



CITY OF ORLANDO

M-3

February 5, 2024

WORKSHOP MINUTES

District 1	District 2	District 3	Mayor	District 4	District 5	District 6
Jim Gray	Tony Ortiz	Robert F. Stuart	Buddy Dyer	Patty Sheehan	Regina I. Hill	Bakari F. Burns

In attendance:

Mayor Buddy Dyer

Commissioner Jim Gray, District 1

Commissioner Tony Ortiz, District 2 – Arrived 10:05 A.M.

Commissioner Robert F. Stuart, District 3 – Arrived 10:10 A.M.

Commissioner Patty Sheehan, District 4

Commissioner Regina I. Hill, District 5

Commissioner Bakari F. Burns, District 6

Chief Assistant City Attorney Roy Payne

City Clerk Stephanie Herdocia

Deputy City Clerk Ken Walsh

Police Officers David Evangelista and Keith Hernandez Sergeants-at-Arms

Mayor Dyer called the meeting to order at 10:01 A.M. and began by acknowledging the tremendous growth across the City of Orlando's (our) communities. Mayor Dyer spoke on the unprecedented rainfall and historic flooding from Hurricane Ian in 2022. Mayor Dyer explained how these types of storm events and the continued growth we're seeing continue to put a significant demand on our stormwater infrastructure. As a City, maintaining these operations and planning for future needs, is a critical function of our Public Works Department and Streets and Stormwater Division. Mayor Dyer then called on the Director of Public Works, Corey Knight, who presented the Stormwater Rate Evaluation Study. A copy of the presentation is attached as supplemental papers to these minutes.

Mr. Knight provided a brief overview of the Stormwater Utility Rate. Mr. Knight informed the Council the Stormwater Rate Evaluation Study is to assess the maintenance and operations of Orlando stormwater. The stormwater utility rate was last updated fifteen years ago. Currently, the stormwater utility rate is at a point where revenues no longer cover projections. Mr. Knight noted that an internal loan of seventeen million dollars was taken out, in addition to a state revolving fund of six million dollars to cover improvements and operations for the 2024 fiscal year.

The focus of the Stormwater Rate Evaluation Study was to review the current stormwater program, identify stormwater funding needs, evaluate stormwater rate structure, and compare stormwater utility rates and fees for other Florida communities.

The Public Works Department is currently dealing with several stormwater management issues including regulatory compliance, flood control/resiliency, improving and protecting water quality, renewing and replacing aging infrastructure and level of service. In order to address these issues, a new rate is proposed to be enacted in two steps. Step one updates the stormwater utility rate between

Years 1-4 to reduce the funding gap. Step one also commissions a new study to proceed with step two. Step two will require modifications to discounts and caps slated to occur throughout Year 4 and beyond. By Year five, the proposed increase to the stormwater utility rate will establish a balanced stormwater budget with added capital projects.

Mr. Knight conclude the presentation by proposing an increased rate of \$3.50 per month in FY2025 to achieve a rate of \$13.49 per month. This increased rate will build capital reserve by 2027 if the rate continues to increase each year i.e., \$16.68 monthly fee in FY2026, \$20.23 monthly fee in FY2027, and \$21.24 monthly fee in FY2028.

At 10:16 A.M., the workshop was opened for questions and comments. At 10:51 A.M., the workshop was concluded.



Mayor Buddy Dyer



City Clerk Stephanie Herdocia

City of Orlando

Stormwater Rate Evaluation

FY2025-2028



Where we're at...

