



Legislation Text

File #: Resolution 50-2021, **Version:** 1

Agenda Date: 10/19/2021

Subject:
Resolution 50-2021: Adopting the 2022 Fee Schedule

Prepared by: Tiffany Hooten, Finance Director

PURPOSE:

Does city council support adoption of the 2022 Fee Schedule?

PRESENTATIONS:

Staff Presenter(s): Tiffany Hooten, Finance Director
Additional Presenter(s): N/A

SUMMARY:

Fees are charged to customers, citizens, and other parties for certain city services. The purpose of a fee is to help defray the cost of the city providing those services and not to raise revenue. Fees must be evaluated to ensure that the fee is commensurate with the service provided. The fee schedule does not encompass all city-wide fees such as library and museum fees or license fees such as liquor and medical marijuana.

During the budget sessions September 11th and 28th, staff proposed increases to the sewer and stormwater utility fee schedule. One additional fee that is included for 2022 is a slight increase in the pea patch fee. The “red-lined” 2022 fee schedule is attached which includes comparative fee changes.

PRIOR ACTIONS OR DISCUSSIONS:

These fee changes were discussed during the budget sessions held on September 11th and 28th except for the pea patch fee which has been requested by staff.

ANALYSIS:

Staff Analysis

Staff has reviewed the recommended fee changes. The 2022 recommended fee schedule is attached as part of the resolution and referenced as Exhibit A.

Council Goal, Objective, and/or Guiding Principle

The fee schedule is directly related to Goal 2 Financial Sustainability by providing a mechanism to fund services with fees.

Fiscal Impacts

The following are the proposed fee changes for 2022. Additionally, fees related to fire services have been removed from the Fee Resolution as the city no longer provides fire services.

Sewer and Stormwater Utilities Fees

Annual sewer utility fees are proposed to increase by 5% for operational and capital needs of the sewer utility system. The estimated additional annual revenue in 2022 is \$610,180.

Annual stormwater utility fees are proposed to increase by 40% for operational and capital needs of the stormwater drainage system. This is the third year of a three-year rate increase proposed to council in 2019 to address a significantly underfunded utility. The estimated additional revenue in 2022 is \$659,080.

The total impact to a single-family residence for both sewer and stormwater fee increases in 2022 is \$26.73 annually or approx. \$2.23 per month.

Community Gardens (Pea Patch)

The City provides a community garden at two locations consisting of 162 lots and 5 wheelchair-accessible raised planters. These gardens are provided to those who live or work in the City limits. The City provides the land, irrigation water, and some shared tools - supplies, seeds and work must be provided by the gardeners. The gardening community also provides over 1,000 pounds of free produce to community food banks annually. The current annual fee is \$25 per lot/planter (lots are free to senior citizens aged 65 or older). Priority Based Budgeting identifies this program as quartile three, or less aligned with community priorities, and with approximately on 25% cost recovery for the program the framework identifies the Pea Patch gardens as an area where fee recovery should be considered. As a result, staff is recommending the fee for these gardens be increased from \$25 to \$50 per garden and up to 5 gardens from \$10 to \$15. This is expected to bring the level of cost recovery closer to 50% and provide a better foundation to support and grow the program while enhancing the council goal of Environmental Stewardship.

Alternatives

Option 1 - Adopt fees as proposed.

Option 2 - Adopt differing fees, understanding the impact to current and future projects.

Option 3 - Maintain fees at the 2021 level, understanding the impact to current and future projects.

STAFF RECOMMENDATION:

Staff recommends approval of the 2022 fee schedule.

PROPOSED MOTION:

I move to approve Resolution 50-2021 adopting the 2022 fee schedule.