

City of Franklin Water Management

Biennial Budget
FY 2014 & FY 2015 Amendment

Board of Mayor and Aldermen
August 12, 2014



Agenda

- Consumption and Revenues
- Expenditures
 - Personnel
 - Operations
 - Operations Capital
- FY 2014 Highlights and FY 2015 Goals

Consumption and Revenues

Water Accounts and Volumes

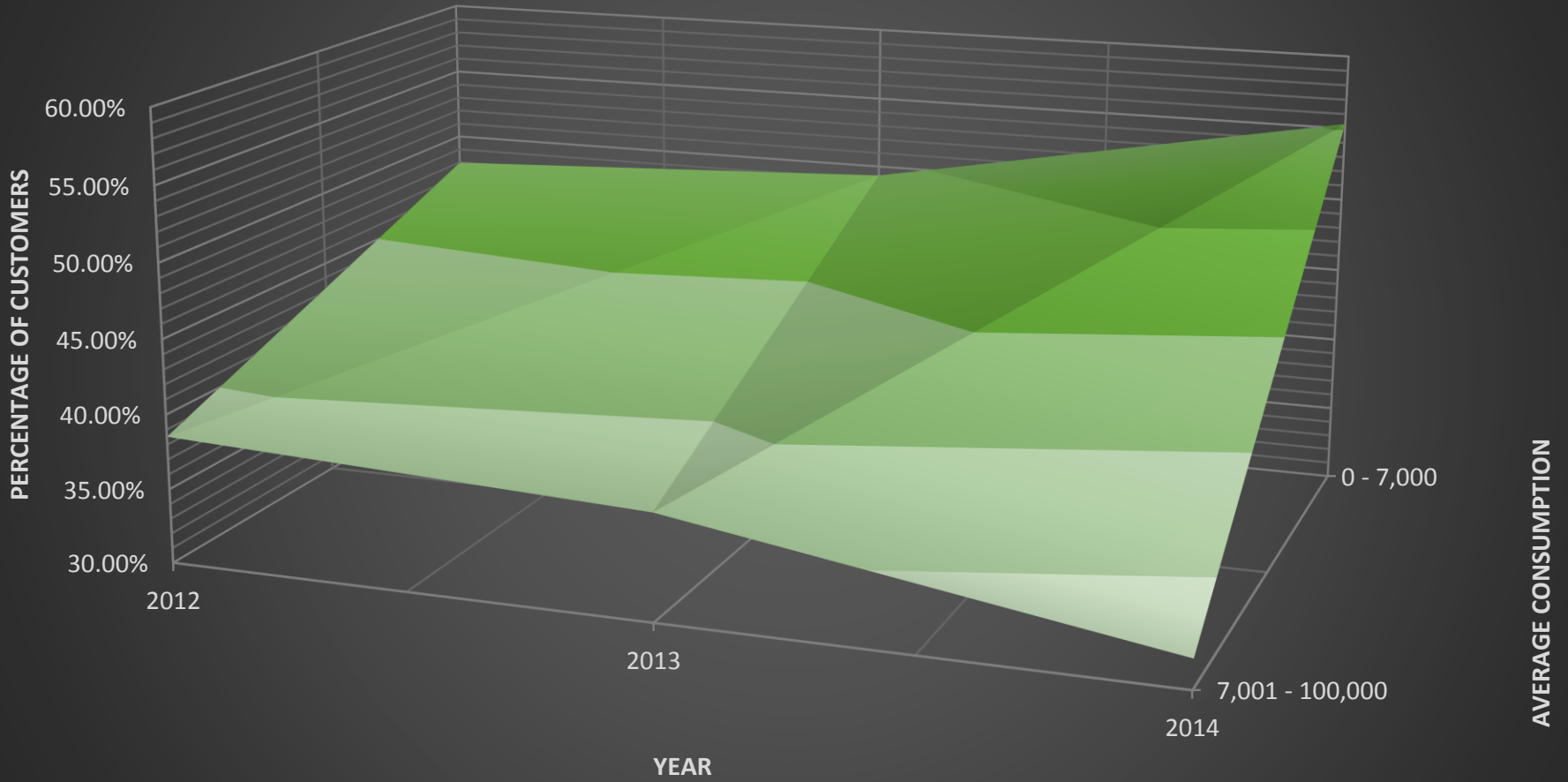
Water Accounts and Monthly Averages



Customer Account Growth: Approximately 4.5% since FY 2007

Average Volume Growth: Approximately -19% since FY 2007

Consumption Trend



Consumption and Revenues

Water Revenues

	2013 Actual	2014 Budget	2014 Projected	2015
Available Funds				
INTEREST INCOME	26,431	15,600	26,165	26,431
RENTAL INCOME	24,000	20,000	24,000	24,000
SALE OF SURPLUS ASSETS	-	-	25,796	-
TOTAL USE OF MONEY & PROPERTY	50,431	35,600	75,961	50,431
CUSTOMER SERVICE (RATE)	9,200,339	9,489,546	9,100,100	8,960,197
PENALTIES	266,000	260,000	266,742	266,000
SERVICE CHARGES	170,000	95,000	170,131	170,000
INSPECTION FEES	71,000	60,000	70,858	71,000
OTHER SERVICE REVENUE	95,000	91,800	97,938	95,000
TOTAL CUSTOMER SERVICE	9,802,339	9,996,346	9,705,769	9,562,197
CONTRIBUTIONS FROM DEVELOPER	-	-	-	-
INSTALLATION FEE	100,000	75,000	99,851	100,000
TOTAL CAPITAL CONTRIBUTIONS	100,000	75,000	99,851	100,000
Total Available Funds	9,952,770	10,106,946	9,881,580	9,712,628

