

Agenda Report

TO: CITY COUNCIL
Through: FINANCE COMMITTEE

DATE: May 23, 2005

FROM: CITY MANAGER

SUBJECT: ANNUAL AMENDMENTS TO THE GENERAL FEE SCHEDULE

RECOMMENDATION

It is recommended that the City Council adopt by resolution the fiscal year 2006 General Fee Schedule, which contains amended fees using data gathered during the annual review of Cost of Service. Pursuant to California Government Code Section 66017 development project fees that "apply to the filing, acceptance, review, approval or issuance of an application, permit, or entitlement to use" shall be effective no sooner than 60 days following the final action on adoption of the fee or charge or increase in the fee or charge, therefore all fees other than development project fees shall take effect on July 1, 2005, and development project fees shall take effect on July 25, 2005.

BACKGROUND

Pursuant to Pasadena Municipal Code section 1.08.070, the amount of any fee established by resolution of the City Council shall not exceed the cost incurred by the city in providing the service, use, action or item for which the fee is charged. Moreover, a written schedule of fees, designated the General Fee Schedule, adopted by resolution of the City Council shall be filed with the City Clerk and shall be available for public inspection during regular business hours.

Annually these fees are reviewed in order to: determine whether or not there should be increases or decreases based on the cost of providing services; determine whether new fees for new services are warranted, as well as to determine whether some fees should be eliminated. Short of these types of changes, fees may also be held constant or increased by an amount equal to the change in the consumer price index (CPI) for the Los Angeles-Orange-Riverside counties for the preceding twelve-month period ending March 1, which for the most recent period equaled 3.84%.

For fiscal year 2006 few changes are being proposed in the General Fee Schedule beyond increases based on change in the CPI. The primary

reason for this is that the City is currently undertaking a comprehensive cost of service study. The study, being performed by the professional consulting firm Maximus Inc., and authorized by the City Council on January 10, will review the fees contained in the City's General Fee Schedule and reconcile them to the true cost of providing the services to ensure the City is charging the appropriate amount. It is anticipated that upon the conclusion of the study, currently expected in late June or early July, staff will return to the Council with further amendments to the Schedule.

Proposed New Fees:

Public Health Department

The Public Health Department is recommending the addition of the following fees to the General Fee Schedule:

- 1) Food Safety Recertification Exam Fee (page 45 of attachment A) – proposed fee \$100. The purpose of this fee is to recover the cost of providing State-approved educational courses and testing for the recertification of certified food handlers. State law requires all restaurants to have at least one certified food handler, who must be recertified every three years. The City is not the only agency that provides this service, but as a convenience to local merchants, would like to do so on a fee for service basis.
- 2) Prenatal Care Sick Visit Fee (page 46) – proposed voluntary payment \$20.00. This voluntary payment would partially recover the costs of treating prenatal patients who report to the clinic with illnesses that are not pregnancy-related.
- 3) Immunizations, Flu/Pneumonia, State Subsidized Vaccines, Administrative Fee (page 47) – proposed fee \$15.00. The purpose of this fee is to recover the cost of consultation, administering the vaccine, related supplies, record keeping and reporting.
- 4) Immunizations for Travel, State Subsidized Vaccines, Administrative Fee (page 47) – proposed fee \$15.00. The purpose of this fee is to recover the cost of consultation, administering the vaccine, related supplies, record keeping and reporting.
- 5) Immunizations for Travel, Meningococcal & Diphtheria (Conjugate) Vaccine Fee (page 47) – proposed fee \$108.00. The purpose of this fee is to recover the cost of vaccine, consultation, administering the vaccine, related supplies, record keeping and reporting.
- 6) Tuberculosis Clinic Records Replacement Fee (page 48) – proposed fee \$10. The purpose of this fee is to recover the cost of providing replacement copies of Tuberculosis test results.

Fees Recommended for Deletion:

The Public Health Department is proposing to eliminate fees for Gamma Globulin and Lymrix in the travel immunization program, as these vaccines are no longer available in the market.

Fees Recommended For Increases In Excess Of The Change In CPI:

Public Works

The Public Works Department is recommending a 5% increase in the fees for residential refuse collection (pages 56 & 57).

