



STAFF REPORT

DATE: December 5, 2017

REGULAR

ITEM #16

TO: Honorable Mayor and City Council
FROM: Brian A. Swanson – Finance Director
AGENDA ITEM: 2018 Utility Budgets – Resolution 2017-136
REVIEWED BY: Kristina Handt – City Administrator

BACKGROUND:

The Finance Committee has been working on developing the Proposed 2018 Water, Sewer, and Storm Water Fund (utility) budgets for the last few months. Council reviewed them briefly during a joint meeting in August. The Finance Committee finalized their recommendations for the utility budgets at their October meeting and recommended consideration and approval by the City Council. The City Council reviewed the Proposed 2018 Utility Budgets and Rates on November 14th at the workshop and directed staff to bring each of them back for consideration and approval.

Process for this evening:

- 1) Information presented pertains to the Proposed 2018 Water, Sewer and Storm Water Fund Budgets.
- 2) Based on upon the results of the information provided and discussion, the City Council can consider the resolution adopting the 2018 Water, Sewer and Storm Water Fund Budgets attached to this report.
- 3) The detailed fee schedule will be part of the 2018 Fee Schedule agenda item for the City Council to consider for adoption, which includes an ordinance and resolution.

ISSUES BEFORE THE CITY COUNCIL:

- 1) Does the City Council have any questions about the Proposed 2018 Utility Fund Budgets?
- 2) Does the City Council desire to approve the Proposed 2018 Water, Sewer and Storm Water Budgets?

DISCUSSION:

Attachment #1 includes the detailed Proposed 2018 Water, Sewer and Storm Water Budgets.

Revenues:

The revenues for the funds are from the Utility Financial Management Plan presented by Northland Securities at the October 3rd regular City Council meeting. These assumptions are based upon the increased rates recommended in the report as well. In summary, here are the proposed rate increases:

- 1) **Water Fund** – Proposed three percent (3%) rate increase across the base and variable rates compared from the 2017 Adopted to 2018 Proposed. Water Availability Charge (WAC) and the Water Connection Charge would remain the same.
- 2) **Sewer Fund** – Proposed one percent (1%) rate increase for the commercial usage, residential usage, and residential base fee, compared from the 2017 Adopted to 2018 Proposed. Sewer Availability Charge (SAC) and the Sewer Connection Charge would remain the same.
- 3) **Storm Water Fund** – Service fee would increase by five dollars (\$5.00) from the 2017 Adopted to 2018 Proposed.

Expenses:

Water Fund:

- Water Meter and Supplies: includes the purchase of 250 meters to continue the meter change out program to address old and failing meters at a cost of approximately \$47,000.
- Small Tools & Equipment: includes \$3,000 for a generator for water tower #3.
- Legal Services: increase of \$150,000 due to reassignment of 3M litigation costs.
- Contract Services: contract for updating wellhead protection program as required by the state and contract for Finance Director services totaling a \$33,400 increase.
- Software Support: increase of approximately \$27,500 for new finance software upgrades approved by Council as well as ongoing IT costs.
- Water Utility: expect to be off Oakdale water by January so no costs proposed for this line item.
- Capital Outlay: utility vehicle replacement and water main oversizing costs totaling \$137,500.
- Depreciation: removed since Capital Improvement Plan costs account for it.
- Bond Principal and Interest: increase of approximately \$737,000 for debt service.

Sewer Fund:

- Small Tools & Equipment: reduced from last draft to remove all but necessary equipment for confined space maintenance tasks.
- Contract Services: increase of approximately \$16,000 for Finance Director contract.
- Software Support: increase of approximately \$28,000 for new finance software upgrades approved by Council as well as ongoing IT costs.
- Sewer Utility-Met Council: this is the cities operations charge. Increase of approximately \$48,000 is due to increase in customer volume.
- Capital Outlay: utility vehicle replacement (1/2 in water) and sewer main oversizing costs totaling \$85,000.
- Depreciation: removed since Capital Improvement Plan costs account for it.
- Bond Principal and Interest: increase of approximately \$343,000 for debt service.

Storm Water Expenses:

- Repair/Maintenance Supplies and Small Tools: increased by \$3,500.
- Contract Services: Finance Director contract increase of approximately \$7,000.
- Software Support: increase of approximately \$7,000 for new finance software upgrades approved by Council as well as ongoing IT costs.
- Street Sweeping: 2nd street sweeping added at a cost of \$5,000.
- Capital Outlay: surface water plan required with Comp Plan update of approximately \$20,000.
- Depreciation: removed since Capital Improvement Plan costs account for it.
- Bond Principal and Interest: increase of approximately \$156,000 for debt service.

FISCAL IMPACT:

The 2018 Proposed Utility Budgets will help support necessary city services to be provided in 2018. In addition, consideration of the impact of the decisions made today will help the City plan for the future with the goal of sound fiscal management.

RECOMMENDATION:

- 1) Motion to Adopt Resolution No. 2017-136 Adopting the 2018 Water, Sewer and Storm Water Fund Budgets.

ATTACHMENTS:

- 1) 2018 Proposed Utility Fund Budgets – 12-5-17
- 2) Resolution No. 2017-136 Adopting the 2018 Water, Sewer and Storm Water Fund Budgets

CITY OF LAKE ELMO
2018 PROPOSED BUDGETS
Utility Funds - December 5, 2017

| <u>Account Number</u> | <u>Description</u> | <u>2015 Actual</u> | <u>2016 Actual</u> | <u>2017 Adopted</u> | <u>2017 YTD - Sept. 30</u> | <u>2017 Projected</u> | <u>2018 Proposed</u> | <u>Adopted 2017 to Proposed 2018 Percent Change</u> |
|-------------------------------------|-------------------------------|------------------------|------------------------|-------------------------|--------------------------------|---------------------------|--------------------------|---|
| 601 | Water Fund | | | | | | | |
| Water Fund Revenues: | | | | | | | | |
| 601-000-0000-33422 | PERA Pension Revenue | - | 525 | - | - | - | - | #DIV/0! |
| 601-000-0000-33426 | Miscellaneous State Grants | - | 3,433,298 | - | - | - | - | #DIV/0! |
| 601-000-0000-36100 | Special Assessments | - | 11,334 | 16,950 | 9,320 | 16,950 | 111,077 | 555.32% |
| 601-000-0000-36205 | Refunds and Reimbursements | - | - | - | 62 | 75 | - | #DIV/0! |
| 601-000-0000-36210 | Interest on Investments | 26,985 | 13,987 | 20,000 | - | 20,000 | 20,000 | 0.00% |
| 601-000-0000-37100 | Water Sales | 440,322 | 275,019 | 543,689 | 360,314 | 489,139 | 597,769 | 9.95% |
| 601-000-0000-37120 | Bulk Water | 1,241 | 5,423 | 2,000 | 448 | 2,000 | 2,000 | 0.00% |
| 601-000-0000-37140 | Water Access Revenue | 66,000 | 979,500 | 1,509,000 | 1,231,400 | 1,509,000 | 960,000 | -36.38% |
| 601-000-0000-37150 | Water Connections - Municipal | 1,237,500 | 244,500 | 369,000 | 338,147 | 369,000 | 320,000 | -13.28% |
| 601-000-0000-37170 | Meter Sales | 55,435 | 244,260 | 68,000 | 90,867 | 100,000 | 87,500 | 28.68% |
| 601-000-0000-37180 | Tower Rent | 49,742 | 52,526 | - | - | - | - | #DIV/0! |
| 601-000-0000-39210 | Transfer In | - | (59,872) | - | - | - | - | #DIV/0! |
| Total Water Fund Revenues: | | \$ 1,877,225 | \$ 5,200,500 | \$ 2,528,639 | \$ 2,030,558 | \$ 2,506,164 | \$ 2,098,346 | -17.02% |
