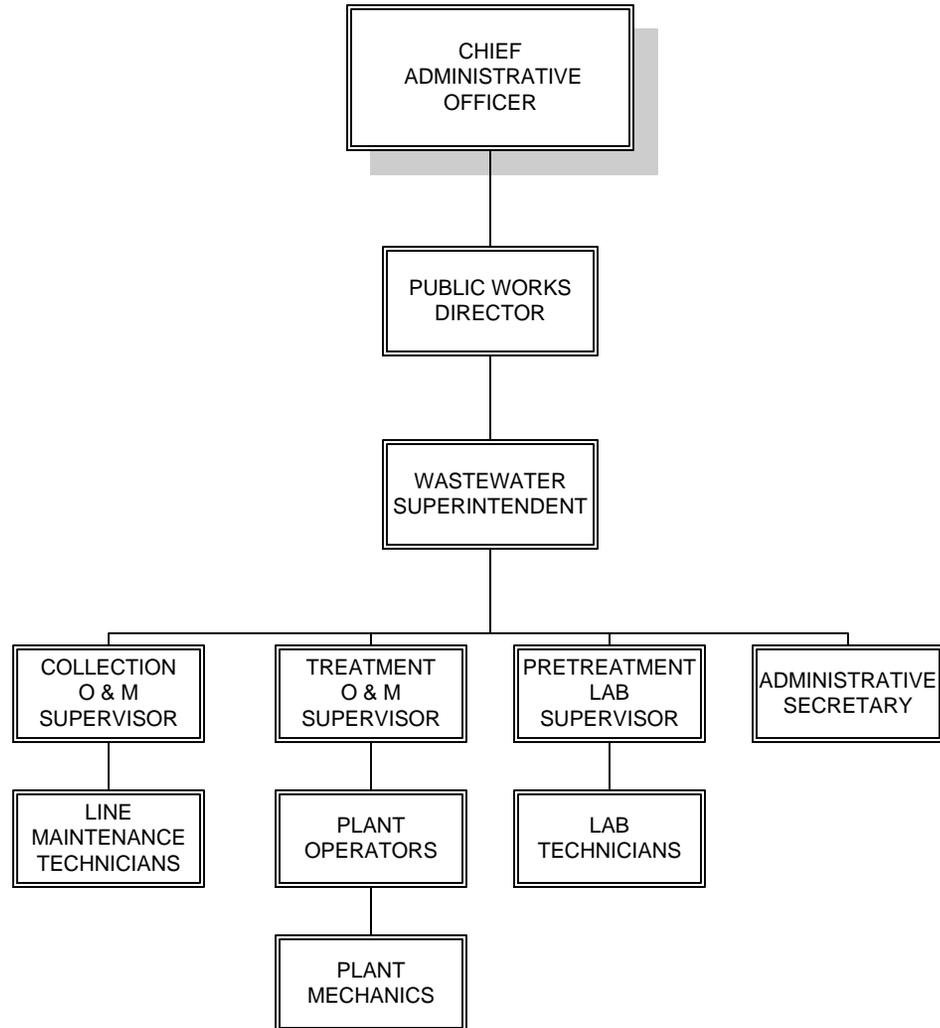




Public Works Wastewater Division



Program Description

The Wastewater Division is responsible for the collection and treatment of domestic and industrial wastewater generated in the Missoula sewered areas. Administration, maintenance, operation, monitoring, testing and the pretreatment program are the primary functions of the Division. These activities are conducted under the Montana Pollution Discharge Elimination System (MPDES) permit issued by the Montana Department Environmental Quality (MDEQ) and the National Pollution Discharge Elimination System (NPDES) permit issued by the United States Environmental Protection Agency (USEPA). Additionally, the Division strives for beneficial reuse of residual by-products of wastewater treatment.

The Wastewater Division is separated into four distinct sections:

- Wastewater Collection
 - Wastewater Treatment
 - Wastewater Administration
 - Wastewater Pretreatment / Laboratory
-

City Strategic Plan & Department's Implementation Strategy

Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
 - Complete Head-works upgrade and odor control project by December 2011.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Complete Eko Compost property acquisition by December 2011.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - Continue to work with the Montana Department of Environmental Quality for permit approval and Hybrid Energy Group to expand the hybrid poplar tree effluent land application project to 130 acres of the Clouse Family land.
-

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ 1,304,719	\$ 1,349,353	1,316,276	1,462,497	\$ 113,144	8%
Supplies	454,097	413,070	394,633	413,070	\$ -	0%
Purchased Services	1,014,542	1,219,460	1,208,244	1,226,359	\$ 6,899	1%
Miscellaneous	919,122	989,281	996,671	1,053,165	\$ 63,884	6%
Debt Service	-	-	-	-	\$ -	
Capital Outlay	(1,214,852)	-	4,980	-	\$ -	
Total	\$ 2,477,627	\$ 3,971,164	\$ 3,920,804	\$ 4,155,091	\$ 183,927	5%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2009	Actual FY 2010	Actual FY 2011	Adopted FY 2012
WASTEWATER SUPERINTENDENT	1.00	1.00	1.00	1.00
COLLECTION & MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
WASTEWATER PLANT SUPERVISOR	1.00	1.00	1.00	1.00
PRE-TREATMENT LAB SUPERVISOR	1.00	1.00	1.00	1.00
LAB TECHNICIAN	1.00	1.00	1.00	1.00
LAB TECHNICIAN	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
INTERMITTENT LABORERS/INTERN	1.20	1.00	0.50	0.50
Total	22.20	22.00	21.50	21.50

