

Dept. of Public Works

Sewer Maintenance Fund

2018 Budget Overview

Finance & Personnel Committee

October 16, 2017

Objectives

| Measure | 2016 Actual | 2017 Projected | 2018 Planned |
|-------------------------------------|----------------|-------------------|-----------------|
| Sanitary sewer overflows | 6 | 0 | 0 |
| Number of basement backups reported | 23 | 23 | 0 |
| Miles of sewer replaced or relined | 27 | 27 | 18 |

2018 Budget Summary

| | 2017 ADOPTED BUDGET | 2018 PROPOSED BUDGET | DIFFERENCE (amount, %) |
|-------------------------------|---------------------------|----------------------------|---------------------------|
| FTEs – O&M | 101.40 | 100.50 | -0.90, (-1.4%) |
| FTEs - Other | 12.60 | 12.00 | -0.60, (3.7%) |
| | | | |
| Salaries & Wages | \$4,843,267 | \$4,674,275 | \$-168,992, (-3.5%) |
| Fringe Benefits | 2,179,470 | 2,150,166 | -29,004 (-1.3%) |
| Operating Expenditures | 6,993,000 | 7,253,000 | 260,000, (3.7%) |
| Equipment | 865,000 | 1,055,000 | 190,000, (22.0%) |
| Special Funds | 55,294,607 | 55,071,575 | -223,032, (-3.1%) |
| O&M TOTAL | \$70,175,344 | \$70,204,016 | \$28,672, (0.0%) |
| Capital | \$38,714,000 | \$37,514,000 | \$-1,200,000, (-3.1%) |
| Total | \$108,889,344 | \$107,718,016 | \$-1,171,328, (-1.1%) |

Revenues

| | 2017 ADOPTED BUDGET | 2018 PROPOSED BUDGET | DIFFERENCE (amount, %) |
|--|------------------------------------|-------------------------------------|-----------------------------------|
| Local Sewerage Charge | \$29,802,218 | \$30,398,262 | \$596,044, (2.0%) |
| Stormwater Management Fee | 32,162,140 | 33,127,004 | 964,864, (3.0%) |
| Charges for Services | 1,686,500 | 1,660,300 | -26,200, (-1.6%) |
| Interest Revenue | 27,600 | 57,200 | 29,600, (107.2%) |
| Proceeds from Borrowing | 33,500,000 | 32,500,000 | -1,000,000, (-3.0%) |
| Grant and Aid | 2,314,000 | 2,314,000 | 0, (0.0%) |
| Withdrawal from Retained Earnings | 9,396,886 | 7,661,250 | -1,735,636, (-18.5%) |
| TOTAL | \$108,889,344 | \$107,718,016 | \$-1,171,328, (-1.1%) |

Special Funds Summary

1. General Fund Transfer - \$21.7 million
 - Brush & leave collection - \$4.3 million
 - Street sweeping - \$4.0 million
 - Tree care - \$13.3 million

2. Capital Fund Transfer - \$3.4 million
 - Tree production - \$1.5 million
 - Emerald Ash Borer mitigation - \$1.0 million
 - Stump Removal - \$500,000
 - Concealed Irrigation - \$350,000
 - Environmental Remediation - \$50,000