| Water Fund Expenses: | | | | | | | | |
| Personnel | | | | | | | | |
| 601-494-9400-41010 | Full-time Salaries | 92,578 | 127,902 | 144,184 | 88,793 | 117,335 | 105,194 | -27.04% |
| | Safety Clothing Allowance | - | - | - | - | 193 | 193 | #DIV/0! |
| 601-494-9400-41210 | PERA Contributions | 8,615 | 15,792 | 10,814 | 6,652 | 8,800 | 7,590 | -29.81% |
| 601-494-9400-41220 | FICA Contributions | 5,498 | 7,346 | 9,012 | 5,322 | 7,275 | 6,497 | -27.91% |
| 601-494-9400-41230 | Medicare Contributions | 1,286 | 1,718 | 2,091 | 1,245 | 1,701 | 1,525 | -27.07% |
| 601-494-9400-41300 | Insurance | 18,199 | 29,467 | 28,837 | 14,429 | 19,894 | 21,743 | -24.60% |
| 601-494-9400-41301 | Unemployment Insurance | - | - | - | - | 1,093 | 683 | #DIV/0! |
| 601-494-9400-41510 | Workers Compensation | 2,472 | 1,904 | 5,767 | 3,980 | 5,526 | 5,884 | 2.03% |
| Total Personnel | | \$ 128,647 | \$ 184,130 | \$ 200,705 | \$ 120,421 | \$ 161,817 | \$ 149,309 | -25.61% |
| Materials and Supplies | | | | | | | | |
| 601-494-9400-42000 | Office Supplies | 1,933 | 771 | 700 | 579 | 700 | 800 | 14.29% |
| 601-494-9400-42030 | Printed Forms | 239 | 499 | 750 | 247 | 550 | 750 | 0.00% |
| 601-494-9400-42150 | Operating Supplies | - | - | - | - | - | 1,000 | #DIV/0! |
| 601-494-9400-42160 | Chemicals | 1,473 | 3,157 | 13,000 | 3,587 | 10,000 | 13,000 | 0.00% |
| 601-494-9400-42210 | Repair/Maint. Supplies | 25,257 | 25,014 | 25,000 | 2,080 | 20,000 | 26,000 | 4.00% |
| 601-494-9400-42300 | Water Meters & Supplies | 82,343 | 105,477 | 85,000 | 117,435 | 125,000 | 132,000 | 55.29% |
| 601-494-9400-44375 | Personal Protective Equipment | - | - | - | - | - | 800 | #DIV/0! |
| 601-494-9400-42400 | Small Tools & Minor Equipment | 5,016 | 3,955 | 5,000 | 1,908 | 3,500 | 8,300 | 66.00% |
| Total Materials and Supplies | | \$ 116,263 | \$ 138,874 | \$ 129,450 | \$ 125,836 | \$ 159,750 | \$ 182,650 | 41.10% |
| Charges and Services | | | | | | | | |
| 601-494-9400-43030 | Engineering Services | 14,725 | - | 20,000 | 14,909 | 20,000 | 20,000 | 0.00% |
| 601-494-9400-43040 | Legal Services | 388 | 2,323 | 5,000 | 93,738 | 125,000 | 155,000 | 3000.00% |
| 601-494-9400-43150 | Contract Services | 16,305 | 7,459 | 14,000 | 20,622 | 40,000 | 47,400 | 238.57% |
| 601-494-9400-43180 | Software Support | 4,774 | 5,556 | 9,600 | 10,088 | 16,479 | 37,133 | 286.81% |
| 601-494-9400-43210 | Telephone | 775 | 793 | 800 | 504 | 800 | 800 | 0.00% |
| 601-494-9400-43220 | Postage | 2,500 | 1,800 | 1,880 | (1,322) | 750 | 2,000 | 6.38% |
| 601-494-9400-43310 | Mileage | - | 189 | - | - | - | - | #DIV/0! |
| 601-494-9400-43610 | Insurance | 6,799 | 8,975 | 10,000 | 9,322 | 10,000 | 12,000 | 20.00% |
| 601-494-9400-43810 | Electric Utility | 33,410 | 34,392 | 30,000 | 35,523 | 45,000 | 45,000 | 50.00% |
| 601-494-9400-43820 | Water Utility | 107,029 | 144,932 | - | 177,093 | 210,000 | - | #DIV/0! |
| 601-494-9400-44030 | Repairs\Maint Imp Not Bldgs | 7,116 | 8,617 | 10,000 | 4,735 | 8,000 | 20,000 | 100.00% |
| | Repairs\Maint. Equip. | - | - | - | - | - | 8,000 | #DIV/0! |
| | Repairs\Maint Imp Bldgs | - | - | - | - | - | 2,000 | #DIV/0! |

