# **The City Utilities Budget**

# 2006

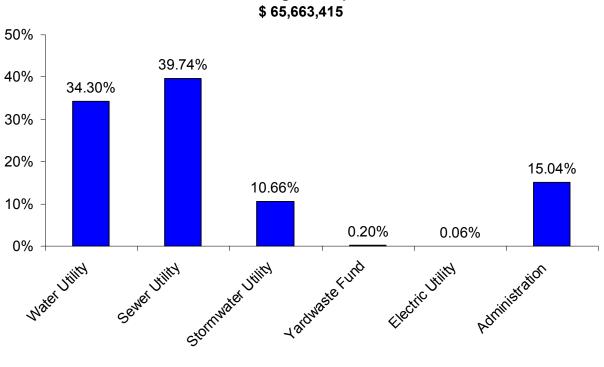


#### The City Utilities Budget Process

The City Utilities operation and maintenance budget process begins in July with individual departments preparing draft budgets for the next calendar year. Utility Administration works with the various departments to develop assumptions, service indicators, and objectives. The accounting department prepares revenue and cash flow projections. The budgets and projections are subject to review and modification by Utility Administration. Capital Improvement committees prepare priority lists of revenue capital items, which are subject to review and modification. Revenue capital items included in the budget are dependent on the available cash after consideration of budgeted operation and maintenance expenses.

With the Mayor's approval, the budget is presented to the Board of Public Works and the Board of Stormwater Management for final approval.

Regardless of the amount, departments are required to submit all budget adjustments to Utility Administration for approval. Plan changes that materially impact the budget are presented to the Boards for approval.



## City of Fort Wayne Utilities 2006 Budgeted Expense \$ 65,663,415

### City of Fort Wayne Budget in Brief 2006 The City Utilities Budget Page 3 City of Fort Wayne - City Utilities Expense Budget 2005 - 2006

