

Enterprise Funds



Sewerage and Drainage Operating Fund

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.

2020 Cash Balance Statement

The projected beginning year 2020 cash balance is \$227.1 million, which includes \$79.5 million in two reserve funds and an Environmental Protection Agency mandated replacement fund.

2020 Sewerage and Drainage Operating Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2020)	\$ 227,145,170
Plus Estimated 2020 Receipts	310,572,923
Total Estimated Available Resources	<u>\$ 537,718,093</u>
Less 2020 Recommended Operating Budget (Sewers/Drains)	(297,105,626)
Less 2020 Recommended Operating Budget (Administration)	(14,743,545)
Projected Available Balance (December 31, 2020)	<u>\$ 225,868,922</u>

2020 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.

2020 Sewerage and Drainage Operating Fund				
Revenue by Source and Year				
Historical and Projected				
	2017	2018	2019	2020
Revenue Summary	Actual	Actual	Estimated	Proposed
Sewer Sales	\$ 219,479,928	\$ 219,020,009	\$ 229,224,878	\$ 242,871,669
Wet Weather Charges	36,935,862	37,515,626	39,068,317	41,306,111
System Capacity Charges	8,533,390	7,334,835	8,692,370	8,779,294
Investment Income	3,563,475	5,156,888	8,153,542	8,235,078
Storm Maintenance Reimbursement	8,723,621	7,956,033	8,827,108	9,157,022
Other Revenue*	1,671,401	2,023,161	2,476,537	223,751
Cash Balance	227,682,301	246,566,039	258,536,335	227,145,170
Total Resources	\$ 506,589,978	\$ 525,572,591	\$ 554,979,087	\$ 537,718,093
Percent Change		3.75%	5.60%	-3.11%

*Includes debt refinancing premiums and transfers in 2017.

Notes:

- The Sewer and Water Advisory Board recommended a three percent increase in revenues for 2020. With this increase, revenues, excluding the beginning balance, will total \$310.6 million in 2020.
- The interest income projection in 2020 estimates a one percent increase over 2019 estimated revenue. 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 2020. 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 2020. 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 2018 through 2029, 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 2020.