- Stormwater Utility Rate last updated 15 years ago
 - (FY2008-2009)
- In 2019 PWK discussed need to update based on revenue projections
- Study initiated in 2019 to review rates
- Currently, the Stormwater Utility Rate is at a point where revenues no longer cover projections.
- System of less complex calculations is recommended

Study Tasks

- Review the Current Stormwater Program
- Identify Stormwater Funding Needs
- Evaluate Stormwater Rate Structure
- Compare Stormwater Utility Rates and Fees for Other Florida Communities



Stormwater System Management Issues

- Regulatory Compliance
- Flood Control/Resiliency
- Improve and Protect Water Quality
- Renew and Replace Aging Infrastructure
- Level of Service
- Operations and Maintenance Activities
- Capital Improvements



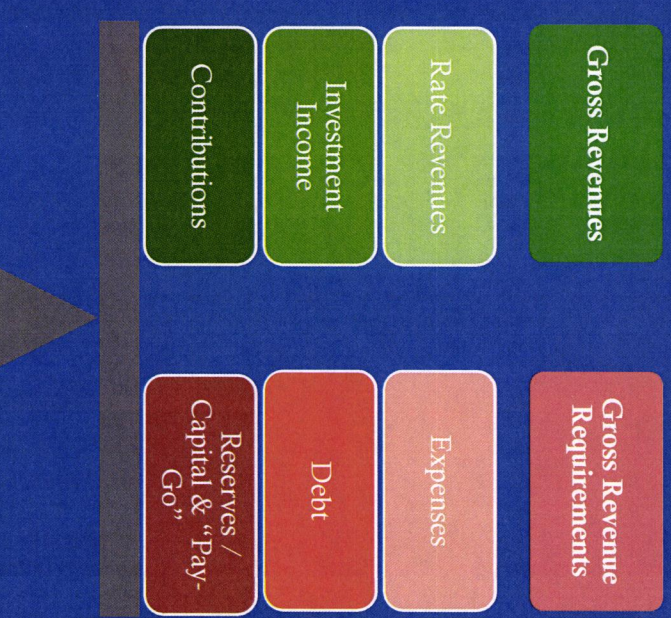
Rate Study Issues

- Method of Billing
 - Non Ad Valorem Assessment
- Projected Revenue Requirements/Funding Levels
- Evaluate Rate Classes and Rate Structures
- Phase-In Rate Adjustments

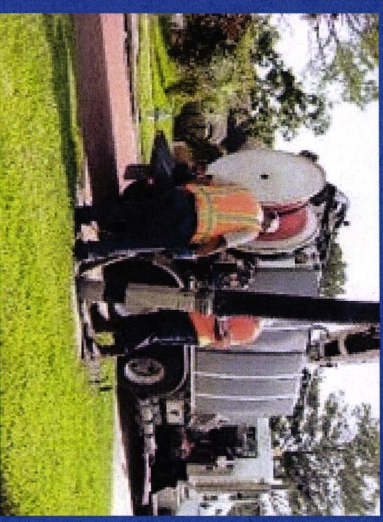
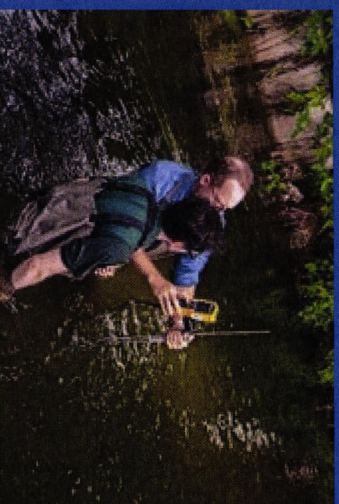
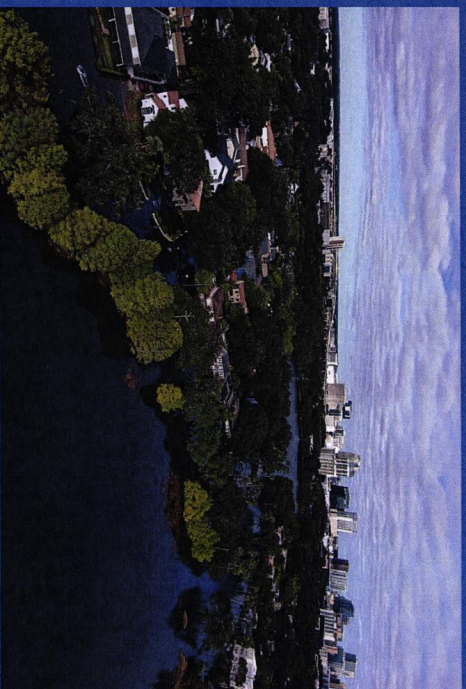
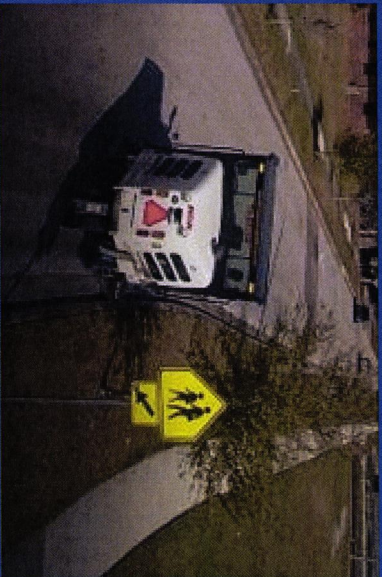


