

## Legislation Details (With Text)

<b>File #:</b>	BILL NO. 21-53	<b>Name:</b>	
<b>Type:</b>	Ordinance	<b>Status:</b>	Passed
<b>File created:</b>	3/1/2021	<b>In control:</b>	City Council - Regular Session
<b>On agenda:</b>	3/16/2021	<b>Final action:</b>	3/16/2021
<b>Title:</b>	An Ordinance repealing previous ordinances related to the Schedule of Fees and Charges for the City of Lee's Summit and Establishing a New Schedule of Fees and Charges to take effect July 1, 2021 for the City of Lee's Summit, Missouri. (F&BC 3/8/21)		
<b>Sponsors:</b>	Water Utilities		
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. Ordinance, 2. Exhibit A, 3. FY22 Schedule of Fees - Proposed Showing Changes		

Date	Ver.	Action By	Action	Result
3/16/2021	1	City Council - Regular Session	for second reading	Pass
3/16/2021	1	City Council - Regular Session	adopted and numbered	Pass
3/8/2021	1	Finance and Budget Committee	recommended for approval	Pass

An Ordinance repealing previous ordinances related to the Schedule of Fees and Charges for the City of Lee's Summit and Establishing a New Schedule of Fees and Charges to take effect July 1, 2021 for the City of Lee's Summit, Missouri. (F&BC 3/8/21)

Issue/Request:

An Ordinance repealing previous ordinances related to the Schedule of Fees and Charges for the City of Lee's Summit and Establishing a New Schedule of Fees and Charges to take effect July 1, 2021 for the City of Lee's Summit, Missouri.

Key Issues:

Part of the annual budget process includes updating the Schedule of Fees and Charges for the upcoming fiscal year. By setting the fees and charges in advance of the upcoming fiscal year, it allows City staff to forecast revenue projections for those fees and charges.

Proposed City Council Motion:

FIRST MOTION: I move for second reading of an Ordinance repealing previous ordinances related to the Schedule of Fees and Charges for the City of Lee's Summit and Establishing a New Schedule of Fees and Charges to take effect July 1, 2021 for the City of Lee's Summit, Missouri.

SECOND MOTION: I move for adoption of an Ordinance repealing previous ordinances related to the Schedule of Fees and Charges for the City of Lee's Summit and Establishing a New Schedule of Fees and Charges to take effect July 1, 2021 for the City of Lee's Summit, Missouri.

Airport

The Airport operates as an enterprise fund and is expected to cover operational expenses through hangar rental, fuel sales, and ground leases. Annually, the Airport reviews the fuel mark-up rates, fees, and discounts to ensure that the Airport generates enough revenue to cover operational expenses, remain competitive in the marketplace, and is able to plan for future equipment and facilities.

The Airport proposes changes to the following fees:

*-Increase Hangar, Office Square Footage and Tie-down Rates by 1.3% in accordance with the CPI-U Index:*

Hangar rates are reviewed annually to assess the current local market and cost of operations. As an Enterprise Fund, the Airport is expected to recuperate its operational expenses through fees and services. The Airport Business Plan completed by Clough Harbour & Associates, LLP states in the Rates and Charges section on page 72 that: "Hangar prices should be increased to reflect the Consumer Price Index (CPI) if within service area competitive market rates." The projected CPI rate is provided by staff in the City's Finance Department and is felt to be within the competitive market rates of other surrounding airports. The Kansas City Downtown Airport increased their hangar rental rates also by 1.2% on January 1, 2021. Overall, the proposed increases for all enclosed hangers, Hanger 1, and office space will generate an additional \$1,470 in additional monthly rental revenues or \$17,640 annually.

*-Overnight Tie-Down Fees:*

Single Engine Aircraft and Helicopter: The Single Engine overnight fee is currently \$20.00/night and will be increasing to \$25.00. This will generate an additional \$550.00.

