



Georgetown Municipal Water and Sewer Service

MEMORANDUM

TO: Mayor Tom Prather
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Mark Showalter
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Karen Tingle-Sames
Marvin Thompson

FROM: Allen Maples 
Accounting Manager

DATE: June 4, 2018

SUBJECT: **Operating & Capital Project Budget for Fiscal Year 2018-2019**

On behalf of the Georgetown Municipal Water & Sewer Service (GMWSS) Board of Commissioners, we are submitting for your review, consideration, and approval, the Operating & Capital Budget for Fiscal Year 2018-2019. The Board of Commissioners approved this Budget on May 15, 2018. Major points are:

Revenues

For Fiscal Year 2018-2019, Fund 01 revenues are budgeted to be \$10,539,100, an increase of \$337,600 or 3.31% from Fiscal Year 2017-2018 budgeted revenues. Water & sewer usage revenue is projected to show an increase of \$200,000. Total water & sewer connection fees for Fiscal Year 2018-2019 are expected to be \$1,200,000; this is an increase of \$142,500 from Fiscal Year 2017-2018.

For Fiscal Year 2018-2019, Fund 02 revenues are budgeted to be \$1,870,647; an increase of \$24,966 or 1.35% from Fiscal Year 2017-2018 budgeted revenues.

Total revenues are projected to increase \$362,466 or 3.01% from Fiscal Year 2017-2018.

Expenditures-Fund 01

For Fiscal Year 2018-2019, the proposed expenditure budget is \$10,600,937; an increase of \$291,641 or 2.83% from the Fiscal Year 2017-2018 budget. The following line items make up the majority of the budget increases:

1. Salaries & Wages increased \$156,219 to provide for merit, cost of living, license upgrades and additional staff budgeted for Collections.
2. Retirement increased \$92,412 due to a CERS rate increase to 21.48% from 19.18% (12% overall increase).
3. Group Health Insurance decrease (\$3,651) due an increase in healthcare coverage of 5.6%, Dental increase of 7%, Eye coverage increase of 4% less employee contributions based on their plan equal to the 5.6% healthcare increase.
4. Depreciation expense increases \$96,408 due to the increase in the value of our plants & equipment.
5. Professional Services-Engineering decrease (\$56,000) due to being ArcFlash compliant being done in Fund 02.
6. Utilities decrease (\$9,070) due to annual usage plus anticipated rate increase of 10%.
7. Banking Fees, Service Charges increase \$21,000 due to increase rates, returned check charges and transaction fees and customers increase.

Expenditures-Fund 02

For Fiscal Year 2018-2019, the proposed expenditure budget is \$2,412,344; an increase of \$47,342 or 2.00% from the Fiscal Year 2017-2018 budget. Toyota reimburses GMWSS for the expenditures from Fund 02.

Capital Projects

This budget includes \$1,594,000 in departmental requests for capital projects; to be funded from revenues generated during Fiscal Year 2018-2019.

Capital contributions from Toyota will provide \$3,282,000 for capital projects at Waste Water Treatment Plant #2. A major project for replacing Sand Filters #1 for \$1,750,000 is included in this total.

Vehicle replacement costs total \$50,000 which will be funded from vehicle savings.

KIA funding along with City and County grants totaling \$6,500,000 for the capital project to repair/replace the pump station and collection system on US25 South.

Major capital projects requests total \$4,487,000 for fiscal year 2019. These projects will be funded from the Capital Projects Fund (Depreciation Account) as funds permit and our existing line of credit.

Debt Service Coverage

We continue to monitor our debt service coverage ratio as required by the bond ordinances on a monthly and year-to-date basis. The Fiscal Year 2018-2019 budget is projected to provide 2.09 times debt service coverage.

**GEORGETOWN MUNICIPAL
WATER & SEWER SERVICE**



**FISCAL YEAR 2018-2019
OPERATING BUDGET**

GEORGETOWN, KENTUCKY

GEORGETOWN MUNICIPAL WATER & SEWER SERVICE FISCAL YEAR 2018-2019 BUDGET

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**GEORGETOWN MUNICIPAL WATER & SEWER SERVICE
POTENTIAL CAPITAL REPLACEMENT & RENEWAL PROJECTS
FISCAL YEAR 2019**

