

Agenda Report

TO: CITY COUNCIL
Through: FINANCE COMMITTEE

DATE: April 24, 2006

FROM: CITY MANAGER

SUBJECT: ANNUAL AMENDMENTS TO THE GENERAL FEE SCHEDULE

RECOMMENDATION

It is recommended that the City Council approve a resolution adopting the FY 2006-2007 General Fee Schedule. These amended fees shall take effect on July 1, 2006.

BACKGROUND

Pursuant to Pasadena Municipal Code section 1.08.070, the amount of any fee established by resolution of the City Council shall not exceed the cost incurred by the city in providing the service, use, action or item for which the fee is charged. Moreover, a written schedule of fees, designated the General Fee Schedule, adopted by resolution of the City Council shall be filed with the City Clerk and shall be available for public inspection during regular business hours.

Annually these fees are reviewed in order to: determine whether or not there should be increases or decreases based on the cost of providing services; determine whether new fees for new services are warranted, as well as to determine whether some fees should be eliminated. Short of these types of changes, fees may also be held constant or increased by an amount equal to the change in the consumer price index (CPI) for the Los Angeles-Orange-Riverside counties for the preceding twelve-month period ending March 1, which for the most recent period equaled 5.12%.

In January, 2005 the city contracted with Maximus, Inc., a consulting firm, to determine the current, full-cost of providing various city services. Studies of this type are necessary from time to time to ensure that what the city is charging for a given service bears a relationship to the fee that is charged. The last such study performed for the city was in 1992. Since that time fees have generally been increased by the change in CPI.

As part of the study Maximus interviewed staff from a number of departments; specifically, Police, Fire, Public Works, Health, Planning & Development, and

Transportation to determine the level of direct and indirect costs associated with providing various services. The Human Services and Recreation Department was also studied, with the analysis focused on the amount of cost the city's various recreation programs recovered through user fees. Maximus initiated additional research to compare the city's recreation fees with those of other local municipalities, but comparisons were difficult as fee systems and policies vary significantly from one agency to another. Consequently, a more comprehensive analysis of recreation fees (including park and facility user fees) is currently underway. These results are expected to be available in late May, at which time they will be presented to the Recreation and Parks Commission and then City Council Finance Committee and City Council.

In regard to the other departments analyzed, once costs were determined, a full-cost recovery fee was determined on a per unit basis. In determining the full-cost fee Maximus' methodology assumes that while staff positions are budgeted at 2080 hours per year, they have approximately only 1,500 hours of 'productive' time in which to recapture their costs through fees.

While this is an accepted methodology in the cost of service consulting industry, staff believes it more appropriate for the city of Pasadena to use 1,832 as the number of productive hours for the purpose of computing fees. This represents the numbers used in prior analysis and is based on staff hours available after vacation, holiday and sick time have been factored out. The Maximus study removed approximately 300 additional hours for meetings, training and other activities that take staff away from providing direct service to customers. While the city staff receives training and attends meetings, it is not believed that this consumes an additional seven and one-half weeks of productive time in Pasadena.

The attached Schedule includes the following: 1) a description of each fee; 2) the current fee, as adopted by the City Council on May 25, 2005 for fiscal year 2006; 3) the full-cost recovery fee as determined by Maximus, if applicable; and, 4) the fee amount recommended by staff. In a few cases, particularly in the Heath Department, the results of Maximus' study indicated that the City was charging more than the cost of service; consequently it is appropriate to reduce fees. Situations such as this may occur overtime as systems become more efficient or the nature of a service changes. Conversely, where the nature of a service has become more complex and the level of effort increased the associated fee has also increased significantly in some cases. This is most evident in the area of planning and entitlement fees.

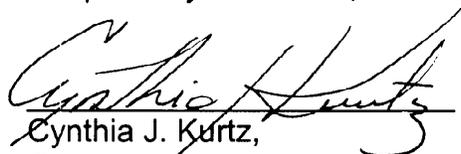
Additionally, where staff is recommending new fees, deleting fees or adopting fees that exceed either the amount determined by Maximus or the change in CPI additional information supporting such recommendations follows the Fiscal Impact portion. Finally, the proposed General Fee Schedule includes some reformatting and restructuring of fees. For example, Utility Excavation Permits were restructured by changing the rate for earth cuts from 101 square feet through 1,000 square feet at \$61 per 100 square feet to 101 square feet and greater at \$78 per each additional 100 square feet.

