



DATE: June 4, 2013

AGENDA ITEM # 1

**TO:** City Council  
**FROM:** Russell J. Morreale, Finance Director  
**SUBJECT:** Cost Allocation Plan and Fee Study

**RECOMMENDATION:**

- A. Accept an informational report on the City's updated Cost Allocation Plan & Fee Study
  - B. Provide direction on identified fee adjustments and converting Recreation Services fees to a market-based methodology
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**SUMMARY:**

**Estimated Fiscal Impact:**

**Amount:** None

**Budgeted:** Not applicable

**Public Hearing Notice:** Not applicable

**Previous Council Consideration:** Not applicable

**CEQA Status:** Not applicable

**Attachments:**

1. Cost Allocation Plan & Fee Study

## **BACKGROUND**

On a periodic basis, it is incumbent on local government agencies to review and update their fee schedules and inter-fund charges through a formal study commonly referred to as a Cost Allocation Plan and Fee Study (Plan). Voter-imposed requirements, primarily Proposition 4 passed in 1979, require a careful analysis of costs as a basis for defining fees for service charges.

Conducting such a study was approved by Council in prior years and has now been completed to include the most recent FY 2012/13 financial data. As a precursor to the adoption of fees that will follow in the upcoming budget process, this report is intended to be informational on the findings of the Plan. Secondly, it is provided for Council consideration and direction on a proposal to shift the Recreation Services fee model to a market-based methodology.

## **DISCUSSION**

### **Cost Allocation Plan and Fee Study**

The Plan is presented in Attachment 1 and includes an Executive Summary of the Plan on Page 1. Development of the Plan involved an analysis of the operational work effort that transpires through all City departments, including both general and enterprise fund/business activities. Its scope extended to all City-wide activities in determining the full cost of providing services to support a reasonable basis for fee-for-service charges. Ultimately, the Plan's deliverable products are an updated fee schedule (Appendix A of the Study), a breakout of Community-Wide Tax vs. Personal Choice Fee-based services (Chapters V & VI of the Plan), and definitions of subsidy levels and recovery percentages (Chapter V of the Plan). The Plan also updates inter-fund allocations and charges.

### **Overview**

The Plan results bring perspective and focus to the discussion of just how one "defines the price of government." Using the Los Altos FY 2012/13 budget figures, and introducing them into a model that distributes indirect and supporting costs to all functional areas, the study concludes that the cost of providing City community-supported services totals \$28.9 million as presented as Table 7 in the Plan.

This distribution of costs as illustrated in the Plan is consistent with the City's mission to manage the City with safety, health and quality of life in the forefront of its objectives.

The Plan further goes on to define the additional cost of personal choice services and the extent to which they are subsidized and supported by tax dollars. This is important as tax dollar support is a common characteristic of local government finance given the public service nature of municipal endeavors. The Plan has quantified a City-wide personal choice subsidy of \$1.9 million, or 6%, of the grand total of the combined community-supported services as noted in Table 7 of the Plan.

In the presentation of subsidies it is important to note that they are calculated using fully-burdened costs, including both direct operating and indirect costs. In contrast, subsidy levels on a direct cost basis can vary significantly. For instance, on a direct cost basis, Recreation Services recovers 97% of its fee-supported programs and nearly 71% when combined with community activities that are primarily non-fee-based (such as seniors, teens and community events).

On the matter of development fees, it is important to note that the Plan has validated that Building and Planning fees have been appropriately set to not exceed costs over a period of time. It is important to note these development fees are subject to wide year-to-year variances making the subsidy metrics fluid as development and revenue activity changes.

### **Implementing a market-based Recreation Services pricing model**

Quality of life recreation programs and services, by their very nature, are highly market and trend-sensitive as well as unique to individual communities. As proposed in the Plan, and supported by staff, operating the City's recreation services and facilities function in a market-based manner will enhance the ability to adapt quickly to market conditions, maximize program participation, and more effectively react to changes in, and competition from, other local service providers.

Furthermore, setting an overall Department direct cost recovery goal will allow higher revenue-generating programs to offset no/low revenue programs particularly in the areas of seniors, youth and community events. The ultimate goal is to cover 100% of the direct fee-based program expenditures using this model. The extent to which fees can also offset a portion of fixed and indirect costs – which exist regardless of the number of program offerings and facility rentals that occur – will depend upon the flexibility of staff to adjust quickly to market preferences and trends.

As Council deliberates this matter, it is important to note that while Recreation Services fees are subject to voter-imposed cost recovery requirements, facility rental rates are fully exempt from the requirements of Proposition 4. As such, facility rentals charges can be purely market-based.

If Council concurs with the proposed market-based recreation model, the determination of a direct cost recovery goal for fee-based programs will be presented and discussed as part of the upcoming biennial budget. Lastly, should a market-based model be approved, Council will continue to be updated on the performance of recreation programs, rentals and established revenue target levels during the annual budget adoption process.

### **FISCAL IMPACT**

None. Given the outcome of discussions on the findings and proposed changes set forth in the Plan, the FY 2013/14 – 2014/15 Financial Plan will update fees and charges accordingly.

### **PUBLIC CONTACT**

Posting of the meeting agenda serves as notice to the general public.

May 28, 2013

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City of Los Altos

Cost Allocation Plan  
& Fee Study

Fiscal Year 2012/13

*“Defining the Price of Government”*

## EXECUTIVE SUMMARY

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- Propositions 13, 4 & 218, have significantly changed California local government finance. In the effort to provide core services, cities find themselves in a diminishing tax revenue environment requiring them to prioritize resource outlays and explore operational efficiencies. This report quantifies just how tax dollars are allocated and applied to assist fiscal planning.
- This study has identified potential additional fee revenue of \$117,100 as result of recommended new fee implementation and adjustments to existing fees. In doing so, this study proposes updated fees for the most currently available costs included in the FY 2012/13 budget. These are summarized in **Appendix A**.
- Leisure & cultural services cover approximately 70% of direct costs overall. When breaking out fee-supported activities distinctly, it covers 97% of direct costs. As is to be expected, subsidy levels magnify when adding indirect and facility costs. Given program pricing sensitivities, it is recommended that the Recreation fee model be converted to one that is market-based with high-level policy target levels set annually to provide flexibility in responding to market conditions. As such, these fees need not be included in the Master Fee Resolution
- Building and planning fees were reviewed on an overall basis and determined to be appropriately set to cover service costs. Fees have been updated to include the proper allocation of engineering services support time, not included in the past, as identified in the recommended fee schedules.
- This report updated inter-fund service charges to utility funds finding sewer charges reasonable as estimated in the budget. Charges to the Solid Waste Fund are in need of reduction in upcoming budget years given recent changes in the contract service model.
- \$1.9 Million in tax proceeds are being utilized to support PERSONAL CHOICE PUBLIC SERVICES that might otherwise be supported with associated fees. This study identifies these subsidies for consideration in the annual fee-setting process.
- The City incurs an obligation to replace its infrastructure. This report identifies such costs but excludes them from recovery levels in recognition of the aged status of the City's existing infrastructure, its impact on external competitive market pricing levels and anticipation of new bond-funded facility upgrades in the near term.

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# CHAPTER I

## BACKGROUND

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To fully understand this report and its impact for local government finances, it is helpful for the reader to understand how and why municipal financial management has changed over the last twenty-five years.

### LEGISLATIVE PERSPECTIVES

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#### **Proposition 13**

This Report would not exist today without the taxpayer rebellion begun in 1978 by Howard Jarvis. The proposition, which became Article XIII A of the State Constitution, established a limit on the growth of the property tax. But, more importantly, it empowered voters to alter the direction of local government financing. Unfortunately, there is still no consensus on what that direction should be.

#### **Proposition 4**

Proposition 4 is commonly referred to as the Gann Initiative and followed Proposition 13. Adopted by 74.3% of California voters on November 6, 1979, Proposition 4 was drafted to provide a more thorough proposition as crafted by Paul Gann, an associate of Howard Jarvis. This proposition became effective on July 1, 1980, retroactive to Fiscal Year 1978-1979.

This proposition, which became Article XIII B of the State Constitution, had a more significant fiscal impact than Proposition 13 in that it addressed city revenues broadly and established a limit on the overall growth of tax revenues.

In accordance with Proposition 4, fee service charges cannot exceed the costs reasonably borne by an agency in providing its related services. A fee that exceeds its underlying cost can be defined as a special tax which, under Proposition 13, requires two-thirds voter approval.

#### **Proposition 218**

This proposition, which is now Articles XIII C & D, was adopted in November of 1996. The immediate impact of this proposition was to limit the use of assessment districts and restrict transfers of monies into the general fund from utility funds. Combined with the legislation discussed above, Proposition 218 further limits a local governments revenue source options.

## **STUDY OBJECTIVES & SCOPE**

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### **Underlying Report Goal**

A primary underlying goal of this report is to provide full-cost financial information useful in maintaining its financial viability, remaining in compliance with the limits imposed by State legislation and continuing to appropriately finance those services and facilities that its citizens and businesses have come to expect.

Specific objectives developed in coordination with Los Altos staff Include:

- Providing a foundation for updating existing user fees by
  - Incorporating direct and indirect cost
  - Incorporating facility depreciation and/or replacement cost
- Identify new fee areas where appropriate
- Quantifying tax vs. non-tax funded services
- Updating charges to utility funds
- Developing fully burdened labor rates by authorized position
- Developing full cost rates for community events
- Quantifying rental facility costs helpful in determining facility rental rates.

**In achieving these objectives** this study was structured to:

- Identify and integrate direct and indirect support cost information
- Identify facility replacement cost information
- Utilize the most current FY2012-2013 Budget data
- Update the model using the latest actual revenue for key fee based programs
- Utilize the labor force in place at the time of the study

## **STUDY PHASES**

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The work encompassed by this Report involved four basic phases, discussed in the following Chapters:

**Phase I.** - Identify, fully cost, and allocate those support services that are provided to the rest of the organization. As a result, City activities have been divided into two service groups. The first group is comprised of activities, INTERNAL SUPPORT SERVICES that exist to support the second group, PUBLIC SERVICES. This second group is comprised of activities that deliver services to the community as a whole and/or to individuals. Examples of INTERNAL SUPPORT SERVICES include:



Legislative & Administration, Legal, City Clerk, Finance & Technology and Human Resources. Examples of Public Services include Police, Fire, Community Development, and Recreation activities.

