

AGENDA



Thursday, August 27, 2009

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 87**

Subject: Conduct a Public Hearing and receive public comment on the proposed fee increases and a rate structure change for vertical construction for the drainage fee of the Watershed Protection Department as part of the Fiscal Year 2009-2010 proposed budget.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Diane Luden, 974-9742; Diane Gonzales, 974-9789; Mike Ihnat, 974-7035

Boards and Commission Action: Recommended by the Environmental Board.

The purpose of the hearing is to hear public comments on the fee increases and a rate structure change for vertical construction proposed in the 2009-2010 proposed budget. Fiscal Year 2006 was the last of a five year phased increase in the drainage fee. The department operated at a deficit in Fiscal Year 2008 and is projected to do the same for Fiscal Year 2009. An increase in the drainage fee is necessary to move towards a structurally balanced fund and continue to provide adequate program resources while maintaining a stable transfer to the department's Capital Improvements Program. A new vertical construction rate is proposed for those multi-family dwelling units that have a significantly lower impact on the drainage system than the defined Equivalent Residential Unit.

The proposed residential Equivalent Residential Unit (ERU) charge for Fiscal Year 2010 is \$7.75 per month (an increase of \$.60 from the current rate of \$7.15). The proposed non-residential (commercial) ERU charge for Fiscal Year 2010 is \$191.50 per acre of impervious cover per month (an increase of \$14.84 from the current rate of \$176.66). The proposed new vertical construction charge for Fiscal Year 2010 is \$3.88 per dwelling unit per month (i.e.; 0.5 ERU) for structures with seven or more stories of dwelling units.

State law requires that proposed drainage fee increases be published in a newspaper of general circulation three times prior to the public hearing, the first notice of which must be on or before the 30th day before the hearing. The three notices were published for July 24, August 9 and August 19, 2009.

Council is scheduled to adopt the budget on September 14, 15 and 16, 2009.