



# **Biennial Report for the Utilities Trust Fund**

City Council Presentation  
April 9, 2019



# Overview

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On 18 April 2018 an audit of the utilities trust fund was conducted by the City Auditor.

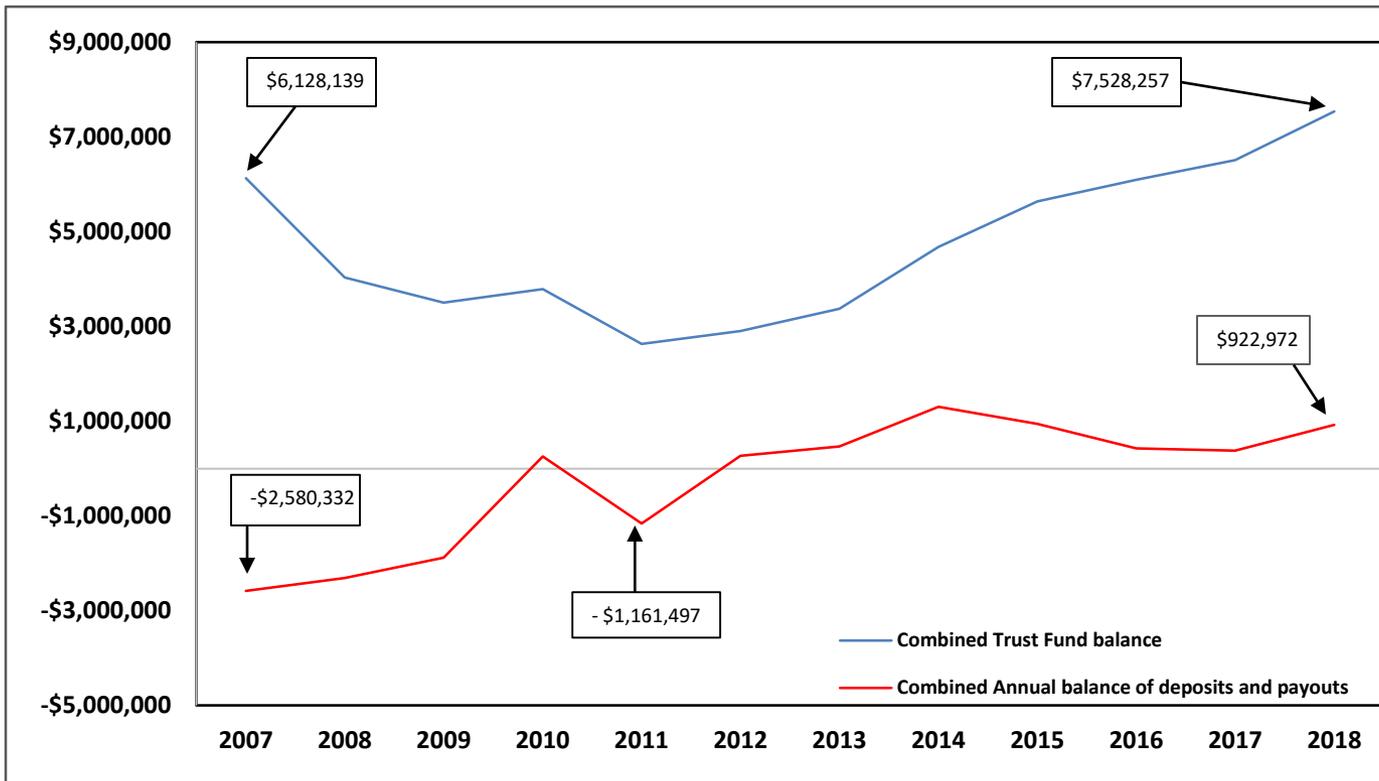
One of the recommendations of the audit was for Development Services to provide biennial updates to City Council on the health of the Utilities Trust Fund.

This brief is an update to City Council on the status of the utilities trust fund.

