PORT ORANGE CITY COUNCIL WORKSHOP

Council Chambers

Tuesday, February 28, 2023 @ 5:30 PM

WORKSHOP AGENDA

Pursuant to Section 3.06 of the Charter of the City of Port Orange, the Mayor has called a **Workshop** of the City Council to be held for the following purposes:

OPENING

1. Silent Invocation
2. Pledge of Allegiance
3. Roll Call

DISCUSSION ITEMS

4. State of the City
5. Update from Raftelis on Utility Rate Study - Water, Wastewater, Reclaimed Water rates, miscellaneous service charges and fees, Building Rate study and Municipal Impact Fees

ADJOURNMENT

NOTICES – PURSUANT TO SECTION 286.0105 OF THE FLORIDA STATUTES, IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE CITY COUNCIL WITH RESPECT TO ANY MATTER CONSIDERED AT THIS PUBLIC MEETING OR HEARING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT, FOR SUCH PURPOSE, SUCH PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THE CITY DOES NOT PREPARE OR PROVIDE SUCH A RECORD.

FOR SPECIAL ACCOMMODATIONS, PLEASE NOTIFY THE CITY CLERK'S OFFICE (PHONE: 386-506-5563) AS FAR IN ADVANCE AS POSSIBLE, BUT PREFERABLY WITHIN 2 WORKING DAYS OF YOUR RECEIPT OF THIS NOTICE OR 5 DAYS PRIOR TO THE MEETING OR HEARING DATE.

HELP FOR THE HEARING IMPAIRED IS AVAILABLE THROUGH THE ASSISTIVE LISTENING SYSTEM RECEIVERS CAN BE OBTAINED FROM THE CITY CLERKS' OFFICE.

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA), IF YOU ARE A PERSON WITH A DISABILITY WHO NEEDS AN ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS PROCEEDING, YOU ARE ENTITLED, AT NO COST TO YOU, THE PROVISION OF CERTAIN ASSISTANCE. PLEASE CONTACT THE CITY CLERK FOR THE CITY OF PORT ORANGE, 1000 CITY CENTER CIRCLE, PORT ORANGE, FLORIDA 32129, TELEPHONE NUMBER 386-506-5563, CITYCLERK@PORT-ORANGE.ORG, AS FAR IN ADVANCE AS POSSIBLE, BUT PREFERABLY WITHIN 2 WORKING DAYS OF YOUR RECEIPT OF THIS NOTICE OR 5 DAYS PRIOR TO THE MEETING OR HEARING DATE. IF YOU ARE HEARING OR VOICE IMPAIRED, CONTACT THE RELAY OPERATOR AT 7-1-1 or 1-800-955-8771.

UPON REQUEST BY A QUALIFIED INDIVIDUAL WITH A DISABILITY, THIS DOCUMENT WILL BE MADE AVAILABLE IN AN ALTERNATE FORMAT. IF YOU NEED TO REQUEST THIS DOCUMENT IN AN ALTERNATE FORMAT, PLEASE CONTACT THE CITY CLERK WHOSE CONTACT INFORMATION IS PROVIDED ABOVE.

ANY INVOCATION THAT IS OFFERED BEFORE THE OFFICIAL START OF THE CITY COUNCIL MEETING SHALL BE THE VOLUNTARY OFFERING OF A PRIVATE PERSON, TO AND FOR THE BENEFIT OF THE CITY COUNCIL. THE VIEWS OR BELIEFS EXPRESSED BY THE INVOCATION SPEAKER HAVE NOT BEEN PREVIOUSLY REVIEWED OR APPROVED BY THE CITY COUNCIL OR THE CITY STAFF, AND THE CITY IS NOT ALLOWED BY LAW TO ENDORSE THE RELIGIOUS BELIEFS OR VIEWS OF THIS, OR ANY OTHER SPEAKER. PERSONS IN ATTENDANCE AT THE CITY COUNCIL MEETING ARE INVITED TO STAND DURING THE OPENING INVOCATION AND PLEDGE OF ALLEGIANCE. HOWEVER, SUCH INVITATION SHALL NOT BE CONSTRUED AS A DEMAND, ORDER, OR ANY OTHER TYPE OF COMMAND. NO PERSON IN ATTENDANCE AT THE MEETING SHALL BE REQUIRED TO PARTICIPATE IN ANY OPENING INVOCATION THAT IS OFFERED. A PERSON MAY EXIT THE CITY COUNCIL CHAMBERS AND RETURN UPON COMPLETION OF THE OPENING INVOCATION IF A PERSON DOES NOT WISH TO PARTICIPATE IN OR WITNESS THE OPENING INVOCATION.

CITY COUNCIL AGENDA ITEM

COUNCIL MEETING DATE 2/28/2023

SUBJECT: (5) Update from Raftelis on Utility Rate Study - Water, Wastewater, Reclaimed Water rates, miscellaneous service charges and fees, Building Rate study and Municipal Impact Fees

DEPARTMENT: Finance

GOAL: 5 - Fiscal Sustainability

RECOMMENDED MOTION: Discussion only. No motion needed.

SUMMARY: Raftelis Financial Consultants, Inc. has been contracted to provide utility rate and other municipal fee reviews.

This workshop is the third presentation by Raftelis. At prior workshops and Council meetings, they presented information on cost allocation methodology, master meters for mobile home parks, and other fee-related topics. The City does not currently have police impact fees. During the last meeting, Raftelis also recommended consideration of police impact fees and Council authorized them to include them in their review and recommendations.

Raftelis has now completed reviews of the water, wastewater, reclaimed water, miscellaneous service charges and fees, developing tap fees, meter installation fees, turn-on/turn-off fees, meter test fees, after-hour service fees, building fees, impact fees, and deposits related to the utility fees. At this workshop, Raftelis will present its analysis and fee recommendations.

Based on the direction received from the Council at this workshop, staff will bring back the final recommended items at the March 21, 2023 Council meeting with an implementation schedule.

The final step in the Raftelis' process is the April 25 Council Workshop to discuss stormwater fees.

PRESENTER: John McKinney

ATTACHMENTS:

1.	Consolidated Presentation 022823 ver 2 - Updated	Consolidated Presentation 022823 ver 2 - Updated.pdf

John McKinney	Created/Initiated - 2/20/2023
John McKinney	Approved - 2/20/2023
Wayne Clark	Final Approval - 2/24/2023

RAFTELIS

City of Port Orange

2022 Utility, Building , and Municipal Impact Fee Study

February 28, 2023

Agenda

1. **Impact Fees**
2. **Building Fees**
3. **Water, Wastewater & Reclaimed Water and Miscellaneous Fees**
4. **Conclusions and Recommendations**

Municipal Impact Fee Methodology

Overview

- Review City’s existing Fire and Parks & Recreation impact fees and develop Police impact fees
- Review historical (“embedded”) assets and planned improvements available to meet demands of growth
- Follow statutory parameters and case law

Impact Fee Basics

- One-time charges established to recover costs of infrastructure and capital equipment needed to accommodate demands of new growth
  - Impact fees do not fund replacement of existing assets unless original asset is removed from fixed asset schedule and excess capacity is made available for growth
  - Impact fees do not correct deficiencies in level of service attributed to existing development
  - Impact fees do not fund operations and maintenance costs

Statutory Requirements

- Section 163.31801 Florida Statutes
  - Among other requirements…

(4) At a minimum, each local government that adopts and collects an impact fee by ordinance and each special district that adopts, collects, and administers and impact fee by resolution must:

a. Ensure that the calculation of the impact fee be is based on the most recent and localized data.

b. Provide for accounting and reporting of impact fee collections and expenditures and account for the revenues and expenditures of such impact fee in a separate accounting fund.

c. Limit administrative charges for the collection of impact fees to actual costs.

d. Provide notice at least 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A local government is not required to wait 90 days to decrease, suspend, or eliminate an impact fee...

Statutory Requirements (cont'd.)

- Section 163.31801 Florida Statutes

  (6) A local government, school district, or special district may increase an impact fee only as provided in this subsection:

  a. An impact fee may be increased only pursuant to a plan for the imposition, collection, and use of the increased impact fee which complies with this section.
  b. An increase to a current impact fee rate of not more than 25 percent of the current rate must be implemented in two equal annual increments beginning with the date on which the increased fee is adopted.
  c. An increase to a current impact fee rate which exceeds 25 percent but is not more than 50 percent of the current rate must be implemented in four equal installments beginning with the date the increased fee is adopted.
  d. An impact fee increase may not exceed 50 percent of the current impact fee rate.
  e. An impact fee may not be increased more than once every 4 years.

Recommended Land Uses

Residential

Existing:
Fire has one (1) land use for all unit types
Parks has three (3) land uses

Recommended:
Establish two (2) land uses for Single Family and Multi-family

Non-Residential

Existing: One (1) flat fee per 1,000 sq. ft.

