



Legislation Text

File #: 16-0286, **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 2016 (FY 16), which describes the proposed changes to the City's Master Fee and Charges Schedule. The City Council last approved an amended Master Fee and Charges Schedule for specified City services on September 8, 2015. 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 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-annual 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 16 Second Quarter Fee Adjustment, which will take effect immediately upon adoption. The next citywide fee adjustment process will occur during FY 17 Budget Adoption, and will take effect on October 1, 2016. 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 Amy R. Webber on March 24, 2016 and by Assistant Finance Director Lea Eriksen on March 23, 2016.

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 5, 2016, 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 16. The City's FY 16 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 16 revenue projections from proposed fee changes for all funds included in Attachment A are estimated to be approximately \$1,121,733 annually, but could vary depending on market or economic conditions at the time.

Fire Department

Other Annual Fire Permits

The California Health and Safety Code requires annual inspections of facilities such as restaurants (A-2 Occupancy) and convalescent homes (I-2 Occupancy). The inspections are conducted to verify that all life safety requirements are being met, such as the requirement that all exits be clear and unobstructed, and all fire protection and life safety systems be operational.

The Fire Department proposes to adjust the annual permit fees from \$335 to \$345 for A-2 and I-2 Occupancies to recover the costs for inspecting these facilities, as they are currently set below full cost recovery.

Miscellaneous Permits and Fees

Reinspection fees are charged after a second inspection is conducted by Fire Department staff at a facility where the facility is still not compliant with fire life safety corrections issued during the first inspection. The Fire Department proposes to change its Reinspection Fees from a flat fee to a percentage of the annual permit fee. This will allow the Fire Department to recover the cost of inspections and also includes penalties for continued non-compliance.

The Fire Department proposes to adjust the Residential Care Pre-inspection fees to recover the costs for inspecting these facilities, as they are presently set below full cost recovery. The fee is charged when a new owner/operator of a residential care facility requests an inspection prior to applying for a license to determine if the facility is feasible for their use. The Fire

Department also proposes to add a \$345 fee for fire clearance inspections at residential care facilities (R-2.1 Occupancy). The fee provides for full cost recovery of the inspection and processing of paperwork with the respective federal, state, or other governmental agency that licenses the facility.

The Fire Department is also proposing adjustments to standby fees for special events. During special events, the Department is the lead representative on the site in charge of life safety and represents the City in enforcing the conditions of the special event permit. In order to more accurately recover the cost of supporting special events and film production, the Fire Department proposes to increase the existing Standby Fire Safety Officer fee and to implement a spot check fee when the Fire Marshal deems that a Standby Fire Safety Officer is not necessary.

Medical Services

In FY 15, the Long Beach Fire Department established a First Responder Fee to partially offset the costs of providing emergency medical services. The Fire Department proposes to amend the description of the First Responder Fee to make it clearer that the intent of the fee is for it to be charged whenever a person is medically evaluated and/or treated by Fire Department first responders. The Fire Department is not proposing any changes in how the fee is assessed or the amount of the fee.

Health and Human Services

TB Skin Test (PPD)

The Health and Human Services Department proposes to increase the fee for tuberculosis skin tests to more closely align with the costs of providing the service. This service requires both nurse and administrative time for the initial test administration and a follow-up visit for test interpretation, as well as test solution and supplies. Based on a survey of public and private fees in and around our service area, increasing the fee from \$25 to \$32 will bring the Department closer to cost recovery of the service, with minimal impact on its utilization and public health benefits. The proposed fee will cover the cost of staff to provide the initial and follow-up visits.

Expedited Copies of Birth Certificates

The Health and Human Services Department proposes to increase the fee for processing expedited copies of birth certificates. This is an optional expedited service available to customers looking to receive their birth certificates within 24 hours of submitting an application and payment. This service requires additional administrative work and special handling by the Public Health Registrar and other Vital Records staff to complete; however, it provides an added benefit for those who request it. This fee has not increased since its inception three years ago. If approved, the revised fee will be increased from \$15 to \$20, plus the cost of certificate. In comparison, the County of Los Angeles charges \$40 for an expedited copy of a birth certificate.

Airport Department

Terminal Space Charges

Over 2,400 square feet of event space on the second floor of the Airport's historical terminal is available for use. The space includes three levels of table and booth seating, a full service bar, an area for exclusive functions, and a fully functional kitchen. The event space overlooks the visitor's welcoming area and is connected to two large balcony areas. The event space is ideal for a variety of uses and is available 24 hours a day, seven days a week. The Long Beach Airport is proposing a fee of 10 cents per square-foot per day to rent this facility. Proposed use of event space requires prior approval by the Airport Director.

Miscellaneous Fees

The Long Beach Airport has a variety of locations that are ideal for filming. The current fee schedule for filming at the Airport is complex and may deter production companies from selecting the Airport location. The changes to the fee schedule allows for a simplified three-tier fee schedule based on the size of the production crew and differentiates the access controlled Airside from the public area Landside. The new fee schedule is expected to increase filming activity and generate additional revenue for the Airport.