How Revenue is Used

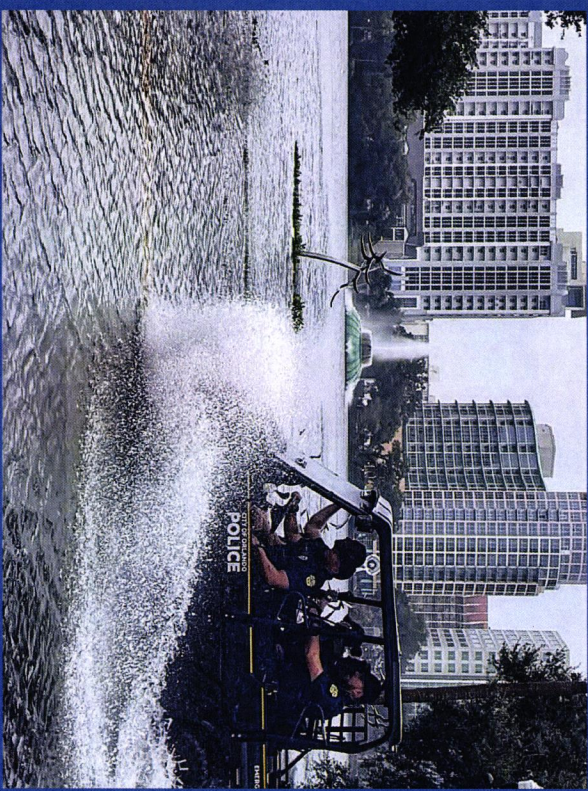
- Operation and Maintenance Expenses
- Annual City Dividend Payment
- Capital Improvement Program
 - › Debt for Major Projects
 - › Pay as You Go Funding for Annual Renewal and Replacement Needs
- Maintain Stormwater Reserve Fund
 - › Emergencies and/or Disasters



Stormwater Issues and Needs



Stormwater Issues and Needs



FACTS at a Glance

- On an Annual Basis, the Streets and Stormwater Division maintains the following:
- Monitors Water Quality in 80 Lakes
- Maintains 84 retention ponds and 86 control ditches
- Manages 50 Weir Board Water Control Structures
- Sweeps 81,517 miles of streets bi-weekly. 34,610 cubic yards of debris collected and maintains all associated stormwater. 49,615 inlets structures and 548 Inlet baskets.. 1,060 Miles of Stormwater pipes. 4,055 Outfall pipes discharging into lakes/ponds.
- These numbers continue to increase as the City grows and as our infrastructure ages.



What needs to be done...

- Enact new rate in two steps.
- Step One: Update to the Rate (Years 1-4)
 - Reduce Funding Gap
 - Commission New Study next year to proceed with step two
- Step Two: Modifications to discounts and caps (Year 4 and beyond)
 - Balanced Stormwater Budget with added Capital Projects by year five