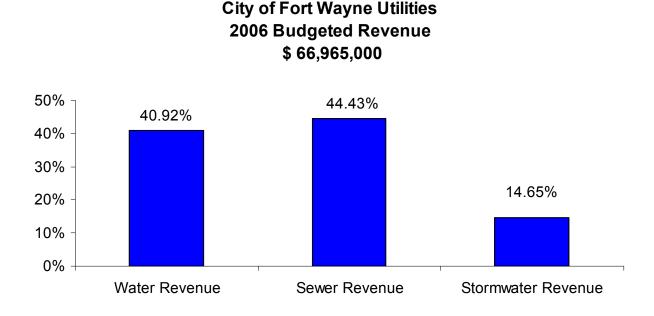
Water Utility     S     341,312     \$     208,000     -39.1%       Filtration Plant     5,755,467     5,647     6,642,000     15.4%       Maintenance     5,155,091     5,447,000     5,7%     6,642,000     -3.5%       Capital     4,516,750     8,335,000     -3.5%     6,335,000     -3.5%       Capital     4,516,750     22,520,000     27.1%       Sewer Utility     Engineering     891,900     492,000     44.8%       Treatment Plant     5,993,069     5,666,000     -7.1%       Maintenance     2,671,423     3,882,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     -5.5%       Stormwater Utility     84,758     120,000     -3.1%       General & Administration     106,650     133,000     24.7%       General & Administration     106,650     133,000     24.7%       General & Administration		 2005 Approved Budget	 2006 Approved Budget	% Change
Filtration Plant   5,755,467   6,642,000   15,4%     Maintenance   5,155,091   5,447,000   5,7%     General & Administration   1,955,950   1,888,000   -3,5%     Capital   4,516,750   8,335,000   84,5%     Water Direct Expense Total   17,724,570   22,520,000   27,1%     Sewer Utility   Engineering   891,900   492,000   -44.8%     Treatment Plant   5,993,069   5,566,000   -7,1%     Maintenance   2,571,423   3,582,000   39,3%     General & Administration   3,245,163   2,617,000   -19,4%     Capital   11,812,027   13,839,000   17,2%     Sewer Direct Expense Total   24,513,582   26,096,000   6.5%     Stormwater Utility   Engineering   184,758   120,000   -35,1%     Maintenance   3,207,558   3,108,000   -3,1%     Maintenance   3,097,000   3,638,000   17,5%     Stormwater Direct Expense Total   6,595,966   6,999,000   6,1%     Yardwaste Fund   132,780   132,479   -0.2%     Electr	Water Utility			
Maintenance     5,155,091     5,447,000     5.7%       General & Administration     1,955,950     1,888,000     -3.5%       Capital     4.517,724,570     22,520,000     27.1%       Sewer Utility     17,724,570     22,520,000     27.1%       Sewer Utility     891,900     492,000     44.8%       Treatment Plant     5,993,069     5,566,000     -7.1%       Maintenance     2,571,423     3,582,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Stormwater Utility     8     120,000     -3.5%       Engineering     184,758     120,000     -3.5%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2% <th>Engineering</th> <th>\$ 341,312</th> <th>\$ 208,000</th> <th>-39.1%</th>	Engineering	\$ 341,312	\$ 208,000	-39.1%
General & Administration     1,955,950     1,888,000     -3.5%       Capital     Water Direct Expense Total     17,724,570     22,520,000     27.1%       Sewer Utility     Engineering     891,900     492,000     -44.8%       Treatment Plant     5,993,069     5,566,000     -7,1%       Maintenance     2,257,1423     3,582,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Stormwater Utility     Engineering     184,758     120,000     -3.5%       General & Administration     106,650     133,000     24.7%       General & Administration     106,650     133,000     24.7%       General & Administration     106,650     133,000     24.7%       Gata     3,097,000     3,638,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     1,828,979     1,782,314     -2.6%	Filtration Plant	5,755,467	6,642,000	15.4%
Capital     4,516,750     8,335,000     84.5%       Water Direct Expense Total     17,724,570     22,520,000     27.1%       Sewer Utility     Engineering     891,900     492,000     -44.8%       Treatment Plant     5,993,069     5,566,000     -7.1%       Maintenance     2,571,423     3,582,000     39.3%       General & Administration     3,245,163     2,660,000     6.5%       Stormwater Utility     Engineering     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       Maintenance     3,097,000     3,638,000     17.5%       Capital     3,097,000     3,638,000     -3.1%       Maintenance     3,097,000     3,638,000     -5.1%       Maintenance     3,097,000     3,638,000     -5.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration     1,828	Maintenance	5,155,091	5,447,000	5.7%
Water Direct Expense Total     17,724,570     22,520,000     27.1%       Sewer Utility Engineering Treatment Plant Maintenance     891,900     492,000     -44.8%       General & Administration     2,571,423     3,582,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility Engineering     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     2,819,994     1,782,314     -2.6%       General Accounting     392,883     441,186     12.3%	General & Administration	1,955,950	1,888,000	-3.5%
Sewer Utility     Bigineering     891,900     492,000     44.8%       Treatment Plant     5,993,069     5,566,000     -7.1%       Maintenance     2,571,423     3,582,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility     Bigineering     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     -     -     -       Customer Relations     1,828,979     1,782,314     -2.6%       Meter Reading	Capital	4,516,750	8,335,000	84.5%
