



Venice, FL

FY 2020
Stormwater Rate
Study

September 8, 2020





Why the City Manages Stormwater

- **Regulatory Requirements**
 - Clean Water Act
 - NPDES MS4 Permit
- **Flood Control / Property Protection**
 - Floodplain Management
 - CRS Program
- **Improve Water Quality**





How Is Stormwater Funded?

- **Monthly user fee on utility bill**
- **Pay for operations, maintenance and improvements of the stormwater system that promotes public health and safety**
- **Ordinance No. 95-33 Chapter 15 enacted 9/27/1995 established the stormwater management utility and user fee**
- **Resolution No. 2006-21 approved 8/23/2006 established the current service charge and administrative charge**





Key Objectives



Identify revenue needs for near-term expenditures



Update billing units using Property Appraiser data



Modify fee structure to simplify and enhance equity



Review customer bill impacts

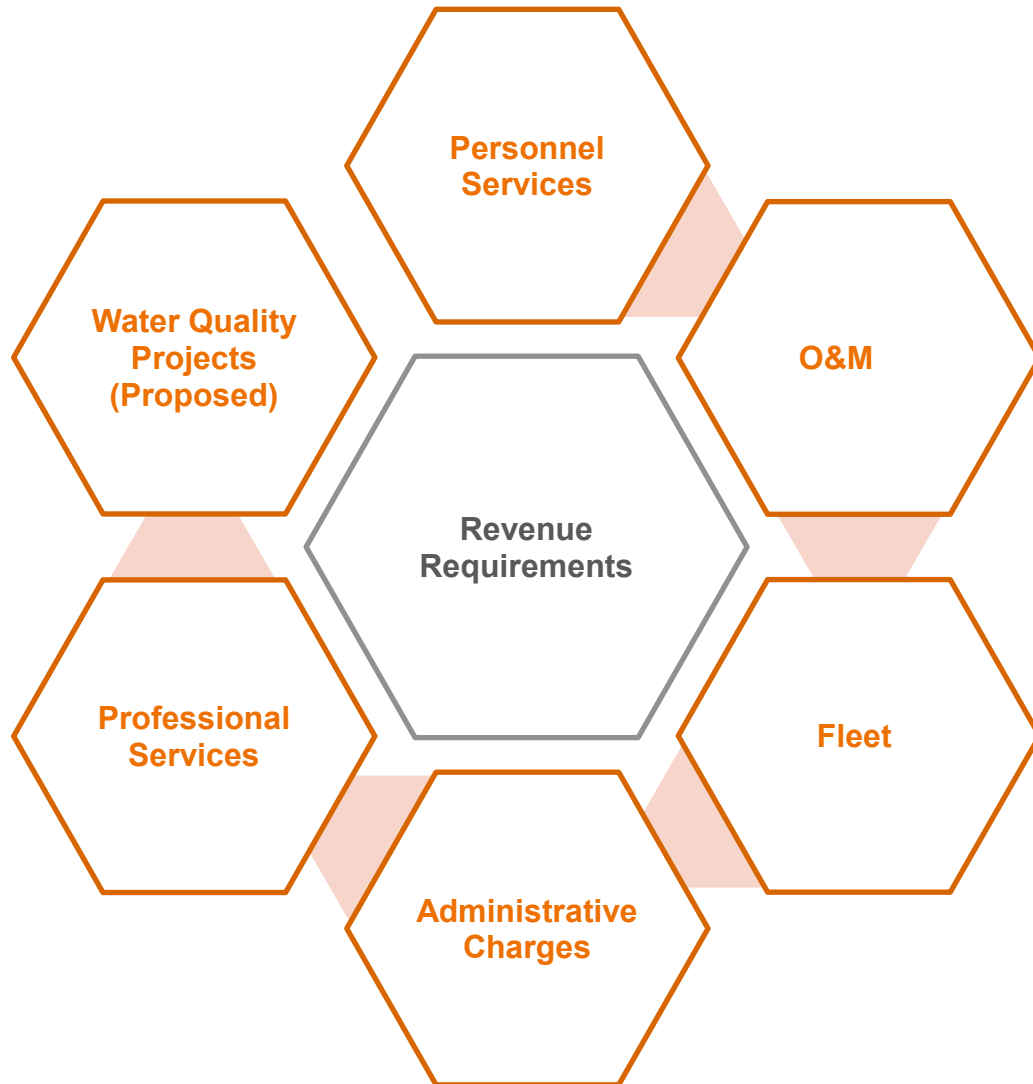


Conduct interactive work sessions with stakeholder working group



Revenue Requirements

Stormwater Utility Revenue Requirements



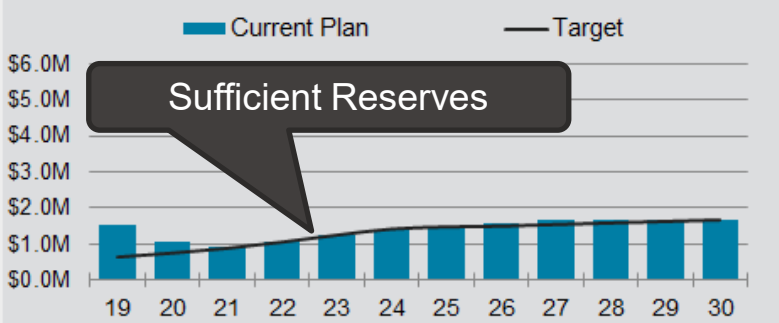
- FY 2020 Estimated Expenditures: **\$1.8M**
- FY 2020 Estimated Revenue: **\$1.6M**
\$200,000 Deficit
- FY 2021 Proposed Operating Budget: **\$2.2M**
- Increases due to:
 - Maintenance of infrastructure previously maintained by County
 - Additional pipe relining
 - Purchase/financing of a vacuum truck

Multi-Year Financial Plan

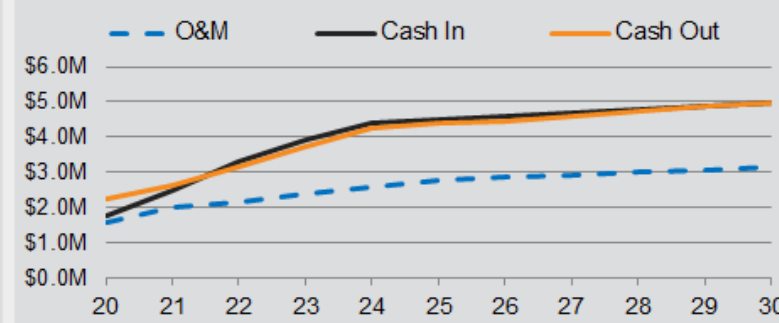
Phasing of rate increases, followed by inflationary increases

