

**SPECIAL MEETING/WORKSHOP OF CITY COUNCIL
JANUARY 25, 2024 – 5:00 PM
MUNICIPAL COURTROOM
2222 HIGHMARKET STREET
GEORGETOWN, SOUTH CAROLINA
AND LIVESTREAM:**



<https://www.facebook.com/cityofgtown/>

- 1. CALL TO ORDER**
- 2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES**
- 3. PRESENTATION**
 - A. Water, Sewer, Electric and Stormwater Utility Rate Study Update Presentation**

Attachments:

 - 1 Georgetown Utility Rate Study Council Presentation Jan25 2024 (PDF)
 - B. Short Term Vacation Rental Presentation**

Attachments:

 - 1 Short Term Vacation Rentals Workshop Presentation (PDF)
- 4. EXECUTIVE SESSION**
 - A. Motion to adjourn Special Meeting and enter into Executive Session pursuant to South Carolina Code Sections 30-4-70(a)(2) and (5) to discuss and receive legal advice on matters covered by attorney-client privilege related to a request to incentivize the Winyah Fishing Village project and where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege.**
 - B. Motion to adjourn Executive Session and reconvene Special Meeting.**
 - C. NO FORMAL ACTION WAS TAKEN IN EXECUTIVE SESSION.**
 - D. City Council may take action on items discussed in Executive Session.**
- 5. ADJOURNMENT**
 - A. Motion to adjourn the Special Meeting of City Council.**



120 North Fraser Street • Georgetown, SC 29440 • (843) 545-4000

INFORMATION ITEM

DOC ID: 4024

Council Meeting Date: 25 January 2024
Department: Administration
Issue Under Consideration: Water, Sewer, Electric and Stormwater Utility Rate Study Update Presentation

City of Georgetown

Water, Sewer, Electric and Stormwater Utility Rate Study Update

January 25th, 2024



Agenda

1. Introduction
2. Electric Study Update Results
3. Water and Sewer Study Update Results
4. Stormwater Study Update

Project Overview



Project Overview

- Water, Sewer and Electric Financial Plan Update
 - › Update the forecast of revenues and revenue requirements
 - › Assess level of future increases
- Rates
 - › Evaluate sufficiency of existing rates
 - › Recommend defensible rate increases to support the utilities
- Stormwater Update
 - › Rate structure recommendations

Utility Financial Planning

- As an enterprise fund, the utility must run like a self-supporting business
- Scale of operations, infrastructure, and investment requires thoughtful planning for future needs

Objective: Balance system reliability, sustainability and financial integrity with customer costs & impacts

Electric Study Results



Revenue Requirements

- Operating Expenses
 - › Projected expenses based on FY 2023 - 2024 adopted budget as baseline
 - › Annual increases: 3.0% - 5.0%
- Debt Service
 - › Existing
 - › No proposed debt currently, plan to cash fund all capital
- Cash-Financed Capital (PAYGO)

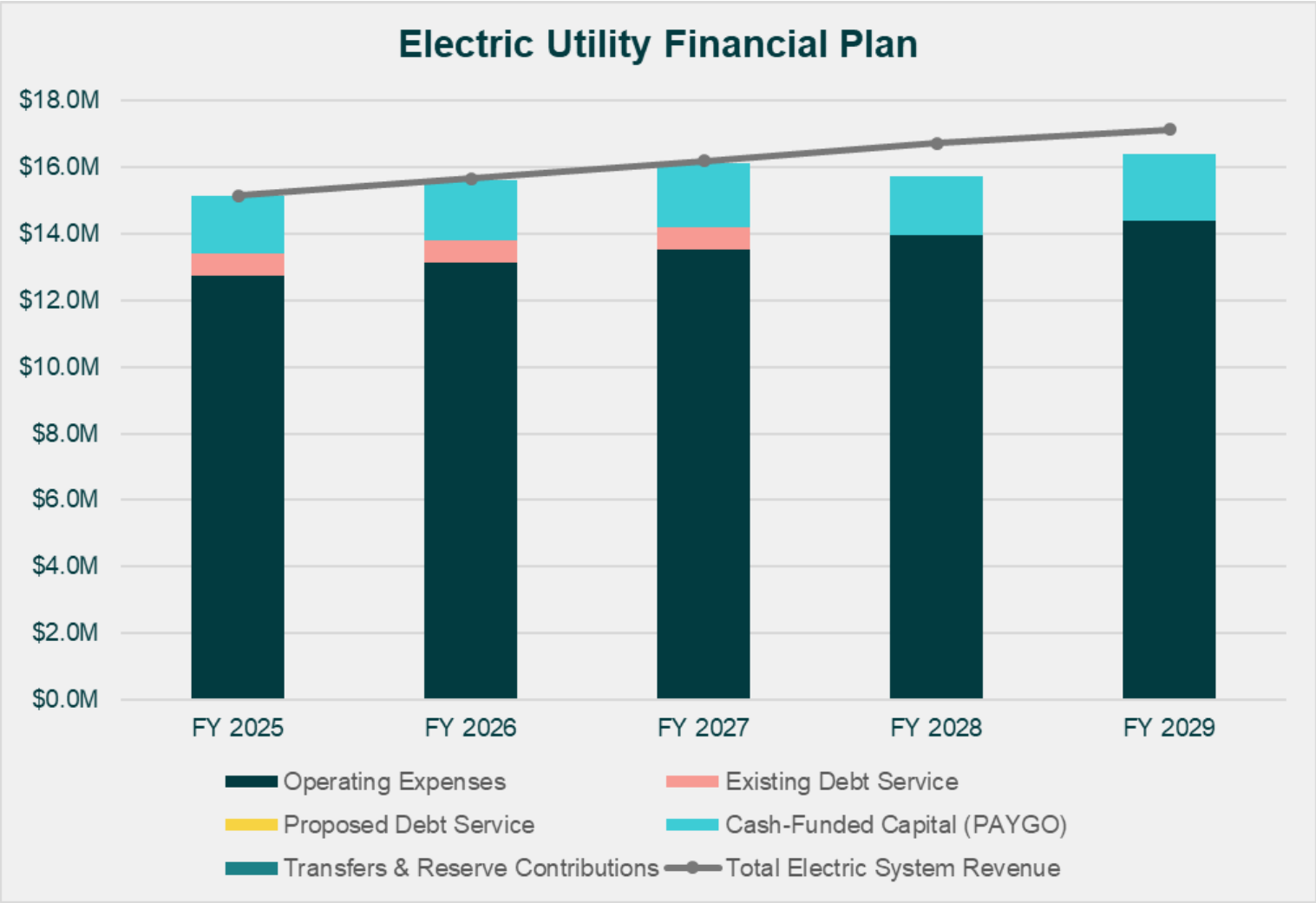
Revenues

- User Charge Revenues
 - › Residential accounts projected to grow at 0.5% while commercial accounts are projected to remain flat through the study period
 - › Usage projected to decline slightly through the study period
- Other Revenues (Late fees, connection fees, etc.)
 - › Projected flat through forecast

Electric Fund Recommendations

- Rate increase recommendations for all rate categories across the board
 - › FY 2025 – 7%
 - › FY 2026 through FY 2028 – 4.0%
 - › FY 2029 through FY 2033 – 3.0%
- Plan to cover all operating and capital requirements
- Cash fund all capital
 - › Only 80% - 90% of the capital will be funded for FY 24 – FY 26
 - › To fully fund the CIP – debt funding is needed
 - › No debt is proposed at this time
- Maintain reserves at a healthy level

Electric Utility Financial Plan



Water & Sewer Study Results



Revenue Requirements

- Operating Expenses
 - › Projected expenses based on FY 2023 - 2024 adopted budget as baseline
 - › Annual increases: 3.0% - 5.0%
- Debt Service
 - › Existing (including new 2023 loan)
 - › No proposed future debt currently
- Some planned capital
- Continue to maximizing ARPA and grant fund availability

