

**RESOLUTION NO. 2023-**

**A RESOLUTION OF THE VILLAGE OF PINECREST,  
FLORIDA, AUTHORIZING THE VILLAGE MANAGER  
TO ENTER INTO AN AGREEMENT WITH SCS  
ENGINEERS FOR STORMWATER FEE STUDY;  
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, in 2019, SCS Engineers prepared the FY2020 Stormwater Utility Fee Study which recommended a 1.25% increase over the next ten years; and

WHEREAS, the report noted that the Village would maintain the Equivalent Residential Unit (ERU) billing method through the FY2024 in accordance with the County's billing methodology for stormwater utilities; and

WHEREAS, it was recommended that after FY2024, the Village convert the billing method to an Equivalent Billing Unit (EBU) which establishes 1 EBU as 500 square feet of impervious area; and

WHEREAS, the EBU method will better provide for variances in property sizes in both our commercial and residential units Village wide;

BE IT RESOLVED BY THE VILLAGE COUNCIL OF PINECREST, FLORIDA, AS FOLLOWS:

Section 1. That the Village Council hereby waives the procurement code requiring three bids for expenditures more than \$10,000 and authorizes the Village Manager to enter into an agreement with SCS Engineers for Stormwater Fee Study, in an amount not to exceed \$38,600.

Section 2. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 14th day of November, 2023.

\_\_\_\_\_  
Joseph M. Corradino, Mayor

Attest:

\_\_\_\_\_  
Priscilla Torres, MMC  
Village Clerk


Approved as to Form and Legal Sufficiency:

\_\_\_\_\_  
Mitchell Bierman  
Village Attorney



Yocelyn Galiano, ICMA-CM  
Village Manager  
manager@pinecrest-fl.gov

MEMORANDUM  
Office of the Village Manager

DATE: November 7, 2023  
TO: The Honorable Mayor and Members of the Village Council  
FROM: Yocelyn Galiano, ICMA-CM, Village Manager   
RE: Stormwater Utility Fee Study Contract Award

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Attached for your review is a proposal from SCS Engineers. In 2019, the firm prepared the FY2020 Stormwater Utility Fee Study which recommended a 1.25% increase over the next ten years. The report noted that the Village would maintain the Equivalent Residential Unit (ERU) billing method though the FY2024 in accordance with the County's billing methodology for stormwater utilities. After FY2024, it was recommended that the Village convert our billing method to an Equivalent Billing Unit (EBU) which establishes 1 EBU as 500 square feet of impervious are. The EBU method will better provide for variances in property sizes in both our commercial and residential units Village wide.

We respectfully request authorization for the Manger to enter into agreement with the attached proposal from SCS Engineers for the fixed fee of \$38,600. Furthermore, we would like to request to waive the procurement policy that requires 3 bids for any agreement over \$10,000. This second agreement with SCS is a continuation of the 2020 study and the firm has a history of the work required. To start over, would be cost prohibitive with another firm.



October 30, 2023

David J. Mendez, P.E.  
Public Works Director  
Village of Pinecrest  
10800 Red Road  
Pinecrest, Florida 33156



Subject: Stormwater Fee Study Proposal

Dear Mr. Mendez,

The Village of Pinecrest (Village) has requested the cost to update the Village's stormwater fees. SCS Engineers (SCS) is pleased to present our proposed scope of services and cost estimate.

## YOUR BACKGROUND

The Village of Pinecrest, one of 34 municipalities in Miami-Dade County, has about 18,000 residents. Stormwater services in the Village are funded through a stormwater fee on the tax bill. In 2019, SCS updated the Village's fee per Equivalent Residential Unit (ERU), based upon impervious square footage on the parcel. At that time, it was recommended that Village adopt a fee of \$17.87 per ERU and implement fee adjustments of 1.25% per year for 5 years. At that time, the Village expressed an interest in a different methodology for the stormwater fee in the future. As they have not reviewed the stormwater fee in several years, the Village feels that this is an appropriate time to look at their fee methodology, financial outlook, and cost to serve residents to validate that the fee adequately meets the Village's revenue requirements.

