

**REFERRED BY THE CITY OF SHERIDAN  
MEASURE 36-160**

**EXPLANATORY STATEMENT  
MEASURE 36-160**

**CITY CHARTER AMENDMENT RELATING  
TO LIMITATIONS ON CITY FEES**

**QUESTION:** Shall the City Charter be Amended to Clarify and Modify Limitations on Fee Increases for City Services?

**SUMMARY:** The City Council has proposed an amendment to Section 50 of the City Charter that:

1. Permits a vote on proposed fee increases at any state authorized election.
2. Limits discretionary fee increases to the lower of the Portland CPI index or 4% per year.
3. Clarifies that fee increases required to comply with federal or state mandates, agreements with governmental entities, and fee increases by private utilities are not subject to the charter limitation.
4. Permits discretionary increases to reflect actual increases in third party vendor or material costs.
5. For new development, allows changes in system development charges to reflect a construction cost index selected by the City Council.

**NO ARGUMENTS WERE FILED**

**IN SUPPORT OR IN**

**OPPOSITION TO THIS MEASURE**

This measure changes a portion of the City Charter that deals with establishing and raising fees. Fees are usually charged to individuals or organizations that are using a specific service provided by the city government. The City Charter requires a vote by the electorate for certain fee increases and to establish new fees. The City Charter requires the vote to be held on a statewide primary or general election, which occur twice in a two-year period.

The proposed change will retain the requirement for a vote to establish a new fee. The vote can be on any state authorized election, of which there are four per year.

The proposed change allows the City Council to increase fees that are equal to the Portland Consumer Price Index as long as that increase is less than 4%. The Consumer Price Index is similar to what is used to determine increases in wages or payments such as social security. The four percent maximum increase would prohibit any city council from making drastic increases in fees.

The change clears up confusing language in the current charter and makes clear that fee increases are required to comply with federal or state mandates, agreements with governmental entities and fee increases by private utilities are not subject to city charter limitations. It also verifies that the City Council may increase a fee to reflect actual increases in third party vendor or material costs.

The change allows the city council to select a construction cost index to increase system development charges, which are fees for new development or new buildings.

The overall change allows the city council to fairly assess costs of fees to those that use the particular service. The ceiling on a fee ensures that any new fee or large increase must be a matter for the electorate to decide.

*Information furnished by Francis D Sheridan, City Manager  
City of Sheridan*