

## City of Flagstaff

**News Release** 

July 8, 2013

For Immediate Release

## **City Council to Consider Revenue Increases**

The revenue would be in the form of increasing user fees in recreation, planning and materials testing, a sales tax on water and advertising in Cityscape

The Flagstaff City Council will consider the first reading of an ordinance to increase user fees and review the implementation of a water sales tax at its meeting on Tuesday, July 9, 2013. The proposed action stems from discussion and direction during City Council budget retreats held over several months.

The ordinance addressing an increase in user fees covers three specific programs/services:

- A majority of recreation fees will increase by 17%
- Planning fees will increase to recover 60% of the actual costs (currently at 50%)
- The Materials Testing Lab will charge a fee to recover 100% of the actual costs (currently at 0%)

The Council will hear an update on its direction to charge a sales tax on water and to sell advertising to cover a portion of the cost of producing and distributing the City news magazine, Cityscape. The water sales tax is a state law and while most utilities in the state pass that charge on to its customers, the City of Flagstaff historically has not. With the change, a residential customer using 4,000 gallons of water a month will see a 44-cent monthly increase while a commercial customer using 10,000 gallons a month will see an increase of \$1.06 a month.

The proposed changes would be used to increase revenues in the General Fund and the Transportation Fund. These increases are planned to address service needs and the Council budget priorities of street improvements and employee compensation.

City Council will consider the first reading of the user fee ordinance on July 9, 2013 at 6:00 p.m. in the City Hall Council Chambers. The second reading and adoption of the user fee ordinance is scheduled for Tuesday, July 16, 2013 at 6:00 p.m.

If the ordinance and policy changes are approved by the City Council the new fees and changes will go into effect on September 1, 2013.