

## **Ordinance No. 318**

### **AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF ADEL, BY AMENDING CHAPTER 161 – STORM WATER MANAGEMENT UTILITY**

**BE IT ENACTED BY THE CITY COUNCIL, THE CITY OF ADEL, IOWA;**

**SECTION 1.** Section 161.09(2) of the Code of Ordinances of the City of Adel, Iowa, 2007, as amended, is repealed and the following adopted in lieu thereof:

2. Developed. From July 1, 2017 through June 30, 2018, three dollars and twenty cents (\$3.20) per month for those properties which impervious coverage is less than two (2) times the average impervious coverage, or 6,000 square feet. From July 1, 2018 through June 30, 2019, three dollars and forty cents (\$3.40) per month for those properties which impervious coverage is less than two (2) times the average impervious coverage, or 6,000 square feet. From July 1, 2019 through June 30, 2020, three dollars and sixty cents (\$3.60) per month for those properties which impervious coverage is less than two (2) times the average impervious coverage, or 6,000 square feet; OR

**SECTION 2.** Section 161.09(3) of the Code of Ordinances of the City of Adel, Iowa, 2007, as amended, is repealed and the following adopted in lieu thereof:

3. Developed. From July 1, 2017 through June 30, 2018, three dollars and twenty cents (\$3.20) per month per equivalent service unit (ESU) of impervious surface for those properties which impervious coverage is equal to or greater than two (2) times the average impervious coverage, or 6,000 square feet. From July 1, 2018 through June 30, 2019, three dollars and forty cents (\$3.40) per month per equivalent service unit (ESU) of impervious surface for those properties which impervious coverage is equal to or greater than two (2) times the average impervious coverage, or 6,000 square feet. From July 1, 2019 through June 30, 2020, three dollars and sixty cents (\$3.60) per month per equivalent service unit (ESU) of impervious surface for those properties which impervious coverage is equal to or greater than two (2) times the average impervious coverage, or 6,000 square feet.

**SECTION 3.** Section 161.19 will be created with the following language:

99.17 COMMUNITY STORM WATER INITIATIVE (CSWI) SURCHARGE: Every person, firm, or corporation whose premises now or hereafter are directly or indirectly served by a connection to the City Storm Water System shall pay a CSWI surcharge in the amount of three dollars (\$3.00) per month beginning July 1, 2017, and six dollars (\$6.00) per month beginning July 1, 2018.

**SECTION 4. WHEN EFFECTIVE:** This ordinance shall be effective from and after the 1<sup>st</sup> day of July, 2017.


Passed and approved by the Adel City Council this 13<sup>th</sup> day of June, 2017

  
\_\_\_\_\_  
James F. Peters, Mayor

Attest:   
Jackie Steele, City Clerk

1<sup>st</sup> Reading 4-11-2017  
2<sup>nd</sup> Reading 5-9-2017  
3<sup>rd</sup> Reading 6-13-2017

I certify that the foregoing was published as Ordinance No. 318 in the Dallas County News on the 22<sup>nd</sup> day of June, 2017.

  
Jackie Steele, City Clerk

**City of Adel, Iowa**  
**Storm Water Enterprise Fund**  
**Cash-Basis Cashflow Analysis**

**EXHIBIT 1**

<i>Growth Assumptions</i>					<i>Storm Water Revenue Adjustments</i>					
Operating Expenses		Various			1-Jul-16	\$0.00	1-Jul-21	\$0.20		
ESU Growth		0.00%			1-Jul-17	\$0.20	1-Jul-22	\$0.20		
Interest Rate		n/a			1-Jul-18	\$0.20	1-Jul-23	n.a		
					1-Jul-19	\$0.20	1-Jul-24	n.a		
					1-Jul-20	\$0.20	1-Jul-25	n.a		
	Audited Financial Statements			YTD/Budget	Budget	Projected	Projected	Projected	Projected	Projected
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Rates: (Per Month/per ESU)</b>										
Undeveloped	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Developed < 6,000 sq. ft. (Per month)	2	\$3.00	\$3.00	\$3.00	\$3.00	\$3.20	\$3.40	\$3.60	\$3.80	\$4.00
Developed >= 6,000 sq. ft. (Per ESU)	3	\$3.00	\$3.00	\$3.00	\$3.00	\$3.20	\$3.40	\$3.60	\$3.80	\$4.00
Debt Service Charge	4	\$0.00	\$0.00	\$0.00	\$0.00	\$3.00	\$6.00	\$6.00	\$6.00	\$6.00
No. of Accounts	5	-	-	-	1,730	1,745	1,760	1,775	1,790	1,805
Average \$\$ Per ESU	6	\$2.88	\$3.04	\$3.29	\$3.29	\$3.49	\$3.69	\$3.89	\$4.09	\$4.29
<b>Total ESU's</b>	7	35,385	34,754	32,085	32,085	32,085	32,085	32,085	32,085	32,085
<b>OPERATING REVENUES</b>										
Storm Water Usage Charge Revenues	8	\$101,755	\$105,679	\$105,437	\$105,437	\$111,854	\$118,271	\$124,688	\$131,105	\$137,522
Debt Service Charge	9	0	0	0	0	62,820	126,720	127,800	128,880	129,960
Miscellaneous Revenues	10	0	0	84	0	0	0	0	0	0
<b>Total Operating Revenues</b>	11	\$101,755	\$105,679	\$105,521	\$105,437	\$174,674	\$244,991	\$252,488	\$259,985	\$267,482
<b>OPERATING EXPENSES</b>										
Business Type Expenditures	12	\$182,311	\$44,506	\$55,068	\$84,722	\$89,424	\$93,895	\$98,590	\$103,519	\$108,695
Reserved	13	0	0	0	0	0	0	0	0	0
<b>Total Operating Expense</b>	14	\$182,311	\$44,506	\$55,068	\$84,722	\$89,424	\$93,895	\$98,590	\$103,519	\$108,695
<b>Net Operating Revenues</b>	15	(\$80,556)	61,173	50,453	20,716	85,250	151,096	153,898	156,466	158,787
<b>Non Operating Revenues (Expenses)</b>										
Investment Interest	16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Income</b>	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Revenue for Debt Service</b>	18	(\$80,556)	\$61,173	\$50,453	\$20,716	\$85,250	\$151,096	\$153,898	\$156,466	\$158,787

**City of Adel, Iowa**  
**Storm Water Enterprise Fund**  
**Cash-Basis Cashflow Analysis**

**EXHIBIT 1**

<i>Growth Assumptions</i>				<i>Storm Water Revenue Adjustments</i>								
Operating Expenses		Various		1-Jul-16	\$0.00	1-Jul-21	\$0.20					
ESU Growth		0.00%		1-Jul-17	\$0.20	1-Jul-22	\$0.20					
Interest Rate		n/a		1-Jul-18	\$0.20	1-Jul-23	n.a					
				1-Jul-19	\$0.20	1-Jul-24	n.a					
				1-Jul-20	\$0.20	1-Jul-25	n.a					
Audited Financial Statements				YTD/Budget	Budget	Projected	Projected	Projected	Projected	Projected		
FY 2013-14				FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Net Revenue for Debt Service</b>	19	<b>(\$80,556)</b>	\$61,173	\$50,453	\$20,716	\$85,250	\$151,096	\$153,898	\$156,466	\$158,787	\$160,849	
<b>Storm Water Debt Service</b>												
Interim Construction Loan #2 (2, 4, 6, 7)	20	\$0	\$0	\$0	\$8,100	\$44,550	\$0	\$0	\$0	\$0	\$0	
Proposed USDA Loan #2 (2, 4, 6, 7) 20YRs	21	0	0	0	0	9,673	116,070	116,070	116,070	116,070	116,070	
Reserved	22	0	0	0	0	0	0	0	0	0	0	
<b>Total Water Debt</b>	23	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,100</b>	<b>\$54,223</b>	<b>\$116,070</b>	<b>\$116,070</b>	<b>\$116,070</b>	<b>\$116,070</b>	<b>\$116,070</b>	
<b>Debt Service Coverage</b>												
<b>Net Revenues/ Revenue Debt</b>	24	N/A	N/A	N/A	2.56	1.57	1.30	1.33	1.35	1.37	1.39	
<b>Net Revenues/Total Debt</b>	25	N/A	N/A	N/A	2.56	1.57	1.30	1.33	1.35	1.37	1.39	
					<i>Target = 1.10x needed by the USDA and 1.35x needed to fund cash requirements</i>							
<b>NET CASHFLOW AFTER DEBT</b>	26	<b>(\$80,556)</b>	\$61,173	\$50,453	\$12,616	\$31,028	\$35,026	\$37,828	\$40,396	\$42,717	\$44,779	
Capital Improvement Projects	27	0	0	(4,000)	(222,873)	(1,479,625)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	
Other cash (uses)/sources	28	0	0	1	0	0	0	0	0	0	0	
Bond Proceeds	29	0	0	0	160,000	1,430,000	0	0	0	0	0	
Transfers (to)/from General Fund	30	0	0	0	0	0	0	0	0	0	0	
Transfers (to)/from LOST	31	0	0	0	0	0	0	0	0	0	0	
Transfers (to)/from USDA Reserve Fund	32	0	0	0	0	(484)	(5,804)	(5,804)	(5,804)	(5,804)	(5,804)	
Transfers (to)/from Other Funds	33	0	0	0	0	(8,114)	(4,846)	(5,926)	(7,006)	(8,086)	(9,166)	
<b>Annual Surplus/ (Deficit)</b>	34	<b>(\$80,556)</b>	<b>\$61,173</b>	<b>\$46,454</b>	<b>(\$50,257)</b>	<b>(\$27,195)</b>	<b>(\$624)</b>	<b>\$1,098</b>	<b>\$2,586</b>	<b>\$3,827</b>	<b>\$4,809</b>	
Beginning Unrestricted Cash Balance	35	\$111,665	\$31,109	\$92,282	\$138,736	\$88,479	\$61,284	\$60,660	\$61,758	\$64,344	\$68,171	
<b>Ending Unrestricted Cash Balance</b>	36	<b>\$31,109</b>	<b>\$92,282</b>	<b>\$138,736</b>	<b>\$88,479</b>	<b>\$61,284</b>	<b>\$60,660</b>	<b>\$61,758</b>	<b>\$64,344</b>	<b>\$68,171</b>	<b>\$72,980</b>	
Unrestricted Cash % of Expenses	37	17%	207%	252%	104%	69%	65%	63%	62%	63%	64%	

