

COMMISSION FILE NO: 19-142-10 **DATE INTRODUCED:** October 14, 2019

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 2020 Fiscal Year

SUMMARY:

The Commission is asked to consider the 2020 Proposed Operations and Maintenance Budget. Adoption of the 2020 Operations and Maintenance Budget will be requested at the October 28, 2019, Commission meeting.

The Executive Director's 2020 Proposed Operations and Maintenance Budget provides for total expenditures of \$111,022,281. The proposed expenditures are funded from \$86,871,306 in user charge billings, \$10,400,000 in Milorganite® net sales, \$1,000,000 in interest income, \$3,043,895 in other income, \$1,258,850 in Household Hazardous Waste Collection Program revenue, \$1,026,310 in Industrial Waste Pretreatment Program revenue, and the return of \$5,221,920 from the 2018 Operations and Maintenance surplus. A \$300,000 contribution to the equipment replacement fund is anticipated.

The Executive Director's 2020 Proposed Operations and Maintenance Budget of \$111,022,281 includes the following expenditures:

- \$51,236,302 for Net Veolia Water Milwaukee Service Fee*;
- \$45,674,319 for Net Division Expenditures*;
- \$11,934,753 for Net Fringe Benefits*; and
- \$2,176,907 for Unallocated Reserve.

*Net expenditures are inclusive of the offsetting charges to the 2020 Capital Budget.

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

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COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

SUMMARY (Cont'd)

Adopting the Operations and Maintenance Budget for the 2020 Fiscal Year

The 2020 Proposed Operations and Maintenance Budget anticipates total funding of \$111,022,281 from the following sources of funds:

- \$86,871,306 in user charge billings;
- \$10,400,000 in Milorganite® net revenue;
- \$1,000,000 in interest income;
- \$3,043,895 in other income;
- \$1,258,850 in Household Hazardous Waste Collection Program revenue;
- \$1,026,310 in Industrial Waste Pretreatment Program revenue; and
- \$5,221,920 in surplus from the 2018 budget applied.

In addition, the District anticipates making a \$300,000 contribution to the equipment replacement fund.

User charge billings of \$86,871,306 are 2.5% above the level in the 2019 Operations and Maintenance Budget.

RESOLUTION

Adopting the Operations and Maintenance Budget for the 2020 Fiscal Year

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the 2020 Operations and Maintenance Budget, providing the total expenditures of \$111,022,281 to be funded by \$86,871,306 in user charge billings, \$10,400,000 in Milorganite® net sales, \$1,000,000 in interest income, \$3,043,895 in other income, \$1,258,850 in Household Hazardous Waste Collection Program revenue, \$1,026,310 in Industrial Waste Pretreatment Program revenue, and the return of \$5,221,920 from the 2018 Operations and Maintenance surplus, is hereby adopted, with a \$300,000 contribution to the equipment replacement fund anticipated.