



MEMORANDUM

Date: August 6, 2026

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

From: Matt Willman,
Utilities Director

Subject: **Authorizing a \$179.36 Annual Stormwater Non-Ad Valorem Assessment Charge for the City's Stormwater Annual Rate Resolution for FY 2026-27. Setting a Date for the Public Hearing August 6, 2026, 5:00pm, 1300 White St. Key West, City Hall. (File ID 26-5658)**

Introduction

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. The rate requested is to establish an annual stormwater service charge of \$179.36.

Background

The City Commission of Key West, Florida, enacted Ordinance No. 13-10, 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. The user fee is expressed in terms of Equivalent Stormwater Units (ESU). The unit of ESU is based on the average impervious area of developed property.

The following are examples of the stormwater utility core functions that are supported by the fee:

- Support City of Key West staff administrative operation of the utility.
- Continued support of operations and maintenance crews through our contract operator, OMI, to ensure:
 - A safe and effective level of service to maintain our stormwater collection system. Crews ensure that storm drains and outfalls are regularly cleaned, and that the City's stormwater pump-assist wells and generators are fully operational.
 - Respond to emergency situations as required.

- o Initiate repairs and select replacement of system infrastructure.
- Fund capital planning and improvement projects.

The City Commission establishes Stormwater rates for residents each fiscal year through an annual rate resolution. Each year, staff and financial rate consultant, Raftelis Consulting, analyze the storm water utility financial data which includes all projected revenue and expenditures for the upcoming year and recommends the rate to be assessed.

Procurement

Per Section 74-387 of the Code of Ordinances, a user fee is charged per ESU. This rate may be adjusted each October 1, by up to 100 percent of the percentage increase in the Consumer Price Index Water, Sewer, Trash (CPI-WST). The CPI for May 2026 was 4.7%. The proposed ESU rate for Fiscal Year 2026-27 is as follows:

	FY 2026 Budget (current)	Proposed FY 2027 Budget	Increase 4.7%
ESU Rate	\$171.31 (per year)	\$179.36 (per year)	+\$8.05/ESU

Per the Uniform Assessment Collection Act, notices were sent on or before July 16, 2026, by mail to Key West property owners who acquired new units or adjustments. These notices inform the property owners of the public hearing to be held at the City Commission Meeting on August 6, 2026. The hearing notices the rate payers of the proposed rate and allows for the adoption of the final assessment by ordinance and approval of the stormwater assessment roll. They also included a maximum rate that could only be exceeded if approved by the Commission, and if notices were re-sent by mail to all those paying the user fee. The rates on this year's notice are:

FY 2027 - \$179.36

Maximum Rate Future Years - \$271.31

Recommendation

The City Manager's Office recommends the Mayor and City Commission approve an annual Stormwater rate of \$179.36 per ESU.