

# RACINE WASTEWATER UTILITY

2016

Adopted Budget

September 22, 2015  
Adopted

**RACINE WASTEWATER UTILITY**  
**Adopted 2016 BUDGET**

	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 BUDGET	15 VS 16 BUDGET
Operating Revenue	\$12,851,339	\$13,182,626	\$11,847,000	\$13,171,362	-0.1%
True Up		(\$233,997)		\$917,950	
<b>Total Operating Revenue</b>		<b>\$12,948,629</b>	<b>\$11,847,000</b>	<b>\$14,089,313</b>	<b>8.8%</b>
O&M Expense*	\$8,481,228	\$8,860,000	\$8,155,000	\$8,860,000	0.0%
Depreciation**	2,688,889	2,728,087	2,700,000	2,703,416	-0.9%
<b>Total Operating Expense</b>	<b>\$11,170,117</b>	<b>\$11,588,087</b>	<b>\$10,855,000</b>	<b>\$11,563,416</b>	<b>-0.2%</b>
<b>Net Operating Income</b>	<b>\$1,681,222</b>	<b>\$1,360,542</b>	<b>\$992,000</b>	<b>\$2,525,897</b>	<b>85.7%</b>
<b>Other Income</b>					
Plant Capacity Income (COSS)	\$1,928,400	\$1,844,181	\$1,844,000	\$1,757,585	-4.7%
Household Hazard Waste	144,185	162,000	160,000	200,000	23.5%
Interest Income	37,584	34,000	38,000	38,000	11.8%
<b>Other Expense</b>					
Household Hazard Waste	\$162,960	\$156,000	\$180,000	\$180,000	15.4%
Interest Expense	\$1,361,736	\$1,222,000	\$1,222,000	1,076,000	-11.9%
<b>Net Income</b>	<b>\$2,266,695</b>	<b>\$2,022,723</b>	<b>\$1,632,000</b>	<b>\$3,265,482</b>	<b>61.4%</b>
Distribution of 2016 Budget Net Income				\$3,265,482	
Plus Depreciation				2,703,416	
Plus principal collected from other communities not included above				1,889,976	
Total Cash Available				\$7,858,874	
Less Bond Principal Payments				(5,262,198)	
Less Total Capital Improvement Projects				(4,738,000)	
Plus Contributed Capital Improvement Projects				2,200,000	
Net Cash Balance				\$58,676	
Funding - From State Loans and/or Reserves/Rates					

\* O&M Expense O&M expense does not include the annual net OPEB obligation.

\*\* Depreciation Depreciation shown only represents amount used in rate calculation per the agreement. Depreciation used for GAAP shown in the audit will be much higher.

Note: Following the 2002 Intergovernmental Sanitary Sewer Agreement, in 2016 \$673,033 from Utility reserves will be transferred to the City of Racine. (Zoo, Library, & Museum)

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

<b>ACCOUNT</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 thru 7/31</b>	<b>2015 Projected</b>	<b>Adopted 16 Budget</b>	<b>15 vs 16 Budget</b>
<b><u>Operating Revenue</u></b>						
Residential	\$3,877,921	\$3,800,000	\$2,285,584	\$3,700,000	\$4,300,000	
Commercial	1,442,488	1,300,000	535,442	900,000	1,250,000	
Industrial	460,473	400,000	236,230	500,000	600,000	
Public Authority	373,272	350,000	172,330	345,000	400,000	
Multi Family	275,571	550,000	315,609	600,000	700,000	
Other Municipalities	5,799,797	6,000,000	2,617,547	5,200,000	6,225,000	
Lab Test Fees	94,945	85,000	49,500	100,000	100,000	
Pretreatment Permit Fees	75,186	70,000	78,060	78,000	80,000	
Hauled Waste Revenue	29,319	25,000	13,504	30,000	30,000	
Landfill Leachate Revenue	101,036	50,000	33,804	70,000	75,000	
Other Sewer Revenues	3,936	3,629	1,046	4,000	4,313	
Late Payment Fees	317,395	315,000	97,003	320,000	325,000	
<b>TOTAL</b>	<b>\$12,851,339</b>	<b>\$12,948,629</b>	<b>\$6,435,658</b>	<b>\$11,847,000</b>	<b>\$14,089,313</b>	<b>8.8%</b>
<b><u>Other Income</u></b>						
Interest Income	\$20,948	\$24,000	\$13,641	24,000	24,000	
Insurance Dividends	16,637	10,000	-	14,000	14,000	
Gain (Loss) of Disposal of Assets	29	-	-	-	-	
Plant Capacity Income	1,928,400	1,844,181	916,150	1,844,000	1,757,585	
<b>TOTAL</b>	<b>\$1,966,014</b>	<b>\$1,878,181</b>	<b>\$929,791</b>	<b>\$1,882,000</b>	<b>\$1,795,585</b>	<b>-4.4%</b>
<b>Total Revenues</b>	<b>\$14,817,353</b>	<b>\$14,826,810</b>	<b>\$7,365,449</b>	<b>\$13,729,000</b>	<b>\$15,884,898</b>	<b>7.1%</b>

