

~~Ms. Driehaus moved to substitute the MSD Operating Budget resolution with a resolution recommended by the County Administrator the motion was seconded by Mr. Monzel by 2 yes and 1 absent....On motion of Ms. Driehaus and by Mr. Monzel the following resolution was adopted..~~
2 Yes 1 Absent

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**RESOLUTION APPROVING AND ADOPTING
THE MSD 2019 OPERATING BUDGET WITH MODIFICATIONS AND CONDITIONS
AND DIRECTING MSD TO ADHERE TO AND COMPLETE THE CONTAINED
DIRECTIVES**

WHEREAS, the Metropolitan Sewer District of Greater Cincinnati ("MSD") was created and exists as a County Sewer District under Chapter 6117 of the Ohio Revised Code; and,

WHEREAS the City of Cincinnati ("City"), by Ordinance of City Council adopted April 10, 1968, consented to be included in the county sewer district now known as the Metropolitan Sewer District of Greater Cincinnati; and,

WHEREAS, the Board of County Commissioners, Hamilton County, Ohio ("Board") is a party to an Agreement dated April 10, 1968, with the City pursuant to which the Board exercises authority and control as the statutory owner and principal of MSD, and the City provides certain management and operations services on its behalf; and,

WHEREAS, the Interim Director of the Metropolitan Sewer District of Greater Cincinnati has submitted to the Board of County Commissioners of Hamilton County, Ohio (the "Board") a proposed operating budget for calendar year 2019 for the Metropolitan Sewer District; and,

WHEREAS, the Board did review the proposed 2019 MSD Operating Budget and has modified the same consistent with the 1968 operating agreement; and,

WHEREAS, the 2019 MSD Operating Budget, as modified by the Board is attached hereto as Exhibit A; and,

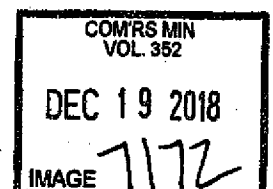
WHEREAS, this Board has reviewed said 2019 MSD Operating Budget, and held duly- noticed public hearings on December 5 and December 19, 2018 for the 2019 MSD operating budget; and,

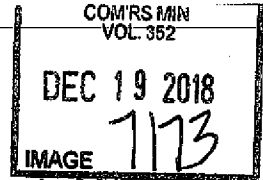
WHEREAS, this Board did conclude, on December 19, 2018, said public hearings on said 2019 MSD Operating Budget; and,

WHEREAS, estimated operating revenues for the year beginning January 1, 2019 through December 31, 2019 and unappropriated funds available for use by MSD are sufficient to meet the requirements of the aforesaid operating budget.

NOW, THEREFORE BE IT RESOLVED, the Board of County Commissioners of Hamilton County, Ohio does hereby:

SECTION 1. Approve and adopt the MSD 2019 Operating Budget with conditions in substantially the same form as illustrated in Exhibit A.





SECTION 2. Authorize and direct the County Administrator on behalf of the Board of County Commissioners, Hamilton County, Ohio to ensure the conditions outlined in this Resolution are adhered to in 2019 and beyond if applicable and are completed.

SECTION 3. Direct MSD to manage its operations within the budget provided. Additional funding will only be considered by the Board for extraordinary circumstances or where justified by a comprehensive business case evaluation (BCE). In the case of an extraordinary circumstance, MSD will be expected to fully explain and justify why the circumstance could not have been reasonably anticipated or avoided, and what measures MSD took to manage the situation within current resources.

SECTION 4. Direct MSD to internally manage its budget such that the Board's critical and highest priorities are fully funded within the approved budget.

SECTION 5. Direct MSD to meet quarterly with County Administration, or its designees, to review and discuss departmental actual expenditures as compared to budget for the quarter and projected expenditures by month for the remaining part of the year. Should certain budget trends forecast an over budget condition by year-end, MSD shall develop and submit a plan to recover the over budget condition. The Board expects MSD to operate the entire year within its approved budget.

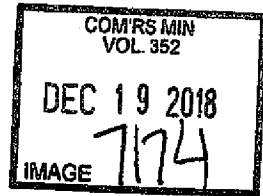
SECTION 6. Direct MSD to follow Ohio Law applicable to County procurement.

SECTION 7. Direct MSD, beginning in 2020, to prepare and submit an Operating Budget Request which incorporates three budget years, accounting for anticipated personnel and non-personnel expenses at the division level and demonstrating consistency with Board's target budget amounts for each year.

BE IT FURTHER RESOLVED, the Clerk of the Board be and hereby is authorized and directed to certify copies of this executed resolution to Jeff Aluotto, County Administrator; Judi Boyko, Assistant County Administrator; Patrick A. Duhaney, Cincinnati City Manager; and Diana Christy, Interim Director of MSDGC;

ADOPTED at a regularly scheduled meeting of the Hamilton County Board of Commissioners this 19th day of December, 2018.

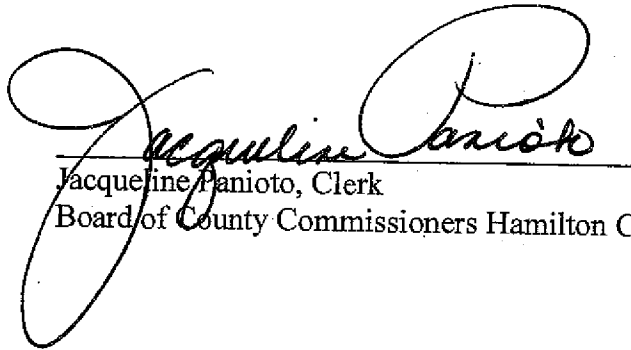
Mr. Portune ABSENT Ms. Driehaus YES Mr. Monzel YES
EXCUSED



CERTIFICATE OF CLERK

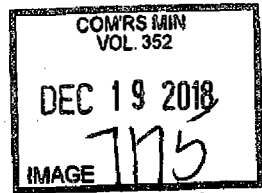
IT IS HEREBY CERTIFIED the foregoing is a true and correct transcript of a resolution adopted by this Board of County Commissioners in session 19th day of December 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Office of County Commissioners of Hamilton County, Ohio this 19th day of December, 2018.


Jacqueline Panioto, Clerk

Board of County Commissioners Hamilton County, Ohio

MSD Legislative Fact Sheet



Diana R. Christy
Interim Director
11/26/2018

PROJECT IDENTIFIERS: 2019 OPERATING BUDGET
METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

LEGISLATIVE ACTION REQUESTED:

DESIGN¹
 ADD'L DESIGN²
 EASEMENT OR REAL PROPERTY APPROPRIATION³
 CONSTRUCTION⁴
 ADD'L CONST⁵
 AMEND CIP⁶
 OTHER: Resolution approving / appropriating funds for 2019 MSD Operating Budget

PROJECT TYPE:

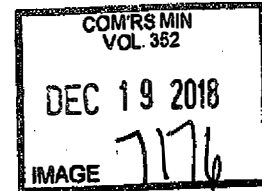
PROJECT GROUNDWORK / WWIP
 PG / WWIP Activity ID: N/A PG / WWIP Milestone Dates: N/A
 PROJECT GROUNDWORK / ASSET MANAGEMENT
 SUSTAINABLE INFRASTRUCTURE
 OTHER: MSD Operating Budget

PROJECT PURPOSE:

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

OPERATION	2019 BUDGET	
PERSONNEL SERVICES		
OFFICE OF DIRECTOR	\$2,469,638.00	
WASTEWATER ENGINEERING	\$7,930,770.00	(\$7,930,770.00)
WASTEWATER ADMINISTRATION	\$6,965,706.00	
WASTEWATER TREATMENT	\$19,725,271.00	(\$19,725,271.00)
WASTEWATER COLLECTION	\$11,340,848.00	
REGULATORY COMPLIANCE & SAFETY (INDUSTRIAL WASTE)	\$5,271,459.00	(\$5,271,459.00)
WATERSHED OPERATIONS	\$3,034,123.00	
SEWER BACK-UP PROGRAM (SBU)	\$964,405.00	(\$964,405.00)
SUBTOTAL -- 2019 MSD PERSONNEL SERVICES	\$57,702,220.00	

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.



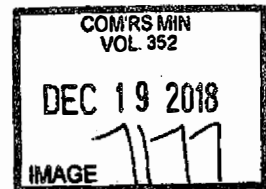
PROJECT PURPOSE (cont.):

OPERATION	2019 BUDGET	
NON-PERSONNEL EXPENSES		
OFFICE OF DIRECTOR	\$1,030,203.00	
WASTEWATER ENGINEERING	\$735,807.00	(\$735,807.00)
WASTEWATER ADMINISTRATION	\$11,292,530.00	
WASTEWATER TREATMENT	\$24,818,469.00	(\$24,818,469.00)
WASTEWATER COLLECTION	\$8,409,638.00	
REGULATORY COMPLIANCE & SAFETY (INDUSTRIAL WASTE)	\$1,745,106.00	(\$1,745,106.00)
WATERSHED OPERATIONS	\$6,091,531.00	
SEWER BACK-UP PROGRAM (SBU)	\$9,600,000.00	(\$9,600,000.00)
GENERAL FUND OVERHEAD	\$3,013,840.00	
VEHICLES	\$1,101,000.00	(\$1,101,000.00)
OFFICE, TECHNICAL & OPERATING EQUIP.	\$1,555,800.00	
DEBT SERVICE	\$92,802,965.00	(\$92,802,965.00)
SUBTOTAL – 2019 MSD NON-PERSONNEL SERVICES	\$162,196,889.00	
TOTAL – 2019 MSD OPERATING BUDGET	\$219,899,109.00	

Estimated operating revenues for the calendar year beginning January 1, 2019 through December 31, 2019 and unappropriated funds available for use by MSD are sufficient to meet the requirements of the aforesaid operating budget.

The submitted 2019 operating budget reflects that:

- MSD continues to demonstrate best practice fiscal management and responsibility and it provides for necessary and essential operational needs to protect public health and the environment as required under the City-County Agreement for MSD;
- MSD Sewer Backup (SBU) Program activities and costs are becoming increasingly variable and are driven by more severe and unpredictable rain events, responses to which are mandated by the Consent Decree;
- Debt Service payment remains at 2018 levels;
- 2019 MSD operating budget recommendation has been developed in light of the County Administration's 2019 targets -
 - for personnel services, it necessarily exceeds those targets due to 4.3% increases, as outlined in the 2019 Operating Budget book
 - for non-personnel services, expenses are in line with the 1% inflation rate despite significant cost increases



MSD
Legislative
Fact Sheet
2019 MSD
Operating
Budget Page
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PROJECT PURPOSE (cont.):

The proposed operating budget **without** debt service is \$127.1M.

The Board will hold public hearings on the MSD 2019 Operating Budget on December 5 and December 19, 2018, thereby affording all interested parties the opportunity to comment. The hearings were advertised in the Cincinnati Enquirer on November 24 and December 8, 2018.

BACKGROUND DATA, SCHEDULES, AND BUDGET:

PRIOR LEGISLATION: N/A

FUTURE LEGISLATION: NONE ANTICIPATED AT THIS TIME

FUNDING REQUEST

Total Estimated Cost:	\$219,899,109.00	(for 2019 MSD operations)
Current Request:	\$219,899,109.00	(for 2019 MSD operations)
Programmatic Contingency	YES	NO