

REQUEST FOR COUNCIL ACTION

SUBJECT: 2014 Utility Rate Study

SUMMARY: Staff is providing its annual Utility Rate Study to Council. Direction is needed from Council regarding possible rate adjustments (Wastewater, Storm, Street Lights), increased capital projects funding, and creation of a Street Lights enterprise fund (currently part of General Fund). Current rates for Water and Solid Waste are adequate.

FISCAL IMPACT: Any utility rate adjustments would increase revenues to the enterprise funds and corresponding expenditures for operations and capital projects. Creation of a Street Lights enterprise fund would not affect revenues or expenditures, but would allow Street Lights to operate as a utility enterprise, separate from General Fund.

STAFF RECOMMENDATION:

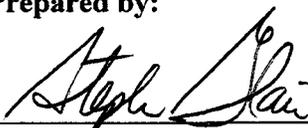
Staff recommends creation of a Street Lights enterprise fund and Street Lights capital replacement fund, similar to all other utilities. Also, increased annual revenues are needed in Wastewater, Storm, and Street Lights for operations, maintenance, and capital projects.

MOTION RECOMMENDED:

"I move to create a Street Lights enterprise fund, a Street Lights Capital Replacement Fund, and adjust utility rates to cover the costs of"

Roll Call vote required

Prepared by:



Stephen Glain
Mgt. Asst. to City Mgr.

Recommended by:



Rick Davis
City Manager

BACKGROUND DISCUSSION:

City staff has completed its annual Utility Rate Study for 2014. The purpose is to track revenues and expenditures, and identify funding needs in the coming year for all City utilities (Water, Wastewater, Storm, Street Lights, and Solid Waste). Increases to monthly utility bills in tables below would provide sufficient revenues for the “Revenue Needs”. However, City Council will determine actual rate changes, if any.

Next Year Projections FY2014-15

	Revenues Meet Expenses	New Revenue Needed	Revenue Needs	Monthly increase on Typical Residential bill
Water	Yes	0	None	0
Sewer	No	\$ 237,334	2FTE, Xpress Bill Pay, compressor, shared trackhoe, Capital Projects	\$0.60
Storm	No	\$ 2,596,728	Cap.Projects, Cap.Replacement, 2FTE, Xpress Bill Pay, TV van, shared trackhoe, irrigation repairs, Detention Basin maintenance	\$6.02
Street Lights	No	\$ 384,878	Cap.Projects, Cap.Replacement, Xpress Bill Pay, trailer	\$0.99
Solid Waste	Yes	0	None	0

Theoretical Utility Bill Increases
for each “New Expense” projected for FY2014-15

	Water	Waste Water	Storm	Street Lights	Solid Waste
Current Typical bill	\$36.56	\$21.44	\$4.02	\$1.71	\$12.23
New Expenses:					
COLA/Benefits		\$0.14	\$0.07	\$0.01	
Green Sheets		\$0.47	\$0.39	\$0.04	
Capital Projects			\$4.67	\$0.25	
Cap. Proj. Replacement			\$0.66	\$0.69	
Detention Basin Maint.			\$0.22		
Approx. new bill	\$36.56	\$22.04	\$10.04	\$2.70	\$12.23
Change	\$0	\$0.60	\$6.02	\$0.99	\$0