

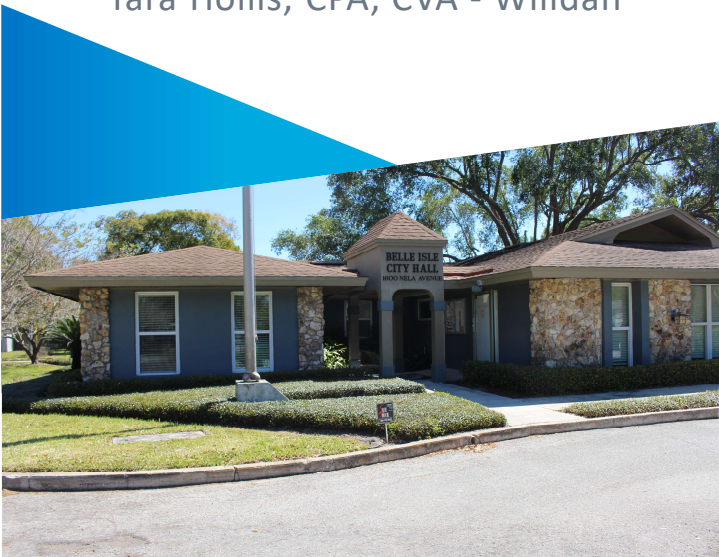
# City of Belle Isle

## Stormwater Management Utility Fee Study

Presentation

June 2, 2026

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## Purpose of Study

- Review customer classifications and ERU assignments
- Evaluate Current Assessment Revenues and Costs
  - Personnel
  - Operating and Maintenance
  - Capital
  - Targeted Fund Balance
- Financial projections under existing fees (Status Quo)
- Proposed fee adjustments

## Data Sources

- Audited financial reports
- Historical financial information for FY 2018-2025
- Budgeted financial information for FY 2026
- Capital Improvement Plan (CIP)
- Assessment Rolls (FY 2023 – FY 2026)

## Why Stormwater Investment Matters

- Flood protection
- Lake water quality
- Infrastructure reliability
- Regulatory compliance



## Existing Annual Assessments

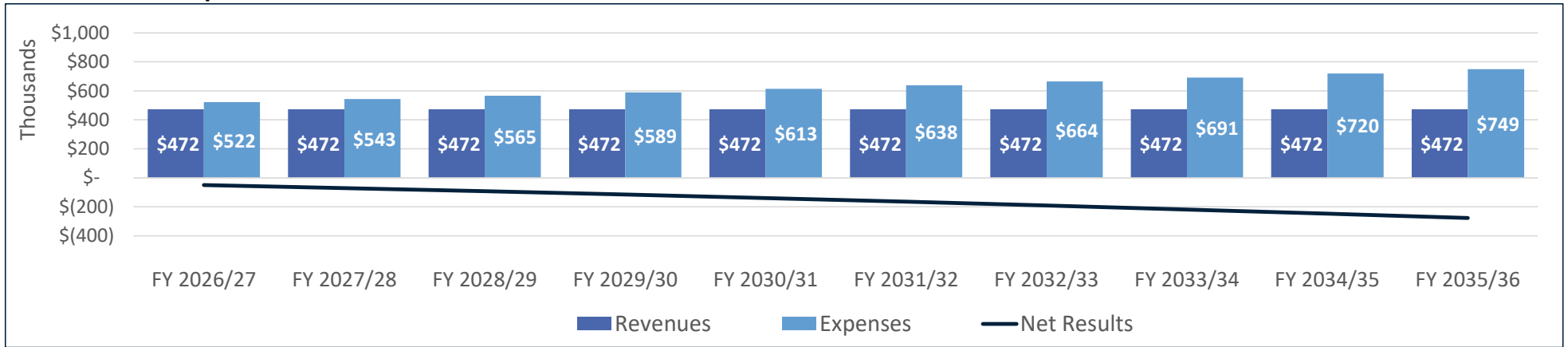
- Equivalent Residential Unit = 4,087 square feet (sf) impervious area
- Two customer classes
  - Residential – typically 1 ERU per dwelling unit
  - Nonresidential – ERUs equal Total Impervious Area divided by 4,087 sf
- Billed Annual as Non-Ad Valorem assessment on tax bill on a per tax parcel basis
- FY 2025/26 annual fee is \$140 per ERU

