



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 18, 2012 REPORT NO: 12-051

ATTENTION: Budget and Finance Committee
Agenda of April 25, 2012

SUBJECT: FY 2013 Recommended Transportation & Storm Water Department User
Fee Adjustments

REFERENCE: None

REQUESTED ACTION:
Approve proposed user fees for Fiscal Year 2013.

STAFF RECOMMENDATION:
Approve proposed user fees for Fiscal Year 2013.

SUMMARY:

The City's User Fee Policy 100-05, which was adopted by the City Council on March 10, 2009, provides guidelines for establishing a comprehensive user fee schedule and requires that the full cost of services be identified and all fees be categorized according to the level of cost recovery. The Policy requires all existing fee levels be in line with service costs to ensure that all reasonable costs incurred in the provision of services are being recovered. Per the User Fee Policy, a comprehensive user fee study shall be conducted every three years. The last comprehensive user fee study was conducted in Fiscal Year 2009.

The User Fee Policy stipulates three categories of cost recovery: user fees with 100% cost recovery (Category I), user fees with less than 100% cost recovery (Category II), and penalties and fines (Category III). All recommended user fee adjustments in the Transportation & Storm Water Department are Category I.

The cost recovery calculations are based on direct and indirect costs for all fees in order to accurately calculate the cost of providing services. Direct costs are those that can be fully attributed to providing a specific service. An example of a direct cost is the staff time spent performing tasks related to a specific service and includes employee salary and benefits. Indirect costs include allocated central support service costs (IT, risk management, fleet assignment and usage fees, etc.), departmental support costs, and the full cost associated with staff providing the service.

Approved by voters in 2010, Proposition 26 amends articles XIII A and XIII C of the California Constitution to provide that a levy, charge or exaction of any kind imposed, increased or

extended by a local government is a tax unless an exception applies. Exceptions to Proposition 26 include user fees; government service or product fees; regulatory fees; government property entrance fees; fines and penalties imposed by a court or local government; property development impact fees; and assessments and property related fees governed by Proposition 218. All user fee adjustments recommended in this report have been reviewed by the City Attorney's Office for compliance with Proposition 26 (Attachment).

User fees cover the cost of providing the service such as reviewing an application, evaluating the impact of the request, installing paint and/or signs, and issuing permits. Most fees are currently less than cost recoverable, as shown below. This action will adjust user fees in the Transportation & Storm Water Department to be cost recoverable.

FISCAL CONSIDERATIONS:

All user fees in the Transportation & Storm Water Department are Category I: user fees that are determined to have 100% cost recovery. Curb painting evaluation, pedicab decals and permits, and valet parking permit renewals are not currently fully recovering costs. The current fee for new valet permits is slightly above the cost recoverable level. This action is projected to result in a net revenue increase of approximately \$75,000.

Fee Title	Current Fee	Proposed Fee
Blue Curb Evaluation & Installation	\$281.00	\$296.00
Color Curb Evaluation & Installation	\$281.00	\$296.00
Pedicab Decal	\$41.00	\$156.00
Pedicab Operator Permit	\$41.00	\$91.00
Valet Parking Permit - New	\$715.00	\$675.00
Valet Parking Permit - Renewal	\$306.00	\$311.00

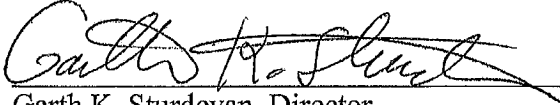
PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Pedicab owners and operators have been notified of the pedicab permit revisions through the City's website, emails, placing notices on bulletin boards at the owner's places of business and by posting the notice at our office located at 1010 Second Avenue, Suite 800. The City's Parking Advisory Board (PAB) has been notified of all the parking user fee changes. The current permitted valet companies under contract with the City have also been notified of the valet parking permit changes.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Impacted stakeholders include pedicab owners and operators, companies with valet permits, and companies and residents requesting colored curbs and disabled parking in residential neighborhoods.

A handwritten signature in black ink, appearing to read "Garth K. Sturdevan", written over a horizontal line.

Garth K. Sturdevan, Director
Transportation & Storm Water Department

Attachment

