



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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WORKSHOP ITEM - Joe Huss, Finance Director

PROPOSED 2018 STORM DRAINAGE FUND BUDGET

Staff has prepared a proposed 2018 Storm Drainage Fund Budget for Council review and discussion. Current projections point to an operating loss of about \$30,000 for 2017, indicating that fees are adequate for the short term. The proposed 2018 budget projects an operating loss of nearly \$180,000 as additional contractual work is completed. As proposed with the current budget requests, the fund's five-year model projects continued operating losses, indicating a fee increase would be required if Council opts to approve the proposed programmatic changes. Taking this into account, the Proposed 2018 Budget includes the following:

Revenue

To maintain and fully fund current programs, no fee adjustment would be necessary (fee would remain at \$7.00/quarter, \$28.00/year) for 2018. To maintain operations and provide funding for all requested capital projects, Council would have to approve a fee adjustment. Since it is unlikely that a fee adjustment would be recommended by Finance over the next few years, the more likely scenario is the implementation of cost containment strategies for at least three years. Continued development does allow for modest revenue growth between 1.5% and 2% annually.

Expenses

Total operating expense for the 2018 Proposed Budget equals \$1,486,580. The proposed budget includes contractual work for overall system assessment and pond inspections and

maintenance.

Capital Projects

The fund is projected to end 2017 with roughly \$1.5 million in working capital reserve. A portion of this reserve is intended to fund capital projects. Capital projects would include infrastructure maintenance and replacement, as well as system expansion. Capital Projects included at this point in the 2018 work-plan include beginning regional ponding work at Laddie Lake (\$50,000); \$105,000 for installation of a grit chamber and slip-line work on 89th Avenue (Toys r US); \$95,000 for storm sewer work associated with the Jefferson Street improvement project; \$75,000 for work at 124th and Aberdeen; \$35,000 for Rice Creek Parkway work; and \$20,000 for improvements at Aurelia Park.

Fund Reserve

Under the proposed budget, the fund's reserve would fall to \$1.3 million. The reserve is intended for cash flow (\$150,000), pond maintenance (\$150,000) and capital projects (\$1,000,000.)

Staff is seeking Council direction on proceeding with the 2018 Storm Water Utility Fund Budget.