



Staff Report

Meeting Date: June 6, 2022

From Tyler Deems, Deputy City Manager / Finance Director

SUBJECT: 2022 Master Fees and Charges

PURPOSE / OBJECTIVE:

Review proposed increases to city fees and charges for the 2022-23 fiscal year.

BACKGROUND / CONTEXT:

The City annually reviews and updates fees and charges to adjust for inflation for materials, operational expenses, and capital project funding. The Council's direction over the last few years, with exception of the pause during COVID, is to adjust the fees on a more regular basis to avoid less frequent but larger rate increases. The current Master Fee Schedule can be found [here](#).

Sandy is in a historic period of public infrastructure reinvestment. The City's wastewater and water systems require improvements and expansion to ensure adequate supply of water and the capacity to effectively treat wastewater, and handle and manage stormwater runoff. Years of under-investment and holding down rate increases coupled with rapid growth has put the city in a difficult position of needing rate increases to complete the essential and mandated improvements to our water and wastewater facilities. At the same time, we are in a period of high inflation and extreme construction cost escalation which results in higher costs for goods, services, contracts, equipment, and materials. In 2021, the producer price index increased nearly 20% year over year. The consumer price index, a common indicator of inflation, continues to sit at above 8% year over year for most indices.

In addition to the water, wastewater, and stormwater utilities, SandyNet, as the City's unique and newest utility, has been providing fiber to the home service since 2014. At that time, the city envisioned an initial build out of a network with half as many customers as the utility now provides service to. The success of the service means additional revenue to cover the utility's expenses and debts, however the continued growth of the service also presents pressures on operations, new construction, and maintaining an acceptable service level for our existing and future customers.

Beyond utilities, the City charges fees to developers, builders, and homeowners for land use applications, new construction, and improvements. These fees pay for staff's time to review the proposals and plans to ensure they compliant state building standards and reflects the community's goals and policies implemented through the city's development code. While the Planning Department receives general revenue to both subsidize these

activities but to fund non-current planning related development such as long range plans, the Building Department is operated and accounted for as an enterprise. Building plan review, permits, and inspection fees should cover the costs of those services. In both those cases, despite steady growth and development, our existing fees are not keeping pace with covering the costs of providing the service.

KEY CONSIDERATIONS / ANALYSIS:

Water

The City entered into a bilateral compliance agreement with the State of Oregon in September 2018 to meet the treatment requirements for cryptosporidium (either connecting to Portland's new filtration plant or constructing our own treatment facility) by September 30, 2027. Last June the City Council reviewed information and options regarding the City's water supply sources and the mandate to treat the Bull Run Water Source or purchase treated Bull Run Water from the City of Portland. The City Council will be reevaluating the decision to treat raw water or purchase filtered water on June 6.

The Bull Run Water Supply approach is an important component to the update of the City's Water Master Plan, which will be completed by the end of the year. The Water Master Plan further outlines our water system demands and investments that are needed in our facilities. Capital investments are needed in our Alder Creek Water Treatment Plant and other crucial facilities in the system such as the Sandercock Reservoir.

We're working with our consultants to finalize the capital improvement plan and refine the rate model for implementing the water master plan and completing the Bull Run Supply project. Preliminary cost estimates based on reinvesting in the Alder Creek Treatment Plant, making other necessary investments in facilities such as reservoirs, and extending the transmission pipeline to Portland's new filtration plant will require larger rate increases beginning in FY 2022-23. Initial modeling indicates a needed increase in the range of \$11-\$15 per month this fiscal year depending on the amount of water used (\$13.50 for the average residential customer). Like the wastewater project, the city is exploring a variety of financing options such as the Clean Water State Revolving Fund Loans and grants, and WIFIA Loans.

Wastewater - Sandy Clean Waters

The City's largest construction project requires ongoing rate increase to provide revenue to pay for the debt financing from the State Revolving Fund Loans and the Water Infrastructure Finance and Innovation Act (WIFIA) loans. The ongoing investments address permit compliance, increasing treatment plant and collection system capacity, and constructing new facilities to accommodate the recent and future growth of the community.

The proposed rate increase of 10% is based on the City's most recent application to the EPA WIFIA program that reflects the total project cost of \$97 million. The city recently issued an RFQ for firms to assist the city in a revision to the Wastewater System Facilities Plan. The outcome of that work will inform future updates to the project scope and costs and the rate model.

The City anticipates finalizing our WIFIA application this summer to lock in interest rates.

This 10% increase will be effective with the July 2022 billing, and is anticipated to bring in an additional \$329,000 in fiscal year 2023.

Stormwater

The City's stormwater utility is underfunded and does not have adequate revenue to plan, budget, and construct repairs and new investments in our stormwater system. This was recently demonstrated by the emergency pipeline repair under Tupper Park where the Stormwater Fund was not able to pay for the costs. The Stormwater Fee is currently \$3.50 per equivalent residential unit (ERU) which is the lowest out of any city in Clackamas County. The city will need to complete a stormwater master plan at sometime in the future, but staff recommends incrementally increasing the utility's fee to build cash reserves for capital.

The proposed rate increase for Stormwater is \$1.50 per ERU, bringing the total fee to \$5.00 per ERU. This increase will be effective with the July 2022 billing, and is anticipated to bring in an additional \$116,000 in fiscal year 2023.

SandyNet

SandyNet is another service that has been significantly impacted by inflation and the rise of construction costs. Equipment such as modems, cards, fiber, and switches have increased in costs as well as lead times for deliveries. As a publicly owned internet company, keeping the service affordable is inherent in our mission. With the success of the service, rapid expansion, and continued demand for new service and installs, the department does not have adequate staff to respond to these requests and projects in a timely manner. The Department is well served by a team of dedicated staff but the current operations are unsustainable even for a high functioning team. Currently the department needs at least an additional utility workers/installers to keep up with demand and additional technical staff such as network engineers to ensure system reliability. The proposed rate increase will not be able to support hiring additional staff, but

SandyNet is also advancing scheduled equipment replacement. As we approach eight years of fiber-to-the-home, we are beginning our replacement of old hardware. This transition comes at a time where the release of a newer technology is being widely adopted to achieve higher future speeds. We are in the beginnings of the multigigabit

service push in the US, where providers are beginning to overlay their networks and install hardware capable of pushing speeds over 1 gigabit. While the demand is not there just yet, the phasing in of the hardware should be considered as equipment is refreshed or replaced. The proposed rate increase helps pay for the first wave of this implementation by phasing in the hardware with new construction.

