



The area known today as 5th by Northwest was annexed to the city in 1922 after decades of being home to a major railroad as well as several important industries and businesses.

ENTERPRISE FUNDS

Sewerage and Drainage Operating Fund

2017 Cash Balance Statement

The sanitary sewer enterprise fund is used by the city to account for all financial activity related to the operation of the sanitary sewer enterprise. The city collects and treats effluent of city residents and residents of certain suburban areas. The city has two sewerage treatment plants. Revenues consist primarily of user charges.

The projected beginning year 2017 cash balance is \$214.5 million, which includes \$125 million in two reserve funds and an EPA mandated replacement fund.

2017 Sewerage and Drainage Operating Fund

Balance Summary

Unencumbered Cash Balance (January 1, 2017)	\$	214,534,421
Plus Estimated 2017 Receipts		266,636,660
Plus Estimated Encumbrance Cancellations		5,000,000
Total Estimated Available Resources	\$	486,171,081
Less 2017 Recommended Operating Budget (Sewers/Drains)		(271,523,840)
Less 2017 Recommended Operating Budget (Administration)		(8,534,911)
Projected Available Balance (December 31, 2017)	\$	206,112,330

2017 Revenue Summary

User fees support the operations of the Division of Sewerage and Drainage. Section 118 of the Columbus City Charter empowers City Council to establish separate utility rates to fully cover the cost of service. Rates are set to fully recover the cost of operations, maintenance and debt service, and are reviewed annually by the Sewer and Water Advisory Board. City Council must approve all rate increases before they are effective.

One of the city's goals in the rate setting process is to avoid steep increases and at the same time fully meet the needs of the system. To achieve this goal, a pro forma operating statement was developed. The pro forma is routinely updated to reflect changing appropriations, expenditures and revenues.

2017 Revenue Summary

2017 Sewerage and Drainage Operating Fund				
Revenue by Source and Year				
Historical and Projected				
	2014	2015	2016	2017
Revenue Summary	Actual	Actual	Estimated	Proposed
Sewer Sales	\$ 192,976,479	\$ 199,254,808	\$ 204,170,693	\$ 210,321,335
Wet Weather Charges	32,587,890	34,327,463	35,103,937	36,406,867
System Capacity Charges	5,971,738	5,879,322	5,936,695	5,996,062
Investment Income	1,654,336	2,074,453	2,116,561	2,137,727
Storm Maintenance Reimbursement	8,307,135	8,205,977	8,517,867	8,773,403
Other*	2,948,079	16,053,885	6,162,555	8,001,266
Unencumbered Cash Balance	197,037,025	213,732,941	214,939,630	214,534,421
Total Resources	\$ 441,482,682	\$ 479,528,849	\$ 476,947,938	\$ 486,171,081
Percent Change		8.62%	-0.54%	1.93%

*Includes debt refinancing premiums in 2013 and 2014 and encumbrance cancellations in 2015, 2016 and 2017.

Notes:

- The Sewer and Water Advisory Board recommended a three percent increase in revenues for 2017. With this increase, revenues, excluding the beginning balance and encumbrance cancellations, will total \$271.6 million in 2017.
- There will be no change to the sewer system capacity fee in 2017.
- Due to the volatility of the market, the interest income projection is normally very conservative, with a projected one percent increase in 2017. Investment income, as a revenue source to the enterprise funds, is based on the amount of cash available in the treasury upon which interest can be earned.
- The storm maintenance reimbursement will continue in 2017. This transfer of funds from the storm to the sanitary sewer fund is a reimbursement for shared resources.
- The low income discount is continued in 2017. This discount is applied to the commodity portion of the customer's sanitary sewer bill to provide financial relief to qualifying customers.

Sewerage and Drainage Operating Fund Pro Forma Operating Statement

Presented below is a pro forma operating statement for the sewerage system enterprise operating fund, reflecting sanitary sewer operations only. A separate pro forma statement for storm sewer operations is presented later in this document. Represented is a projection of the sewerage and drainage operating fund revenues and expenditures for the period 2015 through 2026, the assumptions for which are outlined below. The pro forma operating statement is essential to the planning and rate setting processes. The major assumptions upon which the pro forma's numbers are based are as follows:

