

ORDINANCE NO. 2615

AN ORDINANCE OF THE CITY OF SALISBURY TO AMEND THE FEE SCHEDULE FOR FY 2021.

WHEREAS, Ordinance No. 2595 set fees for FY2021; and

WHEREAS, Ordinance No. 2614 provides for a revised structure and nomenclature for Comprehensive Connection Charges; and

WHEREAS, the Department of Infrastructure and Development desires to establish revised fees for Comprehensive Connection Charges to align with the new nomenclature and so that they may be collected in FY 2021; and

WHEREAS, the Department of Infrastructure and Development recommends the attached revised fee schedule be added to Ordinance No. 2595.

NOW, THEREFORE, be it enacted and ordained by the City of Salisbury, that the fee amounts included in the attached Exhibit 1 – amended FY 20201 Fee Schedule – shall be adopted by the City of Salisbury and the amounts set forth therein shall supersede the corresponding fee amounts prescribed in the Salisbury Municipal Code until one or more of the said fees are subsequently amended.

AND BE IT FURTHER ENACTED AND ORDAINED BY THE CITY OF SALISBURY, MARYLAND, that the Ordinance shall take effect upon final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 24th day of August, 2020 and thereafter, a statement of the substance of the ordinance having been published as required by law, in the meantime, *Kimberly R. Nichols* was finally passed by the Council on the 28th day of September, 2020.

ATTEST:

Kimberly R. Nichols
Kimberly R. Nichols, City Clerk

John R. Heath
John R. Heath, City Council
President

Approved by me, this 30 day of September, 2020.

Julia Glanz
Julia Glanz, City Administrator
for and at the direction of Jacob R. Day, Mayor

Exhibit 1 – amended FY 20201 Fee Schedule

Department of Infrastructure and Development		
Water and Sewer Connection Capacity Fee (Per Code 13.02.070)		
Comprehensive Connection Charge of Connection Capacity fee for the Developer's share in the equity of the existing utility system cost of growth related infrastructure improvements.	\$3,710.00 3,533.00	Per Equivalent Dwelling Unit (water \$1,513, sewer \$2,020) (\$1,925 for water and \$1,785 for sewer)
Water and Sewer Infrastructure Reimbursement Facility Fee (Per Code 13.02.070)		
Comprehensive Connection Charge for Infrastructure Reimbursement Facility Fees is based on actual costs of water and sewer infrastructure installed by a Developer.	*	* Fee amount is project dependent. Infrastructure Reimbursement Facility Fee is the prorated share of the cost of the water and sewer mains based on this project's percentage of the capacity of the proposed infrastructure project.
Infrastructure Reimbursement Administrative Fee (Per Code 13.02.090)		
Administrative fee assessed on Facility Fee for processing	*	0.1 percent of the Infrastructure Reimbursement Facility Fee
Water and Sewer Line Fee (Per Code 13.020.070)		
Comprehensive Connection Charge of Line fee is based on the actual costs of the public water and sewer.	*	* Fee amount is project dependent
Central System Line Fee (Per Code 13.02.070)		
Comprehensive Connection Charge of Central System Line Fee for water and sewer services connecting directly to the City's Central System.	64.50	Per linear foot based on the area of the property and is the square root of the lot area, in square feet
Administrative Fee for Connection Capacity Fee payment Plans (R 2029)		
Administrative Fee for Connection Capacity Fee payment Plans	25.00	



City of
Salisbury
 Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
 From: Amanda Pollack, P.E., Director of Infrastructure and Development AP
 Date: August 6, 2020
 Re: Ordinance for code changes to Comprehensive Connection Charges and to set fees for FY21

Per discussions at the June 2020 work sessions, the Department of Infrastructure and Development is seeking to revise the code associated with calculations of Comprehensive Connection Charges. In July 2018, Stantec Consultants completed their assessment for the City’s Water and Sewer Rate Study. Part of the evaluation included an analysis of the City’s Comprehensive Connection Charges. The Comprehensive Connection Charges are outlined in the City Code Chapter 13. The Department of Infrastructure and Development has reviewed the report findings and recommends proceeding with the recommendations, which are summarized below:

Current Code	Proposed Code	Reason for Change
Water and Sewer Capacity Fees (based on 10 year CIP)	Connection Fees (based on value and capacity of water and sewer system)	Connection fees based on purchasing equity in the existing utility system
Central System Line Fees (based on size of parcel)		
Sewer Connection and Water Meter/Tap fees	Sewer Lateral and Water Meter/Tap fees	Clarify what this is for. If Field Operations performs the work, then shall be reimbursed for actual costs
Facility Fees Line Fees	Infrastructure Reimbursement Fee	Clarify what this is for. Applies to City extension of services as well as developer extension of infrastructure.

The proposed code changes modify the terminology and calculations of rates. The current Capacity Fees are \$3,533 per EDU (\$1,513 for water and \$2,020 for sewer). Based on the equity calculations, the proposed maximum Connection Fee is \$9,746 per EDU (\$5,058 for water and \$4,688 for sewer), with no central system line fee.

The Department of Infrastructure and Development does not recommend implementing the full equity fee at this time, but instead increasing it over time. The attached ordinance provides for the new fee recommendations. The recommendation is for an increase of 5% over the existing capacity fees since the new connection fees also include the central system line fees. The new rates would be a Connection Fee of \$3,710 per EDU (\$1,925 for water and \$1,785 for sewer). These rates are 38% of the full equity buy in amount. We recommend increases annually until full equity buy in can be achieved.



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In addition to the Comprehensive Connection Charge modifications, there are proposed changes to the existing Incentive programs. Below is a summary of the changes to the Incentive Programs:

Incentive Program	In Code?	Proposed Changes
Affordable Housing	Yes	<ul style="list-style-type: none">• Add that the waiver is valid for two years and is renewable for up to two one-year terms.• Add that the waiver is non-transferrable.
Development and Redevelopment EDU Waiver	Yes	<ul style="list-style-type: none">• No proposed changes since a new Development waiver process is proposed via separate Ordinance.
Single Family Permit Fee Waivers	No	<ul style="list-style-type: none">• Add to the code in Section 13.02.080.• Waiver apply to only lots platted as of the date of the passing of this Ordinance (infill only).

Unless you have further questions, please forward a copy of the memo and the Ordinance to the City Council.