

Comprehensive User Fee Study City of Carson



Presented By:
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Chu Thai, Vice President
Revenue & Cost Specialists, L.L.C.



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ABOUT RCS



- **Revenue & Cost Specialists founded in 1980**
Pioneered Matching Fee Revenues with Cost of the Services
Studied over 250 agencies in 5 states



Eric Johnson, President


31 years with RCS. Served over 100 agencies

- **Chu Thai, Vice President**


26 years governmental experience as Budget Manager and Finance Director

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COMPREHENSIVE STUDY




User Fees	Rent/Use	Fines
Identifiable user and cost for service	Identifiable user and rent/use fee set by market	Identifiable user and fine/citation to change behavior
Development & construction fees	Facility rental	Parking citation
Finance/Utility services	Park entry	Unpermitted construction
Recreation	Use of city property for filming	Code violations



Impact Fees, Utility Rates, Transit Rates, Grants, Taxes

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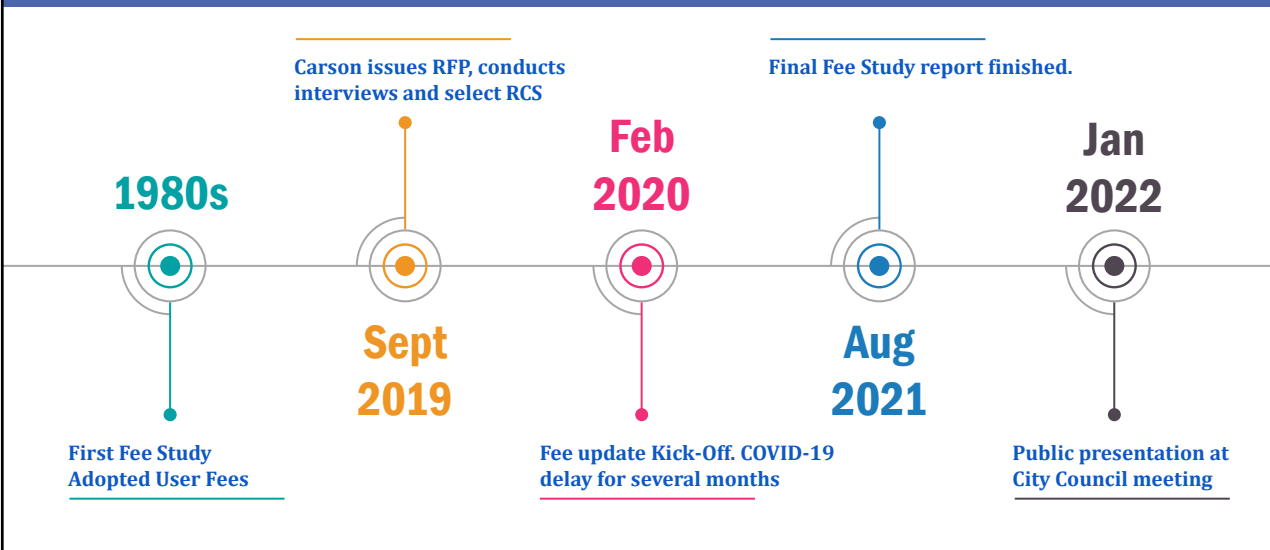


