



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*

PROPOSED 2017 STORM DRAINAGE FUND BUDGET

Staff has prepared a proposed 2017 Storm Drainage Fund Budget for Council review and discussion. Current projections point to an operating loss of just over \$100,000 for 2016, indicating that current fees are adequate. The proposed 2017 budget projects an operating loss of nearly \$300,000 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 2017 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 2017. To maintain operations and provide funding for all requested capital projects, Council would have to approve a fee adjustment. Since it is unlikely 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 2017 Proposed Budget equals \$1,420,670. The proposed budget includes contractual work for overall system assessment and pond inspections and maintenance.

Capital Projects

The fund is projected to end 2016 with roughly \$1.4 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 2017 work-plan include \$250,000 for a box culvert replacement on 7th Street, \$95,000 for storm sewer work associated with the Jefferson Street improvement project, and \$40,000 for slip lining at 101st and Pleasure Creek.

Fund Reserve

Under the proposed budget, fund reserve would fall to \$1.1 million and would be intended for cash flow (\$150,000), pond maintenance (\$150,000) and capital projects (\$840,000.)

Staff is seeking Council direction on proceeding with the 2017 Storm Water Utility Fund Budget.