

City of Hattiesburg, MS

*200 Forrest St.
P.O. Box 1898
Hattiesburg, MS 39401*



Meeting Agenda

Monday, March 10, 2014

5:30 PM

Council Chambers

City Council - Special Called Meeting

*City Council
Special Called Meeting*

1. Consider the need to go into executive session to discuss litigation regarding the city's wastewater treatment system, in accordance with Mississippi Code Section 25-41-7 (b).

2. 2014-0056

Reconsider to Adopt an Ordinance amending Section 21-2 (D) and Section 21-31 of the Code of Ordinances of the City of Hattiesburg, being Ordinance Number 997, adopted August 10, 1944, and last amended by Ordinance Number 3109 adopted August 6, 2013, to establish rates and charges for sanitary sewer service, adopted February 18, 2014, and vetoed by the Mayor and returned to the Council February 27, 2014; adopt a Resolution overriding the Mayor's veto.

Attachments:

VETO-February 2014 Amended Sewer Ordinance

RES- Veto Override, February 2014 Amended Sewer Ordinance



City of Hattiesburg, MS

200 Forrest St.
P.O. Box 1898
Hattiesburg, MS 39401

Master

File Number: 2014-0056

File ID: 2014-0056

Type: Ordinance

Status: Agenda Ready

Version: 1

Reference:

In Control: City Council

File Created: 03/10/2014

Brief Title: Reconsider Ordinance establishing new sanitary sewer rates; override Mayor's veto

Final Action:

Minute Book Number:

Title:

Reconsider to Adopt an Ordinance amending Section 21-2 (D) and Section 21-31 of the Code of Ordinances of the City of Hattiesburg, being Ordinance Number 997, adopted August 10, 1944, and last amended by Ordinance Number 3109 adopted August 6, 2013, to establish rates and charges for sanitary sewer service, adopted February 18, 2014, and vetoed by the Mayor and returned to the Council February 27, 2014; adopt a Resolution overriding the Mayor's veto.

Notes:

Sponsors:

Enactment Date:

Attachments: VETO-February 2014 Amended Sewer Ordinance, RES- Veto Override, February 2014 Amended Sewer Ordinance

Enactment Number:

Contact:

Meeting Date: 03/10/2014

Drafter: Debbie Bernardo

Effective Date:

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council - Special Called Meeting	03/10/2014					

Text of Legislative File 2014-0056

Title

Reconsider to Adopt an Ordinance amending Section 21-2 (D) and Section 21-31 of the Code of Ordinances of the City of Hattiesburg, being Ordinance Number 997, adopted August 10, 1944, and last amended by Ordinance Number 3109 adopted August 6, 2013, to establish rates and charges for sanitary sewer service, adopted February 18, 2014, and vetoed by the Mayor and returned to the Council February 27, 2014; adopt a Resolution overriding the Mayor's veto.

Summary

Reconsider Ordinance establishing new sanitary sewer rates; override Mayor's veto

Budget Information

Expenditure Type

Purchasing Item

Publication Information



MAYOR

JOHNNY L. DUPREE, Ph.D.

Council - Ward 1 Kim Bradley	Council - Ward 2 Deborah Denard Delgado	Council - Ward 3 Carter Carroll	Council - Ward 4 Mary Dryden	Council - Ward 5 Henry Naylor
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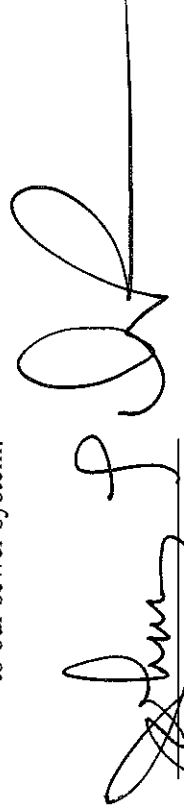
February 27, 2014

VETO

After much thought and consideration regarding the impact of the sewer rate increase upon the average household of residents of the City of Hattiesburg, I am compelled to veto this ordinance increasing the sewer rates at this time. I have come to this conclusion based upon the following reasons:

1. Other means for raising revenue should be exhausted before a rate increase of this magnitude is placed upon our citizens. The use of a 1% sales tax, similar to the one recently passed in Jackson by an overwhelming majority of its residents, would minimize, if not eliminate, the burden increased sewer rate fees as imposed in this ordinance will cause our residents. To proceed in the manner as proposed will result in a \$29.3M rate increase for approximately 42 months. Without the benefit of any other revenue source, such as the 1% sales tax, the sewer rate fees will increase for the foreseeable future.
2. It has been the policy of the City as adopted by the Council that taxes would not be increased. This policy has been adhered to despite the fact that the cost for raw materials, supplies, and equipment has continued to increase thereby increasing the cost for services provided by the City. The increase in the sewer rates is the equivalent of an increase in taxes. Property owners have no choice but to pay their taxes or risk losing their property in a tax sale. Our residents have no choice but to pay their sewer charges or risk their water service being terminated. This sewer rate increase, applied over a yearly average, is the equivalent of the imposition of a 10-mill increase on property taxes and has the potential effect of being the equivalent of a 73-mill increase if fully implemented over the next 4 years.
3. Many our the City's residents are low to moderate income families with their income from minimum wage jobs and in many instances it may be limited to SSI, which average about \$780.00 per month or income from Social Security. This sewer rate increase has the greatest potential of becoming financially devastating for these families.

