



Work Session Agenda
BOARD OF ALDERMEN
CITY OF PARKVILLE, MISSOURI
November 15, 2017; 5:30 p.m.
City Hall Board Room

1. GENERAL AGENDA

- A. 2018 City of Parkville Operating and Capital Budget

CITY OF PARKVILLE Policy Report

Date: November 9, 2017

Prepared By:
Alysen Abel
Public Works Director

Reviewed By:
Joe Parente
City Administrator

ISSUE:
Fourth Budget Work Session – 2018 City of Parkville Operating and Capital Budget

BACKGROUND:

The City operates on a January 1 – December 31 fiscal year and therefore must adopt a 2018 budget before the end of the calendar year. The process involves four budget work sessions followed by final adoption of the final budget at a legislative meeting.

At the first budget work session, staff presented preliminary budget sheets for the General Fund, Economic Development Fund, Emergency Reserve Fund, Fewson Fund, Nature Sanctuary Donations Fund, and Park Donations Fund. The second budget work session focused on the Debt Service Funds and the Capital Improvement Program (CIP). The major topic for the third budget work session was the Transportation Fund. Additional information in response to questions and comments raised at the prior three work sessions is included in Attachment 1. An updated General Fund forecast is included as Attachment 2A; the operating Sewer Fund budget is included as Attachment 2B; the 2018-2023 Sewer Capital Improvement Program (CIP) is included as Attachment 2C.

The fourth budget work session will focus on the Sewer Fund. The Sewer Fund is a self-sustaining enterprise fund that operates on its own revenues distinct from the City's General Fund. In addition to routine operating expenses, City Administration recommends capital outlay (CIP) expenses in the amount of \$382,200 in 2018 (see Attachment 3).

The five-year CIP projection includes funding to complete an annual closed-circuit television (CCTV) inspection and sewer cleaning program on a cycle of reviewing the entire sanitary sewer system every 8 years in accordance with industry best management practices. Funding is recommended to do a major repair project every two years to keep up with the maintenance needs. The second phase of the Downtown Manhole Repairs is programmed into the 2018 CIP.

In 2016, City contracted with Springsted, Inc. to study the sewer allocation transfer from the Sewer Fund to the General Fund. The study reviewed the General Fund and personnel costs associated with those who contribute time to sewer-related functions. The Allocation Study determined that the City could reasonably transfer up to \$365,644 from the Sewer Fund to cover administrative costs provided through the General Fund. The allocation for 2016 was \$103,530. It was increased to \$150,000 in 2017 and the staff recommended that it be increased \$15,000 each subsequent year through 2022 to assist with balancing the overall budget impact. The 2018 budget reflects a sewer allocation transfer of \$165,000.

The following table shows the proposed allocation transfer from the Sewer Fund to the General Fund.

ITEM 1A*For 11-15-17***Board of Aldermen Work Session**

<u>Year</u>	<u>Allocation from Sewer</u>	<u>Percent Increase</u>
2016	\$103,530	
2017	\$150,000	44.88%
2018	\$165,000	10%
2019	\$180,000	9.09%
2020	\$195,000	8.33%
2021	\$210,000	7.69%
2022	\$225,000	7.14%

There have been several unexpected expenses to the Sewer Fund operating budget over the past year that included: (1) replacement of the UV bulbs and ballasts at the sewer plant; (2) additional pump repairs at McAfee Pump Station; and (3) repair of the sewer main at 700 Main Street. The projected year-end operating expense is \$424,422, which is \$24,101 over the original operating budget of \$400,321. The projected year-end capital expense is \$315,239, which is \$137,761 under the original operating budget of \$453,000. A total of \$87,000 in capital projects were deferred to 2018 to assist in funding the unexpected sewer issues. It is projected that the beginning fund balance in 2018 will be \$400,321.

Due to the large number of unexpected sewer issues, the 2017 beginning fund balance dropped to \$424,422. This has an overall impact on future sewer expenditures. Another point to consider is the amount of working capital for the Sewer Fund. It is the City's policy to have at least 3 months of working capital plus current fiscal year debt service payments available for sewer-related emergencies.

In 2017, the sewer rate increase was 10%. It is proposed to increase the rates by 6.00% in 2018. Below are the projected rates.

