

STAFF REPORT



SUBJECT: Professional Services – Stormwater Rate Analysis – Raftelis
MEETING: Public Works Committee Meeting - 16 Jan 2024
DEPARTMENT: Public Works
STAFF CONTACT: Nick Williams

RECOMMENDATION:

Staff recommends engaging Raftelis Financial Consultants, Inc. to perform the FY23-24 budgeted stormwater rate analysis.

BACKGROUND:

Public Works and Finance staff met with representatives from Raftelis on November 17, 2023, and were impressed with the considerable experience presented regarding municipal rate structure development. Raftelis has conducted rate surveys since 1996 and has partnered with over 600 local governments last year alone. Raftelis has a multitude of both state and national clients of all sizes. Raftelis is also registered with the U.S. Securities Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor.

PROPOSAL:

A proposed Professional Services Agreement is attached. The agreement has been reviewed by the city attorney's office. The scope of work includes the establishment of short and long-term financial plans for the city's stormwater utility using multiple scenarios over various lengths of time. The financial plans will consider different funding mechanism options to ensure equitable and sustainable revenue generation to meet both standard operating and capital cost goals.

The proposal also includes the development of a financial rate model tool in a format the city can use in the future to analyze different factors and those associated impacts to debt and revenue.

The city's current rate structure and calculation methodologies will be reviewed, and recommendations will be presented for consideration. Raftelis will develop a specific 5-year rate structure recommendation to meet prioritized funding goals.

Additionally, Raftelis will review and provide recommendations to the city's applicable code of ordinances.

FISCAL IMPACT SUMMARY:

The adopted FY23-24 budget allocated \$50,000 for a stormwater rate analysis. The proposal provides the services discussed above for \$46,890.00.

ALTERNATIVES:

The following alternatives are provided for consideration:

1. Do not recommend approval the proposal as presented; or
2. Direct staff to seek an alternate firm.

ADVANTAGES:

1. The proposal is \$3,110.00 under the approved budget amount.

DISADVANTAGES:

1. No disadvantages have been identified.

ATTACHMENTS:

[Raftelis – Stormwater Rate Analysis Proposal](#)