

Agenda Report

June 10, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (May 13, 2013)

FROM: Director of Finance

**SUBJECT: ANNUAL AMENDMENTS TO THE FISCAL YEAR 2014
GENERAL FEE SCHEDULE - REVISED**

RECOMMENDATION:

It is recommended that the City Council close the public hearing and adopt by resolution the Fiscal Year (FY) 2014 General Fee Schedule.

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 services, 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.

Per government code section 60693, an announcement of the FY 2014 Recommended General Fee Schedule public hearing was published in the Pasadena Journal for three successive weeks beginning on March 21, 2013. The FY 2014 Recommended General Fee Schedule was made available on the City's website for public review and comment on May 2, 2013. Since that time, staff identified additional fee adjustments as detailed in the following section and in Exhibit 1. The fee schedule (Attachment A) presented for adoption reflects all fees, including these additional fee adjustments. In addition, a list of the new fees (Attachment B) and a list of the deleted fees (Attachment C) are included. The FY 2014 Recommended General Fee Schedule was submitted to City Council on May 13, 2013 pursuant to Pasadena Municipal Code section 1.08.060 (C).

The General Fee Schedule is reviewed annually to determine if there should be increases or decreases based on the cost of providing services, if new fees for new services are warranted, or if certain fees should be eliminated. 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 12-month period

ending March 1st, where applicable. For the most recent period, the CPI adjustment equaled 2.22 percent. Some fees are held constant due to various Government Code provisions related to the respective departments. The calculation of the fees was rounded down to the nearest dollar, with some exceptions where the fee amounts have to be more precise. The new fees will be effective on July 1, 2013 with the exception of development related fees, which will be effective August 10, 2013. Development fees, pursuant to Government Code Section 66017 (a), are effective no sooner than 60 days following the final fee schedule adoption.

The *FY 2014 Revised Recommended General Fee Schedule (Attachment A)* is attached and will be posted to the City's website by Thursday, June 6, 2013 for public review. Because of the unique aspect of department fees, Attachment A is divided into three parts:

Part 1 – All Department Fees except Public Works and Human Services and Recreation

Part 2 – Public Works (Deposits and Processing Fees)

Part 3 – Human Services and Recreation (Resident and Non-Resident Fees)

Changes to Originally Posted (May 2, 2013) FY 2014 General Fee Schedule

As previously noted, the FY 2014 Recommended General Fee Schedule was made available on the City's website for public review and comment on May 2, 2013. Since that time, Public Health and Transportation Departments identified some revisions. The Public Health has revised seven fees. Three health service fees (Fee #'s 802, 803, and 804) were incorrectly proposed for elimination and four fees for issuing birth and death certificates did not include a State mandated increase of \$2.00. Transportation corrected an error to the Playhouse Parking Structure Daily Hourly Rate - Fee #859 (reported as \$1.00, should have been \$1.50). Additionally, the Transportation Department consolidated three residential development fees (Fee #'s 865, 866, and 867) into a single new fee (Fee #868) and two TDM Plan Review fees (Fee #'s 869 and 870) into a single fee (Fee #870). Parking Violation fees (Fee #'s 59-101) will remain unchanged. Staff is analyzing the possibility of applying a graduated sanction for repeat offenders and will return to City Council at a later date with the results of this analysis. These changes will be posted to the City's website and are reflected in the attached FY 2014 General Fee Schedule. Additional detail on these revisions is included in Exhibit 1.

Cost of Service Analysis

The City recently received the draft report on the Cost of Services Study performed by Matrix Consulting Group. This report is based on the consultant's analysis of the cost of service relationships that exist between the fees the City charges for selected services and the cost to provide these services. The results of this study provide a tool for understanding current service levels, the cost and demand for these services, and what fee for service can and/or should be charged.

The draft report indicates that many of the City's fees are out of date and significantly below full cost recovery. Staff believes additional analysis of the cost of service study results is necessary. As a result, at this time, staff is recommending that the FY 2014 Recommended General Fee Schedule be adopted using the 2.22 percent CPI increase discussed above. Staff will return to City Council in the next few months with recommendations for additional fee changes and cost recovery levels based on a more in depth review of the cost of service study results and comparative information.

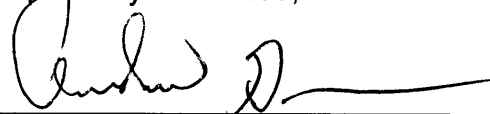
COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through annual review and updating of the General Fee Schedule and by ensuring that, where appropriate, the City is reimbursed for the cost of providing selected services.

FISCAL IMPACT:

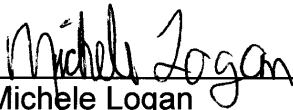
When adopted, the amendments to the *General Fee Schedule* are expected to increase revenues in FY 2014 in the General Fund by approximately \$150,000 and other funds by \$300,000. These revenue estimates are factored into the revised FY 2014 Recommended Operating Budget.

Respectfully submitted,



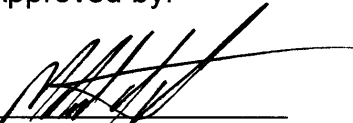
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Attachments: 4

Exhibit 1 – *Revised Fees*
Attachment A – *Amended Fiscal Year 2014 Recommended General Fee Schedule*
Attachment B – *New Fees*
Attachment C – *Deleted Fees*