



FY2020 Budget Process Enterprise Fund Budgets

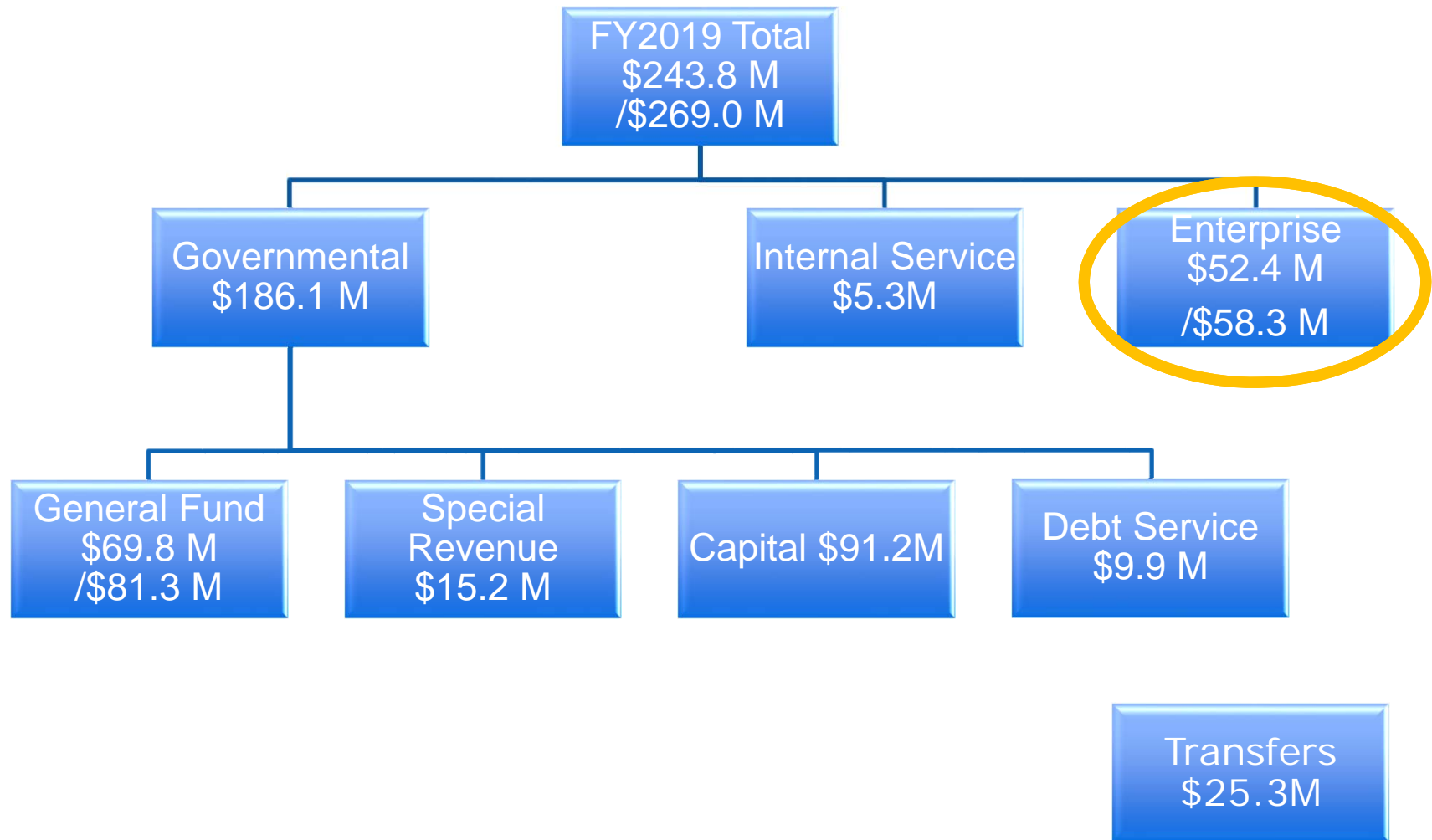
City Council Work Session

March 4, 2019





Fund Structure



Enterprise Funds

- Used to account for business-like activities in which rates are set to recover costs
- Funds most city utility services
 - Water distribution, sewer collection/treatment, residential trash/recycling
- Roughly 20% of city's operating budget
 - Personnel, Supplies, Services
- Funds capital and asset replacement along with 0.5% dedicated sales tax