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

<b>ACCOUNT</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 7/31/2015</b>	<b>2015 Projected</b>	<b>Adopted 16 Budget</b>	<b>15 vs 16 Budget</b>
<b><u>A. PERSONNEL SERVICES</u></b>						
Salaries & Wages	\$2,600,617	\$2,707,000	\$1,451,080	2,650,000	\$2,740,000	1.2%
<b><u>B. CONTRACTUAL</u></b>						
Professional Services	\$209,571	\$255,000	\$110,507	200,000	\$243,000	-4.7%
Laboratory Prof. Services	17,832	24,000	8,497	15,000	\$29,000	20.8%
Pre-treat. Prof Services	3,520	4,000	2,486	4,000	\$4,000	0.0%
Building & Equipment Maint.	67,645	139,000	37,249	110,000	\$99,000	-28.8%
Vehicle Maintenance	27,928	25,000	13,602	23,000	25,000	0.0%
Telephone	7,654	9,000	4,395	8,000	9,000	0.0%
Natural Gas	220,804	160,000	105,378	162,000	170,000	6.3%
Electric Service	815,646	920,000	456,367	782,000	880,000	-4.3%
Water Service	200,373	230,000	105,568	211,000	225,000	-2.2%
City Sewer & L.S. Maint.	8,910	20,000	2,109	4,000	20,000	0.0%
Interceptor & L.S. Maint.	139,809	180,000	100,125	172,000	180,000	0.0%
Sludge & Grit Disposal	548,492	555,000	430,054	600,000	600,000	8.1%
<b>TOTAL</b>	\$2,268,185	\$2,521,000	\$1,376,338	\$2,291,000	\$2,484,000	-1.5%
<b><u>C. MATERIALS &amp; SUPPLIES</u></b>						
Office Supplies	\$11,615	\$14,000	\$11,067	15,000	\$14,000	0.0%
Gasoline & Diesel Fuel	33,640	38,000	14,335	25,000	30,000	-21.1%
Lubricants	29,152	36,000	15,369	26,000	\$34,000	-5.6%
Custodial Supplies	13,963	14,000	8,194	14,000	\$16,000	14.3%
Operational Chemicals	305,228	374,000	156,236	268,000	342,000	-8.6%
Plant & System Supplies	54,372	54,000	30,525	52,000	\$54,000	0.0%
Equipment Supplies	214,623	215,000	108,325	205,000	\$215,000	0.0%
Sewer Maint. Supplies	6,150	7,000	1,653	3,000	7,000	0.0%
Pre-treat. Sampling Supplies	4,110	4,000	1,212	2,000	4,000	0.0%
Laboratory Supplies	46,698	48,000	24,050	43,000	\$50,000	4.2%
Pre-treat. Lab Supplies	24,604	25,000	8,317	23,000	\$23,000	-8.0%
Computer & PLC Supplies	35,551	40,000	15,654	27,000	40,000	0.0%
<b>TOTAL</b>	\$779,708	\$869,000	\$394,937	\$703,000	\$829,000	-4.6%

**RACINE WASTEWATER 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
<b>D. CUSTOMER ACCOUNT</b>						
Metering, Billing & Collection	\$647,914	\$618,000	\$377,950	635,000	\$640,000	3.6%
<b>E. ADMINISTRATION &amp; GENERAL</b>						
Dues, Publications & Travel	\$30,699	\$30,000	\$14,088	24,000	\$30,000	0.0%
FICA Tax	191,439	217,000	115,768	198,000	219,000	0.9%
Property & Liability Insurance	89,097	95,000	43,092	74,000	95,000	0.0%
Worker's Compensation Insur.	60,738	65,000	37,131	64,000	75,000	15.4%
Office Rent	26,496	28,000	16,009	27,000	29,000	3.6%
Wisconsin Retirement Expense	242,105	253,000	138,485	237,000	251,000	-0.8%
Medical Expenses	1,252,415	1,100,000	534,976	917,000	1,100,000	0.0%
Life Insurance	12,931	15,000	6,113	29,000	28,000	86.7%
Safety Programs & Supplies	10,924	12,000	5,993	10,000	12,000	0.0%
City Departmental Charges	78,000	80,000	45,500	78,000	80,000	0.0%
Training Programs	5,411	10,000	3,114	5,000	10,000	0.0%
Stormwater Fees	30,905	33,000	33,387	33,000	36,000	9.1%
DNR Permit Fee	138,208	142,000	132,618	133,000	142,000	0.0%
Airport Property Lease	62,252	65,000	46,683	47,000	60,000	-7.7%
<b>TOTAL</b>	<b>\$2,231,622</b>	<b>\$2,145,000</b>	<b>\$1,172,957</b>	<b>\$1,876,000</b>	<b>\$2,167,000</b>	<b>1.0%</b>
<b>SUMMARY</b>						
A. Personnel Service	\$2,600,617	\$2,707,000	\$1,451,080	\$2,650,000	\$2,740,000	1.2%
B. Contractual Service	2,268,185	2,521,000	1,376,338	2,291,000	2,484,000	-1.5%
C. Materials & Supplies	779,708	869,000	394,937	703,000	829,000	-4.6%
D. Customer Accounts	647,914	618,000	377,950	635,000	640,000	3.6%
E. Administrative & General	2,231,622	2,145,000	1,172,957	1,876,000	2,167,000	1.0%
<b>TOTALS</b>	<b>\$8,528,046</b>	<b>\$8,860,000</b>	<b>\$4,773,261</b>	<b>\$8,155,000</b>	<b>\$8,860,000</b>	<b>0.0%</b>