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2025	FY 2030
Stormwater Revenue Plan	0.00%	47.86%	36.00%	17.00%	11.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	163.98%	177.39%
Subordinate DSC	0.00	16.86	34.40	45.56	54.36	50.48	51.24	51.97	52.64	52.97	53.38		

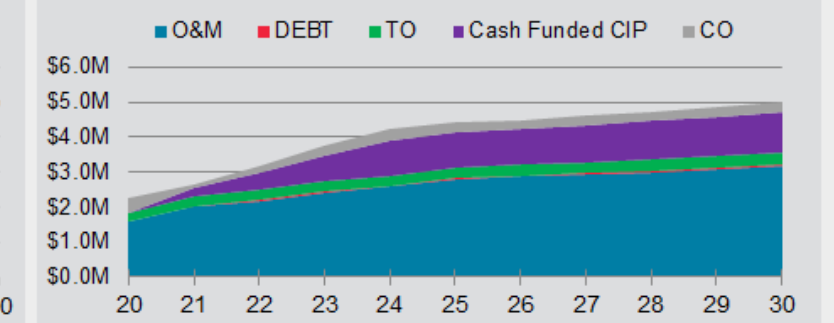
Operating Fund



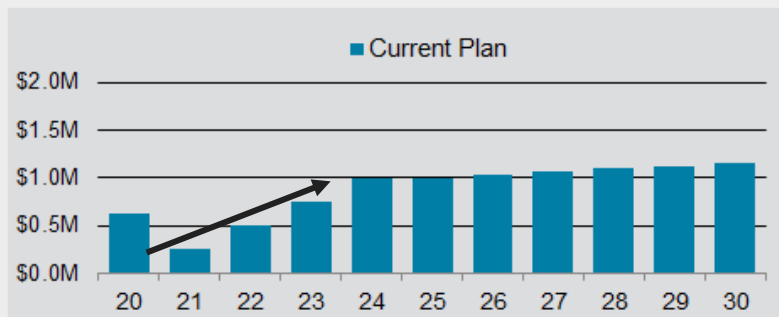
Revenues vs. Expenses



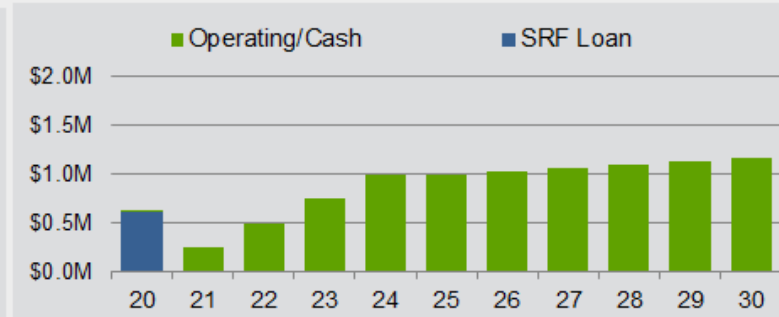
Expenses by Type



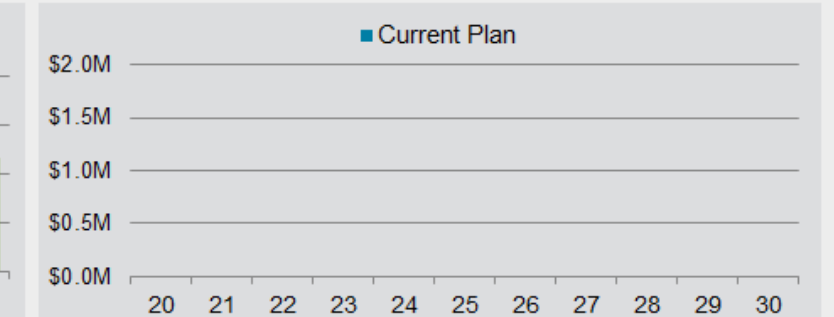
CIP Spending



CIP Funding



Borrowing



Add'l Revenue Needed Each Year to Fund Water Quality Projects

Takeaways of Financial Plan

- **Utility requires a multi-year phased approach of revenue increases to fund operating and capital requirements**
- **Projected \$580,000 revenue increase in FY 2021 to fund current deficit and additional budgeted expenses**
- **Additional \$250,000 revenue needed for the first year of multi-year water quality capital improvement program**
- **Utility to recover costs through:**
 - 1) O&M Fee**
 - 2) Fixed Water Quality Fee**
- **Annually evaluate & adjust plan based on current data**



