



CITY OF _____
MURPHY

LIFE LIVED AT YOUR PACE

2018 Fee Schedule Review

August 7, 2018 Work Session



Fee Schedule Review

Process

- Biennial review of all City fees
- All departments participated in review
- Recommendations reflect:
 - Cost of providing service
 - Peer cities practices, if applicable
 - Incorporating existing practices
 - Language clarification
 - Transparency

Results

- Some fees increasing; other fees decreasing
- Authorization for current practices

Next Steps

- Discussion at Public Hearings on Sept 4 & Sept 11
- Adoption of fee schedule on Sept 18, 2018



Fee Schedule Review

Sec. A1.003 Police Reports

- **NEW FEE: Certified copy of accident report**
 - Cost mandated by the State.

Fee	Qty	GL Account	FY19 Revenue	FY20-FY23 Revenue
\$8	5	10-4000-4309-0000 Accident Report Fee-Cert	\$40	Increase 1% per yr

- *Currently a non-certified copy of an accident report is \$6*

Fee Schedule Review

Sec. A3.001 REVISED: Parks & Recreation Usage Fees

Section No.	Facility Location	Current Deposit Terms	Proposed Deposit Terms*
A3.001 (b1)	MCC Rooms 117 or 118 Proposed: and/or	Deposit: \$100 (renter may be responsible for any damage above \$100.00)	Deposit: \$100 (renter shall be responsible for any damage or cost incurred by the City above \$100.00)
A3.001 (b2) <i>propose combine section (b1) above</i>	MCC Rooms 117 and 118		
A3.001 (b3)	MCC Gymnasium	Deposit: \$100 (renter may be responsible for any damage above \$100.00)	Deposit: \$150 (renter shall be responsible for any damage or cost incurred by the City above \$150.00)

**No projected revenue impact: Deposits only*



Fee Schedule Review

Sec. A3.001 REVISED: Parks & Recreation Usage Fees (cont.)

Section No.	Item	Current	Proposed*
A3.001 (b4)	MAC	Deposit: \$100 (renter may be responsible for any damage above \$100.00)	Deposit: \$150 (renter shall be responsible for any damage or cost incurred by the City above \$150.00)
A3.001 (b4)	MAC	Non-refundable administrative fee: \$25	Non-refundable administrative fee: \$25 during operating hours and \$75 for after hour rentals

**No projected revenue impact; need more data*



Fee Schedule Review

Sec. A3.001 REVISED: Parks & Recreation Usage Fees (cont.)

- Move Sunday from non-peak to peak;
higher rate/ 8 hr contract /group type (non-profit, private resident, and commercial)

Section No.	Item	Current	Proposed*
A3.001 (c1)	Rates based on group type (Amphitheatre, pavilion, exhibition field rental)	Fri- Sat Sun- Thurs	Fri- Sun (Peak days) Mon- Thurs (Non-peak days)

**No projected revenue impact; need more data*



Fee Schedule Review

Sec. A3.001 REMOVE: Parks & Recreation Usage Fees (cont.)

- **Remove** section A3.001 (c3) entirely (Staff Rate Charges for Private Events)
 - The City of Murphy stopped staffing private events in 2017



Fee Schedule Review

Sec A4.001 Animal Control Fees

- **NEW FEE: Engraved Animal Tag**
 - **Optional service**

Fee	Qty	GL Account	FY19 Revenue	FY 20-23 Revenue
\$6.50	100	10-4000-4206-0000 Animal Control Fees	\$650	Increasing 2% per yr



Fee Schedule Review

Sec A5.004 Food, food establishments, and food vendors permit and inspection fees

- **NEW (not previously included in the fee schedule):** No fee shall be charged to any food establishment owned and operated by a governmental agency, independent school district, institution of purely public charity or church; however, such establishments shall comply with all other requirements of this article. (Section 10.06.307; Ordinance 01-11-542)



Fee Schedule Review

Sec. A7.001(a) REVISED: Fire alarm, fire line, and sprinkler plan review fees

Item	Current	Proposed	GL Account*	FY19 Revenue	FY 20-23 Revenue
Initial Installation/Finish-out of Alarm	\$60 Minimum	\$200 Minimum	10-4000-4317-0000 Fire Alarm System	\$8,200	Declines by \$1,000/yr
Initial Installation/Finish-out of Sprinkler System	\$60 Minimum	\$200 Minimum	10-4000-4318-0000 Automatic Sprinkler System	\$10,000	Declines by \$1,000/yr
Underground Hydro/Flush	\$50/ system	\$200/system	10-4000-4319-0000 Underground Fire Line	\$600	Declines by \$100/yr
Alternate Extinguishing System (Hood)	\$75 Minimum	\$200 Minimum	10-4000-4316-0000 Alternate Extinguishing System	\$1,000	Declines by \$100/yr

**Moved from account 10-4000-4209-0000, Miscellaneous Permits*



Fee Schedule Review

Sec. A8.003(a)(6) REVISED: Water and sewer rates (cont.)