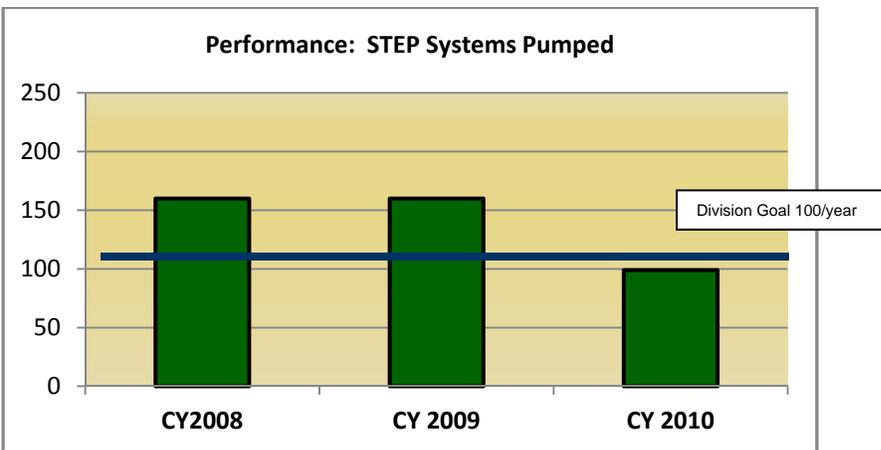
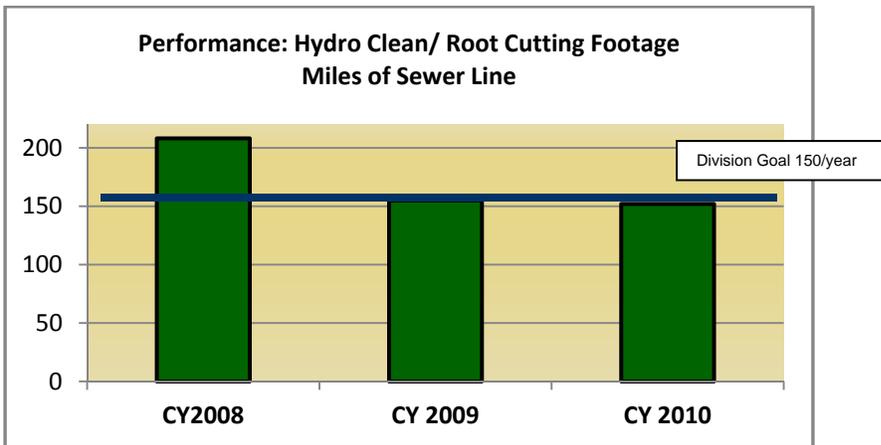
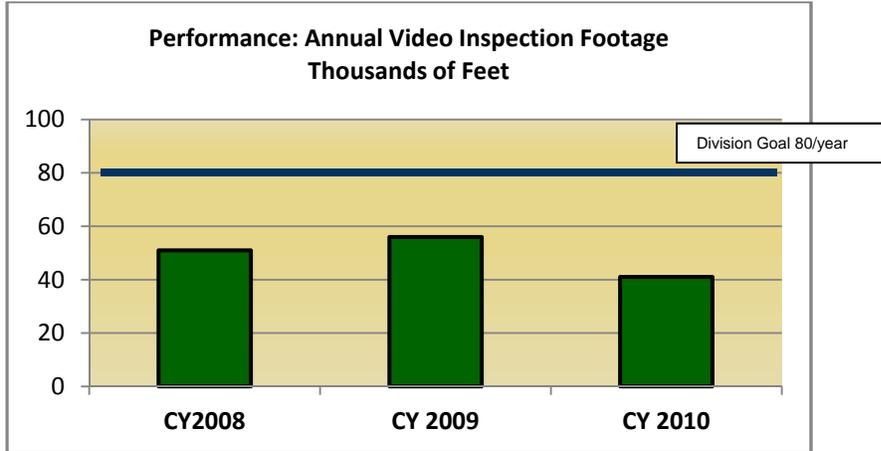
2012 Budget Highlights

Purchased Services:

- No new Purchased Services requested.

New Operating Requests Funded:

- No new operating requests made.



Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2009	Actual FY 2010	Actual FY 2011	Adopted FY 2012
1 . Continue scheduled maintenance on the collection system to prevent sanitary sewer over flows, sewer back ups and identify and repair sewer lines prone to ground water infiltration	100%	100%	100%	100%
2 . Continue to exceed MPDES permit requirements for discharge into the Clark Ford River and use the Wastewater Facility Plan and other source material to plan for future growth and regulatory changes.	100%	100%	100%	100%
3 . Continue to operate a certified laboratory. Continue 100% compliance with SIU inspections	100%	100%	100%	100%

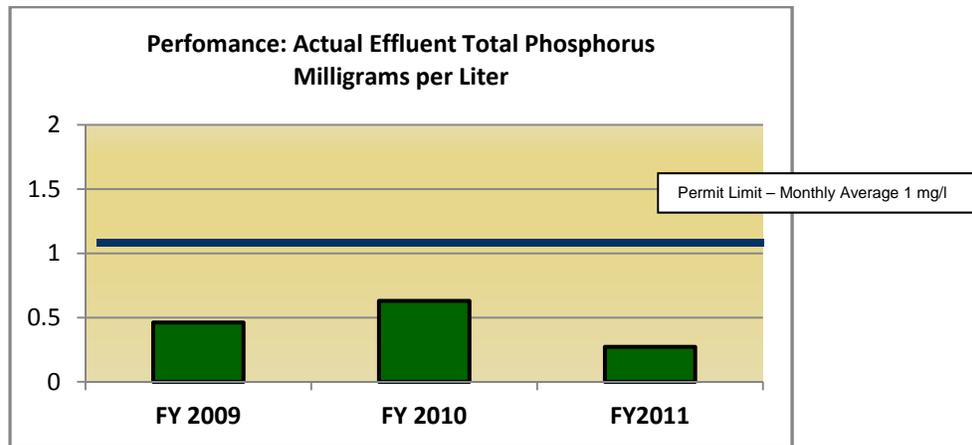
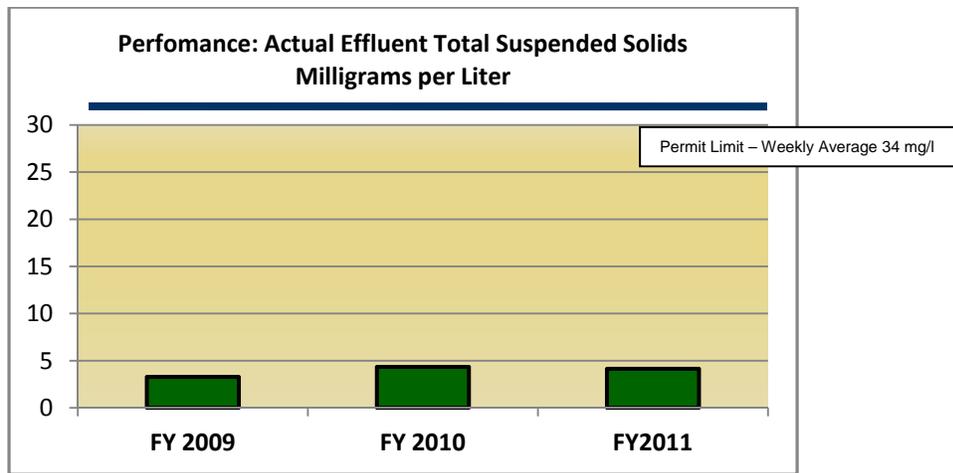
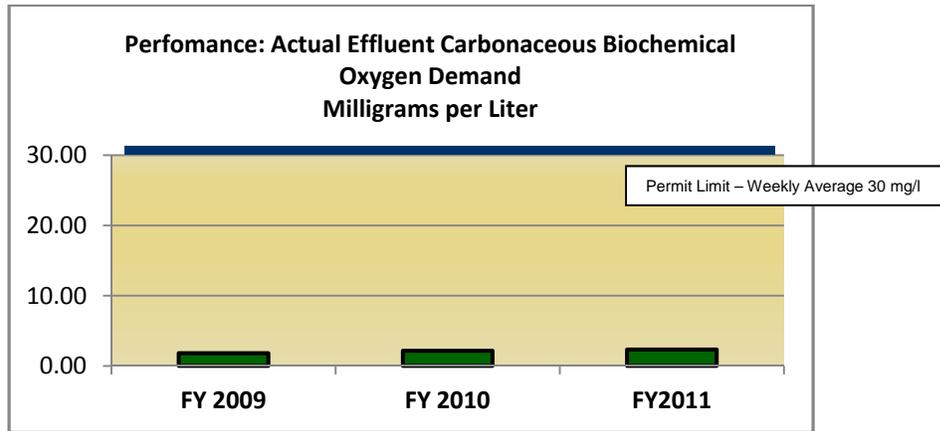
Historical data has been estimated.

