MEETING DATE: 9/25/06

AGENDA ITEM: Consideration to Enter into a Professional Services Contract with Public Resource Management Group (PRM) to Provide a Comprehensive Citywide User Fees and Charges Rate Study.

ATTACHMENTS

	Pages
1. Evaluation Criteria Matrix and Scoring Definitions	1 - 2
2. Public Resource Management Group's Proposal	3 - 30
3. Pacific Municipal Consultant's Proposal	31 - 65
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Comprehensive User Fees Charges Study
Evaluation Criteria Matrix

Criteria	Rating Scale	Weight	Pacific Municipal Consultants (PMC) Raw Score	Pacific Municipal Consultants (PMC) Wght Score	Muni-Financial Raw Score	Muni-Financial Wght Score	NBS Raw Score	NBS Wght Score	Public Resource Management Group (PRM) Raw Score	Public Resource Management Group (PRM) Wght Score	Maximus Raw Score	Maximus Wght Score	Jefferson Wells Raw Score	Jefferson Wells Wght Score	Public Financial Management Group (PFM) Raw Score	Public Financial Management Group (PFM) Wght Score	Macias Consulting Group Raw Score	Macias Consulting Group Wght Score
1) Thoroughness of response and understanding of the Task to be completed.	*4 best 1 worst*	20.0%	3	3.6	3	3.6	3	3.6	4	4.8	4	4.8	2	2.4	3	3.6	2	2.4
2) Responsiveness to requirements of the project.	*3 best 1 worst*	18.0%	3	3.54	3	3.54	3	3.54	3	3.54	3	3.54	2	2.36	1	1.18	2	2.36
3) Software Capability	*5 best 1 worst*	18.0%	4	4.72	4	4.72	4	4.72	5	5.9	3	3.54	3	3.54	3	3.54	1	1.18
4) Firm's experience in financial studies.	*5 best 1 worst*	12.0%	3	3.36	4	4.48	2	2.24	1	1.12	5	5.6	3	3.36	5	5.6	3	3.36
5) Overall experience of staff assigned to the project.	*5 best 1 worst*	20.0%	4	4.8	2	2.4	3	3.6	4	4.8	3	3.6	5	6	3	3.6	4	4.8
6) Time required to accomplish the requested services.	*5 best 1 worst*	12.0%	5	5.6	4	4.48	1	1.12	5	5.6	4	4.48	5	5.6	5	5.6	1	1.12
TOTAL SCORE		100.0%	**22**	**25.62**	**20**	**23.22**	**16**	**18.82**	**22**	**25.76**	**22**	**25.56**	**20**	**23.26**	**20**	**23.12**	**13**	**15.22**
Rank			**2**		**5**		**7**		**1**		**3**		**6**		**4**		**8**	
7) Proposed Cost of Service			**$35,275**		**$26,500**		**$33,000**		**$31,500-$37,900**		**$45,500**		**$98,825**		**$70,000**		**$99,700**	

Comprehensive User Fee and Charges Study
Evaluation Criteria and Rating Scale Definitions

Criteria	Scale Definitions
1) Thoroughness of response and understanding of the task to be completed.	4 – Extremely thorough. Response addressed all request tasks and demonstrated an excellent understanding of the project. 3 – Very thorough. Response addressed all requested tasks and demonstrated a good understanding of the project. 2 – Adequate. Response addressed all requested tasks and demonstrated a limited understanding of the project. 1 – Not thorough. Response did not adequately address all requested tasks and did not demonstrate an adequate understanding of the project.
2) Responsiveness to requirements of the project.	3 – Exceeds requested tasks in the RFP (offers additional options and tasks not specifically requested) 2 – Meets requested tasks 1 – Does not meet request tasks
3) Software Capability	5 – Very Robust. Many data input options. Easy to use. Good compatibility and easily maintained by staff. 4 – Limited input options. Easy to use. Good compatibility and easily maintained by staff. 3 – Complex software. Not easily maintained by staff. 2 – Complex software. Limited input options. Not easily maintained by staff. Licensing agreement required. 1 – No software
4) Firm's experience in financial studies.	5 – more than 20 years 4 – 16 to 20 years 3 – 11 to 15 years 2 – 6 to 10 years 1 – Less than 6 years
5) Overall experience of staff assigned to the project.	5 – Average of more than 20 years 4 – Average of 16 to 20 years 3 – Average of 11 to 15 years 2 – Average of 6 to 10 years 1 – Average of less than 6 years
6) Time required to accomplish the requested service.	5 – 12 weeks or less 4 – 13 weeks 3 – 14 weeks 2 – 15 weeks 1 – 16 weeks or more

August 24, 2006

Ms. Ela Valladares
Deputy City Clerk
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232

Subject: Response to RFP: Proposal to provide a Comprehensive Citywide User Fee Study

Dear Ms. Valladares and Proposal Review Committee:

Thank you for the opportunity to submit this proposal to provide Comprehensive User Fee Services for the City of Culver City. Public Resource Management Group, LLC (PRM) is confident that our firm offers the City of Culver City the best turnkey approach, the most experienced consulting team, and a level of dedication to ensure all requirements are not only met, but exceeded.

Introduction

PRM was started with the belief that, to be successful, a company must focus its attention on a limited number of services, hire only the most qualified people, and provide them with cutting edge tools. I believe that PRM is accomplishing these three objectives.

Our long experience in providing these specific consulting services to California city governments has shown that, while there are many factors that lead to a successful project conclusion, two are key – experience of the project team and the project approach. PRM is fortunate to have been able to attract the very best and most experienced professionals to our firm. A firm is only as good as the people that are in it. From this foundation of experienced professionals, PRM has met or exceeded client expectations project by project, building a bank of positive references that include every project that we have completed. Our conviction is to remain with a project until the client is pleased regardless of profit motives.

Technical Background/Experience:

The best indicator of the qualifications of a consulting firm is the testimony of the clients they serve. PRM is proud of the growth of our firm. We believe that no other firm is as technically qualified as is PRM. From the inception of our firm, we committed to excellence at a few things – rather than mediocrity at many things. This strategy has served us very well. PRM has 15 staff members, most of whom have over 15 years of experience with cost allocation plan development, indirect cost rate calculation, the principles in federal circular OMB A-87, and with the calculation of the full cost of providing user fee services. Our proposed project team has completed cost plans and user fee studies in more than 16 states, including many for local governments in the state of California.

PRM currently provides cost allocation and user fee calculation services to more local government agencies in California than do all other consulting firms combined. In just a short 36 month period, PRM has become the leading cost accounting firm in the West.

Currently PRM counts thirteen of the largest California cities as clients.

Thirteen of the Top Twenty Largest Cities

- San Diego
- San Jose
- San Francisco
- Long Beach
- Sacramento
- Oakland
- Anaheim
- Riverside
- Stockton
- Bakersfield
- Glendale
- Huntington Beach
- Oxnard

In addition to the projects above, PRM has been selected to provide cost plan/user fee services to cities across the country including: Denver, Colorado: Miami, Florida: Salem, Oregon: Spokane Washington, and Portsmouth, Virginia. Currently we provide consulting services to governmental agencies in 16 states. ***PRM believes that no firm could be recently selected by so many large, complex city governments if that firm did not have the highest technical and customer service qualifications possible.***

We cannot think of any better testament to highlight our work than that of our success in attracting the most experienced professionals to our firm, which has led to becoming the consulting firm of choice for so many of the largest agencies in the West. Many of our clients have requested our cost plan and user fee preparation services on an annual basis. We are pleased that we have not lost one cost plan client to a competitor. We believe that our clients are our best advertising. Please contact them for a third party confirmation of our attention to detail, our ability to meet schedules, our professionalism in all areas of our work, and our determination to respect all of our clients equally.

Approach:

PRM has found that most of our clients are more interested in the full cost analysis process than most firms understand. Our approach is designed with a focus on communication, workshops, a prepared and experience project team and an unrelenting drive to have every project a success.

Historically, cost accounting firms treated these projects as very narrow accounting exercise. Typically the analysis would be completed, delivered and used to obtain one or two numbers then put on a shelf. With this as the prevailing mind set for most cost plan/user fee projects, the consultant approached the project in a similar manner. PRM's approach is much different. Our approach has the following broad framework:

- Communication Plan: complete with workshops, interviews and written material using charts and graphs.

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- Software Design: software that is designed with "full disclosure" reporting, that produces management reports, reconciliation schedules and trend analysis. The PRM user fee models are Excel based. As such, the formats, formulas, and navigation are familiar to all city staff – making the PRM models very easy to understand, follow and use. This makes it more likely the city will actually use and therefore benefit from the project in future years as city staff updates the project structure as expenditures and processes change.

- Technically Accurate: on-site time is required to ensure the user fee study is accurate. PRM commits to a substantial amount of time on-site gathering data, interviewing departments, reviewing draft reports, etc. to ensure that there will be a strong foundation to support a successful conclusion for this proposed project.

- Real Team Approach: PRM rejects the traditional consulting approach of having the most experienced team member be labeled "Project Director." All PRM officers are "working owners." We have found the best way to control quality is to be on-site working side-by-side with our excellent staff members.

- Project Team: The references and project examples we use in our proposal are the projects the Culver City proposed team has completed. We feel it is important to provide PRM references – that have had actual experience with our proposed team members.

- Experience with Cities of Similar Size: Within the past 24 months our teams have completed many projects for cities with population under 60,000. For example our clients, Redondo Beach, Whittier, Los Alamitos, Dublin, Agoura Hills and La Habra are all cities with populations between 5,000 and 60,000.

We appreciate this opportunity to submit this proposal. We are confident that the combination of our solid staff of professionals and our unique approach will produce an excellent project for the city of Culver City. We look forward to reviewing our proposal in more detail if we fortunate enough to be selected for an interview. Per the request in the RFP, this proposal shall remain valid for a period of not less than 90 calendar days for the date of submittal.

Sincerely,

J Bradley Wilkes
Managing Principal

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II) Executive Summary

Public Resource Management Group (PRM) is a firm focused on the analysis of the full cost of governmental services. This includes the development of OMB A-87 and full cost allocation plans, indirect cost rates, the full cost of providing user fee services and SB 90 claiming services and other related cost and revenue enhancement consulting services. As a focused, California-based company, PRM's business model facilitates providing excellent service and quick response at professional fees which reflect a low overhead structure.

PRM's managing principal has a long history of providing professional consulting services to local government in California. Mr. Brad Wilkes began working with local governments in California in 1982 as a front-line consultant with DMG. Since that time, he has prepared hundreds of cost allocation plans, user fee calculations and indirect cost rate studies. When he left DMG-Maximus, he was the company's Director for all consulting projects, staff members and offices in the Western States. One of the reasons Mr. Wilkes and many of the current PRM staff members left their previous employer was in order to create a company, where we are free to work with each client – to meet project schedules and to meet expectations for technical quality – regardless of the profit motives many larger companies are required to consider.

This project presents a complex opportunity. The services requested are challenging and require not only technically sound consultants, but ones who have the stature required to make presentations to a diverse group of City staff and managers.

The PRM team of local government consultants represents the most experienced individuals available in the Western United States. Amongst our proposed project team members, we have completed hundreds of cost of service studies for city governments. PRM will conduct a thorough analysis of the full cost of the programs/services within the city's general fund. Our strengths are:

A. Experience With the Culver City Governmental Structure:

PRM currently prepares the city's cost allocation plan. This document is vital to the development of the full cost of user fee related services. Ms. Payton and Mr. Wilkes have been involved in cost and revenue enhancement projects for the city many times over the past 20 years. Our project team has extensive experience with the city's departments, financial reports, and city structure. This knowledge will be very beneficial as we approach a citywide general fund user fee study. Our project team will be able to "hit the ground running" and because of our experience, will be able to:

- Reduce the demand on city staff time
- Seamlessly integrate the PRM cost allocation data into the PRM user fee worksheets
- Build off our already established relationships with city departments

B. Experience With Agencies of Similar Size to Culver City – Neighboring Clients to Culver City:

The firm selected to provide this review should have a long and extensive history with the analysis of the full cost of user fee services. Hopefully, the firm will have staff members with more experience

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than that of the city who have already developed a good understanding themselves. Otherwise, the information gained from the study will be of little worth.

PRM staff have been providing similar consulting services to California city governments since 1982. Projects such as the one outlined in this RFP, have numerous factors that, if handled correctly, will lead to a successful result. PRM is confident in our ability to anticipate and address any issue that may arise in this project. Our confidence is shared by numerous governments of similar size that have recently selected PRM in the competitive bidding process.

In just the past 36 months, PRM has been selected to provide user fee related cost analysis services for many of Culver City's southern California city neighbors. Many of these clients have populations of 20,000 to 60,000 and have a very complex array of both traditional and non-traditional user fee related programs and services. PRM was selected for a variety of reasons, two of which are: 1) the vast experience of our team leaders, and 2) the large staff we are able to assemble and assign to projects. PRM is not limited to one or two experienced staff members, who are then teamed with younger, inexperienced staff members. Given PRM's focus on user fee related studies and our large staff, we are able to assign experienced staff members to all of our projects – regardless of size. The results are: timely project completions, accurate calculations, and overall project acceptance.

Three projects which exemplify PRM's strengths are those completed in Burbank, Encinitas and Santa Barbara. In all three cases, PRM completed the projects successfully. The proposed project for the City of Culver City is also challenging in scope. Both the complex and vast number of services/programs offered, the various layers of cost (indirect and direct), the interaction between peer departments such as building and planning, recreation services and park/field maintenance, etc. all combine to present a challenging project. PRM has the experience, resources, and experience to tackle this challenge. Please contact the following southern California cities as references:

City of Santa Barbara

Jill Taura
Budget Director
805-564-5528

City of Encinitas

Jay Lembach
Finance Manager
760-633-2640

City of Burbank

Justin Hess
Finance Department
818-238-5500

C. User Fee Calculation Methodology:

User fee calculation methodology must address various factors. These factors are 1) cost- related factors and, just as importantly, 2) transaction-related factors. Cost-related factors include:

- Personnel costs (staff members providing the service)
- Fringe benefit costs
- Service and supply costs
- Overhead or indirect cost

Transaction factors include:

- Hours spent providing user fee services (both per unit and for a program in total)
- Number of units of service provided

PRM will review the city's methodology and ensure all factors are considered in the calculation of user fees. However, there are several areas of risk that are often given only cursory attention when developing full cost user fee rates. One particular area is the analysis of indirect costs. This area is often overlooked because of the inexact science of calculation of the various layers of administration and support provided to user fee services. To accurately calculate citywide indirect costs, an analysis of indirect costs must be made. PRM will ensure that the city's current methodology accurately considers all layers of indirect costs.

In a full user fee study, this would typically require that a cost allocation plan be prepared. Since the City of Culver City already has a PRM developed cost plan, this step will fold into the user fee study very well. PRM consultants have prepared more cost allocation plans than has any other group of individuals in the State. Our cost plan report was designed with input from clients, the State Controller's Office and our some 70 years' worth of experience represented by our consulting team members. The resulting cost plan software and printed report is the most complete and easy-to-read cost plan report available. When combined with our "Cost Plan 101" workshops, our cost allocation plan process has been well received by our clients.

PRM develops cost allocation plans, using the generally accepted guidelines that meet all the goals of the study which are set forth by the State Controller's Office. Our team s second to none in has vast experience understanding how citywide indirect costs should flow into a user fee calculation. Additionally, the cost plan will:

a. Ensure enterprise (if any) funds are being allocated full cost
b. Ensure citywide allocations are being allocated to user fee departments in enough detail
c. Allocate all layers of overhead for accurate "fully burdened hourly rates"
d. Link the cost plan with the PRM Excel-based user fee system
e. Provide OMB A-87 related allocations for State and Federal claiming opportunities

PRM currently prepares both an OMB A-87 cost plan and a full cost allocation plan for Culver City; therefore, a detailed description of our cost plan process is not included in this proposal.

D. User Fee Analysis – Fully Burdened Hourly Rates – Focus on Development Related User Fees:

PRM has recently completed full cost calculations for a number of city development departments. For example, PRM completed a user fee study for the development departments in Long Beach, Sacramento and San Francisco. These studies included the analysis of "per unit fees", valuation based fees, and fees charged using hourly rates. For user fee services that are charged on an hourly basis or on an "actual cost" basis, PRM is expert at developing indirect cost rates which address all layers of overhead – citywide indirect costs, departmental indirect costs as well as program related indirect costs. We have prepared fully burdened hourly rates for staff positions in all of our user fee studies. In the past year we have prepared these rates for over 40 agencies in California. PRM's background with the development of full cost hourly rates will provide our staff with the expertise necessary to complete this project.

E. User Fee Software Module:

User fee calculations should be updated on a periodic basis. The calculations are often updated using a Consumer Price Index factor, or a general percentage increase based on the city's budget growth or salary increases. The city could maintain the detailed user fee calculations using an Excel based spreadsheet. PRM will assist the city in understanding the benefits of these alternatives. PRM will include, as part of this study, the fully tested software completely based in Microsoft Excel. The software allows for the actual update of each cost component such as: staff salaries, benefits, supply and services and all layers of overhead. The software also allows for the updating of the various transaction counts such as: number of permits completed, number of inspections, number of participants, and number of hours rented, etc. These transactions can affect the "per unit" of a service as much or more than the various cost components. Any analysis only considering cost factors may be inaccurate.

The PRM software also allows for generalized updating, as well. CPI and budget increase percentage factors can be entered department–by-department, and all cost factors used in the calculations will change accordingly.

F. Communication Plan:

PRM believes the success of this project will hinge on the consultant's ability to communicate results. To address the importance of this factor, PRM recommends the development of a communication plan. While this plan is typically provided for our full study clients, it would also be very useful if this study only included steps 1 through 3, as well. This plan can be fine tuned for the unique nature of Culver City, but, in general, our plan includes the following broad steps:

<u>Step One:</u> Do not wait to introduce the study until the project's completion. There is too much information to digest if communication waits until the end of the project. PRM has been successful in laying the groundwork for the underpinnings of the project by conducting a "Full Cost of Governmental Service – Workshop 101". This presentation reviews the principles of direct and indirect costs. We review: what a cost allocation is, how it was developed by the federal government, and its historic role in calculating the support costs of government. We walk the audience through the process of reading an indirect cost analysis, calculating "overhead" allocations to user fee related programs and following how its numbers flow into a user fee study. . It is

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imperative that a solid understanding of the process be developed up front, before the results are presented. The PRM software is linked; so that the flow of data between indirect and direct costs in the user fee study is seamless and easier to understand than is that of most other professionally prepared cost plan and user fee documents.

Step Two: With the groundwork laid in step one, our staff fans out across the departments and meets individually with city staff. Departments that are indirect or administrative in nature are met with to continue more detailed discussions of how their services support and interact with those direct services offered in user fee related departments. Department staff that provide direct support are analyzed, data is collected and the analysis is developed.

Step Three: Presentation of interim results. When preliminary results are obtained, PRM has found it helpful to provide a presentation to interested parties. This is part of the "no-surprises" approach to consulting to which PRM adheres. This allows decision makers the opportunity to prepare themselves for the final results, reducing the chances of having staff, managers and elected officials being caught off guard.

Step Four: Presentation of final results. It is our experience that this step may require two presentations. The first would be a presentation of the results, and a second follow-up meeting may be required to answer questions and re-present the project, given questions and concerns brought up in the first meeting.

PRM believes that this communication plan will be vital to the success of this project. However, our long career has taught us that one can not plan for everything. Even the best plans sometimes go awry. Our long history in providing these services to local governments gives us the confidence that will be able to address any surprises that will inevitably arise.

In addition to our standard references, the following are clients who selected PRM over other firms because of the value they placed on our ability to communicate and present project results. Please feel free to call any of these clients to ask specifically about our presentations and workshops. In addition, two excellent references are:

Santa Barbara
Ms. Jill Taura
Finance Department
jtaura@ci.santa-barbara.ca.us
805-564-5528

County of Riverside
Mr. Mike Alexander
Chief of Audits
malexander@co.riverside.ca.us
951-955-3866

In summary, the project proposed is a wide ranging study of all the user fee related programs and services. The PRM project team has the varied background and experience to address all the areas of concern expressed by the City. PRM looks forward to this opportunity to work with the City of Culver City. It also offers a chance to tackle a challenging project and build a solid foundation of full cost analyses that will benefit the City for years to come.

III) Qualifications of the Company & Project Team

The project will be conducted by a combination of: Mr. Brad Wilkes, Ms. Erin Payton, Mr. Jeff Wakefield and Mr. Mike Adams. Mr. Wilkes, Mr. Wakefield and Ms. Payton have over 20 years of experience - specifically, in cost allocation and user fee cost analysis and calculation. Mr. Adams has been a part of the PRM project team that completed our successful projects in: Encinitas, Huntington Beach and Long Beach, and has six years of experience. PRM's ability to provide a team of with this experience is unique among consulting firms. No other firm can offer such an experienced staff.

SUMMARY OF BACKGROUND AND QUALIFICATIONS

PRM is extremely well qualified to complete this study. Together our project team has completed hundreds of cost plan and user fee projects in the state of California. In just the past year we have worked with many other southern California cities such as Burbank, Redondo Beach, Huntington Beach, Santa Barbara, Long Beach, Los Alamitos, Irvine, Encinitas, La Mesa, Chino Hills, Whittier, Burbank, La Habra, Culver City, and Upland are all cost plan/user fee clients. Our growth rate has been excellent and is an independent testament to the quality of our work. We have grown from a one person company to a team of 15 within 36 months. Our client list has grown from one client in October of 2002 to over 100 current clients. While other consulting firms have lost clients and staff, PRM has grown. Our enthusiasm and dedication to meeting or exceeding our client's expectations has made PRM an attractive place to work. We believe our clients benefit from our success of attracting only the very best professionals that enjoy providing these professional services.

A. Project Management:

The consultants offered on our project team are all senior level consultants. Together, our team will serve both as management and as on-site consultants. We will have no junior level consultant working on the Culver City project. The proposed PRM team managers include: Mr. Brad Wilkes, Ms. Erin Payton and Mr. Jeff Wakefield.

Together, we will be responsible for project schedules, on-site interviews, data management, document preparation and presentations. Mr. Wilkes has served as a project consultant, manager, senior manager, vice president and regional director for David M. Griffith and Associates, Ltd. (DMG) and DMG-Maximus. He has participated, managed, and led hundreds of consulting engagements – many similar to the project requested by the City of Culver City.

B. Experience:

There is no better measure of experience than actual project experience. A sample of the agencies Mr. Wilkes has personally prepared cost full cost studies for includes:

City/County of San Francisco	County of Sacramento, California
City of Campbell, California	Counties of Glenn, Inyo, Lassen, Mono and Marin California
City of Sacramento, California	City of Gresham, Oregon
City of Burbank, California	City of Portland, Oregon
City of Culver City, California	County of Clackamas, Oregon
City of Concord, California	County of Pierce, Washington
City of Watsonville, California	City of Provo, Utah
City of Stockton, California	County of Salt Lake, Utah
City San Diego, California	City of Tacoma, Washington
City of Los Angeles, California	City of Miami, Florida

Additional clients serviced by our proposed project team during their careers include:

Alameda	Fresno	Morro Bay	San Luis Obispo
Brentwood	Grover Beach	Ontario	San Mateo
Burbank	Hercules	Orange	Santa Clara
Calistoga	Hermosa Beach	Oroville	Santa Monica
Camarillo	Lathrop	Palo Alto	Santa Paula
Campbell	Lompoc	Pasadena	South San Francisco
Colfax	Long Beach	Pinole	St. Helena
Compton	Los Gatos	Placer County	Stockton
Concord	Manhattan Beach	Rancho Cucamonga	Suisun City
Culver City	Menlo Park	Redondo Beach	Sunnyvale
Danville	Milpitas	Los Alamitos	Temecula
Dixon	Mission Viejo	Richmond	Torrance
El Centro	Modesto	Sacramento	Watsonville
El Segundo	Moorpark	San Fernando	Wheatland
Emeryville	Moreno Valley	San Francisco	Whittier
Fairfield	Morgan Hill	San Jose	Woodland

C. Staffing Plan for Culver City Project:

After reading the Culver City RFP carefully, our firm has assembled what we consider to be the best, most qualified project team for your City's engagement. PRM has successfully implemented the *"team approach"* to most of our larger studies. This approach was pioneered by PRM and is possible because of the large number of experienced consultants we have. The benefit of this approach is by placing our functional experts in the areas of their expertise, we produce more accurate results and since all phases of the project are completed in a parallel fashion, project timelines and schedules are more easily met. The project team and approach is illustrated below.

