

Infrastructure Task Force
Status Report
 October 10, 2018

Background:

In March 2017, the City Commission created the Infrastructure Task Force (ITF) to review and advise on the current state of, and future needs for, the City's infrastructure. To date, the ITF has held 17 public meetings, conducted four feedback open houses in each City district and provided interim recommendations to the City Commission. The interim recommendations included:

1. **Water/Sewer** – phase out the transfer of Return on Investment (ROI) from the water and sewer fund over a period not to exceed four years. Upon full phase out, this will provide an additional \$20 million per year to support additional investment into recommended water and sewer projects. *Commission action: commenced phased ROI reduction with FY 2019 budget (by \$5 million).*
2. **Stormwater** – revise the methodology for the stormwater utility rates to a “trip-based” methodology and utilize the stormwater revenues to begin implementation of the Stormwater Master Plan Phase II benefitting seven (7) neighborhoods with the highest priority concerns. *Commission action: rate study underway with “trip-based” methodology included and Phase II stormwater projects are designed and ready to bid (with final funding approval).*
3. **Roads/Sidewalks/Seawalls** – establish minimum annual General Fund revenue sources for the City's Community Investment Plan (CIP) to support all infrastructure needs ranging from seven to ten percent (7-10%) of the Fund's operating expenses. *Commission action: not yet addressed.*
4. **Impact Fees** – analyze and update City infrastructure fees regularly to ensure that new growth is captured. *Commission action: utility rate studies are underway including impact fee analysis.*

Potential 20-year Needs:

The City has completed various master planning efforts over the last four years and a summary of identified needs and cost estimates over the next 20 years are:

Infrastructure Item:	20-year Need (Plan):	Plan Date:	20-year Need ¹ (2018 \$'s)	Currently Approved Source:
Water/Sewer ^{2,3}	\$1,419,800,000	2016	\$1,455,400,000	Rate payer (CIP and \$200M bond)
Stormwater ⁴	\$982,900,000	2018	\$982,900,000	Rate payer (CIP)
New Facilities (City Hall and Police HQ)	\$300,000,000	2018	\$300,000,000	
Existing Facilities (including Fire Stations)	-	-	-	
Parks	\$150,000,000	2016	\$150,000,000	Park impact fees (partial)
Roads	\$50,300,000	2018	\$50,300,000	Gas tax (\$820,000 annually) and general capital
Bridges	\$35,100,000	2014	\$36,500,000	General capital
Public Seawalls	\$26,100,000	2018	\$26,100,000	General capital and stormwater rate payer (CIP)
Sidewalks	\$16,400,000	2014	\$12,500,000	General capital (via risk fund)
TOTALS-	\$2,980,600,000		\$3,013,700,000	

¹ Inflated costs from planning year (CII) and updated completed/planned projects, as available

² Analysis underway by Hazen & Sawyer may identify additional water/sewer needs

³ The existing rate structure including 5% annual increases (by current Ordinance) projects to cover all/majority of the first ten years of water/sewer needs

⁴ A stormwater rate structure revision is underway; increased revenue will be required to cover an initial \$200 million bond and beyond

Note: the totals above do not include all infrastructure components of expected 20-year needs

The City is facing a potential cost of **\$3 billion over the next twenty years** to maintain and improve the City's existing infrastructure.

Potential Funding Opportunities:

The City Commission has multiple options to fund capital project (CIP) and infrastructure needs the needs including:

1. **Increase water/sewer rates** – rate study underway
 - Commission consideration in FY 2019
2. **Increase stormwater rates** – rate study underway (includes “trip-based” hybrid model)
 - Commission consideration in FY 2019
3. **Increase millage rate** – each mill equates to \$35.0 million
 - The City currently has the fourth lowest millage rate of Broward County municipalities
 - Also, the City has the third lowest millage rate of the 25 largest municipalities in Florida
4. **Bonding** (revenue or general obligation) – potential source for capital project construction
5. **Special assessments** – where applicable (private seawalls, other)
6. **Public-private partnerships** – partnering with the private sector on revenue-generating assets
7. **Grants** (federal and state) and **Loans** (state revolving fund)

And, there are other funding sources outside the City's control but could benefit local infrastructure, including:

1. **Federal, state and county funds** – for local benefit within those other agency's jurisdiction (i.e. mobility projects along state or county routes)
2. **Broward County penny sales tax** – approval and use TBD
3. **Broward County traffic mitigation funds** – advocate for the County to reinvest those impact fees for local benefit