Originally, the next scheduled rate increase was set for the 23-25 Biennium. By changing the start date of that rate increase to July 2022, at our current projections will generate an additional \$90,000 in revenue to offset the cost changes in equipment and services. The cost of implementation for the new technology has dropped dramatically in the past year but sits at 36% more than traditional technology and would be picked up under the rate increase as we update our rate model to reflect the new cost of implementation.

Finally, two additional speed tiers are proposed to be created, to increase options for customers. Starting with new construction, 2 and 5 Gigabit tiers would be set, as well as increasing the speed of the 300Mbps service to 500 Mbps. This would simplify the plans to: Half a Gig, Gigabit, 2 Gig and 5 Gig.

Pricing changes include taking the residential and business 300Mbps plan from \$41.95 to \$44.95 and increasing the speed to 500Mbps as well as offering a 2Gbps plan for \$110 and 5 Gig plan for \$225.

Since 2020, we've seen a more widespread acceptance of gigabit service. In 2020 we had roughly 330 gigabit residential and business customers which represented 10% of our fiber customers. Today we have over 815 Gigabit fiber customers, which now represents 25% of our customer base.

The proposed rate increase was presented to the SandyNet Advisory Board which was supported.

Miscellaneous Fees

Each year staff recalculates the average hourly rate of employees who would likely be tasked with completing public records requests. With the rising cost of salaries and related benefits (taxes, insurance, and PERS), the recommended increase in the hourly rate for public records requests is \$50.00 for administrative staff (administrative assistant or other staff) and \$80.00 per hour for executive staff (director). Staff will continue to charge any associated legal fees at the actual cost.

Additionally, staff is recommending a slight change to the annual interest rate that is charged for monies owed to the city. Currently the rate is set by the Finance Director and based on current yields for long-term investments. Staff is proposing to keep this same language, but add 1% to the current yields for long-term investments to help offset the staff time of managing these receivables.

Both of the above changes would becoming effective July 1, 2022 and would not impact any existing records requests or receivables that are already in place.

Planning and Building

Staff recently completed a survey of planning and building fees in Clackamas County. The city was low compared to other cities in many categories and the fees should be updated to cover the city's costs to process and review applications rather than relying on an increasing share of general revenue.

Planning Division: proposed fees on new developments and construction (subdivisions, middle housing partitions, annexations, zone changes, etc.). As an example, fees for a 41 lot subdivision would increase from \$6,971 to \$10,420.

Building Division: The fees and charges for building a home in Sandy are less than many other Clackamas county communities by a wide margin. While this is mostly due to differences in SDCs, building fees are also in need of updating. The proposed fee increases would impact new construction, such as new single family homes, duplexes, and apartments, more so than small homeowner projects or small remodels.

On the horizon

- Public Safety Fee

- The City Council established the public safety fee in 2019. The residential fee is \$4.50 while commercial properties pay \$10.50. The fee was designed to help pays for two officers. In preparing for the next biennium, staff will be analyzing the fee for developing a recommendation on an increase to help keep pace with rising salary and benefit, and equipment, costs for police officers.

Recreation – Cost Recovery Analysis and Programming

- In addition to the Council Goal to look at cost recovery where possible, the Council also adopted a goal to explore community recreation services needs and determine how the organization can support this. With the staffing of the Parks & Recreation Department and reopening of facilities and programming, the department can put some attention to these goals. The City is contracting with a cost recovery consultant to work with the department to examine programs and the fee structures. And work continues on implementing the Parks & Trails Master Plan.

System Development Charges

- SDCs are intended to recover a fair share of the costs of existing and planned infrastructure improvements that provide capacity to serve new growth. SDCs are annually adjusted based on the Construction Cost Index. With the completion of several master plans recently and on the horizon, the methodologies and SDCs for Parks & Trails, Water, and Transportation will be reviewed for updates.
 - Water
 - Wastewater
 - Transportation (Streets)
 - Parks & Trails (new methodology for SDC, Fee in Lieu, and Reimbursement Cost)

BUDGETARY IMPACT:

The proposed rate increases will result in generating additional revenue in the utility funds and in the General Fund/Development Services Department.

- Water Fund - More detailed information will be provided on June 21 with an implementation timeline.
- Wastewater Fund - Increase in Wastewater rate revenue of \$329,000.
- Stormwater Fund - Increase in Stormwater rate revenue of \$116,000.
- Telecommunications/SandyNet - Increase in SandyNet rate revenue of \$90,000.

LIST OF ATTACHMENTS/EXHIBITS:

