

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
MONDAY, APRIL 20, 2009
AT 2:00 P.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Hueso at 2:01 p.m. The meeting was adjourned by Council President Hueso at 6:20 p.m.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Lightner-present
 - (2) Council Member Faulconer-present
 - (3) Council Member Gloria-present
 - (4) Council Member Young-present
 - (5) Council Member DeMaio-present
 - (6) Council Member Frye-present
 - (7) Council Member Emerald-present
 - (8) Council Member Hueso-present
- Clerk-Maland (dlc)

FILE LOCATION: MINUTES

ITEM-1: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Lightner-present
- (2) Council Member Faulconer-present
- (3) Council Member Gloria-present
- (4) Council Member Young-not present
- (5) Council Member DeMaio-present
- (6) Council Member Frye-present
- (7) Council Member Emerald-not present
- (8) Council Member Hueso-present

FILE LOCATION: MINUTES

ITEM-10: INVOCATION

Invocation was given by Father Tom Phillips of St. Dunstan's Church.

FILE LOCATION: MINUTES

ITEM-20: PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Lightner.

FILE LOCATION: MINUTES

ITEM-150: Park and Recreation Proposed Fee Schedule. (Citywide.)

(See Report to the City Council No. 09-029; and Park and Recreation Department's 4/1/2009, PowerPoint.)

TODAY'S ACTION'S ARE:

Introduce the following ordinance in Subitem A and adopt the resolution in Subitem B:

Subitem-A: (O-2009-121) INTRODUCED, TO BE ADOPTED TUESDAY
MAY 5, 2009

Introduction of an Ordinance amending Chapter 6, Article 3, Division 1, of the San Diego Municipal Code by Amending Section 63.0102, relating to use of public parks and beaches regulated. Under the current law, large groups of seventy-five or more persons are required to obtain a ground use permit. This amendment changes the group size to fifty persons.

Subitem-B: (R-2009-1023) ADOPTED AS RESOLUTION R-304805

Adopting the Proposed Fee Schedule, attached as Exhibit A, for the purpose of recovering the costs of Park and Recreation services and use of facilities;

Declaring that the Proposed Fee Schedule shall be effective beginning July 1, 2009;

Directing the Mayor to review the fees 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;

Directing the City Clerk to amend the City Ratebook to include the fees attached hereto in Exhibit A.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/1/2009, Budget voted 3 to 1 to forward the Park and Recreation Department's proposed user fee schedule to the full City Council. (Councilmembers Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted Nay. Councilmember Faulconer not present.)

SUPPORTING INFORMATION:

As part of the City's effort to implement a comprehensive fee policy, the Park and Recreation Department has reviewed its fee schedule and is proposing several changes (Exhibit A). The Park and Recreation Fee Schedule was last revised in FY 2006, although not all fees were changed at that time.

The total revised FY 2009 General Fund budget for Park and Recreation is \$86,729,239. The total revised General Fund revenue for FY 2009 is \$31,700,601. Approximately \$5.6 million of the total revenue is earned from user fees, resulting in an estimated ten percent of expenses offset by fees.

Efficiencies

As a result of budget reductions for the Department (approximately \$10 million from FY 2007 through FY 2009), the Department has had to reduce costs and improve efficiencies to provide services and programs. The Department is also reviewing its maintenance services through a Business Process Reengineering (BPR). Any budgetary savings from the maintenance BPR if approved by the City Council is not expected to result in significant reductions to user fees given that the estimated overall cost recovery is only ten percent of overall expenses. The City's User Fee Policy calls for an annual review during the budget process, and any changes to costs as a result of the BPR or other efficiencies will be evaluated and reflected in future fee adjustments as appropriate.

Methodology

Proposed fee changes were based on several factors including: Consumer Price Index (CPI) increases since the last fee revision (estimated at 8.8%); estimated cost recovery; comparisons with other agencies; changes in services offered; and consistency improvements.

Cost Recovery Discussion

Calculating the cost of service for a specific program or service is difficult for most Park and Recreation programs. Since multiple uses can occur for one facility, deriving costs for each service has not been possible. For example, landscaped areas are available for youth and adult sports, picnics, special events, and passive enjoyment. The Department is able to determine the estimated cost of maintaining a landscaped area; however, assigning specific costs to each type of use (e.g., youth soccer games, non-resident rugby leagues, small weddings, or an inflatable) would require extensive analysis.

For this reason, the Department reviews cost recovery on a program basis for most fees. Other considerations include direct and indirect costs, and fee waivers or reimbursements from other sources. Per the General Fund Fee Policy, the Department has identified the following cost recovery categories for most programs.

Category 1 – Full Recovery

Park and Recreation Department has six programs that are proposed for full cost recovery. Costs are based on estimated FY 2010 direct costs and the current indirect rate. These programs are: Additional Operating Hours at Recreation Centers; Beach Bar Permits (Long Term Boat Beaching); Dance Instruction; Miscellaneous Staffing for Event Support; Mooring Permits; and Non-Hours of Operation (use of facilities when normally closed). The total estimated annual budgeted revenue increase for Category 1 fees is \$62,465.

