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DEPARTMENT OF
FINANCE

CITY OF SACRAMENTO
CALIFORNIA

BUDGET DIVISION

July 19, 1988

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Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: PROGRESS REPORT ON THE FEE AND CHARGE STUDY

SUMMARY

On June 21, 1988 the findings of the Arthur Young study of the City's non-utility fees and charges were reported to the City Council Budget and Finance Committee. The direction was given to City staff of each of the impacted departments to prepare a response to the study. Departmental responses are to include comments on the Arthur Young findings and recommendations for fee adjustments where appropriate. The Committee requested that a progress report be given 30 days after the initial consideration of this study. This report is made to satisfy that requirement and is presented for information only.

BACKGROUND

The Arthur Young Fee and Charge Study focused on four major groupings of non-utility fees. In three of the four instances the fee grouping is defined by the department that administers the fee programs. In the fourth, a series of multi-departmental fees have been grouped under a common heading. The four study groupings are as follows:

- o Planning and Development
- o Public Works
- o Parks and Community Services
- o General Government
 - City Clerk
 - Finance
 - Police
 - Fire

Each of the three specifically identified departments are coordinating the preparation of their response to the study and the City's Revenue Manager is coordinating the response for the General Government fees. Specific comment on the status of each review and response preparation is provided.

Planning and Development -- This department intends to have a response and recommendation regarding most of their fees ready for consideration in September. There is a possibility that the commercial plan check fee recommendations would be made even earlier. The department is intending to hold meeting with representatives of the development industry in August to discuss the fee recommendations and related impacts. It is also important that the department is also studying service levels and will present options for fees that reflect alternative service levels.

Public Works -- A schedule very similar to the one proposed by Planning and Development has been proposed for the Public Works development/engineering fees. Since the effected parties are in many cases the same, it will be important to jointly consider the proposals for fee modifications from Public Works and Planning and Development. The Public Works Department is also studying the possibility of modifying the method of charging in some fee categories. The remaining Public Works fees will be presented to the Committee at a later date.

Parks and Community Services -- This department intends to present its response to the study and associated fee recommendations in November. Somewhat unique to the fee activities in this Department, will be recommendations on the classification of activities as it relates to whether there should be General Fund subsidy and to what extent. The Parks and Community Services Department has employed a consultant who is widely recognized as an expert in the area of leisure service equity issues.

General Government -- The study included fee review in four departments within this grouping. The Revenue Manager is coordinating a single response with fee recommendations to be presented either the first or second week in September.

FINANCIAL DATA

The response to the Fee and Charge Study does not involve the expenditure of other than budgeted operating funds. The potential new revenue will not be known until the responses/proposals are made.

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RECOMMENDATION

It is recommended that the Budget and Finance Committee receive this report as information.

Respectfully submitted,


Susan Bing Prosser
Senior Management Analyst

Recommendation Approved:



Jack R. Crist
Deputy City Manager

July 26, 1988
All Districts