



## CITY OF NEWPORT BEACH FINANCE COMMITTEE AGENDA

NEWPORT COAST CONFERENCE ROOM, BAY 2E  
100 CIVIC CENTER DRIVE, NEWPORT BEACH  
JUNE 11, 2015, 4:00 P.M.

### FINANCE COMMITTEE MEMBERS:

Keith Curry, Chair / Council Member  
Diane Dixon, Mayor Pro Tem  
Tony Petros, Council Member  
Bill McCullough, Committee Member  
Larry Tucker, Committee Member  
John Warner, Committee Member  
Jack Wu, Committee Member

### STAFF MEMBERS:

Dave Kiff, City Manager  
Dan Matusiewicz, Finance Director / Treasurer  
Steve Montano, Deputy Director, Finance  
Marlene Burns, Administrative Specialist to the Finance Director

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### I. CALL MEETING TO ORDER

### II. ROLL CALL

### III. PUBLIC COMMENTS

*Public comments are invited on agenda and non-agenda items generally considered to be within the subject matter jurisdiction of the Finance Committee. Speakers must limit comments to three (3) minutes. Before speaking, we invite, but do not require, you to state your name for the record. The Finance Committee has the discretion to extend or shorten the speakers' time limit on agenda or non-agenda items, provided the time limit adjustment is applied equally to all speakers. As a courtesy, please turn cell phones off or set them in the silent mode.*

### IV. APPROVAL OF MINUTES

#### A. Summary:

Approval of the March 10, 2015, Joint City Council/Finance Committee Minutes and the May 11, 2015, Finance Committee Minutes.

#### Recommended Action:

Approve and file.

### V. CURRENT BUSINESS

#### A. MUNICIPAL FEE SCHEDULE

##### Summary:

Chapter 3.36 of the Newport Beach Municipal Code ("Municipal Code") requires that user fees for municipal services be recovered at 100%, unless otherwise provided for in Municipal Code

This Finance Committee is subject to the Ralph M. Brown Act. Among other things, the Brown Act requires that the Finance Committee's agenda be posted at least seventy-two (72) hours in advance of each regular meeting and that the public be allowed to comment on agenda items before the Finance Committee and items not on the agenda but are within the subject matter jurisdiction of the Finance Committee. The Finance Committee may limit public comments to a reasonable amount of time, generally three (3) minutes per person.

It is the intention of the City of Newport Beach to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the City of Newport Beach will attempt to accommodate you in every reasonable manner. If requested, this agenda will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Please contact the City Clerk's Office at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible at (949) 644-3005 or [cityclerk@newportbeachca.gov](mailto:cityclerk@newportbeachca.gov).

Section 3.36.030. After careful analysis and review by MGT of America, Inc. ("MGT"), staff developed and proposes updates to the fees for the Police, Fire, Public Works, and Community Development Departments.

**Recommended Action:**

Staff recommends that the Finance Committee direct staff to bring the attached changes for City Council approval.

**B. BUSINESS LICENSE**

**Summary:**

Pursuant to recent Council direction, staff will present an overview of the City's Business License Tax to the Finance Committee.

**Recommended Action:**

Receive and file.

**C. QUESTION/ANSWERS PERTAINING TO FY 2015/16 ADOPTED BUDGET**

**Summary:**

As a follow up to the last Finance Committee, the Committee is welcome to continue its questions and comments about the FY 2015/16 Adopted Budget. All questions and comments are still relevant even following Council adoption of the FY 2015/16 budget, as the input will help frame both budget adjustments and planning for the FY 2016/17 budget, which begins relatively soon.

**Recommended Action:**

The Committee may ask questions specific to the Adopted FY 2015/16 Budget or any topics pertaining to City finance practices, policies, and procedure.

**D. FINANCE COMMITTEE SCHEDULE UPDATE**

**Summary:**

The Finance Committee work plan represents the planned topics of discussion; however, is subject to change based on the availability of information and the need to schedule other topics as they arise. This item proposes an update to previous work plan schedule.

**VI. ADJOURNMENT**

## June 11, 2015, Finance Committee Agenda Comments

These comments on items on the Newport Beach City Council Finance Committee agenda are submitted by: Jim Mosher ( [jimmosher@yahoo.com](mailto:jimmosher@yahoo.com) ), 2210 Private Road, Newport Beach 92660 (949-548-6229)

### **Item III. PUBLIC COMMENTS**

It is good to see some items of City business being referred to the reconstituted Finance Committee for its review and recommendation. In my view there are many more in which the public and Council would have benefitted from the Finance Committee's comments. For example, in the month since the Committee's last meeting the Council has been asked to make decisions about a labor agreement, insurance levels and premiums, many contracts which may or may not have been in the City's best interest and a sale of City-owned property.

The Council also recently heard about a wastewater (sewer) rate study (leading to a recommendation for substantially changed rates including an increased single family residential charge) which the "old" Finance Committee had on its agenda last November, but to the best of my knowledge the old Committee's recommendations regarding it were not part of the report.

### **Item IV.A. APPROVAL OF MINUTES**

#### **May 11, 2015, Finance Committee Minutes**

The following corrections are suggested:

**Page 4**, Item C, paragraph 3: "*Finance Director Matusiewicz reported that the budget is reflective of community goals, policies and priorities and **emphasize emphasizes** those qualities that make Newport Beach, exceptional.*"

**Page 6**, final paragraph: "*The agenda for the Regular Meeting was posted on **May 11, 2015, at 6:00 p.m., in ...***"

The date and time quoted is the *starting* time of the May meeting. My recollection is the agenda was posted well in advance. If the *posting* came less than 72 hours before the May 11<sup>th</sup> meeting, then the Finance Committee would have met in violation of the Brown Act.

And the following general comments:

Based on my recollection of the May 11<sup>th</sup> meeting, the draft minutes appear to offer a fairly complete record of the topics that were discussed, but if one was not there it is difficult to tell what was said about most of those topics and by whom. Indeed, in one would need to have been present to even know what several of the listed topics signify.

As an example, I recall Committee Member Jack Wu had a long series of questions about the budget detail, and Members Warner and McCullough had a smaller number of detailed questions at various points in the budget presentation. I would not know this from the minutes.

DECLARATION OF POSTING

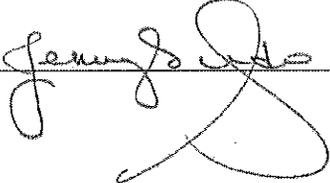
On Thursday, May 7, 2015, at 1:52 p.m., under penalty of perjury, I posted the Agenda for the Finance Committee Meeting of Monday, May 11, 2015 at 6:00 pm, pursuant to the Brown Act Amendments (effective January 1, 1987), in the Chambers binder located inside the vestibule of the Council Chambers at City Hall at 100 Civic Center, Drive, Newport Beach, California.

Posted by: TREVOR BELL 

DECLARATION OF POSTING

City Website

On Thursday, May 7, 2015, at 2:51 p.m., under penalty of perjury, I posted the Agenda for the Finance Committee Meeting of Monday, May 11, 2015 at 6:00 pm, pursuant to the Brown Act Amendments (effective January 1, 1987), on the Internet under the appropriate BCC name (Agendas and Minutes page): (<http://www.newportbeachca.gov/index.aspx?page=703>)

Posted by: 

# CITY OF NEWPORT BEACH

## City Council Minutes Special Meeting/Joint Meeting of the City Council and Finance Committee March 10, 2015

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### I. ROLL CALL - 4:30 p.m.

Present: Finance Committee Member Dixon, Finance Committee Member Petros, Finance Committee Member McCullough, Finance Committee Member Tucker, Finance Committee Member Wu, Finance Committee Chair Curry

Present: Council Member Peotter, Council Member Petros, Council Member Curry, Council Member Duffield, Council Member Muldoon, Mayor Pro Tem Dixon, Mayor Selich

Absent: Finance Committee Member Warner (excused)

### II. CURRENT BUSINESS

#### 1. Capital Improvement Plan (CIP) Early Look and Project Prioritization [100-2015]

*Mayor Selich recused himself regarding discussions about the Bayside Drive Rehabilitation – Marine Avenue to PCH Project because he resides on Bayside Drive.*

City Manager Kiff introduced the item and noted that this is the early look at what staff is proposing to include in the budget.

Public Works Director Webb provided a PowerPoint presentation, addressing streets and drainage related to Bayside Drive.

In response to Council questions, Public Works Director Webb noted the need to develop concepts in order for the City to apply for M2 or Active Transportation Program (ATP) grant funding. He was unsure whether ATP funding would apply and stated that staff is looking at the possibility of a roundabout on this street. Council Member Curry noted that this needs to be a major safety priority moving forward. Public Works Director Webb reported that staff is looking at safety and changing the street into more of a multimodal area. He added that there is a lot of bike traffic in the area and staff is looking at the possibility of a roundabout at the intersection of Harbor Drive and Bayside Drive.

In response to Finance Committee Member Wu, Public Works Director Webb stated that there are cases where staff has tried but roundabouts have not been built. He referenced Ladera Ranch, noting a roundabout as an integral design element that works successfully. He suggested that staff consider the matter carefully before spending the money to implement a roundabout.

In response to questions, Public Works Director Webb explained that placing a signal at the intersection would be an option, but addressed challenges, including costs and the need to meet speed warrants. He also noted that there is no room for installing a stop sign.

Jim Mosher thanked staff for making the presentation available in advance and commented on the number of projects involved.

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Public Works Director Webb reported that the format was changed at the last minute due to Council conflicts and advice from the City Attorney's Office regarding recusals.

***Council Member Duffield recused himself regarding discussions about Mariners Mile – Highway Configuration and Land Use Review Project since he has a business in the area.***

Public Works Director Webb addressed the Mariners Mile highway configuration and land-use review as requested by residents to deal with traffic congestion and by area businesses to foster redevelopment. He noted that the City is working with the Orange County Transportation Authority (OCTA) on a regional study and addressed a design charrette and funds available to start the design. He discussed possible funding sources, deferring costs, exploring public/private partnerships, and the need for further discussion on the matter.

Council Member Petros noted that there is already an investment in the OCTA study, there is a set-aside for a consultant to do focused work, and the Community Development staff is engaged in land-use planning issues. He asked if this is a separate consideration and Public Works Director Webb stated that there are several projects but staff simply wants to reaffirm Council direction.

Council Member Petros expressed support for continued diligence in the track that Council has set; indicating that he did not feel continuing it would require additional budgetary amounts. He added that the City is already on track and there is little impact on the current budget.

In response to Mayor Selich's question, Public Works Director Webb addressed the deliverables.

Council Member Peotter stated that he would like to see a detailed presentation on this matter before spending a lot of money on design. Public Works Director Webb noted that, in this case, there has been a significant amount of effort made and wanted to make sure that Council is aware of it and listed next steps. Council Member Peotter reported that the charrette is completely changing the way Mariners Mile functions and stated that it is not a decision that the Council has yet made.

Council Member Curry stated that the matter has not been adequately designed to the point where Council knows what it will cost or what it will do. He noted the need to do some of the design work to answer those questions and know what this will look like to know whether to move forward with it or not. He stated that businesses in the neighborhood are very concerned with throughput and traffic, the solutions are complicated, and staff should continue working on it and bring it back to Council for decision-making.

Finance Committee Member Wu stated that he sits on the OCTA M2 Oversight Committee and City Attorney Harp suggested that he recuse himself from this item.

***Finance Committee Member Wu recused himself since he serves on the OCTA M2 Oversight Committee that reviews M2 Funds.***

Public Works Director Webb reported that this item is a reaffirmation of Council direction and that staff has every intention to keep moving forward.

Council Member Petros commented on the numerous Mariners Mile Association meetings he has attended where it has been discussed that the City is allowing this area to turn to blight.

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He stated that they would like to see this area revitalized and that residents believe that throughput and congestion are important issues to address. He added that there is momentum by virtue of the work that has already been done.

Council Member Muldoon suggested speeding up the project and commented on improvements to the standard of living.

Public Works Director Webb addressed CIP General Fund goals, new projects and re-budgets, and facilities.

Mayor Selich asked regarding the life of the new apparatus for the Mariners Fire Station and Public Works Director Webb reported that the living quarters were rehabilitated several years ago and is in good shape. Regarding the apparatus bay, he stated that it would have a 50 year life.

Council Member Curry stated that he is glad that staff is moving forward on the Corona del Mar Library and Fire Station.

Public Works Director Webb addressed streets and drainage on 15th Street/Balboa Boulevard, Fiscal Year (FY) 14/15 residential street overlay, Irvine Avenue pavement rehab, Newport Boulevard/32nd Street modifications, and Ocean Boulevard and Poppy Avenue pavement reconstruction.

In response to Mayor Selich's question, Public Works Director Webb reported that the Cameo Shores project includes every residential street in Cameo Shores.

Public Works Director Webb continued discussing streets and drainage projects, including PCH and Old Newport Boulevard street modifications, MacArthur Boulevard pavement rehab, FY 15/16 street lighting replacement, storm drain system video evaluation, and the Citywide concrete and pavement replacement program.

In response to Council Member Petros' question regarding PCH and Old Newport Boulevard, Deputy Public Works Director Vukojevic stated that two alternatives in the environmental analysis are being considered including a right-of-way swap and a right-of-way acquisition.

Public Works Director Webb addressed transportation projects, water quality and environmental projects, and parks, harbor and beaches projects.

Council Member Petros asked regarding the American Legion bulkhead and Public Works Director Webb noted that it is a City responsibility.

Public Works Director Webb addressed water and wastewater projects.

In response to Mayor Pro Tem Dixon's question, Public Works Director Webb reported that the list presented is a list of projects currently in motion and needing further discussion. He added that the list has been sorted by priority and by ability for possible outside contributions or self-help.

City Manager Kiff added that they are in alphabetic order within the various blocks. In response to Council Member Peotter's question, he stated that staff is hoping that Council will express their comments on the various projects and provide guidance and direction.

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Council Member Petros noted that many of the projects, while they have not been appropriated, have had funds assigned to them through the Facilities Finance Plan (FFP). City Manager Kiff indicated that there are some projects in the list that have not had money assigned to them.

In response to Mayor Pro Tem Dixon's question, Public Works Director Webb reported that Council typically allows staff to put \$5 million of General Funds into the project, as well as \$2.7 million in gas tax. Those funds are used to program priority projects. He added that there is a list of special projects for which staff needs additional guidance.

Council Member Curry indicated that he did not feel it necessary for Public Works Director Webb to go through all of the details in the projects.

Council Member Muldoon noted that this topic is too important to rush and suggested going through part of it today and continuing the rest at a future meeting.

Jim Mosher reported on a time before Proposition 13 where it was difficult for councils to give the green light to projects since it was tied to taxation. He stated that the City currently receives money, but Council has little control as to the revenue coming into the City. He believed that Council should have a discussion on how much discretionary money they do have to allot to these various projects.

In response to Mayor Pro Tem Dixon's questions, Public Works Director Webb noted that the first slides presented are the key projects to which the \$5 million should be allocated. Other projects are funded and staff is validating that Council agrees with their scope and size. He noted that other projects are not funded and it is Council's decision whether to fund them or not.

Noting the time, it was the consensus of the City Council and the Finance Committee to receive the remainder of the presentation at a future meeting.

**III. PUBLIC COMMENTS ON NON-AGENDA ITEMS - None**

**IV. ADJOURNMENT – Adjourned at 6:08 p.m. to an Adjourned Special Meeting/Joint Meeting of the City Council and Finance Committee on March 24, 2015, at 3:30 p.m.**

**The agenda for the Special Meeting (Joint Meeting with the Finance Committee) was posted on the City's website and on the City Hall Electronic Bulletin Board located in the entrance of the City Council Chambers at 100 Civic Center Drive on March 5, 2015, at 4:00 p.m.**

Attest:

\_\_\_\_\_  
Keith Curry, Chair  
Finance Committee Chair

\_\_\_\_\_  
Date

**CITY OF NEWPORT BEACH  
FINANCE COMMITTEE  
MAY 11, 2015 MEETING MINUTES**

**I. CALL MEETING TO ORDER**

The meeting was called to order at 6:00 p.m. in the Newport Coast Conference Room, Bay 2E, 100 Civic Center Drive, Newport Beach, California 92660.

**II. ROLL CALL**

**PRESENT:** Council Member Keith Curry (Chair); Mayor Pro Tem Diane Dixon; Committee Member Bill McCullough (arrived at 6:06 p.m.); Committee Member Larry Tucker; Committee Member John Warner; Committee Member Jack Wu

**ABSENT:** Council Member Tony Petros

**STAFF PRESENT:** City Manager, Dave Kiff; Finance Director, Dan Matusiewicz; Deputy Finance Director, Steve Montano; Administrative Specialist to the Finance Director, Marlene Burns; Public Works Director, Dave Webb; Deputy Public Works Director/City Engineer, Mark Vukojevic; Revenue Manager, Evelyn Tseng; IT Manager, Rob Houston; Deputy City Manager/HR Director, Terri Cassidy; Budget Manager, Susan Giangrande

**MEMBER OF THE PUBLIC:** Jim Mosher

**OUTSIDE ENTITY:** Megan Nicolai, Orange County Register

**III. PUBLIC COMMENTS**

Jim Mosher referenced his written comments and expressed concerns with Council's announcement in January regarding the Finance Committee and a subsequent different announcement a few months later. He spoke regarding the staff auditing itself and opined that City Council should have been asked to make that decision.

**IV. APPROVAL OF MINUTES**

**A. Summary:**  
Approval of the February 26, 2015, Finance Committee Minutes and March 24, 2015, Joint City Council/Finance Committee Minutes.

**Recommended Action:**  
Approve and file.

Chair Curry opened public comments.

Jim Mosher referenced his written corrections to the minutes.

Committee Member Tucker moved, and Mayor Pro Tem Dixon seconded the approval of the February 26, 2015, Finance Committee meeting minutes. The Committee voted 5 ayes and 2

absent (Council Member Petros and Committee Member McCullough) to approve the minutes, as corrected by Mr. Jim Mosher.

Chair Curry opened public comments. Seeing none, Chair Curry closed public comments.

Committee Member Tucker moved, and Committee Member Warner seconded the approval of the March 24, 2015, Joint City Council/Finance Committee meeting minutes.

The Committee voted 5 ayes, 1 abstention (Committee Member Wu) and 2 absent (Council Member Petros and Committee Member McCullough) to approve the minutes, as presented.

Committee Member McCullough arrived at this juncture (6:06 p.m.).

## V. CURRENT BUSINESS

### A. FISCAL SUSTAINABILITY PLAN

#### **Summary:**

Staff understands that Mayor Pro Tem Dixon wishes to augment the Fiscal Sustainability Plan to ensure that infrastructure funding is made an explicit priority. Maintaining a high-quality natural and physical environment by creating aesthetically pleasing places to live, work, recreate and visit shall remain a key goal of the City.

#### **Recommended Action:**

Staff recommends that the Finance Committee direct staff to bring the attached changes for City Council approval.

Chair Curry introduced the aforementioned item and deferred to Mayor Pro Tem Dixon for a report.

Mayor Pro Tem Dixon presented a brief background and provided details of suggested changes. She stressed the importance of balancing fiscal responsibility while investing in capital infrastructure to maintain a good quality of life.

Committee Member Tucker commented on the plan regarding increasing income and reducing expenses and suggested adding language regarding enhancing and protecting the City's tax base by investing in quality capital infrastructure improvements that are both long-lasting and fiscally responsible.

Chair Curry opened public comments.

Jim Mosher suggested that additional language begin with "the City will" and noted there may other things that need to be "cleaned up". He pointed out items that need clarification and wondered if this should be a City policy.

Chair Curry closed public comments.

Mayor Pro Tem Dixon agreed with Mr. Mosher's and Committee Member Tucker's suggestions.

Mayor Pro Tem Dixon moved, and Committee Member Tucker seconded approval of the proposed changes to the Fiscal Sustainability Plan as presented and discussed and to forward it to City Council for their consideration. The motion carried with 6 ayes and 1 absent (Council Member Petros).

**B. FACILITIES FINANCIAL PLANNING TOOL (FFPT)**

**Summary:**

Staff has projected the timing, means of financing, and fiscal impacts associated with funding high-priority projects recently approved in concept by the City Council during the recent Proposed FY 2015-16 CIP budget presentation.

**Recommended Action:**

Staff recommends that the Committee directs staff to bring the Facilities Financial Plan for City Council approval.

Chair Curry provided a brief background of the item. He added that the subject plan is a tool to determine the affordability of projects.

Finance Director Dan Matusiewicz provided a brief overview of the flow of funds including General Fund and Developer contributions that go into the Financial Planning Reserve Fund. He added that in most cases, those projects are funded in cash. He addressed Council direction, identification of priority projects, General Fund contributions to the plan, the Facilities Reserve balance, debt service, and anticipated resources.

Chair Curry noted that the plan replaces all of the City's infrastructure and major facilities for the next 80 plus years.

In response to Mayor Pro Tem Dixon's inquiry, Finance Director Matusiewicz addressed contingency reserves.

Discussion followed regarding capital projects not currently on the "radar", Public Works Master Plans and planning for the addition of new facilities.

Public Works Director Dave Webb added that Council would direct staff on new facilities.

Ensuing discussion followed regarding inclusion of the Uptown Newport development, potential studies for new Police stations, the possibility of sharing facilities with the City of Costa Mesa and other neighboring cities and use of the facilities by residents and non-residents.

Chair Curry opened public comments.

Jim Mosher stated this is a good plan for facilitating financing projects currently in the plan, but the City anticipates many capital needs in the future that are not in the plan and does not demonstrate how the City will pay for them. He highlighted projects that have been removed (piers and sea walls), expected revenues and inconsistencies in terms of fund totals and details. He referenced staff recommendations and wondered what it is that the Finance Committee is being asked to approve.

Finance Director Matusiewicz addressed Council's goal to prioritize projects.

City Manager Kiff added that the plan is used to finance projects that are not on other capital master plans and commented on the need for Council approval.

He stated that the last amendment to the document was approved by Council and that Council reviews it on an annual basis.

Discussion followed regarding budgeted items, sources of funds, projects with specific Council direction, procedure for changes in funding and private contributions.

City Manager Kiff reported that the City stays in close contact with Community Development to know exactly how they are progressing with their projects and when funds are expected.

Ensuing discussion followed regarding changes in the Uptown Newport project and the process for making adjustments to the FFPT.

Committee Member Warner moved, and Mayor Pro Tem Dixon seconded to direct staff to bring the Facilities Financial Plan for City Council approval. The motion carried with 6 ayes and 1 absent (Council Member Petros).

### **C. FY 2015-16 BUDGET PRESENTATION**

#### **Summary:**

Staff will present an overview of the City Manager's Fiscal Year 2015-16 Proposed Budget.

#### **Recommended Action:**

Staff recommends that the Committee directs staff to bring the Proposed FY 2015-16 Budget for City Council Approval.

Finance Director Matusiewicz introduced the item noting that the fundamentals of a financially-sound budget have been met and that the budget emphasizes the goals and priorities of Council. He addressed the General Fund, proposed operating budget, new capital projects, restricted revenue sources and accumulation of resources.

Discussion followed regarding showing comparisons with prior years (i.e. percentage increases) in future budget presentations.

Finance Director Matusiewicz reported that the budget is reflective of community goals, policies and priorities and emphasize those qualities that make Newport Beach, exceptional.

Discussion followed regarding measuring or determining those items and qualities that residents demand.