Project Role	Name	Title	Scope of Services
Project Director:	J. Bradley Wilkes	Managing Principal	Presentations/User Fee Interviews
Senior Manager:	Erin Payton	Senior Manager	User Fee Study - Overall
Senior Manager:	Jeff Wakefield	Senior Manager	User Fee Analysis – Development
Staff:	Mike Adams	Manager	User Fee Analysis – Public Safety

Mr. Wilkes will be responsible for the entire projects. He is a "working owner" and will participate in presentations and in on-site work. Mr. Wakefield is one of the state's most experienced development related (planning, building, engineering) user fee project managers. He just completed our project in the city of San Francisco where he focused on development-related fee services. Mr. Adams has extensive experience with all user fee services, and his recent experience with the public safety-related fees in the cities of Redondo Beach, Los Alamitos, Huntington Beach, and Long Beach make him an excellent user fee expert. Ms. Payton will be responsible for the project overall, and will focus on recreation related services.

Each PRM consultant has extensive experience with the programs and services provided by the particular department they are assigned to. This eliminates the need for the department to "train" the consultant in the services and programs they offer. In addition, with specifically trained consultants, new fees are more easily identified department by department, examples of services/fees charged in neighboring PRM client cities are used as examples (Huntington Beach, Long Beach, Santa Barbara, Redondo Beach, Los Alamitos, La Mesa, etc.) making the interview process smoother and more productive and department staff are more confident that the consultant is knowledgeable – which helps the process more professional and productive.

In addition the PRM team approach allows special consideration to be given to the unique issues which are found in each department, i.e.:

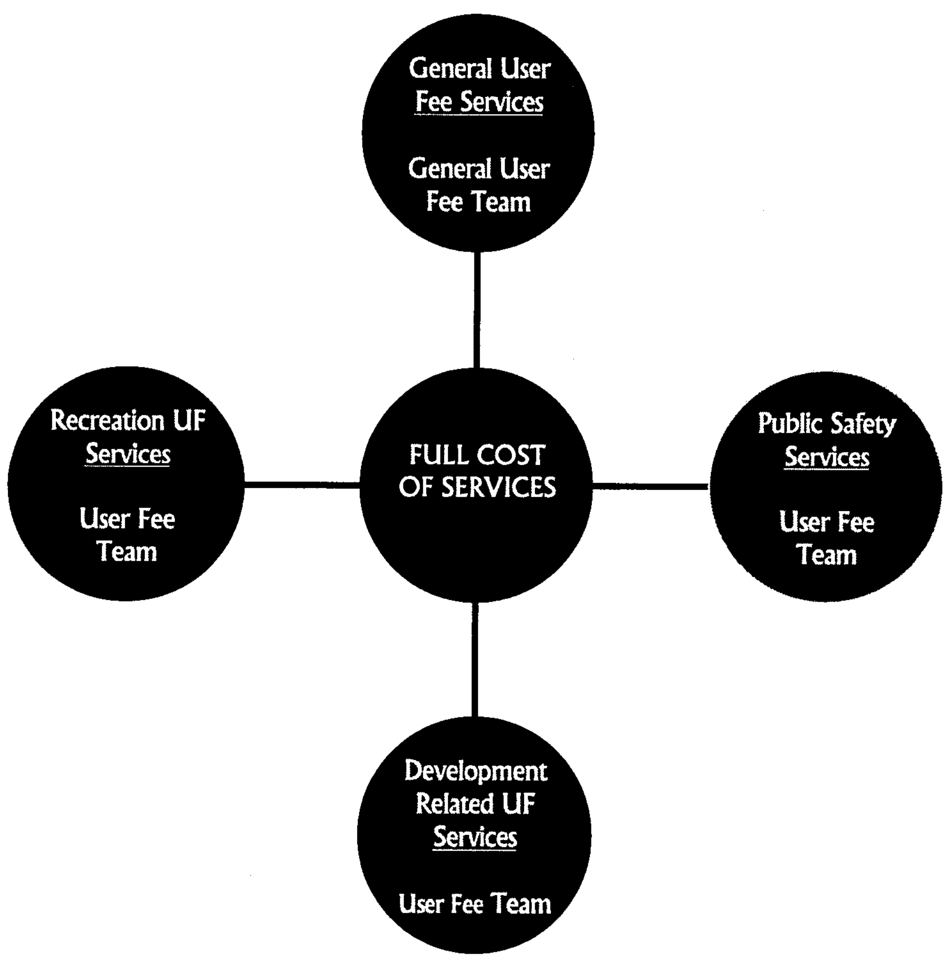
Planning Fees:	How do the new state laws related to the recovery of long range planning costs fit into current planning fees? What cities in the state charge a "technology" fee surcharge?
Building Inspection Fees:	What does the state law require in terms of fees based on valuation vs. a "Nexus" approach which ties fees to a "time and materials" approach? How do neighboring cities charge building inspection fees? How did these cities approach changing from the traditional valuation based method to the Nexus approach?

Recreation Fees: How do peer departments support the various services? Park maintenance supporting recreation activities, etc. How are these support costs calculated to reflect full costs? Once full costs are calculated, how does the "elasticity of demand" for each service affect the decision to raise fees? How are the full costs of contract classes calculated to include instructor fees, insurance, management, building space costs, etc.?

Public Safety Fees: How are the costs of code enforcement services calculated? Can all police fees be charged at full costs? What are fees verses fines? How are fire plan check costs factored into building inspection fees?

PRM has found the experience of the consultant sitting across the desk from the department representative is directly related to the final success of the project. Therefore, PRM strongly believes in placing our experts within the departments where they are most experienced.

Our coordinated project team approach is illustrated below:



Working Project Director

J. Bradley Wilkes, Managing Principal, PRM

Introduction & Experience:

Mr. Wilkes specializes in governmental cost of service studies. He has a 20 year background in local government consulting focusing on cost allocation development, user fee rate calculations, indirect cost rate calculations, information technology, operations reviews, and cost of services for state and local governments. He is the former Regional Director for all DMG-Maximus consulting offices in the Western United States. His areas of expertise include state and local OMB A-87 cost allocation plans and user fee analyses, information technology requirement and cost-benefit studies, project management, and rate and service cost analyses. During his consulting career, Mr. Wilkes served as a consultant, manager, senior manager, vice president, regional director and board member of DMG and DMG-Maximus, both national management consulting firms. Mr. Wilkes received his B.A. from Brigham Young University, and his M.B.A. from California State University.

Representative Experience

1982-1985: As a consulting staff member, Mr. Wilkes was responsible for approximately 20 annual cost allocation plans, user fee and indirect cost rate calculations for city and county governments in California, Oregon and Washington. As a team member, Mr. Wilkes participated in data gathering efforts, departmental interviews, and document preparation.

1985-1987: As a consulting manager and senior manager, Mr. Wilkes was responsible for all phases of a consulting project. Responsibility for client management and project scheduling were added to the day-to-day responsibilities of project work.

1987-1992: As a vice president, Mr. Wilkes became responsible for project staff, project scheduling, and project management. During this time, Mr. Wilkes was responsible for over 100 annual cost allocation plan and indirect cost rate projects.

1992-2002: DMG-Maximus Regional Director for all consulting offices in the Western States. Duties included the direction of 90 employees, five consulting offices, and over 400 annual individual consulting engagements.

1982-2002: Each year during this 20 year period, Mr. Wilkes continued to participate in all phases of consulting projects. In addition to his management responsibilities, he consistently maintained a list of local government clients for whom he completed cost allocation plan and indirect cost rate projects. By maintaining a continuous exposure to on-site client work, Mr. Wilkes maintained all the consulting skills needed to complete any cost analysis related consulting project.

2002- Present: Owner of Public Resource Management Group (PRM) currently completing cost of service projects for several California public agencies.

Senior Project Manager

Erin Payton, Senior Manager

Introduction & Experience:

Ms. Payton has been performing governmental cost of service studies since 1986. She has a background in local government consulting focusing on cost allocation development, and user fee rate calculations. She was formerly a Director at Maximus Inc. Ms. Payton received her degree from UC Santa Barbara.

Representative Experience

- 1995-2002: As a senior manager and director with DMG-Maximus and Maximus Ms. Payton was responsible for the management of all complex cost allocation and user fee related projects She participated in all levels of service – project design, on-site interviewing and data gathering, computer modeling, and all levels of presentations.
- 1990-2002: As a senior member of DMG, DMG-Maximus and Maximus, Ms. Payton continued to service her cost allocation clients while taking on the additional responsibilities of training new consultants, product development and other managerial duties.
- 2003 - Present: As the first person to join the PRM team, Ms. Payton has completed many cost allocation plans and user fee studies. She is the most experienced cost analyst in the Western United States - having completed hundreds of cost plan and user fee studies for local governments

The following is a sample of representative governmental entities for which Ms. Payton has provided professional services:

Alameda
Brentwood
Burbank
Calistoga
Camarillo
Campbell
Colfax
Compton
Concord
Culver City
Danville
Dixon
El Centro
El Segundo
Emeryville
Fairfield
Fresno
Grover Beach
Hercules
Hermosa Beach
Lathrop
Lompoc
Long Beach
Los Gatos
Manhattan Beach
Menlo Park
Milpitas
Mission Viejo
Modesto
Moorpark
Morgan Hill
Morro Bay
Ontario
Orange
Oroville
Palo Alto
Pasadena
Pinole
Placer County
Rancho
Cucamonga
Redondo Beach
Richmond
Sacramento
San Fernando
San Francisco
San Jose
San Luis Obispo
San Mateo
Santa Clara
Santa Monica
Santa Paula
South San Francisco
St. Helena
Stockton
Suisun City
Sunnyvale
Temecula
Torrance
Watsonville
Wheatland
Whittier

Senior Manager

Jeff Wakefield, Senior Manager, PRM

Introduction & Experience:

Mr. Jeff Wakefield has been performing governmental cost of service studies since 1986. He has a background in local government consulting focusing on cost allocation development, and user fee rate calculations. He was formerly a Director at Maximus Inc. Mr. Wakefield received his degree from the University of Redlands.

Representative Experience

- **1995-2002:** As a senior manager and director with DMG-Maximus and Maximus he was responsible for the management of all complex cost allocation and user fee related projects He participated in all levels of service – project design, on-site interviewing and data gathering, computer modeling, and all levels of presentations.

- **1990-2002:** As a senior member of DMG, DMG-Maximus and Maximus, Mr. Wakefield continued to service his cost allocation clients while taking on the additional responsibilities of training new consultants, product development and other managerial duties.

- **2002-2004:** Senior member of the user fee analysis team at Muni-Finanical. While at Muni, Mr. Wakefield directed the firms cost allocation plan and user fee analysis projects.

- **2004 – Present:** As one of the first persons to join the PRM team, Mr. Wakefield has completed several cost allocation plans and user fee studies. He is one of the most experienced cost analysts in the Western United States - having completed hundreds of cost plan and user fee studies for local governments.

Manager

Mike Adams, Manager, PRM

Introduction & Experience:

Mr. Adams joined the PRM Group after nearly three years with DMG-Maximus. While at DMG, he focused primarily on cost of service studies and cost allocation plans.

He has conducted numerous cost of service studies for cities and counties throughout California, including the cities of Pittsburg, Redlands, La Habra, Whittier, Encinitas, Fresno, Temecula, El Centro, Orange, Malibu, Covina and Banning, and the counties of Napa, Butte and Orange. In addition, Mr. Adams completed cost allocation plans for Anaheim, California; Henderson, Nevada and the Long Beach Energy Department.

Mr. Adams graduated from Arizona State University in 2001 with a Bachelor of Science degree in Economics.

Mr. Adams has done extensive analysis of all City departments and assisted with the development of a new building fee methodology, which has been implemented for many municipalities. While contracted by the counties of Butte and Napa, Mr. Adams was involved with all aspects of the county-wide cost analysis and primarily focused on the environmental management, animal control and agriculture departments. Working with these departments required distinct knowledge of many state assessed rules and regulations.

Representative Experience

- **October 2003- present: PRM Group:** Mr. Adams has been a lead consultant and the following user fee studies since joining PRM: Pittsburg, Huntington Beach, Santa Barbara, La Mesa, Emeryville and Placer County. He is currently working on the PRM user fee projects in Long Beach, Los Alamitos, Orange County Fire Authority and Irvine.

- **July 2001-April 2003: DMG/Maximus, Inc:** Mr. Adams was made a senior consultant after his first year with DMG/Maximus. During his time with DMG/Maximus he participated in numerous user fee and cost allocation plan projects. His experience included projects with: Fresno, El Centro, Temecula, Orange, Covina and Banning. He also completed projects for the counties of: Butte, Orange and Napa.

IV) Scope of Work

The City's RFP listed the analysis to include the development of a comprehensive user fee analysis. To assist the city in understanding the methodology PRM uses when conducting full cost analysis user fee studies, the following information is provided.

As PRM approaches a full service user fee study, we are guided by three overriding goals, 1) produce the most technically sound project possible, 2) manage the project in a professional manner to ensure as much "buy-in" as possible by city departments and, 3) produce management reports that are professionally presented, informative and useful. Our project approach supports these objectives.

A. Project Approach:

The city has requested information related to the full cost of providing city services, specifically:

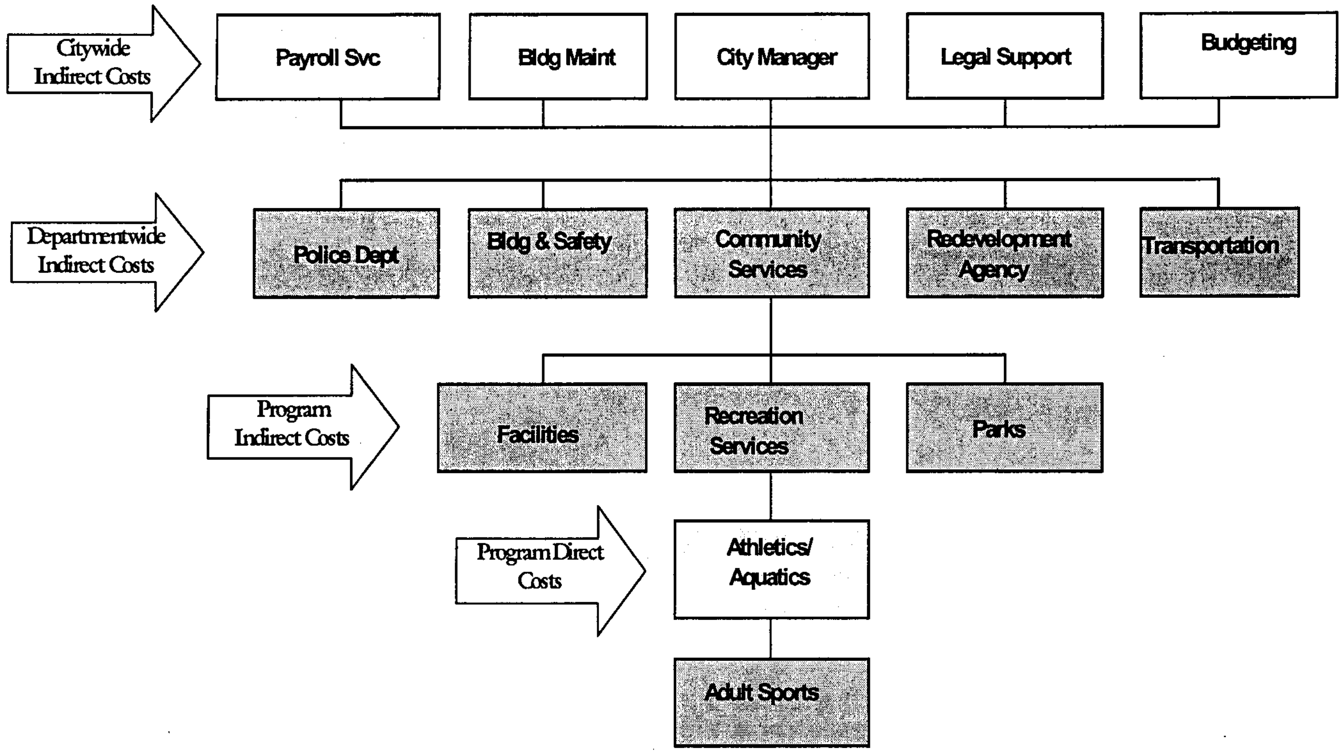
- Development of the full cost of general fund user fee related services
- Compare selected fees to fees charged in neighboring cities
- Option: Install PRM user fee software (Excel Worksheets)

The steps required to calculate the full cost of services involve the calculation of 1) indirect cost and 2) direct cost. The chart below provides an overview of the calculation process. Each example of indirect and direct cost is illustrated. Indirect costs are broken into three levels.

The first level illustrates costs to support the entire city government structure or "citywide" indirect costs. In the example below, a citywide cost such as payroll service to a recreation department staff member is labeled a citywide indirect service *(top level of squares)*. ***This layer of cost is identified and calculated in the city's full cost allocation plan.***

Department-wide support services, or the second level of indirect costs, are those that support staff in only one department *(second level of squares)*. Finally, the third level of indirect costs are those accounted for within the program itself *(third level of squares)*. This level includes costs such as: clerical support, certain supply and services, etc. Finally, the direct cost is solely the cost of the service provided by the sports leader (in the example below) who directly interacts with the customers/citizens (*final square)*.

The chart below illustrates the various levels of indirect versus direct cost:



PRM uses federally approved guidelines and generally accepted indirect costing methods to identify and calculate these levels of costs. The *cost allocation process* is used to allocate citywide indirect costs throughout the city government structure. The development of the city's cost allocation plan is the first step in calculating the full cost of city services. This document will be key to all other cost calculations made in the study. Departmental and program *indirect cost rates* are also calculated to determine the level of departmental indirect costs used to support a direct city service. Once the indirect costs are calculated, the data is integrated into the PRM user fee software and combined with the direct cost analysis to form a full cost calculation.

The steps involved in a full cost of services study include:

1. Including the allocations from the city's currently developed PRM cost allocation plan
    a. Costs allocated – ensure all indirect costs are being allocated for use in a user fee study

2. Development of a User Fee Study
    a. Identification/Inventory of all user fee related services
    b. Review fee structures in various departments (fixed fee vs. hourly rates vs. Nexus approach in building inspection)
    c. Calculation of the direct cost of each user fee service
        i. Salary cost of direct staff supplying service
        ii. Fringe benefits
        iii. Direct services and supplies
    d. Full Cost Identification
        i. Integrate indirect cost data from the cost allocation plan
        ii. Integrate direct cost data

e. Subsidy Analysis
f. Develop a comparison of fee levels among other selected cities.
g. Install PRM user fee software (Excel Worksheets)
    i. Allows the city to update information on an annual basis

B. Work Plan:

Step 1: Project Introductory Meeting

To ensure a successful start, PRM recommends holding an introductory meeting with key staff members that include both general fund departments and non-general fund departments. Of course, PRM will look to city staff for guidance for the purpose and content of the meeting and for a list of invitees. PRM considers an initial meeting designed to review the project's overall goals and objectives vital to a successful outcome. Agenda items for the introductory meeting could include:

- An explanation of the cost plan and user fee analysis process
- The purpose of a full cost study
- How other cities use full costing
- Example summary reports produced by the project
- Questions and answers
- Etc.

Step 2: Data Review

As soon as possible, lists of basic data requirements will be developed. They include: lists of selected staff salary levels, benefit cost detail, operational budgets, transaction statistics, etc. PRM will work with the city to develop and gather needed data in the most efficient way. Once this basic data is acquired, the cost plan and rate structures will be developed.

Step 3: Cost Allocation Plan Review:

PRM will review the allocations from the most recent cost allocation plan and ensure that those citywide overhead costs are included accurately into the PRM user fee worksheets. Since the city currently has a PRM cost plan, the format and methodology fits naturally into the corresponding PRM user fee module.

Step 4: User Fee Direct Cost Analysis:

a) User Fee Inventory: Working with city staff, an inventory of all current user fee charges will be developed. This list will include all general fund services provided to the public for which fees are charged. The objectives of the inventory are to identify all general fund user fee charges matched to the departments which supply the services. In some cases, more than one department will participate on a particular service. Information such as the following will be reviewed:

- fee history
- rate increase history
- revenue history

- fee purpose
- # of units completed each year
- departments providing service

b) Departmental Interviews: With information from the fee inventory, each department supplying user fee services will be interviewed. Using the PRM interview forms, the following data will be gathered:

- Staff members providing service
- Amount of time:
  - Required to complete one unit of the service
  - Per year spent supplying the service
- Activity statistics such as:
  - # completed per year
  - # completed last fiscal year
  - Estimated # of units completed in the coming fiscal year

The key statistics needed from a departmental interview are: individual staff estimates of time spent providing each service, and the number of units completed on an annual basis. In each department interview, 100% of each staff member's time is identified to ensure that no service, user fee related or not, is excluded from the full cost analysis.

(Optional – Building Department Nexus Study):

Traditionally, city building departments have depended on the Uniform Building Code (UBC) rate tables to establish building inspection and plan check fees. A fee study can review the revenue generation of these tables and recommend general increases and/or adjustments to the UBC rate factors depending on the total cost of the building department. Several PRM clients have requested that PRM conduct a more thorough "Nexus" study that develops a new method and basis for charging fees.

This nexus method makes a firm connection between hours and cost of service that some feel is lacking in the traditional UBC table method. We are currently conducting this analysis for the cities of Roseville and Whittier. The city may want to explore moving to an actual cost basis for inspection services. Because this process is more detailed and time consuming, we offer it on optional basis. If the City desires this approach, PRM will be pleased to develop a process for it.

c) Financial Analysis: Once the basic time and workload transaction data is gathered from the departmental interviews, salary data, departmental service and supply cost data is entered into the PRM user fee software. This departmental data is integrated with the indirect cost data developed within the PRM cost allocation plan module. The direct costs and indirect cost of each fee is calculated and displayed for review.

d) User Fee Management Reports: All the financial, transaction and comparison data is reported in the final management reports. Each department is provided an opportunity to review the cost/revenue data at least two separate times. This ensures that the raw data is as accurate as possible, resulting in a more reliable final report.

SUMMARY:

Once the data analysis is completed PRM assists the city with presentations to management, elected officials and to the public as needed. PRM looks forward to assisting the city in the full study analysis if that option is selected.

C. Tentative Schedule:

Our project schedule is designed to complete the project within a three month time period, but PRM is flexible to match the timeline desired by the city.

Month: October Weeks One and Two:

1) Meet with City management team and department heads to review study goals and objectives. Provide kick off meeting per the suggested communication plan.
2) Obtain budgets, salary levels, staff lists, & expenditure data.
3) Begin meetings with departments
4) Begin structuring project data into PRM systems

Month: October Weeks Three and Five:

1) Obtain any feedback from departments, continue communication, and answer questions.
2) Enter transaction data into the PRM models ("estimated time" to complete data)

Month: November Weeks One through Four:

1) Produce any draft models completed
2) Meet with departments to review draft worksheets and discuss outstanding items

Month: December, Weeks One and Two:

1) Link Cost Plan Allocations to User Fee Worksheets
2) Produce second user fee draft worksheets
3) Obtain feedback and comments

Month: December, Weeks Three through four:

1) Deliver final user fee worksheets
2) Develop final project reports
3) Install user fee model/provide training

PROPOSED PROJECT SCHEDULE OUTLINE:

Project Step:
Project Weeks: **Oct: 1 2 3 4 5 Nov: 1 2 3 4 Dec: 1 2 3 4 Jan:**

Initial Meetings:

CAP/User Fee Interviews:

1st Draft of Reports:

Comments/Changes:

Final Reports Delivered/Meetings:

Final Study Reports Completed:

User Fee Models Installed:

The schedule above is representative of a summary of the steps required to complete the user fee study. The schedule allows for a limited number of draft reports. The number of draft iterations is limited by the desired schedule. If the city desires additional chances for review, the schedule can be adjusted to reflect the City's final goals and objectives.

V) Project Team References

PRM believes the best indicator of success for a project of this magnitude, is the track record and experience of the project team. PRM's project team has completed more cost plan and user fee projects in the past 36 months than has any other consulting team in the west. Our work has been for cities of all sizes. Recently, our proposed project team completed cost plan/user fee projects for cities as large as San Francisco, Long Beach and Sacramento - and we are currently working with the city of San Diego. In the past 20 years, we are not aware of another company or project team having this kind of success with city governments this size. In addition to the complex challenges these agencies represent, our project team has gained valuable "local" cost plan/user fee experience working with neighboring cities such as Irvine, Los Alamitos, Long Beach, Huntington Beach, La Mesa, Encinitas and our team is currently 80% complete with a user fee project in Redondo Beach.

