

NOTICE OF PUBLIC HEARING Budget Estimate

Algona Municipal Utilities
(Name of Enterprise)

The _____ Algona Municipal Utilities Board _____ will conduct a public hearing on
(Governing Board)

the proposed _____ Calendar _____ year _____ 2018 _____ budget at _____ 104 W Call St, Algona, IA 50511 _____
(specify fiscal or calendar) *(xxxx/xxxx)*

on _____ 11/21/17 _____, beginning at _____ 11:00 _____ o'clock. _____ AM _____ The Budget Estimate Summary of proposed revenues
(xx/xx/xx) *(x:xx)* *(AM/PM)*

and expenditures is shown below. Copies of the **detailed** proposed budget may be obtained or viewed at the office of the City Clerk or Utility Finance Officer and at the city library. At the public hearing, any resident or taxpayer may present objections to, or arguments in favor of, any part of the proposed budget.

_____ Secretary
(date) *(signature)*

| | Budget | Re-estimated | Actual |
|--|-------------------|-------------------|-------------------|
| | 2018 | 2017 | 2016 |
| | <i>(xxxx)</i> | <i>(xxxx)</i> | <i>(xxxx)</i> |
| Revenues & Other Financing Sources | | | |
| Use of money and property | 0 | 0 | 0 |
| Charges for services | 20,647,000 | 20,363,000 | 19,600,364 |
| Miscellaneous | 1,000,000 | 1,173,000 | 1,187,109 |
| Other Financing Sources | 2,500,000 | 0 | 0 |
| Total Revenues & Financing Sources | 24,147,000 | 21,536,000 | 20,787,473 |
| Expenditures & Transfers Out | | | |
| Expenditures | 21,553,150 | 22,072,850 | 16,788,928 |
| Transfers Out | 515,000 | 516,000 | 512,105 |
| Total Expenditures & Transfers Out | 22,068,150 | 22,588,850 | 17,301,033 |
| Excess of Revenues & Other Sources (+) (-) Expenditures & Transfers Out | 2,078,850 | -1,052,850 | 3,486,440 |
| Beginning Fund Balance January 1 | 9,238,408 | 10,291,258 | 6,804,818 |
| | <i>(month)</i> | | |
| Ending Fund Balance December 31 | 11,317,258 | 9,238,408 | 10,291,258 |
| | <i>(month)</i> | | |

ADOPTED BUDGET SUMMARY

| | Calendar | | YEAR | | 2018 |
|---|--|-----------------------|-----------------------|--|------|
| Algona Municipal Utilities NAME OF ENTERPRISE | (specify fiscal or calendar year budget) | | | | |
| (specify budget years) | Budget | Re-Estimated | Actual | | |
| | 2018 | 2017 | 2016 | | |
| REVENUES & OTHER FINANCING SOURCES | | | | | |
| Use of Money and Property (line 398) | 241 0 | 271 0 | 301 0 | | |
| Charges for Services (line 414) | 243 20,647,000 | 273 20,363,000 | 303 19,600,364 | | |
| Miscellaneous (line 416) | 245 1,000,000 | 275 1,173,000 | 305 1,187,109 | | |
| Operating Transfers In (line 417) | 247 0 | 277 0 | 307 0 | | |
| Proceeds of Long Term Debt (line 418) | 248 2,500,000 | 278 0 | 308 0 | | |
| Proceeds of Fixed Asset Sales (line 419) | 249 0 | 279 0 | 309 0 | | |
| Total Revenues & Other Financing Sources | 250 24,147,000 | 280 21,536,000 | 310 20,787,473 | | |
| EXPENDITURES & TRANSFERS OUT | | | | | |
| Expenditures (line 386) | 255 21,553,150 | 285 22,072,850 | 315 16,788,928 | | |
| Transfers Out (line 387) | 259 515,000 | 289 516,000 | 319 512,105 | | |
| Total Expenditures & Transfers Out | 260 22,068,150 | 290 22,588,850 | 320 17,301,033 | | |
| Excess of Revenues & Other Sources Over (Under) Expenditures & Transfers Out | | | | | |
| | 261 2,078,850 | 291 -1,052,850 | 321 3,486,440 | | |
| BEGINNING Fund Balance (line 390) | 262 9,238,408 | 292 10,291,258 | 322 6,804,818 | | |
| ENDING Fund Balance (line 388) | 263 11,317,258 | 293 9,238,408 | 323 10,291,258 | | |