## General Assumptions

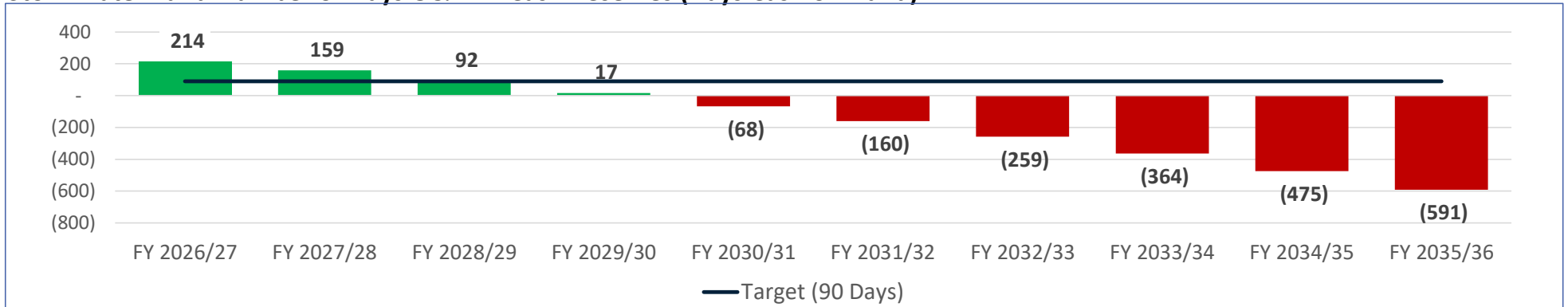
- Customer/ERU growth at 0.00% per year
- Expenditures are escalated annually to account for customer growth and inflation
- Annual Operating Reserves target of a minimum of 90 days (cash on hand) to cover operating expenses
- FY 2026/27 Beginning Reserve Fund Balance - \$355,952

