



Proposal for a
**Cost Allocation Plan &
User Fee Study**
for the City of Desert Hot Springs



**& Revenue
Cost
Specialists, LLC**

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Serving Local Governments Since 1975

April 11, 2019

Jerryl Soriano, City Clerk
City of Desert Hot Springs
11-999 Palm Drive
Desert Hot Springs, CA 92240

RE: Request for Quote – Cost Allocation Plan & Cost Recovery Fee Study

Revenue & Cost Specialists, LLC (RCS) appreciates the opportunity to respond with this Proposal to perform a Cost Allocation and User Fee Study for the City of Desert Hot Springs.

RCS has been providing fee and costing services since 1980, making us the authority in costing services for California. All RCS Principals have prior city experience and work exclusively with local government agencies. Combined, RCS principals have over 65 years of knowledge in cost allocation plans and fee studies, and served over 250 municipalities. No other consulting firm can match our experience and reputation in this field.

RCS's skill set will generate maximum revenue potential for you. We have a history of delivering quality reports with defensible data that can be acted on and adopted. In fact, of the more than 1,100 reports that we have produced, over 98% were adopted by Councils.

To achieve these goals RCS will work thoughtfully with the City of Desert Hot Springs in a collaborative way that minimizes the impact on City staff. We will use our superior experience to efficiently gather information, conduct personal meetings, and facilitate the process throughout. As former City staff ourselves, we understand that time is precious.

RCS will present the Report to the City in a manner that is easy to read and understand. The information provided by RCS will allow staff, City Council, and other stakeholders to make rational, informed policy decisions. We strive to insure that you will be able to confidently stand behind the information and recommendations in the Report.

The terms of this proposal will be honored until August 31, 2019. RCS looks forward to continue being of assistance to the City of Desert Hot Springs and appreciates the opportunity to respond with this proposal. If there are any questions, please contact Mr. Johnson at (714) 992-9027 or eric@revenuecost.com.

Sincerely,

ERIC S. JOHNSON
President

EXECUTIVE SUMMARY

The City wants to identify the full costs of all operational services that are either currently charged a fee or could be charged a fee. As part of the full costs of services, the City needs a full-cost Cost Allocation Plan which would fairly distribute the overhead costs to the end-user services provided to the public. In addition, the Cost Allocation Plan will provide detail on the amounts that the City could recover from enterprise and other funds that receive services from the General Fund. This would allow for fair and defensible transfers from these funds to the General Fund.

The City also wants an OMB Compliant Cost Allocation Plan which complies with Federal Circulars as well as the State Controller's Office Guidelines for Cost Claiming. This Plan will use the most recent audited actual expenditures.

Based on the full cost information, RCS will review with staff a proposed fee structure that will recover these costs in the most equitable and efficient way possible. This may involve flat fees, deposits, valuation-based fees, step-increase fees, or a combination of these. But the eventual fee recommendations included in the final report and master fee resolution will be defensible, easy to understand, and be supported by City staff.

We will use our experience in other similar cities to efficiently construct the model that represents how operations are conducted in Desert Hot Springs and quickly identify what those operations cost. This will be done through the use of **on-site meetings with staff**. These face-to-face meetings with the City staff who perform the work insures that the data is accurate. We do not drop off forms and expect City staff to do our work for us.

We will use a series of focused meetings to review the time information that is generated. We have found that this method is preferable and generates better data than one big meeting to collect this data. This gives City staff time to digest and reflect on the information that is being generated. We also identify the total time of City staff for all services that they are involved in. **We will identify 100% of the staff time on 100% of the services that they provide.** This gives City staff a complete perspective on their time allocations instead of merely looking at time allocations for individual services in a vacuum. These methods will insure that City staff feels confident about the data and, therefore, confident in supporting the results in public hearings.

The other key result of identifying 100% of City services is that we are identifying not only the cost of fee services, but also of community-supported services, such as police, street and park maintenance services. This allows us to have a real discussion with real numbers with the City Council about tax subsidy policy. Since we are identifying the full costs of fee services, we are also therefore identifying the current subsidy of general tax dollars for these services. Therefore we can show the City Council how much they are subsidizing fee services at the expense of community-supported services. Does the City want to continue to use precious tax dollars to support a zone change on a particular parcel that only benefits that particular property owner or use those tax dollars on things that can only be supported by tax dollars, like police and maintenance services? They will now have that information to be

able to make that conscious choice.

Thus, the support of staff, changing the discussion to tax subsidy policy instead of fee increases, and the experience of RCS in successfully presenting the results of similar studies to City Councils insures that the Desert Hot Springs City Council will be able to meet the objectives of the City.