Algona Municipal Utilities
NAME OF ENTERPRISE

REVENUES DETAIL

| | (specify budget years) | Calendar | | |
|-------------------------------------|------------------------|----------------|----------------------|----------------|
| | | Budget 2018 | Re-Estimated 2017 | Actual 2016 |
| Beginning Fund Balance | 390 | 9,238,408 | 10,291,258 | 6,804,818 |
| Use of Money & Property | 398 | | | |
| Charges for Services: | | | | |
| Hospital | 411 | | | |
| Water | 404 | 1,310,000 | 1,158,000 | 1,151,100 |
| Sewer | 405 | | | |
| Electric | 406 | 16,163,000 | 15,586,000 | 15,079,500 |
| Gas | 407 | | | |
| Telecommunications | 408 | 3,174,000 | 3,619,000 | 3,369,764 |
| Total Charges for Services | 414 | 20,647,000 | 20,363,000 | 19,600,364 |
| Miscellaneous | 416 | 1,000,000 | 1,173,000 | 1,187,109 |
| Other Financing Sources: | | | | |
| Operating Transfers In | 417 | | | |
| Proceeds of Long Term Debt | 418 | 2,500,000 | | |
| Proceeds of Fixed Asset Sales | 419 | | | |
| Total Revenues - All Sources | 421 | 33,385,408 | 31,827,258 | 27,592,291 |

EXPENDITURES DETAIL

| | (specify budget years) | Calendar | | |
|---|------------------------|----------------|----------------------|----------------|
| | | Budget 2018 | Re-Estimated 2017 | Actual 2016 |
| Expenditures: | | | | |
| Hospital | 338 | | | |
| Water | 360 | 1,998,650 | 1,179,000 | 841,447 |
| Sewer | 357 | | | |
| Electric | 361 | 15,994,000 | 17,204,850 | 12,911,706 |
| Gas | 362 | | | |
| Telecommunications | 363 | 3,560,500 | 3,689,000 | 3,035,775 |
| Total Expenditures: | 386 | 21,553,150 | 22,072,850 | 16,788,928 |
| Transfers Out | 387 | 515,000 | 516,000 | 512,105 |
| Ending Fund Balance | 388 | 11,317,258 | 9,238,408 | 10,291,258 |
| Total Expenditures & Transfers Out | 389 | 33,385,408 | 31,827,258 | 27,592,291 |

BUDGET ESTIMATE
For
Year Ending December 31, 2018

Electric Fund

Estimated Receipts

| | | |
|---------------------------------|---------------|----------------------|
| Sale of Electricity | \$ 11,751,000 | |
| Wholesale of Capacity & Energy | 4,412,000 | |
| Other Receipts | 800,000 | |
| | | |
| Total Estimated Receipts | | \$ 16,963,000 |

Other Funds Available

| | | |
|------------------------------------|-----------|---------------------|
| Operating Cash | 3,000,000 | |
| Employee Medical Self Ins. Fund | 18,000 | |
| Electric Transmission Reserve Fund | 125,000 | |
| Electric Revenue Bond Sinking Fund | 137,500 | |
| Electric Improvement Fund | 100,000 | |
| Electric Rev Debt Reserve Fund | 1,679,000 | |
| Electric Capacity Reserve Fund | 750,000 | |
| Electric Self Insured Reserve Fund | 150,000 | |
| | | |
| Total Estimated Other Funds | | \$ 5,959,500 |

| | |
|--|----------------------|
| Total Estimated Funds Available | \$ 22,922,500 |
|--|----------------------|

Estimated Expenditures

| | | |
|---|---------------|----------------------|
| Plant Operation, Maint, & Pwr Purchased | \$ 10,599,000 | |
| Maint Distribution & Transmission Lines | 438,000 | |
| Meter Reading, Supp, & Old Accounts | 164,000 | |
| Sales Expense & Energy Audits | 122,000 | |
| Administration | 330,000 | |
| Property Taxes | 220,000 | |
| General & Other Expense | 930,000 | |
| Other Expense & Rebates | 129,000 | |
| Capital Outlay | 1,358,250 | |
| Interest on Revenue Bonds | 456,600 | |
| Electric Revenue Bonds Redeemed | 1,222,150 | |
| Mdse, Jobbing Expense | 25,000 | |
| Transfer to City | 400,000 | |
| | | |
| Total Estimated Expenditures | | \$ 16,394,000 |

