

Sewer Fund Summary

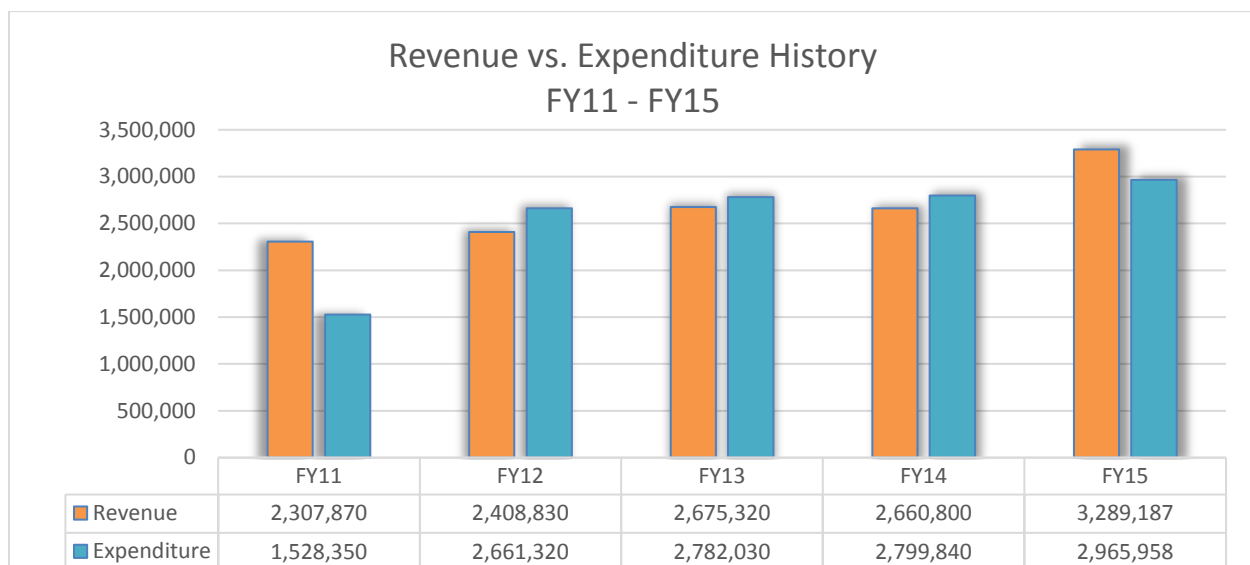
	FY15 Actual	FY16 Budget	FY16 Estimate	FY17 Adopted	FY18 Adopted
Balance Forward	1,217,795	1,525,468	1,525,468	1,396,673	1,769,604
REVENUES					
Sewer Service Charges	238,093	283,285	250,000	142,806	106,806
Sewer User Fees	2,782,149	3,345,986	3,387,027	3,890,730	4,279,803
Sales Tax Collection Fee	400	450	444	450	457
Sewer Hookup Fee	241,807	200,000	43,010	101,282	164,464
Interest Income	3,820	3,311	2,478	2,687	3,020
Grant Income	22,918	22,918	22,918	22,918	22,918
Bond Proceeds	-				
Miscellaneous	-		1,246		
Total Revenue	3,289,187	3,855,950	3,707,123	4,160,873	4,577,468
EXPENDITURES					
Salary & Benefits	721,194	815,229	797,488	853,677	883,658
Operating Expenditures	2,244,764	2,600,928	2,596,988	2,854,485	3,233,040
Total Expenditures	2,965,958	3,416,157	3,394,476	3,708,162	4,116,698
Other Financing Sources (Users)					
CIP Transfer	(15,556)	(50,000)	(90,556)	-	(380,000)
Total Other Uses of Funds	(15,556)	(50,000)	(90,556)	-	(380,000)
Operating Cash Annual Inc (Dec)	307,673	389,793	222,091	452,711	80,770
Total Capital	-	405,300	350,886	79,780	61,480
Total Expenditures & Capital	2,965,958	3,821,457	3,745,362	3,787,942	4,178,178
Prior Year Cash	1,217,795	1,525,468	1,525,468	1,396,673	1,769,604
End of Year Cash Total	1,525,468	1,509,961	1,396,673	1,769,604	1,788,894

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Sewer Fund

The Sewer Fund is a type of proprietary fund, considered an enterprise fund. Enterprise funds account for business-type activities supported largely through user charges. The main purpose of this business-like approach is to provide services to consumers at a price that will cover both the current cost of operations (expenditures) and the maintenance and financing of the necessary capital assets.

