

Department of Public Works

Bureau of Engineering
Bureau Street Services
Joint Report No. 1

January 7, 2010
CD No. All

RECOMMENDATION OF BUILDING MATERIALS FEES REVISION FOR SPECIAL SERVICES RENDERED BY THE BUREAUS OF ENGINEERING (BOE) AND STREET SERVICES (BSS) FOR FISCAL YEAR 2010-11

RECOMMENDATIONS

That the Board of Public Works (BPW):

1. Conduct a public hearing to consider the adoption of a revised fee for Building Materials permits;
2. Following the completion of the public hearing, approve the revised fee as proposed, or as modified during the hearing; and
3. After the completion of the public hearing, forward the adopted board report and BOE 2010-11 Standard Fee List to the Office of the City Administrative Officer for review.

TRANSMITTALS

1. BOE Report No. 2, adopted by the BPW on June 9, 2010.
2. BOE 2010-11 Standard Fee List.

Fiscal Impact Statement

Should the proposed updated fee go into effect during Fiscal Year 2010-11, the BOE anticipates that it will more likely be able to achieve the revenue goal budgeted for this updated fee by the end of Fiscal Year 2010-11.

DISCUSSION

In accordance with the Mayor's directive to update fees for special services at the beginning of Fiscal Year 2010-11, the BOE reviewed and recommended updates to a majority of its fees for special services through a Board report submitted to the BPW on June 9, 2010 (Transmittal No. 1). Subsequent to the adoption of the Board Report by the BPW, the updated fees became effective on July 9, 2010.

However, as indicated by BOE staff at the BPW hearing in June 2010, a number of fees, and permits for special services required further detailed analysis. The Building Materials permit fee, collected by the BOE and BSS in accordance with Section 62.45 of Los Angeles Municipal Code (L.A.M.C.), is a fee that required further analysis.

Currently, the BOE supports the processing and issuance of Building Materials permits in coordination with the BSS. However, there is neither a cost recovery system in place to reimburse the BOE for staff costs incurred for this special service nor current rates that could provide for adequate cost recovery.

A fee analysis performed by the BOE shows the necessity of collecting a \$32.50 convenience fee for each permit processed by the BOE. This \$32.50 fee will adequately reimburse the BOE for providing this special service. The BOE processes and issues these permits at our Engineering District Offices as a convenience for BSS customers. If the BOE did not provide this service, all non-Internet customers would need to come to the BSS Public Counter at the Public Works Building to obtain these permits.

The minimum fee for a Building Materials permit is currently \$65. Adding the BOE convenience fee will increase the minimum Building Materials permit to \$97.50. The convenience fee has been identified on the BOE 2010-11 Standard Fee List (Transmittal No. 2). It should be noted that in accordance with the Fiscal Policies of the City of Los Angeles (C.F. 04-1822), the BOE is required to recover the full cost of providing special services to its customers.

The above-referenced fee may be heard and adopted by the BPW and does not require ordinance changes, pursuant to the provisions of the L.A.M.C. Section 62.45(d)4 and procedures set forth in the L.A.M.C. Section 12.37.11. To comply with the Mayor's directive to update our fees as soon as possible for the new fiscal year, the BOE and BSS requests the BPW to immediately act on the proposed fee update under its jurisdiction.

(RMK VJ MEK BSS)

Report reviewed by:

Respectfully submitted,

BOE (PAC)

Report prepared by:



Gary Lee Moore, P.E.
City Engineer

Finance and Administration Program

Robert M. Kadomatsu
Acting Program Manager
Phone No. (213) 485-4944

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Questions regarding this
report may be referred to:
Robert Kadomatsu, Sr. Management Analyst II
Phone No. (213) 485-4944
E-mail: Robert.Kadomatsu@lacity.org

for 

William A. Robertson
Director
Bureau of Street Services