

Reply to Common Council File No. 080483
From DOA-Budget and Management Division

September 10, 2008

Ref: BF 09

File Number 080483 contains a resolution amending the 2008 Local Snow and Ice Removal Charge.

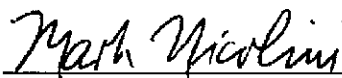
The 2008 adopted budget includes a snow and ice charge rate of 48.11 cents per foot. The 2008 anticipated budget revenues expected to result from the application of that rate are \$4.3 million.

The city has already experienced record setting levels of snow during the first quarter of 2008. These expenditures are currently estimated at approximately \$9 million. Necessary expenditures for a relatively normal fourth quarter level of snow and ice operations can be expected to be \$1.5-\$2 million. In addition, increases of approximately 70% to 2008 diesel fuel costs relative to 2007 have driven higher Department of Public Works expenses for these operations.

Section 309-83 2.b of the Code of Ordinances allows the Common Council to adjust the snow and ice charge after budget adoption based on cost recovery experience. Therefore, the Administration proposes an increase to the 2008 rate from 48.11 cents to 65.22 cents per foot. This change should generate an additional \$1.8 million in non-property tax revenue above the anticipated level. If this rate is adopted, cost recovery for year-to-date expenses will be approximately 68%. Expected cost recovery at the time the 2008 budget was adopted was approximately 86%. Adoption of this rate, in conjunction with other action proposed under File 080315, is expected to enable the city to avoid contingent borrowing for 2008 operations.

The impact on the owner of a property with 44 feet of frontage is estimated to be approximately \$7.52 higher than the adopted budget rate.

RECOMMENDATION: ADOPT A 2008 AMENDED SNOW AND ICE REMOVAL CHARGE RATE OF 65.22 CENTS PER FOOT APPLICABLE TO RESIDENTIAL AND NON-RESIDENTIAL PROPERTY.



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Budget and Management Director

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