SOFTWARE

RCS has developed a unique and sophisticated Windows-based stand-alone software package that is both user-friendly and comprehensive at the same time. The Governmental Business System is designed to be used in any organization and allows for the flexibility to easily make changes to your organization and your services. It includes easy-to-use interfaces and easy-to-understand reports, without the worry of incorrect formulas inherent in Excel-based systems. The system is based on an easily downloadable 14mb package. It is not a spreadsheet based format, but uniquely designed for municipal purposes in determining cost allocations and service costs.

The software allows the City to continuously update the Cost Allocation and User Fee Studies, as well as input hypothetical services to calculate the estimated costs of providing new services.

RCS will insure that the system is properly installed and the data from this Study will be installed at the City with no licensing limitations at the completion of the Study. RCS will provide training on the use of the software in addition to phone and email support.

A demonstration of the software can be downloaded at www.costallocation.com.

COMPANY DESCRIPTION AND EXPERIENCE

HISTORY OF REVENUE & COST SPECIALISTS

RCS was established in 1980 as Management Services Institute by two former City Managers and a Finance Director in the wake of the passage of Propositions 4 and 13. They had already been costing services in their respective cities but now saw that more and more cities would need this information. These early studies would provide the template for costing work done throughout the state.

Management Services Institute changed its name to Revenue & Specialists in 1996 so as to have a name that better reflects what we do. RCS has continued that same tradition of helping public agencies identify their service costs, either directly through a study or by providing software.



All RCS Principals have prior city experience, and we are aware that our specialization and expertise in cost allocation plans and user fee studies allow City staff to focus on other city functions. Combined, RCS principals have over 65 years of experience in cost allocation plans and fee studies, and have served over 250 municipalities. No other consulting firm can match our experience and reputation in this field.

CAPABILITIES OF STAFF & QUALIFICATIONS

The principals of RCS have a long and respected history of performing our studies in a professional and expedient manner. We do not send out junior staff to perform these vital services to our clients.

Mr. Kermer has been providing costing services for almost 39 years and Mr. Johnson has been providing these same services for more than 29 years. Mr. Thai recently joined the firm with 22 years of municipal experience. There is no other company that has this level of experience that will be provided directly to you.

We have provided these services to a wide array of public agencies, from the smallest special district to larger and more complex cities and counties. By using only principals with unparalleled experience in the operations of municipal agencies, we are able to set up and conduct meetings that will be productive. This efficient use of resources means that we are able to provide these services using less hours than less experienced consultants. This allows us to complete projects with more accurate information in a more timely fashion.

Mr. Johnson will be project coordinator and point of contact with the City. Mr. Johnson will coordinate the interviews with staff as well as the presentations to the Council. Mr. Kermer and Mr. Thai will provide assistance as needed. RCS does not rely on producing Status Memoranda, because we will be at the City quite often to tell you in person how the project is going.

A check of the references included in this proposal will confirm that Mr. Johnson has the experience to not only produce a Cost Allocation Plan and Fee Study Report that City staff can support, but also a Report that the City Council can easily understand and adopt.

The resumes for Mr. Kermer, Mr. Johnson, and Mr. Thai are included in the Appendix at the end of this proposal.

SCOPE OF WORK/METHODOLOGY

WORK PLAN

The proposed Work Plan is described below for the Cost Allocation Plan and User Fee Study. The Work Plan for the various parts of the Study will be done concurrently as there are overlapping steps and the results of the Cost Allocation Plan are needed for the overhead component of the Fee Study.

As is detailed in the task list below, RCS uses only firm principals to perform the necessary meetings with the departments. All meetings will be on-site at the City. RCS does not leave forms with staff and expect them to be filled out. We use our experience to work with staff, which makes the process quicker and the results more accurate.

Our process will allow the City to have well documented and defensible service costs which will be used to develop fees that will be in compliance with Propositions 4, 218, and 26.

Cost Allocation Plan

Task 1: Review Central Services and Allocate Staff Time

RCS will meet with City staff to review central services for indirect departments and allocate staff time and costs to those central services. City staff time would be approximately 1-2 hours per central service department in this process and would need to meet with RCS to establish the central service listing, quantify the department staff time involved in those central services, and review the results.

Task 2: Review Allocation Factors

RCS will meet with City staff to review the factors for allocating each central service identified. These factors will form the basis for determining fully burdened hourly rates and allocating the central service costs. This meeting will be concurrent with the time allocation meeting. City staff involvement for data gathering is a function of the availability of the required information, but RCS will use its experience to develop allocation factors which are easily reproducible from year to year but still fairly allocate the central service costs.

Task 3: Review Results with Departments

RCS will calculate allocations to the functional centers and review the results with the managers of the various central service departments. City staff time for this process will be less than 1 hour per department to review the results of the allocations.