**Phase II.** - Identify and fully cost the staff hours in those departments providing direct PUBLIC SERVICES. This phase quantifies how each unit of time can be priced (at full cost) and assigned to a particular public service. The deliverable of this phase is a FULLY-BURDENED HOURLY RATE for each staff position providing PUBLIC SERVICES. Such rates can be used in determining the value of both planned operational and discretionary or special event services.

**Phase III.** - Identify all City-provided PUBLIC SERVICES and categorize them into two major subgroups: (a) services that are provided to the public at large where there is presently no practical way to measure the consumption of the service (COMMUNITY-SUPPORTED PUBLIC SERVICES); and, (b) services that are provided, or could be provided, for a fee subject to City established subsidy policy levels (PERSONAL-CHOICE PUBLIC SERVICES).

**Phase IV.** - Fully cost PERSONAL CHOICE PUBLIC SERVICES and illustrate the source of monies used to support the variety of City service areas as a basis for making informed decisions in establishing fees and developing fiscal strategy.

## **TERMINOLOGY**

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The term, PERSONAL CHOICE, is used to define services where others might use the term, FEE SERVICES. In essence, City policy determines whether a service is paid for by taxes or charged to the user for a fee. Theoretically, if an agency were to have an ample level of tax revenues, it could potentially charge no fees. The term, PERSONAL CHOICE, is used to distinguish a service received by an identifiable person or group from those services used by the community as a whole. For example, in the case of a City required permit, the permit applicant has made a deliberate decision to utilize a uniquely identified product or service. In such cases the question becomes - should everyone in the City contribute part of their tax dollars to subsidize the service received by an individual event of particular benefit?

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## CHAPTER II

### INTERNAL SUPPORT SERVICES

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INTERNAL SUPPORT SERVICES provide the vital glue that holds an organization together operationally. Such services can be referred to as overhead costs and provide important coordinating capabilities. They also provide the day-to-day support services and facilities required for the organization to function effectively.

This Chapter discusses how these services have been identified, fully-valued and allocated to the remainder of the City organization. The technique used by RCS to achieve this purpose is referred to as a Cost Allocation Plan (CAP).

#### COST ALLOCATION PLANS - HISTORICAL PERSPECTIVE

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##### **Federal Government Creates the Process**

During the 1960's when the federal government was sharing increasing amounts of revenue with local governments, the local concern was that the grants were impacting administrative costs without providing commensurate compensation. Consequently, the federal government established a process that local agencies could use to compute this impact and would accept in support of overhead reimbursement. This process was called a Cost Allocation Plan and is identified with the various reference numbers that it has received over the years: A-87, OASC-10 and FMC 74-4.

##### **Gann Initiative Institutionalizes Overhead for Services**

Even though the federal government recognized overhead costs for grant programs, the on-going overhead for regular operations was not widely computed by local governments until California voters adopted Proposition 4, the Gann Initiative, in November of 1979. This proposition (Article XIIB) states that overhead and administration are part of the costs reasonably borne in providing a service. This distinction was necessary because fees in excess of the costs reasonably borne are considered to fall within the tax category requiring a two-thirds vote in accordance to the Jarvis Initiative (Proposition 13, State Constitution Article XIII A).

## **CATEGORIES OF INTERNAL SUPPORT SERVICES**

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### **General City Overhead**

These services primarily set policy and support surrounding departments without providing a deliverable service to the public. Where they do perform an end-user service, such costs have not been allocated to other departments.

Costs in this general administration category include the following functions:

City Council  
Executive  
Legal  
City Clerk  
Finance  
Information Technology  
Central Services  
Human Resources  
Facility Maintenance  
Fleet Maintenance

### **Departmental Administration**

Costs in this category involve intra-departmental support functions, outside the above listed general city overhead functions, and involve the allocation of staff time within and among departmental functions. These services also do not provide an end-user deliverables to the public, but instead provide vital administrative support within specific departments.

## **COST ALLOCATION PLAN METHODOLOGY**

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RCS took the following approach in allocating the above noted internal service area costs

- Defined the organization structure using:
  - Latest adopted budget and financial information
  - Latest available salary & benefit information
  - Latest available facility footprints and usage data
- Interviewed department management and staff to properly assess areas of effort
- Calculated costs for each internal service

- Identified departments receiving each internal service
- Selected a relevant method of allocation to supported departments
- Reviewed the allocations for reasonableness

### **ALLOCATION FACTORS**

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Ultimately costs were allocated to end-user departments and divisions by applying an agreed-upon overhead allocation factor. Each factor was related to the work effort of its particular overhead element and was assessed for relevance and reasonableness. These factors are described on **Appendix B**.

At the conclusion of this process, all INTERNAL SUPPORT SERVICE costs were allocated through the CAP to assigned departments and activities providing direct PUBLIC SERVICES. These costs appear as a component of the authorized position fully-burdened hourly rates discussed below and presented as **Appendix C**.

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## CHAPTER III

### FULLY-BURDENED HOURLY RATES

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All labor for hire in the private sector is based on full cost flat hourly rates. For example, a plumber delivering a home repair may quote an hourly rate of \$90. As consumers, we understand that the plumber is not making \$90 an hour but that all of the costs associated with his/her trip to the homeowner are factored into that rate. This chapter discusses how RCS has calculated a similar hourly rate for those staff providing PUBLIC SERVICES.

#### COSTS RECOGNIZED BY PROPOSITION 4

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The authors of Proposition 4 included business organizations and, as such it is not surprising that they recommended a business-oriented approach to applying costs to governmental services. The following summary of the proposed implementation legislation makes this point clearly:

*The phrase costs reasonably borne by such entity in providing the regulation, product, or service is intended to incorporate all appropriations by an entity for reasonable costs appropriate for the continuation of the service over time. This includes ongoing expenses such as operation costs and a reasonable allocation for overhead and administration, but it also includes reasonable allocation for start-up costs and future capacity. Thus, reasonable allocations for capital replacement, expansion of services, and repayment of related bond issuances would be considered costs reasonably borne.*

#### COST ELEMENTS IN THE FULLY-BURDENED HOURLY RATE

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The fully-burdened hourly rate (FBHR) for a City authorized position providing PUBLIC SERVICES is comprised of the following elements:

- Salary
- Benefits
- Proportionate Share of Operating Expenses
- Proportionate Share of Overhead Expenses

When these costs are added together for a position, the result is the total cost of that position to the City. The fully-burdened hourly rate for that position is calculated by taking the total cost of the position and dividing it by the number of hours that the position is available for work (available-work-hours).

#### Salary

This includes the annual salary of the position. If there are multiple people with the same position title, then this includes their total salary so that the cost of individuals at different pay steps is averaged over

## City of Los Altos Cost of Services Study

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all people with the same title. The salary cost should also include any benefit that is unique to that position such as a car allowance unless that benefit is included with the other benefits.

### **Benefits**

There are three categories of employee benefits: hour, dollar and percentage. The hour benefits are discussed under the topic of available work hours. Dollar benefits refer to any benefit where the cost is a flat amount irrespective of the employee salary. Examples of dollar benefits are:

- Health Insurance
- Dental Insurance
- Life Insurance

Percentage benefits refer to benefits where the cost is determined by multiplying the employee salary by a percentage rate. Examples of percentage benefits are:

- Retirement Contribution
- Medicare
- Workers Compensation Insurance
- Unemployment Insurance

### **Employee Benefit Groups**

The following Schedule lists the various groupings of employees for which a unique fringe benefit rate was calculated.

#### **CITY OF LOS ALTOS FRINGE BENEFIT RATES FISCAL YEAR 2012-2013**

<b>EMPLOYEE GROUP</b>	<b>BENEFIT RATE</b>	<b>AVAILABLE WK HRS</b>	<b>FTE COUNT</b>
SAFETY	62.550%	1,646	39
MISCELLANEOUS	45.373%	1,646	84
PART TIME – PERS	29.395%	1,000	8.83
PART TIME – NON PERS	12.488%	1,000	22.05

These are presented within the City's bargaining group classifications compiled from a detailed listing by position and function.



**Available Work-Hours**

After the individual elements of cost for positions in a PUBLIC SERVICES activity is compiled, the total cost for each position is divided by the number of available work-hours. Available work hours are calculated as the total possible work-hours in a year, 2,080, less the following away-from-work benefit hours:

- Holidays & Vacations
- Sick Leave
- Morning/Afternoon Breaks
- Start Up/Down Time

Using this approach the average number of available work-hours used is as shown on Table 1 above.

**General VS Specific Costs**

To the extent that specific costs are driven by specific PUBLIC SERVICE functions, they are allocated directly to the identified service rather than blended in as a component of the FBHR. Doing so avoids spreading these particular benefit costs to general staff work and consequently understating specific public service area costs while overstating general services.

Examples of specific costs are:

- Contracted plan check service for a particular permit application
- Advertising the public hearing of a planning application
- Special maintenance expenditures for a particular building or facility

Once specific costs are allocated directly to the appropriate PUBLIC SERVICE, the remaining costs are general in nature and necessary to carry out City functions. These costs are included in the FBHR of their related authorized positions and available for general application.

**Operating & Overhead Expenses**

General operating expenses for a particular department/activity are allocated to the FBHR in line with the ratio of such expenses to the total salaries for that particular department/activity.

Overhead expenses are allocated similar to operating expenses and are derived from the calculation of INTERNAL SUPPORT SERVICE costs discussed in Chapter II including any identified divisional overhead percentage.

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As indicated above, developed Internal Service Costs were added to the other elements of personnel costs to compile a fully-burdened hourly rate (FBHR) for each staff position providing PUBLIC SERVICES.

In the next section, PUBLIC SERVICES will be more fully defined setting the stage for calculating their cost with the application of the FBHR developed here.

### **Benefits of Quantifying the Fully-Burdened Hourly Rate (FBHR)**

The following are possible benefits of having calculated the FBHR for each City position:

- FBHR is useful in monitoring the activity and cost of employee work efforts
- FBHR properly prices special events requiring the staging of City staff
- FBHR is a key factor in Identifying subsidy levels that may result from operations
- FBHR helps evaluate the true cost of expanded programming and establishing appropriate fee recovery levels at the onset of such endeavors

## CHAPTER IV

### PUBLIC SERVICES - OVERVIEW

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PUBLIC SERVICES offered by the City are separated into two groups:

*COMMUNITY-WIDE PUBLIC SERVICES*  
*PERSONAL CHOICE PUBLIC SERVICES*

#### DEFINING TAX SERVICES

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On a simplified level of discussion tax services might be defined as any activity the City provides that the public has paid taxes for. Yet, the analysis is more complex than it appears. Other definitions suggest that tax services are derived from a social contract, generally used by all, related to benefit services received, and not always easily measured.

