



Administrative Report

L.1., File # 21-2638

Meeting Date: 6/15/2021

To: MAYOR AND CITY COUNCIL
From: MARNI RUHLAND, FINANCE DIRECTOR

TITLE

PUBLIC HEARING TO CONSIDER PROPOSED USER FEE AMENDMENTS FOR THE PUBLIC WORKS AND FINANCIAL SERVICES DEPARTMENTS

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2106-062, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE PUBLIC WORKS DEPARTMENT USER FEES

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2106-063, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE FINANCIAL SERVICES DEPARTMENT USER FEES

PROCEDURES:

- a. Open Public Hearing, take testimony; and
- b. Close Public Hearing; and
- c. Adopt by title only Resolution No. CC-2106-062; and
- d. Adopt by title only Resolution No. CC-2106-063.

EXECUTIVE SUMMARY

The City strives to maintain the community's quality of life through the excellence of our municipal services. To preserve the City's ability to provide these services, selected fees covering costs are proposed for update. While the City consistently looks for ways to trim costs, it must also regularly review the City's fees and possibly adjust fees to reflect each service's delivery cost. Proposed for City Council's consideration are fee adjustments for the Public Works and Financial Services Departments, which relate to cost-based fee charges.

BACKGROUND

As stated above, fee adjustments associated with services provided by the Public Works and Financial Services Departments are proposed. A discussion regarding each of these fee adjustments follows.

Public Works - Engineering Division

As described in Decision Package #20, the Public Works Department is proposing a fee adjustment and new fees to its Engineering Division fee schedule. The proposed fee adjustment would increase

the Investigation Fee. In addition, Engineering is proposing new fees to include a Site Visit Fee, Storage Unit Fee, Project Evaluation Fee, Permit Reissuance Fee, Bond Service Fee and Scanning Fee to better serve customers.

The annual revenue to the General Fund from the fee adjustment and new fees for the Public Works Department is estimated to be \$23,027 (See Attachment 1, Exhibit A for details.)

Financial Services

In FY20-21, City Council approved a Credit Card Acceptance Fee of 3% for each credit card transaction (whether made online or in person). The Credit Card Acceptance Fee is paid directly to the City's credit card processor. Financial Services Department proposes to revise the fee to tie directly to the actual service fee rate charged by the City's credit card processor for processing credit card transactions.

As of June 1, 2021, the service fee rate currently charged by the credit card processor is 3% of the transaction amount. Since the current rate of 3% charged by the credit card processor is the same rate that was approved by City Council last fiscal year, additional revenue to the General Fund is not expected from this adjustment at this time.

Additionally, Financial Services is proposing to increase the Replacement Tag fee for a dog license to \$5 in order to more accurately reflect the City's cost of replacing a tag. The annual revenue to the General Fund from the fee adjustment for the Financial Services Department is estimated to be \$175. (See Attachment 2, Exhibit A for details.)

COORDINATION

Communication of the user fee Public Hearing has been conveyed through posting and mailing in accordance with specific requests and inclusion on the City's website. Therefore, the public can actively participate in the City Council meeting where a determination of the most appropriate fee for each service is decided.

Under the direction of the City Manager's Office, the Public Works and Financial Services Departments participated in the preparation of the proposed fee amendments. The resolutions were approved as to form by the City Attorney's Office.

FISCAL IMPACT

Department	Fund	Estimated Annual Revenue
Public Works	General Fund	\$23,027
Financial Services	General Fund	\$175
Total		\$23,202

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

Attachment 1 - Resolution Amending Public Works Dept. User Fees

Attachment 2 - Resolution Amending Financial Services Dept. User Fees