

Presentation to City Council August 19, 2014

Presented by
Poornima Wagh, consultant,
Veritas Government Financial

Recap since last presentation:

- **Library (Revenues):**
- The donation flyer sent out in the May 2014 utility bills as of **July 31th** accomplished the following:
 - The library gained **62** “new monthly” donors. bringing in **\$281.50/month**, which is estimated @ **\$3,378/year**.
 - **11** one-time new donations @ a total of **\$132**.
 - Approximately **42** new round up donations.
 - Misc. “other” utility donors in 2014 alone: 293 donors @ \$4,158 (as of June 30, 2014).
 - Total from misc. utility donors + donation flyer donors: \$4,571.90 (as of July 31, 2014).

Recap continued...

- **Public Works (Revenues):**

- River Park Campground revenues for June 2014, when Public Works raised the campground fees:
- June 2013 revenues: \$7,821
- June 2014 revenues: 12,507
- Variance: \$4,686, or 60% revenue change in the positive

- Occupancy rates at campground as of June 2014:
- June 2013 occupancy rates: 34%
- June 2014 occupancy rates: 38%

Recap continued...

- **Finance (Revenues):**

- Two hotels in town have been in delinquent in the last several years for TOT.
- Going forward it is recommended that city institute a policy to have a customer's debit/credit/and or automatic bank withdrawal authorization on file to detract chronic delinquent payments.

- TOT back taxes from hotel #1:
 - Total to be collected: \$175,000
 - Paid as of July 31, 2014: \$47,000
 - Will pay in full per contract by June 2015

- Hotel # 2 owes \$334,000 in TOT back taxes (including interest + penalties) as of July 30, 2014. Monies to be collected through either court judgment or through lien on property at this point as advised by City Attorney's office.

Findings within Police dept.:

- 1. Fees and fines within police department have not been updated since 2010 to reflect true costs, similar to that of other departments within city.
- 2. Parking ticket fees and false alarm billing fees have seen a dramatic decrease in revenues since 2010. Parking ticket fees are outsourced to a private company called Data Ticket.

Year	Parking ticket fees	False alarm billing fees
2010	\$ 47,459.17	\$ 9,185.70
2011	\$ 14,317.68	\$ 1,303.30
2012	\$ 35,280.22	\$ 2,653.00
2013	\$ 32,080.08	\$ 3,455.20
2014	\$ 17,976.49	\$ 3,640.30

Findings within Police dept.:

- 3. Booking fees and correctable citation sign-off fees have stayed consistent in the last two years:

Year	Booking fees	Correctable citation sign-off fees
2010	\$ 19,059.00	\$ 0
2011	\$ 19,376.00	\$ 80.00
2012	\$ 13,194.00	\$ 2,180.00
2013	\$ 18,750.00	\$ 2,060.00
2014	\$ 18,145.00	\$ 1,680.00

Findings within Police dept.:

- 4. Private events costs for the Flower Festival (5 day event) and Spring Arts Festival (3 day event) have been consistent and entirely absorbed by the police department. 2014 Flower Festival costs were lower as there were 4 police officers instead of 6 assigned to festival.

Year	Flower Festival	Spring Arts Festival
2010	\$20,000	\$7,800
2011	\$20,000	\$7,800
2012	\$16,603	\$7,800
2013	\$16,600	\$7,800
2014	\$9,075	\$7,800

Findings within Police dept.:

- 5. Per Captain Ed Lardner in Lompoc PD, The SRO (School Resource Officers) program is not a grant, but rather a system where there are two SRO's assigned, each being paid half time by Lompoc Unified School District, for a total of one SRO. The Lompoc PD pays for the second SRO. Over the years these costs have been very high.

Findings within Police dept.:

- **Costs to the City of Lompoc for Officer #1 as part of the SRO program:**

Fiscal Year	Salary & Benefits	Billed to School District	Total City Cost
2009-2010	97,205.24	(48,602.66)	48,602.66
2010-2011	95,374.08	(47,687.06)	47,687.06
2011-2012	105,617.36	(52,808.73)	52,808.73
2012-2013	108,716.28	(54,358.16)	54,358.16
2013-2014	115,362.83	(57,681.45)	57,681.45
Total:	522,275.79	(261,138.06)	261,138.06

Findings within Police dept.:

