



Legislation Details (With Text)

File #:	11-0034	Version:	1	Name:	FM - RES - Master Fee and Charges Schedule
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File created:	1/4/2011	In control:		In control:	City Council
On agenda:	1/18/2011	Final action:		Final action:	1/18/2011
Title:	Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution amending the Master Fee and Charges Schedule. (Citywide)				
Sponsors:	Financial Management				
Indexes:	Fee				
Code sections:					
Attachments:	1. 11811- H-1 sr & att.pdf, 2. RES-11-0004.pdf				

Date	Ver.	Action By	Action	Result
1/18/2011	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 First Quarter of Fiscal Year 2011 (FY 11) (Attachment A), which describes the proposed changes to the City's Master Fee and Charges Schedule. On December 7, 2010, the City Council approved an amended Master Fee and Charges Schedule for specified City services that included proposed fee adjustments to implement the State Parking Citation Surcharge and Enterprise Zone Application Fee increase.

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 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 First Quarter of Fiscal Year 2011. 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 28 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. 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. Of the fee adjustments being recommended, 12 are in response to increased service demands or to assist in cost recovery efforts.

This matter was reviewed by Assistant City Attorney Michael J. Mais on December 30, 2010 and Budget and Performance Management Bureau Manager Lou Palmer on December 29, 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 January 18, 2011 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 anticipated service usage. The City's FY 11 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 \$451,943, with a General Fund impact of \$440,943.

City Clerk

During FY 10, two City Clerk fees were increased using the City Cost Index (CCI) adjustment formula. These fees are regulated by California Government Code Sections 81008 and 91013. The proposed changes to the Master Fee and Charges Schedule bring the charges into compliance with the regulating authority.

City Manager

Special Event & Filming Location Fees - The proposed new fees itemize existing fees to provide better clarification. Since these fees are already associated with a revenue commitment, there is no fiscal impact.

Development Services

Code Enforcement Fee - Code Enforcement is seeking to add the Code Enforcement Fee (as referenced in the Long Beach Municipal Code Section 18.12.132) to the Master Fee Schedule to better align itself with the City Council cost recovery direction. Whenever a building permit is necessary to abate a substandard or dangerous condition as ordered by the Building Official, a fee shall also be charged. The Code Enforcement fee is equal in amount to the building permit fee with a minimum fee of \$100. There will not be a change in revenue.

Foreclosure Registry Fee - Code Enforcement is seeking to add the Foreclosure Registry Fee, as referenced in Long Beach Municipal Code 18.24, to the Master Fee Schedule. The Foreclosure Registry Program requires that every time a Notice of Default is issued on a property, the lender that issued the Notice of Default is required to register that property with the City of Long Beach.

LBMC 18.24 entitled Foreclosure Registry Program takes effect on February 8, 2011. This ordinance established an abandoned property registration program and was adopted in an effort to protect residential neighborhoods from blight caused by foreclosed properties that are not maintained. The ordinance requires an annual registration fee as set by the City Council, Master Fee Schedule.

Based upon staff time necessary to implement the Foreclosure Registry Program, a fee of \$155 per property is necessary. Based upon the number of Notice of Default recordations that the City of Long Beach experienced in 2010, it is anticipated that the City will receive estimated annual revenue of \$380,000.

Financial Management

Business License - Business License is seeking to add Entertainment Retail fees to the master fee and charges schedule. The Entertainment Retail fees relate to the initial processing and annual review of entertainment permits for retail businesses that do not include dancing. The initial fee per application is \$567, with an annual permit fee of \$279.

City Treasurer - The district Apportionment Processing Fee relates to the processing of apportionments when subdividing an existing parcel under the 1915/1913 Special Assessment District Acts. The flat fee component for four or less parcels is increasing to \$950 from \$927 to match Los Angeles County's fee structure. The alternative fees for five or more parcels remain unchanged at \$1,892 per subdivision map, plus \$37 per parcel. A \$40 Los Angeles County recording fee applies to all cases.

Fire

Ambulance Transport - The Basic Life Support (BLS) Ambulance Transport rate is being increased to match that of Los Angeles County. At this time, the County is not changing the rate for Advanced Life Support (ALS) Transport rate. For numerous years, the City has matched the County's rates. The annual increase in General Fund revenue from the fee change is estimated to be \$61,755.

It is important to note, however, that ambulance transport services do not historically collect 100 percent of fees, resulting in significant write-offs. The write-off is due to the difference between the billed amount and capped Medicare and Medical reimbursement rates, as well as other patient factors outside the City's control such as indigence, inability to pay, bankruptcy, death, etc.

