

2009 Water Utility Budget



Prepared by

City of Muskego Finance Department

Adopted Tuesday, November 11, 2008

**W182 S8200 Racine Avenue, Muskego, WI 53150-0749
Waukesha County, Wisconsin
(262) 679-4100**

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CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
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>
<u>Operating revenue</u>						
Sales of water:						
Sales to general customers	\$ 1,146,864	897,398	1,151,435	1,219,454	1,182,400	1,182,400
Private fire protection	33,015	26,446	30,000	30,000	31,000	31,000
Public fire protection	335,362	-	336,000	338,000	430,000	430,000
Other operating revenue	61,358	32,323	51,000	47,500	50,500	50,500
Rental of Water property - tower lease	143,772	49,857	75,000	62,506	80,000	80,000
Total operating revenue	<u>1,720,371</u>	<u>1,006,024</u>	<u>1,643,435</u>	<u>1,697,460</u>	<u>1,773,900</u>	<u>1,773,900</u>
<u>Operating expenses</u>						
Operation and maintenance:						
Source of supply expense	11,867	39,829	43,042	43,098	43,142	43,142
Pumping expense	135,550	99,646	136,076	137,960	142,582	142,582
Water treatment expense	32,678	17,431	34,590	59,212	48,028	48,028
Transmission and distribution expense	109,693	60,998	114,504	146,384	138,759	138,759
Customer accounts expense	35,845	33,745	42,180	35,647	33,311	33,311
Administrative expense	330,920	246,276	359,166	340,414	365,336	365,336
Total operation and maintenance expenses	<u>656,553</u>	<u>497,925</u>	<u>729,558</u>	<u>762,714</u>	<u>771,158</u>	<u>771,158</u>
Depreciation	504,845	-	552,000	566,440	570,000	570,000
Taxes	428,749	14,458	439,722	440,348	496,114	496,114
Total operating expenses	<u>1,590,147</u>	<u>512,383</u>	<u>1,721,280</u>	<u>1,769,503</u>	<u>1,837,272</u>	<u>1,837,272</u>
Net operating income (loss)	130,224	493,641	(77,845)	(72,043)	(63,372)	(63,372)
<u>Add non-operating income - interest</u>	<u>130,141</u>	<u>41,084</u>	<u>58,085</u>	<u>92,802</u>	<u>50,555</u>	<u>50,555</u>
Income before non-operating expenses	<u>260,365</u>	<u>534,725</u>	<u>(19,760)</u>	<u>20,759</u>	<u>(12,817)</u>	<u>(12,817)</u>
<u>Deduct non-operating expenses</u>						
Interest on advances from municipality and revenue bonds	276,105	135,670	322,125	322,125	376,837	376,837
Amortization of debt discount and expense	14,572	-	13,207	13,207	17,842	17,842
Total non-operating expenses	<u>290,677</u>	<u>135,670</u>	<u>335,332</u>	<u>335,332</u>	<u>394,679</u>	<u>394,679</u>
Net income (loss) before capital contributions	<u>\$ (30,312)</u>	<u>399,055</u>	<u>(355,092)</u>	<u>(314,573)</u>	<u>(407,496)</u>	<u>(407,496)</u>

CITY OF MUSKEGO WATER PUBLIC UTILITY
DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
2009 BUDGET

	2007 Actual	Sept. 30, 2008 Actual	2008 Projected	2008 Adopted Budget	2009		
					Labor	Other Expenses	Total
Source of supply:							
Operation labor	\$ 801	604	742	1,598	1,642	-	1,642
Operating supplies and expenses	344	12	500	1,500	-	1,500	1,500
Maintenance of water source plant	10,722	39,213	41,800	40,000	-	40,000	40,000
Total source of supply	11,867	39,829	43,042	43,098	1,642	41,500	43,142
Pumping expenses:							
Operation labor	56,313	36,466	49,272	52,873	51,392	-	51,392
Fuel or power purchased	71,694	55,245	74,000	65,000	-	75,000	75,000
Operation supplies and expense	672	361	500	1,500	-	1,200	1,200
Maintenance of pumping plant	6,871	7,574	12,304	18,588	7,990	7,000	14,990
Total pumping expenses	135,550	99,646	136,076	137,960	59,382	83,200	142,582
Water treatment expenses:							
Operation labor	15,815	2,953	13,604	16,977	15,990	-	15,990
Chemicals	15,141	13,207	18,000	35,000	-	25,000	25,000
Operating supplies and expenses	492	514	1,000	1,000	-	2,500	2,500
Maintenance of water treatment plant	1,230	757	1,986	6,234	1,538	3,000	4,538
Total water treatment expenses	32,678	17,431	34,590	59,212	17,528	30,500	48,028

CITY OF MUSKEGO WATER PUBLIC UTILITY
 DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES (Concluded)
 2009 BUDGET

	2007 Actual	Sept. 30, 2008 Actual	2008 Projected	2008 Adopted Budget	2009 Budget		
					Labor	Other Expenses	Total
Transmission and distribution expenses:							
Operation labor	\$ 61,391	36,468	62,168	74,166	68,766	-	68,766
Operation supplies and expenses	9,877	5,149	9,800	10,500	-	10,500	10,500
Maintenance of distribution reservoirs	132	1,367	2,884	5,635	2,106	5,000	7,106
Maintenance of mains	15,500	7,522	11,380	23,412	6,552	9,000	15,552
Maintenance of services	1,187	1,392	3,250	8,500	2,957	3,000	5,957
Maintenance of meters	1,648	1,671	3,598	3,256	2,396	2,000	4,396
Maintenance of hydrants	19,460	7,429	21,024	20,308	15,646	10,000	25,646
Maintenance of other plant	498	-	400	606	736	100	836
Total transmission and distribution expenses	109,693	60,998	114,504	146,384	99,159	39,600	138,759
Customer account expenses:							
Meter reading labor	2,147	3,217	3,572	4,731	4,834	-	4,834
Accounting and collecting labor	27,962	18,673	25,608	21,916	18,477	-	18,477
Supplies and expense	5,736	11,855	13,000	9,000	-	10,000	10,000
Total customer account expenses	35,845	33,745	42,180	35,647	23,311	10,000	33,311
Administrative and general expenses:							
Administrative and general salaries	103,947	72,020	96,078	100,490	108,949	-	108,949
Office supplies and expenses	16,383	10,409	16,780	19,600	-	19,000	19,000
Payroll clearing/sick/vacation/holiday	-	8,822	-	-	-	-	-
Outside services	64,140	79,080	98,000	97,024	-	113,500	113,500
Property insurance	-	-	-	-	-	-	-
Injuries & Damages	42,674	9,000	43,047	17,000	-	19,100	19,100
Employee pensions and benefits	86,072	51,261	83,139	86,315	-	85,105	85,105
Regulatory commission expense	996	4,231	5,000	1,000	-	1,000	1,000
Miscellaneous general expenses	6,516	2,974	5,222	5,678	-	6,000	6,000
Transportation expense	10,192	8,479	11,900	13,306	682	12,000	12,682
Maintenance of general plant & Contingency	-	-	-	-	-	-	-
Total administrative and general expenses	330,920	246,276	359,166	340,414	109,631	255,705	365,336
Total operation and maintenance expenses	\$ 656,553	497,925	729,558	762,714	310,653	460,505	771,158

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CAPITAL OUTLAY COSTS
PROJECTED 2008 AND 2009

	Funding	Estimated 2008 Total Cost	2008 Adopted Budget	2009 Proposed Budget	2009 Adopted Budget
1. 2008 Capital Additions:					
Janesville Road Box Culvert Relocation	(B)	16,000			
Well #13 - Drilling & Testing	(B)	70,390			
Lakewood Meadows Testing Radium Compliance	(B)	-	150,000	-	-
Well #13 Pump Station & Reservoir	(A)	1,126,000	2,400,000	563,000	563,000
Elevated Storage (Moorland Rd - parital inclusion in TIF)	(A)	502,400	500,000	150,000	150,000
Meters	(B)	5,000	100,000	-	-
Truck-Pick Up replacement	(A)	37,500	37,500	-	-
Mini Excavator - Shared with DPW & Sewer Utility	(B)	12,888	12,500	-	-
		<u>\$ 1,770,178</u>	<u>3,200,000</u>	<u>713,000</u>	<u>713,000</u>
2. 2009 Capital Additions:					
Meters	(A)			50,000	50,000
Truck	(B)			10,000	10,000
Water Tower Cleaning & Inspections	(B)			15,000	15,000
		<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
		<u>\$ 1,770,178</u>	<u>3,200,000</u>	<u>788,000</u>	<u>788,000</u>
	Grand Total				

Notes:

- (A) - Financed by borrowings.
- (B) - Financed by working capital.
- (C) - Anticipated to be financed by a borrowing