- Clarifying how water leak credits will be calculated when customer has presented proof of leak repair within 90 days

Section No.	Current	Proposed
A8.003 (a)(6)(B) Leak credit requirements	This average will apply to water usage only and leak credit shall be applied only once per 12 month period as appropriate, and cannot cover a period greater than 90 days (3 months).	The calculated adjustment will apply to water usage. A leak credit shall be applied only once per 12 month period as appropriate, and cannot cover a period greater than 90 days (3 months). (Sewer Average provision upcoming - new item)



Fee Schedule Review

Sec. A8.003(a)(6) REVISED: Water and sewer rates (cont.)

- Clarifying basis for water leak credits for new customers

Section No.	Current	Proposed
A8.003 (a6Cii) Leak credit requirements	(New customers will be charged the citywide residential average usage of <u>9,400</u> gallons until their own independent 24- month average has been established).	New customers with less than 24- months of consumption history will be eligible for a leak credit only if actual water usage exceeds 18,800 gallons per month (citywide residential average water usage) for up to three months. Example below added to the fee schedule.

- Example:** Leak credit calculation (1 month water usage of 25,000 gallons)
 $(25,000 \text{ gal} - 18,800 \text{ avg gal}) = 6,200 \text{ gal} / 1,000 \text{ gal} * \1.96 (1st tier rate of \$4.79 minus wholesale rate of \$2.83) = \$12.15 credit for 1 month



Fee Schedule Review

Sec. A8.003(a)(6) NEW: Water and sewer rates (cont.)

- Clarifying how sewer averaging will be adjusted when leak credit has been granted during the months of sewer averaging

Section No.	Current	Proposed
A8.003 (a)(6)(NEW)	<i>Not currently in the fee schedule</i>	If all requirements of section A8.003(a)(6) have been met, a water leak credit has been granted, and the customer has requested a sewer adjustment, the calculated sewer average shall be adjusted if the water leak occurred during the months of sewer averaging (Nov, Jan, Feb). The adjusted sewer average will equal 9,400 gallons (1/2 of average monthly water use of 18,800) or the customer's previous year sewer average, whichever is greater.



Fee Schedule Review

- **Example** of sewer average adjustment:
 - 2017 sewer average: \$42.67/month (based on an average of 6,000 gallons during sewer averaging months)
 - 2018 sewer average: \$95.87/month (based on an average of 20,000 gallons during sewer averaging months as illustrated below)

Month	Consumption
November 2017	5,000 gallons
January 2018	5,000 gallons
February 2018 (leak occurred)	50,000 gallons

- **Proposed:** 2018 new sewer average: \$44.44/month (based on average of 6,466 gallons during sewer averaging months, with 9,400 used for Feb only)
 $(6,466 \text{ gal}/1,000 \text{ gal} * \$3.80) = \$24.57 + \$19.87 \text{ Base Fee} = \44.44



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates

Section No.	Item	Current	Proposed*
A8.003(a1,2,3)	Utility Account Service Deposits	New residential and commercial customer deposit \$100.00; new renter customer deposit \$200.00; for builder's new construction deposit \$100.00	Owner Occupied Residential Property \$100.00; Residential Rental Property \$200.00; Commercial Property \$100.00

**No projected revenue impact; no price change*



Fee Schedule Review

Section A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Current	Proposed
A8.003 (a)(8)	\$30.00 service fee will be applied to the account balance if payment in full is not received within 30 days from the billing date. All disconnections will take place on the following Wednesdays.	\$30.00 service fee will be applied to the account balance if payment in full is not received within 30 days from the billing date and service disconnect has been processed. Service re-connect will be processed once past-due payment has been made in full.
A8.003 (a)(NEW)	<i>None*</i>	When initial billing cycle or final billing cycle is 10 days or less, all base charges for services (e.g. water, sewer & trash) will be prorated for the actual number of service days.

*Current practice; codifying in fee schedule



Fee Schedule Review

Section A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Current	Proposed
A8.003 (a)(NEW) Account status	<i>None</i>	All commercial and residential accounts/meters shall be in either active or inactive status at all times. Accounts/meters shall not be “placed on hold”.
A8.003 (a)(NEW)	<i>None</i>	Customers approved for a water variance, during periods of water restrictions, in accordance with Sec. 22.11.035 of the water conservation plan, must purchase and display a City provided yard sign for a non-refundable fee of \$30.