The primary source of funding for the Sewer Fund is sewer use fee revenue. Wastewater treatment provided by the City of Omaha is a significant portion the fund's expenditures. The chart below is indicative of the increasing sewer use fees as the City began collecting from subdivisions within the extraterritorial jurisdiction (ETJ) east to the interstate. In FY11 collection was expanded to include those west of the interstate and in FY 14 for expansion to west side of 144th Street.



Concluding FY16 Financial Performance

Revenues are estimated to total approximately \$3.7 million, which is slightly less (\$148,827) than the FY16 budgeted revenues. The shortfall can primarily be attributed to the late submittal of the new sewer rates to MUD for billing purposes and some areas not being converted from Sarpy County sewer use fees to La Vista Sewer use fees.

Expenditures & Capital for FY16 are projected to be nearly \$3.7 million, which is slightly less than the budgeted amount of \$3.8 million. This is a \$779,404 or a 26.3% increase over the FY15 actual amount of \$3.0 million, as a result of making no capital expenditures FY15.

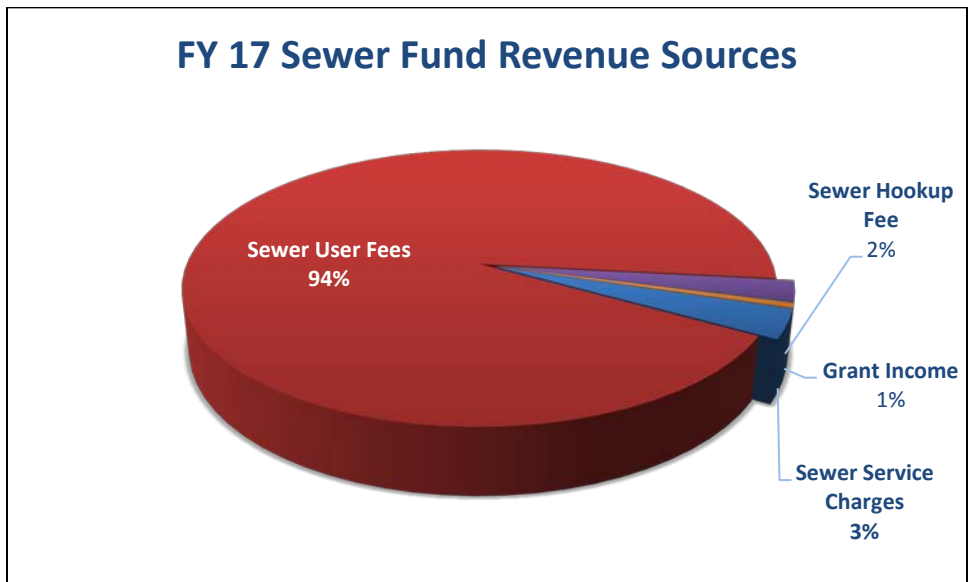
Fund Balance — The difference in estimated revenues and expenditures, combined with a beginning fund balance, contribute to an FY16 estimated fund balance of \$1.4 million, which is \$113,288 less than the budget.

