

**Enterprise Fund (50)**

	2014-15 Actual	2015-16 Actual	2016-17 Council Adopted	2016-17 Council As Amended	2016-17 Projected	2017-18 Council Adopted	2018-19 Forecast	2019-20 Forecast
<b>Fund Balance - CASH</b>								
<b>Beginning of Year</b>	<b>1,178,801</b>	<b>1,120,608</b>	<b>1,601,856</b>	<b>1,693,940</b>	<b>1,693,940</b>	<b>1,944,477</b>	<b>1,810,993</b>	<b>1,809,203</b>
<b>Revenue</b>								
Water Sales	2,816,265	3,239,677	3,394,536	3,394,536	3,357,583	3,245,381	3,536,354	3,755,506
Sewer Use Charge	2,550,688	2,982,405	2,881,498	2,881,498	3,167,531	3,196,357	3,106,521	3,257,740
Water Meter Supply Fee	48,020	56,035	38,898	78,898	57,831	58,299	39,676	40,866
Utility Penalties	132,270	146,986	144,424	144,424	149,442	152,924	147,312	151,732
Contractual Revenue	11,353	11,363	11,353	11,353	11,353	11,353	11,727	11,961
Interest	11,086	12,391	10,592	10,592	10,592	12,592	7,228	7,372
Miscellaneous	6,545	23,417	3,318	3,318	4,776	5,000	5,085	5,187
SRF/bond-Interest/Credit	153,470	155,645	153,525	153,525	153,525	156,213	153,338	-
<b>Total Revenue</b>	<b>5,729,697</b>	<b>6,627,917</b>	<b>6,638,144</b>	<b>6,678,144</b>	<b>6,912,633</b>	<b>6,838,119</b>	<b>7,007,241</b>	<b>7,230,364</b>
<b>Total Fund Bal &amp; Revenues</b>	<b>6,908,498</b>	<b>7,748,525</b>	<b>8,240,000</b>	<b>8,372,084</b>	<b>8,606,573</b>	<b>8,782,595</b>	<b>8,818,234</b>	<b>9,039,567</b>
<b>Expenditures</b>								
Personnel	782,959	794,500	929,130	929,130	816,216	949,864	948,702	977,163
Commodities	1,691,044	1,856,688	2,061,199	2,101,199	2,107,602	2,093,701	2,188,231	2,322,990
Maintenance & Supplies	135,357	127,247	156,635	156,635	142,200	159,565	162,900	169,416
Utilities	86,665	79,484	88,824	88,824	84,760	86,556	92,377	96,072
Contractual	1,813,224	1,959,182	1,968,807	1,968,807	2,023,286	2,080,847	1,994,550	2,071,518
Capital Projects (Operating)			-	-	-	-	-	-
Transfer to VERP	111,916	98,822	98,822	98,822	98,822	98,290	102,775	106,886
Transfer to General Fund	727,606	756,464	771,540	771,540	771,540	810,118	826,060	859,102
Miscellaneous	7,903	14,357						
Debt Service	197,074	33,698	153,525	153,525	153,525	156,213	153,338	-
<b>Total Operating Expense</b>	<b>5,553,748</b>	<b>5,720,442</b>	<b>6,228,482</b>	<b>6,268,482</b>	<b>6,197,951</b>	<b>6,435,154</b>	<b>6,468,933</b>	<b>6,603,147</b>
<i>Net Operating Revenue (Expense)</i>	<i>175,949</i>	<i>907,475</i>	<i>409,662</i>	<i>409,662</i>	<i>714,682</i>	<i>402,965</i>	<i>538,308</i>	<i>627,217</i>
Transfer to Restricted Revenue Fund		100,000	100,000	100,000	100,000			
Transfer to Ent. Cap Maint Fund	234,144	234,144	364,146	364,146	364,146	540,099	540,099	540,099
<b>Total Capital / Other Expenditures</b>	<b>234,144</b>	<b>334,144</b>	<b>464,146</b>	<b>464,146</b>	<b>464,146</b>	<b>540,099</b>	<b>540,099</b>	<b>540,099</b>
<b>Total Expenditures</b>	<b>5,787,892</b>	<b>6,054,586</b>	<b>6,692,628</b>	<b>6,732,628</b>	<b>6,662,097</b>	<b>6,975,253</b>	<b>7,009,032</b>	<b>7,143,246</b>
<b>Fund Balance (Gross)</b>	<b>1,120,608</b>	<b>1,693,940</b>	<b>1,547,373</b>	<b>1,639,457</b>	<b>1,944,477</b>	<b>1,807,343</b>	<b>1,809,203</b>	<b>1,896,322</b>
<b>Non-operating Income &amp; Loss</b>								
Depreciation Expense	(2,769,829)	(2,775,133)						
Allowance	2,769,829	2,775,133						
Other								
	-	-	-	-	-	-	-	-
<b>Net Fund Balance (Cash)</b>	<b>1,120,608</b>	<b>1,693,940</b>	<b>1,547,373</b>	<b>1,639,457</b>	<b>1,944,477</b>	<b>1,807,343</b>	<b>1,809,203</b>	<b>1,896,322</b>
<i>Less: Reserve Balance 20% of Exp</i>	<i>(1,110,750)</i>	<i>(1,144,088)</i>	<i>(1,245,696)</i>	<i>(1,253,696)</i>	<i>(1,239,590)</i>	<i>(1,287,031)</i>	<i>(1,293,787)</i>	<i>(1,320,629)</i>
<b>Available Fund Balance - End of Year</b>	<b>9,858</b>	<b>549,851</b>	<b>301,677</b>	<b>385,760</b>	<b>704,887</b>	<b>520,312</b>	<b>515,417</b>	<b>575,693</b>
Solid Waste Fees	946,793	980,588	980,000	1,015,000	1,010,000	1,072,109	1,114,993	1,159,593
Solid Waste Container Fees			-	-	-	-	-	-
<b>Total Revenue</b>	<b>946,793</b>	<b>980,588</b>	<b>980,000</b>	<b>1,015,000</b>	<b>1,010,000</b>	<b>1,072,109</b>	<b>1,114,993</b>	<b>1,159,593</b>
Contractual Services	947,698	956,038	980,000	1,015,000	1,010,000	1,072,109	1,114,993	1,159,593
<b>Total Expenditures</b>	<b>947,698</b>	<b>956,038</b>	<b>980,000</b>	<b>1,015,000</b>	<b>1,010,000</b>	<b>1,072,109</b>	<b>1,114,993</b>	<b>1,159,593</b>
<i>Net Solid Waste Revenue (Expense)</i>								

Notes:

The Debt Service shown above to reflect the budget/accounting required for a water/sewer GO Bond issue. The bond is funded in the Debt Service Fund with Debt Service taxes, however for accounting purposes the revenue to support the payment is transferred out of the Debt Service Fund and into the Enterprise Fund to properly expense the principal and interest and record the reduction of outstanding debt associated with the business-type fund. The is presented in the 2013-14 Projected column and moving forward.