<u>Year</u>	<u>Proposed Rate Increase</u>	<u>Sewer Base Fee</u>	<u>Sewer Consumption Rate</u>	<u>Average Monthly Bill</u>	<u>Monthly Cost Difference</u>
2017	10.00%	\$13.77	\$0.651	\$41.75	\$3.80
2018	6.00%	\$14.59	\$0.690	\$44.25	\$2.50
2019	6.00%	\$15.47	\$0.731	\$46.91	\$2.66
2020	3.00%	\$15.93	\$0.753	\$48.32	\$1.41
2021	3.00%	\$16.41	\$0.776	\$49.77	\$1.45
2022	3.00%	\$16.90	\$0.799	\$51.26	\$1.49

BUDGET IMPACT:

As this is a work session, there is no budget impact at this time.

ALTERNATIVES:

1. Provide direction to City Administration regarding the 2018-2023 CIP and 2018 Operating Budget, specifically with regard the Sewer CIP, sewer allocation transfer, and sewer rate increase.
 2. Postpone the discussion.
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STAFF RECOMMENDATION:

Provide direction to City Administration regarding the 2018-2023 CIP and 2018 Operating Budget.

There were several key elements to the development of staff's recommendation, they include:

- Maintaining an adequate amount of funding for the CIP projects;
- Avoiding deferment of necessary sewer maintenance;
- Respecting the recommendations from the Sewer Allocation Study;
- Providing a stable rate structure;
- Providing a fee structure that is comparable to the market;
- Adhering to the City's standard sewer utility fund balance;
- Maintaining the health and viability of the fund for future years.

POLICY:

The Reserve Policy (Resolution No. 12-01-13) states that the sewer utility fund balance should be able to provide 90 days of operations in addition to the current fiscal year debt service payment. Section 112.070.D. of the Municipal Code directs the City Administrator to prepare a budget document with proper supporting schedules and analysis to be proposed to the Board of Aldermen for final approval.

SUGGESTED MOTION

As this is a work session, no motion is necessary.

ATTACHMENTS:

1. Budget Follow-Up Memo – 3rd Budget Work Session
2. Sewer Fund (30)
 - a. 5-year forecast sheet
 - b. 2018 budget sheet
3. Capital Improvement Program (CIP)



CITY OF PARKVILLE
Memorandum

Date: Monday, November 13, 2017

To: Mayor and Board of Aldermen

From: Joe Parente, City Administrator

CC: Management Staff

RE: Budget Work Session Follow up Information

Below is a summary of questions, or requests for additional information, that were raised by the Mayor or Board of Aldermen at the third budget work session on November 7, 2017. This document will be updated after subsequent work sessions as new questions are raised and additional information becomes available.

Items that are addressed in this Memorandum:

1. Transportation Fund – Capital Projects. The Board discussed at the Transportation work session the updated street rating system, as well as various funding scenarios. Staff has reviewed data from its recent street ratings inspection, and has estimated that a commitment of \$1.5 million is needed over the next five years to address the priority areas. Based on this, an exhibit has been prepared that shows the streets that could be incorporated into a five year plan at a funding level of \$250,000 per year. This amount is slightly higher than what is projected in revenues, but staff is comfortable setting this as the benchmark and will rely on other sources to shore up any gap, including cost savings, revenue enhancements, and general fund transfers. The short term debt for the 2017 street project will roll off in 2022. At this time, an additional \$215,000 per year would be available for capital projects. Staff will have additional information at the work session.

Items addressed in the 3rd Budget Work Session Memorandum:

1. Friends Field. Per the direction of the Board, Friends Field has been removed from the 2018 Budget. Staff will take into account the comments of the Board and bring forward a future recommendation. The comments included: a. review the project, in conjunction of the wetland restoration project, and the amount of dirt available for athletic fields; b. potentially utilize Platte County park transfer funds for the field; c. seek private donations to complete Friends Field; d. consider the project as part of a future Parks Sales Tax referendum.
2. Platte County Park Transfer Funds. The funds will be reserved for now, with the potential use for park capital improvements. Other projects in the Parks Master Plan will reviewed for consideration.
3. Parks Maintenance Building. Year two funding for the Parks Maintenance Building has been removed from the 2018 Budget. Per the direction of the Finance Committee, a budget amendment for the 2017 Budget will be proposed to provide full funding in the fiscal year the construction contract is awarded.
4. Street Ratings. A request was made to include in the Transportation Work Session the street rating system and the cost of upgrading the roads to a certain rating. Staff is completing the annual street rating update this week, and will have information available for the Board at the Work Session

Items addressed in the 2nd Budget Work Session Memorandum:

1. How does the proposed classification plan recommend establishing annual pay raises?

There was a discussion during the work session concerning how the classification system proposes to handle annual adjustments, to assure the plan is maintained up to date, consistent with the 60th percentile market benchmark. After reviewing the report by Austin Peters, further clarification is being provided.

