



## Legislation Details (With Text)

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<b>File created:</b>	3/5/2015	<b>In control:</b>		<b>In control:</b>	City Council
<b>On agenda:</b>	3/24/2015	<b>Final action:</b>		<b>Final action:</b>	3/24/2015
<b>Title:</b>	Recommendation to receive supporting documentation into the record, conclude the public hearing and adopt resolution amending the Master Fee and Charges Schedule. (Citywide)				
<b>Sponsors:</b>	Financial Management				
<b>Indexes:</b>	Fee				
<b>Code sections:</b>					
<b>Attachments:</b>	1. 032415-H-3sr&att.pdf, 2. 032415-H-3 Revised Exhibit A.pdf, 3. RES-15-0031.pdf				

Date	Ver.	Action By	Action	Result
3/24/2015	1	City Council	approve recommendation and adopt	Pass

Recommendation to receive supporting documentation into the record, conclude the public hearing and adopt resolution amending the Master Fee and Charges Schedule. (Citywide)

City Council approval is requested for the List of Proposed Fee Adjustments for the Second Quarter of Fiscal Year 2015 (FY 15), which describes the proposed changes to the City's Master Fee and Charges Schedule. City Council last approved an amended Master Fee and Charges Schedule for specified City services on September 2, 2014. The original basis for the schedule of fees and charges is the Fee Study, which was recommended by the Budget Oversight Committee and commissioned by the City Council on June 3, 2004 to complete a cost accounting of the most significant City services and their related user fees.

Since the fee study was originally completed, costs borne by the City in providing fee-related services have changed for a variety of factors. In order to meet the City Council's Financial Policy on User Fees and Charges, which calls for full cost recovery whenever appropriate, a mechanism to allow broad-based changes to the City's fees is, therefore, necessary. Bi-yearly fee adjustments are the process by which the broad-based changes to fees are presented to the City Council and the public for consideration.

The proposed fee changes currently being presented to the City Council represent the FY 15 Second Quarter Fee Adjustment, which will take effect immediately upon adoption. The next citywide fee adjustment process will occur during FY 16 Budget Adoption, and will take effect on October 1, 2015. City staff will continue to bring proposed fee adjustments to the City Council on an ongoing basis to keep fees up to date. Please see Attachment A for the latest List of Proposed Fee Adjustments.

Proposed changes to the Master Fee and Charges Schedule involve several factors as

follows:

**City Council Financial Policy on User Fees and Charges** - Fees will be set at a level to fully recover costs, except where there is a greater public benefit through use of a lower fee, such as where full recovery may adversely impact overall revenue or may discourage participation in programs where the participation benefits the overall community.

**Increased Service Demands** - Certain new fees are being introduced to address the increased demand for City services. Charging a fee allows residents to enjoy the benefits of a service that may otherwise not be possible without sufficient revenue to offset the cost of providing the service. Some services in low demand are not initially assigned a fee because of the cost of developing 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 need to assign a cost to the service being provided. Changes in the regulatory environment may also result in new fees being developed.

This matter was reviewed by Deputy City Attorney Kendra L. Carney on March 9, 2015 and by Budget Bureau Manager Lea Eriksen on March 4, 2015.

In order for the fee adjustments to be implemented and new revenue to be generated, the attached Resolution must be adopted by the City Council. Therefore, City Council action is requested on March 24, 2015 to allow for increased cost recovery at the earliest possible time.

Any revenue changes described in Attachment A are only estimates, and are based on anticipated service usage in FY 15. The City's FY 15 adopted General Fund revenue estimates assumed natural growth of fees and charges; therefore, the requested fee increases are required to meet current revenue commitments in the respective departments and will support each department's General Fund operations during the current fiscal year. FY 15 revenue projections from proposed fee changes for all funds included in Attachment A are estimated to be approximately \$5,109 annually, but could vary depending on market or economic conditions at the time.

## **Citywide Fees & Charges**

### General Fees

New State legislation AB 2727 amends Section 68096.1 of the Government Code to increase the current witness (employee) fee from \$150 to \$275 per day. Existing law requires that any employee of a local agency who is obliged by a subpoena to attend a civil action or proceeding as a witness in litigation in a matter regarding an event or transaction that he or she perceived or investigated in the course of his or her duties, to which that local agency is not a party, requires the subpoenaing party to tender \$150 with the subpoena to the local agency. The new bill increases the amount to be tendered with the subpoena from \$150 to \$275 for each day that the employee is required to be in attendance at the proceeding

pursuant to the subpoena.