Engineering     891,900     492,000     -44.8%       Treatment Plant     5,993,069     5,566,000     -7.1%       Maintenance     2,571,423     3,582,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility     Engineering     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     -     -     -       Quatomer Relations     1,828,979     -     -     -       Data Control     508,832	Water Direct Expense Total	17,724,570	 22,520,000	27.1%
Engineering     891,900     492,000     -44.8%       Treatment Plant     5,993,069     5,566,000     -7.1%       Maintenance     2,571,423     3,582,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility     Engineering     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     -     -     -       Quatomer Relations     1,828,979     -     -     -       Data Control     508,832	Sewer Utility			
Maintenance     2,571,423     3,582,000     39.3%       General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility     Engineering     184,758     120,000     -31.%       Maintenance     3,207,558     3,108,000     -31.%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     Customer Relations     1,828,979     1,782,314     -2.6%       Meter Reading     428,298     -100.0%     2.6%     3.99,383     341,186     12.3%       Utility Administration     1855,110     1,086,788     27.1%     58       General Accounting     392,883     441,186     12.3%       General Accounting     392,883	-	891,900	492,000	-44.8%
General & Administration     3,245,163     2,617,000     -19.4%       Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility     26,096,000     6.5%       Stormwater Utility     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense				-7.1%
Capital     11,812,027     13,839,000     17.2%       Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility     Engineering     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense	Maintenance	2,571,423	3,582,000	39.3%
Sewer Direct Expense Total     24,513,582     26,096,000     6.5%       Stormwater Utility Engineering     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     -     -100.0%       Data Control     508,832     495,492     -2.6%       General Accounting     392,883     441,186     12.3%       Utility Administration     855,110     1,086,788     27.1%       Utility Administration     855,110     1,983,250     14.1%       Customer Billings     370,000     385,000     4.1%       Customer Billings     370,000     385,000     4.1%       Customer Billings     370,000     385,000	General & Administration	3,245,163	2,617,000	-19.4%
Stormwater Utility     184,758     120,000     -35.1%       Maintenance     3,207,558     3,108,000     -3.1%       General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense	Capital	11,812,027	13,839,000	17.2%
Engineering   184,758   120,000   -35.1%     Maintenance   3,207,558   3,108,000   -3.1%     General & Administration   106,650   133,000   24.7%     Capital   3,097,000   3,638,000   17.5%     Stormwater Direct Expense Total   6,595,966   6,999,000   6.1%     Yardwaste Fund   132,780   132,479   -0.2%     Electric Utility   38,983   37,822   -3.0%     Utility Administration Indirect Expense   -   -   -     Customer Relations   1,828,979   1,782,314   -2.6%     Meter Reading   428,298   -   -100.0%     Data Control   508,832   495,492   -2.6%     General Accounting   392,883   441,186   12.3%     Utility Administration   855,110   1,086,788   27.1%     Engineering   2,819,994   3,693,984   31.0%     Customer Billings   370,000   385,000   4.1%     Other   10,100   10,100   10,100   0.0%     Utility Administration Indirect Expense Total   8,952,296   9,878,114<	Sewer Direct Expense Total	 24,513,582	 26,096,000	6.5%
Maintenance   3,207,558   3,109,000   -3.1%     General & Administration   106,650   133,000   24.7%     Capital   3,097,000   3,638,000   17.5%     Stormwater Direct Expense Total   6,595,966   6,999,000   6.1%     Yardwaste Fund   132,780   132,479   -0.2%     Electric Utility   38,983   37,822   -3.0%     Utility Administration Indirect Expense   -   -   -0.0%     Data Control   508,832   495,492   -2.6%     General Accounting   392,883   441,186   12.3%     Utility Administration   855,110   1,086,788   27.1%     Customer Billings   370,000   385,000   4.1%     Customer Billings   370,000   385,000   4.1%     Other   10,100   10,100   10,0%   0.0%	Stormwater Utility			
General & Administration     106,650     133,000     24.7%       Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     -     -     -       Customer Relations     1,828,979     1,782,314     -2.6%       Meter Reading     428,298     -     -     -     -       Data Control     508,832     495,492     -2.6%     -<	-	184,758	120,000	-35.1%
Capital     3,097,000     3,638,000     17.5%       Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense	Maintenance	3,207,558	3,108,000	-3.1%
