

Agenda Report

TO: CITY COUNCIL **DATE: May 13, 2002**
Through FINANCE COMMITTEE

FROM: CITY MANAGER

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

RECOMMENDATIONS

It is recommended that the City Council:

- 1) approve a resolution adopting the FY 2002-2003 General Fee Schedule, which contains amended fees using data gathered during the annual review of Cost of Service. Pursuant to California Government Code Section 66018 development project fees that "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, those relevant Planning and Development fees shall take effect 60 days from date of adoption, and all other fees shall take effect on July 1, 2002; and
- 2) authorize staff to incorporate the Rose Bowl Fee Schedule into the General Fee Schedule so that in future years, any fee increases recommended by the Rose Bowl Operating Company will be presented to the City Council at the same time as other City fee adjustment recommendations.

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 that 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 updated 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 Department of Finance staff, conducts a review of services and associated fees, makes recommendations for fees for new services, and recommends 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 Department of Finance. This collaborative effort ensures that the fees reflect costs reasonably borne.

Due to modifications to processes and procedures, analysis of costs associated with these modified processes and procedures, distinctions between levels of service, and refinement of service definitions, staff has determined that certain fees should be increased over and above the Consumer Price Index (CPI), 2.68%. Any fees modified by other than the CPI, are 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.

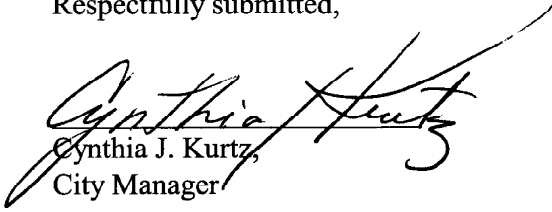
Proposed changes to the General Fee Schedule, over and above the CPI are documented by the City's approved Cost of Service methodology and analysis which demonstrates that the amount of the fee recovers no more than the cost of providing the service for which the fee is imposed.

Those fees not adjusted by the CPI, are new fees, fees established by contract, or those fees currently determined to be sufficient to cover cost of service.

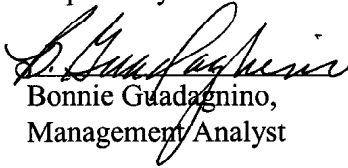
FISCAL IMPACT STATEMENT

The fees new to the General Fee Schedule this year, and those increased by the CPI, will generate approximately \$125,000 in revenue, and have been included in the estimated revenue portion of the proposed budget for FY2003.


Respectfully submitted,


Cynthia J. Kurtz,
City Manager

Prepared by:


Bonnie Guadagnino,
Management Analyst

Approved by:


Jay M. Goldstone,
Director of Finance