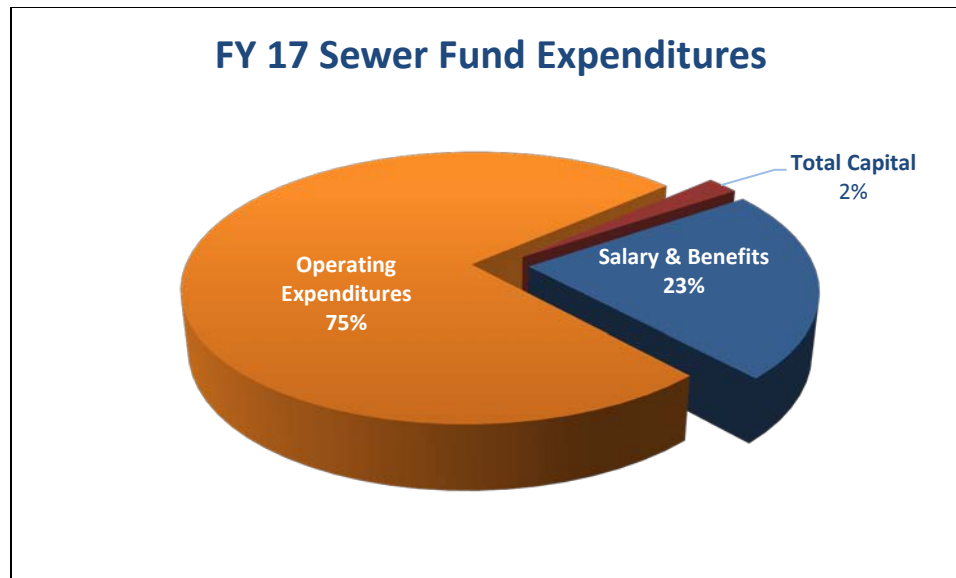
FY17 Budget

Revenues for FY17 are estimated at \$4.16 million, reflecting growth of 12.24% over the FY16 year-end estimate level of \$3.7 million.

Expenditures & Capital — Expenditures approved for FY17 are approximately \$3.8 million, which reflects an increase of 1.14% from the FY16 year-end estimate of \$3.75 million. Capital expenditures approved for FY17 are \$79,780. Specific capital purchases include financing the debt on a backhoe at \$39,780 over 5 years (\$180,000) and replacement of the Director’s Tahoe for \$40,000.

Fund Balance — After expenditures and capital, the budget projects an ending fund balance of \$1.77 million, which is an increase of \$372,931 from the FY16 year-end estimate. Because the fund balance is projected to exceed the targeted 25% reserve, any funds that exceed this will be allocated to the Sewer Contingency Reserve.





FY18 Budget

Revenues — Total income for FY18 is estimated at \$4.6 million, which reflects a 10% increase over the FY17 budget of \$4.16 million.

Expenditures & Capital approved in the FY18 budget are \$4.18 million, reflecting a 10.30% increase from FY17. Other contractual services increased 12% from FY17 to FY18 as a result of sewer fees to be collected by Omaha.

Fund Balance — After expenditures and transfers to the Capital Improvement Fund, the budget projects an ending fund balance of \$1.8 million, which is slightly higher than FY17.

Summary

The fees paid to the City of Omaha to treat sewage represents a significant portion of the FY17/FY18 budget. Specifically, 65% of the total operational costs in FY17 and 66% in FY18.

The sewer fund budget currently includes 75/25 split with the General Fund for Administrative Services, Administration, Streets Administration and Human Resources. *(The salary and benefits of the Assistant Public Works Director/City Engineer; Secretary; and Intern are split 50/50 between Streets Administration and Sewer Administration).* Upon the implementation of the new financial software in FY17, this split will be further reviewed.

As noted in prior years, the City's sewer infrastructure is beginning to show its age and it is anticipated that significant repair/reconstruction will be required in the future. In anticipation of this, in FY12 the City established a Sewer Replacement Reserve of \$300,000.

Funds in excess of a 25% cash reserve are being put into the reserve annually. The estimated FY16 reserve balance is \$548,054.

41 - Sewer Administration

		FY15	FY16	FY17	FY18
		Actual	Budget	Adopted	Adopted
PERSONNEL SERVICES					
101	Salaries - Full-Time	290,771	318,536	345,446	355,733
102	Salaries - Part-Time	6,869	22,520	27,707	28,746
103	Overtime Salaries	1,253	730	1,028	1,067
104	FICA	22,164	25,752	28,290	29,639
105	Insurance Charges	27,080	40,747	42,849	45,421
107	Pension	14,023	15,278	16,950	17,442
108	Pension/ICMA	3,721	4,039	4,114	4,188
Total Personnel Services		368,018	427,602	466,384	482,236
COMMODITIES					
201	Office Supplies	4,628	3,779	3,870	3,948
202	Books and Periodicals	134	311	299	305
203	Food Supplies	82	158	158	161
204	Wearing Apparel	28	-	-	-
205	Motor Vehicle Supplies	4	-	-	-
Total Commodities		4,876	4,248	4,327	4,414
CONTRACTUAL SERVICES					
301	Postage	1,126	1,271	1,275	1,301
302	Telephone	1,964	1,905	2,342	2,374
303	Professional Services-Other	13,271	1,588	1,250	1,275
304	Utilities	7,490	6,897	7,322	7,523
307	Car Allowance	1,920	1,830	1,890	1,890
308	Legal Advertising	195	375	375	383
309	Printing	990	902	965	984
310	Dues and Subscriptions	1,995	2,441	3,454	3,523
311	Travel	5,540	8,039	9,951	12,100
313	Training	7,005	6,877	9,591	10,587
314	Other Contractual Services	4,678	8,569	30,605	31,217
320	Prof Services-Auditing	14,452	13,600	15,516	16,292
321	Professional Services-Legal	57,141	37,179	37,179	37,922
Total Contractual Services		117,767	91,473	121,715	127,371
OTHER CHARGES					
505	Other Charges	4,650	10,645	12,322	12,569
Total Other Charges		4,650	10,645	12,322	12,569
Total Sewer Administration		495,311	533,968	604,748	626,590