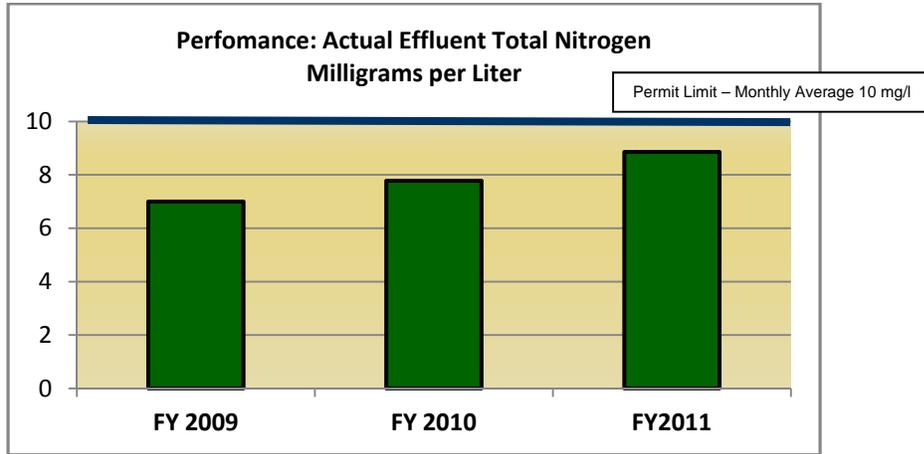
Workload Indicators

Indicator	Actual FY 2009	Actual FY2010	Actual FY2011	Adopted FY2012
1 . Annual sewer main hydro-cleaning/root cutting (feet)	823,680	818,000	802,560	800,000
2 . Annual sewer main video inspection (feet)	51,000	56,000	41,000	50,000
3 . Annual STEP tanks pumped	160	160	99	101
4 . Treated plant effluent cBOD and TSS	<5 mg/l	<5 mg/l	<5 mg/l	<5 mg/l
5 . Treated plant effluent phosphorus	0.7 mg/l	0.63 mg/l	.27 mg/l	<1 mg/l
6 . Treat plant effluent nitrogen	7 mg/l	7.78 mg/l	8.86 mg/l	<10 mg/l
7 . Laboratory QA/QC certification	Pass	Pass	Pass	Pass
8 . 11 Annual SIU inspections	100%	92%	100%	100%
9 . Annual MIU inspections	5%	3%	2%	5%

Historical data has been estimated.

Wastewater Treatment Performance Measures





Pretreatment/ Laboratory Performance Measures

Year	Laboratory QA/QC	11 Annual SIU Inspections	Annual MIU Inspections
2008	Passed all	100%	05%
2009	Passed all	100%	05%
2010	Passed all	100%	05%

Program Description - (5311)

This fund receives the revenues of the different Sewer Enterprise funds and distributes them according to need. The primary revenue source is the user fees charged to users of the Sewage system.

Activities and Objectives

To receive and transfer approximately \$6,503,714 in sewer use fees, delinquencies and interest on investments during Fiscal Year 2012.

INTER-FUND TRANSFERS OUT

Transfer to Sewer Operating Budget	\$ 3,890,065
Transfer to Sewer Revenue Bond Series 1999 Bond Debt Service	132,120
Transfer to Sewer Revenue bond Series 2000 Bond Debt Service	53,000
Transfer to Sewer Revenue Bond Series 2001 Bond Debt Service	39,820
Transfer to Sewer R&D Fund	480,000
Transfer to Sewer Revenue Bond Series 2002 Bond Debt Service	94,100
Transfer to Sewer Revenue Bond Series 2002 Bond Debt Service	365,760
Transfer to Sewer Revenue Bond Series 2003 Bond Debt Service	272,131
Transfer to Sewer Revenue Bond Series 2004 Bond Debt Service	264,731
Transfer to Sewer Revenue Bond Series 2005 Bond Debt Service	120,038
Transfer to Sewer Revenue Bond Series 2005 Bond Debt Service	20,850
Transfer to Sewer Revenue Bond Series 2010A Bond Debt Service	4,287
Transfer to Sewer Revenue Bond Series 2010B Bond Debt Service	45,866
Transfer to Sewer Revenue Bond Series 2010 Bond Debt Service	622,946
Transfer to General Fund	98,000

Total \$ 6,503,714

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	6,010,665	6,272,053	6,122,517	6,503,714	231,661	4%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 6,010,665	\$ 6,272,053	\$ 6,122,517	\$ 6,503,714	\$ 231,661	4%

* Un-audited numbers

Program Description – (5315)

This fund accounts for the receipts and disbursements made pursuant to the two loan programs available to offset the costs of sewer connections for residential properties.

Activities and Objectives

The City Sewer Loan Program was created to provide financial assistance to property owners to connect to sanitary sewer. Eligibility requirements include: home has to be owner occupied, property has to be less than 50,000 square feet in size and owners need to be below Federal HUD Median Household Income 80% Limit level. This program is not available to properties outside the City limits.

There are two payment alternatives: 1) the loan payments are deferred and do not have to be paid off until the property or owners no longer meet the eligibility requirements; or 2) the loan is paid off over eight years. Both options accrue interest at the rate established for the City's Sidewalk and Curb Warrants (currently 5.536%)

The Bank Sewer Loan Program was created in FY95 in conjunction with local banks and credit unions. The participating banks and credit unions provide loans for the connection costs to the City sewer system and the City guarantees the loan, providing that the property owners complete the City's application and related City forms. If a loan is defaulted on, the City buys the loan and places it as a lien on the property. Residential properties, including rentals and multi-family units are eligible for this program. This program is available to residential properties in or out of the City limits.

