

**City of Melbourne, Florida**  
**Minutes – Workshop Meeting Before City Council**  
**November 13, 2025**

A workshop meeting of the City Council was held in the City Council Chamber, 900 East Strawbridge Avenue, and was called to order at 5:32 p.m. by Vice Mayor David Neuman.

1. Call to Order
2. Roll Call

Present:

|                    |                                                   |
|--------------------|---------------------------------------------------|
| David Neuman       | Vice Mayor, District 3                            |
| Marcus Smith       | Council Member, District 1                        |
| Mark LaRusso       | Council Member, District 2 (arrived at 5:38 p.m.) |
| Rachael Bassett    | Council Member, District 4                        |
| Mimi Hanley        | Council Member, District 5                        |
| Julie Kennedy      | Council Member, District 6                        |
| Jenni Lamb         | City Manager                                      |
| Joan Junkala-Brown | Deputy City Manager                               |
| Adam Conley        | City Attorney                                     |
| Kevin McKeown      | City Clerk                                        |
| Rebecca Thibert    | Assistant to the City Manager                     |

Absent:

|             |                                                    |
|-------------|----------------------------------------------------|
| Paul Alfrey | Mayor (out of town for Airport Authority business) |
|-------------|----------------------------------------------------|

3. Presentation of water and sewer impact fee study and extraordinary circumstances.

Financial Services Director Ross McGinn reported that at the December 10, 2024 City Council Meeting, Council authorized the use of Raftelis Financial Consultants, Inc. to perform a Water and Wastewater Rate and Impact Fee Study. Impact fees are used to defray the cost of increased demand on water and wastewater systems, shifting the burden of ensuring adequate capacity from existing ratepayers to new development.

Trevor McCarthy, Raftelis, noted that water and wastewater impact fees were last updated in FY2012; however, the city continues to make investments in utility assets. He stated that impact fees are paid by new private developments that create demand for water and wastewater system capacity. The fees are used by the city to pay for capital project costs or debt service associated with growth-related facilities. Mr. McCarthy stated that impact fees avoid burdening rate payers with growth-related costs associated with new private development. Continuing, Mr. McCarthy discussed the criteria related to impact fees and the

City of Melbourne, Florida  
Minutes – Workshop Meeting of the City Council  
November 13, 2025

development of impact fees from three major components: the amount of expansion-related capital costs to be recovered; the capacity of the expansion-related capital; and the level of service apportioned to the applicant requesting service.

Mr. McCarthy discussed how equivalent residential connections (ERCs) are determined and the development of proposed water and wastewater impact fees, as well as the proposed increase from a combined fee (existing) of \$3,750 to \$6,920. He continued by discussing how different municipalities/utilities come up with different impact fee rates and displayed a chart showing a comparison of current impact fees among local and like cities.

Mr. McCarthy stated that there is a new phase-in limitation on increasing impact fees, and described the process by which increases up to 25 percent of the current rate must be implemented in two equal and annual increments; additionally, increases between 25 percent and 50 percent of the current rate must be implemented in four equal and annual installments. Increases may not exceed 50 percent of the current impact fee rate and impact fees may not be increased more than once every four years. Ultimately, phase-in limitations apply unless City Council can demonstrate that there are extraordinary circumstances.

Extraordinary circumstances could include: significant inflation in the cost of construction, customer growth, and expansion-related debt. Mr. McCarthy stated that the recommendation from Raftelis is for the City Council to consider adopting the proposed water impact fee of \$2,755 and wastewater impact fee of \$4,165 per ERC. If Council agrees, the city should provide at least 90 days between the city's approval and the effective date, with fees being reviewed every four years. Further, the city should implement the full fees meeting extraordinary circumstances procedural requirements to comply with state statutes. By implementing these fees, the city mitigates the cost burden of growth to existing residents and businesses.

Council Member Marcus Smith asked if Raftelis would have recommended increases or rates staying the same absent the extraordinary circumstances. Mr. McCarthy stated that the fees would not have been able to be increased so much.

City Attorney Adam Conley stated that because of the level of increase to fees recommended by the study, the only way to increase the fees to this level without the phase-in process is to find extraordinary circumstances to skip that process and to implement these increased fees.

City Manager Jenni Lamb stated that if Council does not find extraordinary circumstances exist in this case, staff's recommendation will be to go to the 50% increase via the phased-in approach. If that route is taken, the city stands to lose

City of Melbourne, Florida  
Minutes – Workshop Meeting of the City Council  
November 13, 2025

about \$10 million, which would have to be factored into rate increases to the existing ratepayers.

Discussion continued. Vice Mayor Neuman asked if there is something Council can do to gradually increase these fees over time. Mr. McGinn replied that this process has proven that a regular rate study is the best practice. If the City Council accepts these rates, they cannot be increased for a four-year period. At that point, it would be prudent to do another rate study and then to regularly update the fees.

Council Member Mark LaRusso asked if this would affect anyone current in the system or if it would affect only new business. Mr. McGinn replied that generally, if a developer cannot pull a building permit with enough substantial information within that 90-day window, the developer would fall under the new rate structure. Attorney Conely provided more context as to when these fees would be applicable to developers. Discussion continued.

4. Public Comments

There were no comments from the audience.

5. Discussion of extraordinary circumstances necessitating the need to exceed the phase-in limitations for water and sewer impact fees.

Vice Mayor Neuman asked for the next steps in the process to be laid out. Attorney Conely replied that this is the first of two public workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phase-in limitations for possible increases in water and sewer impact fees. To comply with the requirements of Florida Statute §163.31801(6)(g), the public workshops are dedicated to providing an overview of the recently completed demonstrated needs study justifying an increase in excess of those authorized under Florida Statute §163.31801(6) and providing the City Council and the public an opportunity to review the justification of extraordinary circumstances necessitating the need to exceed the phase-in limitations for water and sewer impact fees.

Continuing, Attorney Conley stated that if Council deems it worthy to have that second workshop, staff would prepare an ordinance for Council's consideration to revise the water and wastewater impact fees within Chapter 58 of the City Code, making findings of extraordinary circumstances. Only consensus of the City Council is needed at tonight's meeting to direct staff to hold the second public hearing and to prepare the referenced ordinance, which would be considered by Council at the regular meetings on November 25 and December 9.

Council expressed consensus to move forward with that direction.

City of Melbourne, Florida  
Minutes – Workshop Meeting of the City Council  
November 13, 2025

6. Adjournment

The meeting adjourned at 6:08 p.m.

/s/ Kevin McKeown, City Clerk – November 17, 2025

Approved by Council: November 25, 2025