

RACINE WATER UTILITY

2016

Adopted Budget

September 22, 2015
Adopted

RACINE WATER UTILITY
Adopted 2016 BUDGET

	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 BUDGET	15 VS 16 BUDGET
Operating Revenue	\$19,486,261	\$20,731,571	\$20,000,000	\$20,731,571	0.0%
O&M Expense (includes PILOT & OPEB)	\$13,348,490	\$13,227,000	\$12,522,000	\$13,354,000	1.0%
Depreciation	4,149,699	4,100,000	4,200,000	4,300,000	4.9%
Total Operating Expense	\$17,498,189	\$17,327,000	\$16,722,000	\$17,654,000	1.9%
Net Operating Income	\$1,988,072	\$3,404,571	\$3,278,000	\$3,077,571	-9.6%
Interest Income	\$60,099	\$50,000	52,000.00	50,000.00	0.0%
REC Income	\$323,089	\$1,150,000	350,000.00	1,150,000.00	0.0%
Interest Expense	\$1,863,412	\$1,728,000	\$1,722,528	1,484,000.00	-14.1%
Net Income	\$507,848	\$2,876,571	\$1,957,472	\$2,793,571	-2.9%
Distribution of 2016 Budget Net Income				\$2,793,571	
Plus Depreciation				4,300,000	
Plus OPEB				850,000	
Total Cash Available				\$7,943,571	
Less Bond Principal Payments				(4,717,854)	
Less Total Capital Improvement Projects				(5,749,000)	
Plus Contributed Capital Improvement Projects				1,270,000	
Less Appropriation to City of Racine				264,000	
Net Cash Balance				(\$989,283)	
Funding - New Bond Issue and/or Reserves					

**RACINE WATER UTILITY
2016 ADOPTED DETAILS OF REVENUE BUDGET**

ACCOUNT	2014 Actual	2015 Budget	2015 thru 7/31	2015 Projected	Adopted 16 Budget	15 vs 16 Budget
<u>Operating Revenue</u>						
Misc. Metered Sales Residential	\$80,602	\$120,000	\$816	\$80,000	\$100,000	
Commercial	7,576,669	8,175,000	4,700,168	8,070,000	8,000,000	
Multi Family Residential	2,296,595	2,500,000	990,988	2,000,000	2,200,000	
Industrial	562,707	600,000	705,154	1,400,000	1,200,000	
Public Authority	4,183,526	4,000,000	1,820,317	3,400,000	4,000,000	
Wholesale	739,256	1,000,000	501,900	860,000	850,000	
Private Fire Protection	1,027,064	1,250,000	626,877	1,075,000	1,250,000	
Public Fire Protection	244,320	250,000	154,259	264,000	250,000	
Rents from Water Properties	2,069,130	2,100,000	1,241,010	2,127,000	2,100,000	
Return on Invest. On Meters	215,365	225,000	153,807	220,000	225,000	
Laboratory Test Fees	78,913	75,000	46,032	79,000	100,000	
Search Revenues	4,860	5,000	3,240	6,000	5,000	
Other Water Revenues	19,468	20,000	11,274	19,000	20,000	
Late Payment Fees	28,378	11,571	11,030	25,000	31,571	
	359,408	400,000	116,654	375,000	400,000	
TOTAL	\$19,486,261	\$20,731,571	\$11,083,526	\$20,000,000	\$20,731,571	0.0%
<u>Other Income</u>						
Interest Income	\$27,805	\$30,000	\$16,474	\$28,000	\$30,000	
Insurance Dividends	32,294	20,000	-	24,000	20,000	
Connection Charge Income	323,089	1,150,000	149,945	350,000	1,150,000	
TOTAL	\$383,188	\$1,200,000	\$166,419	\$402,000	\$1,200,000	0.0%
Total Revenues	\$19,869,449	\$21,931,571	\$11,249,945	\$20,402,000	\$21,931,571	0.0%

