Finance Department
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To: Finance Committee
From: Mark Stevens
Date: September 18, 2025
RE: Amend Chapter 76-10: Service Charge for Tax-Exempt Properties

While reviewing the 2025 budget in preparation for the 2026 budget creation, it was discovered that the General Fund revenue account associated with Tax Exempt Service Charges (01-44-12-29) has been notably stagnant at $400 per tax exempt parcel. It was discovered through further investigation that the ordinance associated with these charges had not been modified since 1990. While determining an appropriate amount to increase the service charge, research of the Historical Consumer Price Index for All Urban Consumers (CPI-U) in the US was conducted and revealed a 236.22% increase from 1991 through 2025. See the table below for a summary of the findings.

Consumer Price Index for all Urban Consumers (CPI-U)	
Year	**Annual Average**
1991	136.200
2020	258.811
2021	270.970
2022	292.655
2023	304.702
2024	313.689
2025	321.725

1991-2025	
Increase	**% increase**
185.53	236.22%

The proposed amendments to the ordinance include two key points:

- Note the service charge will be provided under the City's fee schedule. The recommended tax-exempt service charge adjustment is $750, which is roughly a 187.5% increase, to be reviewed annually along with the City's fee schedule.
- Replace antiquated terminology with more contemporary language.

Additional documentation is attached for reference.