Fees and Charges Adoption

March 24, 2026

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Fees & Charges Background

- The fees & charges manual is a formal record of what the City charges for services.
- Council adopts changes in the spring for the next FY, and those changes are used to project revenue impact.
- Last year, departments were not asked to submit updates to fees and charges to limit the impact on the community after Helene.
    - The only major adjustment was to continue with Year 2 of the 3-year water rate adjustment.

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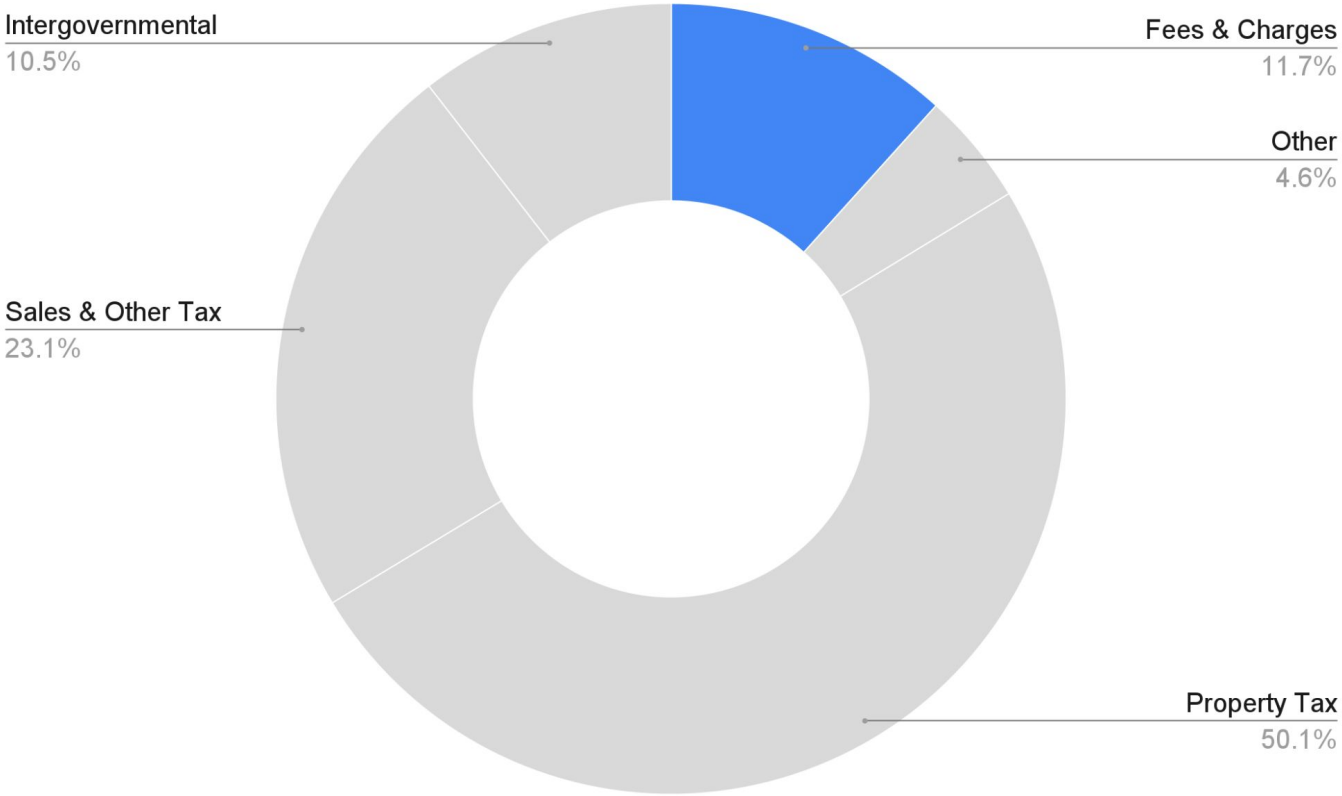
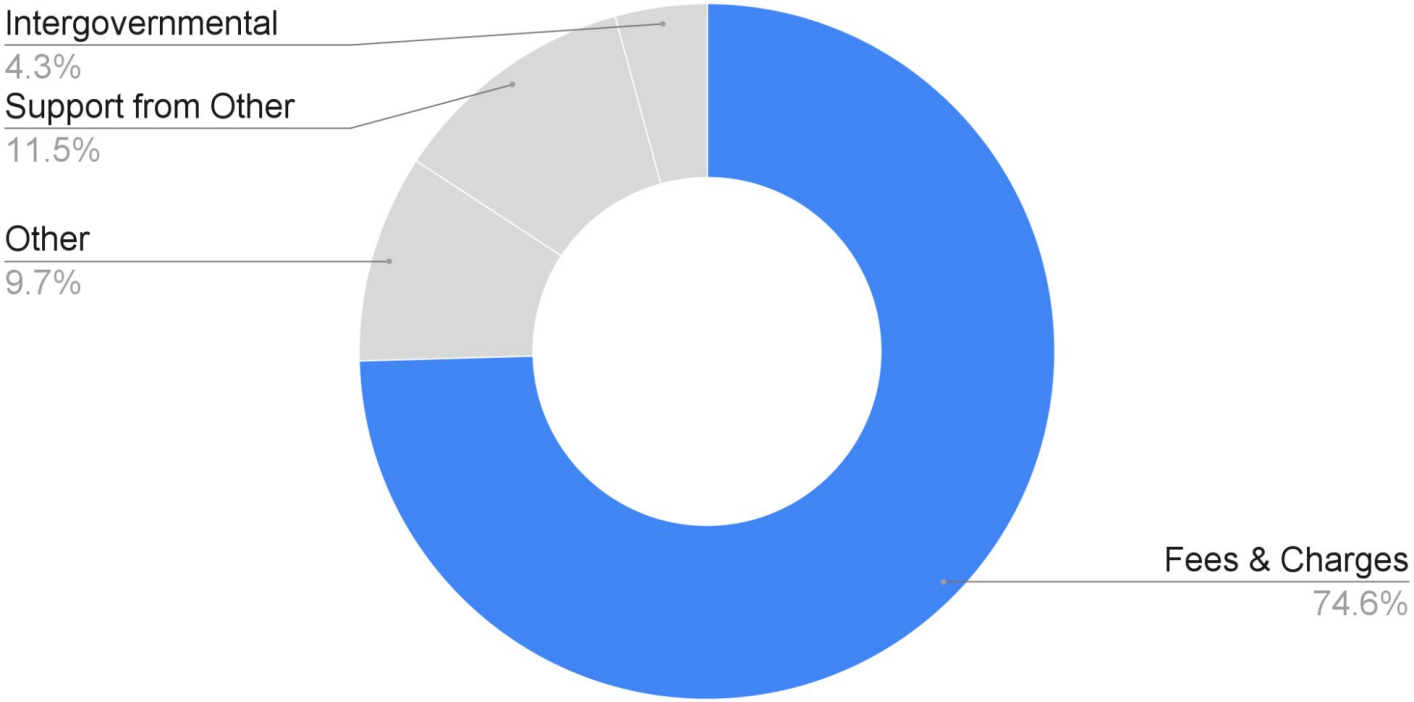
FY 2025-26 General Fund Revenues