Projected rate based revenues are approximately 96% of budgeted revenues

Consumption and Revenues

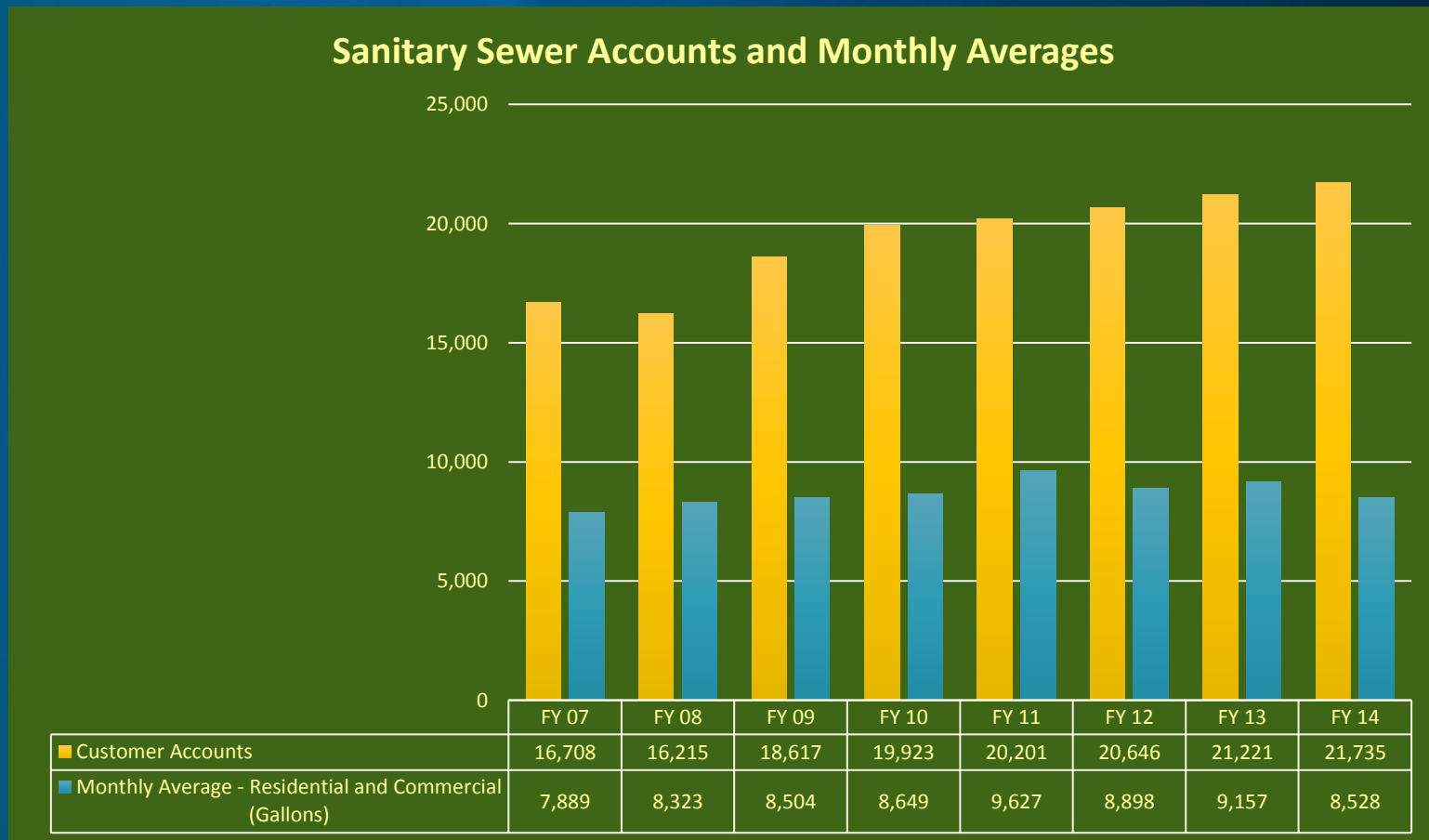
Water Revenues

	2016	2017	2018	2019	2020	2021
Available Funds						
INTEREST INCOME	26,431	26,431	26,431	26,431	26,431	26,431
RENTAL INCOME	24,000	24,000	24,000	24,000	24,000	24,000
SALE OF SURPLUS ASSETS	-	-	-	-	-	-
TOTAL USE OF MONEY & PROPERTY	50,431	50,431	50,431	50,431	50,431	50,431
CUSTOMER SERVICE (RATE)	9,191,988	10,110,411	10,538,044	11,020,720	11,505,632	12,011,879
PENALTIES	266,000	266,000	266,000	266,000	266,000	266,000
SERVICE CHARGES	170,000	170,000	170,000	170,000	170,000	170,000
INSPECTION FEES	71,000	71,000	71,000	71,000	71,000	71,000
OTHER SERVICE REVENUE	95,000	95,000	95,000	95,000	95,000	95,000
TOTAL CUSTOMER SERVICE	9,793,988	10,712,411	11,140,044	11,622,720	12,107,632	12,613,879
CONTRIBUTIONS FROM DEVELOPER	-	-	-	-	-	-
INSTALLATION FEE	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL CAPITAL CONTRIBUTIONS	100,000	100,000	100,000	100,000	100,000	100,000
Total Available Funds	9,944,419	10,862,842	11,290,475	11,773,151	12,258,063	12,764,310

