



SUMMARY OF RATE AND FEE INCREASES INCLUDED IN 2018 BUDGET

The 2018 budget for the City of Columbia is a massive document that allocates and reallocates all funds received during the year to individual departments, services and special projects. In addition to taxes, the city generates funds through the implementation of various fees and user charges. The Council must approve any rate changes or fee changes charged to residents before implementation may occur.

This report attempts to document the various fee and rate increases that are being proposed in the 2018 budget. More than 90 individual items are listed here. This report does not review changes in the allocation of funds. This is simply an enumeration of the various fee increases that can be expected during the coming year if approved by council.

CITY OF COLUMBIA PROPERTY TAX RATE

Although the city's property tax rate is not a part of the regular budget hearings, a separate hearing establishing the property tax rate will be held on August 21, 2017 prior to the overall budget hearing. The 2017 Property Tax Rate for the City of Columbia is proposed to be \$0.41 (per \$100 assessed valuation). The City of Columbia levies property taxes to support operations of basic services in the General Fund. The 2017 property tax supports the City's FY2018 budget. These property taxes comprise approximately 9% of the total General Fund revenue. The City collected approximately \$8.1 million in property taxes in FY2017. This rate is equal to the maximum rate of \$0.4100 certified by the Office of Missouri State Auditor for 2016. The City has not received the certification for 2017. This amount reflects no increase over the previous year.

INTERNET USE TAX

The City Council will discuss the implementation of a general use tax on August 21, and whether or not it should appear as a ballot issue in November of this year. The proposal will not increase the sales tax rate in the City of Columbia, but it will enforce the collection of that tax, when legal, on all purchases made through online retailers. This proposal will NOT increase the overall sales tax rate in the city. It will simply extend the collection of that tax to additional parties.

Recently, the cost of holding a special election in November has come into question. This is likely to be one part of the debate on this issue. This is not a part of the city budget hearing, but should be considered as a taxing action of the city.

ELECTRIC RATES AND FEES

A one percent increase in revenue from electric fees is proposed for the Fiscal Year 2018 budget year. Increases by customer class will vary and are based on cost-of-service analysis. Total revenue increase from residential customer class is estimated at 1.6%. The average residential customer uses 743 kWh

per month and will see an increase of 0.7%. The all-electric residential customer class will see an average 2.4% increase and the high efficiency heat pump residential customer class will see an average 2.6% increase.

IMPORTANT NOTE: It was expected that the City Council would accept a report from city staff recommending the implementation of a new electric service connection fee for both residential and commercial customers. That report has been postponed, and by virtue of that fact, the new connection fee will **NOT** be proposed as part of the 2018 budget at this time. This item is now expected to be submitted and debated in November of this year. It will require a separate public hearing and could be implemented at that time as an amendment to the 2018 budget if approved by the Council.

Itemized Rate Changes

Residential meter charges:

Increases the residential customer charge, for a standard electric meter, from \$15.91 per month to \$16.06 per month (0.9%).

Increases the residential customer charge, for a non-standard electric meter from \$21.01 per month to \$21.22 per month (1.0%).

Residential kWh rates:

1. No increase in the per kWh charge for the first 300 kWh's of usage, in summer and non-summer months.
2. Increases the per kWh charge for the next 450 kWh's of usage, in summer and non-summer months, from 10.0 cents per kWh to 10.1 cents per kWh (1.0%).
3. Increases the summer per kWh charge for the next 1,250 (above 750 kWh) from 13.63 cents per kWh to 13.77 cents per kWh (1.0%).
4. Increases all the remaining kWh in summer (above 2,000 kWh) from 14.74 cents per kWh to 15.04 cents per kWh (2.0%).
5. Increases all the remaining kWh in non-summer (above 750 kWh) from 11.55 cents per kWh to 12.03 cents per kWh (4.2%)
6. Increases all the remaining kWh for residential electric heating in non-summer (above 750 kWh) from 9.61 cents per kWh to 10.43 cents per kWh (8.5%).

Residential heat pump rates:

1. All rate changes outlined in Sec. 27-112 apply to heat pump customers except:
2. Increases all the remaining kWh in non-summer (above 750 kWh) from 9.11 cents per kWh to 9.87 cents per kWh (8.3%).

Single phase service:

Increases the customer charge, for single-phase service, from \$15.91 per month to \$16.06 per month (0.9%) for small general service customers and increases the customer charge, for three-phase service, from \$26.22 per month to \$26.48 (1.0%) per month for small general service customers.

