

2019 Capital Budget: Proposed Common Council Amendments

Amendment # 9

Agency: Stormwater Utility **Project #:** 11513
Project: Citywide Flood Mitigation
Sponsors: Alder Martin
Co-Sponsor(s): Alder Carter, Alder Furman, Alder McKinney, Alder Phair

Amendment

Appropriate \$5,770,000 in the Stormwater Utility to increase the 2019 budget for Citywide Flood Mitigation (\$5.15m in GO Borrowing and \$0.62m from Impact Fees); and, transfer \$1,100,000 (\$0.85m in GO Borrowing and \$0.25m from Reserves) from the Starkweather Coagulant Treatment project to Citywide Flood Mitigation. If adopted, the 2019 budget for Citywide Flood Mitigation will be \$7,770,000.

Transfer \$100,000 from the Starkweather Coagulant Treatment project to Reconstruct Streets to include additional flood improvements to the project scope for the Hammersley Road project.

Amendment Amount

	2019	2020	2021	2022	2023	2024
GO Borrowing	5,150,000	0	0	0	0	0
Other	620,000	0	0	0	0	0
Total	\$5,770,000	\$0	\$0	\$0	\$0	\$0

Amendment Impact

Debt Service	\$603,737
TOAH Impact	\$6.43

Discussion

Analysis

The proposed amendment increases funding for Citywide Flood mitigation by \$6,970,000 in 2019 which is twenty times the program's annual funding in 2018. The increased funding will be used for the following projects:

- \$775,000 for watershed, flood, and planning studies.
- \$1,170,000 for land acquisitions.
- \$5,025,000 for public works projects that are a direct result from the August 2018 flood events.

The increased funding for this amendment comes from additional GO Borrowing and transferring funding for the Starkweather Coagulant Treatment project.

Stormwater GO Borrowing:

The 2019 Executive Budget includes \$11.6 m for Stormwater Utility projects (this includes the Stormwater component of Major Streets projects). If adopted, the total authorized GO Borrowing for the Stormwater Utility will increase by 44%; this increase will result in increased debt service payments that will be repaid through future year rates. If adopted, future year rates increases could be as high as 8%; from 2016 to 2018 the average annual rate increase was 2.5%.

Based on the 2019 Executive Operating Budget, debt service payments (principal & interest) represent 41% of the Stormwater Utility's operating budget.

Starkweather Coagulant Treatment Project:

The Starkweather Coagulant Treatment project first appeared as a standalone project in the 2018 Capital Improvement Plan. At that time the project's total estimated cost was \$6.0m; \$900,000 was appropriated in 2018 to begin the project that was anticipated to be completed in 2020. The project has experienced a number of delays in 2018 resulting in \$540,000 (or 60% of the total 2018 appropriation) being transferred to other Stormwater projects.

The 2019 Executive Capital Budget anticipated construction of the project would begin in 2019. Construction funding for project was reduced from an anticipated \$5.0m, as shown in the 2018 CIP, to \$2.7m in the Executive Budget. This amendment proposed transferring an additional \$1.2m (or 44% of what was included for 2019) to the Citywide Flood Mitigation program. Transferring these funds may result in the need for additional GO Borrowing in order to complete the Starkweather project in future years.

Operating Impact

Annual Impact: 605,000

The proposed amendment will increase annual debt service payments as a result of the increased Stormwater Utility supported GO Borrowing. Those payments will be funded by ratepayers who provide revenue to the Stormwater Utility.