

# 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 a number of miscellaneous fees. The Department is also responsible for collecting the Integrated Waste Management (IWM) - related late charges.

It is estimated that the Finance Department fees and charges program for 2016-2017, excluding penalties, will generate General Fund revenues of approximately \$244,000, reflecting a 99.8% cost recovery rate, compared to 2015-2016 revenues of \$2.1 million and a cost recovery rate of 100%. The decrease in revenues is due to the reallocation of the Medical Marijuana Regulatory Program Fees from the Finance Department to the Police Department.

Late payment charges related to the Solid Waste Delinquency Program and Solid Waste Delinquency Service Fees, not subject to cost recovery restrictions, are anticipated to generate approximately \$311,000 in the Integrated Waste Management (IWM) fund. This figure represents the Solid Waste Delinquency fees in 2016-2017 primarily associated with multi-family customers, and is slightly down from the \$315,000 figure in the 2015-2016 Adopted Fees and Charges.

### ***SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS***

#### Existing Fees

In 2016-2017, a number of proposed changes are recommended to align fees with revised staffing and overhead costs, as well as projected activity levels.

To maintain full cost recovery, fee increases are proposed in the following nine sections: Business Tax Special Reports, Circus/Carnival/Parade, Handbill Distributors, Lien Activities, Returned Check Fee, and Sales. Additionally, decreases to Lien Activities – Abatement Lien Fee and the Solid Waste Delinquencies – Notice of Intent to Lien are proposed to ensure these fees do not exceed cost recovery. 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.

The Finance Department administers a series of lien fees including the Administrative Remedies Lien Fee, Sidewalk Lien Administrative Fee, and Tree Lien Fee. These fees are increasing significantly from 2015-2016 to 2016-2017: Administrative Remedies Lien Fee from \$93.25 to \$207.00, Sidewalk Lien Administrative Fee from \$93.25 to \$150.25, and Tree Lien Fee from \$152 to \$207.00. The methodology for calculating these fees in prior years did not include the County Lien Filing and Release Fee. Additional costs not previously accounted for (Process Server, Certified Mail, and Public Notification) are now included in the cost methodology. Additionally, fees have been adjusted to align with revised staffing and overhead costs.

**FINANCE DEPARTMENT**

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***SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS***

Existing Fees (Cont'd.)

Recommended modifications to two of the three Solid Waste Delinquency Fees in 2016-2017 align fees with revised costs and projected activity levels.

Deleted Fees

The Neglected and Vacant Homes Lien Fee was introduced as a new fee in 2015-2016; however, upon further review, this fee is recommended to be eliminated in 2016-2017, as this type of lien is covered in the existing administrative remedies process.

It is also being recommended that the Medical Marijuana Regulatory Program Fees be reallocated from the Finance Department to the Police Department. As part of the 2016-2017 Proposed Operating Budget, the Police Department will establish a Division of Medical Marijuana Control to administer these fees, as described in the Police Department section of this document.

***NOTIFICATION***

The Proposed Fees and Charges Report was released on May 6, 2016, 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 17, 2016 at 1:30 p.m. and Monday, June 13, 2016 at 7:00 p.m. in the Council Chambers.

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

Service	2015-2016 Adopted Fee	2015-2016 % Cost Recovery	2016-2017 Proposed Fee	2016-2017 Estimated Cost	2016-2017 Estimated Revenue		2016-2017 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
<b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>								
<b>1. Business Tax Special Reports</b>								
1 CD/E-mail	\$69.50 per CD/transmission		\$70.50 per CD/transmission					
2 Computer Printout	\$69.50 up to 25 pages, \$1 each additional page		\$70.50 up to 25 pages, \$1 each additional page					
<b>Sub-total Business Tax Special Reports</b>		<b>99.7%</b>		<b>18,379</b>	<b>18,070</b>	<b>18,330</b>	<b>98.3%</b>	<b>99.7%</b>
<b>2. Circus/Carnival/Parade</b>								
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; \$121.50 each additional day		\$250 1st day; \$124.25 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					
<b>Sub-total Circus/Carnival/Parade</b>		<b>100.0%</b>		<b>1,740</b>	<b>1,701</b>	<b>1,739</b>	<b>97.8%</b>	<b>99.9%</b>
<b>3. Collection Fee</b>								
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)	\$23.50 per invoice		No Change					
<b>Sub-total Collection Fee</b>		<b>99.4%</b>		<b>94,953</b>	<b>94,752</b>	<b>94,752</b>	<b>99.8%</b>	<b>99.8%</b>

