

Budget Workshop #3

Stormwater & Solid Waste, Street
Maintenance Sales Tax, CIP

August 2, 2022

Workshop 3 Agenda

- **Stormwater**
 - Fund Overview
 - Budget Additions
 - Capital Improvement Plan
 - Rates
- **Solid Waste**
 - Fund Overview
 - Budget Additions
 - Capital Improvement Plan
- **Street Maintenance Sales Tax**
 - Fund Overview
 - Capital Improvement Plan



Investing in Infrastructure



- The Street Preservation Program completed 26 lane miles of arterial mill and overlay, 33 lane miles of local and collector mill and overlay and 59 lane miles of surface treatment in 2021 for a total of 118 lane miles. The 2023 goal is for a minimum of 117 lane miles of all resurfacing.
- The combined Solid Waste programs achieved a diversion rate of 39% in 2021 (34.5% EPA national average).
- Record participation with our Household Hazardous Waste program (14,021 HHW customers).
- Stormwater continues to leverage outside SMAC funds. 32% of the proposed CIP is funded from SMAC.

Stormwater Fund

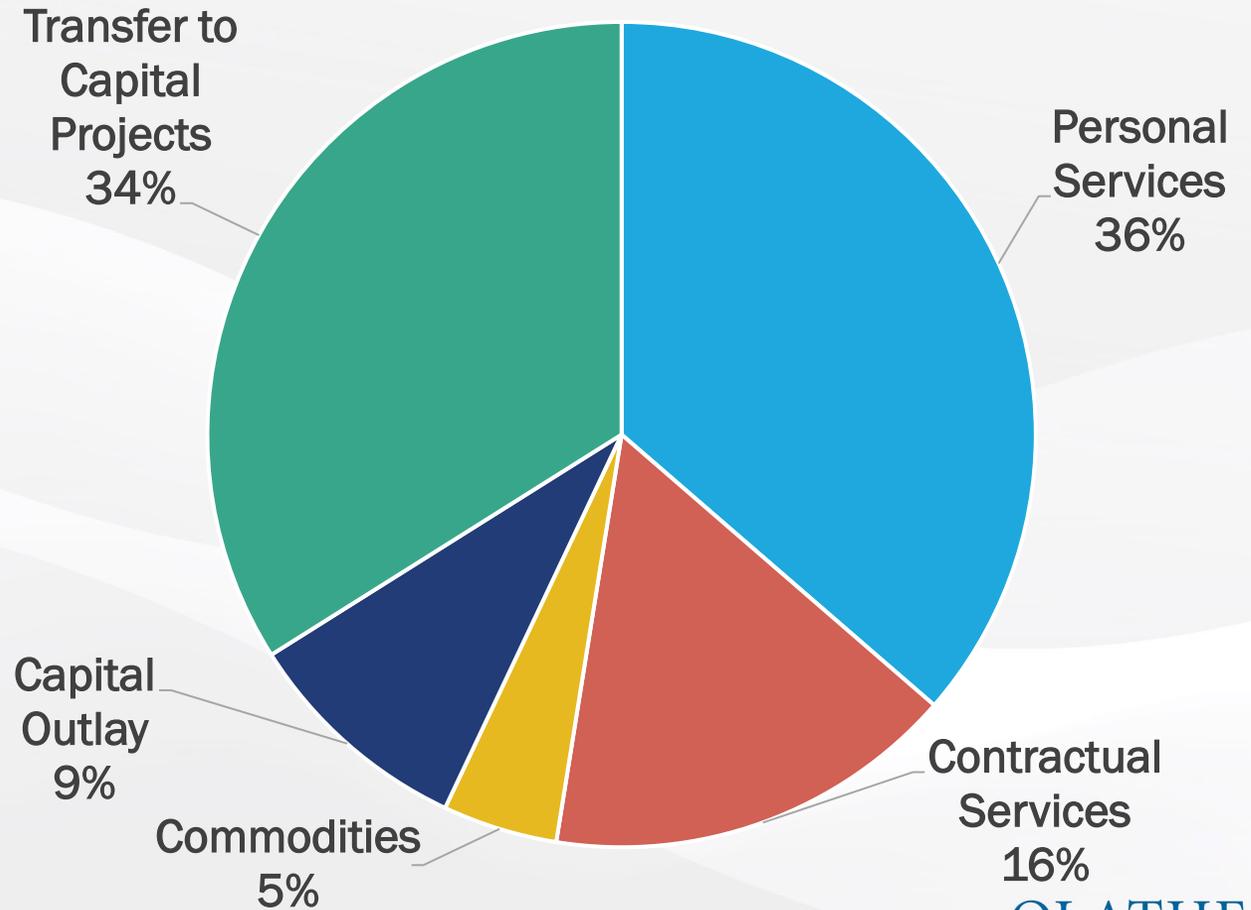
Stormwater Fund

	2021 Adopted	2022 Adopted	2023 Proposed	1-Year % Change
Stormwater Fund	\$6,816,867	\$7,722,070	\$7,349,179	-4.8%
Operating	\$4,214,861	\$6,389,633	\$6,125,182	-4.2%
Reserve	\$2,602,006	\$1,332,437	\$1,223,997	-8.1%

The 2023 Budget includes a 3% increase to Stormwater rates.