- Listing of proposed changes to the Master Fee Schedule

Fee Name	Current	Proposed	Description
I. MISCELLANEOUS CHARGES (effective July 1, 2022)			
E. Miscellaneous			
a. Finding Fee	\$20.00		
b. Interest Past Due			Annual interest rate set by Finance Director at the time the past due balance is accrued. Rate shall be fixed and based on current yields for long-term investments, plus 1%.
G. Records Request			
a. Administrative Fee	\$42.00	\$50.00	per hour
b. Executive Fee	\$73.00	\$80.00	per hour
c. Legal Fee			actual cost
2. PLANNING CHARGES (effective July 1, 2022)			
A. Addressing			
a. Addressing	\$42.00	\$45.00	plus \$56 per lot
b. Readdressing - Residential	\$210.00	\$220.00	per lot (not exceeding two units)
c. Readdressing - Multi-family, commercial/industrial	\$210.00	\$220.00	plus \$56 per lot or unit
B. Administrative			
a. Administrative Fee			10% of total planning and public works fees assessed, excluding building, plumbing, and mechanical structural specialty code permit fees.
b. Land Use Compatibility Statement	\$125.00		
c. Review of Non-Conforming Use	\$503.00	\$800.00	
d. Public Hearing - Type I	\$419.00		review not specifically listed elsewhere
e. Public Hearing - Type II	\$524.00		review not specifically listed elsewhere
d. Public Hearing - Type III	\$1,047.00	\$1,500.00	review not specifically listed elsewhere
e. Public Hearing - Type IV		\$2,000.00	review not specifically listed elsewhere
f. Public Hearing - Reschedule (applicant's request)		\$500.00	
g. Third-Party Review	\$1,500.00	\$2,000.00	Deposit for each anticipated third-party review shall be collected in conjunction with the initial application fee. Additional charges, if any, shall be assessed and shall be a lien against the property until paid in full.
h. Third Party Review Scope Consultation		\$500.00	
i. Zoning Verification Letter	\$105.00	\$110.00	Bank/Loan Letter
C. Accessory Dwelling Unit			
a. Accessory Dwelling Units	\$225.00	\$300.00	
D. Adjustments and Variances			
a. Type I Adjustment	\$336.00	\$400.00	less than 10% a quantifiable provision
b. Type II Adjustment	\$451.00	\$500.00	less than 20% a quantifiable provision
c. Type II Variance	\$670.00	\$900.00	
d. Type III Special Variance	\$1,121.00	\$1,500.00	
e. Type III Variance - Land Division	\$1,121.00	\$1,500.00	
f. Type III Design Deviation	\$451.00	\$500.00	
g. Sign Variance	\$451.00	\$500.00	
E. Amendments			
a. Comprehensive Plan Map Amendment	\$3,248.00	\$5,000.00	
b. Comprehensive Plan Text Amendment	\$3,022.00	\$6,000.00	
c. Zoning Map Amendment	\$2,461.00	\$4,000.00	
F. Annexation Type IV			
a. Type A	\$2,238.00	\$3,000.00	assign conceptual zoning
b. Type B	\$3,132.00	\$5,000.00	Type A, plus Zoning Map Change
c. Type C	\$6,154.00	\$7,000.00	Type A and B, plus Plan Map
d. De-Annexation		\$3,000.00	
G. Appeal			
a. Type I to Type II	\$125.00	\$250.00	Notice
b. Type II to Type III	\$336.00	\$400.00	Planning Commission appeal
c. Type III to Type IV	\$785.00	\$1,000.00	City Council appeal
H. Conditional Uses			
a. Modification, Major	\$896.00	\$1,000.00	
b. Modification, Minor	\$451.00	\$500.00	
c. Outdoor Display & Storage	\$336.00	\$500.00	
d. Type II	\$896.00	\$1,200.00	
e. Type III	\$1,681.00	\$3,000.00	
I. Design Review			
a. Type I: \$0.00 - \$10,000.00	\$209.00	\$250.00	staff review only; no notice
b. Type I: \$10,000.01 - \$25,000.00	\$366.00	\$450.00	staff review only; no notice
c. Type I: \$25,000.01 - \$100,000.00	\$560.00	\$750.00	staff review only; no notice
d. Type I: \$100,000.00 and above	\$785.00	\$900.00	staff review only; no notice
e. Type II: \$0.00 - \$10,000.00	\$336.00	\$400.00	
f. Type II: \$10,000.01 - \$25,000.00	\$560.00	\$600.00	
g. Type II: \$25,000.01 - \$100,000.00	\$1,571.00	\$2,000.00	

h. Type II: \$100,000.00 - \$1,000,000.00	\$3,358.00	\$5,000.00
i. Type II: \$1,000,000.00 and above	\$7,836.00	\$9,000.00
j. Type III: \$0.00 - \$10,000.00	\$560.00	\$600.00
k. Type III: \$10,000.01 - \$25,000.00	\$785.00	\$1,000.00
l. Type III: \$25,000.01 - \$100,000.00	\$1,791.00	\$2,500.00
m. Type III: \$100,000.00 - \$1,000,000.00	\$4,028.00	\$6,000.00
n. Type III: \$1,000,000.00 and above	\$7,836.00	\$10,000.00
o. Design Review Minor Modification	\$451.00	\$500.00
p. Design Review Major Modification: \$0.00 - \$25,000.00	\$560.00	\$600.00
q. Design Review Major Modification: \$25,000.01 - \$100,000.00	\$785.00	\$1,000.00
r. Design Review Major Modification: \$100,000.01 and above	\$1,121.00	\$2,000.00
J. Erosion Control		
a. Single Family/Duplex Addition - Permit Fee	\$105.00	\$130.00
b. Single Family Dwelling/Duplex - Permit Fee	\$125.00	\$150.00
c. Multi-Family - Permit Fee	\$147.00	\$200.00 per structure
d. Commercial/Industrial, Subdivisions - Permit Fee	\$283.00	\$300.00 per acre
a. Single Family/Duplex Addition - Plan Review	\$42.00	\$50.00
b. Single Family Dwelling/Duplex - Plan Review	\$73.00	\$85.00
c. Multi-Family - Plan Review	\$105.00	\$130.00 per structure
d. Commercial/Industrial, Subdivisions - Plan Review	\$115.00	\$130.00 per acre
K. Final Plat Review		
a. Property Line Adjustment Final Review	\$314.00	\$400.00
b. Middle Housing Land Division Plat Review		\$600.00
c. Partition Final Plat Review	\$503.00	\$600.00
d. Subdivision Final Plat Review	\$733.00	\$1,000.00
L. Food Cart Permit		
a. Initial Permit Review	\$336.00	\$1,500.00 per new pad lot; design review fees separate
b. Renewal	\$167.00	\$200.00 single carts in existing pod
M. FSH Overlay		
a. Type I FSH Review	\$225.00	\$250.00 in addition to fees listed, required deposit toward cost of any third-party reviews
b. Type II FSH Review	\$451.00	\$500.00 in addition to fees listed, required deposit toward cost of any third-party reviews
c. Type III or Type IV FSH Review	\$785.00	\$1,000.00 in addition to fees listed, required deposit toward cost of any third-party reviews
N. Hardship Trailer		
a. Type III Initial Review	\$251.00	\$300.00
b. Type II Renewal	\$167.00	\$200.00
O. Historic or Cultural Resource		
a. Type IV Designation of Resource	\$524.00	\$1,000.00
b. Type I Minor Alteration	\$105.00	\$130.00
c. Type II Major Alteration	\$314.00	\$500.00
P. Interpretation of Code		
a. Type II, Director	\$336.00	\$500.00
b. Type III, Quasi-Judicial	\$670.00	\$1,000.00
c. Type IV, Legislative	\$670.00	\$1,500.00
d. Interpretation of Previous Approval		half of original fee
e. Modify Previous Approval II or III		half of original fee
f. Revocation of Previous Approval		half of original fee
Q. Land Division		
a. Type I Property Line Adjustment	\$398.00	\$600.00
b. Type I Land Division (Minor Partition)	\$670.00	\$1,200.00
c. Middle Housing Land Division		\$2,500.00
d. Type II Land Division (Major Partition)	\$1,008.00	\$1,500.00 plus \$3350 per lot
e. Type II Land Division (Minor Revised Plat)	\$1,008.00	\$1,500.00 plus \$3350 per lot
f. Type III Land Division (Major Partition)	\$1,121.00	\$3,000.00 plus \$3350 per lot
g. Type III Major Replat (revised plat)	\$1,121.00	\$3,000.00 plus \$3350 per lot
h. Type II Subdivision 4 to 10 lots	\$2,687.00	\$4,000.00 plus \$77100 per lot
i. Type II Subdivision 11 or more lots	\$2,912.00	\$4,000.00 plus \$77100 per lot
j. Type III Subdivision 4 to 10 lots	\$3,143.00	\$5,500.00 plus \$77120 per lot
k. Type III Subdivision 11 or more lots	\$3,363.00	\$5,500.00 plus \$77120 per lot
l. Re-naming of Tentative Subdivision	\$314.00	\$350.00
m. Model Home Agreement		\$500.00
n. Phasing Plan Review		\$1,500.00 in addition to subdivision fees
R. Planned Unit Development		
a. Conceptual Development Plan	\$4,478.00	
b. Detailed Development Plan	\$670.00	plus subdivision fees
c. Combined Review		less 25% of individual subdivision fees
d. Minor Modification	\$410.00	
e. Major Modification		calculated as a new application
S. Pre-Application Conference		
a. Type I	\$105.00	\$150.00
b. Type II	\$314.00	\$400.00

