

**Enterprise Fund (50)**

	2015-16 Actual	2016-17 Actual	2017-18 Council Adopted	2017-18 Council As Amended	2017-18 Projected	2018-19 Department Requested	2018-19 C.M. Proposed
<b>Fund Balance - CASH</b>							
Beginning of Year	1,120,608	1,693,940	1,944,477	1,981,988	1,981,988	2,061,281	2,061,281
<b>Revenue</b>							
Water Sales	3,239,677	3,390,627	3,245,381	3,245,381	3,181,779	3,373,801	3,373,801
Sewer Use Charge	2,982,405	3,106,904	3,196,357	3,196,357	3,284,213	3,259,452	3,259,452
Water Meter Supply Fee	56,035	94,471	58,299	58,299	88,235	42,875	42,875
Utility Penalties	146,986	138,969	152,924	152,924	129,708	132,302	132,302
Contractual Revenue	11,363	11,353	11,353	11,353	11,353	11,353	11,353
Interest	12,391	17,770	12,592	12,592	41,100	23,754	23,754
Miscellaneous	23,417	5,593	5,000	5,000	5,000	5,000	5,000
SRF/bond-Interest/Credit	155,645	155,448	156,213	156,213	156,213	153,338	153,338
<b>Total Revenue</b>	<b>6,627,917</b>	<b>6,921,135</b>	<b>6,838,119</b>	<b>6,838,119</b>	<b>6,897,601</b>	<b>7,001,875</b>	<b>7,001,875</b>
<b>Total Fund Bal &amp; Revenues</b>	<b>7,748,525</b>	<b>8,615,075</b>	<b>8,782,596</b>	<b>8,820,107</b>	<b>8,879,589</b>	<b>9,063,155</b>	<b>9,063,155</b>
<b>Expenditures</b>							
Personnel	794,500	827,853	949,864	949,864	877,215	950,634	950,634
Commodities	1,856,688	2,012,948	2,093,701	2,093,701	2,066,926	2,031,328	2,031,328
Maintenance & Supplies	127,247	166,024	159,565	159,565	112,735	148,255	148,255
Utilities	79,484	88,099	86,556	86,556	92,423	96,648	96,648
Contractual	1,959,182	2,028,521	2,080,847	2,080,847	2,064,335	2,133,054	2,133,054
Capital Projects (Operating)			-	-	-	7,500	7,500
Transfer to VERP	98,822	98,822	98,290	98,290	98,290	105,186	105,186
Transfer to General Fund	756,464	771,540	810,118	810,118	810,118	829,280	829,280
Miscellaneous	14,357	21,609					
Debt Service	33,698	153,525	156,167	156,167	156,167	153,338	153,338
<b>Total Operating Expense</b>	<b>5,720,442</b>	<b>6,168,941</b>	<b>6,435,108</b>	<b>6,435,108</b>	<b>6,278,209</b>	<b>6,455,223</b>	<b>6,455,223</b>
<i>Net Operating Revenue (Expense)</i>	<i>907,475</i>	<i>752,194</i>	<i>403,011</i>	<i>403,011</i>	<i>619,392</i>	<i>546,652</i>	<i>546,652</i>
Transfer to Restricted Revenue Fund	100,000	100,000					
Transfer to Ent. Cap Maint Fund	234,144	364,146	540,099	540,099	540,099	600,000	600,000
<b>Total Capital / Other Expenditures</b>	<b>334,144</b>	<b>464,146</b>	<b>540,099</b>	<b>540,099</b>	<b>540,099</b>	<b>600,000</b>	<b>600,000</b>
<b>Total Expenditures</b>	<b>6,054,586</b>	<b>6,633,087</b>	<b>6,975,207</b>	<b>6,975,207</b>	<b>6,818,308</b>	<b>7,055,223</b>	<b>7,055,223</b>
<b>Fund Balance (Gross)</b>	<b>1,693,940</b>	<b>1,981,988</b>	<b>1,807,389</b>	<b>1,844,900</b>	<b>2,061,281</b>	<b>2,007,933</b>	<b>2,007,933</b>
<b>Non-operating Income &amp; Loss</b>							
Depreciation Expense	(2,775,133)	(2,372,314)					
Allowance	2,775,133	2,372,314					
Other							
	-	-	-	-	-	-	-
<b>Net Fund Balance (Cash)</b>	<b>1,693,940</b>	<b>1,981,988</b>	<b>1,807,389</b>	<b>1,844,900</b>	<b>2,061,281</b>	<b>2,007,933</b>	<b>2,007,933</b>
<i>Less: Reserve Balance 20% of Exp</i>	<i>(1,144,088)</i>	<i>(1,233,788)</i>	<i>(1,287,022)</i>	<i>(1,287,022)</i>	<i>(1,255,642)</i>	<i>(1,291,045)</i>	<i>(1,291,045)</i>
<b>Available Fund Balance - End of Year</b>	<b>549,851</b>	<b>748,200</b>	<b>520,367</b>	<b>557,878</b>	<b>805,639</b>	<b>716,888</b>	<b>716,888</b>
Solid Waste Fees	980,588	1,016,108	1,072,109	1,072,109	1,032,455	1,164,598	1,164,598
Solid Waste Container Fees							
<b>Total Revenue</b>	<b>980,588</b>	<b>1,016,108</b>	<b>1,072,109</b>	<b>1,072,109</b>	<b>1,032,455</b>	<b>1,164,598</b>	<b>1,164,598</b>
Contractual Services	956,038	1,018,617	1,072,109	1,072,109	1,032,455	1,164,598	1,164,598
<b>Total Expenditures</b>	<b>956,038</b>	<b>1,018,617</b>	<b>1,072,109</b>	<b>1,072,109</b>	<b>1,032,455</b>	<b>1,164,598</b>	<b>1,164,598</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. FY19 is the last year for the payment year for this debt.

