FY24
Fees & Charges Recommendations

March 28, 2023

Tony McDowell & Taylor Floyd,
Finance & Mgmt Services

THE CITY OF ASHEVILLE



Presentation Outline

- Fees & Charges Overview
- Water Services
- Stormwater Utility
- Solid Waste
- Parks & Rec
- Other changes under consideration

THE CITY OF ASHEVILLE

Key Takeaways

- Staff reviews fees and charges as part of the budget process each year and bring forward recommendations for adjustments early in the process.
- Fees and charges represent a small portion of General Fund revenues but are the major revenue source for Enterprise Funds, such as Water and Stormwater.
- Staff recommendations for Fiscal Year 2023-24, include a continuation of modest increases in fees for water, stormwater, and solid waste that are paid by most households.
- No changes are recommended for transit, parking or special event fees.

THE CITY OF ASHEVILLE

Charging for Services

Why charge for service?

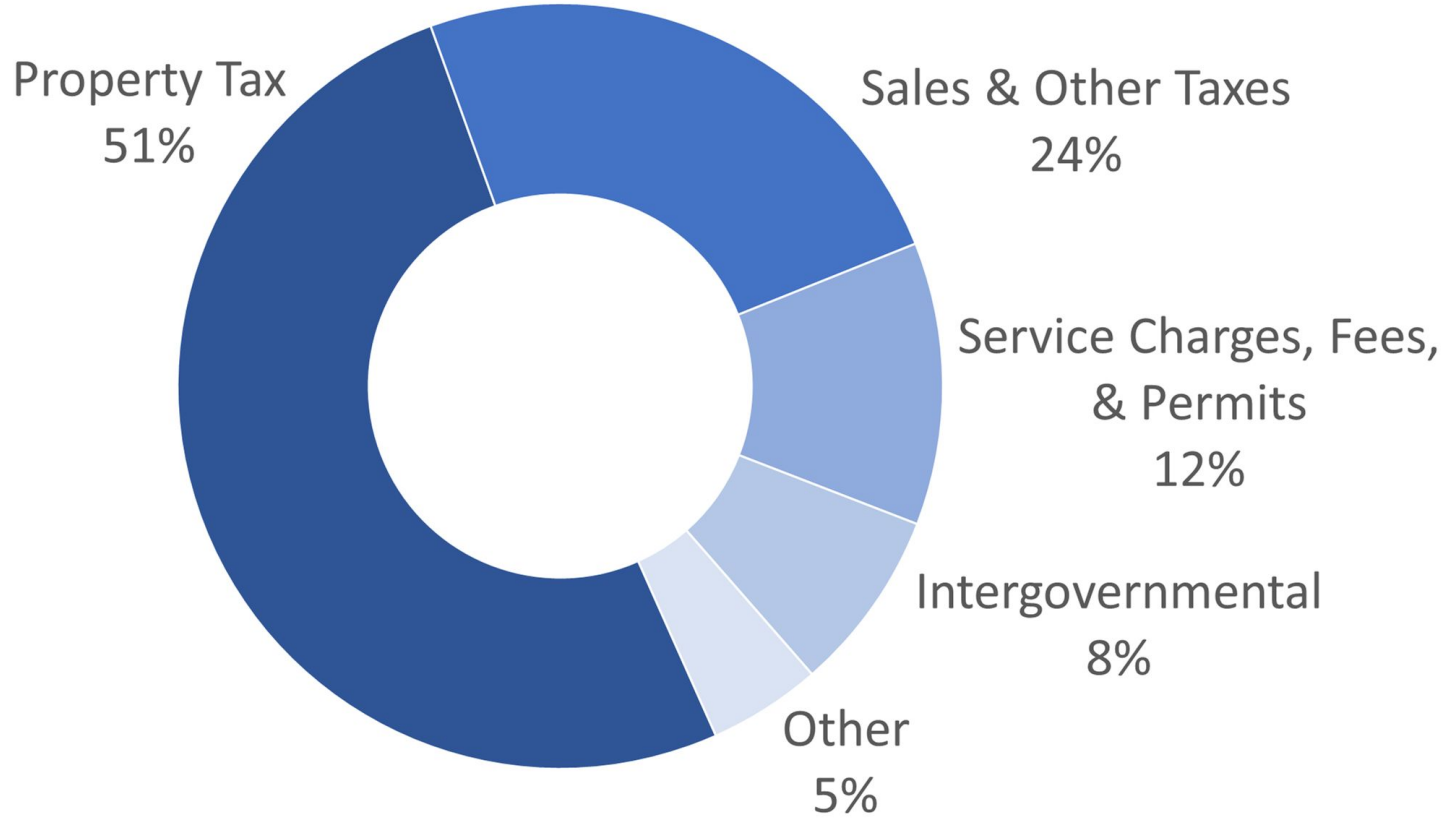
- Customer vs. community benefit
- Ensure access
- Statutory requirements

