



2017 Budget

MOVING DOWN THE TRACK



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Metropolitan Water Reclamation District of Greater Chicago

Committee on Budget and Employment

Honorable Kari K. Steele, Chairperson

***Recovering Resources,
Transforming Water***

November 3, 2016



Metropolitan Water Reclamation District of Greater Chicago

Committee on Budget and Employment

Executive Director's Budget Recommendations

David St. Pierre, Executive Director



Moving Down the Track

Significant progress has been achieved during 2015 and 2016.

- Thornton Reservoir placed into service
- Disinfection at O'Brien and Calumet WRPs
- Phosphorus recovery at Stickney WRP
- ANITA Mox™ Nitrogen removal at Egan WRP
- "Space to Grow" projects





Moving Down the Track

- Stormwater and Green Infrastructure Projects
 - 85 current projects
 - 8,487 structures protected
 - 183 flood-prone homes to be removed
 - Total cost \$559 million
 - MWRD cost \$403 million
- “Restore the Canopy, Plant a Tree” initiative
- Rain barrel initiative
 - 95,000 distributed



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Moving Down the Track

- Encourage safe disposal of pharmaceuticals
 - Installed permanent drug take-back boxes
 - IGA with the Cook County Sheriff's Department
- Bond sale resulting in greater than \$120M in savings
 - Maintained high bond ratings



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Moving Down the Track

Recovering Resources, Transforming Water

- The District is on track as we embark on the third year of our five-year strategic business plan adopted in 2015
- The six goals are:
 - Add Value
 - Excellence
 - Resource Recovery
 - Develop Employees
 - Leading Partnerships
 - Technology

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Major Initiatives for 2017

- First stage of McCook Reservoir
- Addison Creek Reservoir
- Tree nursery demonstration site at Fischer Farms
- Expand resource recovery
 - Phosphorus and nitrogen
 - Biosolids reuse
 - Food-to-energy facility at the Calumet WRP
 - Starting up the turbine at the Stickney WRP



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Major Initiatives for 2017

Flooding remains our #1 issue

- Stormwater Phase I Projects
 - Design and Construction of Flood Control and Streambank Stabilization Projects
- Stormwater Phase II Projects
 - Funding of Shovel-Ready Projects
 - Design of Conceptual Projects
- Green Infrastructure
 - Partnerships with Local Communities
- Flood-Prone Property Acquisitions
 - District Initiated Projects
 - Additional Properties Identified

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Leading Partnerships

- There are currently 44 District employees who hold active leadership roles in 33 different local, county, state, and national professional organizations
- The organizations include
 - Illinois Association of Water Agencies
 - Illinois Water Environment Association
 - National Association of Clean Water Agencies
 - Water Environment Federation
 - Water Environment & Reuse Foundation
- The complete list of Leading Partnerships can be found on pages 556-560 in the 2017 Executive Director's Recommendations Budget Book

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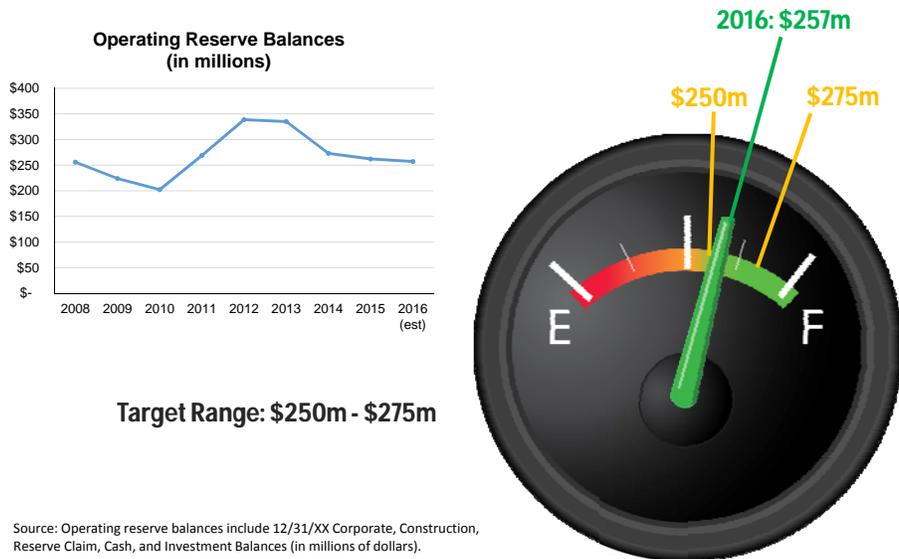
Financial Health

- Maintain AAA and AA+ ratings from two rating agencies
- Stable Corporate Fund
- Sustainable Capital Program
- Sustainable Retirement funding policy
- Sustainable OPEB funding policy
- Insurance policies to protect against catastrophic loss

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How Full is the District's "Tank"?