Stormwater Fund

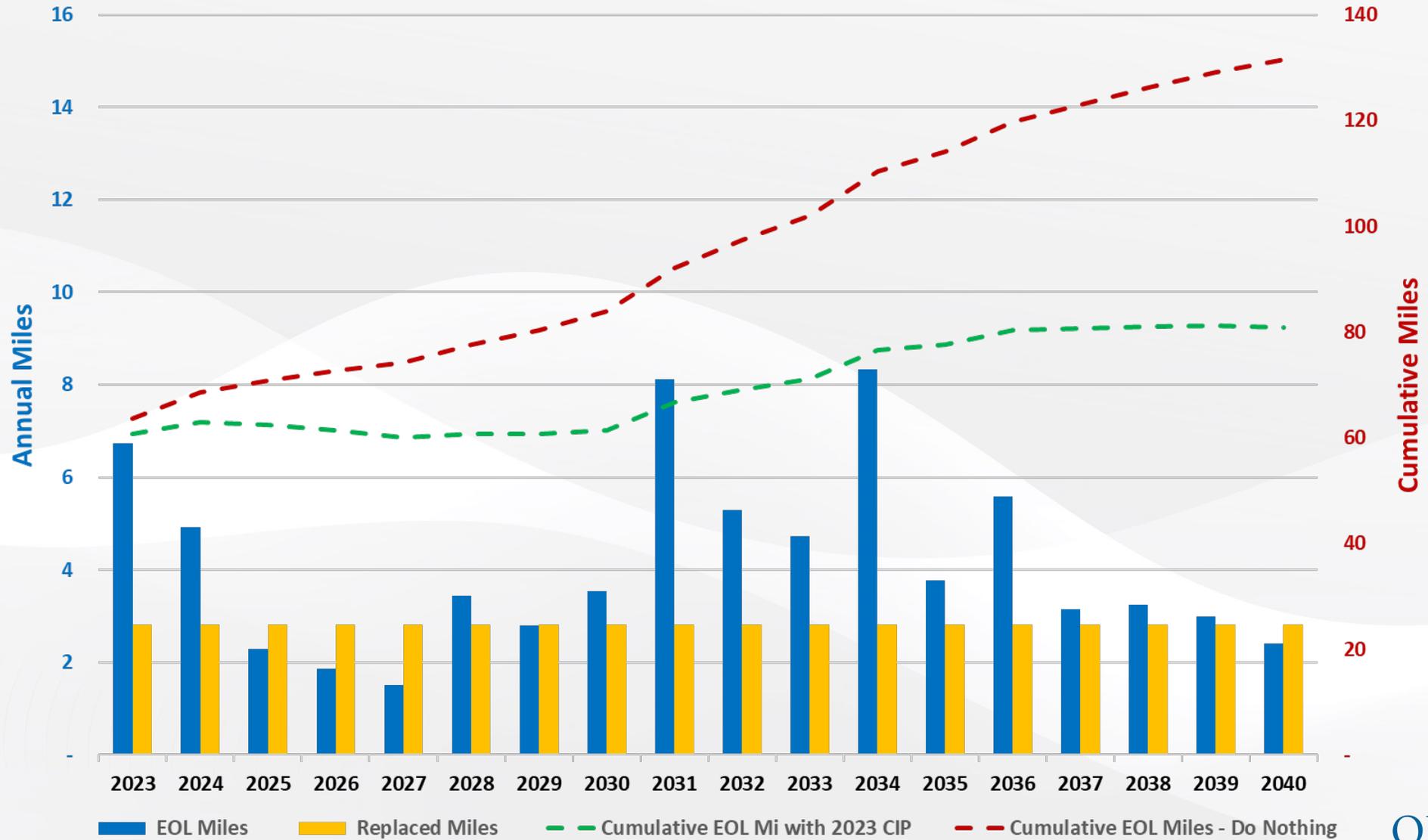
2023 Proposed Operating Budget: \$6,125,182



Stormwater Fund Budget Additions

	Stormwater Maintenance Crew (4 FTEs)
Cost	\$262,780
Impact	<ul style="list-style-type: none">• Increase work productivity and allow Stormwater to achieve maintenance goals.• All staffing to dedicate a full-time crew to replacement of failing corrugated metal pipe (CMP).

Corrugated Metal Storm Pipe Rehabilitation



Stormwater Fund CIP Projects

	2023	2024	2025	2026	2027	TOTAL
Cedar Lake Dam Restoration	\$610,000	\$4,050,000	-	-	-	\$4,660,000
Indian Creek – Lindenwood, Jamestown to Arrowhead	\$600,000	\$4,850,000	-	-	-	\$5,450,000
CMP Replacement & Stormwater Asset Management Project	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$8,000,000
Briarwood Stormwater Improvements	-	\$395,000	\$450,000	\$2,605,000	-	\$3,450,000
Streambank Stabilization Projects	-	-	\$500,000	\$500,000	\$500,000	\$1,500,000
Lake and Dam Restoration	-	-	-	\$500,000	\$500,000	\$1,000,000
TOTAL	\$2,810,000	\$10,895,000	\$2,550,000	\$5,205,000	\$2,600,000	\$24,060,000

Stormwater CIP Funding Source Summary

	2023	2024	2025	2026	2027	TOTAL
Revenue Bonds	\$300,000	\$3,000,000	\$500,000	\$1,250,000	\$500,000	\$5,550,000
SMAC Funding	\$430,000	\$4,227,500	\$625,000	\$1,535,000	\$1,000,000	\$7,817,500
Stormwater Fund Cash	\$2,080,000	\$3,667,500	\$1,425,000	\$2,420,000	\$1,100,000	\$10,692,500
TOTAL	\$2,810,000	\$10,895,000	\$2,550,000	\$5,205,000	\$2,600,000	\$24,060,000

Stormwater Rates

- ▶ Proposed increase of 3% for all stormwater customers (residential and non-residential)

	2022 - Monthly	2023 - Monthly	Amount Change
All Residential Customers	\$5.89	\$6.07	\$0.18
Non-Residential Examples (Based on Lot Size)			
15,000 sq. ft.	\$7.38	\$7.60	\$0.22
230,000 sq. ft.	\$169.89	\$174.99	\$5.10
490,000 sq. ft.	\$361.95	\$372.81	\$10.86
830,000 sq. ft.	\$571.97	\$589.13	\$17.16
1,100,000 sq. ft. (Cap)	\$763.98	\$786.90	\$22.92

Stormwater Rate Comparison

Stormwater Residential Service Charge Comparison

Comparisons based on 1 equivalent residential unit



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Questions about Stormwater?