# Water Sales

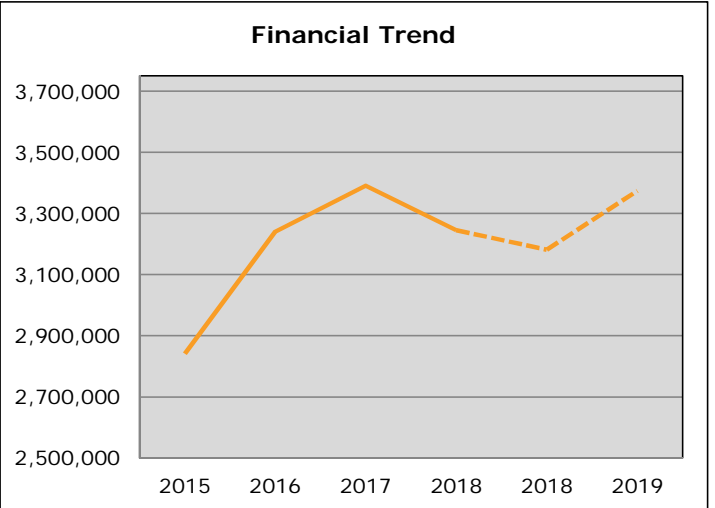
<b>General Ledger Codes:</b> 50-00-4610-0000	<b><u>Legal Authority:</u></b> Municipal Code: Section 700 & 705 State Statute: Chapter 91 RSMo.
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## Revenue Description

**Water Sales** - City of Raymore FY 2019 proposed water rates are \$6.55 per one thousand (1,000) gallons of water consumed. The FY18 rate was \$6.50. All residents receive a minimum bill for two thousand gallons of water and two thousand gallons sewer usage.

Revenues for FY19 are being based on addition of 125 homes with an average bill of \$34.72 per month.

Fiscal Year	Collection	Annual Percentage Change
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 Actual	3,390,627	4.66%
2018 Budget	3,245,381	-4.28%
2018 Projected	3,181,779	-6.16%
2019 Estimated	3,373,801	6.04%



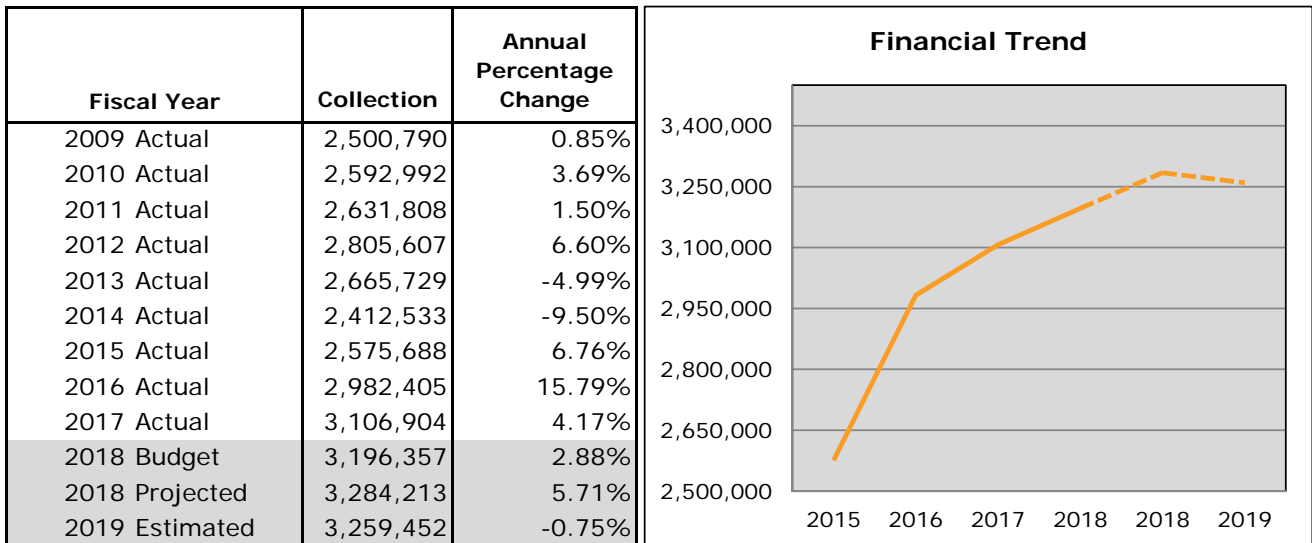
# Sewer Use Charge

<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 2019, proposed use rates are seven dollars and ninety-one cent (\$7.91) per one thousand gallons of actual water consumed. Winter-averaged rates are eight dollars thirty-six cents (\$8.36) 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 FY19 are being based on addition of 125 homes with an average bill of \$41.92 per month.



