

Replacing the Stormwater Fee

City Council Business Meeting

May 15, 2012



Overview

- * Stormwater Ordinance Issues
- * Stormwater Program
 - * Maintenance and Swale Rehabilitation
 - * Major Projects
- * Stormwater Program Funding Options

Stormwater Ordinance Issues



Never Been Billed

- * 175 Parcels Never Received Bill Under Old Ordinance
- * Under New Ordinance, Parcels would Receive a Bill Ranging from \$1.92 to \$18,700
 - * Not Mailed Yet, Scheduled for May 2012
- * Total New Bills under New Ordinance (18 Month Period, Starting April 1, 2011): \$342,000

Some Bills Go Up, Others Down

- * It's Complicated. . .
 - * Stormwater is not your Typical Utility (i.e. water bill = base charge + gallons used)
 - * Charges Differ for Similar Parcels, Adjacent to Canals, Credits Apply to Some, Not Others, etc.
 - * Commercial Billings Decreased 20% Under New Ordinance
 - * Huge Increases for Some Customers

	Previous Ordinance		New Ordinance	
	Per Month	Per Year	Per Month	Per Year
70-ac. Lot	\$8.00	\$96.00	\$354.72	\$4,256.64
19-ac. Lot	\$48.00	\$576.00	\$19.44*	\$233.28

*100 Year Flood Plain Credit

Other Impacts

- * Public Schools (\$89k)
- * Town Center CDD (\$266k)
- * Bankruptcy (i.e. Developer \$600k Unpaid Fees)
- * Areas Outside Service Boundary
- * Agricultural Exemption (@ \$65k)

Credits/Refunds

Total Credited/Refunded from 2008-2011: \$470,000

- * Requests Made by September 30, 2011 Deadline
- * \$157k Paid to Addresses Outside City Limits
- * Example: 2 Big Box Credit/Refunds = \$55,000

Stormwater Ordinance Issues

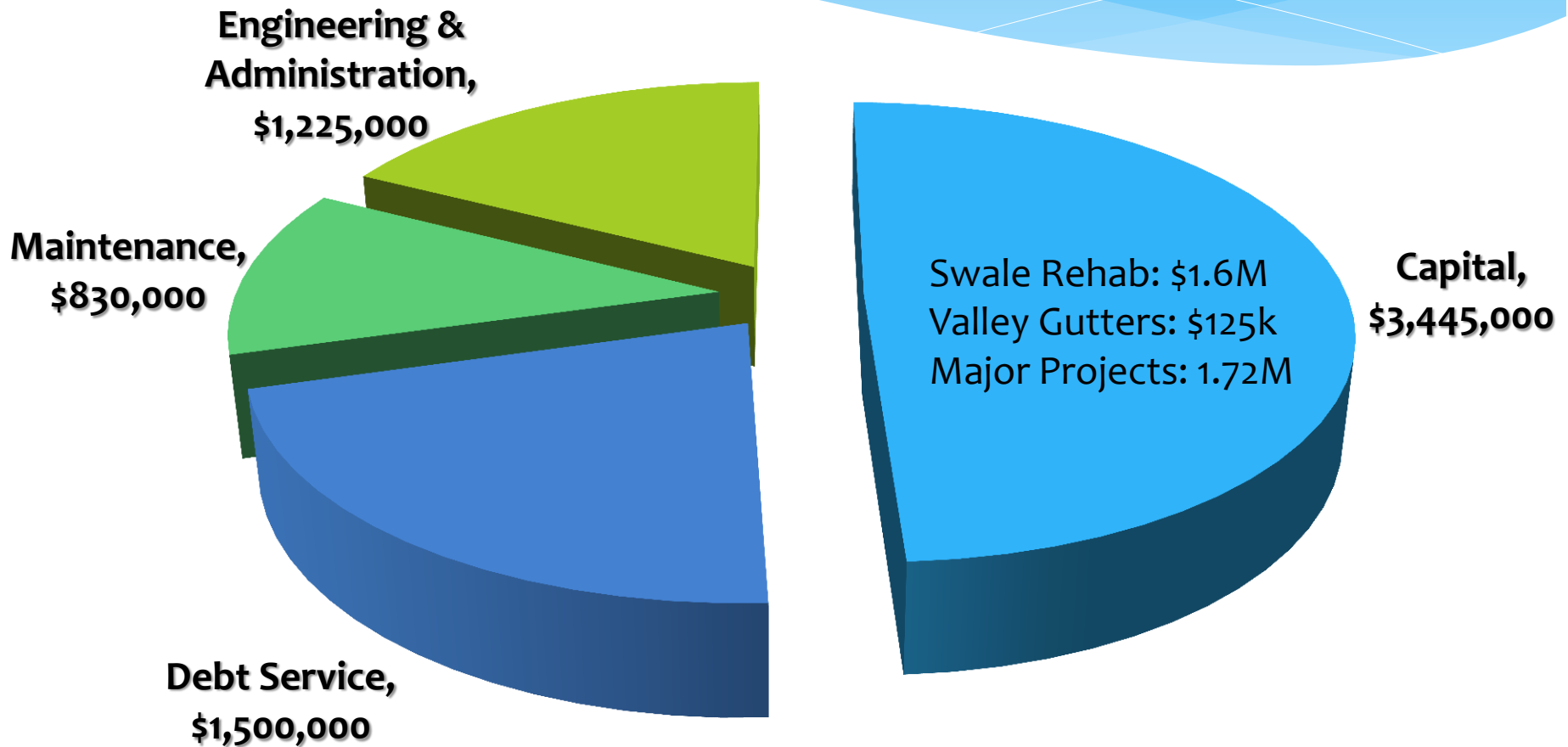
- * Original Ordinance was going to be Challenged because it did not meet criteria for a Fee
- * New Ordinance attempted to address legal and technical requirements in the Eyes of a Judge, Lawyers, and Engineers through a complex process with billing adjustments, credits, refunds, appeals, etc.
- * New Ordinance is Unfair in many ways to Property Owners
 - * Never Been Billed
 - * Some Bills Go Up, Some Go Down
 - * Others (Town Center, Bankrupt Projects, Areas Outside Service Area, Schools, Agricultural Exemptions)

