



City of McMinnville

Report on Engineering, Planning, and Building Fees

Purpose of the Project

Bridging the Gap Between Strategy and Execution



1. Reduce competition for resources as public improvement projects come online.
2. Maintain or increase customer service and responsiveness.
3. Increase cost recovery from the development community to avoid subsidizing development from the General Fund.



Examples of Need:

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1. The Sidewalk fee has not been updated since 1958
 - 0-75' = \$5.00
 - 76'-199' = \$10.00
 - 200'-299' = \$15.00
 - New driveway approach = \$5.00
2. The City is not recovering sufficient cost from plan review because many projects are canceled before permitting.

Project Objectives

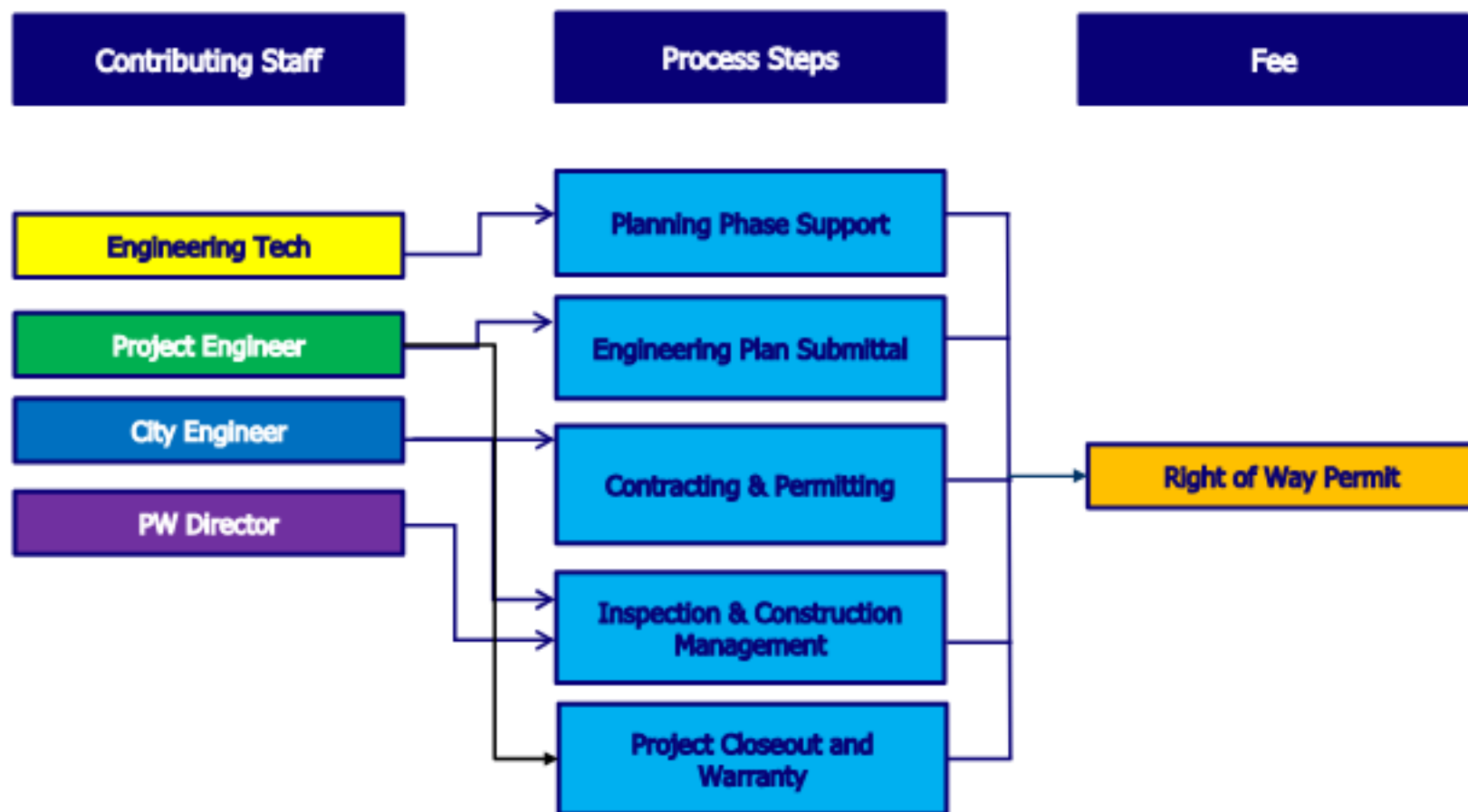
Bridging the Gap Between Strategy and Execution



