



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: January 18, 2011

TO: Budget and Finance Committee

FROM: Diana Muzquiz, Delinquent Accounts Manager
Gail R. Granewich, City Treasurer

SUBJECT: Amendment to §22.1707, Subdivisions (b) and (c), of the San Diego Municipal Code Relating to Collection Referral Fees and Interest

REQUESTED ACTIONS:

Amend San Diego Municipal Code §22.1707(b) to reflect Council Resolution R-300713 passed by City Council on July 25, 2005.

Amend San Diego Municipal Code §22.1707(c) to state that the City will charge the highest rate of interest allowed by law per year on accounts referred for collection and delete the word "fee".

STAFF RECOMMENDATION:

Forward the requested actions to City Council for consideration and approval.

BACKGROUND:

San Diego Administrative Regulation (SDAR) 95.25 was implemented to establish a uniform process for departments to initiate or revise City fees and charges for current services. SDAR 95.25 provides that the City Clerk will maintain a standardized ratebook of current fees and charges in a centralized area for public access. It further requires City departments to annually review City fees and charges to ensure that the City recovers all reasonable costs for providing the services.

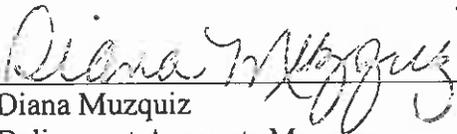
On July 25, 2005, the Council passed San Diego Resolution R-300713 (Resolution R-300713) approving an adjustment to existing collection referral fees and directing staff to remove the outdated fee from the San Diego Municipal Code (Municipal Code) and to include that fee in the standardized ratebook maintained by the City Clerk. At that time, the Municipal Code was not changed to reflect the Council resolution. If approved, this ordinance will amend the Municipal Code in a manner consistent with Resolution R-300713.

January 18, 2011

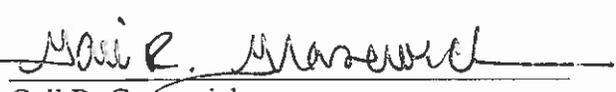
In addition, the Municipal Code refers to interest as an "interest *fee*", which is not correct. Interest is not a fee and it is recommended that the word "fee" be deleted from Municipal Code §22.1707(c).

The Municipal Code also references an interest rate that applies in some, but not all, debt collection scenarios, as the interest rate charged by the City may vary depending on the type of debt to be collected. It is requested that §22.1707(c) of the Municipal Code be amended to state that the City will charge the highest rate of interest allowed by law per year on accounts referred for collection.

Respectfully submitted,



Diana Muzquiz
Delinquent Accounts Manager



Gail R. Granewich
City Treasurer

Attachments: Administrative Regulation 95.25
Resolution Number R-300713

RESOLUTION NUMBER R-300713

ADOPTED ON JULY 25, 2005

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THE ADJUSTMENT TO EXISTING
COLLECTION REFERRAL FEE FOR INCLUSION IN THE
RATEBOOK OF CITY FEES AND CHARGES MAINTAINED
IN THE OFFICE OF THE CITY CLERK.

WHEREAS, it is the policy of the City of San Diego to establish fees to recover the costs of providing services in accordance with the City of San Diego Administrative Regulation 95.25; and

WHEREAS, Administrative Regulation 95.25 encourages transferring specific fee schedules listed in the Municipal Code and Council Resolutions to the standardized Ratebook maintained by the City Clerk; and

WHEREAS, each department conducted a full evaluation of the costs and revenues associated with providing City services, in accordance with the California Constitution as well as the State Government Code, which authorize local jurisdictions to impose fees, charges, and rates in order to recover costs associated with provided services and the use of facilities; and

WHEREAS, on June 7, 2005, a public hearing was held by the Council of the City of San Diego at which oral and written presentations were made regarding the new and revised fees; and

WHEREAS, on June 20, 2005, a follow up public hearing was held by the Council of the City of San Diego regarding the revised fees for Mt. Hope Cemetery and a low income fee assistance program for Mt. Hope was presented; and

WHEREAS, ten days prior to the public hearing held in connection with Manager's Report No. 05-121 regarding Establishment of New Rates and Fees and Adjustments to Existing Rates and Fees, a notice was made available to the public that included an explanation of the proposed new fees and revisions to existing fees to be considered at the public hearing; and

WHEREAS, pursuant to the San Diego Municipal Code section 22.1707(b), the City Treasurer is authorized to charge any person indebted to the City a referral fee; NOW, THEREFORE,

BE IT RESOLVED, that the revised Collection Referral Fee, attached hereto as Attachment A, a copy of which is on file in the Office of the City Clerk as Document Number RR- 300713, is hereby approved.