## **City Clerk Department**

### Civil Marriage Ceremony

On September 19, 2014, Governor Brown signed AB 1525 (B. Lowenthal) into State law and it allows city clerks to voluntarily perform (solemnize) civil marriage ceremonies. AB 1525 was sponsored by the City of Long Beach and it became effective January 1, 2015. Civil marriage ceremonies at Long Beach City Hall are available by appointment, Monday through Friday, during normal business hours. Prior to making an appointment for a civil marriage ceremony, couples must obtain a valid marriage license from the Los Angeles County Registrar-Recorder/County Clerk.

The proposed City of Long Beach civil marriage ceremony fee is \$25, and an optional witness fee is \$18. The proposed City fees are equal to the civil marriage ceremony fees charged by Los Angeles County. All fees collected by the City Clerk Department will be deposited in the City General Fund.

### Passport Services

The Passport Services Express Postage fee for Passport Applications is established by the United States Postal Service (USPS). Recently, the USPS increased the express postage fee from \$19.95 to \$19.99 per application. In order to continue achieving full cost recovery, the City Clerk Department is requesting to increase its Passport Application Express Postage fee to match the new USPS amount. The last increase for Passport Application Express Postage occurred in April 2014. This fee change will have no net impact on the General Fund as the fee increase will be passed along to the USPS.

### Eliminated Fees

In addition, four fees are recommended for elimination. The three fees for City of Long Beach map print-outs are no longer needed since printing is now performed by the Department Technology and Innovation. The fee for audio tape duplication for City Council and Commission meetings is also proposed for elimination since the meetings are now available digitally on the City's Internet site.

## **Development Services Department**

### Downtown Dining and Entertainment District Fees

On January 13, 2015, the City Council adopted an ordinance that enhanced the Downtown Dining and Entertainment District (District). The District was originally established to provide uniform standards for the co-existence of residential and entertainment uses in Downtown Long Beach. The District is bounded by the north side of Ocean Boulevard, the south side of Third Street, the east side of Pacific and the west side of Long Beach Boulevard, and includes the areas known as the Pike at Rainbow Harbor and Shoreline Village. An applicant for a new entertainment permit within the District must obtain a noise study to ensure that the sound from the establishment meets the standards described in Municipal Code Section

### 8.8.0.

The ordinance allows an applicant to request a waiver of this requirement, through a Noise Study Exemption Request, if certain criteria are met. Such a request requires the review of representatives from the City's Financial Management, Health and Human Services, and Development Services Departments, as well as an administrative hearing process. The review and hearing will require approximately 10 hours of staff time to research location history, perform site inspections, and determine whether or not an exemption is appropriate. To ensure full cost recovery for the Noise Study Exemption Request, the Development Services and Financial Management Departments propose new fees of \$95.66 and \$465, respectively, per request. The Health and Human Services Department will offset the expenses of its staff time through a charge of \$205 per request based on its existing Environmental Health Noise Evaluation fee. If approved as proposed, an applicant's total fee for a Noise Study Exemption request would be \$765.66. No additional revenue is estimated at this time, as these fees are new and the number of exemption requests are unknown.

Applicants may choose to appeal the results of the Noise Study Exemption Request. Therefore, the Development Services and Financial Management Departments propose new Noise Study Exemption Appeal fees of \$95.66 and \$412.50, respectively, per appeal. These costs will offset the nine hours of staff time necessary to evaluate new evidence and prepare for the appeal hearing. No additional revenue is estimated at this time, as these fees are new and the number of exemption appeals are unknown.

### Mills Act

The Mills Act Property Incentive Program (Program) allows owners of qualifying historic properties to receive potential property tax reductions in exchange for restoring or maintaining those properties. On January 6, 2015, the City Council re-instituted the City's Program and adopted revisions, which necessitate the following fee changes:

- Mills Act Pre-Application. The initial review of a Mills Act application requires two hours of staff time to assess whether a property has sufficient historic attributes to qualify for the Program. An increase from \$76 per request to \$150 per request is proposed to ensure full cost recovery for the pre-application process. No additional revenue is estimated at this time, as this Act is re-instituted with the number of pre-applications unknown.
- Mills Act Application. A change in the Mills Act application fee from \$1,010 per unit to \$1,010 per property is recommended to distinguish between multi-family residential properties that are owned and operated as an apartment building versus a condominium building. This change will ensure the application fee is charged fairly to individual property owners while maintaining cost recovery. No additional revenue is estimated at this time, as this Act is re-instituted with the number of applications unknown.
- Mills Act Application/Landmark Combination. To qualify for the Program, a

property must be a designated landmark. The process to designate a landmark and the process of reviewing a Mills Act application have some overlapping requirements, providing economies of scale if both are processed simultaneously. Therefore, the Development Services Department proposes a combined fee of \$1,500 per property, rather than two separate charges totaling \$1,845. The proposed change will enhance customer service and maintain cost recovery. No additional revenue is estimated at this time, as this Act is re-instituted and the number of Mills Act/Landmark Combination Applications are unknown.

