

Reply to Common Council File No. 160626
From DOA-Budget and Management Division

October 25, 2016

Ref:

This correspondence comments on Substitute B to File 160626, a substitute ordinance increasing various fees and forfeitures.

At its September 14 hearing, the Finance and Personnel Committee held this file to the call of the Chair. That action was based on concerns about certain provisions. Substitute A, which the division has previously submitted to the file, addresses most of those concerns.

A remaining issue revolved around Part 19 of the ordinance, which increases certain elevator inspection fees in the Department of Neighborhood Services (DNS). The Committee was concerned that the proposed increases were not consistent with certain statutory provisions and case law, which impose limits on regulatory fees which are used in conjunction with a municipality's exercise of its police power.

Substitute B addresses this concern. The revision focuses on proposed increases that enable the recovery of DNS' full cost for inspections, while not exceeding it. The substitute preserves the initially proposed increases to reinspection fees, which are intended primarily to induce compliance with applicable code requirements. The City Attorney has indicated this is acceptable. Substitute B contains the other revisions included in Substitute A.

Fiscal Impact: Substitute B in its entirety is estimated to have an annual fiscal impact of approximately \$805,000. This is a reduction of approximately \$300,000 from Substitute A. Estimated revenues for budget purposes depend on revenue recognition by the Comptroller.

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER
160626, SUBSTITUTE B.**



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Budget and Management Director

MPN:dmr

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