- The Sewer and Water Advisory Board recommended various sewer rate increases to produce three percent more revenue in 2017.
 - Growth of the sanitary system is projected to be 0.5 percent throughout the pro forma projection period.
 - System capacity charges are assumed to grow by one percent annually.
 - Projections for personnel costs reflect the rates in effect for the various collective bargaining agreements and/or management salary ordinances represented in the division.
 - The 2017 operations and maintenance budget includes \$11.4 million to pay pro rata (payment to the general fund for services provided to the utility divisions by general fund agencies).
 - In 2017, the division will pay \$158.2 million in debt service costs related to various debt issuances over the years. This debt was issued to help fund large infrastructure improvements and upgrades at the wastewater treatment plants and wastewater system.
 - Included in the above-noted figure is \$92.3 million in debt service payments to the Ohio Water Development Authority (OWDA). Use of these low-interest moneys help to decrease the debt retirement expenses associated with sanitary sewer projects. Unlike municipal bonds, debt service on OWDA funded construction projects is not paid until construction is complete.
 - The Division of Sewerage and Drainage's capital improvements plan has been reduced by ten percent throughout the pro forma period. This reduction recognizes the likelihood that actual debt issuance in any given year will not reach levels outlined in the capital improvements budget because of unavoidable lags in the project planning and implementation process.
 - The Division of Sewerage and Drainage's pro forma statement also assumes that all general obligation debt will be issued late in any given year, such that the interest expense is not due until the following year and the principal payment is due the year after that.
 - A portion of the costs associated with the Public Utilities Director's Office are borne by the sewerage enterprise operating fund. In 2017, \$8.5 million is allocated in this fund for the Director's Office.
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SANITARY SEWER ENTERPRISE FUND

Pro Forma Operating Statement

For Years 2015 - 2026 (000's omitted)

	Actual	Estimated	Proposed									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Cash Balance	213,733	214,940	214,534	206,112	199,790	203,527	191,821	182,795	185,448	190,190	197,211	198,408
Utility Revenues												
Sewer Sales	199,255	204,171	205,192	212,271	223,774	238,113	253,384	272,148	289,634	308,256	321,993	333,161
Sewer Sales Increase	-	-	5,130	8,845	11,189	11,906	14,781	13,607	14,482	10,275	8,050	8,329
Wet Weather	34,327	35,104	35,529	36,848	38,793	41,128	43,589	46,545	49,315	52,268	54,559	56,536
Wet Weather Increase	-	-	878	1,480	1,842	1,940	2,399	2,179	2,327	1,644	1,307	1,364
Interest Income	2,074	2,117	2,138	2,159	2,181	2,203	2,225	2,247	2,269	2,292	2,315	2,338
System Capacity Charge	5,879	5,937	5,996	6,056	6,117	6,178	6,240	6,302	6,365	6,429	6,493	6,558
Other	1,818	930	3,001	2,990	3,013	3,072	3,132	3,194	3,228	3,293	3,359	3,426
Reimbursement from Stormwater Fund	8,206	8,518	8,773	9,037	9,308	9,587	9,875	10,171	10,476	10,790	11,114	11,447
Debt Refinancing	236	232	-	-	-	-	-	-	-	-	-	-
Meter Revenue AMR	-	-	-	-	1,500	1,500	1,500	2,500	2,500	2,500	3,500	3,500
Total Revenue	251,796	257,008	266,637	279,686	297,716	315,625	337,124	358,894	380,596	397,747	412,688	426,660
Projected Encumbrance Cancellations		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Resources	465,529	476,948	486,171	490,798	502,506	524,152	533,945	546,688	571,044	592,937	614,899	630,067
Utility Expense												
Operations & Maintenance												
Personnel Services	34,726	35,450	37,569	38,696	39,857	41,053	42,284	43,553	44,859	46,205	47,591	49,019
27th Pay Period	-	-	-	-	-	1,626	-	-	-	-	-	-
Health Insurance	8,381	8,864	10,239	10,956	11,722	12,543	13,421	14,361	15,366	16,441	17,592	18,824
Supplies & Materials	7,055	7,394	8,704	8,965	9,234	9,511	9,796	10,090	10,393	10,705	11,026	11,357
Pro Rata	11,270	11,103	11,400	12,176	12,909	13,703	14,657	15,579	16,543	17,301	17,913	18,527
Contractual Services	33,782	38,250	40,202	40,604	41,010	41,420	41,834	42,252	42,675	43,102	43,533	43,968
Other	9	49	172	175	178	182	186	189	193	197	201	205
Equipment	3,387	4,503	4,201	4,243	4,328	4,414	4,503	4,593	4,685	4,778	4,874	4,971
Department of Public Utilities Allocation	6,747	7,297	8,535	8,706	8,880	9,057	9,238	9,423	9,612	9,804	10,000	10,200
Total Operations & Maintenance	105,357	112,910	121,021	124,520	128,119	133,509	135,920	140,040	144,325	148,533	152,730	157,071
Debt Service												
Revenue Bond	16,973	17,817	18,248	18,248	18,248	18,248	18,248	18,248	27,023	32,910	46,273	34,490
General Obligation	42,830	44,000	47,593	53,512	49,472	46,455	45,185	43,869	40,440	38,781	37,254	34,352
Debt Refinancing	-	-	-	-	-	-	-	-	-	-	-	-
OWPCLF/OWDA Debt- Non Wet Weather	85,430	87,087	89,550	87,465	85,346	85,674	85,299	80,258	77,400	72,612	69,026	67,272
Proposed New Debt	-	-	2,712	6,696	17,264	47,914	65,970	78,297	91,165	102,390	110,708	142,541
Fiscal Charges	-	460	800	500	500	500	500	500	500	500	500	500
Assessments	-	140	134	66	31	30	29	29	-	-	-	-
Total Debt Service	145,233	149,504	159,038	166,487	170,861	198,822	215,231	221,200	236,529	247,194	263,761	279,155
Total Expense	250,589	262,414	280,059	291,008	298,979	332,331	351,151	361,240	380,854	395,726	416,492	436,225
Ending Fund Balance	214,940	214,534	206,112	199,790	203,527	191,821	182,795	185,448	190,190	197,211	198,408	193,842
Projected Rate Increase	-	-	3.00%	5.00%	6.00%	6.00%	7.00%	6.00%	6.00%	4.00%	3.00%	3.00%