Source: Operating reserve balances include 12/31/XX Corporate, Construction, Reserve Claim, Cash, and Investment Balances (in millions of dollars).

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2017 Budget Overview

Executive Director's Budget Recommendations (in millions)

Fund	2017 ED Rec.	BF-19	2017 Proposed	2016 Adj. Appropriation	2017-2016 \$ Change	2017-2016 % Change
Corporate	\$367.1	\$ -	\$367.1	\$366.3	\$0.8	0.2
Construction	33.8	0.6	34.4	36.6	(2.2)	(5.9)
Stormwater Mgmt.	45.0	-	45.0	40.5	4.5	11.1
Bond Redemption & Interest	227.8	-	227.8	216.0	11.7	5.4
Retirement	79.5	-	79.5	70.8	8.7	12.3
Reserve Claim	30.6	-	30.6	30.2	0.4	1.5
Subtotal	\$783.8	\$0.6	\$784.4	\$760.4	\$24.0	3.2
Capital Improvements Bond	348.0	-	348.0	483.7	(135.7)	(28.1)
Total	\$1,131.8	\$0.6	\$1,132.4	\$1,244.1	\$(111.7)	(9.0)

Note: Amounts are rounded.

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2017 Budget Overview

Executive Director's Budget Recommendations Summary (Including BF-19 Changes)

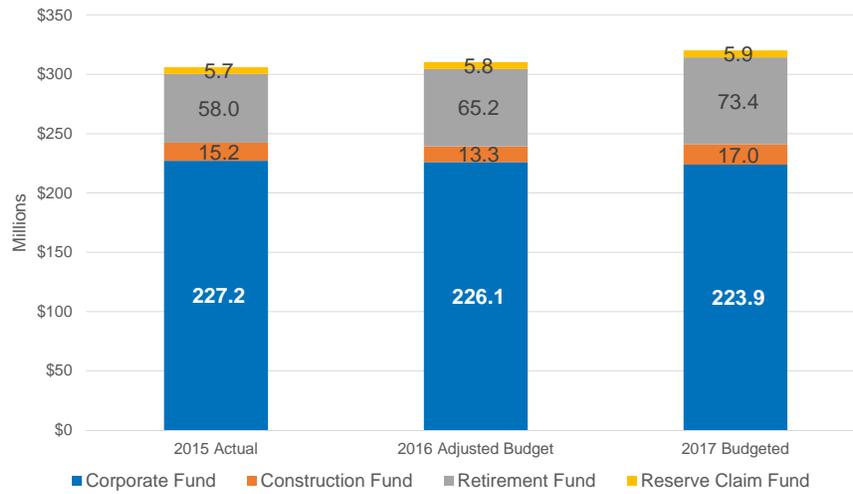
	2017 Proposed	2016 Adjusted	2017-2016 \$ Change	2017-2016 % Change
Total Tax Levy	\$595,027,331	\$577,561,630	\$17,465,701	3.0
Aggregate Levy	\$320,284,200	\$310,348,797	\$9,935,403	3.2
Appropriation	\$1,132,429,875	\$1,244,135,730	\$(111,705,855)	(9.0)

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2017 Budget Overview

2015-2017 Aggregate Levy



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Position Changes

Position Changes (Including BF-19 Changes)

Fund	2017 Proposed	2016 Budgeted	Change	Percent Change
Corporate	1,898	1,917	(19)	(1.0)
Stormwater Management	57	59	(2)	(3.4)
Total	1,955	1,976	(21)	(1.1)

Details will be presented in the Department Slides.