# Water Meter Supply Fee

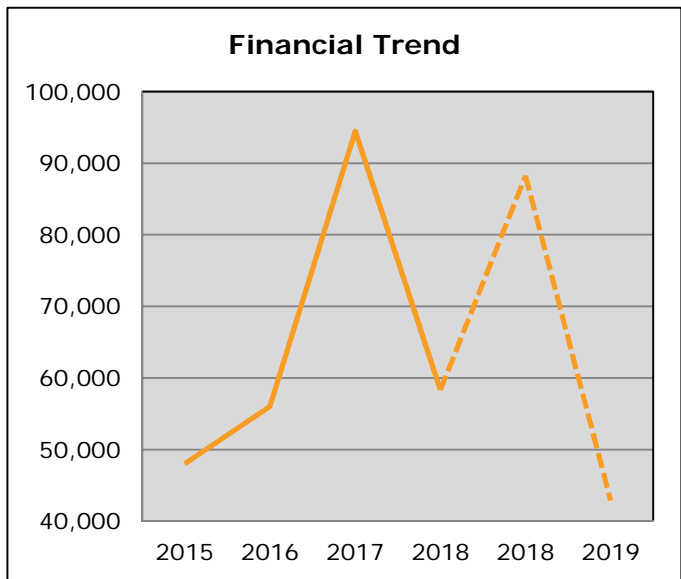
<p><b>General Ledger Codes:</b> 50-00-4620-0000</p>	<p><b>Legal Authority:</b> Municipal Code: Section 700 &amp; 705 State Statute: Chapter 91 RSMo.</p>
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## Revenue Description

**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 125 new residential and commercial sites being constructed.

Fiscal Year	Collection	Annual Percentage Change
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 Actual	94,471	68.59%
2018 Budget	58,299	-38.29%
2018 Projected	88,235	-6.60%
2019 Estimated	42,875	-51.41%



# Utility Penalties

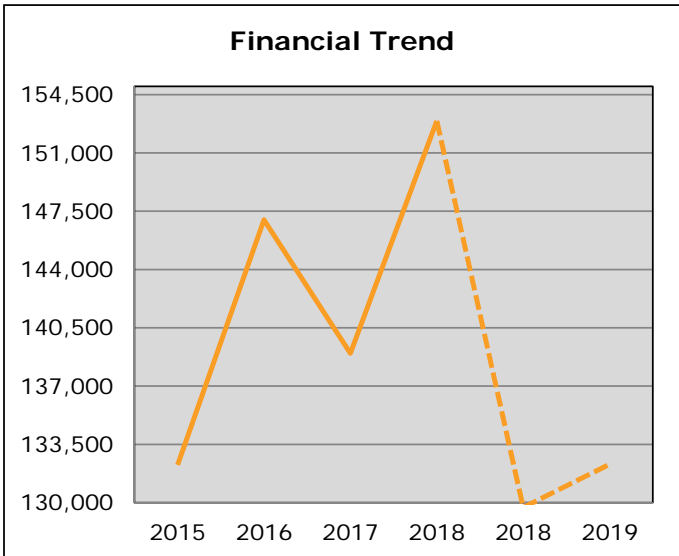
<p><b>General Ledger Codes:</b> 50-00-4600-0000</p>	<p><b><u>Legal Authority:</u></b> Municipal Code: Section 700, 705 &amp; 710 State Statute: Chapter 91 RSMo.</p>
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## Revenue Description

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

Staff is estimating FY19 revenue based are projected FY18 projected revenues plus a 2.% increase.

Fiscal Year	Collection	Annual Percentage Change
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 Actual	138,969	-5.45%
2018 Budget	152,924	10.04%
2018 Projected	129,708	-6.66%
2019 Estimated	132,302	2.00%



# Solid Waste Fees

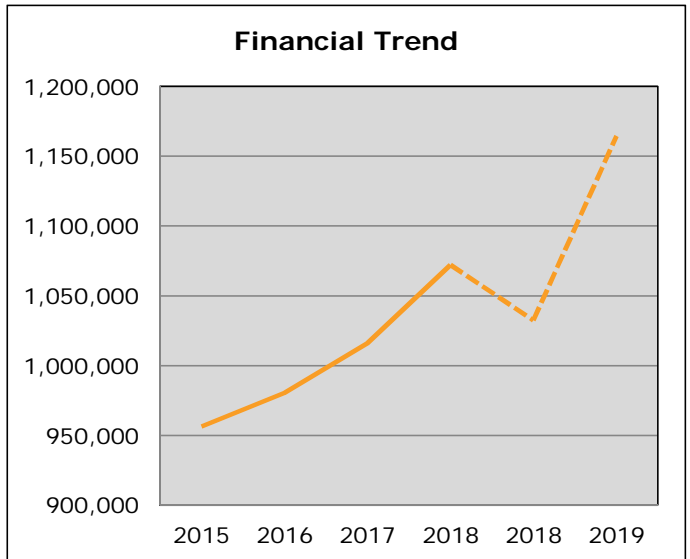
<p><b>General Ledger Codes:</b> 50-00-4640-0000</p>	<p><b>Legal Authority:</b> Municipal Code: Section 235 State Statute: Chapter 70 RSMo. State Statute: Chapter 260 RSMo.</p>
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## Revenue Description

**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.

FY19 revenue is estimated with an additional 125 homes and the contracted cost of \$12.98 per home increasing from \$12.41 starting in January 1, 2019.

