



## Work Session Agenda Form

Item # 4

DATE: February 19, 2019

**AGENDA ITEM: FY20 Proposed Budget – Review of Enterprise Fund Expenditures**

**SUMMARY:** Staff will present and review the FY20 Proposed Budget enterprise fund expenditures.

**BUDGET/FUNDING: N/A**

**STAFF RECOMMENDATION:** Staff recommends to discuss any questions or concerns regarding the FY20 budget and discuss any additional information council would like to be provided prior to voting for adoption of a FY20 budget.

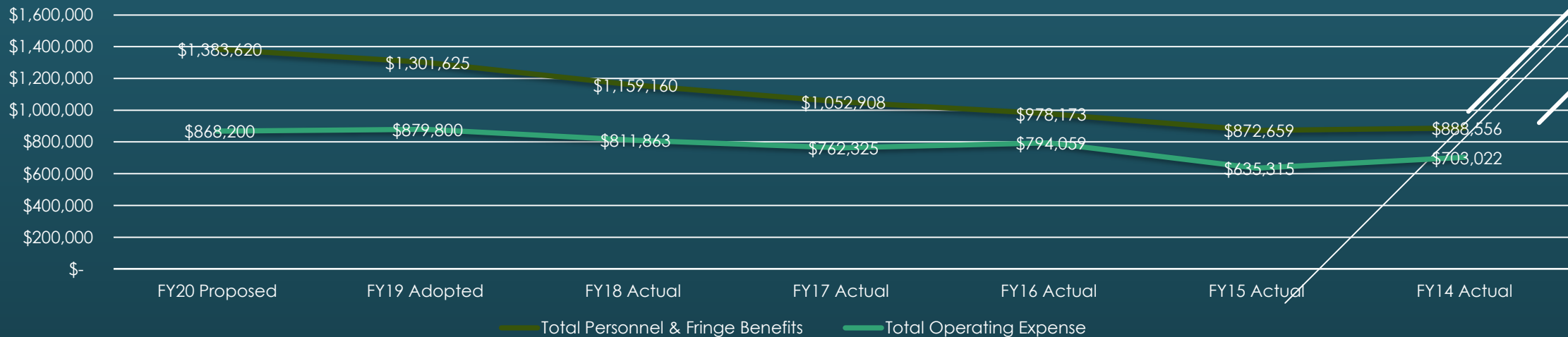
Work Session

# FY2020 PROPOSED BUDGET OVERVIEW PART 2

July 1, 2019-June 30, 2020

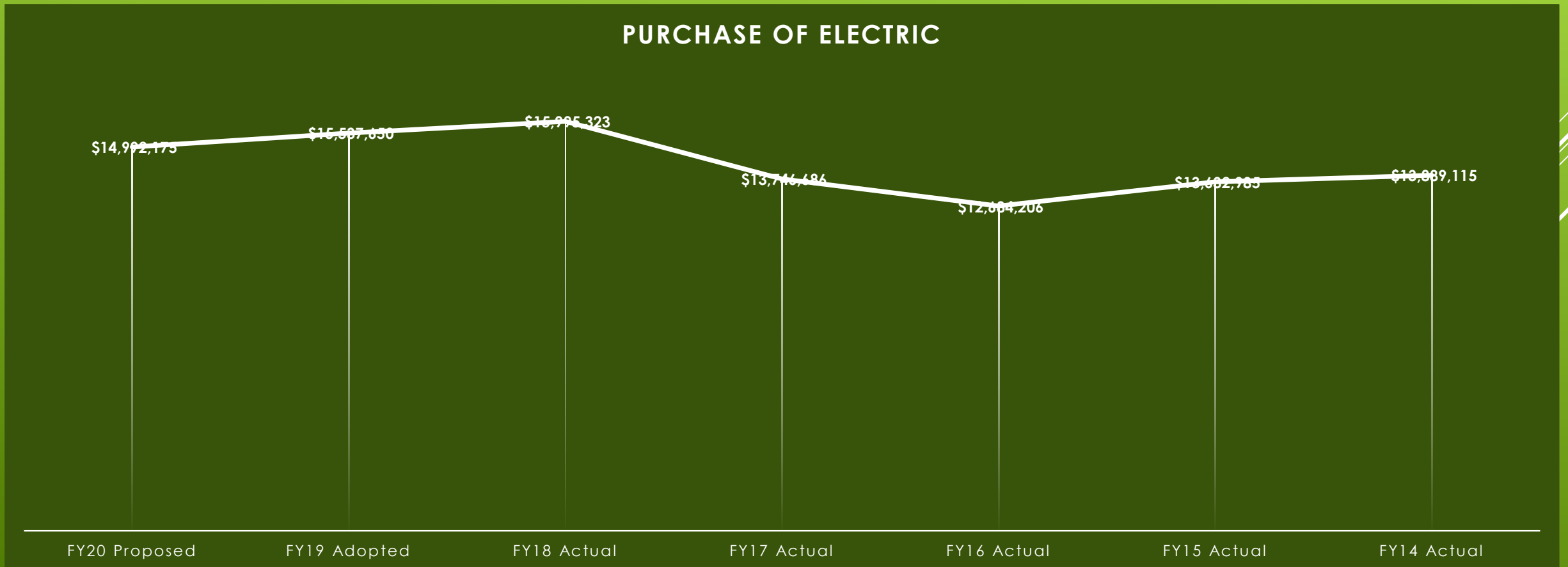
# ELECTRIC DEPARTMENT (PAGE 54)

