LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on October 26, 2015, at 6:00 p.m. with Chairman Hare presiding. Members present were Mr. Cole, Mr. Sudler, Mr. Shevock, and Ms. Maucher. Members of Council present were Mr. Anderson (arrived at 6:04 p.m.), Mr. Hosfelt, Mr. Hutchison, and Mr. Slavin (departed at 6:40 p.m.). Mayor Christiansen was also present (departed at 6:40 p.m. and returned at 6:50 p.m.).

AGENDA ADDITIONS/DELETIONS

Mr. Sudler moved for approval of the agenda, seconded by Mr. Cole and unanimously carried.

Benchmarks Established for the Economic Development Office

Mr. Bill Neaton, Economic Development Manager, advised members that the Economic Development Office provides a semi-annual review of the benchmarks established for the Economic Development Office.

With respect to the Downtown Dover Partnership (DDP), Mr. Neaton indicated that the History, Heritage and Hops event, which was held in conjunction with the Dover Days Festival, and the Merchants Committee's recent OktDoverfest brought thousands of people to the downtown area. He noted a survey of downtown merchants was finished earlier in the day and results would be reported at the next meeting.

With respect to downtown Dover business growth, Mr. Neaton stated that there were currently two (2) new large Downtown Dover Development District (DDD) projects. He explained that a health care provider would become a tenant of the second floor of the Priscilla Building at 152 South State Street in late November and there was a potential tenant for a portion of the downstairs area of this building that was formerly occupied by a restaurant. Another large project was the Grey Fox Grille and Public House. He stated that a number of DDD initiatives had helped the downtown area and several businesses were utilizing them.

In reference to City-wide economic development, Mr. Neaton stated that four (4) out-of-town businesses were considering moving to Dover, including a boiler-making company and several developers out of New York City.

In regard to strategic objectives for Fiscal Year 2015- 2016, Mr. Neaton stated that he had met with Mr. Brian DiSabatino, President and Chief Executive Officer of EDiS Company, regarding assistance with marketing the Garrison Oak Technology Park (GOTP) and was also scheduled to take a trip there with Ms. Bernice Whaley, Director, Delaware Economic Development Office (DEDO), to determine how the GOTP could best be marketed. Mr. Neaton indicated that the GOTP would be featured on DEDO's website as the primary location for business growth in Delaware.

Mr. Neaton stated that Calpine had been in commercial operation since the first part of June at the GOTP and was in the PJM grid for a 500 MW plant, noting that a second plant could be built on a 37-acre parcel of land at the location. He noted that a ribbon cutting was held for the Uzin Utz facility in early October and they had been so successful that they were getting ready to add a second shift of workers. Mr. Neaton stated that Advantech, Inc. hoped to move forward with building construction at the GOTP after the first of the year.

Status of Discussion Items Proposed During the FY 2015/16 Budget Review

Proposed New Revenue Sources

Members were advised that during the FY-2016 budget hearings City Council directed staff to review various City operations and submit requests for potential revenue sources. Staff requested suggestions internally regarding revenue sources and/or cost recovery sources.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, informed members that Mr. Scott Koenig, City Manager, was unable to be present and that she and Mr. Kirby Hudson, Assistant City Manager, would be reviewing the proposed suggestions.

Mrs. Townshend stated that four (4) fees were being proposed as new revenue sources, three (3) from the Planning and Inspections Department and one (1) from the Customer Services Department. She advised members that two (2) of the Planning Department fees were for Temporary Certificate of Occupancy (TCO), noting that the current fee for a residential TCO was $40 dollars. Mrs. Townshend explained that a TCO creates a lot more work for City staff in terms of tracking, noting that there can be loose ends when projects sit on a TCO for much longer than they should. She advised members that other jurisdictions charge more for a TCO and limit the amount of time that it can be applied, which discourages people from keeping projects on a TCO indefinitely. Staff recommended a $75 fee for a residential TCO and a $100 fee for a non-residential TCO. Under this proposal, a TCO would be valid for a maximum of 45 days and the fee would be paid for each renewal.

The Planning and Inspections Department also suggested that the City implement a fee for Zoning Verification/Administration Interpretations. Mrs. Townshend advised members that zoning verification letters are often requested by property owners who need an entrance permit from the Delaware Department of Transportation (DelDOT), and these letters may also be needed for settlement or refinancing of property. She stated that the letters take a lot of staff time and there is currently no charge for this service; however, nearly all other jurisdictions charge a fee. As an example, Mrs. Townshend explained that she recently completed a request that involved doing research on 15 properties and preparing 15 letters, and this service was performed at no charge. Staff recommended implementing a $50 fee to capture the cost of the service.