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Sewer Administration

The Administration, Administrative Services and Human Resources budgets are partially funded by the Sewer Administration budget. The line items below fund 25% of the total of these same line items in the budgets mentioned above.

Budget Line Item

- 101 Full Time Salaries**
This line item provides partial funding for full time positions.
- FY17 - A 3% base factor is included for potential salary increases. In order to get all employees on a common salary increase date (October 1) in conjunction with the new performance evaluation system, everyone will receive a base factor increase in October 2016.
- The increase in FY17 is due to moving the HR Manager's salary from Administrative Services to Human Resources.
- FY18 - While a 3.75% increase for salaries is shown, during budget preparation next year we will have data from performance reviews and will be able to budget actual increase percentages.
- 102 Part Time Salaries**
This line item provides partial funding for part time and seasonal positions.
- 103 Overtime**
This line item provides partial funding for overtime expenditures. Overtime is approved on an as-needed basis.
- 104 FICA**
This is a mandatory withholding match that is a fixed percentage of salaries.
- 105 Insurance Charges**
This line item funds the City's portion of health, dental, life and disability insurance for employees. In an effort to keep health insurance rates at a manageable level, the City takes on a portion of the liability by funding a portion of the deductible, which results in lower premiums. Actual savings, if any, will depend on plan usage during a given year.
- FY17 - A potential 6% increase in insurance premiums is included, but the new funding mechanism has shown good results to date and will hopefully help us better keep insurance costs under control.
- FY18 - A potential 6% increase in insurance premiums is included for planning purposes, however our insurance program is reviewed annually and any necessary adjustments will be made.

- 107 Civilian Pension**
This line item partially funds the City's portion of employee pension contributions.
- 201 Office Supplies**
This line item partially funds miscellaneous office supplies including copy machine and postage meter supplies.
- 202 Books and Periodicals**
This line item partially funds the purchase of books and periodicals including new NE Revised Statute books.
- 203 Food Supplies**
This line item partially funds any food supplies purchased for meetings, etc.
- 204 Wearing Apparel**
No funding requested in this line item.
- 205 Motor Vehicle Supplies**
No funding requested in this line item.
- 211 Other Commodities**
No funding requested in this line item.
- 301 Postage**
This line item partially funds the mailing of the City Newsletter and other general mailing expenses.
- 302 Telephone**
This line item partially funds telephone services.
- 303 Professional Services - Other**
This line item partially funds services such as employee drug testing, engineering services and any additional professional services.
- 304 Utilities**
This line item partially funds all utility costs. An across-the-board increase of 3% is approved this year for all utilities.
- 308 Legal Advertising**
This line item partially funds advertising costs for employment positions and legal notices.
- 309 Printing**
This line item provides partial funding for printing the City Newsletter, letterhead and stationary, and other miscellaneous printing projects.
- 310 Dues and Subscriptions**
This line item partially funds professional memberships and certifications for employees as well as subscriptions.

- 311 Travel Expenses**
This line item partially funds all authorized trips and the expenses related to meals, lodging, transportation and miscellaneous incidental costs.
- 312 Towel/Cleaning Service**
No funding requested in this line item.
- 313 Training**
This line item partially funds all training course registrations costs and seminar costs.
- 314 Contractual Services**
This line item partially funds on-going service contracts and contracts associated with special projects.
- 321 Professional Services – Legal**
This line item partially funds legal fees.
- 505 Other Charges**
This line item partially funds the purchase of supplies that do not logically fall into any one of the scheduled accounts and other miscellaneous expenses.

