



## Legislation Text

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**File #:** 10-0052, **Version:** 1

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Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution amending the Master Fee and Charges Schedule for specified City services for the following departments: City Clerk, City Prosecutor, Community Development, Development Services, Financial Management, Gas and Oil, Fire, Health and Human Services, Library Services, Long Beach Airport, Parks, Recreation and Marine, Police, and Public Works Departments and non-departmental Citywide Fees and Charges. (Citywide)

City Council approval is requested of the List of Proposed Fee Adjustments for the First Quarter of Fiscal Year 2010 (FY 10) (Attachment A), which describes the proposed changes to the City's Master Fee and Charges Schedule.

On September 15, 2009, as part of the budget adoption process for FY 09, the City Council approved an amended Master Fee and Charges Schedule for specified City services. Subsequently, on October 13, 2009, the City Council approved a resolution to make changes to certain fees contained within the amended Master Fee and Charges Schedule. The attached resolution includes October 13th changes, as well as the changes submitted for approval today.

The basis for this schedule of fees and charges is the Fee Study, which was originally 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, and which is updated annually to encourage full cost recovery for the City's services.

One of the findings of the Fee Study was that the City's process to offset its costs to provide fee-based services did not provide for an inflationary adjustment or other cost growth factors. To provide for more effective cost recovery, per the City Council's Financial Policy on User Fees and Charges, a mechanism to allow broad based changes to the City's fees became necessary. Hence, the Master Fee and Charges Schedule, along with quarterly fee updates, were initiated. City staff will continue to bring proposed fee adjustments on an ongoing basis to keep fees up to date. Please see Attachment A for a List of Proposed Fee Adjustments for the First Quarter of Fiscal Year 2010.

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

City Council Financial Policy on User Fees and Charges: The Financial Policy states that departments are expected to recover 100 percent of their actual costs for user fees and charges unless the City Council approves a subsidy. Departments have proposed three changes related to keeping cost recovery efforts in line with actual costs.

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. Changes in demand or impact may result in new fees being developed. 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 requirement to assign a cost to the service being provided. Of the fee adjustments being recommended, seven are in response to increased service demands or to assist in cost recovery efforts.

Miscellaneous corrections to the Master Fee and Charges Schedule adopted on September 15, 2009 that clarify, adjust, or correct fees have also been included.

This letter was reviewed by Assistant City Attorney Michael J. Mais on December 31, 2009 and Budget and Performance Management Bureau Manager David Wodynski on December 21, 2009.

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 January 19, 2010 to allow for increased cost recovery at the earliest possible time.

Any General Fund revenue changes described in Attachment A are only estimates based on expected service usage. The City's FY 10 adopted General Fund revenue estimates assumed natural growth of fees and charges; therefore, the requested fee increases are required to meet current revenue commitments and to keep the General Fund balanced during the fiscal year. The total value of the annual revenue changes included in Attachment A in all funds is approximately \$12,750, as indicated below.

### **City Clerk**

The City Clerk Department is requesting an increase in charges for copies of audio recordings from \$5.45 to \$6.00 per tape/CD. The increase in General Fund revenue from this fee change is estimated to be under \$100 annually.

During the FY 09 Budget Adoption process, several City Clerk fees were increased in error using the City Cost Index (CCI) adjustment formula. These fees are regulated by the Long Beach Municipal Code Chapters 8.95, 1.25.020, 1.22.110, the California Government Code 91013, and California Election Code 9202. The proposed changes to the Master Fee and Charges Schedule correct these errors, and bring the charges into compliance with the regulating authorities.

### **Fire**

The majority of the Fire fee changes are for fees that needed to be rounded to the nearest dollar and for not rounding those that pertain to Medical Transport Base Rates (to match those of Los Angeles County) and Mileage. The change for the Reinspection Fee - Non Compliance with Code Enforcement is to add the CCI adjustment that was inadvertently omitted when fees were submitted to City Council in September 2009 as part of the FY 10 Budget Adoption process. One new fee, Fire Reports Research/Processing Fee, is being requested to cover staff costs associated with the provision of reports from the records management system. .

### **Health and Human Services**

The increase in the Water Program Reinspection Fee (from \$113 to \$193) is necessary to recover the full cost of providing this service. This increase will recover an estimated additional \$30,000 per year to support inspection activities. In the Animal Care Services Bureau, fee changes are required to ensure the deposits for vicious animals and that administrative citations do not exceed the citation amounts. Finally, the new animal education permit is requested to be established to create a free permit for non-profit educational programs. Organizations will still need to register all animals with the City for safety purposes, but do not need to pay any fee if they are providing the service pro bono for the benefit of humane education.

## **Library Services**

Library Services fee changes are to the Young Adult and Children's "maximum fine per lending period." The current fee schedule has Young Adults and Children liable for higher maximum fines per lending period than Adults, and this change makes them consistent. There is no fiscal impact to the change.

## **Public Works**

### Right of Way Fee Schedule

The proposed changes simply itemize existing fees to provide better clarification. Since these are not new fees, there is no fiscal impact resulting from itemizing the existing fees.

### Storm Water Management

The new Item Retrieval Fee of \$25 is to recoup the costs incurred by Public Works when the storm drain maintenance contractor is requested to retrieve an item dropped into a storm drain catch basin. This fee will allow residents to call and request a time for the contractor to meet them at the location of the storm drain and have the dropped item retrieved by the City's insured and licensed contractor.

The new Pollution Abatement Fee will be based on the amount incurred by Public Works to respond to a spill or dumping. This fee will be levied to residents and/or businesses that, through negligence, accident, or malicious intent, cause pollution to enter public rights-of-way that lead to the City's gutters and storm drain catch basins. This fee recoups costs borne by the Public Works Department to remedy spills and dumping and does not duplicate costs associated with the Fire Department environmental clean up activities.

### Tree Trimming Fee

The new Tree Trimming Fee of \$100 will provide residents alternative tree trimming service for out-of-cycle tree trimming. This fee will allow residents to call and schedule the trimming of the City's street tree adjacent to their property. Tree trimming will be scheduled and managed by the City and will be performed using tree trimming specifications outlined by the International Society of Arboriculture. The annual increase to the General Fund revenue will be based on community requests for service; however, an initial estimate is \$10,000.

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 DEPARTMENTS OF CITY CLERK, CITY PROSECUTOR, COMMUNITY DEVELOPMENT, DEVELOPMENT SERVICES, FINANCIAL MANAGEMENT, FIRE, GAS AND OIL, HEALTH AND HUMAN SERVICES, LIBRARY SERVICES, LONG BEACH AIRPORT, PARKS, RECREATION AND MARINE, POLICE, PUBLIC WORKS, AND NON-DEPARTMENTAL CITYWIDE FEES AND CHARGES

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TITLE

APPROVED:

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PATRICK H. WEST  
CITY MANAGER