CARSON FEE UPDATE TIMELINE



Carson issues RFP, conducts interviews and select RCS

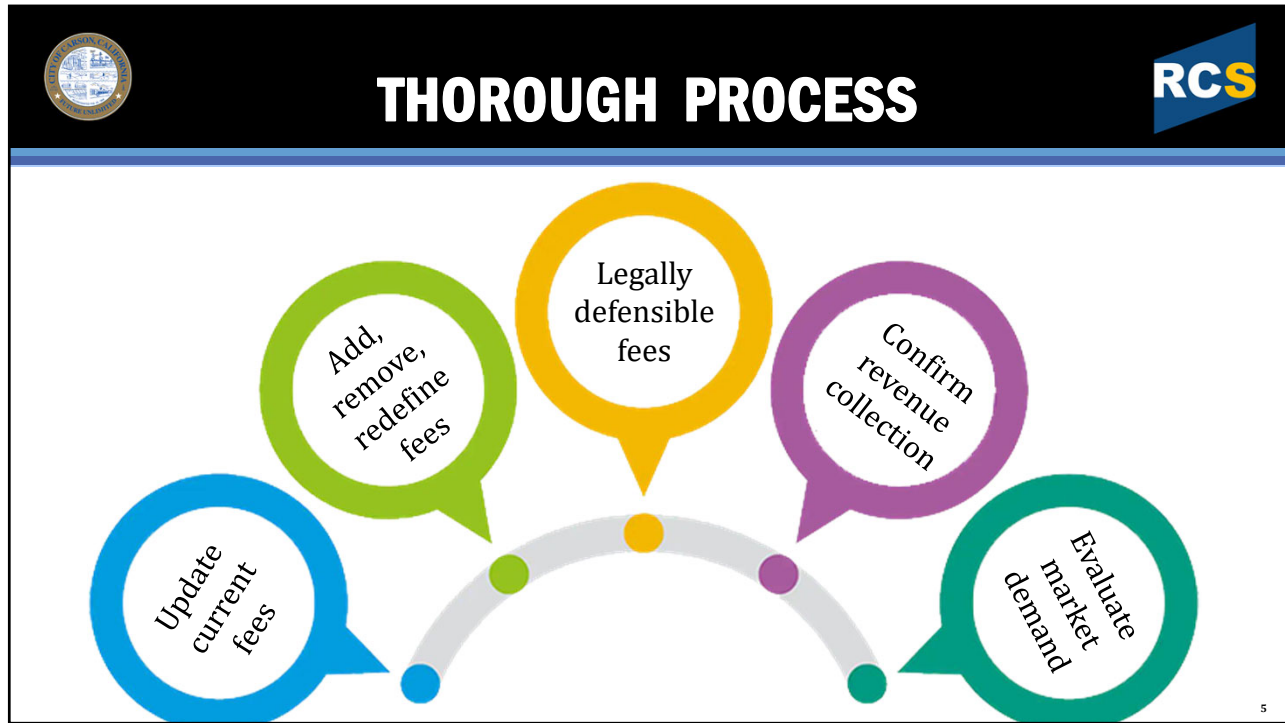
Final Fee Study report finished.