For these reasons I am vetoing this ordinance and I urge the Council to work with me in seeking alternative means to raise revenue to make the lease payments and purchase the improvements to be made to our sewer system.


Johnny L. DuPree, Ph.D.
Mayor, City of Hattiesburg

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ORDINANCE NO. _____

OF THE

CITY OF HATTIESBURG, MISSISSIPPI

AN ORDINANCE AMENDING SECTION 21-2 (D) AND 21-31 OF THE CODE OF ORDINANCES FOR THE CITY OF HATTIESBURG, BEING ORDINANCE NUMBER 997, AS AMENDED BY ORDINANCE NUMBER 1419, ORDINANCE NUMBER 2342, ORDINANCE NUMBER 2683, ORDINANCE NUMBER 2817, ORDINANCE NUMBER 2892, ORDINANCE NUMBER 3012, ORDINANCE NUMBER 3077, AND ORDINANCE NUMBER 3109, SO AS TO ESTABLISH RATES AND CHARGES FOR SANITARY SEWER SERVICE

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF

HATTIESBURG, MISSISSIPPI:

SECTION 1. That Section 21-2 (D) and Section 21-31 of the Code of

Ordinances for the City of Hattiesburg, Mississippi, being Ordinance Number 997 adopted

August 10, 1944, as amended by Ordinance 1419 adopted February 6, 1962, Ordinance Number

2342 adopted April 2, 1990, Ordinance Number 2683 adopted March 16, 1999, Ordinance

Number 2817 adopted May 20, 2003, Ordinance Number 2892 adopted December 6, 2005,

Ordinance Number 3012 adopted September 2, 2008, Ordinance number 3077 adopted October

4, 2011, and Ordinance Number 3109 adopted August 6, 2013 be and the same is hereby

amended to read as follows, to-wit:

Section 21-2 (D):

D. The following schedule of rates is hereby ascertained, found and declared to be reasonable and the same are established as the rates to be charged for sanitary sewer service per month:

1. Effective April 1, 2014, all residential customers shall be charged for sanitary sewer service at a monthly rate, excluding any surcharge, of two hundred fifty percent (250%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-seven dollars and fifty-eight cents (\$27.58) per month.

Effective September, 2014, all residential customers shall be charged for sanitary sewer service at a monthly rate, excluding any surcharge, of two hundred twenty percent (220%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-six dollars and sixty-nine cents (\$26.69) per month.

Effective September 1, 2015, all residential customers shall be charged for sanitary sewer service at a monthly rate, excluding any surcharge, of two hundred five percent (205%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-seven dollars and thirty-five cents (\$27.35) per month.

Effective September 1, 2016, all residential customers shall be charged for sanitary sewer service at a monthly rate, excluding any surcharge, of two hundred thirty-three percent (233%) of their monthly water charge, with the minimum sanitary sewer charge to be thirty-two dollars and sixty-four cents (\$32.64) per month.

2. Effective April 1, 2014, all nonresidential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of two hundred fifty percent (250%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-seven dollars and fifty-eight cents (\$27.58) per month.

Effective September 1, 2014, all nonresidential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of two hundred twenty percent (220%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-six dollars and sixty-nine cents (\$26.69) per month.

Effective September 1, 2015, all nonresidential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of two hundred five percent (205%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-seven dollars and thirty-five cents (\$27.35) per month.

Effective September 1, 2016, all nonresidential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of two hundred thirty-three percent (233%) of their monthly water charge, with the minimum sanitary sewer charge to be thirty-two dollars and sixty-four cents (\$32.64) per month.

3. Any individual, corporation, partnership, sole proprietorship or other legal entity owning water wells or other contractual customers and customers outside the corporate limits, shall be charged for sanitary sewer service at a monthly rate to be set by the Mayor and Council of the City of Hattiesburg.

Section 21-31:

The following sewer rate schedule shall apply to each user of the sewage system.

Effective April 1, 2014, this schedule includes the user charge as established herein and the charge for debt service and recovery of other costs, each based on volume of flow.

<u>Debt Service</u>	<u>Total O & M</u>	<u>Total</u>
Initial Increment \$2.41/1000 gal	\$5.89/1000 gal	\$8.30/1000 gal
Second Increment \$2.00/1000 gal	\$4.88/1000 gal	\$6.88/1000 gal

Note: Contractual sewer revenues (not based directly upon water volume) are attributed to debt service and O&M at 29% and 71% respectively, based upon actual revenues collected.

Effective September 1, 2014, this schedule includes the user charge as established herein and the charge for debt service and recovery of other costs, each based on volume of flow.

