

ORDINANCE NO. 09-11

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA, AMENDING CHAPTER 58, ARTICLE III OF THE CODE OF ORDINANCES ENTITLED "SERVICE RATES, CHARGES AND BILLING PROCEDURE" BY CREATING SECTION 58-74 TO ESTABLISH A DISCOUNT FOR SENIORS (AGE 60 OR OLDER) AND THE TOTALLY AND PERMANENTLY DISABLED ON CITY SOLID WASTE BILLING; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, City of Key West Code of Ordinances currently provide discounts for seniors and the totally and permanently disabled for sewer and stormwater utilities; and

WHEREAS, City of Key West Code of Ordinance section 58-74 is created to provide consistency in the application of a discount for seniors and the totally and permanently disabled on utility fees;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF KEY WEST, FLORIDA:

Section 1: That Chapter 58 of the Code of Ordinances is hereby amended by creating section 58-74 as follows*:

Sec. 58-74. Senior citizen and permanently and totally disabled residential fee adjustment.

The senior citizen and permanently and totally disabled residential fee adjustment shall mean a reduction of 15

percent of the residential rate imposed pursuant to section 58-65 to qualified senior citizens and other citizens who are totally and permanently disabled and who reside at the property where the reduction is sought. Any subscriber who is 60 years of age or older by October 1 of the year in which the senior citizens fee adjustment is established, or who is totally and permanently disabled, and whose total annual income does not exceed the maximum social security benefit amount established each year shall be entitled to the reduction upon submission of such proof of age, disability, residency, and income as the city manager may reasonably require. Proof of age may be submitted anytime after the October 1 date at which time the fee adjustment will be made effective from that day forward.

*(Coding: Added language is underlined; deleted language is ~~struck through~~.)

Section 2: If any section, provision, clause, phrase, or application of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, the remaining provisions of this Ordinance shall be deemed severable therefrom and shall be construed

as reasonable and necessary to achieve the lawful purposes of this Ordinance.

Section 3: All Ordinances or parts of Ordinances of said City in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.

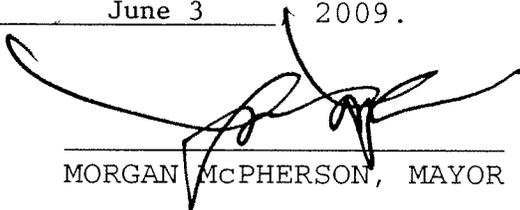
Section 4: This Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Read and passed on first reading at a meeting held this 19th day of May, 2009.

Read and passed on final reading at a meeting held this 2nd day of June, 2009.

Authenticated by the presiding officer and Clerk of the Commission on 3rd day of June, 2009.

Filed with the Clerk June 3 2009.



MORGAN McPHERSON, MAYOR

ATTEST:

CHERYL SMITH, CITY CLERK



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager

Cc: E. David Fernandez, Asst. City Manager-Operations

FROM: Gary W. Bowman, General Services Director

DATE: May 8, 2009

SUBJECT: **An Ordinance Establishing a Discount for Seniors (Age 60 or Older) and the Permanently Disabled for City Solid Waste Utility Billing, and Establishing the Maximum Social Security Benefit Amount (\$27,876 for 2009) as the Maximum Household Income Requirement for Eligibility**

Action statement:

This ordinance will establish a discount program for Seniors (age 60 or older) and the permanently disabled for Solid Waste utility billing. The maximum income requirement for eligibility for a 15% discount in the residential monthly rate charge base charge will be the Maximum Social Security Benefit amount, adjusted annually by the federal government.

The individual must live at the residence where they are seeking the discount.

Background:

The City already has a discount program for its utility billing accounts for senior citizens (60 or older) and the totally and permanently disabled for sewer and stormwater accounts. This discount is for local residents and can only be applied to their full-time residence. We currently only have 108 accounts utilizing the discount, which is likely due to the fact that the income restrictions were set at a very low figure until recently.

City Code of Ordinances Chapter 58-61 (a) establishes the City Commission's right to set solid waste user fees:

(a) The city commission shall determine, fix and levy upon all improved

properties within the city a solid waste charge for the availability of waste collection, transfer and disposal service as set forth in this chapter.

However, nowhere in the Code of Ordinances does it mention a Senior/Disability discount program. This ordinance would therefore establish a 15% residential discount for the monthly base charge for solid waste for seniors and the disabled with the same eligibility requirements as currently exist for Sewer and Stormwater billing. The Solid Waste monthly base charge for 2009 is \$25.84

This ordinance will set the Maximum Social Security Benefit figure, determined annually by the federal government, as the new income limit. At its last meeting, the City Commission approved by resolution (09-098) adjusting this figure for Sewer and Stormwater to the current maximum social security limit of \$27,876 for 2009. It was previously at \$16,500.

Other Local Utilities:

Qualification levels for discounts from other local utilities are as follows:

Florida Keys Aqueduct Authority

- Eligibility is for residents 60 years or older or for Disabled United States Veterans
- Household income limit is \$27,876 for one individual or \$41,814 if the household is shared with a spouse or significant other.
- Limit adjusts annually to Maximum Social Security Benefit figure.
- The discount program currently has 292 participants in Key West.

Keys Energy Services

- Eligibility is for residents 62 years or older or for Disabled United States Veterans
- Household income limit is \$27,876.
- Limit adjusts annually to Maximum Social Security Benefit figure.
- The discount program currently has 350 participants in Key West.

Purpose and Justification:

For simplification and consistency, the City seeks to make the eligibility qualifications for our Senior/Disabled discount program similar to other local utility agencies. We will adopt the qualification level of the Social Security Administration Maximum Social Security Benefit for a worker retiring at full retirement age.

This ordinance will standardize the discount for all three of the City's utilities (Sewer, Stormwater, and Solid Waste). In future years, the maximum income level for eligibility will be adjusted annually when the federal government modifies the Maximum Social Security Benefit figure.

This will help more local families qualify for the program which could be very beneficial during the present economic recession.

Options:

1. The City could adopt a 15% discount for Seniors and the Permanently Disabled for Solid Waste Utility Billing, and establish the Maximum Social Security Benefit as the maximum income limit for eligibility.
2. The City could elect to keep current billing structure in place.

Financial Impact:

If we are to assume that adjusting the maximum income level would enable 250 additional participants into the program, based on the participation rate of the other local utilities with the higher income qualification levels, the following costs to the City could be estimated:

	Est. Number of New Participants	Residential Base Charge per Month	15% Discount Received	Cost to City
Sewer	250	\$22.91	\$3.44	\$860.00
Stormwater	250	\$7.35	\$1.10	\$275.00
Solid Waste	250	\$25.84	\$3.88	\$970
TOTAL PER MONTH				\$2,105.00
TOTAL PER YEAR				\$25,260.00

However, the discounts could enable more households to be able to pay their bills on time, and help reduce overdue balances.

Recommendation:

The staff recommends option #1, that the City establishes a 15% discount for Seniors and the Permanently Disabled for Solid Waste Utility Billing, and establish the Maximum Social Security Benefit as the maximum income limit for eligibility. (to be adjusted annually by the federal government)