



City of Boulder
FEES, RATES, AND CHARGES
2014 Recommended Budget

Purpose of Section

This section will provide a summary accounting of each codified fee, rate, or user charge (a “fee”), organized by department, for which an increase or decrease has been proposed for 2014. The information shows what the city charges in 2013 and the percent change in the proposed fee effective January 1, 2014. The purpose of this section is to provide a single location in which the impact of updated fees on consumers of city services can be found.

Changes to Fees by Department

For 2014, four departments/divisions updated schedules of selected city fees, rates, and charges, or introduced new fees that are proposed to be adopted:

- Downtown and University Hill Management Division – Parking Services (DUHMD/PS)
- Finance – Tax and License
- Public Works – Development and Support Services
- Public Works – Utilities

The city last updated its user fees (excluding capital facility impact fees, development excise taxes, and plant investment fees) across all departments in 1994. A citywide comprehensive update to the 1994 study is anticipated to occur after the Transform Boulder Business Initiative (TBBI) project, which will replace the city’s financial, human resources and payroll software systems, is fully implemented. This is expected by mid 2015.

Fees have been analyzed for the 2014 budget in specific areas as part of annual program evaluations. Examples include fee reviews undertaken in Downtown and University Hill Management Division (DUHMD) and in Public Works – Development and Support Services. A selective fee review strategy will continue during 2014. For many fees referenced in this section, the change to each fee mirrors the rate of inflation in the general level of prices in the economy, or the change in construction cost indices widely used in various industries.

Background

The City of Boulder delivers numerous services to residents and businesses throughout the year. For certain services, good financial management means that the city should recover its costs, in part or in full. Most services for which the city charges a fee are considered to be of special benefit to the resident or business receiving the service. Examples are recreation activities, building safety



inspections, development review, vehicle parking, and wastewater treatment.

Cost recovery practices for the city include a periodic review of the fees charged to determine whether future year city expenditures on selected services are appropriately offset by the fee revenue collected from the public. That review often takes place as part of the development of the annual operating budget.

Each year, city departments face cost pressures in wages and benefits; fuel, utilities, and office equipment; and building renovation and repair—no different from the budgets of households and private enterprises. Because of inflation in general prices, good financial management also recommends that the city include in the annual operating budget an adjustment of fees in line with inflation. Without inflation adjustments, the city would need to incrementally shift resources away from current programs to pay for services for residents or businesses receiving a special benefit.

Downtown and University Hill Management Division – Parking Services (DUHMD/PS)

DUHMD/PS sets a schedule of user fees to recover a share of the cost of providing mall permits and facilities on the Pearl Street Mall. The fees are based on what the public would pay for similar services from private enterprise. DUHMD/PS intends to maintain the fees using the following approaches:

- Market rates for comparable services
- Annual CPI increase, rounded to nearest half dollar.

The department reviews all fees annually and uses the current CPI projections to increase fees for the Pearl Street Mall permit and fee program.

For the 2014 budget, cost to advertise on the Pearl Street Mall kiosk panels was reduced due to declining use. There are seven kiosks with four panels each for a total of 28 panels for sale. Reducing the annual fee by 50% is intended to encourage businesses to utilize the panels, thus increasing the total revenue.

The fees updated in 2014 are shown in Table 8-01.