Revenue requirements are based on cost of service analyses and are inclusive of additional debt service associated with WTP upgrade and approved water distribution projects.

Consumption and Revenues

Sanitary Sewer Accounts and Volumes



Customer Account Growth: Approximately 30% since FY 2007

Average Volume Growth: Approximately 8% since FY 2007

Service Volumes and Revenues

Sanitary Sewer Revenues

	2013 Actual	2014 Budgeted	2014 Projected	2015
Available Funds				
INTEREST INCOME	82,843	16,000	73,754	82,843
RENTAL INCOME	1,800	-	2,700	1,800
SALE OF SURPLUS ASSETS		-		
TOTAL USE OF MONEY & PROPERTY	84,643	16,000	76,454	84,643
CUSTOMER SERVICE	11,200,848	12,858,178	12,782,780	12,047,735
INSPECTION FEES	75,298	50,000	81,231	75,298
OTHER SERVICE REVENUE	66,115	40,000	44,334	66,115
TOTAL CUSTOMER SERVICE	11,342,261	12,948,178	12,908,345	12,189,148
CONTRIBUTIONS FROM DEVELOPER	-	-	-	-
CONTRIBUTIONS OTHER	-	-	-	-
INSTALLATION FEE	160,170	125,000	165,862	160,170
TOTAL CAPITAL CONTRIBUTIONS	160,170	125,000	165,862	160,170
Total Available Funds	11,587,074	13,089,178	13,150,660	12,433,961