Category 2 – Partial Recovery

All other Park and Recreation programs and services are not fully cost recoverable. Fiscal Year 2009 cost recovery rates for major programs are as follows: Aquatics, 26%; Balboa Park Use, 104%; Building Use or Miscellaneous Services at Community and Neighborhood Parks, 4%; Kumeyaay Campground, 11%; Mission Bay/Beaches and Shoreline Parks Use, 14%; Mt. Hope Cemetery, 66%; Outdoor Use at Community and Neighborhood Parks, 18%. The Balboa Park Use program appears to be fully cost recoverable; however, this is due to the reimbursements from Transient Occupancy Tax and Environmental Growth Fund balances and not on fees. These available balances vary from year to year. Total estimated annual budgeted revenue increase for Category 2 fees is \$1,096,725.

Exhibit A is attached to the Report to the City Council (09-029) and lists all proposed fee revisions.

FISCAL CONSIDERATIONS:

Total estimated annual revenue increase is \$1,159,190.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Budget and Finance Committee voted on April 1, 2009, to forward the Park and Recreation Proposed Fee Schedule to the City Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Notices of the changes to the fee schedule were posted at all City Park and Recreation administrative offices, recreation centers, pools, and visitor's centers the week of March 16, 2009. The proposed fee schedule was also posted on the City's web site. Fees in general were discussed at the Park and Recreation Board's Area Committee meetings held in 2009 on January 14 (Community Parks II), February 4 (Community Parks I) and February 11 (Community Parks II). A fee workshop was held at the February 19, 2009, Park and Recreation Board meeting. At the March 19 meeting, the Park and Recreation Board heard public testimony and voted not to support the proposed fees based on the following factors: lack of sufficient time for public review before the Park Board meeting; questions from the community; and, concerns from the Board members with one or more sections of the proposed fee schedule. Changes were made to the proposed fee schedule based on public input and a revised fee schedule (changes are highlighted in Exhibit A) was distributed on March 25, 2009.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Park and Recreation patrons, adult and youth organizations using Park and Recreation facilities, special use permit holders, mooring and beach bar permit holders, and other businesses using Park and Recreation facilities would see increased costs. Specific impacts are too numerous and difficult to list since fees will vary depending on the activity, size of the group, possible discounts, and many other factors. In general, youth leagues not using lights will experience average cost increases from \$0.50 to \$5 per participant per season. A family of four (2 adults, 2 children) swimming at a pool will pay \$12 rather than \$13. A group of 60 youth group members conducting an outdoor meeting would pay \$54 (\$0.90 per person); currently this group is not required to pay a fee for this activity. A non-profit group sponsoring a run in three venues in Balboa Park with 1,000 persons will pay \$1,470 (\$1.47 per person) rather than \$450.

City fees for City-conducted Park and Recreation Department recreation programs and the City surcharge on contractual recreation programs conducted by Recreation Councils are waived for individuals from families whose gross income in the past twelve months falls within the United States Department of Labor Lower Living Standard Income Level, San Diego index, (page 20 of Exhibit A). Scholarships may also be available for various programs.

Novak/Goldstone

Staff: Patty Jencks - (619) 235-5244
Kimberly Ann Davies - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:00 p.m. – 6:18 p.m.)

MOTION BY GLORIA TO INTRODUCE THE ORDINANCE IN SUBITEM A AND ADOPT THE RESOLUTION IN SUBITEM B. Second by Emerald. Passed by the following vote: Lightner-yea, Faulconer-nay, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-151: Fiscal Year 2010 Proposed User Fee - Office of the City Treasurer Parking Citation Web/IVR Payment Transaction Fee. (Citywide.)

(See City Treasurer's 4/1/2009, PowerPoint; and Report to the City Council No. 09-038.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-1029) ADOPTED AS RESOLUTION R-304806

Approving the \$1.06 transaction fee to provide for the online payment of parking citations online;

Directing the City Clerk to amend the City Ratebook to include the fee of \$1.06 transaction fee for the online payment of parking citations;

Declaring that the above described fee is to be effective beginning on July 1, 2009.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/1/2009, Budget voted 3 to 1 to forward the Office of the City Treasurer's proposed user fee to the full City Council. (Councilmembers Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay. Councilmember Faulconer not present.)

SUPPORTING INFORMATION:

In September 2008, the City began accepting parking citation payments on-line and over the phone via an automated system. This service improvement allows customers to make parking citation payments 24/7 from the convenience of their home or office. Customers using the enhanced payment option receive immediate confirmation of their payment, can print a receipt, and eliminate the risk of mailed payments being lost en route.

The City pays a fee of \$1.06 per transaction to the vendor providing the automated Web/IVR payment system. The annual expenditure of \$120,000 for Web/IVR payment transactions (113,000 transactions estimated for Fiscal Year 2009) is not currently recovered from users.

It is recommended that a transaction fee of \$1.06 be established and charged to users of the Parking Citation Web/IVR payment options to recoup the cost of providing this enhanced level of service.

If established, customers using the Web/IVR payment system will be notified of the fee and given the option to cancel the transaction before the transaction is finalized and processed. Those opting out will be able to make their payment using other traditional payment methods (mail and over the counter).

