

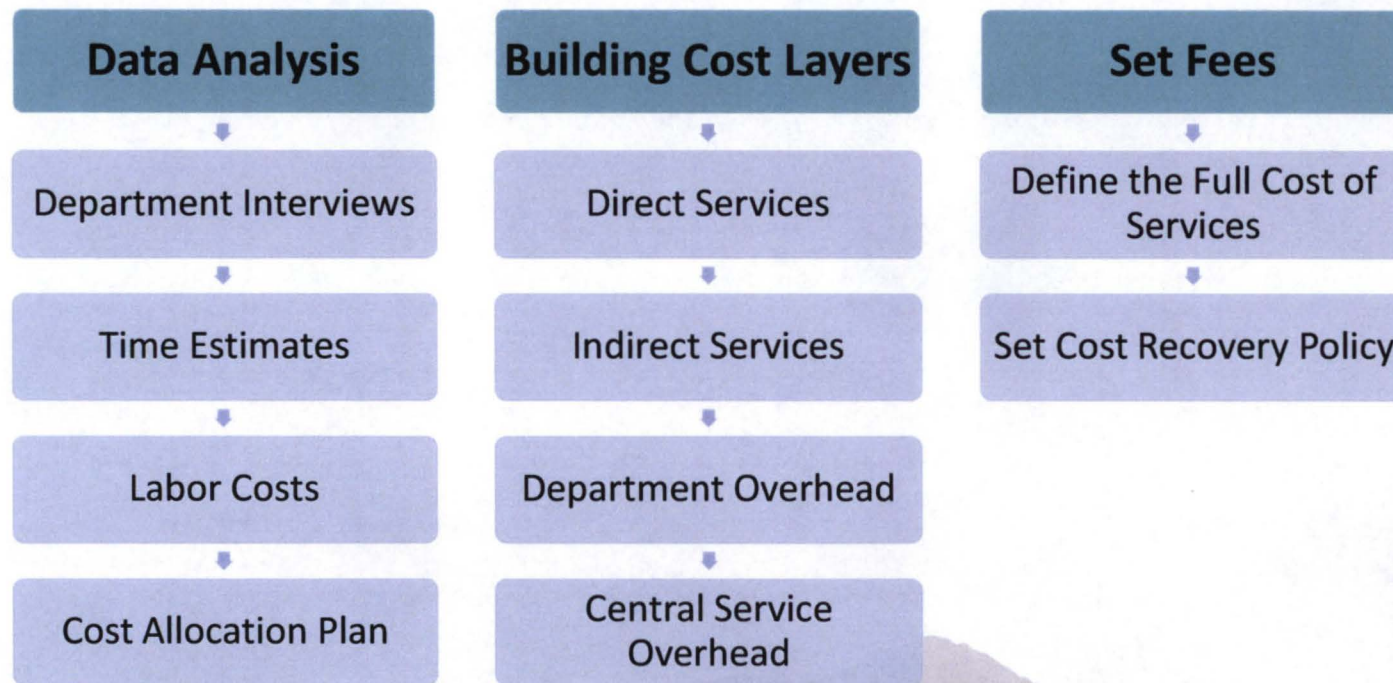
TOWN OF PARADISE VALLEY

Cost Recovery for Fees and Charges

January 11, 2018



Summary Steps of the Study



Components of the Study

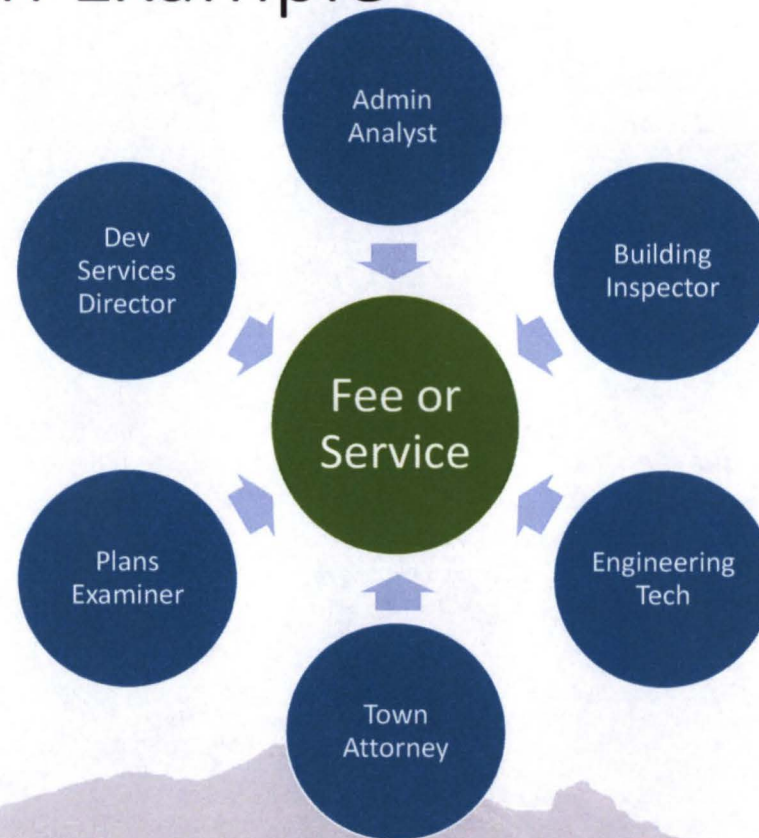
Willdan used the following data and information provided by staff to determine full cost of providing each service:

- Department budgets , other cost and revenue data
- Salary and benefit information
- Central Service/Indirect Cost Overhead
- Productive/billable hours
- Time estimates per program or fee
- Department input, feedback and policies