Projected rate based revenues are approximately 99% of budgeted revenues

Service Volumes and Revenues

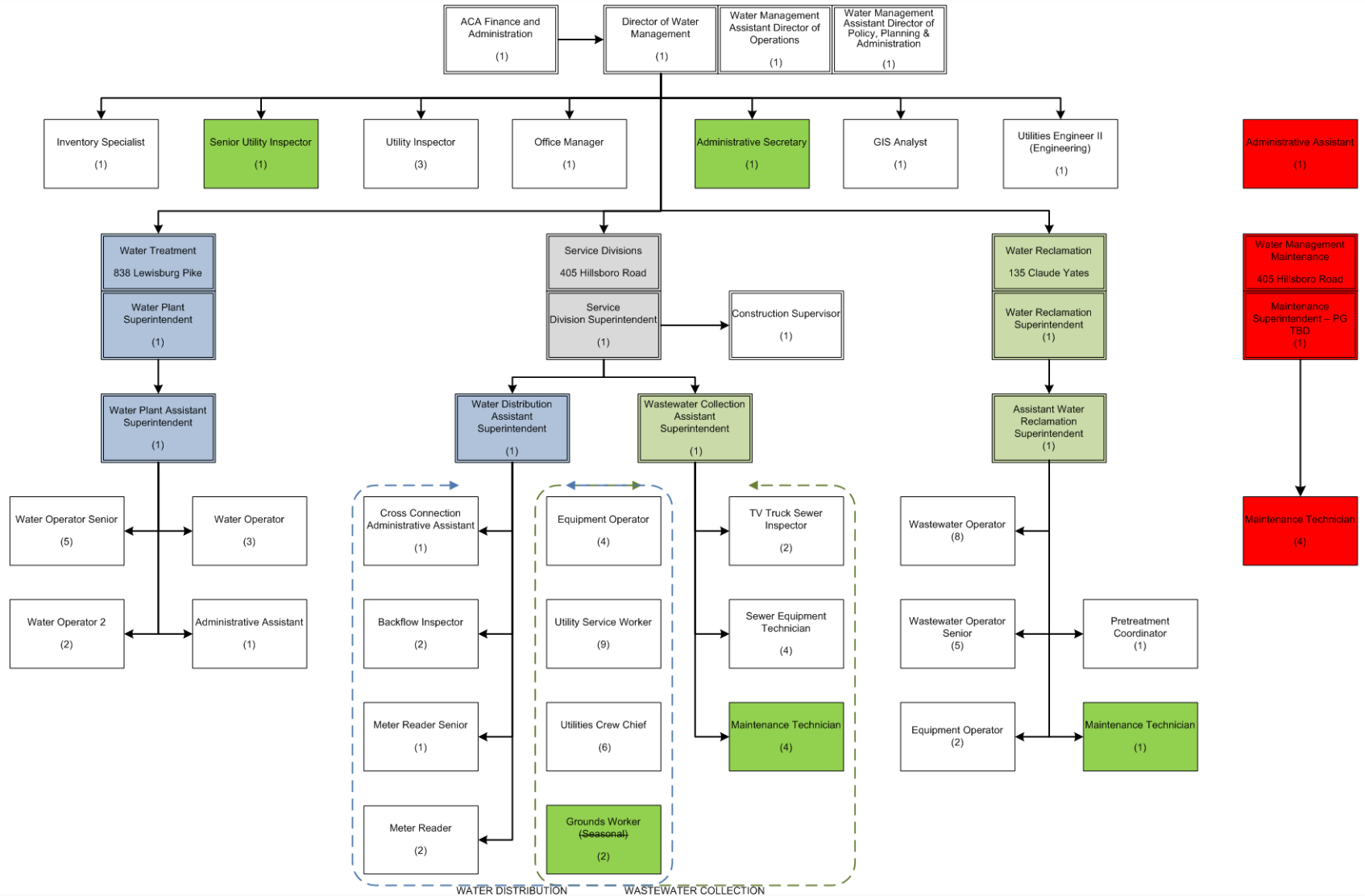
Sanitary Sewer Revenues

	2016	2017	2018	2019	2020	2021
Available Funds						
INTEREST INCOME	82,843	82,843	82,843	82,843	82,843	82,843
RENTAL INCOME	1,800	1,800	1,800	1,800	1,800	1,800
SALE OF SURPLUS ASSETS						
TOTAL USE OF MONEY & PROPERTY	84,643	84,643	84,643	84,643	84,643	84,643
CUSTOMER SERVICE	12,405,874	12,858,683	18,084,857	18,582,881	19,094,654	19,620,520
INSPECTION FEES	75,298	75,298	75,298	75,298	75,298	75,298
OTHER SERVICE REVENUE	66,115	66,115	66,115	66,115	66,115	66,115
TOTAL CUSTOMER SERVICE	12,547,287	13,000,096	18,226,270	18,724,294	19,236,067	19,761,933
CONTRIBUTIONS FROM DEVELOPER	-	-	-			
CONTRIBUTIONS OTHER	-	-	-			
INSTALLATION FEE	160,170	160,170	160,170	160,170	160,170	160,170
TOTAL CAPITAL CONTRIBUTIONS	160,170	160,170	160,170	160,170	160,170	160,170
Total Available Funds	12,792,100	13,244,909	18,471,083	18,969,107	19,480,880	20,006,746

Revenue requirements are based on cost of service analyses and are inclusive of additional debt service associated with Water Reclamation Facility Expansion and Upgrade Project.

Expenditures

Personnel



Expenditures

Personnel

- Water Section (Utility Billing, Water Distribution, Water Treatment):
 - No Changes in Personnel for the Water Section (Utility Billing, Water Distribution, Water Treatment) Operations
- Wastewater Section (Utility Administration, Wastewater Collection, Water Reclamation):
 - Reclassify a vacant Administrative Assistant position to Administrative Secretary.
 - Reclassify two seasonal Grounds Worker positions to full time.
 - Add a Senior Utility Inspector position to provide for adequate staffing with respect to development processes and City projects.
 - Eliminate the Maintenance Division and reclassify Maintenance Superintendent to Maintenance Technician.