- Overall increase of \$12,920
- Salary/Benefits increase of \$81,995 includes 2% Merit, Compensation Study Phase 2, & 6.5% insurance increase
- Operating expense decrease of \$11,600
  - Decrease of \$10,000 for Dues & Memberships
- Capital expenses increased \$487,500 includes:
  - Replace Bucket Truck#344 - \$210,000
  - Bucket Truck Internal Loan Payment (Year 4 of 6) - \$22,905
  - Reconstruction of Bio-Retention Pond - \$25,000
  - Three Phase Recloser for John Marshall Highway - \$25,000
  - Accruing funds to replace Kendrick Lane Transformer - \$142,500 (Year 2 of 6)
  - Expansion of electric service for Leach Run Parkway - \$125,000 (Multi-year Project)



# PURCHASE OF ELECTRIC

Purchase of electric including deregulation costs is budgeted to decrease \$549,975 when compared to the FY19 Budget



# METER READING - ELECTRIC

-Overall increase of \$2,170

-Salary/Benefits increase of \$1,570 includes:

-2% Merit

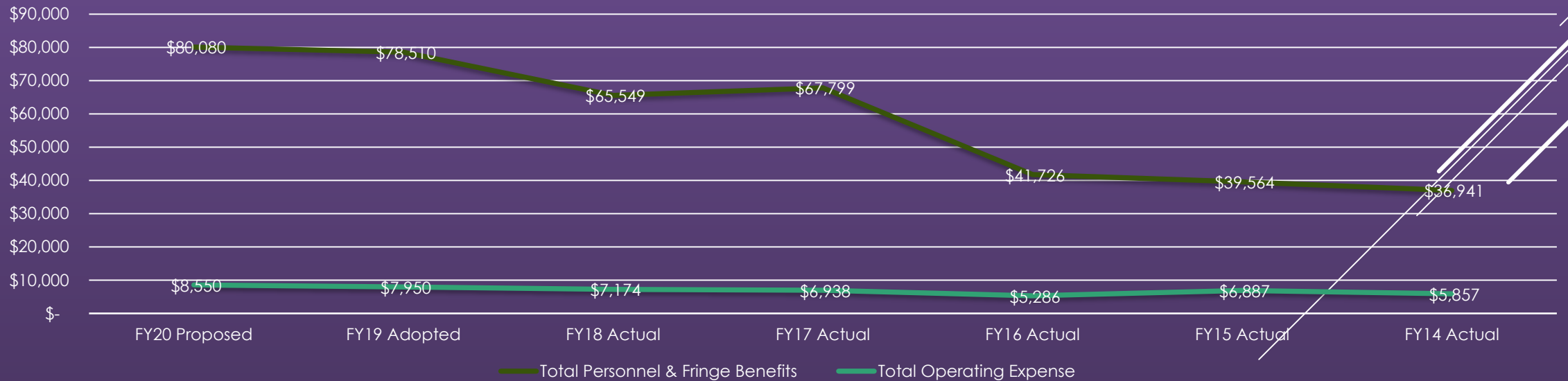
-Compensation Study Phase 2

-6.5% Insurance Increase

-Operating expense increase of \$600

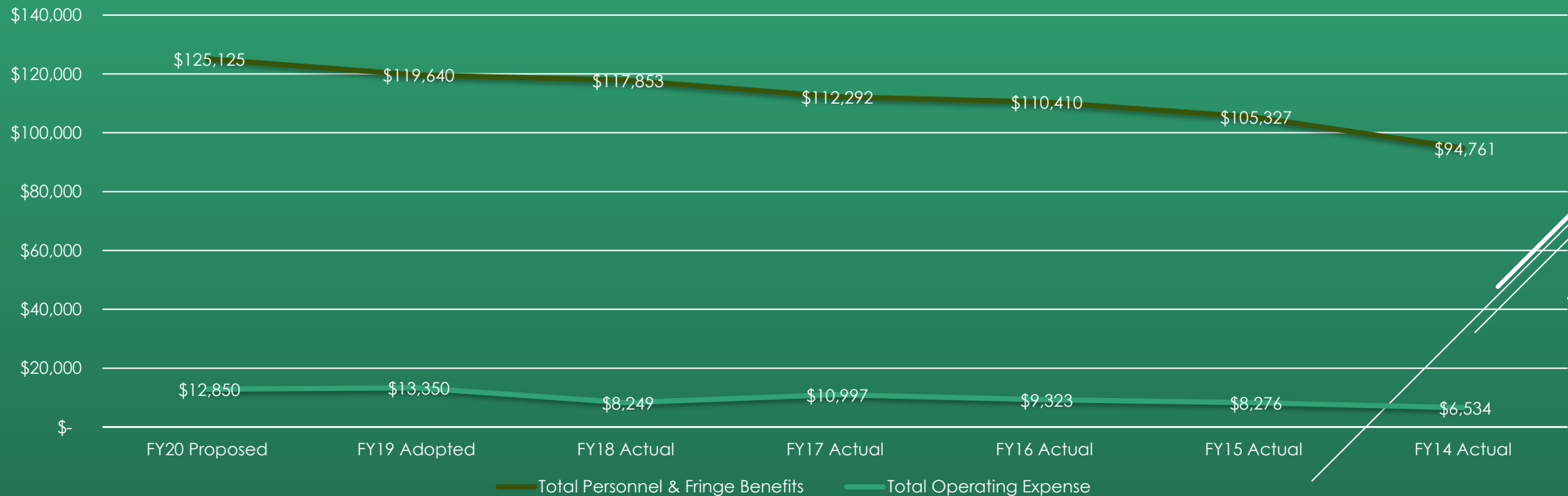
-Increase of \$300 for Maintenance Service Contracts

-Increase of \$300 for POL (Petroleum Oil & Lubricants)



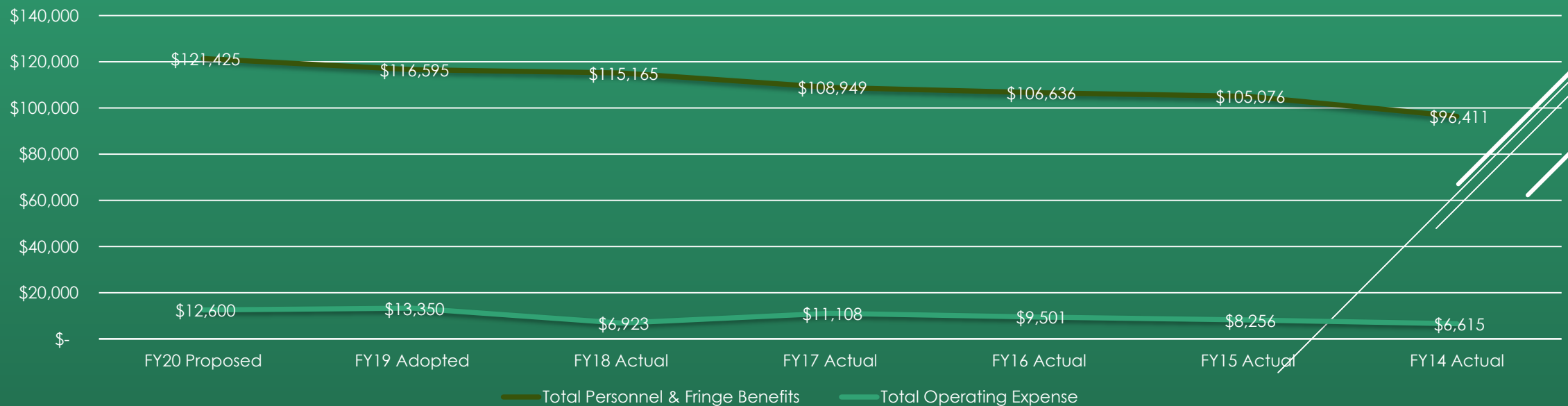
# WATER ADMINISTRATION (PAGE 62)