**RACINE WATER UTILITY
2016 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2014 Actual	2015 Budget	2015 7/31/2015	2015 Projected	Adopted 16 Budget	15 vs 16 Budget
A. PERSONNEL SERVICES						
Salaries & Wages	\$3,339,493	\$3,313,000	\$1,716,908	\$3,250,000	\$3,368,000	1.7%
B. CONTRACTUAL						
Equipment Maintenance	\$86,482	\$109,000	\$81,787	\$110,000	\$109,000	0.0%
Building Maintenance	46,028	70,000	29,147	50,000	237,000	238.6%
Vehicle Maintenance	72,814	60,000	21,970	38,000	55,000	-8.3%
Telephone	20,004	22,000	9,163	20,000	22,000	0.0%
Natural Gas Service	160,538	160,000	81,424	121,000	150,000	-6.3%
Electric Service	775,569	830,000	427,397	777,000	800,000	-3.6%
Residuals Management	210,202	325,000	82,028	300,000	325,000	0.0%
Street Repairs by Others	482,221	310,000	147,221	310,000	320,000	3.2%
Main, Meter & Service Maint. by Other	29,249	20,000	(294)	10,000	20,000	0.0%
Professional Services	407,197	275,000	301,270	500,000	274,000	-0.4%
Technology Support Contracts	85,755	95,000	57,965	95,000	95,000	0.0%
Water Tank Maintenance	298,154	300,000	223,879	299,000	318,000	6.0%
TOTAL	\$2,674,215	\$2,576,000	\$1,462,956	\$2,630,000	\$2,725,000	5.8%
C. MATERIALS & SUPPLIES						
Operational Chemicals	\$345,901	\$356,000	\$177,227	\$304,000	\$366,000	2.8%
Pipe & Fittings	126,213	90,000	51,191	88,000	90,000	0.0%
Meter Parts & Supplies	46,757	47,000	14,019	24,000	47,000	0.0%
Gasoline & Diesel Fuels	110,829	120,000	29,654	51,000	100,000	-16.7%
Office Supplies	22,755	25,000	15,765	25,000	25,000	0.0%
Custodial Supplies	10,339	13,000	5,153	10,000	13,000	0.0%
Laboratory Supplies	33,578	35,000	11,072	30,000	35,000	0.0%
Equipment Supplies	79,855	81,000	38,710	66,000	75,000	-7.4%
Building Supplies	45,965	60,000	20,966	50,000	59,000	-1.7%
Construction Supplies	38,567	40,000	10,237	30,000	40,000	0.0%
Street Repair Supplies	94,415	70,000	29,854	51,000	70,000	0.0%
Postage	42,628	42,000	27,668	47,000	44,000	4.8%
Safety Supplies	17,181	19,000	14,481	24,000	23,000	21.1%
Computer & PLC Supplies	44,576	40,000	9,882	25,000	40,000	0.0%
TOTAL	\$1,059,559	\$1,038,000	\$455,879	\$825,000	\$1,027,000	-1.1%

