

2019



Legislative Reference Bureau

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SEWER MAINTENANCE FUND



2019 Proposed Plan and Executive Budget Review

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Budget Hearing: 9:00 am on Friday, October 12, 2018
Last Updated: October 8, 2018

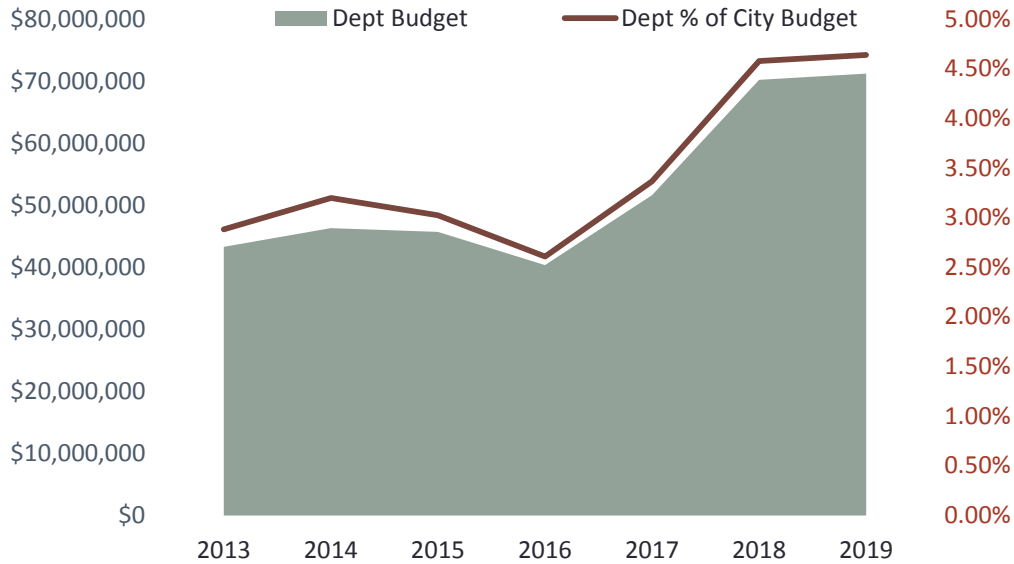
Version 1.0



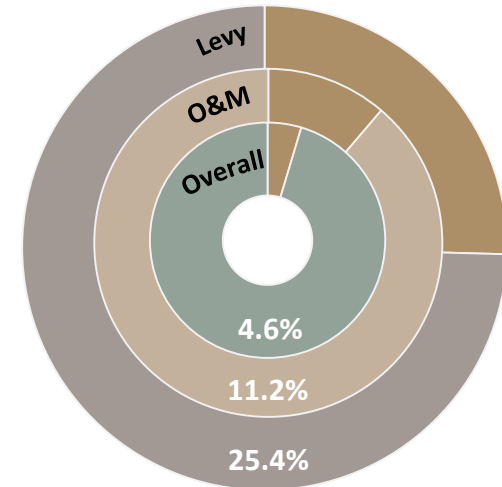
\$71,205,744
Proposed 2019 Budget

\$1,001,728
Change in Proposed Budget

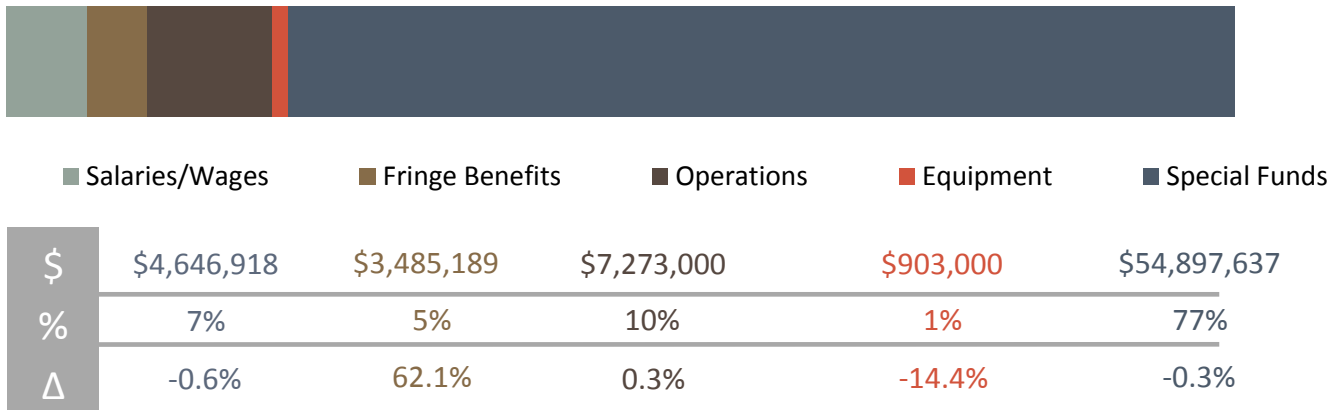
1.4%
% Change in Proposed Budget



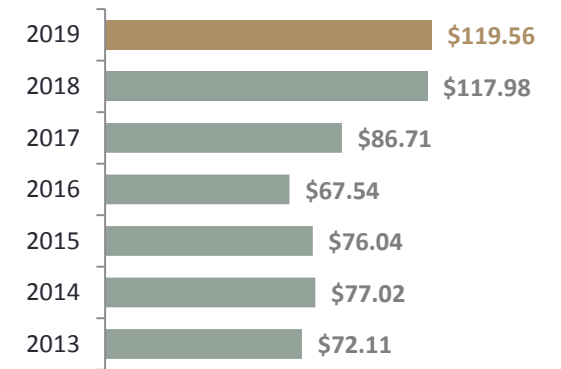
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



