

RESOLUTION 2024-41

RESOLUTION AUTHORIZING HOLDING A REFERENDUM RELATING TO THE MIDDLETON STORMWATER UTILITY RAISING ITS ANNUAL CHARGE

WHEREAS, on November 4, 2014, the electors of the City of Middleton approved a referendum creating the city's Stormwater Utility and permitting the utility to charge an annual fee of up to \$15.00 per equivalent runoff unit (ERU) from each property in the City of Middleton for maintenance of existing stormwater management facilities. The \$15.00 annual fee per ERU amounts to \$3.75 per quarter; and

WHEREAS, the stormwater utility funding approach, used by over 120 municipalities in Wisconsin, is the most fair and equitable approach supporting the critical need for stormwater management services. All properties (taxable and non-taxable) contribute to the utility fund based on the amount of runoff generated by the property; and

WHEREAS, on November 6, 2018, the electors of the City of Middleton approved a referendum in response to the 2018 floods, permitting an annual Stormwater Utility charge of up to \$45.00 per ERU from each property, or \$11.25 per quarter, for the years 2019 through 2024 only, to fund repairs to the Pheasant Branch Creek Corridor, Tiedeman Pond, Stricker Pond, and other stormwater management features that were damaged by the August 2018 flood; and

WHEREAS, pursuant to Wis. Stats. §66.0602(4), the approval of these referenda by the City's voters permitted the City to exceed its levy increase limit under Wis. Stats. §66.0602(2); and

WHEREAS, in 2023, the City's Stormwater Utility Board directed staff to prepare a Rate Study to determine the *actual* program costs necessary to fund the City's stormwater utility program. The rates established prior to this study were not based on a detailed assessment of program costs; and

WHEREAS, the Rate Study, completed in 2024, recommended an annual ERU rate of \$92.00, or \$23.00 per quarter, to cover both current program costs and the cost of other eligible stormwater-related activities that are currently paid through property taxes. These eligible activities include, but are not limited to, street cleaning, yard waste collection, mowing of detention basins and ditches. The \$92.00 rate also would make it possible to improve the city's stormwater management program by adding two dedicated stormwater positions to undertake projects in a more timely fashion; and

WHEREAS, Middleton's five peer cities with stormwater utilities charge, on average, an annual fee of \$109.90 per ERU. An annual rate of \$92.00 per ERU would bring Middleton's fee closer to that of our peer cities, but would still be less than what Sun Prairie, McFarland, Fitchburg, and Monona charge; and

WHEREAS, based on the 2024 Rate Study, the Stormwater Utility Board recommended that the Common Council authorize a referendum asking for voter approval of an annual ERU rate increase, and;

WHEREAS, the Common Council has determined that it is in the public interest to fully fund

stormwater management activities through the collection of Stormwater Utility fees and to seek voter approval to permit the Stormwater Utility to charge the fees necessary to cover its costs without reducing the City's allowable property tax levy;

NOW, THEREFORE BE IT RESOLVED by the Common Council of the City of Middleton that, beginning on January 1, 2025, the City of Middleton Stormwater Utility may collect the fees necessary for stormwater management from the owners of City properties on the basis of \$23.00 dollars per quarter for each ERU, and the applicable levy limit shall not be reduced by the fee revenue collected for stormwater management.

BE IT FURTHER RESOLVED that this Resolution shall not take effect until such time as the electors of the City of Middleton approve a referendum containing the following referendum question:

Under state law, the increase in the levy of the City of Middleton for the tax to be imposed for the next fiscal year 2025, is limited to 1.0% (based on the City's best estimate), which results in a levy of \$21,181,184. Shall the City of Middleton be permitted to charge customers of the Stormwater Utility, a quarterly charge per equivalent runoff unit that is adequate to fund the City's stormwater management program and to maintain compliance with State and Federal regulations without reducing the City of Middleton's levy limit in 2025 and thereafter?

Yes

No

Explanation

Residential customers (single-family homes and units in duplexes, triplexes, and condominiums) would pay the fee for one ERU per year. The number of ERUs charged to all other properties (including multifamily, institutional, commercial, and industrial) would be based on their actual impervious surface area, converted to ERUs.

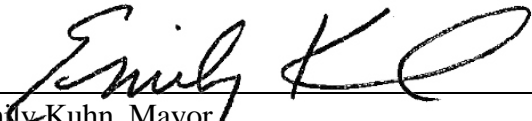
A **"YES"** answer means that **you support** the City of Middleton being able to charge Stormwater Utility fees for each ERU per quarter adequate to fund the Stormwater Utility, spread over all property owners producing stormwater runoff within the City of Middleton, without any reduction in the City's allowable property tax levy. The Stormwater Utility fee rates would be determined from time to time based upon an analysis of the cost of operating the Stormwater Utility and the fee necessary to cover those costs. Beginning January 1, 2025, the fee would be \$23.00 per quarter for each ERU. Future changes to the Stormwater Utility rates would be determined through study by the City Engineer, subject to approval by resolution of the Common Council.

A **"NO"** answer means that **you do not support** the City of Middleton being able to charge Stormwater Utility fees in excess of \$3.75 per quarter for each equivalent runoff unit and that you want all costs not covered by the \$3.75 per quarter fee to be paid for with property tax revenue.


BE IT FINALLY RESOLVED that the Common Council of the City of Middleton hereby directs the City Clerk to place the above referendum question on the ballot for the General Election on November 5, 2024.

The above and foregoing resolution is duly adopted by the Middleton Common Council at a regular meeting held on the 20th day of August, 2024.

CITY OF MIDDLETON

By: 
Emily Kuhn, Mayor

ATTEST:


Lorie J. Burns, City Clerk

Vote:

Ayes: 7

Noes: 0