The Austin Peters report recommends that the beginning and top pay range, for each classification, be moved each year according to an index that follows what pay ranges move for public employers in Missouri. This assures the pay ranges do not fall behind the market benchmark. To provide an example, for a Grade 10 Laborer position, the recommended range is \$29,349 - \$41,371. With a hypothetical 2.1% change in an adopted employer cost index for 2018, this range would be updated in the classification system to \$29,965 - \$42,240. A new employee hire would be based on the revised range.

The Austin Peters report does not recommend that the amount of merit increase each year for existing employees be based on this same market index, only the adjustments to the pay grade ranges. The amount of maximum merit increases are annually set by the Board based on budgetary and other cost of living considerations.

A copy of Austin Peters Executive Summary is attached, outlining their recommendation.

2. Please provide more information on the decline in court revenue.

Staff is working on an analysis of court revenue. Court receipts over the past few years are being examined. Staff is also reviewing court statistics, including the number and types of cases heard by the Court. The analysis will be provided to the Board at an upcoming work session.

3. Follow-up to revenue enhancements discussed in the first work session?

Staff discussed at the first work session with the Board two revenue enhancements. As part of the 2018 budget deliberations, and looking forward to 2019 and beyond, pursuing these enhancements could be considered to help preserve the fiscal health of the city government, and permit it to continue to provide quality services to residents. The following additional information is provided:

Parks Sales Tax. The Parkville Parks Master Plan presents the option of asking the voters to approve a sales tax to pay for improvements to the city's parks and recreation facilities. The Missouri Department of Revenue reported 2016 taxable sales of \$117,791,509 within the City of Parkville. Based on this figure, a half cent parks sales tax would have generated \$588,958. The funds could be used for the development of improvements included in the Park's Master Plan. A portion of the funds could also be used for the maintenance of the parks.

To following is the process to place the parks sales tax question before the voters.

Chapter 90 of the Missouri Statutes state, in part:

1. When one hundred voters of any incorporated city or town having less than thirty thousand inhabitants, or any city of the third class, shall petition the mayor and common council asking that an annual tax be levied for the establishment and maintenance of free public parks in the incorporated city or town, and providing for suitable entertainment therein, and shall specify in their petition a rate of taxation as provided in this section, the mayor and common council shall submit the question to the voters.

2. The question shall be submitted in substantially the following form:
Shall a _____ cent tax per one hundred dollars assessed valuation be levied for public parks?

3. The tax specified in the notice shall be levied and collected in the same manner as other general taxes of the incorporated city or town and shall be deposited in the park fund.

The question may be submitted to the voters during any election. The existing Platte County Parks sales tax was approved by the voters in August, 2009. It is scheduled to terminate in 2020.

Use Tax

Parkville residents pay a 1.5% municipal sales tax (combined general and transportation) when purchasing goods within the city. However, when purchasing goods out of state, and delivered to a Parkville address, this tax is not assessed. This creates unfair competition for Parkville businesses, who are required to sell their goods with the 1.5% sales tax included. When a resident purchases goods in this manner, the city also misses out on the revenue that helps pay for municipal services, including public safety programs. With changing practices in retailing, and changing consumer spending habits, sales tax growth is impacted by these trends.

The city has considered a Use Tax in the past. On April 2, 2013, Parkville voters rejected a Use Tax Referendum by ten votes, 369 (50.7% to 359 (49.3%).

In 2016, Parkville voters approved a referendum on a related measure, re-affirming the 1.5% tax on the out of state purchases of motor vehicles and boats. This action was necessary because of a Missouri Supreme Court ruling that placed this revenue in jeopardy of a legal challenge. The voters approved the referendum 585 (71.3%) to 236 (28.7%).