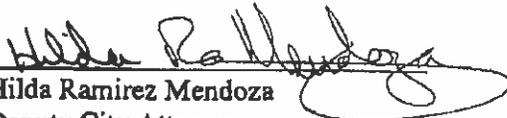
BE IT FURTHER RESOLVED, that the City Manager is hereby directed to review the fee annually to ensure that all reasonable costs incurred in providing services are being recovered and to approve fee schedules whenever possible in accordance with the City of San Diego Administrative Regulation 95.25.

BE IT FURTHER RESOLVED, that the Council finds that the establishment or modification of this fee is for the purpose of meeting operating expenses, and not for the funding of capital projects for the expansion of services, and therefore is exempt from the California Environmental Quality Act [CEQA] pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273.

BE IT FURTHER RESOLVED, that the City Clerk is hereby directed to amend the City Ratebook to include the fee attached hereto in Attachment A.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Hilda Ramirez Mendoza
Deputy City Attorney

HRM:pev:cfq
07/7/05
08/01/05 REV.COPY
Or.Dept:CtyMgr.
R-2006-27
MMS #2209

Attachment A

New and Revised Fees Approved on June 7, 2005 and June 20, 2005
 Requiring Adoption by City Council Resolution
 And/or Transfer to the City Clerk Rate Book

| FEE TITLE | EXISTING FEE | REVISED FEE |
|--|--|---|
| City Treasurer | | |
| Collection Referral Fee | \$10 or 10% of amount referred, whichever is greater, up to a maximum of \$250 | \$25 or 10% of amount referred, whichever is greater, up to a maximum of \$1,000 |
| General Services | | |
| Residential Permit Parking Placard and Decal Fee | | |
| One Year | \$14 | \$22 |
| Six Month | \$7 | \$11 |
| Temporary | \$3.50 | \$7.00 |
| Park and Recreation Department | | |
| Volleyball Leagues, Beaches and Bay Areas, Season Reservations | None | \$30 per team per season Non-Resident Rate is twice the regular rate Seniors/Persons with disabilities receive a 40% discount |
| Balboa Park Botanical Building Entrance Fee | None | \$2.00 per adult \$1.00 for youth, senior, persons with disabilities |
| Water Safety Today | None | \$18 per person Non-Resident Rate is twice the regular rate |
| Basic Water Safety | None | \$36 per person Non-Resident Rate is twice the regular rate |
| Specialized Instruction (Aquatics) | None | \$40 per half hour per person Non-Resident Rate is twice the regular rate |
| Police Department | | |
| Determination of Public Convenience or Necessity Fee | None | \$220 |

R-300713

Summary of FY 2006 Proposed Rates and Fees
Presented on June 7, 2005

| City Manager's Recommendation | FY 2006 Proposed New Rates/Fees | Approved on June 21, 2005 |
|---|------------------------------------|------------------------------|
| 1. Establishment of New Rates and Fees | | |
| A. Non-City Resident Fee for Seasonal Beach/Bay Parking | \$373,000 | \$0 |
| B. Athletic Program Fees | \$397,600 | |
| Youth Athletics (\$326,000) | | \$0 |
| Adult Athletics (\$71,600) | | \$71,600 |
| C. Balboa Park Botanical Building Entrance Fees | \$210,000 | \$210,000 |
| D. American Red Cross Courses and Specialized Swim Instruction | \$2,500 | \$2,500 |
| E. Tecolote Canyon Nature Center Room Rentals | \$1,500 | \$0 |
| F. Determination of Public Convenience or Necessity Fee | \$11,000 | \$11,000 |
| Sub-Total | \$995,600 | \$295,100 |
| 2. Annualization of Previously Approved Rates and Fees (Did not require Council action.) | \$915,000 | \$915,000 |
| 3. City Manager Review of Existing Rates and Fees | | |
| Police Fees | | |
| Adult Entertainment Permit | \$40,009 | \$40,009 |
| After Hours Permit - Single | \$4,685 | \$4,685 |
| Card Room Worker Permits | \$4,916 | \$4,916 |
| Entertainment Permit w/alcohol <50 persons | \$25,320 | \$25,320 |
| Entertainment Permit w/alcohol 50+ persons | \$227,040 | \$227,040 |
| Fingerprints | \$15,300 | \$15,300 |
| Firearms Dealer Fee | \$13,180 | \$13,180 |
| Holistic Health Practitioner | -\$8,200 | -\$8,200 |
| Holistic Health Practitioner Business | \$7,640 | \$7,640 |
| Massage Establishment | \$34,316 | \$34,316 |
| Miscellaneous Service Charges | \$80,297 | \$80,297 |
| Money Exchange Houses | \$8,230 | \$8,230 |
| Nude Entertainment Establishment License | \$39,454 | \$39,454 |
| Outcall Nude Entertainer | \$30,000 | \$30,000 |
| Outcall Nude Entertainer Business Permit | \$41,200 | \$41,200 |
| Pawnbrokers ** | \$102,396 | \$10,000 |
| Police Regulated ID Cards | \$19,000 | \$19,000 |
| Promoter Regulatory Fee | \$8,559 | \$8,559 |
| Second Hand Dealer Permit ** | \$59,350 | \$10,000 |
| Solicitor | \$8,272 | \$8,272 |
| Mt. Hope Cemetery * | \$197,837 | \$100,000 |
| Park and Recreation Various Revisions | \$116,400 | \$116,400 |
| Residential Permit Parking ** | \$240,000 | \$60,000 |
| Library-Adult Overdue Materials | \$35,000 | \$35,000 |
| Collection Referral Fee | \$420,000 | \$420,000 |
| Sub-Total | \$1,770,201 | \$1,350,618 |
| Grand Total | \$3,680,801 | \$2,560,718 |

