



MEMORANDUM

DATE: November 21, 2022
TO: Honorable Mayor and City Councilmembers
Dave Perrault, City Administrator
FROM: Julie Hanson, Assistant to the City Administrator/City Clerk
SUBJECT: Draft 2023 Fee Schedule

Budgeted Amount:	Actual Amount:	Funding Source:
\$	\$	\$

Council Should Consider

Council should consider providing feedback on the proposed 2023 draft fee schedule.

Background/Discussion

The City Council annually establishes a fee schedule for administrative, building construction, liquor licensing, park and recreation facility usage, planning and zoning, utilities, business licenses, utility fees, and other miscellaneous permits and penalties that are enforced by the City.

The following recaps the fee schedule changes that were made in **2022**:

- Building permit fees – Fees were based on 2021 Minnesota State Statutes 326B.153 and 326B.148.
- Parks and Recreation – Inflationary increases were made to field rentals, warming house/ice rink rental fees, picnic pavilion rental fees, and the community garden plot rental fee.
- Public Works/Engineering – Inflationary increases were made to right-of-way, right-of-way small cell wireless facilities, and grading and erosion control permit fees. A standard fee for Public Works after hours or holiday inspections and re-inspections was also added.
- Utility Hookup Charges – Increases were made for water and sewer permits, reinspection fees, and water meters/spacers based on inflation. Language was updated relating to the standard fee for regular business hour re-inspections and inspections and re-inspections conducted on holidays or after hours.
- Utility Use Charges – Increases in 2022 were as follows: 4.5% water rates, 3.5% sewer rates, 3% surface water charge, and 4.5% to standby charge.
- Recycling – Fees were increased for curbside recycling.

The below information outlines changes recommended to the fee schedule for **2023**. Proposed changes to the fee schedule are noted in red print on the attached draft 2023 Fee Schedule. Explanations for these proposed changes are provided below.

Building Construction (Sec. II)

Building fees will be based on 2022 Minnesota State Statutes 326B.153 and 326B.148.

Staff recommends updating the first item to reflect that Plan Review fees are also based on 2022 Minnesota State Statute 326B.153. Staff also recommends changing the escrow fee for residential new construction/additions from a flat fee of \$2,000 to “To Be Determined by the Building Official”. This change will afford the City more latitude to cover the costs of items that are no longer readily accessible or that have costs that have dramatically increased.

The City contracts with Pete Tokle of Tokle Inspections, Inc. Mr. Tokle has increased various fees, but the most significant change is that commercial fees will now be based on valuation, similar to building permits with the explanation that this will eliminate the need for future commercial fee increases and will be simpler to calculate. Mr. Tokle has proposed these same changes to various other cities and has been using valuation based commercial permits in New Brighton and Brooklyn Center for three years. Using valuation based permits instead of equipment specific will eliminate the need to reapply for a permit when equipment changes during construction. The valuation of the project can remain constant as labor will stay equal and only the equipment cost may vary. This is the reasoning behind all the other types of permits going to valuation based for commercial; change orders for commercial construction are common.

To make the Fee Schedule more straightforward and because there are several fees associated with electrical permits, staff recommends deleting the references to just the two types of electrical permits that are currently listed and leave the one reference “Electrical Permits – General” with the reference to see the attached Exhibit A (which is Mr. Toke’s 2023 residential and commercial fee structure).

Parks & Recreation (Sec. V)

There are no changes recommended to the fees related to parks and recreation for 2023 at this time.

Planning and Zoning (Sec. VI)

There are no changes recommended to the fees related to planning and zoning for 2023 at this time.

Public Works/Engineering (Sec. VII)

Inflationary increases are recommended for right-of-way, right-of-way small cell wireless facilities, and grading and erosion control permit fees.

Utility Hookup Charges (Sec. VIII)

Water and sewer permit fee increases are recommended as well as increases to reinspection fees, connection/disconnection fees, restoration and hydrant meter rentals. These increases are based on inflation.

Utility Use Charges (Sec. XIV)

An increase to sanitary sewer (4.0%) is recommended. No increases to water or surface (storm) water increases are recommended.

Recycling Fee (Sec. XV)

It should be noted the City Council adopted Resolution 2022-045 at its October 24, 2022 meeting. The approved amounts for 2023 recycling fees remain the same as 2022 at \$58.00 for a residential parcel with curbside recycling service and \$3.50 for residential recycling without curbside recycling.

Attachments

Attachment A: Redlined Version of Draft Ordinance 2022-008 – Appendix A – 2023 Fee Schedule