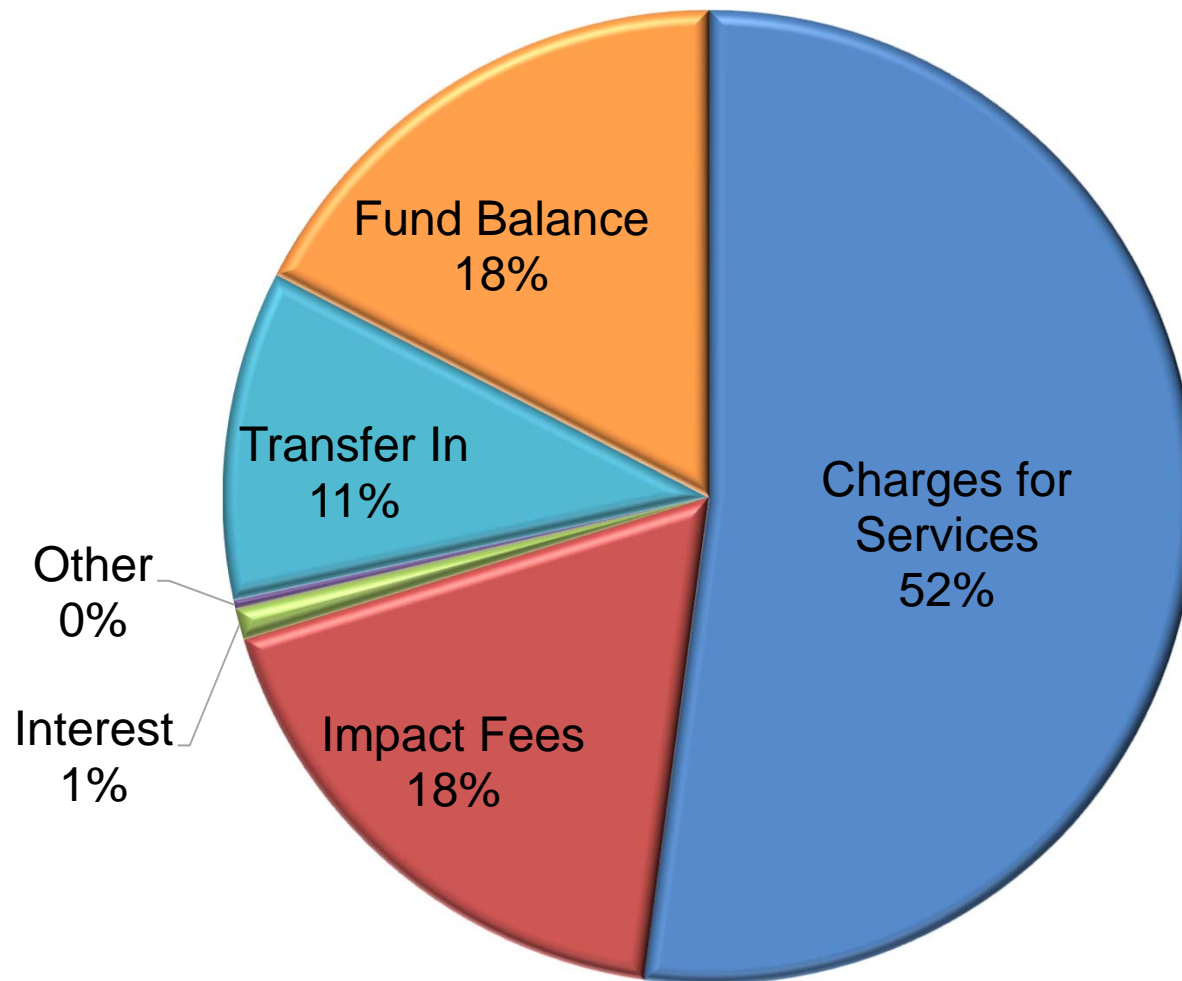
Water Funds

- Water operations
 - Water operations,
 - Water development,
 - Water equipment replacement
- Active accounts:
 - Residential : 22,200 average, \$25.80 monthly
 - Non-residential : 1,500





