



Legislation Text

File #: 07-0566, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution amending and restating in its entirety Resolution No. RES-06-0107 establishing a partial schedule of fees and charges for specified City services for the Departments of Community Development, Financial Management, Fire, Health and Human Services, Parks, Recreation and Marine, Planning and Building, Police, and Public Works. (Citywide)

On September 12, 2006, as part of the adoption of the Fiscal Year 07 Budget, the City Council approved a partial schedule of fees and charges for specified City services for the Departments of Community Development, Financial Management, Fire, Health and Human Services, Parks, Recreation and Marine, Planning and Building, Police, and Public Works. In general, the basis for this partial schedule of fees and charges was the Fee Study, which was originally recommended by the Budget Oversight Committee and commissioned by the City Council on June 3, 2004, when a contract was entered into with a consultant to complete a cost accounting of the most significant City's user fee services.

One of the outcomes of the Fee Study was an understanding that the City's process to offset its costs to provide fee-based services did not provide for increasing costs due to inflation or other cost factors. Thus, some fees remained unchanged for decades resulting in a significant subsidy, which was only addressed when a fee came back before the City Council. In order to provide a methodology to keep pace with the demands of a vital and progressive City that strives to maintain the maximum possible level of service, a mechanism to allow changes to the City's fee structure is necessary. City staff will bring proposed fee adjustments of a material nature on an ongoing basis in order to keep fees up to date. Please see Attachment A for a Summary of Key Proposed Fee Adjustments for the Mid-Year of Fiscal Year 2007 (FY 07).

Proposed changes in the partial schedule involve several dynamics as follows:

- **FY 07 Adopted Budget Implementation:** On July 11, 2006, the City Council adopted an amended Financial Policy on User Fees and Charges, which reads:

The City of Long Beach is empowered to recapture, through fees, up to the full cost of providing specific services. Regular and consistent review of all fees is necessary to ensure that the costs associated with delivery of individual services have been appropriately identified, and that the City is fully recovering those costs. It is the City's policy to set user fees at full cost recovery levels, except where a greater public benefit is demonstrated to the satisfaction of the City Council, or when it is not cost effective to do so.

As described in the FY 07 Adopted Budget, the City has committed to reviewing and adjusting its fees at a measured pace over the next two to three years to eliminate subsidies that are not deemed to provide a greater public benefit. Fifty-one of the fee adjustments recommended in

this action are in response to this fiscal strategy.

- **Master Schedule Changes:** The ultimate goal is to replace the partial schedule of fees with a true City Master Fee and Charges Schedule (Master Schedule) that would include all City fees, fines, penalties and citations. The creation of the Master Schedule should be completed by FY 08 Budget Adoption. Some of the fee changes included in this resolution are the result of this effort to incorporate existing approved fees from separate resolutions or those referenced in the Long Beach Municipal Code (LBMC) into the Master Schedule. In addition, corrections to the language of the resolution have been undertaken to better inform the public about the City's charges for services. Consolidation into the Master Schedule of the various fees established and approved in other resolutions and in the LBMC, along with language corrections make up 100 of the 185 changes included in this resolution. These changes do not result in a change to the fee amount.
- **Service Demands:** Some new fees are being introduced due to increased demands for City services. Charging a fee allows residents to enjoy the benefits of a service that may otherwise not be possible without sufficient revenue support to offset the cost of providing the service. Changes in demand or impact have also resulted in new fees being developed. Some services in low demand are not initially assigned a fee because of the cost of development of a billing process. As demand increases, the impact on the organization increases resulting in an improved cost/benefit ratio. In addition, services sometimes grow from a minimal impact to a larger impact resulting in the requirement to assign a cost to the service being provided. Thirty-four of the fee adjustments that have been recommended are in response to increased service demands or to assist in cost recovery efforts.
- **Fee Deletions:** Some fees have been recommended for deletion from the Master Schedule. The specific reasons are addressed in Attachment B, which includes a listing of proposed fee deletions.

This letter was reviewed by Assistant City Attorney Michael J. Mais on May 14, 2007 and Budget and Performance Management Bureau Manager David Wodynski on May 11, 2007.

In order for the fee adjustments to be implemented and new revenue to be generated, the attached resolution must be adopted. Therefore, City Council action is requested on May 22, 2007 to allow the fee changes to be put into place.

