

CITY OF MERRILL

WATER UTILITY

2024 BUDGET REQUEST

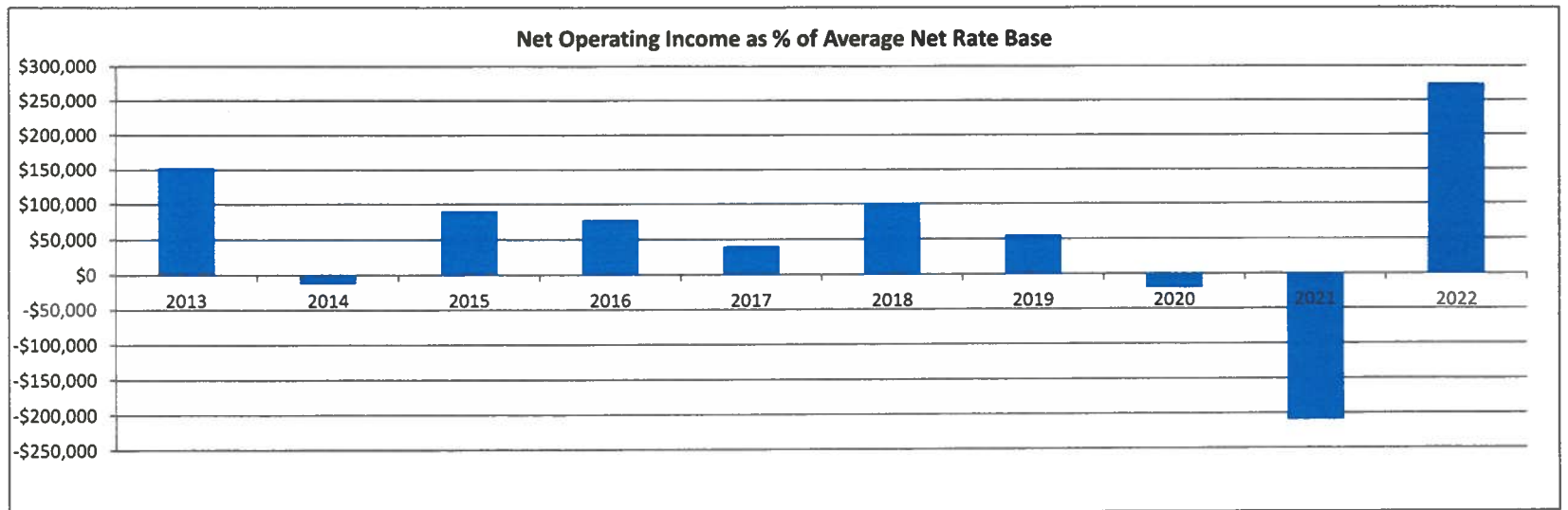
For 11/14/2023 Common Council

Reviewed: 10/16/2023 Committee of Whole

City of Merrill Water Utility

Net Operating Income %

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual
Net Operating Income	\$153,994	(\$12,343)	\$91,114	\$78,688	\$40,252	\$99,547	\$55,895	(\$20,206)	(\$209,767)	\$274,321
Net Operating Income as % of Ave. Net Rate Base	2.43%	-0.17%	1.27%	1.05%	0.51%	1.26%	0.69%	-0.24%	-2.50%	3.23%
% Change From Previous Year	0.15%	-2.60%	1.44%	-0.22%	-0.54%	0.75%	-0.57%	-0.93%	-2.26%	5.73%



The Wisconsin Public Service Commission (PSC) approved 10% Water Rate increase effective 12/1/2013 related to water treatment improvements. The severe 2013-2014 winter conditions included community-wide running water, overtime to thaw services/mains, and numerous water main repairs.

There were 3.00% Simplified Water Rate adjustments effective July 1st, 2015 and July 1st, 2016, and a 2.5% adjustment effective August 1st, 2017. The Wisconsin Public Service Commission authorized a 3.0% Simplified Water Rate adjustment effective April 1st, 2021.

