

★ Roll Call Number

Agenda Item Number

33

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November 22, 2010

Date

An Ordinance entitled, "AN ORDINANCE to amend the Municipal Code of the City of Des Moines, Iowa, 2000, adopted by Ordinance No. 13,827, passed June 5, 2000, and amended by Ordinance No. 14,194 passed December 18, 2002, and by Ordinance No. 14,814 passed November 24, 2008, by amending Section 118-275, relating to the ERU rate to be applied to residential and nonresidential properties",

which was considered and voted upon under Roll Call No. 10- 1862 of November 8, 2010; again presented.

Moved by _____ that this ordinance be considered and given second vote for passage.

(Second of three required readings)

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED		APPROVED		


CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk

 <div style="text-align: center;"> <h1>Council Communication</h1> <p>Office of the City Manager</p> </div>	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						Increment
Fiscal Year	Approved ERU Rate	Rate Change	Projected Income	Proposed Rate	Rate Change	Projected Income	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

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.

ORDINANCE NO. _____

AN ORDINANCE to amend the Municipal Code of the City of Des Moines, Iowa, 2000, adopted by Ordinance No. 13,827, passed June 5, 2000, and amended by Ordinance No. 14,194 passed December 18, 2002, and by Ordinance No. 14,814 passed November 24, 2008, by amending Section 118-275, relating to the ERU rate to be applied to residential and nonresidential properties.

Be It Ordained by the City Council of the City of Des Moines, Iowa:

Section 1. That the Municipal Code of the City of Des Moines, Iowa, 2000, adopted by Ordinance No. 13,827, passed June 5, 2000, and amended by Ordinance No. 14,194 passed December 18, 2002, and by Ordinance No. 14,814 passed November 24, 2008, is hereby amended by amending Section 118-275, relating to the ERU rate to be applied to residential and nonresidential properties as follows:

Sec. 118-275. Establishment of ERU, ERU rate and stormwater management charge; establishment of policy regarding expenditure of utility revenues.

- (a) For purposes of this division, an ERU shall be equivalent to 2,349 square feet of impervious property.
- (b) Except as provided in this division, every contributor owning or occupying a single-family residential property, a multifamily residential property, an unclassified residential property, or a nonresidential property, other than exempt property, shall pay to the city at the office of the city's collection agent, at the same time payment is made for water service, a stormwater management charge to be determined and billed as provided in this division. In the event the owner and the occupant of a particular property are not the same, the liability for payment of the stormwater management charge attributable to that property shall be joint and several as to the owner and occupant. The stormwater management charge shall be a monthly service charge and shall be determined by this division and the ERU and ERU rate which is established in this division and from time to time adjusted as provided in this division.
- (c) The stormwater management charges provided in sections 118-276 through 118-279 of this division shall be applied and computed for each contributor during the customary billing periods as to all bills mailed by the city's collection agent, and such charges shall thereafter be paid and collected as provided in this division.
- (d) The ERU rate to be applied to residential and nonresidential properties shall be as follows:
 - (1) ~~for the period July 1, 2008 through December 31, 2008, the ERU rate shall be \$6.75;~~
 - (2) ~~for the period January 1, 2009 through December 31, 2009, the ERU rate shall be \$7.29;~~

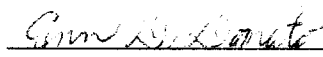
- (31) for the period January 1, 2010 through December 31, 2010, the ERU rate shall be \$7.87;
- (42) for the period January 1, 2011 through December 31, 2011, the ERU rate shall be \$8.50; and
- (3) for the period January 1, 2012 through December 31, 2012, the ERU rate shall be \$8.84; and
- (4) for the period January 1, 2013 through December 31, 2013, the ERU rate shall be \$9.19; and

Said rate shall remain in effect until adjusted as hereafter provided. As to all fiscal years subsequent to ~~FY2011-12~~FY2013-2014, the director shall determine the ERU rate to be applied to residential and nonresidential properties within the city on or before March 15 of each year and shall certify the same promptly thereafter to the city manager. The city manager shall inform the city council of the rate so calculated at the time that the budget for the stormwater management utility is submitted to the council for its review and approval. If it is determined that the ERU rate is to be adjusted, the city manager shall thereafter publish said adjusted rate once in a newspaper of general circulation, shall give notice thereof to contributors if and as required by applicable state or federal law, and shall, in the absence of council enactment of an ordinance not later than May 1 directing the imposition of a different rate, proceed to impose and collect the adjusted rate from and after July 1 of that year.

- (e) If at any time the director determines that the ERU rate and/or the budget for the stormwater management utility system requires adjustment, the director shall report such determination to the city manager and city council. The city council may at any time adjust the ERU rate by adoption of an ordinance amending this section, and may at any time adjust the budget for the stormwater management utility system by adoption of an appropriate resolution.
- (f) The city council hereby establishes a formal policy regarding the expenditure of stormwater management utility revenues as follows:
 - (1) The city manager shall develop and implement a cost accounting system, capable of accurately recording and segregating charges to the system by all departments of the city, to include the cost of personnel, machinery, contract equipment and construction, supplies, depreciation, and any and all miscellaneous expenses and purchases. A year-end audit of all expenses shall be prepared by the finance department and provided to the city manager and city council.
 - (2) No revenues generated by the stormwater utility user fee shall be used for any purpose other than stormwater expenses.

Section 2. This ordinance shall be in full force and effect from and after its passage and publication as provided by law.

FORM APPROVED:


 Ann DiDonato
 Assistant City Attorney