CITY OF LAKE ELMO
2018 PROPOSED BUDGETS
Utility Funds - December 5, 2017

| <u>Account Number</u> | <u>Description</u> | <u>2015 Actual</u> | <u>2016 Actual</u> | <u>2017 Adopted</u> | <u>2017 YTD - Sept. 30</u> | <u>2017 Projected</u> | <u>2018 Proposed</u> | <u>Adopted 2017 to Proposed 2018 Percent Change</u> |
|--|-----------------------------------|------------------------|------------------------|-------------------------|--------------------------------|---------------------------|--------------------------|---|
| 601-494-9400-44370 | Equipment Rental | - | - | - | - | - | 1,000 | #DIV/0! |
| | Conferences & Training | 460 | 103 | 1,500 | 1,118 | 1,500 | 2,000 | 33.33% |
| Total Charges and Services | | \$ 194,281 | \$ 215,140 | \$ 102,780 | \$ 366,330 | \$ 477,529 | \$ 352,333 | 242.80% |
| Capital Outlay | | | | | | | | |
| 601-494-9400-45300 | Improvements Other Than Bldgs | 42 | - | - | 22,430 | 22,430 | 137,500 | #DIV/0! |
| Total Capital Outlay | | \$ 42 | \$ - | \$ - | \$ 22,430 | \$ 22,430 | \$ 137,500 | #DIV/0! |
| Miscellaneous and Non-operating | | | | | | | | |
| 601-494-9400-43320 | Depreciation Expense | 557,626 | 612,353 | 598,971 | - | - | - | -100.00% |
| 601-494-9400-44300 | Miscellaneous | 188 | 3,178 | 2,000 | 2,423 | 2,600 | 2,000 | 0.00% |
| 601-494-9400-46010 | Bond Principal | 0 | - | - | 279,663 | 485,000 | 710,000 | #DIV/0! |
| 601-494-9400-46110 | Bond Interest | 351,742 | 241,142 | 273,321 | 235,319 | 273,321 | 300,775 | 10.04% |
| 601-494-9400-46200 | Fiscal Agent Fees - Bond Payments | 1,189 | 16,014 | 800 | 180 | 800 | 856 | 7.00% |
| 601-494-9400-46250 | Fiscal Agent Fees - Bond Issuance | (11,720) | - | 53,811 | - | - | - | -100.00% |
| 601-494-9400-47200 | Transfer Out | - | 40,427 | - | - | - | - | #DIV/0! |
| Total Misc. and Non-operating | | \$ 899,025 | \$ 913,113 | \$ 928,903 | \$ 517,584 | \$ 761,721 | \$ 1,013,631 | 9.12% |
| Total Water Fund Expenses: | | \$ 1,338,258 | \$ 1,451,257 | \$ 1,361,838 | \$ 1,152,601 | \$ 1,583,247 | \$ 1,835,423 | 34.78% |
| Total Water Fund Revs. Over/(Under) Expenses: | | \$ 538,967 | \$ 3,749,243 | \$ 1,166,801 | \$ 877,957 | \$ 922,917 | \$ 262,923 | -77.47% |

