

**Re: RFP – City of St. Louis Park, MN Comprehensive Fee Study
Questions & Responses 12.12.2025**

How often has the city had a comprehensive fee assessment performed for them in the past?

With no regularity.

When was the last comprehensive fee assessment performed? *The last fee study was performed over 10 years ago by Baker Tilly, but this analysis was limited to overhead admin costs and not a full study of individual programs.*

What entity performed that assessment? *Baker Tilly.*

What was the cost for that assessment? *Unclear.*

Is the city open to negotiating slight modifications to the terms and conditions in the draft agreement for professional services? *Yes, the city would be open to tweaks if needed.*

The RFP states "The comprehensive user fee study will calculate the full cost of providing certain city services and provide a recommended fee to be charged for each applicable service." Could the City please expand on "certain city services"? Can the City provide the list of services that are considered part of this scope of work or clarify that it's simply the services noted within the fee schedule included in the RFP? *Correct, it is the city services listed in the fee schedule. The city would also like to look at services that are currently provided free of charge and ensure this aligns with industry standard.*

Is the City required (or has the ability) to maintain reserve funds using monies recovered from fees? If so, what are those reserves and how well are they managed? *No.*

Does the city have a set of "peer" cities that it would like to use as benchmarks during this fee study, and is the City's relationship with those "peer" cities sufficient that those cities will share their fees, services, and reserve information or have publicly available on their website? *St.*

Louis Park would typically consider the following, peer cities for this project: Hopkins, Edina, Minnetonka, Golden Valley, and Plymouth.

Does the City have a budget set for this work and if so, is it willing to share that budget so we can frame our proposal appropriately? *The original proposed budget for this project is \$50k but open to negotiations if the right vendor is found.*

In the draft agreement for professional services, section 6 discusses "City Services Provided." This section does not mention provision of data and information to support this engagement. Does the city intend to provide financial and operational information for at least the past fiscal year (preferably further back) to help the consultant develop analytics needed to determine cost to serve, revenues received, and unit costs for current fees being charged? *Yes, the city will provide all relevant information needed for the chosen consultant to complete a thorough analysis – both past and present.*

Why is St. Louis Park putting this proposal out to bid again? *The decision was made to conduct a full study vs the partial originally put out to bid last spring. Additionally, leadership turnover in key departments leads to a delay in the city's ability to conduct the RFP and support the fee study.*

Are previous bidders from the initial RFP invited to apply again? *Yes, open to previous bidders.*

Is any feedback available to those who previously submitted proposals? *Nothing specific.*

Were there major deficiencies in the previous round of proposals that should be addressed this time? *No, deficiencies are just a change in mission and time frame.*

Has the City established a not-to-exceed price for this project that you can share? *Base budget for this project is \$50k but open to hearing from vendors before a cap is put on.*

Could the City please provide additional details regarding the evaluation criteria and the relative weighting of each component? Specifically, we would appreciate guidance on how the city intends to assess key elements such as the proposed work plan, qualifications and experience, project approach, and pricing.

Criteria Scores	Weight
Adherence to RFP Instructions	5%
Company Information	20%
Service Understanding	20%
References	20%
Experience	20%
Service Fee Summary	15%

What is the maximum budget for this study? *Base budget for this project is \$50k but open to hearing from vendors before a cap is put on.*

Due to the expansive list of services/fees included on the fee schedule, the current ambiguity of the fee development methodology, the City's goal of developing fees aligned with cost of service provision, and the City's goal of identifying and developing additional fees for currently non-reimbursed services, would the City consider extending the study timeline beyond 3 months for study data collection and analysis (February-April 2026) and beyond 2 months for report and deliverable preparation (May and June)? *The city would be open to extending the time frames for work for a well-matched proposal if we have actionable data by June.*

Full user fee and rate studies are typically conducted in 8-12+ month contract periods; would the City consider submissions with timelines in the 8-12+ month range for completion of the study? *The city would be open to extending the time frames for work for a well-matched proposal if we have actionable data by June.*

Priorities for Fee Areas: The RFP indicates a *citywide* fee study (p.1). Due to the number of fees and rates under each Department, would the city be open to a multiple year Fee and Rate Study program (e.g. breaking the fee and rate study in multiple 2 or 3-year cycle by the various Departments) Departments may include:

- Building Inspections / Code Enforcement
- Community Development (Planning, Zoning)
- Engineering
- Fire Department
- Parks & Recreation
- Police
- Public Works (Streets, Water, Solid Waste)
- City Clerk / Licensing
- Communications & Technology (GIS, Cable)

No. Many of these departments have very few fees and collect a small amount of revenue and would not justify their own cycle.

