



AGENDA MEMORANDUM
City Council Meeting of December 12, 2017

DATE: December 12, 2017

TO: Margie C. Rose, City Manager

FROM: Eddie Houlihan, Director of Management and Budget
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Presentation on User Fee Study

STAFF PRESENTER(S):

Name	Title/Position	Department
Eddie Houlihan	Director	Mgmt. & Budget
Sandra K. Thaxton	Asst. Director	Mgmt. & Budget

OUTSIDE PRESENTER(S):

Name	Title/Position	Organization
1. J. Mark Carpenter	Director of Financial Services	MGT of America Consulting Group

BACKGROUND: The City and MGT of America Consulting Group will present the summary of findings and recommendations for the in-depth cost analysis of selected user fee services for Police (including Code Enforcement and Animal Care), Fire and EMS, Library, and Parks & Recreation departments.

The City of Corpus Christi last conducted a comprehensive fee analysis in the late 1980s. This study, which began in early 2017, allows the City to review its fees and charges internally and conduct reviews of each department using the fee models provided as part of the study deliverables. A comprehensive fee analysis is critical in that it:

- Allows the City to make more informed financial and budgetary decisions by identifying the cost components for services and programs;
- Informs discussions on appropriate fees and subsidies;
- Provides sound, defensible cost information in a legal framework for setting fees through ordinance adoption;

User fees are:

- Paid in exchange for City services which benefits the specific party paying the fee, and is not shared by other citizens;
- Paid by choice since the party paying the fee has the option of not utilizing the service and can avoid the charge;
- Paid to compensate the City for the expenses; and,
- Based on fair cost recovery (direct/indirect costs).

Since the last study conducted in the 1980s, the City has not conducted a comprehensive study to maintain the accuracy in reporting costs to provide fee-related services or establishing fees based on cost. The Government Finance Officers' Association recommends as a best practice, a study be conducted at least every 3-5 years meeting established guidelines. This study met these guidelines with it's primary objectives to:

- Define what it costs the City to provide various fee-related services;
- Determine whether there are any opportunities to implement new fees, based on existing cost recovery policies;
- Identify service areas where the City might adjust fees based on the full cost of services and other economic or policy considerations;
- Develop revenue projections based on recommended increases (or decreases) to fees;
- Assist in updating or establishing cost recovery and subsidy policies;
- Identify factors that might affect a decision to implement a fee structure based upon a recovery of full costs.

LIST OF SUPPORTING DOCUMENTS:

Report: *User Fee Study, City of Corpus Christi, December 2017*

PowerPoint: *Comprehensive User Fee Study*

Summary: *Current & Recommended User Fees by Department Programs*