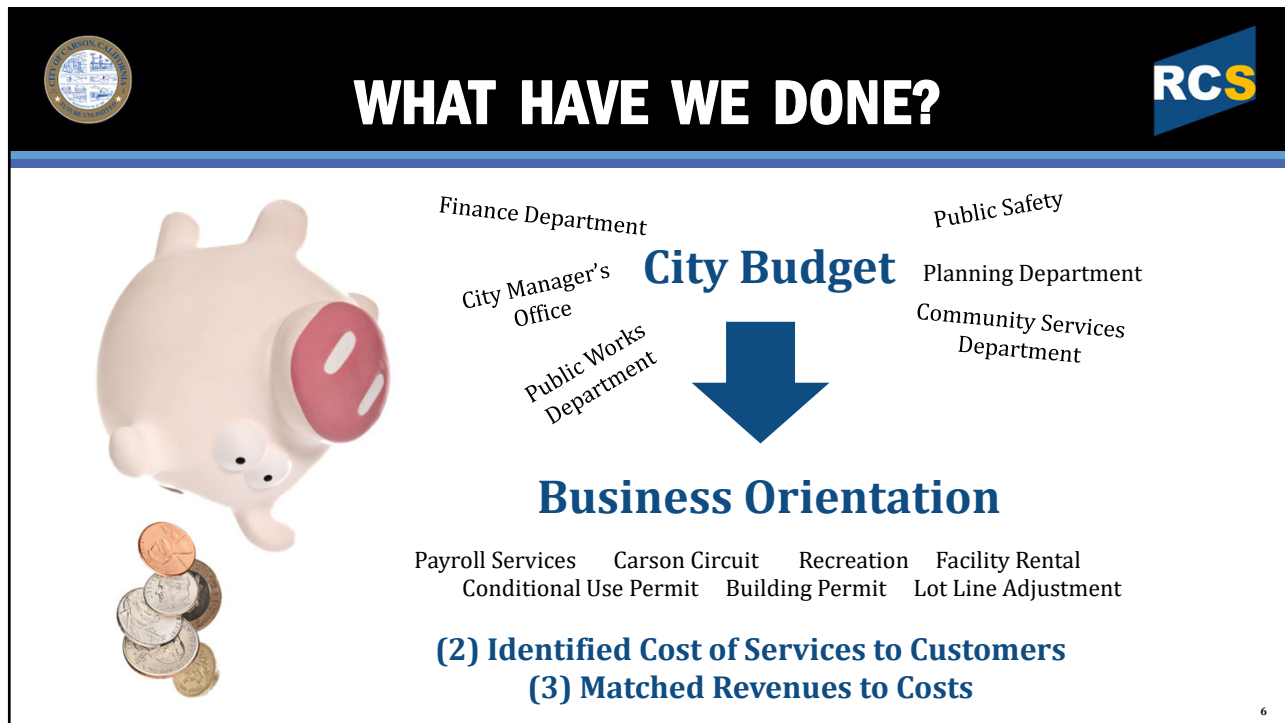
The timeline consists of a horizontal line with five circular markers. Each marker has a vertical line extending to a date and a horizontal line extending to a description. The markers are: 1. 1980s (teal), 2. Sept 2019 (orange), 3. Feb 2020 (pink), 4. Aug 2021 (blue), 5. Jan 2022 (black).

Date	Event
1980s	First Fee Study Adopted User Fees
Sept 2019	Carson issues RFP, conducts interviews and select RCS
Feb 2020	Fee update Kick-Off. COVID-19 delay for several months
Aug 2021	Final Fee Study report finished.
Jan 2022	Public presentation at City Council meeting

