

**CITY OF NORTH LAUDERDALE
FINANCE DEPARTMENT**

TO: Mayor and City Commission

FROM: Ambreen Bhatti, City Manager

BY: Susan Nabors, Finance Director

DATE: January 10, 2017

SUBJECT: First Reading: Stormwater Utility Rate Adjustment

We are presenting the attached Ordinance tonight for Commission's consideration on first reading to approve the adjustment of the Stormwater Utility rate.

In June 2003, the Commission approved Ordinance 03-06-1086 establishing the fee per Equivalent Residential Unit ("ERU") at \$3.00 per month. Over the past 13 years, costs relating to Stormwater services have grown at least in tandem with inflation. Beginning with FY 2013, the Stormwater Fund has been operating with a net loss each year. The absence of a rate adjustment over the years results in the City paying for or "subsidizing" these costs from Stormwater reserve funds.

Stormwater is currently a rather small monthly residential fee that would not warrant adjustment every year or two. However, since the rate has not been adjusted since 2003, the Fund had annual losses for the last four years and the City is using reserves to pay for increasing operating costs, a fee increase warrants consideration. Additionally, the City is in the lower portion of the range of fees as compared with other local cities. As a result, it is recommended to increase the fee to bring our City more in line with surrounding cities, to cover the cost of operations and maintenance and replenish the Stormwater reserves.

	<u>Current Rate</u>	<u>Proposed Rate</u>
Stormwater Management Utility Fee per 1 ERU	\$3.00	\$6.00

Based upon a 1995 study, the median impervious square footage is 2,138 square feet which is equal to 1.0 ERU. Billing is based upon the following Utility fee categories as per Section 70-212 of the Code of Ordinances:

- (a) Single-family property. Each single-family property shall be considered 1.0 ERU's for billing purposes.
- (b) Multifamily. Each multifamily unit shall be considered as 0.6 ERU's for billing purposes.
- (c) Nonresidential property. The value of one ERU for non-residential property is hereby determined to be 2,138 square feet of impervious area.

Currently, based upon 1.0 ERU, the single family units are charged \$3.00 and, based on 0.6 ERU, multifamily is charged \$1.80 per month. Under the new proposed stormwater rate, single-family units will change from \$3.00 to \$6.00 per month and each multifamily unit will change from \$1.80 to \$3.60 per month. The increase for nonresidential property units will vary based on the total impervious square feet of the property.

Please be advised that the areas such as Lakeview Cove apartments, Courtyards of Broward, Broadview Pompano Park and commercial areas (annexed in 2004) will not be affected by this rate change as these areas are not serviced by the City's water and utility system.

RECOMMENDATION:

The City Administration recommends Commission's consideration and approval of the attached Ordinance on first reading amending Chapter 70 of the Code of Ordinances of the City, entitled "Utilities," Article V, entitled "Stormwater Management," and in particular, Section 70-213, thereof, entitled "Fee Schedule," in order to increase the Stormwater Management Utility Fee to \$6.00 per month.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF NORTH LAUDERDALE, FLORIDA, TO AMENDING CHAPTER 70 OF THE CODE OF ORDINANCES OF THE CITY OF NORTH LAUDERDALE, FLORIDA, ENTITLED "UTILITIES," ARTICLE V, ENTITLED "STORMWATER MANAGEMENT," AND IN PARTICULAR, SECTION 70-213, THEREOF, ENTITLED "FEE SCHEDULE," IN ORDER TO INCREASE THE STORMWATER MANAGEMENT UTILITY FEE; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission has determined, based on the analysis of City staff, that costs relating to stormwater management have increased with inflation, that the Stormwater management utility fee has not been adjusted since June of 2003, and that the City has had to utilize other revenues in order to fund operations and maintenance related to Stormwater management; and

WHEREAS, the City Commission has concluded that it is in the best present and future interests of the citizens and residents of North Lauderdale to amend Section 70-213 to increase the Stormwater management utility fee; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF NORTH LAUDERDALE, FLORIDA, AS FOLLOWS:

Section 1. The foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of the Ordinance upon adoption hereof.

Section 2. Chapter 70, entitled "Utilities," Article V, entitled "Stormwater Management," Section 70-213, entitled "Fee schedule," of the Code of Ordinances of the City of North Lauderdale, Florida, is hereby amended as follows:

Sec. 70-213. - Fee schedule.

ERU rate. The fee per ERU billing shall be ~~\$3.00~~ \$6.00 per month. ERU fees shall be billed in advance and collected as a separate line item on utility account bills. Separate accounts for stormwater services only may be established if other utilities are not furnished to the property. For those properties subject to SMU fees and not receiving a monthly utility account bill from the city, ERU fees shall be billed in advance on a quarterly basis.

Section 3. Codification. It is the intention of the City Commission of the City of North Lauderdale that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of North Lauderdale, Florida and that the Sections of this Ordinance may be renumbered, re-lettered and the word "Ordinance" may be changed to "Section", "Article" or such other word or phrase in order to accomplish such intention.

Section 4. Severability. If any clause, section or other part of this Ordinance shall be held by any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part shall be considered as eliminated and in no way affecting the validity of the other provisions of this Ordinance.

Section 5. Conflicts. That all Ordinances or parts of Ordinances, Resolutions or parts of Resolutions in conflict herewith, be and the same are repealed to the extent of such conflict.

Section 6. Effective Date. That this Ordinance shall take effect immediately.

PASSED on first reading by the City Commission of the City of North Lauderdale, Florida, this 10th day of January 2017.

APPROVED AS TO FORM:

CITY ATTORNEY SAMUEL S. GOREN

MAYOR JACK BRADY

VICE MAYOR LORENZO WOOD

ATTEST:

PATRICIA VANCHERI, CITY CLERK

COMPARISON OF LOCAL MUNICIPALITY STORMWATER RATES

City	2017 Monthly Rate	2016 Monthly Rate	Notes	
Lauderhill	\$ 14.95	\$ 14.48		NAV-Assessment
Tamarac	\$ 10.04	\$ 9.75	Adjusted annually on Oct 1 by greater of 3% or CPI	NAV-Assessment
Oakland Park	\$ 7.00	\$ 7.00		NAV-Assessment
Lauderdale Lakes	\$ 6.25	\$ 6.25		NAV-Assessment
North Lauderdale	\$ 6.00	\$ 3.00	Last adjusted in FY 2003	Utility Bill
Margate	\$ 5.35	\$ 5.15	Adjusted annually on Oct 1 based on CPI through FY 2020, but not less than \$.20 per ERU per Yr	Utility Bill
Coconut Creek	\$ 3.64	\$ 3.58	Adjusted annually on Oct 1 based on CPI	Utility Bill