



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#13-1105

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: September 3, 2013

TITLE: Public Hearing – Water, Wastewater, and Stormwater Rates – Fiscal Year
2014

Recommendation

It is recommended that the City Commission adopt a Resolution to increase the water and wastewater user rate, tapping charges, sprinkler meter charges, private fire service protection charges, stormwater management program rates, and service availability charges by 5% for Fiscal Year 2013-2014 as described in Chapter 28 of the City's Code of Ordinances, Section 28-76, 28-141, 28-143, 28-144, 12-145 and 28-197.

Background

On September 18, 2012 the City Commission approved an Amendment to Chapter 28 of the City Code of Ordinances, to provide for an annual increase of 5% to the water and wastewater user rate, tapping charges, sprinkler meter charges, private fire service protection charges, stormwater management program rates, and service availability charges for the Fiscal Year 2014.

Provisions in the Ordinance that provide for customer rebates will remain and are qualified as follows: "By April 30th of each year, the City Manager shall determine as of September 30th of each year prior, whether projected revenues based on adjusted rates exceed the following five criteria:

1. Annual revenues exceed annual expenses
2. Net revenue is at or above 2.0 times annual debt service expenses
3. There is an operating reserve of at least equal to 120 days of operating costs
4. There is an unrestricted capital reserve of at least \$10 million
5. There is a replacement and repair fund of at least \$10 million

If there is projected revenue that exceeds these five criteria, the current customers shall receive a proportionate rebate of the excess funds on their water/wastewater bill in the same fiscal year."

The 5% rate increase is needed to pay for normal annual increases in the cost of providing services such as increases in wages, required pension contributions, and increases in the costs of contracted services. The impact of the proposed rate increase on a residential customer using 5,000 gallons of water per month amounts to a \$2.47 increase.

Resource Impact

The impact of the proposed rate increase for a residential customer using 5,000 gallons of water per month amounts to a \$0.92 increase in water and \$1.55 for sewer for a total increase of \$2.47.

FISCAL YEAR	FUND	SUBFUND	FUND NAME	INDEX #	INDEX NAME	SUBJECT #	SUBJECT NAME	AMOUNT
2014	450	1	Water and Sewer	PBS010501	Finance Service Support	J276	Water Sales	\$2,770,893.00
2014	450	1	Water and Sewer	PBS010501	Finance Service Support	J280	Sewer Service Char	\$2,837,782.00
							TOTAL	\$5,608,675.00

Attachment: Exhibit 1 – Resolution

Prepared by: Susan Lesage, Financial Administrator, Public Works

Department Director: Hardeep Anand, P.E., Public Works