

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, parades, and several miscellaneous fees. The Department is also responsible for collecting the Integrated Waste Management (IWM) - related late charges.

The Finance Department fees and charges program for 2019-2020, excluding penalties, is estimated to generate General Fund revenues of approximately \$170,000 reflecting a 99.9% cost recovery rate, compared to 2018-2019 revenues of \$135,000 and a cost recovery rate of 99.3%. The increase in revenue is primarily due to estimated activity levels for the Neglected and Vacant Homes Lien Fee.

Late payment charges related to the Solid Waste Delinquency Program and Solid Waste Delinquency Service Fees, which are not subject to cost recovery restrictions, are anticipated to generate approximately \$477,000 in the Integrated Waste Management (IWM) Fund. Estimated revenue from Solid Waste Delinquency fees, primarily associated with multi-family customers, decreased from the 2018-2019 Adopted Fees and Charges estimate of \$842,000 due to a combination of lower estimated late payment fees and lower administrative fee activity.

SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS

Existing Fees

Proposed fee changes for 2019-2020 are recommended to align with updated staffing and overhead costs and projected activity levels.

To maintain full cost recovery, fee increases are proposed for the following programs: Circus/Carnival/Parade Permits; Handbill Distributors Licenses; Business Tax Special Report Fees; Returned Check Fees; Lien Activities Fees, and Collection Fees; a reduction to the Christmas Tree/Pumpkin License - Lot is also recommended to maintain cost recovery. Modifications to Solid Waste Delinquency Fees are also based on the evaluation of activity levels, staff time involved to administer these fee programs, and updated personnel costs for 2019-2020.

Staff also recommends reinstating the Neglected Vacant House (NVH) Lien Fee, which was first authorized in 2015-2016, but subsequently removed due to inactivity. NVH fees have not been assessed since inception; however, the Planning, Building, and Code Enforcement department approved the future processing the Neglected Vacant House lien program in late 2018-2019. NVH lien fees are charged to recover the administrative costs associated with the processing of liens of delinquent of Neglected/Vacant Building Registration Fees charged to owners of buildings that have been vacant and that have outstanding violations for longer than 30 days. Approximately 20 liens are projected to be filed during 2019-2020, but due to uncertainty regarding the timing of collection, no revenue is estimated for 2019-2020.

FINANCE DEPARTMENT

SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS

A complete list of proposed fee revisions by service is provided in the Summary of Proposed Fee Changes section of this document, and in the tables that follow this section.

NOTIFICATION

The Proposed Fees and Charges Report was released on May 3, 2019, 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 held on Tuesday, May 14, 2019 at 1:30 p.m. and Monday, June 10, 2019 at 6:00 p.m. in the Council Chambers.

DEPARTMENTAL FEES AND CHARGES

FINANCE

Service	2018-2019 Adopted Fee	2018-2019 % Cost Recovery	2019-2020 Proposed Fee	2019-2020 Estimated Cost	2019-2020 Estimated Revenue		2019-2020 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
FINANCE DEPARTMENT GENERAL FEES - CATEGORY I								
1. Business Tax Special Reports								
1 CD/E-mail	\$57 per CD/transmission		\$69.25 per CD/transmission					
2 Computer Printout	\$57 up to 25 pages, \$1 each additional page		\$69.25 up to 25 pages, \$1 each additional page					
Sub-total Business Tax Special Reports		100.0%		3,471	2,850	3,463	82.1%	99.8%
2. 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; \$136.50 each additional day		\$250 1st Day; \$155.75 each additional day					
6 Circus Permit (Charitable)	\$100 1st day; \$50 each additional day		No Change					
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		99.9%		2,183	1,911	2,181	87.5%	99.9%
3. 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)	\$25.25 per invoice		\$26.50 per invoice					
Sub-total Collection Fee		99.2%		83,307	79,336	83,263	95.2%	99.9%

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee
FINANCE DEPARTMENT GENERAL FEES - CATEGORY I								
4. Handbill Distributors								
1 Commercial Distributor Permit	\$1 per distribution		No Change					
2 Handbill Distributors License	\$57 per year		\$57.25 per year					
3 Owner's Permit	\$44 per year		No Change					
Sub-total Handbill Distributors		98.9%		23,341	23,256	23,313	99.6%	99.9%
5. Lien Activities								
1 Abatement Lien Fee	\$117.50 per lien		\$144.25 per lien					
2 Administrative Remedies Lien Fee	\$179.25 per lien		\$198 per lien					
3 Neglected and Vacant Homes Lien Fee Note: Deleted in 2016-2017. Reinstated for 2019-2020.			\$142.50 per lien					
4 Sidewalk Lien Administrative Fee	\$117.50 per lien		\$135.75 per lien					
5 Tree Lien Fee	\$178 per lien		\$196.25 per lien					
Sub-total Lien Activities		100.0%		28,733	22,667	28,694	78.9%	99.9%
6. Returned Check Fee								
1 Returned Check Fee	\$35.25 per returned check		\$38.50 per returned check					
Sub-total Returned Check Fee		99.7%		27,671	25,239	27,566	91.2%	99.6%
7. 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									
7. 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									
8. Sales									
1 Christmas Tree/Pumpkin License - Deposit (Refundable)	\$100 per lot		No Change						
2 Christmas Tree/Pumpkin License - Lot	\$125.75 per lot		\$124.50 per lot						
Sub-total Sales		99.9%		1,246	1,258	1,245	101.0%	99.9%	
SUB-TOTAL FINANCE DEPARTMENT GENERAL FEES - CATEGORY I		99.3%		169,952	156,517	169,725	92.1%	99.9%	
INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II									
1. Solid Waste Delinquencies									
1 Administrative Charges for Collection Procedures	\$78.25 per lien	100.1%	\$75.50 per lien	18,847	19,563	18,875	103.8%	100.1%	
2 Late Payment Charge (The charge level is set to encourage customers to submit payments by due date)	\$10 or 10% of the bill, whichever is greater		No Change		450,000	450,000			
3 Notice of Intent to Lien (The notice is not a penalty)	\$8.75 per notice	100.5%	No Change	6,856	7,000	7,000	102.1%	102.1%	
4 Special Assessment Charge (The charge is not a penalty)	\$6 per parcel	100.0%	No Change	1,500	1,500	1,500	100.0%	100.0%	
Sub-total Solid Waste Delinquencies		593.7%		27,203	478,063	477,375	1,757.4%	1,754.9%	
SUB-TOTAL INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II		593.7%		27,203	478,063	477,375	1,757.4%	1,754.9%	

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee	
MUNICIPAL WATER SYSTEM - CATEGORY II									
1. Municipal Water Collection Fees									
1 Delinquency Late Payment Charge	\$10 or 10% of the bill, whichever is greater		No Change						
Sub-total Municipal Water Collection Fees									
SUB-TOTAL MUNICIPAL WATER SYSTEM - CATEGORY II									
TOTAL DEPARTMENT - GENERAL FUND				169,952	156,517	169,725	92.1%	99.9%	
TOTAL DEPARTMENT - NON-GENERAL FUND				27,203	478,063	477,375	1,757.4%	1,754.9%	
TOTAL DEPARTMENT - Category I				169,952	156,517	169,725	92.1%	99.9%	
TOTAL DEPARTMENT - Category II				27,203	478,063	477,375	1,757.4%	1,754.9%	
TOTAL DEPARTMENT				197,155	634,580	647,100	321.9%	328.2%	