7

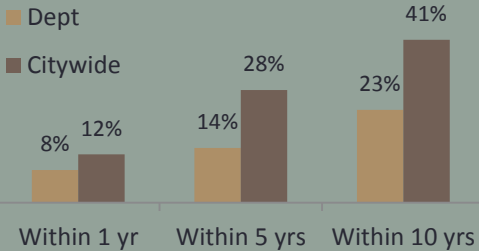
Increase in number of vacancies from last year.

2

New positions created for the Downspout Disconnection Program

- Civil Engineer II
- Engineering Technician II

Retirement Eligible



3

Change in Positions

2.1%

% Change in Positions

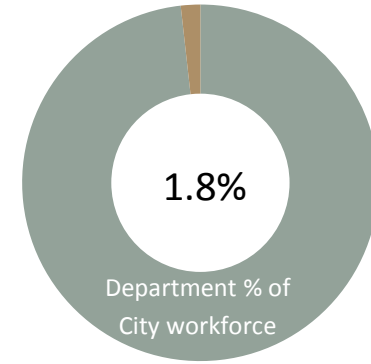
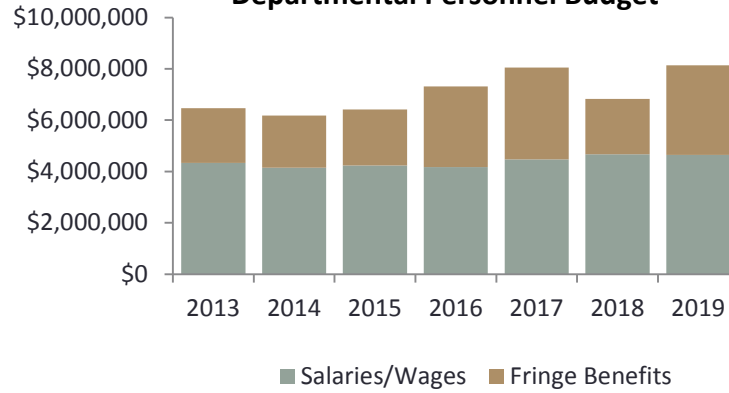
13

Current Vacancies

5

Voluntary Separations

Departmental Personnel Budget



Payroll Cost Changes

- Payroll costs increased by 19% (\$1,307,666).
- Total net salaries and wages decreased by \$27,357.
- Estimated employee fringe benefits increased by 62% (\$1,335,023).

