

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-401

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

AGENDA:

JULY 22, 2002

SUBJECT:

ACCEPTING
SUPPLEMENTAL
DOCUMENTATION
FOR FY2002-2003
RIGHT-OF-WAY
MANAGEMENT
PROGRAM BUDGET
AND APPROVING
ANNUAL
MANAGEMENT FEE
FOR THE RIGHT-OF-
WAY
MANAGEMENT
PROGRAM

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JEB E. BREWER, P.E.
CITY ENGINEER

SYNOPSIS -

Approval of the Fiscal Year (FY) 2002-2003 annual management fee for the Right-of-Way Management Program as submitted by the City Engineer, and accepting supplemental documentation for FY2002-2003 Right-of-Way 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 \$302,004 to implement the Right-of-Way Management Program. The proposed resolution will approve the annual management fee to be collected from right-of-way users as calculated and submitted by the City Engineer, which will allow the City to recoup a portion of the annual cost of the program during FY2002-2003. The remainder of the program costs is to be recouped through right-of-way (ROW) permit fees.

RECOMMENDATION -

Approval of the FY2002-2003 annual management fee and acceptance of supplemental documentation for FY2002-2003 Right-of-Way Management Program budget.

BACKGROUND -

The proposed resolution approves the FY2002-2003 annual management fee expressed as a per equivalent lineal foot charge, to be charged to all ROW users on the basis of their reported or estimated usage of City ROW as calculated and submitted by the City Engineer and as required by Section 102-711 of the City Code. The City held an informational meeting for all known ROW users on March 14, 2002. During that meeting, staff provided a detailed explanation of the program, answered questions, and handed out informational packets.

Users were advised that program costs attributable to particular users (allocable costs) would be recovered through permit fees charged to those users. Users were also advised that non-allocable program costs would be recovered through an annual management fee, which would be charged to all users, including the City, on the basis of their pro-rata occupancy of City ROW. Users were further advised that they would have to report their usage to the City, that their annual management fee would be calculated on the basis of their reported or estimated usage, and that the fee for FY2002-2003 would be due and payable in September of this year. The meeting was also video taped and was aired numerous times on the City television station. City staff also sent out a follow-up notice with the required ROW usage reporting forms to all known ROW users who attended the March meeting, as well as to those who failed to attend, with instructions to fill out and return the form. Fifteen of the 16 known ROW users filled out and returned the form. The City Engineer used the information about the ROW use provided by the users to calculate the annual management fee.

The FY2002-2003 ROW Management Program budget prepared and submitted to the City Council by the City Engineer in March of 2002 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 has submitted to the Council this supplemental documentation for the FY2002-2003 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 in the budget which the City anticipates recovering through permit fees in FY2002-2003, as well as the non-allocable cost items which will not be recovered from ROW users as permit fees but instead recovered through the annual management fee.