Factors in setting fees and charges:

- Cost to provide service
- Who benefits from service
- Fee studies

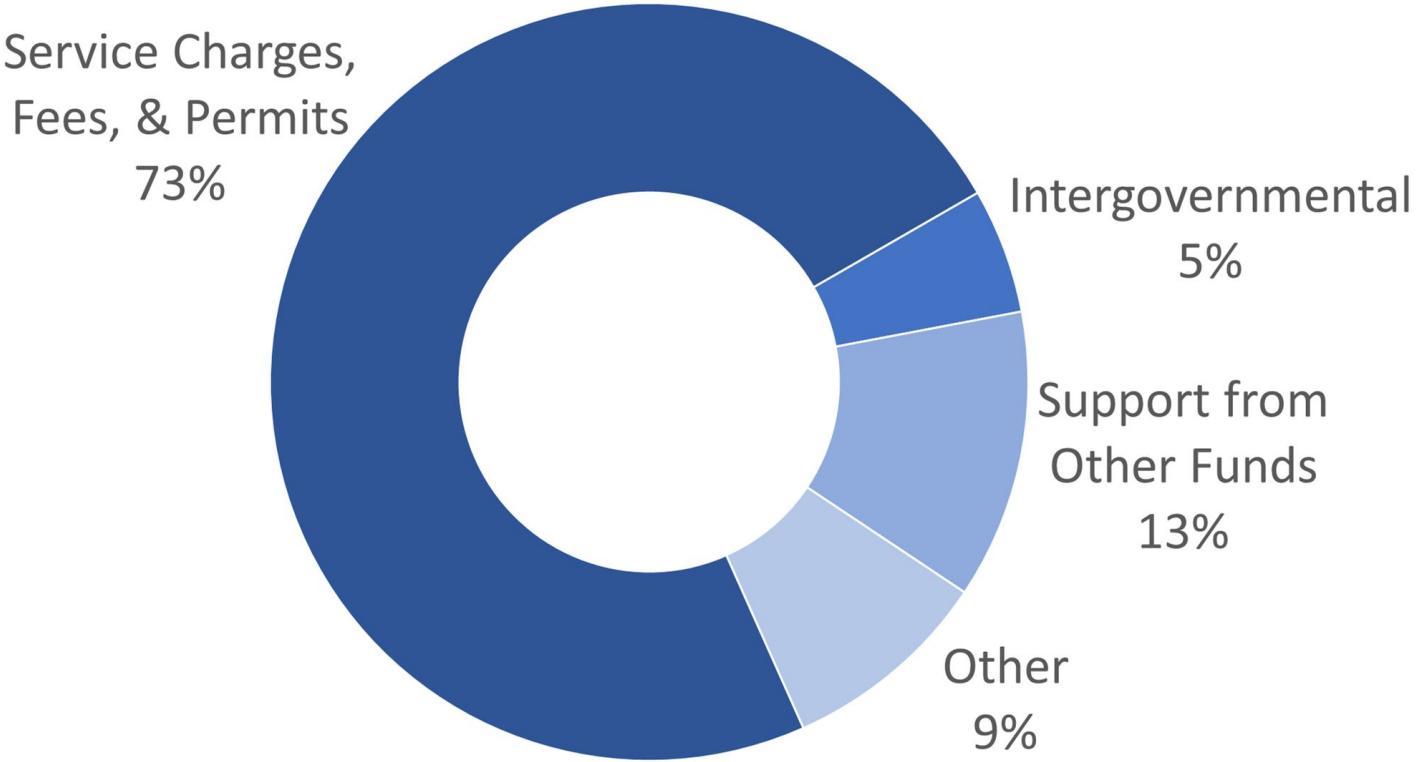
THE CITY OF ASHEVILLE

General Fund Revenues



