

City of Key West

Stormwater Fund

Fiscal Year 2010-11

Mid-Year Budget Review

October 1, 2010 - March 31, 2011

City of Key West Stormwater Fund

Major Revenue Categories Include:

- 1) Stormwater Fees & Delinquencies**
- 2) Grants – Army Corps of Engineers, FEMA, FDOT, and SFWMD.**

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Stormwater Fees

1st Half Stormwater billings are at 114% of projections. The stormwater fee disputes from the airport, school board, and FKCC were anticipated due to our conservative budgeting for this fund for FY 2011.

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Accounts Receivables

As of April 30, 2011 accounts receivable (including current invoices) totaled \$1,608,041.80. 82.2% were from 3 customers as follows:

Airport	\$ 999,854	62.8%
School Board	\$ 228,564	14.2%
College	<u>\$ 93,544</u>	<u>5.8%</u>
Total	\$1,321,962	82.2%

- These three entities' stormwater fees are among the highest based on the charges established through City code. Therefore, this delinquent amount will continue to grow dramatically until this issue can be resolved. FCAA has also recently stopped paying.**
- The FKCC decision is currently under appeal. Additional private properties are also indicating they may contest paying their stormwater user fee in the future.**
- The City's position is that stormwater user fees are a legal service fee, and they are charged in municipalities throughout the State of Florida.**

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Accounts Receivables (continued)

Airport, College and School Board (key sites) represent ~13% of the revenue base. Additional customers are posturing to refuse payment.

Failure to effectively address these issues will impact the utility's ability to operate, match grants and construct needed infrastructure.

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Stormwater Capital Grants

- **City will be receiving a reimbursement of \$100,000 from a SFWMD grant for the Stormwater Master Plan. Additionally, a portion of the Plan may be funded by FEMA from the East Front St. grant.**
- **A reimbursement from the US Army Corps of Engineers of \$77,350 in federal stimulus funds will be submitted for the completion of the White St. Pump Station.**

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Stormwater Capital Grants (cont.)

- **FDOT will fund 90% of three gravity wells that will be finished before the end of FY 2011.**
- **FEMA will fund 75% of the Patricia/Ashby Outfall and George St. Pump Station projects.**
- **The completion of the Stormwater Master Plan will give us a prioritized future capital project list, which FEMA has indicated an interest in possibly assisting with funding.**

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Corrective Action

- **We need resolution of other Governments' refusal to pay Stormwater Fees.**
- **The School Board, FKCC, Monroe County, and FKAA are currently not paying their stormwater fees.**

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Corrective Action (continued)

- **Increase Utility Billing Collection efforts to include collection letters, property liens, and Collection Agent at 120 days.**
- **The proposed hiring of a Revenue Collections Manager utilizing funding formerly dedicated to the General Services Director position.**