



TriCo Regional Sewer Utility

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BUDGET & FINANCE COMMITTEE MEETING

**Friday, September 25, 2020 @
7:30 A.M. John Hensel
Government Center Community
Room**

1. Public Comment
2. Financials
3. 2021 Operating Budget

Next Scheduled Meeting: Friday, October 23, 2020 @ 7:30 A.M.

TriCo Regional Sewer Utility
 Budget & Finance Committee - Analysis of August 2020
 September 20, 2020

Income Statements

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> (unfavorable)	Above / - Under Budget	<u>Explanation</u>
Residential	418,593	412,428	6,165	1.49%	Over Budget
Commercial	255,489	267,310	(11,821)	-4.42%	Under Budget
Other Revenue	10,353	15,583	(5,230)	-33.56%	Under Budget
Other Income	543,799	13,853	529,946	3825%	Over Budget - sale of building included
Total Revenue	1,228,234	709,174	519,060	73.19%	Over Budget

Residential sales remained steady in August, up \$70 from August, and were slightly above budget. Commercial revenue was up \$28,608 from July and \$11,821 below the month's projection. Other revenue was under budget by \$5,230 (33.56%). Late fees totalled \$6,490. Other income was above budget with the addition of the bond interest in the money market accounts and the sale of the building. August Total Sales of \$543,799 was \$529,946 over projected revenue of \$13,853. Gain on the sale of the building was \$515,004. YTD, commercial revenue is 60.28% of annual projections. Residential is 67% of projections and on track to meet the annual budget.

August Spending Analysis

Wages & benefits in August were \$160,233 and under budget by \$23,054 (12.58%). YTD Spending is at 67.67% of budget. Administration spending in August was \$60,717 and \$2,670 under budget (4.21%). YTD spending is 63.95% of budget. Treatment costs in August were \$160,061 which is \$12,211 over budget (8.26%). YTD spending is 65.84% of budget. Collection costs were \$68,964 in August which was \$6,964 over budget (11.23%). YTD spending is 53.84% of budget.

Total Operating expenses in August were \$449,975 which is \$6,550 under budget (1.43%). YTD spending is 64.99% of the budget.

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> (unfavorable)	Above / - Under Budget	<u>Explanation</u>
Wages	115,776	130,313	14,537	-11.16%	Under budget
Insurance	23,677	30,904	7,227	-23.39%	Anthem refund
Computer expenses	22,902	15,833	(7,069)	44.65%	Over Budget - IT Indpls
Plant R & M	25,214	14,100	(11,114)	78.82%	Over budget-Mission Mechanical
Operating Supplies - Plant	4,756	2,400	(2,356)	98.17%	Over Budget-BioChem
Lift Station R & M	24,332	12,000	(12,332)	102.77%	Over budget- Xylem, Quality Repairs
Manhole R & M	24,199	10,000	(14,199)	141.99%	Over Budget - Structured Solutions
Total Operating Expenses	449,975	456,525	6,550	-1.43%	Under budget

Net Income (loss) net of depreciation	673,313	149,080	524,233	351.65%	Over projections-Sale of Admin building
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Expenses were \$6,549 lower than budgeted in August.

Cash Generated

Cash generated for August shows a net increase in all operating funds by \$849,328 in August. Capital Spending during the month included admin office improvements, plant expansion, plant outfall, Haver Way, neighborhood sewers, and LS 14 elimination. Capital spending in August was \$2,300,791.

Individual fund balances and changes are listed on the Cash Generated Statements included with the monthly financial statements.

	August	June	+/- from last month	
Operating	\$ 5,466,020	\$ 4,432,779	\$ 1,033,241	
Interceptor	\$ (2,513)	\$ 159,332	\$ (161,844)	
Plant Expansion	\$ 4,665,653	\$ 4,675,986	\$ (10,333)	
Operating Reserve	\$ 519,252	\$ 519,252	\$ -	
Reserve for Replacement	\$ 515,106	\$ 526,841	\$ (11,736)	\$ 849,328
Subtotal	\$ 11,163,518	\$ 10,314,190	\$ 849,328	
2020 Bond Funds	\$ 15,502,974	\$ 18,308,948	\$ (2,805,974)	
Total	\$ 26,666,493	\$ 28,623,138	\$ (1,956,646)	

Operating, Interceptor, Plant Exp and R4R cash increased \$849,328 in August. Bond funds decreased \$2,805,974.

Investments

The money market rates are .15% at Citizens and 1.5% at Merchants. Interest earned at Citizens was \$134 in August. The Federated MM account is earning .13% with \$7,234,805 invested at the end of August. Total interest earned in August was \$228.08. The interest earned at Merchants was \$28,374 in August. The proceeds from the admin building sale was deposited into the MM account at Merchants Bank.

