



## NMWRD Board of Trustees Agenda Supplement

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<b><u>Meeting Date:</u></b>	March 12, 2019
<b><u>Item:</u></b>	Budget Presentation Memorandum
<b><u>Staff Recommendation:</u></b>	Board Information Only
<b><u>Staff Contact:</u></b>	Mohammed M. Haque, District Manager

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### **Purpose:**

Included in the board packet is the Fiscal Year 2019-20 budget proposal for the Northern Moraine Wastewater Reclamation District. Included are proposals for the General Fund, Audit Fund, Sewer O&M Fund, Capital Improvement Replacement Fund, Plant Expansion Fund, Construction Fund and the Alternate Revenue Fund. The adopted budget will act as our guidance document for the next fiscal period and all funding proposed will achieve the intended goal and objectives. While the operating budget provides guidance for the fiscal period, the adoption of the District's annual Appropriations Ordinance sets the upper limits for spending within all funds. Careful consideration of each funding proposal has insured that projects further advance the District in meeting its major strategic plan goal of continuing to provide a sustainable utility.

### **Budget Schedule:**

We have worked diligently to provide a comprehensive budget proposal in advance of the needed date for adoption. This year's budget is in a simpler format to reduce the number of sheets that need to be printed and to condense the overall budget presentation. Joe Lapastora and Madalina Roscan both assisted in the development of the new budget format.

An initial presentation will be made by the District Manager at the March 12, 2019 Board meeting that will cover the budget highlights, explain any major fluctuations in the prior year's spending plan and major increases or decreases in funding requests for the next fiscal period. Beginning on March 12, 2019 the proposed budget has been placed on public display to ensure that the required thirty-day review period is provided prior to final board action at the April 16, 2019 regular board meeting. A public notice of the availability of the proposed pending public hearing has been sent for publication. Board members are encouraged to provide input on expanding or contracting programs, spending priorities and discuss any concerns. Board members are encouraged to contact the District Manager with questions on the budget proposal following the March 12, 2019 meeting.

At the April 16, 2019 Board Meeting, Trustees will have a final opportunity to recommend adjustments to the budget, following which a public hearing will be conducted on the proposed budget. Upon closure of the public hearing, the budget may be formally adopted by a majority vote of the Board. We believe that this schedule provides many opportunities for input, questions and answers while assuring that the District will begin the next fiscal period with an adopted budget. A formal Appropriations Ordinance will be presented for approval by the Board at a future meeting during the first quarter of the fiscal period, pursuant to State Statute.

### **Budget Proposal Format:**

The 2019-20 Budget proposal has been developed using data and reports generated in QuickBooks, and care has been taken to assure that all functional items are easily related to the approved budget for past fiscal periods and allows for an accurate, direct comparison to our immediate past income and expense in each fund.

In keeping with the budgeting philosophy developed in 2012-13, capital expenses previously shown as operating expenses for the sewer operation and maintenance funds have been shifted to capital expense line items to better identify those expenditures as offsets for depreciation and for proper capitalization. The format of the budget proposal is intended to be fully informative, yet concise, allowing board members to make well-informed decisions based on historical operational experiences, expected trends and well justified, goal oriented programs.

While the budget proposal document acts as a spending guide for the coming fiscal year, it does not replace the fiscal reports generated by the District from the District's accounting software, in preparing the monthly Treasurer's report. These reports are reviewed by a CPA monthly prior to approval by the Board and all District financial activities are audited annually.

In the last year, we have concluded that the District has too many funds, several of which are inactive. We will be working with our auditor and rate study consultant to change the fund structure to reduce the seven (7) funds that we have to a more manageable 2-3 funds. In the process, we will determine which funds are required by statute and past bond issuances. Funds no longer required will be eliminated.

### **Fiscal Outlook:**

The current state of the economy seems to be improving over last year at this time, but there is great uncertainty regarding the outcomes of national political and financial efforts. Unemployment remains exceptionally low which is promising, but the outpouring of people from the state of Illinois is alarming and of great concern. While Illinois seems poised to pass a major capital bill in excess of \$50 billion that should greatly increase construction, jobs and economic prosperity of the state, the final details of such a capital bill remain unknown. During my recent visit to the state legislature, it would appear that the District may be a viable candidate for significant grant funding for the Darrell Road interceptor project. The possibility of that happening is included in our budget presentation.

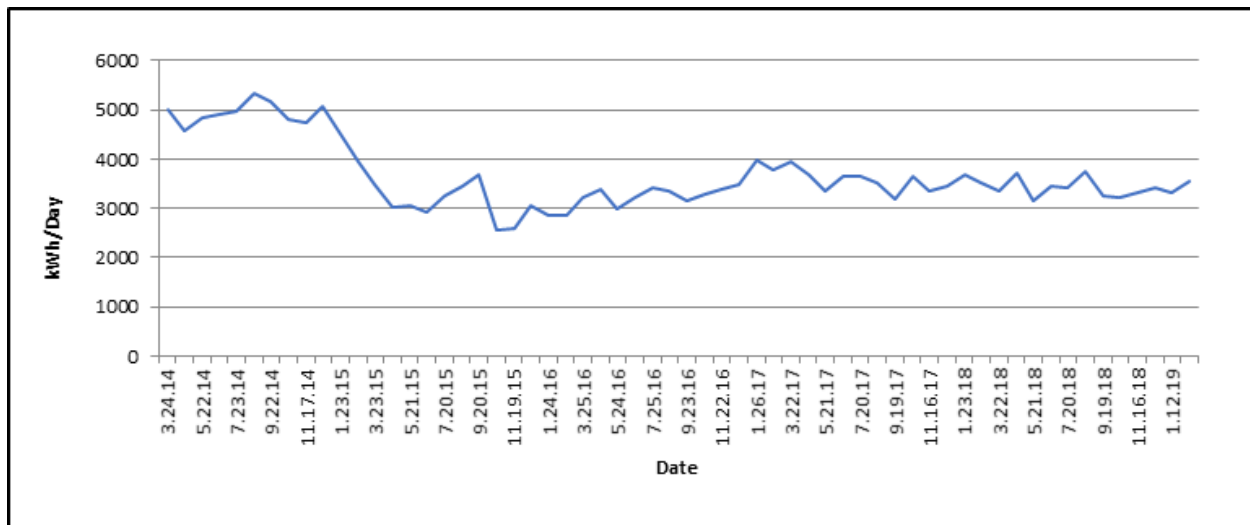
Some of the major national actions, will likely have significant effects on the District. The new tariffs on aluminum and steel imports have increased the cost of many materials and supplies, including many components we use.