Revenue History

	Stormwater Gross Billings	Loan*	Other	Total
FY 2010	\$6.5 M	\$8.0 M	-	\$14.5 M
FY 2011	\$5.8 M	\$1.2 M	-	\$7.0 M
FY 2012	\$4.9 M	-	\$2.6 M	\$7.5 M

*Total Loan Proceeds 2009-2011 = \$11 Million

Expenses for FY2012 – 7.5M



Stormwater Program

Maintenance and Swale Rehabilitation



More Efficient and Effective

Past Swale Maintenance - Ditchmaster



Completed Work Order



More Efficient and Effective

Grading



Shooting Elevations

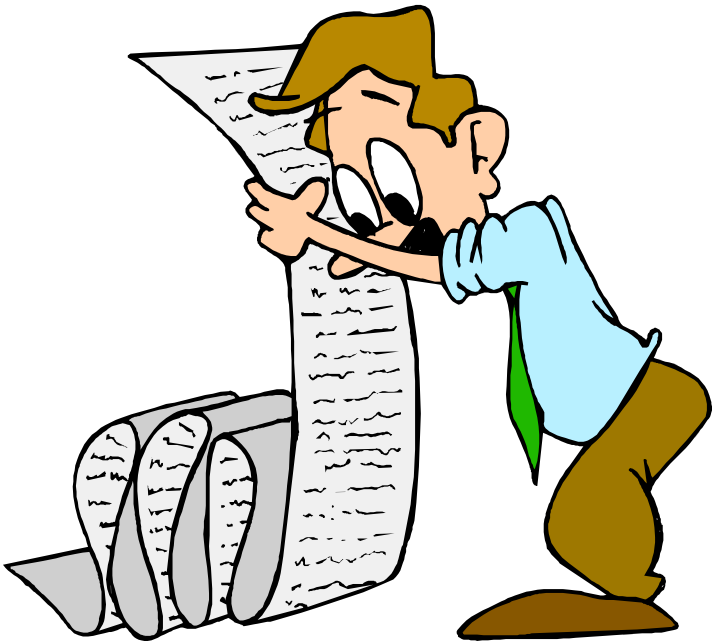


Completed Work Order



More Efficient and Effective

**Goodbye 800 List
939 Work Orders, 917 Complete**



**>6 Months = 0
5-6 Months = 0
4-5 Months = 1
3-4 Months = 1
2-3 Months = 1
1-2 Months = 6
<30 days = 8**

**Public Works More Efficient =
Experience + Good Weather**

Stormwater Program

Major Projects



Infrastructure Inventory for Stormwater Drainage System

- 19 Major Canal Control Structures
- 12 Minor Canal Control Structures
- 72 Major Roadway Crossing Culverts
- 1,555 Minor Roadway Crossing Culverts
- 145 Culverts Leading into Saltwater Canals
- 369 Valley Gutters Crossing Roadways
- 1,100+ Miles of Roadside Swales
- 154 Miles of Drainage Ditches
- 58 Miles of Freshwater Canals
- 26 Miles of Saltwater Canals
- Drainage Inlets, Spillways, Catch Basins, etc.