* Continued from June 7 and approved on June 20, 2005.

** City Manager proposed rates were modified by the City Council and approved.

R-300713

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

| | | | |
|--|-----------------------------------|------------|----------------|
| SUBJECT PROCESSING NEW AND REVISED FEES AND CHARGES FOR CURRENT SERVICES | Number 95.25 | Issue 3 | Page 1 of 7 |
| | Effective Date January 1, 1988 | | |

1. PURPOSE

- 1.1 To establish a uniform process for departments to initiate or revise City fees and charges for current services.
- 1.2 To ensure that a ratebook of current fees is maintained in a centralized area for public access.

2. SCOPE

- 2.1 This regulation shall apply to every department that administers fees and charges for current services.

3. POLICY

- 3.1 It is the policy of the City to establish fees to recover the cost of providing certain services.
- 3.2 It is the policy of the City to annually review fees to ensure that all reasonable costs incurred in providing these services are being recovered.
- 3.3 It is the policy of the City to authorize the City Manager and Non-Managerial Department Heads to approve fee schedules whenever possible.

(Supersedes Administrative Regulation 95.25, Issue 2, effective October 15, 1983)

Authorized

(Signed by John Lockwood)

CITY MANAGER

(Signed by John W Witt)

CITY ATTORNEY

(Signed by Charles G Abdelnour)

CITY CLERK

(Signed by Ed Ryan)

AUDITOR & COMPTROLLER

(Signed by Bob Spaulding)

PLANNING DIRECTOR

(Signed by Rich Snapper)

PERSONNEL DIRECTOR

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

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| PROCESSING NEW AND REVISED FEES AND CHARGES FOR CURRENT SERVICES | Effective Date January 1, 1988 | | |

3.4 Council Policy 100-5 requires public notification by mail thirty days prior to implementation of fee modifications which require approval by the City Manager or a Non-Managerial Department Head.

4. POLICY APPLICATION

4.1 Each department shall annually analyze services provided to determine if new fees are appropriate and if current fees reasonably recover the cost of providing services.

4.2 Cost of providing a service should reflect the current budgeted salaries and wages, the applicable overhead rate as determined annually by the Auditor and Comptroller, and related non-personnel expense.

5. PROCEDURE

5.1 Fees Requiring City Council Authorization

Responsibility

Action

Initiating Department

a. A department desiring to implement a new or revised fee shall prepare and docket the necessary Ordinance and/or Resolution which should effect the following:

(1) authorize the City Manager/Non-Managerial Department Head to establish and/or revise fees;

(2) whenever possible, eliminate the listing of specific fee schedules in the Municipal Code and Council Resolutions;

(3) require all fee schedules and subsequent revisions be filed in a Ratebook of City Fees and Charges in the City Clerk's Office.

b. Information presented to City Council should include:

(1) purpose of the fee;

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

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Responsibility

Action

Initiating Department (cont'd)

