

# FINANCE DEPARTMENT

## Impact Analysis Report

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### ***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 2017-2018, excluding penalties, will generate General Fund revenues of approximately \$165,000 reflecting a 99.8% cost recovery rate, compared to 2016-2017 revenues of \$244,000 and a cost recovery rate of 99.8%. The decrease in revenue is largely due to the realignment of staff time associated with the activities.

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 \$392,150 in the Integrated Waste Management (IWM) fund. This figure represents the Solid Waste Delinquency fees in 2017-2018 primarily associated with multi-family customers, which is higher than the \$311,000 figure from the 2016-2017 Adopted Fees and Charges, due to the increased late fee revenue estimate.

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

#### Existing Fees

In 2017-2018, a number of proposed fee changes are recommended to adjust fees to align with revised staffing and overhead costs, as well as projected activity levels.

To maintain full cost recovery, twelve fee increases are proposed in the following sections: Business Tax Special Reports, Circus/Carnival/Parade, Collection Fee, Handbill Distributors, Lien Activities, Returned Checks, Sales, and Tree and Pumpkin Lots. These increases are generally due to the recent reevaluation of staff time involved in fee activities. 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.

Recommended modifications to two of the three Solid Waste Delinquency Fees in 2017-2018 align fees with revised costs and projected activity levels.

#### ***NOTIFICATION***

The Proposed Fees and Charges Report was released on May 5, 2017, 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 16, 2017 at 1:30 p.m. and Monday, June 12, 2017 at 7:00 p.m. in the Council Chambers.

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

| Service   | 2016-2017<br>Adopted Fee                                   | 2016-2017<br>% Cost<br>Recovery | 2017-2018<br>Proposed Fee                     | 2017-2018<br>Estimated<br>Cost | 2017-2018<br>Estimated Revenue |                 | 2017-2018<br>% Cost Recovery |                 |
|---|--|---------------------------------|---|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|   |  |                                 |   |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |
| <b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>   |  |                                 |   |                                |                                |                 |                              |                 |
| <b>1. Business Tax Special Reports</b>                |  |                                 |   |                                |                                |                 |                              |                 |
| 1 CD/E-mail   | \$70.50 per CD/transmission                                |                                 | \$77 per CD/transmission                      |                                |                                |                 |                              |                 |
| 2 Computer Printout                                   | \$70.50 up to 25 pages, \$1 each additional page           |                                 | \$77 up to 25 pages, \$1 each additional page |                                |                                |                 |                              |                 |
| <b>Sub-total Business Tax Special Reports</b>         |  | <b>99.7%</b>                    |   | <b>7,481</b>                   | <b>6,839</b>                   | <b>7,469</b>    | <b>91.4%</b>                 | <b>99.8%</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; \$124.25 each additional day                |                                 | \$250 1st day; \$135.25 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>99.9%</b>                    |   | <b>2,302</b>                   | <b>2,112</b>                   | <b>2,299</b>    | <b>91.7%</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  |                                 | \$20.50 per invoice                           |                                |                                |                 |                              |                 |

# DEPARTMENTAL FEES AND CHARGES

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| Service   | 2016-2017<br>Adopted Fee          | 2016-2017<br>% Cost<br>Recovery | 2017-2018<br>Proposed Fee  | 2017-2018<br>Estimated<br>Cost | 2017-2018<br>Estimated Revenue |                 | 2017-2018<br>% Cost Recovery |                 |
|---|-----------------------------------|---------------------------------|----------------------------|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|   |                                   |                                 |                            |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |
| <b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b> |                                   |                                 |                            |                                |                                |                 |                              |                 |
| <b>3. Collection Fee</b>                            |                                   |                                 |                            |                                |                                |                 |                              |                 |
| <b>Sub-total Collection Fee</b>                     |                                   | <b>99.8%</b>                    |                            | <b>69,619</b>                  | <b>79,571</b>                  | <b>69,413</b>   | <b>114.3%</b>                | <b>99.7%</b>    |
| <b>4. Handbill Distributors</b>                     |                                   |                                 |                            |                                |                                |                 |                              |                 |
| 1 Commercial Distributor Permit                     | \$1 per distribution              |                                 | No Change                  |                                |                                |                 |                              |                 |
| 2 Handbill Distributors License                     | \$56.25 per year                  |                                 | \$61.50 per year           |                                |                                |                 |                              |                 |
| 3 Owner's Permit                                    | \$43 per year                     |                                 | \$47 per year              |                                |                                |                 |                              |                 |
| <b>Sub-total Handbill Distributors</b>              |                                   | <b>99.6%</b>                    |                            | <b>33,470</b>                  | <b>30,576</b>                  | <b>33,398</b>   | <b>91.4%</b>                 | <b>99.8%</b>    |
| <b>5. Lien Activities</b>                           |                                   |                                 |                            |                                |                                |                 |                              |                 |
| 1 Abatement Lien Fee                                | \$145.50 per lien                 |                                 | \$148.50 per lien          |                                |                                |                 |                              |                 |
| 2 Administrative Remedies Lien Fee                  | \$207.00 per lien                 |                                 | \$210.25 per lien          |                                |                                |                 |                              |                 |
| 3 Sidewalk Lien Administrative Fee                  | \$150.25 per lien                 |                                 | \$153.50 per lien          |                                |                                |                 |                              |                 |
| 4 Tree Lien Fee                                     | \$207.00 per lien                 |                                 | \$210.25 per lien          |                                |                                |                 |                              |                 |
| <b>Sub-total Lien Activities</b>                    |                                   | <b>99.9%</b>                    |                            | <b>27,908</b>                  | <b>27,362</b>                  | <b>27,887</b>   | <b>98.0%</b>                 | <b>99.9%</b>    |
| <b>6. Returned Check Fee</b>                        |                                   |                                 |                            |                                |                                |                 |                              |                 |
| 1 Returned Check Fee                                | \$26.25 per returned check        |                                 | \$31.50 per returned check |                                |                                |                 |                              |                 |
| <b>Sub-total Returned Check Fee</b>                 |                                   | <b>99.8%</b>                    |                            | <b>23,215</b>                  | <b>19,346</b>                  | <b>23,215</b>   | <b>83.3%</b>                 | <b>100.0%</b>   |
| <b>7. 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                  |                                |                                |                 |                              |                 |

