

## Street Millage Fund

### PRIMARY SERVICES

- Street Reconstruction/Resurfacing
- Bridge Reconstruction/Resurfacing
- Local Matching Funding for Federal/State-Aid Projects
- Sidewalk Repair/Replacement (not new installation)

### FINANCIAL SUMMARY

	Actual		Projected		
	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)
<i>Revenue:</i>					
Street Millage	\$ 9.5	9.8	\$ 10.1	\$ 10.1	10.2
Sidewalk Repair Millage	0.6	0.6	0.6	0.6	0.6
Transfers In	5.5	6.9	-	-	-
County Millage	0.5	2.0	2.0	2.0	2.0
All Other	0.3	0.6	0.2	0.3	0.3
Total Revenue	<u>\$ 16.4</u>	<u>\$ 19.9</u>	<u>\$ 12.9</u>	<u>\$ 13.0</u>	<u>\$ 13.1</u>
<i>Expense:</i>					
Annual Street Resurfacing	\$ 6.0	10.2	\$ 8.6	\$ 5.4	8.1
Stone School Improvements	2.7	2.1	0.4		
Miller Ave. Improvements	0.3				
Stadium Blvd.	0.6	0.8	4.6	0.8	
Fifth & Kingsley			0.4	1.1	
Scio Church Rd Improvements	-	-	0.1	0.7	
Pontiac Trail Impr	3.0	0.9	0.1		
Madison Improvements	0.4				
Geddes Ave Improvements	0.6	3.8	3.0		
Liberty (First to Main)				0.7	
Nixon/Green Dhu Varren Roundabout		0.1	0.9		
East Medical Center Dr. Bridge Rehab					0.8
S. Seventh (Scio Church to Greenview)					1.3
Sidewalk/Ramp Repair	2.7	3.0	2.3	1.0	1.0
Alt/Bike Paths/Safe Routes/Sidewalks		0.2	0.6	0.9	0.8
All Other	1.2	0.7	1.2	1.1	1.1
Total Expense	<u>\$ 17.4</u>	<u>\$ 21.7</u>	<u>\$ 22.0</u>	<u>\$ 11.7</u>	<u>\$ 13.0</u>
<b>Net</b>	<u>\$ (1.0)</u>	<u>\$ (1.8)</u>	<u>\$ (9.1)</u>	<u>\$ 1.4</u>	<u>\$ 0.1</u>
Unrestricted Fund balance (net assets)	\$ 15.0	\$ 13.2	\$ 4.1	\$ 5.4	\$ 5.5

### OBSERVATIONS ABOUT ABOVE FINANCIALS:

- Projected FY17-FY18 Transfers In do not yet reflect support from Utility Funds
- FY 16-19 Annual street resurfacing expanded program due to County Millage Revenue
- FY 18 Sidewalk/ramp repair declines due to improvement in the condition of the system
- Unrestricted fund balance projected to decline due to revised minimum policy.

### CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS

- The Street Millage Fund is Critical for Local Matching for Federal/State-Aid Projects
- Currently completing 5 year review of sidewalk condition, assuming future moderate needs.
- Proposed Plan reduces unrestricted fund balance to less than 1/2 of annual revenue.

<b>FUND BALANCE (Net Assets)</b>	<u>FY 2016</u>
	(\$ Mils.)
<b>6/30/16 - Total Fund Balance (Net Position)</b>	<b>\$ 13.2</b>
Less:	
Minimum Balance Requirement	(5.5)
FY 17 Programmed Fund Balance Use	(9.1)
<b>Available Fund Balance</b>	<u><b>\$ (1.4)</b></u>

## Major & Local Street Funds

### PRIMARY SERVICES

- Right-of-Way Maintenance  
(Pot-hole filling, guardrails, surface repair)
- Pavement Marking
- Winter Maintenance
- Transportation Engineering
- Street Sweeping
- Traffic Sign/Signal Installation and Maintenance