- (2) justification for implementation or revision of the fee;
 - (3) annual cost (including overhead) to the City to provide the service.
 - (4) current fee schedule and annual revenue receipts;
 - (5) proposed fee schedule and estimated annual revenue receipts;
 - (6) proposed implementation date.
- c. Send an information copy of each request for City Council Action to Financial Management Department (Revenue Analyst).
- d. Notice of a public meeting at which the City Council will consider fee modifications should be made as follows:
- (1) Notice of the time and place of the meeting, including a general explanation of the matter to be considered, shall be published in the City's official newspaper at least 10 days prior to the meeting.
 - (2) Notice of the time and place of the meeting, including a general explanation of the matter to be considered and a statement that data regarding the fee change is available from the initiating department, should be mailed at least 14 days prior to the meeting to any party who has filed a written request for mailed notices on meetings on new or increased fees or service charges. Council meeting dates should be established for managerial departments after consultation with the Manager's Council

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

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Responsibility

Action

Initiating Department (cont'd)

Representative and for non-managerial departments after consultation with the Rules Committee Consultant.

(3) Written requests for such mailed notices will be valid for one year from the date they are filed unless renewal requests are filed.

(4) Renewal requests for such mailed notices should be filed on or before April 1st of each year.

(5) At least 10 days prior to the Council meeting, make available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which a fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues.

e. Upon City Council action, complete Departmental Fees and Charges Form FM-53 (stocked by Financial Management Department) and revise the Departmental Fee Index in triplicate and process as follows:

(1) Assign an Index Number to each new fee. Index Number shall be prefixed by the department number and should be sequenced to follow the last fee listed on the Departmental Fee Index. If the fee is the first to be charged by the department, the Index Number shall be prefixed by the department number and begin with 001 (e.g. 05500/001). A Departmental Fee Index should also be established (Examples are attached).

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

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| SUBJECT PROCESSING NEW AND REVISED FEES AND CHARGES FOR CURRENT SERVICES | Number 95.25 | Issue 3 | Page 5 of 7 |
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Responsibility

Action

Initiating Department (cont'd)

- (2) Obtain appropriate Fund and Revenue Accounts information from the Auditor and Comptroller for inclusion of Form FM-53.
- (3) Forward one copy of Form FM-53 and revised Departmental Fee Index with transmittal memo to City Clerk for filing in Ratebook of City Fees and Charges.
- (4) Forward one copy of Form FM-53 and Departmental Fee Index to Financial Management Department (Revenue Analyst).
- (5) Retain and file one copy of Form FM-53 and Departmental Fee Index.

City Clerk

- f. File form FM-53 and Departmental Fee Index in Ratebook of City Fees and Charges.
- g. Maintain a master Ratebook of City Fees and Charges available for public inspection.

5.2 Fees Requiring Managerial/Non-Managerial Department Head Approval

Initiating Department

- a. A department desiring to implement a new or revised fee shall submit to the City Manager/Non-Managerial Department Head a recommended fee schedule and the following documentation:
 - (1) purpose of fee;
 - (2) justification for implementation or revision of the fee;
 - (3) annual cost (including overhead) to the City to provide the service;
 - (4) current fee schedule and annual revenue receipts;
 - (5) proposed implementation date;

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

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| PROCESSING NEW AND REVISED FEES AND CHARGES FOR CURRENT SERVICES | Effective Date January 1, 1988 | | |

Responsibility

Action

Initiating Department (cont'd)

(6) public notice for City Manager's or Non-Managerial Department Head's signature prepared according to Council Policy 100-5.

b. An information copy of each fee proposal and public notice shall be provided to Financial Management Department (Revenue Analyst).

City Manager/
Non-Managerial
Department Head

c. Approve or disapprove proposed fee change and distribute public notice.

d. Return recommendation to department.

Initiating Department

e. Upon approval of proposed fee change and public notice, distribute copies of notice according to Council Policy 100-5. Public notice must be mailed at least thirty (30) days prior to implementation of the proposed fee change.

f. Department shall notify City Manager or Non-Managerial Department Head of any requests for appeal to the City Council received within thirty (30) days following distribution of public notice. Implementation of the proposed fee change, if appealed, shall be contingent upon City Council approval.

g. If no request for appeals made to the City Council within thirty days of notification, or if Council authorized implementation, complete Form FM-53 Departmental Fees and Charges, and revise the Department Fee Index in triplicate and process as described in Section 5.1.e(1) thru (4).

City Clerk

h. File form FM-53 according to Sections 5.1.f and 5.1.g of this regulation.