Recommended:
Expand non-residential to seven (7) land uses based on demand characteristics

- Industrial/Warehousing
- Hotel
- Recreational
- Institutional
- Office Buildings
- Retail
- Assisted Living Facilities (ALF)

Municipal Impact Fee Highlights

Police Fee based on:

- Existing facilities and future facility upgrades
  - Police range upgrade project
- Existing and future police vehicles

Fire Fee based on:

- Existing facilities and future facility upgrades
  - New FS 73, station alerting system
- Existing and future fire vehicles/trucks/apparatus as identified in the fixed assets and City’s capital improvement plan (CIP)

Parks Fee based on:

- Combination of existing parks and amenities as well as certain improvements in the capital improvement plan including:
  - Westside Community Center & Coraci North
  - Parks office building & land acquisition on Spruce Creek

Calculated Police Impact Fees

Description	Existing	Calculated Fee	% Change
Residential:			
Single Family per Unit	N/A	$526.00	N/A
Multi-family per Unit	N/A	393.00	N/A
Non-residential (per 1,000 sq ft):			
Industrial/Warehousing	N/A	$139.00	N/A
Hotel (per room)	N/A	260.00	N/A
Recreational	N/A	395.00	N/A
Institutional	N/A	399.00	N/A
Office Building	N/A	317.00	N/A
Retail	N/A	727.00	N/A
ALF (per bed)	N/A	241.00	N/A

Calculated Fire Impact Fees

Description	Existing	Calculated Fee	% Change
Residential:			
Single Family per Unit	$270.00	$555.00	105.6%
Multi-family per Unit	270.00	414.00	53.3%
Non-residential (per 1,000 sq ft):			
Industrial/Warehousing	$200.00	$146.00	(27.0%)
Hotel (per room)	66.00	274.00	315.2%
Recreational	200.00	417.00	108.5%
Institutional	200.00	421.00	110.5%
Office Building	200.00	334.00	67.0%
Retail	200.00	766.00	283.0%
ALF (per bed)	174.00	254.00	46.0%

Note: Per Florida Statute 163.31801, an impact fee increase may not exceed 50 percent of the current impact fee rate. Therefore, recommended fees will be capped at a 50 percent increase which must be phased in over four years.

Calculated Fire Impact Fees – Phase In

Description	2023	2024	2025	2026
Residential:				
Single Family per Unit	$303.75	$337.50	$371.25	$405.00
Multi-family per Unit	303.75	337.50	371.25	405.00
Non-residential (per 1,000 sq ft):				
Industrial/Warehousing	$146.00	$146.00	$146.00	$146.00
Hotel (per room)	74.25	82.50	90.75	99.00
Recreational	225.00	250.00	275.00	300.00
Institutional	225.00	250.00	275.00	300.00
Office Building	225.00	250.00	275.00	300.00
Retail	225.00	250.00	275.00	300.00
ALF (per bed)	194.00	214.00	234.00	254.00

Note: Many of the fees shown are less than the fully calculated impact fee amount, due to the limitation of a maximum 50% increase. These impact fees require a four (4) year phase-in to achieve the maximum 50% increase. Any fees that are being reduced will be reduced immediately.

Calculated Parks and Recreation Impact Fees

Description	Existing	Calculated Fee	% Change
Residential:			
Single Family per Unit [1]	$1,525.00	$1,956.00	28.3%
Townhomes/Duplex per Unit [2]	1,438.00	1,467.00	2.0%
Multi-family per Unit [2]	1,350.00	1,467.00	8.7%

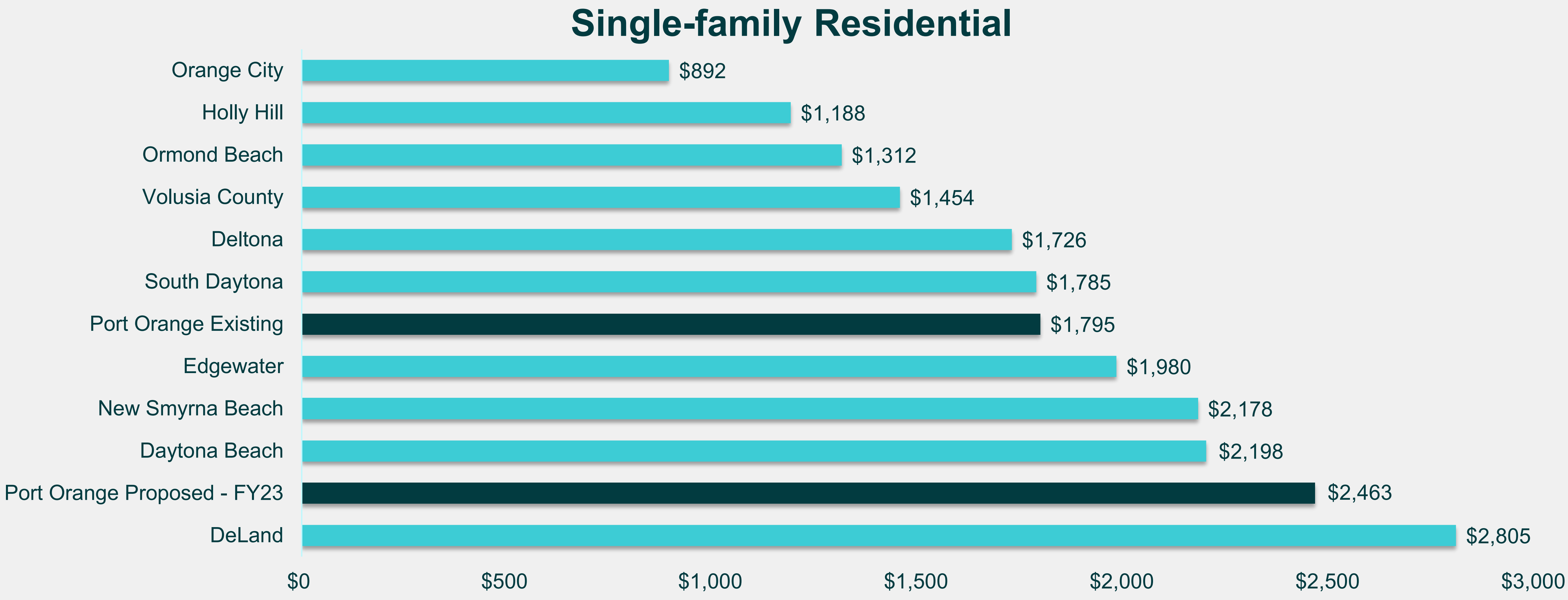
[1] A four-year phase in would be required to implement this fee as calculated.

[2] A two-year phase in would be required to implement this fee as calculated.

Calculated Parks and Recreation Impact Fees – Phase In

Description	2023	2024	2025	2026
Residential:				
Single Family per Unit	$1,632.75	$1,740.50	$1,848.25	$1,956.00
Townhomes/Duplex per Unit	1,452.50	1,467.00	1,467.00	1,467.00
Multi-family per Unit	1,408.50	1,467.00	1,467.00	1,467.00

Local Combined Police, Fire, and Parks Impact Fee Comparisons



10-Year Revenue Forecast

- Additional $3.3 M from proposed fees over 10-years
- Assumes 10-year growth of:
  - about 2,700 residential units
  - about 1.5 M non-res sq. ft.

Transportation Impact Fee Methodology

Methodology

Consumption-based Impact Fee Approach

New development is charged based upon the proportion of vehicle-miles of travel (VMT) that each unit of new development is expected to consume of a lane mile of the roadway network.

General Equation: (Demand × Cost) – Credit = Impact Fee

Demand: Vehicle-Miles of Travel (VMT) for each land use

(Daily trip generation rate × the trip length × the percent new trips [of total trips])

Cost: Cost of building new capacity typically is expressed in units of dollars per vehicle-mile of roadway capacity.

Credit: An estimate of future non-impact fee revenues generated by new development that are allocated to provide roadway capacity expansion.

Demand Variables

Trip Generation Rate

Source: 11th Edition ITE Trip Generation Manual, Florida Characteristics Database

Trip ends: One-way trip from home to work counts as one trip end for the residence and one trip end for the workplace, for a total of two trip ends. To avoid over-counting, all trip rates are then divided by two.

New Trip Factor

The amount of traffic added to the street system as a result of new development.

- Adjusted to account for pass-by trips

Demand Variables - Average Trip Length

Average Trip Length

Source: National Household Travel Survey (NHTS) of 2017

Refined to show trip lengths in Florida 10 miles or less.

Organized by trip purpose (i.e., work, shopping, social/recreational…)

Average: 3.06 miles

Assessable Trip Length

FDOT Report indicates (19%) of the VMT occurs within the City of Port Orange.

(81%) VMT occurs on non-city roadways located within the City limits.

Assessable trip length: 0.58 miles

Cost Variables

Cost per lane-mile to construct new roadway capacity:

Source:	
TIP & CIP Capacity Projects:	Average: $5,154,621
FDOT Cost-per-Mile Models:	Average: $5,089,728
Recent City Projects:	Average: $4,695,252
	$4,979,867

$5.0 Million for this study

Cost Variables

Capacity added per lane-mile constructed:

Source:

TIP & CIP Capacity Project (8) Lane Miles:	52.51
New Capacity Lane Miles with widening:	572,348
Average Capacity per lane miles:	10,900 *

10,500 for this study

Cost per VMC: $5.0M / 10,500 **= $476.19**

VMC = Vehicle Miles of Capacity

* 572,348 / 52.51 = 10,900 (rounded from 10,899.79)

Credits – Gasoline Tax Equivalent Credit

New development will generate some of the gas tax revenue to fund capacity improvements and will be provided a credit against the City's road impact fees for this anticipated future contribution. Converted to a fuel tax equivalency.

