

TO: Village Council
FROM: Scot F. Lahrmer, Village Manager
DATE: April 10, 2015
RE: Storm Water Utility Fee Rate
ITEM: Modifying the Storm Water Utility Fee.

ACTION REQUESTED: By motion, adopt **Ordinance 2015-5** amending the Storm Water Utility Fee.

PURPOSE: To authorize the decrease of the Storm Water Utility Fee Rate.

The Amberley Village Storm Water Utility was created in 2002 and passed in 2003. The utility was created to effectively manage and finance a storm water system within the Village. The intent was to establish and maintain fair and reasonable storm water management service charges for each lot or parcel in the Village which bear a substantial relationship to the cost of providing storm water management service and facilities. This system was established since each property contributes to storm water runoff and benefits from effective management of storm water.

There were two classifications of property and fee rates established for each classification:

Class R: One and two family residential. Residential properties are categorized by lot or parcel size based on the size of the lot or parcel.

R-1	Under 0.5 acres	\$75 per year
R-2	0.5 acres to under 1 acre	\$150 per year
R-3	1 acre to under 1.75 acres	\$237 per year
R-4	1.75 acres to under 2.5 acres	\$329 per year

Class C: 2.5 acres or larger, which includes non-residential property and residential property not included in Class R. The total area (acres to the nearest 0.01) of each Class C property is determined as defined in Village code section 54.02. The current unit rate for Class C properties is \$98.

The utility annually generates approximately \$332,000 per year/\$83,000 per quarter. Village code states that, “all revenues generated by or on behalf of the utility including storm water management service charges and direct charges and interest earnings on those revenues shall be deposited in the storm water utility fund and used exclusively for utility purposes”. Since 2003, the Village has invested over \$3.3 million into the Village storm water infrastructure. Having a dedicated source of revenue to respond to storm water issues has been very effective therefore, eliminating the need for storm water projects to compete with other needs to be funded. Many projects have been funded with the most recent major project being the Amberley Green dam modification.

The staff recommended a 2015 Storm Water Program that totaled approximately \$245,400, in addition to engineering, televising and the storm water costs associated with our street program for a grand total of \$353,000. This program captures some projects which have been on the Village storm water list for years and significantly reduces the remaining projects. While the Village still has on-going storm water expenses and future projects, staff believes the amount of funds necessary to operate the storm water utility can be reduced.

With the majority of the larger and more expensive storm water projects completed in recent years, the 2015 Budget reflected a decrease to the utility fee rate. The Village has reviewed the annual storm water expenses, the remaining projects and in 2014, began televising the storm water system. The televising program is to evaluate the condition of the storm water infrastructure and better develop future storm water programs.

The staff recommendation is to decrease the utility fee rate by 40% this year (2015) and re-evaluate the rate in two years after the televising of the storm water infrastructure has been completed. The proposed decrease in the fee rate will reduce the amount paid on all residential, non-residential and Village owned properties. Below are the proposed decreased rates.

Class R: One and two family residential.

	<u>Current Rate</u>	<u>Proposed Rate</u>
R-1 Under 0.5 acres	\$75 per year	\$45 per year
R-2 0.5 acres to under 1 acre	\$150 per year	\$90 per year
R-3 1 acre to under 1.75 acres	\$237 per year	\$142 per year
R-4 1.75 acres to under 2.5 acres	\$329 per year	\$197 per year

Class C: 2.5 acres or larger including non-residential property and residential property not included in Class R. The current unit rate for Class C properties is \$98 while the proposed unit rate is \$59.

The storm water utility with the proposed rate decrease will generate approximately \$199,200 per year/\$49,800 per quarter. The proposed decrease will save the Village, residential and non-residential property owners of the Village approximately \$132,800 per year/\$33,200 per quarter.

The Storm Water Utility Fee Rate modification was discussed by the Storm Water Advisory Committee. This Committee, established when the storm water utility was implemented, is an advisory committee with such duties as promoting public awareness of the progress and activity of the utility, to provide input as to needed projects and assist in prioritizing projects and make recommendations regarding amendment to the storm water code. The Committee had rigorous discussion about the merits of reducing the storm water utility with the concern that there are always new storm water needs and reducing it by 40% may be too drastic. The vote to recommend reducing the storm water utility fee was approved by a vote of 3 to 2.