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Solid Waste Fund

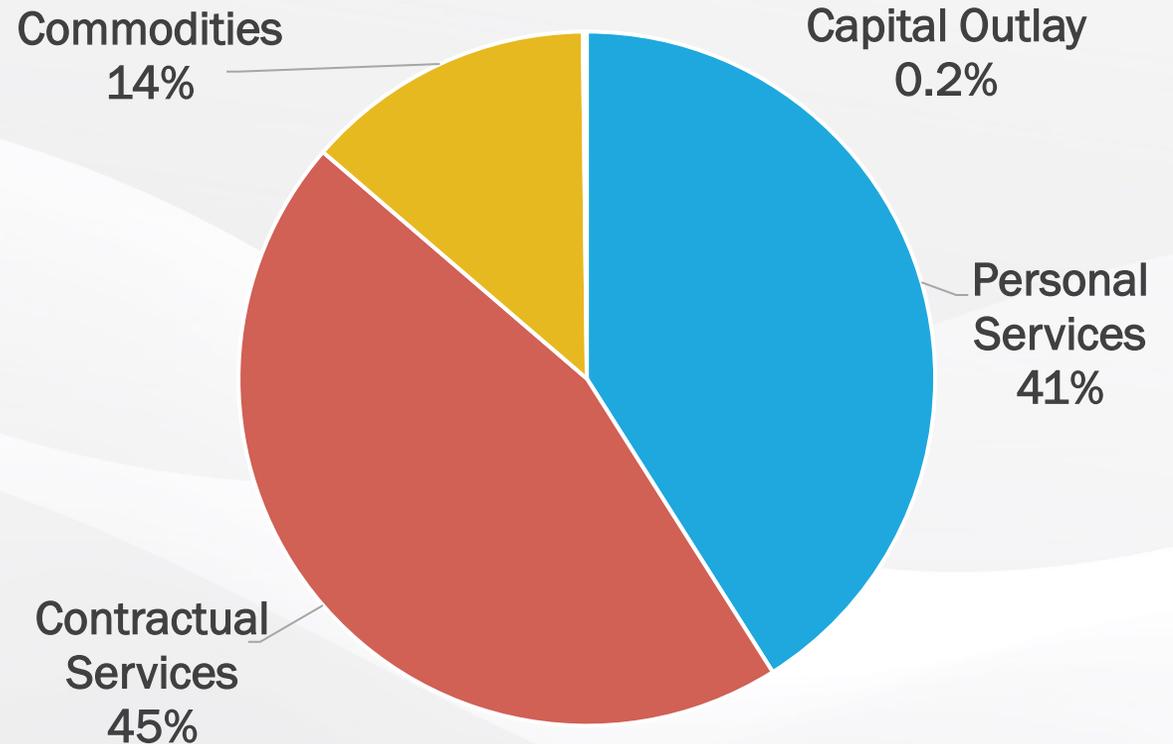
Solid Waste Fund

	2021 Adopted	2022 Adopted	2023 Proposed	1-Year % Change
Solid Waste Fund	\$18,046,107	\$19,938,934	\$21,331,270	7.0%
Operating	\$14,717,815	\$15,484,759	\$16,207,208	4.7%
Reserve	\$3,328,292	\$4,454,175	\$5,124,062	15.0%

The 2023 Budget includes no increase to Solid Waste rates.

Solid Waste Fund

2023 Proposed Operating Budget: \$16,207,208



Solid Waste Fund Budget Additions

	Heavy Equipment Operator
Cost	\$59,245
Impact	<ul style="list-style-type: none">• Increased production capacity at the Compost Facility and more reliability in the supply of products to the public.• Less dependance and costs on outside contractors for processing of yard waste/brush materials and grinding services.• More efficient usage of staff.

CIP – Transfer Station Expansion

The Olathe Transfer Station is used to consolidate the waste that is collected from residential, commercial dumpster, commercial roll-off and other customers.

Due to the increase in tonnage, the City will need to expand the transfer station and have it in operation in 2027 to continue to meet the needs of internal and external customers.