The Refuse Fund has made steady progress in reducing its negative beginning fund balance and based on current fund performance staff anticipates an ending fund balance of (\$409,657), a 40 percent reduction from the FY 2005 beginning fund balance. Despite this progress, based on actual and projected future years' operating expenses, specifically increasing personnel costs, equipment replacement requirements, maintenance costs and fuel costs, if no changes are made to refuse revenues the Refuse Fund will not be able to reduce the deficit further and, in fact, it will begin to grow as shown in the following table.

	Projected Beginning Fund Balance
FY 2003	(\$2,050,772)
FY 2004	(\$1,014,195)
FY 2005	(\$965,547)
FY 2006	(\$409,657)
FY 2007	(\$395,551)
FY 2008	(\$599,191)
FY 2009	(\$645,202)

Since these fees are contained in the General Fee Schedule they are already expected to increase by amounts equal to the change in the consumers price index. As discussed above, the increase in CPI over the last annual period related to the General Fee Schedule was 3.84%. Consequently, staff is requesting that the City Council approve an increase of an additional 1.16%. The five percent increase in service rates will allow the fund to more accurately recover the expenses incurred in providing refuse service to customers.

Department of Finance

The Department of Finance, Information Technology Services Division is recommending that the fees established by Pasadena Municipal Code (P.M.C.) Chapter 18, Cable, Video And Telecommunications Service Providers, be revised as follows. Additionally, it has been determined that these fees, which have heretofore been part of the City's schedule of Taxes, Fees and Charges, more properly belong in the General Fee Schedule. Consequently they have been removed from the former and incorporated into the latter.

- 1) Cable Television Systems Application Fee. Pursuant to P.M.C. 18.04.030, any person desiring an initial franchise for a cable television system must file an application with the City and pay a nonrefundable application fee intended to cover all costs associated with reviewing and processing the application, including without limitation costs of administrative review financial, legal and technical evaluation of the applicant, consultants (including technical and legal experts and all costs incurred by those experts), notice and publication requirements, and document preparation expenses.

The current application fee of \$15,000 has proven insufficient to cover the significant expenses incurred by the City when considering an application. Staff recommends that the fee be increased to \$25,000. Nevertheless, the Municipal Code also requires that should the costs associated with considering an application exceed the application fee, the applicant must pay the difference to the City within 30 days following receipt of an itemized statement of those costs.

- 2) Open Video Systems Filing Fee. Pursuant to P.M.C. 18.06.020, before commencing the delivery of video programming services to consumers in the city over an open video system, the open video system operator must file an application with the City accompanied by a nonrefundable filing fee in an amount established by resolution of the City Council.

Similar to the cable television system application fee, the current fee of \$15,000 is insufficient to cover the cost associated with considering an application. Staff recommends increasing the fee to \$25,000.

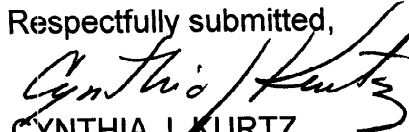
- 3) Appeal Of A Decision Of The City Manager - Fee for appeal of a decision regarding violation of customer protection and service standards. Section 18.04.050 of the P.M.C. sets forth a series of consumer protection and service standards that operators of cable, video and telecommunications are required to adhere to.

Pursuant to this section, the City Manager is authorized to assess penalties against a grantee for failure to adhere to these standards. Grantees so penalized may appeal to the City Council by filing an appeal letter accompanied by a fee established by the City Council. The current fee is \$600. The proposed fee of \$753 and is equal to that proposed for an appeal of staff/zoning administrator/Planning Director.

FISCAL IMPACT

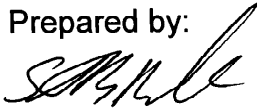
Charges for services represent more than \$10 million in annual City revenue. It is estimated that the newly proposed fees in the Health Department will generate approximately \$18,000; that the increase in refuse fees will generate an additional \$332,000, and that fees related to Cable, Video And Telecommunications Service Providers will generate an additional \$10,000 assuming there is one new franchise application in fiscal year 2006.

Respectfully submitted,



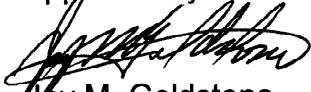
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