

2006 Water Utility Budget



Prepared by

City of Muskego Finance Department

Adopted Tuesday, November 8, 2005

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CITY OF MUSKEGO WATER PUBLIC UTILITY

STATEMENT OF INCOME AND EXPENSE
2006 BUDGET

	Change Balances						
	2004 <u>Actual</u>	Sept. 30, 2005 <u>Actual</u>	2005 <u>Projected</u>	2005 <u>Adopted Budget</u>	2006 <u>Proposed Budget</u>	2006 <u>Adopted Budget</u>	<u>Account Number</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$ 891,065	799,812	1,033,070	951,335	1,056,511	1,056,511	4803/4804/4805/4806/4920
Private fire protection	25,508	19,473	25,900	25,508	25,900	25,900	4815
Public fire protection	325,594	325,594	328,035	325,594	335,362	335,362	4816
Other operating revenue	65,219	32,708	48,370	50,875	60,103	60,103	4807/4821/4820
Rental of Water property - tower lease	72,743	55,983	74,945	74,945	78,692	78,692	4825
Total operating revenue	1,380,129	1,233,570	1,510,320	1,428,257	1,556,568	1,556,568	
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	3,568	5,409	11,749	4,957	40,457	40,457	schedule 2 2.
Pumping expense	89,593	79,685	113,462	99,081	130,732	130,732	schedule 2 2.
Water treatment expense	29,640	23,647	43,228	37,565	55,126	55,126	schedule 2 2.
Transmission and distribution expense	139,698	85,393	147,307	168,679	170,176	170,176	schedule 2 3.
Customer accounts expense	35,548	28,398	40,344	30,683	37,356	37,356	schedule 2 3.
Administrative expense	338,143	215,527	334,016	254,122	315,416	315,416	schedule 2 3.
Total operation and maintenance	636,189	438,059	690,106	595,087	749,263	749,263	
Depreciation	364,232	-	442,555	451,573	514,406	514,406	04.03.6705
Taxes	373,410	400,364	423,745	405,424	472,304	472,304	04.08.6805
Total operating expenses	1,373,831	838,423	1,556,406	1,452,084	1,735,973	1,735,973	
Net operating income (loss)	6,298	395,147	(46,086)	(23,827)	(179,405)	(179,405)	
<u>Add non-operating income - interest</u>	46,184	19,960	49,359	30,000	50,000	50,000	4910/4531
Income before non-operating expenses	52,482	415,107	3,273	6,173	(129,405)	(129,405)	
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	320,371	150,841	312,637	302,486	301,429	301,429	04.27.7010
Amortization of debt discount and expense	16,477	15,403	15,403	15,403	14,251	14,251	04.28.7015
Total non-operating expenses	336,847	166,244	328,040	317,889	315,680	315,680	
Net income (loss) before capital contributions	\$ (284,366)	248,863	(324,767)	(311,716)	(445,085)	(445,085)	

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CITY OF MUSKEGO WATER PUBLIC UTILITY

DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
2006 BUDGET

	2004 Actual	Sept. 30, 2005 Actual	2005 Projected	2005 Adopted Budget	2006			Account Number
					Labor	Other Expenses	Total	
Source of supply:								
Operation labor	\$ 2,003	534	749	1,457	1,457	-	1,457	06.00.5101
Operating supplies and expenses	62	2,788	8,000	1,000	-	6,000	6,000	06.02.5702
Maintenance of water source plant	1,503	2,087	3,000	2,500	-	33,000	33,000	06.05.5702 (See Sch. 3, #2)
Total source of supply	3,568	5,409	11,749	4,957	1,457	39,000	40,457	
Pumping expenses:								
Operation labor	41,530	42,063	46,335	40,930	44,218	-	44,218	06.20.5101
Fuel or power purchased	40,055	28,592	51,500	46,500	-	66,500	66,500	06.22.5910/5735
Operation supplies and expense	2,130	383	1,500	1,500	-	1,500	1,500	06.23.5702/5749
Maintenance of pumping plant	5,877	8,647	14,127	10,151	11,514	7,000	18,514	06.25.5410/5101/5702
Total pumping expenses	89,593	79,685	113,462	99,081	55,732	75,000	130,732	
Water treatment expenses:								
Operation labor	9,773	8,324	10,878	16,993	17,976	-	17,976	06.30.5101
Chemicals	19,364	14,091	27,000	16,000	-	30,000	30,000	06.31.5750
Operating supplies and expenses	-	350	350	2,000	-	1,000	1,000	06.32.5702
Maintenance of water treatment plant	503	882	5,000	2,572	1,150	5,000	6,150	06.35.5410/5101/5702
Total water treatment expenses	29,640	23,647	43,228	37,565	19,126	36,000	55,126	

