

**MAYOR'S CONFERENCE WORKSHOP WITH
COUNCIL REGARDING THE BUDGET
PLANTATION, FLORIDA**

MAY 19, 2010

The meeting was called to order by Councilman Fadgen, President of the City Council.

1. Roll call by the City Clerk:

Councilmember:	Diane Veltri Bendekovic Jerry Fadgen Robert A. Levy Peter S. Tingom Sharon Moody Uria
Mayor:	Rae Carole Armstrong
City Attorney:	Donald J. Lunny, Jr.

Also Present:	Dan Keefe, Assistant to the Mayor Susan Slattery, City Clerk Herbert Herriman, Finance Director Joe Harris, Fire Chief Howard Harrison, Police Chief Margie Moale, Human Resources Director Frank DeCelles, Director of Public Works James Romano, Director of Parks and Recreation Brett Butler, City Engineer
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DISCUSSION CONCERNING PROPOSED STORM WATER UTILITY FEE.

Mayor Armstrong provided a brief overview of the topic. There have been many discussions regarding the prospect of a storm water program for the City of Plantation for multiple purposes, not only for today but for plans for the future. The purpose of this meeting is the first step in looking at information and justifying a need and process for implementing a storm water program for Plantation. She introduced Scott McClelland, Vice President of Camp Dresser & McKee, Inc.

Mr. Butler indicated that they want to be proactive and show a good solution to fund the current storm water program and take it into the future where we will need to be. In terms of the State Legislature, the storm water rule is being considered in Tallahassee. We are getting approached from the Federal State level on this TMDL water quality issue, which is not going away. The City needs to be very cognizant of this discussion because it can potentially have some ramifications both in our program and funding. Mr. Butler advised that CDM has a

tremendously good reputation in the storm water field, particularly in navigating through difficult channels of this current legislative issue. They also have a great pulse on storm water utilities.

Mr. McClelland explained that CDM has completed approximately 150 storm water utilities around the United States; the majority of them in the State of Florida. Their study for Plantation was done in two parts; the first part was to look at the storm water program and benchmark it to some of the other programs in the State of Florida and other parts of the country and to see if there are improvements that need to or could be made and look at the costs of the existing program and what improvements could be made. The second part was to look at potential funding for storm water utilities. He referenced the Executive Summary and noted that the interesting thing about Plantation is that three districts have storm water service.

Mr. McClelland provided a brief presentation and made the following comments:

- The Plantation Acres Improvement District provides storm water services themselves; therefore, they are not considered in this package.
- Old Plantation Water Control District provides storm water services in terms of pumps and the secondary system; the primary system is managed by the Water Management District. The rest of the system is managed by the City itself.
- There is also a City service area referred to on Page 4 of the Executive Summary. In reviewing the storm water program it was benchmarked and given a grade A-F. The A-F is not a statement of effort; it is a statement of resources and services provided. It was estimated that we are at a service level "C" compared to other communities around the State of Florida with the exception of one area, which is in the area of Capital Improvement Funding, which was rated an "F".
- Many of our systems are designed for 30 to 40 years, which means while they may last longer, there is a likelihood that they will start to fail under stress.
- The best way to deal with that problem is to be proactive. The first thing suggested would be to deal with the infrastructure and plan for its replacement instead of waiting for it to fail.
- There are some things that can be done with maintenance staff in the long run, such as videotaping the system to look for maintenance issues.
- The recommendation is to try to get the entire system to a level service "C" by adding a Capital Improvement Program so the infrastructure can be replaced in the future. It is suggested that a \$500,000 per year type of a fund be made available to do culvert and other type of infrastructure replacements.
- Plantation has a very robust GIS system; therefore, it did not take as much work as usual to review all of the parcels within the City.
- There are a few summary tables regarding this documentation. Review was done with the information available in order to determine how much revenue the City could get towards the storm water utility. A rate structure model was made using spreadsheets. It basically provides the physical consequences of making some rate structure choices.
- Many communities in the State use a single family unit equivalent; they use the average single family and pervious area as their billing units. Most utilities are set up such that residential properties are based upon a number of dwelling units and non-residential properties are based upon the actual and pervious area on the property. The more pervious area there is the more run off there is. The more run off, the more burden is created on the City. The more burden created, the more service has to be provided.
- Almost all utilities in the Florida are based on pervious areas.
- Other details will be discussed at the next Workshop.
- There are many rate structure options available.