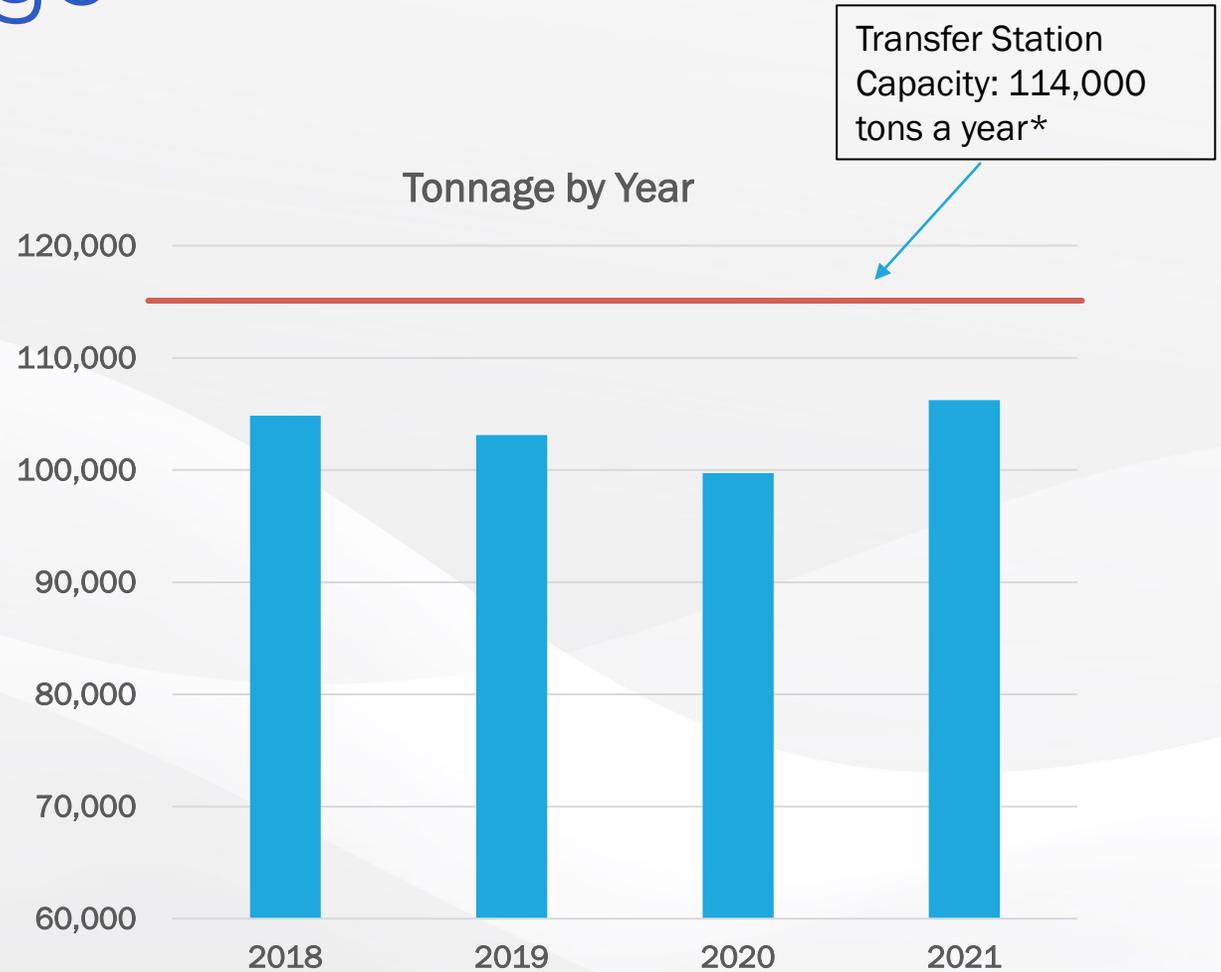
Solid Waste currently processes more than 100,000 tons of waste annually.

Projected total: \$5,600,000 (2024-2026) in Solid Waste Fund cash



Solid Waste Tonnage

	Total Tons
2018	104,835
2019	103,129
2020	99,732
2021	106,244



*2018 Solid Waste Master Plan

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Questions about Solid Waste?

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Average Olathe Resident Utility Bill

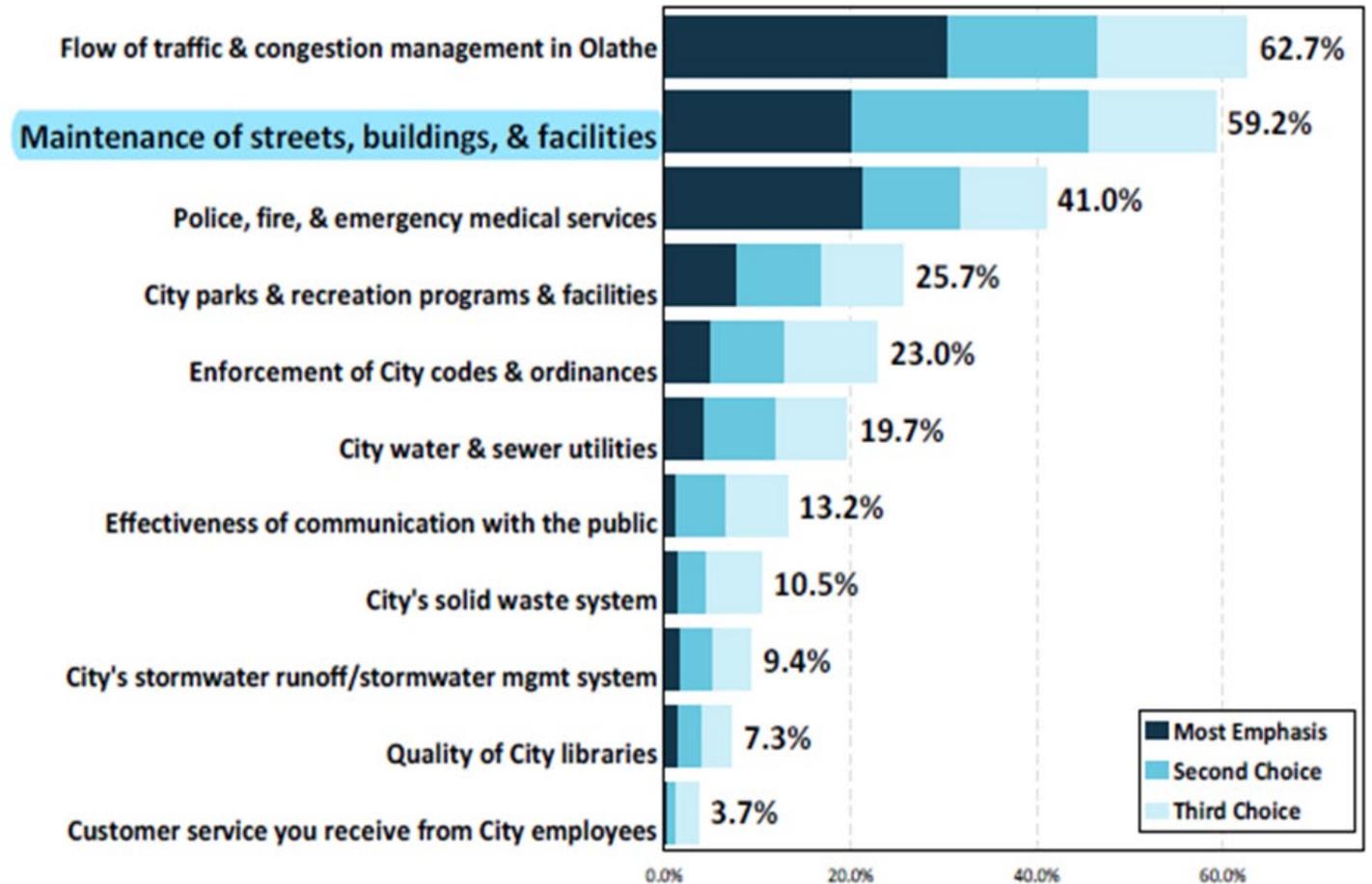
	2022	2023	Change	% Change
Stormwater	\$5.89	\$6.07	\$0.18	3.1%
Solid Waste	\$20.03	\$20.03	\$0.00	0.0%
Water	\$33.97	\$33.40	-\$0.57	-1.7%
Sewer	\$49.64	\$52.61	\$2.97	6.0%
Total	\$109.53	\$112.11	\$2.58	2.4%