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CITY OF MUSKEGO WATER PUBLIC UTILITY

DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
(CONCLUDED)
2006 BUDGET

	2004 Actual	Sept. 30, 2005 Actual	2005 Projected	2005 Adopted Budget	2006 Budget			Account Number
					Labor	Other Expenses	Total	
Transmission and distribution expenses:								
Operation labor	\$ 45,847	33,688	42,197	65,531	63,968	-	63,968	06.40.5101
Operation supplies and expenses	5,767	4,257	9,020	10,300	-	10,300	10,300	06.41.5415/5702/5870
Maintenance of distribution reservoirs	30,920	5,042	34,005	31,531	4,350	33,997	38,347	06.50.5702/5101
Maintenance of mains	12,342	10,794	17,911	21,398	6,963	15,000	21,963	06.51.5410/5101
Maintenance of services	2,322	10,091	10,500	3,735	1,922	7,000	8,922	06.52.5410/5101/5702
Maintenance of meters	11,721	5,352	8,908	12,691	6,646	2,000	8,646	06.53.5410/5101
Maintenance of hydrants	30,558	15,602	24,642	23,493	7,194	15,000	22,194	06.54.5410/5101/5702
Maintenance of other plant	221	567	124	-	186	-	186	06.55.5410/5101
Total transmission and distribution expenses	139,698	85,393	147,307	168,679	91,229	83,297	174,526	
Customer account expenses:								
Meter reading labor	1,902	2,456	4,083	4,282	4,440	-	4,440	09.01.5101
Accounting and collecting labor	29,801	21,196	29,257	21,751	24,835	-	24,835	09.02.5410/5101
Supplies and expense	3,844	4,746	7,004	4,650	-	8,081	8,081	09.03.5101/5410/5702
Total customer account expenses	35,548	28,398	40,344	30,683	29,275	8,081	37,356	
Administrative and general expenses:								
Administrative and general salaries	95,368	79,190	110,453	83,838	97,920	-	97,920	09.20.5101/5102
Office supplies and expenses	15,059	12,684	20,907	21,526	-	22,202	22,202	09.21.5712-6056
Payroll clearing/sick/vacation/holiday	-	5,551	-	-	-	-	-	09.22.5101
Outside services	127,865	43,896	93,539	39,848	-	83,883	83,883	09.23.5510-5865
Property insurance	-	-	-	-	-	-	-	09.24.6103
Injuries & Damages	11,028	6,536	13,071	13,071	-	19,316	19,316	09.25.6101
Employee pensions and benefits	75,253	57,627	75,494	73,356	-	65,698	65,698	09.26.5201
Regulatory commission expense	-	114	500	1,000	-	1,000	1,000	09.28.6066
Miscellaneous general expenses	5,805	3,991	8,402	6,834	-	9,108	9,108	09.30.5228-6070
Transportation expense	7,764	5,938	11,650	10,649	89	12,200	12,289	09.33.5101/5405/5735
Maintenance of general plant & Contingency	-	-	-	4,000	-	4,000	4,000	09.35.6067
Total administrative and general expenses	338,143	215,527	334,016	254,122	98,009	217,407	315,416	
Total operation and maintenance expenses	\$ 636,189	438,059	690,106	595,087	294,828	458,785	753,613	

