

## Legislation Text

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**File #:** BILL NO. 24-044, **Version:** 1

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An Ordinance repealing Ordinance No. 9632 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, 2024 for the City of Lee's Summit, Missouri. (F&BC 3/4/24)

Issue/Request:

An Ordinance repealing Ordinance No. 9632 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, 2024 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 and incorporate them into their respective budgets.

Proposed Committee Motion:

I move to recommend to City Council for approval of An Ordinance repealing Ordinance No. 9632 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, 2024 for the City of Lee's Summit, Missouri.

Background:

A synopsis of proposed changes to the Schedule of Fees and Charges by Department:

**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 entire Aviation Industry has realized a substantial increase in business costs. Accordingly, airports and aviation related businesses around the region have raised their prices. This has driven the emphasis for the Lee's Summit Airport FY24 budget to be on equitable competitive pricing in an environment of rising operational expenses.

Rental Space: Airport is request to increase Hanger and Office rental rates by 3.4% in accordance with the CPI-U index;

Hanger 1: increase the rates for single-engine tenants located in Hanger 1 from \$750.00/month to \$775.00/month. The proposed change will keep a margin between the Hangar 1 amenities provided and the enclosed hangers. Proposed increase of 8.6% for Jet/Turboprop Aircraft, the increase will bring our pricing for Jet Aircraft more in line with surrounding airports and make the Airport more financially self-sufficient.

Ramp fees: The description for helicopter fees has been updated in multiple locations and will be based on

length instead of weight. This will make it easier for staff to determine the appropriate fee. The wingspan categories for Multi-engine turbo Prop and Jet Aircraft Wingspan have been changed to bring the size of the aircraft more in line with minimum fuel requirements.

Maximum Fuel Mark-up: The current Schedule of Fees limits the maximum mark-up on fuel at \$2.00/gallon on 100LL and 91 octane fuel sales. Each year, staff increases the markup as needed to cover operational and day-to-day expenses of the Airport. The Airport has reached the cap on 100LL and is within \$.25 on 91 Octane fuel. To continue to increase markup, the maximum cap needs to be increased. Staff is proposing a \$.50 increase in the cap.

**New fees:**

Hanger 2: The completion date for Hangar 2 is unknown at this time. Once completed, Hangar 2 rates will be determined by multiplying the area (length x width) of the Aircraft by \$.95. Staff is not planning on generating revenue until the beginning of FY26.

Special Use Application Fee: The Special Use Application is used by individuals and businesses requesting permission to conduct temporary airport activities ranging from aeronautical to non-aeronautical uses. This fee covers the staff's time to review and approve the application and ensure the person requesting particular use can comply with Airport Rules and Regulations. The Application fee is \$25.00.

Powered Paraglider Use and Application Fee (annual fee) The Powered Paraglider (PPG) Use and Application Fee is used by individuals requesting access to the Airport to conduct PPG Operations. This Fee covers staff time to review the application, review the PPG Operating Guide with the applicant, and turf maintenance.

Powered Paraglider Use and Application Fee (one-time) The Powered Paraglider Use and Application (one-time) is used by individuals requesting access to the Airport to conduct PPG Operations for a limited number of days (1-7 days). This Fee covers staff time to review the application, review the PPG Operating Guide with the applicant, and turf maintenance. The application fee is \$20.00.

**Animal Control:**

Increase in the adoption fees for Cats as the cost to spay neuter has increased, this puts it at the same as for dogs.

**New fees:**

With an increase in the number of animals surrendered by owners, Animal Control is requesting to add a Owner Surrender Fee to help with the expenses for animal care.

**Emergency Medical Services (EMS):**

The Ambulance fees are calculated each year using financial and EMS call data from the previous year. The rates for FY25 will be slightly lower than the FY24 rates.

**Water Utilities:**

The Water and Sewer tap fees, proposed rates are increased because of increases in pass through costs for equipment, projects and project expenses.

Do to increased operational expenses and capital reinvestment needs, the Water and Sewer rates effective January 1, 2026 and January 1, 2027 are being updated from 4% increases to 5% increases, and the January 1, 2028 rates will reflect a 5% increase.

Rick Gentry, Budget Manager

Recommendation: Staff recommends approval

Committee Recommendation: [Enter Committee Recommendation text Here]