# Water Sales

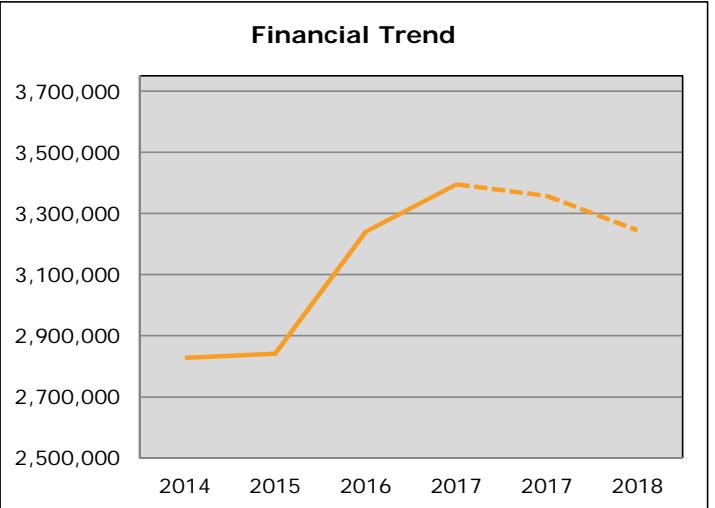
<b>General Ledger Codes:</b> 50-00-4610-0000	<b><u>Legal Authority:</u></b> Municipal Code: Section 700 & 705 State Statute: Chapter 91 RSMo.
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## Revenue Description

**Water Sales** - City of Raymore FY 2018 proposed water rates are \$6.50 per one thousand (1,000) gallons of water consumed. The FY17 rate was \$7.04. All residents receive a minimum bill for two thousand gallons of water and two thousand gallons sewer usage.

Revenues for FY18 are being based on addition of 175 homes with an average bill of \$34.45 per month.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	2,119,206	-0.89%
2009 Actual	2,035,150	-3.97%
2010 Actual	2,177,788	7.01%
2011 Actual	2,287,164	5.02%
2012 Actual	2,607,798	14.02%
2013 Actual	2,652,732	1.72%
2014 Actual	2,827,593	6.59%
2015 Actual	2,841,265	0.48%
2016 Actual	3,239,677	14.02%
2017 Budget	3,394,536	4.78%
2017 Projected	3,357,583	3.64%
2018 Estimated	3,245,381	-3.31%



# Sewer Use Charge

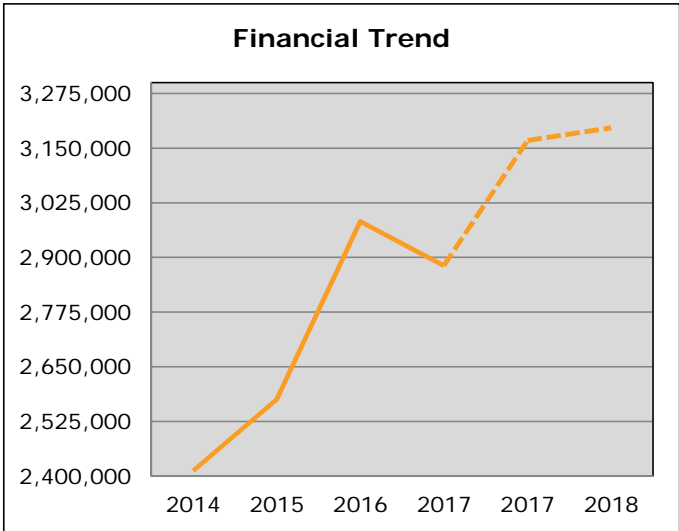
<p><b>General Ledger Codes:</b> 50-00-4630-0000</p>	<p><b>Legal Authority:</b> Municipal Code: Section 700 &amp; 710 State Statute: Chapter 91 RSMo.</p>
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## Revenue Description

**Sewer Use Charges** - Sewerage use rates are charged by either actual use or winter averaging. In FY 2018, proposed use rates are eight dollars and one cent (\$8.01) per one thousand gallons of actual water consumed. Winter-averaged rates are eight dollars forty-six cents (\$8.46) per one thousand gallons of the average monthly water usage during the months of December, January, and February. All customers are billed each month for no less than two thousand gallons.

Revenues for FY18 are being based on addition of 175 homes with an average bill of \$42.45 per month.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	2,479,775	2.30%
2009 Actual	2,500,790	0.85%
2010 Actual	2,592,992	3.69%
2011 Actual	2,631,808	1.50%
2012 Actual	2,805,607	6.60%
2013 Actual	2,665,729	-4.99%
2014 Actual	2,412,533	-9.50%
2015 Actual	2,575,688	6.76%
2016 Actual	2,982,405	15.79%
2017 Budget	2,881,498	-3.38%
2017 Projected	3,167,531	6.21%
2018 Estimated	3,196,357	1.00%



# Water Meter Supply Fee

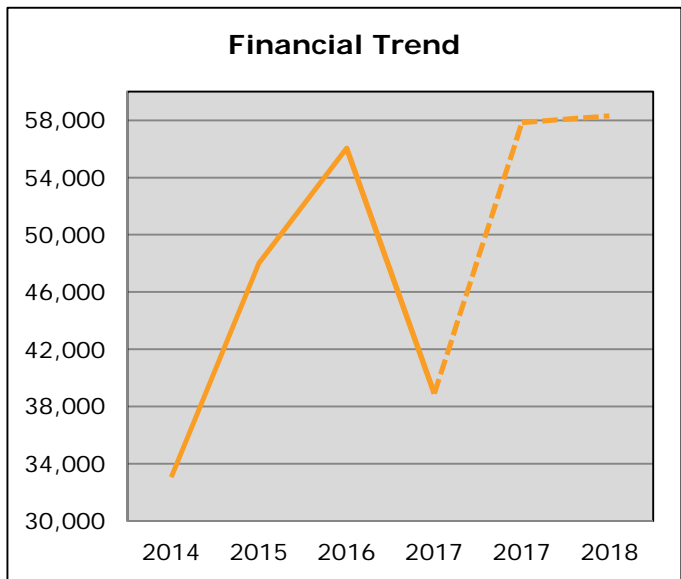
<p><b>General Ledger Codes:</b> 50-00-4620-0000</p>	<p><b>Legal Authority:</b> Municipal Code: Section 700 &amp; 705 State Statute: Chapter 91 RSMo.</p>
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## Revenue Description

**Water Meter Supply Fee** - These fees are the initial charges associated with the actual cost to the City for meters, installation and maintenance of meters and access to the water main for all new construction. The current charge is \$315 per 3/4 inch meter size and \$455 per 1 inch meter size.