## **Financial Management Department**

### Business Services Bureau - Business License and Permit Fees - Miscellaneous Fees

See “Downtown Dining and Entertainment District Fees” section above under Development Services.

## **Long Beach Airport Department**

### Miscellaneous Fees - Commercial Use Permits (CUP)

A CUP is charged to use airport property for filming of commercial motion pictures or professional still photography. The CUP fee for use of runways, taxiways, ramp and other operational areas for filming is increasing from \$250 to \$450 per hour to offset more of the costs associated with the property use. All filming at the Long Beach Airport (LGB) requires security review along with coordination with Airport Operations and Public Affairs. This fee change is requested so that the fee is commensurate with the amount of planning and security measures required for these locations. A new filming CUP fee of \$550 per hour is specifically proposed for use of the new passenger concourse and Security Identification Display Areas (SIDA) areas. Additional screening is required for filming in these areas and the fee is designed to recover those costs. Staff estimates an average increase of \$5,000 per year in Airport revenues as a result of these fee changes; however, revenues will vary greatly by year because demand for filming at LGB is highly unpredictable.

### Airship/Blimp Operations

Scheduled commercial aircraft park on the ramp. Other aircraft can park temporarily on the airfield subject to aircraft parking fees. The Airport provides this type of parking infrequently. The fee for airship/blimp operations is increased from \$55/day or portion thereof, to \$100/day or portion thereof, as this fee has not increased since 2003. There is no estimated revenue increase, as demand is unpredictable.

### Security Access Control

The Airport Security division provides for the safety and security of airport facilities and the airfield. Employees of the airport, airlines, and fixed based operators (tenants) are required to be at least screened and badged.

In order to recoup for fingerprinting, badge supplies, screening costs and fund replacement of components of the security access control system, several fee changes are proposed. The SIDA and Sterile Area badge fee is increased from \$40 to \$50, with an estimated revenue change of \$1,500, a new fee for Airport Operations Area (AOA) badges of \$25, which was previously free, and a \$10 renewal fee for existing badge holders, which was previously free. It is estimated that the Airport will recoup \$10,000 from the AOA badge charge and \$5,000 from the renewal fees. Badges are good for two years after which a rescreening is performed and new badge issued.

## **Parks, Recreation & Marine Department**

### Belmont Pool and Community Pool Youth Swim Fees

At the October 4, 2014 City Council meeting, the Council requested to reduce the admission fee charged to youth under the age of 17 to swim at The Belmont Plaza Outdoor Temporary Pool (Belmont Pool) from \$3 to \$1. Staff estimates that these changes will result in approximately \$15,821 in loss of revenue to the Tidelands Fund.

City Council also requested that other City pools reduce the youth admission fee from \$2 to \$1. Proposed revisions to the General Fund fees for the other City pools will be heard by the City's Parks and Recreation Commission (Commission) on April 16, 2015. Under Article IX, Section 902, of the City Charter, the Commission has the authority to establish fees for public recreational programs and use of public parks and recreation facilities. Staff estimates that the youth admission fee reduction at other City pools will result in approximately \$19,445 in loss of revenue to the General Fund.

With the reduction of the youth pool swim fees, the existing Belmont Pool Youth Plaza Pass fee is reduced from \$85 to \$25 per book. The Plaza Pass has pre-paid passes that may be used for pool admission in lieu of cash. Staff estimates that these changes will result in approximately \$570 in loss of revenue to the Tidelands Fund.

Upon completion of the permanent Belmont Pool, the fee structure will be re-evaluated to ensure the pool fees are comparable with similar pool facilities in other cities.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING  
THE MASTER FEE AND CHARGES SCHEDULE FOR SPECIFIED CITY SERVICES FOR  
THE CITY OF LONG BEACH - SECOND QUARTERFY15ADJUSTMENTS

JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER