

# Agenda Report

**TO:** CITY COUNCIL  
Attn: FINANCE COMMITTEE

**DATE:** July, 12 1999

**FROM:** CITY MANAGER

**SUBJECT:** Amendments to the General Fee Schedule (Cost of Service Study Annual Adjustments)

## RECOMMENDATIONS

It is recommended that the City Council adopt a resolution approving the fiscal year 2000 General Fee Schedule, which contains amended fees using data gathered during the annual review of the Cost of Service Study.

This action, taken annually by the City Council, sets the fees charged by the City for the upcoming fiscal year. This action also maintains an on-going policy of the City Council to recover the full cost of specific services rendered by the City; and to ensure that the fees charged do not exceed the reasonable cost of providing services, facilities, or regulatory activity for which they are charged. Subsidies from general tax revenue are to be held to a minimum, so that only those individuals requesting specific services bear the cost of those services. Those fees increased by the 2.2% Consumer Price Index were reviewed and recommended by the administering departments.

## BACKGROUND

The purpose of the General Fee Schedule is to catalog city fees and to ensure an annual review to determine whether fees should be adjusted for full cost recovery, and if so, by how much. Past practice of the City Council has been to raise fees by the Consumer Price Index (CPI) to reflect the increase in the cost of doing business.

Many of the fees contained in the attached General Fee Schedule have been raised to reflect the increase in the CPI for the year ending February 28, 1999. Each adjusted fee was then rounded up or down to the closest dollar, or half-dollar, and in some cases to the nearest ten cents, for ease of collection and to facilitate administration and accounting. Any exception to this rounding was the result of a recommendation by the administering department. Recommended changes to the General Fee Schedule, over and above the CPI

are reviewed against the Cost of Service study. It is the goal of the fee to recover no more than the cost of providing the service for which the fee is imposed. As a result of modifications in processes and procedures, and the enhancement of service definition and identification, certain fees are recommended to be increased over and above the CPI. Deletions of fees may be due to re-evaluation and modification of service provision, refinement of service definition, the listing of the fee on the Schedule of Taxes, Fees and Charges, or the inability to collect fees. In the General Fee Schedule, there are fees that have not been modified and are designated “No Change” due to the need to remain competitive.

The Department of Finance has the responsibility to ensure that the General Fee Schedule is updated annually. Each city department responsible for overseeing specific general fees participates in this updating process. The proposed fees are distributed to all Departments, who then work with the Finance staff to analyze and review services and fees. The administering departments make recommendations, with technical and analytical assistance by the Finance staff. This collaborative effort ensures that the fees reflect costs reasonably borne. Collection methods of the fees are determined by the originating department, and may allow for payment of a large fee to be made in installments.

## **PROPOSED FEE CHANGES – BY DEPARTMENT**

Below is a detail of only those fees that are either new to the General Fee Schedule or were increased by an amount higher than the CPI. All other fees either remained the same or were increased by the CPI. Included in the description of the changes is the page number where the fee can be found in the Schedule. The changes are presented by the Department which is consistent with the structure of the General Fee Schedule.

### **Department of Finance**

A new fee of \$10 is proposed for the cost involved in processing duplicate W-2 forms (page 4). Each City employee receives one W-2 form at the end of January, however, the number of employees requesting replacement forms has increased to the point of requiring a significant amount of time spent on duplicating these forms. Each request requires approximately 20 minutes to process. While this fee will recover the cost of replacing lost forms, the goal is to decrease the time loss to the Payroll Office, by attaching a monetary importance to the employee’s responsibility for safe keeping of important documents. The Payroll Office receives approximately 100 requests for replacement W-2 forms annually.

### **Fire Department**

Last year the City adopted the 75<sup>th</sup> percentile for Medicare and Medi-Cal billable code structure in order to maximize insurance reimbursement and limit the patient’s out-of-

pocket expense. A review of the 1999 Ambulance Customary and Prevailing Charges from the Health Care Financing Administration (HCFA) revealed three areas where the City Fee structure falls below the 75<sup>th</sup> percentile. Therefore, it is proposed to increase the following three fees to comply with the Medicare and Medi-Cal billing code structures. The changes listed under the Emergency Medical Aid Response (page 6) are as follows: Basic Life Support from \$339 to \$358.50; Basic Life Support non-resident transport, from \$629 to \$648.50; and under specialized services, Oxygen, from \$50 to \$54.25.

### **Human Services, Recreation, and Neighborhood Department**

Several fees related to assisting clients are proposed to increase to cover cost of staff time involved in assisting clients with completing a variety of legal forms. Pasadena courts refer anyone needing this type of assistance, Pasadena residents and non-residents, to the Jackie Robinson Center. Under Consumer Action, which are fees for assistance with filling out forms, the changes are as follows: Unlawful Detainer Form, TRO, Civil Harassment Form, and, Small Claims Court Applications (Answer-Suit to Establish Paternal Relationship) are proposed to increase from \$10 to \$15 for Pasadena residents, and from \$10 to \$20 for non-residents; assistance with, Domestic Violence forms from \$10 to \$15 for non-residents, and assistance with, Re-eligibility Application for AFCD & Food Stamps, from \$0 to \$5 for residents, and from \$0 to \$10 for non-residents. Even with the increase in these fees, fees are less than those charged by agencies servicing the low and limited income clients, and no more than recover the cost of providing the cost of service.

Fees are proposed to increase for the rental of the Villa Parke Gymnasium by \$25, \$10 for the Auditorium, and \$20 for the Conference Room, for Private Party and Commercial Rental only. Rental fees for the Villa Parke Gymnasium are proposed to increase as follows: morning rental by a private party, from \$95 to \$115, afternoon rental from \$135 to \$160; evening rental from \$160 to \$185; and, commercial rental from \$110 morning rental to \$135; from \$155 afternoon rental to \$180; and from \$180 per evening rental, to \$205. (page 14).