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|--|---------------------------------|------------------------|------------------------|-------------------------|--------------------------------|---------------------------|--------------------------|---|
| 602 | Sewer Fund | | | | | | | |
| Sewer Fund Revenues: | | | | | | | | |
| 602-000-0000-36100 | Special Assessments | - | 21,073 | 62,133 | 33,535 | 62,133 | 77,874 | 25.33% |
| 602-000-0000-36210 | Interest on Investments | 9,929 | 14,584 | 12,699 | - | 15,000 | 20,000 | 57.49% |
| 602-000-0000-37200 | Sewer Sales | 61,920 | 120,974 | 177,228 | 96,416 | 177,228 | 247,599 | 39.71% |
| 602-000-0000-37220 | SAC Early Pay discount/revenue | 3,227 | 8,474 | - | 5,168 | 5,800 | 5,800 | #DIV/0! |
| 602-000-0000-37240 | Sewer Connecton Fee Revenue | 63,000 | 803,000 | 1,462,000 | 1,267,620 | 1,462,000 | 908,700 | -37.85% |
| 602-000-0000-37250 | Sewer Connection Fees Regional | - | - | - | - | - | - | #DIV/0! |
| 602-000-0000-37260 | Sewer Connection Fees Municipal | 1,394,920 | 383,500 | 466,500 | 388,480 | 466,500 | 345,500 | -25.94% |
| Total Sewer Fund Revenues: | | \$ 1,532,996 | \$ 1,351,605 | \$ 2,180,560 | \$ 1,791,219 | \$ 2,188,661 | \$ 1,605,473 | -26.37% |
| Sewer Fund Expenses: | | | | | | | | |
| Personnel | | | | | | | | |
| 602-495-9450-41010 | Full-time Salaries | 37,161 | 39,678 | 65,606 | 21,398 | 35,222 | 66,250 | 0.98% |
| | Safety Clothing Allowance | - | - | - | - | 123 | 123 | #DIV/0! |
| 602-495-9450-41210 | PERA Contributions | 3,453 | 4,270 | 4,920 | 1,600 | 2,650 | 4,669 | -5.10% |
| 602-495-9450-41220 | FICA Contributions | 2,254 | 1,987 | 4,068 | 1,282 | 2,185 | 4,058 | -0.25% |
| 602-495-9450-41230 | Medicare Contributions | 527 | 464 | 951 | 300 | 510 | 961 | 1.05% |
| 602-495-9450-41300 | Insurance | 6,217 | 8,352 | 13,121 | 5,342 | 10,345 | 10,744 | -18.12% |
| | Unemployment Insurance | - | - | - | - | 546 | 342 | #DIV/0! |
| 602-495-9450-41510 | Workers Compensation | 1,663 | 989 | 2,625 | 2,004 | 3,032 | 3,274 | 24.72% |
| Total Personnel | | \$ 51,274 | \$ 55,739 | \$ 91,291 | \$ 31,926 | \$ 54,613 | \$ 90,421 | -0.95% |
| Materials and Supplies | | | | | | | | |
| 602-495-9450-42270 | Repair/Maint. Supplies | 1,910 | 5,873 | 1,000 | 1,214 | 1,500 | 4,000 | 300.00% |
| | Office Supplies | - | - | - | - | - | 800 | #DIV/0! |
| | Operating Supplies | - | - | - | - | - | 1,000 | #DIV/0! |
| | Personal Protective Equipment | - | - | - | - | - | 800 | #DIV/0! |
| 602-495-9450-42400 | Small Tools & Minor Equipment | (984) | 2,860 | 500 | 2,344 | 2,800 | 5,500 | 1000.00% |
| Total Materials and Supplies | | \$ 926 | \$ 8,732 | \$ 1,500 | \$ 3,558 | \$ 4,300 | \$ 12,100 | 706.67% |
| Charges and Services | | | | | | | | |
| 602-495-9450-43030 | Engineering Services | 14,511 | - | 20,000 | 4,429 | 8,000 | 20,000 | 0.00% |
| 602-495-9450-43150 | Contract Services | 3,085 | 8,059 | 5,000 | 32,200 | 37,000 | 21,400 | 328.00% |
| 602-495-9450-43180 | Software Support | 4,071 | 4,591 | 6,000 | 10,088 | 18,479 | 33,533 | 458.89% |
| 602-495-9450-43210 | Telephone | 992 | 1,008 | 1,500 | 828 | 1,200 | 1,500 | 0.00% |
| 602-495-9450-43220 | Postage | - | - | 1,175 | - | - | 1,175 | 0.00% |
| 602-495-9450-43310 | Mileage | - | - | 100 | - | - | - | -100.00% |
| 602-495-9450-43610 | Insurance | 185 | 581 | 2,000 | 603 | 1,000 | 2,000 | 0.00% |
| 602-495-9450-43810 | Electric Utility | 4,621 | 5,125 | 5,000 | 3,985 | 5,000 | 5,500 | 10.00% |
| 602-495-9450-43820 | Sewer Utility - Met Council | 17,592 | 16,621 | 44,514 | 34,814 | 44,514 | 92,140 | 106.99% |
| | Repairs/Maint. Equip. | - | - | - | - | - | 4,500 | #DIV/0! |
| | Equipment Rental | - | - | - | - | - | 1,000 | #DIV/0! |
| 602-495-9450-44030 | Repairs\Maint Imp Not Bldgs | 1,131 | 1,391 | 1,200 | 31,835 | 33,000 | 1,200 | 0.00% |
| 602-495-9450-44370 | Conferences & Training | 23 | 80 | 1,500 | 3,285 | 3,600 | 2,000 | 33.33% |
| Total Charges and Services | | \$ 46,212 | \$ 37,456 | \$ 87,989 | \$ 122,068 | \$ 151,793 | \$ 185,948 | 111.33% |
| Capital Outlay | | | | | | | | |
| 602-495-9450-45300 | Improvements Other Than Bldgs | - | - | - | - | 1,289,000 | 85,000 | #DIV/0! |
| Total Capital Outlay | | \$ - | \$ - | \$ - | \$ - | \$ 1,289,000 | \$ 85,000 | #DIV/0! |
| Miscellaneous and Non-operating | | | | | | | | |
| 602-495-9450-43320 | Depreciation Expense | 42,224 | 132,265 | 86,561 | - | - | - | -100.00% |
| 602-495-9450-44300 | Miscellaneous Expenses | - | 26,036 | 300 | 310 | 310 | 300 | 0.00% |

