

2023



Legislative Reference Bureau

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# DPW-SEWER MAINTENANCE FUND



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## 2023 Proposed Plan and Executive Budget Review

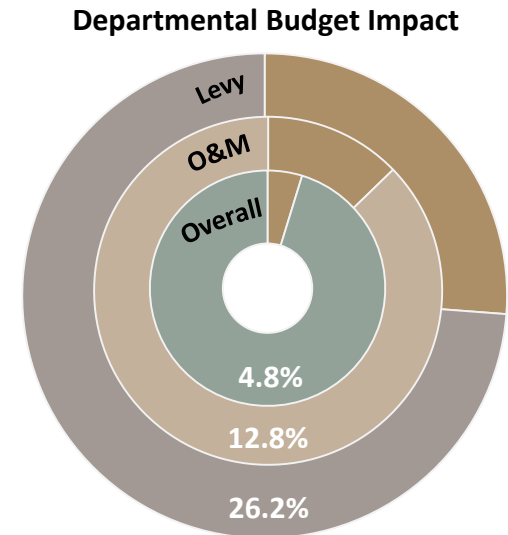
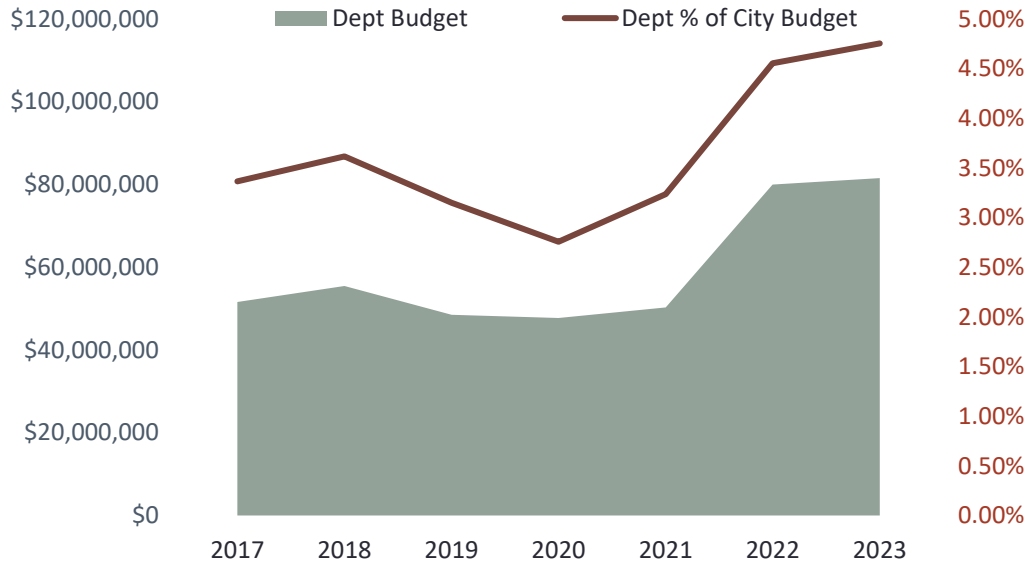
Prepared by: Gunnar Raasch, Legislative Fiscal Analyst  
Budget Hearing: 9:00 am on Wednesday, October 12, 2022



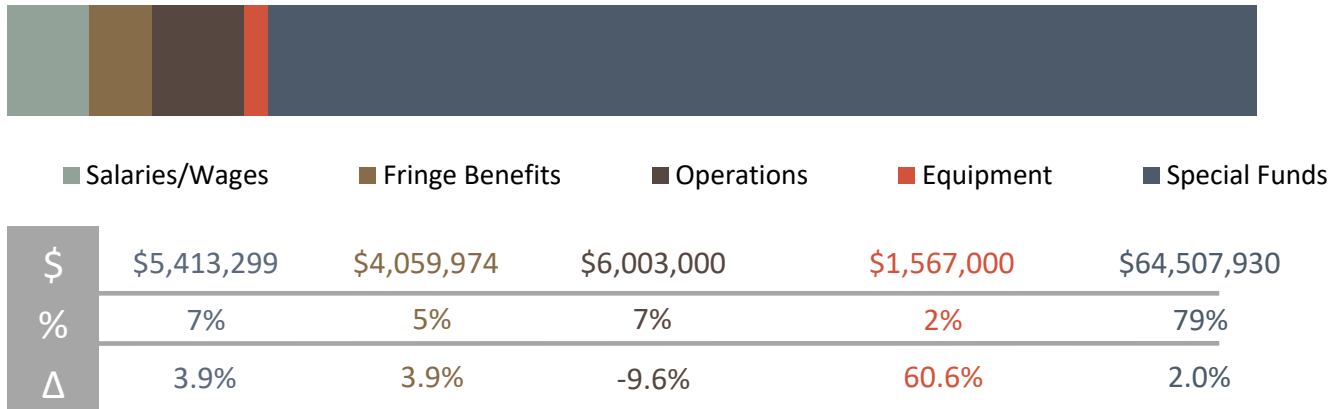
**\$109,951,203,**  
Proposed 2023 Budget

