

Agenda Report

May 7, 2018

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

**SUBJECT: OPENING OF PUBLIC HEARING FOR FISCAL YEAR 2019
RECOMMENDED SCHEDULE OF TAXES, FEES, AND CHARGES**

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing for the Fiscal Year 2019 Recommended Schedule of Taxes, Fees, and Charges; and
2. Continue this public hearing to each subsequent regular meeting of the City Council at 7:00 p.m., until May 14, 2018 or other such 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 Fiscal Year 2019 Schedule of Taxes, Fees, and Charges.

BACKGROUND:

Each year, as part of the annual budget adoption process, the City Council reviews and adopts the Schedule of Taxes, Fees and Charges. Established by ordinance, this schedule includes items such as Residential Impact Fees, Utility User Taxes, Construction Tax, Business License Taxes, and Animal License Fees. This schedule includes charges that are not based on cost recovery and, therefore, are more accurately described as taxes and impact fees.

Pasadena Municipal Code Section 1.08.060 states that taxes, fees, and charges referenced in the code 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 adoption by the City Council. The

CPI for All Urban Consumers in the Los Angeles-Riverside-Orange County metropolitan areas increased by 3.6235% between March 1, 2017 and March 1, 2018.

Attachment A shows the current rates of taxes, fees, and charges affected by these provisions and the proposed rates that would take effect July 1, 2018 if adopted by the City Council. Staff is recommending an increase of 3.6235% 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 on a percentage because, under Proposition 218, these changes are subject to electoral approval. Furthermore, the Fiscal Year 2019 Grandstand Permit Application Tax, the Rose Bowl Admission Tax, and the Grandstand Seat Surcharge rates were approved by the City Council on December 11, 2017 and, therefore, not subject to change at this time.

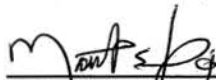
COUNCIL POLICY CONSIDERATION:

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:

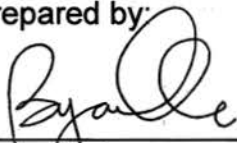
Upon adoption, the amendments to the Schedule of Taxes, Fees, and Charges are expected to increase the revenues in the General Fund for fiscal year 2019 by approximately \$128,800 and in other funds by \$218,800. These revenue projections have not been factored into the General Fund Five-Year Plan or the Fiscal Year 2019 Recommended Operating Budget.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance
Department of Finance

Prepared by:



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Administrative Analyst
Department of Finance

Approved by:



STEVE MERMELL
City Manager

Attachments: (1)

1) Attachment A –Recommended Fiscal Year 2019 Schedule of Taxes, Fees, and Charges