



MEMORANDUM

To: Michael D. Holley *MbH*
 From: Neil Kaufman
 CC:
 Subject: Facility Fee Adjustment for 2018

Date: December 11, 2017
 File:

Ordinance 2012-01 established the current Water Department Facility Fees. Article 6 of that Ordinance reads:

“6. Commencing on January 1, 2015, Facilities Fees shall be adjusted annually at the beginning of each fiscal year to reflect the impact of inflation upon the cost estimates set forth in the 2012 Water Master Plan Update. Such adjustments shall be based upon the December value of the Engineering News-Record 20-City Construction Cost Index (ENRCCI). The ENRCCI value for December 2013 shall be used as the baseline for the Facilities Fees that become effective on January 1, 2014. The change in ENRCCI from December 2013 to December 2014 shall be used to calculate the Facilities Fees that become effective January 1, 2015. Successive years shall utilize a similar calculation.”

The ENRCCI for December 2016 was 10442.61. The ENRCCI for December 2017 was 10870.06. Therefore, Facility Fees should be adjusted by:

$$(10870.06 - 10442.61) / 10442.61 = 0.0409 = 4.09\%$$

The new Facilities Fees are listed below:

Residential Facilities Fee

Current Fee	Fee Effective on January 1, 2018
\$1.73 / square foot	\$1.80 / square foot

Commercial Facilities Fee

Meter Size (inches)	EDU	Current Fee	Fee Effective on January 1, 2018
5/8 x 3/4	1	\$ 4,715	\$ 4,908
3/4	1.5	7,073	7,362
1	2.5	11,787	12,269
1 1/2	5	23,577	24,541
2	8	37,722	39,265
3	15	70,728	73,621
4	25	117,880	122,701
6	50	235,754	245,402

CONSTRUCTION ECONOMICS

ENR's 20-city average cost indexes, wages and material prices. Historical data and details for ENR's 20 cities can be found at ENR.com/economics

Construction Cost Index

+3.3%
DEC 2017

ANNUAL INFLATION RATE

1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	10870.06	0.0%	+3.3%
COMMON LABOR	22992.91	0.0%	+2.7%
WAGE\$/HR	44.11	0.0%	+2.7%

The Construction Cost Index's annual escalation rate fell to 3.3% from 4.1% last month, as the monthly labor cost component held steady.

Building Cost Index

+3.3%
DEC 2017

ANNUAL INFLATION RATE

1913=100	INDEX VALUE	MONTH	YEAR
BUILDING COST	5913.81	+0.2%	+3.3%
SKILLED LABOR	10216.38	+0.2%	+2.1%
WAGE\$/HR	56.53	+0.2%	+2.1%

The Building Cost Index's annual escalation rate rose to 3.3%, while the monthly component increased to 0.2%.

Material Cost Index

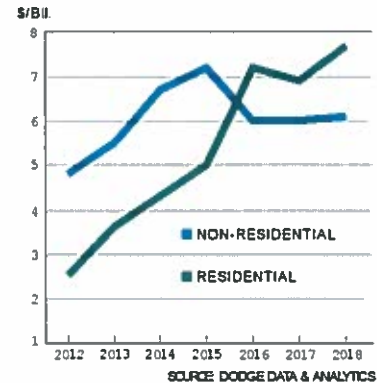
+0.2%
DEC 2017

MONTHLY INFLATION RATE

1913=100	INDEX VALUE	MONTH	YEAR
MATERIALS COST	3271.16	+0.2%	+3.7%
CEMENT \$/TON	114.04	0.0%	+4.6%
STEEL \$/CWT	51.54	0.0%	+3.3%
LUMBER \$/MBF	582.27	+1.2%	+11.4%

The MCI increased 0.2% this month, with an annual escalation rate of 3.7%.

Construction starts in the Chicago metro area are estimated to drop 2.3%, to \$12.9 billion, in 2017, according to Dodge Data & Analytics. Non-residential construction has remained roughly the same, while residential construction has declined, Dodge says. The ^{ED} firm expects 2018 construction starts to rise 6.4%, to \$13.8 billion, overall. Residential work is expected to rebound, particularly in the single-family market.

