



PROJECT

2018 OPERATING BUDGET

IDENTIFIERS:

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

LEGISLATIVE ACTION REQUESTED:

- | | | | |
|---|--|---|--|
| <input type="checkbox"/> DESIGN ¹ | <input type="checkbox"/> ADD'L DESIGN ² | <input type="checkbox"/> EASEMENT OR REAL PROPERTY APPROPRIATION ³ | <input type="checkbox"/> CONSTRUCTION ⁴ |
| <input type="checkbox"/> ADD'L CONST ⁵ | <input type="checkbox"/> AMEND CIP ⁶ | <input checked="" type="checkbox"/> OTHER ⁷ : Resolution approving / appropriating funds for 2018 MSD Operating Budget | |

PROJECT TYPE:

- | | | |
|---|---|---------------------------------------|
| <input type="checkbox"/> PROJECT GROUNDWORK / WWIP | PG / WWIP Activity ID: <u>N/A</u> | PG / WWIP Milestone Dates: <u>N/A</u> |
| <input type="checkbox"/> PROJECT GROUNDWORK / ASSET MANAGEMENT | <input type="checkbox"/> SUSTAINABLE INFRASTRUCTURE | |
| <input checked="" type="checkbox"/> OTHER: MSD Operating Budget | | |

PROJECT PURPOSE:

Listed below is the recommended 2018 operating budget for the Metropolitan Sewer District of Greater Cincinnati:

OPERATION	2018 BUDGET
PERSONNEL SERVICES	
OFFICE OF DIRECTOR	\$1,888,000.00
WASTEWATER ENGINEERING	\$8,000,000.00
WASTEWATER ADMINISTRATION	\$6,500,000.00
WASTEWATER TREATMENT	\$19,100,000.00
WASTEWATER COLLECTION	\$10,400,000.00
REGULATORY COMPLIANCE & SAFETY (INDUSTRIAL WASTE)	\$5,062,000.00
WATERSHED OPERATIONS	\$1,800,000.00
SEWER BACK UP PROGRAM (SBU)	\$668,000.00
TOTAL - PERSONNEL SERVICES	\$53,418,000.00

1. **Design** = 1 resolution - authorizing preparation of detailed plans, specifications, and estimate of cost and appropriating funds for the same.
 2. **Add'l Design** = 1 resolution - appropriating additional funds for design.
 3. **Easement /Real Property Appropriation** = 3 resolutions - approving detailed plans, specifications and estimate of cost; declaring project necessity and intent to proceed with construction; appropriating easements or full fee takes.
 4. **Construction** = 4 resolutions - approving detailed plans, specifications and estimate of cost; declaring project necessity and intent to proceed with construction; appropriating funds for construction; authorizing project advertisement & bid.
 5. **Add'l Construction** = 3 resolutions - amending approved detailed plans, specifications and estimate of cost; amending project necessity and proceed resolutions; appropriating add'l funds for construction.
 6. **Amend CIP** = 1 resolution - adding proposed project to program year Capital Improvement Plan.
 7. **Other** = Resolutions not covered above. Purpose is listed.

PROJECT PURPOSE (cont.):

OPERATION	2018 BUDGET
NON-PERSONNEL EXPENSES	
OFFICE OF DIRECTOR	\$1,100,000.00
WASTEWATER ENGINEERING	\$700,000.00
WASTEWATER ADMINISTRATION	\$10,300,000.00
WASTEWATER TREATMENT	\$24,800,000.00
WASTEWATER COLLECTION	\$9,900,000.00
REGULATORY COMPLIANCE & SAFETY (INDUSTRIAL WASTE)	\$1,600,000.00
WATERSHED OPERATIONS	\$5,100,000.00
SEWER BACK UP PROGRAM (SBU)	\$5,700,000.00
GENERAL FUND OVERHEAD	\$2,984,000.00
VEHICLES	\$1,100,000.00
OFFICE, TECHNICAL & OPERATING EQUIP.	\$1,553,000.00
DEBT SERVICE	\$92,962,612.00
TOTAL - NON-PERSONNEL SERVICES	\$157,799,612.00
2018 TOTAL OPERATING BUDGET	\$211,217,612.00

Estimated operating revenues for the calendar year beginning January 1, 2018 through December 31, 2018 and unappropriated funds available for use by MSD are sufficient to meet the requirements of the aforesaid operating budget.

The submitted 2017 operating budget reflects that:

- MSD continues to demonstrate fiscal responsibility and provides for operational needs;
- This budget request is 8.3% less than the approved 2017 budget;
- This budget request does not include any additional costs that may occur as a result of the anticipated transition from City to County management;
- The personnel budget request maintains the 2017 staffing plan level;
- About 44% of the operating budget (\$93M) is allocated to pay debt service related to consent decree driven and other capital improvements;
- About 21% of the requested budget (\$43.9M) is allocated to MSD’s wastewater treatment operation (“WWT”);
- About 10% of the requested budget (\$20.3M) is allocated to MSD’s wastewater collection operation (“WWC”)

The proposed operating budget *without* debt service is \$118,255,000.

The Board held public hearings on the MSD 2018 Operating Budget on November 8 and 15, 2017, thereby affording all interested parties the opportunity to comment. The hearings were advertised in the Cincinnati Enquirer on October 28, 2017, November 4 and 11, 2017.

