



Metropolitan Water Reclamation District of Greater Chicago

# Press Release

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For immediate release

December 16, 2015

## Civic Federation, Friends of Chicago River deem MWRD's 2016 budget "fiscally-responsible, environmentally-responsible and progressive"



*After extensive analysis, the Civic Federation President Laurence Msall gave the Metropolitan Water Reclamation District of Greater Chicago (MWRD) support for its proposed 2016 budget at MWRD public hearings.*

The Metropolitan Water Reclamation District of Greater Chicago (MWRD) has received crucial support for its 2016 budget.

On the day it released its report and full analysis, the Civic Federation gave the MWRD its approval at a public hearing on the agency's proposed 2016 budget. Civic Federation President Laurence Msall said the independent, non-partisan government research organization supported the MWRD for proposing "a reasonable, balanced budget while maintaining ample reserves and continuing to be fiscally responsible by properly funding its pensions and prefunding its retiree health benefits."

The Civic Federation report stated it "supports" the following elements of the proposed budget:

- The MWRD's fiscally responsible practices of fully funding pensions and Other Post-Employee Benefits (OPEB);
- Continuing to utilize, publish and make publicly available online its long-term planning practices;
- Maintaining ample reserves; and
- Providing context for changes in the appropriations summary in the FY2016 Tentative Budget.

"We appreciate the expertise, input and support from the Civic Federation," said MWRD Commissioner Kari Steele, chairman of the MWRD Committee on Budget and Employment. "The MWRD strives to present a balanced, responsible and transparent budget each year."

The MWRD has built a reputation for maintaining stability in both the services it provides and the financial stewardship of its resources. Spending for the overall operations, including capital costs and pension, decreased \$100 million from \$1.023 billion in 2010 to an estimated \$921 million projected for 2015. General Corporate Fund expenditures, which represent the MWRD's operating expenses, have decreased slightly from \$330.9 million to \$326.7 million over the same five-year period. At the same time, the General Corporate Fund reserves have increased from \$142 million to \$259 million, adding to MWRD's financial stability and its ability to address future operating challenges without significant tax raises.

The MWRD's pension plan has also increased its funding ratio in recent years and the MWRD's retiree medical plan or OPEB funding percentage increased from 9.1 percent in 2010 to 46.4 percent in 2014. Moody's July 2015 publication on the pension liabilities for the 50 largest local governments in the nation listed the MWRD as number 50, or the lowest, in funding shortfalls.

"We have been aggressive over the past few years in addressing some of the primary drivers of our *(continued)*



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budget, including energy, personnel and health costs and pension obligations," said President Mariyana Spyropoulos. "We thank our hardworking staff who strive to work efficiently and within budget."

Msall testified before the MWRD Board of Commissioners on December 3. "The MWRD was the first government agency to go to Springfield to discuss pension reform, and the first to go to Springfield with a plan," he said.

The MWRD has also shown how self-sustaining measures in resource recovery have been extremely beneficial to agency finances. Over the next five years, revenue from resource recovery in water, phosphorus, biosolids and energy will offset user rates by \$10 million/year. Over 10 years, the MWRD will offset rates between \$50 million to \$70 million/year.

"The District's adherence to its fund balance policy and maintenance of a substantial reserve in its Corporate Fund is fiscally responsible. The Federation commends the MWRD for continuing to maintain ample reserves in its non-appropriated Corporate Fund," the Civic Federation report stated. "The Federation additionally supports the MWRD's continued use of long-term financial planning through five-year financial forecasting and its Strategic Business Plan to guide operations and future projects."

Friends of the Chicago River also pledged its support of the tentative 2016 budget at the annual hearing. Anthony Cefali, policy and planning specialist for the Friends of the Chicago River, applauded the MWRD for crafting a "progressive and environmentally-responsible budget."

"These investments—whether for green infrastructure, disinfection or nutrient recovery—will change the very nature of the Chicago River and provide much needed infrastruc-



*Representing the Friends of the Chicago River, Policy and Planning Specialist Anthony Cefali spoke before the Metropolitan Water Reclamation District of Greater Chicago's (MWRD) Board of Commissioners to announce the Friends' approval of the MWRD's tentative 2016 citing the MWRD's commitment to water quality improvements by bringing disinfection in water treatment online and putting the Thornton Composite Reservoir in service.*

ture enhancements throughout the system. The budget also represents an important shift in focus, as wastewater becomes an opportunity to add value to the treatment process as well as our water environment," Cefali said.

To view the full 55-page analysis from the Civic Federation, visit [here](#). To view, the MWRD's proposed 2016 budget visit [here](#).

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**Recovering Resources, Transforming Water**

*Established in 1889, the MWRD ([www.mwr.org](http://www.mwr.org)) is an award-winning, special purpose government agency responsible for wastewater treatment and stormwater management in Cook County, Illinois.*