



City of Lawton
Council Fee Committee

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Agenda

Monday, March 16, 2026

2:00 PM

**Lawton City Hall
Wayne Gilley Auditorium
Conference Room**

Recommending Body

"Official action can only be taken on items listed on the agenda. As a recommending body, the Committee may review and discuss agenda items, propose and enact floor amendments, and then choose to make a recommendation to the City Council or provide direction to the City Manager. The Committee may also defer items for further review, refer matters to the City Attorney, or send items to standing committees, boards, commissions, or authorities for additional study. In some cases, items may be postponed to a later date or removed from the agenda entirely."

Meeting Called to Order

Statement of Compliance with Oklahoma Open Meeting Act, 25 O.S. 301-314

Roll Call

Introduction of Guests

Business Items

1. Consider the recommendation from the Stormwater Advisory Committee regarding proposed changes to the Stormwater Fee and make a recommendation to City Council.
2. Consider making a recommendation to Council regarding an increase in the fee for uncovered/improperly covered loads to the landfill for commercial customers.
3. Receive an annual briefing from the Director of Public Works regarding the Solid Waste State Fee.
4. Receive a briefing on a proposal to round fees to the nearest 5 cents and provide feedback and direction to staff.
5. Consider making a recommendation to City Council regarding an increase in Daily and Season Pass Fees for Lawton Aquatic Center
6. Consider making a recommendation to City Council regarding increasing and adding items in the Lawton Aquatic Center Concession Stand Fees

7. Consider making a recommendation to City Council regarding fees for upcoming aquatic season programming.
8. Discuss and consider recommending to the City Council a fifteen percent (15%) increase across the board to the City of Lawton Fee Schedule, excluding fees charged on the water bill, statutory fees established by law, and any exemptions identified by the Fee Committee.

Adjournment

The City of Lawton encourages participation from all of its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at (580) 581-3305 at least 48 hours prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive the 48 hour rule if interpreters for the deaf (signing) is not the necessary accommodation."

Item Title:

Consider the recommendation from the Stormwater Advisory Committee regarding proposed changes to the Stormwater Fee and make a recommendation to City Council.

Initiator: Michael Watrous, Director

Information Source: Michael Watrous, Director

Background:

On 6 February, the Stormwater Advisory Committee met and discussed this item. The committee recommends that the city switch to an equivalent residential usage (ERU) method of calculating stormwater fees, changing the way these fees are calculated based on fair usage calculation vs flat fee. They did not recommend a fee rate increase.

Correlation to the True North Statement:

Safety, Efficiency, Safety, Citizen

Exhibit:

Stormwater Final Report, Fee Adjustment Request Form, Stormwater Utility Fee Presentation

Key Issues:

While the residential costs would not increase overall, the commercial and industrial users will pay more, in many cases substantially more. However these increases correlate to the burden that their properties contribute to the stormwater system. More impervious surface means more stormwater runoff.

Funding Source:

N/A

Recommended Action:

Agree with the Stormwater Advisory Board and recommend to Council that the methodology behind stormwater calculations be changed to an ERU based method for commercial and industrial properties in the City of Lawton.

ATTACHMENTS:

1. City of Lawton Stormwater Final Report and Presentation
2. Municipal Fee Adjustment Request Form
3. Stormwater Utility Fee Report
4. Stormwater Utility Fee

STORMWATER UTILITY FEE REPORT

Prepared for:

City of Lawton

May 2025



Prepared by:

FREESE AND NICHOLS, INC.

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Appendix A Rate Committee Presentation

1.0 INTRODUCTION

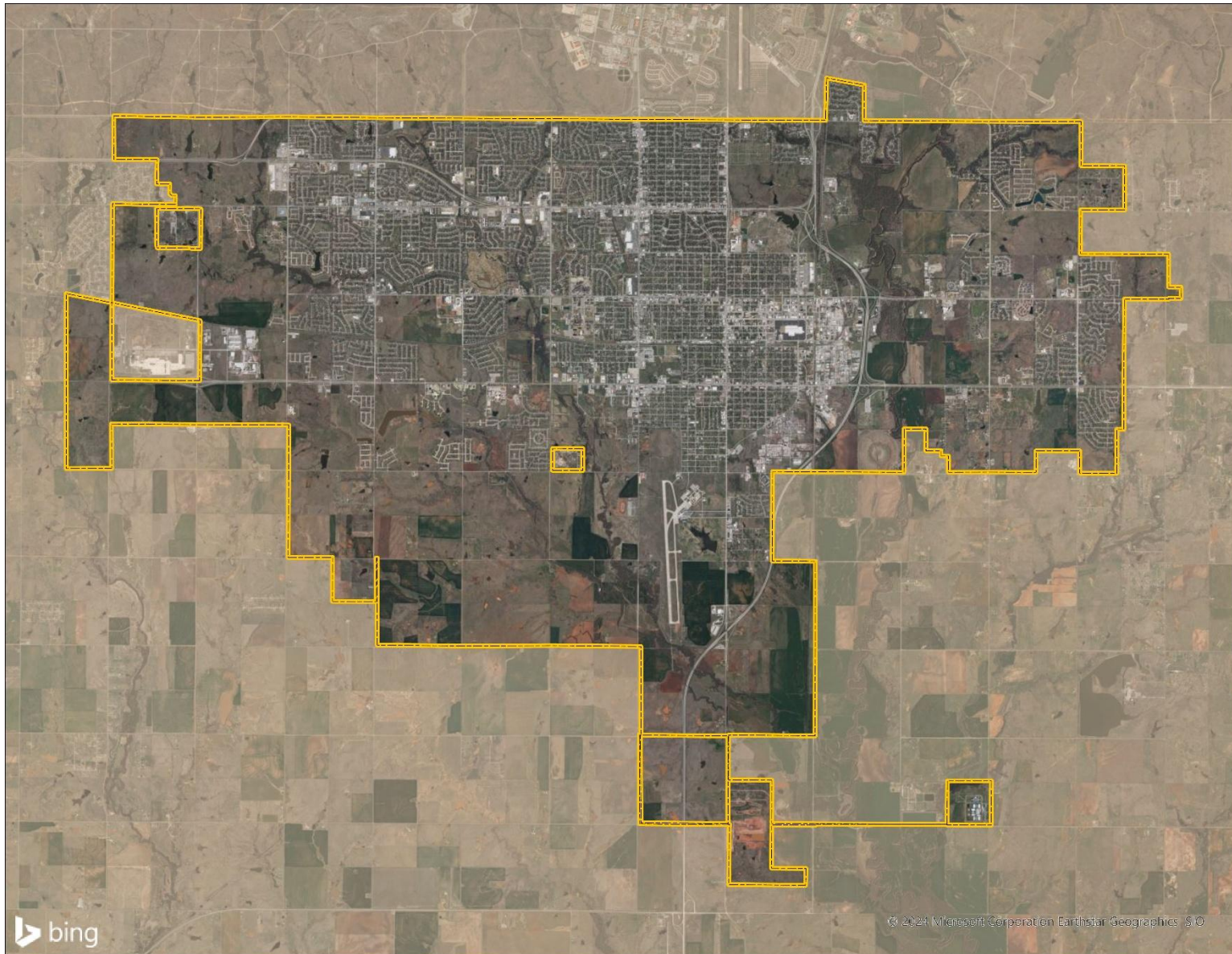
The City of Lawton retained Freese and Nichols, Inc. (FNI) to evaluate the components of a stormwater management and drainage maintenance fee. FNI evaluated a stormwater management and drainage maintenance structure and rates based on requirements of applicable state laws and the City of Lawton (the City's) identified storm system needs. FNI developed a menu of stormwater and drainage services from which the City could choose to meet its stormwater and drainage programs goals, including compliance with new federal water quality protection requirements. Through discussions within the City, it was determined that ultimately merging the utility departments of Stormwater Management and Drainage Maintenance into one utility was a consideration to evaluate during the study. The cost elements of both utilities will be referenced throughout the report, however only one combined fee (a Stormwater Utility Fee) will be referenced, as that is the recommended fee.

1.1 DESCRIPTION OF THE CITY OF LAWTON

Lawton is the largest city in Comanche County, located approximately 86 miles southwest of downtown Oklahoma City. The City has a total area of approximately 81 square miles. Interstate 44 (I-44) is the main thoroughfare through the City, running from the north limits to the south limits of the City. US Highway 62 (US 62) is a major highway running from east to west Lawton. State Highway 7 (SH 7) runs east to west on the southern side of the City.

The 2023 population for the City is 90,245 [1]. The City has two major waterways, Lake Lawtonka and Lake Ellsworth. Both lakes are located north of the City.

Figure 1-1: City Limits



1.2 LEGAL BASIS AND LIMITATIONS OF A STORMWATER UTILITY

The State of Oklahoma provides municipalities the opportunity to establish a stormwater utility, which is a legal mechanism used to generate revenue to finance the City's cost to provide and manage stormwater services in the City.[2] "Oklahoma Statutes Title 11. Cities and Towns" section 11-22-104 grants cities in Oklahoma the "Right to engage in business – Public utilities and improvements... for public improvement purposes". To provide these services, municipalities are authorized to assess fees to the users of the stormwater utility system.

The stormwater utility fee is a service fee and must be based on the projected cost of providing stormwater service within the City's jurisdiction.

1.3 STORMWATER UTILITY POLICY

This stormwater and drainage report provides an overview of an assessment of the feasibility for the City of Lawton to finance its stormwater and drainage-related activities through revenues from a stormwater utility fee. Under the present system, necessary stormwater or drainage-related activities are financed through a respective fund of either Stormwater Management or Drainage Maintenance. In addition, significant capital and management improvements to the overall stormwater and drainage systems are needed to protect existing and expected development and to meet ongoing regulatory requirements.

The City is one of many municipalities subject to federal stormwater quality regulations that require the City to further protect and enhance water quality in creeks and lakes through the development of a stormwater quality management program. As an operator of a municipal separate stormwater system (MS4) as defined by the U.S. Environmental Protection Agency, the City is required to develop a multi-faceted program to protect stormwater quality before it enters creeks, rivers, and lakes. The program includes a number of measures to protect stormwater quality, such as the following:

- Storm system maintenance
- Structural and non-structural water quality protection measures
- Storm system mapping and inspections
- Public education, outreach, and involvement
- City ordinances regulating construction activity, illicit discharges, and post-construction runoff
- City staff training and operations improvements

The purpose of this study is to identify a fair and equitable stormwater utility fee and fee structure to finance some or all of these measures, as well as associated administration, service, equipment and other stormwater-related costs. The study strives to identify an appropriate fee based on the projected cost of providing stormwater services in the City. To further protect rate payers from inequitable charges, a means to appeal the rates for any property is currently in place through a Stormwater Hotline listed on the City's website.

The following general goals and policies were considered for the City's stormwater utility. These goals provided an initial basis for the potential purposes and benefits of the utility for the City of Lawton.

- A. Serve as the primary stable source of new stormwater and drainage-related funding.
- B. Finance some or all of the following specific activities:
 - 1. Stormwater Ordinances and Design Criteria modifications
 - 2. Ongoing implementation and maintenance of a Stormwater Quality Management Program to comply with Federal and State MS4 regulations and permit requirements
 - 3. Engineering studies and design
 - 4. Capital improvements to the stormwater and drainage system infrastructure
 - 5. Proactive maintenance for existing infrastructure
 - 6. Equipment for drainage maintenance
 - 7. Staffing for maintenance, compliance, engineering, and/or administration activities
 - 8. Implementation and maintenance of the City's Phase II MS4 stormwater management program to comply with U.S. Environmental Protection Agency (EPA) and Oklahoma Department of Environmental Quality (ODEQ) regulations and permits, as applicable
- C. Provide a mechanism to benefit the quality of life in Lawton by improving and integrating the management of water resources with other aspects of the City such as park systems
- D. Encourage development in the City that minimizes adverse stormwater impacts through better site design and proper management of the City's stormwater resources
- E. Provide a fair and equitable method to assess fees for developed properties' impacts to the City's stormwater system
- F. Allow for the issuance of bonds to finance stormwater capital improvement projects

2.0 COST OF STORMWATER AND DRAINAGE SERVICES

The stormwater utility fee is a common method to address a significant portion of the financial burden for stormwater and drainage management. This section includes considerations and options for services the City may finance with stormwater utility fee revenues. A variety of options for staffing, equipment, and services to provide are made available for reference. The City may choose to select from the list provided, or additional options if the options are stormwater-related. Default values for several parameters are provided in this report with input from the City. This includes rates for labor, equipment purchases and rental, city growth, and inflation.

2.1 COST OF SERVICE DEVELOPMENT CONSIDERATIONS

Options were evaluated to determine an appropriate methodology for identifying the projected cost of providing stormwater and drainage service in the City. It was determined that the following considerations would be incorporated into the assessment of the cost of stormwater and drainage services for the purpose of determining the revenues necessary for the stormwater utility:

- Identify expected stormwater and drainage-related costs. This includes prorated costs for administration, equipment, and other expenses not dedicated to stormwater or drainage activities.
- Evaluate a five-year period for projecting cost of service needs. Cost projections beyond five years are inherently less reliable and may not provide the City with the quality information desired for planning purposes.
- The fund balances for both Stormwater Management and Drainage Maintenance combine to currently have a 180-day operating balance which will be maintained over the observation period.
- Consider prorated costs for items not solely associated with stormwater or drainage but that have an application for stormwater management and drainage maintenance. Examples include engineering staff, maintenance crews, and maintenance equipment.
- Plan for stormwater and drainage revenues to finance all direct operating costs and administrative costs for stormwater and drainage-related activities, including major capital projects.

Address as much of the City's stormwater and drainage-related costs as practicable through the stormwater utility fee.

2.2 COST OF SERVICE ASSUMPTIONS

For the purposes of the five-year plan, several assumptions were identified and incorporated into the planning process. Specifically, anticipated annual cost increases were identified and developed into cost factors for both stormwater management and drainage maintenance, as shown in **Table 2-1**.

Table 2-1: Annual Cost Factors

	FYE26	FYE27	FYE28	FYE29	FYE30
Expense Rate Inflation	5%	5%	5%	5%	5%
Interest Rate for Debt Service	4%	4%	4%	4%	4%
City Projected Growth Rate	0%	0%	0%	0%	0%

The expense rate inflation and interest rate for debt service are assumed to remain constant over the five-year projection period. City growth is conservatively projected at 0% for the five-year projection period.

2.3 STORM SYSTEM MAINTENANCE

The City plans to establish a program to conduct routine operations and maintenance (O&M) activities throughout the stormwater and drainage system to minimize flooding potential, protect life and property, reduce creek erosion, and protect stormwater quality. The City may consider budgeting through the stormwater and drainage utility to fund all or a portion of a storm system and drainage maintenance crew to conduct stormwater and drainage O&M activities throughout the City. A list of the common crew positions that the City is considering, including compensation with benefits for FYE 2026, is provided in **Table 2-2**. Rates for all positions currently assume 100 percent financing by the combined utility of stormwater management and drainage maintenance. Positions not fully dedicated to stormwater or drainage-related services can be funded on a pro-rated basis if stormwater or drainage utility funding is limited to stormwater or drainage-related services.

The seasonal labor and equipment operators would assume responsibility for routine storm sewer system maintenance activities such as stormwater ditch cleanouts, inlet cleanouts, and drainage swale landscaping. The projected cost to purchase equipment for the seasonal labor and equipment operators is provided in **Table 2-3**. The purchase price of the equipment is amortized over its expected service life to provide an annualized cost. Annual O&M costs include projected fuel and routine maintenance costs.

Table 2-2: Potential Staff

Position	# of Positions	Position Compensation with Benefits (FYE26)	Total Compensation (FYE26)
Equipment Operator	4	\$57,570	\$230,278
Seasonal Labor	6	\$57,299	\$343,791
Environmental Specialist	1	\$105,793	\$105,793
Construction Inspector	1	\$70,150	\$70,150

Table 2-4: Cost to Purchase Equipment for Stormwater Management and Drainage Maintenance

Equipment	Capital Value (FYE25 \$)	Service Life (Years)	Annualized Purchase Cost (FYE25 \$)	Annual O&M (FYE25 \$)	Total Annual Cost (FYE25 \$)
1/2 Ton Pickup (F-450)	\$88,518	5	\$17,704	\$3,100	\$27,244
Landscape Trailer	\$8,000	10	\$800	\$0	\$800
Walk Behind Mower (3)	\$4,500	5	\$900	\$100	\$1,600
Backpack Leaf Blower	\$400	10	\$40	\$100	\$140
Assorted Hand Tools	\$500	10	\$50	\$0	\$50
Zero Turn Mower	\$6,000	10	\$600	\$300	\$2,100
Safety Items	\$300	10	\$30	\$0	\$30
Uniforms and Boots	\$9,000	5	\$1,800	\$0	\$1,800
Large Tractor Mower	\$250,000	10	\$25,000	\$8,800	\$39,800
Small Tractor Mower	\$200,000	10	\$20,000	\$7,000	\$30,000
Weed eater (6)	\$3,600	5	\$720	\$100	\$220
Hydro mulcher	\$5,000	10	\$500	\$200	\$700
Vacuum Truck	\$275,000	10	\$27,500	\$9,700	\$40,200
Truck	\$65,000	5	\$13,000	\$1,000	\$15,200

2.4 CIP IDENTIFICATION

The City’s Proposed Five-Year Capital Improvement Program (FY26 – FY30) identifies a suite of improvements to the City’s drainage maintenance system. Most Capital Improvement Program improvements are from a list of projects in the 2003 Stormwater Master Plan. The project costs have been updated to 2024 values by the City’s stormwater consultant. Financing assumptions are a 20-year loan at a 4 percent interest rate.

2.5 OPERATING RESERVE

The fund balances for both Stormwater Management and Drainage Maintenance combine to currently have a 180-day operating balance. Currently the Stormwater Management Utility has a fund balance equal to approximately \$557,000. The Drainage Maintenance Utility has a fund balance equal to approximately \$930,000.

3.0 REVENUE ASSESSMENT

3.1 BASIS FOR FEE CALCULATION

By practice, the stormwater utility fee rate is calculated according to a basis that estimates a property's use of the stormwater and drainage system. As a result, fee rates are not based solely on certain readily accessible information, such as property values or water usage rates. The City's stormwater utility rate will be based on the amount of impervious area for each property. Impervious surfaces do not provide stormwater significant opportunity for infiltration into the soil and result in increased stormwater runoff to the municipal storm sewer system.

Property improvements that are considered as impervious areas include buildings, paved parking lots, driveways, patios, walkways, and pools. Gravel parking lots and driveways are also considered impervious area because of the low infiltration rate of stormwater through their surface. Sidewalks within the City ROW were not included in individual property impervious area calculations.

The potential stormwater and drainage impact of impervious area to the storm system include the following:

- Increased total volume of water required to be managed by the municipal storm system resulting in flooding
- Increased peak flows from storm events resulting in flooding
- Increased flow velocities result in increased erosive actions in creek channels and adjacent properties
- Increased pollutant load resulting in degraded water quality

Site-specific design and maintenance approaches may minimize one or more of these impacts. As noted in Section 7.2 (Appeals), the City may determine to reduce the stormwater utility fee for a property by an equitable amount to account for the beneficial stormwater impact of design and/or maintenance approaches by a property owner.

3.2 BILLING METHOD

Fees for stormwater utilities are collected in a variety of ways throughout the country, including as line-items on water bills, as yearly payments with property taxes, or as stand-alone bills. The most common method to assess stormwater and drainage utility charges is through the City utility bill, which is the method Lawton currently uses and will continue.

As part of the City utility bill, the stormwater utility fee will appear on the utility bill as a single line item with the monthly dollar amount for the property shown. A stormwater utility charge will be assessed on a utility account for each eligible property.