According to the Missouri Department of Revenue Web Page, there were \$13,562,403 in gross receipts in 2015 that would have been subject to the Use Tax in Parkville. These sales would have generated \$203,436 in revenue for the city, had the use tax been imposed by voters.

Imposing a Use Tax may be an opportunity for Parkville to even the playing field for existing businesses, while preventing the leakage of municipal revenue from an increasing trend toward online sales.

CITY OF PARKVILLE
STREET MAINTENANCE PROGRAM
LONG RANGE PLAN (2018-2023)

2018	\$250,000	
		Foxhill Road Crooked Road FF-Rhills West Street 6th Street West-Crooked 8th street E.and W. of West St. Elm Street to 12th Street 10th street E. of West St.

2019	\$250,000	
		National Dr. South (45 Hwy. - Limestone) Mashie Court Brassie Lane Magnolia Limestone Road

2020	\$250,000	
		Clark St. Community Center Unamed Drive 63rd.St. 9 Hwy.-Bell Rd. Jefferson Avenue White Aloe Way Lewis St Shoreline Dr. Westlake Dr. Edgewater Dr.

2021	\$250,000	
		Whitetail Way - South 66th Street N.W. Whitetail Way - North Lakeview Drive - Woodhaven to Spinnaker Spruce Court White Oak Court Redbud Court

2022	\$250,000	
		3rd Street between East/Main 4th Street West of Main 5th Street East St. to Main 7th Street East St. - Main 8th Street West of Main St. 4th Street East to Main Summer Street 1st Street 2nd Street West of Main River Hills Place River Hills Circle River Hills Court Riverview Point High Hill rd. River Hills Dr.

2023	\$250,000	
		11th Street Main-Walnut 12th Street Main- Walnut 13th Street Main - Walnut 13th W. of Walnut Walnut St. Hamilton Park Street 5th Street Main St.-Park 7th Street Main St. to Park 61st Street off Bell rd. Spinnaker Pt. No. Spinnaker Pt. So. Hickory Place Hickory Court Willow Court Willow Place Cedar Court Cedar Place Walnut Way

Sewer Fund (30) Revenues and Expenses

Type	Account	Description	Account	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Rev: Sewer	Beginning Fund Balance	Projected carryover from prior year.		1,101,730	795,105	424,422	424,422	400,319
	Sewer Charges	Charges levied on all utility customers for use of the City's sewer system.	41501-00	1,020,684	1,103,300	1,103,300	1,103,300	1,169,498
	Sewer Tap Fees	Fees required to connect to the City's sewer system (\$1,500/new home).	41502-00	39,000	30,000	30,000	30,000	30,000
	Sewer Impact Fees	Fees required to compensate the City for the increased demand on the sewer system (\$1,400/new home).	41502-01	36,400	34,000	34,000	34,000	34,000
	MOAW Bill Collection Payment	Money received from Missouri American Water for accepting water bills at City Hall.	41503-00	643	550	550	550	550
	Grinder Pump Administration Fee	A fee paid by the Riss Lake Home Owner's Association for collecting and remitting monthly Riss Lake Subdivision grinder pump maintenance fees.	41504-00	4,620	4,620	4,620	4,620	4,620
	Miscellaneous	Includes reimbursements for water use at Viking Field.			5,000	-	-	-
	Transfer from Sewer CIP	No longer used. Transfer from Sewer CIP to close out fund in 2014.	41902-00					
Revenues: Sewer				1,101,347	1,177,470	1,172,470	1,172,470	1,238,668
Rev: Interest	Interest Income	Interest earned from sewer fund investments.	41701-00	4,956	5,000	5,000	5,000	5,000
Revenues: Interest Income				4,956	5,000	5,000	5,000	5,000
Rev: Misc	Miscellaneous	Includes reimbursements from Viking Football Club for water usage at Viking Field.	41804-00	74	50	50	50	50
Revenues: Misc				74	50	50	50	50
Total Sewer Fund (30) Revenues				2,208,107	1,977,625	1,601,942	1,601,942	1,644,037