CITY OF LAKE ELMO
2018 PROPOSED BUDGETS
Utility Funds - December 5, 2017

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|--|--------------------|------------------------|------------------------|-------------------------|--------------------------------|---------------------------|--------------------------|---|
| 602-495-9450-46010 | Bond Principal | 0 | - | - | 220,000 | 220,000 | 275,000 | #DIV/0! |
| 602-495-9450-46110 | Bond Interest | 107,089 | 116,715 | 85,337 | 124,318 | 124,318 | 195,324 | 128.89% |
| 602-495-9450-46250 | Fiscal Agent Fees | (3,587) | 3,707 | 42,313 | - | - | - | -100.00% |
| 602-495-9450-47200 | Transfer Out | - | 102,678 | - | - | - | - | #DIV/0! |
| Total Misc. and Non-operating | | \$ 145,726 | \$ 381,401 | \$ 214,511 | \$ 344,628 | \$ 344,628 | \$ 470,624 | 119.39% |
| Total Sewer Fund Expenses: | | \$ 244,139 | \$ 483,328 | \$ 395,291 | \$ 502,179 | \$ 1,844,335 | \$ 844,092 | 113.54% |
| Total Sewer Fund Revs. Over/(Under) Expenses: | | \$ 1,288,857 | \$ 868,277 | \$ 1,785,269 | \$ 1,289,039 | \$ 344,326 | \$ 761,381 | -57.35% |

