



CITY OF OAKLAND

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OAKLAND

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## AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Sabrina Landreth

SUBJECT: Proposed Master Fee Schedule

DATE: June 24, 2012

City Administrator  
Approval

*Deanna Santana*

Date

*6/25/12*

### REASON FOR SUPPLEMENTAL REPORT

The purpose of this supplemental report is to transmit to the full City Council additional information regarding the Proposed FY 2012-13 Master Fee Schedule and to respond to questions raised at the June 18<sup>th</sup> Budget Hearing.

### DISCUSSION

After further analysis, Staff recommends City Council approve only the following fee changes listed below as part of this Mid-Cycle Budget; the remainder will return for discussion and possible approval as part of the comprehensive fee review in fall 2012. The Parks & Recreation fees listed below are the most time-sensitive and/or have a significant budgetary impact should they not be approved before the fall.

#### Parks & Recreation

- Jack London Aquatic Center- (page J-16-17)
- Dunsmuir Estate Fee- (page J20-25)
- Catering Fees- (Page J-27)
- Shuttle Services (J-27)
- Camps- (page J-38) (Feather River)

Item: \_\_\_\_\_  
City Council  
June 28, 2012

## RESPONSES TO QUESTIONS

### Parks & Recreation

1. *Why are the Zoo rates increasing? Why a range? Where is the family rate for the Zoo (family package)?*

The Family Rate/Package did not change and is therefore not part of the fee changes in the packet.

The range allows the Zoo flexibility during their fiscal year and to amend in case of a potential loss of City subsidy.

2. *Zoo: how/why do we charge \$200.00/hour for 1000 patrons? Wouldn't it be difficult for community festivals that would operate for 8 hours (\$1,600)?*

Over the years OPR has experienced that the new fee would not deter large groups from reserving park spaces. Large groups/gatherings will require more staff to be at the site to monitor and clean up after events.

3. *Did we charge Occupy Oakland folks to use park space?*

Occupy Oakland at Mosswood was presented with a bill for utilizing parks space given their size and nature of gathering. For this and other Occupy Oakland events in park space, the City was proactive and attempted to get the group to comply with our fee structure, but due to the group's lack of formal structure, the City was not able to collect these fees despite its best efforts.

4. *Why are we charging to use the Mosswood Tot-Lot (\$80.00/hr)?*

Mosswood has two tot lots - a new and old one. The Tot-Lot fee is offered as a birthday package for families that want to reserve the Tot-Lot for birthday parties. Families and patrons at times want to be able to reserve park space for their activities and events. Mosswood Park in the past has not provided families/patrons with the option of reserving space. These new fees will allow families/patrons to reserve park tables, BBQ areas and other park space at Mosswood.

The fees are intended to cover on-site staff cost, clean up and to allow Mosswood Center staff to replace equipment if it is damaged.

**5. Why is there an increase in rates for use of the South Pond of the Dunsmuir Estate (from \$650 to \$1000)? What is the rationale?**

A majority of fees at the Dunsmuir-Hellman Estate were established when a non-profit managed the Estate. Some of the fees were below market rates; while other fees did not seem appropriate (corporate fees were less than resident fees). The current Estate manager reviewed similar or like areas and found that the current fees were not within industry standards. With the new or changed fees, the Estate fees will come into line with industry standards, and yet still be below industry standards.

The following are fees offered by comparable areas for similar activities:

**EAST BAY SITES**

Brownstone Gardens	300 people	\$1,000 - \$3,000
Cathedral Christ	1,000 people	\$175 - \$ 2,100
Brazilian Room	200 people	\$750 - \$3,800

**SAN FRANCISCO SITES**

Bently Reserves	800 people	\$6,000 - \$10,500
Conservatory Flowers	450 people	\$2,500-\$10,000
James Leary Mansion	200 people	\$8,500
Legion of Honor	500 people	\$15,000-\$25,000
Payne Mansion	250 people	\$2,250- \$4,225

**MARIN**

Kohl Mansion	300 people	\$6,500 -\$12,000
Ralston Hall Mansion	200 people	\$3,600 - \$10,000
Thomas Fogathy Winery	216 people	\$3,500-\$10,000

**6. Why is the rate for the Port-A-Potty Fee increasing from a Season to a Day rate?**

The fee is changed from a season rate to a daily rate, as the season rate was not appropriate for the type and length of sporting activities.