Finance Director Matusiewicz addressed next steps including the timeline for Council considering and approving the budget.

It was suggested including percentages next to dollar amounts within the budget document.

Finance Director Matusiewicz addressed the City's top three revenue sources, prior years where revenues decreased, contingency reserves, current debt, CDBG program, assessed valuation growth, bonded debt, transient occupancy tax, comparisons with nearby cities, the TBID, details of guiding principles and related programs as well as total community reinvestment.

Discussion followed regarding showing a timeline relative to cash funding on big projects.

Finance Director Matusiewicz addressed expenditures by function.

Discussion followed regarding providing year-over-year comparisons, organization by department, trends, City payroll by department, providing a summary of employee benefits, employees shared between departments and clarification of "salaries and benefits".

Finance Director Matusiewicz addressed General Fund expenditures by type, maintenance and operations, capital, savings for future long-term needs, changes in staffing and salaries and benefits and full- and part-time positions.

Discussion followed regarding staffing levels in prior years.

Finance Director Matusiewicz reported on City Council decisions relative to paying down the City's unfunded pension liabilities on a faster schedule, rising pension costs, increases in salaries, employee contributions to the pension system, employee contributions to health plans, cafeteria plans, City Council benefits and bargaining units. He addressed components of unfunded liability costs and accelerated pension payments.

Brief discussion followed regarding increased employee pension contributions.

Finance Director Matusiewicz continued presenting details of the proposed budget including the City's legacy Other Post-Employment Benefits (OPEB) plan.

Discussion followed regarding CalPERS.

Finance Director Matusiewicz addressed maintenance and operations, the CIP budget, allocation of resources, balancing the needs of residents, developing an equitable repayment strategy, the possibility of creating a neighborhood enhancement fund, conforming to the new actuarial standards, and actions required by the Finance Committee, as well as next steps.

Discussion followed regarding considering how surpluses are allocated, the seawall project and the Tidelands Capital Plan.

Finance Director Matusiewicz provided details of checklist items for Council consideration, contributions to the Public Arts Fund, the Corona del Mar entryway project, other reductions, restricted revenue sources, and consideration of new initiatives by Council. He addressed increasing parking rates, reduction of mooring fees, commercial fees, residential piers, and considering practical ramifications of reduced fees.

Discussion followed regarding incremental fees going into the Harbor Fund, Council's consideration of the budget and the timeline.

Finance Director Matusiewicz thanked his staff for their help and offered to respond to questions from the Committee.

Discussion followed regarding fund balances, allocation of the Tidelands revenues, the Corona del Mar parking lot, consideration of commercial marinas by Council, benefits provided to Council in the City Charter, providing a summary of full-time, split personnel, increases in general insurance due to significant lawsuits over the past few years, going out to bid for general insurance, overtime, the IT internal service fund charges to the Fire Department, hiring processes for Police Officers and Fire Fighters, benefits for the Community Development Director, building inspection overtime, outsourcing and the possibility of hiring a consultant to do an assessment of what functions can be outsourced, increases in existing contract amounts, the General Services Department, clarification of the Urban Forester position, support services and water utilities generator maintenance.

Discussion continued regarding increases in Central Library utilities and the possibility of cutting expenditures.

City Manager Kiff reported that it would be helpful for the Committee to make specific recommendations as to which items need special consideration by Council.

Discussion followed regarding justifying every line item for every function, identifying and reducing redundancies, finding opportunities for greater efficiencies.

City Manager Kiff noted that budget discussions do not end at this time and commented on regular review of the budget going forward.

Ensuing discussion continued regarding future scrutiny of high-salaried positions, payment of loans and refinancing, interest schedule, debt service costs, adding explanations to line items in the performance plan and providing details of miscellaneous salaries.

Chair Curry opened public comments.

Jim Mosher addressed the Finance Committee's role at this time and noted that the budget was available for review on April 30th but the general public did not know it was available until a week later. He expressed concerns regarding adjustments by City staff to the budget after it has been passed. He added that a breakout of information about certain items are not available and suggested including same in future budgets.

Chair Curry closed public comments.

Mayor Pro Tem Dixon requested increased visibility on program spending and Finance Director Matusiewicz commented on the new ERP system.

Discussion followed regarding reviewing future budgets earlier in the cycle and the mid-budget review.

City Manager Kiff suggested that each Member list their inquiries and submit them to Finance Director Matusiewicz so that he may respond to the Committee.

Committee Member Wu moved and Committee Member Warner seconded to direct staff to send the Proposed FY 2015-16 Budget for City Council for consideration. The motion carried with 5 ayes, 1 abstention (Committee Member McCullough) and 1 absent (Council Member Petros).

**VI. ADJOURNMENT**

Chair Curry suggested changing the start time of future Finance Committee meetings to 4:00 p.m. Members of the Committee agreed and Chair Curry reported the issue will be presented to Council for their consideration.

The Finance Committee adjourned at 9:08 p.m. to the next regular meeting of the Finance Committee on June 11, 2015, at 4:00 p.m.

Filed with these minutes are copies of all materials distributed at the meeting.

The agenda for the Regular Meeting was posted on May 11, 2015, at 6:00 p.m., in the binder and on the City Hall Electronic Board located in the entrance of the Council Chambers at 100 Civic Center Drive.

Attest:

\_\_\_\_\_  
Keith Curry, Chair  
Finance Committee Chair

\_\_\_\_\_  
Date

## June 11, 2015, Finance Committee Agenda Comments

These comments on items on the Newport Beach City Council Finance Committee agenda are submitted by: Jim Mosher ( [jimmosher@yahoo.com](mailto:jimmosher@yahoo.com) ), 2210 Private Road, Newport Beach 92660 (949-548-6229)

### ~~Item III. PUBLIC COMMENTS~~

~~It is good to see some items of City business being referred to the reconstituted Finance Committee for its review and recommendation. In my view there are many more in which the public and Council would have benefitted from the Finance Committee's comments. For example, in the month since the Committee's last meeting the Council has been asked to make decisions about a labor agreement, insurance levels and premiums, many contracts which may or may not have been in the City's best interest and a sale of City-owned property.~~

~~The Council also recently heard about a wastewater (sewer) rate study (leading to a recommendation for substantially changed rates including an increased single family residential charge) which the "old" Finance Committee had on its agenda last November, but to the best of my knowledge the old Committee's recommendations regarding it were not part of the report.~~

### Item IV.A. APPROVAL OF MINUTES

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And the following general comments:

Based on my recollection of the May 11<sup>th</sup> meeting, the draft minutes appear to offer a fairly complete record of the topics that were discussed, but if one was not there it is difficult to tell what was said about most of those topics and by whom. Indeed, in one would need to have been present to even know what several of the listed topics signify.

As an example, I recall Committee Member Jack Wu had a long series of questions about the budget detail, and Members Warner and McCullough had a smaller number of detailed questions at various points in the budget presentation. I would not know this from the minutes.

In short, despite their seeming thoroughness, in the absence of a readily available and archived audio recording that that can be easily correlated with the written record, the substantive information available to the public in general about what takes place at these meetings is very limited.

### ***Item V.A. MUNICIPAL FEE SCHEDULE***

I have had very little time to review the material posted, but I am impressed that the depth of the background material provided by staff seems much more thorough than it normally was for the "old" Committee.

However, the details of why changes were made to particular line items in the Fee Schedule seem almost wholly lacking. In particular, it is difficult even to tell if on some lines staff is recommending that changes to the Cost Recovery Table in the Municipal Code be adopted in conjunction with the new Fee Schedule, or merely suggesting the existing recovery percentages were not correctly reflected.

### ***Item V.B. BUSINESS LICENSE***

I found a PowerPoint, but may have missed a staff report clarifying for the benefit of the Committee that as Item 21 at its March 24, 2015, meeting, the Council moved "*to refer the concept of the business license tax structure to the Finance Committee for review.*"

As I commented to the Council at the time, the attempt to distinguish between governmental "taxes" and "fees," which appears prominently in the PowerPoint, seems to be a relatively recent (post-Proposition 13?) concept. When the predecessor of the current Municipal Code chapter was first enacted in 1906 (as one of the new city's earliest actions), the charge was called neither a tax nor a fee, but simply regarded as a "license" one had to purchase to conduct certain kinds of businesses within the City.

As I also attempted to point out to the Council at that time, amendments since 1906 have caused the code defining what was originally a fairly straightforward licensing system to become increasingly complex and increasingly difficult to understand. In particular, what started as applying *only* to a fairly large number of explicitly named businesses has morphed into a code that at least on its face applies to every imaginable activity in Newport Beach ("for profit or not for profit") from which it attempts to *exempt* a small number of named activities in ways that are not always easy to interpret.

I would think a clean up of the code is at least as much in need of attention as the amounts charged for the licenses.

Finally, on a slightly related topic, it is not obvious to me that all entities contracting with the City government itself have licenses to conduct business in Newport Beach.

### ***Item V.C. QUESTION/ANSWERS PERTAINING TO FY 2015/16 ADOPTED BUDGET***

I have many questions about the recently adopted budget, but as with the Master Fee Schedule lack the time necessary to put them in writing prior to this meeting.



== CITY OF ==

# NEWPORT BEACH

## Finance Committee Staff Report

Agenda Item No. 5A  
June 11, 2015

**TO: HONORABLE CHAIRMAN AND MEMBERS OF THE COMMITTEE**

**FROM:** Finance Department  
Steve Montano, Deputy Finance Director  
(949) 644-3240 or [smontano@newportbeachca.gov](mailto:smontano@newportbeachca.gov)

**SUBJECT: Fee Schedule Update**

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### **SUMMARY:**

Local governmental operations are primarily funded from taxes, user fees, fines and grants. "User fee services" are those services that are performed or provided by a government agency on behalf of a private citizen or group. In order to establish fees on the basis of full cost recovery, it is necessary to determine the cost of services. In partnership with the City's cost allocation plan consultant, staff has reviewed and updated the City-wide cost allocation plan and direct user fee calculations for the Police, Public Works, Fire (EMS services), and Community Development Departments. The recommended modifications are based on a methodology that factors in both direct and indirect costs pursuant to Municipal Code Section 3.36, Council Policy F-4 (Revenue Measures) and Item 11 of the Fiscal Sustainability Plan (FSP). As a general rule, the City may not recover from service users more than the cost incurred by the City to provide the service. If the fees are approved by the City Council, as currently recommended for the four departments, staff projects an overall revenue increase of approximately \$681,000.

### **RECOMMENDATION:**

Staff welcomes input and recommendations on the proposed fee schedule. Based on the input and comments from Finance Committee, Finance staff will bring the proposed recommendations to the City Council for formal approval.

### **DISCUSSION:**

#### **Background**

The City Council has adopted prudent fiscal policies concerning its investments, reserves, budget administration, competitive contracting, facility replacement planning, and revenue initiatives. The City Charter, Municipal Code and FSP serve as the foundation for the City's financial planning and management. The Master Fee Schedule

is a list of fees imposed by the City that includes, but is not limited to, cost-of-services fees, fine and penalties and other fees that may be mandated by the State of California.

Local governmental operations are primarily funded from taxes, user fees, fines and grants. “User fee services” are those services that are performed or provided by a government agency on behalf of a private citizen or group. The starting assumption underlying most fee recommendations is that services benefiting specific individuals – as opposed to the community as a whole – should be paid for by the individual(s) receiving the benefit. However, there are a number of factors that influence cost recovery levels, including elasticity of demand, economic incentives (or disincentives) and the extent to which a particular service benefits the community at large as well as specific individuals or groups.

The majority of the fees discussed here are related to cost-of-services. The goal of cost-of-services fees is to recover the appropriate cost of providing those services, as mandated by Municipal Code Section 3.36, Council Policy F-4 (Revenue Measures) and Item 11 of the FSP. As a general rule, the City may not recover from service users more than the cost incurred by the City to provide the service. Municipal Code Section 3.36 mandates the percentage of costs to be recovered from direct user fees.

In order to establish fees on the basis of full cost recovery, it is necessary to determine the cost of services. In 2010, the City entered into an agreement with MGT for a phased six-year comprehensive review and update of the City-wide cost allocation plan and direct user fee calculations, by department. MGT uses well-established cost accounting methodologies to calculate our municipal fees on a full cost recovery basis and to this end, contracts with a significant number of municipalities in California. This year, MGT studied the following departments:

- Police
- Public Works
- Fire (EMS services)
- Community Development (Building and Planning)

Pursuant to the City’s cost recovery policies, staff was tasked with accurately reporting the true cost of providing user fee-related services, and analyzing whether current fees needed to be updated as a result of MGT’s findings.

MGT reviewed each studied department's fee schedule and performed the following tasks for all fee categories:

- Calculated the fully burdened (overhead) cost to provide user services (see Attachment "B" for an explanation of how indirect or overhead costs are applied to the calculation of fees for service);
- Applied fully burdened labor rates to time requirement estimates; and
- Reviewed and cross checked results to ensure data validity.

Each studied department then reviewed MGT's findings for accuracy and reasonableness, and based upon this review, made its fee and subsidy recommendations pursuant to NBMC Section 3.36.030. The recommended modifications to fees are attributable to utilizing a methodology to calculate fees based on increases in direct and indirect costs since the last fee study. Indirect overhead costs are costs that are not directly accountable to the expenses incurred for a user fee service, but are necessary and contribute to the total cost of that service delivery, i.e., managerial administration, utilities, insurance, legal, information technology, payroll, and finance, which are all valid components of the analysis of what it costs the City to provide municipal services.

Here is a quick summary of the fee changes:

<b>Department</b>	<b># of Fees Going Up</b>	<b># of Fees Going Down or Eliminated</b>	<b># of Fees Combined with Existing Fees</b>	<b># of Fees Staying the Same</b>	<b># of New Fees</b>	<b>Total</b>
Police	10	9	0	17	0	36
Public Works	18	21	2	7	1	49
Fire (EMS only)	5	1	4	0	0	10
Community Development	66	69	2	53	3	193
<b>Total</b>	<b>99</b>	<b>100</b>	<b>8</b>	<b>77</b>	<b>4</b>	<b>288</b>

For purposes of brevity, not all fee changes are described in detail here; however, the entire fee schedule for each studied department can be found on Attachment "A" and staff will answer questions during the Finance Committee meeting of June 11, 2015.

The update recommended by staff will include a 1.89% increase in other non-studied department related fees based upon the change in the Consumer Price Index ("CPI") - All Urban Consumers for the Los Angeles-Riverside-Orange County from April 2013 (the date of the last CPI update) to April 2015.

## **Police Department**

The Police Department strives to provide a safe and healthy environment for all, free from violence and property loss resulting from criminal acts, and injuries caused by traffic violators. The proposed changes to the fee schedule cover the following areas which have not been updated since 2010: Administration, Support Services, Traffic Division (including Animal Control), and Detective Divisions. Therefore, the results of the fee study reflect an analysis and refinement of the actual cost of service since the study was last performed 5 years ago.

### Administration

The Administration or "Office of the Chief of Police" is responsible for assisting the Chief of Police in the management and administration of the Police Department. This Section works closely with the Community, and encourages residents to partner with the Police Department through programs such as Neighborhood Watch. Out of 5 fees, 3 are decreasing, 1 is eliminated, and another has no proposed changes. Decreases are due to Penal Code restrictions on the amount of recoverable costs for a concealed weapons permit, which are rarely requested within the City.

### Support Services

The Support Services Division provides operational support to all Divisions in the Police Department and includes such activities as emergency dispatch, security alarm response (residential and commercial), jail booking, fingerprinting, and bike licenses. Most fees in the section are not changing, with only 3 increasing minimally to reflect the actual cost of services.

### Animal Control (within the Traffic Division)

Most fees within this category are increasing between \$4.00 and \$44.00 to reflect the current cost of staff time, equipment, materials, and associated overhead for impounding stray or injured animals and issuing related citations.

### Detective Division

The Detective Division conducts follow-up investigation on all reported crimes and (non-Traffic related) felony and misdemeanor arrests. This cost analysis reflects a decrease

of \$286.00 for the massage license operator fee. Earlier this year, the City required massage therapists to obtain a California Massage Therapy Council certification. By relying on State regulations to regulate massage therapists, the City has effectively streamlined the massage license operator permitting process. The City now only requires massage establishments to obtain an Operator's Permit to ensure that the business only uses State certified massage therapists or practitioners and has satisfied all other requirements of the Municipal Code.

## **Public Works Department**

The Department of Public Works is responsible for managing a comprehensive capital improvement program, including the promotion of a safe and efficient transportation system. Public Works also manages public property through permitted encroachments, ensures the safety of utility company activities, private construction and special events in the public right-of-way, reviews plans for residential and commercial development as they relate to the public right of-way, and oversees activities that protect and improve the harbor and upper bay. The proposed changes to the fee schedule cover the following areas which have not been updated since 2008, with the exception of Harbor Resources, which was updated in 2010: Engineering Transportation and Development and Water Quality.

### Engineering Transportation and Development

The goal of this service area is to promote a safe, efficient and effective multi-modal transportation system for various roadway uses and to protect interests in the public right-of-way. Fees specific to development services within this area provide for plan check services, issuance of encroachment permits, field inspections, and other related services. Certain fees within this category are decreasing between less than \$1.00 and \$99.00, while others are increasing between \$1.00 and \$94.00 to reflect the current cost of staff time, equipment, materials, and associated overhead. The Parcel Map Check fee used to be three separate fees: Simple, Moderate and Complex. Staff recommends combining the three fees into one Parcel Map Check fee at \$2,440. This represents a \$143 increase over the previous Moderate Map Check fee of \$2,297 due to the consolidation of fees.

### Harbor Resources

The goal of this service area is to protect and improve the resources of the Newport Harbor and Upper Newport bay for life, recreation and commerce with such core functions as permit issuance and administration for pier, marina, and mooring operations, plan checks for regulatory compliance, and other activities. All but 1 fee in this area are decreasing between \$3.00 and \$170.00 because staff has been able to streamline the processes and spend less time performing reviews. The Initial Marine Activities Permit is increasing \$268.00 because the new applications are more complex, which requires increased staff time.

Water Quality

Activities within this service area are designed to maintain compliance with state and federal permits and regulations that promote clean water environments for the Newport bay, ocean, shoreline, and other sensitive areas. The only fee in this category, Water Quality Construction Site Inspections, is increasing \$46.00 to reflect the current cost of staff time, equipment, materials, and associated overhead.

**Fire Department**

Emergency Medical Services (“EMS”)

Fire department fees were previously updated in October 2013, except for EMS fees. At that time, staff wanted to review the full impacts of a State certified public expenditure program, which introduced a new process for eligible public ambulance providers to apply for supplemental payments for Medi-Cal claims without cost to the State General Fund. Since then, staff determined that participation in the program did not adequately recover costs and staff has instead applied the standard cost recovery methodology to determine the appropriate fees.

EMS are those services provided upon medical calls and may include paramedic care, transportation and medical supplies. Previously, the fees were based upon the County Ground Emergency Ambulance Service Rates. This year, MGT studied the fee to provide a much more accurate cost-of-services fee amount. Advanced Life Support (“ALS”) means special services designed to provide definitive pre-hospital emergency medical care and as defined further in Municipal Code Section 5.14.020. Basic Life Support (“BLS”) means emergency first aid and cardiopulmonary resuscitation procedures as defined in Municipal Code Section 5.14.020. In the past, the cost of providing ALS services was separate from the transportation mileage, oxygen, and expendable materials charges. Staff recommends incorporating those costs into one fee for ALS and one fee for BLS creating one average blended fee for each service. All costs associated with ALS and BLS services are included in the fee, thereby simplifying the billing process.

The net effect of this analysis will result in an increase of \$410 for ALS patients and \$339 for BLS patients.

Service Name	Average Charges Current Fee	Proposed Fee	Net Change from Current Fee
ALS with Transport	\$1,244	\$1,654	\$410
BLS with Transport	\$1,095	\$1,434	\$339

It is important to note that Newport Beach residents are also eligible to participate in the Paramedic Subscription Service as a means to minimize cost. In exchange for their membership, participants receive unlimited paramedic service and emergency ambulance transportation within City limits with no out-of-pocket expenses. The City bills their insurance company and accepts the insurance company's reimbursement as payment in full. The membership covers anyone at the subscribing address. The Paramedic Subscription Service has not been increased since 2003. Fire recommends a one dollar monthly increase, which would bring the total annual fee to \$60 per household or business

### **Community Development Department (“CDD”)**

The department's program activities range from advanced and current planning to building permit inspection, plan check, code enforcement, real property and asset management, and oversight of the Community Development Block Grant Program. The proposed changes to the fee schedule cover two main areas (Building and Planning) that have not been updated since 2008. Therefore, the results of the fee study reflect an analysis and refinement of the actual cost of service since the study was last performed 7 years ago.

#### Building

The Building Division's core function is to ensure that plans and construction activity adhere to code requirements to promote the quality of life and safety of those that live, work, and visit the City of Newport Beach. Building related fees reflect the cost of services to provide plan reviews; building, electrical, mechanical plumbing, and grading permits and inspections; harbor construction plan reviews; and fees for various other development related services. Certain fees within this category are either decreasing, increasing, or are not changing based largely upon a methodology that uses such factors as the annual time spent on a broad activity (e.g., building inspection) and the total annual cost of the time spent on the category. In certain cases; as with plan review, inspections, and permits; these factors are then applied to an escalating range of costs that increase based on building valuation tables. The use of building valuation (or size of the development project) as an indicator of staff time and effort is a widely accepted cost recovery methodology that is used among municipalities.

#### Planning

The Planning Division's core function is to maintain and apply the provisions of the General Plan, Zoning Code, Local Coastal Program, and related policy documents. The goal of this effort is to ensure that uses of properties are appropriate; and that site plan configurations are consistent with the size, scale, and character standards that define the communities within Newport Beach. Certain fees within this category are decreasing

between \$20.00 and \$2,783, while others are increasing between \$4.00 and \$373.00 to reflect the current cost of staff time, equipment, materials, and associated overhead.

**Conclusion**

If the fees are approved by the City Council, as currently recommended, staff projects an overall revenue increase of approximately \$681,000.

Based on the input and comments from the Finance Committee, Finance staff will bring the proposed recommendations to the City Council for formal approval.