Expenditures – Water Operations

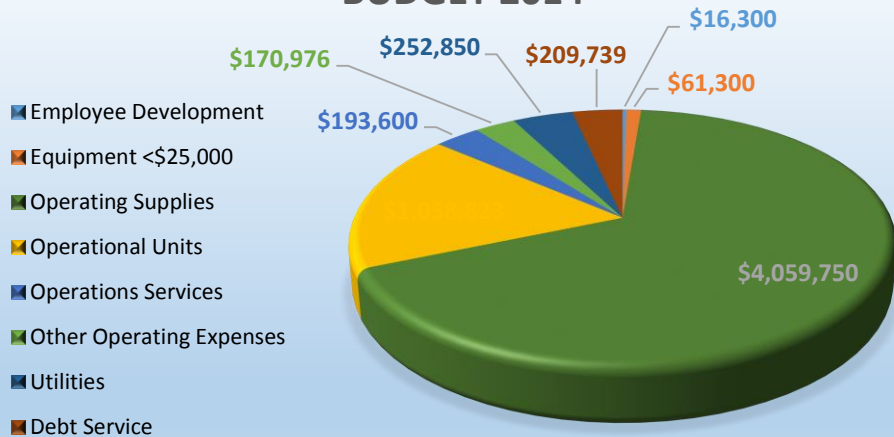
		2014				Amended
PERSONNEL		Actual 2013	Budget 2014	Estimated	Budget 2015	Budget 2015
81100	Salaries & Wages	\$ 1,159,690	\$ 1,328,338	\$ 1,214,578	\$ 1,374,009	\$ 1,340,547
81400	Employee Benefits	\$ 519,928	\$ 559,065	\$ 562,060	\$ 575,820	\$ 541,008
TOTAL PERSONNEL		\$ 1,679,618	\$ 1,887,404	\$ 1,776,638	\$ 1,949,829	\$ 1,881,555
		2014				Amended
OPERATIONS		Actual 2013	Budget 2014	Estimated	Budget 2015	Budget 2015
82100	Transportation Services	\$ 968	\$ 1,350	\$ 1,250	\$ 1,350	\$ 1,600
82200	Operating Services	\$ 11,921	\$ 15,000	\$ 22,773	\$ 15,840	\$ 21,500
82300	Notices Subscriptions Publications	\$ 5,307	\$ 10,250	\$ 7,612	\$ 10,450	\$ 9,750
82400	Utilities	\$ 257,522	\$ 252,850	\$ 223,219	\$ 264,902	\$ 228,880
82500	Contractual Services	\$ 86,708	\$ 55,000	\$ 104,438	\$ 55,000	\$ 202,125
82600	Repair & Maintenance Services	\$ 176,013	\$ 112,000	\$ 125,769	\$ 116,420	\$ 126,000
82700	Employee Programs	\$ 1,604	\$ 7,400	\$ 300	\$ 7,400	\$ 7,400
82800	Professional Development/Travel	\$ 12,244	\$ 8,900	\$ 9,566	\$ 8,900	\$ 8,900
83100	Office Supplies	\$ 4,906	\$ 4,500	\$ 3,605	\$ 4,500	\$ 4,500
83200	Operating Supplies	\$ 300,441	\$ 275,750	\$ 299,597	\$ 283,790	\$ 305,350
83300	Fuel & Mileage	\$ 44,529	\$ 30,200	\$ 34,015	\$ 32,012	\$ 37,700
83400	Supplies for Resale	\$ 3,799,487	\$ 3,500,000	\$ 3,475,000	\$ 3,600,000	\$ 3,600,000
83500	Machinery & Equipment (<\$25,000)	\$ 8,819	\$ 61,300	\$ 7,100	\$ 62,265	\$ 61,325
83600	Repair & Maintenance Supplies	\$ 398,898	\$ 249,300	\$ 239,512	\$ 256,772	\$ 229,300
84000	Operational Units	\$ 1,033,983	\$ 1,058,823	\$ 1,058,823	\$ 1,090,588	\$ 1,157,951
85100	Property & Liability Costs	\$ 42,983	\$ 89,076	\$ 70,674	\$ 91,748	\$ 70,721
85200	Rentals	\$ 23,526	\$ 2,000	\$ -	\$ 2,030	\$ 2,000
85300	Permits	\$ 31,351	\$ 38,100	\$ 33,204	\$ 40,005	\$ 38,100
85500	Financial Fees	\$ 24,042	\$ 41,800	\$ 16,800	\$ 41,854	\$ 16,800
86000	Debt Service and Lease Payments	\$ 190,666	\$ 209,739	\$ 209,933	\$ 209,821	\$ 209,821
TOTAL OPERATIONS		\$ 6,455,918	\$ 6,023,338	\$ 5,943,190	\$ 6,195,647	\$ 6,339,723
		2014				Amended
CAPITAL		Actual 2013	Budget 2014	Estimated	Budget 2015	Budget 2015
89200	Buildings	\$ -	\$ 2,000	\$ -	\$ 2,100	\$ 2,100
89300	Improvements	\$ 637,171	\$ 1,300,000	\$ 552,963	\$ 1,300,000	\$ 1,300,000
89500	Machinery & Equipment (>\$25,000)	\$ 63,955	\$ 185,000	\$ -	\$ 189,250	\$ 189,250
TOTAL CAPITAL		\$ 701,126	\$ 1,487,000	\$ 552,963	\$ 1,491,350	\$ 1,491,350
TOTAL EXPENDITURES		\$ 8,836,662	\$ 9,397,742	\$ 8,272,791	\$ 9,636,826	\$ 9,712,628

Proposed amendment is 0.8% higher than original 2015 budget

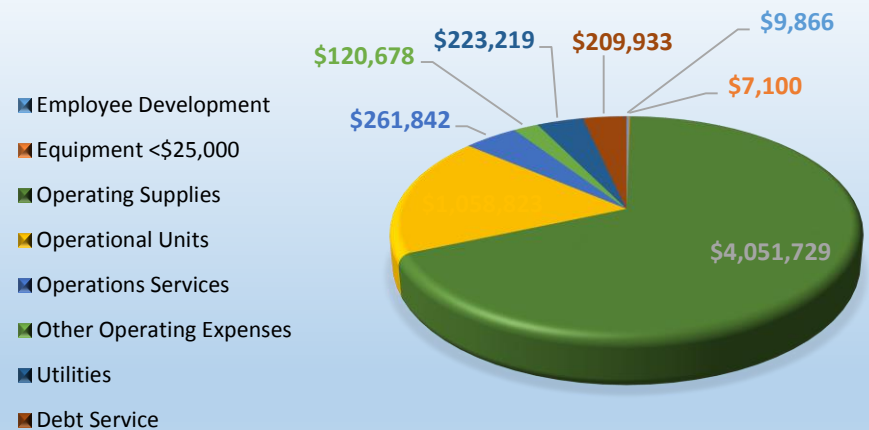
Expenditures

Operations - Water

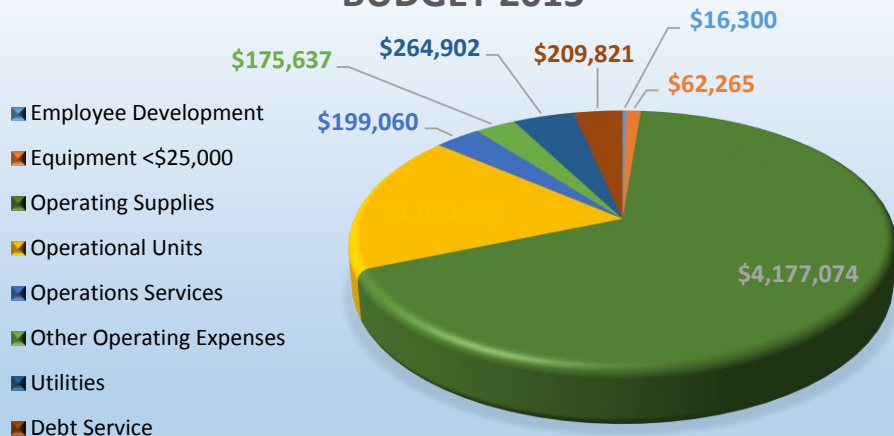
BUDGET 2014



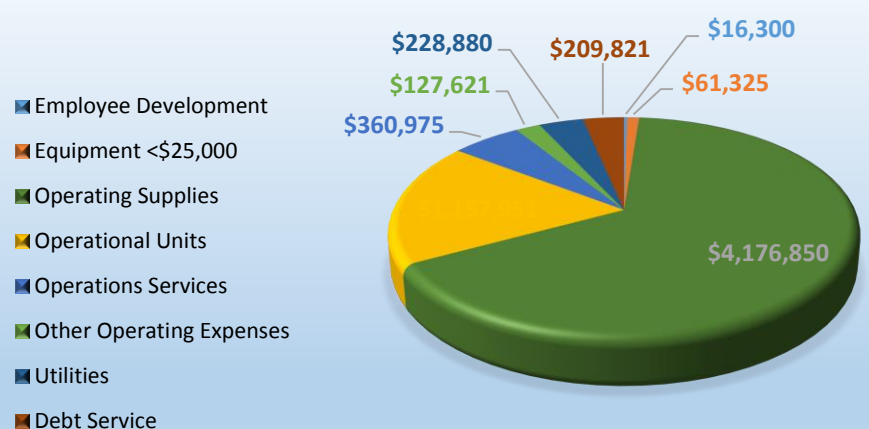
ESTIMATED 2014



BUDGET 2015



AMENDED BUDGET 2015



Expenditures – Wastewater Operations

				2014		Amended
PERSONNEL		Actual 2013	Budget 2014	Estimated	Budget 2015	Budget 2015
81100	Salaries & Wages	\$ 1,968,859	\$ 2,371,390	\$ 1,880,166	\$ 2,447,721	\$ 2,479,710
81400	Employee Benefits	\$ 1,021,324	\$ 969,576	\$ 977,383	\$ 998,423	\$ 937,074
TOTAL PERSONNEL		\$ 2,990,183	\$ 3,340,966	\$ 2,857,549	\$ 3,446,144	\$ 3,416,784
				2014		Amended
OPERATIONS		Actual 2013	Budget 2014	Estimated	Budget 2015	Budget 2015
82100	Transportation Services	\$ 2,968	\$ 3,350	\$ 2,612	\$ 3,350	\$ 3,500
82200	Operating Services	\$ 311,551	\$ 305,300	\$ 354,403	\$ 318,510	\$ 365,760
82300	Notices Subscriptions Publications	\$ 9,655	\$ 19,700	\$ 11,369	\$ 20,305	\$ 16,750
82400	Utilities	\$ 1,339,152	\$ 1,422,950	\$ 1,297,725	\$ 1,494,819	\$ 1,411,350
82500	Contractual Services	\$ 142,825	\$ 157,000	\$ 172,769	\$ 204,000	\$ 322,250
82600	Repair & Maintenance Services	\$ 304,669	\$ 235,300	\$ 264,090	\$ 244,320	\$ 238,000
82700	Employee Programs	\$ 1,109	\$ 4,750	\$ -	\$ 4,750	\$ 4,750
82800	Professional Development/Travel	\$ 20,478	\$ 19,500	\$ 11,716	\$ 19,500	\$ 19,500
83100	Office Supplies	\$ 5,852	\$ 7,650	\$ 6,315	\$ 7,650	\$ 7,150