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District Apprenticeship Program

- Recommend consideration of an expanded apprenticeship program
- This program is not included in the budget package
- The recommended program would target disadvantaged communities and increase the representation of females and minorities in selected trades' classifications
- Some classifications are imbalanced and employment lists offer very little opportunity for diversity

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District Apprenticeship Program

- Propose the addition of 70 positions from various skilled trades classifications

Union	Budgeted Positions 2016	Percent of Union Employees	Number of Apprentices Assigned to Each Union	District Total Females	District Total Minority	District % Female	District % Minority	2010 Census % Female	2010 Census % Minority	Projected District % Minority with Added Apprentices
Local 9 (Electrical Operations)	43	9.17%	0	1	9	2%	21%	6%	23%	21%
Local 9 (EITM)	37	7.89%	4	3	7	8%	19%	14%	27%	27%
Local 399 - Operating Engineers	120	25.59%	20	1	14	1%	12%	3%	33%	24%
Local 700 - Teamsters	28	5.97%	0	1	12	4%	43%	4%	44%	43%
Local 63 - Architectural Ironworkers	7	1.49%	0	0	2	0%	29%	4%	24%	29%
Local 1 - Structural Ironworkers	19	4.05%	0	0	4	0%	21%	4%	24%	21%
Local Union 130 - Plumbers	9	1.92%	2	1	1	11%	11%	1%	26%	27%
Carpenters	13	2.77%	4	0	2	0%	17%	2%	34%	35%
Local No. 126 - Machinists	58	12.37%	14	1	8	2%	15%	5%	38%	31%
Local No. 134 - Electrical Mechanics	47	10.02%	8	2	10	4%	22%	0%	33%	33%
Local 150 - Hoisting Engineers	16	3.41%	3	1	0	6%	0%	0%	39%	16%
Local 14 - Painters	8	1.71%	5	0	1	0%	13%	4%	46%	46%
Local 597 - Pipefitters	52	11.09%	8	0	8	0%	16%	1%	26%	27%
Local 73 - Sheet Metal Workers	7	1.49%	0	0	2	0%	33%	2%	30%	29%
Local 17 - Pipecoverers	2	0.43%	1	0	0	0%	0%	3%	31%	33%
Bricklayers	3	0.64%	1	0	0	0%	0%	2%	37%	25%
TOTAL	469		70	11	80					

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District Apprenticeship Program

Estimated Program Costs

- 70 Apprentice positions added
- Assumes 50% funding to fill positions during 2017 and 100% funded for 2018

	2017	2018
Wages	\$1,687,000	\$3,374,000
Technical Training and Text Books	141,750	283,500
Benefit Costs	552,978	1,105,957
Projected Total Program Cost	\$2,381,728	\$4,763,457

- 2018 represents annual costs, typical apprentice period is four years
- Apprentices would receive progressive wage increases as their skill and knowledge increase
- These employees would also be eligible for insurance benefits, paid time off, and pension
- If agreed upon, recommendations will be presented to the Board in the BF-20 changes at the meeting to Adopt the budget

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Construction Fund

Construction Fund (Including BF-19 Changes)

	Appropriations
2017	\$34,450,400
2016	36,614,400
Change	↓ \$2,164,000
	5.9%

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Non-Core Projects

Pay-as-you-go projects for Support Departments and Enterprise Technology Projects

- Main Office Building projects
 - Elevator rehabilitation completion
 - Air conditioning unit
 - Roof life extension
- Technology Projects
 - WMO Permit with GIS integration
 - WorkForce System enhancements
 - Database consolidation and infrastructure upgrade

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Construction Fund Projects

- Funding used to support Engineering projects and Maintenance & Operations in the execution of the Asset Maintenance Plan
 - Aerated Biofilm Reactor Cassettes, Hanover Park WRP
 - Sludge Concentration Conveyor, Calumet WRP
 - Windrow Turner, LASMA
 - Effluent Reuse Line, Stickney WRP
- Funding to support Monitoring & Research projects
 - Research project utilizing algae technology for the recovery of phosphorus and nitrogen
 - Implementation of the Odor Master Plan

For a complete listing of projects, see pages 353-354 of the Budget Book.