Effective 3/1/2022, there was 19.80% increase authorized by the Wisconsin Public Service Commission. This included transfer of about \$125,000 from property tax for Public Fire Protection to Water bills.

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Non-Departmental

	2021 ACTUAL	2022 ACTUAL	2023			2024		
			CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
REVENUES								
<u>Taxes (or Utility Rev.)</u>								
40000-41150 Rev-Merch-Jobbing-Contract	10,949	12,642	8,000	4,485	10,000	10,000	2,000	10,000
40000-41180 T-Mobile (former Sprint)	23,528	25,343	27,285	22,737	27,285	27,285	0	27,285
40000-41181 at&t - American Cellular Rev	40,300	25,353	37,200	34,100	37,200	37,200	0	37,200
40000-41182 Nsighting Cellular Rev.	26,400	22,143	28,800	24,000	28,800	28,800	0	28,800
40000-41183 Alltel Cellular (Verizon)	25,500	16,531	23,100	21,175	23,500	23,500	400	23,500
40000-41185 Int - Leases Receivable	0	24,409	0	0	0	0	0	0
40000-41197 Interest-SDWLP Reserve	50	1,160	500	3,070	3,250	3,250	2,750	3,250
TOTAL Taxes (or Utility Rev.)	126,727	127,580	124,885	109,567	130,035	130,035	5,150	130,035
<u>Specials (Utility Rev.)</u>								
40000-42225 Sale of Equipment	(64,494)	0	0	0	0	0	0	0
40000-42800 Amortized Debt Cost	0	0	(1,438)	0	0	0	1,438	0
TOTAL Specials (Utility Rev.)	(64,494)	0	(1,438)	0	0	0	1,438	0
<u>Intergovernmental</u>								
40000-43515 Federal - ARPA (Am Rescue)	42,962	12,538	0	0	0	0	0	0
TOTAL Intergovernmental	42,962	12,538	0	0	0	0	0	0
<u>Public Charges-Services</u>								
40000-46020 Unmetered Sales-Commercial	2,364	1,841	2,250	1,759	2,000	2,250	0	2,250
40000-46110 Metered Sales-Gen Customers	706,382	835,747	890,000	734,120	865,000	865,000	(25,000)	865,000
40000-46120 Metered Sales-Commercial	189,338	243,287	225,000	223,194	255,000	255,000	30,000	255,000
40000-46130 Metered Sales-Industrial	64,138	95,550	95,000	56,907	97,500	97,500	2,500	97,500
40000-46150 Metered - Multi-Family Res	51,690	68,319	65,000	63,561	72,500	72,500	7,500	72,500
40000-46200 Fire Protection-Private	37,863	49,433	50,000	53,504	52,500	52,500	2,500	52,500
40000-46300 Fire Protection - Public	127,038	67,908	0	0	0	0	0	0
40000-46350 PFP Fee-Water Bills	258,173	365,202	419,720	357,553	415,000	415,000	(4,720)	415,000
40000-46400 Other Sales-Public Author.	72,926	86,503	83,500	75,818	87,500	87,500	4,000	87,500
TOTAL Public Charges-Services	1,509,910	1,813,790	1,830,470	1,566,418	1,847,000	1,847,250	16,780	1,847,250

40000-46110 Metered Sales-Gen Customer PERMANENT NOTES:
 Water rate increase 3/1/2022 per WI Public Service
 Commission (PSC).

40000-46300 Fire Protection - Public PERMANENT NOTES:
 All transferred to Water Bills effective 3/1/2022.

