

CITY OF ALBANY
DRAFT BUDGET BALANCING STRATEGIES
2012-13 AND BEYOND

Issues that Require Council Policy Direction

A ballot measure for an increase in Sales Tax

City Councils have the authority to place a sales tax measure on the ballot. Passage of the measure requires a simple majority vote (50% + 1) if used for general purposes, and a 2/3 voter approval if designated for any special purpose(s).

With many California cities experiencing budget problems, numerous sales tax measures made it onto the ballot last year, with the majority of them passing. In 2010, 27 measures to increase local sales taxes across the state were put to a vote. Nineteen of them passed and eight failed – a 70% success rate. In the Bay Area, twelve sales tax increases were proposed, eight of which passed – a success rate of 66%, similar to the statewide rate.

Locally, sales tax increases were approved in Concord, Cotati, El Cerrito, Novato, Rohnert Park, San Leandro, Santa Rosa and Union City. Most of these cities raised sales tax by a half cent and in some cases, this increase brought sales tax rates up to some of the highest rates in the state. The increase put El Cerrito and Union City at 10.25%, San Leandro at 10% and Novato, Santa Rosa and Concord all at 9.5%. An important takeaway is that at the time of the vote, it was unforeseeable that the temporary 2009 one percent state sales tax increase would be allowed to expire and thereby allow for a significant decrease in sales tax rates in 2011. With this decrease unknowable, voters essentially approved sales tax rates of up to 10.25% to protect city services.

In all Bay Area cities where an increase passed, the increase was specified as temporary and ranged from 4-8 years in duration. One failed sales tax measure was in Richmond where a permanent half cent increase was proposed. Richmond's Measure D was defeated with a 56.65% vote against. Richmond also put an advisory question on the ballot that asked voters if the Measure D was passed, whether they supported splitting the revenues with the school district. This question received approval of 56.57% of voters. The other failed bay area proposal was in Antioch where an 8 year, half cent sales tax increase proposal was defeated by a slim majority - 52% against.

The following two tables list the successful and failed sales tax measures in the state.

Successful CA Sales Tax Measures, 2010

City	County	Measure Name	% Increase	Duration (years)	Approval %
Calexico	Imperial	H	0.5	20	60.03
Cathedral City	Riverside	H	1	5	55.72
Concord	Contra Costa	Q	0.5	5	54.2
Cotati	Sonoma	A	0.5	5	59.8
Davis	Yolo	Q	0.5	6	74.5
El Cerrito	Contra Costa	R	0.5	7	57.99
Eureka	Humboldt	O	0.5	5	54.32
Marina	Monterey	M	1	5	62.22
Novato	Marin	F	0.5	5	57.52
Placerville	El Dorado	H	0.25	30	75.01
Rohnert Park	Sonoma	E	0.5	5	55.2
San Leandro	Alameda	Z	0.5	7	61.35
Santa Monica	Los Angeles	Y	0.5	permanent	60.87
Santa Rosa	Sonoma	P	0.25	8	57
South El Monte	Los Angeles	R	0.5	permanent	61.58
Tracy	San Joaquin	E	0.5	5	58.31
Union City	Alameda	AA	0.5	4	60.42
Wheatland	Yuba	S	0.5	10	53.66
Woodland	Yolo	V	0.25	4	55.2
Average			0.513	8	59.73

Failed CA Sales Tax Measures,2010

City	County	Measure Name	% Increase	Duration (years)	Disapproval %
Antioch	Contra Costa	Proposition D	0.5	8	52.05
Carson City	Los Angeles	H	1	5	58.41
Half Moon Bay	San Mateo	K	1	permanent	52.63
Mendocino County	Mendocino	C	0.5	permanent	71.21
Redlands	San Bernardino	A	0.5	10	53.88
Richmond	Contra Costa	D	0.5	permanent	56.65
San Diego	San Diego	Proposition D	0.5	5	61.86
St. Helena	Napa	C	0.5	5	60.64
Average			0.625	6.6	53.12

 Denotes a city ABAG has determined is in the SF Bay Area

Successful measures averaged 59.73% approval. Measures that failed did so with only a slight majority vote in most cases – a 53.12% average. It may also be valuable to note that of the five measures proposed that did not incorporate a sunset for the sales tax increase, two passed while three failed. Another way to look at it is that of all of the measures that passed, ones that incorporate a permanent sales tax increase account for only 10%. Of the measures that failed, ones that incorporate a permanent sales tax increase account for a significant 38%. It would appear that a measure with a specified duration is more appealing to voters. This seems logical given that the pitch of most campaigns for sales tax increase used the poor economy as a primary justification, a situation which would not be expected to be ongoing.

