

# CITY OF HOUSTON PUBLIC WORKS & ENGINEERING



## BUDGET & FISCAL AFFAIRS COMMITTEE

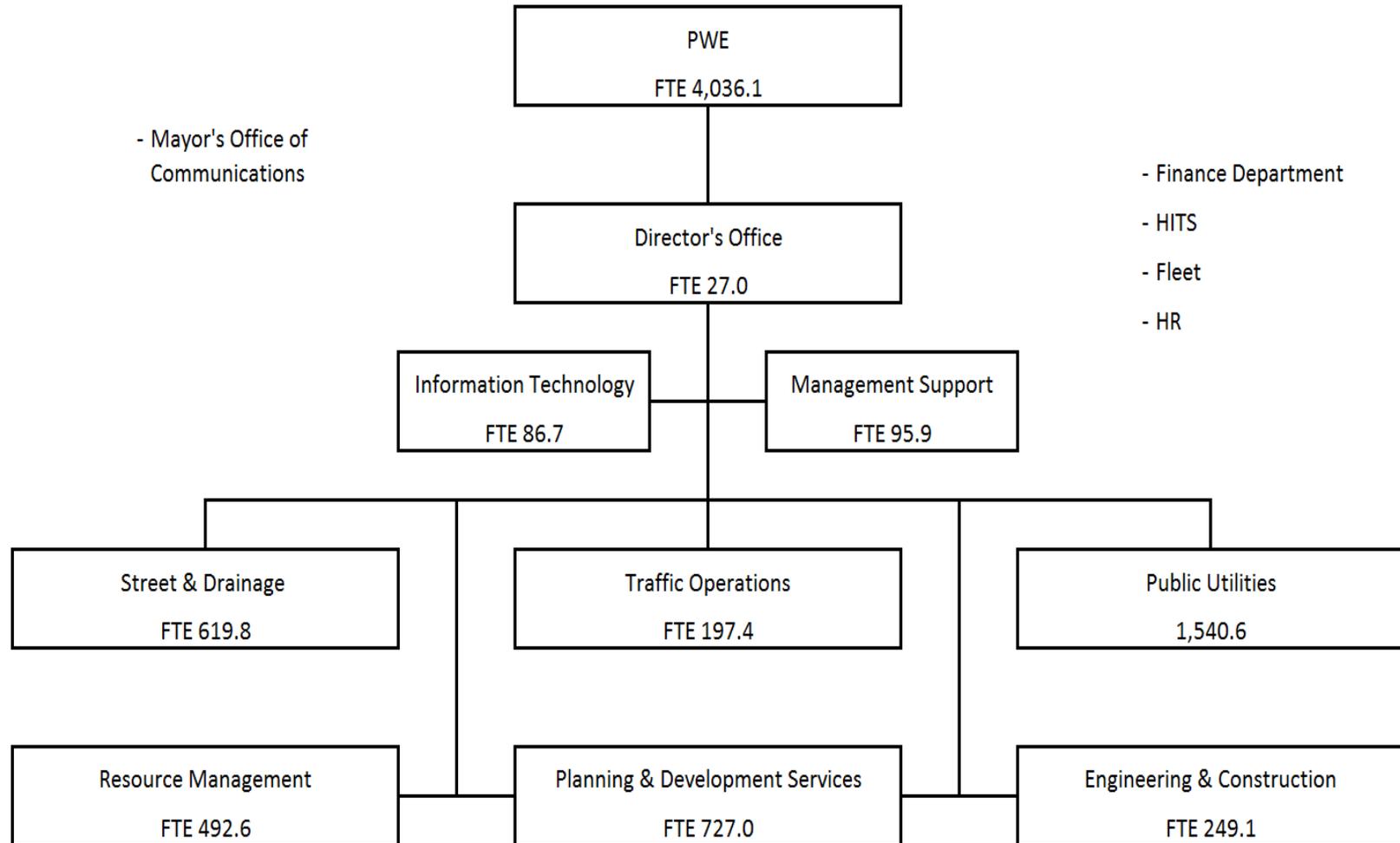


# FY2017 BUDGET PRESENTATION





# PUBLIC WORKS & ENGINEERING DEPARTMENT ORGANIZATIONAL CHART



- Mayor's Office of Communications

- Finance Department  
- HITS  
- Fleet  
- HR



- Enhanced Department’s capability to investigate and respond to reported sanitary sewer overflows (SSO) (Public Utilities)
- Continued reduction in electricity usage through pump preventative maintenance, LED lighting and implementation of multipoint measurements to monitor flow (Public Utilities)
- Establishing daily ‘Dashboard’ data on Houston Permitting Center (HPC) webpage for commercial/residential plan review (Planning & Development)
- Implemented electronic plan review (EPR) for commercial/residential plans and City Engineer projects (Planning & Development)



- Implemented a condition assessment rating system for stormwater assets (Street & Drainage)
- Implemented a “next business day” pothole response program; eliminated the pothole work order backlog through department-wide efforts and resources (Street & Drainage)
- Developed an Asset Management and Programming Group for improved pavement assessment and treatment programming (Street & Drainage)
- Centralized street maintenance quadrants for improved efficiency and quicker response (Street & Drainage)



- Improved ditch maintenance work order distribution processes and crew routing resulting in 60% decrease in response time in FY16 (Street & Drainage)
- Completed Phase 1 of the programmatic sign maintenance program to restore missing traffic control devices inside Loop 610 (Traffic Operations)
- Decreased the average response time for the maintenance and installation of new traffic control signs by 32% in FY16 (Traffic Operations)
- Upgraded signal maintenance application to electronically record work performed at signalized intersections, freeway lighting facilities and school zones (Traffic Operations and Information Technology)



- Implemented the Utility Customer information/billing system with INFOR and upgraded the utility customer call center (Resource Management)
- Completed construction/analysis for low impact development pilot projects – initial analysis indicated water quality benefits (Engineering & Construction)
- Implemented privately funded safe sidewalk program (Engineering & Construction)
- Provided opportunities for engineering firms with annual revenues of less than \$2M (Engineering & Construction)



- Integrated the Context Sensitive Design as envisioned by Houston Complete Streets and Transportation Plan (Engineering & Construction)
- Incorporated Context Sensitive Design practices into the Infrastructure Design Manual (Planning & Development)
- Fully implemented community engagement meetings on major streets and drainage projects (Engineering & Construction/ Planning & Development)
- Began implementation of a department-wide customer service culture through training managers and employees (Department)
- Continued staff training to improve skill sets, create standardized work management processes, & build supportive & qualitative management systems (Department)



# PWE BUDGETS SUMMARY ALL FUNDS

(amounts expressed in millions)



Funds	Fund Names	Revenue FY16 Budget	Revenue FY17 Proposed	Variance	% Change	Expenditure FY16 Budget	Expenditure FY17 Proposed	Variance	% Change
1000	General Fund*	\$ 5.4	\$ 2.9	\$ (2.5)	-50.0%	\$ 31.6	\$ 31.9	\$ 0.3	0.9%
1001	Project Cost Recovery	44.4	45.8	1.4	0.0%	44.4	45.8	\$ 1.4	3.2%
2301	Building Inspection**	73.8	81.7	7.9	10.0%	102.1	95.5	\$ (6.6)	-6.5%
2302	Stormwater Fund	57.1	55.0	(2.1)	0.0%	57.1	58.8	\$ 1.7	3.0%
2310	DDSRF	224.1	214.2	(9.9)	0.0%	234.7	226.9	\$ (7.8)	-3.3%
2402	Houston TranStar	2.1	2.3	0.2	10.0%	3.1	3.2	\$ 0.1	3.2%
8300	Water & Sewer	1,072.6	1,072.1	(0.5)	0.0%	917.6	904.3	\$ (13.3)	-1.4%
8301	CUS Operating	442.9	468.4	25.5	10.0%	442.9	468.4	\$ 25.5	5.8%
8305	CUS General Purpose	0.0	0.0	0.0	0.0%	193.7	198.7	\$ 5.0	2.6%
<b>Total</b>		<b>\$1,922.4</b>	<b>\$1,942.4</b>	<b>\$ 20.0</b>	<b>1.0%</b>	<b>\$ 2,027.2</b>	<b>\$ 2,033.5</b>	<b>\$ 6.3</b>	<b>0.3%</b>

\* General Fund FY16 Adopted budget of \$35.3M was adjusted to \$31.6M during General Appropriation.

\*\* Building Inspection FY16 Adopted budget of \$91.1M was adjusted to \$102.1M during General Appropriation.