Electricity Enterprise Fund

2017 Cash Balance Statement

The electricity enterprise fund is used by the city to account for all financial activity related to the operation of the electricity enterprise. The city purchases, but does not generate electricity and sells it to its residential and commercial customers. Revenues consist primarily of user charges.

Revenues into the electricity enterprise fund are expected to continue to parallel the expense for the purchase of power. Electrical sales revenue is expected to increase slightly over that of the previous year.

At the beginning of 2017, there is a projected cash balance of nearly \$20.3 million, which reflects the combined balances of the reserve and operating funds.

2017 Electricity Enterprise Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2017)	\$ 20,257,944
Plus Estimated 2017 Receipts	81,451,891
Plus Estimated Encumbrance Cancellations	506,718
Total Estimated Available Resources	<u>\$ 102,216,553</u>
Less 2017 Recommended Operating Budget (Electricity)	(84,858,162)
Less 2017 Recommended Operating Budget (Administration)	(1,189,994)
Projected Available Balance (December 31, 2017)	<u><u>\$ 16,168,397</u></u>

2017 Revenue Summary

The Division of Electricity is supported by revenues generated through the sale of wholesale (purchased) power. Section 118 of the Columbus City Charter empowers City Council to establish separate utility rates to fully cover the cost of service. Rates are set to fully recover the cost of operations, maintenance and debt service. City Council must approve all rate increases before they are effective.

Electricity operating fund revenues fall into two basic categories: revenue from the retail sale of electricity and specific services (e.g. operation and maintenance of expressway lighting) and investment earnings.

2017 Revenue Summary

2017 Electricity Enterprise Fund				
Revenue by Source and Year				
Historical and Projected				
	2014	2015	2016	2017
Revenue Summary	Actual	Actual	Estimated	Proposed
Charges for Electrical Service	\$ 80,174,806	\$ 75,963,437	\$ 76,319,395	\$ 79,140,556
Investment Income	155,732	221,860	222,112	125,000
Other Revenue*	3,610,794	2,484,263	3,130,632	2,556,159
Street Light Assessments	310,706	286,137	157,891	136,894
Unencumbered Cash Balance	15,700,015	21,127,156	21,459,468	20,257,944
Total Resources	\$ 99,952,053	\$ 100,082,853	\$ 101,289,498	\$ 102,216,553
Percent Change		0.13%	1.21%	0.92%

*Includes encumbrance cancellations in 2015, 2016 and 2017.

