



CITY OF RAPID CITY

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MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Brett Limbaugh, Director

DATE: December 7, 2015

RE: City Fee Policy Resolution.

Agenda Item: No. LF12022015-116 REQUEST APPROVAL OF RESOLUTION 2015-116 A RESOLUTION ADOPTING A CITY FEE POLICY TO BE USED FOR AMENDING AND ADDING FEES IN THE CITY FEE RESOLUTION

Background:

In October 2014 the Compass "City Fees Audit" was completed. The report listed six recommendations:

1. City management should develop and seek City Council adoption of a formal fee policy that includes suggested best practices for establishing, reviewing and adjusting fees;
2. Department managers should use the guidance provided in the City's fee policy to establish fee processes that incorporate best practices for municipal fees;
3. Department managers should calculate the full cost to provide a service as part of the basis for determining the fee rate. Full costs include all direct and indirect costs;
4. Department managers should conduct fee reviews on a periodic basis and use the results to determine when and how to adjust fees;
5. City management should consolidate all fees in one section of the Rapid City Municipal Code or in a single fee ordinance; and.
6. City management should make information on fees including current rates available to the public in an easily accessible format.

A cross-departmental team was formed to review and implement the recommendations within the Compass audit. The Fee Team included:

- Tim Behlings (Fire Department);
- Andy Chlebek and Don Jarvinen (Human Resources Department);



EQUAL OPPORTUNITY EMPLOYER

- Carla Cushman and Jessica Rogers (City Attorney's Office);
- Don Hedrick and Mark Eisenbraun (Police Department);
- Amber Sitts (Public Works Department);
- Jeri Taton (Parks and Recreation Department);
- Heidi Weaver and Pauline Sumption (Finance Department); and
- Brett Limbaugh (Community Planning & Development Services Department).

The Airport, Civic Center, and Library were not included because these Departments create fee schedules that are approved by their respective Boards rather than by City Council.

Progress Report:

The members of the team determined that the Compass audit recommendations should be divided into three phases:

Phase I (Done)

The first phase included the creation of single fee resolution to be made available to the public via the city website and at the front counter of each department to satisfy recommendations #5 and #6 in the Compass audit. The City Council approved the fee resolution on May 18, 2015 (Resolution 2015-50). The fee resolution was later amended on October 19, 2015 including changes requested by the Police Department and Parks and Recreation Department (Resolution 2015-107).

Phase II (Pending City Council review and approval on 12/07/2015)

The second phase includes the creation and adoption of a formal fee policy to be used by staff and City Council to add, revise, or eliminate future fees to address recommendations #1 and #2 in the Compass audit.

Phase III (Underway)

This phase includes a survey of key departmental staff regarding the existing fees. The survey questions include:

1. What products and services are you producing or performing that do not have a City fee?
2. What specific fees need to be evaluated for potential increases?
3. What products or services should the City provide at no cost or minimal cost because there is a need to promote safety, collect important data, or other factor that supersedes the need to generate fee income?
4. Most fees are deposited in the City General Fund or collected for a specific Enterprise Fund. Are there existing fees or proposed fees that should be collected and segregated into a separate account to pay for a specific service or program?
5. Are there existing or proposed fee collection methods that should be revised? (i.e. on-line or point of purchase using credit card instead of cash or check)

The survey has been distributed and the results will be tabulated in January 2016. Staff will provide recommendations to the Mayor and City Council regarding any additions, revisions, or deletions to the fee resolution. Staff will then perform the necessary analysis in accordance with the fee policy approved in Phase II and present the revised fee resolution to the Mayor and City Council for review and approval.(recommendations #3 and #4 in the Compass audit)