Transfer to Sinking & Loan Funds

| | | |
|------------------------------------|-----------|---------------------|
| Operating Cash | 3,000,000 | |
| Employee Medical Self Ins. Fund | 45,000 | |
| Electric Transmission Reserve Fund | 252,000 | |
| Electric Revenue Bond Sinking Fund | 137,500 | |
| Electric Improvement Fund | 515,000 | |
| Electric Rev Debt Reserve Fund | 1,679,000 | |
| Electric Capacity Reserve Fund | 750,000 | |
| Electric Self Insured Reserve Fund | 150,000 | |
| | | |
| Total Estimated Transfer | | \$ 6,528,500 |

| | |
|--|----------------------|
| Total Estimated Expenditures & Transfer | \$ 22,922,500 |
|--|----------------------|

BUDGET ESTIMATE
For
Year Ending December 31, 2018

Water Fund

Estimated Receipts

| | | |
|---------------------------------|-----------------------------|-----------|
| Sale of Water | \$ 1,310,000 | |
| Other Receipts | 107,000 | |
| | <u> </u> | |
| Total Estimated Receipts | | 1,417,000 |

Other Funds Available

| | | |
|------------------------------------|-----------------------------|------------------|
| Operating Cash | 300,000 | |
| Operating Cash | 3,300 | |
| Water Revenue Bond Sinking Fund | 19,500 | |
| Waterworks Improvement Fund | 1,600,000 | |
| Water Revenue Debt Reserve Fund | 242,700 | |
| Water Self Insured Reserve | 101,600 | |
| | <u> </u> | |
| Total Estimated Other Funds | | <u>2,267,100</u> |

| | | |
|--|--|----------------------------|
| Total Estimated Funds Available | | <u><u>\$ 3,684,100</u></u> |
|--|--|----------------------------|

Estimated Expenditures

| | | |
|---------------------------------------|-----------------------------|------------------|
| Plant & Wells Operation & Maintenance | \$ 279,000 | |
| Maintenance Main, Service & Meters | 95,000 | |
| Meter Reading Supplies & Account | 72,000 | |
| Administration & General | 285,000 | |
| Other Expenses | 3,000 | |
| Mdse, Jobbing Expense | 12,500 | |
| Capital Outlay | 844,000 | |
| Water Revenue Bonds Redeemed | 298,000 | |
| Interest on Revenue Bonds | 110,150 | |
| Transfer to City | 45,000 | |
| | <u> </u> | |
| Total Estimated Expenditures | | <u>2,043,650</u> |

Transfer to Sinking and Loan Funds

| | | |
|---------------------------------|-----------------------------|------------------|
| Operating Cash | 285,925 | |
| Medical Self Insurance | 8,250 | |
| Water Revenue Bond Sinking Fund | 30,825 | |
| Waterworks Improvement Fund | 835,000 | |
| Water Revenue Debt Reserve Fund | 377,650 | |
| Water Self Insured Reserve | 102,800 | |
| | <u> </u> | |
| Total Estimated Transfer | | <u>1,640,450</u> |

| | | |
|--|--|----------------------------|
| Total Estimated Expenditures & Transfer | | <u><u>\$ 3,684,100</u></u> |
|--|--|----------------------------|

BUDGET ESTIMATE
For
Year Ending December 31, 2018

Communication Fund

Estimated Receipts

| | | |
|---------------------------------|---------------|------------------|
| Sales - Cable | \$ 1,224,000 | |
| Sales - Internet | 1,210,000 | |
| Sales - Telephone | 716,000 | |
| Sales - Cell Phone | 24,000 | |
| Miscellaneous Receipts | <u>93,000</u> | |
| Total Estimated Receipts | | 3,267,000 |

