

Memorandum

REPORT TO: City Commission

FROM: Melissa Hodnett, Finance Director

SUBJECT: Resolution to Establish Rates and Fees for Water, Wastewater, Stormwater, and Solid Waste Services for Fiscal Years 2027 and 2028

MEETING DATE: August 18, 2026

AGENDA ITEM TYPE: Finance

RECOMMENDATION: **Consider the Motion:** *I move to adopt the resolution to establish rates and fees for water, wastewater, stormwater, and solid waste services for Fiscal Years 2027 and 2028.*

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND: The City Commission adopted the 2027 Biennium Budget on June 23, 2026. The proposed budget included assumed utility rate increases for the Water, Wastewater, Stormwater, and Solid Waste Funds to ensure sufficient revenues to support ongoing operations, planned capital improvements, and the long-term financial sustainability of each utility.

During budget adoption, the Commission approved an amendment to incorporate the construction costs and anticipated debt service associated with the Shops Complex project. Along with that amendment included amended projected rate increases. These amended rate assumptions reflected the best information available at the time and ensured the adopted budget included sufficient revenues to support the project's estimated financial impact.

As part of the amendment for Shops Complex, the Commission also requested City staff review further and refine the financial modeling and return with sufficient utility rate increases to support the Shops Complex project while limiting impacts on utility customers. Since budget adoption, staff have updated project cost estimates, project timelines, debt financing assumptions, reserve targets, and long-term utility financial projections. Based on this analysis, staff developed the proposed rate increases presented for Commission consideration.

UNRESOLVED ISSUES: None

ALTERNATIVES:

Changes to the proposed rate increases in the resolution can be made by motion and are likely to require budget amendments or delay of projects.

FISCAL EFFECTS:

The estimated average residential monthly increase is \$14.65 in FY27 and \$5.99 in FY28 based on 7.5 HCF consumption and weekly garbage collection for a 35-gallon tote.

Attachments:

[8.18.26 Utility Rates_Resolution.docx](#)

[Exhibit A_Schedule of Rates and Fees for Water, Wastewater, Stormwater, and Solid Waste Services for FY27 and FY28.pdf](#)

Report compiled on: August 6, 2026