

COMMISSION FILE NO: 16-132-10 **DATE INTRODUCED:** October 10, 2016

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Policy, Finance, and Personnel Committee

RELATING TO: Adopting the Operations and Maintenance Budget for the 2017 Fiscal Year

SUMMARY:

The Commission is asked to consider the 2017 Proposed Operations and Maintenance Budget. Adoption of the 2017 Operations and Maintenance Budget will be requested at the October 24, 2016, Commission meeting.

The Executive Director's 2017 Proposed Operations and Maintenance Budget provides for total expenditures of \$90,394,800 ~~\$90,359,800~~. The proposed expenditures are funded from \$75,112,768 in user charge billings, \$8,350,000 in Milorganite® net sales, \$1,136,681 in other income, \$250,000 in interest income, \$1,195,937 ~~\$1,160,937~~ in Household Hazardous Waste Collection Program revenue, \$983,414 in Industrial Waste Pretreatment Program revenue, and the return of \$7,831,369 from the 2015 Operations and Maintenance surplus. In addition, a \$300,000 contribution to the equipment replacement fund and a \$4,165,369 contribution to the user charge stabilization fund are anticipated.

The Executive Director's 2017 Proposed Operations and Maintenance Budget of \$90,394,800 ~~\$90,359,800~~ includes the following expenditures:

- \$44,904,022 for Net Veolia Water Milwaukee Service Fee*;
- \$34,155,120 ~~\$34,120,120~~ for Net Division Expenditures*;
- \$9,123,161 for Net Fringe Benefits*; and
- \$2,212,497 for Unallocated Reserve.

*Net Expenditures are inclusive of the offsetting charges to the 2017 Capital Budget.

ATTACHMENTS: **BACKGROUND** ☐ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☐ **S/W/MBE** ☐ **OTHER** ☐ _____

*PFP_Adopt_2017_OM_Budget_legislative_file
10-11-16*

COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

SUMMARY (Cont'd)

Adopting the Operations and Maintenance Budget for the 2017 Fiscal Year

The 2017 Proposed Operations and Maintenance Budget anticipates total funding of ~~\$90,394,800~~ ~~\$90,359,800~~ from the following sources of funds:

- \$75,112,768 in user charge billings;
- \$8,350,000 in Milorganite® net revenue;
- \$1,136,681 in other income;
- \$250,000 in interest income;
- \$1,195,937 ~~\$1,160,937~~ in Household Hazardous Waste Collection Program revenue;
- \$983,414 in Industrial Waste Pretreatment Program revenue; and
- \$7,831,369 in surplus from 2015 applied.

In addition, a \$300,000 contribution to the equipment replacement fund and a \$4,165,369 contribution from the user charge stabilization fund are anticipated.

User charge billings of \$75,112,768 are 2.5% above the level in the 2016 Operations and Maintenance Budget.

RESOLUTION

Adopting the Operations and Maintenance Budget for the 2017 Fiscal Year

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the 2017 Operations and Maintenance Budget, providing the total expenditures of \$90,394,800 ~~\$90,359,800~~ to be funded by \$75,112,768 in user charge billings, \$8,350,000 in Milorganite® net sales, \$1,136,681 in other income, \$250,000 in interest income, \$1,195,937 ~~\$1,160,937~~ in Household Hazardous Waste Collection Program revenue, \$983,414 in Industrial Waste Pretreatment Program revenue, and the return of \$7,831,369 from the 2015 Operations and Maintenance surplus, is hereby adopted, with a \$300,000 contribution to the equipment replacement fund and a \$4,165,369 contribution to the user charge stabilization fund anticipated.