



CITY COUNCIL

AGENDA BILL # AB23-0070

City of Algona
 200 Washington Blvd.
 Algona, WA 98001

ITEM INFORMATION			
SUBJECT:	Agenda Date: March 27th, 2023		
Sewer Rates	Department/Committee/Individual	Created	Reviewed
	Mayor		
	City Administrator		X
	City Attorney		X
	City Clerk		X
	Finance Dept		X
	PW/Utilities		X
	Planning Dept		
	Community Services		
	Police Dept		
Cost Impact:			
Fund Source:	Finance Committee		X
Timeline: 1st review – 3/13/23	Planning Commission		
2nd review – 3/27/23	Civil Service Committee		
Staff Contact: Jessica Griess, City Clerk; Tara Dunford, CPA			
Attachments: Ordinance xxxx-xx			
SUMMARY STATEMENT:			
<p>At the February Finance Committee, Tara Dunford, CPA, provided a financial analysis on the current sewer rates and a potential rate increase. The committee determined it would be appropriate to take an increase of 7.5% to council for approval, to cover the 5.75% King Co increase plus a little extra to go towards doing a system assessment. Russ is working on getting quotes on a system assessment. Once we know the approximate dollar amount of that, we can do a budget amendment and potentially get that work done this year, which will then lead into being able to do a sewer rate study and establish a good methodology for rates going forward.</p> <p>This is the second review of the proposed sewer rate increase. Attached is the Ordinance reflecting the 7.5% increase. The effective date is pending the Council's decision on when the new rates should start.</p>			
COMMITTEE REVIEW AND RECOMMENDATION:			
<p>The Finance Committee recommends moving forward with presenting Council with a 7.5% increase to cover the 5.75% King Co increase plus a little extra to go towards doing a system assessment.</p>			
RECOMMENDED ACTION:			
RECORD OF COUNCIL ACTION			
<i>Meeting Date:</i>	<i>Action:</i>	<i>Vote:</i>	

CITY OF ALGONA, WASHINGTON

ORDINANCE NO. 1218-23

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALGONA, WASHINGTON, AMENDING CHAPTER 2.50 AMC FEE SCHEDULE; UPDATING AND INCREASING THE CITY'S RATES FOR SANITARY SEWER SERVICE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Algona operates a sanitary sewer utility, and has adopted rates for sewer service that are codified at Chapter 2.50 AMC; and

WHEREAS, in accordance with the City's contract with King County, the City's sewer rates include a component for sewage disposal rates established by King County; and

WHEREAS, pursuant to King County Ordinance No. 19447, King County has increased its 2023 sewer rates; and

WHEREAS, it is necessary to update the sewer rates set forth at Chapter 2.50 AMC in order to reflect the amount of the recent King County rate increase;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALGONA, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Findings. The above recitals are hereby adopted by reference as legislative findings in support of this ordinance.

Section 2. Amendment of AMC 2.50.040. Section 2.50.040 of the Algona Municipal Code is hereby amended to provide in its entirety as follows:

The following monthly rates shall be charged the following classes of users of properties to which sewer service is available:

Class	Monthly Rate
Single-family residences	\$69.78 \$75.01 per mo.

Class	Monthly Rate
Single-family residences, unoccupied with water disconnected	\$ 23.27 \$25.02 per mo.
Multiple-residence buildings	\$ 69.78 \$75.01 per mo. per residential unit
Lots permitted for multi-dwellings on a single service	\$ 69.78 \$75.01 per mo. per residential unit
Business, commercial and industrial units; churches; service organizations; meeting halls; and schools (public and private)	\$ 69.78 \$75.01 per month for the first 750 cubic feet of water used as per meter readings, and \$ 9.23 \$9.92 for each additional 100 cubic feet or fraction thereof

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force _____, 2023.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE _____, 2023.

CITY OF ALGONA

Troy Linnell, Mayor

ATTEST/AUTHENTICATED:

Jessica Griess, City Clerk

Approved as to form:

J. Zachary Lell, City Attorney

Filed with the City Clerk:

Passed by the City Council:

Ordinance No.: 1218-23

Date of Publication:

	<u>King Co</u>	<u>% increase</u>
2018	44.22	
2019	45.33	2.50%
2020	45.33	0.00%
2021	47.37	4.50%
2022	49.27	4.00%
2023	52.11	5.75%
Increase - 2018 to 2023		17.84%

	<u>Algona</u>	<u>% increase</u>
2018	62.50	
2019	63.98	2.37%
2020	65.98	3.13%
2021	68.02	3.09%
2022	69.78	2.59% *
2023 proposed	73.79	5.75%
Increase 2018 to 2022		11.65%
Increase 2018 to 2023 - proposed		18.07%

*intent of ordinance was to increase rates by 4% but there was error in \$\$ increases applied within ordinance text

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 Budget</u>	<u>2023 Projected w/out Rate Increase</u>
Beginning Balance	212,632	284,591	361,939	401,696	523,096	662,504	662,504
Sewer Services	940,914	985,790	970,383	1,144,348	1,223,638	1,300,000	1,223,600
Sewer Connections	-	3,750	20,000	3,250	-	-	-
Late Fees - Sewer	6,338	4,750	1,631	3,573	11,475	12,000	12,000
Investment Interest	4,478	4,173	2,061	-	-	-	-
Total Revenues	951,729	998,463	994,075	1,151,171	1,235,114	1,312,000	1,235,600
Salaries & Wages	83,918	92,008	93,615	61,072	54,517	88,900	88,900
Personnel Benefits	34,010	34,021	32,045	30,818	21,804	34,600	34,600
Uniform Expense	256	263	142	212	188	500	500
Office & Operating Supplies	3,918	3,522	3,248	6,693	5,912	6,000	6,000
Fuel	1,243	1,397	810	1,463	2,339	2,000	2,000
Small Tools And Minor Equipment	716	420	676	78	1,072	1,500	1,500
Business & Occ/Excise Taxes	12,400	15,128	15,881	13,028	13,189	14,000	14,000
Professional Services	6,985	6,767	7,438	39,341	30,092	25,000	25,000
Communication	4,816	4,139	4,267	4,896	5,157	6,000	6,000
Travel & Training	656	698	1,592	3,940	739	1,500	1,500
Operating Rentals	3,756	3,474	2,603	383	377	3,000	3,000
Insurance	4,317	4,655	5,266	5,491	3,530	5,400	5,400
Utilities	8,154	7,324	3,563	7,473	7,920	9,000	9,000
Sewer Treatment Services	707,430	742,715	779,948	849,385	892,429	1,023,750	1,023,750
Repairs & Maintenance	2,574	843	1,690	2,037	5,079	3,000	3,000
Asset Replacement - Sewer	-	-	-	-	-	7,700	7,700
Miscellaneous	969	934	1,093	3,463	13,022	10,500	10,500
Capital Expenditures	3,655	2,808	440	-	-	-	-
Total Expenditures	879,770	921,115	954,318	1,029,771	1,116,864	1,242,350	1,242,350
Net Profit	71,959	77,348	39,757	121,400	118,250	69,650	(6,750)
Ending Balance	284,591	361,939	401,696	523,096	641,346	732,154	655,754

2023 budget = 5% increase over 2022 budget

2023 budget = 6% increase over 2022 actuals

Fund Balance as % of Expenditures

32% 39% 42% 51% 57% 59% 53%