

RACINE WATER UTILITY

2020

Adopted Budget

September 23, 2019
Adopted

RACINE WATER UTILITY
Adopted 2020 Budget

	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	19 VS 20 BUDGET
Operating Revenue	\$21,643,539	\$22,020,885	\$20,907,000	\$22,020,885	0.0%
O&M Expense (includes PILOT & OPEB)	\$13,381,448	\$14,627,000	\$13,990,000	\$14,494,000	-0.9%
Depreciation	4,960,809	5,000,000	5,050,000	5,100,000	2.0%
Total Operating Expense	\$18,342,257	\$19,627,000	\$19,040,000	\$19,594,000	-0.2%
Net Operating Income	\$3,301,282	\$2,393,885	\$1,867,000	\$2,426,885	1.4%
Interest/Dividend Income	\$99,525	\$78,000	\$138,000	\$115,000	47.4%
REC Income	\$827,287	\$1,445,725	\$250,000	\$1,218,000	-15.8%
Interest Expense	\$1,037,761	\$1,822,000	\$1,865,000	1,569,000	-13.9%
Net Income	\$3,190,333	\$2,095,610	\$390,000	\$2,190,885	4.5%
Distribution of 2020 Budget Net Income				\$2,190,885	
Plus Depreciation				5,100,000	
Plus OPEB				600,000	
Total Cash Available				\$7,890,885	
Less Bond Principal Payments				(4,479,024)	
Less Total Capital Improvement Projects				(15,916,000)	
Plus Contributed Capital Improvement Projects				-	
Less Appropriation to City of Racine				(272,581)	
Net Cash Balance				(\$12,776,720)	
Funding - New Bond Issue and/or Reserves					

Debt Service Coverage Ratio	Actual	Actual	Projected	Budget
	2017	2018	2019	2020
Bond Requirement = 1.25	1.82	2.07	1.96	1.86
S&P including PILOT	1.28	1.53	1.37	1.31

RACINE WATER UTILITY
2020 Adopted Details of Revenue Budget

ACCOUNT	2018 Actual	2019 Budget	2019 thru 6/30	2019 Projected	2020 Budget	19 vs 20 Budget
Operating Revenue						
Misc. Metered Sales	\$135,144	\$125,000	\$3,522	\$135,000	\$140,000	
Residential	8,665,475	8,600,000	4,145,143	8,400,000	8,800,000	
Commercial	1,941,749	1,800,000	864,478	1,800,000	1,900,000	
Multi Family Residential	1,549,506	1,550,000	767,914	1,600,000	1,700,000	
Industrial	4,181,465	4,600,000	1,375,500	3,800,000	4,000,000	
Public Authority	945,495	900,000	437,306	900,000	940,000	
Wholesale	1,210,738	1,350,000	548,027	1,250,000	1,450,000	
Private Fire Protection	283,653	300,000	143,179	285,000	300,000	
Public Fire Protection	1,988,232	2,000,000	994,116	1,988,000	2,000,000	
Rents from Water Properties	230,181	250,000	149,383	230,000	250,000	
Return on Invest. On Meters	73,485	90,000	36,743	75,000	80,000	
Laboratory Test Fees	6,480	8,000	3,300	6,000	10,000	
Search Revenues	30,471	32,000	13,953	30,000	35,000	
Other Water Revenues	16,657	20,885	11,562	23,000	20,885	
Late Payment Fees	384,808	395,000	94,204	385,000	395,000	
TOTAL	\$21,643,539	\$22,020,885	\$9,588,329	\$20,907,000	\$22,020,885	0.0%
Other Income						
Interest Income	69,761	\$63,000	60,258	118,000	95,000	
Insurance Dividends	29,764	15,000	-	20,000	20,000	
Connection Charge Income	827,287	1,445,725	121,424	250,000	1,218,000	
TOTAL	\$926,812	\$1,523,725	\$181,682	\$388,000	\$1,333,000	-12.5%
Total Revenues	\$22,570,351	\$23,544,610	\$9,770,011	\$21,295,000	\$23,353,885	-0.8%

