

Common Council Report

Agenda Item: Discussion and Possible Action Regarding Storm Water Utility User Fees and Modification of the Assessment Requirements for Curb and Gutter

Meeting Date: March 15, 2022

Presenter: Al Hulick, Administrator, Mark Langer, Director of Public Works; Kelsie Bannach, Treasurer

Department: Public Works – Storm Water Utility

Conformance with Strategic Plan:

- Affordability & Financial Stability
- Safe, Inclusive, Welcoming Community
- Diverse Opportunities for Fun and Life-Long Learning
- High Performing Organization with Professional Staff
- Environment for Business Success with Thoughtful Growth and Development

Summary

Staff has reviewed the current storm water user fees considering actual costs, capital improvements, DNR permit requirements and the assessment ordinance for curb and gutter.

Analysis and Key Issues

The storm water utility and associated rates were implemented in 2009 at an annual amount of \$55.08 per Equivalent Runoff Unit (ERU) per year. The last review and adjustment of rates was completed in 2012 with implementation beginning January 1, 2013 and the adjusted rate of \$62.88 per ERU per year. This rate is still in place today. The increase at that time was approximately 14% or approximately 4% per year.

The WisDOT Highway Maintenance Manual (HMM) was used to determine hourly rates for equipment usage and estimated equipment life.

Equipment	Estimated Life (HMM)	
Street Sweeper	10 years	
Leaf Vacuum Truck	Vacuum	10 year
	Truck	6 year
Sewer Vacuum Truck	10 year	
Utility Truck	6 year	
Mowers	5 year	

In many cases public works staff has maintained equipment achieving a service life beyond the HMM estimated life. The proposed rates include a 10 year replacement cycle for storm water related equipment.



The rates include planned funding for major projects such as basin dredging. The estimated life cycle for these facilities is 50 years. Additionally the proposed rates provide funding for 100% of the costs of curb and gutter replacements proposed in the capital improvement plan. The current rate structure requires assessment to adjacent property owners for 50% of the cost of the curb and gutter.

The rate increase also provides funding for adjustments necessary for staff time to perform the maintenance required in the DNR MS4 permit with storm water utility funding.

Public Works Committee provided a favorable recommendation of the resolution adopting the proposed storm water rates as well as the ordinance amending the assessments at the March 8, 2022 meeting.

Fiscal Impact

The user fee would increase from \$62.88 per ERU per year to \$93.38 per ERU per year. This is an approximately 4% annual since the last increase. The total impact to utility customers is \$5.08 per ERU per bi-monthly bill or \$2.54 per month.

The proposed rates include funding for capital such as equipment and for street improvements including 100% of the cost of curb and gutter. If approved changes could be made to the assessment ordinance to eliminate the 50% assessment for replacement or repair of existing curb and gutter. Section 66-241 (a) (3) states “Curb and gutter repair or replacement: 50 percent of the cost, except the corner radius of street intersections which lie outside of the property boundaries”.

If the council elects to proceed with the proposed rate adjustment and modifications to the assessment ordinance there would be no future assessments to adjacent property owners for replacement of existing curb and gutter. Installation of new curb and gutter would still be assessed to property owners at 100%.

Recommended Motion

- City administration recommends approving resolution #2022-08 establishing equivalent runoff unit (ERU) charge.
- City administration recommends approving the ordinance #2022-491 amending section 66-241 (a) of the code of ordinances of the City of Milton concerning assessments for public works improvements.

Attachments

- Proposed 2022 storm water utility budget
- Resolution 2022-08
- Proposed ordinance 2022-491