



MEMORANDUM

Council Agenda
Item No. XI. Z
5/21/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

1. Amendment correcting an error on the fee schedule for cutting and welding in Section 60-20-12 – Operational permit by material/unit and correcting an error on the square feet in Section 60-20-14 – High risk by size – Inspection fees; and
2. Ordinance on final hearing, relating to General Schedule of Fees, repealing Article II – Fire Prevention Code, Title 20 – Fire Prevention and Protection, Sections 60-20-11 through 60-20-44 of Chapter 60, of the Oklahoma City Municipal Code, 2020, in its entirety; enacting a new Article II – Fire Prevention Code, Title 20 – Fire Prevention and Protection, of Chapter 60, Sections 60-20-11 through 60-20-41, establishing certain fees required in the Fire Prevention Code of the General Schedule of Fees; and providing for an effective date.

Purpose:

The purpose of the ordinance amendment is to update fees for city services that were reviewed during the city-wide fee study. Fee increases are proposed that would better recover costs associated with delivery of those services.

Background:

Fees and charges for services provided by the city are set by ordinance. The City periodically reviews these fees to ensure that they are reasonably tied to the actual cost of service delivery. On August 17, 2021 (Item No. IX.AN), the Council approved a contract with MGT of America Consulting LLC to provide a citywide fee study. The scope of the project was to review user fees and charges for services provided to residents and recommend a fee that would provide full cost recovery.

MGT and City staff collaborated to review hundreds of fees with the consultant completing its report in early Fiscal Year 2024. MGT found that across city functions, the fees charged were recovering between 7% and 87% of costs; based on Fiscal Year 2022 data. This disparity between actual costs and fee revenue represents an approximate \$21 million-dollar gap between service costs and fee revenue in the general fund. This figure was expected, as it had been over a decade since a prior fee study was completed. Personal Services growth (salaries and benefits) have grown at about 3.6% annually during that same period.

City departments then evaluated recommended adjustments for reasonableness, consistency with similar services, and impact to city residents. In many cases, an amount less than full recovery is proposed. To further mitigate disruption to the business community and residents the Fire

Department also proposes implementation over a 4-year period.

The Municipal Counselor's Office has prepared the attached Ordinance to implement the recommended adjustments to fees and charges effective each July 1, for the years 2024 through 2027.

Revenue:
\$2,606,305

Revenue Account:
General Fund – General Operations – Various Accounts

Review:
Fire Department

Recommendation: Amendment be approved and Ordinance be adopted.