

City of Key West

Sewer Fund

Fiscal Year 2010-11

Mid-Year Budget Review

October 1, 2010 - March 31, 2011

City of Key West

Sewer Fund

Major Operating/Grant Revenue Categories:

- 1) Sewer Service Charges**
- 2) Navy Sewer Service Charges**
- 3) Navy Capital**
- 4) Capital Grant**

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Sewer Service Charges

1st half sewer billings are 98.3% of projections, as expected. However, delinquencies over 120 days have increased 46.9% over this time last year. \$817,198.64 is over 120 days past due.

Under Florida law these revenues are protected by Statutory Liens subordinate only to IRS Liens. The service fees survive bankruptcy/foreclosure (except IRS).

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Navy Service Charges

The Navy is current in its payments to the City for wastewater usage and capital fund contribution. There is no revenue shortfall anticipated.

The Navy will contribute its 23% share of WWTP and 8-10% sewer collections system capital expenses as part of its contract with the City.

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Capital Grant

Our Army Corps of Engineers Stimulus Grant is funding 65% of the completed \$787,000 14th St. Force Main project and approximately \$904,000 of the \$3.2M “Headworks” construction project at the WWTP.

No revenue shortfall projected.

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Summary

- **Expenses are within 1st half budget and will be at or below annual budget.**
- **Increase Utility Billing Collection efforts to include collection letters, liens, and Collection Agent at 120 days. We also propose to hire a Collections Manager from funds formerly dedicated to the General Services Director Position.**