Multi-Engine Turbo-Props and Jets: The current overnight tie-down \$150.00/night and is waived with a purchase of 75 gallons and the second night is waived with a purchase of 125 gallons. For FY22, the proposed fee is \$175.00/night and the first overnight is waived with the purchase of 125 gallons. The second overnight is waived with the purchase of 250 gallons. The proposed increase is estimated to generate an additional \$450.00 annually.

*-Lavatory and Ground Services:* Lavatory Service is increasing from \$65.00 to \$75.00, which is in line with surrounding Airports. This will generate an additional \$100.00 annually.

*-Ramp Service Fees:* The current ramp service fee is \$125.00 or 75 gallons for Jet/Turbo-prop aircraft. The proposed fee for FY22 is \$125.00 or 100 gallons purchased.

*-Hangar 1:* Proposed Rates for single engine tenants located in Hangar 1 will increase from \$550.00/month to \$650.00/month. The proposed change will keep a margin between the Hangar 1 amenities provided (In and out service, heated in the winter, 24/7 security, lobby and pilots lounge) and the enclosed hangars. The proposed change will increase revenue by \$3600 annually.

The Airport proposes removing the following fees:

*-Special Discount for Hangars W & X Rental:* Those customers who were displaced in 2018 due to the removal of hangar units L, S & T received a reduced hangar rental rate for a period of 3-years. Beginning in FY22 these special rates are no longer being provided.

The Airport proposes adding the following fees:

*-Potable Water Service:* This fee is a new fee for FY22 to provide Potable water to Corporate Aircraft. The fee will be \$75.00 per service and the Airport estimates performing 5-7 services per year. Like other amenities at the airport provides, this type of service is used to attract and keep business aviation using the Lee's Summit Airport.

### Cemetery

-The proposed changes for Cremation Opening is based on review of comparative pricing for the surrounding market. Thus, generating additional revenue to provide perpetual care for the Cemetery.

### Development Services

Development Service is proposing to increase its planning application fees by scaling them to the Consumer Price Index (CPI) from the year they were adopted to today's rate. Our fees are divided into two main categories, planning application fees and permit fees. We are not proposing any adjustments to our permits fees as they are based upon a percentage of the permitted work's value and scale with changes to labor and construction costs. The planning applications fees are flat fees and have not been adjusted since 2007. At this time, our proposal is to adjust the 2007 values for inflation.

The planning application process includes staff time to review projects for conformance with the Unified Development Ordinance and the Design and Construction Manual. Applications that go through the public hearing process are also included in these fees. These fees provide partial cost recovery associated with staff time to perform reviews and support to the Planning Commission and City Council hearings. The intent of this change is to match the cost of services with inflation.

The table below shows the current and proposed fees after adjustment based upon the CPI. In the future, Development Services will propose changes to these fees based upon the CPI to avoid sudden large jumps in the fee schedule.

The process for blasting permits was moved into the Unified Development Ordinance in 2020. Development Services is proposing to move the existing \$150 fee into the development section of the schedule of fees for clarity.

Development Services proposes the following changes to the fees and charges:

#### *-Planning Fees:*

- Commercial Rezoning and Preliminary Development Plan, less than 5 acres fee increasing from \$2,800 to \$3,375
- Commercial Rezoning and Preliminary Development Plan, more than 5 acres fee increasing from \$3,600 to \$4,350
- Commercial Preliminary Development Plan, less than 5 acres fee increasing from \$1,800 to \$2,175
- Commercial Preliminary Development Plan, more than 5 acres fee increasing from \$2,400 to \$2,900

*-Final Development Plan Fees:*

- Staff Review FDP 0-5 acres fee increasing from \$600 to \$725
- Staff Review FDP over 5 acres fee increasing from \$1,000 to 1,200

*-Residential Rezoning & Preliminary Development Plan Fees:*

- Rezoning with no PDP (AG, RDR & R-1 only)
- Residential Rezoning and Preliminary Development Plan, less than 5 acres fee increasing from \$700 to \$850
- Residential Rezoning and Preliminary Development Plan, more than 5 acres fee increasing from \$2,400 to \$2,900
- Residential Preliminary Development Plan- 0-5 acres fee increasing from \$1,600 to \$1,925
- Residential Preliminary Development Plan - over 5 acres fee increasing from \$2,000 to \$2,400