**-\$3,044,009**  
Change in Proposed Budget

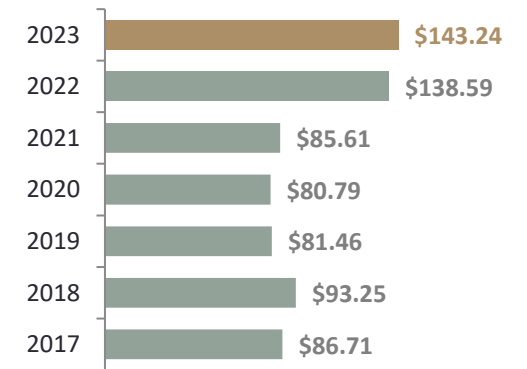
**1.9%**  
% Change in Proposed Budget



**Departmental Budget Appropriation Category**



**Budget per Capita**



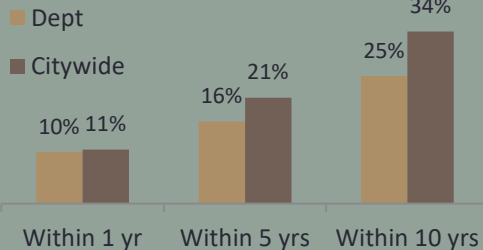
**\$109,831,203**

Requested Budget  
- \$120,000 (- 0.1%) less than  
Proposed Budget

**\$4.6 million**

Reduction in capital projects  
from 2022 adopted budget.

**Retirement Eligible**



**9**

Change in Positions

**5.8%**

% Change in Positions

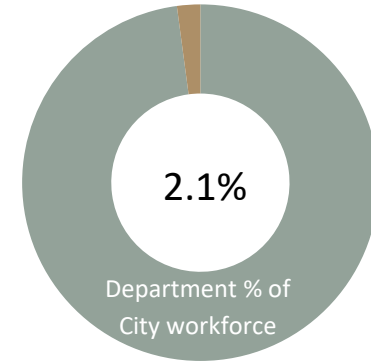
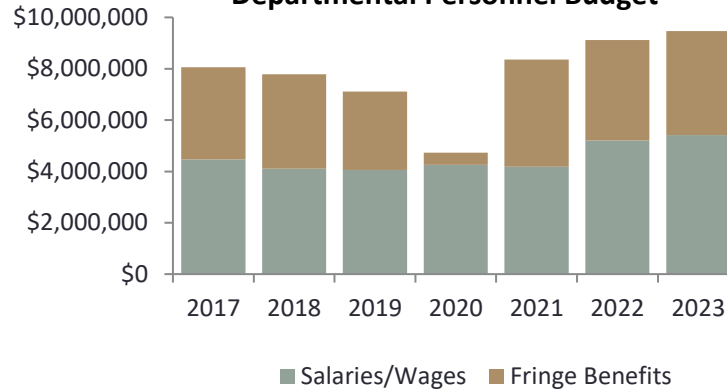
**0**

