CITY OF DELAND
WORKSHOP OF THE CITY COMMISSION
JULY 7, 2025 AT 6:00 PM
CITY HALL, COMMISSION CHAMBERS
120 SOUTH FLORIDA AVENUE

AGENDA

CALL TO ORDER

ROLL CALL

NEW BUSINESS

1. Presentation re City of DeLand, Stormwater Rate Study.

CITY COMMISSION

ADJOURNMENT

The DeLand City Commission holds its regular meetings on the first and third Mondays of each month at 7:00 p.m. in the DeLand City Commission Chambers, 120 South Florida Avenue, DeLand. Notice of special meetings, workshops, changes in dates, times or locations are provided by separate Public Notices, which are posted at City Hall and on the City's web site.

The City of DeLand may take action on any matter during this meeting, including items that are not set forth within this agenda.

Public participation is encouraged on any matter on the agenda. If you desire to be recognized by the Mayor, please fill out a Speaker's Card and present it to the City Clerk.

Minutes of the DeLand City Commission meetings are not transcribed verbatim. If any person decides to appeal a decision made by the City Commission with respect to any matter considered at a public meeting or hearing, he/she will need a record of the proceedings including all testimony and evidence upon which the appeal is to be based. To that end, such person will want to ensure that a verbatim record of the proceedings is made by a court reporter, at the person's own expense.

In accordance with the American Disabilities Act, persons needing a special accommodation in order to participate in the proceedings should notify the City Clerk's Office at least 48 hours in advance of the meeting: 626-7132.

Assisted Listening System receivers are available for the hearing impaired, and can be obtained from the City Clerk.

If you wish to obtain information regarding the City Commission's Agenda, please call the City Clerk's Office: 626-7132.

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Electronic Information! City Commission agendas and short form minutes are now available on the City's web page: www.deland.org.

City of DeLand, Florida

Stormwater Rate Study

July 2025

Presented by:
Tara Hollis, CPA, CVA, MBA
Principal Consultant

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BACKGROUND & CONSIDERATIONS

Stormwater Rate Study

Agenda

01	Key Objectives
02	Data Sources
03	General Assumptions
04	Rate Scenarios and Results
05	Next Steps and Questions

Key Objectives

To allow the Utility to achieve revenue sufficiency in support of the operations and maintenance and capital improvement initiatives of the Utility.

- Determination and application of just and equitable rate structure

- Recommendation of rate adjustments to provide for full cost recovery

Data Sources

- Audited financial reports
- Historical customer information
- Budgeted financial information for FY 2025 and FY 2026
- Capital Improvement Plan (CIP)

General Assumptions

Expenditures are escalated annually to account for customer growth and inflation

Annual Operating Reserves target of a minimum of $1 million or 180 days (cash on hand), whichever is greater, to cover operating expenses and project funding requirements