RACINE WATER UTILITY
2020 Adopted Operation & Maintenance Budget

ACCOUNT	2018 Actual	2019 Budget	2019 6/30/2019	2019 Projected	2020 Budget	19 vs 20 Budget
A. PERSONNEL SERVICES						
Salaries & Wages	\$3,533,342	\$3,821,000	\$1,676,490	\$3,800,000	\$3,913,000	2.4%
B. CONTRACTUAL						
Equipment Maintenance	\$89,553	\$141,000	\$35,997	\$72,000	\$134,000	-5.0%
Building Maintenance	55,237	100,000	75,638	151,000	95,000	-5.0%
Vehicle Maintenance	54,162	50,000	10,424	45,000	50,000	0.0%
Telephone	21,701	24,000	12,256	25,000	24,000	0.0%
Natural Gas Service	103,037	130,000	70,570	108,000	125,000	-3.8%
Electric Service	684,269	760,000	336,107	725,000	750,000	-1.3%
Residuals Management	272,021	300,000	255,223	380,000	325,000	8.3%
Street Repairs by Others	368,965	340,000	20,618	350,000	375,000	10.3%
Main, Meter & Service Maint. by Other	32,407	20,000	4,983	10,000	20,000	0.0%
Professional Services	384,905	297,000	183,215	300,000	405,000	36.4%
Technology Support Contracts	85,442	98,000	62,185	95,000	102,000	4.1%
Water Tank Maintenance	398,483	400,000	181,467	363,000	350,000	-12.5%
TOTAL	\$2,550,181	\$2,660,000	\$1,248,683	\$2,624,000	\$2,755,000	3.6%
C. MATERIALS & SUPPLIES						
Operational Chemicals	\$323,708	\$358,000	\$155,350	\$311,000	\$412,000	15.1%
Pipe & Fittings	57,792	115,000	27,617	55,000	100,000	-13.0%
Meter Parts & Supplies	32,201	50,000	17,810	36,000	50,000	0.0%
Gasoline & Diesel Fuels	66,475	75,000	30,078	60,000	70,000	-6.7%
Office Supplies	18,782	25,000	13,484	27,000	25,000	0.0%
Custodial Supplies	13,743	14,000	7,338	15,000	14,000	0.0%
Laboratory Supplies	34,051	41,000	20,493	35,000	39,000	-4.9%
Equipment Supplies	74,181	76,000	31,352	63,000	77,000	1.3%
Building Supplies	57,485	68,000	23,223	46,000	63,000	-7.4%
Construction Supplies	32,752	40,000	18,477	37,000	40,000	0.0%
Street Repair Supplies	91,277	74,000	39,823	80,000	80,000	8.1%
Postage	46,888	48,000	21,028	48,000	45,000	-6.3%
Safety Supplies	15,046	22,000	10,911	22,000	22,000	0.0%
Computer & PLC Supplies	37,323	35,000	13,780	28,000	35,000	0.0%
TOTAL	\$901,703	\$1,041,000	\$430,764	\$863,000	\$1,072,000	3.0%