Current Area Sales Tax Rates:

As of July 2011 and after a recent one percent decrease, the statewide sales tax rate is 7.25%ⁱ. The average bay area city sales taxⁱⁱ rate is 8.26%ⁱⁱⁱ. By comparison, Albany’s is 8.75%. The following table compares the low, high, average and median for all cities represented in what the Association of Bay Area Governments defines as the bay area, with city data grouped by county. A full list of all tax rates in the state is attached.

Sales Tax By County:	Low	High	Average	Median
Alameda	8.75	9.25	8.80	8.75
Contra Costa	8.25	9.25	8.39	8.25
Los Angeles*	8.75	8.75	8.75	8.75
Marin	8.00	8.50	8.09	8.00
Napa	7.75	7.75	7.75	7.75
San Francisco*	8.50	8.50	8.50	8.50
San Mateo	8.25	8.50	8.26	8.25
Santa Clara	8.25	8.50	8.27	8.25
Solano	7.375	7.375	7.375	7.375
Sonoma	8.00	8.50	8.19	8.00
Average	8.19	8.49	8.24	8.19

* Only one city in each of these counties is considered to be in the bay area so the sales tax there represents Low, High, Average and Median.

Most (12 of 14) cities in Alameda County have a sales tax rate of 8.75%, as does Albany^{iv}. After the sales tax increases that took effect this year, San Leandro and Union City both have higher rates of 9.00% and 9.25% respectively. Any sales tax increase for Albany would put the sales tax rate for the City at the high end of sales tax rates for bay area cities and for Alameda County.

Ballot Requirements

A simple majority (>50%) is required to pass any sales tax where revenues would be directed toward the general fund. Proposition 218 requires that a tax imposed for a more specific purpose requires a super majority vote (>67%). All of the sales tax measures passed last year in California were general taxes that required only a simple majority vote. No city proposing a sales tax increase last year proposed one greater than 1%.

Pros:

- Would generate an estimated \$200,000 to \$250,000 per each ¼ cent increase (\$400,000 to \$500,000 for ½ cent increase)
- State lowered its sales tax rate this past year
- An increasing number of cities are increasing their sales tax, thereby creating a more level playing field for commercial dollars
- Tax is not just paid by Albany residents and property owners

Cons:

- Considered a regressive tax, affecting lower income consumers at a higher percentage of salary than higher income people
- Adds a tax burden to consumers who are experiencing job loss, foreclosure or underwater mortgages, and reduced assets
- There is economic uncertainty and anxiety among consumers

Attachment:

1. Sales Tax Rates in Bay Area Cities

A ballot measure to increase the Property Transfer Tax.

Albany has a property transfer tax rate of \$11.50 per \$1,000 of the value of consideration (typically the sales price). An increase in the rate requires voter approval by a simple majority if there is no special purpose, and a 2/3 majority if the funds are designated for any special purpose.

The City had a ballot measure in November 2008 to raise the rate to \$13.50 per \$1,000. Its timing coincided with the downturn in the economy, and, combined with little campaign effort, the measure failed with a 45% yes vote. In 2002, Albany voters approved a \$3.00 per \$1,000 increase with a 58% yes vote.

Revenue proceeds to the City from the property transfer tax are dependent on both value and number of sales. While most properties have generally held their values, the number of sales has dropped over the last few years. Below is a chart of the number of property sales and transfer tax revenue in the past six fiscal years:

<u>Fiscal Year</u>	<u># Sales</u>	<u>Transfer tax revenue</u>
2010-11	145	921,491
2009-10	170	1,053,211
2008-09	149	989,854
2007-08	167	1,184,635
2006-07	207	1,456,672
2005-06	230	1,559,959

Below is a summary of the property tax rates of other charter cities in the area. Unlike charter cities, which can raise the rates with majority voter (50% + 1) approval, general Law cities are limited in what they can charge. Albany is right around the median rate of these cities.