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CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CAPITAL OUTLAY COSTS

PROJECTED 2005 and 2006

		Estimated 2005 Total Cost	2005 Adopted Budget	2006 Proposed Budget	2006 Adopted Budget
1. 2005 Capital Additions					
Janesville Road box culvert relocation	(A)	12,337	85,755	87,000	-
Wells #4, 5 & 6 Radium Compliance & Well Abandonment	(A)	2,465	49,500	-	-
Lakewood Meadows Community Well Acqu & Conversion	(C)	28,653	350,000	50,000	-
Water facilities study & NW Water Study		34,800	23,957	-	-
Well #9 Construction	(A)	53,249	368,000	16,751	-
Meters	(A)	100,000	100,000	-	-
Truck-Pick Up replacement	(A)	18,759	21,000	-	-
SCADA Radio Study/Upgrade	(C)	11,069	11,000	135,000	-
Oversizing Related to Land Purchase	(A)	-	0	-	-
Elevated Storage	(A)	-	0	-	-
Oversizing-CCV (Champion Village)	(A)	393,836	0	-	-
			-	-	
		\$ 655,168	1,009,212	288,751	-
2. 2006 Capital Additions:					
Hillendale Booster (assessable)	(C)	5,271	-	400,000	
Lake Lore/Tudor Oaks WM extension(assessable)	(C)	10,000	-	400,000	
Kenwood Place oversizing	(C)	-	-	260,000	
Well #13-test Well & Eng	(C)	-	-	90,000	
Well #2 Pressure Tank Cleaning(expensed)		-	-	-	
Lakewood Meadows -Testing before iwell becomes operational	(C)	-	-	30,000	
Meters	(A)	-	0	100,000	
Truck-Pick Up replacement	(A)	-	0	15,000	
Well #9 Pump house	(C)	0	0	400,000	
Future Projects as determined by Facility Plan	(A)	-	-	20,000	
Lakewood WM-Phase 2- oversizing	(A)	5,000	-	-	
Pioneer Center Feasibility Study-request withdrawn	(A)	240	-	-	-
Municipal Well Interference with Private Wells amortize over # of years	(A)	20,000	-	30,000	
Well #13 Land Acquisition	(A)	28,865	-	-	-
		69,376	-	1,745,000	-
Grand Total		\$ 724,544	1,009,212	2,033,751	-

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Notes:

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

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CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL

2005 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2005 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ (12,130)	-	-	(312,637)	(324,767)	(311,716)
Add charges to income not requiring funds:						
Depreciation	-	-	20,000	422,555	442,555	451,573
Amortization	-	-	-	15,403	15,403	15,403
Amortization On water tower	24,505	-	-	-	24,505	24,505
Transfer working capital to other funds	-	-	-	-	-	-
Proceeds from borrowing	-	600,000	-	-	600,000	350,000
Increases in collection of special assessments and WCA's	-	-	-	254,577	254,577	43,000
Total funds provided (applied)	12,375	600,000	20,000	379,898	1,012,273	572,765
<u>Funds applied</u>						
Principal payments on debt	-	-	-	374,417	374,417	403,131
Capital outlay	-	724,544	-	-	724,544	1,009,212
Total funds applied	-	724,544	-	374,417	1,098,961	1,412,343
<u>Interfund transfers - interest earnings</u>	(47,859)	16,000	2,500	29,359	-	-
Increase (decrease) in working capital	(35,484)	(108,544)	22,500	34,840	(86,688)	(839,578)
<u>Working capital, beginning of year</u>	778,354	1,002,392	104,265	905,047	2,790,058	2,440,739
<u>Working capital, end of year</u>	\$ 742,870	893,848	126,765	939,887	2,703,370	1,601,161
2005 Budgeted Working Capital, end of year	\$ 813,560	56,902	125,300	605,399	1,601,161	