Client References:

PRM is pleased to provide the following

CITY OF ENCINITAS:

PRM recently completed a full cost user fee analysis for this city. The study focused on development related departments. The project was completed in the winter of 2006. Project staff included Ms. Erin Payton, Mr. Mike Adams and Mr. Brad Wilkes. This project is unique because of their history with litigation as it relates to building inspection fees. PRM worked closely with the city and the city's attorney to prepare a fee analysis that would pass legal challenge. PRM has worked with this particular city attorney in other cities and has developed a good relationship with his office. The project was completed successfully.

Contact:

Jay Lembach
Finance Manager
760-633-2640
jlembach@ci.encinitas.ca.us

CITY OF LONG BEACH:

PRM recently completed a full cost user fee analysis for this city. While this was a city-wide study, special focus was given to development related departments. The project began in the summer of 2004 and was completed fall of 2005. In addition to the challenges of completing such a vast project for such a large city, PRM provided additional emphasis to the analysis of development related services in the city's new code enforcement department, related fire department inspections/plan check services and building inspection/planning services. PRM provided the city an analysis "testing" the traditional UBC valuation based building inspection fee methodology with state law – with the results - the city elected to stay with that traditional billing methodology. The city of Long Beach Project staff included Mr. Jeff Wakefield, Ms. Erin Payton, Mr. Mike Adams and Mr. Brad Wilkes. The project was completed successfully.

Contact:

Rosie Bouquin
Finance Manager
562-570-7079
Rosie_bouquin@longbeach.gov

CITY OF SANTA BARBARA:

PRM originally completed a full cost user fee analysis for this city in 2004. This was a city-wide study, including all the development related activities. The city then selected PRM to complete an update to the study later in 2005. The city has again requested that PRM to update the study in 2006/2007. The original study included all general fund departments in the city. One of the highlights of this project was the varied and interesting challenges represented by the park and recreation departments. The parks department is responsible for 54 parks, many of which support recreation activities. The PRM project worked closely with city staff to reflect the maintenance and field preparation costs when calculating the full cost of those recreation programs. Project staff included Mr. Jeff Wakefield, Ms. Nicky Cass, Mr. Mike Adams and Mr. Brad Wilkes. The project was completed successfully.

Contact:

Ms. Jill Taura
Budget Director
805-564-5528
jtaura@ci.santa-barbara.ca.us

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CITY OF SACRAMENTO:

Sacramento was one of PRM's first clients. Our project team has completed cost analysis projects for the city of Sacramento each year since 2002. Project staff has included Mr. Jeff Wakefield, Ms. Nicky Cass, and Mr. Brad Wilkes. Our annual projects have included cost allocation plans and user fee studies.

Contact:

Ms. Kathleen Kinney
Accounting Manager
(916) 808-1936
KKinney@cityofsacramento.org

CITY OF FOLSOM – Subject Matter Reference – PRM Commitment:

The city of Folsom is listed as a reference to emphasize our dedication and commitment to each project – no matter how unique. The city of Folsom was very concerned with the building community's reaction to the user fee study. The finance director knew that their understanding and acceptance to the methodology was vital to a successful project. This concern was paramount. Therefore, PRM worked with the finance director for months after the project was completed – meeting with the building community numerous times (8 times) until they accepted the study. PRM did not raise the project fee, because our commitment to the project meant we would do whatever was necessary to ensure the project was a success. The project was a success and the council accepted the project and fees were raised. Our annual projects have included cost allocation plans and user fee studies.

Contact:

Mr. Nav Gill
Finance Director
916-355-7347
ngill@folsom.ca.us

CITY OF BURBANK – Subject Matter Expert Reference – Long Term Client:

Along with Sacramento, Burbank is one of our long term clients. Our project team has completed cost analysis projects for the city of Burbank each year since 2002. Project staff has included Ms. Nicky Cass, and Mr. Brad Wilkes. Our annual projects have included cost allocation plans and other cost related studies.

Contact: Mr. Justin Hess
Accounting Manager
818-238-5500
JHess@ci.burbank.ca.us

CITY OF HUNTINGTON BEACH – Subject Matter Expert Reference – Public Safety:

Our project team completed a citywide user fee study for the city of Huntington Beach in 2005. Project staff has included the same staff members as listed in this proposal. Our project included a very thorough analysis of the public safety departments. Our fire department contact reference is:

Contact: Huntington Beach
Eric Engberg
Fire Marshal/Division Chief
714/536-5564

CITY OF IRVINE – Subject Matter Expert Reference – Park and Recreation:

Our project team completed a very thorough and focused user fee study for the city's park and recreation department in 2005/2006. Project staff has included the same staff members as listed in this proposal. Our park and recreation department contact reference is:

Contact: City of Irvine
Mike Cribbin
Community Services Sr. Management Analyst
949-724-6658

VI) Project Budget

PRM has been successful in providing the best level of service for reasonable prices. During the competitive bidding process, a city often selects the lowest bidder. PRM has developed this proposal using the following three assumptions – all of which affect the price of the study.

1) Using only experienced staff: The price proposed below is based on using only experienced team members. Mr. Wilkes, Ms. Payton, Mr. Wakefield and Mr. Adams will actually be on-site working day-to-day.

2) Comparisons with Neighboring Programs: Because of our recent work with Los Alamitos, Huntington Beach, Long Beach, Redondo Beach, and Santa Barbara, and others, PRM is able to offer extensive management information related to the charges in other city governments.

3) Installing the PRM user fee Excel software so that the city can update the user fee data on an annual basis (optional).

These factors make the PRM proposal unique. Therefore, it is important to note that PRM has the ability to reduce our fee by using less experienced staff and/or by reducing our proposed project scope. We have shown our fees using a range so that the city can select how detailed our study needs to be to match the city's goals and objectives.

We will be pleased to negotiate our prices to reflect the final goals and objectives of the city.

Project Approach:

The city has requested information related to the full cost of providing city services. Specifically:

1. The calculation of indirect costs – all layers: citywide, department-wide and program level costs.
2. The development of a full cost user fee analysis calculating direct costs at the lowest level possible.
3. The development of a user fee model for city use after the study is completed.

PRM estimates the following number of hours for the tasks listed above:

TASKS	SR PRM STAFF	PRM STAFF	TOTAL
Cost Allocation Plan Review	1	3	4
User Fee Calculation Analysis	80	100	180
Presentations	8	8	16
User Fee Model/Training	5	5	10
Totals:	94	116	210

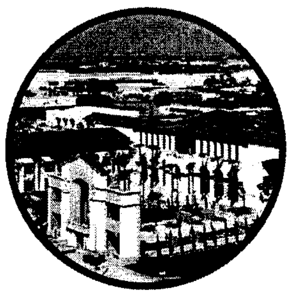
The number of hours listed above is based on our current understanding of the project. These hours could change depending on further discussions with city staff and a more defined project scope. Our average hourly rate, which includes expenses, for PRM staff is $150. We will not be using subcontractors.

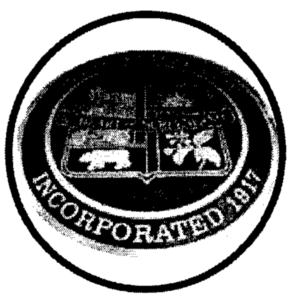
Our proposed professional fees are:

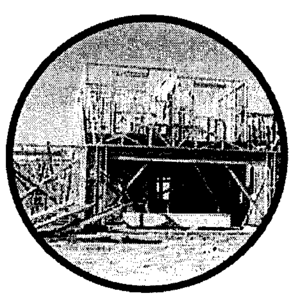
User Fee Study/Cost Plan Review:	$ 27,600 - $34,000
Presentations:	$ 2,400
Model:	No Chg
Model Installation/Training:	$ 1,500
Total Project:	$ 31,500 – 37,900

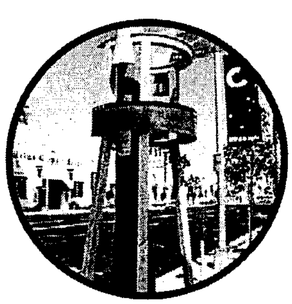
A PROPOSAL TO

CULVER CITY









COMPREHENSIVE CITYWIDE USER FEES AND CHARGES RATE STUDY

AUGUST 24, 2006

PMC

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PMC

Submitted to:

Ela Valladares
Deputy City Clerk

Culver City
9770 Culver Blvd., 1st Floor
Culver City, CA 90232
(310) 253-5851

Submitted by:

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1590 Drew Avenue, Suite 120
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(831) 644-7696 Fax

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(916) 361-1574 Fax

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San Diego, CA 92121
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(858) 453-3628 Fax

1-866-828-6762

August 24, 2006

Ela Valladares
Deputy City Clerk
CITY OF CULVER CITY
9770 Culver Blvd.
Culver City, CA 90232

RE: PROPOSAL TO PREPARE COMPREHENSIVE USER FEE AND RATE STUDY

Dear Ms. Valladares:

PMC is pleased to submit this proposal for the preparation of a Comprehensive Citywide User Fee and Rate Study. PMC has assembled an experienced team of experts from our Municipal Finance and Public Affairs Groups to conduct this important study for the City.

The study and resulting fee report will review the current user fees contained in the Master Fee Schedule adopted per Resolution 2006-053 that the City collects for its services, and recommend appropriate updated fees that can recover the cost of providing these services. As many of the existing fees may not have kept pace with the growth in costs to deliver the service, it is desirable to recover costs through updated user fees that comply with applicable laws, statutes and rules. Effective data collection, observation and interviews with City staff, as well as a thorough review of fee programs from other similar cities already identified by the City, will provide a foundation for this work. A customized computer model will also be developed that will enable "what if" analyses and changes to inputs by City staff.

This proposal reflects efforts to conduct the analysis for General Fund fee programs, as well as the City's bus fares which is an enterprise fund. PMC's understanding is that General Fund fees are the priority of the City to be updated, and PMC has carefully crafted a detailed scope of work to address these needs. As the General Fund fee programs cover a wide spectrum of user fee services, from licenses and permits to fines and forfeitures to charges for services, PMC has proposed a methodology that comprehensively analyzes the basis for these fees which will lead to the development of defensible fee recommendations and updates.

PMC will draw upon the firm's senior municipal finance and public affairs personnel who have recent experience with the services needed to undertake and prepare the study in satisfaction of the City's requirements. For this important engagement, **Derek Wong, AICP** will be assigned as the Project Manager responsible for day-to-day management of the project team, schedule, and work products. Mr. Wong specializes in public facilities financing and user fee analysis, including General Fund and transportation related fees. Assisting Mr. Wong will be **Tom Bandy** and **Jerome Fournier** who will each provide technical expertise to this project. Each will apply their experiences with cost of services projects and development planning. **Kendall Flint** will serve as communications specialist for an optional coordinated public input task. PMC believes this unique and comprehensive arrangement will add value to the study and ensure our responsiveness in each phase of the project.

The proposal shall remain valid for a period of not less than 90 calendar days from the date of submittal. PMC is excited about this opportunity to work with the City, and we are eager to respond to this project in a professional, timely and cost-effective manner.

PMC appreciates the opportunity to propose on this project and we look forward to answering any questions you may have. Mr. Wong may be contacted at (530) 750-7076 ext. 208 in the event any clarification is needed regarding the contents of our proposal. His contact information is as follows:

Derek Wong, AICP
Project Manager, Municipal Finance Manager
PMC
1590 Drew Ave, Suite 120
Davis, CA 95616
(530) 750-7076 ext. 208
dwong@pacificmunicipal.com

Sincerely,

PACIFIC MUNICIPAL CONSULTANTS

Philip O. Carter
President

POC:dw:kc

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EXECUTIVE SUMMARY

MEETING COST RECOVERY

From our research in preparation of this proposal, it is our understanding that the City of Culver City has not conducted a comprehensive user fee and rate study for some time. The City recently adopted updated rates and charges that are contained in Resolution 2006-053. However, the City desires to undertake a comprehensive approach to analyzing the cost of providing city services and updating the fees to recover these costs, either through full cost recovery or through a percentage based (e.g. youth recreation) where full recovery might be unrealistic. The update will also intend to achieve consistency with the City's cost recovery policies. The results of the comprehensive fee study will serve as a "baseline" for future updates by staff and ensure that the City continues its recovery of fee-based costs allowable under state law (Government Code 65909.5 and 66014).

PMC will analyze and update the City's existing general fund related user fees and rates that are listed in Resolution 2006-053 with the potential for suggesting new fee programs where a new fee might be warranted. We will also review and update the City's transit bus fees, however, not the sewer and refuse fees. We welcome the opportunity to discuss the sewer and refuse fee updates as a separate opportunity outside the proposed scope of work.

Upon our discussion with City staff and possible refinement to the project scope, we could suggest several methodologies to approach the fee update. These include project specific user fees, average cost user fees, and deposits plus time and materials. We will conduct a comparison of fees from similar cities to provide the City with various fee calculation options. Each methodology calculates the user fees based on a set of specific assumptions provided by the City including the level of staff effort involved with providing the service. We will also discuss possible methods for providing annual updates to the fees, including linkages to indexes such as the Consumer Price Index for all Urban Consumers Los Angeles/Riverside/Orange County Area; the Los Angeles County General Public Allowable Rate Schedule (for paramedic emergency services); and/or growth in city staff wages and benefits. These sample indexes can provide a basis for recovering anticipated incremental cost increases over time.

We will develop and provide training on an Excel spreadsheet fee model to generate the full cost recovery data that will enable city staff to adjust the fee inputs when conditions change. The model will be developed to automate annual fee updates and to evaluate 'what-if' scenarios.

The City may wish to have the consultant provide coordination of public input so that the findings and recommendations from the fee study are prepared in user-friendly format and are clearly explained. As the fees could have some degree of impact on the community at-large, it is important that the public have an opportunity to review and comment on the fees. PMC has a staff of public information specialists who can assist with this optional task and bring continuity to each of the task elements requested by the City.

A central assumption to delivering a highly credible and usable study within the approximate 12 week timeline is the level of cooperation and assistance that will be provided by City staff. We anticipate working closely with City staff on this important project, including conducting interviews to clearly understand the processes employed for each service, and reviewing draft and final products. Our interaction with staff will be especially critical during the data collection phase in which we will be verifying the fee types and the method of cost recovery.

SUMMARY AND EXPERIENCE OF FIRM

PMC is dedicated to serving the needs of cities, counties, and other governmental agencies by providing a complementary range of municipal finance, planning, environmental, and management services. PMC is a privately held corporation headquartered in Sacramento with offices in Los Angeles, San Diego, Davis, Monterey, Mt. Shasta, Chico, Oakland and Phoenix. The firm was established in 1995 with an ongoing mission to provide municipal services to public agencies, special districts and public-oriented organizations, and has provided service to more than 200 cities, counties, and special districts throughout California. The Company has grown steadily in personnel and services offered and today consists of over 220 employees working out of its nine primary offices. PMC is a well-capitalized firm and has a strong history of growth and increasing revenues. Our Dun & Bradstreet number is 83-732-3948. We invite you to visit our website at "www.pacificmunicipal.com", and for further information regarding our company, you are welcome to contact PMC's project manager, Derek Wong, AICP at (916) 530-750-7076, extension 208 or through email at "dwong@pacificmunicipal.com".

The person authorized to bind the company contractually is:

Philip Carter, President
Pacific Municipal Consultants (A California Corporation)
10461 Old Placerville Road, Suite 110
Sacramento, CA 95827
(916) 361-8384
pcarter@pacificmunicipal.com

MUNICIPAL FINANCE

PMC has dedicated staff with extensive experience preparing cost of services studies for new and updated user fees. We have worked with a wide variety of public services in the course of our projects including planning and building, finance, community development and public works. Many of the projects have included presentations to elected officials and the general public. With a municipal orientation, PMC personnel operate as an extension of agency staff with the goal of providing legally defensible fee programs and other financial/fiscal documents in the most efficient manner possible. Given the breadth and depth of expertise among our staff, PMC is able to offer clients a broad range of financial services.

PMC provides turnkey finance services, enabling our clients to maintain, enhance, and assure long-term viability in their growing communities. Our finance services include but are not limited to the following:

- Financial planning and revenue enhancement, including financial projections and policy analysis, plus rate and user fee studies;
- Capital improvement planning and financing, including infrastructure financing plans and development impact fee and connection fee studies;
- Economic and fiscal policy analysis of proposed projects and plans, including government reorganizations studies; and
- Special district creation and implementation, including district formation and Prop. 218 voter campaigns.

COMPANY

PMC implements a multi-disciplinary approach to public finance and the following list of completed projects will give the indication of the breath and scope of the experience we bring to each project.

PUBLIC FACILITATION AND OUTREACH

PMC is pleased to support the city's request for an optional public participation component to this project with an award-winning team of in-house public information and graphic design professionals that has created and implemented national, state and local public participation programs. We know that effective public participation helps reduce the likelihood projects will get shelved, stalled or stopped. Whether constructing road improvements or undertaking a comprehensive fee analysis study, clients realize the benefit of involving stakeholders early and often. The active participation of residents, business people, and public service providers is an essential component to consensus building on issue resolution. It is our responsibility to take the ideas and concerns expressed by the public and translate them into clear expressions and issues. PMC staff has extensive experience facilitating public outreach efforts addressing a wide range of issues and within diverse communities.

DESCRIPTION OF PROJECT TEAM

We have assigned senior municipal finance staff to this important project. Derek Wong will serve as the consultant team's Project Manager. Assisting Mr. Wong will be Tom Bandy, Director of Municipal Finance, and Jerome Fournier, Public Finance Coordinator. We have also assigned Kendall Flint, Director of Public Affairs, to manage the optional coordination of public input. An organization chart is shown on the following page. Resumes for each staff member are provided at the back of this proposal.

DEREK WONG, AICP - PROJECT MANAGER, MUNICIPAL FINANCE MANAGER

Mr. Wong has over 11 years of consulting and project management experience specializing in infrastructure financing of public facilities and impact/user fee analysis. He will manage this engagement and participate in all aspects of the project, including data collection, analysis and development of updated fees. He will ensure that all elements of the work plan are undertaken and completed to the City's satisfaction. Mr. Wong has managed user fee studies for several local jurisdictions, including in the City of Hughson, the County of Amador and City of Willows. He teaches seminars on public financial management to planning and finance professionals throughout California with coursework including revenue strategies and financial planning techniques. His area of expertise is in project management, user fee studies, infrastructure financing and impact fees.

TOM BANDY – SENIOR FINANCE ADVISOR

Mr. Bandy has over 25 years of administrative and consulting service to local governments. He has successfully worked on a wide variety of similar projects and has developed numerous fee reports. He will provide advisory services in preparing the fee study and draft and final products. Mr. Bandy currently provides consulting services that include the preparation of public facility financing plans that identify the cost, phasing, and financing of public improvements; annual administration of special districts to fund capital projects; structuring of growth management techniques to identify and assure the construction and financing of public facilities; the analysis of water and sewer rates; and the preparation of development impact fee studies in accordance with the nexus requirements of Government Code Section 66000.

JEROME FOURNIER - PUBLIC FINANCE COORDINATOR

Mr. Fournier has 18 years of public infrastructure financing experience in the State of California working with public agencies and private clients. Mr. Fournier has assisted numerous public agencies fund major infrastructure improvements through the use of financing tools such as Mello Roos Community Facilities Districts, Assessment Districts and Public Facilities Financing Plans. During this time Mr. Fournier has assisted clients fund approximately $500 million in infrastructure improvements.

KENDALL FLINT - PUBLIC OUTREACH

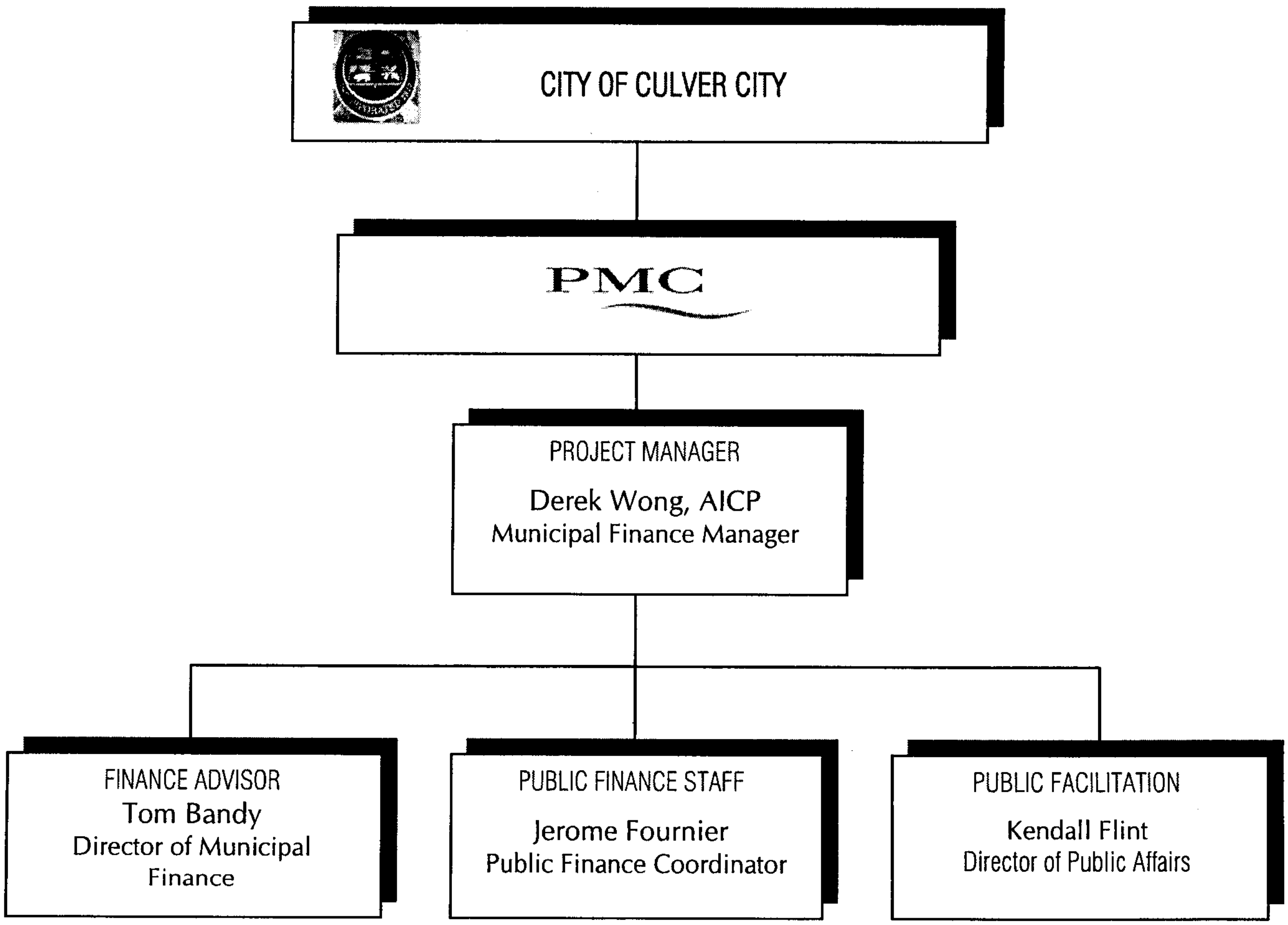
Ms. Flint is an industry professional with more than 20 years of public affairs experience. She has created and implemented a broad range of outreach campaigns for public agencies. These have included The City of Dana Point, CalOptima, Caltrans, Orange County Transportation Agency, Riverside Transportation Agency, Regional Occupational Programs of California, and the Sacramento Municipal Utility District. Her award-winning work has been honored by the California Association of Public Information Officers, Public Relations Society of America, the International Television Association, the International Association of Business Communicators and the American Corporate Video Awards. She has produced and directed national outreach campaigns featuring Arnold Schwarzenegger, Will Smith, Oscar de la Hoya and recently completed a national PSA for Boys & Girls Clubs of America featuring Mark Wahlberg. Ms. Flint will assist the PMC team with the optional task of providing public education and input regarding the user fee programs.