- § Calculate the full cost of Engineering fees:
 - Develop a thorough and robust schedule of Engineering fees
 - Develop a model that calculates the full cost of each fee
- § Conduct a fee comparison:
 - Newberg
 - Woodburn
 - Tigard
 - Sherwood
 - Wilsonville
 - Albany
 - Redmond
 - Grants Pass
 - Tualatin
- § Stakeholder Outreach

Methodology and Approach

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Note: Hypothetical data for illustrative purposes only

Example of Methodology

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Early Grading and Drainage Plan Review	Engineering Technician	Permit Tech	Engineering Technician	GIS Specialist	Project Engineer	City Engineer	Public Works Director	Totals
Early grading and drainage plan review			0.5					0.50
Permit intake and processing			5		5	5		15.00
Plan review								0.00
Private Development Inspection			4					4.00
Project coordination & management			1		1	1		3.00
Engineering pre-design mtg								0.00
Pre construction preparation								0.00
Traffic Engineering Review								0.00
Total Hours	0.00	0.00	10.50	0.00	6.00	6.00	0.00	22.50
Total Cost By Position			\$ 857.26	\$ -	\$ 650.54	\$ 830.95		2,338.76
City/Dept Overhead								\$179.05
Dept Management & Administration								\$1,123.08
Customer Service								\$1,255.38
Total Service and Support Costs								\$2,557.49
Total Cost for Early Grading and Drainage Plan Review								\$4,896.25

Note: Actual data from calculations

Quality Checks

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Quantitative Analysis

Targeted Margin of Error

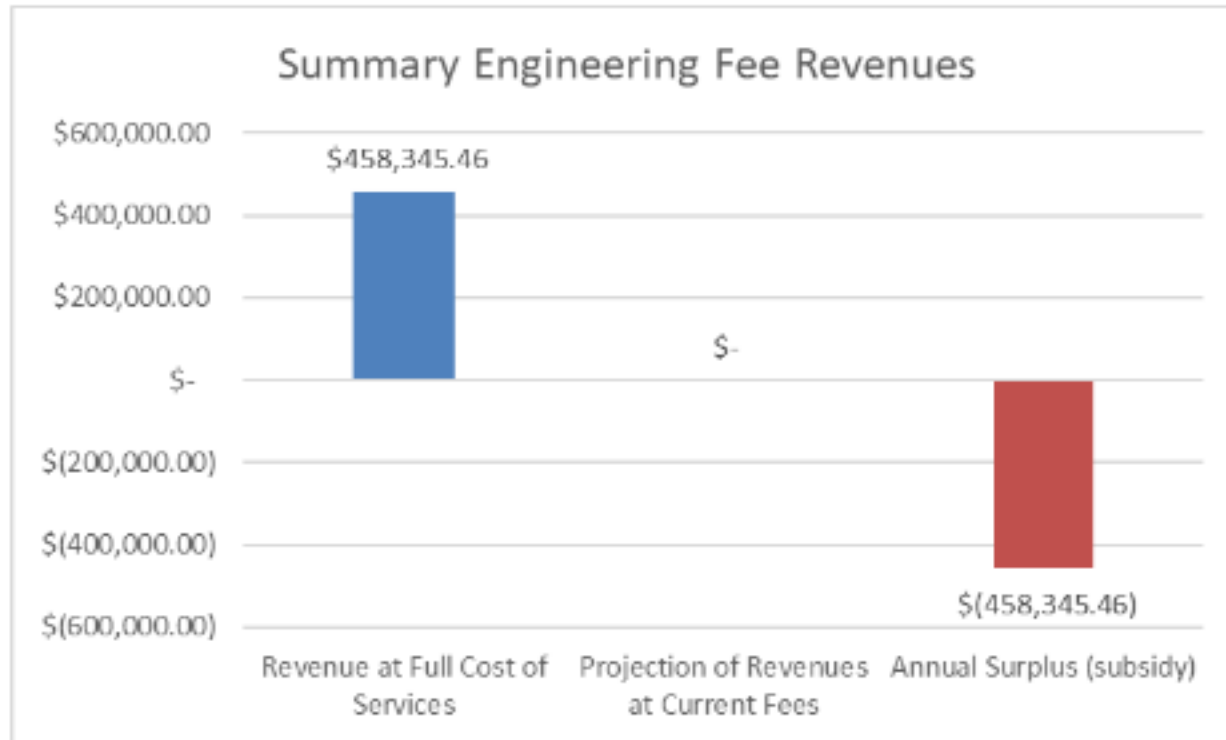
- | | |
|---|---------------|
| <input type="checkbox"/> Budgeted expenses entering the cost models must equal total expenses accounted for in the costing model. | 0% |
| <input type="checkbox"/> Projected revenue from fees must closely match actual revenue from fees. | + or - 5%-10% |
| <input type="checkbox"/> Available staff time must be fully accounted for in the costing models. | 0% |
| <input type="checkbox"/> Total revenues from fees and contributions from the general fund or other sources must match total expenses. | 0% |