If the property can be linked to an associated property with a City utility account, the fee for the improved property is included in the affiliated property's utility account. A common example is a restaurant with a parking lot located on an adjacent lot. If no existing utility account can be associated with the improved property, a new utility account is established by the City for the purpose of assessing the stormwater utility fee. Eligible improved property without an associated utility account still would be assessed a stormwater utility fee, usually as a stand-alone "stormwater-only" charge on a specially developed account for the property owner.

3.3 DETERMINATION OF PROPERTY IMPACT TO STORM SYSTEM

By practice, undeveloped properties in their natural state are not charged a stormwater utility fee. Developed properties with impervious area increase the rate and/or volume of stormwater runoff to the municipal storm system. Infrastructure improvements, ongoing maintenance, inspections, and evaluations are necessary to effectively manage the increase in stormwater discharge from impervious area.

Impervious area includes rooftops, paved parking lots, paved driveways, gravel driveways, walkways, outbuildings, patios, and pools. It does not include vegetated areas. Properties with less than 400 sq ft of impervious are considered undeveloped. To determine the impact of each developed property on the storm system, FNI delineated the impervious area for each residential and commercial property. The resulting impervious area measurements were used to develop the equivalent residential unit (ERU), which forms the basis fee for all developed properties. One ERU was determined to be 3,200 square feet impervious area based on the mean value residential properties.

The impervious area amount is associated with the specific parcel or group of parcels for the development. The parcel is associated with the appropriate utility billing accounts to allow for assessment of the proper stormwater utility fee if implemented.

Figure 3.1 is an example of the impervious area determination for a single-family residential property, and **Figure 3.2** is an example for a commercial property. **Figure 3.3** shows the impervious area for all properties, City-wide.

Figure 3-1: Example of Impervious Area for Single-Family Residential Property

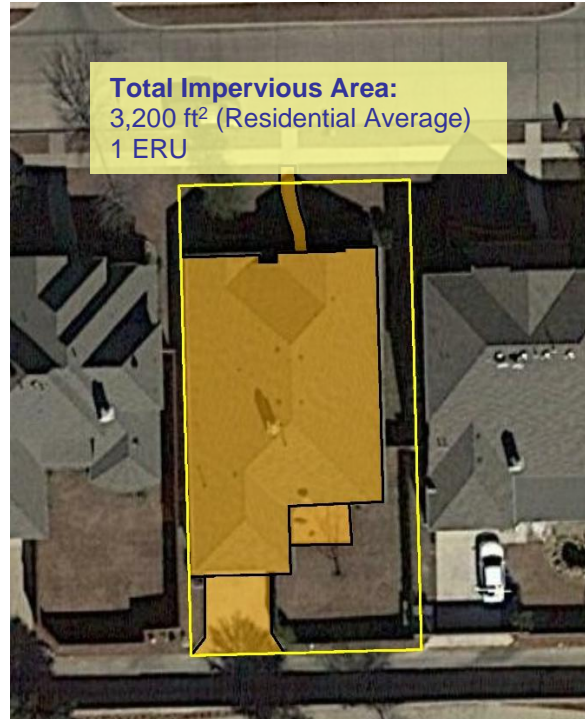


Figure 3-2: Example of Impervious Area for Commercial Property

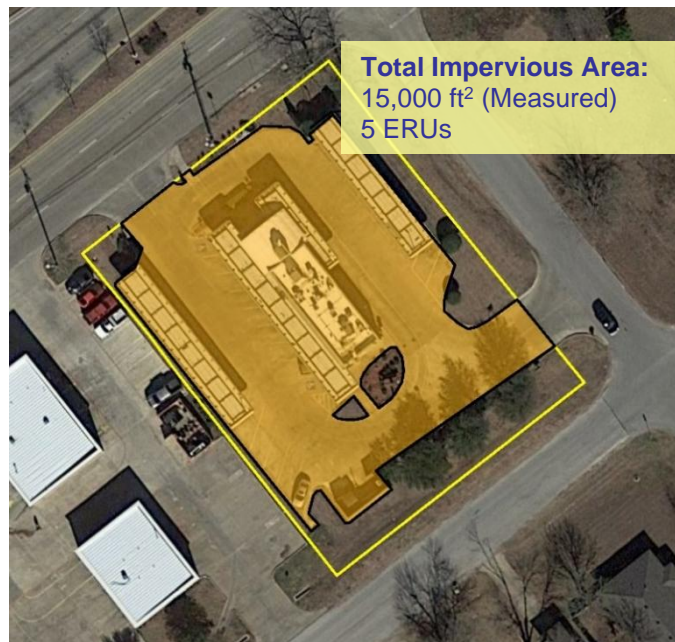
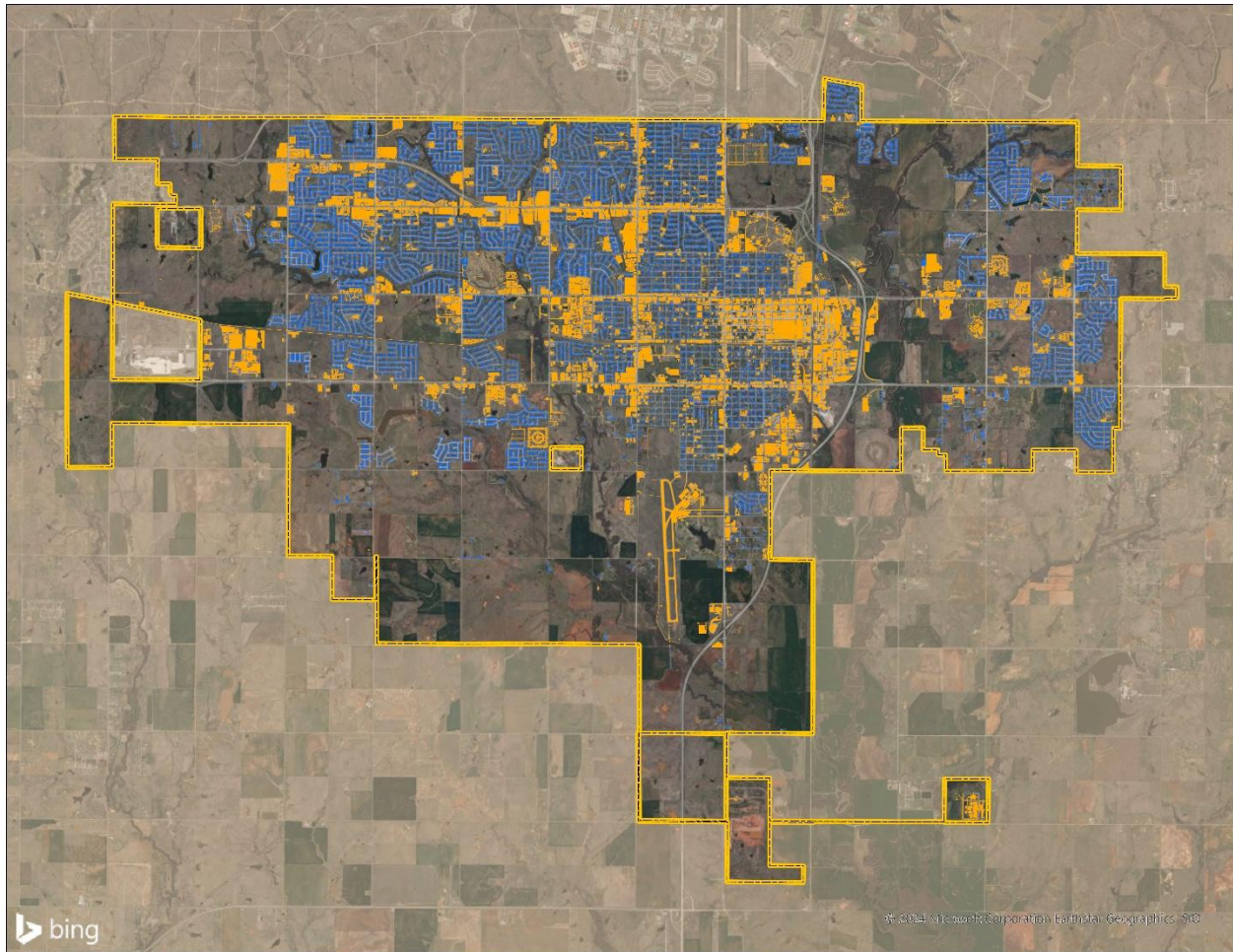


Figure 3-3: City-Wide Impervious Area, by Stormwater Utility Classification



3.4 USER FEE CATEGORIES

The stormwater utility fee system consists of several types of user accounts depending on the type of property and the category of property owner. The stormwater utility fee rate structure is based on the type of user account. The three general account categories include:

- Single Family Residential (includes duplexes)
- Commercial (includes apartments)
- Exempt (currently considering City property)

3.4.1 Single-Family Residential Properties

Single-family residential properties consist of all developed single-family residential properties within the City. Apartment complexes are considered to be commercial properties for fee determination purposes. Impervious area includes the footprint of the residence, including roof overhangs, driveways, walkways,

patios, sheds, carports, gravel surfaces, and other impervious surfaces. It does not include the sidewalk within the City ROW (if present), public streets, or swimming pools.

At the time of this study, 27,698 eligible, non-exempt Single-Family Residential properties were present. 2,911 properties were assigned the Commercial stormwater utility classification. The Single-Family Residential properties account for approximately 90 percent of the total number of parcels and 41 percent of the total impervious area measured for the City in this report.

FNI and the City evaluated numerous different fee structures and decided on a flat residential structure, with the average impervious area per ERU being based on the mean of all residential properties. Each residential account would pay the same amount, equal to one ERU. The fee structure was determined based on feedback from the City as described in Section 6.

3.4.2 Commercial Properties

Any property that is not Single-Family Residential is considered to be Commercial. This includes what is normally considered as commercial as well as apartments and tax-exempt religious organizations. Other developed properties in the City that do not qualify as Single-Family residential and do not meet any of the exemption criteria are also considered Commercial.

Stormwater utility and drainage maintenance fees for eligible commercial are individually calculated based on the total amount of impervious area for the affiliated properties. Each Commercial property is assessed a stormwater utility and drainage maintenance fee at a rate according to the stormwater utility rate unit charge, expressed in whole ERU increments.

3.4.3 Property Exemptions

Many cities consider, and often adopt, exemptions for categories of the community. The City is considering exempting City properties; however, they would be considered Commercial if they were not exempted. The financial modeling contained in this report assumes City properties are exempted from the stormwater utility fee. It is recommended that the City review with the City attorney legal allowances and constraints in establishing exemptions for the stormwater utility fee to verify actions taken are in accordance with applicable laws.

4.0 MENU OF SERVICES

This section presents staffing, maintenance, and capital improvement projects that the City might consider including in its stormwater program. Each new service or project has an associated cost.

Table 4-1 shows the stormwater and drainage needs and associated costs if they were funded through the stormwater utility fee. This menu of services was presented to the City during the biweekly update meetings throughout the year 2024. **Table 4-1** does not include rate rounding/leveling, operating reserve contribution, or administration reimbursement.

Table 4-1: Stormwater and Drainage Service Needs and Associated Cost, FYE 25

Expense Category	Description	Annual Cost	Monthly Cost (\$/ERU)
Staffing	Total Salary, Fringe Benefits, Overtime, Ancillary Supplies, Training, etc.	\$1,967,852	\$2.63
Equipment Expenses	Mowers, Trucks, Tools, Equipment, etc.	\$97,618	\$0.13
Recurring Expenses	Materials and Supplies, Equipment Replacement Fund, etc.	\$406,451	\$0.54
Rehab and Maintenance	Ongoing maintenance	\$417,452	\$0.51

Table 4-2 shows the services being paid for by the stormwater utility fee.

Table 4-2: Cost of Service Summary

Cost	FYE25	FYE26	FYE27	FYE28	FYE29
Current Expenses	\$2,889,373	\$2,940,899	\$3,087,943	\$3,242,340	\$3,404,457
Labor Proposed	\$0	\$175,943	\$184,740	\$193,977	\$203,676
Equipment Proposed	\$0	\$172,328	\$180,945	\$189,992	\$199,492
Recurring Proposed	\$0	\$348,600	\$366,030	\$384,332	\$403,548
Total	\$2,889,373	\$3,637,770	\$3,819,658	\$4,010,641	\$4,211,173

5.0 ALTERNATIVES AND RECOMMENDATIONS

This section documents the alternatives analyzed by FNI and the City and the resulting recommendations.

5.1 STORMWATER NEEDS

FNI and the City evaluated the stormwater needs across Lawton. These included the need for compliance, preventive maintenance, corrective maintenance, and capital improvement projects. The menu of services and their associated costs are shown in Section 4.

FNI and the City also evaluated various storm water capital improvement projects (CIPs) in Lawton. These projects were identified in the City's 2003 Master Plan, complete with preliminary cost estimates and solutions, updated to 2024 value. The City did not select any projects specifically to be included in this Stormwater Utility Fee Development Report.

FNI and the City identified a complete list of stormwater and drainage services that are needed but not conducted due to a lack of funding. These services include preventative maintenance and various CIP projects.

5.2 FEE STRUCTURE AND RATE RECOMMENDATION

In addition to the stormwater needs, various fee structure alternatives were presented to City staff. The recommended fee structure is to charge all Single-Family Residential properties a flat rate. All Commercial properties would be charged per ERU. FNI analyzed several other fee structures with a wide range of variables including 1) numbers of residential tiers, 2) level of service options, 3) exemption assumptions, 4) administration reimbursement amounts, and 5) reserve contribution amounts.

The City chose a flat residential rate system with all single-family residential properties charged the same rate. The proposed rate structure is summarized in **Table 5-1**. With this rate structure all developed residential properties would be charged the same rate, equal to one ERU. Undeveloped single-family residential properties would not receive a stormwater utility fee.

All developed commercial properties would receive a stormwater utility fee based on their impervious area. For every 3,200 sq ft of impervious area or one ERU, a commercial property would receive the fee charge for each ERU applied to the property.

Table 5-1: Summary of Single-Family Residential Properties

Residential Tier	Count of Properties	Mean Impervious Area, sq ft	ERUs
Residential Flat	27,698	3,200	27,698

5.3 RATE RECOMMENDATION

Based on the stormwater and drainage needs, two scenarios were presented to City staff. The scenarios presented to staff summarized a range of rate possibilities for the stormwater utility fee. Scenario 1 shows services largely limited to covering operating expenses, while Scenario 2 shows services covering operating expenses and funding a portion of the identified capital improvements. The corresponding stormwater utility rates for each scenario are in line with comparison cities in the state. Note that because no growth is projected in these financial scenarios, the annual revenue is projected to be flat for the projection period.

Scenario 1 proposes a flat fee of \$5.25 per month for residential properties and \$5.25 per ERU per month for commercial properties. This scenario allows the stormwater utility to remain net revenue positive through FYE29, however minimal funding is available to complete maintenance and CIP needs. Table 5-2 shows the proposed rates and projected annual revenue for Scenario 1.

Scenario 2 proposes a flat fee of \$11.00 per month for residential properties and \$11.00 per ERU per month for commercial properties. This scenario allows the stormwater utility to remain net revenue positive through FYE29 and allows for the City to complete more maintenance projects and complete one-third of the CIP projects identified in the 2003 Master Plan.

The City has the flexibility to consider rates that fall between the two identified scenarios above, with the knowledge that operating expenses would be covered and somewhere between zero and one-third of CIP projects could be funded.

Table 5-2: Scenario 1 Operating Expenses without CIP

Category	Parcels	ERUs	Monthly Fee (\$/ERU/month)	Annual Revenue
Residential	27,698	27,698	\$5.25	\$1,745,000
Commercial	2,911	40,229	\$5.25	\$2,534,000
Total	30,609	67,927		\$4,279,000

**Note revenues are rounded to the nearest \$1,000*

Table 5-3: Scenario 2 Operating Expenses with CIP

Category	Parcels	ERUs	Monthly Fee (\$/ERU/month)	Annual Revenue
Residential	27,698	27,698	\$11.00	\$3,656,000
Commercial	2,911	40,229	\$11.00	\$5,310,000
Total	30,609	67,927		\$8,966,000

**Note revenues are rounded to the nearest \$1,000*

6.0 UTILITY IMPLEMENTATION

6.1 STORMWATER UTILITY ORDINANCE ADOPTION

The stormwater utility fee rates are adopted by ordinance through a majority vote of the City Council. The implementation ordinance declares the stormwater utility adoption and declares the stormwater system of the City to be a public utility. The fee resolution sets the schedule of stormwater utility charges.

6.2 APPEALS PROCESS

By practice customers subject to stormwater utility fees should have the opportunity to appeal the stormwater utility rates set for their properties. Valid reasons for protest include the following:

- A. Undeveloped property is assessed a stormwater utility fee.
- B. Property runoff is contained and does not contribute to the City's stormwater system.
- C. Property is improperly classified (i.e., Commercial instead of Residential), resulting in the incorrect rate being applied.
- D. Fee is charged on multiple utility accounts for the same physical property.
- E. Fee is based on an incorrect impervious area determination for the property.
- F. Fee is based on impervious area for property unrelated to the utility account under appeal.

A recommended appeals process is as follows:

- A. Protests must be made in writing by the account holder and submitted to the stormwater utility administrative staff (Utility Billing) for review. The specific reason for the appeal must be provided, along with necessary information such as the account numbers under protest.
- B. Stormwater utility administrative staff will conduct a review of the protest and is authorized to correct utility fee rates for any of the above reasons, except for claims of incorrect impervious area determinations. Claims of incorrect impervious area determinations will be assessed by the City Engineer.
- C. An initial determination will be provided by the City to the protesting party within 30 days of the protest submission.
- D. Appeals denied by the stormwater utility administrative staff may be appealed to the City Engineer. The City Engineer will conduct a review of the appeal and provide a determination in writing to the protesting party within 30 days of the appeal. Appeal determinations made by the City Engineer may be appealed to the City Manager.

- E. Any adjustment to a stormwater system user's fee must be made on a basis that remains nondiscriminatory, equitable, and reasonable for all utility fee payers. Approved fee adjustments will apply for future bills and will include credit for bills up to six months prior to the appeal. No credit will be applied to bills prior to six months before the appeal was submitted, and no credit will be applied to bills to prior owners of the property.

6.3 SWU FEE BILLING IMPLEMENTATION

Prior to implementation of the stormwater utility fee, the impervious area associated with each property must be linked with the correct utility billing account. This is accomplished by matching address information from the City's utility billing database to address information contained within the appropriate GIS parcel data.

6.4 UTILITY ACCOUNT MANAGEMENT

Each developed, non-exempted property must be assessed a stormwater utility fee and will require a utility account. FNI recommends the utility fee be assessed on a single account per property to minimize the City's administrative burden.

Duplicate utility billing accounts for a property are not typically assessed a stormwater utility fee unless the total stormwater utility fee is apportioned across multiple accounts. For administrative reasons, associating the stormwater utility fee to a single account per property is recommended.

Strip shopping centers and apartment complexes typically have numerous accounts. A common utility account scenario for these types of properties is to have one account for each business or apartment building, respectively, as well as a management account and/or an irrigation account. FNI recommends assigning the stormwater and drainage utility fee to the management or irrigation account to allow the property management to determine the appropriate approach to assess the stormwater and drainage utility fee to individual tenants.

Some properties have no active utility account. Examples of such properties include those on well water, those within City limits but provided service by other providers, and properties such as parking lots that have no need for a water account. For these developed properties, a new utility account will typically need to be created specifically to assess the stormwater and drainage utility fee. Properties are not eligible to be exempted from the stormwater and drainage utility fee for the reason of having no water, sewer, or waste disposal service with the City.

Accounts in an exempt category are not assessed a stormwater utility fee. A variety of circumstances can lead to a utility account and/or a property being exempt. A property meeting any of the mandatory exemptions or the City's selected optional exemptions are considered exempt. The associated utility accounts for these properties are categorized in the exempt classification.