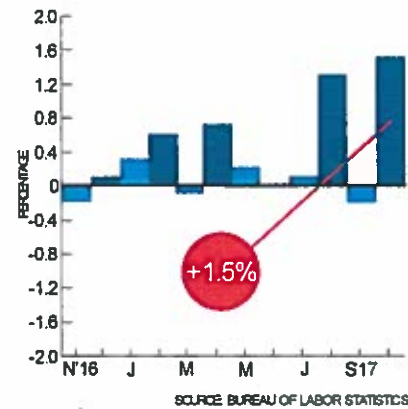


ENR's Cost Indexes by City

	CONSTRUCTION COST		BUILDING COST		COMMON LABOR		SKILLED LABOR		MATERIALS	
	DEC '17: 1913	% Q4-YEAR	DEC '17: 1913	% Q4-YEAR	DEC '17: 1957	% Q4-YEAR	DEC '17: 1957	% Q4-YEAR	DEC '17: 1957	% Q4-YEAR
ATLANTA	6555.35	+2.7	4371.46	+4.0	825.83	0.0	697.30	0.0	767.06	+8.9
BALTIMORE	8287.91	+14.7	5169.69	+7.2	1090.86	+14.4	848.44	+1.8	760.40	+15.5
BIRMINGHAM	7252.95	+0.4	4424.77	+1.4	978.68	0.0	806.18	+1.2	667.09	+1.7
BOSTON	13829.87	+2.2	7333.60	+3.5	1500.64	+1.6	1362.01	+2.6	686.16	+5.4
CHICAGO	15414.90	+1.2	7467.50	+5.0	1531.38	0.0	1321.90	+3.3	624.21	+9.5
CINCINNATI	10081.77	+6.7	5305.75	+9.1	1009.23	+4.9	864.50	+6.2	754.19	+13.6
CLEVELAND	12287.09	+0.4	5744.66	+0.8	1094.27	0.0	922.89	0.0	655.00	+2.4
DALLAS	5856.51	+2.7	4465.89	3.6	742.23	0.0	738.08	0.0	697.82	+7.7
DENVER	7412.32	+0.6	4689.22	1.5	818.18	0.0	762.06	+0.9	678.67	+2.4
DETROIT	11330.44	+0.5	6113.34	1.3	995.81	0.0	973.19	+0.7	635.87	+2.8
KANSAS CITY	11152.83	-1.2	5837.48	-2.0	1297.51	0.0	1212.61	+0.3	569.98	-6.9
LOS ANGELES	11935.82	+3.3	6269.90	+3.4	1111.66	+3.2	1063.02	+3.1	682.35	+3.9
MINNEAPOLIS	12984.26	+5.1	6370.64	+8.7	1315.19	+2.4	1152.11	+3.2	747.56	+19.9
NEW ORLEANS	5907.67	+0.4	4020.17	+1.1	725.09	0.0	652.58	+1.1	675.13	+1.2
NEW YORK CITY	18515.53	+7.9	9017.80	+3.0	1469.64	+8.2	1351.41	+2.3	729.73	+5.7
PHILADELPHIA	12976.46	+3.4	6974.37	+3.6	1459.73	+3.3	1247.70	+3.5	734.63	+3.8
PITTSBURGH	10168.37	+2.9	5831.86	+4.7	1039.46	+1.6	933.23	+2.8	637.58	+8.1
ST. LOUIS	12063.55	-0.1	5879.27	-0.1	1096.32	0.0	991.98	0.0	681.40	-0.4
SAN FRANCISCO	12014.72	+3.5	6921.42	+3.6	1025.93	+3.2	1091.49	+3.0	688.74	+5.0
SEATTLE	11442.97	+7.7	6057.46	+3.5	1079.66	+8.3	1078.59	+2.8	791.83	+4.8

Prices for PVC pipe products rose 1.5% in October, after falling 0.2% in September, according to the Bureau of Labor Statistics' producer price index for plastic construction products, which consist mostly of PVC pipe. The annual price rose to 4.3% from September's 2.9%. ENR's 20-city average monthly prices in December for PVC 8-in. water pipe experienced a boost of 0.1%, while prices for 6-in. and 12-in. water pipe remained the same as last month. Monthly prices for 4-in. PVC sewer pipe decreased 0.2%, with a 2.0% decline from December 2016.