General Fund revenue changes described in Attachment A have already been accounted for in the Fiscal Year 07 budget. The predictions for the City's annual General Fund revenue assume natural growth of fee and charges revenues, as well as a certain level of improved cost recovery occurring annually as departments strive to meet the City Council policy for full cost recovery. The total value of the annual revenue changes included in Attachment A is approximately \$1,700,000.

- **Financial Management Department**

The Financial Management Department is requesting fee adjustments in the Business Services and Utility Services Divisions for a total revenue impact to the General Fund of \$3,050. Most changes relate to the gradual increase to the full cost to provide services as

identified in the Fee Study or as a result of the calculation methodology introduced by the Fee Study. In addition, utility customers requesting a refund for overpayments will be asked to offset the cost to create a refund check. The increase in customers making home banking errors and requesting refunds have placed a greater burden on staff involved in creating a manual refund check. Customers may avoid this charge by allowing the overpayment to remain on the account to offset future utility costs. The cost per refund is over \$60, but staff recommends at this time to establish a \$25 fee. The total subsidy for all refunds will be approximately \$5,750.

- **Fire Department**

Fire Prevention Bureau

Line of Business: Fire Prevention

Programs: Code Enforcement, Certified Unified Program Agency

Fee Schedule Adjustments

A number of services provided by Fire personnel are currently not being captured by the current fee schedule. Fire has identified those items and recommends adjustments to assist in the cost recovery for services. Estimated annual revenue to the General Fund is approximately \$82,500.

Operations Bureau

Line of Business: Emergency Services

Program: Emergency Response Operations

Ambulance Transport Fees

On December 2, 2003, the City Council authorized the City of Long Beach to set ambulance rates to be consistent with the rates established by the County of Los Angeles, Department of Health Services (DHS). DHS has again adjusted its rates effective January 1, 2007, based on its most recent survey. Survey participants included all California counties except Los Angeles and Orange Counties. The Fire Department is proposing to increase the Advanced Life Support (ALS) rate from \$868.75 to \$904.25 and the Basic Life Support (BLS) rate from \$610.50 to \$644.50 to match the latest DHS rates. Note that Medicare and Medi-Cal payments are currently capped at lower amounts. In addition, patients are not held accountable for the difference between the ALS/BLS rate and the Medicare/Medi-Cal payment.

The proposed fee increase is expected to generate approximately \$150,000 of revenue annually for the General Fund.

- **Department of Health and Human Services**

Animal Control Bureau

Plan Check Fees

The Animal Control Services Officer and other Senior Animal Control staff occasionally review plan checks for new/remodeled businesses that provide housing, services or sale of animals. Plan reviews are often time consuming, and Animal Control's involvement is critical to prevent situations where animals are kept in horrendous and overcrowded conditions. While these fees are not expected to generate substantial revenue (estimated at \$624 per year), the establishment of plan check fees, nonetheless, is necessary to recover actual costs associated with staff time when providing this service.

Administrative Penalties for Long Beach Municipal Code Violations

Certain Administrative Penalties were established and included in LBMC Section 9.65.060(0). Their inclusion on the Master Schedule is pursuant to the City's efforts to have all fees and charges, including those referenced in the LBMC or Administrative Regulations, adopted through a single resolution. The increased revenue to Animal Control will be generated from a change in the process of handling the violations. Using an administrative citation rather than the court process to handle LBMC violations will direct revenues to the General Fund to offset Animal Control costs, rather than the penalty offsetting the court's cost to process the violation. It is anticipated that these penalties will generate approximately \$33,000 in FY 07, and \$66,000 in FY 08.

Environmental Health Bureau

An increase to the Water Reinspection Fee was inadvertently omitted from the FY 07 budget adoption. This fee is charged to recoup costs for the second notice of violation of water-related health codes after the first notice does not bring 100 percent compliance. This action brings this fee into alignment with the Department of Health and Human Services' efforts to incorporate cost increases into their fee schedule.

This change will increase the fee by \$11. Total incremental revenue to the Health Fund from this action cannot be predicted since reinspections only occur when an additional review is necessary.

Public Health Laboratory

The Public Health Laboratory provides a wide range of testing for Department activities, as well as on a "fee for service" basis with area hospitals and other providers of medical care. The HIV-1 Viral Load test (which is a test to determine the best course of therapy of persons with HIV infection) cost increase is necessary to allow full recovery of costs for test consumables, and staff time.