Revenue projections are based on the estimated amount of 175 new residential and commercial sites being constructed.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	34,415	-43.77%
2009 Actual	11,760	-65.83%
2010 Actual	17,329	47.36%
2011 Actual	13,055	-24.66%
2012 Actual	17,640	35.12%
2013 Actual	28,030	58.90%
2014 Actual	33,075	18.00%
2015 Actual	48,020	45.19%
2016 Actual	56,035	16.69%
2017 Budget	38,898	-30.58%
2017 Projected	57,831	3.21%
2018 Estimated	58,299	1.20%



# Utility Penalties

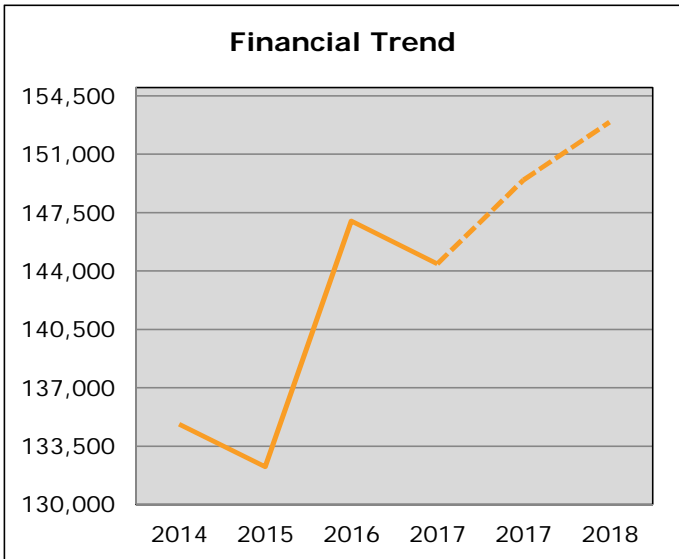
<p><b>General Ledger Codes:</b> 50-00-4600-0000</p>	<p><b><u>Legal Authority:</u></b> Municipal Code: Section 700, 705 &amp; 710 State Statute: Chapter 91 RSMo.</p>
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## Revenue Description

**Utility Penalties** - Revenues recorded in this account are late payment fees for water, sewer and trash billings.

Staff is estimating FY18 revenue based on projected FY17 revenues plus a 2.4% increase.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	128,229	1.47%
2009 Actual	143,703	12.07%
2010 Actual	132,516	-7.78%
2011 Actual	141,294	6.62%
2012 Actual	140,631	-0.47%
2013 Actual	140,980	0.25%
2014 Actual	134,818	-4.37%
2015 Actual	132,270	-1.89%
2016 Actual	146,986	11.13%
2017 Budget	144,424	-1.74%
2017 Projected	149,442	1.67%
2018 Estimated	152,924	2.41%



# Solid Waste Fees

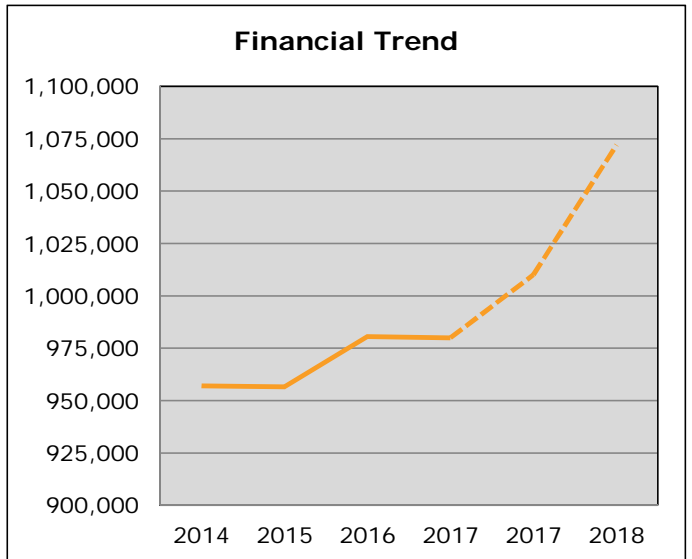
<p><b>General Ledger Codes:</b> 50-00-4640-0000</p>	<p><b>Legal Authority:</b> Municipal Code: Section 235 State Statute: Chapter 70 RSMo. State Statute: Chapter 260 RSMo.</p>
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## Revenue Description

**Solid Waste Fees** - This revenue was added during the FY10 budget to account for the payment for city-wide solid waste pickup. This payment is set to match the invoice per home with no administration fee added.

FY18 revenue is estimated with an additional 175 homes and the contracted cost of \$12.41 per home increasing from \$11.91 starting January 1, 2018.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	0	N/A
2009 Actual	0	N/A
2010 Actual	708,320	N/A
2011 Actual	883,290	24.70%
2012 Actual	928,845	5.16%
2013 Actual	945,505	1.79%
2014 Actual	957,068	1.22%
2015 Actual	956,487	-0.06%
2016 Actual	980,600	2.52%
2017 Budget	980,000	-0.06%
2017 Projected	1,010,000	3.00%
2018 Estimated	1,072,109	6.34%



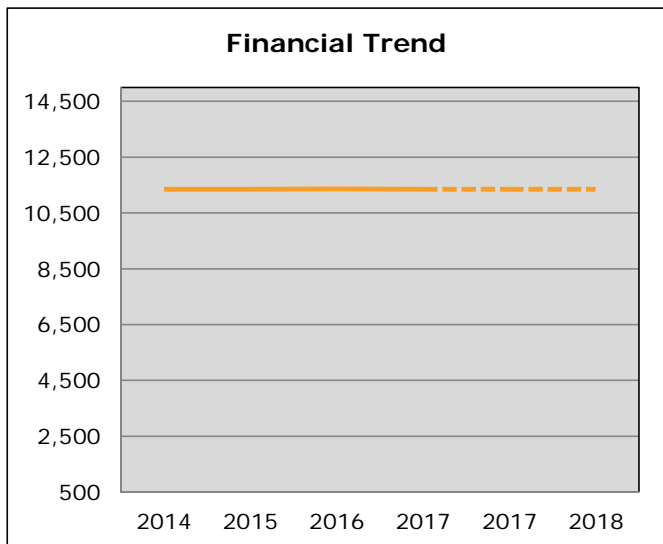
# Contractual

<b>General Ledger Codes:</b> 50-00-4380-0000	<b><u>Legal Authority:</u></b> Municipal Code: Section 700 State Statute: Chapter 82
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## Revenue Description

**Contractual-** This account is used to record the monthly connection fees and annual contract agreement fees between the City and Dikeland Sewer District.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	4,582	0.00%
2009 Actual	4,582	0.00%
2010 Actual	5,362	17.03%
2011 Actual	10,826	101.90%
2012 Actual	9,778	-9.68%
2013 Actual	11,249	15.05%
2014 Actual	11,353	0.92%
2015 Actual	11,353	0.00%
2016 Actual	11,363	0.08%
2017 Budget	11,353	-0.08%
2017 Projected	11,353	-0.09%
2018 Estimated	11,353	0.00%