Many legislators are seeking to further restrict units of local government from taking advantage of lawful property tax increases. Consolidation of units of local government remains a popular theme in Springfield and in Lake and McHenry Counties, with special purpose districts as prime targets. IAWA is actively working with the IEPA to restart the Unsewered community grant fund. In my leadership role, I am actively involved in this effort. The IEPA, in conjunction with IEPA will likely seek \$70 million in re-allocation of funds for this effort. If this is enacted, the District may have a source to fund the infrastructure needs for service to Holiday Hills. It is envisioned by both IEPA and IAW that the future iteration of the Unsewered Community Grant Fund will be a Regionalization Fund, that would provide for incentives to have failing NPDES permit holders and Minor facilities become regionalized.

The District can take pride in the fact that it is currently providing services on a regional consolidated basis, thereby reducing the burden for providing wastewater services within the three villages served and in the continuing trend of vastly lowering the property tax burden on residents. In the event a Regionalization Fund is created, we could look to assist residents in the Meadows get sewer service using monies from this fund, thereby eliminating a Minor NPDES permit at Rockwell Utilities.

The District should continue to promote our sound practices and market our service to improving health, safety and our water environment. There is a great need in our sector for marketing of our work and the importance of it on the overall health and economic benefit to the communities and customers we serve. This year, we intend to start public tours of our facility as part of our 50th celebration. Currently we are discussing with a local Boy Scouts Troop about setting up tours and wildlife observation areas.

We continue to look for ways to reduce our electrical costs and are exploring solar as an energy source. The budget includes a phase 1 of solar, which would allow us to generate up to 10-15 KW system capable of producing 29-46 kWh per day. We are also intending to reduce energy costs with the replacement of our raw pumps. Overall electrical costs bottomed out in 2015 but the NIMEC auction for electric power on March 2, 2018 yielded excellent results with the District locking in rates for our lift stations for 2 years at a 23% reduction of our current energy cost.



The outcome of our recent bids for generator maintenance, chlorination/dichlorination chemicals and polymer are not yet know, but we are hopeful that additional savings will be realized as an outcome of that effort.

Prior to adopting the five-year rate increase model with rates scheduled to increase by seven percent per year, the District had undertaken aggressive measures to reduce and control its payroll burden through a workforce reduction of over 32%, from eleven employees in January of 2011 to seven and one-half in September of 2012. That savings has been reflected in payroll and health insurance costs as well as required contributions such as Medicare and Social Security over the past several fiscal periods. The District’s recent enrollment in IMRF, while increasing our benefit costs, has allowed us to attract and retain high performing staff members and become an employer of choice within the wastewater field, both of which were District’s Strategic Internal Relationship goals. While the last year of payroll has increased, there will be a reduction in the long-term payroll once the former District Manager is fully retired. It should be noted that while payroll is increasing, the District is conducting numerous plant, lift station and sewer projects at significant capital savings over past years. ***We have had little to no expenditures in engineering costs, some of which were as high as \$400,000 per year in past years. This past year’s engineering cost was limited to \$50,000 or less. Even with those limited engineering expenses, we have managed considerably more construction activity than we would have had in years when the engineering fees were in excess of \$400,000.***

Revenue received for connection fees, permit and inspection fees have increased considerably over previous fiscal years. With the progress on the Woodman', Symphony Meadows and Deer Grove Unit II subdivisions, we should see increased connection fee revenues for the foreseeable future. Additional growth is expected in the Northeast part of the District's service area and the current budget reflects a desire to get Darrell Road Interceptor started before capacity limitations at Lift Station 7 and it's downstream sewers creates a hindrance for future growth. The final year of the five-year revenue growth plan will become effective with the June 2018 billing and no revenue increases are reflected in the budget proposal.

The District continues the reduction in our tax rate beginning in 2012 and that downward trend will continue based on the FY 19-20 Budget proposal. The District's property tax levy in 2011 was \$396,000 and the expected 2019 levy based on the budget proposal will fall to below \$145,000. Few other taxing districts are able to reduce their levy and many are being criticized for increasing levies. It is the goal of District Staff to eliminate the tax levy within the next 8-10 years through sustained reductions over that time period.

The District's fiscal outlook remains strong and with the continued use of best management practices will remain stable for the foreseeable future, meeting the critical strategic goal of operating a sustainable utility. A thorough review of the District's plant and lift station assets has been done by new staff over the course of the last year. There are significant areas where equipment has far exceeded it's useful life. The current budget proposal includes several capital projects to update assets and equipment.

#### **FY 2018-19 Review of Budget Goals and Objectives**

Following is a review of the 2018-19 budget goals and the status of achieving those goals and objectives.

1. Funding is proposed in the General Fund and Sewer O&M capital accounts for the continued replacement of aging computers, printers and purchase of tablets and updated software as needed to support business and to enhance our maintenance management functions to reduce duplicated entries and redundancies.

*Status: Majority of older computers have been replaced and tablets have been purchased to automate our data collections and rounds for our projects. Most paper intensive, duplicative processes have been modernized and a new maintenance management system called Upkeep has been implemented.*

2. Funds are proposed in the General Fund to replace the District's outdated VOIP server and to transition to a service that is not subject to the high cost of sole service providers.