Taking a pragmatic view of tax services, they can be understood to be anything that a City Council decides to support by taxes given the availability of commensurate levels of revenue. This being considered, there is no one true classification of tax services, only services that policy makers have decided to be tax-supported. In other words, determining just what a tax service is entails “backing into” those services that can be funded once available and allocable amounts of tax revenues are determined.

This makes more sense when one considers the alternate models that exist in charging for some traditional tax services as exemplified below:

**Fire Service:** Some fire authorities in rural areas directly contract with property owners in providing fire suppression services. This follows a per-household priced subscription based model that contrasts with the tax-based model that typifies local government models.

**Park Services:** Open space is generally considered free for use yet, once facility improvements are set into place, a degree of charging the benefitting user may be set into place. Such an improvement could be as basic as providing rescue services to the weekend or off-hours hiker/climber.

The above noted examples in no way suggest that the City charge for the above mentioned services but only illustrates that policy decisions, sometimes influenced by past practice or habit, define the extent to which services, or at least a certain service level, is supported with taxes.

Given these broad views of classifying and defining tax services, this report discusses services in the context of being COMMUNITY-SUPPORTED PUBLIC SERVICES, or fully tax supported, in contrast to PERSONAL CHOICE PUBLIC SERVICES that are partially tax-subsidized. This is important, as we will see below, the context of policy discussions change when they relate to partially tax-supported services.

### **PERSONAL CHOICE VS. COMMUNITY SUPPORTED SERVICES**

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PERSONAL CHOICE PUBLIC SERVICES are those offered to identifiable customers at a measured level. They are also services that can be withheld for non-payment. These services are not likened to fee-based services to the extent that policy makers have decided to subsidize them in full or part. These services are distinguished from COMMUNITY-SUPPORTED PUBLIC SERVICES that carry an implicit requirement and rationale for setting a level of subsidization typically based on social, safety or general community welfare.

As the voter initiative most concerned with fee services, the initiative authors of Proposition 4 were not concerned with what categories of services were being subsidized as long as subsidy levels set by policy were explicit decisions made by the authorizing body with knowledge of full cost information.

## CHAPTER V

### PERSONAL CHOICE PUBLIC SERVICES

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The purpose of this Chapter is to present the services which RCS has initially labeled as PERSONAL CHOICE PUBLIC SERVICES and to suggest the magnitude of tax revenues that could be diverted from these services to COMMUNITY-SUPPORTED PUBLIC SERVICES.

#### **City Council has Final Judgment**

It must be understood that considerable judgment, albeit experienced, was exercised by RCS in suggesting what services are categorized as PERSONAL CHOICE PUBLIC SERVICES as opposed to COMMUNITY-SUPPORTED PUBLIC SERVICES. Ultimately, the final decision regarding the nature of any one service and whether it deserves to be subsidized is to be made by City Council.

#### **SERVICE GROUPS**

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RCS has organized PERSONAL CHOICE PUBLIC SERVICES into the following five major service groups:

- Public Safety Services
- Leisure & Cultural Services
- Development Services
- Maintenance Services
- Administrative Services

These groups, explained in turn, are program-oriented in line with the City's budget model. Each group discussion section includes a high level table summarizing the resulting revenues and associated costs of each service. An overall City-wide summary Table (Table 6) is found at the end of this Chapter.

The summarized data illustrated within the various public service area sections noted below is backed up by detailed revenue and cost worksheets that have been made available to City staff in the development of this study.

**Public Safety Services**

These service centers are identified for those who use discretionary City public safety services disproportionately and uniquely as compared to others in the general Community.

**Table 1  
Public Safety Services**

Ref #	Service Title	Revenue	Cost	Profit (Subsidy)	Percent Recovery		Possible New
					Current	Suggest	Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S-001	POLICE FALSE ALARM	1,112	130,917	(129,805)	0.8%	100.0%	600**
S-002	POLICE ALARM PERMIT	6,000	9,283	(3,283)	64.6%	100.0%	3,300
S-003	POLICE ALARM PERMIT	28,800	63,360	(34,560)	45.5%	75.0%	15,600
S-004	SECOND RESPONSE CALL-	366	584	(218)	62.7%	100.0%	200
S-005	DUI ACCIDENT RESPONSE	2,700	4,754	(2,054)	56.8%	100.0%	2,100
S-006	VEHICLE IMPOUND	35,186	55,726	(20,540)	63.1%	100.0%	20,500
S-007	VEHICLE REPOSSESSION	30	42	(12)	71.4%	100.0%	0
S-008	VERIF./CLEARANCE LETTER	1,248	1,051	197	118.7%	100.0%	(200)
S-009	MASSAGE THERAPIST	4,022	3,239	783	124.2%	100.0%	(800)
S-010	MASSAGE ESTABLISHMENT	2,406	1,426	980	168.7%	100.0%	(1,000)
S-011	MASSAGE APPEAL HEARING	1,835	1,769	66	103.7%	100.0%	0#
S-012	2 <sup>nd</sup> HAND DEALER/PAWN	231	416	(185)	55.5%	100.0%	0#
S-013	SOLICITOR PERMIT	135	102	33	132.4%	100.0%	0#
S-014	MISCELLANEOUS POLICE	0	830	(830)	0.0%	100.0%	800
S-015	BLOCK PARTY PERMIT	1,632	2,715	(1,083)	60.1%	100.0%	1,100
S-016	ALCOHOL PERMIT	1,248	2,120	(872)	58.9%	100.0%	900
S-017	PARKING PERMIT	27,660	16,219	11,441	170.5%	100.0%	0
S-018	SPECIAL EVENT PERMIT	320	2,919	(2,599)	11.0%	100.0%	2,600
S-019	SPECIAL EVENT POLICE	31,500	92,579	(61,079)	34.0%	100.0%	0
		146,431	390,051	(243,620)	37.5%		45,700

Key to Symbols:

# - Occurs Infrequently

\*\* -Market Sensitive

Public Safety Findings: The above findings suggest that the City could recover \$45,700 in additional personal choice costs to decrease the use of general public safety tax proceeds. Resulting fee additions and updates are summarized in the tables above and presented in full as part of **Appendix A**.

Leisure & Cultural Services

Table 2 lists the services reviewed under the heading of Leisure and Cultural Services.

**Table 2**  
**Leisure & Cultural Services**

Service Title	Revenue	Cost	Profit (Subsidy)	Percent Recovery		Possible New Revenue
				Current	Suggest	
LIFE LONG LEARNING (Fee)	953,472	1,083,109	(129,637)	88.0%	-	See Text
HEALTH & WELLNESS (Fee)	301,797	518,303	(216,506)	58.2%	-	See Text
SENIOR PROGRAMS (Comm)	37,639	389,557	(351,918)	9.7%	-	See Text
TEEN PROGRAMS (Comm)	55,350	238,245	(182,895)	23.2%	-	See Text
PERFORMING ARTS (Fee)	45,613	95,142	(49,529)	47.9%	-	See Text
COMMUNITY EVENTS (Comm)	10,353	167,964	(157,611)	6.2%	-	See Text
FACILITY RENTALS	450,369	648,329	(197,960)	69.5%	-	See Text
S-032 BANNER HANGING	3,783	8,119	(4,336)	46.6%	100%	4,300
	<b>1,858,376</b>	<b>3,148,768</b>	<b>(1,290,392)</b>	<b>59.0%</b>		<b>4,300</b>

Cost Breakdown	Revenue	Cost	(Subsidy)	Cost Recovery
<b><u>FEE SUPPORTED RECREATION</u></b>				
<b>DIRECT COSTS</b>	<b>1,300,881</b>	<b>1,339,857</b>	<b>(38,976)</b>	<b>97.1%</b>
CITY INDIRECT COSTS		153,590	(192,566)	87.1%
FACILITY/FIELD MAINTENANCE		203,107	(395,673)	76.7%
<b>TOTAL FEE SUPPORTED</b>	<b>1,300,881</b>	<b>1,696,554</b>	<b>(395,673)</b>	<b>76.7%</b>
<b><u>COMMUNITY SUPP. RECREATION</u></b>				
<b>DIRECT COSTS</b>	<b>103,342</b>	<b>649,035</b>	<b>(545,693)</b>	<b>15.9%</b>
CITY INDIRECT COSTS		90,895	(636,588)	14.0%
FACILITY/FIELD MAINTENANCE		55,836	(692,424)	13.0%
<b>TOTAL COMMUNITY SUPP.</b>	<b>103,342</b>	<b>795,766</b>	<b>(692,424)</b>	<b>13.0%</b>

The above breakout of direct and indirect costs for Recreation Services, not including Facility Rental and Banner Hanging, can be reviewed in more detail in **Appendix D**.

### **Leisure & Cultural Services Findings**

As anticipated, the above findings suggest that a subsidy level exists for leisure and cultural arts activities – an amount that varies depending upon whether one considers direct versus indirect costs.

This report recommends that Leisure & Cultural cost recovery goals be set as a percentage of direct costs. This practice is quite common in local government operations, not because indirect costs do not exist and are not important, but rather to insure that the cost recovery goals remain relevant, market competitive and are easily reproducible. In the case of Los Altos in particular, this recommendation recognizes the current aged condition of existing City facilities. In so far as near term plans to update such facilities are realized in the near future, subsidy and fee levels can be revisited against considering new depreciation, maintenance and market pricing factors.

Given the above mentioned observations, much remains to consider in evaluating price and costing levels in this sensitive service area – considerations that are further detailed below.

By their nature, leisure and cultural services are highly market driven and subject to a variety of external factors including consumer demand, location, facility amenities, demographics, and competing service providers. Adjustments in fees can arguably have a significant impact on consumer demand given a variety of elasticity factors that may be in play. This comment does not imply that additional revenues are unavailable but makes the case that fee levels are best set at the delivery point based on a flexible and market-based pricing model. It also suggests that recreation performance levels might be best set at a macro level, rather than at the individual program level, to allow for optimal marketing and program pricing flexibility.

In pondering these cost results, the reader would be well served to consider the following observations common to Leisure and Recreation services.

### **General Methodology Assumptions**

The methodology generally used in developing service center revenue/cost computations, as has been done in this study, is founded on key assumptions:

Firstly, service volumes are fairly constant and void of wide fluctuations in consumer patronage from year to year.