# Interest Revenue

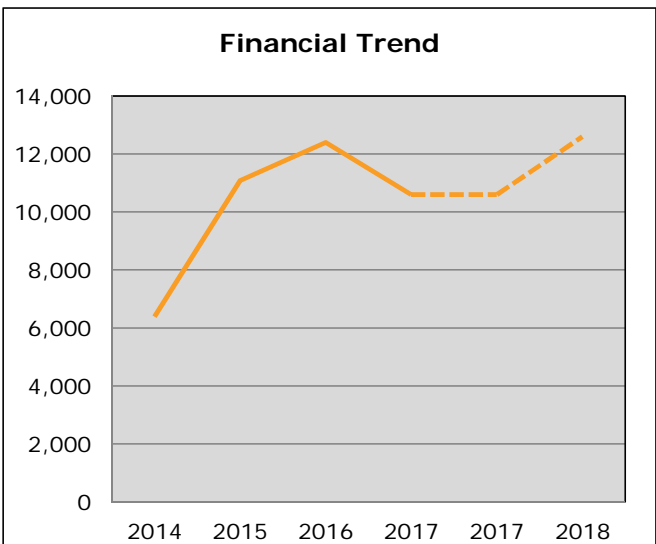
<b>General Ledger Codes:</b> 50-00-4350-0000	<b><u>Legal Authority:</u></b> State Statute: Chapter 82
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## Revenue Description

**Interest Revenue** - This account is used to record revenues associated with the City's return on investments of idle funds.

FY17 projected and FY18 revenues are based on current interest rates being earned as well as the projected fund balance.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	120,955	-51.48%
2009 Actual	51,734	-57.23%
2010 Actual	13,964	-73.01%
2011 Actual	6,309	-54.82%
2012 Actual	2,695	-57.28%
2013 Actual	5,385	99.78%
2014 Actual	6,380	18.48%
2015 Actual	11,086	73.77%
2016 Actual	12,391	11.78%
2017 Budget	10,592	-14.52%
2017 Projected	10,592	-14.52%
2018 Estimated	12,592	18.88%





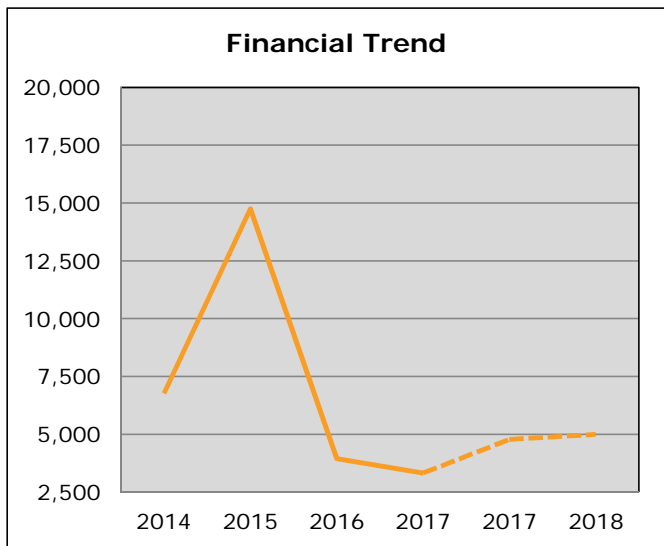
# Miscellaneous

<b>General Ledger Codes:</b> 50-00-4370-0000	<b><u>Legal Authority:</u></b> State Statute: Chapter 82
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## Revenue Description

**Miscellaneous** - Revenues from various sources not previously categorized. Historically, this amount is generally less than \$10,000 annually. The inconsistent nature of the revenue source makes it difficult to estimate.

Fiscal Year	Collection	Annual Percentage Change
2008 Actual	12,733	68.23%
2009 Actual	7,032	-44.78%
2010 Actual	9,554	35.87%
2011 Actual	20,685	116.50%
2012 Actual	13,376	-35.34%
2013 Actual	15,543	16.21%
2014 Actual	6,771	-56.44%
2015 Actual	14,755	117.91%
2016 Actual	3,943	-73.27%
2017 Budget	3,318	-15.86%
2017 Projected	4,776	21.12%
2018 Estimated	5,000	6.75%



# SRF Interest Credit

<p><b>General Ledger Codes:</b></p> <p>50-30-4355-0000 50-96-4355-0000</p>	<p><b>Legal Authority:</b> EIERA-92A City of Raymore, Missouri 1999B GO Bond (Issued through SRF)</p>
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## Revenue Description

**Miscellaneous** - These revenues are generated through the State Revolving Fund. Bi-annually the State calculates the interest credit earned for the 1992 SRF bond payment schedule.

Fiscal Year	Collection	Annual Percentage Change	
2008 Actual	118,676	150.08%	<div style="text-align: center;"> <p><b>Financial Trend</b></p> </div>
2009 Actual	91,916	-22.55%	
2010 Actual	83,873	-8.75%	
2011 Actual	88,470	5.48%	
2012 Actual	83,662	-5.43%	
2013 Actual	80,419	-3.88%	
2014 Actual	154,721	92.39%	
2015 Actual	153,470	-0.81%	
2016 Actual	155,793	1.51%	
2017 Budget	153,525	-1.46%	
2017 Projected	153,525	-1.46%	
2018 Estimated	156,213	1.75%	

# WATER UTILITIES

Water Utilities is responsible for the operation and maintenance of the water distribution system serving approximately 7,200 customers. This includes regular inspection and maintenance of the distribution system, Kentucky Pump Station, and three storage facilities; valve location; hydrant inventory and maintenance; and ensuring compliance with state and federal regulations. Water Utilities is comprised of the assistant director of Public Works, crew leaders, maintenance workers, and the administrative assistant, all of whom also work in the Street, Stormwater and Sewer divisions of the Public Works Department.

## PROGRAMS

### **Customer Service**

This program involves responding in a timely and quality manner to citizen and staff inquiries.

## GOALS

### **System Inspection and Maintenance**

1. Perform distribution system flushing in accordance with best practices established by the American Water Works Association and Missouri Department of Natural Resources.
2. Perform valve exercising and maintenance in accordance with best practices established by the American Water Works Association and Missouri Department of Natural Resources.
3. Assist the Finance Department with a review and possible modifications of the current water meter reading routes.

### **Customer Service**

Respond to customer concerns/complaints within 24 hours.