EXISTING REVENUES:

Presently, the Office of the City Treasurer administers and collects the following revenues:

- Taxes
- Business Tax – FY10 Proposed Budget: \$5,821,552
- Rental Unit Business Tax – FY10 Proposed Budget: \$5,200,000
- Transient Occupancy Tax (TOT)
- Parking Citations
- Penalties – FY10 Proposed Budget: \$784,317
- User Fees – Cost Recoverable (Fully/Partially)

The Fiscal Year 2009 total department revenue is projected to be \$27,429,908. The projected revenue generated from the seven (7) department user fees listed below is \$12,274,220.

CATEGORY 1: 100% COST RECOVERABLE

Business Tax (Resolution Number R-299382)

- Application Processing Fee - \$25 per application
- Renewal Processing Fee - \$15 per renewal account

Last Revised: Fiscal Year 2006

Rental Tax (Resolution Number R-299382)

- Renewal Processing Fee - \$15 per account

Last Revised: Fiscal Year 2006

Parking Permit Fees

- Parking Meter Rate (SDMC § 86.11 – 86.18, 82.04 – 82.06, 82.09)

Fee: \$1.25 per hour

Last Revised: Fiscal Year 2004

Residential Parking Permits (SDMC § 86.2001 – 86.2017)

Fee: \$14 per year, \$7 per last six months or \$3.50 per two weeks

Last Revised: Fiscal Year 2003

CATEGORY 2: LESS THAN 100% COST RECOVERABLE

Delinquent Accounts

- Collection Referral Fee (Resolution Number R-300713)

Fee: \$25 or 10% (greater amount) up to a maximum of \$1,000 per incident

Last Revised: Fiscal Year 2006

- Interest on Collection Accounts (SDMC § 22.1707[c])

Fee: 12% per annual on unpaid balance per incident

Last Revised: Fiscal Year 1992

As noted above, these user fees are governed by Council Resolution, Municipal or State Codes. All user fees are monitored annually by the department. At this time, the revenue in comparison to program costs are reasonable. Therefore, no revisions are being recommended at this time.

NOTE: The Office of the City Treasurer's major programs have not undergone Business Process Reengineering.

FISCAL CONSIDERATIONS:

Implementing the \$1.06 Parking Citation Web/IVR Payment Transaction Fee will increase the department's cost recoverable user fees revenue by approximately \$120,000 annually or 1% (based on 113,000 transactions estimated for Fiscal Year 2009). If approved by City Council, the implementation date will be effective July 1, 2009.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On April 1, 2009, the Budget and Finance Committee approved forwarding this item to the full City Council for consideration.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The proposed fee has been presented to fee payers and business leaders during outreach meetings coordinated by the Financial Management Department and Mayor's Office.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None.

Granewich/Lewis

Staff: Michael Vogl - (619) 744-3180
Todd Franklin Bradley - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:15 p.m. – 3:30 p.m.)

MOTION BY YOUNG TO ADOPT. Second by Hueso. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-152: City Clerk Proposed User Fee Schedule. (Citywide.)

(See Report to the City Council No. 09-032 and City Clerk's April 1, 2009, PowerPoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-1030) ADOPTED AS RESOLUTION R-304807

Approving the fees reflected in the updated City Clerk Fee Schedule attached hereto as Attachment A;

Directing the City Clerk to amend the City Ratebook to include the fees attached hereto as Attachment A;

Declaring that the fees reflected in Attachment A, are to be effective on July 1, 2009.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/01/2009, Budget voted 3 to 1 to forward the City Clerk's proposed user fee schedule to Council. (Councilmembers Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay. Councilmember Faulconer not present.)

SUPPORTING INFORMATION:

The Office of the City Clerk assesses fees for copies of City Council approved items: copies of the City Charter, Notary Public, Council District Maps, Campaign Statements, Statements of Economic Interest, Lobbyist Registration and Election Filing information. Fines are assessed according to local and state mandates for Late Filing of Campaign Statements and Statements of Economic Interest. Total department revenue in FY08 was \$54,807 (\$53,524 from services to other Funds, and \$1,283 from fees and fines). There are a total number of 20 fees and fines in the City Clerk's office. There is one fee (City Charter) proposed for increase. The proposal is for a fee increase to the City Charter, from \$3.00 at the front counter to \$11.50, and from \$5.20 for a mailed copy to \$14.20 to ensure the City recovers the cost for providing this information.

The proposed increase is estimated to add \$425 in revenue from fees for the City Charter based on the average of 50 copies sold per year over the front counter, and is estimated to add \$450 in revenue from fees for the City Charter based on an average of 50 copies sold per year by mail.

The last revision of City Clerk fees and fines was in FY2005. However, the last revision to the City Charter fee was FY2004. Based on projected revenue of \$53,819 this fiscal year, an overall increase in revenue may not be realized in FY2010. Due to budget limitations, and in keeping with the Departments goals of access and efficiency, the City Clerk is continuing the process of increasing online access to various documents and eliminating the distribution of hardcopy materials.