REAL PROPERTY TRANSFER TAX RATE SURVEY 10/11

CITY	CURRENT RATE	LAST CHANGED	COMMENTS
Alameda	\$12.00 /\$1,000	2008	
Albany	\$11.50 /\$1,000	2003	
Berkeley	\$15.00 /\$1,000	1991	w/ seismic permit refund prgm
Hayward	\$ 4.50 /\$1,000	1992	
Oakland	\$15.00 /\$1,000	1993	
Piedmont	\$13.00 /\$1,000	1993	
Richmond	\$ 7.00 /\$1,000	1990	
San Leandro	\$ 6.00 /\$1,000	1993	

*General Law Cities cannot have their own transfer tax; instead share 1/2 of County Tax, which is currently \$1.10/\$1,000

The City could propose to the voters a rate increase of \$1 or \$1.50 and still be within range of the cities of Piedmont, Alameda, Oakland, and Berkeley. A rate increase of \$1.50 would increase property transfer tax revenues by approximately 13%.

San Francisco voters implemented a tiered rate to charge one rate for properties over \$1 million and another rate for lower priced properties.

Pros:

- Depending on the number and value of properties sold, for planning purposes a \$1.50 increase would generate approximately upwards of \$100,000/year.
- Not an ongoing impact to residents or property owners as it is paid only upon sale of property
- Tax is typically split between seller and buyer
- The tax rate is a factor for the buyer to consider, but typically it does not weigh heavily in decisions
- Cost for payment is based on sale value of asset (not assessed value); not as much of a regressive tax as the sales tax

- Simple majority rather than 2/3 vote requirement

Cons:

- Not a stable revenue source in volatile real estate market
- 2008 vote effort failed

Parking Meters, and other paid parking

The idea for parking meters in the commercial districts arises from time to time, and then has been set aside due to business and residential community reaction – including a voter referendum a number of years ago. More recently the concept of paid parking for commercial, residential, and other areas has emerged in the context of the City’s Climate Action Plan:

CAP Measure TL 4.5: Evaluate and consider implementation of community parking management strategies.

Parking management includes strategies that influence the supply, price and regulation of parking facilities. Parking management can have a considerable effect on a community’s travel behavior by reducing driving and increasing use of other travel modes. The City will evaluate parking management strategies that have the potential to reduce automobile trips or enable the development of bicycling and walking infrastructure (e.g., bike lanes, traffic-calming measures). Estimated cost \$6,300.

The Sustainability Committee will take up the issue of forming a subcommittee for technical analysis/research on the above item at its November meeting, and staff has a Cal intern doing a cursory review of the subject and obtaining data from surrounding cities. The Traffic & Safety Commission had presentations from other cities in April about parking meters and paid parking (see Attachments 2&3).

An idea for installing paid parking also arose as a revenue generation idea for the extension of Buchanan Avenue along the waterfront trail. This could be a pilot project for testing parking permits or meters.

Existing ordinance language would need to be amended to include provisions for metered parking. One or two small Municipal Code sections may be affected: 9-10.18 & 9-10.19

The potential range of financial impact of parking meters is unknown without further study; however, staff anticipates that the fiscal benefits outweigh fiscal costs long term. Staffing

impacts appear negligible on enforcement side; there unknown planning, public works, finance staffing impacts. Staff time would be required to implement a parking permit program. Some investment in professional analysis would be required to fully identify the options and potential revenues and consequences of parking meters.

Parking meters and paid parking initiatives could benefit from a community survey on attitudes and behaviors associated with location, type, cost, etc. For example, as technology makes meter or permit programs more convenient through pre-pay or payment by smart phone, would community opposition decrease.