*Status: Our old Allworx VOIP telephone service has been replaced by a cloud based, remotely hosted Vonage VOIP service. All phones were replaced in conjunction with this effort.*

3. Funds are proposed in the Sewer O&M Administration division for performing an updated user rate study to ensure that the District can continue to remain a sustainable utility in the future.

*Status: We have been working with Eric Rothstein on the User Rate Study and it is anticipated that a presentation will be made at the May board meeting.*

4. Funds are provided in the Sewer O&M Administration division to replace the gates at the office to sliding gates that are less problematic than the ones we currently have.

*Status: We have received quotes for the replacement of these gates for \$21,000, which is considerably more than we wanted to spend on this and well over what was budgeted. Additional funds are allocated for this in next year's budget, but we are also considering removing them entirely.*

5. Proposed in the Sewer O&M Administration and Treatment divisions are funds for replacing flooring in high traffic areas at the office.

*Status: Flooring has been replaced in the Operations area of the Control Building as well as the office.*

6. Major funding is proposed in the Capital Improvement Fund for the relocation of two force mains at River and Dowel Road as needed for McHenry County's traffic roundabout at that intersection. This long stalled project is expected to proceed during the fiscal period with the County opening bids on March 23, 2018.

*Status: The roundabout project is complete and payment has been made for \$357,759.55, an amount significantly lower than the anticipated \$547,000 we expected to spend on this relocation.*

7. Included in the Sewer O&M Collection division funding proposal are the following projects:
  - a. 2018 Lift Station Rehab project, including rehabilitation of Waterford lift station in Island Lake and the addition of improved controls and SCADA/Telemetry at other lift stations.

*Status: The lift station standardization work went slower than anticipated but the first panel will be delivered and installed in April. Now that we have a standard panel, future replacements will be much faster.*

- b. Replacement of Vactor truck.

*Status: The District allocated \$120,000 for the Vactor truck, however, once we started shopping for a vactor truck, we quickly learned that we had significant height restrictions that would make purchasing a used truck very difficult. We are going to continue to use the existing truck until we have a maintenance garage built that allows for taller truck storage.*

- c. Force main inspections

*Status: The District is currently seeking out companies that do this work and anticipates doing this in the spring.*

- d. Replacement of the chassis of our Crane truck to fix safety issues with the truck and it's alignment.

*Status: A Ford F-550 was purchased and the crane truck body is expected to be installed in the new chassis in the next 2-3 weeks.*

- e. A new truck to provide backup while the Crane truck is being fixed and to provide our Superintendent the ability to be mobile for answering calls and field site visits.

*Status: A Ford F-250 was purchased and was outfitted with a new plow since we were also having issues with the Chevy. The Superintendent / Engineer vehicle was deferred to the new budget cycle.*

8. Included in the Sewer O&M Treatment division are funds for the continued removal of Phosphorus with our new Cerium Chloride system.  
*Status: After having issues with the Cerium Chloride (SorbX/RE100), we switched to Hyperlon, which has been very successful. Phosphorus levels have been maintained well below the 1.0 mg/L effluent limit for several weeks now.*
9. Also included in the Sewer O&M Treatment Division are fund proposals for the following projects which have been developed with our Superintendent and Operations staff:
  - a. Computerized Maintenance Management System Annual subscription  
*Status: The District has implemented a CMMS system utilizing Upkeep Mobile Platform*
  - b. GIS Software for Sewer Atlas Mapping  
*Status: The District has invested in ArcMap software*
  - c. Floodproofing the Control Building  
*Status: The District is 70% complete with this project with primarily weather dependent items remaining. The project will be completed at 60% of the cost based on the Engineer's estimate.*
  - d. Automated greasing system for the aerator bearings  
*Status: An automatic greasing system is currently being piloted and will be implemented once the pilot is complete.*
  - e. Replacement of the Rotomat conveyor that is at the end of it's useful life.  
*Status: A new conveyor will be delivered next week and installed shortly thereafter.*
  - f. Various Automation that is needed of routine plant processes to ensure proper process control and drive efficiencies.  
*Status: Some automation is completed and several plant wide automation projects are currently in design. This project will continue into next year.*
  - g. A better sludge conveyance system in lieu of purchasing a large dump truck.  
*Status: A more thorough project is planned for next year that includes covering the sludge bed. A conveyor will be purchased in the spring.*
  - h. Remodeling of the control building to make it more usable  
*Status: This project is completed with only some furniture left to purchase.*
  - i. Improvements to the Lab  
*Status: Instrumentation was purchased to replace older equipment. A more robust lab remodeling is budgeted for next year.*
  - j. Sludge storage bed improvements to prevent issues we currently have with storing and removing sludge.  
*Status: Turfstone was installed on one bed and the balance will be completed in the spring.*
  - k. A concrete slab in the storage building adjacent to the office to provide an inexpensive area for additional storage of pumps and equipment.  
*Status: This was completed in the fall*

1. Continued work with SCADA/Telemetry to provide remote supervisory control and data acquisition for critical treatment plant processes.  
*Status: Some automation is completed and several plant wide automation projects are currently in design. This project will continue into next year.*
  
10. Major funding is proposed in the Capital Improvement Fund to employ 2010 GO Bond revenues for the sewer extension to the Woodman's site in Lakemoor. As part of a pending intergovernmental agreement, (IGA), the Village would repay the proportional share of debt service for this project.  
*Status: While a good portion of this work has been completed, much more work remains and is budgeted to be expensed in the next fiscal year.*

### **FY 2019-20 Budget Proposal Major Goals and Objectives**

Major funding proposals are highlighted below and include new initiatives as well as continuing funding to achieve on-going goals as identified above. Many of the funding proposals support the District's effort to replace and renew equipment in a timely manner as that equipment reaches the end of its service life. These proposals are prioritized based on criticality, balancing the likelihood and consequence of a failure of critical assets used for the collection, conveyance and treatment of wastewater. Funding proposals are reflective of new staff implementing best management practices that they have experienced in other organizations, including greater access and use of technology for better and more robust data, process control and efficiencies. Each funding request is tied to a specific goal with an intended, measurable outcome and supported by justification of the need, prioritization and how they relate to the business plan. The funding levels include several cost savings measures related to reduced engineering expenses (without sacrificing quality) as well as the District performing the work of general contracting. This has reduced most capital projects by 30-50% of the cost estimated in the 2014 Facility Plan.

