

# Agenda Report

June 12, 2017

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee (May 8, 2017)

**FROM:** Director of Finance

**SUBJECT: ADOPTION OF FISCAL YEAR 2018 RECOMMENDED GENERAL FEE SCHEDULE**

## **RECOMMENDATION:**

It is recommended that the City Council close the public hearing and adopt the Fiscal Year (FY) 2018 Recommended 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 1<sup>st</sup>, 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 Revised) presented for adoption includes all City fees.

### **New Fees**

There are 28 new fees being proposed for FY 2018 (details on Attachment B Revised). Included are seven new fees proposed by the Fire and Police Departments; 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 Fire Communications Center (VFCC) for emergency dispatch services in Pasadena;
2. Annual Inspection and Compliance Reporting Fee of \$39 supports a new Compliance Program that will track and drive code compliance, reduce false alarm activity and provide a safer community. The program will be internet based in which third-party contractors that inspect, test and maintain fire protection systems can submit their reports directly to the City of Pasadena via a web portal; facilitating a more efficient review, tracking and follow-up process with occupants to correct deficiencies and maintain fire alarm and suppression systems. The end result is a comprehensive and accurate aggregation of data around which buildings have what type of systems, when they were last tested, and if there are any open deficiencies that could jeopardize their successful deployment in the event of an incident.
  - a. There are over 5,500 fire and life safety systems known to the Fire Department in the City of Pasadena.
  - b. The Pasadena Fire Department responds to more than 2,100 false alarm calls each year.
  - c. This fee is not associated with fees related to residential occupancies, including home security alarm fees, residential fire sprinklers or smoke alarms;
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 544, 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 1 new fee; the Construction Notice Fee of \$13.85 will recover the actual costs of making the sign.

#### 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 of \$300 per month to incentivize contractors to return bus shelters as soon as possible and prevent a loss in revenue.

### **Fees Higher than CPI**

For the most recent period, the CPI adjustment equals 2.7120 percent. There are 20 proposed fees that have increased by more than CPI (Attachment C Revised). 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 four parking structure related fees, which are not required to be based on cost of service.

### **Deleted Fees**

The Planning Department proposes to delete three fees and the Fire Department proposes to delete one fee. 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.

**Notable Changes**

The Planning Department has proposed that Appeal Filing Fees 396 through 401 of Attachment A Revised be set at fifty percent of the application fee. Prior to 2015, the Appeal Filing Fee was sixty-five percent of the original application fee or used a tiered rate ranging from \$265-\$1,500 based on application fee amount. For the past two fiscal years, the fee was set at a flat rate of \$265. A flat fee for all appeal types neither reflects the varying types of development being appealed nor considers the varying amount of staff time to prepare cases for appeal. The Planning Department recommends an appeal fee based on a percentage of the application fee paid for the subject project. The table below provides a history of the appeals submitted between 2010 and 2017.

Year	Appealed to City Council (Fee Paid)	Called for Review by City Council	Appealed to Board of Zoning Appeals (BZA) (Fee Paid)	Fee
2010	2	0	11	65% of application fee (range \$250-\$1,406)
2011	1	1	4	65% of application fee (range \$255-\$1,438)
2012	1	1	4	65% of application fee (range \$250-\$1,406)
2013	0	3	4	65% of application fee (range \$2600-\$1,468)
2014	3	4	9	65% of application fee (range \$265-\$1,500)
2015	1	1	13	\$265 flat fee
2016	4	2	12	\$265 flat fee
2017 (YTD)	1	1	4	\$265 flat 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 Revised) 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.

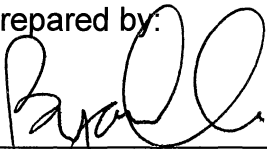
**FISCAL IMPACT:**

Once adopted, the amendments to the General Fee Schedule are expected to increase revenues in FY 2018 in the General Fund by approximately \$1,170,300 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,

  
MATTHEW E. HAWKESWORTH  
Director of Finance  
Department of Finance

Prepared by:

  
Byanca Banaga  
Administrative Analyst  
Department of Finance

Approved by:

  
STEVE MERMELL  
City Manager

Attachments (3)

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