**City of Adel, Iowa**  
**Storm Water Enterprise Fund**  
**Cash-Basis Cashflow Analysis**

<i>Growth Assumptions</i>				<i>Storm Water Revenue Adjustments</i>						
Operating Expenses	Various			1-Jul-16	\$0.00	1-Jul-21	\$0.20			
ESU Growth	0.00%			1-Jul-17	\$0.20	1-Jul-22	\$0.20			
Interest Rate	n/a			1-Jul-18	\$0.20	1-Jul-23	n.a			
				1-Jul-19	\$0.20	1-Jul-24	n.a			
				1-Jul-20	\$0.20	1-Jul-25	n.a			
Audited Financial Statements				YTD/Budget	Budget	Projected	Projected	Projected	Projected	Projected
FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
<b><u>RESTRICTED FUNDS</u></b>										
Sinking Fund 38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
USDA Reserve Fund 39	0	0	0	0	484	6,287	12,091	17,894	23,698	29,501
Debt Service Charge Fund 40	0	0	0	0	8,114	12,960	18,887	25,893	33,980	43,146
Water Deposits 41	0	0	0	0	0	0	0	0	0	0
Storm Water Improvement Fund 42	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>	<u>50,902</u>
Total Restricted Cash 43	\$50,902	\$50,902	\$50,902	\$50,902	\$59,499	\$70,149	\$81,879	\$94,689	\$108,579	\$123,549
<b>Total Cash 44</b>	<b>\$82,011</b>	<b>\$143,184</b>	<b>\$189,638</b>	<b>\$139,381</b>	<b>\$120,784</b>	<b>\$130,809</b>	<b>\$143,638</b>	<b>\$159,033</b>	<b>\$176,750</b>	<b>\$196,529</b>
<b><u>Capital Improvement Plan</u></b>										
Operating Capital Outlays				\$49,625	\$49,625	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Lynne Drive & South 14th & South 11th Streets				0	950,000	0	0	0	0	0
Rapids Street Water Main Replacement				0	0	0	0	0	0	0
Horse n' Buggy Secondary & Pleasant Street				0	480,000	0	0	0	0	0
Engineering & Legal Fees				13,248	0	0	0	0	0	0
Engineering & Legal Fees USDA Loan #2				160,000	0	0	0	0	0	0
Reserved				0	0	0	0	0	0	0
<b>Total</b>				\$222,873	\$1,479,625	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

**City of Adel, Iowa**  
**Storm Water Enterprise Fund**  
**Operational Expenses**

**EXHIBIT 2**

	Audited Financial Statements			YTD/Budget	Budget	Projected Operating Expenses					Expense
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Growth
<b>Personal</b>											
Full Time Wages	\$0	\$0	\$5,601	\$7,376	\$7,745	\$8,132	\$8,539	\$8,966	\$9,414	\$9,885	5%
Part Time Wages	0	828	9,538	13,473	14,147	14,854	15,597	16,377	17,195	18,055	5%
FICA	0	63	1,125	1,595	1,675	1,758	1,846	1,939	2,036	2,137	5%
IPERS	0	74	1,362	1,862	1,955	2,053	2,155	2,263	2,376	2,495	5%
Flex Plan TPA	0	0	0	0	0	0	0	0	0	0	5%
HRA Reimbursement	0	0	0	1,000	1,050	1,103	1,158	1,216	1,276	1,340	5%
HRA Plan TPA	0	0	0	16	17	18	19	19	20	21	5%
Medical & Dental Ins	0	0	0	2,989	3,138	3,295	3,460	3,633	3,815	4,006	5%
Life & Disability Ins	0	0	0	94	99	104	109	114	120	126	5%
Work Comp Ins	0	0	0	0	0	0	0	0	0	0	5%
Dues, Memberships & Subscriptions	1,375	1,375	1,563	1,375	1,444	1,516	1,592	1,671	1,755	1,843	5%
Education & Training	0	0	344	0	0	0	0	0	0	0	5%
<b>Total Personal Services</b>	\$1,375	\$2,340	\$19,533	\$29,780	\$31,269	\$32,832	\$34,474	\$36,198	\$38,008	\$39,908	