Pros and cons of parking meters include:

Pros:

1. Increased revenue (pay for parking vs. pay only when parked too long)
2. Pricing can be periodically reviewed and changed to stimulate target vacancy rates in the commercial district (making parking available for persons who come to shop, dine, etc.)
3. Exception permit system can be implemented to minimize impacts on residential parking
4. Reduced employee injuries and workers compensation claims
5. Encourage walkers, public transit, alternative transit (bikes), discourage drivers
6. Meter revenue can be held separately from other city funds and designated for specific uses only, for example: costs of maintaining equipment, buying property to use for public parking lots, traffic enforcement, and expenditures in “the zone” deemed appropriate by resolution (district beatification improvements)
7. Easier to enforce than the current timed-zone parking
8. Enforcement of localized time zones (i.e. green zones) becomes more operationally feasible
9. “Drive aways” deposit revenue, then free up parking (assuming multi-space pay stations)
10. Some versions are solar powered
11. Some are reportedly equipped to create Wi-Fi hotspots
12. Some can be programmed to “speak” up to seven different languages
13. Multi-stations can accept multiple payment methods

Cons:

1. May drive parking deeper into residential neighborhoods
2. Costs to service, repair, replace, equipment (may be recoverable via vendor arrangement, i.e. not staff cost or service), administer contracts with vendors, monthly costs to maintain telecommunications with devices, etc.

3. Multi-space/pay systems are not practical for motorcycles and convertible cars
4. Capital costs
5. Multi-space/pay systems are inconvenient to motorists during inclement weather
6. Parkers may have to “wait in-line” to get a paid ticket

Attachments:

2. Traffic & Safety Commission excerpt minutes, April 2011
3. Summary, Institute for Local Government presentation on Redwood City parking

Sponsorships, advertising and/or underwriting of City public communications or programs

The policy question for Council is whether to authorize private support for city media, and if so, providing policy guidance on its parameters. For example, national public broadcasting (NPR, PBS) receives private funding from sponsors to underwrite its programs, but the message is delivered by the public media rather than the sponsor. On the other end of the spectrum, some agencies allow businesses to advertise directly in their publications. Both are seen as a way to raise revenue for public purposes and be an avenue for businesses or organizations to publicize. One possibility is a pilot program whereby Albany businesses could sponsor, underwrite, or advertise on city media in partnership with the City’s economic development goals.

There are some additional programmatic issues that would need to be addressed, including:

KALB: In order to effectively sell underwriting on KALB, the station needs to maintain a consistent high level of programming that ensures regular viewership. With regular viewership local business will have a reason to want to feature their business on the station. Currently we still have a way to go. Here are some goals, that once met, will allow us to approach the business community with real value.

That:

- KALB programs play when they should / that programming schedules are accurate with the Comcast program guide
- The quality of City programming is high, well produced with good audio and video
- KALB offers regular local programs that are of interest to the Albany community
- The look and feel of City media is consistent between TV, Print and Web

- We have a better sense of how many households in Albany are able to view our content on TV
- There is an easy transfer of sponsorship or advertising content between TV, Print, Web so that the underwriter has access to more outlets
- We have staff time available to create the content for the underwriter

As it stands now, it would difficult to sell "our product" to underwriters with absolute confidence that they would be happy with the results.

For more information:

PBS underwriting guidelines <http://www.pbs.org/producers/guidelines/>

A couple of examples in practice:

<http://mendocoasttv.org/underwriting.html>

<http://www.ci.pinole.ca.us/tv/index.html>

Recreation & Community Services Activity Guide: Staff recommends that at least initially, this be kept to special event sponsorship rather than an ongoing advertising program. The sponsorship helps the Recreation Department continue to offer/fund large community wide events even though the budgets have been cut in those areas. This has been tried, with success, with Dinner with Albany and the Albany Film Festival.

Pros: Special event fundraising has a focused purpose.

Cons: There would be start-up and ongoing costs to solicit and implement an advertising program, as well as the risk that advertising could dissuade paying customers.

City Website and Newsletter: This is not a common vehicle for advertising or sponsors because their primary purpose is public information, rather than offering programs. However, cities have begun to explore this area. It would clearly require policy guidelines. Staff

recommends that it be a lower priority for consideration following pursuit of KALB and expanded special events sponsorships.