Billing Units

Billing Units

Gross Area

Sarasota Property Appraiser Data

Impervious Area

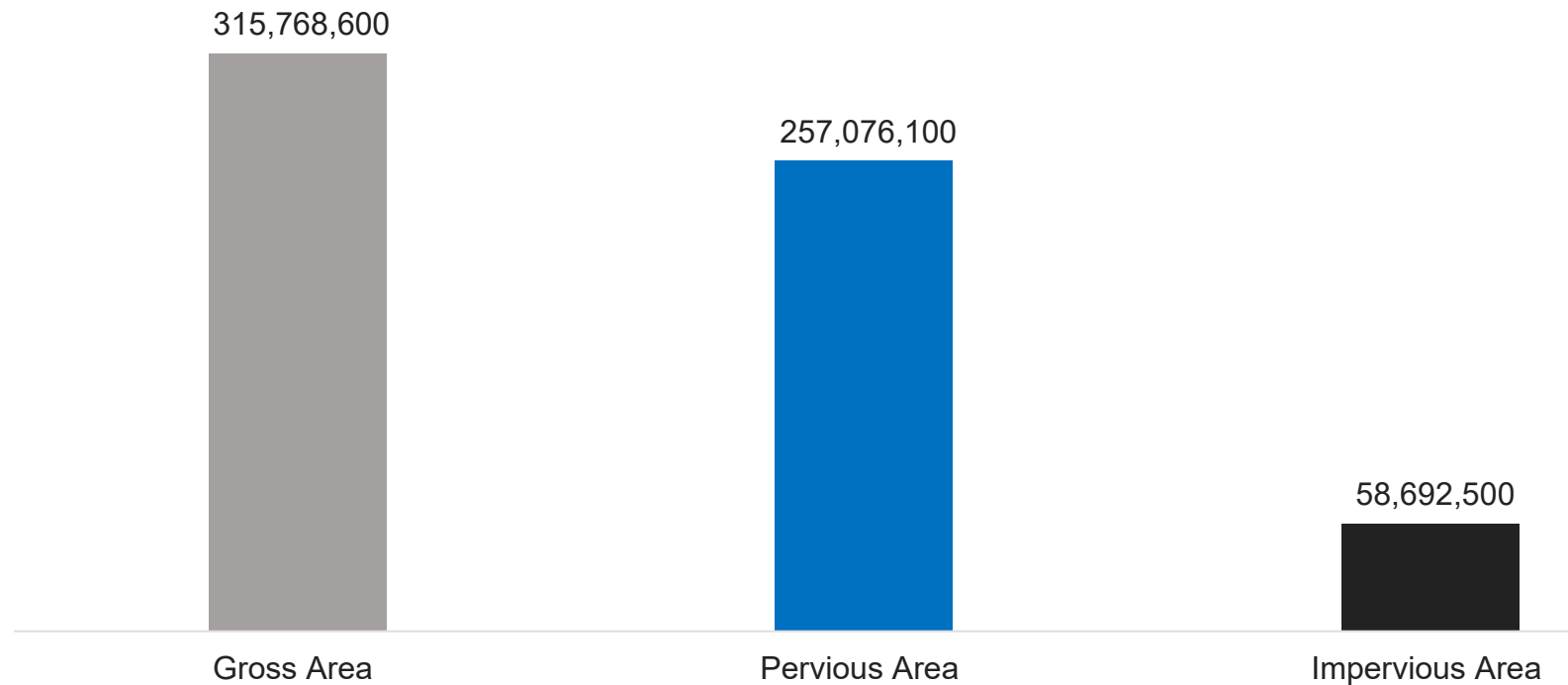
Analysis and composition of impervious elements as well as manual review.

Pervious Area

Deduction of impervious area from gross area.



Total Service Area Units sqft





Stormwater Fee

An aerial photograph of a beach. The top half of the image shows the ocean with white, frothy waves crashing onto a sandy shore. The water is a deep green color. The bottom half of the image shows the golden-brown sand of the beach, which is relatively flat and smooth.

Current Fee Structure

\$/ESF = Total Annual Stormwater Management O&M Budget ÷ # of ESFs within the City

ESF = (Runoff Factor)*(Land Use Factor)*(Treatment Factor)*(Service Factor)

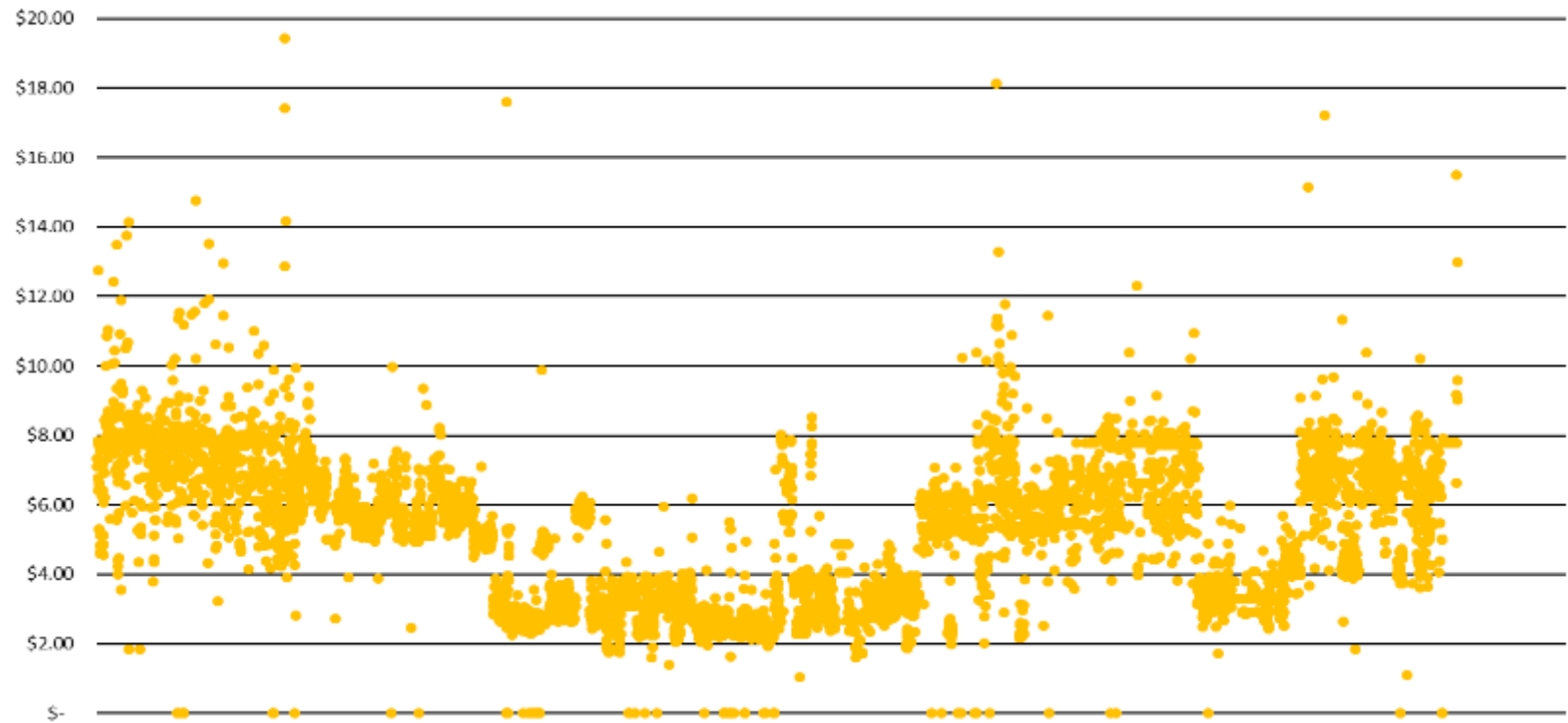
Individual Property O&M Charge = # of ESFs x \$/ESF