The City may determine that it is more efficient to assess stormwater fee for some developed properties as a group. For example, a property that extends across multiple parcels may be assessed a single utility fee but clarifying notes in the utility billing database are recommended to identify the parcels that are aggregated to assess the single fee.

7.0 REFERENCES

- [1] US Census Bureau, "QuickFacts Lawton city, Oklahoma," [Online]. Available: <https://www.census.gov/quickfacts/lawtoncityoklahoma>. [Accessed 20 August 2024].
- [2] <https://oksenate.gov/sites/default/files/2019-12/os11.pdf>

APPENDICES

Appendix A Rate Committee Presentation



Stormwater Utility Fee Evaluation Study Update

April 23, 2025



Stormwater/Drainage Management Overview

Stormwater/Drainage Management and Maintenance



Stormwater runoff enters streams, rivers, and collection systems without treatment.

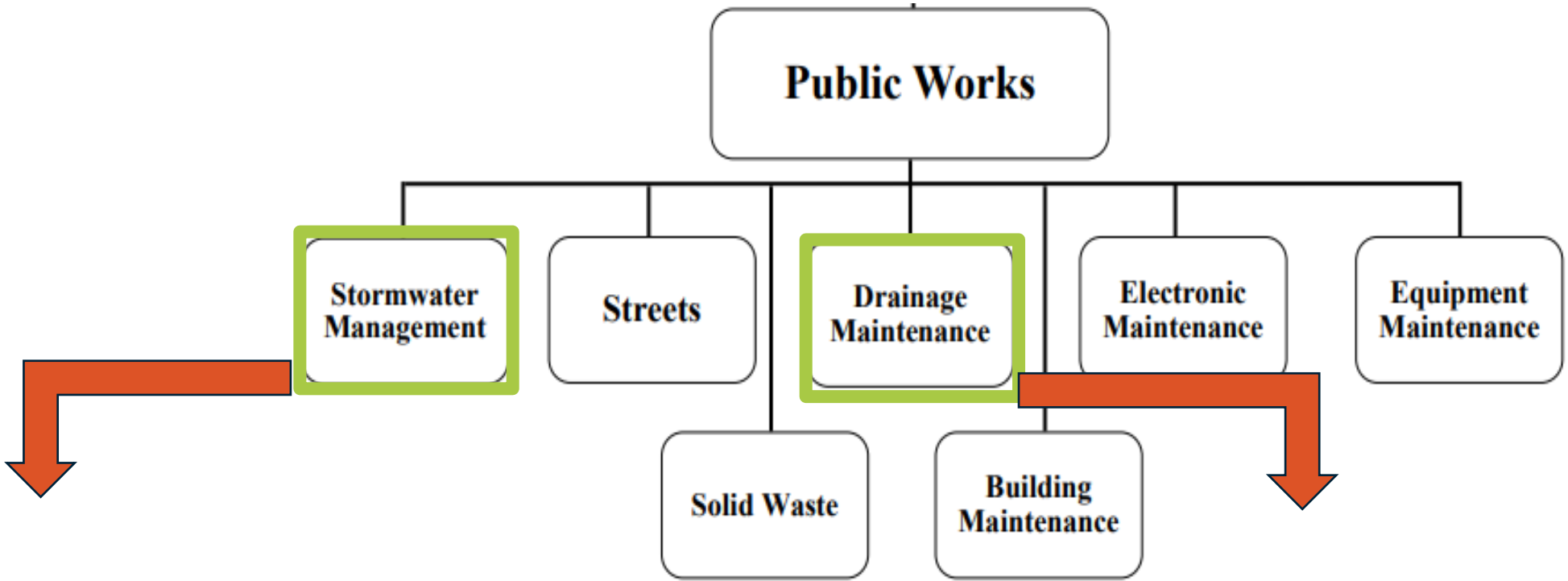
Impervious surfaces increase stormwater runoff to be managed.

Stormwater systems consist of constructed infrastructure (e.g., storm pipes) and natural features (e.g., creeks)

Stormwater/Drainage Program Goals



Lawton's Current Stormwater/Drainage Structure



- **Monthly Charge/Account: \$1.25**
- **Annual Revenue: \$903,002**
Per Annual Budget (FYE25)

- **Monthly Charge/Account: \$2.30**
- **Annual Revenue: \$1,086,452**
Per Annual Budget (FYE24)



Stormwater Needs

Stormwater Drainage Issues

Flooding



Water Quality



Erosion



Maintenance



Stormwater/Drainage Infrastructure



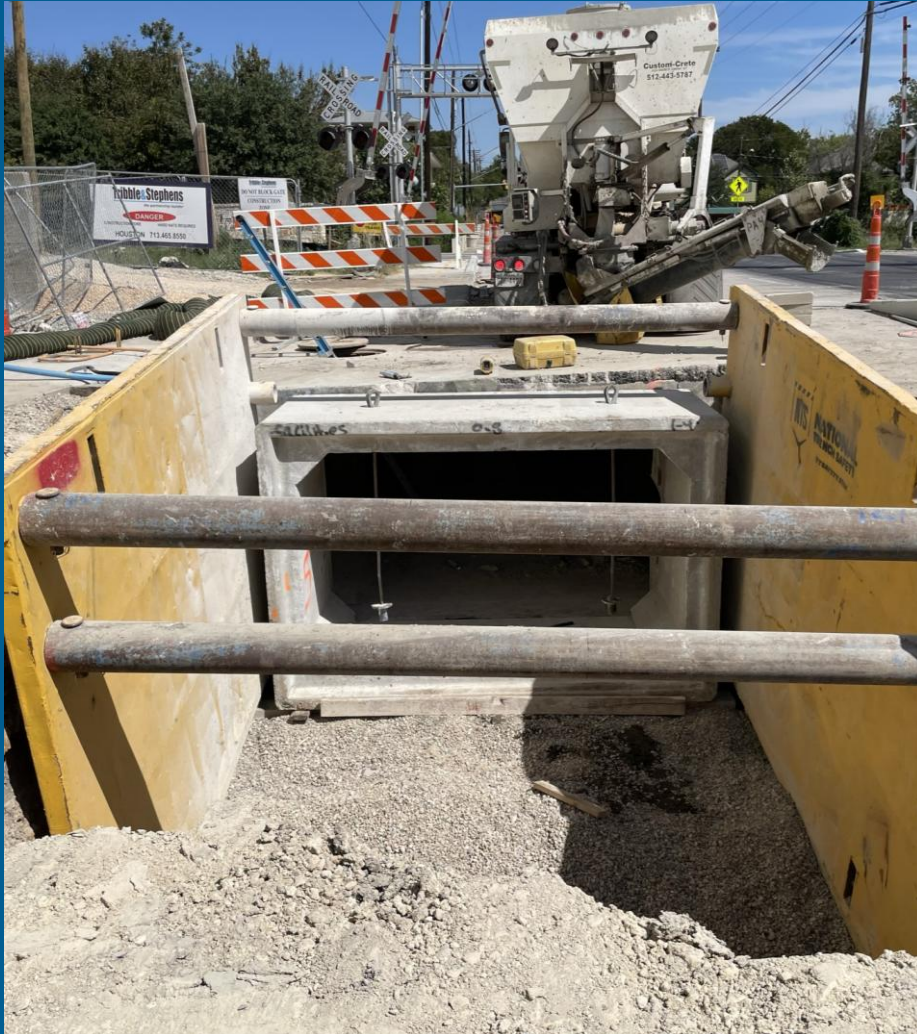
Stormwater/Drainage Infrastructure



Stormwater/Drainage Infrastructure



Construction



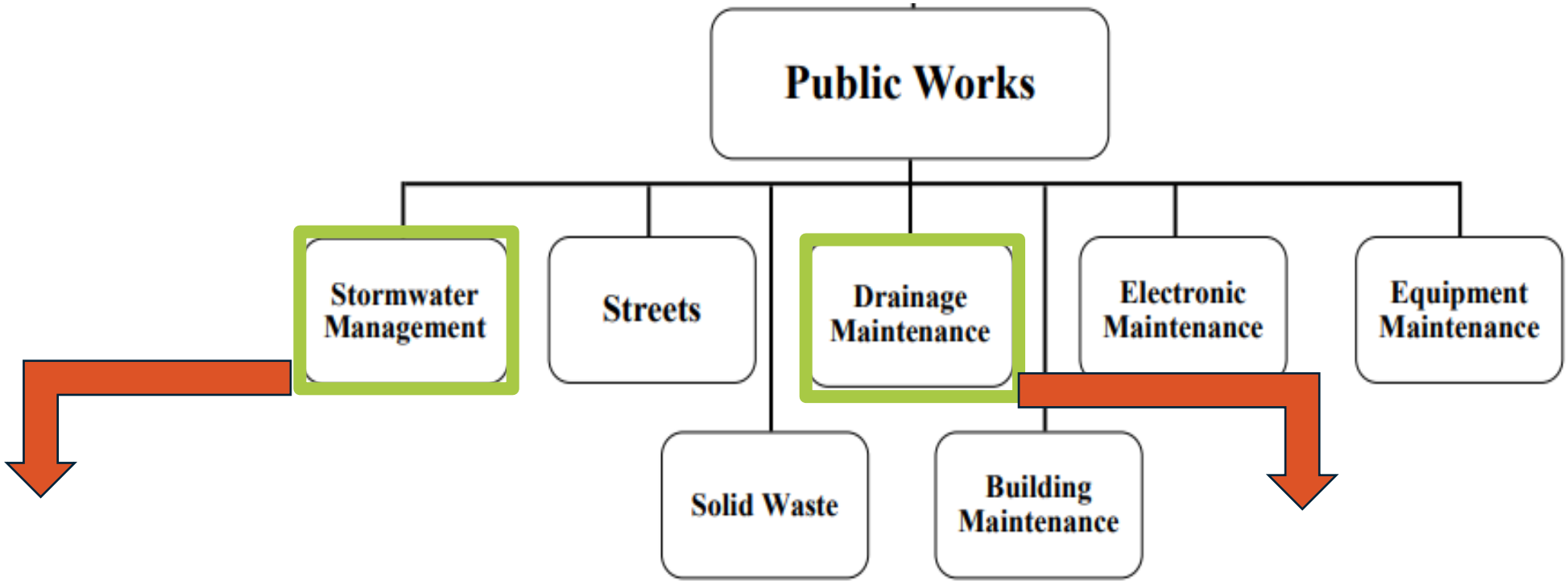
Identified CIP Projects to Complete

Rank	Project Name	Projected Cost (2024 \$)
1	East Branch Numu Creek from Ferris to SW F Ave	\$34,146,728
Unranked	Numu Creek from I-44 north to Lee Blvd.	\$8,466,355
2	Numu creek from Sheridan Rd to Cache Rd	\$48,700,815
3	Numu Creek Channel from 9th St to 11th St.	\$4,328,260
4	SW Jefferson from SW 24th St to Sheridan Rd.	\$9,203,430
Unranked	Santa Fe Bridge on NW 41 st St	\$4,234,844
5	Ferris Ave to Gore Blvd	\$9,972,014
6	Tributary A from NE Flower Mound Rd to East Cache Creek	\$3,550,743
7	Prentice & Floyd	\$17,468,770
8	Wolf Creek north of Gore	\$4,170,039

Rank	Project Name	Projected Cost (2024 \$)
Unranked	Wolf Creek north of Gore	N/A
9	Garden Village Subdivision	\$11,643,061
10	Channel on Dearborn and NE Euclid	\$2,453,638
11	Greer Addition 200' North of Gore Blvd	\$2,392,376
Unranked	S 11th St. Bridge on Wolf Creek south of I-44	\$2,822,646
Unranked	SW Lee Blvd. on SW 52nd St.	\$146,906
12	Lincoln Ave to Cherry Ave	\$18,322,050
13	NW 81st St. and NW Taylor Ave.	\$463,847
14	NE Bell Ave to SE Randolph on NE 51st St	\$679,726
15	Numu Creek and Tributary from Railroad St. west to US 281	\$10,195,221

Total Cost = \$193,361,000

Lawton's Current Stormwater/Drainage Structure



- **Monthly Charge/account: \$1.25**
- **Annual Revenue: \$903,002**
Per Annual Budget (FYE25)

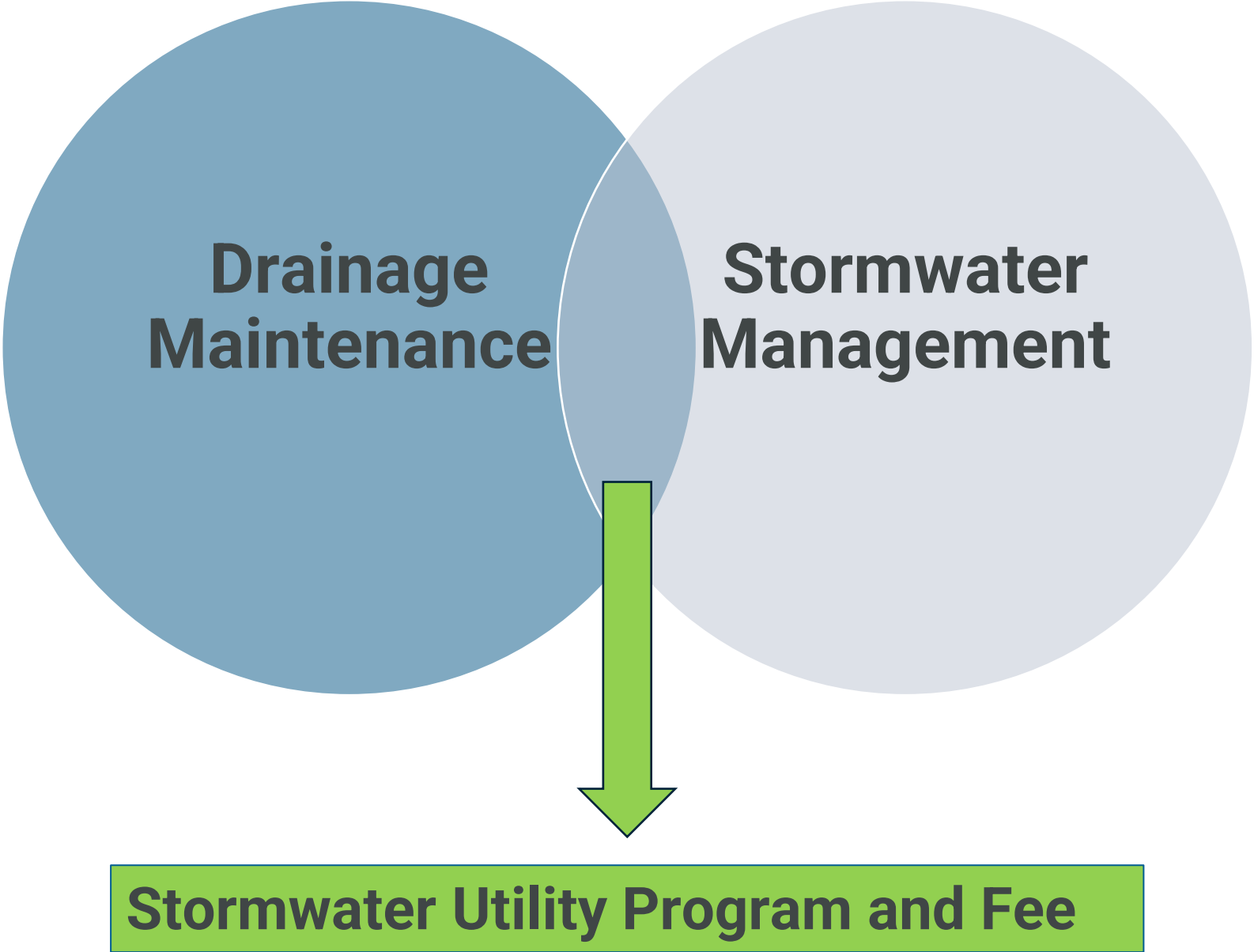
- **Monthly charge/account: \$2.30**
- **Annual Revenue: \$1,086,452**
Per Annual Budget (FYE24)

Current rate structures have combined revenue shortfall of \$890,818 in FYE25 for both Stormwater Management and Drainage Maintenance



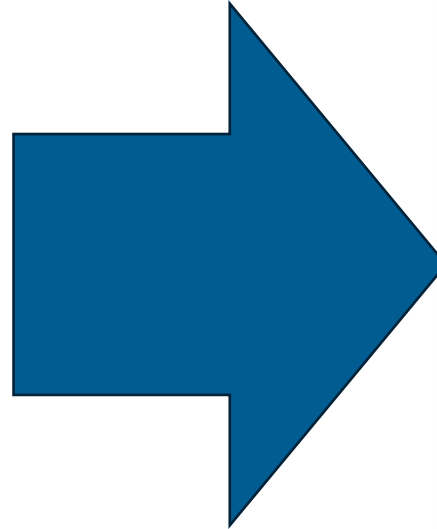
Proposed Updates

Combine Programs and Fees



Stormwater Utility Refinements

Meter-Based



Impervious Area-Based



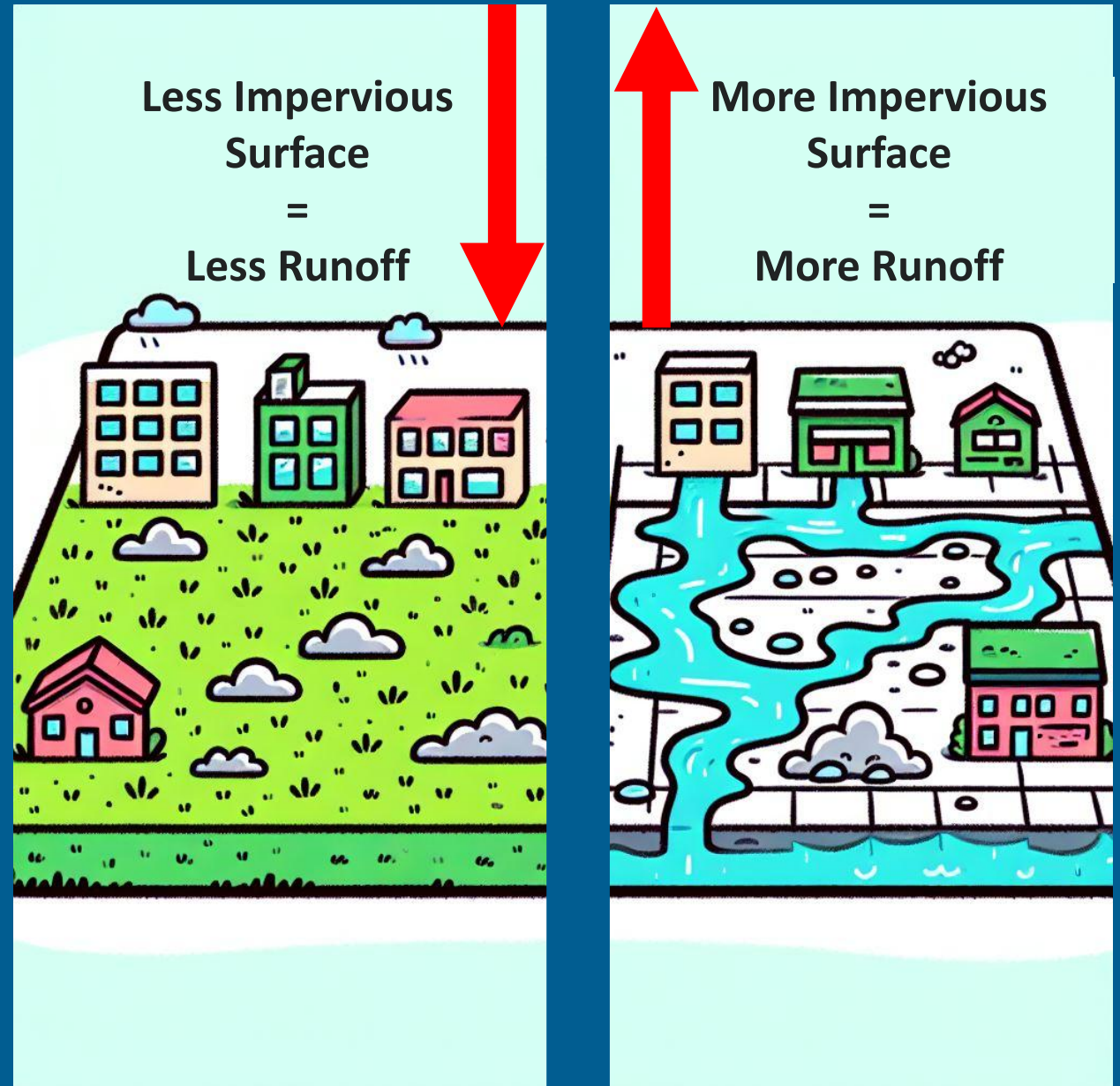
Impervious Area

Impervious surfaces limit stormwater the opportunity for infiltration into the soil and result in increased stormwater runoff.

