

# **Financial Management Policy Statements**

## **Direction on User Fees**

- ▶ **Calculate a full-cost price for each service**
- ▶ **Compare and evaluate fees for:**
  - **Market and competitive pricing**
  - **Effects on demand for services**
  - **Impact on users**
  - **May result in less cost recovery**
- ▶ **Fees recommended to the City Manager and City Council based on all information gathered**



# Financial Management Policy Statements

## Direction

### ▶ **CPI Adjustment**

- **Fees shall be adjusted by Houston-Sugar Land-Baytown MSA CPI annually as part of the budget process**
- **Fee Ordinance adopted at the beginning of each fiscal year**
- **Changes effective for all activity billed after the effective date**



# Financial Management Policy Statements

## Direction

- ▶ **Non-Resident Surcharges**
  - **For services provided to non-residents, the City may assess an out-of-city service fee or non-resident user fee.**
  - **The surcharges shall be set either as an additional percentage fee or a separate fee for non-residents and can be established by ordinance or by contract.**



# Annual CPI Adjustment

- ▶ **Annual CPI Adjustment: 2.6%**
  - **Fees adjusted utilizing February CPI for Houston-Sugar Land- Baytown MSA**
  - **Total of 487 out of approximately 600 fees adjusted**
  - **Rounded to nearest quarter- dollar**



# Cost Recovery for City Services

## ▶ Parks Fees

- **Recommending an increase to non-resident fees associated with memberships**
- **Increased fee better reflects the direct costs associated with providing those services**
- **Most parks services supported by property taxes**
- **Increase non-resident memberships for IPRC and TE Harman Center from \$58 to \$155 (annual fee)**



# **New Fees: City Secretary**

- ▶ **Public Information Act (PIA) Fees**
  - **State Law Adopted Resolution No.10-20, implementation of a policy regarding the cost of the PIA and Open Records Requests**
  - **Open record requests that require large amounts of staff time will be charged the full amount allowed by the state statute**
  - **Fees effective October 1, 2018**



## **New Fees: Food Trucks**

- ▶ **New fees from Ordinance No. 2136 amending food code**
  - **Temporary food establishment permit TYPE 2...\$475.00**
  - **Temporary Vendor fee...\$20.00**
  - **Fire Mobile Food Unit inspection fee...\$40.00**
  - **Dog variance fee...\$200.00**



# Residential Solid Waste

- ▶ **Residential Solid Waste Fees**
  - **Monthly Solid Waste rates will increase from \$18.45 to \$18.91 per month**
    - **CPI adjustment of 2.5%**
    - **Pass through fee increase from contract**
  - **Changes effective January 1, 2019**





# Financial Impact

- ▶ **Total Financial Impact: \$224,876**
  - **General Fund: \$79,601**
    - **Community Development fees: \$34,611**
    - **Fire-EMS fees: \$44,990**
  - **Solid Waste Fund**
    - **Total Impact: \$145,275**



## Recommendation

- ▶ **Staff recommends approval of first reading of Ordinance No. 2139 amending fees for various services**
- ▶ **Second reading of Ordinance will be on September 18th**



**QUESTIONS?**

