

# Sewer Maintenance Fund

2023 Budget Overview

Finance & Personnel Committee

October 12, 2021

# Objectives

| <b>Measures</b>                     | <b>2021 Actual</b> | <b>2022 Projected</b> | <b>2023 Planned</b> |
|-------------------------------------|--------------------|-----------------------|---------------------|
| Sanitary sewer overflows            | 7                  | 0                     | 0                   |
| Number of basement backups reported | 20                 | 25                    | 22                  |
| Miles of sewer replaced or relined  | 15                 | 14                    | 14                  |

# 2023 Budget Summary

| Category                   | 2022 Adopted Budget  | 2023 Proposed Budget | Amount Change       | Percent Change |
|----------------------------|----------------------|----------------------|---------------------|----------------|
| FTEs – O&M                 | 112.05               | 115.65               | 3.60                | 3.2%           |
| FTEs - Other               | 25.95                | 26.85                | 0.90                | 3.5%           |
| Total Positions Authorized | 160                  | 165                  | 5                   | 3.1%           |
|                            |                      |                      |                     |                |
| Salaries & Wages           | \$5,208,037          | \$5,413,299          | \$205,262           | 3.9%           |
| Fringe Benefits            | 3,906,028            | 4,059,974            | 153,946             | 3.9%           |
| Operating Expenditures     | 6,643,000            | 6,003,000            | -640,000            | -9.6%          |
| Equipment                  | 976,000              | 1,567,000            | 591,000             | 60.6%          |
| Special Funds              | 63,262,129           | 64,507,930           | 1,245,801           | 2.0%           |
| <b>O+M Total</b>           | <b>\$79,995,194</b>  | <b>\$81,551,203</b>  | <b>\$1,556,009</b>  | <b>1.9%</b>    |
| Capital Projects           | 33,000,000           | 28,400,000           | -4,600,000          | -13.9%         |
| <b>Total</b>               | <b>\$112,995,194</b> | <b>\$109,951,203</b> | <b>-\$3,043,991</b> | <b>-2.7%</b>   |

- Increase in unfunded auxiliary authority
- 2023 2% Salary Increase: +\$145,795
- Operating - Professional Services: -\$760,000
- Equipment - CCTV Pipeline Inspection System: +\$350,000

# Special Funds

| Item                  | 2022 Adopted Budget  | 2023 Proposed Budget | Amount Change     | Percent Change |
|-----------------------|----------------------|----------------------|-------------------|----------------|
| General Fund Transfer | \$ 24,395,944        | \$ 24,395,944        | \$ -              | 0%             |
| Capital Fund Transfer | 5,060,000            | 5,080,000            | 20,000            | 0%             |
| Debt Service          | 882,000              | 844,000              | (38,000)          | -4%            |
| Other                 | 1,331,000            | 1,340,000            | 9,000             | 1%             |
| <b>TOTAL</b>          | <b>\$ 31,668,944</b> | <b>\$ 31,659,944</b> | <b>\$ (9,000)</b> | <b>0%</b>      |

- Capital Fund Transfer

- Funds stormwater related items in Forestry
- Funds bridge infrastructure program on KK river

- Debt Service

- Pays down debt prior to the sewer fee being enacted

# Capital Improvements Budget

| Category                        | 2022 Adopted Budget  | 2023 Proposed Budget | Amount Change         | Percent Change |
|---------------------------------|----------------------|----------------------|-----------------------|----------------|
| Sewer Relay                     | \$ 22,000,000        | \$ 20,000,000        | \$ (2,000,000)        | -9%            |
| Pump Facility Projects          | 500,000              | 500,000              | -                     | 0%             |
| I & I Reduction Projects        | 2,000,000            | 3,700,000            | 1,700,000             | 85%            |
| Water Quality Projects          | 3,000,000            | 3,000,000            | -                     | 0%             |
| Channel Restoration             | -                    | 200,000              | 200,000               | 0%             |
| Downspout Disconnection Program | 500,000              | -                    | (500,000)             | -100%          |
| Flood Mitigation                | 5,000,000            | 1,000,000            | (4,000,000)           | -80%           |
| <b>Total</b>                    | <b>\$ 33,000,000</b> | <b>\$ 28,400,000</b> | <b>\$ (4,600,000)</b> | <b>-14%</b>    |