SOURCE OF FUNDING: CAPITAL REPLACEMENT & RENEWAL FUND							
Line No.	DEPT.	DESCRIPTION	TYPE	FUND 01 WATER	FUND 01 SEWER	FUND 02 SEWER	TOTAL
1	Cust Accts	Office Equipment Upgrades/Replacements	Dept. Request	4,000	4,000		8,000
2	Admin	Computer System Upgrade	Annual Commitment	5,000	5,000		10,000
3	Admin	Workflow/GIS system	Dept. Request	25,000	25,000		50,000
4	WTP	Plant Equipment Upgrade/Replacement	Annual Commitment	30,000			30,000
5	WTP	Engineering/Design Air Stripping Towers	Dept. Request	100,000			100,000
6	WTP	Raw Water Pumps VFD (Engineer/Install)	Dept. Request	120,000			120,000
7	WTP	Annual Raw Water Basin Cleaning	Dept. Request	20,000			20,000
8	Dist	Distribution System Upgrades/Improvements	Annual Commitment	150,000			150,000
9	Dist	Radio Read Meter Change Out Program	Annual Commitment	125,000			125,000
10	Dist	New Customer Meters & Tubs	Annual Commitment	100,000			100,000
11	Dist	New Customer Meter Connections	Annual Commitment	100,000			100,000
12	Dist	Tank Inspection and Other	Dept. Request	35,000			35,000
13	Dist	Mini Excavator and Trailer 10,000LB	Dept. Request	55,000			55,000
14	Dist	Fire Hydrant Replacement/Maintenance Program	Annual Commitment	20,000			20,000
15	Dist	Annual Waterline Upgrades	Annual Commitment	175,000			175,000
16	Engr	Equipment Upgrades/Replacements	Dept. Request	8,000	8,000		16,000
17	WWTP 1	Plant Equipment Upgrade/Replacement-WWTP#1	Annual Commitment		75,000		75,000
18	WWTP 1	Plant Equipment Upgrade/Replacement-WWTP#3	Annual Commitment		15,000		15,000
19	WWTP 1	Sluice gates #3	Dept. Request		50,000		50,000
20	WWTP 1	Repair and coat Round Digesters	Dept. Request		25,000		25,000
21	COLL	Collection System and Manhole Upgrades/Improvements	Annual Commitment		180,000		180,000
22	COLL	New office improvements	Dept. Request		15,000		15,000
23	COLL	Pump Station Rehab	Annual Commitment		120,000		120,000
Subtotal of Requests				1,072,000	522,000		1,594,000
CAPITAL REPLACEMENT & RENEWAL FUND PROJECTION				782,917	831,080		1,613,997

SOURCE OF FUNDING: CAPITAL CONTRIBUTIONS FROM TOYOTA MOTOR MANUFACTURING							
DEPT.	DESCRIPTION	TYPE	FUND 01 WATER	FUND 01 SEWER	FUND 02 SEWER	TOTAL	
24	WWTP 2	Plant Upgrade	Annual Commitment		38,000		38,000
25	WWTP 2	Aerator Project (remaining from FY2018)	Dept. Request		269,000		269,000
26	WWTP 2	Rehab Sand Filter #1 (construction)	Dept. Request		1,750,000		1,750,000
27	WWTP 2	Solids Processing BFP Control (Eng and Construction)	Dept. Request		325,000		325,000
28	WWTP 2	Rehab Sand Filter #2/Engineering and Year 1 of Construction	Dept. Request		900,000		900,000
							0
Subtotal of Requests					3,282,000		3,282,000

** Estimates at this time

SOURCE OF FUNDING: KIA/CITY/COUNTY/GRANT							
DEPT.	DESCRIPTION	TYPE	FUND 01 WATER	FUND 01 SEWER	FUND 02 SEWER	TOTAL	
29	COLL	South US25 Force main Pump Station & Collection System	Capital Project		6,500,000		6,500,000
							0
Subtotal of Requests				0	6,500,000		6,500,000

SOURCE OF FUNDING: VEHICLE							
DEPT.	DESCRIPTION	TYPE	FUND 01 WATER	FUND 01 SEWER	FUND 02 SEWER	TOTAL	
30	Admin	Replace 2005 Escape (A2)-2018 Midsize SUV	Vehicle Savings	12,500	12,500		25,000
31	WTP	Replace 2005 Escape (W2)-2018 Midsize SUV	Vehicle Savings	25,000			25,000
Subtotal of Requests				37,500	12,500		50,000

SOURCE OF FUNDING: CAPITAL PROJECTS RESERVE FUND/LINE OF CREDIT							
DEPT.	DESCRIPTION	TYPE	FUND 01 WATER	FUND 01 SEWER	FUND 02 SEWER	TOTAL	
32	Dist	Spring Ct 10" Backup Tie in	Capital Project	365,000			365,000
33	Dist	New Distribution Building (Phase 1-year 2)	Capital Project	600,000			600,000
34	Coll	WWTP#1/Deshae Trunk Line Replacement	Capital Project		800,000		800,000
35	Coll	Replace Pump Station #8	Capital Project		462,000		462,000
36	Coll	Sewer Line rehab/replacement	Capital Project		180,000		180,000
37	Coll	Collections Building (Phase 2)	Capital Project		850,000		850,000
38	WWTP 1	Rebuild Barscreen #1 and gates (old side)	Capital Project		50,000		50,000
39	WWTP 1	Plant Generator and ATS	Capital Project		180,000		180,000
40	WWTP 1	Plant Expansion Design/Engineering	Capital Project		1,000,000		1,000,000
Sub-Total of Projects				965,000	3,522,000		4,487,000

Grand Total of All Capital Replacement & Renewal Requests

15,913,000