

SALT LAKE CITY COUNCIL STAFF REPORT
BUDGET ANALYSIS – FISCAL YEAR 2004-05

DATE: April 9, 2004
SUBJECT: **STORMWATER FUND**
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CC: Rocky Fluhart, Sam Guevara, LeRoy Hooton, Jeff Niermeyer,
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The operating budget for the Stormwater Fund for fiscal year 2004-05 is proposed to be \$2,880,762, which is a decrease of \$69,855 over fiscal year 2003-04. The capital budget including debt service is proposed to be \$18,143,200.

STORMWATER FUND PROPOSED BUDGET				
	Adopted 2003-04	Proposed 2004-05	Difference	Percent Change
Revenue & other sources				
Stormwater service fee	\$ 5,348,151	\$ 5,348,151	-	
County Flood Control	200,000	200,000	-	
Interest	270,000	200,000	\$ (70,000)	(25.9%)
Impact fees	250,000	200,000	(50,000)	(20.0%)
Contribution by developers	516,000	516,000	-	
Other revenue	40,000	10,000	-	
Bond proceeds	8,000,000	-	(8,000,000)	(100.0%)
Use of reserves	1,788,466	14,549,811	12,761,345	713.5%
Total revenue & other sources	\$16,412,617	\$21,023,962	\$4,611,345	28.1%
Expenses				
Salaries, wages & benefits	\$ 1,480,151	\$ 1,483,534	\$ 3,383	0.2%
Materials & supplies	119,650	123,900	4,250	3.6%
Charges for services	1,350,816	1,273,328	(77,488)	(5.7%)
Capital Outlay				
Capital improvement	12,522,000	17,004,000	4,482,000	35.8%
Vehicles & equipment	140,000	499,200	359,200	256.6%
Debt Services	800,000	640,000	(160,000)	(20.0%)
Total Expenses & Capital Outlay	\$16,412,617	\$21,023,962	\$4,611,345	28.1%

POTENTIAL MATTERS AT ISSUE

The major matters reflected in the proposed budgets for the Stormwater Fund include:

- Capital improvement program – The proposed \$17 million budget for capital improvement projects includes a major storm drain project along 900 South from State Street to the Jordan River. See the budget book provided by the Department for a complete listing of projects.
- No rate increase – The six-year cash flow schedule does not indicate a rate increase anytime during the next six years.
- Elimination of staff position – The budget proposes the elimination of a 0.8 of a vacant engineering tech position for a savings of \$18,000.
- Salary adjustments – Most of the Department’s employees (76%) are 100 and 200 series employees with pay increases included in the third year of a memorandum of understanding agreed to by the City and the American Federation of State County & Municipal Employees Local 1004 (AFSCME). Contract required salary increases of 2½% effective June 20, 2004 and merit increases on each employee’s employment anniversary date (unless topped out) are included in the proposed budget. The Department developed the budget before the Administration made any decisions regarding pay adjustments for other employees. To be conservative, the Department of Public Utilities included a 3% adjustment for other employees. However, the Department didn’t project increases to insurance and retirement premium as great as they will actually be. If no pay adjustments are provided to employees other than the 100 and 200 series, the Stormwater Fund will have excess budget of \$4,464 after netting the additional amounts necessary for insurance and retirement premiums.

Capital Improvement Budget

The proposed budget reflects a capital improvement budget of \$17,004,000 for fiscal year 2004-05. A detail listing of the projects is included in the budget book from the Department (included in your packet).

Proposed Capital Improvement Program	
Collection lines	\$16,004,000
Lift stations	1,000,000
Total Capital Improvement Program	\$17,004,000

Additional Information

BACKGROUND

The Department of Public Utilities maintains over 432 miles of stormwater pipe and collection lines using 30 employees. It was 1991 when the General Fund transferred the entire storm drain system under Public Utilities management. July 1991 began the implementation of a new stormwater fee based on surface area. Since that time, there have been no rate increases; no public tax dollars have been used to help the system. Stormwater employees also monitor the snow pack water content and manage the stormwater permit process.

LEGISLATIVE INTENT STATEMENTS

No legislative intent statements are outstanding for the Stormwater Fund.

During the briefing on the proposed budget, the Council may wish to identify legislative intents relating to the Stormwater Fund.

During the briefing, the Council may wish to identify potential programs or functions to be added to the Council's list for future audits.