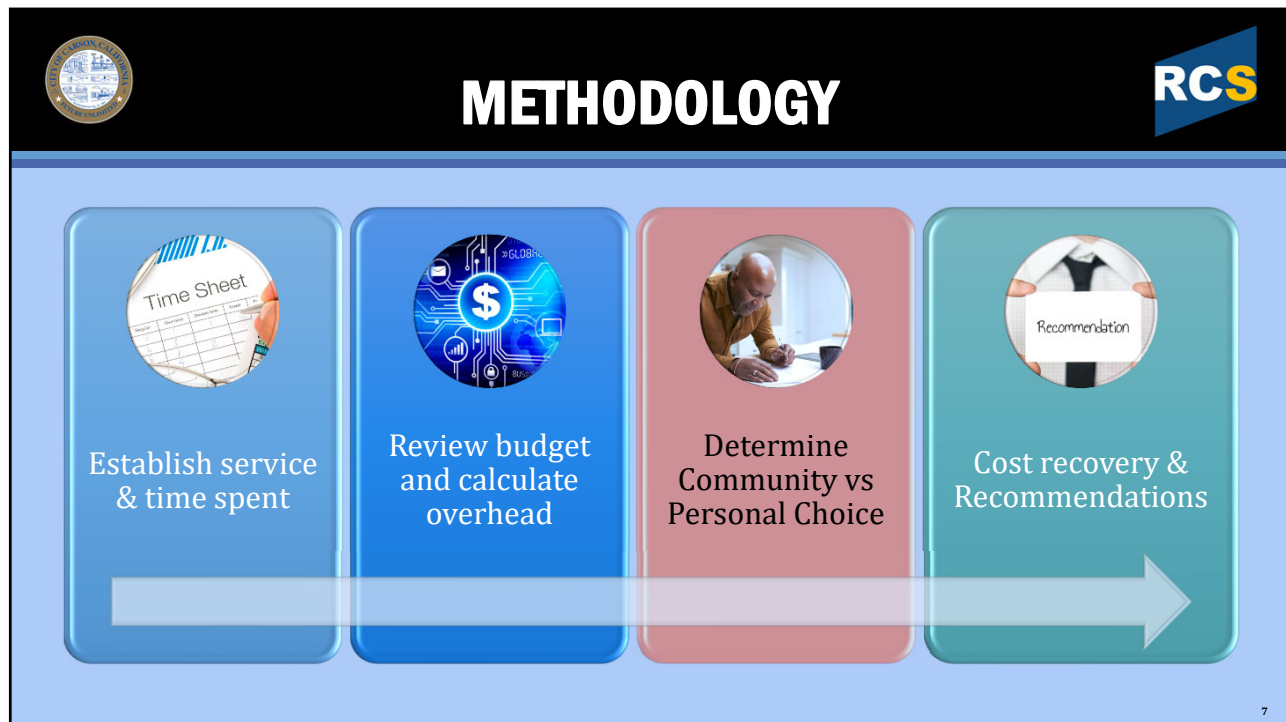
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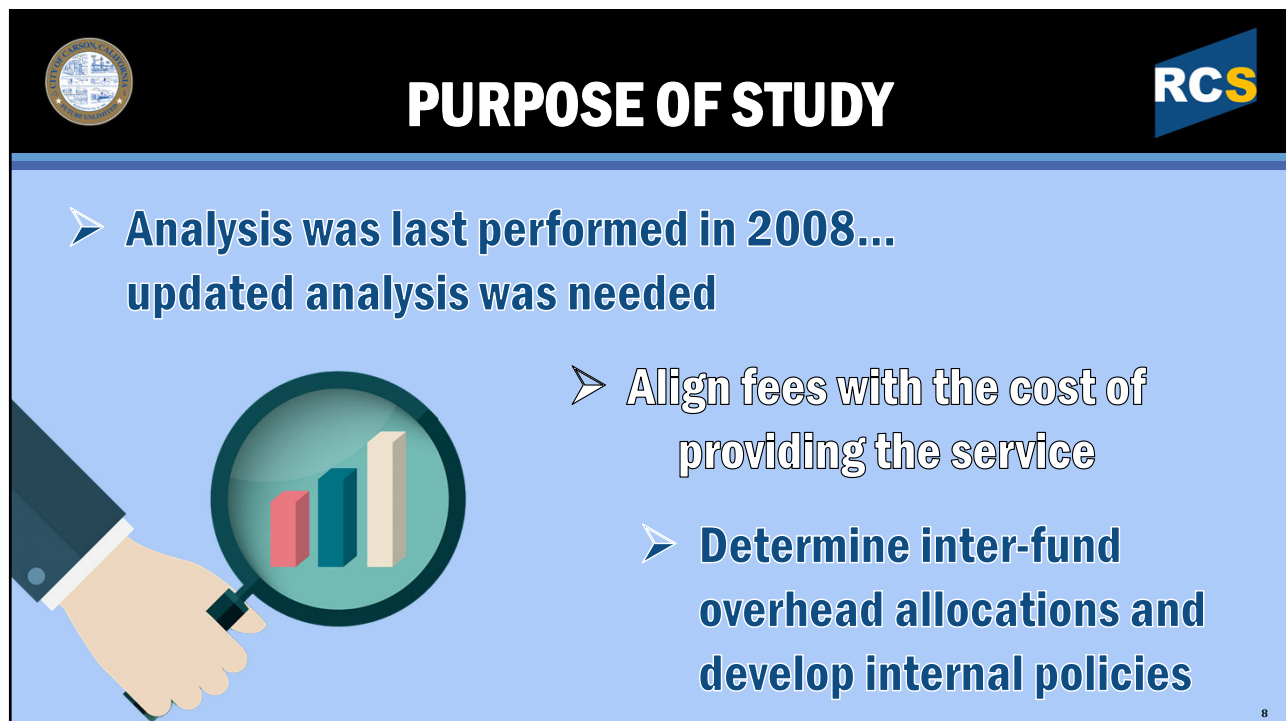
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VOTER-ENACTED PROPOSITIONS