The Streets, Public Utilities and Sewer Committee also considered the proposed reduction in the storm water fee. Concern was also expressed about future expenses that might exceed the proposed fee reduction. After reviewing the major accomplishments of the storm water utility since 2003 and looking at potential future projects, the consensus of the Committee was to

recommend to Council to adopt the reduced fee but the issue would have to be revisited if new projects exceed our funding capability. The Committee also recommended how council should consider this rate reduction:

April 13	1 st reading of Ordinance 2015-5
May 11	2 nd reading of Ordinance 2015-5
June 8	3 rd reading of Ordinance 2015-5

If approved, Ordinance 2015-5 would become effective in 45 days on July 23. This allows for the Village to notify Greater Cincinnati Water Works, who handles the billing for our storm water utility, to adjust the fee before the next quarter begins on October 1, 2015. The effective date for the rate reduction would be October 1 and reflected with bills paid in January, 2016.

Adoption of Ordinance 2015-5 is recommended. If you have any questions, please let me know.

PASSED:
BY:

ORDINANCE NO. 2015 - 5

ORDINANCE AUTHORIZING MODIFICATION OF
STORM WATER RATES

WHEREAS, Village Council previously enacted regulations creating the Storm Water Utility to manage storm water in the Village;

WHEREAS, creation of the storm water utility included the levying of a storm water service charge on each parcel of real property in the Village to fund the utility;

WHEREAS, due to the majority of larger and more expensive projects completed in recent years and the desire to provide greater flexibility and control in adjusting storm water rates, Council determines it is in the best interests of the Village and its residents to amend the storm water service charges;

WHEREAS, the Stormwater Management Advisory Committee met to consider a modification of storm water service charges, and recommended a reduction of about 40%;

WHEREAS, the Streets, Public Utilities and Sewer Committee met to consider the proposal, and recommends that Council adopt the modified charges as proposed after Council reviews the major accomplishments of the storm water utility since 2003 and considers potential future projects;

NOW, THEREFORE, BE IT ORDAINED BY THE Council of Amberley Village, State of Ohio, _____ members elected thereto concurring:

SECTION 1: Section 54.35 of the Municipal Code of Ordinances is amended to read as follows:

§ 54.35 RATES.

The utility is directed to prepare a list of all lots and parcels within the village and assign a classification as set forth in § 54.33 to each. The utility shall report, to the Village Manager, any applications of the provisions of §§ 54.32 through 54.34, which the utility considers unjust or inequitable, and the matter shall be resolved in accordance with the provisions of § 54.37. The rates for the two classes of property shall be as follows:

(A) *Class R.* The annual stormwater management service charge for Class R lot(s) and parcel(s) shall be in accordance with the following schedule:

R-1	\$ 75 <u>45</u>
R-2	\$ 150 <u>90</u>

R-3 \$~~237~~ 142
R-4 \$~~329~~ 197

(B) *Class C.* The annual stormwater management service charge for Class C lots and parcels shall be calculated as follows, but shall not be less than the annual stormwater management service charge for Class R-4 lot(s) and parcel(s): (Q) X (\$~~9859~~) = \$ Annual Stormwater Management Service Charge

SECTION 2: Council finds and determines that the storm water charges accomplish the purpose of providing for effective management and financing of the storm water system within the Village, as set forth in Section 54.01 of the Village Code.

SECTION 3: This ordinance shall take effect and be in force at the earliest date allowed by law.

Passed this ____ day of _____, 2015.

Mayor Thomas C. Muething

Attest:

Nicole Browder, Clerk of Council

Ordinance Vote:

Moved: _____ Second: _____

Muething _____
Wolf _____
Bardach _____
Conway _____
Doering _____
Hattenbach _____
Warren _____

I, Clerk of Council of Amberley Village, Ohio, certify that on the ____ day of _____, 2015, the forgoing Ordinance was published pursuant to Article IX of the Home Rule Charter by posting true copies of said Ordinance at all of the places of public notice as designed by Sec. 31.40(B), Code of Ordinances.

Nicole Browder, Clerk of Council