Stormwater Fee Study Recommendations

August 19, 2026

Stantec

CITY OF HALLANDALE BEACH

Agenda

- Financial Plan
- Fee Structure Recommendations FY 27
- Customer Impacts
- Customer Outreach
- Timeline

1 Financial Plan

Where are we now?

Audited FY 2025 ending balances

FY 2026 Adopted Budget

FY 2027 Proposed Budget

Last Rate Increase in FY 2026

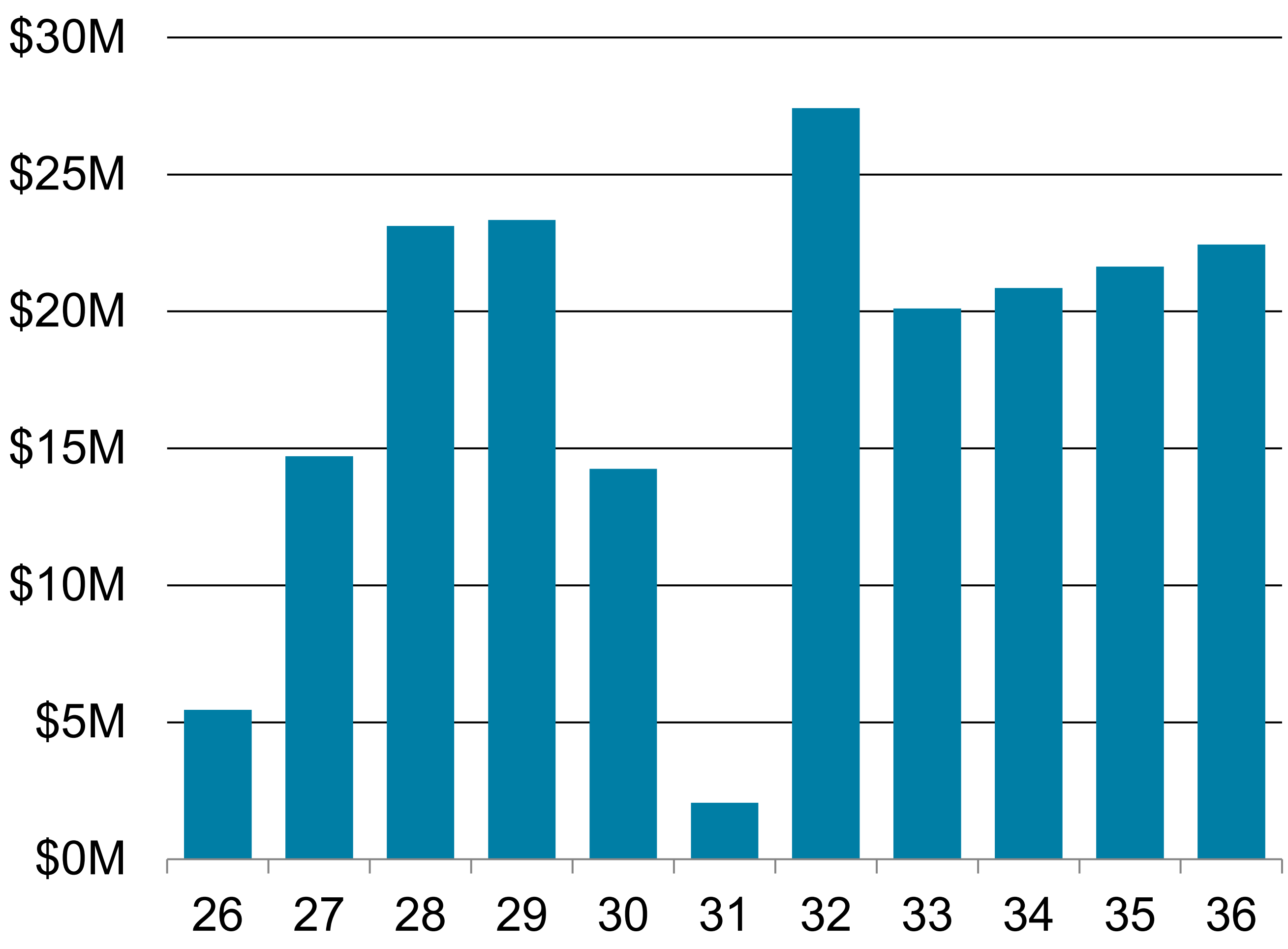
Forecasting reflects status quo operations and capital investments