Adopted Budget:
$182,819,441

FY 2025-26 Enterprise Fund Revenues



Adopted Budget:
$91,380,054

Fees & Charges Goals

- **Benchmarking:** align fees with similar cities where applicable
- **Cost recovery:** demonstrate how the cost of the service impacts the fee
- **Review cycles:** follow regular review schedules
- **Prioritize the community:** keep in mind impacts of TS Helene and property reval

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Recommended Fee Changes: Solid Waste (General Fund)

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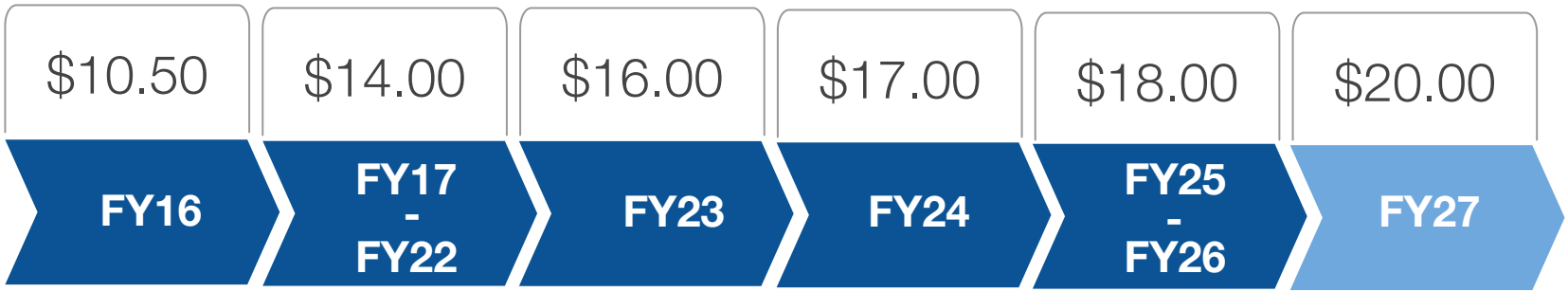
Solid Waste Fee History



Fee revenue did not keep up with increasing cost to deliver service.

