



Legislation Text

File #: 21-0687, **Version:** 1

Resolution to Approve Fiscal Year 2022 Fee Adjustments for Public Services Area - Engineering, Systems Planning, Public Works, Water Treatment, and Waste Water Treatment Units
Mayor and Council, for your consideration and approval are fee adjustments for Public Services Area - Engineering, Systems Planning, Public Works, Water Treatment, and Waste Water Treatment Units for the 2022 Fiscal Year. The anticipated increase in revenue resulting from the fee adjustments is important to balance expenditures and revenues in the proposed budget.

Each year in conjunction with the preparation of the budget, Service Areas/Service Units review license and fee revenues to determine if the cost of the services rendered are covered by the charges. When determining these costs, Service Units consider increases or decreases in expenses such as: labor, materials, equipment, contracted services, and overhead costs. The increases generally range from 1% to 10% for the purposes of full cost recovery. Decreases vary more widely due to efficiency improvements, equipment pricing fluctuations and lower wages in a newer workforce.

As listed by service unit and sub activity, the basis for fee adjustments are as follows:

1. Engineering Service Unit
 - a. License Agreements
 - i. Fee revisions are adjusted based on current hourly wages and to accurately reflect staff time.
 - b. Private Development - Civil Plan Review Fees
 - i. Fee revisions are adjusted for current wages and to reflect staff time spent on development. These fees seek full cost recovery.
 - c. Private Development - Construction Engineering, As-Building, and Inspection Fees
 - i. Fee revisions are adjusted for current wages and to reflect staff time spent on development. These fees seek full cost recovery.
 - ii. New fee for construction inspection cancellation after 3pm on prior work day is included to cover costs the City occurs when a contractor does not perform work requiring City staff as scheduled.
 - d. Annual Visitor Parking Permit, Annual Residential Parking Permit and Replacement Permits.
 - i. Fees were adjusted using an escalation factor and be gradually increased until full cost recovery is achieved.
 - e. Right-of-Way Permit and Inspection Fees
 - i. Fee revisions are adjusted for current hourly wages and accurately reflects staff time spent.
 - ii. New fees for extension of ROW permits beyond expiration data and working without an issued permit cover the associated staff time in response to these activities.
 - f. Sign/Signal - Traffic

- i. Fee revisions are adjusted for current hourly wages, overhead, and equipment costs. Increases are associated with full cost recovery for services rendered and will gradually be increased until achieved.
- 2. Systems Planning Service Unit
 - a. Soil Erosion & Sedimentation Control
 - i. Fee revisions are adjusted for current hourly wages, accurately reflect staff time, seek full-cost recovery, and reduces current subsidy.
 - ii. New fee for non - compliance response, including site visit and notice covers the associated staff time in response to this activity.
 - b. Systems Planning Staff Review of Planning Petitions
 - i. Fee revisions are adjusted to reflect current wages and accurately reflect staff time spent on development.
 - ii. New fees for Land Division with Easement and Special Exemption Related to Marijuana Facilities covers the associated staff time in response to these activities.
- 3. Public Works Service Unit
 - a. Bulk Water
 - i. New fee Bulk Water Sales (per 1000 gallons) covers the cost of water sold and administrative costs associated with billing process.
 - b. Customer Service - Meters
 - i. Fee revisions are adjusted for current hourly wages and overhead to more accurately reflect staff time. Fees also reflect changing material costs (both increases and decreases).
 - ii. Material costs related to flanges and PRVs saw a large increase in the most recent ITB, these increases are reflected corresponding fee adjustments.
 - iii. Increases are associated with full cost recovery for services rendered and will be gradually increase until achieved.
 - iv. New fee for New Meter Sets - 5/8" x 3/4" allows for more accurate cost recovery for meters of this size.
 - c. Forestry
 - i. Increases are associated with full cost recovery for services rendered and will gradually be increased until achieved.
 - ii. Decreases are due to equipment pricing fluctuations.
 - d. Solid Waste
 - i. Increases are associated with full cost recovery for services rendered and will gradually be increased until achieved.
 - ii. Decreases involves utilization of a contractor for cleaning services.
 - iii. Commercial franchise fee changes are associated with increases in transportation, disposal contracts, and overhead costs.
 - e. Utilities
 - i. Water, Storm and Sewer
 - 1. Increases are associated with full cost recovery for services rendered and will gradually be increased until achieved.
 - 2. Decreases are attributable to lower wages in newer workforce.
 - 3. New fee copper water service temporary disconnection fee - utility dug allows to more accurate recover costs for both temporary and permanent

disconnections.

4. Water Treatment Service Unit

- a. Telecommunications
 - i. Increase based on current hourly wages.
- b. Microbiological Test
 - i. Increase based on current hourly wages.

5. Waste Water Treatment Service Unit

- a. New significant and industrial user permit fees cover the associated contractor costs associated with review of permits.

Budget and Fiscal Impact: The net impact of the fee revisions is estimated to be an increase of \$84,063.00. This impact was calculated using the number of instances a fee or charge was assessed in Fiscal Year 2020. The Public Services Area is recommending approval of increases for activities in the Engineering, Systems Planning, Public Works, Water Treatment, and Waste Water Treatment Units. These fully burdened costs were based upon estimated time spent providing the service, vehicle expenses, IT costs, materials & supplies, and the municipal services charge.

Prepared by: Marti Praschan, Financial Services Area Administrator and CFO

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, City Administrator

Whereas, All Service Areas of the city government review their fees each year as part of the budget process;

Whereas, The Public Services Area Service Units have reviewed all their fees as part of the FY 2022 budget submittal;

Whereas, Fees in Engineering, Systems Planning, Public Works, Water Treatment, and Waste Water Treatment Units were found to not be recovering fully burdened costs to provide services;

Whereas, Various fees have been newly created to reimburse costs for services provided;

Whereas, Some fees have been removed as services are no longer offered or the manner in which the service is being provided has changed; and

Whereas, Fees were reduced to reflect actual costs;

RESOLVED, The fees in the Public Services Area Engineering, Systems Planning, Public Works, Water Treatment, and Waste Water Treatment Units be adjusted according to the attached schedules;

RESOLVED, That the attached fee adjustments become effective July 1, 2021; and

RESOLVED, That City Council authorizes the City Administrator to take necessary administrative actions to implement this resolution.