



CITY COUNCIL MEMORANDUM

TO: Matthew R. Schmitz, MPA - City Manager

FROM: Susi Lampe, IaCMC, IaCFO – City Clerk

DATE OF MEETING: October 9, 2023

ITEM TITLE: Resolution to increase the Environmental Impact Fee

BACKGROUND:

The Environmental Impact Fee (EIF) has not been increased since it was implemented, and rising costs have prompted City Staff to look at increasing this fee. The fee will not be effective until January 2024 but needs to be done now to ensure Independence Light & Power has time to make the necessary changes in their billing software.

DISCUSSION:

In Fiscal Year 2022, the EIF generated \$65,864.00 while costs related to maintaining the Tree Disposal Facility were \$81,636.14. This resulted in \$15,772.14 of expenses for this program funded by the General Fund rather than the EIF.

In Fiscal Year 2023, the EIF generated \$63,201.39 while costs related to maintaining the Tree Disposal Facility were \$80,876.65. This resulted in \$17,675.26 of expenses for this program funded by the General Fund rather than the EIF.

The current fee of \$1.50 per month is applied to anyone who has a meter in Independence, including both residential and commercial customers. \$1.50 per month is \$18.00 per year. There are (on average) 3,013 accounts that pay this fee, for a total projected income in Fiscal Year 2024 of \$54,234. Increasing the fee by simply inflation alone would set the fee at \$2.18, generating \$78,820.08 per year. The budgeted amount for FY2024 is \$82,000. To get to this level, and to have enough to cover any unexpected expenses, we suggest setting the fee at \$2.50, which would generate an estimated \$90,390, or just over 10% more than expenses are budgeted at for FY2024.

RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Engaging and Catalyzing Community. This item helps achieve that vision by ensuring that the Community continues to have a functional Tree Disposal facility and that the City is able to cover the costs of operating said facility.

FINANCIAL CONSIDERATION:

Most financial items are discussed above, but a spreadsheet with additional information is attached.

RECOMMENDATION:

Staff recommends a motion to approve the resolution to increase the Environmental Impact Fee to \$2.50 per home per month effective January 2024 and to authorize the Mayor to sign the resolution.