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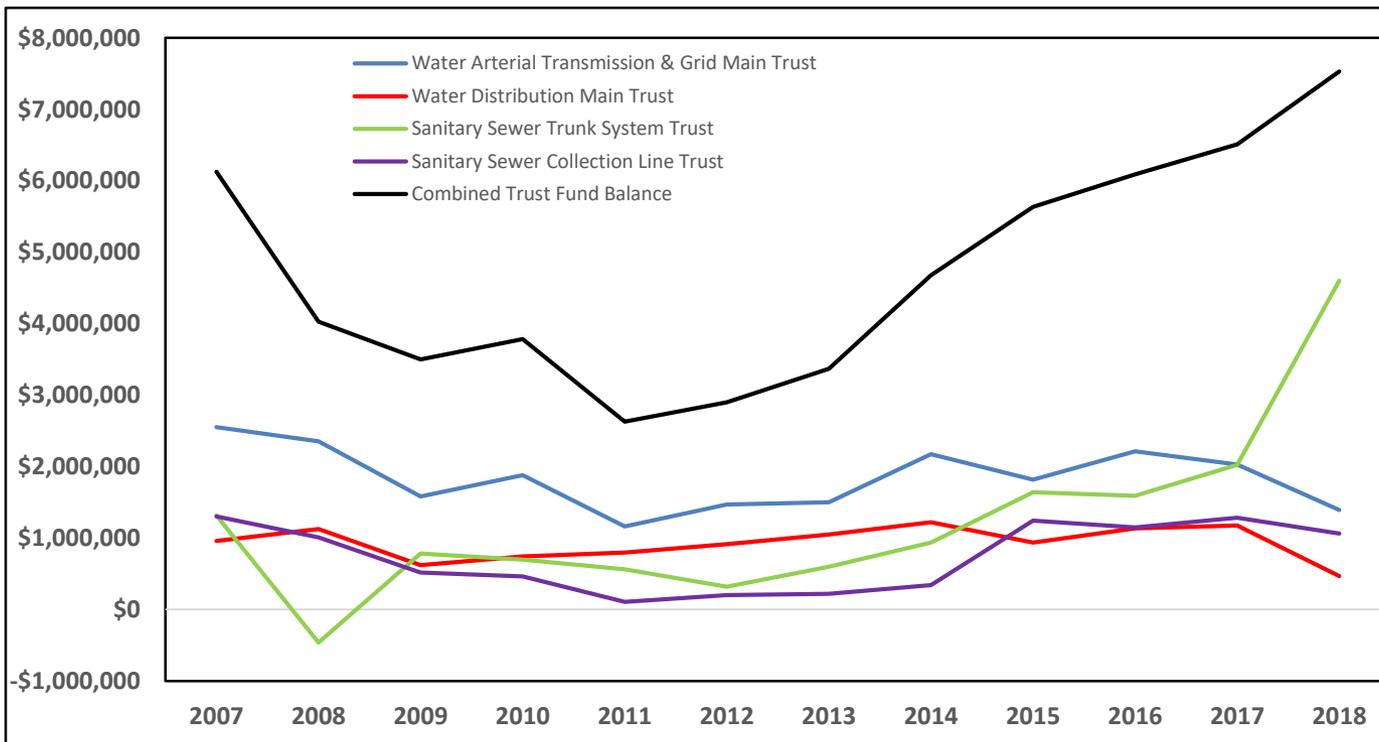


