

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 07/24/06		Item Number: <u>A-3</u>	
AGENDA ITEM: Consideration of a Request for Proposal for a Comprehensive Citywide User Fees and Charges Rate Study.			
Contact Person/Dept.: Nick Kimball, Budget & Finance		Phone Number: (310) 253-6013	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Public Notification: Master Notification List (07/19/06)			
Department Approval: Marlee Chang (07/19/06)		City Manager Approval: Jerry B. Fulwood (07/19/06)	
City Controller Approval: Marlee Chang (07/19/06)			

RECOMMENDATION

Staff recommends the City Council approve and authorize release of the Request for Proposal (RFP) for a Comprehensive Citywide User Fees and Charges Rate Study ("Fee Study").

BACKGROUND

The City assesses fees and charges for provision of certain services. These services range from plan checks for new construction projects to ensure they comply with zoning ordinances, to providing swim lessons, to issuing citations for parking infractions. During preparation of the 2006-07 proposed budget, a cooperative effort between Budget & Finance and the City Attorney's Office was initiated to review fees and charges for the entire City.

The goals for the fees and charges project are:

1. Consolidate all fees and charges, wherever possible, into one resolution – this will increase customer service by providing a quick and easy reference for the public and City staff;
2. Equitably recuperate costs associated with providing the various services;
3. Review fees and charges annually as part of the budget process; and
4. Post the schedule of consolidated fees and charges on the City's website.

The first goal (consolidate all fees and charges into one resolution) is being completed in two phases. On June 26, 2006, City Council completed Phase I by adopting a resolution consolidating all fees previously set forth by various resolutions into one resolution.

City of Culver City, California
City Council Agenda Item Report

Originally, staff had intended to implement Phase II of the fees and charges project (i.e. extract fees set forth in the Municipal Code) within 120 days after adoption of the 2006-07 budget. However, in light of the fact that the Council has directed staff to pursue a consultant to conduct the Fee Study, there are components of the Fee Study that should be completed prior to staff moving forward with Phase II. Therefore, in order to more efficiently utilize staff time and resources, it is recommended that implementation of Phase II be delayed until after the Fee Study is complete.

Once the final report is complete (January 2007), staff will incorporate any of the report's recommendations that the City Council chooses to accept into Phase II of the fees and charges project. This effort will culminate in the adoption of one single fees and charges resolution during the 2007-08 budget process to centralize a wider array of fees and charges into one document.

In the Fiscal Year 2006-07 Adopted Budget, funds have been included to pursue a consultant to complete the Fee Study. This will assist staff in completing Phase II and accomplishing project goals 2 and 3 outlined above. To that end, staff has developed a Request for Proposal for professional consulting services for the Fee Study (Attachment 1).

DISCUSSION

A comprehensive citywide study of fees and charges by an outside consultant has not been conducted in more than 15 years. As a matter of best management practices, many southern California cities have engaged in comprehensive fee studies over the past few years. The expertise and resources required to perform such a comprehensive, in-depth study in a reasonable time period necessitate the skills of an outside firm that specializes in this type of analysis.

The proposed scope of the study includes:

- Conducting a comprehensive review of the City's existing fees, rates, and charges;
- Meeting with staff and conducting interviews to gain an understanding of the City's processes and operations;
- Identifying the total cost of providing each City service/program and comparing service costs with existing recovery levels;
- Recommending appropriate fees and charges based on analysis and any appropriate subsidy level where full cost recovery may be unrealistic;

City of Culver City, California
City Council Agenda Item Report

- Preparation of a final report that identifies each service, its full cost, current and recommended cost recovery levels, revenue impacts, and fee comparisons with other LA County cities or other California cities comparable to Culver City; and
- Implementation of a computer based model for adjusting fees and charges for the City's current and future needs, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.

As part of this project, staff also proposes to develop and present a policy for Council's consideration related to reviewing the procedures for a fee and charge update on an ongoing, periodic (annual) basis.

Should the City Council approve the release of the RFP, the following table includes the timeline for the project:

Task	Time Frame
RFP Approval by City Council	July 24, 2006
Release of Notice Inviting Proposals	July 27, 2006
Publish Notice Inviting Proposals*	July 27, 2006
Deadline for Receipt of Proposals	August 24, 2006 at 3:00 PM
Consideration of Award of Contract	September 11, 2006
Data Gathering and Study Preparation	Sep. 2006 – Dec. 2006
Presentation of Study to Council	January 22, 2007

* Publication will occur in the Culver City News.

FISCAL ANALYSIS:

Funding for the Fee Study, including RFP preparation, publishing and mailing, is included in the Adopted Budget for Fiscal Year 2006/2007.

Approval of the Request for Proposals will create a negligible fiscal impact as the costs at this point are limited to City staff time, office supplies (paper, etc.) and postage. The major fiscal impact may be created by the City Council at the time it considers the award of contract (expected on September 11, 2006).

ATTACHMENTS:

1. RFP for the Comprehensive Citywide User Fees and Charges Rate Study.
2. List of firms to receive the RFP.

City of Culver City, California
City Council Agenda Item Report

OPTIONS

The Adopted Budget for Fiscal Year 2006/2007 provides funding to issue the RFP and conduct a Fee Study. However, the following options are available to the City Council:

1. Approve the Request for Proposal for a Comprehensive Citywide User Fee and Charges Rate Study and authorize its release (**recommended option**);
2. Direct staff to conduct a User Fee and Charges Rate Study in house; or,
3. Determine a Citywide User Fee and Charges Rate Study is not needed at this time.

MOTION:

That the City Council:

Approve the Request for Proposal (RFP) for a Comprehensive Citywide User Fees and Charges Rate Study and authorize publication and mailing of the Notice Inviting Bids.