



Memorandum

To: Honorable Mayor Jeff Cheney and Members of the Frisco City Council

Cc: Wes Pierson, City Manager
Derrick Cotten, Interim Chief Financial Officer
Tanya Anderson, Director Budget and Strategic Planning

From: Brett Peterson, Budget Manager

Date: December 5, 2023

Subject: Consider and act upon adoption of an Ordinance amending Ordinance No. 2020-12-86 – Municipal Stormwater Utility System Fee Schedule for increases to the Stormwater Drainage Fees. (Budget/BP)

Action Requested: City Council approval of an ordinance amending the Stormwater Drainage Fee ordinance and setting new rates for stormwater fees for FY 2024.

Background Information: The adopted budget had a proposed rate increase included in the revenue projections for the Stormwater Fund. As previously stated in the budget presentations, the rate increase is needed to maintain the financial stability of the fund and continue to make capital improvements. Ongoing rate increases are anticipated for upcoming fiscal years.

Stormwater Utility Fee - The Stormwater Drainage District was created in January 2009. The fees were last raised in January 2021. This increase will allow for continued proposed capital improvements and to meet the requirements of the new Texas Commission on Environmental Quality (TCEQ) permit.

The public notice was advertised as required and the public hearing was conducted prior to the item on the agenda. The ordinance was printed in the advertisement as required.

The fee increases are as follows:

	Current Monthly Fee	Proposed Monthly Fee
Tier 1	3.00	3.30
Tier 2	5.00	5.50
Tier 3	9.65	10.62

Commercial*	0.143	0.157
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**Per 100 sq ft of impervious area*

Board Review/Citizen Input: The rate increases were discussed at the public hearings on the budget and with the Budget & Audit Committee in August 2023.

Alternatives: City Council could choose not to move forward at this time and provide staff direction for alternatives.

Financial Considerations: The Stormwater Fund projected ending fund balance for FY24 is \$416,625. This fee adjustment increased the revenue projected for FY24 by approximately \$577,000 and is included in the adopted fund revenue of \$5,989,892.

Legal Review: Ryan Pittman, with Abernathy, Roeder, Boyd and Joplin drafted the ordinance.

Supporting Documents: Ordinance.

Staff Recommendation: Staff recommends approval of the rate increases as recommended.