- 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 2020 operations and maintenance budget includes \$13.6 million to pay pro rata (payment to the general fund for services provided to the utility divisions by general fund agencies).
 - In 2020, the division will pay almost \$176 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 \$95.3 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 2020, \$14.7 million is allocated in this fund for the Director's Office.
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SANITARY SEWER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2018	Estimated 2019	Proposed 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue												
Sewer Sales	219,020	229,225	236,948	245,102	253,541	262,275	273,890	286,028	298,711	314,904	328,886	340,256
Sewer Sales Increase	-	-	5,924	6,128	6,339	8,743	9,130	9,534	12,446	10,497	8,222	5,671
Wet Weather	37,516	39,068	40,334	41,807	43,334	44,917	46,923	49,001	51,172	53,852	56,225	58,262
Wet Weather Increase	-	-	972	1,008	1,045	1,444	1,497	1,564	2,042	1,706	1,346	937
Interest Income	5,157	8,154	8,235	8,317	8,401	8,485	8,569	8,655	8,742	8,829	8,917	9,007
System Capacity Charges	7,335	8,692	8,779	8,867	8,956	9,045	9,136	9,227	9,319	9,413	9,507	9,602
Other	2,023	2,477	224	224	224	224	225	225	225	225	226	226
Reimbursement from Stormwater Fund	7,956	8,827	9,157	9,386	9,621	9,861	10,108	10,360	10,619	10,885	11,157	11,436
Meter Revenuenue AMR	-	-	-	3,000	4,500	4,500	4,500	4,500	2,500	-	-	-
Total Revenue	279,007	296,443	310,573	323,839	335,960	349,494	363,978	379,095	395,776	410,311	424,486	435,396
Beginning Fund Balance	246,566	258,536	227,145	225,869	217,613	216,627	207,131	191,995	165,894	143,564	133,221	163,300
Total Resources	525,573	554,979	537,718	549,708	553,573	566,122	571,108	571,089	561,671	553,875	557,708	598,696
Operating Expenses												
Personnel Services	35,594	34,651	37,077	37,448	37,822	38,201	38,583	38,968	39,358	39,752	40,149	40,551
27th Pay Period	-	-	1,537	-	-	-	-	-	-	-	-	-
Health Insurance	9,950	8,931	8,854	9,297	9,761	10,250	10,762	11,300	11,865	12,458	13,081	13,735
Supplies & Materials	7,195	10,918	12,467	12,592	12,718	12,845	12,974	13,103	13,234	13,367	13,500	13,635
Pro Rata	11,741	13,340	13,643	14,573	15,118	15,727	16,379	17,059	17,810	18,464	19,102	19,593
Contractual Services	33,187	41,764	42,643	42,856	43,071	43,286	43,503	43,720	43,939	44,158	44,379	44,601
Other	130	264	166	167	169	171	173	174	176	178	180	181
Equipment	2,789	4,600	4,762	4,904	5,051	5,203	5,359	5,520	5,685	5,856	6,032	6,213
Department of Public Utilities Allocation	10,185	12,320	14,744	14,891	15,040	15,190	15,342	15,496	15,651	15,807	15,965	16,125
AMI SAAS NAAS Costs	-	-	-	625	625	625	625	625	625	625	625	625
Total Operating Expenses	110,770	126,789	135,893	137,353	139,376	141,498	143,698	145,966	148,343	150,665	153,013	155,259
Debt Service												
Revenue Bond	17,617	21,760	18,248	16,297	16,297	25,072	30,959	44,322	32,539	31,621	11,736	71,834
General Obligation	49,972	46,184	58,666	64,498	62,685	58,598	56,343	54,632	51,311	44,149	41,338	40,030
OWPCLF/OWDA Debt - Non Wet Weather	88,563	87,107	95,322	105,238	100,509	97,603	92,773	89,139	87,040	83,934	68,481	55,018
Proposed New Debt	-	-	2,322	8,179	17,550	35,720	54,840	70,637	98,373	109,785	119,340	132,219
Fiscal Charges	114	506	1,368	500	500	500	500	500	500	500	500	500
Assessments	-	-	30	29	29	-	-	-	-	-	-	-
Total Debt Service	156,266	155,557	175,956	194,741	197,570	217,493	235,415	259,229	269,763	269,988	241,394	299,601
Total Expense	267,036	282,346	311,849	332,095	336,946	358,991	379,114	405,195	418,107	420,653	394,407	454,860
Ending Fund Balance	258,536	227,145	225,869	217,613	216,627	207,131	191,995	165,894	143,564	133,221	163,300	143,836

Electricity Enterprise Fund

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.

2020 Cash Balance Statement

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 2020, there is a projected cash balance of almost \$29.6 million, which reflects the combined balances of the reserve and operating funds.

2020 Electricity Enterprise Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2020)	\$ 29,580,827
Plus Estimated 2020 Receipts	<u>89,946,507</u>
Total Estimated Available Resources	\$ 119,527,334
Less 2020 Recommended Operating Budget (Power)	(94,992,255)
Less 2020 Recommended Operating Budget (Administration)	(2,067,645)
Projected Available Balance (December 31, 2020)	<u><u>\$ 22,467,434</u></u>

2020 Revenue Summary

The Electricity Enterprise 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.

2020 Electricity Enterprise Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2017	2018	2019	2020
	Actual	Actual	Estimated	Proposed
Charges for Electrical Service	\$ 80,759,080	\$ 83,816,049	\$ 84,143,070	\$ 87,887,245
Investment Income	371,973	676,213	1,000,180	1,050,189
Other Revenue*	5,812,889	2,080,360	985,360	1,005,067
Street Light Assessments	127,204	101,848	4,089	4,007
Cash Balance	23,732,418	29,178,231	30,994,260	29,580,827
Total Resources	\$ 110,803,564	\$ 115,852,701	\$ 117,126,959	\$ 119,527,334
Percent Change		4.56%	1.10%	2.05%

*Includes transfers in 2017.