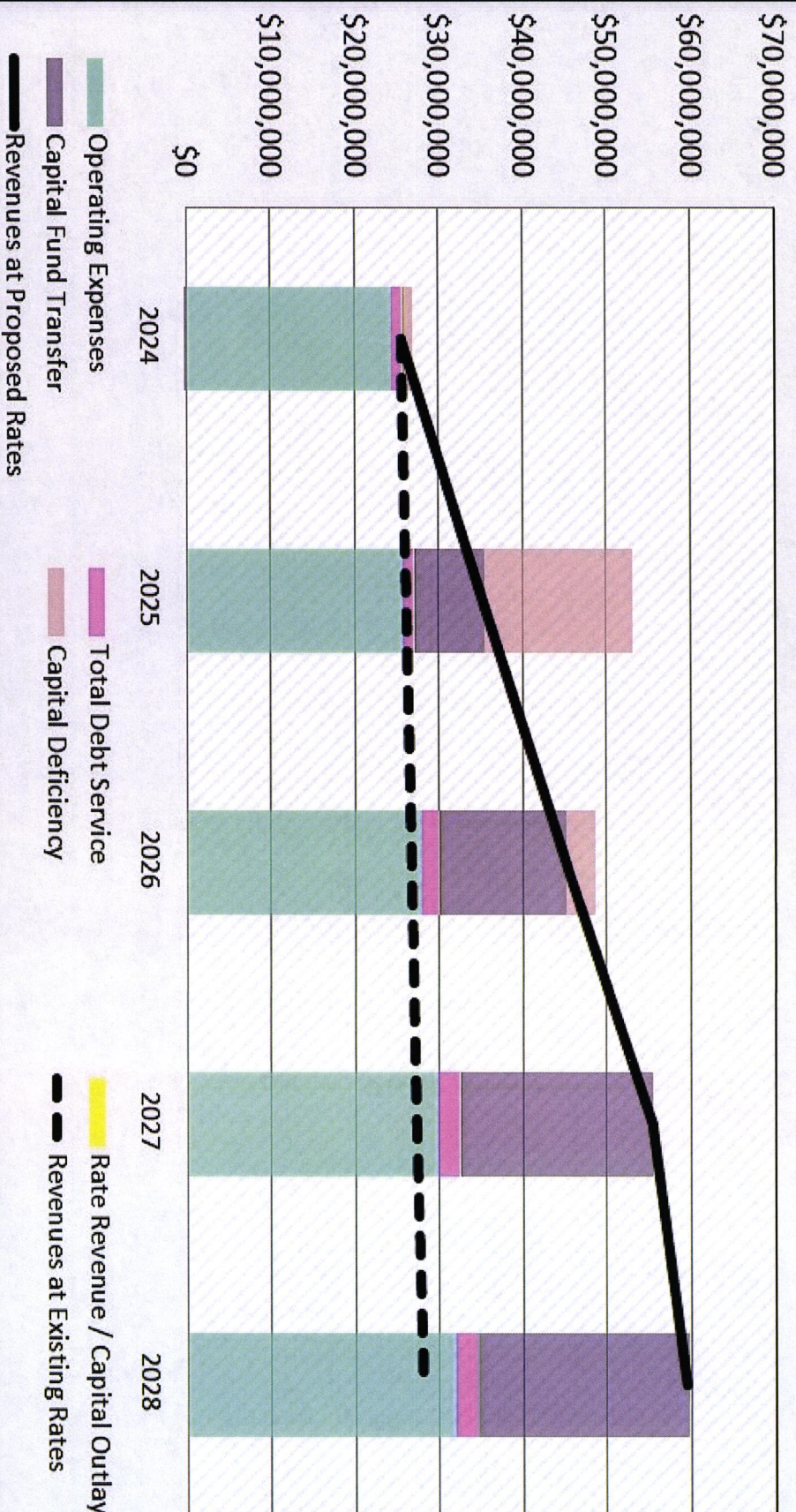


Stormwater Rate & Fee Structure Considerations

- What is the basis for the stormwater fee structure?
- Recover Revenue Requirements
- Fairness & Equity
- Administrative Feasibility
- Customer Classes
 - Single Family Residential
 - Multi-Family Residential
 - Non-Residential / Commercial
 - Vacant