FY22-23 General Fund Budget: $158,559,944

Enterprise Funds Revenues



FY22-23 Enterprise Fund Budgets: $73,209,366

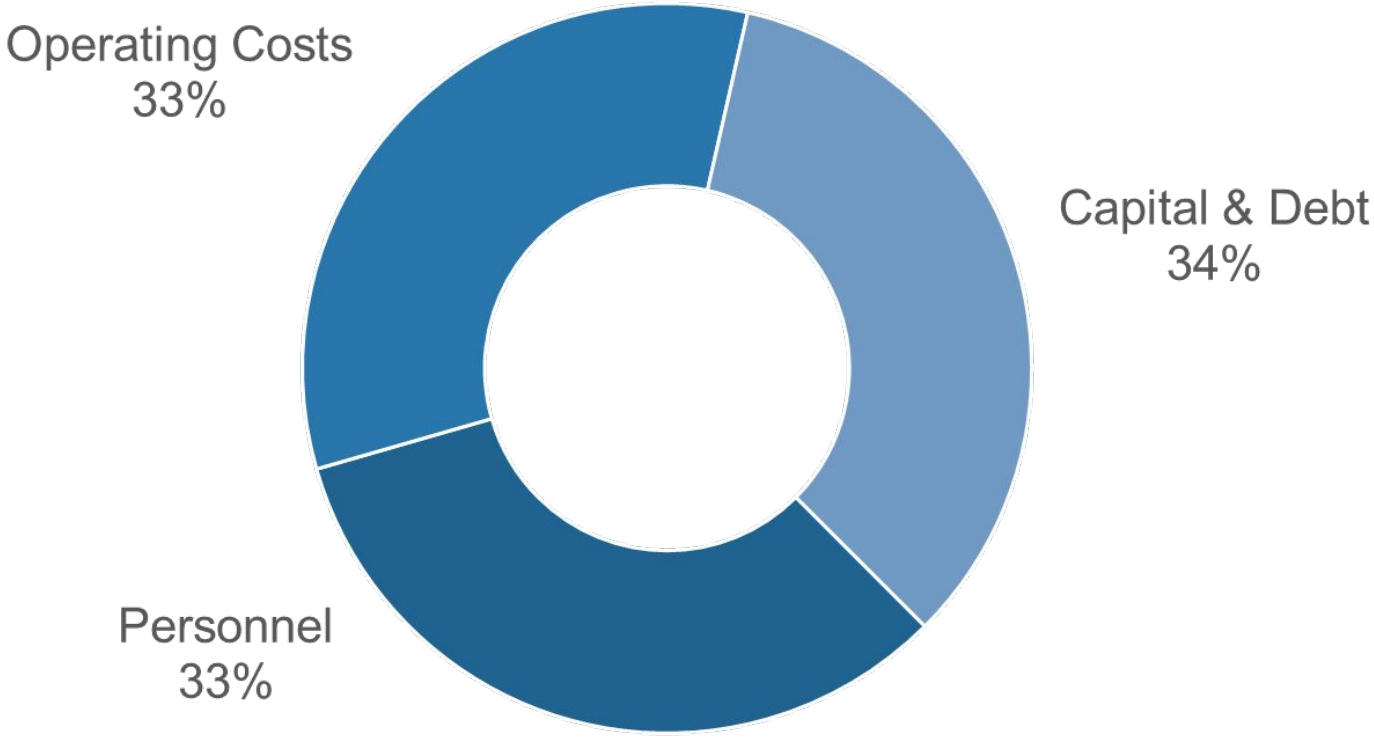
Impact Recommended Fee Changes on a Typical Household

