

 <h1 style="text-align: center;">Council Communication</h1> <p style="text-align: center;">Office of the City Manager</p>	Date:	November 8, 2010
	Agenda Item No. 45 Roll Call No. <u>10-1862</u> Communication No. <u>10-682</u> Submitted by: Allen McKinley, Finance Director and William Stowe, Assistant City Manager – Public Works Director	

AGENDA HEADING:

Amendment to Municipal Code Section 118-275 to provide for a stormwater utility fee adjustment.

SYNOPSIS:

Recommend approval of amending Municipal Code Section 118-275 to adjust the Equivalent Residential Unit (ERU) billing rate to increase the rate by 4 percent beginning January 1, 2012 with an additional increase of 4 percent on January 1, 2013.

FISCAL IMPACT:

Amount: Additional revenue ranging from \$967,000 to \$1,795,000 annually over the next two years.

Funding Source: Stormwater Utility Fund, EN301, PWK077001, FY2010-11 Recommended Operating Budget, page 271.

ADDITIONAL INFORMATION:

The chart below provides the detail of the current and proposed rate increases with rate increases going into effect on January 1:

	Currently Fiscal Approved Year ERU Rate	Rate Change	Projected Income	Proposed Rate	Rate Change	Projected Income	Increment Change in Revenue
2010-11	7.87	8%	\$14,949,000	<i>Rate went into effect 1/1/2010</i>			
	8.50	8%	\$15,447,000	<i>Rate goes into effect 1/1/2011</i>			
2011-12	8.50	0%	\$16,146,000	8.84	4%	\$16,415,000	\$269,000
2012-13	8.50	0%	\$16,307,000	9.19	4%	\$17,242,000	\$935,000

In September, 2010 the City sold \$24.4 million of bonds including \$13 million to finance infrastructure improvements (the balance of the bonds were refinancing to lower existing debt service costs). Prior to the bond sale two workshop presentations were made projecting the need to implement 4% rate increases to provide sufficient revenues to support the system’s near term operating and capital improvement needs

while maintaining fiscal targets for working capital and bond coverage that are two key indicators bond rating agencies use in rating the city’s stormwater debt.

Over the next three years (FY11-FY13) the following capital projects are scheduled to be undertaken:

Flood Protection System Improvements:	\$5,387,000
City-Wide Storm Water Utility Projects:	\$3,117,000
Crawford Creek Watershed Improvements:	\$7,372,000
Dean’s Lake Pump Station Improvements:	\$1,924,000
Court Avenue/Water Street Sewer Separation:	\$9,005,000
Tonawanda Ravines:	\$2,263,000
McKinley Avenue Drainage Improvements:	\$ 42,000
Storm Water Pump Station Emergency Power Generation:	\$2,931,000
Livingston Avenue Sewer Lining:	\$2,034,000
Leetown creekway Outlet Improvement:	\$2,100,000
Easter Lake Watershed Improvements:	\$ 100,000
Watershed Studies:	\$ 50,000
Stormwater Pump Replacement:	\$ 325,000
Hamilton Drainage Area Improvements	\$2,400,000
Birdland Pump Station Upgrade:	\$ 35,000
I-235 Sewer Improvements:	\$3,133,000
Mulberry Street Sewer Improvements:	\$ 100,000

PREVIOUS COUNCIL ACTION(S):

Date: November 24, 2008

Roll Call Number: 08-2060

Action: Amending Chapter 118 of the Municipal Code regarding Stormwater Utility Fee rate increase for residential and non-residential properties. Moved by Vlassis that this ordinance do now pass, #14,814. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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