**7. Why are there so many fees for the Jack London Aquatic Center (JLAC)?**

As of the last budget adjustments, JLAC is required to be self-sustaining. The new fees are intended to meet that goal. The new fees are developed with the intention to cover staff, utility and other maintenance costs.

**8. *Does the City Council have the authority to set admission and use fees for the Oakland Zoo and Children's Fairyland?***

The East Bay Zoological Society currently operates the zoo under a management agreement with the City. Under the agreement, the City Council has the authority to approve or reject new or revised fees for the Oakland Zoo through the Master Fee Schedule. Similarly, Oakland Children's Fairyland, Inc. currently operates Children's Fairyland under a management agreement with the City. Under the agreement, the City Council has the authority to approve or reject new or revised fees for Children's Fairyland through the Master Fee Schedule.

**Public Works**

**9. *Why remove the fees for Litter Enforcement?***

In the past, the City has charged fees related to investigation, removal, and disposal of illegal dumping. PWA eliminated its litter enforcement program in FY 2011-12 as the program was ineffective in stemming illegal dumping and the City was unable to collect the associated fines and fees (more than 60% of individuals invoiced were either deceased or had moved out of the area). PWA does not intend to conduct litter enforcement through the same approach in the future. Therefore, PWA recommends removing the fee from the Master Fee Schedule.

**10. *Is the fee for driveway curb marking new? Why not start at a lower rate?***

The fee is designed to charge, upon request, the owner, occupant, or the agent of either for specialized use of curb space such as red, white, green, blue and yellow zones, as is done in many cities. The fee is not new (previously in MFS at "Actual Cost"), and the proposed adjustment is at a level that would recover staff cost.

**11. *Why is it so costly for the City to plant a tree?***

The PWA's tree planting program was eliminated in FY 2008-09 as a result of budget cuts, and the agency no longer provides street tree planting services to the public. The street tree planting service fees have been left in the Master Fee Schedule in the event that this program and function are re-instated in the future. The fees are based on the actual cost to have City staff perform these services, and are composed of the following:

- Salary and benefits;
- Equipment, including vehicle and specialized tools; and
- Materials, including the tree itself

## Fire Services

***12. Why does Staff propose changing the current \$158 per hour (minimum one hour) commercial fire inspection fee charges to a flat fee of \$158 per initial inspection? What are the details of costs associated with a fire inspection fee? Please provide an analysis of a fee scale in 15-minute increments.***

\$158 per initial inspection flat fee was established based on actual costs associated with the inspection process. The \$158 fee for a fire inspection includes personnel and operations and maintenance (O&M) costs associated with collecting business and building owner data, database maintenance, software licensing, notification, mailing, supplies and materials, inspection scheduling, report and data entry, cashiering, billing, accounts receivable, and collections, travel time, inspection time, vehicle and fuel costs; as well as associated tools and equipment.

Costs were divided into two main categories, namely fixed costs and variable costs. The fixed cost includes business database maintenance, database mining, software licensing, utility, vehicle and fuel, material and equipment, etc. The variable cost include staff time for inspection scheduling, commute time, on-site inspection, data entry, report writing, billing, collection, accounting, compliant in-take, dispute for non-compliance finding, and problem solving.

In order to recover the cost of conducting commercial inspections, a 15-minute on-site inspection cost is \$140.45; 30-minute is \$157.75; 45-minute is \$175.05 and one hour is \$192.34.

If all commercial inspections are completed within 15 minutes, the projected revenue can be potentially reduced by \$110,000.

An inspection fee study was conducted which compared OFD's current and proposed fire inspection fees to other surrounding fire agencies:

**Berkeley:** Currently the City of Berkeley charges \$85 per ¼ hour, which is 43% higher than Oakland.

**Albany:** The city of Albany charges a minimum of \$100 plus and \$150 administrative fee per inspection with a penalty of \$125 per inspection, per day. The total minimum charge per inspection is \$250.

**Hayward:** The City of Hayward charges a flat rate fee of \$843 per inspection with no separate penalties imposed.

As a result, this study shows OFD's proposed flat fee of \$158 per inspection, regardless of on-site inspection time, falls well within the normal range of and in some cases below fees charged by other neighboring jurisdictions.