The Long Beach Airport is required under the Transportation Security Administration (TSA) to maintain a security access control system to prevent entry of unauthorized persons into restricted areas. Security Access Control fees of \$25 per person are charged to airlines, transportation companies, fixed-based operators, and other businesses that are required to pass a background check and obtain a security badge for access to secure areas.

The current Security Access Control fees are being adjusted to address the changes in security requirements and align with the cost of services provided. Criminal History Record Check (CHRC) and fingerprinting services are charged a separate fee from the issuance of badges. Depending on the security access level of a badge, a CHRC and fingerprinting may not be required. In addition, several companies conduct their own CHRC and fingerprinting prior to hiring employees, therefore the Airport charges only the badging fee. The new fee of \$45 per person provides the public with a more equitable fee schedule for the services they receive.

Additionally, the Airport is required to maintain accountability for a specific percentage of security badges. Lost or unreturned badges lower this percentage. When accountability percentage drops below the required minimum, the TSA requires a rebadging of the entire Airport. The Airport is increasing the penalties by \$50 for lost or unreturned badges to recover the cost of rebadging the entire Airport, and to discourage badge holders from losing or not returning badges. The penalty is partially refundable if the lost or unreturned badge is returned to the Airport within a specified period.

The Airport currently provides CHRC and fingerprinting services for employees and tenants. The equipment may also be used to provide Live Scan services to the public, although it is

not currently being used for this purpose. The Department is proposing to expand the Live Scan service to the public in order to create additional revenue to cover the cost of equipment that the Airport is already required to possess. The fee is set at \$31, plus applicable fees, and a clearance letter fee of \$30. These fees are consistent with the rates currently charged by the Police Department for Live Scan services. Through this expansion, the public will be provided with more options in terms of time and location to receive Live Scan services from the City.

Occasionally, aircraft operators, airport users, special events, or non-profit organizations conduct activities or events at the Airport. The activities and events provide an economic benefit to the Airport or contribute to Airport business opportunities. Assessing Airport fees for conducting these activities may deter future instances from occurring. Waiving Airport fees for these instances, at the discretion of the City Manager or his designee, in accordance with a defined policy, would help stimulate the occurrence of these economically beneficial activities.

Gas & Oil Department

SERRF Private Hauler Tip Fee

The Long Beach Gas and Oil Department is requesting an increase in the maximum allowable Private Hauler Tip Fee. For the past two years SERRF has been charging private haulers the market rate for waste disposal. The current market rate has resulted in SERRF operating at a loss and utilizing reserves to balance its budget. SERRF is currently anticipating an increase in the market rate tip fee for private haulers utilizing energy-from-waste facilities like SERRF in Southern California. The Commerce facility, which is an energy-from-waste facility operated by the County of Los Angeles Sanitation Districts, has been aggressively increasing their tip fees to provide for continued economic viability for their facility. This has resulted in a strain on the capacity of SERRF. This will adjust the market rate upward and allow SERRF to increase its tip fee by up to \$4 per ton in order to balance its budget and preserve the level of reserves.

Public Works Department

Parking Meter Fees

The rates for parking meter fees in Parking Meter Zone One, Subzone A and Parking Meter Zone 20 were previously authorized by Resolution of the City Council. The Public Works Department recommends that these rates be incorporated into the Master Fees and Charges Schedule so that they may be easily located by residents. No changes to parking meter fees are requested.

Street Lighting

The Public Works Department (PW) regularly receives requests from residents and City Council Offices for new streetlights, typically situated in alleyways on existing Southern California Edison (SCE) utility poles. The City is able to request SCE to provide lighting on their poles so long as the City commits to ten years of electricity service and the labor and

materials installation fee. In the past, PW has responded to requests for streetlights by collecting the resident's information, determining the location of the fixture, and providing the information to the City Council District that represents the resident. The City could then allocate one-time infrastructure funds to cover installation costs.

This process has placed a strain on PW resources, as the ongoing costs of increased electricity usage have been absorbed within the Department's annual operating budget. Additionally, staff time is required to investigate the area where a potential streetlight would be placed, identifying the pole number, and working with SCE once approved. This staff time is currently also being absorbed by existing Department resources.

PW is proposing a new fee that would capture the ten years of electricity costs based on SCE's published rates for non-metered streetlights, also known as a LS-1, ranging from \$1,955 to \$2,971 depending on the wattage of the fixture. This fee would be updated concurrently with the SCE LS-1 tariff. This fee would provide the option for a resident to fund a streetlight by working with PW staff to find an appropriate location. PW expects general consensus among residents before requesting SCE to install the light fixture.

Consistent with the City's conversion to LED fixtures, the new light fixtures on SCE poles would be LEDs.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER