



**2012  
Water Utility  
Budget**

**Prepared by**

**City of Muskego  
Finance & Administration Department**

**Tax Rate \$4.41 per \$1,000 Assessed Valuation**

**Adopted Tuesday, October 25, 2011**

**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  
2012 BUDGET

	2010 <u>Actual</u>	August 31, 2011 <u>Actual</u>	2011 <u>Projected</u>	2011 <u>Adopted Budget</u>	2012 <u>Proposed Budget</u>	2012 <u>Adopted Budget</u>	Change From 2011 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$ 1,153,377	556,879	1,182,000	1,223,000	1,207,000	1,207,000	-1.31%
Private fire protection	38,482	19,878	39,750	39,500	40,900	40,900	3.54%
Public fire protection	432,551	67,046	435,000	435,500	447,000	447,000	2.64%
Other operating revenue	70,298	30,786	68,500	75,500	65,000	65,000	-13.91%
Rental of Water property - tower lease	94,086	49,606	100,121	98,000	103,280	103,280	5.39%
Total operating revenue	1,788,794	724,195	1,825,371	1,871,500	1,863,180	1,863,180	-0.44%
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	5,388	1,388	7,516	22,516	12,640	12,640	-43.86%
Pumping expense	146,288	93,077	144,288	145,470	146,125	146,125	0.45%
Water treatment expense	26,185	11,868	35,837	42,147	33,208	33,208	-21.21%
Transmission and distribution expense	106,486	123,891	161,480	114,674	112,810	112,810	-1.63%
Customer accounts expense	31,643	15,654	23,843	23,843	26,400	26,400	10.72%
Administrative expense	327,135	217,682	315,349	324,750	317,972	317,972	-2.09%
Total operation and maintenance expenses	643,125	463,560	688,313	673,400	649,155	649,155	-3.60%
Depreciation	749,038	-	770,000	803,200	780,000	780,000	-2.89%
Taxes	568,431	14,368	583,588	513,588	593,520	593,520	15.56%
Total operating expenses	1,960,594	477,928	2,041,901	1,990,188	2,022,675	2,022,675	1.63%
Net operating income (loss)	(171,800)	246,267	(216,530)	(118,688)	(159,495)	(159,495)	34.38%
<u>Add non-operating income - interest</u>	25,072	22,504	23,352	26,521	28,000	28,000	5.58%
Income before non-operating expenses	(146,728)	268,771	(193,178)	(92,167)	(131,495)	(131,495)	42.67%
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	312,848	149,246	288,000	320,000	250,000	250,000	-21.88%
Amortization of debt discount and expense	10,299	-	8,638	8,638	6,840	6,840	-20.82%
Total non-operating expenses	323,147	149,246	296,638	328,638	256,840	256,840	-21.85%
Net income (loss) before capital contributions	\$ (469,875)	119,525	(489,816)	(420,805)	(388,335)	(388,335)	-7.72%

CITY OF MUSKEGO WATER PUBLIC UTILITY  
DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
2012 BUDGET

	2010 Actual	August 31, 2011 Actual	2011 Projected	2011 Adopted Budget	2012		
					Labor	Other Expenses	Total
Source of supply:							
Operation labor	\$ 981	600	1,766	1,766	1,890	-	1,890
Operating supplies and expenses	516	125	750	750	-	750	750
Maintenance of water source plant	3,891	663	5,000	20,000	-	10,000	10,000
<b>Total source of supply</b>	<b>5,388</b>	<b>1,388</b>	<b>7,516</b>	<b>22,516</b>	<b>1,890</b>	<b>10,750</b>	<b>12,640</b>
Pumping expenses:							
Operation labor	63,740	35,161	56,070	56,952	58,168	-	58,168
Fuel or power purchased	73,976	54,006	75,000	75,000	-	75,000	75,000
Operation supplies and expense	518	184	500	800	-	800	800
Maintenance of pumping plant	8,054	3,726	12,718	12,718	7,157	5,000	12,157
<b>Total pumping expenses</b>	<b>146,288</b>	<b>93,077</b>	<b>144,288</b>	<b>145,470</b>	<b>65,325</b>	<b>80,800</b>	<b>146,125</b>
Water treatment expenses:							
Operation labor	5,470	2,909	13,037	18,037	10,278	-	10,278
Chemicals	19,662	8,528	20,000	20,000	-	20,000	20,000
Operating supplies and expenses	-	-	500	1,000	-	1,000	1,000
Maintenance of water treatment plant	1,053	431	2,300	3,110	430	1,500	1,930
<b>Total water treatment expenses</b>	<b>26,185</b>	<b>11,868</b>	<b>35,837</b>	<b>42,147</b>	<b>10,708</b>	<b>22,500</b>	<b>33,208</b>