Sewer Fund (30) Revenues and Expenses								
Type	Account	Description	Account	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Exp: Personnel	Salaries	The total salaries for sewer billing duties. A portion of staff salaries are covered by the Sewer Administrative Fee, as related to sewer work performed.	01-01-00	11,691	17,322	15,000	15,500	20,000
	FICA & Medicare	This is the City's share of FICA & Medicare cost for its employees.	01-21-00	839	1,347	1,248	1,175	1,530
	Professional Development	Cost of educational seminars and conferences attended by Sewer employees.	01-41-00	1,416		500	500	500
	Retirement	The City's LAGERS contribution for 2017 is 8.2% of general employee salaries.	01-22-00			1,145	1,016	1,137
	Tuition Reimbursement		01-43-00				480	0
Expenses: Personnel				13,946	18,669	17,893	18,671	23,167
Exp: Insurance	Property & Liability	Premium payment for the City's property & liability coverage.	02-01-00	2,689	6,033	1,610	-	1,600
	Health, Life, & Dental	The City offers health, dental, and life insurance to its employees and subsidizes a portion of the premium. Reflects premium increases for employees.	02-02-00	1,622	3,203	3,407	1,600	2,650
	Workers Compensation	The workers compensation premium that covers all sewer employees.	02-03-00		(47)	500	76	150
	Unemployment	This covers the cost of any unemployment insurance claims for the Sewer Department.	02-04-00			500	500	500
Expenses: Insurance				4,312	9,188	6,017	2,176	4,900
Exp: Utilities	Telephone & Voicemail	The charges for local and long distance telephone service for the sewer plant and lift station dialers.	03-01-00	2,278	1,527	1,600	1,250	1,315
	Electricity	Electric utility charges for the sewer plant and pump stations.	03-02-00	37,783	43,212	40,000	45,000	48,000
	Water	Water utility charges for the sewer plant.	03-04-00	1,606	2,665	3,500	1,500	2,500
	Wi-Fi	The cost of the Wi-Fi hotspot at the sewer plant for internet access.	03-06-00	480	669	480	480	480
	Trash Hauling	The charges for trash hauling at the sewer plant (\$70/year for Main Lift Station dumpster and \$356.52/year for Sewer Plant dumpster).	03-09-00	392	354	400	300	400
Expenses: Utilities				42,539	48,426	45,980	48,530	52,695
Exp: Office Expenses	Office Supplies	This includes items such as stationery, pens/pencils, folders, etc. as well as computer accessories, meeting supplies and general consumables.	05-01-00	257	258	250	250	250
	Postage	All postage and shipping costs, along with any incidental charges.	05-02-00	5,805	5,019	6,000	6,000	6,000
	Delinquencies	Administrative costs related to delinquency collections such as water shut off costs, filing property liens, and certified letters.	05-06-00	826	758	2,000	2,000	2,000
	Printing	Expenses for printing work not performed by City personnel. This includes items such as business cards, forms, letterhead, and books.	05-04-00	1,055	2,980		1,000	1,000
Expenses: Office Expenses				7,943	9,015	8,250	9,250	9,250

