

City of Key West, Florida

Stormwater Rate Study Presentation

July 26, 2011



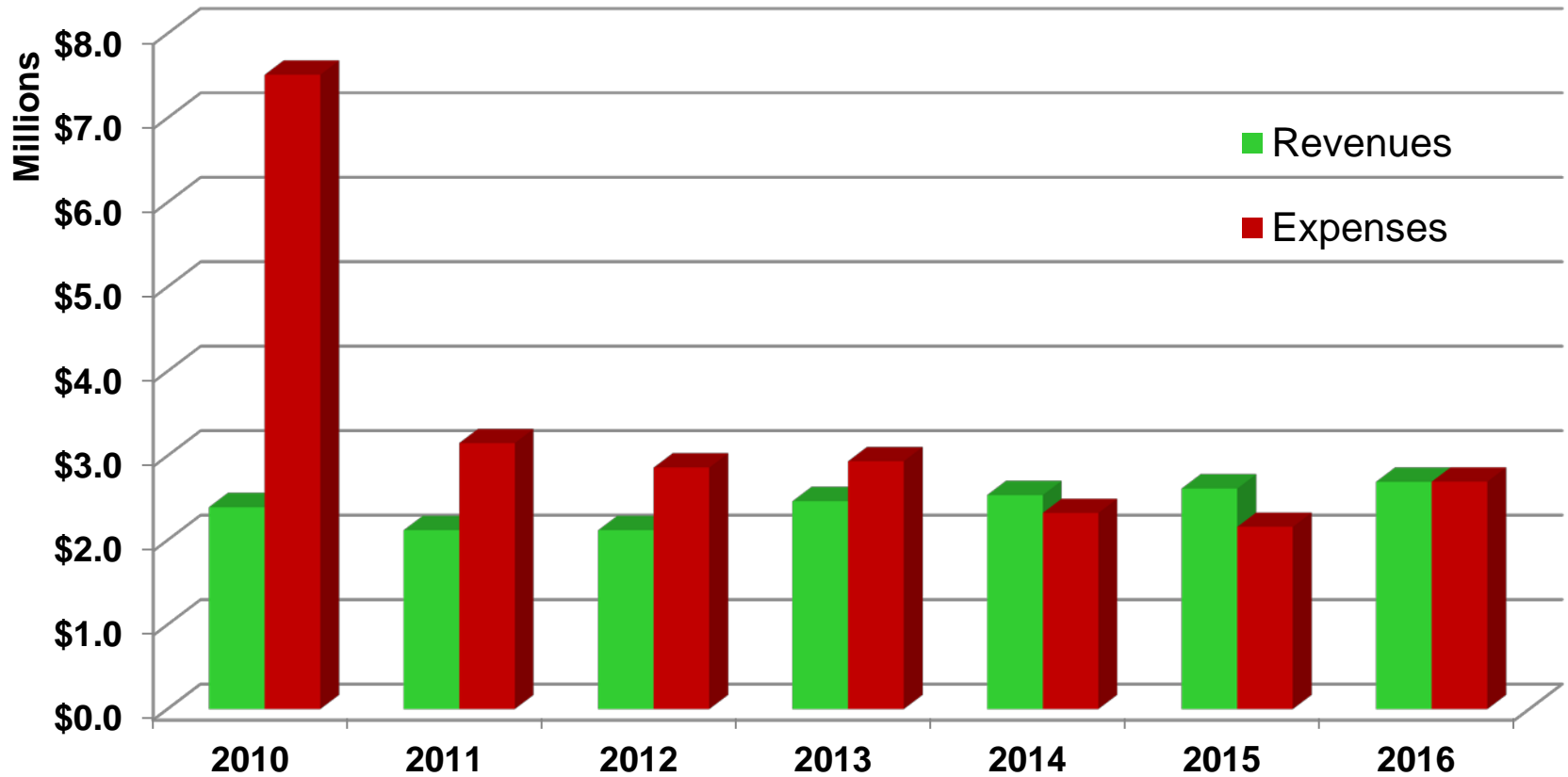


Existing Stormwater Fee Structure

Stormwater Fee

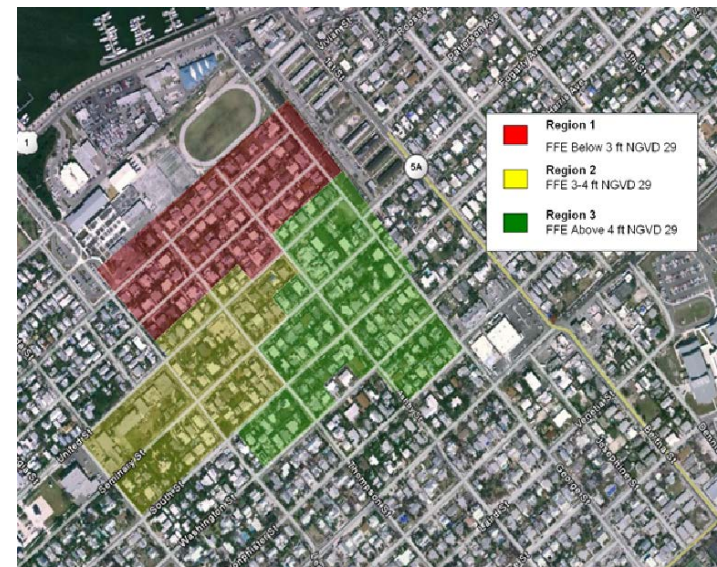
- \$7.50 Per ESU / Month
- \$90 per ESU / Year

Revenues and Expenses – Stormwater Fund Without Fee Adjustment



Capital Improvement Projects – Top 3

- George Street Pump Station Outfall
 - Construction of two pump assisted wells at Catherine and Ashby Streets, along with a generator and outfall pipeline.
 - Addresses area of severe flooding in the City where the elevation is low and there is tidal influence.
 - \$3.8 million cost remaining
 - 73% Grant Funded



Capital Improvement Projects – Top 3

- East Front Street Project
 - Construction of infrastructure to intercept stormwater before it enters the low elevation Front St. basin
 - \$2.4 million cost remaining
 - 75% Grant Funded