Examples

- Rooftops
- Parking lots
- Driveways
- Patios
- Walkways

Equivalent Residential Unit = ERU
3,200 square feet impervious area



Residential and Commercial ERUs

Typical Residential



3,200 sq ft impervious area

1 ERU

Typical Small Commercial



28,213 sq ft impervious area

$$28,213 / 3,200 = 8.8$$

9 ERU

Typical Large Commercial



178,508 sq ft impervious area

$$178,508 / 3,200 = 55.7$$

56 ERU

A photograph of four workers in safety gear (hard hats and high-visibility vests) standing on a rocky riverbank. They appear to be in a discussion. The image is overlaid with a semi-transparent blue filter. The text "Proposed Rates" is centered over the image in a large, white, sans-serif font.

Proposed Rates

Scenario 1 – Limited Cash-Funded CIP

Residential Rate: \$5.25 / Month



Commercial Rate: \$5.25 / ERU / Month

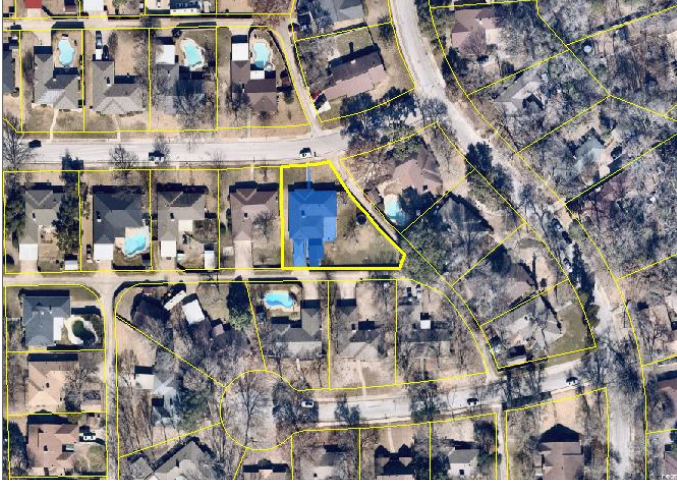
Example property
9 ERUs * \$5.25 = \$47.25



- ✓ Revenue positive through FYE29
- ✓ Exempting City property reduces funding by \$80,000 per year
- ✓ Funds FYE26-FY29 current and proposed operating expenses
- ✓ Cash-funds identified CIP below \$1M by FYE28
- ✓ Paygo CIP funding:
 - ✓ \$660,000 FYE26
 - ✓ \$80,000 FYE29
 - ✓ *Loss of funding capacity due to inflation, zero growth shown through FY29*

Scenario 2 – Moderate Debt-Funded CIP

Residential Rate: \$11.00/ Month



Commercial Rate: \$11.00 / ERU / Month

Example property
9 ERUs * \$11.00 = \$99.00

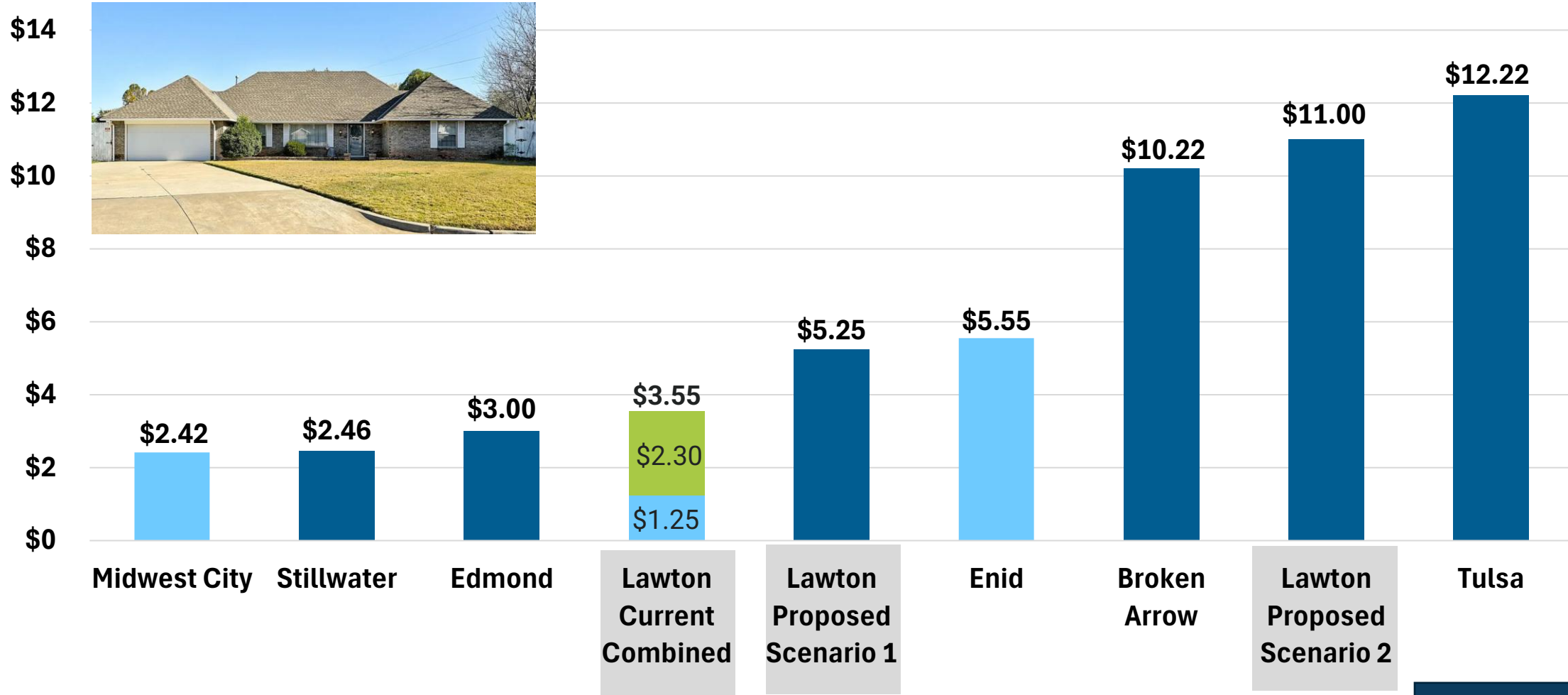


- ✓ Revenue positive through FYE29
- ✓ Exempting City property reduces funding by \$168,000 per year
- ✓ Funds FYE26-FYE29 current and proposed operating expenses
- ✓ **\$4.7M available annually for CIP**
- ✓ **Debt-funds identified CIP list under \$11M**
 - ✓ \$63M for 14 CIP projects
 - ✓ 1/3 of identified CIP projects
 - ✓ \$4.7M note, 20 years, 4% interest



Comparison to Other Cities

Comparison Residential Stormwater Utility Fees



**All benchmark cities are flat residential fees*

Dark Blue Single fee that covers both Stormwater and Drainage.

Light Blue Fees are for Stormwater only.

Drainage expenses are covered through the General Fund or Drainage Maintenance Fund for Lawton.

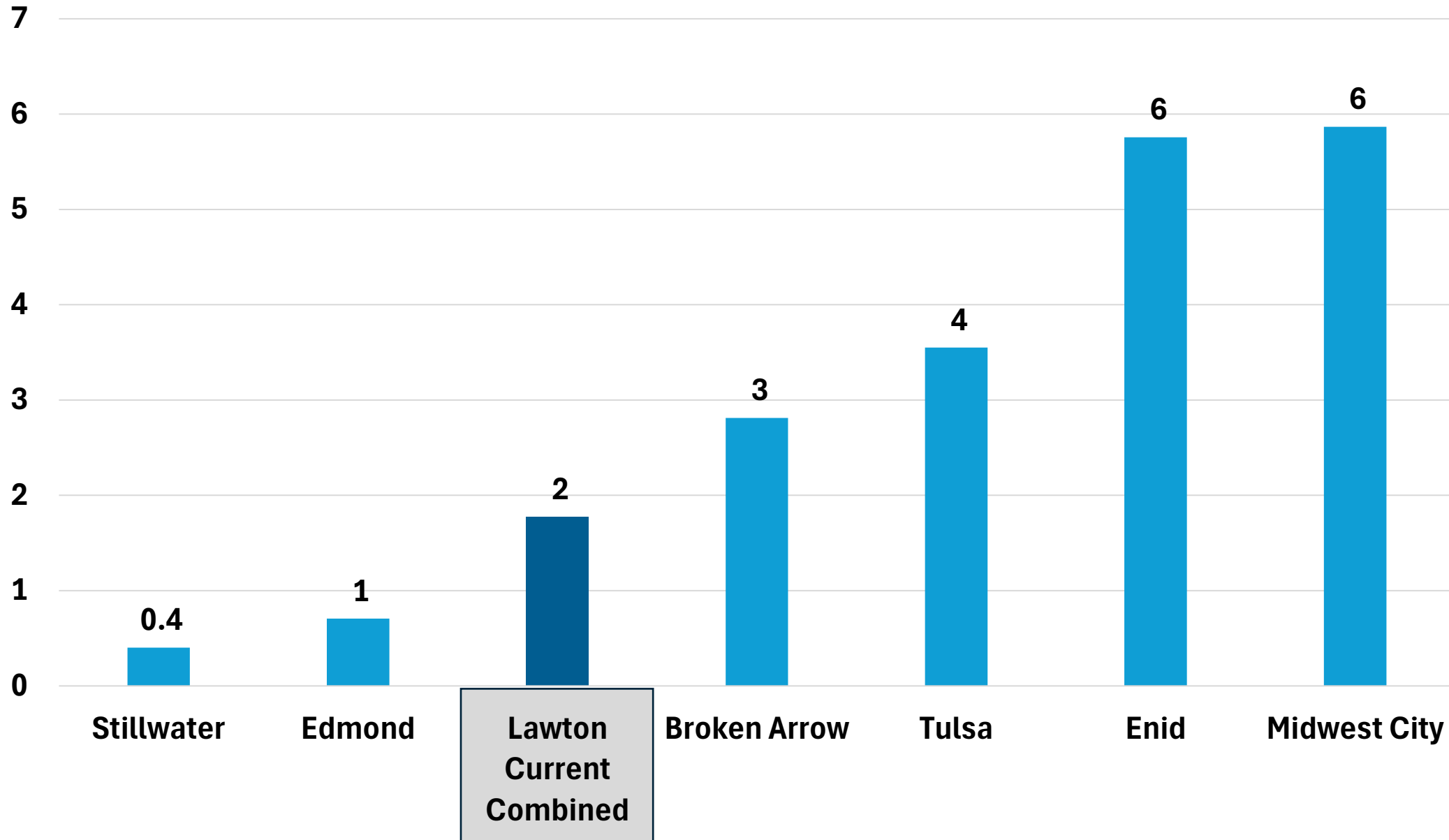
Green Fees are for Drainage only.

****No dedicated stormwater fee:**

Moore – partially funded through 1/8th sales tax and general fund

Norman – partially funded through a Public Safety Sales Tax Fund as well as general fund

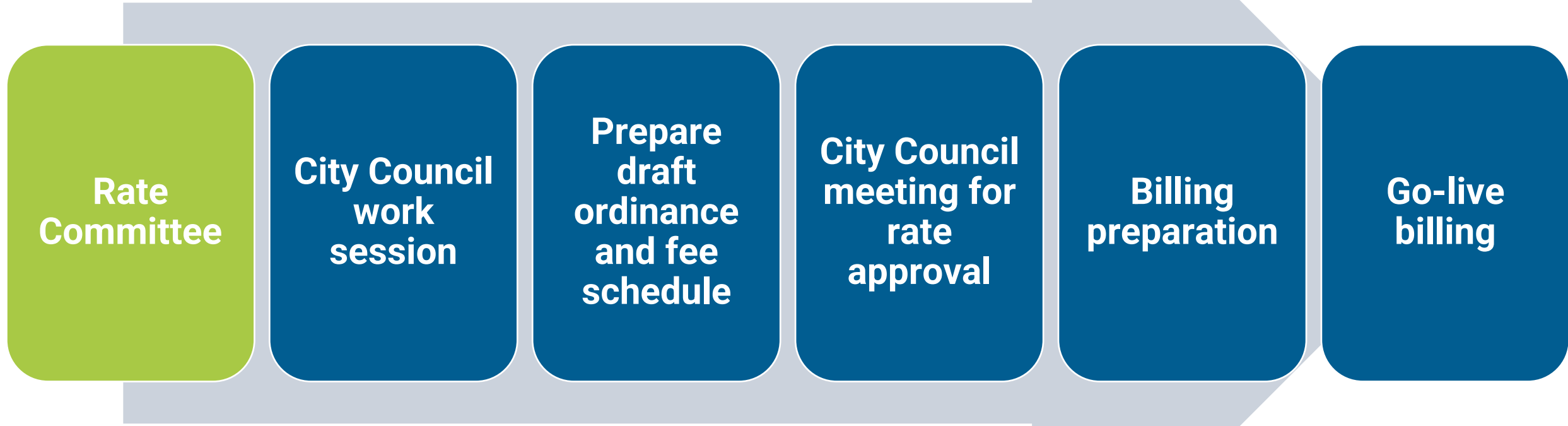
Stormwater and Drainage/Streets Personnel per 10,000 Residents



A photograph of a large pipe discharging water into a rocky stream, overlaid with a blue tint. The pipe is positioned in the center of the frame, with water flowing out of its open end into a stream. The stream is surrounded by a large pile of grey rocks. The background shows a grassy area. The text "Next Steps" is overlaid in white on the left side of the image.

Next Steps

Schedule



A photograph of four workers in safety gear (hard hats and high-visibility vests) standing on a rocky stream bed. The image is overlaid with a semi-transparent blue filter. The workers are engaged in a discussion, with one worker in the foreground looking towards the others. The background shows a natural stream environment with trees and a concrete structure on the left.

Stormwater Utility Fee Evaluation Study Update

City of Lawton – Municipal Fee Adjustment Request Form

Section 1: Department & Contact Information

- Department Name: _____
 - Division/Unit: _____
 - Prepared By: _____
 - Title: _____
 - Email: _____
 - Phone: _____
 - Date of Submission: _____
-

Section 2: Fee Details

- Fee Category (e.g., Fire Marshal Inspection, Police Department Fine):

 - Current Fee Amount: \$ _____
 - Proposed Fee Amount: \$ _____
 - Effective Date of Proposed Change: _____
 - Frequency of Fee Application (e.g., per inspection, per violation):

-

Section 3: Justification & Analysis

A. Cost-of-Service Analysis

- Total Annual Cost to Provide Service: \$ _____
 - Current Annual Revenue from Fee: \$ _____
 - Projected Annual Revenue with Proposed Fee: \$ _____
 - Is the service currently subsidized by the general fund? Yes No
 - Brief Explanation:

-

B. Legal Authority

- Cite Relevant Statutes or Ordinances Authorizing Fee:

-

- Are there any legal limitations or requirements for this fee? Yes No
- If yes, please explain:

C. Benchmarking

- **Comparable Fees in Similar Municipalities:**
 - Municipality: _____ Fee: \$ _____
 - Municipality: _____ Fee: \$ _____
- **Date of Last Fee Adjustment:** _____

D. Equity & Affordability Considerations

- Does the fee increase disproportionately affect any group? Yes No
- Are there existing or proposed mitigation measures (e.g., waivers, sliding scales)?
Yes No
- If yes, please describe:

Section 4: Public Engagement & Communication

- Have stakeholders been informed about the proposed fee change? Yes No
- **Methods of Engagement** (check all that apply):
 - Public Meetings
 - Surveys
 - Notices
 - Other: _____
- **Summary of Feedback Received:**

Section 5: Implementation Plan

- **Proposed Implementation Strategy:**
 - Immediate
 - Phased
 - Other: _____
- Are system or process updates required? Yes No
- If yes, please describe:

-
- **Staff Training Requirements:**
-

Section 6: Alignment with City Policies

- **How does this fee adjustment align with the City’s strategic goals or master plans?**
-

Attachments Checklist

Please attach the following supporting documents:

- Detailed Cost Analysis
 - Legal References and Statutory Citations
 - Benchmarking Data
 - Public Engagement Summary
 - Equity Impact Assessment
 - Implementation Timeline
-

Approvals

- **Department Head Signature:** _____ **Date:** _____
- **Finance Department Approval:** _____ **Date:** _____
- **City Manager Approval:** _____ **Date:** _____

STORMWATER UTILITY FEE REPORT

Prepared for:

City of Lawton

May 2025



Prepared by:

FREESE AND NICHOLS, INC.

3600 NW 138th Street, Ste 202, Oklahoma City, OK 73134
(405) 607-7060

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APPENDICES

Appendix A Rate Committee Presentation

1.0 INTRODUCTION

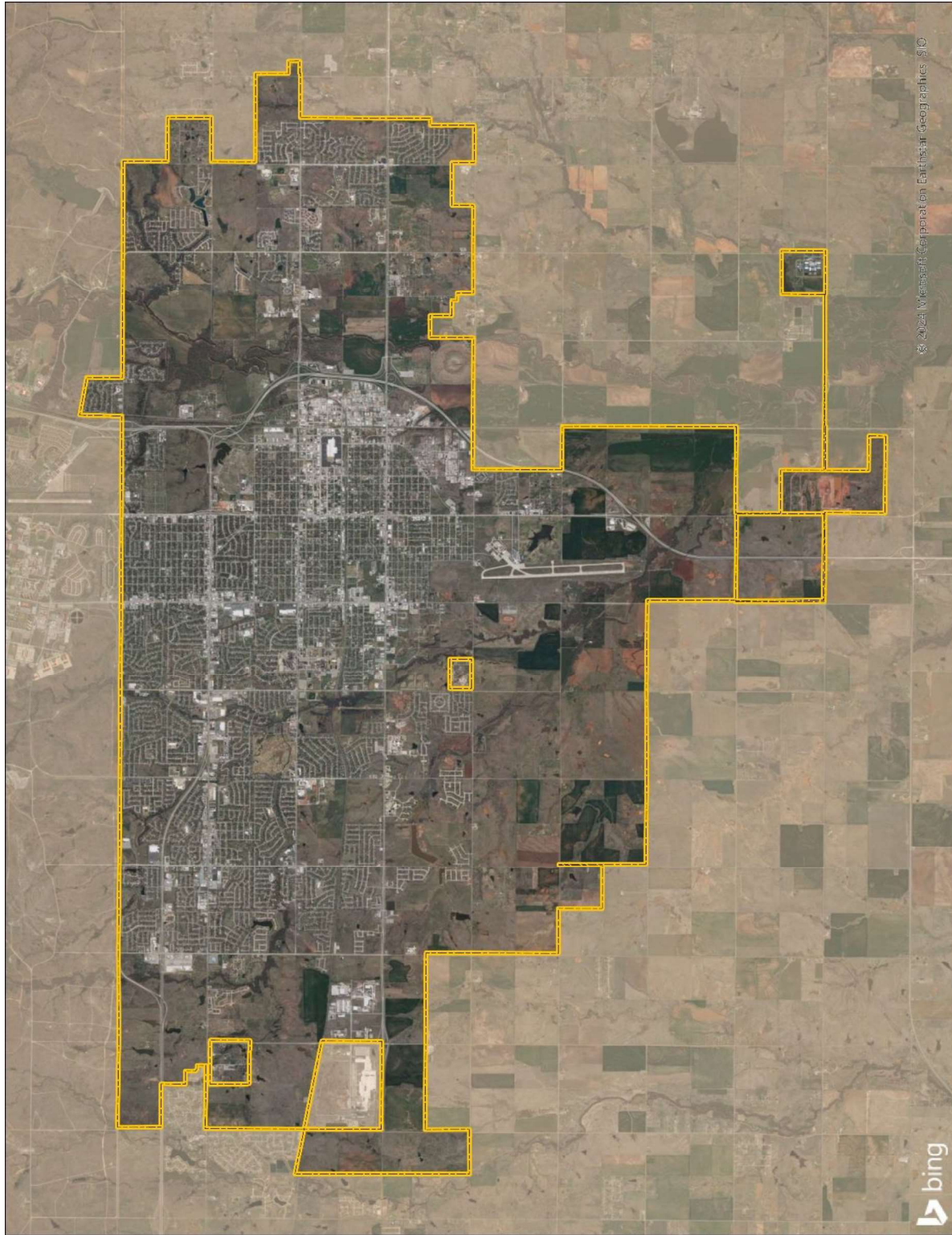
The City of Lawton retained Freese and Nichols, Inc. (FNI) to evaluate the components of a stormwater management and drainage maintenance fee. FNI evaluated a stormwater management and drainage maintenance structure and rates based on requirements of applicable state laws and the City of Lawton (the City's) identified storm system needs. FNI developed a menu of stormwater and drainage services from which the City could choose to meet its stormwater and drainage programs goals, including compliance with new federal water quality protection requirements. Through discussions within the City, it was determined that ultimately merging the utility departments of Stormwater Management and Drainage Maintenance into one utility was a consideration to evaluate during the study. The cost elements of both utilities will be referenced throughout the report, however only one combined fee (a Stormwater Utility Fee) will be referenced, as that is the recommended fee.