**RACINE WATER UTILITY
2016 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2014 Actual	2015 Budget	2015 7/31/2015	2015 Projected	Adopted 16 Budget	15 vs 16 Budget
D. ADMINISTRATIVE & GENERAL						
Liability Payments	\$8,400	\$40,000	\$0	\$0	\$20,000	-50.0%
Property & Liability Insurance	50,056	52,000	21,079	36,000	50,000	-3.8%
Workers Compensation Ins.	131,361	132,000	50,168	86,000	125,000	-5.3%
Medical Expenditures	1,613,728	1,400,000	705,507	1,209,000	1,400,000	0.0%
Net OPEB Obligation	771,081	950,000	-	800,000	800,000	-15.8%
Life Insurance	17,898	15,000	5,893	29,000	28,000	86.7%
Wisconsin Retirement	321,854	323,000	176,356	302,000	320,000	-0.9%
Public Notice & Education	6,003	17,000	8,317	14,000	15,000	-11.8%
Dues, Publications, & Travel	18,751	20,000	1,272	10,000	18,000	-10.0%
Office Rent	26,903	28,000	16,428	28,000	30,000	7.1%
Storm Water Fees	9,356	10,000	9,697	10,000	11,000	10.0%
PSC Expenses	51,412	10,000	-	0	10,000	0.0%
TOTAL	\$3,026,801	\$2,997,000	\$994,717	\$2,524,000	\$2,827,000	-5.7%
E. OTHER EXPENSES						
Real Estate Tax	\$2,983,838	\$3,000,000	\$1,757,453	\$3,013,000	\$3,100,000	3.3%
FICA Tax	274,164	282,000	152,770	262,000	286,000	1.4%
PSC Remainder Tax	17,216	21,000	-	18,000	21,000	0.0%
TOTAL	\$3,275,217	\$3,303,000	\$1,910,223	\$3,293,000	\$3,407,000	3.1%
SUMMARY						
A. Personnel Service	\$3,339,493	\$3,313,000	\$1,716,908	\$3,250,000	\$3,368,000	1.7%
B. Contractual Service	2,674,215	2,576,000	1,462,956	2,630,000	2,725,000	5.8%
C. Materials & Supplies	1,059,559	1,038,000	455,879	825,000	1,027,000	-1.1%
D. Administrative & General	3,026,801	2,997,000	994,717	2,524,000	2,827,000	-5.7%
E. Other Expenses	3,275,217	3,303,000	1,910,223	3,293,000	3,407,000	3.1%
TOTALS	\$13,375,285	\$13,227,000	\$6,540,683	\$12,522,000	\$13,354,000	1.0%

**RACINE WATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2016 - 2020
ADOPTED**

	2016	2017	2018	2019	2020	Total
<u>DISTRIBUTION SYSTEM</u>						
1 Watermain Replacement	\$1,600,000	\$1,680,000	\$1,760,000	\$1,850,000	\$1,940,000	\$8,830,000
2 **Water St 12" main	300,000	\$0	\$0	\$0	\$0	300,000
3 Lead & Service Replacement	300,000	300,000	300,000	300,000	300,000	1,500,000
4 Valve Replacement	50,000	50,000	50,000	50,000	50,000	250,000
5 Hydrant Backflow Preventer	-	5,000	-	5,000	-	10,000
6 Hwy 32 WM-Doug/Ham (Goold-Main)(DOT)	-	1,400,000	-	-	-	\$1,400,000
7 Trimble Handheld Units	13,000	13,000	13,000	-	-	39,000
8 Hydrant Replacement	25,000	25,000	25,000	25,000	25,000	125,000
9 Trailer	19,000	-	-	-	-	19,000
10 Valve Maintenance Trailer	-	60,000	-	-	-	60,000
11 Closing Loops & 3"Main Repl.	100,000	100,000	100,000	100,000	100,000	500,000
12 Telemetry System Improv.	65,000	25,000	25,000	-	-	115,000
13 Wholesale Acquisition - Yorkville	-	-	200,000	-	-	200,000
14 **20" WM ext under I94 to Yorkville (6.4)	-	-	525,000	-	-	525,000
15 **Oversizing - Watermains (Regional)	100,000	100,000	100,000	100,000	100,000	500,000
16 **16" WM I94 front Hwy 20-Town Line (44)	-	-	60,000	-	-	60,000
17 **20" WM Hwy V - Hwy 20 N (OS) [37]	870,000	-	-	-	-	870,000
18 **Hwy V Storage Tank [42]	-	-	-	-	3,239,000	3,239,000
19 **16" WM Hwy C from Hwy V to I94 [39]	-	-	-	755,000	-	755,000
20 **16" WM HwyV ext 1,850ft S to Hwy11 [4]	-	-	-	80,000	-	80,000
	\$3,442,000	\$3,758,000	\$3,158,000	\$3,265,000	\$5,754,000	\$19,377,000

TOTAL COST **\$5,749,000** **\$5,187,000** **\$5,239,000** **\$5,035,000** **\$7,120,000** **\$28,330,000**

**Total Contributed Capital Projects \$1,270,000 \$100,000 \$685,000 \$935,000 \$3,339,000

Note: (OS) Denotes that the project cost represents Contributions in Aid of Capital (CIAC) by a developer or municipal project initiation trigger with the Utility paying Oversizing costs, per the Retail Water Agreement