The hardcopy formats proposed for elimination include the City Council Docket (including supplemental and revised pages) and the Municipal Code (including supplements). These documents are available online at no cost to the user. There has been an overall decrease in the number of requests for hardcopy format making it no longer cost effective for the department to print. Remaining City Clerk fees are either cost recoverable or mandated according to local or state law (see attached Fee Schedule.) The proposed implementation date is July 1, 2009.

FISCAL CONSIDERATIONS:

The proposal is for a fee increase to the City Charter, from \$3.00 at the front counter to \$11.50, and from \$5.20 for a mailed copy to \$14.20. The proposed increase is estimated to add \$425 in revenue from fees for the City Charter based on the average of 50 copies sold per year over the front counter, and is estimated to add \$450 in revenue from fees for the City Charter based on an average of 50 copies sold per year by mail.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On April 1, 2009, the Budget and Finance Committee voted 3 to 1 to forward the City Clerk's proposed User Fee Schedule to Council. Young-yea, Gloria-yea, Emerald - yea, DeMaio-nay, Faulconer- not present.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Noticing in the Council Docket, posting in the Clerk's Office and CAB building.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Citizens of San Diego - all internal and external customers who access information pertaining to local government. In an attempt to leverage existing resources and maximize access, we have pushed to make as much material available online as possible. This reduces cost, increases access and provides better customer service.

Biagi

Staff: Tridae Hughes – (619) 533-6476
Catherine M. Bradley – Chief Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:32 p.m. – 3:35 p.m.)

MOTION BY EMERALD TO ADOPT. Second by Gloria. Passed by the following vote: Lightner-yea, Faulconer-nay, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-153: Enterprise Zone Fee Increase. (College Area, City Heights, North Park, Logan Heights, Barrio Logan, Sherman Heights, Stockton, Southcrest, Mountain View, Mt. Hope, Shelltown, Lincoln Park, Valencia Park, Chollas View, San Ysidro, Otay Mesa/Nestor, Otay Mesa, and Centre City East Community Areas. Districts 3, 4, 7, and 8.)

(See Report to the City Council No. 09-033.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-1015) ADOPTED AS RESOLUTION R-304808

Authorizing the Mayor, or his designee, to increase to \$100 the fee for each application for a San Diego Regional Enterprise Zone hiring tax credit voucher available under California Revenue and Taxation Code Sections 17053.74 and 23622.7, to be implemented no earlier than July 1, 2009, and 30 days after notifying the affected industries of the fee increase, in accordance with Council Policy 100-05 (Fees – Public Notification).

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/1/2009, Budget voted 3 to 1 to forward the Economic Growth Services proposed user fee increase to the full City Council. (Councilmembers Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay. Councilmember Faulconer not present.)

SUPPORTING INFORMATION:

In 2004, the Governor signed a bill authorizing the State to collect \$10 for each Enterprise Zone (EZ) hiring application reviewed for issuance of an EZ hiring tax credit voucher. The City collects this fee at the time it accepts an EZ hiring credit voucher application. The fee allows the State's Housing and Community Development Department (HCD) to staff and administer the State EZ Program effectively. Subsequently, the City may also collect an additional application fee to help offset the cost of administering the local program. In 2005, Council approved a \$40 EZ fee in addition to the State mandated \$10 fee to help offset program costs the city incurs associated with administering the state mandated fee and the local program. The EZ fee has not been revised since it was initially approved in 2005.

The current \$50 EZ fee generated approximately \$175,000 in FY 08 and did not fully recover the city's costs associated with the program. In order to generate sufficient revenue to recoup all or the majority of program related costs, staff is recommending increasing the voucher fee to \$100 per application. From this fee, the City will remit \$10 for each EZ hiring credit application reviewed to HCD on a monthly basis and the balance of the fee is the city's revenue to cover EZ related program expenses. It is anticipated that the \$100 EZ fee will generate approximately \$450,000/yr. for the EZ program in FY 10 however it does not recover 100% of the costs associated with administration of the EZ program in FY10 (See full Report to Council). However due to the fact that the amount of applications the City has received since the SDREZ was approved in 2006 has increased significantly, it is anticipated that more voucher applications will

be received than initial 4,500 applications projected. Staff will re-evaluate the program budget and revenue projections in FY 10 to ensure sufficient revenue is generated for the EZ Program.

The proposed fee of \$100 per EZ hiring voucher application is an increase of 100% from the existing \$50 fee and is needed in order to implement the EZ Program. The benefit to a company receiving an EZ hiring credit voucher is substantial. In the first year alone, an EZ company's credit could potentially range from approximately \$8,000 to more than \$12,000 in state tax credits per full-time employee, a savings that will allow EZ companies to invest back into the San Diego economy. The fee increase will allow the city to recover program costs associated with administering the EZ program to the more than 12,000 businesses within the boundaries of the SDREZ. The SDREZ program offers tremendous business incentives to help the region assist companies as well as attract new ones and there are no anticipated impacts to the program or the EZ business community. The estimated annual increase in revenue to the City is \$275,000. The new fee will be effective on July 1, 2009.