Pros: Revenue generation

Cons: Could generate confusion between public and private avenues of information

Long Term Lease Options with Wireless Carriers and/or Electronic Billboard Operators

Wireless Carriers: If the City were interested in leasing space to a wireless carrier it could potentially do so on City owned property. The City Hall/Public Safety Building has previously been considered a site for wireless facilities but is not feasible due to existing public safety communications equipment on-site. The only remaining City owned building that could be feasible for wireless communications equipment is the Community Center at 1247 Marin Ave. However, the property would need to be rezoned to PF-Public Facilities to accommodate a wireless facility. Additionally, a wireless carrier would have to identify the site as satisfactory for equipment/coverage needs and agree to a long term lease with the City.

As the City develops plans for the construction of a new Maintenance Center on the now city-owned Pierce Street property, it could consider the possibility of incorporating a leased wireless facility. There is an existing cell tower on the nearby property at 650 Cleveland that was installed in 2003. At the time, a company called Wireless Capital Partners (WCP) paid the property owner a lump sum of \$190,000 (rather than enter into a long term lease with monthly revenue) for a twenty (20) year lease for 1,000 sq. ft. of the property. WCP entered into an agreement with Tower Asset Sub LLC and they built the tower, lease to wireless carriers, and maintain the site/wireless facility. The lease has been extended and is valid until 2037. As part of this lease, Tower Asset Sub LLC retains the rights to approve/deny any changes to the property. Any future owner will have to work with Tower Asset to alter the property, with their approval, and would not receive any lease revenue from the cell tower.

Electronic Billboards: This is an idea that emerged after the Council session and requires policy direction. On either side of the Albany border along the I-80/580 freeways, there are electronic billboards in the cities of Richmond and Berkeley. There are no electronic billboards in the City of Albany. The zoning code currently prohibits fully animated signs and has a conditional permit process for partially animated signs on properties of more than 25 acres.

The City Council could consider an amendment to the zoning ordinance that would conditionally allow for an electronic billboard on the freeway frontage, and enter into an

agreement with a billboard operator and/or land owner for a sign with net revenue going to the City.

Pros:

- Multiple hundreds of thousands of dollars in annual revenue to the city
- Provides an avenue for publicizing local events, activities, and other information

Cons:

- Concern about driver distraction
- Aesthetic concerns about light and associated visibility
- Energy use

Add fees for consultations with community development staff on such issues as building, planning and engineering.

Planning Services: Currently, a fee of \$1,784 is collected for either Design Review or a Conditional Use Permit request. If two entitlements are processed concurrently, the fee is \$2,423 (\$1,784 + \$639). The fees are intended to capture the full cost of staff time for review including a courtesy site visit and final walk-through inspection in the building permit phase, public notification, the Commission hearing, and the final Notice of Action preparation. This fee is paid once an application has been filed with the City. Staff time is captured and recovered through the application fee. These costs were updated in 2009 based on an analysis of staff time involved in application processing and capturing 100% cost recovery of a typical project. The fees remain current as the cost of staff time associated with application processing has not increased in the past three years.

Pros: Could generate revenue to cover costs of staff time. Applicants would likely use staff time more efficiently.

Cons: Could discourage public from asking questions and getting important information, The result can be projects that fall short in meeting codes, increase public frustration, and take more staff time in the end.

Building Services: Implementation of electronic permitting will compel us to make major changes in building permit fees.

Engineering Services: The City presently recovers nearly all of its expenses for plan check fees, sewer lateral inspections, civil engineering, etc. except in situations where there are broader city-wide policy issues being raised.

Streamline the Process for Independent Businesses to Open or Expand

Small businesses in Albany require a City issued business license to operate. Depending on the business operation and location, a Conditional Use Permit (CUP) or Parking Exception maybe required through the Planning & Zoning Commission. These entitlements add cost and time to the review process. Parking exceptions are most common as most new businesses locate within existing space where parking is not necessarily available on-site. Parking exceptions are presented to the Planning & Zoning Commission and publicly noticed. The review time for a parking exception is 1-2 months.

It should be noted that staff has been working with members from the Albany Chamber of Commerce and the Solano Ave. Merchants to amend the permitted land use tables. Both parties have identified retail and restaurant uses as being preferred for street level commercially zoned space.

This item has been brought to the Planning & Zoning Commission for preliminary review and would result in personal service uses being conditionally permitted at the street level and permitted by right on the upper story levels or ½ the depth of a street level storefront. If the changes continue to proceed, a business proprietor would be responsible for the CUP application fee and incur the cost of application related materials if they chose to locate in a street level space. This would add at least three (3) additional months to allow for Planning & Zoning Commission review and requires a 300 ft. public notice. Depending on the business operation, input from other City departments may be necessary. This would also increase the amount of staff time currently expended on use permit application processing.

