

F.A.I.R: Discussion about a citywide comprehensive cost recovery policy

Council Meeting - November 9, 2021





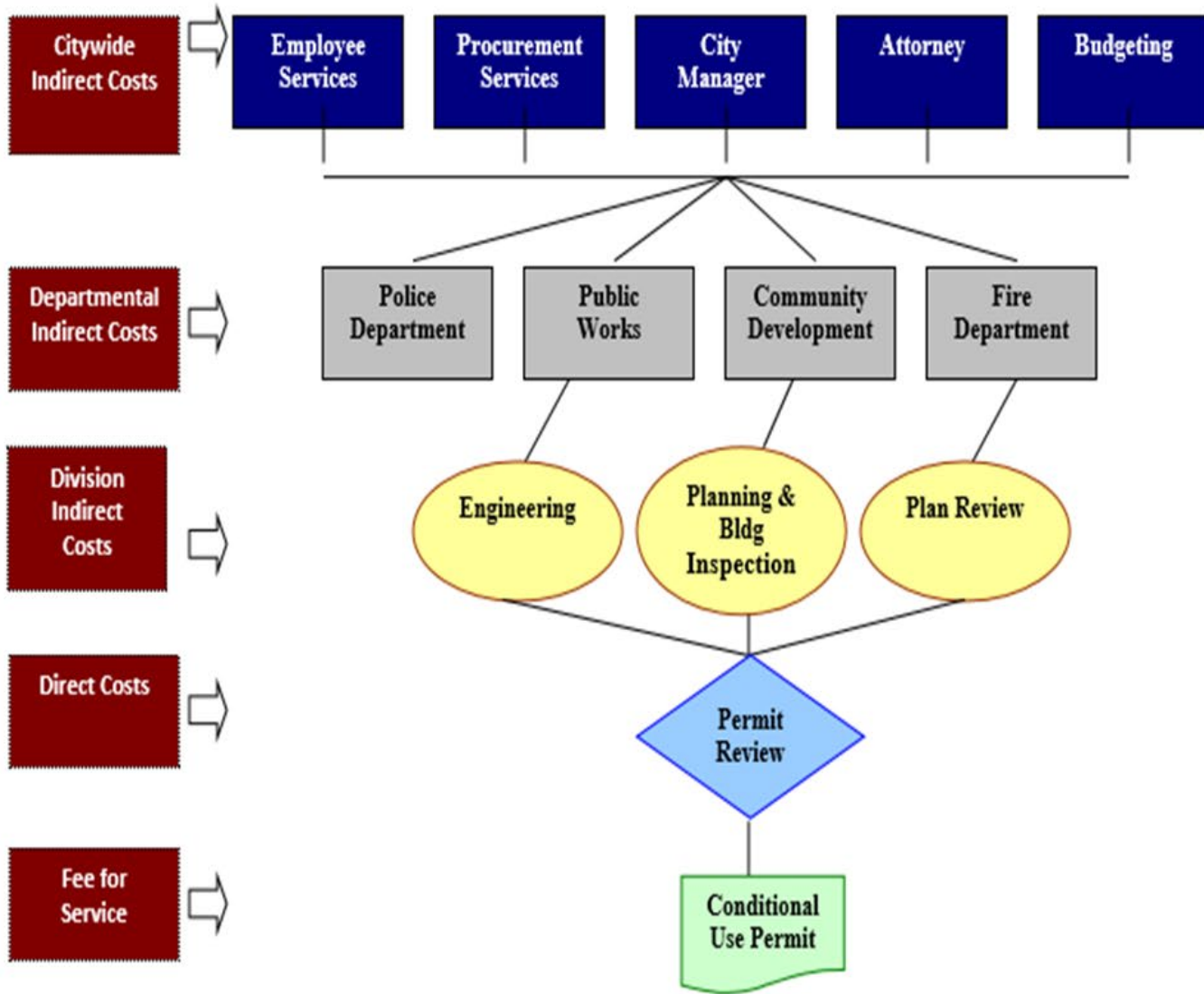
Fees and Service Charges

Historically

- Cost recovery is discussed during fee and service charge adoptions
- Use of full cost and direct cost in previous calculations
- Use the who benefits approach to fee setting
- Currently no formal citywide cost recovery policy
- Last user fee study completed fiscal year 2017
 - Planning, Engineering, Fire and Parks and Recreation



Full Cost of Service



STEP 1

City Cost Allocation Plan – Indirect Costs:

- Calculate and assign costs of supporting programs that serve operating programs
- Assigning support cost in a manner that is logical and reflective of the use of the service
 - Allocation: i.e. Payroll – FTE, # of paychecks.