- Capital investment needs are met
- Supports existing annual debt service amounts
- New debt issuances required

Key CIP Projects

1) $101M in planned investments from FY26- FY32. Capital plan has materially increased from previous studies
2) Multiple trunk line installations to increase system capacity
3) Accelerates citywide swale funding
4) Includes retention lake dredging

Stormwater Capital Investment Plan



Diagnostic Forecast

FAMS-XL | **HALLANDALE BEACH, FL**

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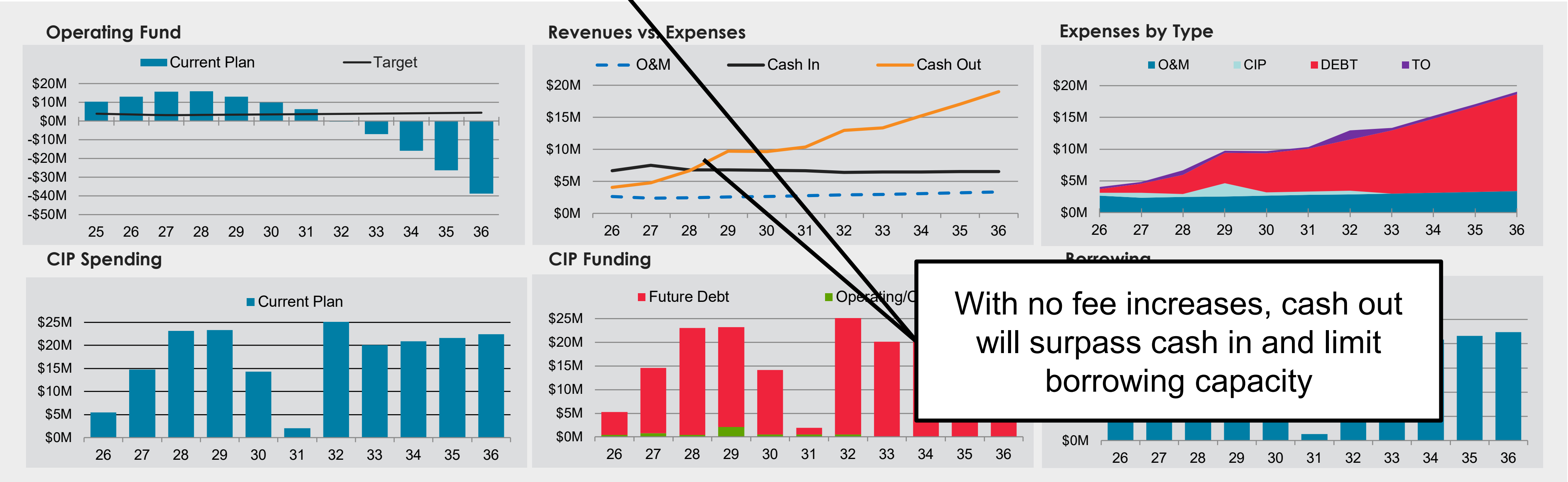
CALC | SAVE | CTRL | LAST | OVR

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Stormwater Fee Plan		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Senior-Lien DSC	6.58	3.06	1.46	0.89	0.66	0.58	0.44	0.35	0.29	0.24	0.21

FY 2031	FY 2036
Scenario Manager	
Cash Funded	0.00%



With no fee increases, cash out will surpass cash in and limit borrowing capacity

