



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Bogdan Vitas, City Manager
E. David Fernandez, Asst. City Manager - Operations

FROM: Jay Gewin, Utilities Manager

DATE: March 4, 2013

RE: **Approval of an Interlocal Agreement with the Monroe County Property Appraiser's Office as Part of the City's Moving the Solid Waste and Stormwater Utility Billing to the Property Tax Roll.**

ACTION STATEMENT:

This resolution will approve an interlocal agreement with the Monroe County Property Appraiser's Office related to the City's transfer of the billing for its Solid Waste and Stormwater utilities to the property tax roll.

The agreement provides the Appraiser's office to be reimbursed by the City for services provided relative to our billing, however the Appraiser's office does not plan on charging a fee to the City in the near term. If they do at some point in the future, the City will be notified well in advance in writing. With more and more entities using the property tax roll, the Appraiser's office is establishing a mechanism for the future reimbursement of fees if it becomes necessary. All entities using the property tax roll for billing have a similar agreement in place.

BACKGROUND:

The City of Key West has struggled with excessive past-due accounts for our solid waste and stormwater utilities. While the total sum of delinquencies is now decreasing over last year, there is still a significant amount of funds that need to be collected by the City.

To remedy this situation, and to improve our collection rate going forward, the City Commission has given City Staff direction to move our solid waste and stormwater utility billings as a non-ad valorem assessment on the property tax

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

roll. The Monroe County Tax Collector is supportive of this plan, and will work with the City to implement the transition.

Due to the requirements set forth in state statute, the soonest the City could move our billing to the tax roll would be FY 2014, which would be mailed to the public in November of 2013.

PURPOSE AND JUSTIFICATION

In order to proceed with this billing transfer, the Property Appraiser's office has forwarded an interlocal agreement that is identical for all entities using the non-ad velorum collection method for user fees that are billed on the property tax roll.

The agreement provides for the Property Appraiser's office to be reimbursed by the City for all necessary administrative and actual costs incurred by their office in providing information and cooperation in the City's establishment of the fees for solid waste and stormwater. However, the Appraiser's office does not intend to begin charging the City any fees at this time. The agreement is a mechanism should their office deem it necessary in the future, in which case the City would be notified well in advance.

Any fees charged to the City would be minor compared to the great financial benefit of moving our utility billing to the property tax roll, which will greatly cut our delinquent balances and increase our rate of collection.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can agree to the interlocal agreement as requested by the Property Appraiser's office.
2. The City Commission can decline the agreement with the Property Appraiser's office. This item is not recommended by City Staff, as the agreement has been requested by the Appraiser's office for the City to proceed in transferring our billing to the tax roll.
3. The City Commission can decide to continue billing stormwater and solid waste bills monthly ourselves. This option is not recommended by Staff as the City would not be able to achieve the vastly improved collection rates that we will garner by moving to the tax roll.

FINANCIAL IMPACT:

The Property Appraiser's office has indicated there will be no fees charged initially under the terms of this agreement. However, as more entities move their billing to the property tax roll, if the Appraiser's workload increases substantially, they have the right to charge these fees in the future.

These fees would be minor compared to the financial benefit the City will have by moving billing

to the tax roll. The City will also save on the cost of monthly billing and postage it currently incurs.

RECOMMENDATION:

Staff recommends that the City Commission select option 1, approving the interlocal agreement with the Monroe County Property Appraiser's office.