83200	Operating Supplies	\$ 268,361	\$ 296,300	\$ 251,083	\$ 321,485	\$ 272,100
83300	Fuel & Mileage	\$ 121,754	\$ 137,000	\$ 113,000	\$ 145,220	\$ 125,000
83500	Machinery & Equipment (<\$25,000)	\$ 41,453	\$ 99,320	\$ 17,966	\$ 104,257	\$ 104,257
83600	Repair & Maintenance Supplies	\$ 142,266	\$ 145,000	\$ 172,498	\$ 149,275	\$ 151,000
84000	Operational Units	\$ 919,096	\$ 941,177	\$ 941,177	\$ 969,412	\$ 1,029,289
85100	Property & Liability Costs	\$ 103,198	\$ 123,664	\$ 151,216	\$ 127,375	\$ 130,651
85200	Rentals	\$ 3,559	\$ 3,850	\$ 3,482	\$ 3,850	\$ 3,500
85300	Permits	\$ 13,829	\$ 17,000	\$ 16,572	\$ 17,850	\$ 17,000
85500	Financial Fees	\$ 21,968	\$ 45,000	\$ 32,000	\$ 45,000	\$ 45,000
86000	Debt Service and Lease Payments	\$ 1,070,146	\$ 1,348,336	\$ 1,348,511	\$ 1,316,145	\$ 1,316,395
TOTAL OPERATIONS		\$ 4,843,889	\$ 5,332,147	\$ 5,168,504	\$ 5,517,073	\$ 5,583,202
				2014		Amended
CAPITAL		Actual 2013	Budget 2014	Estimated	Budget 2015	Budget 2015
89100	Land	\$ -	\$ -	\$ 33,900	\$ -	\$ -
89200	Buildings	\$ -	\$ 1,500	\$ -	\$ 1,575	\$ 1,575
89300	Improvements	\$ 904,784	\$ 2,000,000	\$ 1,960,000	\$ 2,500,000	\$ 2,500,000
89500	Machinery & Equipment (>\$25,000)	\$ -	\$ 1,175,950	\$ 319,200	\$ 905,748	\$ 932,400
TOTAL CAPITAL		\$ 904,784	\$ 3,177,450	\$ 2,313,100	\$ 3,407,323	\$ 3,433,975
TOTAL EXPENDITURES		\$ 8,738,856	\$ 11,850,563	\$ 10,339,153	\$ 12,370,540	\$ 12,433,961

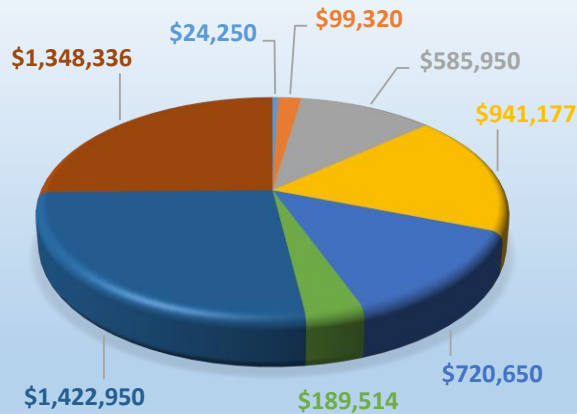
Proposed amendment is 0.5% higher than original 2015 budget