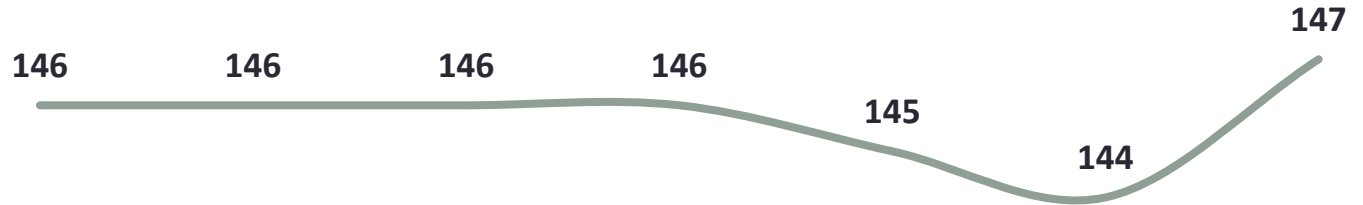
Position Changes

New Positions

- Civil Engineer II
- Engineering Technician II
- Sewer Crew Leader I
- Engineering Intern

Position eliminated

- Equipment Mechanic I



**Department Positions
2013-2019**

\$30,000

43% increase in IT Services to maintain new Esri-GIS mapping software.

\$1.4 million

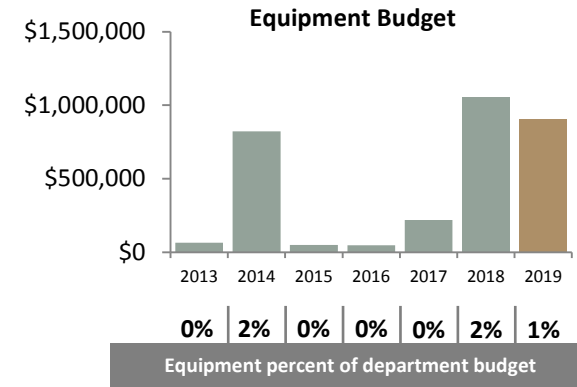
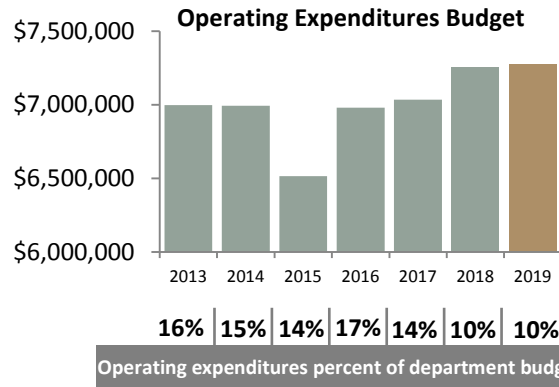
Transfer to the Debt Fund for sewer-related general obligation debt service.

\$994,000

Increase in revenue from the stormwater management fee.

\$1.6 million

Increase in revenue from the local sewerage charge.



Fee Changes

- Stormwater Management Fee – up 3% from 2018 (\$2.48 increase for typical residential user)
- Local Sewerage Charge – up 3% from 2018 (\$2.62 increase for typical residential user)

Payment to the General Fund

\$22.3 million will be transferred to the General Fund for:

- Street sweeping
- Leaf collection
- Brush collection
- Pruning services
- \$40,000 for the Health Department’s beach water quality and advisory program

Payment to the Capital Fund

\$2.9 million will be transferred to the capital fund to support:

- Tree planting and stump removal
- Emerald ash borer prevention program
- Hazardous tree removal
- Environmental remediation program
- Concealed irrigation on city boulevards
- Forestry nursery improvements

Capital Financing

\$1.0 million in cash financing will cover the pump replacement projects, salary, and fringe benefits associated with project management of sewer capital projects and manhole inspection projects.

-10%

\$3.5 million decrease in Capital Improvements.

