

Agenda Report

June 20, 2016

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (May 9, 2016)

FROM: Director of Finance

SUBJECT: ADOPTION OF FISCAL YEAR 2017 RECOMMENDED SCHEDULE OF TAXES, FEES, AND CHARGES

RECOMMENDATION:

It is recommended that the City Council close the public hearing and adopt the Fiscal Year (FY) 2017 Recommended *Schedule of Taxes, Fees, and Charges*.

BACKGROUND:

Pasadena Municipal Code Section 1.08.060 provides that all taxes, fees, and charges referred to in the code will be adjusted on July 1st of each year to reflect changes in the Consumer Price Index (CPI) for the year ending March 1st. 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 for review. The CPI for all urban consumers in the Los Angeles-Riverside-Orange County metropolitan areas increased by 2.4103 percent between March 1, 2015 and March 1, 2016. The FY 2017 Recommended *Schedule of Taxes, Fees, and Charges* was previously submitted to the City Council on May 9, 2016 pursuant to Pasadena Municipal Code Section 1.08.060 (C).

Attachment A shows the current rates of all taxes, fees, and charges affected by these provisions and the proposed rates that would take effect July 1, 2016, if approved. Staff is recommending an increase of 2.4103 percent to the flat amount tax rates to reflect the change in the most recent CPI data. Staff is not recommending changes to any tax rate which is based upon a percentage because, under Proposition 218, these are subject to electoral approval. Further, the FY 2016 Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates were approved by the City Council on December 14, 2015 and are not subject to change at this time.

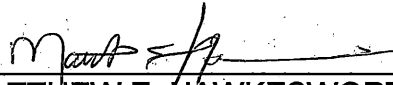
COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by annually updating the Schedule of Taxes, Fees, and Charges.

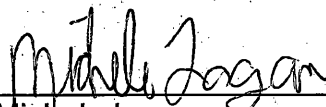
FISCAL IMPACT:

When adopted, the amendments to the *Schedule of Taxes, Fees, and Charges* are expected to increase the revenues in FY 2017 in the General Fund by approximately \$120,900 and other funds by \$205,400. These revenue projections have not been factored into the General Fund Five-Year Plan or the FY 2017 Recommended Operating Budget.

Respectfully submitted,


MATTHEW E. HAWKESWORTH
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Department of Finance

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Approved by:


STEVE MERMELL
Interim City Manager

Attachments: 1

Attachment A – FY 2017 Recommended Schedule of Taxes, Fees, and Charges