

Stormwater Utility – Continued Funding Discussion

Citizens' Stormwater
Task Force
Presentation of
Recommendations

City Council Regular Session
Thursday, October 14, 2004



August 11, 2025

Public Works Committee Meeting

George Binger, PE, CFM

Deputy Director of Public Works / City Engineer

Agenda

- Recap:
 - Desired Level of Service (LOS)
 - Funding Needed
 - Funding Alternatives
- Summary Comparison of User Fee and Sales Tax
- Review Sales Tax Options
- Discussion & Next Steps

Proposed LOS

❖ Stormwater Maintenance

- ❖ Debris Removal/Culvert Cleaning (Reactive)
- ❖ Repaired Failed Pipes and Structures
- ❖ Projects funded by General Fund to address immediate life-safety threats from failed infrastructure (e.g. pipe collapse, sink holes, etc.)
 - ❖ Significantly Improved Response Time
- ~~❖ Cannot keep pace with~~ Address known and emerging needs ~~due to funding and staffing challenges~~

❖ Stormwater Preventative

- ❖ Street Sweeping + Future Enhanced Frequency
- ❖ Permit Compliance (5- Year Recertification)
- ❖ Improved Erosion Controls (CIP, ROW, Development)
- ❖ Proactive Inspections and Pipe Rehabilitation
- ❖ Maintenance Program (e.g. similar to pavement)
 - ❖ Basins, BMPs (vacuum cleaning, landscaping, etc.), Litter

Proposed Resources

- PW Maintenance Operators, Contract Specialist shared with other Work Order needs. As Needed
- Dump Trucks, Mini Excavator Rental, Excavator, Skid Steer (with attachments) shared with other Work Order needs. As Needed
- Contracted On-Call Construction for Repairs/Replacements
- Preventative Stormwater CIP Program
- Additional (1) Dump Truck, Mini Excavator, Backhoe/Excavator, Trailer, Skid Steer, Jet Truck, CCTV Truck, and Various Equipment Attachments
- Three Crews:
 - 5 Existing Operators + 10 New Operators
 - Operations Supervisor
- Street Sweeper (1) + Future Street Sweeper

Proposed LOS

❖ Stormwater Education

- ❖ Signed Creek/River Crossings
- ❖ Required of MS4 Permit Compliance
 - ❖ City Webpage
 - ❖ Regional Stormwater Education (by MARC)
- ❖ Stream Team/Green Team & Enhanced Activities
- ❖ Pollution Management Programming
- ❖ HOA Consultations
- ❖ School Programming
- ❖ Private Stormwater System Consultations
- ❖ Flood Mapping Information
- ❖ Flood Insurance Program Communications
- ❖ General Stormwater and Erosion Control Information
 - ❖ Flood Hazard Letters (Reverse Declining Levels of Services)

Proposed Resources

- MARC (Subscription Service)
- Environmental Specialist (~~10% of FTE time~~)
 - Part-Time Public Education Support
 - Full-Time Regulatory Compliance, Permitting, Insurance
- Stormwater Public Educator
 - Full-Time Public Education
- Customer Service Staff
- School Partnerships
- Public Education Materials

Proposed LOS

❖ Stormwater Private Assistance

- ❖ Staff consultations. Staff will perform site visits and offer suggestions upon service request.
- ❖ Mail annual notice to HOAs for basin inspections
- ❖ Staff Inspections/Reporting of private basins (e.g. HOA)
- ❖ Flood Mapping & Improved Permitting Assistance
- ❖ Flood Hazard & Flood Insurance Program Letters
- ❖ Potentially Limited Private System Acquisitions/Work
(Refer to Large Stormwater Projects)