Projected Revenue Requirements

Projected Stormwater Revenue Requirements



Projected Rates Revenue

Proposed Rates Effective October 1, 2024

	FY2025	FY2026	FY2027	FY2028
Monthly Fee (2,000 Sq. Ft)	\$13.49	\$16.86	\$20.23	\$21.24
Change in Monthly Fee	\$3.50	\$3.37	\$3.37	\$1.01
Annual Rate Revenue (Including Rate Adjustments)	\$35.4M	\$45.2M	\$55.5M	\$59.9M
Annual Capital Funding Deficiency	(\$17.7M)	(\$3.5M)	\$4.6M	\$18.0M



Existing vs. Proposed calculation

Residential Single Family					
Sq Ft	Current Fee	Proposed FY2025 Fee	Proposed FY2026 Fee	Proposed FY2027 Fee	Proposed FY2028 Fee
1,000	83.94	80.92	101.15	121.38	127.45
2,000	119.88	161.84	202.30	242.76	254.90
4,000	137.85	202.30	252.88	303.45	318.62
10,000	137.85	202.30	252.88	303.45	318.62

Commercial					
Sq Ft	Current Fee	Proposed FY2025 Fee	Proposed FY2026 Fee	Proposed FY2027 Fee	Proposed FY2028 Fee
5,000	299.70	404.60	505.75	606.90	637.25
10,000	599.40	809.20	1,011.50	1,213.80	1,274.49
50,000	2,997.00	4,046.00	5,057.50	6,069.00	6,372.45
100,000	5,994.00	8,092.00	10,115.00	12,138.00	12,744.90
200,000	11,988.00	16,184.00	20,230.00	24,276.00	25,489.80

Commercial - OUSWMM					
		Proposed	Proposed	Proposed	Proposed
Sq Ft	Current Fee	FY2025 Fee	FY2026 Fee	FY2027 Fee	FY2028 Fee
5,000	173.91	234.67	293.34	352.00	369.60
10,000	347.82	469.34	586.67	704.00	739.20
50,000	1,739.10	2,346.68	2,933.35	3,520.02	3,696.02
100,000	3,478.20	4,693.36	5,866.70	7,040.04	7,392.04
200,000	6,956.40	9,386.72	11,733.40	14,080.08	14,784.08

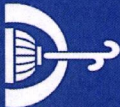


Proposed Residential Policy and Fees

Sec. 31.14. – Annual Residential Charge Per Square Foot of Impervious Area

The annual charge per square foot of impervious area shall be established as per the schedule in Table XXX. The Stormwater Utility Division Manager is directed to prepare a list of all residential and multifamily parcels within the City, and assign a designation to each, and for which each shall be charged a reasonable and equitable fee, according to assigned impervious square footage and site mitigation factors, if any; provided, however, that the City shall have the option to set a fixed fee for residential parcels. The fixed fee for residential and multifamily parcels is outlined in Table XXX.

Propose Rates Effective October 1, 2024				
	FY2025	FY2026	FY2027	FY2028
Change in Monthly Fee (2,000 sf)	\$3.50	\$3.37	\$3.37	\$1.01
Monthly Fee (2,000 sf)	\$13.49	\$16.86	\$20.23	\$21.24
Proposed Annual Rates per Sq. Ft.	\$0.08092	\$0.10115	\$0.12138	\$0.12745



Proposed Non-Residential Policy and Fees

Sec. 31.14.1 – Annual Non-Residential Charge Per Square Foot of Impervious Area

The annual charge per square foot of impervious area shall be established as per the schedule in **Table XXX**. The Stormwater Utility Division Manager is directed to prepare a list of all non-residential parcels within the City, and assign a designation to each, and for which each shall be charged a reasonable and equitable fee, according to assigned impervious square footage and site mitigation factors, if any; provided, however, that the City shall have the option to set a fixed minimum and maximum fee for non-residential parcels. The fixed fee for Non-residential parcels is outlined in **Table XXX**.