<u>Debt Service</u>	<u>Total O & M</u>	<u>Total</u>
Initial Increment \$2.33/1000 gal	\$5.70/1000 gal	\$8.03/1000 gal
Second Increment \$1.93/1000 gal	\$4.74/1000 gal	\$6.67/1000 gal

Note: Contractual sewer revenues (not based directly upon water volume) are attributed to debt service and O&M at 29% and 71% respectively, based upon actual revenues collected.

Effective September 1, 2015, this schedule includes the user charge as established herein and the charge for debt service and recovery of other costs, each based on volume of flow.

<u>Debt Service</u>	<u>Total O & M</u>	<u>Total</u>
Initial Increment \$2.39/1000 gal	\$5.85/1000 gal	\$8.24/1000 gal
Second Increment \$1.98/1000 gal	\$4.85/1000 gal	\$6.83/1000 gal

Note: Contractual sewer revenues (not based directly upon water volume) are attributed to debt service and O&M at 29% and 71% respectively, based upon actual revenues collected.

Effective September 1, 2016, this schedule includes the user charge as established herein and the charge for debt service and recovery of other costs, each based on volume of flow.

<u>Debt Service</u>	<u>Total O & M</u>	<u>Total</u>
Initial Increment \$2.85/1000 gal	\$6.98/1000 gal	\$9.83/1000 gal
Second Increment \$2.37/1000 gal	\$5.79/1000 gal	\$8.16/1000 gal

Note: Contractual sewer revenues (not based directly upon water volume) are attributed to debt service and O&M at 29% and 71% respectively, based upon actual revenues collected.

SECTION 2. That except as hereby expressly changed and amended, Ordinance Number 997 adopted August 10, 1944, as amended by Ordinance 1419 adopted February 6, 1962, Ordinance Number 2342 adopted April 2, 1990, Ordinance Number 2683 adopted March 16, 1999, Ordinance Number 2817 adopted May 20, 2003, Ordinance Number 2892 adopted December 6, 2005, Ordinance Number 3012 adopted September 2, 2008, Ordinance Number 3077 adopted October 4, 2011, and Ordinance Number 3109 adopted August 6, 2013 shall be and does remain in full force and effect as adopted.

SECTION 3. That this Ordinance take effect and be in force thirty (30) days from and after passage as provided by law.

The foregoing Ordinance having been reduced to writing, the same was introduced by Council member Carroll, seconded by Council member Dryden and was adopted by the following vote to-wit:

YEAS:	Bradley	NAYS:	Deigado	ABSENT:
	Carroll		Naylor	
	Dryden			

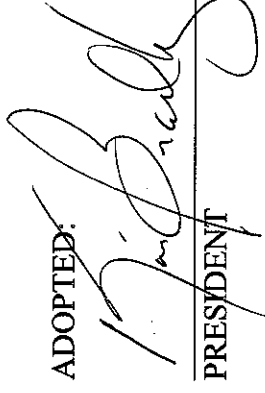
The President thereby declared the motion carried and the Ordinance adopted, this the 18th day of February, A.D., 2014.

(SEAL)

ATTEST:

CLERK OF COUNCIL

ADOPTED:



PRESIDENT

The above and foregoing Ordinance, having been submitted to and approved by the Mayor, this the 18th day of February, A.D., 2014.

ATTEST:

APPROVED:

CITY CLERK

MAYOR

RESOLUTION

WHEREAS, the City Council adopted an ordinance at its meeting February 18, 2014, amending Section 21-2 (D) and Section 21-31 of the Code of Ordinances of the City of Hattiesburg, being Ordinance Number 997, adopted August 10, 1944, and last amended by Ordinance Number 3109 adopted August 6, 2013, to establish rates and charges for sanitary sewer service; and,

WHEREAS, the Mayor of the City of Hattiesburg has exercised his authority to veto the ordinance and has provided reasons for taking that course of action; and,

WHEREAS, the City Council has deemed it responsible stewardship of the City's finances and in the best interests of the citizens of the City of Hattiesburg to increase sewer rates so as to create a revenue stream for paying in advance the interest on the funds borrowed for the city's new wastewater system, and so as to honor the terms of the contract approved by a 4-1 vote of the Council and executed by the Mayor January 21, 2014;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hattiesburg, Mississippi, does hereby override the Mayor's veto, thus amending Section 21-2 (D) and Section 21-31 of the Code of Ordinances of the City of Hattiesburg, being Ordinance Number 997, adopted August 10, 1944, and last amended by Ordinance Number 3109 adopted August 6, 2013, to establish rates and charges for sanitary sewer service.

The above and foregoing Resolution, after having been first reduced to writing, was introduced by Council member _____, seconded by Council member _____, and was adopted by the following vote, to-wit:

YEAS:

NAYS:

ABSENT:

The President thereby declared the motion carried and the Resolution adopted, this the 10th day of March, A.D., 2014.

SEAL

ATTEST:

ADOPTED:

Clerk of Council

President