- Proposition 4 (1979)**
 - Defined service fees as being limited to the full costs of providing the service.
 - Rents and fines are exempted from cost recovery limitations.
- Proposition 218 (1996)**
 - Placed limits on the creation and updates of property-related fees.
- Proposition 26 (2010)**
 - Codified existing fee-setting practices as Article XIIC of the State Constitution.
 - Fees must be for a service directly benefitting the fee payor.



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TAX vs FEE




Community Support (Tax) Services	Personal Choice (Fee) Services
<ul style="list-style-type: none"> • Typically benefits community as a whole • 100% supported by tax dollars <ul style="list-style-type: none"> ✓ E.g. Street maintenance, tree maintenance and code enforcement 	<ul style="list-style-type: none"> • The Customer is identifiable and the Service is measurable • Benefits an individual or group • Subsidy levels may be based on social, safety or welfare reasons • E.g. Development Services & Recreation Services

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FEES (REGULATORY vs VOLUNTARY)



Regulatory Fees


- The customer is required to use the service due to the choice of developing property.
- Fees are often determined by the full cost of the service.
- E.g. Planning, Building & Safety, and Engineering fees

Voluntary Fees


- The Customer is not required to use the service
- Fees are often determined by market forces and may need to be subsidized.
- E.g. Community Services fees

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MATCHING REVENUES TO COSTS



Revenues

TAXES/
GRANTS

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COMMUNITY
SUPPORTED
SERVICES