Table 8-01: DUHMD Fee Impacts in 2014

FEE PAID BY TYPICAL BUSINESS						
	Approved 2013 Level	Recommended 2014 Level	Units	Percent Change	B.R.C. Section	
Neighborhood Parking Permit Fee						
Non zone resident pass	\$ 78.00	\$ 82.00	per permit/per quarter	5.1%	4-25-79	
Mall Permits/Fees						
Building Extension Permits	\$ 15.00	\$ 15.50	annual	3.3%	4-20-11	
Mobile Vending Carts	2,025.00	2,075.00	annual fee	2.5%	4-20-11	
Mall Kiosk Advertising	1,950.00	975.00	annual fee	-50.0%	4-20-11	
Ambulatory Vendor Permit (May-September)	101.00	103.50	monthly fee	2.5%	4-20-11	
Ambulatory Vendor Permit (October-April)	49.50	51.00	monthly fee	3.0%	4-20-11	
Electricity Event Fee	17.50	18.00	per day	2.9%	4-20-11	
Entertaining Vending Permit	14.00	14.50	per month	3.6%	4-20-11	
Personal Services Vending Permit	101.00	103.50	per month	2.5%	4-20-11	
Personal Services Vending Permit	49.50	51.00	per month	3.0%	4-20-11	
New sbox on mall	65.00	66.50	annual per box fee	2.3%	4-20-11	
News Box Fees						
Full size box	\$ 94.00	\$ 96.00	annual fee	2.1%	4-20-57	
Double sized slot	48.00	49.00	annual fee	2.1%	4-20-57	
Single sized slot	27.00	27.50	annual fee	1.9%	4-20-57	
Waiting list fee	26.50	27.00	annual fee	1.9%	4-20-57	

Finance—Tax and License Division

Auctioneer License Fees

The city proposes to increase this license fee by the amount of the Consumer Price Index (CPI) and round up to the next even dollar amount of \$77. The city will charge, in addition to the yearly license fee above, \$7 for each employee of applicant businesses that the division subjects to an on-line background check through the Colorado Bureau of Investigation. These results, which will be provided to the Police Department for their review and assessment for criminal operation concerns of applicant businesses, will be more complete than what the Police Department is currently able to obtain and review prior to an application decision by the city.

Circus, Carnival, and Menagerie License Fees

The city proposed to increase this license fee by the amount of CPI and round up to the next even dollar amount of \$405. The city does not complete background checks as part of this license review process.



Itinerant Merchant License Fees

The city proposes to increase this license fee by the amount of CPI and round up to the next even dollar amount of \$53. The city will charge, in addition to the yearly license fee above, \$7 for each employee of applicant businesses that the division subjects to an on-line background check through the Colorado Bureau of Investigation. These results, which will be provided by the Finance Department to Police Department for their review and assessment for criminal operation concerns of applicant businesses, will be more complete than what the Police Department is currently able to obtain and review prior to an application decision by the city.

Secondhand Dealer and Pawnbroker License Fees

The city proposes to increase the secondhand dealer license fee to \$108 and the pawnbroker license fee to \$2,029 which is the increase in the CPI, rounded to the nearest dollar. The city will charge, in addition to the yearly license fee above, \$7 for each employee of applicant businesses that the division subjects to an online background check through the Colorado Bureau of Investigation. These results, which will be provided to the Police Department for their review and assessment for criminal operation concerns of applicant businesses, will be more complete than what the Police Department is currently able to obtain and review prior to an application decision by the city.

Mobile Food Vehicle Sales

The city proposes to increase this license fee by the CPI and round up to the next even dollar amount of \$225. The division does not complete background checks as part of this license review process.

License Application Trends

The city has observed an increase in Mobile Food Vehicle license applications in 2013, requiring more staff time for this license type. Sales and Use Tax license applications for Business licenses have also increased exponentially this year, with more small businesses opening due to improvements in the regional economy.

Secondhand dealer licenses, but not pawnbroker licenses, have increased in recent years. On the police powers basis of ensuring that pawn slips are properly collected for used goods, annual renewals are mailed out for this miscellaneous license type. With increasing non-profit fundraising efforts, Special Event liquor permit applications submitted have ranged between 77 to 112 in number each year for the last 5 years.

Calculation of Fee Change

Table 8-02 displays the proposed fees updated for 2014. The city has used the CPI to increase fees in each case, unless there was a rationale to leave the fees unchanged. The city has taken on state's portion of review for local only permit processing, adding the necessary fee and the work required to provide better background check results to the Police Department.



The city also coordinates licensing operations with the City Attorney’s Office to collect and review citywide expenditures for the Medical Marijuana Business licensing project before suggesting any change in those license fees to allow for a reasoned and concrete rationale on any such changes.

