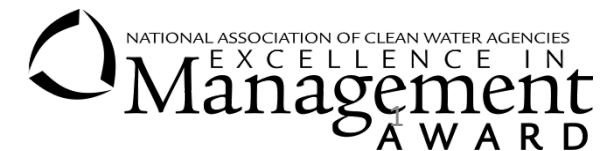




MSD 2020 Operating Budget - Q3 Report

December 1, 2020



2020 Operating Budget Summary as of 9.30.2020

Exp Type	Department	Requested Budget 8/15/2019	2020 Allocated Budget	Total % Committed	Available Budget Balance as of 9/30/2020	Full Year Projections
Personnel		62,398,311	59,900,000	66.98%	19,780,226	59,899,997
Non-Personnel		73,038,296	70,942,300	87.27%	9,030,928	71,100,298
Capital Outlay		4,328,200	2,456,800	69.88%	740,072	2,456,800
Debt Payments		86,371,095	86,400,900	62.07%	32,773,192	86,400,899
Non-Personnel Grand Total (w/o Debt Payment)		77,366,496	73,399,100	86.69%	9,771,000	73,557,098
Grand Total (w/o Debt Payment)		139,764,807	133,299,100	77.83%	29,551,226	133,457,095
Non-Personnel Grand Total (with Debt Payment)		163,737,591	159,800,000	73.38%	42,544,192	159,957,997
Grand Total		226,135,902	219,700,000	71.63%	62,324,418	219,857,994

Information as Reported in Table 2 of November 13, 2020 3rd Quarter Memo

Personnel Spending thru 9.30.2020

Table 3

Exp Type	Department	Requested Budget 8/15/2019	2020 Allocated Budget	Total % Committed	Available Budget Balance as of 9/30/2020	Full Year Projections	Projected Year- end Budget Balance
Personnel		62,398,311	59,900,000	66.98%	19,780,226	59,899,997	-
	410 OOD	2,394,073	2,356,110	70.89%	685,826	2,356,110	-
	420 WWE	7,729,987	7,729,987	49.83%	3,878,063	8,305,339	(575,352)
	430 & 431 BS	7,882,356	6,963,327	67.26%	2,280,018	6,763,326	200,000
	440 WWT	21,903,578	21,260,341	69.72%	6,438,236	20,987,340	273,000
	450 WWC	12,324,879	11,991,469	72.47%	3,300,701	11,991,469	-
	460 RCS	5,578,112	5,427,690	68.55%	1,707,222	5,325,338	102,352
	470 WO	3,598,662	3,273,517	68.01%	1,047,263	3,273,516	-
	480 SBU	986,664	897,559	50.66%	442,897	897,559	-
							-

Information as Reported in Table 3 of November 13, 2020 3rd Quarter Memo

Personnel Spending thru 9.30.2020: Early Retirement Incentive Program

ERIP has resulted in 49 employees accepting early retirement.

- The anticipated 2020 ERIP Lump sum payout is \$333,950.
- Additional Lump sum payouts are projected in the 2021 budget

Of MSD's 49 ERIP participants:

- By December 2020, 23 people retiring
- In January 2021, 22 people retiring
- In July, 4 people are retiring

	Applied
OOD	2
RCS	6
WO	1
F&A	0
WWA	1
WWC	12
WWT	12
WWE	13
IT	2
Totals	49



Nonpersonnel Spending through 9.30.2020

Department	Requested Budget 8/15/2019	2020 Allocated Budget	Total % Committed	Available Budget Balance as of 9/30/2020	Full Year Projections	Projected Year- end Budget Balance
	73,038,296	70,942,300	87.27%	9,030,928	71,100,298	(158,000)
410 OOD	1,109,203	1,015,501	55.56%	451,269	1,015,502	-
420 WWE	739,480	728,927	62.36%	274,340	728,926	-
430 & 431 WWA	12,205,760	11,014,261	88.37%	1,280,744	11,014,260	-
440 WWT	26,938,648	26,455,635	89.93%	2,664,625	26,613,635	(158,000)
450 WWC	10,904,081	8,895,299	95.17%	430,031	8,895,298	-
460 RCS	1,929,602	1,857,263	55.47%	827,067	1,857,263	-
470 WO	6,500,349	6,333,653	97.58%	153,389	6,333,653	-
480 SBU	9,667,195	11,700,000	77.87%	2,589,768	11,700,000	-
944 GFOH	3,043,978	2,941,761	87.77%	359,694	2,941,761	-