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Non-Departmental

	2021	2022	(----- 2023 -----)			(----- 2024 -----)		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
Intergov Charges (Misc.)								
40000-47100 Misc Service & Revenue	14,573	15,950	14,000	7,638	14,000	14,000	0	14,000
40000-47150 Water Turn on Chg/Delinquent	2,275	3,465	2,500	2,525	2,500	2,500	0	2,500
40000-47400 Other Miscellaneous Revenues	3,530	998	3,250	6,592	3,750	3,250	0	3,250
40000-47500 GIS Map-Water Rev.	0	0	0	0	0	0	0	0
40000-47700 Interest - Delinquent Water	7,971	7,678	6,500	5,145	5,750	6,000	(500)	6,000
TOTAL Intergov Charges (Misc.)	28,350	28,091	26,250	21,899	26,000	25,750	(500)	25,750
Miscellaneous Revenues								
40000-48100 Interest - Investments	200	3,190	500	14,708	15,000	15,000	14,500	15,000
40000-48250 Proceeds-Long Term Debt	0	0	0	0	0	0	0	0
40000-48300 Insurance Reimb.	0	0	0	0	0	0	0	0
TOTAL Miscellaneous Revenues	200	3,190	500	14,708	15,000	15,000	14,500	15,000
Other Financing Sources								
40000-49777 TID Capital Contribution	244,018	574,372	0	0	0	0	0	0
40000-49785 Donations/Grants-Contributed	0	0	0	0	0	0	0	0
TOTAL Other Financing Sources	244,018	574,372	0	0	0	0	0	0
40000-49777 TID Capital Contribution	PERMANENT NOTES: Pending TID Contributions for 2023 and 2024.							
TOTAL REVENUES	1,887,673	2,559,560	1,980,667	1,712,592	2,018,035	2,018,035	37,368	2,018,035
EXPENDITURES								
Work Orders - Utility								
50000-07-00700 WO - Tap Service	0	0	0	0	0	0	0	0
50000-07-01023 IT Network Improvements	0	0	0	0	0	81,350	81,350	81,350
50000-07-01024 Well No 3 Rehab	0	0	0	0	0	35,000	35,000	35,000
50000-07-01500 Taylor St. Water Tower	0	0	60,000	51,680	60,000	0	(60,000)	0
50000-07-55200 Wireless Replacements	0	0	7,500	0	7,500	0	(7,500)	0
50000-07-55640 M-1-2024 Project-Water	0	0	0	0	0	0	0	0
50000-07-55645 M-1-2023 - Water	0	0	55,000	32,423	55,000	0	(55,000)	0
50000-07-62512 One Ton Truck	0	0	0	0	0	25,000	25,000	25,000
TOTAL Work Orders - Utility	0	0	122,500	84,103	122,500	141,350	18,850	141,350
50000-07-5564M-1-2023 - Water	PERMANENT NOTES: Michler Crest delayed till 2023 (contract awarded 3/2022).							
TOTAL EXPENDITURES	0	0	122,500	84,103	122,500	141,350	18,850	141,350
REVENUE OVER/(UNDER) EXPENDITURES	1,887,673	2,559,560	1,858,167	1,628,489	1,895,535	1,876,685	18,518	1,876,685

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Pumping Expenses

	2021	2022	(----- 2023 -----)			(----- 2024 -----)		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
53711-00-62000 Operation Labor - Pumping	13,395	12,781	14,500	11,740	14,000	14,500	0	14,500
53711-00-62200 Operation - Electric Pump	45,106	42,981	45,000	36,920	45,000	45,000	0	45,000
53711-00-62210 Gas for Heat	5,150	7,629	5,000	4,954	8,500	9,000	4,000	9,000
53711-00-62500 Maint. - Pumping Plant	<u>35,652</u>	<u>58,238</u>	<u>28,000</u>	<u>17,279</u>	<u>28,000</u>	<u>28,000</u>	<u>0</u>	<u>28,000</u>
TOTAL	99,303	121,628	92,500	70,893	95,500	96,500	4,000	96,500
53711-00-62500 Maint. - Pumping Plant	PERMANENT NOTES: In 2021, inspection of Well No. 2 - about \$10,500. In 2022, Well No. 4 rehab - about \$45,000.							
TOTAL EXPENDITURES	99,303	121,628	92,500	70,893	95,500	96,500	4,000	96,500