ADDITIONAL STAFF RESOURCES

The above list represents the staff which PMC anticipates will be required, however it is possible that the need for additional staff may arise. Therefore PMC may assign additional staff types as necessary to complete the services required under this agreement. Compensation rates for additional staff types will be determined by PMC and will be consistent with the rates listed herein. Assignment of additional staff will not change the budget of this agreement, unless agreed upon by both parties with the execution of an amendment.

ORGANIZATIONAL CHART

An organization chart shows the relationship of the project team.



SCOPE OF WORK/IMPLEMENTATION

SCOPE TO COMPLETING WORK

SAFEGUARDS TO TIMELINE

As a safeguard and to ensure a timeline is maintained, PMC will be responsible for communicating with the designated City Project Manager on a regular basis via email, phone, fax or meetings. Internally, the project team will communicate on a regular basis via conference call, email and/or in person to discuss project status and next steps. PMC has in place project management software and internal controls to ensure timelines are met and that quality products delivered. Given that the scope of the project requires regular interface with key City staff as well as distinct milestone deliverables throughout the course of plan preparation, the City will be kept aware of our progress.

"WORKING" MEETINGS

We will work with City staff to determine the amount of "working" meetings required to successfully complete this project to the City's satisfaction. We have identified where some of the working meetings could occur in the tasks. Although the RFP does not state the number of working meetings that the consultant is required to attend, we are assuming reasonableness in the frequency of attending these meetings. We might suggest other forms of meeting such as conference calls and email where appropriate.

EXTENT OF CITY STAFF SUPPORT REQUIRED

The success of this project and its completion within the proposed timeline is reliant on the full cooperation and timely availability of City staff. In our detailed scope of work describing the tasks, we identify where staff support will be required, including during the data collection phase and interviews to determine the full cost of providing City services. We also will hold meetings during the project timeline and receive comments on deliverables by City management.

DETAILED SCOPE OF WORK

Task 1 – Project Team Orientation/Kickoff Meeting

To initiate our work, we will hold a meeting with City staff, and others as appropriate, in order to refine the project scope, purpose and uses and goals of the Comprehensive Fee and Rate Study. During the meeting we will also:

- Identify members of City staff who will participate in the project.
- Confirm project schedule and establish key milestone dates; schedule meetings as appropriate.
- Establish the capabilities of the City's automated billing/accounting system.
- Identify City's philosophy/policy objective(s) concerning subsidies for programs where service/user fees are likely to be less than cost of service.
- Develop a contact list and circulate to the project team.
- Discuss development of time and materials worksheet for distribution to staff to record time allocation to each specific service.

We will also provide the City with sample comprehensive fee schedules from other jurisdictions to discuss potential new fees for existing services that the City might not already be recovering, as well as to identify "best practices" in establishing user fees.

Due Date: 10 days upon receiving an executed contract and a Notice to Proceed (NTP).

Task 2 – Data Collection/ Review Existing Policies, Plans and Cost of Service Information

With the City's assistance, we will collect and review pertinent existing City documents including, but not limited to, the following:

- Indirect Cost Allocation Plan
- Comprehensive Fee Schedule
- User Fee Cost Recovery Goals and Policies
- FYs 2005-2007 Operating and Capital budgets
- Audited financial statements from the preceding three years
- Staff hours and materials costs to complete the services being studied
- Other in-house or external data identified during the course of work.

The review will provide the required background and establish the groundrules for cost recovery. Should a determination be made that improvements could be recommended for the cost of services information, we will identify the deficiency and provide comment on how the information could be improved.

Due Date: 20 days upon receiving an executed contract and a Notice to Proceed (NTP).

Task 3 – Conduct Survey and Comparison of Fees

We will conduct a survey of up to 3 similar local jurisdictions identified by the City for comparison. Where a different fee structure/cost recovery method is used we will recommend an appropriate basis of comparison. In instances where wide variation from the average is found we will provide alternative explanations, such as greater capital investments, that could account for those differences. As stated in the RFP, the fee comparison will be for information purposes, but will also serve as a benchmark for the study's current and proposed fee schedule. The cost information gathered might also serve to form recommendations for this study.

Due Date: 30 days upon receiving an executed contract and a Notice to Proceed (NTP).

Task 4 – Conduct Interviews and Identify Fully Burdened Cost of Providing City Services

We will conduct interviews with key staff to outline processes currently in place to process city applications and permits, administer services and to collect fees. We will utilize the pre-distributed time and materials worksheet developed by PMC to discuss the processes and time requirements for each fee service. The fees proposed for review include those in the City's master fee schedule (as referenced in Resolution 2006-053):

- General City Copying Services
- Dog License Fee
- Returned Check and Credit Card Fees
- Community Development Department (Planning and Building)
- Fire Department (Emergency Transport and Fire Prevention)

- Public Works and Engineering (excluding capital facility fees)
- Parks, Recreation and Community Services Department
- Police Department (Alarm systems, firm permits and report copies)
- Miscellaneous (including technology and telecommunications)

We will also include in our analysis the fees for public transportation (bus fares) which is an Enterprise Fund.

We will work with City Finance staff to determine the cost of direct employee compensation, departmental charges, and indirect overhead. The City's current Indirect Cost Allocation Plan will be utilized in the analysis to determine an appropriate overhead rate to apply to each direct cost. This will result in the calculation of current direct costs and indirect costs attributable to each fee program.

We will determine total costs of General Fund services fees, and identify instances where charges have a subsidy relation to the General Fund. An example of a program area where a general fund subsidy might continue is for youth recreation.

Due Date: 35 days upon receiving an executed contract and a Notice to Proceed (NTP).

Task 5 – Develop a Computer Model for Fee Analysis and Future Annual Updates

We will develop an Excel based computer model that will be specifically tailored to the unique conditions of the City and will include the ability to calculate the fully burdened cost for each fee service. The model will show the inputs to the fully burdened rate and the time (expressed in hours or fractions thereof) which are two primary variables to calculating the updated fees. The model will also have capabilities to conduct 'what-if' scenarios that will enable the adjustment of key inputs which will then alter the fee. This can be useful in evaluating the user fee impact of eliminating subsidies.

For other fees such as for rental of recreation facilities, the model will show the fully allocated cost per hour to the city based on the city's budget and staff's input on rental availability. For bus fares, the fees are reliant on ridership data, operating costs and the City's obligation to meet the farebox recovery standard mandated by the Transportation Development Act (TDA). The model will:

- Be easily updated for annual adjustments to account for changes in levels of service, staffing, use of subsidies;
- Identify the required data inputs;
- Clearly identify the assumptions underlying the analysis;
- Have the ability to conduct "what-if" analyses.

Due Date: 45 days upon receiving an executed contract and a Notice to Proceed (NTP).

Task 6- Compare Updated Costs with Existing Recovery Levels

Using the computer model, we will create a spreadsheet that shows, side-by-side, the updated total costs against existing recovery levels. Existing recovery levels would be derived from the existing fees being charged per unit of service. For example, the existing fee for processing a lot line adjustment application is $1,175. This number would be compared with the updated total cost to process a lot line adjustment. If the total cost is higher than the fee, the activity would be considered subsidized by the General Fund.

Potential new fees would be identified and included in the spreadsheet. The comparison with other agencies would provide the basis for identifying new fees. We will discuss any new fee with appropriate City staff (possibly via conference call) to determine their applicability to City service and the existing fee policy.

In our discussions of the updated costs with City staff, if any possible discrepancies are identified, we might suggest either an alternative fee collection method or adjustment to the fee calculation that mitigates the discrepancy.

Work conducted from this task will provide the recommended appropriate Fees and Charges.

Due Date: 50 days upon receiving an executed contract and a Notice to Proceed (NTP).

Task 7 – Recommend Appropriate Administrative Fees and Rate Structures

We will provide a recommended schedule of updated fees based on the modeling analysis conducted in previous tasks. The schedule will include an itemized breakdown of fees that can meet full cost recovery and those where a subsidy might still be required, based on the City's existing cost recovery policy. We will determine the new cost recovery percentage as well as the revenue impact to the City from the recommended fees. It is anticipated that the revenue impact should result in reduced subsidies by the General Fund towards these services.

If appropriate, and upon our discussions with City staff, we will also recommend alternative rate structures that are identified during this study. The rate structure could include specific user fees, average cost user fees, and deposits plus time and materials.

We will also discuss methods for providing annual updates to the fees. The fees could potentially be linked to an index such as the Consumer Price Index for all Urban Consumers Los Angeles/Riverside/Orange County Area; the Los Angeles County General Public Allowable Rate Schedule (for paramedic emergency services); and/or growth in city staff wages and benefits. These sample indexes can provide a basis for recovering anticipated incremental cost increases over time.

We will meet with appropriate City staff to review the fee analysis and report and receive any amendments/comments.

Due Date: 55 days upon receiving an executed contract and a Notice to Proceed (NTP).

Task 8 – Complete Evaluation of Current Fees/Develop Report and Updated Master Fee Schedule

A final Cost of Services report will be delivered that incorporates the work conducted and comments received as explained in the above tasks. The report will identify the current fees, recommended fees, percentage change, cost recovery percentage, revenue impact and fee comparison. Five (5) copies of the final report, and one camera ready unbounded original will be delivered along with an electronic version of the report in a Word/Excel format that the City can update/make changes to.

We will provide assistance to the City in updating the Master Fee Schedule that includes the updated fees. Any Word/Excel file used for the updated schedule will be made available to the City.

We will attend up to three (3) meetings plus up to two (2) public meetings to present and discuss the report findings and recommendations. One of the public meetings will be the presentation to the City

Council. We will also be available to consult with City staff (including through phone, fax, and email) to defend the fee study.

Due Date: Final Report 90 days upon receiving an executed contract and a Notice to Proceed (NTP). A presentation to the City Council is tentatively scheduled for January 2007.

Task 9 – Provide Training

We will provide on-site training of the fee model to enable City staff to update the fees. This will be a 2 to 3 hour training workshop.

Due Date: Date to be agreed upon between City and PMC following development of final report.

Optional Coordination of Public Input

At the City's discretion, the following public participation activities are recommended for the fee analysis study. The goal for this outreach is to:

- Educate the community and stakeholders about the study through proactive, consistent and clear communication;
- Encourage and facilitate public input by creating avenues for feedback; and
- Convey important key messages about the city's dedication to community service and public participation.

PMC commits its award winning public affairs staff to assist with coordinating public input to the fee update. We will coordinate with the City the extent of our communications with the public and identified stakeholder groups and to provide assistance in soliciting and receiving public input to the fee study. For example, we can provide bilingual outreach and translate public information materials into Spanish, or other language, as needed. We can also provide a press release to encourage public review of the fee study and input. We will discuss alternatives to assist the City with alerting stakeholder groups such as the development community regarding the fee analysis and recommendations.

Due Date: Dates to be agreed upon between City and PMC following development of draft report and before/during public hearing process.

PROJECT SCHEDULE

PMC is committed to meet the City's 12 week timeline as prescribed in the RFP. We understand the needs of local jurisdictions to effectively serve the public and be accountable for the activities that are undertaken. With an anticipated start date of October 9, 2006, the scope of work and project due dates presented in our proposal demonstrate our commitment to complete this important study for the City within the timeline. The timeline on the next page shows the estimated time by task for the General Fund fees and bus fares. The timeline excludes the sewer and refuse Enterprise Fund fees, which is not a part of this work scope. Should there be unforeseen delays or circumstances, we will work with the City to re-evaluate the timelines and deliverables.

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SCOPE OF WORK/IMPLEMENTATION

Proposed Schedule by Task

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12
Task 1 - Kick Off	★											
Task 2 - Data Collection												
Task 3 - Fee Survey												
Task 4 - Interviews and Identify Full Cost of Service												
Task 5 - Develop and Use Of Computer Model												
Task 6 - Compare Cost with Existing Fees												
Task 7 - Recommend Appropriate Fees												
Task 8 - Complete Evaluations and Draft/Final Reports												
Task 9 - On-Site Training (To be determined with City)												
Meetings with City Staff and Public Meetings	★				★			★			★	★
Option: Coordination of Public Input												

75. The optional coordination of public input services, at the City's discretion, would be an additional $3,000. The following table shows the proposed budget by task by consultant

PMC Staff Hours/Fully Burdened Rate

	D. Wong Project Manager		T. Bandy Senior Finance Advisor		J. Fournier Public Finance Coordinator		Administrative		Total Hours	Total
sk	Hours	$125	Hours	$140	Hours	$125	Hours	$65		
	8	$1,000	2	$280		$0		$0	10	$1.
	8	$1,000		$0	3	$375		$0	11	$1.
	16	$2,000	2	$280	12	$1,500		$0	30	$3.
d Identify Full Cost of	48	$6,000	3	$420	8	$1,000		$0	59	$7.
e Of Computer Model	24	$3,000	2	$280	4	$500	4	$260	34	$4.
ith Existing Fees	12	$1,500		$0		$0		$0	12	$1.
ropriate Fees	16	$2,000	2	$280		$0		$0	18	$2.
luations and Draft/Final	32	$4,000	2	$280	8	$1,000	10	$650	52	$5.
(To be determined with	8	$1,000		$0		$0		$0	8	$1.
nd Public Meetings	32	$4,000	8	$1,120		$0		$0	40	$5.
	204	**$25,500**	**21**	**$2,940**	**35**	**$4,375**	**14**	**$910**	**274**	**$33**
er diem)		$1,300		$250						$1.
onal Task		**$26,800**		**$3,190**		**$4,375**		**$910**		**$35**
f Public Input									24	$3.

CONSULTANTS AND/OR SUBCONTRACTORS

PMC Staff Hours/Fully Burdened Rate

At this time, Pacific Municipal Consultants (PMC) respectfully submits this proposal to the City of Culver City, without the use of subconsultants. If for any reason (i.e. modification of scope) the use of subconsultants is identified, PMC will obtain prior written authorization from the City before any subconsultants are utilized for work on this project.

CLIENT REFERENCES

RECENT CLIENT REFERENCES FOR FEE STUDIES

Susan Grijalva, Planning Director
County of Amador
500 Argonaut Lane
Jackson, CA 95642
(209) 223-6380

Dr. Louis Pietronave, City Administrator
City of Ione
1 East Main Street
Ione, CA 95640
(209) 274-2412 ext. 101

Joe Riker, City Manager
City of Orland
815 Fourth Street
Orland, CA 95963
(530) 865-1600

Barry Siebe, Planning Director
City of Hughson
7018 Pine Street
Hughson, CA 95326
(209) 883-4054

Mike Mistrot, City Manager
City of Willows
201 N. Lassen
Willows, CA 95988
(530) 934-7041

Tom Adler, Civil Engineer
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
(619) 409-5483

APPENDIX A – ABILITY TO COMPLY

ADMINISTRATIVE AND CONTRACTUAL OBLIGATIONS

PMC has reviewed the Request for Proposal #1338 for a Comprehensive Citywide User Fees and Charges Rate Study for the City of Culver City, and is confident that should PMC be the selected bidder, we will be able to agree to mutually acceptable contract terms. PMC routinely signs Professional Services Agreements with various municipalities. We believe resolution of minor language changes can be easily attained, and have not had difficulty resolving terms with municipalities similar in nature to the City of Culver City. We appreciate that the City included some of their contractual obligations in the RFP for review, and we have the following comments regarding some of the language that that has been disclosed in the RFP.

Indemnification and Insurance Section, Page 11 - PMC is prepared to be responsible for its errors and understands its obligation to indemnify the City. However, PMC can only take responsibility for its own errors and not for other people's mistakes. Therefore PMC will request modification of this section by replacing the phrase "or in any manner directly or indirectly caused, occasioned, or contributed to, or claims to be caused, occasioned, or contributed to, in whole or in part, by reason of any act or omission, including strict liability or negligence of Consultant, or of anyone acting…." to the phrase "to the extent caused by any negligent act, error, omission or willful misconduct by Consultant, or of anyone acting….."

Additionally we will request that the following sentence be added towards the end of the first paragraph: "In the event any liability is caused by the joint or concurrent negligence of Consultant and City, they shall be borne by each party in proportion to its negligence."

Rights to Materials, Page 11 – PMC agrees that the City should have ownership of documents that are created in the performance of services; however, PMC produces various types of documents and/or data/materials for specific projects and purposes. Should the City choose to use documents, data or materials that PMC prepared for one project on another project, PMC cannot be responsible for any possible negative results. In other words, PMC cannot be held liable for future uses or misuses of such documents, data or materials because PMC did not prepare them for all potential uses. Therefore, PMC will request the addition of the following sentence at in this section: "Consultant shall not be held liable for any reuse of the City-owned documents for purposes outside this Agreement."

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Tom Bandy
Director of Municipal Finance

Education

Bachelor of Science, University of Redlands

Master of Public Administration, University of Southern California

Master of Business Administration, Pepperdine University

Experience and Current Responsibilities

Mr. Bandy has 30 years of administrative and consulting service to local governments. For 14 years prior to 1988, Mr. Bandy served in administrative positions in three California cities, most recently as a department manager responsible for a variety of municipal services. Mr. Bandy currently provides consulting services that include the preparation of public facility financing plans that identify the cost, phasing, and financing of public improvements; preparation, formation, and annual administration of special districts to fund capital projects utilizing bonded indebtedness as well as annual assessments to fund ongoing operation and maintenance costs; structuring of growth management techniques to identify and assure the construction and financing of public facilities; completion of public facility elements to General Plans; the analysis of water and sewer rates; and the preparation of development impact fee studies in accordance with the nexus requirements of Government Code Section 66000.

Relevant Project Experience

Facilities Feasibility, Planning and Financing

- **City of San Diego, Impact Fee Methodology Study.** PMC, with Tom Bandy as Project Manager, was selected in 2004 to analyze the city's development impact fees for transportation, parks, libraries, and fire services. The fees are calculated separately within 28 urbanized neighborhoods. The purpose of the study is to determine if the fees are accurately reflecting the demand placed on the city's infrastructure by new development.

- **Plumas County, Impact Fee Study.** PMC, with Tom Bandy as Project Manager, was selected in 2004 to create the county's first impact fees on new development. The study involves identifying those facilities and services that could be eligible for funding, generating cost estimates for such facilities, identifying land uses to be permitted over the planning horizon, and preparing an AB1600 nexus report. The report should be ready for presentation to stakeholder groups in late 2005.

- **City of Ione, Impact Fee Study.** PMC, with Tom Bandy as Project Manager, developed a series of impact fees for funding new capital infrastructure including fire and police services, park improvements, and city hall facilities calculated through 2020.

- **City of Salinas, Traffic Fee Update.** As Project Manager for this multi-disciplinary study, analyzed the build out circulation element streets and developed cost estimates for their construction. This involved an additional study of six interchanges with Highway 101. Prepared a report identifying each improvement location, sizing, and cost. Presented updated traffic fees and findings in a series of public workshops and meetings.

- **City of Elk Grove, Technical Review of Infrastructure Financing Plan.** Managed the staff review of infrastructure financing plan for the Laguna Ridge Specific Plan covering 1,900 acres and approximately 7,700 residential units and 285 non-residential acres. The plan will be the subject of future public hearings.

- **City of Chula Vista, Transportation Development Impact Fee 2002 Update.** Prepared an AB1600 nexus report addressing transportation projects in one of the fastest growing cities in California. The study identified approximately $185 million in backbone street costs impacted as the result of planned growth. The resulting fee increased from $6,240 to $8,180 per single-family dwelling unit.

- **City of San Marcos, Public Facilities Fee 2003 Update**. Prepared an AB1600 nexus study for the funding of circulation streets, five freeway interchanges, drainage, improvements, NPDES facilities, GIS, parks, and habitat conservation. The fees were presented at three public workshops and subsequently adopted by the City Council at a Public Hearing.

- **City of Novato, Public Facilities Fee 2002 Update.** Prepared an AB1600 nexus study for the funding of circulation streets, drainage, improvements, NPDES facilities, parks, and open space. The fees were presented at two public workshops prior to being adopted by the City Council at a Public Hearing.

- **City of Chula Vista, Eastlake Trails Public Facilities Finance Plan.** As Project Manager, prepared this document that identifies the public improvements and services required to meet the needs of this 1,120 dwelling unit development in the Eastern Territories of the City of Chula Vista. The document will become part of the SPA plan for this project when presented to the City Council.

- **City of Palmdale, Public Facilities Development Impact Fee.** Prepared an AB1600 report identifying the projects, costs, and nexus for various public facilities required to support new development in the City of Palmdale. The initial fee under consideration by the City Council is for fire facilities.

- **City of Galt, Development Impact Fee Review.** Participated on a team that reviewed the City's schedule of impact fees to determine their appropriateness and adequacy to fund the facilities required by new development. Analyzed the City's CIP program together with updated costs for all facilities and revised estimates of future land uses and densities. Presented the study's findings to the City Council at a public information workshop.

- **City of Red Bluff, Antelope Area Sewer Study.** Prepared this study to determine the requirements for sewer upgrades and new systems to serve this area of the city. Sized the collection and pump station improvements and addressed funding alternatives including the potential for forming an assessment district.

- **City of Chula Vista, Growth Management Program.** Mr. Bandy participated in the preparation of a growth management program to guide the future growth and buildout of the City of Chula Vista. The emphasis of the program is to identify the infrastructure needs for the City and to develop programs and fees to assure their implementation consistent with need.

- **City of Oceanside, North Oceanside Annexation Area Financing Plan.** As Project Manager prepared a plan to finance the construction of public improvements required for the development of this 883-acre area following its annexation into the City of Oceanside.

- **City of San Marcos, San Marcos Community Facility Plans.** Retained by the City of San Marcos to prepare public facility financing plans for seven of the City's eight community areas, as well as a plan for citywide facilities. At completion, the plans involved over $500 million in public facility costs. The plans included the financial impacts resulting from the City's selection as the location for a new State University.

- **City of Chula Vista, Rancho Del Rey Public Facilities Financing Plan.** Selected by the City of Chula Vista to assist in the preparation of the Public Facilities Financing Plan for the Rancho del Rey project in the City of Chula Vista. The Rancho del Rey project is a major mixed-use development involving 1,600 acres and approximately 4,000 future dwelling units to be built out over a ten-year period. Phasing and financing recommendations were made for all public infrastructure needed to develop the site, including streets, storm drains, water, sewer, parks schools, and fire and library facilities.

- **City of San Diego, Black Mountain Road Feasibility Stud.** As Project Manager, conducted a study of the roadway network in the vicinity of Black Mountain Road north of the Mira Mesa community and south of the Rancho Penasquitos

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community. The study essentially resulted in a recommendation on financing mechanisms to be used, together with a preliminary assessment of lands that benefit from the construction.

- **Kern County Facilities Element.** As Project Manager, prepared a framework plan for the future analysis of public facilities and services provided by the County of Kern with offices in Bakersfield. This plan was subsequently adopted by the Board of Supervisors as the Public Facilities Element of the County General Plan.

- **City of Visalia, Circulation Element Update.** Provided key financing alternatives for funding circulation improvements in this citywide analysis.

- **Sacramento Army Depot Reuse Plan.** As Project Manager, coordinated a team of subconsultants to analyze the existing condition and capacity of onsite streets, electrical, water, gas, railroad, steam, and sewer systems. Using the results of this analysis, determined the public facility improvements required to support alternative uses of existing onsite buildings as well as alternative configurations for new buildings and facilities.

- **SAFCA, Capital Investment Equalization Fee.** For the Sacramento Area Flood Control Agency (SAFCA), created an impact fee payable by all new development within a 100-year flood plan to assist in the funding of a system of flood control improvements on the Sacramento and American Rivers. The Capital Investment Equalization Fee, payable at building permit issuance, represents approximately 60 percent of the amount of a benefit assessment which would have been paid if the property was developed at the time the system of flood control improvements was constructed.

- **City of Escondido, Citywide Drainage Fees.** As Project Manager for the financing component of this study, analyzed the location, capacity and cost of build out drainage master plan improvements. Recommended a series of impact fees for various land uses on a citywide basis. Presented findings in a series of public workshops and meetings before the Planning Commission and City Council.

- **City of Seal Beach, Water Rate Study.** As Project Manager, analyzed the Water Utilities Department financial statements and operations and prepared a report which recommended pass through rates whenever the cost of purchased water changed. The report included a sixteen-city comparison of rates and operations. The rates were unanimously approved by the City Council following noticed public hearings.

- **City of Goodyear, AZ., Water and Sewer Rate Review.** Conducted an analysis of the City's water and sewer operations and costs to determine the need for a rate increase. The study resulted in a recommendation for a significant rate increase for water usage and the creation of a new residential rate tier for usage between 10,000 and 20,000 gpm. The City Council ultimately adopted the new tier and a three-year phase in of the new rates.