TriCo Regional Sewer Utility								
Income Statement								
August 2020								
		Actual	Budget					
		MTD	MTD					
		thru	thru					
		08/31/2020	08/31/2020	Variance	% MTD	Actual	Annual	% YTD
						YTD	Budget	
Sales								
Residential								
4001-1	Sales - Residential	418,593.45	412,428.00	6,165.45	101.49 %	3,333,223.76	4,975,000.00	67.00 %
Residential		418,593.45	412,428.00	6,165.45	101.49 %	3,333,223.76	4,975,000.00	67.00 %
Commercial								
4003-1	Sales - Commercial	255,489.03	267,310.00	(11,820.97)	95.58 %	1,575,127.33	2,613,000.00	60.28 %
Commercial		255,489.03	267,310.00	(11,820.97)	95.58 %	1,575,127.33	2,613,000.00	60.28 %
Other Revenue								
4005-1	Late Charges	6,490.65	8,083.33	(1,592.68)	80.30 %	39,531.88	97,000.00	40.75 %
4007-1	Applications Fees	3,300.00	5,416.67	(2,116.67)	60.92 %	35,254.50	65,000.00	54.24 %
4009-1	Plan Reviews, Inspections, Misc. Revenue	562.50	2,083.33	(1,520.83)	27.00 %	14,042.46	25,000.00	56.17 %
Other Revenue		10,353.15	15,583.33	(5,230.18)	66.44 %	88,828.84	187,000.00	47.50 %
Total Sales		684,435.63	695,321.33	(10,885.70)	98.43 %	4,997,179.93	7,775,000.00	64.27 %
Other Income								
4501-1	Interest - Investments	0.00	3,333.33	(3,333.33)	0.00 %	44,498.12	40,000.00	111.25 %
4503-1	Interest - Banking	28,736.58	10,416.67	18,319.91	275.87 %	148,016.07	125,000.00	118.41 %
4507-1	Bank Fees	(65.00)	(20.00)	(45.00)	325.00 %	(465.00)	(240.00)	193.75 %
4601-1	Interest - by project	123.13	115.00	8.13	107.07 %	1,175.31	1,500.00	78.35 %
4701-1	Customer Fees & Reimbursements	0.00	0.00	0.00	0.00 %	(1,143.05)	0.00	0.00 %
4801-1	Gain/Loss on Asset Disposal	515,004.72	0.00	515,004.72	0.00 %	515,004.72	0.00	0.00 %
4901-1	Misc Income/Expense	0.00	8.33	(8.33)	0.00 %	0.10	100.00	0.10 %
Other Income		543,799.43	13,853.33	529,946.10	3,925.41 %	707,086.27	166,360.00	425.03 %
Total Revenue		1,228,235.06	709,174.66	519,060.40	173.19 %	5,704,266.20	7,941,360.00	71.83 %
Operating Expenses								
Wages & Benefits								
5001-1	Gross Wages	115,776.35	130,313.92	14,537.57	88.84 %	1,067,332.56	1,563,767.00	68.25 %
5003-1	Other Employee Exp	1,058.25	1,000.00	(58.25)	105.83 %	14,836.14	12,000.00	123.63 %
5005-1	Retirement Plan - Hoosier START	11,334.13	11,867.00	532.87	95.51 %	105,820.44	154,277.00	68.59 %
5007-1	Employee Insurance	23,677.17	30,904.58	7,227.41	76.61 %	237,804.80	370,855.00	64.12 %
5009-1	Taxes (Employer FICA)	8,387.25	9,202.00	814.75	91.15 %	76,754.23	119,628.00	64.16 %
Wages & Benefits		160,233.15	183,287.50	23,054.35	87.42 %	1,502,548.17	2,220,527.00	67.67 %

		Actual MTD thru 08/31/2020	Budget MTD thru 08/31/2020					
				Variance	% MTD	Actual YTD	Annual Budget	% YTD
Administration								
5101-1	Clay Township Govt Center Operations	4,862.40	4,041.67	(820.73)	120.31 %	36,793.97	48,500.00	75.86 %
5103-1	Professional Education	345.00	1,666.67	1,321.67	20.70 %	11,261.23	20,000.00	56.31 %
5105-1	Boardmember Fees	1,100.00	1,583.33	483.33	69.47 %	11,950.00	19,000.00	62.89 %
5107-1	Board Expense	30.49	125.00	94.51	24.39 %	706.15	1,500.00	47.08 %
5109-1	Consulting	0.00	4,166.67	4,166.67	0.00 %	176.16	50,000.00	0.35 %
5111-1	Computer Expenses/Consultants	22,902.64	15,833.33	(7,069.31)	144.65 %	162,910.98	190,000.00	85.74 %
5113-1	Insurance	9,708.25	9,166.67	(541.58)	105.91 %	84,592.94	110,000.00	76.90 %
5115-1	Accounting Fees	0.00	416.67	416.67	0.00 %	1,200.00	5,000.00	24.00 %
5117-1	Legal Fees	2,345.00	2,916.67	571.67	80.40 %	21,564.99	35,000.00	61.61 %
5119-1	Engineering Fees	1,456.68	2,500.00	1,043.32	58.27 %	5,001.85	30,000.00	16.67 %
5125-1	Professional Affiliations	496.88	583.33	86.45	85.18 %	1,421.44	7,000.00	20.31 %
5127-1	Travel & Mileage	427.80	583.33	155.53	73.34 %	4,070.40	7,000.00	58.15 %
5129-1	Collection	858.00	750.00	(108.00)	114.40 %	7,552.65	9,000.00	83.92 %
5131-1	Billing Service Contracts	6,853.55	6,000.00	(853.55)	114.23 %	65,191.65	92,000.00	70.86 %
5133-1	Bad Debt Expense	471.78	125.00	(346.78)	377.42 %	471.78	1,500.00	31.45 %
5135-1	Office Expense	387.23	833.33	446.10	46.47 %	9,041.06	10,000.00	90.41 %
5137-1	Postage Expense	6,040.32	5,012.50	(1,027.82)	120.51 %	38,240.13	60,150.00	63.57 %
5139-1	Office Services	2,243.90	5,000.00	2,756.10	44.88 %	33,300.86	60,000.00	55.50 %
5141-1	Customer Outreach & Education	187.48	2,083.33	1,895.85	9.00 %	3,741.00	25,000.00	14.96 %
Administration		60,717.40	63,387.50	2,670.10	95.79 %	499,189.24	780,650.00	63.95 %
Treatment								
5201-1	Sewage Treatment - Carmel WWTP	86,234.36	84,000.00	(2,234.36)	102.66 %	744,553.00	1,200,000.00	62.05 %
5203-1	Sewer Sampling & Lab	5,275.17	4,100.00	(1,175.17)	128.66 %	51,477.54	50,000.00	102.96 %
5205-1	Biosolids Disposal	11,508.77	13,000.00	1,491.23	88.53 %	107,058.80	165,000.00	64.88 %
5207-1	Plant R & M	25,214.44	14,100.00	(11,114.44)	178.83 %	116,499.14	170,000.00	68.53 %
5209-1	Utilities - Plant	25,474.85	29,000.00	3,525.15	87.84 %	209,152.99	295,000.00	70.90 %
5211-1	Operating Supplies - Plant	4,756.17	2,400.00	(2,356.17)	198.17 %	25,061.71	29,000.00	86.42 %
5213-1	Safety Materials & Training	1,597.28	1,250.00	(347.28)	127.78 %	9,774.01	15,000.00	65.16 %
5215-1	Permits	0.00	0.00	0.00	0.00 %	10,180.00	10,500.00	96.95 %
Treatment		160,061.04	147,850.00	(12,211.04)	108.26 %	1,273,757.19	1,934,500.00	65.84 %

		Actual MTD thru 08/31/2020	Budget MTD thru 08/31/2020	Variance	% MTD	Actual YTD	Annual Budget	% YTD
Collection System								
5301-1	Lift Station R & M	24,332.68	12,000.00	(12,332.68)	202.77 %	86,514.92	125,000.00	69.21 %
5303-1	Line Maintenance	3,825.77	6,000.00	2,174.23	63.76 %	16,480.02	55,000.00	29.96 %
5305-1	Line Repair	0.00	7,300.00	7,300.00	0.00 %	5,617.22	50,000.00	11.23 %
5307-1	Equipment Repair	830.95	1,500.00	669.05	55.40 %	6,174.45	20,000.00	30.87 %
5313-1	Vehicle R & M	137.19	3,000.00	2,862.81	4.57 %	8,309.56	8,000.00	103.87 %
5315-1	Fuel	1,685.40	1,600.00	(85.40)	105.34 %	11,464.96	20,000.00	57.32 %
5317-1	Utilities - Lift Stations	13,428.70	16,250.00	2,821.30	82.64 %	124,814.68	195,000.00	64.01 %
5319-1	Operating Supplies - Collection System	300.45	1,250.00	949.55	24.04 %	11,718.41	15,000.00	78.12 %
5321-1	Manhole R&M	24,199.59	10,000.00	(14,199.59)	242.00 %	40,663.53	66,000.00	61.61 %
5322-1	Televising	222.96	2,000.00	1,777.04	11.15 %	11,415.85	40,000.00	28.54 %
5323-1	Uniforms & Shop Towels	0.00	1,100.00	1,100.00	0.00 %	3,622.09	13,000.00	27.86 %
Collection System		68,963.69	62,000.00	(6,963.69)	111.23 %	326,795.69	607,000.00	53.84 %
Total Operating Expenses		449,975.28	456,525.00	6,549.72	98.57 %	3,602,290.29	5,542,677.00	64.99 %
Interest Expense								
5801-1	Interest Expense	42,120.00	42,120.00	0.00	100.00 %	294,840.00	463,320.00	63.64 %
Total		42,120.00	42,120.00	0.00	100.00 %	294,840.00	463,320.00	63.64 %
Total Interest Expense		42,120.00	42,120.00	0.00	100.00 %	294,840.00	463,320.00	63.64 %
Depreciation								
5901-1	Depreciation	355,048.25	353,670.70	(1,377.55)	100.39 %	2,830,761.78	4,244,048.40	66.70 %
Depreciation		355,048.25	353,670.70	(1,377.55)	100.39 %	2,830,761.78	4,244,048.40	66.70 %
Amortization								
5911-1	Amortization of CIAC	(292,222.00)	(292,222.00)	0.00	100.00 %	(2,337,776.00)	(3,506,664.00)	66.67 %
Amortization		(292,222.00)	(292,222.00)	0.00	100.00 %	(2,337,776.00)	(3,506,664.00)	66.67 %
Total Expenses		554,921.53	560,093.70	5,172.17	99.08 %	4,390,116.07	6,743,381.40	65.10 %
NET SURPLUS/(DEFICIT)		673,313.53	149,080.96	524,232.57	451.64 %	1,314,150.13	1,197,978.60	109.70 %

