

MINUTES
(AMENDED)
CITY OF COCOA
SPECIAL MEETING OF THE CITY COUNCIL
STORMWATER/FISCAL SUSTAINABILITY/CAPITAL PLAN WORKSHOP

May 14, 2019

A Utility Workshop was held on Tuesday, May 14, 2019, in City Council Chambers at Cocoa City Hall, 65 Stone Street, Cocoa, Florida as publicly noticed.

I. OPENING MATTERS:

Mayor Williams called the workshop to order at 6:06 p.m.

Councilmember Goins provided the invocation. Councilmember Boisvert led the assembly in the Pledge of Allegiance.

Present:	Jake Williams Jr.	Mayor
	Brenda Warner	Deputy Mayor
	Don Boisvert	Councilmember
	Alex Goins	Councilmember
	Lorraine Koss	Councilmember
	Matt Fuhrer	Assistant City Manager
	John Titkanich	City Manager
	Monica Arsenault	Assistant City Clerk

Absent:	Anthony Garganese	City Attorney
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Other Staff Members Present:

Rebecca Bowman, Finance Director; Lora Howell, Deputy Finance Director; Ed Wegerif, Public Works Director; Abby Diaz, Assistant City Engineer; and Courtney Jackson, Recording Secretary.

II. WORKSHOP TOPICS:

1. Stormwater Update/Presentation:

Mr. Ed Wegerif, Public Works Director, provided a presentation¹ and pointed out that the City of Cocoa has the principal responsibility for surface water management within its boundary limits. City of Cocoa Stormwater Utility Personnel maintain:

- 77 acres of Pond
- 455 structures
- 1,604 end structures
- 269 control structures
- 565 Manholes
- 5 miles of ditches
- 65 miles of stormwater pipe
 - Pipes range from 12-inch to 72-inch diameter

Mr. Wegerif shared stormwater utility history and statistics and added the following information regarding the Stormwater Utility Program:

- \$1.1 M Annual O&M costs allows for less than \$400,000 for capital expenditures
- Current projects are funded “pay as you go” with no debt associated
- \$1.48 M annual revenue generated by stormwater utility fee is insufficient for Capital Projects
- Public Works Staff and Mead & Hunt formulated a list of 29 Water Quality and 20 Flood Mitigation projects to come up with a 10-Year Stormwater Capital Plan
- An evaluation and prioritization of both lists was performed
- Not all projects will be included in the 10-Year Stormwater Work Plan for various reasons
- Water Quality Improvement
 - Align with Cocoa’s Comprehensive Plan to address water Cocoa’s Basin Management Action Plan (BMAP) required reductions are 16,063 lb/yr and 3,714 lb/yr for Nitrogen and Phosphorus, respectively
 - Recent County provided information indicates Cocoa SOIRL projects credit shares cover BMAP required reductions
 - SOIRL projects are beneficial for water quality in Brevard County, however, Staff recommends a few additional Water Quality CIPs to address nutrient removal in our own backyard
- Flood Mitigation
 - Stormwater Capital Work Plan includes Flood Mitigation projects based on nuisance flooding areas as witnessed during significant storm events
 - Projects will reduce reoccurring maintenance needs

Mayor Williams asked for clarification in regard to the operations and management costs and asked if it includes employee costs. In response, Mr. Wegerif replied affirmatively.

Councilmember Goins asked what the process is in selecting areas of concern. In response, Mr. Wegerif explained that staff is already aware of certain areas of the City

¹Exhibit A: Power Point Presentation: 5/14/19 Stormwater Utility Workshop

that are prone to flooding and so they prioritize those areas. He shared there are water quality projects that staff is focusing on as well.

Ms. Jennifer Riggs, Cocoa citizen, asked how the stormwater system is captured in the mapping system. Mr. Wegerif explained that it is mapped by GIS.

2. Capital Plan Update:

Mr. David King, Mead & Hunt, shared an all-inclusive summary of water quality projects the City has selected or considered and then, from this list, staff is able to list projects by priority. He shared several aerial maps, and pointed out BMAPS and vegetation removals.

Councilmember Koss asked Mr. King to elaborate on any public amenities around the retention pond and further asked if this information is available to the public. In response, Mr. Wegerif pointed out that there is information on the City's website.

Mr. King provided an all-inclusive summary of flood mitigation projects. He also pointed out several projects that Mead & Hunt is proposing to the City. Lastly, he shared a list of major equipment used by the City and pointed out replacement costs.

Councilmember Goins asked if surveyors are sent out when Mead & Hunt are compiling their analysis. In response, Mr. King explained that they do send out surveyors but they also utilize GIS information as well as information provided by neighbors and City staff.

Discussion was held regarding the pros and cons of ponds.

Councilmember Koss asked if Mead & Hunt looked at the University Apartments on Clearlake Road when conducting their analysis as they are known to have severe flooding.

Deputy Mayor Warner asked if the pond on Fiske Boulevard services that area as it is located by those apartments. In response, City Manager Titkanich stated it does not.

Councilmember Koss asked if Mead & Hunt considered offering any type of public education. In response, Mr. King explained that this would be something that would be conducted by the City. Mr. Wegerif added that public education would be considered an operational cost and not a capital project.

Councilmember Koss pointed out Mr. King's expertise and asked, in his opinion, if the City is taking advantage of all low impact, low cost development that it can. In response, Mr. King stated that he does think the City is doing well but also added that low impact development is not always low cost.

Ms. Riggs inquired about littoral planting in the Horseshoe Pond and the Verizon Pond. In response, Mr. Wegerif explained that the BMAPS eliminate the need for littoral plants.

3. **Fiscal Sustainability Presentation:**

Kelly Smith and Kyle Stevens, Stantec, presented Stantec's Stormwater Utility Rate Analysis² and explained why it is important to manage stormwater. Regulatory requirements, water quality and flood control were discussed in detail.

Mr. Stevens provided an overview of stormwater activities which included drainage structure maintenance, water quality improvement projects and maintenance conveyance. He also pointed out the challenges the stormwater system faces which includes:

- Flood protection throughout the community
- Address water quality needs for the community
 - Potential funding of significant projects
- Keep up with rehabilitation and replacement for aging infrastructure and equipment
 - Significant capital projects for conveyance
- Create a sustainable and resilient stormwater system

He shared background information as well as key parameters, pointing out that Stantec created a ten-year financial model to review all options. He provided and discussed several charts which depicted a Status Quo, a Revenue Adjustment with Proposed Stormwater Master Plan and a Revenue Adjustment without Water Quality CIP Projects.