## FY17 PWE DEPARTMENT INITIATIVES BY DIVISION



- Continue to enhance fire hydrant preventive maintenance program providing reliable water access to City firefighters in response to fire emergency calls (Public Utilities) (*Partner with others, public and private/ #2*)
- Augment laboratory facilities to continue accreditation under national association (Public Utilities) (*Sustain quality infrastructure/ #2; Protect and conserve our resources/ #9*)
- Continue to improve SSO investigation response times (Public Utilities) (*Nurture safe and healthy neighborhoods/ #1*)
- Improve customer experience at HPC with completion of EPR, enhanced Web Portal/Permitting Wizard and integration of ILMS replacement (Planning & Development) (*Grow responsibly/ #3; Communicate clearly and with transparency/ #2*)



## FY17 PWE DEPARTMENT INITIATIVES BY DIVISION



- Continue to improve performance levels at HPC to address workload peaking using EPR, overtime, outside resources and new hires (Planning & Development) (*Grow responsibly/ #3*)
- Create an application for mobile devices to capture and display boring locations in the field (Engineering & Construction) (*Sustain quality infrastructure/ #3*)
- Complete the implementation & improvement of an efficient/effective asset management program (Street & Drainage) (*Sustain quality infrastructure/ #2; Spend money wisely/ #5*)
- Increase performance levels and ensure proper infrastructure maintenance to help reduce risk of flooding (Street & Drainage) (*Sustain quality infrastructure/ #10*)
- Develop pavement management information system (Street & Drainage) (*Sustain quality infrastructure/ #3*)



## FY17 PWE DEPARTMENT INITIATIVES BY DIVISION



- Complete Phase II of the programmatic sign maintenance program (Traffic Operations) (*Nurture safe and healthy neighborhoods/ #5; Sustain quality infrastructure/ #3*)
- Expand fixed network system coverage (Information Technology and Resource Management) (*Protect and conserve our resources/ #3*)
- Expand mobile workforce efficiency with GPS/route optimization technologies (All Divisions) (*Nurture safe and healthy neighborhoods/ #1*)
- Continue building a department-wide customer service culture (All Divisions) (*Communicate clearly and with transparency/ #1; Spend money wisely/ #3*)
- Continue implementing a proactive and open communication plan with solid communication strategies (All Divisions) (*Communicate clearly and with transparency/ #1; Spend money wisely/ #3*)



# PWE TOTAL REVENUES BY FUND

(amounts expressed in millions)



Funds	Fund Names	FY15 Actual	FY16 Budget	FY16 Estimate	FY17 Proposed Budget	Variance from FY16 Budget	% Change
1000	General Fund	\$ 5.9	\$ 5.4	\$ 6.4	\$ 2.9	\$ (2.5)	-46.3%
1001	Project Cost Recovery	38.6	44.4	41.1	45.8	\$ 1.4	3.2%
2301	Building Inspection	83.4	73.8	84.7	81.7	\$ 7.9	10.7%
2302	Stormwater Fund	49.9	57.1	56.1	55.0	\$ (2.1)	-3.7%
2310	DDSRF	216.2	224.1	226.0	214.2	\$ (9.9)	-4.4%
2402	Houston TranStar	2.4	2.1	2.0	2.3	\$ 0.2	9.5%
8300	Water & Sewer	948.8	1,072.6	1,059.6	1,072.1	\$ (0.5)	0.0%
8301	CUS Operating	398.8	442.9	430.9	468.4	\$ 25.5	5.8%
8305	CUS General Purpose	0.2	0.0	0.0	0.0	\$ -	0.0%
<b>Total</b>		<b>\$1,744.2</b>	<b>\$1,922.4</b>	<b>\$1,906.8</b>	<b>\$ 1,942.4</b>	<b>\$ 20.0</b>	<b>1.0%</b>



## Adopted Budget to Proposed Budget:

- General Fund revenues are projected to decrease by \$2.5M due to less street and easement sales anticipated in FY17.
- Building Inspection Fund revenues are projected to increase by \$7.9M mainly due to continuing higher permit activity and the annual city CPI increase on fees.
- Dedicated Drainage & Street Renewal Fund revenues are projected to decrease by \$9.9M mainly due to a decrease in Ad Valorem property tax revenues in FY17.
- CUS revenues are projected to increase by \$25.0M mainly due to the following:
  - Higher internal transfer from Fund 8300 to 8301 to cover debt payments (\$23.9M)
  - Rate adjustment of 1.4% (\$14M), higher water and sewer consumption (\$7.7M) and higher interest income (\$2.2M)
  - Offset by a lower internal transfer from Fund 8305 fund balance for work related to regulatory compliance O&M activities (\$23M)