*-Sign Permit Fees:*

- Preliminary Plat fee increasing from \$700 plus \$3.00 per lot to \$850 plus \$3.00 per lot
- Minor Plat fee increasing from \$600 to \$725
- Final Plat fee increasing from \$700 plus \$3.00 per lot to \$850 plus \$3.00 per lot

*-Miscellaneous Permits and Fees:*

- Special Use Permit - In-Home Renewals fee increasing from \$300 to \$350
- Special Use Permit (Residential or Commercial) fee increasing from \$900 to \$1,075
- Street Name Change Application fee increasing from \$100 to \$125
- Zoning Variance (Board of Adjustments) fee increasing from \$300 to \$350

-Addition of Fee for 3rd party Engineering Review to be a fee of Cost plus 5%.

Fire Department

There is a goal to have a cost recovery of 50% for EMS related services. As a result, it is necessary to annually update the ambulance fees for resident and non-resident services (Basic Life Support, Advanced Life Support 1, and Advanced Life Support 2).

Police Department

There are no changes to the fees and charges related to the Police Department for FY22.

Water Utilities

The Water Utilities Department operates as an enterprise fund and is fully funded through the fees & charges set forth by the City Council to adhere to the Code of Ordinance requirements and the adopted Strategic Plan.

*-Water and Sewer Rates:* The Financial Model (Cost of Service Model) that is utilized to establish the 5 year rate schedule was updated and presented to the Water Utilities Advisory Board on December 10, 2020. The Board reviewed the financial plan and determined that the plan was consistent with the financial objectives identified in the Water Utilities Strategic Plan below:

- Revenue to Expense Ratio - equal to or greater than 1:1 to ensure that system revenues are recovering expenses. (Operating Revenues divided by Operating Expenses)

- Coverage Ratio - minimum of 1.50:1 to assure that adequate revenues are maintained to satisfy debt obligations. (Net Revenues Available for Debt Service divided by Annual Debt Service Payments)
- Working Capital - working capital equal to 90 days of annual operating expenses
- Plan effectively for rate and revenue stability.
- Incremental rate adjustments (annual review)
- Rates are cost-based, equitable, and understandable
- Promote water conservation
- Adequately fund reinvestment in water and sewer infrastructure

The Board unanimously recommended to the City Council that Water and Sewer rates to append the rate schedule with a 3% increase to water and sewer rates effective January 1, 2025.

*-Meter Setup Fees:* In addition to the above recommendations, Staff annually reviews Meter Setup Charges based on actual costs. Increases to the contract costs of meter supplies are responsible for increases to these charges.

*-Water Tap Fees:* The Water Utilities Advisory Board reviewed the statements related to water tap fee performance and the projections within the tap fee model on December 10, 2020. The Board unanimously recommended the following:

Water Tap Fee Project List updated total of \$83,629,874

Utilize 444 residential equivalent units for growth for (FY2021-22).

Increase Water Tap fee residential equivalent unit to \$3,655 effective July 1, 2021 for next fiscal year (FY2021-22).

Impact/Analysis:

Some of the changes to the Schedule of Fees and Charges for the City of Lee's Summit have a financial impact/estimated revenue increase.

Other Information/Unique Characteristics:

There is an attachment titled "Proposed FY22 Schedule of Fees-Proposed changes" which shows the proposed changes to the Schedule of Fees and Charges.

Brent Boice, Assistant Director of Business Services - Water Utilities

Staff recommends approval of the ordinance.

At the March 8, 2021 Finance and Budget Committee meeting a motion was made by Vice Chair Lopez, seconded by Councilmember Felker, that this Ordinance be recommended for approval to the City Council. The motion passed by unanimous vote.