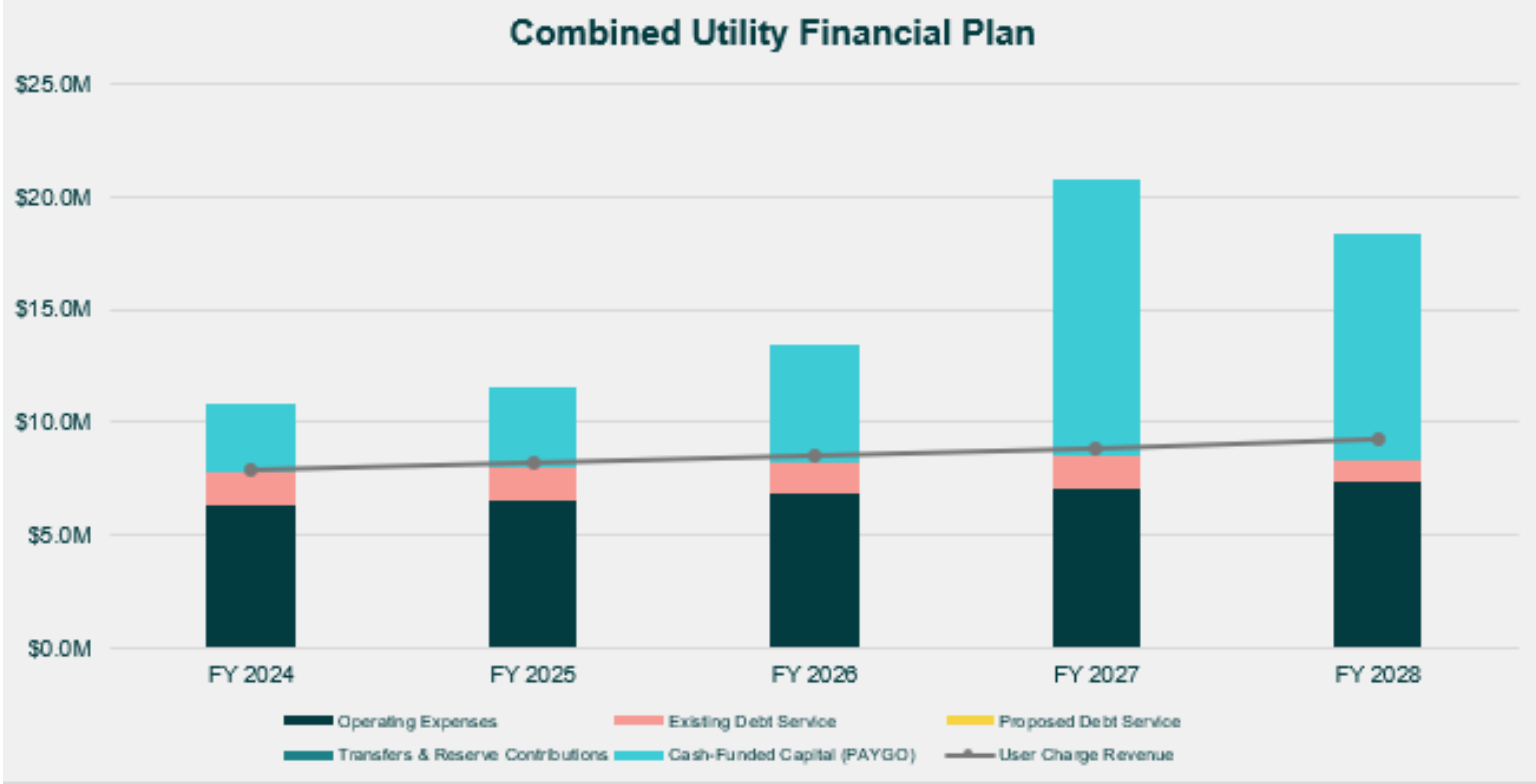
Revenues

- User Charge Revenues
 - › Accounts projected to grow at 1.0% in FY 2025 and 0.5% in FY 2026
 - › Flat through forecast from FY 2027 on
 - › Usage projected to decline slightly in FY2025 through FY 2027
 - › Flat through forecast from FY 2028 on
- Other Revenues (Late fees, connection fees, etc.)
 - › Projected flat through forecast

