

2005 Water Utility Budget



Prepared by

City of Muskego Finance Department

Adopted Tuesday, November 23, 2004

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CONTENTS

	<u>Schedule</u>	<u>Page</u>
Statement of income and expense	1	1
Detailed schedule of operation and maintenance expenses	2	2
Schedule of construction funds	3	4
Schedule of changes in utility working capital:		
2004 Projected	4	5
2005 Budget	5	6
Schedule of construction funds	6	7

12/08/04

CITY OF MUSKEGO WATER PUBLIC UTILITY

STATEMENT OF INCOME AND EXPENSE
2005 BUDGET

	Change Balances						
	2003 <u>Actual</u>	Sept. 30, 2004 <u>Actual</u>	2004 <u>Projected</u>	2004 <u>Adopted Budget</u>	2005 <u>Proposed Budget</u>	2005 <u>Adopted Budget</u>	<u>Account Number</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$ 818,893	662,683	906,657	863,430	951,335	951,335	4803/4804/4805/4806/4920
Private fire protection	23,499	19,124	25,508	24,200	25,508	25,508	4815
Public fire protection	318,835	325,594	325,594	325,594	325,594	325,594	4816
Other operating revenue	35,155	39,440	49,596	32,375	50,875	50,875	4807/4821/4820
Rental of Water property - tower lease	69,412	53,317	72,742	72,742	74,945	74,945	4825
Total operating revenue	1,265,794	1,100,159	1,380,097	1,318,341	1,428,257	1,428,257	
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	1,239	2,789	3,721	5,152	4,957	4,957	schedule 2 2.
Pumping expense	72,776	55,463	80,919	78,404	99,081	99,081	schedule 2 2.
Water treatment expense	29,225	20,214	25,653	40,340	37,565	37,565	schedule 2 2.
Transmission and distribution expense	105,079	101,282	142,213	153,500	168,679	168,679	schedule 2 3.
Customer accounts expense	32,687	22,753	31,178	40,272	30,683	30,683	schedule 2 3.
Administrative expense	224,706	163,082	238,860	264,308	254,122	254,122	schedule 2 3.
Total operation and maintenance	465,713	365,584	522,544	581,976	595,087	595,087	
Depreciation	338,358	-	393,185	311,150	451,573	451,573	04.03.6705
Taxes	301,688	299,193	354,850	308,328	405,424	405,424	04.08.6805
Total operating expenses	1,105,759	664,777	1,270,579	1,201,454	1,452,084	1,452,084	
Net operating income (loss)	160,035	435,381	109,518	116,887	(23,827)	(23,827)	
<u>Add non-operating income - interest</u>	52,545	15,722	30,787	33,728	30,000	30,000	4910/4531
Income before non-operating expenses	212,580	451,103	140,305	150,615	6,173	6,173	
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	343,335	-	321,993	330,993	302,486	302,486	04.27.7010
Amortization of debt discount and expense	17,871	-	17,871	16,476	15,403	15,403	04.28.7015
Total non-operating expenses	361,206	-	339,864	347,469	317,889	317,889	
Net income (loss) before capital contributions	\$ (148,626)	451,103	(199,559)	(196,854)	(311,716)	(311,716)	

12/08/04

CITY OF MUSKEGO WATER PUBLIC UTILITY

DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
2005 BUDGET

	2003 Actual	Sept. 30, 2004 Actual	2004 Projected	2004 Adopted Budget	2005			Account Number
					Labor	Other Expenses	Total	
Source of supply:								
Operation labor	\$ 711	1,631	2,571	1,652	1,457	-	1,457	06.00.5101
Operating supplies and expenses	62	-	-	1,000	-	1,000	1,000	06.02.5702
Maintenance of water source plant	466	1,159	1,150	2,500	-	2,500	2,500	06.05.5702 (See Sch. 3, #2)
Total source of supply	1,239	2,789	3,721	5,152	1,457	3,500	4,957	
Pumping expenses:								
Operation labor	32,594	23,909	34,225	39,879	40,930	-	40,930	06.20.5101
Fuel or power purchased	34,972	25,822	40,000	30,000	-	46,500	46,500	06.22.5910/5735
Operation supplies and expense	2,128	1,894	1,500	1,500	-	1,500	1,500	06.23.5702/5749
Maintenance of pumping plant	3,082	3,837	5,194	7,025	7,651	2,500	10,151	06.25.5410/5101/5702
Total pumping expenses	72,776	55,463	80,919	78,404	48,581	50,500	99,081	
Water treatment expenses:								
Operation labor	10,980	7,332	9,267	22,250	16,993	-	16,993	06.30.5101
Chemicals	16,241	12,476	15,760	13,500	-	16,000	16,000	06.31.5750
Operating supplies and expenses	873	-	-	2,000	-	2,000	2,000	06.32.5702
Maintenance of water treatment plant	1,131	407	626	2,590	572	2,000	2,572	06.35.5410/5101/5702
Total water treatment expenses	29,225	20,214	25,653	40,340	17,565	20,000	37,565	

