



Agenda Report

May 7, 2018

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Director of Finance
SUBJECT: ADOPTION OF FISCAL YEAR 2019 RECOMMENDED GENERAL FEE SCHEDULE

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt a resolution approving the FY 2019 General Fee Schedule.

BACKGROUND:

Each year, as part of the annual budget adoption process, the City Council adopts a resolution approving the General Fee Schedule. Consistent with California law, Pasadena Municipal Code Section 1.08.070 states 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. Examples of cost of service based fees include processing land use approvals and building permits, and entrepreneurial type services. The General Fee Schedule also includes non-cost of service based fees such as facility rentals and fees to participate in recreation programs.

Pursuant to Pasadena Municipal Code Section 1.08.060, the Director of Finance shall adjust all applicable taxes, fees and charges annually based on changes in the Consumer Price Index (CPI). The CPI for All Urban Consumers in the Los Angeles-Riverside-Orange County metropolitan areas increased by 3.6235 percent between March 1, 2017 and March 1, 2018.

The last citywide cost of service study was conducted by Matrix Consulting Group in August 2013. The Department of Finance plans to initiate a new citywide cost of service study in FY 2019.

Attachment A is a complete list of the FY 2019 Recommended General Fee Schedule presented for adoption by resolution.

New Fees

In addition to annual adjustments, there are 20 new fees being proposed for fiscal year 2019 (detailed in Attachment B). Below is a summary of new fees by department.

Libraries and Information Services Department – 1 New Fee

- Library Equipment Use and Technical Assistance Charges Fee of \$40 to recover the staff time and costs associated with technical set-up by patrons of meeting room spaces at the Library. This fee includes the data and/or video projection equipment as well as the set up and take down, per hour.

Human Services and Recreation Department – 1 New Fee

- Passport Acceptance Fee of \$35 aligns with the passport execution fee set by the United States Department of State to assist with passport application forms.

Planning Department – 5 New Fees

- Building Permit Extension Fee would allow a building official to extend building permits by six months with approval at which time a fee of \$1,000 or 2 percent of permit valuation, whichever is greater would be charged. On December 12, 2016, the Pasadena Municipal Code section 14.04.020 was revised by ordinance 7289 to establish a time limit on building permits of 24 months.
- Two fees related to the attorney review of planned development applications and environmental impact reports as well as development agreements. These fees would be billed at the cost of service.
- Two fees related to consultant time and materials for SUSMP/NPDES permit requirements of low impact development review and arborist plan review. The expertise of these consultants is not available within in-house City staff.

Public Health Department – 6 New Fees

- Business Name Change Fee of \$45 is a processing fee for a permitted facility to change their business name.
- Two fees related to vaccines: Immunization Miscellaneous Fee and Tdap Fee.
- Two fees related to seasonal food operators that sell prepackaged food at a specific location for a time period not exceeding 180 days.
- Tuberculosis (TB) Risk Assessment Form Completion of \$20 to account for licensed staff's time to review the TB risk assessment form and assess a client's need of the TB (mantoux) test.

Public Works Department – 5 New Fees

- Public Tree Removal Application Fee (Up to 10 Public Trees) Fee of \$306.37 for the staff time incurred by the City to review requests to removed public trees.

- Two at cost commercial bin collections services fees: Tonnage – 5 tons or more Fee and Damaged or Lost Fee
- One at cost residential refuse collection bin for a damaged or lost bin.
- Sewer CCTV Review Fee of \$85 for the costs associated with an engineer reviewing sewer video to assess the capacity and/or condition of a home's sewer pipe.

Transportation Department – 2 New Fees

- Two bus temporary stop closure/re-route fees per the re-evaluation of an Associate Planner's time to provide the service.
 - a. Bus - Temporary Stop Closure/Re-Route (Each Additional Day) Fee of \$62.50.
 - b. Bus - Temporary Stop Closure/Re-Route (Each Additional Day for More Than One Stop) Fee of \$31.50

Fees Higher than CPI

There are 11 existing fees that are recommended to be increased by more than this year's CPI adjustment of 3.6235 percent; these recommended increases are based upon cost of service analysis or market rate adjustments. Of the 11 fees, the Department of Public Works has proposed significantly increasing 4 fees to \$300.95 after a study found that the same amount of staff time is necessary to process the Construction and Demolition (C&D) plan for a multifamily residential new construction project on a per unit basis, as it is for other projects categorized as single family residential new construction, tenant improvements, remodels and demolition projects. Detail for all fees higher than CPI is available on Attachment C of this report.

Deleted Fees

There are 21 fees recommended to be deleted in fiscal year 2019 (Attachment D). The Human Services and Recreation Department proposes the elimination of the Event Insurance Premium Rates Fee; the fee is obsolete as the department no longer provides event insurance. The Public Health Department is proposing to delete 18 fees that are no longer applicable as a result of program and service changes and laboratory closures that began in 2015. The Public Works Department is proposing to delete 2 fees for services that are no longer available as a result of cuts in grant funding.

Other Revisions

Attachment E is a summary of existing fees recommended to increase by an amount less than the 3.6235 percent CPI adjustment and/or a fee title change has been requested by a City department.

The Human Services and Recreation Department is proposing to increase their Facility Rentals (conference rooms, meeting rooms, classrooms, auditoriums) and Recreation

and Sport Facilities (fields, gymnasiums, and pools) by CPI. These facility rental fees have not been increased since 2012 when a cost of service study was last completed. These fee calculation adjustments will be rounded down to the nearest dollar.

Summary

If the City Council adopts a resolution approving the FY 2019 Recommended General Fee Schedule, the fees will become effective on July 1, 2018. A number of fees are recommended to remain unchanged due to various government code provisions. Generally, fee calculations are rounded down to the nearest dollar with some exceptions where precise fee amounts are required. 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. If the FY 2019 Recommended General Fee Schedule is approved on May 14, 2018, development related fees will be effective July 13, 2018.

The FY 2019 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 by annually updating the General Fee Schedule and by ensuring that, where appropriate, the City is reimbursed for the cost of providing selected services.

FISCAL IMPACT:

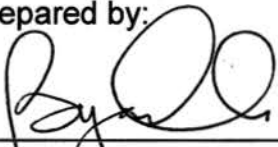
Upon adoption of the resolution, the amendments to the General Fee Schedule are expected to increase the revenues in the General Fund for fiscal year 2019 by approximately \$23,000 and in other funds by \$162,000. These revenue projections have not been factored into the General Fund Five-Year Plan or the Fiscal Year 2019 Recommended Operating Budget.

Respectfully submitted,



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STEVE MERMELL
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Attachments: (5)

- 1) Attachment A –Fiscal Year 2019 Recommended General Fee Schedule
- 2) Attachment B –New Fees
- 3) Attachment C –Fees Higher than CPI
- 4) Attachment D –Deleted Fees
- 5) Attachment E –Revised Fees (Fees Lower Than CPI and/or Name Change)