- **Costs to the City of Lompoc for Officer #2 as part of the SRO program:**

Fiscal Year	Salary & Benefits	Billed to School District	Total City Cost
2009-2010	89,818.80	(44,909.44)	44,909.44
2010-2011	89,431.99	(44,716.02)	44,716.02
2011-2012	91,515.23	(45,757.63)	45,757.63
2012-2013	101,067.54	(50,533.81)	50,533.81
2013-2014	112,196.83	(56,098.46)	56,098.46
Total:	484,030.39	(242,015.36)	242,015.36

Recommendations for Police dept.:

- **Fees and fines that need to be updated to reflect true costs and increase revenues are:**
 1. Police clearance letters: The City attorney's office and the police dept. are jointly working on establishing a fee for this service. The city of Lompoc has not been charging for this service.
 2. Live scan fingerprinting or rolled ink prints: Has been \$16 since approximately 2004. Police dept. has suggested that it be increased to \$22.
 3. Booking fees: Were updated 6 years ago at \$130. Needs to be increased.
 4. Police Alarm Permit/Renewal: Currently \$2. Needs to be increased. Police dept. has suggested this be an annual fee.

Recommendations for Police dept.:

- **Fees and fines that need to be updated to reflect true costs and increase revenues (continued...):**
 5. Loud party/Noise fee: Currently the police department does not charge this fee.
 6. Photo CD and Audio/video DVD: Currently the police department does not charge this fee.
 7. Firearm Impound fee: With changing laws regarding firearms, city of Lompoc should be charging this fee per police dept.
 8. Residential alarm fees: Currently the police department does not charge this fee.
 9. DUI cost recovery: Based on actual costs.

Recommendations for Police dept.:

- Parking ticket fees are being presently recouped at 50% as opposed to 20% when done in-house. Ticket fees have decreased as fewer tickets are being written. False alarm fees have decreased due to lower infractions by businesses. Back log on the collections aspect of the false alarm fees in 2010 has also been remedied.
- The Flower festival and Spring Arts Festivals are hosted by private organizations. It has been suggested by Lompoc Police that they be reimbursed partially or fully by festival boards. Alternatively, the festival boards can and should opt for private security.

Recommendations for Police dept.:

- Full funding for ONE SRO (School Resource Officer) has cost the city of Lompoc \$503,000 from 2009 through 2014. Per police dept. these costs should be fully funded by the Lompoc School District for the comprehensive services provided.
- The Police Foundation is very active within the community, and can and should be used to its fullest potential as a revenue enhancement/fundraising tool. As an example, the 2nd annual “COPttoberfest” fundraiser brought in more than \$16,000 in 2013.

Misc. Findings:

- Public Works dept.: Building division:
 - In early July 2014 the city administrator was notified of a formula error in the computer system for building and grading permits. The error was caught in a timely manner which saved the city at least \$48,000. Consequently, a quality control check was manually performed on the computer formulas to detect further errors.
 - The quality control check revealed a formula glitch in the grading permit inspection fee for over 1,000,000 cubic yards, where base amount was set at \$4.27 instead of \$4,733.00. This has now been rectified in the system.

Misc. Findings:

- City of Lompoc customers would be relieved and excited about paying their utility bills online, saving them time, money and gas. Permit and license fees, recreation program fees and other misc. fees could also be paid online anytime.
- Automated payments would free up city staff to focus on other tasks while helping the city stay organized and streamlined.
- No need to hire extra staff to count payments, reconcile checks, or manually create reports.

Recommendations:

- Use Pay Pal for local governments:
 - Is compatible with existing city website and can be used by only adding a yellow PayPal payment button.
 - PayPal is easy to use, secure and inexpensive.
 - PCI compliant, automatic fraud screening at no charge.
 - Reporting and back office are automated and easy to use.
 - Pricing is affordable. Those who receive payments pay a fixed percentage and a low fee on every transaction. There are no hidden charges, and there's no monthly fee, no monthly minimum, no setup charge, and no cancellation charge.

Recommendations:

- Pricing for PayPal:

MONTHLY TRANSACTIONS	FEE PER TRANSACTION	EXAMPLES
\$0.01 – \$3,000.00	2.9% + \$0.30 USD	\$3.20 fee on a \$100 transaction
\$3,000.01 – \$10,000	2.5% + \$0.30 USD*	\$2.80 fee on a \$100 transaction
\$10,000.01 – \$100,000.00	2.2% + \$0.30 USD*	\$2.50 fee on a \$100 transaction
\$100,000+	Call 1-888-818-3928	

- Website:
<https://www.paypal.com/webapps/mpp/government-payments>

Conclusion:

- Departments to be looked at next:
- 1. ECD fees and revenues.
- 2. Utilities: Looking closely at billed rates for utility customers, including quality control check of on-line formulas for utility rates.