1.1 DESCRIPTION OF THE CITY OF LAWTON

Lawton is the largest city in Comanche County, located approximately 86 miles southwest of downtown Oklahoma City. The City has a total area of approximately 81 square miles. Interstate 44 (I-44) is the main thoroughfare through the City, running from the north limits to the south limits of the City. US Highway 62 (US 62) is a major highway running from east to west Lawton. State Highway 7 (SH 7) runs east to west on the southern side of the City.

The 2023 population for the City is 90,245 [1]. The City has two major waterways, Lake Lawtonka and Lake Ellsworth. Both lakes are located north of the City.

Figure 1-1: City Limits



1.2 LEGAL BASIS AND LIMITATIONS OF A STORMWATER UTILITY

The State of Oklahoma provides municipalities the opportunity to establish a stormwater utility, which is a legal mechanism used to generate revenue to finance the City's cost to provide and manage stormwater services in the City.[2] "Oklahoma Statutes Title 11. Cities and Towns" section 11-22-104 grants cities in Oklahoma the "Right to engage in business – Public utilities and improvements... for public improvement purposes". To provide these services, municipalities are authorized to assess fees to the users of the stormwater utility system.

The stormwater utility fee is a service fee and must be based on the projected cost of providing stormwater service within the City's jurisdiction.

1.3 STORMWATER UTILITY POLICY

This stormwater and drainage report provides an overview of an assessment of the feasibility for the City of Lawton to finance its stormwater and drainage-related activities through revenues from a stormwater utility fee. Under the present system, necessary stormwater or drainage-related activities are financed through a respective fund of either Stormwater Management or Drainage Maintenance. In addition, significant capital and management improvements to the overall stormwater and drainage systems are needed to protect existing and expected development and to meet ongoing regulatory requirements.

The City is one of many municipalities subject to federal stormwater quality regulations that require the City to further protect and enhance water quality in creeks and lakes through the development of a stormwater quality management program. As an operator of a municipal separate stormwater system (MS4) as defined by the U.S. Environmental Protection Agency, the City is required to develop a multi-faceted program to protect stormwater quality before it enters creeks, rivers, and lakes. The program includes a number of measures to protect stormwater quality, such as the following:

- Storm system maintenance
- Structural and non-structural water quality protection measures
- Storm system mapping and inspections
- Public education, outreach, and involvement
- City ordinances regulating construction activity, illicit discharges, and post-construction runoff
- City staff training and operations improvements

The purpose of this study is to identify a fair and equitable stormwater utility fee and fee structure to finance some or all of these measures, as well as associated administration, service, equipment and other stormwater-related costs. The study strives to identify an appropriate fee based on the projected cost of providing stormwater services in the City. To further protect rate payers from inequitable charges, a means to appeal the rates for any property is currently in place through a Stormwater Hotline listed on the City's website.

The following general goals and policies were considered for the City's stormwater utility. These goals provided an initial basis for the potential purposes and benefits of the utility for the City of Lawton.

- A. Serve as the primary stable source of new stormwater and drainage-related funding.
- B. Finance some or all of the following specific activities:
 - 1. Stormwater Ordinances and Design Criteria modifications
 - 2. Ongoing implementation and maintenance of a Stormwater Quality Management Program to comply with Federal and State MS4 regulations and permit requirements
 - 3. Engineering studies and design
 - 4. Capital improvements to the stormwater and drainage system infrastructure
 - 5. Proactive maintenance for existing infrastructure
 - 6. Equipment for drainage maintenance
 - 7. Staffing for maintenance, compliance, engineering, and/or administration activities
 - 8. Implementation and maintenance of the City's Phase II MS4 stormwater management program to comply with U.S. Environmental Protection Agency (EPA) and Oklahoma Department of Environmental Quality (ODEQ) regulations and permits, as applicable
- C. Provide a mechanism to benefit the quality of life in Lawton by improving and integrating the management of water resources with other aspects of the City such as park systems
- D. Encourage development in the City that minimizes adverse stormwater impacts through better site design and proper management of the City's stormwater resources
- E. Provide a fair and equitable method to assess fees for developed properties' impacts to the City's stormwater system
- F. Allow for the issuance of bonds to finance stormwater capital improvement projects

2.0 COST OF STORMWATER AND DRAINAGE SERVICES

The stormwater utility fee is a common method to address a significant portion of the financial burden for stormwater and drainage management. This section includes considerations and options for services the City may finance with stormwater utility fee revenues. A variety of options for staffing, equipment, and services to provide are made available for reference. The City may choose to select from the list provided, or additional options if the options are stormwater-related. Default values for several parameters are provided in this report with input from the City. This includes rates for labor, equipment purchases and rental, city growth, and inflation.

2.1 COST OF SERVICE DEVELOPMENT CONSIDERATIONS

Options were evaluated to determine an appropriate methodology for identifying the projected cost of providing stormwater and drainage service in the City. It was determined that the following considerations would be incorporated into the assessment of the cost of stormwater and drainage services for the purpose of determining the revenues necessary for the stormwater utility:

- Identify expected stormwater and drainage-related costs. This includes prorated costs for administration, equipment, and other expenses not dedicated to stormwater or drainage activities.
- Evaluate a five-year period for projecting cost of service needs. Cost projections beyond five years are inherently less reliable and may not provide the City with the quality information desired for planning purposes.
- The fund balances for both Stormwater Management and Drainage Maintenance combine to currently have a 180-day operating balance which will be maintained over the observation period.
- Consider prorated costs for items not solely associated with stormwater or drainage but that have an application for stormwater management and drainage maintenance. Examples include engineering staff, maintenance crews, and maintenance equipment.
- Plan for stormwater and drainage revenues to finance all direct operating costs and administrative costs for stormwater and drainage-related activities, including major capital projects.

Address as much of the City's stormwater and drainage-related costs as practicable through the stormwater utility fee.

2.2 COST OF SERVICE ASSUMPTIONS

For the purposes of the five-year plan, several assumptions were identified and incorporated into the planning process. Specifically, anticipated annual cost increases were identified and developed into cost factors for both stormwater management and drainage maintenance, as shown in **Table 2-1**.

Table 2-1: Annual Cost Factors

	FYE26	FYE27	FYE28	FYE29	FYE30
Expense Rate Inflation	5%	5%	5%	5%	5%
Interest Rate for Debt Service	4%	4%	4%	4%	4%
City Projected Growth Rate	0%	0%	0%	0%	0%

The expense rate inflation and interest rate for debt service are assumed to remain constant over the five-year projection period. City growth is conservatively projected at 0% for the five-year projection period.

2.3 STORM SYSTEM MAINTENANCE

The City plans to establish a program to conduct routine operations and maintenance (O&M) activities throughout the stormwater and drainage system to minimize flooding potential, protect life and property, reduce creek erosion, and protect stormwater quality. The City may consider budgeting through the stormwater and drainage utility to fund all or a portion of a storm system and drainage maintenance crew to conduct stormwater and drainage O&M activities throughout the City. A list of the common crew positions that the City is considering, including compensation with benefits for FYE 2026, is provided in **Table 2-2**. Rates for all positions currently assume 100 percent financing by the combined utility of stormwater management and drainage maintenance. Positions not fully dedicated to stormwater or drainage-related services can be funded on a pro-rated basis if stormwater or drainage utility funding is limited to stormwater or drainage-related services.

The seasonal labor and equipment operators would assume responsibility for routine storm sewer system maintenance activities such as stormwater ditch cleanouts, inlet cleanouts, and drainage swale landscaping. The projected cost to purchase equipment for the seasonal labor and equipment operators is provided in **Table 2-3**. The purchase price of the equipment is amortized over its expected service life to provide an annualized cost. Annual O&M costs include projected fuel and routine maintenance costs.

Table 2-2: Potential Staff

Position	# of Positions	Position Compensation with Benefits (FYE26)	Total Compensation (FYE26)
Equipment Operator	4	\$57,570	\$230,278
Seasonal Labor	6	\$57,299	\$343,791
Environmental Specialist	1	\$105,793	\$105,793
Construction Inspector	1	\$70,150	\$70,150

Table 2-4: Cost to Purchase Equipment for Stormwater Management and Drainage Maintenance

Equipment	Capital Value (FYE25 \$)	Service Life (Years)	Annualized Purchase Cost (FYE25 \$)	Annual O&M (FYE25 \$)	Total Annual Cost (FYE25 \$)
1/2 Ton Pickup (F-450)	\$88,518	5	\$17,704	\$3,100	\$27,244
Landscape Trailer	\$8,000	10	\$800	\$0	\$800
Walk Behind Mower (3)	\$4,500	5	\$900	\$100	\$1,600
Backpack Leaf Blower	\$400	10	\$40	\$100	\$140
Assorted Hand Tools	\$500	10	\$50	\$0	\$50
Zero Turn Mower	\$6,000	10	\$600	\$300	\$2,100
Safety Items	\$300	10	\$30	\$0	\$30
Uniforms and Boots	\$9,000	5	\$1,800	\$0	\$1,800
Large Tractor Mower	\$250,000	10	\$25,000	\$8,800	\$39,800
Small Tractor Mower	\$200,000	10	\$20,000	\$7,000	\$30,000
Weed eater (6)	\$3,600	5	\$720	\$100	\$220
Hydro mulcher	\$5,000	10	\$500	\$200	\$700
Vacuum Truck	\$275,000	10	\$27,500	\$9,700	\$40,200
Truck	\$65,000	5	\$13,000	\$1,000	\$15,200

2.4 CIP IDENTIFICATION

The City’s Proposed Five-Year Capital Improvement Program (FY26 – FY30) identifies a suite of improvements to the City’s drainage maintenance system. Most Capital Improvement Program improvements are from a list of projects in the 2003 Stormwater Master Plan. The project costs have been updated to 2024 values by the City’s stormwater consultant. Financing assumptions are a 20-year loan at a 4 percent interest rate.

2.5 OPERATING RESERVE

The fund balances for both Stormwater Management and Drainage Maintenance combine to currently have a 180-day operating balance. Currently the Stormwater Management Utility has a fund balance equal to approximately \$557,000. The Drainage Maintenance Utility has a fund balance equal to approximately \$930,000.

3.0 REVENUE ASSESSMENT

3.1 BASIS FOR FEE CALCULATION

By practice, the stormwater utility fee rate is calculated according to a basis that estimates a property's use of the stormwater and drainage system. As a result, fee rates are not based solely on certain readily accessible information, such as property values or water usage rates. The City's stormwater utility rate will be based on the amount of impervious area for each property. Impervious surfaces do not provide stormwater significant opportunity for infiltration into the soil and result in increased stormwater runoff to the municipal storm sewer system.

Property improvements that are considered as impervious areas include buildings, paved parking lots, driveways, patios, walkways, and pools. Gravel parking lots and driveways are also considered impervious area because of the low infiltration rate of stormwater through their surface. Sidewalks within the City ROW were not included in individual property impervious area calculations.

The potential stormwater and drainage impact of impervious area to the storm system include the following:

- Increased total volume of water required to be managed by the municipal storm system resulting in flooding
- Increased peak flows from storm events resulting in flooding
- Increased flow velocities result in increased erosive actions in creek channels and adjacent properties
- Increased pollutant load resulting in degraded water quality

Site-specific design and maintenance approaches may minimize one or more of these impacts. As noted in Section 7.2 (Appeals), the City may determine to reduce the stormwater utility fee for a property by an equitable amount to account for the beneficial stormwater impact of design and/or maintenance approaches by a property owner.

3.2 BILLING METHOD

Fees for stormwater utilities are collected in a variety of ways throughout the country, including as line-items on water bills, as yearly payments with property taxes, or as stand-alone bills. The most common method to assess stormwater and drainage utility charges is through the City utility bill, which is the method Lawton currently uses and will continue.

As part of the City utility bill, the stormwater utility fee will appear on the utility bill as a single line item with the monthly dollar amount for the property shown. A stormwater utility charge will be assessed on a utility account for each eligible property.

If the property can be linked to an associated property with a City utility account, the fee for the improved property is included in the affiliated property's utility account. A common example is a restaurant with a parking lot located on an adjacent lot. If no existing utility account can be associated with the improved property, a new utility account is established by the City for the purpose of assessing the stormwater utility fee. Eligible improved property without an associated utility account still would be assessed a stormwater utility fee, usually as a stand-alone "stormwater-only" charge on a specially developed account for the property owner.

3.3 DETERMINATION OF PROPERTY IMPACT TO STORM SYSTEM

By practice, undeveloped properties in their natural state are not charged a stormwater utility fee. Developed properties with impervious area increase the rate and/or volume of stormwater runoff to the municipal storm system. Infrastructure improvements, ongoing maintenance, inspections, and evaluations are necessary to effectively manage the increase in stormwater discharge from impervious area.

Impervious area includes rooftops, paved parking lots, paved driveways, gravel driveways, walkways, outbuildings, patios, and pools. It does not include vegetated areas. Properties with less than 400 sq ft of impervious are considered undeveloped. To determine the impact of each developed property on the storm system, FNI delineated the impervious area for each residential and commercial property. The resulting impervious area measurements were used to develop the equivalent residential unit (ERU), which forms the basis fee for all developed properties. One ERU was determined to be 3,200 square feet impervious area based on the mean value residential properties.

The impervious area amount is associated with the specific parcel or group of parcels for the development. The parcel is associated with the appropriate utility billing accounts to allow for assessment of the proper stormwater utility fee if implemented.

Figure 3.1 is an example of the impervious area determination for a single-family residential property, and **Figure 3.2** is an example for a commercial property. **Figure 3.3** shows the impervious area for all properties, City-wide.

Figure 3-1: Example of Impervious Area for Single-Family Residential Property

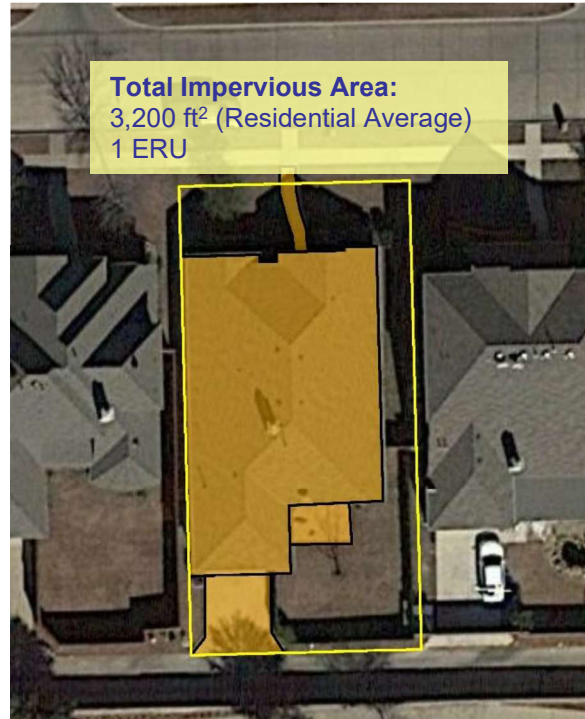


Figure 3-2: Example of Impervious Area for Commercial Property

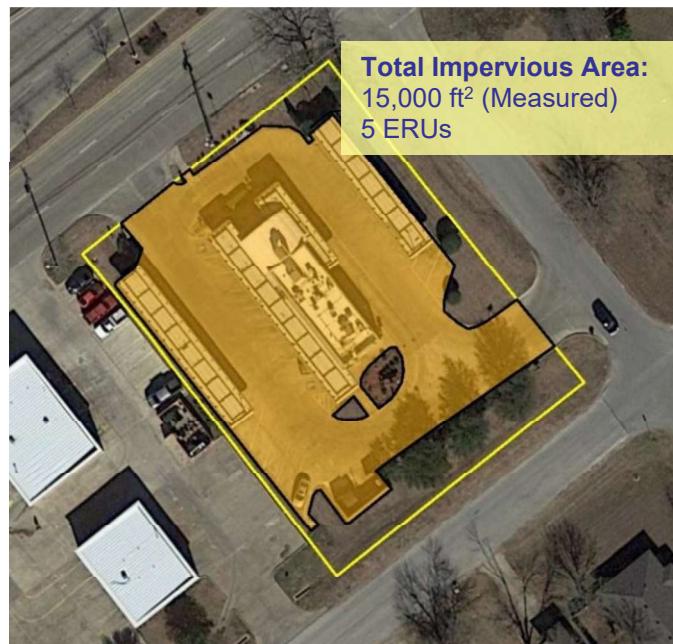
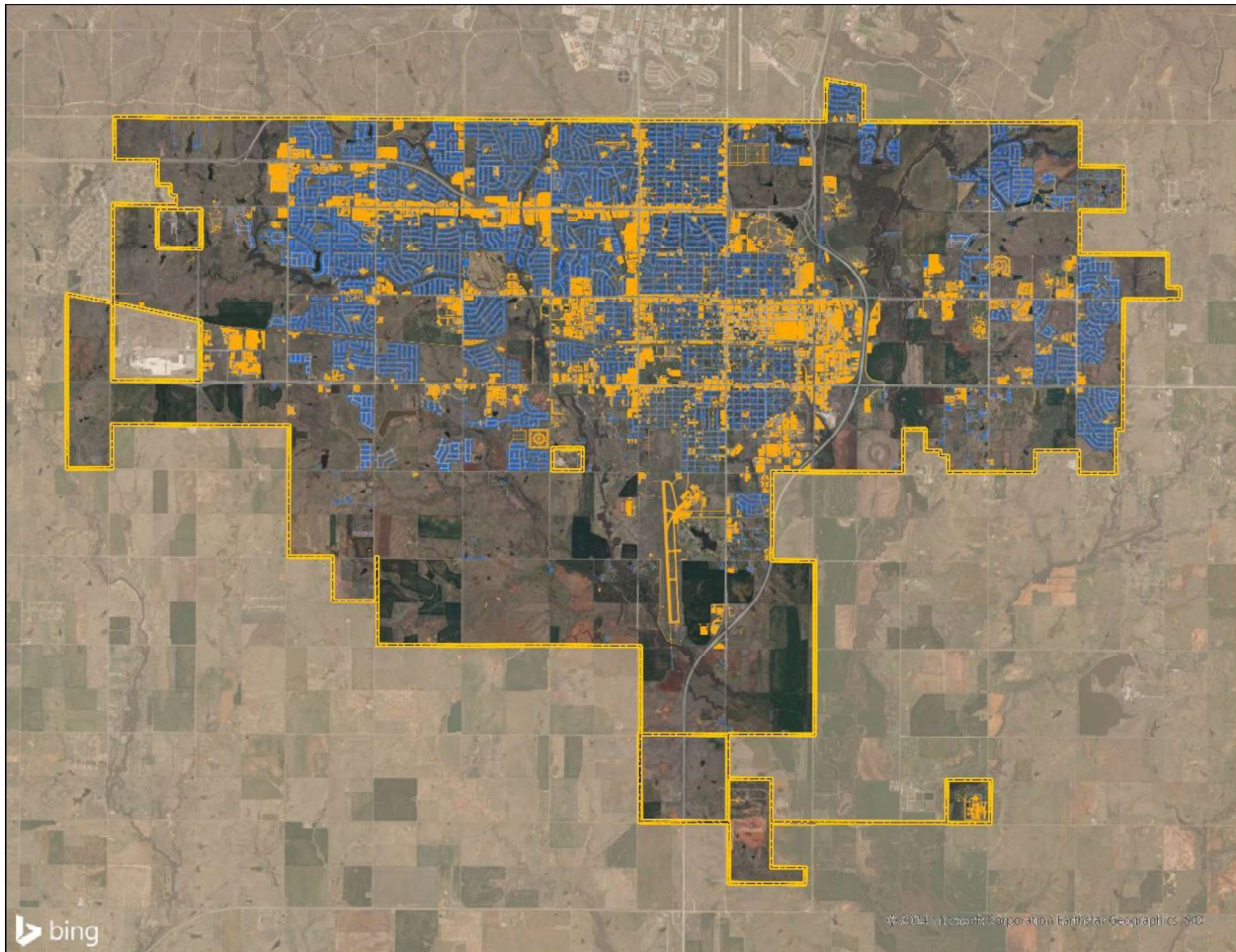