Fiscal Year	Collection	Annual Percentage Change
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 Actual	1,016,108	3.62%
2018 Budget	1,072,109	5.51%
2018 Projected	1,032,455	1.61%
2019 Estimated	1,164,598	12.80%



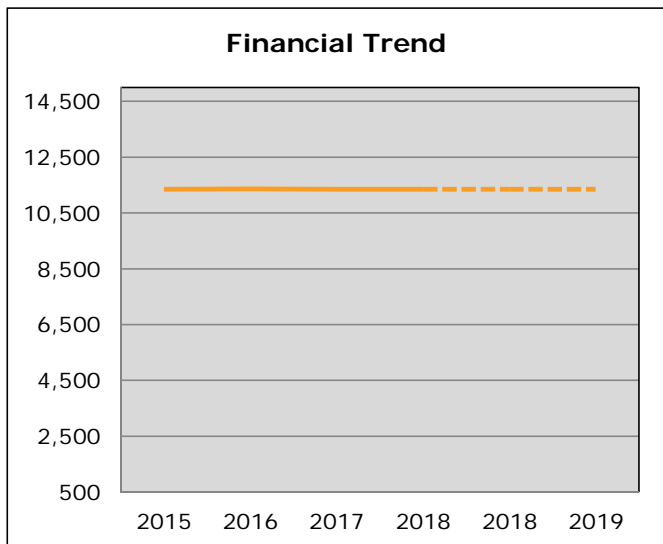
# Contractual

<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
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 Actual	11,353	-0.08%
2018 Budget	11,353	0.00%
2018 Projected	11,353	0.00%
2019 Estimated	11,353	0.00%



# Interest Revenue

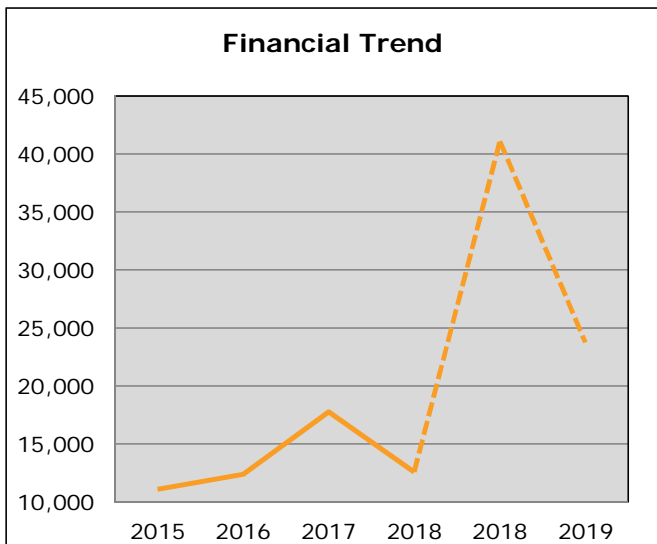
<b>General Ledger Codes:</b> 50-00-4350-0000	<b>Legal Authority:</b> State Statute: Chapter 82
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## Revenue Description

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

FY18 revenues are based on current interest rates being earned. FY19 is estimated using average historical data for the previous three years.

Fiscal Year	Collection	Annual Percentage Change
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 Actual	17,770	43.41%
2018 Budget	12,592	-29.14%
2018 Projected	41,100	131.29%
2019 Estimated	23,754	-42.21%





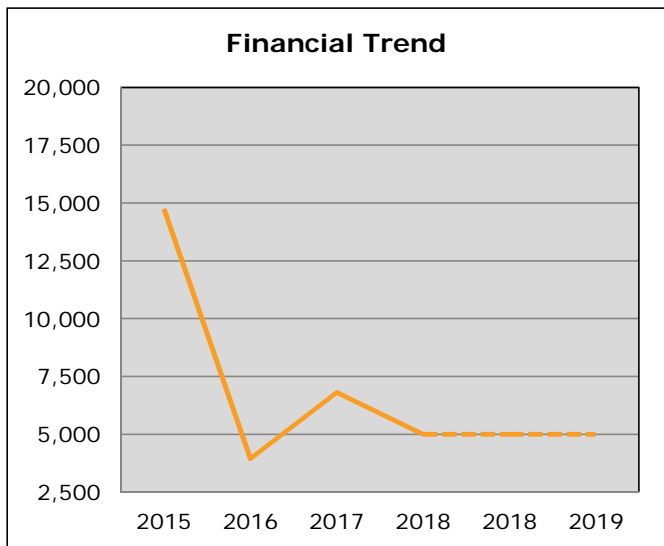
# Miscellaneous

<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
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 Actual	6,800	72.44%
2018 Budget	5,000	-26.47%
2018 Projected	5,000	-26.47%
2019 Estimated	5,000	0.00%



# 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	
2009 Actual	91,916	-22.55%	<div style="text-align: center;"> <p><b>Financial Trend</b></p> </div>
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 Actual	153,525	-1.46%	
2018 Budget	153,525	-1.46%	
2018 Projected	156,213	1.75%	
2019 Estimated	153,338	-0.12%	

# WATER UTILITIES

Water Utilities is responsible for the operation and maintenance of the water distribution system serving approximately 7,800 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.