**RACINE WASTEWATER UTILITY  
CAPITAL IMPROVEMENT PROGRAM 2016 - 2020  
Adopted**

	2016	2017	2018	2019	2020	Total
<b>GENERAL PLANT</b>						
1	\$0	\$0	\$40,000	\$40,000	\$0	\$80,000
2	120,000	50,000	50,000	50,000	50,000	320,000
3	-	-	-	-	20,000	20,000
4	10,000	10,000	10,000	10,000	10,000	50,000
5	8,000	-	10,000	10,000	10,000	38,000
6	50,000	20,000	20,000	20,000	-	110,000
7	30,000	30,000	-	-	-	60,000
8	800,000	-	-	-	-	800,000
9	25,000	25,000	25,000	25,000	25,000	125,000
10	200,000	200,000	200,000	-	-	600,000
11	-	-	-	-	5,000,000	5,000,000
12	-	-	645,000	-	-	645,000
13	-	-	500,000	-	-	500,000
14	-	300,000	-	-	-	300,000
15	20,000	20,000	20,000	20,000	20,000	100,000
16	-	25,000	200,000	200,000	-	425,000
17	12,000	-	-	-	-	12,000
18	8,000	-	-	-	-	8,000
19	-	20,000	-	-	-	20,000
20	20,000	-	-	-	-	20,000
	<b>Subtotal</b>	<b>\$700,000</b>	<b>\$1,720,000</b>	<b>\$375,000</b>	<b>\$5,135,000</b>	<b>\$9,233,000</b>
<b>AUTOMOTIVE</b>						
1	\$30,000	\$69,000	\$43,000	\$115,000	\$40,000	\$297,000
2	-	-	-	-	51,000	51,000
3	450,000	-	-	-	-	450,000
4	-	114,000	-	-	-	114,000
	<b>Less estimated trade in / sales value</b>	<b>(50,000)</b>	<b>(15,000)</b>	<b>(40,000)</b>	<b>(20,000)</b>	<b>(285,000)</b>
	<b>Subtotal</b>	<b>\$133,000</b>	<b>\$28,000</b>	<b>\$75,000</b>	<b>\$71,000</b>	<b>\$627,000</b>

**RACINE WASTEWATER UTILITY  
CAPITAL IMPROVEMENT PROGRAM 2016 - 2020  
Adopted**

	2016	2017	2018	2019	2020	Total
<b>COLLECTION SYSTEM</b>						
1	\$95,000	\$65,000	\$65,000	\$0	\$0	\$225,000
2	-	-	-	-	200,000	200,000
3	-	100,000	-	-	-	100,000
4	600,000	-	-	-	-	600,000
5	20,000	20,000	20,000	20,000	20,000	100,000
6	-	1,200,000	-	-	-	1,200,000
7	1,600,000	7,000,000	2,800,000	-	-	11,400,000
8	-	-	990,000	14,084,000	-	15,074,000
9	-	-	-	360,000	5,142,000	5,502,000
10	-	-	-	230,000	3,281,000	3,511,000
11	-	-	-	130,000	1,884,000	2,014,000
12	50,000	-	-	-	-	50,000
13	30,000	-	-	-	-	30,000
14	520,000	476,000	300,000	100,000	100,000	1,496,000
15	200,000	200,000	200,000	200,000	200,000	1,000,000
	<b>\$3,115,000</b>	<b>\$9,061,000</b>	<b>\$4,375,000</b>	<b>\$15,124,000</b>	<b>\$10,827,000</b>	<b>\$42,502,000</b>

<b>TOTAL COST</b>	<b>\$4,738,000</b>	<b>\$9,894,000</b>	<b>\$6,123,000</b>	<b>\$15,574,000</b>	<b>\$16,033,000</b>	<b>\$52,362,000</b>
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\*\*Total Contributed Capital Projects

	<b>\$2,200,000</b>	<b>\$8,200,000</b>	<b>\$3,790,000</b>	<b>\$14,804,000</b>	<b>\$15,307,000</b>	
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Note: \*\* Denotes that the project cost is to be split on a Cost of Service share (COSS) basis among SSR parties per the Sewer Agreement