Costs

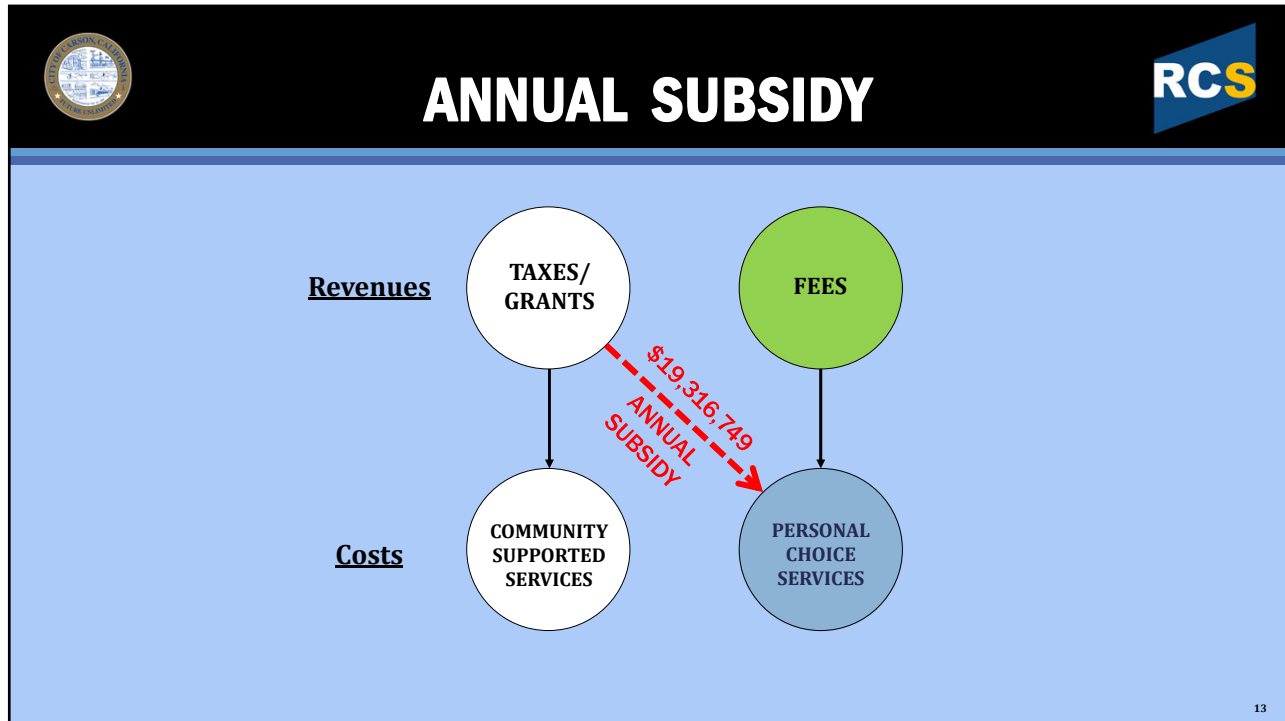
FEES

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PERSONAL
CHOICE
SERVICES

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SUBSIDIES vs NEW REVENUES

SERVICE	TOTAL FEE REVENUE	TOTAL SERVICE COST	TOTAL PROFIT/ (SUBSIDY)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE
				ACTUAL	SUGGEST	
[S-001 to S-076] COMMUNITY DEVELOPMENT	\$5,858,782	\$5,566,800	\$291,982	105.2%	VAR.	\$116,900
[S-077 to S-084] PUBLIC SAFETY	\$1,057,000	\$813,220	\$243,780	130.0%	VAR.	\$56,400
[S-085 to S-103] LEISURE & CULTURAL	\$3,331,360	\$21,612,457	(\$18,281,097)	15.4%	VAR.	\$0
[S-104 to S-107] TRANSPORTATION	\$2,722,710	\$3,539,566	(\$816,856)	76.9%	VAR.	\$17,000
[S-108 to S-142] ADMINISTRATIVE	\$953,386	\$1,707,944	(\$754,558)	55.8%	VAR.	\$713,600
	\$13,923,238	\$33,239,987	(\$19,316,749)	41.9%		\$903,900


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Why have the costs of some services increased so much?




- Analysis was last performed in 2008... updated analysis was needed.
- Existing fee schedule only included direct salaries and benefits. Overhead support costs were not included.
- Some services are changing from deposits to flat fees.




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FINAL TAX SUBSIDY DECISION




The Project Goal is to identify the full costs for the various services

RCS and City Staff have made fee recommendations for every service

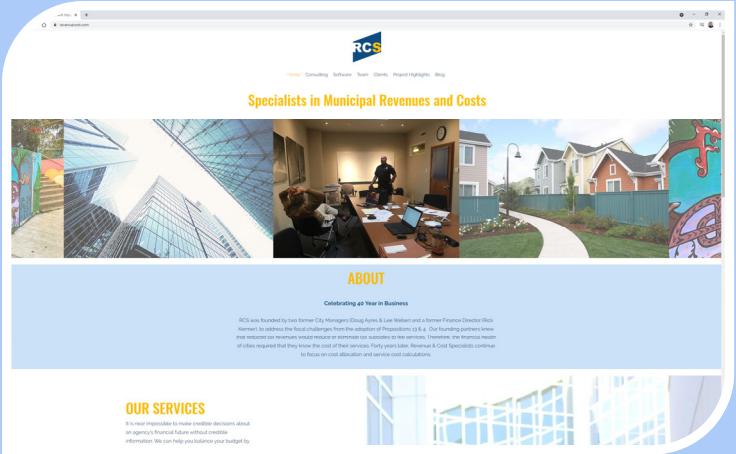
City Council decides which services should be charged the full costs and which services are subsidized with tax dollars


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Questions?