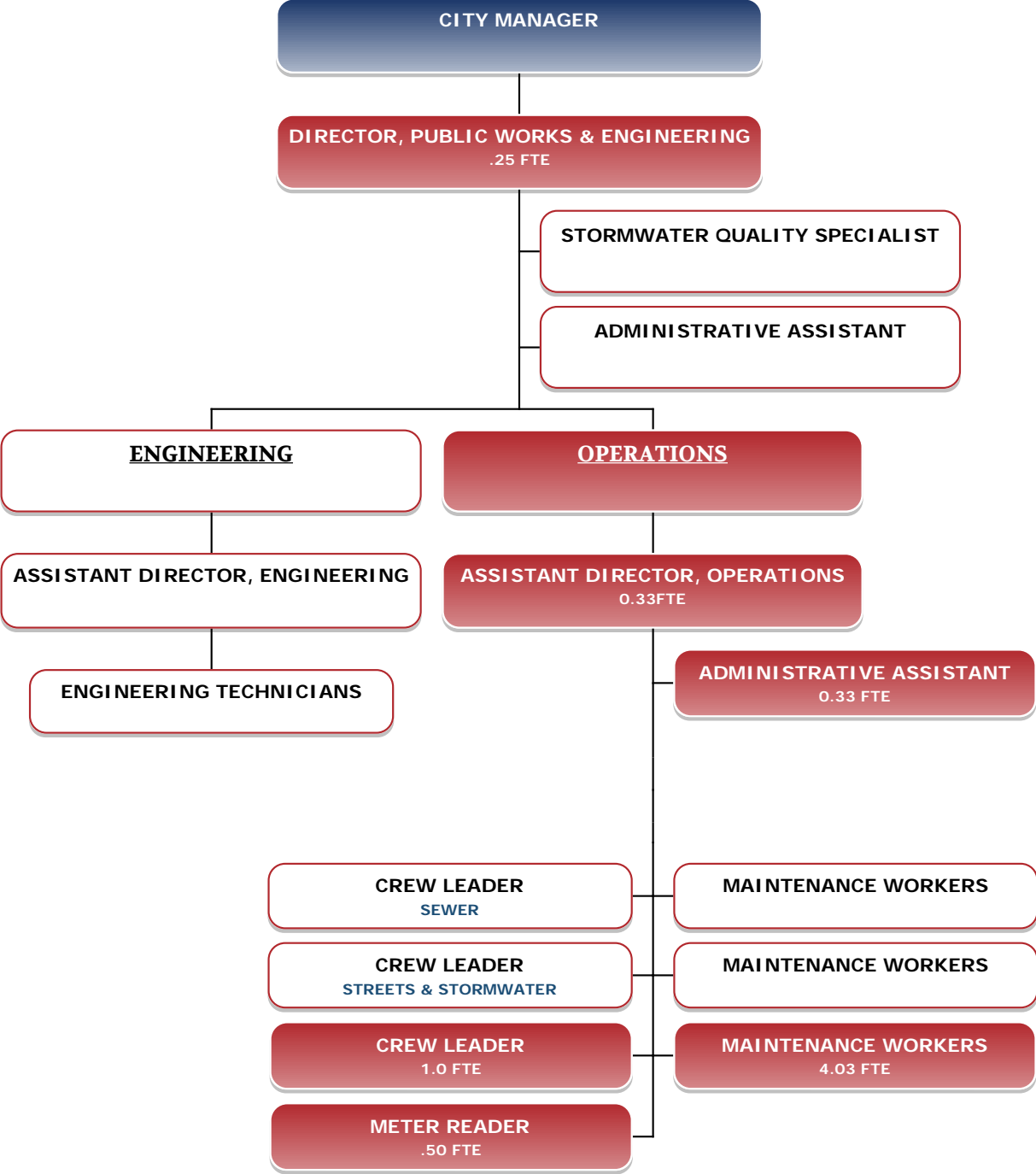
## FY 2017 PERFORMANCE SUMMARY

1. Tested the operation of and flushed 995 fire hydrants.
2. Continued the valve exercising program.
3. Continued conversion of meters from touch to radio-read. Approximately 694 were converted in FY 2017.
4. Installed 156 service taps related to new home construction.
5. Responded to 7000 locate tickets.

## SIGNIFICANT BUDGETARY ISSUES

1. The cost of purchase of water from Kansas City Water Services is included in this budget. The City's rate for water is scheduled to rise by 5%, from the FY 2017 budgeted amount of \$1,997,058.
2. During 2016 the city began switching our water meters to a Sensus meter. Included in this budget is funding to continue changing out old meters with Sensus Iperl meters. \$88,200
3. 35% funding for an additional Maintenance Worker. \$18,991
4. Includes 50% expansion item funding for Public Works Institution. \$2,400

# PUBLIC WORKS WATER UTILITIES



# WATER UTILITIES

**By Category**

	2014-15 Actual	2015-16 Actual	2016-17 Council Adopted	2016-17 Council As Amended	2016-17 Projected	2017-18 Department Requested	2017-18 C.M. Proposed	2017-18 Council Adopted
Personnel	390,788	400,605	478,963	478,963	410,501	488,322	488,322	488,322
Commodities	1,701,949	1,845,256	2,039,224	2,079,224	2,093,362	2,077,208	2,077,208	2,077,208
Maintenance and Repairs	37,097	47,224	70,095	70,095	56,660	72,000	72,000	72,000
Utilities	18,782	18,853	22,995	22,995	19,795	20,487	20,487	20,487
Contractual	97,812	251,483	183,313	183,313	241,298	184,803	184,803	187,203
Capital Outlay	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0
Transfers/Miscellaneous	1,297,376	1,390,924	535,181	535,181	535,181	454,204	454,204	454,204
<b>Total</b>	<b>3,543,804</b>	<b>3,954,345</b>	<b>3,329,771</b>	<b>3,369,771</b>	<b>3,356,797</b>	<b>3,297,024</b>	<b>3,297,024</b>	<b>3,299,424</b>

