

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David A. Bobardt, Community Development Director
Prepared by: David Lasher, Management Analyst



DATE: January 11, 2011 (CC Meeting of 2/2/2011)

SUBJECT: Consideration a Resolution Adopting a Revised Fee Schedule for Services Rendered Pursuant to the Moorpark Municipal Code Relating to Business Registration Fees and Rescinding Resolution No. 2008-2724

BACKGROUND

Chapter 5.08.010 of the Moorpark Municipal Code (MMC) requires that any person engaged in any business within the city must obtain a valid Business Registration Permit. The code requires that a Business Registration Permit application must be accompanied by a filing fee established by City Council Resolution. California Government Code Section 66014 provides for cities to charge fees to recover the costs associated with permit processing services. Policy 5.7 of the City Council Policies Resolution calls for the annual review of fee resolutions by each department as part of the budget process to determine if an adjustment is appropriate. Current filing fees, established by Resolution No. 2008-2724, include a \$90.00 fee for an initial business registration permit and a \$40.00 fee for annual renewals, applicable to every business entity in the city regardless of the size or type of business.

DISCUSSION

Currently, over 3,600 businesses are registered in the city. Annually, approximately 700 businesses are added to the roster of registered businesses (and many others drop off the roster having completed one-time projects in Moorpark and decline to renew). Each new business registered currently pays a \$90.00 fee for an initial application. Each business renewing this annual permit currently pays a \$40.00 fee.

The city incurs direct costs associated with managing and processing business registrations. These charges include personnel and equipment costs, charges associated with data entry, hardware use, software licensing, document scanning, issuance of certificates and other correspondence and similar related costs. In addition, staff spends time in the field to identify businesses and entities, (including mobile businesses, such as landscapers and contractors) that are required to be registered as businesses, but have not applied or received a business registration permit.

Staff has estimated the costs of processing business registration applications and renewals in 2010 at current billing rates. The current estimated cost of processing and issuing a new business registration permit is \$94.20 as shown in the table below. The cost associated with renewing an existing business registration permit is \$33.46. The total estimated cost of processing business registrations in 2010 was \$163,935.00, whereas the total revenue was \$180,210.00.

Business Registration Costs

Component	Total Annual Cost of Business Registration Processing	Per Unit Cost of New Business Registration	Per Unit Cost of Business Registration Renewal
Personnel	\$153,355.00	\$91.16	\$30.58
Software Support	\$10,580.00	\$3.04	\$2.88
Total	\$163,935.00	\$94.20	\$33.46

As a cost recovery fee, the business registration fees charged to businesses must reflect the cost of managing the business registration process. As such, staff would recommend that the fee charged for a new business registration certificate remain unchanged and that the fee for business registration renewals be reduced to \$35.00 to take effect immediately.

FISCAL IMPACT

The business registration fee would continue to offset the staff costs and other costs associated with business registrations.

STAFF RECOMMENDATION: (ROLL CALL VOTE)

Adopt Resolution No. 2011-_____.

Attachments:

1. Cost Analysis
2. Resolution No. 2011-_____

Business Registration Cost Analysis

Position	Annual Hours	Billing Rate	Total Cost	Annual Cost		Annual Cost Associated with New BR (based on 697 new BRs)
				% Renewal	Renewals (based on 2937 renewals)	
Administrative Assistant	652	\$75.00	\$48,900.00	75%	\$36,675.00	\$12,225.00
Clerical Aide	520	\$40.00	\$20,800.00	75%	\$15,600.00	\$5,200.00
Code Compliance Technician II	429	\$85.00	\$36,465.00	90%	\$32,818.50	\$3,646.50
Management Analyst	429	\$110.00	\$47,190.00	10%	\$4,719.00	\$42,471.00
			\$153,355.00		\$89,812.50	\$63,542.50

Software	Annual Cost		Renewal Cost	New BR	New Cost
	Cost	%			
HdL BR Software (100%)	\$3,500.00	80%	\$2,800.00	20%	\$700.00
CityGIS (30% of Total)	\$23,600.00	80%	\$5,664.00	20%	\$1,416.00
	\$10,580.00		\$8,464.00		\$2,116.00

Total Annual Cost of Personnel & Software \$163,935.00

2010 Cost of Administering New Business Registrations:

2010 Cost of Administering Renewal Registrations:

\$65,658.50
\$98,276.50
\$163,935.00

2010 Cost of Administering New Business Registrations Per Certificate:

2010 Cost of Administering Renewal Registrations Per Certificate:

\$94.20
\$33.46

RESOLUTION NO. 2011-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ADOPTING A REVISED FEE SCHEDULE FOR SERVICES RENDERED PURSUANT TO THE MOORPARK MUNICIPAL CODE RELATING TO BUSINESS REGISTRATION FEES AND RESCINDING RESOLUTION NO. 2008-2724

WHEREAS, Chapter 5.08 of the Moorpark Municipal Code requires annual business registration permits for any person engaged in any business within the city; and

WHEREAS; Resolution No. 2008-2724 has provided for the recovery of costs associated with administering the business registration permit program; and

WHEREAS, a review of the costs associated with the processing of business registrations and annual renewals calls for the fees to be adjusted at this time to reflect current actual costs of providing such services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The fee for a new business registration permit is \$90.00.

SECTION 2. The fee for a business registration permit annual renewal is \$35.00.

SECTION 3. This Resolution shall become effective immediately.

SECTION 4. Resolution No. 2008-2724 is hereby rescinded upon the effective date of this Resolution.

SECTION 5. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be file in the book of original resolutions.

PASSED AND ADOPTED this 2nd day of February, 2011.

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, City Clerk

CC ATTACHMENT 2