Figure 3-3: City-Wide Impervious Area, by Stormwater Utility Classification



3.4 USER FEE CATEGORIES

The stormwater utility fee system consists of several types of user accounts depending on the type of property and the category of property owner. The stormwater utility fee rate structure is based on the type of user account. The three general account categories include:

- Single Family Residential (includes duplexes)
- Commercial (includes apartments)
- Exempt (currently considering City property)

3.4.1 Single-Family Residential Properties

Single-family residential properties consist of all developed single-family residential properties within the City. Apartment complexes are considered to be commercial properties for fee determination purposes. Impervious area includes the footprint of the residence, including roof overhangs, driveways, walkways,

patios, sheds, carports, gravel surfaces, and other impervious surfaces. It does not include the sidewalk within the City ROW (if present), public streets, or swimming pools.

At the time of this study, 27,698 eligible, non-exempt Single-Family Residential properties were present. 2,911 properties were assigned the Commercial stormwater utility classification. The Single-Family Residential properties account for approximately 90 percent of the total number of parcels and 41 percent of the total impervious area measured for the City in this report.

FNI and the City evaluated numerous different fee structures and decided on a flat residential structure, with the average impervious area per ERU being based on the mean of all residential properties. Each residential account would pay the same amount, equal to one ERU. The fee structure was determined based on feedback from the City as described in Section 6.

3.4.2 Commercial Properties

Any property that is not Single-Family Residential is considered to be Commercial. This includes what is normally considered as commercial as well as apartments and tax-exempt religious organizations. Other developed properties in the City that do not qualify as Single-Family residential and do not meet any of the exemption criteria are also considered Commercial.

Stormwater utility and drainage maintenance fees for eligible commercial are individually calculated based on the total amount of impervious area for the affiliated properties. Each Commercial property is assessed a stormwater utility and drainage maintenance fee at a rate according to the stormwater utility rate unit charge, expressed in whole ERU increments.

3.4.3 Property Exemptions

Many cities consider, and often adopt, exemptions for categories of the community. The City is considering exempting City properties; however, they would be considered Commercial if they were not exempted. The financial modeling contained in this report assumes City properties are exempted from the stormwater utility fee. It is recommended that the City review with the City attorney legal allowances and constraints in establishing exemptions for the stormwater utility fee to verify actions taken are in accordance with applicable laws.

4.0 MENU OF SERVICES

This section presents staffing, maintenance, and capital improvement projects that the City might consider including in its stormwater program. Each new service or project has an associated cost.

Table 4-1 shows the stormwater and drainage needs and associated costs if they were funded through the stormwater utility fee. This menu of services was presented to the City during the biweekly update meetings throughout the year 2024. **Table 4-1** does not include rate rounding/leveling, operating reserve contribution, or administration reimbursement.

Table 4-1: Stormwater and Drainage Service Needs and Associated Cost, FYE 25

Expense Category	Description	Annual Cost	Monthly Cost (\$/ERU)
Staffing	Total Salary, Fringe Benefits, Overtime, Ancillary Supplies, Training, etc.	\$1,967,852	\$2.63
Equipment Expenses	Mowers, Trucks, Tools, Equipment, etc.	\$97,618	\$0.13
Recurring Expenses	Materials and Supplies, Equipment Replacement Fund, etc.	\$406,451	\$0.54
Rehab and Maintenance	Ongoing maintenance	\$417,452	\$0.51

Table 4-2 shows the services being paid for by the stormwater utility fee.

Table 4-2: Cost of Service Summary

Cost	FYE25	FYE26	FYE27	FYE28	FYE29
Current Expenses	\$2,889,373	\$2,940,899	\$3,087,943	\$3,242,340	\$3,404,457
Labor Proposed	\$0	\$175,943	\$184,740	\$193,977	\$203,676
Equipment Proposed	\$0	\$172,328	\$180,945	\$189,992	\$199,492
Recurring Proposed	\$0	\$348,600	\$366,030	\$384,332	\$403,548
Total	\$2,889,373	\$3,637,770	\$3,819,658	\$4,010,641	\$4,211,173

5.0 ALTERNATIVES AND RECOMMENDATIONS

This section documents the alternatives analyzed by FNI and the City and the resulting recommendations.

5.1 STORMWATER NEEDS

FNI and the City evaluated the stormwater needs across Lawton. These included the need for compliance, preventive maintenance, corrective maintenance, and capital improvement projects. The menu of services and their associated costs are shown in Section 4.

FNI and the City also evaluated various storm water capital improvement projects (CIPs) in Lawton. These projects were identified in the City's 2003 Master Plan, complete with preliminary cost estimates and solutions, updated to 2024 value. The City did not select any projects specifically to be included in this Stormwater Utility Fee Development Report.

FNI and the City identified a complete list of stormwater and drainage services that are needed but not conducted due to a lack of funding. These services include preventative maintenance and various CIP projects.

5.2 FEE STRUCTURE AND RATE RECOMMENDATION

In addition to the stormwater needs, various fee structure alternatives were presented to City staff. The recommended fee structure is to charge all Single-Family Residential properties a flat rate. All Commercial properties would be charged per ERU. FNI analyzed several other fee structures with a wide range of variables including 1) numbers of residential tiers, 2) level of service options, 3) exemption assumptions, 4) administration reimbursement amounts, and 5) reserve contribution amounts.

The City chose a flat residential rate system with all single-family residential properties charged the same rate. The proposed rate structure is summarized in **Table 5-1**. With this rate structure all developed residential properties would be charged the same rate, equal to one ERU. Undeveloped single-family residential properties would not receive a stormwater utility fee.

All developed commercial properties would receive a stormwater utility fee based on their impervious area. For every 3,200 sq ft of impervious area or one ERU, a commercial property would receive the fee charge for each ERU applied to the property.

Table 5-1: Summary of Single-Family Residential Properties

Residential Tier	Count of Properties	Mean Impervious Area, sq ft	ERUs
Residential Flat	27,698	3,200	27,698

5.3 RATE RECOMMENDATION

Based on the stormwater and drainage needs, two scenarios were presented to City staff. The scenarios presented to staff summarized a range of rate possibilities for the stormwater utility fee. Scenario 1 shows services largely limited to covering operating expenses, while Scenario 2 shows services covering operating expenses and funding a portion of the identified capital improvements. The corresponding stormwater utility rates for each scenario are in line with comparison cities in the state. Note that because no growth is projected in these financial scenarios, the annual revenue is projected to be flat for the projection period.

Scenario 1 proposes a flat fee of \$5.25 per month for residential properties and \$5.25 per ERU per month for commercial properties. This scenario allows the stormwater utility to remain net revenue positive through FYE29, however minimal funding is available to complete maintenance and CIP needs. Table 5-2 shows the proposed rates and projected annual revenue for Scenario 1.

Scenario 2 proposes a flat fee of \$11.00 per month for residential properties and \$11.00 per ERU per month for commercial properties. This scenario allows the stormwater utility to remain net revenue positive through FYE29 and allows for the City to complete more maintenance projects and complete one-third of the CIP projects identified in the 2003 Master Plan.

The City has the flexibility to consider rates that fall between the two identified scenarios above, with the knowledge that operating expenses would be covered and somewhere between zero and one-third of CIP projects could be funded.

Table 5-2: Scenario 1 Operating Expenses without CIP

Category	Parcels	ERUs	Monthly Fee (\$/ERU/month)	Annual Revenue
Residential	27,698	27,698	\$5.25	\$1,745,000
Commercial	2,911	40,229	\$5.25	\$2,534,000
Total	30,609	67,927		\$4,279,000

**Note revenues are rounded to the nearest \$1,000*

Table 5-3: Scenario 2 Operating Expenses with CIP

Category	Parcels	ERUs	Monthly Fee (\$/ERU/month)	Annual Revenue
Residential	27,698	27,698	\$11.00	\$3,656,000
Commercial	2,911	40,229	\$11.00	\$5,310,000
Total	30,609	67,927		\$8,966,000

**Note revenues are rounded to the nearest \$1,000*

6.0 UTILITY IMPLEMENTATION

6.1 STORMWATER UTILITY ORDINANCE ADOPTION

The stormwater utility fee rates are adopted by ordinance through a majority vote of the City Council. The implementation ordinance declares the stormwater utility adoption and declares the stormwater system of the City to be a public utility. The fee resolution sets the schedule of stormwater utility charges.

6.2 APPEALS PROCESS

By practice customers subject to stormwater utility fees should have the opportunity to appeal the stormwater utility rates set for their properties. Valid reasons for protest include the following:

- A. Undeveloped property is assessed a stormwater utility fee.
- B. Property runoff is contained and does not contribute to the City's stormwater system.
- C. Property is improperly classified (i.e., Commercial instead of Residential), resulting in the incorrect rate being applied.
- D. Fee is charged on multiple utility accounts for the same physical property.
- E. Fee is based on an incorrect impervious area determination for the property.
- F. Fee is based on impervious area for property unrelated to the utility account under appeal.

A recommended appeals process is as follows:

- A. Protests must be made in writing by the account holder and submitted to the stormwater utility administrative staff (Utility Billing) for review. The specific reason for the appeal must be provided, along with necessary information such as the account numbers under protest.
- B. Stormwater utility administrative staff will conduct a review of the protest and is authorized to correct utility fee rates for any of the above reasons, except for claims of incorrect impervious area determinations. Claims of incorrect impervious area determinations will be assessed by the City Engineer.
- C. An initial determination will be provided by the City to the protesting party within 30 days of the protest submission.
- D. Appeals denied by the stormwater utility administrative staff may be appealed to the City Engineer. The City Engineer will conduct a review of the appeal and provide a determination in writing to the protesting party within 30 days of the appeal. Appeal determinations made by the City Engineer may be appealed to the City Manager.

- E. Any adjustment to a stormwater system user's fee must be made on a basis that remains nondiscriminatory, equitable, and reasonable for all utility fee payers. Approved fee adjustments will apply for future bills and will include credit for bills up to six months prior to the appeal. No credit will be applied to bills prior to six months before the appeal was submitted, and no credit will be applied to bills to prior owners of the property.

6.3 SWU FEE BILLING IMPLEMENTATION

Prior to implementation of the stormwater utility fee, the impervious area associated with each property must be linked with the correct utility billing account. This is accomplished by matching address information from the City's utility billing database to address information contained within the appropriate GIS parcel data.

6.4 UTILITY ACCOUNT MANAGEMENT

Each developed, non-exempted property must be assessed a stormwater utility fee and will require a utility account. FNI recommends the utility fee be assessed on a single account per property to minimize the City's administrative burden.

Duplicate utility billing accounts for a property are not typically assessed a stormwater utility fee unless the total stormwater utility fee is apportioned across multiple accounts. For administrative reasons, associating the stormwater utility fee to a single account per property is recommended.

Strip shopping centers and apartment complexes typically have numerous accounts. A common utility account scenario for these types of properties is to have one account for each business or apartment building, respectively, as well as a management account and/or an irrigation account. FNI recommends assigning the stormwater and drainage utility fee to the management or irrigation account to allow the property management to determine the appropriate approach to assess the stormwater and drainage utility fee to individual tenants.

Some properties have no active utility account. Examples of such properties include those on well water, those within City limits but provided service by other providers, and properties such as parking lots that have no need for a water account. For these developed properties, a new utility account will typically need to be created specifically to assess the stormwater and drainage utility fee. Properties are not eligible to be exempted from the stormwater and drainage utility fee for the reason of having no water, sewer, or waste disposal service with the City.

Accounts in an exempt category are not assessed a stormwater utility fee. A variety of circumstances can lead to a utility account and/or a property being exempt. A property meeting any of the mandatory exemptions or the City's selected optional exemptions are considered exempt. The associated utility accounts for these properties are categorized in the exempt classification.

The City may determine that it is more efficient to assess stormwater fee for some developed properties as a group. For example, a property that extends across multiple parcels may be assessed a single utility fee but clarifying notes in the utility billing database are recommended to identify the parcels that are aggregated to assess the single fee.

7.0 REFERENCES

- [1] US Census Bureau, "QuickFacts Lawton city, Oklahoma," [Online]. Available: <https://www.census.gov/quickfacts/lawtoncityoklahoma>. [Accessed 20 August 2024].
- [2] <https://oksenate.gov/sites/default/files/2019-12/os11.pdf>

APPENDICES

Appendix A Rate Committee Presentation

Stormwater Utility Fee

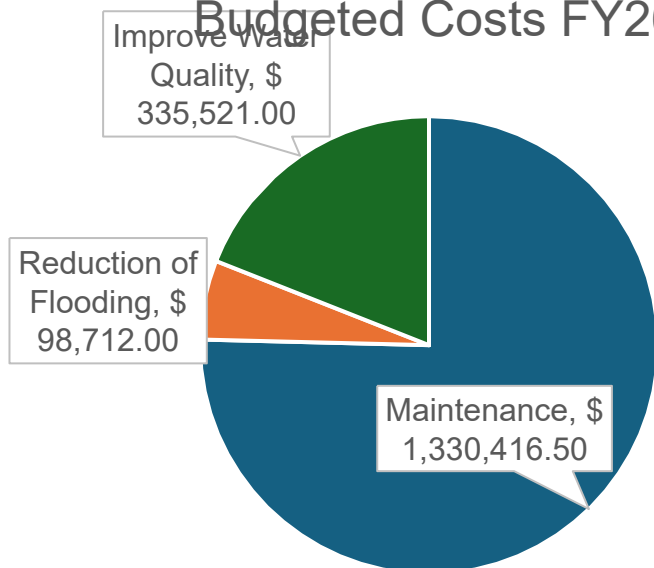
Evaluation Study Update



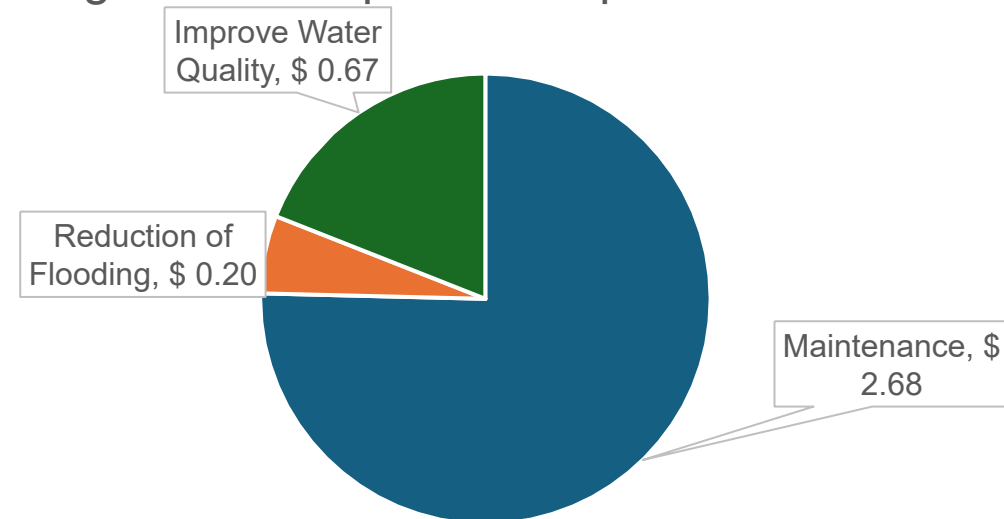
Stormwater Maintenance Priorities and Budget

1. Maintenance of Drainage Structures
2. Reduction of Flooding via Construction and Improvements
3. Improve Water Quality by Preventing Erosion in Drainage Channels

Budgeted Costs FY26



Budgeted Costs per Month per Fee Collected



Cost of Service Summary

Cost	FY26	FY27	FY28	FY29
Current Expenses (includes inflation)	\$1,989,454	\$2,082,484.40	\$2,186,680.39	\$2,296,014.40
Labor Proposed		\$184,740	\$193,977	\$203,676
Equipment Proposed		\$172,328	\$180,945	\$199,492
Recurring Proposed		\$366,030	\$384,332	\$403,548
Total		\$2,803,582.40	\$2,945,934.39	\$3,102,730.40

Identified Capital Improvement Projects

Rank	Project Name	Projected Cost (2024 \$)	Rank	Project Name	Projected Cost (2024 \$)
1	East Branch Numu Creek from Ferris to SW F Ave	\$34,146,728	Unranked	Wolf Creek north of Gore	N/A
Unranked	Numu Creek from I-44 north to Lee Blvd.	\$8,466,355	9	Garden Village Subdivision	\$11,643,061
2	Numu creek from Sheridan Rd to Cache Rd	\$48,700,815	10	Channel on Dearborn and NE Euclid	\$2,453,638
3	Numu Creek Channel from 9th St to 11th St.	\$4,328,260	11	Greer Addition 200' North of Gore Blvd	\$2,392,376
4	SW Jefferson from SW 24th St to Sheridan Rd.	\$9,203,430	Unranked	S 11th St. Bridge on Wolf Creek south of I-44	\$2,822,646
Unranked	Santa Fe Bridge on NW 41 st St	\$4,234,844	Unranked	SW Lee Blvd. on SW 52nd St.	\$146,906
5	Ferris Ave to Gore Blvd	\$9,972,014	12	Lincoln Ave to Cherry Ave	\$18,322,050
6	Tributary A from NE Flower Mound Rd to East Cache Creek	\$3,550,743	13	NW 81st St. and NW Taylor Ave.	\$463,847
7	Prentice & Floyd	\$17,468,770	14	NE Bell Ave to SE Randolph on NE 51st St	\$679,726
8	Wolf Creek north of Gore	\$4,170,039	15	Numu Creek and Tributary from Railroad St. west to US 281	\$10,195,221