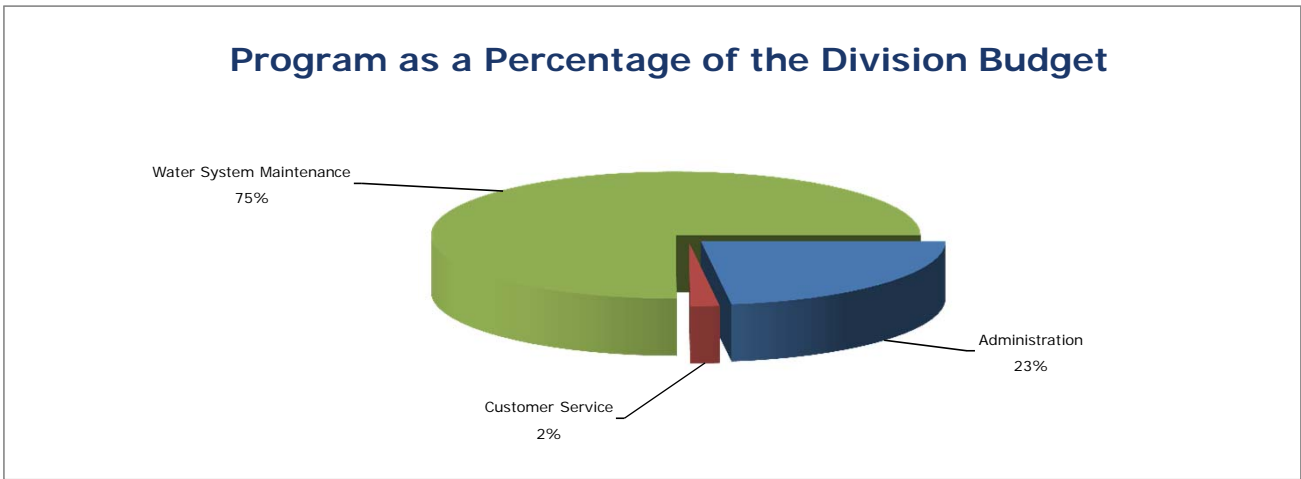
**Position Control Roster**

	2015-16 Actual	2016-17 Actual	2017-18 Adopted
Director, Public Works & Engineerin	0.25	0.25	0.25
Assistant Director, PW - Operations	0.33	0.33	0.33
Crew Leader, Water/Sewer	1.00	1.00	1.00
Maintenance Worker	3.68	3.68	4.03
Administrative Assistant	0.33	0.33	0.33
Meter Reader	0.50	0.50	0.50
<b>Total FTE</b>	<b>6.09</b>	<b>6.09</b>	<b>6.44</b>

**By Program**

	2017-18 Adopted
Administration	758,972
Customer Service	63,803
Water System Maintenance	2,476,649
<b>Total</b>	<b>3,299,424</b>

\* FY18 Expansion request to add an additional FTE to be split with Streets, Storm Water, Water and Sewer



# SEWER UTILITIES

Sewer Utilities is responsible for the operation and maintenance of the sanitary sewer collection system. This includes regular inspection and maintenance of the collection system and four lift stations, regular sewer jetting, and assuring compliance with state and federal regulations. Sewer Utilities is comprised of the assistant director of public works, crew leaders, maintenance workers, and the administrative assistant, all of whom also work in the Street, Stormwater and Water divisions of the Public Works Department.

## PROGRAMS

### **Customer Service**

This program involves responding in a timely and quality manner to citizen and staff inquiries.

### **Sewer System Maintenance**

The services provided in this program include the operation and maintenance of the sewer collection system.

## GOALS

### **Customer Service**

1. Respond to customer concerns/complaints in a timely manner.

### **Sewer System Maintenance**

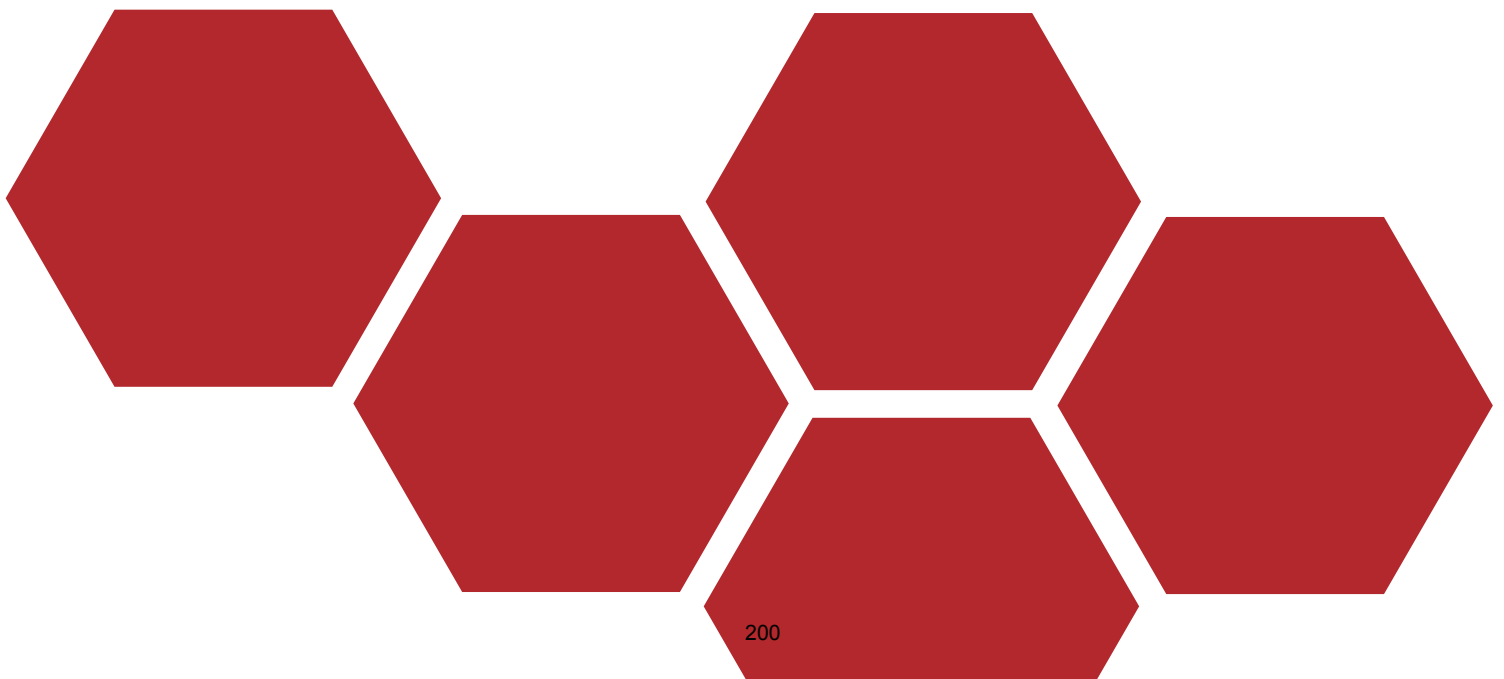
1. Perform annual televising and jetting/cleaning in accordance with the Department's Standard Operating Procedures

## FY 2017 PERFORMANCE SUMMARY

1. Continued the annual sewer jetting program. In FY 2017 approximately 130,000 linear feet were jetted. The goal is to jet the entire system every three years.