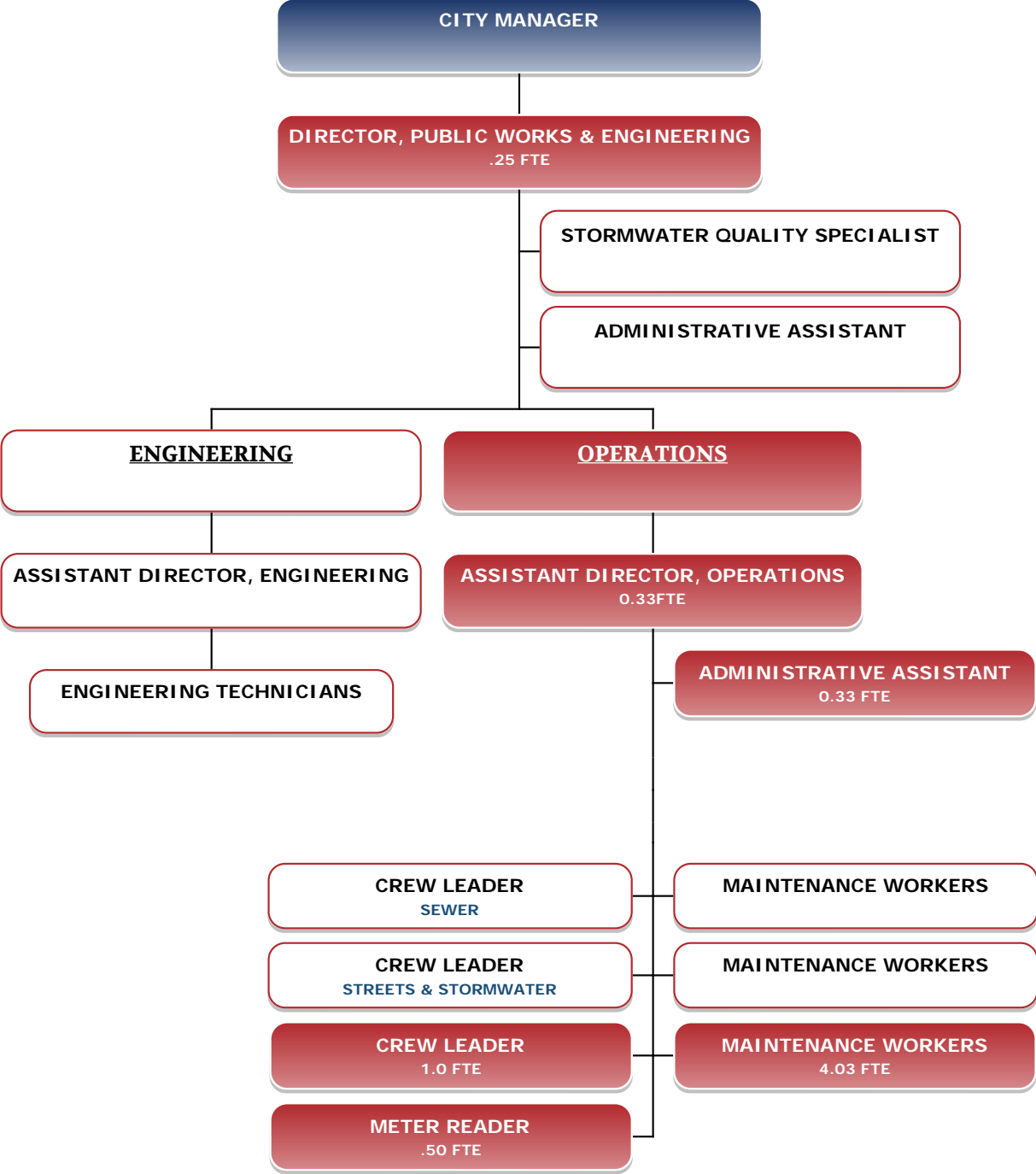
## FY 2018 PERFORMANCE SUMMARY

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 294 were converted in FY 2018.
4. Installed approximately 200 service taps related to new home construction.
5. Responded to approximately 8000 locate tickets.
6. Successfully negotiated a settlement with Cass County Water District 10

## SIGNIFICANT BUDGETARY ISSUES

1. The cost of purchase of water from Kansas City Water Services is included in this budget. \$1,922,160
2. This budget includes an expansion item request for a tapping machine and H-603 electric operator. This equipment is necessary for new water service taps during new construction. \$7,500

# PUBLIC WORKS WATER UTILITIES



# WATER UTILITIES

**By Category**

	2015-16 Actual	2016-17 Actual	2017-18 Council Adopted	2017-18 Council As Amended	2017-18 Projected	2018-19 Department Requested	2018-19 C.M. Proposed	2018-19 Council Adopted
Personnel	400,605	618,182	488,322	488,322	447,008	490,682	490,682	
Commodities	1,845,256	1,998,879	2,077,208	2,077,208	2,052,860	2,015,708	2,015,708	
Maintenance and Repairs	47,224	53,869	72,000	72,000	37,370	61,780	61,780	
Utilities	18,853	21,120	20,487	20,487	21,652	22,752	22,752	
Contractual	251,483	100,137	187,203	187,203	178,191	100,606	100,606	
Capital Outlay	0	0	0	0	0	7,500	7,500	
Debt Service	0	0	0	0	0	0	0	
Transfers/Miscellaneous	1,390,924	1,369,695	454,204	454,204	454,204	467,233	467,233	
<b>Total</b>	<b>3,954,345</b>	<b>4,161,882</b>	<b>3,299,424</b>	<b>3,299,424</b>	<b>3,191,285</b>	<b>3,166,261</b>	<b>3,166,261</b>	<b>0</b>