Secondly, consumers have come to accept the economic value of continuing to use the identified service at a value that equates to the cost of providing the service.



It is important to note that these two assumptions are not particularly valid for leisure and cultural type activities that are characterized by commonly noted annual changes in program popularity combined with the influence of seasonality conditions. Furthermore, leisure and cultural dollars have been found to be highly sensitive to overall market and economic conditions as a service that strives to compete for an elusive discretionary income dollar.

Leisure and cultural service fees are influenced by two factors generally not a factor in the delivery of other City services - marketing and social policy.

### **Marketing**

Given that these services are highly market-sensitive and financed mostly by discretionary income, a special burden is placed on program managers to innovate and promote attendance. Those who run these programs know too well the need to convince customers of the value-added features of their services. Their market is unforgiving. If fees are set too high, attendance and consequently revenues will drop. On the other hand, establishing fee levels artificially low will result in a flood of demand beyond resource capabilities.

### **Pricing**

If priced strictly at average cost, fee increases can result in reduced participation leading to additional reactionary price increases and further losses in patronage. As such, prices for leisure and cultural services must be set carefully. The potential number of target customers should be estimated as part of an aggressive program marketing those services at determined price levels. Some important considerations in setting pricing follow:

- Has a marketing study been performed?
- Have programs been selected for their popularity?
- Do City programs compete with offerings made by other agencies, organizations, or private businesses who can supply the program at less cost?
- Is there a less costly way for the City to supply the service?
- Has sufficient money been budgeted to advertise the program adequately and how is the number of participants affected by the level of advertising?

## *City of Los Altos Cost of Services Study*

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- What costs would NOT be incurred or REMAIN were the program not to be offered?
- What is the cost of adding one more participant; of opening one more section of the activity?
- Are participants polled for their reaction to the offering, the instructor, the facility, and for their ideas for possible programs and the amounts that they are willing to pay?
- Are some facilities more costly to operate than others? What are the costs of electricity, water, gas, janitorial, maintenance, telephone, vandalism, and the like for each facility?
- How do existing facilities compare to those provided by the competition in creating either a price advantage or disadvantage?
- Has the clientele of the activity been defined allowing the City to understand the social purpose in subsidizing the activity?

A number of these issues have already been addressed by City staff in past studies and reports and are merely presented to illustrate the issues involved in operating such services.

In determining what should be charged for services it ultimately is the responsibility of recreation professionals to recommend a combination of decreased costs, increased participation and fee adjustments needed to meet the degree of recovery that is ultimately determined by City Council.

### **What Can Be Charged?**

In so far as Leisure and Cultural services are market-driven by definition, they are not subject to the cost limitations of Proposition 4. As such, pricing for class programs and related facility rentals can be set at market rate and consumer-valued pricing levels subject to policy defined discount and subsidy levels.

### **Social Policy**

The City Council should develop a conscious policy as to what programs and service centers, and to what extent, should be subsidized with tax monies in promoting social benefit. It may well be that some level of subsidy for many of the services identified in this group is not only necessary, but also appropriate. If that is deemed to be the case, subsidy levels can be set as part of a budgetary or programmatic policy statement. These policy statements can also explicitly describe the social reasoning involved in the decision making process.

### **Achieving & Tracking Social Goals**

In many of the cities studied by RCS, there is an almost universal lack of meaningful statistics useful in measuring participation in subsidized leisure activities. The City should actively develop a mechanism for obtaining such important data, especially if a program is benefitting from subsidy levels. In this way taxpayers and their elected body can know exactly and completely, who and how many participants have been served with impact of the City's social policy and justify the diversion of tax dollars from other vital services such as safety, maintenance, and infrastructure improvements.

Discounts & Exemptions: The provision of scholarships and exemptions to disadvantaged youths and seniors is a viable and appropriate alternative to reducing fees to the entire community and should be considered in the fee-setting process.

Facility Rental Charges: Comparing the cost of renting a City facility with the cost of renting an alternative, but similar, private sector facility is an easy way to determine whether the marketplace will tolerate an increase in City rental rates.

### **Conclusion of Leisure and Cultural Services**

City staff and the City Council may wish to ponder the marketing criteria set out earlier in this Chapter and review the cost figures provided herein. It may well be the case that additional revenues can be generated if the marketplace permits it. In setting fiscal goals for such services, it is recommended that financial targets be established at the macro (Department) level to allow for maximum price adaptability at the minor program and class level, while removing these services from the Master Fee Resolution. That being said, monitoring and reporting performance at the targeted level is critical in assessing class/program viability as a bias for properly allocating resources to the most financially and socially productive activities.

**Development Services**

The City has been mandated the unenviable position of being the impartial arbiter; a referee over development. In this capacity, it is appropriate that the development industry bear the full cost of those services required regulating its development. Neither more than cost, nor less than cost; but only full cost recovery through fees charged. When basic City planning services are supported by general taxes, there is little reason for taxes to also finance those PERSONAL CHOICE PUBLIC SERVICES that benefit a specific developer or property owner.

**Table 3  
Development Services**

Ref # (1)	Service Title (2)	Revenue (3)	Cost (4)	Profit (Subsidy) (5)	Percent Recovery		Possible New Revenue (8)
					Current (6)	Suggest (7)	
S-033	SPECIAL ENCROACH PERMIT	3,150	3,802	(652)	82.9%	100.0%	700
S-034	MISC. ENCROACHMENT	15,500	19,008	(3,508)	81.5%	100.0%	3,500
S-035	PARKING STALL ENCROACH	150	1,520	(1,370)	9.9%	100.0%	1,400
S-036	UTILITY STREET CUT PERMIT	33,000	34,639	(1,639)	95.3%	100.0%	0
S-037	TEMP LANE CLOSURE	0	2,448	(2,448)	0.0%	100.0%	2,400
S-038	NEWSRACK PERMIT	0	7,100	(7,100)	0.0%	100.0%	0#
S-039	HEAVY HAUL PERMIT	0	2,914	(2,914)	0.0%	100.0%	2,900
S-040	PUBLIC WORKS INSPECTION	0	34,640	(34,640)	0.0%	100.0%	34,600
S-041	FINAL SUBDIVISION MAP	2,400	4,484	(2,084)	53.5%	100.0%	2,100
S-042	LOT LINE ADJUSTMENT -	0	4,020	(4,020)	0.0%	100.0%	4,000
S-043	ANNEXATION	0	0	NA	NA	100.0%	0
S-044	STORMWATER MGMT PLAN	0	2,132	(2,132)	0.0%	100.0%	2,100
S-045	COUNTY SEWER PLAN	0	5,469	(5,469)	0.0%	100.0%	5,500
S-046	FLOOD HAZARD LETTER	0	7,617	(7,617)	0.0%	100.0%	7,600
	<b>ENGINEERING SUBTOTAL</b>	<b>54,200</b>	<b>129,793</b>	<b>(75,593)</b>	<b>41.8%</b>		<b>66,800</b>
S-047	DEVELOPMENT SERVICES	2,680,108	3,010,974	(330,866)	89.0%	100.0%	See Text
		<b>2,734,308</b>	<b>3,140,767</b>	<b>(406,459)</b>	<b>87.1%</b>		<b>66,800</b>

Key to Symbols:

# - Occurs Infrequently

Planning and Building services were studied in the aggregate for this Study. This analysis is a snap shot in time and should be used in conjunction with past historical trends and estimates of future development activity and revenues. The City has monitored its development activity on a consistent basis and should continue to do so in tracking revenues over time and adjusting the fees if a predominant long trend emerges.

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*Chapter V – Personal Choice Public Services*

Given the scale of development activities, the expenses distributed across these service centers are primarily due to building and planning activities

Development Services Findings: The above findings suggest that the City could recover \$66,800 in additional personal choice costs to decrease the use of general public safety tax proceeds. Resulting Fee additions and/or updates are summarized in the tables above and presented in full as part of **Appendix A**.

**Maintenance Services**

Table 4, following, lists the one fee service associated with Maintenance services.

**Table 4  
Maintenance Services**

Ref #	Service Title	Revenue	Cost	Profit (Subsidy)	Percent Recovery		Possible New Revenue
					Current	Suggest	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S-048	SEWER DYE TEST	1,150	949	201	121.2%	100.0%	(200)
		1,150	949	201	121.2%		(200)

Maintenance Services Findings: The above findings suggest that the City should adjust its fees downward in line with personal choice costs. Resulting Fee additions and/or updates are summarized in the tables below and presented in full as part of **Appendix A**.

**Administrative Services**

Miscellaneous service centers fall into this group.

**Table 5  
Administrative Services**

Ref # (1)	Service Title (2)	Revenue (3)	Cost (4)	Profit (Subsidy) (5)	Percent Recovery		Possible New Revenue (8)
					Current (6)	Suggest (7)	
S-049	NSF CHECK PROCESSING	840	1,001	(161)	83.9%	100.0%	200
S-050	BUSINESS LICENSE LISTING	0	232	(232)	0.0%	100.0%	200
S-051	BUSINESS LICENSE DUPLICATE	35	108	(73)	32.4%	100.0%	100
S-052	DOCUMENT REPRODUCTION	25	228	(203)	11.0%	100.0%	0
S-053	DOCUMENT CERTIFICATION	0	23	(23)	0.0%	100.0%	0
S-054	DVD COPY	10	14	(4)	71.4%	100.0%	0
S-055	CITY INITIATIVE FILING	0	3,643	(3,643)	0.0%	100.0%	0
		910	5,249	(4,339)	17.3%		500

Summary of Administrative Findings: If the suggestions made concerning the service centers grouped here are implemented, a group of special central services would be paid for by those using them - not the general taxpayer. \$500 in new revenues would result, and a fairer system of payment for governmental services would be secured. Resulting Fee additions and/or updates are summarized in the tables below and presented in full as part of **Appendix A**.

**Summary of Personal Choice Public Services**

The following Table 6 summarizes the recommendations and suggestions made in this Chapter.