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| Service   | 2016-2017<br>Adopted Fee                      | 2016-2017<br>% Cost<br>Recovery | 2017-2018<br>Proposed Fee | 2017-2018<br>Estimated<br>Cost | 2017-2018<br>Estimated Revenue |                 | 2017-2018<br>% Cost Recovery |                 |  |
|---|---|---------------------------------|---------------------------|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|--|
|   |   |                                 |                           |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |  |
| <b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>   |   |                                 |                           |                                |                                |                 |                              |                 |  |
| <b>7. Sale of Publications</b>  |   |                                 |                           |                                |                                |                 |                              |                 |  |
| <b>Sub-total Sale of Publications</b>   |   |                                 |                           |                                |                                |                 |                              |                 |  |
| <b>8. Sales</b>   |   |                                 |                           |                                |                                |                 |                              |                 |  |
| 1 Christmas Tree/Pumpkin License - Deposit (Refundable)   | \$100 per lot                                 |                                 | No Change                 |                                |                                |                 |                              |                 |  |
| 2 Christmas Tree/Pumpkin License - Lot  | \$119.75 per lot                              |                                 | \$129.75 per lot          |                                |                                |                 |                              |                 |  |
| <b>Sub-total Sales</b>  |   | <b>99.9%</b>                    |                           | <b>1,557</b>                   | <b>1,437</b>                   | <b>1,557</b>    | <b>92.3%</b>                 | <b>100.0%</b>   |  |
| <b>SUB-TOTAL FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>   |   | <b>99.8%</b>                    |                           | <b>165,552</b>                 | <b>167,243</b>                 | <b>165,238</b>  | <b>101.0%</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   | \$98.00 per lien                              | 95.8%                           | \$85.25 per lien          | 152,081                        | 176,400                        | 153,450         | 116.0%                       | 100.9%          |  |
| 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                 |                                | 200,000                        | 200,000         |                              |                 |  |
| 3 Notice of Intent to Lien (The notice is not a penalty)  | \$9.50 per notice                             | 97.5%                           | \$7.75 per notice         | 27,757                         | 34,200                         | 27,900          | 123.2%                       | 100.5%          |  |
| 4 Special Assessment Charge (The charge is not a penalty)   | \$6 per parcel                                | 100.0%                          | No Change                 | 10,710                         | 10,800                         | 10,800          | 100.8%                       | 100.8%          |  |
| <b>Sub-total Solid Waste Delinquencies</b>  |   | <b>141.9%</b>                   |                           | <b>190,548</b>                 | <b>421,400</b>                 | <b>392,150</b>  | <b>221.2%</b>                | <b>205.8%</b>   |  |
| <b>SUB-TOTAL INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II</b>                               |   | <b>141.9%</b>                   |                           | <b>190,548</b>                 | <b>421,400</b>                 | <b>392,150</b>  | <b>221.2%</b>                | <b>205.8%</b>   |  |

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| Service   | 2016-2017<br>Adopted Fee                      | 2016-2017<br>% Cost<br>Recovery | 2017-2018<br>Proposed Fee | 2017-2018<br>Estimated<br>Cost | 2017-2018<br>Estimated Revenue |                 | 2017-2018<br>% Cost Recovery |                 |
|---|---|---------------------------------|---------------------------|--------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|   |   |                                 |                           |                                | Current<br>Fee                 | Proposed<br>Fee | Current<br>Fee               | Proposed<br>Fee |
| <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>165,552</b>                 | <b>167,243</b>                 | <b>165,238</b>  | <b>101.0%</b>                | <b>99.8%</b>    |
| <b>TOTAL DEPARTMENT - NON-GENERAL FUND</b>            |   |                                 |                           | <b>190,548</b>                 | <b>671,400</b>                 | <b>642,150</b>  | <b>352.4%</b>                | <b>337.0%</b>   |
| <b>TOTAL DEPARTMENT - Category I</b>                  |   |                                 |                           | <b>165,552</b>                 | <b>167,243</b>                 | <b>165,238</b>  | <b>101.0%</b>                | <b>99.8%</b>    |
| <b>TOTAL DEPARTMENT - Category II</b>                 |   |                                 |                           | <b>190,548</b>                 | <b>671,400</b>                 | <b>642,150</b>  | <b>352.4%</b>                | <b>337.0%</b>   |
| <b>TOTAL DEPARTMENT</b>                               |   |                                 |                           | <b>356,100</b>                 | <b>838,643</b>                 | <b>807,388</b>  | <b>235.5%</b>                | <b>226.7%</b>   |