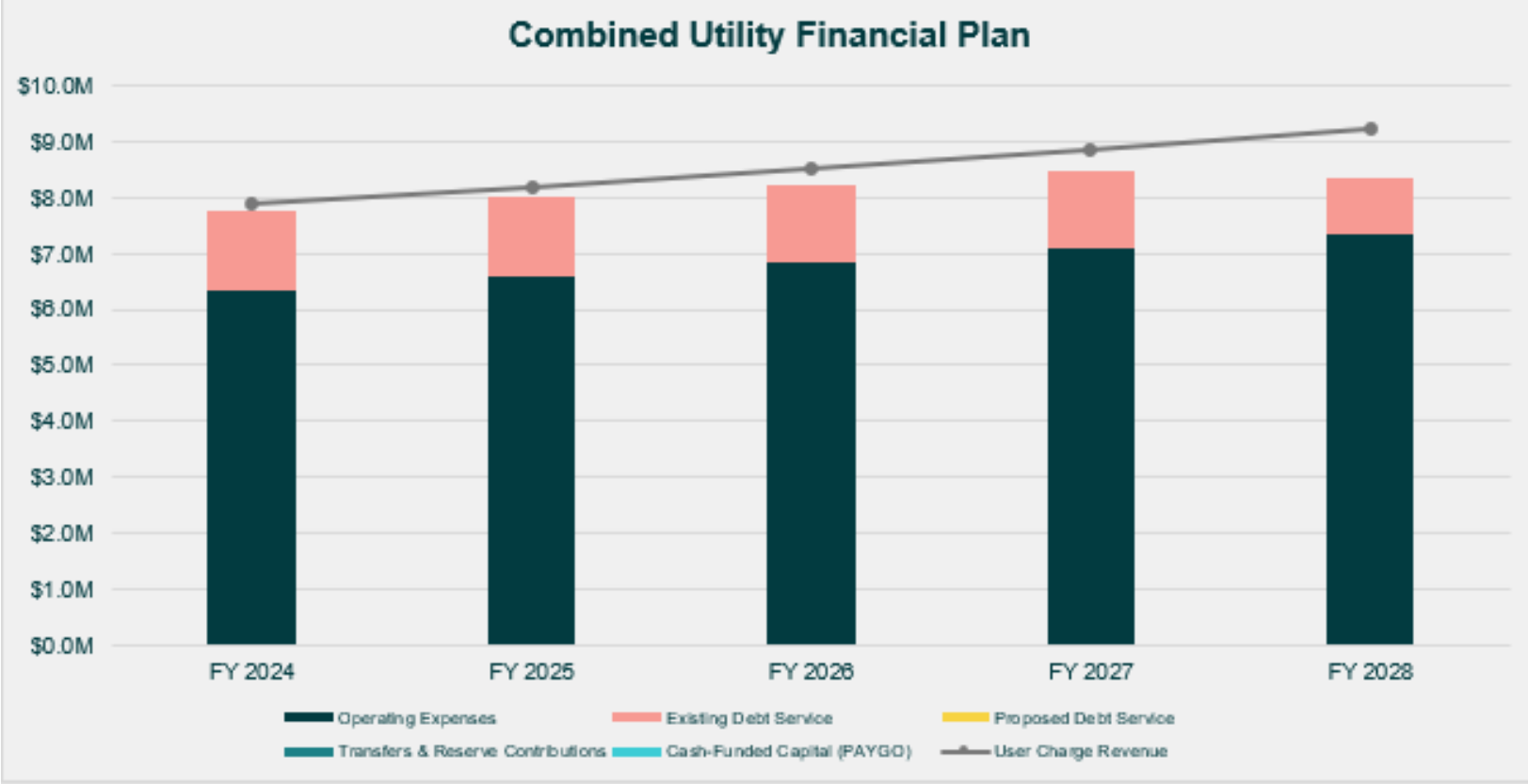
Water & Sewer Fund Recommendations

- Rate increase recommendations for each utility and all rate categories across the board
 - › 4% each for FY 25 for each water and sewer
 - Maintain current inside/outside differential
 - › FY 2026 through FY 2033 – 4.0%
- Rate increases are sufficient to cover all operating requirements
- Average of \$1.9M annually to cover capital expenses FY24 – FY28
 - › \$39M of capital expenses planned
- Additional capital to be completed with grant funding (new borrowing for matching funds)
- Continue building reserves

Combined Financial Plan – With CIP



Combined Financial Plan – No CIP



Plan to cover all operating requirements. Continue contributions to reserves. Start covering some capital with reserves.