Funded Solid Waste Master Plan, additional drivers and increase in recycling contract.

Fee revenue did not keep up with increasing cost to deliver service.

Recommended fee for increased disposal cost as a result of market changes due to Tropical Storm Helene

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Solid Waste Fee

- Increase in disposal costs & tipping fees, particularly in yard waste since the storm.
- County no longer providing solid waste rebate ($95K)
- Fee is below the average charged by municipalities across NC, some of which also charge for additional services such as brush and bulky item collection.

Recommended Fee Changes: Other General Fund

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Other GF Fee Changes: WNC Nature Center Admission

- WNC Nature Center is requesting to increase the admission fees:
  - City residents **$2**
  - Non-residents **$3**
- This would result in an estimated annual revenue increase of about **$213,355**.
- Consistent with history of raising rates approx. every 5 years, per industry standards.

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Other GF Fee Changes: Street Closures

- Fees to temporarily close right-of-way will be restructured to include differential rates for sidewalks, bike lanes, proximity to downtown, etc.
- New fees will incentivize shorter, less disruptive closures.
- **$40K** additional revenue

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Summary GF Revenue Increases

Fee	Additional Revenue
Solid Waste	$800,000
WNC Nature Center	$213,355
Street Closures	$40,000
Other Adjustments	$47,630
Total GF	**$1,100,985**

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Recommended Fee Changes: Stormwater Fund

Stormwater Overview

Aging Infrastructure & Deferred Maintenance
Failures require emergency repairs

Project Complexity
Easement acquisition and utility conflicts make projects difficult to scope, cost and deliver

Increasing Needs
Higher number of flood events strains existing system and managing the Tropical Storm Helene Damage

System Mapping
Ongoing mapping of the physical stormwater infrastructure allows for long-term capital improvement planning

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Recommended Changes

Impervious Surface Area	Current (per month)	Proposed (per month)	Change
225 - 2,000 Square Feet	$4.53	$4.87	$0.34
2,001 - 4,000 Square Feet	$7.22	$7.76	$0.54
> 4,001 Square Feet	$9.94	$10.69	$0.75
Non-Single Family Properties per ERU (Equivalent Residential Units)	$7.22	$7.76	$0.54

- This recommendation represents a 7.5% increase.
- Previous rate studies have emphasized the need for annual increases to reflect inflation, operational needs, and capital projects.

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Recommended Fee Changes: Water Resources Fund

Water Cost of Service Study

- A Water Cost of Service Study was completed in late 2023 that determined the cost of service by functional area, assessed the rate structure, and made recommendations for multi-year rate adjustments.
    - Study found the residential class was subsidizing other customer classes; specifically commercial/manufacturing and wholesale.
- Staff recommended a three-year phase-in approach to the proposed rate adjustments as the most efficient, effective and equitable approach for our customers since it will eliminate inequity among customer classes sooner, establish needed funding for the capital program, and preserve the City's debt ratings.
- City Council has already adopted the first two years of the three-year rate adjustment plan.

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Importance of Continued Rate Adjustments

- Allows the system to keep up with rising costs to continue providing existing services.
- Provides funding for critical maintenance of water capital infrastructure.
  - $250+ million in capital improvements expected over the next five years.
- Ratings Agencies use metrics such as debt service coverage and reserves to determine ratings for future debt issuances.
- Additional rate increases will continue after FY27.

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Rate Comparison

Base Charge (Bimonthly)	FY26	FY27	Change
⅝”	$14.34	$15.41	$1.07
¾”	$20.17	$21.68	$1.51
1”	$32.68	$35.13	$2.45
1.5”	$63.94	$68.74	$4.80
2”	$101.46	$109.07	$7.61
3”	$201.52	$216.63	$15.11
4”	$314.07	$337.63	$23.56
6”	$626.74	$673.74	$47.00
8”	$1,001.93	$1,077.08	$75.15
10”	$2,627.78	$2,824.87	$197.09

Volumetric (per CCF)	FY26	FY27	Change
Single Fam Residential	$5.60	$6.02	$0.42
Irrigation	$7.74	$8.32	$0.58
Multifamily Residential	$5.32	$5.72	$0.40
Commercial			
Tier 1	$5.32	$5.72	$0.40
Tier 2	$3.82	$4.51	$0.69
Manufacturing			
Tier 1	$5.32	$5.72	$0.40
Tier 2	$3.71	$4.51	$0.80
Wholesale	$2.18	$2.89	$0.71