- Overall increase of \$4,985
- Salary/Benefit increase of \$5,485 includes 2% merit, compensation study phase 2 & insurance increase
- Operating expense decrease of \$500



# SEWER ADMINISTRATION

- Overall increase \$4,080
- Salary/Benefit increase of \$4,830 includes 2% merit, compensation study phase 2 & 6.5% insurance increase
- Operating expense decrease of \$750



# WATER PLANT

-Overall increase of \$121,155

-Salary/Benefit Increase of \$20,155 includes 2% Merit, Compensation Study Phase 2, and 6.5% Insurance Increase

-Operating expense decrease of \$14,000:

- Decrease of \$18,000 for Professional Services

  - FY19 Included \$100,000 for study/design of screens for DEQ regulations & \$18,000 for VA State Health Dept Fees

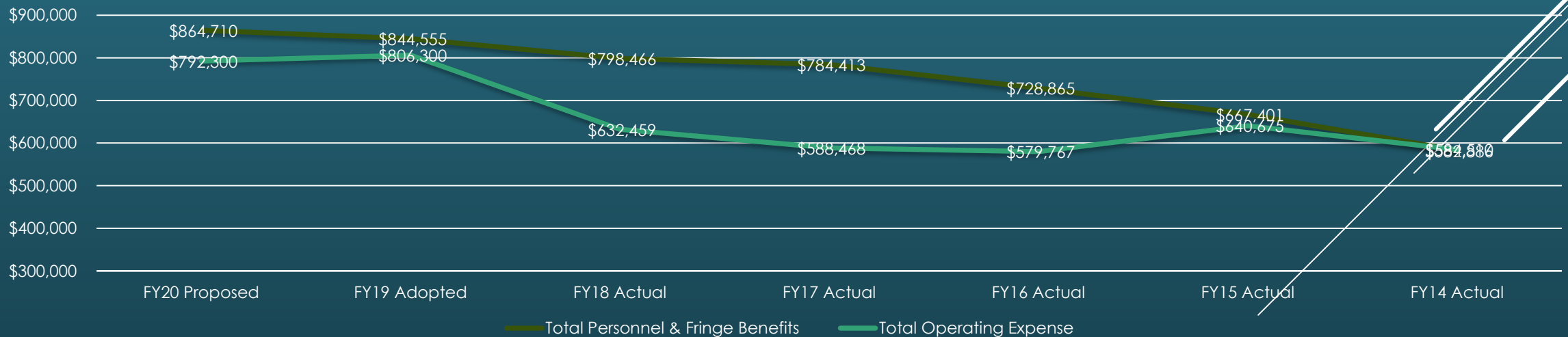
  - FY20 Includes \$50,000 for Backflow Compliance Program, \$30,000 for Clearwell Inspections, & \$20,000 for VA State Health Dept

- Created separate line item for Chemicals, previously expensed under Other Operating Expense

-Capital expense increase of \$115,000 includes:

- Accruing money for replacement of raw water pumps (Year 1 of 3) - \$75,000

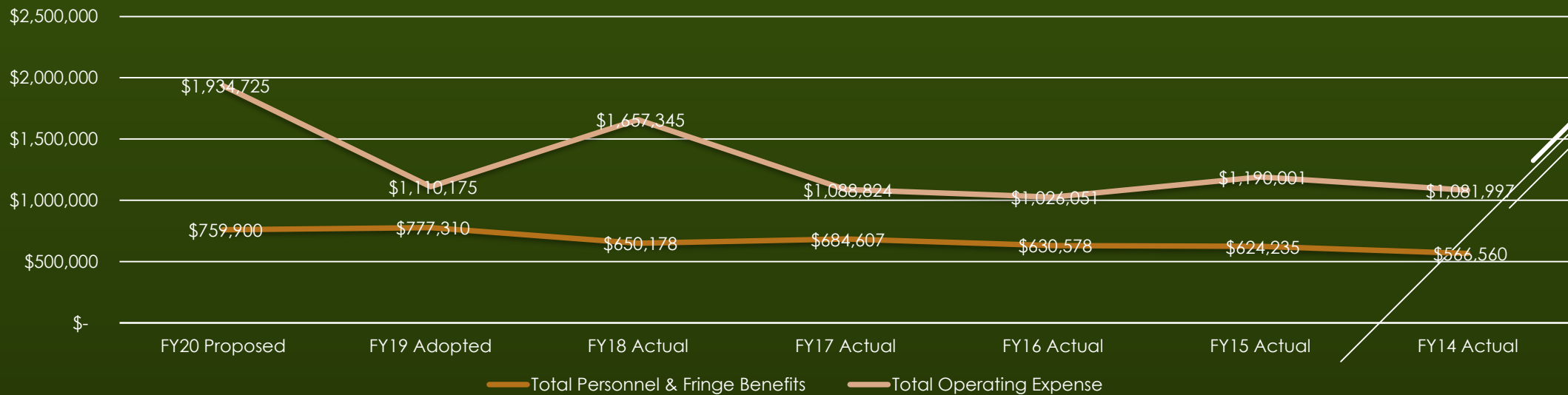
- Dezurik Pump Control Valve Replacement & Repair - \$40,000





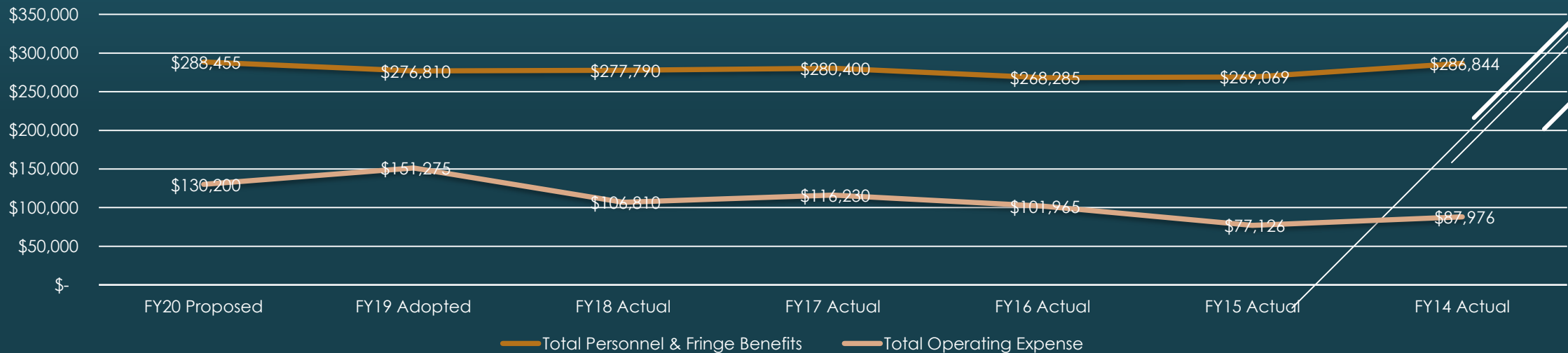
# WASTE WATER TREATMENT PLANT

- Overall increase of \$850,139
- Salary/Benefits decrease of \$17,410 due to retirement of senior employee
  - Includes 2% Merit, Compensation Study Phase 2, & 6.5% insurance increase
- Operating expense increase of \$824,550
  - Maintenance Service Contract increase of \$23,800 for maintenance on new equipment
  - Lab testing increase \$25,600 (Kits for testing are more expensive)
  - Electrical Service increase \$90,000 (Rate Increase & full operation of new plant)
  - Chemicals placed under separate line item – increase of \$685,000
- Capital expenses increased \$43,000 includes:
  - Equalization Basin Blowers - \$70,000
  - Purchase of Fork Truck - \$33,000