Stormwater Study Results



Current Rate Structure

- Property Acreage Basis
 - › 1 Acre = 6.3 Equivalent Residential Units (ERUs)
 - › Single Family Residential (SFR) = 1 ERU

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate	\$9.01	\$10.33	\$10.57	\$10.81	\$11.06
% Increase		14.7%	2.3%	2.3%	2.3%
SFR ERUs	4,006	4,026	4,046	4,066	4,087
NSFR ERUs	9,139	9,157	9,175	9,194	9,212
Church ERUs	25	25	25	25	25
Total ERUs	13,170	13,208	13,247	13,286	13,324

Current Rate Structure

- Property Acreage Basis Example
 - › Both parcels below are 1 acre
 - › Both are billed the same rate under the current rate structure
 - › Bill would be 6.3 ERUs x \$9.01 (2024) = \$56.76/month



Current Rate Structure

- Property Acreage Basis Example
 - › Left parcel has a larger area of impervious surface
 - › Greater impervious area = more stormwater runoff
 - › This results in an unbalanced/unfair billing practice
 - › A shift to an impervious area basis rate structure would result in more fair billing



Updated Rate Structure

- Impervious Area (IA) Basis
 - › 1 Equivalent Residential Unit (ERU) = 2,624 Square Feet IA

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate	\$9.01	\$11.09	\$11.32	\$11.56	\$11.81
% Increase		23.1%	2.1%	2.1%	2.2%
SFR ERUs	3,145	3,161	3,177	3,192	3,208
NSFR ERUs	9,093	9,138	9,184	9,230	9,276
Total ERUs	12,238	12,299	12,361	12,422	12,485

Updated Rate Structure

- Impervious Area Basis Example
 - › Parcel on the left has an impervious area of about 30,000 square feet
 - Results in 12 ERUs which at \$9.01 (2024) = \$108.12/month
 - › Parcel on the right has an impervious area of about 13,000 square feet
 - Results in 5 ERUs which at \$9.01 (2024) = \$45.05/month



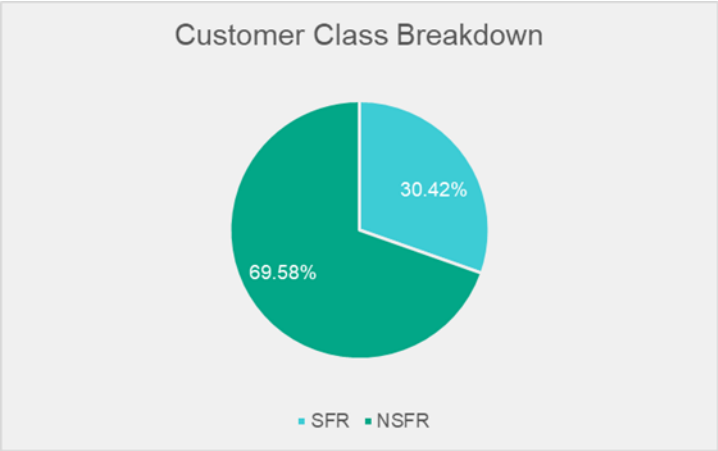
Billing & Data Maintenance Policy

- The recommended rate structure change is paired with a recommended policy change to bill owners
 - › Not always utility customers
- Allow customers to notify the City of changed impervious area
- Update regularly based on new aerial imagery or other triggers

