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# Comparison of Stormwater Funding Options

Public Works Committee

November 21, 2016

# Background

- o At Oct. 10 PWC, members requested comparison of pros and cons for three funding options:
  - o Utility/user fee
  - o CIP sales tax
  - o Use tax

# USER FEE

## Pros:

- ◊ On-going long term dedicated solution for program
- ◊ Nexus between fees and amount of runoff - similar to water/sewer rate system
- ◊ No impact on general fund

## Cons:

- ◊ Costs and time to implement
  - ◊ Funds required to build the system database and structure program before voter approval
- ◊ More administration required for ongoing management
- ◊ Requires billing system

# CIP Sales Tax

## Pros:

- ◊ Good for specific projects and programs
- ◊ No special billing
- ◊ Easy to explain to public
- ◊ No impact on general fund

## Cons:

- ◊ Not permanent on-going funds for operation and maintenance

# USE TAX

## Pros:

- Can supplement other revenue streams
  - \$ 1M in use tax yields \$400K into general fund
- Permanent revenue source
- Prioritize needs for use of revenue

## Cons:

- Not adequate to fully fund program
- Not dedicated to specific uses by ballot
- Other uses may be unmet if dedicated funding source
- General use tax typical