c. Type III/IV	\$524.00	\$800.00	
d. Subdivision		\$1,200.00	
T. Request for Time Extension			
a. Type I	\$105.00	\$120.00	
b. Type II	\$225.00	\$250.00	
c. Type III/IV	\$451.00	\$500.00	
U. Specific Area Plan			
a. Development Process: Type IV	\$3,143.00	\$5,000.00	plus \$5260 per acre, plus subdivision fees
b. Administrative Amendment: Type I	\$225.00	\$400.00	
c. Minor Amendment: Type II	\$451.00	\$500.00	
d. Major Amendment: Type III	\$733.00	\$1,200.00	
V. Street Vacation			
a. Street Vacation			Cost plus 20% (\$1,800,500 deposit required)
W. Temporary Permits			
a. Structure: Type I - Initial	\$125.00	\$130.00	
b. Structure: Type II - Renewal	\$167.00	\$250.00	
c. Use Permit	\$105.00	\$130.00	
X. Tree Removal			
a. Type I	\$105.00	\$110.00	
b. Type II	\$167.00	\$220.00	
c. Type III	\$451.00	\$600.00	
Y. Zoning Administration Fee			
a. Single Family Dwelling Addition	\$105.00	\$110.00	
b. Single Family Dwelling	\$157.00	\$175.00	
c. Duplex	\$262.00	\$300.00	
d. Multi-Family	\$262.00	\$300.00	plus \$44 per unit
e. Commercial/Industrial	\$105.00	\$110.00	minimum; up to 2025% of design review fee
3. BUILDING CHARGES (effective July 1, 2022)			
A. Building Permit (valuation)			
a. \$0.01 - \$500.00	\$75.00	\$85.00	
b. \$500.01 - \$2,000.00	\$75.00	\$85.00	First \$500.00, plus \$24.00 for each additional \$100 or fraction thereof to and including \$2,000
c. \$2,000.01 - \$25,000.00	\$120.00	\$145.00	First \$2,000.00, plus \$811.00 for each additional \$1,000 or fraction thereof to and including \$25,000
d. \$25,000.01 - \$50,000.00	\$327.00	\$398.00	First \$25,000.00, plus \$79.00 for each additional \$1,000 or fraction thereof to and including \$50,000
e. \$50,000.01 - \$100,000.00	\$502.00	\$623.00	First \$50,000.00, plus \$56.00 for each additional \$1,000 or fraction thereof to and including \$100,000
f. \$100,000.01 and above	\$752.00	\$923.00	First \$100,000.00, plus \$45.00 for each additional \$1,000 or fraction thereof
g. Permit Fee Valuation			The determination of the valuation for permit fees shall be based on the most current ICC Building Valuation Data Table as specified in OAR 918-050-0100 and 918-050-0110.
B. Demolition Permits			
a. Demolition Permits, general - State of Oregon			Commercial demolition fees are calculated on the total value of the demolition and are assessed using the building permit fees schedule. Residential demolition fees are based on a flat charge to include building and mechanical elements.
b. Commercial: Building	\$75.00	\$100.00	minimum
c. Commercial: Public Works	\$70.00		minimum
d. Residential: Building	\$75.00	\$100.00	
e. Residential: Public Works	\$70.00		
C. Derelict Buildings and Structures			
a. Appeal Fee	\$300.00		
b. Application Fee for Rehabilitation Plan	\$150.00		per application
D. Fire Sprinkler Plan Review and Inspection Fee			
a. Home Size: 0 - 2,000 square feet	\$103.00	\$160.00	
b. Home Size: 2,001 - 3,600 square feet	\$137.00	\$220.00	
c. Home Size: 3,601 - 7,200 square feet	\$173.00	\$280.00	
d. Home Size: 7,201 square feet and greater	\$213.00	\$320.00	
H. Manufactured Dwellings			
a. Manufactured Dwelling Installation Fee	\$300.00	\$400.00	
b. Manufactured Dwelling Park Fees			Per OAR 918-600-0030.
c. Manufactured Dwelling State Fees	\$30.00		
d. Recreational Park and Camps			Per OAR 918-650-0030.
e. Related Fees: Electrical Feeder	\$100.00		
I. Mechanical Permit			
a. Mechanical Permit Review Fee			2530% of permit issuance fees.

J. Mechanical Permit - Commercial (value)

a. \$1 - \$1,000	\$75.00	\$85.00	
b. \$1,000.1 - \$10,000.00	\$75.00	\$85.00	First \$1,000 plus \$1.250 for each additional \$100 or fraction thereof to and including \$10,000
c. 10,000.01 - \$25,000.00	\$192.00	\$220.00	First \$10,000 plus \$156.00 for each additional \$1,000 or fraction thereof and including \$25,000
d. \$25,000.01 - \$50,000.00	\$417.00	\$460.00	First \$25,000.00, plus \$124.00 for each additional \$1,000 or fraction thereof to and including \$50,000
e. \$50,000.01 - \$100,000.00	\$742.00	\$810.00	First \$50,000.00, plus \$124.00 for each additional \$1,000 or fraction thereof to and including \$100,000
f. \$100,000.01 and above	\$1,342.00	\$1,510.00	First \$100,000.00, plus \$67.00 for each additional \$1,000 or fraction thereof

