



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: April 30, 2013

RE: **Approval of Amendments to the City's Stormwater Ordinances in Order to Shift Utility Billing to the Property Tax Roll, and to Update Additional Sections**

ACTION STATEMENT:

These Amendments to Chapter 74 of the City's Stormwater ordinances relates to the City's transfer of the billing for its Stormwater utility to the property tax roll. Additional changes included updating the rate to its current level (as approved by resolution) and a modification to the appeal procedure.

BACKGROUND:

The City of Key West has struggled with excessive past-due accounts for our stormwater utility. 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 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 to a non-ad valorem assessment to the property tax roll, the City will need to modify its code of ordinances. Much of the language included in these amendments is based on the language from the code from the Village of Islamorada.

The other changes were based on updating the stormwater appeal procedure so that it will be similar to other utilities around the state, and matching the fee to the current \$7.80 per month based on the approved resolution of the City Commission.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can agree to the amendments that are proposed. Doing so will enable us to move forward in moving the stormwater utility billing to the property tax roll, which will increase our collection rate.
2. The City Commission can decline the amendments. This option is not recommended by City Staff because it will preclude the City from achieving the benefits from the shift of billing to the property tax roll.

FINANCIAL IMPACT:

Shifting the utility billing to the property tax roll will result in an increased collection rate, and will eliminate postage and other fees associated with monthly billing.

RECOMMENDATION:

Staff recommends that the City Commission select option 1, approving the amendments to the stormwater code.