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

2006 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (143,656)	-	-	(301,429)	(445,085)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	494,406	514,406
Amortization	-	-	-	14,251	14,251
Amortization on water tower	24,505	-	-	-	24,505
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	1,200,000	-	-	1,200,000
Increases in collection of special assessments	-	-	-	243,564	243,564
Total funds provided (applied)	(119,151)	1,200,000	20,000	450,792	1,551,641
<u>Funds applied</u>					
Principal payments on debt	-	-	-	403,131	403,131
Capital outlay	-	2,033,751	-	-	2,033,751
Total funds applied	-	2,033,751	-	403,131	2,436,882
<u>Interfund transfers - interest earnings</u>	(23,000)	-	3,000	20,000	-
Increase (decrease) in working capital	(142,151)	(833,751)	23,000	67,661	(885,241)
<u>Working capital, beginning of year</u>	742,870	893,848	126,765	939,887	2,703,370
<u>Working capital, end of year</u>	\$ 600,719	60,097	149,765	1,007,548	1,818,129

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CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2005 AND 2006

Project	Actual				Projected				Projected
	Balance 12/31/04	Revenues	Costs	Transfers	Balance 12/31/05	Revenues	Costs	Transfers	Balance 12/31/06
Meters	100,000	-	100,000	100,000	100,000	-	100,000	-	-
SCADA Radio Study/Upgrade	11,000	-	11,069	69	-	-	135,000	135,000	-
Wells #4, 5 & 6 Radium Compliance & Well Abandonment	50,000	50,000	2,465	(97,535)	-	-	-	-	-
Janesville Road box culvert relocation	86,083	-	12,337	13,254	87,000	-	87,000	-	-
Kenwood Place oversizing	-	-	-	-	-	-	260,000	260,000	-
LakeLore/Tudor Oaks community well study/acquisition	1,275	-	10,000	8,725	-	-	-	-	-
LakeLore/Tudor Oaks WM-extension-assmt roll	-	-	-	-	-	-	400,000	400,000	-
Drill Well #13-Test Well & Eng	-	-	-	-	-	-	90,000	90,000	-
Well #13 -Land Acquisition	-	-	28,865	28,865	-	-	-	-	-
Water Facility Plan-update started in 2005	26,114	-	34,800	8,686	-	-	-	-	-
Pioneer Center Feasibility Study	-	-	240	240	-	-	-	-	-
Future Projects as determined by Facilities Plan	-	-	-	20,000	20,000	-	20,000	-	-
Expenses Incurred as relates to Private Wells	-	-	20,000	50,000	30,000	-	30,000	-	-
Truck	21,000	-	18,759	12,759	15,000	-	15,000	-	-
Hillendale Booster Station	-	-	5,271	5,271	-	-	400,000	400,000	-
Lakewood Meadows Community Well Acqu & Conversion	5,290	350,000	28,653	(276,637)	50,000	-	50,000	-	-
Lakewood Meadows-Testing	-	-	-	-	-	-	30,000	30,000	-
Lakewood Meadows-WM- Phase 2 - oeversizing	-	-	5,000	5,000	-	-	-	-	-
Well #2 Pressure Tank Painting	-	-	-	-	-	-	-	-	-
Well #9 Pumphouse	-	200,000	-	-	200,000	-	400,000	200,000	-
Well #9 Construction	366,540	-	53,249	(296,540)	16,751	-	16,751	-	-
Oversizing-CCV (Champion Village)	335,090	-	393,836	58,746	-	-	-	-	-
Transfer from general working capital	-	-	-	-	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	1,200,000	-	(1,200,000)	-
Unallocated debt proceeds and interest earnings	-	16,000	-	359,097	375,097	-	-	(315,000)	60,097 (2)
Total	\$ 1,002,392	616,000	724,544	-	893,848	1,200,000	2,033,751	-	60,097
		(1)				(1)			

Notes:

(1) Balance represents the issuance of new debt and the interest earnings on Construction Funds for the year.

(2) Represents excess borrowed funds and related interest earnings available for debt services reductions or financing future water projects.