



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Patti McLaughlin, Interim City Manager
Todd Stoughton, Interim Asst. City Manager

FROM: John Paul Castro, Utilities Director

DATE: July 7, 2021

SUBJECT:

Amendment to the Interlocal Agreement between the Florida Keys Aqueduct Authority (FKAA) and the City of Key West (City) for credit card fees on wastewater charges.

Action statement:

Requesting approval of the attached amendment to the Interlocal Agreement between City of Key West and FKAA to reimburse FKAA for credit card fees on City of Key West wastewater charges.

Background:

FKAA & the City entered into an agreement, pursuant to Res 12-146 executed on May 2, 2012 where the City will pay the FKAA for billing City customers for City wastewater charges. FKAA remits 100% of billed fees to the City on a weekly basis.

PURPOSE & JUSTIFICATION:

PROPOSED AMMENDMENT

Beginning October 1, 2021, the City will reimburse FKAA 2.5% credit card fees incurred on all credit card payment by customers of Key West Wastewater charges on their behalf. The credit card fee may be increased at FKAA discretion based on credit card fee increases incurred by the FKAA.

City Staff believes the request to the amendment is fair and reasonable.

OPTIONS:

1. Approve the amendment to the agreement with FKAA to reimburse the FKAA 2.5% of credit card fees incurred on all credit card payments by City of Key West wastewater customers.

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

2. Deny FKAA's proposal. This action could result the dissolution of the Interlocal Agreement, putting the burden of Waster Water billing back on City Staff.

FINANCIAL IMPACT:

FKAA currently bills the City \$1.35 per bill per customer (postage included) for providing sewer utility billing and collection services.

Approximately 33% of all bills are paid by credit card, generating the proposed amount paid to the Authority +/- \$82,000.00 annually, varying with consumption.

RECOMMENDATION:

Staff recommends option #1, approve the amendment to the agreement with FKAA to reimburse FKAA 2.5% credit card fees incurred by City of Key West wastewater customers.