



City of Blaine Anoka County, Minnesota

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Legislation Details (With Text)

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Sponsors: Joe Huss
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Date	Ver.	Action By	Action	Result
12/6/2021	1	City Council	Adopted	Pass

Administration - *Joe Huss, Finance Director/Asst. City Manager*

Title

Adopt 2022 Storm Drainage Utility Fund Budget

Executive Summary

Pursuant to requirements to adopt annual budgets for all operating funds, staff is bringing forward the proposed 2022 Storm Drainage Utility Fund for consideration and adoption

Background

The proposed 2022 Storm Drainage Utility Fund budget was reviewed by Council at the November 8 Workshop. At that Workshop, staff presented Council with a proposed budget that included a fee increase of \$.50 per quarter (\$2.00 per year). Based upon the discussion that took place, staff is bringing forward for Council consideration and approval the same budget as presented.

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 23,000 parcels throughout Blaine. The storm sewer operation functions as a division of the City's Public Works Department under the direction of the Deputy Public Works Director and input from the Storm Water Coordinator.

The division has an authorized staffing level of 6.5 fulltime equivalent (FTE) positions, which in addition to the Storm Water Coordinator includes ½ FTE for supervision, ½ Working Foreman, and 4½ Public Service Workers. The proposed budget also includes requests to fund 1.5 new FTE positions in 2022 - one Public Services Worker and ½ of a proposed Project Manager.

Revenues

Total revenues are expected to increase in the 2022 fiscal year. The proposed budget includes a recommended \$2.00 increase in the annual basic rate, from \$40 to \$42 per year. This is consistent

with the five-year model presented to the Council over the last few years. It is expected that this will generate an additional \$128,000 for fiscal 2022. All other revenues are expected to remain the same for 2022.

Expenditures

Budgeted operating expenses (less depreciation) in 2022 will increase by \$142,000 over 2021 appropriations.

- Personal services allocation are expected to increase by \$82,000 compared to 2021 budgeted values. This figure includes a 3% general wage increase for all personnel, plus the addition of ½ of a capital project manager position, and one Public Service Worker to perform enhanced system maintenance.
- The reduction of the supplies allocation by \$20,000 provides more accurately for operational needs.
- Contractual services appropriation totals increase \$4,300 and are mostly associated with a small increase in the Institutional Corrections Work Crew (ICWC) program.
- Administrative charges are increasing \$45,000, which reflects the increasing cost of administrative/supervisory support of the storm drainage utility by general fund operations. The \$31,000 increase in other services and charges is attributable to the increase in facilities maintenance charges, plus the maintenance of bio-retention and wetland mitigation sites, and membership with Clean Water Minnesota/Adopt-a-Drain.
- The proposed 2022 capital equipment budget for the Storm Drainage Fund is set at \$122,000 and consists of \$42,000 for a forestry tool to be used with an existing skid-steer, \$10,000 for a truck-mount manhole lifter, \$10,000 for a leaf box for a hook truck, and \$60,000 for a scale to accurately measure salt use within environmentally sensitive drainage areas.
- Capital project appropriations totaling \$786,000 consist of \$260,000 for a containment system to manage the wash-down from cleaning equipment at public works and the cold storage site; \$26,000 for the city's share of the Coon Creek Watershed District impairment study; \$150,000 for an infiltration basin at Oak Creek Park; \$100,000 for the redesign of the outfall at 106th and Fillmore; and
- \$250,000 for cast-in-place lining at 99th Street between Pleasure Creek and Jackson Street. A supplemental report providing additional details on these projects is attached.

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 2022 budget and five-year outlook. The five-year model in general, and the capital plan in particular, is based on recommendations from the surface water management plan. The five-year plan has been updated for 2022 and reflects financial stability through the duration of the plan.

Strategic Plan Relationship

Adoption of annual operating budgets contributes to the overall financial stability of the City

Board/Commission Review

N/A

Financial Impact

The proposed budget, if adopted, will result in an increase of \$2.00 per year to the basic service charge, which will increase revenues by \$128,000. Total revenues projected in 2022 are \$2,058,100, while total expenses, including capital and infrastructure are \$2,952,840. The draw-down of almost

\$895,000 in fund reserve is an acceptable use of reserves for fund sustainability

Public Outreach/Input

N/A

Staff Recommendation

Adopt the following budget resolution.

Attachment List

Budget Summary

WHEREAS, the proposed Storm Drainage Utility Fund budget for the fiscal year commencing January 1, 2022 has been prepared by the City Manager; and

WHEREAS, the City Council has examined, studied, and reviewed said proposed Storm Water Utility Fund budget; and

WHEREAS, the City Council has, after due consideration and deliberation, made such amendments and adjustments in the proposed Storm Water Utility Fund budget as they consider necessary, desirable, or expedient.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Blaine as follows:

1. That the proposed Budget for the Storm Water Utility Fund attached hereto is approved.
2. That the 2022 appropriations attached hereto are approved.
3. That the 2022 funding sources identified and attached hereto are approved.
4. That the City Manager is authorized and directed to implement and to administer, within the budgetary funding limits and within adopted City policy and relevant State and City laws and regulations, said approved Storm Drainage Utility Fund budget.

PASSED by the City Council of the City of Blaine this 6th day of December, 2021.