Total Cost = \$193,361,000

Proposed Funding Updates



SWITCH FROM FLAT RATE, ACCOUNT-BASED
COSTING TO IMPERVIOUS AREA-BASED
**RECOMMENDED BY STORMWATER ADVISORY
COMMITTEE**



INCREASE FEE'S TO BE IN LINE WITH PEER CITY
AVERAGES
**NOT RECOMMENDED BY STORMWATER
ADVISTORY COMMITTEE**

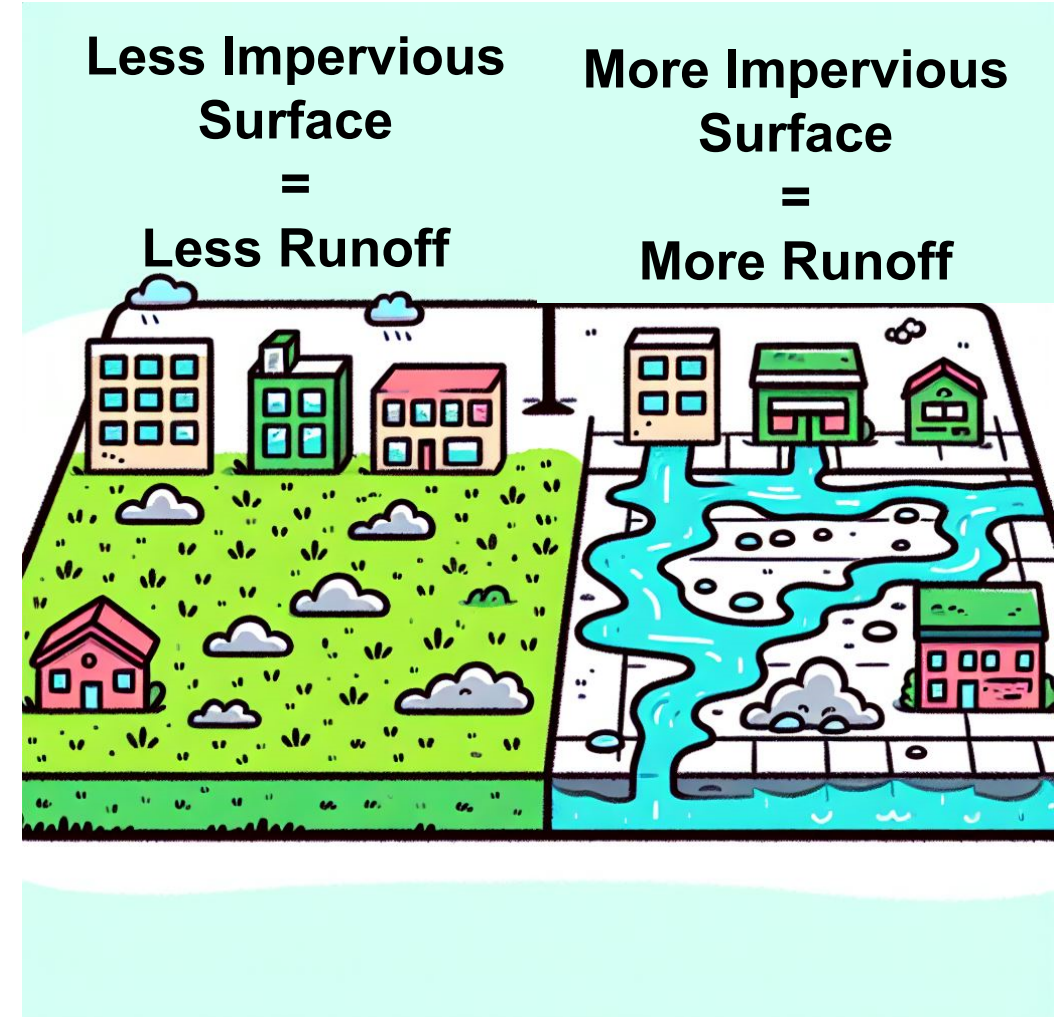
Impervious Area

Impervious surfaces limit stormwater the opportunity for infiltration into the soil and result in increased stormwater runoff.

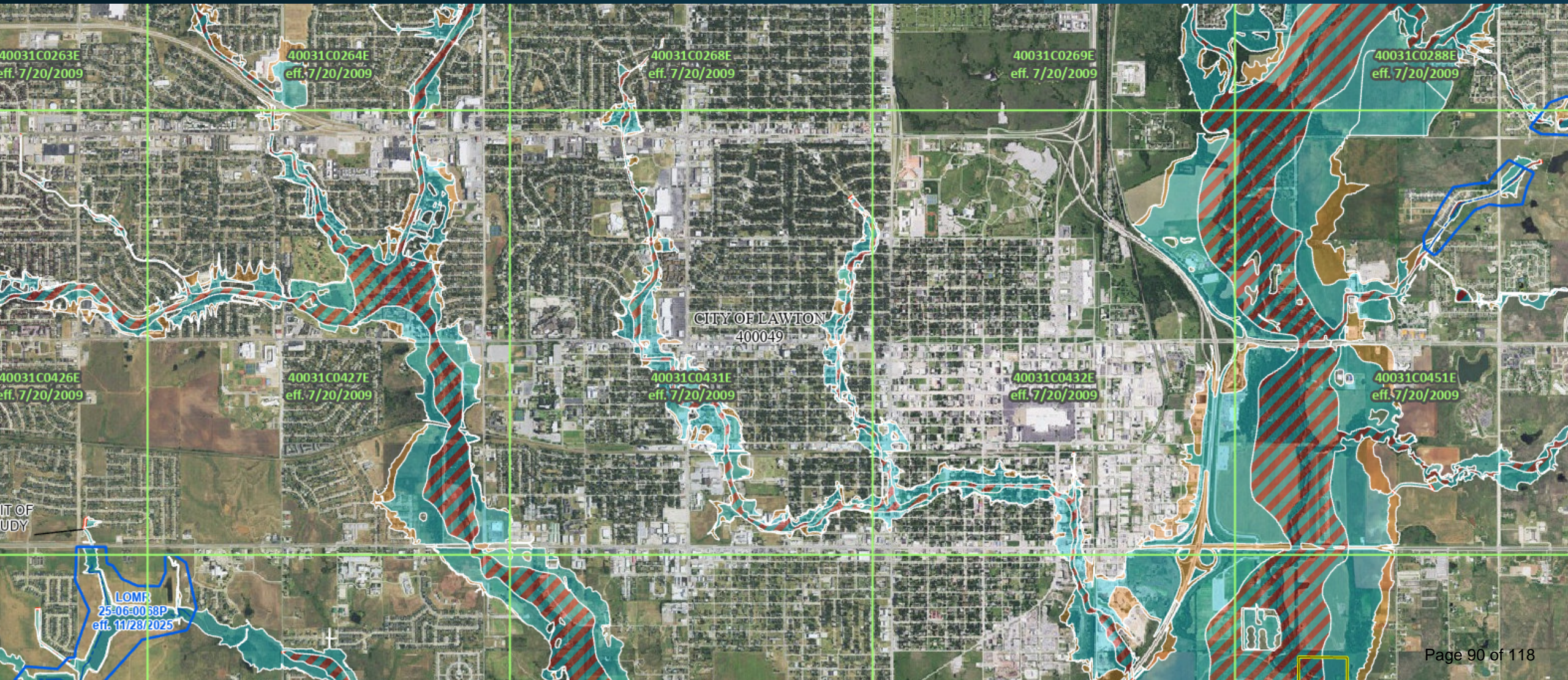
Examples

- Rooftops
- Parking lots
- Driveways
- Patios
- Walkways

Equivalent Residential Unit = ERU



Lawton Surface Stormwater System



Residential and Commercial ERUs

Typical Residential



3,200 sq ft impervious area

1 ERU

Cost with current rate: \$3.55/mo

Typical Small Commercial



28,213 sq ft impervious area

$28,213 / 3,200 = 8.8$ ERU (9 rounded)

Cost with current rate: \$31.95/mo

Typical Large Commercial



178,508 sq ft impervious area

$178,508 / 3,200 = 55.7$ (56 ERU rounded)

Cost with current rate: \$198.80/mo

Norman Metrics (Council Policy 13-02)

Norman Metric	Norman Actual
Environmental Resilience and Sustainability Division	
Respond to complaints within 24 hours of time reported	99%
Industrial users who have achieved compliance with all of the significant requirements of the industrial pretreatment program	88%
Full compliance with state and federal regulations	100%
Required licensed food establishments participating in Fats, Oil and Grease program	100%
Inspect all facilities and construction sites identified as potential stormwater pollution sources	100%
Permit all earth disturbing activities that meet permit requirements	100%
Revenue collected	\$100,000
Stormwater Maintenance Division	
Respond to stormwater complaints and drainage concerns within 24 hours	99%
Mechanically sweep 500 curb miles per month (6,000 annually)	85%
Inspect and clean 100% of the urban drainage inlets three times a year	65%
Mow 2,271,548 square-feet (52 acres) of open drainage ways, 6x per year	70%
Permit all floodplain activities as appropriate	95%
Camera stormwater infrastructure to inspect and identify. (4 map grids per month)	85%
Camera stormwater infrastructure to inspect and identify. (3,750 linear feet per month)	45000
Respond to 100% of Okie calls within 72 hours of request.	100%

ERU Rate Scenarios

Scenario	Rate Points	Description	Total Revenue	Annual Capital Improvement Available Yr1
1	\$3.55	Current rate (with ERU)	\$2,893,419	\$89,836
	\$4.39	In Line with per capita averages,	\$3,716,617	\$913,034
2	\$5.25	Consultant recommended	\$4,279,000	\$1,474,417
	\$7.50	Average costs per capita of peer cities – includes operations and capital improvements	\$6,112,890	\$3,219,471
	\$10.72	Highest rate of peer cities	\$8,737,310	\$5,933,728

*Based on 67921 ERU's between residential/commercial

** All scenarios assume an ERU method of funding

Scenario Comparisons

Current Model/Rate

- \$3.55/month flat fee per water account
- \$1,989,454 revenue annually
- No Capital Improvement/Construction
- Reduction in Services each FY
- Well below peer city averages
- Cannot meet all of Norman's Metrics

Scenario 1 (\$3.55/ERU)

- \$3.55/month per ERU
- \$2,893,434 revenue annually
- \$90K capital improvement FY27 / \$0 FY29
- Overall below peer cities in terms of expenses per capita
- Meets Norman Drainage Metrics
- Recommended by Stormwater Advisory Committee

Scenario 2 (\$5.25/ERU)

- \$5.25/month per ERU
- \$4,279,000 revenue annually
- \$1.5M capital improvement FY27 / \$1.2M FY29
- Funds FYE26-FY29 current and proposed operating expenses
- Roughly in line with peer city averages
- Meets Norman Drainage Metrics

Peer City Rate Comparisons (Current)

City	Residential Rate	Commercial Rate	Operations Per Capita Cost	Capital Costs Per Capita	Total Costs Per Capita
Enid	\$5.72	\$28.60	\$37.87	\$33.13	\$71.00
Midwest City	\$2.42	\$2.42/ERU	\$41.18	\$11.77	\$52.95
Broken Arrow	\$10.72/ERU	\$10.72/ERU	\$57.79	\$61.74	\$119.53
Moore	N/A	N/A	\$18.80	\$.80	\$19.60
Edmond	\$6.00 (\$3.00 for multi-family)	\$6.00/ERU	\$41.88	\$82.55	\$124.43
Norman	N/A	N/A	\$27.74	\$32.61	\$60.35
Lawton	\$3.55	\$3.55	\$22.35	\$0.00	\$22.35
Scenario 1	\$3.55	\$3.55/ERU	\$31.83	\$1.02	\$32.85
Scenario 2	\$5.25	\$5.25/ERU	\$31.83	\$16.75	\$48.58

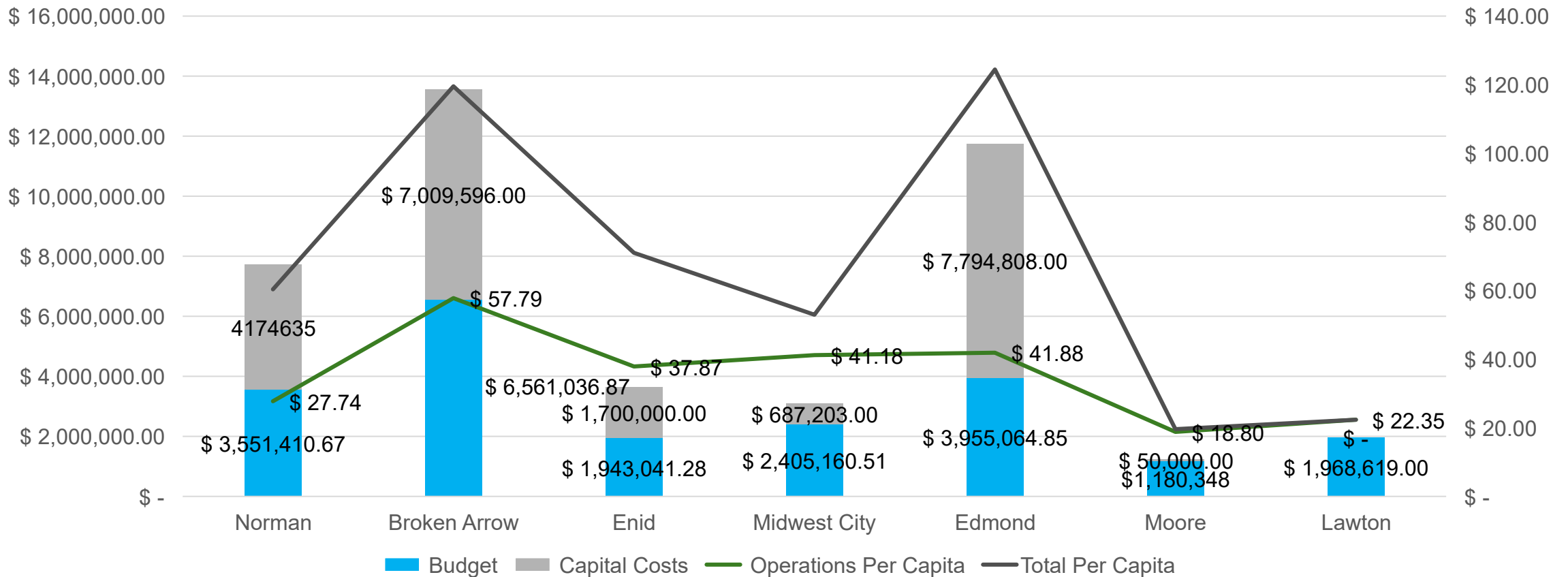
 No Fee Charged (Funded by General Funds)

 Flat Rate Charged

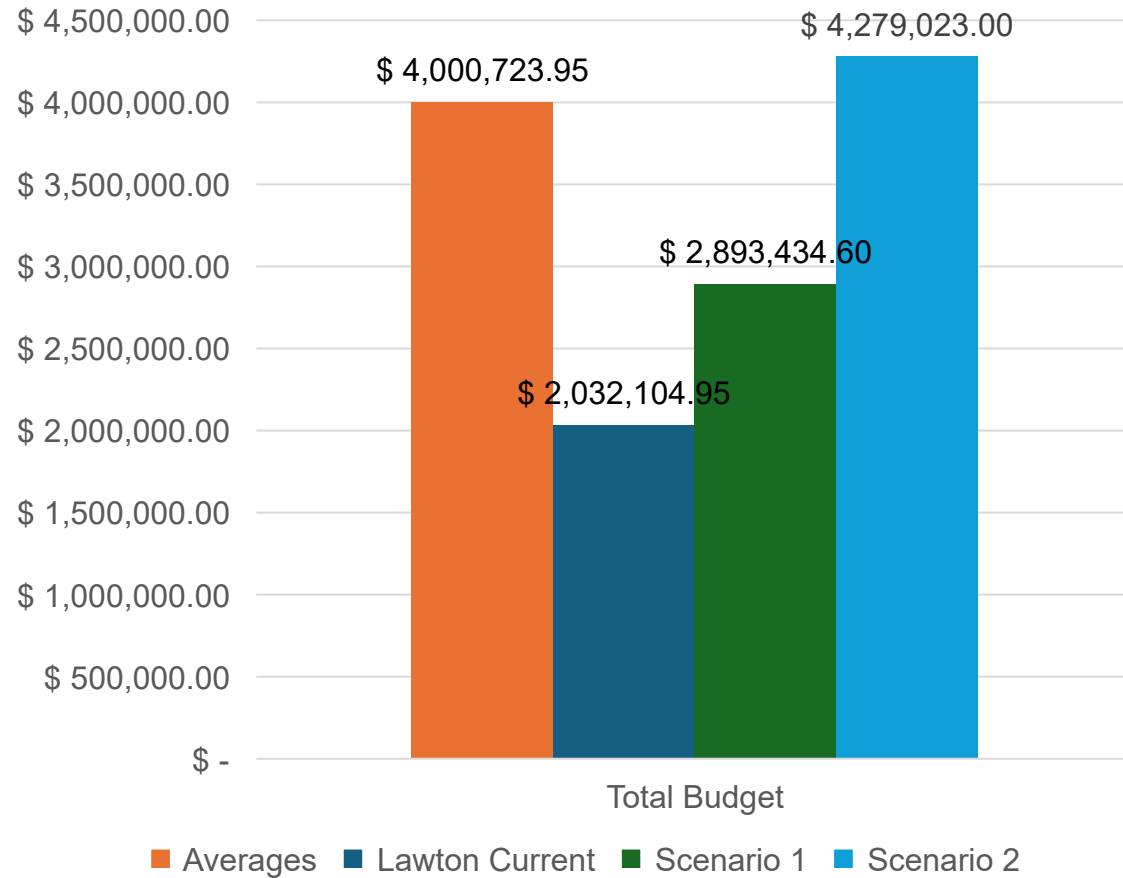
 Residential Flat Rate, Commercial ERU

 ERU Rate Applied to All

Peer City Residential Comparison (Council Policy 04-08)



Peer City Averages vs Scenarios



Stormwater Advisory Committee Recommendations

**Switch to ERU
Based Method**

**Keep
Stormwater
rate at
\$3.55/month**

Questions and Recommendations Requested by the Committee



**DOES THE COMMITTEE
RECOMMEND SWITCHING TO AN
EQUIVALENT RESIDENTIAL USAGE
(ERU) MODEL?**



**DOES THE COMMITTEE
RECOMMEND A FEE INCREASE?**



**IF SO, WHAT RATE DOES THE
COMMITTEE RECOMMEND?**

Item Title:

Consider making a recommendation to Council regarding an increase in the fee for uncovered/improperly covered loads to the landfill for commercial customers.

Initiator: Michael Watrous, Director

Information Source: Michael Watrous, Director

Background:

It has been observed by numerous citizens that commercial haulers operating in the City of Lawton do not always properly cover their load going to the landfill. The current fee of \$200 may not be enough to deter operators and businesses from avoiding these violations, and an increase to \$500 is requested to assist with the enforcement and avoidance of this major safety issue within Lawton.

Correlation to the True North Statement:

Safety, Citizen, Efficiency

Exhibit:

Fee Adjustment Form

Key Issues:

Funding Source:

N/A

Recommended Action:

Recommend to Council to increase the fee in an effort to reduce the amount of violations that occur.

