



Legislation Details (With Text)

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File created: 7/14/2017 **In control:** City Council

On agenda: 10/10/2017 **Final action:**

Title: Discussion of 2018-2019 Budget.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1 - Draft 2018-2022 CIP-CEP Utility Funds 10-6-17, 2. 2 - Utility Rate proposal 2018, 3. 3 - Utility Operator Increase Request, 4. 4 - 2018 Budget Update 10.10.17, 5. 5 - 10.10.17 FT Communications Position

Date	Ver.	Action By	Action	Result
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City Council Meeting Date: October 10, 2017

To: Mayor and City Council
City Administrator

From: Brenda Angelstad, Finance Director

Discussion of 2018-2019 Budget.

Action Requested:
None

Summary Report:

Utility Fees

Staff is recommending a continuation of the Utility Rate Study completed in 2014 for establishment of the rates in 2018. This is because the storm water pond study will be completed late 2017, which will allow the City to consider incorporating capital improvements for this work. Also, the facility study for the wastewater treatment plant indicated roughly \$12 Million in upgrades over the next 10 years.

Staff has included the items below in the budget, which tie to the strategic plan.

Climate Change Impacts

Flooding Resilience - \$50,000 has been included in the Storm Water Utility Budget for a Feasibility Study for Improvements Downtown for the east/west riverwalk/walls.

Climate Action Planning - \$15,000 has been included in the Storm Water Utility Budget for this work to get underway.

Infrastructure

\$30,000 Rate Study funding has been included to review the Water, Wastewater, and Storm Water rates.

The Utility Department is requesting a full time Utility Operator position to better allow for operation and maintenance that is currently falling behind in the systems. The cost of the position is \$75,000 and will be split 75% Water, 20% Sewer, and 5% Storm. The position request is attached along with additional justification.

Here are the recommendations for the 2018 Utility Rates.

Water

Rates remain the same, no increase recommended at this time.

Wastewater (Sewer)

A 3% increase recommended due to ongoing Wastewater Treatment Plant upgrades.

Storm Water

A 6% increase is recommended for 2018.

Garbage Rates

No change recommended. Staff will be looking to extend or go out for proposals for waste hauling services in 2018. The existing contract expires in March of 2019.

Public Works Director/City Engineer Bennett and Finance Director Angelstad will be presenting the Utility Funds and Utilities Manager Wagner will be in attendance to address questions.

General Fund Budget Update

City Administrator Martig and Finance Director Angelstad will present updates to the General Fund budget and Communications and Human Resources Director Mahowald will present information on the proposed Communications position (memo is attached). Both will be looking for feedback.

Alternative Options:

Council may propose an adjustment outside of staff recommendations. Note this could impact current and future projects.

Financial Impacts:

The proposed rate increases allow us to maintain our facilities. See attached rate impact chart.

Tentative Timelines:

We would like to pass the rate increase for 2018 at the October 17th Council meeting. This will allow time for customer notification of the upcoming changes.