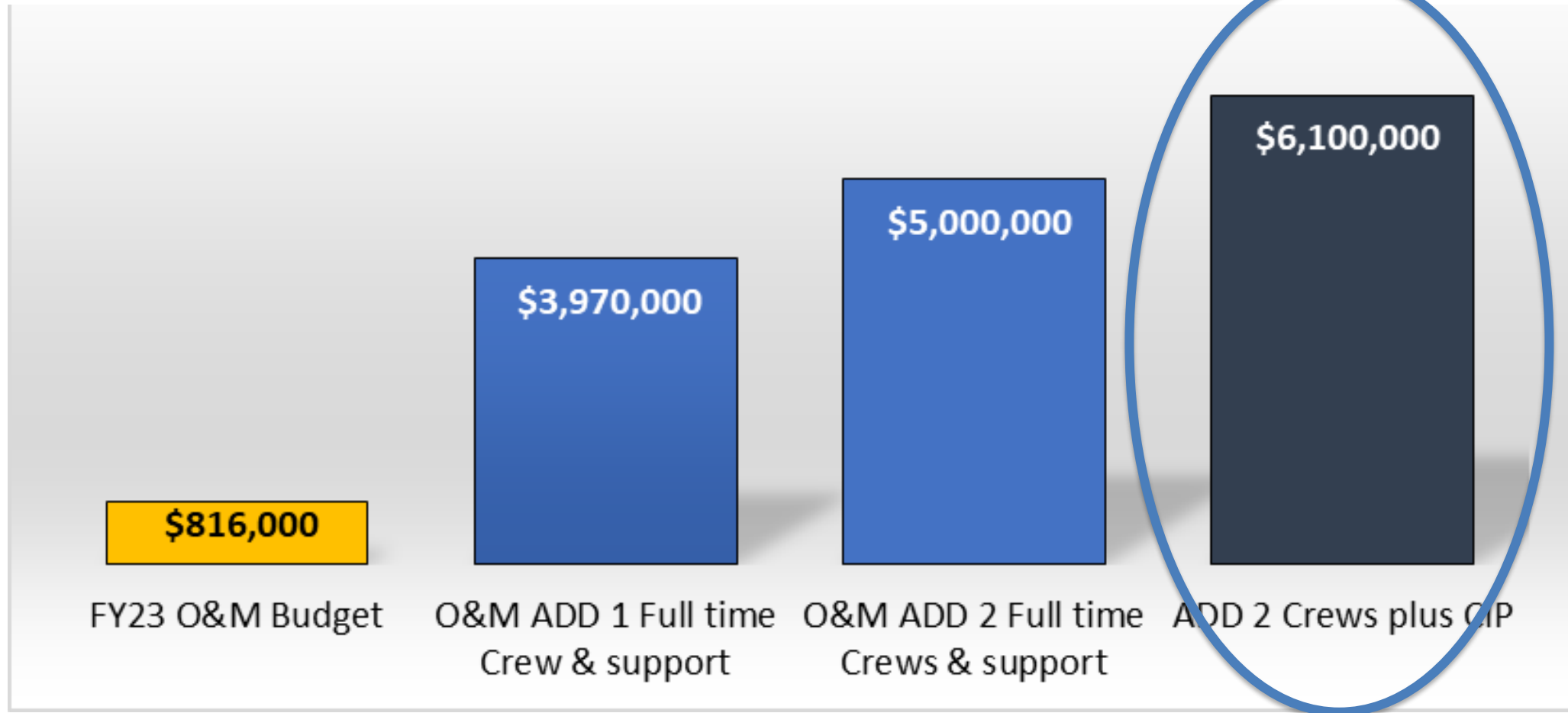
Proposed Resources

- Staff Engineers, ~~Environmental Specialist~~, Neighborhood Services Officers, etc. As Needed
- Environmental Specialist
- Stormwater Public Educator
- Potentially Limited Private System Acquisitions/Work

Resources for Proposed Level of Service

- Add two crews, equipment, public education and support staff
- Adds funding for small capital improvements and maintenance
 - Contracted work for extensive system repairs/replacements
 - Master planning
- Initial Cost \$5.7 Million per year in 2022
- \$6.1 million per year in 2025 adjusted for inflation

Annual Stormwater Funding Gap



O&M = Operations and Maintenance

Recap: Potential Stormwater Funding Sources



- Potential new **dedicated** Sales Taxes:

- Parks and Stormwater Sales Tax (1/8 cent):

\$3.1 Million

- General Sales Tax (1/4 cent):

