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Filed: 09-29-20

Sponsored by: Lear, Fisk, Schilling
and Simpson

First Reading: _____

Second Reading: _____

COUNCIL BILL 2020- 227

RESOLUTION _____

AN RESOLUTION

1 AMENDING the Evaluation of Charges for Municipal Services policy for certain
2 City services as provided in the Springfield City Code. (The Finance
3 and Administration Committee recommends approval.)
4 _____
5

6 WHEREAS, the Fee Schedule for municipal services, as adopted by City Council
7 in General Ordinance 6572, contains a statement of the current policy for Evaluation of
8 Charges for Municipal Services; and
9

10 WHEREAS, under current policy, the Budget and Evaluation Division of the
11 Finance Department reviews fees for municipal services annually; and
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13 WHEREAS, historically, all fees for municipal services have been included in the
14 annual fee study; and
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16 WHEREAS, in order to improve efficiency and reduce fluctuations in fees, the
17 Finance and Administration Committee recommends each fee be reviewed every three
18 years using a three-year rolling average of direct and indirect costs; and
19

20 WHEREAS, under the revised policy, the Finance Department would review one-
21 third of fees for municipal services each year on a rotating basis such that each fee is
22 reviewed once every three years; and
23

24 WHEREAS, each year, the fees that are not scheduled for review would be
25 subject to adjustment based on the Consumer Price Index ("CPI") pursuant to City
26 Code.
27

28 NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
29 SPRINGFIELD, MISSOURI, as follows, that:
30

31 Section 1 – City Council hereby amends the Evaluation of Charges for Municipal
32 Services policy by discontinuing the policy as stated in the Fee Schedule adopted by
33 General Ordinance 6572 replacing the same with the policy statement attached hereto

34 and incorporated herein by reference as "Exhibit A."

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36 Section 2 – This Resolution shall be in effect from and after passage.

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38 Passed at meeting: _____

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45 Filed as Ordinance: _____

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Approved as to form: , Assistant City Attorney

Approved for Council action: , City Manager

EXPLANATION TO COUNCIL BILL 2020-227

FILED: 09-29-20

ORIGINATING DEPARTMENT: Finance

PURPOSE: To amend the Evaluation of Charges for Municipal Services policy for certain City services as provided in the Springfield City Code. (The Finance and Administration Committee recommends approval.)

BACKGROUND INFORMATION: Annually, the Budget and Evaluation Division of the Finance Department reviews fees for municipal services. This evaluation is first presented to the Finance and Administration Committee. At the January 8, 2020, meeting of the committee, it was recommended the policy and methodology be reviewed to reduce large fluctuations and improve efficiencies in the process. The methodology changes included using a three year rolling average of direct and indirect costs. The salary procedure will utilize average salaries when applicable or utilize the next step of the salary schedule until the top step is achieved. Also, it was recommended we study other cities within Missouri to evaluate the comparable level of effort in establishing fees.

The Finance and Administration Committee reconvened on September 9, 2020, to review the data and recommended policy change. The policy was reviewed to determine if reasonable and appropriate levels of cost recovery would be maintained. If approved, these changes would be effective with the upcoming evaluation of charges, which would be presented to City Council no later than February 15, 2021.

REMARKS: The policy and methodology change was presented and approved for City Council consideration by the Finance and Administration Committee at its September 9, 2020, meeting.

Submitted by:



David Holtmann,
Director of Finance

Approved by:



Jason Gage,
City Manager

Exhibit A

CITY OF SPRINGFIELD, MISSOURI

POLICY STATEMENT

Fees and charges for various City services are required to be established by Ordinance and on file with the City Clerk pursuant to Section 2-425 of the Springfield City Code. Fees established are evaluated using the criteria below:

1. This evaluation shall utilize information on Service Efforts and Accomplishments (SEAs) for each category of charges as compiled by the various departments.
2. The report will be reviewed by the City Council Finance and Administration Committee before submittal to the full Council. The final report shall be submitted to the full Council no later than February 15.
3. If approved by City Council, fee changes and new fees are effective on July 1, unless otherwise stated in the proposed ordinance.
4. The following general guidelines were used in the annual evaluation:
 - Recommended by the Finance and Administration Committee on January 8th, 2020 is to evaluate the methodology in establishing fees to reduce large fluctuations and improve efficiencies in the process. We will recover 100 percent of the related cost to provide the service except in the instance of Hazelwood Cemetery and Springfield-Greene County Health Department fees.
 - The director of finance shall determine the annual percentage change in costs by using the All Urban Consumer Price Index (CPI) to determine the increase, if any, from the previous 12 months. Per City Code Sec. 2-425(b). One third of fees will be fully evaluated on an annual rotating basis. The remaining two-thirds of fees not evaluated, will increase by the CPI to keep pace with inflation.
 - Some Springfield-Greene County Health Department fees require special consideration. They are intentionally set below 100% cost recovery for public health and welfare

purposes such as animal shelter turn-ins and impoundments, and vaccine administration for food handlers. These fees should not so high it discourages use by the public.

- Three food permit fees were not at 100% cost recovery at the passage and implementation of the FY2020-21 fee rates. The Springfield-Greene County Health Department requests these fees continue to go up incrementally at 10% plus CPI per year until 100% cost recovery is achieved.
- Any efficiency achieved in the process of providing a service, which reduces costs, should be accompanied by a corresponding reduction in the related charges for services.
- Enterprise funds are determined differently than other fees in the fee study. They are established to recover operating costs as well as long-term capital investments. They are included in the fee study to ensure annual review.
- Administrative boards, such as Parks, Art Museum and Airport boards are allowed to review and set their own schedule of charges. Accordingly, charges set by these boards are not reviewed as part of this evaluation.