Policy Philosophy on Cost Recovery: The RFP states that recommendations should indicate appropriate subsidy levels for services not aligned with full cost recovery (p.2). Does the City have existing policy guidance or philosophical direction regarding subsidy levels—for example, which services are expected to be revenue-neutral vs. subsidized due to equity or community benefit priorities? *Yes, departments have identified which fees are full-cost, which fees are partially subsidized, and which are free.*

Level of Detail Required in Cost Allocation: The RFP requires identification of direct, indirect, and overhead costs for each fee (p.2). What level of granularity does the City expect in overhead allocation (e.g., department-level, division-level, citywide general overhead)? *The city is flexible; a citywide general overhead is what we have used historically.*

Does the City have a Cost Allocation Plan? *No*

Data Availability and Quality: A comprehensive fee study depends heavily on existing time, workload, and cost data. What timekeeping, workload measurement, or activity-based costing data does the City currently maintain, and how mature is this data across departments? *Total work hours and financial data are well developed and consistent across departments. The city does not have any activity-based costing.*

Engagement Expectations with Staff: The RFP references meetings and interviews with staff (p.2). Can the City estimate the availability of staff for interviews and data collection, and whether virtual, in-person, or hybrid meetings are preferred? *Staff will be made available and virtual meetings are fine.*

Benchmarking Expectations: The RFP suggests comparing St. Louis Park fees to neighboring or similar cities (p.2). Does the City have an established list of comparable jurisdictions for benchmarking. *St. Louis Park would typically consider the following, peer cities for this project: Hopkins, Edina, Minnetonka, Golden Valley, and Plymouth.*

Expectations for the Excel Model: The RFP requires a fully editable Excel model allowing city staff to adjust fees in future years (p.2). Does the City have preferred templates, design standards, or existing models we should align with for consistency and ease of staff use? *No.*

Interpretation of Statutory Requirements: The RFP references compliance with Minnesota Statute 462.353 (p.1). Are there specific concerns or past challenges the City has faced regarding statute compliance that the consultant should be aware of? *No.*

Public and Council Engagement Expectations: Public transparency and social equity are repeatedly referenced as City core values (p.1). Does the City expect the consultant to

participate in public meetings, council presentations, or communication material development to support transparency and stakeholder engagement? *The consultant is not expected to present to the board or to the public, but the information provided must be enough to justify the recommendations as staff prepare reports and budgets based on the result of the fee study.*

Water Utility Division: Can the City clarify the methodology it currently uses to establish water rates, including how fixed charges and volume-based tiers are determined. *For water funds only, a consulting firm, Ehlers, has conducted rate studies to ensure that the fund stays within our fund balance policies. It's not clear when the tiers were established or why, other than the cities general desire to reward conservation of water.*

Does the water rate structure incorporate long-term capital planning or system reinvestment needs, and should the study evaluate alternative structures? *Yes, it incorporates our long-term capital plan.*

How does the City currently project future water demand, and should the consultant incorporate consumption trends or conservation impacts into the analysis? *That is not a required component of the fee study.*

Treatment of Enterprise vs. Non-Enterprise Funds: The RFP does not specify how enterprise funds should be addressed relative to general governmental fees. Should enterprise funds such as water, sewer, stormwater, and solid waste be evaluated using a different analytical framework, or does the City prefer a uniform approach across all fee categories? *Full cost recovery in enterprise funds must cover all costs to run the system including capital projects.*

Sanitary Sewer Utility Division (Metropolitan Council): The RFP does not outline the framework the City uses to establish sanitary sewer base charges and usage rates. Can the City provide an overview of its current rate-setting methodology? *Full cost recovery in enterprise funds must cover all costs to run the system including capital projects and contractual expenses.*

Because the RFP references usage-based fees but does not indicate how regional treatment costs are handled, can the City clarify whether Metropolitan Council charges are currently passed through directly to users or allocated through another method? *The met council charges are paid out of the sanitary sewer fund and fees must support all expenditures to provide sanitary sewer services.*

The RFP does not state whether evaluating the balance between fixed and variable charges is within scope. Should the study include an assessment of whether the current structure aligns with the City's financial, operational, and policy objectives? *That would be a welcome addition to the scope.*

Stormwater Utility Division: The RFP does not describe how stormwater fees are calculated or what assumptions the City uses for property type differentiation. The fee schedule lists stormwater charges but does not explain the underlying calculation. Can the City clarify how stormwater rates are determined today—specifically assumptions regarding impervious surface measurements or runoff equivalent factors (REFs)? *Sewer charges are based on water usage during the winter months. To calculate sewer use, the city reads your water meter during the winter months to determine a quarterly average. This is beneficial to residents because water use is substantially less in the winter. However, if a resident's current actual water use is less than the winter average, the sewer charge is then based on actual water use.*

The RFP notes the need for a cost-based approach but does not specify whether stormwater system maintenance, regulatory requirements, or capital needs should be incorporated. Should the study evaluate whether current stormwater fees fully reflect these costs? *They should be incorporated.*

The RFP does not indicate whether the City intends to maintain its current stormwater rate structure. Is the City open to reviewing alternative methodologies or structures as part of this study? *Yes.*

Solid Waste and Recycling Division: The fee schedule includes residential and commercial rates, but the RFP does not describe the underlying cost basis. Can the City clarify how solid waste and recycling rates are determined today, including how service levels, cart sizes, and program costs are incorporated? *The rates were set to cover the cost of the contract with the vendor that provides these services while also trying to incentivize recycling and composting over larger trash bin sizes.*

Scope Flexibility for Water Utility Fee Study: Would the City consider a proposal that excludes the water and sewer utility rate study? If a comprehensive approach is required, would the City allow a proposer to serve as the prime consultant with a subcontractor supporting the water/sewer rate study components? *Yes.*