

2009 Sewer Utility Budget



Prepared by

City of Muskego Finance Department

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CITY OF MUSKEGO SEWER UTILITY
STATEMENT OF INCOME AND EXPENSE
2009 BUDGET

	2007 Actual	Sept. 30, 2008 Actual	2008 Projected	2008 Adopted Budget	2009 Proposed Budget	2009 Adopted Budget
<u>Operating revenues</u>						
Sewer service charges	\$ 5,616,956	4,236,320	5,660,644	5,638,171	5,792,091	5,792,091
Miscellaneous revenues	14,174	4,021	12,178	8,300	11,200	11,200
Total operating revenues	5,631,130	4,240,341	5,672,822	5,646,471	5,803,291	5,803,291
<u>Operating expenses</u>						
Operation and maintenance:						
Milwaukee Metropolitan Sewerage District:						
Capital charge	2,115,082	2,018,512	2,018,512	2,315,631	2,283,142	2,283,142
User charge	678,550	442,539	885,088	883,000	925,000	925,000
Town of Norway						
Capital charge	-	-	-	75,000	-	-
User charge	176,011	157,874	250,000	250,000	337,710	337,710
Supervision and labor	378,017	328,828	409,360	404,100	415,796	415,796
Supplies and expense	25,069	10,645	23,900	28,172	24,000	24,000
Maintenance:						
Amortization	44,231	-	44,231	44,231	44,231	44,231
Odor control	12,246	4,639	15,000	21,000	18,000	18,000
Building and structures	13,956	4,412	14,000	10,000	15,000	15,000
General plant safety equipment	5,638	4,040	8,000	10,000	10,000	10,000
Sewerage collection system	84,040	65,065	85,000	50,000	86,000	86,000
I & I reduction	84,805	10,950	50,000	100,000	85,000	85,000
Electricity	100,803	80,772	110,000	126,500	115,000	115,000
Transportation expense	16,011	9,364	18,000	21,500	20,000	20,000
	3,734,459	3,137,640	3,931,091	4,339,134	4,378,879	4,378,879
Customers' account expenses:						
Accounting and collection	56,910	40,272	51,996	61,360	52,284	52,284
Meter expense	28,723	-	29,000	-	29,000	29,000
	85,633	40,272	80,996	61,360	81,284	81,284
General expenses:						
Office Salaries	61,910	42,924	57,346	66,360	57,784	57,784
Employee pensions and benefits	175,256	146,954	196,554	206,608	197,623	197,623
Unemployment compensation	-	-	2,000	2,000	2,000	2,000
Office supplies and expenses	95,132	48,687	98,389	111,993	114,289	114,289
Outside services	81,135	40,686	80,156	97,656	85,000	85,000
	413,433	279,251	434,445	484,617	456,696	456,696
Total operation and maintenance	4,233,525	3,457,162	4,446,532	4,885,111	4,916,858	4,916,858
Depreciation	1,044,214	-	1,076,694	1,067,242	1,090,792	1,090,792
Total operating expenses	5,277,739	3,457,162	5,523,226	5,952,353	6,007,650	6,007,650
Net operating income (loss) (forward)	353,391	783,179	149,596	(305,882)	(204,359)	(204,359)

CITY OF MUSKEGO SEWER UTILITY
STATEMENT OF INCOME AND EXPENSE (Concluded)
2009 BUDGET

	2007 <u>Actual</u>	Sept. 30, 2008 <u>Actual</u>	2008 <u>Projected</u>	2008 <u>Adopted Budget</u>	2009 <u>Proposed Budget</u>	2009 <u>Adopted Budget</u>
Net operating income (loss) (forwarded)	\$ 353,391	783,179	149,596	(305,882)	(204,359)	(204,359)
<u>Add non-operating income</u>						
Interest from investments	531,344	16,022	250,000	350,000	200,000	200,000
Interest income on RCA's and special assessments	42,142	35,259	39,435	48,334	37,012	37,012
Sewer Connection Fees	34,000	-	29,000	50,000	25,000	25,000
Total non-operating income	607,486	51,281	318,435	448,334	262,012	262,012
Income before non-operating expenses	960,877	834,460	468,031	142,452	57,653	57,653
<u>Deduct non-operating expenses</u>						
Interest charges on long-term debt	147,618	72,293	138,401	138,401	129,389	129,389
Amortization of debt discount	51,276	-	51,276	51,276	51,276	51,276
Total non-operating expenses	198,894	72,293	189,677	189,677	180,665	180,665
Net income (loss) before capital contributions	\$ 761,983	762,167	278,354	(47,224)	(123,012)	(123,012)

CITY OF MUSKEGO SEWER UTILITY
DETAILED SCHEDULE OF OPERATING SUPPLIES & OUTSIDE SERVICES
2009 BUDGET

	2007 Actual	Sept. 30, 2008 Actual	2008 Projected	2008 Adopted Budget	2009 Proposed Budget	2009 Adopted Budget
Operation and maintenance:						
Supplies and expense:						
Operating supplies	\$ 3,696	1,595	3,000	3,172	3,000	3,000
Chemicals	14,873	9,050	13,900	18,000	14,000	14,000
Water expense	6,500	-	7,000	7,000	7,000	7,000
	<u>\$ 25,069</u>	<u>10,645</u>	<u>23,900</u>	<u>28,172</u>	<u>24,000</u>	<u>24,000</u>
General expense						
Office supplies and expenses:						
Supplies	\$ 6,320	6,867	7,000	7,000	7,000	7,000
Other general expense	1,480	2,327	3,000	3,000	3,000	3,000
Telephone and communications	7,720	7,702	8,371	7,371	9,130	9,130
Insurance	74,420	27,298	55,396	70,000	57,650	57,650
Computer expense	5,192	4,493	24,622	24,622	37,509	37,509
	<u>\$ 95,132</u>	<u>48,687</u>	<u>98,389</u>	<u>111,993</u>	<u>114,289</u>	<u>114,289</u>
Outside services:						
City administrative charge	\$ 21,617	11,363	22,656	22,656	23,500	23,500
Accounting	10,702	10,552	11,000	15,000	12,000	12,000
Legal	1,362	1,028	18,000	20,000	15,000	15,000
Engineering	44,396	15,588	20,000	30,000	24,500	24,500
Other outside services	3,058	2,155	3,500	5,000	5,000	5,000
Computer software modification	-	-	5,000	5,000	5,000	5,000
	<u>\$ 81,135</u>	<u>40,686</u>	<u>80,156</u>	<u>97,656</u>	<u>85,000</u>	<u>85,000</u>

CITY OF MUSKEGO SEWER UTILITY
SCHEDULE OF CAPITAL OUTLAY

<u>Description</u>	<u>Funding</u>	2008 <u>Estimated</u> <u>Total</u> <u>Cost</u>	2008 <u>Adopted</u> <u>Budget</u>	2009 <u>Proposed</u> <u>Budget</u>	2009 <u>Adopted</u> <u>Budget</u>
1. <u>2008 Capital Projects</u>					
Truck	(C)	45,142	57,500	-	-
Rain gages	(C)	-	16,000	-	-
Flow Monitors	(C)	-	75,000	-	-
Oversizing & Land Purchases	(C)	-	40,000	-	-
Mini Excavator	(C)	12,888	12,500	-	-
Future Projects	(C)	-	50,000	-	-
		\$ 58,030	251,000	-	-
2. <u>2009 Capital Projects</u>					
Truck	(C)	-	-	10,000	10,000
Oversizing & Land Purchases	(C)	-	-	40,000	40,000
Rain gages & Flow Monitors	(C)	-	-	101,000	101,000
Jet Vac Truck	(C)	-	-	300,000	300,000
		\$ -	-	451,000	451,000
Grand Total		\$ 58,030	251,000	451,000	451,000

Note A: Anticipated to be financed with available construction funds

Note B: Anticipated to be financed with borrowings

Note C: Finance with working capital

Note D: Finance with replacement funds

Note E: Finance with reserve capacity assessment funds

CITY OF MUSKEGO SEWER UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2008 PROJECTED

	Operation and Maintenance Fund	Special Redemption Fund	Equipment Replacement Fund	Non-TIF Reserve Capacity Assessment Fund	Construction Fund	Total	2008 Budget
<u>Funds provided</u>							
From operations:							
Net income (loss) for the year	\$ 278,354	-	-	-	-	278,354	(47,224)
Add charges to income not requiring funds:							
Depreciation	1,076,694	-	-	-	-	1,076,694	1,067,242
Amortization:							
Debt discount	51,276	-	-	-	-	51,276	51,276
Manhole Rehabilitation	44,231	-	-	-	-	44,231	44,231
Less:							
Other	-	-	-	-	-	-	-
Funds provided from operations	1,450,555	-	-	-	-	1,450,555	1,115,524
Increases in:							
Collection of special assessments	30,786	-	-	328,506	-	359,292	432,031
Other contributed capital collections	-	-	-	-	-	-	-
Total funds provided	1,481,340	-	-	328,506	-	1,809,846	1,547,555
<u>Funds applied</u>							
Principal payments on debt	265,000	-	-	-	-	265,000	265,000
Debt discount and issue costs	-	-	-	-	-	-	-
Capital outlay (Schedule 6)	-	-	-	-	58,030	58,030	251,000
Total funds applied	265,000	-	-	-	58,030	323,030	516,000
<u>Interfund transfers - net</u>							
Interest earnings	(17,500)	-	16,400	-	1,100	-	-
Equipment replacement	(26,350)	-	26,350	-	-	-	-
Sewer Connection fees	(29,000)	-	-	29,000	-	-	-
Transfer to Construction Fund	(48,844)	-	-	-	48,844	-	-
Funds used for debt retirement	-	-	-	-	-	-	-
Transfer for debt retirement reserve	3,859	(3,859)	-	-	-	-	-
RCA funds used to finance MMSD capital charge	-	-	-	-	-	-	-
Total transfers	(117,835)	(3,859)	42,750	29,000	49,944	-	-
Increase (decrease) in working capital	1,098,506	(3,859)	42,750	357,506	(8,086)	1,486,816	1,031,555
<u>Working capital, beginning of year</u>	9,293,106	605,712	635,827	2,979,584	48,086	13,562,315	13,229,825
<u>Working capital, end of year</u>	\$ 10,391,612	601,853	678,577	3,337,090	40,000	15,049,131	14,261,380
2008 Budgeted Working Capital, end of year	\$ 9,896,323	601,853	705,612	3,056,592	1,000	14,261,380	

CITY OF MUSKEGO SEWER UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2009 BUDGET

	Operation and Maintenance Fund	Special Redemption Fund	Equipment Replacement Fund	Non-TIF Reserve Capacity Assessment Fund	Construction Fund	Total
<u>Funds provided</u>						
From operations:						
Net income (loss) for the year	\$ (123,012)	-	-	-	-	(123,012)
Add charges to income not requiring funds:						
Depreciation	1,090,792	-	-	-	-	1,090,792
Amortization:						
Debt discount	51,276	-	-	-	-	51,276
Manhole Rehabilitation and Mapping Projects	44,231	-	-	-	-	44,231
Less:						
Other	-	-	-	-	-	-
Funds provided from operations	1,063,287	-	-	-	-	1,063,287
Increases in:						
Collection of special assessments	10,422	-	-	300,000	-	310,422
Other contributed capital collection- RCA Landfill	-	-	-	-	-	-
Total funds provided	1,073,709	-	-	300,000	-	1,373,709
<u>Funds applied</u>						
Principal payments on debt	250,000	-	-	-	-	250,000
Capital outlay (Schedule 6 for Construction Fund)	-	-	-	-	451,000	451,000
Total funds applied	250,000	-	-	-	451,000	701,000
<u>Interfund transfers - net</u>						
Interest earnings	(14,200)	-	13,800	-	400	-
Equipment replacement	(26,350)	-	26,350	-	-	-
Sewer Connection fees	(25,000)	-	-	25,000	-	-
Transfer to Construction Fund	(410,600)	-	-	-	410,600	-
Transfer for debt retirement reserve	(6,667)	6,667	-	-	-	-
RCA funds used to finance MMSD capital charge	-	-	-	-	-	-
Total transfers	(482,817)	6,667	40,150	25,000	411,000	-
Increase (decrease) in working capital	340,892	6,667	40,150	325,000	(40,000)	672,709
<u>Working capital, beginning of year</u>	10,391,612	601,853	678,577	3,337,090	40,000	15,049,131
<u>Working capital, end of year</u>	\$ 10,732,503	608,519	718,727	3,662,090	0	15,721,840

CITY OF MUSKEGO SEWER UTILITY
 SCHEDULE OF CONSTRUCTION FUNDS
 PROJECTED 2008 AND 2009

Project	Actual	2008			Projected	2009			Projected
	Balance 12/31/2007	Revenues	Costs	Transfers	Balance 12/31/2008	Revenues	Costs	Transfers	Balance 12/31/2009
Debt issue and working capital funds:									
Janesville Road Box Culvert	8,086	-	-	(8,086)	-	-	-	-	-
Oversizing on land purchase	-	-	-	-	-	-	40,000	40,000	-
Vehicles	-	-	58,030	58,030	0	-	310,000	310,000	0
			-						
2020 Facility plan	-	-	-	-	-	-	-	-	-
Facility plan - Muskego share of MMSD	-	-	-	-	-	-	-	-	-
SCADA Renovation (Radio Study)	-	-	-	-	-	-	-	-	-
Woods Rd Forcemain 20" Sandy Beach	-	-	-	-	-	-	-	-	-
Future projects	40,000	-	-	-	40,000	-	-	(40,000)	-
Flow Monitors	-	-	-	-	-	-	80,000	80,000	-
Rain gages	-	-	-	-	-	-	21,000	21,000	-
SCADA Renovations	-	-	-	-	-	-	-	-	-
SCADA software and hardware programing	-	-	-	-	-	-	-	-	-
Variable frequency drive for Mc Shane	-	-	-	-	-	-	-	-	-
Transfer from replacement funds	-	-	-	-	-	-	-	-	-
Transfer from working capital funds	-	48,844	-	(48,844)	-	410,600	-	(410,600)	-
Transfer from reserve capacity assessment funds	-	-	-	-	-	-	-	-	-
Unallocated debt proceeds and interest earnings	-	1,100	-	(1,100)	-	400	-	(400)	-
TOTAL	\$ 48,086	49,944	58,030	-	40,000	411,000	451,000	-	0