



**BUSINESS OF THE CITY COUNCIL
CITY OF SNOQUALMIE**

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

AGENDA BILL INFORMATION

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

REVIEW:	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

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

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUESTED	\$ 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 27th, 2023 at both at Council Roundtable discussion and review of Ordinance 1284. The second review, and Public hearing, will be conducted on December 11th, 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 11th, 2023.