



Item Number: {{item.number}}

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: April 30, 2024

TO: Mark Washington, City Manager

COMMITTEE: City Commission Meeting

LIAISON: N/A

FROM: Molly Clarin, Chief Financial Officer
Fiscal Services

**SUBJECT: Resolution scheduling a Public Hearing for Tuesday, May 14, 2024
on the Proposed FY2025 Service Provision Fees**

City Commission Policy #700-10 ("the User Fee Policy") established guidelines and best practices regarding the recovery of costs associated with City services provided in exchange for fees, fines, and other charges which are authorized by statute, ordinance, or City Charter Item.

In compliance with the User Fee Policy, for the fiscal year ending June 30, 2025, City departments were directed to recover 100% of service provision costs when updating fee schedules and/or creating new user fees. If achievement of 100% cost recovery would negatively impact Strategic Plan goals, departments were directed to recommend fees at less than full cost recovery along with justification for the lesser amount.

In addition to the service provision costing methodology, the User Fee Policy requires the City's Fiscal Services Department to annually create a summary schedule listing fee names, service descriptions, rates, cost recovery shares, etc. The attached fee schedule includes proposed FY2025 fees for all departments, except the Water Supply System and the Sanitary Sewer System, which perform separate annual user fee rate studies. It should also be noted that while fees for Parks and Recreation are listed, these fees are approved by the City Manager per City Commission Policy 1100-08.

The User Fee Policy also requires the annual presentation of the proposed fee schedule at a public hearing held prior to submission of the schedule for City Commission consideration. The public hearing for the proposed FY2025 Fee Schedule is being held on May 14, 2024. The Public Hearing Notice will be published in the Grand Rapids Press on Sunday, May 5, 2024. The proposed FY2025 Fee Schedule is attached.

It is currently expected that the authorizing resolution for user fees commencing July 1, 2024 will be submitted for City Commission consideration at the May 21, 2024 Committee of the Whole meeting.

Prepared by Scott Saindon, Deputy Chief Financial Officer

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As requested in prior years, the attached Fee Schedule is separated into six different categories as follows:

Fee Category	Number of Fees	Percentage of Total Fees
All Fees	1264	100.00%
Fees with no recommended changes (Code A)	645	51.03%
Fees with cost of living adjustments (Code B)	349	27.61%
Fees with larger than cost of living adjustments (Code C)	256	20.25%
Fees achieving less than full cost recovery (Code D)*	364	29.12%
New Fees	14	1.11%
<i>*Note: Fees coded D are included in a separate category, therefore total exceeds 100%</i>		

There are many factors influencing fees that need to be taken into consideration when analyzing why they are set at certain levels. For instance, some fees are set at the State level and the City has no ability to modify the fee to achieve full-cost recovery. Other fees are set below full-cost recovery (e.g. planning, certain parks and recreation programs, most special events fees and code enforcement), to better achieve other desired outcomes within the community. Lastly, new fees are added as new services are offered by the City and/or operational reviews are completed requiring new fees to pay for the revised services.

The proposed fee schedule is available for public inspection during regular business hours in the office of the City Clerk on the 2nd Floor of City Hall. The proposed fee schedule may also be reviewed on the Grand Rapids Budget Department web page at <https://www.grandrapidsmi.gov/Government/Departments/Budget-Office>.

Please contact me at 616-456-3269 or at mclarin@grcity.us if you have any questions.

RESOLVED:

1. That a public hearing to receive comments on the attached proposed fees will be held on Tuesday, May 14, 2024, at 7:00 p.m. in the City Commission Chambers, 9th Floor, City Hall, 300 Monroe Avenue, NW, Grand Rapids, Michigan; and
2. That said fees are proposed to be effective July 1, 2024; and
3. That the City Clerk provide notice of the public hearing as required by City Commission Policy # 700-10.


CORRECT IN FORM
DEPARTMENT OF LAW