Credit per VMT

Total Annual Gas Tax Funding	$ 1,338,501
÷ Annual Gallons Sold	24,000,000
Annual Funding per Gallon	$ 0.0558
÷ Average Fuel Efficiency (mpg)	22.9
Funding per Daily Vehicle Mile	$ 0.0024
x Days per Year	365
Annual Funding per Daily Vehicle-Mile	$ 0.89
x Net Present Value Factor (25 Years)	$ 16.13
Gas Tax Funding Credit per VMT	$ 14.34

Net Cost

Road Cost per VMT	$ 476.19
- Gas Tax Credit per VMT	$ (14.34)
Net Road Cost per VMT	$ 461.85

($/gallon used for capital improvements / Fuel Efficiency) × 365 Effective Days per year × Present Value of gas tax payments

Calculated Impact Fees

Gasoline Tax						
$$ per Gallon to Capital:	$0.0558			Unit Cost per Lane Mile:	$5,000,000
Facility Life (Years):	25			Average VMC per Lane:	10,500
Interest Rate:	3.50%			Fuel Efficiency:	22.9
Credit:	$14.34			Effective Days per Year:	365

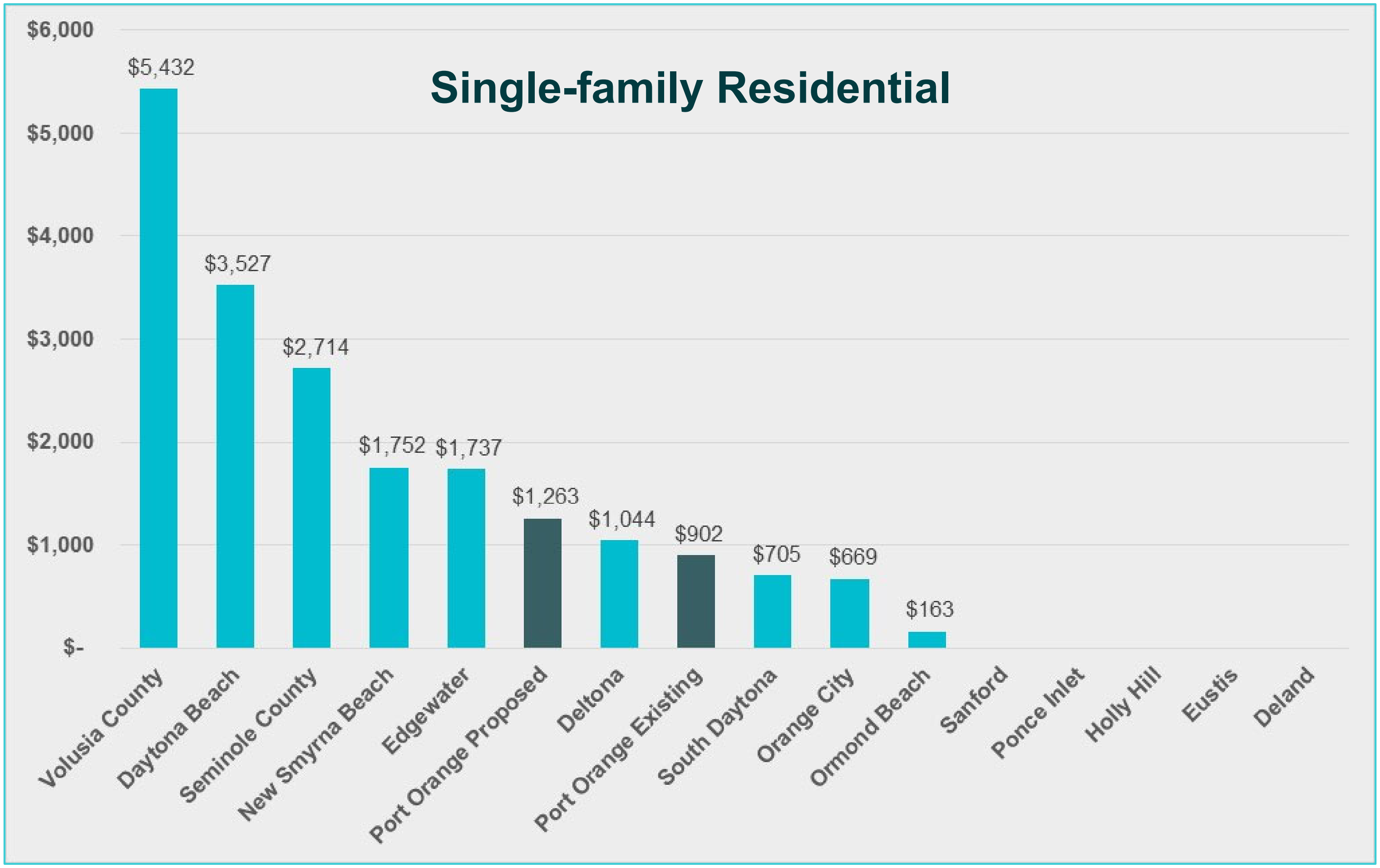
	Columns:	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
ITE LUC	**Land Use**	**Unit**	**ITE Trip Rate**	**Recommended Trip Rate**	**Trip Rate Source**	**Total Trip Length**	**Assessable Trip Length**	**% New Trips**	**% New Trips Source**	**VMT**	**Cost Per VMT**	**Total Impact Cost**	**Gas Credit**	**Net Impact Fee**	**Current Impact Fee**	**% Change**
										(C x F x G)/2		I x J	$14.34 x I	K - L		
	INDUSTRIAL															
110	General Light Industrial	1,000 Sq. Ft. GFA	4.87	4.87	ITE 11th Edition	3.06	0.58	92%	Same as LUC 710	1.30	$ 476.19	$ 618.72	$ 18.63	$ 600	$ 357	68%
130	Industrial Park	1,000 Sq. Ft. GFA	3.37	3.37	ITE 11th Edition	3.06	0.58	92%	Same as LUC 710	0.90	$ 476.19	$ 428.15	$ 12.89	$ 415	$ 819	-49%
140	Manufacturing	1,000 Sq. Ft. GFA	4.75	4.75	ITE 11th Edition	3.06	0.58	92%	Same as LUC 710	1.27	$ 476.19	$ 603.48	$ 18.17	$ 585	$ 361	62%
150	Warehousing	1,000 Sq. Ft. GFA	1.71	1.71	ITE 11th Edition	3.06	0.58	92%	Same as LUC 710	0.46	$ 476.19	$ 217.25	$ 6.54	$ 211	$ 451	-53%
151	Mini-Warehouse	1,000 Sq. Ft. GFA	1.45	1.45	ITE 11th Edition	3.06	0.58	92%	Same as LUC 710	0.39	$ 476.19	$ 184.22	$ 5.55	$ 179	$ 151	18%
	RESIDENTIAL															
210	Single-Family Detached Housing	DU	9.43	9.43	ITE 11th Edition	3.06	0.58	100%	N/A	2.73	$ 476.19	$ 1,302.24	$ 39.22	$ 1,263	$ 902	40%
220	Multifamily Housing (Low-Rise)	DU	6.74	6.74	ITE 11th Edition	3.06	0.58	100%	N/A	1.95	$ 476.19	$ 930.76	$ 28.03	$ 903	$ 665	36%
221	Multifamily Housing (Mid-Rise)	DU	4.54	4.54	ITE 11th Edition	3.06	0.58	100%	N/A	1.32	$ 476.19	$ 626.95	$ 18.88	$ 608	-	N/A
222	Multifamily Housing (High-Rise)	DU	4.54	4.54	ITE 11th Edition	3.06	0.58	100%	N/A	1.32	$ 476.19	$ 626.95	$ 18.88	$ 608	-	N/A
230	Low-Rise Residential with Ground-Floor Commercial	GFA (1-25K)	3.44	3.44	ITE 11th Edition	3.06	0.58	100%	N/A	1.00	$ 476.19	$ 475.05	$ 14.31	$ 461	$ 443	4%
231	Mid-Rise Residential with Ground-Floor Commercial	GFA (1-25K)	3.44	3.44	ITE 10th Edition	3.06	0.58	100%	N/A	1.00	$ 476.19	$ 475.05	$ 14.31	$ 461	-	N/A
232	High-Rise Residential with Ground-Floor Commercial	GFA (1-25K)	3.44	3.44	Same as LUC 231	3.06	0.58	100%	N/A	1.00	$ 476.19	$ 475.05	$ 14.31	$ 461	-	N/A
240	Mobile Home Park	DU	7.12	7.12	ITE 11th Edition	3.06	0.58	100%	N/A	2.06	$ 476.19	$ 983.24	$ 29.61	$ 954	$ 349	173%

