

# City of South San Francisco

## User Fee Study



***City Council***  
June 28, 2017

# Key Issues Framing This Study

1

Compliant fee-for-service

2

Defensible methodology

3

Reasonable cost of providing services

4

Cost recovery

# Full Cost Allocation Plan

1

**Cost  
Allocation  
Plan**

*Allocates indirect costs*

# User Fee Study

2

User  
Fee  
Study

*Determines full cost  
recovery rate for user  
fees*

# Study Departments

Departments  
Included:



**City Clerk, City Manager & Finance**



**Economic & Comm Development**



**Police**



**Fire**



**Public Works - Engineering**



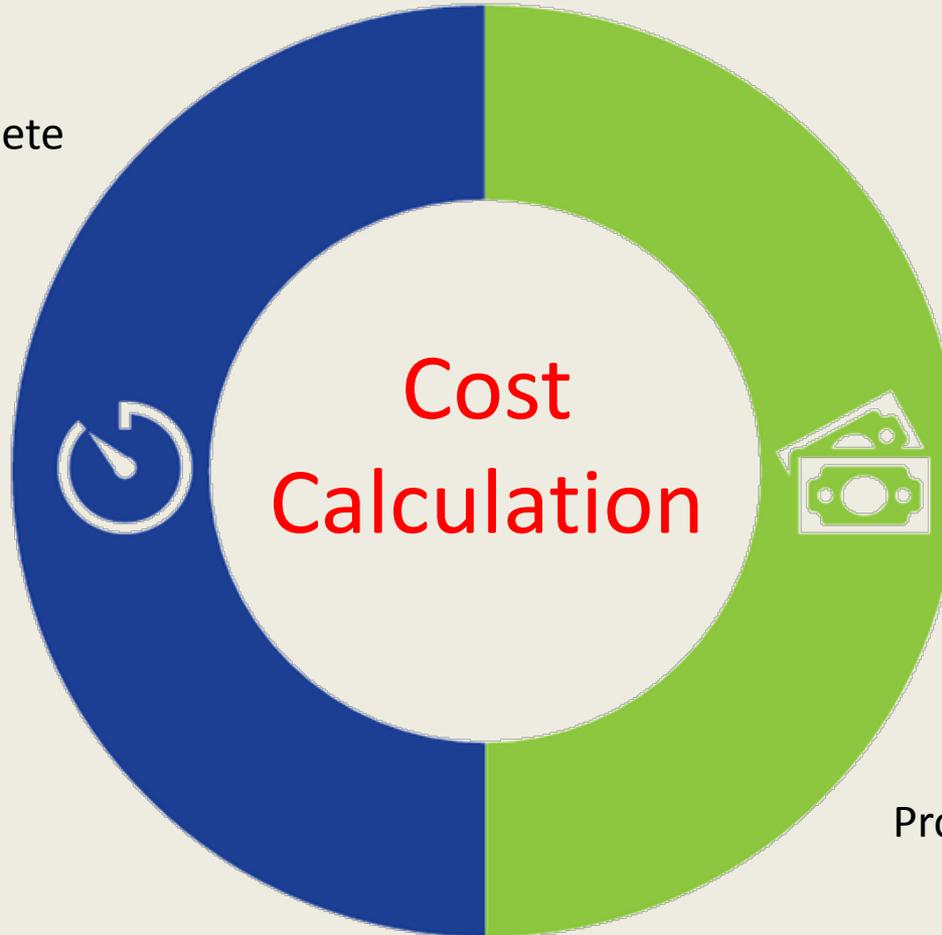
**Library**



**Parks & Recreation**

# Fee Study Methodology

Time to Complete



Productive Hourly Rate

# Fee Study Methodology – Defining “Total Cost”

Costs	Contents
Direct	Departmental Budget: Salaries and Benefits, Services and Supplies
Indirect	Department/Division: management, clerical, training. Citywide: HR, Finance, City Manager, etc.
Fee Specific	Pass-through costs, specific materials, etc.