**City of Adel, Iowa**  
**Storm Water Enterprise Fund**  
**Operational Expenses**

**EXHIBIT 2**

	Audited Financial Statements			YTD/Budget Budget		Projected Operating Expenses					Expense Growth
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
<b>Services and Commodities</b>											
Vehicle Fuel, Oil & Lubricant	\$939	\$1,078	\$821	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431	\$2,553	\$2,680	5%
Vehicle Equip & Radio Maint.	5,517	2,336	236	4,000	4,200	4,410	4,631	4,862	5,105	5,360	5%
Utilities	0	0	0	0	0	0	0	0	0	0	5%
Telephone/Radio	0	0	1,161	0	0	0	0	0	0	0	5%
Professional Fees	17,758	5,781	7,491	3,842	5,500	5,775	6,064	6,367	6,685	7,020	5%
Insurance	0	0	0	0	0	0	0	0	0	0	5%
Street Sweeping	3,211	5,951	1,045	5,000	5,250	5,513	5,788	6,078	6,381	6,700	5%
Sales Tax	0	0	0	0	0	0	0	0	0	0	5%
Line Maint.	1,434	3,955	13,639	7,500	7,875	8,269	8,682	9,116	9,572	10,051	5%
Service & Maint. Agreements	1,852	8,704	9,107	10,000	10,500	11,025	11,576	12,155	12,763	13,401	5%
Testing	0	0	0	0	0	0	0	0	0	0	5%
Refunds	0	0	0	500	525	551	579	608	638	670	5%
Chemicals	0	178	0	0	0	0	0	0	0	0	5%
Minor Equipment	504	0	121	500	525	551	579	608	638	670	5%
Office Supplies	130	276	459	100	105	110	116	122	128	134	5%
SWU Intake Repairs	19,427	10,434	165	20,000	20,000	21,000	22,050	23,153	24,310	25,526	5%
Misc.	1,476	494	1,290	1,500	1,575	1,654	1,736	1,823	1,914	2,010	5%
<b>Total Services and Commodities</b>	\$52,248	\$39,187	\$35,535	\$54,942	\$58,155	\$61,063	\$64,116	\$67,322	\$70,688	\$74,222	
<b>Capital Outlay</b>											
Vehicle Equip	\$1,374	\$3,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
SWU Upgrade	127,598	0	0	49,625	49,625	0	0	0	0	0	
Building	0	0	0	0	0	0	0	0	0	0	
Miscellaneous	0	0	0	0	0	25,000	25,000	25,000	25,000	25,000	
<b>Total Capital Outlay</b>	\$128,972	\$3,000	\$4,000	\$49,625	\$49,625	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
<b>Subtotal</b>	\$182,595	\$44,527	\$59,068	\$134,347	\$139,049	\$118,895	\$123,590	\$128,519	\$133,695	\$139,130	
<b>Total Operating Expenses</b>	\$53,623	\$41,527	\$55,068	\$84,722	\$89,424	\$93,895	\$98,590	\$103,519	\$108,695	\$114,130	
<b>Internal-Audit Adjustments</b>	128,688	2,979	0	0	0	0	0	0	0	0	
<b>Audit Report Totals</b>	\$182,311	\$44,506	\$55,068	\$84,722	\$89,424	\$93,895	\$98,590	\$103,519	\$108,695	\$114,130.20	

**EXHIBIT 3**

<u>Projects</u>	<u>Interest Rate</u>	<u>Grant%</u>	<u>Project Cost Amount</u>	<u>Costs of Issuance</u>	<u>Capitalized Interest</u>	<u>Borrowing Amount</u>	<u>Loan Date</u>	<u>Construction Time</u>	<u>USDA Loan Date</u>
Interim Loan #2	3.00%	0.00%	1,590,000	30,000	0	1,620,000	5/1/2017	13	6/1/2018
USDA Loan #2	2.75%	15.00%	1,377,000	30,000	0	1,407,000	6/1/2018	\$4,836.25	MTH PMT