



Agenda Report

May 9, 2016

TO: Honorable Mayor and City Council
FROM: Director of Finance
**SUBJECT: OPENING OF PUBLIC HEARING FOR FISCAL YEAR 2017
RECOMMENDED SCHEDULE OF TAXES, FEES, AND CHARGES**

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the Fiscal Year (FY) 2017 Recommended Schedule of Taxes, Fees, and Charges;
2. Continue this public hearing to each subsequent regular meeting of the City Council at 7:00 p.m., until June 20, 2016 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 2017 Schedule of Taxes, Fees, and Charges.

BACKGROUND:

Each year, as part of the annual budget adoption process, the City Council reviews and approves the Schedule of Taxes, Fees and Charges. Established by ordinance, this schedule includes items such as Development Impact Fees, Utility Users Taxes, Construction Tax, Sewer Use and Discharge Rates, Business Licenses and Animal Licenses. This schedule includes charges that are not based on cost recovery, and therefore, more accurately described as taxes.

Pasadena Municipal Code Section 1.08.060 provides that all taxes, fees, and charges referred to in the code will be adjusted on July 1st of each year to reflect changes in the Consumer Price Index (CPI) for the year ending March 1st. Pursuant to California Government Code Section 53750, the City Council has the authority to increase taxes pursuant to a CPI adjustment formula that was in place prior to November 6, 1996. The City's CPI formula was adopted in 1978. The municipal code requires the Director of Finance to compute the changes and submit them for review. The CPI for all urban

consumers in the Los Angeles-Riverside-Orange County metropolitan areas increased by 2.4103% between March 1, 2015 and March 1, 2016.

Attachment A shows the current rates of all taxes, fees, and charges affected by these provisions and the proposed rates that would take effect July 1, 2016, if approved. Staff is recommending an increase of 2.4103% to the flat amount tax rates to reflect the change in the most recent CPI data. Staff is not recommending changes to any tax rate which is based upon a percentage because, under Proposition 218, these are subject to electoral approval. Further, the FY 2017 Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates were approved by the City Council on December 14, 2015 and are not subject to change at this time.

The FY 2017 Recommended Schedule of Taxes, Fees, and Charges includes a CPI increase to Dog License fees and charges which were approved by the City Council on April 25, 2016 and become effective July 1, 2016.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by annually updating the Schedule of Taxes, Fees, and Charges.

Attachments: (1)

1) Attachment A – FY 2017 Recommended Schedule of Taxes, Fees, and Charges

FISCAL IMPACT:

When adopted, the amendments to the *Schedule of Taxes, Fees, and Charges* are expected to increase the revenues in FY 2017 in the General Fund by approximately \$120,900 and other funds by \$205,400. These revenue projections have not been factored into the General Fund Five-Year Plan or the FY 2017 Recommended Operating Budget.

Respectfully submitted,


MATTHEW E. HAWKESWORTH
Director of Finance
Department of Finance

Prepared by:


Michele Logan
Principal Administrative Analyst
Department of Finance

Approved by:


STEVE MERMELL
Interim City Manager

Attachments: (1)

1) Attachment A – FY 2017 Recommended Schedule of Taxes, Fees, and Charges