- *Rescinding current practice of placing accounts on hold*
- *Consistent with survey of other Texas cities*



Fee Schedule Review

Sec. A8.003 REVENUE

PROJECTIONS: Water and sewer rates (cont.)

Revenue NewGen to update	FY19	FY20	FY21	FY22	FY23
20-4000-4400-0000 Water Revenue	8.46%	8.46%	8.46%	8.46%	8.46%
20-4000-4500-0000 Sewer Service Charge	5.09%	5.09%	5.09%	5.09%	5.09%



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Minimum Charge	Current Rate	Proposed Rate	GL Account
A8.003(a4A) Monthly base meter charge	¾ inch	\$22.43	\$24.33	20-4000-4400-0000 Water Revenue
	1 inch	\$37.00	\$40.13	
	1 ½ inch	\$75.13	\$81.49	
	2 inch	\$119.98	\$130.13	
	3 inch	\$224.26	\$243.23	
	4 inch	\$373.39	\$404.98	



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Volumetric Rates	Current Rate	Proposed Rate	GL Account
A8.003(a4B) Volumetric water rate	0-15,000	\$4.79	\$5.20	20-4000-4400-0000 Water Revenue
	15,001-30,000	\$5.08	\$5.51	
	30,001-45,000	\$5.40	\$5.86	
	45,001-60,000	\$5.78	\$6.27	
	60,001+	\$6.21	\$6.74	



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Minimum Charge	Current Rate	Proposed Rate	GL Account
A8.003 (b)(1) Irrigation base charges	¾ inch	\$22.43	\$24.33	20-4000-4400-0000 Water Revenue
	1 inch	\$37.00	\$40.13	
	1 ½ inch	\$75.13	\$81.49	
	2 inch	\$119.98	\$130.13	
	3 inch	\$224.26	\$243.23	
	4 inch	\$373.39	\$404.98	



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Volumetric Rates	Current Rate	Proposed Rate	GL Account
Section A8.003 (b)(2) Irrigation Rates	0-15,000	\$5.16	\$5.60	20-4000-4400-0000 Water Revenue
	15,001-30,000	\$5.49	\$5.95	
	30,001-45,000	\$5.88	\$6.38	
	45,001-60,000	\$6.33	\$6.87	
	60,001+	\$6.85	\$7.43	



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Customer Class	Current Rate	Proposed Rate	GL Account
Section A8.003 (c)(1) Wastewater service base meter charge	Residential	\$19.87	\$20.88	20-4000-4500-0000 Sewer Service Charge
	Commercial	\$19.87	\$20.88	
	HOA	\$19.87	\$20.88	
	Church	\$19.87	\$20.88	



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates (cont.)

Section No.	Volumetric by Customer Class	Current Rate	Proposed Rate	GL Account
Section A8.003(c)(2) Wastewater service	Residential	\$3.80	\$3.99	20-4000-4500-0000 Sewer Service Charge
	Commercial	\$3.80	\$3.99	
	HOA	\$3.80	\$3.99	
	Church	\$3.80	\$3.99	



Fee Schedule Review

Sec. A8.003 REVISED: Water and sewer rates (cont.)

- New billing structure – Change from demand charge to volumetric rate

Section No.	Current Rate (Demand charge)	Proposed Volumetric Rates		GL Account
Section A8.003 (g2) Hydrant Meter Rental Water Fee	\$100.00 (base rate) + \$3.00 per 1,000 gallons used.	Increase base rate to \$130.13 + volumetric rate (same as irrigation rates):		20-4000-4400-0000 Water Revenue
		0-15,000	\$5.60	
		15,001-30,000	\$5.95	
		30,001-45,000	\$6.38	
		45,001-60,000	\$6.87	
		60,001+	\$7.43	



Fee Schedule Review

Sec. A9.001(b) REVISED:

Building/construction plan review fees

Current	Proposed
No refunds will be issued for a permit fees unless approved in writing by the City Manager .	No refunds will be issued for any permit fees.

Fee Schedule Review

Sec. A9.003 Certificate of Occupancy Permits

- NEW FEE: Temporary Certificate of Occupancy**

Current Rate	Proposed Rate*	GL Account	FY19 Revenue	FY 20-23 Revenue
\$75 for a Permanent Certificate of Occupancy	\$300 for a 30 day Temporary Certificate of Occupancy	10-4000-4209-0000 Miscellaneous Permits	\$900	Increases 2% per yr

**Peer city comparison ranges from \$75 to \$300*

Fee Schedule Review

Section A9.004 REVISED: Contractor Registration Fees

Item	Current	Proposed
Opening Paragraph	Photo ID, proof of liability insurance and any required state-issued licenses must be presented in person by the license holder at the time of registration.	Remove “ proof of liability insurance ” in order to mitigate the City’s risk.