# PWE TOTAL EXPENDITURES BY FUND

(amounts expressed in millions)



Funds	Fund Names	FY15 Actual	FY16 Budget	FY16 Estimate	FY17 Proposed Budget	Variance from FY16 Budget	% Change
1000	General Fund*	\$ 32.3	\$ 31.6	\$ 31.5	\$ 31.9	\$ 0.3	0.9%
1001	Project Cost Recovery	38.6	44.4	41.1	45.8	\$ 1.4	3.2%
2301	Building Inspection **	69.5	102.1	101.5	95.5	\$ (6.6)	-6.5%
2302	Stormwater Fund	50.1	57.1	52.3	58.8	\$ 1.7	3.0%
2310	DDSRF	251.6	234.7	222.9	226.9	\$ (7.8)	-3.3%
2402	Houston TranStar	2.7	3.1	3.1	3.2	\$ 0.1	3.2%
8300	Water & Sewer	787.6	917.6	871.3	904.3	\$ (13.3)	-1.4%
8301	CUS Operating	402.6	442.9	430.9	468.4	\$ 25.5	5.8%
8305	CUS General Purpose	131.0	193.7	156.7	198.7	\$ 5.0	2.6%
<b>Total</b>		<b>\$ 1,766.0</b>	<b>\$ 2,027.2</b>	<b>\$ 1,911.3</b>	<b>\$ 2,033.5</b>	<b>\$ 6.3</b>	<b>0.3%</b>

\* General Fund FY16 Adopted budget of \$35.3M was adjusted to \$31.6M during General Appropriation.

\*\* Building Inspection Adopted budget of \$91.1M was adjusted to \$102.1M during General Appropriation.



# FY17 NET CHANGE GENERAL FUND 1000

(\$ in millions)



FY16 Current Budget		\$ 31.629
FY17 Proposed Budget includes:		
<i>PWE operations:</i>		
Real Estate	1.084	
Mobility Response Team (MRT)	0.615	
<i>Electricity and LED debt</i>	30.245	
Total FY17 Budget		\$ 31.944
<b>Incremental Increase/(Decrease)</b>		<b>\$ 0.315</b>
<b>Growth (%)</b>		<b>1.0%</b>
 <b>Explanation of Incremental Increase/(Decrease)</b>		
<b><u>Contractual or Mandated Increases:</u></b>		
HOPE		\$ 0.020
Pension & Health Benefits		\$ 0.020
Electricity Increase (based on estimates from Finance)		\$ 0.370
<b>Subtotal Contractual/Mandated Increases</b>		<b>\$ 0.410</b>
<b><u>Cost Savings (Decreases)</u></b>		
<i>Budget Reduction Initiatives</i>		
Downgrade of 1 position in MRT		\$ (0.043)
Less management consulting services required in FY17		\$ (0.004)
<b>Subtotal Budget Reduction Initiatives</b>		<b>\$ (0.047)</b>
<i>Other Savings</i>		
Downgrade of several positions		\$ (0.038)
Changes in health benefit tiers		\$ (0.007)
Lower spending anticipated based on trends		\$ (0.003)
<b>Subtotal Other Savings</b>		<b>\$ (0.048)</b>
<b>Total Cost Savings</b>		<b>\$ (0.095)</b>
<b>Incremental Increase/(Decrease)</b>		<b>0.315</b>



# FY17 NET CHANGE PROJECT COST RECOVERY FUND 1001

(\$ in millions)



FY2016 Current Budget	\$	44.39
FY2017 Proposed Budget	\$	45.77
<b>Incremental Increase/(Decrease)</b>		<b>\$ 1.38</b>
	<b>Growth (%)</b>	<b>3.1%</b>
<b>Explanation of Incremental Increase/(Decrease)</b>		
<b><u>Contractual or Mandated Increases:</u></b>		
HOPE	\$	0.67
Pension, Health Benefits	\$	0.63
Higher indirect citywide costs	\$	0.30
Implementation Costs-North East Water Purification Plant Expansion Contract	\$	0.80
<b>Subtotal Contractual/Mandated Increases</b>		<b>\$ 2.40</b>
<b><u>Other Increases</u></b>		
Internal transfers within the department	\$	0.15
Miscellaneous cost increases	\$	0.04
<b>Subtotal Other Increases</b>		<b>\$ 0.19</b>
<b>Total Increases</b>		<b>\$ 2.59</b>
<b><u>Cost Savings (Decreases)</u></b>		
<i>Budget Reduction Initiatives</i>		
Delimited non-frontline vacant positions	\$	(0.35)
Lower overtime, termination pay, and workers compensation costs	\$	(0.24)
Less utilization of temporary personnel services	\$	(0.18)
<b>Subtotal Budget Reduction Initiatives</b>		<b>\$ (0.77)</b>
<i>Other Savings</i>		
Lower Fuel Costs	\$	(0.07)
Lower PWE indirect costs	\$	(0.19)
Lower Legal Service costs	\$	(0.18)
<b>Subtotal Other Savings</b>		<b>\$ (0.44)</b>
<b>Total Cost Savings</b>		<b>\$ (1.21)</b>
<b>Incremental Increase/(Decrease)</b>		<b>\$ 1.38</b>



# FY17 NET CHANGE BUILDING INSPECTION FUND 2301 (\$ in millions)



FY2016 Current Budget	\$	102.13
FY2017 Proposed Budget	\$	95.49
<b>Incremental Increase/(Decrease)</b>		<b>\$ (6.64)</b>
<b>Growth (%)</b>		<b>-6.5%</b>
<b>Explanation of Incremental Increase/(Decrease)</b>		
<b><u>Contractual or Mandated Increases:</u></b>		
HOPE	\$	1.59
Pension & Health Benefits	\$	0.92
Higher PWE indirect costs	\$	0.34
Capital equipment rollovers	\$	2.28
<b>Subtotal Contractual/Mandated Increases</b>		<b>\$ 5.14</b>
<b><u>Other Increases:</u></b>		
Procure/develop enhanced Web Portal and Permitting Wizard for HPC	\$	2.50
Higher overtime costs to handle increased workload for plan reviews	\$	0.50
<b>Subtotal Other Increases</b>		<b>\$ 3.00</b>
<b>Total Increases</b>		<b>\$ 8.14</b>
<b><u>Cost Savings (Decreases)</u></b>		
<i>Budget Reduction Initiatives</i>		
No longer budgeting for Web support for ILMS	\$	(0.58)
Delimited non-frontline vacant position	\$	(0.02)
Reduction of contingency budget for emergencies	\$	(0.50)
<b>Subtotal Budget Reduction Initiatives</b>		<b>\$ (1.10)</b>
<i>Other Savings</i>		
FY16 budget increase (during General Appropriation) for prepayment of HPC debt (\$23.5M) offset by savings in various GL accounts during FY16 (\$12.5M).	\$	(11.00)
Less utilization of plan review contract	\$	(1.90)
Less new & replacement vehicles	\$	(0.78)
<b>Subtotal Other Savings</b>		<b>\$ (13.68)</b>
<b>Total Cost Savings</b>		<b>\$ (14.78)</b>
<b>Incremental Increase/(Decrease)</b>		<b>\$ (6.64)</b>
<b>Note:</b> Capital rollovers budgets: FY16 (\$0); FY17 (\$2.3M)		



# FY17 NET CHANGE STORMWATER FUND 2302

(\$ in millions)



FY2016 Current Budget	\$	57.1
FY2017 Proposed Budget	\$	58.8
<b>Incremental Increase/(Decrease)</b>		<b>1.7</b>
<b>Growth (%)</b>		<b>2.9%</b>
<b>Explanation of Incremental Increase/(Decrease)</b>		
<b><u>Contractual or Mandated Increases:</u></b>		
HOPE	\$	1.2
Pension & Health Benefits		0.3
<b>Subtotal Contractual/Mandated Increases</b>		<b>\$ 1.5</b>
<b><u>Other Increases:</u></b>		
Budgeting for new equipment	\$	1.1
New contract for off-road ditch asset mapping and condition assessments		0.8
<b>Subtotal Other Increases</b>		<b>\$ 1.9</b>
<b>Total Increases</b>		<b>\$ 3.4</b>
<b><u>Cost Savings (Decreases)</u></b>		
<i>Budget Reduction Initiatives</i>		
Lower spending anticipated based on trends	\$	(0.3)
One-time termination payment in FY16		(0.1)
Renegotiation of software maintenance contract		(0.1)
<b>Subtotal Budget Reduction Initiatives</b>		<b>\$ (0.4)</b>
<i>Other Savings</i>		
Non-Implementation of several pay adjustments		(0.2)
Changes in health benefit tiers		(0.1)
Lower PWE and city-wide indirect costs		(0.3)
Lower Fuel Rates		(0.4)
Fewer vehicle repairs anticipated in FY17		(0.3)
<b>Subtotal Other Savings</b>		<b>\$ (1.3)</b>
<b>Total Cost Savings</b>		<b>\$ (1.8)</b>
<b>Incremental Increase/(Decrease)</b>		<b>1.7</b>
<b>Note:</b> Capital rollovers budgets: FY16 (\$1.1M); FY17 (\$2.2M)		



# FY17 NET CHANGE DEDICATED DRAINAGE & STREET RENEWAL FUND 2310 (\$ in millions)



FY2016 Current Budget	\$	234.7
FY2017 Proposed Budget		226.9
<b>Incremental Increase/(Decrease)</b>		<b>(7.8)</b>
	<b>Growth (%)</b>	<b>-3.3%</b>
<b>Explanation of Incremental Increase/(Decrease)</b>		
<b><u>Contractual or Mandated Increases:</u></b>		
HOPE	\$	1.4
Pension, Health Benefits		0.6
Capital equipment/rollovers		5.1
<b>Subtotal Contractual/Mandated Increases</b>		<b>\$ 7.1</b>
<b><u>Other Increases</u></b>		
Increased concrete panel replacements <input type="checkbox"/>	\$	3.2
Funding ongoing payments for CIP projects		4.0
<b>Subtotal Other Increases</b>		<b>\$ 7.2</b>
<b>Total Increases</b>		<b>\$ 14.3</b>
<b><u>Cost Savings (Decreases)</u></b>		
<i>Budget Reduction Initiatives</i>		
Termination pay savings	\$	(0.1)
Delimited non-frontline vacant positions		(0.2)
<b>Subtotal Budget Reduction Initiatives</b>		<b>\$ (0.3)</b>
<i>Other Savings</i>		
Transferring less funds to the Stormwater Fund	\$	(12.7)
One time contract usage to reduce pothole backlog in FY16		(3.6)
One time purchase of bergkamps in FY16		(1.5)
Transferring less funds for 380 agreement projects		(3.2)
Fuel Cost Savings		(0.5)
Less utilization of temporary personnel services		(0.3)
<b>Subtotal Other Savings</b>		<b>\$ (21.8)</b>
<b>Total Cost Savings</b>		<b>\$ (22.1)</b>
<b>Incremental Increase/(Decrease)</b>		<b>(7.8)</b>
<b>Note:</b> Capital rollovers budgets: FY16 (\$1.7M); FY17 (\$7.2M)		



# FY17 NET CHANGE COMBINED UTILITY SYSTEM FUNDS 8300, 8301 & 8305

(\$ in millions)



FY2016 Current Budget	\$1,554.2
FY2017 Proposed Budget	1,571.4
<b>Incremental Increase/(Decrease)</b>	<b>17.2</b>
<b>Growth (%)</b>	<b>1.1%</b>
<b>Explanation of Incremental Increase/(Decrease)</b>	
<b><u>Contractual or Mandated Increases:</u></b>	
HOPE	\$ 5.3
Pension, Health Benefits	2.5
Debt Service Payments	27.2
Transfer to Stormwater	10.6
Transfer to Capital Projects	5.0
Capital equipment/rollovers	10.9
<b>Subtotal Contractual/Mandated Increases</b>	<b>\$ 61.5</b>
<b><u>Other Increases</u></b>	
Internal transfers within CUS	\$ 0.9
<b>Subtotal Other Increases</b>	<b>\$ 0.9</b>
<b>Total Increases</b>	<b>\$ 62.4</b>
<b><u>Cost Savings (Decreases)</u></b>	
<i>Budget Reduction Initiatives</i>	
Delimited non-frontline vacant positions	\$ (0.9)
Software maintenance license cost savings	(0.4)
Reduction in personal printers, scanners, etc. purchases	(0.2)
Training cost savings	(0.2)
Miscellaneous cost savings	(0.9)
Cancellation of data storage capacity lease	(0.7)
<b>Subtotal Budget Reduction Initiatives</b>	<b>\$ (3.3)</b>
<i>Other Savings</i>	
Regulatory compliance savings	(23.0)
CWA debt series final payment	(10.5)
Lower electricity, natural gas and fuel costs	(5.9)
River Authority O&M savings	(1.1)
Lower insurance premium fees	(0.7)
Less utilization of temporary personnel services	(0.8)
<b>Subtotal Other Savings</b>	<b>\$ (41.9)</b>
<b>Total Cost Savings</b>	<b>\$ (45.2)</b>
<b>Incremental Increase/(Decrease)</b>	<b>17.2</b>
<b>Notes:</b> Capital rollovers budgets: FY16 (\$8.5M); FY17 (\$19.0M)	