I-1 Structure



I-4 Structure



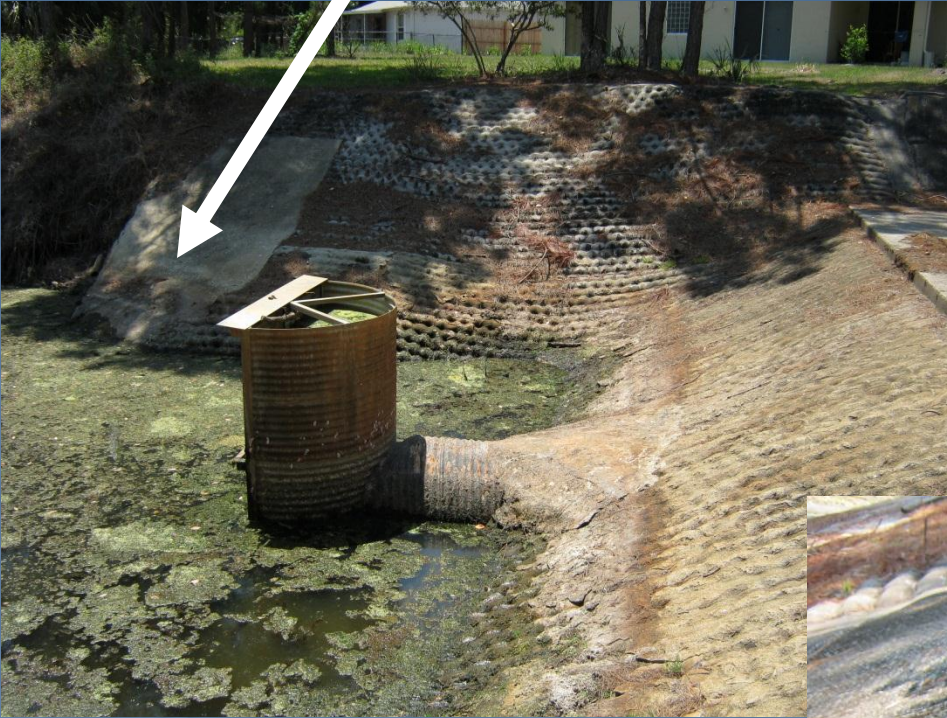
I-6 Structure



ITT Structure



P-1 Structure





L-4 Structure





Canal Control Structure Condition Rating Chart

Structural Condition Rating	# of Structures
6 – Failure, non-functioning	2
5 – Needs replacement/ repair	7
4 – Functioning /Deteriorating	4
3 – Functioning / Minor Deterioration	10
2 – Replaced	3
1 – Recent replacement	5
Total	31



L-1 Structure
Structural Rate = 6



BA-1 Structure
2010 Completed
Structural Rate = 1



Canal Control Structure Hazard Rating Chart

Potential Hazard Rating	# of Structures
6 – Roadway loss, flooding, blockage	5
5 – Possible road loss, blockage	3
4 – Road damage, blockage	11
3 – Severe erosion, water loss	4
2 – Minor erosion, water loss	5
1 – Water loss	3
Total	31



M-2 Structure
Mulberry Creek
Hazard Rating = 1



R-1 Structure
Royal Palms Canal
Hazard Rating = 6





Canal Control Structure Total Rating Chart

Total Rating	# of Structures
Worse 11	2
9	8
8	4
7	6
6	4
5 or less	7
Total	31



2012 Budget = 1 Replacement

**BT-2 Structure – Total Rating = 11
Bird of Paradise Drive on Bellaire Waterway
Deterioration is Underwater**

Major Roadway Crossing Culverts

Rating Condition	# of Crossings
6 – Failure, non-functioning	0
5 – Needs replacement/repair	0
4 – Functioning /Deteriorating	13
3 – Functioning / Minor Deterioration	42
2 – Replaced	9
1 – Recent replacement	8
Total	72



**Emergency – Florida
Park Drive June 2010
Cost \$666,244**



Major Roadway Crossing Culverts



London Drive



Sesame Boulevard

Completed 2011
\$ 430,391.18



Emergency Repairs



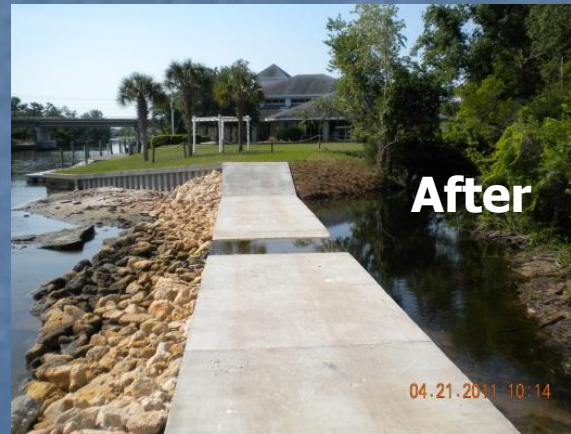
**Emergency
Rippling Waterway
Structure Cost \$85,000
July 2010**



**Emergency – East Side
Crandell Cove Cost \$154,000
Jan. 2010**



**Emergency - Mulberry Creek
Headwall Replacement Cost \$251,000
April 2011**



Planned Construction vs. Emergency Repair Cost

Florida Park Drive

Estimated planned construction = \$ 369,110
Actual emergency repair = \$ 666,244

Mulberry Creek Structure

Estimated planned construction = ~\$180,000
Actual emergency repair = \$ 251,000

Rippling Waterway Structure

Estimated planned construction = ~\$ 75,000
Actual emergency repair = \$ 85,000

D-10 Structure

Estimated planned construction = ~ \$ 60,000
Actual emergency repair = \$ 63,325

Crandell Cove

Estimated planned construction = ~ \$ 90,000
Actual emergency repair = \$ 154,000

Total Actual Emergency Cost = \$ 1,219,569
Total Planned Cost = \$ 774,110
Difference = \$ 445,459



Minor Roadway Culverts

Rating Condition	# of Culverts
6 – Failure, non-functioning	0
5 – Needs replacement/repair	82
4 – Functioning /Deteriorating	71
3 – Functioning / Minor Deterioration	~ 1,226
2 – Replaced	~ 135
1 – Recent replacement	41
Total	1,555



65 Burroughs Drive



2012 Budget = 30 Replacements

Minor Roadway Culvert Replacement Completed



65 Burroughs Drive

Minor Roadway Culverts

58 Burbank Dr



03.08.2011 15:17

Minor Roadway Culvert – White Hall

White Hall Dr



Minor Culverts Draining into Saltwater Canals



Rating Condition	# of Culverts
6 – Failure, non-functioning	0
5 – Needs replacement/repair	18
4 – Functioning /Deteriorating	54
3 – Functioning / Minor Deterioration	72
2 – Replaced	0
1 – NEW Replaced < yrs.	1
Total	145



7 Ferguson Court

**Completed 2011
\$ 4,500.00**



2012 Budget = 2 Replacements

Valley Gutter Installations

104 of 369 Completed



2012 Budget = 10 Replacements

In Conjunction with Street Resurfacing Program



MINIMUM 5-YEAR PLAN

2012 Capital

Structures - 1
Major Crossings - 0
Minor Crossings - 30
To Saltwater Canals - 2
Valley Gutters - 10
Swales – 40 Miles

2013 Capital

Structures - 1
Major Crossings - 1
Minor Crossings - 30
To Saltwater Canals - 4
Valley Gutters - 10
Swales – 40 Miles

2014 Capital

Structures - 1
Major Crossings - 0
Minor Crossings - 30
To Saltwater Canals - 8
Valley Gutters – 10
Swales – 40 Miles

2015 Capital

Structures - 1
Major Crossings - 1
Minor Crossings - 30
To Saltwater Canals - 8
Valley Gutters - 10
Swales – 40 Miles

2016 Capital

Structures - 1
Major Crossings - 0
Minor Crossings - 30
To Saltwater Canals - 8
Valley Gutters - 10
Swales – 40 Miles

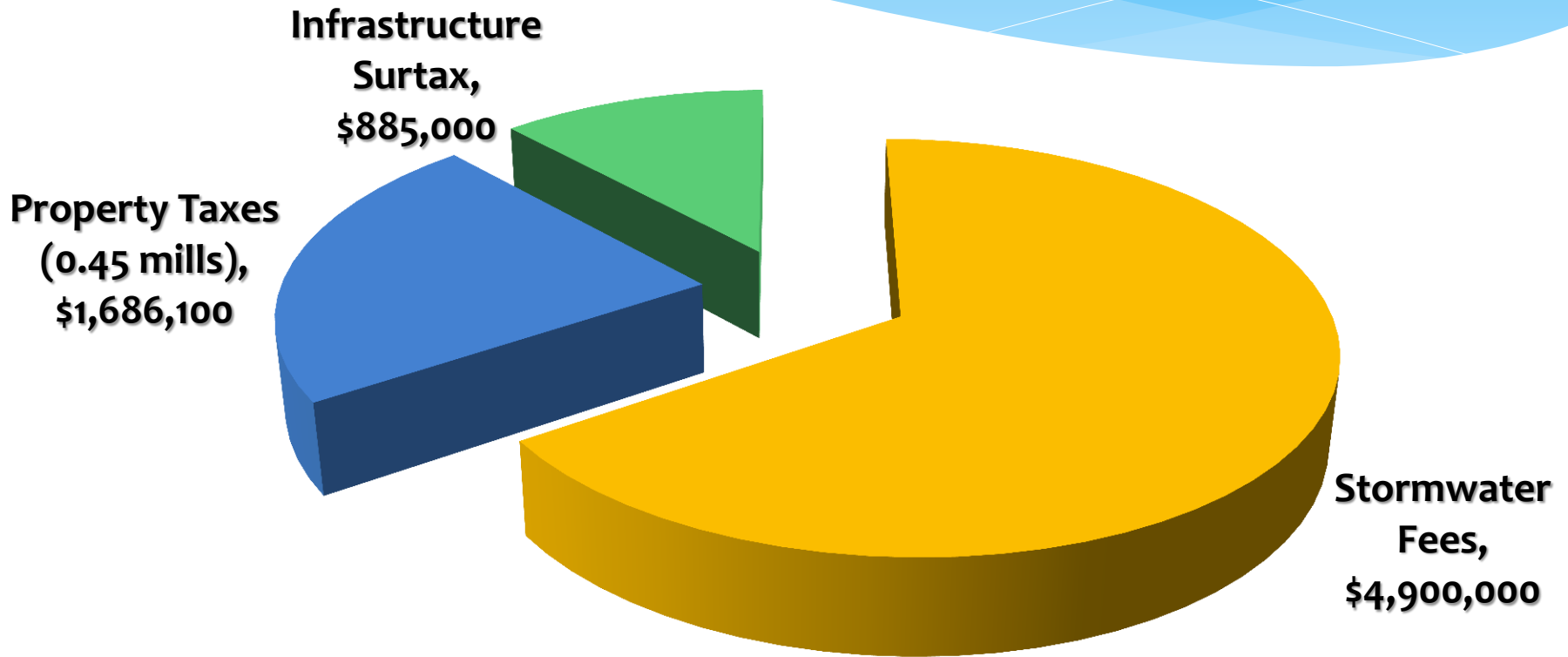
Future Capital

Structures – 18 remaining
Major Crossings – 53 remaining
Minor Crossings – 1,229 remaining
To Saltwater Canals – 114 remaining
Valley Gutters – 215 remaining
Swales - Ongoing

Stormwater Program Funding Options



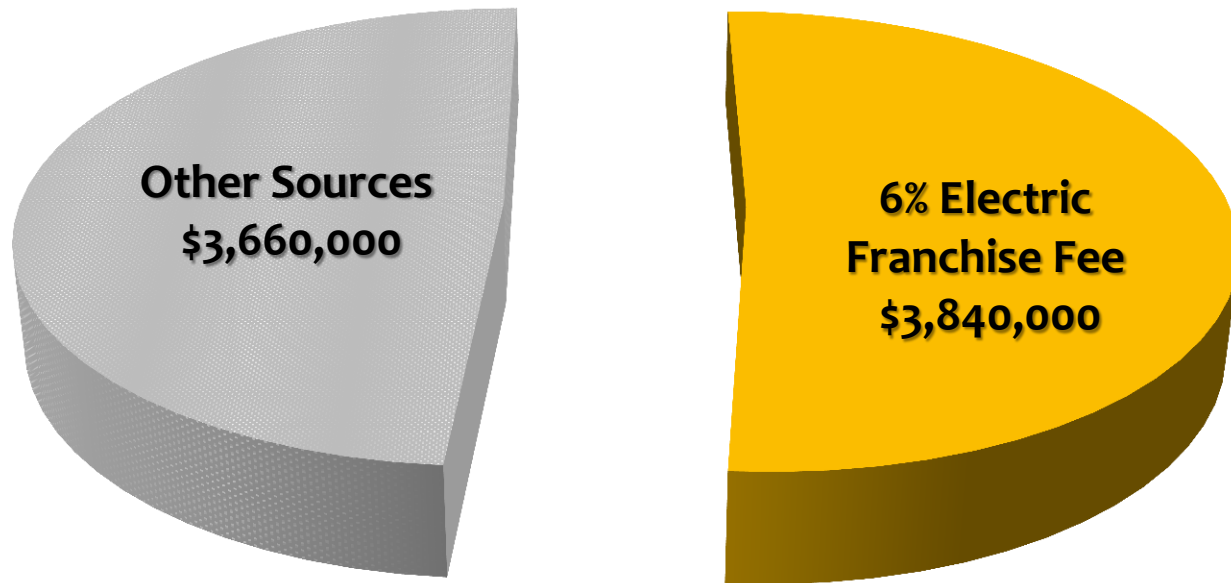
Revenues for FY2012 - \$7.5M



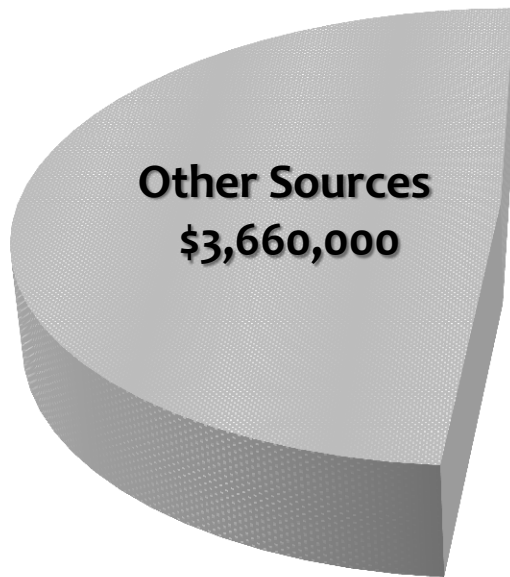
City Council Direction

- * Fund Stormwater through Combination of Revenue Sources consistent with Auditor Recommendations to Diversify Revenue Sources
- * Replace Stormwater Fee with 6% Electric Franchise Fee and Other Sources (Public Service Tax, Ad Valorem, and/or Sales Tax)

