



AGENDA MEMORANDUM
City Council Workshop of August 13, 2020

DATE: August 7, 2020

TO: Peter Zaroni, City Manager

FROM: Eddie Houlihan, Director of the Office of Management and Budget
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City Council Workshop on Streets, Storm Water, Engineering, Infrastructure, Capital Improvements, Water Utilities, Solid Waste and Gas for FY 2021 Proposed Budget

STAFF PRESENTER(S):

<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
1. Richard Martinez	Director of Public Works	Public Works
2. Jeff Edmonds	Director of Engineering	Engineering
3. Kevin Norton	Director of Water Utilities	Water Utilities
4. David Lehfeldt	Director of Solid Waste	Solid Waste
5. Bill Mahaffey	Director of Gas	Gas

ISSUE:

This is the second of four City Council workshops to discuss the FY 2021 proposed operating budget. The topics for the second workshop include Streets, Storm Water, Engineering, Infrastructure and Capital Improvements, Water Utilities, Solid Waste and Gas.

BACKGROUND INFORMATION:

A briefing on the FY 2021 proposed budget was presented to the Mayor and City Council on July 28, 2020. The FY 2021 proposed budget focuses on City Council and community priorities. The FY 2021 proposed budget, comprised of all funds excluding transfers, totals \$1 billion. The General Fund budget is \$241.9 million, and the Capital Budget totals \$259.9 million.

A series of four City Council budget workshops are scheduled to be held from August 6 to August 27. At these sessions, City staff will review in detail the budget proposals with the Mayor and City Council. Additionally, there will be five on-line, interactive public input sessions to be held from August 10 to August 19. The budget is scheduled to be adopted on September 15, 2020 – with the first reading to be held on September 8th, and the second and final reading on September 15th.

The second budget workshop will be held on Thursday, August 13, 2020 at 9:00 am. At the workshop, the City Council will be presented with the FY 2021 proposed budget Streets, Storm Water, Engineering, Infrastructure and Capital Improvements, Water Utilities, Solid Waste and Gas.

Streets:

The focus of the Street Department is to manage, maintain, and develop the City's street system.

The FY 2021 combined proposed operating and capital budget for the Street Department is \$91.6 million and includes funding from the Street Maintenance Fund, Residential Street Reconstruction Fund, and Capital Improvement Program. Below is a summary of the funding and position counts that would be authorized by the FY 2021 proposed budget.

FUND	FY 2021 PROPOSED BUDGET	AUTHORIZED POSITIONS
Street Maintenance Fund	\$35,536,709	138
Residential Street Reconstruction Fund	12,337,957	0
Capital Projects	43,675,461	0
Total	\$91,550,127	138

The FY 2021 budget includes \$78M for street maintenance and reconstruction which includes Residential and Arterial & Collectors.

The Street Department's FY 2021 proposed budget includes funding for concrete pavement restoration and repair, illuminated street name signs, and implementation of the vision zero program.

Storm Water:

The focus of the Storm Water Department is to collect and convey storm water, protect life and property from storm flooding and protect water quality.

At the July 28, 2020 FY 2021 budget briefing, City staff had initially recommended implementing a Storm Water fee in FY 2021. However, after further consideration, a Storm Water fee will not be recommended for the FY 2021 budget. More time is needed for implementation because of impacts to the economy from the COVID-19 pandemic and to allow for more dialogue with the community and stakeholder group.

The FY 2021 combined proposed operating and capital budget for the Storm Water Department is \$48.7 million and includes funding from the Storm Water Fund (operating) and the Capital Improvement Program. Below is a summary of the funding and position counts that would be authorized by the FY 2021 proposed budget.

FUND	FY 2021 PROPOSED BUDGET	AUTHORIZED POSITIONS
Storm Water Fund	\$16,861,035	98
Capital Projects	31,862,203	0
Total	\$48,723,238	98

The FY 2021 proposed budget for the Storm Water Department includes additional funding to add four positions for channel restoration, improvements to pump stations, and high-water detection systems. Funding is also included to increase the street sweeping cycles throughout the City and to include residential streets for the first time in recent history.

Engineering/Bond Program/CIP Budget:

The focus of the Engineering Department is to assist City departments in support of new projects and maintenance of existing infrastructure.

The total FY 2021 proposed budget for the Engineering Department is \$269 million which includes funding from the Engineering Fund (operating) and Capital Improvement Program. Below is a summary of the funding and position counts that would be authorized by the FY 2021 proposed budget.

FUND	FY 2021 PROPOSED BUDGET	AUTHORIZED POSITIONS
Engineering Fund	\$9,179,120	77
Capital Projects	259,915,560	0
Total	\$269,094,680	77

Water and Wastewater:

The focus of the Water Utilities Department is 24-hour per day utility operations to provide clean and dependable water and wastewater services to customers. This entails reliable delivery of safe potable and raw water to customers in addition to the collection, treatment, and disposal of wastewater.

No rate changes are proposed to Water or Wastewater for FY 2021.

The FY 2021 proposed budget for the Water and Wastewater Departments is \$326.9 million and includes funding from the Water Fund (operating), Wastewater Fund (operating), and Capital Improvement Program. Below is a summary of the funding and position counts that would be authorized by the FY 2021 proposed budget.

FUND	FY 2021 PROPOSED BUDGET	AUTHORIZED POSITIONS
Water Fund	\$143,756,712	295
Wastewater Fund	69,938,203	218
Capital Projects	113,195,644	0
Total	\$326,890,559	513

The FY 2021 proposed budget for Wastewater includes the addition of six positions to manage and execute the US Environmental Protection Agency mandated consent decree program. The proposed budget also includes an additional four positions and equipment to perform routine cleaning and maintenance of basins, clarifiers and wet wells at the City's six wastewater treatment plants and 102 lift stations.

Solid Waste:

The focus of the Solid Waste Department is to efficiently collect, dispose, and recycle solid waste in an environmentally responsible manner to ensure public health and beautification of the City.

The FY 2021 proposed budget for Solid Waste is \$34.6 million and includes funding from the General Fund (operating) and Capital Improvement Program. Below is a summary of the funding and position counts that would be authorized by the FY 2021 proposed budget.

FUND	FY 2021 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$28,162,738	178
Capital Projects	6,448,500	0
Total	\$34,611,238	178

The Solid Waste Department's FY 2021 proposed budget includes funding to implement a recycling inspection and education program to reduce the contamination of recyclables collected. In addition, funds will be redirected to begin a composting program late in FY 2021.

Gas:

The focus of the Gas Department is to deliver natural gas to customers.

The FY 2021 proposed budget for the Gas Department is \$49.9 million and includes funding from the Gas Fund (operating) and Capital Improvement Program. Below is a summary of the funding and position counts that would be authorized by the FY 2021 proposed budget.

FUND	FY 2021 PROPOSED BUDGET	AUTHORIZED POSITIONS
Gas Fund	\$41,325,924	148
Capital Projects	8,601,200	0
Total	\$49,927,124	148

LIST OF SUPPORTING DOCUMENTS:

Revised Proposed FY 2021 Budget Financial Statements - attached

- Storm Water Operating & Debt
- Engineering
- Water Operating & Debt
- Wastewater Operating & Debt

PowerPoint - not attached

- Streets
- Storm Water
- Engineering
- Water Utilities (including Wastewater)
- Solid Waste, and
- Gas