

CITY OF LAKE ELMO, MN COST OF SERVICE STUDY FOR WATER, SANITARY SEWER, AND STORM WATER FUNDS 2016 REPORT JUNE 10, 2016

PREPARED BY:



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June 10, 2016

Kristina Handt City Administrator

Cathy Bendel Finance Director

Lake Elmo City Hall 3800 Laverne Ave N. Lake Elmo, MN 55042

Re: Cost of Service Study for City Utility Funds

TKDA Project No. 16102.000

Dear Kristina and Cathy:

TKDA is pleased to present the City of Lake Elmo with a cost of service study for the City's Utility Funds to be part of an overall Financial Management Plan for said funds. TKDA was hired to analyze and present a 10 year cost of service projection for the three utility funds. The analysis and report includes a cost analysis of past costs and a projection for each, added staffing, and some capital investments for the existing system. Also included were a recommendation for a work order system, a change in some depreciation schedules, and a recommendation to use a higher projected rate of inflation for the utilities rather than 2%.

We appreciate the opportunity to provide service to the City of Lake Elmo.

Sincerely,

Bernie Bullert Senior Water/Wastewater Engineer

Lake Elmo Cost of Service Study

TKDA was tasked with doing a cost of service study for the water, sanitary sewer, and storm sewer utilities. The projected 10 year costs of operations will be used to project utility rates going forward for the next 10 year period with adjustments annually based on actual costs over time. A three year actual cost history was used, although the sanitary and storm system are small and changing in size rapidly, therefore the cost history was not as relevant.

This report highlights all the assumptions put into the model in order to bring the cost of operations forward over the next 10 year period. The assumptions are as follows:

- 1. a) Expenses are coded in two different ways. Supplies and other charges are directly coded to the appropriate utility fund. Labor charges are prorated by staff as the percentage of their time spent working on each utility and are subject to change.
 - b) Some of the citywide overhead is not charged to the utilities but is paid through general tax revenue. These include city clerk time, city council costs, attorney costs, building costs, and equipment cost. This may be noticeable to the customers who have well and septic systems as they are funding some utility costs through the general tax revenue.
 - c) In order to charge costs accurately, a work order system should be implemented and an overhead rate could be determined and charged as a percentage of the budget to each utility in order to reimburse the general tax revenue.
 - d) Depreciation schedules looked appropriate except for water distribution pipe which was scheduled at 30 to 33 years. The normal industry practices depreciate water distribution pipe over 75 years.
- 2. a) The inflation rate generally used by Lake Elmo is 2%. It was not revised for this study. However, utilities usually experience inflation in the range of 3 to 3.5%. We would recommend the City use a higher inflation rate for this utility rate study.
 - b) The water system growth in system miles over the next 10 years is projected at 5% per year.
 - c) The sanitary system growth in system miles over the next 10 years is projected at 50% per year.
 - d) The storm system growth in system miles over the next 10 years is projected at 7% per year.
 - e) Maintenance costs are generally related to pipe length and volume but greater emphases is placed on the length of pipe. Therefore costs for a new system are expected to increase as the length of the new system expands.
 - f) For purposes of future expenses, we used 5% for water plus inflation, 30% for sanitary plus inflation, and 7% for storm plus inflation. The sanitary number was reduced from 50% to 30% to maintain a more proper balance in the budget numbers for water and sanitary operational costs.
- a) Staff does not code labor time or equipment time to jobs however, materials are charged directly to the correct utility. A work order system will help correctly track all costs to the correct utility.b) Not all preventative maintenance on the utility systems is currently being done. For example, the hydrant flushing program is incomplete and there is no valve operating program on the water system.

- c) The utility staffing level of three staff members for 2016 is low when compared to other utilities and we have increased it to 3.5 for 2017. This should allow for additional preventative maintenance.
- d) Staffing added over the next 10 years is as follows:
- 1. ½ laborer added in 2017, .2FTE water, .2FTE sanitary, .1FTE storm
- 2. ½ laborer added in 2019, .2FTE water, .2FTE sanitary, .1FTE storm
- 3. ½ laborer added in 2022, .2FTE water, .2FTE sanitary, .FTE storm
- 4. ½ laborer added in 2025, .2 FTE water, .2 FTE sanitary, .1FTE storm
- 5. ½ billing clerk added in 2018; 40% water, 25% sanitary, 35% storm
- 6. ½ billing clerk added in 2022; 40% water, 25% sanitary, 35% storm
- 7. ½ billing clerk added in 2025; 40% water, 25% sanitary, 35% storm
- e) Another ½ FTE laborer should to be added to streets based on increased street miles. That is a suggestion but was not part of this study. A new billing system is needed and the efficiencies gained with a new system will affect the hiring of clerical staff. The billing clerk was re-proportioned for 2017 and going forward to the three utilities based on staff recommendations. Postage and software support were also re-proportioned to the three utilities based on staff experience. Based on a previous staffing study of east metro suburbs completed for White Bear Township by TKDA, the average staffing level for four similar cities was 13 staff in Public Works based on your 2025 projected population. The additions recommended here bring utility staffing to 12. It should be able to be slightly smaller as Lake Elmo's systems will be new relative to other suburbs.
- 4. Other operational expense adjustments were made as follows:
 - a) \$25,000 in meters was added for 2017 and 2018 to replace old water meters that should be replaced. The balance of water meter costs is for meters for new buildings and other maintenance replacements.
 - b) Water purchased from Oakdale is discontinued from the projections as Lake Elmo will end the purchase in 2017.
 - c) Software support was increased across the three utilities to implement a new billing system shown in the capital projects.
 - d) Insurance costs were increased for the three utilities as they expand. This insurance would be purchased from the League of Cities.
 - e) The Metropolitan Council Wastewater Treatment expenses are based on projected flows. The numbers were shifted two years because MCES uses actual flows from the last complete year to project their next year's bill. Therefore the 2017 charges are based on the 2015 flows.

The new operating cost projections for the next 10 year period should be a reasonable estimate of costs. Each year after the annual accounting is complete, the costs should be compared to the projection and the next budget cycle adjusted accordingly to align with actual costs.

