



THE CITY OF KEY WEST

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MEMORANDUM

TO: Jim Scholl, Interim City Manager

Cc: Sarah Spurlock, Asst. City Manager

FROM: Michael Turner, Utilities Collection Manager

DATE: August 19, 2014

SUBJECT: Authorizing a \$96.24 Annual Stormwater Utility ESU User Fee Charge for the City's Stormwater Annual Rate Resolution for FY 2015

Action statement:

This is Stormwater Annual Rate Resolution that is required in the process of billing for the Stormwater utility as non-ad valorem assessment on the property tax bill. It will represent an increase equal to the consumer price index and establish Equivalent Stormwater Unit cost at \$96.24 annually.

Background:

The City Commission of Key West, Florida, has enacted Ordinance No. 13-09, which authorizes the annual 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 2015 budget, the City plans on accomplishing the following goals:

- Construct an emergency outfall for the Simonton Street Pump Station
- Begin construction of the East Front Street Stormwater Project
- Continue staffing of maintenance functions at current levels (OMI) to ensure a safe and effective level of service to maintain our stormwater collection system, safeguard that storm drains and outfalls are regularly

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

cleaned, and that the City's stormwater pump-assist wells and generators are fully operational.

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

FY 2016 - \$100.20

FY 2017 - \$103.01

FY 2018 - \$105.89

An advantage of having the utility billing on the property tax roll is that residents have the opportunity to receive a discount on their utility user fees through early payment of property taxes.

Options:

- 1) The City may choose to maintain the Stormwater budget at current levels. This option is not recommended by City Staff or our consultants.
- 2) The City can approve an annual \$96.24 ESU rate for FY 2015.

Whichever rates the City Commission selects will need to be approved at the September 3rd City Commission meeting.

Financial Impact:

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

	FY 2014 Budget (current)	Proposed FY 2015 Budget	Increase
ESU Rate	\$94.82(per year)	\$96.24(per year)	\$1.42/yr.

Recommendation:

Staff recommends option #2, approving an annual ESU rate that increases the annual ESU rate to a new total of \$96.24 annually.