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Stormwater Fund and Rates

City Council Presentation

April 24, 2014

Stormwater Enterprise Fund

- The fund receives no property tax support.
- Stormwater Fee is the primary source of revenue.
- FY14 Annual budget of $13.6M (94 FTEs)
- Funds Stormwater Management, Stormwater Maintenance, and Street Cleaning.
- Capital projects address Falls and Jordan Lake rules through:
  - Stormwater retrofit design and construction
  - Stormwater infrastructure improvements
  - Watershed planning
- Activities are requirements of the ***National Pollution Discharge Elimination System (NPDES) permit*** including state regulations.

Key Issues

- A rate increase is requested in FY 15 to support capital projects.
- Capital Projects will peak during FY16-17, then begin to level out.
- Short-term internal borrowing is recommended to ensure moderate rate increases.
- Ongoing reexamination of Falls Lake Rules through Upper Neuse River Basin Association (UNRBA).

FY13-FY15 Budget Summary

Revenues	FY13 Actual	FY14 Proj.	FY 15 Prop.
Stormwater Fees	$ 12,567,893	$13,350,000	$13,514,085
7.5% Rate Increase	N/A	N/A	$ 1,013,556
Misc. Revenues	$ 532,714	$ 475,000	$ 496,380
App. from Fund Balance	$ -	$ -	$ -
Total	$ 13,100,607	$13,825,000	$15,024,021
Expenditures			
CIP Transfer	$ 2,206,000	$ 3,965,000	$ 3,862,000
Fleet Transfer	$ 1,545,982	$ 393,000	$ 700,000
Operations and Staff	$ 7,174,459	$ 8,194,111	$ 8,553,368
Return to Fund Balance	$ 1,125,273	$ 158,583	$ 791,415
Indirect Costs	$ 1,048,893	$ 1,114,306	$ 1,117,238
Total	$ 13,100,607	$13,825,000	$15,024,021

Multiyear Rate Model Overview

Projected Revenues	2014	2015	2016	2017	2018	2019
SW Fee	13,027,049	14,526,310	15,648,052	16,690,936	17,715,277	18,287,276
Other Revenues	481,597	497,711	497,402	484,827	492,727	506,926
App From Fund Bal	134,172	-	3,000,000	-	-	-
Total	**13,642,818**	**15,024,021**	**19,145,454**	**17,175,763**	**18,208,004**	**18,794,202**
Projected Expenses						
Personnel	6,277,808	6,623,295	6,838,769	7,061,582	7,354,536	7,594,710
Operating	3,007,010	3,047,311	3,144,277	3,233,482	3,305,595	3,378,421
Fleet	393,000	500,000	500,000	600,000	600,000	700,000
CIP - Cash	3,965,000	3,862,000	8,000,000	5,275,000	6,225,000	6,375,000
Debt Service	-	-	538,054	538,054	538,054	538,054
App To Fund Bal	-	991,415	124,354	467,645	184,818	208,017
Total	**13,642,818**	**15,024,021**	**19,145,454**	**17,175,763**	**18,208,004**	**18,794,202**
Other Information						
Projected Rate Inc	8.5%	7.5%	7.5%	6.5%	6.0%	3.0%
Fund Balance	3,062,641	4,054,056	1,178,410	1,646,055	1,830,873	2,038,891

FY14 – FY19 CIP Project Funding

CIP Detail	2014	2015	2016	2017	2018	2019
Private Prop. Drainage	-	-	200,000	225,000	225,000	225,000
Watershed Plans	1,100,000	-	1,500,000	1,000,000	1,700,000	1,700,000
City Owned Drainage	-	950,000	550,000	550,000	550,000	600,000
Floodplain Mitigation	-	456,000	350,000	350,000	350,000	400,000
Major SW Infrastructure	765,000	1,106,700	650,000	700,000	700,000	750,000
SW Fleet	393,000	700,000	500,000	600,000	600,000	700,000
SW Retrofitting	2,100,000	1,676,000	6,750,000	2,450,000	2,700,000	2,700,000
Total	**4,358,000**	**4,888,700**	**10,500,000**	**5,875,000**	**6,825,000**	**7,075,000**

Use internal debt & Fund Balance to manage FY 16 CIP needs.