City of Lake Elmo

Budget 2016 Account Number	Description	2013 Actual	2014 Actual	2015 Budget	Projected Actual	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected
WATER	Inflation Growth Percent Total Increase (percent)							2% 5% 7%	2% 5% 7%	2% 5% 7%	2% 5% 7%	2% 5% 7%	2% 5% 7%	2% 5% 7%	2% 5% 7%	2% 5% 7%
	Operating Revenues															
	Special Assessments Refunds and Reimbursements	\$34,403 \$0	\$116,409 \$0	\$158,547 \$0	\$163,405 \$0	\$158,547 \$0										
601-000-0000-37100 601-000-0000-37120 601-000-0000-37170	Bulk Water	\$536,438 \$2,843 \$10,634	\$383,268 \$2,834 \$10,150	\$503,018 \$2,000 \$15,000	\$442,428 \$1,241 \$55,435	\$725,000 \$2,500 \$32,000										
	Total Operating Revenues	\$584,317	\$512,661	\$678,565	\$662,509	\$918,047										
	Operating Expenses															
Personnel Services																
601-494-9400-41300 601-494-9400-41420	PERA Contributions FICA Contributions Medicare Contributions Health/Dental Insurance Unemployment Benefits	\$78,073 \$5,609 \$4,619 \$1,080 \$15,241 \$0	\$78,893 \$5,686 \$4,757 \$1,114 \$17,836 \$0	\$140,000 \$10,000 \$8,000 \$1,600 \$14,400 \$0	\$91,718 \$6,707 \$5,498 \$1,286 \$15,653 \$0	\$140,000 \$10,500 \$8,750 \$2,030 \$17,609 \$0	\$144,184 \$10,814 \$9,012 \$2,091 \$28,837 \$0	\$156,640 \$11,748 \$9,790 \$2,271 \$31,328 \$0	\$168,686 \$12,651 \$10,543 \$2,446 \$33,737 \$0	\$172,060 \$12,905 \$10,754 \$2,495 \$34,412 \$0	\$175,501 \$13,163 \$10,969 \$2,545 \$35,100 \$0	\$198,832 \$14,912 \$12,427 \$2,883 \$39,766 \$0	\$202,809 \$15,211 \$12,676 \$2,941 \$40,562 \$0	\$206,865 \$15,515 \$12,929 \$3,000 \$41,373 \$0	\$232,037 \$17,403 \$14,502 \$3,365 \$46,407 \$0	\$236,677 \$17,751 \$14,792 \$3,432 \$47,335 \$0
Fotal Personnel Servi	Workers Compensation	\$1,067 \$105,689	\$3,155 \$111,440	\$4,000 \$178,000	\$2,072 \$122,933	\$4,000 \$182,889	\$5,767 \$200,704	\$6,266 \$218,042	\$6,747 \$234,812	\$6,882 \$239,508	\$7,020 \$244,298	\$7,953 \$276,775	\$8,112 \$282,310	\$8,275 \$287,956	\$9,281 \$322,995	\$9,467 \$329,455
Supplies		\$105,069	\$111, 44 0	\$176,000	\$122,933	\$102,009	\$200,704	φ210,042	φ234,612	φ239,306	φ244,296	φ210,113	φ202,310	φ201,930	φ322,993	φ329,433
601-494-9400-42000 601-494-9400-42030 601-494-9400-42160 601-494-9400-42270 601-494-9400-42300	Printed Forms	\$691 \$0 \$13,932 \$1,088 \$18,716 \$5,893	\$360 \$375 \$10,713 \$5,282 \$21,242 \$2,223	\$500 \$1,000 \$13,000 \$3,500 \$50,000 \$5,500	\$1,933 \$239 \$1,473 \$25,257 \$82,343 \$5,016	\$500 \$750 \$13,000 \$11,500 \$50,000 \$3,500	\$700 \$750 \$13,000 \$25,000 \$85,000	\$749 \$803 \$13,910 \$26,750 \$90,950 \$5,350	\$859	\$858 \$919 \$15,926 \$30,626 \$73,503 \$6,125	\$918 \$983 \$17,040 \$32,770 \$78,648 \$6,554	\$982 \$1,052 \$18,233 \$35,064 \$84,153 \$7,013	\$1,051 \$1,126 \$19,509 \$37,518 \$90,044 \$7,504	\$1,124 \$1,204 \$20,875 \$40,145 \$96,347 \$8,029	\$1,203 \$1,289 \$22,336 \$42,955 \$103,091 \$8,591	\$1,287 \$1,379 \$23,900 \$45,961 \$110,308 \$9,192
Total Supplies	_	\$40,320	\$40,195	\$73,500	\$116,263	\$79,250	\$129,450	\$138,512	\$119,585	\$127,956	\$136,913	\$146,497	\$156,751	\$167,724	\$179,465	\$192,027
Other Services and C	harges															
	Engineering Services Eng Svcs-Water Syst Master Plan Legal Services	\$108,430 \$0 \$4,662	\$29,614 \$0 \$179	\$100,000 \$30,000 \$5,000	\$14,725 \$0 \$388	\$50,000 \$30,000 \$5,000	\$20,000 \$0 \$5,000	\$21,400 \$0 \$5,350	\$22,898 \$0 \$5,725	\$24,501 \$0 \$6,125	\$26,216 \$0 \$6,554	\$28,051 \$0 \$7,013	\$30,015 \$0 \$7,504	\$32,116 \$0 \$8,029	\$34,364 \$0 \$8,591	\$36,769 \$0 \$9,192