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

Service	2015-2016 Adopted Fee	2015-2016 % Cost Recovery	2016-2017 Proposed Fee	2016-2017 Estimated Cost	2016-2017 Estimated Revenue		2016-2017 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
<b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>								
<b>4. Handbill Distributors</b>								
1 Commercial Distributor Permit	\$1 per distribution		No Change					
2 Handbill Distributors License	\$56 per year		\$56.25 per year					
3 Owner's Permit	\$43 per year		No Change					
<b>Sub-total Handbill Distributors</b>		<b>100.0%</b>		<b>37,435</b>	<b>37,200</b>	<b>37,293</b>	<b>99.4%</b>	<b>99.6%</b>
<b>5. Lien Activities</b>								
1 Abatement Lien Fee	\$146.25 per lien		\$145.50 per lien					
2 Administrative Remedies Lien Fee	\$93.25 per lien		\$207.00 per lien					
3 Neglected and Vacant Homes Lien Fee	\$93.25 per lien		Delete					
4 Sidewalk Lien Administrative Fee	\$93.25 per lien		\$150.25 per lien					
5 Tree Lien Fee	\$152 per lien		\$207.00 per lien					
<b>Sub-total Lien Activities</b>		<b>100.0%</b>		<b>60,465</b>	<b>37,410</b>	<b>60,432</b>	<b>61.9%</b>	<b>99.9%</b>

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

Service	2015-2016 Adopted Fee	2015-2016 % Cost Recovery	2016-2017 Proposed Fee	2016-2017 Estimated Cost	2016-2017 Estimated Revenue		2016-2017 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee

## FINANCE DEPARTMENT GENERAL FEES - CATEGORY I

### 6. Medical Marijuana Fees

Note: Note: The fees reflected in the 2014-2015 Adopted Fee column were approved by City Council on August 5, 2014 and/or December 16, 2014, subsequent to the adoption of the 2014-2015 Schedule of Fees and Charges.

1 Amendment Processing Fee	\$1,659 per application; plus Code Enforcement Hourly Inspection Fee of \$126.50 per hour after 1 hour; plus Police Department Sworn Hourly Investigation Fee of \$97 per hour after 15 hours; plus \$162 per employee above 1; employees include owners, managers and specified employees		See Police Department Medical Marijuana Fees					
2 Annual Operating Fee	\$95,661 per year, per Collective		See Police Department Medical Marijuana Fees					
3 Application Receipt Fee (Initial Application, Amendment, Renewal Registration)	\$94 per application		See Police Department Medical Marijuana Fees					
4 Code Enforcement Inspector Rate	See "Code Enforcement Inspector Rate" in the Department of Planning, Building and Code Enforcement section of this document.		See Police Department Medical Marijuana Fees					
5 Hourly Rate for Planning Services without Designated Fee	See "Hourly Rate for Planning Services without Designated Fee" in the Department of Planning, Building and Code Enforcement section of this document.		See Police Department Medical Marijuana Fees					

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

Service	2015-2016 Adopted Fee	2015-2016 % Cost Recovery	2016-2017 Proposed Fee	2016-2017 Estimated Cost	2016-2017 Estimated Revenue		2016-2017 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
<b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>								
<b>6. Medical Marijuana Fees</b>								
6 Initial Application Processing Fee	\$2,145 per application; plus Code Enforcement Hourly Inspection Fee of \$126.50 per hour after 1 hour; plus Police Department Sworn Hourly Investigation Fee of \$97 per hour after 15 hours; plus \$162 per employee above 4; employees include owners, managers and specified employees		See Police Department Medical Marijuana Fees					
7 Police Department Sworn Hourly Investigation Fee	\$97 per hour		See Police Department Medical Marijuana Fees					
8 Renewal Registration Processing Fee	\$2,145 per application; plus Code Enforcement Hourly Inspection Fee of \$126.50 per hour after 1 hour; plus Police Department Sworn Hourly Investigation Fee of \$97 per hour after 15 hours; plus \$162 per employee above 4; employees include owners, managers and specified employees		See Police Department Medical Marijuana Fees					
9 Zoning Code Verification Certificate Application Processing Fee	\$1,156.50 per application; plus Planning Services Hourly Inspection Fee of \$154 per hour after 6 hours; plus Code Enforcement Hourly Inspection Fee of \$126.50 per hour after 1 hour		See Police Department Medical Marijuana Fees					
<b>Sub-total Medical Marijuana Fees</b>		<b>100.0%</b>						