Current Vacancies

**6**

Voluntary Separations

**Departmental Personnel Budget**



**Vacancies**

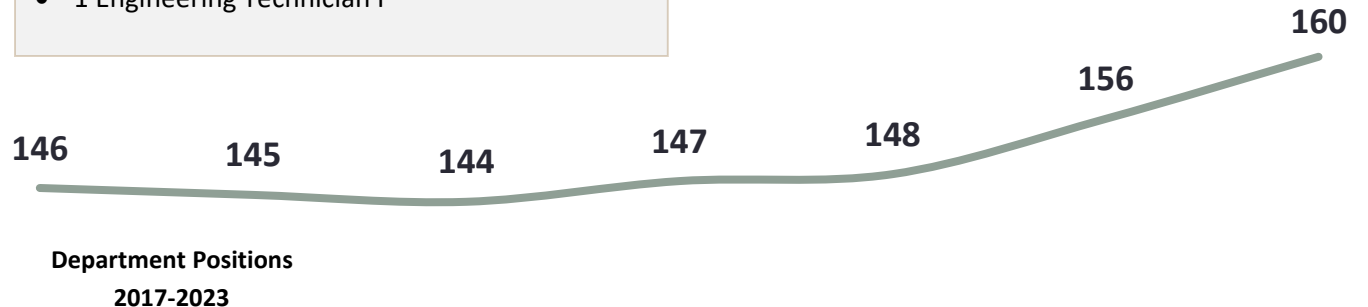
- 17 Sewer Laborer II
- 15 Sewer Laborer I
- 9 Sewer Crew Leader
- 2 Sewer Examiner II
- 2 Sewer Field Investigator
- 3 Engineering Drafting Tech I/II
- 1 GIS Developer Sr.
- 1 Management Civil Engineer Sr.
- 1 Civil Engineer III
- 1 Civil Engineer I/II
- 1 Engineering Technician I

**Positions Moved to Unfunded Auxiliary Authority**

- 2 Sewer Repair Crew Leader
- 4 Sewer Crew Leader
- 7 Sewer Laborer (I/II)
- 2 Sewer Mason

**New Positions (Unfunded Auxiliary Authority)**

- 1 Operations Driver / Worker
- 1 Sewer Operations Supervisor
- 1 Sewer Field Investigator
- 1 Sewer Examiner



**\$24,400,000**

Payment to the General Fund for tree care and associated pension costs for 2023.

**\$900,000**

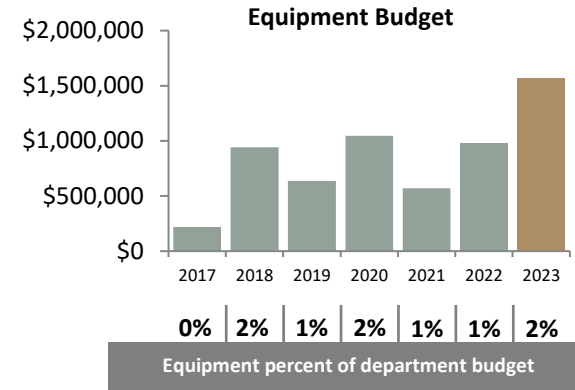
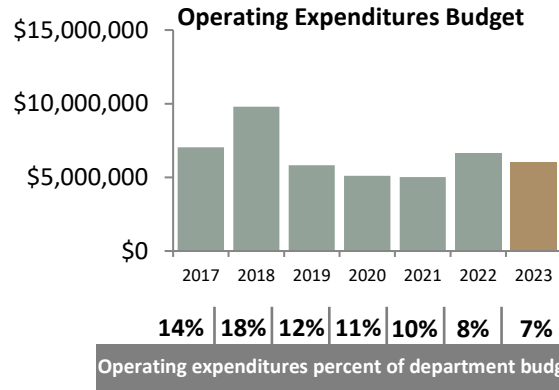
Transfer to the Debt Fund for sewer-related general obligation debt service in 2023.

**\$17,650**

Value of gift cards purchased during the incentive phase for the Downspout Disconnection Program.

**4%**

The Stormwater Management Fee will increase to \$24.12 per equivalent residential unit in 2023.



**Grant Funding**

- \$2,151,375 - MMSD Green Solutions Program.
- \$28,583 – Wisconsin Coastal Management Grant for education and outreach on stormwater issues.

**Payment to General Fund**

\$24.4 million will be transferred from the SMF to the General Fund.

**Capital Financing**

The 2023 capital budget will provide \$1.0 million to improve the sustainability of the Sewer Maintenance Fund.

**Capital Fund Transfer**

\$5.1 million will be transferred from the SMF 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
- Flood mitigation enhancements at local bridges

**Capital Project**

\$1 million in Capital Project funding will be used to address flooding near North 35th Street and West Capitol Drive by creating a stormwater detention pond. The total cost of the project is estimated at \$16 million, with the target of completion in 2025.

21

Number of basement backups projected in 2022, compared to 20 reported in 2021.

0

Number of sanitary sewer overflows projected in 2022, compared to 7 in 2021.

12

Miles of sewers planned to be replaced or relined in 2023, compared to 14 in 2022.

1,203

Number of homes that have completed downspout disconnection, either by the homeowner or by City contractor.

