



Legislation Text

File #: 14-0232, Version: 1

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 2014 (FY 14), 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 3, 2013. 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 14 Second Quarter Fee Adjustment, which will take effect immediately upon adoption. The next citywide fee adjustment process will occur during FY 15 Budget Adoption, and will take effect on October 1, 2014. 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 Gary J. Anderson on March 10, 2014 and Budget and Performance Management Bureau Manager Lea Eriksen on March 3, 2014.

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 April 1, 2014 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 14. The City's FY 14 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 14 revenue projections from proposed fee changes for all funds included in Attachment A are estimated to be approximately \$123,000 annually, but could vary depending on market or economic conditions at the time.

City Clerk Department

Campaign/Election Fees

City Clerk Department fees for providing files in electronic or CD format are being adjusted to align with the rates published by the County of Los Angeles. The Propensity List fee, which provides a list of City of Long Beach voter history, is being increased from \$11.95 to \$39. The Voter File fee, which provides a list of all Long Beach registered voters, is being lowered from \$55 to \$54. The fee changes reflect the new rates charged by the County of Los Angeles, which offers the same service to Long Beach residents.

When a customer requests a copy of the Propensity List or Voter File, the City Clerk Department queries the County of Los Angeles database on behalf of the customer. The Department provides the query results to the customer in either electronic or CD format. The purpose of the fee adjustments is to allow the Department to be fully reimbursed for the staff and material costs incurred while providing this service. The fee change will have minimal net impact on General Fund revenues as there are fewer than 10 requests per year for the Propensity List and Voter File.

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 \$18.95 to \$19.95 per application. In order to continue achieving full cost recovery, the City Clerk Department is requesting to increase its Passport Application Express Postage rate to match the new USPS amount. The last increase for Passport Application Express Postage occurred in January 2013. This fee change will have no net impact on the General Fund as the fee increase will be passed along to the USPS.

The Passport Photo fee was established in 2010 to recover City Clerk Department costs in providing passport photo services to customers. The Clerk Department is requesting that the fee be lowered to a flat rate in order to simplify the cash handling process for City staff and maintain similar rates to other passport photo vendors. The estimated loss to General Fund revenues as a result of this change is approximately \$50 based on the average number of passport photos provided per year.

Fire Department

Multi-Family Residential Inspection Permit

The adoption of the FY 14 Fee Resolution included a "Self-Inspection" permit fee for properties with 3 to 10 units. After adoption of the resolution, the California State Fire Marshal indicated a self-inspection does not meet statutory requirements of the California Health & Safety Code, and the only way this method could be implemented, would be to introduce legislation to have it changed. Based on this information, the "Self-Inspection" fee of \$30 per building is being deleted from the fee schedule. In addition, all multi-family residential inspection permit fees have been increased by an average of 10 percent in order to achieve full cost recovery for labor and material costs during inspection. In total, the Fire Department anticipates a \$100,000 net increase in General Fund revenues as a result of the self-inspection fee deletion and 10% increase in multi-family residential inspection permits.

Miscellaneous Permits and Fees

The Long Beach Fire Department conducts annual inspections for life safety code violations on permitted commercial properties, multi-family residential properties with 3 or more units and businesses that are regulated for hazardous materials under the Certified Unified Program Agency (CUPA). Reinspection fees are assessed upon non-compliance by a business with an inspection correction notice. Fire staff continue to inspect the business until the corrections have been completed. Reinspection fees have been adjusted to allow for one reinspection at no cost, and then an increase for the 2nd, 3rd and each subsequent reinspection. This allows business owners who comply with issued violation notices to not be penalized for a reinspection if they correct the issues with the 1st notice. The Fire Department is unable to project revenue impacts at this time since the number and type of inspections vary annually.

Fire Sprinkler Retrofit Alternative Permits

Fire Sprinkler Retrofit Alternative Permit fees are charged on a single inspection for building owners that have chosen to comply with the Sprinkler Retrofit Alternative Ordinance in lieu of installing a fire sprinkler system in their building. Permit fees have been increased to better achieve full cost recovery based on a review of staff and material costs. These fees were last adjusted in September 2011.

