



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Council Members

From: Kelly Dowe, Director *KD*
Finance Department

CC: Mayor Annise D. Parker

Date: December 6, 2011

Subject: Revisions to 2010 Fee Increase Ordinance

The purpose of this memorandum is to request approval to amend Ordinance No. 2010-1016, codified as Section 1-13 and 1-14 of the Code of Ordinances, and passed by Council on December 15, 2010. Ordinance 2010-1016 provides for an automatic increase on July 1 of each year to permit and other fees related to the Construction Code and the Fire Code charged by the City based on the Producers Price Index. This ordinance was established to recover cost of service increases to the City on an annual basis. The automatic increase does not apply to fees that are subject to other automatic increase provisions or other limitations or provisions in the Code of Ordinances or other applicable law.

If the proposed ordinance is adopted, the automatic increase to recover cost of service increases will not apply to the following categories of fees:

- Fees set by contract
- Proprietary fees such as golf courses, ball fields, facility event rental, etc.
- Franchise fees
- Industrial assessment fees

Fees set by statute (i.e. State) or covered by other escalation requirements will still be excluded from the automatic increase.

Additionally, the basis for the fee adjustment will change from the Producer Price Index to the Consumer Price Index (CPI). The automatic increase will now occur on January 1, 2012 for all fees not adjusted on July 1. The automatic increase will occur on January 1 of each year in all subsequent years. All City fees will be listed on a City website to be maintained by the Finance Department and the City website will become the official record for the cost of City fees.

Finally, the proposed ordinance will also provide structure for establishing, increasing or discontinuing fees and permits. All fees must be reviewed by the Finance Department to prior to presentation to Council for approval with subsequent update to the website by the Finance Department upon ordinance adoption. The Finance Department recommends approval to amend Ordinance No. 2010-1016.