### FINANCIAL SUMMARY

	Actual		Projected		
	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)
<i>Revenue:</i>					
Weight and Gas Tax	\$ 7.7	8.0	\$ 9.1	\$ 10.1	10.7
Parking Lane Maint/DDA	0.8	0.8	0.8	0.8	0.9
All Other	1.6	2.8	1.1	0.8	0.8
Total Revenue	\$ 10.1	\$ 11.6	\$ 11.0	\$ 11.7	\$ 12.4
<i>Expense:</i>					
Right-of-Way Maintenance	\$ 4.6	4.3	\$ 4.8	\$ 6.4	\$ 5.6
Traffic Control	2.6	2.6	3.2	3.3	3.2
Debt Service	0.8	0.8	0.8	0.8	0.8
Alternative Transportation	0.2	0.2	0.3	0.3	0.3
All Other	1.2	1.1	1.7	2.0	2.5
Total Expense	\$ 9.4	\$ 9.0	\$ 10.8	\$ 12.8	\$ 12.4
<b>Net</b>	<b>\$ 0.7</b>	<b>\$ 2.6</b>	<b>\$ 0.2</b>	<b>\$ (1.1)</b>	<b>\$ (1.1)</b>
Unrestricted Fund balance (net assets)	\$ 15.7	\$ 18.3	\$ 18.5	\$ 17.4	\$ 18.5

### OBSERVATIONS ABOUT ABOVE FINANCIALS:

- Increase of Weight & Gas Tax collection begins 01/2017.
- FY17-19 All Other revenue declines due to removal of one-time grant & State supplemental funding
- FY18-19 reflects increased Pavement Markings, Surface Treatment, Pedestrian Safety
- Staff is currently identifying one-time uses for fund balance
- All Other FY 17-19 increase reflects one-time Capital Projects

### CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS

- City has unmet right-of-way maintenance needs
- Staff is currently identifying one-time maintenance items to utilize available reserves.
- Maintain full staffing levels

<b>FUND BALANCE</b>	<u>FY 2016</u>
	(\$ Mils.)
<b>6/30/16 - Total Fund Balance (Net Position)</b>	<b>\$ 18.3</b>
Less: Minimum Balance Requirement (one-year of revenue)	(9.1)
FY 17 Anticipated Use	0.2
FY 18 Anticipated Use	<u>(1.1)</u>
<b>Available Fund Balance</b>	<b><u><u>\$ 8.3</u></u></b>

## Water Fund (Operating)

**PRIMARY SERVICES**

- Treatment and Distribution of Safe Drinking Water
- Repair and Maintenance of the Distribution System
- Customer Billing and Service Activities
- Systems Planning Activities - System Modeling

**FINANCIAL SUMMARY**

	Actual		Projected		
	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)
<i>Revenue:</i>					
Water Sales	\$ 20.1	21.57	\$ 22.1	\$ 23.6	\$ 25.3
Capital Recovery Charges	2.0	1.9	1.3	1.3	1.3
Operating Transfers	2.2	3.9	1.4	1.5	1.5
All Other	5.1	0.9	1.1	1.2	1.2
Total Revenue	\$ 29.4	\$ 28.3	\$ 26.0	\$ 27.6	\$ 29.2
<i>Expense:</i>					
Public Works	\$ 3.9	3.6	\$ 4.1	\$ 4.2	\$ 3.9
Water Treatment Plant	6.8	6.7	7.3	7.4	7.2
Depreciation	3.3	3.7	3.8	3.8	3.9
Customer Service	1.2	1.1	1.0	1.0	1.1
Debt Service	1.2	0.9	0.7	0.9	1.1
Safety Service Fee	0.9	0.9	0.8	0.7	0.6
All Other	4.3	5.1	3.1	13.7	6.2
Total Expense	\$ 21.6	\$ 22.0	\$ 20.8	\$ 31.7	\$ 24.0
<b>Net Operating</b>	<b>\$ 7.8</b>	<b>\$ 6.3</b>	<b>\$ 5.1</b>	<b>\$ (4.1)</b>	<b>\$ 5.2</b>
<b>Memo:</b>					
Debt Coverage Ratio (min 1.25)	2.5	2.5	2.7	3.4	2.5
Revenue Requirement Increase per plan	3.8%	4.3%	5.5%	6.8%	6.5%
Capital Projects/Equipment	\$ 5.1	\$ 8.8	\$ 2.6	\$ 5.8	\$ 7.5
Unrestricted Fund balance (net position)	\$ 18.6	\$ 16.1	\$ 18.7	\$ 8.8	\$ 6.5

**OBSERVATIONS ABOUT ABOVE FINANCIALS:**

- FY16 Operating Transfer includes one-time return of fund balances from the Project Mgmt Fleet and Risk funds
- Current Bond Rating is AA
- FY18 Other Expense includes Other Post Employment Benefits of est. \$10 Mil., ongoing annual expense is est. \$1.7 Mil. per year
- Issuance of bonds are anticipated for capital projects starting in FY18

**CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS**

- Projected Revenue Requirement Increases to 5.5% - 7.5% Thru FY 2019. This increase would support the planned capital investments and 1938 Pre-treatment Basin Renovation.
- The above projections include increased maintenance needs due to aging infrastructure.