Department of Health & Human Services

Tuberculosis Clinic

Directly Observed Therapy (DOT) is a service performed by the Health and Human Services Department as part of its tuberculosis control strategy. It involves delivering medication to patients at their home, school, or workplace on a daily basis and observing them as they take their medication to ensure that they are adhering to the treatment. DOT is only enacted if the patient is at risk of treatment noncompliance. In an ongoing effort to standardize and ensure conformity with billing practices of all third party payers, a fee for a Directly Observed Therapy Visit has been added to the fee schedule. As with all other medical fees charged by the department, Medicare plus 10 percent has been selected as the standard rate.

Miscellaneous Services

The fee for Court-Ordered HIV/AIDS Health Education Classes has been increased to cover costs associated with keeping the Main Health and Human Services Department Building open 30 minutes later than the normal closing time. These classes are court-ordered and the fee is consistent with other local classes available.

Long Beach Airport

Airline Fees, Aircraft Parking and Terminal Space Charges

Each year, the Airport engages in a process with the airlines to develop the rates and fees charged for their landings, gate use, common use, apron parking and terminal space rental. One of the key drivers of rates and fees is minimum revenue established by the bond covenants, which call for a minimum revenue to debt service coverage ratio of 150 percent. An FY 14 mid-year adjustment is necessary due to under-utilization of allocated flights, resulting in a decline in direct and indirect revenue. Based on revised passenger enplanement projections, a 3.5 percent rate increase is proposed effective April 1, 2014 to ensure the Airport realizes its budgeted net revenue for the remaining six months of FY 14.

Department of Parks, Recreation & Marine

The attached list includes 27 fee adjustments proposed for FY 14, resulting in an estimated net revenue increase of approximately \$3,600 to provide cost recovery for user fees

consistent with City Council policy. A number of recreation fees are being rounded to the nearest dollar to eliminate the need for coin change funds at multiple Parks Recreation & Marine (PRM) locations. Collecting change requires excessive staff time in order to count change, balance cash drawers, and maintain treasury change funds. Rounded fees enable PRM staff to provide more efficient customer service and more effective custodianship of the public funds collected through fees. Animal Care Service fees are also being rounded to the nearest dollar to eliminate the need for coin change funds. Two categories of fee adjustments are noted in more detail below:

Belmont Pool

Due to the closure of the indoor Belmont Pool and limited public use of the small outdoor pool, PRM opened a new 50-meter outdoor pool in December 2013. The proposed fees are based primarily on a comparative analysis of similar outdoor public pools, as full cost recovery for public pools is operationally prohibitive. These fees will be retroactive to January 1, 2014.

There are several categories of individual or group swimmers that use the Belmont Outdoor Pools. The first category is the general public, which typically pays for one hour of a shared lane that can be 50-meters or 25-meters long, depending on space availability, the time of day, and usage level of the particular pool. The second category is for group activities. Groups can include PRM recreation programs; local public educational entities, such as the Long Beach Unified School District, Long Beach City College, and California State University Long Beach; and nonprofit instructional swimming or water polo groups. Staff proposes separate rental fees for educational entities, for all nonprofit groups whose membership is comprised of at least 60 percent Long Beach residents, and for other nonprofit groups. Groups would be able to use several lanes, half of the pool, or the entire pool, depending on the particular activity being conducted, and overall demand, as determined by PRM.

At this time, with only a few weeks of actual usage, it is difficult to project how much revenue will be generated by the new fees for the Belmont Outdoor Pools.

Marine Bureau

Three new fees to cover administrative processing costs are being proposed by the Marine Bureau. The proposed 10 percent Temporary Slip Late Fee would be consistent with late fees levied against all other marina slip customers. The proposed \$25 Dry Boat Storage Transfer fee would apply when a permittee requests to transfer from one slip to another. The Dry Boat Storage Nonprofit fee sets a nonprofit rate at 50 percent of the regular dry boat storage rate, which is consistent with the other dry boat storage area.

