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## MEMORANDUM

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TO: Mayor Walker and Councilors  
FROM: M McPherson, City Administrator  
SUBJECT: **General Budget Discussion, Discuss Potential Fee Increases**  
DATE: October 5, 2021

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As part of the general budget discussion, staff would like Council direction on the possible increase of fees.

### Airport Lease Rates

Lease rates were increased in 2020 effective 2021 to \$.18 per square foot after not being increased for many years. Is the Council interested in increasing lease rates this year or waiting for 2023 and do a regular increase to ensure consistency with the market every other year? Staff has started preliminary research with other municipal airports; calls will need to be made to determine a square foot price in many instances given that online costs are quoted either quarterly or annually. Work will continue in this regard if the Council is interested in considering this for 2022.

### Annexation Application Fee

Currently, the city does not charge a fee for annexation requests. There is nothing in statute preventing the city from charging a fee and many cities do have a fee, or at a minimum, collect a check from the petitioner to cover the filing fee at the state (per Star Holman of the MN Office of Administrative Hearings). The most expensive portion of the annexation request is the requirement to send notices by certified mail. In addition to having the petitioner pay the filing fee, it may be worthwhile to consider a fee to cover publication and certified mail costs.

### Civic Center Rental Fee

In staff's review of the cleaning contract, there is a monthly cleaning fee of \$75.00. To cover this cost, staff is suggesting an increase of \$10 for general rentals and an increase of \$5.00 (to \$30.00) for civic organizations.

### Library Community Room Rental Fee

Currently, there are two rental rates for the use of the Library Community Room: \$0.00 (non-profit) and \$15.00 per hour (for profit). Staff would like the Council to consider a non-profit rate equal to the Civic Center rate (proposed \$30.00) for civic organizations. Information from the Assistant Director of the Library revealed 44 non-profit reservations for January to March 2020, and in 2019, 132 reservations. Adding a nominal fee to rent the room would provide a small revenue stream to off-set some of the cleaning costs for the library.

### Other Fees

Looking at the fee schedule, there are many fees that haven't been changed since the late 1990's and appear to be low, or may not cover publication and mailing cost or any staff time. For example, Mille Lacs County charges \$325 for a solid waste hauler's license while the city only charges \$125. Special event permits are \$25, yet they are reviewed by the Public Works Director, Police Chief, Fire Chief and City Clerk. Fence permits are \$25 for those under six feet and the fee hasn't changed since 1998. Staff is not suggesting that fees be increased to discourage development or residents from obtaining a permit, but fees should change based on benchmarking fees for similar services in other communities. A balance should be found between the cost of the service and the fee.