1. Funds are proposed in the General Fund to redesign the District's website.
2. Funds are proposed in the Sewer O&M Fund to reshingle the office and sludge dewatering building roofs and to install a green roof at the Control Building.
3. Additional funds are proposed in the Sewer O&M Fund – Administration to replace the gate controllers and fabricate new sliding gates at the office.
4. Funds are proposed in the Sewer O&M Fund - Collections to replace the Mini-Dump and to purchase the deferred Truck/SUV for the Superintendent/Engineer. With these purchases, our aging truck inventory will all be replaced.
5. Funds are proposed in the Sewer O&M Fund – Collections to continue with Sewer Television / Force Main Inspections and Lift Station control standardization.
6. Funds are directly attributable costs (Insurance, IMRF, Payroll Taxes, etc) are included for hiring of a new Operator and Part Time Business Manager (upon Eric's full retirement).
7. Clearing of the fence line is something that needs to be done this year since trees are creeping into the fence line.

8. Included in the Sewer O&M Treatment Division are fund proposals for the following projects totaling \$1.4 million in equipment and construction to replace outdated equipment and systems. The engineer's estimate for these projects based on the 2014 Facility Plan is in excess of \$3 million.
  - a. Balance of SCADA / Telemetry project
  - b. Balance of Floodproofing project
  - c. Balance of Automation project
  - d. Sludge Building and System Enhancement Projects, including:
    - i. Storage Bed Improvements
    - ii. Clearspan cover
    - iii. Conveyance System
    - iv. Permanent Phosphorus Removal system in the space where Belt Filter Press was previously housed.
    - v. Electrical upgrades and cleanup in the Sludge Dewatering Building
  - e. Control Building / Headworks Projects, including:
    - i. Replace old failed Lakeside Screen with a Bar Screen
    - ii. Control Building Electrical Upgrades by replacing Motor Control Center
    - iii. Influent Flowmeter Installation
    - iv. Influent Pump #4 Replacement
    - v. Installing a Green Roof and fixing roof leaks
    - vi. Replace 3 obsolete Lamson Blowers with 1 high efficiency Blower
  - f. Additional Lab Improvements
  - g. Phase 1 of a Solar Panel System
  - h. Funds for a Water Reuse Pilot project
  - i. Replacement of a Gator UTV with an Electric Gator UTV
  - j. Phase 1 of the Barn / Maintenance Garage Project
  - k. Recoat one Clarifier Cover
  - l. Septage Receiving Improvements
9. Major funding is proposed in the Capital Improvement Fund to employ 2010 GO Bond revenues for the sewer extension to the Woodman's site in Lakemoor for the balance that has yet to be reimbursed. As part of a pending intergovernmental agreement, (IGA), the Village would repay the proportional share of debt service for this project.
10. Major funding is proposed, conditioned upon grant funding, for \$3.5 million of the overall \$16.6 million in costs to extend sewers along Darrell Road.

#### Major Changes in Line Item Funding

Provide below are brief explanations of major fluctuations in line items within the 2019-20 budget proposal.

##### General Fund

Account 4010 Property Tax Income, a reduction of \$14,000 relative to estimated actual for 2018-19, or 10% based on the reduced tax levy due to staff directive to eliminate the tax levy.

Account 5320 General Insurance, an increase of \$2,600 due to anticipated higher cost for insurance.

Account 5330 Telephone Expense, related to the cloud based Vonage VOIP business phone system that avoids costly and time intensive hosted solution that failed on us in the past year.

Account 5530 Website Expense, related to updating our website to an easier to manage Wordpress platform.

##### Audit Fund

Account 5420 Accounting Service, an increase to \$14,000, a more market based cost of an annual non-profit audit of an agency our size.



Sewer O&M Fund

Account 4500 Sewer Usage Fees, an increase of \$59,761 based on anticipated revenues due to some growth and connection fee increases from new developments.

Account 4520 Penalty Income a decrease of \$9,866 based on reduced penalties.

Account 4930 Engineering & Legal Revenues a decrease of \$10,000 based on no pending new major developments over this winter.

Account 5000 Salaries, an increase of \$93,073 due to numerous personnel changes and attributable annualized wages and in anticipation of filling an operations position and a part time business manager as well as an anticipated merit based wage increases of up to 5%.

Account 5030 Employee Insurance, attributed to salary changes.

Account 5040 Training and Seminars, an increase of \$4,500 due to existing new staff training needs and educational goals.

Account 5060 IMRF Contribution, attributed to salary changes.

Account 5130 Maintenance of Equipment, an increase of \$37,500 based on the need to replace and repair aging equipment

Account 5140 Maintenance – Utility System, a decrease of \$12,500 based on prior year experience in this account and less old equipment to maintain.

Account 5240 Lab Supplies, an increase of \$5,000 based on this year’s experience running the lab fully and thoroughly.

Account 5450 Legal Expense, an increase of \$25,000 due to anticipated collective bargaining agreement negotiations.

Account 5480 Other Professional Services, an increase of \$17,070 due to legislative goals.

Account 6010 Office Equipment over \$500, a decrease of \$10,900 due to major replacements in the past year.

Account 6030 Capitalized Treatment Upgrade, an increase of \$680,000 due to some projects extending into next fiscal year and several new and necessary initiatives for FY 2019-20.

Account 6030 Capitalized Treatment Upgrade, an increase of \$680,000 due to some projects extending into next fiscal year and several new and necessary initiatives for FY 2019-20.

Sewer O&M Fund Overall includes anticipated revenues of \$2,666,195 based on limited growth and proposed expenses of \$3,391,088 for a decrease to the fund balance of \$724,892. The fund balance is intended to accumulate to meet the District’s reserve policy and fund future capital equipment replacement and compliance expenses. Since several equipment replacements are planned for FY 2019-20, the net effect is a reduction in the anticipated fund balance.

