



HAINES CITY

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CITY MANAGER MEMORANDUM

To: The Honorable Mayor and City Commissioners

Through: James R. Elensky, City Manager

From: Omar DeJesus, CPA, Finance Director

Date: February 1, 2024

Subject: Utility Rate and Impact Fees Study with Raftelis Financial Consultants, Inc.

Executive Summary

Approve to “piggyback” on the Charlotte County’s Agreement with Raftelis Financial Consultants, Inc. to perform a Utility Rate and Impact Fees Study.

Omar DeJesus, CPA, Finance Director

Introduction

The intent of this item is to request City Commission approval of a “piggyback” on the Charlotte County’s Agreement with Raftelis Financial Consultants, Inc. to perform a Utility Rate and Impact Fees Study.

Background

The last comprehensive utility rate study performed was completed in January 2018, with the assumption of an annual four (4) percent growth rate. Since then, Haines City has experienced monumental growth exceeding development prediction and causing strain on the utility infrastructure in all three (3) divisions: water, wastewater, and distribution. The study is essential to ensure funding is available for the needed capital improvement projects.

Major scope of services:

1. Review existing City Ordinances and/or Resolutions, financial policy and loan agreements associated with outstanding loan obligations.
2. Prepare a five-year forecast of customer and usage requirements for the water and waste water systems.
3. Prepare a five-year financial forecast and revenue requirement analysis based on the City’s current water and wastewater operating budget and CIP.



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4. Develop a capital finance plan to fund the City's water and wastewater system capital improvements program (CIP). Will also identify available funding sources and fund balances and development of a capital funding strategy for the capital projects based on project timing and the analysis of alternative funding sources, if any.
5. Develop water and wastewater rate design alternatives to address the City's goals and objectives regarding pricing policy. The utility rate design will consider rate structure features such as base versus variable cost recovery, water conservation incentives, and possibly the implementation of an alternative water supply surcharge
6. Attend two public meetings to present results.

Organizational Goal(s)

Infrastructure: Maintain, protect and design infrastructure that ensures a desired level of service and provides for future needs.

Budget Impact

The budget impact for fiscal year 2024 is \$98,000 and budgeted in the Utility department under professional services.

Recommendation

Staff recommends the approval of the "piggyback" agreement on the Charlotte County's Agreement with Raftelis Financial Consultants, Inc. to perform a Utility Rate and Impact Fees Study.