Individual Property Fee = Service Charge + Admin Charge + Public Facilities Charge + Special Charge (optional) + Special Assessment District Charge (optional)

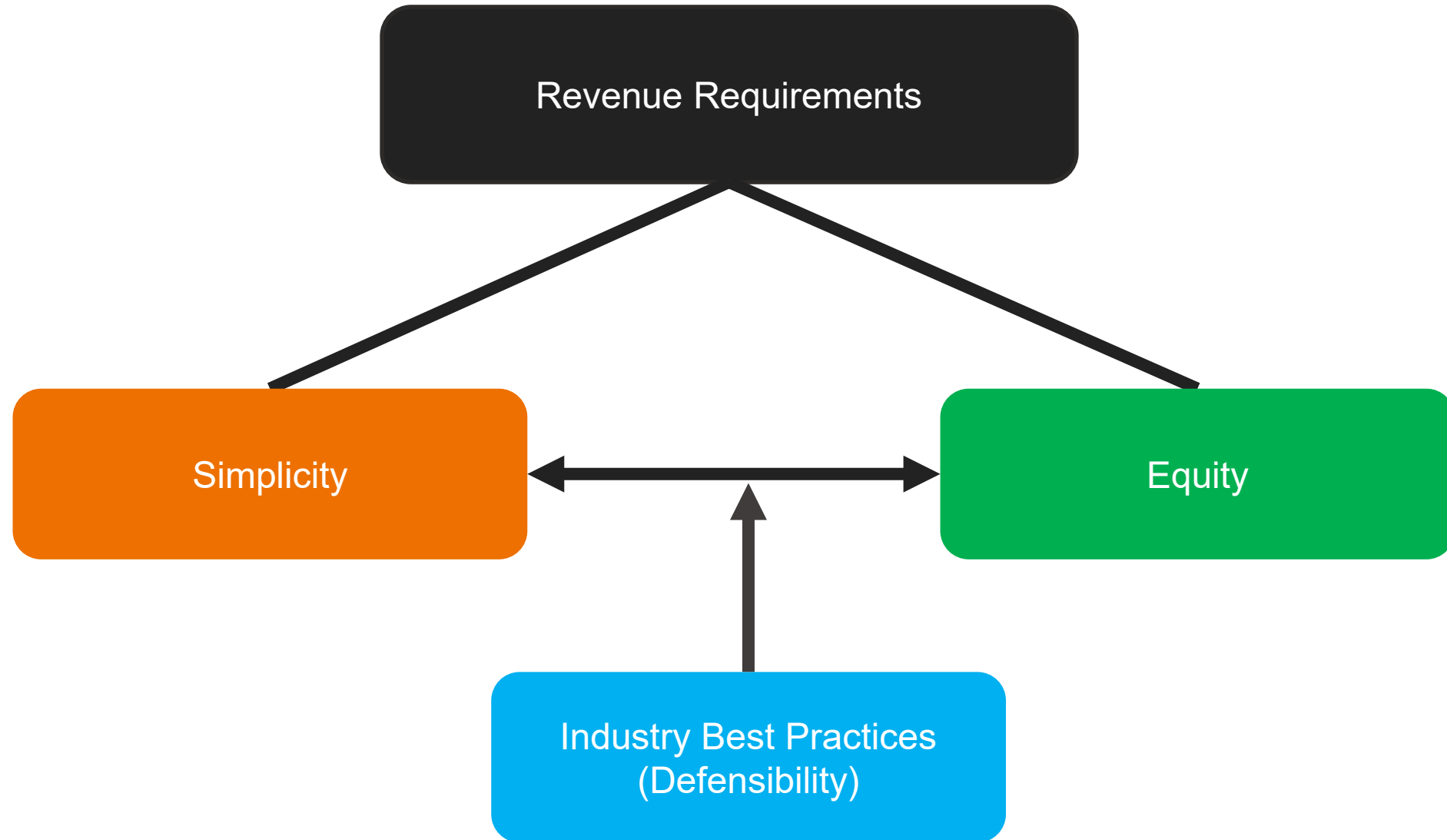
Current Fee

Key Observations

- Each parcel has a unique fee
- Some cluster present
- Non-industry standard approach



Fee Modification Objectives



Fee Modification Objectives

Revenue Requirements \$2.45M

Operations and Maintenance \$ 2.20M

Water Quality Projects \$.22M

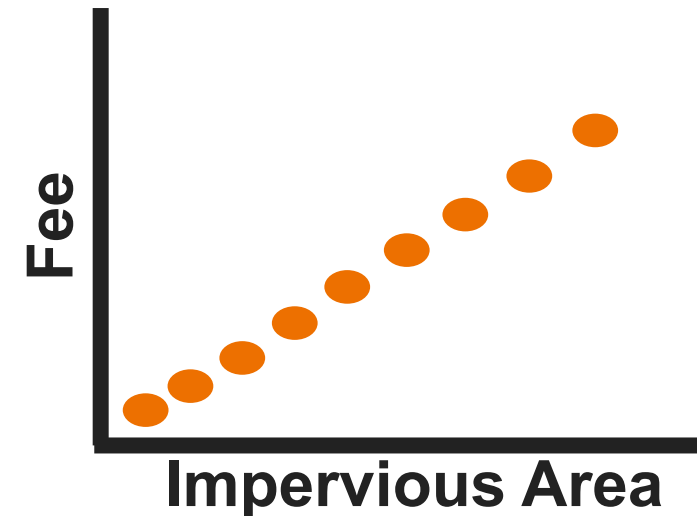
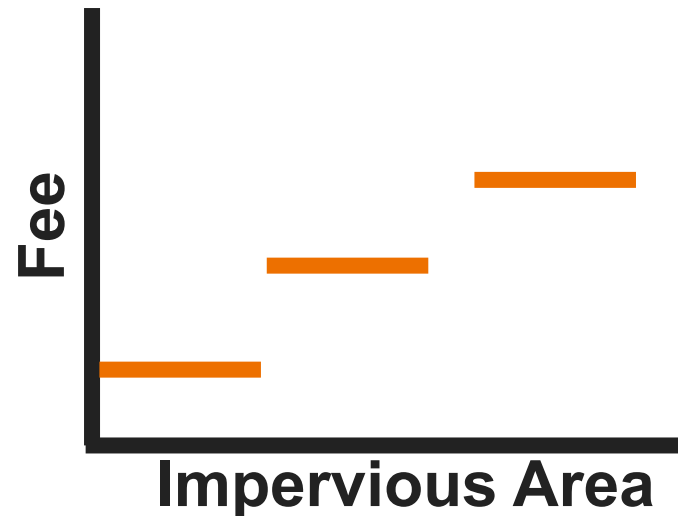
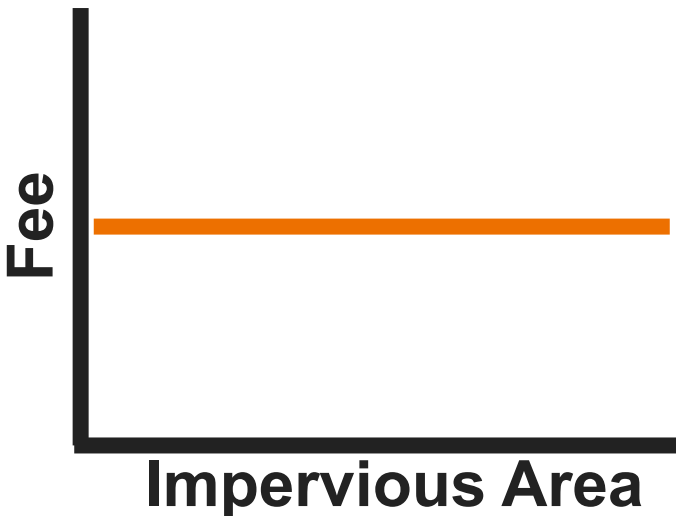
Current Fee