FISCAL IMPACT

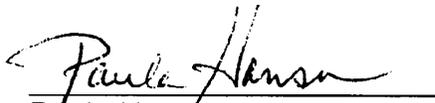
Adoption of the staff recommendation is expected to increase revenues in the General Fund by \$1,451,726 in fiscal year 2007. This figure was derived by taking total estimated revenue and discounting it by 25% with the exception of paramedic billing where the City's current billing recovery rate (41.6%) was used to determine projected revenue. These revenue projections have been factored into the General Fund five year financial plan as well as the recommended operating budget.

The following other funds will also be affected by the adoption of the General Fee Schedule and have been derived by taking total estimated revenue and discounting it by 25% for those fees which were studied by Maximus. The fees which were not studied were increased by the CPI. Revenue in the Public Health Fund will decrease by \$48,290, and revenues will increase in the Building Services Fund (\$30,020) and Library Services Fund (\$9,700).

Respectfully submitted,


Cynthia J. Kurtz,
City Manager

Prepared by:


Paula Hanson
Management Analyst V

Approved by:


Steve Mermell
Acting Director of Finance

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF PASADENA
APPROVING THE GENERAL FEE SCHEDULE
FOR FISCAL YEAR 2007**

The City Council of the City of Pasadena resolves as follows:

1. The General Fee Schedule entitled "General Fee Schedule Fiscal Year 2007" and dated April 2006, attached hereto, is hereby approved.
2. The City Manager is directed to begin collecting all fees listed on the General Fee Schedule for Fiscal Year 2007 effective July 1, 2006.

Adopted at the regular meeting of the City Council on the _____ day of April, 2006 by the following vote:

AYES:

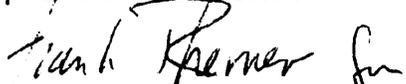
NOES:

ABSENT:

ABSTAIN:

Jane Rodriguez
City Clerk

Approved as to form:



Nicholas George Rodriguez
Assistant City Attorney

NOTES TO GENERAL FEE SCHEDULE

Following is an explanation and/or justification for each **NEW** or **DELETED** fee, listed by Department and Section:

Fire Department

The Fire Department is recommending the following fees increase at a rate different than calculated by the Maximus study and/or higher than the CPI based on the County of Los Angeles' guidelines for calculating these fees:

1. Hazardous Materials Permits and Inspections (fee #s 105-116) – proposed fees Level II - \$260.00, Level III - \$390.00, and Level IV - \$520.00.
2. Hazardous Vegetation Inspection (fee # 120) – proposed fee \$92.00.
3. Hazardous Materials Non-Compliance Reinspections (fee # 121) – proposed fee \$701.00.
4. Hazardous Materials Additional Inspections – four or more (fee # 122) - proposed fee \$338.00.
5. Risk Management program – (fee # 139) - proposed fee \$340.00.

Human Services and Recreation

The Human Services and Recreation Department has restructured fees to eliminate duplications and increase ease of reference. Recreation fees are currently under review to determine the new fee for service. These fees have not been increased by the CPI and will be brought forward in a separate report in late May (page 65-77).

Information Services

The Information Services Department is recommending the elimination of Media Rentals as this service is no longer provided (fee #s 174-175).

Planning and Development Department

The Planning and Development Department is recommending that all Building Permit fees based on project valuation remain constant with no increase in the CPI because these permits are calculated using current cost of construction. The current fee structure is recovering all costs (page 12).

The Department is recommending that single family residential units be charged one-half of each applicable Planning Fee to lessen the likelihood that individual home owners might undertake unauthorized improvements in an attempt to avoid these fees. The Department also recommends the addition of the following fees which reflect the changes created by the new Zoning Code to the General Fee Schedule:

1. Temporary Sign Banner (fee # 310) – proposed fee \$25.00. This fee will cover the cost of processing an applicant's request to use a temporary sign for advertising purposes.

