



Legislation Text

File #: 20-555, Version: 1

CITY COUNCIL AGENDA ITEM

Memo Date: August 24, 2020
Agenda Date: September 9, 2020
Prepared By: Lora Howell, Deputy Finance Director
Through: Rebecca Bowman, MBA, CGFO, CGFM, Finance Director
Requested Action:

Approve a Resolution, suspending the automatic 5% rate increase, to Water, Sewer, Reclaim, Fireline and Hydrant Utility Service and Usage, as outlined in Resolution 2016-87 for Fiscal Year 2021. Accept the Fiscal Year 2020 Water/Sewer Revenue Sufficiency Final Report, completed by our consultant, Stantec Consulting Services, INC.

BACKGROUND:

At the beginning of Fiscal Year 2020, the City of Cocoa entered into an agreement with our Financial Consultant, Stantec Consulting Inc, to perform a complete Water and Sewer Rate Study. The prior complete utility rate study was conducted in Fiscal Year 2010.

While the rate study is ongoing, and further evaluation of miscellaneous changes and impact fees are still under review, the Water/Sewer Revenue Sufficiency Report has been completed. The results from the revenue sufficiency report, support the suspension of the automatic 5% increase to Water, Sewer, Reclaim, Fireline and Hydrant services and usage, as outlined in Resolution 2016-87, for Fiscal Year 2021.

After careful consideration of the Revenue Sufficiency Analysis prepared by Stantec Inc., and the capital needs of the utility system reviewed, City Staff and the Consultant are recommending City Council suspend the automatic rate increase for Fiscal Year 2021 by way of Resolution.

A Utility Workshop will be scheduled in the coming months to discuss recommendations from our consultant in regards to miscellaneous fees, impact fees, the water consumption tier structure, and the Unoccupied Property Policy challenges and direction. These changes may increase or decrease a customer's bill, and will be brought back to City Council for approval, by way of an advertised Public Hearing in 2021, upon the completion of the complete Utility Rate Study.

STRATEGIC PLAN CONNECTION:

Fiscal sustainability is a part of the City's strategic plan. A complete rate study should be conducted every 5-10 years.

BUDGETARY IMPACT:

PREVIOUS ACTION:

June 25, 2020 - Budget Workshop/direction from City Council, on the suspension of the automatic rate increase outlined in resolution 2016-87.

RECOMMENDED MOTION:

Approve a Resolution, suspending the automatic 5% rate increase, to Water, Sewer, Reclaim, Fireline and Hydrant Utility Service and Usage, as outlined in Resolution 2016-87 for Fiscal Year 2021. Accept the Fiscal Year 2020 Water/Sewer Revenue Sufficiency Final Report, completed by our consultant, Stantec Consulting Services, INC.

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