Forecasted deficit of \$158K – anticipated to be offset by deferrals

- Approved 2020 Nonpersonnel budget \$2.1M less than MSD request
- Increased utility & hauling costs
- Increased GCWW Billing costs
- Increased cost of ferrous chloride
- Improved safety initiatives (uniforms & training)
- Property insurance increase
- COVID-19 Expenses

Sewer Backup Program through 9.30.2020

 	
Service Description	Total for 2020 through September
Sewer Back Up (SBU)	
Sewer Backup (SBU) Investigation Work Orders	3,207
SBU's Considered for Cleanups	596
SBU Cleanups Performed/Accepted	451
Cleanups Declined	135
Cleanouts Installed at ROW (by MSD Repair Section)	767
Prevention Program	
Properties Contacted	130
Properties Protected	74
Professional Service Costs- Capital Funds	\$ -
Professional Service Costs- Operating Funds	\$ 718,514
Contractor Costs- Capital Funds	\$ -
Contractor Costs- Operating Funds	\$ 3,788,796
Total SBU Prevention Dollars Spent	\$ 4,507,310
Claims	
Settlement Checks Processed	112
Average Processing Time for Settlements Offered (in days)	36
Claim Costs- Operating Funds	\$ 702,610
Expenses to Date	
MSD SBU Labor	\$ 543,632
Total Clean Up Costs- Operating Funds *	\$ 1,882,271
Customer Service- Operating Funds	\$ 522,196
TOTAL DOLLARS SPENT	\$ 8,158,020
Total spent 2004 to date	\$ 131,868,629
YTD	\$ 8,158,020

- \$8,158,020 has been spent on SBU Program.
- Board approved additional \$2,000,000 in Q3.
- 78% of non-personnel budget committed.
- MSD has received 3,207 SBU reports
 - 889 SBU reports in Q3
 - Q3 cleaning costs totaled \$538,229

This report is available at: <https://sbu.msdbg.org>

Capital Outlay- OTEA & FLEET through 9.30.2020

Exp Type	Department	Requested Budget 8/15/2019	2020 Allocated Budget	Total % Committed	Available Budget Balance as of 9/30/2020	Full Year Projections
Capital Outlay		4,328,200	2,456,800	69.88%	740,072	2,456,800
	981 FLEET	1,170,200	1,101,000	99.62%	4,187	1,101,000
	982 OTEA	3,158,000	1,355,800	45.72%	735,885	1,355,800

- **Fleet** replacement budget is 99% spent and the MSD request was not fully funded.
- **OTEA** is projected to be fully spent 2020
 - Several deferrals to operate within the approved budget

REVENUE as of 9/30/2020

- Forecasted 2020 revenues are expected to be \$267M. This is a reduction of 3.4% from 2019.
- The difference between 2019 and 2020 through Q3 is approximately \$7.4M.
- MSD continues to closely monitor revenue on a weekly basis to look for trends.
- Adjusted revenues are \$47M greater than approved operating expenses.

Projected Year-end Revenues See Table 5 for details	Projected Year-end Operating Expenses See Table 2 for details
\$267.0M	\$219.7M

Actual (2019) & Projected (2020) Adjusted Revenues (Full Year)		
Description	2019	2020
	Actuals	Projected
Sewerage Service Charge	247,919,016	\$240,727,829
Sewerage Surcharges	17,054,508	\$14,496,332
Septic Tank Disposal	1,901,365	\$1,901,365
Pretreatment Monitoring	386,173	\$386,173
Subtotal	267,261,062	\$257,511,699
Rental Income	149,200	\$149,200
Tap Permits-Licenses	57,144	\$57,144
Inspection-Plan Review	359,022	\$153,232
Other (a)	1,314,889	\$1,314,889
Connection Fee Revenue (b)	4,036,468	\$2,944,764
Interest-Trust Accounts (c)	3,298,389	\$3,606,877
Total Revenue	7,334,857	\$6,551,642
Build America Bond Discount		\$1,437,985
Homestead CAP	-31,000	-\$189,500
Total Operating Revenue	276,445,173	\$266,986,290
		<i>change - total revenue</i>
		<i>-3.42%</i>

-15.0% Sewerage Surcharge Change from 2019

-2.9% Sewerage Service Charge Change from 2019



Information as Reported in November 13, 2020 3rd Quarter Memo, Table 5 updated with missing cell.

Conclusions

- MSD is closely monitoring the personnel budget and does not anticipate a need for additional personal dollars. However, a no-cost adjustment is necessary.
- Due to the unfunded items in WWT that address safety, chemicals and power, coupled with the global COVID-19 pandemic, MSD was forecasting a potential deficit of \$158K in nonpersonnel funds.
- MSD has been working diligently to manage within the approved 2020 budget by deferring all non-essential expenditures.

Questions

