



JACKSONVILLE CITY COUNCIL

**TRUE COMMISSION
PERFORMANCE COMMITTEE MEETING MINUTES
April 15, 2010
3:00 p.m.**

**City Council Conference Room B
Suite 425, City Hall
117 W. Duval Street**

Attendance: Committee Members Greg Anderson (Chair), Joe Andrews, Thomas Martin, Hiron Peck, Marcella Lowe

Excused: Marc El Hassan

Guest: Kent Olson and Heath Beach – Administration and Finance Department; Jeff Clements – City Council Research Division

The meeting was called to order at 3:03 p.m. by Chairman Greg Anderson who introduced the topic of the proposed City fees update (Ordinance 2010-216).

Mr. Olson stated that the vast majority of the increased revenue to be generated by the fee amendments would be in two enterprise funds – solid waste (\$20 million) and building permit/inspection fees (\$3.5 million). The remaining \$1 million or less in new revenue will be attributable to all of the other General Fund fees. The production of new revenue in the enterprise funds will free up an equal amount of General Fund resources currently being used to subsidize the enterprise fund operations. The solid waste and stormwater management fees will be shifting from a stand-alone billing system to placement as non-ad valorem line items on the property tax bill beginning this year. This will be a more efficient and cost-effective billing method and will provide more teeth in the enforcement effort (lien against the property for non-payment).

With regard to the solid waste user fee, the City has calculated that \$12.65 per month is the breakeven point per premises, and that is the amount charge to the small commercial accounts that are getting residential curbside pickup for their business because they don't generate sufficient waste to merit a commercial dumpster account. The cost of residential waste service - collection and disposal – is approximately \$47 million. The total cost of residential and commercial waste collection and disposal is \$62.8 million. According to Mr. Olson, the pending Trail Ridge Landfill settlement agreement will not have a big impact on the City's costs – perhaps a slight reduction in landfill disposal costs (50 cents per ton), but the City will be responsible for all post-closure costs, so the result is basically neutral. The prior proposed agreement (turned down by City Council last fall) did have some immediate cost savings for the City, but those savings are not in the current settlement agreement.

Commissioner Lowe questioned why the bill contains a large number of building and permitting fee changes given that some were just changed last year and also the fact that the Planning and Development Department is working on a new mobility fee that will replace the current "fair share" assessment process. She also questioned why some fees seem to be going up by substantial amounts while others are being reduced, and why some fees are being changed from a per square foot basis to a flat fee based on number

of units rather than size. Mr. Olson stated that the building and inspection fees are outside of his area of expertise, so someone from the Planning and Development Department should be consulted about their methodology.

Chairman Anderson asked why some fees are set at a level that covers the cost of service provision, while others aren't. Mr. Olson explained that a conscious effort was made to keep all changes under a 100% increase even if that amount did not provide full cost recovery. The decision was made not to try to achieve full cost recovery in one step for very out-of-date fees, and instead to close the gap over the course of several years of smaller increases. Commissioner Peck inquired if there is a formal relationship between cost of service and the number of employees in a department and was told that there is not. The departments were instructed to try to recover full costs for the most part while emphasizing efficiency of operations. The Building Inspection Division, for example, has reduced its complement by 32 positions in the past year as building activity has slowed considerably.

Commissioner Andrews asked if consideration had been given to trying to "spin off" some functions to the private sector if the fees were raised to the point where they could be made self sustaining. Mr. Olson indicated that some functions have been privatized over the years where that made economic sense, but many functions will need to remain under City control and provision either due to state mandates or because it is in the City's best interest to retain the function in-house.

Chairman Anderson asked the committee members to pose any specific questions about particular fees to staff via e-mail or in writing so that they can be transmitted to the appropriate department for a response.

There being no further business, the meeting was adjourned at 4:18 p.m.

Jeff Clements, Chief
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630-1405

Posted 4.29.10
5:00 p.m.