



MEMORANDUM

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

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Ordinance on final hearing, relating to the General Schedule of Fees, amending Chapter 60, of the Oklahoma City Municipal Code, 2020, amending Title 18 – Electrical Code, Article II – Licensing, by amending Section 60-18-6 – Examination and certification; amending Article III – Enforcement, by amending Section 60-18-12 – Minor electrical wiring, 60-18-14 – Residential new construction/single-family or multifamily dwelling unit, 60-18-16 – Residential add-on, cutover, 60-18-18 – Mobile home, 60-18-20 – Commercial/new construction, 60-18-24 – Commercial add-on, remodel, service change (cutover), etc., and 60-18-26 – Miscellaneous electrical fees; amending Title 29 – Mechanical Systems, Article IV – Administration and Enforcement, by amending Sections 60-29-16 – Forced air heating and refrigeration systems, permit and inspection fees, 60-29-20 – Gasfitting, replacement of residential appliance or fixture, 60-29-22 – Gasfitting, commercial appliances or fixtures and 60-29-24 – Gasfitting services; amending Article V – Mechanical Contractors, Journeyman and Apprentices, by amending Section 60-29-31 – Certificate of registration; amending Article VI – Boiler Contractors, by amending Section 60-29-35 – Contractors license; amending Title 42 – Plumbing Code, Article II – Administration and Enforcement, by amending Sections 60-42-6 – Residential new construction (one- and two-family dwellings and condominiums), 60-42-7 – Residential, addition or replacement (one- and two-family dwellings and condominiums), 60-42-9 – Commercial new construction, addition, or replacement (all structures except one- and two-family dwellings and condominiums) and 60-42-10 – Special plumbing fees; amending Article III – Apprentices, Journeymen and Contractors, by amending Section 60-42-16 – Plumbers’ registration 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 City 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 and 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 department also proposes implementation over a three-year period.

The Municipal Counselor's Office has prepared the attached Ordinance to implement the recommended adjustments to fees and charges effective July 1, 2024. Substantial fee increases will be implemented over a three-year period, effective July 1, 2024, July 1, 2025, and July 1, 2026. Those increases will be 80% for the first year and 10% for the two subsequent years.

Estimated Revenue:

\$2,094,574

Revenue Account:

General Operations – Various Accounts

Review:

Development Services Department

Recommendation: Ordinance be adopted.