

Agenda Report

May 8, 2017

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

**SUBJECT: OPENING OF PUBLIC HEARING FOR FISCAL YEAR 2018
RECOMMENDED GENERAL FEE SCHEDULE**

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the Fiscal Year (FY) 2018 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 12, 2017 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 2018 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. 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 service, 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 fee amounts should increase or decrease based on the cost of service. Likewise, departments may propose new fees for new services and recommend that certain fees be eliminated. Fees may be 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 2018 Recommended General Fee Schedule public hearing was published in the *Pasadena Journal* for three successive weeks beginning on March 16, 2017. On April 27, 2017, the FY 2018 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.

New Fees

There are 31 new fees being proposed for FY 2018 (details on Attachment B). The safety departments have proposed a total of seven new fees; the details of these fees are listed below.

Fire Department - 3 new fees

1. Fire Dispatch Fee of \$42 to recapture the fees that the City pays Verdugo Communications Fire Communications Center (VFCC) for emergency dispatch services in Pasadena;
2. Annual Inspection and Compliance Reporting Fee of \$39 to ensure compliance with state and city code requirements; and
3. Penalty equal to 50 percent of the Annual Permit Fee for California Environmental Reporting System (CERS) Late Submittal, per required submittal fee to financially incentivize businesses to comply with state law filing of hazardous materials.

Police Department - 4 new fees

1. Clearance Letters - Per Letter (Travel Visa Only) With History Fee of \$50 to delineate from Fee 547, Clearance Letters - Per Letter (Travel Visa Only) No History. Clearance letters or "letters of good conduct" are issued to assist residents or prior residents of the City of Pasadena with foreign travel and adoption requirements. They are not for employment background, immigration or VISA purposes;
2. Three new vehicle impound-related fees to align with actual costs of operations; a) Impounded Vehicles (Associated with Arrest) (30-Day) Fee of \$200; b) Impounded Vehicles (Associated with DUI Arrest) Fee of \$150; and c) Impounded Vehicles (Associated with Prostitution) Fee of \$150.

The Planning Department has proposed a total of 4 new fees. As a result of a Cost of Service evaluation, three of the new fees will support the Multi-Family Rental Inspection Program. Code Compliance Officers will inspect multi-family properties and charge a fee according to the size of the property.

Public Health – 15 new fees

1. 10 fees are related to Substance Use Treatment Services.
2. 3 fees are related to Duplicate Placards and Stickers.
3. 1 fee is a permit for Satellite Food Facility.
4. 1 is a fee for a Public Pool that is permanently closed, not yet demolished per building department permit.

Public Works – 3 new fees

1. 1 fee for Tree Protection Plan Review.
2. 2 fees are related to Supplemental Bear Proof Containers, depending on the size of the container.

Transportation – 2 new fees

1. 1 fee is related to Special Event Parking Permit.
2. 1 fee is for the Temporary Removal of Bus Shelters.

Fees Higher than CPI

For the most recent period, the CPI adjustment equals 2.7120 percent. There are 21 proposed fees that have increased by more than CPI (Attachment C). These changes are based upon one of three factors: changes to State law, completion of a cost of service analysis, or market rate adjustments. The market rate adjustments are for 4 parking structure related fees, which are not required to be based on cost of service.

Deleted Fees

The Public Health Department is proposing to delete 426 fees related to program reductions that began in FY 2016. The fees were retained for one year in the event that they were needed during program closures. Revenues for the proposed Public Health Department fee deletions were not budgeted in FY 2016 and FY 2017; therefore, FY 2018 revenue will not be affected. In addition, the Planning Department proposes to delete three fees and the Fire Department proposes to delete one fee.

Summary

The new fees are effective on July 1, 2017. A number of fees are recommended to remain unchanged due to various government code provisions. The fee calculations are rounded down to the nearest dollar with some exceptions where precise fee amounts are required. Development related fees are effective August 10, 2017. 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 2018 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 the 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:

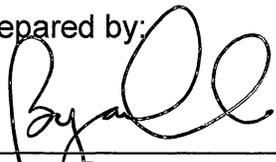
Once adopted, the amendments to the General Fee Schedule are expected to increase revenues in FY 2018 in the General Fund by approximately \$1,490,800 and other funds by \$932,500. In addition to the 2.7120 percent CPI adjustment, these revenues will also be impacted by changes in volume.

Respectfully submitted,



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STEVE MERMELL
City Manager

Attachments (3)

- 1 Attachment A – *Fiscal Year 2018 Recommended General Fee Schedule*
- 2 Attachment B – *New Fees (only)*
- 3: Attachment C – *Fees Higher than CPI (only)*