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2008 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2008 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ (32,967)	-	-	(322,125)	(355,092)	(314,573)
Add charges to income not requiring funds:						
Depreciation	-	-	20,000	532,000	552,000	566,440
Amortization	-	-	-	13,207	13,207	13,207
Amortization On water tower	-	-	-	-	-	-
Transfer working capital to other funds	(85,000)	85,000	-	-	-	-
Proceeds from borrowing	-	2,428,900	-	-	2,428,900	3,200,000
Increases in collection of special assessments and WCA's	-	-	-	178,000	178,000	249,700
Total funds provided (applied)	(117,967)	2,513,900	20,000	401,082	2,817,015	3,714,774
<u>Funds applied</u>						
Principal payments on debt	-	-	-	461,602	461,602	461,602
Capital outlay	-	1,770,178	-	-	1,770,178	3,200,000
Total funds applied	-	1,770,178	-	461,602	2,231,780	3,661,602
<u>Interfund transfers - interest earnings</u>	(44,300)	9,800	4,500	30,000	-	-
Increase (decrease) in working capital	(162,267)	753,522	24,500	(30,520)	585,235	53,172
<u>Working capital, beginning of year</u>	729,708	18,850	177,765	1,212,494	2,138,817	1,908,340
<u>Working capital, end of year</u>	\$ 567,441	772,372	202,265	1,181,974	2,724,052	1,961,512
2008 Budgeted Working Capital, end of year	\$ 549,381	5,661	202,765	1,203,705	1,961,512	

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2009 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (30,659)	-	-	(376,837)	(407,496)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	550,000	570,000
Amortization	-	-	-	17,842	17,842
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	(10,000)	10,000	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	145,000	145,000
Total funds provided (applied)	(40,659)	10,000	20,000	336,005	325,346
<u>Funds applied</u>					
Principal payments on debt	-	-	-	561,632	561,632
Capital outlay	-	788,000	-	-	788,000
Total funds applied	-	788,000	-	561,632	1,349,632
<u>Interfund transfers - interest earnings</u>	(60,700)	7,700	5,000	48,000	-
Increase (decrease) in working capital	(101,359)	(770,300)	25,000	(177,627)	(1,024,286)
<u>Working capital, beginning of year</u>	567,441	772,372	202,265	1,181,974	2,724,052
<u>Working capital, end of year</u>	\$ 466,082	2,072	227,265	1,004,347	1,699,766

CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2008 AND 2009

Project	Actual				Projected				Projected
	Balance 12/31/07	Revenues	2008 Costs	Transfers	Balance 12/31/08	Revenues	2009 Costs	Transfers	Balance 12/31/09
Water Tower Cleaning, Inspections and Painting	-	-	-	-	-	-	15,000	15,000	-
Meters	1,269	50,000	5,000	3,731	50,000	-	50,000	-	-
SCADA Radio Study/Upgrade	-	-	-	-	-	-	-	-	-
Janesville Road box culvert relocation	-	-	16,000	16,000	-	-	-	-	-
LakeLore/Tudor Oaks community well study/acquisition	-	-	-	-	-	-	-	-	-
Drill Well #13-Test Well & Eng	14,570	-	70,390	55,820	0	-	-	-	0
Well #14	-	-	-	-	-	-	-	-	-
LakeLore Well House	-	-	-	-	-	-	-	-	-
Mini Excavator	-	-	12,888	12,888	-	-	-	-	-
Oversizing - Boxhorn Reserve/Big Muskego Est/Woodland Creek	-	-	-	-	-	-	-	-	-
Transportation Equipment	-	37,500	37,500	-	-	-	10,000	10,000	-
Lakewood Meadows Community Well Acqu & Conversion	-	-	-	-	-	-	-	-	-
Lakewood Meadows-Testing	226	-	-	(226)	-	-	-	-	-
Well #13 Pumping Station	-	1,689,000	1,126,000	-	563,000	-	563,000	-	-
Well #9	-	-	-	-	-	-	-	-	-
Elevated Storage	415	652,400	502,400	(415)	150,000	-	150,000	-	-
Transfer from general working capital	-	85,000	-	(85,000)	-	10,000	-	(10,000)	-
Proceeds from borrowing	-	-	-	-	-	-	-	-	-
Unallocated debt proceeds and interest earnings	2,370	9,800	-	(2,798)	9,372	7,700	-	(15,000)	2,072
Total	\$ 18,850	2,523,700	1,770,178	-	772,372	17,700	788,000	-	2,072