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42 - Sewer Maintenance

		FY15	FY16	FY17	FY18
		Actual	Budget	Adopted	Adopted
PERSONNEL SERVICES					
101	Salaries - Full-Time	243,006	247,992	254,281	263,160
102	Salaries - Part-Time	15,988	29,138	30,078	31,206
103	Overtime Salaries	7,121	13,350	13,669	14,181
104	FICA	19,578	22,304	22,899	23,603
105	Insurance Charges	52,485	58,238	50,456	53,484
107	Pension	14,998	16,605	15,910	15,788
Total Personnel Services		353,176	387,627	387,293	401,422
COMMODITIES					
201	Office Supplies	122	200	1,330	200
203	Food Supplies	25	100	100	102
204	Wearing Apparel	1,749	1,580	1,580	1,612
205	Motor Vehicle Supplies	13,648	27,239	25,639	26,152
206	Maint/Lab/Med Tool Supply	1,005	1,000	1,000	1,020
207	Janitor Supplies	222	200	200	204
208	Chemical Supplies	8,410	8,500	8,500	8,670
209	Welding Supplies	644	700	700	714
Total Commodities		25,825	39,519	39,049	38,674
CONTRACTUAL SERVICES					
301	Postage	648	642	713	727
302	Telephone	480	480	1,680	1,714
303	Professional Services-Other	1,989	2,814	2,814	77,870
304	Utilities	5,216	9,270	8,500	8,670
305	Insurance and Bonds	93,834	98,404	106,250	109,438
308	Legal Advertising	4	150	150	153
309	Printing	3,056	2,623	3,500	3,570
310	Dues and Subscriptions	-	40	40	41
311	Travel	5,345	9,366	6,550	6,681
312	Towel and Cleaning Services	991	1,500	1,884	1,922
313	Training	3,170	2,895	2,795	2,851
314	Other Contractual Services	1,916,487	2,236,241	2,420,473	2,715,705
320	Prof Services-Auditing	4,808	4,800	6,034	6,336
321	Professional Services-Legal	-	15,000	15,000	15,300
Total Contractual Services		2,036,028	2,384,225	2,576,383	2,950,978

42 - Sewer Maintenance

		FY15	FY16	FY17	FY18
		Actual	Budget	Adopted	Adopted
MAINTENANCE					
401	Building and Grounds	6,180	10,500	10,500	10,710
405	Sanitary Sewers	3,131	4,527	5,000	5,100
409	Machine Equip and Tool Maint.	4,787	8,309	10,509	10,719
410	Motor Vehicle Maintenance	11,215	18,330	14,530	14,821
411	Radio Maintenance	-	1,500	1,500	1,530
Total Maintenance		25,313	43,166	42,039	42,880
OTHER CHARGES					
505	Other Charges	59	150	150	153
Total Other Charges		59	150	150	153
CAPITAL OUTLAY					
613	Motor Vehicles	-	-	79,780	52,280
618	Other Capital Outlay	-	405,300	-	9,200
Total Capital Outlay		-	405,300	79,780	61,480
Total Sewer Operations		2,440,401	3,259,987	3,124,694	3,495,587

Maintenance

The Sewer Budget consists of operating expenses related to the Sewer Division.

Budget Line Item

- 101 Full Time Salaries**
Salaries for the positions noted above are included in this line item.
- FY17 – A 3.0% base factor is included for potential salary increases. In order to get all employees on a common salary increase date (October 1) in conjunction with the new performance evaluation system, everyone will receive a base factor increase in October 2017.
- FY18 – While a 3.75% increase for salaries is shown, during budget preparation next year we will have data from performance reviews and will be able to budget actual increase percentages.
- 102 Part Time Salaries**
This line item provides funding for one part time and one seasonal positions.
- 103 Overtime**
This line item provides overtime funding for six full-time positions. Overtime is approved on an as-needed basis. The major contributing factor to overtime is snow removal operations. Overtime is also needed during Salute to Summer, sewer plugs and occasional emergency call-outs from dispatch.
- 104 FICA**
This is a mandatory withholding match that is a fixed percentage of salaries. The line item has been increased in proportion to the proposed salary increases.
- 105 Insurance Charges**
This line item funds the City's portion of health, dental, life and disability insurance for employees. In an effort to keep health insurance rates at a manageable level, the City takes on a portion of the liability by funding a portion of the deductible, which results in lower premiums. Actual savings, if any, will depend on plan usage during a given year.
- FY17 – A potential 6% increase in insurance premiums is included, but the new funding mechanism has shown good results to date and will hopefully help us better keep insurance costs under control.
- FY18 – A potential 6% increase in insurance premiums is included for planning purposes, however our insurance program is reviewed annually and any necessary adjustments will be made.
- 107 Civilian Pension**
This line item funds the City's portion of employee pension contributions.

