

Legislation Text

File #: 6431, **Version:** 1

CC MEETING: November 21, 2023

DATE: November 14, 2023

TO: Erin Rinehart, City Manager

FROM: Melissa Everett, Finance Director
Diana Vaughn, Chief Financial Officer
Chrystal Davis, Assistant City Manager

Consider An **Ordinance Amending Chapter 31, The Comprehensive Fee Schedule.**

BACKGROUND:

The City's Utility Fund has the financial goal of generating sufficient revenue to pay all expenses (including capital, fleet, and debt) and to maintain cash reserve balances equal or greater than the City's adopted financial policy of 90 days of expenditures. Due to the seasonality of significant water sales occurring in the final (July-September) quarter of the fiscal year, the City waits until early November to determine the rate increase required to run the program for the next fiscal year.

Staff provided an overview to the Audit, Finance, and Governance Committee on November 6. This Fee Ordinance is proposed with increases to water and wastewater rates which will generate 5.3% in additional revenue for the Utility Operating Fund. This additional revenue will provide funding for water and sewer capital projects necessary to maintain the condition of the utility infrastructure, increase wastewater processing costs, and additional capital for planned increases by the TRA. The Audit, Finance and Governance Committee was provided with the opportunity to discuss any potential increases to utility rates prior to City Council deliberations. After hearing The Finance Department's recommendations, the Committee agreed to increase the water and wastewater rates as provided. The vote was unanimous and with the understanding it will be brought to Council on November 21, 2023, for adoption.

Additionally, Parks & Recreation staff is recommending an update to section *(G) Parks and Recreation* of the Comprehensive Fee schedule for the Esports Center at Rosemeade Recreation Center and pool rental fees at Rosemeade Rainforest and Rosemeade Main Pool. Staff would like to update the Esports hourly fee for nonresidents to align with that of the Crosby Recreation Center. At Rosemeade Rainforest and Rosemeade Main Pool, staff would like to differentiate the rental fee between resident and nonresident guests.

Finally, the Building Inspection Department has recommended an update to the Special Event and Parade Permit fees to include exempting National Night Out event from Special Event permit fees as required per city code. This update also includes striking where alcohol can be served which will be codified in Section 130.26 at a later date.

FINANCIAL IMPLICATIONS:

The increases in water and wastewater rates ensure proper financial planning for upcoming operating and capital expenditures. The total rate change will generate approximately 5.3% in additional revenue for the Utility Fund.

Changes to the Comprehensive Fee ordinance relating to the Esports Center and Building Inspection will have minimal financial implications.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends Council approve the Ordinance amending Chapter 31, the Comprehensive Fee Schedule relating to utility rates, Esports, pool rental fees, and special event/parade permit fees.