12/08/04

CITY OF MUSKEGO WATER PUBLIC UTILITY

DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
(CONCLUDED)
2005 BUDGET

	2003 Actual	Sept. 30, 2004 Actual	2004 Projected	2004 Adopted Budget	2005 Budget			Account Number
					Labor	Other Expenses	Total	
Transmission and distribution expenses:								
Operation labor	\$ 34,505	30,157	45,362	63,117	65,531	-	65,531	06.40.5101
Operation supplies and expenses	12,966	4,338	7,050	10,100	-	10,300	10,300	06.41.5415/5702/5870
Maintenance of distribution reservoirs	25,540	30,415	32,145	36,237	2,026	29,505	31,531	06.50.5702/5101
Maintenance of mains	14,774	10,285	19,480	23,234	6,398	15,000	21,398	06.51.5410/5101
Maintenance of services	2,059	733	1,191	3,526	735	3,000	3,735	06.52.5410/5101/5702
Maintenance of meters	1,032	9,981	13,603	6,808	6,691	6,000	12,691	06.53.5410/5101
Maintenance of hydrants	14,034	15,374	23,382	10,117	13,493	10,000	23,493	06.54.5410/5101/5702
Maintenance of other plant	169	-	-	361	-	-	-	06.55.5410/5101
Total transmission and distribution expenses	105,079	101,282	142,213	153,500	94,874	73,805	168,679	
Customer account expenses:								
Meter reading labor	1,744	2,036	3,227	5,341	4,282	-	4,282	09.01.5101
Accounting and collecting labor	27,074	17,382	23,786	27,331	21,751	-	21,751	09.02.5410/5101
Supplies and expense	3,870	3,335	4,165	7,600	-	4,650	4,650	09.03.5101/5410/5702
Total customer account expenses	32,687	22,753	31,178	40,272	26,033	4,650	30,683	
Administrative and general expenses:								
Administrative and general salaries	83,858	55,027	80,959	87,240	83,838	-	83,838	09.20.5101/5102
Office supplies and expenses	13,931	13,382	17,250	20,199	-	21,526	21,526	09.21.5712-6056
Payroll clearing/sick/vacation/holiday	-	7,606	-	-	-	-	-	09.22.5101
Outside services	39,249	23,505	44,352	34,767	-	39,848	39,848	09.23.5510-5865
Property insurance	-	-	-	-	-	-	-	09.24.6103
Injuries & Damages	12,537	5,514	11,029	28,554	-	13,071	13,071	09.25.6101
Employee pensions and benefits	48,891	49,726	71,197	73,686	-	73,356	73,356	09.26.5201
Regulatory commission expense	8,715	-	-	1,000	-	1,000	1,000	09.28.6066
Miscellaneous general expenses	9,854	3,187	5,087	7,317	-	6,834	6,834	09.30.5228-6070
Transportation expense	7,672	5,136	8,986	7,545	449	10,200	10,649	09.33.5101/5405/5735
Maintenance of general plant & Contingency	-	-	-	4,000	-	4,000	4,000	09.35.6067
Total administrative and general expenses	224,706	163,082	238,860	264,308	84,287	169,835	254,122	
Total operation and maintenance expenses	\$ 465,713	365,584	522,544	581,976	272,797	322,290	595,087	

12/08/04

CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CAPITAL OUTLAY COSTS

PROJECTED 2004 AND 2005

		Estimated 2004 Total Cost	2004 Adopted Budget	2005 Proposed Budget	2005 Adopted Budget
1. <u>2004 & 2005 Capital Additions</u>					
Wellhead #2	(B)	-	1,500	-	-
Janesville Road box culvert relocation	(A)	-	85,755	85,755	85,755
Wells #4, 5 & 6 Radium Compliance & Well Abandonment	(A)	500	100,000	49,500	49,500
Lakewood Meadows Community Well Acq & Conversion	(C)	10,000	40,000	350,000	350,000
Water Facilities Study & NW Water Study	(A)	-	55,000	23,957	23,957
Chamberlain Hill Oversizing	(A)	33,950	33,950	-	-
Meters	(A)	98,016	100,000	-	-
Truck	(A)	21,251	23,500	-	-
Oversizing Related to Land Purchase	(A)	-	10,000	-	-
Elevated Storage	(A)	-	200,000	-	-
Well #9 Construction	(A)	60,000	420,000	368,000	368,000
Oversizing-CCV (Champion Village)	(A)	370,000	350,000	-	-
Big Muskego Estates Oversizing		125,556	-	-	-
		\$ 719,273	1,419,705	877,212	877,212
2. <u>2005 Capital Additions:</u>					
Meters	(A)	\$ -	-	100,000	100,000
SCADA Radio Study/Upgrade	(A)	-	-	11,000	11,000
Truck	(A)	-	-	21,000	21,000
		\$ -	-	132,000	132,000
Grand Total		\$ 719,273	1,419,705	1,009,212	1,009,212

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Notes:

(A) - Financed by borrowings.

(B) - Financed by working capital.