Moratorium on New Policy Issues

Some framework for prioritizing issues could be adopted. As an example, perhaps the Council could set the principle priorities for each commission/committee, leaving one or two priorities open for the commission/committee to select for themselves. Staff should be able to bring one or two priorities issues forward as well. When considering new projects, programs, or policies, Council could evaluate its priority in relationship to other work pending or underway.

Sharing Services

City staff has met with Albany Unified School District staff about possibilities for shared services. The areas that have proven best suited for sharing are joint use of facilities and the A/V programs and services. Common organizational purpose tends to be a better match for shared services than sharing geographic boundaries. Consequently, there are more natural alliances between and among cities because of their similar focus. Staff is exploring possibilities in information technology and fire technical services, and shared staffing with another City of a backup building inspector might be potentially viable.

Pros:

- Allows cities to gain particular expertise in areas that it cannot afford to hire on its own
- Spreads costs across agencies, saving money
- Develops closer working relationships between agencies

Cons:

- Time between agencies needs to be coordinated and prioritized
- Generates concern about loss of local control

Increase Street Sweeping areas and thereby increase revenues from fines.

The primary purpose of street sweeping is to improve the quality of water that drains to creeks and the San Francisco Bay. The sweeping is part of the requirements the City is under to comply with the State Regional Water Quality Control Board and the National Pollution Discharge Elimination System (NPDES).

Police issue approximately 2,500 citations per year currently; the fine amount currently \$39, of which the City receives about \$28, for a net revenue of \$11 per ticket.

Existing staffing does not permit effective street sweeping enforcement and all signed areas are not currently enforced. Any increase in enforcement will require either: more staff or policy direction that allows enforcement of the street sweeping zones “as posted,” meaning anytime within the window (typically 10 a.m. to 2 p.m.) Allowing as-posted enforcement exponentially increases the ability to cite violations with existing staff.

Staff has recently conducted a field review in the areas of the city under both mandatory and voluntary compliance and will present a report to Council on those findings; this will help inform the Council's decision about possible expansion and related staffing needs and/or change in enforcement policy to the signed times.

The pros and cons of expanded sweeping enforcement on an as-posted basis are:

Pro – Increased ability to meet RWQCB/NPDES permit requirements; increased citation revenue; maximizes staff efficiency without adding staff

Con – Public resistance to receiving a citation after the street sweeper has passed, although it has been accepted in other communities

Underway, administrative, or minor items

Reduce City PERS costs by having employees pay a share of the PERS employee cost.

JPA employees are currently paying 4.0% of the Employees (EE) side. The City is currently paying the other 4.0% to the EE side and 13.3% to the Employer (ER) side. *(2012/13 ER rate will be 14.0% and projected 2013/14 ER rate may be 14.2%.)* JPA hires after 7/11 are paying 3.5%. The City is currently paying the other 3.5% to the EE side and 7.7% to the ER side. *(2012/13 ER rate will be 7.8%.)*

SEIU employees are currently paying 4.0% (increases to 7.0% in July 2012 and 8.0% in July 2013). The City is currently paying the other 4.0% (decreases to 1.0% in July 2012 and 0.0% in July 2013) to the EE side and 13.7% to the ER side. *(2012/13 ER rate will be 14.3% and projected 2013/14 ER rate may be 14.5%.)* SEIU hires as of 11/28/11 will pay 4.0% (increases to 7.0% in July 2012). The City will pay the other 3.0% (decreases to 0.0% in July 2012) to the EE side and 7.7% to the ER side.

Albany Peace Officers Association (APOA) non-safety employees are currently paying 8.0%. The City is currently paying the other 0.0% to the EE side and 13.7% to the ER side. *(2012/13 ER rate will be 14.3% and projected 2013/14 ER rate may be 14.5%.)* APOA non-safety future hires will pay 7.0%. The City will pay the other 0.0% to the EE side and 7.7% to the ER side.