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

Service	2015-2016 Adopted Fee	2015-2016 % Cost Recovery	2016-2017 Proposed Fee	2016-2017 Estimated Cost	2016-2017 Estimated Revenue		2016-2017 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
<b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>								
<b>7. Returned Check Fee</b>								
1 Returned Check Fee	\$25 per returned check		\$26.25 per returned check					
<b>Sub-total Returned Check Fee</b>		<b>99.3%</b>		<b>29,633</b>	<b>28,175</b>	<b>29,583</b>	<b>95.1%</b>	<b>99.8%</b>
<b>8. Sale of Publications</b>								
1 Comprehensive Annual Financial Report	Actual printing and mailing costs		No Change					
2 Monthly Investment Report	Actual printing and mailing costs		No Change					
3 Single Audit (Grants)	Actual printing and mailing costs		No Change					
<b>Sub-total Sale of Publications</b>								
<b>9. Sales</b>								
1 Christmas Tree/Pumpkin License - Deposit (Refundable)	\$100 per lot		No Change					
2 Christmas Tree/Pumpkin License - Lot	\$119 per lot		\$119.75 per lot					
<b>Sub-total Sales</b>		<b>99.9%</b>		<b>1,677</b>	<b>1,666</b>	<b>1,676</b>	<b>99.3%</b>	<b>99.9%</b>
<b>SUB-TOTAL FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>		<b>100.0%</b>		<b>244,282</b>	<b>218,974</b>	<b>243,805</b>	<b>89.6%</b>	<b>99.8%</b>
<b>INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II</b>								
<b>1. Solid Waste Delinquencies</b>								
1 Administrative Charges for Collection Procedure	\$111.50 per lien	96.4%	\$98.00 per lien	175,307	192,127	168,030	109.6%	95.8%
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		100,000	100,000		

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# FINANCE

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee	
<b>INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II</b>									
<b>1. Solid Waste Delinquencies</b>									
3 Notice of Intent to Lien (The notice is not a penalty)	\$11.25 per notice	99.8%	\$9.50 per notice	35,077	40,500	34,200	115.5%	97.5%	
4 Special Assessment Charge (The charge is not a penalty)	\$6 per parcel	100.0%	No Change	8,910	8,910	8,910	100.0%	100.0%	
<b>Sub-total Solid Waste Delinquencies</b>		<b>131.9%</b>		<b>219,294</b>	<b>341,537</b>	<b>311,140</b>	<b>155.7%</b>	<b>141.9%</b>	
<b>SUB-TOTAL INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II</b>		<b>131.9%</b>		<b>219,294</b>	<b>341,537</b>	<b>311,140</b>	<b>155.7%</b>	<b>141.9%</b>	
<b>MUNICIPAL WATER SYSTEM - CATEGORY II</b>									
<b>1. Municipal Water Collection Fees</b>									
1 Delinquency Late Payment Charge	\$10 or 10% of the bill, whichever is greater		No Change		250,000	250,000			
<b>Sub-total Municipal Water Collection Fees</b>					<b>250,000</b>	<b>250,000</b>			
<b>SUB-TOTAL MUNICIPAL WATER SYSTEM - CATEGORY II</b>					<b>250,000</b>	<b>250,000</b>			
<b>TOTAL DEPARTMENT - GENERAL FUND</b>				<b>244,282</b>	<b>218,974</b>	<b>243,805</b>	<b>89.6%</b>	<b>99.8%</b>	
<b>TOTAL DEPARTMENT - NON-GENERAL FUND</b>				<b>219,294</b>	<b>591,537</b>	<b>561,140</b>	<b>269.7%</b>	<b>255.9%</b>	
<b>TOTAL DEPARTMENT - Category I</b>				<b>244,282</b>	<b>218,974</b>	<b>243,805</b>	<b>89.6%</b>	<b>99.8%</b>	
<b>TOTAL DEPARTMENT - Category II</b>				<b>219,294</b>	<b>591,537</b>	<b>561,140</b>	<b>269.7%</b>	<b>255.9%</b>	
<b>TOTAL DEPARTMENT</b>				<b>463,576</b>	<b>810,511</b>	<b>804,945</b>	<b>174.8%</b>	<b>173.6%</b>	