salary and benefits is \$228,461. Actual allocation of workers comp based on actuarial study is \$333,739. Difference of \$105,278 allocated to all personnel weighted by salaries.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Police

Labor and Contract Services Expenditures [a]

Description	Department Admin	Sworn	Non-Sworn	Total	Notes
Salaries	\$ 567,968	\$ 2,231,495	\$ 818,792	\$ 3,618,255	[a]
Benefits	\$ 247,372	\$ 1,106,898	\$ 352,240	\$ 1,706,510	[a]
Total	\$ 815,340	\$ 3,338,393	\$ 1,171,032	\$ 5,324,765	
FTE Allocation	4.00	21.00	12.00	37.00	

Recurring Non-Labor Expenditures [b]

Description	FY 2017/18 Budget	Adjustment	Subtotal
61105 - Dues and Memberships	\$ 2,315	\$ -	\$ 2,315
61110 - Uniform Supplies	\$ 5,500	\$ -	\$ 5,500
61120 - Training	\$ 34,000	\$ -	\$ 34,000
61125 - Subscriptions	\$ 1,300	\$ -	\$ 1,300
61130 - Travel & Meetings	\$ 1,200	\$ -	\$ 1,200
61135 - Reserve Officer	\$ 2,300	\$ (2,300)	\$ -
61140 - Prisoner Expenses	\$ 11,800	\$ (11,800)	\$ -
62215 - Printing & Binding	\$ 3,800	\$ -	\$ 3,800
62220 - Photography	\$ 500	\$ (500)	\$ -
62255 - Utilities	\$ 55,094	\$ -	\$ 55,094
62260 - Canine Maintenance + K9	\$ 2,500	\$ (2,500)	\$ -
62290 - General Service	\$ 29,380	\$ -	\$ 29,380
62294 - Community Support	\$ 12,000	\$ (12,000)	\$ -
63000 - Cleaning Supplies	\$ 1,300	\$ -	\$ 1,300
63305 - Auto Supplies	\$ 123,550	\$ -	\$ 123,550
63310 - Safety Equipment	\$ 4,000	\$ -	\$ 4,000
63315 - Computer Maintenance Contract	\$ 60,280	\$ -	\$ 60,280
62292 - PVE CARES	\$ 3,240	\$ (3,240)	\$ -
62293 - Volunteer Program	\$ 1,600	\$ (1,600)	\$ -
63345 - Comm. Svcs Officer Equipment	\$ 1,400	\$ -	\$ 1,400
62244 - Professional (Legal) Services	\$ 15,000	\$ (15,000)	\$ -
64430 - Contractual Services	\$ 143,550	\$ -	\$ 143,550
64500 - Criminal Justice	\$ 30,000	\$ (30,000)	\$ -
64599 - Hiring	\$ 15,300	\$ -	\$ 15,300
64640 - Animal Control	\$ 11,500	\$ (11,500)	\$ -
64641 - Peafowl Management	\$ 6,000	\$ (6,000)	\$ -
64650 - Jail & Correction (01)	\$ 250	\$ (250)	\$ -
64650 - Jail & Correction (07)	\$ 4,700	\$ (4,700)	\$ -
65090 - Copier Lease	\$ 11,000	\$ -	\$ 11,000
65000 - Emergency Preparedness	\$ 8,055	\$ (8,055)	\$ -
65005 - Emergency Backpacks	\$ 2,500	\$ (2,500)	\$ -
66602 - Equipment Repl. Allocation	\$ -	\$ 260,000	\$ 260,000
66605 - Insurance Allocation	\$ 175,900	\$ -	\$ 175,900
Total	\$ 780,814	\$ 148,055	\$ 928,869

Allocation				
Department Admin	Sworn	Non-Sworn	Subtotal	Notes
\$ 2,315	\$ -	\$ -	\$ 2,315	
\$ 595	\$ 3,122	\$ 1,784	\$ 5,500	
\$ 3,676	\$ 19,297	\$ 11,027	\$ 34,000	
\$ 141	\$ 738	\$ 422	\$ 1,300	
\$ 130	\$ 681	\$ 389	\$ 1,200	
\$ -	\$ -	\$ -	\$ -	[b]
\$ -	\$ -	\$ -	\$ -	[b]
\$ 3,800	\$ -	\$ -	\$ 3,800	
\$ -	\$ -	\$ -	\$ -	[b]
\$ 5,956	\$ 31,270	\$ 17,868	\$ 55,094	
\$ -	\$ -	\$ -	\$ -	[b]
\$ 3,176	\$ 16,675	\$ 9,529	\$ 29,380	
\$ -	\$ -	\$ -	\$ -	[b]
\$ 141	\$ 738	\$ 422	\$ 1,300	
\$ -	\$ 123,550	\$ -	\$ 123,550	
\$ -	\$ 4,000	\$ -	\$ 4,000	
\$ 6,517	\$ 34,213	\$ 19,550	\$ 60,280	
\$ -	\$ -	\$ -	\$ -	[b]
\$ -	\$ -	\$ -	\$ -	[b]
\$ -	\$ -	\$ 1,400	\$ 1,400	
\$ -	\$ -	\$ -	\$ -	[b]
\$ 15,519	\$ 81,474	\$ 46,557	\$ 143,550	
\$ -	\$ -	\$ -	\$ -	[b]
\$ 15,300	\$ -	\$ -	\$ 15,300	
\$ -	\$ -	\$ -	\$ -	[b]
\$ -	\$ -	\$ -	\$ -	[b]
\$ -	\$ -	\$ -	\$ -	[b]
\$ 1,189	\$ 6,243	\$ 3,568	\$ 11,000	
\$ -	\$ -	\$ -	\$ -	[b]
\$ -	\$ -	\$ -	\$ -	[b]
\$ -	\$ 260,000	\$ -	\$ 260,000	[c]
\$ 19,016	\$ 99,835	\$ 57,049	\$ 175,900	
\$ 77,469	\$ 681,836	\$ 169,563	\$ 928,869	

Citywide Overhead

Description	Est. C'wide Overhead
Estimated Citywide Overhead	\$ 894,971
Total	\$ 894,971

Allocation				
Department Admin	Sworn	Non-Sworn	Subtotal	Notes
\$ 96,754	\$ 507,957	\$ 290,261	\$ 894,971	[d]
\$ 96,754	\$ 507,957	\$ 290,261	\$ 894,971	