**Table 6  
Summary**

SERVICE GROUP	Revenue	Cost	Profit (Subsidy)	<u>Percent Recovery</u>		Possible
				Current	Suggest	New Revenue
PUBLIC SAFETY SERVICES	146,431	390,051	(243,620)	37.5%	VAR.	45,700
LEISURE & CULTURAL SERVICES	1,858,376	3,148,768	(1,290,392)	59.0%	VAR.	4,300
DEVELOPMENT SERVICES	2,734,308	3,140,767	(406,459)	87.1%	VAR.	66,800
MAINTENANCE SERVICES	1,150	949	201	121.2%	VAR.	(200)
ADMINISTRATIVE SERVICES	910	5,249	(4,339)	17.3%	VAR.	\$500
<b>TOTAL</b>	<b>\$4,741,175</b>	<b>\$6,685,784</b>	<b>(1,944,609)</b>	<b>70.9%</b>		<b>\$117,100</b>

If all the recommendations and suggestions made in this Chapter and in Appendix A are adopted, the City would raise \$117,100 on an annual basis.

The above table displays that the City is subsidizing PERSONAL CHOICE PUBLIC SERVICES with \$1.9 million in tax dollars. Should the City Council feel that tax dollars are insufficient; this chapter has shown that there are many opportunities to either increase fees or lower the cost of PERSONAL CHOICE PUBLIC SERVICES.

**A Master Fee Resolution**

As has been the case, RCS recommends that the City Council continue to adopt a Master Fee Resolution on an annual basis. RCS will work with the staff to help in this Resolution process. Should City Council agree to allow Leisure and Cultural program pricing to follow a market priced model, program fees need not be part of the annual fee adoption process. In that case, we recommend that the fee setting process for such services be integrated into either the annual budget process and/or the presentation of an annual recreation services performance report highlighting key statistics including fiscal performance, program level metrics, participation levels, budget to actual results, and a reporting on Council established operational targets.

**Policy Regarding New Services**

Should the City consider initiating new services, the data contained herein and the approach used in performing this cost analysis would certainly be beneficial in determining optimal financing structures.



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## *Chapter V – Personal Choice Public Services*

Such an analysis could be used when considering new parks or public buildings, expanded police protection, new recreation programs and any other desired function or service.

### **Conclusion**

RCS is available to discuss the process and results with the City Council. In addition, we can share our experience of doing this for over two hundred cities as the City Council determines what action to take.

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## CHAPTER VI

### COMMUNITY-SUPPORTED PUBLIC SERVICES

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The purpose of this chapter is to identify the current level of COMMUNITY-SUPPORTED PUBLIC SERVICES and subsidized PERSONAL CHOICE PUBLIC SERVICES. This information is useful in determining the impact of the cost of services on the citizens and businesses of Los Altos as a whole. It is also helpful in understanding resource allocation by service area. In essence – this section addresses that commonly asked question “Just how are our tax dollars used?”

#### **Tax Service Costs**

As shown on Table 7, RCS has broken out the City's COMMUNITY-SUPPORTED PUBLIC SERVICES into thirty five (35) service areas with a net total cost of \$28,924,744. In addition to these services, taxes are also being used to cover the identified subsidy to PERSONAL CHOICE PUBLIC SERVICES of \$1,944,609. Although the PERSONAL CHOICE PUBLIC SERVICES involve identifiable patrons, the fulfillment of a social purpose is usually the basis for continuing some or all of these subsidies. On a combined basis, these two components currently require the use of \$30,869,353 in tax and utility revenue.

#### **The Balancing Act for the Use of Taxes**

To the extent that the City diverts the proceeds of the taxes to the financing of what have been enumerated as PERSONAL CHOICE PUBLIC SERVICES, the amount of monies available to the City Council for allocation to COMMUNITY-SUPPORTED PUBLIC SERVICES is lessened.

Stated conversely, any fee increase for a PERSONAL CHOICE PUBLIC SERVICE releases a tax subsidy that can then be distributed to COMMUNITY-SUPPORTED PUBLIC SERVICES. In the end result, this presents a balancing act between tax services, personal services, and social benefits for policy makers to discern.

Table 7  
SUMMARY OF COMMUNITY SUPPORTED SERVICES

REF #	SERVICE	TOTAL COST	%	%
TAX-01	POLICE PATROL SERVICES	6,497,544		
TAX-02	POLICE TRAFFIC SERVICES	1,598,052		
TAX-03	POLICE INVESTIGATION SERVICES	2,052,688		
TAX-04	EMERGENCY PREPAREDNESS	35,172		
TAX-05	CODE ENFORCEMENT SERVICES	192,039		
TAX-06	ANIMAL CONTROL SERVICES	204,000		
TAX-07	FIRE SERVICES	5,728,275		
	<b>SAFETY SERVICES</b>	<b>16,307,770</b>	<b>56%</b>	<b>53%</b>
TAX-08	CIP SUPPORT	1,038,762		
TAX-09	TRANSPORTATION SERVICES	267,574		
TAX-10	COM DEV BLOCK GRANT SERVICES	82,535		
TAX-11	ECONOMIC DEVELOPMENT	197,040		
TAX-26	TRAFFIC CONTROL SERVICES	273,841		
TAX-27	DOWNTOWN PARKING	37,776		
	<b>COMMUNITY DEVELOPMENT</b>	<b>1,897,528</b>	<b>7%</b>	<b>6%</b>
TAX-12	STREET MAINTENANCE	1,446,342		
TAX-13	SIDEWALK MAINTENANCE	73,586		
TAX-14	LEAF PICK-UP	51,960		
TAX-15	SIGN MAINTENANCE	145,693		
TAX-20	PARK MAINTENANCE	1,191,209		
TAX-21	BOULEVARD/MEDIAN MAINTENANCE	930,560		
TAX-22	TREE MAINTENANCE	399,670		
TAX-23	LIBRARY GROUNDS MAINTENANCE	27,717		
TAX-24	HISTORY HOUSE	50,223		
TAX-25	GENERAL BALLFIELD USE	48,133		
	<b>MAINTENANCE SERVICES</b>	<b>4,365,093</b>	<b>15%</b>	<b>14%</b>
TAX-16	STORM DRAIN MAINTENANCE	219,867		
TAX-17	NPDES/URBAN RUNOFF SERVICES	376,232		
TAX-18	SEWER SERVICES	4,627,615		
TAX-19	SOLID WASTE SERVICES	483,484		
	<b>UTILITY ENTERPRISE SERVICES</b>	<b>5,707,198</b>	<b>20%</b>	<b>18%</b>
TAX-28	GENERAL OBLIGATION BOND	165,175		
TAX-29	ASSESSMENT DISTRICT DEBT SERVICE	83,898		
TAX-30	BUSINESS LICENSE PROCESSING	122,635		
TAX-31	COMMUNITY SUPPORT	47,406		
TAX-32	CABLE TELEVISION SERVICES	10,152		
TAX-33	COMMUNITY PROMOTION	150,202		
TAX-34	NEWSLETTER/VOLUNTEER PROGRAMS	52,697		
TAX-35	PUBLIC RECORDS ACT REQUESTS	14,990		
	<b>PUBLIC ADMIN SERVICES</b>	<b>647,155</b>	<b>2%</b>	<b>2%</b>
	<b>TOTAL OF COMMUNITY-SUPPORTED SERVICES</b>	<b>\$28,924,744</b>	<b>100%</b>	
	<b>PERSONAL CHOICE SERVICES SUBSIDY</b>	<b>\$1,944,609</b>		<b>6%</b>
	<b>GRAND TOTAL</b>	<b>\$30,869,353</b>		<b>100%</b>

In viewing the above schedule it is important to note that City tax and utility dollars can be spent only once. Those COMMUNITY-SUPPORTED PUBLIC SERVICES listed on Table 7 can only be financed through tax revenues, utility rates, or debt financing. No other revenue sources exist with which to finance them. To the extent resources are diverted to make up the difference between the fees collected and costs reasonably borne in providing PERSONAL CHOICE PUBLIC SERVICES, the funding for COMMUNITY-SUPPORTED PUBLIC SERVICES is lower than required.

### **Conclusion of Community-Supported Public Services**

#### **Policy Decisions:**

Ultimately, the decision on how to allocate taxes is for the City Council to make. Using the data herein, City staff can carefully review COMMUNITY-SUPPORTED PUBLIC SERVICES to insure that available dollars are spent effectively and in line with the priorities established by the City Council.

City departments providing PUBLIC SERVICES are obliged to skillfully balance the limited resources that characterize local government finances and the increasing need for community services, maintenance, and improvements. In many ways, department managers should operate like their private sector counterparts in maximizing operational efficiencies, establishing proper fee levels, allocating the utilization of resources prudently and ensuring the achievement of the City's service priorities.

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## CHAPTER VII

### ACTION PLAN

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The purpose of this chapter is to suggest techniques that the City could use to institutionalize the processes discussed in this Report.

#### **Internal Support Services**

Suggested courses of action:

- Make sure that customer departments understand that the internal support service charges are part of their full cost and fully burdened rates.
- Continue to refine your financial reporting mode to reflect the full allocation of support costs within each area of operations.
- Update this type of cost-allocation-study on a periodic basis to keep the information relevant and fresh as a basis for making prudent tax allocation decisions.
- As appropriate, use private sector prices as a way to measure the efficiency of INTERNAL SUPPORT services and setting market pricing. Use customer satisfaction targets as the measure of effectiveness.

#### **Public Services**

Suggested courses of action:

- Require that PUBLIC SERVICE providers maintain records of their customer demand patterns and that they use this information to project the demand for their services in the future.
- Require that PUBLIC SERVICE providers base their budget requests on the projected demand for their services.
- Establish a periodic reporting system useful in tracking actual units of service provided against projected demand levels

- Establish plans in advance for how to handle long and short term staffing levels should the actual service pattern deviate from the projected demand.

**Personal Choice Public Services**

- As much as possible, require that the PERSONAL CHOICE service costs be 100% recovered from fees and charges as a basis for garnering the maximum feedback from the customer on whether the value of the service is in line with its fee. Fees can equal the service by any combination of lowering costs or raising fees.
- Attempt to measure the efficiency of services by comparing best practices from other agencies.
- Measure effectiveness of the services by customer surveys.

**Community-Supported Public Services**

- Require that each service area develop a capital replacement plan that will maintain the related City infrastructure at an agreed upon level.
- If possible, require that the annual budget include either an expenditure or a reservation of monies for annual infrastructure replacement
- Let the voters decide on assessment options that are meaningful and where the City Council is committed to follow the results.
- Measure the efficiency of COMMUNITY-SUPPORTED PUBLIC SERVICES by comparison with the best practices of other agencies.
- Measure the effectiveness of the COMMUNITY-SUPPORTED PUBLIC SERVICES by periodic City Council updates, performance reporting, or public survey.