APOA safety employees are currently paying 9.0%. The City is currently paying 9.0% to the EE side and the other 12.3% to the ER side. *(2012/13 net ER rate will be 12.0% and projected 2013/14 ER net rate may be 12.4%.)*

Albany Fire Fighters Association employees will begin paying 9.0% in January 2012. The City will pay 9.0% to the EE side and the other 12.3% to the ER side. *(2012/13 net ER rate will be 12.0% and projected 2013/14 ER net rate may be 12.4%.)*

Add Fee-based Services

There do not appear to be services that the City can provide that will generate *significant* revenues that would not compete with Albany businesses. For example, the idea behind the notary fee is to provide the service as a courtesy to customers that need to have their signature notarized for a City document. Furthermore, if there was an activity that starts to generate significant income, and a community expectation develops that services would be available on a walk-in basis, then addition staff training might be required so that we always have someone on duty to provide the services. Other such items:

Fingerprinting: The costs recovered from such a service are negligible and far greater than the fiscal benefits. Staff has already been reduced in this area due to budget constraints. This change would further reduce staff ability to perform other functions. This fee based service could be offered to City of Albany residents with minimal impact to staff, however it would not be a significant source of funds.

Charging for fire alarm installation (with exception for disabled household): Fire Department is already doing this for residential smoke alarms in private residences. We do not offer the installation for smoke alarms in commercial applications (i.e. rental apartments), and we only do it for the elderly and infirm. The City did add this year changes to the FD fee schedule that allows charging for personnel, equipment, and inspections by the hour.

Increase fees for non-residents: The City already charges \$10 per person, per class, for non-residents. If we were to raise the fee by \$2 (or 20%), we would increase revenue by approximately \$6,000. This additional fee would not generate a significant increase in revenue, but I feel would impact the user.

Increase efficiency via technology enhancements, such as online transactions, permitting, business licenses, and an overall improvement in technology services and paperless processing. Ensure that adequate training is provided for these changes.

These changes will require current investment in software, hardware and training. The City's IT Master Plan identifies a number of improvements. A rough estimate to replace 3 servers over the next 2 years (12K each, or 36k total), switch to fiber lines to increase speed (40K), invest in online software for permitting/business license, etc (35k), training (5K), replace with Windows 7 (8,000/yr). TOTAL: \$124,000 over the next 2 years. These are the more costly improvements and would be a great start. Staff will be approaching Council with recommendations on IT management services, training, permit software, and other hardware and software investments in the near future.

All of the city's commissions and committees now receive their agenda packets electronically, which reduces staff resources spent on photocopying and compiling packets. This could be expanded to include the City Council.

Add a license requirement and fee for commercial dog walkers at the bulb, similar to the EBRPD license.

The City does not currently have the staff or contract arrangements to handle the enforcement. It is unlikely that the fees that would be charged could cover the costs of providing the enforcement.

Reduce Costs via Efficiency Improve, emts

Reducing counter hours is one of the best ways to improve the efficiency of the office. With the addition of electronic permitting, more of the building permit transaction can occur on-line. The advantage of closing the counter is that we can work without interruption on completing the behind the scenes portion of permit processing. Many of our customers are repeat customers and will learn the timing of our availability. Many other cities close at regular times, and thus customers new to Albany know to check business hours. Community Development has begun experimenting with closed hours in the middle of the day.

In the Planning and Building functions, we tend to use consultants primarily for functions that staff is not qualified to do (e.g., building permit plan check, CEQA review, etc). With the exception of the City Engineer time, costs are covered by applications.

Continue to apply for grants that can assist priority city projects and programs

The Fire Department is applying for a grant to replace an ambulance, and has applied for a joint grant with Piedmont FD for an entire SCBA replacement grant. Other grants are pursued as identified as matches to City objectives.

ⁱ http://www.boe.ca.gov/info/fact_sheets/sales_use.htm

ⁱⁱ Association of Bay Area Governments (ABAG) list of Bay Area cities. (Sales tax) http://www.abag.ca.gov/abag/local_gov/city/city.html

ⁱⁱⁱ <http://www.boe.ca.gov/pdf/pub71.pdf>

^{iv} See Attachment - Bay Area Sales Tax Rates. Source: <http://www.boe.ca.gov/pdf/pub71.pdf>