**Budget Summary:**

The proposed budget is reflective of substantial capital needs that have been badly needed for several years. Without replacing many of these items, the District will end up spending more time and money on reactive maintenance and will fall further behind on sustainability goals. The budget is reflective of the needs of the District and assures that best management practices are being applied throughout all phases of the District’s operation. Through the completion of the goal-oriented, results-driven projects proposed within this budget, the District will be able to assure that highly efficient and effective services are being provided to our many customers on a highly sustainable basis.

Respectfully Submitted:



Mohammed M. Haque  
District Manager

**NMWRD Budget Worksheet, FY 2019-20 Proposed FUND Balances**

General Fund

Acct No.	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Est Actual 2018-19	Proposed 2019-20	General
	General Fund May 1 Fund Balance	\$ 218,803	\$ 279,648	\$ 294,277	\$ 317,049	\$ 298,024	\$ 325,672	\$ 332,832	5.1.fund bal
Total	General Fund Income	\$ 183,508	\$ 159,489	\$ 150,080	\$ 145,085	\$ 131,399	\$ 141,911	\$ 127,720	
Total	General Fund Expenses	\$ 122,970	\$ 144,860	\$ 127,308	\$ 136,462	\$ 147,780	\$ 134,751	\$ 159,140	
General Fund Balance April 30 Fund Balance		\$ 279,341	\$ 294,277	\$ 317,049	\$ 325,672	\$ 281,643	\$ 332,832	\$ 301,413	4.30 fund bal

NMWRD Budget Worksheet, FY 2018-19 Proposed  
Audit Fund

Acct No.	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Est Actual 2018-19	Proposed 2019-20	Audit
	Audit Fund May 1 Fund Balance	\$ 7,889	\$ 8,165	\$ 8,060	\$ 6,919	\$ 6,294	\$ 6,802	\$ 6,742	5.1.fund bal
Total	Audit Fund Income	\$ 6,776	\$ 6,645	\$ 6,908	\$ 7,433	\$ 6,675	\$ 7,790	\$ 7,011	
Total	Audit Fund Expenses	\$ 6,500	\$ 6,750	\$ 7,000	\$ 7,550	\$ 7,850	\$ 7,850	\$ 14,000	
Fund Balance		\$ 8,165	\$ 8,060	\$ 7,968	\$ 6,802	\$ 5,119	\$ 6,742	\$ (247)	4.30 fund bal

NMWRD Budget Worksheet, FY 2018-19 Proposed  
Sewer O&M Fund

Acct No.	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Est Actual 2018-19	Proposed 2019-20	Sewer O&M
	Sewer O&M Fund May 1 Balance	\$ 597,379	\$ 856,166	\$ 2,038,916	\$ 2,275,115	\$ 2,660,944	\$ 2,816,843	\$ 3,387,379	5.1.fund bal
Total	Sewer O&M Fund revenues	\$ 2,262,335	\$ 2,593,796	\$ 2,340,159	\$ 2,463,806	\$ 2,642,301	\$ 2,657,610	\$ 2,666,196	
Total	Sewer O&M Fund Expenses	\$ 2,003,548	\$ 1,411,046	\$ 1,939,776	\$ 1,922,078	\$ 2,545,185	\$ 2,087,074	\$ 3,391,089	
Total Sewer O&M Fund Balance		\$ 856,166	\$ 2,038,916	\$ 2,439,299	\$ 2,816,843	\$ 2,758,060	\$ 3,387,379	\$ 2,662,487	4.30 fund bal

NMWRD Budget Worksheet, FY 2018-19 Proposed  
Capital Improvement Replacement fund

Acct No.	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Est Actual 2018-19	Proposed 2019-20	Capital Imp.
	Capital Imp. Rep. May 1 Balance	\$ 219,197	\$ 335,885	\$ 443,664	\$ 395,664	\$ 545,664	\$ 347,424	\$ (254,984)	5.1.fund bal
Total	Capital Imp. Rep. Fund Income	\$ 116,688	\$ 107,779	\$ 64,923	\$ 59,077	\$ 155,846	\$ 157,044	\$ 90,880	
Total	Capital Imp. Rep. Fund Expenses	\$ -	\$ -	\$ 52,887	\$ 107,317	\$ 1,986,000	\$ 759,452	\$ 4,700,000	
Fund Balance		\$ 335,885	\$ 443,664	\$ 455,700	\$ 347,424	\$ (1,284,490)	\$ (254,984)	\$ (4,864,104)	4.30 fund bal

NMWRD Budget Worksheet, FY 2018-19 Proposed  
Plant Expansion Fund

Acct No.	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Est Actual 2018-19	Proposed 2019-20	Plant Exp.
	Plant Expansion Fund May 1 Balance	\$ 3,613,777	\$ 3,709,274	\$ 3,757,266	\$ 3,337,278	\$ 2,984,290	\$ 3,389,055	\$ 3,528,356	5.1.fund bal
Total	Plant Expansion Fund Income	\$ 103,183	\$ 105,050	\$ -	\$ 59,923	\$ 120,256	\$ 139,301	\$ 92,992	
Total	Plant Expansion Fund Expenses Capitalized Treatment Upgrade	\$ 7,686	\$ 57,058	\$ -	\$ 8,145	\$ 486,538	\$ -	\$ 486,848	
Total Plant Expansion fund Balance		\$ 3,709,274	\$ 3,757,266	\$ 3,757,266	\$ 3,389,055	\$ 2,618,008	\$ 3,528,356	\$ 3,134,501	4.30 fund bal

NMWRD Budget Worksheet, FY 2018-19 Proposed  
Construction Fund

Acct No.	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Est Actual 2018-19	Proposed 2019-20	Construction
	Construction Fund May 1 Balance	\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	5.1.fund bal
Total	Construction Fund Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	Construction fund expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Construction Fund Balance		\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	\$ 44,380	4.30 fund bal