Health and Human Services

Animal Care Services - Animal Care Services is recommending the introduction of a half-price cat license for qualifying senior citizens. This provides the same discount that is currently offered to dog owners. A regular cat license is currently \$10 per year starting January 1, 2011. Fiscal impacts are based on the \$5 reduction @ 600 occurrences (estimated that 20 percent of the 3,000 cat licenses anticipated in FY 11 will be for qualifying senior citizens). However, due to the fact that cat licensing is a new revenue source in FY 11, there will be no impact to the General Fund.

Animal Care Services is recommending the introduction of a no-cost cat license for qualifying non-profit agencies involved in the rescue and/or adoption of homeless cats. Due to the fact that these cats are in transition between homelessness and adoption, Animal Care Services is recommending registration, but no fee, where appropriate. A regular cat license is currently \$10 per year starting January 1, 2011. Fiscal impacts are based on the assumption that there will be no loss of revenue, and that license fees will be paid by the new person responsible.

The State Health and Safety Code 121690 establishes that "no charge in excess of the actual cost shall be made for any one vaccination at a clinic." The fee for a rabies shot is currently \$10 per vaccination, but the actual cost to administer the rabies vaccine is now \$6 due to a higher volume of rabies shots administered at the shelter under standing order of a State Licensed Veterinarian. Fiscal impacts are based on the reduced fee for rabies shots of \$4 @ 575 occurrences in FY 11. However, Animal Care Services anticipates that losses will be offset, as staff will provide far more rabies vaccinations in FY 11 once the State Licensed Veterinarian is hired full-time to provide walk-in clinics for pet owners.

Library

Fines and Penalties - The "maximum" language for overdue videocassettes, both new releases and older titles, is being updated to account for the increased fines for FY 11. The "maximum" is achieved as soon as the accumulated fees top \$25. This threshold triggers an automatic referral to the Library's collection agency. The result is that the "maximum" for new releases is increased \$0.20 and the "maximum" for older titles is decreased \$1.05 so that customer is aware of the threshold.

Library Education and Technical Equipment Fees - With advancing technology and changes to the equipment that is loaned, the Library is able to repair or replace laptop computers more economically. The fee is being rounded up and changed to a "maximum" charge, but will now include staff costs for repairing or replacing the equipment.

Rental of Library Rooms and Meeting Area - For FY 11, the Application Fee for rentals was increased to \$53, but the

actual Rental Fee was overlooked. Since the Application Fee is applied to the cost of the rental, it is important that the Application Fee not be more than the Rental Fee.

Long Beach Airport

The Airport Department is requesting a change in the Terminal Building Apron Parking Fee from \$0.75 to \$0.70 per 1,000 pounds, retroactive to October 1, 2010. This is a correction to an error made on the FY 11 Master Fees and Charges Schedule. This proposed change to the Master Fees and Charges schedule reflects what was presented to the airlines as part of Airport's annual rates and fees development. This change, along with other fee changes for FY 11 will result in the revenue recovery needed to support Airport Operations and Maintenance expenditures.

Long Beach Gas and Oil

Customer Service Fee Schedule - This is a technical correction and there is no impact on fee revenue. When we initially made changes to the Customer Service Fee schedule, we listed two fees for properties with 20 units. This change clarifies the fee schedule, so that there are fees for 11 - 19 units and fees for building with 20 or more units.

Parks, Recreation and Marine

Contract Classes Administrative Fees - Contract Class Replacement Key and Lock fees are new fees to help with cost recovery to issue replacements for lost keys or to install a new lock.

Co-Op Nursery School Site Fees - The increase in fees for the Co-Op Nursery school site fees for both General and Tidelands Funds are to bring fees in line with annual rates that are currently being charged.

Bicycle License Fee - Bicycle licenses will be issued at designated locations along with the Fire Department to expand public access and convenience.

Community Pool Fees - Adult daily admission ticket book for swimming lessons and activities at community pools are being increased. Fees for Private Lessons, Semi-Private Lessons and Diving Classes are being changed to be consistent with rates we are currently charging at Belmont Plaza Pool. All group swim fees are being formatted for ten weeks, so the program fees can be prorated to accommodate programming schedules and to reduce confusion to the public on the cost for services.

Public Works

Environmental Services - The adjustments in Public Works under Environmental Services fees reflect a CPI change based on the Solid Waste Collection Resolution. The cost for the Refuse Transportation Permit Fee is not part of the CPI rate increase.

Parking Management - Parking Management for special event and filming revenues are associated with event promoter and filming company parking fees. These fees are not paid by the public for public parking. Special event/filming parking fees have not been increased in over five years.

Approve recommendation.

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ERIK SUND
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER