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RESOLUTION NO. 2023 – 058

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF
THE CITY OF HALLANDALE BEACH, FLORIDA ADOPTING
UPDATES TO PHASE ONE OF THE FISCAL YEAR 2023-2027
UTILITY WATER, WASTEWATER AND STORMWATER RATE
STUDY; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, when financing utility infrastructure through the issuance of utility revenue bonds, lenders require utility enterprise funds to maintain levels of net operating revenues sufficient to cover annual debt service; and

WHEREAS, the City’s current Capital Improvement Projects Plan includes approximately \$230 million dollars in water, sewer, and stormwater infrastructure projects over the next 10 years, and current projections indicate that approximately \$180 million dollars will be financed through the issuance of utility revenue bonds if alternative funding sources are not obtained; and

WHEREAS, the Finance Department engaged an outside consultant, Raftelis Financial Consultant, Inc., to assist in performing a 5-year utility rate study covering fiscal years 2023 through 2027, which study is being completed in two phases to avoid delays in the Fiscal Year 2022-23 issuance of the first series of utility revenue bonds and the completion of infrastructure projects; and

WHEREAS, Phase I of the FY 2023-2028 Utility Rate Study was adopted on September 28, 2022 via Resolution 2022-094. However, during the process of completing the necessary bond feasibility study with the City’s financial consultants, it was observed that a considerable number of bond-funded projects that were bid out after the completion of design, had bid values significantly exceeding the preliminary estimates incorporated within our initial CIP Plan. These discrepancies can be attributed to current market conditions and the inflationary environment that persistently impacts the development of utility infrastructure projects today; and

WHEREAS, the Public Works Department, in collaboration with the Budget and Finance Departments, updated the CIP Plan to align with current market conditions. This adjustment led to an increase of \$22.3 million in capital project costs within the CIP Plan through FY 2028-29. These changes have been integrated into the amended bond feasibility study and the updated utility rate study; and

WHEREAS, Staff recommends approval of the updated Rate Study.

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NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA:

SECTION 1. The foregoing "Whereas" clauses are incorporated herein.

SECTION 2. The Mayor and City Commission hereby adopt the updated Fiscal Year 2023-2027 Utility Water, Wastewater, and Stormwater Rate Study, and authorize the City Manager to execute all related documents.

SECTION 3. This Resolution shall take effect immediately upon its passage and adoption.

APPROVED AND ADOPTED this 21st day of June, 2023.




JOY F. COOPER
MAYOR

SPONSORED BY: CITY ADMINISTRATION

ATTEST: 

JENORGEN GUILLEN, CITY CLERK

APPROVED AS TO LEGAL SUFFICIENCY AND FORM



JENNIFER MERINO
CITY ATTORNEY

FINAL VOTE ON ADOPTION

Mayor Cooper	<u>Yes</u>
Vice Mayor Lima-Taub	<u>Yes</u>
Commissioner Adams	<u>Yes</u>
Commissioner Butler	<u>Yes</u>
Commissioner Lazarow	<u>Yes</u>