FISCAL CONSIDERATIONS:

There will be ongoing staff time and resources required to administer the SDREZ during the fifteen-year designation period. The San Diego Regional Enterprise Zone Partners will contribute \$194,000 annually to offset program costs in addition to the proposed fee increase. The combined revenue will offset the city's costs associated with the program to appropriately maintain the SDREZ Program throughout its designation period. Staff will return to Council requesting authorization to execute the MOU between the SDREZ Partnership to formalize fiscal and management support for the SDREZ. The anticipated revenue from the EZ fee increase for FY10 is \$450,000.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Council authorized the collection of an EZ application fee for each application accepted by San Diego in 2005 (R-300214). Council authorized staff to submit an application for a new EZ designation in 2006 (R-301845). Budget and Finance Committee reviewed and approved on April 1, 2009.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Notices will be sent to EZ companies and their consultants informing them of the pending fee increase.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Staff presented the proposed fee increase on March 17, 2009, at the General Fund Fees stakeholder meeting organized by the Mayor.

Moreno/Dubick

Staff: Lydia Moreno – (619) 236-6320
Brock Ladewig – Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:35 p.m. – 3:36 p.m.)

MOTION BY EMERALD TO ADOPT. Second by Gloria. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-154: Pedicab Permit Fee Update. (Citywide.)

(See Report to the City Council No. 09-037; and Engineering and Capital Projects Department's 4/1/2009, PowerPoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-1024) ADOPTED AS RESOLUTION R-304809

Approving an increase in the Pedicab Permit Fee from \$25 to \$40;

Directing the City Clerk to amend the City Ratebook to include a Pedicab Permit Fee of \$40;

Amending Pedicab Permit fee to be effective beginning on July 1, 2009.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/1/2009, Budget voted 3 to 1 to forward the Engineering and Capital Projects Department's proposed user fee increase to the full City Council. (Councilmembers Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay. Councilmember Faulconer not present.)

SUPPORTING INFORMATION:

In conjunction with the Mayor's effort to implement a comprehensive fee policy, the Engineering and Capital Projects Department has undertaken a comprehensive review of department fees, and is presenting a proposal to update one fee to be consistent with the policy, the Pedicab Permit fee. Currently, the Engineering and Capital Projects Department has budgeted revenues of \$63,064,976 of which \$104,250 are attributed to fees, with the remainder being related to reimbursable expenses, primarily for work related to the implementation of the CIP. The Pedicab Permit fee was established in 2001 and has not been revised since its establishment. The methodology utilized consisted of dividing the actual average number of hours to administer the program by the average number of permits. The Pedicab Permit fee is proposed to be increased from \$25 to \$40 in order to be 100% reimbursable in line with the other fees.

Type of Fee	Fee Application	Existing Fee	Proposed Fee	Budget Revenue	Proposed Revenue
Pedicab Permit	Per Permit	\$25	\$40	\$15,250	\$60,000

FISCAL CONSIDERATIONS:

The fee increase proposed would result in an additional \$44,750 in revenue, and recover the cost of administering the permits.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On April 1, 2009, the Committee on Budget and Finance approved the proposed increase to the Pedicab Permit fee.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Pedicab company owners were notified of the proposed fee increase by e-mails, phone calls, and personal contact.

KEY STAKEHOLDERS AND PROJECTED IMPACTS (if Applicable):

Pedicab company owners and operators.

Boekamp/Jarrell

Staff: Deborah Van Wanseele (619) 533-3012
Ryan Kohut – Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:36 p.m. – 3:40 p.m.)

MOTION BY EMERALD TO ADOPT. Second by Gloria. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-155: Library Department Proposed User Fee Schedule. (Citywide.)

(See Reports to the City Council No. 09-034 and 09-048.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-1018) ADOPTED AS RESOLUTION R-304810

Finding the change to the Library Department's Revised Fee Schedule set forth in Attachment A is reasonable in light of the philosophy and goal of library services, length of time since the fine was increased, deterrent value of library fines, and comparisons with other agencies;

Directing the City Clerk to amend the City Ratebook to include the Library Department's Revised Fee Schedule;

Declaring that the Library Department's Revised Fee Schedule will become effective July 1, 2009.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/1/2009, Budget voted 3 to 1 to forward the Library Department's proposed user fee schedule to the full City Council. (Councilmembers Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay. Councilmember Faulconer not present.)

SUPPORTING INFORMATION:

Library fines and fees traditionally have served as a deterrent to returning materials late and/or damaged. The Library's fee schedule was last reviewed in FY 2004. There are two fees eligible for cost recovery - the meeting room fees and the lost item fee. The lost item fee currently is at the level for cost recovery. The meeting room fees and the fine for children's materials kept overdue were increased in FY 2004, at which time payments for meeting room usage declined and did not meet projected revenues. The maximum for the adult materials fine was increased to

\$20.00 but the base rate for the fine remained at \$.25. A 5-cent per day increase is proposed for the base rate for the adult overdue fine. The proposed change is based on several factors including: philosophy and goal of library service, length of time since the fine was increased, deterrent value of library fines, and comparison with other agencies.

The current proposal would raise the overdue fine for Adult Collection materials from \$.25 per day to \$.30 per day.