Table 8–02: Finance Fee Impacts in 2014

FEE PAID BY TYPICAL APPLICANTS

	Approved 2013 Level	Recommended 2014 Level	Units	Percent Change	B.R.C. Section
Auctioneer License Fee					
Annual fee with license issued each event	\$ 75	\$ 77	per year	2.7%	4-20-3
Total including background checks ¹	89	91	per year	2.2%	4-20-3
Circus, Carnival, & Menagerie License Fee					
Cost per event day	\$ 395	\$ 405	per day	2.5%	4-20-5
Itinerant Merchant License Fee					
Annual license fee	\$ 52	\$ 53	per year	1.9%	
Total including background checks ²	94	95	per year	1.1%	4-20-10
Second Hand Dealer & Pawnbroker License Fee					
2nd Hand Calendar/Renewal	\$ 105	\$ 108	per year	2.9%	4-20-17
Total including background checks ¹	119	122	per year	2.5%	4-20-17
Pawn Calendar/Renewal	1,980	2,029	per year	2.5%	4-20-17
Total including background checks ¹	1,994	2,043	per year	2.5%	4-20-17
Mobile Food Vehicle License fees					
MFV License fee	\$ 220	\$ 225	per year	2.3%	4-20-66
MFV Renewal fee	220	225	per year	2.3%	4-20-66

Notes:

¹Assumes that two people would require background checks at \$7 each for a typical license.

²Assumes that six people would require background checks at \$7 each for a typical license.

Public Works – Development and Support Services (PW–DSS)

Excise Taxes and Capital Facility Impact Fees

The city currently collects development related excise taxes and impact fees to fund the cost of future capital improvements related to growth. In 2008, the city retained TischlerBise to update the Development Excise Tax (DET) study prepared in 1996 and to prepare an impact fee study for various infrastructure categories. As part of the 2010 budget process, city council adopted impact fees for fire, human services, library, fire, police, municipal facilities, and parks and recreation capital improvements to serve new growth.

Additionally, the DET capacity that was freed up through the creation of the impact fees was allocated to increase the transportation component for non residential and multifamily development and for parkland acquisition.



Fee Update

It is recommended that necessary cost adjustments be made as part of the annual evaluation and update of excise taxes and impact fees. The maximum amount that can be charged as an excise tax is limited by the amounts approved by voters.

The city proposes to adjust each impact fee and development excise tax in 2014 by an inflation factor (RS Means' construction cost index for all impact fees and the Consumer Price Index for the excise taxes). Table 8-03 demonstrates the impact the changes would have on three types of development scenarios:

- A 3,000 square foot single family residential project
- A 10 unit multifamily project in which five units are 1,000 square feet in size, and five units are 1,500 square feet in size
- A 7,500 square foot retail project.

Table 8-03: Planning and Development Services Fee Impacts in 2014

FEE PAID BY TYPICAL PROJECT

	Approved 2013 Level	Recommended 2014 Level	Units	Percent Change	B.R.C. Section
Single Family Residential (3,000 sq. ft)					
Capital Facility Impact Fees	\$ 5,782	\$ 5,880	per application	1.7%	4-20-62
Transportation Excise Taxes	2,122	2,122	per application	0.0%	3-8-3
Park Land Excise Taxes	1,091	1,116	per application	2.3%	3-8-3
Multifamily Residential (10 units)					
Capital Facility Impact Fees	\$ 43,900	\$ 44,695	per application	1.8%	4-20-62
Transportation Excise Taxes	15,723	16,085	per application	2.3%	3-8-3
Park Land Excise Taxes	7,584	7,758	per application	2.3%	3-8-3
Non-residential (7,500 sq. ft. retail)					
Capital Facility Impact Fees	\$ 7,382	\$ 7,500	per application	1.6%	4-20-62
Transportation Excise Taxes	18,600	18,600	per application	0.0%	3-8-3
Park Land Excise Taxes	n/a	n/a	per application	n/a	3-8-3

Along with the proposed fee update, there will be a new Off-site Affordable Housing Design Review Fee of \$2,100. The Off-site Design Review ensures that when affordable units required by Inclusionary Housing are provided off-site the units are of equal or better quality to what would have been provided on-site and are indistinguishable from surrounding market housing in quality, design, and general appearance.