Small general service kWh rates:

1. No increases in the per kWh charge for the first 500 kWh's of usage, in summer and non-summer months.
2. Increases the summer per kWh charge for the next 1,000 kWh (above 500) from 10.4 cents per kWh to 10.51 cents per kWh (1.0%).

3. Increases all the remaining kWh in summer (above 1,500 kWh) from 14.35 cents per kWh to 14.5 cents per kWh (1.0%).
4. Increases all the remaining kWh in non-summer (above 500 kWh) from 10.4 cents per kWh to 10.51 cents per kWh (1.0%).
5. Applies the same per kWh increases to electric heating small general service customers as in (2) except the non-summer all remaining kWh (above 500 kWh) is increased from 9.59 cents per kWh to 9.69 cents per kWh (1.0%).
6. Applies the same per kWh increases to high efficiency heat pump small general service customers as in (2) except the non-summer all remaining kWh (above 500 kWh) is increased from 9.04 cents per kWh to 9.19 cents per kWh (1.7%).
7. Changes the Minimum bill, for single-phase service from \$15.91 to \$16.06 per month (0.9%) and the Minimum bill, for three-phase service, from \$26.22 to \$26.48 per month (1.0%).

Small general service customers may voluntarily select a demand rate instead of an energy only rate.

The three subsections are increased as follows:

- (1) Increases the customer charge from \$45.90 per month to \$46.13 per month (0.5%).
- (2) Increases the demand charge in summer from \$15.91 per kW to \$15.99 per kW (0.5%) and increases the demand charge in non-summer from \$12.75 per kW to \$12.82 per kW (0.5%).
- (3) Increases the energy charge in summer from 5.74 cents per kWh to 5.77 cents per kWh (0.5%) and increases the energy charge in non-summer from 5.00 cents per kWh to 5.03 cents per kWh (0.6%).

The interruptible service rate allows large general service and industrial customers to pay a discounted rate by voluntarily taking service interruption based on the request of the electric utility. The three subsections are increased as follows:

- (1) Increases the customer charge from \$61.20 per month to \$61.51 per month (0.5%).
- (2) Increases the demand charge in summer from \$10.28 per kW to \$10.34 per kW (0.6%) and increases the demand charge in non-summer from \$8.23 per kW to \$8.28 per kW (0.6%).
- (3) Increases the energy charge in summer from 4.78 cents per kWh to 4.81 cents per kWh (0.6%) and increases the energy charge in non-summer from 4.47 cents per kWh to 4.5 cents per kWh (0.7%).

The large general service rate applies to all non-residential customers that fall within a summer demand range greater than 25 kW and less than 750 kW, unless the customer qualifies for and has volunteered for another applicable rate. The three subsections are increased as follows:

- (1) Increases the customer charge from \$45.90 per month to \$46.13 per month (0.5%).
- (2) Increases the minimum demand charge in summer from \$367.20 per month to \$369.04 per month (0.5%) and increases the minimum demand charge in non-summer from \$275.40 per month to \$276.78 per month (0.5%). Increases the demand charge, for all kW greater than 25 kW, in summer from \$15.91 per kW to \$15.99 per kW (0.5%) and increases the demand charge, for all kW greater than 25 kW, in non-summer from \$12.75 per kW to \$12.82 per kW (0.5%).
- (3) Increases the energy charge in summer from 5.74 cents per kWh to 5.77 cents per kWh (0.5%) and increases the energy charge in non-summer from 5.0 cents per kWh

to 5.03 cents per kWh (0.6%).

(4) Increases the applicable energy charge in summer from 4.592 cents per kWh to 4.62 cents per kWh (0.6%) and increases the energy charge in non-summer from 4.0 cents per kWh to 4.02 cents per kWh (0.5%).

The industrial service rate applies to all non-residential customers that exceed 750 kW during the summer season, unless the customer qualifies for and has volunteered for another applicable rate. The subsections are increased as follows:

(1) Increases the customer charge from \$153.00 per month to \$153.77 per month (0.5%).

(2) Increases the minimum demand charge in summer from \$15,835.50 per month to \$15,914.43 per month (0.5%) and increases the minimum demand charge in non-summer from \$12,622.50 per month to \$12,685.62 per month (0.5%). Increases the demand charge, for all kW greater than 750 kW, in summer from \$21.11 per kW to \$21.22 per kW (0.5%) and increases the demand charge, for all kW greater than 750 kW, in non-summer from \$16.83 per kW to \$16.92 per kW (0.5%).