CITY OF LAKE ELMO
2018 PROPOSED BUDGETS
Utility Funds - December 5, 2017

| <u>Account Number</u> | <u>Description</u> | <u>2015 Actual</u> | <u>2016 Actual</u> | <u>2017 Adopted</u> | <u>2017 YTD - Sept. 30</u> | <u>2017 Projected</u> | <u>2018 Proposed</u> | <u>Adopted 2017 to Proposed 2018 Percent Change</u> |
|---|-------------------------------|------------------------|------------------------|-------------------------|--------------------------------|---------------------------|--------------------------|---|
| 603 | Storm Water Fund | | | | | | | |
| Storm Water Fund Revenues: | | | | | | | | |
| 603-000-0000-36100 | Special Assessments | - | - | 5,000 | - | - | - | -100.00% |
| 603-000-0000-36210 | Interest on Investment | 2,844 | 15,933 | 2,603 | - | 14,000 | 7,000 | 168.92% |
| 603-000-0000-37100 | Surface Water Utility Sales | 219,127 | 185,858 | 282,360 | 185,598 | 282,360 | 283,587 | 0.43% |
| 603-000-0000-37140 | SW Review Fee Revenue | - | 27,375 | 29,375 | 29,350 | 35,000 | 29,375 | 0.00% |
| Total Storm Water Fund Revenues: | | \$ 221,971 | \$ 229,166 | \$ 319,338 | \$ 214,948 | \$ 331,360 | \$ 319,962 | 0.20% |
| Storm Water Fund Expenses: | | | | | | | | |
| Personnel | | | | | | | | |
| 603-496-9500-41010 | Full-time Salaries | 23,599 | 20,591 | 36,630 | 10,174 | 14,553 | 34,273 | -6.43% |
| | Safety Clothing Allowance | - | - | - | - | 53 | 53 | #DIV/0! |
| 603-496-9500-41210 | PERA Contributions | 2,179 | 2,408 | 2,747 | 756 | 1,091 | 2,570 | -6.44% |
| 603-496-9500-41220 | FICA Contributions | 1,378 | 1,129 | 2,271 | 602 | 903 | 2,099 | -7.57% |
| 603-496-9500-41230 | Medicare Contributions | 322 | 264 | 531 | 141 | 211 | 497 | -6.40% |
| 603-496-9500-41300 | Insurance | 8,209 | 5,856 | 7,326 | 5,165 | 6,887 | 6,275 | -14.35% |
| | Unemployment Insurance | - | - | - | - | 546 | 342 | #DIV/0! |
| 603-496-9500-41510 | Workers' Compensation | 221 | - | 1,465 | 1,150 | 1,290 | 1,361 | -7.10% |
| Total Personnel | | \$ 35,908 | \$ 30,247 | \$ 50,970 | \$ 17,988 | \$ 25,534 | \$ 47,470 | -6.87% |
| Materials and Supplies | | | | | | | | |
| 603-496-9500-42000 | Office Supplies | 1,933 | 499 | 500 | 247 | 500 | 800 | 60.00% |
| 603-496-9500-42270 | Repair/Maint. Maint Supplies | 551 | 3,972 | 1,000 | 44 | 750 | 2,000 | 100.00% |
| | Operating Supplies | - | - | - | - | - | 1,000 | #DIV/0! |
| | Personal Protective Equipment | - | - | - | - | - | 800 | #DIV/0! |
| 603-496-9500-42400 | Small Tools & Minor Equipment | 200 | - | 1,000 | 329 | 1,000 | 3,500 | 250.00% |
| Total Materials and Supplies | | \$ 2,685 | \$ 4,471 | \$ 2,500 | \$ 620 | \$ 2,250 | \$ 8,100 | 224.00% |
| Charges and Services | | | | | | | | |
| 603-496-9500-43030 | Engineering Services | 20,332 | 11,827 | 20,000 | 4,875 | 8,000 | 20,000 | 0.00% |
| 603-496-9500-43150 | Contract Services | 9,941 | 2,400 | 10,000 | 7,270 | 20,000 | 17,200 | 72.00% |
| 603-496-9500-43180 | Software Support | 3,617 | 4,067 | 8,400 | 5,426 | 15,140 | 15,500 | 84.52% |
| 603-496-9500-43220 | Postage | 1,500 | 1,800 | 1,645 | - | 700 | 2,000 | 21.58% |
| 603-496-9500-43610 | Insurance | - | - | 1,500 | - | 1,500 | 1,500 | 0.00% |
| 603-496-9500-44010 | Street Sweeping | 10,438 | 10,318 | 20,000 | 14,842 | 18,000 | 25,000 | 25.00% |
| | Repairs/Maint Equip | - | - | - | - | - | 1,000 | #DIV/0! |
| 603-496-9500-44030 | Repairs/Maint Not Bldg | - | 1,368 | 3,000 | - | 2,000 | 3,000 | 0.00% |
| | Equipment Rental | - | - | - | - | - | 1,000 | #DIV/0! |
| 603-496-9500-44370 | Conferences & Training | 2,265 | 2,500 | 2,500 | 1,250 | 1,000 | 2,500 | 0.00% |
| Total Charges and Services | | \$ 48,094 | \$ 34,280 | \$ 67,045 | \$ 33,662 | \$ 66,340 | \$ 88,700 | 32.30% |
| Capital Outlay | | | | | | | | |
| 603-496-9500-45300 | Improvements Other Than Bldgs | - | - | 20,000 | - | 20,000 | 40,000 | 100.00% |
| Total Capital Outlay | | \$ - | \$ - | \$ 20,000 | \$ - | \$ 20,000 | \$ 40,000 | 100.00% |
| Miscellaneous and Non-operating | | | | | | | | |
| 603-496-9500-43320 | Depreciation Expense | 15,963 | 15,963 | 85,090 | - | - | - | -100.00% |
| 603-496-9500-44300 | Miscellaneous Expenses | - | 20,577 | 400 | 677 | 1,000 | 2,000 | 400.00% |
| 603-496-9500-46010 | Bond Principal | - | - | - | - | - | 160,000 | #DIV/0! |
| 603-496-9500-46110 | Bond Interest | - | 44,765 | 62,171 | 62,171 | 62,171 | 58,294 | -6.24% |
| Total Misc. and Non-operating | | \$ 15,963 | \$ 81,305 | \$ 147,661 | \$ 62,848 | \$ 63,171 | \$ 220,294 | 49.19% |
| Total Storm Water Fund Expenses: | | \$ 102,649 | \$ 150,303 | \$ 288,176 | \$ 115,119 | \$ 177,295 | \$ 404,563 | 40.39% |