CITY OF MUSKEGO WATER PUBLIC UTILITY  
DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES (Concluded)  
2012 BUDGET

	2010 Actual	August 31, 2011 Actual	2011 Projected	2011 Adopted Budget	2012 Budget		
					Labor	Other Expenses	Total
Transmission and distribution expenses:							
Operation labor	\$ 56,415	28,448	58,453	64,453	61,102	-	61,102
Operation supplies and expenses	6,466	6,678	8,544	9,500	-	8,500	8,500
Maintenance of distribution reservoirs	7,551	689	2,306	3,806	1,549	2,500	4,049
Maintenance of mains	11,710	66,368	67,700	13,197	5,940	11,000	16,940
Maintenance of services	1,129	2,527	3,242	3,242	1,291	500	1,791
Maintenance of meters	1,160	3,232	3,300	2,845	1,291	1,000	2,291
Maintenance of hydrants	21,715	15,868	17,000	16,696	10,607	7,000	17,607
Maintenance of other plant	340	81	935	935	430	100	530
Total transmission and distribution expenses	106,486	123,891	161,480	114,674	82,210	30,600	112,810
Customer account expenses:							
Meter reading labor	2,088	2,039	2,970	2,970	2,912	-	2,912
Accounting and collecting labor	14,079	7,163	8,873	8,873	10,488	-	10,488
Supplies and expense	15,476	6,452	12,000	12,000	-	13,000	13,000
Total customer account expenses	31,643	15,654	23,843	23,843	13,400	13,000	26,400
Administrative and general expenses:							
Administrative and general salaries	114,576	78,569	110,727	110,727	116,402	-	116,402
Office supplies and expenses	24,398	15,979	26,275	20,600	-	29,300	29,300
Payroll clearing/sick/vacation/holiday	-	8,464	-	-	-	-	-
Outside services	53,788	31,082	44,643	55,143	-	48,508	48,508
Property insurance	-	-	-	-	-	-	-
Injuries & Damages	15,300	7,550	15,100	16,500	-	16,750	16,750
Employee pensions and benefits	94,512	64,360	96,804	98,804	-	85,626	85,626
Regulatory commission expense	-	-	1,000	1,000	-	-	-
Miscellaneous general expenses	4,320	2,797	4,600	6,008	-	5,800	5,800
Transportation expense	15,863	8,881	16,200	15,968	86	15,500	15,586
Maintenance of general plant & Contingency	4,378	-	-	-	-	-	-
Total administrative and general expenses	327,135	217,682	315,349	324,750	116,488	201,484	317,972
Total operation and maintenance expenses	\$ 643,125	463,560	688,313	673,400	290,021	359,134	649,155



