

Mayor and Council Communication

DATE: 10/15/19

M&C FILE NUMBER: M&C 19-0242

LOG NAME: 20SWM INCREASE FY20

SUBJECT

Conduct a Public Hearing and Adopt Ordinance Amending Section 12.5-336 and Section 12.5-340 of the City Code, Revising Categories of Drainage Utility Rates and Property Definitions and Monthly Fees Assessed for the Municipal Drainage Utility System to be Effective January 1, 2020 (ALL COUNCIL DISTRICTS)

(**PUBLIC HEARING** - a. Report of City Staff: Greg Simmons; b. Citizen Presentations; c. Council Action: Close Public Hearing and Approve the M&C)

RECOMMENDATION:

It is recommended that the City Council conduct a public hearing and adopt the attached ordinance amending amending Section 12.5-336 and Section 12.5-340 of the City Code, Revising Categories of Drainage Utility Rates and Property Definitions and Monthly Fees Assessed for the Municipal Drainage Utility System to be Effective January 1, 2020.

DISCUSSION:

Due to critical needs for capital improvements to the City's drainage system, the Transportation and Public Works Department Stormwater Management Division is recommending an increase to the monthly stormwater utility rate of \$0.35/Equivalent Residential Unit (ERU) as a part of the Fiscal Year 2020 Budget request. An ERU equals 2,600 square feet of impervious surface. The fee increase is required to support the sale of additional revenue bonds for the Stormwater Utility's FY 21 - 25 capital program.

In April and June 2019, staff met with the Stormwater Management Program Stakeholder Group to review and receive input on program needs and priorities, and revenue increase scenarios to expand program capacity. The Stakeholder Group is comprised of community members representing neighborhood organizations, civic groups, developers, and large rate payers. The most critical program need is for expanded capital delivery capacity for: hazardous road overtopping mitigation; pipe rehabilitation; channel restoration; and structural flood mitigation. The recommended 6.5% fee increase will create capacity for the issuance of approximately \$70 million in revenue bonds to accelerate capital improvements in these program categories.

The table below shows what the new fee would be for the four tiers of single family residential properties as well as all non-single family residential properties. The residential square feet figures are based on Tarrant Appraisal District records.

Billing Tier	Billing Unit – Equivalent Residential Units (ERU)	Billing Basis	Existing Monthly Rate	Proposed Monthly Rate, Effective January 1, 2020
Single Family Residential - Tier 1	0.5 ERU	Up to 1,300 residential square feet	\$2.70	\$2.88
Single Family Residential - Tier 2	1.0 ERU	1,300 to 2,475 residential square feet	\$5.40	\$5.75
Single Family Residential - Tier 3	1.5 ERU	2,476 to 3,394 residential square feet	\$8.10	\$8.63

Single Family Residential - Tier 4	2.0 ERU	3,394+ residential square feet	\$10.80	\$11.50
Non-Single Family Residential	Per ERU (2,600 square feet of impervious surface)	Actual impervious surface	\$5.40 per ERU	\$5.75 per ERU

The Stormwater Utility Fee increase will result in approximately \$57,000.00 per year in additional Stormwater Utility Fee payments by the City organization.

Section 552.045 (c) and (d) the Local Government Code states that a municipality may revise its schedule of drainage charges and requires publication of the intended revision three times prior to a public hearing and adoption of rates. City Staff published notification of this hearing along with the proposed ordinance in the Fort Worth Star-Telegram on September 13, 2019, September 20, 2019 and September 27, 2019.

In addition to the revision in fees, the ordinance will revise the definitions of non-residential and residential property and delete the definition of multi-family residential in order to simplify the billing categories.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached ordinance, funds will be deposited into the General Fund and the Stormwater Utility Fund. The Transportation & Public Works Department and Financial Management Services are responsible for the collection and deposit of funds due to the City and prior to any expense or expenditure being incurred, the Transportation & Public Works Department also has the responsibility to validate the availability of funds.

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