



Legislation Text

File #: 10-0397, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the 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; and

Second Quarter Fee Adjustments

City Council approval is requested of the List of Proposed Fee Adjustments for the Second Quarter of Fiscal Year 2010 (FY 10) (Attachment A), which describes the proposed changes to the City's Master Fee and Charges Schedule. On January 19, 2010, the City Council approved an amended Master Fee and Charges Schedule for specified City services that included proposed fee adjustments for the First Quarter of Fiscal Year 2010.

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 H 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 a 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 Second 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 23 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 need to assign a cost to the service being provided. Of the fee adjustments being recommended, 12 are in response to increased service demands or to assist in cost recovery efforts.

Ordinance Changes

Over the last several years, the City has been engaged in an effort to create a comprehensive Master Fee and Charges Schedule for the City's user fees, fines, penalties, and citations, which was established and is periodically amended through the adoption of a City Council resolution. One of the primary purposes is to provide the public with a greater degree of transparency and access to this information.

In the past, some City fees were established by resolution of the City Council while other fees had been established by ordinance. This bifurcated approach has proven counter-productive and negatively impacts oversight and cost recovery. The proposed amendments eliminate references in the Municipal Code for specific fee and charge amounts and instead indicate that fees will be established "by City Council ordinance." The attached Ordinance amends various provisions of the Municipal Code accordingly in the Departments of City Clerk, Financial Management, Fire, Health and Human Services, Long Beach Airport, Parks, Recreation and Marine, Police and Public Works. A redlined version is attached for your reference.

The proposed Ordinance also includes a clean-up of the change to the City's false alarm Ordinance (LBMC Section 5.12.120). On July 17, 2007, the City Council was presented with the "Long Beach Police Efficiency Study" conducted by the City Auditor's Office. Among the 12 initiatives identified in the study to improve resources available to support the City's Police Department, Initiative 10, "Adjust False Alarm Fines" was recommended for implementation.

On January 22, 2008, the false alarm fines were adjusted through a City Council resolution and included a fine for the second false alarm in a twelve-month period. This ordinance aligns the Municipal Code to the City Council action.

Fee Subsidy Report

Per the direction of the City Council to provide information on subsidies for City user fee and charges, a report was prepared and submitted to the City Council in FY 09, which provided all available subsidy information except for the Department of Parks, Recreation and Marine. Parks, Recreation and Marine had undergone substantial organizational changes since the original fee study and needed additional time to prepare its information. Please note that this fee subsidy report is being finalized and will be presented to the City Council shortly under separate cover.

This matter was reviewed by Assistant City Attorney Michael J. Mais on April 1, 2010 and Budget and Performance Bureau Manager David Wodynski on March 31, 2010.

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 May 4, 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 in the respective departments and will support each department's General Fund operations during the fiscal year. The total value of the annual revenue changes included in Attachment A in all funds is approximately \$76,878, with a General Fund impact of \$2,650.

Development Services

The Department of Development Services is requesting changes to the Master Fee and Charges Schedule to revise fees to correct minimum fees that correlate to a primary fee and to round fee amounts to the nearest dollar.

Financial Management

False Alarms Late Charge

The proposed change restates an existing late charge on delinquent false alarm bills to provide better clarification as to its application. Since this is not a new penalty, there is no fiscal impact.

Health and Human Services

Environmental Health

Three fees are proposed for Environmental Health related activities. The Charitable Non-Profit Food Facility Permit Fee will be charged to non-profit organizations for the inspection of food-service facilities providing unpackaged food to the public. The Environmental Health Bureau periodically inspects food service facilities operated by non-profit organizations. The proposed fee of \$519 offsets the cost.

The Tobacco Retail Enforcement Program fee augments existing services as part of the Tobacco Retail Enforcement Program. The proposed fee of \$92 offsets the cost of inspecting temporary vendors of tobacco products at special events.

The Public Pool & Spa Safety Act Surcharge Fee is a new requirement under State law. California Assembly Bill 1020, signed into law by Governor Schwarzenegger in October 2009 authorizes local health departments to impose a fee on the owners of public swimming pools to cover the actual costs of enforcement incurred resulting from inspection activities performed to assure implementation of the law. The proposed state fee/surcharge is \$6.00. The bill requires the Department of Health and Human Services to collect the fee and authorizes it to retain a portion of this fee to help partially offset the administrative costs of collecting the fee not to exceed \$1. The remaining portion is passed on to the State. This law was passed to prevent future deaths from pool systems lacking anti-entrapment devices.

Preventive Health

Four new fees are proposed to offset costs incurred to provide services to the public at the Tuberculosis (TB) Clinic as follows: TB Medication - actual cost of medication; Copy of Chest X-ray

Film - \$10; TB Class B Immigrant Evaluation and Documentation Completion - \$115; and, High Risk TB Contact Screening as Identified by City Health Officer - sliding scale. The estimated revenue for the TB Clinic services is \$59,328.

Animal Care Services

Two fee adjustments are proposed under Animal Care Services. The Vicious Animal License Renewal change from \$75 to \$375 reflects the General Fund cost to the Animal Care Services Bureau for administrative review, process and annual property inspection of the site where vicious animals reside. Animals deemed vicious pose a significant threat to public health and safety. Animal owners must take extra precaution if they choose to maintain vicious animals in the City of Long Beach, requiring added oversight and security precautions by Animal Care Services to protect people and animals in the neighborhood. This fee does not include the annual license fee required for dogs.

The proposed creation of the \$40 Placeable Pocket Pet Relinquishment Fee (includes rabbits) reflects the General Fund costs for impounding, providing initial assessment and temporary overnight care for the animal as it is prepared for adoption. When an animal owner releases pets to the City, property rights are waived, making the animal available for adoption immediately. The majority of animals stay with the City for an average of 5.5 days before adoption, costing the City approximately \$15 per day. The proposed fee is lower because owner-released animals are often in better health and can be adopted sooner.

Public Works

The new bidder card fee of \$5 is being proposed to recover supply and administrative costs associated with weekly lien sales auction. A flyer is currently being distributed weekly to all attendees prior to public auction. The bidder card fee will authorize potential customers to be able to bid on a vehicle on sale and include the auction vehicle list. The annual increase to the Towing Fund revenue is based on an average of 280 bidders per week and annual lien sales of 26 vehicles.

LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

NAME
TITLE

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 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