K. Mechanical Permit - Residential

a. Minimum Permit Fee	\$75.00	\$85.00	
b. HVAC	\$16.00	\$22.00	
c. Air conditioning	\$16.00	\$22.00	
d. Alteration of existing HVAC	\$13.00	\$20.00	
e. Boiler, compressor	\$37.50	\$40.00	
f. Fire/smoke damper/duct smoke detectors	\$8.00		
g. Heat pump	\$16.00	\$22.00	
h. Install/replace furnace burner	\$15.00	\$22.00	
i. Install/replace/relocate heater/suspend wall/floor	\$14.00	\$22.00	
j. Vent for appliance other than furnace	\$9.00	\$15.00	
k. Refrigeration (absorption unit)	\$31.50		
l. Refrigeration (chillers)	\$17.00		
m. Refrigeration (compressors)	\$17.00		
n. Environmental exhaust and ventilation (appliance vent)	\$8.00	\$15.00	
o. Dryer exhaust	\$8.00	\$15.00	
p. Hoods Type I/II residential kitchen/hazmat hood fire suppression	\$9.00	\$15.00	
q. Exhaust fan with single duct (bath fan)	\$8.00	\$15.00	
r. Exhaust system apart from heating/AC	\$8.00	\$15.00	
s. Fuel piping and distribution (up to four outlets)	\$11.00	\$15.00	
t. Fuel piping each additional outlet over four	\$2.00	\$2.20	
u. Process piping (up to four outlets)	\$11.00		
v. Process piping each additional outlet over four	\$2.00		
w. Decorative fireplace	\$25.00	\$28.00	
x. Fireplace insert	\$25.00	\$28.00	
y. Wood/pellet stove	\$25.00	\$28.00	

L. Movement of Buildings

a. Movement of Buildings Fee	\$83.00		
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M. Other Inspections and Fees

a. Inspections outside of normal business hours	\$120.00	\$120.00	per hour, two hour minimum
b. Reinspection fees	\$75.00	\$85.00	
c. Inspection for which no fee is specifically indicated	\$75.00	\$85.00	
d. Additional plan review required by changes/additions	\$75.00	\$100.00	per hour
e. Permit reinstatement fee	\$75.00	\$85.00	For renewal of a permit that has been expired for six months or less provided no changes have been made in the original plans and specifications for such work
f. Temporary certificate of occupancy	\$200.00	\$250.00	per month
g. Penalty for work commencing before permit issuance	\$100.00		

N. Plan Review

a. Building			6570% of permit issuance fees (residential and commercial)
b. Fire & Life Safety Plan Review Fee			4050% of permit issuance fees
c. Seismic Plan Review			1% of permit issuance fees
d. Plumbing			2530% of plumbing permit issuance fees
e. Mechanical			2530% of mechanical permit issuance fees
f. Phased permit plan review fee	\$250.00		plus 10% of the total project permit fee
g. Deferred submittals	\$250.00		plus 10% of the total project permit fee
h. Simple one and two family dwelling plans	\$130.00		
i. Solar Photovoltaic Installation Prescriptive Path Fee	\$130.00	\$160.00	

O. Plumbing Permit

a. Minimum Permit Fee	\$75.00	\$85.00	
b. Each fixture	\$25.00		
c. Catch basin	\$35.00		each
d. Drywall	\$35.00		each
e. Fire hydrant	\$35.00		each
f. Footing drain	\$0.25		per foot
g. Manhole/OWS	\$35.00		each
h. Manufactured home set-up plumbing fee	\$80.00		
i. Rain drains connector	\$25.00		per 100 feet
j. Residential fire sprinkler	\$10.00		per head

k. Sanitary sewer	\$25.00	\$85.00 per 100 feet
l. Single family one bath	\$400.00	\$450.00 New 1 and 2 family dwellings includes 100 feet for each utility
m. Single family two bath	\$500.00	\$550.00 New 1 and 2 family dwellings includes 100 feet for each utility
n. Single family three bath	\$600.00	\$650.00 New 1 and 2 family dwellings includes 100 feet for each utility
o. Single family additional bath or kitchen	\$100.00	\$110.00
p. Storm sewer	\$25.00	\$85.00 per 100 feet
q. Water service	\$25.00	\$85.00 per 100 feet
P. State Surcharge		
a. State Surcharge Fee		

All building, plumbing, and mechanical permits are subject to a State of Oregon surcharge of 12% payable with the payment of the permit. This surcharge is subject to change at the State's discretion

7. WATER RATES (effective with July 2022 billing)

A. Base by Customer Class

a. Single Family	\$7.81	\$11.01 per month
b. Multi-Family	\$7.81	\$11.01 per month
c. Commercial/Industrial	\$7.81	\$11.01 per month
d. Wholesale	\$9.34	\$13.17 per month
e. Single Family - outside City limits	\$11.74	\$16.55 per month

B. Charge by Meter Size - inside city limits

a. 5/8" Meter	\$0.28	\$0.40 per month
b. 3/4" Meter	\$0.42	\$0.59 per month
c. 1" Meter	\$0.72	\$1.02 per month
d. 1 1/2" Meter	\$1.38	\$1.95 per month
e. 2" Meter	\$2.21	\$3.12 per month
f. 3" Meter	\$4.20	\$5.92 per month
g. 4" Meter	\$6.97	\$9.82 per month
h. 6" Meter	\$13.96	\$19.69 per month
i. 8" Meter	\$22.33	\$31.49 per month
j. 10" Meter	\$32.13	\$45.30 per month

C. Charge by Meter Size - outside city limits

a. 5/8" Meter	\$0.41	\$0.58 per month
b. 3/4" Meter	\$0.65	\$0.91 per month
c. 1" Meter	\$1.06	\$1.49 per month
d. 1 1/2" Meter	\$2.10	\$2.95 per month
e. 2" Meter	\$3.30	\$4.66 per month
f. 3" Meter	\$6.23	\$8.79 per month
g. 4" Meter	\$10.38	\$14.63 per month
h. 6" Meter	\$20.74	\$29.24 per month
i. 8" Meter	\$34.59	\$48.78 per month
j. 10" Meter	\$47.73	\$67.29 per month

D. Volume Charge by Customer Class

a. Single Family	\$3.13	\$4.42 per 100 cubic feet
b. Multi-Family	\$2.95	\$4.16 per 100 cubic feet
c. Commercial/Industrial	\$2.70	\$3.81 per 100 cubic feet
d. Wholesale	\$3.30	\$4.66 per 100 cubic feet
e. Single Family - outside City limits	\$4.70	\$6.62 per 100 cubic feet
f. Commercial/Industrial - outside City limits	\$4.20	\$5.92 per 100 cubic feet
g. Skyview Acres	\$0.81	\$1.14 per 100 cubic feet, plus COP pass through