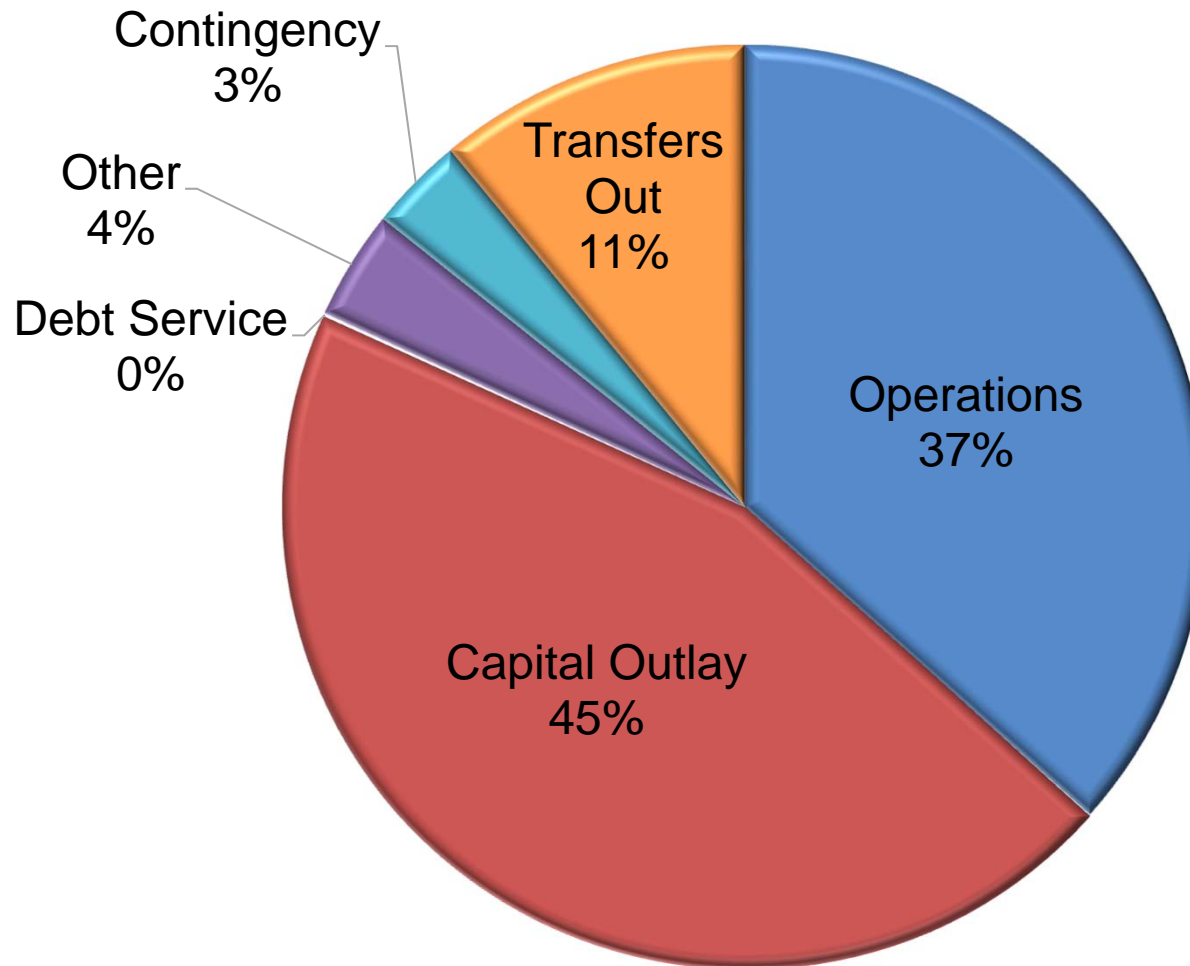
FY2019 Water Fund Sources by Category - \$30.2 M



Aspiring. Achieving. Accelerating.



