

Stormwater Fund (Operating)

PRIMARY SERVICES

- Collection and Management of Stormwater Runoff
- Repair and Maintenance of the Collection Mains
- Manage and Maintain Urban Forest

FINANCIAL SUMMARY

	Actual		Projected		
	FY2017	FY2018	FY2019	FY2020	FY2021
	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)
<i>Revenue:</i>					
Rate Revenue	\$ 7.4	\$ 9.0	\$ 10.8	\$ 12.1	\$ 13.4
Grants	0.2	0.0	-	-	-
All Other	0.1	0.4	0.4	0.6	0.5
Total Revenue	\$ 7.8	\$ 9.5	\$ 11.2	\$ 12.7	\$ 13.9
<i>Expense:</i>					
Conveyance System & Urban Forest	\$ 2.6	\$ 3.2	\$ 5.3	\$ 5.6	\$ 6.4
Depreciation	0.7	0.7	0.7	0.7	0.8
Debt Service	0.4	0.4	0.4	0.4	0.3
All Other	5.1	3.8	2.1	3.2	3.2
Total Expense	\$ 8.9	\$ 8.2	\$ 8.5	\$ 9.9	\$ 10.6
Net	\$ (1.1)	\$ 1.3	\$ 2.7	\$ 2.8	\$ 3.3
 <i>Memo:</i>					
Revenue Requirement Increase per plan	6.5%	28.0%	14.0%	13.0%	11.0%
Capital Projects/Equipment-Cash Flowed	\$ 1.3	\$ 0.2	\$ 6.7	\$ 5.6	\$ 4.8
Unrestricted Fund balance (net position)	\$ 10.6	\$ 11.7	\$ 7.6	\$ 4.9	\$ 3.3

OBSERVATIONS ABOUT ABOVE FINANCIALS:

- Revenue assumes increase in rates per Level-of-Service Recommendations.
- All Other Expenses in FY18 include \$1 Mil. for other Post Employment Benefits. Ongoing expenses for post employment benefits and pension liabilities are est. at \$0.6 Mil, in "All Other".
- FY 19 Level of Service Increase includes best management practices & green infrastructure (\$400,000).
- FY19 Forestry was combined from the Parks Millage into the stormwater fund.
- FY 20 Level of Service Increase includes asset management (\$920,000).

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 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.

FUND BALANCE (Net Assets)	<u>FY 2018</u>
	(\$ Mils.)
6/30/18 - Total Fund Balance (Net Position)	\$ 16.1
Less:	
Restricted - Capital Assets	<u>(4.5)</u>
Subtotal	\$ 11.7
Less: Minimum Balance Requirement-25% of Oper Exp	<u>(2.1)</u>
Available Fund Balance	<u>\$ 9.5</u>
<u>Known Risks</u>	
• FY 19 Anticipated Capital needs	\$ 6.7 Mil.
• FY 20 Anticipated Capital needs	\$ 5.6 Mil.
• FY 21 Anticipated Capital needs	\$ 4.8 Mil.