- **Rancho Santa Margarita Management Company, Water System Cost Apportionment Study.** Assisted in the analysis and identification of the fair share benefit arising from major backbone water distribution facilities. The resulting analysis was used to redistribute the apportionment of the cost among benefiting property owners.

- **City of Novato, Development Impact Fees.** Prepared a report identifying the costs and nexus findings for the following facility categories: Streets and intersections; recreational and cultural facilities; civic facilities; transit facilities; corporation yard; general government systems and open space. The study included a comparison of fees against 14 neighboring and regional communities.

- **City of Chula Vista, Otay Ranch SPA One Public Facilities Finance Plan (PFFP).** Prepared this strategic financial planning report on the first phase of this 23,000-acre development in southern San Diego County adjacent to the City of Chula Vista. Spa One includes 5,758 dwelling units and associated land uses for schools, commercial parks, open space, and community purpose facilities. The PFFP addressed the timing, cost, and requirements of fourteen public facilities.

- **City of Tustin, Commuter Rail Station Fee Study.** This study calculated an impact fee on all future development within a seven-mile benefit radius surrounding the new station. The fee is part of a funding program that includes transit sales tax revenue (Measure M), grants, and local matching funds. It is expected that the fee will be adopted by the Cities of Tustin and Irvine and the County of Orange.

- **Town of Corte Madera, Development Impact Fees.** Prepared a report identifying the costs and nexus findings for the following facility categories: Streets and intersections; recreational and cultural facilities; civic facilities; transit facilities; corporation yard; general government systems and open space. The study includes a comparison of fees to other neighboring communities.

Special District Formation

- **Sacramento Area Flood Control Agency, Capital Assessment District No. 2.** On June 15, 1995, the Board of Directors of the Sacramento Area Flood Control Agency adopted resolutions forming the North Area Local Project Capital Assessment District No. 2. This action was the culmination of a long and complex effort to fund critical flood control improvements in the north Sacramento area. The original district as described in the Preliminary Engineer's Report contained 256,000 parcels and 182,000 acres. Based on public review and comment, SAFCA Board directed that changes be made to the District boundary and assessment methodology. The modified district as described in the Final Engineer's Report includes 18,000 parcels and 24,000 acres in Sacramento County. The annual capital assessment totals approximately $3.3 million. The capital assessments will be used to pay debt service on bonds used to finance the $43 million needed to complete the engineering design and construction of the North Area Local Project.

- **City of San Diego, Miramar Ranch North Cost Reimbursement District No. 4068**. The district, the largest such district in San Diego, was formed in 1995 to assure the receipt of over $13 million in identified reimbursements from nine property owners. Mr. Bandy was Project Manager and lead consultant during the process of determining land use, eligible costs, and fair share apportionment methodologies for each improvement. He also made presentations to property owners and the City Council.

- **City of Chula Vista, 1913 Act "Acquisition" Assessment Districts - Project Director.** During the past ten years, coordinated and managed the provision of assessment engineering services in the formation of eight (8) 1913 Act assessment districts that together with 1915 Act bonds funded nearly $100 million in eligible improvements that were "acquired" by the City following construction by developers. For the most part, these districts were associated with development of master planned communities.

- **City of San Marcos, Assessment Districts.** Project Director. During the past ten years, coordinated and managed the provision of assessment engineering services in the formation of four (4) 1913 Act assessment districts that together with 1915 Act bonds funded major backbone street improvements. These districts were "construction" type districts whereby bond proceeds were used to construct the improvements.

- **City of San Diego, 1913 Act "Acquisition" Assessment Districts - Project Director.** During the past ten years, coordinated and managed the provision of assessment engineering services in the formation of five (5) 1913 Act assessment districts that together with 1915 Act bonds funded nearly $35 million in eligible improvements that were "acquired" by the City following construction by developers.

- **City of Union City, Street Lighting and Landscaping Maintenance District - Project Manager.** This District was formed to fund the following public services: street lighting, irrigation maintenance, planting and play equipment services, capital improvement projects for reconstruction, and street tree maintenance. Over $1,000,000 was assessed for the initial year involving over 13,000 parcels.

- **City of Red Bluff, Sewer Assessment District Study - Project Manager.** This study resulted in petitions being mailed to all property owners in the proposed district.

- **City of West Sacramento, Integrated Financing District - Project Manager.** Prepared preliminary spreadsheets and data leading to the potential formation of this special district to assess the cost of major backbone improvements in the Raley's Landing development area.

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Special District Administration (Proposition 218)

- **Proposition 218 Experiences.** Since the spring of 1997, Mr. Bandy has managed a variety of special districts for client cities in order to meet the requirements of Prop. 218. Many of the districts required the preparation, mailing, tabulating, and reporting of ballot election results. The largest district contained 38,000 parcels while the smallest district included fewer than 500 parcels.

Maintenance District Experience

- City of Elk Grove, various Street Maintenance Districts (1982 Act)
- City of Torrance (Citywide Lighting Assessment)
- City of Baldwin Park (Citywide Lighting Assessment)
- City of San Jose, Trails Maintenance Assessment
- City of San Jose, Commercial Landscape Maintenance Assessment
- City of San Jose, Development Maintenance Assessment
- City of Baldwin Park Citywide Landscaping District
- City of Hawaiian Gardens Citywide Lighting District
- City of Claremont (Citywide Park and Landscape Assessment)
- City of Santa Fe Springs, Street Lighting Assessment
- City of Pico Rivera, Citywide Lighting District
- City of Union City Street Lighting and Landscaping Maintenance District
- City of Encinitas Citywide Lighting and Landscaping District

Derek Wong, AICP
Municipal Finance Manager

Education

M.B.A., California Polytechnic State University, San Luis Obispo

B.S., Environmental Policy Analysis and Planning, emphasis Transportation Policy, University of California, Davis

Experience and Current Responsibilities

Mr. Wong has over 11 years of project management and consulting experience specializing in infrastructure financing of public facilities. He has managed complex engagements that require the identification and analysis of revenues and costs for local and regional projects and programs, including for the transportation and development communities. He has developed various revenue strategies and funding mechanisms that involve consensus building with local community stakeholders and governing boards to bridge funding shortfalls with capital facilities.

Mr. Wong has taught seminars on public financial management to planning and finance professionals throughout California with coursework including revenue strategies and financial planning techniques.

He works at PMC's Davis office in the area of project management, infrastructure financing, fiscal analysis and user and impact fees.

Relevant Project Experience

Facilities Feasibility, Planning and Financing

- **Fiscal Impact Analysis, City of Santa Rosa**. Managed the analysis and presentation of the fiscal impacts from annexation of two redevelopment communities adjacent to the City. Tasks included providing an assessment of existing conditions, confirming land use values and market absorption rates, identifying infrastructure and service deficiencies, determining project area revenues and capital and O&M expenditures, and developing implementation strategies.

- **Fiscal Impact Analysis, City of Lakeport**. Managed a fiscal analysis for the annexations of a residential development and a commercial center. As the land uses from these annexations contrasted from one another, the fiscal impacts determined the City's cost to provide services and the new revenues that are expected to be generated from these development types.

- **Economic Analysis, City of Jackson**. Managed a peer review of the market analysis and economic impacts from a new home improvement store entering into a rural community. Analyzed key assumptions for revenue projections, market spending absorption, and likely impacts to local competitors.

- **Municipal Service Review, County of Sutter**. Managed the finance review component of the MSR. Analyzed the financial capacity and budget parameters of cities and special districts. Developed findings related to each agency's current financial condition and ability to fund capital facilities and operations and maintenance.

- **Cost of Services Study, County of Amador**. Managed a study to determine the County's cost of providing development related services, and updating the master fee schedule to reflect full cost recovery. The study resulted in more revenue generation for the County and less subsidies by the General Fund.

- **Cost of Services Study, City of Ione**. Managed a cost recovery study to ensure the City was charging appropriate fees to development applicants during the planning review phase. The updated fees captured full cost including direct staff labor and indirect City support costs.

- **Development Impact Fee Study, City of Clearlake.** Managing a study that will create a development fee to pay for parks and recreation facilities. The new fee is based on new development's fair share of the need for new public facilities.

- **Cost Allocation Study, San Bernardino Associated Governments.** Managing the development of indirect labor cost rates for general and administrative cost allocations. The allocations are factored into the calculation of billable hourly rates that could be applied to government grants, fees, federal reimbursements, and other billings.

- **Performance Audit, San Luis Obispo Council of Governments, San Bernardino Associated Governments, and Imperial Valley Association of Governments.** For each of these various regional agencies, managed a performance audit of public transit operators as required by the State Transportation Development Act. Reviewed the efficiency and effectiveness of operations, maintenance and management. Developed findings and recommendations to improve future service provision.

- **Instructor, California Department of Transportation.** Providing instruction to peer professionals on Performance Audits as required by the State Transportation Development Act. Conducting a series of workshops throughout California.

Prior Experience

- **Arthur Bauer & Associates, Sacramento, CA, Senior Associate.** While at this transportation management, policy and public financing consulting firm, he provided services including infrastructure planning and funding, strategic planning, project management, information technology, financial analysis, performance auditing and economic analyses. He developed a transportation mitigation fee manual for a foothill community, prepared debt financing plans using revenue bonds to advance project construction, created detailed cash flow models of local, regional, state and federal revenues for implementing regional transportation projects over a 30 year horizon, and evaluated project life cycle costs and benefits of transit infrastructure to determine investment trade-offs. He also conducted performance audits of regional planning agencies and public transit providers that analyzed operational cost efficiency and effectiveness.

- **Solectron California Corporation, Milpitas, CA, Production Planner.** Scheduled production and delivery dates for this provider of electronics manufacturing and supply chain services including product design, high tech equipment and post manufacturing support. Managed flow and assembly of materials on production floor.

- **Planning Experience.** Caltrans Division of Rail, Sacramento County Planning and Community Development Department, State Department of General Services Commute Management Department, and County of San Luis Obispo Planning Department.

Professional Affiliations

American Institute of Certified Planners

American Planning Association

Kendall Flint
Director of Public Affairs

Education

B.A., English, University of California, Los Angeles

Experience and Current Responsibilities

Kendall Flint is an industry professional with more than 25 years of public affairs experience. She has created and implemented a broad range of outreach campaigns for public agencies. These have included The City of Dana Point, The City of Livermore, The City of Elk Grove, CalOptima, Caltrans, Napa County, Orange County Transportation Agency, Riverside Transportation Agency, Regional Occupational Programs of California, The Toll Roads and the Sacramento Municipal Utility District.

Her award-winning work has been honored by the California Association of Public Information Officers, Public Relations Society of America, the International Television Association, the International Association of Business Communicators and the California Local Economic Development Corp. She has produced and directed national outreach campaigns featuring Arnold Schwarzenegger, Will Smith, Oscar de la Hoya and recently completed a national PSA for Boys & Girls Clubs of America featuring Mark Wahlberg.

Ms. Flint has been a guest lecturer at several Southern California colleges and professional associations including AEP, PRSA and the Rural Water Forum.

Her responsibilities at PMC include the development and implementations of strategic communications plans for public agencies and management of the public affairs and graphic services team.

Relevant Experience

- **County of Yuba Community Facilitation.** Ms. Flint is serving as a contract Public Information Officer for the Yuba County Community Development Department. In this role, she is providing community outreach services for the Yuba Highlands Draft Environmental Impact Report (EIR), a large development project with a long history of controversy. As a contract PIO, Ms. Flint is acting as an extension of County staff to facilitate public participation in the environmental process. Her work has included news releases and editorial board meetings; fact sheets; public meetings; stakeholder database; e-mail advisories; a project information line and ongoing strategic advice. Moreover, PMC serves as the project's spokesperson for all media and public inquires.
- **City of Elk Grove, Old Town Revitalization.** Developed and implemented a multi-level public outreach program to promote the City's efforts in its historic Old Town area. Included local business, resident and stakeholder programs for Capital Improvement Projects, creation of a new Special Planning Area and future Finance programs. Created complete branding campaign for all communications efforts related to Old Town and increased public participation at meetings and events by 300%. Created a unique website for all Old Town projects, e-newsletters and direct mail programs. Coordinated media relations efforts and served as spokesperson for the project on behalf of the City. Facilitation of public meetings and presentations.
- **City of Rancho Cordova, General Plan Update.** Created and implemented a communications program including media relations, direct mail, internet communications and multi-language communications programs for the City's General Plan Update. Assisted in facilitation efforts at public meetings.
- **Solano County, First 5 Children and Families Commission.** Development and implementation of a Strategic Communications Plan, website and collateral development for Solano County's First Five Commission.

- **City of Dana Point; Clean Beaches, Clean Oceans Campaign.** Created and implemented a public outreach campaign for to promote practices relating to clean water. Components included public service announcements, video presentations, collateral materials and public presentations.

- **Taco Bell Foundation/Boys & Girls Clubs of America.** Provided creative strategy, production and distribution services to The Taco Bell Foundation since 1998. The Foundation funds TEENSupreme, a Boys & Girls Clubs of America program which provides mentoring and support for at risk teens nationwide. Flint also created a website for the campaign, www.teensupreme.org.

  The public service announcement campaign was targeted at adults 18-49. The first PSA, "Mugs Shots," was released in 2001 and generated more than seven hundred confirmed PSA broadcasts. In addition, Flint developed co-op-marketing partnerships with CNN/Airport, Cox Communications, Adelphia and several other cable and media providers to secure additional airtime for the PSAs. Added value generated by these partnerships resulted in approximately $400-thousand in additional media placements. She recently completed production on the second PSA featuring Mark Wahlberg. Ms. Flint secured Mr. Wahlberg's participation in the campaign at no cost to TEENSupreme or the foundation.

- **Regional Occupation Programs of California.** Created an integrated branding, marketing and public awareness campaign designed to increase student enrollment and business participation in California's Regional Occupation Programs. Program included public service announcements, video production, brand development and collateral design and the development of corporate partnerships. This program was honored by the Public Relations Society of America and the International Association of Business Communicators.

- **Right Decisions – Right Now National Public Service Campaign.** Kendall Flint has produced eight Public Service Announcements and two long-form videos that were distributed throughout the country as part of RJ Reynolds' Right Decisions, Right Now Campaign. The program, which encourages appropriate lifestyle decisions for teens, has been a complete success since its creation in 1992. It has featured celebrities including Will Smith, Jennifer Love Hewitt, Melissa Joan Hart, Joey Lawrence and Tia & Tamera Mowrey and has generated more than one billion impressions. Ms. Flint's creativity in identifying placement opportunities resulted in co-op marketing partnerships with Blockbuster Video and Six Flags Theme Parks/Paramount's Great America. The campaign was honored by the Public Relations Society of America and the International Association of Business Communicators.

- **Woodenship Advertising and Public Affairs, Vice President and Creative Director.** Created and implemented strategic communications programs for a broad range of public and private agencies including the California Teachers Association, American Water, Oracle, Clean Energy Systems, The City of Elk Grove and Taco Bell Foundation.

- **APC, President.** Owner of award-winning public relations firm. Clients included Caltrans, OCTA, Riverside Transit, The Walt Disney Company, Honda, Hyundai Motor America, NEC Packard Bell, Warner Bros, and The United States Postal Service.

- **Westinghouse, Group W Productions Newsfeed, Senior Producer.** Projects at Group W included development of several news, travel and entertainment related programs for both domestic and international audiences.

- **Cable News Network, Reporter and Senior Producer.** Produced the pilot for the long running "Showbiz Today" and was the show's West Coast Supervising Producer.

Professional Affiliations

California Association of Public Information Officers

American Association of Political Consultants

Public Relations Society of America

Kendall Flint
Director of Public Affairs

International Association of Business Communicators

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Jerome P. Fournier
Public Finance Coordinator

Education

B.S., Geography, Louisiana State University, Baton Rouge, LA

Graduate work in Geography with emphasis on land use studies, Louisiana State University, Baton Rouge, LA

Experience and Current Responsibilities

Mr. Fournier has 18 years of public infrastructure financing experience in the State of California working with public agencies and private clients. Mr. Fournier has assisted numerous public agencies fund major infrastructure improvements through the use of financing tools such as Mello Roos Community Facilities Districts, Assessment Districts and Public Facilities Financing Plans. During this time Mr. Fournier has assisted clients fund approximately $500 million in infrastructure improvements.

Relevant Project Experience

- **City of Elk Grove** – Create Mello Roos Community Facilities Districts to help fund variety of public infrastructure improvements. Work with city staff to develop technical requirements such as a Rate and Method of Apportionment report.

- **City of Rio Vista** – Assisting the City to develop a variety of land-based secured funding mechanisms, including Mello Roos Community Facilities Districts, Assessment Districts and Maintenance Districts. These funding mechanisms will provide revenues for ongoing infrastructure development and growth.

- **City of Ceres** – Develop Rate and Method of Apportionment report for creation of Mello Roos Community Facilities District. Provide technical expertise on rules and regulations pertaining formation of CFDs.

Previous Experience

In the 18 years as a public finance consultant, Mr. Fournier assisted numerous clients fund infrastructure needs. The following projects serve as recent a sample of the many projects Mr. Fournier has successfully completed.

- **Provence (US Home/Lennar), Emerald Crest (Centex) and Top Capital, LLC, Corona Norco Unified School District and the City of Corona, CA, Public Finance Consultant** – Established a Mello-Roos CFD district approved by the Corona Norco Unified School District to fund school fees and city fees for the three developments. The district included three improvement areas and the approval of a Joint Community Facilities Agreement between the School District (lead agency) and the City of Corona.

- **Eastlake (Eastlake Development Co) Woods and Vistas, City of Chula Vista, CA, Public Finance Consultant** – Established a Mello-Roos CFD to fund the needed infrastructure conditioned to the Woods and Vistas project by the City. The development was conditioned to construct major off-site improvements including transportation, water, sewer and appurtenant facilities that served the project. A method of applying "special benefit" to the development as well as establishing "fair share" to neighboring projects was established and approved by the City. Bonds were sold to fund the infrastructure improvements in an amount of approximately $45 million.

- **Otay Ranch Village 11 (Brookfield Shea), City of City of Chula Vista, CA, Public Finance Consultant** – Established a Mello-Roos CFD approved by the City of Chula Vista to fund project-specific on-site landscape and storm drainage improvements conditioned on the project by the City.

- **Scripps Ranch North (McMillin Communities), Willdan Associates, City of San Diego, CA Project Manager, Public Finance** – Established the first Mello-Roos CFD approved by the City of San Diego to fund the needed infrastructure conditioned to the project by the City and as a result of a settlement agreement approved by the superior court. The development was conditioned to construct major off-site improvements including transportation, water, sewer and appurtenant facilities, which served the project. A method of applying "special benefit" to the development as well as establishing "fair share" to neighboring projects was established and approved by the City. Bonds were sold to fund the infrastructure improvements in an amount of approximately $65 million.

- **Calle Cristobal Assessment District (Fieldstone and Genstar), Willdan Associates City of San Diego, CA, Project Manager, Public Finance** – Established a public finance assessment district to fund the construction of Calle Cristobal, Sorrento Valley and Camino Santa Fe Roads needed to fulfill the infrastructure conditions applied to the project by the City. The development was conditioned to construct major off-site improvements including transportation, water, sewer and appurtenant facilities, which served the project.

- **Eastlake (Eastlake Development Co), Willdan Associates, City of Chula Vista, CA, Project Manager, Public Finance** – Established a series of assessment districts to fund the needed infrastructure conditioned to the project by the City. The development was conditioned to construct major off-site improvements including transportation, water, sewer and appurtenant facilities that served the project. Bonds were sold to fund the infrastructure improvements in an amount of approximately $35 million.

- **Rancho Del Rey (McMillin Communities), Willdan Associates, City of Chula Vista, CA, Project Manager, Public Finance** – Established a series of public finance assessment districts to fund the needed infrastructure conditioned to the project by the City. The development was conditioned to construct major off-site improvements including transportation, water, sewer and appurtenant facilities that served the project. Bonds were sold to fund the infrastructure improvements in an amount of approximately $15 million.

- **Otay International Center, Willdan Associates, City of San Diego, CA, Project Manager, Public Finance** – Established two public finance assessment districts to fund the construction of needed onsite and offsite infrastructure to develop the international business park at the second border crossing with Mexico. Bonds were sold to fund the infrastructure improvements.

Additional Public Financing Projects

- CFD No. 1, Eastgrove; City of Escondido;
- Sunbow II Landscape Maintenance CFD No. 98-3; City of Chula Vista; (1999);
- Citywide Landscape & Lighting CFD; City of San Marcos;
- Modification to Special Tax, Miramar Ranch North, Community Facilities District No. 1; San Diego;
- Facility Audit, Santa Luz, Community Facilities District No. 2; City of San Diego;
- Modification to Special Tax, Coto de Caza, Community Facilities District No. 87-8; County of Orange;
- Improvement Area No. 1, Community Facilities District No. 87-8; County of Orange;
- Las Posas/McMahr Road Assessment District; City of San Marcos;
- Mission Road Assessment District; City of San Marcos;
- San Marcos Blvd. Assessment District No. 1; City of San Marcos;

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Donna Snider
Civil Engineer

Education

B.S., Civil Engineering, San Diego State University

Experience and Current Responsibilities

Ms. Snider has over 18 years of civil engineering, public finance, and infrastructure planning experience with the City of Chula Vista Engineering Department. She has recently accepted a position with PMC in the area of infrastructure financing and related work. During the past eight years, she has served the city as project manager of infrastructure-related projects including the update of development impact fees, special district financing programs, assessment district and CFD administration, Subdivision Manual Update, ADA review of public right of way standards, reimbursement and fee recovery districts, and the preparation and development of policies and procedures related to special district financing.

Relevant Project Experience

- **City of Chula Vista, Temporary Expert Professional.** Project Manager for a number of programs including Special District Financing, Development Impact Fee Updates, and other fee programs; 1913/15 Act assessment district administration, 1972 Landscaping and Lighting Act administration and CFD acquisitions and administration; Subdivision Manual Update and ADA review of public right of way standards; coordination of review of major roadway and private development projects; and responsible for ordinance preparation and development of policy and procedures.

- **City of Chula Vista, Civil Engineer.** Project Manager for engineering development impact fee programs including transportation, sewer, public facilities and drainage. Project Manager for 1913/15 Act assessment district formation and administration, 1911 Block Act assessment district formation and administration, and 1972 Landscaping and Lighting Act district formation and administration. Project Manager for preparation and development of policy and procedures related to special district financing and Project Manager for reimbursement and fee recovery districts.

- **City of Chula Vista, Assistant Engineer.** Responsible for the plan review of major and minor development projects including the Olympic Training Center; responsible for preparation of council reports, agreements and easement documents, as well as detailed review of tentative maps, tentative parcel maps, environmental impact reports, initial studies, grading plans, improvement plans, final maps, parcel maps, and master studies for drainage and sewer.

Professional Affiliations

State of California, Professional Civil Engineer

- San Marcos Blvd. Assessment District No. 2, City of San Marcos;
- Bracero Road Assessment District; City of San Marcos;
- Assessment District 99-01; City of Westmorland;
- Alvarado Channel Assessment District; City of La Mesa;
- De La Fuente I & II Assessment Districts; City of San Diego;
- Encinitas Lighting & Landscape Maintenance District; City of Encinitas;
- Wiro Park Landscape Maintenance District; City of Encinitas;
- La Mirada Canyon Landscape Maintenance District; City of Vista;
- High Valley Roads; City of Poway;
- International Business Center Cost Reimbursement District; City of San Diego;
- Mesa Shopping Center Cost Reimbursement District; City of San Diego;
- Holly Seacliff Cost Reimbursement District; City of Huntington Beach;
- East Otay Mesa Development Impact Fee Study; County of San Diego;
- Transportation Development Impact Fee Program; City of Chula Vista;
- Gateway of the Americas, Development Impact Fee Program; County of Imperial;
- Citywide Library Assessment District; City of San Jose;
- Park Maintenance District; Hayward Area Recreation & Park District;
- General Plan Update, Land Use and Public Facilities Elements; City of Vista;

Professional Affiliations

Toastmasters International

American Planning Association

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I understand that the City shall evaluate proposals in accordance with its Municipal Code, and that the City reserves the right to reject any or all proposals and to waive minor irregularities.