RESULTS SUMMARY

Net Revenue Calculations

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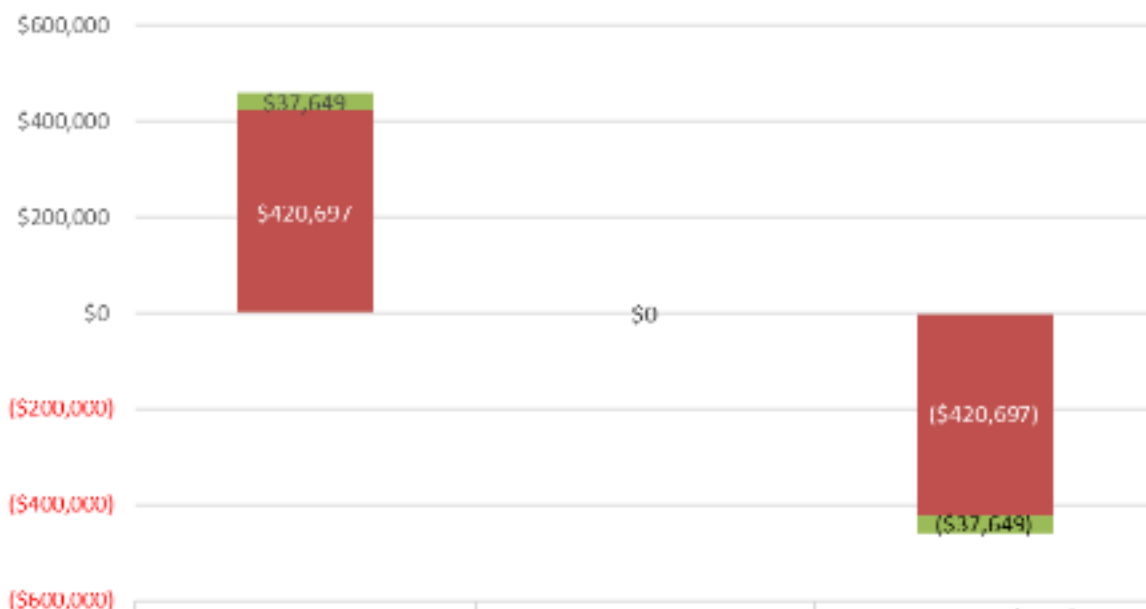
Note: actual projected revenue for fiscal 23-24 is \$50,000. With the new fee schedule, this could not be modeled. Therefore, the actual additional revenue is \$408,345.46

Breakdown of Engineering and Planning Support Costs

Bridging the Gap Between Strategy and Execution



Breakdown of Engineering and Planning Support Revenues



	Project Revenue at Full Cost	Current Revenue	Current Annual Surplus (subsidy)
■ Planning Support	\$37,649	\$0	(\$37,649)
■ Engineering Fees and Services	\$420,697	\$0	(\$420,697)

■ Engineering Fees and Services ■ Planning Support

Example of Annual Revenue Calculations

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Fee Category	Calculated Fee	Activity Level	Projected Annual Revenue
Right of Way excavation / work permits			
Utility Permit -Plan review and Permit	\$548	130.00	\$71,201
ROW minor (50 Ft lot frontage and local street classification) - Plan review and Permit	\$1,017	40.00	\$40,686
ROW major (more than one lot frontage or higher than local street classification) - Plan review and Permit	\$3,115	20.00	\$62,304
Total Revenue Fee Category			\$174,192

Comparison Survey

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CHALLENGES:

- § Comparing current cost with a price;
- § Fee requirements don't always match;
- § Many communities do not routinely update fees with a robust cost analysis and
- § Service levels and processes can vary dramatically.