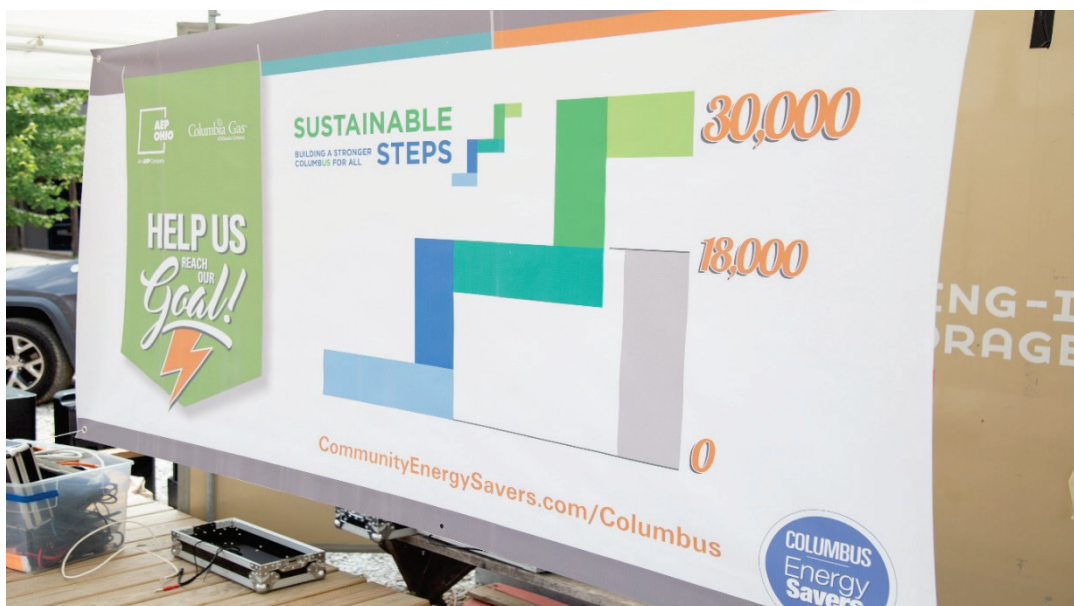
Notes:

- Revenues, excluding the beginning year cash balance are expected to be just under \$90 million in 2020.
- 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 2019. In 2020, the general fund will retain 100 percent of the value of the kilowatt hour tax.
- 2020 includes \$328,250 of revenue anticipated from the electric standby rate. This rate is charged to customers of other utility companies, who purchase backup coverage in the case of an outage.

Electricity Enterprise Fund Pro Forma Operating Statement

Presented on the next page 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 2018 through 2029. 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 2020, \$58.1 million is budgeted for this commodity. This amount is 1.4 percent more than expended in 2018 and 2.7 percent less than projected spending in 2019. These reflect the division's estimates for transmission, capacity, and other ancillary charges.
- Growth of the electric system (i.e., sales) is projected to be 0.05 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 2020, \$2.1 million is allocated in this fund for this purpose.



ELECTRICITY ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals	Estimated	Proposed									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue												
Residential Electricity Sales	8,216	8,869	8,632	9,064	9,517	9,993	10,492	11,017	11,568	12,146	12,753	13,391
Commercial Electricity Sales	70,640	70,905	71,609	71,967	72,327	72,689	73,052	73,417	73,784	74,153	74,524	74,897
Expressway Lighting	491	759	763	766	770	774	778	782	786	790	794	798
Kilowatt Hour Tax Reduction	(3,320)	(3,358)	(3,139)	(3,150)	(3,162)	(3,174)	(3,186)	(3,198)	(3,211)	(3,224)	(3,238)	(3,252)
(Cogen) DOP Revenue Loss - Energy Charges	-	-	-	-	(1,378)	(1,379)	(1,379)	(1,380)	(1,381)	(2,556)	(2,558)	(2,559)
(Cogen) DOP Revenue Loss - Demand Charges	-	-	-	-	(595)	(596)	(596)	(596)	(597)	(1,105)	(1,105)	(1,105)
(Cogen) DOP Incremental Revenue	-	-	-	-	277	274	289	310	305	300	292	290
AMI	-	-	-	500	500	500	500	500	500	-	-	-
Electric Standby Rate	-	-	328	332	335	338	342	345	348	352	355	359
Pole Agreements	-	-	250	275	303	333	366	403	443	487	536	589
PCRA	8,280	6,968	9,444	9,728	10,019	10,320	10,630	10,949	11,277	11,615	11,964	11,964
Other Revenues	2,182	989	1,009	1,029	1,050	1,070	1,092	1,113	1,135	1,158	1,181	1,205
Investment Earnings	676	1,000	1,050	1,103	1,158	1,216	1,277	1,340	1,407	1,478	1,552	1,629
Total Revenue	86,674	86,133	89,947	91,613	91,120	92,358	93,655	95,001	96,366	95,594	97,050	98,205
Beginning Fund Balance	29,178	30,994	29,581	22,467	25,493	24,412	24,030	27,227	29,704	31,773	31,787	31,606
Total Resources	115,853	117,127	119,527	114,080	116,613	116,770	117,685	122,228	126,070	127,367	128,837	129,811
Operating Expenses												
Personnel Services	8,384	8,775	10,023	10,073	10,124	10,174	10,225	10,276	10,328	10,379	10,431	10,483
27th Pay Period	-	-	379	-	-	-	-	-	-	-	-	-
Health Insurance	1,955	1,943	2,240	2,352	2,470	2,594	2,723	2,859	3,002	3,152	3,310	3,476
Purchase Power	56,704	55,418	58,100	50,526	54,941	54,700	51,536	52,651	53,819	55,476	56,225	57,943
Purchase Power Co-Gen Savings	-	-	-	-	(1,490)	(1,507)	(1,443)	(1,351)	(1,373)	(2,585)	(2,652)	(2,674)
Supplies & Materials	1,846	2,583	4,214	2,300	2,415	2,536	2,663	2,796	2,935	3,082	3,236	3,398
Pro Rata	3,779	3,876	4,237	4,123	4,100	4,156	4,214	4,275	4,336	4,302	4,367	4,419
Services	6,221	8,853	10,769	10,984	11,204	11,428	11,656	11,890	12,127	12,370	12,617	12,870
Other	0	20	21	21	21	22	22	22	22	23	23	23
Capital Equipment	3,430	3,972	4,062	4,265	4,478	4,702	4,937	5,184	5,443	5,716	6,001	6,301
Department of Public Utilities Allocation	1,381	1,688	2,068	2,109	2,151	2,194	2,238	2,283	2,329	2,375	2,423	2,471
Total Operating Expenses	83,699	87,127	96,113	86,754	90,414	90,999	88,772	90,885	92,969	94,291	95,981	98,710
Debt Service												
General Obligation	860	419	242	233	223	219	210	205	-	-	-	-
Street Light Assessments	1	-	555	1,117	1,091	1,059	1,024	990	895	866	837	805
New Distribution Debt Service	168	-	150	483	473	463	453	443	433	423	413	403
Adjustment	124	-	-	-	-	-	-	-	-	-	-	-
Premium Adjustment	7	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	1,159	419	947	1,833	1,787	1,741	1,687	1,638	1,328	1,289	1,250	1,208
Total Expense	84,858	87,546	97,060	88,587	92,201	92,740	90,458	92,523	94,297	95,580	97,232	99,918
Ending Fund Balance	30,994	29,581	22,467	25,493	24,412	24,030	27,227	29,704	31,773	31,787	31,606	29,892

Water Operating Fund

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.

2020 Cash Balance Statement

The projected beginning year 2020 cash balance is \$139.9 million, which includes \$45.0 million in a reserve fund.

