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City of Hiawatha

Finance Director's Office
319-393-1515

Memo:

To: Mayor and Council Members
From: Cindy Kudrna, Finance Director
Date: May 17, 2018
Re: Storm Water Rates

Last December the Hiawatha Storm Water Advisory Committee met to discuss storm water rates. I showed them 2 different options of rates and the impact it would have on the overall revenue for the storm water fund. The committee decided to recommend an increase for the residential rate to $3.25 per month from $2.75 per month for an annual estimated increase of $20,712, and the commercial rate increase to $5.50 per month from $4.50 month for an annual estimated increase of $4,776.

The impact on the resident is an increase of $6 per year and commercial is an increase of $12 per year.

I have included supporting spreadsheets for your review along with the minutes from the storm water committee meeting.

I will be at the work session to answer any questions.

Minutes

Hiawatha Storm Water Advisory Committee

December 21, 2017 at 5:00 pm-6:00pm

City Hall Multi-purpose Room

1. **Call to order-Present:**

Kevin Neuendorf

Ethan Ronnebaum

Ted Martin

John Bender-City Engineer

Patrick Parsley-Community Development Director

Cindy Kudrna-Finance Director

Kim Downs-City Administrator

2 **Minutes:** John Bender provided the minutes of the October 5, 2017 meeting.

3 **Discussion:**

a. Discussion of Chapter 101, Storm Water Drainage System:

i. The discussion of the current Section 101.03, Rates.

ii. Discussion of current and previous storm water rates.

iii. The discussion of two proposals for storm water rates for FY 19 budget.

iv. Discussion of storm water projects completed over previous years that did not utilize storm water utility funds.

v. Discussion of the ever increasing requirements of cities in Iowa with the MS4 Permit from the Iowa Department of Natural Resources.

vi. Discussion of current storm water utility rates from neighboring cities and other cities in Iowa of similar population to Hiawatha.

b. Recommendations to Council

i. After the discussion of this ordnance, it will be the recommendation of the storm water advisory committee to the City Council that proposal (2) be accepted adjusting the rate for a residential unit at $3.25/month, and the business, commercial, or industrial rate at $5.50/month. These rates to be used for budgeting revenue for FY19.

4 Other business:

a. Future ordinance to review is Chapter 161, Flood Plain Management.

5 Other discussions

a. Next meeting proposed March 22, 2017, TBD.

6 Adjourn

Storm Water monthly charges

		CURRENT RATES			PROPOSED		PROPOSED	Committee Recommendation	
					inc .25		inc .50		
Residential:	# of units	Cost/unit	cost/yr/household	Income/year	Cost/unit	Income/year	Cost/unit	Income/year	
	3452	$2.75	$33.00	$113,916.00	$3.00	$124,272.00	$3.25	$134,628.00	
					inc .50		inc 1.00		
Commerical & Industrial:	# of units	Cost/unit	cost/yr/business	Income/year	Cost/unit	Income/year	Cost/unit	Income/year	
	398	$4.50	$54.00	$21,492.00	$5.00	$23,880.00	$5.50	$26,268.00	
				$135,408.00		$148,152.00		$160,896.00	Annual totals
						$12,744.00		$25,488.00	Net change