- 201 Office Supplies**
This line item funds supplies used in the front office, Sewer Foreman's office and general use by hourly employees.
- FY17 – A one-time purchase of \$1,130 was approved to purchase two iPads. The iPads will be used in the jet truck and combo truck for digital mapping and record keeping.
- 203 Food Supplies**
This line item funds two breakfast meetings with supervisory staff and the City Engineer.
- 204 Wearing Apparel**
This line item funds the purchase of safety boots, safety shirts, rain gear, and safety equipment for six full time, one part time and one seasonal employees.
- 205 Motor Vehicle Supplies**
This line item funds the purchase of fuel, oil, anti-freeze and tires for 8 vehicles and 12 pieces of equipment.
- 206 Lab and Maintenance Supplies**
This line item funds the purchase of replacement tools and equipment such as power tools, mechanic tools, sewer tools, shovels, rakes and all other construction related tool requirements.
- 207 Janitorial Supplies**
This line item funds paper products and cleaning supplies for the Sewer Shop.
- 208 Chemical Supply**
This line item is for the purchase of chemical products used to treat sanitary sewer lines and related right-of-way areas.
- 209 Welding Supplies**
This line item funds welding supplies to maintain 8 vehicles and 12 pieces of equipment in addition to any building and grounds repairs.
- 211 Other Commodities**
No funding was requested for this line item.
- 301 Postage**
This line item includes funding for the sewer portion of the newsletter postage and other postage costs.
- 302 Telephone**
This line item covers the access to the internet for One Call and GIS mapping. Requesting an additional \$1,128 for air cards to operate two iPads in the field.

- 303 Professional Services - Other**
This line item funds the State of Nebraska fuel tank registration, employee drug testing, engineering services and any additional professional services
- 304 Utilities**
This line item funds all utility costs for the sewer shop and old sewer treatment plant.
- 308 Legal Advertising**
This line item funds advertising for seasonal employment positions.
- 309 Printing**
This line item funds the sewer's portion of printing the City Wise newsletter as well as other miscellaneous printing costs.
- 310 Dues and Subscriptions**
This line item funds the professional memberships and certifications for six full time employees. Examples include Nebraska Pesticide Applicators License and Water Operators License.
- 311 Travel Expenses**
This line item funds all authorized trips and the expenses related to meals, lodging, transportation and miscellaneous incidental costs. Funding decreased by \$2,686 for removing one-time CUES training.
- FY17 – Funding is included for most of the sewer staff to attend various conferences. Sewer Foreman, MWII & MWI attend the NWEA Fall Conference, League of Nebraska Municipalities Wastewater Operations Snowball Conference. Sewer Foreman & one MWII or MWI attend the Pumper Cleaner Expo. Sewer Foreman & MWII attend Pesticide Applicator, Metam Sodium Training. One MWII attends the AWWA Conference, One MWII Attends Pool Operator Training.
- FY18 – Funding is included for most of the sewer staff to attend various conferences. Sewer Foreman, MWII & MWI attend the NWEA Fall Conference, League of Nebraska Municipalities Wastewater Operations Snowball conference. Sewer Foreman & one MWII or MWI attend the Pumper Cleaner Expo. . Sewer Foreman & MWII attend Pesticide Applicator, Metam Sodium Training. One MWII attends the AWWA Conference, One MWII Attends Pool Operator Training.
- 312 Towel/Cleaning Service**
This line item funds the laundering of Public Works uniforms. Approximately \$700 increase due to contract with new vendor.
- 313 Training**
This line item includes all training courses and seminar costs. Funding decreased by \$300 from removing one-time CUES training.
- FY17 – Funding is included for most of the sewer staff to attend various conferences. Sewer Foreman, MWII & MWI attend the NWEA Fall Conference, League of Nebraska Municipalities Wastewater Operations Snowball Conference. Sewer Foreman & one MWII or MWI attend the Pumper Cleaner Expo. Sewer Foreman & MWII attend

Pesticide Applicator, Metam Sodium Training. One MWII attends the AWWA Conference, One MWII Attends Pool Operator Training.

