



CITY COUNCIL AGENDA ITEMS

To: Mayor Graham and City Council
From: Dennis Sullivan, Director of Engineering & Public Works
Walter Denton, City Administrator
Date: September 19, 2005
Subject: ORDINANCE – Sewer Service Rates Ordinance Change

List of committees that have reviewed: The Public Works Committee reviewed a similar ordinance change, analysis of proposed rate change, and rate comparison data.

Background: The City of O'Fallon needs to set its sewer service rates to ensure that anticipated expenses are matched by revenues. Currently, the sanitary sewer system is operating within budget; however, needed infrastructure repair and maintenance is being delayed. The Capital Improvement Plan (CIP) which catalogues current and future maintenance, repair and improvements shows the sewer fund to have a deficit of \$4,000,000+ by FY10 based on revenue projections and estimates of needed repairs and improvements. A sheet attached to this agenda item provides a simplified analysis of the problem.

Legal Considerations, if any: None.

Budget Impact: The implementation of the proposed sewer service rate ordinance should generate funding that will allow the City to take on an increased number of repair projects per year and reduce our backlog of needed maintenance, repair and improvements.

Staff recommendation: Staff recommends amendment of the existing ordinance.

Note: The strikethroughs on the attached ordinance show deletions and the underlined/italicized sections are additions.