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Water Treatment Expenses

	2021	2022	(----- 2023 -----)			(----- 2024 -----)		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
53712-00-63000 Operation Labor-Treatment	11,891	13,801	13,250	11,312	13,250	13,750	500	13,750
53712-00-63100 Chemicals	13,127	20,705	13,000	17,856	15,500	18,000	5,000	18,000
53712-00-63110 Phosphate Chemicals	19,552	26,622	20,000	12,855	20,000	20,000	0	20,000
53712-00-63200 Water Treatment Supplies	6,232	3,231	7,000	5,708	7,000	7,000	0	7,000
53712-00-63210 Outside Services-Testing	4,271	4,157	5,000	9,702	5,000	5,000	0	5,000
53712-00-63500 Maint - Treatment Plant	34,264	6,645	15,000	6,201	15,000	15,000	0	15,000
TOTAL	89,336	75,160	73,250	63,633	75,750	78,750	5,500	78,750
53712-00-6350 Maint - Treatment Plant								
	<p>PERMANENT NOTES: There will be reoccurring expense every four to six years for cleaning water treatment filters. In 2016: \$27,655 Layne Christensen Company In 2021: \$24,500 WaterSurplus/Surplus Management, In.</p>							
TOTAL EXPENDITURES	89,336	75,160	73,250	63,633	75,750	78,750	5,500	78,750

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Trans & Distribution Exp

	2021	2022	2023			2024		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
53713-00-64000 Operation Labor - Trans &	68,906	68,624	68,500	41,226	68,500	70,000	1,500	70,000
53713-00-64100 Supplies & Expenses	3,305	4,013	5,000	3,367	5,000	5,000	0	5,000
53713-00-64110 Warehouse Cost of Operati	15,729	17,411	18,500	14,105	18,500	18,500	0	18,500
53713-00-64500 Cross Connection Inspecti	21,168	9,725	15,500	7,043	15,500	15,500	0	15,500
53713-00-65000 Maint-Standpipe/Reservior	126,181	8,677	15,000	6,716	15,000	15,000	0	15,000
53713-00-65100 Maint - Water Mains	46,280	51,486	45,000	47,948	50,000	50,000	5,000	50,000
53713-00-65200 Maint - Services	25,237	32,876	27,000	20,904	32,500	32,500	5,500	32,500
53713-00-65201 Maint - Diggers Hotline	30,545	30,553	25,000	28,196	30,500	30,500	5,500	30,500
53713-00-65300 Maint - Meters	20,317	14,453	30,000	20,303	30,000	30,000	0	30,000
53713-00-65400 Maint - Hydrants	11,279	8,690	15,000	10,795	15,000	15,000	0	15,000
53713-00-65500 Maint - Other Plant	5,373	12,290	10,000	22,987	22,500	12,500	2,500	12,500
53713-00-65510 Maint - S.C.A.D.A.	0	0	6,000	0	6,000	6,000	0	6,000
TOTAL	374,320	258,798	280,500	223,590	309,000	300,500	20,000	300,500
53713-00-64500 Cross Connection Inspectio	PERMANENT NOTES: HydroDesigns contract for inspection service until 2021 when City Water Utility personnel.							
53713-00-65300 Maint - Meters	PERMANENT NOTES: Replacing brass meters with new plastic meters. Major increase in new residential developments.							
53713-00-65500 Maint - Other Plant	PERMANENT NOTES: In 2022, new \$8,000 water distribution-coin unit at Warehouse (will be reallocated to Water Asset).							
TOTAL EXPENDITURES	374,320	258,798	280,500	223,590	309,000	300,500	20,000	300,500