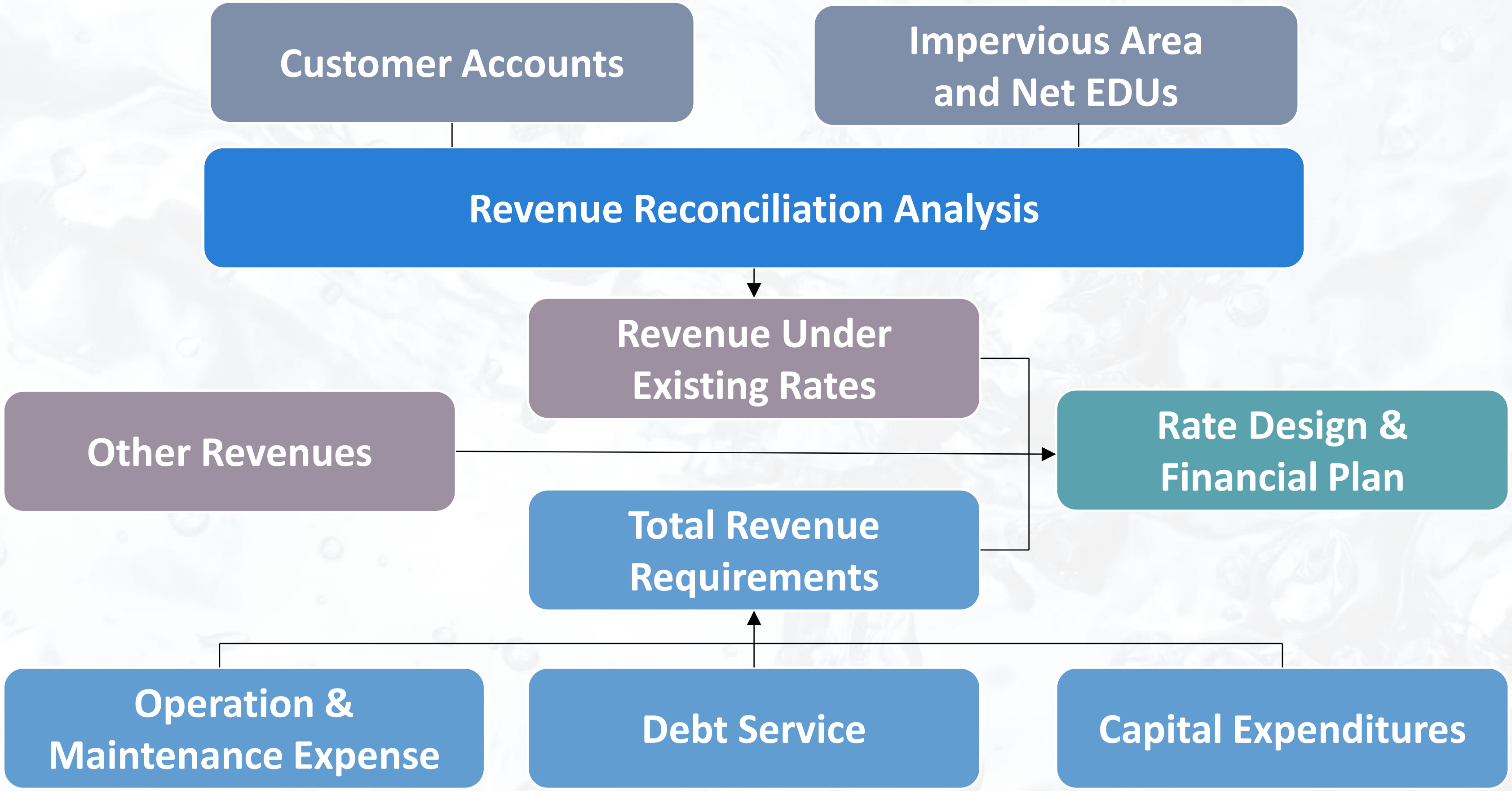
Capital Improvement Plan includes infrastructure projects and vehicle replacements

FY 2026 Beginning Reserve Fund Balance - $722,000

PROCEDURES AND ANALYSES

Stormwater Rate Study

General Rate Study Methodology



What Was Done?

Fiscal Requirements/Operating Analysis		
O&M	R&R, Reserve Funds, Debt Service	Pay-as-you-go Capital

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Capital Improvement Analysis

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Other Fiscal Needs and Revenue Analysis

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Proforma through FY 2030 with Annual Adjustments to Revenues and Expenses				
Inflation	Customer Growth	Labor	Fuel/Electricity	Other

↓

Developed Interactive Computer Model

Existing Rate Methodology – Property Types

Single Family Residential

- Small: (Between 100 and 1,500 square feet)
- Medium: (Between 1,501 and 3,000 square feet)
- Large: (Between 3,001 and 6,000 square feet)
- Very Large: (Greater than 6,000 square feet)

Condominium Residential Unit (DOR Code 04 or 05)

General Parcels (All Other Parcels)

- Multi-family, Commercial, Industrial, Other Non-Residential, Etc.

Existing Rate Methodology

Single Family Residential

- Residential tiers based on building footprint

Condominium Residential Unit

- Total number of EDUs attributable to condo parcel divided by number of condo parcels