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Stormwater Management Fund

	Appropriations	Positions
2017	\$44,997,100	57
2016	40,500,800	59
Change	↑ \$4,496,300	↓ 2
	11.1%	

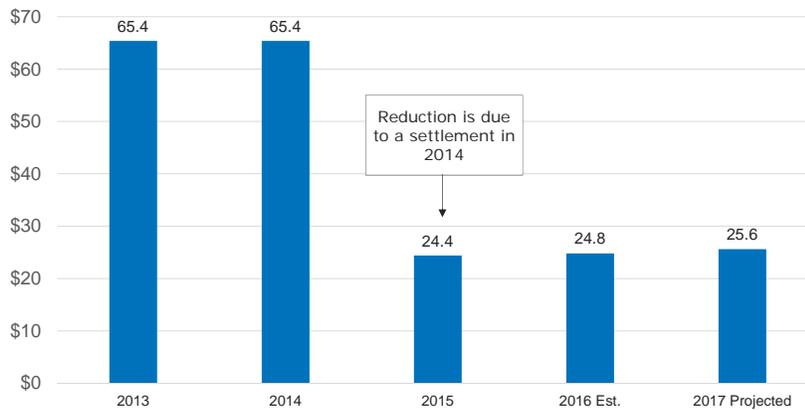
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Reserve Claim Fund

Reserve Claim Fund Balance (Budgetary Basis End of Year)

Statutory Limit Budget Year 2017 = \$65.2 million

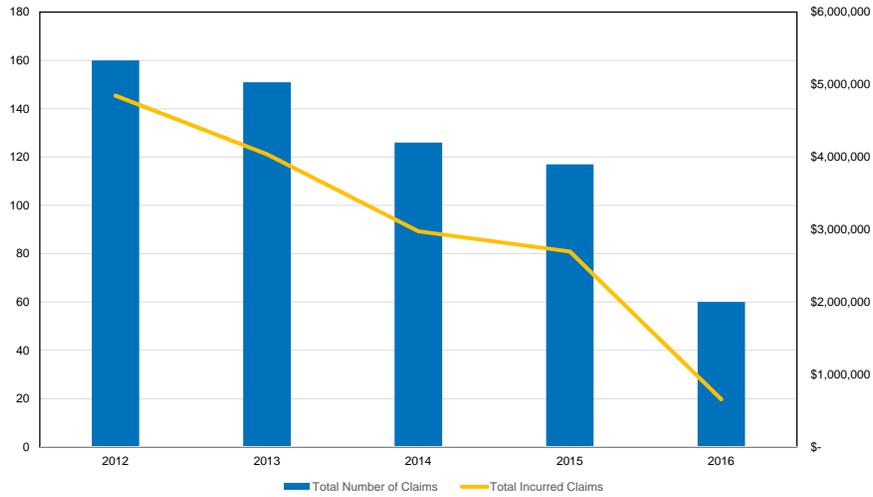


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Workers' Compensation Statistics

Total Number of Claims and Total Incurred Claims



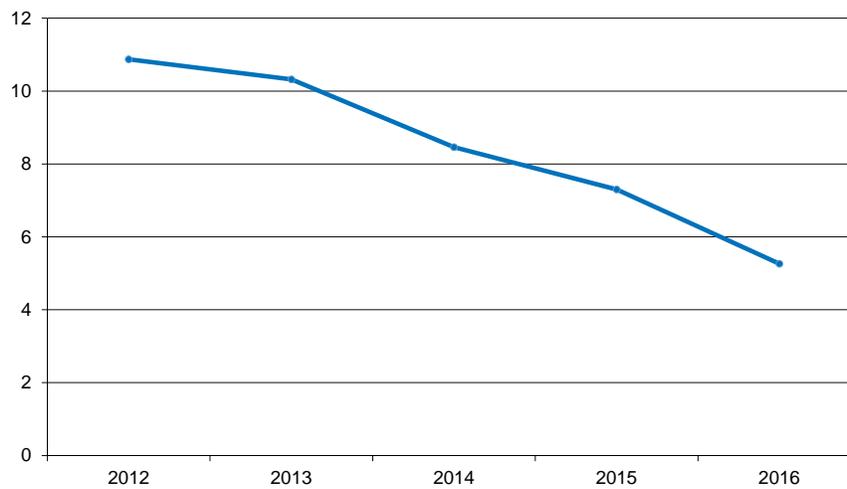
2016 figures are for 9 months

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Workers' Compensation Statistics

Number of Claims per 200,000 Manhours Worked



2016 figures are

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Board of Commissioners Directed Changes

For ease of administration

- Directed changes of the BF-20 submittal vs. voted changes
- Changes made by motion must change BF-19 submittal

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2017 Budget MOVING DOWN THE TRACK



Any Questions?