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314 Contractual Services

This line item funds contracts for the following services: City of Omaha sewer treatment; Heritage Crystal Clean; Papillion Sanitation; Simplex Grinnel; Sarpy County 800MHz; One Call; Cummings Generator Inspection and vehicle loan payment.

FY17 – Requesting additional \$412,371 for sewer treatment in conjunction with City of Omaha rate increases and expansion of the City’s ETJ, as well as additional sewer accounts from anticipated development.

321 Professional Services – Legal

Funding approved at same level as last year.

401 Building and Grounds

Funds in this line item are used for the repair and maintenance of the sewer shop and old sewer treatment building.

405 Sanitary Sewer Maintenance

This line item provides funding for the repair and maintenance of the sanitary sewer system.

FY17 – Funding increase of \$500.00 for potential purchase of pipe patching material.

409 Machine – Equipment and Tool Maintenance

This line item funds the repair, maintenance and replacement of maintenance tools and equipment such as marking paint, pry bars, blowers and generators.

FY17 - A one-time purchase of \$5000.00 was approved for purchase of wireless communication/hearing protection head set.

410 Motor Vehicle Maintenance

This line item funds replacement parts for 8 vehicles and 12 pieces of equipment. Funding decreased by \$5,300.00 for removing one-time purchases in FY16.

411 Radio Maintenance

This line item funds the repair and maintenance of the radio system.

505 Other Charges

This line item funds the purchase of supplies that do not logically fall into any one of the scheduled accounts such as expenses for the annual employee appreciation dinner.

Sewer Maintenance Capital Items

FY17

613 Motor Vehicles

Tahoe 4x4 - \$ 40,000

The current 2002 Tahoe (#3301) driven by the Director of Public Works has over 140,000 miles. Rust has started to form on the exterior and the interior console is dilapidated. Because this vehicle is used to transport city staff, consultants, and dignitaries, it should reflect positively on the city's image. This vehicle will remain in the fleet for general transportation needs.

Backhoe - \$ 39,780 (financed)

\$39,780 is budgeted over the next five years to cover the total approximate cost of \$200,000. Currently, we have a 2005 Case 590 Super M Series 2. The hydraulic system is losing power, the rollover protection system is rusting, and the hood and side covers are rusted exposing the engine to outdoor elements. The backhoe is used to dig up sewer lines, tear out old concrete, and snow removal.

FY18

618 Other Capital

Push Camera - \$12,500

A push camera will enable us to televise smaller pipes. It can be used by many departments (Public Works, Fire Department, City Hall, etc.) where smaller drains are present.

Arrow Board - \$9,200

The two arrow boards we currently own are starting to rust. By replacing these with the new Wanco LED style boards, the lights are more visible to drivers, thus increasing traffic safety.

Department Name	Code	Capital Item	FY17	FY18
42 - Sewer Operations				
Sewer Operations	0613	Backhoe	39,780	39,780
	0613	Push Camera	-	12,500
	0613	Tahoe 4x4	40,000	-
Sewer Operations	0618	Arrow Board	-	9,200
Total Sewer Operations			\$ 79,780	\$ 61,480
Total Sewer Fund Expenditure			\$ 79,780	\$ 61,480

Storm Water Management

The City has been the recipient of a Nebraska Department of Environmental Quality Storm Water Management grant in the amount of \$22,918 annually. A local match of \$4,816 is required and is used to comply with storm water management per the Clean Water Act. Additionally, the funding in the amount of \$28,500 is included for Hell Creek Channel maintenance.

43 - Storm Water Management					
		FY15	FY16	FY17	FY18
		Actual	Budget	Adopted	Adopted
	OTHER CHARGES				
401	Hell Creek Channel Mtce	-	-	28,500	28,500
505	Other Charges	30,246	27,502	30,000	27,502
Total Other Charges		30,246	27,502	58,500	56,002
Total Stormwater Management		30,246	27,502	58,500	56,002

Storm Water Management

Budget Line Item

505

Other Charges

This account was created to manage grant funding made available by the Nebraska Department of Environmental Quality (NDEQ) for implementation of the Storm Water Management Plan (SWMP) for the City of La Vista. These funds can only be used only for implementation of the SWMP, not normal operation and maintenance or flood control. The City is required to provide a 20% match for all grant funding. For FY17 the expenses will include contracting with Up Stream Weeds for public outreach and education, Papillion Creek Watershed Partnership, printing public education brochures and miscellaneous expenses associated with public outreach events.

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