NOTES TO GENERAL FEE SCHEDULE

2. Adjustment Permit (fee # 346) – proposed fee \$5,155.00. For large project applications (such as Master Plans) wherein specific adjustments to the code are requested that are not as significant as Variances (such as height transfers). The purpose of the Adjustment Permit is to allow larger projects to have some flexibility with the zoning code if the overall project meets the development standards.
3. Combination Permit (fee # 356) – proposed fee \$133.00. This fee will be used when an applicant wishes to apply for one or more planning actions at the same time, for a project. It reflects that there is a core body of work that only needs to be performed once for both applications, and reflects a lesser fee for the second application, since the applicant has already paid for the core body of work with the first application.
4. Variance, Historic Structures (fee # 419) – proposed fee \$3,257. This fee was proposed by Maximus but the department requests the fee be waived to encourage the preservation of historic structures. This fee covers the cost of an application to allow a historic structure to be preserved/maintained consistent with the original architecture, but inconsistent with the existing Zoning Code.

The Planning and Development Department is recommending the elimination of the following fees:

1. Retrieval of Abandoned Cart – Staff has found that using the citation process is a more effective method to encourage compliance with the Shopping Cart ordinance (fee # 292).
2. Public Notification Fee has been eliminated as this service has been incorporated into other fees (fee #s 317-318).
3. Alternative Development (multi-family project) - Flexible Standards has been eliminated as this service is no longer provided (fee # 347).
4. Application Fee for Relocation Permit has been eliminated as this service has been incorporated into other fees (fee #s 348-350).
5. Mitigation Monitoring Inspection & Case Management, Design or Environmental – This function is now performed by Code Compliance Officers and the fee collected under Mitigation Monitoring – Inspections and Case Management (fee # 425).

Police Department

The Police Department is recommending the addition of the following fees to the General Fee Schedule:

NOTES TO GENERAL FEE SCHEDULE

1. Fingerprinting - live scan (fee #471) – proposed fee \$19.00. To provide electronic fingerprinting scans.
2. Domestic Weapon Storage (fee #500) - proposed fee \$54.00. When responding to domestic violence calls, any weapons found are confiscated by the Police and stored until the investigation is complete.

Public Health Department

The Public Health Department is recommending the addition of the following fees to the General Fee Schedule:

1. Immunization Office Visit (fee #598) – proposed fee \$15.00. The purpose of the fee is to recover costs of office visit from families of children who visit the clinic and who do not meet free or low cost eligibility requirements. These individuals can recover this cost from their private health insurance. This service is actually Market Competitive but has been set much lower than other providers in the area to serve families for back-to-school immunizations but primarily the service is to families who qualify for CHDP or Medi-Cal. Staff performs an eligibility screening to determine if the client is eligible for free or low cost service and does not turn anyone away for inability to pay.
2. Nondiagnostic General Health Assessment, Post-Campaign Approval (fee # 644) – proposed fee \$300.00. When private providers offer medical screenings such as blood pressure, diabetes, etc. at places like SavOn and Vons, the Department reviews applications and ensures that the provider is in compliance with State regulations. If they do not submit application and are discovered conducting the nondiagnostic general health assessments, the Department would charge this fee, which is higher than the original fee (fee #642), to bring the provider into compliance. The law requires that they get approval prior to the event.
3. Health Letter (fee #670) – proposed fee \$12.00. This fee covers the cost of providing an official letter from the Health Officer to individuals who are taking bodies to foreign countries for burial. The letter attests to the fact that the deceased person did not die of a communicable disease and that the corpse does not carry any contagions.

The Public Health Department is recommending deleting the following fees because the immunizations are not available: Rabies Pre-exposure and Twinrix (Hepatitis A & B) (fee #s 619 & 627).

Public Works Department

The Public Works Department is recommending the addition of the following fee to the General Fee Schedule:

NOTES TO GENERAL FEE SCHEDULE

1. Car Show Entrance Fee – proposed fee \$20.00. The entry fee for the annual classic car show sponsored by the Public Works Department will promote proper disposal of used motor oil. The entrance fee would apply to individuals who want to enter their classic car in the competition. The autos are judged and awards are given for various categories (i.e. antiques, convertibles).
During the show, re-refined motor oil and oil buckets are handed out. These give away items are paid for by a Grant from the California Integrated Waste Management Board. However, costs associated with the show are not covered by the grant. The fee would be used to cover such expenses as T-shirts, awards, entertainment (music), and security. Not only does the fee recover the costs of the show, it also helps to define the number of participants (fee # 946).