He mentioned the current stormwater fee and pointed out several observations made by staff. Mr. Stevens added that staff recommends moving to charges based principally on impervious area for pervious/impervious billed units, applying a flat rate fee for single family homes and billing vertically for multifamily development based on measured area or a dwelling unit multiplier.

A chart depicting impervious comparisons between single family units and condos was shared and discussed in addition to a recommended stormwater fee. It was noted that the two primary methods for collecting stormwater fees are through utility billing and non-ad valorem assessment. A pros and cons list was provided and discussed to help differentiate the two collection methods.

Mr. Stevens pointed out that there are approximately six thousand one hundred (6,100) billable parcels and shared examples of impervious areas. He added that as part of the process in putting together the analysis, staff utilized the Brevard County Property Appraiser's website and GIS to collect the total footprint of impervious areas property by property. He also shared a summary explaining the distribution of impervious area between low density residential, high density residential and commercial/industrial properties.

He provided a local area fee survey and discussed calculated fees under different funding scenarios. He mentioned the impacts residential, condo and commercial customers could

² Exhibit B: Stantec's Stormwater Utility Rate Analysis

see in FY2020. Additionally, Mr. Stevens presented a local area fee survey with the fee adjustments.

Lastly, he summarized the key decision points and provided a schedule to illustrate the implementation plan if approved by Council.

Mayor Williams stated that he supports the Master Plan, however he is concerned that if Council agrees to approve the rate changes that none of this will come to fruition. He expressed that Council has seen this before, where rates were raised and nothing came of it. He added that this is information that the public needs to be kept up to date on as well.

Deputy Mayor Warner agreed with Mayor William's sentiments.

Mayor Williams added that he is hopeful in the future that rates can eventually be brought back down but there are projects that need to be done now.

Councilmember Boisvert added that he also agrees with Mayor Williams and Deputy Mayor Warner and mentioned that the City is already four inches above the average rainfall for this time of year. He pointed out that citizens don't mind paying extra for good results but it would not be fair to charge for something that doesn't create results.

Mr. Burton asked if Council would want to consider tier-based fees where there would be set charges based on square footage. In response, Mayor Williams and Deputy Mayor Warner agreed that this may be something to consider as well.

Councilmember Koss thanked Council for their support³ concern in eliminating water quality projects and expressed that this is something that concerned her. In regard to tier-based fees, she shared that she conducted research on her own and found that St. Petersburg, although larger and wealthier, has plans to implement a program such as this beginning October 1, 2019 and it seems to be a catching trend in other cities.

Mr. Burton pointed out the only concern with tier-based fees is that higher administrative costs are usually associated with this due to having to track properties that might either have impervious areas added or demolished.

Deputy Mayor Warner added that there are a lot of smaller homes, built in the 1950s, where either elderly or new homeowners live, and she fears that by not doing a tier-based fee schedule we could be hitting our most vulnerable citizens the hardest as they are already facing challenges in paying their bills as it is.

Mr. Burton explained that there are two ways to implement a tier-based schedule. One way would be to implement a program, such as St. Petersburg had, which is to have four tiers that work their way from low, low-medium, high-medium, and high rates. The other is to gradually increase fees per every five hundred sq. feet of the property.

³ Revision made by Councilmember Koss at the 7/24/19 Regular City Council meeting

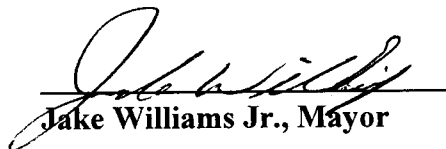
Councilmember Koss asked if there are any other ways to implement this and asked if there are ways to take into account low income families. In response, Mr. Burton explained that this is something that is more commonly seen for water customers and not stormwater customers and this is only if they qualify.

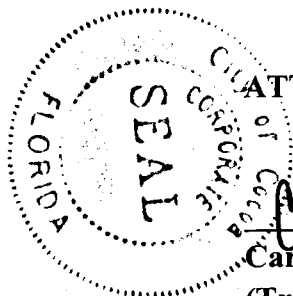
Ms. Riggs suggested that the City track impervious areas on properties through the permitting process. In response, Mr. Burton explained that there may be the occasional individuals who add impervious area to their property without pulling a permit. In response, Ms. Riggs suggested that if that is the case, any property owner who wants to sell their home should have to have it checked to make sure all impervious areas are accounted for.

- * **CONSENSUS** to accept the Master Plan but to have Stantec look into a tier-grade structure in order to take into account the smaller homes verses the larger homes to create a rate structure accordingly.
- * **CONSENSUS** on moving to an impervious basis from the dual pervious/impervious billed units and add non-ad valorem assessment to the tax roll.

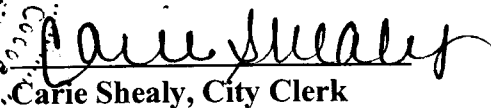
III. ADJOURNMENT:

The Workshop adjourned at 7:50 p.m.


Jake Williams Jr., Mayor



ATTEST:


Carrie Shealy, City Clerk

(Transcribed by M. Arsenault, Assistant City Clerk)

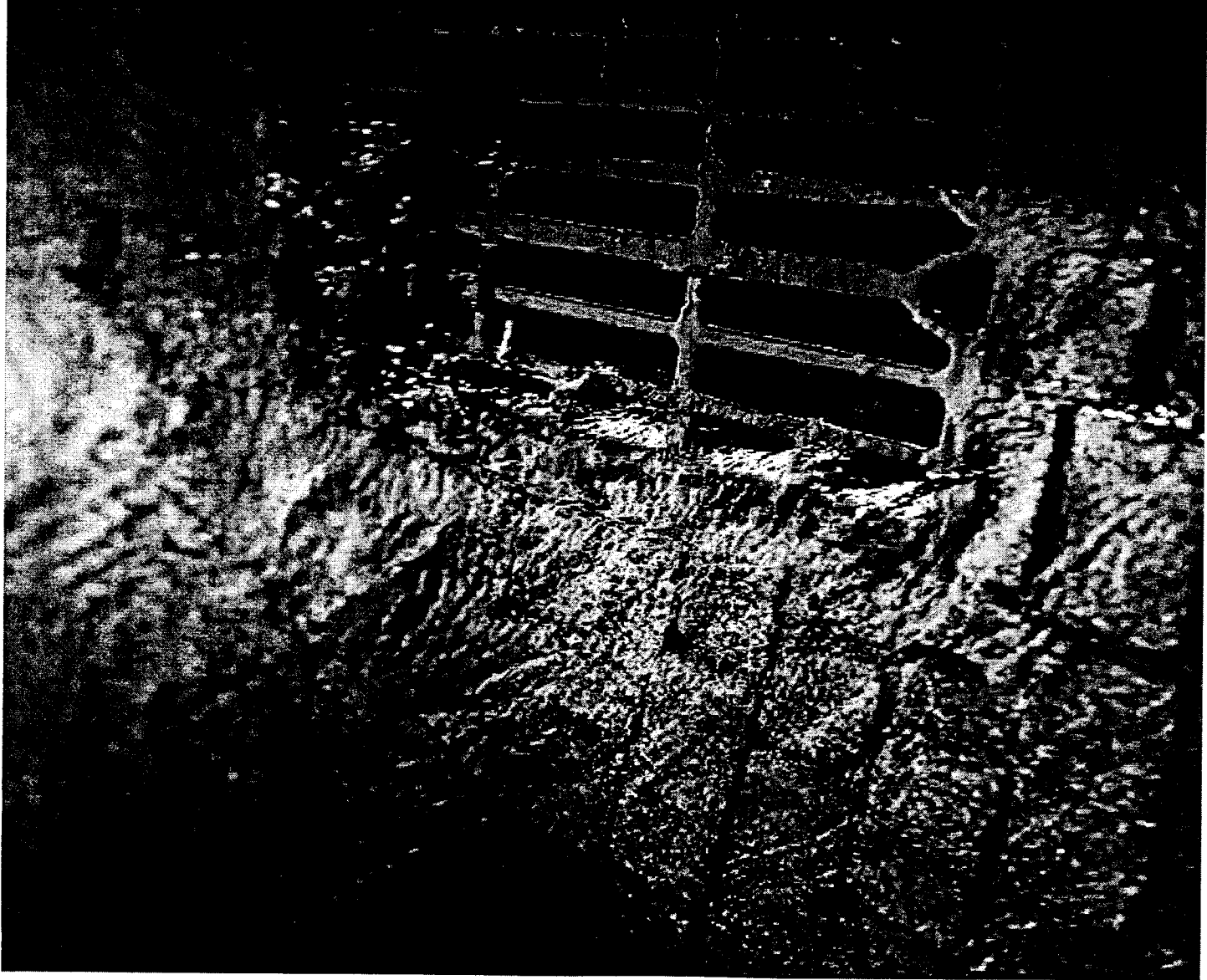
EXHIBIT A: Stormwater Utility Rate Analysis Preliminary
Results Presentation

City of Cocoa, FL

Stormwater Utility
Rate Analysis

Preliminary Results

May 14, 2019

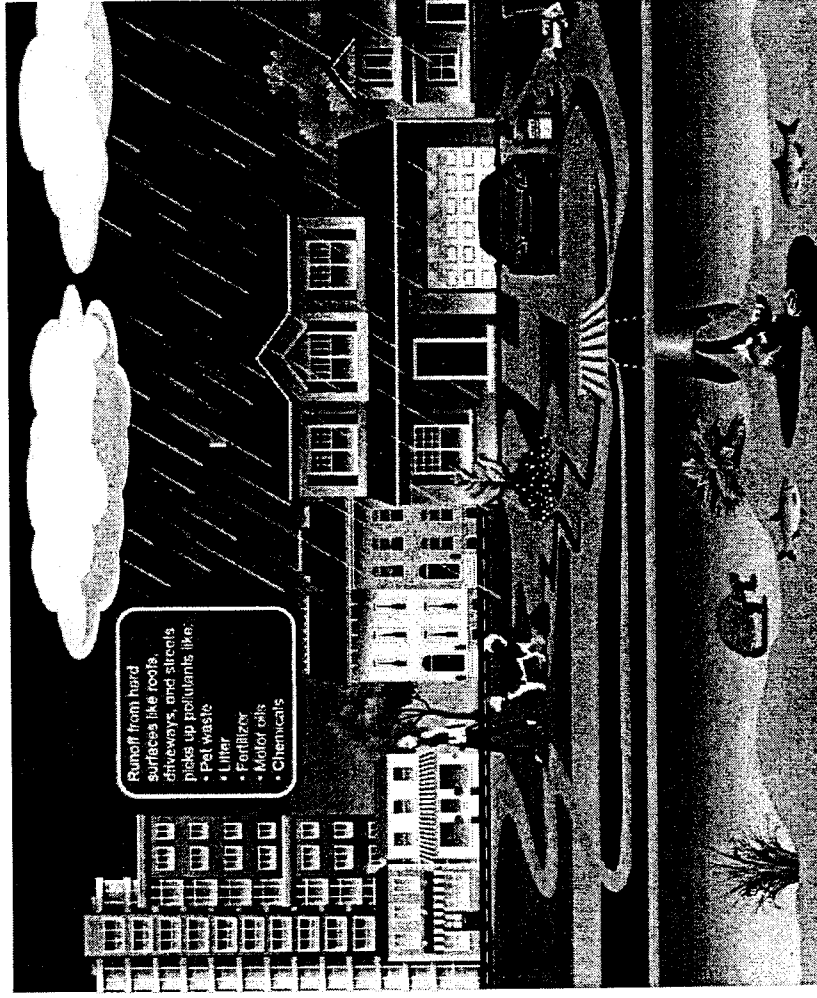


Topics

1. Stormwater System
2. Revenue Sufficiency
3. Fee Structure & Collection Method
4. Impervious Area Measurement
5. Stormwater Fee Calculation
6. Questions & Discussion

Stormwater System

Why Manage Stormwater



➤ Regulatory Requirements

- Clean Water Act
- NPDES MS4 Permit

➤ Water Quality

- Total Maximum Daily Load
- Save Our Indian River Lagoon

➤ Flood Control

- Property Protection
- Roadway Access

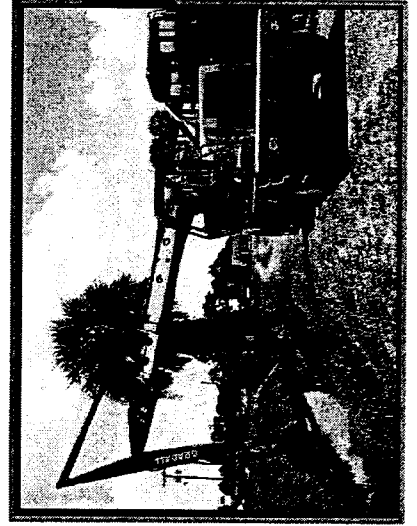
Stormwater Activities



Drainage Structure Maintenance



Water Quality Improvement Projects



Maintain Conveyance

Stormwater System Challenges

- Flood protection throughout the community
- Address water quality needs for the community
 - Potential funding of significant projects
- Keep up with rehabilitation and replacement for aging infrastructure and equipment
 - Significant capital projects for conveyance
- Create a sustainable and resilient stormwater system