Notes:

- Revenues, excluding the beginning year cash balance and encumbrance cancellations, are expected to be \$82.0 million in 2017.
- Revenues to the electricity enterprise fund are generated through the purchase of wholesale and resale of retail electricity.
- Effective May 2001, changes in state law caused the Division of Electricity to pay the proceeds of a kilowatt hour tax to the general fund. At that time, to avoid a net reduction in revenue to the division, the general fund reimbursed the payments to the electricity operating fund. However, in 2004, legislation was passed that allowed the general fund to keep the kilowatt hour proceeds. In turn, through 2008, the division received a portion of the costs associated with operation of the street light system from the street construction, maintenance and repair fund (SCMR fund). Starting in 2009, however, this intra-fund transfer was not made and will again not be made in 2017. In 2017, the general fund will retain 100 percent of the value of the kilowatt hour tax.

Electricity Enterprise Fund

Pro Forma Operating Statement

Presented below is a pro forma operating statement for the electricity enterprise operating fund, which outlines projections of operating fund revenues and expenditures on a cash basis for the period 2015 through 2026. Assumptions are outlined below. This division does not follow the same rate setting processes as the Water, Sanitary and Stormwater Divisions. Rather, its rates are determined by what the market will support given that there are other providers of retail electricity in the area. As such, the pro forma operating statement is essential to this division's planning, management and decision making processes. The major assumptions upon which the pro forma's numbers are based are as follows:

- The pro forma assumes operating, maintenance and debt service costs for the division's street lighting program through the entire pro forma period. The objective of the program is to install street lighting throughout the city with revenues derived from electric retail sales.
 - The largest portion, by far, of the Division of Electricity's budget is for the purchase of wholesale electrical power. In 2017, \$57.3 million is budgeted for this commodity. This amount is 9.9 percent more than expended in 2015 and 7.6 percent more than it projects to spend in 2016. These increases reflect the division's estimates for additional transmission, extra capacity, and other ancillary charges. The division will be entering into a new wholesale energy contract starting in January of 2017.
 - Growth of the electric system (i.e., sales) is projected to be 0.5 percent throughout the pro forma projection period.
 - A portion of the costs associated with the Public Utilities Director's Office are borne by the electricity enterprise operating fund. In 2017, \$1.2 million is allocated in this fund for this purpose.
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ELECTRICITY ENTERPRISE FUND

Pro Forma Operating Statement

For Years 2015 - 2026 (000's omitted)

	Actual 2015	Estimate 2016	Proposed 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Cash Balance	21,127	21,459	20,258	16,168	14,585	15,376	13,243	14,784	16,247	15,253	12,111	9,627
Utility Revenues												
Electricity Sales												
Residential	6,244	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275
Commercial	64,636	64,936	67,380	67,398	67,524	67,652	67,782	67,914	68,047	68,182	68,318	68,457
Expressway Lighting	583	587	605	623	641	661	681	701	722	744	766	789
Kilowatt Hour Tax Reduction	-3,200	-3,213	-3,179	-3,186	-3,196	-3,207	-3,219	-3,230	-3,242	-3,255	-3,267	-3,280
PCRA	7,701	7,734	8,269	8,400	7,900	11,000	7,700	8,500	10,000	9,000	12,000	12,000
Total Electric Sales	75,963	76,319	79,141	79,283	78,899	82,114	78,949	79,852	81,478	80,609	83,729	83,870
Other Revenues	2,770	2,784	2,186	2,113	2,179	2,246	2,316	2,388	2,462	2,539	2,618	2,699
Investment Earnings	222	222	125	125	125	125	125	125	125	125	125	125
Total Revenue	78,956	79,326	81,452	81,521	81,203	84,485	81,390	82,366	84,066	83,273	86,472	86,695
Projected Encumbrance Cancellations	-	504	507	495	482	519	479	485	510	519	534	543
Total Resources	100,083	101,289	102,217	98,184	96,270	100,381	95,111	97,635	100,823	99,045	99,117	96,865
Utility Expense												
Operations & Maintenance												
Personnel Services	8,471	8,271	8,689	8,863	9,040	9,221	9,405	9,594	9,785	9,981	10,181	10,384
27th Pay Period	-	-	-	-	-	355	-	-	-	-	-	-
Health Insurance	1,662	1,794	2,032	2,175	2,327	2,490	2,664	2,850	3,050	3,263	3,492	3,736
Purchase Power	52,218	53,325	57,371	57,132	54,459	59,755	52,970	53,498	57,094	57,968	59,840	60,785
Supplies & Materials	1,197	1,088	1,300	1,326	1,353	1,380	1,407	1,436	1,464	1,494	1,523	1,554
Pro Rata	3,610	3,800	3,800	3,663	3,648	3,796	3,657	3,701	3,777	3,742	3,886	3,896
Services	5,107	6,888	7,078	7,149	7,220	7,292	7,365	7,439	7,513	7,588	7,664	7,741
Other Disbursements	5	2	25	25	25	25	26	26	26	26	26	26
Capital Equipment	2,207	3,111	2,967	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Department of Public Utilities Allocation	933	1,023	1,190	1,214	1,238	1,263	1,288	1,314	1,340	1,367	1,394	1,422
DOS Allocation												
Total Operations & Maintenance	75,410	79,302	84,453	82,546	80,311	86,577	79,783	80,856	85,050	86,429	89,006	90,544
Debt Service												
Distribution G.O. Debt	2,967	806	782	609	251	242	233	223	219	215	205	-
Street Lighting G.O. debt	246	759	669	445	331	320	312	309	301	291	279	207
Street Light Assessments	-	158	137	-	-	-	-	-	-	-	-	-
Fiscal Charges	-	7	7	-	-	-	-	-	-	-	-	-
Total Debt Service	3,213	1,730	1,595	1,054	582	562	544	532	520	505	484	207
Total Expense	78,623	81,032	86,048	83,599	80,893	87,139	80,327	81,388	85,569	86,934	89,490	90,751
Ending Fund Balance	21,459	20,258	16,168	14,585	15,376	13,243	14,784	16,247	15,253	12,111	9,627	6,114