Task 4: Prepare Draft Cost Allocation Plan and Review with City Staff

RCS will make any changes and prepare a Draft Report with allocations to end user departments using our 20-step allocation model. RCS will review this Draft Report with the City's management group and make any necessary adjustments.

Task 5: Prepare Final Cost Allocation Plan

RCS will make any changes and prepare a Final Report with allocations to end user departments. It will be these results that will be used for the City general overhead component of the Fee Study and can also be used to determine the amounts for transfers to the General Fund for support provided to other funds. RCS will provide five bound copies, one unbound copy, and a PDF file of the Final Report. RCS will make a presentation to the City Council to assist in their understanding of the cost allocation process and its results.

OMB Compliant Cost Allocation Plan

The OMB Compliant Cost Allocation Plan is required to be based on audited actual expenditures. Therefore, RCS will use the most recent audited expenditures once the audit process is complete. For the time allocations to the various central services the OMB Circular requires verifiable time allocations. Therefore, RCS will work with City staff to determine the level of time detail that exists. Most likely this will require time allocations at the divisional level.

The end result will be a Cost Plan with appropriate overhead rates for each department and division so that staff may be charged to Federal grant programs. RCS will provide five bound copies, one unbound copy, and a PDF file of the Final Report.

RCS will then work with City staff on submitting the Cost Plan to the relevant cognizant agency and work with that agency until the Cost Plan is approved.

User Fee Study

Task 1: Kick-off Meeting

RCS will conduct a meeting with City staff explaining the operational methodology of the study and the role of City staff. We will review any possible issues that may arise as well as answer any questions from City staff about the process. This meeting is crucial for the process as we want to insure that everyone understands the various steps in the process and what is expected of them.

Task 2: Review the Service List with Departmental Staff

RCS will review the service list through meetings with City staff. We will also work with Departmental staff to determine any changes to the fee calculation methods. The end result, whichever method is utilized, will be a fee structure that best fits the City of Desert Hot Springs going forward. While this list will change during the course of the Study as it is refined, it will be the initial basis from where we start. City staff time for this review will be less than 1 hour per department.

Task 3: Staff Time Allocations

RCS will interview personnel providing end-user services to insure that costs from all functional areas directly involved with a service are included in the cost of that service. This component will form the bulk of the time spent by staff. There will be two to four meetings with supervisory level staff in each functional area to create and verify the amount of time spent by staff on the services identified in the task above. We do not ask City staff to do our job by filling out forms detailing where they spend their time. This iterative process, and the fact that we allocate 100% of all departmental staff, allows everyone to insure that the information being generated is valid and reliable. A sample Time Detail Report is included in the following pages.

Task 4: Develop Fully Allocated Hourly Rates

RCS will develop a fully allocated hourly rate for each departmental employee, including salaries and benefits, miscellaneous operating service and supply costs, overhead costs from the above Cost Allocation Plan, debt service, and other direct costs as identified, which can be used for all charging and costing processes. A Sample Hourly Rate Report is included in the following pages.

Task 5: Prepare Draft Report

RCS will prepare a Draft Report that identifies the total costs for each service, the current fees, and makes fee recommendations for each service presented. RCS will review this draft report with the departments, so that each department will have final input on the fees presented in the final report. City staff time would be approximately 1-2 hours per department for those departments that have fee services. A sample of

the Service Summary and Cost Detail Reports that are provided for each service is included in the following pages.

Task 6: Prepare a Fee Survey

RCS will compare existing and proposed fees in key benchmark areas with those charged by other comparable agencies. To insure this process is comparing like services, RCS recommends that the City compare the fees involved in moving a typical development from the beginning to the end of the development process.

Task 7: Prepare Final Report

Based on staff input, RCS will prepare a Final Report, which will have recommendations for new fees and subsidy percentages and projections of new revenues from those fees. The Report will also include explanatory text and various summary tables to easily explain the results and the context. All recommended fees will be in compliance with Propositions 4, 218, 26, and any other applicable laws. RCS will provide five bound copies, one unbound copy, and a PDF file of the Final Report, as well as an electronic copy of a Master Fee Resolution with the City's proposed fees included in it.

Task 8: Present Report to the City Council

RCS will assist the City Council in the review and adoption of revised service fees and subsidy percentages and assist the staff in the implementation of the revised service fees at up to three meetings.

PROJECT TIMELINE

Work would begin immediately on notification by the City, however it is very important that staff has the time to discuss, review and absorb the information. This will insure that the resulting Report is accurate and that staff supports the results. RCS proposes the following schedule of tasks over the course of the project to meet the City's needs. This schedule, of course, will require the cooperation of City staff.