<b>FUND BALANCE (Net Assets)</b>	<u>FY 2016</u>
	(\$ Mills.)
<b>6/30/16 - Total Fund Balance (Net Position)</b>	<b>\$ 98.7</b>
Less:	
Restricted - Capital Assets	(64.5)
Restricted - Equipment Replacement	(10.9)
Restricted - Debt Service	<u>(3.5)</u>
<b>Unrestricted at June 30, 2016</b>	<b>19.7</b>
Less: Obligated - but not yet spent:	
- FY 17 Anticipated Use of Fund Balance	<u>(3.6)</u>
<b>Subtotal</b>	<b>\$ 16.1</b>
Less: Minimum Balance Requirement-25% of Oper Exp	<u>(4.0)</u>
<b>Available Fund Balance</b>	<b><u>\$ 12.1</u></b>
<u>Known Risks</u>	
• FY 17 Total Anticipated Capital needs	8.8
• FY 18 Total Anticipated Capital needs	7.6
• FY 19 Total Anticipated Capital needs	11.8
• Water Plant I Replacement (FY 19-Preliminary)	\$90 Mil

## Sewer Fund (Operating)

**PRIMARY SERVICES**

- Collection, Treatment and Discharge of Sewage
- Repair and Maintenance of the Collection System
- Customer Billing and Service Activities
- Systems Planning Activities - System Modeling

**FINANCIAL SUMMARY**

	Actual		Projected		
	FY2015 (\$ Mil.)	FY2016 (\$ Mil.)	FY2017 (\$ Mil.)	FY2018 (\$ Mil.)	FY2019 (\$ Mil.)
<i>Revenue:</i>					
Sewer Sales	\$ 21.3	22.8	\$ 24.1	\$ 25.7	\$ 27.3
Capital Recovery Charges	0.5	1.1	0.7	0.7	0.7
All Other	1.2	1.8	1.8	0.2	0.2
Total Revenue	\$ 23.0	\$ 25.7	\$ 26.6	\$ 26.6	\$ 28.2
<i>Expense:</i>					
Public Works	\$ 1.9	2.2	\$ 2.6	\$ 2.3	\$ 2.3
Depreciation	2.3	2.3	3.5	3.6	6.1
Waste Water Treatment Plant	7.4	7.6	8.0	8.9	9.1
Debt Service	3.1	3.2	3.0	2.8	3.1
All Other	4.6	4.1	3.6	12.4	4.5
Total Expense	\$ 19.3	\$ 19.4	\$ 20.7	\$ 30.0	\$ 25.1
<b>Net</b>	<b>\$ 3.7</b>	<b>\$ 6.3</b>	<b>\$ 5.9</b>	<b>\$ (3.4)</b>	<b>\$ 3.1</b>
<b>Memo:</b>					
Debt Coverage Ratio (min 1.25)	2.3	2.1	1.8	1.3	1.3
Revenue Requirement Increase per plan	6.0%	5.2%	6.5%	6.0%	6.0%
Capital Projects/Equipment-Cash Flowed	\$ 2.8	\$ 1.0	\$ 8.4	\$ 5.4	\$ 4.0
Unrestricted Fund balance (net position)	\$ 16.5	\$ 19.9	\$ 17.4	\$ 8.5	\$ 7.6

**OBSERVATIONS ABOUT ABOVE FINANCIALS:**

- FY 15 All Other Expenses reflects the expensing of project costs that could not be capitalized
- FY16 Operating Transfer includes one-time return of fund balances from the Project Mgmt,
- Public Works expense increases primarily from equipment replacement purchases
- Waste water treatment operating expenses increase projected utility & contract increases
- Increase in depreciation in FY 17 reflects completion of the residuals handling project
- FY 18 increase in All Other includes one-time costs est. OPEB costs of \$9.4 Mil., est. ongoing annual expense is \$1.7 Mil.
- Increase in depreciation in FY 19 reflects completion of the Facilities Renovation Project
- Annual savings above is required to pay for capital improvements
- Current Bond Rating is AA+

**CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS**

- Delivery of the Facilities Renovation Project Currently Underway
- The above projections include increased maintenance needs due to aging infrastructure

<b>FUND BALANCE (Net Assets)</b>	<u>FY 2016</u>
	(\$ Mils.)
<b>6/30/16 - Total Fund Balance (Net Position)</b>	<b>\$ 126.0</b>
Less:	
Restricted - Capital Assets	(87.0)
Restricted - Debt Service	(10.4)
Restricted - Equipment Replacement	<u>(8.7)</u>
<b>Unrestricted at June 30, 2016</b>	<b>19.9</b>
- FY 17 Anticipated Use of Fund Balance	(2.6)
- Orchard & Abbot Sanitary	<u>(0.0)</u>
<b>Subtotal</b>	<b>\$ 17.3</b>
Less: Minimum Balance Requirement-25% of Oper Exp	<u>(4.3)</u>
<b>Available Fund Balance</b>	<b><u>\$ 13.0</u></b>

Known Risks

- FY 18 Anticipated Capital needs \$9.4 mil.
- FY 19 Anticipated Capital needs \$9.0 mil.



## Stormwater Fund (Operating)

### PRIMARY SERVICES

- Collection and Treatment of Stormwater Runoff
- Repair and Maintenance of the Collection Mains
- Maintain Install Street Tree population

### FINANCIAL SUMMARY

	Actual		Projected		
	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)
<i>Revenue:</i>					
Rate Revenue	\$ 6.2	6.7	\$ 7.0	\$ 9.0	\$ 10.2
Grants	0.3	0.6	0.0	-	-
All Other	1.3	1.0	0.3	0.2	0.3
Total Revenue	\$ 7.8	\$ 8.3	\$ 7.3	\$ 9.2	\$ 10.5
<i>Expense:</i>					
Public Works Operations	\$ 2.8	2.6	\$ 2.8	\$ 3.5	\$ 4.0
Depreciation	0.3	0.7	0.7	0.7	0.7
Debt Service	0.3	1.1	1.4	1.7	1.9
All Other	4.9	3.8	2.4	3.1	2.0
Total Expense	\$ 8.3	\$ 8.2	\$ 7.3	\$ 9.0	\$ 8.6
<b>Net</b>	<b>\$ (0.5)</b>	<b>\$ 0.1</b>	<b>\$ 0.0</b>	<b>\$ 0.2</b>	<b>\$ 1.9</b>
<i>Memo:</i>					
Revenue Requirement Increase per plan	6.0%	6.5%	28.0%	14.0%	13.0%
Capital Projects/Equipment-Cash Flowed	\$ 3.1	\$ 3.0	\$ 1.3	\$ 4.6	\$ 4.0
Unrestricted Fund balance (net position)	\$ 9.3	10.5	\$ 9.2	\$ 4.8	\$ 2.7

### OBSERVATIONS ABOUT ABOVE FINANCIALS:

- Revenue assumes increase in rates per Level-of-Service Recommendations
- FY 18 Public Works increase includes implementation of a routine pruning cycle & increased public education
- FY 2015 All Other revenue includes transfer from road funds dual projects.
- FY 2016 All Other revenue includes one-time return of Project Mgmt, Fleet & Risk funds

### CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS

- Implementation of Level-of-Service Recommendations address unmet capital needs
- Continued partnership with County is integral to the City's participation in SRF principal forgiveness.
- Plan includes implementation of a annual routine pruning program
- Debt Service & Depreciation increase with escalation of Capital Investment
- Increased revenue allows increased system maintenance including green infrastructure and Best Management Practices
- The Green Streets policy is driving significant capital investment.

<b>FUND BALANCE (Net Assets)</b>	<u>FY 2016</u>
	(\$ Mils.)
<b>6/30/16 - Total Fund Balance (Net Position)</b>	<b>\$ 15.8</b>
Less:	
Restricted - Capital Assets	<u>(5.4)</u>
<b>Subtotal</b>	<b>\$ 10.4</b>
Less: Minimum Balance Requirement-25% of Oper Exp	<u>(2.2)</u>
<b>Available Fund Balance</b>	<b><u>\$ 8.2</u></b>
<u>Known Risks</u>	
• FY 18 Anticipated Capital needs	6.8
• FY 19 Anticipated Capital needs	10.2

