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**REQUESTED COUNCIL MEETING DATE: NOVEMBER 2, 2015**

**ITEM: COUNCIL BILL NO. 2015-536**

**ORIGINATING DEPARTMENT: FINANCE DEPARTMENT**

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**Department Head: Leslie Haase**

**Director of Public Works: Nick Heatherly**

**City Attorney: Peter Edwards**

**City Manager: Sam Anselm**

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**INTRODUCTION:**

This Council Bill changes the various utility fees and language.

**DISCUSSION:**

The City recently completed the bi-annual user fee review, which was discussed with City Council at the budget work session on September 16, 2015. User fees are fees for services for specific users. User fees should recover most of the related cost of providing the service, so general taxes are not supporting services for specific users. Under Hancock provisions, the City is only allowed to recover the cost of providing the service.

The last major change to the utilities fee ordinance was 2008. As detailed in the bi-annual user fee review, certain user fees need to be increased to recover more of the costs associated with providing these services.

The proposed changes are as follows:

- Change the penalty for delinquent sewer bills from 10% of the total outstanding balance to 10% of the current month outstanding balance.
- Change the classification of sewer permits from two to three different types.
- Change the sewer permit language to match the three different types of permits.
- Increase the sewer permit fee from \$25.00 to \$75.00 and from \$25.00 to \$100.00.
- Create the new type and establish the new connection permit at \$200.00 for inside the city and \$300.00 for outside the city.
- Increase the sewer tap fee from \$1,000.00 to \$1,500.00 for inside the city and from \$2,000.00 to \$2,500.00 for outside the city connection.
- Increase the concrete and/or clay pipe additional fee from \$150.00 to \$175.00.

The fee change will be effective on January 1, 2016.

**RECOMMENDATION:**

City Staff recommends this Council Bill be approved on first reading.