

ORDINANCE NO. 09-13

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA, AMENDING CHAPTER 74, ARTICLE V OF THE CODE OF ORDINANCES ENTITLED "STORMWATER UTILITY SYSTEM" BY AMENDING SECTION 74-365(F)(2) TO ESTABLISH THE MAXIMUM HOUSEHOLD INCOME FOR ELIGIBILITY FOR A DISCOUNT FOR SENIORS (AGE 60 OR OLDER) AND THE TOTALLY AND PERMANENTLY DISABLED ON CITY STORMWATER BILLING AS THE MAXIMUM SOCIAL SECURITY BENEFIT AMOUNT DEFINED EACH YEAR; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, City of Key West Code of Ordinance section 74-356 is in need of revision 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 74 of the Code of Ordinances is hereby amended as follows\*:

Sec. 74-365. User fee.

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(2) **Senior citizen and permanently and totally disabled residential developed property user fee adjustment.** The senior citizen and permanently and totally disabled residential user fee adjustment shall mean a ~~potential~~ 15

percent reduction in the user fee for a ~~residential developed~~ property which is the residence of a qualified senior citizen or other citizen who is totally and permanently disabled. Any subscriber who is 60 years of age or older by October 1 of the year in which the base charge 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.

~~Any property owner who is 60 years of age or older by October 1 of the year in which the user fee is implemented, shall upon submission of such proof of age be entitled to a fee adjustment in the amount of 15 percent of the monthly or annual fee for the dwelling unit in which the property owner lives.~~ 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.

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\*(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.

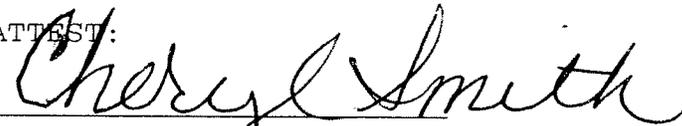
Read and passed on final reading at a meeting held this 2nd day of June, 2009.

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 the Maximum Social Security Benefit Amount (\$27,876 for 2009) as the Maximum Household Income Requirement for Eligibility for a Discount for Seniors (Age 60 or Older) and the Permanently Disabled as on City Utility Billing for Stormwater**

**Action statement:**

This ordinance will establish the maximum income requirement for qualification for a 15% discount in the base charge component of residential utility billing rates for Stormwater, as the Maximum Social Security Benefit amount, adjusted annually by the federal government. Eligibility is only for senior citizens (60 or older) or individuals who are totally and permanently disabled.

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

**Background:**

The City has a discount program for its utility billing accounts for senior citizens (60 or older) and the totally and permanently disabled. 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 74-365 (f)(2) concerning senior/disabled discounts for stormwater billing reads as follows:

(2) Senior citizen residential developed property user fee adjustment. The senior citizen residential user fee adjustment shall mean a potential 15

*Key to the Caribbean - Average yearly temperature 77° F.*

percent reduction in the user fee for a residential developed property. Any property owner who is 60 years of age or older by October 1 of the year in which the user fee is implemented, shall upon submission of such proof of age be entitled to a fee adjustment in the amount of 15 percent of the monthly or annual fee for the dwelling unit in which the property owner lives. 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.

This ordinance will alter our current code to 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 to the current maximum social security limit of \$27,876 for 2009. It was previously at \$16,500.

The discount of 15% will apply to the monthly user fee charges for residential stormwater accounts (\$7.35 per month for 2009).

#### *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 approve the revised income qualification requirements for utility discounts for seniors and the permanently disabled.
2. The City could elect to keep current income qualifications for the utility discount program 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              |
| <b>TOTAL PER MONTH</b> |                                 |                                   |                       | <b>\$2,105.00</b>  |
| <b>TOTAL PER YEAR</b>  |                                 |                                   |                       | <b>\$25,260.00</b> |

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 requires the maximum income level for entry into the Senior and Permanently Disabled Discount Program for Stormwater, utility billing to automatically adjust to the Maximum Social Security Benefit annually.