

## 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 the Integrated Waste Management (IWM) - related late charges and Medical Marijuana Fees (currently suspended).

It is estimated that the Finance Department fees and charges program for 2014-2015, excluding penalties and non-cost recovery fees, will bring revenues to the City of approximately \$174,000, reflecting a 99.9% cost recovery rate, compared to 2013-2014 revenues of \$193,000 and a cost recovery rate of 99.7%. The difference largely reflects a reduction in staffing costs related to the Collection Fee and Return Check Fee programs, primarily due to lower retirement costs.

Medical Marijuana Fees, which were adopted in the 2011-2012 Budget, will continue to be suspended due to the current suspension of the Regulatory Ordinance. On May 13, 2014, the City Council is scheduled to consider a revised Regulatory Ordinance to establish a Medical Marijuana Regulatory Program. Pending this decision, a Manager's Budget Addendum is anticipated to be released under separate cover to address the staffing resources and associated regulatory fee structure as part of the 2014-2015 budget process.

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 \$4.1 million in the Integrated Waste Management (IWM) Fund. This figure reflects recommended increases (\$246,000) to the Solid Waste Delinquency fees in 2014-2015 to properly align revenues with increases in costs.

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

##### Existing Fees

In 2014-2015, a number of proposed fee changes are recommended to adjust fees to align with revised staffing and overhead costs, as well as to account for some indirect costs that had previously been omitted from the fees.

To maintain full cost recovery, seven fee increases are proposed in the following sections: Administrative Remedies Lien Fee, Business Tax Special Reports, Handbill Distributors, Sales, and Sidewalk Lien Administrative Fee. Additionally, three fee decreases are proposed in the following sections: Circus/Carnival/Parade, Collection Fee, and Returned Check Fee. These fee decreases reflect a reduction in staffing costs associated with the delivery of these services. 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 increases to two of the Solid Waste Delinquency Fees in 2014-2015 align fees with revised costs and projected activity levels.

## **FINANCE DEPARTMENT**

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### ***NOTIFICATION***

The Proposed Fees and Charges Report was released on May 2, 2014, 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 13, 2014, at 7:00 p.m. and Monday, June 9, 2014, at 7:00 p.m. in the Council Chambers.

# DEPARTMENTAL FEES AND CHARGES

# FINANCE

Service	2013-2014 Adopted Fee	2013-2014 % Cost Recovery	2014-2015 Proposed Fee	2014-2015 Estimated Cost	2014-2015 Estimated Revenue		2014-2015 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
<b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>								
<b>1. Administrative Remedies Lien Fee</b>								
1 Administrative Remedies Lien Fee	\$63.25 per lien		\$76.50 per lien					
<b>Sub-total Administrative Remedies Lien Fee</b>		<b>99.9%</b>		<b>3,675</b>	<b>3,036</b>	<b>3,672</b>	<b>82.6%</b>	<b>99.9%</b>
<b>2. Business Tax Special Reports</b>								
1 CD/E-mail	\$56.25 per CD/transmission		\$62.75 per CD/transmission					
2 Computer Printout	\$56.25 up to 25 pages, \$1 each additional page		\$62.75 up to 25 pages, \$1 each additional page					
<b>Sub-total Business Tax Special Reports</b>		<b>99.8%</b>		<b>1,883</b>	<b>1,688</b>	<b>1,883</b>	<b>89.6%</b>	<b>100.0%</b>
<b>3. 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; \$120.50 each additional day		\$250 1st day; \$112.50 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>1,353</b>	<b>1,447</b>	<b>1,350</b>	<b>106.9%</b>	<b>99.8%</b>