Task	May	June	July	Aug.	Sept.
Cost Allocation Plan					
Review of Central Services/Time					
Review Allocation Factors					
Review Results with Departments					
Prepare Final Cost Allocation Plan					
User Fee Study					
Kick-Off Meeting					
Review Service List					
Review Staff Time Allocations					
Develop Fully Alloc. Hourly Rates					
Prepare Draft Report					
Prepare Final Report					
Present Reports to the Council					

SAMPLE FEE SERVICE SUMMARY WORKSHEET

**Demonstration Copy
REVENUE AND COST SUMMARY WORKSHEET**

SERVICE VARIANCE REVIEW		REFERENCE NO. S-021	
PRIMARY DEPARTMENT PLANNING	UNIT OF SERVICE APPLICATION	SERVICE RECIPIENT Developer/Resident/Business	
DESCRIPTION OF SERVICE Review proposed variance from terms of zoning code and prepare staff report for the Planning Commission			
CURRENT FEE STRUCTURE Planning Commission Variance - \$1,630 per application Area Variance Committee - \$1,280 per application RV Permit - \$250 per application, plus \$250 if an area variance committee hearing is required. Admin. Adjustment - \$965 per application			
<u>REVENUE AND COST COMPARISON</u>			
UNIT REVENUE:	\$1,067.50	TOTAL REVENUE:	\$6,405
UNIT COST:	\$1,269.50	TOTAL COST:	\$7,617
UNIT PROFIT (SUBSIDY):	\$(202.00)	TOTAL PROFIT (SUBSIDY):	\$(1,212)
TOTAL UNITS:	6	PCT. COST RECOVERY:	84.09%
SUGGESTED FEE FOR COST RECOVERY OF: 100% Planning Commission Variance - \$2,645 per application plus 30% of the application fee for each additional item after the first item subject to Variance Planning Commission Variance (SFR Owner-occupied) - \$1,325 RV Permit - \$465 per application, plus \$465 if an Administrative Adjustment is required. Admin. Adjustment - \$620 per application plus 30% of the application fee for each additional item after the first item subject to Administrative Adjustment			

May 13, 2013

SAMPLE FEE SERVICE DETAIL WORKSHEET

**Demonstration Copy
COST DETAIL WORKSHEET**

SERVICE VARIANCE REVIEW		REFERENCE NO. S-021				
NOTE Unit Costs are an Average of Total Units		TOTAL UNITS 6				
<u>DEPARTMENT</u>	<u>POSITION</u>	<u>TYPE</u>	<u>UNIT TIME</u>	<u>UNIT COST</u>	<u>ANN. UNITS</u>	<u>TOTAL COST</u>
Engineering	CIVIL ENGINEER ASSOC.	Plan Comm.	1.00	\$148.35	2	\$297
Engineering	CIVIL ENG PRINCIPAL	Plan Comm.	1.00	\$164.45	2	\$329
Com. Dev. Admin.	COMM. DEV. DIRECTOR	Plan Comm.	1.50	\$227.97	2	\$456
Planning	PLANNING MANAGER	Plan Comm.	2.50	\$464.70	2	\$929
Planning	COMBO PLANNER	Plan Comm.	11.50	\$1,368.78	2	\$2,734
Planning	ADMIN ASSISTANT	Plan Comm.	4.00	\$274.84	2	\$550
TYPE SUBTOTAL			21.50	\$2,647.09		\$5,294
Com. Dev. Admin.	COMM. DEV. DIRECTOR	RV Permit	0.50	\$75.99	1	\$76
Planning	PLANNING MANAGER	RV Permit	0.50	\$92.94	1	\$93
Planning	COMBO PLANNER	RV Permit	2.33	\$278.92	1	\$277
Planning	ADMIN ASSISTANT	RV Permit	0.25	\$17.18	1	\$17
TYPE SUBTOTAL			3.58	\$463.03		\$463
Engineering	CIVIL ENGINEER ASSOC.	Admin Adjustment	0.17	\$25.22	3	\$76
Com. Dev. Admin.	COMM. DEV. DIRECTOR	Admin Adjustment	0.25	\$38.00	3	\$114
Planning	PLANNING MANAGER	Admin Adjustment	1.00	\$185.88	3	\$558
Planning	COMBO PLANNER	Admin Adjustment	2.83	\$338.35	3	\$1,009
Planning	ADMIN ASSISTANT	Admin Adjustment	0.50	\$34.36	3	\$103
TYPE SUBTOTAL			4.75	\$619.81		\$1,859
TOTALS			29.83	\$1,269.50		\$7,617

May 13, 2013

SAMPLE FULLY ALLOCATED HOURLY RATE DETAIL REPORT

**Demonstration Copy
Fully Allocated Hourly Rate
Position Detail**

POSITION TITLE: COMBO PLANNER
 POSITION CODE: COMBO
 SUBORG UNIT: Planning
 SUBORG UNIT CODE: 285-60000-61050
 NO. OF FTE'S: 6.000
 POSITION STATUS: FT
 FRINGE GROUP: 2

