

Agenda Report

May 12, 2014

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

**SUBJECT: FISCAL YEAR 2015 RECOMMENDED GENERAL FEE SCHEDULE
PUBLIC HEARING**

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the Fiscal Year (FY) 2015 Recommended General Fee Schedule;
2. Continue this public hearing to each subsequent regular meeting of the City Council at 7:00 p.m., until June 9, 2014 or such other date as the City Council may determine, and at which time the City Council will be asked to close the public hearing and formally adopt the Fiscal Year 2015 General Fee Schedule.

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 services, use, action or item for which the fee is charged. Moreover, a written schedule of fees, designated as 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.

Per government code section 6063, an announcement of the FY 2015 Recommended General Fee Schedule public hearing was published in the Pasadena Journal for three successive weeks beginning on March 20, 2014. The FY 2015 Recommended General Fee Schedule was made available on the City's website for public review and comment on April 24, 2014. The fee schedule (Attachment A) presented for adoption includes all fees. In addition, a separate list of new fees is included (Attachment B) and a list of deleted fees is included (Attachment C).

The *General Fee Schedule* is reviewed annually to determine if there should be increases or decreases based on the cost of providing services, if new fees for new services are warranted, or if certain fees should be eliminated. 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 12-month period ending March 1st, where applicable. For the most recent period, the CPI adjustment equaled 0.54 percent. Some fees are held constant due to various Government Code provisions related to the respective departments. The calculation of the fees was rounded down to the nearest dollar, with some exceptions where the fee amounts have to be more precise. The new fees will be effective on July 1, 2014. Development related fees will be effective August 9, 2014. Pursuant to Government Code Section 66017 (a), changes to development fees shall be effective no sooner than 60 days following the final fee schedule adoption.

The *FY 2015 Recommended General Fee Schedule (Attachment A)* is attached and is posted to the City's website for public review.

The Public Health Department fees include dental clinic fees which were approved by City Council and adopted on March 24, 2014. The Environmental Health fees will be presented to Council separately on May 12, 2014.

Cost of Service Analysis

City staff presented the results of the Cost of Service (COS) Study and Draft Cost Recovery Guidelines to City Council in September 2013. A revised fee schedule that reflects the COS Study or the recommended cost recovery ratios was not adopted at that time. The FY 2015 Recommended General Fee Schedule does however, include some adjustments to fees based on the Cost of Service Study. The fees being adjusted by the COS results are in areas where the department has reviewed both the results of the COS and the Draft Cost Recovery Guidelines and determined the fee changes are appropriate and necessary to recover costs. As noted above, the remaining fees not adjusted based on the COS have been inflated by CPI, where appropriated. Finance Department staff will continue to work with other City departments to finalize cost recovery guidelines to present to the Finance Committee of the City Council during FY 2015. Adjustments will be made to the General Fee Schedule as appropriate fee levels are determined.

Fee Schedule Format

The fee schedule format has changed slightly. Previously, the document was published in three parts and is now consolidated into one part. And, instead of having separate columns for deposits and resident/non-resident fees, these deposits/fees are shown in separate rows.

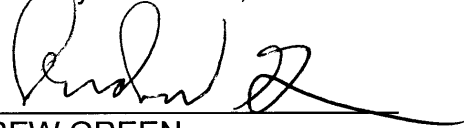
COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through annual review and updating of the *General Fee Schedule* and by ensuring that, where appropriate, the City is reimbursed for the cost of providing selected services.

FISCAL IMPACT:

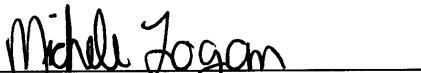
When adopted, the amendments to the *General Fee Schedule* are expected to increase revenues in FY 2015 in the General Fund by approximately \$150,000 and other funds by \$357,500. In addition to the 0.54 percent CPI adjustment, these revenues will also be impacted by changes in volume.

Respectfully submitted,



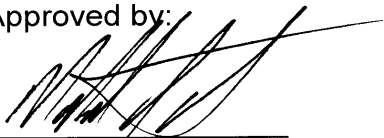
ANDREW GREEN
Director of Finance
Department of Finance

Prepared by:



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Department of Finance

Approved by:



MICHAEL J. BECK
City Manager

Attachments: 3

Attachment A – *Fiscal Year 2015 Recommended General Fee Schedule (all fees)*
Attachment B – *New Fees (only)*
Attachment C – *Deleted Fees (only)*