August 24, 2006

Date

Signature

Philip O. Carter, President

Printed Name & Title

Pacific Municipal Consultants (PMC)

Company

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916-361-1574

Fax Number

PROPOSAL TO THE CITY OF CULVER CITY, CALIFORNIA

A Proposal to Prepare a Comprehensive User Fee Study – RFP #1338

August, 2006

Prepared by:

MAXIMUS
HELPING GOVERNMENT SERVE THE PEOPLE®

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Ms. Ela Valladares
Deputy City Clerk
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232

August15, 2006

Re: Proposal for a User Rate and Fee Study

Letter of Offer

MAXIMUS is pleased to deliver this proposal for a cost allocation plan and user fee study for the City of Culver City. We intend to deliver a product that not only responds fully to the user fee cost identification requirements of the RFP, but will deliver computerized models that will enable you to predict future staffing levels so as to maintain both quality and service as unit volumes fluctuate. MAXIMUS is uniquely qualified to deliver these critical financial and management insights.

Highlights of our qualifications are as follows:

- We have been serving government for 30 years. We bring the knowledge and best practices from our national practice to our clients. Our greatest asset is enterprise-wide collaboration of the cities, counties, and states agencies we serve everyday.
- MAXIMUS has the deepest "bench" of any firm, with more than 100 expert consultants in cost allocation services. The single greatest advantage of a larger company is the ability to identify, absorb, and mitigate risk. Governments are complex organizations requiring the large and diverse services of their professional service firm partners.
- MAXIMUS is never satisfied with "good enough." We strive to be great. Our goal is to anticipate our client's needs, even when they are outside of the service we are currently providing. MAXIMUS now offers our clients a full suite of financial services to serve its public sector clients...services like revenue maximization, performance analytics, and user fee studies.
- We are in the business of continuous improvement; finding newer, better solutions for the people we serve. As a publicly traded company, our stockholders demand exceptional performance and growth. They have challenged MAXIMUS (and our clients) to break free of "business as usual" and to become great leaders in government.
- As MAXIMUS continues to grow and explore new services, our clients have become our greatest advisors and partners. Our best ideas have come from our clients. The people we serve inspire our greatest technological leaps. Our achievements are measured, not in profit, but in the progress we make every day *Helping Government Serve the People.*

VALUE

It is common for firms to speak of "value-added." MAXIMUS believes in ***VALUE FIRST.*** Our clients want, and deserve, consulting that improves not only their bottom line, but consulting that improves their service delivery. The goal of our *Value First* approach is to identify these "change agents" before they are even asked for! We are, after all, the experts in revenue enhancement and cost identification. Examples of our *Value First* approach include:

- *Process Analytics*: Based on the power of Activity Based Costing/Management, this MAXIMUS-only cost methodology identifies components of fee cost by discrete activity. The benefit is for our clients to better understand why services cost what they do...the first and most important step in process re-engineering. The immediate value is a rock-solid, totally defensible user fee schedule.
- *Performance Analytics*: This MAXIMUS management tool identifies macro-level solutions to situations uncovered in *Process Analytics. Performance Analytics* also provides performance measures and year-to-year tracking via a "ScoreCard."
- *NEXUS* Building Fee Analysis: California governments are under increased legal scrutiny for documenting and validating building plan checking and inspection fees. Even before any lawsuits reached the courtroom, MAXIMUS developed a fully defensible fee process that has now been selected by over forty jurisdictions.

Thank you for your consideration of our proposal. On behalf of MAXIMUS, we look forward to working with you. We are prepared to begin the project two weeks after execution of a contract. As a vice president of the corporation, I am empowered to commit the firm to the contents of this proposal. This proposal shall remain in effect for a period of 90 days from the above date.

Sincerely,

Manfred Endres

Manfred Endres, Senior Vice President
MAXIMUS Financial Services Division

EXECUTIVE SUMMARY

The City of Culver City recognizes the general opportunity to modify its fee for service activities to align better with actual costs. A comprehensive analysis of the true, full costs of providing fee-for-service activities has not been accomplished for approximately fifteen years. In addition to assuring a fairer and more equitable charging format, an important benefit of this restructuring is usually an overall increase in fee revenues to the jurisdiction. A MAXIMUS study will help you achieve your objectives, and many others. Benefits include an analysis that:

- Is supportable and defensible - to the City Council, the public, local industry, and the courts.
- Is consistent with local, state, and federal cost recovery requirements, and complies with State laws and their interpretations.
- Is adaptable to future program changes and inflation.
- Is a tool that will Increase revenue to the general fund - within the bounds of proper and defensible accounting treatments.
- Is a process that will identify new fees and other opportunities for the City to increase the scope and breadth of its fee revenue generation ability.

This proposal includes development of an analysis on the City's fee-for-service activities for its development services divisions (planning, building, and engineering), police, fire and recreation.

No city can, from a practical standpoint, collect and/or offset 100% of their user fee activities...especially where a jurisdiction is providing recreational services. A direct result of the MAXIMUS client-centric, *Value First* approach, however, is success in obtaining nearly full recovery for profit-based (development, business) activities. We are also successful in improving recreation fees, but this area is always heavily subsidized in many of its services.

We note from your web site (budget section) that the City is anticipating a sizeable decline in Building and Safety revenue in the 2006/07 fiscal year. There also appears to be significant subsidies in the Planning and Fire Prevention areas. Our MAXIMUS computer models will allow the City to both better understand required cost recovery levels, and perhaps as importantly, staffing implications.

USER FEE STUDIES - OUR APPROACH & METHODOLOGIES

For over 25 years, MAXIMUS has been providing State and Local governments a wide range of consulting services. Principally, these services have focused on cost analysis of indirect overhead rates and user fees. This experience provides MAXIMUS a depth of experience and leadership that is unmatched within our industry.

1 GENERAL APPROACH TO USER FEE STUDIES

A user fee is a governmental activity/service that is performed at the request of, and specifically for, a particular individual, business, or group...as opposed to a service for the community as a whole. An example of the former is a request for a zone change to build a new business. The requestor will be gaining a specific economic benefit from that service not shared by the community at large. An example of the latter is police or fire protection, which is considered a community-wide activity and supported by taxation.

The approach, philosophy and methodology of a User Fee Study are as important as the final outcome. While the calculation of a number or cost of a specific user fee is important, it is equally important that this number be defensible, clearly understood by staff, and useful for improving long-term performance. Because of this underlying philosophy, MAXIMUS employs costing methodologies that meet these criteria. Specifically our studies:

1. **Provide cost calculations that are easily defensible.** By this we mean, staff can easily defend the process, the results and the rational behind the methodology used to calculate "full cost".
2. **Involve staff** in a highly collaborative fashion that gleans the wisdom and experience of City expertise.
3. **Develop costs from the "ground up"**. By this we mean that costs are calculated by first understanding and modeling the entire range of services. We then develop a clear understanding of the internal processes and only then calculate the cost of services.
4. **Identify all costs associated with fees.** These costs routinely include cross-departmental support, City overhead, department overhead, process costs and reserve funds.

5. **Project revenue at "full cost".** In addition, MAXIMUS will provide detailed worksheets for the staff report projecting revenues based on staff recommendations.
6. **Include Advanced Methodologies – *NEXUS, Process Analytics.*** The level of detail we create is unsurpassed in our industry. The additional steps we take will provide data that will assist leadership in developing service models that will strengthen and enhance City services. These will often include process improvement opportunities and best practice comparisons (where available).
7. **Identify pricing issues that will impact operational efficiencies.** We often find that poor pricing policies or practices contribute negatively to staff workload without value.
8. **Present findings in public forums.** Typical presentations include any and all stakeholder groups such as the City council, development associations, and community groups.
9. **Implementation strategy**. User Fee studies are often delayed in implementation for a variety of external factors. MAXIMUS has designed (if requested) a facilitated process that will speed implementation.
10. **Lay the groundwork for Operational Improvement.** Because we take the extra step of understanding and on occasion, mapping operational processes we can leave the City with the tools to continue its own improvement work, or retain MAXIMUS to thoroughly document industry best practices and offer process re-engineering solutions (optional subsequent study).

A user fee study is relatively simple on the surface, but extremely complex in practice. We will be using the phrase "collaborative" several times throughout this proposal because it goes to the heart of our work plan. Our results are not "black box" nor are they developed without total vetting by City staff. When complete, the City will have a thorough road map of not only where the fee costs came from, but why costs are what they are. The following graphic displays the flow of information throughout the user fee project.

PROJECT EXECUTION

1.1 MAXIMUS RESULTS

MAXIMUS has been performing cost of service/user fee studies for more than 20 years. The graph below shows the results of our more recent efforts:

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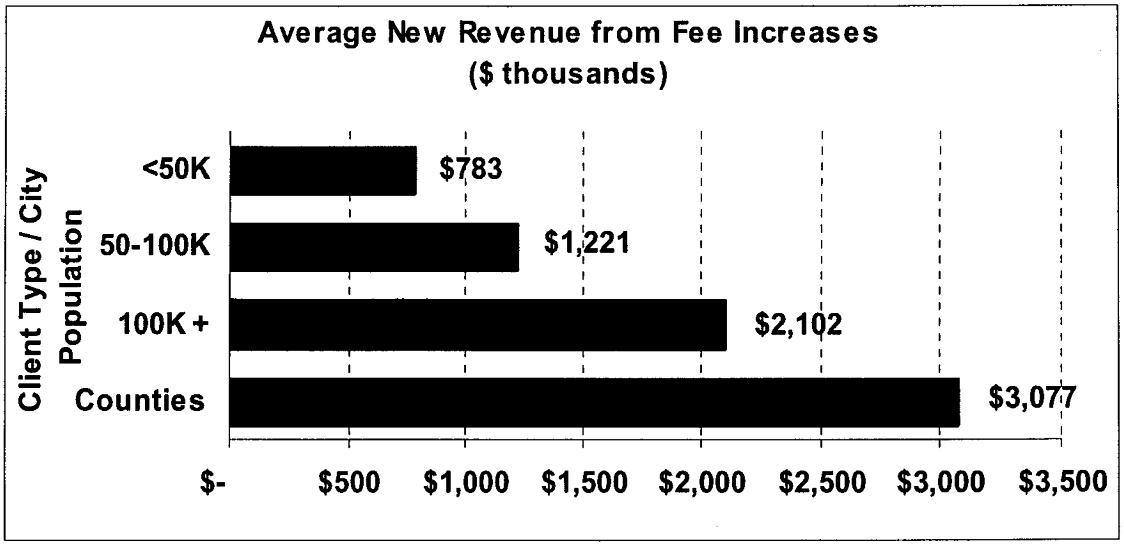


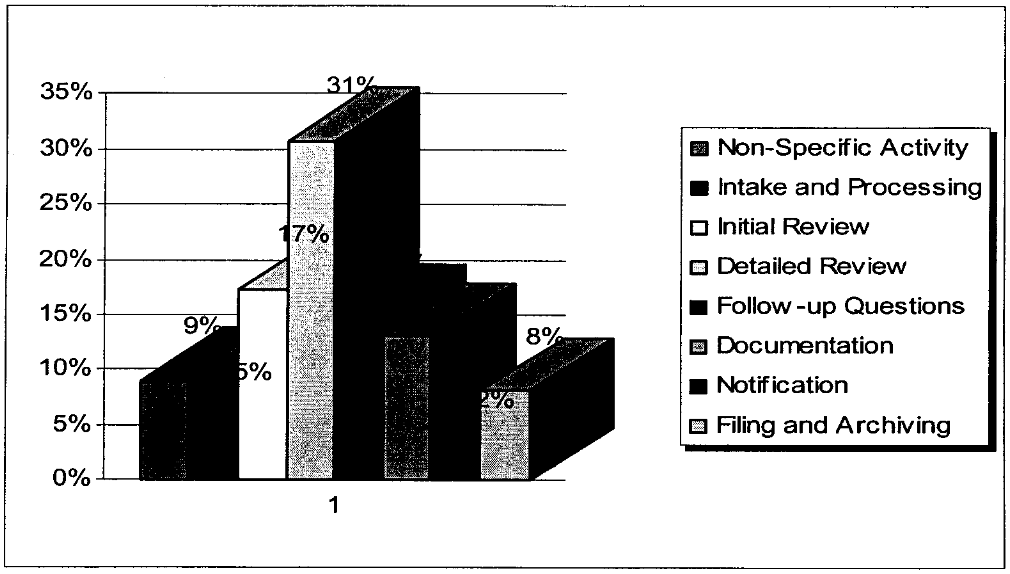
The above represents fees that could reasonably be increased to full or nearly full cost recovery, and generally includes full city or county -wide fee studies. Our experience is that "development services," taken as a whole, is invariably moderately too significantly – and unintendedly – subsidized even where an individual division may be over recovering for services.

1.2 MAXIMUS MANAGEMENT INFORMATION

When requesting a user fee study, clients typically think in terms of the consultant providing a listing of the full cost of the jurisdiction's current and potential fee-for-service activities. MAXIMUS believes the client also will benefit from a better understanding of the cost components of each fee or activity. To this end, we have designed an analytical model (*Process Analytics*) based on the principles of Activity Based Costing.

In effect, "Level 1" gives the client the fee data; "Level 2" provides insight as to why costs are what they are, and highlights targets of opportunity for business process re-engineering. An example of the activity information is displayed below: We believe we are the only firm to provide this type of information.

(GRAPH FOLLOWS)



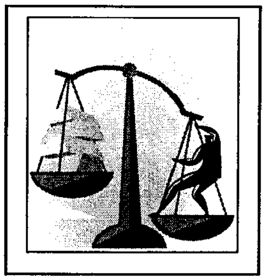
MAXIMUS has a subsequent program to define solutions to reengineering opportunities identified in the *Process Analytics* component. *Performance Analytics* accomplishes this and can include best practices, performance measurement, and ScoreCarding for improvement tracking. (Note: *Performance Analytics* is an optional service, tailored to the individual client. Please see page 28 for an overview of this effort)

2 User Fee Study - Project Steps

MAXIMUS uses several fee models to calculate service costs: our *MAXFEE* model for planning, engineering, police, and fire; our *NEXUS* model for Building and Safety fees; and a cost-revenue match-up model for Recreation. *MAXFEE* is used for calculating standard-time based fees. *NEXUS* was created due to the very specific nature of building fees and the requirement to have a dynamic structure that can readily accommodate a wide range of structures and structure sizes. Recreation uses a match-up because their activities frequently shift size and focus and a fee schedule should accommodate this dynamic.

2.1 BUILDING THE COSTING MODEL FOR PLANNING, ENGINEERING, POLICE, FIRE

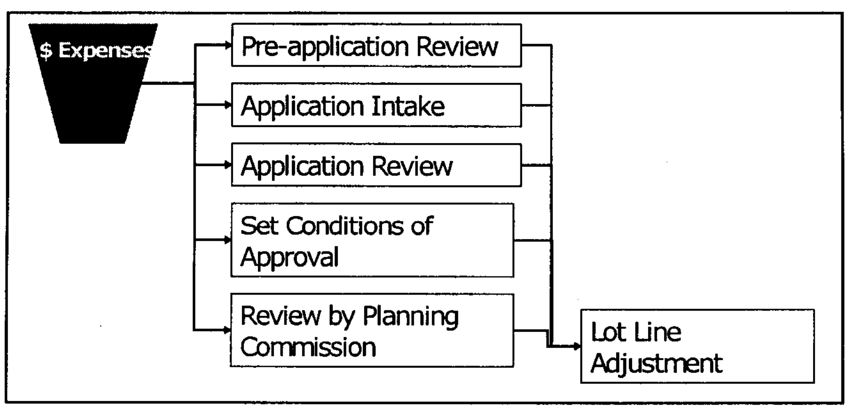
Historically, MAXIMUS constructed fee tables based on a "bottom-up" analysis of summing individual staff times-to-complete each fee and non fee activity. Those hours, multiplied by full productive hourly rates, created standard costs which then became the fee. We employed this method for over twenty years; no successful challenge was ever mounted and, in fact, our client's clients (the applicants) were appreciative of the fact that the data was easily analyzed and understandable for review.



While the results were good and met our client's expectations, we believe that "good is not good enough." A hallmark of the MAXIMUS Western Region has been innovation and the development of value-added services to our clients. Towards this end, we re-crafted our user fee model to incorporate the principles of Activity Based Costing (ABC). We call it, Process Analytics.

At its core, *Process Analytics* seeks to know what activities, products, and services really cost, and understand what drives that cost. With this knowledge, the organization is in a better position to deliver services faster, cheaper, and more effectively. In the MAXIMUS solution, our *Process Analytics* delivers the initial knowledge, and our *Performance Analytics* delivers potential solutions.

In this proposal, MAXIMUS will employ its *Process Analytics* approach to fee determination. (*Performance Analytics* is an optional service). The goal of *Process Analytics* is to track costs to core business practices, as shown in the following graphic:



In a highly collaborative work session, MAXIMUS will work with staff and leadership to identify and define those work processes that produce City services. The list is individualized to each client, although we can provide general guidelines from other studies. As an example, for the Planning Division, MAXIMUS consultants will facilitate a process that identifies mission critical processes and then define those processes by the activities

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and tasks that support them. One recent project resulted in the following partial list of planning processes:

Planning Department	
Processes	**Activity / Definition**
Pre application review	A formal meeting over the phone or at the counter. Something involving extensive discussion beyond normal public information at the counter or over the phone.
Application Intake	Receive application; enter into database; assign to a planner, create application file.
Application Review	Review for completeness; zoning calculations; initial design review; site visit; prepare findings report, routing plans. Schedule and attend managed meeting; prepare conditions of approval; prepare and mail letters; close file. Respond to public inquiries via phone, counter, e-mail associated with a particular project.
Environmental Compliance	Determine if exempt; prepare initial study; send to responsible agencies; complete Negative Declaration; filing documents with City recorder.
Development Review Committee	Development review committee meetings and design review, set agendas, write and transmit minutes.
Maintain Legal Documents	Update zoning ordinance; condition of approval maintenance; zoning interpretations; legal updates; prepare, print and maintain zoning and general plan maps; annual Planning Commission Report.
Plan Check (both residential and commercial)	Review project in plan check; follow up on conditions of approval; site visit for project final; review legal agreements (CC&R's development agreements).

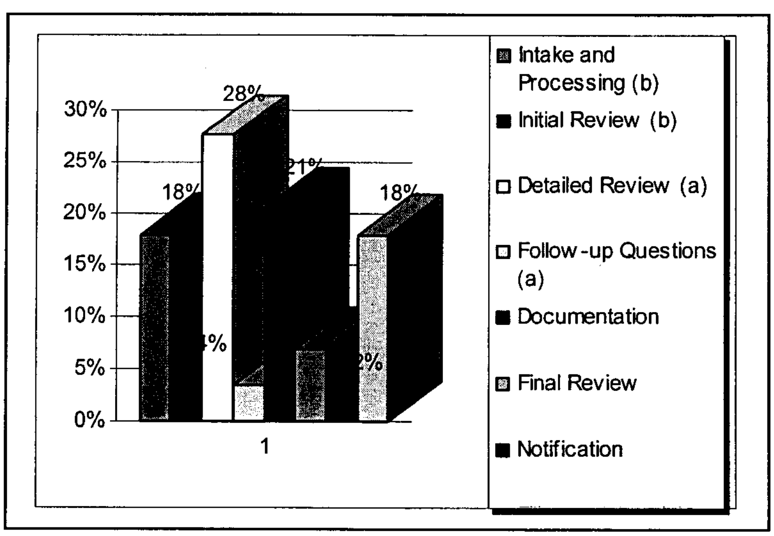
Staff will be asked to identify times not to the individual fee, <u>but to each activity within each fee</u> (examples above) that will build to a fee total. While this may seem somewhat extreme and an onerous time burden on staff, we have found that the approach – by more effectively defining service times at a more detailed level – actually saves time overall. The reason is that we develop better initial information which shortens the number of review and fine-tuning iterations. The internal balancing routines within the *Process Analytics* model correlate total time spent to the number of units produced, and compares that total against a known available number of productive hours. In the end, we arrive at rock-solid times-to-complete/total cost that balances with known staff resources. An example of an individual fee is shown below:

Conditional Use Permit: Child-Care Center	$	2,094
Application Intake	$	41
Pre application review	$	82
Application Processing	$	165
Application Review	$	165
Development Review Committee	$	494
Zoning Administrator Meeting	$	329
Public Interaction	$	165
City Board Meetings & appeals	$	-
General Administration	$	60
Public Counter	$	388
GIS	$	53
EPC Maintenance	$	36
General Plan & Data Maintenance	$	90
Maintain Legal Documents	$	26

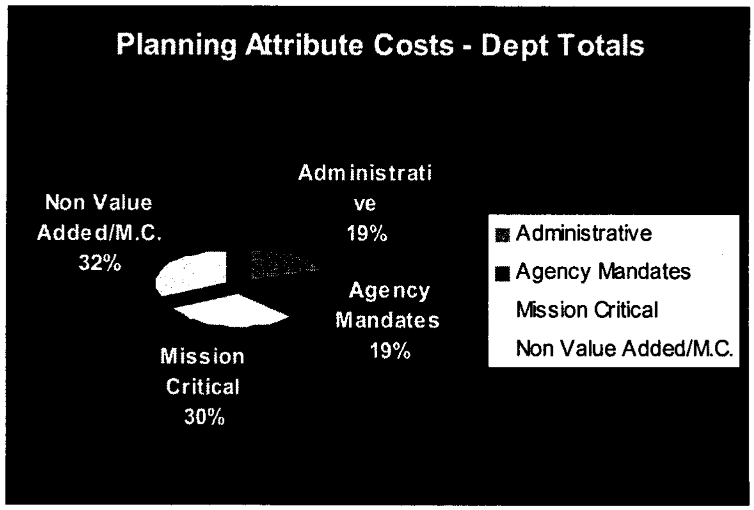
Again, "good is not good enough." In addition to the activity costs, we can also assign additional coding – *attributes* – to each activity. Attributes are specific characteristics of an activity. Attribute examples include: mission critical, regulatory required, value added, non-value added, administrative.

Examples of the output available are shown below:

Activity Definition



Attribute Analysis



If, for example, an activity that has significant cost displays low value added (from the client's perspective), and is not mission critical or regulatory required, it is a logical candidate for business process re-engineering.

In summary, *Process Analytics* will provide City staff not only with a fee table and projected revenue, but a significantly improved understanding of the cost and rationale of the activities underlying each fee.

Deliverable: A documented set of Planning, Engineering, Police, fire fees (See Appendix A for example). Also, delivery of the *Process Analytics* Excel-based computer program for internal use by the City of Culver City.

Goal: A complete understanding of City services.

2.2 CONSTRUCTING THE BUILDING & SAFETY COSTING MODEL HISTORICAL CONTEXT – MAXIMUS SOLUTION

Building fees have traditionally been set based on structural valuation. This method is exceedingly difficult to correlate to services provided and the

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resultant fee for that service. There have been numerous legal challenges – primarily in California - to this approach over the past 15 years.

To provide our clients with a workable, defensible building fee schedule, MAXIMUS has developed a specialized application for the determination of building inspection and plan check costs: our *NEXUS* model. This approach represents a distinct change in fee calculation and administration. Over three dozen California cities and counties have engaged MAXIMUS to develop a *NEXUS* study for their building and safety (including fire) fees. Key elements of this approach are described in subsequent paragraphs of this proposal.

The goal of a *NEXUS* study is to create a new format that is legally defensible, fair to the consumer, and administratively workable. *NEXUS* complies with California and other state's legal imperatives that call for a direct relationship (nexus) between fees levied and services provided. The traditional valuation tables do not provide this validation, but *NEXUS* does. This study should accomplish each of the following objectives:

- Develop a Building Fee schedule that recovers 100% of Building's direct and indirect costs, as well as the cost of supportive operating departments (e.g., Planning).
- Communicate to the public and development community that a clear, equitable, and defensible method has been used to calculate plan check and inspection fees.
- Result in a fee schedule that is easy to administer.

The model develops three primary fee tables: new construction, mechanical/electrical/plumbing (M/P/E) individual service fees, and miscellaneous fees. The City's client merely identifies what service is desired, and is shown the specific fee for that service. No additional calculations are required. New construction fees – both for plan checking and inspection – are calculated based UBC category and structured based on time...then adjusted for square footage variations. Appendix B displays an example of the *NEXUS* new construction fee table. M/P/E and miscellaneous services are structured based on specific (time-originated) services

In addition to the actual fee schedules, our *NEXUS* model will provide the City with significant management information in terms of both current and forecast net revenue and staffing. With our 30+ client data base, we can also provide comparative information and "bench-checks" against other jurisdictions providing identical services.

