

LS

# Stormwater Funding Options

Public Works Committee

January 30, 2017



# Status of Discussions

- o PWC has
  - o Established prioritized stormwater program goals
  - o Reviewed level of service scenarios and selected Scenario No. 2 as target for funding ongoing program
  - o Reviewed funding options and focused on pros and cons of three funding options: CIP sales tax, use tax and utility/user fee
  - o Recommended inclusion of approx. \$25M in stormwater projects in CIP Sales Tax Renewal

# Funding Options & Program Goals

Stormwater Program Goals  
as updated during Dec. 19, 2016 PWC Meeting

GOAL	TERM	
	Short (S), Med (M) or Long (L)	PRIORITY RANKING
<b>Improve reliability of existing system through increased maintenance including proactive efforts</b>		
1. Dedicated resources for operation and maintenance (labor and materials) (Scen. #2 recommended by PWC)	S	1
2. Inspection of existing system components	M	2
3. Replacement program for deteriorated CMP in system	M/L	3
<b>Expand implementation of regulatory NPDES water quality program including infrastructure improvements, public education, and staff training</b>		
1. Staff training	S	1
2. Illicit discharge inspections	S	1
3. Comprehensive environmental permit tracking	L	3
4. Increased public education and participation	M	2
5. Dedicated Stormwater Management Plan advisory board	L	4
<b>Construct capital projects that continue to address problem areas based on priorities</b>		
1. System deficiencies identified by the City's Master Plan that cause flooding of homes, businesses, or other structures.	S	1
2. System deficiencies that cause street flooding to the extent that access for emergency response vehicles is impeded and/or that public safety is protected.	M	2
3. System deficiencies that cause erosion in open channels resulting in damage, as determined by qualified professionals, to existing structures or infrastructure.	M	2
4. System deficiencies identified in the City's Master Plan that result in damage to private improvements such as landscaping and fencing.	L	4
<b>Maintain a proactive approach to identifying needed updates to the City's standards and ordinances</b>	Ongoing	

 Items addressed by CIP Sales Tax funding  
 Items addressed by Scenario #2 funding

# Required Revenue

- o To Fund Scenario #2 (based on 2016 costs)
  - o \$1.495 M in annual funding at start (will need to increase over time as costs increase)
    - o 11.9 FTEs
    - o Includes routine maintenance and inspection, construction of small projects, system repairs, regulatory compliance, design and project management
  - o \$0.567 M in one-time funding
    - o Nine trucks/pieces of equipment

Revenue Source	Pros	Cons
CIP Sales Tax	<ul style="list-style-type: none"> <li>• Good for specific projects &amp; programs</li> <li>• No special billing</li> <li>• Easy to explain to public</li> <li>• No impact on general fund</li> </ul>	<ul style="list-style-type: none"> <li>• Not permanent on-going funds for operation and maintenance</li> </ul>
Use Tax	<ul style="list-style-type: none"> <li>• Can supplement other revenue streams <ul style="list-style-type: none"> <li>• \$ 1M in use tax yields \$400K into gen. fund</li> </ul> </li> <li>• Permanent revenue source</li> <li>• Prioritize needs for use of revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Not adequate to fully fund program</li> <li>• Not dedicated to specific uses by ballot</li> <li>• Other uses may be unmet if dedicated funding source</li> <li>• General use tax typical</li> </ul>
Utility/User Fee	<ul style="list-style-type: none"> <li>• On-going long term dedicated solution for program</li> <li>• Nexus between fees and amount of runoff - similar to water/sewer rate system</li> <li>• No impact on general fund</li> </ul>	<ul style="list-style-type: none"> <li>• Costs and time to implement <ul style="list-style-type: none"> <li>• Funds required to build the system database and structure program before voter approval</li> </ul> </li> <li>• More administration required for ongoing management</li> <li>• Requires billing system</li> </ul>

# Other Mo/Ks Communities

## o Monthly User Fee

- o Olathe KS - \$5.66/ERU
- o Topeka KS - \$4.25/ERU
- o Lawrence KS - \$4.00/ERU
- o KCMO - \$3.00/ERU
- o Arnold MO - \$3.00/ERU
- o Wichita KS - \$2.00/ERU
- o Columbia MO - \$1.44/ERU (Scheduled to increase to \$3.50)
- o St. Louis Metro. Sewer District – \$0.24/mo for each single family or commercial unit served by the system; \$0.18/mo for each unit in multi-family developments

ERU = Equivalent Residential Unit

# Other Communities (cont'd)

- o User Fee Collected with Property Tax Bill
  - o Lenexa KS - \$30/ERU/yr
  - o Overland Park KS - \$24/ERU/yr
- o Sales Tax
  - o Independence MO – 1/4¢
- o Property Tax
  - o St. Louis Metropolitan Sewer District – varies by location; min. \$1.95/\$100 of assessed value

# Reference Information

- o 2004 Citizens' Stormwater Task Force Report
  - o Task Force recommended a stormwater user fee for long-term funding
  - o Copy previously provided to PWC
- o 2016 Stormwater Utility Survey – Black & Veatch
  - o Copy attached



# Next Steps

- o PWC makes recommendations on long-term funding for Scenario #2 to City Council
  - o If a user fee system is recommended the cost of development will need to be included as part of the next FY budget
  - o Costs for the project could be between \$300,000 and \$400,000 (based on 2005 contract for this work – contract terminated before completion)
- o Additional information required by PWC?