- A common storm water utility method was chosen in order to determine the rate structure and physical consequences making of that choice.
- The Executive Summary, page 9, provides an estimate that the City is currently spending, regardless of the source, about \$750,000 on storm water services. That is with labor and overhead, the majority of which is from RTC, the Road and Traffic Control, fund; however, there is also General Fund going into the \$750,000.
- Level service "C" suggests about \$1.2 to \$1.3 million for a program. In the City service area, based on impervious area, to generate the \$1.3 million would be about \$3 and the Old Plantation area would be about \$23 per month. These numbers are for common single family units. A non-residential parcel would pay more depending on how many times they represent a single family average pervious area. These numbers do not include the PAID area; they were excluded because the services being provided are being paid by PAID.
- A list of storm water utilities in the State of Florida was provided. There are 140 and all of the rates are shown. The average rate is \$4.50, which has gone up in the last two years. There are 13 storm water utilities in the State of Florida and the average rate is \$4.40; slightly less than the State average. Level "C" is about two-thirds to one-half of that number.
- Examples were provided of non-residential and commercial properties in the City service area and some in Old Plantation. This shows the exact amount of impervious area on the property; it is not an estimated number. It shows how much would be paid and was compared to the utility bill. Pictures of the parcels that were analyzed were also provided.

Mr. McClelland responded to questions as follows:

- The average single family home, based on all of the single family homes is 4,646 square feet, being the impervious area.
- Some communities have chosen to use a residential equivalent, where all residential properties are averaged opposed to just single family properties. Using a residential average, the impervious area would decrease to about 3,100 square feet.
- The impervious area is just the hard surface, not the land and the building. A storm water system would not be necessary if there were no impervious areas. Urbanization has created impervious areas that have changed the storm water dynamic and as a result, services are necessary to solve those problems.
- The logic has been, since 1986 when Tallahassee adopted the first utility, that the impervious area is causing the need for the service; therefore, impervious area is what we use to create the billing. Credits need to be reviewed and discussed for those who have reduced their storm water service need.
- From a legal point of view, there have been a number of court cases in Florida and there needs to be some type of credit. Some cities have chosen for churches, schools, etc. not to pay, but in order to do that legally, the fee must be collected from another source.
- Many communities have chosen to separate another portion of funding to pay for those they wish to exempt. There are 76 institutional properties of the 32,000 properties within the City, including PAID, which represents 22% of the total developed parcels within the City that are exempt. There are 278 government parcels which are City, County and Federal, which is .9% of the parcels within the City, which are exempt.
- Every other year the Florida Storm Water Association has a survey regarding utilities and 23% of government properties are exempt; 77% are being charged.
- The \$1.3 million revenue includes the \$500,000 for Capital Improvements.
- The majority of residents would be under the Old Plantation Water Control District.

- Properties that would be exempt are churches, government and institutional.
- Differences because of exemptions would be the funding mechanism. By using a user fee and enterprise funds and, by law, if the service is received it is paid for, just like any other utility.
- The majority of the storm water utilities in the State agree that it is best not to exempt anyone.
- The City does not have a full inventory of all of the infrastructures, which is one of the first things that need to be done. The vulnerable areas then need to be identified and a priority listing process should be done.
- An annual report was strongly recommended to document the use of funding, especially if an enterprise fund is used.
- There are communities in the State of Florida who have combined all utility services in order to get a bond and by putting the wastewater and storm water together their bond rating went up. Other communities stayed with the same organization and just have water wastewater utility and an enterprise fund set up for the storm water.
- Most organizations do not separate the organization into a storm water organization; the Level "A" group does. It was suggested spending as much money as possible on providing extra and new service on storm water management.
- The only two funding sources are ad valorem and an enterprise fund.

Mr. Keefe advised that Engineering and Public Works will present a listing of priorities, infrastructure inventory, etc. if there is another Workshop.

Mr. Butler responded to a question regarding grant programs and commented that Plantation is fairly solid on water quality issues; however, we do have conveyance issues. Grants have been tackled as aggressively as possible; there is nothing available. The primary concern is solving the conveyance issues.

Councilman Levy suggested looking into rural development funding; they have both loan and grant programs available.

Mr. Butler stated that grants are a wonderful opportunity; however, they are not a given. He cautioned on the ideas of grants and noted that they would continue to search for any free money available.

Mr. McClelland indicated that abilities become better by having a dedicated funding source. He explained that the State of Florida currently has a narrative standard for nutrients in service waters. There are several science, technical and legal issues. He believes this will be in the courts for the next five years.

In response to Councilwoman Uria, Mr. Butler advised that it is unknown when the State or Federal government might mandate this; we are probably several years out from knowing exactly where we stand, largely because this has become a legal issue. It is perceived that it may be outwards to five years.

Ed Szerlip questioned how the State would come up with figures for the canals in Plantation.

Mr. McClelland advised that the South Florida water bodies are different than many others in the State or Nation and the proposed EPA standard is being argued by those that oppose it; as our waterways are manmade.

In response to Councilwoman Bendekovic, Mr. McClelland indicated that in most cases canals that do not have fees are paid by the General Fund or they have a road transportation trust fund with gas taxes and they use various sources to pay for their storm water program.

Councilman Fadgen questioned whether there is another alternative and if there is something all inclusive. He also questioned whether there is any way to avoid run off.

Mr. Butler stated that other cities in Broward County have a dedicated fund for storm water utilities separate from their waste water utility.