\$6.2 Million

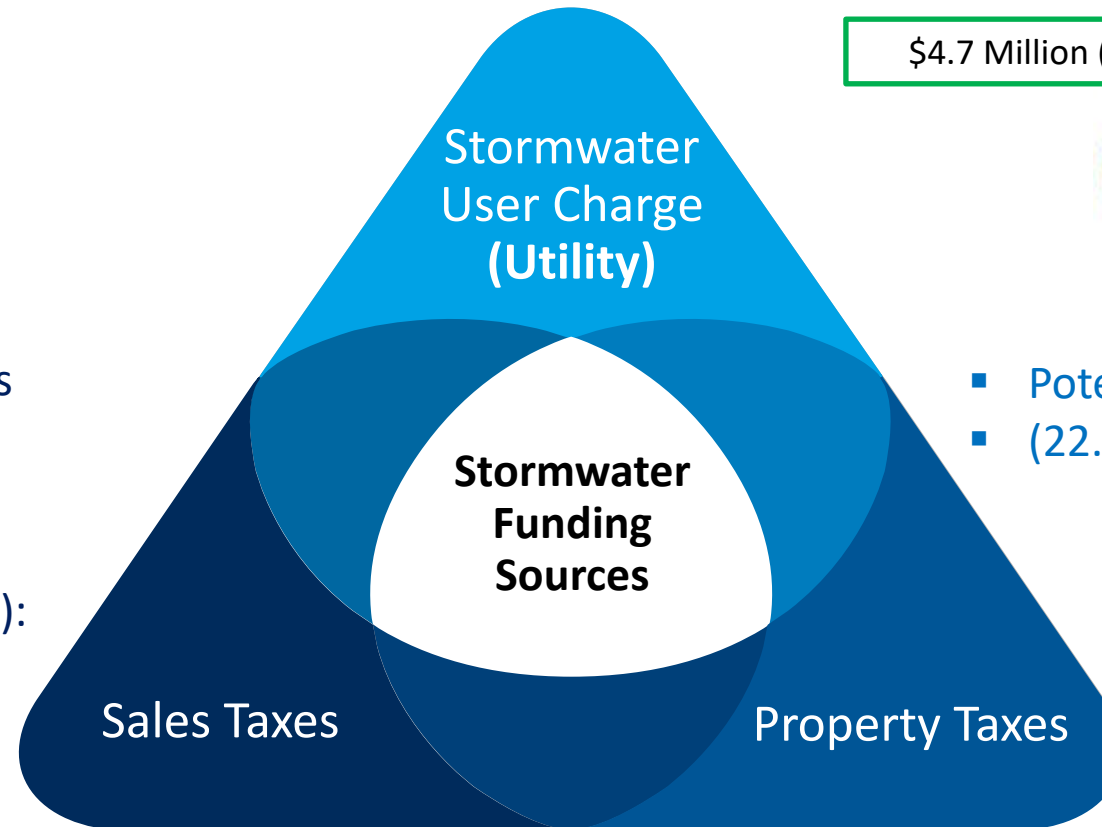
- Potential new **dedicated** stormwater user-charge

\$4.7 Million (2025) to \$6.8 Million (2029)



- Potential new **dedicated** stormwater tax
- (22.0 cents per \$100 of assessed value)

\$6.5 Million



Funding Approach Comparison

- Sales Tax

- + No Billing System
- + No Collections System
- + Almost \$0 Administrative Cost
- + Quicker to Revenue Collections
- + Earlier Implementation
- + Fewer Policies
- + No Exemptions
- + No Special Oversight Board
- Less Reliable Revenue Source
- Reduces Taxing Capacity
- Indirect Nexus to Stormwater Costs

- User Fee

- Requires Billing System (w/Management Costs)
 - Data Management/Updates
 - Address Management/Updates
 - Customer Accounting
 - Potential Business Processes and Staffing
- Requires Collections System (w/Administrative Costs)
 - Annual via Property Tax collections (\$250k overhead)
 - Monthly using utility billing system (\$630k overhead)
- Create Numerous Policies
 - Exemptions; Unpaid bills; Credits; Appeals
 - Composition of oversight board
- Legal work to establish Utility & Utility Board
- Longer Implementation
- + Stronger & Direct Nexus to Stormwater Costs
- + Preserves Taxing Capacity
- + More Reliable Revenue Source

Other Considerations

- Sales Tax
 - 41,649 housing units in LSMO
 - Assume revenue 5% from outside LSMO
 - Assume 10% paid by commercial entities
 - **Estimate about \$125 per year per household**
 - Easy to collect and administer; systems already in place so no additional overhead
- User Fee
 - Median Home: 4,000 sq. ft Impervious area
 - **\$110 per year for median household**
 - Increase or decrease based on amount of impervious area
 - \$250,000 to \$630,000 in administrative cost and uncollected revenues