Supplemental Fee

Fee Modification Recommendations

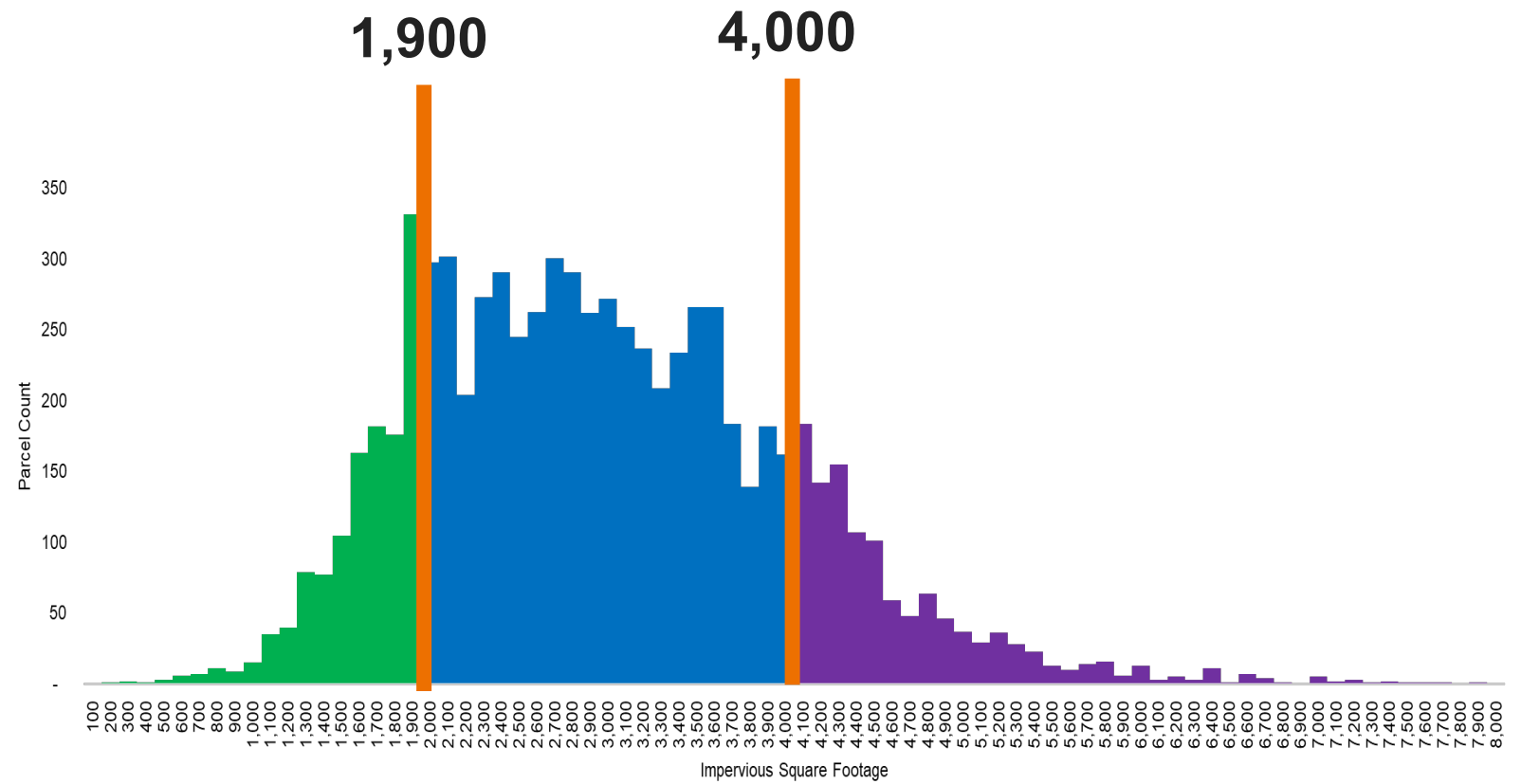
Industry Stormwater Fee Structures

- **Flat Fee** Equal for each parcel
- **Tiered** Several fees based on tiers
- **Measured** Unique fee for each parcel