# Financial Analysis: Status Quo

## Revenues and Expenses



## Stormwater Fund Number of Days O&M in Cash Reserves (Days Cash on Hand)



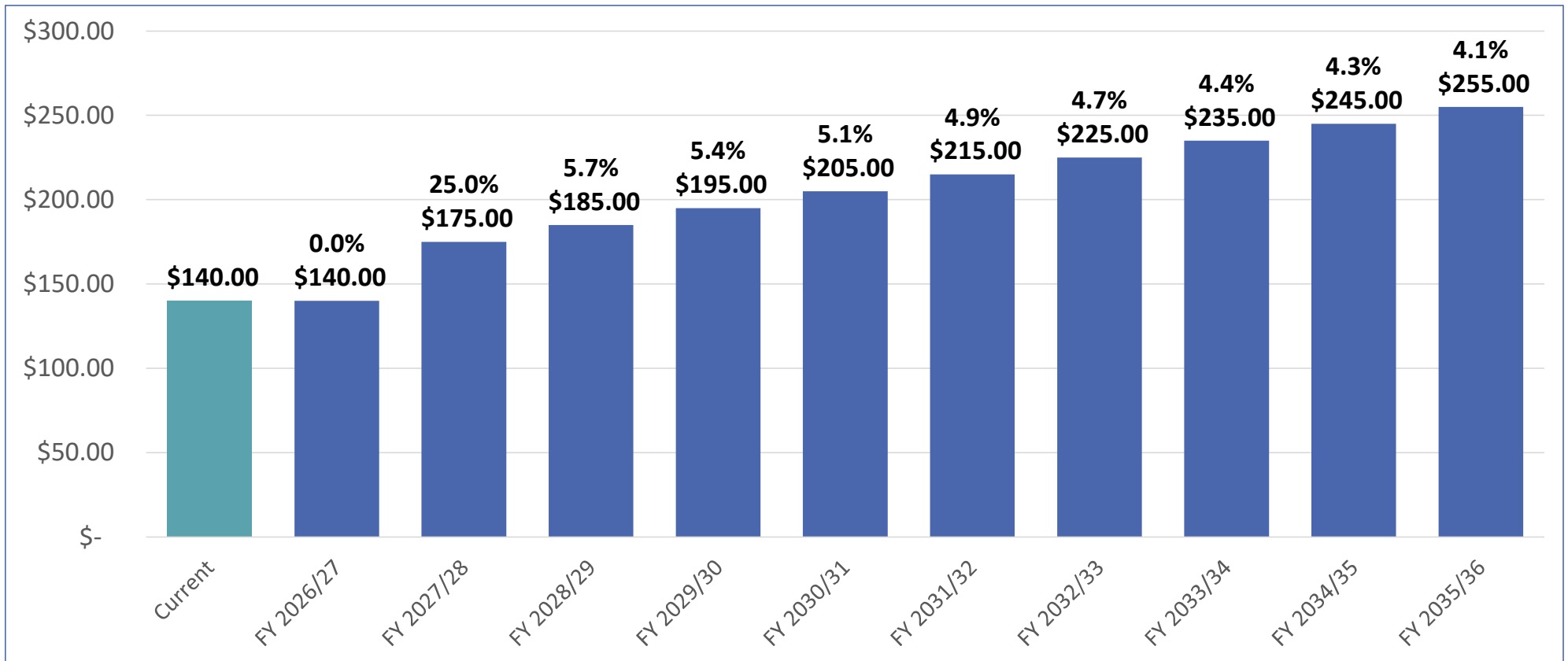
## Fee Modifications and Adjustments Considered

- Tiered Residential Fees
- Adjust ERU Size
- Mitigation Credit Policy
- Annual Fee (Assessment) Adjustments

## Fee Modifications and Adjustments Considered

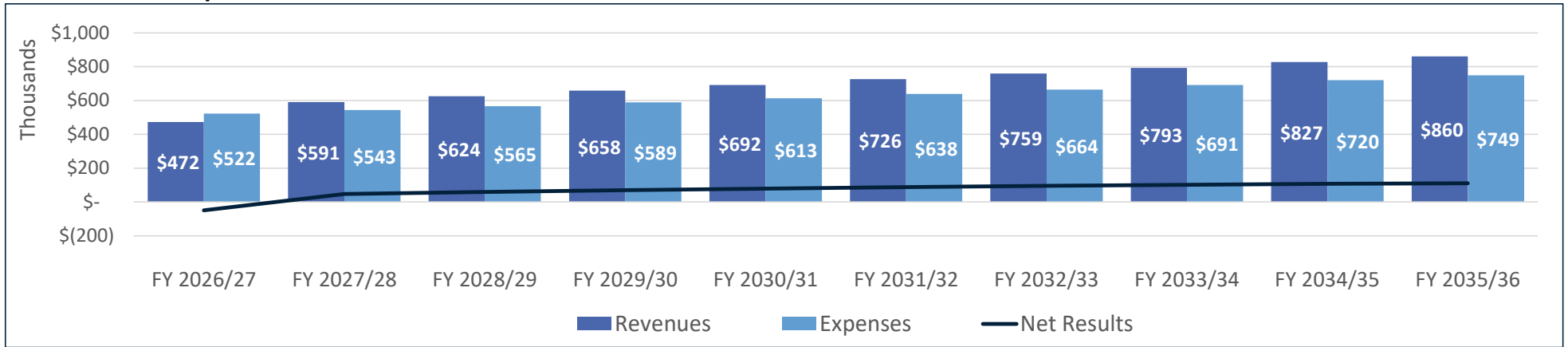
| Modification                        | Primary Purpose   | Key Considerations                                     | Recommendation                       |
|-------------------------------------|---|--|--------------------------------------|
| Tiered Residential Fees             | Differentiate rates by impervious area                                | Limited parcel variability; higher administrative cost | ✗<br>Not recommended at this time    |
| Adjust ERU Size<br>Current 4,087 SF | Align ERU with measured impervious area of typical residential parcel | Cost redistribution; impacts rate stability            | —<br>Maintain current ERU definition |
| Formal Mitigation Credit Policy     | Recognize on-site stormwater controls                                 | Requires formal criteria and administration            | ✓<br>Recommended for development     |