Customer Bill Impact FY15
7.5% Increase

Tier	Current Monthly Rate	With 7.5% Increase	Monthly Increase	Annual Increase
1 - Residential	$3.03	$3.26	$0.23	$2.76
2 - Residential	$6.28	$6.75	$0.47	$5.64
3 - Residential	$12.58	$13.52	$0.94	$11.28
Avg. All Non-Residential*	$122.12	$131.26	$9.14	$109.68

*There is a significant range of actual billing amounts in non-residential bills as they are based on the actual number of ERUs.

Residential bills are annual with customer option for monthly or bimonthly billing.

Projected Accounts and Revenue by Tier

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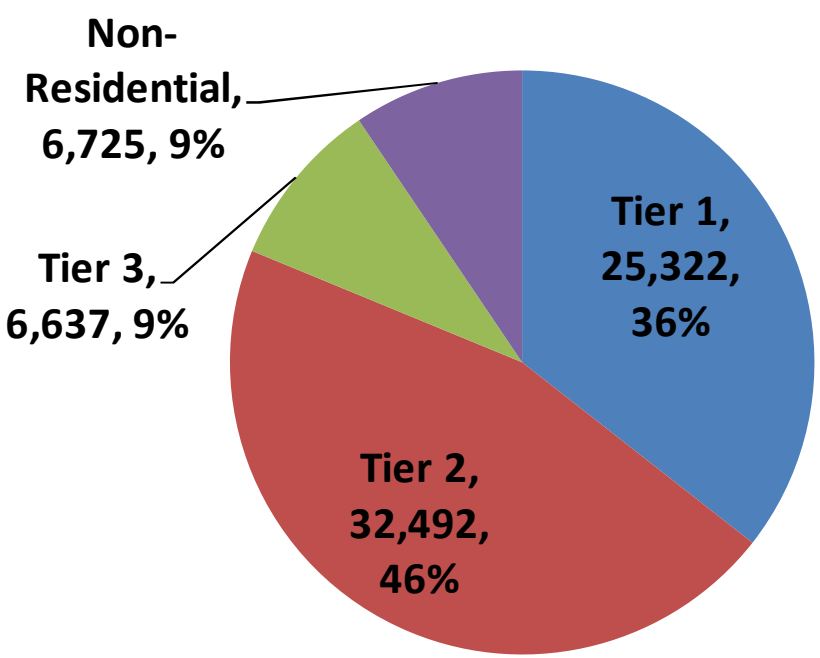
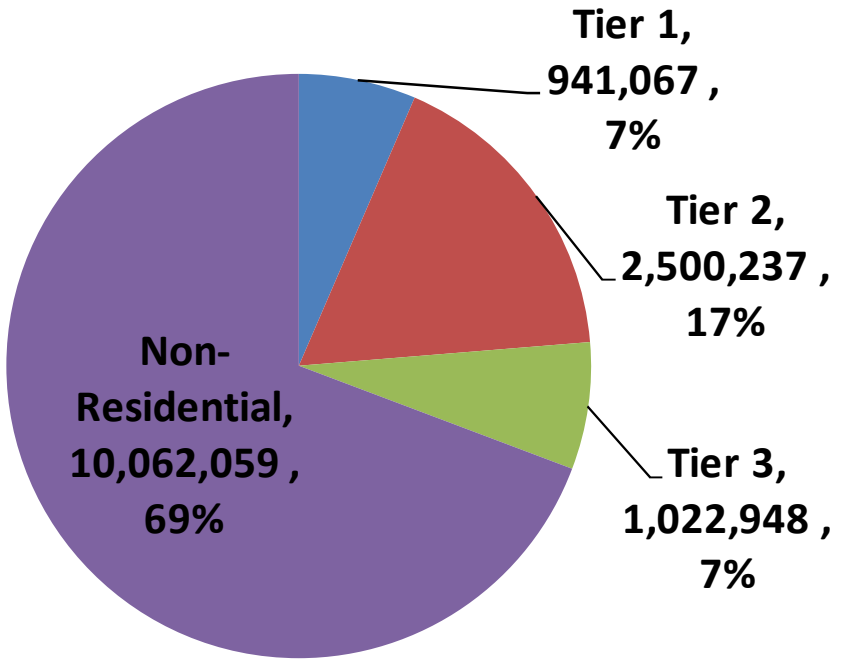
Accounts by Tier - 71,000 Total