Prepared and Submitted by:

/s/ Evelyn Tseng

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Evelyn Tseng  
Revenue Manager

Attachments:

- A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments
- B: Application of Indirect Costs to the Calculation of Fees for Services

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S	
1	Per Unit										Reasons for Change							
2	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee	Notes				
3	<b>Police</b>																	
4	<b>Administration</b>																	
5	Civil Subpoena	Deposit	N/A	See Note	See Note	*	*	*						X				Deposit mandated by Govt Code Sections 68096.1 and 68097.2B to be \$275
6	Initial Concealed Weapons Permit	Statute	N/A	\$500	\$100	(\$400)	-80.00%	20%		X								Statute = Penal Code 26190. Per MC 3.36.030 Exhibit A, recover Maximum Permitted by Law.
7	Concealed Weapon Permit Renewal	Statute	4	\$250	\$25	(\$225)	-90.00%	5%		X								Statute = Penal Code 26190. Per MC 3.36.030 Exhibit A, recover Maximum Permitted by Law.
8	Environmental Service Billing	COS-Fee	N/A	\$471	Removed	*	*	*				X						Service was absorbed by Code Enforcement as of 2014
9	Disturbance Advisory Card / Response	COS-Fee	532	\$61	\$57	(\$4)	-6.56%	100%		X								
10	<b>Support Services</b>																	
11	Bike Licenses	COS-Fee	495	\$2	\$2	\$0	0.00%	17%					X					17% recovery per MC 3.36.030 Exhibit A
12	Finger Printing	COS-Fee	117	\$30	\$30	\$0	0.00%	100%					X					
13	Report Copies - Arrest, Crime, Traffic, Missing Persons	COS-Fee	1594	\$10	\$10	\$0	0.00%	100%					X					Removing Subsidy on Missing Persons Reports; recovery was at 0%
14	Report Copies - Domestic Violence	COS-Fee	N/A	\$0	\$0	\$0	*	0%					X					0% recovery mandated by State (Family Code 6228) and per MC 3.36.030 Exhibit A
15	Clearance Letters	COS-Fee	34	\$35	\$35	\$0	0.00%	100%					X					
16	Jail Booking Fee - City	Statute COS-Fee	501	\$347	\$355	\$8	2.31%	100%	X									Statute = CA Govt Code 29550.3
17	Vehicle Repossession	Statute	61	\$15	\$15	\$0	0.00%	50%					X					Statute = CA Govt Code 41612. Update MC 3.36.030 Exhibit A, to recover Maximum Permitted by Law.
18	Vehicle Release	COS-Fee	1311	\$34	\$38	\$4	11.76%	100%	X									Removing Subsidy; recovery was at 91%
19	Solicitor Application - up to 10 persons	COS-Fee	6	\$38	\$38	\$0	0.00%	100%					X					
20	Solicitor Application - greater than 10 persons	COS-Fee	1	\$91	\$91	\$0	0.00%	100%					X					
21	Registrant - Narcotics	COS-Fee	78	\$0	\$0	\$0	*	0%					X					0% Recovery per MC 3.36.030 Exhibit A
22	Registrant - Sex Offender	Statute	38	\$0	\$0	\$0	*	0%					X					0% recovery mandated by State (Penal Code 290.012(d)) and per MC 3.36.030 Exhibit A
23	Subpoena Duces Tecum	Statute	222	\$36	\$36	\$0	0.00%	21%					X					Fee is set by statute (CA Evidence Code 1563) and charged at a rate of \$6 per quarter hour. The average time required is 1.5 hours, current fee reflects average (\$6 x 6 quarter hours). Per MC 3.36.030 Exhibit A, recover Maximum Permitted by Law
24	Alarm Application	COS-Fee	425	\$61	\$57	(\$4)	-6.56%	100%		X								
25	Alarm-Monitor Fee	COS-Fee	229	\$241	\$247	\$6	2.49%	100%	X									
26	Triennial Alarm Renewal Fee - residential	COS-Fee	1419	\$49	\$47	(\$2)	-4.08%	100%		X								
27	Annual Alarm Renewal Fee - commercial	COS-Fee	1379	\$49	\$47	(\$2)	-4.08%	100%		X								
28	Monitoring Sign - telephonic alarm system	COS-Fee	2	\$30	\$30	\$0	0.00%	100%					X					
29	Monitoring Decal (pkg of 10)	COS-Fee	2	\$23	\$22	(\$1)	-4.35%	100%		X								
30	Citation Sign Off	COS-Fee	629	\$15	\$15	\$0	0.00%	100%					X					
31	<b>Animal Control</b>																	
32	Impound Fee - dogs, cats, small animals	COS-Fee	335	\$41	\$41	\$0	0.00%	39%					X					Update MC 3.36.030 Exhibit A, to recover Maximum Permitted by Contract
33	Annual Insp - Pet Shop	COS-Fee	1	\$122	\$127	\$5	4.10%	100%	X									
34	Annual Insp - Pot Bellied Pig	COS-Fee	1	\$61	\$105	\$44	72.13%	100%	X									
35	Annual Insp - Wild Animal Permit	COS-Fee	5	\$61	\$105	\$44	72.13%	100%	X									
36	Kennel License: 4-9 animals	COS-Fee	8	\$91	\$95	\$4	4.40%	100%	X									
37	Kennel License: 10-29 animals	COS-Fee	4	\$154	\$158	\$4	2.60%	100%	X									
38	Kennel License: 30-59 animals	COS-Fee	9	\$184	\$190	\$6	3.26%	100%	X									
39	Kennel License: 60+ animals	COS-Fee	2	\$215	\$222	\$7	3.26%	100%	X									
40	<b>Patrol</b>																	
41	Emergency Response Billing	COS-Fee	N/A	Hourly	Hourly	*	*	*					X					Fully Loaded Hourly Rates
42	<b>Detective</b>																	
43	2nd Hand / Pawn Dealer - tag check	COS-Fee	900	\$0	\$0	\$0	*	0%					X					0% recovery per MC 3.36.030 Exhibit A
44	Massage License - Operator	COS-Fee	N/A	\$779	\$493	(\$286)	-36.71%	100%		X								

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
2	Per Unit										Reasons for Change						
2	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee	Notes			
45	<b>Public Works - Engr &amp; Transp Devel</b>																
46	Plan Check - Hourly	COS-Fee	1	\$151	\$152	\$1	0.66%	100%	X								
47	Map Check Simple	COS-Fee	N/A	\$374	Removed	*	*	*							X		Obsolete fee, merged into one fee
48	Parcel Map Check Moderate	COS-Fee	18	\$2,297	\$2,440	\$143	6.23%	100%	X								
49	Map Check Complex	COS-Fee	N/A	\$3,489	Removed	*	*	*							X		Obsolete fee, merged into one fee
50	Encroachment Permit Without Other Dept/Div Review	COS-Fee	435	\$242	\$237	(\$5)	-2.07%	88%			X						88% recovery per MC 3.36.030 Exhibit A
51	Encroachment Permit With Other Dept/Div Review	COS-Fee	146	\$319	\$270	(\$49)	-15.36%	57%			X						57% recovery per MC 3.36.030 Exhibit A
52	Encroachment & Engr Agreement Prep	COS-Fee	53	\$900	\$801	(\$99)	-11.00%	100%			X						
53	Document Recordation Fee	COS-Fee	90	\$209	\$188	(\$21)	-10.05%	100%			X						
54	Engineering Field Inspection	COS-Fee	1976	\$154	\$162	\$8	5.19%	100%	X								
55	Utilities Field Inspection	COS-Fee	238	\$198	\$110	(\$88)	-44.44%	100%			X						Service provided by MOD staff
56	Lot Line Adjustment Checking Fee	COS-Fee	17	\$1,089	\$1,059	(\$30)	-2.75%	100%			X						
57	Easement, Reviews/Processing	COS-Fee	10	\$110	\$204	\$94	85.45%	100%	X								
58	Certificate of Compliance Review	COS-Fee	1	\$288/Hourly	Removed	*	*	*				X					Service is provided and fee is charged by Planning
59	Street Easement and Vacation Processing Fee	COS-Fee	5	\$983	\$1,002	\$19	1.93%	100%	X								
60	Covenant Agreement Research & Review Fee	COS-Fee	1	\$151	\$136	(\$15)	-9.93%	100%			X						Hourly
61	Traffic Subdivision Plan Check	COS-Fee	200	\$151	\$136	(\$15)	-9.93%	100%			X						Hourly
62	Traffic Control Plan Check - 8.5 x 11/ 11x17	COS-Fee	500	\$55	\$64	\$9	16.36%	100%	X								Fee per Sheet
63	Traffic Control Plan Check - 24 x 36	COS-Fee	25	\$139	\$140	\$1	0.72%	100%	X								Fee per Sheet
64	Plan Check with Pre-Permit Review	COS-Fee	20	\$151	\$136	(\$15)	-9.93%	100%			X						Hourly
65	Tract Plan Check: up to \$100,000 improvement cost	Calculated	1	6.5% of valuation, \$366 min	6.5% of valuation, \$366 min	*	*	*				X					No cost analysis has been prepared for these fees, due to no recent activity. Recommend that fees remain unchanged until projects occur that can provide baseline time estimates.
66	Tract Plan Check: \$100,000 to \$400,000	Calculated	1	Base fee of \$8,680 plus 5%, over \$100k	Base fee of \$8,680 plus 5%, over \$100k	*	*	*				X					
67	Tract Plan Check: over \$400,000	Calculated	1	Base fee of \$28,710 plus 4%, over \$400k	Base fee of \$28,710 plus 4%, over \$400k	*	*	*				X					
68	Oceanfront Encr Annual Permit: 0 - 5 ft depth	Policy	2	\$339	\$343	\$4	1.18%	100%	X								Council Policy L-12, Resolution 91-80 & 2005-42
69	Oceanfront Encr Annual Permit: 5 - 7.5 ft depth	Policy	2	\$508	\$515	\$7	1.38%	100%	X								Council Policy L-12, Resolution 91-80 & 2005-42
70	Oceanfront Encr Annual Permit: 7.5 - 10 ft depth	Policy	5	\$678	\$687	\$9	1.33%	100%	X								Council Policy L-12, Resolution 91-80 & 2005-42
71	Oceanfront Encr Annual Permit: 10 - 15 ft depth	Policy	5	\$1,018	\$1,032	\$14	1.38%	100%	X								Council Policy L-12, Resolution 91-80 & 2005-42
72	Dining Encr Permit - Appl	COS-Fee	1	\$374	\$368	(\$6)	-1.60%	100%			X						
73	Dining Encr Permit - Transfer	COS-Fee	1	\$165	\$204	\$39	23.64%	100%	X								
74	Dining Encr Permit - Outside Dining 100 sq ft or less	Policy	1	\$140	\$142	\$2	1.43%	100%	X								Council Policy L-21, Resolution 96-26 & 2000-60
75	Dining Encr Permit - Outside Dining over 100 sq ft	Policy	1	\$265	\$269	\$4	1.51%	100%	X								Council Policy L-21, Resolution 96-26 & 2000-60
76	Escrow Account Administration	COS-Fee	1	\$296	\$96	(\$200)	-67.57%	100%			X						
77	Records of Survey Review	COS-Fee	125	\$96	Removed	*	*	*				X					Service is provided by the County
78	Monitoring Wells	COS-Fee	5	\$495	\$492	(\$3)	-0.61%	100%			X						
79	News Rack Permit	COS-Fee	17	\$62	\$106	\$44	70.97%	100%	X								
80	Street Closure Permit with Engineering Review	COS-Fee	225	\$55	\$64	\$9	16.36%	100%	X								
81	Street Closure Permit without Engineering Review	COS-Fee	675	\$55	\$26	(\$29)	-52.73%	100%								X	PW wanted to separate out w/ and w/out Engineering Review
82	Temporary No Parking Signs	Pass Thru	3000	\$1	\$0.80	(\$0.20)	-20.00%	100%			X						
83	<b>Public Works - Harbor Resources</b>																
84	<b>Plan Review</b>																
85	Appeal Hearing	COS-Fee	N/A	Hourly	Hourly	*	*	*				X					Fully Loaded Hourly Rates
86	Appeal of Lease/Permit under Section 17.60.080	COS-Fee	N/A	\$100	\$100	\$0	0.00%	*				X					\$100 recovery per MC 3.36.030 Exhibit A
87	RGP Dredging Permit	COS-Fee	25	\$1,731	\$1,674	(\$57)	-3.29%	100%			X						
88	Plan Check: New Construction	COS-Fee	30	\$683	\$513	(\$170)	-24.89%	100%			X						
89	Plan Check: Maintenance	COS-Fee	40	\$171	\$120	(\$51)	-29.82%	100%			X						
90	Pier Permit Transfer (commercial & non-commercial)	COS-Fee	50	\$285	\$229	(\$56)	-19.65%	100%			X						
91	Wait List Fee (Balboa Yacht Basin & Live Aboard)	COS-Fee	1	\$35	\$35	\$0	0.00%	100%				X					
92	Live Aboard Permit	COS-Fee	22	\$311	\$311	\$0	0.00%	100%				X					
93	Marine Activities Permit: Initial	COS-Fee	5	\$405	\$673	\$268	66.17%	100%	X								
94	Marine Activities Permit: renewal	COS-Fee	15	\$202	\$199	(\$3)	-1.49%	100%			X						
95	Eelgrass Survey	COS-Fee	N/A	\$597	Removed	*	*	*				X					Still required however has to be done by an outside consultant

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
1	Per Unit																
2	Reasons for Change																
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee	Notes			
96	<b>Public Works - Water Quality</b>																
97	WQ Construction Site Inspections	COS-Fee	1000	\$60	\$106	\$46	76.67%	100%	X								
98	<b>Fire</b>																
99	<b>Emergency Medical Services</b>																
100	Advanced Life Support	COS-Fee	2670	\$359	\$1,414	\$1,055	293.87%	100%	X								Current Average ALS + Transport fee is \$1,244. The proposed fee is an increase of \$410. Update MC 3.36.030 Exhibit A to reflect 0% recovery for non-transports.
101	Basic Life Support	COS-Fee	2522	\$243	\$1,194	\$951	391.36%	100%	X								Current Average BLS + Transport fee is \$1,095. The proposed fee is an increase of \$339. Update MC 3.36.030 Exhibit A to reflect 0% recovery for non-transports.
102	Emergency Ambulance Transportation Charge	COS-Fee	5192	\$725	\$240	(\$485)	-66.90%	100%		X							Update MC 3.36.030 Exhibit A to reflect 100% recovery
103	Emergency Ambulance Transportation Mileage	COS-Fee	N/A	\$17	Removed	*	*	*				X					Costs are included in the ALS and BLS calculation
104	Emergency Ambulance Transp Expendable Medical	COS-Fee	N/A	\$32	Removed	*	*	*				X					Costs are included in the ALS and BLS calculation
105	Emergency Ambulance Transportation Charge Oxygen	COS-Fee	N/A	\$81	Removed	*	*	*				X					Costs are included in the ALS and BLS calculation
106	Medical Supplies - Other than expendable	COS-Fee	N/A	Actual	Removed	*	*	*				X					Costs are included in the ALS and BLS calculation
107	Paramedic Subscription Service - Annual Fee Resident	Program	5112	\$48	\$60	\$12	25.00%	*	X								
108	Paramedic Subscription Svc - Annual Business 10 empl	Program	105	\$48	\$60	\$12	25.00%	*	X								
109	Paramedic Subscription Svc - Annual Bus each addtl 10	Program	169	\$12	\$25	\$13	108.33%	*	X								
110	<b>Community Development - Building</b>																
111	<b>Administration</b>																
112	Special Inspector License Exam	COS-Fee	30	\$99	\$99	\$0	0.00%	100%				X					
113	Special Inspector License Renewal	COS-Fee	90	\$66	\$66	\$0	0.00%	100%				X					
114	Rec Mgt - per 8.5 x 11 page	COS-Fee	1	\$1	Removed	*	*	*				X					Technology improvements have reduce the cost of service this fee has been eliminated
115	Rec Mgt - per sheet of drawing	COS-Fee	1	\$2	\$2	\$0	0.00%	100%				X					
116	Appeals Board Hearing	COS-Fee	4	\$6,653	\$1,506	(\$5,147)	-77.36%	50%		X							Update MC 3.36.030 Exhibit A to reflect 50% Recovery
117	Mod to UBC/Alt Mat's & Methods	COS-Fee	60	\$264	\$270	\$6	2.27%	100%	X								
118	Authorization to Duplicate Record Drawings	COS-Fee	300	\$55	\$35	(\$20)	-36.36%	100%		X							
119	Hazardous Material Disclosure	COS-Fee	N/A	\$15	Removed	*	*	*				X					No staff time involved and should be removed from MFS
120	Accessibility Hardship - Board Ratification	COS-Fee	12	N/A	\$1,063	*	*	100%								X	
121	Flood Zone Determination	COS-Fee	4	\$55	\$97	\$42	76.36%	100%	X								
122	Real Property	COS-Fee	15	N/A	\$245	*	*	100%								X	
123	<b>Plan Reviews</b>																
124	Preliminary Plan Review - Hourly	COS-Fee	1	\$183	\$229	\$46	25.14%	100%	X								Update MC 3.36.030 Exhibit A to reflect first 2 hours free (currently recovery is at 75% per MC)
125	Plan Check Hourly Rate	COS-Fee	1	\$149	\$228	\$79	53.02%	100%	X								
126	Additional Plan Review and Rechecks in Excess of 2 Rechecks Hourly	COS-Fee	1	\$149	\$228	\$79	53.02%	100%	X								
127	Solar Systems Up to and including 3KW	COS-Fee	N/A	\$138	See Note	*	*	*				X					Standard Building Permit and Plan Check fee structure is used
128	Plan Check Extension	COS-Fee	90	\$55	\$56	\$1	1.82%	100%	X								
129	Determination of Unreasonable Hardship	COS-Fee	100	\$255	\$298	\$43	16.86%	100%	X								
130	Drainage Plan Rev for Alteration to Drainage	COS-Fee	25	\$253	\$287	\$34	13.44%	100%	X								
131	WQMP Inspections (Commercial)	COS-Fee	10	\$1,235	\$291	(\$944)	-76.44%	100%		X							
132	WQMP Inspections (Residential)	COS-Fee	20	\$641	\$247	(\$394)	-61.47%	100%		X							
133	Waste Management Admin Fee	COS-Fee	105	\$16	\$23	\$7	43.75%	100%	X								

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
2	Per Unit										Reasons for Change					Notes	
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee				
134	<b>Plan Review (all)</b>	Total Annual	1	\$1,835,795	\$2,230,896	\$395,101	21.52%	100%	X								The fiscal impact of all fees listed under Plan Review (all) will result in a revenue increase of approximately \$395,101, or 21.52% increase
135	Plan Review - Buildings Or Structures	COS-Fee		72% of Building Permit Fee	87% of Building Permit Fee			100%	X								
136	Repetitive Plan Review	COS-Fee		25% of Plan Review Fee	25% of Plan Review Fee			100%				X					
137	Energy Compliance Review	COS-Fee		0.06% of Construction Cost	0.07% of Construction Cost			100%	X								
138	Disabled Access Compliance Review	COS-Fee		0.1% of Construction Cost	0.1% of Construction Cost			100%				X					
139	Grading Plan Review by City Staff	COS-Fee		72% of Grading Permit Fee	87% of Grading Permit Fee			100%	X								
140	Grading Plan Review of Complex Projects by Consultant	COS-Fee	117	120% of Consultant Fee	118% of Consultant Fee			100%		X							
141	Electrical Plan Review	COS-Fee		72% of Total Electrical Permit Fee	87% of Total Electrical Permit Fee			100%	X								
142	Mechanical Plan Review	COS-Fee		72% of Total Mechanical Permit Fee	87% of Total Mechanical Permit Fee			100%	X								
143	Plumbing Plan Review	COS-Fee		72% of Total Plumbing Permit Fee	87% of Total Plumbing Permit Fee			100%	X								
144	Expedite Plan Review			1.75 x Regular Plan Check Fees	1.75 x Regular Plan Check Fees							X					
145	<b>Inspections</b>																
146	Off Hours Inspection Request - Hourly	COS-Fee	1	\$184	\$205	\$21	11.41%	100%	X								
147	Re-Inspection - Hourly	COS-Fee	1	\$123	\$173	\$50	40.65%	100%	X								
148	Other Inspections - Hourly	COS-Fee	1	\$123	\$173	\$50	40.65%	100%	X								
149	<b>Permit Fees</b>																
150	<b>Building Permits &amp; Inspections (all)</b>	Total Annual	1	\$1,754,905	\$1,696,260	(\$58,645)	-3.34%	100%		X							The fiscal impact of all fees listed under Building Permits & Inspections (all) will result in a revenue decrease of approximately \$58,645, or 3.34% decrease
151	Building Permit - \$1.00 To \$2,000.00	COS-Fee		\$99	\$95			100%		X							
152	Building Permit - \$2,001.00 To \$25,000.00	COS-Fee		\$99	\$15	\$96	\$14	100%		X							Base fee for the first \$2,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$25,000
153	Building Permit - \$25,001.00 To \$50,000.00	COS-Fee		\$448	\$11	\$433	\$10	100%		X							Base fee for the first \$25,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$50,000
154	Building Permit - 50,001.00 To \$100,000.00	COS-Fee		\$726	\$7	\$702	\$7	100%		X							Base fee for the first \$50,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$100,000
155	Building Permit - \$100,001.00 To \$500,000.00	COS-Fee		\$1,111	\$5	\$1,074	\$5	100%		X							Base fee for the first \$100,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$500,000
156	Building Permit - \$500,001.00 To \$1,000,000.00	COS-Fee		\$3,403	\$5	\$3,290	\$4	100%		X							Base fee for the first \$500,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$1,000,000
157	Building Permit - \$1,000,001.00 to \$5,000,000.00	COS-Fee		\$5,974	\$3	\$5,774	\$3	100%		X							Base fee for the first \$1,000,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$5,000,000
158	Building Permit - Over \$5,000,000	COS-Fee		\$19,621	\$3	\$18,965	\$3	100%		X							Base fee for the first \$5,000,000 + incremental cost for each addtl \$5,000 or fraction of

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
2	Per Unit							Reasons for Change							Notes		
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee				
159	<b>Electrical Permits &amp; Inspections (all)</b>	Total Annual	\$233,768	\$233,495	(\$273)	-0.12%	100%		X								The fiscal impact of all fees listed under Electrical Permits & Inspections (all) will result in no change to revenue as the decrease of \$273, or 0.12% decrease was too minimal to effect the proposed fees
160	Electrical Permit Fees - Permit Issuance	COS-Fee	\$35	\$35			100%				X						
161	Electrical Permit Fees - Supplemental Permits Issuance, Fee For Each Permit	COS-Fee	\$9	\$9			100%				X						
162	Combination Electrical Permit - Residential Construction	COS-Fee	7% of Bldg Permit Fee	7% of Bldg Permit Fee			100%				X						
163	Combination Electrical Permit - Non-Residential Construction, Hotels & Apartment Bldgs over 2 story	COS-Fee	14% of Bldg Permit Fee	14% of Bldg Permit Fee			100%				X						
164	Electrical Use Permit Fee - Fee For Each Outlets, First 20	COS-Fee	\$1	\$1			100%				X						
165	Electrical Use Permit Fee - Fee For Each Outlets, After First 20	COS-Fee	\$1	\$1			100%				X						
166	Electrical Use Permit Fee - Fee For Each Lighting Fixtures, First 20	COS-Fee	\$1	\$1			100%				X						
167	Electrical Use Permit Fee - Fee For Each Lighting Fixture, After 20	COS-Fee	\$1	\$1			100%				X						
168	Low Voltage System - Fee For Each Low Voltage Outlet, First 20	COS-Fee	\$1	\$1			100%				X						
169	Low Voltage System - Fee For Each Low Voltage Outlet, After First 20	COS-Fee	\$1	\$1			100%				X						
170	Low Voltage System - Fee For Each Pole or Platform-Mounted Lighting Fixtures	COS-Fee	\$1	\$1			100%				X						
171	Low Voltage System - Fee For Each Theatrical-type Lighting Fixtures Or Assemblies	COS-Fee	\$1	\$1			100%				X						
172	Low Voltage System - Fee For Each Residential Appliance or Receptacle Outlet (New Construction)	COS-Fee	\$6	\$6			100%				X						
173	Low Voltage System - Fee For Each Non-Residential Appliances and Self-Contained Factory-Wired, Not exceeding one horsepower	COS-Fee	\$6	\$6			100%				X						
174	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Up to and including 1	COS-Fee	\$6	\$6			100%				X						
175	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Over 1 and Not Over 10	COS-Fee	\$16	\$16			100%				X						
176	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Over 10 and Not Over 50	COS-Fee	\$33	\$33			100%				X						
177	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Over 50 and Not Over 100	COS-Fee	\$64	\$64			100%				X						
178	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Over 100	COS-Fee	\$98	\$98			100%				X						