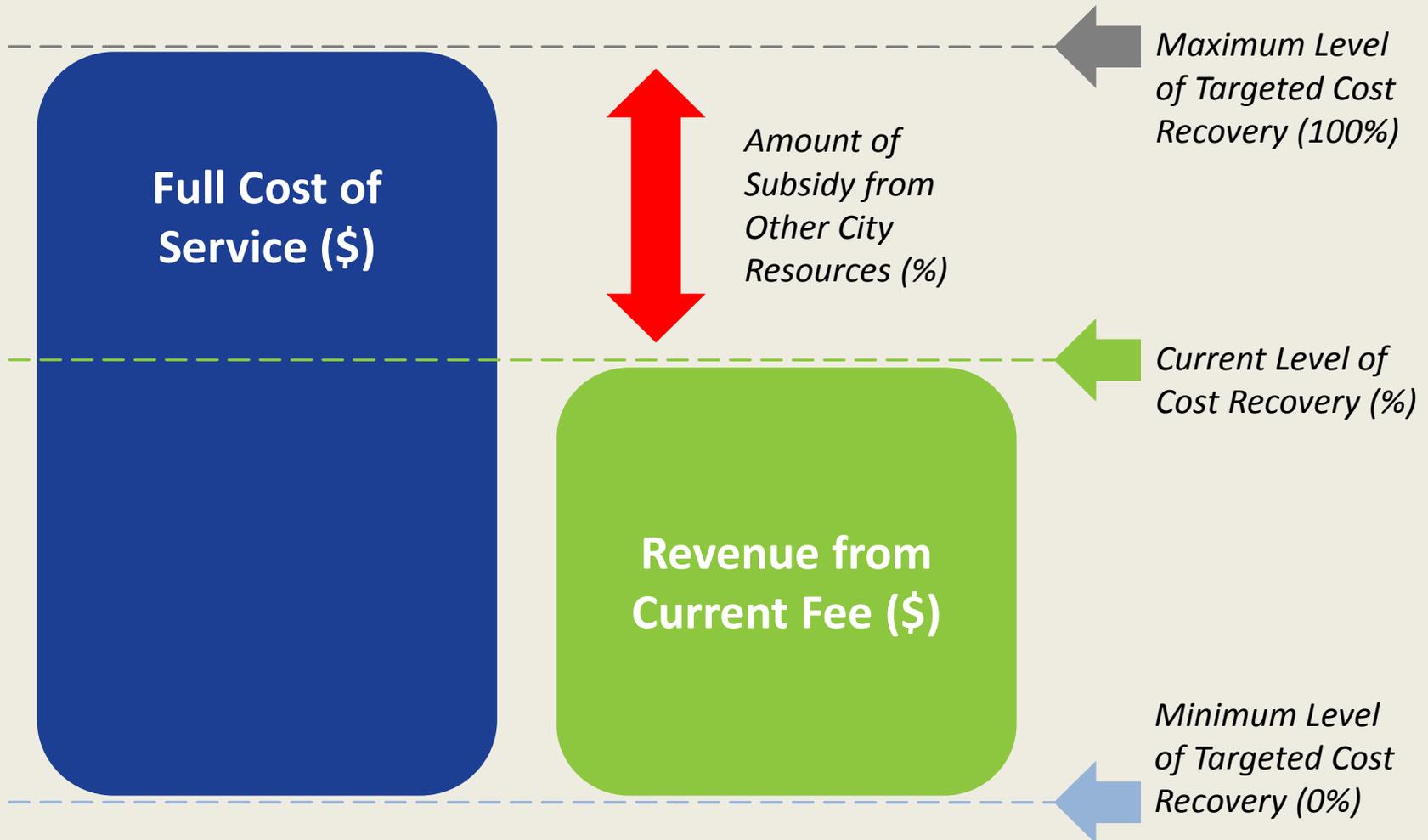
# Summary Results for Recommended Fees

Department / Division	Estimated Annual Current Fee Revenue	Estimated Annual Full Cost Recovery Fee Revenue	Annual Cost Recovery Surplus / (Deficit)	Current Cost Recovery Percentage	Amount of Cost Recovered per Staff-Recommended Fee Actions	Staff Recommended Cost Recovery Percentage
City Clerk	\$ 44,109	\$ 273,341	\$ (229,232)	16%	\$ 48,469	18%
City Manager	\$ 800	\$ 1,084	(284)	74%	\$ 1,084	100%
Finance	\$ 936	\$ 3,913	(2,977)	24%	\$ 714	18%
Econ & Comm Devt - Planning	\$ 475,428	\$ 878,931	(403,503)	54%	\$ 798,830	91%
Econ & Comm Devt - Building	\$ 4,605,467	\$ 7,923,947	(3,318,480)	58%	\$ 7,306,256	92%
Police	\$ 84,476	\$ 236,369	(151,893)	36%	\$ 222,321	94%
Fire	\$ 484,703	\$ 1,669,717	(1,185,014)	29%	\$ 1,649,038	99%
Public Works - Engineering	\$ 343,500	\$ 569,670	(226,170)	60%	\$ 569,670	100%
Library <sup>[1]</sup>	\$ -	\$ -	n/a	n/a	\$ -	n/a
Parks and Recreation <sup>[2]</sup>	\$ 4,197,053	\$ 6,989,816	(2,792,763)	60%	\$ 4,382,398	63%
General Plan Maintenance Fee	\$ 642,962	\$ 636,977	5,985	101%	\$ 636,977	100%
<b>Total <sup>[1]</sup></b>	<b>\$ 10,879,434</b>	<b>\$ 19,183,764</b>	<b>\$ (8,304,331)</b>	<b>57%</b>	<b>\$ 15,615,756</b>	<b>81%</b>

[1] Based on data available at the time of the study, the Library's results do not provide projected revenue outcomes

[2] Parks and Recreation Department analysis includes only Recreation programs and services in the cost analysis

# Cost Recovery Policy and Fee-Setting



# Fee Study Best Management Practices

1

Comprehensive fee study every 3 - 5 years

2

More frequent study during fluctuations

3

Annual increase mechanism

4

Combined Municipal Fee Schedule

5

Established and documented Cost Recovery Policy

# Discussion