

COMMISSION FILE NO: 20-160-10 **DATE INTRODUCED:** October 12, 2020

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 2021 Fiscal Year

SUMMARY:

The Commission is asked to consider the 2021 Proposed Operations and Maintenance Budget. Adoption of the 2021 Operations and Maintenance Budget will be requested at the October 26, 2020, Commission meeting.

The Executive Director's 2021 Proposed Operations and Maintenance Budget provides for total expenditures of \$106,749,383. The proposed expenditures are funded from \$87,774,811 in user charge billings, \$11,850,000 in Milorganite® net sales, \$500,000 in interest income, \$735,000 in other income, \$1,254,471 in Household Hazardous Waste Collection Program revenue, \$1,108,669 in Industrial Waste Pretreatment Program revenue, and the return of \$3,136,432 from the 2019 Operations and Maintenance surplus. A \$110,000 contribution to the equipment replacement fund is anticipated.

The Executive Director's 2021 Proposed Operations and Maintenance Budget of \$106,749,383 includes the following expenditures:

- \$52,205,079 for Net Veolia Water Milwaukee Service Fee*;
- \$42,853,723 for Net Division Expenditures*;
- \$9,597,456 for Net Fringe Benefits*; and
- \$2,093,125 for Unallocated Reserve.

*Net expenditures are inclusive of the offsetting charges to the 2021 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 2021 Fiscal Year

The 2021 Proposed Operations and Maintenance Budget anticipates total funding of \$106,749,383 from the following sources of funds:

- \$87,774,811 in user charge billings;
- \$11,850,000 in Milorganite® net revenue;
- \$500,000 in interest income;
- \$735,000 in other income;
- \$1,254,471 in Household Hazardous Waste Collection Program revenue;
- \$1,108,669 in Industrial Waste Pretreatment Program revenue; and
- \$3,136,432 in surplus from the 2019 budget applied.

In addition, the District anticipates making a \$110,000 contribution to the equipment replacement fund.

User charge billings of \$87,774,811 are 1.0% above the level in the 2020 Operations and Maintenance Budget.

RESOLUTION

Adopting the Operations and Maintenance Budget for the 2021 Fiscal Year

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the 2021 Operations and Maintenance Budget, providing the total expenditures of \$106,749,383 to be funded by \$87,774,811 in user charge billings, \$11,850,000 in Milorganite® net sales, \$500,000 in interest income, \$735,000 in other income, \$1,254,471 in Household Hazardous Waste Collection Program revenue, \$1,108,669 in Industrial Waste Pretreatment Program revenue, and the return of \$3,136,432 from the 2019 Operations and Maintenance surplus, is hereby adopted, with a \$110,000 contribution to the equipment replacement fund anticipated.