



Finance Committee Briefing 2017 Year-End Results

Water and Sanitary Sewer Operating Funds

February 7, 2018



Water Fund Revenue & Expenditures Review

1. Water Fund Revenues were down 1.9%, or \$1.0 million, compared to 2016.
 - a) Revenue from City customers was down \$600,000, compared to the forecast; or \$400,000 compared to 2016. Volume was affected by wet weather.
 - b) Revenue from Other Jurisdictions fell below forecast by 2.4% and was down \$100,000 compared to 2016. Volume was affected by wet weather.
 - c) Other Charges for Services includes Lime sales to outside customers which are 16% over forecast in 2017, offset by lower than expected Shut-off Charges and New Service Connections.
 - d) Other Revenues were below forecast 15%, and down 11.9%, compared to 2016 due to lower Administrative Overhead charges to Sanitary Sewer and Storm Enterprise Funds, Equipment Sales and Bad Debt Recovery.
2. Expenditures (Uses) up 8.3% or \$3.7 million compared to 2016 due to higher Personnel and Capital Improvement Costs.
 - a) Personnel costs are 4.6% higher compared to the same period in 2016 due to wage and related benefits costs. The increase is partly due to filling vacant positions and the realignment of staffing to align with actual work centers.
 - b) Contracts and Materials are up slightly, 2.3% or \$400,000 compared to 2016.
3. Cash transfer for Capital Improvements increased \$3.2 million, to achieve 1% system replacement goal.
4. The Water Fund ended the year with a small positive balance from operations.



Water Fund

Revenue, Expenditures and Other Sources/Uses 2017 Year End

(000,000's)

	2017	2017	2017	Budget	Budget	2016	2017	'16-'17 \$	'16-'17 %
	Original	YTD	YTD	Variance	Variance	YTD	YTD	Chg.	Chg.
	Budget	Budget	Actuals	Fav/(Unfav)	Fav/(Unfav)	Actuals	Actuals		
Revenue and Other Sources									
City of Dayton Water Fees(Metered Water)	25.1	25.1	24.5	(0.6)	(2.4%)	25.0	24.5	(0.4)	(1.8%)
Other Jurisdictions Water Fees (Metered Water)	20.7	20.7	20.2	(0.5)	(2.4%)	20.3	20.2	(0.1)	(0.3%)
Subtotal Metered Water	45.8	45.8	44.7	(1.1)	(2.4%)	45.2	44.7	(0.5)	(1.1%)
Other Charges for Services	2.5	2.5	2.4	(0.1)	(4.3%)	2.5	2.4	(0.1)	(5.2%)
Subtotal Customer Revenue	48.3	48.3	47.1	(1.2)	(2.5%)	47.7	47.1	(0.6)	(1.3%)
Other Revenue	5.2	5.2	4.4	(0.8)	(15.0%)	5.0	4.4	(0.6)	(11.9%)
Interest Revenue	0.1	0.1	0.4	0.3	480.1%	0.3	0.4	0.1	39.3%
Operating Transfers In	0.0	0.0	0.0	0.0	N/A	0.0	0.0	0.0	N/A
Discounts/Bad Debt/Adjustments	(1.7)	(1.7)	(1.4)	0.3	19.7%	(1.5)	(1.4)	0.1	9.5%
Total Sources	51.9	51.9	50.5	(1.3)	(2.5%)	51.5	50.5	(1.0)	(1.9%)
Expenditures and Other Uses									
Personnel	22.9	22.9	22.1	0.8	3.7%	21.1	22.1	1.0	4.6%
Contracts and Materials	19.8	19.8	16.5	3.2	16.4%	16.1	16.5	0.4	2.3%
Capital Equipment	1.3	0.8	0.8	0.0	0.0%	1.2	0.8	(0.5)	(37.7%)
Capital Improvements	5.2	8.4	8.4	0.0	0.0%	5.7	8.4	2.7	47.5%
Debt Service - Interest	1.1	1.2	1.2	0.0	0.0%	1.0	1.2	0.2	16.8%
Total Uses	50.3	53.0	48.9	4.1	7.7%	45.2	48.9	3.7	8.3%
Debt Payment - Principal Ratios	0.0	0.0	0.0	0.0	N/A	0.1	0.0	(0.1)	(100.0%)
Debt Payment - Principal Bonds	1.5	1.5	1.5	(0.1)	(3.5%)	1.5	1.5	0.0	1.6%
Excess/(Shortfall) of Sources over Uses	0.1	(2.6)	0.1			4.7	0.1	(4.6)	

Notes:

- Amounts may not sum due to rounding
- 2017 Budget includes adopted budget only and does not include prior year's encumbrances
- Actuals include expense against current year appropriation and prior year's appropriation that carried forward
- Other Charges for Services (non-metered charges) includes Lime Sales, Shut Off Charges, Misc. Revenue
- Discounts/Bad Debt/ Adjustments includes misc. refunds
- Payment of lease debt principal is \$-0- for 2017
- Figures do not include Well Field Fund (53997), Water Stores Inventory (53998)