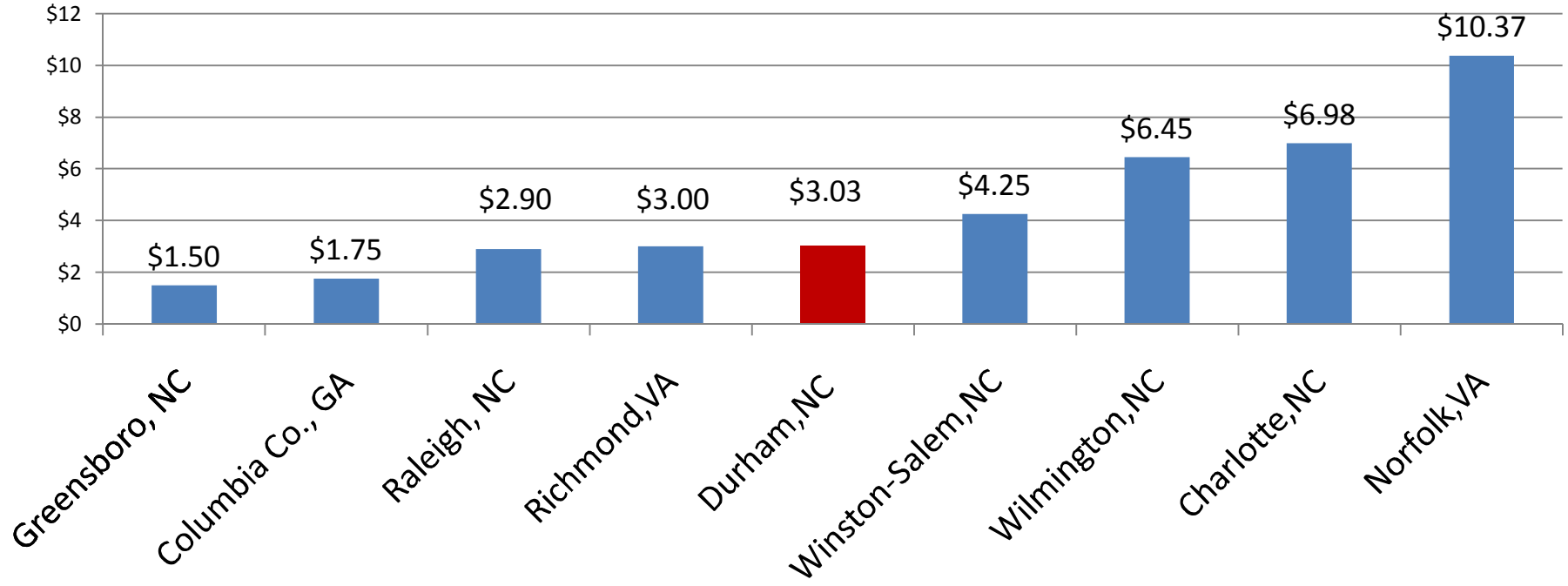


Revenue by Tier - $14.5M Total



Monthly Bill Benchmarking

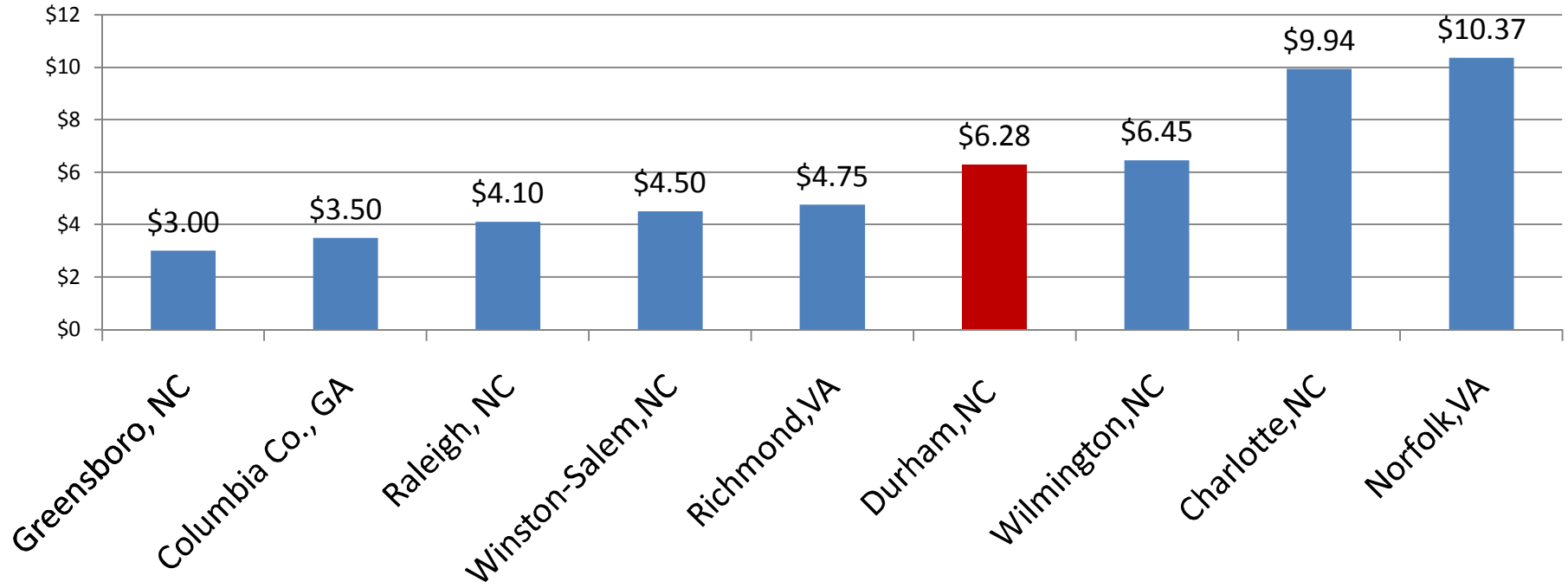
Equivalent Residential Tier 1
< 2,000 sqft Monthly Rate



Benchmark cities of Augusta, GA, Baton Rouge, LA, Little Rock, AR, Montgomery, AL