(3) Increases the energy charge in summer from 4.82 cents per kWh to 4.85 cents per kWh (0.6%) and increases the energy charge in non-summer from 4.12 cents per kWh to 4.14 cents per kWh (0.5%).

(4) Increases the summer kWh charge during the defined off-peak period from 3.76 cents per kWh to 3.78 cents per kWh (0.5%) for qualified industrial customers and increases the non-summer kWh charge during the defined off-peak period from 3.37 cents per kWh to 3.39 (0.6%) cents per kWh for qualified industrial customers.

(5) Increases the summer kWh charge during the defined off-peak period from 3.86 cents per kWh to 3.88 cents per kWh (0.5%) for qualified industrial customers and increases the non-summer kWh charge during the defined off-peak period from 3.46 cents per kWh to 3.48 cents per kWh (0.6%) for qualified industrial customers.

Data transfer and communication equipment rate increases from \$10.85 to \$16.06 (48.0%); no change in per kWh charge; and, defines the minimum monthly bill as \$16.06.

The special outdoor lighting rate applies to seasonal lighting usage such as athletic fields. Sub-section (c) increases the monthly customer charge from \$56.10 per month to \$56.55 (0.8%) per month and increases the charge per kWh from 12.74 cents per kWh to 12.82 cents per kWh (0.6%). Sub-section (d) increases the minimum monthly bill from \$56.10 per month to \$56.55 per month (0.8%).

WATER RATES AND FEES

Water rates are being adjusted to increase revenue overall by 4%. Based on previous cost-of-service analysis, the proposed increase will come from adjusting the monthly minimum charge based on meter size. The majority of customers will see increases in the single digits. **Irrigation customers could see increase above 10%.** It is anticipated that customers with larger water meters may reevaluate their meter size and request smaller meters. The average residential water customer will see **an increase of 3.1%.**

Rate Schedule:

5/8 and ¾-inch meters from \$8.85 to \$9.75 (10.2%)	C-O-S - \$ 10.50
1-inch meters from \$10.52 to \$14.04 (33.5%)	C-O-S - \$ 15.88
1 ½ inch meters from \$17.09 to \$28.25 (65.3%)	C-O-S - \$ 29.84
2-inch meters from \$18.51 to \$42.00 (126.9%)	C-O-S - \$ 48.94

3-inch meters from \$34.01 to \$147.00 (332.2%)	C-O-S - \$184.27
4-inch meters from \$50.42 to \$325.00 (544.6%)	C-O-S - \$336.87
6-inch meters from \$96.95 to \$700.00 (622.0%)	C-O-S - \$719.48

*Note: Cost of Service (C-O-S) numbers will be reevaluated by an outside consultant during 2018 and rates could change again in the next budget. Late payment fee will increase from 1.5% of unpaid bill to 3%. As of October 1, 2017, all new commercial services will have meters inside of buildings.

SANITARY SEWER RATES AND FEES

An **overall six percent increase in sewer fees** are proposed for the Fiscal Year 2017 budget year. One percent of the increase is related to coverage of bond indebtedness and five percent is to address increased cost of operation and maintenance. The proposed changes will increase user rates in the following ways:

1. Increase the residential base fee from \$11.56 per month to \$12.25 per month.
2. Increase the non-residential base fee approximately (given rounding variation) six percent for each of eleven water meter sizes.
3. Increase the volume rate, for all customers, from \$2.38 per CCF to \$2.52 per CCF.
4. Increase the unit charge for BOD (biochemical oxygen demand) in dollars per pound from \$0.303 to \$0.321.
5. Increase the unit charge for suspended solids in dollars per pound from \$0.208 to \$0.221.

Sewer Connection Fees

The residential and 5/8-inch meter connection fee is proposed to increase from \$2,000 to \$2,400. This is the fourth year of a proposed four-year connection fee increase. In 2014 the connection fee was \$800 and has increased by \$400 in each subsequent year. The connection fees for the other 10-meter sizes will be increased by an amount equivalent to the \$400 increase for the 5/8 meter multiplied by the ratio of the meter capacity to the capacity of a 5/8-inch meter.

