

# Agenda Report

April 29, 2019

**TO:** Honorable Mayor and City Council

**FROM:** Director of Finance

**SUBJECT: PUBLIC HEARING FOR FISCAL YEAR 2020 RECOMMENDED SCHEDULE OF TAXES, FEES, AND CHARGES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Open the public hearing for the Fiscal Year 2020 Recommended Schedule of Taxes, Fees, and Charges; and
2. Continue this public hearing until May 13, 2019 or other such 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 2020 Schedule of Taxes, Fees, and Charges.

## **BACKGROUND:**

Each year, as part of the annual budget adoption process, the City Council reviews and adopts the Schedule of Taxes, Fees and Charges. Established by ordinance, this schedule includes items such as Residential Impact Fees, Utility User Taxes, Construction Tax, Business License Taxes, and Animal License Fees. This schedule includes charges that are not based on cost recovery and, therefore, are more accurately described as taxes and impact fees.

Pasadena Municipal Code Section 1.08.060 states that taxes, fees, and charges referenced in the code 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, fees and charges 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 adoption by the City Council. The CPI for All Urban Consumers in the Los Angeles-Long Beach-Anaheim metropolitan areas increased by 2.5079% between March 1, 2018 and March 1, 2019.

Attachment A shows the current rates of taxes, fees, and charges affected by these provisions and the proposed rates that would take effect July 1, 2019 if adopted by the City Council. Staff is recommending an increase of 2.5079% to the flat amount rates to reflect the change in the most recent CPI data. Staff is not recommending changes to any tax rate which is based on a percentage because, under Proposition 218, these changes are subject to electoral approval. No other changes are recommended. Furthermore, the Fiscal Year 2020 Grandstand Permit Application Tax, the Rose Bowl Admission Tax, and the Grandstand Seat Surcharge rates were approved by the City Council on December 10, 2018 and, therefore, 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:**


Upon adoption, the amendments to the Schedule of Taxes, Fees, and Charges are expected to increase the revenues in the General Fund for fiscal year 2020 by approximately \$132,000 and in other funds by \$224,300. These revenue projections have not been factored into the General Fund Five-Year Plan or the Fiscal Year 2020 Recommended Operating Budget.

Respectfully submitted,



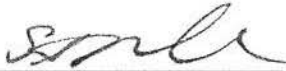
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Approved by:



STEVE MERMELL  
City Manager

Attachments: (1)

1) Attachment A –Recommended Fiscal Year 2020 Schedule of Taxes, Fees, and Charges