TriCo Regional Sewer Utility**Balance Sheet**

August 2020

	Actual as of 08/31/2020	Actual as of 08/31/2019	% of Prior Year
ASSETS			
Utility Plant	122,209,686.49	113,765,875.06	107.42 %
Current Assets			
Cash & Investments			
Cash & Investments - Operating Fund	5,466,019.59	3,513,321.99	155.58 %
Cash & Investments - Operating Reserve	519,252.00	2,192,400.00	23.68 %
Cash & Investments - Reserve for Replacement	515,105.73	403,751.45	127.58 %
Cash & Investments - Interceptor Fund	(2,512.56)	367,487.79	(0.68)%
Cash & Investments - Plant Expansion Fund	4,665,653.36	4,373,895.89	106.67 %
Cash & Investments - 2020 Bond Funds	15,502,974.42	0.00	0.00 %
Total Cash & Investments	26,666,492.54	10,850,857.12	245.75 %
Accounts Receivable	1,259,263.42	1,274,616.62	98.80 %
Liens Receivable	32,741.77	32,534.39	100.64 %
Invoiced Receivables	291,572.67	229,099.34	127.27 %
Notes & Interest Receivable	25,367.62	35,098.75	72.28 %
Investment Interest Receivable	0.00	169,392.00	0.00 %
Other Current Assets	256,260.69	230,311.41	111.27 %
Current Assets	28,531,698.71	12,821,909.63	222.52 %
TOTAL ASSETS	150,741,385.20	126,587,784.69	119.08 %
TOTAL LIABILITIES & EQUITY			
LIABILITIES			
Current Liabilities			
Invoiced Payables	114,510.05	123,072.05	93.04 %
Accounts Payable	132,520.43	93,334.14	141.98 %
Accrued Paid Leave	89,777.21	83,398.41	107.65 %
Other Current Liabilities	713,249.69	617,799.68	115.45 %
Total Current Liabilities	1,050,057.38	917,604.28	114.43 %
Long-Term Liabilities			
Bonds Payable	22,000,000.00	0.00	0.00 %
Long-Term Liabilities	22,000,000.00	0.00	0.00 %
TOTAL LIABILITIES	23,050,057.38	917,604.28	2,511.98 %
EQUITY			
Retained Earnings	29,647,953.29	27,351,763.19	108.40 %
Construction in Aid	98,043,374.53	98,318,417.22	99.72 %
TOTAL EQUITY	127,691,327.82	125,670,180.41	101.61 %
Total	150,741,385.20	126,587,784.69	119.08 %

2020 Capital Budget

Project		Funding Source	2020	August	YTD Spending	Note/Justification
Location	No. Project					
WRRF	Michigan Road Water Resource Recovery Facility					
	1902	WRRF Expansion	Plant Expansion	\$ -	\$ 74,400	Includes capacity-related work (3rd screen, 2 clarifiers, 4 VLRs, genset, UV)
	1902	WRRF Expansion (grit)	Operating	\$ 1,400,000	\$ -	New grit removal equipment
	1902	WRRF Expansion Alt 1 (clarifiers 1-3 repl)	Reserve for Replacement	\$ 1,100,000	\$ -	Replaces 3 small aging clarifiers
	1902	WRRF Expansion Alt 2 (office site work)	Operating	\$ 590,000	\$ 50	\$ 17,648 Site work required for office project
	1902	WRRF Expansion	Plant Expansion	\$ -	\$ 67,444	Site work required for office project
	1902	WRRF Expansion	Bond Proceeds	\$ 11,000,000	\$ 1,755,648	\$ 8,203,340 Site work required for office project
	1906	WRRF Outfall Sewer Expansion	Plant Expansion	\$ 2,300,000	\$ 43,985	\$ 68,306 '19 budget reduced due to late start
	1910	WRRF Office Unification	Operating	\$ 2,300,000	\$ 269,806	\$ 1,525,772 Includes building, site, FFE, repl of aging bldg systems. Sale of admin office not included.
	2502	WRRF Belt filter press replacement	Reserve for Replacement			\$ -
		Annual Plant Improvement & Repair Projects/Feb Digester Mods	Operating	\$ 150,000		\$ 29,250 Typical annual expenditures
LS 1	Carmel Creek					
	1802	Haver Way/Whitley Drive Lift Station & Sewer Reconstruction	Interceptor	\$ 650,000	\$ 2,000	\$ 39,095 Amounts budgeted do not include contribution or future reimbursement from property owners
	2201	LS 1 Replace wet weather pumps, generator, wet well piping	Reserve for Replacement			\$ 9,800 Replace equipment at the end of its service life.
LS 2	Meridian Corridor					
	2002	LS 2 Odor Control System Replacement	Reserve for Replacement	\$ 200,000		\$ 4,766 Moved project to 2020. May be cancelled.
	2401	106th Street Parallel Force main (LS 2 to Ditch Road)	Interceptor			\$ - Timing is based on when capacity is needed.
LS 3	Northern Heights					
		(no projects)				\$ -
LS 5	Spring Mill Streams					
	2601	Interceptor extension & lift station elimination	Interceptor			\$ - Combine this project with the LS19 elimination project.
LS 6	Waldon Pond					
	2104	Interceptor extension & lift station elimination	Interceptor			\$ - Timing is development driven.
LS 7	Laurelwood Sub					
		Pump replacements	Reserve for Replacement			\$ -
LS 8	Laurelwood					
	2101	LS 8 Reconstruction + new force main to 106th St	Operating			\$ - Wet weather capacity needed. Scope is pending force main troubleshooting and I&I removal
LS 9	Towne Road					
		Pump & control panel replacement	Reserve for Replacement			\$ -
LS 10	Michigan Road					
	2102	LS 10 Replace pumps, wet well piping, controls, backup generator	Reserve for Replacement			\$ - Wet weather capacity needed. Scope is pending force main troubleshooting