Expenditures

Operations - Wastewater

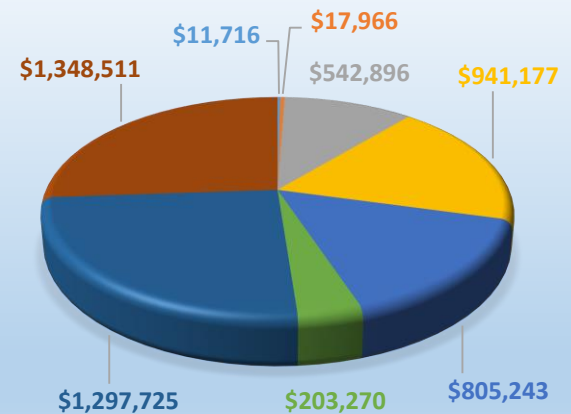
BUDGET 2014

- Employee Development
- Equipment <\$25,000
- Operating Supplies
- Operational Units
- Operations Services
- Other Operating Expenses
- Utilities
- Debt Service



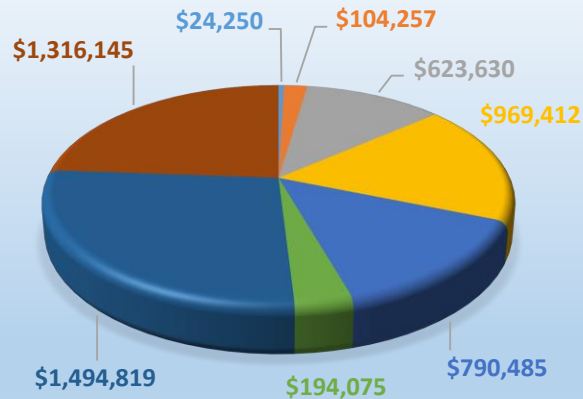
2014 ESTIMATED

- Employee Development
- Equipment <\$25,000
- Operating Supplies
- Operational Units
- Operations Services
- Other Operating Expenses
- Utilities
- Debt Service



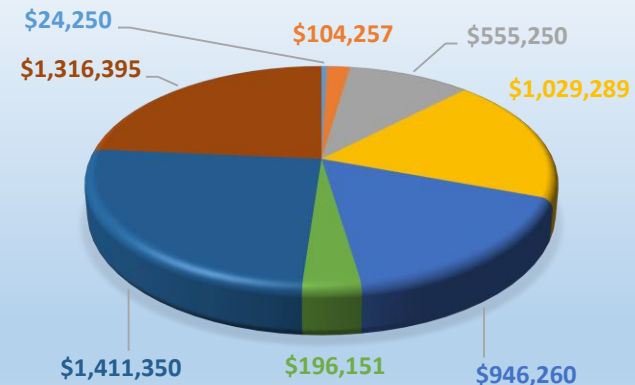
BUDGET 2015

- Employee Development
- Equipment <\$25,000
- Operating Supplies
- Operational Units
- Operations Services
- Other Operating Expenses
- Utilities
- Debt Service



AMENDED BUDGET 2015

- Employee Development
- Equipment <\$25,000
- Operating Supplies
- Operational Units
- Operations Services
- Other Operating Expenses
- Utilities
- Debt Service



Expenditures

Operations Capital

Water - Operations Capital Description	Budget 2014	Estd 2014	Budget 2015	Amended 2015
89200 Buildings	\$ 2,000	\$ -	\$ 2,100	\$ 2,100
89300 Improvements	\$ 1,300,000	\$ 552,963	\$ 1,300,000	\$ 1,300,000
89500 Machinery & Equipment (>\$25,000)	\$ 185,000	\$ -	\$ 189,250	\$ 189,250
TOTAL	\$ 1,487,000	\$ 552,963	\$ 1,491,350	\$ 1,491,350

Wastewater - Operations Capital Description	Budget 2014	Estd 2014	Budget 2015	Amended 2015
89100 Land	\$ -	\$ 33,900	\$ -	\$ -
89200 Buildings	\$ 1,500		\$ 1,575	\$ 1,575
89300 Improvements	\$ 2,000,000	\$ 1,960,000	\$ 2,500,000	\$ 2,500,000
89500 Machinery & Equipment (>\$25,000)	\$ 1,175,950	\$ 319,200	\$ 905,748	\$ 932,400
TOTAL	\$ 3,177,450	\$ 2,313,100	\$ 3,407,323	\$ 3,433,975

FY 2014 Highlights and FY 2015 Goals - Water

- Energy Management Program
 - Lessons learned from Water Reclamation Facility
- Leak detection surveys
 - Completion of system in FY 2014
 - Ongoing systematic surveys
- Water Treatment Plant design and upgrade

FY 2014 Highlights and FY 2015 Goals - Wastewater

- Continued efforts to refine and improve the Energy Management Program
- Refinements to collection system management and operations
- Collection system inspections
 - CCTV work – 200,000 LF
- Water Reclamation Facility Upgrade and Expansion Project

Discussion