Street Maintenance Sales Tax (SMST) Fund

Top Priorities for Residents

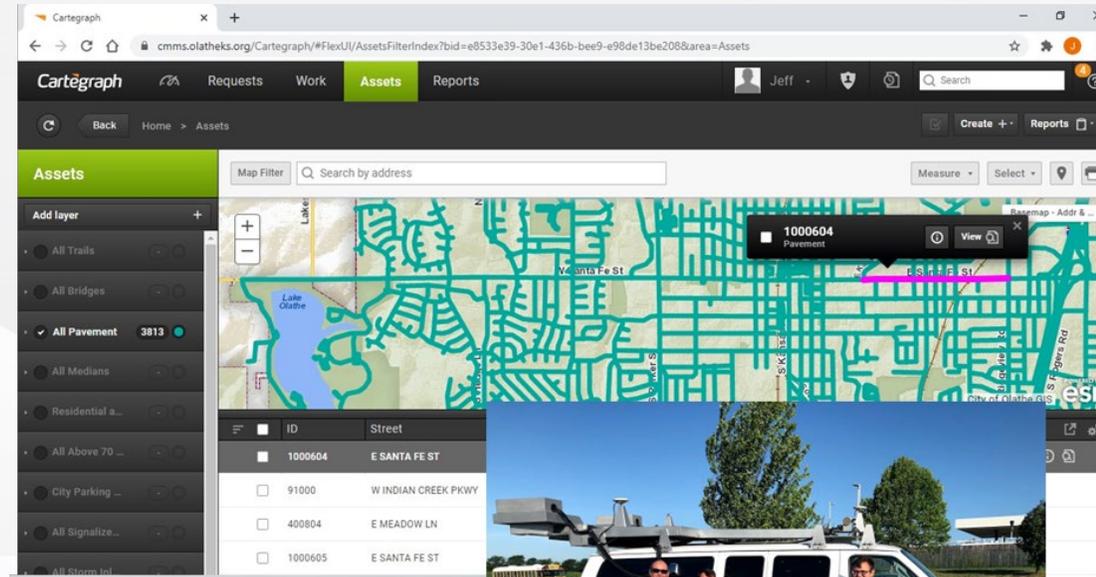
Which Major Categories of City Services do you think should receive the MOST EMPHASIS from City leaders over the next TWO years?

by the sum percentage of respondents' top three choices



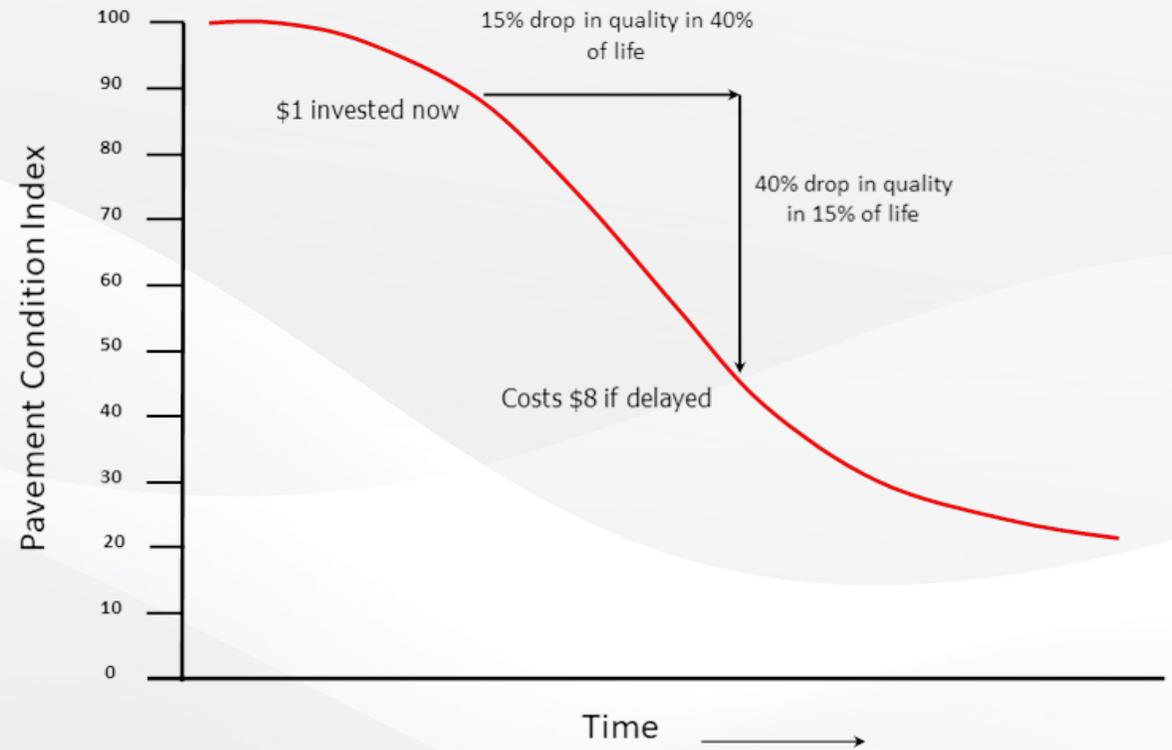
What is Street Preservation?