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Customer Accts Expenses

	2021	2022	2023			2024		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
53714-00-21220 COVID-19 Leave	528	0	0	0	0	0	0	0
53714-00-90100 Oper. Labor - Meter Read	5,413	8,492	6,250	7,686	8,000	8,000	1,750	8,000
53714-00-90200 Labor-Accounting/Collect	92,013	98,563	85,000	76,860	100,000	102,500	17,500	102,500
53714-00-90224 Uncollectable-Del Tax	1,303	1,570	1,000	55	1,000	1,000	0	1,000
53714-00-90300 Supplies & Expenses	6,331	6,654	5,500	5,079	5,500	5,500	0	5,500
TOTAL	105,587	115,280	97,750	89,680	114,500	117,000	19,250	117,000
53714-00-9020 Labor-Accounting/Collect			PERMANENT NOTES: Two full-time Utility Billing positions effective in 2017. Split 50% Water and 50% Sewer. Employee transition - August 2022.					
TOTAL EXPENDITURES	105,587	115,280	97,750	89,680	114,500	117,000	19,250	117,000

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Admin & General Expenses

	(----- 2023 -----)				(----- 2024 -----)			
	2021 ACTUAL	2022 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
53716-00-85010 Computer & Software	29,386	22,869	32,500	43,877	32,500	47,500	15,000	47,500
53716-00-85025 Fiber - Internet-PRI	6,000	6,000	6,000	5,000	6,000	6,000	0	6,000
53716-00-85500 GIS - Water Components	3,305	5,865	5,000	2,674	5,000	5,000	0	5,000
53716-00-85550 GIS - Water Design	0	0	20,000	26,779	20,000	30,000	10,000	30,000
53716-00-92000 Adm./General Salaries	53,983	58,004	60,000	54,458	60,000	62,500	2,500	62,500
53716-00-92001 PSC Amortization Expense	0	0	0	0	0	0	0	0
53716-00-92100 Supplies & Expenses	7,944	10,536	8,000	7,308	8,000	8,000	0	8,000
53716-00-92300 Outside Serv. Employed	16,902	22,362	20,000	24,896	22,500	22,500	2,500	22,500
53716-00-92400 Property Insurance	11,623	15,708	14,500	14,121	14,121	15,500	1,000	15,500
53716-00-92600 Workers Comp Insurance	14,115	12,180	13,500	11,525	11,525	12,500	(1,000)	12,500
53716-00-92610 Employee Retirement-WRS (22,307)	(17,302)	27,500	25,607	27,500	27,500	0	27,500
53716-00-92620 Employee Health Ins.	103,547	93,564	97,500	80,259	97,500	97,500	0	97,500
53716-00-92630 Employee Life Ins	2,923	4,287	1,500	1,343	4,500	4,500	3,000	4,500
53716-00-92635 Sick Leave Lump Sum	3,215	3,355	0	0	0	0	0	0
53716-00-92637 Water Fringe Benefits	0	0	0	0	3,500	3,500	3,500	3,500
53716-00-92640 Unemployment Comp.	0	0	0	0	0	0	0	0
53716-00-92800 Regulatory Com. Expense	11,045	889	1,000	1,892	1,000	1,000	0	1,000
53716-00-93000 Miscellaneous Expense	6,656	7,491	6,250	5,169	7,500	7,500	1,250	7,500
53716-00-93300 Transportation Expense	7,098	8,478	10,000	6,686	10,000	10,000	0	10,000
53716-00-93403 Dep.-Financed Plant	454,605	476,059	450,000	0	475,500	475,500	25,500	475,500
53716-00-93426 Contributed Plant Dep.	54,955	49,450	55,000	0	50,000	50,000	(5,000)	50,000
53716-00-93500 Maint.-General Plant	0	0	0	0	0	0	0	0
TOTAL	764,996	779,795	828,250	311,593	856,646	886,500	58,250	886,500

53716-00-85010 Computer & Software

PERMANENT NOTES:
 For 2024, E-Mail to Cloud.

