



Audit, Finance & Enterprise Committee Report

Date: March 5, 2020
To: Audit, Finance & Enterprise Committee
Through: Karolyn Kent, Assistant City Manager
From: Elizabeth Huning, City Engineer
Michele Davila, Sr. Fiscal Analyst
Subject: Changes to Engineering Department's Schedule of Fees and Charges
Citywide

Purpose

The purpose of this report is to recommend modifications to the Engineering Department's Schedule of Fees and Charges.

Background and Discussion

The Engineering Department reviews its Schedule of Fees and Charges on an annual basis to determine the relevance and reasonableness of pricing of all fees and charges on the Schedule. Based on this year's review, the Engineering Department recommends adding several fees to the Engineering Schedule of Fees and Charges. Additionally, the Engineering Department recommends several administrative changes to the Engineering Schedule of Fees and Charges. Specific changes are outlined in the Discussion section below.

Discussion

CHANGES TO THE ENGINEERING DEPARTMENT'S SCHEDULE OF FEES AND CHARGES

After Hour Inspection Fee

Change the title of this section to Inspection Fees

Add the following fees to Inspection Fees:

| | | |
|--------------------------------------|----------|---------------------------------|
| Inspection/Re-Inspection/Callout Fee | \$135.00 | Per Hour with 1 Hour Minimum |
|--------------------------------------|----------|---------------------------------|

Miscellaneous

| | | |
|---|----------|-----------------------|
| Delete the Special Inspections Fee in its entirety: | | |
| Special Inspections | \$100.00 | Hour (minimum 1 hour) |

Land Leases

| | | |
|--|-------------------------------|-----------|
| Delete the Pinal County Water Farms Agricultural Land Lease in its entirety: | | |
| Agricultural Land Lease: | Varies with market conditions | 3004-3702 |

License Fees – Small Wireless Facilities (SWF) Application Fees

Add a Small Wireless Facility site assessment assistance fee, a pole reservation fee, and a subsurface utility location permit fee, and inspection callout and re-inspection fees to the Schedule as follows:

| | | |
|------------------------------------|----------|---------------------------------|
| Site Assessment Assistance | \$135.00 | Per Hour with 2 Hour Minimum |
| Pole Reservation | \$500.00 | Per Site |
| Subsurface Utility Location Permit | \$400.00 | Per Site |

Alternatives

The alternative is to leave the Special Inspections Fee on the Schedule of Fees and Charges as a fee that is not collected.

The alternative is to leave the Pinal County Water Farms Agricultural Land Lease Fee on the Schedule of Fees and Charges as a fee that is no longer collected. The City sold the Farms in May of 2019. The City no longer owns the property or collects the lease revenues from that land.

The alternative to not adding the additional inspection fees and SWF fees is to have Inspection and Right-of-Way staff provide the services free of charge. Other municipalities charge similar fees to non-city utilities for preliminary plan review, third-party utility coordination assistance and inspection callout services. City of Mesa Inspection and Right-of-Way staff are currently performing these services.

Fiscal Impact

ENGINEERING DEPARTMENT'S SCHEDULE OF FEES AND CHARGES

There will be no fiscal impact to the Engineering Department/City by removing the

Special Inspections and Pinal County Water Farms Agricultural Lease Fees from the Schedule of Fees and Charges. By adding the SWF fees, the City will recuperate approximately \$50,000 per year with an estimated 50 poles to be reserved, which would partially offset Inspection and Right-of-Way staff time currently being absorbed by the Engineering Department/City.

Coordinated With

The Engineering Department has coordinated with the Office of Management and Budget on the recommendation to make changes to the Engineering Schedule of Fees and Charges.