- Olathe Street Preservation Program Includes:
 - Annual inspections
 - Cartegraph Pavement Inventory Management
 - Budgeting and Scheduling
 - Project Management
 - Construction Processes
- Preservation Investment
 - 8 years of SMST Program has totaled over \$123M (2014-2021) in investment with about \$85M (70%) from SMST
 - Over 900 Lane Miles Resurfaced
 - Average annual investment is over \$15M per year in Olathe Streets

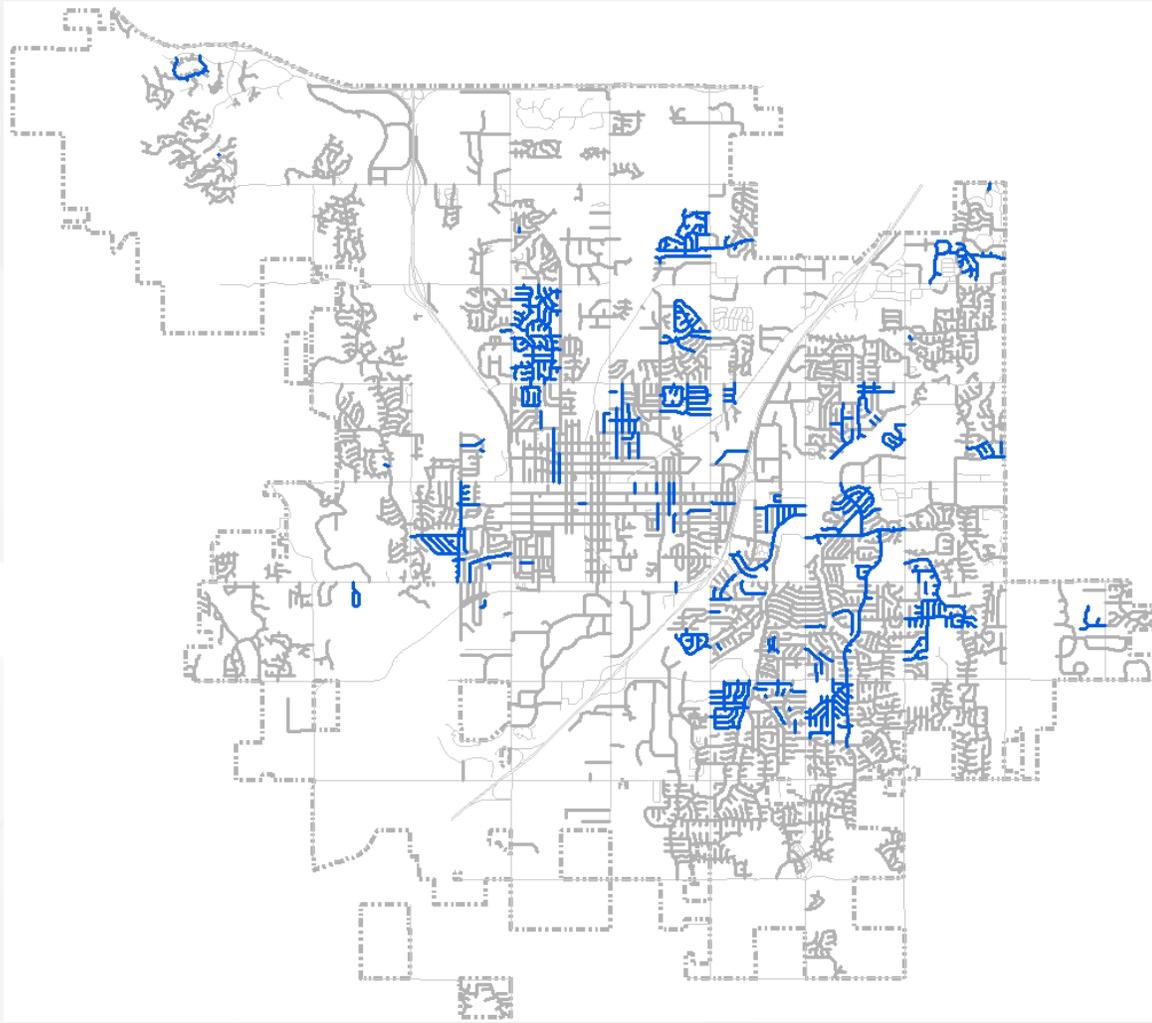


Why continue Street Preservation?