(C) - Anticipated to be financed by a borrowing

12/08/04

Schedule 4
5.

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

2004 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2004 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ 122,434	-	-	(321,993)	(199,559)	(196,854)
Add charges to income not requiring funds:						
Depreciation	-	-	20,000	373,185	393,185	311,150
Amortization	-	-	-	17,871	17,871	16,476
Amortization On water tower	24,505	-	-	-	24,505	24,505
Transfer working capital to other funds	(100,000)	-	-	100,000	-	-
Increases in collection of special assessments	-	-	-	45,600	45,600	45,822
Total funds provided (applied)	46,939	-	20,000	214,663	281,602	201,099
<u>Funds applied</u>						
Principal payments on debt	-	-	-	374,417	374,417	374,417
Capital outlay	-	719,273	-	-	719,273	1,419,705
Total funds applied	-	719,273	-	374,417	1,093,690	1,794,122
<u>Interfund transfers - interest earnings</u>	(30,787)	12,000	850	17,937	-	-
Increase (decrease) in working capital	16,152	(707,273)	20,850	(141,817)	(812,088)	(1,593,023)
<u>Working capital, beginning of year</u>	793,033	1,423,387	83,550	952,857	3,252,827	3,188,026
<u>Working capital, end of year</u>	\$ 809,185	716,114	104,400	811,040	2,440,739	1,595,003
2004 Budgeted Working Capital, end of year	\$ 816,088	10,936	104,750	663,230	1,595,004	

12/08/04

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

2005 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (9,230)	-	-	(302,486)	(311,716)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	431,573	451,573
Amortization	-	-	-	15,403	15,403
Amortization on water tower	24,505	-	-	-	24,505
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	350,000	-	-	350,000
Increases in collection of special assessments	-	-	-	43,000	43,000
Total funds provided (applied)	15,275	350,000	20,000	187,490	572,765
<u>Funds applied</u>					
Principal payments on debt	-	-	-	403,131	403,131
Capital outlay	-	1,009,212	-	-	1,009,212
Total funds applied	-	1,009,212	-	403,131	1,412,343
<u>Interfund transfers - interest earnings</u>	(10,900)	-	900	10,000	-
Increase (decrease) in working capital	4,375	(659,212)	20,900	(205,641)	(839,578)
<u>Working capital, beginning of year</u>	809,185	716,114	104,400	811,040	2,440,739
<u>Working capital, end of year</u>	\$ 813,560	56,902	125,300	605,399	1,601,161

12/08/04

CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2004 AND 2005

Project	Actual				Projected				Projected Balance 12/31/05
	Balance 12/31/03	Revenues	2004 Costs	Transfers	Balance 12/31/04	Revenues	2005 Costs	Transfers	
Hillendale Water Project/Wastemgmt easment	-	-	-	-	-	-	-	-	-
Meters	-	-	98,016	198,016	100,000	-	100,000	-	0
Wellhead protection	-	-	-	-	-	-	-	-	-
SCADA Radio Study/Upgrade	-	-	-	11,000	11,000	-	11,000	-	-
Wells #4, 5 & 6 Radium Compliance & Well Abandonment	100,000	-	500	(50,000)	49,500	-	49,500	-	-
Tower & Well site investigation	-	-	-	-	-	-	-	-	-
Janesville Road box culvert relocation	78,577	-	-	7,178	85,755	-	85,755	-	-
Freedom Square Water System	-	-	-	-	-	-	-	-	-
Moorland Road South	-	-	-	-	-	-	-	-	-
Test borings & Geophysical Exploration	-	-	-	-	-	-	-	-	-
Mechanical conversion Freedom Square	-	-	-	-	-	-	-	-	-
Elevated Storage	200,000	-	-	(200,000)	-	-	-	-	-
Janesville Road	-	-	-	-	-	-	-	-	-
Water Facility Plan	5,000	-	-	(5,000)	-	-	-	-	-
Big Muskego Estates Oversizing	125,556	-	125,556	-	-	-	-	-	-
Truck	23,500	-	21,251	18,751	21,000	-	21,000	-	-
Oversizing Related to Land Purchase	10,000	-	-	(10,000)	-	-	-	-	-
Lakewood Meadows Community Well Acqu & Conversion	40,000	-	10,000	(30,000)	-	350,000	350,000	-	-
Water Facilities Study & NW Water Study	51,626	-	-	(27,669)	23,957	-	23,957	-	-
Chamberlain Hill Oversizing	33,950	-	33,950	-	-	-	-	-	-
Well #9 Construction	338,857	-	60,000	89,143	368,000	-	368,000	-	-
Oversizing-CCV (Champion Village)	416,321	-	370,000	(46,321)	-	-	-	-	-
Transfer from general working capital	-	-	-	-	-	-	-	-	-
Unallocated debt proceeds and interest earnings	-	12,000	-	44,902	56,902	-	-	-	56,902
Total	\$ 1,423,387	12,000	719,273	-	716,114	350,000	1,009,212	-	56,902

(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.