	<u>Total Avail-Wk-Hrs</u>	<u>% of Salary</u>	<u>Hourly Rate</u>
DIRECT COSTS:			
Avail. Work Hours/Salary	9,918		\$48.16
Fringe Benefits		35.18%	\$16.94
Maintenance & Operation Costs		8.33%	\$4.01
Building Occupancy Costs		0.00%	\$0.00
Debt Service Costs		0.00%	\$0.00
INDIRECT COSTS:			
Overhead Costs		103.28%	\$49.74
Fixed Asset Replacement Costs		0.00%	\$0.00
TOTAL - All Costs			\$118.85

May 13, 2013

SAMPLE POSITION TIME DETAIL REPORT

**Demonstration Copy
Time Detail by Position**

Position: A90 ACCOUNTING MANAGER

of Employees: 1.000

Memo:

SubOrg: 001-21000-21000 Finance Administration

				TOTAL			
				UNIT TIME	UNITS	TIME	PERCENT
CAP-050	BUDGET PREP/COORDINATION	1%		16.53	1	16.53	1.00%
CAP-051	GENERAL ACCOUNTING	Remainder Of Time		662.84	1	662.84	40.10%
CAP-054	PURCHASING SERVICES	3%		49.59	1	49.59	3.00%
CAP-055	ACCOUNTS PAYABLES	15%		247.95	1	247.95	15.00%
CAP-056	PAYROLL SERVICES	4%		66.12	1	66.12	4.00%
CAP-059	CDBG SUPPORT	3%		49.59	1	49.59	3.00%
CAP-060	REDEVELOPMENT SUPPORT	25%		413.25	1	413.25	25.00%
CAP-061	FINANCE DEPT SUPPORT	5%		82.65	1	82.65	5.00%
CAP-062	GRANT ADMINISTRATION	3%		49.59	1	49.59	3.00%
S-088	ANIMAL CONTROL	1/4 Hr/Month		0.00	7,000	2.98	0.18%
S-124	HYDRANT METER RENTAL SERVICE	1/4 Hr/Mo - Rental		0.07	43	2.98	0.18%
S-138	RETURNED CHECK PROCESSING	1/2 Hr/Month		0.02	370	5.95	0.36%
TAX-48	POLICE FALSE ALARM RESPONSE	15 Min/Mo - Billing		0.01	520	2.98	0.18%
						1,653.00	100.00%

May 13, 2013

PROJECT BUDGET

Revenue & Cost Specialists proposes the following options shown below.

Task	Milestones/Deliverables	Total Cost
Cost Allocation Plan (CAP)		
Review Central Services/Time	List of Central Services	1,500
Develop Allocation Factors	Index of Allocation Factors	2,500
Review Results with Departments	Review of Initial Results	2,000
Prepare Final Cost Allocation Plan	Final Report	1,000
	Total Cost Allocation Plan	\$7,000
User Fee Study		
Kick-Off Meeting	Informational Meeting	1,000
Develop Service List	Preliminary Service List	1,000
Develop Staff Time Allocations	Time Detail Reports	9,000
Develop Fully Allocated Hourly Rates	Fully Allocated Hourly Rate Reports	3,000
Prepare Draft Report	Draft Fee Study Report	3,000
Prepare Final Report	Final Report	2,500
Present Report to the Council	Council Presentation	2,500
	User Fee Study	\$22,000
	TOTAL CAP AND FEE STUDY COMBINED	\$29,000
	OMB Cost Allocation Plan	\$4,000

The above costs are based on a cost of \$140 per hour. The billing rate for any additional work not covered by this proposal would be \$195 per hour.

The above fees cover all costs except for the following additional costs which the City may incur:

- insurance coverage beyond our basic general liability and workers compensation

requiring an additional premium⁽¹⁾,

- report reproduction beyond identified number of copies of the final Reports, and
- City Council meeting attendance beyond the three identified meetings in this proposal.

RCS will submit four equal invoices plus any miscellaneous costs from the previous paragraph. The first invoice will be submitted ten days after notice to proceed. Each invoice will be due within 30 days of submission.

⁽¹⁾ RCS standard coverage includes comprehensive liability insurance with a combined single limit coverage of \$1,000,000 and professional liability insurance with aggregate coverage of \$2,000,000.

