

**City of Minneapolis  
2011 Budget  
Financial Plan**

**Storm Water Fund**

**Background**

The Storm Water Fund accounts for street cleaning, design, construction, and maintenance of City's storm drain system. A portion of the Storm Water Fund is used for storm water interceptor and treatment services, a program carried out through Metropolitan Council Environmental Services (MCES). The Fund also accounts for the Combined Sewer Overflow (CSO) program, which separates storm sewer and sanitary sewer lines.

**Historical Financial Performance**

In 2009, total revenues increased to \$45.8 million compared to \$39.2 million in 2008. This increase amounts to \$6.6 million, or 17%. Design revenues from capital activities were up by \$2 million and bond revenues from active and closed out capital projects increased by \$4 million. A rate increase of \$0.51 in utility billings accounted for the remaining \$600k increase in the Fund's 2009 revenues. The expenditure of \$32.8 million in 2009 is a decrease of \$2.8 million, or 7%, compared to \$35.6 million in 2008. While design, field services, and maintenance expenditures remained in line with 2008, there were \$1.4 million decrease in debt service, and \$1.7 million decrease in capital in 2009.

It is projected that in 2010 design revenue and proceeds of long-term debt will decrease to bring revenue to \$42.6 million while capital spending will increase by over \$10 million resulting in expenditures of \$43.6 million. The additional capital spending is a result of the acceleration of storm tunnel repair program.

**2011 Budget**

*Revenues*

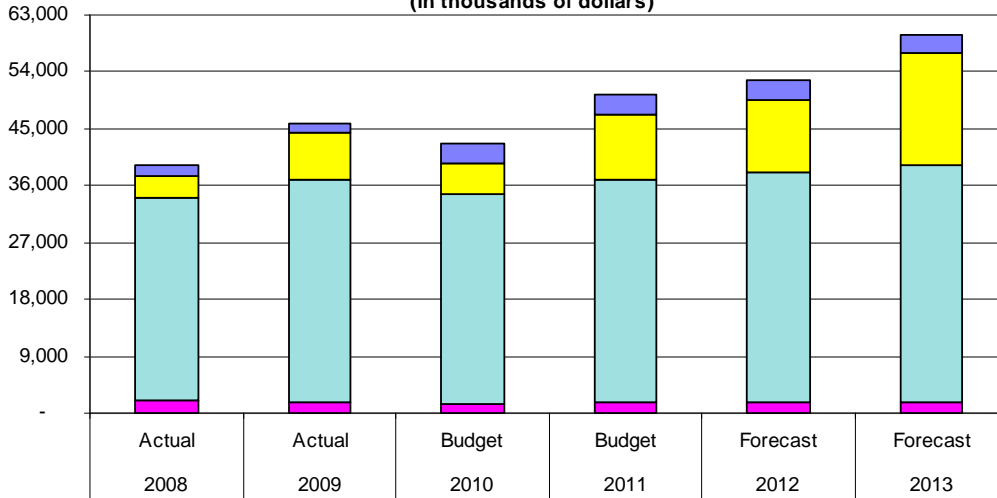
The 2011 revenue budget totals \$50.4 million, compared to \$42.3 million for 2010, an increase of 19%, or \$8 million. The capital program is estimated to generate \$5.5 million more from bond sales in 2011. The Storm water rate or the rate per ESU (Equivalent Storm Water Unit) for 2011 has been set at \$11.42. This rate increase of \$0.33 in storm water billings is estimated to bring in service revenue of \$35.3 million which is \$2.2 million more than the estimated \$33.1 million for 2010. Increases in state and local government reimbursement by \$400,000, as per the agreement, for a 2011 maintenance budget at \$1.4 million compared to \$1 million in 2010.

<b>Year</b>	<b>Rate per ESU (Equivalent Storm Water Unit)</b>	<b>% Increase</b>	<b>Total Planned Revenue from Utility Fee</b>
2011	\$11.42	3%	\$33.9 million
2012	\$11.70	2.5%	\$34.9 million
2013	\$11.93	2%	\$35.6 million
2014	\$12.17	2%	\$36.3 million
2015	\$12.41	2%	\$37.1 million

Note: Total revenue from charges for services in the financial plan exceeds the amount generated by the utility fee because revenue deposited in the Storm Water Fund also include sources other than utility fees, such as capital work for others billings.

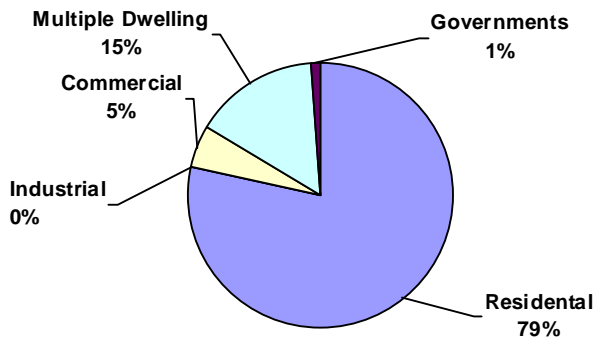
### Stormwater Fund Revenues

(in thousands of dollars)



■ Grants, Spec.Asmts, Misc Rev, etc.     ■ Charges for Service-Operating  
■ Proceeds of Long Term Liabilities     ■ Charges for Service-Capital

### Total Active Sewer Property Types

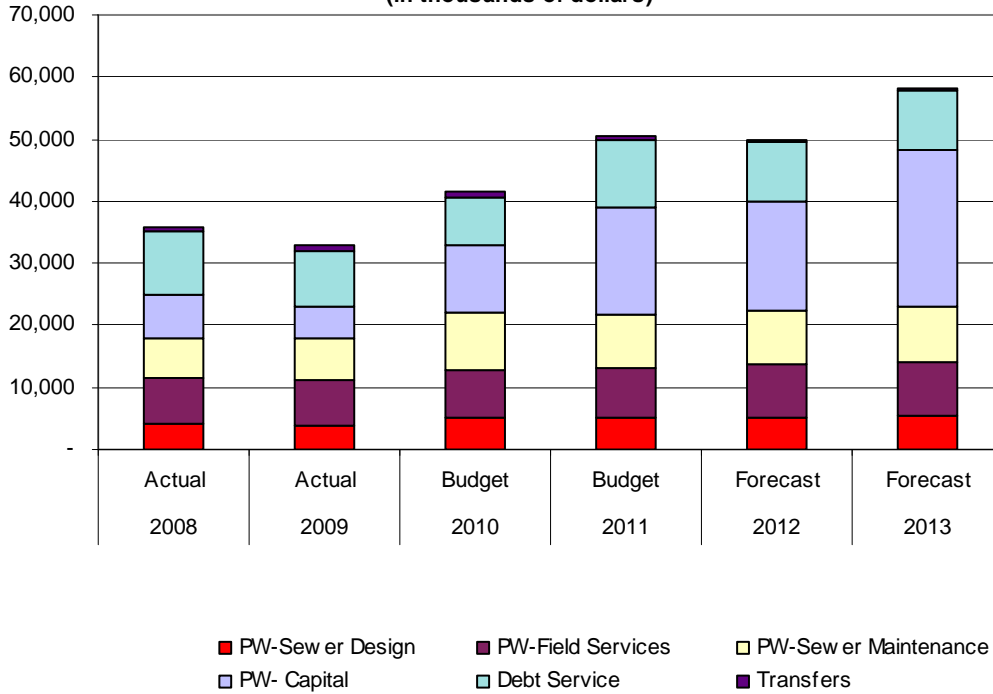


Property Type	Count
Residential	75,813
Commercial	5,206
Government	979
Industrial	10
Multiple Dwelling	14,795
<b>Total</b>	<b>96,803</b>

### Expenditures

The 2011 total expenditure budget for the Storm Water Fund amounts to \$50.4 million compared to \$41.4 million in the 2010 budget, an increase of 21.6%. The budget funds operations, capital programs, debt services and pension fund. The Fund's operating budget is used for design, field maintenance work, overflow programs, Met Council payments, and street cleaning. The operating budget for 2011 totals \$21.7 million which is \$300,000 lower than the \$22 million budgeted for 2010. Capital programs are estimated at \$17.3 million compared to \$10.8 million for 2010, an increase of \$6.5 million.

## Stormwater Fund Expenditures (in thousands of dollars)



### *Combined Sewer Overflow (CSO)*

Combined Sewer Overflow project started in 2004 in order to design and reconstruct storm water drainage system. This is an on-going program and \$1.6 million has been allotted for 2011 from operating budget with additional funding coming from the Capital programs.

### *Debt Service*

The debt service payments are primarily for bonds sold to finance the Combined Sewer Overflow (CSO) and flood mitigation programs. Total debt service for 2011 increased by \$3.1 million from \$7.8 million in 2010 to \$10.9 million.

### **Mayor's Recommended Budget**

The Mayor recommended a rate increase of \$0.33. The Mayor included a wireless commitment charge of \$27,809 which is offset by healthcare savings.

### **Council Adopted Budget**

The Council adopted Mayor's recommendations.

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**Stormwater Sewer Fund - 7300**

	2008	2009	2010	2010	2011	% Chg	2012	2013	2014
	Actual	Actual	Budget	Projected	Budget	From 2010 Budget	Forecast	Forecast	Forecast
<b>Source of Funds:</b>									
Federal Government									
State Government	887	731	761	1,030	1,022	34.3%	1,022	1,022	1,022
Local Government	345	297	285	384	442	55.1%	442	442	442
Charges for Service-Operating	32,195	35,363	33,136	34,715	35,259	6.4%	36,468	37,669	38,124
Charges for Service-Capital	1,620	1,375	3,000	1,236	3,000		3,000	3,000	3,000
Charges for Sales	-	-	1	1	10	900.0%	10	10	10
Special Assessments	714	498	115	300	60	-47.8%	60	60	60
Interest	-	-	-	-	-		-	-	-
Other Misc Revenues	63	108	47	47	88	87.2%	88	88	88
Proceeds of Long Term Liabilities	3,399	7,473	5,000	4,925	10,500	110.0%	11,535	17,695	16,788
<b>Total</b>	<b>39,222</b>	<b>45,843</b>	<b>42,345</b>	<b>42,638</b>	<b>50,381</b>	<b>19.0%</b>	<b>52,625</b>	<b>59,986</b>	<b>59,534</b>
<b>Use of Funds:</b>									
PW-Sewer Design	4,055	3,874	5,011	4,594	5,185	3.5%	5,269	5,432	5,599
PW-Field Services	7,366	7,242	7,886	7,730	8,040	2.0%	8,329	8,629	8,940
PW-Sewer Maintenance	6,612	6,819	9,124	8,845	8,515	-6.7%	8,710	8,952	9,201
Debt Service	10,183	8,805	6,839	6,752	6,024	-11.9%	5,340	3,154	3,065
Future Debt Service			948		4,890	415.8%	4,218	6,459	6,910
Transfers	513	837	805	305	478	-40.6%	319	276	276
PW- Capital	6,916	5,235	10,820	15,385	17,270	59.6%	17,675	25,320	23,043
<b>Total</b>	<b>35,645</b>	<b>32,812</b>	<b>41,432</b>	<b>43,611</b>	<b>50,402</b>	<b>21.6%</b>	<b>49,860</b>	<b>58,222</b>	<b>57,034</b>
<b>Change in Net Assets</b>	<b>3,578</b>	<b>13,031</b>	<b>913</b>	<b>(973)</b>	<b>(22)</b>	<b>-102.4%</b>	<b>2,765</b>	<b>1,760</b>	<b>2,500</b>
<b>Net Asset Balance</b>	<b>243,691</b>	<b>257,057</b>	<b>257,970</b>	<b>256,084</b>	<b>256,062</b>	<b>-0.7%</b>	<b>258,828</b>	<b>260,588</b>	<b>263,088</b>
<b>Cash Balances</b>	<b>3,850</b>	<b>14,445</b>	<b>15,359</b>	<b>13,472</b>	<b>13,450</b>	<b>-12.4%</b>	<b>16,216</b>	<b>17,976</b>	<b>20,476</b>
Operating Cash									
Construction Cash									
<b>Total Cash Balance</b>	<b>3,850</b>	<b>14,445</b>	<b>15,359</b>	<b>13,472</b>	<b>13,450</b>	<b>-12.4%</b>	<b>16,216</b>	<b>17,976</b>	<b>20,476</b>