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1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
2	Per Unit											Reasons for Change					
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee	Notes			
179	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Fee For Each 100 Feet Or Fraction Thereof Of Bus ways, For Trolley & Plug-in Type Bus ways. Note: Additional Fees For Other Fixtures Connected To The Trolley	COS-Fee	\$9	\$9			100%				X						
180	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Fee For Each Sign, Outline Lighting and Marquees supplied from one branch circuit	COS-Fee	\$35	\$35			100%				X						
181	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: 600 Volts or Less and Not Over 200 Amperes in Rating	COS-Fee	\$40	\$40			100%				X						
182	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: 600 Volts or Less and Over 200 Amperes to 1,000 Amperes	COS-Fee	\$81	\$81			100%				X						
183	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Over 600 Volts or Over 1,000 Amperes in Rating	COS-Fee	\$162	\$162			100%				X						
184	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Miscellaneous Apparatus, Conduits and Conductors	COS-Fee	\$24	\$24			100%				X						
185	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Special Event, Each Generator, Electrical	COS-Fee	\$35	\$35			100%				X						
186	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Special Event Lighting	COS-Fee	\$9	\$9			100%				X						
187	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Temporary Power Service	COS-Fee	\$35	\$35			100%				X						
188	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Fee For Each Temporary Service Pedestal	COS-Fee	\$35	\$35			100%				X						
189	Fee For Each Power Apparatus, Rating in horsepower, kilowatts, kilovolt-amperes, or kilovolt-amperes-reactive: Fee For Each Temp. Distribution System, Lighting, Outlet, Decorative Site, Temporary Receptacles, Switches And Lighting Outlets In Which Current Is Controlled (Except Services, Feeders, Meters)	COS-Fee	\$17	\$17			100%				X						

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1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
2	Per Unit										Reasons for Change						
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee	Notes			
190	<b>Mechanical Permits &amp; Inspections (all)</b>	Total Annual	1	\$153,145	\$142,229	(\$10,916)	-7.13%	100%		X							The fiscal impact of all fees listed under Mechanical Permits & Inspections (all) will result in a revenue decrease of approximately \$10,916, or 7.13% decrease
191	Mechanical Permit Fees - Permit Issuance	COS-Fee		\$35	\$32			100%		X							
192	Mechanical Permit Fees - Supplemental Permits Issuance, Fee For Each Permit	COS-Fee		\$9	\$9			100%			X						
193	Combination Mechanical Permit - Residential Construction	COS-Fee		5% of Bldg Permit Fee	4% of Bldg Permit Fee			100%		X							
194	Combination Mechanical Permit - Non-Residential Construction, Hotels & Apartment Bldgs over 2 story	COS-Fee		12% of Bldg Permit Fee	11% of Bldg Permit Fee			100%		X							
195	Mechanical Unit Permit Fees - Fee For Each Forced Air or Gravity Type Furnace up to and including 100,000 Btu/h	COS-Fee		\$19	\$18			100%		X							
196	Mechanical Unit Permit Fees - Fee For Each Forced Air or Gravity Type Furnace over 100,000 Btu/h	COS-Fee		\$23	\$21			100%		X							
197	Mechanical Unit Permit Fees - Fee For Each Floor Furnace, Including Vent	COS-Fee		\$19	\$18			100%		X							
198	Mechanical Unit Permit Fees - Fee For Each Suspended Heater, Recessed Wall Heater or Floor-Mounted Unit Heater	COS-Fee		\$19	\$18			100%		X							
199	Mechanical Unit Permit Fees - Fee For Each Installation, Relocation, Replacement of Appliance Vent	COS-Fee		\$9	\$9			100%			X						
200	Mechanical Unit Permit Fees - Fee For Each Repair, Alteration of , Add'n to Heating / Cooling Appliances	COS-Fee		\$19	\$18			100%		X							
201	Mechanical Unit Permit Fees - Fee For Each Boiler or Compressor to and Including 3 HP	COS-Fee		\$19	\$18			100%		X							
202	Mechanical Unit Permit Fees - Fee For Each Absorption System to and including 100,000 Btu/h	COS-Fee		\$19	\$18			100%		X							
203	Mechanical Unit Permit Fees - Fee For Each Boiler or Compressor Over 3 HP to and including 15 HP	COS-Fee		\$35	\$32			100%		X							
204	Mechanical Unit Permit Fees - Fee For Each Absorption Sys. Over 100,000 Btu/h & including 500,00 Btu/h	COS-Fee		\$35	\$32			100%		X							
205	Mechanical Unit Permit Fees - Fee For Each Boiler or Compressor Over 15 HP to and including 30 HP	COS-Fee		\$49	\$45			100%		X							
206	Mechanical Unit Permit Fees - Fee For Each Absorption Sys. Over 500,000 Btu/h & including 1,000,000 Btu/h	COS-Fee		\$49	\$45			100%		X							
207	Mechanical Unit Permit Fees - Fee For Each Boiler or Compressor Over 30 HP to and including 50 HP	COS-Fee		\$72	\$66			100%		X							
208	Mechanical Unit Permit Fees - Fee For Each Absorption Sys. Over 1,000,000 Btu/h including 1,750,000 Btu/h	COS-Fee		\$72	\$66			100%		X							
209	Mechanical Unit Permit Fees - Fee For Each Boiler or Compressor over 50 HP	COS-Fee		\$122	\$113			100%		X							
210	Mechanical Unit Permit Fees - Fee For Each Absorption System Over 1,750,000 Btu/h	COS-Fee		\$122	\$113			100%		X							

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1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
2	Per Unit										Reasons for Change					Notes	
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee				
211	Mechanical Unit Permit Fees - Fee For Each Air handling Unit To & Including 10,000 Cu Ft/Min Including Attached Ducts	COS-Fee	\$13	\$12			100%		X								
212	Mechanical Unit Permit Fees - Fee For Each Air Handling Unit Over 10,000 cfm	COS-Fee	\$23	\$21			100%		X								
213	Mechanical Unit Permit Fees - Fee For Each Evaporative Cooler Other Than Portable Type	COS-Fee	\$13	\$12			100%		X								
214	Mechanical Unit Permit Fees - Fee For Each Ventilation Fan Connected to a Single Duct	COS-Fee	\$9	\$9			100%				X						
215	Mechanical Unit Permit Fees - Fee For Each Ventilation System Not Connected to Any Other System	COS-Fee	\$13	\$12			100%		X								
216	Mechanical Unit Permit Fees - Fee For Each Hood Served by Mech Exhaust, Including Ducts	COS-Fee	\$13	\$12			100%		X								
217	Mechanical Unit Permit Fees - Fee For Each Domestic Type Incinerator	COS-Fee	\$23	\$21			100%		X								
218	Mechanical Unit Permit Fees - Fee For Each Commercial or Industrial Type Incinerator	COS-Fee	\$98	\$91			100%		X								
219	Mechanical Unit Permit Fees - Other Equipment or Appliances Not Listed in This Code, Fee For Each	COS-Fee	\$13	\$12			100%		X								
220	<b>Plumbing Permits &amp; Inspections (all)</b>	Total Annual	1	\$179,835	\$175,652	(\$4,183)	-2.33%	100%		X				The fiscal impact of all fees listed under Plumbing Permits & Inspections (all) will result in some fees with a decrease in revenue and others with no change to revenue as the decrease of \$4,183, or 2.33% decrease was too minimal to effect some of the proposed fees			
221	Plumbing Permit Fees - Issuance of Permit	COS-Fee	\$35	\$34			100%		X								
222	Plumbing Permit Fees - Supplemental Permits Issuance, Fee For Each Permit	COS-Fee	\$9	\$9			100%				X						
223	Combination Plumbing Permit - Residential Construction	COS-Fee	10% of Bldg Permit Fee	9% of Bldg Permit Fee			100%		X								
224	Combination Plumbing Permit - Non-Residential Construction, Hotels & Apartment Bldgs over 2 story	COS-Fee	10% of Bldg Permit Fee	9% of Bldg Permit Fee			100%		X								
225	Plumbing Permit Unit Fees - Fee For Each Plumbing Fixture, Trap, Set of Fixtures on One Trap	COS-Fee	\$13	\$13			100%				X						
226	Plumbing Permit Unit Fees - Fee For Each Building Sewer, Trailer Park Sewer	COS-Fee	\$33	\$32			100%		X								
227	Plumbing Permit Unit Fees - Fee Per Drain In Rainwater Systems	COS-Fee	\$13	\$13			100%				X						
228	Plumbing Permit Unit Fees - Fee For Each Cesspool	COS-Fee	\$49	\$47			100%		X								
229	Plumbing Permit Unit Fees - Fee For Each Private Sewage Disposal System	COS-Fee	\$98	\$96			100%		X								
230	Plumbing Permit Unit Fees - Fee For Each Water Heater and/or Vent	COS-Fee	\$15	\$15			100%				X						
231	Plumbing Permit Unit Fees - Fee For Each Industrial Waste Pretreatment Interceptor, Excepting Kitchen Type Grease Inter. Functioning As Fixture Traps	COS-Fee	\$26	\$25			100%		X								
232	Plumbing Permit Unit Fees - Fee For Each Water Piping, Water Treating Equipment	COS-Fee	\$6	\$6			100%				X						
233	Plumbing Permit Unit Fees - Fee For Each Drainage or Vent Piping Fixture	COS-Fee	\$6	\$6			100%				X						

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S
2		Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee	Notes		
234	Plumbing Permit Unit Fees - Fee For Each Lawn Sprinkler System on One Meter, Backflow Protection Dev.	COS-Fee		\$19	\$19			100%				X					
235	Plumbing Permit Unit Fees - 1 To 5 Atmospheric Type Vacuum Breakers	COS-Fee		\$15	\$15			100%				X					
236	Plumbing Permit Unit Fees - Fee For Each When More than 5 Atmospheric Type Vacuum Breakers,	COS-Fee		\$3	\$3			100%				X					
237	Plumbing Permit Unit Fees - Fee For Each Other Backflow Protective Device 2 Inches & Smaller	COS-Fee		\$15	\$15			100%				X					
238	Plumbing Permit Unit Fees - Fee For Each Other Backflow Protective Device Over 2 Inches	COS-Fee		\$33	\$32			100%		X							
239	Plumbing Permit Unit Fees - Fee For Each Gas Piping System of One to Four Outlets	COS-Fee		\$6	\$6			100%				X					
240	Plumbing Permit Unit Fees - Fee For Each Outlet Gas Piping System of Five or More Outlets	COS-Fee		\$1	\$1			100%				X					
241	<b>Grading Permits &amp; inspections (all)</b>	Total Annual	1	\$153,343	\$152,562	(\$781)	-0.51%	100%		X							The fiscal impact of all fees listed under Grading Permits & Inspections (all) will result in a revenue decrease of approximately \$781, or 0.51% decrease
242	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 0-200 Cubic Yards	COS-Fee		\$809	\$804			100%		X							
243	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 201-300 Cubic Yards	COS-Fee		\$828	\$824			100%		X							
244	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 301-400 Cubic Yards	COS-Fee		\$848	\$844			100%		X							
245	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 401-500 Cubic Yards	COS-Fee		\$869	\$865			100%		X							
246	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 501-600 Cubic Yards	COS-Fee		\$908	\$903			100%		X							
247	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 601-700 Cubic Yards	COS-Fee		\$946	\$941			100%		X							
248	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 701-800 Cubic Yards	COS-Fee		\$987	\$982			100%		X							
249	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 801-900 Cubic Yards	COS-Fee		\$1,025	\$1,020			100%		X							
250	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 901-1000 Cubic Yards	COS-Fee		\$1,064	\$1,059			100%		X							
251	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 1,001-10,000 Cubic Yards	COS-Fee		\$1,068	\$374	\$1,063	\$372	100%		X							Base fee for the first 1,000 cubic yards + incremental cost for each addtl 1,000 CY or fraction of, to and including 10,000 CY
252	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 10,001-100,000 Cubic Yards	COS-Fee		\$4,415	\$373	\$4,393	\$371	100%		X							Base fee for the first 10,000 cubic yards + incremental cost for each addtl 10,000 CY or fraction of, to and including 100,000 CY
253	Grading Permit Fee - Calculated based on cut or fill which ever is greater - 100,001 Cubic Yards or more	COS-Fee		\$7,865	\$363	\$7,825	\$361	100%		X							Base fee for the first 100,000 cubic yards + incremental cost for each addtl 10,000 CY or fraction of
254	Grading Permit Fees (based on Site Improvements) Curb&Gutter, Paving, Erosion Control	COS-Fee		Same as Building Permit Fee Table	Same as Building Permit Fee Table			100%		X							

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S	
2	Per Unit										Reasons for Change					Notes		
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee					
255	<b>Harbor Construction (all)</b>	Total Annual	1	\$28,653	\$29,810	\$1,157	4.04%	50%	X								Update MC 3.36.030 Exhibit A to reflect 50% recovery. The fiscal impact of all fees listed under Harbor Construction (all) will result in a revenue increase of approximately \$1,157, or 4.04% increase	
256	Harbor Construction Plan Review	COS-Fee		72% of Permit Fee	87% of Harbor Construction Permit Fee			50%	X									
257	\$1.00 - \$2,000.00	COS-Fee		\$99	\$103			50%	X									
258	\$2,001.00 - \$8,000.00	COS-Fee		\$99	\$103	\$15		50%	X								Base fee for the first \$2,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$8,000	
259	\$8,001.00 - \$50,000.00	COS-Fee		\$192	\$200	\$13		50%	X								Base fee for the first \$8,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$50,000	
260	\$50,001.00 - \$100,000.00	COS-Fee		\$748	\$778	\$7		50%	X								Base fee for the first \$50,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$100,000	
261	\$100,001.00 To \$500,000.00	COS-Fee		\$1,122	\$1,167	\$5		50%	X								Base fee for the first \$100,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$500,000	
262	\$500,001.00 - \$1,000,000.00	COS-Fee		\$3,473	\$3,613	\$5		50%	X								Base fee for the first \$500,000 + incremental cost for each addtl \$1,000 or fraction of, to and including \$1,000,000	
263	\$1,000,001.00 and up	COS-Fee		\$5,995	\$6,237	\$3		50%	X								Base fee for the first \$1,000,000 + incremental cost for each addtl \$10,000 or fraction of	
264	Grading Bond Fee	COS-Fee	4	N/A	\$395		*	100%								X		
265	Drainage Permits for Alteration to Drainage	COS-Fee	39	\$253	\$287	\$34	13.44%	100%	X									
266	<b>Certificates and Reports</b>																	
267	Temporary Certificate of Occupancy	COS-Fee	100	\$198	\$192	(\$6)	-3.03%	100%		X								
268	Temp Certificate of Occupancy Renewal	COS-Fee	10	\$77	\$102	\$25	32.47%	100%	X									
269	Residential Building Report	COS-Fee	1630	\$158	\$170	\$12	7.59%	100%	X									
270	Residential Building Report - Duplex	COS-Fee	N/A	\$192	Removed	*	*	*							X			
271	Residential Building Report - Multi Family	COS-Fee	N/A	See Note	Removed	*	*	*							X			
272	Residential Bldg Rept: Re-Inspection	COS-Fee	20	\$88	\$115	\$27	30.68%	100%	X								Currently: \$192 plus \$11 for each unit over 2	
273	<b>Community Development - Planning</b>																	
274	Amateur Radio & Satellite Dish Antenna Permits (not on User Fee Study Summary Sheet)	COS-Fee	N/A	\$1,413	Removed	*	*	*				X						Now allowed by code, if deviate from standard processed as a Minor Use Permit
275	Deposit Account Svcs - Application - per hour	COS-Fee	1669	\$170	\$195	\$25	14.71%	100%	X									
276	Amendments - General Plan	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
277	Amendments - Planned Community	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
278	Amendments - Zoning Code/Specific Plan	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
279	Coastal Residential Development Permit	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
280	Comprehensive/Innovative Sign Permit	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
281	Development Plan - Planned Community	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
282	Development Agreement Adoption & Annual Review	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
283	Environmental Documents	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
284	Heritage Sign Review	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
285	Non-Conforming Abatement Period Extension	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
286	Off-Site Parking Agreement	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
287	Planned Development Permit	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
288	Site Development Review - Planning Commission	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
289	Subdivision - Tentative Tract Map	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
290	Subdivisions - Vesting Tentative Map	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
291	Telecom Permit - Council	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
292	Telecom Permit - CDD Director	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
293	Traffic Study	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
294	Transfer of Development Rights	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
295	Use Permit (Conditional) - Planning Commission	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									
296	Variance	COS-Fee		\$170	\$195	\$25	14.71%	100%	X									

Attachment A: Summary of User Fee Changes for the Police, Public Works, Fire, and Community Development Departments

1	A	B	C	D	E	G	H	I	J	K	M	N	O	P	Q	R	S	
2	Per Unit								Reasons for Change							Notes		
	Type	Annual Volume	Current Fee	Recommended Fee	Variance	% Variance	% Recovery	Increasing	Decreasing	Eliminated	No Change	Combined w Existing Fees	New Fee					
297	Appeals to City Council & Planning Commission	COS-Fee	8	\$4,289	\$1,506	(\$2,783)	-64.89%	50%		X								50% recovery per MC 3.36.030 Exhibit A
298	Approval in concept	COS-Fee	58	\$716	\$696	(\$20)	-2.79%	100%		X								
299	Certificate of Compliance - Subdivision Code	COS-Fee	28	\$104	\$293	\$189	181.73%	100%	X									
300	Compliance Letters/Minor Records Research	COS-Fee	30	\$362	\$342	(\$20)	-5.52%	100%		X								
301	Condominium Conversion Permit	COS-Fee	3	\$1,313	\$1,175	(\$138)	-10.51%	100%		X								
302	Director / Staff Approval	COS-Fee	13	\$891	\$892	\$1	0.11%	100%	X									
303	Extension of Time - Subdivision Code	COS-Fee	N/A	\$104	\$137	\$33	31.73%	100%	X									
304	Extension of Time - ZC (except Abate Period)	COS-Fee	N/A	\$104	\$137	\$33	31.73%	100%	X									
305	Limited Term Permit - less than 90 days	COS-Fee	3	\$358	\$488	\$130	36.31%	100%	X									
306	Limited Term Permit - more than 90 days	COS-Fee	3	\$1,502	\$1,603	\$101	6.72%	100%	X									
307	Limited Term Permit - seasonal sales	COS-Fee	3	\$66	\$220	\$154	233.33%	100%	X									
308	Lot Line Adjustment	COS-Fee	8	\$1,426	\$1,660	\$234	16.41%	100%	X									
309	Lot Merger	COS-Fee	3	\$1,404	\$1,660	\$256	18.23%	100%	X									
310	Modification Permit	COS-Fee	16	\$2,410	\$2,419	\$9	0.37%	100%	X									
311	Operators License Application	COS-Fee	3	\$692	\$750	\$58	8.38%	100%	X									
312	Operators License Appeal	COS-Fee	N/A	\$692	\$696	\$4	0.58%	100%	X									
313	Reasonable Accommodation	COS-Fee	3	\$0	\$0	\$0	*	0%				X						Update MC 3.36.030 Exhibit A to reflect 0% recovery to be in line with current MC 20.52.070 C 2b
314	Site Devel Review - Zoning Administrator	COS-Fee	N/A	\$2,386	\$2,419	\$33	1.38%	100%	X									
315	Subdivisions - Parcel Map	COS-Fee	19	\$3,241	\$1,679	(\$1,562)	-48.20%	100%		X								
316	Use Permit (Minor) - Zoning Administrator	COS-Fee	21	\$2,047	\$2,420	\$373	18.22%	100%	X									
317	Zoning Plan Check	COS-Fee	1309	\$128	\$150	\$22	17.19%	100%	X									
318																		

## Attachment B: Application of Indirect Costs to the Calculation of Fees for Services

The purpose of this exhibit is to provide a detailed explanation of the methodology used by the City of Newport Beach to incorporate indirect overhead costs in the development of the municipal fee schedule. The nature of indirect overhead costs will also be described. A Police Department Jail Booking Fee example will be used to facilitate the explanation.

The Jail Booking Fee is assessed to recover administrative costs incurred by the Police Department in the process of booking arrestees, in accordance with §29550.3 CGC (California Government Code). The fee includes the Custody Officer's time to search, fingerprint, classify, assign a cell and process the booking record, and the Community Services Officer's (CSO) time to search for potential records relating to the arrestee's wants, warrants, and positive identification. The fee also covers instances when a Police Officer transports an arrestee to the Orange County Jail. The fee is charged to the arrestee upon conviction for any offense related to the arrest. The following steps demonstrate how the Jail Booking Fee is derived.



### Step 1: Calculate Hourly Staffing Rates and Burdened Factors

The first step is to determine the hourly rates of staff providing the jail booking service. Table 1 below provides the hourly salary and benefit rates plus the hourly burden factors for the staff that are responsible for performing this task within the Police Department. Indirect overhead costs or "burdened factors" are costs that are not directly accountable to the expenses incurred for a user fee service, but are necessary and contribute to the total cost of that service delivery, i.e. - managerial administration, utilities, insurance, legal, information technology, payroll, and finance, which are all valid components to the analysis of what it costs the City to provide municipal services.

**Table 1- Hourly Rates for Salary, Benefit and Overhead Factors**

	Salary and Benefits	+	Burdened Factors	=	Total
	Hourly Rate		Hourly Rate		Burdened Rate
Custody Officer	\$52.61		\$64.17		\$116.78
Police CSO (incl Part Time (P/T) & Senior (Sr) CSO)	\$41.18		\$50.23		\$91.41
Police Officer	\$78.04		\$95.20		\$173.24

The City's cost allocation plan consultant uses the Federal Office of Management and Budget (OMB) Circular A-87 as a guideline to determine the allowable burdened, or indirect, cost elements. OMB A-87 is a document that state and local governments use to identify allowable indirect costs when applying for reimbursement of cost from state or federal programs. Although the calculation of user fee services is not specific to applying for reimbursement from any state or federal program, the underlying methodology of identifying costs is much the same. The relevant sections of OMB A-87 that specify how direct and indirect costs shall be applied to the calculation of the Jail Booking Fee follows below.

## Composition of Cost

### Direct Costs

1. General. Direct costs are those that can be identified specifically with a particular final cost objective.
2. Application. Typical direct costs include:
  - a) Compensation of employees for the time devoted and identified specifically to the performance of the operation.
  - b) Cost of materials acquired, consumed, or expended specifically for the purpose of fulfilling the mission of the operation.
  - c) Equipment and other approved capital expenditures.<sup>1</sup>
  - d) Travel expenses incurred specifically to carry out the operation.

Using the personnel identified in Table 1, the direct costs to perform a jail booking are found on line 1.1 (total salary and benefits on an hourly basis) in Table 1a below.

