City of Blaine
Anoka County, Minnesota

Blaine City Hall
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Legislation Text

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WORKSHOP ITEM - *Joe Huss, Finance Director*

2017 PROPOSED SANITATION UTILITY FUND BUDGET

As part of the City's comprehensive budgeting process, staff will be presenting a preliminary budget for the City's Sanitation Utility Fund.

The presentation will provide Council with the opportunity to review and comment on the proposed budget before it is presented to Council for formal adoption at a subsequent Council Meeting.

As Council is aware, January 1, 2016 marked the beginning of a new contract with a new refuse hauler, Walter's. The contract will extend for 5½ years.

Other than the change in service provider, the most significant change for the Sanitation Fund in 2016 was the increase in disposal fees that took effect beginning January 1, 1016. Disposal fees increased by $11/ton - from $64 to $75 per ton in 2016 and are scheduled to increase an additional $2/ton in 2017.

During the 2016 Budget process Council agreed to refrain from adding a fourth tier to the Sanitation fee schedule until such time in 2016 that a new fee schedule and enhanced recycling efforts can be evaluated. Walters has created a significant amount of data that will be reviewed at the Budget Workshop.

Attached is a summary for the budget. As the budget model indciates, the plan implemented in 2016 to stabilize the fund with small fee increases would continue in 2017 under the current three-tier fee schedule. Staff has begun modeling various four-tier fee schedules and, based on Council direction could develop a budget based on a revised fee schedule very quickly. Whatever fee schedule is adopted, the goal would remain to gradually draw down fund reserves to a point where reserves are roughly equivalent to two months of revenue.

Review Walters' 2016 collection data and provide direction regarding amending the current fee

schedule by adding a fourth tier.