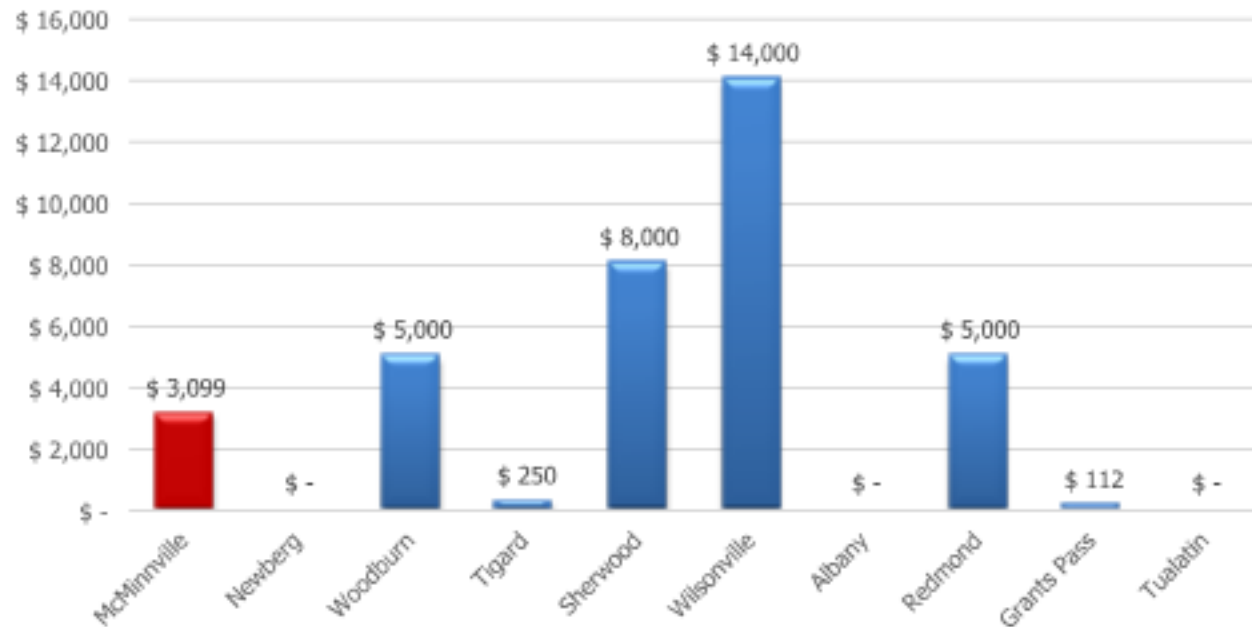


Comparison Samples

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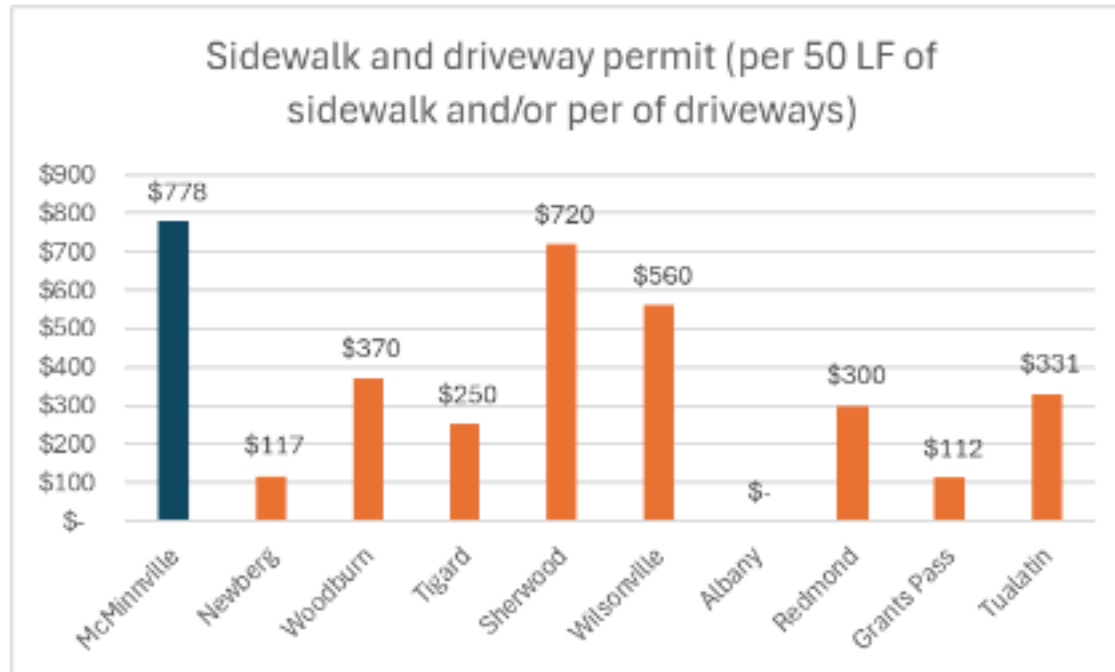