## OUR QUALIFICATIONS

SCS will support you by offering our project team's expertise in operational analysis, financial analysis, and ratemaking for municipal government. Our team includes experts in municipal consulting and finance:

### Vita Quinn, MBA – Project Manager

I lead SCS' Management Services team and am SCS' **National Expert on Rate Studies**. My expertise is in providing economic, financial, and management consulting services to local governments. I will be your **point of contact** and lead the majority of project work.



### Stacey Demers – Data Expert

Stacey Demers will lead the analysis of parcel data, growth projections, and user characteristics. She performs detailed research and operational planning, program analysis, and rate benchmarking studies for cities across the country.

## OUR APPROACH

Our proposed scope of services includes the following activities:

- Kickoff meeting to discuss your key issues, establish the project schedule and gather data, and a thorough review of the data provided;
- Update to the Village's stormwater methodology and fee
- A technical memorandum detailing the results of the analysis, and a PowerPoint presentation of results which we will present at a meeting with your Council.

While not defined herein, we can provide additional support for public engagement and outreach should the Village require it.

Attachment A describes our proposed scope of services, detailed work plan, and cost estimate. We propose to complete this work for a fixed fee of \$38,600. We are submitting this proposal for your review and consideration and would like to set up a time to discuss the proposed scope of services as soon as possible. We look forward to the opportunity to serve you.

Sincerely,



Vita Quinn, MBA  
Director of Management Services  
SCS Engineers  
[vquinn@scsengineers.com](mailto:vquinn@scsengineers.com)  
386-546-7719



Stacey Demers  
Vice President  
SCS Engineers  
[sdemers@scsengineers.com](mailto:sdemers@scsengineers.com)

# ATTACHMENT A

## WORK PLAN AND COST ESTIMATE

Our work plan below details the tasks, meetings with Village staff, and final deliverables that will be included in this study. This proposal is fixed fee and includes our anticipated time and expenses to complete the tasks described below. To the extent that the Village wishes to engage SCS for meetings or other services not defined herein, the cost for these meetings or hourly rates for services can be found at the end of this section under Hourly Rates.

### Compile and Review Existing Information

We will begin our study by scheduling a **kickoff meeting** with our team and Village staff to discuss key issues, near and **long-term goals**, and metrics that you consider to be most important to your financial performance. At this meeting we will also distribute our data request, **discuss the items required for our analysis**, and the platform we will use for data transfer.

We will establish who will be involved in the process, the **key members of our team and your key staff**, and discuss the **project schedule** for interactive work sessions with your staff, meetings with your Council, and final deliverables.

We will work with Village staff to identify and obtain all information relevant to understanding your existing operations and costs for provision of service to customers. Once we start to receive the data, we will begin an in-depth review. We will also review any other data provided and remain in contact if we need clarification prior to our first interactive work session. Items we will request may include:

- Historical and current fees
- Account/customer billing information
- Parcel/property assessor data, including building and structure files
- Fund balances
- Historical and budgeted revenues and operating expenses
- Debt service schedules and coverage requirements
- Capital improvement plan and fleet/equipment inventory
- Current staffing and projected future hiring
- Village ordinances and policies relevant to the analysis
- Legal and financial concerns and/or regulatory and policy restrictions



## Revenue Sufficiency and Interactive Meetings

SCS uses an interactive modeling approach that allows input from you as we develop **customized financial solutions**. We will perform a revenue sufficiency analysis to determine the long-term sustainability of your solid waste system revenues, including a 10-year **financial management plan and associated plan of rate adjustments**.

During meetings with your staff, we display the models and work with you to **test multiple “what if” scenarios** that consider your financial sensitivity to changes in various variables. For example, we can test the impact of changes to your vehicle program costs and timing, and the associated impact on operating expenses and staffing requirements. For each scenario considered, we will identify the necessary revenue adjustments, including any borrowing that may be required, and the associated financial, fund balance, and customer impacts.



We will also evaluate capital funding alternatives, including cash funding, debt funding, grants, or any other financing alternatives the Village is considering. The results are displayed in a simple, graphical format that allows for easy **comparison of scenarios**. Some of the steps in this process are detailed in the following sections.

### Revenue Projection

We will examine a **multi-year history** of solid waste revenues, tonnage, monthly billing history, budgeted revenue to actual receipts, **financial trends**, and financial policies that affect the revenues of the utility. We will also consider **revenue optimization and revenue diversification strategies**.