and Shreveport LA have no stormwater utility or fees.

Monthly Bill Benchmarking

Equivalent Residential Tier 2
2,000 - 4,000 sqft Monthly Rate



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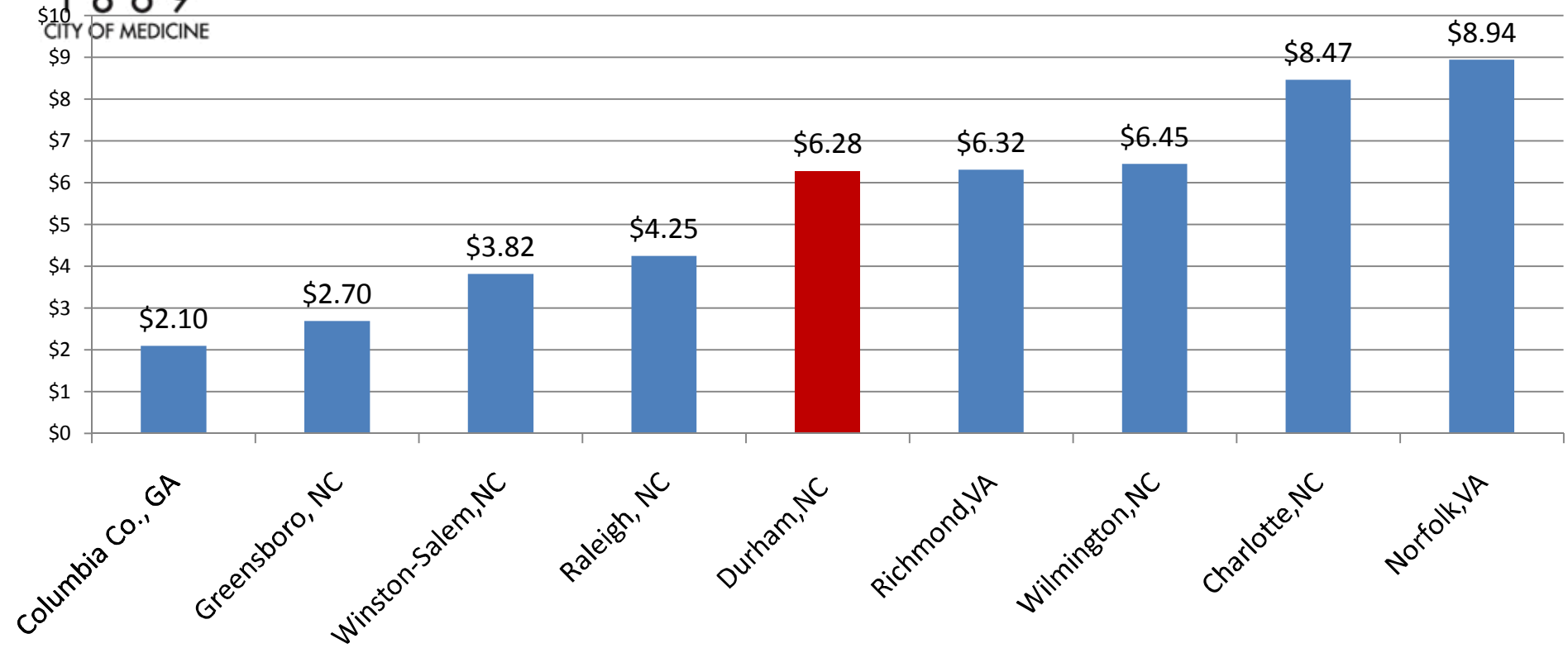
Monthly Bill Benchmarking

