

RACINE WASTEWATER UTILITY

2024

Proposed Budget

August 15, 2023
Proposed

RACINE WASTEWATER UTILITY
2024 Proposed Details of Revenue Budget

ACCOUNT	2022	2023	2023	2023	2023	2023	2024 Budget	23 vs 24
	Actual	Budget	thru 6/30	Projected	Proposed	2024 Budget	Budget	Budget
<u>Operating Revenue</u>								
Residential	\$4,218,832	\$5,000,000	\$2,157,348	\$4,400,000.00	\$5,100,000			
Commercial	827,584	1,000,000	381,467	825,000.00	1,100,000			
Industrial	408,056	600,000	164,378	400,000.00	650,000			
Public Authority	300,916	450,000	81,528	300,000.00	500,000			
Multi Family	742,375	1,000,000	369,640	740,000.00	1,150,000			
Other Municipalities	4,419,757	5,700,000	2,420,820	5,000,000.00	5,800,000			
Lab Test Fees	109,816	120,000	11,990	110,000.00	120,000			
Pretreatment Permit Fees	81,679	90,000	80,344	81,000.00	90,000			
Hauled Waste Revenue	6,555	10,000	3,503	7,000.00	10,000			
Landfill Leachate Revenue	51,309	60,000	17,479	35,000.00	60,000			
Other Sewer Revenues	5,152	6,858	2,660	5,000.00	5,414			
Late Payment Fees	279,953	350,000	86,818	280,000.00	333,000			
TOTAL	\$11,451,984	\$14,386,858	\$5,777,975	\$12,183,000	\$14,918,414			3.7%
<u>Other Income</u>								
Interest Income	\$117,456	\$40,000	\$180,200	\$355,000	\$355,000			
Insurance Dividends	16,522	15,000	-	14,000	15,000			
Gain (Loss) of Disposal of Assets	(8,979)							
Plant Capacity Income	1,816,820	\$1,769,791	851,730	\$1,770,000	\$1,754,377			
TOTAL	\$1,941,818	\$1,824,791	\$1,031,930	\$2,139,000	\$2,124,377			16.4%
Total Revenues	\$13,393,802	\$16,211,649	\$6,809,904	\$14,322,000	\$17,042,791			5.1%

RACINE WASTEWATER UTILITY
2024 Proposed Operation & Maintenance Budget

ACCOUNT	2022	2023	2023	2023	2023	Proposed	23 vs 24
	Actual	Budget	6/30/2023	Projected	2024 Budget	Budget	Budget
A. PERSONNEL SERVICES							
Salaries & Wages	\$3,046,294	\$3,589,000	\$1,469,667	\$3,250,000	\$3,690,000		2.8%
B. CONTRACTUAL							
Professional Services	\$308,988	\$303,000	\$164,847	\$330,000	\$323,000		6.6%
Laboratory Prof. Services	45,141	44,000	33,790	55,000	52,000		18.2%
Pre-treat. Prof Services	4,748	7,000	7,902	9,000	7,000		0.0%
Building & Equipment Maint.	87,928	135,000	33,689	67,000	143,000		5.9%
Vehicle Maintenance	22,997	25,000	12,916	26,000	30,000		20.0%
Telephone	9,873	10,000	4,392	9,000	10,000		0.0%
Natural Gas	309,361	200,000	139,832	280,000	205,000		2.5%
Electric Service	929,646	950,000	561,930	1,124,000	1,000,000		5.3%
Water Service	345,566	350,000	85,486	340,000	350,000		0.0%
City Sewer & L. S. Maint.	5,942	10,000	8,891	18,000	14,000		40.0%
Interceptor & L. S. Maint.	76,998	110,000	57,584	115,000	130,000		18.2%
Sludge & Grit Disposal	785,385	606,000	282,098	564,000	596,000		-1.7%
TOTAL	\$2,932,573	\$2,750,000	\$1,393,359	\$2,937,000	\$2,860,000		4.0%
C. MATERIALS & SUPPLIES							
Office Supplies	\$15,090	\$13,000	\$4,308	\$9,000	\$13,000		0.0%
Gasoline & Diesel Fuel	33,476	27,000	12,527	25,000	27,000		0.0%
Lubricants	28,090	35,000	21,889	44,000	35,000		0.0%
Custodial Supplies	21,107	18,000	8,640	17,000	20,000		11.1%
Operational Chemicals	574,508	592,000	304,376	609,000	652,000		10.1%
Plant & System Supplies	51,174	56,000	24,121	48,000	56,000		0.0%
Equipment Supplies	186,227	224,000	56,963	114,000	220,000		-1.8%
Sewer Maint. Supplies	8,662	10,000	4,353	9,000	10,000		0.0%
Pre-treat. Sampling Supplies	5,941	7,000	552	1,000	7,000		0.0%
Laboratory Supplies	59,436	62,000	32,047	64,000	66,000		6.5%
Pre-treat. Lab Supplies	18,347	25,000	7,775	16,000	25,000		0.0%
Computer & PLC Supplies	41,048	45,000	27,107	54,000	50,000		11.1%
TOTAL	\$1,043,106	\$1,114,000	\$504,658	\$1,010,000	\$1,181,000		6.0%