General Parcels

- Total EDUs attributable to parcel

1 EDU = 3,100 square feet of impervious area

Existing Rate Methodology Analysis

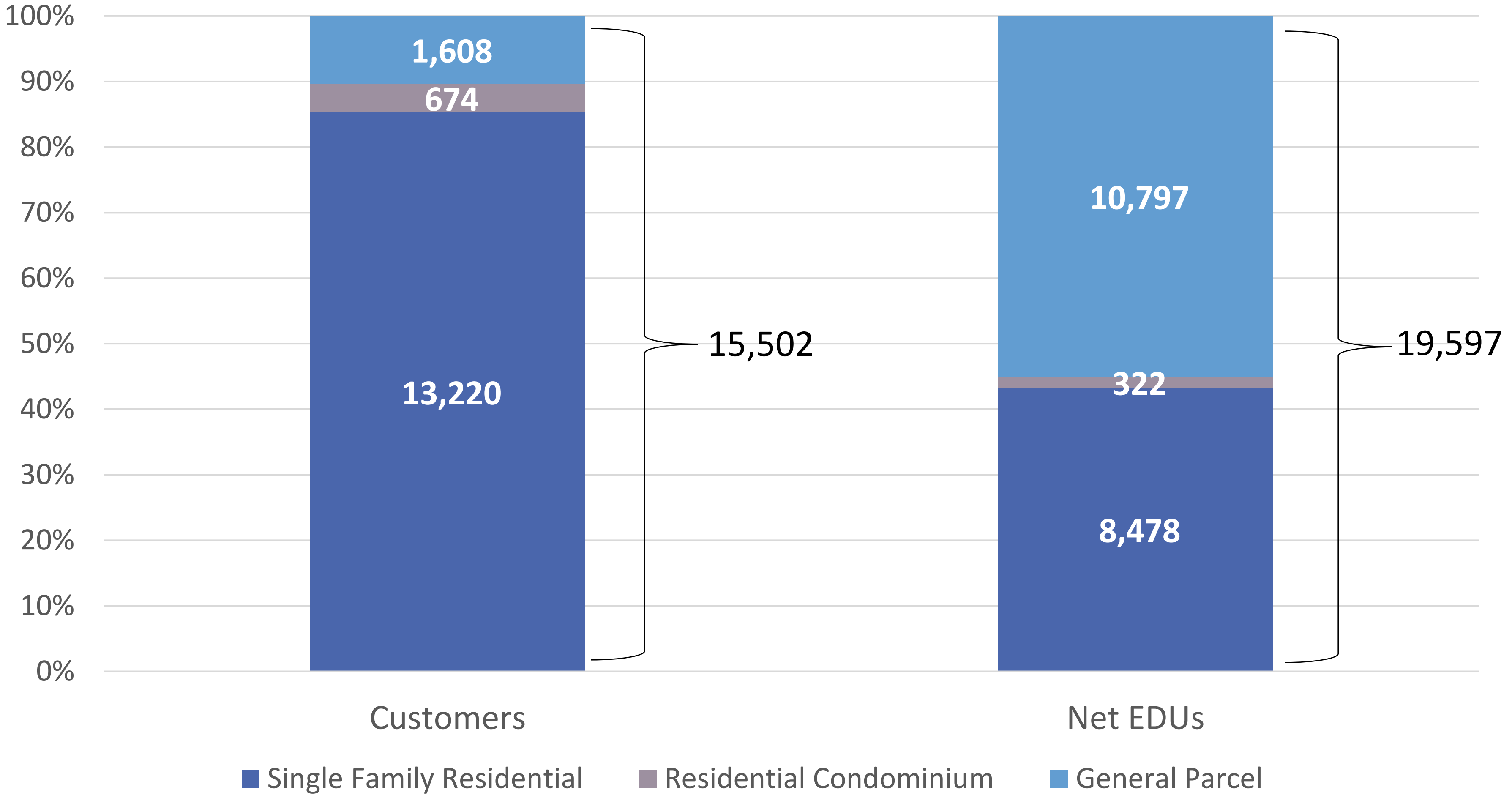
Impervious Area Method

- Used by majority of stormwater utilities in Florida
- Utilizes a statistical analysis of impervious area for all single family residential customers
- Provides a detailed analysis of impervious area for all other customer classes
- Easily understood as EDU calculation is tied to specific property characteristics for all non-residential customers

Hybrid Billing Method – Owner Billing

- If property owner is a water/sewer customer, on the monthly water/sewer bill
- In property owner is not a water/sewer customer, billed annually on a separate bill

Customer Analysis – Projected FY 2026



Existing Rates

Customer Class	EDU	Monthly Rate
Single Family Residential		
Small	0.56	$ 6.10
Medium	1.00	$ 10.88
Large	1.63	$ 17.74
Very Large	Calculated	$10.88 per EDU
Condominium Residential Unit	Calculated	$10.88 per EDU
General Parcel	Calculated	$10.88 per EDU
Maintenance Fee (If not on water/sewer bill)		$ 4.99