Stormwater Program Funding Gap



Stormwater Program Funding Gap



Options for Funding Gap

- * Ad Valorem
 - * Preliminary Indications - Decreasing Values
 - * State Legislative Impacts
- * Public Service Tax
 - * Approval Needed Prior to Budget Process for FY2013 Implementation
- * Sales Tax
 - * Expires December 31, 2012
 - * If Renewed . . .
 - * Current ILA Share = \$2.6 M per Year
 - * State Default Share = \$2.0 M per Year
 - * Other Capital Needs – Road Resurfacing/Bridges

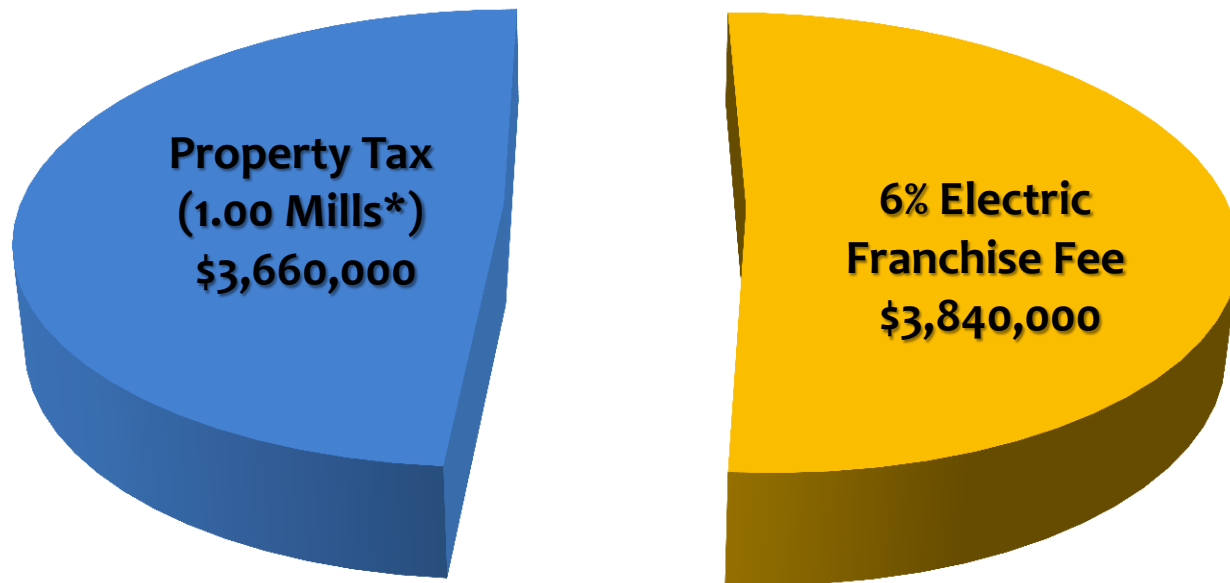
Current Infrastructure Needs: Bridges

- Estimated Cost: \$1-2M Per
- 22 Bridges

Grade	Salt Water	Freshwater
A	2	9
B	0	3
C	1	4
D	2	1
	5	17



Alternative 1 – Property Tax



*Projected Mills Based on 2011 Property Values

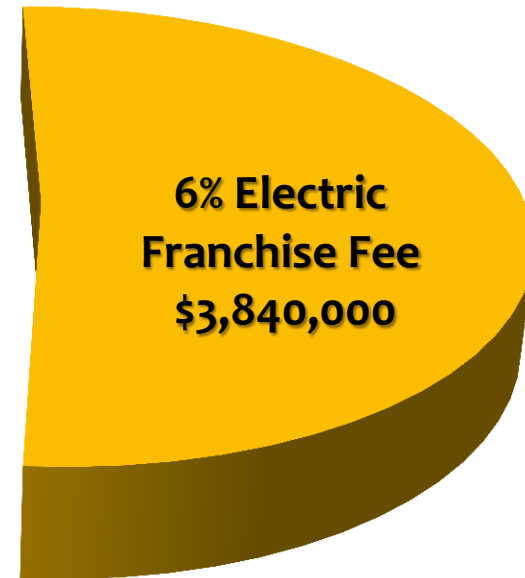
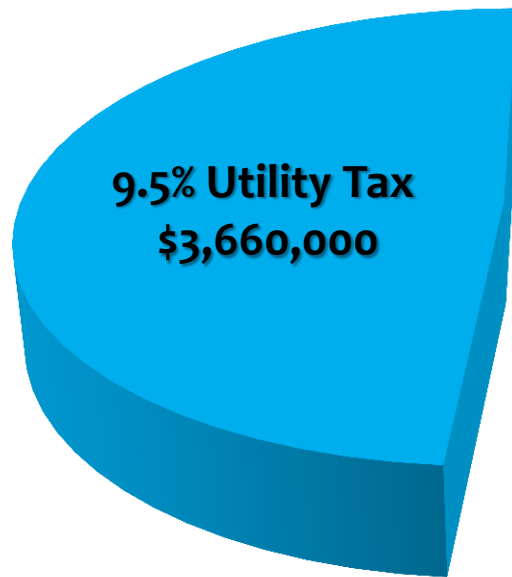
Alternative 1 – Property Tax

