

City of Ballwin
14811 Manchester Road
Ballwin, MO 63011-3717



Office of the Director of Development/
Assistant City Administrator

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TO: Mayor, Board of Aldermen and City Administrator Hanson

FROM: Andy Hixson, DoD/ACA

DATE: February 22, 2017

SUBJECT: Sewer Laterals

Mayor, Members of the Finance and Administrative Committee and City Administrator Hanson;

The three year rolling average of the actual revenue is about \$290,000 a year. There is no minimal fund balance that must be carried over year-to-year per ordinance. The new housing boom in Ballwin will only increase this average with new construction, yet new homes will not need the program soon. The \$290,000 average in revenue is enough to cover 96 sewer lateral repairs based on the average cost of a sewer lateral repair (\$2671) for the past three years. The City of Ballwin averages 102 sewer lateral repairs per year over the last three years. We ran a surplus until 2004 in which the \$3000 cap was raised to \$3500. That and increased demand has created a shortage of funds since 2005, we have not monetarily been able to keep up and therefor, as of this memo, the City only has 11 more spaces left for 2017.

Recommendations:

- The City needs to bid for a sole source vendor for sewer lateral repairs
 - The \$3000 cap is only hit about 18% of the time, but there is room for taking advantage of the cap by contractors
 - Allows the City to hold one vendor responsible
 - Having a bidding process in place, provides the best value for the City and the residents
 - We already have a bid template
 - We will need to modify the City's Ordinances if this passes
 - Should rebid every, 2,3,4, or 5 years

- The City needs to start charging a user fee per repair
 - Administrative cost is based on the average amount of time spent by personnel on sewer laterals; this can vary per year based on salaries. FY 2016 was \$33,516.
 - This would be a permanent increase
 - \$150 (\$15,300 per year average) per sewer lateral repair offsets 45% of the 2016 administrative cost
 - \$250 (\$25,500 per year average) per sewer lateral repair, it will offset most (76%) of the 2016 administrative cost
 - Charging \$330 per repair will offset 100% of the 2016 administrative cost
 - This would reduce realtors from using this program to sell homes
 - Offsets administrative cost
 - This is a user fee, if one does not use the program, one does not pay for the program
 - Charging a user fee would allow more repairs to be done
 - \$150 fee would equate to 5 more per year
 - \$250 fee would equate to 9 more per year
 - \$330 fee would equate to 12 more per year
 - *If the resident is over 70, the City can void the user fee*
- Increase the property tax from \$28 to \$50 (the maximum allowed by state statute)
 - Annual revenue increase would be about \$233,000
 - Number of additional annual repairs permitted at \$2671 would be 87
 - Could roll back or revisit the property tax in 2 to 3 years after the adjustment
 - “Alderman Terbrock suggested that if special assessment fees were to be raised that an outline be provided for how long the fees would be raised in order to even out the amount of repairs being done and the sewer lateral funds available.” – From the November 28 F&A Meeting Minutes
- Other Cities
 - *These are just prices, not how the program is doing*
 - Des Peres assess \$28 a year in property tax; \$150 user fee; \$7500 cap
 - Manchester assess \$28 a year in property tax and \$350 user fee; \$6,000 cap
 - Ellisville charges \$28 a year in property tax; \$0.70 Fee/Ft of storm sewer, \$6.00 Fee/Ft. for street cut
 - Chesterfield assess \$28 a year in property tax; \$100 user fee; \$15,000 cap
 - St. Louis County assess \$28 a year in property tax; no user fees and no cap
- Internal reporting needs to sharpen up
 - Records need to be cleaned up
 - Need to record the vendor on our internal report every time
 - Need to follow up with end of year reporting

- An application needs to be able to be filled out online then printed off
 - Next step is to make the application able to be filled out online
 - Update the application as necessary
- The City needs to maintain and even increase its tight control over what is approved and what is voided

Respectfully Submitted,



Andy K. Hixson

Attachments (4)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	16 year avg
Receipts	196,599	292,145	360,678	253,934	394,482	301,479	298,676	293,061	296,437	288,529	300,866	289,671	364,041	295,440	296,468	295,192	296,958	307,378
Disbursements	243,722	284,721	298,267	236,637	298,457	364,836	291,222	289,746	266,672	311,760	259,218	260,431	237,215	271,588	274,524	274,402	267,772	280,467
Repairs	52	92	104	78	103	117	87	88	77	93	81	89	84	97	97	101	108	94
Applications received													119	99	121	91	106	5 yr avg 107
Applications rejected													11	11	7	13	19	12
Applications accepted													108	88	114	78	87	95
Current applications carried forward														82	97	73	66	4 yr avg 80
Current applications completed														17	24	18	40	25