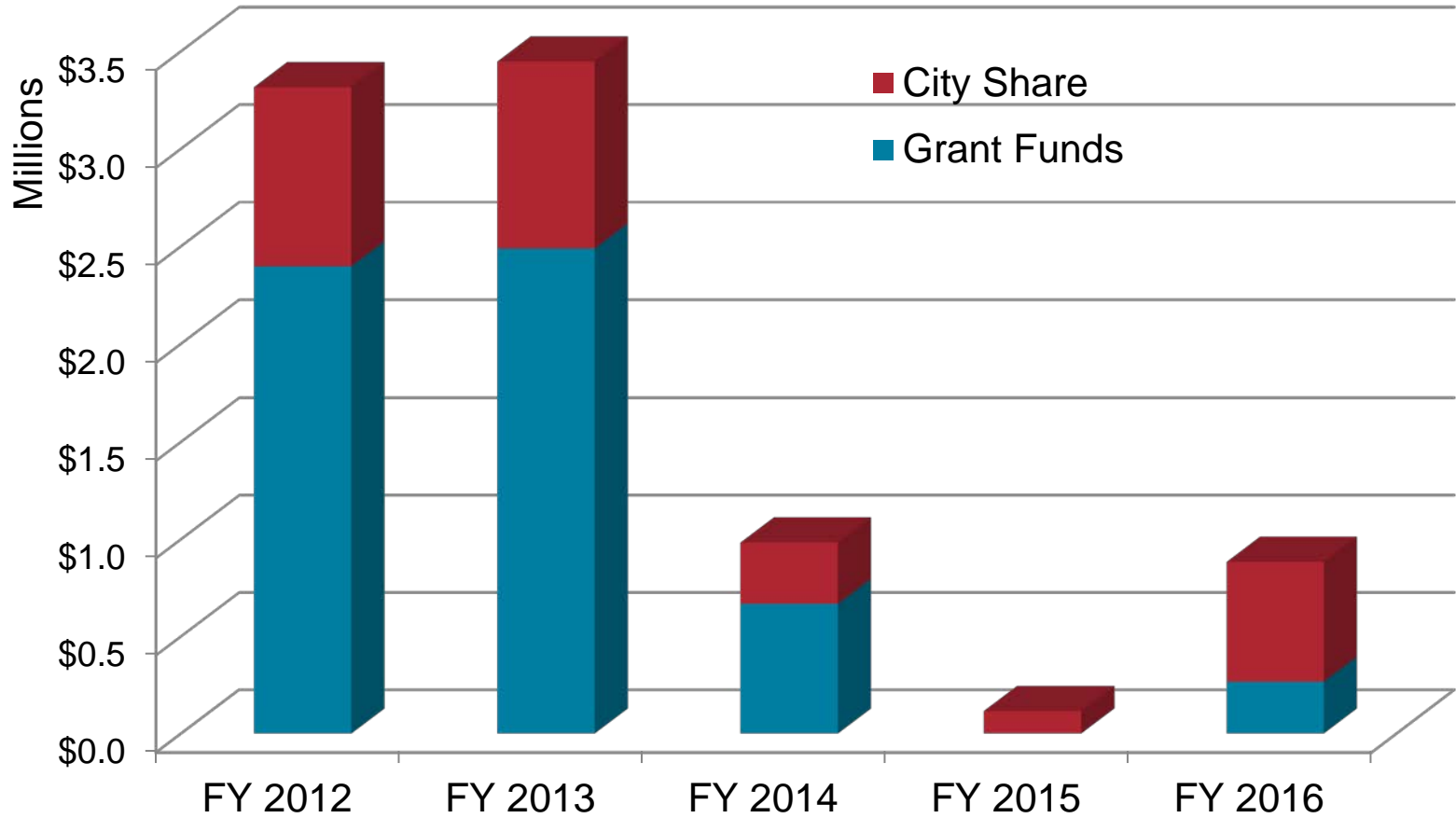


Capital Improvement Projects – Top 3

- Storm Pump Station / Hurricane Bypass (Patricia/Ashby)
 - Construction of an outfall pipeline for the existing pump-assisted well at this intersection
 - \$1.6 million cost remaining
 - 75% Grant Funded



CIP Project Funding Summary - Significant Funding with Grants





Stormwater Rate Scenarios

1. No Rate Adjustments
2. Inflationary Rate Adjustments -
Each Year At Least Over Next 2 Years
3. Step Rate Increase in FY13

Projected Revenues Over (Under) Expenses

Fiscal Year	No Inflationary Adjustments	Inflationary Adjustments FY12 & FY13
2012	(-\$795,000)	(-\$746,000)
2013	(-\$594,000)	(-\$481,000)
2014	\$20,000	\$134,000
2015	\$192,000	\$307,000
2016	(-\$338,000)	(-\$221,000)

Projected Cash Balances – Without Rate Adjustments

Fiscal Year	Ending Cash Balance	Reserve Target Range
2011	\$1,469,000	
2012	\$674,000	<p>\$350,000 \$438,000</p>
2013	\$80,000	<p>\$357,000 \$446,000</p>
2014	\$99,000	<p>\$363,000 \$454,000</p>
2015	\$291,000	<p>\$370,000 \$462,000</p>
2016	(\$46,000)	<p>\$377,000 \$471,000</p>

Projected Cash Balances –

With Inflationary Rate Adjustments Years FY12-FY13

Fiscal Year	Ending Cash Balance	Reserve Target Range
2011	\$1,469,000	
2012	\$722,000	<p>\$350,000 \$438,000</p>
2013	\$241,000	<p>\$357,000 \$446,000</p>
2014	\$375,000	<p>\$363,000 \$454,000</p>
2015	\$682,000	<p>\$370,000 \$462,000</p>
2016	\$461,000	<p>\$377,000 \$471,000</p>



