



## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
9/29/2020	<input checked="" type="checkbox"/> Resolution	Ordinance Reading	N/A	N/A
File No.:	<input type="checkbox"/> Ordinance	Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
20-381	<input type="checkbox"/> Other	Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
See Below	N/A	See Attached Resolution	N/A	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	Emil Lopez - Director	Finance Department	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Financial	<input type="checkbox"/> Organizational Capacity	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Development, Redevelopment and Economic Development	
Implementation Timeline				
Estimated Start Date: <a href="#">Click or tap to enter a date.</a> Estimated End Date: <a href="#">Click or tap to enter a date.</a>				

### SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, SETTING AND AMENDING THE WATER AND WASTEWATER RATES AND ADOPTING A WATER AND WASTEWATER RATE INCREASE FOR FISCAL YEAR 2020/2021; AND PROVIDING FOR AN EFFECTIVE DATE.

### STAFF SUMMARY:

#### Summary:

For fiscal year 2015/2016, the City of Hallandale Beach (the "City") did not meet the bank covenant for two of the City's outstanding loans. As a result, the City was required to conduct a review of the Water, Wastewater (sewer), and Stormwater rates. The review identified the need

for the Water and Wastewater rate adjustments and no need for adjustments to the Stormwater rates.

**Background:**

The City's Water, Wastewater, and Stormwater utilities should have revenues equal to the costs of the services provided and should establish rates sufficient to cover the cost of operating, maintaining, repairing, and financing system operations. Additionally, revenues must meet debt service coverage requirements of the City's existing and proposed debt.

For fiscal year 2015/2016, the City of Hallandale Beach (the "City") did not meet the bank covenant for two of the City's outstanding loans. In accordance with the loan agreement, if in any fiscal year, the City fails to comply with the rate covenant, the City must conduct a rate study. Consequently, the City conducted a review/study of the Water, Wastewater and Stormwater systems. The Analysis encompassed financial evaluation for the five (5) fiscal year period of October 1, 2017 through September 30, 2022. The review identified the need for Water and Wastewater rate adjustments and not need for adjustments to the Stormwater rates.

During the August 15, 2018 City Commission meeting, the Water, Wastewater and Stormwater utility rate study was presented and the proposed 3% and 2% rate increase for Water and Wastewater respectively, were discussed. Accordingly, a determination was made and the rate increase was added to the fiscal year 2019/2020 budget. The rate increase will apply to fiscal years 2019/20, 2020/21 & 2021/22.

	<b>Previous Rate</b>		<b>Proposed Rate Increase</b>	
	<b>Water</b>	<b>Sewer</b>	<b>Water (3%)</b>	<b>Sewer (2%)</b>
	<b>FY19/20</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>
Monthly Base Charge, per unit	\$20.35	\$20.21	\$20.96	\$20.61
Monthly rate per gallons:				
0 – 2,000	\$1.10	\$4.13	\$1.13	\$4.21
2,001 – 5,000	\$1.17	\$4.27	\$1.21	\$4.36
5,001 – 10,000	\$1.53	\$4.46	\$1.58	\$4.55
10,001 – 25,000	\$2.41	\$4.95	\$2.48	\$5.05
25,001 and over	\$2.63	\$5.21	\$2.71	\$5.31

**Current Situation:**

Pursuant to Chapter 30, Article I, Section 30-3(b); Rates, fees, and charges generally. Any rate, fee, or charge provided for in this chapter shall be set by resolution as approved by the city commission. As part of the fiscal year 2020/2021 budget approval, staff is bringing this item to City Commission for adoption.

**Why Action is Necessary:**

Pursuant to Chapter 30, Article I, Section 30-3(b); Rates, fees, and charges generally. Any rate, fee, or charge provided for in this chapter shall be set by resolution as approved by the city commission.

**Cost Benefit:**

N/A

**PROPOSED ACTION:**

Staff recommends adoption of the attached Resolution which sets and amends the City's Water and Wastewater rates for fiscal year 2020/21.

**ATTACHMENT(S):**

Exhibit 1 – Proposed Resolution

Exhibit 2 – Water, Wastewater, and Stormwater Utility Rate Study

Exhibit 3 – Schedule of Fees and Charges