Total Allocable Expenditures

Description	Amount
Labor	\$ 5,324,765
Non-Labor	\$ 928,869
Estimated Citywide Overhead	\$ 894,971
Total	\$ 7,148,605
Adjustment for Secondary Allocation	
Adjusted Allocation	

Allocation				
Department Admin	Sworn	Non-Sworn	Subtotal	Notes
\$ 815,340	\$ 3,338,393	\$ 1,171,032	\$ 5,324,765	
\$ 77,469	\$ 681,836	\$ 169,563	\$ 928,869	
\$ 96,754	\$ 507,957	\$ 290,261	\$ 894,971	
\$ 989,563	\$ 4,528,186	\$ 1,630,856	\$ 7,148,605	
\$ (989,563)	\$ 629,722	\$ 359,841	\$ -	[e]
\$ -	\$ 5,157,908	\$ 1,990,697	\$ 7,148,605	[e]

Calculation of Fully-Burdened Hourly Rate

Description	Sworn	Non-Sworn	Notes
Allocable Expenses	\$ 5,157,908	\$ 1,990,697	
Direct Service Hours	36,722	20,010	[f]
Hourly Rate	\$ 140	\$ 99	< Hourly Rate

Reasonableness Audit

Reasonableness of Hourly Rate Calculation

Fee Related Revenue	Sworn	Non-Sworn	Notes
Calculated Hourly Rate	\$ 140	\$ 99	

- <<< 1 - Hourly rate for sworn personnel is significantly higher due to higher salary, benefits, and vehicle expenses.
- 2 - Hourly rate based on conservative estimates of leave and direct service hours (i.e. assumes high productivity).
- 3 - Hourly rate driven, in-part, by departmental overhead layer within PD (e.g. Chief, Cptns, Secretary).

[a] See "Allocation of Annual Labor Effort" worksheet.
 [b] Adjustment to exclude expenditures not associated with fee-related services examined in this study.
 [c] Amount adjusted to represent typical City allocation. FY 17/18 adopted amount was a temporary deferral as part of a budget balancing strategy associated with non-renewal of parcel tax.
 [d] See abbreviated central service cost allocation prepared for this study.
 [e] Re-allocation of departmental overhead to sworn and non-sworn personnel based on FTE count.
 [f] See "Allocation of Annual Labor Effort" worksheet. Direct service hours for sworn personnel includes direct service hours for captains.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - Police

Fee Description		Estimated Labor Hours			Hourly Rate		Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
		Sworn	Non - Sworn	Total	\$ 140	\$ 99						
					Sworn	Non - Sworn						
1	Clearance Letters	0.67	0.08	0.75	\$ 94	\$ 8	\$ 102	\$10	10%		\$25	
2	Vehicle Impound / Release	0.75	0.25	1.00	\$ 105	\$ 25	\$ 130	\$100	77%	100%	\$130	
3	Repossessed Vehicle Fee			-	\$ -	\$ -	\$ -				\$15	
4	Police Report	-	0.25	0.25	\$ -	\$ 25	\$ 25	\$2.50	10%	81%	\$20	
5	Audio / Recording Reproduction	-	-	-	\$ -	\$ -	\$ -				T&M	
6	Citation Sign-Off	-	0.33	0.33	\$ -	\$ 33	\$ 33	\$5	15%	31%	\$10	
7	Booking Fee	0.75	1.75	2.50	\$ 105	\$ 173	\$ 278	\$215	77%	100%	\$278	
8	False Burgler Alarm Response											
	a) First	0.67	0.33	1.00	\$ 94	\$ 33	\$ 126	\$0	0%	0%	\$0	
	b) Second	0.67	0.33	1.00	\$ 94	\$ 33	\$ 126	\$50	40%	40%	\$50	
	c) Third	0.67	0.33	1.00	\$ 94	\$ 33	\$ 126	\$75	59%	59%	\$75	
	d) 4th and each additional in 365 days	0.67	0.33	1.00	\$ 94	\$ 33	\$ 126	\$100	79%	99%	\$125	
9	False Robbery Alarm Response											
	a) First	0.67	0.33	1.00	\$ 94	\$ 33	\$ 126	\$50	40%	40%	\$50	
	b) Second and each additional in 365 days	0.67	0.33	1.00	\$ 94	\$ 33	\$ 126	\$100	79%	99%	\$125	
10	Loud/Unruly Assemblages (Per officer, per hour)	1.00	-	1.00	\$ 140	\$ -	\$ 140	\$75	54%	100%	\$140	

Special Event, Gathering, Block Party, Banner Hanging, and Pea Fowl Trapping Fees
Cost of Service and Cost Recovery Analysis

Contents
Allocation of Annual Service Effort - Admin Coordination and Street Crew Support
Hourly Rate Calculation
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Special Event and Filming Administrative Support and Coordination

Position	Admin Analyst	Note
Assumptions Regarding Labor Hours		
Annual Paid Hours Per FTE	2,080	[a]
Est. Annual Leave Hours Per FTE	<u>216</u>	[b]
Est. Productive Hours Per FTE	1,864	[c]
Specific Employee Information		
Employee Assignment for this Analysis	1.00	
Annual Salary	\$ 89,235	
Annual Benefits	\$ 22,450	
Annual Contract Svcs	<u>\$ -</u>	
Total Annual Labor Costs	\$ 111,685	
Salary and Wage Rate Per Paid Hour	\$ 43	
Benefit Rate Per Paid Hour	\$ 11	
Contract Svc Rate Per Paid Hour	<u>\$ -</u>	
Total Labor Hourly Rate Per Paid Hour	\$ 54	
Divisional Assignment		
Share Assigned to this Division	100%	
Employee Assigned to this Division for Analysis	1.00	
Annual Salary Assigned to this Division	\$ 89,235	
Annual Benefits Assigned to this Division	\$ 22,450	
Annual Contract Svcs Assigned to this Division	<u>\$ -</u>	
Total Annual Labor Costs	\$ 111,685	
Est. Annual Hours Assigned to this Division	2,080	
Est. Annual Leave Assigned to this Division	<u>216</u>	
Est. Productive Hours Assigned to this Division	1,864	
Labor Rate Per Productive Hour	\$ 60	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Special Event and Filming Administrative Support and Coordination

Position	Admin Analyst	Note
Allocation of Productive Hrs to this Division (%)		
Indirect Activities and Services		
General Admin; Mgmt; Policies; Procedures	10%	
Total Indirect Activities and Svcs	10%	
Direct Activities and Services		
Direct Activities and Services	90%	
Total Direct Activities and Services	90%	
Total	100%	
Allocation of Productive Hours (Hours)		
Indirect Activities and Services		
General Admin; Mgmt; Policies; Procedures	186	
Total Indirect Activities and Svcs	186	
Direct Activities and Services		
Direct Activities and Services	1,678	
Total Direct Activities and Services	1,678	
Total	1,864	

[a] Assumes 40 hours per week, 52 weeks per year (40*52 = 2,080) for full-time employees.