Police Department

Communication and Training

The department is requesting a new facility rental fee to apply to outside law enforcement agencies for the use of the Academy Training Facility. Fees will be charged for all direct costs of City staff time to process permits and waivers, and to make the facility available for use outside of normal business hours. Fees will be charged at cost as determined by the outside agency request and, therefore, will have no net impact on the General Fund.

General Fees

The Police Department is proposing a number of minor fee adjustments in order to charge rounded dollar amounts for general services. Maintaining rounded fees reduces the burden of collecting coins, which requires additional staff time to count change, balance cash drawers, and maintain treasury change funds. Consistent with Council policy, fees reflect total cost recovery for the provision of services. FY14 adjustments are expected to generate \$11,000 of additional revenue.

Public Works Department

Excavation Permits Fee Schedule:

In accordance with the Long Beach Municipal Code 14.08.020, the excavation permit fee schedule for street and other public right-of-way places for excavation and construction is being adjusted so that all of the fees increase linearly. Currently the base fee for an excavation permit of 1,000 square feet is \$2,476.00, while the base fee of an excavation permit of 1,001 square feet is \$1,930.80. Base fees should not become cheaper as the size of the work grows larger. The new proposed permit fee structure will ensure that total fees increase as the amount of work increases.

Pipeline and Utilities Permit Fees

In accordance with the Long Beach Municipal Code 15.44.100 (Permit Fees), the pipeline diameter base rates for all the listed pipeline diameters are being adjusted so that they are all in the same proportion to the rate of a twelve-inch (12") diameter pipeline, which has a set rate of \$0.703. For example, the base rate of a 28" diameter pipeline is currently set at \$1.638, whereas it should be \$1.640 in order to be in proportion to a 12" pipeline with the base rate of \$0.703. Facility pipelines include, but are not limited to, water, wastewater, oil, gas, sewer, gasoline, electrical energy, communications, and liquefied petroleum gas pipelines.

GIS Map

Establish a user fee for a print of Geographic Information System (G.I.S) color generated map 36" x 36" in size. Each printed G.I.S map is \$25.00 per map. G.I.S. maps are typically requested by the public or City staff for large plotter size maps of data of streets, routes,

construction zones or council districts. The fee amount is calculated as the average cost to produce a 9 square foot color generated map.

Digital/Electronic Copies

Establish a user fee for one copy of a computer generated drawing file on (.pdf). Copies of drawing requests will be available to the public on offline storage devices (i.e., disks and USB flash drives) for \$1.00 each per copy. Computer generated drawing files are used by the public and City staff for digital and electronic drawings including, but not limited to, public right-of-way improvements, facilities or functions, hydrographics, legal detachments and documents, grade sheets, survey records, maps and utilities. The fee amount is based on average staff time and material costs per sheet or USB flash drive request.

News Rack Retrieval

Newsracks located in the public right-of-way and not in compliance with Long Beach Municipal Code 14.20.040 shall be first cited with a notice of violation. If the owner fails to cure the violation within the stated business days, the newsrack shall be removed and stored in a designated place. Long Beach Municipal Code states that the owner shall pay the expenses of removal and storage of the news rack. The Department of Public Works is proposing an \$85.00 retrieval fee per rack, based on the average loaded cost for City employees to visit the location, impound the rack and store away for owner retrieval.

No Parking Signs

Establish a No Parking Sign charge for public right-of-way construction zones. No Parking Signs can be obtained with a valid permit for \$2.00/each per sign. The No Parking Signs are 14" x 22" in size, and are used in temporary construction zones or where the use of the street has been authorized for a purpose other than the normal flow of traffic. The fee amount is based on the cost to the City to produce one sign.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER

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 QUARTER FY14 ADJUSTMENTS