Status Quo Forecast

FAMS-XL | **HALLANDALE BEACH, FL**

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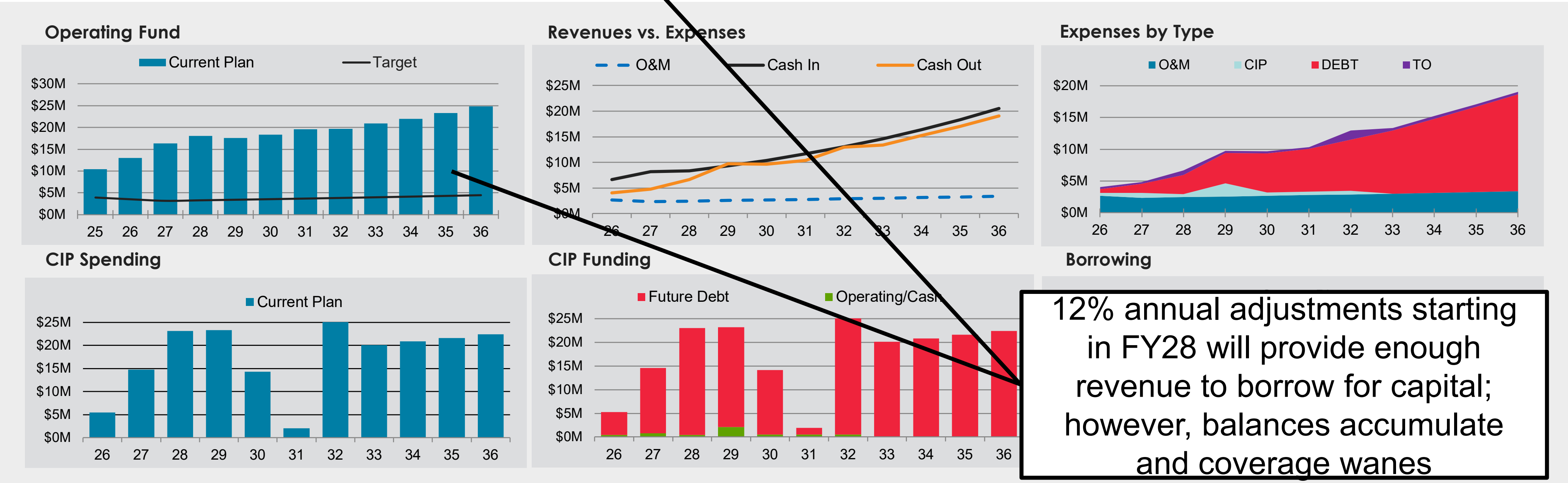
CALC SAVE CTRL LAST OVR

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2031	FY 2036
Stormwater Fee Plan		10.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	73.01%	204.98%
Senior-Lien DSC	6.58	3.51	1.96	1.41	1.25	1.31	1.26	1.16	1.13	1.12	1.12		

Scenario Manager

Cash Funded 0.00%



12% annual adjustments starting in FY28 will provide enough revenue to borrow for capital; however, balances accumulate and coverage wanes