RACINE WATER UTILITY
2020 Adopted Operation & Maintenance Budget

ACCOUNT	2018 Actual	2019 Budget	2019 6/30/2019	2019 Projected	Adopted 2020 Budget	19 vs 20 Budget
<u>D. ADMINISTRATIVE & GENERAL</u>						
Liability Payments	\$9,512	\$20,000	\$0	\$200,000	\$20,000	0.0%
Property & Liability Insurance	59,932	62,000	31,956	64,000	65,000	4.8%
Workers Compensation Ins.	139,974	120,000	72,277	130,000	120,000	0.0%
Medical Expenditures	1,770,036	1,700,000	820,308	1,641,000	1,700,000	0.0%
Net OPEB Obligation	384,148	1,000,000	-	600,000	600,000	-40.0%
Life Insurance	28,896	29,000	7,982	29,000	18,000	-37.9%
Wisconsin Retirement	323,889	363,000	163,738	327,000	382,000	5.2%
Public Notice & Education	8,357	14,000	8,209	14,000	14,000	0.0%
Dues, Publications, & Travel	15,841	18,000	3,922	16,000	18,000	0.0%
Office Rent	30,108	35,000	15,728	31,000	33,000	-5.7%
Storm Water Fees	11,435	12,000	3,902	12,000	14,000	16.7%
PSC Expenses	28	10,000	-	5,000	65,000	550.0%
TOTAL	\$2,782,157	\$3,383,000	\$1,128,022	\$3,069,000	\$3,049,000	-9.9%
<u>E. OTHER EXPENSES</u>						
Real Estate Tax	\$3,257,553	\$3,375,000	\$1,655,584	\$3,311,000	\$3,350,000	-0.7%
FICA Tax	292,871	325,000	150,971	302,000	333,000	2.5%
PSC Remainder Tax	20,979	22,000	-	21,000	22,000	0.0%
TOTAL	\$3,571,403	\$3,722,000	\$1,806,556	\$3,634,000	\$3,705,000	-0.5%
<u>SUMMARY</u>						
A. Personnel Service	\$3,533,342	\$3,821,000	\$1,676,490	\$3,800,000	\$3,913,000	2.4%
B. Contractual Service	2,550,181	2,660,000	1,248,683	2,624,000	2,755,000	3.6%
C. Materials & Supplies	901,703	1,041,000	430,764	863,000	1,072,000	3.0%
D. Administrative & General	2,782,157	3,383,000	1,128,022	3,069,000	3,049,000	-9.9%
E. Other Expenses	3,571,403	3,722,000	1,806,556	3,634,000	3,705,000	-0.5%
TOTALS	\$13,338,786	\$14,627,000	\$6,290,515	\$13,990,000	\$14,494,000	-0.9%

RACINE WATER UTILITY
Capital Improvement Program 2020 - 2024
Adopted

	2020	2021	2022	2023	2024	Total
<u>DISTRIBUTION SYSTEM</u>						
1 Watermain Replacement	\$2,600,000	\$2,370,000	\$2,490,000	\$2,610,000	\$2,740,000	\$12,810,000
2 16th St Watermain (DOT)	440,000	-	-	-	-	440,000
3 Hwy 20 WM-West Blvd to Roosevelt (DOT)	2,200,000	-	-	-	-	2,200,000
4 Hwy 20 WM-West Blvd to Marquette (DOT)	-	-	-	-	1,000,000	1,000,000
5 Closing Loops & 3" Main Repl	100,000	100,000	100,000	100,000	100,000	500,000
6 Lead Service Replacement-Public Side Only	750,000	300,000	300,000	300,000	300,000	1,950,000
7 Valve Replacement	50,000	50,000	50,000	50,000	50,000	250,000
8 Hydrant Replacement	25,000	25,000	25,000	25,000	25,000	125,000
9 Leak Detector	7,000	-	-	-	-	7,000
10 Electric Vehicle Charging Station	5,000	-	-	-	-	5,000
11 Trimble Handheld Units	18,000	-	-	-	-	18,000
12 Hydrant Backflow Preventers	9,000	9,000	-	-	-	18,000
13 Perry Tank Roof Structure Replacement	-	450,000	-	-	-	450,000
14 **Oversizing - Watermains (Regional OS)	-	-	100,000	100,000	100,000	300,000
15 12" WM Water St (Marquette to Grand)	275,000	350,000	-	-	-	350,000
16 **12" WM Clark St (14th St to 16th St)	-	-	-	-	-	275,000
17 12" WM Lake Ave (8th St to 10th St) (9)	-	-	-	-	275,000	275,000
18 933 Pressure Zone Elevated Storage Tank (42)	523,000	-	-	-	-	523,000
19 Summit Tank Pumping Station	237,000	-	-	-	-	237,000
20 48" WM Perry Tank to Newman Tank	4,320,000	-	-	-	-	4,320,000
21 42" WM Main St to Perry Tank (17.0)	2,075,000	7,209,000	-	-	-	9,284,000
22 933 Pressure Zone Pumping Station	574,000	-	-	-	-	574,000
	\$14,208,000	\$10,863,000	\$3,065,000	\$3,185,000	\$4,590,000	\$35,911,000

TOTAL COST	\$15,916,000	\$13,927,000	\$5,441,000	\$5,760,000	\$7,362,000	\$48,406,000
**Total Contributed Capital Projects	-	-	100,000	100,000	100,000	300,000

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

Foxconn Total Deficiency Costs	7,729,000	7,209,000	-	-	-	14,938,000
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