[b] Assumes 12 holidays, 10 vacation days, 5 sick days for in-house staff. No leave assumed for contract service support.

[c] Productive hours represent hours available for work after accounting for annual leave.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Special Event and Filming Administrative Support and Coordination

Labor and Contract Services Expenditures [a]

Description	Total	Notes
Salaries	\$ 89,235	[a]
Benefits	\$ 22,450	[a]
Contract Svcs	\$ -	[a]
Total	\$ 111,685	

Indirect Cost Allocation [b]

Description	FY 2017/18 Budget	Adjustment	Subtotal	Notes
De Minimus	\$ 11,169	\$ -	\$ 11,169	[b]
Total	\$ 11,169	\$ -	\$ 11,169	

Total Allocable Expenditures

Description	Amount	Notes
Labor	\$ 111,685	
Indirect Costs	\$ 11,169	
Total	\$ 122,854	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Special Event and Filming Administrative Support and Coordination

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Indirect Services	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate	Notes	
Indirect Activities and Services									
General Admin; Mgmt; Policies; Procedures	10%	\$ 11,169	\$ 1,117	\$ 12,285	100%	\$ 12,285	\$ 7		
Total Indirect Activities and Svcs	10%	\$ 11,169	\$ 1,117	\$ 12,285		\$ 12,285	\$ 7		
Direct Activities and Services									
Direct Activities and Services	90%	\$ 100,517	\$ 10,052	\$ 110,568	100%	\$ 110,568	\$ 66	[c]	
Total Direct Activities and Services	90%	\$ 100,517	\$ 10,052	\$ 110,568	100%	\$ 110,568	\$ 66		
Total	100%	\$ 111,685	\$ 11,169	\$ 122,854	100%	\$ 122,854	\$ 73	< Hourly Rate	
							Direct Hours	1,678	[a]

Reasonableness Audit

Reasonableness of Hourly Rate Calculation

Fee Related Revenue	Total	Notes
Calculated Hourly Rate	\$ 73	

<<< High ratio of direct service hours and use of de minimus rate results in conservative outcome.

[a] See "Allocation of Annual Labor Effort" worksheet.

[b] Using de minimus allocation for indirect costs because this service is primarily performed by an indirect service center at the City. De minimus allocation results in a conservative ratio of indirect costs associated with this labor.

[c] This amount represents the costs of all direct activities and services provided by the Administrative Analyst. These costs will be primarily funded by a source other than fees.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Street Crew Support for Special Events, Banner Hanging, and Block Parties

Position	Streets & Parks Foreman and Maint Workers	Note
Assumptions Regarding Labor Hours		
Annual Paid Hours Per FTE	2,080	[a]
Est. Annual Leave Hours Per FTE	<u>216</u>	[b]
Est. Productive Hours Per FTE	1,864	[c]
Specific Employee Information		
Employee Assignment for this Analysis	5.00	
Annual Salary	\$ 343,227	
Annual Benefits	\$ 120,264	
Annual Contract Svcs	<u>\$ -</u>	
Total Annual Labor Costs	\$ 463,491	
Salary and Wage Rate Per Paid Hour	\$ 33	
Benefit Rate Per Paid Hour	\$ 12	
Contract Svc Rate Per Paid Hour	<u>\$ -</u>	
Total Labor Hourly Rate Per Paid Hour	\$ 45	
Divisional Assignment		
Share Assigned to this Division	100%	
Employee Assigned to this Division for Analysis	5.00	
Annual Salary Assigned to this Division	\$ 343,227	
Annual Benefits Assigned to this Division	\$ 120,264	
Annual Contract Svcs Assigned to this Division	<u>\$ -</u>	
Total Annual Labor Costs	\$ 463,491	
Est. Annual Hours Assigned to this Division	10,400	
Est. Annual Leave Assigned to this Division	<u>1,080</u>	
Est. Productive Hours Assigned to this Division	9,320	
Labor Rate Per Productive Hour	\$ 50	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Street Crew Support for Special Events, Banner Hanging, and Block Parties

Position	Streets & Parks Foreman and Maint Workers	Note
Allocation of Productive Hrs to this Division (%)		
Indirect Activities and Services		
General Admin; Mgmt; Policies; Procedures	10%	
Total Indirect Activities and Svcs	10%	
Direct Activities and Services		
Direct Activities and Services	90%	
Total Direct Activities and Services	90%	
Total	100%	
Allocation of Productive Hours (Hours)		
Indirect Activities and Services		
General Admin; Mgmt; Policies; Procedures	932	
Total Indirect Activities and Svcs	932	
Direct Activities and Services		
Direct Activities and Services	8,388	
Total Direct Activities and Services	8,388	
Total	9,320	

[a] Assumes 40 hours per week, 52 weeks per year (40*52 = 2,080) for full-time employees.

[b] Assumes 12 holidays, 10 vacation days, 5 sick days for in-house staff. No leave assumed for contract service support.