NMWRD Budget Worksheet, FY 2018-19 Proposed  
Alternate Revenue Bond Fund

Acct No.	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Est Actual 2018-19	Proposed 2019-20
Total	Alternate Revenue Bond Fund Income	\$ 486,758	\$ 486,500	\$ -	\$ 20,000	\$ -	\$ 219,806	\$ 3,986,848
Total	Alternate Revenue Bond Fund Expenses	\$ 487,272	\$ 486,033	\$ -	\$ 155,388	\$ 147,013	\$ 487,023	\$ 487,323
		\$ (514)	\$ 467	\$ -	\$ (135,388)	\$ (147,013)	\$ (267,217)	\$ 3,499,525

<b>Total of all fund Balances</b>		<b>4.30.15</b>	<b>4.30.16</b>	<b>4.30.17</b>	<b>4.30.18</b>	<b>4.30.18</b>	<b>4.30.19</b>	<b>4.30.20</b>	<b>Total of All Funds</b>
		\$ 5,232,696	\$ 6,587,029	\$ 7,021,661	\$ 6,794,789	\$ 4,275,707	\$ 6,777,489	\$ 4,777,955	4.30 fund bal

**BUDGET FY 2019-20 | GENERAL FUND**

	Actual FY 16-17	Actual FY 17-18	Budget FY 18-19	Est. Actual FY 18-19	Proposed FY 19-20	Proposed +/- vs. Current	Approved FY 19-20
<b>Income</b>							
4010 · Property Tax Income	\$ 148,364.00	\$ 145,085.00	\$ 130,576.00	\$ 140,927.10	\$ 126,834.39	\$ (3,741.61)	
4090 · Replacement Tax Income	\$ 1,609.00	\$ 914.00	\$ 823.00	\$ 984.27	\$ 885.84	\$ 62.84	
4600 · Refund Income						\$ -	
4730 · Interest Income						\$ -	
4900 · Miscellaneous Income	\$ 107.00					\$ -	
<b>Total Income</b>	<b>\$ 150,080.00</b>	<b>\$ 145,999.00</b>	<b>\$ 131,399.00</b>	<b>\$ 141,911.37</b>	<b>\$ 127,720.23</b>	<b>\$ (3,678.77)</b>	<b>\$ -</b>
<b>Expense</b>							
5000 · Salaries	\$ 13,000.00	\$ 12,800.00	\$ 13,800.00	\$ 11,650.00	\$ 13,800.00	\$ -	
5040 · Trainings & Seminars	\$ 42.00	\$ 380.00	\$ 850.00	\$ 276.16	\$ 850.00	\$ -	
5130 · Maintenance-Equipment	\$ 475.00	\$ 983.00	\$ 1,000.00	\$ -	\$ 850.00	\$ (150.00)	
5320 · General Insurance	\$ 84,244.00	\$ 90,776.00	\$ 93,400.00	\$ 92,470.00	\$ 96,000.00	\$ 2,600.00	
5330 · Telephone Expense	\$ 3,524.00	\$ 3,766.00	\$ 3,800.00	\$ 6,397.32	\$ 7,400.00	\$ 3,600.00	
5380 · Rentals		\$ 100.00	\$ 100.00	\$ -	\$ 100.00	\$ -	
5390 · Travel Expense	\$ 822.00	\$ 880.00	\$ 1,100.00	\$ 807.32	\$ 1,100.00	\$ -	
5410 · Software Support	\$ 14,066.00	\$ 16,273.00	\$ 19,680.00	\$ 14,787.57	\$ 19,590.00	\$ (90.00)	
5450 · Legal	\$ 4,339.00	\$ 2,463.00	\$ 5,000.00	\$ 4,072.00	\$ 8,000.00	\$ 3,000.00	
5510 · Office Supplies	\$ 922.00	\$ 1,251.00	\$ 2,500.00	\$ 773.88	\$ 2,000.00	\$ (500.00)	
5530 · Website Expense	\$ 465.00	\$ 533.00	\$ 700.00	\$ 371.00	\$ 5,400.00	\$ 4,700.00	
5540 · Printing & Publishing	\$ 809.00	\$ 894.00	\$ 1,000.00	\$ 945.99	\$ 1,000.00	\$ -	
5560 · Membership Dues	\$ 2,227.00	\$ 345.00	\$ 500.00	\$ 700.00	\$ 700.00	\$ 200.00	
5630 · Bank Service Charges		\$ -	\$ 100.00	\$ -	\$ 100.00	\$ -	
5710 · Miscellaneous Expense	\$ 169.00	\$ 237.00	\$ 250.00	\$ -	\$ 250.00	\$ -	
6610 · Office Equipment over \$500	\$ 2,203.00	\$ 4,781.00	\$ 4,000.00	\$ 1,500.00	\$ 2,000.00	\$ (2,000.00)	
<b>Total Expense</b>	<b>\$ 127,307.00</b>	<b>\$ 136,462.00</b>	<b>\$ 147,780.00</b>	<b>\$ 134,751.24</b>	<b>\$ 159,140.00</b>	<b>\$ 11,360.00</b>	<b>\$ -</b>
<b>Total Income vs. Expenses</b>	<b>\$ 22,773.00</b>	<b>\$ 9,537.00</b>	<b>\$ (16,381.00)</b>	<b>\$ 7,160.13</b>	<b>\$ (31,419.77)</b>	<b>\$ (15,038.77)</b>	<b>\$ -</b>

**BUDGET FY 2019-20 | AUDIT FUND**

	Actual FY 16-17	Actual FY 17-18	Budget FY 18-19	Est. Actual FY 18-19	Proposed FY 19-20	Proposed +/- vs. Current	Approved FY 19-20
<b>Income</b>							
4010 · Property Tax Income	\$ 6,908.00	\$ 7,433.36	\$ 6,675.00	\$ 7,789.87	\$ 7,010.88	\$ 335.88	
4090 · Replacement Tax Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4300 · Sewer Permit Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4500 · Sewer Usage Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4510 · Connection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4520 · Penalty Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4810 · Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4820 · SSA Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4900 · Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4930 · Engin. & Legal Rev. Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Income</b>	<b>\$ 6,908.00</b>	<b>\$ 7,433.36</b>	<b>\$ 6,675.00</b>	<b>\$ 7,789.87</b>	<b>\$ 7,010.88</b>	<b>\$ 335.88</b>	<b>\$ -</b>
<b>Expense</b>							
5240 · Accounting Service	\$ 7,000.00	\$ 7,550.00	\$ 7,850.00	\$ 7,850.00	\$ 14,000.00	\$ 6,150.00	
<b>Total Expense</b>	<b>\$ 7,000.00</b>	<b>\$ 7,550.00</b>	<b>\$ 7,850.00</b>	<b>\$ 7,850.00</b>	<b>\$ 14,000.00</b>	<b>\$ 6,150.00</b>	<b>\$ -</b>
<b>Total Income vs. Expenses</b>	<b>\$ (92.00)</b>	<b>\$ (116.64)</b>	<b>\$ (1,175.00)</b>	<b>\$ (60.13)</b>	<b>\$ (6,989.12)</b>	<b>\$ (5,814.12)</b>	<b>\$ -</b>

## BUDGET FY 2019-20 | SEWER O&M FUND- ALL DIVISIONS SUMMARY

	Budget FY 18-19	Est. Actual FY 18-19	Proposed FY 19-20	Proposed +/- vs. Current	Approved FY 19-20
<b>Income</b>					
4300 · Sewer Permit Income	\$ 1,000.00	\$ 1,200.00	\$ 2,000.00	\$ 1,000.00	
4500 · Sewer Usage Income	\$ 2,516,201.00	\$ 2,563,146.97	\$ 2,575,962.71	\$ 59,761.71	
4520 · Penalty Income	\$ 88,000.00	\$ 77,744.45	\$ 78,133.17	\$ (9,866.83)	
4600 · Refund Income	\$ 300.00	\$ 100.00	\$ 100.00	\$ (200.00)	
4730 · Interest Income	\$ 2,800.00	\$ 3,396.06	\$ 3,500.00	\$ 700.00	
4900 · Miscellaneous Income	\$ 1,000.00	\$ 7,022.40	\$ 1,500.00	\$ 500.00	
4930 · Engin. & Legal Rev. Fees	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	\$ (10,000.00)	
<b>Total Income</b>	<b>\$ 2,624,301.00</b>	<b>\$ 2,657,609.88</b>	<b>\$ 2,666,195.88</b>	<b>\$ 41,894.88</b>	<b>\$ -</b>
<b>Expense</b>					
5000 · Salaries	\$ 642,035.00	\$ 671,282.06	\$ 735,743.33	\$ 93,708.33	
5010 · Payroll Tax Expense	\$ 48,003.00	\$ 48,766.01	\$ 55,180.75	\$ 7,177.75	
5020 · Payroll Expenses-Other	\$ 400.00	\$ -	\$ 1,000.00	\$ 600.00	
5030 · Employee Insurance	\$ 138,786.00	\$ 141,789.22	\$ 147,609.44	\$ 8,823.44	
5040 · Trainings & Seminars	\$ 6,150.00	\$ 7,529.23	\$ 10,650.00	\$ 4,500.00	
5050 · Clothing Allowance	\$ 800.00	\$ 1,233.23	\$ 1,200.00	\$ 400.00	
5060 · IMRF Contributions	\$ 73,599.00	\$ 77,181.30	\$ 92,391.27	\$ 18,792.27	
5110 · Maintenance-Buildings	\$ 15,000.00	\$ 22,813.27	\$ 26,000.00	\$ 11,000.00	
5120 · Maintenance-Vehicles	\$ 17,500.00	\$ 13,015.46	\$ 13,000.00	\$ (4,500.00)	
5130 · Maintenance-Equipment	\$ 25,000.00	\$ 24,791.76	\$ 27,500.00	\$ 2,500.00	
5140 · Maintenance-Utility System	\$ 70,000.00	\$ 72,323.27	\$ 57,500.00	\$ (12,500.00)	
5150 · Maintenance Supplies	\$ 4,000.00	\$ 1,200.06	\$ 2,500.00	\$ (1,500.00)	
5160 · Sludge Hauling	\$ 29,000.00	\$ 27,033.10	\$ 28,000.00	\$ (1,000.00)	
5210 · Operating Supplies	\$ 9,500.00	\$ 8,198.37	\$ 9,500.00	\$ -	
5220 · Motor Fuel & Lube	\$ 11,500.00	\$ 12,077.08	\$ 13,000.00	\$ 1,500.00	
5230 · Vehicle Supplies	\$ 350.00	\$ 100.00	\$ 350.00	\$ -	
5240 · Lab Supplies	\$ 10,000.00	\$ 14,881.01	\$ 15,000.00	\$ 5,000.00	
5245 · Misc Equipment	\$ 1,750.00	\$ 1,939.78	\$ 2,000.00	\$ 250.00	
5250 · Small Tools	\$ 600.00	\$ 671.94	\$ 800.00	\$ 200.00	
5255 · Chemical Expense	\$ 81,000.00	\$ 62,848.72	\$ 81,000.00	\$ -	
5260 · Safety Equipment	\$ 5,800.00	\$ 5,244.94	\$ 5,500.00	\$ (300.00)	
5330 · Telephone Expense	\$ 22,206.00	\$ 23,070.06	\$ 24,820.00	\$ 2,614.00	
5360 · Utilities	\$ 147,150.00	\$ 134,910.53	\$ 146,500.00	\$ (650.00)	
5361 · Security System	\$ 11,500.00	\$ 11,810.42	\$ 12,000.00	\$ 500.00	
5380 · Rentals	\$ 350.00	\$ -	\$ 600.00	\$ 250.00	
5390 · Travel Expense	\$ 1,000.00	\$ 2,015.44	\$ 2,200.00	\$ 1,200.00	
5410 · Software Support	\$ 7,000.00	\$ 5,503.00	\$ 11,760.00	\$ 4,760.00	
5430 · Professional Lab Testing	\$ 8,500.00	\$ 7,229.80	\$ 8,500.00	\$ -	
5435 · JULIE Locate Expense	\$ 2,850.00	\$ 3,030.16	\$ 3,400.00	\$ 550.00	
5440 · Engineering Services	\$ 1,250.00	\$ -	\$ 3,250.00	\$ 2,000.00	
5450 · Legal	\$ 7,400.00	\$ 14,328.35	\$ 32,400.00	\$ 25,000.00	
5460 · Permit Fees	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ -	
5480 · Other Professional Services	\$ 55,750.00	\$ 53,708.97	\$ 72,820.00	\$ 17,070.00	
5510 · Office Supplies	\$ 3,900.00	\$ 4,788.56	\$ 4,800.00	\$ 900.00	
5520 · Postage	\$ 28,000.00	\$ 25,149.96	\$ 25,500.00	\$ (2,500.00)	
5540 · Printing & Publishing	\$ 8,000.00	\$ 5,921.73	\$ 7,000.00	\$ (1,000.00)	
5550 · Publications & Subscriptions	\$ 100.00	\$ 100.00	\$ 200.00	\$ 100.00	
5560 · Membership Dues	\$ 3,755.00	\$ 3,104.00	\$ 3,205.00	\$ (550.00)	
5630 · Bank Service Charges	\$ 11,000.00	\$ 9,665.50	\$ 9,800.00	\$ (1,200.00)	
5640 · Interest	\$ -	\$ -	\$ -	\$ -	
5710 · Miscellaneous Expense	\$ 200.00	\$ 39.83	\$ 100.00	\$ (100.00)	
5810 · Refunds	\$ 100.00	\$ -	\$ 100.00	\$ -	
6010 · Office Equipment over \$500	\$ 15,000.00	\$ 11,646.04	\$ 4,100.00	\$ (10,900.00)	
6030 · Capitalized Treatment Upgrade	\$ 1,062,000.00	\$ 597,888.55	\$ 1,742,000.00	\$ 680,000.00	
6070 · Building Improvements	\$ 13,000.00	\$ 17,424.30	\$ 25,000.00	\$ 12,000.00	
<b>Total Expense</b>	<b>\$ 2,618,784.00</b>	<b>\$ 2,164,255.01</b>	<b>\$ 3,483,479.79</b>	<b>\$ 864,695.79</b>	<b>\$ -</b>
<b>Total Income vs. Expenses</b>	<b>\$ (5,517.00)</b>	<b>\$ (493,354.87)</b>	<b>\$ 817,283.91</b>	<b>\$ 822,800.91</b>	<b>\$ -</b>