601-494-9400-43150 601-494-9400-43180 601-494-9400-43210 601-494-9400-43220 601-494-9400-43320 601-494-9400-43610 601-494-9400-43810	Software Support Telephone Postage Depreciation Expense Insurance	\$884 \$855 \$550 \$2,500 \$317,759 \$6,408 \$27,063	\$9,674 \$17,541 \$523 \$1,506 \$416,864 \$5,432 \$21,008	\$10,000 \$3,200 \$600 \$3,000 \$375,000 \$9,000 \$27,000	\$16,305 \$4,774 \$775 \$2,500 \$318,805 \$6,799 \$33,410	\$13,500 \$3,200 \$600 \$3,000 \$450,000 \$9,500 \$27,000	\$14,000 \$9,600 \$800 \$1,880 \$10,000 \$30,000	\$14,980 \$9,792 \$856 \$2,012 \$0 \$10,700 \$32,100	\$16,029 \$9,988 \$916 \$2,152 \$0 \$11,449 \$34,347	\$17,151 \$10,188 \$980 \$2,303 \$0 \$12,250 \$36,751	\$18,351 \$10,391 \$1,049 \$2,464 \$0 \$13,108 \$39,324	\$19,636 \$10,599 \$1,122 \$2,637 \$0 \$14,026 \$42,077	\$21,010 \$10,811 \$1,201 \$2,821 \$0 \$15,007 \$45,022	\$22,481 \$11,027 \$1,285 \$3,019 \$0 \$16,058 \$48,173	\$24,055 \$11,248 \$1,375 \$3,230 \$0 \$17,182 \$51,546	\$25,738 \$11,473 \$1,471 \$3,456 \$0 \$18,385 \$55,154
601-494-9400-43820		\$94,457	\$81,096	\$100,000	\$107,029	\$40,000	\$50,000									
601-494-9400-44300	Conferences & Training	\$0 \$13,376 \$1,623 \$3,264 \$1,921	\$0 \$29,791 \$1,245 \$1,468 \$445	\$12,000 \$32,000 \$4,000 \$1,500 \$425	\$0 \$7,116 \$188 \$460 \$694	\$0 \$10,000 \$4,000 \$1,500 \$425	\$10,000 \$2,000 \$1,500 \$800	\$0 \$10,700 \$2,140 \$1,605 \$856	\$2,290	\$0 \$12,250 \$2,450 \$1,838 \$980	\$0 \$13,108 \$2,622 \$1,966 \$1,049	\$0 \$14,026 \$2,805 \$2,104 \$1,122	\$0 \$15,007 \$3,001 \$2,251 \$1,201	\$0 \$16,058 \$3,212 \$2,409 \$1,285	\$0 \$17,182 \$3,436 \$2,577 \$1,375	\$0 \$18,385 \$3,677 \$2,758 \$1,471
Total Other Services	and Charges	\$583,752	\$616,387	\$712,725	\$513,967	\$647,725	\$155,580	\$112,491	\$119,875	\$127,767	\$136,202	\$145,216	\$154,851	\$165,150	\$176,159	\$187,928
	Total Operating Expenses	\$729,761	\$768,022	\$964,225	\$753,163	\$909,864	\$485,734	\$469,045	\$474,272	\$495,231	\$517,412	\$568,487	\$593,913	\$620,831	\$678,619	\$709,410
	Operating Income (Loss)	(\$145,444)	(\$255,361)	(\$285,660)	(\$90,654)	\$8,183										
	Nonoperating Revenues															
601-000-0000-33419 601-000-0000-36231 601-000-0000-36232 601-000-0000-37xxx	Contrib. of Capital Assets Developer Contributions Water Availability Charges Water Connections - Municipal Tower Rent	\$2,586 \$0 \$0 \$0 \$0 \$106,900 \$46,506 \$0	\$16,668 \$771,641 \$0 \$0 \$797,400 \$50,500 \$46,935 \$0	\$7,000 \$0 \$0 \$0 \$1,029,000 \$205,000 \$46,000	\$26,925 \$0 \$0 \$0 \$1,237,500 \$66,000 \$49,742 \$0	\$18,000 \$0 \$0 \$0 \$775,000 \$117,500 \$46,000										
	Total Nonoperating Revenues	\$155,992	\$1,683,144 24	\$1,287,000 0	\$1,380,166	\$956,500										
	Nonoperating Expenses		17 30 0	132 0 0	10 130 5 2	0 140 0										
601-494-9400-46110 601-494-9400-46xxx	Bonding Costs	\$189,130	\$306,888	\$270,481	\$368,465	\$289,781										
o 1-494-9400-46300	Deferred Charges Amort.	\$0 \$180 130	\$306.888	\$270.481	\$368.465	\$280 781										
	Total Nonoperating Expenses Change in Net Assets	\$189,130 (\$178,581)	\$306,888 \$1,120,895	\$270,481 \$730,859	\$368,465 \$921,047	\$289,781 \$674,902										
	Change in Net Assets	(ψ170,301)	ψ1,120,030	ψ <i>ι</i> υυ,ουσ	ψ3 <u>∠</u> 1,U4 <i>1</i>	Ψ014,302										