Rate Revenue Requirements

Total Fiscal Requirements

Other Income & Sources

Adjustments

Net Rate Revenue Requirements

Capital Improvement Plan – Summary Spending by Year

Existing

Category	Projected for Fiscal Year Ending September 30,					Total
	2026	2027	2028	2029	2030	2026 - 2030
Capital Improvement Plan						
Infrastructure Projects	$ 405,000	$ 405,000	$ 955,795	$ 405,000	$ 405,000	$ 2,575,795
Vehicles and Equipment	963,594	80,000	73,000	-	-	1,116,594
Total Capital Improvement Plan	**$ 1,368,594**	**$ 485,000**	**$ 1,028,795**	**$ 405,000**	**$ 405,000**	**$ 3,692,389**

Note: Includes Priority 1 and 2 projects only.

Proposed

Category	Projected for Fiscal Year Ending September 30,					Total
	2026	2027	2028	2029	2030	2026 - 2030
Capital Improvement Plan						
Infrastructure Projects	$ 405,000	$ 405,000	$ 955,795	$ 405,000	$ 405,000	$ 2,575,795
Vehicles and Equipment	288,594	230,000	223,000	150,000	225,000	1,116,594
Total Capital Improvement Plan	**$ 693,594**	**$ 635,000**	**$ 1,178,795**	**$ 555,000**	**$ 630,000**	**$ 3,692,389**

Note: Includes Priority 1 and 2 projects only.

Rate and Financial Plan Scenarios

Stormwater Rate Study

Rate Scenarios

Scenario 1: Just-in-Time Adjustments

- Pay-as-you-go for CIP (Priority 1 & 2 Projects Only)

Scenario 2: Phased-In Adjustments

- Larger rate adjustments in FY 2026 and 2027 to provide for CIP and adequate working fund balance
- Levelized rate adjustments thereafter, to account for inflation and maintain adequate working fund balance

Scenario 1 - Just-in-Time Adjustments

Category	Projected for Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Rates					
Adjustment	**19.60%**	**0.00%**	**17.60%**	**0.00%**	**0.00%**
Per EDU (Annual)	$ 156.21	$ 156.21	$ 183.70	$ 183.70	$ 183.70
Per EDU (Monthly)	$ 13.02	$ 13.02	$ 15.31	$ 15.31	$ 15.31
Revenues					
Charges for Services	$ 3,061,286	$ 3,105,772	$ 3,705,716	$ 3,760,182	$ 3,816,962
Other Revenues	185,000	43,802	48,135	62,393	85,144
Total Revenues	$ 3,246,286	$ 3,149,574	$ 3,753,851	$ 3,822,575	$ 3,902,106
Expenses					
Personnel and Operating	$ 1,860,006	$ 1,960,601	$ 2,067,228	$ 2,180,303	$ 2,300,266
Debt Service	-	-	-	-	-
Transfers	395,166	413,474	432,697	452,882	474,076
Total Expenses	$ 2,255,172	$ 2,374,075	$ 2,499,925	$ 2,633,185	$ 2,774,342
Revenue Available for Capital Projects	**$ 991,114**	**$ 775,499**	**$ 1,253,926**	**$ 1,189,390**	**$ 1,127,764**
Add: Available Fund Balance	722,057	1,019,577	1,160,076	1,235,207	1,869,597
Less: Capital Projects/Equipment from CIP	(693,594)	(635,000)	(1,178,795)	(555,000)	(630,000)
Ending Fund Balance	**$ 1,019,577**	**$ 1,160,076**	**$ 1,235,207**	**$ 1,869,597**	**$ 2,367,361**
Days Cash on Hand	200	216	218	313	376
Targeted Days Cash on Hand	180	180	180	180	180
Projected Debt Service Coverage	N/A	N/A	N/A	N/A	N/A

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Scenario 2 - Phased-In Adjustments

