

Memorandum



CITY OF DALLAS

DATE September 12, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: FY 2014-15 Budget Fee Amendments

In compliance with the City's Financial Performance Management Criteria (FMPC) #15, an annual review of selected fees and charges is conducted to determine the extent to which the full cost of associated services is being recovered by revenues.

In 2014 the City's consultant, MGT of America, Inc. reviewed 20 fees and charges in five departments. The review was performed with participation of representatives from each department.

- Dallas Police – 8 fees
- Street Services – 1 fee
- Sustainable Development (general fund) – 1 fee
- Office of Environmental Quality – 1 fee
- Public Works – 9 fees

The primary goals of the review were to:

- Develop a schedule of current fees and charges
- Define the costs for the City to provide various fee related services
- Recommend fee adjustments based on the full cost of services and other economic or policy considerations
- Develop revenue projections based on recommended increases or decreases to fees

The cost review was comprised of two basic elements: (1) staff time spent to provide the service and hourly rates of staff providing the service including benefits and City overhead costs and (2) other applicable cost incurred by the City to provide the service.

Based on the consultant's review, fee adjustments have been included in the proposed FY 2014-15 budget. The net impact of the fee adjustments is \$15,695. A table that details the current and proposed rates is attached for your review.

In addition to the consultant's review, Sanitation Services Department reviews its charges and fees annually to ensure the rates are adequate. Due to increased fleet maintenance cost and establishing a storm contingency, a \$0.67 per month residential rate increase is included in the FY 2014-15 budget in order to recover cost of service. The monthly sanitation residential fee is proposed to increase from current \$20.64 to \$21.31 per month and the estimated annual revenue increase is \$1,683,867. This sanitation fee change is also included in the proposed FY 2014-15 fee ordinance.

Please let me know if you need additional information.



Jeanne Chipperfield
Chief Financial Officer

Attachment

- c: Honorable Mayor and Members of City Council Forest E. Turner, Assistant City Manager
 A.C. Gonzalez, City Manager Joey Zapata, Assistant City Manager
 Warren M.S. Ernst, City Attorney Mark McDaniel, Assistant City Manager
 Craig D. Kinton, City Auditor Charles M. Cato, Interim Assistant City Manager
 Rosa A. Rios, City Secretary Theresa O'Donnell, Interim Assistant City Manager
 Daniel F. Solis, Administrative Judge Sana Syed, Public Information Officer
 Ryan S. Evans, First Assistant City Manager Elsa Cantu, Assistant to the City Manager
 Jill A. Jordan, P.E., Assistant City Manager

City of Dallas - FY 2014-15 Fee Adjustments

	Department	Name of Fee	Current Rate	Proposed Rate	FY 2014-15 Revenue Change
1	Dallas Police	Dance Hall Class A (dancing is permitted 3 days or more a week)	\$1,400	\$634	(\$55,897)
2	Dallas Police	Dance Hall Class B (dancing is permitted less than 3 days a week)	\$400	\$634	\$1,640
3	Dallas Police	Dance Hall Class C (dancing is scheduled one day at a time)	\$200	\$634	\$0
4	Dallas Police	Dance Hall Class E (dancing is permitted 7 days a week for persons age 14 -18 only)	\$1,400	\$688	\$0
5	Dallas Police	Late Hour Permit for Dance Hall Class A, B, or C	\$500	\$673	\$6,040
6	Dallas Police	Sexually Oriented Business License	\$1,400	\$808	(\$24,863)
7	Dallas Police	Amusement Center License	\$8	\$17	\$273
8	Dallas Police	Billiard Hall License	\$30	\$40	\$997
9	Public Works	Used car lot annual registration (3 or less spaces)	\$0	\$200	\$1,000
10	Public Works	Used car lot annual registration (4 to 9 spaces)	\$165	\$200	\$3,465
11	Public Works	Used car lot annual registration (10 to 49 spaces)	\$215	\$245	\$7,350
12	Public Works	Used car lot annual registration (50 or more spaces)	\$260	\$295	\$1,750
13	Public Works	Class 1 industrial facility, annual registration fee (air emissions >= 100 ton/year)	\$1,910	\$1,465	(\$9,345)
14	Public Works	Class 2 industrial facility, annual registration fee (potential air emissions >=100 ton/year but actual < 100 ton/year)	\$1,910	\$1,200	(\$6,390)
15	Public Works	Class 3 industrial facility, annual registration fee (potential air emissions > 5 and <100 ton/year)	\$1,535	\$940	(\$41,650)
16	Public Works	Class 4 industrial facility, annual registration fee (potential air emissions < 5 ton/year, with nuisance potential)	\$1,065	\$960	(\$15,435)
17	Public Works	Class 5 industrial facility, annual registration fee (for dry cleaners that use certain compounds)	\$50	\$80	\$2,760
18	Street Services	Street Barricade Permit	\$45	\$145	\$74,000
19	Sustainable Development	Application Review (for property abandonment, in whole or in part of abutting ROW)	\$2,500	\$4,250	\$70,000
20	Office of Environmental Quality	Municipal Setting Designation Fee (for deed restriction that prohibits use of shallow groundwater on known historical contaminated property)	\$11,500	\$11,500	\$0
Total Revenue Change					\$15,695