[c] Productive hours represent hours available for work after accounting for annual leave.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Street Crew Support for Special Events, Banner Hanging, and Block Parties

Labor and Contract Services Expenditures [a]

Description	Total	Notes
Salaries	\$ 343,227	[a]
Benefits	\$ 120,264	[a]
Contract Svcs	\$ -	[a]
Total	\$ 463,491	

Recurring Non-Labor Expenditures [b]

Description	FY 2017/18 Budget	Adjustment	Subtotal	Notes
61110 - Uniform Supply	\$ 5,700	\$ -	\$ 5,700	
61130 - Travel/Meetings	\$ 500	\$ -	\$ 500	
62290 - General Service	\$ 900	\$ -	\$ 900	
63305 - Auto Supplies	\$ 23,625	\$ (23,625)	\$ -	[b]
63310 - Safety Equipment	\$ 3,000	\$ (3,000)	\$ -	[b]
63330 - Radio Communications	\$ 12,000	\$ (12,000)	\$ -	[b]
63350 - Street Maintenance	\$ 20,000	\$ (20,000)	\$ -	[b]
63360 - Street/Traffic Sign	\$ 30,000	\$ (30,000)	\$ -	[b]
64425 - Professional Services	\$ 3,000	\$ (3,000)	\$ -	[b]
64430 - Contractual Services	\$ 2,800	\$ (2,800)	\$ -	[b]
64432 - Street Striping	\$ 25,000	\$ (25,000)	\$ -	[b]
64433 - Storm Drain Cleaning	\$ 23,000	\$ (23,000)	\$ -	[b]
64460 - Equipment Rent	\$ 3,000	\$ (3,000)	\$ -	[b]
66605 - Insurance Allocation	\$ 33,860	\$ -	\$ 33,860	
Total	\$ 186,385	\$ (145,425)	\$ 40,960	

Citywide Overhead

Description	Est. C'wide Overhead	Notes
Estimated Citywide Overhead	\$ 89,497	[c]
Total	\$ 89,497	

Total Allocable Expenditures

Description	Amount	Notes
Labor	\$ 463,491	
Non-Labor	\$ 40,960	
Estimated Citywide Overhead	\$ 89,497	
Total	\$ 593,948	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Street Crew Support for Special Events, Banner Hanging, and Block Parties

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Non-Labor	Citywide Overhead	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate	Notes	
Indirect Activities and Services										
General Admin; Mgmt; Policies; Procedures	10%	\$ 46,349	\$ 4,096	\$ 8,950	\$ 59,395	100%	\$ 59,395	\$ 7		
Total Indirect Activities and Svcs	10%	\$ 46,349	\$ 4,096	\$ 8,950	\$ 59,395		\$ 59,395	\$ 7		
Direct Activities and Services										
Direct Activities and Services	90%	\$ 417,142	\$ 36,864	\$ 80,547	\$ 534,553	100%	\$ 534,553	\$ 64	[d]	
Direct Activities and Services	90%	\$ 417,142	\$ 36,864	\$ 80,547	\$ 534,553	100%	\$ 534,553	\$ 64		
Total	100%	\$ 463,491	\$ 40,960	\$ 89,497	\$ 593,948	100%	\$ 593,948	\$ 71	< Hourly Rate	
								Direct Hours	8,388	[a]

Reasonableness Audit

Reasonableness of Hourly Rate Calculation

Fee Related Revenue	Total	Notes
Calculated Hourly Rate	\$ 71	

<<< High ratio of direct service hours results in conservative outcome.

- [a] See "Allocation of Annual Labor Effort" worksheet.
- [b] Adjustment to exclude expenditures not associated with fee-related services examined in this study.
- [c] See abbreviated central service cost allocation prepared for this study. Adjusted to account for significant non-fee related service expenditures budgeted to this division.
- [d] This amount represents the costs of all direct activities and services provided by the Street Foreman and Street Maintenance Workers. These costs will be primarily funded by a source other than fees.

City of Palos Verdes Estates
 User and Regulatory Fee Study

Calculation of Estimated Cost of Service - Special Events, Gatherings, Block Parties

Fee Description		Estimated Labor Hours					Hourly Rate				Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
		Admin	PD Chief	PW Dir	Street Crew	Total	\$ 73	\$ 140	\$ 183	\$ 71						
1	Special Event															
	a) Without Traffic Impact	1.00	0.25	0.25		1.50	\$ 73	\$ 35	\$ 46	\$ -	\$ 154	\$150	98%	98%	\$150	
	b) With Traffic Impact	1.50	0.25	0.25	2.00	4.00	\$ 110	\$ 35	\$ 46	\$ 142	\$ 332	\$150	45%	90%	\$300	
2	Group Gathering	1.00	0.17	0.17		1.33	\$ 73	\$ 23	\$ 31	\$ -	\$ 127	\$50	39%	59%	\$75	
3	Block Party	1.00		0.17	2.00	3.17	\$ 73	\$ -	\$ 31	\$ 142	\$ 246	\$0	0%	0%	\$0	
4	Banner Permit	0.50		0.17	2.00	2.67	\$ 37	\$ -	\$ 31	\$ 142	\$ 210	\$0	0%	0%	\$0	
5	Pea Fowl Trapping (per week)				6.00	6.00	\$ -	\$ -	\$ -	\$ 426	\$ 426	\$0	0%	94%	\$400	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - Film Permit

Fee Description		Estimated Labor Hours					Hourly Rate				Est. Cost of Svc.	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
		Admin	PD Chief	PW Dir	Street Crew	Total	\$ 73	\$ 140	\$ 183	\$ 71						
1	General Use Fee:															
	Motion Filming	6.00	1.00			7.00	\$ 438	\$ 140	\$ -	\$ -	\$ 578	\$300	52%	99%	\$575	
	Still Filming	3.00	0.25			3.25	\$ 219	\$ 35	\$ -	\$ -	\$ 254	\$150	59%	98%	\$250	

Clerk / Administrative Fees
Cost of Service and Cost Recovery Analysis

Contents
Allocation of Annual Service Effort - Clerk
Hourly Rate Calculation
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Admin / Clerk

Position	Admin Analyst	Note
Assumptions Regarding Labor Hours		
Annual Paid Hours Per FTE	2,080	[a]
Est. Annual Leave Hours Per FTE	<u>216</u>	[b]
Est. Productive Hours Per FTE	1,864	[c]
Specific Employee Information		
Employee Assignment for this Analysis	1.00	
Annual Salary	\$ 89,235	[d]
Annual Benefits	\$ 22,450	[d]
Annual Contract Svcs	<u>\$ -</u>	
Total Annual Labor Costs	\$ 111,685	
Salary and Wage Rate Per Paid Hour	\$ 43	
Benefit Rate Per Paid Hour	\$ 11	
Contract Svc Rate Per Paid Hour	<u>\$ -</u>	
Total Labor Hourly Rate Per Paid Hour	\$ 54	
Divisional Assignment		
Share Assigned to this Division	100%	
Employee Assigned to this Division for Analysis	1.00	
Annual Salary Assigned to this Division	\$ 89,235	
Annual Benefits Assigned to this Division	\$ 22,450	
Annual Contract Svcs Assigned to this Division	<u>\$ -</u>	
Total Annual Labor Costs	\$ 111,685	
Est. Annual Hours Assigned to this Division	2,080	
Est. Annual Leave Assigned to this Division	<u>216</u>	
Est. Productive Hours Assigned to this Division	1,864	
Labor Rate Per Productive Hour	\$ 60	