FY2019 Water Fund Uses by Category - \$30.2 M



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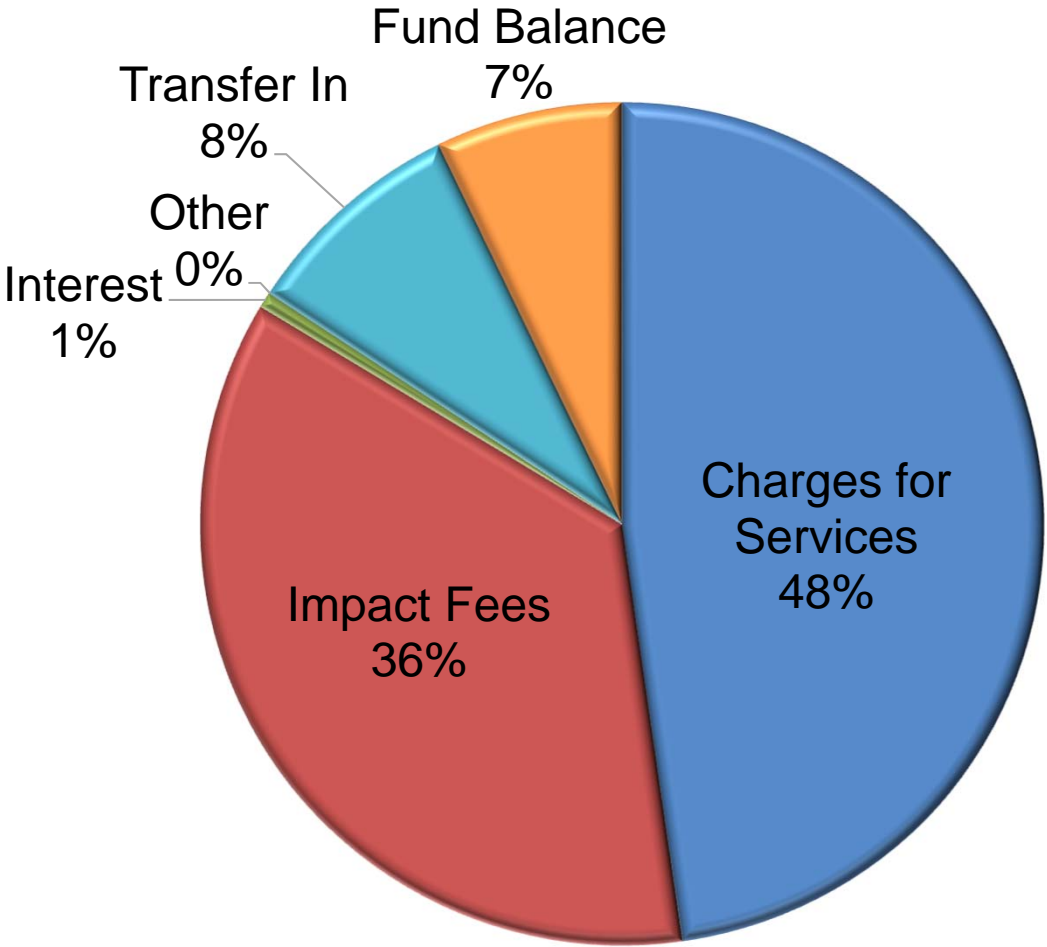
Sewer Funds

- Sewer operations
 - Sewer operations,
 - Sewer development,
 - Sewer equipment replacement
- Active accounts:
 - Residential : 21,500 average, \$25.60 monthly
 - Non-residential : 1,200



