



THE CITY OF KEY WEST

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MEMORANDUM

TO: Patti McLaughlin, City Manager

Cc: Todd Stoughton, Asst. City Manager
Kelly Crowe, Utilities Director

FROM: Matt Willman, Utility Administrator

DATE: August 2, 2022

SUBJECT: Authorizing a \$114.36 Annual Stormwater Non Ad Valorem Assessment Charge for the City's Stormwater Annual Rate Resolution for FY 2023

Action statement:

The Stormwater Annual Rate Resolution is required in the process of billing for the Stormwater Utility as non-ad valorem assessment on the property tax bill. Staff recommends establishing a rate of \$114.36/ESU, this is a 3% increase from last fiscal year.

Background:

The City Commission of Key West, Florida, has enacted Ordinance No. 13-09, which authorizes the re-imposition of annual Stormwater Service Assessments for Stormwater Management Services, facilities or programs against real residential property specifically benefited by the City's Stormwater Management Services. Equivalent Stormwater Unit (ESU) is a reference to the average impervious area of developed property.

The City Commission also establishes the Stormwater rates for our residents each fiscal year.

Purpose and Justification:

In setting the FY 2023 budget, the City plans on accomplishing the following goals:

- Continued staffing of maintenance crews (Jacobs) to ensure a safe and effective level of service to maintain our stormwater collection system, safeguard that storm drains and outfalls are regularly cleaned, and that the City's stormwater pump-assist wells and generators are fully operational.
- Design and construction of Harris and 10th stormwater system and outfall, Fogarty and 3rd St. Pump station, and a Tide Valve Outfall Project.

Key to the Caribbean – Average yearly temperature 77° F.

Last year notices were sent out with a max rate (\$124.97) that cannot be exceeded without new notices being mailed to all parcel owners and commission approval. Noticing of **all** parcels may not take place for a few years. The rates on this notice, and for future years until re-noticing:

FY 2023 - \$114.36
Maximum Rate over the next years - \$124.97

An advantage of having the stormwater fee on the property tax bill is that residents have the opportunity to receive a discount on their stormwater fees through early payment of property taxes.

Options:

- 1) The City may choose to increase the stormwater fee 3% or \$114.36 for FY 2023. City staff believes an increase to the current stormwater assessment is necessary.

- 2) The City can approve an annual \$111.03/ESU at current FY2022 rate, or adopt any amount less than \$114.36.

Financial Impact:

The financial impact of this proposed increase would be as follows:

	FY 2022 Budget (current)	Proposed FY 2023 Budget	Increase
ESU Rate	\$111.03(per year)	\$114.36(per year)	\$3.33/ESU

Recommendation:

Staff recommends option #1, approving an annual ESU rate of \$114.36.