# ORDINANCE NO. 2315

AN ORDINANCE OF THE CITY OF SALISBURY SETTING THE STORMWATER UTILITY FEE IN ACCORDANCE WITH CHAPTER 13.30 OF THE CITY CODE.

WHEREAS, the City established the Stormwater Utility in Chapter 13.30 of the City Code by passage of Ordinance No. 2306 on November 26, 2014; and

WHEREAS, the Code defines the Stormwater Utility Fee to fund the cost of operating, maintaining and improving the Stormwater System in the City; and

WHEREAS, the Stormwater Utility Fee is charged on an Equivalent Residential Unit (ERU) Rate; and

WHEREAS, Chapter 13.30.050 requires the City to establish the annual Equivalent Residential Unit Rate; and

WHEREAS, the Director of Public Works provided the City Council with a recommendation of the proposed annual Equivalent Residential Unit Rate at the February 2, 2015 City Council meeting; and

WHEREAS, the Director of Public Works has made a diligent effort to notify as many individuals and organizations as practicable that may be potentially impacted by the fee.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that the annual Equivalent Residential Unit Rate of $20 per Equivalent Residential Unit calculated pursuant to the attached memorandum from the Director of Public Works, dated January 9, 2015, and its attachments, is approved as of July 1, 2015.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 9 day of March, 2015, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the 23 day of March, 2015.

ATTEST

Kimberly R. Nichols

Kimberly R. Nichols, City Clerk

Jacob R. Day, President
Salisbury City Council

Approved by me this 30th day of March, 2015

James Ireton, Jr. Mayor

Salisbury
All-America City
2010

# City of Salisbury
MARYLAND

JAMES IRETON, JR.
*MAYOR*

M. THOMAS STEVENSON, JR
*CITY ADMINISTRATOR*

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*ASSISTANT CITY ADMINISTRATOR*

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MICHAEL S. MOULDS, P.E.
*DIRECTOR OF PUBLIC WORKS*

To: Tom Stevenson, City Administrator
From: Mike Moulds, Director of Public Works
Date: January 9, 2015
Re: Stormwater Utility Fee Structure

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The Stormwater Utility has been created, effective July 1, 2015. The City needs to establish the fee structure for the utility. Once the fee has been established, sample invoices will be sent to all properties prior to the actual invoice being issued.

The City of Salisbury is comprised of 12,093 parcels, of which 7,094 are single family residential and 4,999 are non-single family residential. Public Works contracted with the University of Maryland Environmental Finance Center (EFC) to perform a Feasibility Study for the Stormwater Utility. As part of that study, EFC determined that the average impervious area on a single family residential parcel is 3,344 square feet. This value is the basis for establishing equivalent residential unit rates.

Additionally, Public Works contracted with the Eastern Shore Regional GIS Cooperative (ESRGC) at Salisbury University to develop the impervious area calculations for each non-single family residential parcel for the basis of the individual property fee assessment. ESRGC found that of the 4,999 non-single family residential parcels, 3,635 had less than 3,344 square feet of impervious surface, and therefore will be billed for one Equivalent Residential Unit (ERU). The other 1,364 parcels have ERU values ranging from 2 to 628. The total number of ERU from those 1,364 parcels is 19,196 ERU.

The EFC report recommended a fee of $40/ERU with a standalone Stormwater Department. Since the Stormwater Utility has been created as part of Public Works, the fee recommendation has been reduced to $20/ERU.

The attached table shows the projects from the Capital Improvements Plan from FY16 thru FY20. The table also identifies other Stormwater Utility expenditures, such as the Street Sweeping program and replacement of aging stormwater mains and inlets. The analysis factors in using bond

monies for large infrastructure projects as noted in the CIP, as well as assumptions for grant funding. With those funding sources accounted for, the average annual fee per ERU to be able to complete the CIP is projected to be $23.45. This is in line with the proposed $20/ERU fee.

At a rate of $20/ERU, the revenue projections are as follows:

| | # of Parcels | # of ERU | Annual Revenue |
|---|---|---|---|
| Residential (Single Family) Parcels | 7,094 | 7,094 | $ 141,880.00 |
| Non-Single Family Parcels at 1 ERU | 3,635 | 3,635 | $ 72,700.00 |
| Non-Single Family Parcels at >1 ERU | 1,364 | 19,196 | $ 383,920.00 |
| **TOTAL** | **12,093** | **29,925** | **$ 598,500.00** |

The revenue projections do not account for possible credits due to stormwater best management practices. The credits will be evaluated based on applications over the course of the first year (FY16) and will be factored in to the fee recommendation for FY17.

The bills for non-single family parcels with greater than 1 ERU range from $40 to $12,560, with the average bill being $281.

In summary, Public Works recommends setting the FY16 Stormwater Utility fee at $20/ERU. This will allow us to accomplish CIP projects, as well as fund the street sweeping program. Unless you or the Mayor have further questions, please forward a copy of this memo to the City Council.