

September 12, 2016

Ref: 17BF-2C

Common Council File 160626 contains an ordinance increasing various fees. These increases are part of Mayor Barrett's 2017 Proposed Executive Budget.

Standard budget practice is to annually review and update as appropriate selected licenses, permits, fees, and service charges. This helps establish a responsible balance between service and expenditure reductions and revenue increases. It also helps avoid unintended property tax levy support for the services in question. The 2017 budget presents several challenges, including stagnant State aid and losses in revenue as a result of State legislation. Adopting this file addresses this fiscal imbalance and helps preserve service levels.

The file updates the amounts charged for certain permits, fees and charges for services, primarily in the Department of Neighborhood Services. Increases are proposed for the Extra Garbage Cart Fee, Appraisal and Inspection Service Charges, the Residential Property Pending Foreclosure late fee, the Training and Technology Surcharge, Elevator Maintenance Inspection fees, Permit Processing Fee, Fire Alarm Panel Shop Drawing Review fees, as well as various electrical, building, heating and elevator permits. The Extra Garbage Cart Fee has not been increased since 2014, and tipping fees have increased \$1.3 million since that time. The Elevator Maintenance Inspection fees are increased to make them consistent with the fees charged by the State of Wisconsin.

The ordinance includes two new fees, including:

- A Fire Alarm Witnessing Test Fee, to establish a fee of \$100 per hour for DNS inspectors that ensure fire alarm systems in buildings are operating properly and in accordance with the National Fire Alarm code; and
- Gas Piping Plan Examination fees, to extend current plan examination fees to gas piping plan examinations.

This file is part of the Mayor's 2017 Proposed Executive Budget. City Charter and State law require the Mayor to submit a budget that is a complete financial plan, including estimates of all proposed expenditures and anticipated revenues. However, the Mayor does not control estimates of anticipated revenues. The City Charter authorizes the Comptroller to submit anticipated revenues with the budget request and then submit such changes in anticipated revenues as the Comptroller deems appropriate. The Comptroller generally withholds revenue recognition of increased revenue resulting from proposed fee increases until the Common Council adopts legislation to increase these fees. Action on this file prior to September 26 allows for recognition of the anticipated revenues included in the Mayor's Proposed Budget. This action enables the Common Council to work with a balanced budget that provides sufficient revenues to fund all proposed expenditures. Of course, the Common Council retains its prerogative to amend the expenditure budget as it deems appropriate.

The estimated annual fiscal impact of these changes is \$1.23 million. Actual 2017 budget revenue impact is dependent on the Comptroller's recommended estimates.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 160626



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