**Table 1a**

Fully Burdened Hourly Rates		Custody Officer	Police CSO (incl P/T & Sr CSO)	Police Officer
Annual Salary & Benefits:		\$ 109,421	\$ 85,647	\$ 162,318
1. Calculate hourly salary & benefits				
1.1 Divide annual cost by 2,080 hrs		\$52.61	\$41.18	\$78.04
<b>Total Salary and Benefits</b>		<b>\$52.61</b>	<b>\$41.18</b>	<b>\$78.04</b>
2. Indirect Overhead				
2.1 Compensated Absences	8.46% <i>(vacation, sick leave)</i>	\$4.45	\$3.48	\$6.60
2.2 General Administration	28.9% <i>(supervision, support services)</i>	\$15.20	\$11.90	\$22.55
2.3 Operating Expense	2.63% <i>(training, supplies, insurance)</i>	\$1.38	\$1.08	\$2.05
2.4 Citywide Overhead	82.0% <i>(Finance, City Manager, Fleet Maint)</i>	\$43.14	\$33.76	\$63.99
<b>Total Indirect Overhead</b>		<b>\$64.17</b>	<b>\$50.23</b>	<b>\$95.20</b>
<b>Total Burdened Rate:</b>		<b>\$116.78</b>	<b>\$91.41</b>	<b>\$173.24</b>

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<sup>1</sup> Includes maintenance and/or depreciation expense only, not equipment purchases, which are capitalized over a number of years.

## Indirect Costs

1. General. Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted. The term "indirect costs," as used herein, applies to costs of this type originating from staff within the Police Department's Detective, Patrol, and Traffic divisions, their operating expenditures and administration support, as well as those incurred by administrative departments in supplying goods, services, and facilities.

The Police Department's cost of service analysis includes four types of indirect overhead categories or "cost pools" consisting of compensated absences, general administration, operating expenses, and citywide overhead.

- a) Compensated Absences – The compensated absences cost pool is used to account for employees' time off with pay for vacations and sick days. The City is obligated to pay for these days off and is required by the matching principle to record the expense when the employees are working, since the benefits are a part of the employees' compensation. It is estimated that 176 out of 2,080 total available hours per year per full-time equivalent (FTE) are taken as compensated absences. This translates into an 8.46% burden factor applied to the hourly salary and benefit rate as indicated on line 2.2 in Table 1a above.
- b) General Administration – The general administration cost pool includes the cost of Police Department Detective, Patrol, and Traffic divisions staff time spent on such activities as budget planning and staffing allocations; public counter and telephone time, meetings, and training and education. The wages of management staff and the workers engaged in administration and support activities are considered an indirect labor cost. It is calculated that 28.9% of the Detective, Patrol, and Traffic divisions' overall workload is spent on this general administrative function as indicated on line 2.2 in Table 1a above.
- c) Detective, Patrol, and Traffic Divisions' Operating Expenditures – The divisions' operating expenditures cost pool consists largely of Internal Service Fund (ISF) charges to the divisions on a cost reimbursement basis. The City's internal service funds are used to allocate the cost of providing general liability insurance and workers' compensation; maintaining and replacing the City's rolling stock fleet; and the cost of maintaining and replacing the City's computers, printers, copiers, and telecommunication services. This cost pool also includes other general operating expenses such as publications, supplies, and training. The operating expenditure burden factor of 2.63% as indicated on line 2.3 in Table 1a above is calculated by comparing the total cost of (allowable indirect) operating expenditures to the total (allowable direct) labor pool.
- d) Citywide Overhead - The Cost Allocation Plan (CAP) distributes the costs of City departments that serve a central service function supporting the Detective, Patrol, and Traffic divisions' operations. These "Central Service Departments/Divisions" include: City Council, City Clerk, City Manager, Finance & Treasury Financial Planning, Revenue, and Financial Reporting, as well as Human Resources Risk Management.

In addition to the departments/divisions listed above, the CAP also distributes the overhead cost of the Police Department's own Police Chief, Support Services, and Fleet Maintenance divisions to all other Police divisions, including Detective, Patrol, and Traffic. The citywide overhead burden factor of 82% is calculated by comparing the total cost of Detective, Patrol, and Traffic's share of citywide and department overhead to the divisions' total (allowable direct) labor pool (see line 2.4 in Table 1a above).

**Step 2: Calculate Time Spent on the Service**

The second step is to calculate the time spent on the service. The task and time in minutes estimated to complete the task is captured in Table 2 below.

**Table 2: Task Description & Time Estimates in minutes**

	Task Description & Time Estimates (in minutes):		
	Upon entry, arrestee searched by transporting officer	Multiple system check on arrestee's background	Transportation to Orange County Jail
Custody Officer	60.00		
Police CSO (incl P/T & Sr CSO)		20.00	
Police Officer			72.00

**Step 3: Calculate the Cost to Provide the Service**

The third and final step is to calculate the cost to provide the service by converting the total minutes to hours per unit (or staff person). The product of the hourly rate calculation times the time spent yields the cost of providing the service (see Table 3 below).

**Table 3 – Fee is Product of Times and Rates**

	Total Minutes		Total Hours per Unit		Fully Burdened Hourly Rates		Total Cost to Provide the Service
Custody Officer	60.00		1.00		\$116.78		\$116.78
Police CSO (incl P/T & Sr CSO)	20.00	➔	0.33	X	\$91.41	=	\$30.47
Police Officer	72.00		1.20		\$173.24		\$207.89
							\$355.14
					<b>Proposed Fee</b>		<b>\$355.00</b>

**Summary**

The purpose of a CAP is to accurately, fairly, and reasonably distribute the City's central administrative costs to the operating departments in the City. The development of a CAP follows a series of general guidelines and principles, which originate from federal guidelines established in OMB Circular A-87. These principles ensure that allocated costs are necessary and reasonable to the operation of the government. A cost analysis study is almost entirely reliant upon the data provided by the City. Since all study components are interrelated, bad data at any step in the process will cause the ultimate results to be flawed. To avoid accuracy problems and other quality flaws, the study included a series of quality control measures including reasonableness tests and validation; balance and cross checks; and internal City review. Finally it should be noted that private businesses typically add a layer of profit margin to their cost analysis, public agencies are not allowed to do so.

June 11, 2015, Finance Committee agenda comments - Jim Mosher

In short, despite their seeming thoroughness, in the absence of a readily available and archived audio recording that that can be easily correlated with the written record, the substantive information available to the public in general about what takes place at these meetings is very limited.

### ***Item V.A. MUNICIPAL FEE SCHEDULE***

I have had very little time to review the material posted, but I am impressed that the depth of the background material provided by staff seems much more thorough than it normally was for the “old” Committee.

However, the details of why changes were made to particular line items in the Fee Schedule seem almost wholly lacking. In particular, it is difficult even to tell if on some lines staff is recommending that changes to the Cost Recovery Table in the Municipal Code be adopted in conjunction with the new Fee Schedule, or merely suggesting the existing recovery percentages were not correctly reflected.

### ***Item V.B. BUSINESS LICENSE***

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### ***Item V.C. QUESTION/ANSWERS PERTAINING TO FY 2015/16 ADOPTED BUDGET***

I have many questions about the recently adopted budget, but as with the Master Fee Schedule lack the time necessary to put them in writing prior to this meeting.

# Municipal Fee Schedule Update



Item No. 5A 2  
Municipal Fee Schedule  
Staff Presentation  
June 11, 2015

**POLICE**



**FIRE-EMS**



**COMM. DEVELOPMENT**



**PUBLIC WORKS**



**June 11, 2015**

**Finance Committee Presentation**

# Presentation Overview

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- I. Summary of Proposed Changes
- II. Background (authority, Council policy, fee administration)
- III. Fee for Service Methodology
- IV. Proposed Fees by Department

# Fee Change Summary – All Departments

Studied Department	Increasing	Decreasing	Eliminated	No Change	Combined w Existing	New Fees	Total
Police	10	8	1	17	0	0	36
Public Works	18	18	3	7	2	1	49
Fire (EMS)	5	1	0	0	4	0	10
Community Development	66	66	3	53	2	3	193
<b>TOTAL</b>	<b>99</b>	<b>93</b>	<b>7</b>	<b>77</b>	<b>8</b>	<b>4</b>	<b>288</b>
<b>PCT OF TOTAL</b>	<b>35%</b>	<b>32%</b>	<b>2%</b>	<b>27%</b>	<b>3%</b>	<b>1%</b>	<b>100%</b>

# Background Summary of Proposed Fee Schedule

- In furtherance of Council policy, the fee schedule aligns revenues with the actual (direct and indirect) costs of providing services.
- Each department gets “studied” every 3-7 years whereby fees are updated to the costs of providing services.
- Proposed fees are better defined to reflect the nature of work performed.
- All fees not studied are updated by the Consumer Price Index (CPI).

# Reasons for Change

- **Increasing** – due to the increase of any service delivery cost component (e.g. hourly staffing rates, benefits, supplies, materials, indirect costs)
- **Decreasing or Eliminated** – due to lower cost of service resulting from gained efficiencies, technological improvements, combined with other existing fees, or service outsourcing
- **Combined with Existing Fees** – due to opportunities for simplifying and standardizing the fee schedule

# Authority

6

- Authority – NBMC 3.36.030 mandates 100% cost recovery (except for subsidies identified in the code)
- Council Policy Directive – Fiscal Sustainability Plan:

*Establish appropriate cost-recovery targets and adjust fee structure to ensure that the fees continue to meet cost recovery targets.*

- Council Policy Directive – F-4 Revenue Measures:

*The City will establish appropriate cost-recovery targets for its fee structure and will annually adjust its fee structure to ensure that the fees continue to meet cost recovery targets.*

# Finance Committee Charge

City Council Resolution No. 2015-40

## **Purpose and Responsibilities:**

*“Recommend for Council approval, and manage an on-going process for measuring and setting goals designed to maximize the City’s revenues consistent with existing taxation structures and inter-governmental funding opportunities, fee generation consistent with market rate charges for City provided services and market rate fees for utilization of City owned assets. Recommend to Council major initiatives to accomplish identified goals.”*

# Tax



vs.

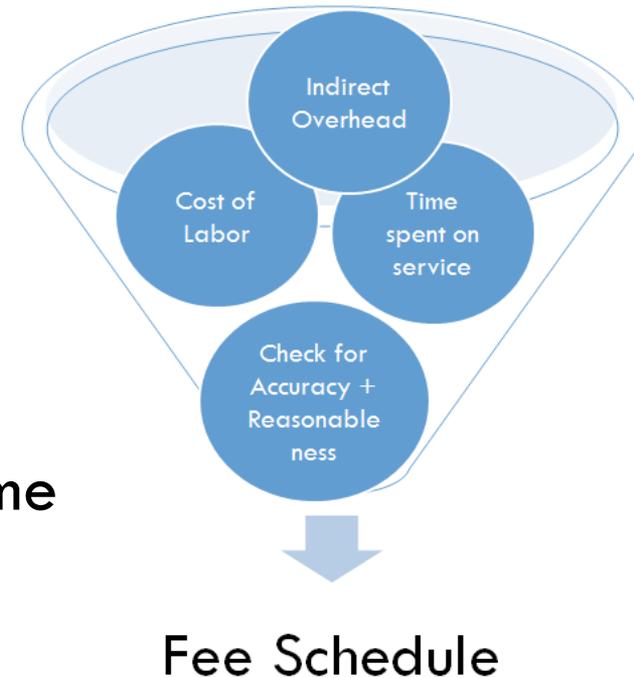
# Fee



- A monetary imposition by a government on persons or property for the purpose of raising revenue to support the purposes of the government.
- A tax need not be levied in proportion to a specific benefit to a person or property.
- Charge imposed for a specific benefit conferred, benefit, or product to the payer that is not provided to those not charged (should not exceed reasonable cost of service).
- Charge imposed for reasonable regulatory costs to a local government for issuing licenses and permits, investigations, etc.
- Charge imposed for entrance, use, or lease of government property.
- Fine, penalty, or charge imposed as a result of violation of law.

# Fee for Service Methodology

- MGT of America performs cost of service analysis for developing user fees.
- MGT Scope of Work:
  - ▣ Calculate the fully burdened (labor and overhead) cost of providing user fee services;
  - ▣ Applied fully burdened labor rates to time requirement estimates and annual workload figures.
  - ▣ Calculate the cost of providing the service.
  - ▣ Review and cross check results to ensure data validity.



# Fee Calculation Example

(Police Department- Jail Booking Fee Example)

## Step 1: Calculate Hourly Staffing Rates and Burdened Factors

	<u>Salary and Benefits</u> <u>Hourly Rate</u>		<u>Burdened Factors</u> <u>Hourly Rate</u>		<u>Total Burdened</u> <u>Rate</u>
Custody Officer	\$52.61	+	\$64.17	=	\$116.78
Police CSO (incl Part Time (P/T) & Senior (Sr) CSO)	\$41.18	+	\$50.23	=	\$91.41
Police Officer	\$78.04	+	\$95.20	=	\$173.24

# Fee Calculation Example

(Police Department- Jail Booking Fee Example)

## Step 2: Calculate Time Spent on the Service

	Task Description & Time Estimates (in minutes):		
	Upon entry, arrestee searched by transporting officer	Multiple system check on arrestee's background	Transportation to Orange County Jail
Custody Officer	60.00		
Police CSO (incl P/T & Sr CSO)		20.00	
Police Officer			72.00

# Fee Calculation Example

(Police Department- Jail Booking Fee Example)

## Step 3: Calculate the Cost to Provide the Service

	<u>Total Minutes</u>		<u>Total Hours per Unit</u>		<u>Fully Burdened Hourly Rates</u>		<u>Total Cost to Provide the Service</u>
Custody Officer	60.00		1.00		\$116.78		\$116.78
Police CSO (incl P/T & Sr CSO)	20.00	➔	0.33	<b>X</b>	\$91.41	=	\$30.47
Police Officer	72.00		1.20		\$173.24		\$207.89
							\$355.14
					<b>Proposed Fee</b>		<b>\$355.00</b>

## Step 4: Review for Accuracy and Reasonableness



# Police Department Fees

Police Department Fees

# Police Department Fees

Areas of Study	Increasing	Decreasing	Eliminated	No Change	Combined w Existing	New Fees	Total
Police General	10	8	1	17	0	0	36
<b>PCT OF TOTAL</b>	<b>28%</b>	<b>22%</b>	<b>3%</b>	<b>47%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

## Fee Areas Under Study:

- Administration
- Support Services
- Animal Control
- Patrol
- Detective

## Fees Last Updated:

2010

## Services Description:

These fees cover costs to provide requested services such as, animal control, voluntary bike licenses, finger printing, copies of reports, animal control, and alarm monitoring



**Public Works  
Department Fees**

Department Fees

# Public Works Fees

Areas of Study	Increasing	Decreasing	Eliminated	No Change	Combined w Existing	New Fees	Total
Eng. and Transp.	16	13	2	3	2	1	37
Harbor Resources	1	5	1	4	0	0	11
Water Quality	1	0	0	0	0	0	1
<b>TOTAL</b>	<b>18</b>	<b>18</b>	<b>3</b>	<b>7</b>	<b>2</b>	<b>1</b>	<b>49</b>
<b>PCT OF TOTAL</b>	<b>37%</b>	<b>37%</b>	<b>6%</b>	<b>14%</b>	<b>4%</b>	<b>2%</b>	<b>100%</b>

## Fee Areas Under Study:

- Engineering and Transportation Development
- Harbor Resources
- Water Quality

## Fees Last Updated:

2010

## Services Description:

Plan check services, encroachment permits, field inspections, pier, marina, and mooring permit issuance, and water quality construction site inspection



# Fire Department Fees

fire department fees

# Fire Department EMS Fees

Areas of Study	Increasing	Decreasing	Eliminated	No Change	Combined w Existing	New Fees	Total
Emergency Medical Services	5	1	0	0	4	0	10
<b>PCT OF TOTAL</b>	<b>50%</b>	<b>10%</b>	<b>0%</b>	<b>0%</b>	<b>40%</b>	<b>0%</b>	<b>100%</b>

**Fee Area Under Study:**

Emergency Medical Services

**Fees Last Updated:**

2008 for EMS , 2003 for Paramedic Subscription Service

**Services Description:**

Emergency medical service transportation for both advanced and basic life support, including staff time, equipment, and materials

# EMS Fee Changes

Service Name	Average Charges Current Fee	Proposed Fee	Net Change from Current Fee	% Change
ALS with Transport	\$1,244	\$1,654	\$410	32.96%
BLS with Transport	\$1,095	\$1,434	\$339	30.96%



# Community Development Department Fees

# Community Development Fees

Areas of Study	Increasing	Decreasing	Eliminated	No Change	Combined w Existing	New Fees	Total
Building	30	61	2	52	2	3	150
Planning	36	5	1	1	0	0	43
<b>TOTAL</b>	<b>66</b>	<b>66</b>	<b>3</b>	<b>53</b>	<b>2</b>	<b>3</b>	<b>193</b>
<b>PCT OF TOTAL</b>	<b>34%</b>	<b>34%</b>	<b>2%</b>	<b>27%</b>	<b>1%</b>	<b>2%</b>	<b>100%</b>

## Fee Areas Under Study:

- Building
- Planning

## Fees Last Updated:

2008

## Services Description:

Plan reviews, permits and inspections, and various development related services

# Conclusion and Questions



## Municipal Fee Schedule Update

Finance Committee

June 11, 2015







# Back up slides, if needed...

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# Comparison of ALS/BLS Fees Across Pay Types

	Private Insurance (80/20)		No Insurance/ Private Pay		Medicare (\$94.65 co-pay)		Medi-Cal	
	Current (avg)	Proposed	Current (avg)	Proposed	Current (avg)	Proposed	Current (avg)	Proposed
ALS with Transport Cost of Services Fee	\$1,244	\$1,654	\$1,244	\$1,654	\$1,244	\$1,654	\$1,244	\$1,654
Out-of-Pocket Payment from User	\$248.80	\$330.80	\$1,244	\$1,654	\$94.65	\$94.65	\$0.00	\$0.00
Additional Payment from User due to Proposed Fee	\$82.00		\$410		\$0.00		\$0.00	
% of City of Newport Beach Transports	23%		14%		56%		7%	

# EMS Fee Comparison

Jurisdictional Comparison

Description	Newport Beach	Huntington Beach	Orange	Anaheim	Orange County Ambulance Providers* 2015-16 Proposed
Average ALS Transport	\$1,654	\$1,463 to \$2,164	\$1,449	\$1,778	\$1,476 (OCFA Jurisdictions)
Average BLS Transport	\$1,434	\$1,182 to \$1,882	\$1,263	\$995	\$994.00
ALS	\$1,414	\$450	\$508	\$350.00	\$396.65
BLS	\$1,194	\$350	\$405	--	--
Transportation	\$240	\$717.07	\$739.46	\$748.96	\$748.96
ALS Non-Transport	No Charge	\$450	\$508	--	--
BLS Non-Transport	No Charge	\$350	\$405	--	--
Response	--	--	--	\$350	--
Non-Resident Transportation	--	\$450.00	--	--	--
Mileage	--	\$16.54	\$17.06/mi	\$17.28/mi	\$17.28/mi
Expendable Supplies	--	\$32.02	\$33.02	\$33.44	\$33.44
Oxygen	--	\$81.12	\$83.65	\$84.71	\$84.71
Supplies (other than expendable)	--	Per Item Schedule	--	--	--
Defibrillation	--	\$55.00	--	--	--
Advanced Airway	--	\$70.00	--	--	--
Additional Personnel	--	\$126.00	--	--	--
12-Lead EKG Acquisition	--	\$100.00	--	--	--
Standby (per 15 minutes)	--	--	--	\$41.81	\$41.81

\*Transport provided by private ambulance

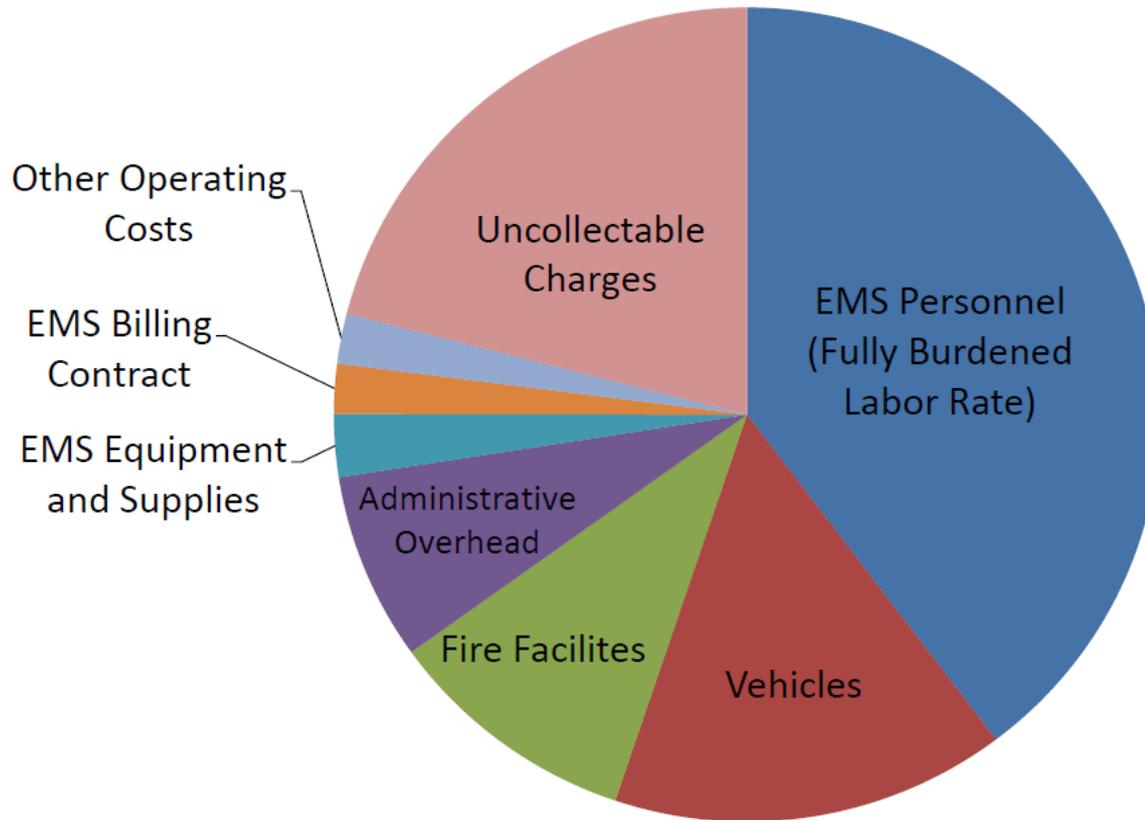
# Paramedic Subscription Fee Comparison

Paramedic Subscription Comparison				
City	Covered Services	Resident	Businesses	Businesses Additional
Fountain Valley	Assessment Only	\$60.00	N/A	N/A
Huntington Beach	Assessment and Transport	\$60.00	N/A	N/A
Newport Beach (Proposed)	Assessment and Transport	\$60.00	\$60.00 up to 10 employees**	\$25.00 each additional 10 employees (Max \$410)
Santa Ana	Assessment and Transport	\$50.96*	N/A	N/A
Corona	Assessment Only	\$48.00	\$48 per 5 employee (unit)	\$48 per 5 employee unit (Max \$720)
Murietta	Assessment Only	\$48.00	\$75 up to 10 employees	11-25 employees \$125; 26-75 employees \$200; 76 + employees \$300
Orange	Assessment and Transport	\$48.00	\$48.00	N/A
Buena Park	Assessment Only	\$45.00	\$45.00 up to 50 employees	51-100 employees \$90; 100 + employees \$135
Westminster	Assessment and Transport	\$42.00	\$100 per 10 employees**	\$100 per 10 employees
Anaheim	Assessment Only	\$36.00	\$36	N/A