Optimized Forecast

FAMS-XL | **HALLANDALE BEACH, FL**

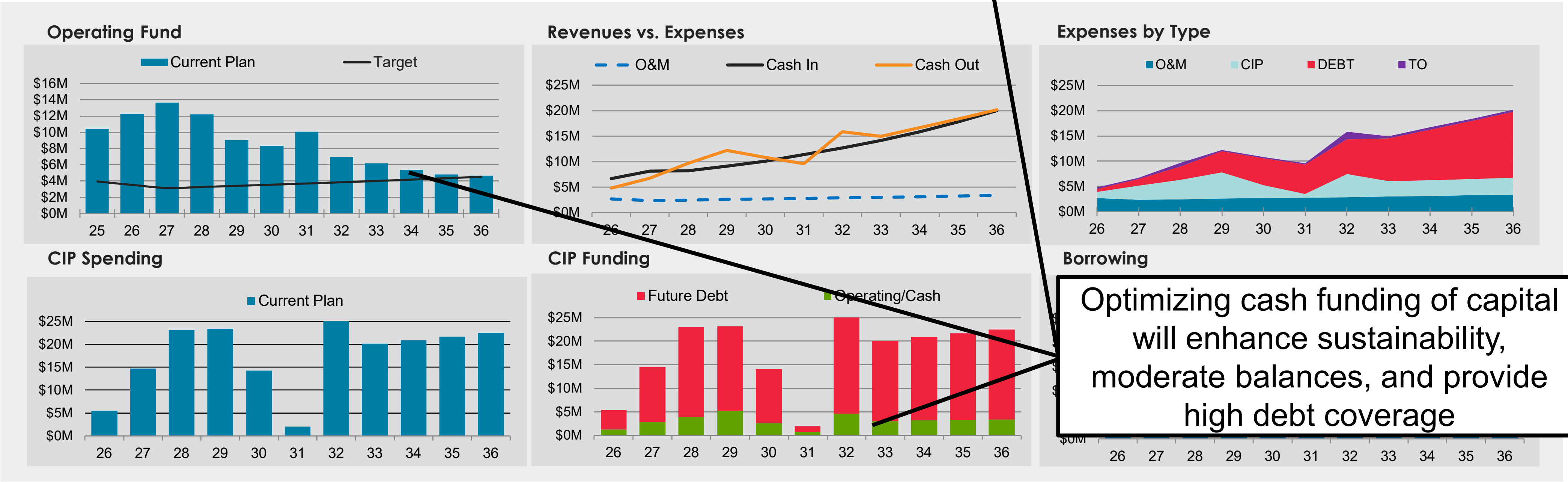
Stantec

CALC | SAVE | CTRL | LAST | OVR

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2031	FY 2036
Stormwater Fee Plan		10.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	73.01%	204.98%
Senior-Lien DSC	6.96	3.90	2.21	1.58	1.40	1.48	1.42	1.31	1.28	1.27	1.27		

Scenario Manager

Cash Funded	15.00%



Optimizing cash funding of capital will enhance sustainability, moderate balances, and provide high debt coverage

2 Fee Structure

Current Stormwater Fees

Beach
Hallandale Beach

Customer Class	Fee Application	Fee
Residential	Per Dwelling Unit	$10.79
Non-Residential	Per ERU*	Varies

ERU = 958 sqft

Non-Residential*	Impervious Factor
Commercial (B-O)	0.80
Commercial	0.85
Industrial	0.85
Commercial Recreational	0.25
Public and Institutional	0.75

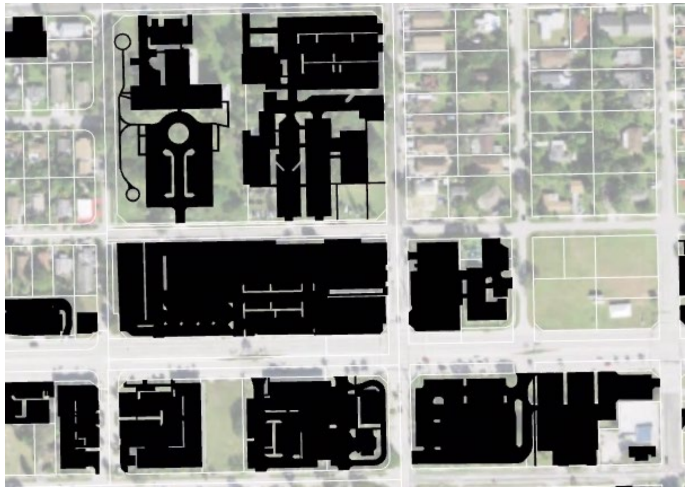
*Nonresidential properties are calculated as follows: ERU rate x Total area of property (Acres) x Impervious Factor ERU

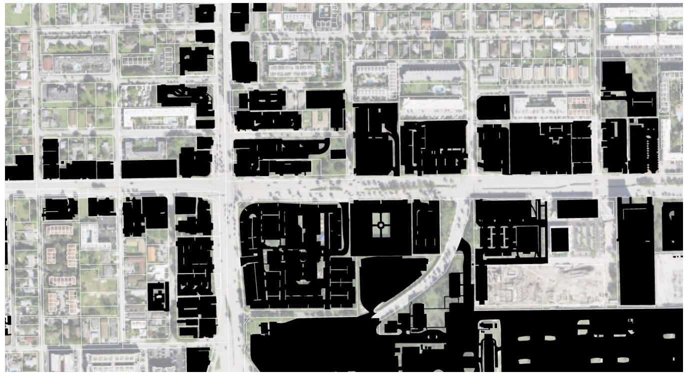
Stormwater Fee Background and Data Availability

Previous study identified single family homes as having 3,200 sqft

Current Data

- Impervious **universe** for the nonresidential class
- **Sample** data for single family residential
- **Sample** data for multi-family residential
- **Sample** data for duplexes and mobile homes





Core Stormwater Fee Structures

Hallandale Beach

Flat Fee	The same average fee applies to all customers of a class.
Tiered	Like customers are grouped and several unique fees are applied.
Measured	Customers are considered unique and fees are individualized.

