

# FIRE HYDRANT FEE

March 9, 2009

**TO: FRANKFORT CITY COUNCIL**

**RE: FOR YOUR INFORMATION**

In the recent authorization of claims process the Board of Works discovered that The City of Frankfort has received a significant increase in the fire hydrant use fees that we are receiving from the Frankfort Utilities. We are not sure the Council is aware of this action and the burden this increase has placed on our current budget situation. The current user fee falls far short of this increase and it is the opinion of The Board of Works that this should be reviewed. The following is a review of the past and current financial numbers related to this matter.

	<u>Per Month</u>	<u>Per Year</u>	
<b>Current user fee revenue</b> \$1.00 Per Month Per Household	<b>\$6,620.52</b>	<b>\$79,446.24</b>	
<b>Old Utility billing for use</b> Usage for 527 hydrants @ \$25.76 per	<b>\$13,575.52</b>	<b>\$162,906.24</b>	
<b>New Utility billing for use</b> Usage for 527 hydrants @ \$45.87 per	<b>\$24,173.49</b>	<b>\$290,081.24</b>	<b>43%</b>
<b>Current revenue shortage</b>	<b>\$17,552.97</b>	<b>\$210,635.00</b>	

**Additional User Fee Needed to Balance**      **\$ 2.66 + Current \$1.00 = \$ 290,772.36 YR**

**If additional \$ 1.00 added**      **\$ 1.00 + Current \$ 1.00 = \$ 158,892.48 YR**

**If additional \$ 2.00 added**      **\$ 2.00 + Current \$ 1.00 = \$ 238,338.72 YR**

- There has never been an increase in the fire hydrant user fee.
- We understand there may be other options to explore, but wanted the Council to have a clear understanding of the position our City is in.

Respectfully Submitted,

The Board of Works and Public Safety