2020 Capital Budget

Project		Funding Source	2020	August	YTD Spending	Note/Justification
Location	No. Project					
LS 11	Boone County					
	1911	Pump and control panel replacement	Reserve for Replacement	\$ 100,000	\$ -	Added to 2019 budget due to pump failure, age
LS 12	Kingsmill					
		(no projects)			\$ -	
LS 14	Austin Oaks					
	1901	Parallel force main extension	Interceptor	\$ 925,000	\$ 211,988	\$ 814,688 '19 budget reduced due to late start
	2202	LS 14 Generator replacement & control upgrades	Reserve for Replacement		\$ -	Replace equipment at the end of its service life.
	2001	LEC Interceptor extension	Interceptor	\$ 500,000	\$ -	Timing is development driven.
LS 16	Zionsville Presbyterian					
	1905	LS 16 Replacement/relocation	Interceptor	\$ 400,000	\$ -	Timing is development driven.
LS 17	Zion Hills					
	2501	LS 17 Pump & electrical upgrades	Reserve for Replacement		\$ -	Timing is based on when capacity is needed.
LS 18	Train Express					
		Pump replacements	Reserve for Replacement		\$ -	Replace pumps at the end of their service life.
LS 19	Village of West Clay					
	2601	Interceptor extension & lift station elimination	Interceptor		\$ -	Combine this project with the LS5 elimination project.
LS 20	Mayflower Park					
		Pump replacement	Reserve for Replacement		\$ -	Replace pumps at the end of their service life.
LS 21	High Grove					
	2301	Interceptor extension & lift station elimination	Interceptor		\$ -	Timing is development driven.
LS 22	North Augusta					
		Pump replacement	Reserve for Replacement		\$ -	
LS 23	126th Street					
	2203	LS 23 Pump & electrical upgrades	Reserve for Replacement		\$ -	Timing is based on when capacity is needed.
LS 24	Parkwood West					
		Pump & control panel replacement	Reserve for Replacement		\$ -	
LS 25	Towne Oak Estates					
		Pump replacement	Reserve for Replacement		\$ -	
LS 26	Jacksons Grant					
	2103	LS 26 additional pumps, backup generator & parallel force main extension	Interceptor		\$ -	Timing is based on when capacity is needed in the Spring Mill Interceptor and at LS 26.
General collection system projects						
		Annual Misc. Repairs, Replacements & Line Relocations	Reserve for Replacement	\$ 150,000	\$ 7,957	\$ 146,749 Repairs are made as problems are found during televising.
	1908	Brandywine, Crossfields, Larkspur, Oak Tree, North Augusta and Lakewood Gardens Sewer Extension	Interceptor		\$ 50,250	'19 neighborhood sewer project
	2003	Future Sewer Extension Projects	Interceptor	\$ 300,000	\$ 4,480	\$ 77,270 Extend service into unsewered neighborhoods
Equipment						

2020 Capital Budget

Project		Project	Funding Source	2020	August	YTD Spending	Note/Justification
Location	No.						
		Vehicles	Operating			\$ -	Scheduled Replacement of Vehicles
		Laboratory Equipment	Reserve for Replacement	\$ 5,000	\$ 4,398	\$ 4,398	Replacement and Upgrades to Lab equipment
		240, 480 Selectable portable Genset	Reserve for Replacement			\$ 3,596	Existing Generators are from 1985 & 1992
		FirstNET Lift Station Radios	Reserve for Replacement	\$ 19,000		\$ 20,377	Replace existing radios with FirstNET radios.
		UV Module	Reserve for Replacement	\$ 15,000		\$ 14,754	A spare UV Module for stock.
		Plant Radar Level Sensors	Reserve for Replacement	\$ 12,000		\$ -	Units will replace the existing pressure transducers.
		Hand Held Sludge Blanket Sensor	Operating	\$ 8,000		\$ 7,483	Two hand held sludge blanket sensors.
		Plant Fiber Optic Cable Mapping	Operating	\$ 25,000		\$ 3,775	Map and correctly terminate the plant Fiber.
		Office HV01 Replacement	Reserve for Replacement	\$ 35,000		\$ 30,884	Replacement for the DC01, FS01, HiperWeb, UMS servers and the SAN. All are reaching end of life.
		Plant HV Replacement	Reserve for Replacement	\$ 20,000		\$ 16,117	Replacement for the SCADA, POSM & DC03 servers. All are reaching end of life.
		UTV/Skid Steer Combo	Reserve for Replacement	\$ 60,000		\$ -	This unit will replace both the Skid Steer and UTV; existing skid steer is a 1995 model and the UTV is a 2008. Repair frequency has been increasing on both.
		Future annual equipment purchases	Reserve for Replacement			\$ 3,300	Annual capital purchases needed to maintain operations.
			Totals	\$ 22,264,000	\$ 2,300,312	\$ 11,233,461	
			Operating	\$ 4,473,000	\$ 269,856	\$ 1,583,928	
			Reserve for Replacement	\$ 1,716,000	\$ 12,355	\$ 254,740	
			Plant Expansion	\$ 2,300,000	\$ 43,985	\$ 210,150	
			Interceptor	\$ 2,775,000	\$ 218,468	\$ 981,303	
			Bond Proceeds	\$ 11,000,000	\$ 1,755,648	\$ 8,203,340	
			Total	\$ 11,264,000	\$ 2,300,312	\$ 11,233,461	

