

REPORT TO CITY COUNCIL

DATE: NOVEMBER 9, 2011

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER
CHRISTY PINUELAS, DIRECTOR OF FINANCE

SUBJECT: ADOPTION OF RESOLUTION NO. 11-1655 INCREASING THE BUSINESS REGISTRATION PROGRAM PERMIT FEE AUTHORIZED BY CHAPTER 8 OF ARTICLE VI OF THE AGOURA HILLS MUNICIPAL CODE

The City of Agoura Hills has an established business registration program which requires all businesses operating within the City to register with the City. This registration program allows the City to determine whether each business in the City is operating in accordance with the City's codes, including zoning provisions and to maintain a database of all businesses operating within the City of the use of the City's' public safety departments and for economic development purposes.

Currently, the fee is set at \$35 annually. Staff is recommending that the fee be increased to \$50 annually so that the City can recover the costs of administering the program. The fee has not been increased since 1993.

Staff hired MGT of America, Inc. to review staff time related to business registration and to gather direct program costs. The following staff members were found to work directly on the business registration program:

Position	Average of Time Spent	Cost
Account Clerk II	42.71%	\$38,060
Building Technician	18.75%	15,881
Code Enforcement Officer	1.00%	1,002
Director of Finance	10.00%	18,431
	TOTAL	\$73,374

In addition, the City has costs for legal consultation, business registration software; envelopes; postage and forms. The total of these program costs run \$9,800 per year.

The City registers an average of 1,765 registrants. Therefore, the cost of running the program is \$52 per registrant as can be seen below:

City of Agoura Hills Business Registrant Program Costs Based on FY 2011/12 Budgeted Expenditures	
Labor Costs	\$73,374
Program Costs	\$9,800
Annual Cost	\$83,173
Divided by 1,765 Registrants:	\$52

Although the cost per registrant is \$52, staff is recommending the City Council adopt a fee of \$50 which will partially offset the cost of the business registration program.

The Business Taskforce has discussed this item and other fees related to business services in the past and were in agreement that the City's fees related to operating a business within the City's boundaries is one of the lowest in Los Angeles County. The discussion that took place with the Taskforce was that they were supportive of the City collecting fees in accordance with the cost to operate programs provided to local businesses and that even with a slight increase the fee was still extremely low in comparison to the various fees charged by other municipal agencies. Although most cities operate a business license program which incorporates the value of the registration process, their fees are typically based on either gross income of the number of employees a business may have. The proposed increase is only mean to make the program cost neutral.

This item has been reviewed and approved as to form by the City Attorney.

RECOMMENDATION

Staff recommends the City Council adopt resolution no. 11-1655 and a fee of \$50 for the business registration program permit.

Attachment: Resolution No. 11-1655

**CITY OF AGOURA HILLS
RESOLUTION NO. 11-1655**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA INCREASING THE BUSINESS REGISTRATION PROGRAM PERMIT FEE AUTHORIZED BY CHAPTER 8 OF ARTICLE VI OF THE AGOURA HILLS MUNICIPAL CODE

WHEREAS, the City requires that all businesses operating within the City register with the City pursuant to the Business Registration Permit Program (“Program”) established by Chapter 8 of Article VI of the Agoura Hills Municipal Code.

WHEREAS, the program allows the City to determine whether each business in the City is operating in accordance with the City’s codes, including zoning provisions.

WHEREAS, the program allows the City to maintain a database of all businesses operating within the City for the use of the City’s public safety departments.

WHEREAS, Section 6810 of the Agoura Hills Municipal Code provides that applicants for the renewal of a business registration permit shall pay an annual fee in an amount established by City Council resolution.

WHEREAS, the City Council desires to increase the Business Registration Permit Program Fee (“Fee”) to ensure that the City is recouping the reasonable costs of administering the Program.

WHEREAS, City staff has determined that the adoption of the Fee does not constitute a “project” under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15378(b)(4) because such actions involve the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

WHEREAS, the City Council approves the methodology and calculations used in determining the Fee set forth in the staff report prepared in connection with this Resolution.

WHEREAS, the City Council hereby finds and determines, based upon the analysis set forth in the staff report dated November 9, 2011, that the Fee established herein does not exceed the reasonable estimated costs to the City of the Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AGOURA HILLS DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby adopts and approves the findings set forth above in support of this Resolution.

Section 2. The City Council has reviewed and considered the staff report and proposed notice of exemption from CEQA review prepared for the City’s Business Registration

Permit Program Fee. The City Council concurs with City staff's determination that the adoption of the Business Registration Permit Program Fee does not constitute a project under CEQA pursuant to CEQA Guidelines Section 15378. City staff is therefore directed to prepare and file a Notice of Exemption with the County Clerk pursuant to CEQA Guidelines Section 15062 within five (5) days of the date of this action.

Section 3. After reviewing the staff reports and all testimony and information received at the City Council meeting, the City Council hereby finds and determines as follows:

A. It is necessary, desirable and in the public interest to increase the Business Registration Permit Program Fee.

B. The Fees collected pursuant to Chapter 8 of Article VI of the Agoura Hills Municipal Code shall be used only to carry out the Business Registration Permit Program, to ensure compliance with the City's codes and to provide the City's public safety departments with a list of businesses operating in the City.

C. The purpose of the Fee is to allow the City to recoup the actual and reasonable costs of the Business Registration Permit Program.

Section 4. The Business Registration Permit Program Fee is hereby set at \$50 per business.

Section 5. The Fee established pursuant to this resolution shall be collected and administered by the Department of Finance, with cooperation from other City departments, to comply with Chapter 8 of Article VI of the Agoura Hills Municipal Code.

Section 6. The Fee shall be subject to review by the Finance Director no less than every twelve (12) months to determine that the Fee does not exceed the reasonable cost of administering the Business Registration Permit Program. Should the Fee require adjustment, the Finance Director shall recommend such action by the City Council.

Section 7. This resolution, and the Business Registration Permit Program Fee established by this resolution, shall become effective on November 10, 2011.

PASSED, APPROVED, AND ADOPTED this 9th day of November, 2011, by the following vote to wit:

AYES: (0)
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

Harry Schwarz, Mayor

ATTEST:

Kimberly M. Rodrigues, MMC
City Clerk