ENTERPRISE FUNDS

Water and Sewer Fund
Following recommendations in the 1995 Black & Veatch rate study, staff is recommending a 6% increase in wastewater service charges for 2004 and no increase in revenue requirements for the water utility. This proposed increase will continue to provide revenue for the operating and capital costs of the Utilities Department and address the various bond and State Revolving Loan payment commitments. As a note, Black and Veatch is currently under contract to provide Water and Wastewater Master Plans through 2025. Once the plans are completed in the summer of 2003, we anticipate the need for a rate study that will determine future revenue requirements for the adjusted capital improvement plan for these two utilities.

Sanitation
A 2% increase in both residential and commercial solid waste fees is recommended for 2004. This increase in rates will provide revenue for operating the residential, commercial, and recycling divisions of this fund.

Public Parking
The Downtown 2000 parking garage has been a popular addition to the downtown area, serving the new Lawrence Arts Center and the central downtown area. The completion of the planned retail and residential projects associated with this Tax Increment Financing (TIF) project will undoubtedly result in increased use of the downtown parking system and result in appropriate revenue strength for this fund. Following City Commission direction, an increase in overtime parking fines will be implemented in 2004 to increase revenue.

Stormwater
Following the master plan for this utility, and a previously approved rate plan, the rate charged for stormwater fees will not increase and remain at $4.00 per equivalent residential unit (ERU). The initial rate of $2.00 per ERU was established in April, 1997. In the fall of 2000, a rate study was completed, and the City Commission adopted an ordinance establishing subsequent rate increases of $1.00 per ERU in 2002 and $1.00 per ERU in 2003. With these rate increases, three (3) priority stormwater projects are in the design, property acquisition, and bidding process. Maintenance of the stormwater system is a priority, including meeting the NPDES permit requirements.

Public Golf
Using the pro forma developed in establishing the Eagle Bend Golf Course as a guide, a greens fee increase for 2004 anticipates approximately the same number of rounds being completed in 2003 as 2002 (38,000). The fees represent a $.50 increase in greens fees in 2004.