Impact Fee Comparisons

City / County	Single Family	Multi Family	Hotel	Office	Retail	Light Industrial	Fast Food with Drive Thru	Convenience Store	Warehouse	Bank with Drive Thru
Unit of Measure:	Dwelling Unit	Dwelling Unit	Room	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Port Orange (current)	$ 902	$ 665	$ 665	$ 1,646	$ 2,217	$ 357	$ 9,939	$ 6,787	$ 451	$ 5,925
Port Orange (proposed)	**$ 1,263**	**$ 903**	**$ 710**	**$ 1,502**	**$ 2,872**	**$ 536**	**$ 11,173**	**$ 9,312**	**$ 211**	**$ 4,368**
Daytona Beach *	$ 3,527	$ 247	$ 251	$ 405	$ 977	$ 255	$ 977	$ 977	$ 181	*None*
Deland	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Deltona	$ 1,044	$ 888	$ 1,029	$ 1,638	$ 2,075	$ 1,308	$ 14,461	$ 6,968	$ 449	$ 7,005
Edgewater	$ 1,737	$ 1,347	$ 711	$ 3,329	$ 6,556	$ 1,120	$ 15,594	$ 26,778	$ 393	$ 8,481
Eustis	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Holly Hill	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*
New Smyrna Beach	$ 1,752	$ 1,043	$ 966	$ 1,293	$ 2,080	$ 519	$ 15,413	$ 7,814	$ 232	$ 3,171
Orange City	$ 669	$ 463	$ 389	$ 1,300	$ 1,040	$ 370	$ 6,940	$ 5,190	$ 270	$ 3,310
Ormond Beach	$ 163	$ 163	$ 115	$ 231	$ 834	$ 100	$ 881	$ 1,355	$ 100	$ 1,355
Ponce Inlet	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Sanford	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Seminole County *(Mobility Fee - Rural/**Suburb**/Core*	$ 2,714	$ 1,665	$ 1,644	$ 1,840	$ 2,777	$ 1,024	$ 9,031	$ 12,297	$ 401	$ 3,655
South Daytona	$ 705	$ 488	$ 410	$ 1,370	$ 1,100	$ 380	$ 7,310	$ 5,460	$ 270	$ 3,500
Volusia County	$ 5,432	$ 3,245	$ 3,003	$ 4,020	$ 6,450	$ 2,040	$ 47,870	$ 24,260	$ 720	$ 9,850
Port Orange (proposed)	$ 1,263	$ 903	$ 710	$ 1,502	$ 2,872	$ 536	$ 11,173	$ 9,312	$ 211	$ 4,368
Port Orange (2023 Fee - HB 337)	$ 992	$ 724	$ 687	$ 1,502	$ 2,381	$ 402	$ 10,556	$ 7,418	$ 211	$ 4,368
South Daytona	$ 705	$ 488	$ 410	$ 1,370	$ 1,100	$ 380	$ 7,310	$ 5,460	$ 270	$ 3,500
Amount Difference	$ 287	$ 236	$ 277	$ 132	$ 1,281	$ 22	$ 3,246	$ 1,958	$ (59)	$ 868
Percent Difference	41%	48%	68%	10%	116%	6%	44%	36%	-22%	25%

- *"None" means no transportation impact fees collected in jurisdiction.*
- *Daytona Beach Fast Food & Convenience Store data derived from Retail.*

Impact Fee Comparisons (cont'd.)



Conclusions

Updated Fees

Calculated updated fees using recent and localized costs

Phased-in Increases

Recommended increases are phased in where appropriate to comply with current impact fee legislation

Minimize Cost Burden

By updating impact fees, the City minimizes the cost burden of growth to existing residents and businesses

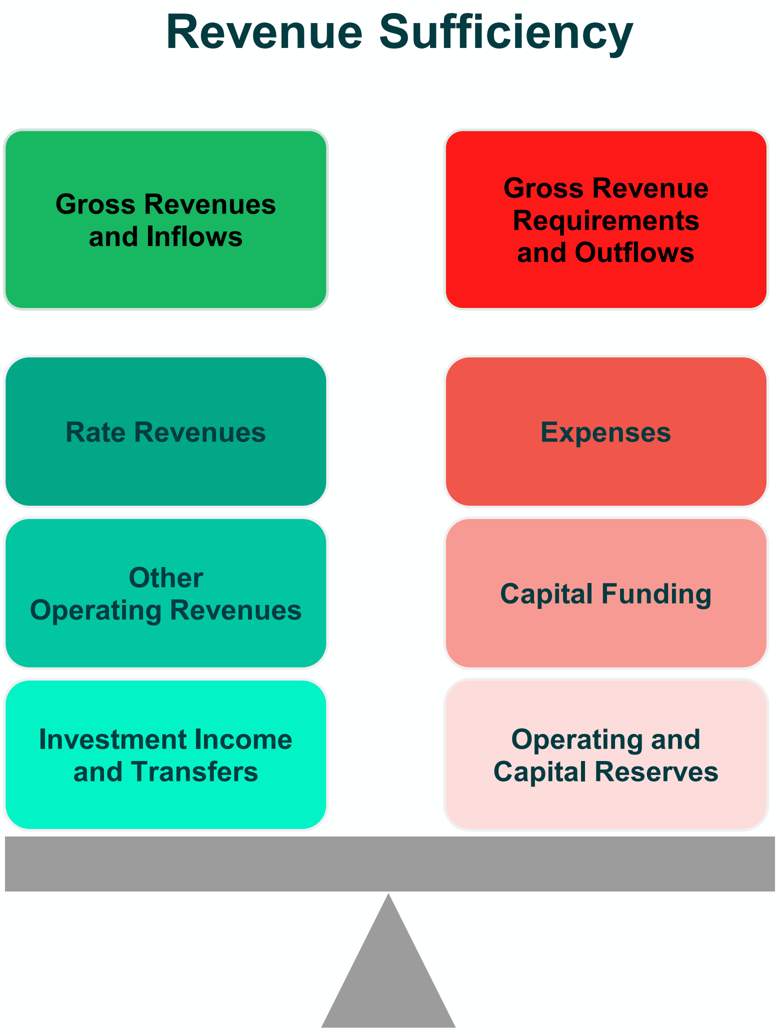
90-day Implementation

The City must wait 90 days (minimum) for implementing higher impact fees

Building Fees

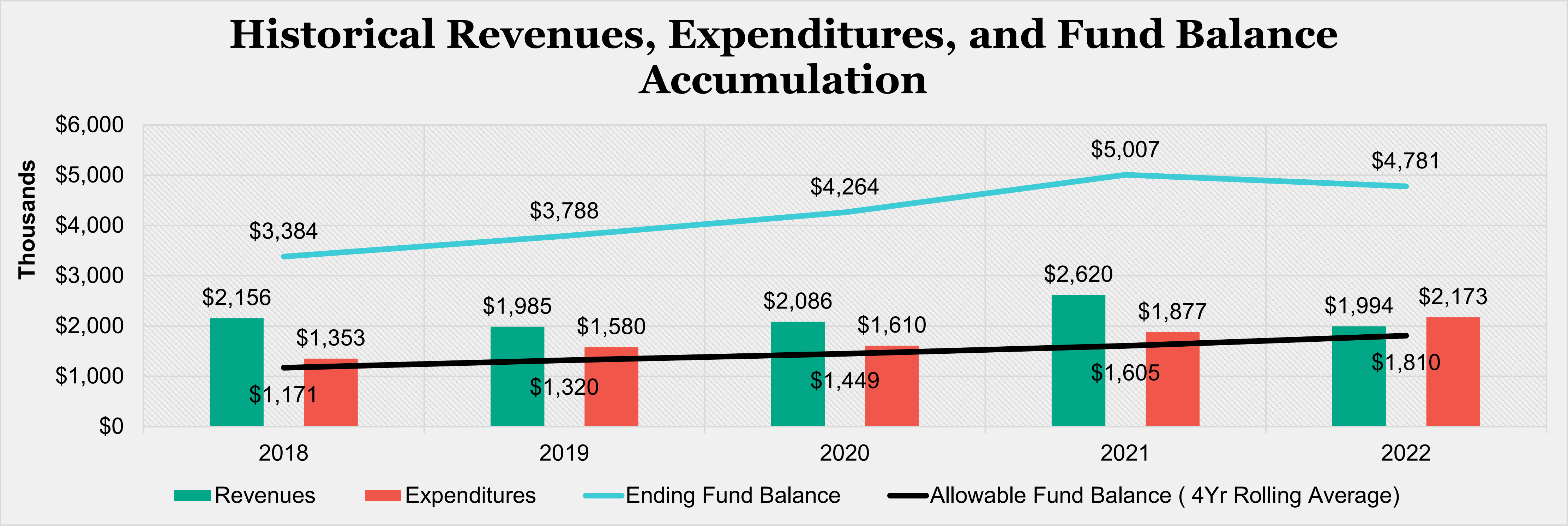
1) Study Objectives

- Identify the Cost of Providing Service (Revenue Requirements)
  - Chapter 553.80 – Local Government can Provide a Schedule of Fees for Enforcement of Building Code
- Evaluate the Ability of Building Fees to Fund Revenue Requirements
- Ensure Compliance with Florida Statutes:
  - Chapter 553.791 and 553.80 (7)
    - Private Provider "Credit"
    - Level of Operating Reserves



2) Historical Financial Trends

- Revenues Exceed Expenses Resulting in Accumulated Cash Balances Above Allowable Fund Balance