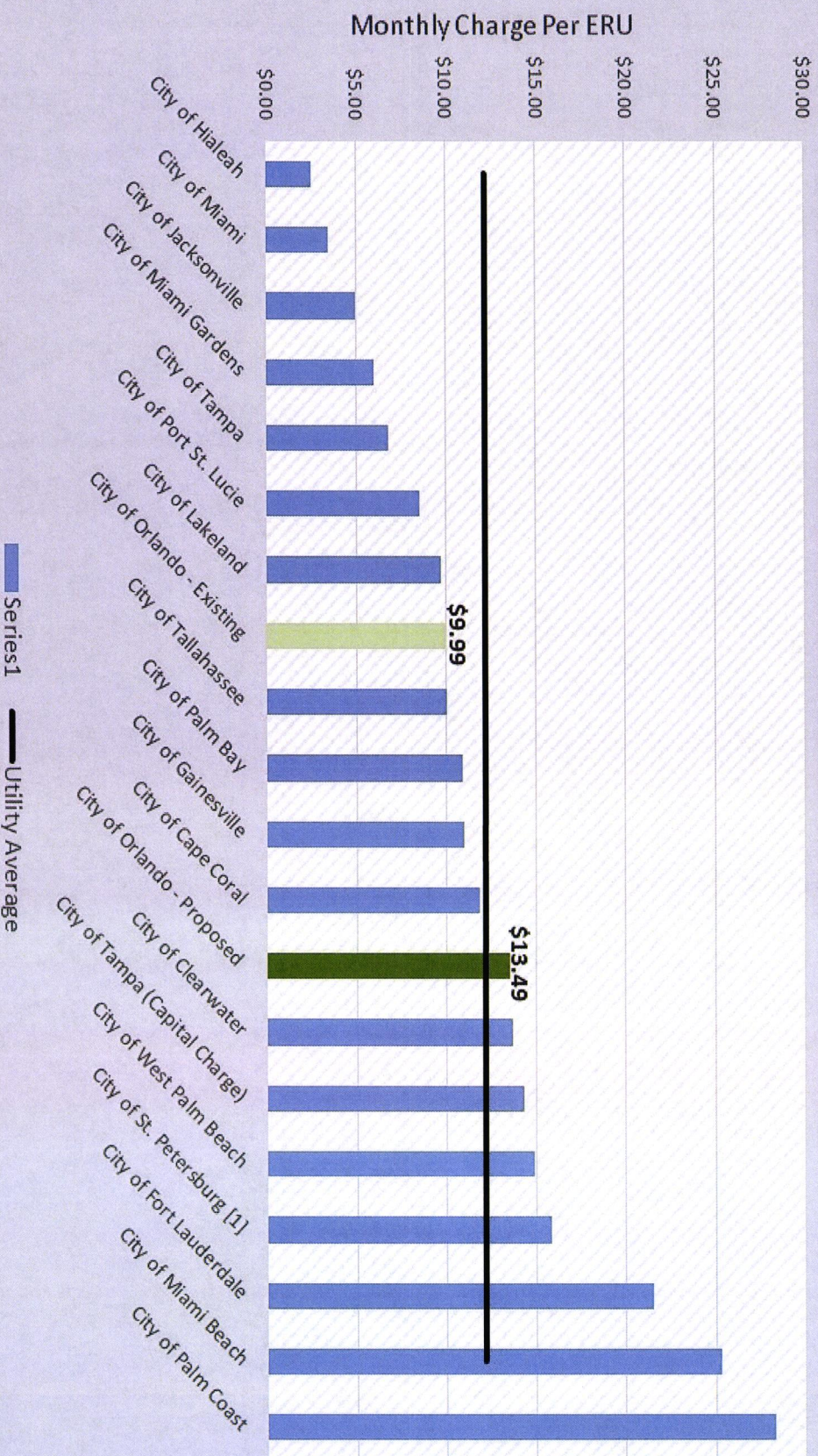
Propose Rates Effective October 1, 2024

	FY2025	FY2026	FY2027	FY2028
Change in Monthly Fee (2,000 sf)	\$3.50	\$3.37	\$3.37	\$1.01
Monthly Fee (2,000 sf)	\$13.49	\$16.86	\$20.23	\$21.24
Proposed Annual Rates per Sq. Ft.	\$0.08092	\$0.10115	\$0.12138	\$0.12745



Rate Comparison

Typical Monthly Charge Per ERU for Major Florida Cities



Any Questions?

