

Memorandum



CITY OF DALLAS

DATE February 5, 2010

TO Members of the Transportation and Environment Committee:
Linda L. Koop (Chair), Sheffie Kadane (Vice Chair), Jerry Allen, Tennell Atkins, Carolyn R. Davis, Angela Hunt, Delia Jasso, Pauline Medrano, Ron Natinsky, Vonciel Jones Hill

SUBJECT Cost Recovery Policy – Traffic Signs Briefing
February 8, 2010

Attached is the Cost Recovery Policy – Traffic Signs briefing that will be presented to you on Monday, February 8, 2010.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, P.E.
Assistant City Manager

Attachment

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins, Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest E. Turner, Assistant City Manager
David Cook, Chief Financial Officer
Jeanne Chipperfield, Director, Financial Services
Edward Scott, Director, Controller's Office
Helena Stevens-Thompson, Assistant to the City Manager – Council Office
Rick Galceran, P.E., Director, Public Works and Transportation

Cost Recovery Policy - Traffic Signs

Presented to
Transportation
and Environment Committee
February 8, 2010



Presenter: Elizabeth Ramirez, P.E.
Assistant Director
Public Works & Transportation



Purpose

- ❑ **Develop a consistent policy for charging the public for specific types of signs**
 - no formal policy for sign charges in city code
 - charges need to be updated to reflect current expenses

Background

- On October 26th staff presented briefing on Crime Prevention signs
- Briefing recommended full cost recovery for signs from crime watch organizations
- There have been concerns about the proposed increase in charges

Sign Costs

❑ \$ 22 Sign cost

- Sign material has increased due to higher reflectivity standards
- Cost of aluminum sign blanks has increased
- Past analysis shows in-house fabrication lower than private sector

❑ \$18 Installation cost on existing pole

- Staff developed an average cost per sign based on data from past work orders and typical number of signs requested per order
- Crime Prevention signs are typically mounted on existing poles
- Signs that require a **new pole will cost an additional \$26**

– \$50 Processing cost – (propose to recover via application fee)

- Covers costs related engineering site visits, work order preparation, and processing of payments

❑ Full Cost Recovery

- \$50 application fee + **\$40** (\$22/sign +18/install) mounted on **existing pole**
- \$50 application fee + **\$66** (\$22/sign+\$18/install+\$26/pole) mounted on **new pole**

Options for Consideration

- **Option 1 – continue current practice**
 - Public pays only \$22 for the cost of the sign
 - City pays sign installation + processing costs

- **Option 2 - full cost recovery**
 - Public pays \$50 processing cost
 - Public pays \$40 per sign ⁽¹⁾

- **Option 3 - partial cost recovery to encourage participation in crime prevention program**
 - Public pays \$50 processing cost
 - Public pays **\$0 per sign for first 10 signs** ⁽¹⁾
 - Public pays full cost \$40 per sign for additional signs ⁽¹⁾

Note: (1) \$66 per sign cost if a new post is required

Sign Cost Comparison Example

- ❑ A crime watch group typically requests 10 signs
- ❑ Option 1: At 10 signs, the crime watch group currently pays **\$220** (10 signs @ \$22/per sign)
- ❑ Option 2: If we ask for full cover recovery, they would pay **\$450** (\$50 application fee + (10 signs @ \$40/sign))
- ❑ Option 3: If we ask for partial cost recovery, they would pay **\$50** (\$50 application fee + \$0 for first 10 signs)



Policy Options – Impact on Budget

	A	B	C = A – B	D	E = D - C
Options	Annual Cost of Signs for Crime Watch Program	Revenue to City	<u>Net</u> Cost to City	Current Amount Budgeted	Impact to Budget
Option 1 Current Practice	\$13,250 \$50 to process x 25 applications \$40 sign fee x 300 signs	\$6,600 \$22 sign only x 300 signs	\$6,650	\$6,650	\$0
Option 2 Full Cost Recovery	\$13,250 \$50 to process x 25 applications \$40 sign fee x 300 signs	\$13,250 \$50 fee x 25 applications \$40 sign fee x 300 signs	\$0	\$6,650	+ \$6,650 surplus
Option 3 Partial Cost Recovery	\$13,250 \$50 to process x 25 applications \$40 sign fee x 300 signs	\$3,250 \$50 fee x 25 applications \$40 sign fee x 50 signs	\$10,000	\$6,650	- \$3,350 Deficient

- \$40 cost per sign (\$22 sign cost + \$18 installation cost) - assumes no new post is required
- Average 25 applications per year
- Typically 10 signs or less requested per application
- Average **300** signs installations per year
- 25 applications per year x 10 free signs per application = **250** free signs
- Total of 300 signs installed per year – 250 free signs = **50** remaining signs charged at full cost of \$40