REFERENCES

Revenue & Cost Specialists has recently completed similar projects for the following public agencies and would request you to contact them for references:

Jurisdiction	Contact	Title
City of La Habra Heights	Jarad Hildenbrand (562) 694-6302	City Manager jhildenbrand@lhcity.org
RCS recently provided a draft Cost Allocation Plan and Comprehensive Fee Study for the City. The City Council reviewed and approved fee recommendations.		
City of El Segundo	Joseph Lillio (310) 524-2315	Director of Finance jlillio@elsegundo.org
RCS recently completed a Cost Allocation Plan and Comprehensive Fee Study for the City in 2018. The City Council recently adopted changes to its fee schedule.		
City of Diamond Bar	Dianna Honeywell (909) 839-7051	Finance Director dhoneywell@diamondbarca.gov
RCS recently completed a Cost Allocation Plan and Comprehensive Fee Study for the City in 2017. The City Council recently adopted changes to its fee schedule.		
City of Santa Clarita	Carmen Magana (661) 255-4997	Admin Services Director cmagana@santa-clarita.com
RCS developed a Cost Allocation Plan and Comprehensive Fee Study for the City most recently in 2014 and has also updated the Cost Allocation Plan in 2011, 2012, and 2013, 2014, 2015, and 2016. RCS has been providing these services for the City since 1995.		
City of Hermosa Beach	Viki Copeland (310) 318-0225	Finance Director vcopeland@hermosabch.org
RCS developed a Cost Allocation Plan and Comprehensive Fee Study in 2006 and 2016. The fee recommendations were approved by the City Council.		
City of Lancaster	Pam Statsmann (661) 723-6038	Finance Director pstatsmann@cityoflancasterca.org
RCS has been providing Cost Allocation Plan and Fee Study services for the City since 2006, most recently in 2016.		

Appendix

Resumes of Proposed Staff

ERIC S. JOHNSON

EDUCATION

Bachelor of Arts - University of Redlands, Redlands, California

PROFESSIONAL EXPERIENCE

Revenue & Cost Specialists/Management Services Institute - Partner

(January 1990 - Present) Provide general financial management assistance to municipalities, counties, and special districts.

Unit Distribution - Customer Service Representative

(July 1989 - January 1990) Administered a distribution account for client and acted as a liaison between client and their customers.

City of Redlands Redevelopment Agency - Redevelopment Intern

(November 1987 - May 1989) Researched issues related to Redevelopment for the Director. Audited the Agency budget. Researched and reported on the Agency's 20% "set-aside" responsibilities for Low & Moderate Income Housing.

CLIENTS SERVED

COST OF SERVICE FEE STUDIES

City of Arcadia
City of Atascadero
City of Azusa
City of Banning
City of Barstow
City of Beverly Hills
City of Carlsbad
City of Carmel-by-the-Sea
Carpinteria-Summerland Fire District
City of Corona
Contra Costa County
City of Desert Hot Springs
City of Diamond Bar
City of Dublin, Ohio
City of El Segundo
City of Elk Grove
City of Eureka
City of Folsom
City of Glendale
City of Glendora
City of Hermosa Beach
City of Highland
City of Huntington Beach
Imperial County
City of La Canada-Flintridge
City of Lakewood
City of La Mirada
City of Lancaster
City of La Puente
City of Lincoln
City of Lindsay
City of Loma Linda
City of Long Beach Marine Bureau
City of Los Altos
Town of Mammoth Lakes
City of Manhattan Beach
City of Marina
City of Menifee
City of Milpitas
City of Monterey
City of Morgan Hill
City of Morro Bay
City of Needles
City of Oakdale

COST OF SERVICE FEE STUDIES

Orange County Fire Authority
City of Oroville
City of Oxnard
City of Palm Springs
City of Peoria, Arizona
City of Pico Rivera
City of Pismo Beach
City of Redlands
City of Rialto
City of San Clemente
City of San Gabriel
City of San Marino
City of Santa Clarita
City of Santa Paula
City of Seaside
City of Simi Valley
City of Solana Beach
City of South Lake Tahoe
City of South Pasadena
City of Stockton
City of Thousand Oaks
City of Tracy
Town of Truckee
Ventura County Fire District
City of West Covina
City of West Jordan, Utah
City of Westminster
City of Yuba City

COST ALLOCATION PLANS

Town of Apple Valley
City of Arcadia
City of Atascadero
City of Azusa
City of Barstow
City of Beverly Hills
City of Carlsbad
Coachella Valley Assoc of Gov't
County of Cobb, GA
City of Concord
City of Corona
City of Desert Hot Springs
City of Diamond Bar

COST ALLOCATION PLANS

City of El Segundo
City of Elk Grove
City of Folsom
City of Glendora
City of Hermosa Beach
City of La Canada-Flintridge
City of Lakewood
City of La Mirada
City of Lancaster
City of La Puente
City of Lathrop
City of Lincoln
City of Los Altos
City of Lynwood
City of Manhattan Beach
City of Menifee
City of Marina
City of Needles
City of Oakdale
City of Oroville
City of Oxnard
City of Palmdale
City of Pasadena
City of Peoria, Arizona
City of Pico Rivera
City of Pismo Beach
Placer County Water Agency
Riverside County Transport. Comm.
San Bernardino Assoc. Gov't
County of San Bernardino Spec Dist.
City of San Gabriel
City of San Marino
City of Santa Clarita
City of Santa Monica
City of Santa Paula
City of Seaside
City of Solana Beach
City of South Pasadena
City of Suisun City
City of Thousand Oaks
City of Tracy
County of Tulare
City of Westminster

ALBERT RICHARD ("RICK") KERMER, JR.