Customer Class	Current Fee	2027
Single Family	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (1 ERU)
Duplex	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (1 ERU)
Condos	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (1 ERU)
Apartments	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (1 ERU)
Mobile Homes	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (1 ERU)
Non-Residential	Measured (Net Effective)	Measured (Actual)
ERU(sqft):	**958**	**958**

The main objective in FY 2027 is to transition the Fee from the utility bill to the tax bill for collection, and modernize nonresidential

Customer Class	2027	Future Year
Single Family	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (1 ERU)
Duplex	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (1 ERU)
Condos	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (.3 ERU)
Apartments	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (.3 ERU)
Mobile Homes	Flat Fee Per Unit (1 ERU)	Flat Fee Per Unit (.6 ERU)
Non-Residential	Measured (Actual)	Measured (Actual)
ERU(sqft):	**958**	**3,200**

Collect additional impervious area data for the entire city to determine exact measurements and allow for additional structure options

Look for opportunities to synchronize with other utility structure changes

Transition Period

FY 2027 Fee Calculation

- Billing units are tied to the property appraiser's roll for residential
- Nonresidential is based on measured impervious area
- Allowance need to be made for statutory discount (4%)
- Allowance needs to be made for tax collector and property appraiser cost (2%)
- 2,579 ERUs are not assessable but included in service area

*numbers may be slightly off due to rounding.

Item	Amount
Personnel Budget FY 2027	$1,328,260
O&M Budget FY 2027	$1,037,765
Net Transfers (In – Out)	$527,947
Debt Service	$1,273,188
Cash funded Capital	$1,926,000
Contribution to Reserves/ Offsetting Revenues	$805,197
Gross Fee Revenue Requirement	**$6,898,357**
Tax Collectors Fee (2%)	$137,967
Statutory Discount (4%)	$275,934
Net Fee Revenue Requirement	**$7,312,259**
ERUs	50,237
Fee Per ERU Annual	**$145.56**
Fee Per ERU Monthly	**$12.13**

Cost-Benefit of Tax-Roll Collection

Hallandale Beach

The City continues billing water and sewer in-house, so day-to-day billing costs are largely unchanged. Moving stormwater to the tax bill adds a collection allowance in exchange for near-certain, secured revenue.

COST

Annual allowance for tax-bill collection

- Property Appraiser / Tax Collector fee (2%): **$137,967**
- Early-payment discount (up to 4%): **$275,934**

Total allowance: $413,901 / yr

Already built into the FY 2027 rate. Actual cost is expected to be lower — the discount depends on when owners pay, and the Tax Collector charges actual cost.

BENEFIT

What the City gains

- Annual bad debt avoided (doubtful accounts): **~$40K–$145K/yr**
- Revenue received up front earns interest: **~$70K/yr**
- Wind-down of uncollectible account balances: **~$247K one-time**
- Billing base stays current via annual Property Appraiser updates
- Stronger credit profile: **near-certain collections support the City's bond rating and lower borrowing costs (not quantified)**
- The City gains the ability to bill parcels that have no active utilities.
- **Total potential benefit: $110K–$215K/yr + $247K one-time**

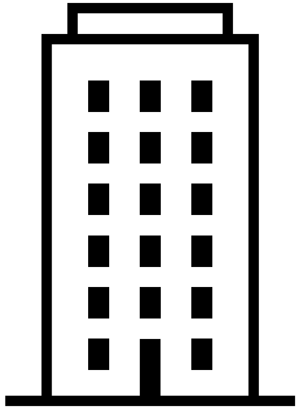
Bottom line: a modest net cost is prudent insurance for capital planning — it secures dependable, lien-backed revenue that protects ratepayers and supports the ten-year, $166M stormwater improvement program.

Estimates based on the City's historical collection experience and the FY 2027 revenue requirement. Credit and borrowing-cost benefits are not quantified.

