

FINANCE DEPARTMENT

Impact Analysis Report

OVERVIEW

The Finance Department is responsible for collecting, accounting, and monitoring the license and permit fees for Christmas tree and pumpkin patch lots, circuses, carnivals, and parades. The Department is also responsible for a number of miscellaneous fees, along with Integrated Waste Management (IWM)-related late charges. One new fee, a collection fee for delinquent accounts, is proposed for 2009-2010.

It is estimated that the Finance Department fees and charges program for 2009-2010, excluding penalties and non-cost recovery fees, will bring revenues to the City of approximately \$1.5 million, reflecting a 99% Cost Recovery rate.

Late payment charges related to the Garbage Lien Program and Garbage Lien Service fees, not subject to cost recovery restrictions, are anticipated to generate approximately \$3.8 million in the Integrated Waste Management (IWM) Fund. No changes are proposed for the Solid Waste Delinquency fees.

SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS

Existing Fees

For 2009-2010, changes are recommended to the existing fees in the Finance Department's fee structure in order to maintain roughly 100% Cost Recovery levels. A complete list of proposed fee revisions by service is located in the

summary of proposed fee changes section of this document and in the tables that follow this section.

These fee revisions are not expected to have a significant impact on the Department's customers.

New Fees

As part of the City's budget balancing strategy, a new Collection Fee is proposed to recover the administrative costs associated with collection efforts on all accounts over 60 days past due, but less than 90 days past due. Once an account has reached 90 days past due, it is sent to a collection agency and is subject to the Collection Agency Recovery Fee. The Collection Agency Recovery Fee, established in 2006, is \$25 or 15% per account, whichever is greater. Currently, administrative costs associated with accounts 60 to 90 days past due are not recovered, making it necessary for the General Fund to absorb the costs. To relieve the General Fund of this obligation, the proposed Collection Fee would be \$25 or 15% per account, whichever is greater.

NOTIFICATION

This Proposed Fees and Charges Report was released on May 1, 2009, allowing for a minimum of 10 days for public review. Public input on fee proposals will be heard by the City Council at public hearings scheduled for Tuesday, May 12, 2009 and Monday, June 15, 2009 at 7:00 p.m. in the Council Chambers.

DEPARTMENTAL FEES AND CHARGES

FINANCE

Service	2008-2009 Adopted Fee	2008-2009 % Cost Recovery	2009-2010 Proposed Fee	2009-2010 Estimated Cost	2009-2010 Estimated Revenue		2009-2010 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
FINANCE DEPARTMENT GENERAL FEES - CATEGORY I								
1. Administrative Remedies Lien Fee								
1 Administrative Remedies Lien Fee	\$38 per lien		\$40 per lien					
Sub-total Administrative Remedies Lien Fee		100.0%		1,129	1,064	1,120	94.2%	99.2%
2. Business Tax Administrative Fee								
1 Business Tax Administrative Fee	\$22 per business tax certificate		\$25 per business tax certificate					
Sub-total Business Tax Administrative Fee		100.0%		1,370,444	1,194,204	1,357,050	87.1%	99.0%
3. Business Tax Special Reports								
1 Computer Printout	\$47 up to 25 pages, \$1 each additional page		\$51 up to 25 pages, \$1 each additional page					
2 Diskette/E-mail	\$47 per diskette/transmission		\$51 per diskette/transmission					
Sub-total Business Tax Special Reports		100.0%		619	564	612	91.1%	98.9%
4. Circus/Carnival/Parade								
1 Carnival Permit	\$250 1st week; \$25 each additional day		No Change					
2 Carnival Permit (Charitable)	\$100 1st week; \$10 each additional day		No Change					
3 Circus Advertising	\$100 bond for removal within 48 hours of last performance		No Change					
4 Circus Parade (Circus Outside of City Limits)	\$250 per day		No Change					
5 Circus Permit	\$250 1st day; \$190 each additional day		\$250 1st day; \$208 each additional day					
6 Circus Permit (Charitable)	\$100 1st day; \$50 each additional day		No Change					