TOTAL FUND EXPENDITURES - \$20,000

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	15,443	-	-	
Miscellaneous	8,522	20,000	-	20,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 8,522	\$ 20,000	\$ 15,443	\$ 20,000	\$ -	0%

* Un-audited numbers

Program Description – (5320)

The Wastewater Treatment Replacement and Depreciation fund was established to account for the Wastewater Treatment Plant's fixed assets, fund balance, and depreciation reserves. The balance of Sewer Use Fees that are not needed for operations or debt service is accumulated in the R & D fund for future capital replacement and improvements.

Activities and Objectives

The projects scheduled for the Wastewater Treatment R & D fund are listed below.

1. **Miscellaneous Sewer Main Repairs:** Minor repair projects to the existing collection system (Account 360: \$100,000).
2. **Miscellaneous WWTP Repair Projects:** This appropriation is for repair projects to the existing Wastewater Treatment Plant infrastructure that cannot be anticipate (Account 360: \$100,000).
3. **Sewer Line Rehabilitation Projects:** Rehabilitate/upgrade old sewer line assets through both excavation and replacement of lines or some type of "slip lining" technique or manhole installations (Account 360: \$100,000).
4. **Lateral Sewer Main Extensions:** Provide lateral mains under new street construction projects to prevent the need to dig up street for future sewer line development. Costs may be recovered when future connections occur (Account 360: \$10,000).
5. **Linda Vista STEP System Conversion:** Convert STEP system to gravity mains (Account 350: \$60,000).
6. **Russell Street Sewer Interceptor:** Project to replace the existing pumps and convert to gravity sewer systems in the Russell Street Area (Account 350: \$50,000).
7. **Truck replacement:** One full size pick-up and one mid-size pickup for replacement (Account 940: \$60,000).

Total Purchased Services: \$420,000

Total Capital Outlay: \$60,000

Total Expenditures: \$480,000

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	114,597	391,750	69,443	420,000	28,250	7%
Miscellaneous	149,177	-	116,050	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	500,876	180,672	386,928	60,000	(120,672)	-67%
Total	\$ 764,649	\$ 572,422	\$ 572,422	\$ 480,000	\$ (92,422)	-16%

* Un-audited numbers

Program Description – (5325)

This fund is established to segregate expenditures and revenues of the Sewer Development Fee. The fee is charged on new sewer connections to reflect a contribution by new customers toward the cost of the existing physical plant and sewer lines. This contribution compensates existing users for the Sewer plant and additions which were built to allow sufficient capacity for future community growth.

Activities and Objectives

Sewer Development Fees are earmarked for necessary sewer projects related to new connections and sewer system capacity expansion. The City Council has to give prior approval to any expenditure from the Sewer Development Fee Fund.

\$100,000 is appropriated for various projects that may come up as the year progresses where it is appropriate to increase capacity of a private line being installed for future users.

The expenditures for FY 2012 are as follows:

- Airport Interceptor - \$100,000
- Hybrid Poplar Tree Effluent Application- \$35,000
- Eko Compost Land Purchase- \$518,094
- Oversizing Assistance - \$95,000

TOTAL FUND EXPENDITURES - \$ 748,094

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	417,125	110,000	107,337	5,000	(105,000)	-95%
Miscellaneous	-	-	33,500	-	-	
Debt Service	-	-	-	513,094	513,094	
Capital Outlay	659,251	293,885	193,885	230,000	(63,885)	-22%
Total	\$ 1,076,376	\$ 403,885	\$ 334,722	\$ 748,094	\$ 344,209	85%

* Un-audited numbers

Program Description – (5340)

The fund accounts for the receipts and expenditures for major Sewage Plant construction projects. The primary funding sources for such projects are revenue bonds, grants, and the State Revolving Fund (SRF) Program which was established with the final EPA appropriations for state and local wastewater treatment projects.

Activities and Objectives

WWTF Head-works Replacement – Activity budget equals \$ 8,000,000
 Revenue source is Sewer Revenue bonds.

TOTAL FUND EXPENDITURES - \$ 8,000,000

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	707,788	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	8,770	10,500,000	4,575,170	8,000,000	(2,500,000)	-24%
Total	\$ 8,770	\$ 10,500,000	\$ 5,282,958	\$ 8,000,000	\$ (2,500,000)	-24%

* Un-audited numbers

Program Description – (5361, 5362, 5365, 5371, 5373, 5375, 5377, 5379, 5381, 5383, 5386)

These funds account for the three existing Sewer Revenue Bonds, two 1992 bond issues to the State of Montana SRF revolving loan program, a 1999 bond issue to the State of Montana SRF revolving loan program and a 2000 bond issue to the State of Montana SRF revolving loan program. Expenditures from the funds are for the yearly debt service payments.