# Utility Trust Fund Balances FY2007–FY2018



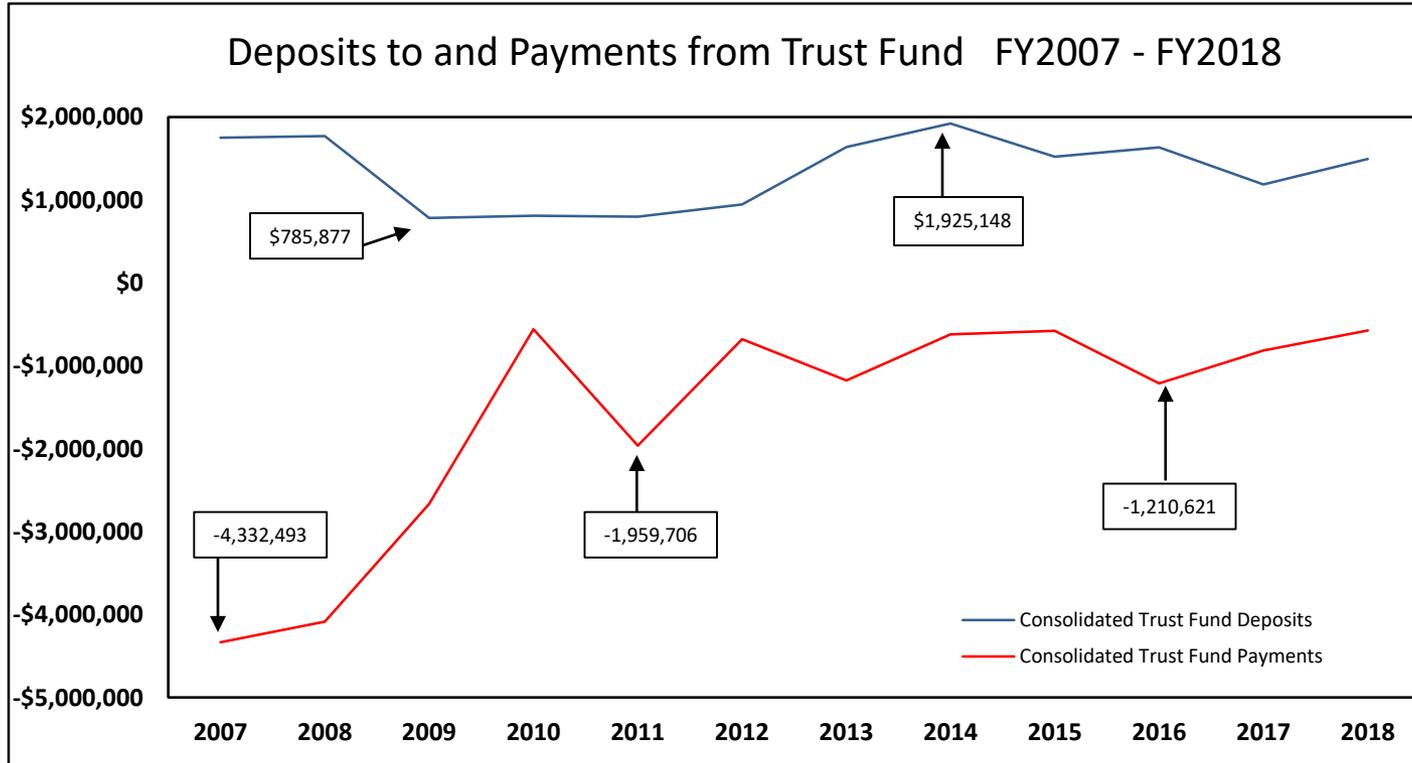


# Utility Trust Fund Balances FY2007–FY2018





# Deposits to and Payments from Trust Fund





# Active Contracts with Trust Fund

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## Water Arterial Transmission & Main Grid Trust Agreements:

Royal Creek Unit 7	\$109,354.20
Royal Creek Unit 8	\$183,810.74

## Sanitary Sewer Trunk Agreement:

London Towne	\$3,470,180.13
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## Sanitary Sewer Collection Agreement:

Airline Estates	\$52,514.90
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**Total Reimbursement Liability: \$3,815,859.97**

**Total Payments in Current Fiscal Year: \$525,202.40**

**Grand Total Reimbursement Liability/Payments: \$4,341,062.37**

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# Trust Fund Liabilities and Balance

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Trust Fund Balance as of 2/28/19 :	\$8,079,487.56
Trust Fund Liabilities/Payments:	\$4,341,062.37
Remaining Trust Fund Balance :	\$3,738,425.19



# Individual Fund Activity

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Water Arterial Transmission & Grid Main Trust	Water Distribution Main Trust	Sanitary Sewer Trunk System Trust	Sanitary Sewer Collection Line Trust	
\$1,582,514.09	\$535,282.87	\$4,847,913.08	\$1,113,777.52	Starting Balance
\$293,164.94	0.00	\$3,470,180.13	\$52,514.90	Total Liabilities
0.00	0.00	\$510,478.40	\$14,724.00	Total Payments
\$1,289,349.15	\$535,282.87	\$867,254.55	\$1,046,538.62	Balance Available

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# Trust Fund Fees Collected

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## Trust Fund fees collected in FY2018 – FY2019 YTD:

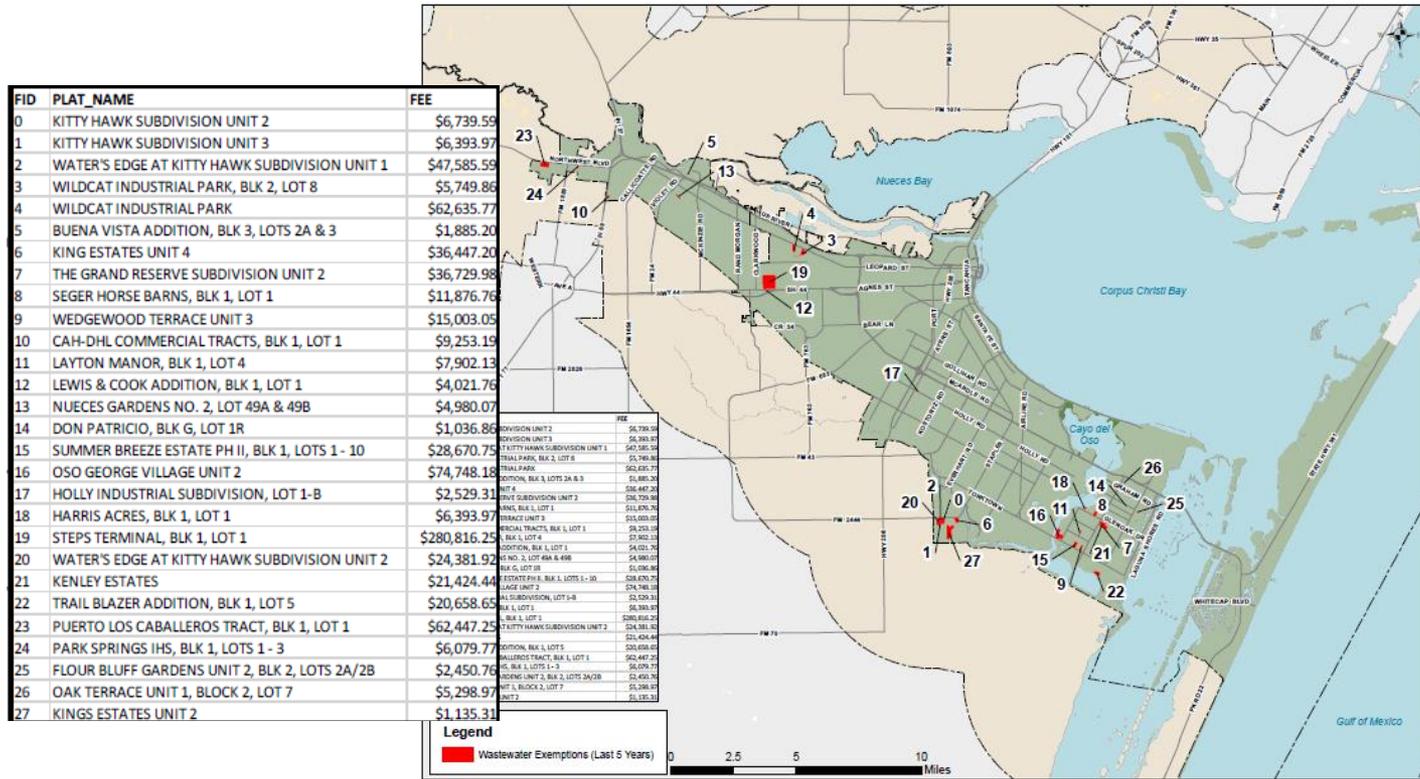
Water Arterial Grid Main Fund	
Lot or Acreage Fee	\$648,843.92
75% Surcharge	\$236,925.00
Water Distribution Main Fund	
Prorata Fee	\$122,936.60
25% Surcharge	\$78,975.00
Sanitary Sewer Trunk Fund	
Lot or Acreage Fee	\$538,623.54
75% Surcharge	\$270,490.50
Sanitary Sewer Collection Line Fund	
Prorata Fee	\$93,887.58
25% Surcharge	\$90,163.50
Total Fees Collected:	\$2,080,845.64

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# Wastewater Fee Exemptions

## CY 2013-2018





# Trust Fund Actions

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Efforts that have been taken to help with fiscal health and management of the utility trust fund.

City Council approved an amendment to the UDC to remove the 5.5% interest credit to holding deposits in the fund. (Ord 031539 dated 09/14/18)

More oversight in contract management to ensure reimbursements from the fund are timely and accurate.

Assessed options to increase fees charged by Utilities Trust Fund.



# Trust Fund Fees and Charges

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The Unified Development Code states that prior to the annual budget, fees and charges are to be indexed to the Construction Cost Index.

The Construction Cost Index is widely used in the construction industry, has a materials and labor component, and is based on a 20 city average.

There is no indication that the fees the City of Corpus Christi charges have been updated using the Construction Cost Index and there are no records indicating that fee's have increased over the past 10 years.

If the CCI is used we anticipate a 38 percent increase in current fees.