**13. *Why we send commercial inspection invoices to the business owner and not the property owner?***

It has been common practice to send the invoice to the business owner as the contact information is readily available in contrast to the building owner contact information. The tenant has the responsibility of providing the owner with the invoice and written report based on the owner/tenant lease agreement.

**Human Services**

**14. *Will the rental fee be charged to the dance company or existing veterans who currently use the senior center?***

The fee will not apply to the existing groups.

There are three existing groups in DOSC (Veteran's Building): Veterans Organizations\*; Lake Merritt Dance Center (LMDC); and Aphasia Center of California.

The rooms being added to the MFS do not impact the Veterans Organizations' current occupancy arrangement at DOSC. Lake Merritt Dance Center pays a monthly rent for their use of DOSC. The LMDC monthly rents cost-cover maintenance and utilities expenditures. Aphasia Center of California is a non-profit organization promoting public education, research, rehabilitation and support services to assist people with aphasia and their families. Because Aphasia provides services on behalf of the center, they are allowed to occupy an office in DOSC rent free. The office occupied by Aphasia is not included on the Master Fee Schedule nor is it proposed to be included. Should Aphasia rent a room on the MFS, they would be subject to the pertinent MFS rental rates.

*\*Veterans Organizations: Vietnam Veterans of America, Veterans of Foreign War, Disabled American Veterans, American Legion, Disabled American Veterans Auxiliary, American Legion Auxiliary.*

**15. Have senior centers been rented in the past? If so, what is the frequency and revenue received?**

DHS is proposing to establish rental rates for 6 (six) rooms within the Veteran's Building (DOSC). DHS is adding rooms in the DOSC that were not formerly on the MFS and so could not be available for rental. With the proposed change, these rooms would be available when not otherwise in use.

LOCATION	ANNUAL REVENUE	FREQUENCY
East Oakland Senior Center	\$10,130	24 events/yr (approx. 2 events/mo)
West Oakland Senior Center	\$16,800	60 events/yr (approx. 5 events/mo)
Downtown Oakland Senior Center	\$72,900	120 events/yr (approx. 10 events/mo)
North Oakland Senior Center	\$10,900	24 events/yr (approx. 2 events/mo)

\*Rental revenues are cost covering largely paying for janitorial services, set-up, and take-down costs.

**City Administrator**

**16. Will the City refund the \$25 fee paid by non-profits for copies of business tax certificates?**

Yes, Staff is currently looking into refunding the fee charged in FY 2011-12, through either a credit to the organization's account for next year's fee, or through direct refund.

**17. What is the 2% credit card convenience fee? Are we currently charging this fee to citizens and is it permissible?**

Staff is currently conducting additional research and will be bringing forward a citywide electronic payment policy and proposed credit card fee structure in the fall report.

**18. Does the City use the fee revenue from the charitable solicitation permit to provide oversight to protect against the fraudulent solicitation of donations?**

Municipal code chapter 5.18 states that no person shall solicit contributions for any charitable purpose within the city without a permit from the City authorizing such solicitation. The Office of the City Administrator, Special Activity Unit processes permit applications, which require the name of the applicant organization; information on executive officers; detail on how the solicitation will take place; and other information. The application is submitted under penalty of perjury that the information is correct. The applicant must also present the original copy of the letter of tax exempt status from the Internal Revenue Service and the articles of incorporation and/or bylaws of the organization.

In the past, the application required additional information on the amount of funds proposed to be raised and the permit contained some restrictions on how the funds raised could be used, but those requirements were deemed unenforceable by the City Attorney, and have since been removed.

Although the issuing body (Office of the City Administrator, Special Activity Unit) is authorized to conduct investigation of the application as necessary to verify its accuracy, it normally conducts a desktop review of the application and accompanying documents and, if they appear accurate, approves the permit. The revenue from the charitable solicitation permit fee covers this processing of the application. Other than the desktop review of application documents, the agency does not conduct any proactive protection against fraudulent solicitation. Residents concerned about fraudulent solicitations can contact the Unit, which will conduct investigation, and might decide not to renew a permit in the future for a noncompliant organization. Residents can also contact the police department (nonemergency) to report persons soliciting donations without a permit, and the department will follow up if available resources allow.

Respectfully submitted,



SABRINA LANDRETH  
Deputy City Administrator/Budget Director