2) Historical Financial Trends

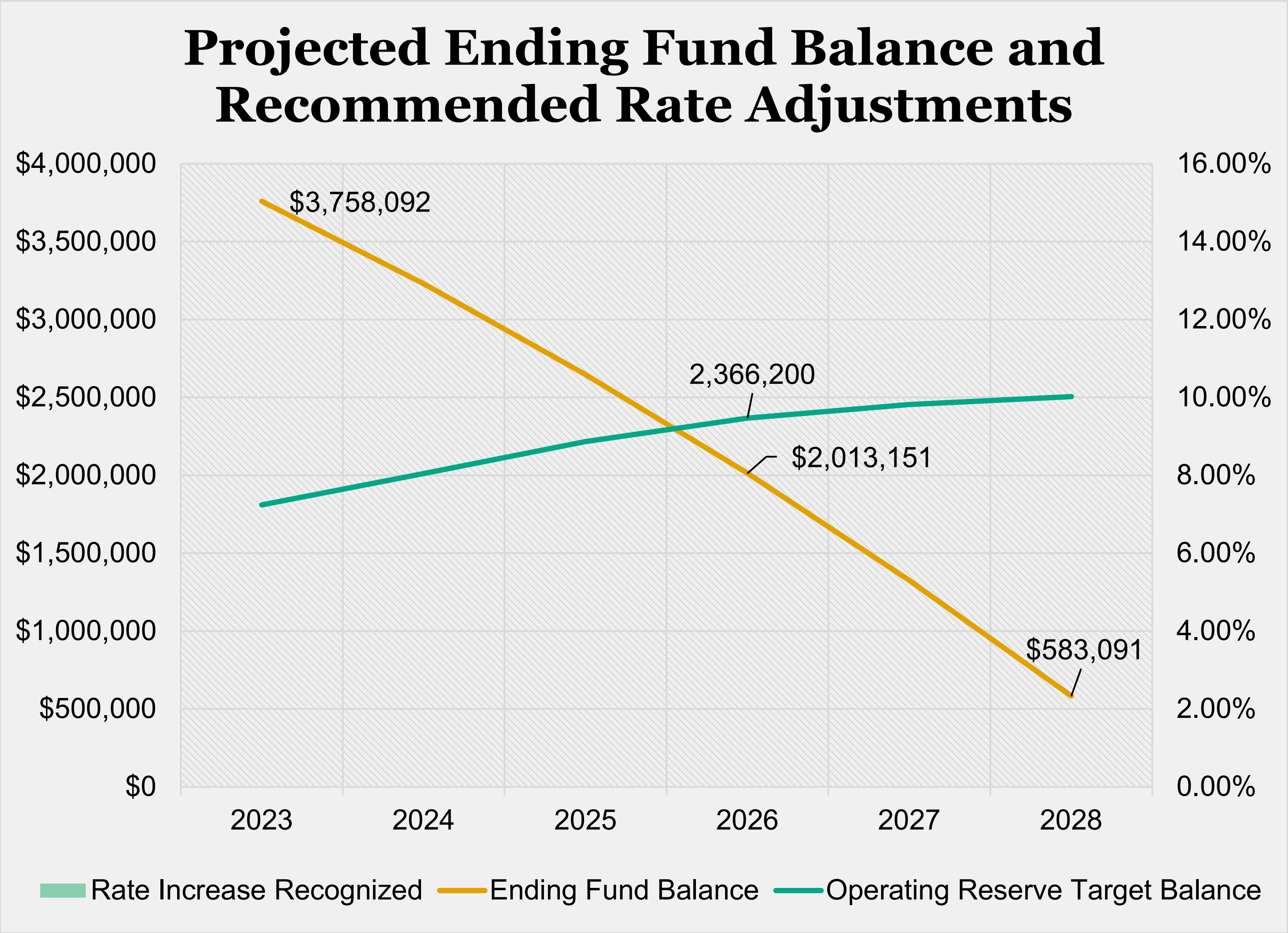
- Pursuant to Florida Statutes, Chapter 553.80
  - Operating Reserves Cannot be Greater than Average Operating Budget for the Last 4 Fiscal Years
  - Capital Reserves Not Considered as Component of Operating Reserves

	Operating	Capital
Estimated Cash Balance FY 2022	$4,237,368	$506,750
Operating Reserve Target (FS)	1,810,028	
Amount for Future Reduction	**$2,427,340**	

- Cash Reduction Plan
  1. Transfer Funds to Capital Funds
  2. Use Reserves to Fund Revenue Deficiency
  3. Monitor Actual Deficiency Versus Budgeted Deficiency
     - FY 2022 Actual Deficiency - $179K

3) Results / Findings

- Key Assumptions / Findings:
  - Maintain Current Rates with Proposed Fee Structure Modification for Electrical, Plumbing, Mechanical, and Gas Permits
  - No Recommended Rate Increases to Recover Future Cost Increases
  - Meets Operating Reserve Compliance in Fiscal Year 2025
    - Review Plan in FY 2026
  - Need to Monitor Rates / Reserves and Adjust Accordingly
    - FY 2022 Revenue Deficiency - $179K



3) Results / Findings

- Proposed Fee Structure Modification
  - Simplify Rate Structure of 4 Key Permits
  - Similar Structure as other Municipalities
  - Revenue Neutral

Permit Type	Fee Description	Amount
Electrical Permit	All Electrical Permits	$50 plus 0.8% of the documented electric valuation, $50 minimum
Plumbing Permit	All Plumbing Permits	$50 plus 0.8% of the documented plumbing valuation, $50 minimum
Mechanical Permit	All Mechanical Permits	$50 plus 0.8% of the documented mechanical valuation, $50 minimum
Gas Permit	All Gas Permits	$50 plus 0.8% of the documented gas valuation, $50 minimum

3) Results / Findings

Private Provider Credits

- Pursuant to Florida Statutes, Chapter 553.791
- Current Private Provider Credit = Only Charge 0.35% of Construction Value for Administrative Fee
- Prepared an Estimated Avoided Cost Analysis
  - Identify Tasks / Time / Employee to Perform Typical Review /Inspection Process in Conjunction with City Staff
- Proposed Private Provider Credit:
  - Charge 0.35% of Construction Value for Administrative Fee and
  - 86% Discount on Construction Value for Inspection Fee Only or
  - 84% Discount on Construction Value for Plan Review and Inspection

4) Observation and Recommendation Summary

- Operating Reserve Balance in an “Over-funded” Position
  - Net of Capital Reserves – Needs to be Established and Separate from Operating Reserves
  - Recognizes Intent of Florida Statutes to Reduce Reserves to Threshold in Statute
  - Needs to be Monitored Annually
- Consider for Adoption the Proposed Rate Structure Modifications for Electrical, Plumbing, Mechanical, and Gas Permits
- Proposed Private Provider Credit:
  - Charge 0.35% of Construction Value for Administrative Fee and
  - 86% Discount on Construction Value for Inspection Fee Only or
  - 84% Discount on Construction Value for Plan Review and Inspection
- Review the Cost Recovery Analysis and Operating Reserve Annually in Budget Process to Monitor Cash Balance
  - Recommend Review of Building Permit Fees in FY 2026

RAFTELIS

Utility Rates and Miscellaneous Fees

Miscellaneous Fees

- Reviewed existing miscellaneous charges
- Identify costs to provide service
  - Based on data provided by City staff
    - Direct labor costs, equipment & supplies, and vehicle expenses used in order to perform the requested service
- Fees reviewed included (but not limited to)
  - Account service charges (turn on/off)
  - Extraordinary service calls
  - Customer Deposits
  - Backflow inspection / testing fees
  - Meter connection
  - Delinquent reconnection
  - Meter tampering
  - Sewer tapping

Miscellaneous Fees (cont.)

Sample of Proposed Miscellaneous Fees		
Description	Existing Fee	Proposed Fee
Turn on / reconnect – regular hours	$40.00	$45.00
Turn on / reconnect – after hours	$80.00	$115.00
Deposits:		
¾” Meter – property owner	$100.00	$120.00
¾” Meter – tenant	$175.00	$210.00
Meter test charges:		
Bench test	$105.00	$115.00
Meter check	$20.00	$30.00
Commercial Deposits:	$100.00	$120.00
Backflow inspection / testing - monthly	$2.92	$3.33
Swimming pool service charges	$40.00	$45.00
Connection Charges		
¾” Potable or reclaimed meter	$605.00	$750.00
Sewer service	$1,400.00	$1,775.00

Master Metered Manufactured Housing Rates

Master Metered Manufactured Housing

- Current Issues:
  - 8 Parks billed using master meter (860 units)
  - 6 Parks billed using privately owned meters on individual lots (1,178 units)
  - City does not own or maintain the meters or infrastructure within the private properties
  - Privately owned meters are not consistent with the City’s new metering technology
  - City unable to read 519 of the 1,151 individual manufactured home meters (or 45%)
  - Of the 632 readable meters 27 (or 4.3%) meters are dead (no consumption)
  - Total reading related time spent by City staff – 61.5 hours
    - 52.0 Hours of reading time
    - 9.5 Hours of clerical time

Master Metered Manufactured Housing (cont.)

- Current billing methods for manufactured home parks
  - Master meter rate
  - Single family rate billed for each individual lot/unit
  - Combination of individual units billed single-family rates with master meter billing to the property owner (total master billing usage – sum of single-family rate usage)

Master Metered Manufactured Housing (cont.)

- Proposed solution:
  - Place all manufactured homes on new master metered rate
    - Base charges billed per unit
    - Usage charges based on single family rates
    - Usage blocks scaled by number of units behind meter
  - Florida Statutes require park owners to bill individual lots based on actual costs (no additional markup over City charges)

Monthly Water Rates – FY 2023				
Master Metered	Existing Rates	Uniform Rate Increase	Proposed MH Rate Restructure	Proposed SF Rate Restructure
Base Charge Per Unit:	$9.90	$10.17	$10.17	$10.17
Usage Charges (Block size scaled by number of units):				
0 - 2,000 Gallons	$3.21	$3.30	$1.52	$1.52
2,001 – 6,000 Gallons	$3.21	$3.30	$3.99	$3.99
6,001 – 12,000 Gallons	$3.21	$3.30	$5.43	$5.43
12,001 – 18,000 Gallons	$3.21	$3.30	$6.88	$6.88
18,000+ Gallons	$3.21	$3.30	$11.01	$11.01

Master Metered Manufactured Housing (cont.)

Average Usage Statistics by Park Type			
	Master Metered Units	Individually Metered Units w/ True Up	Individually Metered Units w/o True Up
Gallons per Unit	3,000	1,600	1,600 [1]
True Up Usage Gallons Per Unit	N/A	600	N/A
Total Usage Gallons Per Unit	3,000	2,200	1,600

Average Combined Water and Wastewater Bill by Park Type			
	Master Metered Units	Individually Metered Units w/ True Up	Individually Metered Units w/o True Up
Existing Rates	$44.28	$34.91	$30.93
FY 23 Proposed Rates Existing Method	$46.24	$36.50	$32.33
Master Metered Rate	$46.24	$39.92	$39.92/$35.18 [2]
Proposed Alternative	$43.37	$36.50	$36.50/$32.33 [2]

[1] Flows estimated based on usage from individually metered units with true ups from master meter category.

