



REQUEST FOR ACTION

Amendments to the 2026 Master Fee Schedule

MEETING DATE:

July 6, 2026

ORIGINATING DEPT:

Finance Department

AGENDA SECTION:

Ordinance First Readings

PRESENTER:

Michael Spindler Krage

Action Requested:

Receiving and filing the first reading of an Ordinance establishing the amended 2026 Master Fee Schedule.

Report Narrative:

Pursuant to Minn. Statute §462.353 Subd. 4a and upon public hearing duly noticed and held on June 1, 2026, the City of Rochester, a Minnesota municipal corporation, requires certain fees and charges for City services be established via adoption of Ordinance. The 2026 Master Fee Schedule is created to cover portions of costs associated with fees and services provided by City departments, to enhance quality of life, and help ensure private and public activities are being performed in a non-harmful manner. The Master Fee schedule will be reviewed annually with amended fees updated as of January 1 of each calendar year.

In preparation for the recommended 2027 supplemental budget, City of Rochester team members have identified various needs to bring forward an amendment to the 2026 Adopted Master Fee Schedule that was originally adopted on December 1, 2025. Below highlights the impacted divisions and a summary of the amended fees proposed.

Public Works:

The 2026-2027 biennium was the first implementation of projecting development-related fee schedule rates for the 2-year budget cycle using a 5-year lookback average. Public Works inadvertently used the annual Engineering News-Record (ENR) rate adjustments for 2020 through 2024, instead of 2021 through 2025, to establish the 2026 and 2027 rate increases. Given that the 2020-2024 average increase was 2.7% and the 2021-2025 average increase was 5.2%, City investments in infrastructure will fail to keep pace with construction inflation trends through the end of 2027, unless the administrative error of using the incorrect 5-year lookback average is corrected.

Attached are the Ordinance and Amended 2026 Master Fee Schedule for adoption.

Priorities & Foundational Principles:

Fiscal Responsibility & Sustainability
Quality Services

Policy Considerations & DEI Impact:

The amended 2026 Master Fee Schedule is in alignment with the preparation of recommended 2027 supplemental Budget.

Prior Legislative Actions & Community Engagement:

June 1, 2026: Council Meeting - Public Hearing and Approval of the amended 2026 Master Fee Schedule

May 9, 2026: Notice of Public Hearing Published in the Post Bulletin.

December 1, 2025: Adoption of the 2026 Master Fee Schedule

The Master Fee Schedule is adopted annually.

Fiscal & Resource Impact:

The fees listed in the amended 2026 Master Fee Schedule have been considered in departments' recommended 2027 supplemental budget creation and are in alignment with that budget.

Of note, specifically, the sewer charges are related to the previously approved five-year rate study and growth management plan.

Alternative Action(s):

No alternative actions suggested at this time.

Prepared By:

Josh Duerr

Attachments:

[Exhibit - 2026 Amended Master Fee Schedule](#)