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Allocation of Annual Labor Effort - Admin / Clerk

Position	Admin Analyst	Note
Allocation of Productive Hrs to this Division (%)		
Indirect Activities and Services		
General Admin; Mgmt; Policies; Procedures	10%	
Total Indirect Activities and Svcs	10%	
Direct Activities and Services		
Direct Activities and Services	90%	
Total Direct Activities and Services	90%	
Total	100%	
Allocation of Productive Hours (Hours)		
Indirect Activities and Services		
General Admin; Mgmt; Policies; Procedures	186	
Total Indirect Activities and Svcs	186	
Direct Activities and Services		
Direct Activities and Services	1,678	
Total Direct Activities and Services	1,678	
Total	1,864	

[a] Assumes 40 hours per week, 52 weeks per year (40*52 = 2,080) for full-time employees.

[b] Assumes 12 holidays, 10 vacation days, 5 sick days for in-house staff. No leave assumed for contract service support.

[c] Productive hours represent hours available for work after accounting for annual leave.

[d] Deputy City Clerk position is vacant, using Administrative Analyst salary and benefits as a reasonable estimate for anticipated direct labor costs associated with admin/clerk support.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Fully-Burdened Hourly Rate Calculation - Admin / Clerk

Labor and Contract Services Expenditures [a]

Description	Total	Notes
Salaries	\$ 89,235	[a]
Benefits	\$ 22,450	[a]
Contract Svcs	\$ -	[a]
Total	\$ 111,685	

Indirect Cost Allocation [b]

Description	FY 2017/18 Budget	Adjustment	Subtotal	Notes
De Minimus	\$ 11,169	\$ -	\$ 11,169	[b]
Total	\$ 11,169	\$ -	\$ 11,169	

Total Allocable Expenditures

Description	Amount	Notes
Labor	\$ 111,685	
Indirect Costs	\$ 11,169	
Total	\$ 122,854	

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Indirect Services	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate	Notes	
Indirect Activities and Services									
General Admin; Mgmt; Policies; Procedures	10%	\$ 11,169	\$ 1,117	\$ 12,285	100%	\$ 12,285	\$ 7		
Total Indirect Activities and Svcs	10%	\$ 11,169	\$ 1,117	\$ 12,285		\$ 12,285	\$ 7		
Direct Activities and Services									
Direct Activities and Services	90%	\$ 100,517	\$ 10,052	\$ 110,568	100%	\$ 110,568	\$ 66	[c]	
Total Direct Activities and Services	90%	\$ 100,517	\$ 10,052	\$ 110,568	100%	\$ 110,568	\$ 66		
Total	100%	\$ 111,685	\$ 11,169	\$ 122,854	100%	\$ 122,854	\$ 73	< Hourly Rate	
							Direct Hours	1,678	[a]

Reasonableness Audit

Reasonableness of Hourly Rate Calculation

Fee Related Revenue	Total	Notes
Calculated Hourly Rate	\$ 73	

<<< High ratio of direct service hours and use of de minimus rate results in conservative outcome.

[a] See "Allocation of Annual Labor Effort" worksheet.

[b] Using de minimus allocation for indirect costs because this service is primarily performed by an indirect service center at the City. De minimus allocation results in a conservative ratio of indirect costs associated with this labor.

[c] This amount represents the costs of all direct activities and services provided by the Administrative Analyst. These costs will be primarily funded by a source other than fees.

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Calculation of Estimated Cost of Service - Admin / Clerk

Fee Description		Est. Hours	Admin	Est. Labor	Est. Mtls Costs	Est. Cost of Service	Current Est. Fee *	Current Est. Cost Recovery	Targeted Cost Recovery	Proposed Fee	Note
1	General Copying (Public Records)										
	a) 8.5 x 11" (letter) or 8.5 x 14" (legal)	0.003	x \$ 73 =	\$ 0.24	+ \$ 0.04 =	\$ 0.28	\$0.20	71%		\$0.20	
	b) 11 x 17"	0.003	x \$ 73 =	\$ 0.24	+ \$ 0.04 =	\$ 0.28	\$0.25	88%		\$0.25	
	c) Oversize / All Others						Actual + 20% Admin			Actual + 20% Admin	
2	Electronic Records										
	a) Records Currently Stored Electronically						No Charge			No Charge	
	b) Documents Scanned for Email	0.005	x \$ 73 =	\$ 0.37		= \$ 0.37	\$0.20	55%		\$0.20	
	c) Documents Req'rg Formatting, Programming, Development, etc.									T & M	[a]
3	Audio / Digital Media	0.08	x \$ 73 =	\$ 6.08	+ \$ 8 =	\$ 14.08	\$6.00	43%		\$6.00	
4	Video Media									Actual + 20% Admin	

[a] Bill hourly at fully burdened hourly rate, plus pass-through of any outside services costs.

Community Planning Fee
Cost of Service and Cost Recovery Analysis

Contents
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Community Planning Fee
 Cost of Service Calculation

Annual Revenue Requirement

Description	Total	Amortization / Update Frequency	Annual Cost	Notes
Estimated In-House Annual Labor Costs	\$ 22,868	1	\$ 22,868	[a]
Housing Update	\$ 50,000	8	\$ 6,250	[b]
General Plan Update	\$ 750,000	15	\$ 50,000	[b]
Total			\$ 79,118	

Calculation of Fee at Full Cost Recovery

Description	Total	Notes
Annual Revenue Requirement	\$ 79,118	
Est. Annual Construction Valuation	\$ 18,733,477	[c][d]
Community Planning Fee as a % of Construction Valuation	0.42%	

Cost Recovery Analysis

Description	Current Fee	Fee at Full Cost Recovery	Current Cost Recovery	Proposed Cost Recovery	Proposed Fee
Community Planning Fee	0.00%	0.42%	0%	100%	0.42%

[a] See Planning Hourly Rate Calculation and Annual Allocation of Labor Time worksheets.

[b] Conservative estimates of Housing Update and General Plan Update Costs. Actual amounts will likely be higher than amounts shown.

[c] Source: FY 17/18 adopted budget. Amount shown represents FY 15/16 construction permit valuation. Amounts will vary annually.

