



City of Clearwater, FL

Stormwater Revenue Sufficiency Analysis

Financial Planning & Rate-Setting History

- **City's practice – adopt multi-year rate plans**
 - Current approved plan = 0.50% each year through FY 2022
- **City conducts annual or bi-annual revenue sufficiency studies for all its utility funds**
 - Validate, revise, and/or develop rate plans as needed
 - Interactive model & decision support

Overview of the Process

INPUTS

- ✓ Historical Financial Data
- ✓ Customer & Demand Forecast
- ✓ Capital & Operating Plans
- ✓ Policy Considerations
- ✓ Regulatory Requirements

OUTPUTS

- ✓ Revenue & Operating Cost Forecast
- ✓ Capital Funding Plan & New Debt
- ✓ Reserves, Debt Coverage, KPI's
- ✓ Rate Adjustment Requirements
- ✓ Customer Impacts

Interactive Model & Decision Support FAMS-XL



FINANCIAL MANAGEMENT PLAN

Key Assumptions

- No future grant receipts although staff will continue to pursue
- No sizable costs stemming from regulations
- Retirement of 2014 Series Bonds in FY 2020 and 2013 Series Bonds in FY 2022

Key Financial Performance Targets

- **Sufficient Operating Reserves (6 Mo. O&M)**
 - Indicative of financially strong utility per rating agencies
- **Maintaining Sufficient Debt Coverage (1.5x)**
 - Indicative of financially strong utility per rating agencies

Debt Service
Coverage



Net Income
Debt Service Expense

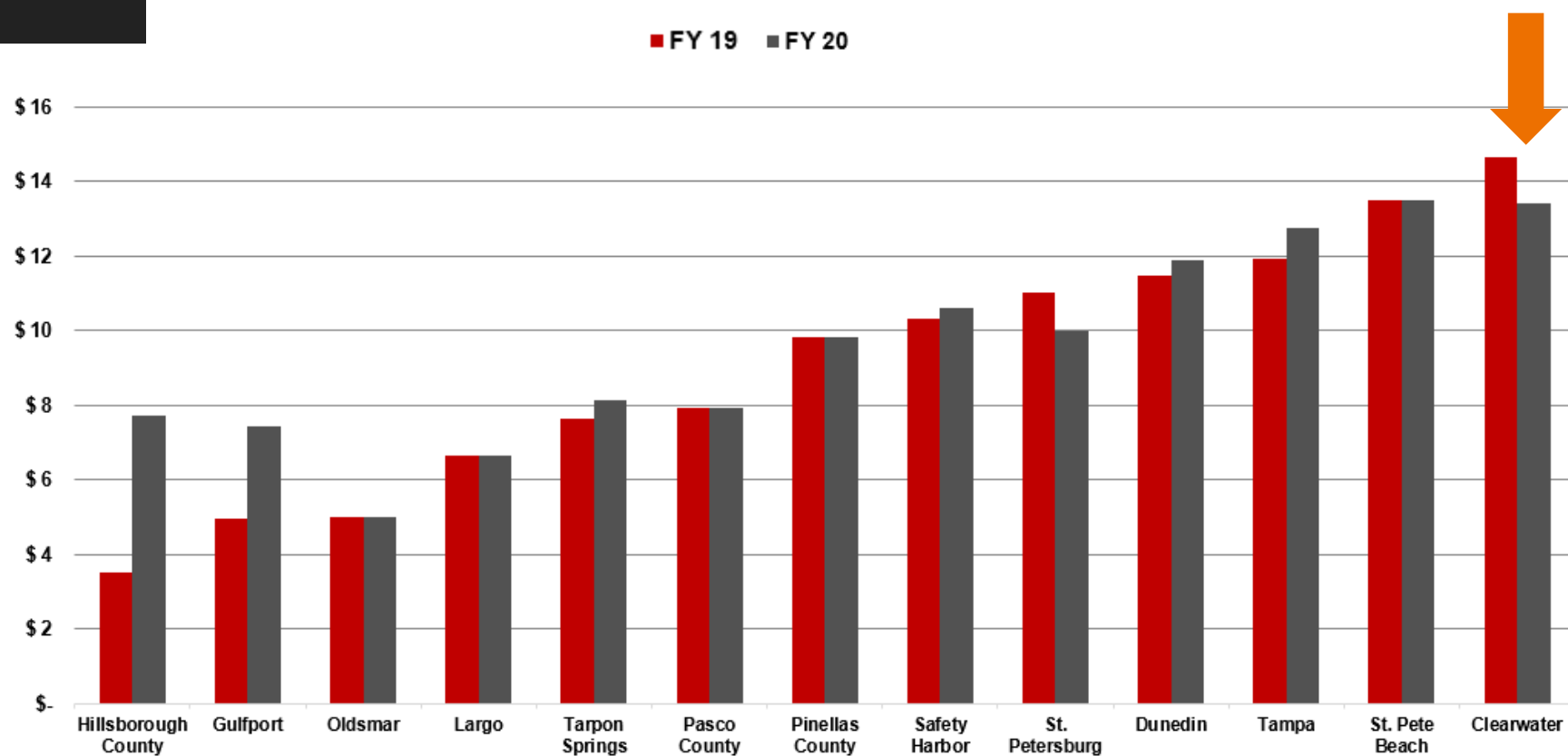
Financial Plan Summary

Recommendation is to update rate adjustments for current plan through FY 2022 only and then adopt new plan in the future

Fiscal Year	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Rate Adjustment	-8.5%	0.0%	0.0%	1.0%	1.0%
Monthly Bill	\$13.40	\$13.40	\$13.40	\$13.53	\$13.67
\$ Change	-\$1.25	\$0.00	\$0.00	\$0.13	\$0.14

Local Cost Comparison

FY 19 & FY 20 Residential Stormwater Bill



Recommendations Summary

- **Amend rate ordinance through FY 2022**
- **Financial Management Plan as presented:**
 - Ensures adequate reserve balances
 - Ensures debt coverage > 2.0x
- **Annual or bi-annual updates so necessary changes can be made to Financial Plan**
 - Driven by:
 - ✓ updated revenue and expense data
 - ✓ changes in economic conditions
 - ✓ contractual service costs
 - ✓ regulatory requirements

Typical Single-Family Residential Monthly Utility Bill

3,000 gallons of water & sewer volume

	FY 19	FY 20	\$ Change	% Change
Domestic Water	\$22.29	\$23.18	\$0.89	4.0%
Sewer	30.66	31.89	1.23	4.0%
Solid Waste	28.80	29.88	1.08	3.75%
Recycling	2.92	3.03	0.11	3.75%
Stormwater	14.65	13.40	-1.25	-8.50%
10% Utility Tax on Water	2.23	2.32	0.09	4.0%
Total	\$101.55	\$103.70	\$2.15	2.12%

Questions & Discussion