

2024 Budget Criteria

REVENUE

1. User Fees – A 2.5% user fee increase was approved in July 2023. This will be a consistent increase annually. A user rate fee study will be conducted in 2024.
2. The 2022 budget assumed an increase of 1%. The actual increase was .71%. Customer growth in 2024 is expected to remain the same at 0.78%.
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 contribution to this fund is to be determined by the Board of Trustees annually.
4. A detailed review of the current pressurized system rates is planned for 2024.
 - 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. Goal is to have a working solution by first of January 2024.

EXPENSES

PERSONNEL

1. Wages – To retain and attract qualified dependable employees.
 - a. Proposed Wage Scale Review in 2023
 - b. Proposed 4.7% COLA and 0% Merit Pool – Proposed cost of approximately \$43,000 annually.
 - Mosers caps at 5%, Federal Planning Bureau 4.1%, Social Security 3.2%, Boone County Judiciary 4.6% (waiting on BC plan to be released 11/13), Forbes 4.5%, Fed Reserve 3.5%, City of Columbia 6% (Sept 2023) & \$10 million 2024, CPI 3.7%-4.6%.
 - Proposal is comparable to other local and industry entities surveyed.
 - Maintain quality benefits, Lagers review; Anthem increase 9.9% but this rate is lower than marketplace plans at 11% and above per Philip with AssuredPartners. Options will be reviewed throughout the year and rates monitored but opt to consult AssuredPartners at this time.
2. Insurance - Through Naught-Naught Insurance Agency, based on preliminary numbers:
 - a. Health – Current Anthem plan has a 9.9% increase, approximately \$1055.00/month.

OPERATIONS

1. Wholesale treatment
 - a. This budget does not assume an increase in the wholesale rate.
 - b. City rates are not currently scheduled to increase in 2024.
2. Existing Service Contracts – Monthly
 - a. City of Hartsburg
 - b. City of Rocheport (billing for trash)
 - c. City of Sturgeon
 - d. Village of Renick
 - e. City of Ashland

CONTRACTUAL/OUTSIDE SERVICES

1. Central Power – Generator Services \$27,600
2. Convergence Accounting – NTE \$7,590 (\$200/month consult fee + \$175/hour for svcs rendered) = \$300/month payroll services: \$3,600
3. Columbia Landcare (Mowing) - \$36,000 – Current contract for 2021-2023
4. Engineering - includes \$10,000 for miscellaneous needs
5. Financial Consulting - \$10,000 for audit

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
 - a. One pick-up truck
 - b. Replace F-550 for the crane with a 5-ton truck
 - 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 2023 budget.
2. Headquarters Roof Repair
3. Wage Benefit Survey
4. Area-wide Management Plan \$58,000
5. Rocheport Pump Station Design \$25,000

DEBT SERVICE

1. Proposed construction carried over from 2023
 - a. Rollingwood WWTP closure by way of connection to Midway Crossings WWTP. Staff received approval for an MDNR Water Quality Incentive Grant to fund 60% of the project.
 - 40% Loan through SRF - \$147,000
 - 60% Incentive Grant - \$220,000
2. Proposed construction for 2024
 - 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

LEASE PURCHASES - Principal payments scheduled for December 2024

1. Dump Truck \$20,063.17 – Last payment December 2024
2. Sewer Jet \$53,236 – Last payment December 2026

CAPITAL ADDITIONS - Cash or Lease Purchase

These items are carry overs from 2023.

1. Brookfield Estates - \$177,750
2. Waters Edge

MISC NOTES FOR ME

Timeline:

1. Prepare draft budget by mid October.
2. Review previous worksheets.
3. Meet with each department manager throughout October.
4. Draft budget ready for approval by November Board meeting.
5. Approved budget complete, set up in financial software and issued to appropriate parties by December 31, 2023.

Budget Questions

1. I'm not seeing any prior instructions so I'm going to do what I always do. History, projections and draft. Set meetings with Managers to review their needs, projections and future purchases.
2. Tie in to system plans.

City: \$10 million commitment to employees in 2024, starting pay is going up for certain positions.

Before I begin to outline some of our new initiatives for fiscal year 24 or changes to departments, I want to talk about one of the biggest expenses I have included in this proposed budget. For several years, City leadership has focused on providing competitive pay and benefits to employees. In 2022, City Council approved adjustments totaling 7% for permanent, unrepresented employees. Last month, the Council approved an additional midyear adjustment of 4%.

Council previously approved a 7% pay raise for employees in 2022 and an additional [6% mid-year adjustment](#) just last month. (The 6% would have taken place in September and new fiscal year starts in October?)

The FY24 budget includes a move to a new minimum pay adjustment for any city employees currently paid below that minimum and an increase of 2% for eligible permanent city employees (not exceeding the new maximum pay range). All supervisors' wages will also be adjusted to make 1% above the highest paid employee they supervise.