MEMORANDUM

TO: The Honorable Mayor and City Commission
FROM: Minal Shah, Finance Director
DATE: 12/20/2012
RE: Annual Fee Escalation for the Stormwater Fee (ERU Rate)

RECOMMENDATION:

Staff is requesting Commission approve an annual rate increase provision for the Stormwater Fee. Staff is recommending the rate of one (1) ERU, which is currently at $4.00 per month be adjusted annually for inflation starting on January 1, 2013 based on the Consumer Price Index (CPI) published by the Bureau of Labor Statistics for Miami-Fort Lauderdale metropolitan area not to be less than 0% and not to exceed 3%.

REASONS:

Providing for an annual CPI escalation will allow the City to financially manage inflationary increases in operating costs to manage the Stormwater Operations. This practice will mitigate costs outpacing revenues, which can ultimately result in a fund balance deficit and/or an inevitable significant rate increase.

ADDITIONAL INFORMATION:

The CPI increase will be calculated using the annual change for October which equates to 2%. The new rate will be $4.08 per ERU per Month.

ATTACHMENTS:

- Ordinance
- Notice of Public Hearing
ORDINANCE NO. 2012-____

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF SUNNY ISLES BEACH, FLORIDA, AMENDING CHAPTER 235 OF THE CITY CODE ENTITLED "STORMWATER MANAGEMENT" TO AMEND THE STORMWATER UTILITY FEES PURSUANT TO THE CONSUMER PRICE INDEX; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Chapter 235 of the Code of Ordinances of the City of Sunny Isles Beach ("City") establishes stormwater utility fees against each property within the City; and

WHEREAS, in order to assess the foregoing fees against each property, the City establishes an account for each property or each use thereon based upon utility accounts provided by Miami-Dade County, the City of North Miami Beach Sewer and Water account, applications for service, the Miami-Dade County Tax Assessor property information or other ownership records; and

WHEREAS, the City desires to amend the stormwater utility fee calculation by requiring that such fees be increased automatically by the percentage fee, if any, of the Consumer Price Index ("CPI") as of January 1, 2013, and each January 1 thereafter.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SUNNY ISLES BEACH, FLORIDA, AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part by this Ordinance upon adoption hereof.

Section 2. Amendment. Section 235-3 of the City Code is amended to read as follows:


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B. Computation of utility fee for residential developed property. The utility fee for residential developed property shall be one ERU, which is $4.00 per month.

C. Computation of utility fee for nonresidential developed property. The utility fee for nonresidential developed property shall be the ERU rate ($4.00) multiplied by the numerical factor obtained by dividing the total impervious area of a nonresidential developed property by one ERU. The following is an example of the computation: $4.00 (ERU rate) * [5,000 square feet (impervious area)/1,548 square feet (ERU)] = $12.92.
D. Stormwater rate. For the purposes of this section, the user fee rate for one ERU is $4.00 per month.

E. As of January 1, 2013, and each January 1 thereafter, the fees established in this section shall be increased automatically, by the percentage increase, if any, of the Consumer Price Index ("CPI"). The CPI shall be the Department of Labor Consumer Price Index for All Urban Consumers ("CPI-U")/published by Bureau of Labor Statistics for region Miami/Fort Lauderdale area. In the event the calculations used to formulate the annual adjustment to the stormwater utility fee results in an increase to the fee of greater than three percent (3%), then the annual adjustment to the stormwater fee shall be capped at 3%. In the event the calculations used to formulate the annual adjustment to the stormwater utility fee results in a decrease in the fee, then the stormwater utility fee will remain the same.

Section 3. Severability. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clause, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Section 4. Inclusion in the Code. It is the intention of the Commission, and it is hereby ordained, that the provisions of this Ordinance shall become and be made a part of the code of the City of Sunny Isles Beach, Florida; and that the sections of this Ordinance may be renumbered or relettered to accomplish such intentions; and that the word "ordinance" shall be changed to "section" or other appropriate word, as required.

Section 5. Repealer. All ordinances or part of ordinances in conflict herewith be and the same are hereby repealed.

Section 6. Effective Date. This Ordinance shall be effective upon adoption on second reading.

PASSED and ADOPTED on first reading the 15th day of November 2012.

PASSED and ADOPTED on second reading the ___ day of __________ 2012.

Norman S. Edelcup, Mayor
ATTEST:

Jane A. Hines, CMC, City Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

[Signature]
Hans Ohm, City Attorney

Moved by: ____________________________

Seconded by: ________________________

Vote:

Mayor Edelcup ________________________ (Yes) ________________________ (No)
Vice Mayor Aelion ____________________ (Yes) ________________________ (No)
Commissioner Gatto ___________________ (Yes) ________________________ (No)
Commissioner Levin ___________________ (Yes) ________________________ (No)
Commissioner Scholl __________________ (Yes) ________________________ (No)
Estate planning and wealth protection for Florida residents

You are invited to attend a complimentary discussion:

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- Living trusts and how they work
- Probate and tax implications affecting Florida residents
- Powers of Attorney and Living Trusts
- Answers to your estate planning related questions

Thursday, December 13, 11:30 am

Grill on the Alley

(located in the Aventura Mall next to the Cheesecake Factory)

19501 Biscayne Boulevard, Suite 703

Aventura, FL 33180

Complimentary lunch will be served.

Vita parking provided.

Host and speaker

Craig Donohoff, P.A. *
Tax & Estate Planning Attorney

Guest speaker

Myra Arroyo, First Florida Capital Advisory
18651 NE 28th Avenue, 11th Floor, Aventura, FL 33180
305-692-7062 myra.arroyo@ubs.com

*Craig has more than 28 years of tax and estate planning experience.

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