3 Customer Impacts

Residential Impacts

All Single-Family homes and Townhomes



Apartments and Condos

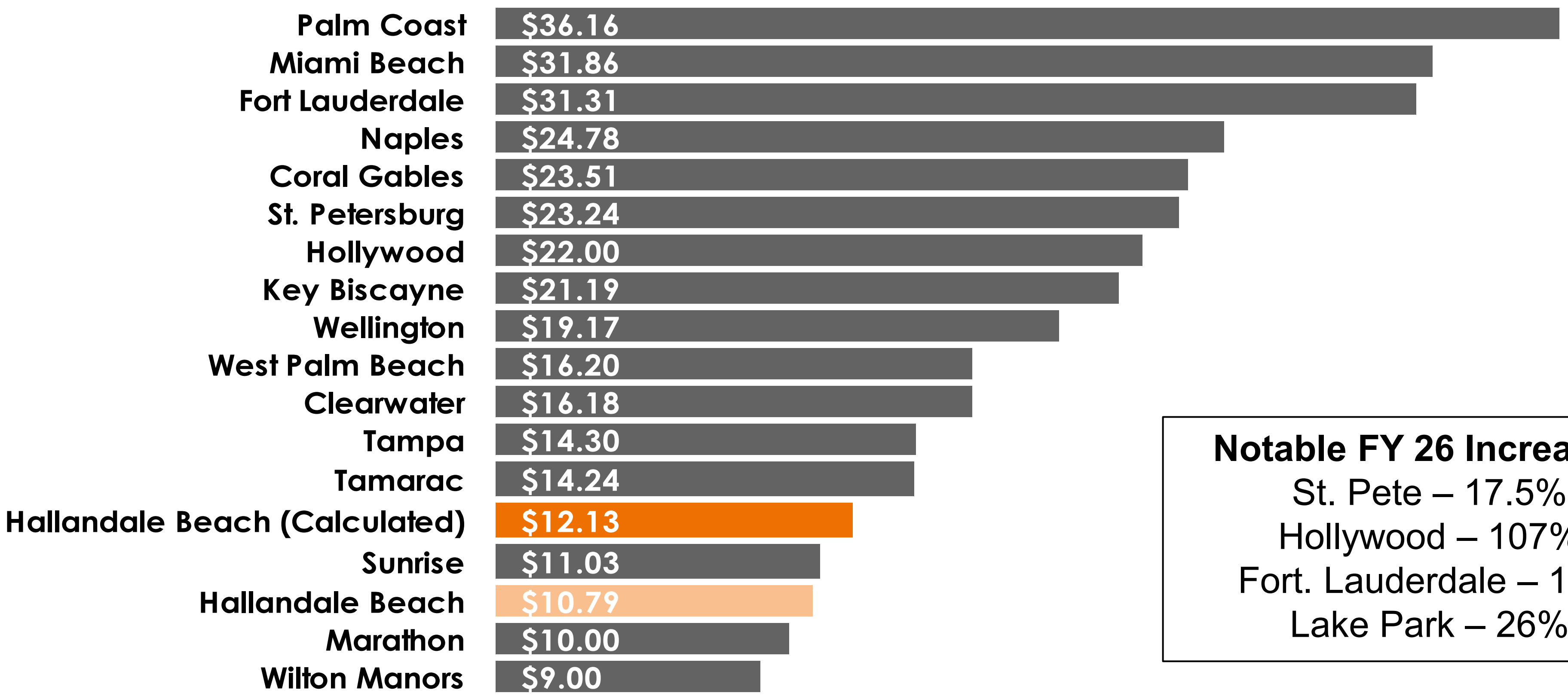
FY 2026: $10.79 ($129.48 Annual)

FY 2027: $12.13 ($145.56 Annual)

Change: $1.34 ($16.08 Annual) 12.4%

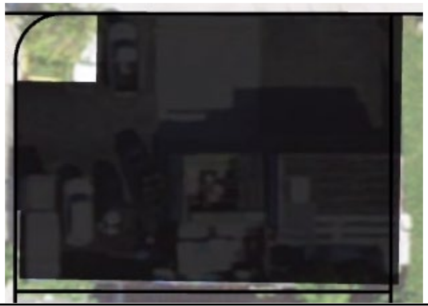
*Does not include 4% discount for early payment, reflects 10% revenue increase

Stormwater Peer Survey (Single Family Bill)

