



MEMO

To: Finance Chair Roz Randorf, President Janet Kennedy, and Duluth City Council

From: Ian B Johnson, City Clerk

Re: Resolution 23-0912 Adopting Fees for 2024

Date: December 18, 2024

Pursuant to Section 2-5, 31-6, and 31-8, of the Duluth City Code, 1959, as amended, the Duluth City Council annually reviews and approves a resolution setting out recommended amounts to be charged for various city fees for the subsequent calendar year. Pursuant to the City Code, fee increases are tied to the Implicit Price Deflator (IPD) for government purchases. The IPD is a ratio of current dollar gross domestic product (GDP) to constant dollar GDP, and is used to account for the effects of inflation. All fees are recommended to increase by the IPD of 7.97% in 2024, unless the resulting increase is less than \$1.00 or would administratively cost more to implement than the change in the fee. Any rate increase foregone in 2024 shall be included in subsequent years' fee calculations as required by the City Code.

Resolution 23-0912R presents the administration's proposal for fees and charges for city activities for 2023. There are 749 separate fees listed in the Resolution: 504 are proposed to remain unchanged for 2024. 197 are to increase for inflation by the IPD of 7.97% or are proposed to increase based on cumulative inflationary increases foregone in prior years or based on other market considerations. 3 fees are proposed to be reduced. A total of 8 fees have been eliminated or restructured. A total of 37 new fees are proposed. Proposed new fees are underlined on the fee schedule for additional reference.

Recommended restructured and new fees include the following:

Fees associated with temporary expansions of liquor service areas are proposed to be reduced to encourage compliance and public safety at community gatherings. Various fees related to the servicing of gas furnaces are proposed to be consolidated. New fixed rates for water and natural gas service are proposed to be added at the recommendation of the Duluth Public Utilities Commission. Fees associated with police calls for emergency wrecker (tow) service are proposed to be increased to account for increased costs and not having been raised for several years.