In regard to the Customer Services Department, Mrs. Townshend informed members that staff suggested that the City implement a $1.00 charge for a copy of a utility bill. She indicated that customers often come to Customer Services to pay a bill and request a copy of the bill to take to the cashier to pay. Mrs. Townshend stated that private utilities charge for this and suggested that implementing a charge may reduce the workload because customers may not continue to request copies. This charge would at least allow for the City to recover the cost when this service is provided. Mrs. Townshend explained that Mr. Koenig's conservative revenue estimate for the utility bill copies was $10,000 dollars, since approximately 118 extra utility bills are printed each day, which would annualize to $26,000 dollars. Since it was believed that fewer people would request copies if the fee were implemented, this number was projected to decrease.

Staff recommended adoption of the referenced fees, to be implemented on January 1, 2016.

Responding to Mr. Sudler regarding the proposed fee for zoning verification letters, Mrs. Townshend stated that there was currently no charge for this service and a $50 fee was recommended.

Mr. Anderson expressed his opinion that the proposed adjustments were reasonable and a good balance, noting his desire for there not to be too big of a jump or burden on individuals and businesses in these times, and indicated that he liked the proposal.

Mr. Hudson advised members that Customer Services would be looking at other fees to bring forward to the Committee at a later date. He noted that in many instances staff has to run credit reports, and this need is often attributed to those who habitually pay late or have been cut off. Credit reports may also be used to determine the reliability of new customers. Mr. Hudson stated that those costs were currently being borne by the City. He also indicated that late fees were a little low and that municipalities smaller than Dover were charging a lot more for late fees, noting that the desire was not to make income but to cover costs.

In response to Mr. Cole regarding the number of credit reports done per year or month, Mr. Hudson stated that he did not have this information but offered to provide it the next time this was considered. He indicated that the last figure he saw was in the thousands.

Mayor Christiansen asked why the two (2) fees that Mr. Hudson mentioned were not being considered at this time, noting that they reflected the cost of doing business. Responding, Mr. Hudson stated that he was recently assigned oversight of the Customer Services Department and was shocked to find that these things were not being done.

Noting that the City was losing revenue, Mayor Christiansen asked why these additional fees were not included for consideration. He expressed his opinion that the City should not take half steps but should either be a business that serves the community or not charge anything, and Mr. Hudson agreed.

Responding to Mayor Christiansen regarding the percentage of customers that would be adversely affected by the suggested fees, Mr. Hudson stated that all customers would be affected and estimated that 25% or 30% were “frequent flyers.” In response to Mayor Christiansen as to whether this was due to inability to pay or because these individuals do not accept adult responsibility, Mr. Hudson stated his opinion that the City had been very lenient.

Mrs. Townshend stated her belief that most of the issues currently being discussed were related to item #2B - Review and Maintenance of Fees - Planning and Customer Services Departments, which was the next item on the agenda, and the current item under discussion was the $1.00 charge for a copy of a utility bill. She stated that the effect on a typical customer would be that they would be charged $1.00 if they do not have their bill.

In response to Ms. Maucher, Mr. Hudson confirmed that credit checks were performed to determine whether a deposit is required. He explained that there are certain parameters and a certain scale, and if a score comes in very low because the customer habitually does not pay their bills, then their deposit will be higher than someone with stellar credit.

Ms. Maucher stated that there was an obligation to serve, so regulated utilities generally look at the customer's payment history. If they have been late, the deposit is the equivalent of two (2) months of their annual usage. If there is no history, they can charge their deposits. She thought it was curious that the City found it necessary to run credit checks.

Mrs. Townshend advised members that Customer Services requires a standard deposit; however, the amount of that deposit may be reduced for a customer who has not had an account with the City and has good credit. If the customer has a poor payment history with the City, running the credit report will not help. Mrs. Townshend stated that the customer benefits from the City running the credit report, and the idea was that this cost should be borne by the customer.

In response to Mayor Christiansen, Mrs. Townshend confirmed that running the credit report would be a new source of revenue and Mayor Christiansen expressed his opinion that it could, therefore, be discussed under item #2A - Proposed New Sources of Revenue and Mr. Hudson's recommendation should be considered.

Mr. Sudler noted, in regard to deposits, that in the past if a previous occupant had a bill of $300 or $400, the deposit for the next occupant was almost doubled or tripled. Responding, Mrs. Townshend advised members that the deposit was based on the customer's history, not the history of the customer's unit. Mr. Sudler requested that staff double check this to make sure, noting that he is a landlord and had heard within the last two (2) to three (3) years that the previous occupant's history had been considered, which he felt was unfair.

Mr. Hudson explained that a large deposit is required for those with poor credit to carry the cost and provide something to fall back on if the customer decides to leave without paying.

Mr. Sudler asked what score would determine whether someone has good or bad credit. He expressed his opinion that most people do not have good credit for different reasons, noting the many recent foreclosures. Mr. Sudler stated his desire to make sure that the City is fair and, at the same time, that costs are covered. He thought that a reasonable credit score of at least a C rating should be required, but not an A1.

Mr. Hudson stated that the scores used by the City are within the same limits and to the regular standards that the banks or others would use. The idea was to be fair and follow the same policies that other lending institutions might use but to cover costs. Mr. Hudson stated that the amounts outstanding for people who had skipped out were in the hundreds of thousands of dollars.

Mr. Sudler moved to recommend adoption of the referenced fees, to be implemented on January 1, 2016, as recommended by staff.

In response to Mr. Cole, Mr. Sudler confirmed that the recommendation included the fees for credit checks and the additional items discussed.

Mr. Anderson asked if there was an amount for the credit check fee.

Mrs. Townshend recommended, since Mr. Koenig had done the research on this and was not present, that this item be removed from the November 9, 2015 City Council Consent Agenda so that the fee could be included and this item could get the proper airing at the Council meeting.

Mr. Anderson stated that the concept of a credit check fee was good but that the amount would matter.

Mr. Sudler withdrew his motion to recommend adoption of the referenced fees, to be implemented on January 1, 2016, as recommended by staff, and including the fees for credit checks and the additional items discussed.

Mr. Hudson stated his belief that the cost for a credit check was $10.

Mr. Anderson felt that $10 or $15 was not an unreasonable fee.

Mr. Hare asked if the hundreds of thousands of dollars that were owed by customers had been given over to a collection agency. Mr. Hudson confirmed that this had been done and that he and Mrs. Donna Mitchell, Controller/Treasurer, may be looking for a new collection agency, preferably one (1) that might be able to go outside the boundaries of the State to pursue those who might have fled to other places.

Mr. Sudler moved to recommend adoption of the referenced fees, to be implemented on January 1, 2016, as recommended by staff, and to add a credit check fee of $20, seconded by Mr. Cole.

Mr. Slavin encouraged incorporating built-in escalators to the fee increases so that it would not be necessary to come back and make amendments as the costs driving the fees increase. For instance, rather than putting a specific amount on the credit check fee, he suggested passing the cost of the credit report along to the customer, so that as the cost goes up, the customer's fee would increase.

In response to Mr. Slavin, Mr. Sudler stated that the motion was only proposing to pass through the amount the City is charged for a customer.

Mr. Slavin suggested an amendment to the motion to say that the fee would be whatever the cost of the credit report would be.

Mr. Sudler inquired if 60 days' notice would be given to residents when these changes are made. Responding, Mrs. Townshend stated that the changes would require adoption of an ordinance that would have a first and second reading. The fees would become effective January 1, 2016, which would give staff an opportunity to communicate information about the fees and put notices up at Customer Services stating that copies of utility bills would cost $1.00.

Responding to Mr. Hare as to whether Customer Services can provide an account balance without printing it, Mrs. Townshend explained that a Customer Services representative can do this; however, a printed copy of the bill must be presented to the cashier with payment.

Mr. Hudson advised members that individuals can look up information for themselves at the kiosk at any time.

Mrs. Townshend stated that customers can print their own bills from the City's website as well.

Responding to Mr. Hare, Mrs. Townshend stated that Customer Services representatives cannot take cash.

Mr. Hudson encouraged members to go by and take a look at the Customer Services area, noting that new walls had been put in and the design was different. He indicated that security improvements were being made and Advantech, Inc. was currently putting in new security doors, etc. Mr. Hudson explained that only those who work with cash will have access to the back area where cash goes in and out.

Mr. Cole stated that an amendment to the motion was needed for the credit check fee to read "will covers costs as is."

Mr. Hare indicated that staff time was involved in addition to the credit check cost, noting that $20 would include a little bit extra over a $10 or $15 credit check cost. Responding, Mr. Hudson stated that one of the supervisors advised him that once the credit report is in hand, it could typically take 15 to 20 minutes to process the customer. He believed that $20 would adequately cover not only time spent with that customer, but also the paper and other things that are associated.

Mrs. Townshend suggested setting the fee at cost of service plus 10% or 15%.

Mr. Hare suggested that the fee be set at the cost of service plus $10.

Mr. Anderson felt that this fee was not unreasonable.

Mr. Sudler moved to amend the motion to specify that the fee for credit checks be set at the cost of service plus $10, seconded by Mr. Cole and unanimously carried.

The motion to recommend adoption of the referenced fees *(Attachment #1)*, to be implemented on January 1, 2016, as recommended by staff, and to add a credit check fee at the cost of service plus $10 was unanimously carried.

Review and Maintenance of Fees - Planning and Customer Service Departments

Members were advised that during the FY-2016 budget hearings, City Council directed staff to review various City fees and submit recommendations for consideration by City Council. Several fees in the Planning and Inspections and Customer Service Departments were recommended for increases.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reviewed the recommended proposed fee increases and the estimated annual revenue from the increases. She explained that the recommendations relating to the Customer Services Department were to increase the returned check fee from $25 dollars to $40 dollars and to increase the after-hours utility reconnection fee between the hours of 5:00 p.m. and 9:00 p.m. from $50 to $100, because staff was being paid overtime, on-call pay, or callback pay to reestablish that service.

Staff recommended adoption of the referenced fee changes, to be implemented on January 1, 2016.

Ms. Maucher questioned if a cost-of-service study was done to determine rates, noting that $100 for an after-hours utility reconnection seemed low. Responding, Mr. Hudson stated that the desire was not to become so high as to make money. He stated that the $100 fee had been discussed with the Customer Services Department and this was believed to be a fair amount. Mr. Hudson advised members that this amount would cover the cost.

Mr. Hare asked if $100 would cover all of the expenses to call someone in to turn on service.

Mrs. Townshend stated that typically when someone is called in they are not just reestablishing one (1) service.

Concurring, Mr. Hudson stated that there would be a list of locations, perhaps a hundred for each employee.

Mr. Hare questioned what would happen if this service was needed for only one (1) person.

Responding to Mr. Cole as to whether staff tried to schedule multiple reconnections at the same time, Mrs. Townshend stated that with the number of cuts that the City does, the need would be for more than one (1) reconnection.

Ms. Maucher questioned why there were so many after-hours reconnects and how many of them were typically done. Responding, Mr. Hudson stated that he could provide this information, noting that the number varies. He stated that most reconnections are done during the day; however, there are times when staff has to go out after 5:00 p.m.

Responding to Ms. Maucher as to why reconnections cannot be deferred to the next day, Mr. Hudson stated that these needs occur either because staff may have not been able to get to them or the reconnection was scheduled after the daily schedule was prepared. Mrs. Townshend explained that this sometimes has to do with the time that the customer brings their account current, noting that if this is done in the afternoon, the reconnection cannot be scheduled for that afternoon.

Responding to Mr. Hosfelt, Mr. Hudson and Mrs. Townshend expressed their belief that after-hours utility connections would be done between 5:00 p.m. and 9:00 p.m. and no later than 9:00 p.m.

Mr. Hosfelt asked if there were crews that work 3:00 p.m. to 11:00 p.m. and if this would be overtime or on-call. Responding, Mrs. Townshend stated her belief that this would be overtime but indicated that this could be verified before the Council meeting.

Mr. Hosfelt stated his belief that $100 would not come close to covering the cost of on-call pay and call-out pay on top of that, if he was recalling the union provisions correctly. He felt this amount seemed low.

Mrs. Donna Mitchell, Controller/Treasurer, stated that $100 would probably just cover a meter reader's cost with benefits. She expressed doubt that it would cover an International Brotherhood of Electrical Workers (IBEW) union member, such as a line crewman, etc., noting that gas and equipment would have to be covered.

In order to ensure fairness, Mr. Sudler felt that there should be a time frame specified for when the $100 fee would be charged after the customer brings their account current, such as after 3:00 p.m.

Mrs. Townshend explained that staff goes out around 7:00 a.m. to do disconnects. Customers begin calling when Customer Services opens at 8:30 a.m. People who bring their accounts current in the morning can be scheduled for reconnection in the afternoon. If they do not come in until the afternoon, staff's afternoon reconnection schedule is already full and additional reconnections are done in the evening. When they come in to pay, customers are told what the connection fee will be.

Mr. Sudler asked if there was a fixed time frame indicating, for example, that if the customer comes in after 12:00 p.m. they are subject to the additional charge. Responding, Ms. Townshend stated that this information could be provided at the City Council meeting. Mr. Hudson stated his belief that it was around 11:00 a.m. or 11:30 a.m.

Mr. Sudler noted that 11:00 a.m. and 11:30 a.m. were still in the morning. Responding, Mr. Hudson stated this was getting into the afternoon and people would be taking lunch.

Responding to Mr. Hare, Mrs. Townshend stated that the reconnection rate was $50 during normal working hours.

Mr. Sudler felt that charging the higher fee after 12:00 p.m. would be fair because this would be considered the afternoon.

Mr. Hudson stated his belief that 11:30 a.m. was the cutoff for adding new people to the list before staff goes out for the afternoon.

Mr. Sudler felt that the 11:30 a.m. deadline should be posted so that the constituents of Dover are aware. Mr. Sudler stated that his desire was to ensure that all bases are covered because he could see his constituents complaining about this.

Mr. Hare questioned whether it would be those that do not pay their electric bill that would be complaining about reconnecting.

Ms. Maucher asked if reconnection could be deferred to the next day if customers pay after 1:00 p.m. unless there was an emergency circumstance, feeling that it was odd to send people out after-hours.

Mr. Hudson stated that it was getting cold and staff would prefer to get people reconnected as soon as possible, noting that some have electric heat.

Mrs. Townshend stated that usually if utilities were cut, this would mean water was being cut as well, which would mean these customers would not have plumbing.

Ms. Maucher asked if the additional $50 was just for electric or for any utilities. Responding, Mrs. Townshend stated her belief that the fee was for full reconnection.

Mr. Anderson stated that he was all for adjusting the fees because they made sense, noting that the costs are different for those who come in or go online before 11:30 a.m. and those who do not.

Mr. Anderson advised members that the people he has the pleasure to deal with are not those making $100,000 per year, but are paycheck-to-paycheck people, and if they get the flu and have to miss a week of work, it is a crisis. He expressed the desire to make sure that there are proper extensions for extraordinary circumstances, such as for a person that has been laid up for two (2) weeks with the flu or has been in the hospital and has not been able to pay their bill. He stated that he had dealt with these situations and brought people to City Hall who were unable to pay their bills because they had been in the hospital.

Mr. Hare questioned if these individuals in the hospital that were unable to pay their bills did not have someone to pay their bills for them. Responding, Mr. Anderson said they did not, noting that not everyone has someone who can do this and a lot of people live alone.

Mr. Hudson stated that the average person has 21 days to pay their bill. If they are unable to pay, the amount carries over to the next month. The customer then has a current bill and an unpaid back bill. Mr. Hudson indicated that the customer often pays the back bill, makes a payment arrangement for the bill going forward, and then has another 21 days to pay the current bill that they should have paid. They may continue to not pay the current bill but pay the arrears. If this is a first time situation or not a continued situation, they are given 45 days to pay the bill. *[City Clerk's Office Note: Subsequent to the meeting, the City Clerk's Office was informed that a three (3) day extension is provided to those who are unable to pay their bills at the end of the 45 days.]* Mr. Hudson felt that this was way too long if the City was to be run like a business. He felt that ideally when a bill has a current and previous balance, there should be a note saying that the customer must pay their full bill, noting that back bills were causing a problem for Customer Services and resulting in a lot of receivables. Mr. Hudson felt that the City should put its foot down.

Mr. Anderson stated that instead of using extensions for hardship situations, the City basically went to almost an open-ended system where people could give themselves extensions. He believed that the City had given up its discretion and this could be regained to be used for the people who have a hard time.

Mr. Hudson stated that there are people who know how to play the game and know that if they only pay their back bill they have 21 more days to pay on the front end and can keep carrying this over and over again.

Mr. Sudler stated that it would be great if this could be handled on a case-by-case basis to address outstanding circumstances, but he felt that the new policy should be that the City wants all monies owed when there is a current and a back bill.

Mr. Cole moved to recommend adoption of the referenced fee changes *(Attachment #2)*, to be implemented on January 1, 2016, as recommended by staff, seconded by Mr. Sudler and unanimously carried.

Status of Performance Audit of Civilian Side of City Government
By unanimous consent, this item was deferred until the next meeting.

Proposed Change to Committee Meeting Format
Mr. Hutchison stated that he wished to propose a change to the way in which committee meetings were being held. He noted that committee meetings are held on the same day as City Council meetings, with meeting times beginning at 3:30 p.m. and extending until approximately 7:00 p.m. Mr. Hutchison reminded members that three (3) members of Council serve on each committee, with one (1) serving as chair, along with two (2) civilian members. He noted that there are four (4) standing committees: Legislative, Finance, and Administration Committee; Utility Committee; Safety Advisory and Transportation Committee; and Parks, Recreation, and Community Enhancement Committee.

Mr. Hutchison advised members that he and Mrs. Traci McDowell, City Clerk, attended a Kent County Levy Court committee meeting to observe their process and they are run very differently. He explained that the Kent County Levy Court committee meetings are held on a different night than the Levy Court meeting, the president presides over the committee meeting, each committee has a chairperson, and every elected member of Levy Court is automatically a member of each committee; therefore, there is a committee of the whole. Mr. Hutchison felt that committee meetings were some of the most important things done in the City, outside of Council meetings. He noted that the City's elected officials have full-time jobs, which makes it difficult to attend these meetings.

Mr. Hutchison stated that the City was different from Kent County in that it has civilian committee members, which he thought was fine. He indicated that he was only talking about changing to a format that would allow Council to operate as a committee of the whole, where every Council member is a member of each of committee, there would be one (1) chair of each committee, and the Council President would preside. Mr. Hutchison stated that all nine (9) members of Council would be present at the committee meeting, noting that this had not occurred in his experience. Mr. Hutchison strongly encouraged considering this change, which he felt would be more efficient and effective and would allow greater opportunity for interaction and networking among elected officials and civilians.

Mr. Sudler inquired if Mr. Hutchison had a blueprint of what he was suggesting for members to review. Responding, Mr. Hutchison stated that his purpose was to discuss this suggestion and see what the thoughts were. He promised, if there were a consensus, that he would have a blueprint at the next Committee meeting.

Mr. Sudler indicated that he liked what he heard.

At the request of Mr. Hare, Mr. Hutchison stated that he would bring a blueprint with times for the next meeting, when there would be more time for discussion.

Mr. Hare indicated that this matter would be placed on the next agenda.

Mr. Hare moved for adjournment, seconded by Mr. Sudler and unanimously carried.

Meeting adjourned at 7:00 p.m.

William F. Hare
Chairman

WFH/TM/js/dd
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Attachments
Attachment #1 - Proposed New Revenue Sources - Planning and Inspections Department and Customer Services Department
Attachment #2 - Proposed Fee Increases - Planning and Inspections Department and Customer Services Department

ACTION FORM

PROCEEDING: Legislative, Finance, & Administration Committee
DEPARTMENT OF ORIGIN: City Manager's Office **DATE SUBMITTED**: 10/20/2015
PREPARED BY: Scott D. Koenig, P.E., City Manager; Ann Marie Townshend, AICP, City Planner
SUBJECT: Proposed New Revenue Sources
RELATED PROJECT: N/A
REVIEWED BY: City Manager, Controller/Treasurer
EXHIBITS: N/A
EXPENDITURE REQUIRED: **N/A** **AMOUNT BUDGETED**: **N/A** **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIMETABLE: Implement new fees on January 1, 2016.
RECOMMENDED ACTION: Recommend to City Council the adoption of the referenced fees.

BACKGROUND AND ANALYSIS

During the FY-2016 budget hearings, City Council directed staff to review various city operations and submit requests for potential revenue sources. Staff conducted internal requests for suggestions regarding revenue sources and/or cost recovery sources. Below is a listing of the items staff is recommending action on and the annual revenue associated with the item:

Proposed New Revenues

Fee Type	Proposed Amount	Projected Revenue	Explanation
Temporary Certificate of Occupancy (TCO) - Residential	$75.00	$200.00	Currently regular CO fee is charged. Other locations charge a separate fee for TCO due to the work involved in tracking them and following up. Under this proposal, a TCO would be valid for a maximum of 45 days and the fee would be paid for each renewal.
Temporary Certificates of Occupancy - Non-Residential	$100.00	$2,000.00	
Zoning Verification/Administrative Interpretations	$50.00	$5,000.00	Zoning verification letters and administrative interpretations involve staff time to complete, and currently there is no fee. Other jurisdictions charge a fee. The proposed fee is to reflect capturing the cost of the service provided.
Utility Bill Copies - Customer Service	$1.00	$10,000.00	A random sample day yielded 118 copies printed in a day. This equates to $26,550.00 annualized. Staff believes the actual revenue will substantially decline once a charge is adopted.
Total Projected Revenue		**$17,200.00**	

ACTION FORM

PROCEEDING: Legislative, Finance, & Administration Committee
DEPARTMENT OF ORIGIN: City Manager's Office **DATE SUBMITTED**: 10/20/2015
PREPARED BY: Scott D. Koenig, P.E., City Manager; Ann Marie Townshend, AICP, City Planner
SUBJECT: Review & Maintenance of Fees – Planning & Customer Service Departments
RELATED PROJECT: N/A
REVIEWED BY: City Manager, Controller/Treasurer
EXHIBITS: Exhibit A – Planning & Inspections Fees
EXPENDITURE REQUIRED: **N/A** **AMOUNT BUDGETED**: **N/A** **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIMETABLE: Implement revised fees on January 1, 2016.
RECOMMENDED ACTION: Recommend to City Council the adoption of the referenced fee changes.

BACKGROUND AND ANALYSIS

During the FY-2016 budget hearings, City Council directed staff to review various city fees and submit recommendations for consideration by City Council. Exhibit A is a listing the various Planning & Inspections Department fees being recommended for increases. In addition, there are several fees in Customer Services being recommended for increases. These include the Returned Check Fee being increased from $25.00 to $40.00 and the Service Fee for After Hours Utility Reconnection from $50.00 to $100.00 between 5:00 p.m. – 9:00 p.m. The anticipated additional annual revenue is summarized below.

Estimated Annual Revenue from Proposed Increases	
Planning Application Fees	$ 7,000
Zoning Verification Letter	$ 5,000
Public Occupancy Increase	$ 10,000
Certificates of Occupancy	$ 4,000
Mechanical	$ 23,400
Plumbing	$ 13,000
Rental Permits	$ 80,000
Itinerant Merchant License	$ 7,300
Vacant Buildings	$ 40,000
Sign Permits	$ 9,000
Returned Check Fees	$ 10,605
Service Fee for After Hours Utility Reconnection	$ 20,000
Total	$ 229,305

Type	Sub Type	Last Updated	Current Fee	Proposed Fee
Sign Permits (22-65)		2004	$.50 per SF/minimum fee $15	$.75 per SF/minimum fee $50
Temporary Sign Permits (Appendix B, Article 5)		2004	$ 15	$ 50
Business License	Itinerant Merchant	2010	$ 41.50	$ 100
Mechanical	Heating permit	2004	$30.00 first 10,000 BTUs and $5.00 each additional 10,000 BTUs or multiple thereof	$40.00 first 10,000 BTUs and $7.00 each additional 10,000 BTUs or multiple thereof
Mechanical	Air conditioning permit	2004	$30.00 per ton for the first five tons and $5.00 per ton over five tons or multiple thereof	$40.00 per ton for the first five tons and $7.00 per ton over five tons or multiple thereof
Mechanical	Heat pump permit	2004	$15.00 first 10,000 BTUsand $5.00 each additional 10,000 BTUs or multiple thereof and $2.50 for each additional 10,000 BTUs or multiple thereof and an additional $15.00 for the first five tons and $2.50 per ton for over five tons or multiple thereof	$40.00 first 10,000 BTUs and $7.00 each additional 10,000 BTUs or multiple thereof or $40.00 per ton for the first five tons and $7.00 per ton over five tons or multiple thereof
Plumbing	Fixtures	2004	$25.00 first five fixtures and $2.00 for each additional fixture	$35.00 first five fixtures and $3.00 for each additional fixture
Plumbing	Garbage Disposal & Hot Water Heaters	2004	Minimum of $25	Minimum of $35
Plumbing	Gas, water and sewer inspection underground	2004	$20.00 for first 150 feet and $0.50 for each additional ten feet or multiple thereof	$30.00 for first 150 feet and $0.75 for each additional ten feet or multiple thereof
Rental Permits	Single-family detached dwelling, each dwelling	2000	$ 90	$ 100
Rental Permits	Single-family attached dwelling, each dwelling	2000	$ 70	$ 80
Rental Permits	For the first three dwelling units	2000	$ 90	$ 100
Rental Permits	For each additional dwelling unit in excess of three	2000	$ 30	$ 35