BACKGROUND DATA, SCHEDULES, AND BUDGET:

PRIOR LEGISLATION: N/A

FUTURE LEGISLATION NONE_ANTICIPATED AT THIS TIME

FUNDING REQUEST

Total Estimated Cost:	\$211,217,612.00	(for 2018 MSD operations)
Current Request:	\$211,217,612.00	(for 2018 MSD operations)
Programmatic Contingency	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

December 5, 2017

Honorable Board of County Commissioners
Hamilton County, Ohio
% Mr. Jeff Aluotto
Hamilton County Administrator
County Administration Building
138 E. Court Street, Room 603
Cincinnati, Ohio 45202

Honorable Commissioners:

Attached for your consideration is a revised resolution adopting the Metropolitan Sewer District of Greater Cincinnati's 2018 Operating Budget. The request is to appropriate \$211,217,612 for the projected and planned operational expenses of the sewer district during 2018.

The first public hearing was held on November 8, 2017, affording the opportunity for comment from all interested parties to the Board of County Commissioners. A second public hearing was held on November 15, 2017.

RECOMMENDED:



Gérald R. Checco
Director, MSD

Approved:



Harry Black
City Manager

Provided to the Hamilton County Clerk of the Board on 12.7.17.

Reviewed by _____, and recommended by County Administration.

On motion of _____, seconded by _____, the following resolution was adopted....

MSD RESOLUTION

APPROVING AND ADOPTING A 2018 OPERATING BUDGET FOR
THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI
HAMILTON COUNTY, OHIO

WHEREAS, the Director of the Metropolitan Sewer District of Greater Cincinnati ("MSD") and the City of Cincinnati Department of Sewers has submitted to the Board of County Commissioners of Hamilton County, Ohio (the "Board") an operating budget for calendar year 2018 for the Metropolitan Sewer District, attached hereto as **EXHIBIT A**, and made a part hereof; and

WHEREAS, the submitted 2018 operating budget reflects that:

- MSD continues to demonstrate fiscal responsibility and provides for operational needs;
- This budget request is 8.3% less than the approved 2017 budget;
- This budget request does not include any additional costs that may occur as a result of the anticipated transition from City to County management;
- The personnel budget request maintains the 2017 staffing plan level;
- About 44% of the operating budget (\$93M) is allocated to pay debt service related to consent decree driven and other capital improvements;
- About 21% of the requested budget (\$43.9M) is allocated to MSD's wastewater treatment operation ("WWT");
- About 10% of the requested budget (\$20.3M) is allocated to MSD's wastewater collection operation ("WWC"); and

WHEREAS, this Board has reviewed said 2018 MSD operating budget, and held duly noticed public hearings on November 8 and November 15, 2017 for the 2018 MSD operating budget; and

WHEREAS, this Board did conclude, on November 15, 2017, said public hearings on said 2018 MSD operating budget; and

WHEREAS, estimated operating revenues for the year beginning January 1, 2018 through December 31, 2018 and unappropriated funds available for use by MSD are sufficient to meet the requirements of the aforesaid operating budget; and

NOW THEREFORE BE IT RESOLVED, by the Board of County Commissioners of Hamilton County, Ohio, that the aforesaid operating budget for the year beginning January 1, 2018 through December 31, 2018, be and hereby is adopted and appropriated as follows:

OPERATION	2018 BUDGET
PERSONNEL SERVICES	
OFFICE OF DIRECTOR	\$1,888,000.00
WASTEWATER ENGINEERING	\$8,000,000.00
WASTEWATER ADMINISTRATION	\$6,500,000.00
WASTEWATER TREATMENT	\$19,100,000.00
WASTEWATER COLLECTION	\$10,400,000.00
REGULATORY COMPLIANCE & SAFETY (INDUSTRIAL WASTE)	\$5,062,000.00
WATERSHED OPERATIONS	\$1,800,000.00
SEWER BACK UP PROGRAM (SBU)	\$668,000.00
TOTAL - PERSONNEL SERVICES	\$53,418,000.00
NON-PERSONNEL EXPENSES	
OFFICE OF DIRECTOR	\$1,100,000.00
WASTEWATER ENGINEERING	\$700,000.00
WASTEWATER ADMINISTRATION	\$10,300,000.00
WASTEWATER TREATMENT	\$24,800,000.00
WASTEWATER COLLECTION	\$9,900,000.00
REGULATORY COMPLIANCE & SAFETY (INDUSTRIAL WASTE)	\$1,600,000.00
WATERSHED OPERATIONS	\$5,100,000.00
SEWER BACK UP PROGRAM (SBU)	\$5,700,000.00
GENERAL FUND OVERHEAD	\$2,984,000.00
VEHICLES	\$1,100,000.00
OFFICE, TECHNICAL & OPERATING EQUIP.	\$1,553,000.00
DEBT SERVICE	\$92,962,612.00
TOTAL - NON-PERSONNEL SERVICES	\$157,799,612.00
2018 TOTAL OPERATING BUDGET	\$211,217,612.00

BE IT FURTHER RESOLVED, that the Clerk of this Board be and hereby is directed to certify copies of this resolution to Jeff Alutto, Hamilton County Administrator; Harry Black, Cincinnati City Manager; and Gérald R. Checco, Director of the Metropolitan Sewer District of Greater Cincinnati.

BE IT FURTHER RESOLVED, that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board of County Commissioners, and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio, this _____ day of _____, 2017

Ms. Driehaus _____

Mr. Monzel _____

Mr. Portune _____

CERTIFICATE OF CLERK

IT IS HEREBY CERTIFIED that the foregoing is a true and correct transcript of a resolution adopted by the Board of County Commissioners in session this _____ day of _____, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Office of the Board of County Commissioners of Hamilton County, Ohio this _____ day of _____, 2017.

Jacqueline Panioto, Clerk
Board of County Commissioners
Hamilton County, Ohio