## BUDGET FY 2019-20 | CAPITAL IMPROVEMENT FUND

	Actual FY 16-17	Actual FY 17-18	Budget FY 18-19	Est. Actual FY 18-19	Proposed FY 19-20	Proposed +/- vs. Current	Approved FY 19-20
<b>Income</b>							
4510 • Connection Fees	\$ 64,923	\$ 59,077	\$ 155,846	\$ 157,044	\$ 90,880	\$ (64,966)	
4520 • Penalty Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4730 • Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Income</b>	<b>\$ 64,923</b>	<b>\$ 59,077</b>	<b>\$ 155,846</b>	<b>\$ 157,044</b>	<b>\$ 90,880</b>	<b>\$ (64,966)</b>	<b>\$ -</b>
<b>Expense</b>							
5630 • Bank Service Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5640 • Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5650 • Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5710 • Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5810 • Refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5900 • Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6030 • Capitalized Treatment Upgrade	\$ 52,887	\$ 107,317	\$ 1,986,000	\$ 759,452	\$ 4,700,000	\$ 2,714,000	
<b>Total Expense</b>	<b>\$ 52,887</b>	<b>\$ 107,317</b>	<b>\$ 1,986,000</b>	<b>\$ 759,452</b>	<b>\$ 4,700,000</b>	<b>\$ 2,714,000</b>	<b>\$ -</b>
<b>Total Income vs. Expenses</b>	<b>\$ 12,036</b>	<b>\$ (48,239)</b>	<b>\$ (1,830,154)</b>	<b>\$ (602,408)</b>	<b>\$ (4,609,120)</b>	<b>\$ (2,778,966)</b>	<b>\$ -</b>

**BUDGET FY 2019-20 | PLANT EXPANSION FUND**

	Actual FY 16-17	Actual FY 17-18	Budget FY 18-19	Est. Actual FY 18-19	Proposed FY 19-20	Proposed +/- vs. Current	Approved FY 19-20
<b>Income</b>							
4510 · Connection Fees	\$ -	\$ 39,384.70	\$ 97,838.00	\$ 104,696.80	\$ 60,592.00	\$ (37,246.00)	
4730 · Interest Income	\$ -	\$ 20,538.06	\$ 22,418.00	\$ 34,604.26	\$ 32,400.00	\$ 9,982.00	
4900 · Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Income</b>	\$ -	\$ 59,922.76	\$ 120,256.00	\$ 139,301.06	\$ 92,992.00	\$ (27,264.00)	\$ -
<b>Expense</b>							
5640 · Interest Expense	\$ -	\$ 8,145.00	\$ 486,538.00	\$ -	\$ 486,847.50	\$ 309.50	
5650 · Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5710 · Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5810 · Refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5900 · Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6010 · Office Queipment over \$500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6030 · Capitalized Treatment Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6070 · Building Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Expense</b>	\$ -	\$ 8,145.00	\$ 486,538.00	\$ -	\$ 486,847.50	\$ 309.50	\$ -
<b>Total Income vs. Expenses</b>	\$ -	\$ 51,777.76	\$ (366,282.00)	\$ 139,301.06	\$ (393,855.50)	\$ (27,573.50)	\$ -