TriCo Regional Sewer Utility
Cash Generated
August 2020

	Operating	Interceptor	Plant Expansion	Operating Reserve	Reserve for Replacement	2020 Bond Funds	2020 Bonds DSR	TOTAL
Beginning Balance	4,432,779	159,332	4,675,986	519,252	526,841	15,582,897	1,675,543	27,572,630
Receipts:								
Deposits	1,597,584	56,623	33,652					1,687,860
Interest	28,508					228		28,736
Transfers								0
Total Receipts	<u>1,626,093</u>	<u>56,623</u>	<u>33,652</u>	<u>0</u>	<u>0</u>	<u>228</u>	<u>0</u>	<u>1,716,596</u>
Disbursements:								
Checks	322,545				11,736		45	334,326
Carmel Utilities								-
Plant Outflow 1701/1906			43,985					43,985
Plant Odor Control-1505								-
LS 8 Upgrades - 1904								-
LS 14 Forcemain Extension 1901		211,988						211,988
96th Keyston Repairs								-
LS 4 Elim - 1801								-
106th St Parallel FM-1601								-
Office Remodel	269,806							269,806
Neighborhood sewers		4,480						4,480
96th Keystone Relocate - 1702								-
Plant Expansion - 1902	500					1,755,648	0	1,756,148
Springmill Interceptor-1602								-
Haver Way - 1802		2,000						2,000
Transfers								-
Total Disbursements	<u>592,852</u>	<u>218,468</u>	<u>43,985</u>	<u>0</u>	<u>11,736</u>	<u>1,755,648</u>	<u>45</u>	<u>2,622,733</u>
Net Increase/(Decrease)	1,033,241	-161,844	-10,333	0	-11,736	-1,755,420	-45	-906,137
Petty Cash								
Ending Balance	5,466,020	-2,512	4,665,653	519,252	515,105	13,827,477	1,675,498	26,666,493

TriCo Regional Sewer Utility
Cash Generated
YTD August 2020

	<u>Operating</u>	<u>Interceptor</u>	<u>Plant Expansion</u>	<u>Operating Reserve</u>	<u>Reserve for Replacement</u>	<u>2020 Bond Funds</u>	<u>2020 Bonds DSR</u>	<u>TOTAL</u>
Beginning Balance	4,312,294	258,992	4,699,335	2,192,400	679,577	0	0	12,142,598
Receipts:						-	-	
Deposits	6,201,998	540,018	404,350	-	-	22,000,000	5	29,146,371
Interest	123,094	-	-	-	-	30,986	2,445	156,525
Transfers	-	-	-	-	-	-	1,673,148	1,673,148
Total Receipts	6,325,092	540,018	404,350	0	0	22,030,986	1,675,598	30,976,044
Disbursements:								
Checks	3,390,609	0	197,838	0	164,472	170	100	2,111,906
Carmel Utilities	481,178	0	0	0	0	0	0	399,052
Plant Outflow 1701/1906	0	0	66,512	0	0	0	0	15,639
Plant Odor Control-1505	0	0	0	0	0	0	0	0
LS 8 Upgrades - 1904	0	0	0	0	0	0	0	0
LS 14 Forcemain Extension 1901	0	656,272	0	0	0	0	0	117,735
96th Keyston Repairs	0	0	0	0	0	0	0	0
LS 4 Elim - 1801	0	0	0	0	0	0	0	0
106th St Parallel FM-1601	0	0	0	0	0	0	0	0
Office Remodel	1,298,790	0	0	0	0	0	0	256,141
Neighborhood sewers	290	104,730	0	0	0	0	0	67,750
96th Keystone Relocate - 1702	0	0	0	0	0	0	0	0
Plant Expansion - 1902	500	0	173,682	0	0	8,203,340	0	2,139,007
Springmill Interceptor-1602	0	0	0	0	0	0	0	0
Haver Way - 1802	0	40,521	0	0	0	0	0	34,920
Transfers	0	0	0	1,673,148	0	0	0	1,673,148
Total Disbursements	5,171,366	801,522	438,032	1,673,148	164,472	8,203,510	100	6,815,296
Net Increase/(Decrease)	1,153,726	(261,505)	(33,682)	(1,673,148)	(164,472)	13,827,476	1,675,498	24,160,748
Petty Cash								
Ending Balance	5,466,020	(2,513)	4,665,653	519,252	515,105	13,827,476	1,675,498	26,666,492

TriCo Regional Sewer Utility District Cash & Investments

August 31, 2020

Bank & Purch Date	Account	Amount	Maturity Date	Rate	Fund
<u>Citizens State Bank</u>					
	Checking	\$ 470,725		0.05%	PE, Interceptor, Operating, Ope Res
	Money Market	\$ 511,315		1.00%	Int, Operating, Oper Res, R4R
<u>Merchants Bank of Indiana</u>					
	Money Market	\$ 9,912,716		1.50%	Plant Exp, Operating
	Money Market	\$ 10,917,516		1.50%	Bond Construction funds, Plant Exp
<u>Huntington Bank</u>					
	2020 Bonds	\$ 18,823		0.00%	Bond Proceeds
	2020 Bonds MM	\$ 5,564,162		0.13%	Bond Proceeds
	2020 DSR	\$ 4,995		0.00%	DSR Fund
	2020 DSR MM	\$ 1,670,643		0.13%	DSR Fund

TOTAL CASH	\$ 29,070,895	#REF!	Interest rate - Total
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MEMORANDUM

To: B&F Committee
From: Cindy Sheeks
Date: September 22, 2020
Subject: 2021 Proposed Operating Budget

The 2021 Preliminary Budget is attached for your review and comments. While the "2020 YTD" column shows actual revenues and expenses as of 8/31/20, the "2020 Projected" column is our best estimate of what the final numbers will be on December 31. The following summary provides details on assumptions made and details to selected line items.

A rate increase was not included in the revenue projections for 2021. Residential is expected to meet the 2020 projected totals while commercial may fall short by at least \$100,000.

The wages and benefits line items have not been calculated to include any specific wage or step increase, just an estimated increase of 6.7% in wages and no increase in health insurance. We will adjust these numbers with guidance from the P & B committee and the health insurance data when it is received.