Account Number	•	2013 Actual	2014 Actual	2015 Budget	2015 Projected Actual	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected
SEWER	Inflation Growth Percent Total Increase (percent) Operating Revenues							2% 30% 32%	2% 30% 32%	2% 30% 32%	2% 30% 32%	2% 30% 32%	2% 30% 32%	2% 30% 32%	2% 30% 32%	2% 30% 32%
602-000-0000-36100	0 Special Assessments	\$0	\$0	\$1,000	\$0	\$1,000										
602-000-0000-36100 602-000-0000-37200	O Special Assessments-100% Proj O Sewer Sales	\$0 \$53,142	\$155,481 \$46,547	\$99,884 \$100,000	\$99,000 \$61,920	\$99,884 \$75,000										
	Total Operating Revenues	\$53,142	\$202,028	\$200,884	\$160,920	\$175,884										
Personnel Services	Operating Expenses	2.3%														
602-495-9450-4122(602-495-9450-4123(602-495-9450-4130(602-495-9450-4142(602-495-9450-4151(O PERA Contributions FICA Contributions Medicare Contributions Health/Dental Insurance Unemployment Benefits Workers Compensation	19% \$34,216 \$2,481 \$2,022 \$473 \$6,567 \$0 \$800	\$33,585 \$2,472 \$2,034 \$477 \$6,984 \$0 \$1,484	\$41,981 \$3,044 \$2,603 \$609 \$8,730 \$0 \$1,855	\$37,638 \$2,689 \$2,254 \$527 \$6,138 \$0 \$1,392	\$47,047 \$3,411 \$2,917 \$682 \$7,672 \$0 \$1,740	\$65,606 \$4,756 \$4,068 \$951 \$13,121 \$0 \$2,624	\$72,900 \$5,285 \$4,520 \$1,057 \$14,580 \$0 \$2,916	\$83,272 \$6,037 \$5,163 \$1,207 \$16,654 \$0 \$3,331	\$84,938 \$6,158 \$5,266 \$1,232 \$16,988 \$0 \$3,398	\$86,636 \$6,281 \$5,371 \$1,256 \$17,327 \$0 \$3,465	\$104,304 \$7,562 \$6,467 \$1,512 \$20,861 \$0 \$4,172	\$106,390 \$7,713 \$6,596 \$1,543 \$21,278 \$0 \$4,256	\$108,518 \$7,868 \$6,728 \$1,574 \$21,704 \$0 \$4,341	\$127,599 \$9,251 \$7,911 \$1,850 \$25,520 \$0 \$5,104	\$130,151 \$9,436 \$8,069 \$1,887 \$26,030 \$0 \$5,206
Total Personnel Ser	vices	\$46,558	\$47,036	\$58,821	\$50,637	\$63,469	\$91,127	\$101,258	\$115,665	\$117,978	\$120,338	\$144,878	\$147,776	\$150,731	\$177,235	\$180,780
	O Utility System Maint Supplies O Small Tools & Minor Equipment	\$0 \$0	\$858 \$117	\$1,000 \$500	\$1,910 \$200	\$1,000 \$500	\$1,000 \$500	\$1,320 \$660	\$1,742 \$871	\$2,300 \$1,150	\$3,036 \$1,518	\$4,007 \$2,004	\$5,290 \$2,645	\$6,983 \$3,491	\$9,217 \$4,609	\$12,166 \$6,083
Total Supplies	_	\$0	\$975	\$1,500	\$2,110	\$1,500	\$1,500	\$1,980	\$2,614	\$3,450	\$4,554	\$6,011	\$7,935	\$10,474	\$13,826	\$18,250
Other Services and	Engineering Services Inflation and							40/	4%	4%	4%	4%	4%	4%	4%	49/
602-495-9450-43030	Growth 10 Engineering Services	\$40,802	\$17,408	\$20,000	\$14,291	\$20,000	\$20,000	4% \$20,800	\$21,632	\$22,497	\$23,397	\$24,333	\$25,306	\$26,319	\$27,371	4% \$28,466
602-495-9450-43030	0 Eng Svs Sewer Syst Master Plannii	\$0	\$0	\$10,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