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2.2.1 The NEXUS Advantage

Revenue Analysis – *NEXUS* does not, by design, reconcile to the City financial records. The very nature of building & safety operations is typically multi-year, e.g. revenues may be received in one fiscal year, but the services not be performed until the following year. To "lock-in" the impact of *NEXUS*, our program correlates net revenues based on identical unit volume data under both the current fee schedule and the new *NEXUS* schedule.

The deliverable revenue analysis is shown in the following schedule:

FEE AND REVENUE COMPARISONS

Building Fee Category	Revenue at Potential Fee	Revenue at Current Fee	Current Revenue Surplus / (Subsidy)
New Construction Inspection	$ 919,860	$ 750,000	$ (169,860)
Misc. Items	$ 165,850	$ 150,500	$ (15,350)
Fire Items	$ -	$ -	$ -
MP&E's	$ 95,700	$ 5,000	$ (90,700)
Total Revenues:	$ 1,181,410	$ 905,500	$ (275,910)

- **Staffing Requirements** – A critical piece of the *NEXUS* methodology is the productive hour calculation. By integrating unit values with time data and matching that to available productive hours, the result is the number of staff required to fulfill the department's mission. By varying forecast unit volumes, the City will be in a position to better understand its future staffing requirements. The information is shown below:

FTE ANALYSIS:

	Current Volume:			Forecast Volume:			
Building Fee Category	Total Units	Total Hrs. Consumed	Total FTE's Consumed	Total Units	Total Hrs. Consumed	Total FTE's Consumed	Req. Adjust.
New Construction	481	10,839	8.0	676	12,034	10.4	2.4
Miscellaneous Items	2,605	10,563	7.8	2,905	11,637	8.6	0.8
MP&E's	3,970	3,814	2.8	4,610	4,429	3.3	0.5
Total	7,056	25,216	18.6	8,191	28,100	22.3	3.7

In the example shown above, the forecast volume increase indicates a required staffing increase of 3.7 (say 4) new employees, assuming continuation of current service times. The reverse would also be true, of course, in times of declining unit volumes.

- **Comparative Data** – All city and county building departments provide essentially the same services. MAXIMUS is developing a database of service times-to-complete for objective review of performance. We make no value judgments based on this information, but offer it to our clients as a benchmark for their own data. An example of this data is shown below (Note: the data base is presently under construction and will be completed shortly).

(TABLE FOLLOWS)

NEW CONSTRUCTION INSP TIME ESTIMATES			POPULATION: 200K - 500K						POPULATION: Over 500K					
UBC / IBC Class	Building Use: (UBC / IBC Occupancy Type)	Average Sq. Ft.	City/County of MAXIMUS	City/County of MAXIMUS	0	0	200K - 500K Average	GEOMEAN	City/County of MAXIMUS	City/County of MAXIMUS	City/County of MAXIMUS	0	Over 500K Average	GEOMEAN
R-1	Apartment Bldg	10000		39.00	6.00		22.50	15.30		39.00	6.00		22.50	15.30
R-1	Apartment Bldg (repeat)	10000		8.00	6.00		7.00	6.93		8.00	6.00		7.00	6.93
R-1	Hotels & Motels	10000			6.00		6.00	6.00			6.00		6.00	6.00
R-1	Hotels & Motels - Phased Permits	10000	54.00				54.00	54.00	54.00				54.00	54.00
R-3	Dwellings - Custom	1000			4.00		4.00	4.00			4.00		4.00	4.00
R-3	Dwellings - Custom (1.5k sq ft)	1500			5.00		5.00	5.00			5.00		5.00	5.00
R-3	Dwellings - Custom (2k sq ft)	2000		9.00	5.00		7.00	6.71		9.00	5.00		7.00	6.71
R-3	Dwellings - Custom (3k sq ft)	3000		11.00	6.00		8.50	8.12		11.00	6.00		8.50	8.12
R-3	Dwellings - Custom (5k sq ft)	5000		16.00	6.00		11.00	9.80		16.00	6.00		11.00	9.80
R-3	Dwellings - Custom (10k sq ft)	10000			8.00		8.00	8.00			8.00		8.00	8.00
R-3	Dwellings - Model	1000			4.00		4.00	4.00			4.00		4.00	4.00
R-3	Dwellings - Model (1.5k sq ft)	1500			5.00		5.00	5.00			5.00		5.00	5.00
R-3	Dwellings - Model (2k sq ft)	2000			5.00		5.00	5.00			5.00		5.00	5.00
R-3	Dwellings - Model (3k sq ft)	3000			6.00		6.00	6.00			6.00		6.00	6.00
R-3	Dwellings - Model (5k sq ft)	5000			6.00		6.00	6.00			6.00		6.00	6.00
R-3	Dwellings - Model (10k sq ft)	10000			8.00		8.00	8.00			8.00		8.00	8.00

In summary, *NEXUS* will provide the City with the tools to not only restructure its fees to comply with state law, but significant management information to more quickly adapt to changing operational environments.

Deliverable: Fee schedules for plan checking and inspections services, by new construction, trades, and miscellaneous services. Also, delivery of the NEXUS computer model for the City of Culver City internal use only.

Goal: A legally defensible fee schedule that is client-friendly yet captures all appropriate City costs of providing building services.

Please note that if the City wishes us to preserve the current fee format, we will prepare a revenue-cost match-up (based on available City data) that will allow for a macro-level adjustment to the current tables based on a percentage adjustment.

3 PARKS AND RECREATION

For most service areas we utilize a "unit cost build-up" approach to identify the cost of each individual service for most programs and departments. For the majority of recreation programs and facility rentals, this unit cost build-up approach is not feasible or desirable due to variances in cost inputs, staffing, service demand, and market-limiting factors.

As a result of these issues, we employ a cost-revenue analysis approach for Recreation programs to identify cost recovery performance at program levels. This method allows us to identify potential increases (on a percentage basis) for the programs overall, which the City can consider when determining the potential increases to individual service fees. We provide results in this format, rather than individual fee levels/recommendations, since Recreation program fees are subject to particularly intense political scrutiny and considerations that have nothing to do with actual cost. The alternative for the City is to spend considerable staff time (and additional consultant fees) on a detailed unit cost study that has questionable validity and even less utility for fee setting.

At the study's conclusion the client has the tools to adjust fees in a dynamic-model fashion, completely current with future costs and goals. An example of this structure is shown below:

(GRAPHIC FOLLOWS)

PROG NAME/NBR.	% INCR. REQ. TO REACH GOAL, incl O/I TOTAL DIRECT	DIVISIO N O/H			INCREASED REVENUE AT ALT. RECOVERY LEVELS: TOTAL DIRECT	DIVISION O/H			RECOMN'D
1340-1325 Moana Pool	15%	36%	49%	59%	$ 23,257	$ 55,452	$ 74,751	$ 91,120	
1340-1326 NW Pool	30%	51%	64%	77%	$ 41,985	$ 71,565	$ 89,296	$ 106,888	
1340-1327 Idlewild Pool	13%	23%	30%	38%	$ 15,898	$ 29,107	$ 37,025	$ 47,636	
1340-1329 NECC Pool	202%	234%	253%	268%	$ 86,079	$ 99,477	$ 107,508	$ 113,902	NO INCR.
1345-1332 CS Leisure Lrn	41%	41%	53%	69%	$ 17,113	$ 17,113	$ 22,145	$ 28,609	20 % INCR
1350-1333 Ath Fld/Crt	-40%	-20%	-15%	-8%	$ (34,514)	$ (17,174)	$ (12,887)	$ (7,114)	NO REDUC
1350-1335 Ath Leagues	11%	58%	70%	82%	$ 23,097	$ 127,302	$ 153,060	$ 179,564	25% INCR
1360-1341 Sr. Recrec	111%	280%	310%	333%	$ 43,791	$ 110,842	$ 122,628	$ 131,797	25% INCR
1365-1344 Youth R&S	133%	145%	175%	200%	$ 50,625	$ 55,195	$ 66,464	$ 76,217	25% INCR
1365-1346 Youth Camps	13%	19%	35%	47%	$ 90,376	$ 133,787	$ 240,830	$ 327,174	
1365-1348 Youth Sierra Kd	-17%	-12%	1%	10%	$ (298,813)	$ (206,511)	$ 21,088	$ 184,650	NO REDUC
1375-1353 - OD Ice Rink	-12%	11%	15%	23%	$ (25,289)	$ 22,136	$ 30,233	$ 48,014	NO REDUC
1375-1354 Sky Tavern	77%	113%	118%	131%	$ 6,508	$ 9,467	$ 9,935	$ 11,044	25% INCR
1380-1356 Paradise Pk	33%	96%	110%	124%	$ 2,469	$ 7,162	$ 8,201	$ 9,202	
1380-1359 Neil Rd Rec Ctr	158%	252%	278%	298%	$ 24,235	$ 38,682	$ 42,747	$ 45,829	25% INCR
1380-1360 Comm Halls	42%	77%	80%	88%	$ 23,144	$ 42,678	$ 44,653	$ 48,819	10% INCR.
1380-1361 - NE Comm Ctr	27%	86%	99%	111%	$ 20,275	$ 65,005	$ 74,296	$ 83,837	10% INCR.
GOLF	-5%	-5%	3%	9%	$ (83,924)	$ (83,924)	$ 50,881	$ 158,885	

2 COST ALLOCATION PLAN

The City has its own, internally constructed central services cost allocation plan. We would use that document for city-wide overhead input.

MAXIMUS, as the nation's leading provider of cost plans, will review the city's cost plan for any potential improvements. The City can then decided if the suggestions are significant enough for further exploration and perhaps production. There will be no charge for this review. Our firm is, of course, ready-willing-able to produce a tailored cost plan for the City under a separate contract.

4 iterative reviews and quality assurance

QUALITY ASSURANCE

Quality input = quality output. Therefore, manage the input.

Reviewing data and assuring a quality and defensible set of fees is critical to the process and implementation. Our process for assuring a quality project is based on the idea of *quality input = quality output*. Besides onsite data checks MAXIMUS holds a minimum of two formal reviews of data and results. Typically the first review is with front line staff and leadership (division level). The second review is typically with department level leadership. Based on our years of experience, we consistently find that formal opportunities for reviews at each operational level is critical to the full implementation of fees.

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5 Presentations and delivery of final report

MAXIMUS is very firm in its commitment to quality assurance. Because of this, no report is written and no presentation is made until departmental leadership formally approves of all of the data inputs and is secure in the understanding that all of the issues relating to the establishment of full cost have been identified. Once these reviews have been adopted, MAXIMUS will prepare a comprehensive report and deliver this report to the City Council.

In addition, we are often asked to make presentations to stakeholder groups and meet with city councils in work sessions. These are all helpful and available to the City as contract options.

6 Work Plan

Our detailed work plan comprises seven tasks, as outlined below:

Task 1: Build the Operational Costing Model(s)

In a highly collaborative work session, MAXIMUS will work with staff and leadership to identify and define those work processes that produce City services. As an example, for the Planning Division, MAXIMUS consultants will facilitate a process that identifies mission critical processes, and will then define those processes by the activities and tasks that support them. The departments and divisions to be included in the fee study are:

- Development Services operations (Building, Planning, and Engineering)
- Parks and Recreation
- Police and Fire

> *Anticipated schedule*: October/November 2006
> *Deliverable*: no specific document; however, our models will be designed with a schedule of fees encompassing the current structure and proposed changes to the existing structure for all departments.
> *Goal:* create base models containing all fee activity

Task 2: Calculate Hourly Rates, and Develop Time and Volume Data

This second step involves inputting expense, time, and volume data into our modeling software for each department/division. There are various subtasks, as listed below:

- Calculate productive hourly rates, as necessary.
- Develop time estimate data. By facilitating interactive interviews, time data will be developed that will provide an understanding of staff utilization and cost on critical processes and activities.
- Input volume data. City staff are responsible for providing this data. Volume data for each service (fee) is critical for two reasons:
    - They provide a basis for revenue projections at both full cost and recommended prices; and
    - They provide a basis for cross checking quality data.

> *Anticipated schedule*: October/November 2006
> *Deliverable:* Populated *NEXUS* and Process *Analytics* models with initial data sets and time estimates.
> *Goal*: assign all staff time, account for all work volumes, include all budgetary data.

Task 3: Iterative Reviews and Quality Assurance

It is critical to assure that data are of high quality and that calculations are accurate. That assurance is necessary to creating a defensible set of fees, final implementation, and reasonableness. We hold a minimum of two formal reviews of data and results. The first review is with front line staff and leadership (division level). The second review is with department level leadership. In addition to formal reviews with staff and leadership, MAXIMUS assigns a senior consultant with significant experience to review each model.

> *Anticipated schedule*: December 2006
> *Deliverable*: Draft of *NEXUS* and *Process Analytics* models with departmental concurrence that data reflects current work activity.
> *Goal:* account for all work and volume activity, along with a reasonable allocation among fees

Task 4: Testing for Reasonableness

TESTING FOR REASONABLE-NESS

MAXIMUS can provide time estimates and hourly rate comparisons for several jurisdictions of comparable size.

MAXIMUS believes that the full cost of every fee should also be tested for reasonableness. Inherently, this testing is difficult because it forces the question of "how do we define what is reasonable?" Different service levels, social economic values, and business climates are all variables that can be considered in setting "reasonable" prices for fees. However, most jurisdictions want to have some method of testing their fees against some norms. MAXIMUS can provide three tests of reasonableness:

- Are the hourly rates that are ultimately the financial driver of cost reasonable with respect to other California jurisdictions?
- Are the time estimates that are used to calculate staff involvement reasonable with respect to other California jurisdictions?
- Are the prices that will eventually be implemented comparable within the marketplace?

MAXIMUS has a 25-year history of conducting fee studies in California. Annually, we complete 15-20 such studies in California alone. This experience provides an extensive database of the actual costing inputs. We can compare the costing inputs of the City against a universe of comparable jurisdictions.

MAXIMUS will also compare current and newly-determined user fees for the City of Culver City against our data base and Culver City-surrounding areas.

Anticipated schedule: December 2006 *Deliverable:* Comparison against acceptable, anticipated ranges of values. *Goal:* all fee and hourly amounts fall within reasonable ranges

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Task 5: Quality Assurance Review and Procedure

QUALITY ASSURANCE

Quality input = quality output. Therefore, manage the input.

Quality Assurance is an important and vital aspect of every engagement. MAXIMUS takes seriously the idea that quality input yields quality output. Our approach to quality assurance is to develop a process that is transparent to staff and the public. Specifically, we have three checks for Quality Assurance, as follows:

- After the initial costing model is built and all data are collected.
- As part of the iterative review process, staff will be asked to "sign off" on preliminary results.

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- Before going to the City Council, all models are reviewed by a senior MAXIMUS consultant.

Anticipated schedule: December/January 2006-07 Deliverable: Staff sign-off on full models.

Task 7: Presentations and Delivery of Final Report

Once the results have been reviewed, MAXIMUS will prepare a comprehensive report and deliver this report to staff and the City Council. In addition, we can optionally set up web-based conferences for those groups that ask more detailed questions or want a more thorough understanding of the process and results.

Anticipated schedule: January 2007 Deliverable: Final reports and training.

7 PROJECT TEAM

The following consultants will be assigned to this particular project. Each of these consultants has local government experience and/or significant experience in financial analysis within the public sector. Combined, these staff members have worked on nearly 40 cost of service studies (cost plans and fee studies).

DANIEL EDDS, MBA - PROJECT DIRECTOR & USER FEE MANAGER

Mr. Edds began his consulting experiences as an independent consultant. His clients were principally public education K-12, Community Colleges and education related state agencies. His work on behalf of these clients focused on cost analysis, process re-engineering and performance management.

EXPERIENCE

Since joining MAXIMUS, Mr. Edds has been involved with conducting and managing financial analysis projects with numerous counties and cities. Principally, these projects have involved process analysis for the purpose of restructuring fees for full cost recovery of Land Development, Planning, Public Works, Recreation, Police, Fire, Hazardous Materials, GIS and Library services. Recent projects completed or currently under way include Modeling Cost Processes for Napa County, Butte County and the cities of: Porterville, Hercules, Mountain View, Half Moon Bay, Pasadena, Morano Valley, Imperial Beach, Rancho Cucamonga, and Happy Valley, Oregon.

In addition to his consulting work, Mr. Edds is regularly invited to speak at state finance officers associations. His recent presentations have been for the Washington Officers Finance Association and the Oregon Municipal Finance Officers Association.

EDUCATION & PUBLICATIONS

Mr. Edds holds a Masters in Business Administration (International Business) from the Albers School of Business at Seattle University (1993) and has additional graduate level work in Operations Management.

Based on the results and original research gained with his public sector clients Spiro Press (London England) invited him to write a book. The result is *Transformation Management*, which has already earned him recognition as a leading thinker in how performance management can transform public sector organizations from within. He has also been a contributor to *The*

Journal of Cost Management and a contributing editor to *School Planning & Management.*

REFERENCES

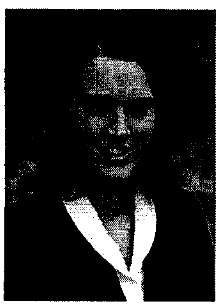
Michael Stoltz: Deputy Director of Public Works, Napa County, California, 707.253.4821

Helen Ansted: Senior Budget Analyst, Mountain View, California, 650.903.6011

Darrel Pyle: City Manager, City of Tulare, California

Ms. Linda Southard, Administrative Officer, County of Yuba

(530) 749-5430



NICOLE KISSAM – SENIOR CONSULTANT

Nicole Kissam is a user fee specialist in the Cost Services Division of MAXIMUS. Since joining MAXIMUS in early 2003, Ms. Kissam has assisted or developed enhanced User Fee Studies for many California clients. Principally, her work has involved Cost of Services studies with Development Services agencies. In addition, she is also experienced in the development of Indirect Cost Allocation Plans, and specialty departments such as Recreation, Fire Prevention, Probation, and Special Districts.

EXPERIENCE

Recent projects for Ms Kissam include:

- City of El Cerrito – Principal and Lead Consultant. Provided a Comprehensive Cost of Service Study that incorporated all fees and developed the Indirect Cost Allocation Plan.
- City of Paso Robles – Lead Consultant for a Comprehensive Cost Of Service (User Fee) Study.
- City of San Buenaventura – Lead Consultant. Cost Allocation Plan and Cost of Service (User Fee) Analysis.
- City of Livermore - Building and Safety and Fire Prevention Cost of Service (User Fee) Analysis.
- City of Pasadena – Lead Consultant for Planning, Engineering and Police departments within a Comprehensive Cost of Service (User Fee) Analysis.
- Yuba County – Lead Consultant for Building & Safety and Code Enforcement portions of a Comprehensive Cost of Service Study.
- Sacramento County – Lead Consultant for a Probation Services Cost of Service Study
- Santa Barbara County, Cities of Winters, Vacaville and Alameda – Currently conducting Cost of Services Studies as Principal and Lead Consultant.

Prior to joining MAXIMUS, Ms. Kissam served as a Special Projects aide in the Finance Department for the City of Temecula, California. In this capacity she had direct experience in budget and revenue analysis. In addition, she has substantial consulting experience in management, marketing, and public relations for private companies, (national and international).

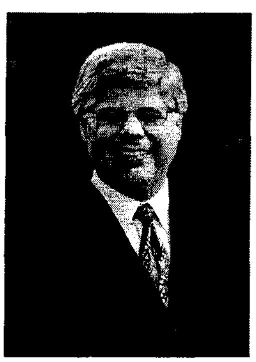
EDUCATION

Ms. Kissam earned a Bachelor of Science in Business Administration at California Polytechnic State University, San Luis Obispo.

REFERENCES

Ms. Linda Southard, Administrative Officer, City of Yuba
(530) 749-5430
Mr. Jurg Heuberger, Planning Director/Building Official
(760) 482.4236
Ms. Mary Dodge, Director of Finance, City of El Cerrito
(510) 215-4317
Ms. Margaret Van Warmerdan, Director of Finance, City of Red Bluff
(530) 527-2605
Mr. Michael Compton, Admin. Svc. Director, City of Paso Robles,
(805) 237-3999

BRIAN FOSTER – SENIOR MANAGER



Mr. Foster is a Senior Manager with MAXIMUS. He has been a governmental practitioner and consultant for approximately 24 years, having worked with cities, counties, courts, and special districts during his career. Mr. Foster has worked with large, medium, and small organizations. Mr. Foster's focus is on the areas of organizational analysis, operational efficiency, financial management, and technology improvements in complex environments. Mr. Foster has been responsible for: management and organizational analyses, budgetary analyses, rate studies, technology solutions designs, policy studies, and revenue enhancement reviews.

Mr. Foster has specific experience in the following areas:

- Public Sector Management Audits
- Financial, Accounting, and Budget Management
- Revenue Management and Analysis
- Systems Analysis, Design, and Implementation
- Legislative Monitoring and Analysis
- Community Liaison
- Business Planning

The following list of accomplishments represents Mr. Foster's public sector management skills in the development services and recreation areas.

Management Studies and Audits

Performed an operational review of certain divisions in the City of San José's Department of Planning, Building, and Code Enforcement, including the development of new operating procedures.

EXPERIENCE

Recommended organizational and internal control changes to the City of La Palma's Finance, Public Works, and Building and Safety Departments.

Performed management audits for the City & County of San Francisco—Bureau of Building Inspection, City and County of San Francisco's General Hospital, Social Services Department, and Youth Guidance Center.

Finance, Accounting, and Budgeting:

Reviewed the financial history and projected the financial needs for the City of Imperial Beach, CA (leading to expenditure reductions and revenue alternatives).

Established hourly planning rates and user fee schedules for the Livermore Area Recreation and Park District (LARPD).

Created user fee schedules for the Engineering Department of the City of Brentwood.

Developed alternative revenue generating mechanisms to support litter abatement activities for the City of Lynwood.

Mr. Foster joined MAXIMUS in 1999. He has worked in both our Cost Group and Management Services Group. Other municipal and consulting experiences include:

- City of El Cerrito, California, Financial Services Manager/City Treasurer
- Hilton Farnkopf & Hobson, LLC, Fremont, California, Senior Associate
- GCI Jennings, Inc., Operations Director, 1995–1996
- City of Oakland, Administrative Services Manager II
- Harvey M. Rose Accountancy Corporation, Senior Management and Budget Analyst

EDUCATION

Mr. foster holds both undergraduate and graduate degrees for U.C. Berkeley (Masters in Public Policy, 1982).

REFERENCES

Ms. Lora Cohen, Fiscal Officer, Livermore Area Recreation & Park District; 915.373.5700

Mr. Tom Ritter, Assist. City Manager, City of Imperial Beach, 619.423.8615

Ms. Stephanie Larsen, Assist. County Administrative Officer, County of Humbolt; 707.476.2388

GRETA DAVIS - MANAGER

Ms. Davis has 20 years of experience in local government services. Her range of experience includes the following:

- Budget preparation, auditing, analysis, development, and presentation
- Research, development and implementation of municipal programs
- Risk management, waste and recycling management
- Personnel policy and procedure development
- Legislative research, analysis and development
- Cost allocation plan development (OMB A-87 and Full Cost)
- Cost of Service/User Fee Studies
- Revenue maximization and enhancement

EXPERIENCE

Since joining MAXIMUS in June 1999, Ms. Davis has worked on the following projects.

- ✓ **County Cost Allocation Plans:** Ms. Davis has prepared the OMB A-87 Cost Allocation Plan for Orange County, In Ohio, Ms. Davis prepared the OMB A-87 Cost Allocation Plans for Trumbull, Union, Butler, Portage and Columbiana Counties.
- ✓ **Cost of Service/User Fee Analysis for the following cities and counties:**
- ✓ Ms. Davis provided services to Lancaster, Vallejo, Vista, Encinitas, Oceanside, Malibu, Dana Point, Mission Viejo, Hawthorne, Rancho Palos Verdes, Rancho Cucamonga, Grover Beach, Orange, Lynwood, Irvine and Butte County in CA.

Additionally, Ms. Davis conducted User Fee Studies in Henderson, NV, Athens, OH, Euclid, OH, Montgomery County, OH and Detroit, MI

Building Nexus Fee Studies: Ms. Davis provided services for Malibu, Rancho Cucamonga, Oceanside, and Orange County in California and Montgomery County in Ohio.

Jail Rate/Booking Fee Studies: Ms. Davis has performed a Sheriff County-wide Booking Fee Analysis for Butte County, CA and a U.S. Marshall Per-Diem Jail Rate for Henry County, Indiana.

