

## **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 Works Department under the direction of the Water Resources Manager and Public Works Director. The division has an authorized staffing level of 6.5 fulltime equivalent (FTE) positions, which in addition to the Manager includes ½ FTE for supervision, 1 Working Foreman, and 4 Public Service Workers.

### **2019 Projections**

Revenue collections are projected to reach \$1,435,200, which is about \$12,000 more than budgeted. Operating expenditures are projected to come in under budget by about \$74,000. Capital project expenses totaling \$200,000 are being deferred in light of the recently completed surface water management plan.

### **Revenues**

Total revenues are expected to increase in the 2020 fiscal year. Charges for service revenues are expected to increase \$134,000 from 2019 projected levels as a result of a recommended \$4 annual rate increase. Penalty payments are expected to total \$15,000, and interest earnings are estimated to reach \$13,000.

### **Expenditures**

Budgeted operating expenses (less depreciation) in 2020 will increase by \$62,000 over 2019 appropriations. Personal services allocations are increased \$59,500 to reflect the expected staffing levels necessary to maintain the system, and include cost of living adjustments and step increases. The contractual services appropriation totals \$189,500 and includes \$85,000 to jet and televise a section along El Dorado Street. Administrative charges (reimbursement to the General Fund) are increased \$42,200, and depreciation is increased \$80,000. Facilities charges paid to the Facilities Maintenance internal service fund are increased less than \$1,000. Capital projects totaling \$445,000 include slip-lining at 132<sup>nd</sup> and Jackson (\$75,000), slip-lining at Jefferson and 87<sup>th</sup> (\$100,000), county ditch 17 improvements (\$200,000), improvements to the outfall at Laddie Lake (\$15,000), replacement of a flared-end section on 4<sup>th</sup> Street (\$5,000), and implementation of best management practices at City parks (\$50,000). The capital equipment budget is set at \$380,000 and consists of \$310,000 for a street sweeper, \$10,000 for a trailer, and \$60,000 for further development of the trommel screen and structure used 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 2020 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 each year through FY 2024. In addition, rates charged to commercial properties are increased 3% in all five years of the model.

# CITY OF BLAINE, MINNESOTA

## 2020 BUDGET & FIVE-YEAR MODEL STORM DRAINAGE UTILITY FUND - 604

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Proposed	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
<b>BEGINNING FUND RESERVE</b>	\$ 1,554,439	\$ 1,514,092	\$ 1,556,535	\$ 1,556,535	\$ 1,334,580	\$ 734,640	\$ 504,060	\$ 538,590	\$ 959,700
<b><u>REVENUES</u></b>									
Operating Revenues	\$ 1,281,447	\$ 1,322,739	\$ 1,423,000	\$ 1,488,200	\$ 1,619,000	\$ 1,848,000	\$ 2,115,000	\$ 2,425,000	\$ 2,786,000
<b>TOTAL REVENUES</b>	\$ 1,281,447	\$ 1,322,739	\$ 1,423,000	\$ 1,488,200	\$ 1,619,000	\$ 1,848,000	\$ 2,115,000	\$ 2,425,000	\$ 2,786,000
<b><u>EXPENDITURES</u></b>									
Operating									
Personal Services	\$ 578,960	\$ 632,437	\$ 679,010	\$ 664,910	\$ 738,500	\$ 759,630	\$ 778,720	\$ 798,340	\$ 818,480
Supplies	107,382	84,961	109,800	101,220	115,800	115,600	115,900	116,200	116,500
Contractual Services	51,892	114,916	170,350	100,430	208,950	172,850	173,150	173,450	173,750
Other	247,027	193,572	287,570	305,920	330,690	339,500	347,700	355,900	364,400
Depreciation	415,342	439,605	480,000	480,000	510,000	540,000	570,000	600,000	630,000
	\$ 1,400,603	\$ 1,465,491	\$ 1,726,730	\$ 1,652,480	\$ 1,903,940	\$ 1,927,580	\$ 1,985,470	\$ 2,043,890	\$ 2,103,130
Capital & Infrastructure									
Capital Equipment	90,980	46,718	232,500	199,835	380,000	30,000	-	90,000	8,000
Capital Projects	245,553	207,692	535,000	337,840	445,000	661,000	665,000	470,000	615,000
<b>TOTAL EXPENDITURES</b>	\$ 1,737,136	\$ 1,719,901	\$ 2,494,230	\$ 2,190,155	\$ 2,728,940	\$ 2,618,580	\$ 2,650,470	\$ 2,603,890	\$ 2,726,130
<b>Net Addition Fund Balance</b>	\$ (455,689)	\$ (397,162)	\$ (1,071,230)	\$ (701,955)	\$ (1,109,940)	\$ (770,580)	\$ (535,470)	\$ (178,890)	\$ 59,870
<b><u>FUND BALANCE RESERVE</u></b>									
Beginning	1,554,439	1,514,092	1,556,535	1,556,535	1,334,580	734,640	504,060	538,590	959,700
Add Net Income	(455,689)	(397,162)	(1,071,230)	(701,955)	(1,109,940)	(770,580)	(535,470)	(178,890)	59,870
Add Depreciation	415,342	439,605	480,000	480,000	510,000	540,000	570,000	600,000	630,000
<b>Y/E Fund Balance Reserve</b>	<b>1,514,092</b>	<b>1,556,535</b>	<b>965,305</b>	<b>1,334,580</b>	<b>734,640</b>	<b>504,060</b>	<b>538,590</b>	<b>959,700</b>	<b>1,649,570</b>
<b>Required Reserve:</b>									
Cash Flow	\$ 328,000	\$ 342,000	\$ 416,000	\$ 391,000	\$ 465,000	\$ 463,000	\$ 472,000	\$ 481,000	\$ 491,000
Capital Reserve	415,000	440,000	480,000	480,000	510,000	540,000	570,000	600,000	630,000
Debt Service	-	-	-	-	-	-	-	-	-
	\$ 743,000	\$ 782,000	\$ 896,000	\$ 871,000	\$ 975,000	\$ 1,003,000	\$ 1,042,000	\$ 1,081,000	\$ 1,121,000