



Common Council Report

Agenda Item: Discussion and Possible Action Regarding the Proposed 2023 Water, Wastewater, Stormwater and TID Budgets
Meeting Date: December 6, 2022
Presenter: Al Hulick, City Administrator; Kelsie Bannach, City Treasurer;
Mark Langer, Public Works Director
Department: City Hall

Conformance with Strategic Plan:

- Affordability & Financial Stability
- Safe, Inclusive, Welcoming Community
- Diverse Opportunities for Fun and Life-Long Learning
- High Performing Organization with Professional Staff
- Environment for Business Success with Thoughtful Growth and Development

Summary

Staff has prepared the 2023 proposed budgets for Water, Wastewater, Stormwater, and TID. These budgets are enterprise or special funds (non-tax supported) and don't follow the same approval guidelines as the annual general fund budget that has been previously approved.

Analysis and Key Issues

The 2023 utility budgets have remained consistent with prior years. The Water, Wastewater, and Stormwater capital items are reflecting the Capital Improvement Plan approved in 2021. The TID financial projections are estimates that are used for long-term planning. The projections serve as a snapshot in time and could fluctuate based on project demands.

- **Water Utility**

The total scheduled principal and interest payments on the 2015A Water System Revenue Bonds in 2022 is \$233,425. The CIP designates \$400,000 to the Water Tower Rehabilitation in 2023. The Water Tower project is expected to come in at a higher cost than what was originally estimated. Future capital funds may need to be allocated towards this project.

- **Wastewater Utility**

The wastewater fund is debt free for 2023! The 2023 capital budget requests include repairs and replacements to equipment and building as well as collection system maintenance.



- **Stormwater Utility**

The Stormwater user fee increased to \$93.38 per ERU per year effective July 15, 2022. This increase was implemented to allow the Stormwater Utility fund to be self-sufficient along with assist in the funding for capital equipment and street improvements.

- **Tax Incremental District (TID) Budgets**

Staff has reviewed the projections for TID's #6, #7, #9, #10 and #11. Any large items that have not been approved previously by the Council would be brought forward for approval separately. Many of the amounts shown are estimates that are used for the long-term planning of each of the TIDs.

Fiscal Impact

Wastewater became debt free in 2022! All utilities are self-sufficient for 2023. The Madison Ave & North Clear Lake improvement project remains unfunded. All TID's are self-sufficient for 2023 with the exception of TID #10 which is being supported by transfers from other TID's until such time that development occurs, or the outstanding debt is repaid. Utility and TID funds have planned improvements within Crossroads Industrial Park for 2023 that are currently unfunded.

Recommended Motion

Approval of the proposed 2023 budgets for the Water, Wastewater, Stormwater, TID #6, #7, #9, #10, and #11 budgets.

Attachments

- Water Utility 2023
- Wastewater Utility 2023
- Stormwater Utility 2023
- TID #6
- TID #7
- TID #9
- TID #10
- TID #11