Revenue Sufficiency Analysis

Background

- Enterprise fund for stormwater management (Fee supported)
- Fee currently generates \$1.5 M in Revenue
- Current funding levels only allow for operations & maintenance (O&M) costs, minor capital costs and select capital improvements

Key Parameters

Base Data:

- FY 2019 and FY2020 Operating Budget
- FY 2019 Beginning Cash Balance
- FY 2020 - 2029 Capital Improvement Plan (CIP) developed by Mead & Hunt

Stantec created a 10 year financial model to review options

Revenue Requirements

CITY OF COCOA



CALC SAVE CTRL LAST OVR

Scenario Manager



Revenue Adjustment With Proposed Stormwater Master Plan

FAMS-XL

CITY OF COCOA

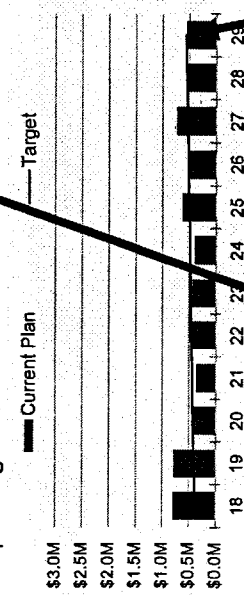


CALC SAVE CTRL LAST OVR

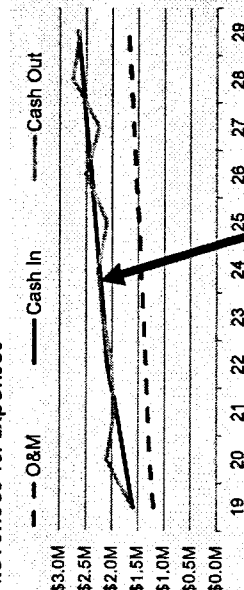
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2025	FY 2029
Revenue Adjustment Plan	0.00%	9.00%	9.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	37.39%	59.27%
Senior-Lien DSC	0.00	2.26	1.98	2.44	1.84	1.76	1.84	1.77	1.81	1.87	1.68		

Scenario Manager

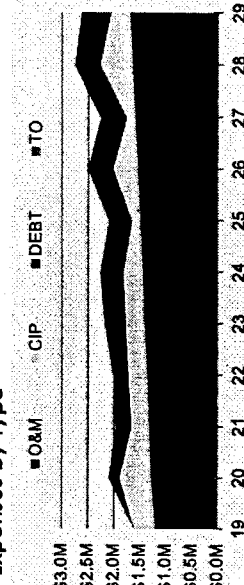
Operating Fund



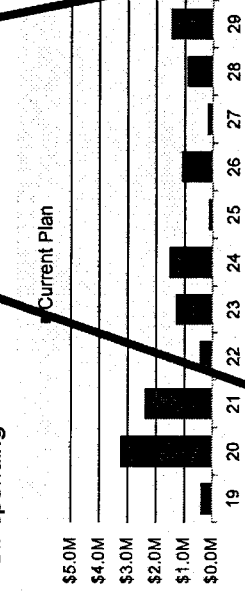
Revenues vs. Expenses



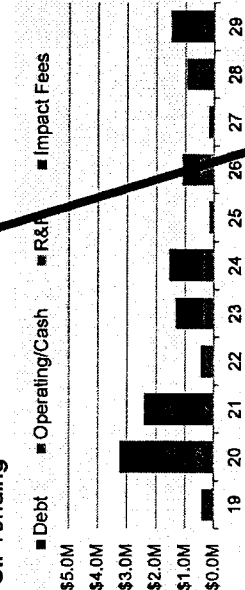
Expenses by Type



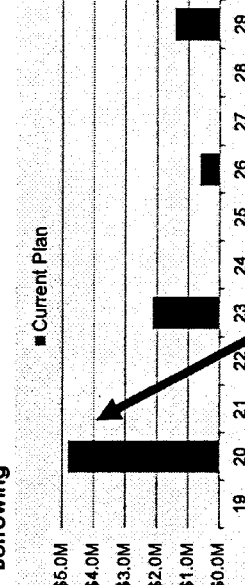
CIP Spending



CIP Funding



Borrowing



9% Fee Increase, Then 3%

Reserves Maintained at Target Level

Sustainable Cash Flow

Borrowing Utilized

Revenue Adjustment Without Water Quality CIP Projects

Revenue Requirements

FAMS-XL

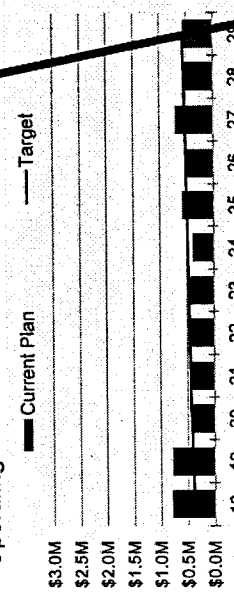
CITY OF COCOA



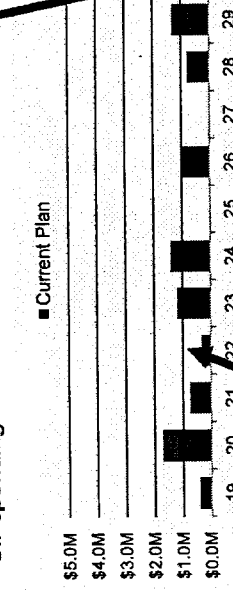
CALC SAVE CTRL LAST OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2029
Revenue Adjustment Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	15.93%
Senior-Lien DSC	0.00	5.52	4.05	4.21	2.01	1.80	1.89	1.71	1.72	1.79	1.44	34.39%
Scenario Manager												

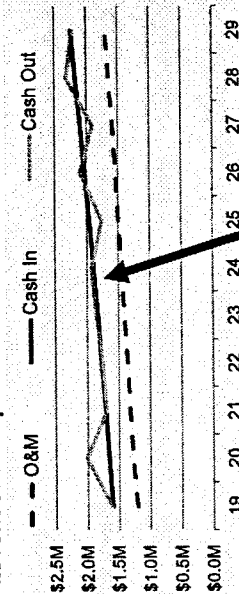
Operating Fund



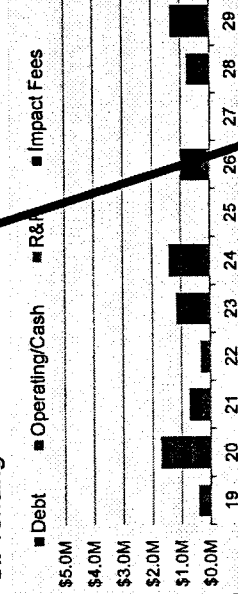
CIP Spending



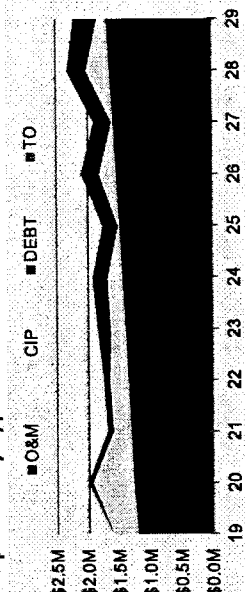
Revenues vs. Expenses



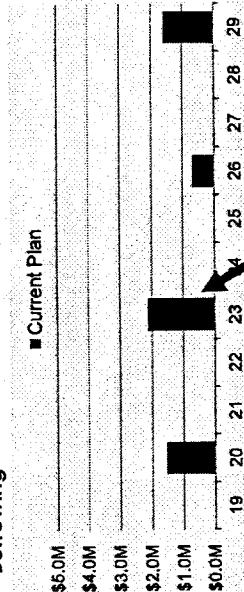
CIP Funding



Expenses by Type



Borrowing



Reduced CIP

3% Annual Fee Increases

Sustainable Cash Flow

Borrowing Utilized

Fee Structure & Collection Method

Stormwater Fee
Basis

Current Stormwater Fee

Annual Revenue Requirement

Residential

Per Dwelling Unit

Large Lots (>5 Acre) include a per
acre charge for area

Non-Residential

Measured Pervious Area/
Impervious

Parcel Measured Units

Pervious Area

Impervious Area

Stormwater Fee Observations

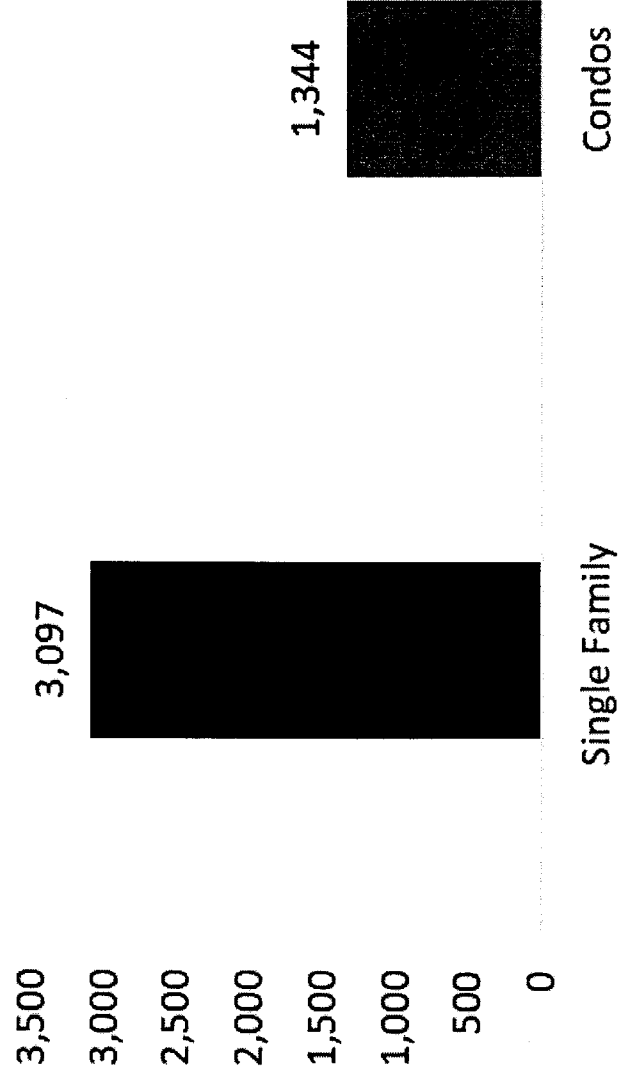
- Pervious/ Impervious billed units
 - A less common approach in the industry
 - Requires additional administration
 - Potentially penalizes natural lands
- Dwelling unit basis for residential
 - Simple to administer
 - Can be very inequitable when applied to vertical vs. horizontal development

Stormwater Fee Recommendations

- Pervious/ Impervious billed units
 - Recommend moving to charges based principally on impervious area
- Dwelling unit basis for residential
 - Recommend applying a flat fee for single family homes
 - Bill vertical multifamily development based on measured area or a dwelling unit multiplier

Impervious Comparison

Impervious Area Per Unit (SQFT)



Stormwater Fee
Basis

Recommended Stormwater Fee

Annual Revenue Requirement

Residential

Per parcel for Single Family Home
(1 ERU)

Per unit for Condo (.45 ERU)

Non-Residential

Measured Impervious Area

Parcel Measured Units

Impervious Area

Stormwater Fee Collection Method

- Two Primary methods for Collection
1. Utility Billing
 2. Non-Ad Valorem Assessment