	Franchise Fee*	Property Tax**	Total
Revenue Generated	\$3.84 Million	\$3.66 Million	\$7.5 Million
Charge	6%	1.00 Mills ↑0.55 Mills	
% Non-Residential	26%	18%	
Homeowner Cost (Month)	\$6.36	\$8.33 ↑\$4.58	\$14.69
Homeowner Cost (Year)	\$76.32	\$100.00 ↑\$55.00	\$176.32

*Based on Average Residential Bill per FPL (\$106.12 Total Bill, Usage Portion \$66.00)

**Based on Taxable Value of \$100,000

Alternative 2 – Utility Tax

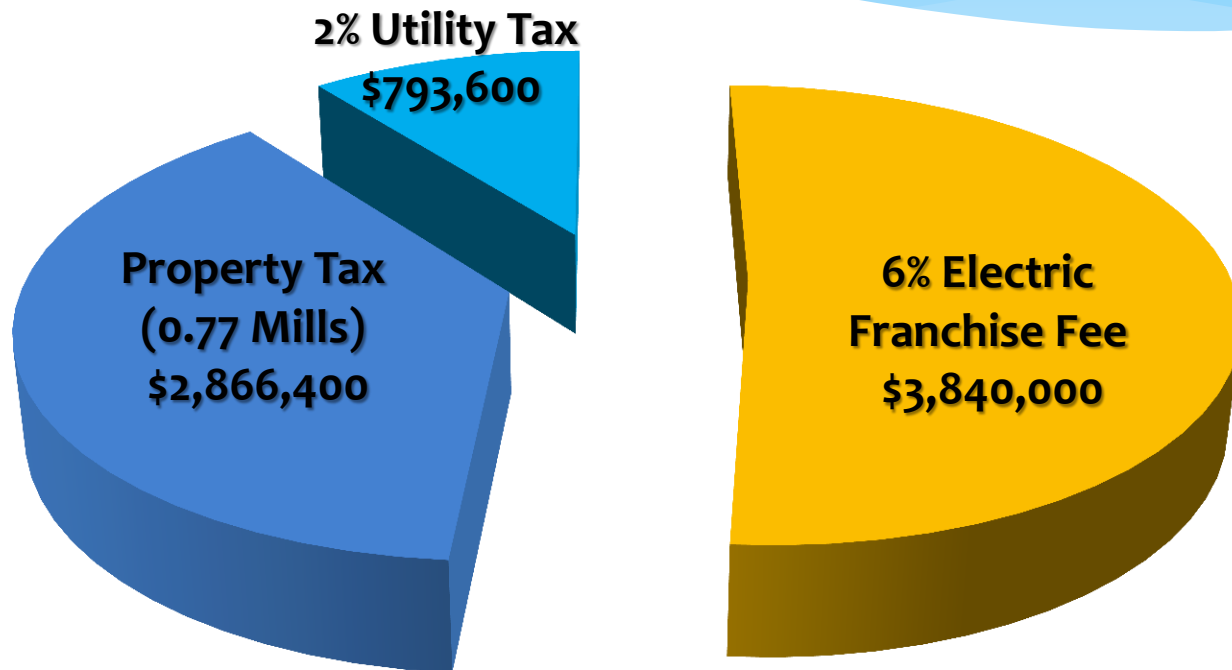


Alternative 2 – Utility Tax

	Franchise Fee*	Utility Tax*	Total
Revenue Generated	\$3.84 Million	\$3.66 Million	\$7.5 Million
Charge	6%	9.5%	
% Non-Residential	26%	26%	
Homeowner Cost (Month)	\$6.36	\$6.27	\$12.63
Homeowner Cost (Year)	\$76.32	\$75.25	\$151.56

*Based on Residential Average Bill per FPL (\$106.12 Total Bill, Usage Portion \$66.00)