STORMWATER UTILITY CHARGES

The new budget proposes an increase in fees for each of five categories of storm water service. The first four categories are for residential customers with actual monthly charges **increasing by \$0.25; \$0.33; \$0.45; or \$0.53** depending on the square footage of the main floor of the residential property. Non-residential properties are based on impervious surfaces. The nonresidential category is **being increased by \$0.015 for each one hundred square foot of impervious surface or by \$1.56 for those properties charged the minimum rate.**

These rate increases are the third of five Storm Water Utility rate increases approved by voters in April 2015.

PARKING PERMIT RATES

Will increase parking permit rates in parking garages at 8th and, Ash and 8th and Cherry Street according to the following schedule:

Reserved

Monthly: from \$115.00 to \$135.00

Non-Reserved

Monthly: from \$75.00 to \$95.00

Quarterly: from \$220.00 to \$280.00

Yearly: from \$825.00 to \$1,045.00

Total anticipated increase in revenue: \$61,202

TRANSPORTATION FARES AND SERVICE

Regular bus fares will remain the same, but three routes in southern Columbia are slated for elimination. The city is proposing to discontinue service for two special events: The True/False Film Festival and the Roots & Blues Festival. Total savings from service cutbacks are expected to be approximately \$508,000. Most savings come from labor and insurance costs associated with providing the bus service.

ParaTransit fees are proposed to increase from **\$2.00 per ride to \$3.00 per ride**. New revenue from this source is expected to be \$50,000.

PARKS AND RECREATION FEES

The only new fees being proposed in the 2018 Parks and Recreation budget are for golf courses. The **proposed increase** for 18-hole weekday green fee is \$1.00 and the weekend green fee is \$2.00 (Example: weekday 18-hole green fee will increase from \$19 to \$20). All other pass and membership fees are based on the basic green fee rate and have been increased accordingly.

New anticipated revenue from this increase: \$46,600.

PUBLIC HEALTH AND HUMAN RESOURCES FEES

Fee increases proposed for FY 2018 meet the Council Objective of increasing the costs recovered for the provision of services. This increase will allow for approximately 75% cost recovery of food safety activities.

Schedule of Fees

Increasing annual inspection fees for food establishments based on annual gross receipts.

1. Annual Gross Receipts less than \$250,000.00 from \$185 to \$205
2. Annual Gross Receipts of \$250,000.00 - \$750,000.00 from \$260 to \$285
3. Annual Gross Receipts more than \$750,000.00 from \$480 to \$530

Increasing administrative service fees per inspection for the second and subsequent re-inspections required to correct violations noted during the inspection process from \$100 to \$110.

Increasing fees for persons conducting a temporary food event (an event lasting less than fifteen (15) days).

1. One to three-day event from \$30 to \$35
2. Four to fourteen-day event from \$60 to \$65

Increasing food establishment plan review fees.

1. Facilities classified as low risk from \$100 to \$130
2. Facilities classified as medium risk from \$150 to \$200
3. Facilities classified as high risk from \$300 to \$400

These additional fees are expected to generate \$30,200 in revenue.

HAULED LIQUID WASTE RATES

The City Code governs the charges paid by liquid waste haulers that discharge material at designated disposal facilities. Included below is a list of sections proposed to be changed and the changes:

1. Increases the charge for sludge from package wastewater treatment plants and stabilization pond sludge from \$0.045 per gallon to \$0.048 per gallon.
2. Increases the charge for waste not covered by (1) from \$0.086 per gallon to \$0.091 per gallon and removes grease trap waste from accepted waste at the Columbia Regional Wastewater Treatment Plant.
3. Increases the charge for treatment service availability from \$11.56 per load to \$12.25 per load.
4. Changes disposal of grease trap wastes at the Columbia Sanitary Landfill to be in accordance with landfill charges in Section 22-163. This is necessary to recover the cost of landfill operation for waste disposed at the landfill instead of wastewater treatment plant operational costs.

SOLID WASTE RATES AND SERVICES

Highlights of the proposed fiscal year 2018 rate changes include: A 4% increase for residential refuse customers; the third year of a three-year plan to increase fees for commercial refuse customers that will bring them in line with cost-of-service recommendations that were discussed during the fiscal year 2016 budget process; and the elimination of commercial recycling fees for permanently placed recycling containers at apartment complexes in order to encourage recycling activities from residents in apartment complexes.