[d] For administrative efficiency the fee will be collected as part of the building permit fee. The vast majority of planning fee-related services, and engineering fee-related services are associated with active building permit applications or will ultimately lead to building permit applications. Permit valuation is a readily available metric that provides a reasonable correlation to cost on a repeatable basis (i.e. more complex projects have higher valuations, and typically rely more heavily on community planning documents for approval (e.g. drainage standards, zoning code, General Plan elements).

Technology Enhancement Fee
Cost of Service and Cost Recovery Analysis

Contents
Cost of Service and Cost Recovery Analysis

City of Palos Verdes Estates
 User and Regulatory Fee Study
 Technology Enhancement Fee
 Cost of Service Calculation

Annual Revenue Requirement

Description	Total	Amortization / Update Frequency	Annual Cost	Notes
Estimated Technology Enhancement Costs	\$ 1,500,000	10	\$ 150,000	[a]
Total			\$ 150,000	

Allocation to Development Services

Internal Direct Service Departments	Count	Allocation for Tech Enhancement Fee	Notes
Planning	1	1	[b]
Building	1	1	[b]
Public Works	1	-	[c]
Streets	1	-	[c]
Parks	1	-	[c]
Police	1	-	[c]
Total	6	2	

Calculation of Fee at Full Cost Recovery

Description	Total	Notes
Annual Revenue Requirement from Dev Svcs	\$ 50,000	
Est. Annual Construction Valuation	\$ 18,733,477	[d][e]
Technology Enhancement Fee as a % of Construction	0.27%	

Cost Recovery Analysis

Description	Current Fee	Fee at Full Cost Recovery	Current Cost Recovery	Proposed Cost Recovery	Proposed Fee
Technology Enhancement Fee	0.00%	0.27%	0%	100%	0.27%

[a] Assumes \$1.5M investment over a 10-year time horizon. Includes digitization, permit processing systems, GIS systems, financial systems, etc. These amounts are in addition to currently annually budgeted amounts for software licensing, website support, svcs and supplies purchases, etc. This is intended to represent a conservative estimate.

[b] The primary services provided by these departments are fee-related.

[c] This is intended to represent a conservative allocation. Although Public Works, Streets, Parks, and Police all provide some fee-related services, their primary services to the City are non-fee related. Consequently, it is assumed that Technology Enhancement costs benefitting these departments will be funded by a resource other than fees; typically the General Fund.

[d] Source: FY 17/18 adopted budget. Amount shown represents FY 15/16 construction permit valuation. Amounts will vary annually.

[e] For administrative efficiency the fee will be collected as part of the building permit fee. The vast majority of planning fee-related services are associated with active building permit applications or will ultimately lead to building permit applications. Permit valuation is a readily available metric that provides a reasonable correlation to cost on a repeatable basis (i.e. more complex projects have higher valuations, and typically involve more digitizing, more extensive permit processing and tracking, more financial transactions, more use of GIS imagery, etc.

Fiscal Impact Analysis

Contents
Fiscal Impact at 80% Cost Recovery
Fiscal Impact at 90% Cost Recovery
Fiscal Impact at 100% Cost Recovery

City of Palos Verdes Estates
Fiscal Impact Analysis of Proposed Fee Changes

Revenue Impact Assuming 80% Cost Recovery

Revenue Category / Description				FY 17/18 Budget	Est. Revenue Increase at Full Cost Recovery	Revenue After Fee Changes	Revenue Impact at Full Cost Recovery	Target Cost Recovery	Revenue After Fee Changes	Revenue Impact at Target Cost Recovery	General Fd Subsidy at Target Cost Recovery	Adjust for Contract Svcs	Net Revenue Impact
Building Revenues													
1	01	37100	CONSTRUCTION PERMITS	\$ 425,000	29%	\$ 550,159	\$ 125,159	80%	\$ 440,127	\$ 15,127	\$ 110,032	\$ (8,601)	\$ 6,526
2	01	37101	REISSUED BUILDING PERMIT	\$ 12,000	29%	\$ 15,534	\$ 3,534	80%	\$ 12,427	\$ 427	\$ 3,107	\$ (243)	\$ 184
3	01	37210	RESIDENTIAL RESALE REPOR	\$ 22,000	29%	\$ 28,479	\$ 6,479	80%	\$ 22,783	\$ 783	\$ 5,696	\$ (445)	\$ 338
4	01	37220	GRADING/FILLING	\$ 25,000	29%	\$ 32,362	\$ 7,362	80%	\$ 25,890	\$ 890	\$ 6,472	\$ (506)	\$ 384
3	01	37240	PLAN CHECK	\$ 220,000	29%	\$ 284,788	\$ 64,788	80%	\$ 227,830	\$ 7,830	\$ 56,958	\$ (4,452)	\$ 3,378
Subtotal				\$ 704,000		\$ 911,322	\$ 207,322		\$ 729,057	\$ 25,057	\$ 182,264	\$ (14,247)	\$ 10,810
Current Planning Revenues													
1	01	37250	NEIGHBORHOOD COMP. REVIE	\$ 50,000	166%	\$ 132,965	\$ 82,965	80%	\$ 106,372	\$ 56,372	\$ 26,593	\$ -	\$ 56,372
2	01	37260	SITE PLAN REVIEW	\$ 15,000	101%	\$ 30,222	\$ 15,222	80%	\$ 24,178	\$ 9,178	\$ 6,044	\$ -	\$ 9,178
3	01	36155	MAILING MATRIX	\$ 15,000	37%	\$ 20,571	\$ 5,571	80%	\$ 16,457	\$ 1,457	\$ 4,114	\$ -	\$ 1,457
4	01	37230	MISCELLANEOUS PLANNING	\$ 80,000	108%	\$ 166,400	\$ 86,400	80%	\$ 133,120	\$ 53,120	\$ 33,280	\$ -	\$ 53,120
Subtotal				\$ 160,000		\$ 350,159	\$ 190,159		\$ 280,127	\$ 120,127	\$ 70,032	\$ -	\$ 120,127
Public Works													
1	01	37110	MISC PUBLIC WORKS PERMIT	\$ 100,000	39%	\$ 138,505	\$ 38,505	80%	\$ 110,804	\$ 10,804	\$ 27,701	\$ -	\$ 10,804
Subtotal				\$ 100,000		\$ 138,505	\$ 38,505		\$ 110,804	\$ 10,804	\$ 27,701	\$ -	\$ 10,804
Police													
1	01	36105	BOOKING FEES	\$ 4,000	29%	\$ 5,172	\$ 1,172	80%	\$ 4,138	\$ 138	\$ 1,034	\$ -	\$ 138
2	01	36120	FALSE ALARM	\$ 3,000	varies	\$ 3,000	\$ -	varies	\$ 3,000	\$ -	\$ -	\$ -	\$ -
3	01	36130	COPY SALES, CERTIFICATIO	\$ 2,000	varies	\$ 20,000	\$ 18,000	varies	\$ 16,000	\$ 14,000	\$ 4,000	\$ -	\$ 14,000
4	01	36146	VEHICLE IMPOUND FEES	\$ 15,000	30%	\$ 19,500	\$ 4,500	80%	\$ 15,600	\$ 600	\$ 3,900	\$ -	\$ 600
Subtotal				\$ 24,000		\$ 47,672	\$ 23,672		\$ 38,738	\$ 14,738	\$ 8,934	\$ -	\$ 14,738
Community Planning Revenues													
1	01	TBD	COMMUNITY PLANNING FEE	\$ -	n/a	\$ 79,118	\$ 79,118	80%	\$ 63,294	\$ 63,294	\$ 15,824	\$ (44,939)	\$ 18,355
Subtotal				\$ -		\$ 79,118	\$ 79,118		\$ 63,294	\$ 63,294	\$ 15,824	\$ (44,939)	\$ 18,355
Technology Enhancement Fee Revenues													
1	01	TBD	TECH ENHANCEMENT FEE	\$ -	n/a	\$ 50,000	\$ 50,000	80%	\$ 40,000	\$ 40,000	\$ 10,000	\$ -	\$ 40,000
Subtotal				\$ -		\$ 50,000	\$ 50,000		\$ 40,000	\$ 40,000	\$ 10,000	\$ -	\$ 40,000
Total Revenues Impacted by Fee Schedule Update				\$ 988,000		\$ 1,576,776	\$ 588,776		\$ 1,262,021	\$ 274,021	\$ 314,755	\$ (59,186)	\$ 214,835

