

Request for City Council Committee Action from the Department of Regulatory Services

Date April 19, 2006
To CM Don Samuels, Chair, Public Safety & Regulatory Services
Referral to Way and Means/Budgeting
Subject: Adjusting environmental permit fees to the construction cost index and adding pollution control annual billing (PCAB) registration to the Director's Fee Schedule to become consistent with the City's 5-year Financial Direction.

Recommendation Amending Title 3 Chapters 46, 47, 48, 50, and 54; Title 5 Chapter 91; and Appendix J. Move environmental permit fees to Chapter 91 and annual registration fees to Appendix J.

Previous Directives:
5-year Financial Direction that includes the assumption that fees will be increased annually.

Prepared by: Thomas Frame, Supervisor Environmental Management, 673-5807

Approved by:

Burt Osborne, Director, Operations, Licenses and Environmental Management

Permanent Review Committee (PRC) Approval _____ Not Applicable _____

Policy Review Group (PRG) Approval _____ Date of Approval _____ Not Applicable _____

Note: The Policy Review Group is a committee co-chaired by the City Clerk and the City Coordinator that must review all requests related to establishing or changing enterprise policies.

Presenters in Committee: Lori Olson, Deputy Director, Environmental Management & Safety and Gayle Prest, Manager, Environmental Services

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. _____ Action requires a change to plan.
- Other financial impact (Explain): Increases Revenue collect by Regulatory Services
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached

This Council action would accomplish two financial directives:

1. In January 2003, the City of Minneapolis adopted a five-year plan which assumed that City permit fees and other billings would be adjusted annually based on relevant price indexes. The recommendation put forth in this Council request would bring the City's environmental permits and annual registrations in line with this direction by placing them in the appropriate appendix and fee schedule.
2. In 2005, the PFM Group made a series of permit fee recommendations as part of its 2005 Fee Cost Recovery Assessment. This action would bring environmental-related permits and fees in line with the cost recovery plan.

Permit Fees

Environmental Management & Safety, a division of Regulatory Services, collects permit fees for construction activities that impact the environment as well as for single production events. Fees have been adjusted based on the PFM report to recover the staff and administrative costs related to the permits, including a 25% increase to erosion control permits. Well maintenance permits have been adjusted to match State of Minnesota fees.

Through this action, new fees will be established for:

- Installation of stage I vapor recovery systems
- Installation and removal of oil/water separators and sediment traps
- Stockpiling of contaminated soil
- Abrasive blasting permits

In addition, the proposed action moves the fee amount from activity based ordinance language to the Director's Fee Schedule, which will be adjusted annually according to the Construction Cost Index (*see 91.70 Permit Fees*).

Annual Registrations

Environmental Management & Safety collects an annual registration fee for equipment that causes or has the potential to cause pollution or impact the environment. This registration is referred to as the Pollution Control Annual Billing (PCAB). Examples of businesses that are subject to the PCAB registration include: drycleaners, auto repair shops, office complexes, industrial facilities, etc. Each business is billed according to the type/number of equipment on site. Through this request, PCAB fees will be moved to *Appendix J - License Fees Schedule*. By placing the fees in Appendix J, they will be subject to the annual increase determined by the Council each year. In the proposed action, fees have been increased by 3% for 2005 and another 3% for 2006, for a total increase of 6%. PCAB fees have not been adjusted since 1997.

In addition, sediment traps and stage I vapor recovery equipment, previously not required for registration, are being added to the list of equipment for registration.