# CITY OF WEST DES MOINES
# CITY COUNCIL MEETING COMMUNICATION

**ITEM:** Resolution Approving and Ratifying Sewer District Fees and Charges Effective October 17, 2022 **DATE:** October 17, 2022

**FINANCIAL IMPACT:** Because some fees are being adjusted upward and some are being adjusted downward, the overall effect on Sewer Fund Revenue is unknown.

**BACKGROUND**: The attached listing shows the City's current and proposed Sewer Connection District Fees. These fees are payable when a property located within each defined district is developed and the revenue is used by the City to offset the costs of constructing the cost of main line sewers needed to serve the district. The City had last benchmarked these fees in 2010 and since that time they have been increased annually by the City Council based on a construction pricing index published by Engineering News Record Magazine (ENR-CCI).

Recent discussion among Councilmembers and staff revealed a desire to re-benchmark the fees now that actual construction costs of many of the underlying projects has been completed and estimates for those yet to be completed likely should be updated to current market conditions. The City contracted with Veenstra & Kimm to review these districts and provide updated benchmarked per-acre rates based on these known construction costs and updated estimates. Certain areas are more expensive due to infrastructure and topographical issues.

It should be noted that some of the districts are more developed than others. For example, the Grand Avenue West district is nearly fully developed so the City has received most payments and have recovered most of its money back. The Raccoon River district on the other hand, has received some connection fees, like Microsoft Osmium, but hasn't recovered nearly all of the cost of eventual infrastructure. One area is in advanced stages while the other is still in infancy.

At the September 21, 2022, meeting of the City's Finance & Administration Subcommittee, the two Councilmembers reviewed the benchmarking analysis performed by Veenstra & Kimm and recommended that the newly benchmarked fees be used going forward. The subcommittee members also recommended that, because the infrastructure is essentially complete in the Middle Creek and Grand Avenue West Districts, that the rates should increase at a rate of prime +1 versus using the ENR-CCI rate.

**RECOMMENDATION:** Approve and ratify the updated list of Sanitary Sewer Connection District Fees with all changes effective immediately.

**Lead Staff Member:** **Tim Stiles, Finance Director and Brian Hemesath, City Engineer**

**STAFF REVIEWS**

| | |
|---|---|
| Department Director | |
| Appropriations/Finance | |
| Legal | |
| Agenda Acceptance | |

**PUBLICATION(S)** (if applicable)

| | |
|---|---|
| Published In | |
| Dates(s) Published | |

**SUBCOMMITTEE REVIEW** (if applicable)

| | | | |
|---|---|---|---|
| Committee | Finance & Administration | | |
| Date Reviewed | September 21, 2022 | | |
| Recommendation | Yes | No | Split |

# RESOLUTION NO. _____

**RESOLUTION UPDATING CERTAIN FEES REQUIESTED BY STAFF OR AS REQUIRED BY CITY POLICY AND IOWA CODE.**

WHEREAS, effort has been made to consolidate all fees, rates, and charges into one reference document to be ratified by Council, and

WHEREAS, various updates to Sanitary Sewer Connection District Fees are being proposed by staff and have been reviewed by the City's Finance & Administration Subcommittee,

**NOW, THEREFORE, BE IT RESOLVED**

**BY THE COUNCIL OF THE CITY OF WEST DES MOIINES, IOWA,** that the attached schedule of charges and fees are ratified and approved as of October 17, 2022, and

**BE IT FURTHER RESOLVED**, that previous resolutions in conflict with this resolution are hereby repealed.

**PASSED AND APPROVED,** this 17th day of October, 2022.

_____
Russ Trimble, Mayor

ATTEST:

_____
Ryan Jacobson, City Clerk

| Description | Fee | Last Change (Approval Date) |
|---|---|---|
| **B. Development Service and Engineering Services** | | |
| VIII. Sanitary Sewer and Stormwater Connection Fee District | | |
| a. Grand Avenue West (per acre) | ~~5,390.00~~ $5,456.00 | Resolution (6/21/2021) |
| b. Middle Creek (per acre) | ~~2,761.00~~ $2,795.00 | Resolution (6/21/2021) |
| c. Raccoon River (per acre) | ~~10,206.00~~ $9,112.00 | Resolution (6/21/2021) |
| d. South Service (per acre) | ~~7,724.00~~ $7,819.00 | Resolution (6/21/2021) |
| e. Quail Park/Thornwood (per dwelling) | | |
| i. Category 1 | 14,349.00 | Resolution (6/21/2021) |
| ii. Category 2 | 22,746.00 | Resolution (6/21/2021) |
| iii. Category 3 | 18,274.00 | Resolution (6/21/2021) |
| f. Ashworth Road (per dwelling) | 32,207.00 | Resolution (6/21/2021) |
| g. Dixie Acres (per dwelling) | 34,991.00 | Resolution (6/21/2021) |

Note: Single-family residential units within the "per acre" districts will be charged per dwelling.