FISCAL CONSIDERATIONS:

For FY 2009 the Adult Fine revenue budget is \$685,000 but actual revenue of \$565,000 is projected. Lower revenues are likely the result of a newly instituted email system to alert borrowers that their library materials are due. The system also notifies borrowers of overdue materials. Together with the economic downturn, the result is materials may be returned more promptly and the revenue collected from fines may be lower. However, it is anticipated that the increase to the adult overdue fine could result in collecting the current budgeted amount of \$685,000 for adult overdue fines revenue.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Budget and Finance Committee discussed a General Fund User Fee Policy at its February 25, 2009 meeting. At the April 1, 2009 meeting, the Budget and Finance Committee voted to move forward to the City Council the proposed Library Fee Schedule.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

In addition to the public noticing for City Council meetings on fines and fees revisions, the Library has notified the public of revised fees through the Library's web site, and posted information at each library location. Borrowing rules listed on the library card application will include a notification, and special methods such as bookmarks will be used to notify the public of proposed changes.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Library fines serve as a deterrent and are meant to encourage the prompt return of library materials and this may result in fewer items borrowed or lowered revenue as borrowers are more careful about returning books on time. As a result of the Library Business Process Reengineering (BPR), borrowers can be notified by email three days prior to the item due date or renew an item online or by phone - these service enhancements may have the impact of reducing fine revenues. Patrons can minimize fines by returning library materials on time. In recognition of the difficult financial times and the concern that parents would limit children's borrowing of books it is not proposed to increase the fine for juvenile materials at this time. The fine for Juvenile materials was increased from \$0.05 per day to \$0.10 per day and the maximum increased from \$1.00 to \$5.00 in 2004.

Barrow/Goldstone

Staff: Deborah L. Barrow - (619) 236-5843
Paul F. Prather - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:40 p.m. – 3:41 p.m.)

MOTION BY EMERALD TO ADOPT. Second by Gloria. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-156: Special Event Public Safety User Fees.

(See Report to the City Council No. 09-035.)

TODAY'S ACTIONS ARE:

Introduce the following ordinance in Subitem A and adopt the resolution in Subitem B:

Subitem-A: (O-2009-120) INTRODUCED, TO BE ADOPTED ON
TUESDAY, MAY 5, 2009

Introduction of an Ordinance amending Chapter 2, Article 2, Division 40, of the San Diego Municipal Code, by amending Section 22.4006, which contains the Special Events Ordinance, by eliminating the provision of \$1,000 in free City services to tax-exempt organizations in support of their Special Events.

Subitem-B: (R-2009-1022) ADOPTED AS AMENDED AS RESOLUTION
R-304811

Approving the fees related to special events, reflected in the summary and table;

Directing the City Clerk to amend the City Ratebook to include the fees;

Declaring that the fees are to be effective beginning on July 1, 2009.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/1/2009, Budget voted 4 to 1 to forward the San Diego Police Department and Fire-Rescue Department's proposed special event public safety user fee schedule to the full City Council with the recommendation that the current non-profit special event rate be retained. (Councilmembers Faulconer, Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay.)

SUPPORTING INFORMATION:

The City of San Diego provides a number of public safety services to support special events and related activities throughout the City of San Diego. These events and activities range in scope from civic events such as festivals, parades, and runs sponsored by non-profit organizations to commercial public events, private corporate parties, collegiate and professional sports activities, concerts, exhibits and events in convention facilities and hotels, along with other activities such as filming.

In conjunction with the City's effort to implement a comprehensive fee policy, the Police Department and Fire-Rescue Department have undertaken a review of their departmental fees. Because both departments provide significant levels of on-site operational support and regulatory review to a wide-variety of event types, event-related fees from these two departments are presented together in this report.

FISCAL CONSIDERATIONS:

An estimated additional \$1.45 million in new revenue to the General Fund; \$1,000,000 generated to fully recover Police Department costs and \$450,000 generated to fully recover Fire-Rescue Department costs.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

April 1, 2009, Budget and Finance Committee Meeting and forwarded to City Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Information provided in Police Department User Fee Report and Fire-Rescue Department User Fee Report.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Broad range of organizations that organize special events and supply services to the special event industry.

Wormser/Goldstone

Staff: Carolyn Wormser - (619) 685-1331

Kimberly Ann Davies - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:42 p.m. – 4:36 p.m.)

Motion by Faulconer to adopt the Resolution in Subitem B and maintain the current non-profit status rate and the \$1000 free City services to tax-exempt organizations in support of their special events. Direct staff to include information on costs when item is returned in 30 days. Second by Young. Failed nays-3578; yeas-1246.

MOTION BY GLORIA TO INTRODUCE THE ORDINANCE IN SUBITEM A AND ADOPT THE RESOLUTION IN SUBITEM B AMENDING STAFF'S RECOMMENDATION TO MAINTAIN THE CURRENT NON-PROFIT STATUS RATE FOR TAX-EXEMPT ORGANIZATIONS AND ELIMINATE THE \$1,000 FREE CITY SERVICES TO TAX-EXEMPT ORGANIZATIONS IN SUPPORT OF THEIR SPECIAL EVENTS. DIRECT STAFF TO INCLUDE INFORMATION ON COSTS WHEN ITEM IS RETURNED IN 30 DAYS. Second by Hueso. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-nay, Hueso-yea.

ITEM-157: San Diego Police Department User Fee Schedule.