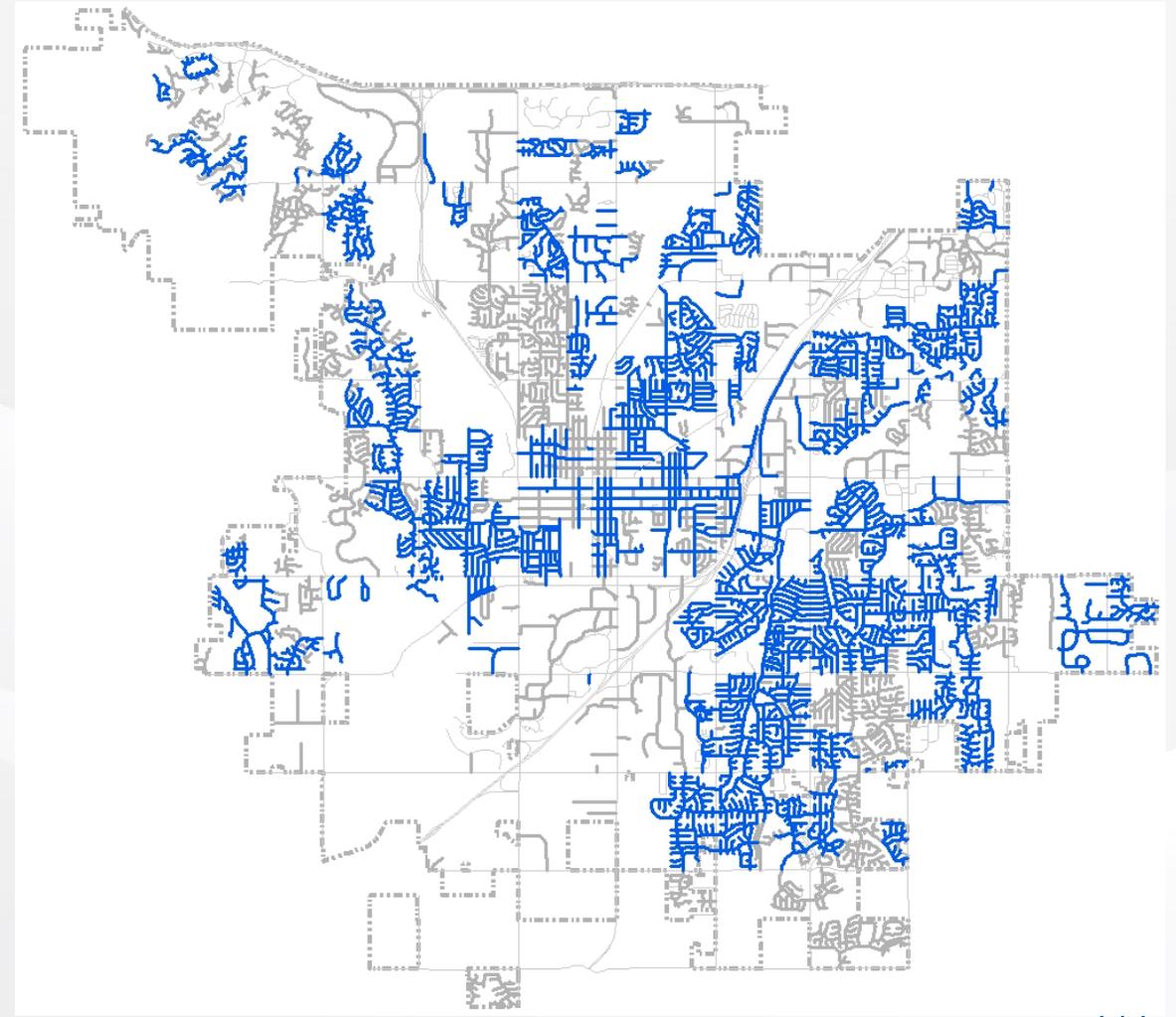
- ▶ For \$1 invested now, saves \$8 in the future of reconstruction costs
- ▶ Preservation keeps good streets in good condition
- ▶ A growing community means a growing number of streets
- ▶ Current 10-year 3/8th cent sales tax to sunset in spring of 2024.