Water Operating Fund

2017 Cash Balance Statement

The water enterprise fund is used by the city to account for all financial activity relating to the operation of the water enterprise. The city collects, purifies, and sells water to city residents and residents of certain suburban areas. Water is collected from surface areas (rivers) and wells. The city has three water treatment plants. Revenues consist primarily of user charges.

The projected beginning year 2017 cash balance is \$88.2 million, which includes \$45.0 million in a reserve fund.

2017 Water Operating Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2017)	\$ 88,183,337
Plus Estimated 2017 Receipts	198,521,018
Plus Estimated Encumbrance Cancellations	5,000,000
Total Estimated Available Resources	<u>\$ 291,704,355</u>
Less 2017 Recommended Operating Budget (Water)	(197,978,189)
Less 2017 Recommended Operating Budget (Administration)	(7,620,930)
Projected Available Balance (December 31, 2017)	<u><u>\$ 86,105,236</u></u>

2017 Revenue Summary

User fees completely support the operations of the Water Division. Section 118 of the Columbus City Charter empowers City Council to establish separate utility rates to fully cover the cost of service. Rates are set to recover the cost of operations, maintenance and debt service, and are reviewed annually by the Sewer and Water Advisory Board. City Council must approve all rate increases before they are effective.

One of the city's goals in the rate setting process is to avoid steep increases and at the same time fully meet the needs of the system. To achieve this goal, a pro forma operating statement was developed. The pro forma is routinely updated to reflect changing appropriations, expenditures and revenues.

2017 Revenue Summary

2017 Water Operating Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2014	2015	2016	2017
Revenue Summary	Actual	Actual	Estimated	Proposed
Water Sales	\$ 159,410,225	\$ 163,490,335	\$ 170,446,946	\$ 175,581,661
Water Penalty Fee	2,196,140	2,111,304	2,207,812	2,229,890
System Capacity Charges	4,947,609	5,858,247	6,100,533	6,161,538
Sewer Billings	6,301,390	6,657,256	6,933,304	7,002,637
Meter Service Fee	941,984	923,164	968,339	978,022
Investment Income	1,450,541	1,539,989	1,607,442	1,623,516
Other Revenue*	11,107,509	10,196,124	10,403,327	9,943,754
Unencumbered Cash Balance	83,997,405	81,037,630	84,948,103	88,183,337
Total Resources	\$ 270,352,803	\$ 271,814,049	\$ 283,615,806	\$ 291,704,355
Percent Change		0.54%	4.34%	2.85%

*Includes debt refinancing premiums in 2013, 2014 and 2015 and encumbrance cancellations in 2014, 2015 and 2016.

Notes:

- The Sewer and Water Advisory Board recommended a three percent increase in water rates for 2017. Water sales are projected to generate \$175.6 million in 2017.
- There will be no change to the water system capacity fee in 2017.
- The low income discount is continued in 2017. This discount is applied to the commodity portion of the customer's water bill to provide financial relief to qualifying customers.
- The interest income projection is expected to increase by one percent. Investment income, as a revenue source to the enterprise funds, is based on the amount of cash available in the treasury upon which interest can be earned.