602-495-9450-4315(602-495-9450-4321(602-495-9450-4331(0 Telephone	\$15,344 \$1,572 \$0	\$1,875 \$1,184 \$0	\$9,500 \$1,500 \$100	\$3,085 \$992 \$0	\$9,500 \$1,500 \$100	\$5,000 \$1,500 \$100 \$6,000 \$1,175	\$6,600 \$1,980 \$132 \$6,120 \$1,551	\$8,712 \$2,614 \$174 \$6,242 \$2,047	\$11,500 \$3,450 \$230 \$6,367 \$2,702	\$15,180 \$4,554 \$304 \$6,495 \$3,567	\$20,037 \$6,011 \$401 \$6,624 \$4,709	\$26,449 \$7,935 \$529 \$6,757 \$6,216	\$34,913 \$10,474 \$698 \$6,892 \$8,205	\$46,085 \$13,826 \$922 \$7,030 \$10,830	\$60,832 \$18,250 \$1,217 \$7,171 \$14,296
602-495-9450-43610 602-495-9450-43810 602-495-9450-43820 602-495-9450-44030		\$8,740 \$115 \$1,088 \$14,912 \$13,018 \$0	\$11,815 \$120 \$3,343 \$18,546 \$837 \$0	\$84,200 \$2,000 \$1,500 \$16,500 \$1,000 \$300	\$8,740 \$185 \$4,621 \$17,592 \$1,131 \$0	\$84,200 \$2,000 \$1,500 \$16,500 \$1,000 \$300	\$2,000 \$5,000 \$44,514 \$1,200 \$300	\$0 \$2,640 \$6,600 \$71,172 \$1,584 \$396	\$0 \$3,485 \$8,712 \$97,830 \$2,091 \$523	\$0 \$4,600 \$11,500 \$163,565 \$2,760 \$690	\$0 \$6,072 \$15,180 \$228,532 \$3,643 \$911	\$0 \$8,015 \$20,037 \$292,960 \$4,809 \$1,202	\$0 \$10,580 \$26,449 \$353,912 \$6,348 \$1,587	\$0 \$13,965 \$34,913 \$416,347 \$8,379 \$2,095	\$0 \$18,434 \$46,085 \$481,025 \$11,060 \$2,765	\$0 \$24,333 \$60,832 \$543,076 \$14,600 \$3,650
602-495-9450-44370	0 Conferences & Training	\$0	\$572	\$1,500	\$23	\$1,500	\$1,500	\$1,980	\$2,614	\$3,450	\$4,554	\$6,011	\$7,935	\$10,474	\$13,826	\$18,250
Total Other Services	s and Charges	\$95,590	\$55,700	\$148,100	\$50,660	\$148,100	\$88,289	\$121,555	\$156,675	\$233,312	\$312,387	\$395,150	\$480,003	\$573,674	\$679,259	\$794,972
	Total Operating Expenses Operating Income (Loss) Nonoperating Revenues	\$142,148 (\$89,006)	\$103,711 \$98,317	\$208,421 (\$7,537)	\$103,407 \$57,513	\$213,069 (\$37,185)	\$180,916	\$224,793	\$274,954	\$354,740	\$437,279	\$546,040	\$635,713	\$734,879	\$870,320	\$994,002
	Interest on Investments Lateral Benefit Fees Sewer Availability Fees	\$9,395	\$1,430 \$2,900 \$693,000	\$100 \$29,000 \$1,206,000	\$9,929 \$2,900 \$1,394,920	\$5,000 \$14,500 \$590,000										
602-000-0000-37260	O Connection Fees Municipal Total Nonoperating Revenues	\$0 \$9,395	\$17,000 \$714,330	\$180,000 \$1,415,100	\$63,000 \$1,470,749	\$140,000 \$749,500										
	Nonoperating Expenses	ф9,393	24 17 30 0	0 132 0 0	10 130 5 2	0 140										
602-495-9450-46110	0 Bond Interest	\$0	\$116,403	\$135,372	\$134,613	0 \$105,469										
	Total Nonoperating Expenses	\$0	\$116,403	\$135,372	\$134,613	\$105,469										
	Change in Net Assets	(\$79,611)	\$696,244	\$1,272,191	\$1,393,649	\$606,846										
USE OF NE	ET ASSETS TO BALANCE BUDGET	\$79,611	\$0	\$0	\$0	\$0										