At Least 15 Missouri Cities Approved a Stormwater Sales Tax

City	Sales tax rate	Purpose
Aurora	0.500%	Parks & Stormwater
Creve Coeur	0.500%	Parks & Stormwater
Duquesne	0.125%	Parks & Stormwater
Ellisville	0.500%	Parks & Stormwater
Independence	0.500%	Parks & Stormwater
Louisiana	0.500%	Parks & Stormwater
Manchester	0.500%	Parks & Stormwater
O'Fallon	0.500%	Stormwater
Ozark	0.500%	Parks & Stormwater
Smithville	0.500%	Parks & Stormwater
Rolla	0.500%	Parks & Stormwater
Frontenac	0.500%	Parks & Stormwater
Joplin	0.500%	Parks & Stormwater
Webster Groves	0.500%	Parks & Stormwater
Raymore	0.500%	Parks & Stormwater

Statutory Authority

Missouri Revised Statutes, Title XL, Section 644.032:

“ Sales tax for purpose of storm water control or local parks or both may be imposed by any county or municipality...

Ballot shall contain, but need not be limited to:

Shall the municipality (county) of _____ impose a sales tax of _____ (insert amount) for the purpose of providing funding for _____ (insert either storm water control, or local parks, or storm water control and local parks) for the municipality (county)?

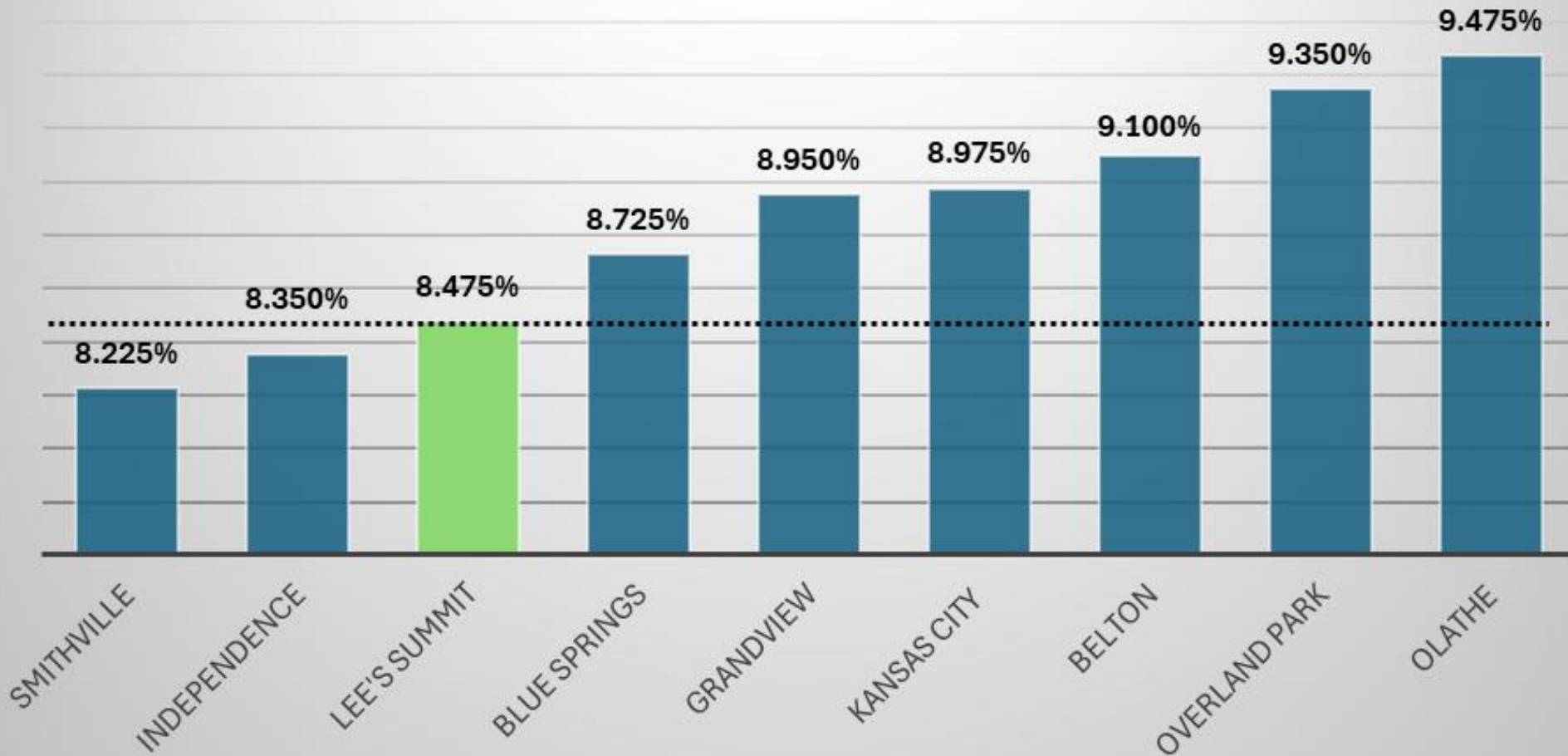
Jurisdictional Comparisons

Type of Tax	Smithville	Indepen- dence	Lee's Summit	Blue Springs	Grandview	Kansas City	Belton	Overland Park	Olathe
State	4.225%	4.225%	4.225%	4.225%	4.225%	4.225%	4.225%	6.500%	6.500%
County	1.375%	1.375%	1.375%	1.375%	1.375%	1.375%	1.625%	1.475%	1.475%
Municipal	2.500%	2.625%	2.750%	3.000%	3.000%	3.250%	3.250%	1.375%	1.500%
KCZoo	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%			
Other					0.225%				
TOTAL Sales Tax*	8.225%	8.350%	8.475%	8.725%	8.950%	8.975%	9.100%	9.350%	9.475%

*Note: Total does not include special districts such as CID, TIF, TDD, etc.

Type of Tax	Smithville	Indepen- dence	Lee's Summit	Blue Springs	Grandview	Kansas City	Belton	Overland Park	Olathe
General	1.000%	1.000%	1.000%	1.000%	1.000%		1.000%	1.000%	1.000%
CIP Sales Tax	0.500%	0.125%	0.500%		0.500%	1.000%	0.500%		
Transporation	0.500%	0.500%	0.500%	0.500%	0.500%	0.875%	0.500%	0.375%	0.375%
Public Safety			0.500%	0.500%	0.500%	0.250%	0.500%		
Parks	0.250%	0.250%	0.250%	0.500%	0.500%	0.500%	0.500%		0.125%
Police									
Fire		0.500%		0.500%		0.500%	0.250%		
Stormwater	0.250%	0.250%							
Sports Complex						0.125%			
Anti-Drug									
Childerns Svcs.									
Total Local Sales Tax	2.500%	2.625%	2.750%	3.000%	3.000%	3.250%	3.250%	1.375%	1.500%

TOTAL Sales Tax*



General Sales Tax Funding Option

General Sales Tax
(1/4 cent for stormwater)

- Up to 1/2 cent currently available before reaching City's statutory limits
- Will reduce City's future ability to leverage General Sales Tax revenues to 1/4-cent
- 1/2-cent CIP Sales Tax due for renewal in 2032 (or earlier). Could make permanent and split to fund stormwater and transportation.
- Could "bundle" with Parks & Stormwater 1/8-cent (allow 3/8 for transportation; 1/8 for stormwater)

\$6.2 -7.5 Million

Parks and Stormwater Sales Tax Funding Option

Parks & Stormwater Sales Tax
(1/4 cent for stormwater)

- State statutes allows 1/2 cent for this sales tax
- Currently, 1/4 cent is already used by Parks
- Parks supportive to use remaining 1/4 cent for stormwater
- "Rain to Rec" opportunities with dry basins
 - Green space for practice fields
 - Trails
- Regional stormwater management basins
- Most common model across Missouri

\$6.2 -7.5 Million

Discussion

- Questions
- Comments
- Guidance

Next Steps

- Depends on the Funding Approach: Sales Tax or User Fee?
- Potential Discussion/Questions:
 - Establish Rates & Maximum Desired Range
 - Billing & Collections
 - Credits & Exemptions
 - Plan for Utility Creation and Utility Board
- Finalize PWC Recommendations to City Council
- Prepare Ballot Language
- Define Detailed Budget Estimates/Plans
- Public Education Strategies
- Vote Schedule

George Binger, P.E., CFM

City Engineer

Geoge.binger@cityofls.net

816.969.1800