3. Debt Service - \$28.1 million

Rate Plan

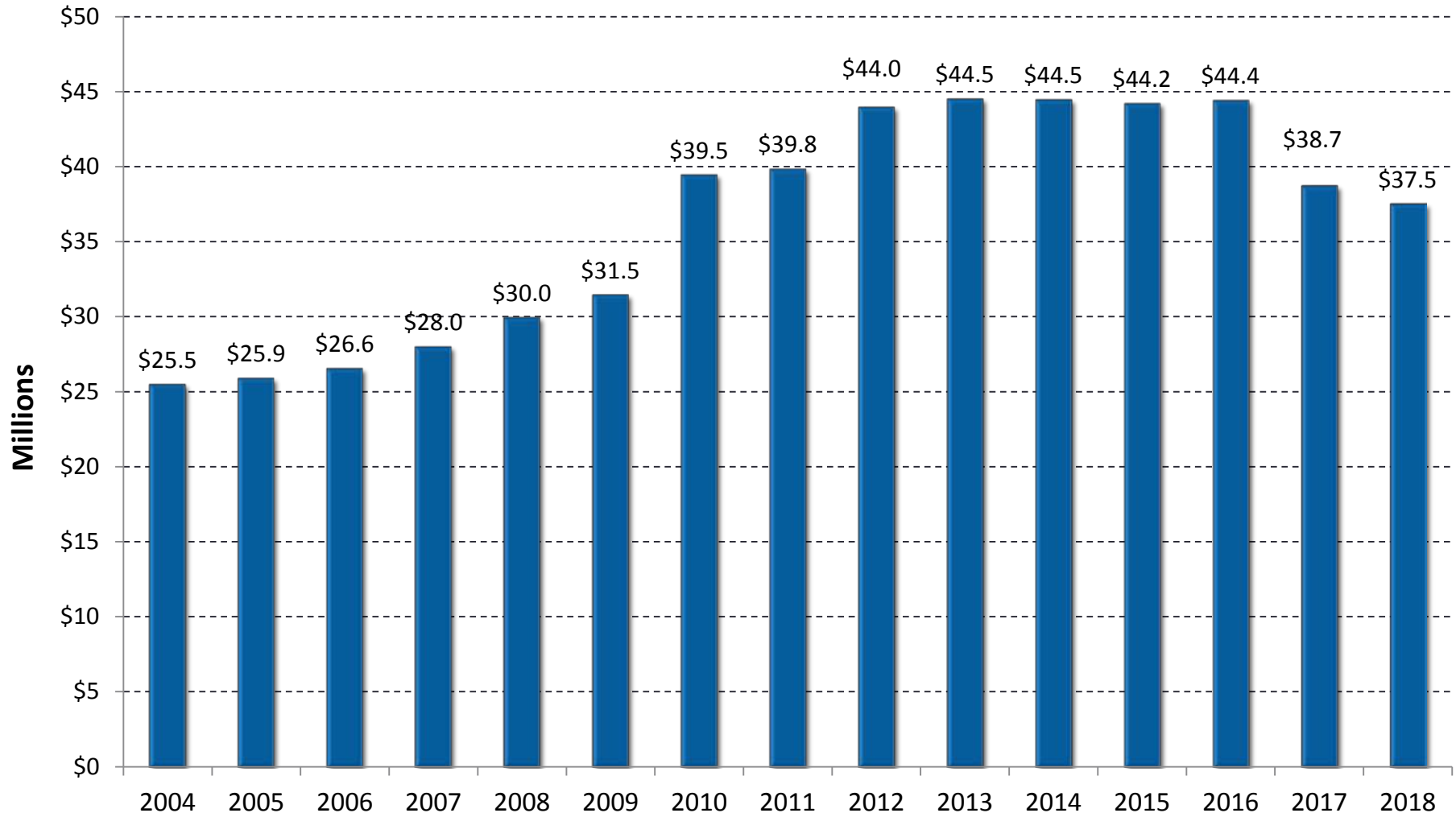
| Fee | 2017 | 2018 | Difference | % Change |
|---|---------|---------|------------|----------|
| Local Sewerage Charge (per billable CCF) | \$1.42 | \$1.45 | \$0.03 | 2.0% |
| Stormwater Management Fee (per ERU) | \$20.18 | \$20.79 | \$0.61 | 3.0% |

| Average Residential User | 2017 | 2018 | Difference | % Change |
|------------------------------|----------|----------|------------|----------|
| Local Sewerage Charge | \$93.28 | \$95.15 | \$1.87 | 2.0% |
| Stormwater Management Fee | \$80.72 | \$83.16 | \$2.44 | 3.0% |
| Total | \$174.00 | \$178.31 | \$4.31 | 2.5% |

Capital Budget

| Project | 2017 ADOPTED BUDGET | 2018 PROPOSED BUDGET | DIFFERENCE (amount, %) |
|------------------------|---------------------------|----------------------------|------------------------------|
| Sewer Relay | \$28,000,000 | \$28,000,000 | \$0, (0.0%) |
| I & I Reduction | 6,650,000 | 6,650,000 | 0, (0.0%) |
| Water Quality projects | 1,664,000 | 2,164,000 | 500,000, (30.0%) |
| Pump Facility Rehab | 700,000 | 500,000 | -200,000, (-28.6%) |
| Channel Restoration | 200,000 | 200,000 | 0, (0.0%) |
| Flood Mitigation | 1,500,000 | 0 | -1,500,000 (-100.0%) |
| TOTAL | \$38,714,000 | \$37,514,000 | \$-1,200,000, (-3.1%) |

Sewer Maintenance Fund Capital Improvement Allocation



In 2010, \$15.5 million of Federal stimulus money was available for the Sewer capital program. In 2011, \$2.8 million of MMSD grant funds were budgeted for Infiltration and Inflow reduction projects.

Capital Budget Highlights

- ❑ Sewer Relay Program
 - 2018 proposed = 5 miles
 - Large diameter sewer replacement project reduces total mileage for 2017 and 2018
- ❑ I & I Reduction
 - 2018 proposed = 13 miles
- ❑ Water Quality Projects to meet TMDL requirements
 - \$1.5 City funds + \$664,000 in MMSD grant = \$2.2 million total

Sewer Maintenance Fund Miles Replaced or Relined

