

**AN ORDINANCE
ESTABLISHING SEWER CONNECTION FEES**

WHEREAS, the Municipal Code of the City of Ozark, Missouri, Section 715.070 establishes the connection fees, also called tap on fees, which may be periodically adjusted by the Board of Aldermen (Board); and

WHEREAS, said connection fees are related to the retirement of a bond issue authorized on April 5, 2005, and each year the Board shall, by ordinance, consider an increase of the connection fees by three and one-half percent (3.5%) unless the Board approves an amendment to the ordinance by adjusting or abating the rate for the following year; and

WHEREAS, City staff recommends the three and one-half percent (3.5%) increase to all water-and-sewer-connection fees; and

WHEREAS, pursuant to Section 250.233 RSMo., the City published notice at least thirty (30) days prior to the public hearing held on December 19, 2022, at the Board of Aldermen meeting.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF OZARK, MISSOURI as follows, that:

SECTION 1 – The Board of Aldermen hereby establish the following water and sewer connection fees, reflecting a three and one-half percent (3.5%) increase from 2022:

The 2023 Sewer Connection Fees shall be those listed in Exhibit 1, attached hereto and incorporated herein by this reference.

SECTION 2 – This Ordinance shall be in full force and effect January 9, 2023.

PASSED AT MEETING ON JANUARY 3, 2023.


	AYE	NAY	ABSENT/ABSTAIN
ALDERMAN EDDIE CAMPBELL	X		
ALDERMAN DAVID SNIDER	X		
ALDERMAN RICK GARDNER	X		
ALDERMAN HEATHER ALDER	X		
ALDERMAN BRUCE GALLOWAY	X		

APPROVED ON JANUARY 3, 2023.



RJ FLORES, MAYOR

ATTEST:



CHANDRA HODGES, CITY CLERK

Exhibit 1

SEWER CONNECTION FEES WITH 3.5% INCREASE

METER SIZE	2022 SEWER CONNECTION FEES	2023 PROPOSED SEWER CONNECTION FEES
5/8"	\$2,345.90	\$2,428.01
1"	\$3,844.71	\$3,979.27
1.5"	\$5,767.07	\$5,968.92
2"	\$8,970.99	\$9,284.97
3"	\$17,301.20	\$17,906.74
4"	\$25,631.40	\$26,528.50
6"	\$46,136.52	\$47,751.30



NOTICE OF PUBLIC HEARING

Sewer Connection Fee – Pursuant to Section 250.233 RSMo, notice is hereby given that the City of Ozark will hold a public hearing on a proposed sewer connection fee increase. The public hearing will be held on Monday, December 19, 2022, at 7:00PM at the Ozark City Hall, located at 205 North 1st Street, at which time any interested person may provide input.

Section 715.070 of the City Code states:

The connection fee shall “increase by three and one-half percent (3.5%) unless the Board approves an amendment to said ordinance by adjusting or abating that rate for the following year. Prior to establishing any such sewer charge, including the connection fee, the Board shall hold a public hearing, and at least thirty (30) days' notice shall be given thereof...”

This increase in fees applies only to those that are seeking to make a new connection to the City’s Sewer System. The connection fee increase will not impact the user fees for existing customers. Ozark Staff is recommending that we adhere to the guidelines established in our City Code, and we are asking the Board of Aldermen to approve this annual increase. This connection fee was established to provide sufficient funds to pay the debt service on the bonds needed to remain in compliance with the Department of Natural Resources

EXPLANATION TO COUNCIL BILL NO: 3417

FILED DATE: 12-2-2021

ORIGINATING DEPARTMENT: ADMINISTRATION

PURPOSE: AN ORDINANCE ESTABLISHING SEWER CONNECTION FEES.

BACKGROUND INFORMATION: In 2005 the City of Ozark received a bond to pay for sewer improvements. The bond debt was to be paid for with both connection fees and user fees charged to customers who connected to the City of Ozark's public sewer system. It was anticipated that the majority of connections would be from new single-family dwelling units. It was further anticipated that in order to generate the funds necessary to retire this bond debt, new connection fees would have to increase by 3.5% annually, and an ordinance was passed that would automatically make this happen on January 1st of each year (See Exhibit A).

Since the economic crash of 2008 the City of Ozark has revised its new single-family home building projections. Upon completing the study "Ozark by the Numbers" and our Sewer Master Plan, we have learned how different types of development impact the City and have identified the true cost of these developments. During this time, we have seen the rise of on-line shopping which has shown us that the old philosophy that "new single-family rooftops will bring new retail," is no longer true. Additionally, the update of the City's Comprehensive Plan, reevaluated our land use and development goals and begun modifying our land use policies to achieve a pattern of land use that we believe will secure a more sustainable future for Ozark.

Section 250.233 RSMo authorizes municipalities that operate a sewer system or waterworks to establish and collect charges for tap-on fees, also referred to as connection fees in the Municipal Code of the City of Ozark, Missouri (City Code). Prior to establishing any tap-on or connection fee the City is required to hold a public hearing and provide at least thirty (30) days' notice of the public hearing. The proposed code amendments reflect this requirement.

Proposed impact and connection fees were developed considering the "Ozark by the Numbers" Study, evaluation of existing ordinances, and review of certain fees of neighboring communities. The proposed fees increase with water meter size commensurate with the anticipated increased usage and infrastructure demand for treating sewage. Proposed Sewer Connection Fees are listed below.

REMARKS: Based upon the data, our continued planning efforts, and in accordance with the bond underwriters' counsel, staff is recommending that the sewer connection fees be raised by 3.5% from the current rate. This rate increase would be effective January 9, 2023.

SEWER CONNECTION FEES W/ 3.5% INCREASE

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5/8"	\$2,345.90	\$2,428.01
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SUBMITTED BY:


Jeremy Parsons,
Public Work Director



Steve Childers, City Administrator

EXHIBIT A

Sewer Connection Fees increase every year on the first day of January as per Section 715.070: Item E. The connection fees set forth in Subsection (A) of this Section directly relate to the retirement of a bond issue authorized on April 5, 2005. Each established rate set forth in Subsection (A) shall automatically increase by three and one-half percent (3.5%) on January first (1st) each year commencing on January 1, 2006 unless, prior to that date, the Board adjusts or abates that rate for the following year. Such adjustment will only be made in order to provide sufficient funds to pay the debt service on said bonds for the succeeding year. Unless additional sewer infrastructure bonds are authorized and issued in subsequent years, the connection fees set out shall cease on the date the bonds are retired. (R.O. 2006 §710.070; Ord. No. 03-002 §1, 1-6-03; Ord. No. 05-024 §1, 5-2-05; Ord. No. 11-017 §1, 6-20-11)