Prior to joining MAXIMUS, Ms. Davis gained extensive skills and experience in budget and revenue analysis and the development of user fees and cost allocation plans with Management Services Inc. (MSI), as well as the three California cities that she worked for.

EDUCATION

Ms. Davis received her Bachelor's Degree in Social Science (Emphasis in Finance), University of California, Irvine, 1990. She holds a Risk Management Certificate, University of California, Riverside 1992.and membership in the Municipal Management Assistants of Southern California (MMASC) 1989-2002

STACY V. SHELL - ANALYST

Ms. Shell joined MAXIMUS as an Analyst in 2006. Her previous vocational expertise was in marketing and sales analysis. Since joining MAXIMUS, she has worked on the following user fee studies: Ontario, Chula Vista, San Luis Obispo, and Dana Point.

Ms. Shell has a Bachelor of Science degree in Finance (2002).

8 COST SUMMARY

MAXIMUS will deliver the proposed cost plan and fee study for a fixed professional services fee of $42,500 plus a maximum of $3,000 in expenses. *We believe that 100% of this fee could reasonably be recaptured through inclusion in future user fee and overhead rates.*

The fee includes one formal presentation to the City Council. Additional meetings with the City Council or special interest groups would be charged on a time and expense basis. Special presentations typically cost $1,250. The scope of public input coordination potentially desired by the City is not pre-calculable and accordingly would be a contract addition at the negotiated scope of service. MAXIMUS is well versed in client-community facilitation. MAXIMUS current professional services rates would be in effect for this service.

8.1 COST BASIS

Our fixed cost is based upon our estimated use of consultants at the following rates:

Consultant Level	Hourly Rate
Vice President	$ 25
Director	$ 175
Senior Manager	$ 160
Manager	$ 140

Consultant Level	Hourly Rate
Senior Consultant	$ 120
Associate Consultant	$ 100
Support Staff	$ 75

The user fee systems will be made available to the City at no cost. Please note that these are relatively complex systems designed for internal use by MAXIMUS consultants. Training is required and will be provided at no cost when accomplished in conjunction with the study's scheduled on-site visits. Any subsequent training would be charged for at MAXIMUS' then-current rates. A license agreement is also required. MAXIMUS cannot be responsible for any errors resulting from the City's use of these systems in the future.

8.2 BILLING MILESTONES

MAXIMUS proposes to invoice the City of Culver City for completed work according to the following schedules of milestones:

• Completion of interviews and data collection	40%
• Delivery of draft cost plan and user fee analysis:	35%
• Delivery of draft user fee report/final cost plan	15%
• Delivery of final report and presentation	10%

8.3 COST CONTROL

The MAXIMUS cost proposal assumes that we are able to employ our effective standard approach to this Cost of Service study, which includes a specified number of on-site visits: two kick-off/process visits and one final presentation/meeting to staff. If the City requires excessive on-site visits (over two) due to City-caused delays, lack of participation in earlier meetings, City staffing changes, management actions, or other factors not caused by MAXIMUS, we will identify and communicate the potential cost of these additional visits in advance to allow the City to make an informed decision whether to request supplemental visits.

Our price also assumes that we devote not more than 16 hours of professional time to this project after delivery of our draft report, for further editing, research, meetings or work of any kind related to this project (except proposed presentation/meetings). Should we need to devote time in excess of 16 hours after delivery of the draft, we would charge our actual time and expenses for the additional services at our standard hourly rates. Actual time spent after delivery of the draft is unlikely to exceed 16 hours.

8.4 PROJECT SCHEDULE

We anticipate the project to take approximately three months to bring it to the City Council presentation level, as shown below. Please note, however, that user fee projects are complex, and require City staff to be diligent in responding to requests for data and in reviewing data drafts and reports.

(SCHEDULE FOLLOWS)

WEEKLY PROJECT SCHEDULE

Task / Activity	By	Week												
		1	2	3	4	5	6	7	8	9	10	11	12	13
Task 1: Interview stakeholders	M/C													
Task 2: Review organization and budget structure	M/C													
Task 3: Data Collection	M/C													
Task 4: Determine costs of fee services	M													
Task 5: Review Draft fee Results	C													
Task 6: Revise Data	M													
Task 7: Finalize data; write draft; final reports	M/C													
7.7.1: Presentation to C.M.; C.C. subsequent	M													

M = MAXIMUS is primarily responsible for completing these tasks.

C- City is responsible for completing these tasks.

M/C - Both the City and MAXIMUS must work together to complete these tasks

A note about schedules. MAXIMUS takes an "on-site" approach as much as possible to minimize delays. The above schedule is representative of similar projects; however, the actual project may require less time, or more depending upon any number of factors.

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9 OPTIONAL SERVICES:

9.1 IMPLEMENTATION PLANNING – ENHANCED COMMUNITY FACILITATION (*ECF*)

Many firms offer "*expert guidance & advice*" or "*hand holding*" through the process of implementation of a fee schedule that is "full cost". In reality this is really only a short presentation to the City Council in either a public meeting or work session. Often the total time allocated to this important part of a see study is 30 minutes or less. The result are fee levels that are often set without consideration of service levels and broad policy goals. MAXIMUS believes this is often insufficient to maximize cost recovery opportunities.

Implementation

Calculating the cost of our fees is just the first step. Implementing these fees is the hard part.

We believe that the calculation of costs and the development of a current fee schedule is only the beginning of step in a long-term strategy to maximize cost recovery. To best serve our clients, we have developed our optional *Enhanced Community Facilitation* (ECF). ECF is designed to engage the community - policy makers and business - in better understanding the rationale for user fee cost recovery. The goal to enlist their support and to have them become advocates for implementation of a fair and equitable fee schedule. (**Please note that this process is custom tailored to the individual client based on their specific needs, and the fee would be quoted separately**:

In an interactive focus group we would discuss policy implications of full cost recovery or subsidy and the impact on the general fund and the jurisdiction's ability to deliver services to the community. We would discuss such economic implications as elasticity and inelasticity of demand, competitive restraints, and subsidy issues. We would also discuss issues such as cost components, value added, non-value added, mission critical, and required activities in the providing of governmental services. We would advance the concept of a fee setting policy matrix, one having the following attributes:

Who Benefits?	*Type of Service?*	*Funding Source?*
Community	Public (Police Patrol)	Taxes
Mostly Community	Public/Private (Parks)	Mostly Taxes
Mostly Individual	Private/Public (Recreation)	Mostly Fees
Individual	Private (Development)	Fees

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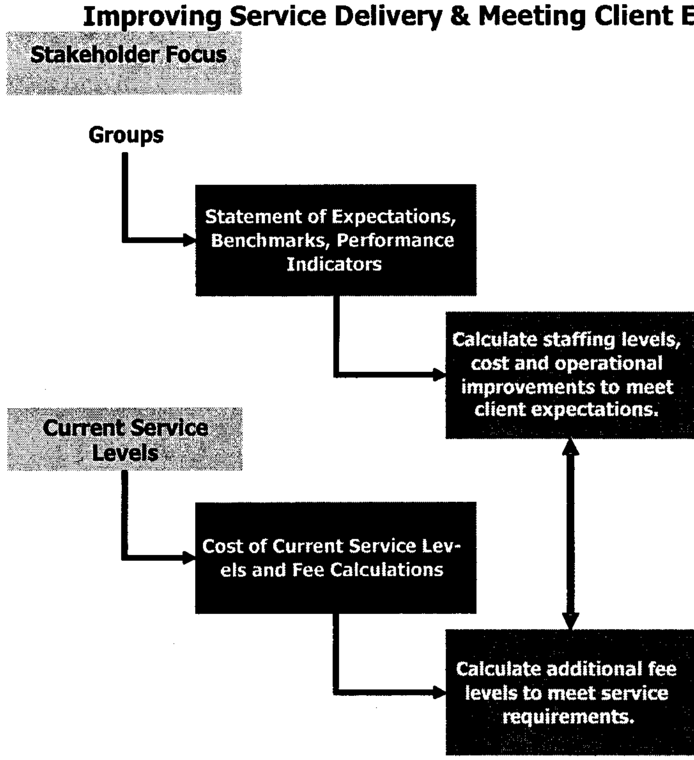
In this meeting we would provide a general outline of our modeling approach and the final information that would be provided. The intended goal is to enlist the Board's up front support in understanding that the jurisdiction's only interest is recovering its appropriate costs.

In addition to the above MAXIMUS could design a focus group session to facilitate a discussion of community expectations, service level impacts, cost implications of heightened service levels, and performance issues. In this environment, the process flow would be as follows:

Improving Service Delivery & Meeting Client Expectations



ECF – **Consumer Group(s): BIA, etc.**

MAXIMUS has found that when impacted community groups are included in the analytical process and are provided the opportunity to up-front express concerns, the implementation of a new fee schedule – even where fees are significantly increased – is a much smoother process. In this environment, we chair a meeting to fully describe the processes we will use, provide insight as to our experiences in other communities, and elicit their concerns. Invariably, these special interest groups are primarily concerned about service delivery. Operating fees are not typically as consequential to their bottom line as their bridging finance charges. We have found that they: (1) want to pay only their fair share, (2) are understanding of government's requirement to recapture fee for service costs, and (3) want government understand that service delivery is paramount.

9.2 OPTIONAL SERVICE: *PERFORMANCE ANALYTICS*

MAXIMUS provides a separate package of additional value-added work that follows a User Fee Study. The goals of this second study are as follows:

1. Review current processes for cost drivers, problem solving, and improvement analysis.
2. Establish a set of best practices based on available research.
3. Establish performance measures that reflect current best practice research and community service standards. These may include organizational restructuring, changes in processes or other changes that may result in a public participation process.
4. Suggest changes in the current process.
5. Report on the findings and formalize recommendations in a public meeting.

Research Best Practices

MAXIMUS has provided research into best practices for virtually all services delivered by local government. While there is no single source of best practice research, several associations, organizations, and local governments have established best practice standards. MAXIMUS will provide this research and then do a comparative analysis of where the City stands with regards to these standards. In addition, we maintain our own database of process costs and staffing levels. Because of its 25-year history and by providing 20-25 similar projects each year (just the West Coast), we can compare processes for similar jurisdictions. There are two benefits to this analysis:

1. It provides a degree of quality assurance within the primary costing project. For example, we can compare the City's process time, the plan check, and inspection application on a single-family home of 2,500 SF with any number of similar jurisdictions. If the total time for Jurisdiction "X" is 10 hours and the mean of similar jurisdictions is 20 hours, either local staff in are very efficient or there is the possibility of other cost to inputs.
2. It provides a level of security that local staff are "in the ball park" in a comparison of other jurisdictions.

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Initiate Process Analysis for work processes

Because MAXIMUS takes the additional step in its original costing process (*Process Analytics*), we can then take one additional step, which is to analyze each process for several factors:

1. **Cost Drivers**: every process will have influences that drive costs up or down. While all cost drivers cannot be eliminated, we will identify those factors that drive costs to maximum levels without value.
2. **Measure the impact of the cost drivers**. It is important to measure the cost both in terms of dollars and total impact on service levels.
3. **Provide solutions or alternatives to current processes**. In collaborative work sessions, MAXIMUS will work with staff to identify solutions to those factors that increase costs.
4. **Measure the impact of the solution**. Any solution must be measured. If not, there is little reason to initiate or design a solution.

This step will have specific application to the goal of reviewing, for example, the ***appeals process****. MAXIMUS will tailor specific analysis around the activities that comprise this specific process to identify opportunities for improvement.*

Process Identified (example)	Problem	Impact of Problem	Solution to Problem	Measurable Impact of Solution
Setting conditions for approval	Conditions are missed or ignored	Planners make excessive plan checks – 12 additional per month	Establish additional plan check fee	Either additional revenue for plan checks or a reduced number of plan checks.
Process #2				
Process #3				

Culmination of *Process Analytics* could result in a management "ScoreCard", which incorporates performance measures, goal attainment, and trends. An example of this is shown below:

Performance Measures	Standard	Current Period	Prior Period	Trend	Management Comment
Operating Indicators					
Average residential plan review time (days)	2 days	●	●	⬌	Full staffing in place
Percentage of inspections completed w/in 1 day	98%	◍	●	⬇	92% achieved this period due to recent retirements
Customer satisfaction index	95%	●	◍	⬆	Recently completed training is having an impact
Abandonment request processing time (days)	120	●	●	⬆	Prior period represented a spike in filings
Permit counter wait times, over the counter permits	15 minutes	●	◍	⬌	Continued focus on training
Future Trends					
Total revenue collected	60% of annual total budget	●	●	⬌	Revenues continue to track budget projections
Dollar value of issued building permits	$$ year to date	●	◍	⬇	Decrease suggest an economic slowdown
Employee turnover rate	< 5%	●	●	⬌	Staff retention is stable

10 CORPORATE EXPERIENCE

MAXIMUS is a Virginia corporation qualified to conduct business in California. It was established in 1975 for the sole purpose *of Helping Government Serve the People™*. We are proud of our success at this calling – a success that has led to our growth as a company and to a record of satisfied clients. Today, we are the largest management consulting firm in the nation serving the needs of non-defense, public sector clients in management services, consulting, and software applications. This includes federal, state, and local governments, in addition to many other public institutions. We serve clients in all 50 states, including 97 of the 100 largest cities. Additional corporate information can be found at our web site at *www.maximus.com*.

Within the Cost Services Division (the old David M. Griffith & Associates), our area of expertise is local government (city and county) where we provide a range of services including:

- Administrative Cost Plans including OMB A-87 plans to more than 200 jurisdictions in the Western States alone.
- Revenue enhancement studies for operating fees and development impact fees.
- Organizational efficiency, operational effectiveness, business process reengineering and cost of service studies utilizing the tools of Activity Based Management.

Our firm is the acknowledged national leader in cost allocation, cost analysis, and federal cost negotiation issues. We are also the leading firm specializing in maximizing federal cost recovery for state and local governments.

The Western Region encompasses the territory from Colorado to Hawaii, with the majority of the work performed in California. We have two California offices: Sacramento and Irvine. This region has provided services since 1979 to all 58 California counties and more than 100 cities and special districts. The Region has delivered more than 125 user fee studies since this product line inception in 1983.

We are, unquestionably, a large ($600 million) firm, and are we proud of our listing on the New York Stock Exchange. The advantage this brings to a City is an entrepreneurial-based consulting division supported by a diversified organization. We can support the city today, and into the future with a myriad of services and programs as required. . In short, no other firm in the nation can match the experience, the resources and the staff of MAXIMUS.

Corporate offices: 11419 Sunset Hills Rd, Reston, VA 20190, 800.368.2152

Western Region Office: 4320 Auburn Blvd. Sacramento, CA 95841 916.485.8102

11 SAMPLE OF RECENT PROJECTS OF SIMILAR SIZE AND SCOPE

Shown below are user fee examples from our California engagements.

Selected Project References

Selections from a list of similar recent projects recently completed

Contact Information	Type Of Project	Fee Study Departments Included
	User Fee Studies	
County of Yuba	Full Cost Allocation Plan User Fee Study	Building, Planning, and Engineering
City of Rancho Cucamonga	User Fee Study	Building, Planning, and Engineering
County of Napa	Development Services User Fee Study	Building, Fire, Engineering, and Community Development
Covina, CA	Cost Allocation Plan User Fee Study	Building, Planning, Engineering, Recreation and Police
City of Livermore	Cost Allocation Plan User Fee Study	Administration, Building, Planning, Police, Public Works / Engineering, and Recreation
City of Temecula	Cost Allocation Plan User Fee Study *NEXUS* Study	Building & Safety, Fire Prevention, Planning, Public Works / Engineering, Police, and Community Services (recreation)
El Cerrito	*Cost Plan/User Fee*	Building, Planning, Engineering, Recreation and Police
Moreno Valley	User Fee Study	Building, Planning, Engineering, Recreation and Police
Vacaville, CA	Cost Allocation Plan User Fee Study	Building, Planning, Engineering, Fire, Police, and Recreation
National City, CA	Cost Allocation Plan User Fee Study	Building, Planning, Engineering, Police, Fire, and Recreation

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12 POINTS OF PROPOSAL CLARIFICATION

This proposal:

1. Excludes any and all development impact fee
2. Excludes any and all taxes and/or subventions
3. Excludes from specific calculation any fee areas for which a time-based data source is not available (e.g. facility rental fees)
4. *Performance Analytics* and *Enhanced Community Facilitation* (ECF) are optional services and would be tailored to the City's requirements.
5. Contractual Requirements. We anticipate some negotiation with the City regarding contracting. For example, we cannot be liable for errors caused by erroneous information provided by the City. We also must place a reasonable limit of liability on the contract. A firm without any material assets can always pledge unlimited liability; MAXIMUS is a $600 million revenue firm with $300 million in net worth. Regarding insurance, MAXIMUS is a New York Stock Exchange list company with extensive insurance coverage. We can provide the City with appropriate certificates of insurance.

   We are confident agreement can be reached to both parties satisfaction.

13 APPENDICES (Follow)

Appendix A – Example of Planning Fees

Appendix B – Example of Building Fees

Standard Report Format
Shows annual quantity, curre fee, actual cost, subsidy or over charge and calculates revenue totals for each fee ar for the department.

APPENDIX A

Example Results:
Planning (Recommended Fees)

ACTUAL COST RESULTS

PLANNING DEPARTMENT

Fee or Service Name / Description	Annual Quantity	UNIT COSTS: Current Fee	UNIT COSTS: Actual Unit Cost / Potential Fee	UNIT COSTS: Per Unit Surplus / (Subsidy)	REVENUE IMPACTS: Annual Revenue at Current Fee	REVENUE IMPACTS: Actual Annual Cost / Potential Revenue	REVENUE IMPACTS: Annual Revenue Surplus / (Deficit)
Appeals Staff/Zoning Administrator/Planning Dir Decision	20	$ 725.00	$ 1,606.64	$ (881.64)	$ 14,500	$ 32,133	$ (17,633)
Landmark & Historic Designation Applications (new fee)	6	$ -	$ 2,655.24	$ (2,655.24)	$ -	$ 15,931	$ (15,931)
Zone Changes	2	$ 5,805.00	$ 17,356.33	$ (11,551.33)	$ 11,610	$ 34,713	$ (23,103)
Historic District Zoning Overlay	0	$ -	$ 15,432.80	$ (15,432.80)	$ -	$ -	$ -
Development Agreement	0	$ 5,805.00	$ 15,070.59	$ (9,265.59)	$ -	$ -	$ -
General Plan Map Amendment	2	$ 5,805.00	$ 16,554.66	$ (10,749.66)	$ 11,610	$ 33,109	$ (21,499)
General Plan Amend. - Add'l Zone Change Appl	2	$ 869.00	$ 16,554.66	$ (15,685.66)	$ 1,738	$ 33,109	$ (31,371)
Legal Description	3	$ 1,155.00	$ 15,072.65	$ (13,917.65)	$ 3,465	$ 45,218	$ (41,753)
Master Development Plan Fee/Plan Amendments	4	$ 6,966.00	$ 19,361.46	$ (12,395.46)	$ 27,864	$ 77,446	$ (49,582)
Master Dev Plan - Add'l Zone Change Application	0	$ 869.00	$ 21,082.26	$ (20,213.26)	$ -	$ -	$ -
Master Dev Plan - Add'l Gen Plan Amendment	0	$ 484.00	$ 21,082.26	$ (20,598.26)	$ -	$ -	$ -
PDP - Planned Dev Amendment	1	$ 6,966.00	$ 19,362.70	$ (12,396.70)	$ 6,966	$ 19,363	$ (12,397)
PDP - Add'l Gen Plan Amendment	0	$ 484.00	$ 17,551.66	$ (17,067.66)	$ -	$ -	$ -
CUP	56	$ 2,005.00	$ 5,166.50	$ (3,161.50)	$ 112,280	$ 289,324	$ (177,044)
CUP - Modification	4	$ 1,002.50	$ 4,114.40	$ (3,111.90)	$ 4,010	$ 16,458	$ (12,448)

MAXIMUS will provide worksheets for recommendations for inclusion in the staff report.

RECOMMENDED FEE RESULTS

PLANNING DEPARTMENT

Fee #	Fee Service Name / Description	Current Fee	RECOMMENDED FEES: Recommended Fee	RECOMMENDED FEES: % Recovery (of full cost)	REVENUE IMPACTS: Annual Revenue at Current Fee	REVENUE IMPACTS: Potential Revenue at Rec. Fee	REVENUE IMPACTS: Potential Additional Revenue (@ Rec'd Fee)
1	Appeals Staff/Zoning Administrator/Planning Dir Decision	$ 725	$ 1,607	100%	$ 14,500	$ 32,140	$ 17,640
2	Landmark & Historic Designation Applications (new fee)	$ -	$ 2,655	100%	$ -	$ 15,930	$ 15,930
6	Zone Changes	$ 5,805	$ 17,356	100%	$ 11,610	$ 34,712	$ 23,102
7	Historic District Zoning Overlay	$ -	$ 15,433	100%	$ -	$ -	$ -
8	Development Agreement	$ 5,805	$ 15,071	100%	$ -	$ -	$ -
9	General Plan Map Amendment	$ 5,805	$ 16,555	100%	$ 11,610	$ 33,110	$ 21,500
10	General Plan Amend. - Add'l Zone Change Appl	$ 869	$ 16,555	100%	$ 1,738	$ 33,110	$ 31,372
11	Legal Description	$ 1,155	$ 15,073	100%	$ 3,465	$ 45,219	$ 41,754
12	Master Development Plan Fee/Plan Amendments	$ 6,966	$ 19,361	100%	$ 27,864	$ 77,444	$ 49,580
13	Master Dev Plan - Add'l Zone Change Application	$ 869	$ 21,082	100%	$ -	$ -	$ -
14	Master Dev Plan - Add'l Gen Plan Amendment	$ 484	$ 21,082	100%	$ -	$ -	$ -
15	PDP - Planned Dev Amendment	$ 6,966	$ 19,363	100%	$ 6,966	$ 19,363	$ 12,397
16	PDP - Add'l Gen Plan Amendment	$ 484	$ 17,552	100%	$ -	$ -	$ -
17	CUP	$ 2,005	$ 5,167	100%	$ 112,280	$ 289,352	$ 177,072
18	CUP - Modification	$ 1,003	$ 4,114	100%	$ 4,010	$ 16,456	$ 12,446

APPENDIX B
BUILDING FEE SCHEDULE

NEXUS New Construction

			Construction Types: I FR, II FR		Construction Types: II 1-HR, III 1-HR, V 1-HR		Construction Types: II N, III N, IV, V N	
UBC Class	UBC Occupancy Type	Project Size Threshold	Base Cost @ Threshold Size	Cost for Each Additional 100 s.f. *	Base Cost @ Threshold Size	Cost for Each Additional 100 s.f. *	Base Cost @ Threshold Size	Cost for Each Additional 100 s.f. *
A-1	Theater	1,000	$2,491	$4.75	$2,076	$3.96	n.a.	n.a.
		5,000	$2,681	$15.05	$2,234	$12.54	n.a.	n.a.
		10,000	$3,434	$15.59	$2,861	$12.99	n.a.	n.a.
		20,000	$4,992	$16.15	$4,160	$13.46	n.a.	n.a.
		50,000	$9,837	$8.55	$8,198	$7.12	n.a.	n.a.
		100,000	$14,112	$8.55	$11,760	$7.12	n.a.	n.a.
A-2	Church (non repeat)	1,000	$2,938	$4.75	$2,449	$3.96	$1,959	$3.17
		5,000	$3,128	$18.62	$2,607	$15.52	$2,086	$12.41
		10,000	$4,059	$18.11	$3,383	$15.09	$2,706	$12.07
		20,000	$5,871	$20.92	$4,892	$17.43	$3,914	$13.95
		50,000	$12,147	$10.77	$10,122	$8.97	$8,098	$7.18
		100,000	$17,530	$10.77	$14,608	$8.97	$11,686	$7.18
A-2.1	Auditorium	1,000	$2,499	$12.32	$2,083	$10.27	$1,666	$8.22
		5,000	$2,992	$8.82	$2,494	$7.35	$1,995	$5.88
		10,000	$3,434	$21.48	$2,861	$17.90	$2,289	$14.32
		20,000	$5,581	$20.99	$4,651	$17.49	$3,721	$14.00
		50,000	$11,880	$7.95	$9,900	$6.62	$7,920	$5.30
		100,000	$15,854	$7.95	$13,211	$6.62	$10,569	$5.30