# Proposed Annual Fee Per ERU

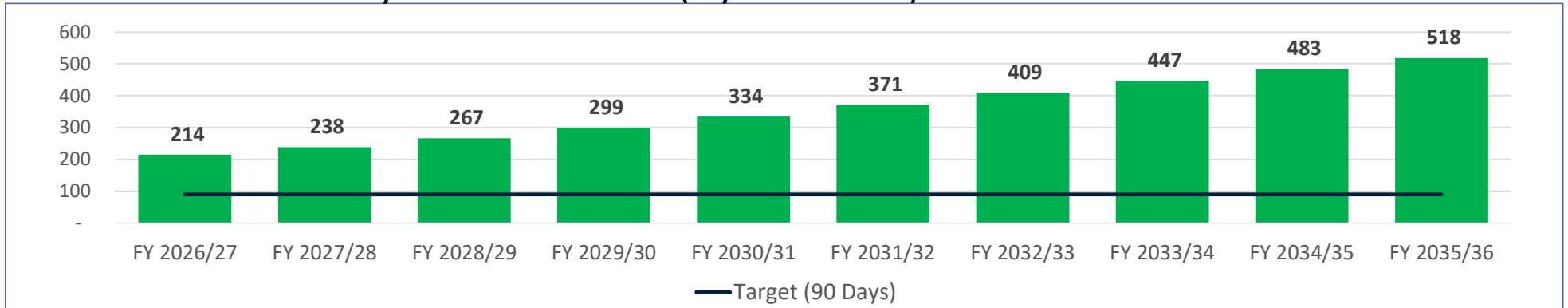


# Projected Operating Results

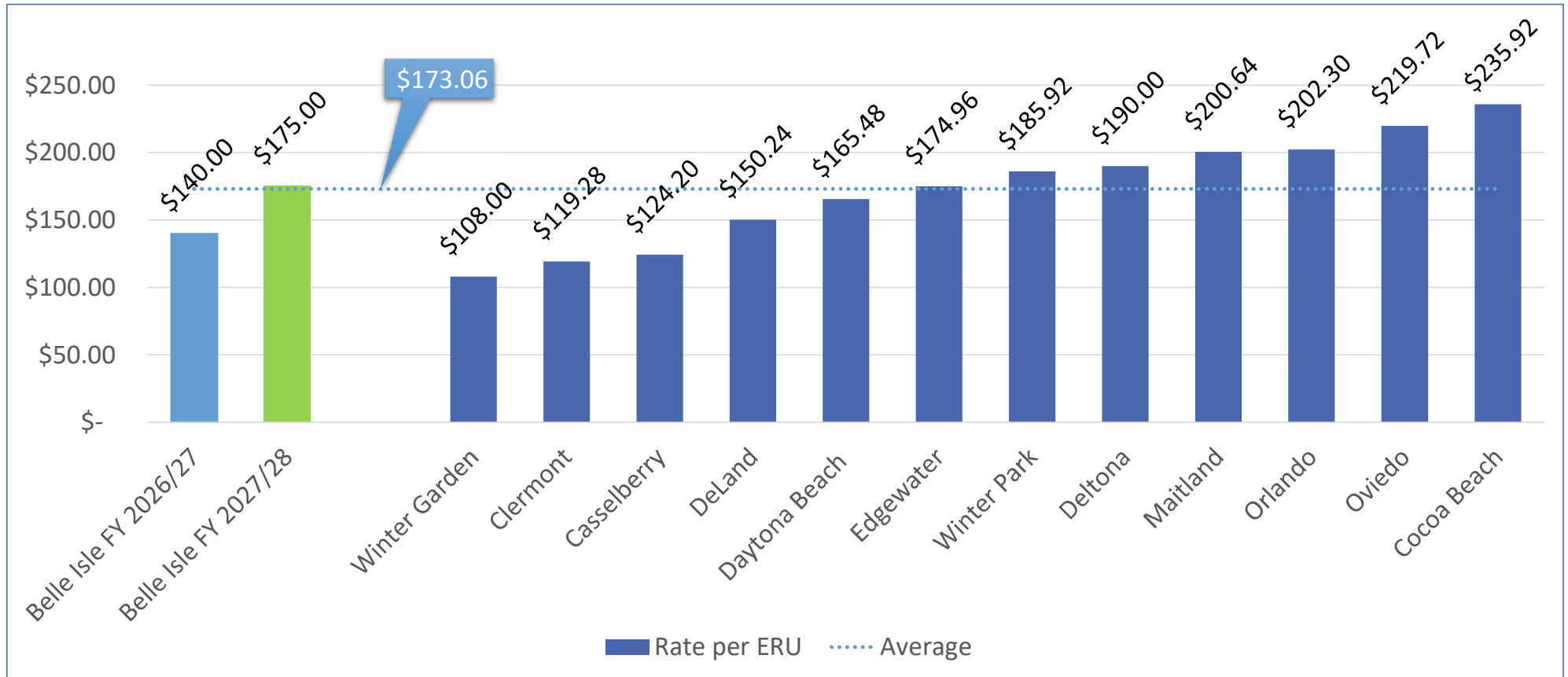
## Revenues and Expenses



## Stormwater Fund Number of Days O&M in Cash Reserves (Days Cash on Hand)



## Neighboring Utility Comparison (Residential per ERU)



Note: Fees current as of May 1, 2026.

## Findings and Conclusions

### Stable, Compliant Framework:

ERU-based, non-ad valorem assessment remains legally compliant and widely accepted for equitable cost allocation.

### Limited Growth Outlook:

Built-out conditions mean minimal revenue growth from new development; funding relies on fee adjustments.

### Revenue Shortfall Identified:

Current fees are insufficient to cover operating needs, reserves, and capital funding.

### Shift to Sustainable Funding:

Reduced reliance on grants; fees provide a more reliable, long-term funding source.

### No Structural Changes Recommended:

Alternatives (tiered fees, ERU adjustment) offer limited benefit vs. added complexity; current system remains appropriate.

### Clear Public Benefit & Legal Defensibility:

Assessments fairly reflect runoff contribution and support flood control, drainage, and water quality.

# Recommendations

## Financial Strategy

- **Implement Fee Plan:** Adopt phased assessment increases to restore revenue sufficiency and ensure long-term financial stability.
- **Monitor Costs Annually:** Track inflation and cost drivers; adjust fees as needed to maintain fiscal balance.

## System & Data

- **Refine ERU Assignments:** Update select multi-family ERUs to improve equity and code consistency.
- **Finalize Impervious Area Data:** Complete verification for nonresidential and applicable parcels to ensure accurate billing.

## Policy & Governance

- **Maintain Current Funding Method:** Continue ERU-based, non-ad valorem assessments in compliance with Florida Statutes.
- **Develop Credit Policy:** Establish formal mitigation credit program for qualifying nonresidential properties.
- **Conduct Periodic Reviews:** Reevaluate rates and structure at least every 5 years or as conditions change.



# Questions

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