

**To:** Jesus Merejo, City Manager

**Thru:** Caroline Sturgis, Director Office of Management & Budget *CS*

**Thru:** Stephen Okiye, Finance Director *SO*

**From:** Charlie Proulx, Deputy Finance Director *CP*

**Subject:** Request for Fee Study

**Date:** September 18, 2024

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**OMB Approval**

**SEP 25 2024**

Funds Available ☒  
Funds Unavailable ☐

In a continuing effort to support the strategic goal of a high-performing government organization, the Finance Department is requesting funding for an unbudgeted project: a comprehensive fee and fine analysis for City departments. This project is essential to ensure that our fees and fines remain competitive and are reflective of actual service costs.

#### **Project Scope**

The proposed analysis will review and evaluate current fee structures, fine schedules, and service costs across departments, including but not limited to Parks and Recreation, Animal Control, Business Tax, Code Compliance, Emergency Management, Lien Services, and the Police Department. The analysis will focus on identifying areas where fees and fines may require adjustments to maintain fiscal sustainability and improve operational efficiency.

#### **Estimated Cost**

Based on previous contracts, the total cost of the analysis is estimated not to exceed \$200,000. This amount covers consultant fees, data collection, benchmarking, and the final report.

#### **Justification**

Many of the fees and fines in our current schedule have not been reviewed or updated for many years. A fee analysis will ensure that our fees are fair and equitable for residents while also ensuring that the City recovers appropriate costs for services rendered. Additionally, this review will position the City to adapt to changing economic conditions and to improve revenue streams where necessary, particularly in the General Fund.

**Funding Request**

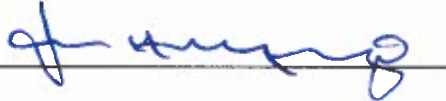
Given the unbudgeted nature of this project, we respectfully request an appropriation of up to \$200,000 cover the costs of this analysis. Upon approval, we will move forward with a formal RFP to engage a qualified consulting firm.

**Conclusion**

Conducting a comprehensive fee and fine analysis will play a vital role in maintaining the City's financial stability while ensuring equitable cost recovery for services. A recent fee study by the Planning and Zoning Department uncovered the potential to increase revenues by over \$700,000 annually. We are confident that extending this analysis to other departments will reveal additional opportunities for revenue enhancement, which could not only offset the initial cost of the study but also strengthen the City's overall financial position. Your consideration of this request is greatly appreciated, and I am available to discuss any further details at your convenience.

Thank you for your prompt attention to this request.

Approved: \_\_\_\_\_

 9/25/24