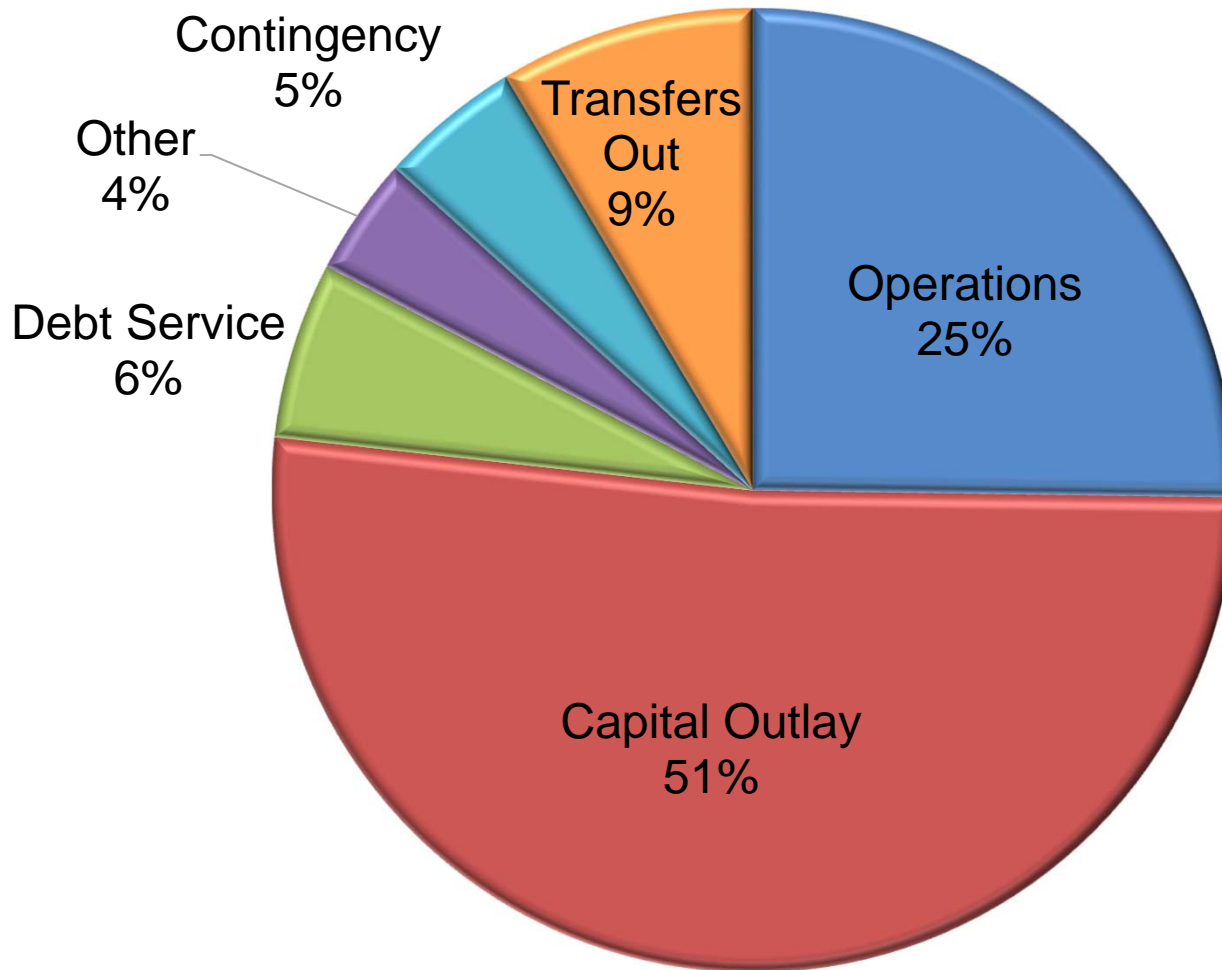


FY2019 Sewer Fund Sources by Category - \$21.0 M





FY2019 Sewer Fund Uses by Category - \$21.0 M



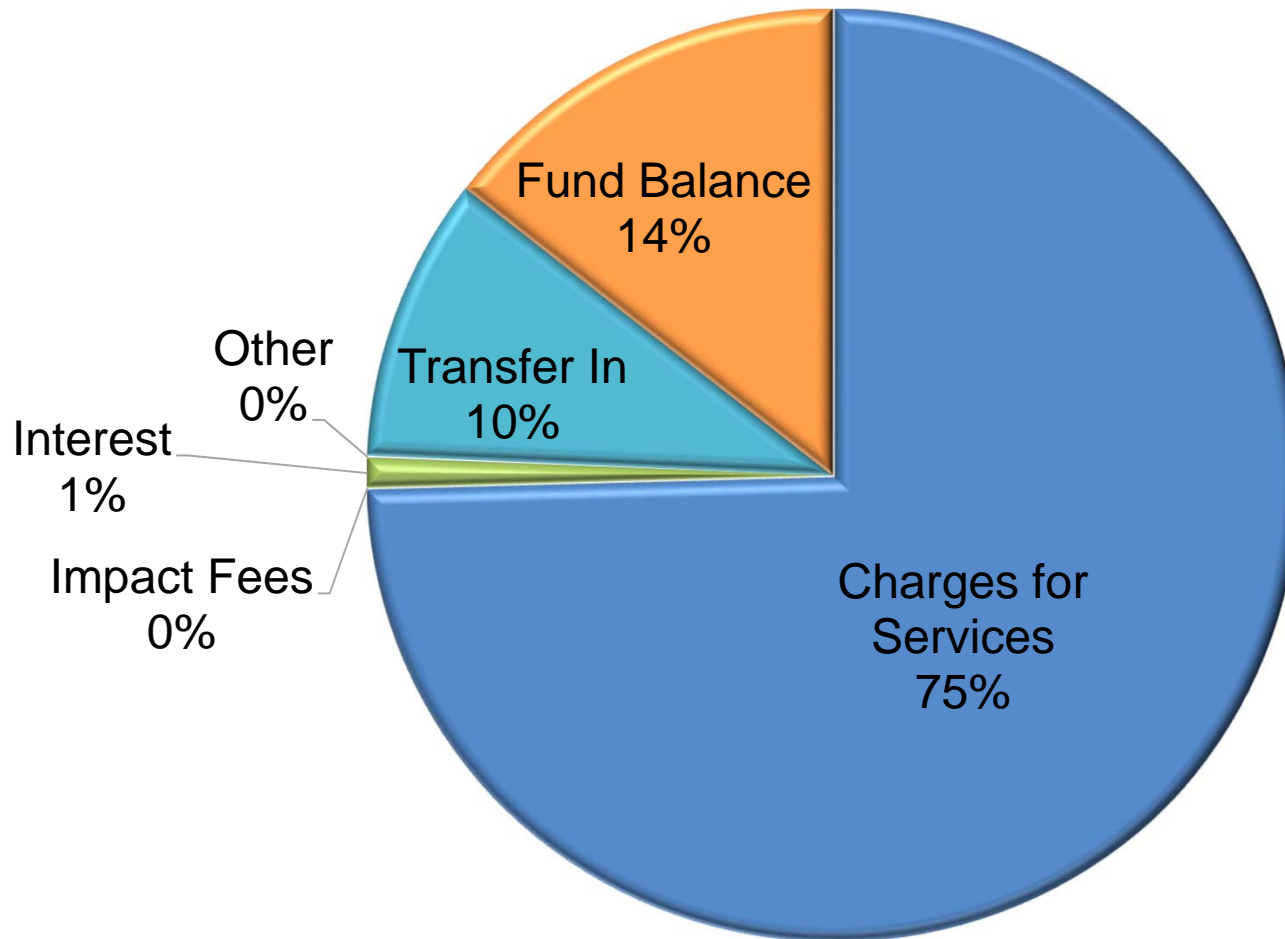
Sanitation Funds

- Sanitation operations
 - Sanitation operations,
 - Sanitation development,
 - Sanitation equipment replacement
- Active accounts:
 - Residential : 22,100 average, \$20.00 monthly
 - Non-residential : 0