Category	Projected for Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Rates					
Adjustment	**15.00%**	**15.00%**	**3.00%**	**3.00%**	**3.00%**
Per EDU (Annual)	$ 150.20	$ 172.73	$ 177.91	$ 183.25	$ 188.75
Per EDU (Monthly)	$ 12.52	$ 14.39	$ 14.83	$ 15.27	$ 15.73
Revenues					
Charges for Services	$ 2,943,505	$ 3,434,224	$ 3,588,917	$ 3,750,970	$ 3,921,890
Other Revenues	185,000	49,096	58,646	71,649	98,604
Total Revenues	$ 3,128,505	$ 3,483,320	$ 3,647,563	$ 3,822,619	$ 4,020,494
Expenses					
Personnel and Operating	$ 1,860,006	$ 1,960,601	$ 2,067,228	$ 2,180,303	$ 2,300,266
Debt Service	-	-	-	-	-
Transfers	395,166	413,474	432,697	452,882	474,076
Total Expenses	$ 2,255,172	$ 2,374,075	$ 2,499,925	$ 2,633,185	$ 2,774,342
Revenue Available for Capital Projects	**$ 873,333**	**$ 1,109,245**	**$ 1,147,638**	**$ 1,189,434**	**$ 1,246,152**
Add: Available Fund Balance	722,057	901,796	1,376,041	1,344,884	1,979,318
Less: Capital Projects/Equipment from CIP	(693,594)	(635,000)	(1,178,795)	(555,000)	(630,000)
Ending Fund Balance	**$ 901,796**	**$ 1,376,041**	**$ 1,344,884**	**$ 1,979,318**	**$ 2,595,470**
Days Cash on Hand	**177**	256	237	331	412
Targeted Days Cash on Hand	180	180	180	180	180
Projected Debt Service Coverage	N/A	N/A	N/A	N/A	N/A

Proposed Rates – FY 2026 through FY 2030

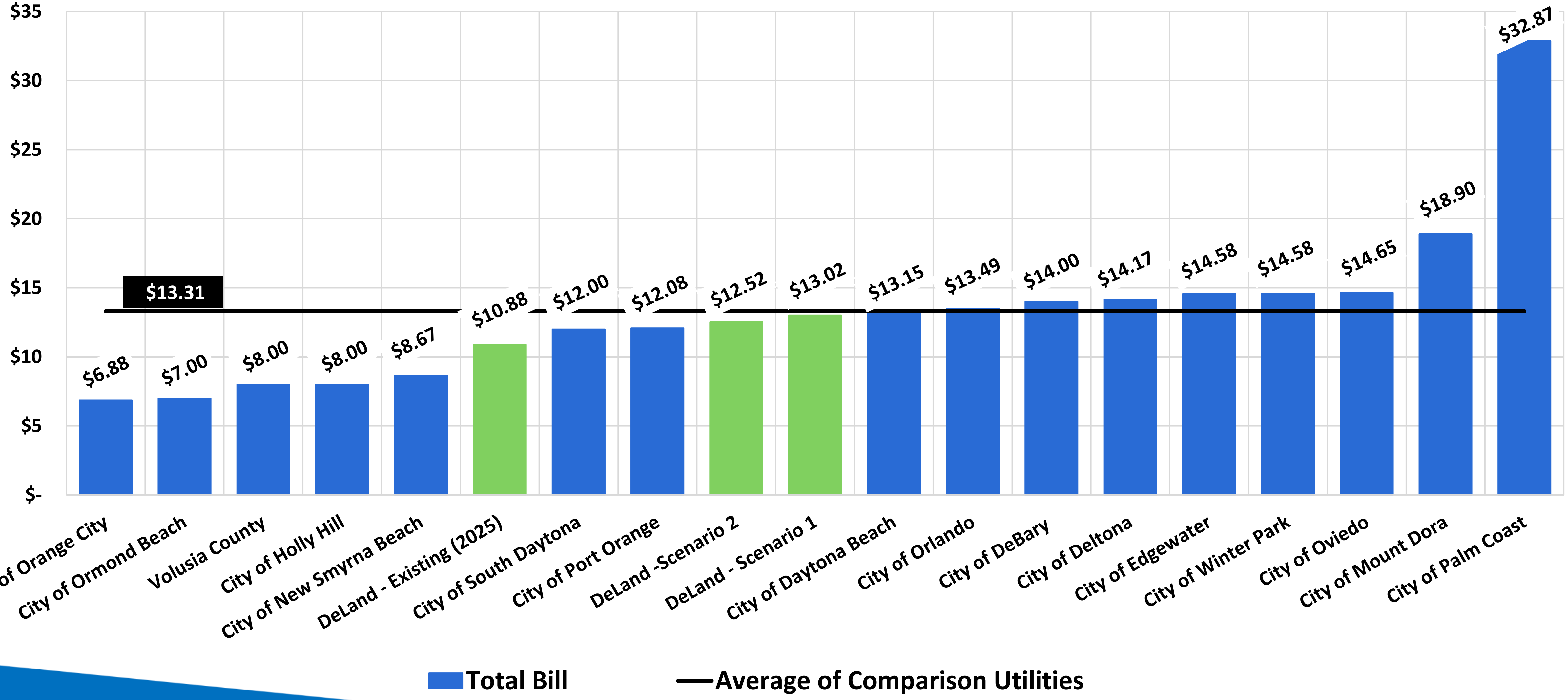
Description	Existing	Projected for Fiscal Year Ending September 30,				
	2025	2026	2027	2028	2029	2030
Scenario 1 - Just-in-Time Adjustments		19.60%	0.00%	17.60%	0.00%	0.00%
Annual - Rate per EDU	$ 130.61	$ 156.21	$ 156.21	$ 183.70	$ 183.70	$ 183.70
Annual - Difference per EDU		$ 25.60	$ -	$ 27.49	$ -	$ -
Monthly - Rate per EDU	$ 10.88	$ 13.02	$ 13.02	$ 15.31	$ 15.31	$ 15.31
Monthly - Difference per EDU		$ 2.13	$ -	$ 2.29	$ -	$ -
Scenario 2 - Phased-In Adjustments		15.00%	15.00%	3.00%	3.00%	3.00%
Annual - Rate per EDU	$ 130.61	$ 150.20	$ 172.73	$ 177.91	$ 183.25	$ 188.75
Annual - Difference per EDU		$ 19.59	$ 22.53	$ 5.18	$ 5.34	$ 5.50
Monthly - Rate per EDU	$ 10.88	$ 12.52	$ 14.39	$ 14.83	$ 15.27	$ 15.73
Monthly - Difference per EDU		$ 1.63	$ 1.88	$ 0.43	$ 0.45	$ 0.46