2020 Water Operating Fund Balance Summary	
Unencumbered Cash Balance (January 1, 2020)	\$ 139,940,975
Plus Estimated 2020 Receipts	<u>210,329,182</u>
Total Estimated Available Resources	\$ 350,270,157
Less 2020 Recommended Operating Budget (Water)	(202,830,698)
Less 2020 Recommended Operating Budget (Administration)	(13,355,327)
Projected Available Balance (December 31, 2020)	<u><u>\$ 134,084,131</u></u>

2020 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.

2020 Water Operating Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2017	2018	2019	2020
	Actual	Actual	Estimated	Proposed
Water Sales	\$ 181,945,822	\$ 182,698,556	\$ 186,674,834	\$ 192,298,413
Water Penalty Fee	2,289,797	2,322,769	2,346,539	2,393,470
System Capacity Charges	6,841,695	5,793,870	6,403,687	6,531,761
Sewer Billings	6,883,319	1,579,911	1,604,728	1,628,799
Meter Service Fee	780,624	800,133	833,393	841,727
Investment Income	2,173,129	3,079,718	4,964,338	5,212,555
Other Revenue*	3,665,290	2,706,906	2,462,380	1,422,457
Cash Balance	102,879,806	115,950,179	128,093,728	139,940,975
Total Resources	\$ 307,459,481	\$ 314,932,043	\$ 333,383,627	\$ 350,270,156
Percent Change		2.43%	5.86%	5.07%

*Includes debt refinancing premiums in 2017.

Notes:

- The Sewer and Water Advisory Board recommended a three percent increase in water rates for 2020. Water sales are projected to generate \$192.3 million in 2020.
- There will be no change to the water system capacity fee in 2020.
- The low income discount is continued in 2020. This discount is applied to the commodity portion of the customer's water bill to provide financial relief to qualifying customers.
- The 2020 interest income projection reflects an increase of five percent over 2019 estimated income. 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 2018 through 2029 is presented on the following page. 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 2020.
 - Growth of the water system is projected to be 0.5 percent throughout the pro forma period.
 - System capacity charges are assumed to be two percent in 2020, and one percent thereafter.
 - Interest rates on investments of revenues and reserves are projected to grow by two percent annually.
 - Included in the operations and maintenance budget for 2020 is just over \$9.5 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 2020, \$13.4 million is allocated in this fund for this purpose.
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Enterprise Funds