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee
<b>FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>								
<b>4. 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)	\$38		\$22.50 per invoice					
<b>Sub-total Collection Fee</b>		<b>99.6%</b>		<b>90,153</b>	<b>152,000</b>	<b>90,000</b>	<b>168.6%</b>	<b>99.8%</b>
<b>5. Handbill Distributors</b>								
1 Commercial Distributor Permit	\$1 per distribution		No Change					
2 Handbill Distributors License	\$46 per year		\$51.25 per year					
3 Owner's Permit	\$35.50 per year		\$39.25 per year					
<b>Sub-total Handbill Distributors</b>		<b>99.9%</b>		<b>34,650</b>	<b>36,135</b>	<b>34,587</b>	<b>104.3%</b>	<b>99.8%</b>
<b>6. Medical Marijuana Fees</b>								
1 Medical Marijuana Collective Amendment Fee	Suspended (City Council approval - January 10, 2012)		No Change					
2 Medical Marijuana Collective Annual Operating Fee	Suspended (City Council approval - January 10, 2012)		No Change					
3 Medical Marijuana Collective Application Processing Fee	Suspended (City Council approval - January 10, 2012)		No Change					
4 Medical Marijuana Collective Application Receipt Fee	Suspended (City Council approval - January 10, 2012)		No Change					
5 Medical Marijuana Collective Renewal Registration Fee	Suspended (City Council approval - January 10, 2012)		No Change					
6 Police Hourly Investigation Fee	Suspended (City Council approval - January 10, 2012)		No Change					
<b>Sub-total Medical Marijuana Fees</b>								

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					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	\$29 per returned check		\$25 per returned check					
<b>Sub-total Returned Check Fee</b>		<b>100.0%</b>		<b>35,975</b>	<b>41,731</b>	<b>35,975</b>	<b>116.0%</b>	<b>100.0%</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	\$97.25 per lot		\$108.75 per lot					
<b>Sub-total Sales</b>		<b>99.9%</b>		<b>1,741</b>	<b>1,556</b>	<b>1,740</b>	<b>89.4%</b>	<b>99.9%</b>
<b>10. Sidewalk Lien Administrative Fee</b>								
1 Sidewalk Lien Administrative Fee	\$63.25 per lien account		\$96.75 per lien account					
<b>Sub-total Sidewalk Lien Administrative Fee</b>		<b>99.9%</b>		<b>4,840</b>	<b>3,163</b>	<b>4,838</b>	<b>65.4%</b>	<b>100.0%</b>
<b>SUB-TOTAL FINANCE DEPARTMENT GENERAL FEES - CATEGORY I</b>		<b>99.7%</b>		<b>174,270</b>	<b>240,756</b>	<b>174,045</b>	<b>138.2%</b>	<b>99.9%</b>
<b>INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II</b>								
<b>1. Solid Waste Delinquencies</b>								
1 Administrative Charges for Collection Procedure	\$92.25 per lien	100.0%	\$102.25 per lien	1,564,000	1,408,012	1,560,642	90.0%	99.8%

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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>									
2 Late Payment Charge (The charge level is set to encourage customers to submit payments by due date)	\$7.00 or 7% of the bill, whichever is greater		No Change		1,782,670	1,782,670			
3 Notice of Intent to Lien (The notice is not a penalty)	\$17.25 per notice	99.7%	\$20.00 per notice	693,690	598,816	691,960	86.3%	99.8%	
4 Special Assessment Charge (The charge is not a penalty)	\$6 per parcel	100.0%	No Change	34,596	34,596	34,596	100.0%	100.0%	
<b>Sub-total Solid Waste Delinquencies</b>		<b>199.8%</b>		<b>2,292,286</b>	<b>3,824,094</b>	<b>4,069,868</b>	<b>166.8%</b>	<b>177.5%</b>	
<b>SUB-TOTAL INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II</b>		<b>199.8%</b>		<b>2,292,286</b>	<b>3,824,094</b>	<b>4,069,868</b>	<b>166.8%</b>	<b>177.5%</b>	
<b>TOTAL DEPARTMENT - GENERAL FUND</b>				<b>174,270</b>	<b>240,756</b>	<b>174,045</b>	<b>138.2%</b>	<b>99.9%</b>	
<b>TOTAL DEPARTMENT - NON-GENERAL FUND</b>				<b>2,292,286</b>	<b>3,824,094</b>	<b>4,069,868</b>	<b>166.8%</b>	<b>177.5%</b>	
<b>TOTAL DEPARTMENT - Category I</b>				<b>174,270</b>	<b>240,756</b>	<b>174,045</b>	<b>138.2%</b>	<b>99.9%</b>	
<b>TOTAL DEPARTMENT - Category II</b>				<b>2,292,286</b>	<b>3,824,094</b>	<b>4,069,868</b>	<b>166.8%</b>	<b>177.5%</b>	
<b>TOTAL DEPARTMENT</b>				<b>2,466,556</b>	<b>4,064,850</b>	<b>4,243,913</b>	<b>164.8%</b>	<b>172.1%</b>	