



MEMORANDUM

Council Agenda
Item No. XI. AA
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 43 – Police Department, Article III – Security and Fire Alarm Systems, by amending Section 60-43-13, False alarm, administrative 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 8/17/2021 (Item No. IX.AN) 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.

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

Revenue:

\$459,144

Revenue Account:

General Fund – General Operations – Various Accounts

Review:

Fire Department

Recommendation: Ordinance be adopted.