



## AGENDA REPORT

**Meeting Date:** September 11, 2012

**Item Number:** D-2

**To:** Honorable Mayor & City Council

**From:** Scott G. Miller, Administrative Services Director and Chief Financial Officer  
Don Harrison, Budget & Revenue Officer  
Carolyn Johnson, Budget & Financial Analyst

**Subject:** RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE COMPREHENSIVE SCHEDULE OF TAXES, FEES & CHARGES RELATED TO SIDEWALK REPLACEMENT FEES AND CERTAIN FEES PAID BY UTILITIES FOR THE FISCAL YEAR 2012/2013.

**Attachments:**

1. Redlined Fee Schedule Changes
2. Resolution with Exhibit A

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### **RECOMMENDATION**

It is recommended that the City Council consider the proposed changes to the City's fees and charges related to sidewalk replacement fees and certain fees paid by utilities, and adopt the proposed resolution implementing those changes for Fiscal Year 2012/2013.

### **DISCUSSION**

At the July 24, 2012, City Council meeting, the City Council approved proposed changes to the Comprehensive Schedule of Taxes, Fees & Charges for the Fiscal Year 2012/13, with the exception of the Utility Permit – Excavation fee. The City Council asked staff to work with Southern California Edison and Southern California Gas Company to address the concerns raised about the proposed utility permit fee. Staff met with representatives of Southern California Edison and Southern California Gas and explained the fee structure and how it reflects the City's full cost recovery. These representatives then

researched their planned activities and advised that, rather than paying an average charge for all applications, they are more comfortable with paying a base fee of \$160.00 plus the actual cost for plan check and inspection of their activities related to encroachment of the public right-of-way. As the City is precluded from charging more for a service than the cost of providing that service and as the proposed fee seeks to recover full cost either methodology should provide approximately the same revenue to the City. Staff recommends accepting the utilities' preferred approach of charging a base fee and the actual hourly cost for plan check and inspection services. This approach is now proposed for adoption and is included in the proposed resolution.

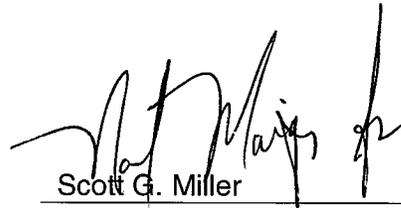
Also at the July 24, 2012, City Council meeting, the City Council requested further clarification on the "sidewalk replacement inspection" fee as it was noted as a new fee. The notation of a new fee was because the fee as proposed sought to combine the average full cost for application and permit processing, plan check and inspection of sidewalk replacement. Upon further review by Public Works staff, it was determined that the increased fee amount might conflict with the City's broader goal of encouraging the replacement of uneven sidewalks which might present trip hazards. Therefore, it is recommended that the FY 2011-12 fee for Sidewalk Replacement Street Use Permit be increased by the 3% change in the Consumer Price Index, making the new fee \$99.30 plus \$0.49 per square foot. It is further recommended that the new fee for Sidewalk Replacement Inspection be deleted, in furtherance of the goal of encouraging sidewalk replacement by property owners. This reduction will bring the fee down to 20% cost recovery.

**FISCAL IMPACT**

The utility excavation permit will result in full cost recovery and therefore, should result in no fiscal impact. Regarding the sidewalk replacement street use and inspection fees, there were only 15 sidewalk replacement street use permits taken out in the prior year and it is assumed that there would be 20% fewer permits taken out at the higher cost adopted in July. Therefore, it is estimated that this change will result in revenue reduction of approximately \$6,900 this fiscal year versus the fee adopted in July.



Don Harrison  
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Budget and Management Approval



Scott G. Miller  
\_\_\_\_\_  
Approved By

# **Attachment 1**

# Redlined Fee Schedule Changes

REFERENCE	TYPE OF FEE OR CHARGE	CURRENT RATE	PROPOSED RATE
<u>Engineering - City Hall, First Floor and 345 North Foothill Road</u>			
	Sidewalk Replacement Street Use Permit (per permit) Plus \$0.49 per square foot. If filed with another stree use permit, only charge \$0.49 per square foot.	405.00	99.30 *
<del>12-R-12886</del>	<del>Sidewalk Replacement Inspection</del>	<del>371.00</del>	DELETE
8-2	Utility Permit* Excavation (*per permit - <del>plus \$1.50 per square foot, plus</del> <del>Underground Service Alert fee,</del> plus actual Engineering costs for inspection and plan check, plus any outside costs.)	155.30 *	160.00 *

# **Attachment 2**

RESOLUTION NO. 12-R \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF  
BEVERLY HILLS AMENDING THE COMPREHENSIVE  
SCHEDULE OF TAXES, FEES & CHARGES RELATED TO  
SIDEWALK REPLACEMENT FEES AND CERTAIN FEES  
PAID BY UTILITIES FOR THE FISCAL YEAR  
2012/2013.

The Council of the City of Beverly Hills does resolve  
as follows:

**Section 1.** As set forth in Resolution 12-R-12886, the  
City Council has established a "Comprehensive Schedule of Taxes,  
Fees, & Charges for Fiscal year 2012-13. The City Council now  
desires to adjust fees in connection with Utility Permits and  
Sidewalk Replacement.

**Section 2.** The City Council hereby adopts revised fees  
as set forth in Exhibit A as follows: Deletion of Sidewalk  
Replacement Inspection fee; decrease Sidewalk Replacement Street  
Use Permit fee, and amend Utility Permit - Excavation fee paid  
by utilities.

Said fees shall be incorporated into the City's  
Comprehensive Schedule of Taxes, Fees, & Charges and shall go  
into effect 30 days after effective date of the resolution.

**Section 3.** The City Council is taking action only on  
those fees as set forth in Exhibit A. The remaining taxes,  
fees, City service charges, and other fees, charges, extractions  
and required payments for municipal services, inspections,

enforcement activities or for other indicated purposes set forth in the Comprehensive Schedule of Taxes, Fees, & Charges remain in place at current rates, and are not being readopted by this resolution.

**Section 4.** The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and his certification to be entered in the Book of Resolutions of the City Council of this City.

**Adopted:**

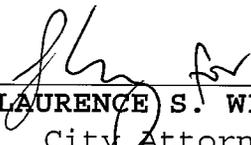
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**WILLIAM W. BRIEN, M.D.**  
Mayor of the City of  
Beverly Hills, California

**ATTEST:**

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**BYRON POPE**  
City Clerk

(SEAL)

**Approved as to form:**

  
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**LAURENCE S. WIENER**  
City Attorney

**Approved as to content:**

\_\_\_\_\_  
**Jeffrey Kolin**  
City Manager

  
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**SCOTT G. MILLER**  
Chief Financial Officer

# Exhibit A

## Inspections, Permits, and Reviews

<u>REFERENCE</u>	<u>TYPE OF FEE OR CHARGE</u>	<u>PROPOSED RATE</u>
<b>Engineering - City Hall, First Floor and 345 North Foothill Road</b>		
	Sidewalk Replacement Street Use Permit (per permit) Plus \$0.49 per square foot. If filed with another stree use permit, only charge \$0.49 per square foot.	99.30 *
	Utility Permit* Excavation (*per permit - plus actual Engineering costs for inspection and plan check, plus any outside costs.)	160.00 *