# FY17 PERFORMANCE MEASURES GENERAL FUND 1000



Performance Measures	FY2015	FY2016	FY2016	FY2017
	Actual	Budget	Estimate	Budget
<b>Customer Measures</b>				
Mobility Response Team Incident Response	137	500	100	150
Mobility Response Team 311 Calls Received	2,435	1,200	1,200	1,200
<b>Business Process Measures</b>				
Value of Real Estate Actions Recorded for the Joint Referral Committee	\$5.0M	\$4.5M	\$5.5M	\$2.0M



# FY17 PERFORMANCE MEASURES BUILDING INSPECTION FUND 2301



Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Estimate	FY2017 Budget
<b>Customer Measures</b>				
Commercial Plan Reviews Completed within 15 Business Days	52%	90%	46%	90%
Public Infrastructure Plan Reviews Completed within 10 Business Days	96%	95%	96%	95%
Residential Plan Reviews Completed within 10 Business Days	21%	90%	30%	90%
Solar only residential submittals completed within 5 business days	N/A	N/A	N/A	100%
Solar only commercial submittals completed within 5 business days	N/A	N/A	N/A	100%
<b>Business Process Measures</b>				
Commercial Plan Reviews Completed	19,192	19,900	19,840	19,900
Residential Plan Reviews Completed	13,858	14,400	11,484	11,500
Habitability Inspections Completed	1,683	1,400	1,000	700
Building Inspections Completed	624,207	560,300	664,186	650,000
Sign Inspections Completed	34,750	36,000	37,000	36,000
Flood Plain Area Inspections Completed	4,538	4,800	7,300	5,500

\* Reported In MoFR

\* New in FY17



# FY17 PERFORMANCE MEASURES STORMWATER FUND 2302



Performance Measures	FY2015	FY2016	FY2016	FY2017
	Actual	Budget	Estimate	Budget
<b>Customer Measures</b>				
Drainage System Issues Inspected/Maintained within 60 Days of 311 Complaints	87%	90%	90%	90%
Storm Sewer Lines/Leads/Inlets/Manholes Inspected (miles)	331	360	400	300
<b>Business Process Measures</b>				
Major Off Road Channel Inspections (miles)	239	296	280	140
Major Off Road Channel Maintenance (acres)	N/A	N/A	N/A	30
Outfalls Investigated (each)	N/A	N/A	N/A	800
Storm Lines Cleaned – Internal and Contract (miles)	101	50	50	50
TPDES (MS4) Stormwater Quality Inspections	718	700	700	700

\* Reported In MoFR

\* New in FY17



# FY17 PERFORMANCE MEASURES DEDICATED DRAINAGE & STREET RENEWAL FUND 2310



Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Estimate	FY2017 Budget
<b>Customer Measures</b>				
Total Number of Potholes Repaired	51,800	48,000	64,000	52,000
Traffic Signal Repairs Completed	14,405	15,000	15,000	15,000
Traffic Signs Completed within 10 Business Days	99%	95%	95%	95%
Traffic Plan Reviews Completed in 10 Business Days	95%	90%	90%	90%
Percentage of Potholes Repaired within Next Business Day After 311 Request	N/A	N/A	N/A	95%
Drainage Collection Rate	96%	93%	93%	93%
<b>Business Process Measures</b>				
Asphalt Repairs / Skin Patches	6,888	8,300	8,300	7,800
Concrete Panel Replacement	703	1,190	800	1,100
Percentage of Signals Receiving 2 Preventative Maintenance Services/Year	95%	95%	99%	98%

