

Agenda Report

May 20, 2019

TO: Honorable Mayor and City Council

FROM: Director of Finance

SUBJECT: ADOPTION OF FISCAL YEAR 2020 RECOMMENDED GENERAL FEE SCHEDULE

RECOMMENDATION:

It is recommended that the City Council adopt a resolution approving the Fiscal Year (FY) 2020 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-Long Beach-Anaheim metropolitan areas increased by 2.5079 percent between March 1, 2018 and March 1, 2019.

The last citywide cost of service study was conducted by Matrix Consulting Group in August 2013. Since that time, various departments have completed individual studies to adjust rates as appropriate. Additional cost of service studies will continue to be completed as necessary.

Attachment A is a complete list of fees that comprise the FY 2020 Recommended General Fee Schedule presented for adoption by resolution.

New Fees

In addition to annual adjustments, there are 29 new fees proposed for FY 2020 (detailed in Attachment B). Below is a summary of new fees by department.

Libraries and Information Services Department – 1 New Fee

- **Collections Processing Charge Fee of \$15** to recover the cost of collection agency services paid to a vendor by the Library for collection of monies owed on long overdue items.

Housing Department – 1 New Fee

- **Curb Address Painting Fee of \$30** for requests from homeowners to paint their home address on the curb.

Human Services and Recreation Department – 3 New Fees

- **Two Specialty Day Camp Fees** per session for specialty camps such as soccer, boxing, robotics, and outdoor adventures.
 - a. Resident: \$75-\$200
 - b. Non-Resident: \$114-\$215
- **Late Pickup (per occurrence) Fee of \$20.00** to be charged in the event that a child is not picked up by 6:00 p.m. The proposed fee is aimed at deterring habitual late pick up behavior by customers. This fee will apply after a 10-minute grace period.

Planning and Community Development Department – 2 New Fees

- **Model Water Efficiency Landscape Plan Review Fee** to be charged at cost. The City adopted regulations in 2018 for Model Water Efficient Landscape, but no fee was established to review landscape plans submitted for compliance with the regulations (Municipal Code 17.44050). The Planning Department does not have the expertise with existing staff and uses a consultant to provide the plan review services. The City pays for the consultant services, but has not collected fees from the customer.
- **Neighborhood Development Permit Fee of \$6,530** is equivalent to the application and processing of the Hillside Development Permit. As such, the Planning Department recommends the same fee amount. The City adopted regulations in 2017 for a neighborhood overlay district (Lower Hastings Ranch), but no fee was established to process the new permit type (Municipal Code 17.25.090).

Public Health Department – 13 New Fees

- Pasadena Public Health Department proposes **eight Cannabis Cultivator and Retail** related plan check and annual permit type fees (per site square feet).

These fees will recover costs to review site plans and operating procedures, as well as costs to conduct inspections and complaint investigations.

- **Cannabis Retail Health Education Fee of \$175 per participant** - The goal is to require all cannabis dispensary employees to participate in one three-hour annual health education class conducted by Pasadena Public Health Department to assist staff in understanding and obtaining accurate, updated information on the health effects of cannabis use. The training will include a summary of the dispensary requirements per the Pasadena Municipal Code.
- **Host Facility Fee of \$560** is new annual food permit type for breweries, wineries, or commercial buildings that meet the requirements to support catering operations. The fee recovers the cost of conducting routine inspections, reinspections, and complaint investigations.
- **Limited Service Charitable Feeding Operations (LSCFO) Registration Fee of \$140** for charitable operations that provide small-scale, limited food preparation and serving, specifically to feed those in need. LSCFOs that register with the Environmental Health Division are inspected in response to a consumer complaint or a suspected foodborne illness, but are not subject to routine health inspections.
- **Hepatitis B – Heplisav B Fee of \$150** for a vaccine that will be stocked in addition to the current Hep B vaccine Energix. Heplisav offers a faster shot series and only requires two doses instead of three with Energix.
- **Tspot Blood TB Testing Fee of \$95** is a new test that will be offered as an alternative to the TB skin test. The fee amount includes the cost of laboratory fees, staff time, and supplies.