# Revenues

| Revenues                          | 2022 Adopted Budget   | 2023 Proposed Budget  | Amount Change         | Percent Change |
|-----------------------------------|-----------------------|-----------------------|-----------------------|----------------|
| Sewer Fee                         | \$ 32,463,687         | \$ 33,762,234         | \$ 1,298,547          | 4%             |
| Stormwater Fee                    | 38,682,972            | 40,230,290            | 1,547,318             | 4%             |
| Charges for Service               | 1,749,000             | 1,749,000             | -                     | 0%             |
| Interest Income                   | 206,000               | 206,000               | -                     | 0%             |
| Proceeds from Borrowing           | 29,000,000            | 22,700,000            | (6,300,000)           | -22%           |
| Withdrawal From Retained Earnings | 7,893,535             | 6,603,679             | (1,289,856)           | -16%           |
| Grant & Aid                       | 2,000,000             | 3,700,000             | 1,700,000             | 85%            |
| Developer Financed                | 1,000,000             | 1,000,000             | -                     | 0%             |
| <b>Total</b>                      | <b>\$ 112,995,194</b> | <b>\$ 109,951,203</b> | <b>\$ (3,043,991)</b> | <b>-3%</b>     |

- Proceeds from Borrowing is reduced as fewer capital dollars are needed in addition to an increase in Grant & Aid funds for 2023

# User Fees

| Revenues       | 2022             | 2023             | \$ Change      | % Change  |
|----------------|------------------|------------------|----------------|-----------|
| Local Sewerage | \$ 104.76        | \$ 108.95        | \$ 4.19        | 4%        |
| Stormwater     | 92.76            | 96.47            | 3.71           | 4%        |
| <b>Total</b>   | <b>\$ 197.52</b> | <b>\$ 205.42</b> | <b>\$ 7.90</b> | <b>4%</b> |

- Both the Local Sewerage and Stormwater Fee's increase by 4% for 2023
- 2022 budget did not see a fee increase
- Lower withdrawal from retained earnings and increased revenues should provide an increase to the unrestricted fund balance in 2023.

# 2023 Capital Budget Highlights

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- Sewer Relay & Lining Program:
  - Planning 14 miles of relay and lining of sanitary, storm, and combined sewers
- I & I Reduction Program:
  - Partnering with DCD's Homes MKE Project to use PPI/I funds to inspect and repair 150 building laterals
- Downspout Disconnection Program
  - Project balance will be used in 2023
- Water Quality Projects to meet water quality DNR requirements:
  - \$3.0 million to construct green infrastructure practices
- Flood Mitigation
  - Removing contaminated soils from Basin 4 (Ned's Pizza) as part of the 30th St Corridor Wet Weather Relief Project



# 2023 Sewer Relay & Lining Projects

- N. Lake Dr. – E. Locust St. to E. Newport Ave.
  - 12” to 42” combined sewer relay
  - Estimated Cost: \$1.5 million
- Long Island Subdivision Sanitary Sewer Rehabilitation Project
  - 1,600 ft of 21” sanitary sewer relay
  - 300 ft of 21” sanitary sewer pipe bursting/tunneling
  - 10,000 ft of 8”-18” sanitary sewer pipe lining
  - PPI/I Funds to chemically grout private lateral connections to public main
  - Estimated Cost: \$900,000 City Funds, \$500,000 MMSD Funds



# 2023 Water Quality Projects

\$2 million MMSD Green Solutions grant funding and \$1 million in SMF funds for a total of \$3 million

- Green Streets Program was started in 2008 and to date we have constructed:
  - 308 Bioretention Beds
  - 39 Green Alleys
  - 6 parking lane paver projects
  - 23 Stormwater Trees
- For 2023:
  - 45 Bioretention beds are planned throughout the City
  - Coordinate with DPW Construction to include green alleys with alley reconstruction, where appropriate.
- City contributing \$600,000 of MMSD Green Solutions funding towards MPS schools and playgrounds