**APPENDIX A**

**FEE COMPARISON REPORT**

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**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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**REF #: S-001**                      **TITLE: POLICE FALSE ALARM RESPONSE**

**CURRENT FEE**

First 3 responses in a calendar year - No Charge  
4th and subsequent responses - \$139 per response

**RECOMMENDED FEE**

First 3 responses in a calendar year - No Charge  
4th and subsequent responses - \$220 per response

---

**REF #: S-002**                      **TITLE: POLICE ALARM PERMIT**

**CURRENT FEE**

\$24 per permit

**RECOMMENDED FEE**

\$37 per permit

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**REF #: S-003**                      **TITLE: POLICE ALARM PERMIT RENEWAL**

**CURRENT FEE**

\$24 per permit

**RECOMMENDED FEE**

\$37 per permit

Late Renewal/Unpermitted Alarm Response - \$48

Late Renewal/Unpermitted Alarm Response - \$74

---

**REF #: S-004**                      **TITLE: SECOND RESPONSE CALL-BACK**

**CURRENT FEE**

Juvenile Alcohol Party Response - \$366

**RECOMMENDED FEE**

Standard Second Response - \$585 per response after an initial warning

Juvenile Alcohol Party Response - \$585

---

**REF #: S-005**                      **TITLE: DUI ACCIDENT RESPONSE**

**CURRENT FEE**

Police Response - \$675  
Police and Fire Response - \$810

**RECOMMENDED FEE**

Police Response - \$1,190  
Police and Fire Response - \$1,390

Fatal accident - Charge the fully allocated hourly rate for all emergency personnel responding, not to exceed \$12,000 per incident by State Law.

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**REF #: S-006**                      **TITLE: VEHICLE IMPOUND RELEASE**

**CURRENT FEE**

\$146 per vehicle

**RECOMMENDED FEE**

\$230 per vehicle

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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**REF #: S-007**

**TITLE: VEHICLE REPOSSESSION**

**CURRENT FEE**

\$15 per vehicle

**RECOMMENDED FEE**

\$15 per vehicle

This fee is set by State Law.

---

**REF #: S-008**

**TITLE: VERIFICATION/CLEARANCE LETTER**

**CURRENT FEE**

\$39 per letter

**RECOMMENDED FEE**

\$33 per letter

---

**REF #: S-009**

**TITLE: MASSAGE THERAPIST PERMIT**

**CURRENT FEE**

New - \$207  
Annual Renewal - \$127

**RECOMMENDED FEE**

New - \$235  
Annual Renewal - \$65

---

**REF #: S-010**

**TITLE: MASSAGE ESTABLISHMENT PERMIT**

**CURRENT FEE**

New - \$280  
Annual Renewal - \$174

**RECOMMENDED FEE**

New - \$275  
Annual Renewal - \$65

---

**REF #: S-011**

**TITLE: MASSAGE APPEAL HEARING**

**CURRENT FEE**

\$1,835 per appeal

**RECOMMENDED FEE**

\$1,970 per appeal

Fee includes one hour of City Attorney time

---

**REF #: S-012**

**TITLE: SECONDHAND DEALER/PAWN SHOP PERMIT**

**CURRENT FEE**

New - \$115  
Annual Renewal - \$58

**RECOMMENDED FEE**

New - \$245  
Annual Renewal - \$85

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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**REF #: S-013**                      **TITLE: SOLICITOR PERMIT**

**CURRENT FEE**

\$135 per application

**RECOMMENDED FEE**

\$100 per application

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**REF #: S-014**                      **TITLE: MISCELLANEOUS POLICE PERMIT**

**CURRENT FEE**

None

**RECOMMENDED FEE**

\$275 per application

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**REF #: S-015**                      **TITLE: BLOCK PARTY PERMIT**

**CURRENT FEE**

\$68 per application

**RECOMMENDED FEE**

\$115 per application

---

**REF #: S-016**                      **TITLE: ALCOHOL PERMIT**

**CURRENT FEE**

Resident - \$36  
Non-Resident - \$60

**RECOMMENDED FEE**

\$70 per application

---

**REF #: S-017**                      **TITLE: PARKING PERMIT**

**CURRENT FEE**

Quarterly - \$12  
Annual - \$36

**RECOMMENDED FEE**

Quarterly - \$12  
Annual - \$36

---

**REF #: S-018**                      **TITLE: SPECIAL EVENT PERMIT APPLICATION**

**CURRENT FEE**

\$160 per application

**RECOMMENDED FEE**

New - \$2,045  
On-Going - \$875

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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**REF #: S-019**                      **TITLE: SPECIAL EVENT POLICE SERVICE**

**CURRENT FEE**

Salaries and benefits at the overtime rate

**RECOMMENDED FEE**

No Change

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**REF #: S-020**                      **TITLE: ADULT CLASSES**

**CURRENT FEE**

Various fees depending on the class

**RECOMMENDED FEE**

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**REF #: S-021**                      **TITLE: YOUTH CLASSES**

**CURRENT FEE**

Various fees depending on the class

**RECOMMENDED FEE**

---

**REF #: S-022**                      **TITLE: CAMP PROGRAMS**

**CURRENT FEE**

Various fees depending on the Camp

**RECOMMENDED FEE**

---

**REF #: S-023**                      **TITLE: TINY TOTS PRESCHOOL**

**CURRENT FEE**

Terrific 3's: Resident - \$198/month Non-Resident - \$212/month  
Fabulous 4's: Resident - \$289/month Non-Resident -  
\$303/month  
Kinder Prep: Resident - \$578/month Non-Resident -  
\$592/month

\$9.75 - \$13.80 per hour

**RECOMMENDED FEE**

---

**REF #: S-024**                      **TITLE: YOUTH SPORTS**

**CURRENT FEE**

\$99 - \$149 per participant

**RECOMMENDED FEE**

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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**REF #: S-025**                      **TITLE: ADULT SPORTS**

**CURRENT FEE**

\$675 - \$825 per team

**RECOMMENDED FEE**

---

**REF #: S-026**                      **TITLE: SENIOR PROGRAMS**

**CURRENT FEE**

Senior Center Annual Membership:  
Resident - \$26  
Non-Resident - \$36  
Friday Nutritional Lunch - \$7  
Monday Themed Lunch - \$10  
Classes & Trips - Actual expenses

**RECOMMENDED FEE**

---

**REF #: S-027**                      **TITLE: TEEN PROGRAMS**

**CURRENT FEE**

LAYC Dances - \$79 Annual Pass  
Open Gym - \$5 per visit/\$49 per year  
High School Band Night - \$10 per night

**RECOMMENDED FEE**

---

**REF #: S-028**                      **TITLE: PERFORMING & VISUAL ARTS**

**CURRENT FEE**

Youth Theater Production - \$250-\$375 per show  
Summer Concerts - Sponsorship Program

**RECOMMENDED FEE**

---

**REF #: S-029**                      **TITLE: COMMUNITY EVENTS**

**CURRENT FEE**

Egg Hunt - Sponsorship Program  
HALloween Window Painting - Free  
Gingerbread House Exhibit - \$12 per family  
Santa Home Visits - \$39 per family/\$49 per two families  
New Year's Day Fun Run - Sponsorship Program

**RECOMMENDED FEE**

---

**REF #: S-030**                      **TITLE: BALLFIELD RENTAL**

**CURRENT FEE**

Resident - \$15 per hour  
Non-Resident - \$35 per hour

**RECOMMENDED FEE**

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

---

**REF #: S-031**                      **TITLE: RECREATION FACILITY RENTAL**

**CURRENT FEE**

**RECOMMENDED FEE**

Various fees depending on the facility and type of renter

---

**REF #: S-032**                      **TITLE: BANNER HANGING**

**CURRENT FEE**

**RECOMMENDED FEE**

San Anotonio/ECR - \$189 per two weeks  
Downtown - \$189 per week  
Fremont/Grant - \$159 per two weeks  
Lincoln Park:  
9 foot banner - \$79 per week  
18 foot banner - \$159 per week

San Anotonio/ECR - \$366 per two weeks  
Downtown - \$366 per week  
Fremont/Grant - \$308 per two weeks  
Lincoln Park:  
9 foot banner - \$153 per week  
18 foot banner - \$308 per week

---

**REF #: S-033**                      **TITLE: SPECIAL ENCROACHMENT PERMIT**

**CURRENT FEE**

**RECOMMENDED FEE**

\$315 per permit plus time and materials for outside costs

\$380 per permit plus actual outside costs

---

**REF #: S-034**                      **TITLE: MISC. ENCROACHMENT PERMIT**

**CURRENT FEE**

**RECOMMENDED FEE**

\$155 per permit

\$190 per permit

---

**REF #: S-035**                      **TITLE: PARKING STALL ENCROACHMENT PERMIT**

**CURRENT FEE**

**RECOMMENDED FEE**

\$10 per day per stall

\$70 per permit plus \$30 per stall per day.

---

**REF #: S-036**                      **TITLE: UTILITY STREET CUT PERMIT**

**CURRENT FEE**

**RECOMMENDED FEE**

2% of construction cost (\$155 minimum)

2% of construction cost (\$200 minimum)

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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<b>REF #: S-037</b>	<b>TITLE: TEMPORARY LANE CLOSURE PERMIT</b>
<b><u>CURRENT FEE</u></b>	<b><u>RECOMMENDED FEE</u></b>
None	\$490 per permit plus \$60 per day after the first day

---

<b>REF #: S-038</b>	<b>TITLE: NEWSRACK PERMIT</b>
<b><u>CURRENT FEE</u></b>	<b><u>RECOMMENDED FEE</u></b>
None	\$355 per newsrack

---

<b>REF #: S-039</b>	<b>TITLE: HEAVY HAUL PERMIT</b>
<b><u>CURRENT FEE</u></b>	<b><u>RECOMMENDED FEE</u></b>
None	\$585 per permit

---

<b>REF #: S-040</b>	<b>TITLE: PUBLIC WORKS INSPECTION</b>
<b><u>CURRENT FEE</u></b>	<b><u>RECOMMENDED FEE</u></b>
6% of the estimated cost of construction	6% of the estimated cost of construction
This fee is currently not charged	

---

<b>REF #: S-041</b>	<b>TITLE: FINAL SUBDIVISION MAP CHECK</b>
<b><u>CURRENT FEE</u></b>	<b><u>RECOMMENDED FEE</u></b>
\$600 per map plus time and materials for outside costs	\$1,120 per map plus actual outside costs

---

<b>REF #: S-042</b>	<b>TITLE: LOT LINE ADJUSTMENT - ENGINEERING</b>
<b><u>CURRENT FEE</u></b>	<b><u>RECOMMENDED FEE</u></b>
Engineering Fee - None	Engineering fee - \$505 plus actual outside costs



**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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**REF #: S-043**                      **TITLE: ANNEXATION**

**CURRENT FEE**

\$500 per application plus time and materials for outside costs

**RECOMMENDED FEE**

Deposit equal to \$200 per parcel, with a \$1,000 minimum, with charges at the fully allocated hourly rates for all involved staff plus any outside costs.

