



# MEMORANDUM

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

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Ordinance on final hearing, relating to Water Resources, amending Chapter 57 of the Oklahoma City Municipal Code, 2020, amending Article VI – Stormwater Management, Division 2 – Application and Permits for Industrial, Commercial, Institutional, and Certain Residential Facilities, by amending Section 57-148 - Permit application fees; and amending Chapter 60 - General Schedule of Fees, amending Title 2 – Administration, Article IV – Officers and Employees, by amending Section 60-2-16 - Permit and inspection fees, Section 60-2-17 - Revocable permit and Section 60-2-23 - Inspection fees for weekends and City holidays; amending Title 13 – Businesses, Article XII – Prequalification and Contractor’s License, by amending Section 60-13-61 - Prequalification fee; enacting a new Section in Title 16 – Drainage and Flood Control, 60-16-3 - Detention pond inspection; amending Title 37 – Oil and Gas, Article VII – Pipelines, by amending Section 60-37-22 - Interchanging of pipelines and Section 60-37-24 - Excavation for laying, removing, installing, or maintaining pipeline; amending Title 50 – Streets and Sidewalks, Article II – Excavations, Curb Cuts, etc., by amending Section 60-50-8 - Paving cut and Section 60-50-9 - Tunneling under street (street bore); amending Article III – Other Provisions Relating to Construction and Repair of Sidewalks, Curbs, and Driveways, by amending Section 60-50-16 - Cut and replace curb, Section 60-50-17 - Curb cut and driveway, Section 60-50-18 - Curb cut for drainage or connection to gutter, Section 60-50-20 - Alley opening/closing and Section 60-50-21 - Sidewalk construction; amending Article X – Bus stop benches and shelters, by amending Section 60-50-66 - Bus stop bench; amending Title 57 – Water Resources, Article V – Stormwater Drainage Program, by reserving Sections 60-57-21 through 60-57-25; enacting a new Article VI - Stormwater Management, enacting Section 60-57-26 - Permit application fees and reserving Sections 60-57-27 through 60-57-30; and providing for an effective date.

### **Purpose:**

The purpose of this ordinance amendment is to update fees for city services provided by the Public Works Department that were reviewed during the city-wide fee study. Fee adjustments are proposed to 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. The Public Works Department participated in this study for fees associated with services provided by the department.

MGT and Public Works staff collaborated to review these 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 City-wide 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.

Public Works staff evaluated the consultant recommended adjustments for reasonableness, consistency with similar services, and impact to city residents and businesses. After this analysis, the department recommended fee adjustments significantly lower than the consultant report. To further mitigate disruption to the business community and residents, the department also proposed implementation over a 2-year period. The Public Works Department notified contractors that a fee adjustment recommendation was pending via its Technical Review Newsletter.

The Municipal Counselor's Office has prepared the attached Ordinance to implement the recommended adjustments to fees and charges effective each July 1, for years 2024 and 2025.

**Revenue:**  
\$1,965,000

**Revenue Account:**  
General Fund – General Operations – Various Accounts (001-0001)

**Review:**  
Public Works Department

**Recommendation:** Ordinance be adopted.