Current receipts	295,000
Proposed additional receipts	233,000
Less: Admin fees	<u>-34,000</u>
Available for repairs	494,000
Avg Cost =\$2,671	
New Annual Repair capacity	185
2016 Applications carried forward	66
2017 Applications expected	<u>95</u>
	161

Projection - 3 Years

(Assumption: \$50 assessment in years 2017-2019)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Beginning Balance	230,586	401,986	491,279	721,684
Receipts	463,000	528,000	528,000	360,000
Disbursements	(262,000)	(408,663)	(267,100)	(280,455)
Admin fees	<u>(29,600)</u>	<u>(30,044)</u>	<u>(30,495)</u>	<u>(30,952)</u>
Ending Balance	401,986	491,279	721,684	770,277

Repairs

Carried over	66	63	5	5
Current year	<u>32</u>	<u>90</u>	<u>95</u>	<u>100</u>
Total	98	153	100	105

Projection - 2 Years

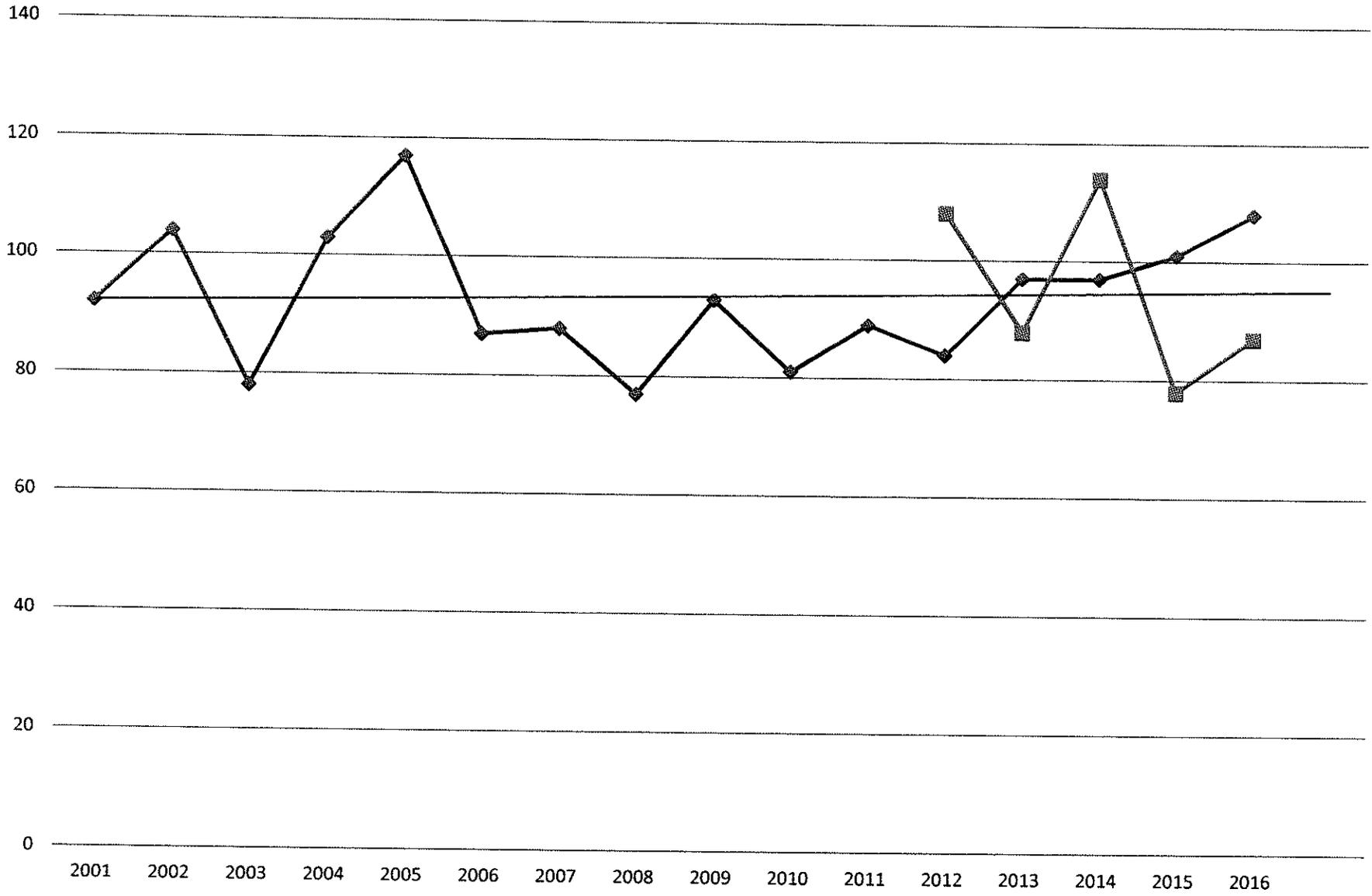
(Assumption: \$50 assessment in years 2017-2018)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Beginning Balance	230,586	401,986	491,279	553,684
Receipts	463,000	528,000	360,000	295,000
Disbursements	(262,000)	(408,663)	(267,100)	(280,455)
Admin fees	<u>(29,600)</u>	<u>(30,044)</u>	<u>(30,495)</u>	<u>(30,952)</u>
Ending Balance	401,986	491,279	553,684	537,277