Sewer Fund (30) Revenues and Expenses								
Type	Account	Description	Account	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Exp: Office Expenses	Building Maintenance & Repair	General maintenance for the sewer plant. Includes crane for the new storage building, containment for diesel storage, soffit on sewer building, flashing on storage building, and new garage door.	06-01-00	6,863	41,769	18,000	15,000	20,000
	Pump Stations Maintenance	General maintenance for six pump stations in the City. Includes valves on FF Hwy pump station.	06-12-00	12,992	34,692	18,000	20,000	20,000
	Vehicle Repair & Maintenance	Maintenance for sewer vehicles. Include new tires for sewer truck.	06-21-00	41	44	500	200	-
	Tractor / Lawn Mowing Equipment	Maintenance for the sewer plant tractor and lawn equipment.	06-21-02	484	319	3,000	5,800	1,500
	Vehicle Gas & Oil	Fuel for sewer division vehicles.	06-22-00	802	780	2,000	1,000	-
	Equipment Gas & Oil	Fuel for sewer equipment, including the tractor, mower, and generator.	06-22-01	868	695	1,500	1,500	1,300
	Software Support Agreement	Annual software maintenance for Data Tech Summit sewer billing software.	06-33-00	1,910	4,342	2,000	2,546	2,000
Expenses: Maintenance				23,959	82,641	45,000	46,046	44,800
Exp: City Services	Line Repairs	This covers emergency repairs to sewer lines and manholes. Root control and unexpected clogs. It does not cover repairs budgeted in the sewer CIP.	07-34-00	24,708	29,682	20,000	48,000	25,000
	One Call Utility Locating	This is a fee charged to the City for every One Call sewer utility locate requested in the City limits.	07-42-00	3,180	1,051	2,000	800	2,000
	KC Water Dept.	Fees paid to the KCMO Water Department for sewer service provided to some Parkville residents The decrease in 2016 is a result of the decommission of Eastside Pump station.	07-82-00	53,304	19,647	26,000	26,000	26,000
	Platte County Regional Sewer District	Fees paid to the PCRSD for wastewater treatment for Parkville residents formerly served by Eastside Pump station.		3,961	3,961	16,000	19,708	16,000
	Odor Control	Chemical used to mitigate odors from sewer lines.	07-91-00	18,851	20,065	22,000	20,000	22,000
Expenses: City Services				104,004	74,406	86,000	114,508	91,000
Exp: Professional Fees	Attorney Fees	Fees associated with contract reviews and sewer related legal questions.	08-01-00		2,100	2,500		2,500
	Engineering Fees	This covers the fees for work performed by the City Contract Engineer for the sewer system, including SSES Program engineering and management.	08-03-00	9,900	13,824	10,000	15,150	15,000
	Management Contract	Contract with Alliance Water Resources to operate the sewer plant.	08-04-00	282,245	290,483	293,400	293,400	305,074
	Administration Fee	Administrative salaries for sewer related work, Missouri One Call services, and other sewer related administrative functions.	08-06-00	101,500	103,530	150,000	150,000	165,000
	Credit Card Fees	Costs associated with processing credit card transactions.	08-07-00	2,732	3,976		4,000	4,000
	Sewer Refunds	Refunds for bill over payments	08-08-00	321	1,333	900	900	900
Expenses: Professional Fees				396,698	415,247	456,800	463,450	492,474
Exp: Other Exp.	Miscellaneous	Miscellaneous includes uncategorized expenses.	09-21-00	851	2,646	2,000	150	2,000
	DNR Fees	Annual fee to the Missouri Department of Natural Resources based on the number of sewer connections in the City.	09-22-00	1,792	1,789	2,000	1,900	2,000
Expenditures: Other Expenditures				2,643	4,435	4,000	2,050	4,000

Sewer Fund (30) Revenues and Expenses

Type	Account	Description	Account	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Exp: Capital Outlay	Equipment & Machinery	For the purchase of operating equipment for the Sewer Plant. Includes replacement of headworks screen (\$90,000), replacement of RAS drive (\$5,200), rebuild of clarifier drive (\$16,000), lab equipment (\$6,000).	04-31-00	6,615	375	7,000	6,119	117,200
	Sewer Plant Improvements	No sewer plant improvements for 2018.	04-51-00	407	11,049	81,000	23,000	-
	Pump Station Improvements	Improvements to pump stations. Includes improvements to S. National Pump Station (\$63,000).	04-61-00	185,637	8,952	151,000	97,000	63,000
	Line Maintenance	Includes 2018 CCTV & Cleaning (\$57,000), Downtown Manhole Reconstruction Phase 2 (\$130,000), and design of Sanitary Sewer Phase 4 (\$15,000)	06-42-00	197,854	476,316	164,000	175,120	202,000
	Other Maintenance	Includes repairs to the levee next to the sewer plant and the stabilization of the streambank along the access drive to the sewer plant.	06-99-00	68,575		50,000	14,000	-
Expenditures: Capital Outlay				459,088	496,692	453,000	315,240	382,200
Exp: Transfers	Transfer to Debt Service Fund (for Bonds)	No longer used. Funds are transferred to Debt Service for bond payments. Paid off in 2015.	20-02-02	151,063				
	Transfer to Debt Service Fund (for SRF)	Funds are transferred to Debt Service for SRF payments.	20-02-03	206,807	162,520	181,701	181,701	204,438
Expenditures: Transfers				357,870	162,520	181,701	181,701	204,438
Total Sewer Fund (30) Expenditures				1,413,002	1,321,240	1,304,641	1,201,623	1,308,924
Ending Fund Balance Sewer Fund (30)				795,105	656,385	297,301	400,319	335,114

Sewer Fund (30)