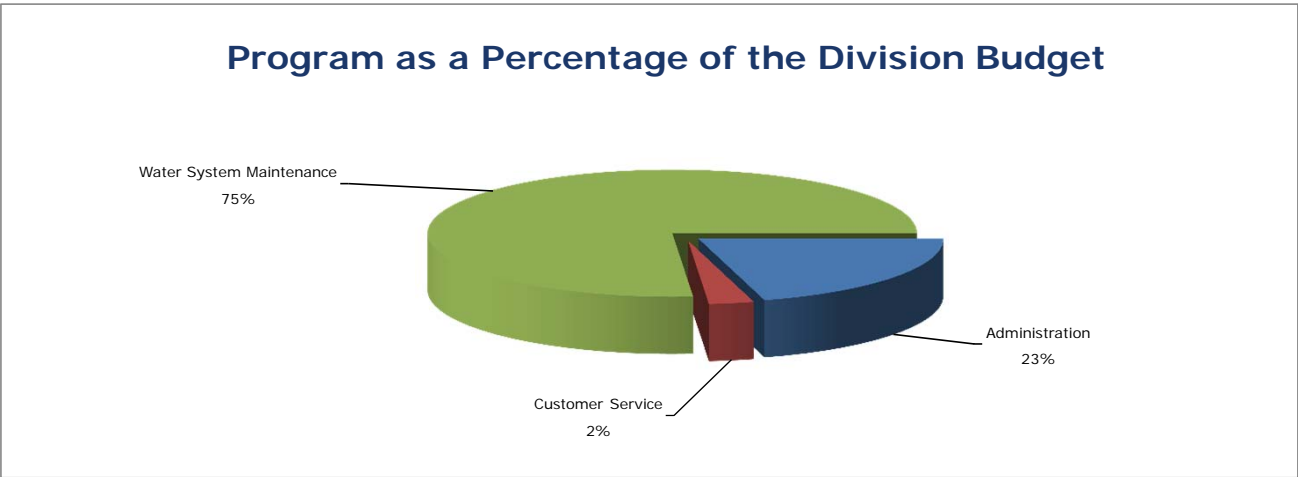
**Position Control Roster**

	2016-17 Actual	2017-18 Actual	2018-19 Proposed
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	4.03	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>6.44</b>	<b>6.44</b>

**By Program**

	2018-19 Proposed
Administration	654,384
Customer Service	94,114
Water System Maintenance	2,417,763
<b>Total</b>	<b>3,166,261</b>

\* FY18 Expansion added an additional FTE 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

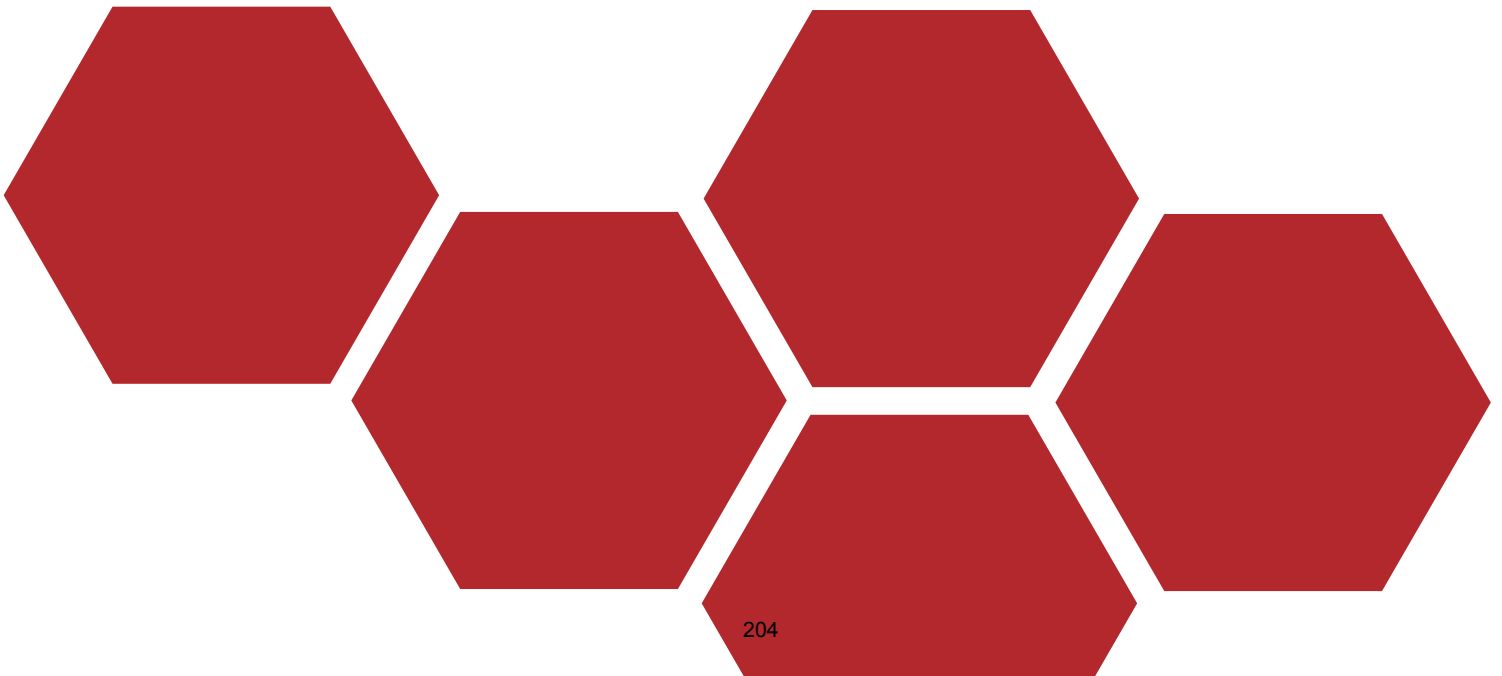
## **FY 2018 PERFORMANCE SUMMARY**

1. Continued the annual sewer jetting program. In FY 2018 approximately 130,000 linear feet were jetted. The goal is to jet the entire system every three years.