WATER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals 2018	Estimated 2019	Proposed 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue												
Water Sales	182,699	186,675	187,608	194,203	202,981	212,155	223,877	236,246	249,299	263,072	274,963	287,392
Water Sales Increase	-	-	4,690	6,473	6,766	8,840	9,328	9,844	10,387	8,769	9,165	7,185
Interest Income	3,080	4,964	5,213	5,734	5,848	5,965	6,085	6,206	6,331	6,457	6,586	6,718
System Capacity Charges	5,794	6,404	6,532	6,597	6,663	6,730	6,797	6,865	6,934	7,003	7,073	7,144
CUBS Billing Charges	1,580	1,605	1,629	1,653	1,678	1,703	1,729	1,755	1,781	1,808	1,835	1,862
Penalties	2,323	2,347	2,393	2,441	2,490	2,540	2,591	2,643	2,695	2,749	2,804	2,860
Meter Service Fees	800	833	842	850	859	867	876	885	894	902	911	921
Other	2,707	2,462	1,422	1,430	1,437	1,444	1,451	1,458	1,466	1,473	1,480	1,488
Meter Revenuen AMR	-	-	-	2,000	4,500	4,500	4,500	4,500	2,500	-	-	-
Total Revenue	198,982	205,290	210,329	221,381	233,222	244,745	257,233	270,401	282,286	292,234	304,819	315,569
Beginning Fund Balance	115,950	128,094	139,941	134,084	123,931	110,414	108,443	108,112	99,164	92,405	95,228	99,725
Total Resources	314,932	333,384	350,270	355,465	357,153	355,159	365,677	378,513	381,450	384,639	400,047	415,295
Operating Expenses												
Personnel Services	36,517	36,293	38,647	39,034	39,424	39,818	40,217	40,619	41,025	41,435	41,850	42,268
27th Pay Period	-	-	1,458	-	-	-	-	-	-	-	-	-
Health Insurance	9,692	8,946	8,623	9,054	9,507	9,982	10,481	11,005	11,556	12,133	12,740	13,377
Supplies & Materials	17,736	20,078	19,802	20,000	20,200	20,402	20,606	20,812	21,020	21,230	21,443	21,657
Pro Rata	8,538	9,238	9,455	9,962	10,495	11,014	11,576	12,168	12,703	13,151	13,717	14,201
Contractual Services	24,070	27,183	28,600	28,886	29,174	29,466	29,761	30,058	30,359	30,663	30,969	31,279
Other	669	33	91	91	92	92	93	93	94	94	95	95
Equipment	1,110	1,533	2,059	2,162	2,227	2,294	2,362	2,433	2,506	2,581	2,659	2,739
Department of Public Utilities Allocation	8,928	10,883	13,355	13,622	13,895	14,173	14,456	14,745	15,040	15,341	15,648	15,961
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
AMI SAAS NAAS Costs	-	-	-	625	625	625	625	625	625	625	625	625
Residuals	-	-	-	6,075	14,225	6,625	12,325	25,725	22,165	14,255	14,615	11,785
Total Operating Expenses	107,261	114,187	122,090	129,512	139,864	134,491	142,502	158,285	157,093	151,509	154,360	153,987
Debt Service												
General Obligation	79,578	79,056	91,730	97,221	93,789	90,413	86,837	85,098	83,179	80,710	78,973	73,920
Proposed New Debt	-	-	2,166	4,652	12,936	21,662	28,076	35,817	48,624	57,042	66,838	77,066
Fiscal Notes and Charges	0	200	200	150	150	150	150	150	150	150	150	150
Total Debt Service	79,578	79,256	94,096	102,022	106,875	112,225	115,063	121,065	131,952	137,902	145,961	151,136
Total Expense	186,838	193,443	216,186	231,534	246,739	246,716	257,565	279,349	289,045	289,411	300,321	305,122
Ending Fund Balance	128,094	139,941	134,084	123,931	110,414	108,443	108,112	99,164	92,405	95,228	99,725	110,172

Storm Sewer Maintenance Fund

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 moneys in a reserve fund against which contracts could be certified in the absence of bond cash.

2020 Cash Balance Statement

A 2020 beginning year cash balance of \$24.9 million is projected for this fund. This includes a \$9.0 million reserve balance.

2020 Storm Sewer Maintenance Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2020)	\$ 24,937,695
Plus Estimated 2020 Receipts	44,976,275
Total Estimated Available Resources	<u>\$ 69,913,970</u>
Less 2020 Recommended Operating Budget (Storm Sewer)	(41,910,647)
Less 2020 Recommended Operating Budget (Administration)	(3,924,644)
Projected Available Balance (December 31, 2020)	<u><u>\$ 24,078,679</u></u>

2020 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 2020, the board has recommended a two percent increase.

2020 Storm Sewer Maintenance Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2017	2018	2019	2020
	Actual	Actual	Estimated	Proposed
Storm Maintenance Fees	\$ 40,759,716	\$ 41,075,693	\$ 41,293,945	\$ 43,603,552
Investment Income	591,320	853,926	874,750	918,488
Other Revenue*	36,460	175,148	79,790	17,312
Penalties	403,465	407,529	416,117	436,923
Cash Balance	24,166,270	25,192,110	27,135,026	24,937,695
Total Resources	\$ 65,957,232	\$ 67,704,406	\$ 69,799,628	\$ 69,913,970
Percent Change		2.65%	3.09%	0.16%

*Includes debt refinancing premiums in 2017.

