

COMMISSION FILE NO: 21-140-10 **DATE INTRODUCED:** October 11, 2021

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 2022 Fiscal Year

SUMMARY:

The Commission is asked to consider the 2022 Proposed Operations and Maintenance Budget. Adoption of the 2022 Operations and Maintenance Budget will be requested at the October 25, 2021, Commission meeting.

The Executive Director's 2022 Proposed Operations and Maintenance Budget provides for total expenditures of \$109,425,729. The proposed expenditures are funded from \$89,967,285 in user charge billings, \$11,000,000 in Milorganite® net sales, \$500,000 in interest income, \$2,135,000 in other income, \$1,258,050 in Household Hazardous Waste Collection Program revenue, \$1,086,916 in Industrial Waste Pretreatment Program revenue, and the return of \$6,228,478 from the 2020 Operations and Maintenance surplus. A \$250,000 contribution to the equipment replacement fund and a \$2,500,000 contribution to the user charge stabilization fund are anticipated.

The Executive Director's 2022 Proposed Operations and Maintenance Budget of \$109,425,729 includes the following expenditures:

- \$54,699,138 for Net Veolia Water Milwaukee Service Fee*;
- \$42,295,637 for Net Division Expenditures*;
- \$10,285,352 for Net Fringe Benefits*; and
- \$2,145,603 for Unallocated Reserve.

*Net expenditures are inclusive of the offsetting charges to the 2022 Capital Budget.

ATTACHMENTS: **BACKGROUND** ☐ **KEY ISSUES** ☐ **RESOLUTION** ☒

FISCAL NOTE ☐ **S/W/MBE** ☐ **OTHER** ☐ _____

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09-23-21*

COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

SUMMARY (Cont'd)

Adopting the Operations and Maintenance Budget for the 2022 Fiscal Year

The 2022 Proposed Operations and Maintenance Budget anticipates total funding of \$109,425,729 from the following sources of funds:

- \$89,967,285 in user charge billings;
- \$11,000,000 in Milorganite® net revenue;
- \$500,000 in interest income;
- \$2,135,000 in other income;
- \$1,258,050 in Household Hazardous Waste Collection Program revenue;
- \$1,086,916 in Industrial Waste Pretreatment Program revenue; and
- \$6,228,478 in surplus from the 2020 budget applied.

In addition, the District anticipates making a \$250,000 contribution to the equipment replacement fund and a \$2,500,000 contribution to the user charge stabilization fund.

User charge billings of \$89,967,285 are 2.5% above the level in the 2021 Operations and Maintenance Budget.

RESOLUTION

Adopting the Operations and Maintenance Budget for the 2022 Fiscal Year

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the 2022 Operations and Maintenance Budget, providing the total expenditures of \$109,425,729 to be funded by \$89,967,285 in user charge billings, \$11,000,000 in Milorganite® net sales, \$500,000 in interest income, \$2,135,000 in other income, \$1,258,050 in Household Hazardous Waste Collection Program revenue, \$1,086,916 in Industrial Waste Pretreatment Program revenue, and the return of \$6,228,478 from the 2020 Operations and Maintenance surplus, is hereby adopted, with a \$250,000 contribution to the equipment replacement fund and \$2,500,000 contribution to the user charge stabilization fund anticipated.

FURTHER RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that two requested limited-term employee positions are authorized to be filled with the adoption of the budget.