Utility Billing

Easier to Change the Fee

PRO

Non-Ad Valorem Assessment

Greater Accuracy and More Equitable

High Collection Rate

Lower Staff Administration

Updated With Tax Roll

Difficult to Manage and Update

Collection Issues / Write-off

Nonactive Utility Customers Are Not
Billed/Paying Fee

Reduced Revenue and Subsidized by
Others

CON

Strict Timeline

Public Notice

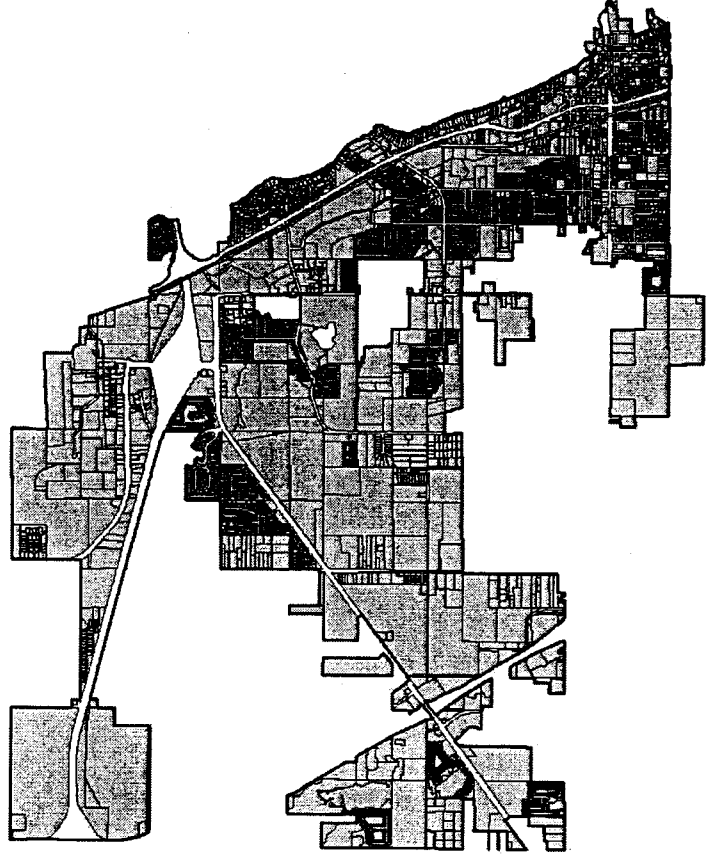
Tax Collector Cost

Property Owner vs. Renter Paying

Impervious Area Measurement

Service Area Measured Impervious

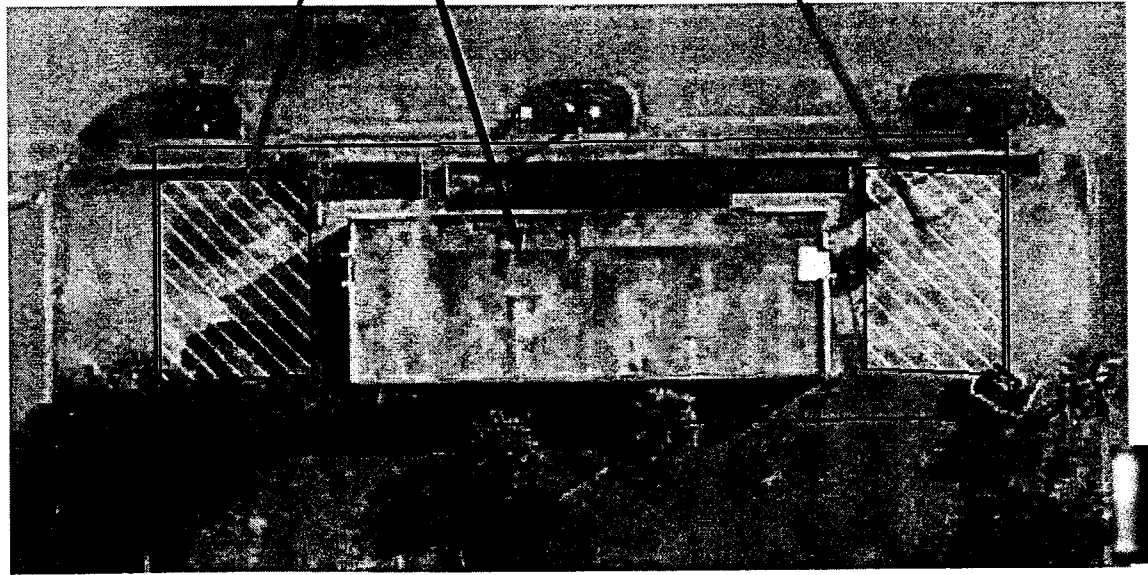
- Approximately 6,100 billable parcels
- Updated through the use of the Brevard Property Appraiser (PA) and Remote Sensing (GIS)
- Recorded a unique impervious footprint for each parcel



Impervious Area

Impervious Area Example

Impervious Area



2,796 SQFT

936 SQFT



3,732 SQFT

Impervious Area Residential

Impervious Area

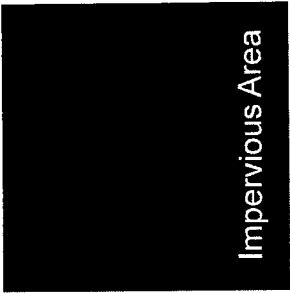


Current Fee

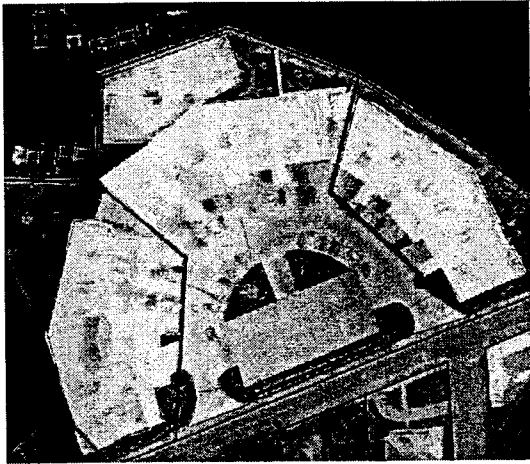
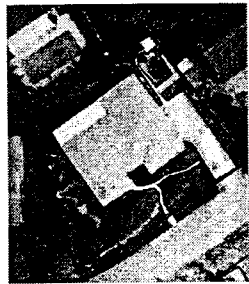
2,166 SQFT

Updated Measurement

3,097 SQFT

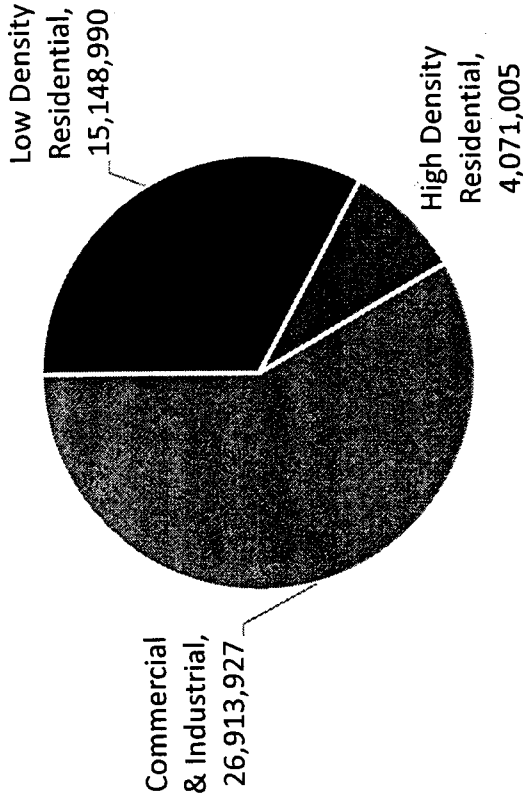


Impervious Area



Impervious Area Summary

Distribution of Impervious Area (sq ft)



Land Use	No. of Parcels / Units	Impervious Area (Sq Ft)	% of Total Impervious
Low Density Residential	4,543	15,148,990	33%
High Density Residential	80	4,071,005	9%
Commercial & Industrial	1,489	26,913,927	58%
Total	6,112	46,133,922	100%