Activities and Objectives

2001 Sewer Revenue Bond (5361) - To make yearly debt service on the bonds that were issued to finance the installation of the Bellvue Interceptor. **\$33,220**

2000 Series B Sewer Revenue Bond (5362) - To make yearly debt service on the Series 2000B bonds that were issued to finance the installation of the Reserve Street collector and Pineview interceptor. **\$52,400**

1999 Sewer Revenue Bond (5365) - To make yearly debt service on the Series 1998 bonds that were issued to finance the installation of the East Reserve Street collector, Mullan Road interceptor, administration building refurbish and engineering for the new treatment plant. **\$132,120**

2002 Sewer Revenue Bond (5371) - To make yearly debt service on the bonds that were issued to finance the installation of the 39th Street/SW Higgins-Bellvue Interceptor and the treatment plant upgrade. **\$94,100**

2002 Sewer Revenue Bond (5373) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$365,760**

2002 Sewer Revenue Bond (5375) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$272,131**

2004 Sewer Revenue Bond (5377) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$264,731**

2005 Sewer Revenue Bond (5379) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Birch/Broadway/Lincolnwood Phase I/Gilbert. **\$120,038**

2005 Sewer Revenue Bond (5381) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Lincolnwood Phase II. **\$20,850**

2010 Sewer Revenue Bond Series A(5383) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Lolo Street. **\$4,287**

2010 Sewer Revenue Bond Series B(5384) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on the west side of the Rattlesnake valley. **\$45,866**

2010 Sewer Revenue Bond Series A (5386) - To make yearly debt service on the bonds that were issued to finance the upgrade of the Head-works at the Treatment Plant. **\$622,946**

Total Expenditures: \$2,028,449

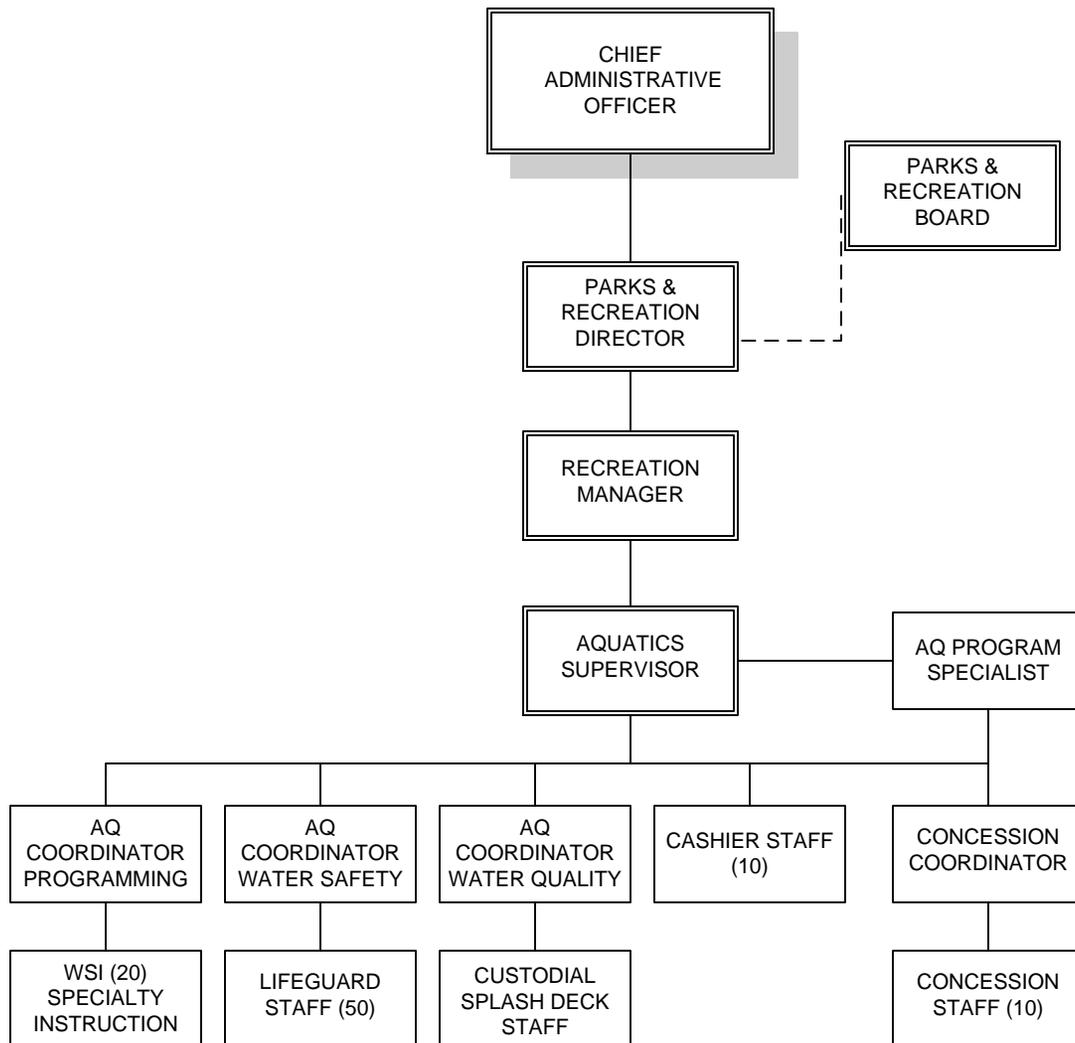
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	15,456	-	248,560	-	-	
Debt Service	568,463	3,720,320	2,396,310	2,028,449	(1,691,871)	-45%
Capital Outlay	-	-	-	-	-	
Total	\$ 583,919	\$ 3,719,031	\$ 2,644,870	\$ 2,028,449	\$ (1,691,871)	-45%