---

**REF #: S-044**                      **TITLE: STORMWATER MANAGEMENT PLAN CHECK**

**CURRENT FEE**

None

**RECOMMENDED FEE**

\$355 per application

---

**REF #: S-045**                      **TITLE: COUNTY SEWER PLAN CHECK**

**CURRENT FEE**

None

**RECOMMENDED FEE**

\$545 per plan

---

**REF #: S-046**                      **TITLE: FLOOD HAZARD LETTER**

**CURRENT FEE**

None

**RECOMMENDED FEE**

\$50 per letter

---

**REF #: S-047**                      **TITLE: DEVELOPMENT SERVICES**

**CURRENT FEE**

Various Planning Application fees  
Building Permit fees are based on Valuation  
Building Plan Check fees are 65% of the Building Permit fee

Technology Surcharge - 5% of Building Permit fee

The revenues below are the budgeted revenues for fiscal year  
2012-2013

**RECOMMENDED FEE**

No change is recommended at this time. This analysis is a snap shot in time and should be used in conjunction with both past history and estimates of future revenues. The City should continue to monitor the revenues over time and adjust the fees if a trend emerges.

---

**REF #: S-048**                      **TITLE: SEWER DYE TEST**

**CURRENT FEE**

\$115 per test

**RECOMMENDED FEE**

\$95 per test

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

---

<b>REF #: S-049</b>	<b>TITLE: NSF CHECK PROCESSING</b>
<u><b>CURRENT FEE</b></u> \$35 per NSF check	<u><b>RECOMMENDED FEE</b></u> \$40 per NSF check

---

<b>REF #: S-050</b>	<b>TITLE: BUSINESS LICENSE LISTING</b>
<u><b>CURRENT FEE</b></u> None	<u><b>RECOMMENDED FEE</b></u> \$15 per request

---

<b>REF #: S-051</b>	<b>TITLE: BUSINESS LICENSE DUPLICATE</b>
<u><b>CURRENT FEE</b></u> \$5 per license	<u><b>RECOMMENDED FEE</b></u> \$15 per license

---

<b>REF #: S-052</b>	<b>TITLE: DOCUMENT REPRODUCTION</b>
<u><b>CURRENT FEE</b></u> \$0.10 per page Offsite Storage Retrieval - \$5	<u><b>RECOMMENDED FEE</b></u> \$0.25 per page FPPC-related copies - \$0.10 per page Offsite Storage Retrieval - \$5

---

<b>REF #: S-053</b>	<b>TITLE: DOCUMENT CERTIFICATION</b>
<u><b>CURRENT FEE</b></u> Actual time and materials	<u><b>RECOMMENDED FEE</b></u> \$25 per certification

---

<b>REF #: S-054</b>	<b>TITLE: DVD COPY</b>
<u><b>CURRENT FEE</b></u> \$2 per disk	<u><b>RECOMMENDED FEE</b></u> No Change

**CITY OF LOS ALTOS  
FEE COMPARISON REPORT  
FY 2012-2013**

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**REF #: S-055**

**TITLE: CITY INITIATIVE FILING**

**CURRENT FEE**

None

**RECOMMENDED FEE**

\$200 per initiative, refunded if within one year of filing the notice of intent, the elections official certifies the sufficiency of the petition.

Fee is set by State Law

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## **APPENDIX B**

### **SUMMARY OF ALLOCATION FACTORS**

**CITY OF LOS ALTOS**  
**Summary of Allocation Factors**  
**FY 2012-2013**

**SCHEDULE C**

**CITY COUNCIL**

CAP-100	CITY COUNCIL SERVICES	50%-# OF AGENDA ITEMS/50%-ADJ BUDGET
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**EXECUTIVE**

CAP-105	CITY COUNCIL SUPPORT	50%-# OF AGENDA ITEMS/50%-ADJ BUDGET
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CAP-106	DEPARTMENT SUPPORT	ESTIMATE OF WORK EFFORT
---------	--------------------	-------------------------

CAP-107	INTER-GOVT SUPPORT	ADJUSTED BUDGET
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**CITY ATTORNEY**

CAP-115	COUNCIL LEGAL SERVICES	ALLOCATE TO COUNCIL
---------	------------------------	---------------------

CAP-116	DEPARTMENT LEGAL SVCS	ADJUSTED BUDGET
---------	-----------------------	-----------------

**CITY CLERK**

CAP-120	CITY COUNCIL SUPPORT	50%-# OF AGENDA ITEMS/50%-ADJ BUDGET
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CAP-121	DEPARTMENT SUPPORT	AGENDA ITEMS
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CAP-122	RECORDS MANAGEMENT	AGENDA ITEMS
---------	--------------------	--------------

CAP-123	ELECTION SUPPORT	ALLOCATE TO CITY COUNCIL
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CAP-124	FPPC FILING	# OF DESIGNATED FILERS
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**VOLUNTEERS**

CAP-127	CITY COUNCIL SUPPORT	ALLOCATE TO COUNCIL
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**CITY OF LOS ALTOS**  
**Summary of Allocation Factors**  
**FY 2012-2013**

**SCHEDULE C**

**FINANCE**

CAP-130	GENERAL ACCOUNTING	ADJUSTED BUDGET
CAP-131	ACCOUNTS PAYABLE SERVICES	A/P TRANSACTIONS
CAP-132	CASHIER SERVICES	GENERAL FUND DEPARTMENTAL REVENUES
CAP-133	PAYROLL SERVICES	FULL TIME EQUIVALENT EMPLOYEES
CAP-134	BUDGET PREP/COORD	ADJUSTED BUDGET
CAP-135	CIP BUDGET PREP/COORD	CIP BUDGET
CAP-136	CASH MANAGEMENT	CASH BALANCE BY FUND 6/30/10
CAP-137	PHONE/RECEPTION SERVICES	# OF CITY HALL FTE'S
CAP-140	COUNCIL AGENDA REVIEW	AGENDA ITEMS
CAP-141	FINANCE DEPT SUPPORT	ALLOCATE TO FINANCE
CAP-142	FINANCIAL SYSTEM ADMIN	ADJUSTED BUDGET
CAP-143	MAIL SERVICES	FULL TIME EQUIVALENT EMPLOYEES
CAP-144	PURCHASING SERVICES	PURCHASE ORDERS
CAP-145	CDBG SUPPORT	ALLOCATE TO CDBG
CAP-146	GREEN BLDG/SEISMIC FILING	ALLOCATE TO BUILDING
CAP-148	AUDIT/CAFR SERVICES	ADJUSTED BUDGET

**CENTRAL SERVICES**

CAP-150	CENTRAL SERVICES	ADJUSTED BUDGET
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**CITY OF LOS ALTOS**  
**Summary of Allocation Factors**  
**FY 2012-2013**

**SCHEDULE C**

**INFORMATION TECHNOLOGY**

CAP-160	PC/NETWORK SUPPORT	COMPUTERS/SERVERS
CAP-161	COMMUNICATIONS SUPPORT	COMMUNICATION DEVICES
CAP-162	WEB PAGE SUPPORT/ADMIN	ADJUSTED BUDGET
CAP-163	COMMUNITY SUPPORT	ADJUSTED BUDGET
CAP-164	SPECIAL IT PROJECTS	ADJUSTED BUDGET

**NON-DEPARTMENTAL**

CAP-165	NON-DEPARTMENTAL SERVICES	ADJUSTED BUDGET
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**HUMAN RESOURCES**

CAP-170	HUMAN RESOURCES SERVICES	FULL TIME EQUIVALENT EMPLOYEES
CAP-171	CITY ADMINISTRATION	FULL TIME EQUIVALENT EMPLOYEES

**ENGINEERING**

CAP-175	ENGINEERING ADMIN	ENGINEERING FTE'S
CAP-176	SEWER SUPPORT	ALLOCATE TO SEWER

**MAINT SVCS ADMIN**

CAP-020	MAINT SERVICES ADMIN	MAINT SERVICES FTE'S
CAP-021	FACILITIES ADMIN.	ALLOCATE TO FACILITY MAINTENANCE

**FLEET MAINTENANCE**

CAP-025	VEHICLE MAINTENANCE	ALLOCATION OF TIME SPENT
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**CITY OF LOS ALTOS**  
**Summary of Allocation Factors**  
**FY 2012-2013**

**SCHEDULE C**

**STREET MAINT**

CAP-030	MAINT SERVICES ADMIN	MAINT SERVICES FTE'S
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**PARK/STRT LANDSC**

CAP-032	CIVIC CENTER GROUNDS MNT	SQUARE FOOTAGE
CAP-033	MSC GROUNDS MAINTENANCE	SQUARE FOOTAGE
CAP-034	HISTORY HOUSE GROUNDS MNT	ALLOCATE TO HISTORY HOUSE
CAP-035	LIBRARY GROUNDS MAINT	ALLOCATE TO HISTORY HOUSE
CAP-036	SAN ANTONIO CLUB GRND MNT	ALLOCATE TO SAN ANTONIO CLUB
CAP-037	GARDEN HOUSE GROUNDS MNT	ALLOCATION OF SPACE USED
CAP-038	PARKS/LANDSCAPE ADMIN	ALLOCATE TO PARKS/LANDSCAPE MAINT