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

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APPENDIX

Legal Reference

State Government Code: Chapter 13, Part 1, Division 2, Title 5
Council Policy 100-5

Forms

Departmental Fees and Charges Form FM-53 (stocked by Financial Management Department)

Attachments

- 1) Attachment A (Memo - Ratebook of City Fees and Charges)
- 2) Attachment B (Public Notice, Proposed Fee Modification)
- 3) Attachment C (Council Policy 100-5)
- 4) Attachment D (Departmental Fees and Charges)

Subject Index

Fees
Charges for Current Services
Ratebook of City Fees and Charges

Administering Department

Financial Management

CITY OF SAN DIEGO
MEMORANDUM

ATTACHMENT A
SAMPLE

DATE :
TO : City Clerk
FROM :
SUBJECT : Ratebook of Fees and Charges

This memorandum is accompanied by revisions and additions to the Ratebook of City Fees and Charge.

Department

Index No.

Title

Ratebook pages which should be removed and destroyed and new pages which should be added to your Ratebook are listed below:

Ratebook Pages to be
Removed and Destroyed

Pages to be Added
to the Ratebook

ATTACHMENT B
SAMPLE

DATE :
TO : All Interested Parties
FROM : City Manager/Non-Managerial Department Head
SUBJECT : Public Notice
Proposed Fee Modification

SUBJECT FEE:

IMPLEMENTATION DATE:

FEE DESCRIPTION:
(Purpose)

CURRENT FEE:

PROPOSED FEE:

EXPLANATION OF CHANGES:

DEPARTMENTAL CONTACT: Name
 Department
 Telephone
 Mailing Address

NOTE: This proposed fee may be appealed to the City Council if you so desire and if such request for appeal is requested prior to the above implementation date. Requests for appeal should be directed to: (the initiating department)

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

| SUBJECT | POLICY NUMBER | EFFECTIVE DATE | PAGE |
|----------------------------|------------------|-------------------|--------|
| FEES - PUBLIC NOTIFICATION | 100-5 | 04-09-79 | 1 of 1 |

BACKGROUND

From time to time, the City of San Diego establishes fee structures to recover costs for performing special services to the public. These fees generally only recover actual costs and overhead for the service performed. Due to the broad range of fee types and varying fee structures the City Manager has been authorized in a number of instances to adjust these fee structures, once approved and enacted by the Council, in order that they would continue to reflect full cost recovery. To date the policy of public notification of proposed City Manager fee changes has been an informal one. The Council believes this informal notification policy should be applied consistently and uniformly, therefore the need for the following Council Policy.

PURPOSE

To formalize the process of notifying the public when changes to fee structures are to be made by the City Manager and nonmanagerial department heads.

POLICY

The City Manager and or nonmanagerial department heads, depending on who administers specific fee structures, shall notify the public of any and all proposed fee modifications prior to them being implemented.

The notification shall be in writing and addressed to representatives of the industry affected, consumer groups, and or individuals who have expressed an interest in specific fee structures.

Departments administering the various fees shall maintain a mailing list of groups and or individuals notified of proposed fee changes.

Notification of fee changes shall be by mail and be sent not later than thirty days prior to the implementation of the fee modification.

Each notification shall describe the fee and its purpose. Also included shall be the current fee structure and the proposed fee structure along with explanation of the changes.

Each notification will have a contact person and telephone number listed in order that public inquiries can be answered.

Each notification shall indicate that the proposed fee may be appealed to the City Council if the public is so inclined.

Adopted by Resolution No. 223244

INDEX NUMBER: _____

DEPARTMENTAL FEES AND CHARGES

DEPARTMENT/DIVISION _____

PROGRAM ELEMENT _____

NO. _____

TITLE:
(Name of Fee or Charge) _____

AMOUNT:
(Amount of Fee or
Schedule of Charges) _____

Schedule of Current
Charges Attached: YES _____ NO _____

Date Current Fee/
Schedule Established _____

Date of Last Fee Review: _____

DESCRIPTION AND PURPOSE
OF FEE: _____

AUTHORITY: (MUNICIPAL
CODE; CITY CHARTER;
ORDINANCE: RESOLUTION) _____

DATE: _____ (COPY ATTACHED)

FUND _____

TITLE: _____ NO. _____

REVENUE ACCOUNT
(for deposit of
fees collected)

TITLE: _____ NO. _____

DEPARTMENTAL CONTACTS

NAME _____

TITLE _____

PHONE _____

REVIEWED BY

NAME _____

DATE _____

