



Agenda Report

Fullerton City Council

MEETING DATE: SEPTEMBER 15, 2020

TO: CITY COUNCIL / CITY MANAGER

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: MEG McWADE, PUBLIC WORKS DIRECTOR
DAVID LANGSTAFF, SENIOR TRAFFIC ENG. ANALYST
CITY ATTORNEY'S OFFICE

SUBJECT: FULLERTON MUNICIPAL CODE AMENDMENT TO
CHAPTER 8.75 REGULATING SIDEWALK VENDORS

SUMMARY

City Council introduced the first reading of an ordinance to amend Fullerton Municipal Code Chapter 8.75 regulating sidewalk vendors at the July 21, 2020 City Council meeting.

RECOMMENDATION

1. Adopt Ordinance No. 3288.

ORDINANCE NO. 3288 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, AMENDING CHAPTER 8.75 OF THE FULLERTON MUNICIPAL CODE REGULATING SIDEWALK VENDORS

2. Adopt Resolution No. 2020-XX.

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, ESTABLISHING INSURANCE REQUIREMENTS FOR SIDEWALK VENDING

3. Adopt Resolution No. 2020-XX.

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, ESTABLISHING AND ADOPTING THE SIDEWALK VENDING PERMIT APPLICATION FEE

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Infrastructure and City Assets.

FISCAL IMPACT

This action includes a recommendation for a fee to recover the costs related to this program. Costs associated with the issuance and administration of an individual sidewalk vendor permit are shown below:

Table No 1

Labor Cost – Sidewalk Vending Permit:

CSR - 1 hour total fully burdened at \$36.81 per hour (Step 6)	36.81
Revenue Specialist - 15 minutes at fully burdened rate of \$44.57 per hour (Step 5)	11.14
Risk Manager - 15 minutes at fully burdened rate of \$53.95 per hour (Step 5)	13.49
Total burdened labor cost per application:	61.44

Material Cost:

Decals - \$5.00 per set of two decals	5.00
Permit Software - \$4,500 initial cost/4-years (\$1,125 per year/100 applications)	11.25
Printing - packet with application, procedure & checklist (\$0.15 per page, total of 7 pages)	1.05
Mailing (postage @ \$0.55)	.55
Total material & mailing cost per application:	17.85
Actual cost per application	79.29
Recommended Sidewalk Vending Permit Fee	\$80

Based on actual expenditure costs, Staff recommends that the annual fee for a Sidewalk Vending Permit be established at \$80 per cart. The vendor will also be required to pay the City's established Live Scan fee (currently \$22) for the necessary background check and applicable business registration fees (currently up to \$68 depending on business location). It should also be noted that there may be additional indirect costs associated with enforcement through the Police Department or Code Enforcement Division of Community and Economic Development that are not incorporated in the \$80 per cart fee reflected in the aforementioned table.

DISCUSSION

City Council introduced Ordinance No. 3288 for first reading by title only on July 21, 2020. During the meeting, City Council amended the distancing requirements associated with K-12 schools from 1,000 feet to 500 feet. This change is now reflected in the attached ordinance.

In addition, City Council requested that Staff re-evaluate the \$1,000,000 Commercial General Liability Insurance policy requirement, listing the City as an additional insured. In discussions with the City's Risk Management Division and the Director of Risk Control with Risk Program Administrators (RPA), it was recommended that the City require the proposed \$1,000,000 insurance requirement and liability limit to protect the City, its officers, employees, agents, and volunteers. RPA manages and is responsible for overseeing the operations of the City's group insurance provider ICRMA. The following is a summary of the policy requirements of other group insured cities as well as several surrounding cities like in population and/or infrastructure.

- City of Downey \$2,000,000 (ICRMA)
- City of Lynwood \$1,000,000 (ICRMA)
- City of Huntington Beach \$1,000,000
- City of Cerritos \$100,000
- City of Irvine \$1,000,000
- City of Glendale \$100,000
- City of Buena Park \$1,000,000
- City of Anaheim \$1,000,000
- City of Brea \$1,000,000
- City of Orange - No insurance requirements at this time.
- City of Placentia - No insurance requirement in place at this time.
- City of Yorba Linda - No insurance requirements at this time.
- City of Santa Ana - No ordinance in place.
- City of Costa Mesa \$1,000,000
- City of Garden Grove \$1,000,000

Insurance premiums for liability limits of \$500,000 to \$1,000,000 typically range from \$299 to \$2,500 per year. The annual amount depends on the type of vendor (merchandise/food), cart and associated equipment, frequency of use and mobility vs. stationary vending. There are several insurance programs specifically tailored to street vending/push cart owners to include, but not limited to the Food Liability Insurance Program that offers insurance starting at \$299. It is important to note that while the City requires the insurance level for our liability protection, insurance for the car operator is critical to cover for claims of prepared food making a guest ill, lost or stolen equipment and other risks related to operating a mobile business.

Based on the aforementioned advisement of the City's Risk Manager and the City's risk control advisor, Staff recommends that the insurance requirement remain at \$1,000,000 for Commercial General Liability Insurance policy limit, as introduced in the first reading of the ordinance.

Attachments:

- Attachment 1 - PowerPoint Presentation
- Attachment 2 - Sidewalk Vending Ordinance No. XXXX
- Attachment 3 - Resolution No. 2020-XX Insurance Requirement
- Attachment 4 - Resolution No. 2020-XX Fee Schedule