

Exhibit B



CITY OF DULUTH INTERDEPARTMENT CORRESPONDENCE

Department of Finance

411 West First Street · Room 107 · Duluth, MN 55802-1197

To: Finance Chair Elissa Hansen, President Zack Filipovich, and the Duluth City Council

From: Jen Carlson, Budget Manager

Re: Resolution 16-0846R Adopting Fees for 2017

Date: December 1, 2016

In 2006, the City Council approved an ordinance requiring an annual review of all city fees and charges, with a resulting fees resolution presented to the Council setting rates for the coming year. The ordinance tied many of the fee increases 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 .67% except, due to City Charter, if the fee increase is less than one dollar.

Resolution 16-0846R presents the administration's proposal for fees and charges for city activities for 2017. There are 695 separate fees listed in the resolution: **563 are proposed to either remain unchanged for 2017 or increase only for inflation by the IPD**; 52 fees are new; 63 are increasing more than the IPD; 5 have been reduced; and 12 fees have been restructured. A total of 43 fees have been eliminated.

Most of the 2017 proposed new fees, restructured fees, and increased fees are attributable to the Parks & Recreation department. The goal of these changes is to have fees that better meet the needs of our community and better reflect our maintenance and administrative costs. We've updated certain fees to reflect increasing costs, we've simplified certain fees so they are easier to understand, and we've added a few different options to meet new needs and to give groups more possibilities when reserving parks, buildings, fields, and courts. In many cases, the new fees offer less expensive options for community groups. Additionally, Parks has added a non-resident category to many of its Parks facilities rental fees.

Planning and Construction Services also constitute some of the increased fees and restructured fees. The goal of these changes are to be on a similar level with the State and other similar cities and have a fee accurately reflect the city staff time needed to complete a request. The increases to building permits have been gradual with this the third year of a three year fee adjustment plan. A review will be completed in 2017 to revisit how we compare to the State and other similar cities. A review of staff time required to complete a permit request determined that a restructuring of some of the fees is necessary. The restructured fees would be split up so they can more accurately set the actual cost of staff time thus potentially offering a cost savings.

Fee increases for 2017 include 61 increases due to IPD. Other fee increases include 21 increases in Parks and Recreation fees due to recovering Parks costs affiliated with fees, fees which have not increased since 2011, and aligning fees with other local fees; 15 increases in Planning and Construction Services fees as part of a cost recovery program and to cover greater staff time; 25 increases in Public Works and Utilities labor and material costs; 1 increase in Police Department based on actual extra duty cost average; 1 increase in Treasurer's Office that is consistent with City Charter change.

Fee decreases for 2017 include street lighting system utility fees.

Restructured fees for 2017 include Planning and Construction Services which includes splitting fees to account for additional work, a flat fee for simplification, and having fees be a valuation of work.

Exhibit B

Eliminated fees for 2017 include some fees that are not currently in use and the elimination of the street system maintenance utility fees which were added to tax levy.

New fees for 2017 include one fee in Planning and Construction Services for new or replacement water heaters; 6 fees in Public Works and Utilities for unauthorized gas and water reconnections; 45 fees in Parks and Recreation which include athletic field rental at Wade Stadium, event permits, gym, conference room and building rental, and golf cart seat season pass. The new fees for 2017 can be seen below:

Department/Division	New Fee Description	Proposed Fee
Parks and Recreation	Athletic Field Rental- per 2 hours, practice conditions (except Wade Stadium)	\$15
Parks and Recreation	Athletic Field Rental- Tournament - 4 Fields per day (except Wade)	\$180
Parks and Recreation	Athletic Field Rental- Tournament - 6 Fields per day (except Wade)	\$240
Parks and Recreation	Athletic Field Rental - Tennis Courts- Per hour per court fee (except Longview)	\$7
Parks and Recreation	Athletic Field Rental - Tennis Courts- Per day per court fee (except Longview)	\$21
Parks and Recreation	Athletic Field Rental - Outdoor Basketball Courts - Per court per hour	\$7
Parks and Recreation	Athletic Field Rental - Outdoor Basketball Courts - Per court per day	\$21
Parks and Recreation	Athletic Field Rental - Bocce Ball Courts - Per court per 2 hours	\$10
Parks and Recreation	Athletic Field Rental - Bocce Ball Courts - Per court per day	\$15
Parks and Recreation	Athletic Field Rental - Bocce Ball Courts - All courts per day	\$50
Parks and Recreation	Athletic Field Rental - Wade Stadium - Double Header Game (2-7 innings) - Spring Usage Fee (January 1- June 11)	\$400
Parks and Recreation	Athletic Field Rental - Wade Stadium - Double Header Game (2-7 innings) - Summer/Fall Usage Fee (June 12 - December 31)	\$265
Parks and Recreation	Athletic Field Rental - Wade Stadium - Double Header Game (2-9 innings) - Spring Usage Fee (January 1- June 11)	\$490
Parks and Recreation	Athletic Field Rental - Wade Stadium - Double Header Game (2-9 innings) - Summer/Fall Usage Fee (June 12 - December 31)	\$300
Parks and Recreation	Athletic Field Rental - Wade Stadium Scoreboard/PA System Deposit	\$100
Parks and Recreation	Athletic Field Rental – Scoreboard Remote Deposit	\$350
Parks and Recreation	Athletic Field Rental - Wade Stadium Concert Deposit	\$2000
Parks and Recreation	Athletic Field Rental - Wade Stadium Concert - day of event	\$2000
Parks and Recreation	Athletic Field Rental - Wade Stadium Concert - Set up/take down per 1/2 day	\$500
Parks and Recreation	Building Rental - Damage/Cleanup Deposit (Refundable if building left in acceptable condition) - Without Alcohol	\$150
Parks and Recreation	Building Rental - Per Hour	\$40
Parks and Recreation	Golf - Season Pass - Cart Seat Pass	\$490
Parks and Recreation	Private Event Permit - 1 to 150 persons (5 hour timeslot) - Resident	\$65

Exhibit B

Parks and Recreation	Private Event Permit - 1 to 150 persons (5 hour timeslot) - Non-Resident	\$100
Parks and Recreation	Private Event Permit - 150+ persons (5 hour timeslot) - Resident	\$115
Parks and Recreation	Private Event Permit - 150+ persons (5 hour timeslot) - Non-Resident	\$180
Parks and Recreation	Commercial Use Permit	\$25
Parks and Recreation	Special Event Permit - Races - Additional Fee Per Participant	\$0.50
Parks and Recreation	Special Event Permit - Late Fee (< 30 days in advance)	\$50
Parks and Recreation	Washington Center - Gym Rental - Off-peak use per hour (7am-3pm Monday- Friday during school year)	\$10
Parks and Recreation	Washington Center - Conference Room per hour	\$15
Parks and Recreation	Wedding Permit - Enger Park (5 hour time slot) - Non-Resident	\$500
Parks and Recreation	Wedding Permit - Hartley Park (2 hour time slot) - Non-Resident	\$320
Parks and Recreation	Wedding Permit - Leif Erikson Park (5 hour time slot) - Non-Resident	\$400
Parks and Recreation	Wedding Permit - Rehearsal or Photo Shoot - Non-Resident	\$80
Parks and Recreation	Wedding Permit - Rose Garden (per 2 hour time slot) - Non-Resident	\$400
Parks and Recreation	Wedding Permit - 1 to 150 persons (5 hour timeslot) - Resident	\$100
Parks and Recreation	Wedding Permit - 1 to 150 persons (5 hour timeslot) - Non-Resident	\$160
Parks and Recreation	Wedding Permit - 150+ persons (5 hour timeslot) - Resident	\$150
Parks and Recreation	Wedding Permit - 150+ persons (5 hour timeslot) - Non-Resident	\$240
Parks and Recreation	Wedding Permit – Addition of a picnic reception to permit	\$50
Parks and Recreation	Special Event Permit - 1 to 150 persons (5 hour timeslot) - Resident	\$100
Parks and Recreation	Special Event Permit - 1 to 150 persons (5 hour timeslot) - Non-Resident	\$160
Parks and Recreation	Special Event Permit - 150+ persons (5 hour timeslot) - Resident	\$150
Parks and Recreation	Special Event Permit - 150+ persons (5 hour timeslot) - Non-Resident	\$240
Planning & Construction Services	Water Heater New and Replacement, All Types	\$30
Public Works and Utilities	Unauthorized Gas Reconnection - 1st violation	\$100
Public Works and Utilities	Unauthorized Gas Reconnection - 2nd violation	\$200
Public Works and Utilities	Unauthorized Gas Reconnection - 3rd & subsequent violations	\$400
Public Works and Utilities	Unauthorized Water Reconnection - 1st violation	\$100
Public Works and Utilities	Unauthorized Water Reconnection - 2nd violation	\$200
Public Works and Utilities	Unauthorized Water Reconnection - 3rd & subsequent violations	\$400