ROW major (more than one lot frontage or higher than local street classification)



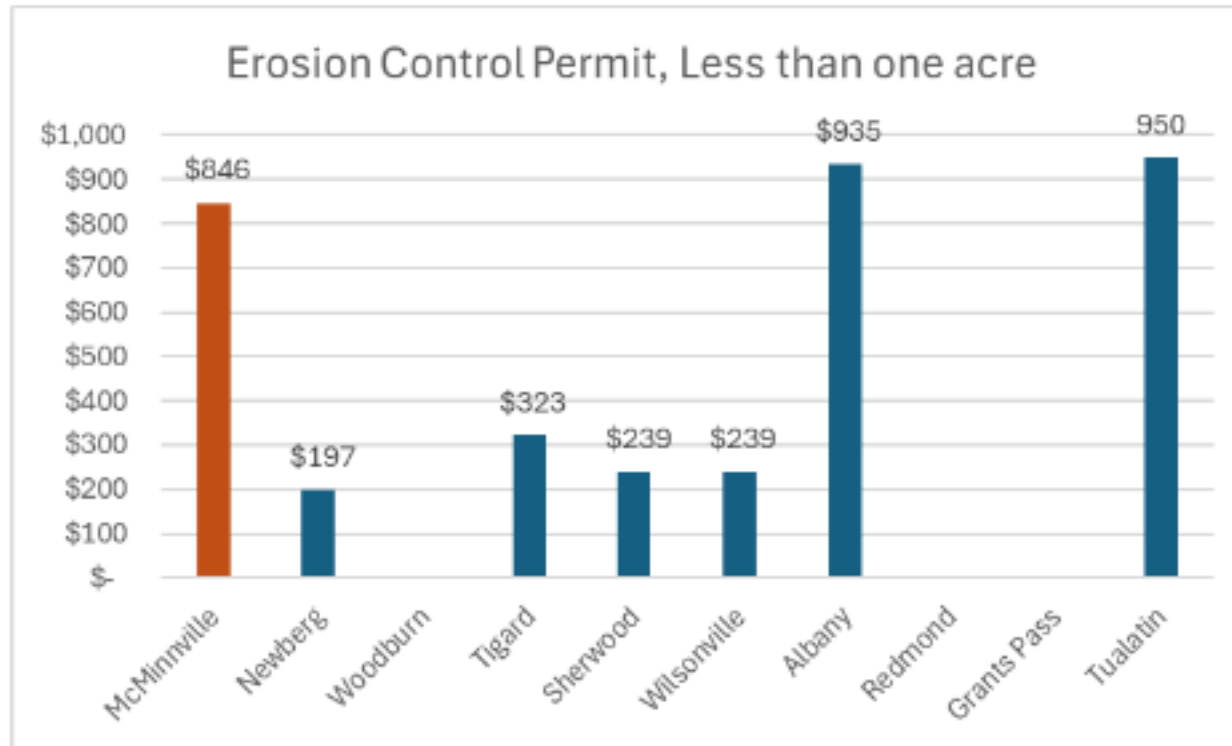
Comparison Samples

Bridging the Gap Between Strategy and Execution



Comparison Samples

Bridging the Gap Between Strategy and Execution



General Observations & Recommendations

Bridging the Gap Between Strategy and Execution



1. Set policies or targets for cost recovery.
 - § Percentage of cost recovery.
 - § Reductions in price for specific fees or groups (e.g., residential vs commercial).
2. Identify costs to be recovered:
 - § Direct costs,
 - § Indirect costs,
 - § Customer support costs,
3. Adjust fees annually based on a simple CPI type of index or the growth of City labor;
4. Complete a thorough analysis of user fees every 3-5 years.

General Observations & Recommendations

Bridging the Gap Between Strategy and Execution



Maintain Revenue Targets to:

1. Keep technology updated
2. Bring in staffing resources as demand increases
3. Keep staffing in place over long revenue lifecycles
4. Keep service levels high
5. Avoid competing for General Fund resources