\*Only covers residents of the household, does not include visitors at the address

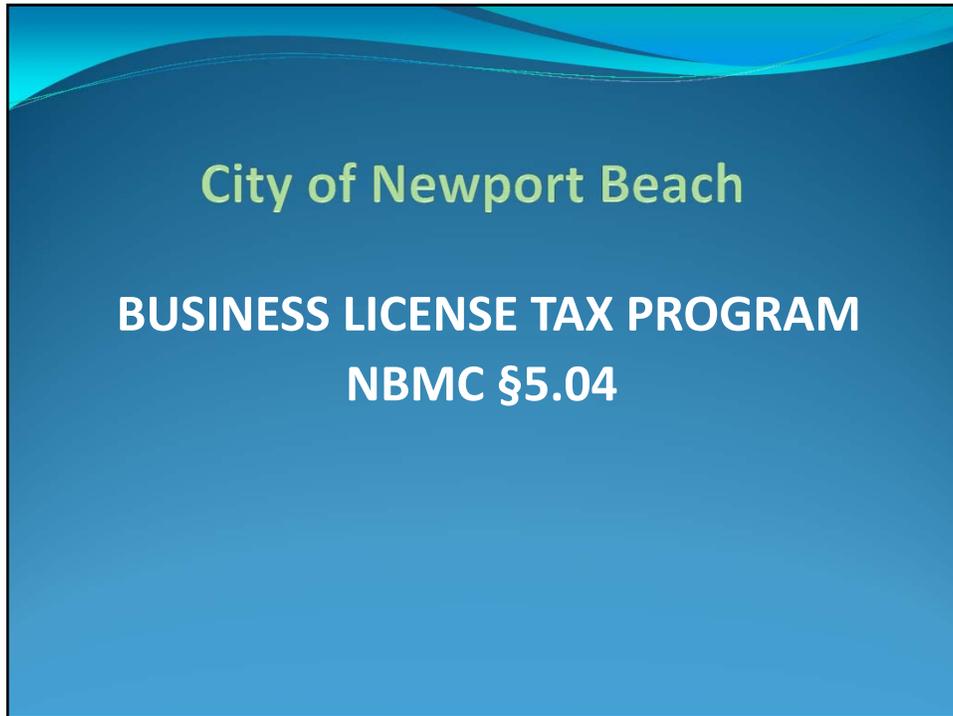
\*\*Fee specifies coverage of business patrons as well as employees

# EMS Service Costs



# Public vs. Private Sector Finance

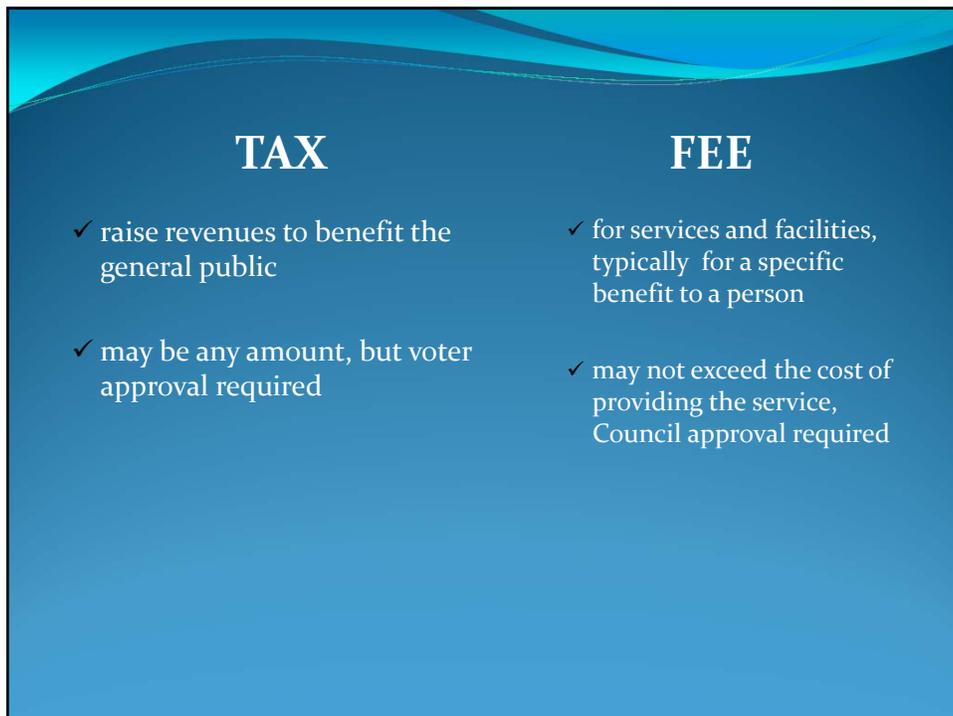
Operating Factors	Public Sector	Private Sector
Motives	Uses taxing power to raise revenues to provide infrastructure & public services. Unlike taxes, fees based on cost of service. Heightened focus on accountability, compliance, and regulatory disclosure	Generate sufficient revenues and profit by selling goods and services. Focus on sustained profitability
Operating Environment	Revenues may only partially recover cost – may be subsidized for public good	Revenues must completely cover cost – or else “out of business”
Decision Making Influenced By	Political constituencies and navigating competing interest groups	Top-down internal decision making without public sanction or approval



**City of Newport Beach**

**BUSINESS LICENSE TAX PROGRAM**

**NBMC §5.04**



<b>TAX</b>	<b>FEE</b>
<ul style="list-style-type: none"><li>✓ raise revenues to benefit the general public</li><li>✓ may be any amount, but voter approval required</li></ul>	<ul style="list-style-type: none"><li>✓ for services and facilities, typically for a specific benefit to a person</li><li>✓ may not exceed the cost of providing the service, Council approval required</li></ul>

## Authority

### Gov't Code 37101(a)

The legislative body may license, for revenue and regulation, and fix the license tax upon, every kind of lawful business transacted in the city, including shows, exhibitions, and games.

### NBMC 5.04.020

No person, either for himself or any other person, shall operate any business specified in this title in the City without first having, obtained a license from the City to do so...

## Finance Committee Charter

(d)... manage an on-going process for measuring and setting goals designed to maximize the City's revenues consistent with the existing taxation structures...

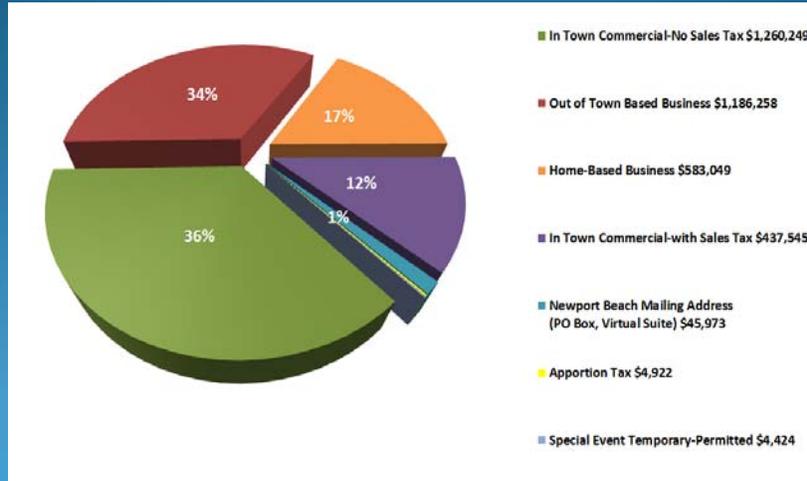
## Business tax defrays the cost of core services



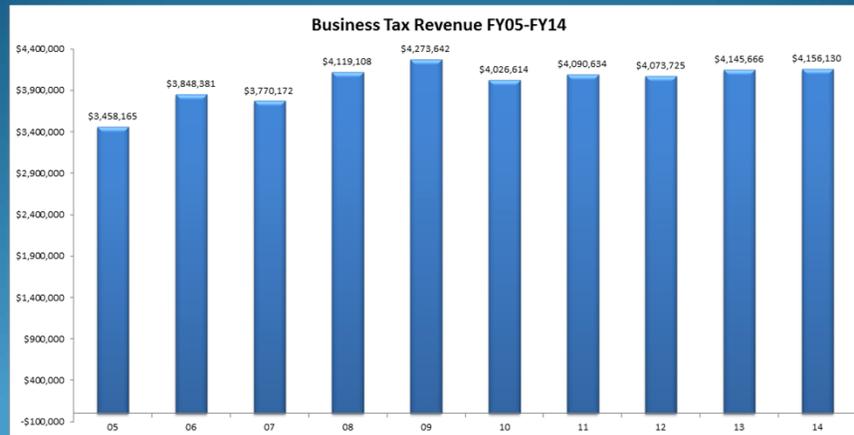
## Requests for Business License Information

- **Public**
- **City Departments**
  - Police, Fire, Code Enforcement, Planning & Zoning
- **Courts & Sheriff Department**
- **Tax Agencies: FTB, IRS, BOE**
- **Regulatory Agencies**
  - Health, Contractor License Board, ABC, Consumer Affairs

## Who pays the business license tax?



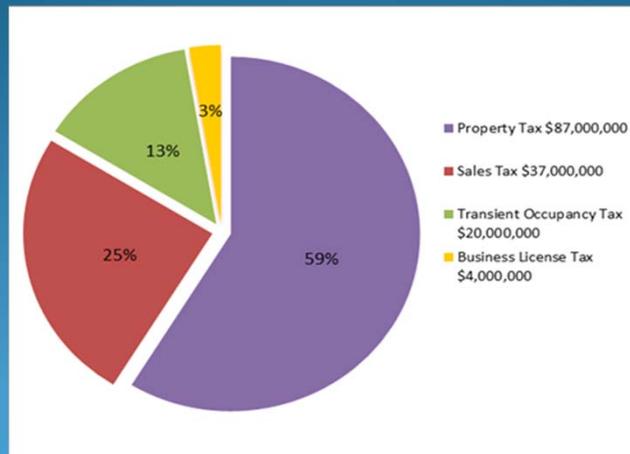
## Total Revenues



## Expenditures and Revenues

FY 13/14		FY 14/15 Projected	
Business License Tax	\$4,156,130	Business License Tax	\$4,100,000
Administrative Citations	\$16,175	Administrative Citations	\$14,000
<b>Total Revenue</b>	<b>\$4,172,305</b>	<b>Total Revenue</b>	<b>\$4,114,000</b>
<b>Total Expenditure</b>	<b>-\$176,912</b>	<b>Total Expenditure</b>	<b>-\$168,604</b>
<b>Net Revenue</b>	<b>\$3,995,392</b>	<b>Net Revenue</b>	<b>\$3,945,395</b>

## General Fund Revenues – tax sources



## What do other cities charge?

CITY	EST.	TYPE	TOTAL REVENUE FY 11/12
Beverly Hills	1914	Gross/Flat	\$35,700,979
Santa Monica	1886	Gross/Flat	\$26,325,238
Long Beach	1897	Gross/Flat/Sq Ft	\$16,111,279
Anaheim	1876	Gross/Flat	\$5,612,808
Pasadena	1886	Gross/Flat	\$5,478,863
Newport Beach	1906	Flat/Employee	\$4,073,725
Carlsbad	1952	Gross	\$3,668,442
Huntington Beach	1909	Flat	\$2,303,014
Costa Mesa	1953	Gross	\$888,976

Source: California State Controller, Cities Annual Reports

## Who doesn't have a business license tax?

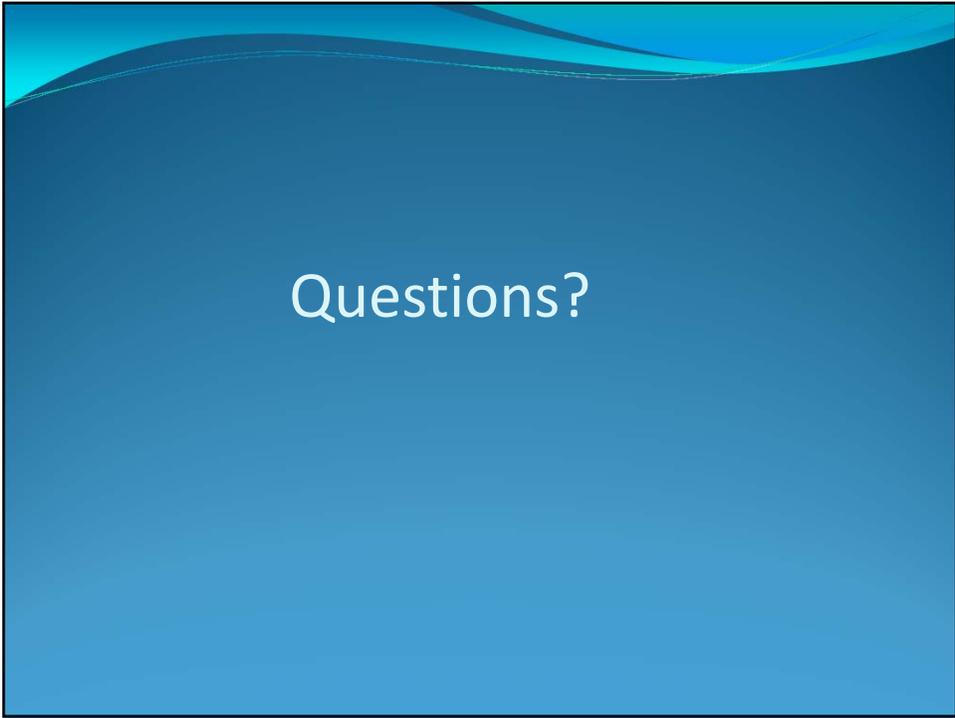
CITY	EST	OTHER REQUIREMENTS
Aliso Viejo	2001	Certificate of Occupancy/Home Occupation Permit
Laguna Hills	1991	Certificate of Use and Occupation Permit
Laguna Niguel	1989	Use Permit/Home Occupation Permit
Laguna Woods	1999	None
Lake Forest	1991	None. Zoning confirmation required
Mission Viejo	1988	Occupancy Permit
Rancho Santa Margarita	2000	Certificate of Use & Occupancy

## Recent changes

- **Real Estate Agents**- exempt if works for broker who pays per agent as employees
- **Artists**-increased the maximum exemption amount from \$800 to \$3200
- **Minors**- increased age from 16 to 18. Removed the \$800 cap and now mirror the IRS (currently \$6,200)
- **Penalties**- reduced penalties from 100% to 50% max
- **State Licensed Contractors**- reduced the annual tax to conform to state law.

## What happens if business license tax becomes a fee?

- Cost of services
- May be more expensive for smaller businesses than bigger businesses
- General Fund loss of almost \$4M



In short, despite their seeming thoroughness, in the absence of a readily available and archived audio recording that that can be easily correlated with the written record, the substantive information available to the public in general about what takes place at these meetings is very limited.

### ***Item V.A. MUNICIPAL FEE SCHEDULE***

I have had very little time to review the material posted, but I am impressed that the depth of the background material provided by staff seems much more thorough than it normally was for the "old" Committee.

However, the details of why changes were made to particular line items in the Fee Schedule seem almost wholly lacking. In particular, it is difficult even to tell if on some lines staff is recommending that changes to the Cost Recovery Table in the Municipal Code be adopted in conjunction with the new Fee Schedule, or merely suggesting the existing recovery percentages were not correctly reflected.

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Finally, on a slightly related topic, it is not obvious to me that all entities contracting with the City government itself have licenses to conduct business in Newport Beach.

### ***Item V.C. QUESTION/ANSWERS PERTAINING TO FY 2015/16 ADOPTED BUDGET***

I have many questions about the recently adopted budget, but as with the Master Fee Schedule lack the time necessary to put them in writing prior to this meeting.

Item No. 5C1

Questions/Answers Pertaining to Fiscal Year 2015-2016 Adopted Budget  
Staff Presentation

June 11, 2015



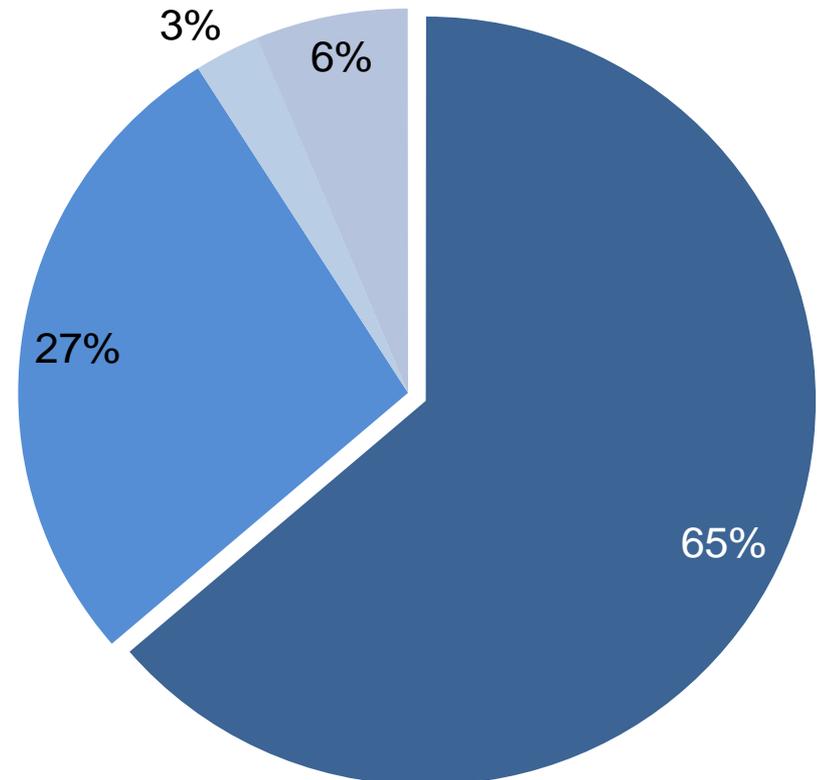
# BUDGET QUESTIONS & ANSWERS

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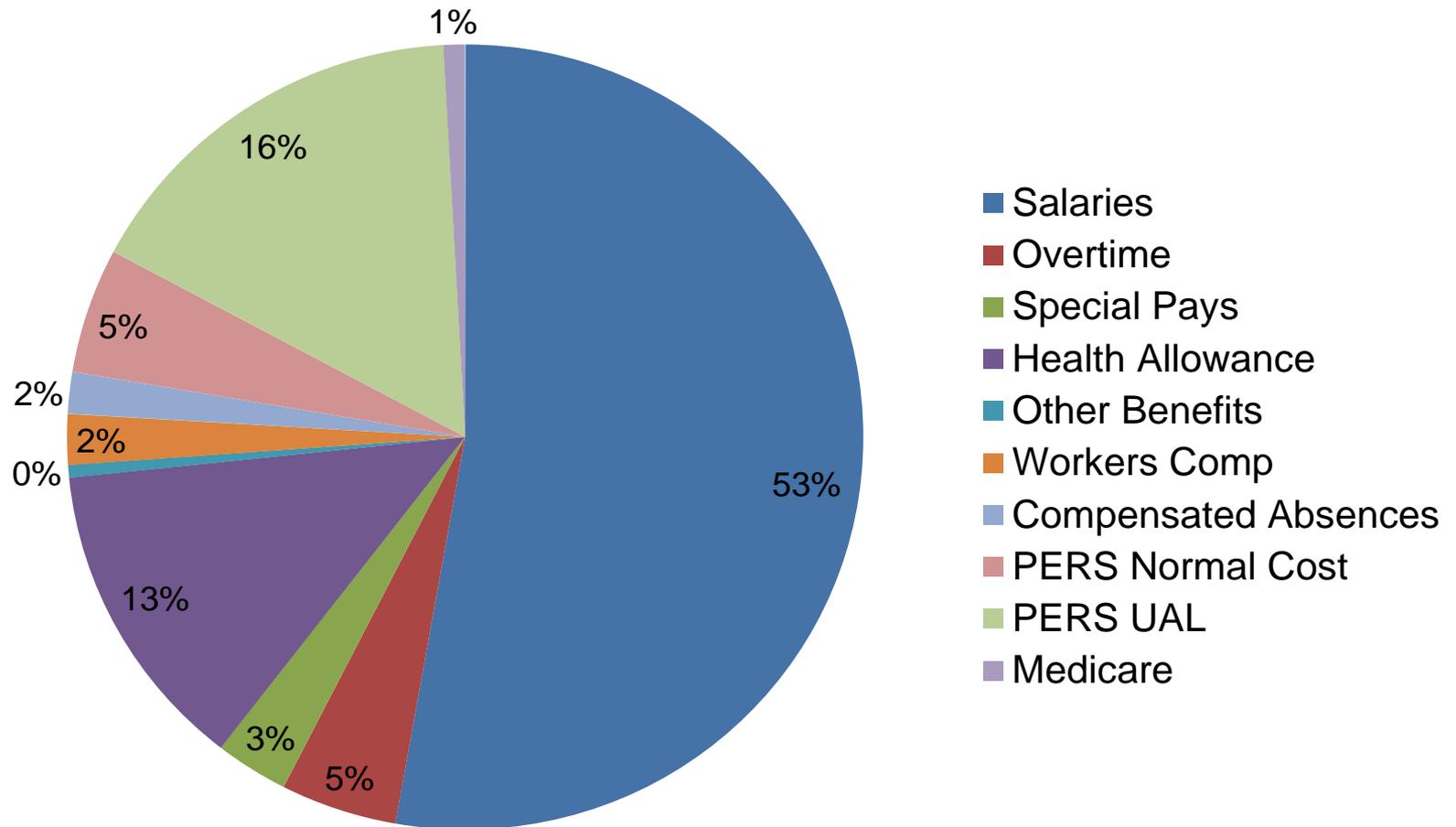
Fiscal Year 2015-16