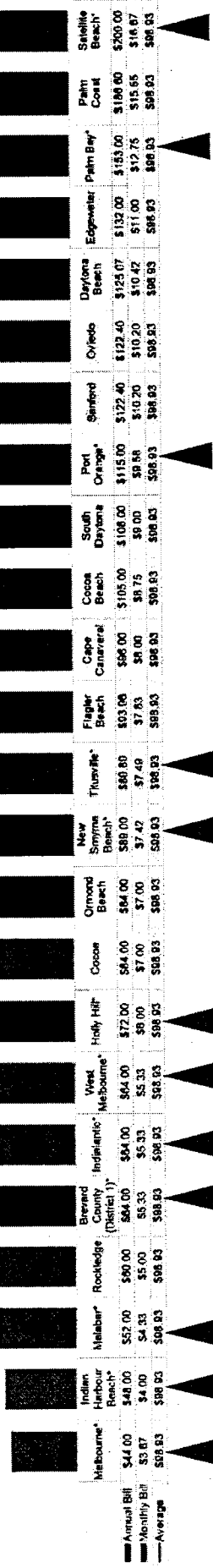
Stormwater Fee Calculation

Local Area Fee Survey

Stormwater Fee

Annual Average, \$98.93

\$84

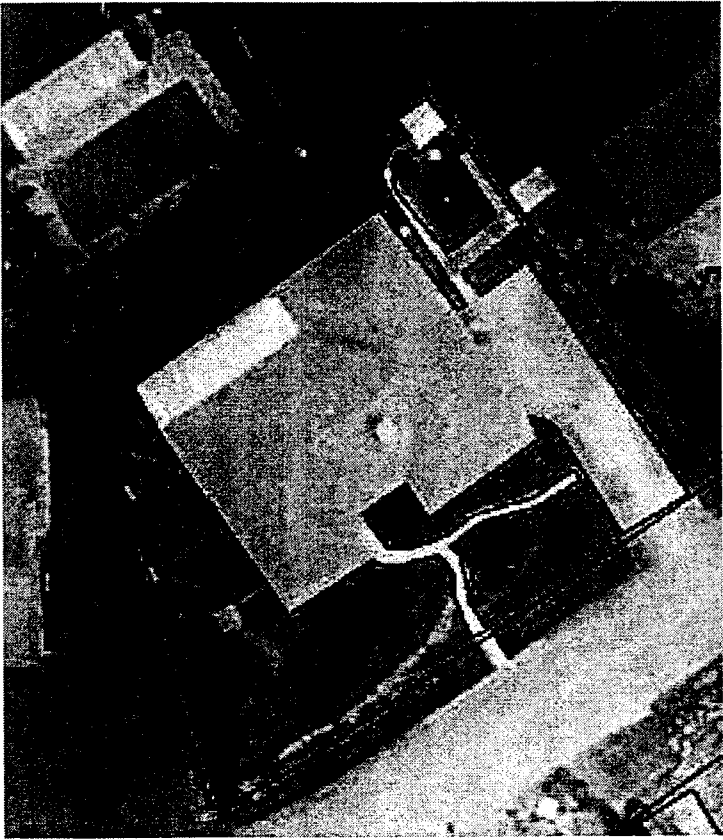


▲ Denotes Assessment

Calculated Fees Under Different Funding Scenarios

	Single Family	Condo Unit	Non-Res
	Per Parcel	Per Unit	Per ERU (3,098 sq ft)
Current Fee	\$7.25/mo \$87.00/yr	\$7.25/mo \$87.00/yr	\$7.25/mo \$87.00/yr
Updated Fee	\$9.80/mo \$117.60/yr	\$4.41/mo \$52.92/yr	\$9.80/mo \$117.60/yr
Updated Fee (Without Water Quality CIP)	\$9.74/mo \$116.88/yr	\$4.39 M \$52.68 A	\$9.74/mo \$116.88/yr
Updated Fee (Master Plan)	\$10.31/mo \$123.72/yr	\$4.64/mo \$55.68/yr	\$10.31/mo \$123.72/yr

Residential Customer FY2020 Impacts



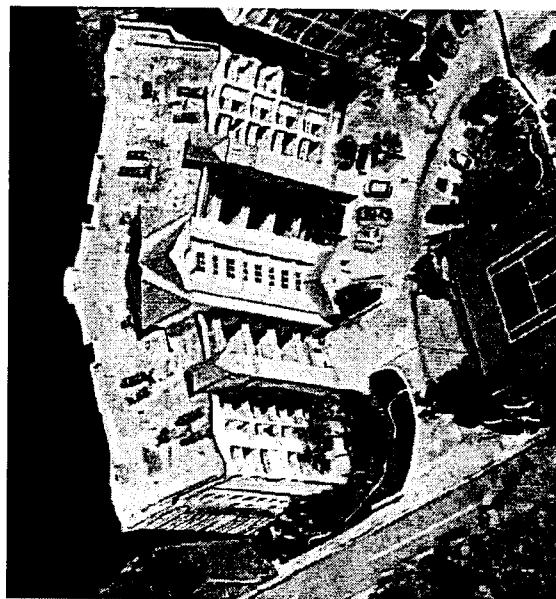
Current: \$ 84.00
Update (w/out WQ CIP): \$116.88
Dollar Change: \$ 32.88
Percent Change: 39%

Current: \$ 84.00
Update (Master Plan): \$123.72
Dollar Change: \$ 39.72
Percent Change: 47%

