

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	August 20, 2018
	Agenda Item No.	43
	Roll Call No.	<u>18-1437</u>
	Communication No.	<u>18-428</u>
	Submitted by:	Bob Fagen, Finance Director

AGENDA HEADING:

Amending the Municipal Code Section 118 relating to the Equivalent Residential Unit (ERU) rate to be applied to residential and nonresidential properties (Stormwater Utility rate increases).

SYNOPSIS:

Recommend approval of amending the Municipal Code Section 118-275, relating to increases to the Stormwater Utility ERU rate to be applied to residential and nonresidential properties by 6% effective on January 1, 2019 (\$0.76), January 1, 2020 (\$0.81), and January 1, 2021 (\$0.86); 5% effective on January 1, 2022 (\$0.76); and 3% effective on January 1, 2023 (\$0.48).

FISCAL IMPACT:

Amount: The stormwater ERU rates are proposed to increase annually by 6% beginning January 1, 2019, for three (3) years; 5% for January 1, 2022; and 3% for January 1, 2023. Proposed rates and estimated annual revenue increases follow:

	<u>Stormwater Utility Fees</u>	Estimated Revenue <u>Increase*</u>
	<u>ERU</u>	
Current	\$ 12.68	
Proposed change on:		
1/1/2019	\$ 13.44	\$ 1,511,000
1/1/2020	\$ 14.25	\$ 1,611,000
1/1/2021	\$ 15.11	\$ 1,710,000
1/1/2022	\$ 15.87	\$ 1,511,000
1/1/2023	\$ 16.35	\$ 954,776

*Assumes no ERU unit growth each year.

Funding Source: Revenues will be deposited in the appropriate stormwater funds accounts for use on operations and capital projects.

ADDITIONAL INFORMATION:

- Fee increases are needed in the Stormwater Utility Fund to provide for planned improvements for protection of life and property of almost \$170,000,000 between fiscal years 2019 and 2023, and increasing operating and maintenance expenses.

PREVIOUS COUNCIL ACTION(S):

Date: March 21, 2016

Roll Call Number: [16-0492](#) & [16-0493](#)

Action: [Amending](#) Chapter 118 of the Municipal Code regarding volume charge and customer service charge for sewer services and the ERU rate to be applied to residential and nonresidential properties. ([Council Communication No. 16-134](#)) Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

- (A) [Final](#) consideration of ordinance above (waiver requested by the City Manager), requires six votes. Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, #[15,455](#). Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Second and third readings of the ordinance.

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