



# BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6384**  
**December 5, 2023**  
**Consent Agenda**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6384: 2024 Fee Schedule Adoption	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Approve Resolution No. 1656 adopting the 2024 Fee Schedule.	

<b>DEPARTMENT:</b>	Administrative Services
<b>STAFF:</b>	Ali Spietz, Chief of Administration
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Resolution No. 1656, including Exhibit A - 2024 Fee Schedule
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUIRED</b>	\$ n/a

## EXECUTIVE SUMMARY

The purpose of this agenda bill is for the City Council to update the City’s fee schedule for 2024.

- In November 2022, the City Council passed [Resolution No. 1635](#) establishing and adopting the 2023 Fee Schedule ([AB 6179](#)).
- The fee schedule centralized the City’s various fees in one document to be updated at least annually as part of the biennial budget adoption or mid-biennial budget review.
- The annual review of the fee schedule ensures that departments are evaluating fees for service regularly and on the same timeline. This is an established best practice outlined in the City’s Financial Management Policies.
- In addition, to the current fee schedule, past fee schedules will be available for residents to access on the City’s website.

## BACKGROUND

Last year the City Council established a Citywide fee schedule to bring all set and published fees into one location to make it easier for the public to locate specific fees. The fees included in the schedule are either set by Mercer Island City Code, resolutions of the City Council, administratively by departments, or by an outside agency with which the City contracts. In addition, fees are calculated and adjusted in varying ways. For example, development services fees are tied to annual inflationary factors, utility rate adjustments are

derived from rate modeling and capital construction needs, and recreation fees are tied to market demands.

This centralized fee schedule benefits residents by providing simple, transparent access to City fees and benefits City staff by creating a process for annual review of all fees by staff and the City Manager. Every fall, each department will review and adjust, if necessary, the fees related to their work to be reflected in fee schedule.

## ISSUE/DISCUSSION

The 2024 Fee Schedule was updated through outreach to individual City departments requesting any fee changes for the next year. The following fees are included in the 2024 Fee Schedule: animal and business licenses, copy, parking, court, police, parks and recreation, development and construction permit, and miscellaneous fees, taxes, and utility rates. Fee determinations vary by department:

- Fees related to business licenses, parking permits, and copies are set by the City Council.
- Community Planning and Development fees are adjusted annually based on the estimated annual growth in personnel costs for CPD staff.
- Recreation fees are determined using cost recovery tiers and market- and competitor-based rates as adopted by Council in July 2021 (Reset Strategy).
- Utility rates are established annually by the City Council based on recommendations from the Utility Board.
- Third party servicers set costs for the fees related to animal licensing, boater education, and business license processing.

Below are the sections that have changes for 2024:

### 7. PARKS AND RECREATION FEES

#### **Meeting Room Rentals**

Damage deposit reduced to \$60 from \$100

Removed fees for food/beverage, alcohol, media equipment

#### **Mercer Room Rentals**

Damage deposit set at \$500

Full room (3 sections) hourly; 3-hr. minimum increased to \$180 from \$170

Partial room (2 sections) hourly; 3-hr. minimum increased to \$150 from \$140

Combined food/beverage with alcohol, increased to \$200 from \$100 each

#### **Mercer Room Rental Packages**

Damage deposit set at \$500

Weekend (Saturday – Sunday; includes 10 hours) increased to \$3,700 from \$3,500

Weekday (Monday – Friday; includes 10 hours) increased to \$2,600 from \$2,500

#### **Additional Room Rentals**

Catering Kitchen hourly increased to \$100 from \$60

Food Truck per truck reduced to \$100 from \$200

Outdoor Lawn hourly increased to \$60 from \$55

Game Room hourly increased to \$100 from \$75

#### **Gymnasium and Dance Room Rentals**

Full Gym hourly increased to \$130 from \$120

**Extended Building Hours**

Hourly in addition to rental fee increased to \$60 from \$55

**MICEC Fitness Room and Drop-In Activities**

Daily drop-in Non-Resident rate increased to \$7 from \$6

25-Punch Pass Non-Resident rate increased to \$115 from \$100

**Athletic Field Fees**

Tennis/Pickleball Court hourly increased to \$25 from \$20

Batting Cage hourly increased to \$25 from \$20

**Staffing Rates**

Mercer Island Police Officer (off-duty) hourly (3 hour minimum) changed to "Varies" from \$58

**Miscellaneous Park Fees**

Park Asset Park Bench Donation Fee changed to "Dependent on asset donated" from \$3,500

**8. DEVELOPMENT AND CONSTRUCTION PERMIT FEES**

- 6.5% increase to fees and valuations
- 4% increase to impact fees (ENR CCI)
- Adjusted "Planner Meeting" language to include meetings with any staff in the Meetings Section.
- The minimum fee for "Design Review – Signs" has been re-aligned with the average hours required for sign review.
- The Legislative Section has been adjusted to distinguish the Docket Application Fee from the fee for Review of Docketed Items.
- Hourly fees for Wildland Urban Interface review added for both CPD and Fire.
- Hourly fees for Vacations and Easement Extinguishment have been specified in the Engineering Section.
- Fire fees have been adjusted to eliminate rounding errors.

**9. TAXES, B. UTILITY TAXES**

The utility tax rates for Water, Sewer and Stormwater have decreased to 5.3% per [Ordinance No. 23C-03](#).

**10. UTILITY RATES**

Every fall, Public Works and Finance staff meet with the Utility Board to review annual rate adjustments for the water, sewer, storm water, and emergency medical service (EMS) utilities. The table below outlines rate adjustments for an average single-family residence that the Utility Board unanimously approved for City Council consideration. The Utility Rates section of the fee schedule has been updated to reflect the increases in the rates.

Bi-Monthly Utility Rates		2023	2024	2024	
Single-Family Residence		Adopted	Proposed	\$ Change	% Change
City	Water	\$131.93	\$142.48	\$10.55	8.0%
City	Sewer Maintenance	65.49	68.44	2.95	4.5%
County	Sewer Treatment	104.22	110.22	6.00	5.8%
City	Storm Water	42.99	46.43	3.44	8.0%
City	EMS	10.49	11.54	1.05	10.0%
<b>Total Increase</b>		<b>\$355</b>	<b>\$379</b>	<b>\$24</b>	

**11. MISCELLANEOUS FEES**

The Ambulance Transport fee is increasing to \$1,098.14 from \$1,066.16 and the milage fee is increasing to \$18.08/mile from \$17.55/mile per the escalator in [Resolution No. 1599](#), which states the fees will be increased by the “annual inflator tied to Medical Care CPI or 3.0%, whichever is greater.” The first half of Medical care CPI for 2023 went up 1.5%, thus the fees are increased by 3%.

**NEXT STEPS**

Following the adoption of the 2024 Fee Schedule by the City Council, staff will finalize the document for publication on the City’s website on January 1, 2024.

**RECOMMENDED ACTION**

Approve Resolution No. 1656 adopting the 2024 Fee Schedule.