City of Palos Verdes Estates
 Fiscal Impact Analysis of Proposed Fee Changes

Revenue Impact Assuming 90% Cost Recovery

Revenue Category / Description				FY 17/18 Budget	Est. Revenue Increase at Full Cost Recovery	Revenue After Fee Changes	Revenue Impact at Full Cost Recovery	Target Cost Recovery	Revenue After Fee Changes	Revenue Impact at Target Cost Recovery	General Fd Subsidy at Target Cost Recovery	Adjust for Contract Svcs	Net Revenue Impact
Building Revenues													
1	01	37100	CONSTRUCTION PERMITS	\$ 425,000	29%	\$ 550,159	\$ 125,159	90%	\$ 495,143	\$ 70,143	\$ 55,016	\$ (39,347)	\$ 30,795
2	01	37101	REISSUED BUILDING PERMIT	\$ 12,000	29%	\$ 15,534	\$ 3,534	90%	\$ 13,981	\$ 1,981	\$ 1,553	\$ (1,111)	\$ 870
3	01	37210	RESIDENTIAL RESALE REPOR	\$ 22,000	29%	\$ 28,479	\$ 6,479	90%	\$ 25,631	\$ 3,631	\$ 2,848	\$ (2,037)	\$ 1,594
4	01	37220	GRADING/FILLING	\$ 25,000	29%	\$ 32,362	\$ 7,362	90%	\$ 29,126	\$ 4,126	\$ 3,236	\$ (2,315)	\$ 1,811
3	01	37240	PLAN CHECK	\$ 220,000	29%	\$ 284,788	\$ 64,788	90%	\$ 256,309	\$ 36,309	\$ 28,479	\$ (20,368)	\$ 15,941
Subtotal				\$ 704,000		\$ 911,322	\$ 207,322		\$ 820,190	\$ 116,190	\$ 91,132	\$ (65,178)	\$ 51,012
Current Planning Revenues													
1	01	37250	NEIGHBORHOOD COMP. REVIE	\$ 50,000	166%	\$ 132,965	\$ 82,965	90%	\$ 119,669	\$ 69,669	\$ 13,297	\$ -	\$ 69,669
2	01	37260	SITE PLAN REVIEW	\$ 15,000	101%	\$ 30,222	\$ 15,222	90%	\$ 27,200	\$ 12,200	\$ 3,022	\$ -	\$ 12,200
3	01	36155	MAILING MATRIX	\$ 15,000	37%	\$ 20,571	\$ 5,571	90%	\$ 18,514	\$ 3,514	\$ 2,057	\$ -	\$ 3,514
4	01	37230	MISCELLANEOUS PLANNING	\$ 80,000	108%	\$ 166,400	\$ 86,400	90%	\$ 149,760	\$ 69,760	\$ 16,640	\$ -	\$ 69,760
Subtotal				\$ 160,000		\$ 350,159	\$ 190,159		\$ 315,143	\$ 155,143	\$ 35,016	\$ -	\$ 155,143
Public Works													
1	01	37110	MISC PUBLIC WORKS PERMIT	\$ 100,000	39%	\$ 138,505	\$ 38,505	90%	\$ 124,655	\$ 24,655	\$ 13,851	\$ -	\$ 24,655
Subtotal				\$ 100,000		\$ 138,505	\$ 38,505		\$ 124,655	\$ 24,655	\$ 13,851	\$ -	\$ 24,655
Police													
1	01	36105	BOOKING FEES	\$ 4,000	29%	\$ 5,172	\$ 1,172	90%	\$ 4,655	\$ 655	\$ 517	\$ -	\$ 655
2	01	36120	FALSE ALARM	\$ 3,000	varies	\$ 3,000	\$ -	varies	\$ 3,000	\$ -	\$ -	\$ -	\$ -
3	01	36130	COPY SALES, CERTIFICATIO	\$ 2,000	varies	\$ 20,000	\$ 18,000	varies	\$ 18,000	\$ 16,000	\$ 2,000	\$ -	\$ 16,000
4	01	36146	VEHICLE IMPOUND FEES	\$ 15,000	30%	\$ 19,500	\$ 4,500	90%	\$ 17,550	\$ 2,550	\$ 1,950	\$ -	\$ 2,550
Subtotal				\$ 24,000		\$ 47,672	\$ 23,672		\$ 43,205	\$ 19,205	\$ 4,467	\$ -	\$ 19,205
Community Planning Revenues													
1	01	TBD	COMMUNITY PLANNING FEE	\$ -	n/a	\$ 79,118	\$ 79,118	90%	\$ 71,206	\$ 71,206	\$ 7,912	\$ (50,556)	\$ 20,650
Subtotal				\$ -		\$ 79,118	\$ 79,118		\$ 71,206	\$ 71,206	\$ 7,912	\$ (50,556)	\$ 20,650
Technology Enhancement Fee Revenues													
1	01	TBD	TECH ENHANCEMENT FEE	\$ -	n/a	\$ 50,000	\$ 50,000	90%	\$ 45,000	\$ 45,000	\$ 5,000	\$ -	\$ 45,000
Subtotal				\$ -		\$ 50,000	\$ 50,000		\$ 45,000	\$ 45,000	\$ 5,000	\$ -	\$ 45,000
Total Revenues Impacted by Fee Schedule Update				\$ 988,000		\$ 1,576,776	\$ 588,776		\$ 1,419,399	\$ 431,399	\$ 157,378	\$ (115,734)	\$ 315,664

