

**CITY OF NORTH LAUDERDALE
FINANCE DEPARTMENT**

TO: Mayor and City Commission

FROM: Ambreen Bhatti, City Manager

BY: Susan Nabors, Finance Director

DATE: January 31, 2017

SUBJECT: Second Reading: Stormwater Utility Rate Adjustment

We are presenting the attached Ordinance tonight for Commission's consideration on second 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. Those costs – including wages and benefits, street cleaning, storm drain maintenance, operating equipment, chemicals, fuel, insurances and other administrative expenses - have approximately doubled over the past 13 years, from \$426,101 in FY 2003 to \$835,442 in FY 2016. Beginning with FY 2013, the Stormwater Fund has been operating with a net loss each year for a combined total loss of approximately \$500,000 over four (4) years. The absence of a rate adjustment over the years has now resulted 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, and the City has been using reserves in the last four years to pay for increasing operating costs (which have doubled since FY 2003), a fee increase warrants consideration. As a result, it is recommended to increase the fee to cover the cost of operations and maintenance and to replenish the Stormwater reserves. For reference, neighboring cities rate ranges from \$4 to \$15 per ERU for stormwater. Therefore, the City even with the proposed increase would still be in the lower portion of the range of fees as compared with other local cities.

	<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 (an additional \$36.00 per year) and each multifamily unit will change from \$1.80 to \$3.60 per month (an additional \$22.00 per year). The increase for non-residential property units will vary based on the total impervious square feet of the property.

RECOMMENDATION:

The City Administration recommends Commission's consideration and approval of the attached Ordinance on second 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, 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, the 10th day of January, 2017.

PASSED on second reading by the City Commission of the City of North Lauderdale, Florida, this 31st 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