RACINE WASTEWATER UTILITY
2024 Proposed Operation & Maintenance Budget

ACCOUNT	2022	2023	2023	2023	2023	2024 Budget	23 vs 24
	Actual	Budget	6/30/2023	Projected	Proposed	Budget	Budget
D. CUSTOMER ACCOUNT							
Metering, Billing & Collection	\$636,774	\$665,000	\$318,387	\$637,000	\$665,000		0.0%
E. ADMINISTRATION & GENERAL							
Dues, Publications & Travel	\$27,272	\$30,000	\$8,059	\$30,000	\$25,000		-16.7%
FICA Tax	223,222	280,000	112,686	225,000	282,000		0.7%
Property & Liability Insurance	129,542	134,000	63,143	142,000	140,000		4.5%
Worker's Compensation Insur.	78,248	77,000	38,280	77,000	68,000		-11.7%
Office Rent	33,780	35,000	17,701	35,000	37,000		5.7%
Wisconsin Retirement Expense	192,249	301,000	104,327	209,000	284,000		-5.6%
Medical Expenses	1,002,792	1,000,000	422,908	846,000	950,000		-5.0%
Life Insurance	9,834	12,000	3,804	8,000	11,000		-8.3%
Safety Programs & Supplies	35,532	26,000	16,606	33,000	38,000		46.2%
City Departmental Charges	90,300	94,000	47,410	95,000	100,000		6.4%
Training Programs	13,524	28,000	7,737	15,000	29,000		3.6%
Stormwater Fees	41,296	46,000	17,752	48,000	50,000		8.7%
DNR Permit Fee	137,473	142,000	133,675	135,000	136,000		-4.2%
Airport Property Lease	54,897	52,000	58,852	59,000	60,000		15.4%
TOTAL	\$2,069,962	\$2,257,000	\$1,052,941	\$1,957,000	\$2,210,000		-2.1%
SUMMARY							
A. Personnel Service	\$3,046,294	\$3,589,000	\$1,469,667	\$3,250,000	\$3,690,000		2.8%
B. Contractual Service	2,932,573	2,750,000	1,393,359	2,937,000	2,860,000		4.0%
C. Materials & Supplies	1,043,106	1,114,000	504,658	1,010,000	1,181,000		6.0%
D. Customer Accounts	636,774	665,000	318,387	637,000	665,000		0.0%
E. Administrative & General	2,069,962	2,257,000	1,052,941	1,957,000	2,210,000		-2.1%
TOTALS	\$9,728,709	\$10,375,000	\$4,739,010	\$9,791,000	\$10,606,000		2.2%