Public Works – Utilities

Utility Rate, Specific Service Charges, and Fee Changes

The city owns and operates three utilities: water, wastewater, and stormwater/flood management. Each utility operates as a self-supporting enterprise fund, and assesses a variety of rates, charges, and fees to ensure that revenues are sufficient to meet operating and maintenance costs and to maintain the financial integrity of each utility. Revenues generated from customers' monthly utility bills are the largest revenue source for each utility, accounting for 80 to 95 percent of total revenues.

The monthly customer bill for water and wastewater services is comprised of a quantity charge based on the volume of use, and a fixed service charge based on meter size. The fixed service charge is designed to recover costs related to meter reading, billing, and collection which are attributable to each customer regardless of the quantity used. This charge also recovers a portion of the capital costs to assist with revenue stability. The quantity charge primarily recovers those costs that are incurred to provide customer average and peak usage requirements.

The impact of the change in quantity and service charges will vary based on customer type and actual consumption. Table 8-04 presents estimates of impacts on the total utility bills for three sample customer types:

- **Single Family Inside City Residential** account with an average winter consumption of 5,000 gallons, total annual water consumption of 120,000 gallons and irrigable area of 5,200 square feet. For stormwater charges, the account has 3,000 square feet of impervious area.
- **Inside City Commercial – Restaurant** account with Historical Monthly Use (HMU) for water budget calculation, a 1" meter with 412,000 gallons of annual consumption, and 7,000 square feet of impervious area.
- **Inside City Commercial – Hotel** account using Average Monthly Use (AMU) for water budget calculation, a 3" meter with 3,200,000 gallons of annual consumption, and 153,000 square feet of impervious area.



Table 8-04: Sample Utility Bill Impacts in 2014

UTILITY BILL FOR TYPICAL ACCOUNT

	Approved 2013 Level	Recommended 2014 Level	Units	Percent Change	B.R.C. Section
Water Utility Bill					
Residential Use	\$ 404	\$ 419	per year	3.7%	4-20-25
Commercial Use - Restaurant	1,147	1,195	per year	4.2%	4-20-25
Commercial Use - Hotel	10,854	11,315	per year	4.2%	4-20-25
Wastewater Utility Bill					
Residential Use	\$ 266	\$ 279	per year	4.9%	4-20-28
Commercial Use - Restaurant	1,761	1,848	per year	4.9%	4-20-28
Commercial Use - Hotel	13,704	14,386	per year	5.0%	4-20-28
Stormwater / Flood Management Utility Bill					
Residential Use	\$ 90	\$ 92	per year	3.0%	4-20-45
Commercial Use - Restaurant	188	193	per year	2.7%	4-20-45
Commercial Use - Hotel	4,126	4,250	per year	3.0%	4-20-45

The utilities also assess charges to new customers and customers increasing their impact on utility infrastructure. These charges include fees for physical connections or “taps” into city owned pipes as well as “buy in” into infrastructure capacity that was funded by existing utility customers.

The charges are set at a level that recovers costs of providing services, and changes in the fees are generally attributable to cost changes in equipment, fleet, and personnel costs. Table 8-05 displays the proposed changes to fees paid by typical users of these services in 2014.

