



City Council Report

Date: May 18, 2015
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Candace Cannistraro, Management and Budget Director
Subject: Environmental Compliance Fee Update

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to provide an update of the Environmental Compliance Fee for the FY 15/16 budget.

Background

The Environmental Compliance Fee is a set amount applied to each utility account customer to meet the projected costs of Federal and State environmental mandates. The current rate is \$7.32 per month per account. If a customer has multiple services at the same location, the fee is applied only once.

Discussion

The current fee is estimated to generate \$14.8 million in revenue in FY15/16. The fee funds the city's environmental activities such as air quality, storm water quality, hazardous waste management, and asbestos management.

There are about 43 full-time equivalent positions allocated to the Environmental Compliance Fund. These include various positions such as basin maintenance workers, equipment operators for street sweepers, inspectors, support staff, etc. The following is a breakdown of the FY 14/15 budget, the FY 15/16 proposed budget, and the FY 15/16 full-time equivalent (FTE) position count:

	14/15 Adopted Budget	15/16 Proposed Budget	15/16 FTE
Air Quality	\$ 894,419	\$ 829,158	2.45
Stormwater			
Street Cleaning	\$ 2,784,519	\$ 2,928,346	7.00
Basin Maintenance	\$ 6,125,541	\$ 6,356,027	16.90
Storm Drain Maintenance	\$ 1,911,000	\$ 3,708,217	4.51
Hazardous Material / Asbestos	\$ 805,589	\$ 816,116	1.88
Other Compliance Areas, Oversight, Enforcement	\$ 2,349,622	\$ 2,410,661	10.15
	\$ 14,870,690	\$ 17,048,525	42.89

The FY 15/16 proposed budget includes a one-time expense of \$1.0 million to replace many water pumps in retention basins. Also included is \$1.7 million in expenses carried over from FY 14/15. The significant items carried over include an additional \$1.0 million for additional water pumps and \$300,000 for wash racks. The on-going expense budget for FY 15/16 is \$14.4 million. No adjustments are recommended for the fee amount. The on-going proposed budget for the Environmental Fee Fund is consistent with the FY 14/15 budget.

Alternatives

No Council action required.

Fiscal Impact

No fiscal impact anticipated.