Government Center Operations costs were eliminated, a saving of over \$50,000 in expenses next year.

The Computer Expenses/Consultant line has increased again next year by 26.3% based on the 2020 current spending levels. The consultants and software programs used by TriCo continue to add value, but also go up in cost. The majority of the expense is for IT Indianapolis that handles our IT managed services. The other costs are for annual software subscription renewals.

The collection costs have increased due to the added costs to file online. Some of the expenses are reimbursed with distributions from Hamilton County after tax payments are made.

The numbers are still being examined in detail to look for saving and decrease the 2021 budget.

In summary, the projected net surplus for 2021 is \$2,132,900, a decrease from the 2020 projected net surplus of \$2,913,848. Most of the increased projection in 2020 comes from the sales of the administration building. We are budgeting a slight decrease of 0.9% in the total 2021 Revenue vs. 2020 Revenues due to a decrease in commercial and interest income. There is a modest 3.5% increase in 2021 Operating Expenses vs. 2020 Budgeted Operating Expenses.

TriCo 2021 Preliminary Budget		Approved 2018 Budget	2018 Actuals	Approved 2019 Budget	2019 Actuals	Approved 2020 Budget	YTD as of 8/31/20	2020 Projected	Proposed 2021 Budget	% Change Budget 2020 - 2021	% Change 2020 Proj to 2021 Budget
REVENUES								66.67%			
4001-1	Sales - Residential	4,707,671	4,730,116	4,841,423	4,935,129	4,975,000	3,333,224	4,975,000	5,060,000	1.7%	1.7%
4003-1	Sales - Commercial	2,710,662	2,537,037	2,622,541	2,613,029	2,613,000	1,575,127	2,500,000	2,500,000	-4.3%	0.0%
4005-1	Late Charges	84,000	92,426	80,000	97,177	97,000	39,532	65,532	100,000	3.1%	52.6%
4007-1	Applications Fees	67,500	72,818	65,000	68,493	65,000	35,255	52,882	65,000	0.0%	22.9%
4009-1	Plan Reviews, Inspections, Misc. Revenue	17,000	14,169	15,000	67,748	25,000	14,042	21,064	25,000	0.0%	18.7%
4501-1	Interest - Investments	55,000	41,000	34,000	41,000	40,000	44,498	44,498	20,000	-50.0%	-55.1%
4503-1	Interest - Banking		88,799	100,000	152,756	125,000	148,016	175,000	100,000	-20.0%	-42.9%
4507-1	Bank Fees	(500)	(279)	(100)	(240)	(240)	(465)	(698)	(2,000)	733.3%	186.7%
4601-1	Interest - by project	4,334	2,923	1,000	2,245	1,500	1,175	1,700	1,000	-33.3%	-41.2%
4701-1	Customer Fees & Reimbursements	200	-	200	60,868		(1,143)	(1,143)			
4801-1	Gain/Loss on Asset Disposal		0	0	7,351		515,005	515,005			
4901-1	Misc Income/Expense	5,000	1,189	0	1,561	100	0	0			
TOTAL REVENUES		7,650,867	7,580,197	7,759,064	8,047,116	7,941,360	5,704,266	8,348,840	7,869,000	-0.9%	-5.7%
EXPENSES											
5001-1	Gross Wages	1,450,000	1,456,171	1,495,000	1,505,188	1,563,767	1,067,333	1,600,999	1,668,000	6.7%	4.2%
5003-1	Other Employee Exp	10,000	9,068	12,000	45,235	12,000	14,836	20,000	16,000	33.3%	-20.0%
5005-1	Retirement Plan - Hoosier START	143,500	143,095	147,400	148,767	154,277	105,820	160,100	165,000	7.0%	3.1%
5007-1	Employee Insurance	365,643	341,981	351,030	356,877	370,855	237,805	356,707	370,000	-0.2%	3.7%
5009-1	Taxes (Employer FICA)	104,423	102,703	107,100	108,066	119,628	76,754	122,476	125,100	4.6%	2.1%
						*****			*****		
5101-1	Govt Center Operations	52,000	51,470	52,000	46,805	48,500	36,794	56,000	-	-100.0%	-100.0%
5103-1	Professional Education	16,000	21,028	20,000	15,040	20,000	11,261	16,892	20,000	0.0%	18.4%
5105-1	Board member Fees	18,000	20,200	19,000	17,930	19,000	11,950	17,925	19,000	0.0%	6.0%
5107-1	Board Expense	1,500	1,545	1,500	1,534	1,500	706	1,059	1,500	0.0%	41.6%
5109-1	Consulting	50,000	6,169	50,000	56,920	50,000	176	264	50,000	0.0%	18822.2%
5111-1	Computer Expenses/Consultants	150,000	180,895	150,000	182,377	190,000	162,911	244,366	240,000	26.3%	-1.8%
5113-1	Insurance	100,000	105,972	110,000	112,519	110,000	84,593	126,889	120,000	9.1%	-5.4%
5115-1	Accounting Fees	15,000	-	5,000	18,766	5,000	1,200	1,800	5,000	0.0%	177.8%
5117-1	Legal Fees	40,000	27,509	35,000	28,778	35,000	21,565	32,347	35,000	0.0%	8.2%
5119-1	Engineering Fees	40,000	10,706	40,000	4,392	30,000	5,002	7,503	25,000	-16.7%	233.2%
5121-1	Special Engineering (I & I)		105					-			
5125-1	Professional Affiliations	4,500	5,531	4,700	7,930	7,000	1,421	7,000	7,000	0.0%	0.0%
5127-1	Travel & Mileage	8,000	6,539	8,000	6,791	7,000	4,070	6,106	7,000	0.0%	14.6%
5129-1	Collection	800	7,394	4,000	267	9,000	7,553	11,329	13,000	44.4%	14.8%
5131-1	Billing Service Contracts	88,000	83,006	54,000	100,853	92,000	65,192	97,787	100,000	8.7%	2.3%
5133-1	Bad Debt Expense	5,000	4,738	300	1,149	1,500	472	800	2,000	33.3%	150.0%
5135-1	Office Expense	6,000	11,778	10,000	10,831	10,000	9,041	13,500	10,000	0.0%	-25.9%
5137-1	Postage Expense	40,000	52,134	54,000	57,803	60,150	38,240	57,360	60,000	-0.2%	4.6%
5139-1	Office Services	35,000	44,071	35,000	45,891	60,000	33,301	49,951	60,000	0.0%	20.1%
5141-1	Customer Outreach & Education	25,000	10,389	25,000	18,664	25,000	3,741	25,000	25,000	0.0%	0.0%
						*****		-	*****		
5201-1	Treatment - Carmel WWTP	1,100,000	1,072,114	1,100,000	1,123,762	1,200,000	744,553	1,116,830	1,200,000	0.0%	7.4%
5203-1	Sewer Sampling & Lab	40,000	56,594	50,000	53,111	50,000	51,478	77,216	60,000	20.0%	-22.3%
5205-1	Biosolids Disposal	150,000	181,064	150,000	154,305	165,000	107,059	160,588	165,000	0.0%	2.7%
5207-1	Plant R & M	150,000	271,779	150,000	183,443	170,000	116,499	174,749	180,000	5.9%	3.0%

