



THE CITY OF KEY WEST

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MEMORANDUM

TO: Patti McLauchlin, City Manager
Cc: Todd Stoughton, Asst. City Manager
FROM: John Paul Castro, Utilities Director
DATE: July 29, 2020
SUBJECT: Authorizing a \$111.03 Annual Stormwater Utility ESU User Fee Charge for the City's Stormwater Annual Rate Resolution for FY 2022

Action statement:

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. Staff recommends establishing a rate of \$111.03, no change from last fiscal year.

Background:

The City Commission of Key West, Florida, has enacted Ordinance No. 13-09, 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 City Commission also establishes the Stormwater rates for our residents each fiscal year.

Purpose and Justification:

In setting the FY 2022 budget, the City plans on accomplishing the following goals:

- Increased staffing of maintenance crews (OMI) to ensure a safe and effective level of service to maintain our stormwater collection system, safeguard that storm drains and outfalls are regularly cleaned, and that the City's stormwater pump-assist wells and generators are fully operational.
- Design and construction of Harris and 10th stormwater system and outfall, Fogarty and 3rd St. Pump station, Tide Valve Outfall Project.

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

Last year notices were sent out with max rates that cannot be exceeded without new notices being mailed and commission approval. The rates on this notice for future years were:

FY 2022 - \$111.03
Maximum Rate over the next years - \$124.97

An advantage of having the stormwater fee on the property tax bill is that residents have the opportunity to receive a discount on their stormwater fees through early payment of property taxes.

City staff does not recommend a change to the current stormwater assessment. The ability for the rate to remain is due the department being recognized with grant awards in excess of \$18 million for current projects.

Options:

- 1) The City may choose to increase the stormwater fee up to 6% or \$117.69 for FY 2022. Staff does not think this is necessary for FY 2022.

- 2) The City can approve an annual \$111.03 ESU rate for FY 2022.

Financial Impact:

The financial impact of this proposed increase would be as follows:

	FY 2021 Budget (current)	Proposed FY 2022 Budget	Increase
ESU Rate	\$111.03(per year)	\$111.03(per year)	\$0.00

Recommendation:

Staff recommends option #2, approving an annual ESU rate of \$111.03.