

## PROPOSED 2023 Budget Criteria

### REVENUE

1. User Fees - At this time an increase in fees is not recommended. Circumstances regarding the wholesale rate may require a revision prior to July 1<sup>st</sup> which is when an increase would take effect.
2. This budget assumes .5% increase in customers. Customer growth in 2022 is approximately 1%.
3. In July of 2022, the 2007B, 2013, and 2015 SRF loans were refinanced to extend the life of the loan, and amended to allow for the creation of a Budget Stabilization Fund. The monthly contribution to this fund is to be determined by the Board of Trustees.
4. A detailed review of the current pressurized system rates is planned for 2023.
  - a. The addition of QuickBooks Time Keeping along with an inventory tracking spreadsheet, will increase the accuracy of the data used to review employee hours spent, and the number of pumps used at each location.

### EXPENSES

#### PERSONNEL

1. No additional staff recommended for 2023.
2. Wages – To retain and attract qualified dependable employees.
  - a. Proposed 4% Wage Scale Increase
  - b. Proposed 6% COLA and 2% Merit Pool – Proposed cost of approximately \$66,000 annually.
    - CPI (Consumer Price Index) for the 1<sup>st</sup> half of 2022 is 8.3%
    - Social Security Increase for 2023 is 8.7%
3. Possible Promotions
  - 2 Wastewater Treatment Plant and Equipment Operators upgrading to higher license:
    - 5% hourly increase at time of promotion from \$21.06 to \$22.11
    - 5% hourly increase at time of promotion from \$27.69 to \$29.07
  - 1 Equipment Operator promotion to WWTP/E:
    - 5% increase at time of promotion from \$19.67 to \$20.01
4. Insurance - Through Naught-Naught Insurance Agency, based on preliminary numbers:
  - a. Health – Current Anthem plan has a 3.2% increase, approximately \$555.00/month.
    - 2 staff members will be at a higher premium due to a 5<sup>th</sup> year birthday, which takes the total percentage to 4.9 and is included in the monthly total.
    - A comparison between the current plan, the renewal plan, and an option for United Healthcare is attached. An additional quote from Anthem Chamber is in process.
  - b. Dental - Principal 0% increase
  - c. Life - Principal 0% Increase
  - d. LTD - Principal 0% increase

#### OPERATIONS

1. Wholesale treatment
  - a. This budget currently assumes an increase in the wholesale rate.
  - b. City rates are not currently scheduled to increase in 2023.
2. New Service Contracts – Monthly
  - a. City of Ashland added in July of 2022
  - b. Village of Renick September of 2022
3. Existing Service Contracts – Monthly

- a. City of Hartsburg
- b. City of Rocheport (billing for trash)
- c. City of Sturgeon

#### CONTRACTUAL/OUTSIDE SERVICES

1. Central Power – Generator Services \$12,000
2. Convergence Accounting – \$20,000 (\$150/hour approx. 8-12 hrs/month)
3. Columbia Landcare (Mowing) - \$36,000
4. Engineering - includes \$10,000 for miscellaneous needs
5. Financial Consulting - \$15,000 for miscellaneous needs
6. Legal Fees - \$100,000
7. Mapping/GIS ongoing additions and training - \$30,000

#### MISCELLANEOUS

1. Headquarters budget includes a contingency fund of \$18,500 to cover unforeseen repairs or replacement.
2. Replace Vehicles & Equipment \$408,500
  - a. Four pick-up trucks (Update if any purchased in 2022)
  - b. Replace F-550 for the crane
  - c. Replace 18.5' X 8' flatbed trailer
  - d. Purchase 6" trash pump
3. Systems Repairs and Maintenance includes a contingency budget for back up rehabilitation of \$24,000.
4. A general contingency fund of \$50,000 is included in this budget.

#### OTHER EXPENSE – Cash or Lease Purchase

1. Loss on Assets include the cost to close Rollingwood WWTP. Carried over from 2022 budget.
2. Brookfield Estates \$177,750
3. Headquarters Roof Repair
4. Wage Benefit Survey
5. Area-wide Management Plan

#### DEBT SERVICE

1. Proposed construction carried over from 2022
  - a. Rollingwood WWTP closure by way of connection to Midway Crossings WWTP. Staff received an updated approval for an MDNR Water Quality Incentive Grant to fund 60% of the project instead of 50%:
    - 40% Loan through SRF - \$200,730
    - 60% Incentive Grant - \$301,095
2. Proposed construction for 2023
  - b. Highfield Acres lagoon closure by way of connection to the City of Columbia's wastewater collection and treatment system.
    - 40% Loan through SRF – \$107,312
    - 60% Incentive Grant - \$160,968

#### CAPITAL ADDITIONS - Cash or Lease Purchase

These items are carry overs from 2022.

1. Brookfield Estates
2. Waters Edge