Fees for other new tests show prices determined on cost of consumables per test and total staff time. It is anticipated that these new and increased fees could result in a total of \$162,000 in increased annual Health Fund revenue.

- **Planning and Building Department**

Duplication and Reproduction Fees

A Map Reproduction fee of \$40 per map for standard maps and \$60 per hour for customized maps is proposed to recoup labor, materials and cost of supplies associated with the reproduction of planning maps. Revenue received for this service is estimated at \$1,240. The fee increase will be assessed for those customers who request copies of large planning maps.

- **Police Department**

The Police Department is seeking changes to the Fee Resolution to better align itself with the City Council cost recovery direction. Costs associated with the investigation of criminal and driving history of Tow Truck Drivers and Pedicab Drivers, while included in the recent Fee Study, were not included in the Fee Resolution adopted in September 2006. Since only a minimal number of these applications are currently processed annually, revenue increases are not predictable at this time. Similarly, it is recommended that the fee to review and process Rummage Sale Permit applications (non-profit organizations) be aligned with the fee to obtain a Garage Sale Permit (\$10).

A recent streamlining of the application review and processing of Exclusive Use Permits (single event entertainment permits for private, non-profit and commercial entities) has resulted in lowered costs. As such, it is recommended that the fee be lowered to \$100 per permit; near full cost recovery. Previous to the Fee Resolution adopted in September 2006, the fee charged for the investigation and review of Exclusive Use Permit was \$25, nearly a 90 percent subsidy. In September 2006, the fee was changed to \$300 per event to reflect the associated costs at that time. The streamlining of the process has lowered the costs to \$105 per event. It is estimated that adopting a \$100 fee will result in annual revenue of \$2,100.

As part of the Fiscal Year 2007 budget adoption process, the fee for the receipt and filing of the report of repossession pursuant to Section 28 of the Vehicle Code was increased to \$25.00 based on the Fee Study

findings that the City incurred a \$26.00 cost is providing this mandated service. Subsequently, it came to the City's attention that the State Law limited the amount to \$15.00. In the near future, a change to the Municipal Code will be recommended that will allow for the full amount of the City's cost to be recouped allowing the \$33,000 in General Fund cost to be recovered.

- **Public Works Department**

Engineering Bureau

Land Development Activities

The Engineering Bureau has consolidated all fee resolutions possible into the proposed resolution. As part of the Bureau's efforts to recover costs for providing services to the public, the fees have been updated to remove any remaining subsidies. The increased revenue to offset costs in the General Fund is estimated to be \$70,700 annually.

Airport Bureau

Vehicle Parking Fees

The Airport Bureau is requesting increases in the vehicle parking fees charged to customers of Long Beach Airport. These adjustments are necessary in order to cover increased staffing and maintenance costs related to the parking lots and to provide needed improvements to these same facilities.

Although the daily maximum parking rates are increasing by \$2.00 per lot, hourly rates remain at one dollar, and the first twenty minutes in each lot continue to be at no cost. While daily fees vary per lot, a \$2.00 per day increase is proposed for all lots resulting in the following daily rates - \$17.00 for Lot A; \$14.00 for Lot Band \$11.00 per Lot C. In addition, although the proposed rate increases will provide additional revenue, Long Beach Airport's vehicle parking fees continue to be competitive with those of other area airports. Airport parking fees have remained the same since 2003.

Application Fee - Ground Transportation

The application process for ground transportation companies (i.e., door-to-door shuttles) is comprehensive, and requires a significant amount of staff time to assist in both the completion of the application and the review of the required insurance documents. The Airport Bureau is requesting this new application fee of \$50.00 in order to cover the staff costs associated with this important process.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION NO. RES-06-0107 ESTABLISHING A PARTIAL SCHEDULE OF FEES AND CHARGES FOR SPECIFIED CITY SERVICES FOR THE DEPARTMENTS OF COMMUNITY DEVELOPMENT, FINANCIAL MANAGEMENT, FIRE, HEALTH AND HUMAN SERVICES, PARKS, RECREATION AND MARINE, PLANNING AND BUILDING, POLICE, AND PUBLIC WORKS

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