Monthly Comparison With Other Utilities – Current

Description	Stormwater
DeLand - Existing (2025)	$ 10.88
DeLand – Scenario 1	$ 13.02
DeLand – Scenario 2	$ 12.52
Neighboring Utility Systems:	
City of Orange City	$ 6.88
City of Ormond Beach	$ 7.00
Volusia County	$ 8.00
City of Holly Hill	$ 8.00
City of New Smyrna Beach	$ 8.67
City of South Daytona (*)	$ 12.00
City of Port Orange	$ 12.08
City of Daytona Beach	$ 13.15
City of Orlando (*)	$ 13.49
City of DeBary	$ 14.00
City of Deltona	$ 14.17
City of Edgewater (*)	$ 14.58
City of Winter Park	$ 14.58
City of Oviedo (*)	$ 14.65
City of Mount Dora	$ 18.90
City of Palm Coast (*)	$ 32.87
Average of Neighboring Utilities	**$ 13.31**

Note: Rates as of May 2025. Utilities identified with an asterisk (*) have adopted additional rate adjustments for FY 2026 and after.

Monthly Comparison With Other Utilities – Current



Findings

The Utility has good administrative management that continues to look for ways of improving service and reducing costs.

City's current rate methodology used by the majority of Florida stormwater utilities as surveyed by the Florida Stormwater Association.

The City's current CIP for FY 2026 – FY 2030 includes approximately of $3.69 million in Priority 1 & 2 infrastructure projects and equipment. This analysis assumed it is funded through rates and reserves.

Conclusions

- Current and projected conditions require that certain adjustments be considered to maintain fiscal stability to meet the growing stormwater management needs of the community and provide for the projected system net revenue requirements for Fiscal Years 2026 through 2030.
- Both the existing and projected rates for each scenario are below the average of other neighboring stormwater utilities.
- The City should continue to provide for a comprehensive review of the Utility Rates a minimum of every 5 years.

Next Steps

- City to Select Rate Scenario
- Finalize Rate Study Report
- Draft Ordinance/Resolution
- Public Hearing

Questions?

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