* Un-audited numbers



Aquatics Division



Program Description

The goal of this activity is to provide quality aquatics programs, opportunities and facilities for citizens of all ages, interests, and abilities thus giving every resident as well as guests an opportunity for lifetime leisure skills, water safety skills and active, healthy life styles.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Financial Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - CLASS Facility & Registration software updates are installed. Work continues with CLASS and Finance to refine, and add additional components to allow increase use of on line registration for programs, field and facility reservations to increase revenue through convenient services for customers.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
 - Accessibility of facilities has been recognized as leader in community and Department will publish this information to encourage use by all abilities.
- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
 - Continue to research and implement energy reduction programs, such as solar panels at Splash.

Goal #3: Quality of Life for All People in All Places

- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.
 - Promote healthy Aquatics Programs
 - Scholarships offer all residents opportunity to participate.
 - Programming and faculty evaluations by customers and citizens lead to program changes and improvements.
 - Increase participation on indoor programs such as swimming lessons for all ages and programs for seniors and adults focusing on fitness. Additional programs for kayaking, snorkeling, water polo league were offered as well.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ 609,547	\$ 661,054	\$ 574,609	\$ 669,284	\$ 8,230	1%
Supplies	172,949	196,350	191,933	176,500	(19,850)	-10%
Purchased Services	272,219	361,428	278,330	353,675	(7,753)	-2%
Miscellaneous	-	-	11,958	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,054,715	\$ 1,218,832	\$ 1,056,829	\$ 1,199,459	\$ (19,373)	-2%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2009	Actual FY 2010	Actual FY 2011	Adopted FY 2012
AQUATICS STAFF				
AQUATICS SUPERVISOR	1.00	1.00	1.00	1.00
AQUATICS SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
ASSISTANT AQUATICS SPECIALIST	1.00	1.00	1.00	1.00
LEVEL 1 INTERMITTENT RECREATION	3.30	3.30	3.30	2.30
LEVEL 2 INTERMITTENT RECREATION	14.90	14.90	14.90	12.90
LEVEL 3 INTERMITTENT RECREATION	3.56	3.56	3.56	3.06
LEVEL 4 INTERMITTENT RECREATION	2.25	2.25	2.25	1.75
LEVEL 5 INTERMITTENT RECREATION	0.95	0.95	0.95	0.95
LEVEL 5 INTERMITTENT SPECIALTY INSTRUCTOR	0.49	0.49	0.49	0.49
PART TIME CASHIER	1.61	1.61	1.61	1.61
PART TIME CUSTODIAN	0.75	0.75	0.75	0.75
Total	30.81	30.81	30.81	26.81

Highlights

Splash Montana and Currents Aquatics Center continue to be extremely popular recreational facilities with all age groups. "The Lake" 50-meter pool is heavily utilized by fitness swimmers and the local competitive swim teams. Splash Montana hosted several special swim events at The Lake in 2010, including the Firecracker Swim Meet, the 2nd Annual Zoo Town Triathlon, and the Tube Bowl (inner tube water polo's annual competitive event).

Accomplishments included:

- ❖ Installed a Ultraviolet Light supplemental sanitation system on the pool water line at Currents, thus decreasing the risk of contamination by cryptosporidium and the level of chloramines that reside in the pool water.
- ❖ Completed the installation of Virginia Graehm Baker drain covers at Currents and Splash Montana to ensure the facility meets the new national standards.
- ❖ Worked with the Missoula Aquatic Club to provide the facility for the State Long Course Swim Meet in July of 2011.
- ❖ Expanded access to the Currents facility by establishing an Open Boating night which has been drawing over 12 people with boats regularly this spring.
- ❖ Worked with the JCI City Conservation Plan to create a plan to install a pool blanket on the 50m pool at Splash Montana.
- ❖ Successfully started and grew a Jr. Swim Team program through the summer and fall of 2010, team now boasts 25 registrants and averages 14 swimmers at each practice.
- ❖ Successfully tested in-school water safety presentations in 2010. By the end of FY2011 we will have visited 5 separate local elementary schools and given the water safety presentation to nearly 500 children grades K – 3.

Goals for 2012

- ❖ Continue to grow the Jr. Swim Team by involving teams at other facilities such as the Peak and the YMCA.
- ❖ Complete a sound mitigation plan at Currents.
- ❖ Complete energy conservation plan through the installation of variable frequency drives on the air handler at Currents and establish controls on the system so it is responsive to humidity levels.
- ❖ The Aquatics Program is committed to working steadily to excel and overcome any challenges throughout all economic hardships and cool, wet summer weather. As outlined in the Pro Form (business plan) the aquatics facilities were designated as an Enterprise Fund. The goal of staff is to continue the current level of subsidy, using any fund balance for repairs, improvements and to fund capital improvements to generate additional revenue. Routine maintenance of facilities will result in a strong loyal customer base.

