

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 late charges related to the Integrated Waste Management (IWM).

It is estimated that the Finance Department fees and charges program for 2018-2019, excluding penalties, will generate General Fund revenues of approximately \$135,000 reflecting a 99.3% cost recovery rate, compared to 2017-2018 revenues of \$165,000 and a cost recovery rate of 99.8%. The decrease in revenue is largely due to the decrease in estimated activity for fees and charges.

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 \$862,000 in the Integrated Waste Management (IWM) Fund. This figure represents the Solid Waste Delinquency fees in 2018-2019 primarily associated with multi-family customers, which is higher than the \$392,000 figure from the 2017-2018 Adopted Fees and Charges, and reflects the actual activity level in this area for the late payment charge. No change to this fee is recommended, which is set at \$10 or 10% of the bill, whichever is greater.

SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS

Existing Fees

In 2018-2019, 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, fee increases are proposed in the following sections: Circus Permit, Collection Fee, and Returned Check Fee. These changes are generally due to the recent reevaluation of staff time involved in fee activities. Decreases in other fees are also recommended in the following sections: Business Tax Special Reports, Handbill Distributors License, Owner's Permit, Abatement Lien Fee, Administrative Remedies Lien Fee, Sidewalk Lien Administrative Fee, Tree Lien Fee, and Christmas Tree/Pumpkin License - Lot. 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.

In addition, recommended modifications to two of the three Solid Waste Delinquency Fees in 2018-2019 align fees with revised costs and projected activity levels to align with revised staffing.

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NOTIFICATION

The Proposed Fees and Charges Report was released on May 4, 2018, 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 15, 2018 at 1:30 p.m. and Monday, June 11, 2018 at 6:00 p.m. in the Council Chambers.

DEPARTMENTAL FEES AND CHARGES

FINANCE

Service	2017-2018 Adopted Fee	2017-2018 % Cost Recovery	2018-2019 Proposed Fee	2018-2019 Estimated Cost	2018-2019 Estimated Revenue		2018-2019 % 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	\$77 per CD/transmission		\$57 per CD/transmission					
2 Computer Printout	\$77 up to 25 pages, \$1 each additional page		\$57 up to 25 pages, \$1 each additional page					
Sub-total Business Tax Special Reports		99.8%		2,052	2,772	2,052	135.1%	100.0%
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; \$135.25 each additional day		\$250 1st Day; \$136.50 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					
Sub-total Circus/Carnival/Parade		99.9%		1,912	1,894	1,911	99.1%	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)	\$20.50 per invoice		\$25.25 per invoice					

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					Current Fee	Proposed Fee	Current Fee	Proposed Fee
FINANCE DEPARTMENT GENERAL FEES - CATEGORY I								
3. Collection Fee								
Sub-total Collection Fee		99.7%		76,813	61,843	76,172	80.5%	99.2%
4. Handbill Distributors								
1 Commercial Distributor Permit	\$1 per distribution		No Change					
2 Handbill Distributors License	\$61.50 per year		\$57 per year					
3 Owner's Permit	\$47 per year		\$44 per year					
Sub-total Handbill Distributors		99.8%		24,000	25,733	23,735	107.2%	98.9%
5. Lien Activities								
1 Abatement Lien Fee	\$148.50 per lien		\$117.50 per lien					
2 Administrative Remedies Lien Fee	\$210.25 per lien		\$179.25 per lien					
3 Sidewalk Lien Administrative Fee	\$153.50 per lien		\$117.50 per lien					
4 Tree Lien Fee	\$210.25 per lien		\$178 per lien					
Sub-total Lien Activities		99.9%		12,059	15,093	12,053	125.2%	100.0%
6. Returned Check Fee								
1 Returned Check Fee	\$31.50 per returned check		\$35.25 per returned check					
Sub-total Returned Check Fee		100.0%		17,425	15,530	17,378	89.1%	99.7%
7. Sale of Publications								
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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					Current Fee	Proposed Fee	Current Fee	Proposed Fee	
FINANCE DEPARTMENT GENERAL FEES - CATEGORY I									
7. Sale of Publications									
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	\$129.75 per lot		\$125.75 per lot						
Sub-total Sales		100.0%		1,384	1,427	1,383	103.1%	99.9%	
SUB-TOTAL FINANCE DEPARTMENT GENERAL FEES - CATEGORY I		99.8%		135,645	124,292	134,684	91.6%	99.3%	
INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II									
1. Solid Waste Delinquencies									
1 Administrative Charges for Collection Procedures	\$85.25 per lien	100.9%	\$91.25 per lien	139,087	129,139	138,223	92.8%	99.4%	
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		700,000	700,000			
3 Notice of Intent to Lien (The notice is not a penalty)	\$7.75 per notice	100.5%	\$8.75 per notice	13,183	10,254	13,254	77.8%	100.5%	
4 Special Assessment Charge (The charge is not a penalty)	\$6 per parcel	100.8%	No Change	10,155	10,155	10,155	100.0%	100.0%	
Sub-total Solid Waste Delinquencies		205.8%		162,425	849,548	861,632	523.0%	530.5%	
SUB-TOTAL INTEGRATED WASTE MANAGEMENT LATE CHARGES - CATEGORY II		205.8%		162,425	849,548	861,632	523.0%	530.5%	

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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
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Sub-total Municipal Water Collection Fees

SUB-TOTAL MUNICIPAL WATER SYSTEM - CATEGORY II

TOTAL DEPARTMENT - GENERAL FUND		135,645	124,292	134,684	91.6%	99.3%
TOTAL DEPARTMENT - NON-GENERAL FUND		162,425	849,548	861,632	523.0%	530.5%
TOTAL DEPARTMENT - Category II		298,070	973,840	996,316	326.7%	334.3%
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