Water Operating Fund

Pro Forma Operating Statement

A pro forma operating statement from 2015 through 2026 is presented below. The statement is designed to project the utility's revenues and expenditures for that period, given certain assumptions and is essential to the planning and rate setting process. The major assumptions upon which the water pro forma's numbers are based are as follows:

- The sewer and water advisory board recommended a three percent increase in water rates for 2017.
 - Growth of the water system is projected to be 0.5 percent throughout the pro forma period.
 - System capacity charges are assumed to grow by one percent annually.
 - Interest rates on investments of revenues and reserves are projected to grow by one percent annually.
 - Included in the operations and maintenance budget for 2017 is \$9.0 million for payment of pro rata.
 - Proposed new debt is issued both in the form of general obligation bonds and loans from the Water Supply Revolving Loan Account at an assumed interest rate of four percent.
 - The Division of Water's pro forma statement assumes that all debt will be issued late in any given year, such that the interest expense is not due until the following year and the principal payment is due the year after that.
 - The Division of Water's capital improvements budget (CIB) has been discounted by ten percent. This reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process.
 - A portion of the costs associated with the Public Utilities Director's Office are borne by the water enterprise operating fund. In 2017, \$7.6 million is allocated in this fund for this purpose.
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WATER ENTERPRISE FUND

Pro Forma Operating Statement

For Years 2015 - 2026 (000's omitted)

	Actual	Estimate	Proposed									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Cash Balance	81,038	84,948	88,183	86,105	87,971	95,767	95,262	94,252	94,331	96,181	98,204	98,536
Utility Revenues												
Water Sales	163,490	170,447	171,299	177,320	185,335	193,712	202,468	211,620	221,185	231,183	241,632	250,125
Water Sales Increase	-	-	4,282	5,911	6,178	6,457	6,749	7,054	7,373	7,706	6,041	4,169
Interest Income	1,540	1,607	1,624	1,640	1,656	1,673	1,689	1,706	1,723	1,741	1,758	1,776
System Capacity Charges	5,858	6,101	6,162	6,223	6,348	6,475	6,604	6,736	6,871	7,008	7,148	7,291
Sewer Billing Charges	6,657	6,933	7,003	7,073	7,143	7,215	7,287	7,360	7,433	7,508	7,583	7,659
Penalties	2,111	2,208	2,230	2,252	2,275	2,297	2,320	2,344	2,367	2,391	2,415	2,439
Meter Service Fees	923	968	978	988	998	1,008	1,018	1,028	1,038	1,049	1,059	1,070
Other	4,724	4,919	4,944	4,968	4,993	5,018	5,043	5,069	5,094	5,119	5,145	5,171
Debt Refinancing	472	484	-	-	-	-	-	-	-	-	-	-
Meter Revenue AMR	-	-	-	-	1,000	1,000	1,000	2,000	2,000	2,000	3,000	3,000
Total Revenue	185,776	193,668	198,521	206,375	215,926	224,855	234,179	244,916	255,085	265,704	275,781	282,699
Projected Encumbrance Cancellations		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Resources	266,814	283,616	291,704	297,480	308,896	325,622	334,441	344,168	354,416	366,885	378,985	386,235
Utility Expense												
Operations & Maintenance												
Personnel Services	38,514	38,887	40,707	41,928	43,186	44,482	45,816	47,191	48,607	50,065	51,567	53,114
27th Pay Period	-	-	-	-	-	1,711	-	-	-	-	-	-
Health Insurance	9,332	9,897	11,125	11,903	12,737	13,628	14,582	15,603	16,695	17,864	19,114	20,452
Supplies & Materials	20,358	22,440	21,749	22,184	22,628	23,081	23,542	24,013	24,493	24,983	25,483	25,993
Pro Rata	8,228	8,866	9,043	9,287	9,717	10,118	10,538	11,021	11,479	11,957	12,410	12,721
Contractual Services	22,547	26,751	29,384	29,678	29,975	30,275	30,578	30,883	31,192	31,504	31,819	32,137
Other	363	49	107	109	111	114	116	118	121	123	125	128
Equipment	1,821	2,276	1,815	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343
Department of Public Utilities Allocation	5,768	6,508	7,621	7,773	7,929	8,087	8,249	8,414	8,582	8,754	8,929	9,108
Transfers	-	70	-	-	-	-	-	-	-	-	-	-
Total Operations & Maintenance	106,930	115,744	121,552	124,864	128,323	131,866	135,544	139,409	143,377	147,502	151,745	149,529
Debt Service												
Revenue Bond	-	-	-	-	-	-	-	-	-	-	-	-
General Obligation	74,869	79,443	82,161	80,902	74,215	69,278	65,605	60,858	56,934	53,986	51,740	50,228
Proposed New Debt	-	-	1,536	3,393	10,241	28,867	38,690	49,220	57,573	66,843	76,614	85,654
PNC Note Interest (2016 only)	-	171	-	-	-	-	-	-	-	-	-	-
Fiscal & Note Charges	-	75	350	350	350	350	350	350	350	350	350	350
Total Debt Service	74,869	79,689	84,047	84,646	84,806	98,495	104,645	110,428	114,857	121,179	128,704	136,232
Total Expense	181,799	195,432	205,599	209,510	213,129	230,361	240,189	249,837	258,235	268,681	280,449	285,760
Ending Fund Balance	84,948	88,183	86,105	87,971	95,767	95,262	94,252	94,331	96,181	98,204	98,536	100,474
Projected Revenue Increase	-	-	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.00%	2.00%