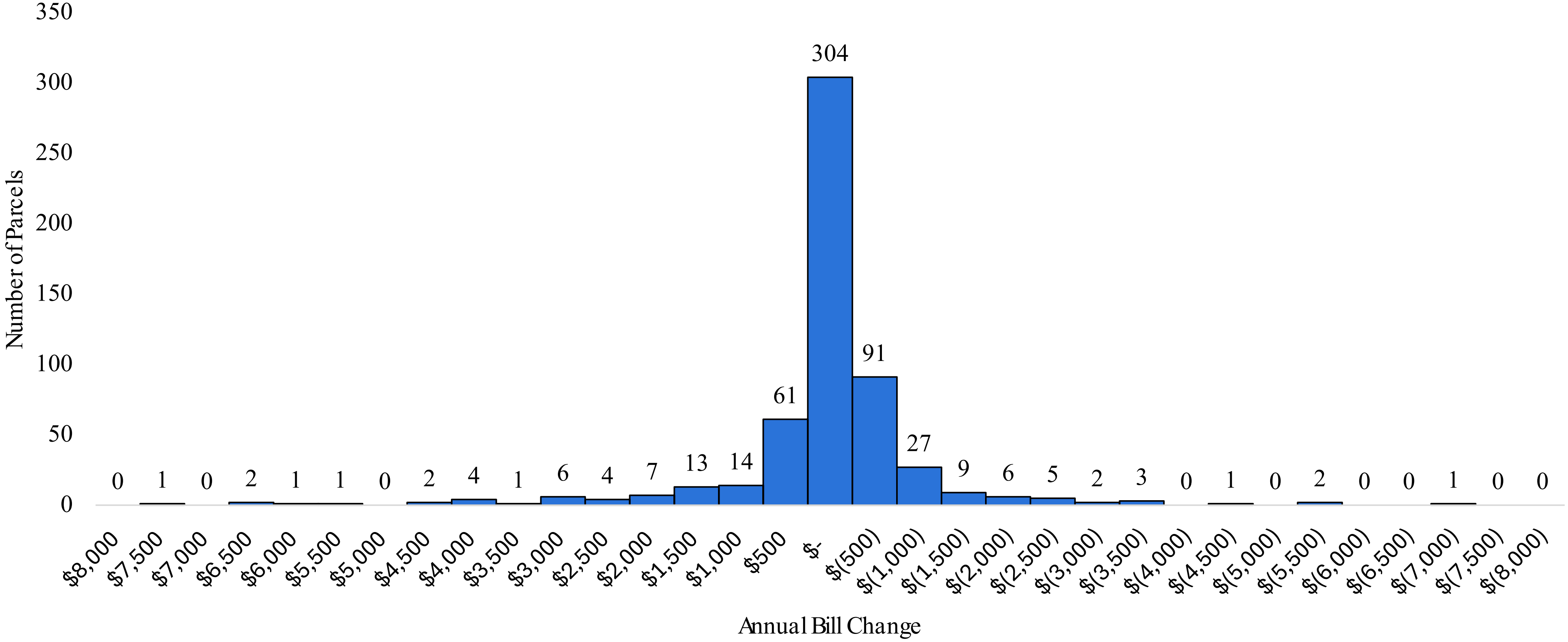


Notable FY 26 Increases:
St. Pete – 17.5%
Hollywood – 107%
Fort. Lauderdale – 15%
Lake Park – 26%

*FY 2026 Stormwater Rates for Residential, Single-Family Homes
*Hallandale Beach Calculated Rates Include a 10% Increase in Revenue

