

Agenda Report

TO: CITY COUNCIL
ATTN: FINANCE COMMITTEE
DATE: May 13, 2002

FROM: CITY MANAGER

SUBJECT: SCHEDULE OF TAXES, FEES, AND CHARGES

RECOMMENDATION

It is recommended that the City Council reject scheduled rate increases in the Construction Tax, all Utility Users' Tax rates, Underground Surtax, Street Light and Traffic Signal Tax, Transient Occupancy Tax, Three and Six Month Contracting and Building Trades licenses and allow all other scheduled rate increases, as listed on the attached schedule, to stand.

BACKGROUND

Section 1.08.060 of the Pasadena Municipal Code provides that all taxes, fees and charges referred to in the Code will be adjusted on July 1 of each year to reflect changes in the Consumer Price Index (CPI) during the 12 months which ended the preceding March 1. 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 to the Council for review. The Council may reject any or all of the recommended increases, however, it may not modify any adjustments before ordering the report filed. The actions to reject any one of the recommendations must be taken by June 30. At that time, changes which have not been rejected will automatically be implemented.

The Consumer Price Index for all Urban Consumers in the Los Angeles-Long Beach-Riverside Metropolitan areas increased by 2.68% between March 1, 2001 and March 1, 2002. The attached list is accordingly submitted showing the current rates of all taxes, fees and charges affected by these provisions, and the adjusted rates that would take effect July 1, 2002.

Staff is prohibited by proposition 218 from increasing any tax rate that is based upon a percentage without voter approval including an increase for CPI. The tax rates that are based upon a percentage, which are not being recommended for an increase, would have generated new revenue of approximately \$1.4 million.

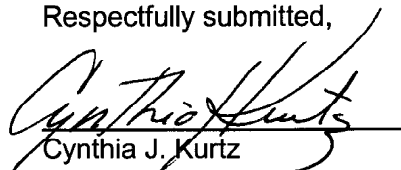
FISCAL IMPACT

Implementation of all scheduled rate adjustments would increase estimated revenues for FY 2003 by the following amounts:

General Fund	\$87,900
Sewer Construction and Maintenance Fund	\$109,400
Library Special Tax Fund	\$37,000

The projected revenue from these increases will be included in the FY 2003 Operating Budget if approved by the City Council.

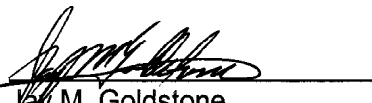
Respectfully submitted,


Cynthia J. Kurtz
City Manager

PREPARED BY:


Matt N. Pressey
Accounting Administrator

APPROVED BY:


Jay M. Goldstone
Director of Finance

Attachment