

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE FAVORABLE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE AT ITS FEBRUARY 21, 2025 MEETING, AND DIRECTING THE CITY MANAGER TO: 1) PRESENT AN ORDINANCE FOR FIRST READING AT THE APRIL 23, 2025 CITY COMMISSION MEETING, AMENDING THE CITY'S WATER, SEWER AND STORMWATER RATES, WITH THE INITIAL IMPLEMENTATION OF THE MONTHLY RATE STRUCTURE TO TAKE EFFECT ON OCTOBER 1, 2025 AND THE IMPACT FEE ADJUSTMENT TO START AS PROPOSED IN THE COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION; AND 2) DEVELOP AND IMPLEMENT AN EDUCATIONAL CAMPAIGN REGARDING THE CITY'S INFRASTRUCTURE PROGRAM, INCLUDING AN EXPLANATION OF THE CITY'S WATER AND SEWER RATE STRUCTURE.

WHEREAS, on April 23, 2014, the City Commission approved Resolution 2014-28580 accepting the recommendations of the Mayor's Blue Ribbon Panel on Flooding and Sea Rise to design and implement the upgrade of the City's storm drainage system to meet the new design criteria set by the City Commission with a potential estimated cost of \$400 million and with the completion time of 3 to 5 years; and

WHEREAS, on May 20, 2014, the Finance and Citywide Projects Committee (FCWPC) presented the funding strategy for this program, and recommended the issuance of three separate \$100 million stormwater tranches. The first bond was issued in July 2015, the second bond was issued in December 2017, and the third bond issuance was anticipated in FY 2022. The remainder of the required funds were provided by the 2015 updated interlocal agreement between the City and Miami-Dade County regarding the former Convention Development Tax; and

WHEREAS, in December 2017 a feasibility study was completed by Public Resources Management for the issuance of the Stormwater Revenue and Refunding Bonds, Series 2017. In this rate study, projected revenues were based on a schedule of rates as adopted by the City Commission on October 17, 2017. The application of the assumed rate indexing adjustment of 3.5% and an additional rate adjustment of approximately 19.7% anticipated to be effective October 1, 2018, would be necessary to provide sufficient revenues to meet the requirements for the issuance of the Series 2022 Bonds and to provide funding for future capital improvements. This equated to an equivalent residential unit adjustment to \$28.87 per month for fiscal year 18/19, representing a 23.2% increase. The rate increase would have provided sufficient revenues in order to issue the Series 2022 bonds. On July 27, 2018, the FCWPC discussed the 23.2% increase to the Stormwater Utility rate ultimately approving to only moving forward with the CPI increase of 3.5%; and

WHEREAS, on December 9, 2020, the Mayor and City Commission (City Commission) approved Ordinance No. 2020-4384, approving a multi-year schedule of monthly water and sewer rates. The total increase was phased in from 2021 through 2025, as follows: 0% in 2021; 1% in 2022; 3.6% in 2023; 3.6% in 2024; and 3.7% in 2025; and

WHEREAS, on April 29, 2021, the City Commission adopted Resolution 2021-31692 pertaining to the issuance of the City's Water and Sewer Revenue Refunding Bonds, Series 2021A. The refunding of previously-issued bonds provided additional cash flow to fund a portion

of the critical capital needs on a pay-as-you-go basis (representing a balanced debt risk). The refinancing resulted in \$10.8 million in net present value savings and \$12.9 million in total savings over the life of the bonds. The estimated annual savings range from \$525,000 to \$840,000 in fiscal years (FY) 2022 through 2040; and

WHEREAS, on March 13, 2024, the City Commission adopted Resolution 2024-32969 to: 1) Approve and adopt the 2024 Stormwater Modeling and Master Plan Update, which includes the prioritization of the ten-year critical needs plan and the continued implementation of neighborhood improvement projects incorporating blue-green infrastructure and water quality treatment improvements; and (2) Commence a rate study of the stormwater utility to determine financial capacity for the stormwater infrastructure projects; and

WHEREAS, on May 15, 2024, the City Commission adopted Resolution 2024-33024 authorizing the Administration to execute a Declaration of Official Intent to issue new Water and Sewer bonds in the amount of \$85.0 million to support the unfunded FY 2024 and the FY 2025 Capital Improvement Program for the Water and Sewer fund and to perform a rate analysis to determine the rate increase needed to fund capital needs beyond FY 2025; and

WHEREAS, on or around June of 2024, the Public Works Department engaged GovRates, Inc. to conduct the rate study which is now completed; and

WHEREAS, pursuant to that engagement, GovRates, Inc. provided the City with a water, sewer and stormwater rate study report as well as a "questions and answers" document; and

WHEREAS, on February 21, 2025, the Finance and Economic Resiliency Committee ("FERC") heard a presentation of the proposed rate structure as well as comments from the public; and

WHEREAS, as part of the presentation, the Public Works Department made the following recommendations for the FERC's consideration:

- 1) Adopt the proposed monthly water, sewer, and stormwater rates.
- 2) Pass-through future wholesale rate increases from Miami-Dade County pursuant to the formula contained in the City Code.
- 3) Adopt the proposed water and sewer impact fees.
- 4) Continue to monitor the financial position of the utility system and adjust the financial and rate plan as needed; and

WHEREAS, at the conclusion of the presentation and discussion, the FERC adopted a recommendation to direct the City Manager to:

1) Present the water, sewer and stormwater rate Ordinance (Exhibit A) to the City Commission for adoption, with an initial implementation of the monthly rate structure to start October 1, 2025, and the impact fee adjustment to start as proposed in the Commission Memorandum, and

- 2) Develop an educational campaign for the City's infrastructure program.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the favorable recommendation of the Finance and Economic Resiliency Committee at its February 21, 2025 meeting, and direct the City Manager to: 1) present an Ordinance for First Reading at the April 23, 2025 City Commission meeting, amending the City's water, sewer, and stormwater rates, with the initial implementation of the monthly rate structure to take effect on October 1, 2025 and the impact fee adjustment to start as proposed in the Commission Memorandum accompanying this Resolution; and 2) develop an educational campaign regarding the City's infrastructure program, including an explanation of the City's water and sewer rate structure.

PASSED and **ADOPTED** this _____ day of _____ 2025.

Steven Meiner, Mayor

ATTEST:

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM AND LANGUAGE
& FOR EXECUTION



City Attorney

3/12/2025
Date

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