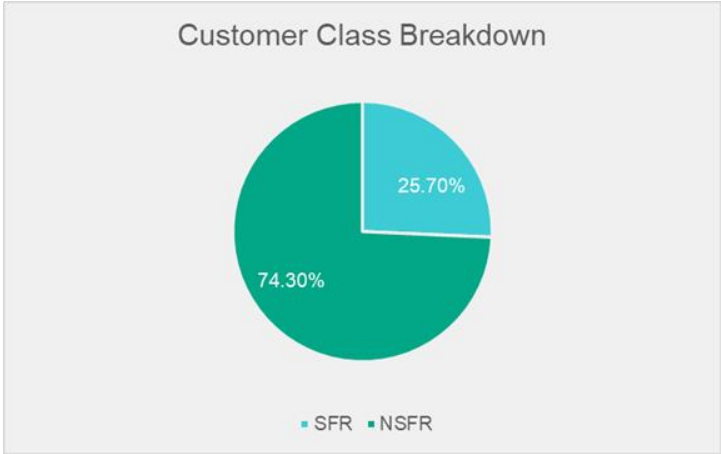
Rate Structure Comparison

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Current Structure	\$9.01	\$10.58	\$10.82	\$11.07	\$11.33
Impervious Area Basis	\$9.01	\$11.09	\$11.32	\$11.56	\$11.81

- Current Rate Structure



- Updated Rate Structure



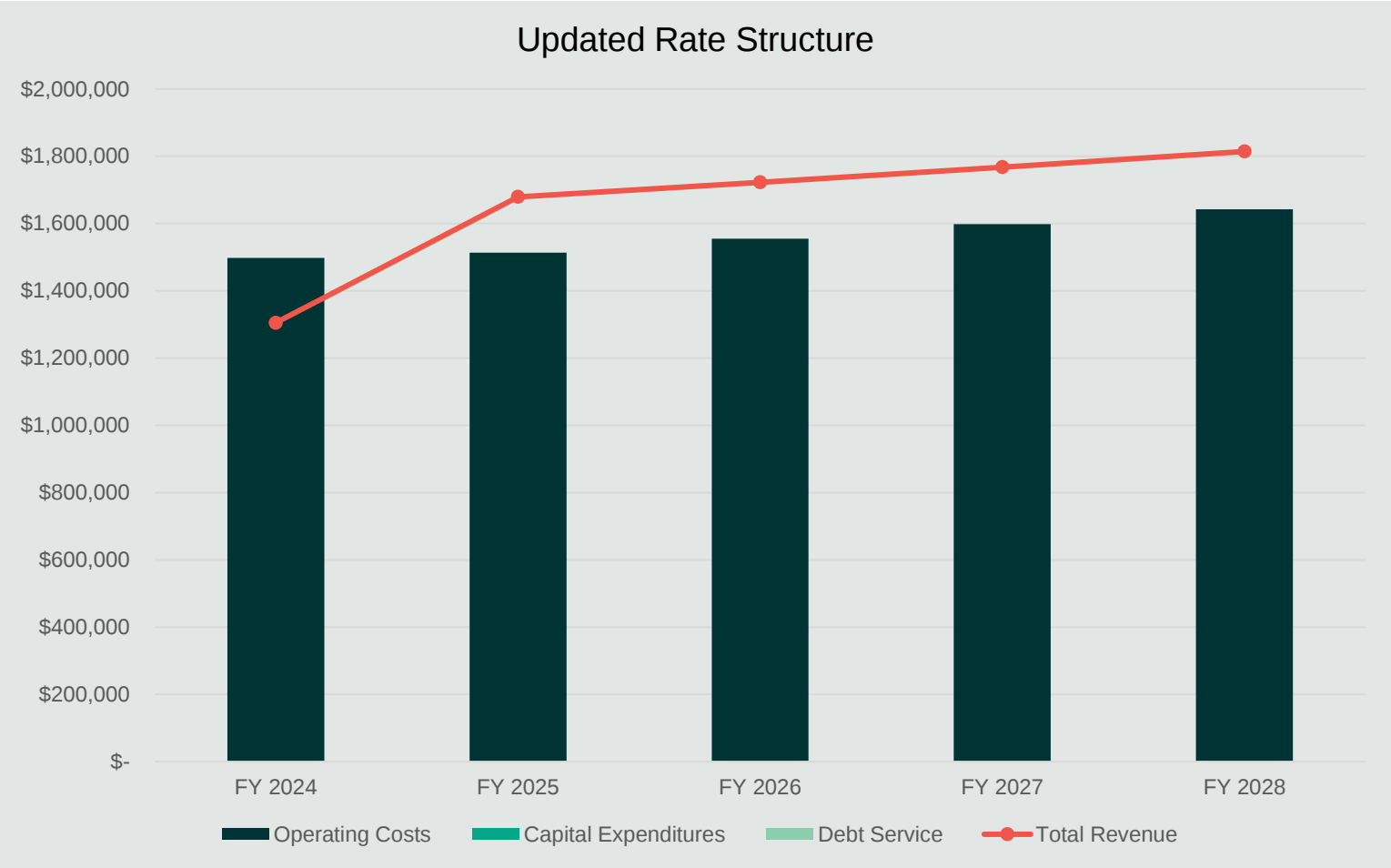
Updated Rate Structure Non-Residential Impacts