ATTACHMENTS:

1. Municipal Fee Adjustment Request Form

City of Lawton – Municipal Fee Adjustment Request Form

Section 1: Department & Contact Information

- Department Name: _____
 - Division/Unit: _____
 - Prepared By: _____
 - Title: _____
 - Email: _____
 - Phone: _____
 - Date of Submission: _____
-

Section 2: Fee Details

- Fee Category (e.g., Fire Marshal Inspection, Police Department Fine):

 - Current Fee Amount: \$ _____
 - Proposed Fee Amount: \$ _____
 - Effective Date of Proposed Change: _____
 - Frequency of Fee Application (e.g., per inspection, per violation):

-

Section 3: Justification & Analysis

A. Cost-of-Service Analysis

- Total Annual Cost to Provide Service: \$ _____
 - Current Annual Revenue from Fee: \$ _____
 - Projected Annual Revenue with Proposed Fee: \$ _____
 - Is the service currently subsidized by the general fund? Yes No
 - Brief Explanation:

-

B. Legal Authority

- Cite Relevant Statutes or Ordinances Authorizing Fee:

-

- Are there any legal limitations or requirements for this fee? Yes No
- If yes, please explain:

C. Benchmarking

- **Comparable Fees in Similar Municipalities:**
 - Municipality: _____ Fee: \$ _____
 - Municipality: _____ Fee: \$ _____
- **Date of Last Fee Adjustment:** _____

D. Equity & Affordability Considerations

- Does the fee increase disproportionately affect any group? Yes No
- Are there existing or proposed mitigation measures (e.g., waivers, sliding scales)? Yes No
- If yes, please describe:

Section 4: Public Engagement & Communication

- Have stakeholders been informed about the proposed fee change? Yes No
- **Methods of Engagement** (check all that apply):
 - Public Meetings
 - Surveys
 - Notices
 - Other: _____
- **Summary of Feedback Received:**

Section 5: Implementation Plan

- **Proposed Implementation Strategy:**
 - Immediate
 - Phased
 - Other: _____
- Are system or process updates required? Yes No
- If yes, please describe:

-
- **Staff Training Requirements:**
-

Section 6: Alignment with City Policies

- **How does this fee adjustment align with the City’s strategic goals or master plans?**
-

Attachments Checklist

Please attach the following supporting documents:

- Detailed Cost Analysis
 - Legal References and Statutory Citations
 - Benchmarking Data
 - Public Engagement Summary
 - Equity Impact Assessment
 - Implementation Timeline
-

Approvals

- **Department Head Signature:** _____ **Date:** _____
- **Finance Department Approval:** _____ **Date:** _____
- **City Manager Approval:** _____ **Date:** _____

Item Title:

Receive an annual briefing from the Director of Public Works regarding the Solid Waste State Fee.

Initiator: Michael Watrous, Director

Information Source: Michael Watrous, Director

Background:

Article 22-1-4-145 requires that the Public Works Director brings forth calculations of the Fee and Rate Committee each year to determine the approximate fee required to pay for the projected state fees for the next year. In CY2025, \$285,970.93 were received from the state fee, while the city paid \$281,604.05 to the state for the same fees. With only a \$4000 buffer, it is not recommended that the fee change for the FY27.

We do expect that the fee is likely going to decrease in FY28, as the calculations for FY27 included the first two quarters where the city lost money on the state fee (the state fee was increased in May 2025).

Correlation to the True North Statement:

Transparency, Efficiency, Citizen

Exhibit:

Key Issues:

The State Fee is required by State Statute of \$1.25 per ton deposited to the landfill. Fees collected for this purpose cannot be used for any other purpose, per state statute.

Funding Source:

N/A

Recommended Action:

Do not modify the fee. No council action required if the fee does not increase or decrease.

ATTACHMENTS:

None

Item Title:

Receive a briefing on a proposal to round fees to the nearest 5 cents and provide feedback and direction to staff.

Initiator: Michael Watrous, Director

Information Source: Michael Watrous, Director

Background:

On 22 May 2025, the US Treasury announced that the penny would stop production, with the last penny made on November 12th. While circulation of the penny will go on as long as possible, the penny will become more difficult to circulate, and shortages are expected. Currently, penny distribution has been mixed, with some regions having shortages and some not. Short term - the best option would be to implement rounding to cash transactions only, however longer term, the fee schedule should transition to fees based on the nickel.

There are laws being discussed in the Oklahoma Legislature as well as Congress that will require rounding, but there is no law that prohibits rounding - we are proposing being ahead of the curve instead of reactionary.

Oklahoma Common Cents Act Proposal: [Househttps://www.okhouse.gov/posts/news-20260204_1?](https://www.okhouse.gov/posts/news-20260204_1?)

Congress Common Cents Act Proposal: congress.gov/119/bills/s1525/BILLS-119s1525is.htm

From the US Treasury page: <https://home.treasury.gov/news/featured-stories/penny-production-cessation-faqs>

"How should my business respond as the supply of pennies drops?"

As pennies fall out of circulation, merchants will need to round transactions either up or down to the nearest five cents. However, most states require sales tax to be calculated on the final sale price rounded to the nearest penny. How states and localities will ultimately amend their sales tax laws is the right and responsibility of those jurisdictions. Recent guidance from the National Council of State Legislators gives some indication how states may adapt. The NCSL's November 21, 2025 report entitled Elimination of the Penny: Cents-able Considerations states: "The most recommended form of rounding is symmetrical rounding whereby if the final digit of the total transaction amount (including taxes) is 1, 2, 6, or 7 cents, the amount is rounded down to the nearest multiple of five. If the final digit is 3, 4, 8, or 9 cents, the amount is rounded up. Transactions totaling exactly \$0.01 or \$0.02 might be rounded up to \$0.05. Rounding rules would not apply to payments made via electronic methods, checks, gift cards, or other non-cash instruments."

Correlation to the True North Statement:

Efficiency, Transparency, Excellence

Exhibit:

Key Issues:

The Penny has ceased production, and changes will need to be made at some point - either now or in the future.

Funding Source:

N/A

Recommended Action:

Approve the proposed code changes and direct staff to implement rounding for current fees in the fee schedule to the nearest nickel.

ATTACHMENTS:

1. RESOLUTION NO

RESOLUTION NO. 26-_____

A RESOLUTION AMENDING ARTICLE A-1-2, CHAPTER A-1, APPENDIX A, SCHEDULE OF FEES AND CHARGES, LAWTON CITY CODE, 2025, PERTAINING TO GENERAL PROVISIONS, BY ADDING PROVISIONS FOR ROUNDING CASH TRANSACTIONS AND ENSURING FEES ARE ON A NICKEL-BASED SYSTEM INSTEAD OF PENNY-BASED.

WHEREAS, Section 1-205, Chapter 1, Lawton City Code, 2025, provides that fees and charges shall be set by resolution;

WHEREAS, fees are currently based on a penny-based system instead of a nickel-based system;

WHEREAS, the penny has ceased production by the U.S. Treasury;

WHEREAS, The City wishes to provide public transparency and ensure world class customer service by being able to provide exact change;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Lawton, Oklahoma, that:

SECTION 1. Article A-1-2 is hereby amended as follows:

Article A-1-2 - Standard rules—Notices, warrants, inspections, fees, bonds.

A. Pursuant to Section 1-205 of this code and for purpose of providing a clear and concise listing of the fees and charges authorized by the provisions of this code in payment for licenses, permits and services performed in accordance with the regulations and controls upon which the licenses and permits are conditioned and to provide uniformity in the supervision and administration of the issuance of licenses and permits and the collection of the amounts prescribed, a schedule of fees and charges, or fee schedule, is hereby set forth in this appendix. Heading give the titles of the appropriate chapters and articles as applicable. In accordance with City Council Resolution 22-93, all fees will be adjusted annually to correspond with the annual budget process by the Consumer Price Index (CPI) for the Southwest region.

B. Except as otherwise provided herein, all fees, rates, service charges, fines, permits, licenses, and other monetary amounts established by ordinance, resolution, rule, or policy of the City shall be set and expressed in increments of five cents (\$0.05). No City fee shall be adopted or amended in a denomination requiring one-cent increments unless:

- a. The amount applies exclusively to non-cash transactions; or
- b. The amount is calculated on a prorated, formula-based, metered, or other variable basis that may result in a total not divisible by five cents (\$0.05).

C. In any instance in which a cash payment results in a total amount due that is not evenly divisible by five cents (\$0.05), the amount collected shall be rounded to the nearest five-cent increment. Rounding shall be applied uniformly as follows:

- Amounts ending in \$0.01 or \$0.02 shall be rounded down to \$0.00.
- Amounts ending in \$0.03 or \$0.04 shall be rounded up to \$0.05.
- Amounts ending in \$0.06 or \$0.07 shall be rounded down to \$0.05.
- Amounts ending in \$0.08 or \$0.09 shall be rounded up to \$0.10.

Rounding under this section shall apply only to payments made in United States currency and coin. Payments made by check, credit card, debit card, electronic funds transfer, automated clearing house (ACH), online payment, or other non-cash method shall not be subject to rounding and shall be collected in the exact amount due. Rounding shall be applied automatically and uniformly. City employees shall not selectively apply or waive rounding. Rounding adjustments shall not be construed as a fee increase, surcharge, penalty, or revenue-generating mechanism, and shall be applied directly to the fee prior to payment so as to not have a positive or negative balance (over or under) in any account.

D. Nothing in this section shall be construed to prohibit the City from accepting one-cent coinage tendered as payment. If a customer tenders exact change, including one-cent coins, the City shall accept such payment in the exact amount due and no rounding shall be applied. The City shall not be required to maintain or distribute one-cent coinage for purposes of making change. Nothing herein shall be interpreted to conflict with federal legal tender laws or any subsequently enacted state or federal legislation governing currency or rounding of cash transactions.

E. For a period of not less than two (2) years following the effective date of this resolution, the City shall post notice of the cash rounding policy at all locations where in-person cash payments are accepted. Notice shall be clearly visible and shall substantially state:

“In accordance with City Code Section ____, cash transactions are rounded to the nearest \$0.05. Exact change, including pennies, will be accepted.”

ADOPTED and APPROVED by the Mayor and Council of the City of Lawton this ____ day of _____ 2026.

STANLEY BOOKER, MAYOR

ATTEST:

DONALYNN BLAZEK-SCHERLER, CITY CLERK

APPROVED as to form and legality this _____ day of _____, 2026.

JARI ASKINS, INTERIM CITY ATTORNEY

Item Title:

Consider making a recommendation to City Council regarding an increase in Daily and Season Pass Fees for Lawton Aquatic Center

Initiator: Yolanda Allen, Recreation Superintendent

Information Source: Yolanda Allen, Recreation Superintendent

Background:

The proposed fee adjustment for the Lawton Aquatic Center is recommended to address the increasing operational costs associated with maintaining and operating the facility. Aquatic facilities require substantial resources to ensure safe and high-quality services for the public, including certified lifeguard staffing, utilities, chemicals, equipment maintenance, and routine facility upkeep. Over time, these costs will continue to rise, making periodic fee evaluations necessary.

The adjustment will help the City of Lawton maintain a sustainable funding structure for aquatic operations while continuing to provide quality recreational opportunities for residents and visitors. The proposed changes also align the Lawton Aquatic Center’s fees more closely with those of comparable aquatic facilities in peer municipalities.

This update supports the City’s commitment to providing safe, well-maintained recreational facilities while ensuring responsible stewardship of public resources.

Correlation to the True North Statement:

Efficiency, Safe Community, World Class Customer, Open for Business and Our Pursuit of Excellence

Exhibit:

Proposed Resolution

Key Issues:

Funding Source:

Recommended Action:

Make a recommendation to City Council.

ATTACHMENTS:

1. Res 25-___ - Daily Fee (Adults) (2026)

RESOLUTION NO. 26-_____

A RESOLUTION AMENDING APPENDIX A, CHAPTER A-19, ARTICLE A-19-8, SCHEDULE OF FEES AND CHARGES, LAWTON CITY CODE, 2025, BY CREATING FEES FOR SEASON AND DAILY PASSES AT LAWTON AQUATIC CENTER.

WHEREAS, Section 1-205, Chapter 1, Lawton City Code, 2025, provides that fees and charges shall be set by resolution.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the City of Lawton, Oklahoma that:

SECTION 1. Appendix A, Schedule of Fees and Charges, Lawton City Code, 2025, as amended, is further amended to read as follows:

Article A-19-8 – Daily Fee & Season Passes (Adult)

ITEM:	AC
Adult (2025)	\$6.00 \$8.00 (2026)
Family Season Pass	\$150.00 \$200.00
Military Family Season Pass	\$125.00 \$150.00
Senior 55+ Season Pass	\$50.00 \$100.00
Veteran (Military)	\$60.00 \$125.00
Individual (18-24)	\$60.00 \$125.00
Under 18	\$60.00 \$100.00

PASSED and APPROVED by the Mayor and Council of the City of Lawton, Oklahoma, this ____ day of March 2026.

STANLEY BOOKER, MAYOR

ATTEST:

DONALYNN BLAZEK-SCHERLER, CITY CLERK

APPROVED as to form and legality this ____ day of March 2026.

JARI ASKINS, INTERIM CITY ATTORNEY

Item Title:

Consider making a recommendation to City Council regarding increasing and adding items in the Lawton Aquatic Center Concession Stand Fees

Initiator: Yolanda Allen, Recreation Superintendent

Information Source: Yolanda Allen, Recreation Superintendent

Background:

The concession fee increase and additional items for the Lawton Aquatic Center are recommended to address the increasing operational costs associated with maintaining and operating the facility. Aquatic facilities require substantial resources to ensure safe and high-quality services for the public, including certified lifeguard staffing, utilities, chemicals, equipment maintenance, and routine facility upkeep. Over time, these costs have continued to rise, making periodic fee evaluations necessary.

The adjustment will help the City of Lawton maintain a sustainable funding structure for aquatic operations while continuing to provide quality recreational opportunities for residents and visitors. The proposed changes also align the Lawton Aquatic Center’s fees more closely with those of comparable aquatic facilities in peer municipalities.

This update supports the City’s commitment to providing safe, well-maintained recreational facilities while ensuring responsible stewardship of public resources.

Correlation to the True North Statement:

Efficiency, Safe Community, World Class Customer Service, Open for Business and Our Pursuit of Excellence

Exhibit:

Proposed Resolution

Key Issues:

Funding Source:

Recommended Action:

Make a recommendation to City Council.

ATTACHMENTS:

1. Res 25-___ - Concession Stand Fees (2026) DBS Edits

RESOLUTION NO. 26-_____

A RESOLUTION AMENDING APPENDIX A, CHAPTER A-19, ARTICLE A-19-8, SCHEDULE OF FEES AND CHARGES, LAWTON CITY CODE, 2025, BY CREATING FEES FOR CONCESSION STAND AT LAWTON AQUATIC CENTER.

WHEREAS, Section 1-205, Chapter 1, Lawton City Code, 2025, provides that fees and charges shall be set by resolution.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the City of Lawton, Oklahoma that:

SECTION 1. Appendix A, Schedule of Fees and Charges, Lawton City Code, 2025, as amended, is further amended to read as follows:

Article A-19-8 – Concession Stand Fees

ITEM:	AC
Chips	\$1.25 <u>\$2.00</u>
<u>Ice Cream</u>	<u>\$3.00</u>
Gatorade	\$1.50 <u>\$2.00</u>
Bottled Soda (Plastic)	\$1.50 <u>\$2.00</u>
<u>Candy Bars</u>	\$1.00 <u>\$2.00</u>
<u>Nachos</u>	<u>\$4.00</u>
<u>Honey Buns</u>	<u>\$2.00</u>
<u>Slice of Pizza</u>	<u>\$3.00</u>
<u>Donuts (2)</u>	<u>\$3.00</u>
<u>Hot Drinks (Off Season)</u>	<u>\$1.00</u>
<u>Small Towel</u>	<u>\$10.00</u>
<u>Large Towel</u>	<u>\$15.00</u>
<u>Swim Diapers</u>	<u>\$4.00</u>
<u>T-Shirts</u>	<u>\$15.00</u>

PASSED and APPROVED by the Mayor and Council of the City of Lawton, Oklahoma, this _____ day of March 2026.

STANLEY BOOKER, MAYOR

ATTEST:

DONALYNN BLAZEK-SCHERLER, CITY CLERK

APPROVED as to form and legality this _____ day of March, 2026.

JARI ASKINS, INTERIM CITY ATTORNEY

Item Title:

Consider making a recommendation to City Council regarding fees for upcoming aquatic season programming.

Initiator: Yolanda Allen, Recreation Superintendent

Information Source: Yolanda Allen, Recreation Superintendent

Background:

The addition of new programming at the Lawton Aquatic Center is intended to expand recreational opportunities, increase community engagement, and maximize the use of the facility throughout the aquatic season. By introducing a wider variety of aquatic activities such as fitness classes, youth programs, and specialty events, the center can better serve residents of all ages and ability levels. Expanding programming also supports the City’s goal of promoting health, wellness, and water safety while increasing participation and overall utilization of the facility. In addition, these programs provide an opportunity to generate additional revenue that can help offset operational costs, support facility maintenance, and contribute to the long-term sustainability of aquatic services for the Lawton community.

Correlation to the True North Statement:

Efficiency, Safe Community, World Class Customer Service, Open for Business and Our Pursuit of Excellence

Exhibit:

Proposed Resolution

Key Issues:

Funding Source:

Recommended Action:

Make a recommendation to City Council.

ATTACHMENTS:

- 1. Res 25-___ - Programs Fees (2026)

RESOLUTION NO. 26-_____

A RESOLUTION AMENDING APPENDIX A, CHAPTER A-19, ARTICLE A-19-8, SCHEDULE OF FEES AND CHARGES, LAWTON CITY CODE, 2025, BY CREATING FEES FOR PROGRAMS AT LAWTON AQUATIC CENTER.

WHEREAS, Section 1-205, Chapter 1, Lawton City Code, 2025, provides that fees and charges shall be set by resolution.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the City of Lawton, Oklahoma that:

SECTION 1. Appendix A, Schedule of Fees and Charges, Lawton City Code, 2025, as amended, is further amended to read as follows:

Article A-19-8 – 2026 Programs

ITEM:	AC
Group Swim Lessons	\$110.00
Aqua Fitness Classes	\$5.00
Birthday Party	\$250.00 per hour
After 6:00pm Entry	\$4.00
Junior Lifeguard Camp	\$250.00

PASSED and APPROVED by the Mayor and Council of the City of Lawton, Oklahoma, this ____ day of March 2026.

STANLEY BOOKER, MAYOR

ATTEST:

DONALYNN BLAZEK-SCHERLER, CITY CLERK

APPROVED as to form and legality this _____ day of March 2026.

JARI ASKINS, INTERIM CITY ATTORNEY

Item Title:

Discuss and consider recommending to the City Council a fifteen percent (15%) increase across the board to the City of Lawton Fee Schedule, excluding fees charged on the water bill, statutory fees established by law, and any exemptions identified by the Fee Committee.

Initiator: John Ratliff, City Manager

Information Source: Dewayne Burk, Deputy City Manager

Background:

The City of Lawton maintains a Fee Schedule that establishes charges for a variety of municipal services, permits, and administrative processes. Regular review of the Fee Schedule helps ensure that the cost of providing services remains appropriately aligned with the fees charged to users of those services.

In accordance with City Council Resolution 22-93, all fees are to be reviewed and adjusted annually during the budget process based on the Consumer Price Index (CPI) for the Southwest region. A general adjustment to the City’s Fee Schedule has not occurred in the last four (4) years. As a result, many fees may no longer reflect the current cost of providing services.

The proposed adjustment would implement an approximate fifteen percent (15%) increase to applicable fees within the City’s Fee Schedule. Due to the limited circulation of pennies, resulting fee amounts will be rounded to the nearest five-cent increment. Fees that appear on the water bill are excluded from this recommendation. Statutory fees established by state law are also excluded, as the City does not have authority to modify those amounts. In addition, the Fee Committee may identify specific exemptions where an increase would not be appropriate.

Correlation to the True North Statement:

Transparency and Trust

Exhibit:

None

Key Issues:

Funding Source:

Recommended Action:

Make a recommendation to City Council.

ATTACHMENTS:

None