Storm Sewer Maintenance Fund

2017 Cash Balance Statement

The storm sewer maintenance fund is used by the city to account for all financial activity related to the operation of the storm sewer enterprise. The city has a separate storm sewerage system, as well as a combined system that also handles sanitary sewage. Revenues consist primarily of user charges.

Prior to 1993, the storm sewer maintenance special revenue fund was used only to reimburse the sanitary operating fund for stormwater management expenses. No expenditures were made directly out of this fund. This arrangement changed in 1993, when the storm sewer maintenance fund became the operating fund for stormwater management engineering and design, although the sanitary fund is still reimbursed for some storm sewer maintenance expenses. More recently, this fund's designation changed from that of special revenue to enterprise fund. This change allowed the division to set aside monies in a reserve fund against which contracts could be certified in the absence of bond cash.

A 2017 beginning year cash balance of \$22.1 million is projected for this fund. This includes a \$9.0 million reserve balance.

2017 Storm Sewer Maintenance Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2017)	\$ 22,060,198
Plus Estimated 2017 Receipts	40,983,734
Plus Estimated Encumbrance Cancellations	250,000
Total Estimated Available Resources	<u>\$ 63,293,932</u>
Less 2017 Recommended Operating Budget (Storm Sewer)	(39,496,147)
Less 2017 Recommended Operating Budget (Administration)	(2,274,454)
Projected Available Balance (December 31, 2017)	<u><u>\$ 21,523,331</u></u>

2017 Revenue Summary

Storm sewer maintenance fees provide the vast majority of revenues to this fund. In August 1995, the Division of Sewerage and Drainage implemented a new fee structure based on the impervious area of a given property, which directly relates to stormwater runoff into the storm drainage system. The stormwater service fee is based upon an equitable and consistent rate system, defined in equivalent residential units (ERU), where one ERU equals 2,000 square feet of impervious area.

In 2011, there was no increase to the stormwater fee as it was determined that sufficient revenues were being generated under the current fee structure. In 2012, the Sewer and Water Advisory Board voted to decrease the fee by two percent. In 2013, the fee structure remained unchanged. More recently however, small increases have been necessary; for 2017, the Board has recommended a one percent increase.

2017 Revenue Summary

2017 Storm Sewer Maintenance Fund				
Revenue by Source and Year				
Historical and Projected				
	2014	2015	2016	2017
Revenue Summary	Actual	Actual	Estimated	Proposed
Storm Maintenance Fees	\$ 37,877,002	\$ 38,630,233	\$ 40,587,892	\$ 40,277,466
Investment Income	206,570	309,719	327,389	229,787
Other Revenue*	46,568	17,200	328,739	287,131
Penalties	453,018	423,912	447,569	439,350
Unencumbered Cash Balance	19,323,225	20,172,543	20,808,902	22,060,198
Total Resources	\$ 57,906,383	\$ 59,553,607	\$ 62,500,491	\$ 63,293,932
Percent Change		2.84%	4.95%	1.27%

*Includes debt refinancing premiums in 2013 and 2014 and encumbrance cancellations in 2015 and 2016.

Storm Sewer Maintenance Fund Pro Forma Operating Statement

- The storm sewer maintenance pro forma operating statement assumes a one percent increase to the storm sewer maintenance fee in 2017.
- Proposed new debt is issued both in the form of general obligation bonds and loans from the Water Pollution Control Loan Fund at an assumed interest rate of four percent.
- The division's capital improvements plan has been discounted by ten percent throughout the pro forma period. This reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process.
- In 2005, costs associated with the street cleaning function were added to the storm sewer budget, having been transferred from the Department of Public Service. In 2008, snow removal costs were also transferred. In 2017, \$8.4 million is budgeted for these services.
- A portion of the costs associated with the Public Utilities Director's Office are borne by the storm sewer enterprise operating fund. In 2017, \$2.3 million is allocated in this fund for this purpose.