Condo Customer FY2020 Impacts

Stormwater Fee

46 Units

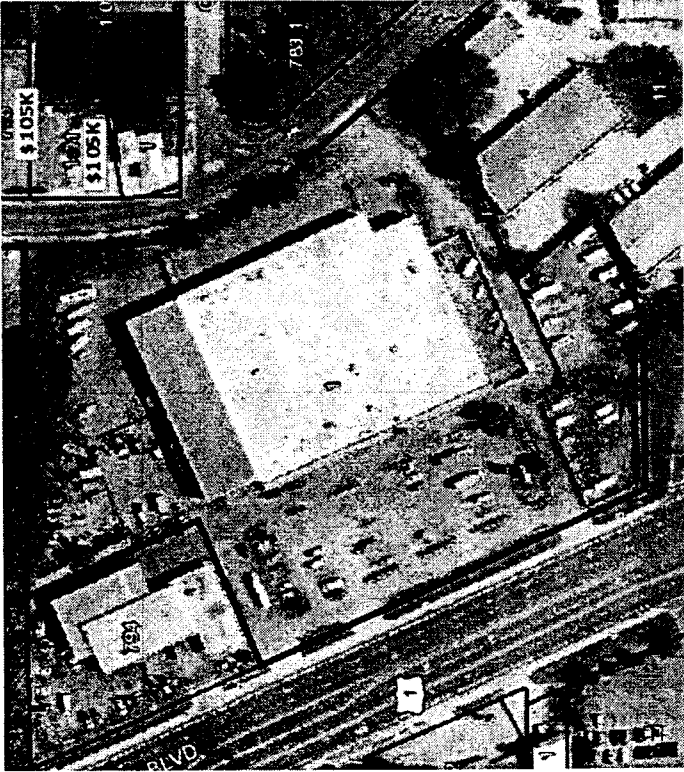


Current:	\$3,864.00
Update (w/out WQ CIP):	\$2,423.28
Dollar Change:	(\$1,440.72)
Percent Change:	(37%)
Current:	\$3,864.00
Update (w/out WQ CIP):	\$2,672.64
Dollar Change:	(\$1,191.36)
Percent Change:	(31%)

Stormwater Fee

Comm/Other Customer FY2020 Impacts

210,400 sqft 64.94 ERUs



Current: \$8,503.44
Update (w/out WQ CIP): \$7,590.19
Dollar Change: (913.25)
Percent Change: (10%)

Current: \$8,503.44
Update (w/out WQ CIP): \$8,034.38
Dollar Change: (\$469.06)
Percent Change: (6%)



Local Area Fee Survey with Fee Adjustments

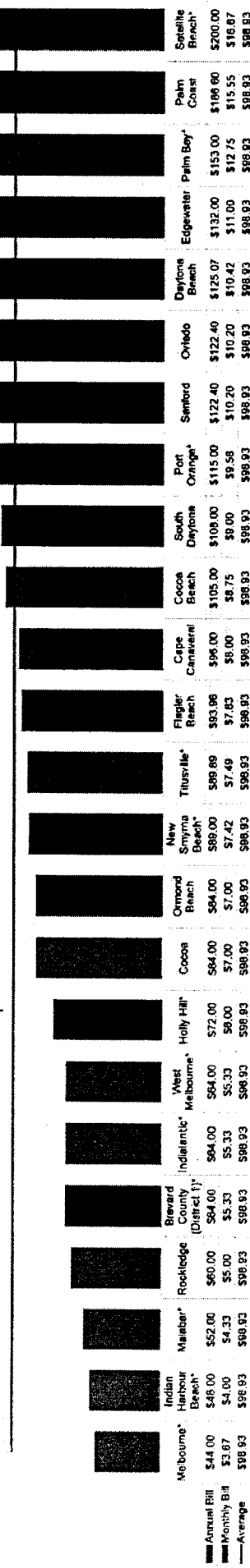
Stormwater Fee

\$123.72

\$116.88

\$84

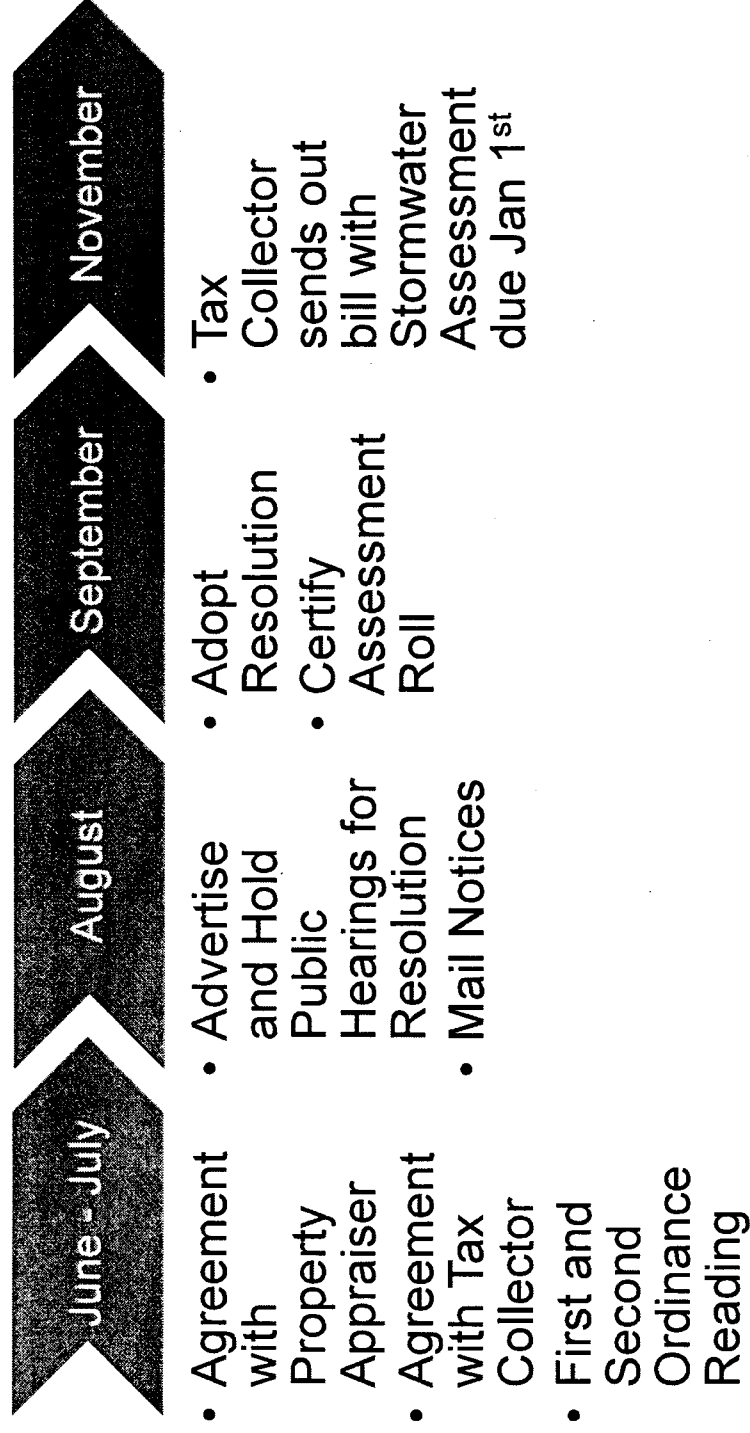
Annual Average, \$98.93



Key Decision Points

- Rates
 - Current
 - Update
 - Without Water Quality CIP
 - Full Master Plan Implementation
- Impervious Fee Methodology
- Collection Method

Implementation Plan If Approved





Questions and Discussion