STORM SEWER UTILITY

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Budget FY18	Budget FY19
REVENUES											
Storm Sewer Utility Fees	43,398	47,911	64,774	70,124	80,496	103,497	111,162	111,940	137,214	138,000	160,000
Interest	234	5	8	6.73	4		14	30	420	-	1,000
TOTAL STORM SEWER REVENUES	43,632	47,916	64,782	70,131	80,500	103,497	111,176	111,970	137,634	138,000	161,000
EXPENSES											
Salaries	4,835	7,298	3,716	4,602	7,546	9,264	14,992	31,231	47,038	57,478	63,921
FICA/Medicare	370	558	275	343	565	687	1,125	2,354	3,567	4,397	4,890
Ipers	307	485	258	371	654	827	1,339	2,786	4,163	5,133	6,034
Work Comp		-	-	-	-	-	-	-	-	-	-
Dues & Membership								3,258	-		-
Education & Training					80	-	3,344	-	260	3,500	3,500
Vehicle Maintenance Supplies						-	770	800	1,289	3,000	3,000
Vehicle/Equip repair & Maint								5,796	-	-	-
Engineering	2,655	1,167	2,792	-	1,987	369	1,125	98	-	-	-
Street Sweeping	15,693	16,837	14,505	6,672	10,829	123	-	-	-	-	-
Miscellaneous contractual						156	3,875	1,675	1,428	-	-
Operating Supplies	6,425	5,933	5,130	12,084	7,646	6,048	9,462	8,477	5,671	5,000	5,000
Vehicle Operating Supply		294	356	4,926	256	235	754	1,004	518	2,000	2,000
EPA				249	-	-	-	4,281	3,031	5,000	5,000
Kainz Dr project								-	-	-	-
Various Drainage Projects	3,600		-	-	-	-	-	-	-	-	-
Catch Basin Repairs				-	-	-	-	-	2,780	-	-
Equipment Reserve (Transfer Out)	35,000	7,000	7,000	7,500	11,000	22,000	22,500	22,500	22,500	22,500	22,000
Various Drainage (Transfer Out)		-	-	0	-	-					
TOTAL STORM SEWER EXPENSES	68,885	39,572	34,031	36,747	40,562	39,709	59,285	84,259	92,244	108,008	115,345
Revenues - Expenses	(25,253)	8,344	30,751	33,383	39,938	63,789	51,891	27,711	45,390	29,992	45,655
Cash on hand year end balance	**$4,466.72**	**$16,310.04**	**$17,153.59**	**$40,636.92**	**$50,176.06**	**$42,164.03**	**$94,175.26**	**$71,959.51**	**$70,978.68**		
IPAIT year end balance	**$5,000.00**	**$1,500.00**	**$31,500.00**	**$41,500.00**	**$72,000.00**	**$144,000.00**	**$144,000.00**	**$194,000.00**	**$240,000.00**		
TOTAL ENDING BALANCE	**$9,466.72**	**$17,810.04**	**$48,653.59**	**$82,136.92**	**$122,176.06**	**$186,164.03**	**$238,175.26**	**$265,959.51**	**$310,978.68**	**$0.00**	**$0.00**
Storm Sewer Capitol Projects (NOT funded by Storm Sewer)	139,629	86,390	295,540	294,434	83,266	10,892	-	-	-	-	

1/23/2018

RATE TREND			
		Residential	Commercial
June, 2010	FY11, FY12	$1.50	$2.00
May, 2012	FY13	$1.75	$2.50
June, 2013	FY14, FY15, FY16	$2.00	$3.50
June, 2016	FY17, FY18	$2.75	$4.50

													Proposed
Residential - Flat fee					$1.50	$1.50	$1.75	$2.00	$2.00	$2.00	$2.75	$2.75	$3.25
Commercial - Flat fee					$2.00	$2.00	$2.50	$3.50	$3.50	$3.50	$4.50	$4.50	$5.50

												Budgeted	Budgeted
ACTUALS	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
REVENUE (RATES ONLY)	$46,693.88	$47,342.60	$43,631.68	$47,916.24	$64,782.03	$70,123.91	$80,495.97	$103,497.19	$111,176.35	$111,970.05	$137,214.31	$138,000.00	$160,000.00
EXPENSES	$40,679.47	$64,955.12	$53,220.08	$39,572.92	$34,031.46	$36,747.26	$40,561.89	$39,708.60	$59,285.44	$84,259.32	$92,244.46	$108,008.00	$115,345.00
CAPTIAL PROJECTS EXPENSES	$184,635.28	$111,197.97	$139,629.21	$86,389.75	$295,539.62	$294,434.00	$83,266.16	$10,892.29	$0.00	$0.00	$0.00	$0.00	$0.00