## **SIGNIFICANT BUDGETARY ISSUES**

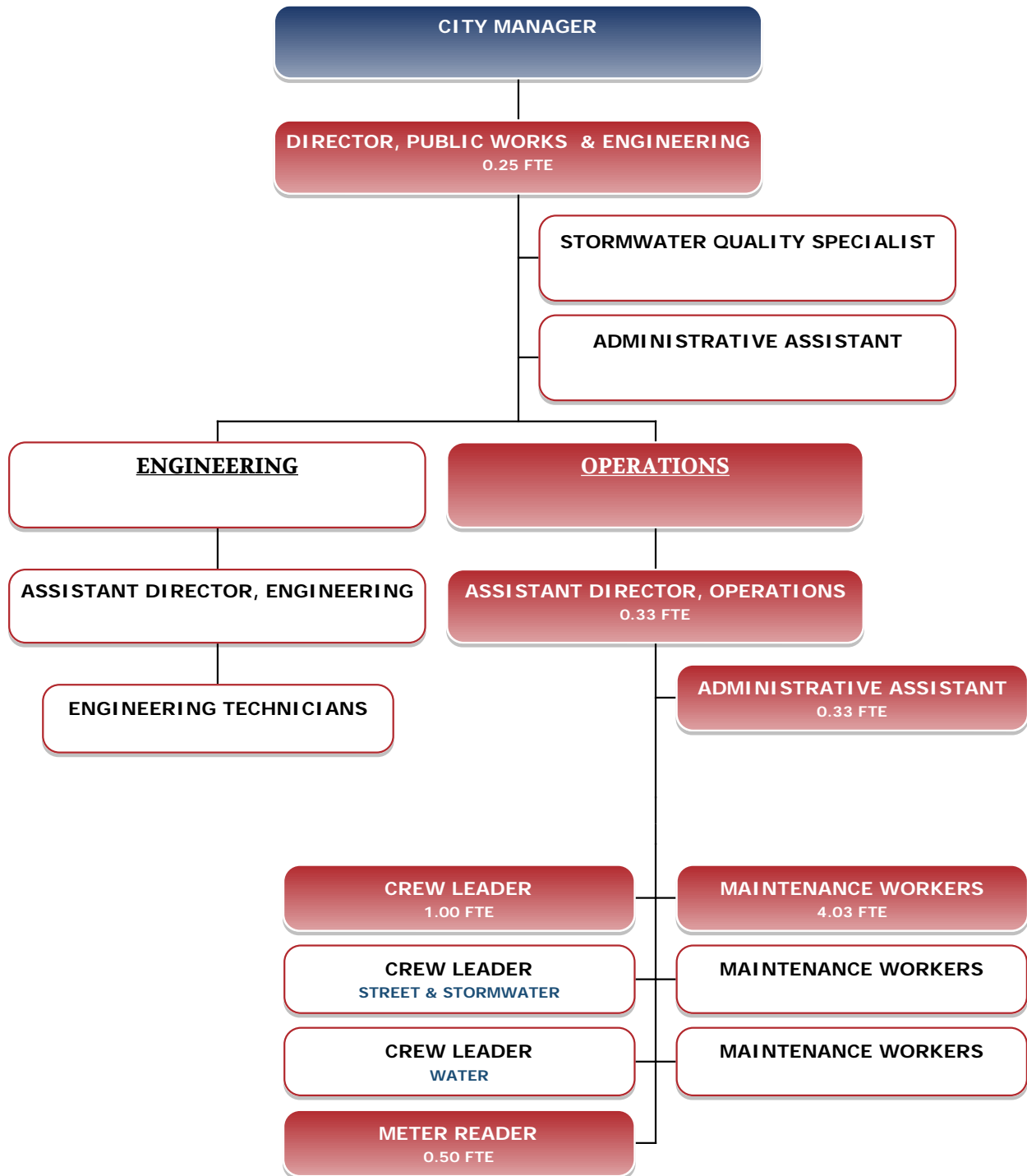
Included in this budget is funding for:

1. The cost of treatment of sewer by the Little Blue Valley Sewer District is included in this budget.  
\$1,264,580
2. The cost of treatment of sewer by the Middle Big Creek Sewer Subdistrict is included in this budget at \$684,840





# PUBLIC WORKS SEWER UTILITIES



# SEWER UTILITIES

## By Category

	2015-16 Actual	2016-17 Actual	2017-18 Council Adopted	2017-18 Council As Amended	2017-18 Projected	2018-19 Department Requested	2018-19 C.M. Proposed	2018-19 Council Adopted
Personnel	393,895	614,864	461,542	461,542	430,207	459,952	459,952	
Commodities	11,431	14,069	16,493	16,493	14,066	15,620	15,620	
Maintenance and Repairs	80,023	62,155	87,565	87,565	75,365	86,475	86,475	
Utilities	60,632	66,979	66,069	66,069	70,771	73,896	73,896	
Contractual	1,707,699	1,778,384	1,893,644	1,893,644	1,886,144	2,032,448	2,032,448	
Capital Outlay	0	0	0	0	0	0	0	
Debt Service	0	0	0	0	0	0	0	
Transfers/Miscellaneous	2,308,679	1,930,636	454,204	454,204	454,204	467,233	467,233	
<b>Total</b>	<b>4,562,359</b>	<b>4,467,087</b>	<b>2,979,517</b>	<b>2,979,517</b>	<b>2,930,757</b>	<b>3,135,624</b>	<b>3,135,624</b>	<b>0</b>