Stormwater Direct Expense Total     6,595,966     6,999,000     6.1%       Yardwaste Fund     132,780     132,479     -0.2%       Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense     -     -     -       Customer Relations     1,828,979     1,782,314     -2.6%       Meter Reading     428,298     -     -100.0%       Data Control     508,832     495,492     -2.6%       General Accounting     392,883     441,186     12.3%       Utility Administration     855,110     1,086,788     27.1%       Engineering     2,819,994     3,693,984     31.0%       Customer Billings     370,000     385,000     4.1%       Other     10,100     10,100     10,00%       Utility Administration Indirect Expense Total     8,952,296     9,878,114     10.3%	General & Administration	106,650	133,000	24.7%
Yardwaste Fund   132,780   132,479   -0.2%     Electric Utility   38,983   37,822   -3.0%     Utility Administration Indirect Expense   -   -   -     Customer Relations   1,828,979   1,782,314   -2.6%     Meter Reading   428,298   -   -100.0%     Data Control   508,832   495,492   -2.6%     General Accounting   392,883   441,186   12.3%     Utility Administration   855,110   1,086,788   27.1%     Engineering   2,819,994   3,693,984   31.0%     Customer Billings   370,000   385,000   4.1%     Other   10,100   1,983,250   14.1%     Other   10,100   10,100   10,100   0.0%     Utility Administration Indirect Expense Total   8,952,296   9,878,114   10.3%	Capital	3,097,000	3,638,000	17.5%
Electric Utility     38,983     37,822     -3.0%       Utility Administration Indirect Expense	Stormwater Direct Expense Total	 6,595,966	 6,999,000	6.1%
Utility Administration Indirect Expense     Customer Relations   1,828,979   1,782,314   -2.6%     Meter Reading   428,298  100.0%     Data Control   508,832   495,492   -2.6%     General Accounting   392,883   441,186   12.3%     Utility Administration   855,110   1,086,788   27.1%     Engineering   2,819,994   3,693,984   31.0%     Customer Billings   370,000   385,000   4.1%     City Services   1,738,100   1,983,250   14.1%     Other   10,100   10,100   0.0%     Utility Administration Indirect Expense Total   8,952,296   9,878,114   10.3%	Yardwaste Fund	132,780	132,479	-0.2%
Customer Relations1,828,9791,782,314-2.6%Meter Reading428,298100.0%Data Control508,832495,492-2.6%General Accounting392,883441,18612.3%Utility Administration855,1101,086,78827.1%Engineering2,819,9943,693,98431.0%Customer Billings370,000385,0004.1%City Services1,738,1001,983,25014.1%Other10,10010,1000.0%Utility Administration Indirect Expense Total8,952,2969,878,11410.3%	Electric Utility	38,983	37,822	-3.0%
Meter Reading   428,298   -   -100.0%     Data Control   508,832   495,492   -2.6%     General Accounting   392,883   441,186   12.3%     Utility Administration   855,110   1,086,788   27.1%     Engineering   2,819,994   3,693,984   31.0%     Customer Billings   370,000   385,000   4.1%     City Services   1,738,100   1,983,250   14.1%     Other   10,100   10,100   0.0%     Utility Administration Indirect Expense Total   8,952,296   9,878,114   10.3%	Utility Administration Indirect Expense			
Data Control   508,832   495,492   -2.6%     General Accounting   392,883   441,186   12.3%     Utility Administration   855,110   1,086,788   27.1%     Engineering   2,819,994   3,693,984   31.0%     Customer Billings   370,000   385,000   4.1%     City Services   1,738,100   1,983,250   14.1%     Other   10,100   10,100   0.0%     Utility Administration Indirect Expense Total   8,952,296   9,878,114   10.3%	Customer Relations	1,828,979	1,782,314	
General Accounting392,883441,18612.3%Utility Administration855,1101,086,78827.1%Engineering2,819,9943,693,98431.0%Customer Billings370,000385,0004.1%City Services1,738,1001,983,25014.1%Other10,10010,1000.0%Utility Administration Indirect Expense Total8,952,2969,878,114			-	
Utility Administration   855,110   1,086,788   27.1%     Engineering   2,819,994   3,693,984   31.0%     Customer Billings   370,000   385,000   4.1%     City Services   1,738,100   1,983,250   14.1%     Other   10,100   10,100   0.0%     Utility Administration Indirect Expense Total   8,952,296   9,878,114   10.3%				
Engineering2,819,9943,693,98431.0%Customer Billings370,000385,0004.1%City Services1,738,1001,983,25014.1%Other10,10010,1000.0%Utility Administration Indirect Expense Total8,952,2969,878,11410.3%	•			
Customer Billings     370,000     385,000     4.1%       City Services     1,738,100     1,983,250     14.1%       Other     10,100     10,100     0.0%       Utility Administration Indirect Expense Total     8,952,296     9,878,114     10.3%	-			
City Services     1,738,100     1,983,250     14.1%       Other     10,100     10,100     0.0%       Utility Administration Indirect Expense Total     8,952,296     9,878,114     10.3%				
Other     10,100     10,100     0.0%       Utility Administration Indirect Expense Total     8,952,296     9,878,114     10.3%				
Utility Administration Indirect Expense Total8,952,2969,878,11410.3%	-			
Total Budgeted Expense     \$ 57,958,177     \$ 65,663,415     13.3%	Utility Administration Indirect Expense Total	 8,952,296	 9,878,114	10.3%
	Total Budgeted Expense	\$ 57,958,177	\$ 65,663,415	13.3%