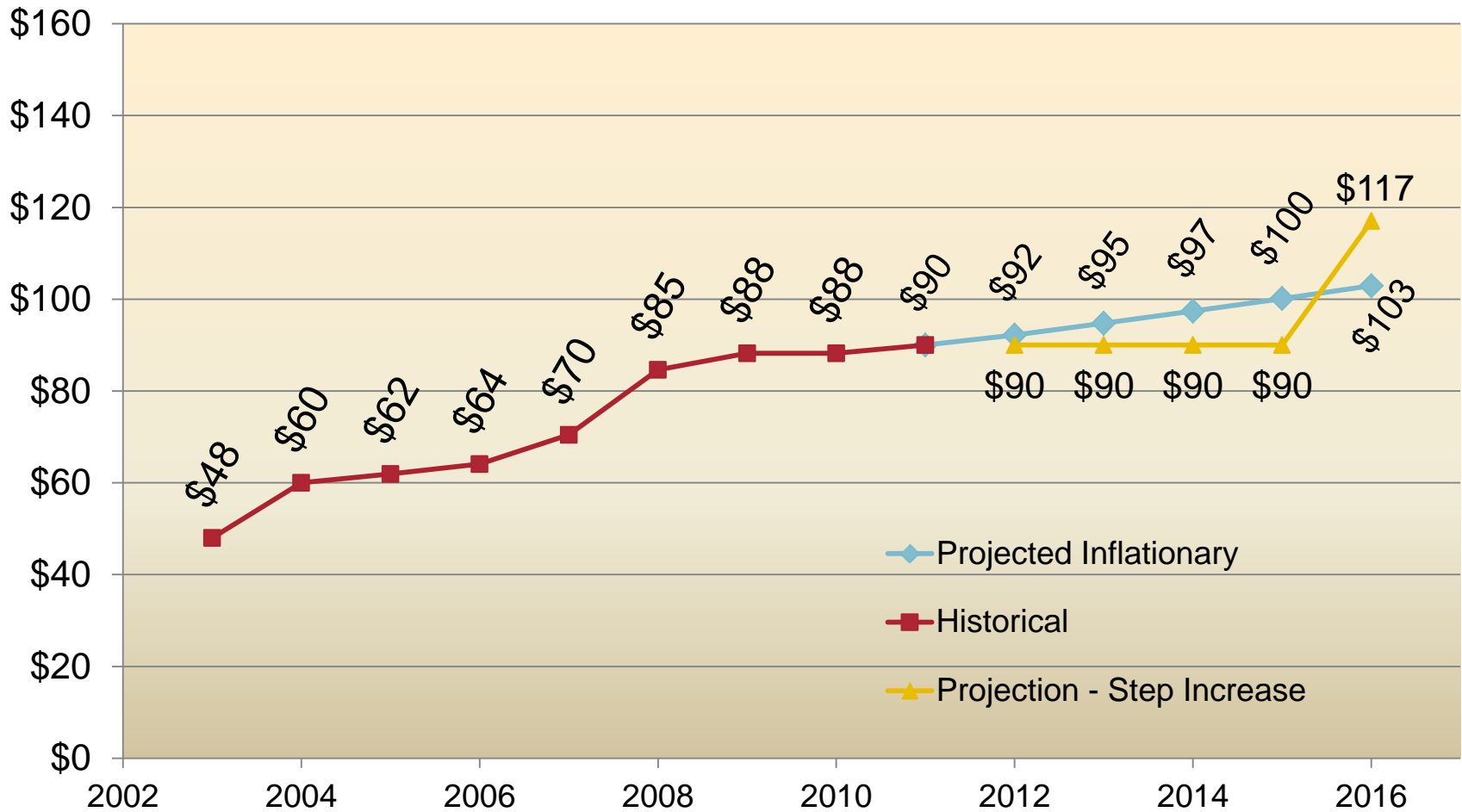
Recommendations

1. Adopt an inflationary Stormwater Fee increase of 2.4% for FY2012
 - Support capital program funding
 - Maintain reserves within policy range

2. Continue to monitor several factors prior to making additional adjustments
 - Progress with Capital Program and Master Plan
 - Fee Collection Rates
 - Reserve Levels compared to Policy

Stormwater Fees per ESU

Historical and Projected



Typical Monthly Stormwater Bills with Inflationary Increase in FY12

Line	Description	ESUs	Monthly Stormwater Bill			
			Existing	Proposed	Increase	Increase
1	Casa Marina (Large Hotel)	200	\$1,500	\$1,536	\$36.00	2.4%
2	Days Inn (Medium Hotel)	78	\$585	\$599	\$14.04	2.4%
3	El Rando (Small Hotel)	16	\$120	\$123	\$2.88	2.4%
4	Pilot House (Guest House)	5	\$37.50	\$38.40	\$0.90	2.4%
5	Benihana (Restaurant)	31	\$233	\$238	\$5.58	2.4%
6	Attorney	2	\$15.00	\$15.36	\$0.36	2.4%
7	Nautical Treasure (Downtown Shop)	2	\$15.00	\$15.36	\$0.36	2.4%
8	Key West Landrette (Laundry)	1	\$7.50	\$7.68	\$0.18	2.4%
9	Household (Typical Residential)	1	\$7.50	\$7.68	\$0.18	2.4%

Questions?