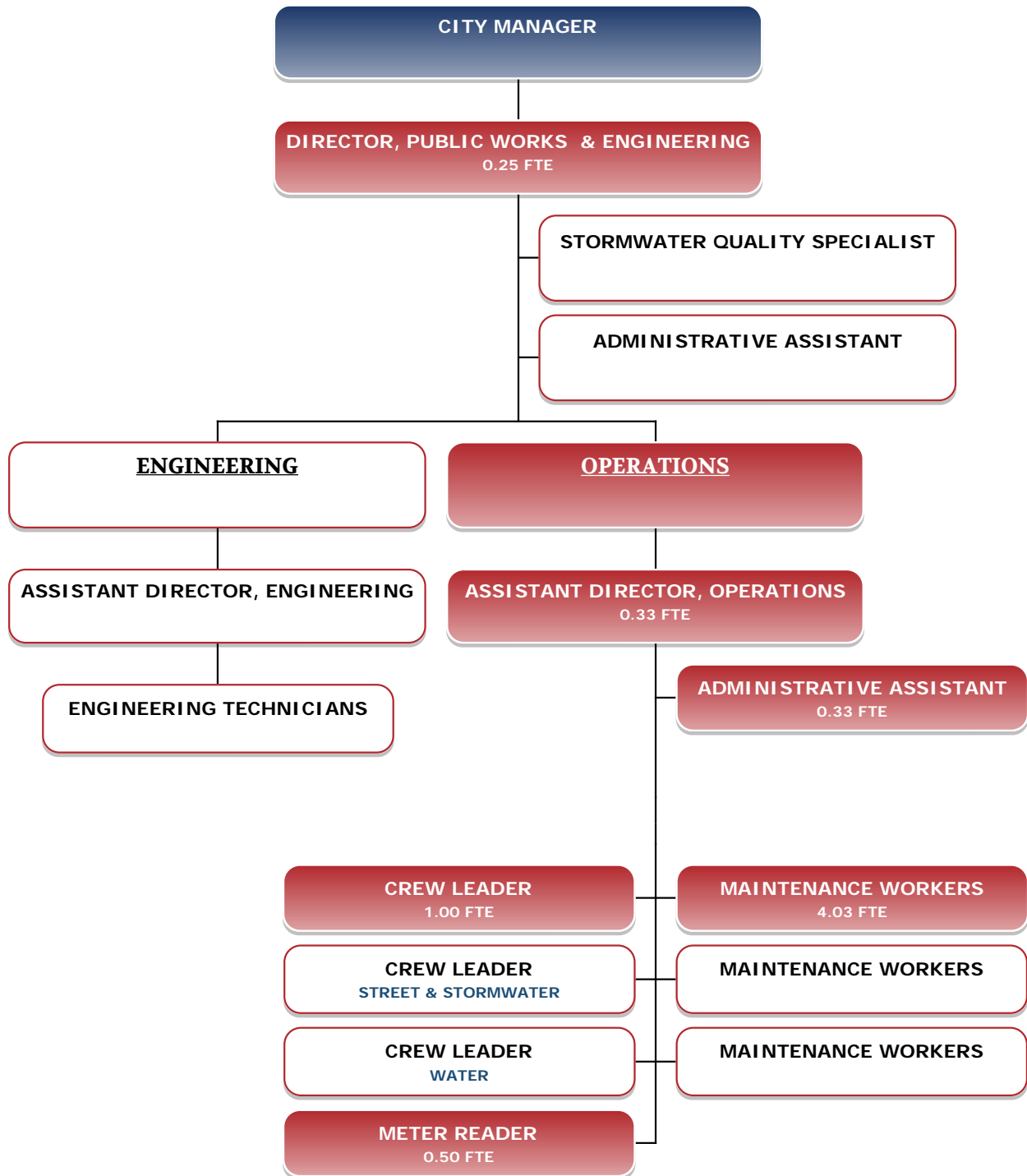
## SIGNIFICANT BUDGETARY ISSUES

1. The cost of treatment of sewer by the Little Blue Valley Sewer District is included in this budget. The City's rate is anticipated to increase by 6% next year, resulting in an increase from the projected FY 2017 expenditure of \$1,061,843 to \$1,129,634.
2. The cost of treatment of sewer by the Middle Big Creek Sewer Subdistrict is included in this budget at \$684,840
3. 35% funding for an additional Maintenance Worker. \$18,991
4. 50% expansion item funding for APWA conference. \$1,250





# PUBLIC WORKS SEWER UTILITIES



# SEWER UTILITIES

## By Category

	2014-15 Actual	2015-16 Actual	2016-17 Council Adopted	2016-17 Council As Amended	2016-17 Projected	2017-18 Department Requested	2017-18 C.M. Proposed	2017-18 Council Adopted
Personnel	392,171	393,895	450,167	450,167	405,715	461,542	461,542	461,542
Commodities	14,095	11,431	21,975	21,975	14,240	16,493	16,493	16,493
Maintenance and Repairs	98,260	80,023	86,540	86,540	85,540	87,565	87,565	87,565
Utilities	67,883	60,632	65,829	65,829	64,965	66,069	66,069	66,069
Contractual	1,708,840	1,707,699	1,785,494	1,785,494	1,781,988	1,892,394	1,892,394	1,893,644
Capital Outlay	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0
Transfers/Miscellaneous	2,280,403	2,308,679	435,181	435,181	435,181	454,204	454,204	454,204
<b>Total</b>	<b>4,561,654</b>	<b>4,562,359</b>	<b>2,845,186</b>	<b>2,845,186</b>	<b>2,787,629</b>	<b>2,978,267</b>	<b>2,978,267</b>	<b>2,979,517</b>

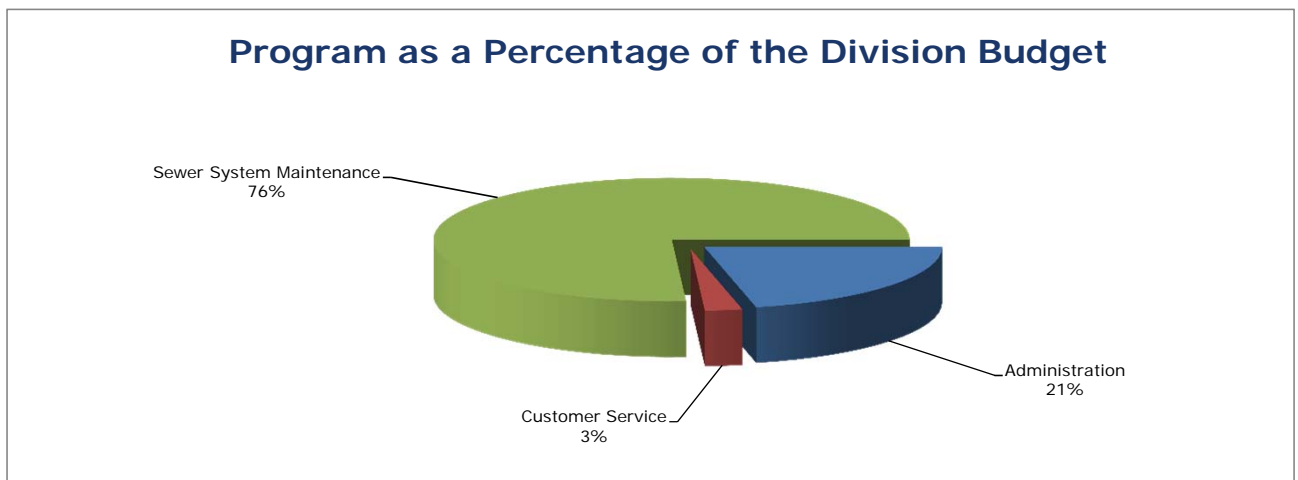
## Position Control Roster

	2015-16 Actual	2016-17 Actual	2017-18 Adopted
Director, Public Works & Engineering	0.25	0.25	0.25
Assistant Director, PW - Operations	0.33	0.33	0.33
Crew Leader, Water/Sewer	1.00	1.00	1.00
Maintenance Worker	3.68	3.68	4.03
Administrative Assistant	0.33	0.33	0.33
Meter Reader	0.50	0.50	0.50
<b>Total FTE</b>	<b>6.09</b>	<b>6.09</b>	<b>6.44</b>