Fees & Charges Schedule – Key

Heading Configuration

| |
|--|
| <u>Schedule of Fees & Charges</u> |
| Department |
| Contact Information |
| |
| HEADING 1 |
| HEADING 2 |
| <i>Heading 3</i> |
| Description of Fee |
| Description of Fee 2 |

Font Indications

| Font | Font Indications |
|--------------------------|---|
| Regular Font | Existing fee or language |
| Strikethrough | Fee or language will be deleted from the Fee Schedule |
| BOLD CAPS | Language is being added to Fee Schedule |
| Bold | New or increased Fee Amount |

Schedule of Recommended Fees
Exhibit A
Department: Engineering Department

| Description of Services | Current Fee | Revised Fee | Unit | Revenue Code | Fiscal Impact | Notes |
|--|-------------|--------------|-------------------------------------|--------------|---------------|---|
| <i>After Hour Inspection Fees</i> | | | | | \$0 | CHANGE THE TITLE OF THIS SECTION TO <u>INSPECTION FEES</u> |
| INSPECTION /RE-INSPECTION/CALLOUT FEE | | \$135 | PER HOUR WITH 1 HOUR MINIMUM | | \$405 | RATE IS BASED ON THE BLANKET CALL-OUT RATE IN THE DEVELOPMENT SERVICES SCHEDULE OF FEES AND CHARGES, NCU PLAN REVIEW. NEW CALLOUT FEE IS FOR: PRE-CONSTRUCTION MEETINGS AFTER INITIAL SITE REVIEW; FEE ASSESSED UPON SECOND AND SUBSEQUENT INSPECTIONS IF CORRECTIONS REMAIN |

Schedule of Recommended Fees
Exhibit A
Department: Engineering Department

| | | | | | | |
|--|---|---|-----------------------|-----------|-----|---|
| <i>Miscellaneous</i> | | | | | | |
| Special Inspections | \$100.00 | - | Hour (minimum 1 hour) | | \$0 | This fee is not being collected; Engineering hires for special inspections using professional services contracts. Private developers address/hire special inspections using separate contracts. |
| <i>Land Leases</i> | | | | 1101-3177 | | |
| Pinal County Water Farms Agricultural Land Lease: | Varies with market conditions and condition of farm land condition of farm | - | - | 3208-3498 | \$0 | In May of 2019, the City sold the farms. The City has not received lease revenue since May of 2019. |
| LICENSE FEES | | | | | | |
| Wireless Communication Facilities Fee (WCF) in the ROW will be negotiated on a per site license agreement basis. | | | | | | |
| <i>Small Wireless Facilities (SWF) Application Fees*</i> | | | | | | ADDING THE FOLLOWING SWF FEES TO THE SCHEDULE AFTER "SITE LICENSE, COLLOCATION OF WIRELESS FACILITIES THAT DO NOT FIT THE STATUTORY DEFINITION OF SWF IN ARS 9-591.19 |

Schedule of Recommended Fees
Exhibit A
Department: Engineering Department

| | | | | | | |
|---|--|--------------|-------------------------------------|--|-----------------|--|
| SITE ASSESSMENT ASSISTANCE | | \$135 | PER HOUR WITH 2 HOUR MINIMUM | | \$25,000 | TO PROVIDE CONSULTING SERVICES TO NON-CITY UTILITIES, INCLUDING SITE WALKS, PRELIMINARY PLAN REVIEW, THIRD-PARTY UTILITY COORDINATION AND SERVICES BEYOND STANDRAD PLAN REVIEW. THIS RATE IS BASED ON THE BLANKET CALL-OUT RATE IN THE DEVELOPMENT SERVICES SCHEDULE OF FEES AND CHARGES, NCU PLAN REVIEW |
| POLE RESERVATION | | \$500 | PER SITE | | \$25,000 | THE RESERVATION TO RESERVE A SPECIFIC POLE, OR SITE, WILL BE GOOD FOR 90 DAYS. ESTIMATED 50 POLE RESERVATIONS. |
| SUBSURFACE UTILITY LOCATION PERMIT | | \$400 | PER SITE | | \$400 | POTHOLE INVESTIGATIONS WITHIN A 10' X 10' AREA BACK OF CURB |

Total Annual Fiscal Impact: \$50,805