Fee Schedule Review

Section A9.004 REVISED: Contractor registration fees

Section No.	Current	Proposed	GL Account	FY 19 Revenue	FY 20-23 Revenue
Section No. A9.004(3) Contractor Registration for Electrical Master License Holder	\$100	Exempt from fee, effective Sept 2017 per HB3329	10-4000-4207-0000 Contractor Registration	(\$5,500)	(\$5,500)/yr

Fee Schedule Review

Sec. A9.005 REVISED: Land Zoning and Development Fees

Section No.	Item	Current*	Proposed*
A9.005 (a)(4)	Zoning work session	\$200	Remove entire line item
A9.005 (a)(6)	Special use permit, residential	\$1,000 + \$50 per acre	Remove “residential” and replace with flat rate of \$750
A9.005 (b)(3)	Construction (preliminary plat):	(A) Residential (B) Commercial	Eliminate distinction between (A) and (B)

- No longer hold zoning work sessions, everything is processed through P&Z or Council Meetings.
- Average 2-3 permits/yr, same processes for both res. & com., higher than comparable cities
- Simplifies our fee structure, res. & com. take the same amount of staff time for processing

**FY18 actual revenue in acct 10-4000-4204-0000, Zoning and Platting, \$2,000; proposed revenue would be \$1,500*



Fee Schedule Review

Sec. A9.005 REVISED: Land Zoning and Development Fees (cont.)

Section No.	Item	Current*	Proposed*
A9.005 (b)(4)	Final plat:	(A) Residential (B) Commercial and/or planned development	Eliminate distinction between (A) and (B)
A9.005 (b)(7)	Vacation of plat	Same as final	Eliminate “same as final” and add \$350 fee
A9.005 (b)(8)	City tax certificates	Issued by Collin County	Duplication; Remove from fee schedule.

- Simplifies our fee schedule, take the same amount of staff time for processing
- Reduce fee, a fairly simple process that doesn't justify such a large fee
- Removing from fee schedule, certificates are issued by Collin County

**All revenue in acct 10-4000-4204-0000, Zoning and Platting; FY19 conservative revenue projection = FY18 budget.*



Fee Schedule Review

Sec. A9.005 REVISED: Land Zoning and Development Fees (cont.)

Section No.	Item	Current*	Proposed*
A9.005 (b)(NEW)	Plat, Concept Plan, or Site Plan Extension		\$200
A9.005 (b)(9)	Street name change	After preliminary plat	After final plat
A9.005 (b)(NEW)	Development code variance		\$250

- Plat, concept plan, or site plan extension, adding due to the extensive staff time to take through P&Z and Council
- Development code variance, adding this fee and it is in line with the BOA appeal fee

**All revenue in acct 10-4000-4204-0000, Zoning and Platting; FY19 conservative revenue projection = FY18 budget.*



Fee Schedule Review

Sec. A9.008(c) REVISED: Swimming Pool and Spa Permit

Item	Current	Proposed	GL Account	Qty	FY19 Revenue	FY 20-23 Revenue
In-ground pool and/or spa combination	\$275	\$475	10-4000-4209-0000 Miscellaneous Permits	15	\$7,125	Increases 1% per year

- Plan review fee of \$100
- Administrative cost of \$75; permit and inspection processing
- 6 inspections at \$50 each



Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges (Credit Card Fee)

Currently: *“3.5% fee for all credit card payments made online, and over the telephone for municipal court and building permits”*

- Does not include credit card payments for utility bills, recreation programs, facility rentals, or building projects/municipal court payments made at the counters
- Result:
 - Inequity among customers and/or taxpayers. The City’s credit card expense is passed on to everyone, not just those giving rise to the cost
 - Shortfall of **\$122,088** in FY17. Actual credit card expense \$131,067 offset by only \$8,979 in credit card fee revenue
- Recommendation: 2% fee on all credit card transactions
- GFOA Best Practice: *“When certain services provided especially benefit a particular group, then governments should consider charges and fees on the direct recipients of those that receive benefits from such services. Well designed charges and fees not only reduce the need for additional revenue sources, but promote service efficiency.”*



Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges

Department/Purpose	Current Fee	FY17 Actual Expense	FY17 Actual Revenue base on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed 2% Fee
Customer Service/Utility Payments	None	\$116,656	-	\$97,153*
Customer Service/Building Permits	3.5% online /phone only	\$5,830	\$4,277	\$5,293
Municipal Court/Fines	3.5% online only	\$5,568	\$4,701	\$7,863
Recreation/ Programs, Rentals, etc.	None	\$3,013	-	\$2,593
Police/Animal Control	None	TBD	-	TBD
Police/Reports	None	TBD	-	TBD
TOTALS		\$131,067	\$8,979	\$112,903

- Proposed fee: 2% for all credit card transactions
- FY17 cost of \$131,000 on CC pymts of \$5.6 million = 2.33%, rounded down to 2%
- Misc. Revenue in the General Fund (10-4000-4300-0000) & Utility Fund (20-4000-4300-0000)

*Budgeted conservatively for FY19 at \$90,000



Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges

Department	Purpose	FY17 Actual Payments Processed by Credit Card	FY17 Actual Expense	FY17 Actual Revenue based on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed Fee (2%)
Online (via the City's website)	Utility Billing	\$2,976,531	\$77,274	-	\$59,531
Retail (Over the Counter)	Utility Billing	\$189,003	\$2,979	-	\$3,780
Recurring ACH Drafts to Customer Credit Cards	Utility Billing	\$1,282,698	\$26,375	-	\$25,654
Interactive Voice Recognition (IVR) (Processed as Online Payments, with \$1.25 Incode charge)	Utility Billing	\$409,442	\$10,029	-	\$8,189
Total Utility Billing		\$4,857,674	\$116,656	-	\$97,153*

*Budgeted conservatively for FY19 at \$90,000



Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges

Department	Purpose	FY17 Actual Payments Processed by Credit Card	FY17 Actual Expense	FY17 Actual Revenue based on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed Fee (2%)
Online (via the City's website; \$1.25 collected directly by Incode)	Building Projects (Permits, Contractor Registrations, etc.)	\$28,118	\$745	\$984	\$562
Retail (by Counter & by Phone)	Building Projects (Permits, Contractor Registrations, etc.)	\$236,549	\$5,085	\$3,293	\$4,731
Total Building Projects		\$264,666	\$5,830	\$4,277	\$5,293



Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges

Department	Purpose	FY17 Actual Payments Processed by Credit Card	FY17 Actual Expense	FY17 Actual Revenue based on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed Fee (2%)
Online (via the City's website; \$1.25 collected directly by Incode)	Municipal Court	\$134,327	\$1,781	\$4,701	\$2,686
Retail (Over the Counter)	Municipal Court	\$258,873	\$3,787	-	\$5,177
Total Municipal Court		\$393,200	\$5,568	\$4,701	\$7,863



Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges

Department	Purpose	FY17 Actual Payments Processed by Credit Card	FY17 Actual Expense	FY17 Actual Revenue based on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed Fee (2%)
Online (via the City's website)	Recreation (Facility Rentals and Program Fees)	\$38,487	\$955	-	\$770
Retail (Over the Counter)	Recreation (Facility Rentals and Program Fees)	\$91,149	\$2,058	-	\$1,823
Total Recreation		\$129,635	\$3,013	-	\$2,593



Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges

Department	Purpose	FY17 Actual Payments Processed by Credit Card	FY17 Actual Expense	FY17 Actual Revenue based on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed Fee (2%)
Not Activated yet	Police - Animal Shelter (Pet Registration, Adoption Fees, etc.)	-	-	-	-
Not Activated yet	Police (Fingerprints, reports, etc.)	-	-	-	-
Total Police		-	-	-	-

Fee Schedule Review

City Council Consensus

- Certified police reports (slide 3)
- Park & Recreation (usage fees for deposits, peak/non-peak days), staff rate for private events (slide 4-7)
- Engraved animal tags (slide 8)
- Adding food vendor permit language (slide 9)
- Fire Department fee changes (slide 10)



Fee Schedule Review

City Council Consensus

- Water & Sewer
 - Leak credit calculation (slide 11-14)
 - Utility deposit clarification (slide 15)
 - Disconnect process –clarification of current practice (slide 16)
 - Removal of accounts “placed on hold” (slide 17)
 - Fee for yard sign for water variance (slide 17)
 - Rates for services (slide 18-25)

Fee Schedule Review

City Council Consensus

- Permit fee refund (slide 26)
- Temporary Certificate of Occupancy (slide 27)
- Clarification of contractor registration requirements/fees (slide 28-29)
- Land, Zoning, Development fee changes and updates (slide 30-32)
- Swimming pool/spa permit fees (slide 33)
- Credit cards: 2% fee on all transactions (slide 34-40)



Fee Schedule Review

QUESTIONS?