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee	
FINANCE DEPARTMENT GENERAL FEES - CATEGORY I									
4. Circus/Carnival/Parade									
7 Circus Sideshow Permit	\$12.50 each per day		No Change						
8 Circus or Carnival Permit - Sanitary Standards Bond	\$1,000 bond		No Change						
Sub-total Circus/Carnival/Parade		100.0%		1,669	1,520	1,664	91.1%	99.7%	
5. Collection Fee									
1 Collection Agency Recovery Fee (90 days past due)	\$25 or 15% of the bill; whichever is higher		No Change						
2 Collection Fee (60-90 days past due)			\$25 or 15% of the bill; whichever is higher						
Sub-total Collection Fee				6,250		6,250		100.0%	
6. Exempt Business Tax									
1 Exempt Business Tax Fee	\$35 per account		\$38 per account						
Sub-total Exempt Business Tax		100.0%		51,388	46,760	50,768	91.0%	98.8%	
7. Handbill Distributors									
1 Commercial Distributor Permit	\$1 per distribution		No Change						
2 Handbill Distributors License	\$38 per year		\$40 per year						
3 Owner's Permit	\$29 per year		\$31 per year						
Sub-total Handbill Distributors		100.0%		23,770	21,976	23,770	92.5%	100.0%	
8. Returned Check Fee									
1 Returned Check Fee	\$33 per returned check		No Change						
Sub-total Returned Check Fee		100.0%		46,954	41,217	46,213	87.8%	98.4%	
9. Sale of Publications									
1 Comprehensive Annual Financial Report	Actual printing and mailing costs		No Change						

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee
FINANCE DEPARTMENT GENERAL FEES - CATEGORY I								
9. Sale of Publications								
2 Monthly Investment Report	Actual printing and mailing costs		No Change					
3 Single Audit (Grants)	Actual printing and mailing costs		No Change					
Sub-total Sale of Publications								
10. Sales								
1 Christmas Tree/Pumpkin License - Deposit (Refundable)	\$100 per lot		No Change					
2 Christmas Tree/Pumpkin License - Lot	\$88		\$94					
Sub-total Sales		100.0%		282	264	282	93.6%	100.0%
11. Sidewalk Lien Administrative Fee								
1 Sidewalk Lien Administrative Fee	\$45 per lien account		\$47 per lien account					
Sub-total Sidewalk Lien Administrative Fee		100.0%		1,880	1,800	1,880	95.7%	100.0%
SUB-TOTAL FINANCE DEPARTMENT GENERAL FEES - CATEGORY I		100.0%		1,504,385	1,309,369	1,489,609	87.0%	99.0%
INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II								
1. Solid Waste Delinquencies								
1 Administrative Charges for Collection Procedure	\$72 per lien	100.0%	No Change	1,415,952	1,415,952	1,415,952	100.0%	100.0%
2 Late Payment Charge (The charge level is set to encourage customers to submit payments by due date)	\$6.50 or 5% of the bill, whichever is greater		No Change		2,015,000	2,015,000		
3 Notice of Intent to Lien (The notice is not a penalty)	\$18	100.0%	No Change	353,988	353,988	353,988	100.0%	100.0%

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee
INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II								
1. Solid Waste Delinquencies								
4 Special Assessment Charge (The charge is not a penalty)	\$5.00 per parcel	100.0%	No Change	32,205	32,205	32,205	100.0%	100.0%
Sub-total Solid Waste Delinquencies		305.0%		1,802,145	3,817,145	3,817,145	211.8%	211.8%
SUB-TOTAL INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II		305.0%		1,802,145	3,817,145	3,817,145	211.8%	211.8%
TOTAL DEPARTMENT - GENERAL FUND				1,504,385	1,309,369	1,489,609	87.0%	99.0%
TOTAL DEPARTMENT - NON-GENERAL FUND				1,802,145	3,817,145	3,817,145	211.8%	211.8%
TOTAL DEPARTMENT - Category I				1,504,385	1,309,369	1,489,609	87.0%	99.0%
TOTAL DEPARTMENT - Category II				1,802,145	3,817,145	3,817,145	211.8%	211.8%
TOTAL DEPARTMENT				3,306,530	5,126,514	5,306,754	155.0%	160.5%