- With Updated Rate Structure
 - › Both increases and decreases in charge for Non-Residential Properties

Acres Billed	Actual Acres	Acre Charge	IA ERU	IA Charge	Change
1	4	\$227.04	6	\$54.06	\$ (173)
1	2	\$113.53	28	\$252.28	\$ 139



Stormwater Utility Financial Plan



Stormwater Rate Recommendations

- Starting rate \$9.01 per ERU for FY 2024
- 23.1% increase for FY 2025, followed by annual 2.1% increase
- With rate increases and rate structure updates, total revenue will cover all operating expenditures by FY 2025.

***Plan to cover all operating cost requirements by FY 2025.
Start contributions to reserves.***



Raftelis is a Registered Municipal Advisor within the meaning as defined in Section 15B (e) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (Municipal Advisor Rule).

However, except in circumstances where Raftelis expressly agrees otherwise in writing, Raftelis is not acting as a Municipal Advisor, and the opinions or views contained herein are not intended to be, and do not constitute “advice” within the meaning of the Municipal Advisor Rule.

Thank you!

Contact:

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INFORMATION ITEM

DOC ID: 4025

Council Meeting Date: 25 January 2024
Department: Administration
Issue Under Consideration: Short Term Vacation Rental Presentation

Short Term Vacation Rentals

Ordinance Text Amendment

City of Georgetown

Peter Gaytan

Director

Article III: Definitions

Add Short Term Vacation Rental to the Definition Section of the Zoning Ordinance

361 **Short-Term Vacation Rental:** an accommodation for transient guests where, in exchange for compensation, a residential dwelling unit is provided for lodging for a period of time not to exceed thirty (30) consecutive days. Such use may or may not include an on-site manager. For the purposes of this definition, a residential dwelling shall include all housing types and shall exclude group living, hotel/motel, or other lodging uses.

Renumber all after Short-term Vacation Rental Definition

Update Article IV: General Provisions

- Propose a Cap of 250 Rentals City Wide
- Propose a STVR Permit Application
- Yearly Renewal along with Business License
- \$500 for Whole House Rentals
- \$250 for ADU's and Owner-Occupied Rentals

MAYOR
CAROL JAYROE

CITY ADMINISTRATOR
SCOTT WHITTIER

CITY CLERK
STEPHANIE BUCCIONE



COUNCIL MEMBERS
MAYOR PRO TEMPORE
JIM CLEMENTS

JONATHAN ANGNER
HOBSON H. MILTON
JIMMY MORRIS
CLARENCE SMALLS
TAMIKA WILLIAMS-OBENG

SHORT-TERM VACATION RENTAL APPLICATION

INCOMPLETE SHORT TERM VACATION RENTAL (STVR) APPLICATIONS WILL NOT BE PROCESSED.

Please complete this STVR Application when requesting a new STVR Certificate or renewing an existing STVR Certificate. A separate STVR application must be submitted for each dwelling unit used as a STVR. Checks should be made payable to the City of Georgetown.

Article VII: Provisions Governing Use Districts

- Add STVR's to the Zoning District Use Classification Chart
- Propose allowing STVR's to the following Districts:
 - R1-R5
 - MR- Master Planned Residential (Where HOA Allows)
 - CC- Core Commercial
 - WC- Waterfront Commercial
 - NC- Neighborhood Commercial
 - GC- General Commercial

Progress

Recommended by Planning Commission to City Council

Unanimous vote for First Reading

Second Reading Tabled to discuss CAP in more detail

Discussion

Questions?

Attachment: Short Term Vacation Rentals Workshop Presentation (4025 : Short Term