CITY OF MUSKEGO WATER PUBLIC UTILITY  
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL  
2011 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2011 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ (201,816)	-	-	(288,000)	(489,816)	(420,805)
Add charges to income not requiring funds:						
Depreciation	-	-	20,000	750,000	770,000	803,200
Amortization	-	-	-	8,638	8,638	8,638
Amortization On water tower	-	-	-	-	-	-
Transfer working capital to other funds	-	82,786	(82,786)	-	-	-
Proceeds from borrowing/stimulus grant	-	1,718,000	-	-	1,718,000	-
Increases in collection of special assessments and WCA's	-	-	-	50,000	50,000	65,000
<b>Total funds provided (applied)</b>	<b>(201,816)</b>	<b>1,800,786</b>	<b>(62,786)</b>	<b>520,638</b>	<b>2,056,822</b>	<b>456,033</b>
<u>Funds applied</u>						
Principal payments on debt	-	-	-	544,092	544,092	711,079
Capital outlay	-	334,250	-	-	334,250	216,250
<b>Total funds applied</b>	<b>-</b>	<b>334,250</b>	<b>-</b>	<b>544,092</b>	<b>878,342</b>	<b>927,329</b>
<u>Interfund transfers - interest earnings</u>	(11,000)	5,000	1,000	5,000	-	-
Increase (decrease) in working capital	(212,816)	1,471,536	(61,786)	(18,454)	1,178,480	(471,296)
<u>Working capital, beginning of year</u>	412,936	6,464	253,765	1,122,769	1,795,934	1,866,229
<u>Working capital, end of year</u>	\$ 200,120	1,478,000	191,979	1,104,315	2,974,414	1,394,933
2011 Budgeted Working Capital, end of year	\$ 481,582	7,100	53,965	852,326	1,394,973	

CITY OF MUSKEGO WATER PUBLIC UTILITY  
 SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL  
 2012 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (138,335)	-	-	(250,000)	(388,335)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	760,000	780,000
Amortization	-	-	-	6,840	6,840
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	65,000	65,000
Total funds provided (applied)	(138,335)	-	20,000	581,840	463,505
<u>Funds applied</u>					
Principal payments on debt	-	-	-	711,079	711,079
Capital outlay	-	1,481,645	-	-	1,481,645
Total funds applied	-	1,481,645	-	711,079	2,192,724
<u>Interfund transfers - interest earnings</u>	(9,145)	3,645	500	5,000	-
Increase (decrease) in working capital	(147,480)	(1,478,000)	20,500	(124,239)	(1,729,219)
<u>Working capital, beginning of year</u>	200,120	1,478,000	191,979	1,104,315	2,974,414
<u>Working capital, end of year</u>	\$ 52,640	-	212,479	980,076	1,245,195
	-73.70%	-100.00%	10.68%	-11.25%	-58.14%



CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2011 AND 2012

Project	Actual				Projected				Projected
	Balance 12/31/10	Revenues	2011 Costs	Transfers	Balance 12/31/11	Revenues	2012 Costs	Transfers	Balance 12/31/12
Water Tower Cleaning, Inspections and Painting	-	-	-	-	-	-	300,000	300,000	-
Meters	-	-	15,000	15,000	-	-	25,000	25,000	-
SCADA Radio Study/Upgrade	-	-	-	-	-	-	-	-	-
Transportation Equipment	-	-	51,250	51,250	-	-	-	-	-
Well #13 Pumping Station	-	-	-	-	-	-	-	-	-
Well #13 Watermain Loop / Well #9 Pump Station	6,464	-	28,000	21,536	-	-	-	-	-
Janesville Road Reconstruction	-	-	125,000	125,000	-	-	195,065	195,065	-
Elevated Storage	-	-	-	-	-	-	-	-	-
Building Construction - DPW & Utility	-	-	-	-	-	-	-	-	-
State Safe Drinking Loan Project - Stimulus	-	-	-	-	-	-	-	-	-
Durham Drive	-	-	115,000	115,000	-	-	-	-	-
Pioneer Water Extension	-	-	-	-	-	-	961,580	961,580	-
Transfer from working capital	-	61,250	-	(61,250)	-	-	-	-	-
Future Projects	-	-	-	-	-	-	-	-	-
Proceeds from borrowing	-	1,718,000	-	(125,000)	1,593,000	-	-	(1,478,000)	115,000
Unallocated debt proceeds and interest earnings	-	5,000	-	(5,000)	-	3,645	-	(3,645)	-
<b>Total</b>	<b>\$ 6,464</b>	<b>1,784,250</b>	<b>334,250</b>	<b>136,536</b>	<b>1,593,000</b>	<b>3,645</b>	<b>1,481,645</b>	<b>-</b>	<b>115,000</b>