
TO: Mayor and Council
FROM: Kate Thunstrom, City Administrator
SUBJECT: Stormwater Fees
DATE: April 28, 2025

Stormwater Fees:

The city began collecting a stormwater fee in 2016 to meet the needs of MS4 water quality requirements. Requirements began in the Federal Clean Water Act and are enforced by the MN Pollution Control Agency. St. Francis is an MS4 city due to our population and that the Rum River is classified as an “outstanding resources value water (scenic and/or recreational water)”

Several requirements became a reality once we qualified as a MS4 city.

- complete a permit to outline a process in which we will following,
- hold builders and developers responsible for sites to protect runoff,
- inspections and maintenance of ponds and ditches,
- management of general stormwater and how it moves through the city,
- working with engineers to manage the permit,
- annual reports that require extensive reporting, and
- MPCA audits

Projects completed and ongoing:

An extensive list of work completed by these funds is available on the city’s website under Public Works and “Stormwater”. Fees collective for stormwater are tracked within an enterprise fund much like the street fund. However, we bill stormwater to each household instead of collecting through levy.

What was decided and how it is working today:

In 2016 the city began collecting a stormwater fee of \$5.00 a month (\$60 a year) and until 2024, the city has remained at that level. The 2015 Financial Plan identified the following schedule to keep up with costs and stay ahead of inflation.

2016	2017	2018	2019	2020
\$5.00 month \$60.00 year	\$8.00 month \$96.00 year	\$10.00 month \$120.00 year	\$10.50 month \$126.00 year	\$11.03 month \$132.36 year

Remaining flat put us in a position of not collecting what was needed. In the fall of 2023, the following rate schedule was approved:

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Month	6.00	7.00	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00
Year	72.00	84.00	96.00	108.00	120.00	132.00	144.00	156.00	168.00	180.00
Collected	72.00	\$72.00								

However, due to financial assistance on projects such as the Dellwood riverbank, Rum River Blvd Swale, Rum River Woods Park Riverbank Revetment, and 225th Rain Garden Project, were all subsidized, partnering with the Anoka Conservation District. The Culvert/Bridge project on 245th was split between St. Francis and Stanford through our shared road agreement. Public Works continues to complete additional work “in house” to stretch stormwater dollars as well, i.e. culvert maintenance, basin maintenance, and stormwater asset management.

Budgeted Fees for the City

Year	2024	2025	2026	2027	2028	2029	2030
Budget	245,841	242,000	298,800	299,900	301,100	302,200	303,400

As staff has updated projects and budget needs, early review shows we will be raising the rates to \$8.00/month or \$96.00.

The process to collect stormwater fees today includes the following steps:

- Letters to all property owners mailed in March
- Late fee is applied in July
- Letter to notify of assessment in October
- Public Hearing in November
- Work with Anoka County to assess all unpaid invoices

Due to struggles to collect payments, Council implemented a late fee starting in 2024

\$10.00 late fee in July to cover additional expenses of staff time, mailing, printing, and process to get onto assessment roles.

This has aided in some getting payments into the city on time. Several who failed to make the deadline called to dispute charge, and many more let it go through the assessment process.

Process Options for Collection of stormwater funds:

Ways to collect	Advantages	Disadvantages
Annual mailing (current process)	<ul style="list-style-type: none">→ Consistent each year→ Equal amount for all parcels	<ul style="list-style-type: none">→ Cost and time intensive→ People don't pay, and those that do are paying for those that don't→ Assessments cost money→ Complaints and staff time on disputes
Taxes	<ul style="list-style-type: none">→ Set a budget and include with levy→ No collection work or staff time→ No additional collection cost or time needed	<ul style="list-style-type: none">→ Not equal on all properties→ Complaints on tax amounts→ Will impact how the levy looks→ Tax exempt properties would still receive an annual invoice (churches, schools)
Franchise Fee	<ul style="list-style-type: none">→ No impact to taxes or→ No staff time or cost to process	<ul style="list-style-type: none">→ There is not a single utility on all properties→ Expensive legal contracts→ Not seen as transparent

Goals tonight:

- Council has requested to discussion how are we collecting fees and the path going forward.
 - Increasing to \$8.00/month or \$96.00/year for 2026 if invoicing continues.

Or,

- Apply amount to the levy

Attached:

- Stormwater Data