# General Fund Expenditures by Type (Millions)

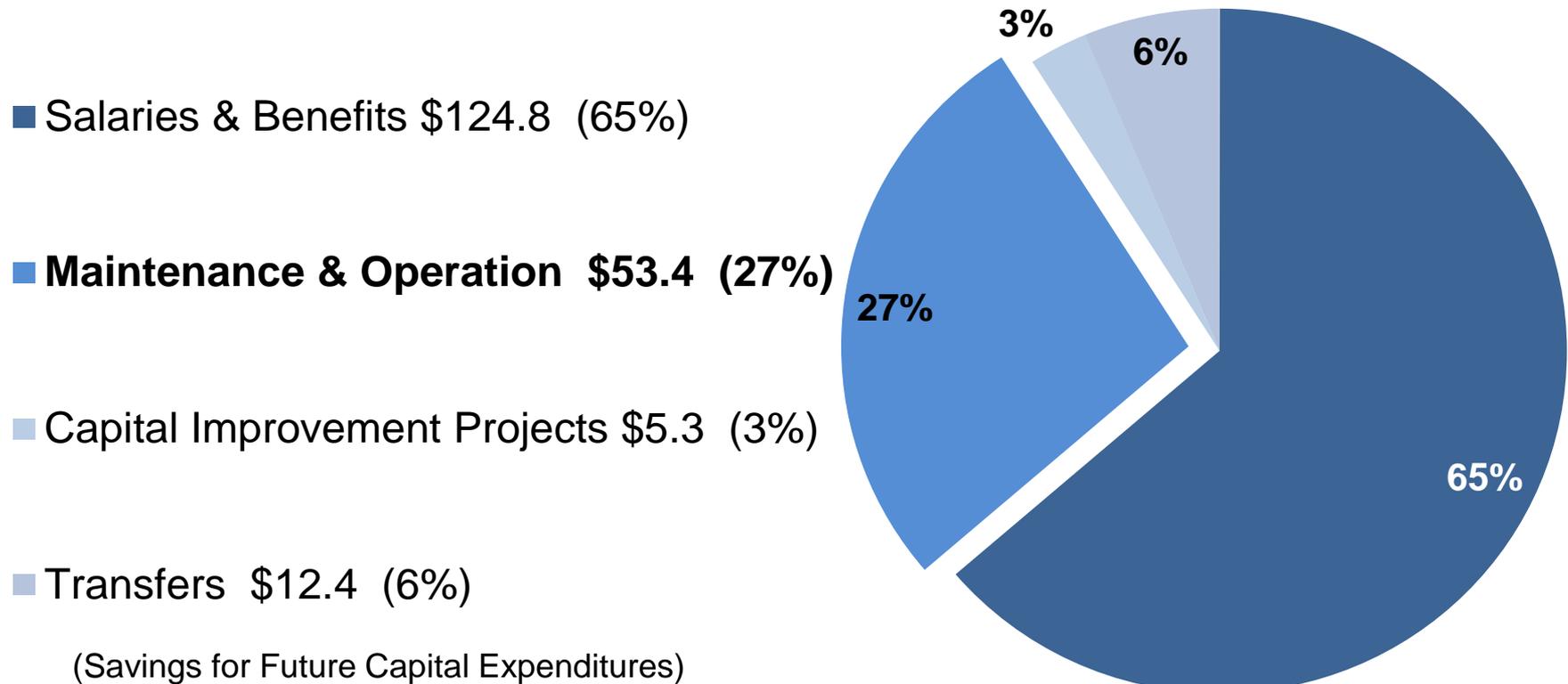
- **Salaries & Benefits \$124.8 (65%)**
- Maintenance & Operation \$53.4 (27%)
- Capital Improvement Projects \$5.3 (3%)
- Transfers \$12.4 (6%)  
(Savings for Future Capital Expenditures)



# General Fund Salary & Benefits

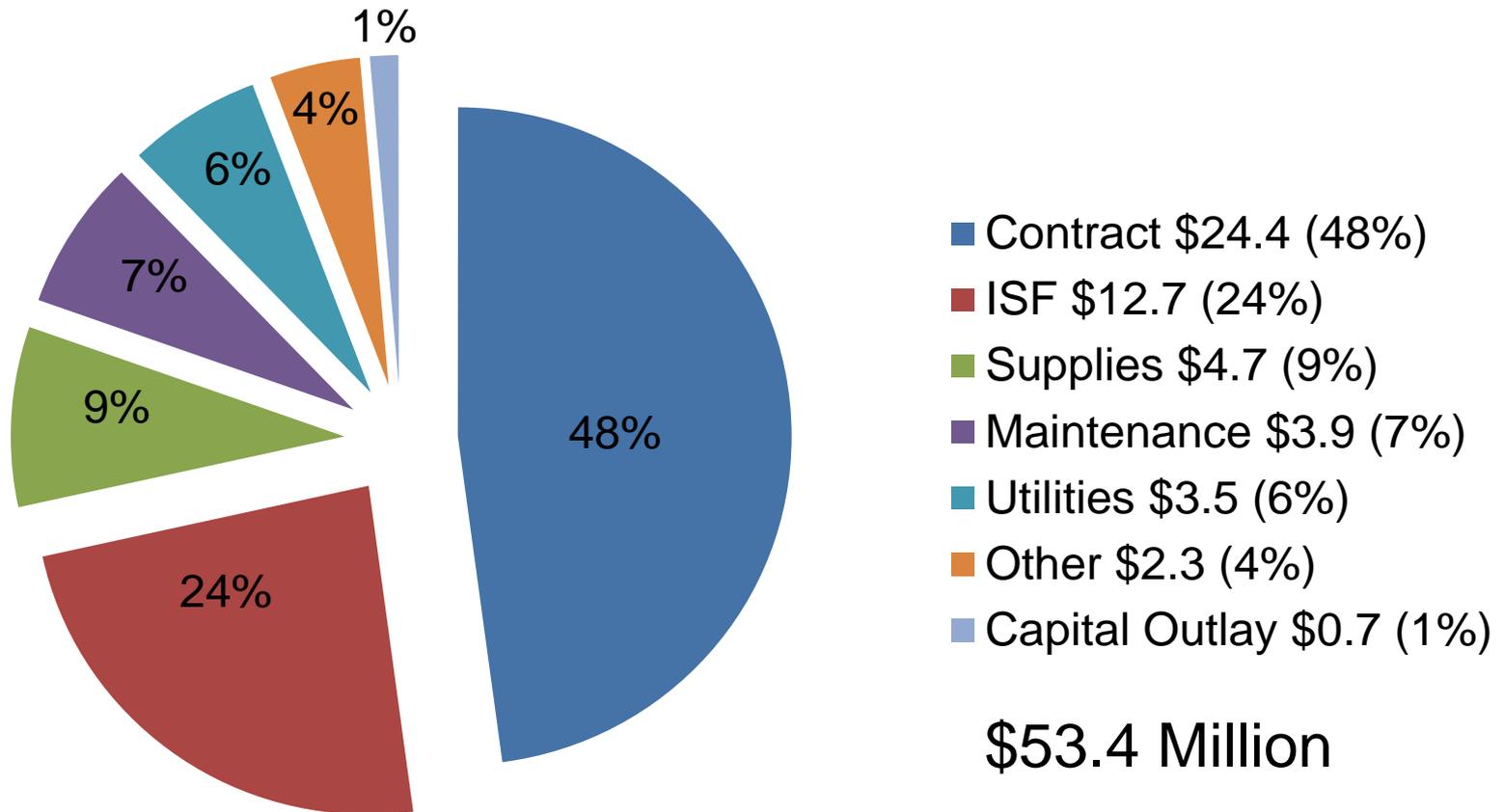


# General Fund Expenditures by Type (Millions)

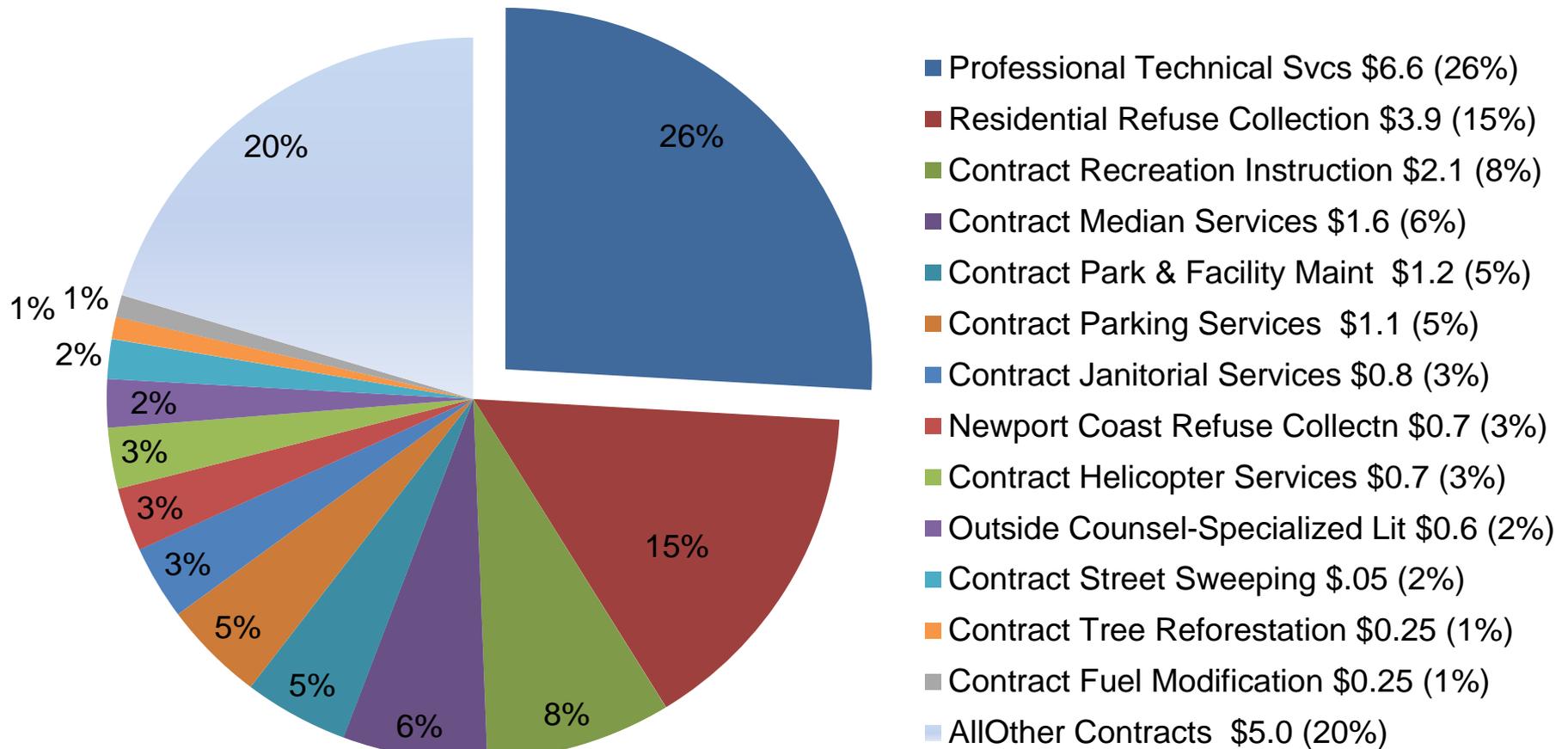


# Maintenance & Operations By Account Type

(Millions)



## M&O – Contractual Services (Millions)



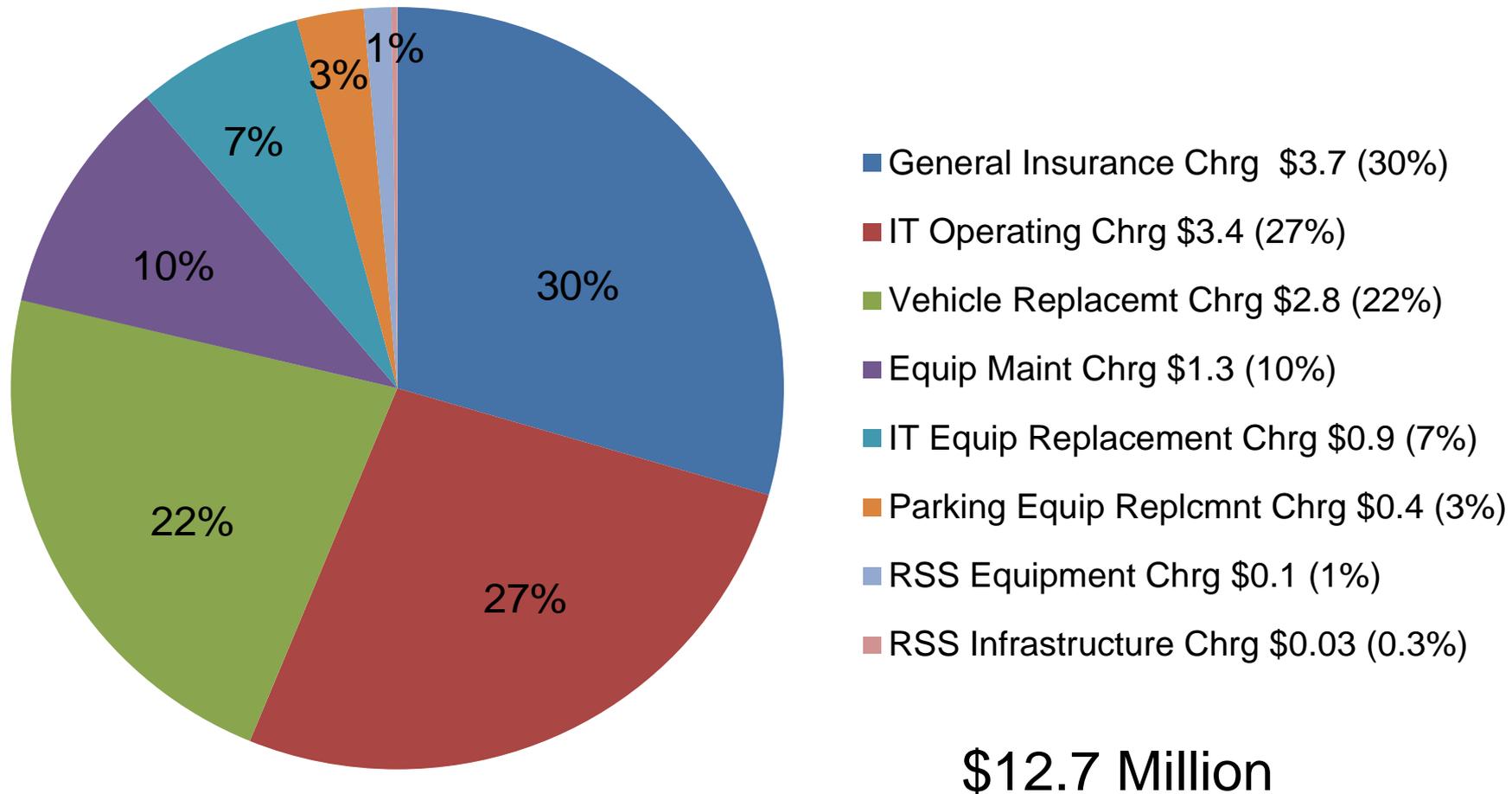
**\$24.4 Million**

The “**All Other**” category include contracts under \$250K, are numerous, and varied including: contract street striping, steam cleaning, beach trash collection, ambulance fees, audit fees, print services, title search exp etc.

# Professional Technical Services

Department	Total	Service Type
Municipal Operations	2,116,341	Tree Trimming, Build Maint, Grafitti Removal, Pest Control
Community Development	1,176,050	Contract Building Plan Check Services
Police	764,758	Crossing Guards, Shelter Services, 800 MHz Usage Chrg
City Manager	748,030	Mgmt Consulting, BID Admin, Public Broadcast Svcs
Public Works	575,500	Design, Engineering, GeoTech & Construction Services
Recreation & Sr. Services	421,843	Buck Gulley Maint, Build Maint & Janitorial Svcs
City Council	241,000	Environmental Consulting, LAFCO
Finance	211,960	Bill Printing/Mailing, Economic Consultng, Misc Audit Svcs
Fire	128,131	Building Consulting
Human Resources	123,770	Mgmt. Consulting & Investigative Services
Library	54,085	Arts & Culture Programming
City Attorney	40,000	Misc Legal Services
City Clerk	25,000	Minutes & Elections
<b>TOTAL</b>	<b>\$6,626,468</b>	

# Internal Service Fund (ISF) Charges in M&O (Millions)



# M&O - Maintenance & Supplies

Maintenance	Amount	% Total
Building Maint & Repair	1,039,721	26.4%
Equipment Maint & Repair	888,161	22.5%
Automotive Service	879,231	22.3%
Maint. & Repair NOC	616,118	15.6%
Storm Drain Maint	135,000	3.4%
Printer Maint & Supplies	90,545	2.3%
Irrigation Maint & Supplies	57,280	1.5%
Auto Exterior Maint	55,768	1.4%
Damage Maint & Repair	50,000	1.3%
Lifeguard Tower Maint	38,166	1.0%
Maint. E Coast Hwy	26,897	0.7%
Maint - BBSC	25,210	0.6%
Generator Maint	11,000	0.3%
Traffic Control Maint	10,035	0.3%
Beach Maint.	8,000	0.2%
Other Maint	13,700	0.3%
<b>Total Maintenance</b>	<b>3,944,832</b>	<b>100.0%</b>

Supplies	Amount	% Total
Special Dept Supplies	873,853	18.5%
Library Materials	625,040	13.2%
Software License Renewal	366,343	7.7%
Uniform Expense	365,544	7.7%
Postage, Freight Expns	312,001	6.6%
Office Supplies	264,893	5.6%
Non Capital Equipment	255,445	5.4%
Janitorial Supplies	206,766	4.4%
Asphalt Materials	195,253	4.1%
PC Replacement	188,317	4.0%
Concrete Materias	150,000	3.2%
Protective Gear	139,595	3.0%
Auto Parts Exp	92,000	1.9%
Shooting Range Supplies	62,800	1.3%
S.W.A.T Supplies	51,665	1.1%
Other Supplies	580,114	12.3%
<b>Total Supplies</b>	<b>4,729,629</b>	<b>100.0%</b>

# Utilities, Capital, Other & Summary

Utilities	Amount	% Total
UTILITIES - ELECTRICITY	1,680,416	48.7%
UTILITIES - WATER	1,332,359	38.6%
TELECOMM-DATALINES	237,081	6.9%
UTILITIES - TELEPHONE	139,200	4.0%
UTILITIES - NTRL GAS	59,484	1.7%
<b>Total Utilities</b>	<b>3,448,540</b>	<b>100.0%</b>

Capital	Amount	% Total
PARK RENOVATIONS	310,000	42.3%
EQUIPMENT, N.O.C.	279,369	38.1%
COMPUTER EQUIPMENT	65,100	8.9%
OFFICE FURNITURE FIXTURES	25,996	3.5%
OFFICE EQUIPMENT	23,652	3.2%
FITNESS EQUIPMENT	22,298	3.0%
SOFTWARE LICENSE NEW	6,500	0.9%
<b>Total Capital</b>	<b>732,915</b>	<b>100.0%</b>

Other	Amount	% Total
OTHER AGENCY FEES	764,595	32.6%
TRAINING	388,983	16.6%
PUBLICATIONS & DUES	218,650	9.3%
TRAVEL & MEETINGS	187,238	8.0%
TRAINING, POST	136,991	5.8%
SEWER USE FEE/PROPERTY TAX	126,058	5.4%
RECRUITING	121,125	5.2%
TUITION REIMBRSMNT	95,500	4.1%
TRAINING/EDUCATION	95,000	4.1%
CITY GRANTS	65,000	2.8%
BANK FEES	36,896	1.6%
PLANNING COMMISSION	28,080	1.2%
All Other	78,034	3.3%
<b>Total Other</b>	<b>2,342,150</b>	<b>100.0%</b>

## M&O SUMMARY

Type	Amount	% Total
Contract	\$ 25,572,493	48%
Internal Svc	\$ 12,650,009	24%
Supplies	\$ 4,729,629	9%
Maintenance	\$ 3,944,832	7%
Utilities	\$ 3,448,540	6%
Other	\$ 2,342,150	4%
Capital Outlay	\$ 732,915	1%
<b>Total</b>	<b>\$ 53,420,568</b>	<b>100%</b>



# EXPENDITURES BY PROGRAM

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Fiscal Year 2015-16

# Expenditures by Program-General Fund

PROGRAM/DIVISION	DETAIL PG#	UNIT #	SAL & BEN	M&O	CAPITAL	TOTAL	%TOTAL
FIRE-OPS	88	2320	22,715,041	4,086,940	144,077	26,946,058	15.1%
PD-PATROL	74	1830	22,349,567	1,339,503	0	23,689,070	13.3%
PD SUPPORT SERVICES	67	1821	6,598,088	2,585,752	17,694	9,201,534	5.2%
PD-DETECTIVE	79	1850	8,322,466	171,452	0	8,493,918	4.8%
GS-PARKS	132	3170	1,832,697	5,348,494	313,000	7,494,191	4.2%
FIRE-EMS	96	2340	5,855,228	1,328,687	0	7,183,915	4.0%
GS-FIELD MAIN	124	3130	3,655,075	2,350,229	14,000	6,019,304	3.4%
GS-REFUSE	130	3150	267,267	4,952,595	0	5,219,862	2.9%
PD-TRAFFIC	77	1840	4,589,847	442,687	0	5,032,534	2.8%
FIRE-LIFEGUARDS	102	2360	3,872,989	870,326	9,550	4,752,865	2.7%
BLDG-PLN CHK/PRMITS	115	2930	2,822,847	1,320,933	9,825	4,153,605	2.3%
PW-ENGINEERING	153	5100	2,676,982	512,494	3,000	3,192,476	1.8%
CENTRAL LIBRARY	168	4050	2,424,591	728,370	0	3,152,961	1.8%
GS-OPERATIONS SUPPRT	127	3140	1,173,059	1,776,124	17,550	2,966,733	1.7%
FACILITIES MAINTENANCE	122	3120	808,991	1,932,680	26,000	2,767,671	1.6%
PW-TRANS DEVT	155	5200	1,512,570	1,013,211	1,000	2,526,781	1.4%
PLANNING	108	2710	2,128,989	262,269	2,000	2,393,258	1.3%
REVENUE ADMIN	59	0641	1,705,904	499,779	0	2,205,683	1.2%
SUPPORT SERVICES	158	4010	1,172,954	943,450	2,000	2,118,404	1.2%
FIRE-LIFE SAFETY SERVICES	91	2330	1,362,793	652,791	20,976	2,036,560	1.1%
POLICE CHIEF	65	1810	1,899,991	98,673	0	1,998,664	1.1%
PD-FLEET MAINT	82	1860	258,671	1,711,642	0	1,970,313	1.1%
GS-STREET TREES	135	3180	146,156	1,821,372	0	1,967,528	1.1%
POLICE IT	70	1822	924,395	914,603	0	1,838,998	1.0%
SUPPORT SERVICES	179	4310	1,424,367	298,980	3,050	1,726,397	1.0%
CITY MGR	39	0310	1,202,784	507,194	3,854	1,713,832	1.0%
FEE BASED CLASSES	183	4330	262,073	1,417,962	3,400	1,683,435	0.9%

# Expenditures by Program-General Fund

PROGRAM/DIVISION	DETAIL PG#	UNIT #	SAL & BEN	M&O	CAPITAL	TOTAL	%TOTAL
BLDG-INSPECTIONS	113	2920	1,423,363	214,566	30,990	1,668,919	0.9%
FINANCIAL PLANNING	57	0620	1,348,327	243,591	0	1,591,918	0.9%
HUMAN RESOURCES	46	0410	974,670	606,649	5,634	1,586,953	0.9%
CITY ATTY	51	0510	1,363,448	214,200	3,000	1,580,648	0.9%
OASIS	203	4410	845,228	702,302	6,641	1,554,171	0.9%
PARKING LOTS & METERS	60	0643	0	1,519,989	0	1,519,989	0.9%
PW-ADMIN	146	5050	1,122,700	250,499	6,000	1,379,199	0.8%
CDD ADMIN	106	2610	1,105,901	236,535	0	1,342,436	0.8%
FACILITIES	199	4390	680,346	416,306	5,331	1,101,983	0.6%
MARINERS BRANCH	166	4040	873,865	220,229	0	1,094,094	0.6%
TRAINING-JR GRDS	99	2353	637,358	429,400	24,663	1,091,421	0.6%
REC & SR SVCS ADMIN	177	4510	631,619	456,878	0	1,088,497	0.6%
CITY COUNCIL	31	0110	291,982	794,350	1,800	1,088,132	0.6%
UTILITIES-ELECTRICAL	136	5300	0	1,073,012	0	1,073,012	0.6%
FIRE-ADMIN	85	2310	864,806	186,590	0	1,051,396	0.6%
RISK MGMT	48	0420	633,508	391,211	0	1,024,719	0.6%
FINANCE ADMIN	55	0610	846,029	146,603	7,500	1,000,132	0.6%
FINANCIAL REPORTING	62	0650	753,335	180,101	6,500	939,936	0.5%
GS-ADMIN	120	3110	778,881	124,715	2,500	906,096	0.5%
MARINA PARK COMM CTR	190	4345	370,320	371,600	17,845	759,765	0.4%
NPT COAST COMM CTR	185	4335	332,876	398,539	9,835	741,250	0.4%
CITY CLERK	35	0210	580,854	145,969	0	726,823	0.4%
CITY ATTY - OUTSIDE LIT	52	0520	0	715,000	0	715,000	0.4%
CODE ENFORCEMENT	110	2810	586,280	123,204	4,000	713,484	0.4%
SR.SVCS-TRANSPORTATION	207	4420	511,957	185,317	0	697,274	0.4%
CITY MGR - PIO	41	0320	353,918	340,983	0	694,901	0.4%
ECON DEVT	43	0340	33,102	577,249	0	610,351	0.3%