## Solid Waste Fund

**PRIMARY SERVICES**

- Collection of Solid Waste
- Residential and Commercial Recycling (Material Recovery)
- Compost Collection
- Responsible for Waste/Recycling Transfer station
- Landfill Maintenance

**FINANCIAL SUMMARY**

	Actual		Projected		
	FY2015 (\$ Mil.)	FY2016 (\$ Mil.)	FY2017 (\$ Mil.)	FY2018 (\$ Mil.)	FY2019 (\$ Mil.)
<i>Revenue:</i>					
Solid Waste Millage	\$ 11.7	\$ 12.0	\$ 12.4	\$ 12.6	\$ 12.9
Recycling Processing Credit	0.1	-	-	-	-
Waste Collection - Commercial	2.4	2.5	2.5	2.5	2.6
All Other	0.6	1.9	0.6	0.7	0.7
<b>Total Revenue</b>	<b>\$ 14.8</b>	<b>\$ 16.4</b>	<b>\$ 15.5</b>	<b>\$ 15.8</b>	<b>\$ 16.2</b>
<i>Expense:</i>					
Waste	\$ 5.5	\$ 5.8	\$ 6.5	\$ 6.5	\$ 6.6
Material Recovery	3.8	3.6	5.4	5.1	5.2
Compost	1.2	1.4	1.3	1.3	1.3
Depreciation	0.9	0.8	0.9	0.9	0.9
All Other	2.2	7.2	3.2	4.8	3.4
<b>Total Expense</b>	<b>\$ 13.6</b>	<b>\$ 18.8</b>	<b>\$ 17.3</b>	<b>\$ 18.6</b>	<b>\$ 17.4</b>
<b>Net</b>	<b>\$ 1.2</b>	<b>\$ (2.4)</b>	<b>\$ (1.8)</b>	<b>\$ (2.8)</b>	<b>\$ (1.2)</b>
<i>Memo:</i>					
Anticipated Capital Needs			\$ 1.7	\$ 1.4	\$ 1.3
Unrestricted Fund balance (net position)	\$ 15.1	\$ 12.7	\$ 9.3	\$ 5.1	\$ 2.6

**OBSERVATIONS ABOUT ABOVE FINANCIALS:**

- FY15 All Other revenue includes \$1M in returned monies from Project Mgmt/Fleet/Risk funds.
- FY 16 All Other Expenses includes a one-time change in Landfill Liability \$5 Mil
- FY 17 - FY 19 Waste and Material Recovery reflect increased TS/MRF Operations & Repairs
- FY 18 All Other Expenses reflects one-time and ongoing OPEB costs

**CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS**

- Long-term revenues do not support expansion of programs.
- Waste Mgmt landfill contract (tip fees) expires FY18. Anticipate significant increase.
- Need Resolution to long-term operations of the MRF/Transfer station.
- Solid Waste Plan envisions an expansion of the food waste program.
- Addition of 800-1,000 service stops.
- Expansion of multi-families utilization of existing recycling program

<b>FUND BALANCE (Net Position)</b>	<u>FY 2016</u>
	(\$ Mils.)
<b>6/30/16 - Total Fund Balance (Net Position)</b>	<b>\$ 26.2</b>
Less:	
Restricted - Capital Assets	(13.3)
Restricted - Capital Repair & Replacement Fund	-
Restricted - Landfill reserve	<u>(0.2)</u>
<b>Unrestricted at June 30, 2016</b>	<b>12.7</b>
 <u>FY 17 Planned Use of Fund Balance:</u>	 <b>(3.5)</b>
 <u>FY 18 Planned Use of Fund Balance &amp; Capital:</u>	
• Northside Methane Collection System Upgrade	(0.1)
• Landfill Entrance Improvements	(0.5)
• MRF/Transfer Station Site Evaluation	(0.8)
• Operating Use of Fund Balance	(2.8)
 • <u>FY 19 Planned Capital:</u>	
• Landfill Entrance Improvements	(0.8)
• Termination of Public Dead-End Streets	(0.5)
• Operating Use of Fund Balance	(1.2)
• <b>Subtotal</b>	<b>2.6</b>
Less: Minimum Balance Requirement-25% of Oper Exp	<u>(2.2)</u>
<b>Available Fund Balance</b>	<b><u>\$ 0.4</u></b>
 Known Risk	
• MRF/Transfer Station Facility Repairs	tbd