

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2020-557

Introducer/Sponsor(s): Council Member Cumber

Date of Introduction: September 8, 2020

Committee(s) of Reference: NCSPHS, TEU, F, R

Date of Analysis: September 10, 2020

Type of Action: Ordinance Code amendment

Bill Summary: The bill amends Ordinance Code Chapter 106 – Budget and Accounting Code – to delete the sentence stating that the Chief Financial Officer shall file any changes to the City’s schedule of fees with the City Council and that the fee changes shall become effective immediately upon that filing unless rescinded by the Council via ordinance.

Background Information: The Code requires an annual review of City fees by the Chief Financial Officer to determine if the fees are fully recovering the costs of the functions for which they are charged. For any fee determined not to be recouping at least 85% of the actual cost to the City of providing the service, the CFO is directed to increase the fee to the actual cost of service provision in increments over a 3-year period. For any fee determined to be recouping more than 85% but less than 100% of the actual cost of service the CFO is authorized to increase the fee by the amount of the annual change in the Consumer Price Index. The required and authorized fee adjustments are to be filed by the CFO with the City Council and take effect immediately upon that filing, unless City Council acts to declare otherwise.

For a number of years the requirement for the annual fee study has been waived each year in the budget ordinance, in part because of the cost and effort involved in reviewing the cost recoupment level of hundreds of fees and in part because conducting the review could trigger automatic increases for some of the fees. During this year’s budget hearings the Finance Committee determined that it made sense to do the required fee review so that the degree of cost recovery could be determined for all the fees, but without triggering automatic fee increases. The budget ordinance was amended to include a waiver only of the automatic increase provision, and this amendment removes the provision regarding immediate effectiveness of fee increases upon filing by the CFO from the Code.

Policy Impact Area: City fee increase mechanism

Fiscal Impact: The amendment allows the fee cost recovery evaluations to be done without triggering automatic fee increases.

Analyst: Clements