Multi-Family & Commercial Equivalent Monthly Rate



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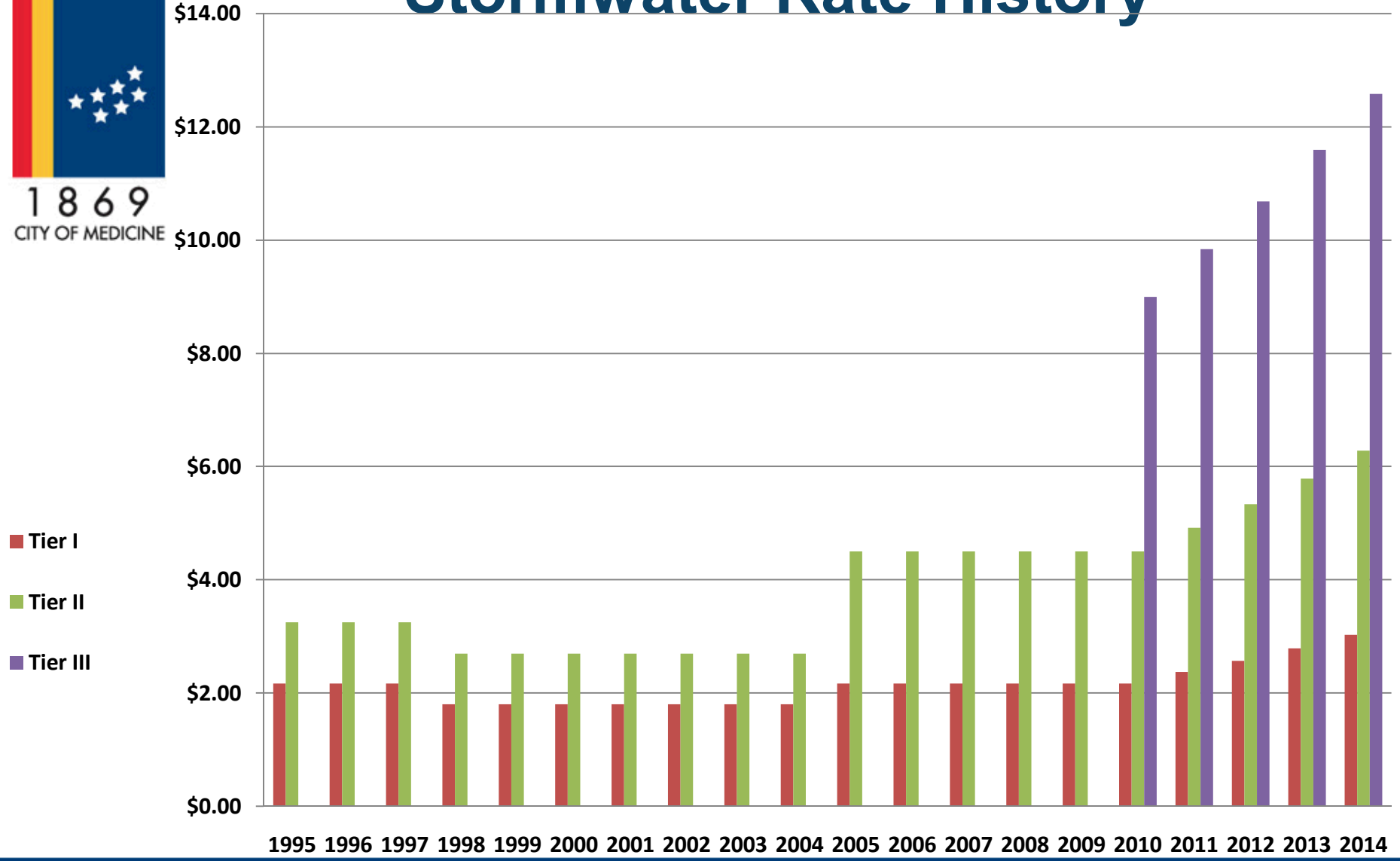
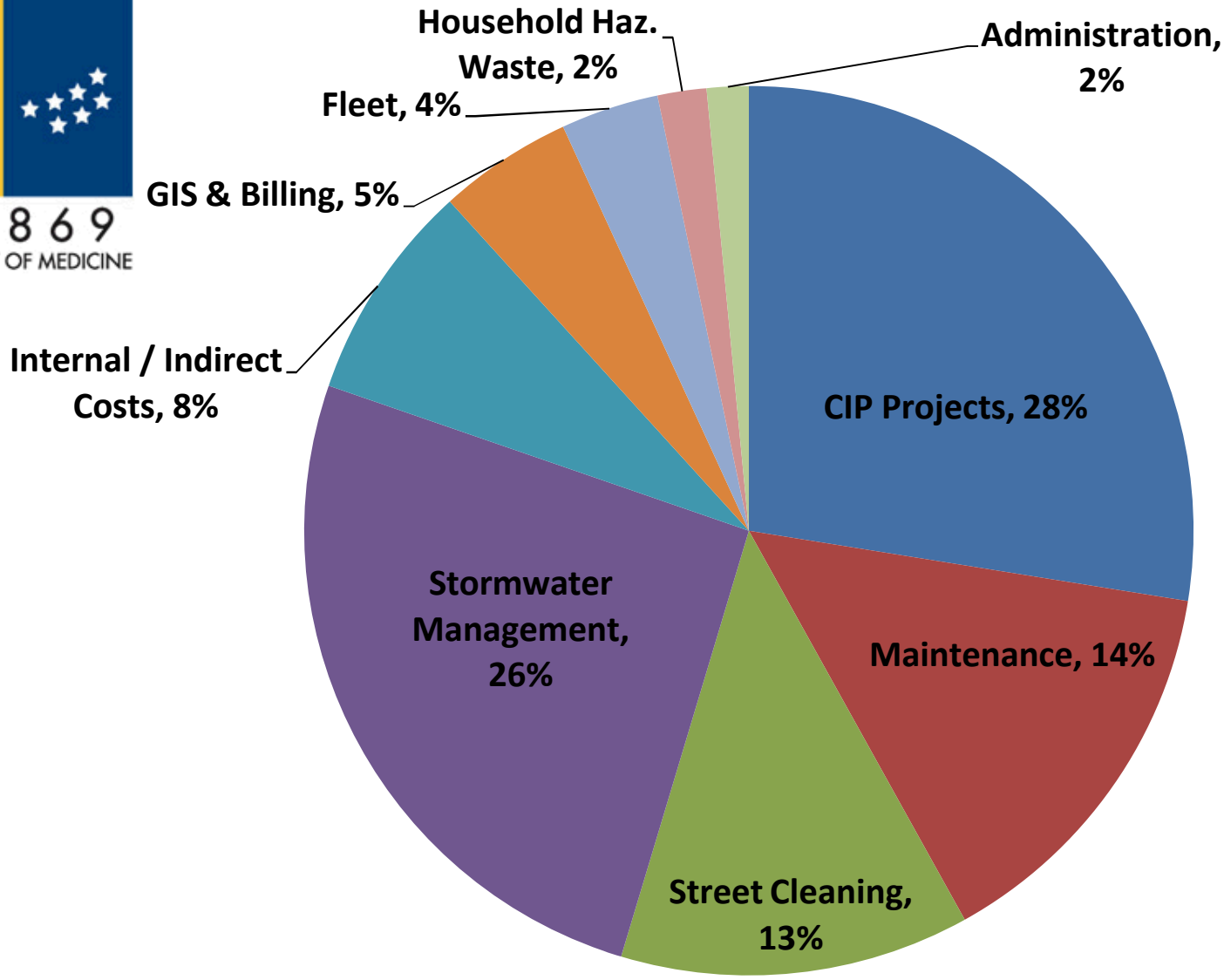
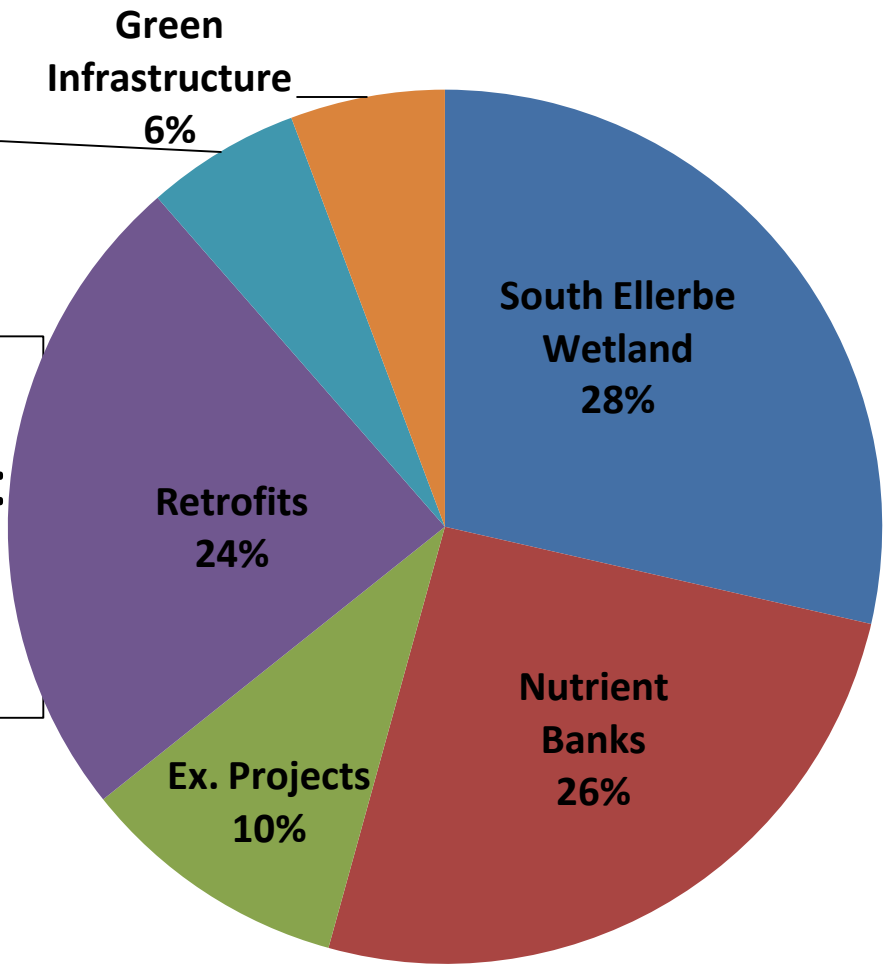
Monthly Residential Stormwater Rate History



Proposed FY15 Expenses by Program



Falls Stage 1



Stage 1 Existing Development Goal:
Reduce Nitrogen
~3500 lbs/yr

Completed Project Highlights

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OND Park

W. Knox Box Culvert

NE Creek Modeling

TFC Temp Stabilization

NE & TFC Watershed Plans

Liggett St. Sinkhole

Rain Catchers

SW Pond Rehab

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Questions?