Table 8-05: Utility Specific Charge Impacts in 2014

CHARGE FOR TYPICAL CUSTOMER

	Approved 2013 Level	Recommended 2014 Level	Units	Percent Change	B.R.C. Section
Utility Specific Service Charges					
Meter Installation - 3/4 inch meter	\$ 523	\$ 544	per occurrence	4%	4-20-23
Meter Installation - 2 inch meter	2,435	2,866	per occurrence	18%	4-20-23
Water Tap Fee - 3/4 inch tap	117	111	per occurrence	-5%	4-20-23
Water Tap Fee - 2 inch tap	465	452	per occurrence	-3%	4-20-23
Wastewater Tap Fee - 4 inch tap	133	127	per occurrence	-5%	4-20-27

Plant investment fees (PIFs) are one time charges related to development to utilize existing infrastructure systems. Utilities PIFs are increasing by four percent, based on the *Engineering News Record* (ENR) Cost Index for Denver. Table 8-06 shows the proposed 2014 change to each PIF after this inflation factor is applied to the city’s 2013 PIF schedule.



Table 8-06: Plant Investment Fee Impacts in 2014

PLANT INVESTMENT FEES						
	Approved 2013 Level	Recommended 2014 Level	Units	Percent Change	B.R.C. Section	
Water Plant Investment Fee (PIF)						
Single Family Residential Outdoor (first 5,000 sq. ft. of irrigable area)	\$ 2.57	\$ 2.67	per sq. ft. irrigated area	4%	4-20-26	
Single Family Residential Indoor	11,026.00	11,467.00	single unit dw elling	4%	4-20-26	
Wastewater Plant Investment Fee (PIF)	\$ 4,301.00	\$ 4,473.00	single unit dw elling	4%	4-20-29	
Stormwater / Flood Management Plant Investment Fee (PIF)	\$ 1.98	\$ 2.06	per sqft impervious area	4%	4-20-46	

Summary of Proposed Changes

These departments/divisions are proposing to adjust some fees in 2014:

- Downtown and University Hill Management Division—Parking Services
- Finance – Tax and License
- Municipal Court
- Public Works – Development and Support Services
- Public Works – Utilities

In total, the proposed changes in fees, charges, and rates will create an additional \$2.05 million in revenue in 2014, based on the best available information. Table 8-07 provides the revenue generation estimates at the department and program level.

Some of the change in revenue comes from greater expected demand for certain city services, and the remainder of the revenue change is caused by the updated fee amount charged to the consumer of city services. Updating the city’s fee schedules implements the city’s commitment to cost recovery involving fee and rate based services.



Table 8-07: Citywide Revenue Impacts in 2014

DEPARTMENT / FEE			
	Approved 2013 Revenues	Recommended 2014 Revenues	Percent Change
DUHMD - Parking Services			
Mobile Vending Carts	\$ 26,325	\$ 26,975	2.5%
Mall Kiosk Advertising	26,065	27,000	3.6%
Ambulatory/Personal Service Permit	3,850	3,500	-9.1%
Electricity Event Fee	150	500	233.3%
Entertaining Vending Permit	125	125	0.0%
New sbox On Mall	4,876	4,300	-11.8%
New sbox Off Mall	3,977	3,950	-0.7%
Finance - Tax and License			
Auctioneer License Fees	\$ 178	\$ 182	2.0%
Circus, Carnival, & Menagerie License Fee	2,370	2,441	3.0%
Itinerant Merchant License Fee	1,410	1,424	1.0%
Second Hand Dealer & Pawnbroker License Fee	3,689	3,800	3.0%
Mobile Food Vehicle License/Renewal Fees	3,080	3,142	2.0%
Public Works - Development and Support Services			
Capital Facility Impact Fees	\$ 376,151	\$ 605,329	60.9%
Transportation Excise Taxes	606,000	576,592	-4.9%
Parkland Excise Taxes	136,000	208,344	53.2%
Off-Site Affordable Housing Design Review Fee	-	6,300	n/a
Public Works - Utilities			
Water Utility Rates	\$ 21,310,816	\$ 22,211,239	4.2%
Wastewater Utility Rates	13,399,834	14,097,944	5.2%
Stormwater / Flood Management Utility Rates	5,301,116	5,471,070	3.2%
Water Utility Specific Service Charges	238,000	238,000	0.0%
Wastewater Utility Specific Service Charges	10,000	10,000	0.0%
All Departments	\$ 41,454,012	\$ 43,502,156	