



AGENDA ITEM ANALYSIS

Project/Issue Name: 26-35 An Ordinance Amending Title VIII (“Fees”), Chapter 805 (“Fee Schedule”), of the Municipal Code of the City of Republic, Missouri.

Submitted By: Bob Ford, Chief Financial Officer

Date: October 20, 2026

Issue Statement

To amend the city-wide fees as part of the annual budget review process.

Discussion and/or Analysis

BUILDS Department changes: The proposed fees are intended to pass along the cost of outside experts to applicants so the city can thoroughly review complex projects that regular staff may not be trained or available to handle. In such cases, an outside third-party may be retained to provide review comments or inspections. The requested changes will allow reimbursement for any such fees, ensuring that taxpayers do not subsidize the cost of private development.

Parks and Recreation Department changes: The Parks Department conducts an annual review of fees for all programs, events, and facilities. This review considers regional trends, staffing expenses, and overall operating costs, among other factors. For our 2027 fees, we did not have any significant increases; our only changes included fees not captured in 2026 and program or event additions.

Finance Department changes:

In 2025, City Council approved a multi-year water rate adjustment plan covering 2025, 2026, and 2027. Those increases were adopted to address several long-standing structural challenges within the Water Fund:

While the above rate increases technically addressed the Water Fund’s deferred needs, the cumulative impact on

<u>EXHIBIT A - Water Rates</u>						
<u>Description</u>	<u>2016-2021</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Base	\$7.56	\$8.09	\$8.66	\$16.76	\$24.26	\$31.76
Increase %		7%	7%	94%	45%	31%
Surcharge/1,000 Gal	\$3.56	\$3.81	\$4.08	\$7.08	\$14.81	\$17.90
Increase %		7%	7%	74%	109%	21%

customers was substantial.

- Therefore, in March 2026, City Staff recommended that the 2026 water rate increase approved in 2025 be delayed for one additional year to allow more time for further analysis, to which City Council agreed.
- As a result of March 2026’s action, the 2025 water rates, both base and surcharge, have remained in place for all of 2026.

In alignment with our Vision of “doing the Right Thing at the Right Time for the Right Reason,” staff has focused on the following:



1. Development of a “fairer” bill calculation methodology, one that is equitable to all rate payers and can be used for both Water and Wastewater.
2. Flattening the slope of Rate Increase Line.
3. Balancing years 1-10 capital expenditures with years 11-20 of the Twenty-Year Capital Improvement Plan for Water.
4. Begin preparation to issue Tax-Exempt Special Obligation Bonds to fund near term capital needs for Water.

As a result of the work completed by City Staff over the past six months, below are the proposed Base & Surcharge rates for FY2027, FY2028 and FY2029. Staff have also proposed modifying the base gallonage from 1,500 gallons to 1,000 gallons to be consistent with how Surcharge rates are quoted, i.e., so all rates are quoted per 1,000 gallons.

Utility Rates						
Description	Gallons		2026¹	2027	2028	2029
	Floor	Ceiling				
WASTEWATER RATES IN TOWN						
Annual Rate Increase %					10.0%	7.5%
Base	0	1,000	\$36.75	\$25.50	\$28.05	\$30.15
Surcharge - Incremental Usage Per 1000 gallons	1,000 +		\$21.83	\$25.50	\$28.05	\$30.15
WASTEWATER RATES OUT OF TOWN						
Out of Town Premium %						
Base	0	1000	\$55.12	\$38.25	\$42.08	\$45.23
Surcharge - Incremental Usage Per 1000 gallons	1,000 +	0	\$32.78	\$38.25	\$42.08	\$45.23
Description	Gallons		2026¹	2027	2028	2029
	Floor	Ceiling				
WATER RATES IN TOWN						
Annual Rate Increase %					15.0%	15.0%
Base	0	1,000	\$16.76	\$9.50	\$10.93	\$12.57
Surcharge - Incremental Usage Per 1000 gallons	1,000 +		\$7.08	\$9.50	\$10.93	\$12.57
WATER RATES OUT OF TOWN						
Out of Town Premium %						
Base	0	1000	\$21.39	\$14.25	\$16.40	\$18.86
Surcharge - Incremental Usage Per 1000 gallons	1,000 +	0	\$13.90	\$14.25	\$16.40	\$18.86
NOTES						
¹ Base Gallonage Ceiling in 2026 was 1,500 gallons						

Recommended Action

Staff recommends approval.