#### **Utility Revenue**

The water user rates are based on the quantity of water used plus a charge based on the meter size. Inside-the-city customers pay a lower water usage rate and a lower water meter service charge than outside-the-city customers. Wholesale users are billed for services in accordance with a contract or agreement. The rates and charges set forth in the agreement are intended to cover the City's cost of treating and supplying water as well as a portion of the operation, maintenance and capital cost of the Water Utility.

The sewer user rates are based on the quantity of water used plus a billing charge. Insidethe-city customers pay a lower rate than outside-the-city customers. The City also imposes an additional charge on users whose sewage waste exceeds the "stronger than normal domestic strength" sewage waste limits, based on the applicable levels of discharges. Wholesale users are billed for services in accordance with a contract agreement. The rates and charges set forth in the agreement are intended to cover the City's cost of treating and disposing of the applicable waste as well as a portion of the operation, maintenance, and capital costs of the Treatment Plant.

The storm water user rates are based on ERUs (Equivalent Residential Units) of impervic surface and apply to properties located within the City. An ERU is equal to the avera amount of impervious area of a single-family residential property, and is established at 2,5 square feet. Impervious areas are those that have been paved, and/or covered with buildin so the infiltration of water into the soil is prevented. Properties exempt from property taxat are granted a 15% discount off their gross ERU's.



# City of Fort Wayne - City Utilities Revenues by Source 2005-2006

	2005 Approved Budget		 2006 Approved Budget	% Change
Water Revenue Customer Revenue Private Fire Public Fire Interest Income Miscellaneous Income	\$	21,400,000 650,000 2,100,000 100,000 100,000	\$ 24,010,000 731,000 2,363,000 300,000	12.2% 12.5% 12.5% 200.0% -100.0%
Water Revenue Total		24,350,000	27,404,000	12.5%
<b>Sewer Revenue</b> Customer Revenue Industrial Bulk & Contract Interest Income Miscellaneous Income		25,600,000 1,000,000 2,400,000 300,000 100,000	25,450,000 1,550,000 2,350,000 300,000 100,000	-0.6% 55.0% -2.1% 0.0% 0.0%
Sewer Revenue Total		29,400,000	29,750,000	1.2%
Stormwater Revenue Customer Revenue Interest Income Miscellaneous Income Stormwater Revenue Total		5,376,000 50,000 15,000 <b>5,441,000</b>	 9,446,000 350,000 15,000 <b>9,811,000</b>	75.7% 600.0% 0.0% <b>80.3%</b>
Total Revenue	\$	59,191,000	\$ 66,965,000	13.1%

#### City of Fort Wayne - City Utilities Cash Flow Projections 2006

	Water Utility	Sewer Utility	Stormwater Utility	
Operating Cash				
Estimated Cash Balance 1/1/2006	\$ 2,019,000	\$ 10,672,000	\$ 996,000	
Current Year Budget:				
Revenue	27,104,000	29,350,000	9,446,000	
Other Cash	1,000,000	2,500,000	-	
Direct Operating & Maintenance Expenses	(14,185,000)	(12,257,000)	(3,361,000)	
Allocated Expenses - Administration	(4,095,000)	(4,320,000)	(974,000)	
Capital from Revenue	(8,335,000)	(13,839,000)	(3,638,000)	
Debt Service Principal	(3,018,000)	(9,902,000)	(525,000)	
	(1,529,000)	(8,468,000)	948,000	
Estimated Cash Balance 12/31/2006	\$ 490,000	\$ 2,204,000	\$ 1,944,000	