



STAFF REPORT

AGENDA NO: 9a

MEETING DATE: April 1, 2019

To: Honorable Mayor and City Council

Date: April 1, 2019

From: Carol Augustine – (650) 558-7222

Subject: Public Hearing and Resolution of the City Council of the City of Burlingame Adjusting the Storm Drainage Fee for Fiscal Year 2019-20 by 2.0% Based on the CPI - San Francisco Area as Published on March 12, 2019

RECOMMENDATION

Staff recommends that the City Council hold a public hearing on the proposed CPI increase of 2.0% for the annual storm drainage fee, and, following the public hearing, adopt the attached resolution.

BACKGROUND

A City of Burlingame Ordinance (as approved by the voters) determines the methodology for adjusting the annual storm drainage fee. The ordinance language is as follows:

4.30.030 Setting the fee.

(a) Commencing with fiscal year 2010-11, the city council, following a public hearing, shall determine the storm drainage fee. In no event shall the square footage rate for impervious area be increased beyond that rate approved by a majority vote of the property owners subject to the storm drainage fee without further approval by a majority vote of the property owners subject to the storm drainage fee; provided, however, that, **without approval by a majority vote of the property owners subject to the storm drainage fee, the maximum per square foot rate for impervious area, commencing fiscal year 2010-2011, may be increased by an amount equal to the change in the Consumer Price Index for all Urban Consumers for the area including San Mateo County (the "CPI"), including all items as published by the U.S. Bureau of Labor Statistics as of March 1st of each year, not to exceed a maximum increase of two (2) percent per year.**

(b) The storm drainage fee shall not be deemed to be increased in the event the actual fee upon a parcel in any given year is higher due to an increase in the amount of the impervious area of the subject parcel.

(c) In any year in which the city council does not change the rate per square foot of impervious area, the previously adopted fee shall continue in full force and effect for the next

fiscal year. Property owners whose storm drainage is increased/decreased as a result a change in impervious area have appeal rights under Section 4.30.050.

(d) The city council shall not be required to enact an inflation increase in each year but may accumulate the inflationary increases and enact the cumulative amount. (Ord. 1836 § 2, (2009))

DISCUSSION

U.S. Bureau of Labor Statistics (www.bls.gov) data for the San Francisco area is published bimonthly in even-numbered months: February, April, June, August, October, and December. The report published by the Bureau of Labor Statistics as of March 12, 2019 was the CPI report for February 2019, which indicated a **CPI increase of 3.5%**. The ordinance caps the annual increase at 2.0%.

Last year's adjustment (for FY 2018-19) of 2.0% was based on the February 2018 CPI of 3.6%.

FISCAL IMPACT

The increase of 2.0% in the storm drainage fee raises the rate charged per square foot of impervious area from 4.986 cents to 5.086 cents effective July 1, 2019. The increase is estimated to produce an additional \$59,700, for estimated revenue of over \$3.0 million in fiscal year 2019-20. The additional revenue will be included in the City budget for fiscal year 2019-20.

CITY OF BURLINGAME, CA ADJUSTMENTS TO STORM DRAINAGE FEE			
Fiscal Year	CPI	Increase Amount	Rate Per Square Ft.
FY 09-10	N/A	N/A	\$ 0.04192
FY 10-11	2.0%	\$ 0.00084	\$ 0.04276
FY 11-12	1.5%	\$ 0.00064	\$ 0.04340
FY 12-13	2.0%	\$ 0.00087	\$ 0.04427
FY 13-14	2.0%	\$ 0.00089	\$ 0.04516
FY 14-15	2.0%	\$ 0.00090	\$ 0.04606
FY 15-16	2.0%	\$ 0.00092	\$ 0.04698
FY 16-17	2.0%	\$ 0.00094	\$ 0.04792
FY 17-18	2.0%	\$ 0.00096	\$ 0.04888
FY 18-19	2.0%	\$ 0.00098	\$ 0.04986
FY 19-20	2.0%	\$ 0.00100	\$ 0.05086

Exhibits:

- Resolution
- US Department of Labor, Bureau of Labor Statistics, Western Information Office, Consumer Price Index - San Francisco Area, February 2019 (dated March 12, 2019)