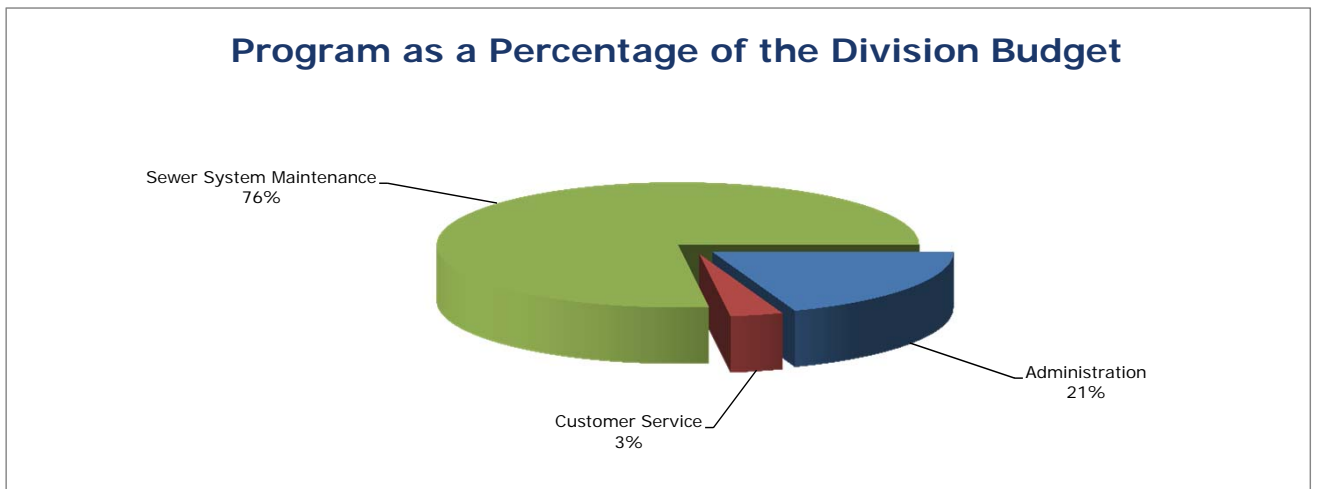
## Position Control Roster

	2016-17 Actual	2017-18 Actual	2018-19 Proposed
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	4.03	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>6.44</b>	<b>6.44</b>

## By Program

	2018-19 Proposed
Administration	609,493
Customer Service	110,235
Sewer System Maintenance	2,415,896
<b>Total</b>	<b>3,135,624</b>

\* FY18 Expansion added an additional FTE 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. The City monthly charge to residents for trash/ recycling and yard waste collection is \$12.41 in 2018. In 2019, that rate will increase to \$12.98. Revenues from trash/recycling fees are passed on in full to the City contractor. Total projected revenues and expenditures from solid waste fees \$1,164,598.



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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.  
\$829,280
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.  
\$600,000

# 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 2019 Proposed Budget figures:

<b>Indirect Costs</b>	Budget
Administration	\$ 1,023,221
Information Technology Services	\$ 456,735
Finance (less Utility Billing)	<u>\$ 367,769</u>
	\$ 1,847,725

<b>Direct Costs</b>	Budget
General Fund (less indirect costs)	\$ 7,931,276
Park Fund	\$ 1,378,033
Enterprise Fund	<u>\$ 6,776,625</u>
	\$16,085,934

**Indirect/Direct Cost Rate** 11.94%  
 (\$1,847,725 / \$16,085,934)

**Enterprise Fund Indirect Calculation** \$778,403  
 (\$6,776,625 x 11.94% = \$778,403)

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

Indirect Costs	\$ 778,403
Utility Billings	\$ <u>285,820</u>
Total	\$1,064,223

Using this method, the Enterprise Fund would pay \$1,064,223 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	\$6,633,253
Fee	<u>7%</u>
Annual Payment	\$ 464,328

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 2018 budget numbers, this method results in a transfer from the Enterprise Fund to the General Fund of \$829,280, as follows:

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

Personnel	\$ 920,127
Commodities	\$2,031,328
Maintenance/Supplies	\$ 148,255
Utilities	\$ 96,648
Contractual [1]	\$2,133,054
VERP	\$ 105,186

Total Enterprise Fund Operating Expenses	\$5,434,598
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- Multiply the amount immediately above by 10%, a generally accepted percentage for determining overhead costs.

$$\$5,434,598 \times 10\% = \$543,460$$

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

Direct Expenses	
Billing Software	\$ 36,488
Utility Billing Payroll	\$ 137,320
Late Notices	\$ 6,122
Statement Billing	\$ 53,640
Other Utility Billing Expenses	\$ <u>52,250</u>
	\$ 285,820

Allocated Enterprise Fund Indirect Expenses	\$ 543,460
Allocated Direct Expenses	\$ <u>285,820</u>

Total Allocated Direct & Indirect Expense	\$ 829,280
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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 \$153,338 which is offset by a transfer from the Debt Service Fund.



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