To project revenue from customer charges, we evaluate historical billing data and revenues to estimate the anticipated growth in accounts and changes in usage/disposal that will affect the Village’s rate revenues. We will also review your population growth and new housing unit projections and determine how this will affect the number of **accounts, containers, and volume/tonnage projections**.

### Expense Projection

To project your revenue requirements, we review your historical budgeted and executed operating expenses, all planned capital improvements and associated funding sources, existing debt service and coverage ratios, available and recommended operating, capital, and debt service reserves, and any financial policies and reserve requirements dictated by policies of the

Village. We will also **consider your goals to address during the study**, such as cash reserve targets, operational changes, or hiring needs.

We will study near-term **changes in capital and labor costs** and how this will affect your expenses. Using cost escalators, we estimate your future expense increases and the nature of any expenses that may be tied to a contract or are one-time/temporary. As we tailor our financial model to your utility, we identify any other **issues or questions affecting financial performance to discuss with you** during our first interactive meeting. Our model will utilize the above-mentioned data and assumptions to **create projections** of revenues, operating expenses, capital spending, and fund balances.

### Capital Program Review

One of the largest expenditures driving the need for rate increases is the cost of capital outlay required to meet **current and future service needs and regulatory requirements**. In addition, there are significant renewal and replacement cost requirements to **preserve the reliability and useful life of your equipment** and other assets. The Village must consistently fund vehicle replacements or incur increases in **repair and maintenance** costs. And implementing new programs often requires additional carts, routes/vehicles, or other capital expense.

We will perform a review of your capital program, including vehicle/equipment replacements and the **anticipated sources of funds** available to pay for these projects. This discussion of funding is important to reducing the impact of capital on rates. Recognizing this, we will:

- Review the level of your budgeted capital spending vs needed capital investment,
- Consider the priority of individual items within your capital plan,
- Review all restricted and unrestricted funds available for projects,
- Discuss timing of project expenditures, and
- Consider external funding sources, such as grants or loans, that may mitigate rate impacts.

In meetings with Village staff, we will review the level of capital or types of projects the Village historically cash funds from rate revenues. We will evaluate the pros and cons of alternative capital funding practices, and financial considerations associated with leveraging debt financing.

We will consider whether the Village could optimize its use of cash and debt funding to maximize available cash reserves, improve the long-term stability of utility rates, and limit risk. Working with Village staff, we will develop a **recommended capital spending and funding plan** for the identified capital and future capital needs.

### Financial Management Plan

Based on our analysis and interactions with staff, we now have a **forecast of your system growth** and **anticipated revenues under your current rates**. We also have a **projection of operations and maintenance** expenses, capital investment, debt service payments, and the resulting fund balances in each year of the projection period.

The final step is to review the scenarios the Village may wish to consider for project timing and funding, policy changes, or sensitivity to changes in any of the assumptions used in the analysis and then **develop a long-term plan of rate adjustments** for each scenario. Working with you, we identify the scenario that best reflects your **anticipated and desired outcomes while minimizing rate impacts** to your customers. This plan will provide the revenue requirements used as the basis for updating the structure of your rates.

## Methodology Comparisons & Fee Calculation

To begin the fee analysis, we will examine the Village's **current ERU calculation**. We will review the historical stormwater fee rolls provided to the property appraiser, analyze the **property data** for each parcel in the Village, and add/analyze any additional **building and structure files** required for the analysis.

Next, we will analyze current billed ERUs and calculate the **total impervious area** on each parcel in the Village. We use the test year revenue requirement determined in the revenue sufficiency analysis and the results of the property data analysis in the development of alternate fee structures. We will first calculate an updated ERU based upon the average impervious area for a residential single-family parcel. Next, we will consider other fee structures and recommendations such as a tiered approach or equivalent billing units and determine the fees and impacts on the average resident for each.

During an interactive meeting with staff, we will discuss the impervious area calculation, alternate fee structures, and updated fees. There is no "one size fits all" approach to methodology development, and it will be important to consider the nature of weather, home/structure sizes, and other factors unique to Pinecrest and/or Florida. In meetings with staff, we will also consider the ease of obtaining information, ease of updating fees in the future, and trade-offs associated with potential methodology.