(See Reports to the City Council No. 09-030 and 09-049; and San Diego Police Department's April 1, 2009, PowerPoint.)

TODAY'S ACTIONS ARE:

Introduce the ordinances in Subitems A, B, and C; and adopt the resolution in Subitem D:

Subitem-A: (O-2009-122) INTRODUCED, TO BE ADOPTED ON
TUESDAY, MAY 5, 2009

Amending Chapter 3, Article 3, Division 37, of the San Diego Municipal Code by amending Sections 33.3711 and 33.3717, relating to Burglary, Robbery, and Emergency Alarm Systems.

Subitem-B: (O-2009-123) INTRODUCED, TO BE ADOPTED ON
TUESDAY, MAY 5, 2009

Amending Chapter 3, Article 3, Division 34, of the San Diego Municipal Code by amending Section 33.3406, relating to Bingo Games for Charitable Non-Profit Organizations.

Subitem-C: (O-2009-124) INTRODUCED, TO BE ADOPTED ON
TUESDAY, MAY 5, 2009

Amending Chapter 3, Article 3, Division 41, of the San Diego Municipal Code by amending Section 33.4104, relating to Casino Party.

Subitem-D: (R-2009-1016) ADOPTED AS AMENDED AS RESOLUTION
R-304812

Approving the fees related to police regulated businesses, reflected in the summary and table, as Attachment I and Attachment II;

Directing the City Clerk to amend the City Ratebook to include the fees attached as Attachment I and Attachment II;

Declaring that the fees, Attachment I and Attachment II, are to be effective beginning on July 1, 2009.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/01/2009, Budget voted 4 to 1 to forward the San Diego Police Department's proposed cost recovery levels, with the exception of line items 12 through 17, to the full City Council. (Councilmembers Faulconer, Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay.)

SUPPORTING INFORMATION:

The San Diego Police Department [Department] is responsible for issuing permits and regulating industries involving a variety of businesses. These are collectively referred to as Police Regulated Businesses. In an effort to implement the Mayor's comprehensive fee policy and comply with Chapter Three of the San Diego Municipal Code, the Department has reviewed its fees and is proposing updates to the rates. These fees have previously been reviewed or updated between four and ten years ago. In that time, there have been increases to direct costs that are not

recovered in the current fees. As a result, the General Fund is used to subsidize the portion of expense that is not fully recovered through fees.

Revisions to the fees will produce an estimated \$1.8- \$2.3 million of cost recovery revenue in addition to the \$3.6 million already budgeted . The total adopted FY 2009 General Fund budget for the Department is \$410,670,845. Total budgeted General Fund revenue is \$44,785,622.

Special Event fees will be addressed in a separate comprehensive report including input from all City departments. Therefore, Special Event fees have been excluded from this report.

FISCAL CONSIDERATIONS:

The Department estimates the following increases in General Fund revenue with the proposed rates will be \$1.8 - \$2.3 million. There will be no cost for implementation other than expenses associated with public notice or mailings.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Budget and Finance Committee discussed a General Fund User Fee Policy at its February 25, 2009 meeting. Additionally, the Budget and Finance Committee reviewed the original Police Regulated Industry fee proposal. The Committee recommended forwarding the fees to the full City Council for consideration, with the exception of the entertainment industry permits.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Notices of the changes to the Fee Schedule will be posted at all San Diego Police Department facilities. The proposed Fee Schedule will also be posted on the City's web site. The Department has met with representatives of business interest groups and will continue to provide updated information to individuals and businesses.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Stakeholders include owners of police regulated businesses and independent contractors; community groups and organizers of special events; film production companies; construction companies that require traffic control; professional and college sports teams; local colleges and universities.

Lansdowne/Goldstone

Staff: Stacy Roberts – (619) 531-2739
John C. Hemmerling – Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:36 p.m. – 5:00 p.m.)

MOTION BY GLORIA TO INTRODUCE THE ORDINANCES IN SUBITEMS A, B AND C AND ADOPT THE RESOLUTION IN SUBITEM D WITH THE EXCEPTION OF ITEMS 12 -18 AND 29. Second by Lightner. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-158: Development Services Department/Neighborhood Code Compliance Division Proposed User Fee Schedule Increases to Newsrack Permit Fees. (Citywide.)

(See Report to the City Council No. 09-031 and Development Services Department's April 1, 2009, PowerPoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-1031) ADOPTED AS RESOLUTION R-304813

Approving a newsrack permit fee in the Gaslamp Quarter Planned District of \$15 per newsrack per year (a \$5 increase from the original permit fee of \$10);

Approving a Citywide newsrack permit fee (except for the Gaslamp Quarter Planned District) of \$15 per newsrack per year (a \$5 increase from the original permit fee of \$10);

Directing the City Clerk to amend the City Ratebook to include the aforementioned newsrack permit fees;

Declaring that the aforementioned newsrack permit fees are to be effective beginning on January 1, 2010.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 4/01/2009, Budget voted 3 to 1 to forward the Development Services/Neighborhood Code Compliance Division's proposed user fee increase to the full City Council. (Councilmembers Gloria, Young, and Emerald voted yea. Councilmember DeMaio voted nay. Councilmember Faulconer not present.)

