

Legislation Details (With Text)

File #:	2020-3356	Name:	
Type:	Discussion Item	Status:	Filed
File created:	2/25/2020	In control:	Finance and Budget Committee
On agenda:	4/13/2020	Final action:	4/13/2020
Title:	Recommendation for Funding Stormwater Utility Rate Study		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Fund balance calculation FY2019		

Date	Ver.	Action By	Action	Result
4/13/2020	1	Finance and Budget Committee	received and filed	
3/9/2020	1	Finance and Budget Committee	recommended for approval	Pass
3/2/2020	1	Public Works Committee	recommended for approval	Pass

Recommendation for Funding Stormwater Utility Rate Study

Issue/Request:

Recommend a funding source for proceeding with the proposed stormwater utility rate study.

Key Issues:

- * The Public Works Committee supports the concept of a utility as the most suitable funding mechanism for a sustainable maintenance and regulatory compliance program for stormwater.
- * A rate study is necessary to determine appropriate fees and the utility structure before voters are asked to consider the issue. The rate study is anticipated to cost \$400,000-450,000.
- * The only feasible source of funding for the study is the General Fund Unallocated Reserve Balance.

Proposed Committee Motion:

Background:

Public Works Committee has spent considerable time over the last 2-3 years discussing the need and options for a stormwater program. The Committee reached consensus on the concept of a utility to provide ongoing funding for identified maintenance and regulatory compliance needs. The concept was presented to civic/business groups for feedback. The concept was generally well received with the suggestion that the program also include some funding for capital needs.

In order to develop the utility structure and determine appropriate fees, a rate study is necessary in order to place the issue on a ballot in the future. The study would be performed by a consultant and is expected to cost up to \$450,000. This fee would include the development of a fee structure and the utility framework

necessary to allow voters to understand the impact, and would include services related to establishing the billing system if the issue is approved.

Multiple sources for funding the study have been investigated and there are no current options other than the General Fund Unallocated Reserve Balance. Submitting the request as an expansion item in the annual budget process would force it to compete with regular, ongoing expense and potentially impact the operating budget. The General Fund Unallocated Reserve Balance is adequate to fund the study and still maintain the minimum balance required by the General Fund Reserve Balance Guidelines (Ordinance 7428).

Impact/Analysis:

The study provides the information and details needed to present the proposed stormwater utility to voters.

Timeline:

Start: FY2021

Finish: FY2022

Other Information/Unique Characteristics: Understanding the complexity of the stormwater issue in Lee's Summit, MO CM Demoro moved to send the consideration and recommendation for funding Stormwater Utility Rate Study to the Finance and Budget Committee.

Dena E. Mezger, P.E., Director of Public Works

Recommendation: Staff recommends using funds from the General Fund Unallocated Reserve Balance for the rate study.

Committee Recommendation: The Public Works Committee voted unanimously 3-0 (Councilmember Edson "Absent), to send the consideration and recommendation to funding the Stormwater Utility Rate Study to the Finance and Budget Committee.