Alternative 3 – Diversified



*Projected Mills Based on 2011 Property Values

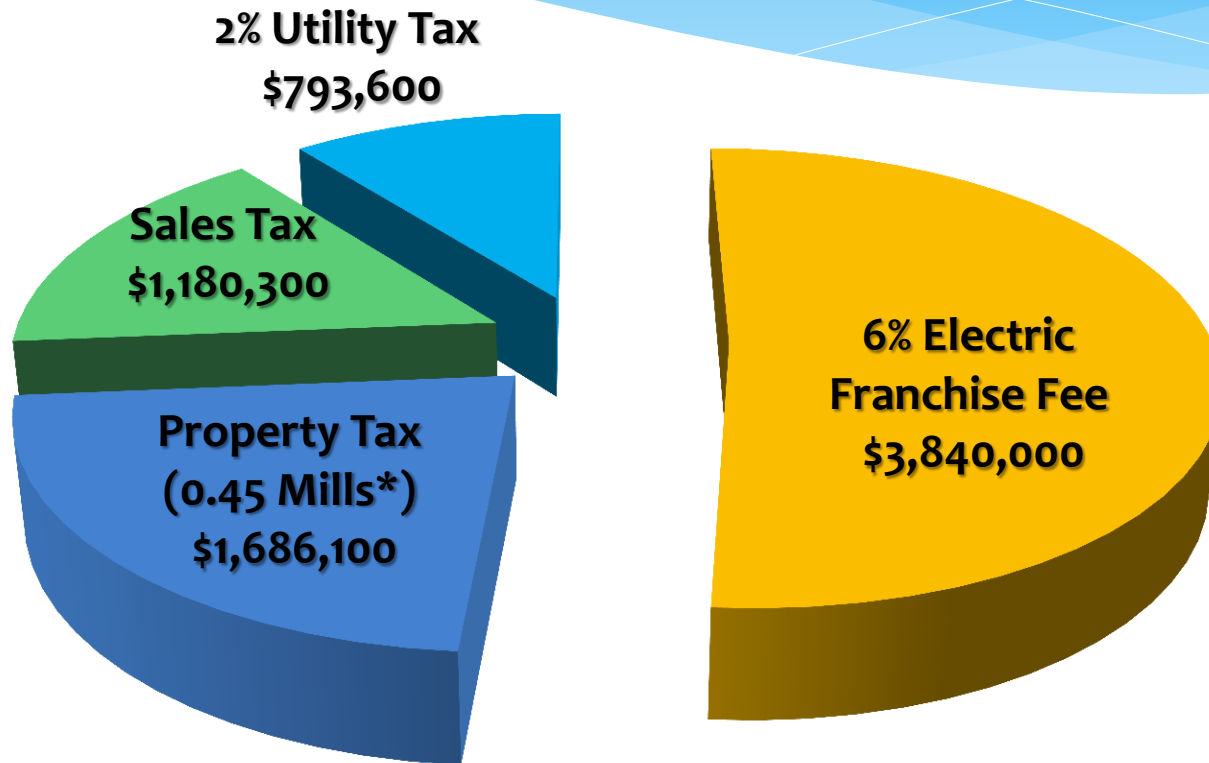
Alternative 3 – Diversified

	Franchise Fee*	Utility Tax*	Property Tax**	Total
Revenue Generated	\$3.84 Million	\$0.794 Million	\$2.866 Million	\$7.5 Million
Charge	6%	2%	0.77 Mills ↑0.32 Mills	
% Non-Residential	26%	26%	18%	
Homeowner Cost (Month)	\$6.36	\$1.32	\$6.38	\$14.06
Homeowner Cost (Year)	\$76.32	\$15.84	\$76.50	\$168.72

*Based on Average Residential Bill per FPL (\$106.12 Total Bill, Usage Portion \$66.00)

**Based on Taxable Value of \$100,000

Further Diversification If Sales Tax is Renewed



*Projected Mills Based on 2011 Property Values

NOTES: Under ILA, \$1.4M Remains for Road Resurfacing/Bridges, Under State Default, \$0.8M Remains for Road Resurfacing/Bridges

Further Diversification If Sales Tax is Renewed

	Franchise Fee*	Utility Tax*	Property Tax**	Sales Tax	Total
Revenue Generated	\$3.84 Million	\$0.794 Million	\$1.686 Million	\$1.180 Million	\$7.5 Million
Charge	6%	2%	0.45 Mills (No Change)	½ Cent	
% Non-Residential	26%	26%	18%		
Homeowner Cost (Month)	\$6.36	\$1.32	\$3.75		\$11.43
Homeowner Cost (Year)	\$76.32	\$15.84	\$45.00		\$137.16

*Based on Average Residential Bill per FPL (\$106.12 Total Bill, Usage Portion \$66.00)

**Based on Taxable Value of \$100,000

Comparing Alternatives - \$7.5M

	Annual Average Direct Cost	Annual Average Sales Tax Cost	Total Annual Average Cost
Current Stormwater Fee, Property Tax, Sales Tax	\$141	\$48-54	\$189-195
Alternative 1 Franchise Fee+Property Tax	\$176	\$0	\$176
Alternative 2 Franchise Fee+Utility Tax	\$152	\$0	\$152
Alternative 3 Franchise Fee+Utility Tax +Property Tax	\$169	\$0	\$169
Further Diversification Franchise Fee+Utility Tax +Property Tax+ Sales Tax	\$137	\$48-54	\$185-191

Staff Recommendation

- * Replace Stormwater Fee with 6% Electric Franchise Fee Agreement and 2% Public Service Tax
 - * Removes Stormwater Fee and Associated Issues
 - * Slight Tax Decrease for Average Homeowner from Current Stormwater Fee of \$8/month to \$7.68/month
 - * Provides Greatest Flexibility to City Council
- * Minor Revisions to Ordinance by Bond Attorney to dedicate Franchise Fee to Stormwater
- * Determine Remaining Funding Allocation for Stormwater Program during Annual Budget Process