Itemized Fee Changes

1. Increase the residential refuse rate 4% (from \$15.42 per month to \$16.04 per month).
2. Increase the charge when a property is vacant and the owner has requested discontinuance of a metered service from \$4.90 per month to 50% of the monthly residential rate, per residence. This revision ties the charge to the monthly rate to ensure this rate category is automatically adjusted with any future residential rate increases.
3. Increase the grouped residential refuse rate 4% (from \$14.67 per month to \$15.26 per month).
4. Increase the curbside pickup fee for major appliances with refrigerants from \$18.93 per appliance to \$22.75 per appliance and appliances without refrigerants from \$12.62 per appliance to \$15.19 per appliance.
5. Increase the charge for customers in apartments that utilize bulk storage containers from \$14.67 per month to \$15.26 per month.
6. Increase the monthly charge for apartment complexes that are billed to a single customer and utilize bulk storage containers from \$14.42 per apartment to \$15.00 per apartment.
7. Allow apartment complex owners or managers to request permanently placed recycling containers as part of the residential refuse collection service. This change would eliminate commercial recycling fees for permanently placed recycling containers at apartment complexes.
8. Increase the commercial refuse hand pick-up charge from a minimum of \$14.20 per occurrence to a minimum of \$15.70 per occurrence. For pick-ups taking longer than five minutes, the per minute rate is being increased from \$2.84 to \$3.14.
9. Increase the charge for front loading compacting boxes from \$20.39 per cubic yard capacity to \$23.17 per cubic yard capacity.
10. Increase the charge to set a front-loading construction dumpster from \$89.76 per occurrence to \$91.08 occurrence.
11. Increase the collection charge from \$67.39 per occurrence to \$134.78 per occurrence.

12. Increase the minimum monthly fee for construction dumpster service from \$67.39 to \$134.78.
13. Increase the charge for full-size compactor roll-off container collection service from \$94.23 per occurrence to \$98.51 per occurrence.
14. Increase the per ton fee from \$45.76 per occurrence to \$52.00 per occurrence.
15. Increase the minimum monthly fee for full-size compactor roll-off containers from \$94.23 to \$98.51.
16. Increase the charge for full-size non-compactor roll-off container collection service from \$94.23 per occurrence to \$98.51 per occurrence.
17. Increase the per ton fee from \$45.76 per occurrence to \$52.00 per occurrence.
18. Increase the minimum monthly fee for full-size non-compactor roll-off containers from \$94.23 per month to \$98.51 per month
19. Increase the charge for mini-size compactor roll-off container collection service from \$66.99 per occurrence to \$70.03 per occurrence.
20. Increase the per ton fee from \$45.76 per occurrence to \$52.00 per occurrence.
21. Increase the minimum monthly fee for mini-size compactor roll-off containers from \$66.99 to \$70.03.
22. Increase the charge for mini-size non-compactor roll-off container collection service from \$66.99 per occurrence to \$70.03 per occurrence.
23. Increase the per ton fee from \$45.76 per occurrence to \$52.00 per occurrence.
24. Increase the minimum monthly fee for mini-size non-compactor roll-off containers from \$66.99 to \$70.03.
25. Increase the landfill fee for automobiles when the landfill scale is inoperable from \$20.80 each to \$25.00 each.
26. Increase the landfill fee for pickups, vans and trailers without specified rates when the landfill scale is inoperable from \$20.80 each to \$25.00 each.
27. Increase the landfill fee for any vehicle one ton or larger when the landfill scale is inoperable from \$116.82 each to \$132.74 each.
28. Increase the landfill fee for non-compacted roll-off boxes, trailers greater than eighteen (18) feet in length and truck with haul bed greater than eighteen (18) feet in length when landfill scale is inoperable from \$233.71 each to \$265.56 each.
29. Increase the landfill fee for compactor trucks and compactor roll-off boxes when landfill scale is inoperable from \$20.29 per cubic yard to \$23.17 per cubic yard.
30. Increase the landfill fee for appliances equipped for use of refrigerants from \$20.31 each to \$22.75 each.
31. Increase the landfill fee for appliances not requiring refrigerants from \$13.56 each to \$15.19 each.
32. Add a fee for the disposal of grease trap waste at the landfill for \$52.00 per ton.

As a result of these fee increases, residential collection and landfill revenues are anticipated to increase next fiscal year. Commercial collection rates are being increased, but overall commercial collection revenue is not anticipated to increase significantly as customers will be encouraged to reduce size and frequency of refuse pick-up and increase the amount of recycling which is charged at a lower rate.

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