

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Jennifer Hennessy, Director of Finance

**DATE:** May 28, 2019

**SUBJECT:** Approve the Fourth Amendment to the Agreement with Chad Wohlford dba: Wohlford Consulting for Additional Cost Allocation Plan and User Fee Study Analysis

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**PREPARED BY:** Mary Vollmuth, Purchasing Manager  
Rudy Graciano, Fiscal Services Manager

**RECOMMENDATION:** That the City Council approve the Fourth Amendment to the Agreement with Chad Wohlford dba: Wohlford Consulting, in the amount of \$10,000 for additional Cost Allocation Plan and User Fee Study analysis for a total contract amount of \$71,788.

**BACKGROUND:** The current contracted consultant Chad Wohlford dba: Wohlford Consulting has been performing comprehensive studies to update the City of Temecula Cost Allocation Plan and User Fees. A Cost Allocation Plan study analyzes each function within the City's administrative departments to determine their cost and develop the appropriate allocation basis necessary to distribute those costs to internal departments that receive services from administration. Conducting a User Fee study is best practice in accurately and fairly determining the full cost for City departments to provide direct services to individuals and businesses within the community, such as plan check, inspection, permitting and other development-related services.

Completion of the study was impacted by delays due to review of all Police services and applying a fee schedule to each activity, inclusion of new fees proposed by City departments, and unexpected personal setbacks experienced by the Consultant. It is necessary to modify and update the Cost Allocation Plan and User Fee Study to ensure the City is compliant with Proposition 218, as well as Government Code 66016. Additionally, an approved Cost Allocation Plan is required to allocate overhead costs to projects and programs funded by Federal and/or State grants.

A comprehensive and updated Cost Allocation Plan and User Fee Study is scheduled for completion by December 31, 2019 at which time, Staff and the Consultant will provide a final presentation of results to the City Council, or its designated subcommittee.

**FISCAL IMPACT:** Adequate funds are included in the Fiscal Year 2018-19 Finance Operating Budget.

**ATTACHMENTS:** Fourth Amendment to Agreement