

Agenda Report

May 13, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

**SUBJECT: FISCAL YEAR 2014 RECOMMENDED GENERAL FEE SCHEDULE
PUBLIC HEARING**

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the Fiscal Year (FY) 2014 Recommended General Fee Schedule;
2. Continue this public hearing to each subsequent regular meeting of the City Council at 7:00p.m., until May 20, 2013 or such other date as the City Council may determine, and at which time the City Council will be asked to close the public hearing and formally adopt the Fiscal Year 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. The fee schedule (Attachment A) presented for adoption includes all fees. In addition, a separate list of new fees is included (Attachment B) and a list of deleted fees is included (Attachment 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. Development related fees will be effective July 13, 2013. Pursuant to Government Code Section 66017 (a), changes to development fees shall be effective no sooner than 60 days following the final fee schedule adoption.

The *FY 2014 Recommended General Fee Schedule (Attachment A)* is attached and is posted to the City's website 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)

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. At this time, however, 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.

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:

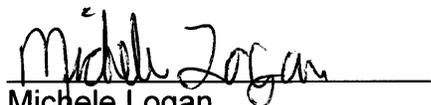
When adopted, the amendments to the *General Fee Schedule* are expected to increase revenues in FY 2014 in the General Fund by approximately \$150,000 and other funds by \$300,000. In addition to the 2.22 percent CPI adjustment these revenues will also be impacted by changes in volume. These revenue estimates are not factored into the General Fund Five-Year Plan or the FY 2014 Recommended Operating Budget.

Respectfully submitted,



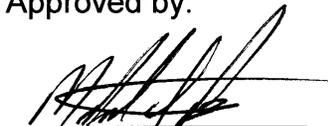
ANDREW GREEN
Director of Finance
Finance Department

Prepared by:



Michele Logan
Management Analyst
Finance Department

Approved by:



MICHAEL J. BECK
City Manager

Attachments: 3

Attachment A – *Fiscal Year 2014 Recommended General Fee Schedule (all fees)*
Attachment B – *New Fees (only)*
Attachment C – *Deleted Fees (only)*

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF PASADENA
AMENDING THE GENERAL
FEE SCHEDULE FOR FISCAL YEAR 2014**

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

1. The General Fee Schedule entitled "Fiscal Year 2014 General Fee Schedule" and dated May 20, 2013, attached hereto, is hereby approved.
2. The City Manager is directed to begin collecting these fees for Fiscal Year 2014, effective July 1, 2013, except for development related fees for which the effective date shall be July 13, 2013.

Adopted at the regular meeting of the City Council on the 20th day of May, 2013
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mark Jomsky
City Clerk

Approved as to form:

Lisa Hosey
Deputy City Attorney