

MSD Legislative Fact Sheet



Diana R. Christy
Director
11/13/2020

General Legislative Information	Project Name, Sewer No., & ID:	2021 OPERATING BUDGET METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI
	Project Location:	N/A
	Funding Type:	OPERATING
	Legislative Action Requested¹⁻⁶:	OTHER - OPERATING BUDGET APPROVAL
	Funding:	\$222,787,843

PROJECT PURPOSE:

Listed below is the recommended 2021 operating budget for the Metropolitan Sewer District of Greater Cincinnati:

PERSONNEL	\$61,996,500
Office of the Director	\$2,438,574
Wastewater Engineering	\$8,000,537
Business Services	\$7,087,043
Wastewater Treatment	\$22,174,453
Wastewater Collection	\$12,481,170
Compliance Services	\$5,637,659
Watershed Operation	\$3,248,090
Sewer Backup Program	\$928,974

1. **Design** - may include resolutions authorizing preparation of detailed plans, specifications, and estimate of cost and appropriating funds for the same; appropriating additional funds for design
2. **Easement** - may include resolutions for easement acquisition funds appropriation; approving detailed plans, specifications and estimate of cost; declaring project necessity and intent to proceed with construction, appropriating easements or full fee takes.
3. **Construction** - includes 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 & bld.
4. **Various Assessment Actions** - may include: Public Hearing; Objection Disposal; Proceed Resolution.
5. **Design-Build** - may include Progressive and Traditional design-build processes.
6. **Other** - includes resolutions amending the MSD CIP and other actions not covered above. Purpose is listed.

2021 MSD Operating Budget

PROJECT PURPOSE (cont.):

NON-PERSONNEL	\$60,222,412
Office of the Director	\$1,159,726
Wastewater Engineering	\$879,604
Business Services	\$11,226,906
Wastewater Treatment	\$27,587,099
Wastewater Collection	\$10,414,860
Compliance Services	\$2,555,717
Watershed Operation	\$6,398,500
OTHER NON-PERSONNEL	\$5,989,535
GFOH	\$2,657,210
FLEET	\$1,777,000
OTEA	\$1,555,325
GRAND TOTAL (w/o SBU & Debt Payments)	\$128,208,447
SBU	\$10,993,396
DEBT PAYMENT	\$83,586,000
GRAND TOTAL	\$222,787,843

Estimated operating revenues for the calendar year beginning January 1, 2021 through December 31, 2021 and unappropriated funds available for use by MSD are sufficient to meet the requirements of the aforesaid operating budget.

The submitted 2021 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;
- While MSD has developed the 2021 operating budget recommendation in light of the County Administration's targets, MSD's budget reflects increases for essential operations as follows:
 - The personnel budget reflects a 2% health care increase, a COLA increase consistent with new labor agreements, and lump sum payments for anticipated retirements; and
 - The non-personnel budget reflects a higher cost for wastewater treatment, including costs of chemicals, utilities, and maintenance of aging assets, newly constructed and operated facilities, and ongoing compliance with ever-changing rigorous permit and regulatory obligations.

2021 MSD Operating Budget

PROJECT PURPOSE *(cont.):*

The Board will hold public hearings on the MSD 2021 Operating Budget on December 3 and December 10, 2020, thereby affording all interested parties the opportunity to comment. The hearings were advertised in the Cincinnati Enquirer on November 21, 2020 and December 5, 2020.

Background Data, Schedules, & Budget	Prior Legislation:	SUBJECT • N/A
	Future Legislation:	As necessary and required
	Total Estimated Cost	
	\$222,787,843	

November 18, 2020

Honorable Board of County Commissioners
Hamilton County, Ohio
% Mr. Jeff Aluotto
Hamilton County Administrator
Todd B. Portune Center for County Government
138 E. Court Street, Room 603
Cincinnati, Ohio 45202

Honorable Commissioners:

Enclosed for your consideration is a resolution provided by the City of Cincinnati, through its Department of Sewers (the "City"), as the sole management agency for the operation and maintenance of the sewer system on behalf of the Metropolitan Sewer District of Greater Cincinnati ("MSD"), to authorize the MSD 2021 Operating Budget. The request is to appropriate \$222,787,843 for the projected and planned operational expenses of the sewer district during calendar year 2021. The County Commissioners will hold public hearings on December 8 and December 10, 2020 affording the opportunity for comment from all interested parties.

