

Storm Sewer Utility Fund

The City's Storm Sewer Utility Enterprise Fund accounts for the operations of the City's storm drainage system. The fund was created in 2006 as staff began separately accounting for storm drainage activity. Prior to that, storm sewer operations were accounted for in the Sanitary Sewer budget. A stormwater utility fee was approved by Council in 2007, and implemented in January 2008. As an enterprise fund, the utility is designed to recover the cost of maintaining the City's storm drainage system, which includes over 100 miles of storm sewer pipes, and almost 80 miles of ditches as well as numerous catch basins, outfalls, manholes, weirs, culverts, and ponds. The system serves roughly 17,000 parcels throughout Blaine. The storm sewer operation functions as a division of the City's Public Services Department under the direction of the Stormwater Manager, and has an authorized staffing level of 3.75 fulltime equivalent (FTE) positions, including one Stormwater Manager, ¼ FTE for supervision, and 2.5 Public Service Workers.

Revenues

Total revenues are expected to increase slightly in the 2012 fiscal year. Charges for service revenues are expected to increase \$5,400 from 2011 projected levels. This figure is consistent with the amount of fees collected since 2009, supported by the amount of fees collected through October 31. Revenue from the payment of penalties is expected to generate \$15,000. Interest earnings are expected to remain at \$20,000.

Expenditures

Budgeted operating expenses in 2012 will decline by nearly \$187,000 from 2011 projections. Budgeted funds are distributed as follows: \$149,606 for street sweeping, \$36,415 for ditch maintenance, \$42,894 for pond maintenance, \$153,745 for catch basin maintenance and repairs, \$143,455 for general system operation and maintenance, \$31,850 for construction oversight, and \$28,875 for public education. In addition, \$298,000 is budgeted for depreciation on the system assets and equipment. Capital expenses include \$211,000 for the replacement of an aging street sweeper.

Long-term Outlook

As the Storm Drainage operation evolves as a stand-alone enterprise fund, the true cost of providing the service is becoming clear. Proper system maintenance, administrative overhead, depreciation and capital project expenses will continue to put pressure on the rate structure presently in place. Staff will continue to monitor the situation and is continuing to fine-tune the five-year budget model. A recommendation to increase service rates as early as the 2013 budget year is likely.

CITY OF BLAINE, MINNESOTA

2012 OPERATING BUDGET STORM DRAINAGE UTILITY FUND - 604

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Proposed Budget
REVENUES					
Service	\$ 838,463	\$ 843,007	\$ 850,000	\$ 844,600	\$ 850,000
Penalties	14,283	13,801	15,000	14,000	15,000
Interest Earnings	12,021	8,746	20,000	17,000	20,000
Other	2,500	-	-	3,679	-
TOTAL REVENUES	\$ 867,267	\$ 865,554	\$ 885,000	\$ 879,279	\$ 885,000
EXPENDITURES					
Operating					
Personal Services	\$ 340,285	\$ 383,914	\$ 406,150	\$ 381,300	\$ 317,540
Supplies	91,086	109,520	119,100	153,650	86,200
Contractual Services	99,645	73,240	71,800	36,030	6,400
Administrative costs	5,406	16,052	171,000	175,740	175,000
Depreciation	481,544	310,223	325,000	325,000	298,000
Other					1,700
TOTAL OPERATING EXPENDITURES	1,017,966	892,949	1,093,050	1,071,720	884,840
Net Operating Income	\$ (150,699)	\$ (27,395)	\$ (208,050)	\$ (192,441)	\$ 160
CAPITAL FINANCING					
Equipment					\$ 211,000
Improvements					\$ -
					\$ 211,000
FUND RESERVE/WORKING CAPITAL					
Beginning	802,296	1,133,141	1,415,969	1,415,969	1,548,528
Add Net Operating Income	(150,699)	(27,395)	(208,050)	(192,441)	160
Add Depreciation	481,544	310,223	325,000	325,000	298,000
Deduct Capital Expenditures	-	-	-	-	(211,000)
Y/E Fund Reserve/WC	1,133,141	1,415,969	1,532,919	1,548,528	1,635,688
Reserve:					
Cash Flow	\$ 179,000	\$ 194,000	\$ 256,000	\$ 249,000	\$ 249,000
Capital Reserve	954,141	1,221,969	1,276,919	1,299,528	1,386,688
Debt Service	-	-	-	-	-
	\$ 1,133,141	\$ 1,415,969	\$ 1,532,919	\$ 1,548,528	\$ 1,635,688