Rental Permits	Condominium units and accessory apartments located within structures principally used for owner occupancy, each	2000	$ 30	$ 35
Vacant Building	< 1 year	2006	$ 250	$ 375
Vacant Building	1-2 years	2006	$ 500	$ 750
Vacant Building	2-5 years	2006	$ 1,000	
Vacant Building	2-3 years		$ 1,000	$ 1,500
Vacant Building	4-5 years		$ 1,000	$ 3,000
Vacant Building	5+ years	2006	$ 2,000	$ 5,000
Public Occupancy Permits	Churches	1993	$ 25	$ 50
Public Occupancy Permits	Civic auditoriums	1993	$ 25	$ 50
Public Occupancy Permits	Clubhouses	1993	$ 50	$ 100
Public Occupancy Permits	Commercial auditoriums	1993	$25.00 first 200 seats and $2.50 for each additional 50 seats	$50.00 first 200 seats and $5.00 for each additional 50 seats
Public Occupancy Permits	Day care facilities	1993	$ 25	$ 50
Public Occupancy Permits	Hospitals, nursing homes or rest homes	1993	$5.00 first ten rooms and $1.25 for each additional room	$15.00 first ten rooms and $2.00 for each additional room
Public Occupancy Permits	Mercantile (10,000 square feet of area or greater)	1993	$ 25	$ 50
Public Occupancy Permits	Outdoor public events, including but not limited to firework displays, carnivals, and outdoor music concerts ..... (would be amended to just include fire works displays)	1993	$ 25	$ 250
Public Occupancy Permits	Public office buildings	1993	$ 25	$ 50
Public Occupancy Permits	School	1993	$ 25	$ 50
Public Occupancy Permits	Theaters	1993	$25.00 for the first 200 seats and $2.00 for each additional seat	$50.00 for the first 200 seats and $5.00 for each additional seat
Public Occupancy Permits	Restaurants (10,000 square feet of area or greater)…..	N/A	N/A	$ 50
Public Occupancy Permits	Restaurants of any size that serve alcoholic beverages	N/A	N/A	$ 75
Subdivision	Preapplication; filing fee	2004	$ 200	

Subdivision	Preliminary layout; filing fee	2004	$ 325	
Subdivision	Plat; review fee	2004	$150.00, plus $65.00 per acre for the first ten acres, $40.00 per acre for the next ten acres and $25.00 per acre for each acre thereafter	$200.00, plus $85.00 per acre for the first ten acres, $60.00 per acre for the next ten acres and $45.00 per acre for each acre thereafter
Subdivision	Minor Lot Line Adjustment	2004	Plats for minor lot line adjustments shall require a review fee of $100.00	$ 150
Subdivision	Minor Subdivision	2004	Plats for minor subdivisions shall require a review fee of $100.00	$150 plus $15 per lot
Certificates of occupancy	All properties zoned single-family residential	2004	$ 40	$ 60
Certificates of occupancy	All other property in other zoning classifications, other than single-family residential	2004	$40.00 for the first 20,000 square feet of building area plus the sum of $10.00 for each additional 10,000 square feet of building area in excess of the first 20,000 square feet or multiple thereof	$75.00 for the first 20,000 square feet of building area plus the sum of $15.00 for each additional 10,000 square feet of building area in excess of the first 20,000 square feet or multiple thereof
Board of Adjustment	Variance for Residential	2004	$ 200	$ 300
Board of Adjustment	Variance for Non-Residential	2004	$ 300	$ 600
Board of Adjustment	Appeal	2004	$ 200	$ 300
Conditional Use		2004	$325 plus $15 per acre	$425 plus $25 per acre
Site Plan	Administrative Site Plans	2004	$ 125	$ 300
Site Plan	Site Plan	2004	$ 325	$425 plus $25 per acre
Historic District Comm.		2004	$ 250	$ 250
Rezoning		2004	$325 plus per acre fee	$425 plus per acre fee
Rezoning	R-7, R-8, R-10, R-15, and R-20	2004	$10 per acre	$25 per acre
Rezoning	RG-0, RG-1, RG-2, RG-3, RG-4, RG-5, RM-1, and RM-2	2004	$30 per acre	$50 per acre
Rezoning	C-1, C-1A, C-2, C-2A, C-3, CPO, RC and IO	2004	$50 per acre	$70 per acre
Rezoning	SC-1, SC-2 and SC-3	2004	$60 per acre	$75 per acre
Rezoning	M and IPM	2004	$60 per acre	$75 per acre