E. Metered Use From Fire Hydrant

a. Deposit	\$300.00	
b. Set-up/take-down/billing fee	\$60.00	
c. Meter Rental (day 1 to day 30)	\$2.00	per day
d. Meter Rental (day 31 and beyond)	\$5.00	per day
e. Water Rate		Inside or Outside Comm/Ind depending on location

F. Fire Hydrant Flow Test

a. Set-up and observe (without neutralization)	\$75.00	per test
b. Set-up and observe (with neutralization)	\$200.00	per test

8. WASTEWATER RATES (effective with July 2022 billing)

A. Base by Customer Class

a. Single Family	\$23.70	\$26.07 per month
b. Single Family - Reduced	\$11.86	\$13.04 per month
c. Multi-Family	\$23.70	\$26.07 per month
d. Commercial/Industrial	\$11.29	\$12.42 per month

B. Volume Charges by Customer Class

a. Single Family	\$6.08	\$6.69 per 100 cubic feet
b. Single Family - Reduced	\$3.05	\$3.35 per 100 cubic feet
c. Multi-Family	\$6.08	\$6.69 per 100 cubic feet

d. Commercial/Industrial	\$8.26	\$9.08 per 100 cubic feet
e. Residential - No water service	\$85.49	\$94.04 per month

9. STORMWATER RATES (effective with July 2022 billing)

A. Utility Fee

a. Equivalent Residential Unit (ERU)	\$3.50	\$5.00 per month, per ERU (ERU = 2,750 sq. ft. of impervious surface)
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10. SANDYNET CHARGES (effective with July 2022 billing)

C. Fiber

a. Residential - 300 500 mbps	\$41.95	\$44.95 per month
b. Residential - 1 gbps	\$59.95	per month
c. Residential - 2 gbps		\$110.00 per month
d. Residential - 5 gbps		\$180.00 per month
e. Business - 300 500 mbps	\$41.95	\$44.95 per month
f. Business - 1 gbps	\$59.95	per month
g. Business - other		per contractual agreement, authorized by department director and/or City Manager

City of Sandy

Investing in Sandy's Future

Fees and Charges Updates



The background of the slide is a solid teal color. It features several faint, light-colored geometric patterns, including overlapping triangles and lines that create a sense of depth and structure. The text is centered and presented in a clean, white, sans-serif font.

Background
Investing in Sandy's Future
Utility Rate Forecasts & Comparisons
Planning & Building Fee Updates
Miscellaneous Fees
On the horizon

Background

- The City annually reviews and presents updates to fees and charges
 - Keeps pace with inflation, construction costs, personnel costs
 - Rate adjustments for debt financing major capital projects, implement capital improvement plans
 - Covering costs to provide services/programs
 - Not keeping up with rising costs and deferred maintenance, likely means larger rate increases down the road.

Investing in Sandy's Future

City Council Goals:

- **Plan and provide sustainable infrastructure**
- **Maintain financial strength and sustainability**

Diversify revenue sources, analyze new revenue streams, look at cost recovery where possible

Investing in Sandy's Future

- Wastewater - Sandy Clean Waters
- Water - Bull Run Water Supply + Alder Creek and System reinvestments
- Stormwater management
- SandyNet
- Development paying fair share
- Cost Recovery

Wastewater - Sandy Clean Waters



Wastewater - Sandy Clean Waters

- Phase 1A Completion and Phase 1B
 - Wastewater Treatment Plant Investments - December 2022
 - Collection System Improvements - Basins 6 and 7
 - Facility Plan Amendment/CIP Update
 - NPDES Permitting
 - WIFIA Loan Update and Closing

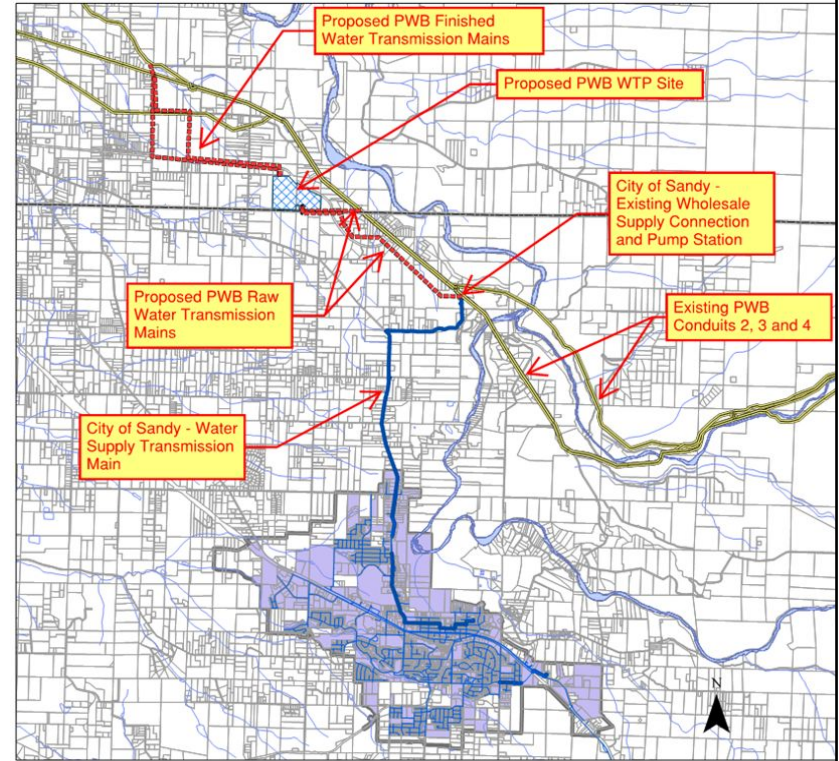
Wastewater - Sandy Clean Waters

- Existing Funding Plan:
 - DEQ SRF Loan, \$19 million
 - State ARPA Grant, \$14.7 million
 - WIFIA Loan
- Current Rate Model reflects existing WIFIA loan application
 - 10% increase proposed for FY 22-23
- Rate discipline critical for WIFIA loan, credit ratings

Wastewater Rates

Base Rate by Class	Current	Proposed
a. Single family	\$23.70	\$26.07
b. Single family - reduced	\$11.86	\$13.04
c. Multi-family	\$23.70	\$26.07
d. Commercial/Industrial	\$11.29	\$12.42
Volume Charges by Customer Class (per 100 cubic ft)		
a. Single family	\$6.08	\$6.69
b. Single family - reduced	\$3.05	\$3.35
c. Multi-family	\$6.08	\$6.69
d. Commercial/Industrial	\$8.26	\$9.08
e. Residential - no water service	\$85.49	\$94.04

Water Supply Project



Water Supply and Treatment Projects

- Bull Run Water Supply Treatment
 - Treatment Plant or Transmission Pipeline to Portland Filtration Plant
- Alder Creek Water Treatment Plant rebuild and expansion, other critical CIP projects

Water Supply and Treatment Projects

Upcoming Tasks

- Bull Run Supply Decision Council Reconsideration - June 2022
- Rate Model and Projections - June 2022
- RFQ Program Manager - July 2022
- Water Master Plan Update - September 2022
- Exploring all funding options to keep rates as affordable as possible

Preliminary Rate Model Assumptions

- Projects to be completed by 2027:
 - Transmission pipeline to PWB Filtration Plant
 - Alder Creek Treatment Plant Rebuild
 - Reservoir Repairs
- Escalated 6% per year
- Add 35% Contingency
- Funding: SRF Loan and Revenue Bonds

Preliminary Rate Model

City of Sandy Water Rate Study



Projected Rates

Total Rate = Class Rate + Meter Rate + (Volume Rate × Volume)

Class Rates	2020	2021	2022	2023	2024	2025	2026	2027
ATB Increases		0%	8%	41%	41%	41%	41%	8%
Implementation Date:		7/1/2020	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Single Family	\$ 7.23	\$ 7.23	\$ 7.81	\$ 11.01	\$ 15.52	\$ 21.89	\$ 30.86	\$ 33.33
Outside City Single Family	10.87	10.87	11.74	16.55	23.34	32.91	46.40	50.11
Multi-Family	7.23	7.23	7.81	11.01	15.52	21.89	30.86	33.33
Commercial/Industrial	7.23	7.23	7.81	11.01	15.52	21.89	30.86	33.33
Wholesale	8.65	8.65	9.34	13.17	18.57	26.19	36.92	39.88

WHERE INNOVATION MEETS ELEVATION

Stormwater



Stormwater Utility

- No Master Plan or Capital Improvement Plan
- Under-funded and no capital budget for stormwater repairs (Tupper Park) or other capital projects
- Very low monthly fee and no stormwater SDC

Stormwater Utility

Current Monthly Fee	\$3.50
Proposed Monthly Fee	\$5.00
Increase in Annual Revenue	\$116,000

- Will allow for the building of a capital funds for future projects and operations
- Future rate increases projected to work towards a financially sustainable utility



SandyNet



SandyNet

- Seeing larger take in Gigabit service
- Ramping up equipment replacement
 - WiFi 6
 - 2 & 5 Gig Plans
- Rate model changes for new technology
- Rate Increase Plan - Expected rate change next biennium as costs continue to climb



SANDYNET
Your community, connected.

Residential or Business Fiber	500Mbps Down/Up	1000Mbps (Gig) Down/Up
	\$44.95	\$59.95
Voice Service*	Residential Voice	Business Voice
	\$20	\$28.95/line

*unlimited US 48 | Excluding state/federal taxes

Sign up today at www.sandynet.org



SandyNet - Proposed Rate Increase

- Increase price of 300/300 Mbps from \$41.95 to \$44.95 and increase speed to 500/500 Mbps
- Offer multigigabit service tiers in **new developments*** and begin transition for existing network
 - 2/2 Gbps for \$110
 - 5/5 Gbps for \$225

Background
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SDCs and on the horizon

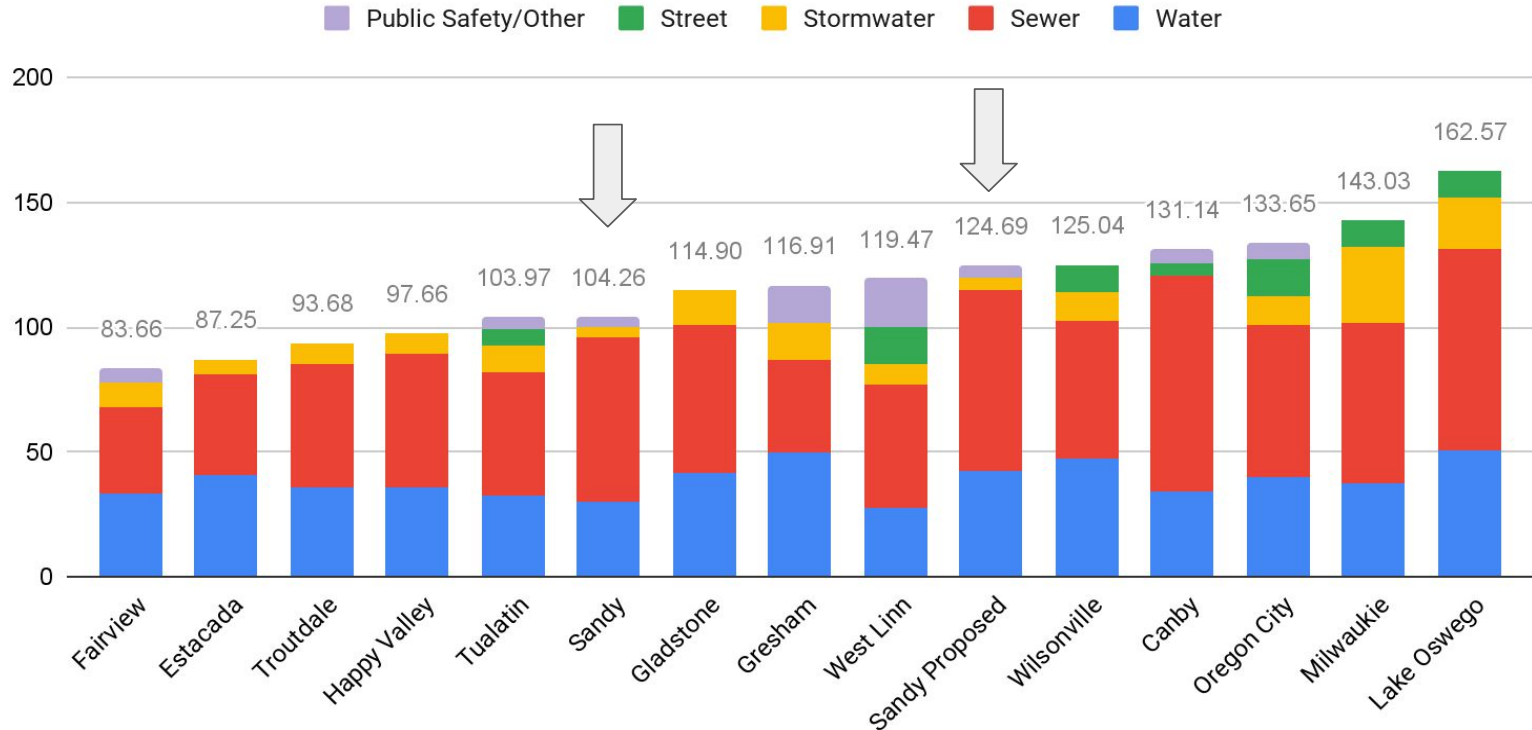
Investing in Sandy's Future

- Rates and Charges for Wastewater, Water, Stormwater, SandyNet
- Planning & Building Fees
- On the horizon:
 - System Development Charges
 - Parks & Recreation cost recovery
 - Public Safety Fee