PRODUCER PRICE INDEX
PVC PIPE
Monthly percent change



ENR's Materials Prices For December 2017



20-CITY AVERAGE

ITEM	UNT	\$PRICE	%MONTH	%YEAR
REINFORCED-CONCRETE PIPE (RCP)				
12"	FT	17.34	+0.1	+1.2
24"	FT	33.88	0.0	+0.8
36"	FT	68.32	+0.1	+1.3
48"	FT	111.79	+0.1	+0.8

CORRUGATED-STEEL PIPE (CSP)				
12"	FT	11.02	+0.1	+1.4
36"	FT	33.53	0.0	+1.2
60"	FT	74.57	0.0	+0.9

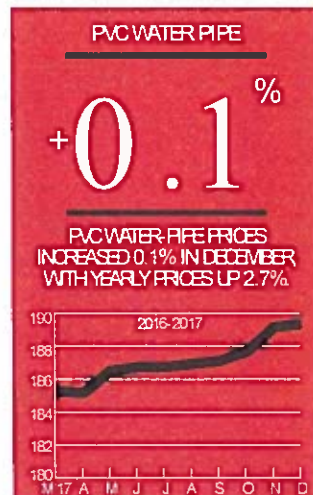
POLYETHYLENE PIPE (PE): UNDERDRAIN				
4"	FT	0.80	-1.4	-3.7

POLYVINYL-CHLORIDE PIPE (PVC)				
Sewer, 4"	FT	1.36	-0.2	-2.0
8"	FT	4.70	0.0	-1.4
Water, 6"	FT	5.79	0.0	+3.0
8"	FT	9.43	+0.1	+2.7
12"	FT	17.97	0.0	+0.8

DUCTILE-IRON PIPE (DIP)				
6"	FT	19.07	0.0	+0.8
8"	FT	29.54	+0.1	+0.4
12"	FT	45.34	0.0	+0.1

COPPER WATER TUBING				
1/2"	FT	1.84	+0.2	+2.3
1 1/2"	FT	6.66	+0.1	+11.1

SOURCE: ENR



CONSTRUCTION ECONOMICS

Sewer, Water and Drain Pipe For December 2017

City prices reflect quotes from single sources and can be volatile. They are not meant to be the prevailing price for a city. Data are a mix of list and transaction prices and may include ENR estimates. Do not compare prices between locations. Use city information to analyze national trends.

ITEM	UNT	ATLANTA	BALTIMORE	BIRMINGHAM	BOSTON	CHICAGO	INDIANAPOLIS	CLEVELAND	DALLAS	DENVER	DETROIT
REINFORCED-CONCRETE PIPE (RCP)											
12"	FT	17.05	17.50	+16.08	17.85	17.45	16.50	16.50	18.88	16.82	16.50
24"	FT	33.38	35.00	+36.28	44.40	35.12	35.80	35.80	37.75	30.33	35.80
36"	FT	68.32	70.00	+73.80	88.72	65.84	75.50	75.50	75.53	69.28	75.50
48"	FT	116.59	115.00	+115.19	128.10	104.15	130.50	130.50	123.02	104.40	130.50
CORRUGATED-STEEL PIPE											
12"	FT	11.86	11.00	11.69	11.27	11.19	10.99	10.00	14.87	11.06	9.99
36"	FT	33.90	34.00	31.42	35.71	32.75	31.00	36.00	33.10	32.10	32.04
60"	FT	76.45	74.00	68.85	75.38	77.88	62.00	66.98	81.29	72.65	85.55
POLYETHYLENE PIPE (PE): UNDERDRAIN											
4"	FT	-0.99	0.67	0.92	0.94	1.05	0.44	0.40	-1.00	0.97	0.75
POLYVINYL-CHLORIDE PIPE (PVC)											
SEWER 4"											
4"	FT	+1.54	1.17	1.55	1.76	1.56	1.29	1.15	-1.71	1.42	0.97
8"											
8"	FT	+5.05	4.50	4.31	5.19	5.27	3.92	3.10	-5.50	5.25	3.93
WATER 6"											
6"	FT	5.78	5.56	5.68	6.18	5.76	5.56	4.44	+5.78	6.33	5.38
8"											
8"	FT	9.03	9.20	8.50	9.42	9.28	10.00	6.21	+9.87	9.12	11.00
12"											
12"	FT	17.09	18.00	17.56	18.95	17.80	17.00	9.35	+20.82	17.88	22.66
DUCTILE-IRON PIPE (DIP)											
6"											
6"	FT	19.59	21.00	18.15	24.61	-23.85	24.00	16.20	19.98	+18.98	16.72
8"											
8"	FT	32.10	29.00	27.10	40.09	-37.90	35.00	24.22	31.75	+29.43	22.84
12"											
12"	FT	58.68	50.00	44.35	56.72	-60.89	50.00	37.35	46.60	+42.90	36.98
COPPER WATER TUBING TYPE L											
1/2"											
1/2"	FT	1.96	1.17	1.60	+1.87	1.88	1.07	1.19	1.93	2.05	1.27
1 1/2"											
1 1/2"	FT	5.08	6.10	5.67	+5.10	5.23	8.62	8.57	5.00	5.22	8.36