Fees for the rental of the Villa Parke Auditorium for private parties are proposed to increase from \$70 morning rental to \$80; afternoon rental from \$80 to \$90, and evening rental from \$90 to \$100 ; rental by commercial groups increased from \$85 morning rental to \$95, afternoon rental is proposed to increase from \$90 to \$100, and evening rental from \$95 to 105. (page 15).

Fees for the rental of the Villa Parke Conference Room are proposed to increase as follows: private party, morning rental from \$12 to \$32, afternoon or evening rental from \$15 to \$35; and commercial group morning rental of \$15 to \$35, afternoon rental from \$18 to \$38, and evening rental from 22 to 42.

There are no proposed fee changes for recreation programs. Fees affecting recreation programs are presented to the Recreation and Park Commission for approval. This will be done after the first of the year, and any fee additions, or changes, will be proposed for next fiscal year's fee schedule.

### **Planning and Permitting**

Two new fees are proposed within the Planning and Permitting sections. Under Inspection Services a new fee for monitoring the conditions on alcohol-related CUPs is recommended at a rate of \$1,071 (page 23). In February Council moved to establish this service with the understanding that a specific rate would be created as part of the Schedule. Initially, the cost to provide the service was determined to be \$900. Since that time, the staff has completed a more detailed review of the process and staff time involved and has calculated the cost to be \$1,071. This amount accurately reflects the cost of a code compliance officer for the additional inspections needed to ensure compliance (which includes after normal work hour inspections) and an additional 2 hours of administrative staff time.

The second new fee is under Current Planning section (page 28). It is a variance application fee for modifications for individuals with disabilities. The fee is proposed at \$1,869, which is the same as the fee for a regular variance, and covers cost of service. Council approved establishment of this new fee on March 1, 1999.

Planning and Permitting has spent the past fiscal year streamlining and improving the efficiency of the Occupancy Inspection Program. The result of this work is the Department's proposal to reduce the following second and subsequent inspection fees: Page 24, Occupancy Inspections, Single Family and Duplex Second and Subsequent Inspections from \$93 to \$47; Condominiums, Second and Subsequent Inspections from \$82 to \$41; and Rental Units, Re-inspections, from \$27 to \$14.

Due to a re-engineering of the plan check fee process for Fire, Planning staff is recommending that the Fire Department Plan Check (page 22), be reduced from 26% to 5% of the Building Permit fee. This fee will cover the cost of the re-engineered process and pay for the same level of customer service that is currently provided.

All other fees were increased by the CPI, except for those under Building Services, State Fish and Game Fees, which are set by the State; and the Environmental Review Filing fee for Los Angeles County, which is set by the County. Those fees upon a development project which "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. Government Code Section 66018.

## **Police Department**

The fee for Driving Under the Influence (DUI) Accident Response. This fee, initiated by the Police Department has been deleted on the recommendation of the City Prosecutor's Office. The Prosecutor's office found no legal basis for charging or collecting this fee.

The CPI was applied to fees for Helicopter Landing Permits and Fees, Noise Disturbance Response Call back fees; Retail Sales of Firearms fees; Tape & Video Duplication fees; and Vendor Identification Number (VIN) Verification fees.

## **Public Health Department**

### Environmental Health

Due to the influx of the Africanized Honey Bees, a new fee is requested for the costs involved in their eradication (page 37). The amount of this fee will be at cost.

### Nursing

Fees for Alcohol and Drug Recovery, and Vital Statistics have been grouped under the new heading Health Promotion. The proposed increase in the fee for the Alcohol and Drug Recovery program will have a nominal impact on revenue (approximately \$1,000). This fee increase from \$362 to \$392 will ensure cost recovery, and does include the State and County fees. The Vital Statistics, General Public Birth Certificate Fee is being decreased from \$18 to \$15. The negative impact to the Health Department is only \$.15 per birth certificate, as the balance of the decrease is borne by the State. The fees for immunizations are based on cost of vaccines, and are not increased by the CPI.

## **PUBLIC WORKS & TRANSPORTATION DEPARTMENT**

New fees are proposed for Sidewalk Dinning Occupancy Permit (pages 42 and 43). The two new locations are Harkness Avenue from Colorado Boulevard to Walnut Street, and El Molino from Colorado Boulevard to Green Street. The cost of a permit is \$2.00 per square foot, and is based, per ordinance, on the land value.

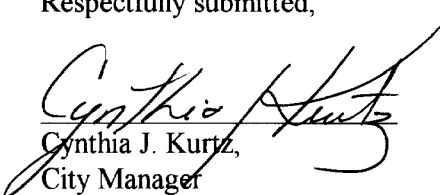
The fee for City Hall Courtyard and Rotunda Rental (page 40), Security Guard (contract) is increased from \$48 to \$80; Security Guard (contract) overtime is increased from \$12 to \$20. These fees are set by contract and a portion of the increase was necessary to comply with the Living Wage Ordinance approved by Council. The contracts, covering Security

Guards, were approved by Council on February 22, 1999. Fountain Rental is proposed to increase from \$122 to \$130 to more accurately recover cost of service.


**FISCAL IMPACT STATEMENT**

The fees new to the General Fee Schedule this year, and those increased by the 2.2% CPI will generate an estimated \$50,000 to General Fund revenues, and these increases have not been included in the recently adopted fiscal year 2000 operating budget.

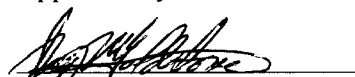
Respectfully submitted,

  
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