3

Sanitary Sewer Fund

Revenue & Expenditures Review

- Sanitary Sewer Fund Sources are up 1.0%, or \$400,000, compared to 2016 due to increased Other Charges For Services offset by lower volumes in the City and Other Jurisdictions.
 - Revenue from City Customers down \$300,000 or 1.9% and Other Jurisdictions down \$200,000, or 1.5% in 2017 due to lower volumes and billing timing for several accounts.
 - Other Charges for Services ended above forecast by \$900,000 (up \$300,000 year over year), due to higher Permit Non-Compliance Violation Fees offset by lower Biological Oxygen Demand charges.
 - Discounts were down \$400,000 or 24.3% compared to 2016.
- Expenditures (Uses) down 4.2% or \$1.3 million compared to 2016 due to lower Contracts and Materials cost.
 - Personnel costs were 1.0% higher compared to 2016, due to slightly higher wage and related benefit costs, offset by lower overtime costs.
 - Contracts and Materials cost was down \$1.2 million due to lower Sludge Disposal, Other Professional Services and Electricity Utility cost.
- The Sewer Fund ended the year with a positive balance from operations.



4

Sanitary Sewer Fund Revenue, Expenditures and Other Sources/Uses 2017 Year End

(000,000's)

	2017 Original Budget	2017 YTD Budget	2017 YTD Actuals	Budget Variance Fav/(Unfav)	Budget Variance Fav/(Unfav)	2016 YTD Actuals	2017 YTD Actuals	'16-'17 \$ Chg.	'16-'17 % Chg.
Revenue and Other Sources									
City of Dayton Sewer Fees	16.8	16.8	16.0	(0.7)	(4.3%)	16.3	16.0	(0.3)	(1.9%)
Other Jurisdictions Sewer Fees	13.6	13.6	12.6	(1.0)	(7.3%)	12.8	12.6	(0.2)	(1.5%)
Subtotal Sewer Fees	30.3	30.3	28.6	(1.7)	(5.7%)	29.1	28.6	(0.5)	(1.7%)
Other Charges for Services	5.4	5.4	6.3	0.9	17.5%	6.0	6.3	0.3	5.0%
Subtotal Customer Revenue	35.7	35.7	35.0	(0.8)	(2.2%)	35.2	35.0	(0.2)	(0.6%)
Other Revenue	0.6	0.6	0.6	0.1	10.8%	0.5	0.6	0.1	31.2%
Interest Revenue	0.1	0.1	0.3	0.2	435.6%	0.2	0.3	0.0	N/A
Operating Transfers In	0.0	0.0	0.0	0.0	N/A	0.0	0.0	0.0	N/A
Discounts/Bad Debt/Adjustments	(1.4)	(1.4)	(1.2)	0.2	17.4%	(1.5)	(1.2)	0.4	24.3%
Current Year Sources	34.9	34.9	34.7	(0.2)	(0.7%)	34.3	34.7	0.4	1.0%
Expenditures and Other Uses									
Personnel	11.2	11.2	10.9	0.3	2.3%	10.8	10.9	0.1	1.0%
Contracts and Materials	14.2	14.2	11.0	3.2	22.7%	12.2	11.0	(1.2)	(9.9%)
Capital Equipment	0.7	0.7	0.7	0.0	0.0%	1.1	0.7	(0.4)	(34.8%)
Capital Improvements	5.3	5.4	5.4	0.0	0.0%	5.1	5.4	0.3	5.5%
Debt Service - Interest	1.2	1.2	1.2	0.0	0.0%	1.2	1.2	(0.1)	(5.6%)
Total Uses	32.7	32.7	29.2	3.5	10.7%	30.5	29.2	(1.3)	(4.2%)
Debt Payment - Principal Radios	0.0	0.0	0.0	0.0	N/A	0.1	0.0	(0.1)	(100.0%)
Debt Payment - Principal Bonds	2.2	2.2	2.2	0.0	0.0%	2.5	2.2	(0.2)	(9.5%)
Excess/(Shortfall) of Sources over Uses	0.0	0.0	3.3			1.3	3.3	1.9	

Notes:

- Amounts may not sum due to rounding
- 2017 Budget includes adopted budget only and does not include prior year's encumbrances
- Actuals include expense against current year appropriation and prior year's appropriation that carried forward
- Other Charges for Services (non-metered charges) includes BOD, SS, Special Monitoring Fees, Misc. Revenue
- Other Revenue includes Bad Debt Recovery and Radio Lease Proceeds
- Payment of bond debt principal is \$2,218,617. Radio lease principal payment of \$-0- included in Debt Service



Key Take-Aways

- The Water Fund ended with a positive balance of \$100,000 and performance allowed an increase to Capital Transfers of \$3.2 million over initial plan.
- The Sanitary Sewer Fund ended with a positive balance of \$3.3 million which will allow for an increase of \$2.0 million or more to Capital Transfers in 2018.
- Capital investment in the Asset Management Plan is achieving the goal of replacing 1% of Water Infrastructure and above the goal of replacing 1% of Sanitary Sewer Infrastructure each year.