CITY OF LAKE ELMO
 2018 PROPOSED BUDGETS
 Utility Funds - December 5, 2017

| <u>Account Number</u> | <u>Description</u> | <u>2015 Actual</u> | <u>2016 Actual</u> | <u>2017 Adopted</u> | <u>2017 YTD - Sept. 30</u> | <u>2017 Projected</u> | <u>2018 Proposed</u> | <u>Adopted 2017 to Proposed 2018 Percent Change</u> |
|-----------------------|---|------------------------|------------------------|-------------------------|--------------------------------|---------------------------|--------------------------|---|
| | Total Storm Water Fund Revs. Over/(Under) Expenses: | \$ 119,322 | \$ 78,863 | \$ 31,162 | \$ 99,829 | \$ 154,065 | \$ (84,601) | -371.49% |

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2017-136

**RESOLUTION ADOPTING 2018 WATER, SEWER AND STORM WATER FUND
BUDGETS**

WHEREAS, The City of Lake Elmo is to approve a resolution setting forth an annual budget for the Water, Sewer and Storm Water Funds; and

WHEREAS, the City Council has received the budget document;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Lake Elmo, that the 2018 Water, Sewer and Storm Water Fund Budgets shall be as follows:

| | 2018 Water Adopted | 2018 Sewer Adopted | 2018 Storm Adopted |
|----------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Fund Revenues: | | | |
| Charges for Services | \$ 599,769 | \$ 253,399 | \$312,962 |
| Connections | 1,280,000 | 1,254,200 | - |
| Special Assessments | 111,077 | 77,874 | - |
| Miscellaneous | 87,500 | - | - |
| Interest on Investments | 20,000 | 20,000 | 7,000 |
| Total Fund Revenues | \$2,098,346 | \$1,605,473 | \$319,962 |
| Fund Expenses: | | | |
| Personnel | \$ 149,309 | \$ 90,421 | \$ 47,470 |
| Materials and Supplies | 182,650 | 12,100 | 8,100 |
| Charges and Services | 352,333 | 185,947 | 88,700 |
| Capital Outlay | 137,500 | 85,000 | 40,000 |
| Miscellaneous | 1,013,631 | 470,624 | 220,293 |
| Total Fund Expenses | \$1,835,423 | \$844,092 | \$404,563 |

ADOPTED, by the Lake Elmo City Council on the 5th day of December, 2017.

Mike Pearson
Mayor

ATTEST:

Julie Johnson
City Clerk