Fee Cost Composition Example

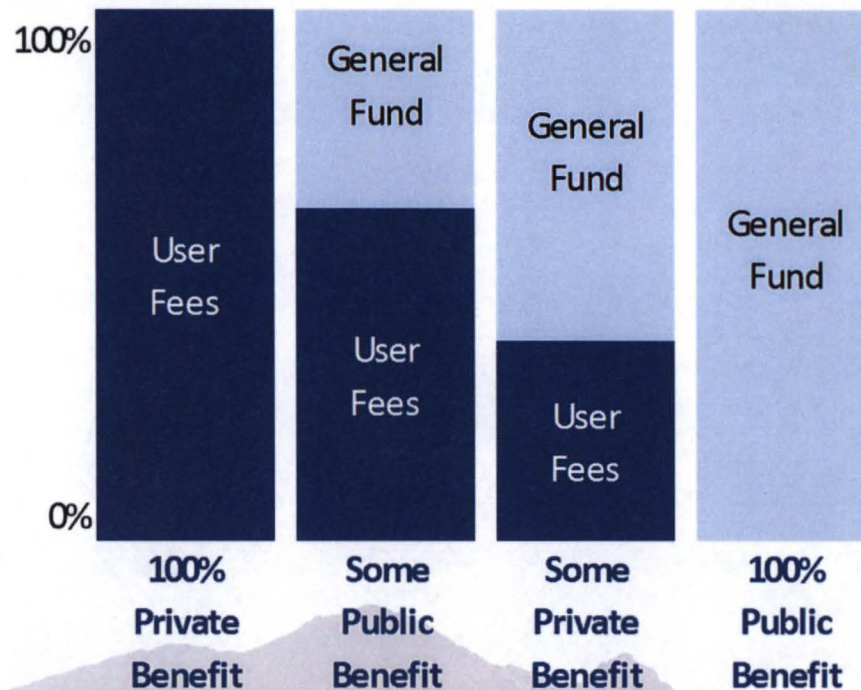
- Departmental fully burdened hourly rates were used to calculate full cost for fees
- It is important to keep in mind all processes and personnel involved in a fee to get calculate the full cost



Policy Considerations

- In certain situations, subsidization of fees is an effective public policy tool:

- Encourage participation
- Facilitate compliance
- Allow access to services



Policy Considerations

- General standard: individuals or groups who receive private benefit from service should pay 100% of cost
- Use care with strict benchmarking with neighboring jurisdictions
 - Not an “apples-to-apples” comparison
 - Services called the same thing may be vastly different
 - Staffing levels and processes vary from town to town
 - Subsidies not known
- Recommended that Town include an annual inflation factor which will allow Town Council by resolution to annually adjust fees based on CPI or other factor



March 23, 2017 Council Action Report

- Staff recommends as a policy decision that certain specific fees be adopted at a rate of 50% of cost recovery. These are: Board of Adjustment related fees for applications for variance, appeals of administrative decision, and administrative relief from zoning; Planning Commission related fee for vacating a street or alley; and within the category of Special Use Permits: SUP, Major Amendment, or Intermediate Amendments for schools, government buildings, and places of worship. All other fees are set at full cost recovery.



Existing Categories for Special Use Permit Review

| 2.1 Special Use Permit Review | | | | | | | | |
|-------------------------------|----------------------------------------------------------------------------------------|----------|----------|-------------------|--------------|---------------|---------------|-----------|
| # | Description | Fee | Unit | Notes | Full Cost | Unrecovered % | Suggested Fee | Fee Δ |
| 1 | Managerial Amendment | 500.00 | | | \$ 1,898.20 | 0% | \$ 1,900.00 | 1,500.00 |
| 2 | Minor Amendment | 2,500.00 | | | \$ 5,249.91 | 0% | \$ 5,250.00 | 2,750.00 |
| 3 | Intermediate Amendment for Schools, Government Buildings, and Places of Worship | 4,500.00 | | | \$ 8,294.37 | 50% | \$ 4,150.00 | (350.00) |
| 4.a | Intermediate Amendment for all other uses | 5,500.00 | | plus per acre fee | \$ 8,327.94 | 0% | \$ 8,330.00 | 2,830.00 |
| 4.b | Intermediate Amendment for all other uses | 110.00 | per acre | | Variable | NA | \$ 110.00 | - |
| 5 | SUP or Major Amendment to SUP for Schools, Government Buildings, and Places of Worship | 7,000.00 | | | \$ 15,510.87 | 50% | \$ 7,750.00 | 750.00 |
| 6.a | SUP or Major Amendment to SUP for all other uses | 8,000.00 | | plus per acre fee | \$ 19,896.14 | 0% | \$ 20,000.00 | 12,000.00 |
| 6.b | SUP or Major Amendment to SUP for all other uses | 110.00 | per acre | | Variable | NA | \$ 110.00 | - |
| 7 | For Private Road, Guardgate, Guardhouse, or Observation Booth | 2,760.00 | | | \$ 4,804.61 | 0% | \$ 4,800.00 | 2,040.00 |
| 8 | Amateur Radio Antenna Permit | 2,360.00 | | | \$ 5,269.81 | 0% | \$ 5,275.00 | 2,915.00 |
| 9 | Conditional Use Permit | 2,360.00 | | | \$ 5,661.16 | 0% | \$ 5,665.00 | 3,305.00 |
| 10 | Temporary Use Permit | 175.00 | | | \$ 1,796.39 | 0% | \$ 1,800.00 | 1,625.00 |



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Questions and Discussion