**CITY OF LOS ALTOS**  
**Summary of Allocation Factors**  
**FY 2012-2013**

**SCHEDULE C**

**FACILITY MAINTENANCE**

CAP-040	CITY HALL MAINTENANCE	SQUARE FOOTAGE
CAP-041	POLICE FACILITY MAINT	POLICE FULL TIME EQUIVALENT EMPLOYEES
CAP-042	MAINT SERVICES FACILITY	SQUARE FOOTAGE
CAP-043	SAN ANTONIO CLUB MAINT	ALLOCATE TO SAN ANTONIO CLUB
CAP-044	LOS ALTOS YOUTH CNTR MNT	ALLOCATE TO YOUTH CENTER
CAP-045	GARDEN HOUSE MAINT	ALLOCATION OF SPACE USED
CAP-046	HILLVIEW PARK BLDG MAINT	ALLOCATE TO HILLVIEW
CAP-047	GRANT PARK BLDG MAINT	ALLOCATE TO GRANT PARK
CAP-048	BLACH GYM MAINTENANCE	ALLOCATE TO BLACH GYM
CAP-049	EGAN GYM MAINTENANCE	ALLOCATE TO EGAN GYM
CAP-050	HISTORY HOUSE MAINTENANCE	ALLOCATE TO HISTORY HOUSE
CAP-051	PARK BUILDING MAINTENANCE	ALLOCATE TO PARKS
CAP-052	FIRE STATION MAINTENANCE	ALLOCATE TO FIRE
CAP-053	WASTE CONTRACT	ALLOCATE TO FACILITY MAINTENANCE

**CITY OF LOS ALTOS**  
**Summary of Allocation Factors**  
**FY 2012-2013**

**SCHEDULE C**

**BUILDING REPLACEMENT**

CAP-200	CITY HALL BLDG REPLACE	SQUARE FOOTAGE
CAP-201	POLICE STATION BLDG REPL	POLICE FULL TIME EQUIVALENT EMPLOYEES
CAP-202	MSC BUILDING REPLACEMENT	SQUARE FOOTAGE
CAP-203	HILLVIEW BLDG REPLACE	ALLOCATE TO HILLVIEW
CAP-204	GARDEN HOUSE BLDG REPLACE	ALLOCATION OF SPACE USED
CAP-205	YOUTH CENTER BLDG REPLACE	ALLOCATE TO YOUTH CENTER
CAP-206	GRANT PARK BLDG REPLACE	ALLOCATE TO GRANT PARK
CAP-207	SAN ANTONIO BLDG REPLACE	ALLOCATE TO SAN ANTONIO CLUB
CAP-208	BLACH GYM BLDG REPLACE	ALLOCATE TO BLACH GYM
CAP-209	EGAN GYM BLDG REPLACE	ALLOCATE TO EGAN GYM

**EQUIPMENT REPLACEMENT**

CAP-225	EQUIPMENT REPLACEMENT	ANNUAL DEPRECIATION
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**APPENDIX C**

**FULLY ALLOCATED HOURLY RATED SUMMARY  
BY POSITION**



**CITY OF LOS ALTOS  
POSITION LISTING IN POSITION TITLE SEQUENCE - SUMMARY  
FY 2012-2013**

Position Title	Ref #	FTE's	Average Hourly Rate
ACCOUNTING TECHNICIAN	AT	1.000	\$119.91
ACCTING OFFICE ASST I	AOAI	2.000	\$90.87
ACCTNG OFFICE ASST II	AOAII	1.000	\$114.21
ASSISTANT CITY MANAGER	ACM	2.000	\$194.90
ASSISTANT CIVIL ENGINEER	ASSTCE	1.000	\$143.49
ASSISTANT PLANNER	ASSTP	2.000	\$112.31
ASSOCIATE CIVIL ENGINEER	ACE	2.000	\$171.91
BUILDING INSPECTOR	BI	4.000	\$100.36
BUILDING OFFICIAL	BO	1.000	\$145.68
BUILDING TECHNICIAN	BT	1.000	\$81.58
CITY CLERK	CCLK	1.000	\$91.07
CITY COUNCIL MEMBERS	CC	5.000	\$17.40
CITY MANAGER	CM	1.000	\$251.08
COMM. SERVICE OFFICER	CSO	4.000	\$119.08
COMMUNICATIONS OFFICER	CO	5.000	\$160.88
ECON DEV COORDINATOR	EDC	1.000	\$125.99
ENGINEERING SVCS MANAGER	ESM	1.000	\$200.26
ENGINEERING TECHNICIAN	ET	2.000	\$118.33
EQUIPMENT MECHANIC	EM	1.000	\$69.27
EXECUTIVE ASSISTANT	EA	5.000	\$96.22

**CITY OF LOS ALTOS  
POSITION LISTING IN POSITION TITLE SEQUENCE - SUMMARY  
FY 2012-2013**

Position Title	Ref #	FTE's	Average Hourly Rate
FINANCE DIRECTOR	FD	1.000	\$227.70
FINANCIAL SVCS MANAGER	FSM	1.000	\$181.48
FLEET FACILITATOR	FF	1.000	\$53.53
HOLIDAY/SPECIALTY PAY	HP/SP	24.000	\$40.55
HUMAN RESOURCES MANAGER	HRM	1.000	\$72.89
HUMAN RESOURCES TECH	HRT	1.000	\$0.00
INFO TECH ANALYST	ITA	1.000	\$99.88
INFO TECH MANAGER	ITM	1.000	\$117.50
JUNIOR ENGINEER	JE	1.000	\$124.25
LEAD COMM. OFFICER	LCO	1.000	\$177.02
LEAD RECORDS SPECIALIST	LRS	1.000	\$109.59
MAINT LEADWORKER	MLW	6.000	\$116.49
MAINT SERVICES MANAGER	MSM	1.000	\$168.52
MAINT TECHNICIAN	MT	2.000	\$156.46
MAINT WORKER I	MWI	7.000	\$90.69
MAINT WORKER II	MWII	11.000	\$104.12
MAINTENANCE SUPERVISOR	MS	3.000	\$136.10
OFFICE ASSISTANT II	OAI	1.000	\$85.46

**CITY OF LOS ALTOS  
POSITION LISTING IN POSITION TITLE SEQUENCE - SUMMARY  
FY 2012-2013**

Position Title	Ref #	FTE's	Average Hourly Rate
OVERTIME	OT	56.000	\$19.19
PART TIME EMPLOYEES	PT	25.050	\$34.22
PART TIME EMPLOYEES - PERS	PT-P	7.830	\$44.78
PLANNING SVCS MANAGER	PLSM	1.000	\$158.92
POLICE AGENT	PA	6.000	\$188.47
POLICE CAPTAIN	PCPT	1.000	\$271.59
POLICE CHIEF	PC	1.000	\$335.97
POLICE OFFICER	PO	16.000	\$174.03
POLICE SERGEANT	PSGT	6.000	\$202.89
POLICE SVCS MANAGER	PSM	1.000	\$229.88
RECORDS SPECIALIST	RS	3.000	\$99.53



**CITY OF LOS ALTOS  
POSITION LISTING IN POSITION TITLE SEQUENCE - SUMMARY  
FY 2012-2013**

Position Title	Ref #	FTE's	Average Hourly Rate
RECREATION COORDINATOR	RECC	3.000	\$120.58
RECREATION DIRECTOR	RD	1.000	\$193.43
RECREATION SUPERVISOR	RECS	1.000	\$146.13
SENIOR ENGINEER	SE	1.000	\$177.45
SENIOR PLANNER	AP	1.000	\$147.13
SPECIAL PROJECTS MANAGER	SPM	1.000	\$190.87
SR RECREATION SUPERVISOR	SRS	1.000	\$155.67
TRANSPORTATION ENGINEER	TE	1.000	\$176.49
TOTAL		241.880	

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**APPENDIX D**

**RECREATION SERVICE DETAIL**

CITY OF LOS ALTOS  
 DETAIL OF RECREATION SERVICES  
 FISCAL YEAR 2012-2013

SERVICE	DIRECT COSTS				INDIRECT COSTS				REVENUES	GENERAL FUND SUBSIDIES	RECOVERY		
	PROGRAM COST	FULL TIME COST	DEPT ADMIN	TOTAL	FIELD MAINT	FACILITY MAINT	INDIRECT COSTS	TOTAL			DIRECT RECOVERY	+ CITY INDIRECT	+ FACILITY MAINT
<b><u>FEE SUPPORTED RECREATION PROGRAMS</u></b>													
LIFE LONG LEARNING	454,686	154,774	277,923	887,383	2,216	67,691	125,819	1,083,109	953,472	(129,637)	107.4%	94.1%	88.0%
HEALTH & WELLNESS	256,309	57,408	71,692	385,409	1,657	112,798	18,439	518,303	301,797	(216,506)	78.3%	74.7%	58.2%
PERFORMING & VISUAL ARTS	39,474	11,770	15,821	67,065	0	18,745	9,332	95,142	45,613	(49,529)	68.0%	59.7%	47.9%
<b>SUBTOTAL</b>	<b>750,468</b>	<b>223,953</b>	<b>365,436</b>	<b>1,339,857</b>	<b>3,873</b>	<b>199,234</b>	<b>153,590</b>	<b>1,696,554</b>	<b>1,300,881</b>	<b>(395,673)</b>	<b>97.1%</b>	<b>87.1%</b>	<b>76.7%</b>
<b><u>COMMUNITY SUPPORTED RECREATION PROGRAMS</u></b>													
SENIOR PROGRAMS	51,953	147,044	120,323	319,320	0	27,268	42,969	389,557	37,639	(351,918)	11.8%	10.4%	9.7%
TEEN PROGRAMS	12,119	93,990	79,426	185,535	0	26,374	26,336	238,245	55,350	(182,895)	29.8%	26.1%	23.2%
COMMUNITY EVENTS	41,562	59,801	42,817	144,180	0	2,194	21,590	167,964	10,353	(157,611)	7.2%	6.2%	6.2%
<b>SUBTOTAL</b>	<b>105,634</b>	<b>300,835</b>	<b>242,566</b>	<b>649,035</b>	<b>0</b>	<b>55,836</b>	<b>90,895</b>	<b>795,766</b>	<b>103,342</b>	<b>(692,424)</b>	<b>15.9%</b>	<b>14.0%</b>	<b>13.0%</b>
<b>GRAND TOTAL</b>	<b>856,102</b>	<b>524,788</b>	<b>608,002</b>	<b>1,988,892</b>	<b>3,873</b>	<b>255,070</b>	<b>244,485</b>	<b>2,492,320</b>	<b>1,404,223</b>	<b>(1,088,097)</b>	<b>70.6%</b>	<b>62.9%</b>	<b>56.3%</b>

PROGRAM COSTS ARE PART TIME COSTS (INCLUDING BENEFITS) AND DIRECT OPERATING EXPENSES

FULL TIME COSTS ARE SALARIES, BENEFITS, AND OTHER OPERATING EXPENSES.

DEPT ADMIN INCLUDES DEPARTMENT ADMINISTRATION AND FACILITY SUPERVISION.

CITY INDIRECT COSTS INCLUDES CITY OVERHEAD.

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