53716-00-85550 GIS - Water Design

PERMANENT NOTES:
 GIS position with 37.5% to Water, 37.5% to Sewer, and 25.0% to General Fund.

53716-00-85550 GIS - Water Design

CURRENT YEAR NOTES:
 In 2024, new aerial photos with about \$10,000 to Water.

53716-00-92000 Adm./General Salaries

PERMANENT NOTES:
 Includes 25% of City Administrator/Public Works Director, 12.5% of IT Manager, and the Utility Manager.

53716-00-92610 Employee Retirement-WRS

PERMANENT NOTES:
 Negative amounts due to audit entries (GASB Pension).

53716-00-92800 Regulatory Com. Expense

PERMANENT NOTES:

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Admin & General Expenses

	2021	2022	2023			2024		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
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	Water Rate Study in 2021 - Trilogy Consulting, Inc.							
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TOTAL EXPENDITURES	764,996	779,795	828,250	311,593	856,646	886,500	58,250	886,500

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Contract Work

	2021	2022	(----- 2023 -----)			(-----2024 -----)		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
=====								
53717-00-41600 Merc, Job. , & Contract Work	2,286	1,435	2,000	556	2,000	2,000	0	2,000
TOTAL	2,286	1,435	2,000	556	2,000	2,000	0	2,000
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TOTAL EXPENDITURES	2,286	1,435	2,000	556	2,000	2,000	0	2,000

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Taxes

	2021	2022	2023			2024		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
54080-00-08000 PILOT to City-Tax Equiv.	371,929	312,302	390,000	264,937	(264,937)	390,000	0	390,000
54080-00-51000 SS/Medicare	17,222	20,646	23,500	26,864	22,500	23,500	0	23,500
54080-00-92800 PSC Remainder Assmt.	1,859	1,596	1,500	0	1,500	1,500	0	1,500
TOTAL	391,011	334,545	415,000	291,801	(240,937)	415,000	0	415,000
54080-00-0800PILOT to City-Tax Equiv.	PERMANENT NOTES: Annual audit calculation based upon Water Utility Assets, tax rates (Lincoln County, City of Merrill, Merrill Area Public Schools, and Northcentral Technical College), as well as Assessment Ratio.							
54080-00-0800PILOT to City-Tax Equiv.	CURRENT YEAR NOTES: For 2022 and 2023, lower Water PILOT due to Assessment Ratio							
TOTAL EXPENDITURES	391,011	334,545	415,000	291,801	(240,937)	415,000	0	415,000

CITY OF MERRILL
 APPROVED BUDGET REPORT
 AS OF: OCTOBER 31ST, 2023

62 -Water Fund
 Debt Service

	2021	2022	(----- 2023 -----)			(----- 2024 -----)		
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDEGT	BUDGET CHANGE	PROPOSED BUDGET
EXPENDITURES								
56172-00-42500 Amortized Debt Cost	(987)	(1,114)	0	0	0	0	0	0
56172-00-42600 Borrowing Expense	6,800	0	0	0	0	0	0	0
56172-00-42700 Interest-GO Debt to City	38,004	38,469	36,179	36,179	36,179	35,000	(1,179)	35,000
TOTAL	43,816	37,355	36,179	36,179	36,179	35,000	(1,179)	35,000
TOTAL EXPENDITURES	43,816	37,355	36,179	36,179	36,179	35,000	(1,179)	35,000
FUND TOTAL REVENUES	1,887,673	2,559,560	1,980,667	1,712,592	2,018,035	2,018,035	37,368	2,018,035
FUND TOTAL EXPENDITURES	1,870,654	1,723,995	1,947,929	1,172,028	1,371,138	2,072,600	124,671	2,072,600
REVENUE OVER/ (UNDER) EXPENDITURES	17,019	835,565	32,738	540,563	646,897	(54,565)	(87,303)	(54,565)

*** END OF REPORT ***