

Agenda Report

TO: CITY COUNCIL
Through FINANCE COMMITTEE

DATE: May 21, 2001

FROM: CITY MANAGER

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

RECOMMENDATIONS

It is recommended that the City Council approve a resolution adopting the FY 2001-2002 General Fee Schedule, which contains amended fees using data gathered during the annual review of Cost of Service. Those fees pertaining to Planning and Permitting development projects shall take effect 60 days from date of adoption, and all other fees shall take effect on July 1, 2001.

BACKGROUND

This action will set the fees charged by the City for the upcoming fiscal year, as well as maintain an on-going policy of the City Council to recover the full cost of specific services rendered by the City; and will ensure that the fees charged do not exceed the reasonable cost of providing services, facilities, or regulatory activity for which they are charged.

In May of 1982, staff presented the City Council with a document which sought to bring together all the City's non-tax fees and charges, except those charged by enterprise activities. That General Fee Schedule was adopted by the Council and has subsequently been amended on a yearly basis. The primary purpose of the General Fee Schedule is to catalog city fees and ensure an annual review to determine whether fees should be adjusted, and if so, by how much.

Annually, each department, with the assistance of Finance staff, conducts a review of services and associated fees and makes recommendations for fees for new services, and fee increases or decreases, to ensure that fees charged fully and accurately reflect the cost of providing the service. Recommendations are made by the administering departments with the technical and analytical assistance of the Finance Department. This collaborative effort ensures that the fees reflect costs reasonably borne.

Due to modifications to processes and procedures, analysis of modified processes and procedures, distinctions between levels of service, and refinement of service definition and identification, staff has determined that certain fees should be increased over and above the Consumer Price Index (CPI), 3.6%. Any fee modified by other than the CPI is explained in Appendix A. Also detailed below are descriptions of other fee changes. 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. A number of fees have been designated "No Change" due to the need to remain competitive. In addition, it is often more costly administratively to increase a fee by the small percentage of the CPI than to keep it the same.

Proposed changes to the General Fee Schedule, over and above the CPI are documented by the Department of Finance's approved Cost of Service methodology and analysis which demonstrates that the amount of the fee recovers no more than the cost of providing the service for which the fee is imposed.

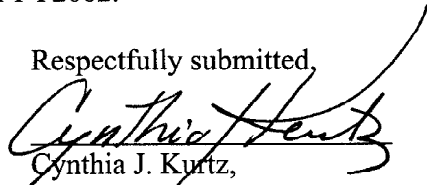
All proposed fee modifications, other than those modified by the CPI, are detailed in Appendix A, attached to the General Fee Schedule.

As a final note, a recent article in the Los Angeles Business Journal discussed the "affordability of various cities" in California. The article referenced data generated by the Kosmont Survey that compared the cost of doing business in all California cities. None of the fees identified in the Kosmont Survey are being recommended to change.

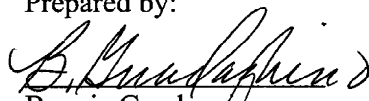
FISCAL IMPACT STATEMENT

The fees new to the General Fee Schedule this year, and those increased by the CPI, will generate approximately \$90,000 in revenue, and have been included in the estimated revenue portion of the proposed budget for FY2002.

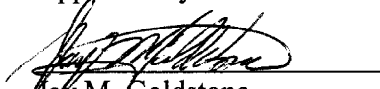
Respectfully submitted,


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