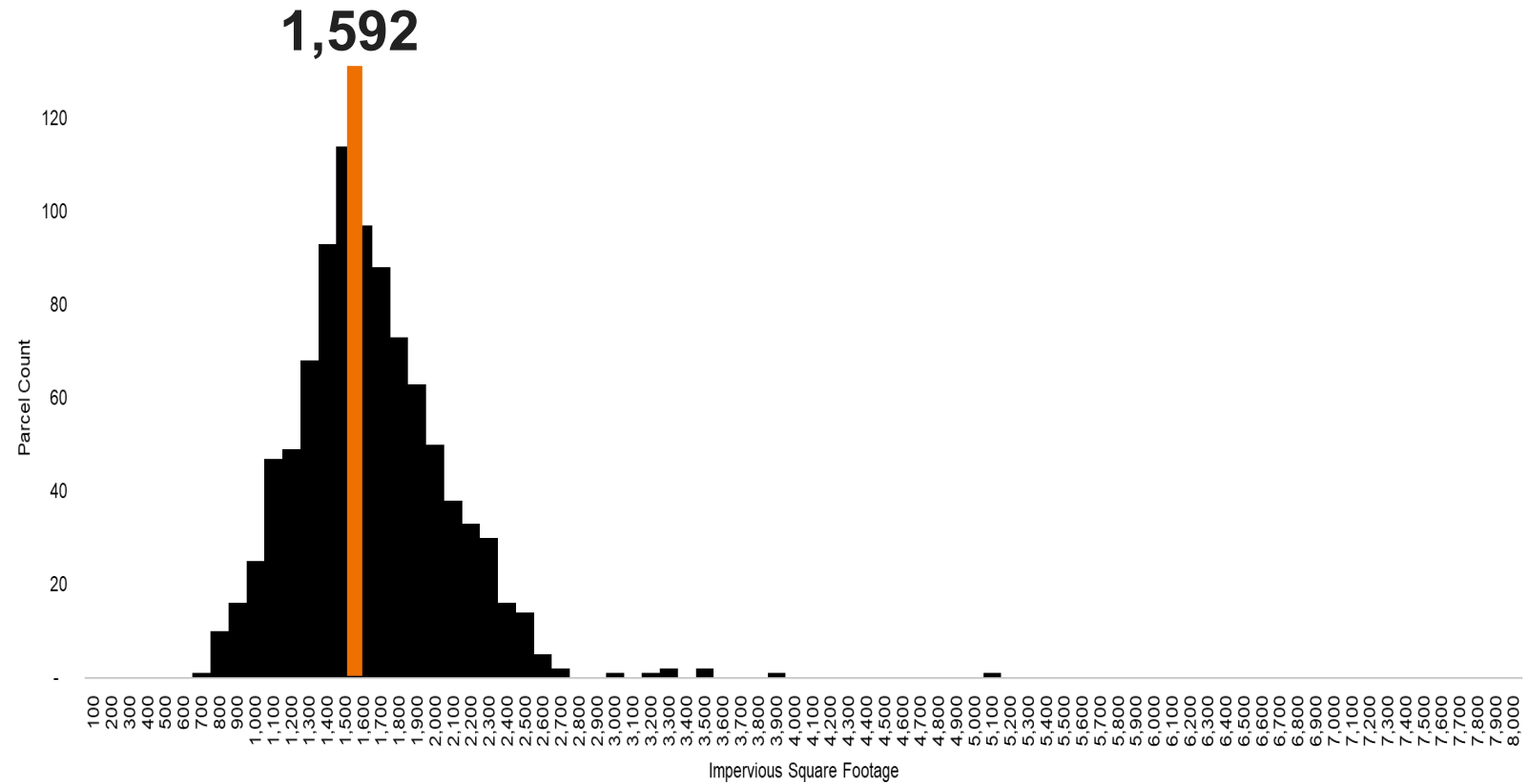
Single Family Homes

Operations and Maintenance



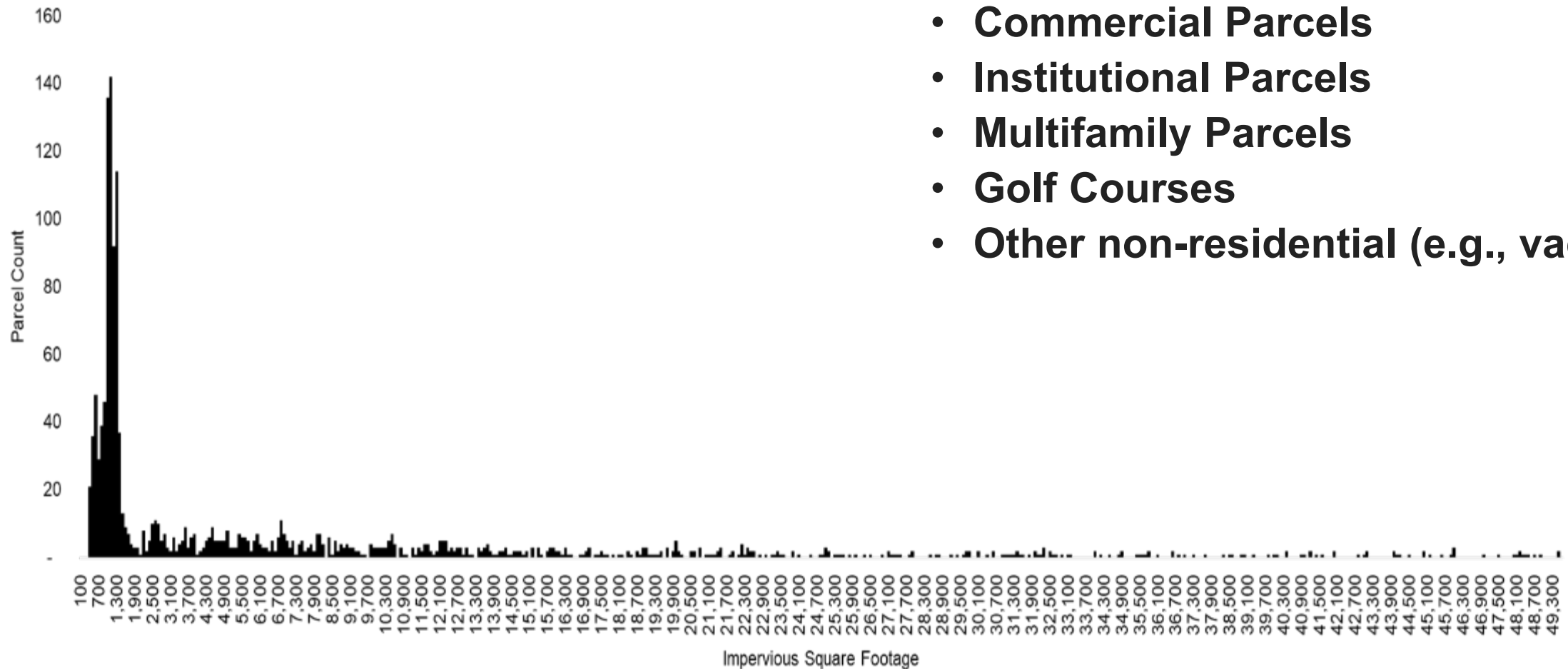
Manufactured Homes

Operations and Maintenance



Measured Parcels

Operations and Maintenance



- **Commercial Parcels**
- **Institutional Parcels**
- **Multifamily Parcels**
- **Golf Courses**
- **Other non-residential (e.g., vacant)**