RACINE WASTEWATER UTILITY
Capital Improvement Program 2024 - 2028
Proposed

	2024	2025	2026	2027	2028	Total	Funding
GENERAL PLANT							
1	Laboratory Equipment	\$100,000	\$40,000	\$0	\$0	\$0	Revenue
2	Roof Replacement	305,000	350,000	250,000	250,000	250,000	Revenue
3	Office Furnishings Upgrade	-	3,000	3,000	-	6,000	Revenue
4	PLC & SCADA Equipment	50,000	50,000	50,000	50,000	250,000	Revenue
5	Clarifier Equipment Rehab	15,000	315,000	-	-	330,000	Revenue
6	LINKO Pretreatment Software	13,000	-	-	-	13,000	Revenue
7	Grit Removal Baffle System	65,000	65,000	-	-	130,000	Revenue
8	Final Clarifier Scum Collection Replace	15,000	15,000	-	-	30,000	Revenue
9	Final Clarifier Launder Covers	-	300,000	-	-	300,000	Revenue
10	**Property Development	2,000,000	-	-	-	2,000,000	COSS/CWFL
11	**Plant Upgrades - UV Disinfection	7,100,000	2,500,000	-	-	9,600,000	COSS/CWFL
12	**Plant Upgrades - Engine/Blower	4,200,000	1,000,000	500,000	7,500,000	13,200,000	COSS/CWFL
13	**Plant Upgrades - Biogas Conditioning	1,200,000	-	-	-	1,200,000	COSS/CWFL
	Subtotal	\$15,063,000	\$4,638,000	\$803,000	\$7,800,000	\$300,000	\$28,604,000
AUTOMOTIVE							
1	Pickup/Van/SUVs	\$0	\$0	\$0	\$43,000	\$89,000	Revenue
2	Sample Van	65,000	-	-	-	65,000	Revenue
3	Televising Van	-	-	321,000	-	321,000	Revenue
	Subtotal	\$65,000	\$0	\$321,000	\$43,000	\$89,000	\$518,000
COLLECTION SYSTEM							
1	LS Controls/Building	\$100,000	\$0	\$100,000	\$0	\$0	Revenue
2	**At North Beach Dev LS (city)	-	500,000	-	-	500,000	Surcharge
3	Field Meters and Samplers	8,500	8,500	8,500	46,500	80,500	Revenue
4	Lift Station Generator Replacement	30,000	-	-	30,000	60,000	Revenue
5	Lift Station Pump Replacements	7,000	7,000	15,000	10,000	49,000	Revenue
6	Interceptor Improvement Projects	455,000	375,000	590,000	375,000	2,170,000	COSS/CWFL
7	**Chicory Rd Interceptor-Storage	5,500,000	5,500,000	-	-	11,000,000	COSS/CWFL
8	**Goold-Main Storage-Sewer Improven	1,000,000	14,000,000	14,000,000	-	29,000,000	COSS/CWFL
	Subtotal	\$7,100,500	\$20,390,500	\$14,713,500	\$461,500	\$393,500	\$43,059,500
TOTAL COST							\$72,181,500
**Total Contributed Capital Projects							66,500,000

2024 Budget Highlights – Wastewater Commission

The following is a brief summary to explain major costs changes in the budget for 2024 – Overall increase of 2.2% over 2023.

NOTE: Some budgets experienced minor changes up or down depending on special projects and various time frequencies for maintenance of certain equipment.

A. Personnel Services (2.8% Increase)

- **Salaries and Wages:** Increase \$101,000; Cost of living up about 6% from previous year so proposed raises are well behind market. Employee increases are not a uniform percentage, as the higher percentage applies to employees with the lowest wages to advance toward market wage. The current year has seen slightly more stable employment in 2023 and wants to retain both newly trained and experienced staff. Retirements have been expected but half or more of total staff resigned for other jobs. As city benefits were reduced, an employee staying long-term is not as certain and the job market is very competitive for employees to look outside of Utilities.

B. Contractual Services (4.0% Increase)

- **Professional Services:** Increase \$20,000; Increased hourly rates and land acquisition services
- **Natural Gas:** Increase \$5,000; Higher plant usage as backup to biogas usage and air permit restrictions combined with increasing rates.
- **Electric Service:** Increase \$50,000; Rate increase expected, operational challenges in biogas blower operation results in more use of electric blowers.
- **Interceptor & LS Maintenance:** Increase \$20,000 Projected increase in televising contract.
- **Sludge and Grit Disposal:** Decrease \$10,000; Digester cleaning services being skipped again in 2024; contracted rate with waste disposal reduced for 2024

C. Materials and Supplies (6.0% Increase)

- **Operational Chemicals:** Increase \$60,000; Rocketing higher chemical costs and delivery charges. This is a common theme with supplies for increased materials and driver shortages. Operational improvements have reduced daily consumption rates
- **Lab Supplies:** Increase \$4,000; reflect increased price in materials
- **Computer & PLC Supplies:** Increase \$5,000 to replace aging units

D. Administration and General (2.1% Decrease)

- **Medical Expenses:** Decrease \$50,000;
- **Safety Program & Supplies:** Increase \$12,000; safety supplies increase, new employee trainings, cost of trainings and safety programs have increased since SARS-CoV-2
- **Wisconsin Retirement Expense:** Decrease \$17,000

Summary – The presented O&M budget shows an overall increase of \$248,000 (2.2%) over the 2023 budget. The following items have the largest dollar increase:

- Wages, Operational Chemicals, and Electric.

The following items have the largest dollar decrease, but most are little changed:

- Medical Expenses, Sludge-Grit Disposal, and WRS Expense

The job market is slowly improving. The unemployment rate is incredibly low but cost of labor is beginning to flatten from 2021 and 2022. Wage structure was maintained to maximize employee retention and hiring leverage. The current market inflation on goods and materials continues to be historically high but should decline over third and fourth quarter 2023.