\* Reported In MoFR

\* New in FY17



# FY17 PERFORMANCE MEASURES COMBINED UTILITY SYSTEM FUNDS 8300, 8301 & 8305



Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Estimate	FY2017 Budget
<b>Customer Measures</b>				
Accept and Process Complete Water District Consent within 30 days of Receipt	90%	90%	90%	90%
Respond to Sewer in Residence/Business within 1 Day	90%	90%	99.9%	99.9%
Respond to Water Quality/Taste/Color/Odor within 2 Business Days	91.7%	98%	93.7%	95%
Water Service Requests investigated within Next Business Day	N/A	N/A	N/A	95%
Number of Utility Customer Calls Received	596,210	620,000	570,000	570,000
Utility Customer Calls answered within 5 minutes	83%	90%	50%	75%
<b>Business Process Measures</b>				
Wastewater Collected and Treated (MGY)	93,805	81,030	82,855	82,855
Water Gallons Delivered (MGY)	156,585	172,203	168,630	163,885
Percentage of TCEQ/EPA Required Tests Performed	100%	100%	100%	100%
Treatment Plant Permit Compliance Rate	99.7%	99.5%	99.7%	99.8%

\* Reported In MoFR

\* New in FY17



# FY16 DEBT SERVICE OVERVIEW

(amounts expressed in millions)



Fund	Description	Year(s) Issued	Debt Service		Principal
8300 / 8301 / 8305	CUS Infrastructure	Ongoing	\$	479.9	\$ 6,302.8
8305	SWIFT TWDB	2016	\$	2.2	\$ 25.9
8305	Luce Bayou	2016	\$	0.1	\$ 77.1
2302	Drainage Infrastructure	2012	\$	14.6	\$ 202.9
2301	HPC	2012	\$	2.6	\$ 24.2
2301	Pension bond	2005, 2006, 2008	\$	1.0	\$ 12.5
2302	Pension bond	2005, 2006, 2008	\$	0.7	\$ 8.9
8305	Pension bond	2005, 2008	\$	4.7	\$ 58.2
<b>Total</b>			\$	<b>505.8</b>	\$ <b>6,712.5</b>



# PWE COMBINED UTILITY SYSTEM (FUNDS 8300, 8301, 8305)

## FY17 CASH BALANCE AND RESERVES

(amounts expressed in millions)



Estimated FY16 Ending Cash Balances (8300,8301,8305)	\$	716.5
CUS Proposed Reserves:		
CUS Reserves for Operational Disruptions <sup>1</sup>	\$	(309.2)
CUS 1 month operating reserve (Fund 8300) <sup>2</sup>	\$	(38.6)
CUS 1 month operating reserve (Fund 8301) <sup>2</sup>	\$	(38.6)
Reserve for Rollover of capital equipment purchases	\$	(19.0)
66.7% of FY17 8305 Obligations	\$	(132.5)
FY17 operating expenses for regulatory compliance to be paid out of reserves	<u>\$</u>	<u>(15.0)</u>
Total CUS Reserves - Minimum Balance	<u>\$</u>	<u>(553.0)</u>
Total CUS Reserves - Maximum Balance <sup>3</sup>	<u>\$</u>	<u>(578.8)</u>
Unallocated FY17 Estimated Ending Cash Balance - using maximum reserves <sup>4</sup>	<u>\$</u>	<u>137.7</u>

- 1            Eight months for catastrophic service interruption, such as, hurricane or other disaster recovery.
- 2            30 days each O&M reserve are required by bond covenants – one is held in 8300 for operations and one is held in 8301 for debt service, Ordinance 2004-299.
- 3            Maximum is the same as Minimum Reserves except it includes 260 days for operational disruptions.
- 4            While the balance is unallocated, it's planned use is for work in future years related to regulatory compliance. The unallocated reserves will fund approximately \$42 million per year until the unallocated reserves are depleted during the next few years.

# CITY OF HOUSTON PUBLIC WORKS & ENGINEERING



BUDGET & FISCAL AFFAIRS COMMITTEE



## FY2017 BUDGET PRESENTATION