Updated Fees

Operations and Maintenance

Single Family Homes

Tier	LUF	SFU Allocation	Monthly FY 2021
Tier 1 (Impervious 0–1,900 Sqft)	1	.58	\$3.39
	1.1	.64	\$3.74
	1.3	.76	\$4.45
	1.6	.93	\$5.44
Tier 2 (Impervious 1,901 – 4,000 Sqft)	1	.92	\$5.38
	1.1	1.01	\$5.91
	1.3	1.19	\$6.96
	1.6	1.47	\$8.60
Tier 3 (Impervious >4,600 Sqft)	1	1.42	\$8.31
	1.1	1.57	\$9.18
	1.3	1.85	\$10.82
	1.6	2.28	\$13.34

Manufactured Homes

	LUF	SFU Allocation	Monthly FY 2021
Flat Fee	1.6	.70	\$4.10

Measured Parcels

	LUF	SFU Allocation	Monthly FY 2021
Based on each parcel	Varies	1	\$5.85

Water Quality Fee

Water Quality Projects \$.22M

Scaled on Gross Area



Water Quality Fee

Water Quality Projects \$.22M

	EWQU Allocation	Monthly FY 2021
Per Single family home or multifamily unit	1	\$.53
All other parcels per every 9,469 sqft of gross parcel area	1	\$.53



\$.53

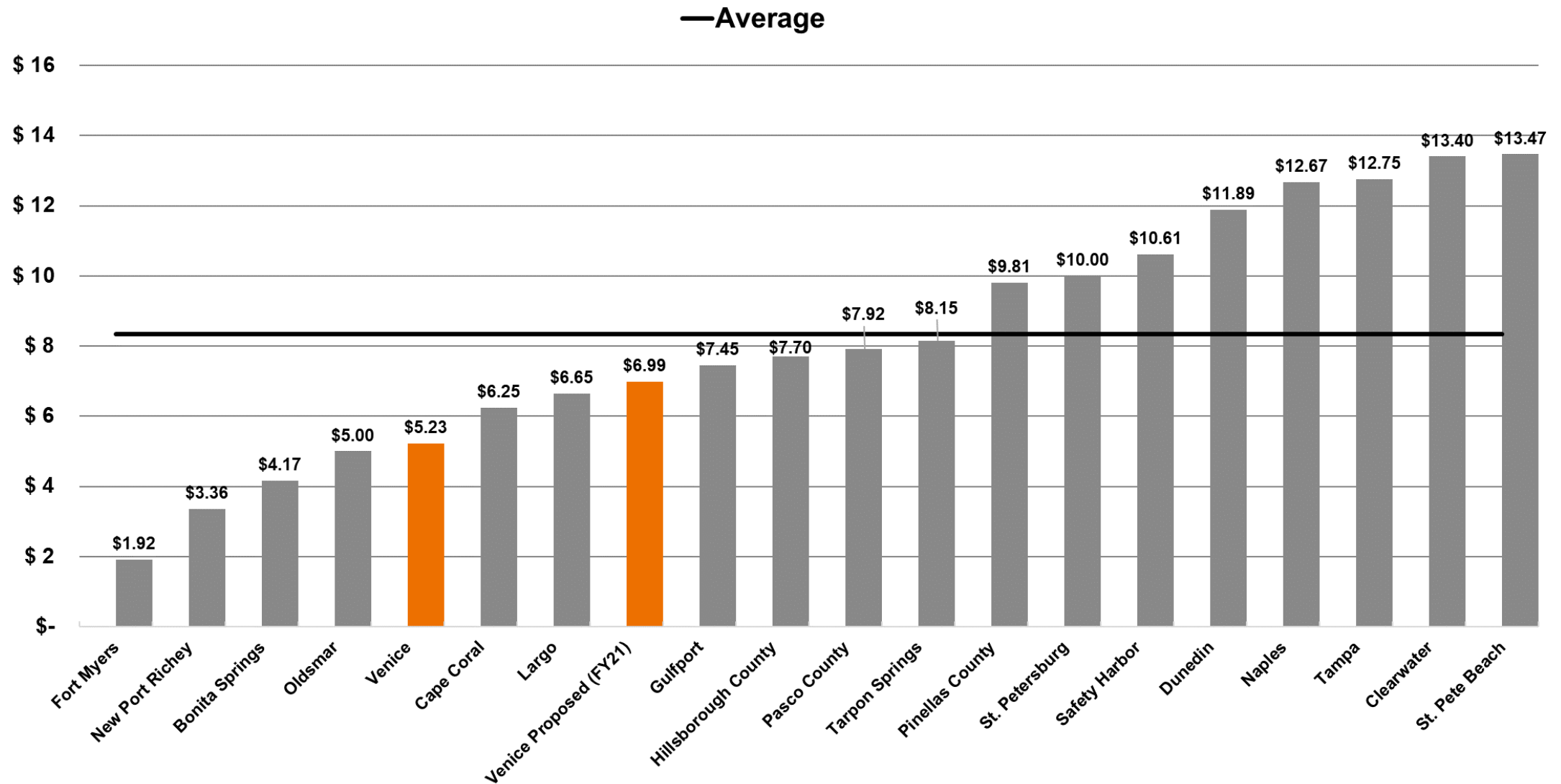


**210,000 sqft
\$11.76**

Customer Impacts (Single Family Homes)