This \$222,787,843 proposed 2021 MSD operating budget represents the necessary funding to support the continued daily operations of the District that includes over 3,000 miles of sanitary and combined sewers, 74 miles of storm sewers, nine permitted wastewater treatment plants, 98 pump stations, nine wet weather facilities, 44 acres of green infrastructure, the federal Consent Decree mandated Sewer Backup Program (SBU), as well as the cost of debt service, fleet, overhead, and Office Technology Equipment Allowance (OTEA).

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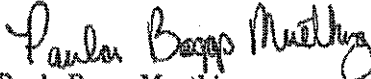
MSD and the County Team met to discuss the original 2021 operating budget submitted on August 17, 2020. MSD has since refined its budget request, reducing non-personnel by \$729,000 and reflecting debt service savings of \$950,000 for a total reduction of \$1.68M from the original request. Overall, the proposed 2021 MSD operating budget is \$5,087,642 or 2.3% more than the Board-Modified 2020 operating budget (as amended).

MSD has budgeted for personnel increases associated with cost of living, workforce medical expenses, and lump sum benefits for anticipated retirements. In addition, increases in non-personnel costs are associated with collection and treatment of wastewater, increased professional services, mechanical tools, specialized equipment, uniforms, fleet replacements, chemical and disposal costs, and increases associated with escalated costs and tax revenue resources.

RECOMMENDED:


Diana R. Christy
Director, MSD

Approved:

 SM
Paula Boggs Muething
City Manager

Provided to Hamilton County on 11.19.2020

Reviewed by Karen A. Ball 12/4/2020 and recommended by County Administration.

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

MSD RESOLUTION

APPROVING AND ADOPTING A 2021 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 have submitted to the Board of County Commissioners of Hamilton County, Ohio (the "Board") an operating budget for calendar year 2021 for the Metropolitan Sewer District, attached hereto as **EXHIBIT A**, and made a part hereof; and

WHEREAS, this 2021 operating budget request is organized by, (1) MSD personnel and non-personnel divisional expenses for Office of the Director, Compliance Services (*fka* Regulatory Compliance and Safety), Watershed Operations, Business Services (*fka* Wastewater Administration), Wastewater Collection, Wastewater Engineering, and Wastewater Treatment, as well as for the Sewer Backup (SBU) Program; (2) non-personnel MSD program expenses for Fleet, General Fund Overhead (GFOH), Office, Technology and Equipment (OTEA); and (3) Debt Service; and

WHEREAS, the Director-recommended 2021 MSD operating budget is well developed, providing for necessary and essential operational needs to protect public health and the environment as required under the 1968 Management Agreement for MSD; continues to reflect best practice fiscal management and responsibility; is in alignment with industry standards, performance measures, and compliance requirements; and supports the delivery of MSD organizational priorities that include customer service, innovation, compliance, public communication and outreach, and collaboration; and

WHEREAS, the Director-recommended 2021 MSD operating budget also reflects the fact that the SBU Program activities and costs are becoming increasingly variable and are driven by continuing severe and unpredictable rain events, responses to which are mandated by the Consent Decree; and

WHEREAS, the Director-recommended 2021 MSD operating budget is just 2.34% over the approved 2020 budget. The personnel budget is 3.5% higher than 2020 to account for increased medical, cost of living adjustments and lump sum payouts for anticipated retirements. The non-personnel request is 6.9% higher than 2020 to account for increased costs of energy, chemicals, tools and equipment, disposal and cleaning, utility costs coupled with more stringent permit limits and more facilitates to operate and maintain, as outlined in the revised 2021 Operating Budget book, attached hereto and by this reference incorporated as **EXHIBIT A**; and

WHEREAS, this Board has reviewed said 2021 MSD operating budget, and after legal advertisement, will conduct public hearings on December 3, 2019 and December 10, 2020; and

WHEREAS, this Board did, on _____, conclude said public hearings on said 2021 MSD operating budget; and

WHEREAS, estimated operating revenues for the year beginning January 1, 2021 through December 31, 2021 and unappropriated funds available for use by MSD are deemed to be sufficient to meet the requirements of the aforesaid operating budget.

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, 2021 through December 31, 2021, be and hereby is adopted and appropriated as follows:

PERSONNEL	\$61,996,500
Office of the Director	\$2,438,574
Wastewater Engineering	\$8,000,537
Business Services	\$7,087,043
Wastewater Treatment	\$22,174,453
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BE IT FURTHER RESOLVED, that the Clerk of this Board be and hereby is directed to certify copies of this resolution to Jeff Aluotto, Hamilton County Administrator; Paula Boggs Muething, Cincinnati City Manager; and Diana R. Christy, 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 _____, 2020

Ms. Driehaus _____ Ms. Summerow-Dumas _____ Ms. Parks _____

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 _____, 2020.

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 _____, 2020.

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

EXHIBIT A