

STORMWATER FACT SHEET

- A \$53 ERU was never sufficient to support the level of services that the Citizens of Palm Bay desire.
- There is over \$40,000,000 in identified needs that must be addressed. The new rate will provide \$5M in CIP (Capital Improvement Program) funds annually to address these needs in a systematic manner. New needs are still being identified. The city will ultimately pay for these improvements either through this assessment, or general fund CIP, or emergency withdraws from City's Fund balance. The consequences of not funding the Utility adequately will be either reducing general fund expenditures elsewhere or impacting the Fund Balance which will affect the City's credit rating.
- Clogged and poorly maintained canals impede the flow of rain run-off and reduce the volume available in the canal to convey water away from flooding areas. Poorly maintained canals result in flooded property and roadways.
- Canals overgrow due to equipment downtime. Overgrown canals damage equipment and increase downtime. Increased downtime leads to overgrown canals etc.
- Currently the City has outdated maintenance equipment that must be replaced.
- School bus routes are always affected by culvert failures and students walking to school are often impacted by failing stormwater facilities. Major traffic inconveniences will occur more frequently as culverts continue to fail.
- The City's liability for damages due to a failure increases dramatically when known failing systems are not addressed proactively.
- The minimum cost for a road crossing repair to the smallest failed pipe is \$18,000 (max \$25,000) of City resources (material, labor, surveying, etc. DPW fixes these inhouse with a very limited budget where we can, but is not funded to address failing pipes until they actually fail.

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- Emergency Repairs are always more costly than properly engineered repairs.
- You can drive over a failed road but you can't drive over a failed culvert.
- We estimate that 60% of the City's culverts are well beyond their maximum usable life cycle.
- The assessment amount can be reduced by majority vote as the Utility gets healthier.

STORMWATER ASSESSMENT Q&A

- **I have vacant property that absorbs all of the rainfall. Why do I have to pay?**
 - Assessments are levied on those who contribute and those who benefit. It is very likely that your property does contribute to the City's infrastructure and certain that you benefit from the City's stormwater infrastructure.
- **Why can't I get a senior citizen or veteran discount as I do on my taxes?**
 - Assessments must legally be levied fairly and equitably among those in the assessment area. Assessments do not allow for discounts or exemptions as taxes may.
- **How many workshops/hearings on the subject prior to the July 6th vote and what are state mandated timelines regarding notices? Some residents think the timing of vote on a holiday week was intentionally done to thwart constituents on vacation.**
 - The intent to adopt the resolution was on 6 Feb. A workshop to present Government Services Group's final report was on the 30th of March. Council meetings dealing with the Stormwater Utility (SWU) were on May 4th, May 18th and June 15th. The City posted the notices in Florida Today, 4

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weeks in advance as required by law and on its website. July 6th is a regularly scheduled Council meeting and is the last opportunity to vote on the resolution for implementation in 2017. If there were no vote on July 6th, there would be no possibility to collect the assessment until November of 2018.

- What about master-planned gated communities, with ponds that discharge primarily into Melbourne-Tillman, not the city's stormwater system. Can there be a separate tier or credit for master-planned communities, without them having to pay for a major engineering study for submittal?
 - o If a parcel or community can show that they do not contribute to the City's SWU, they may be eligible for a credit. A master planned community may already have an engineering study sufficient to determine credit. Such a study is the only way to determine percentage of retention/detention and calculate credit. These credits would apply to those parcels with a very robust SW management system. Don't presume that because your HOA has a lot of ponds that they would qualify for any credit.

- Was the methodology implemented, essentially an industry standard that all or most municipalities use throughout the state?
 - o The methodology would be recognizable in any municipality but differs somewhat according to the City's size, make-up and condition of the SWU.

- How has the city been addressing freeloaders, especially large landowners who have not paid to date? Will we be able to recover those unpaid balances?

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- The City has few options in encouraging payment from those that have chosen not to pay. We expect about a 99% collection rate with the tax collection method. One cannot use an assessment to collect unpaid balances on user fees.

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- What happens if assessment is not increased?

Nothing changes. Either in our level of service or in our ability to address the \$40M in unfunded SWU projects. We currently do not take in enough revenue to meet our Operations and Maintenance (O&M) costs. We must meet our current O&M obligations but would like to increase our O&M to provide a higher level of service to include increased mowing, street sweeping and a preventative maintenance plan for ditches, swales, canals and culverts. Most critical are the failing culverts beneath our roads. They are designed to last 25 years but were installed 40-50 years ago. They are failing and we expect them to begin to fail with greater frequency. We have been closing those roads that have suitable detour routes. When a major road fails, revenue may have to be diverted from the City's general fund reserves. This could affect our bond ratings and the cost to service them if reserves drop below the statutory requirement.

- Can the assessment funds collected be spent on anything other than its intended purpose?

- No.

- What are other cities charging?

- It varies according to the size and make-up of the municipality and the budgetary needs of their SWU. If one normalizes the calculation according the actual area of the utility, Palm Bay comes in right in the middle of the 150 Florida municipalities that we compared. One of the variable that

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illustrates this point is the size of the ERU. Palm Bay has one of the largest ERU square footage and therefore, collect less revenue per acre than Cities with smaller ERU's. There are many other variables that contribute to the rate that Cities charge for an ERU.

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