Fee	Bi-Monthly Bill Increase	Annual Increase
Solid Waste	$ 2.00	$ 12.00
Stormwater (Tier 2)	$ 1.76	$ 10.58
Water (6 CCFs/month)	$ 7.13	$ 42.78
Total	**$ 10.89**	**$ 65.36**

THE CITY OF ASHEVILLE

Water Services

Water Resources Fund



FY22-23 Water Fund Budget: $40,346,600

THE CITY OF ASHEVILLE

Current System Users by Class

As of calendar year 2022, Asheville Water Resources had nearly 60,700 customer accounts that consumed 7.7M centum cubic feet (CCF) of water.

Customer Class	Number of Accounts	Billed Water (CCF)
Single Family Residential	53,528	2,875,186
Multi-Family Residential	1,764	1,319,515
Commercial	4,653	2,560,303
Manufacturing	11	303,369
Irrigation	717	107,879
Wholesale	8	496,083
Total	**60,681**	**7,662,335**

THE CITY OF ASHEVILLE

Peer Benchmarking

- Reviewed rate structures for 12 other peer systems in NC & SC.
- Most peer rate structures include:
  - Tiered residential consumption rates.
  - Different rates for non-residential users.
  - Different rates for customers outside of geographical limits (not permitted in Asheville by Sullivan Acts).
- Asheville customer costs are highly competitive and affordable compared to like systems.

Recommended Water Fee Changes

- An increase in base fees charged to customers according to meter size.
- An increase in consumption fees charged to customers based on the volume of water used.
- An increase in hydrant meter rental deposits.
- *Note:* A cost of service study is underway which will provide an assessment of the rate structure. Any recommended changes to the structure will be considered for FY24-25.

THE CITY OF ASHEVILLE

Single Family Residential User Impact



THE CITY OF ASHEVILLE

Planned Service Enhancements

- Additional maintenance crew.
- Staffing to enhance night coverage at water treatment plants.
- Staffing to improve critical communication and customer engagement.
- Customer service staff to support meter project transition.
- Continue to recover $7.5M in lost revenue from loss of capital fee in FY19-20 using a combination of adjustments to the base fee and the volumetric rate.

