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OFFICE OF THE CITY CLERK
OAKLAND

2019 MAY -2 PM 3: 17

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: Amending the Master Fee Schedule
Supplemental

DATE: April 25, 2019

City Administrator Approval

Date:

5/2/19

RECOMMENDATION

Staff Recommends Adoption Of An Ordinance Amending Ordinance No. 13497 C.M.S. (The Fiscal Year (FY) 2018-19 Master Fee Schedule, Or "MFS"), To Establish, Modify And Delete Fees And Penalties Assessed By Offices, Departments, Bureaus, And Agencies Of The City Of Oakland, Referenced Herein.

REASON FOR SUPPLEMENTAL

At the Finance and Management Committee ("Committee") meeting held on April 23, 2019, the Committee members directed staff to submit a supplemental report to (i) respond to Committee inquiries about selected fee proposals, (ii) highlight revisions from proposed fees to the published ordinance that was presented to the Committee and (iii) provide responses to the City Council at the May 7, 2019 City Council meeting.

Committee members approved the FY19-20 Master Fee Schedule Ordinance ("MFS") as amended and recommended this item to be placed on the May 7, 2019 City Council meeting as a public hearing item for its first reading.

COMMITTEE INQUIRIES:

- 1) The Committee inquired about Oakland Parks Recreation and Youth Development (OPRYD)'s proposed fee increase for facilities rentals, which increased the minimum rental hours from a two-hour minimum to a four-hour minimum.

Recreation Center rentals are primarily for weekday evenings (Monday to Friday) and weekends. The change in minimum hours from two to four hours is to offset the cost of staffing, room setup, allowing for replacement of equipment and any other activities that are required as a result of the rental.

Recreation center part time staff – such as Recreation Aides and Recreation Leaders – are primarily staffing OPRYD programs, such as afterschool programs and summer camps. They generally are not used for facility rentals and the associated work (setup, breakdown, etc.). Rather, OPRYD uses Recreation Attendants for facility rentals and other non-recreation

Item: _____
City Council
May 7, 2019

activities. Scheduling Recreation Attendants for a two-hour rental is difficult, as traveling in the evenings and weekends to work two-hours is not advantageous.

- 2) Provide a justification for the monthly \$350 fee for services of Non-Medi-Cal Eligible Clients.

Oakland residents are not currently eligible for any health care related case management services offered by the Human Services Department unless they are covered by Medi-Cal. The Master Fee Case Management proposal is to fund direct service staff for seniors who do not qualify for Medi-Cal reimbursement. Because the City of Oakland does not budget general fund for this type of service, it will not exist unless we are allowed to charge this fee to pay for Case Management staff. Individuals will be responsible for the \$350 fee if they are private pay.

- 3) Provide a justification for the Department of Transportation Excavation Fee as a two-hour minimum charge.

As requested by the City Council, Staff reviewed the two-hour minimum charge for the "Inspection for Excavation Permit" and is proposing to change the reference of the two-hour minimum to a one-hour minimum. This proposed amendment will be read into the record at the City Council meeting on May 7, 2019, **Attachment A**.

- 4) Provide clarification for fee increases related to special events:

In the FY 19/20 MFS update, there are fee increases within Fire Inspection and Business Permit In-Lieu of Business License. Under the Fire Permits section of the updated MFS, Fire Inspection and Permit fees increased by 17 percent. The increase to these fees are due to the increases in personnel costs, specifically wages and benefits, as well as increases to Operation and Management costs (O&M). Additionally, under the Financial Management section of the Finance Department, the Business Permit In-Lieu of Business License was increased by \$10 or 13 percent. This increase is due also to the increases in wage and benefit costs and the increases in O&M. These increases seek to recover costs and are not revenue generating.

PROPOSED MFS REVISIONS AT COMMITTEE AND DEPARTMENT JUSTIFICATION FOR FEE REVISIONS

A summary of the departments requested revisions and justifications from proposed fees to the published ordinance that was presented to the Committee is provided in the following table.

Table 1: Department Fee Revisions Presented at Finance and Management Committee

Department	Category	Section	Subsection	Reason for Revision
Department of Transportation	Electrical Services – Traffic Maintenance	A, B, C, D, and E		Rescind proposed increase
	Right of Way Management	H		Rescind proposed increase
	Administration – Applies to Engineering and Right of Way Management	D		Rescind proposed increase
		E & F		Delete Fees as the Planning and Building Department Collects these Fees
		G		Rescind proposed increase
	Engineering	O	3	Rescind Fee Increase
		S	1	Rescind Fee Increase
Economic & Workforce Development	Economic Development	A	3	Delete Fee
			4	Delete Fee
Oakland Public Works	Keep Oakland Clean & Beautiful	D	2	Remove Proposed New Fee
Contract & Compliance	Contract Compliance & Employment Services (Social Equity)	C	1	Remove Proposed New Fee
		D	1	Modify Fee Title

A brief description of the fee revision by department is provided below.

