



# BUSINESS OF THE CITY COUNCIL CITY OF SNOQUALMIE

**AB23-141**  
**December 11, 2023**  
**Ordinance**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	2024 Utility Fiscal Health and Rate Study Adjustment	<input type="checkbox"/> Discussion Only
<b>PROPOSED ACTION:</b>	Adopt Ordinance 1284 amending Utility Rates for 2024	<input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

<b>REVIEW:</b>	Department Director	Jeff Hamlin	11/22/2023
	Finance	Janna Walker	11/22/2023
	Legal	David Linehan	12/5/2023
	City Administrator	Mike Chambless	11/22/2023

<b>DEPARTMENT:</b>	Parks & Public Works		
	<b>STAFF:</b> Dylan Gamble, CIP Manager		
	<b>COMMITTEE:</b> Finance & Administration		<b>COMMITTEE DATE:</b> November 21, 2023
	<b>EXHIBITS:</b> 1. Ordinance 1284 2. Snoqualmie 2024 Fiscal Health Review (Presentation)		

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

## SUMMARY

### INTRODUCTION

The purpose of Ordinance 1284 is to amend the Utility Rates for the year of 2024. The recommended rate changes are intended to reduce the negative financial impacts of increased inflation to City Utilities. The recommended rate changes are based on a 2024 Fiscal Health Review conducted by FCS Group.

### LEGISLATIVE HISTORY

In June of 2020, City of Snoqualmie Council approved an agreement with Financial Consulting Solutions (FCS) Group to conduct a Utility Rate Study and General Facilities Charges Update for the City's combined utility. Since the adoption of Ordinance 1248, the product of the 2021 Rate study effort, the City has maintained the Utility Rates increases accordingly.

Utility Rate changes for the year of 2024 have been first review at City Council on November 27<sup>th</sup>, 2023 at both at Council Roundtable discussion and review of Ordinance 1284. The second review, and Public hearing, will be conducted on December 11<sup>th</sup>, 2023.

**BACKGROUND**

FCS Group, in collaboration with the Administration, has worked to define the overall revenue needs of the combined utility, evaluate the cost to provide service to each customer class, determine the one-time charge imposed on new development as a condition of service, and develop rates reflecting the fiscal sustainability and equity goals of Council. Council requested a review and recommendation to reduce the negative budgetary impacts of increased inflation to capital projects since the 2021 Utility Rate Study.

**ANALYSIS**

A 2024 updated fiscal health report will present several alternative funding strategies and rates for Committee/Council Review.

**NEXT STEPS**

Following any decision made as part of the 2024 fiscal health review and utility rate study, staff will begin work on the 2025-2030 Utility Rate Study. This document and process will be a complete review of the utility rates maintained by the City's Utilities.

**PROPOSED ACTION**

Motion to approve Ordinance 1284 amending City of Snoqualmie Utility Rates for the year of 2024 on December 11<sup>th</sup>, 2023.