

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 storm water 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 22,700 parcels throughout Blaine. The storm sewer operation functions as a division of the City's Public Services Department under the direction of the Water Resources Manager, and has an authorized staffing level of 6.25 fulltime equivalent (FTE) positions, which in addition to the Manager includes ¼ FTE for supervision, 1 Working Foreman, and 4 Public Service Workers.

2018 Projections

Revenue collections are projected to reach \$1,298,400, which is about \$10,000 less than budgeted. Operating expenditures are projected to come in under budget by about \$5,000. Capital projects totaling \$180,000 are being reconsidered and/or rescheduled in light of the recently completed surface water management plan.

Revenues

Total revenues are expected to increase slightly in the 2019 fiscal year. Charges for service revenues are expected to increase \$25,000 from 2018 projected levels, consistent with increases experienced in recent years. Penalty payments are expected to total \$15,000, and interest earnings are estimated to reach \$12,000.

Expenditures

Budgeted operating expenses in 2019 will increase by almost \$79,000 over 2018 appropriations. Personal services allocations are increased \$81,000 to reflect the expected staffing levels necessary to maintain the system, and include cost of living adjustments and step increases. Administrative charges (reimbursement to the General Fund) are increased \$6,100, and depreciation is increased \$80,000. Capital projects totaling \$585,000 include replacement of the outlet structure at Laddie Lake (\$10,000), county ditch 17 improvements (\$375,000), Centennial Green ponding (\$50,000), design of corrections to the drainage system at the City Hall parking lot (\$50,000), and implementation of best management practices at City parks (\$50,000). The capital equipment budget is set at \$232,500 and consists of \$72,500 for a tracked skid-steer loader and trailer, and \$160,000 for a trommel screen and structure to screen and store street sweepings.

Long-term Outlook

The attached budget model outlines the resources required to operate and maintain the city's storm drainage system over the next five years under the proposed 2019 budget and five-year outlook. The five-year model in general, and the capital plan in particular, is based on the recently completed surface water management plan. Revenues as modeled reflect a \$4 annual rate increase on residential properties in both 2019 and 2020, and \$2 annual rate increases in 2021 through 2023. In addition, rates charged to commercial properties are increased 3% in all five years of the model.

CITY OF BLAINE, MINNESOTA

2019 BUDGET & FIVE-YEAR MODEL STORM DRAINAGE UTILITY FUND - 604

	2016 Actual	2017 Actual	2018 Budget	2018 Projected	2019 Proposed	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
BEGINNING FUND RESERVE	\$ 1,527,016	\$ 1,554,439	\$ 1,494,867	\$ 1,494,867	\$ 1,422,427	\$ 861,267	\$ 271,347	\$ 60,907	\$ 12,487
<u>REVENUES</u>									
Operating Revenues	\$ 1,260,128	\$ 1,281,447	\$ 1,308,000	\$ 1,298,400	\$ 1,423,000	\$ 1,554,000	\$ 1,633,000	\$ 1,720,000	\$ 1,809,000
TOTAL REVENUES	\$ 1,260,128	\$ 1,281,447	\$ 1,308,000	\$ 1,298,400	\$ 1,423,000	\$ 1,554,000	\$ 1,633,000	\$ 1,720,000	\$ 1,809,000
<u>EXPENDITURES</u>									
Operating									
Personal Services	\$ 524,762	\$ 578,960	\$ 597,680	\$ 660,910	\$ 679,010	\$ 698,270	\$ 715,890	\$ 733,970	\$ 752,650
Supplies	97,809	107,382	109,750	98,780	109,800	111,000	112,600	114,200	115,800
Contractual Services	82,548	51,892	179,250	106,300	170,350	171,450	171,750	172,050	172,350
Other	212,378	247,027	201,400	217,200	207,500	213,200	218,200	223,200	228,300
Depreciation	380,749	415,342	400,000	450,000	480,000	510,000	540,000	570,000	600,000
	\$ 1,298,246	\$ 1,400,603	\$ 1,488,080	\$ 1,533,190	\$ 1,646,660	\$ 1,703,920	\$ 1,758,440	\$ 1,813,420	\$ 1,869,100
Capital & Infrastructure									
Capital Equipment	313,290	90,980	88,000	89,400	232,500	75,000	75,000	75,000	75,000
Capital Projects	1,918	264,778	380,000	198,250	585,000	875,000	550,000	450,000	300,000
TOTAL EXPENDITURES	\$ 1,613,454	\$ 1,756,361	\$ 1,956,080	\$ 1,820,840	\$ 2,464,160	\$ 2,653,920	\$ 2,383,440	\$ 2,338,420	\$ 2,244,100
Net Addition Fund Balance	\$ (353,326)	\$ (474,914)	\$ (648,080)	\$ (522,440)	\$ (1,041,160)	\$ (1,099,920)	\$ (750,440)	\$ (618,420)	\$ (435,100)
<u>FUND BALANCE RESERVE</u>									
Beginning	1,527,016	1,554,439	1,494,867	1,494,867	1,422,427	861,267	271,347	60,907	12,487
Add Net Income	(353,326)	(474,914)	(648,080)	(522,440)	(1,041,160)	(1,099,920)	(750,440)	(618,420)	(435,100)
Add Depreciation	380,749	415,342	400,000	450,000	480,000	510,000	540,000	570,000	600,000
Y/E Fund Balance Reserve	1,554,439	1,494,867	1,246,787	1,422,427	861,267	271,347	60,907	12,487	177,387
Required Reserve:									
Cash Flow	\$ 306,000	\$ 328,000	\$ 363,000	\$ 361,000	\$ 389,000	\$ 398,000	\$ 406,000	\$ 414,000	\$ 423,000
Capital Reserve	381,000	415,000	400,000	450,000	480,000	510,000	540,000	570,000	600,000
Debt Service	-	-	-	-	-	-	-	-	-
\$ 687,000	\$ 743,000	\$ 763,000	\$ 811,000	\$ 869,000	\$ 908,000	\$ 946,000	\$ 984,000	\$ 1,023,000	