

Special City Commission Workshop August 16, 2021

Minutes of the Special Commission Workshop Meeting of the City of Auburndale held August 16, 2021, at 6:30 p.m. in the Commission Room of City Hall, after having been properly advertised, with the following members present: Mayor Tim Pospichal, Commissioners: Dorothea Taylor Bogert, Keith Cowie, and Jack Myers. Commissioner Richard Hamann was absent. Also, present were: City Manager Jeff Tillman, City Clerk Jeffrey Brown, City Attorney Frederick J. Murphy Jr., and Police Chief Andy Ray.

Mayor Tim Pospichal declared a quorum present.

City Manager Tillman has called a Special Commission Workshop Meeting to hear the following item: PRESENTATION OF 2021 UTILITY RATE AND IMPACT FEE STUDY AND PROPOSED UTILITY RATE AND IMPACT FEE CHANGES. He noted the meeting was required as a result of impact fee proposed changes related to the alternative water sources.

**1. PRESENTATION OF 2021 UTILITY RATE AND IMPACT FEE STUDY AND PROPOSED UTILITY RATE AND IMPACT FEE CHANGES**

City Manager Tillman stated in December 2020, the City Commission authorized Raftelis Financial Consultants, Inc. to conduct a comprehensive study of the City's utility user rates and utility impact fees. The last comprehensive review of the City's utility user rates was completed in 2016 and the last utility impact fee study was completed in 2005.

The 2021 Utility Rate and Impact Fee Study (2021 Study) completed by Raftelis provides a thorough review of projected water and wastewater revenues compared to the City's Two-Year Budget, Five-Year Capital Improvement Plan, Polk Regional Water Cooperative projects and expenses, operational expenses, transfers, estimated inflation, and debt service requirements. The proposed Ordinances adjust utility rates and impact fees based on the findings and recommendations of the 2021 Study.

Finance Director Chris Reeder stated the highlights of the study are shown below.

<b>Recommended Rate Adjustments</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY2026</b>
Water Rates	4.0%	4.0%	4.0%	4.0%	4.0%
Sewer Rates	0.5%	0.5%	0.5%	0.5%	0.5%
<b>Combines Bill Effective Rate Change</b>					
Typical 6,000 gal Residential Inside Bill % Change	1.4%	1.5%	1.5%	1.5%	1.6%

This is compared to the City's historical rate increases of approximately 2% per year. The focus on the study was to design a more conservative approach to water usage.

Finance Director Reeder stated changes to the commercial water rates are consistent with the residential rates. The proposed rates align with the recommendation that changes be tied to water meter sizes. It does not include any consumption in the base rate.

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## Current Commercial Water Rates

Rate Component	Inside Rate	Outside Rate
<b>Base Charge</b>		
¾" Meter	\$11.55	\$15.59
1" Meter	\$11.55	\$15.59
1 ½" Meter	\$11.55	\$15.59
2" Meter	\$11.55	\$15.59
3" Meter	\$11.55	\$15.59
4" Meter	\$11.55	\$15.59
6" Meter	\$11.55	\$15.59
10" Meter	\$11.55	\$15.59
<b>Usage Charges (above 4,000 gal)</b>		
Block 1	\$2.87	\$3.87

## Proposed Commercial Water Rates

Rate Component	Inside Rate	Outside Rate
<b>Base Charge</b>		
¾" Meter	\$7.99	\$10.79
1" Meter	\$19.98	\$26.97
1 ½" Meter	\$39.95	\$53.93
2" Meter	\$63.92	\$86.29
3" Meter	\$127.84	\$172.58
4" Meter	\$199.75	\$269.66
6" Meter	\$399.50	\$539.33
10" Meter	\$918.85	\$1,204.45
<b>Usage Charges (all usage)</b>		
Block 1	\$2.87	\$3.87

## Current Commercial Sewer Rates

Rate Component	Min. Gallons	Inside Rate	Outside Rate
<b>Base Charge</b>			
¾" Meter	6,000	\$40.82	55.11
1" Meter	10,000	\$68.87	\$92.96
1 ½" Meter	20,000	\$138.98	\$187.63
2" Meter	40,000	\$279.23	\$376.95
3" Meter	80,000	\$559.72	\$755.62
4" Meter	160,000	\$1,120.68	\$1,512.92
6" Meter	320,000	\$2,242.63	\$3,027.55
10" Meter	1,280,000	\$8,974.28	\$12,115.28
<b>Usage Charges (all usage)</b>		\$7.01	\$9.47

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## Proposed Commercial Sewer Rates

Rate Component	Min. Gallons	Inside Rate	Outside Rate
<b>Base Charge</b>			
¾" Meter	6,000	\$41.13	\$55.53
1" Meter	15,000	\$102.83	\$138.81
1 ½" Meter	30,000	\$205.65	\$277.63
2" Meter	48,000	\$329.04	\$444.20
3" Meter	96,000	\$658.08	\$888.41
4" Meter	150,000	\$1,028.25	\$1,388.14
6" Meter	300,000	\$2,056.50	\$2,776.28
10" Meter	690,000	\$3,290.40	\$6,385.43
<b>Usage Charges (all usage)</b>		\$7.01	\$9.47

Finance Director Reeder stated the City, if the rates were adopted, would have the second lowest in the County and in our comparison cities.

Raftelis looked at the City's capital improvements, the City needs to raise combine water and wastewater impact fees for a single residential unit for \$1,271.87 to \$6,475.00

**Existing and Calculated Impact Fees**

	Existing	Calculated	Variance
Water	\$1,264.99	\$2,192.00	\$927.01
Wastewater	\$3,939.14	\$4,258.00	\$319.86
Total	\$5,203.13	\$6,475.00	\$1,271.87

The water is an increase of 73% due to the projects needed to secure an Alternative Water Supply. When the new impact fees are implemented, the adjusted impact fees will put the City behind Polk County. However, Auburndale is the first city to adjust the impact fees due to the AWS expenses and we expect others to adjust in the next year or two which will shuffle the city back to the middle.

Commissioner Taylor Bogert asked the City Manager when it is expected the other cities will amend their impact fees? City Manager Tillman stated the City has reviewed its rates every five years. It is a decision of each city when reviews are conducted.

The Meeting was adjourned at 6:39 p.m.

I HEREBY CERTIFY that the foregoing Minutes are true and correct.

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Jeffrey Brown, City Clerk/Special Projects Director

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**Existing and Calculated Impact Fees**

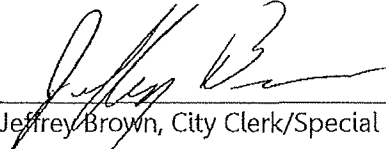
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