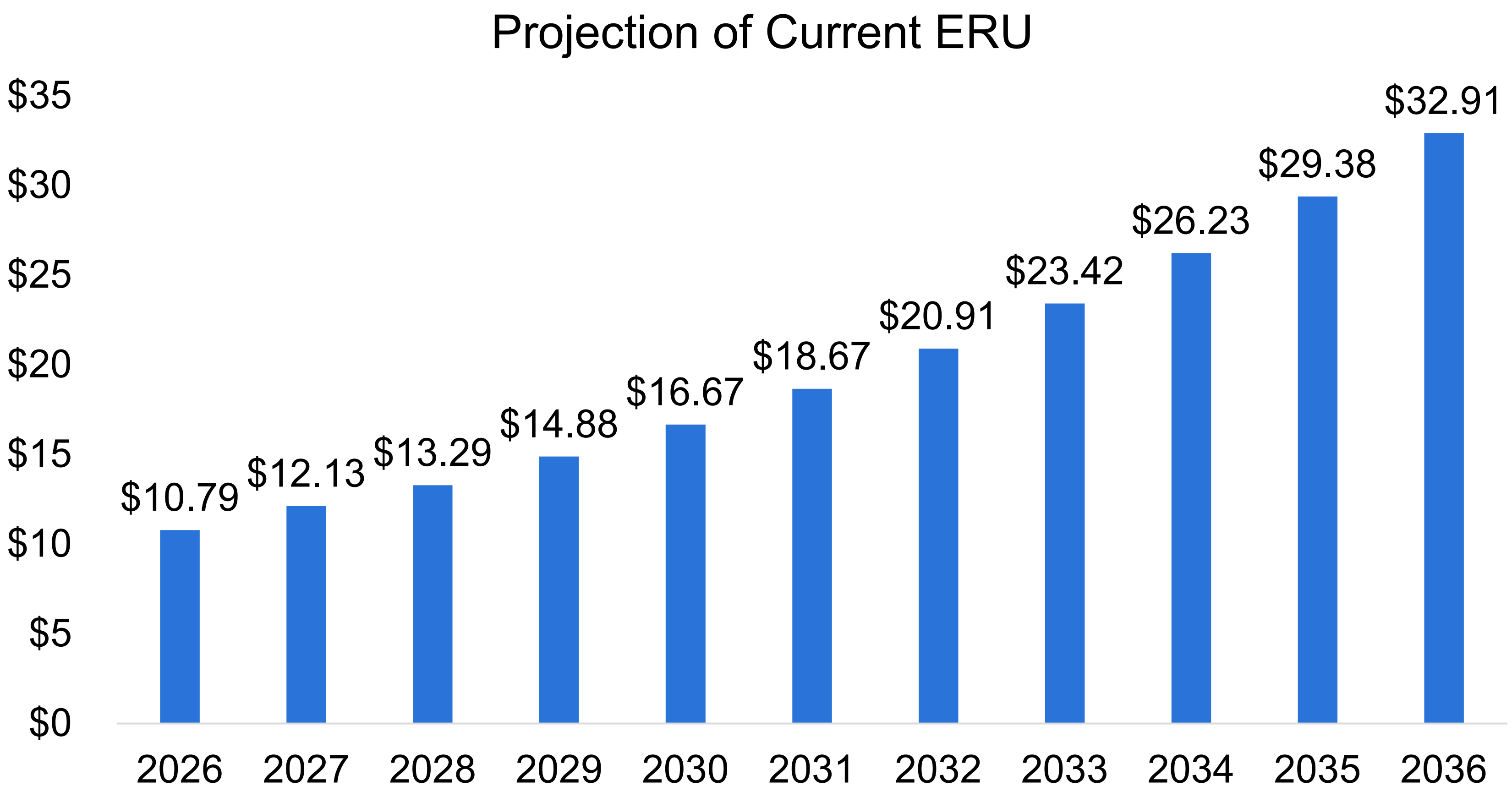
FY 2026	FY 2027		
8.36 ERUs $90.20 (Monthly) $1,082.40 (Annual)	7.83 ERUs $94.98 (Monthly) $1,139.76 (Annual)	5.3%	
33.35 ERUs $359.85 (Monthly) $4,318.20 (Annual)	29.33 ERUs $355.77(Monthly) $4,269.24 (Annual)	-1.1%	
5.91 ERUs $63.77 (Monthly) $765.24 (Annual)	6.26 ERUs $75.93 (Monthly) $911.16 (Annual)	19.1%	

Estimated Bill Impacts For Non-Residential



Projection of Fees

- Nonresidential fees can be multiples of an ERU
- Fee methodology changes will affect ERU pricing and customer impacts



Outlooks and Recommendations

Financial Plan	• Recommended 12% revenue adjustment per year • Consider cash funding up to 12% of CIP projects or $1.6M annually
Fee Methodology	• Transition the current fee to the non ad-valorem roll • Move to use a measured approach for non-residential parcels • Consider further action in the future to address single family homes, potential pair changes with water/sewer study • Gather additional impervious data for future transition

Project Timeline

Hallandale Beach

Stormwater Study

Alternative Scenarios Development

City Commission

Project Overview

April 15

Stormwater Study

Fee Design Analysis

City Commission

Present Methodology

May 20

Preferred Fee Structure Identified

City Commission

Adopt Initial Resolution

June 22

June – August

Informational Sessions

June 29 – In Person
July 9 – Virtual
July 14 – Virtual
Additional as needed

City Commission

Final Assessment Ordinance (1st Reading)

Aug. 19

We are here

Mid-August

Mail TRIM Notices

Mid-August

City Commission

Final Assessment Ordinance (2nd Reading)

Sept. 14

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Thank you