STORM SEWER ENTERPRISE FUND**Pro Forma Operating Statement****For Years 2015 - 2026 (000's omitted)**

	Actual	Estimate	Proposed									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Cash Balance	20,173	20,809	22,060	21,523	20,828	19,786	19,385	20,377	22,339	24,595	26,246	27,397
Utility Revenues												
Storm Maintenance Service Charges	38,630	40,588	39,945	40,579	41,568	42,653	43,748	45,297	46,860	48,079	49,309	50,008
Rate Increase (Decrease)	-	-	333	676	693	711	1,094	1,132	781	801	411	417
Investment Earnings	310	327	230	237	244	251	259	266	274	283	291	300
Storm Sewer Maintenance Penalties	424	448	439	444	448	457	466	476	485	495	505	515
Other Revenues	30	33	37	38	39	41	42	43	44	46	47	48
Debt Refinancing	44	46	-	-	-	-	-	-	-	-	-	-
Unapplied	-57	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	39,381	41,442	40,984	41,974	42,992	44,113	45,609	47,214	48,444	49,703	50,563	51,287
Projected Encumbrance Cancellations		250	250	250	250	250	250	250	250	250	250	250
Total Resources	59,554	62,500	63,294	63,747	64,070	64,149	65,243	67,841	71,034	74,549	77,058	78,934
Utility Expense												
Operations & Maintenance												
Personnel Services	1,283	1,311	1,503	1,548	1,594	1,642	1,691	1,742	1,794	1,848	1,903	1,961
27th Pay Period												
Health Insurance	302	325	381	408	437	467	500	535	572	612	655	701
Supplies & Materials	15	41	42	43	44	45	46	47	48	49	49	50
Contractual Services	1,829	2,293	2,776	2,832	2,888	2,946	3,005	3,065	3,126	3,189	3,253	3,318
Pro Rata	1,771	1,865	1,783	1,889	1,935	1,985	2,052	2,125	2,180	2,237	2,275	2,308
Equipment	29	-	67	68	70	71	73	74	75	77	79	80
Other	20	10	10	10	10	11	11	11	11	11	12	12
Incremental O&M (Blueprint) - NEW	-	-	-	-	664	1,098	1,597	2,123	2,657	3,294	3,294	3,294
Reimbursement to Sanitary Enterprise	8,206	8,300	8,300	8,466	8,635	8,808	8,984	9,164	9,347	9,534	9,725	9,919
Department of Public Utilities Allocation	1,738	1,946	2,274	2,320	2,366	2,414	2,462	2,511	2,561	2,613	2,665	2,718
Dept of Technology Allocation	1,071	1,306	1,395	1,423	1,451	1,480	1,510	1,540	1,571	1,602	1,634	1,667
Street Cleaning (transferred to Public Service)	8,765	8,720	8,400	8,484	8,569	8,655	8,741	8,828	8,917	9,006	9,096	9,187
Total Operations & Maintenance	25,030	26,116	26,931	27,490	28,663	29,621	30,672	31,765	32,860	34,071	34,640	35,215
Debt Service												
General Obligation	13,715	14,211	14,640	14,667	13,824	12,638	11,402	10,765	10,131	9,591	9,210	7,330
Proposed New Debt	-	-	-	471	1,509	2,219	2,509	2,690	3,167	4,362	5,536	6,583
Proposed New Debt (Loan)	-	-	-	90	88	86	84	82	80	78	76	74
Fiscal Charges	-	114	200	200	200	200	200	200	200	200	200	200
Total Debt Service	13,715	14,325	14,840	15,428	15,621	15,143	14,195	13,737	13,578	14,232	15,022	14,188
Total Expense	38,745	40,440	41,771	42,919	44,284	44,764	44,867	45,502	46,438	48,303	49,662	49,403
Ending Fund Balance	20,809	22,060	21,523	20,828	19,786	19,385	20,377	22,339	24,595	26,246	27,397	29,531
Projected Revenue Increase	-	1.00%	1.00%	2.00%	2.00%	2.00%	3.00%	3.00%	2.00%	2.00%	1.00%	1.00%

Enterprise Funds

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