Investing in Sandy's Future

- Sandy Utility Bill / “Water” Bill / City Bill includes:
 - Water Rate (Base Fee + Usage)
 - Sewer Rate (Base Fee + Usage)
 - Stormwater Rate
 - SandyNet (if a customer)
 - Public Safety Fee
- The City does not have a Street Maintenance Fee (city has a local gas tax), Streetlight Fee, or Parks Fee

Clackamas County Cities Utility Bill Comparison - 7ccf



*Based on a survey of 2021-22 rates

Projected Increases - Average Bill (8 ccf)

	2018-19	2019-20	2020-21	2021-22	2022-23
Water	22.82	24.87	24.87	30.00	42.30
Sewer	24.94	52.35	52.35	66.26	72.89
Stormwater	3.25	3.25	3.25	3.5	5.0
City Utilities	51.01	80.47	80.47	99.76	120.19
Public Safety	0	4.5	4.5	4.5	4.5
SandyNet	39.95	41.95	41.95	41.95	44.95
Total City Bill	90.96	126.92	126.92	146.21	169.64

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Planning & Building Fees

- The proposed fee increases help pay for personnel expenditures and recoup the cost of processing applications and permits.
- Planning Division: proposed fees on new developments and construction (subdivisions, middle housing partitions, annexations, zone changes, etc.)
- Building Division: proposed fees impact new construction, such as new single family homes, duplexes, and apartments, more so than small homeowner projects or small remodels.

Planning Fees

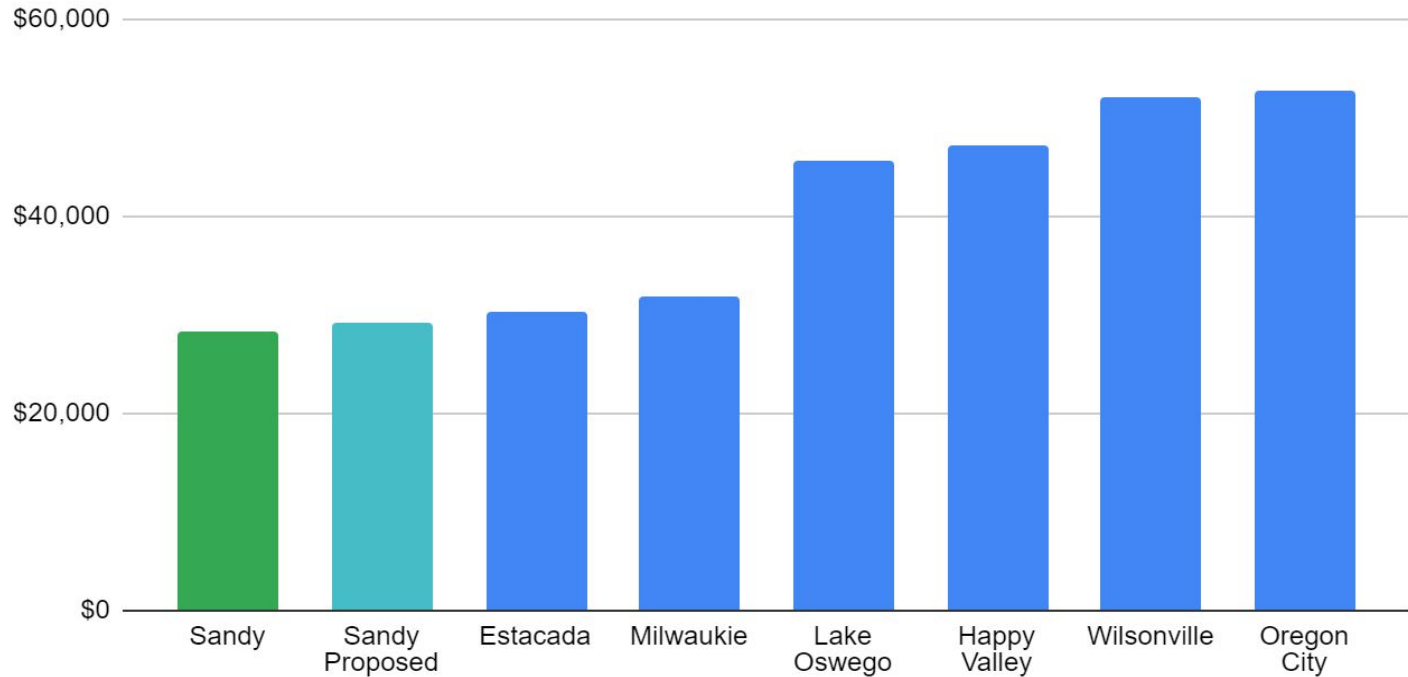
Subdivision example (41 lots)

Current Fees*	Proposed Fees*
Type II	Type II
\$2,912 + \$77 per lot = \$6,069	\$4,000 + \$100 per lot = \$8,100
Type III	Type III
\$3,363 + \$88 per lot = \$6,971	\$5,500 + \$120 per lot = \$10,420

**This does not include other application reviews for items such as tree removal, FSH Overlay review, variances, etc.*



Building Fees Comparison - 2,600 Single Family Home



Building Fees Comparison - 2,600 Single Family Home
(Includes SDCs, Parks Fee In-Lieu, and School Excise Tax)

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Miscellaneous Fees

- **Records Requests:** Increasing the hourly rate related to records requests to capture the true cost
 - \$50.00 per hour for administrative staff
 - \$80.00 per hour for executive staff
- **Interest Rate:** Adding 1% to the existing language to offset the costs associated with managing receivables

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SDCs and on the horizon

System Development Charges

- Parks SDCs and Fee in Lieu
 - Fee and Methodology Update - June
 - Implementation Options - August
- Transportation SDCs
 - TSP Update
 - Bell/362nd and Gunderson/211 Projects
- Water SDCs
 - Water Master Plan and CIP

On the Horizon

- Public Safety Fee
 - Propose examining the fee during budget process.
- Cost recovery and recreation programming