Change in Net Assets

Account Number Description	2013 Actual	2014 Actual	2015 Budget	2015 Projected Actual	2016 Budget	2015 to 2016 Change	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	•	2025 Projected	2026 Projected	
Inflation Growth Percent SURFACE WATER Total Increase (percent)								2% 7% 9%									
SURFACE WATER Total Increase (percent) Operating Revenues								970	970	976	976	976	976	970	976	970	
603-000-0000-36100 Special Assessment Revenue 603-000-0000-36200 Miscellaneous Revenue	\$20,168 \$0	\$837 \$0	\$5,000 \$0	\$0 \$10,125	\$5,000 \$0	100.0% 0.0%											tively bill all delinquencies each year V permit review fee (new 1/1/15)
603-000-0000-37100 Surface Water Utility Sales	\$191,087	\$214,915	\$215,000	\$220,956	\$221,500	0.2%										31	v permit review lee (new 1/1/13)
Total Operating Revenues	\$211,255	\$215,752	\$220,000	\$231,081	\$226,500	2.0%											
Operating Expenses																	
Personnel Services																	
603-496-9500-41010 Full-time Salaries 603-496-9500-41210 PERA Contributions	\$34,681 \$2,514	\$31,708 \$2,290	\$34,879 \$2,519	\$23,522 \$1,697	\$25,874 \$1,867	-10.0% -10.0%	\$36,630 \$2,656	\$45,738 \$3,316	\$51,109 \$3,705	\$52,132 \$3,780	\$53,174 \$3,855	\$68,034 \$4,932	\$69,394 \$5,031	\$70,782 \$5,132	\$86,837 \$6,296	\$88,574 \$6,422	
603-496-9500-41220 FICA Contributions	\$2,028	\$1,857	\$2,042	\$1,378	\$1,515	-10.0%	\$2,271	\$2,836	\$3,169	\$3,232	\$3,297	\$4,218	\$4,302	\$4,388	\$5,384	\$5,492	
603-496-9500-41230 Medicare Contributions 603-496-9500-41300 Health/Dental Insurance	\$474 \$6,942	\$436 \$7,641	\$479 \$8,405	\$322 \$7,165	\$355 \$7,882	-10.0% -10.0%	\$531 \$7,326	\$663 \$9,148	\$741 \$10,222	\$756 \$10,426	\$771 \$10,635	\$986 \$13,607	\$1,006 \$13,879	\$1,026 \$14,156	\$1,259 \$17,367	\$1,284 \$17,715	
603-496-9500-41420 Unemployment Benefits	\$0 \$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$1	\$2	\$3	\$4	\$5	\$6	\$7	\$8	\$9	
603-496-9500-41510 Workers' Compensation	\$848	\$1,312	\$1,443	\$221	\$243	-10.0%	\$1,465	\$1,830	\$2,044	\$2,085	\$2,127	\$2,721	\$2,776	\$2,831	\$3,473	\$3,543	
Total Personnel Services	\$47,486	\$45,243	\$49,767	\$34,304	\$37,735	-10.0%	\$50,879	\$63,531	\$70,993	\$72,414	\$73,863	\$94,504	\$96,395	\$98,323	\$120,624	\$123,038	
Supplies																	
603-496-9500-42000 Office Supplies 603-496-9500-42270 Utility System Maint Supplies	\$238 \$0	\$375 \$411	\$200 \$500	\$2,172 \$551	\$375 \$500	82.7% 9.3%	\$500 \$1,000	\$545 \$1,090	\$594 \$1,188	\$648 \$1,295	\$706 \$1,412	\$769 \$1,539	\$839 \$1,677	\$914 \$1,828	\$996 \$1,993	\$1,086 Uti \$2,172	lity Bill paper; 2015 = new folder/stuffer (1x cost)
603-496-9500-42400 Small Tools & Minor Equipment	\$452	\$299	\$1,000	\$200	\$1,000	-400.0%	\$1,000	\$1,090	\$1,188	\$1,295	\$1,412	\$1,539	\$1,677	\$1,828	\$1,993	\$2,172	
603-496-9500-42400 Other Equipment	\$0	\$8,422	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Supplies	\$690	\$9,507	\$1,700	\$2,924	\$1,875	35.9%	\$2,500	\$2,725	\$2,970	\$3,238	\$3,529	\$3,847	\$4,193	\$4,570	\$4,981	\$5,430	
Other Services and Charges																	