Department of Transportation (DOT)

- The department requests to rescind proposed fee increases to those fees as shown in **Table 1** above, so that fees remain at the current amount.
- DOT requested to delete fees for “Process Billing Appeals With Referral to Collections” and “Process Billing Appeals for Second Research/Review”. See Table 1 above. The DOT requests to delete this fee from their department, as these fees were copied over to

DOT's Master Fee Schedule when the department was split from the Public Works Department (OPW). It originally was copied from the Planning & Building Division (PBD) to OPW when OPW took over engineering services. It was to ensure that no fees were missed, since the split of duties were not 100 percent ironed out. These fees are for PBD - Code Enforcement Billing Appeals, and DOT does not process billing appeals.

The Process Billing Appeals With Referral to "Collections" fee is charged by the PBD and is included in the PBD section of the MFS on page N-1.

The Process Billing Appeals For Second Research/Review fee is charged by the PBD and is included in the PBD section of the MFS on page N-1.

Economic & Workforce Development

The Economic & Workforce Development Department (EWDD) initially sought to increase the Processing Fee for Code Compliance Litigation Guarantees for Residential and Commercial Properties. However, at the Committee meeting held on April 23, 2019, the EWDD informed the Committee that it is deleting the Processing Fee for Code Compliance Litigation Guarantees for both Residential and Commercial Properties. The Committee asked the EWDD to provide an explanation for deleting this fee in a supplemental report.

A Litigation Guarantee is a complex Title Insurance and Policy mechanism that is important for the Plaintiff in litigation involving real property and land use. The cost of obtaining a litigation guarantee will vary on a case by case basis and the cost of obtaining a litigation guarantee will be paid by the Plaintiff in the litigation. A litigation guarantee is typically obtained from the Title Company that runs the real property title search. While the City may have had some role in processing a litigation guarantee in the past which necessitated the imposition of the processing fee for code compliance litigation guarantees, it is unclear at this time whether the City continues to play any role in that process. As such, the EWDD is working with the City Attorney's office to determine whether the City can collect a fee for processing a litigation guarantee and if so in what amount. Until such time the City Attorney's Office and the EWDD determines that collection of such a fee is appropriate and the proper amount of such a fee, the EWDD believes that the fee should be deleted from the Master Fee schedule.

Oakland Public Works Department

- Oakland Public Works Department requests to remove the proposed new fee for unlawfully placed advertisement within the "Keep Oakland Clean & Beautiful" category. This fee was intended to be a fine pursuant to Oakland Municipal Code (O.M.C) Section 5.06.010. However, the proposed fine should be removed because 1) it is duplicative as the OMC already imposes the fine, and 2) it conflicts with the OMC section, which imposes a fine of up to \$100 upon conviction.

Contract and Compliance Division

Within the Contract Compliance & Employment Services (Social Equity) category, staff requested to remove one fee and modify the title of a fee.


- Staff wishes to remove the proposed new fee for "Local Employment Program (LEP) Non-Compliance Penalty Assessment" from the Master Fee Schedule as it has been formally established in City Council Resolution No. 69687 C.M.S. and ratified in Ordinance No. 12389, which served to combine into one program the City's Small Local Business Enterprise Program, Prevailing Wage Program, Local Employment Program and 15% Apprenticeship Program, and Ordinance No. 13101, which served to adopt additional revisions to the City's Small/Local Business Enterprise Program. Staff will continue to collect the penalties resulting from contractors' non-compliance with the regulations as set forth in the LEP Program.
- A request was also made to modify the title of the "Staff Fee LCP Tracker Usage Fee Payment Processing" to include the word Monthly, so that the title of the fee would be "Staff Fee LCP Tracker Usage Fee Monthly Payment Processing".

REQUEST OF CITY COUNCIL

Staff recommends adoption of an ordinance amending Ordinance No. 13497 C.M.S. (The Fiscal Year (FY) 2018-19 Master Fee Schedule, or "MFS"), to establish, modify and delete fees and penalties assessed by offices, departments, bureaus, and agencies of the City of Oakland, referenced herein.

For questions regarding this report, please contact Andy Best, Revenue Management Bureau, at 238-7009.

Respectfully submitted,



Katano Kasaine
Director of Finance

Reviewed by:
Margaret L. O'Brien
Revenue & Tax Administrator

Prepared by:
Andy Best
Principal Revenue Analyst

Attachments (1):

*A- Department of Transportation Right of Way Excavation Proposed Fee Revision
Amended FY 19-20 Master Fee Schedule Ordinance*

Item: _____
City Council Meeting
May 7, 2019