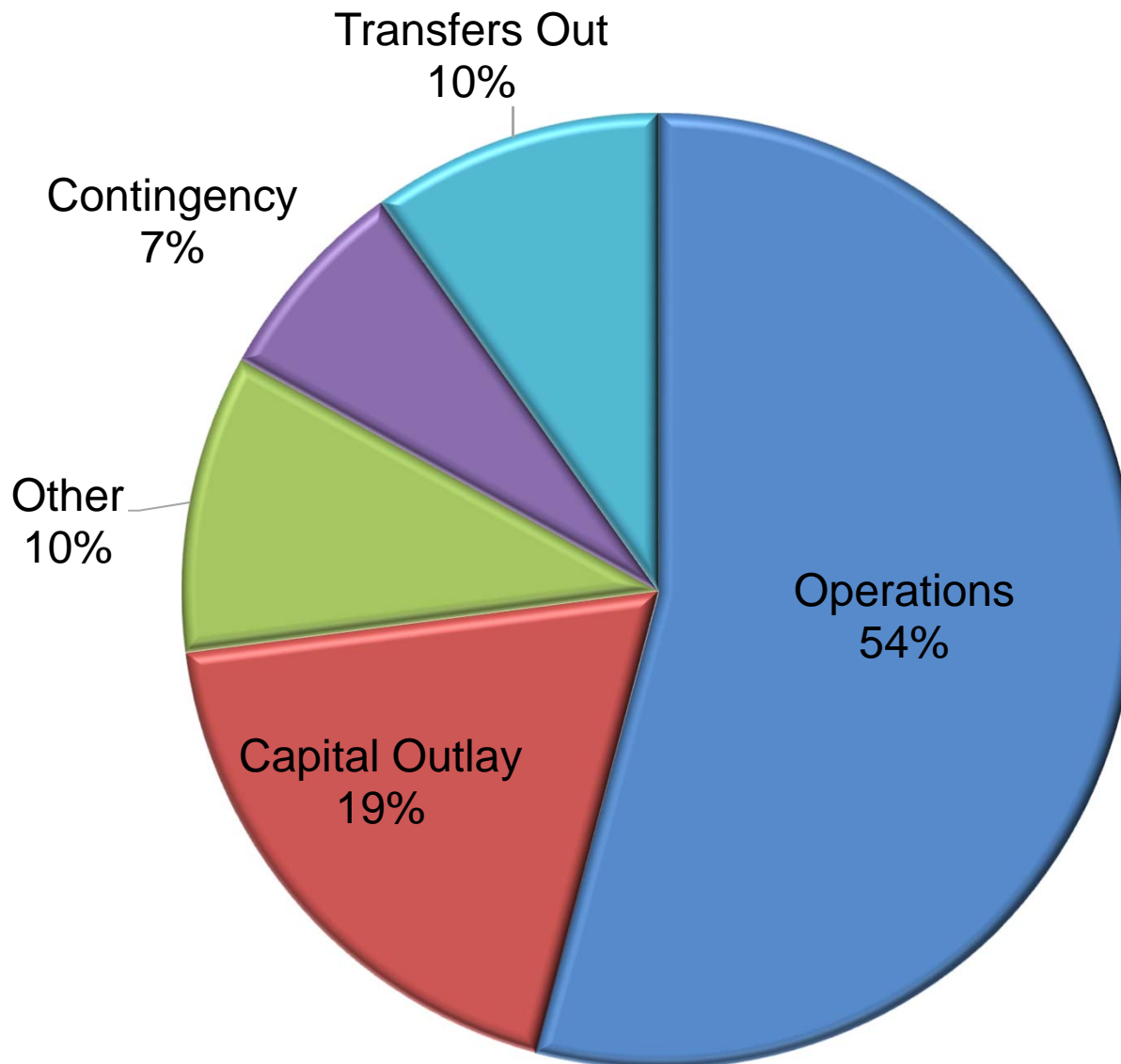


FY2019 Sanitation Fund Sources by Category - \$7.1 M





FY2019 Sanitation Fund Uses by Category - \$7.1 M



Aspiring. Achieving. Accelerating.

FY2019 Transfers

Source	Development	Equipment Replacement
Water Operations	\$3.0 M	\$0.3 M
Sewer Operations	1.5 M	0.3 M
Sanitation Operations	0.0 M	0.6 M
Total	\$4.8 M	\$1.2 M

Source*	Development	Equipment Replacement
Dedicated 0.5% Tax	\$0.3 M	\$0.0 M



Reserves

- Water and Sewer
 - 9 months of operating expenditures
 - 5% of value of assets less accumulated depreciation

- Sanitation
 - 4 months of operating expenditures
 - 1 x annual debt service payment



FY2019 Reserves

Type	Water	Sewer	Sanitation
9 month operating	\$7.0 M	\$3.4 M	
5% capital assets	17.0 M	16.5 M	
4 month operating			\$1.4 M
1 year debt service			0.0 M
Total	\$24.0 M	\$19.9 M	\$1.4 M

Looking Forward

Water and Sewer

- Rate study
 - Conducted by 3rd party
 - Council Action: Fall 2019,
 - Effective: Winter 2020
- Review rate structure
- Look at fees/charges
- Evaluate reserve policy
- Consider level of bond funding



Looking Forward

Sanitation

- Rate study
 - Conducted internally
 - Consider 3rd party
 - Evaluate reserve policy
 - Review replacement schedule



Budget Calendar

Date	Topic
February 4	Process overview
February 19	Operating funds
March 4	Enterprise funds
March 25	Capital funds
April	Recommended Budget Released
May	Tentative Budget Adoption
June	Hearing and Final Budget Adoption
June	Property Tax Adoption





Enterprise Funds

Questions/Comments?

