



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:		1 st Reading	2 nd Reading
9/15/2025	25-344	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	9/15/2025	9/29/2025
			Public Hearing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
			Advertising Required	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):		Funding Source:	Project Number:	
See Below	N/A		N/A	N/A	
Contract Required:	P.O. Required:	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	Geovanne Neste, Finance Director	Finance Department	
Strategic Plan Focus Areas:					
<input checked="" type="checkbox"/> Fiscal Stability	<input checked="" type="checkbox"/> Resident Services	<input type="checkbox"/> Public Safety	<input checked="" type="checkbox"/> Infrastructure & Mobility	<input type="checkbox"/> Economic Development & Affordable Housing	
Implementation Timeline:					
Estimated Start Date: 10/1/2025			Estimated End Date: 9/30/2026		

SHORT TITLE:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, SETTING AND AMENDING THE WATER, WASTEWATER AND STORMWATER RATES FOR FISCAL YEAR 2025-2026; AND PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

As per the recommendations in the Water, Wastewater, and Stormwater Utility Rate Study conducted by an outside consultant, Staff is proposing an 8% increase to the water rates, a 5.50% increase for wastewater rates, and a 10% increase in stormwater rates, effective October 1, 2025.

Background:

The City of Hallandale Beach owns, operates, and maintains a water and wastewater (sewer) utility. The City's sewer utility does not treat sewage. Instead, it has a long-established agreement with the City of Hollywood to transmit sewage at volume rates.

The City faces significant infrastructure needs, driven by the age of its systems, deferred maintenance, and increasing demands due to climate change and ongoing development. In response, the City has been actively engaged in developing and implementing a long-term plan to address these challenges. This plan includes:

- Updating water, wastewater, and stormwater master plans to establish a long-term capital improvement plan of the entire system.
- Issuing utility revenue bonds to finance capital projects over the next decade.
- Pursuing federal and state grant/loan opportunities to help offset the cost of servicing debt.
- Establishing an asset management program for the ongoing tracking, maintenance, and renewal/replacement of utility infrastructure.
- Incorporating a rate stabilization fund.
- Ensuring adequate funding of renewal & replacement reserves.

Since the last rate increase, projects have been rescheduled and reprioritized to better align with timing needs, rising costs, and adjustments for PFAS compliance requirements. These projects, now requiring substantial debt funding, have been incorporated into the updated Capital Improvement Plan (CIP), which totals approximately \$278.7 million, with \$232.7 million expected to be funded through bonds if alternative sources are not identified. The CIP extends through 2032, but additional projects beyond this period are anticipated.

The Finance Department engaged Raftelis Financial Consultants, Inc. to assist in updating the 5-year utility rate study covering fiscal years 2024 through 2028. This updated study, which was approved on June 21, 2023, reflects significant revisions to capital expenditures, debt service, and projected revenues. These revisions were necessary to accommodate the City's evolving infrastructure needs, particularly in response to rising construction costs.

As part of the study, the City's financial strategies were reassessed to ensure sufficient funding for planned capital projects. The study recommended adjustments to water, wastewater, and stormwater rates, with an emphasis on maintaining financial stability while addressing critical infrastructure needs. The rate increases are designed to align with the issuance of utility revenue bonds, ensuring that the City meets its debt obligations while continuing to invest in its infrastructure.

On June 21, 2023, the City Commission adopted an updated FY 2023-2028 Utility Rate Study to incorporate revisions to the City's CIP Plan. The proposed changes resulted in increases of 8%, 5.50%, and 10% for water, wastewater, and stormwater, respectively, for the fiscal year 2026. The recommended increases for fiscal years 2027-2028 were also included in the adopted rate study update.

Based on the results of the updated Water, Wastewater, and Stormwater Utility Rate Study, the following increases are recommended effective October 1, 2025:

	Current Rate		Proposed Rate	
	Water	Sewer	Water	Sewer
	FY2025		FY2026	
Proposed Rate Increases	N/A	N/A	8.00%	5.50%
Monthly Base Charge, per unit	\$38.91	\$25.33	\$42.02	\$26.72
Monthly rate per 1,000 gallons:				
0 – 2,000	\$2.09	\$5.18	\$2.26	\$5.46
2,001 – 5,000	\$2.26	\$5.36	\$2.44	\$5.65
5,001 – 10,000	\$2.94	\$5.59	\$3.18	\$5.90
10,001 – 25,000	\$4.60	\$6.21	\$4.97	\$6.55
25,001 and over	\$5.03	\$6.53	\$5.43	\$6.89

	Stormwater	
	Current Rate FY 2025	Proposed Rate FY 2026
Proposed Rate Increase		10.00%
Monthly Charge per Unit/ERU	\$9.81	\$10.79

Impact to Businesses:

The proposed rate increases for water, wastewater, and stormwater utilities, outlined in the “Staff Summary” and detailed in the rate tables above, will affect approximately 973 non-residential utility accounts across the City. These accounts include a range of commercial and institutional users, such as restaurants, retail businesses, medical offices, and multifamily rental properties that are billed under commercial classifications.

As described in the “Background” section, the rate adjustments are driven by the City’s infrastructure investment needs, as outlined in the adopted FY 2023–2028 Utility Rate Study. The rate study, which was conducted with the assistance of an outside consultant, provides the financial and capital planning basis for these changes, which are necessary to support long-term system rehabilitation, compliance with emerging PFAS requirements, and to secure funding through planned utility revenue bond issuances.

While the percentage increases, 8% for water, 5.5% for wastewater, and 10% for stormwater, are applied uniformly across all rate classes, the actual dollar impact to businesses will vary depending on usage volume and parcel-specific stormwater ERUs. As referenced in the rate tables, a commercial user consuming 10,000 gallons of water per month may experience a combined increase of approximately \$5 to \$7 in monthly utility charges. Stormwater fees will increase proportionally, with an average increase of \$0.98 per month per ERU.

Staff considered alternative approaches to minimize the burden on commercial users, including deferring the implementation of increases or phasing them in over a longer period. However, as described in the “Cost Benefit” and “Background” sections, delaying the rate increases would jeopardize the City’s ability to maintain system performance, fund capital projects, and meet debt

service obligations under upcoming utility revenue bonds. The recommended approach was determined to be the most financially responsible and aligned with the long-term strategy approved by the Commission in 2023.

This ordinance is being adopted under the City's authority in Chapter 30 of the Code of Ordinances and Chapter 180, Florida Statutes. It does not duplicate, overlap, or conflict with any state or federal law or regulation.

Current Situation:

Pursuant to Chapter 30, Article I, Section 30-3(b), Code of Ordinances, any rate, fee, or charge provided for in this chapter shall be set as approved by the City Commission. As part of the fiscal year 2026 budget approval, staff are bringing this item to the City Commission for adoption.

Why Action is Necessary:

Pursuant to Chapter 30, Article I, Section 30-3(b), Code of Ordinances, any rate, fee, or charge provided for in this chapter shall be set as approved by the City Commission.

Cost Benefit:

Following the recommendations of a utility rate study, which includes funding for renewal and replacement reserves, may help avoid future costs associated with deferred maintenance.

PROPOSED ACTION:

Staff recommend adoption of the attached Ordinance which sets and amends the City's Water, Wastewater, and Stormwater rates as of October 1, 2025.

ATTACHMENT(S):

Exhibit 1 – Ordinance

Exhibit 2 – Utility Rate Increases FY26 Presentation

Prepared By: Geovanne Neste
Geovanne Neste
Finance Director

Reviewed By: Noemy Sandoval
Noemy Sandoval
Assistant City Manager