ITEM	UNT	KANSAS CITY	LOS ANGELES	MINNEAPOLIS	NEW ORLEANS	NEW YORK	PHILADELPHIA	PITTSBURGH	ST LOUIS	SAN FRANCISCO	SEATTLE
REINFORCED-CONCRETE PIPE (RCP)											
12"	FT	16.26	16.49	17.30	+16.46	+18.23	26.62	14.00	16.95	16.49	16.67
24"	FT	29.60	35.04	30.80	+32.65	+31.60	44.45	26.00	23.28	34.04	35.52
36"	FT	58.98	76.50	50.60	+63.90	+61.31	71.15	55.00	45.24	76.50	77.33
48"	FT	100.00	125.75	93.00	+102.70	+100.88	115.68	90.00	82.80	125.75	126.00
CORRUGATED-STEEL PIPE											
12"	FT	10.00	10.19	10.36	10.90	13.29	+10.93	10.15	8.89	10.19	+10.86
36"	FT	36.00	32.26	35.10	31.68	34.17	-35.15	32.00	35.99	32.26	+34.25
60"	FT	72.72	74.80	92.18	73.86	82.70	-75.10	71.00	58.08	74.80	-78.00
POLYETHYLENE PIPE (PE): UNDERDRAIN											
4"	FT	-0.42	1.12	0.43	1.08	0.96	-0.95	0.46	-0.41	1.12	1.13
POLYVINYL-CHLORIDE PIPE (PVC)											
SEWER 4"											
4"	FT	0.99	1.50	0.89	1.57	1.37	-1.63	1.10	0.98	1.50	1.51
8"											
8"	FT	3.92	5.49	3.49	5.00	5.54	-5.49	4.21	4.00	5.49	5.50
WATER 6"											
6"	FT	6.22	6.22	6.85	5.63	5.69	+5.82	5.60	4.76	6.22	6.25
8"											
8"	FT	11.77	9.15	12.32	9.45	9.25	+9.40	8.75	8.60	9.15	9.17
12"											
12"	FT	12.10	21.73	19.25	19.96	18.18	-19.81	17.50	14.05	21.73	21.80
DUCTILE-IRON PIPE (DIP)											
6"											
6"	FT	14.22	19.12	13.52	17.71	20.19	20.21	18.50	16.50	19.12	19.29
8"											
8"	FT	17.24	30.88	22.88	27.39	36.25	33.90	30.00	22.76	30.88	30.98
12"											
12"	FT	31.85	41.87	38.81	41.63	59.00	45.15	41.00	37.89	41.87	42.30
COPPER WATER TUBING TYPE L											
1/2"											
1/2"	FT	1.28	1.93	1.77	1.82	1.85	1.91	3.27	2.93	1.93	1.95
1 1/2"											
1 1/2"	FT	8.07	4.95	8.63	5.36	+5.08	5.55	13.76	8.20	4.95	5.34

* CR - DENOTES PRICE HAS RISEN OR FALLEN SINCE PREVIOUS REPORT. QUOTES ARE DELIVERED PRICES. SOME PRICES MAY INCLUDE TAXES OR DISCOUNTS. PRODUCT SPECIFICATION MAY VARY DEPENDING ON WHAT IS MOST COMMONLY USED OR MOST ACCESSIBLE IN A CITY. QUANTITIES ARE GENERALLY TRUCKLOADS. RCP PIPE IS ASTM C76. 12 IN. AND 24 IN. ARE FLEEBE CASSET JOINED. OTHERS ARE NON-CORRUGATED. CORRUGATED STEEL PIPE IS PLAIN GALVANIZED. 12 IN. IS 16 GAUGE. 36 IN. IS 14 GAUGE. 60 IN. IS 12 GAUGE. PE PIPE IS M252, REFORCED AND CORRUGATED. PVC SEWER PIPE IS ASTM D-3034, SDR 35. PVC WATER PIPE IS C900, CL 150. DIP PIPE IS CL 150 WITH A FLUSH ON JOINT. COPPER WATER TUBING PIPE IS HARD AND AN INTERIOR DIAMETER TYPE L.