Repairs

Carried over	66	63	5	5
Current year	<u>32</u>	<u>90</u>	<u>95</u>	<u>100</u>
Total	98	153	100	105

Sewer Lateral Repairs Funded



◆ Repairs ■ Applications — Linear (Repairs)



2016 SEWER LATERAL FEES

As Filed in the Division of Accounting & Extension
Department of Revenue

CODE	CITY	FEES	CODE	CITY	FEES
C-002	BELLA VILLA	50.00	C-053	SHREWSBURY	28.00
C-003	BELLERIVE	28.00	C-054	SYCAMORE HILLS	28.00
C-004	BEL-NOR	28.00	C-055	TWIN OAKS	28.00
C-005	BEL RIDGE	28.00	C-056	UPLANDS PARK	28.00
C-007	BERKELEY	28.00	C-057	UNIVERSITY CITY	50.00
C-008	BEVERLY HILLS	28.00	C-058	VALLEY PARK	25.00
C-009	BRENTWOOD	50.00	C-059	VELDA CITY	28.00
C-010	BRIDGETON	28.00	C-060	VELDA VILLAGE HLS	28.00
C-012	CALVERTON PARK	28.00	C-061	VINITA PARK	50.00
C-013	CHARLACK	28.00	C-062	VINITA TERRACE	28.00
C-014	CLAYTON	28.00	C-063	WARSON WOODS	50.00
C-015	COUNTRY CLUB HILLS	28.00	C-064	WEBSTER GROVES	42.00
C-016	CRYSTAL LAKE PARK	50.00	C-065	WILBUR PARK	50.00
C-017	DES PERES	28.00	C-067	WOODSON TERRACE	28.00
C-019	ELLISVILLE	28.00	C-069	CRESTWOOD	28.00
C-022	FERGUSON	28.00	C-070	LAKESHIRE	50.00
C-023	FLORDELL HILLS	28.00	C-072	ST. ANN	10.00
C-024	FLORISSANT	28.00	C-073	EDMUNDSON	50.00
C-025	FRONTENAC	28.00	C-076	HANLEY HILLS	28.00
C-027	GLEN ECHO PARK	50.00	C-078	WELLSTON	28.00
C-029	GRANTWOOD VILLAGE	50.00	C-080	HAZELWOOD	5.00
C-031	JENNINGS	18.00	C-081	MOLINE ACRES	28.00
C-032	KIRKWOOD	28.00	C-082	CREVE COEUR	28.00
C-034	MACKENZIE	50.00	C-084	BRECKENRIDGE HILLS	28.00
C-035	MAPLEWOOD	39.00	C-085	PAGEDALE	28.00
C-037	MARLBOROUGH	28.00	C-086	GREENDALE	50.00
C-039	NORMANDY	28.00	C-087	CLARKSON VALLEY	28.00
C-040	NORTHWOODS	28.00	C-088	BELLEFONTAINE NEIGHBORS	28.00
C-041	OAKLAND	28.00	C-089	RIVERVIEW	28.00
C-042	OLIVETTE	50.00	C-093	BALLWIN	28.00
C-043	OVERLAND	28.00	C-094	MANCHESTER	28.00
C-045	PASADENA HILLS	28.00	C-095	DELLWOOD	28.00
C-046	PASADENA PARK	28.00	C-096	COOL VALLEY	50.00
C-048	PINE LAWN	28.00	C-104	MARYLAND HEIGHTS	50.00
C-049	RICHMOND HEIGHTS	39.00	C-105	CHESTERFIELD	28.00
C-050	ROCK HILL	28.00	C-106	GREEN PARK	35.00
C-051	ST. JOHN	28.00	C-000	UNINCORPORATED	28.00