Transportation Department

The Transportation Department is recommending the addition of the following fees to the General Fee Schedule:

1. Holly Street Parking Garages – proposed monthly fees \$70 for general public and \$45 for residents of the nearby Brookmore and Centennial Square Apartments. This increase will keep rates commiserate with rates currently in place in nearby parking facilities and other city-owned parking garages (fee #s 682-684).
2. South Lake Parking Lots – proposed fee \$70 monthly. This increase will keep rates commiserate with rates in nearby parking facilities, and be used as a tool to encourage some of the business employees to park off-site, alleviating congestion at peak hours in the lots, thus providing more available parking for business customers. This rate increase was recommended by the South Lake Parking Place Commission at a special meeting on February 23, 2006, and supported by a recent parking demand study conducted in the area (fee #689).
3. Paseo Colorado Parking Garages – proposed fee \$80 monthly for non-tenant/general public. This increase will keep rates commiserate with rates currently in place in nearby parking facilities and other City-owned parking garages (fee #714).
4. Meter Head Install/Remove (first head) – proposed fee \$177.00 and each additional head – proposed fee \$8.00. This fee covers the labor for the installation/removal of a parking meter head for filming, construction, or other purposes. The initial installation/removal includes the mechanic's travel time (fee #s 715-716).
5. Meter Pole Remove – proposed fee \$34.00. This fee covers the labor for a meter mechanic to oversee the removal of a parking meter pole for filming,

NOTES TO GENERAL FEE SCHEDULE

6. construction, or other purposes. This is in addition to any pass through costs from the contractor doing the removal (fee #717).
7. Meter Pole Installation – proposed fee \$238.00. This fee covers the labor for a meter mechanic to oversee the installation of a parking meter pole for filming, construction, or other purposes . This is in addition to any pass through costs from the contractor doing the installation (fee #718).
8. Meter Head Replacement – proposed fee \$40.00. This fee recovers the labor for a meter mechanic to replace a missing meter head that has been stolen, lost , or vandalized. This is in addition to any pass through costs for materials (fee #719).
9. Bus Stop Removal/Relocation (first stop) – proposed fee \$229.00 and each additional stop – proposed fee \$114.00. There are circumstances that require the removal or relocation of bus stops that are not initiated by the Department of Transportation. These primarily include, but are not limited to, construction projects, special events, and filming. In these cases, the bus stop pole and signs have to be physically removed, perhaps relocated, and later reinstalled (fee #s 720-721).
10. Bus Stop Temporary Stop Closure/Re-Route (first stop) – proposed fee \$344.00 and each additional stop – proposed fee \$57.00. There are circumstances that require a temporary bus stop closure/re-route that are not initiated by the Department of Transportation. These primarily include, but are not limited to, construction projects, special events, and filming. In these cases, a temporary bus stop closure sign is affixed onto a bus stop pole, and for a re-route a temporary bus stop is established with a posted temporary bus stop sign (fee #s 722-723).
11. Sign Installation (first sign) – proposed fee \$287.00 and each additional sign – proposed fee \$64.00. This fee will cover City's cost for the installation of signs such as parking related, guide and miscellaneous residential and business district signs as requested. It covers the cost of the staff time to locate and install the sign including required hardware for typical installations (fee #s 724-725).
12. Curb Markings – proposed fee \$191.00. This fee will cover City's cost for the installation of curb markings as related to various parking restrictions and prohibitions including time limited parking, loading zones, on-street disabled parking, and red curbs (fee #726).
13. Valet Sign Installation – proposed fee \$109.00. This fee covers the cost for the installation of a valet operator supplied sign as related to a designated valet parking zone (fee #727).

NOTES TO GENERAL FEE SCHEDULE

14. Parking "T" Installation – proposed fee \$256.00 and each additional "T" – proposed fee \$32.55. This fee will cover the cost for reinstallation of parking T's that will be removed due to construction, filming and other events. It covers the cost of the staff time to locate and install the "T" (fee #s 728-729).