[2] Higher value assumes 2,200 gallons per month including existing usage at the individual properties plus an additional 600 gallons to reflect average metered use at the master meter (unaccounted for water) while lower value assumes initial 1,600 gallons to demonstrate potential range.

Master Metered Manufactured Housing (cont.)

- Recommended Action:
  - Place all manufactured homes on new master metered rate
    - Base charges billed per unit
    - Usage charges based on single family rates and usage blocks
    - Usage blocks scaled by number of units behind meter
  - City would lose some revenues (minimal annual impacts) but would now have a single rate for all manufactured homes treating customers equally

Rate Design

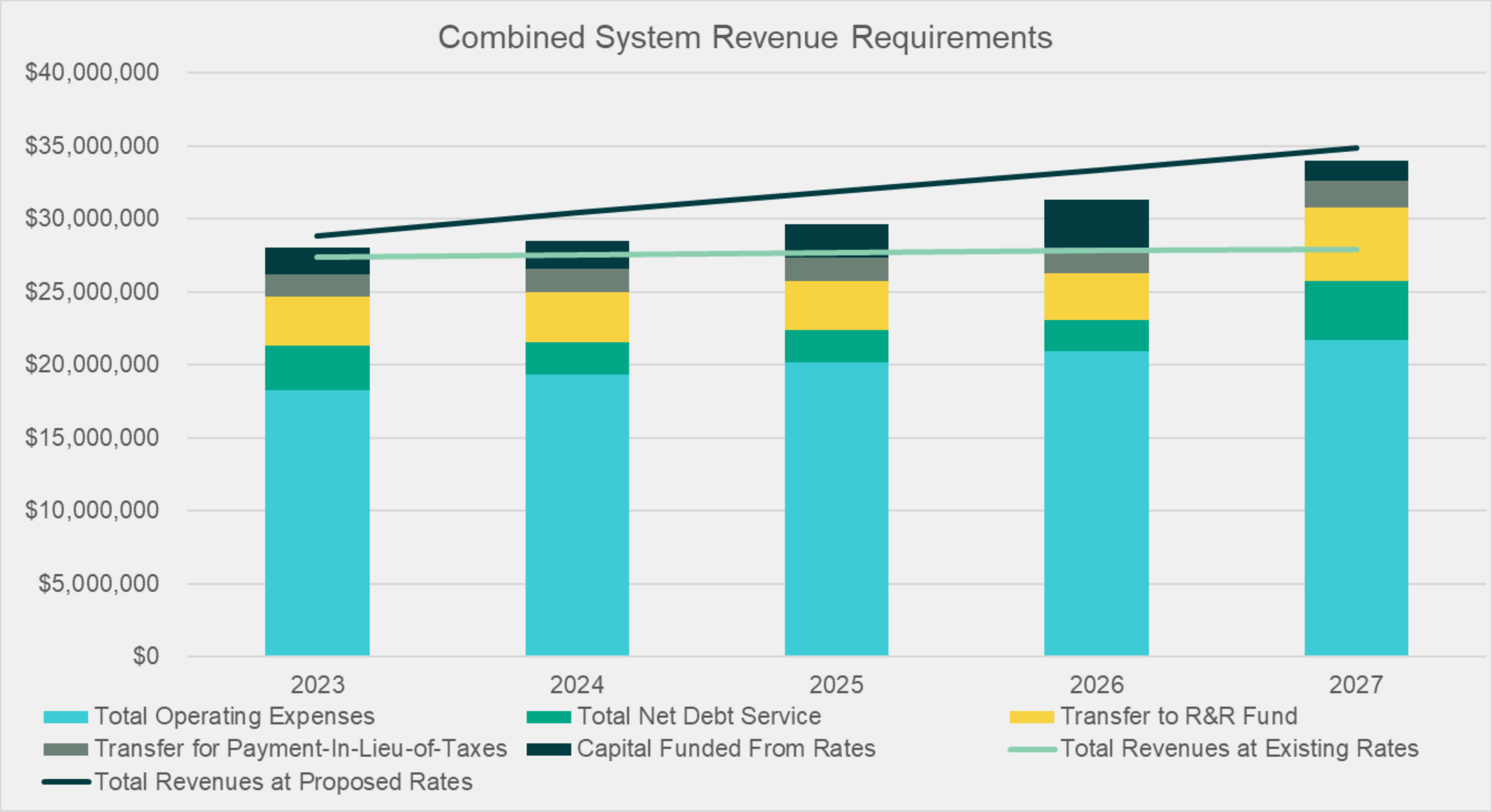
Observations and Conclusions

- Existing rates are not projected to be sufficient through Fiscal Year 2027
- Due to increasing operating expenses, capital costs related to system renewals and replacements, system upgrades, and additional debt service costs rate adjustments are proposed for Fiscal Years 2023 through 2027

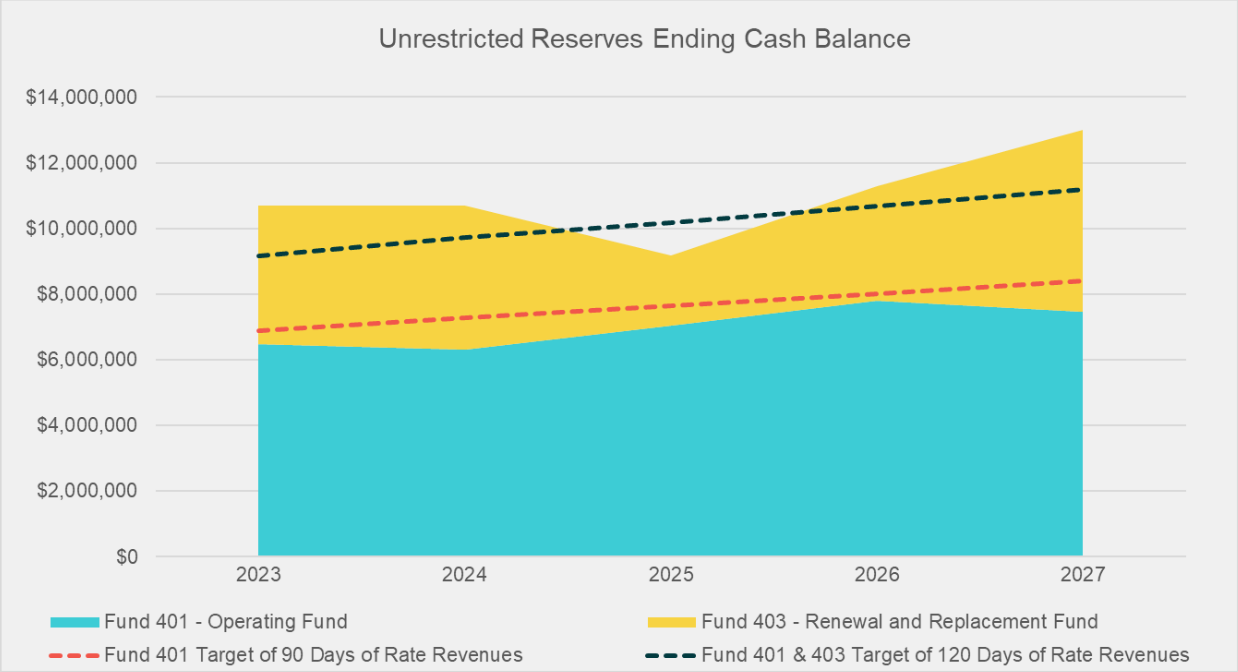
Proposed Rate Adjustments

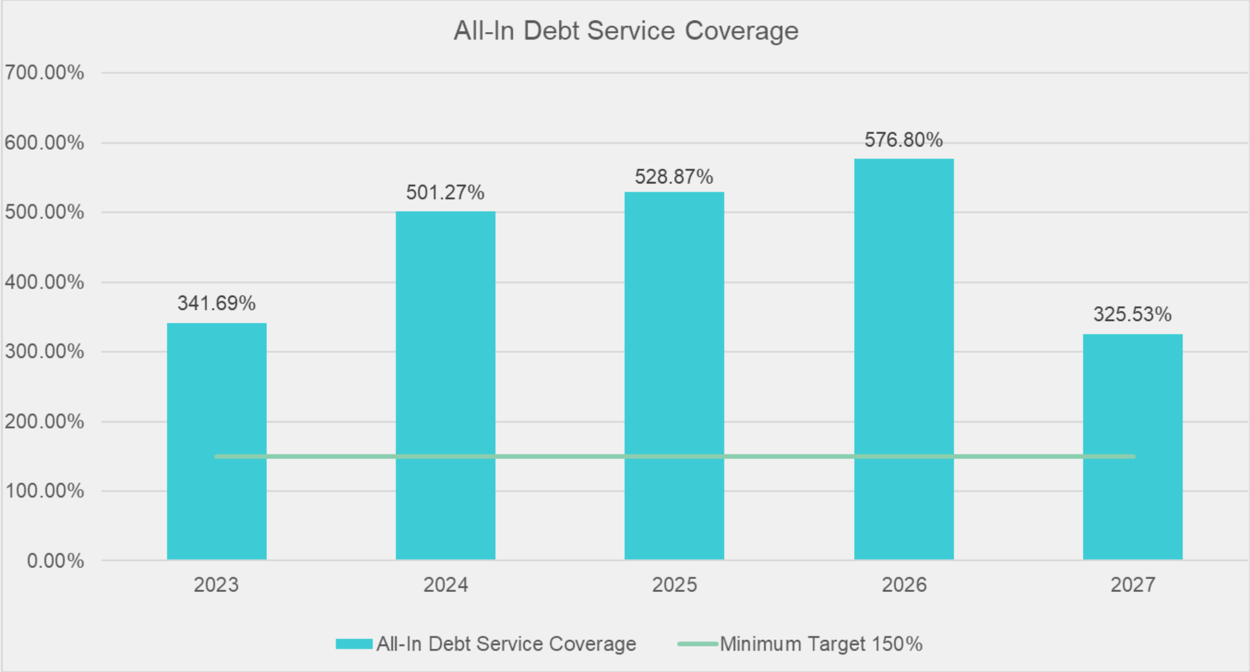
	2023	2024	2025	2026	2027
Water System	2.75%	2.75%	2.75%	2.75%	2.75%
Wastewater System	5.75%	5.75%	5.75%	5.75%	5.75%
Reclaimed System	4.25%	4.25%	4.25%	4.25%	4.25%
Effective Date	April. 1, 2023	Jan. 1, 2024	Jan. 1, 2025	Jan. 1, 2026	Jan. 1, 2027