# Expenditures by Program – General Fund

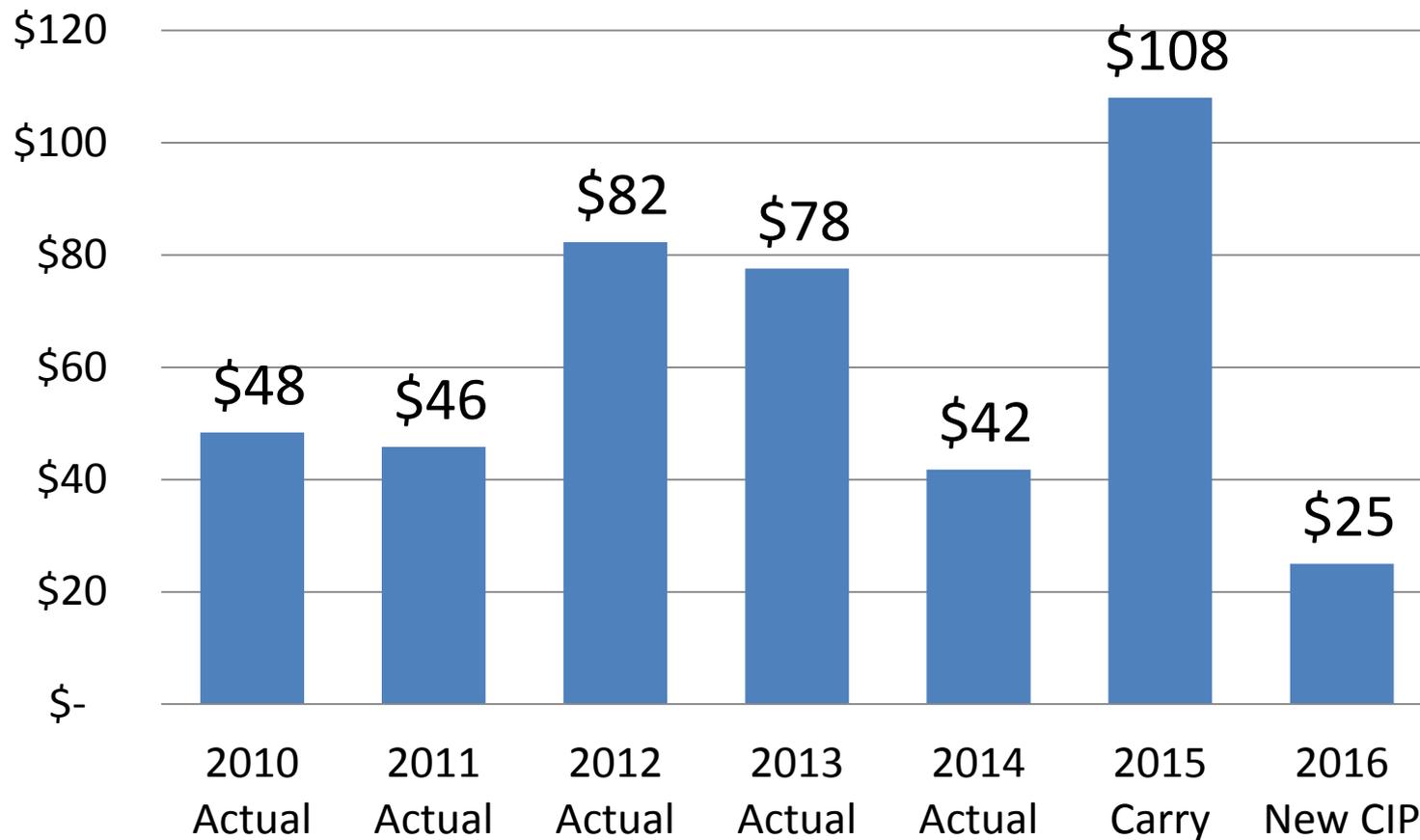
PROGRAM/DIVISION	DETAIL PG#	UNIT #	SAL & BEN	M&O	CAPITAL	TOTAL	%TOTAL
WATER QUALITY	151	5070	536,522	71,109	1,500	609,131	0.3%
YOUTH AFTER SCHL/CAMP PRG	195	4380	389,476	75,837	0	465,313	0.3%
OASIS FITNESS CENTER	205	4415	222,821	235,011	3,329	461,161	0.3%
TECHNICAL PROCESSING	160	4015	298,332	63,786	0	362,118	0.2%
ADULT SPORTS	181	4320	97,429	248,907	0	346,336	0.2%
CDM BRANCH	164	4030	275,005	49,977	0	324,982	0.2%
ND GEN FUND	239	9010	150,000	168,896	0	318,896	0.2%
TIDEPOLS	201	4395	241,274	77,373	0	318,647	0.2%
AQUATICS	188	4340	193,986	83,888	0	277,874	0.2%
BALBOA BRANCH	162	4020	206,993	39,883	0	246,876	0.1%
EMERGENCY PREPAREDNESS	94	2335	152,361	33,311	0	185,672	0.1%
CULTURAL & ARTS	171	4002	0	137,683	0	137,683	0.1%
REAL PROPERTY	116	2970	0	87,527	0	87,527	0.0%
YOUTH SPORTS	192	4350	33,954	53,121	0	87,075	0.0%
BLDG-ADMIN	111	2910	0	66,140	4,871	71,011	0.0%
PRESCHOOL PROG	197	4385	55,287	10,922	0	66,209	0.0%
LITERACY	170	4060	43,438	0	0	43,438	0.0%
SPECIAL EVENTS	193	4360	0	24,500	0	24,500	0.0%
CITY CLRK-ELECTNS	36	0220	0	5,000	0	5,000	0.0%
<b>TOTAL GENERAL FUND</b>			<b>\$124,807,933</b>	<b>52,687,650</b>	<b>732,915</b>	<b>\$178,228,498</b>	<b>100%</b>

**\$53.4 Million**

Expenditure Summary by Program  
Pages 20-21 of the Budget Detail

[newportbeachca.gov/budget](http://newportbeachca.gov/budget)

# Historical Capital Project Spending? (Millions)



Page 185 of the Performance Plan

[newportbeachca.gov/budget](http://newportbeachca.gov/budget)

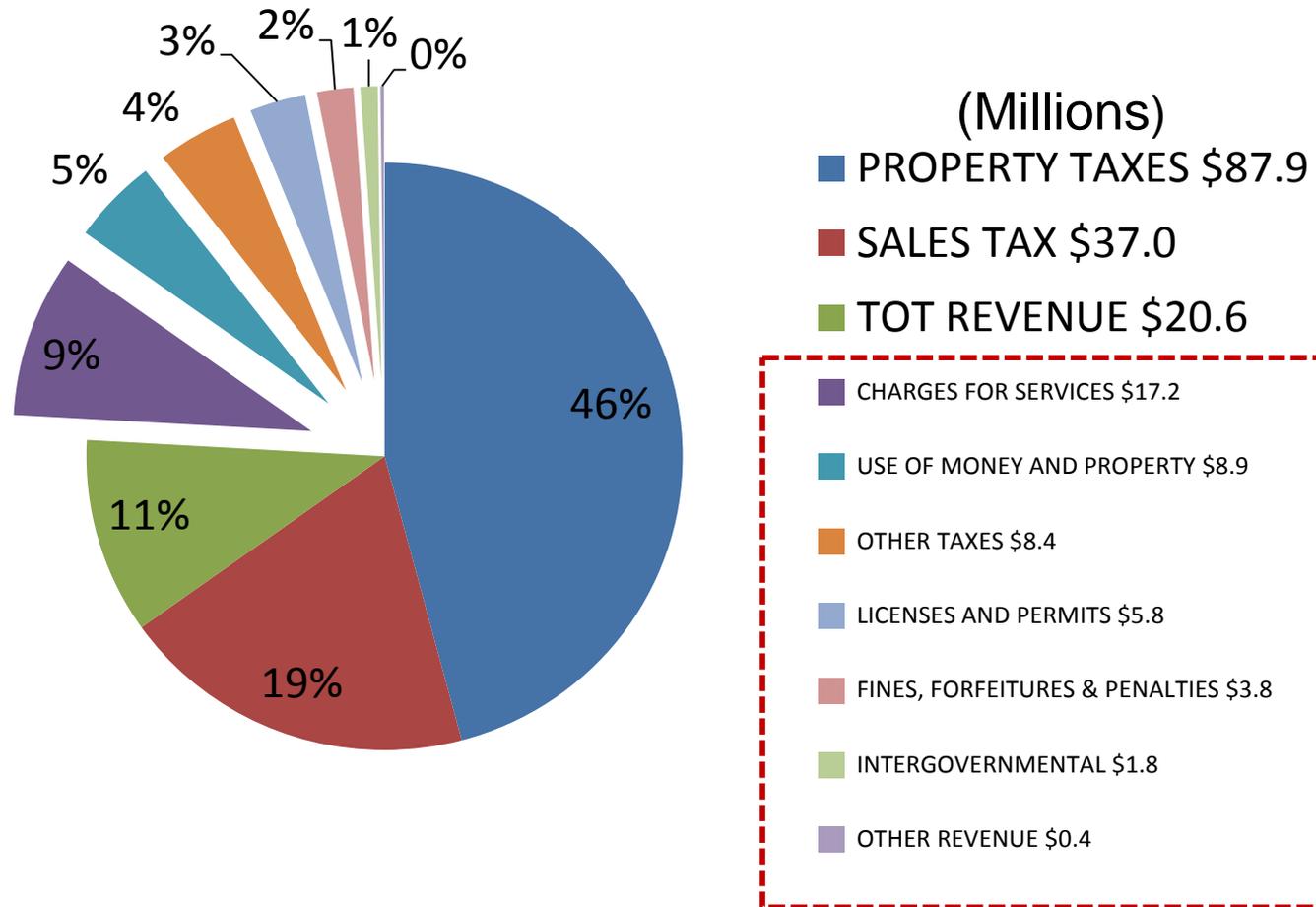
# Savings for Future Needs (Millions)

This budget also includes nearly **\$30 million** of forced savings that fund long-term liabilities and capital replacement plans.

Prefunding/Capital Savings	14-15	15-16	Change
Facilities Financial Plan - <i>Transfers</i>	\$8.0	\$8.5	\$0.5
Facilities Maintenance Plan - <i>Transfers</i>	0.4	1.5	1.1
Vehicle Replacement Plans – <i>Department Cost</i>	3.3	3.3	-
Emergency Communication System - <i>Transfers</i>	1.0	1.0	-
Other Equipment (Safety, IT, Parking & Rec)	1.3	1.6	0.3
Workers Compensation – <i>Department Cost</i>	2.8	2.8	-
General Liability – <i>Department Cost</i>	3.1	4.1	1.0
Compensated Absences – <i>Department Cost</i>	2.3	2.5	.2
Retiree Insurance (OPEB) – <i>Department Cost</i>	3.4	2.8	-0.6
<b>Total</b>	<b>\$25.6</b>	<b>\$28.1</b>	<b>\$2.5</b>

# Where Can I Find More Revenue Info?

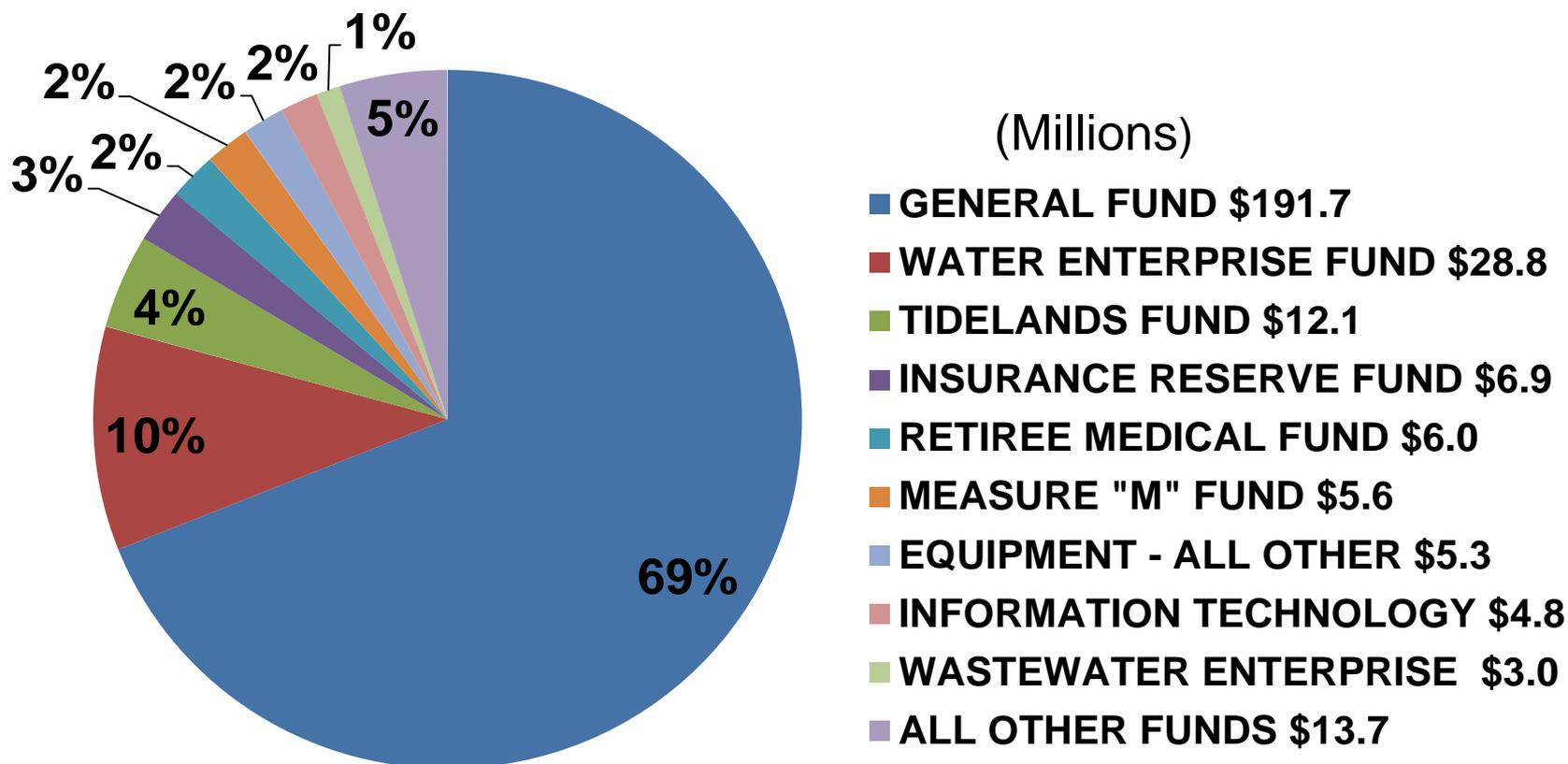
## Can I see Parking Revenue?



Pages 1-7 of the Budget Detail

[newportbeachca.gov/budget](http://newportbeachca.gov/budget)

# All Revenues by Fund



Pages 7-17 of the Budget Detail

[newportbeachca.gov/budget](http://newportbeachca.gov/budget)

# Citizen Transparency Portal

## ***Citizen Transparency Portal Coming Soon!***

- To be implemented by fiscal year end June 30, 2016
- Easy public access via any internet browser dynamic data for year-to-date and historical searches
- Transaction details for granular inquiries
- Data export options via Excel, PDF or image files



# Useful Web Links & Contact Info

[newportbeachca.gov/budget](http://newportbeachca.gov/budget)

Budget

[newportbeachca.gov/cafr](http://newportbeachca.gov/cafr)

Audited Financials

[newportbeachca.gov/pers](http://newportbeachca.gov/pers)

Pension Actuarial Vals.

[newportbeachca.gov/ffp](http://newportbeachca.gov/ffp)

Facilities Financial Plan (FFP)

**Remember this one:**

[newportbeachca.gov/financialinfo](http://newportbeachca.gov/financialinfo) All of the above

Dan Matusiewicz

Finance Director

[danm@newportbeachca.gov](mailto:danm@newportbeachca.gov)

949.644.3123

# Questions & Comments



City's budget documents can be accessed at:

[www.newportbeachca.gov/budget](http://www.newportbeachca.gov/budget)

In short, despite their seeming thoroughness, in the absence of a readily available and archived audio recording that that can be easily correlated with the written record, the substantive information available to the public in general about what takes place at these meetings is very limited.

### ***Item V.A. MUNICIPAL FEE SCHEDULE***

I have had very little time to review the material posted, but I am impressed that the depth of the background material provided by staff seems much more thorough than it normally was for the "old" Committee.

However, the details of why changes were made to particular line items in the Fee Schedule seem almost wholly lacking. In particular, it is difficult even to tell if on some lines staff is recommending that changes to the Cost Recovery Table in the Municipal Code be adopted in conjunction with the new Fee Schedule, or merely suggesting the existing recovery percentages were not correctly reflected.

### ***Item V.B. BUSINESS LICENSE***

I found a PowerPoint, but may have missed a staff report clarifying for the benefit of the Committee that as Item 21 at its March 24, 2015, meeting, the Council moved "*to refer the concept of the business license tax structure to the Finance Committee for review.*"

As I commented to the Council at the time, the attempt to distinguish between governmental "taxes" and "fees," which appears prominently in the PowerPoint, seems to be a relatively recent (post-Proposition 13?) concept. When the predecessor of the current Municipal Code chapter was first enacted in 1906 (as one of the new city's earliest actions), the charge was called neither a tax nor a fee, but simply regarded as a "license" one had to purchase to conduct certain kinds of businesses within the City.

As I also attempted to point out to the Council at that time, amendments since 1906 have caused the code defining what was originally a fairly straightforward licensing system to become increasingly complex and increasingly difficult to understand. In particular, what started as applying *only* to a fairly large number of explicitly named businesses has morphed into a code that at least on its face applies to every imaginable activity in Newport Beach ("for profit or not for profit") from which it attempts to *exempt* a small number of named activities in ways that are not always easy to interpret.

I would think a clean up of the code is at least as much in need of attention as the amounts charged for the licenses.

Finally, on a slightly related topic, it is not obvious to me that all entities contracting with the City government itself have licenses to conduct business in Newport Beach.

### ***Item V.C. QUESTION/ANSWERS PERTAINING TO FY 2015/16 ADOPTED BUDGET***

I have many questions about the recently adopted budget, but as with the Master Fee Schedule lack the time necessary to put them in writing prior to this meeting.

## City of Newport Beach Finance Committee Work Plan 2015

Scheduled Date	Agenda Title	Agenda Description
<b>February</b>		
Thursday, February 26, 2015	Audit Review (with Auditor)	The City's external audit firm, White Nelson Diehl Evans LLP will meet with the Finance Committee to discuss the audit findings for the fiscal year ending 6/30/2014. The committee will have an opportunity to discuss any potential areas of concern and the auditors can discuss any changes in accounting standards or disclosures that were relevant for the audit year.
	ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
	Work Plan Overview	Staff will present and seek approval of tentative Finance Committee agenda topics scheduled for the year.
<b>March</b>		
Tuesday, March 10, 2015	Joint Finance Committee and City Council Study Session	Staff will provide a brief financial update and see a first look of the proposed Capital Improvement Projects.
<b>May</b>		
Monday, May 11, 2015	Proposed FY 15-16 Budget Overview	Staff will provide an overview of the proposed operating budget.
	Fiscal Sustainability Plan	Review and Discussion of City Fiscal Sustainability Plan.
	Review of Facilities Financial Planning Tool (FFPT)	Annual review of the City's FFPT.
<b>June</b>		
Thursday, June 11, 2015	Annual Fee Schedule Update	The purpose of this meeting is to review staff's recommendation to revise the Master Fee Schedule according to CPI and to review the specific changes recommended for departmental related fees.
	Business License Tax Overview	Review and discuss the current business license tax provisions of City of Newport Municipal Code Chapter 5.04.020 .
	Questions/Answers Pertaining to 2015-16 Adopted Budget	The Committee is welcome to continue its questions and comments about the 2015-16 budget as the input will help frame both budget adjustments and planning for the FY 2016-17 budget.
	Finance Committee Schedule Update	Review and comment on proposed revisions to the Finance Committee work plan and schedule.
<b>July</b>		
Thursday, July 16, 2015	Reserve Policy Review	Annual review of Reserve Policy F-2.
	Questions/Answers Pertaining to 2015-16 Adopted Budget	The Committee is welcome to continue its questions and comments about the 2015-16 budget as the input will help frame both budget adjustments and planning for the FY 2016-17 budget.
	ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
<b>August</b>		
Thursday, August 13, 2015	Investment Policy Review	Staff will present its annual review of the City's investment policy and seek approval and guidance from the Finance Committee regarding the scope, objectives, and standards that govern the City's investment portfolio.
	Investment Performance Review	Staff and/or one or more investment advisors will describe the performance of the City's investment portfolio.
	Questions/Answers Pertaining to 2015-16 Adopted Budget	The Committee is welcome to continue its questions and comments about the 2015-16 budget as the input will help frame both budget adjustments and planning for the FY 2016-17 budget.
	ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
<b>September</b>		
Thursday, September 10, 2015	PERS & OPEB Actuarial Primer	
	Questions/Answers Pertaining to 2015-16 Adopted Budget	The Committee is welcome to continue its questions and comments about the 2015-16 budget as the input will help frame both budget adjustments and planning for the FY 2016-17 budget.
	ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
<b>October</b>		
Thursday, October 15, 2015	Review of Post Employment Retiree Insurance Actuarial Valuation (AKA OPEB)	The City's OPEB actuary will review the City's latest OPEB valuation and liability.
	Prepare Budget Guidance in preparation for 2016-17 Budget	The Committee will prepare preliminary recommendations to the City Manager in preparation of the FY 2016-17 Budget.
	ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
<b>November</b>		
Thursday, November 12, 2015	Review of Public Employees Retirement System (PERS) Valuation	Staff will present the latest actuarial valuation changes to actuarial assumptions, a review of investment returns, the potential impact of future rates, and the results of employee cost sharing.
	Finalize Budget Guidance in preparation for 2016-17 Budget	The Committee will finalize written recommendations to the City Manager in preparation of the FY 2016-17 Budget.
	ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
<b>December</b>		
Thursday, December 10, 2015	Year-End Closing Results	Staff will present the preliminary year-end closing results for FY 2014-15.
	ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.