THE CITY OF ASHEVILLE

Questions

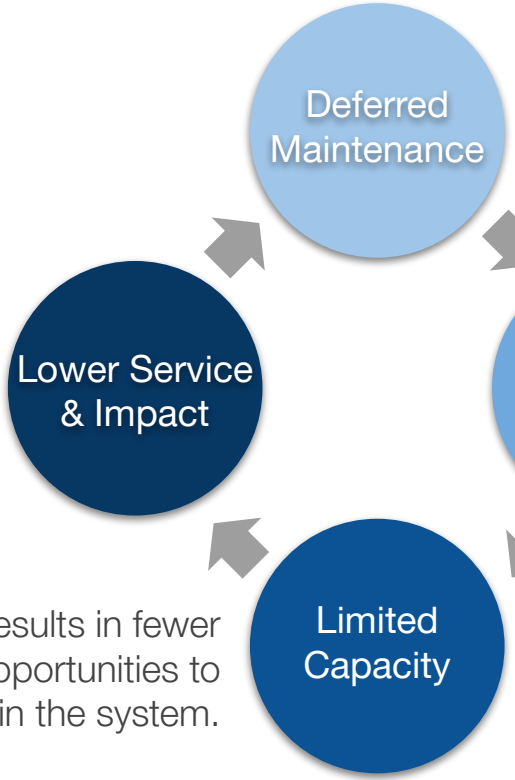
THE CITY OF ASHEVILLE

Stormwater Service & Fees

THE CITY OF ASHEVILLE

Service Challenges: System Needs

Aging infrastructure and deferred maintenance perpetuate funding challenges



Aging infrastructure and deferred maintenance create substantial needs across the stormwater system.

Emergency repairs are needed to address failures in existing infrastructure.

Limited financial capacity results in fewer projects and less opportunities to strategically invest in the system.

Fewer opportunities to improve current service level and achieve stated goals.

THE CITY OF ASHEVILLE

Stormwater Consultant Review

- Will provide key information about the capital and operating resources required to maintain the system and provide services.
- Review of current fees and fee structure.
- Expected to be completed in the summer of 2023.

Recommended Stormwater Fee Changes

Property Size (Single Family) or Type	Current (per month)	Proposed (per month)	Change
225 - 2,000 Square Feet	$3.68	$4.23	$0.55
2,001 - 4,000 Square Feet	$5.87	$6.75	$0.88
> 4,001 Square Feet	$8.08	$9.29	$1.21
Non-Single Family Properties per ERU (Equivalent Residential Units)	$5.87	$6.75	$0.88

THE CITY OF ASHEVILLE

Planned Service Enhancements

- Additional maintenance crew.
- Additional staffing to enhance inspections of constructed stormwater devices.
- System mapping to improve asset management.
- Vehicle and equipment purchases.

Questions

THE CITY OF ASHEVILLE

Sanitation Service & Fees

Maintaining Sanitation Services

- Additional positions are needed to keep up with increasing number of collection points.
- Continued cost increases in new recycling contract and landfill tipping fees.
- Review operations, financing and ordinances to address challenges and improve service delivery to customers.

THE CITY OF ASHEVILLE

Recommended Sanitation Fee Change

- Prior to this fiscal year, the last fee increase was approved in FY16-17.
- Current year (FY22-23) increase was $2.00 per month.
- Recommending $1.00 per month increase for FY23-24.

THE CITY OF ASHEVILLE

Planned Service Enhancements

- Solid Waste Master Plan.
- Additional staffing to support increased number of collection points.

Questions

THE CITY OF ASHEVILLE

Other Fee Changes

THE CITY OF ASHEVILLE

Parks & Recreation Fees

- Moderate increases to fees at Riverside Cemetery to support maintenance of facility.
- Reductions to usage fees for recreational and athletic facilities.
- Reductions to fees for weight rooms.
- Increases to swimming pool fees.

THE CITY OF ASHEVILLE

P&R Afterschool and Summer Programming

- Increase to Fun Day Out/Inclement Weather programming ($5 to $10 per day).
  - Not paid if already enrolled in afterschool program.
- New fees provide flexibility for single day usage.
- Installment payment plans offered to mitigate financial burden on afterschool and summer programming.

THE CITY OF ASHEVILLE

Other Recommended Changes

- Aston Park tournament entry
- WNC Nature Center fee flexibility
- Stormwater development fees

THE CITY OF ASHEVILLE

Key Takeaways

- Staff reviews fees and charges as part of the budget process each year and bring forward recommendations for adjustments early in the process.
- Fees and charges represent a small portion of General Fund revenues but are the major revenue source for Enterprise Funds, such as Water and Stormwater.
- Staff recommendations for Fiscal Year 2023-24, include a continuation of modest increases in fees for water, stormwater, and solid waste that are paid by most households.
- No changes are recommended for transit, parking or special event fees.

THE CITY OF ASHEVILLE

Questions

THE CITY OF ASHEVILLE