Adequacy of Proposed Rates



Adequacy of Proposed Rates (cont.)





Rate Structure Issues

- Existing residential water and wastewater rates

Monthly Water Rates	
Single Family	Amount
Base Charge Per Unit:	$9.90
Usage Charges:	
0 - 2,000 Gallons	$1.48
2,001 – 12,000 Gallons	$3.88
12,001 – 18,000 Gallons	$6.70
18,000+ Gallons	$10.72
Master Metered	
Base Charge Per Unit:	$9.90
Usage Charges All Flow	$3.21

Monthly Wastewater Rates	
Single Family	Amount
Base Charge Per Unit:	$11.70
Usage Charges:	
0 - 12,000 Gallons	$4.35
12,001+ Gallons	$0.00
Master Metered	
Base Charge Per Unit:	$11.70
Usage Charges All Flow	$4.35

Proposed Water Rates

- Single family second block includes 10,000 gallons of water usage
- Propose splitting second block into two smaller blocks
- Proposed blocks 2 and 3:
  - Block 2: 2,001 – 6,000 gallons
  - Block 3: 6,001 – 12,000 gallons
- Block change would impact approx. 10% of single-family water bills
  - 90% of single-family water bills would feel no impact from change in structure
- Potential for additional revenues pending usage characteristics / customer behavior

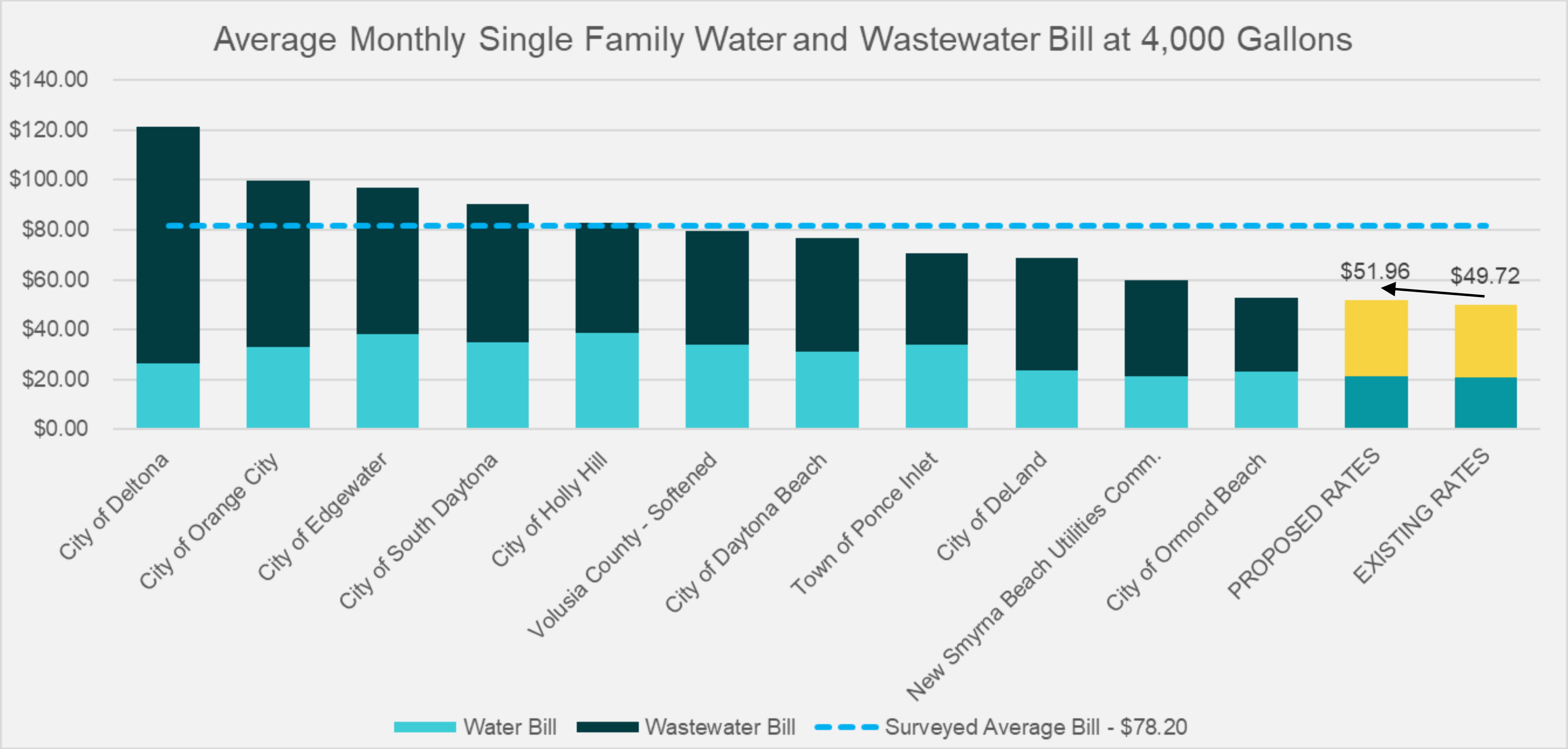
Monthly Water Rates – FY 2023			
		Proposed Alternatives	
Single Family	Existing	Uniform	Restructure
Base Charge Per Unit:	$9.90	$10.17	$10.17
Usage Charges:			
0 - 2,000 Gallons	$1.48	$1.52	$1.52
2,001 – 6,000 Gallons	$3.88	$3.99	$3.99
6,001 – 12,000 Gallons	$3.88	$3.99	$5.43
12,001 – 18,000 Gallons	$6.70	$6.88	$6.88
18,000+ Gallons	$10.72	$11.01	$11.01

Proposed Wastewater Rates

- Proposed rates do not include any rate restructuring and assume uniform or “across the board” application of increases

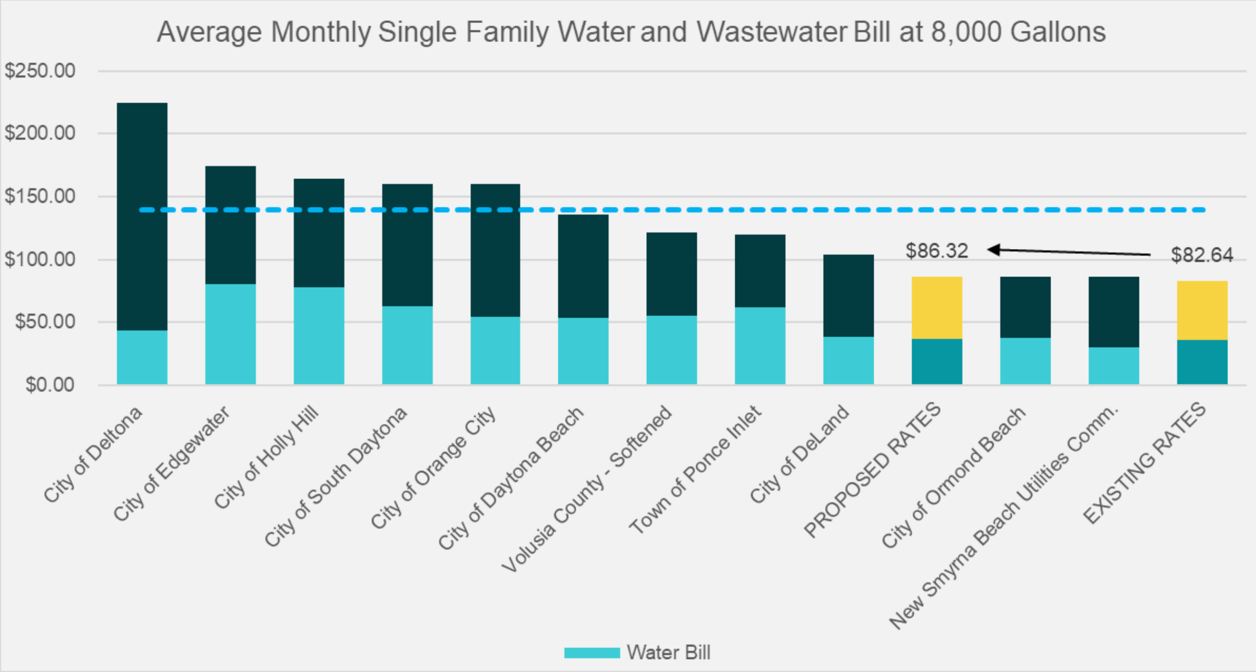
Monthly Wastewater Rates – FY 2023		
Single Family	Existing	Proposed
Base Charge Per Unit:	$11.70	$12.37
Usage Charges:		
0 - 12,000 Gallons	$4.35	$4.60
12,001+ Gallons	$0.00	$0.00
Master Metered		
Base Charge Per Unit:	$11.70	$12.37
Usage Charges All Flow	$4.35	$4.60

