



Council Communication

Office of the City Manager

Date	February 26, 2007
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Agenda Item No.	65
Roll Call No.	<u>07-</u>
Communication No.	<u>07-120</u>
Submitted by:	Jeb E. Brewer, P.E. City Engineer

AGENDA HEADING:

Approval of FY 2006-07 Annual Management Fee and Right of Way Management Program Budget.

SYNOPSIS:

Approval of the Fiscal Year (FY) 2006-07 annual management fee in the amount of \$0.57 per equivalent lineal foot of right-of-way usage for the Right-of-Way (ROW) Management Program, as submitted by the City Engineer, and approving the proposed FY 2006-07 ROW Management Program budget, showing the anticipated revenues from permit fees and annual management fees.

FISCAL IMPACT:

Amount: \$333,373 in revenues.

Funding Source:

Approval of the annual management fee in the amount of \$0.57 per lineal foot of ROW usage will allow the City to collect a portion of the annual cost of the program from right-of-way users. The remaining portion of the program costs will be collected through ROW permit fees.

The rate for FY 2005-06 was \$0.96 per foot, which was substantially higher due to the end of a budget surplus carryover into this enterprise fund in 2004-05 and a reduction in the estimated permit revenue for both 2004-05 and 2005-06. In order to better accommodate future carryover and fluctuations in permit revenue, a reserve has been included in the budget. This reserve equals approximately thirty days of operation.

ADDITIONAL INFORMATION:

The City Engineer has calculated and hereby submits for City Council consideration the FY 2006-07 annual management fee in the amount of \$0.57 per equivalent lineal foot of ROW usage. This fee is charged to all ROW users on the basis of their reported or estimated usage of City ROW as required by Section 102-711 of the City Code. Right-of-way users have utilities or other facilities in our public rights-of-way, either underground or overhead. Program costs that can be attributed to specific users (allocable costs) are recovered through permit fees charged to those users. Program costs that cannot be attributed to specific users (non-allocable) are recovered through an annual management fee, which is charged to all users, including the City, on the basis of their pro-rata occupancy of City ROW.

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 ROW and update it on an annual basis. The amount of the annual management fee charged to each user is calculated on their reported or estimated usage.

PREVIOUS COUNCIL ACTION(S):

Date: May 23, 2005

Roll Call Number: 05-1283

Action: Fiscal Year 2005-06 Annual Management Fee and Right-of-Way Management Program budget. (Council Communication No. 05-270) Moved by Vlassis to adopt. Motion Carried 5-2. nays: Kiernan and Hensley.

Date: November 22, 2004

Roll Call Number: 04-2531

Action: Fiscal Year 2004-2005 Annual Management Fee and Right-of-Way Management Program Budget. (Council Communication No. 04-591) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: March 24, 2003

Roll Call Number: 03-641

Action: Fiscal Year 2003-04 annual management fee and accept supplemental documentation for the FY 2003-04 Right-of-Way Management Program budget. (Council Communication No. 03-128). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE