City of Minneapolis
FY 2010 Budget
Financial Plan

Storm Water Fund

Background
The Storm Water Fund was previously a combination of Storm Water and Sanitary Sewer, which was then split in 2005 to form two separate funds: Storm Water Fund and Sanitary Sewer Fund. The Storm Water Fund accounts for storm water tunnels and treatment services, as well as a portion of the Inflow and Infiltration (I/I) Program carried out through Metropolitan Council Environmental Services (MCES).

The Fund also accounts for the Combined Sewer Overflow (CSO) Program, which separates storm sewer lines from sanitary sewer lines. The remainder of the fund is used for street sweeping, sewer design, and maintenance work.

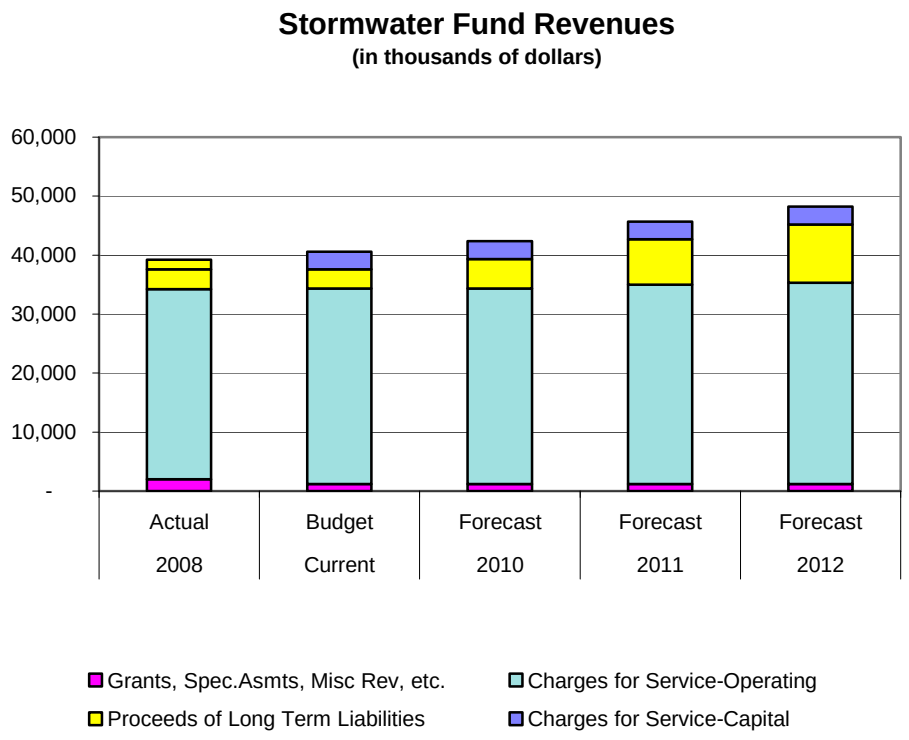
Historical Financial Performance
In 2008, total revenues increased to $39.2 million compared to $37.7 million in 2007. The increase amounts to $1.5 million or 4%. A rate increase of $0.49 for utility billings and design revenues from capital activities account for the overall increase in revenues for 2008. The expenditures of $35.6 million in 2008 remained constant compared to 2007. Increases in operations and fund transfers by $1 million were off set by decreases in capital programs and debt service.

2010 Budget

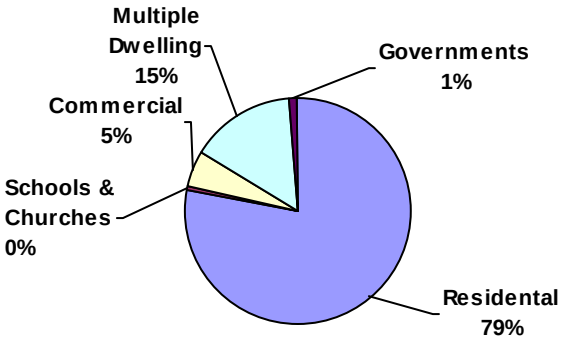
Revenues
The 2010 revenue budget is $42.3 million, an increase of 4%, or $1.8 million, over 2009 current budget of $40.6 million. The increase in revenue budget is due to Capital programs where $5 million will be generated from bond sales. Funds from state and local governments, which total $1 million, are expected to remain at 2009 level.

Year	Rate per ESU (Equivalent Stormwater Unit)	% Increase	Total Planned Revenue from Utility Fee
2010	$11.09	3%	$31.7 million
2011	$11.42	3%	$32.4 million
2012	$11.65	2%	$32.7 million
2013	$11.88	2%	$33.1 million
2014	$12.13	2%	$33.4 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.



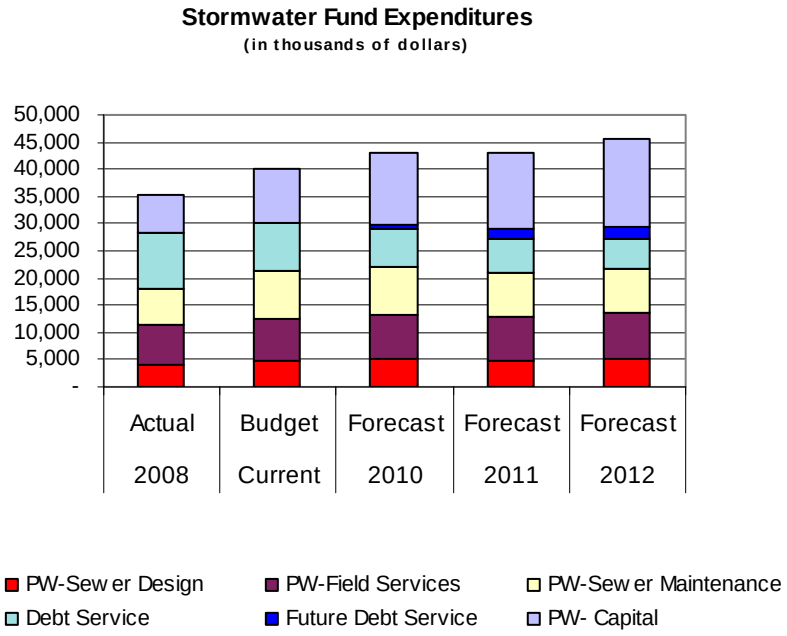
Total Active Sewer Property Types



Total Active Sewer Property Types	
Property Type	**Count**
Residential	76,346
Commercial	5,333
Government	1,032
Schools/Churches	334
Multiple Dwelling	14,961
Total	**98,006**

Expenditures

The 2010 total expenditure budget for the Storm Water Fund amounts to $41.4 million compared to $40.3 million in the 2009 current budget, an increase of 3%. The expenditure budget funds operations, capital programs, debt services and pension fund. The Fund's operating budget is used for design and maintenance work, storm water and overflow programs, a portion of Met Council payments, and street cleaning. The operating budget for 2010 totals $22 million and capital programs are estimated at $10.8 million.



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 $1.7 million has been allotted for 2010 from operating budget with additional funding coming from the Capital programs.

Transfers
A total transfer of $305,000 has been set aside for the long term pension liability regarding MERF. This is an increase of $13,000 over the 2009 budget.

Debt Service
The debt service payments are primarily for bonds sold to finance the Combined Sewer Overflow (CSO) and flood mitigation programs. For 2010, the estimated amount for debt service is $7.7 million.

Original Budget
The Mayor recommended a reduction of $449,000 from the Stormwater Fund. This reduction will be split between Transportation Maintenance and Repair (Street Cleaning) and Surface Water and Sanitary Sewer (shown in the utilities account). The Mayor also recommended a rate increase of $0.32 of per Equivalent Stormwater Unit (ESU) rates. The Council approved the Mayor's recommendations.

The budget for this fund includes a reduction of BIS charges of $21,800 due to the Council's actions to reduce the BIS budget. This reduction in BIS charges will subsequently reduce the fund's appropriation by the same amount. Additionally, the budget for this fund includes a $4,961 increase to General Fund Overhead charges due to the Council's actions to fund two internal audit positions.

Mayor's Revised Budget
The Mayor recommended no changes to this fund.

Council Revised Budget

The Council approves the Mayor's recommendations.

City of Minneapolis
FY 2010 Budget
Financial Plan (in thousands of dollars)

Stormwater Sewer Fund - 7300

	2007 Actual	2008 Actual	2009 Current Budget	2009 Projected	2010 Mayor Recomm	% Chg From 2009 Budget	2011 Forecast	2012 Forecast	2013 Forecast
Source of Funds:									
Federal Government									
State Government	864	887	749	749	761	1.6%	761	761	761
Local Government	271	345	273	296	285	4.4%	285	285	285
Charges for Service-Operating	29,986	32,195	33,182	33,611	33,136	-0.1%	33,760	34,107	34,461
Charges for Service-Capital	712	1,620	3,000	1,500	3,000		3,000	3,000	3,000
Charges for Sales	26	0	1	1	1		1	1	1
Special Assessments	502	714	115	363	115		115	115	115
Interest	1	0	-		-		-	-	-
Other Misc Revenues	284	63	47	47	47		47	47	47
Proceeds of Long Term Liabilities	5,051	3,399	3,213	3,213	5,000	55.6%	7,735	9,895	10,788
Total	37,696	39,224	40,581	39,781	42,345	4.3%	45,704	48,211	49,458
Use of Funds:									
PW-Sewer Design	4,171	4,055	4,837	4,528	5,011	3.6%	4,897	5,093	5,297
PW-Field Services	6,764	7,366	7,644	7,415	7,886	3.2%	8,020	8,341	8,674
PW-Sewer Maintenance	6,458	6,612	8,811	7,141	9,122	3.5%	8,017	8,337	8,671
Debt Service	10,381	10,183	9,037	9,037	6,839	-24.3%	6,437	5,340	3,154
Future Debt Service					948		1,580	2,275	3,297
Transfers	49	513	292	292	805	175.7%	1,108	1,396	1,328
PW- Capital	7,819	6,916	9,633	8,133	10,820	12.3%	13,375	16,565	17,553
Total	35,642	35,646	40,255	36,545	41,432	2.9%	43,434	47,348	47,974
Change in Net Assets	2,054	3,578	326	3,236	913	179.8%	2,269	863	1,484
Net Asset Balance	231,483	242,271	242,598	245,507	246,420	1.6%	248,690	249,554	251,037
Cash Balances	810	3,850	4,176	7,086	8,000	91.5%	10,269	11,133	12,618
Operating Cash									
Construction Cash									
Total Cash Balance	810	3,850	4,176	7,086	8,000	91.5%	10,269	11,133	12,618