Rate Comparison

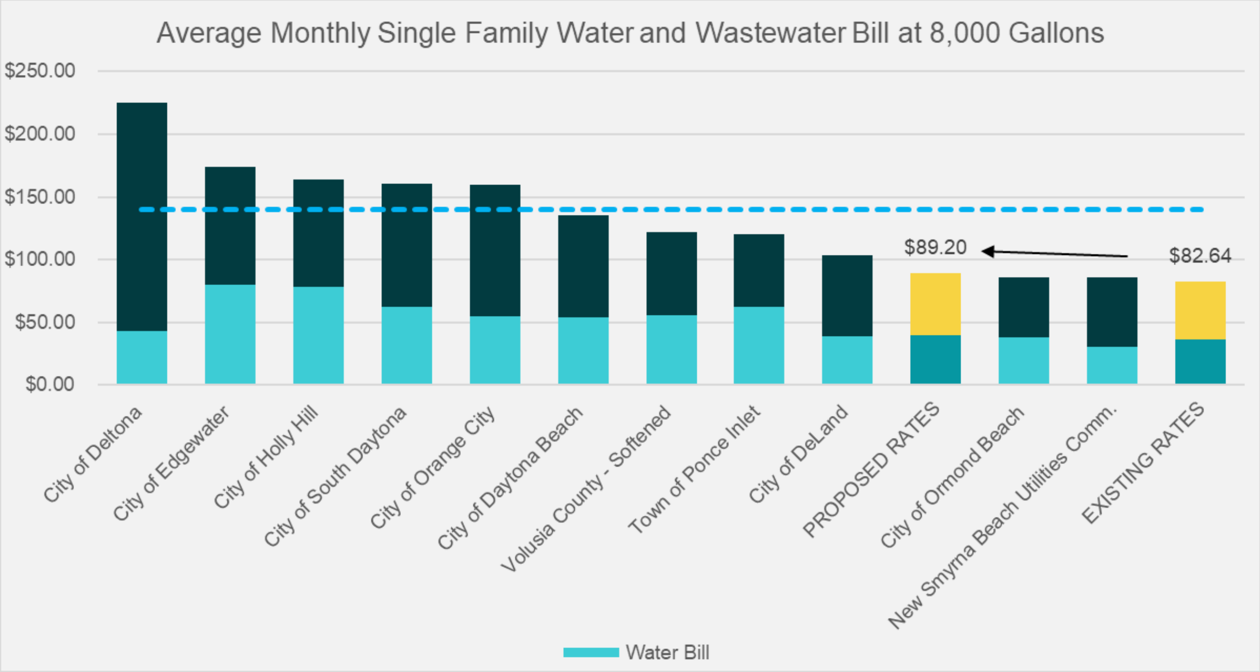


Comparison assumes uniform application of rate adjustments to existing single-family rate structure.

Rate Comparison (cont.)



Comparison assumes uniform application of rate adjustments to **existing** single-family rate.



Comparison assumes uniform application of rate adjustments to **restructured** single family rate.

Development Fee Analysis

Development Fee Background

- Development fees are charged to first time construction or redevelopment that place increased demand on capital facilities
- Purpose of development fees are to assign, to the extent practical, growth-related capital costs to new development responsible for such additional costs
- Avoids passing growth-related costs from burdening existing users
  - New growth “pays its own way” for utility infrastructure costs

Major Assumptions (cont.)

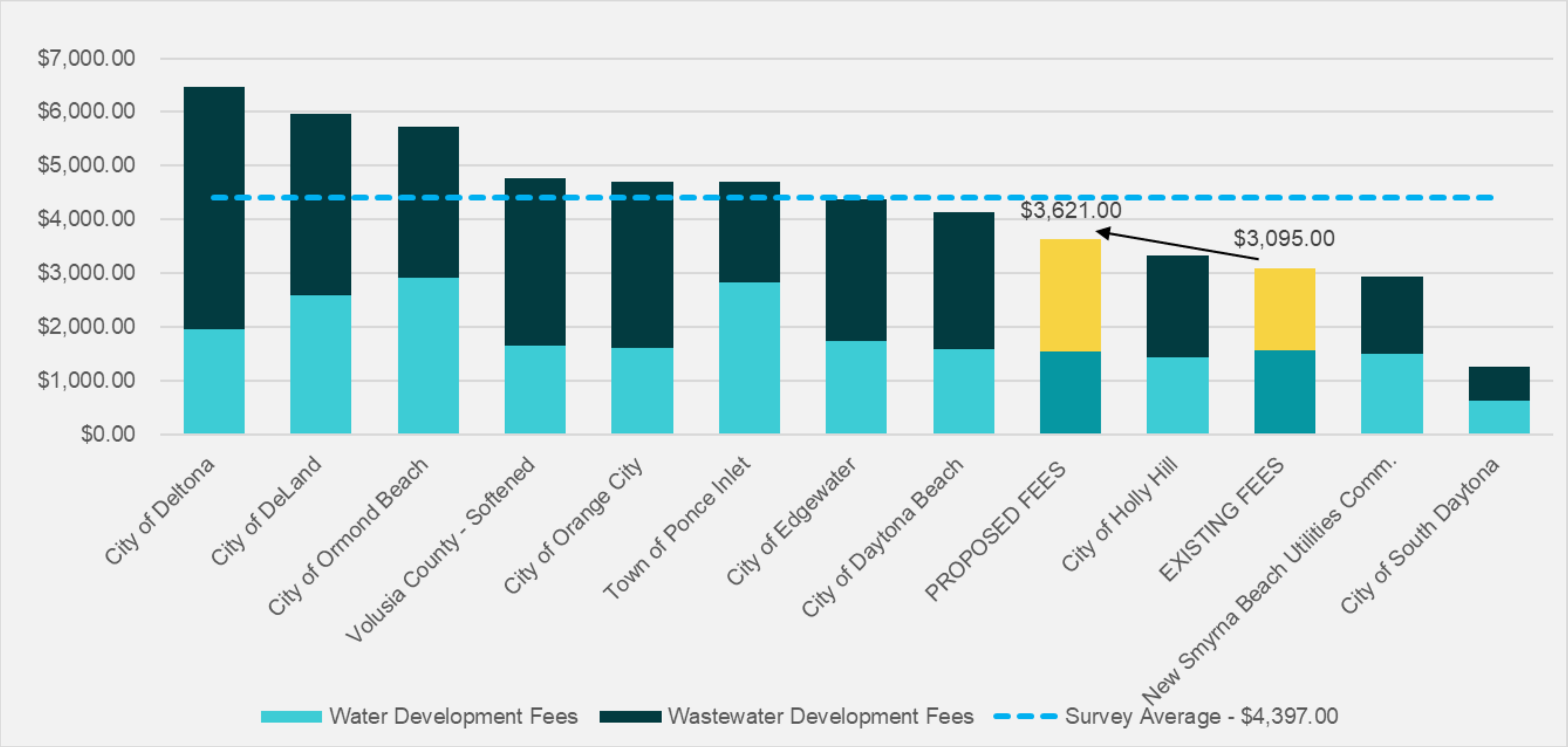
- Review of existing water and wastewater system treatment capacities and flows
  - Water system treatment capacity
    - Permitted capacity of 15.0 MDG MDF
    - Available capacity for growth – 45%
  - Wastewater system treatment capacity
    - Permitted capacity of 12.0 MGD ADF
    - Available capacity for growth – 41%
- Existing Level of service (gallons per day per equivalent residential unit)
  - Confirmed based on review of comprehensive plan / master plan documents, and historical customer usage demands
  - Water – 180 gallons per day per unit / Wastewater – 160 gallons per day unit
- Existing and planned future investment in utility assets - $408.6 million
  - $155.3 Million excluded from fee calculations as misc. equipment, non-backbone distribution and collection lines, grant funded, and retirement adjustments

Existing and Proposed Development Fees

Description	Existing Fees	Proposed Fees	$ Increase / (Decrease)	% Increase / (Decrease)
Residential				
Water System	$1,555.00	$1,545.00	($10.00)	(0.6%)
Wastewater System	$1,540.00	$2,076.00	$536.00	34.81%
Total	$3,095.00	$3,621.00	$526.00	17.00%

- Campsites and temporary use facilities in campgrounds or recreational parks are 40% of the fees above
- Commercial, industrial, hotel, and model fees are based on ERU factor based on fixture counts

Development Fee Comparison



Conclusions and Recommendations

Recommendations and Conclusions

- Adopt proposed monthly user rate adjustment plan
  - Review utility rates bi-annually
- Adopt proposed single family water rate structure block adjustments
- Adopt proposed manufactured housing rate method
  - Phase-in in 6 months
- Adopt proposed miscellaneous fees
- Adopt proposed municipal impact fees
  - Update in 4 years
- Adopt proposed building fee changes
  - Review fee levels in 2 years
- Adopt proposed water and wastewater development fees
  - Update in 3 years

Q&A