

# Agenda Report

June 12, 2017

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee (May 8, 2017)

**FROM:** Director of Finance

**SUBJECT: ADOPTION OF FISCAL YEAR 2018 RECOMMENDED SCHEDULE OF TAXES, FEES, AND CHARGES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Close the public hearing and adopt the Fiscal Year (FY) 2018 Recommended 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, are 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 1<sup>st</sup> of each year to reflect changes in the Consumer Price Index (CPI) for the year ending March 1<sup>st</sup>. 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 2.7120 percent between March 1, 2016 and March 1, 2017.

*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, 2017, if approved. Staff is recommending an increase of 2.7120 percent 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 2018 Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates were approved by the City Council on December 12, 2016 and are not subject to change at this time.

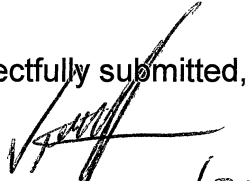
**COUNCIL POLICY CONSIDERATION:**

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.

**FISCAL IMPACT:**

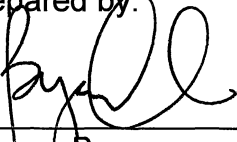
When adopted, the amendments to the *Schedule of Taxes, Fees, and Charges* are expected to increase the revenues in FY 2018 in the General Fund by approximately \$124,300 and other funds by \$211,200. These revenue projections have not been factored into the General Fund Five-Year Plan or the FY 2018 Recommended Operating Budget.

Respectfully submitted,



*for*  
\_\_\_\_\_  
MATTHEW E. HAWKESWORTH  
Director of Finance  
Department of Finance

Prepared by:



\_\_\_\_\_  
Bianca Banaga  
Administrative Analyst  
Department of Finance

Approved by:



\_\_\_\_\_  
STEVE MERMELL  
City Manager

Attachments (1)

1) Attachment A – FY 2018 Recommended Schedule of Taxes, Fees, and Charges