City of Palos Verdes Estates
Fiscal Impact Analysis of Proposed Fee Changes

Revenue Impact Assuming Target Cost Recovery

Revenue Category / Description				FY 17/18 Budget	Est. Revenue Increase at Full Cost Recovery	Revenue After Fee Changes	Revenue Impact at Full Cost Recovery	Target Cost Recovery	Revenue After Fee Changes	Revenue Impact at Target Cost Recovery	General Fd Subsidy at Target Cost Recovery	Adjust for Contract Svcs	Net Revenue Impact
Building Revenues													
1	01	37100	CONSTRUCTION PERMITS	\$ 425,000	29%	\$ 550,159	\$ 125,159	100%	\$ 550,159	\$ 125,159	\$ -	\$ (69,446)	\$ 55,713
2	01	37101	REISSUED BUILDING PERMIT	\$ 12,000	29%	\$ 15,534	\$ 3,534	100%	\$ 15,534	\$ 3,534	\$ -	\$ (1,961)	\$ 1,573
3	01	37210	RESIDENTIAL RESALE REPOR	\$ 22,000	29%	\$ 28,479	\$ 6,479	100%	\$ 28,479	\$ 6,479	\$ -	\$ (3,595)	\$ 2,884
4	01	37220	GRADING/FILLING	\$ 25,000	29%	\$ 32,362	\$ 7,362	100%	\$ 32,362	\$ 7,362	\$ -	\$ (4,085)	\$ 3,277
3	01	37240	PLAN CHECK	\$ 220,000	29%	\$ 284,788	\$ 64,788	100%	\$ 284,788	\$ 64,788	\$ -	\$ (35,949)	\$ 28,839
Subtotal				\$ 704,000		\$ 911,322	\$ 207,322		\$ 911,322	\$ 207,322	\$ -	\$ (115,036)	\$ 92,286
Current Planning Revenues													
1	01	37250	NEIGHBORHOOD COMP. REVIE	\$ 50,000	166%	\$ 132,965	\$ 82,965	100%	\$ 132,965	\$ 82,965	\$ -	\$ -	\$ 82,965
2	01	37260	SITE PLAN REVIEW	\$ 15,000	101%	\$ 30,222	\$ 15,222	100%	\$ 30,222	\$ 15,222	\$ -	\$ -	\$ 15,222
3	01	36155	MAILING MATRIX	\$ 15,000	37%	\$ 20,571	\$ 5,571	100%	\$ 20,571	\$ 5,571	\$ -	\$ -	\$ 5,571
4	01	37230	MISCELLANEOUS PLANNING	\$ 80,000	108%	\$ 166,400	\$ 86,400	80%	\$ 133,120	\$ 53,120	\$ 33,280	\$ -	\$ 53,120
Subtotal				\$ 160,000		\$ 350,159	\$ 190,159		\$ 316,879	\$ 156,879	\$ 33,280	\$ -	\$ 156,879
Public Works													
1	01	37110	MISC PUBLIC WORKS PERMIT	\$ 100,000	39%	\$ 138,505	\$ 38,505	100%	\$ 138,505	\$ 38,505	\$ -	\$ -	\$ 38,505
Subtotal				\$ 100,000		\$ 138,505	\$ 38,505		\$ 138,505	\$ 38,505	\$ -	\$ -	\$ 38,505
Police													
1	01	36105	BOOKING FEES	\$ 4,000	29%	\$ 5,172	\$ 1,172	100%	\$ 5,172	\$ 1,172	\$ -	\$ -	\$ 1,172
2	01	36120	FALSE ALARM	\$ 3,000	varies	\$ 3,000	\$ -	varies	\$ 3,000	\$ -	\$ -	\$ -	\$ -
3	01	36130	COPY SALES, CERTIFICATIO	\$ 2,000	varies	\$ 20,000	\$ 18,000	varies	\$ 16,000	\$ 14,000	\$ 4,000	\$ -	\$ 14,000
4	01	36146	VEHICLE IMPOUND FEES	\$ 15,000	30%	\$ 19,500	\$ 4,500	100%	\$ 19,500	\$ 4,500	\$ -	\$ -	\$ 4,500
Subtotal				\$ 24,000		\$ 47,672	\$ 23,672		\$ 43,672	\$ 19,672	\$ 4,000	\$ -	\$ 19,672
Community Planning Revenues													
1	01	TBD	COMMUNITY PLANNING FEE	\$ -	n/a	\$ 79,118	\$ 79,118	100%	\$ 79,118	\$ 79,118	\$ -	\$ (56,174)	\$ 22,944
Subtotal				\$ -		\$ 79,118	\$ 79,118		\$ 79,118	\$ 79,118	\$ -	\$ (56,174)	\$ 22,944
Technology Enhancement Fee Revenues													
1	01	TBD	TECH ENHANCEMENT FEE	\$ -	n/a	\$ 50,000	\$ 50,000	100%	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000
Subtotal				\$ -		\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Revenues Impacted by Fee Schedule Update				\$ 988,000		\$ 1,576,776	\$ 588,776		\$ 1,539,496	\$ 551,496	\$ 37,280	\$ (171,210)	\$ 380,287