EDUCATION

Bachelor of Arts - University of Chicago-Economics

Master of Business Administration - University of Chicago-Accounting and Math Methods/Computers

PROFESSIONAL CERTIFICATION

Certified Public Accountant-Retired, State of California

PROFESSIONAL EXPERIENCE

Revenue & Cost Specialists/Management Services Institute - President

(1979-Present) Chief Executive Officer of a diversified management services company.

City of Buena Park-Director of Finance/City Treasurer

(1976-1979) Managed a department responsible for administering the budget and general accounting plus water billing, treasury management, business licensing and data processing of a full-service city. Developed and implemented an integrated on-line financial and program budgeting system. Prepared City's first Annual Financial Report for FY 1978-79 which received a CSMFO Meritorious Award.

Municipal Finance Consultant, Lecturer and Author

(1976-Present) Performed accounting and financial assistance to numerous municipal governments. Assisted redevelopment agencies, housing authorities, and other specialized districts. Provided contractual accounting services to cities including service as Acting Controller of Compton.

Lecturer on governmental accounting, budgeting, cost accounting and risk management at the University of Southern California. Speaker at several League of California Cities meetings on risk management and cost accounting. Co-author of several articles on risk management published by the Municipal Finance Officers Association and Western Cities magazine. Co-author of the League of California Cities publication, Cost Accounting for California Cities.

City of Lynwood-Fiscal Officer

(1975-1976) Created Finance Department. Established centralized purchasing and review of accounts payable. Administered risk management program. Organized utility billing system for accounting control and follow-up on delinquents.

Lance, Soll & Lunghard, CPAs-Senior Auditor

(1971-1975) Audited the Cities of Bell, California City, Claremont, Costa Mesa, Duarte, Torrance, Lynwood, Montclair, Oxnard, Rialto, San Dimas and Whittier. Recommended warrant processing and receipting procedures. Reviewed internal control and recommended changes to strengthen same. Prepared annual financial reports and monitored adherence to generally accepted accounting procedures.

Publications:

Co-Author of Cost Accounting for California Cities, League of California Cities, 1981 Sacramento, CA

ALBERT RICHARD ("RICK") KERMER, JR.- (continued)
CLIENTS SERVED

SERVICE COST STUDIES

City of Alhambra
City of Banning
City of Big Bear Lake
City of Brea
City of Carlsbad
City of Carpinteria
City of Ceres
City of Chino
City of Claremont
City of Coachella
County of Contra Costa
City of Corona
City of Cudahy
City of Dinuba
City of Dublin, Ohio
City of Folsom
City of Fontana
City of Foster City
City of Fountain Valley
City of Fullerton
City of Goodyear, Arizona
City of Hemet
City of Highland
City of Huntington Beach
County of Imperial
City of La Mirada
City of La Palma
City of Lake Forest
City of Lemoore
City of Lindsay
City of Los Altos
City of Lynwood
City of Mammoth Lakes
City of Marina
City of Merced
City of Milpitas
City of Monrovia
City of Monterey
City of Moreno Valley
City of Morgan Hill
City of Norwalk
City of Oakdale
City of Oceanside
Oceanside Harbor District
City of Palmdale
City of Palm Desert
City of Pasadena
City of Pittsburg
City of Pomona
City of Port Hueneme
City of Rancho Cucamonga
City of Rancho Palos Verdes
City of Red Bluff
City of Redlands
City of Rialto
City of Richmond
City of Riverside
City of Rocklin
City of Salinas
City of San Clemente
City of San Juan Capistrano
City of San Rafael
City of Sanger
City of Santa Clarita
City of Scotts Valley
City of Seal Beach
City of Selma
City of Sierra Madre
City of Solana Beach

SERVICE COST STUDIES (cont.)