Other Funds Available

| | | |
|-----------------------------------|------------------|-----------------------|
| Operating Cash | (150,000) | |
| Medical Self Insured Fund | 8,700 | |
| Contingency Reserve Fund | <u>1,000,000</u> | |
| Total Estimated Other Fund | | <u>858,700</u> |

Total Estimated Fund Available **\$ 4,125,700**

Estimated Expenditures

| | | |
|-------------------------------------|---------------|-------------------------|
| Cable - Programming | \$ 1,227,000 | |
| Internet | 145,000 | |
| Telephone | 138,000 | |
| Cell Phone | - | |
| Maint, Dist, Equipment | 295,000 | |
| Admin & General | 681,000 | |
| Capital Outlay | 305,500 | |
| Property Taxes & Insurance | 65,000 | |
| Other Expenses | 1,000 | |
| Lease Payment to Electric | 128,600 | |
| Principal on Loans | 431,400 | |
| Interest on Loans | 143,000 | |
| Transfer to City | <u>70,000</u> | |
| Total Estimated Expenditures | | <u>3,630,500</u> |

Transfer to Sinking Fund

| | | |
|---------------------------------|---------------|-----------------------|
| Operating Cash | 473,450 | |
| Medical Self Insured Fund | <u>21,750</u> | |
| Total Estimated Transfer | | <u>495,200</u> |

Total Estimated Expenditures & Transfer **\$ 4,125,700**

| Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water | | | | | |
| Business Office Improvements | \$ 30,000 | \$ 2,000 | \$ 4,000 | \$ 2,000 | \$ 2,000 |
| Business Office Lighting Upgrades | \$ 12,000 | | | | |
| Security Camera System | \$ 17,760 | | | | |
| Door Security System | \$ 7,000 | | | | |
| Office Equipment - Computers/Servers | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| GIS Mapping & Hardware | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Water Distribution System Inventory | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Water Plant Improvements/Equipment Replacement | \$ 2,500 | \$ 5,000 | \$ 2,500 | \$ 5,000 | \$ 2,500 |
| Well Improvements | \$ - | \$ - | \$ 10,000 | \$ - | \$ 10,000 |
| New Well #9 | | | | \$ 225,000 | |
| Replacement of Unit #7 | \$ - | \$ 40,000 | \$ - | | |
| Line Locator | \$ 2,500 | | \$ - | | |
| Bulk Water Filing Station | \$ 4,000 | | | | |
| Installation Labor of Water Meters & Remote Heads | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| Tantalus Automated Meter Reader Infrastructure | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Water Meters and Remote Heads | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Water Main Replacement - New Installation - Dodge Street (Nebraska to Call) | \$ 240,000 | | | | |
| Water Main Replacement - New Installation - Main Street (Commercial to Poplar) | \$ 352,550 | | | | |
| Water Main Replacement - New Installation - Main Street (Poplar to Hwy. 18) | | \$ 432,900 | | | |
| Water Main Installation - New Installation - Finn Drive Loop (Poplar to Maple) - Share with Snap-On (50%) | \$ 120,000 | | | | |
| Water Main Installation - New Installation - Northpark/Norwood Loop - (Algona Glass to Super 8) | | | \$ 225,000 | | |
| Water Main Installation - New Installation - Hwy. 18 Loop (Country Club to Armory) | | | | | \$ 605,000 |
| Water Main Replacement - New Installation - Main Street (Lucas to Commercial) | | | | \$ 325,000 | |
| Water Main, Water Valves and Water Service Repairs | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Water Service Replacements | \$ 18,000 | \$ 18,000 | \$ 18,000 | \$ 18,000 | \$ 18,000 |
| Water Total | \$ 843,810 | \$ 535,400 | \$ 297,000 | \$ 612,500 | \$ 675,000 |

| Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|-------------------|-------------------|-------------------|
| Electric | | | | | |
| Business Office Improvements | \$ 90,000 | \$ 2,500 | \$ 2,500 | \$ 2,500 | |
| Business Office Lighting Upgrades | \$ 36,000 | | | | |
| Electric Shop Lighting Upgrades | \$ 3,500 | | | | |
| Security Camera System | \$ 53,000 | | | | |
| Door Security System | \$ 21,000 | | | | |
| Office Equipment - Computers/Servers | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | |
| GIS Hardware | \$ 15,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | |
| Installation Labor for Tantalus AMI and Electric Meters | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | |
| Electric Meters and Accessories | \$ 15,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | |
| Replacement of Unit #5 | \$ 40,000 | \$ - | \$ - | \$ - | |
| Replacement of Unit #8 | | \$ 40,000 | | | |
| Replacement of Unit #9 | | \$ - | | \$ - | \$ 250,000 |
| Replacement of 4 Wheeler | \$ 10,000 | | | | |
| LED Security Lights | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | |
| LED Building Lights | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | |
| Repairs to Unit #12 | \$ 5,000 | | | | |
| Replacement of Unit #12 | | | | \$ 75,000 | |
| Replacement of Swinger - Loader | | \$ 85,000 | | | |
| Boring Equipment Accessories | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | |
| Misc. Equipment | \$ 18,000 | \$ 2,500 | \$ 2,500 | \$ 2,500 | |
| Shop Heating System | | \$ 50,000 | | | |
| Neal 4 Capital Improvements | \$244,168 | \$256,191 | \$175,502 | \$223,976 | \$ 105,326 |
| Lehigh Webster Substation Improvements | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Raun Substation Improvements | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Service Phase Replacer | \$ 3,500 | | | | |
| Line Locator | \$ - | \$ 5,000 | \$ - | | \$ 5,000 |
| 3 Reel Conduit Trailer | | | \$ 15,000 | | |
| Rural Single Phase Improvements | \$ 40,000 | \$ 60,000 | | | |
| Hwy. 18 Underground Railroad to Fareway | \$ 25,000 | | | | |
| EB6 Upgrade - Eastland Heights Addition | \$ 60,000 | \$ 60,000 | | | |
| Burr Oak to Trailer Court Improvements | \$ 25,000 | \$ 25,000 | | | |
| Brookridge South to Trailer Court Improvements | | \$ 100,000 | \$ 100,000 | | |
| Lantry Street Underground including switchgear at Diagonal Street | \$ 75,000 | | | | |
| Misc. Electric Distribution System Improvements and Extensions | \$ 75,000 | \$ 75,000 | \$ 75,000 | \$ 75,000 | \$ 75,000 |
| Electric Distribution System Inventory | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Distribution Transformers | \$ 150,000 | \$ 50,000 | \$ 150,000 | \$ 50,000 | \$ 150,000 |
| Power Plant SCADA Upgrades | \$ 50,000 | | | | |
| Misc. Improvements - Power Plant | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Power Plant Drive - Asphalt Project | \$ 32,000 | | | | |
| Replacement of Oil Circuit Breakers at West Substation | | | | \$ 350,000 | |
| Composite Lighting Arrestors - Substation Transformers | \$ 25,000 | | | | |
| Power Plant Relay and Control Panel Upgrades | \$ 125,000 | \$ 350,000 | | | |
| 69 kV Control Panel Relay Replacement | | | | | |
| Electric Total | \$ 1,358,168 | \$ 1,298,191 | \$ 657,502 | \$ 915,976 | \$ 647,826 |

| Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Communications | | | | | |
| Business Office Improvements | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Business Office Lighting Upgrades | \$ 12,000 | | | | |
| Security Camera System | \$ 17,760 | | | | |
| Door Security System | \$ 7,000 | | | | |
| Office Equipment - Computers/Servers | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| GIS Mapping & Hardware | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Test Equipment | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Replacement of Unit #19 | \$ 40,000 | \$ - | \$ - | \$ - | |
| Replacement of Unit #17 | | | \$ 40,000 | | |
| Replacement of Unit #18 | | | | \$ 40,000 | |
| Modems | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 |
| Communications Distribution System Improvements | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Communications Distribution System Inventory | \$ 8,500 | \$ 8,500 | \$ 8,500 | \$ 8,500 | \$ 8,500 |
| Headend Equipment Replacement and New Equipment | \$ 85,000 | \$ 85,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Customer Premise Equipment (ONT) | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Customer Premise Equipment (STB) | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Communications Total | \$ 305,260 | \$ 228,500 | \$ 233,500 | \$ 233,500 | \$ 193,500 |
| Capital Budget Total | \$ 2,507,238 | \$ 2,062,091 | \$ 1,188,002 | \$ 1,761,976 | \$ 1,516,326 |