

2015 Budget Preparation

Loveland Utilities Commission Presentation

July 16, 2014

2015 Proposed Budget Overview

- Staffing – 8.5 New Full-time Equivalent (FTE) Positions Proposed
 - Water Engineering Civil Engineer
 - Power Field Engineer
 - GIS Specialist
 - 2 Power Pre-Apprentice Lineworkers
 - Public Works Construction Inspector
 - Journey Water Systems Operator
 - Office Support Specialist
 - Accounting Technician (half-time)
- \$640,000 Increase in Personal Services Expense
 - \$184,000 Increase for Water
 - \$165,000 Increase for Wastewater
 - \$291,000 Increase for Power
- FTE Count Would Be Nearly Two Less than in 2000

2015 Proposed Budget Overview

- 3.5% Increase for Salaries
- General Liability up \$107K or 66%
 - Increase for new City-owned property (e.g. Svc Cntr Expansion)
 - A bad year replaces a good year
- Workers Compensation up \$64K or 33%
 - A really bad year replaces a good year
 - Increased costs due to more City employees
- Capital Programs
 - \$51.4 million for Water over next 5 years
 - \$40.4 million for Wastewater over next 5 years
 - \$54.9 million for Power over next 5 years

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2015 Proposed Budget Overview

- Water 10 Year Financial Plan and Rates
 - 2015 Overall Rate Increase of 9%, followed by four more years at 9%/yr., then three years at 8%/yr., per Council direction
 - Transfer of portion of Water Sales to Raw Water stops in 2018
 - Negative variances vs. target in outer years need addressing
- Water Key Changes in O&M Expenses for 2015
 - C-BT Facilities Contract – Increase of \$150K
 - Lawn Irrigation Return Flows – Increase of \$75K
 - Domestic Water Rights – Increase of \$70K
 - Water Court Exchange Cases – Decrease of \$90,000
 - Debt Service on 20-Year \$10M External Loan - Decrease of \$628K
 - Debt Service on 8-Year \$6M Internal Loan – Decrease of \$807K; General Fund Contributing \$750,000 for Principal Portion

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2015 Proposed Budget Overview

- Wastewater 10 Year Financial Plan and Rates
 - 2015 Overall Rate Increase of 9.1%, followed by four years at 11%/yr., then three years at 7%/yr. per rate study results
 - Negative variances vs. target in outer years need addressing
- Wastewater Key Increases in O&M Expenses for 2015
 - Replacement/Regeneration of Carbon for Existing Odor Scrubber at WWTP – Increase of \$63K
 - Design and SDC, Odor Control Strategies (Stages 6 & 7) at WWTP – Increase of \$40K

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2015 Proposed Budget Overview

- Power 10 Year Financial Plan and Rates
 - 2015 Overall Rate Increase of 5.83%
 - Late Breaking News
 - Combination of 2.8% from rate study, pass-through of wholesale power increase from PRPA and 1% for Flood expenses
 - 10 Year Plan shows rate increase of 5.88% in 2015, followed by increases ranging from 1% to 2% per year from 2016-2024
- Power Key Changes in O&M Expenses for 2015
 - Demo of Hydro Dam, Penstock, Power House – Increase of \$1,150,000
 - SCADA Support Services from PRPA – Increase of \$175K
 - After-Hours Emergency Call Center Services – Increase of \$39K
 - Customer Relations Multiple Program Changes – Net Increase of \$33K

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