Public Works Department – New Fees

- **Inspection Fee of \$500 for Pavement Work for Utility or Public Improvement Permits (each development frontage - half street width only)**. This fee would help recover actual staff cost for the inspection of pavement work as conditioned on private developers for work in the public right-of-way. The proposed fee is based on the estimated average of one day of field inspection time by an inspector.
- **Non-Refundable Telecom Application Fee (for Telecommunications Facilities Permits) - per location Fee of \$335** to recover the staff costs for intake and processing of one telecommunications application package.
- **Two Non-Refundable Telecom Appeal Fees (for Telecommunications Facilities Permits)** – per location for appeals when a telecommunications application is denied by the Public Works Director.
 - a. Appeal to the City Manager: \$2,250
 - b. Appeal to the City Council: \$4,100

Transportation Department – 4 New Fees

- **Three new monthly fare passes** for frequent users of the Pasadena Transit system in the following categories:
 - a. Base (Regular) Fare Monthly Pass Fee of \$30 maximum
 - b. Senior or Disabled Fare Monthly Pass Fee of \$14 maximum
 - c. Youth (Grades K-12) Fare Monthly Pass Fee of \$20 maximumIn celebration of Pasadena's Transit 25th Anniversary, the monthly fare passes will be offered at an introductory promotional rate of \$15 for Base, \$10 for Youth, and \$7 for Seniors or Disabled Persons for first six to seven months beginning July/August 2019 and ending January 31, 2020.

- **Disabled Placard Misuse Fee of \$404.90** for the issuance of a parking violation for disabled placard misuse. Currently, the City does not have a fee for this violation; adding the fee will serve as a deterrent for offenders and free up parking spaces for disabled patrons. This fee would mirror the fee of "Illegally Parked in Disabled Persons Space."

Revised Fees

Attachment C is a detailed listing of the 40 existing fees that are recommended to be revised. Revisions include name changes and fees that are increasing by more than the 2.5079 percent CPI adjustment. These recommended increases are based upon cost of service analysis and market rate adjustments.

- Name Revised: 9 fees
- Higher than CPI: 29 fees
- Public Works fees being converted from at cost Sundry to flat fees to reflect actual costs: 2 fees

Decreased Fees

There are two fees recommended to be decreased in Fiscal Year 2020.

- The Library recommends reducing the Loan Requests Fee from \$2.10 to \$2.00 to facilitate collection. Moving forward, this fee will be rounded down to the nearest dollar.

- The Public Health Department recommends reducing the Clinic Fee from \$51 to \$20. This fee will be charged to every clinic patient in addition to the cost of all vaccinations and certifications, except the influenza (flu) vaccine. The fee is being reduced per the clinic manager's recommendation since the \$51 fee was not being collected on most patients as most were not asking for staff consultation re: recommended vaccinations. By lowering the fee to \$20, the clinic will increase revenue since the fee will be charged to everyone who comes to the clinic for a vaccination.

Deleted Fees

There are five fees recommended for deletion in Fiscal Year 2020 (Attachment D).

- The Library recommends eliminating the Per Day (\$0.15) and Maximum (\$2.50) fines on children's and young adults' materials to encourage more use of the library. Eliminating overdue fines will support the City's Early Child Development Policy by removing barriers to access. Replacement costs for items not returned will still be charged, including processing and collection agency fees.
- Public Works Department is converting a few at cost Sundry fees to flat fees, as a result the deposits are no longer necessary and should be deleted.

Summary

If the City Council adopts a resolution approving the FY 2020 Recommended General Fee Schedule, the fees will become effective on July 1, 2019. 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 2020 Recommended General Fee Schedule is approved on May 20, 2019, development related fees will be effective July 19, 2019.

Proposed increases to recreation activity fees within the Human Services and Recreation Department will become effective on August 25, 2019 to align with the fall registration period.

The FY 2020 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:

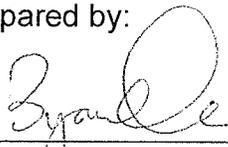
Upon adoption of the resolution, the amendments to the General Fee Schedule are expected to increase the revenues in the General Fund for Fiscal Year 2020 by approximately \$387,000 and in other funds by \$247,000. These revenue projections have not been factored into the General Fund Five-Year Plan or the Fiscal Year 2020 Recommended Operating Budget.

Respectfully submitted,



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STEVE MERMELL
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Attachments: (4)

- 1) Attachment A –Fiscal Year 2020 Recommended General Fee Schedule
- 2) Attachment B –New Fees
- 3) Attachment C –Revised Fee
- 4) Attachment D –Deleted Fees