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THE REPORT

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CHAPTER IV (page 29-40)



**Table 1
Community Development Services**

REF # (1)	SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)
					ACTUAL (6)	SUGGEST (7)	
S-001	CONDITIONAL USE PERMIT	\$72,000	\$167,188	(\$95,188)	43.1%	100%	\$95,200
S-002	CUP - SHARED PARKING	\$2,500	\$7,354	(\$4,854)	34.0%	100%	\$0
S-003	CUP - LEGAL NONCONF - VEH SVC & REP	\$750	\$10,277	(\$9,527)	7.3%	100%	\$0
S-004	CUP - OIL WELLS	N/A	N/A	N/A	N/A	100%	\$0
S-005	SITE PL & DES OVER REV - ADMIN ONLY	\$8,400	\$43,129	(\$34,729)	19.5%	100%	\$34,700
S-006	SITE PL & DES OVER REV-PUB HEAR/PC	\$240,000	\$432,160	(\$192,160)	55.5%	100%	\$192,200
S-007	SITE PL & DES OVER REV-PUB HEAR/RES	\$1,000	\$31,481	(\$30,481)	3.2%	100%	\$30,500
S-008	VARIANCE	\$4,000	\$9,991	(\$5,991)	40.0%	100%	\$6,000
S-009	GENERAL PLAN AMENDMENT	\$14,000	\$36,072	(\$22,072)	38.8%	100%	\$0
S-010	ZONE CHANGE (MAP AND/OR TEXT)	\$28,000	\$62,272	(\$34,272)	45.0%	100%	\$0
S-011	SPECIFIC PLAN	N/A	N/A	N/A	N/A	100%	\$0
S-012	DEVELOPMENT AGREEMENT	N/A	N/A	N/A	N/A	100%	\$0
S-013	ENVIRONMENTAL REVIEW	N/A	N/A	N/A	N/A	100%	\$0
S-014	TENTATIVE PARCEL MAP	\$60,000	\$65,262	(\$5,262)	91.9%	100%	\$0
S-015	TENTATIVE TRACT MAP	\$60,000	\$65,262	(\$5,262)	91.9%	100%	\$0
S-016	LOT LINE ADJUSTMENT	\$4,000	\$13,576	(\$9,576)	29.5%	100%	\$9,600

Schedule of fiscal impact by each fee



APPENDIX A – FEE COMPARISON



**CITY OF CARSON, CALIFORNIA
FEE COMPARISON REPORT
FY 2020/2021**

REF #: S-001 TITLE: CONDITIONAL USE PERMIT

CURRENT FEE	RECOMMENDED FEE
Legal Nonconforming Second Dwelling Unit - \$750 per application	\$13,930 per application
Residential Uses - \$6,000 deposit	
Other Commercial Uses - \$6,000 deposit	
Industrial Uses - \$6,000 deposit	
Other Uses - \$6,000 deposit	

REF #: S-002 TITLE: CUP - SHARED PARKING

CURRENT FEE	RECOMMENDED FEE
\$2,500 per application	\$7,355 per application

REF #: S-003 TITLE: CUP - LEGAL NONCONF - VEH SVC & REP

CURRENT FEE	RECOMMENDED FEE
\$750 per application	\$10,275 per application





APPENDIX B – FEE DETAILS



CITY OF CARSON, CALIFORNIA REVENUE AND COST SUMMARY WORKSHEET FY 2020/2021			REFERENCE NO. S-001
SERVICE CONDITIONAL USE PERMIT		UNIT OF SERVICE APPLICATION	SERVICE RECORD#
DESCRIPTION OF SERVICE Process and review of Conditional Use Permit.			
CURRENT FEE STRUCTURE Legal Manufacturing (Retail) Shopping UMI - \$700 per application Retail UMI - \$5,000 deposit Other Commercial UMI - \$5,000 deposit Industrial UMI - \$5,000 deposit Other UMI - \$5,000 deposit			
REVENUE AND COST COMPARISON			
UNIT REVENUE:	\$6,000.00	TOTAL REVENUE:	\$72,000
UNIT COST:	\$13,552.33	TOTAL COST:	\$162,188
UNIT PROFIT (SUBSIDY):	\$7,932.33	TOTAL PROFIT (SUBSIDY):	\$16,188
TOTAL UNITS:	12	PCT. COST RECOVERY:	43.87%
SUGGESTED FEE FOR COST RECOVERY OF 100% \$13,500 per application			