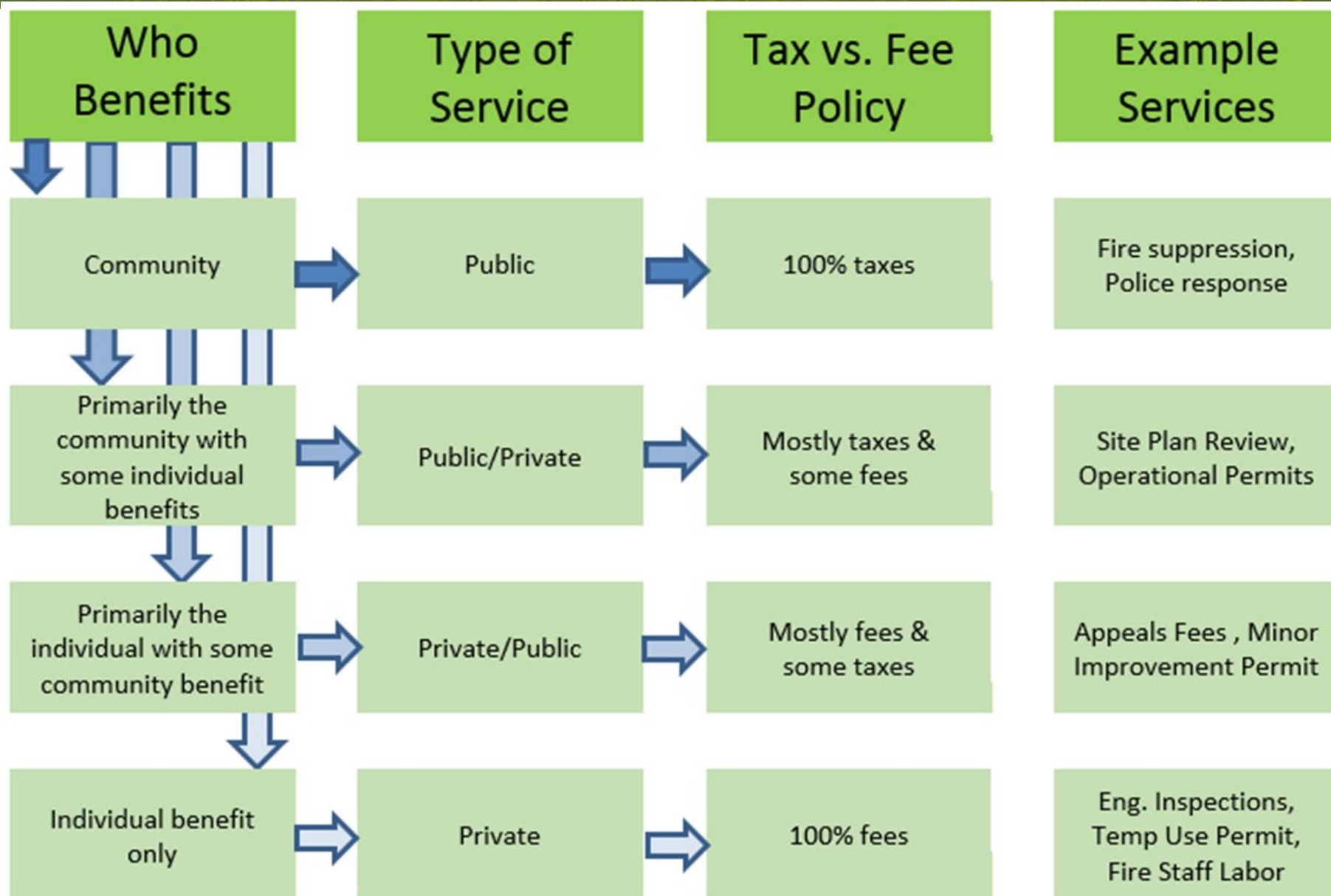
STEP 2

User Fee Calculations – Direct Costs:

- Who provides the service?
- How long does it take?
- How many do we do?
- Salary, benefits, services and supplies, support staff, etc.



Cost Recovery Decision Making



Council Discussion