City of South Gate
City of South Lake Tahoe
City of Springville, Utah
City of Thousand Oaks
City of Tulare
City of Turlock
City of Upland
City of Villa Park
City of Vista
City of Westminster
City of West Jordan, Utah

COST ALLOCATION PLAN

City of Alhambra
City of Buena Park
City of Carlsbad
City of El Cajon
City of Lynwood
City of Rialto
City of San Rafael
City of Solana Beach
City of Thousand Oaks
Orange County Vector Control District

CASH MANAGEMENT

City of Buena Park
City of Commerce
City of Compton
La Mirada Civic Theater
City of Palmdale

ACCOUNTING PROCEDURES

City of Buena Park
Commerce Redevelopment City
City of Compton
City of La Habra
City of La Palma
City of Morgan Hill
City of Palmdale
South Gate Housing Authority

DATA PROCESSING

City of La Palma
Ontario-Montclair School District
City of Palmdale
City of San Clemente
City of South Gate
City of Villa Park

ORGANIZATIONAL AND MANAGEMENT

City of La Mirada
Ontario-Montclair School District
City of South Gate
City of Vista

UTILITY RATE STUDIES

City of Brea
City of Chino
City of El Segundo

LONG RANGE FINANCIAL PLAN

City of Chino
City of Cudahy
City of Lake Elsinore
City of South Gate
City of Hesperia
City of Turlock

CHU THAI

WORK EXPERIENCE

Impact Fees: Cities of Morgan Hill and Monterey Park

Utility Rates: Cities of Morgan Hill, Beverly Hills, South Pasadena and Monterey Park

User Fees: Cities of Claremont, Morgan Hill, Beverly Hills, South Pasadena, Monterey Park, La Habra Heights, Marina, Antioch and Solana Beach

January 2014 to April 2017 – Director of Management Services, City of Monterey Park, CA

- Managed department of 15 to provide financial planning and reporting, revenue collections, treasury, information technology, telecommunication and support services
- Improved city's revenues through updated user fees, utility rates, and impact fees
- Conducted long-term financial forecasting and analysis for all funds
- Streamlined and enforced purchasing process
- Participated in risk management financial analysis and claims committee
- Transitioned to new City auditors, business license auditors, and TOT auditors

April 2013 to August 2013 – Administrative Services Director, City of Stanton, CA

- Managed department of four to provide general accounting, accounts payable, purchasing, payroll, business tax, treasury, IT and telecommunication services
- Updated the City's Investment Policy and strategy
- Developed long-term revenue strategy
- Performed communications audit and reduced expenses by 75%

January 2009 to April 2013 – Finance Director, City of South Pasadena, CA

- Managed department of eight to provide finance, business tax, utility billing, animal licensing, filming, IT and telecommunication services
- Outsourced utility billing and customer service
- Completed \$43.4 Million Water Bond Issuance and \$12 Million Refunding
- Coordinated the passage of Utility Users Tax Ballot Measure
- Worked with City Treasurer and Finance Committee on fiscal matters affecting the City
- Negotiated lease agreements for city property and cell towers

October 2006 to December 2008 – Budget and Management Officer, City of Beverly Hills, CA

- Managed \$400 million citywide budget for 750 full-time employees
- Developed comprehensive capital improvement program
- Developed quarterly performance report presented to the City Council
- Implemented performance based budget, including goals and objectives
- Assisted in management audits of various departments
- Updated the city's user fees and utility rates

April 2001 to September 2006 – Budget Manager, City of Morgan Hill, CA

- Managed utility billing, purchasing, business license and accounts receivable functions
- Developed \$120 million budget for 250 full-time employees
- Coordinated IT overhaul, including finance, utility billing and recreation software conversions, standardization, training, disaster recovery and outsourcing.
- Assisted RDA with analysis of development agreements and economic impact
- Developed pro-formas for proposed aquatics and community centers
- Updated the city's impact fees, user fees and utility rates

April 1999 to March 2001 – Senior Management Analyst, City of Tustin, CA

- Coordinated the City's \$80 million operating and CIP budget with all departments
- Managed finance software upgrade, focusing on departmental reports
- Deployed online payment system for utility customers

June 1995 to March 1999 – Management Analyst – Community Services, City of Claremont, CA

- Assisted in the development of effective parks and recreation programs
- Assisted in the construction and programming of the Claremont Youth Activity Center, Claremont Skate Park and Hughes Community Center
- Coordinated Non-Profit Funding Program utilizing CDBG and General Funds
- Coordinated budget and evaluated cost recovery for the department

April 1994 to May 1995 – Intern – Human Services and Public Works, City of La Mirada, CA

- Assisted the Human Services and Public Works department with studies and projects.

EDUCATION

- Claremont Graduate University – Completed coursework towards Masters in Public Policy
- Cal State Northridge – MA Public Administration
- Cal Poly, Pomona – BS in Urban and Regional Planning

PROFESSIONAL ASSOCIATIONS & EXPERIENCES

- California Society of Municipal Finance Officers (CSMFO – Board Member)
- Government Finance Officers Association (GFOA)
- International City/County Management Association (ICMA) and (Cal-ICMA)
- Municipal Information Systems Association of California (MISAC)



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