



**City of Minneapolis
Cost of Services and Fee Study
Regulatory, Energy and Environment Committee
May 13, 2013**

Cost of Services and Fee Study Background

- **2013 Budget Process – Staff Direction**
- **Cost Recovery Mechanism**
- **Activity Based Costing**
- **Direct and Indirect Costs**



Cost of Services and Fee Study Process

- **December 2012 – Staff Direction**
- **December 2012 – Roll Out to Departments**
- **January 2013 – Initial Discussion**
- **February-April 2013 – Identification of Activities**
- **April-May – Costing of Activities**
- **Ongoing – Evaluating Costs versus Fees; Fee Proposals**



Cost of Services and Fee Study Findings

- Identified approximately 1,000 activities
- Activities cross departments
- Indirect:Direct Cost Ratio ~1.35:1 – 1.90:1
- Many fees set by ordinance
 - Public Works, Zoning,
- Various methods for indexing
 - CPI-U, CPI-W, CCI, GDP Inflation, IPD





Cost of Services and Fee Study Next Steps

- **Complete Cost Analysis**
- **Review Fee Schedules vs. Costs with Departments**
- **Identify Necessary/Potential Changes**
- **Incorporate Methodology and Findings into 2014 Fees Schedules (Director's, et al)**
- **Revise Ordinances where necessary**



Cost of Services and Fee Study