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# CBHBA Trust Fund Committee

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The Coastal Bend Home Builders Association met in May and December 2018 and made the following recommendations regarding fees:

1. A 10 percent increase in trust fund fees
2. Reinstate the annual CCI increase to fees

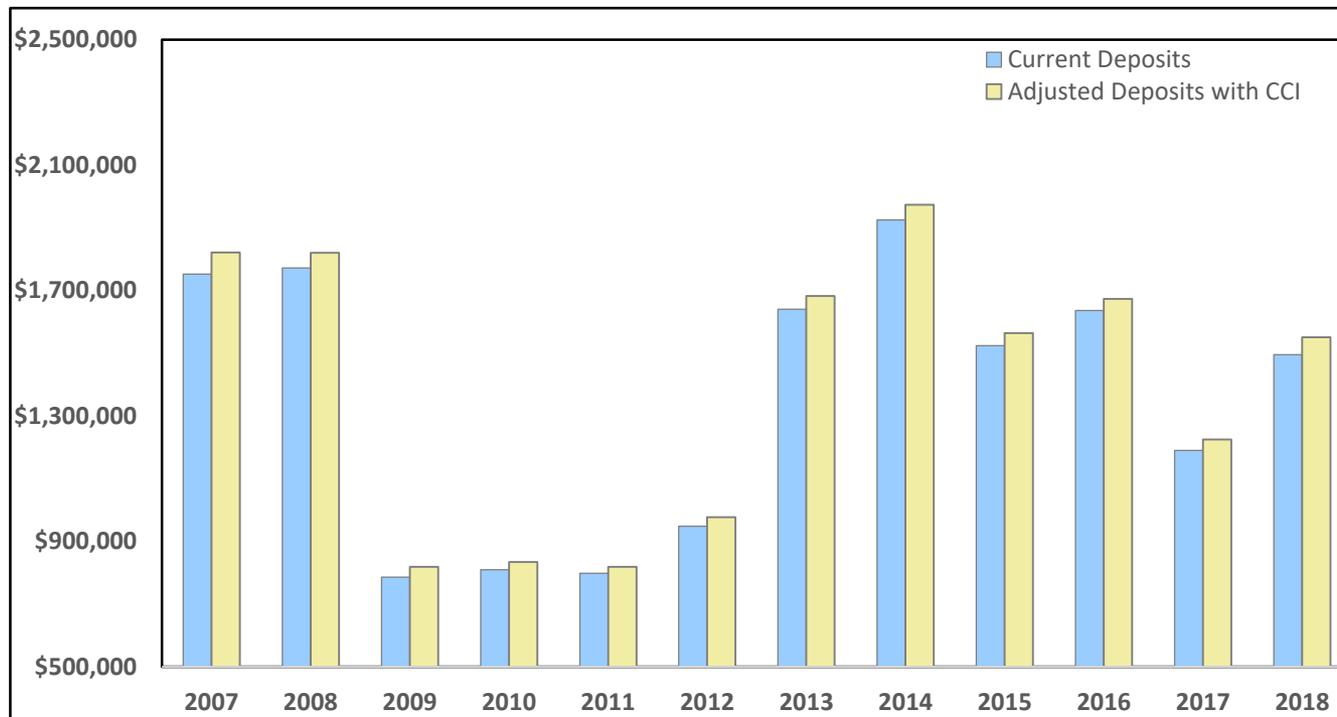


# Comparison of Fees Increases

	Current Fees Amount	Adjusted from 2007 using the CCI (1.38)	Adjusted using the CBHBA recommendation (1.10)
<b>Water Fees</b>			
Res. Acreage	\$719.00	\$992.22	\$790.90
Res. Lot	\$182.00	\$251.16	\$200.20
Com. Acreage	\$1,439.00	\$1,985.82	\$1,582.90
Com. Lot	\$359.00	\$495.42	\$394.90
Prorata	\$10.53	\$14.53	\$11.58
Surcharge	\$243.00	\$335.34	\$267.30
<b>Wastewater Fees</b>			
Acreage	\$1,571.00	\$2,167.98	\$1,728.10
Lot	\$393.00	\$542.34	\$432.30
Prorata	\$12.18	\$16.81	\$13.40
Surcharge	\$277.00	\$382.26	\$304.70



## Trust Fund Deposits with CCI Adjustments FY2007-FY2018





# Fee Options

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To ensure the future health of the Utilities Trust Fund:

1. Increase in basic fees charged by the Utilities Trust Fund to 10 percent above the current level and reinstate the annual CCI fee as recommend by the Coastal Bend Home Builders Association Trust Fund Committee (CBHBA).
  2. Adjust fees and charges to mirror the industry standard outlined in the ERN Construction Cost Index based on the Engineering News Record Cost Index (Dec 2018 edition).
  3. Eliminate wastewater fee exemption ties to sewer construction waivers.
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# Continued Discussion at Future Workshop