Last Updated 10/31/2017

	2014	2015	2016	2017	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Budget	Projected	Budget	Projected	Projected	Projected	Projected	Projected
<i>Beginning Fund Balance</i>	\$ 516,873	\$1,101,730	\$ 795,105	\$ 424,422	\$ 424,422	\$ 400,319	335,113	406,688	414,720	602,203	774,826
Revenues											
<i>Projected Rate Increase</i>	3.00%	3.00%	2.50%	10.00%	10.00%	6.00%	6.00%	3.00%	3.00%	3.00%	3.00%
Sewer Charges	1,006,362	1,020,684	1,103,300	1,103,300	1,103,300	1,169,498	1,239,668	1,314,048	1,353,469	1,394,073	1,435,896
Sewer Tap Fees	43,500	39,000	30,000	30,000	30,000	30,000	30,450	30,907	31,370	31,841	32,319
Sewer Impact Fees	42,000	36,400	34,000	34,000	34,000	34,000	34,510	35,028	35,553	36,086	36,628
MOAW Bill Collection Payment	562	643	550	550	550	550	550	550	550	550	550
Grinder Pump Administrative Fee	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Interest Income	4,361	4,956	5,000	5,000	5,000	5,000	5,050	5,101	5,152	5,203	5,255
Transfer from Sewer CIP (33)	294,984			-	-	-	-	-	-	-	-
Miscellaneous	1,000	74	50	50	50	50	51	52	52	53	54
Sewer Fund Revenues:	1,397,390	1,106,376	1,177,520	1,177,520	1,177,520	1,243,718	1,314,899	1,390,304	1,430,767	1,472,427	1,515,321
Total Sources:	1,914,263	2,208,106	1,972,625	1,601,942	1,601,942	1,644,037	1,650,012	1,796,993	1,845,486	2,074,630	2,290,147
Expenditures											
Operating Expenses	461,041	494,543	558,497	519,940	554,682	557,286	567,704	578,323	589,148	600,183	611,432
Capital Expenses	59,988	459,088	496,692	453,000	315,240	382,200	311,900	429,500	264,000	293,800	293,800
Debt Service	191,504	357,870	162,520	181,701	181,701	204,438	183,720	179,450	180,135	180,821	180,821
Transfer to General Fund - Admin Fee	100,000	101,500	103,530	150,000	150,000	165,000	180,000	195,000	210,000	225,000	240,000
Other Transfers			-								
Sewer Fund Expenditures:	812,533	1,413,001	1,321,239	1,304,641	1,201,622	1,308,924	1,243,324	1,382,273	1,243,283	1,299,804	1,326,053
Estimated Working Capital (deficit):	1,101,730	795,105	651,386	297,301	400,320	335,113	406,688	414,720	602,203	774,826	964,094
TARGET*	\$331,764	\$481,796	\$328,027	\$349,186	\$357,871	\$385,010	\$370,646	\$372,781	\$379,922	\$387,117	\$393,679

* Target represents desired working capital of 90 days of operations in addition to the current fiscal year debt service payments, Reserve Policy adopted December 3, 2013, by Resolution No. 12-01-13.