-14%

\$152,000 decrease in equipment purchases.

-19 miles

45% decrease in miles of sewer line replaced/relined compared to 2015 due to larger sewer mains being targeted.

50,000

Residential parcels estimated to need their downspouts disconnected by 2025.

Downspout Disconnection Program

MMSD's revised regulations require residential parcels that contain up to four units to disconnect their downspouts from the combined sewer system by January 1, 2025. The disconnection program will cost approximately \$7.2 million by 2024, with \$2 million proposed in the 2019 capital budget to start the program.

Main Replacement/Relining Projects

The department projects to replace and line 14 miles of medium to large diameter mains for \$25 million. An additional \$2 million will be used to line 9 miles of small diameter sanitary sewer and inspect sanitary sewer holes.

I&I Reduction Projects

The department is planning two neighborhood wide projects to reduce infiltration and inflow (I&I) from private property. The proposed capital budget includes an estimated \$1.65 million in grants from MMSD for work on private property.

Pump Facility Projects

\$500,000 of the proposed capital budget is for the rehabilitation of 8 bypass pumps and one lift station.

Green Infrastructure

\$2.8 million in the proposed capital budget will go towards the installation of bioretention facilities and other green infrastructure projects in conjunction with street repair projects.

Flood Mitigation Projects

During 2017, the City and County signed a Memorandum of Understanding for projects in the Dineen Park and Copernicus Park neighborhoods. Previous budgets have authorized a total of \$8.3 million for these projects, which are expected to be completed by the end of 2020.

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change	
					2019 Proposed Budget Versus 2018 Adopted	2019 Requested
Personnel						
FTEs - Operations and Maintenance	86.84	100.50	100.35	101.15	0.65	0.80
FTEs - Other	8.97	12.00	13.35	13.05	1.05	-0.30
Total Positions Authorized	145	144	146	147	3	1
Expenditures						
Salaries and Wages	\$4,470,675	\$4,674,275	\$4,667,249	\$4,646,918	\$-27,357	\$-20,331
Fringe Benefits	3,582,393	2,150,166	3,500,437	3,485,189	1,335,023	-15,248
Operating Expenditures	7,033,164	7,253,000	7,203,000	7,273,000	20,000	70,000
Equipment	219,215	1,055,000	903,000	903,000	-152,000	0
Special Funds	36,318,361	55,071,575	54,757,637	54,897,637	-173,938	140,000
O&M Total	\$51,623,808	\$70,204,016	\$71,031,323	\$71,205,744	\$1,001,728	\$174,421
Capital Projects	\$35,159,473	\$37,514,000	\$35,850,331	\$33,950,000	\$-3,564,000	\$-1,900,331
Deposit to Retained Earnings	17,007,604	0	0	0	0	0
Total	\$103,790,885	\$107,718,016	\$106,881,654	\$105,155,744	\$-2,562,272	\$-1,725,910
Revenues						
Sewer Maintenance Fee	\$30,865,122	\$30,398,262	\$30,811,900	\$31,956,653	\$1,558,391	\$1,144,753
Stormwater Management Fee	\$32,621,896	\$33,127,000	\$33,888,300	\$34,120,814	993,814	232,514
Charges for Services	\$1,652,503	\$1,660,300	\$1,673,500	\$1,673,500	13,200	0
Interest Revenue	\$133,892	\$57,200	\$137,000	\$137,000	79,800	0
Miscellaneous Revenue	\$0	\$0	\$0	\$0	0	0
Developer Financed	\$0	\$0	\$0	\$0	0	0
Proceeds from Borrowing	35,159,473	32,500,000	28,700,000	29,300,000	-3,200,000	600,000
Grant and Aid	3,357,999	2,314,000	0	3,650,000	1,336,000	3,650,000
Assessable	\$0	\$0	\$0	\$0	0	0
Withdrawal from Retained Earnings	0	7,661,254	11,670,954	4,317,777	-3,343,477	-7,353,177
Total	\$103,790,885	\$107,718,016	\$106,881,654	\$105,155,744	\$-2,562,272	\$-1,725,910