Customer Type	Current Bill	FY 21 Calculated O&M	FY 21 Calculated WQ	FY 21 Calculated Total	Change \$	Change %
Single Family Home	\$ 2.94	\$ 3.39	\$ 0.53	\$ 3.92	\$ 0.98	33%
Single Family Home	\$ 3.98	\$ 5.38	\$ 0.53	\$ 5.91	\$ 1.93	49%
Single Family Home	\$ 5.80	\$ 5.44	\$ 0.53	\$ 5.97	\$ 0.17	3%
Single Family Home	\$ 6.90	\$ 6.96	\$ 0.53	\$ 7.49	\$ 0.59	9%
Single Family Home	\$ 5.96	\$ 5.38	\$ 0.53	\$ 5.91	\$ (0.05)	-1%
Single Family Home	\$ 5.88	\$ 8.31	\$ 0.53	\$ 8.84	\$ 2.96	50%
Single Family Home	\$ 2.91	\$ 5.38	\$ 0.53	\$ 5.91	\$ 3.00	103%
Single Family Home	\$ 3.43	\$ 5.38	\$ 0.53	\$ 5.91	\$ 2.48	72%
Single Family Home	\$ 5.24	\$ 5.38	\$ 0.53	\$ 5.91	\$ 0.67	13%
Single Family Home	\$ 5.47	\$ 8.31	\$ 0.53	\$ 8.84	\$ 3.37	62%
Single Family Home	\$ 5.34	\$ 5.44	\$ 0.53	\$ 5.97	\$ 0.63	12%
Single Family Home	\$ 7.25	\$ 10.82	\$ 0.53	\$ 11.35	\$ 4.10	57%
Single Family Home	\$ 3.08	\$ 5.38	\$ 0.53	\$ 5.91	\$ 2.83	92%
Single Family Home	\$ 2.94	\$ 8.31	\$ 0.53	\$ 8.84	\$ 5.90	201%
Single Family Home	\$ 8.49	\$ 9.18	\$ 0.53	\$ 9.71	\$ 1.22	14%
Single Family Home	\$ 10.45	\$ 9.18	\$ 0.53	\$ 9.71	\$ (0.74)	-7%
Single Family Home	\$ 9.39	\$ 5.91	\$ 0.53	\$ 6.44	\$ (2.95)	-31%
Single Family Home	\$ 8.19	\$ 9.18	\$ 0.53	\$ 9.71	\$ 1.52	19%

Monthly Stormwater Fee Survey



*Fees as of May 2020; Venice fee reflects the average bill for a single-family home

Customer Impacts (Non Single-Family Homes)

Customer Type	Current Bill	FY 21 Calculated O&M	FY 21 Calculated WQ	FY 21 Calculated Total	Change \$	Change %
Restaurant	\$ 92.38	\$ 112.44	\$ 2.09	\$ 114.53	\$ 22.15	24%
Supermarket	\$ 919.07	\$ 915.35	\$ 27.69	\$ 943.04	\$ 23.97	3%
Manufactured Homes	\$ 5,170.42	\$ 7,551.06	\$ 279.86	\$ 7,830.92	\$ 2,660.50	51%
Manufactured Homes	\$ 786.08	\$ 1,369.13	\$ 138.86	\$ 1,507.99	\$ 721.91	92%
Hotel	\$ 408.66	\$ 369.02	\$ 13.76	\$ 382.78	\$ (25.88)	-6%
Newspaper	\$ 51.62	\$ 102.14	\$ 1.49	\$ 103.63	\$ 52.01	101%
Dental Office	\$ 22.40	\$ 34.57	\$ 0.83	\$ 35.40	\$ 13.00	58%
Multi-Family	\$ 30.82	\$ 119.93	\$ 4.11	\$ 124.04	\$ 93.22	302%
Salon	\$ 4.67	\$ 11.64	\$ 0.16	\$ 11.80	\$ 7.13	153%
Marina	\$ 258.33	\$ 150.29	\$ 5.35	\$ 155.64	\$ (102.69)	-40%
Non-Profit	\$ 54.58	\$ 127.12	\$ 6.97	\$ 134.09	\$ 79.51	146%
Non-Profit	\$ 55.22	\$ 57.33	\$ 5.09	\$ 62.42	\$ 7.20	13%
Restaurant	\$ 79.80	\$ 70.20	\$ 2.09	\$ 72.29	\$ (7.51)	-9%
Shopping Center	\$ 1,205.65	\$ 1,611.97	\$ 35.59	\$ 1,549.13	\$ 343.48	28%
Independent Business	\$ 11.51	\$ 24.98	\$ 0.32	\$ 25.30	\$ 13.79	120%
Shopping Center	\$ 206.57	\$ 190.89	\$ 11.70	\$ 202.59	\$ (3.98)	-2%
Drug Store	\$ 48.92	\$ 68.33	\$ 2.88	\$ 67.28	\$ 18.36	38%
Restaurant	\$ 40.34	\$ 91.38	\$ 1.16	\$ 92.54	\$ 52.20	129%
Church	\$ 158.50	\$ 167.54	\$ 11.17	\$ 178.71	\$ 20.21	13%
Church	\$ 183.64	\$ 85.64	\$ 19.07	\$ 104.71	\$ (78.93)	-43%
Condos	\$ 132.95	\$ 120.92	\$ 10.60	\$ 131.52	\$ (1.43)	-1%
Condos	\$ 124.74	\$ 147.36	\$ 41.34	\$ 188.70	\$ 63.96	51%
Condos	\$ 302.89	\$ 265.30	\$ 21.73	\$ 287.03	\$ (15.86)	-5%
Condos	\$ 234.65	\$ 301.68	\$ 16.96	\$ 318.64	\$ 83.99	36%
Condos	\$ 363.95	\$ 392.30	\$ 53.00	\$ 445.30	\$ 81.35	22%
Golf Courses	\$ 443.39	\$ 696.27	\$ 279.86	\$ 976.13	\$ 532.74	120%
Golf Courses	\$ 626.98	\$ 379.84	\$ 279.86	\$ 659.70	\$ 32.72	5%
Golf Courses	\$ 872.06	\$ 1,196.73	\$ 279.86	\$ 1,476.59	\$ 604.53	69%

Stakeholder Working Group



7 meetings (February – August 2020)

- Reviewed budget & projects
- Provided input on fee structure
- Reviewed customer impacts

Recommendations:

- Phase in increased revenue over 5 years
 - \$2.2M O&M Operating
 - \$.22M Water Quality Projects
- Simplify and improve fee structure where feasible
- Implement the Water Quality Fee
- Don't pursue new Impact Fee

Questions/Discussion