TriCo 2021 Preliminary Budget		Approved 2018 Budget	2018 Actuals	Approved 2019 Budget	2019 Actuals	Approved 2020 Budget	YTD as of 8/31/20	2020 Projected	Proposed 2021 Budget	% Change Budget 2020 - 2021	% Change 2020 Proj to 2021 Budget
5209-1	Utilities - Plant	240,000	276,841	260,000	306,900	295,000	209,153	313,729	320,000	8.5%	2.0%
5211-1	Operating Supplies - Plant	15,000	28,236	20,000	35,647	29,000	25,062	37,593	30,000	3.4%	-20.2%
5213-1	Safety Materials & Training	15,000	11,110	15,000	14,434	15,000	9,774	14,661	15,000	0.0%	2.3%
5215-1	IDEM Permits	12,000	10,270	12,000	10,180	10,500	10,180	15,270	15,500	47.6%	1.5%
						*****		-	*****		
5301-1	Lift Station R & M	95,000	149,381	125,000	141,442	125,000	86,515	129,772	135,000	8.0%	4.0%
5303-1	Line Maintenance	65,000	49,535	65,000	38,720	55,000	16,480	24,720	35,000	-36.4%	41.6%
5305-1	Line Repair	50,000	29,113	50,000	29,674	50,000	5,617	8,426	50,000	0.0%	493.4%
5307-1	Equipment Repair	20,000	22,000	20,000	27,295	20,000	6,174	9,262	18,000	-10.0%	94.3%
5309-1	Special R & M (I&I)		360					-			
5313-1	Vehicle R & M	10,000	4,316	7,000	9,825	8,000	8,310	12,464	15,000	87.5%	20.3%
5315-1	Fuel	19,000	20,328	19,000	23,156	20,000	11,465	17,197	20,000	0.0%	16.3%
5317-1	Utilities - Lift Stations	200,000	178,974	185,000	186,367	195,000	124,815	187,222	195,000	0.0%	4.2%
5319-1	Operating Supplies - Sewer System	60,000	9,100	15,000	12,704	15,000	11,718	17,578	20,000	33.3%	13.8%
5321-1	Manhole R&M	66,000	125,312	66,000	65,322	66,000	40,664	60,995	66,000	0.0%	8.2%
5322-1	Televising	45,000	0	40,000	29,660	40,000	11,416	17,124	40,000	0.0%	133.6%
5323-1	Uniforms & Shop Towels	8,000	11,535	13,000	12,555	13,000	3,622	5,433	13,000	0.0%	139.3%
						*****			*****		
	Total Operating Expenses	5,128,366	5,212,157	5,152,030	5,357,875	5,542,677	3,602,290	5,434,992	5,736,100	3.5%	5.5%
	OPERATING INCOME	2,522,501	2,368,048	2,607,034	2,689,241	2,398,683	2,101,976	2,913,848	2,132,900	-11.1%	-26.8%
	Bond Interest - Plant Expansion					463,320	448,740	448,740	530,955	14.6%	
	Bond Principal Payment - Plant Expansion								600,000		
5901-1	Depreciation	3,687,769	3,895,260	3,800,000	3,920,757	4,244,048	2,475,714	4,244,048	4,300,000	1.3%	1.3%
5911-1	Amortization of CIAC	(3,372,264)	(3,294,816)	(3,500,000)	(3,801,084)	(3,506,664)	(2,045,554)	(3,506,664)	(3,700,000)	5.5%	5.5%
	TOTAL EXPENSES	5,443,871	5,812,601	5,452,030	5,477,548	5,816,741	2,083,395	6,172,376	6,336,100	8.9%	2.7%
*****	DEBT SERVICE PAYMENT								-		
	Net Surplus (Deficit)	2,206,996	1,767,596	2,307,034	2,569,568	1,197,979	493,599	2,176,464	1,532,900	28.0%	-29.6%