

**CITY OF OAKLAND PARK, FLORIDA
CITY COMMISSION AGENDA ITEM REPORT**

AGENDA ITEM NO. 2

MEETING DATE: 7/20/2016

PREPARED BY:	Andrew Thompson, CGFO Director, Financial Services	DEPARTMENT HEAD APPROVAL:	FINANCIAL SERVICES
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SUBJECT: Stormwater Assessment - Adoption Of Preliminary Rates

1. BACKGROUND/HISTORY

Issue Statement: A preliminary FY 17 stormwater assessment rate must be adopted by the Commission to be provided to the County Property Appraiser by August 4, 2016.

Recommended Action: The City Commission adopt a preliminary FY 17 stormwater assessment rate and the time, date and place for a public hearing in regard to the adoption of the final FY 17 stormwater assessment rate.

In 2011 staff proposed to the City Commission that the fee for stormwater services be moved from the monthly utility bill to an assessment on the annual property tax bill to facilitate both the billing and collection of these fees. The City Commission directed staff to proceed with the implementation of this proposal which culminated in the adoption of Ordinance O-2011-015 which was adopted on second reading on July 20, 2011. The Ordinance establishing this program requires a preliminary resolution and an annual resolution be adopted during the budget process each fiscal year. These were done for FY 12 with the preliminary resolution, R-2011-090, adopted on July 20, 2011 and the annual resolution, R-2011-115, adopted on September 12, 2011.

This method of billing is expressly permitted for stormwater charges in Florida Statutes Section 403.0893. The tax bill collection method provides essentially a 100% reliable collection rate to ensure a consistent funding source to support ongoing operations, maintenance, funding of debt service and the direct funding of some capital projects.

This agenda item is for the preliminary assessment resolution for FY 17 required by the Ordinance.

The current rate is \$84 per equivalent residential unit. Although this rate is applied to all properties within the City, certain governmental properties are exempt from assessments and are charged in an alternate manner for the benefits they receive from the City's drainage system. A few other properties within the City are also exempt due to having sufficient retainage or detention capacity when measured against the rainfall in a 25-year storm. All properties and the associated fees are indicated in the stormwater management assessment role on file in the City Clerk's office.

2. CURRENT ACTIVITY

In response to ongoing construction inflation and the consequent difficulties in funding the increased cost of drainage projects, staff advised the Commission during the September 12, 2014 Special City Commission meeting that in FY 16 the City may need to increase the stormwater assessment fee for the first time in over a decade.

The City contracted with a firm to conduct a utility rate analysis of the stormwater system in order to ensure the fiscal stability of the fund to meet current and future projects. Based on the results of this study, it was determined that the then current rate was not adequate to meet the ongoing operational and capital demands of the stormwater system over the next four years. The assessment rate was increased for the FY 16 budget from \$72 to \$84 per equivalent residential unit (ERU), the first increase since 2006.

Staff recommends that the current rate of \$84/ERU/year be maintained.

The proposed rate will appear on the TRIM notice mailed to all property owners by August 24, 2016. There will be a hearing in regard to the final adoption of this rate on September 14th to establish the rate to appear on the property tax bill mailed to all property owners at the beginning of November. At the time of the final hearing,

a lower rate may be adopted by the Commission if it so chooses, but a higher rate can be adopted at that time only with a significant amount of effort and expense.

3. FINANCIAL IMPACT

The recommended stormwater assessment rate is \$84 per year per ERU. This rate will generate approximately \$3.3 million.

4. RECOMMENDATION

Staff recommends the City Commission approve the preliminary rate resolution adopting a stormwater assessment rate of \$84.00 per year per Equivalent Residential Unit and establish 6:00 p.m., September 14, 2016 as the time and date of a public hearing to be held in Commission Chambers in regard to the adoption of the FY 17 final annual stormwater assessment rate.