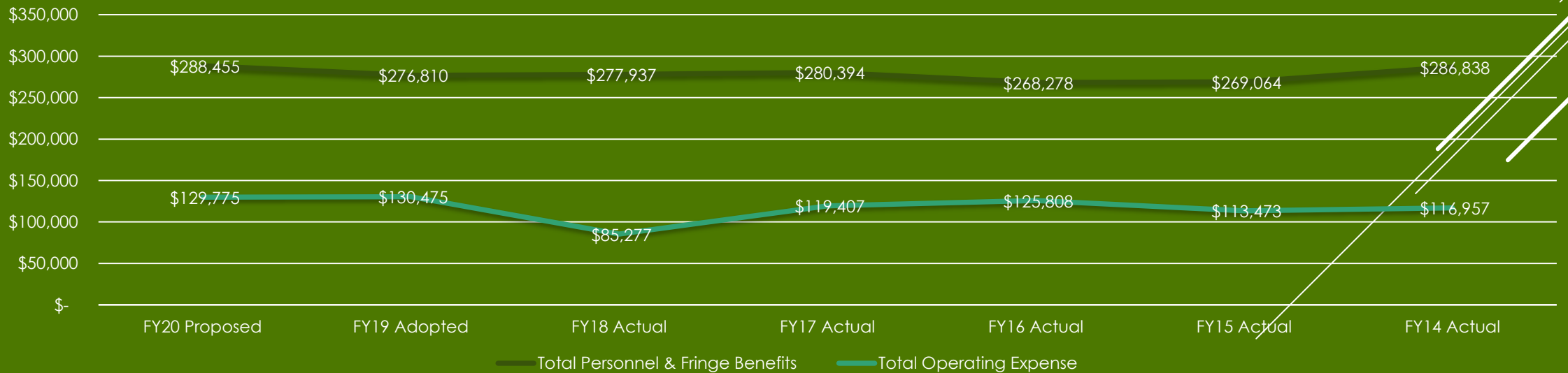
# WATER LINE MAINTENANCE

- Overall increase \$61,570
- Salary/Benefit increase of \$11,645 includes 2% merit, compensation study phase 2 & 6.5% insurance
- Operating expense decrease of \$21,075
  - Professional Services decrease by \$20,000 for leak detection
- Capital expense decrease of \$129,500 and includes:
  - Replace Valve Turning Machine - \$50,000
  - Dump Trailer - \$5,000 (Split with sewer line maintenance, total cost of \$10,000)
  - Jack Hammer for Backhoe - \$11,500 (Split with sewer line maintenance, total cost of \$23,000)
  - Message Board - \$7,500 (Split with sewer line maintenance, total cost of \$15,000)
  - Waterline upgrades \$537,000 which includes waterlines to correspond with paving plan
  - Capital Inventory - \$255,000



# SEWER MAINTENANCE

- Overall decrease \$48,055
- Salary/Benefit increase of \$11,645 includes 2% merit, compensation study phase 2 & 6.5% insurance
- Operating expense decrease of \$700
  - Furniture & fixtures decreased by \$700
- Capital expenses decrease \$59,000; includes:
  - Dump Trailer - \$5,000 (Split with sewer line maintenance, total cost of \$10,000)
  - Jack Hammer for Backhoe - \$11,500 (Split with sewer line maintenance, total cost of \$23,000)
  - Message Board - \$7,500 (Split with sewer line maintenance, total cost of \$15,000)
  - Capital Sewer Inventory - \$25,000
  - I & I Abatement - \$462,000



# METER READING - WATER

-Overall increase of \$41,696

-Salary/Benefits increase of \$1,570 includes:

-2% Merit

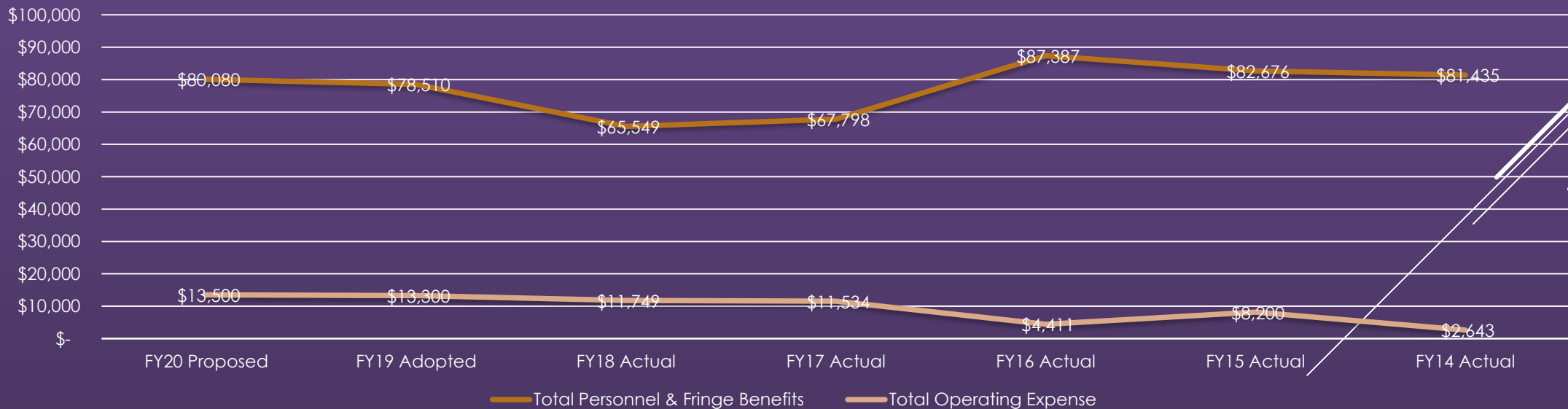
-Compensation Study Phase 2

-6.5% Insurance Increase

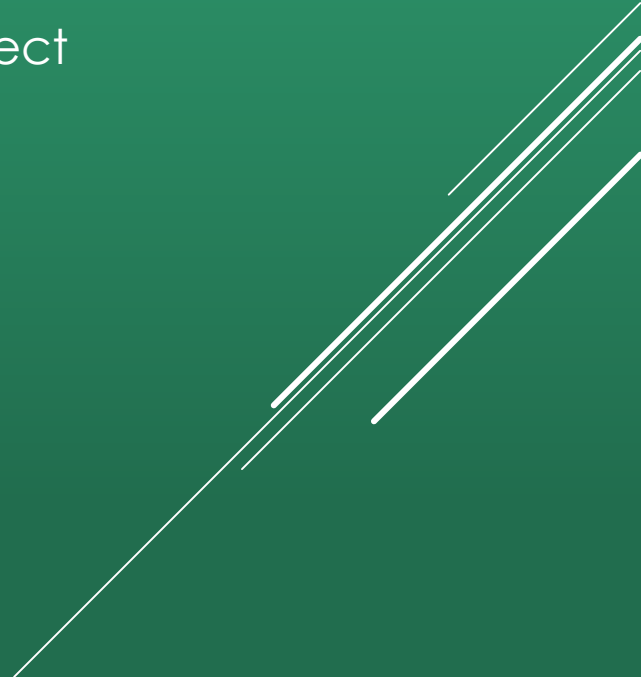
-Operating Expense increase \$200

-Capital Expense increase of \$40,000 includes:

-AMI Radio Water Meters - \$460,000 [Final Year of Funding for Project]



# WATER & SEWER DEBT SERVICE

- Sewer debt service increased \$1,805
  - Water debt service increased \$12,555
    - Debt service can vary based on sequestration & federal subsidies
  - FY20 Includes \$103,500 in water enterprise for possible debt service on the Water Loop Project
    - FY18 & FY19 included \$103,500 which will be carried forward for the project
    - Water Loop Project Prior year funds = \$206,000
    - FY20 Funds = \$103,000
    - Total Funds upon approval of FY20 Budget - \$309,000
- 

# SOLID WASTE

- Overall decrease of \$10,970
- Salary/Benefit increase \$10,405 includes 2% merit & 6.5% increase insurance
- Operating expense decrease of \$41,950
  - Professional Service line item removed \$25,000 previously budget to outsource tub-grinding, now kept in-house
  - Decreased expense for Warren County tipping fees due to less commercial customers - \$5,000
  - Decreased auto-maintenance by \$15,000
  - Reinstated line item for tub grinder maintenance - \$7,000
- Capital expense increase of \$10,575 includes:
  - Payment for internal loan to water fund for purchase of refuse truck - \$34,885 (Payment 3 of 4)
  - Payment for external loan for purchase of refuse truck - \$39,240 (Payment 2 of 5)
  - Replace recycle trailer#695 - \$48,000
  - Dumpster enclosure for Peyton Street Parking Lot - \$8,000

