

**CITY COUNCIL
COMMUNICATION:**

03-128

AGENDA:

MARCH 24, 2003

SUBJECT:

ACCEPTING
SUPPLEMENTAL
DOCUMENTATION
FOR FY2003-2004
RIGHT-OF-WAY
MANAGEMENT
PROGRAM BUDGET
AND APPROVING
ANNUAL
MANAGEMENT FEE

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JEB E. BREWER, P.E.
CITY ENGINEER

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

Approval of the Fiscal Year (FY) 2003-04 annual management fee in the amount of 0.34 cents per equivalent lineal foot of right-of-way usage for the Right-of-Way (ROW) Management Program as submitted by the City Engineer, and accepting supplemental documentation for the FY2003-04 ROW Management Program budget showing the anticipated revenues from permit fees and the anticipated allocable and non-allocable program costs.

FISCAL IMPACT —

The current Operating Budget appropriates \$303,928 for the ROW Management Program. Approval of the annual management fee in the amount of 0.34 cents per lineal foot of right-of-way usage to be collected from right-of-way users will allow the City to recoup a portion of the annual cost of the program during FY2003-04. The remainder of the program costs will be recouped through right-of-way permit fees.

RECOMMENDATION —

Approval of the FY2003-04 annual management fee in the amount of 0.34 cents per equivalent lineal foot of right-of-way usage and acceptance of supplemental documentation for the FY2003-04 ROW Management Program budget.

BACKGROUND —

City Engineer has calculated and hereby submits for City Council consideration the FY2003-04 annual management fee in the amount of 0.34 cents per equivalent lineal foot of right-of-way usage, to be charged to all right-of-way users on the basis of their reported or estimated usage of City right-of-way as required by Section 102-711 of the City Code. Program costs that can be attributed to specific users (allocable costs) will be recovered through permit fees charged to those users. Program costs that cannot be attributed to specific users (non-allocable) will be recovered through an annual management fee, which will be charged to all users, including the City, on the basis of their pro-rata occupancy of City right-of-way.

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All users of City right-of-way are required to report to the City Engineer the amount of equipment they own and operate in the City right-of-way and update it on an annual basis. The amount of the annual management fee to be charged to each user is calculated on the basis of their reported or estimated usage. The fee is due and payable on or before June 15 of each year. All known right-of-way users paid their annual management fees for FY2002-03 on time. In order to minimize associated expenses, City staff has phased in implementation of the program, which has resulted in an estimated budget carry-over from FY2002-03 in the amount of \$66,372 to be carried over to FY2003-04, and will reduce the annual management fee for FY2003-04.

The FY2003-2004 ROW Management Program budget which was prepared and submitted to the City Council by the City Engineer in February of 2003 included an estimate of program revenues, but did not identify the anticipated permit fee revenues or the non-allocable program costs as required by Section 102-711 of the City Code. The City Engineer hereby submits this supplemental documentation for the FY2003-04 ROW Management Program budget showing the anticipated revenues from permit fees in the next fiscal year and the anticipated allocable and non-allocable program costs which the City will incur. This supplemental documentation identifies the allocable cost items which the City expects to recover through permit fees, as well as the non-allocable cost items which are proposed to be recovered through the annual management fee.