Local and Collector Streets Resurfacing Projects Completed

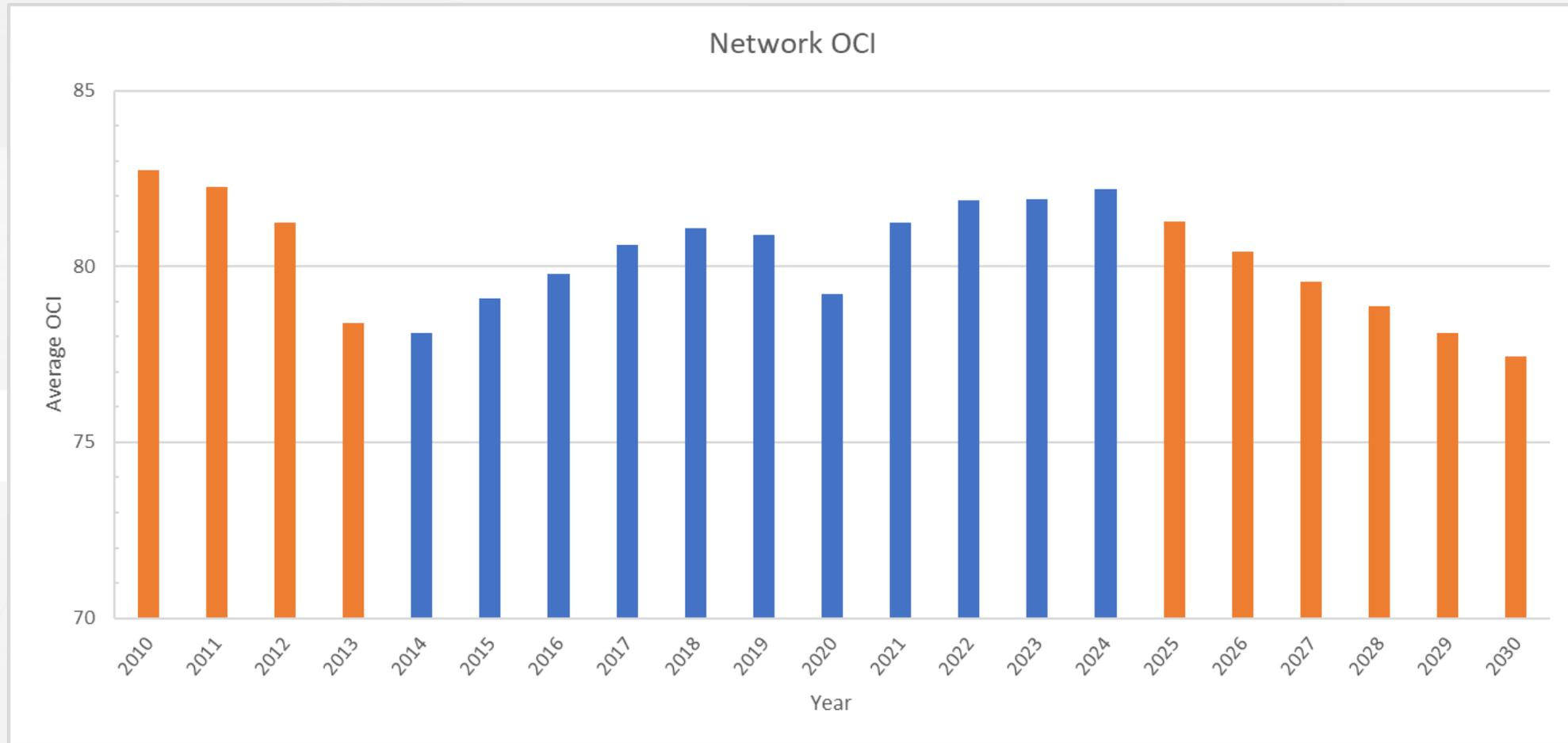


2004-2013



2014-2021

Network OCI – Past, Present & Future (No SMST)

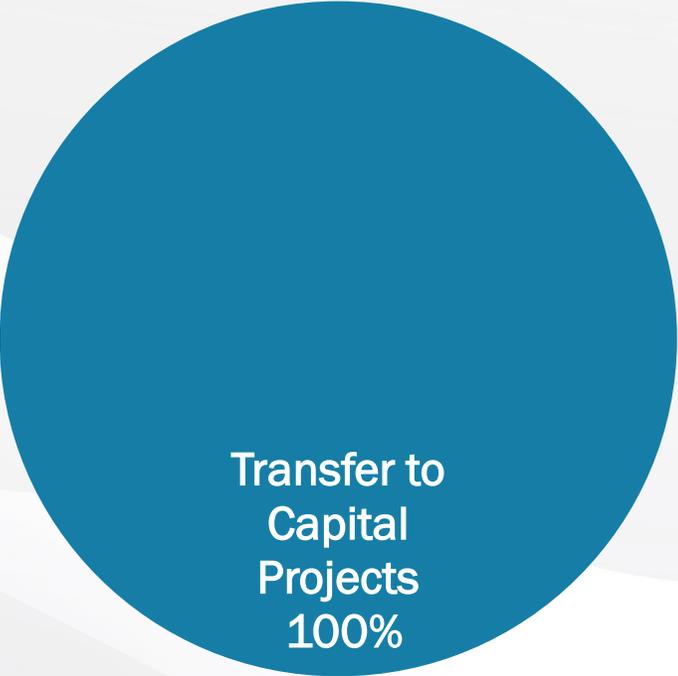


Street Maintenance Sales Tax Fund

	2021 Adopted	2022 Adopted	2023 Proposed	1-Year % Change
SMST Fund	\$13,750,642	\$16,129,039	\$22,326,326	38.4%
Operating	\$12,500,000	\$13,500,000	\$20,000,000	48.1%
Reserve	\$1,250,642	\$2,629,039	\$2,326,326	-11.5%

SMST Fund

**2023 Proposed Operating Budget:
\$20,000,000**



**Transfer to
Capital
Projects
100%**

Street Preservation Project

	2023	2024	2025	2026	2027	TOTAL
SMST Fund*	\$20,000,000	\$6,800,000	-	-	-	\$26,800,000
General Fund	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$17,000,000
TOTAL	\$23,400,000	\$10,200,000	\$3,400,000	\$3,400,000	\$3,400,000	\$43,800,000

*Tax authorization for SMST ends in 2024.

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Questions about the Street Maintenance Sales Tax?

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Budget Calendar

July 12

Budget Workshop 1 at the Community Center –
General Fund, Debt Service, Library Fund, CIP

July 19

Budget Workshop 2 - Water & Sewer, CIP, Intent to
Exceed Revenue Neutral

August 2

Budget Workshop 3 - Stormwater & Solid Waste,
Street Maintenance Sales Tax, CIP

August 16

Budget Workshop 4 - Park Sales Tax, Recreation
Fund, Chamber of Commerce, CIP

August 23

Citizen Budget Workshop, Revenue Neutral and
Budget Public Hearing

Sept 6

Budget Adoption

Engage in the Budget Process



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