CITY OF CARSON, CALIFORNIA COST DETAIL WORKSHEET FY 2020/2021					REFERENCE NO. S-001	
SERVICE CONDITIONAL USE PERMIT					TOTAL UNITS 12	
NOTE Unit Costs are an Average of Total Units						
DEPARTMENT	POSITION	TYPE	UNIT TIME	UNIT COST	ANNUAL UNITS	DOTAL COST
PLANNING COMM	PLANNING SECRETARY		6.00	\$1,917.42	12	\$14,230
CURRENT PLANNING	COMMUNITY DIRECTOR		4.00	\$1,891.72	12	\$19,241
CURRENT PLANNING	PLANNING MGR		6.15	\$2,252.57	12	\$24,450
CURRENT PLANNING	PROJECT PLANNER		26.25	\$8,250.28	12	\$99,471
CURRENT PLANNING	SENIOR PLANNER		6.50	\$1,260.19	12	\$15,402
ENGINEERING	ARCHITECTURAL ENGINEER		10.00	\$1,457.48	12	\$17,489
ENGINEERING	PRINCIPAL ENGINEER ENR		1.00	\$368.88	12	\$4,426
ROADWAY MAINT	SR CIVIL ENGINEER		2.00	\$541.28	12	\$6,495
TYPE RETOTAL			66.85	\$15,822.34		\$192,188
TOTAL					12	\$192,188



APPENDIX C – RECREATION



REF #	SERVICE	DIRECT COSTS			REVENUES	DIRECT COST RECOVERY
		PROGRAM COST	FULL TIME COST	TOTAL		
S-085	ADULT SPORTS	\$34,300	\$207,801	\$242,101	\$88,536	36.6%
S-086	YOUTH SPORTS	\$301,195	\$626,786	\$927,981	\$133,813	14.4%
S-087	SPECIAL INTEREST/ENRICHMENT CLASSES	\$133,255	\$15,165	\$318,992	\$170,968	53.6%
S-088	AQUATICS	\$557,934	\$156,701	\$714,635	\$225,000	31.5%
S-089	PRESCHOOL PROGRAM	\$353,812	\$470,063	\$823,875	\$600,000	72.8%
S-090	KIDS CLUB/SUMMER DAY CAMP	\$814,379	\$226,866	\$1,041,245	\$731,187	70.2%
S-091	YOUTH SERVICES	\$7,860	\$11,283	\$19,143	\$0	0.0%
S-092	SENIOR SERVICES	\$303,417	\$714,196	\$1,017,613	\$20,800	2.0%
S-093	VETERANS SERVICES	\$6,120	\$1,813	\$7,933	\$0	0.0%
S-094	STROKE CENTER	\$123,572	\$7,611	\$131,183	\$6,500	5.0%
S-095	DISABLED SERVICES	\$54,695	\$2,397	\$57,092	\$14,300	25.0%
S-096	SPECIAL EVENTS	\$115,362	\$187,494	\$302,855	\$0	0.0%
S-097	VETERAN'S SPORTS COMPLEX	\$289,712	\$100,388	\$390,100	\$210,256	53.9%
S-098	PARKS ACTIVITIES	\$998,182	\$349,948	\$1,348,110	\$0	0.0%
S-099	MINI PARKS	\$4,250	\$15,971	\$20,221	\$0	0.0%
		\$4,098,024	\$3,094,483	\$7,363,079	\$2,201,360	29.9%
RENTALS		DIRECT COSTS			DIRECT COST RECOVERY	
S-101	FACILITY/EQUIP RENTALS	\$229,440	\$185,050	\$414,490	\$300,000	72.4%
		\$229,440	\$185,050	\$414,490	\$300,000	72.4%



Direct Costs exclude citywide overhead and department overhead costs

Program Costs are part time costs (including benefits) and direct operating expenses. **Full Time Costs** are salaries, benefits, and other operating expenses.