**Stormwater Management Fee**

The per quarter fee for stormwater managed will increase by 4% to \$24.12 per equivalent residential unit. DPW projects the annual impact on a typical resident to be \$96.47

**Main Replacement/Relining Projects**

The 2023 Proposed Budget funds the replacement and relining of 7 miles of medium- or large-diameter combined, storm and sanitary sewer mains for \$20 million. An additional \$2 million is budgeted to reline 5 miles of small-diameter sanitary sewer main and to inspect sanitary sewer manholes.

**I&I Reduction Projects**

The department is planning 3 neighborhood projects to reduce infiltration and inflow (I&I) from private property in 2023. These projects will be funded through a grant from MMSD.

**Pump Facility Projects**

\$500,000 of the proposed capital budget is for the rehabilitation of 3 bypass pumps and maintenance and replacement of electrical equipment.

**Downspout Disconnection Program**

MMSD’s revised regulations require downspouts be disconnected from the combined sewer system for residential parcels that contain up to four units by Jan. 1, 2025. The program is estimated to cost \$7.2 million. The incentive phase is being closed out, as the department moves into “mandatory disconnection” phase for the remainder of the program. 11,590 homes have been inspected, with 9,471 unable to be disconnected due to plumbing code. Given the choice for a City contractor to perform the disconnection or to do it themselves, 1,610 will choose a City contractor to do the disconnection work (687 remaining at the time of this report), and 509 will be do the disconnection on their own (229 remaining at the time of this report).

## BUDGET SUMMARY

	2021 Actual Expenditures	2022 Adopted Budget	2023 Requested Budget	2023 Proposed Budget	Change 2023 Proposed Budget Versus 2022 Adopted 2023 Requested	
<b><u>Personnel</u></b>						
FTEs - Operations & Maintenance	108.30	112.05	117.15	115.65	3.60	-1.50
FTEs - Other	15.70	25.95	26.35	26.85	0.90	0.50
Total Positions Authorized	156	160	164	165	5	1
<b><u>Expenditures</u></b>						
Salaries and Wages	\$4,180,059	\$5,208,037	\$5,413,299	\$5,413,299	\$205,262	\$0
Fringe Benefits	4,180,201	3,906,028	4,059,974	4,059,974	153,946	0
Operating Expenditures	5,026,655	6,643,000	5,903,000	6,003,000	-640,000	100,000
Equipment	568,792	976,000	1,567,000	1,567,000	591,000	0
Special Funds	36,302,094	63,262,129	64,487,930	64,507,930	1,245,801	20,000
<b>O&amp;M Total</b>	<b>\$50,257,801</b>	<b>\$79,995,194</b>	<b>\$81,431,203</b>	<b>\$81,551,203</b>	<b>\$1,556,009</b>	<b>\$120,000</b>
Capital Projects	\$23,726,780	\$33,000,000	\$28,400,000	\$28,400,000	\$-4,600,000	\$0
Deposit to Retained Earnings	0	0	0	0	0	0
<b>Total</b>	<b>\$73,984,581</b>	<b>\$112,995,194</b>	<b>\$109,831,203</b>	<b>\$109,951,203</b>	<b>\$-3,043,991</b>	<b>\$120,000</b>
<b><u>Revenues</u></b>						
Sewer Maintenance Fee	\$32,047,747	\$32,463,687	\$29,454,141	\$33,762,234	\$1,298,547	\$4,308,093
Stormwater Management Fee	38,202,008	38,682,972	38,202,008	40,230,290	1,547,318	2,028,282
Charges for Services	16,114	1,749,000	1,749,000	1,749,000	0	0
Interest Revenue	116,341	206,000	206,000	206,000	0	0
Miscellaneous Revenue	3,618	0	0	0	0	0
Developer Financed	0	1,000,000	1,000,000	1,000,000	0	0
Proceeds from Borrowing	21,394,484	29,000,000	21,500,000	22,700,000	-6,300,000	1,200,000
Grant and Aid	6,285,466	2,000,000	2,000,000	3,700,000	1,700,000	1,700,000
Assessable	0	0	0	0	0	0
Withdrawal from Retained Earnings	-24,081,197	7,893,535	15,720,054	6,603,679	-1,289,856	-9,116,375
<b>Total</b>	<b>\$73,984,581</b>	<b>\$112,995,194</b>	<b>\$109,831,203</b>	<b>\$109,951,203</b>	<b>\$-3,043,991</b>	<b>\$120,000</b>