

Agenda Report

May 9, 2016

TO: Honorable Mayor and City Council
FROM: Director of Finance
**SUBJECT: OPENING OF PUBLIC HEARING FOR FISCAL YEAR 2017
RECOMMENDED GENERAL FEE SCHEDULE**

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the Fiscal Year (FY) 2017 Recommended General Fee Schedule; and
2. Continue this public hearing to each subsequent regular meeting of the City Council at 7:00 p.m., until June 20, 2016 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 FY 2017 General Fee Schedule.

BACKGROUND:

Each year, as part of the annual budget adoption process, the City Council reviews and approves the General Fee Schedule through a resolution. The General Fee Schedule includes all charges established based on the cost to provide the service such as processing land use approvals and building permits and entrepreneurial type services, such as franchise fees, facility rentals and permits. Additionally, the General Fee Schedule includes non-cost of service based fees such as facility rentals and fees to participate in recreation programs.

Consistent with California law, Pasadena Municipal Code Section 1.08.070, requires that 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 as 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.

The *General Fee Schedule* is reviewed annually to determine if there should be increases or decreases based on the cost of service, 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.

Per government code section 6063, an announcement of the FY 2017 Recommended General Fee Schedule public hearing was published in the Pasadena Journal for three successive weeks beginning on April 7, 2016. On April 25, 2016, the FY 2017 Recommended General Fee Schedule was made available on the City's website for public review and comment. The fee schedule (Attachment A) presented for adoption includes all City fees. In addition, a separate list of new fees is included (Attachment B). No fees were deleted.

Cost of Service Analysis

City staff presented the results of the Cost of Service (COS) study and Draft Cost Recovery Guidelines to the City Council in September 2013. While some fees were amended as part of this study, the majority of fees were not revised due to concerns regarding the methodology used to calculate the cost of service. One particular concern was the timeliness of the supporting financial data used in developing the fees. Best practices suggest conducting a comprehensive analysis of City costs and user fees at least every five years. A new study will be conducted in FY 2017.

New Fees

There are nine new fees being proposed including two fees for the Fire Department; 1) a Paramedic Billing Fee to recover costs associated with responding to calls from medical offices, hospitals, urgent care facilities, or convalescent nursing facilities; and 2) a False Alarm Response Fee for a second and subsequent response in a 12-month period.

There are five new fees for the Public Health Department; 1) for food facilities that fail to submit plans prior to beginning a remodel; 2) body art event sponsor late application fee; 3) body art temporary event booth late application fee; 4) non-compliance certified food manager violation fee; and 5) emergency filing fee for a death certificate.

There are two new fees for the Public Works Department; 1) for cardboard boxes and liners for recycling events; 2) and for waste collection vehicle inspection that was inadvertently deleted in FY 2016.

For the most recent period, the CPI adjustment equaled 2.4103 percent. A number of fees are recommended to remain unchanged due to various government code provisions or the departments have requested no change. The fee calculations are rounded down to the nearest dollar with some exceptions where precise fee amounts are required.

The new fees are effective on July 1, 2016. Development related fees are effective August 19, 2016. 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 2017 Recommended General Fee Schedule (Attachment A)* is attached and is posted to the City's website for public review.

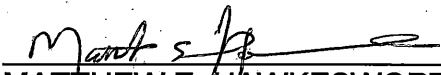
COUNCIL POLICY CONSIDERATION:

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.

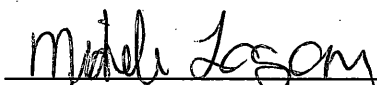
FISCAL IMPACT:

Once adopted, the amendments to the *General Fee Schedule* are expected to increase revenues in FY 2017 in the General Fund by approximately \$370,600 and other funds by \$430,200. In addition to the 2.4103 percent CPI adjustment, these revenues will also be impacted by changes in volume.

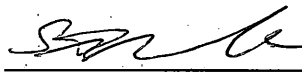
Respectfully submitted,


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Department of Finance

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Approved by:


STEVE MERMELL
Interim City Manager

Attachments: (2)

- 1: Attachment A – *Fiscal Year 2017 Recommended General Fee Schedule*
- 2: Attachment B – *New Fees (only)*