							BUDGET IMPACT								
Division	Type	New or Replacement?	Name	Project Description	Funding Source	Total Cost	2018	2019	2020	2021	2022	2023	2024	Future	Column1
Sewer	Equipment	Replacement	WWTP Headworks Screen Rebuild	Replace the influent mechanical bar screen at the WWTP. Begin design/bidding in 2016, construct in 2017.	100% Sewer Fund	\$ 90,000	\$ 90,000								Equipment & Machinery
Sewer	Equipment	Replacement	RAS Pump AFD's	Replacement of three RAS Pump drives that control the pump speed at WWTP.	100% Sewer Fund	\$ 10,600	\$ 5,200	\$ 5,400							Equipment & Machinery
Sewer	Equipment	Replacement	RAS Pump Replacement	Replace RAS Pump at WWTP	100% Sewer Fund	\$ 11,500		\$ 11,500				\$ 13,000			Equipment & Machinery
Sewer	Equipment	Replacement	Clarifier Drives	Rebuild two clarifier drives at WWTP.	100% Sewer Fund	\$ 16,000	\$ 16,000								Equipment & Machinery
Sewer	Equipment	Replacement	Digester Blowers	Replacement of two digester blowers at WWTP.	100% Sewer Fund	\$ 17,000		\$ 17,000							Equipment & Machinery
Sewer	Equipment	Replacement	Aeration Blowers	Rebuild/Replace aeration blower at the WWTP. One blower replaced in 2017.	100% Sewer Fund	\$ 11,000			\$ 11,000						Equipment & Machinery
Sewer	Equipment	Replacement	RAS Flow Meters	Modify flow meters	100% Sewer Fund	\$ 20,000		\$ 20,000							Equipment & Machinery
Sewer	Equipment	New	Lab Equipment	Purchase new lab equipment	100% Sewer Fund	\$ 6,000	\$ 6,000								Equipment & Machinery
						2018 SUBTOTAL	\$ 117,200	\$ 53,900	\$ 11,000	\$ -	\$ -	\$ 13,000	\$ -		
Sewer	Project	Replacement	Clarifier Floor	Replacement of Clarifier Floor. One in 2016 and the other in 2018.	100% Sewer Fund	\$ 54,000				\$ 54,000					Sewer Plant Impvts
Sewer	Project	Replacement	WWTF Treatment Upgrades	Upgrade the treatment processes at the Sewer Plant.	Possible SRF Loan	\$ 1,100,000						\$ 1,100,000			Sewer Plant Impvts
Sewer	Project	Replacement	Low Water Crossing	Replace bridge crossing at entrance to Sewer Plant.	Possible HMGP Grant	\$ 500,000			\$ 125,000						Sewer Plant Impvts
Sewer	Project	New	WWTF Effluent Pump Station	Install new pump station to protect UV building.	100% Sewer Fund	\$ 150,000		\$ 150,000							Sewer Plant Impvts
						2018 SUBTOTAL	\$ -	\$ -	\$ 150,000	\$ 125,000	\$ 54,000	\$ 0	\$ 1,100,000	\$ 0	
Sewer	Project	Replacement	South National P.S. Equipment Replacement.	Replace pumps, base elbows, rails, along with electrical work.	100% Sewer Fund	\$ 63,000	\$ 63,000								Pump Station Impvts.
Sewer	Equipment	Replacement	Self Priming Pump	Engine Driven Trash Pump for By-Pass and Tank Cleaning. Can be used for flood response and system overflow bypasses.	100% Sewer Fund	\$ 28,000					\$ 28,000				Equipment & Machinery
Sewer	Equipment	Replacement	Pinecrest Pump	Rebuild existing pump at Pinecrest Pump Station	100% Sewer Fund	\$ 9,300			\$ 4,500		\$ 4,800				Pump Station Impvts.
						2018 SUBTOTAL	\$ 63,000	\$ 63,000	\$ 0	\$ 4,500	\$ 0	\$ 32,800	\$ -	\$ 0	
Sewer	Project	New	Sewer Manhole Inspections	Locate, open, inspect, and assess condition of manholes. Enter information into database and record photos. Update GIS map and database.	100% Sewer Fund	\$ 30,000			\$ 30,000						Line Maintenance
Sewer	Project	New	CCTV	Program to clean and televise a portion of the 15,000 feet per year of the City's sewers.	100% Sewer Fund	\$ 357,000	\$ 57,000	\$ 58,000	\$ 59,000	\$ 60,000	\$ 61,000	\$ 62,000			Line Maintenance
Sewer	Project	Replacement	Downtown Manhole Reconstruction Phase 2	Second phase of manhole project started in 2016. This involves the reconstruction of existing manholes. Phase 4 repairs focus on repairing aged and poor condition sewer pipes, prioritized in the line database. Includes lines discovered in the last two years of CCTV work.	100% Sewer Fund	\$ 130,000	\$ 130,000								Line Maintenance
Sewer	Project	Replacement	Sanitary Sewer Phase 4	Once the five phases of repair are complete, City will focus on periodic projects to rebuild sewer pipes, using primarily the CIPP process.	100% Sewer Fund	\$ 215,000	\$ 15,000	\$ 200,000							Line Maintenance
Sewer	Project	Replacement	Sanitary Sewer - Ongoing Renewal		100% Sewer Fund	\$ 1,000,000			\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	Line Maintenance
						SUBTOTAL	\$ 202,000	\$ 258,000	\$ 289,000	\$ 260,000	\$ 261,000	\$ 262,000	\$ 200,000		
ANNUAL TOTALS							\$ 562,400	\$ 665,800	\$ 570,000	\$ 368,000	\$ 326,600	\$ 2,488,000			