## Fee Benchmarking

To assist in the next step of the fee analysis, we will conduct a **survey of comparable Florida entities** to determine the Village's current and proposed stormwater fees for the average customer relative to these other entities. We will discuss the results of this survey with Village staff and include them in the presentation to the Village Council and public.

Once the methodology and fee is finalized, we will begin our presentation of results.

## Presentation of Results & Implementation Assistance

### Customer Impacts & Plan for Public Meetings

A well-designed rate structure only benefits you if it is adopted and implemented. With this outcome in mind, it is important to consider the **impact of recommended changes on the average customer**.

It is also helpful at this point to include the Village Manager or other officials in Village Administration in a **conversation of the key issues** and the basis for the recommendations prior to public meetings. This conversation allows us to **get support and direction** regarding **key items of interest to the public and/or elected officials** that may be important to gaining support.

Once we have agreed on the fee/policy recommendations to be presented to the public and Councilors, we will begin the presentation of results.

### Written Narrative

We will develop outputs of the assumptions and projected revenues, expenses, fee adjustments, and fee structure changes used in developing the analysis. These will be included in our draft and final technical memorandums for your review and feedback. We will create a memorandum detailing the **analysis performed, comparable entities identified and how the Village compares, and recommendations** for the Village to consider.

The draft memorandum will be distributed to Village staff for review and comment. Upon receiving comments from Village staff, we will adjust our analysis and/or narrative as required and distribute the final memorandum.

### Public Meetings

In addition to the written report, we will develop a **PowerPoint presentation** summarizing the analysis and findings. Then we will also attend **a meeting with the Village Council and/or the public** where we will present the results of our analysis. As earlier discussed, it is important to have early interaction with key stakeholders, but this is the first time many of the residents will hear the details of the rate study performed.

It is important to convey that the utility is acting in the best interests of the residents. We will communicate:

- The **key issues** you are facing and the associated costs driving the need for additional revenue
- The **basis for calculating fees**, including the equitable distribution of costs and methodologies considered

## HOURLY RATES

To ensure that the Village receives the services it requires at the agreed upon price, we propose to offer our services for a fixed fee of \$38,600. The fee includes the scope for all services described in this proposal, in response to the Scope of Services requested, and will be billed monthly on a percent complete basis.

In the event that the Village requires any services not detailed in this proposal, work can be completed on an hourly basis using the fees on the next page, or we can provide a separate, fixed fee proposal for those additional services.

To the extent that you require additional hourly services, they can be provided at the rates shown below.

### SCS ENGINEERS FEE SCHEDULE

(Effective January 1, 2023 through December 31, 2023)

<b>Labor Category</b>	<b>Rate</b>
Principal/Business Unit Director .....	\$255
Project Director .....	\$240
Senior Project Advisor.....	\$225
Senior Project Manager .....	\$205
Project Manager II.....	\$185
Project Manager I.....	\$175
Project Advisor .....	\$165
Senior Project Professional II.....	\$165
Senior Project Professional I.....	\$155
Senior Designer .....	\$145
Project Professional II .....	\$140
Project Professional I .....	\$130
Designer .....	\$120
GIS Analyst .....	\$120
Staff Professional II.....	\$117
Staff Professional I .....	\$110
Senior Superintendent .....	\$135
Analyst III.....	\$115
Analyst II.....	\$110
Data Analyst .....	\$105
Analyst I.....	\$100
Senior Technician .....	\$110
Associate Staff Professional .....	\$100
Drafter .....	\$95
Technical Associate.....	\$95
Technician.....	\$90
Secretarial/Clerical .....	\$90

General Terms:

1. The hourly and reimbursable rates are effective through December 31, 2023. Work performed thereafter is subject to a new Fee Schedule issued for the period beginning January 1, 2024.
2. The above rates include salary, overhead, administration, and profit. Other direct expenses, such as analyses of air, water and soil samples, reproduction, travel, subsistence, subcontractors, computers, and other reimbursable fees, are billed in accordance with the attached reimbursable fee schedule, or at cost plus 15 percent for administration.
3. For special situations, such as expert court testimony, hourly rates for principals of the firm will be on an individually-negotiated basis.