Storm Sewer Maintenance Fund Pro Forma Operating Statement

- The storm sewer maintenance pro forma operating statement assumes a two percent increase to the storm sewer maintenance fee in 2020. This increase will fund increased costs due to capital projects to mitigate stormwater issues in neighborhoods and to maintain new green infrastructure.
- 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.
- A portion of the costs associated with the Public Utilities Director's Office are borne by the storm sewer enterprise operating fund. In 2020, \$3.9 million is allocated in this fund for this purpose.

STORM SEWER ENTERPRISE FUND
PRO FORMA OPERATING STATEMENT (000's omitted)

	Actuals	Estimated	Proposed									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue												
Storm Maintenance Service Charges	41,076	41,294	42,889	44,007	45,135	46,730	48,339	50,056	51,788	53,072	54,366	55,202
Rate Increase (Decrease)	-	-	715	733	1,128	1,168	1,208	1,251	863	885	453	460
Investment Earnings	854	875	918	964	1,013	1,063	1,116	1,172	1,231	1,292	1,357	1,425
Storm Sewer Maintenance Penalties	408	416	437	459	482	506	531	558	586	615	646	678
Other Revenues	175	80	17	18	19	20	21	22	23	24	26	27
Total Revenue	42,512	42,665	44,976	46,182	47,777	49,487	51,216	53,059	54,491	55,888	56,847	57,792
Beginning Fund Balance	25,192	27,135	24,938	24,079	22,450	21,575	21,156	20,275	18,707	18,827	20,545	21,682
Total Resources	67,704	69,800	69,914	70,260	70,227	71,062	72,373	73,334	73,199	74,715	77,392	79,474
Operating Expenses												
Personnel Services	1,453	1,938	2,235	2,280	2,371	2,466	2,564	2,667	2,773	2,884	3,000	3,120
27th Pay Period	-	-	85	-	-	-	-	-	-	-	-	-
Health Insurance	391	471	498	523	550	577	606	636	668	701	736	773
Supplies & Materials	33	117	101	112	123	135	148	163	180	198	217	239
Contractual Services	1,023	1,734	1,288	1,416	1,558	1,714	1,885	2,074	2,281	2,509	2,760	3,036
Pro Rata	1,842	1,920	2,038	2,078	2,150	2,227	2,305	2,388	2,452	2,515	2,558	2,601
Equipment	-	102	31	32	32	33	34	34	35	36	36	37
Other	100	-	20	20	21	21	22	22	23	23	23	24
Reimbursement to Sanitary Enterprise	7,956	8,827	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756
Department of Public Utilities Allocation	2,704	3,205	3,925	4,003	4,083	4,165	4,248	4,333	4,420	4,508	4,598	4,690
Department of Technology Allocation	1,242	1,672	1,843	1,879	1,917	1,955	1,994	2,034	2,075	2,117	2,159	2,202
Street Cleaning	9,631	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190
Total Operating Expenses	26,374	29,986	31,264	31,928	32,780	33,668	34,589	35,550	36,529	37,546	38,585	39,668
Debt Service												
General Obligation	14,189	14,874	14,085	13,675	12,978	12,284	11,663	11,239	9,368	6,999	6,207	6,034
Proposed New Debt	-	-	342	1,103	1,701	2,170	2,498	3,220	3,598	4,121	4,809	5,526
Proposed New Debt (Loan)	-	-	69	904	992	1,584	3,148	4,419	4,676	5,305	5,910	6,543
Fiscal Charges	6	2	76	200	200	200	200	200	200	200	200	200
Total Debt Service	14,195	14,876	14,572	15,882	15,872	16,238	17,509	19,077	17,842	16,625	17,126	18,303
Total Expense	40,569	44,862	45,835	47,810	48,652	49,906	52,098	54,627	54,371	54,170	55,710	57,971
Ending Fund Balance	27,135	24,938	24,079	22,450	21,575	21,156	20,275	18,707	18,827	20,545	21,682	21,502

Enterprise Funds

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