



## Legislation Text

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Resolution to Approve Fiscal Year 2024 Fee Adjustments for the Public Services Area - Engineering, Public Works, Systems Planning, Water Treatment Units and the Fleet and Facilities - Airport Unit of the City Administrator's Office

Mayor and Council, for your consideration and approval are fee adjustments for the Public Services Areas - Engineering, Public Works, Systems Planning, Water Treatment Units and Fleet and Facilities - Airport Unit for the 2024 Fiscal Year.

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 vary 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 based on current hourly wages and to accurately reflect staff time.
  - c. Private Development - Construction Engineering, As-Building, and Inspection Fees
    - i. Fee revisions are adjusted based on current hourly wages and to accurately reflect staff time.
    - ii. increased until full cost recovery is achieved.
  - d. Right-of-Way Permit and Inspection Fees
    - i. Fee revisions are adjusted for current hourly wages and to accurately reflect staff time.
  - e. Signs and Signals - Traffic
    - i. Fee revisions are adjusted for current hourly wages, overhead, and equipment costs. Increases are associated with full cost recovery for services rendered. Decrease is associated with staff turnover.
2. Systems Planning Services Unit
  - a. Soil Erosion & Sedimentation Control
    - i. Fee revisions are adjusted for current hourly wages and to accurately reflect staff time. Increases are associated with full cost recovery.
  - b. Systems Planning Staff Review of Planning Petitions
    - i. Fee revisions are adjusted for current hourly wages and to accurately reflect staff time. Increases are associated with full cost recovery.
3. Public Works Service Unit

- a. Bulk Water
    - i. Fee revision is adjusted for current cost of water and hourly wages.
  - b. Customer Service
    - i. Fee revisions are adjusted for current hourly wages and to accurately reflect staff time.
  - c. Customer Service - Meters
    - i. Fee revisions are adjusted for current hourly wages and to accurately reflect staff time.
    - ii. Fees also reflect changing material costs (both increases and decreases.)
    - iii. Increases are associated with full cost recovery for services rendered and will be gradually increased until achieved.
  - d. Customer Service - Residential Parking
    - i. Fee revisions are adjusted using an escalation factor and will be gradually increased until full cost recovery is achieved.
  - e. Forestry
    - i. Fee revisions are adjusted for current hourly wage and to accurately reflect staff time.
  - f. Solid Waste
    - i. Increases are associated with full cost recovery for services rendered and will gradually be increased until achieved.
    - ii. Decreases is associated with process improvements.
    - iii. Commercial franchise fee changes are associated with contractual and overhead changes. Effective 7/1/2023 users will be billed directly by the service provider.
4. Water Treatment Services Unit
- a. Telecommunications
    - i. Fee is being removed as services related to telecommunications are moving to the City's IT department.
5. Fleet and Facilities - Airport
- a. Increases are determined and set because of market analysis of other local airport hangar fees.

Budget/Fiscal Impact: The net impact of the fee revisions is estimated to be an increase of \$283,340.00. This impact was calculated by using the estimated annual instances of each fee. The Public Services Area is recommending approval of increases for activities in the Engineering, Public Works, Water Treatment, Systems Planning Units and the Fleet and Facilities - Airport Unit of the City Administrator's Office. These fully burdened costs were based upon estimated time spent providing the service, vehicle expenses, IT costs, materials & supplies, and the municipal service charge.

Prepared by: Ed Ader, Financial Manager

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

Brian Steglitz, Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

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

Whereas, The Public Service Area Service Units have reviewed their fees as part of the FY 2024 budget submittal;

Whereas, Fees in Engineering, Public Works, Water Treatment, Systems Planning and Fleet and Facilities - Airport 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, Some fees were reduced to reflect actual costs;

RESOLVED, That the fees in the Public Services Area Engineering, Public Works, Systems Planning, Water Treatment Units and Fleet and Facilities - Airport Unit be adjusted according to the attached schedules;

RESOLVED, That the attached fee adjustments become effective July 1, 2023; and

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