## By Program

	2017-18 Adopted
Administration	640,650
Customer Service	75,576
Sewer System Maintenance	2,263,291
<b>Total</b>	<b>2,979,517</b>

\* FY18 Expansion request to add an additional FTE to be split with Streets, Storm Water, Water and Sewer



# SOLID WASTE

The City provides residential solid waste and recycling collection. Service provision is accomplished by contract from a private solid waste collection company. This chapter is to account for the revenues and expenditures pursuant to provision of this service.

## SIGNIFICANT BUDGETARY ISSUES

1. In FY 2017 the contract for citywide services was bid out as a joint bid with the City of Belton. The new contract will begin January 1, 2018.
2. The City monthly charge to residents for trash/ recycling and yard waste collection is \$11.91 for 2017 and will increase to \$12.41 in 2018. Revenues from trash/recycling fees are passed on in full to the City contractor. Total projected revenues and expenditures from solid waste fees \$1,072,109.



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# TRANSFERS FROM ENTERPRISE FUND TO OTHER FUNDS

This chapter is included to note any transfers from the Enterprise Fund that are included in the fiscal year budget.

## **SIGNIFICANT BUDGETARY ISSUES**

1. The Enterprise Fund makes an annual payment to the General Fund for services provided by the General Fund operations for the benefit of the Utility. The payment is made according to a formula for the calculation of the cost of services provided, as outlined in the following pages.  
\$810,118
2. The Enterprise Capital Maintenance Fund was established in FY 2010. The Fund accepts a transfer to support the ongoing maintenance of the water and sewer infrastructure of the City.  
\$540,099

# ENTERPRISE FUND PAYMENT TO GENERAL FUND FOR SERVICES

The Enterprise Fund (50) often benefits from expenditures by the General Fund (01) made on its behalf. For example, the Finance Department, whose funding is provided by the General Fund (01), provides purchasing and accounting services to support Enterprise Fund (50) operations. Knowing and accounting for the full cost of the water/ sewer utility sets a basis for financial analysis of the program, and for setting rates appropriately. General Fund (01) revenues should not subsidize the utility, which should be self supporting. Best practices from the fields of finance, accounting, and utility operations indicate that these indirect costs be identified and allocated to the Enterprise Fund (50).

Approaches to calculating an appropriate payment to the General Fund for services vary.

- One approach is to track activities individually and itemize expenses as they occur. While very accurate, this approach is very time consuming, complicated, and costly, so much so that most municipal organizations reject it because the benefits do not outweigh the costs.
- A more common approach is to determine an appropriate indirect cost rate. This involves determining direct and indirect costs for

programs, calculating what percent the indirect costs are of the direct, and using that percentage to calculate the appropriate share of indirect costs for each program. The following is an example using FY 2017 Proposed Budget figures:

<b>Indirect Costs</b>	Budget
Administration	\$ 990,442
Information Technology Services	\$ 473,750
Finance (less Utility Billing)	<u>\$ 361,1822</u>
	\$ 1,826,014

<b>Direct Costs</b>	Budget
General Fund (less indirect costs)	\$ 7,812,980
Park Fund	\$ 1,321,199
Enterprise Fund	<u>\$ 6,971,603</u>
	\$16,105,782

**Indirect/Direct Cost Rate** 11.34%  
 (\$1,826,014 / \$16,105,782)

**Enterprise Fund Indirect Calculation** \$790,415  
 (\$6,971,603 x 11.34% = \$790,415)

**Total Enterprise Fund Payment for Services to General Fund:**

Indirect Costs	\$ 790,415
Utility Billings	\$ <u>263,601</u>
Total	\$1,054,015

Using this method, the Enterprise Fund would pay \$1,054,015 to the General Fund.

- Consistent with the full cost of service approach, many cities also charge their franchise fee to their municipal utilities. Assessing our current franchise fee to water/sewer service would result in the following additional charge:

Annual Revenues	\$6,441,738
Fee	<u>7%</u>
Annual Payment	\$ 450,921

Staff is not recommending allocation of this additional fee at this time.

- The City uses a combined method to calculate the appropriate transfer to the General Fund. The steps taken are as follows:

- Calculate Enterprise Fund operating expenditures (not including capital outlay)
- Multiply the amount immediately above by 10%, a generally accepted percentage for determining overhead, or "indirect," costs.
- Add to the resulting number General Fund expenses that are directly for the benefit of the utility.

Using FY 2017 budget numbers, this method results in a transfer from the Enterprise Fund to the General Fund of \$771,540, as follows:

- Calculate Enterprise Fund operating expenditures (not including capital outlay)

Personnel	\$ 949,864
Commodities	\$2,093,701
Maintenance/Supplies	\$ 159,565
Utilities	\$ 86,556
Contractual [1]	\$2,077,197
VERP	\$ 98,290

Total Enterprise Fund Operating Expenses	\$5,465,173
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- Multiply the amount immediately above by 10%, a generally accepted percentage for determining overhead costs.

$$\$5,465,173 \times 10\% = \$546,517$$

- Add to the resulting number General Fund expenses that are directly for the benefit of the utility.

Direct Expenses	
Utility Billing Payroll	\$ 135,118
Late Notices	\$ 5,963
Statement Billing	\$ 59,040
Other Utility Billing Expenses	\$ <u>63,480</u>
	\$ 263,601

Allocated Enterprise Fund Indirect Expenses	\$ 546,517
Allocated Direct Expenses	\$ <u>263,601</u>

Total Allocated Direct & Indirect Expense	\$ 810,118
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[1] This expense only includes those related to water and sewer. Trash services are not included due to the pass-through expense the City is offering at the present time.





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# ENTERPRISE FUND - DEBT SERVICE

This chapter is included to delineate debt service items that are being paid out of the Enterprise Fund.

## **SIGNIFICANT BUDGETARY ISSUES**

1. The Series 1999B Water/Sewer Bonds are funded by Debt Service Fund. For accounting purposes these bonds must be paid out of the Enterprise fund. This budget includes a debt service payment in the amount of \$156,213 which is offset by a transfer from the Debt Service Fund.



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