603-496-9500-43020 Comprehensive Planning 603-496-9500-43030 Engineering Services	\$0 \$27,893	\$0 \$21,009	\$3,000 \$30,000	\$0 \$20,332	\$3,000 \$30,000	100.0% -47.5%	\$0 \$20,000		\$0 \$23,762	\$0 \$25,901	\$0 \$28,232	\$0 \$30,772	\$0 \$33,542	\$0 \$36,561	\$0 \$39,851	\$0 \$43,438 SV	V System Master Planning to be done by Focus
603-496-9500-43030 Eng Svcs SW Master Planning	\$0 \$7.504	\$0 \$0.744	\$15,000	\$0	\$15,000	100.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0 \$4.0 774	\$0	\$0	\$0 En	•
603-496-9500-43150 Contract Services 603-496-9500-43180 Software Support	\$7,504 \$442	\$9,711 \$3,268	\$5,000 \$1,000	\$9,941 \$3,617	\$7,500 \$1,500	24.6% 58.5%	\$10,000 \$8,400	\$10,900 \$8,568	\$11,881 \$8,739	\$12,950 \$8,914	\$14,116 \$9,092	\$15,386 \$9,274	\$16,771 \$9,460	\$18,280 \$9,649	\$19,926 \$9,842	\$10,039	e to use of contractor for Billing
603-496-9500-43220 Postage	\$1,973	\$1,700	\$1,700	\$1,500	\$1,700	-13.3%		\$1,793	\$1,954	\$2,130	\$2,322	\$2,531	\$2,759	\$3,007	\$3,278	An \$3,573 as:	nual bills plus delinquency mailer cost (required to sess)
603-496-9500-43320 Depreciation Expense Insurance	\$15,187	\$15,963	\$17,000	\$15,187	\$17,000	-11.9%	\$1,500	\$0 \$1,635	\$0 \$1,782	\$0 \$1,943	\$0 \$2,117	\$0 \$2,308	\$0 \$2,516	\$0 \$2,742	\$0 \$2,989	\$0 \$3,258	
603-496-9500-44010 Street Sweeping	\$11,498	\$12,403	\$22,000	\$10,438	\$22,000	-110.8%	\$20,000	\$21,800	\$23,762	\$25,901	\$28,232	\$30,772	\$33,542	\$36,561	\$39,851	\$43,438 Str	reet sweeping soon to be mandated
603-496-9500-44030 Repairs/Maint Not Bldg 603-496-9500-44300 Miscellaneous Expenses	\$0 \$119	\$5,304 \$459	\$1,500 \$400	\$0 \$0	\$1,500 \$400	100.0% 100.0%	\$3,000 \$400	\$3,270 \$436	\$3,564 \$475	\$3,885 \$518	\$4,235 \$565	\$4,616 \$615	\$5,031 \$671	\$5,484 \$731	\$5,978 \$797	\$6,516 Ex \$869	cavator rental
603-496-9500-44370 Conferences & Training	\$3,483	\$2,225	\$1,800	\$2,265	\$1,800	20.5%	\$2,500		\$2,970	\$3,238	\$3,529	\$3,847	\$4,193	\$4,570	\$4,981	\$5,430	
603-496-9500-45300 Improvements Other Than Bldgs 603-496-9500-45500 Vehicles	\$0 \$0	\$18,190 \$5,743	\$30,000 \$0	\$0 \$0	\$30,000 \$0	100.0% 0.0%	\$20,000 \$0		\$23,762 \$0	\$25,901 \$0	\$28,232 \$0	\$30,772 \$0	\$33,542 \$0	\$36,561 \$0	\$39,851 \$0	\$43,438 \$0	
	·																
Total Other Services and Charges	\$68,100	\$95,974	\$128,400	\$63,281	\$131,400	-107.6%				\$111,280	\$120,671	\$130,895	\$142,026	\$154,146	\$167,344	, ,	
Operating Expenses	\$116,275	\$150,723	\$179,867	\$100,509	\$171,010		\$140,824	\$160,983	\$176,616	\$186,931	\$198,063	\$229,245	\$242,614	\$257,040	\$292,950	\$310,184	
Operating Income (Loss)	\$94,980	\$65,029	\$40,133	\$130,572	\$55,490	57.5%											
Nonoperating Revenues	•	**	**	A -	**	2.20											
603-000-0000-36205 Refunds and Reimbursements 603-000-0000-36210 Interest on Investment	\$0 \$1,098	\$0 \$1,239	\$0 \$1,100	\$0 \$2,844	\$0 \$5,000	0.0% 0.0%											
603-000-0000-36231 Contrib. of Capital Assets	\$0	\$0	\$0	\$0	\$0	0.0%											
603-000-0000-36232 Developer Contributions	\$0	\$0	\$0	\$0	\$0	0.0%											
Total Nonoperating Revenues	\$1,098	\$1,239	\$1,100	\$2,844	\$5,000	0.0%											
	***		A														

54.7%

\$96,078 \$66,268 \$41,233 \$133,417 \$60,490