Aquatics Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2009	Actual FY 2010	Actual FY2011	Adopted FY 2012
1 . Increase sale of punch card and drop in visits	\$ 509,300	\$ 506,900	\$ 508,500	\$533,000
2 . Implement cyclic maintenance program at Splash and Currents to be funded through subsidy and reserve balance.	N/A	\$ -	\$ -	\$ 20,000
3 . Reduction in energy consumption using JCI measures	N/A	\$ 101,647	\$ 96,816	\$ 91,966
4 . NW Energy projections gas/electric savings per incentive program at currents implemented FY2012. NOTES: NW energy projects up to 30% savings for FY2012. Conservative projection at 10% NOTE: Prior year savings due to various energy initiatives. NW Energy incentive implemented by Nov 2011	\$ 129,665	\$ 119,138	\$ 106,859	\$ 95,000

Workload Indicators

Indicator	Actual FY 2009	Actual FY 2010	Actual FY2011	Adopted FY 2012
1 . Number of daily admissions at Currents	49,972	49,928	48,577	52,000
2 . Number of daily admissions at Splash	64,724	57,605	57,044	64,000
3 . Number attending swim lessons at Currents	11,470	11,692	12,496	13,000
4 . Number attending swim lessons at Splash	5,450	4,808	5,931	6,250
6 . Total Attendance	196,182	185,143	191,975	198,000
Notes: 1. Proforma 4. FY09 First year all facilities open for full year 5. FY 10 - Aquatics revenue/Expenditure closely reflect FY09 actual numbers				

Program Description

This fund is set up as an internal service fund for the City's self-insured employee health insurance program. The fund receives revenues in the form of monthly employer contributions from all City departments, employee contributions, and payments from retired employees who are given the option of paying monthly insurance premiums to remain on the health insurance plan. Retired employee contributions receive a 15% subsidy from the City.

Goals & Objectives

Each City department is charged per payroll for contributions to the employee health insurance program. The revenue from General Fund tax supported departments originates in special health insurance tax levy funds (2371 and 2372) where state law allows a special tax levy above and beyond the special all-purpose General Fund levy. These revenues are transferred regularly to the General Fund to reimburse the General Fund for the expenditures of the contributions to the health insurance fund. The FY 2011 monthly premium for the health insurance paid on behalf of the City of \$635 per employee is proposed to be increased by \$80 per employee per month in FY 2012 for a total of \$715 per employee. The monthly employee and dependent charge is proposed to be increased by an equivalent of \$30 per employee per month for FY2012. Substantial changes were implemented in FY 2001, 2002, 2003 and 2004 and proposed in FY2012 to address both the funding for the City's health benefit plan as well as the cost experience of the plan in the future. The rate of medical inflation nation-wide in many prior fiscal years averaged about 15% while the City averaged over 20% for those fiscal years. The reason for the proposed changes in the past and for FY2012 was that the plan could not support the level of costs it was experiencing. In FY 2011 the City is experiencing another difficult plan year even after the increase of the \$65.00 per employee done in FY 2011. We are projecting that the fund balance will fall to \$320,500, a decrease of \$660,000. We are presently projecting that the City's plan will have an increased fund balance at the end of FY2012 of approximately \$620,000.

Administration Recommendation

Up until seven years ago the City health insurance plan had suffered from significant increases in usage and medical inflation. Since then, the plan had increased its fund balance for six of the last eight years bringing the plan from a deficit of (-\$400,000) in FY 2003 to a surplus of \$2,278,000 at the end of FY 2009. This trend did not continue in FY 2011. The Administration had recommended that the Health Insurance levy within the City's cap be reduced in FY 2010 by \$484,305 by reducing the monthly premium for the health insurance from \$670 per employee to \$570 per employee in order to levy that amount of money within the General Fund general levy, thereby avoiding the necessity of cutting any further than was done for FY 2010. Because the plan had significantly increased its fund balance every year for the prior six years, the fund balance was not projected to be materially reduced by this reduction in funding for one year. However, plan utilization along with rising medical inflation went to its highest level in over a decade, driving the fund balance down during FY 2010, contrary to predictions. The administration recommended that City's funding of the health plan be increased by \$65 per employee per month (\$315,000 per year) for FY 2011. The Administration has proposed to increase the City's contribution by \$132 per month per employee for FY 2012. Employees were asked to increase an equivalent of \$75 per employee per month to the plan in FY 2012. In addition, the Administration is also proposing to contribute \$100,000 toward rebuilding the health plan's fund balance, as the City is committed to maintaining a 3 month reserve in the health plan and this \$100,000 is the first of three one-time cash injections proposed to increase the fund balance to a 3 month reserve.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2010	Amended FY 2011	Actual * FY 2011	Proposed FY 2012	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	5,055,565	5,525,750	5,502,214	5,303,390	(222,360)	-4%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 5,055,565	\$ 5,525,750	\$ 5,502,214	\$ 5,303,390	\$ (222,360)	-4%

* Un-audited numbers