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Typical Customer Bill Impacts

Bimonthly Usage	FY26	FY27	Change
Residential - 5/8” (12 CCF)	$81.54	$87.65	7.5%
Commercial - 5/8” (84 CCF)	$461.15	$495.73	7.5%
Commercial - 1” (120 CCF)	$670.97	$721.30	7.5%
Manufacturing - 4” (4,922 CCF)	$21,781.98	$24,958.65	14.6%
Manufacturing - 8” (26,306 CCF)	$101,713.92	$122,177.78	20.1%
Wholesale - 8” (18,120 CCF)	$40,427.88	$53,513.22	32.4%

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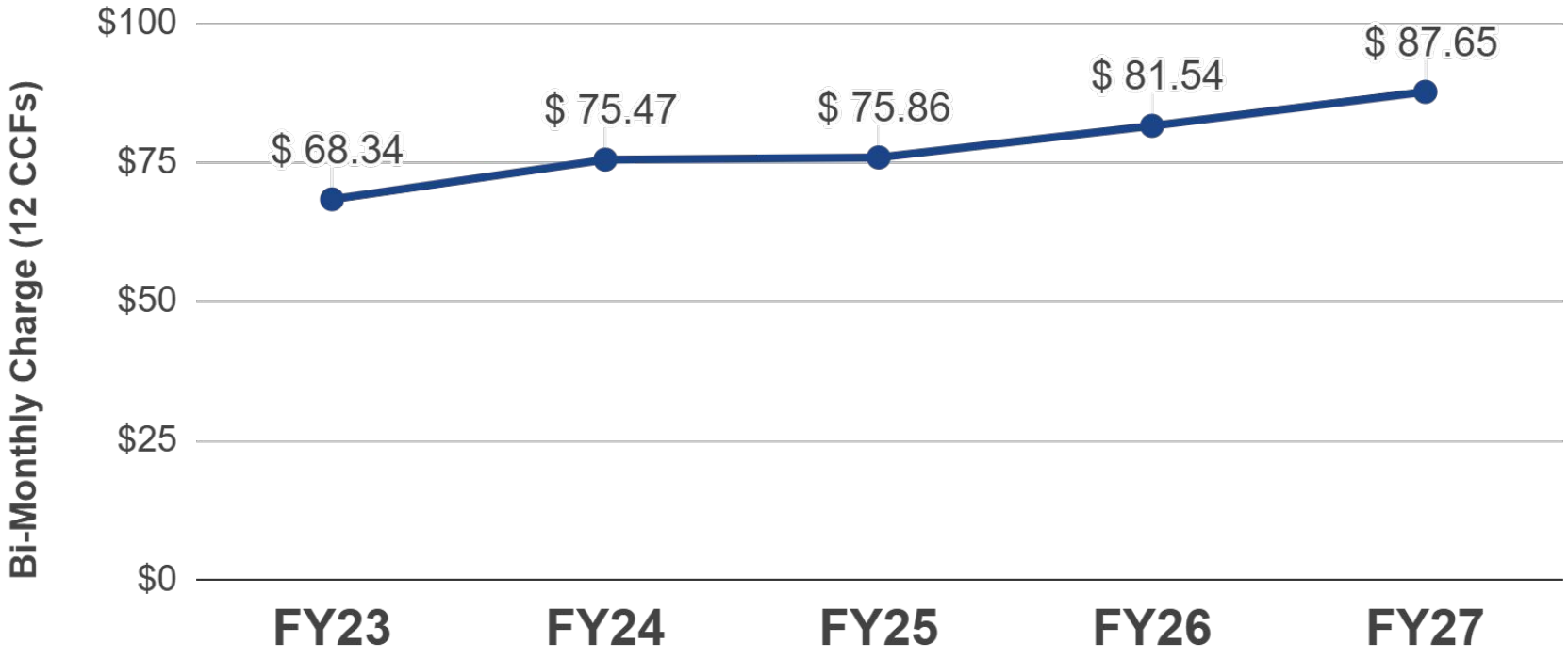
Single Family Residential User Impact



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Typical Residential Household Impact

Fee	Bi-Monthly Bill Increase	FY27 Annual Increase
Solid Waste	$4.00	$24.00
Stormwater (Tier 2)	$1.08	$6.48
Water (6 CCFs/month)	$6.11	$36.66
Total	**$11.19**	**$67.14**

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Parking Fund

- There are no Parking Fund changes as part of today's vote.
- At 3/24 work session, Parking staff presented various options for increasing parking fees and expanding services.
- If Council wants to approve changes, revenues and expenses can be adjusted as part of budget adoption.

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Discussion