



Stormwater and Street Maintenance Fees

PRESENTED TO THE CITY COUNCIL ON NOVEMBER 18, 2024

Background

- Potential stormwater and street maintenance fees have been discussed at:
 - February 13, 2024 Council Retreat
 - May 8, 2024 Finance Committee meeting
 - May 20, 2024 Council meeting
- Council expressed support for both programs
- Staff committed to coming back to council following FY24-25 budget adoption for direction on one or both fee programs with potential fee implementation as part of FY25-26 budget discussions
- Staff has solicited proposals and is seeking direction with this report



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Stormwater Utility Fee

- Dedicated funding source for drainage improvements throughout the community
- Can be used for on-going maintenance and/or capital projects
- Would be included on monthly water bill as a separate fee
- Extensive fee program development process and analysis recommended via consultant to recommend a defensible fee structure and program compliant with state law

Chapter 395 of the Texas Local Government Code authorizes impact fees for water, wastewater, roadway, and drainage (stormwater) **for new development**; Burleson implemented these fees for water, wastewater, and roadway infrastructure

Street Maintenance Fee

- Dedicated funding source to assist in the maintenance of existing roadways
- Cannot be used on reconstruction or new construction
- Included on water bill as a separate fee
- Requires extensive calculations and methodology for creating fee structure and program (anticipated via consultant support)

Major Tasks for Development of Each Fee

1. Identification of policies and goals
2. Data compilation / cost of service determinations
3. Development of fee assessment bases
4. Development of fee structure / revenue / rate models
5. Determine data maintenance methodology, inquiry/appeals process, billing audits
6. Staff/city council meetings - ordinance/fee adoption
7. Compile development study reports / technical memoranda
8. Utility billing system integration

Funding and Path Forward

- Freese and Nichols, Inc.'s proposal is structured for flexibility
 - Stormwater Fee development - \$186,400
 - Street Maintenance Fee development - \$182,100
 - Optional public involvement scope (community meetings, stakeholder committee and meetings, and public education outreach content) - \$59,800 per fee
- Based on council feedback tonight, contracts can be refined to incorporate any economies of scale and prepared for consideration for award at a subsequent council meeting and fees developed for FY24-25 budget discussions in May 2025

Clarification / Confirmation Sought Tonight

- Option 1 – Proceed with development of a contract to implement both fee programs for consideration in the FY25-26 budget (Dec 9th council action)
- Option 2 – Proceed with development of a contract to implement only the stormwater fee program for consideration in the FY25-26 budget (Dec 9th council action)
- Option 3 – Proceed with development of a contract to implement only the street maintenance fee program for consideration in the FY25-26 budget (Dec 9th council action)
- Include public involvement scope (with option 1, 2, or 3)

This is not a budgeted expense as we did not have final direction from council before budget adoption. As a result, a budget amendment will be necessary based on final direction.

QUESTIONS/COMMENTS

Harlan Jefferson, Deputy City Manager

hjefferson@burlesontx.com

817-426-9651