In response to Councilman Fadgen, Mr. McClelland explained that natural land has been modified in order to reduce the base flow in the ground. It all comes to the surface so that the volume of the run off is increased as well as the peaks and pollutants, because all of the pervious area has pollutants on it. There will always be some kind of run off; however, there are many things that can be done to recover back to our old hydraulics where the time that the water spends in natural systems is increased. The impervious areas will be decreased by installing pervious pavement that lets water go through it. Run off will never completely be eliminated. With regard to the law suit, if it takes five years the City of Plantation probably has one to five years to comply. He encouraged, if there is a Capital Improvement Fund, that everything that is done be considered from a water quality point of view. Every activity can improve the run off coming from the system such as extra pervious areas can be added to reduce the nutrient load coming out of the system, encourage water conversation and the use of rain barrels.

Mr. Butler commented that money is needed to make retrofits to existing inlets.

In response to Councilwoman Bendekovic, Mayor Armstrong stated that the process can be structured so that when developers want parking reduced a certain amount of money will be requested that will go into the enterprise fund. Usually when parking is reduced it does not go to green area, it generally goes for extra building square footage. This is something that has to be monitored very closely in order to make the change that is needed. A consistent application of this policy would be necessary every time someone comes in to develop. We have tried to consistently have the development community provide the appropriate infrastructure and the appropriate awareness of the importance of the green area for multiple reasons. At this time there are two separate needs; the infrastructure in place needs to be addressed because of the age and the planning initiatives for the waterfront for the future. The question is whether we want to fund this by ad valorem taxes or millage rates. This is also a fairness issue as to where the fees are applied because those who have the greatest impervious area are going to pick up the costs.

In response to Councilman Fadgen, Mr. McClelland advised that the City of Plantation is in the process of redoing the Utility billing system and that will not be complete until the end of August; therefore, nothing could be done at least until then. The suggested time frame is after the beginning of the year, perhaps starting in January 2011. The quickest this has been done is in about three months.

Mr. Butler indicated that we already have imminent needs and some things need to be done now; however, we do not have the capital.

Councilman Fadgen expressed concern with regard to the cost to residents and noted that the Level 1 shows \$2.30 per month for residential units, which may be too high to start.

Mayor Armstrong advised that the numbers will be reviewed from multiple different perspectives. There are economic conditions and considerations; however, there are also needs that will have to be met in some form. This process is providing an opportunity to look at a methodology or strategy to be able to meet our responsibilities and obligations and at the same time find the methodology that would have minimal impact on

our single family residents, which is one of our goals. Doing nothing is not the responsible thing to do and the majority of the residents know that.

In response to Councilwoman Uria, Mr. Keefe advised that if there is direction to continue there will be another Workshop in August and at that time policy issues will be discussed along with legal issues. The time frame will require two ordinance hearings probably in October or the early part of November and that will allow enough time to decide whether to put the fee on the Utility bill some time around the first of the year.

Councilwoman Uria commented that the need is certainly there. She referenced commercial properties in Gateway and Midtown and noted that they are already paying an extra tax. She was not in favor of doing this and increasing the millage. She would like to move forward and have questions answered.

Councilman Levy was not in favor of using the ad valorem tax or millage rate; he believes it should be set up as separate fund so the residents can see where their money is going. Residents need to be educated as to what storm water is and that it is not part of the sewer system and if we do not want the flooding that we have had in the past something has to be done and we have to be proactive. We will have to decide how, when and how much and do something at some point.

Mr. Butler indicated that we have not had a wet event in quite a long time. His concern is public outreach; residents need to be educated and have an understanding of what we are discussing. The other issue is the water quality. These are real issues and they are not going to go away.

Mr. Keefe stated that the proper vehicle is to use the storm water utility. If the fee were put in the ad valorem tax residents would be taxed for something they are already paying, as there are two separate taxing districts with Old Plantation and PAID. It is believed this is the best way because we can show the different districts and how we are not charging twice for the same service.

Councilwoman Bendekovic hoped the next Workshop will be televised so that residents will understand the issues and concerns.

In response to Councilman Fadgen, Mr. Butler commented that grass swale areas are rights-of-way on local public roadways. They catch all zones for the initial runoff from the impervious area, the roadways, and they serve two primary functions; they will be a water quality mechanism because they have some percolation and the natural ground will also transport water so there is a conveyance element as well. A conveyance element is impeded when swales are altered from their design inverted state, which happens when someone builds up the swale and landscapes. As lawns are mowed over the years the mulch breaks down and the ground builds up. The other issue is that the City of Plantation does not have the resources to enforce that; it is a very challenging issue. Ways of overcoming that have been discussed, such as a Capital Project.

In response to Councilwoman Uria, Mr. Butler advised that we have a program that is piggybacked with the County; however, we would rather have the resources to have our own public outreach program suggested educating residents with regard to filling in their swales.

The consensus was to proceed to the next Workshop.

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Meeting adjourned at 8:26 p.m.

Jerry Fadgen, President
City Council

ATTEST:

Susan Slattery
City Clerk

RECORD ENTRY:

I HEREBY CERTIFY that the Original of the foregoing signed document was received by the Office of the City Clerk and entered into the Public Record this _____ day of _____, 2010.

Susan Slattery, City Clerk