SUPPORTING INFORMATION:

The Newsrack Ordinance was last amended in March of 2007 to include, among other things, San Diego Municipal Code section 62.1014, which established a Citywide annual Newsrack Permit Fee (excluding the Gaslamp Quarter Planned District), as well as a separate annual Newsrack Permit Fee in the Gaslamp Quarter Planned District. Both fees were set at \$10 per newsrack per year, the former to cover the costs of processing the permit application and enforcing permit requirements, and the latter to cover the same costs plus the cost of administering the lottery described in Municipal Code section 62.1008(d)(4).

In 2007, the City issued 28 newsrack permits to publishers and distributors who sell or distribute their publications from 3,354 newsracks. In 2008, 38 permits were issued covering 3,193 newsracks.

The proposed increases to both fees from \$10 to \$15 per newsrack per year are necessary to ensure that a Code Compliance Officer is available half-time to respond to complaints regarding newsracks. The Code Compliance Officer conducts site inspections, documents the violation(s), and issues Notices of Violation to the responsible party. Violations of the Newsrack Ordinance include: (a) non-permitted locations that may obstruct the path of travel or pose a hazard to pedestrians or the disabled; (b) abandoned or dilapidated newsracks; and (c) lack of permits and liability insurance. Also, the Code Compliance Officer processes the application for the permit under the supervision of a Senior Land Development Investigator (0.10 FTE). Further, a Word Processor Operator prepares the notices and maintains permit records (0.05 FTE).

FISCAL CONSIDERATIONS:

The increases in both fees will take effect on January 1, 2010, and are expected to generate an additional \$16,000 per year.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City first adopted an ordinance regulating newsracks on December 6, 1974. The ordinance was amended in 1996 and more recently in 2007 to include annual permit fees.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Representatives of numerous publications were participants in the Newsrack Ordinance Task Force. An annual review of the permit fee was a part of their recommendation presented to the City Council in 2007 (Report No. 07-017, page 3).

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders are publishers of daily publications, including the San Diego Union Tribune with 829 newsracks, the Los Angeles Times with 205 newsracks, USA Today with 186 newsracks and the Wall Street Journal with 32 newsracks. Other stakeholders impacted by this fee increase are weekly, bi-weekly, and monthly publications such as The Employment Guide with 286 newsracks, San Diego City Beat with 145 newsracks, and El Latino with 104 newsracks, in addition to numerous publications ranging between 6 and 96 newsracks each.

Olen/Goldstone

Staff: Robert Vacchi – (619) 236-5502
Michael D. Neumeyer – Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:41 p.m. – 3:42 p.m.)

MOTION BY GLORIA TO ADOPT. Second by Hueso. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-nay, Frye-yea, Emerald-yea, Hueso-yea.

ITEM-200: Fiscal Year 2010 Proposed Budget Submission to the City Council.

STAFF'S RECOMMENDATION:

HEARING HELD

Informational Item - Introduction of the Mayor's Fiscal Year 2010 Proposed Budget for the City of San Diego.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:07 p.m. – 2:45 p.m.)

ITEM-201: Memorandum of Understanding Between the City of San Diego and the County of San Diego Relating to the Mutual Assistance of Legal Services.

CITY ATTORNEY'S RECOMMENDATION:

Introduce the following ordinance:

(O-2009-125) CONTINUED TO MONDAY, MAY 4, 2009

Introduction of an Ordinance authorizing the City Attorney to execute, for and on behalf of the City, a Memorandum of Understanding relating to the provision of legal services, under the terms and conditions set forth in the Memorandum of Understanding.

SUPPORTING INFORMATION:

From time to time, the Offices of the City Attorney and County Counsel may be precluded from providing legal services to their respective clients and constituent clients due to the California Rules of Professional Conduct governing conflicts of interest. Additionally, the City or County may be in need of specialized legal services that are not possessed by its own respective legal department, but which are possessed by the other entity's legal department.

It would be more economic and efficient, and would further the interests of taxpayers, if the City and the County utilized the legal services of each entity's legal department without charge, in lieu of contracting out for private counsel legal services, if such legal services cannot be provided by either the City Attorney's Office or the County Counsel's Office due to a conflict of interest or lack of special expertise.

The provisions of San Diego Charter Section 40 do not preclude the City of San Diego from utilizing other Counsel due to a conflict of interest or lack of special expertise. As such, pursuant to the Memorandum of Understanding (MOU), the City Attorney and County Counsel may agree on a case-by-case basis to provide and retain legal services to and from each entity on the condition that there is approximate parity in the number of hours of legal services provided by each legal department to the other entity.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:25 p.m. – 3:14 p.m.)

MOTION BY DEMAIO TO CONTINUE TO MONDAY, MAY 4, 2009, FOR FURTHER REVIEW. Second by Emerald. Passed by the following vote: Lightner-yea, Faulconer-yea, Gloria-yea, Young-yea, DeMaio-yea, Frye-yea, Emerald-yea, Hueso-nay.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned at 6:20 p.m. in honor of the memory of:

Lucy del Rosario Gonzales as requested by Council President Hueso.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 6:20 p.m. – 6:20 p.m.)