



Review and Adoption of 2025 Operating, Capital Projects and Debt Service Budgets

October 31, 2024

Madison Metropolitan Sewerage District





Budget Review & Adoption

- Process steps
- Budget drivers
- Budget changes
- Overview of budget
- Budget approval





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Budget Process Steps

- **May 30:** Budget Process Overview & Collection System Facilities Plan
- **July 25:** CIP Overview and Bonding Basics
- **Aug. 8:** Commission Budget Preview
- **Aug. 13:** Owner Community Budget Preview
- **Sept. 12:** Commission Budget Introduction
- **Sept. 18:** Estimated charges sent to communities
- **Sept. 16:** Staff present budget to DCCVA E.C.
- **Sept. 26:** Commission Public hearing and deliberation
- **Oct. 11:** Written comments due
- **Oct. 17:** Commission deliberation and final direction
- **October 31:** Review and adoption of 2025 budget



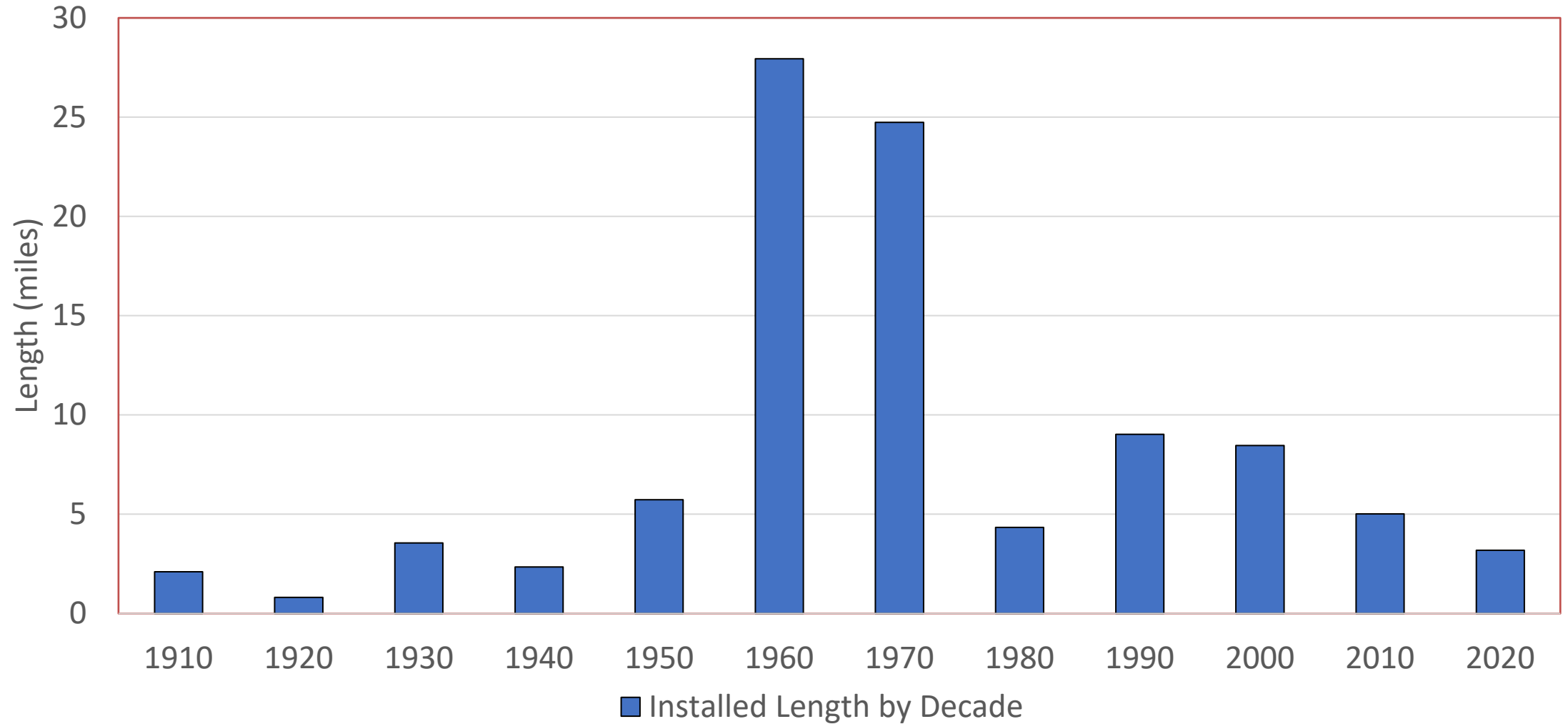


Budget Review & Adoption

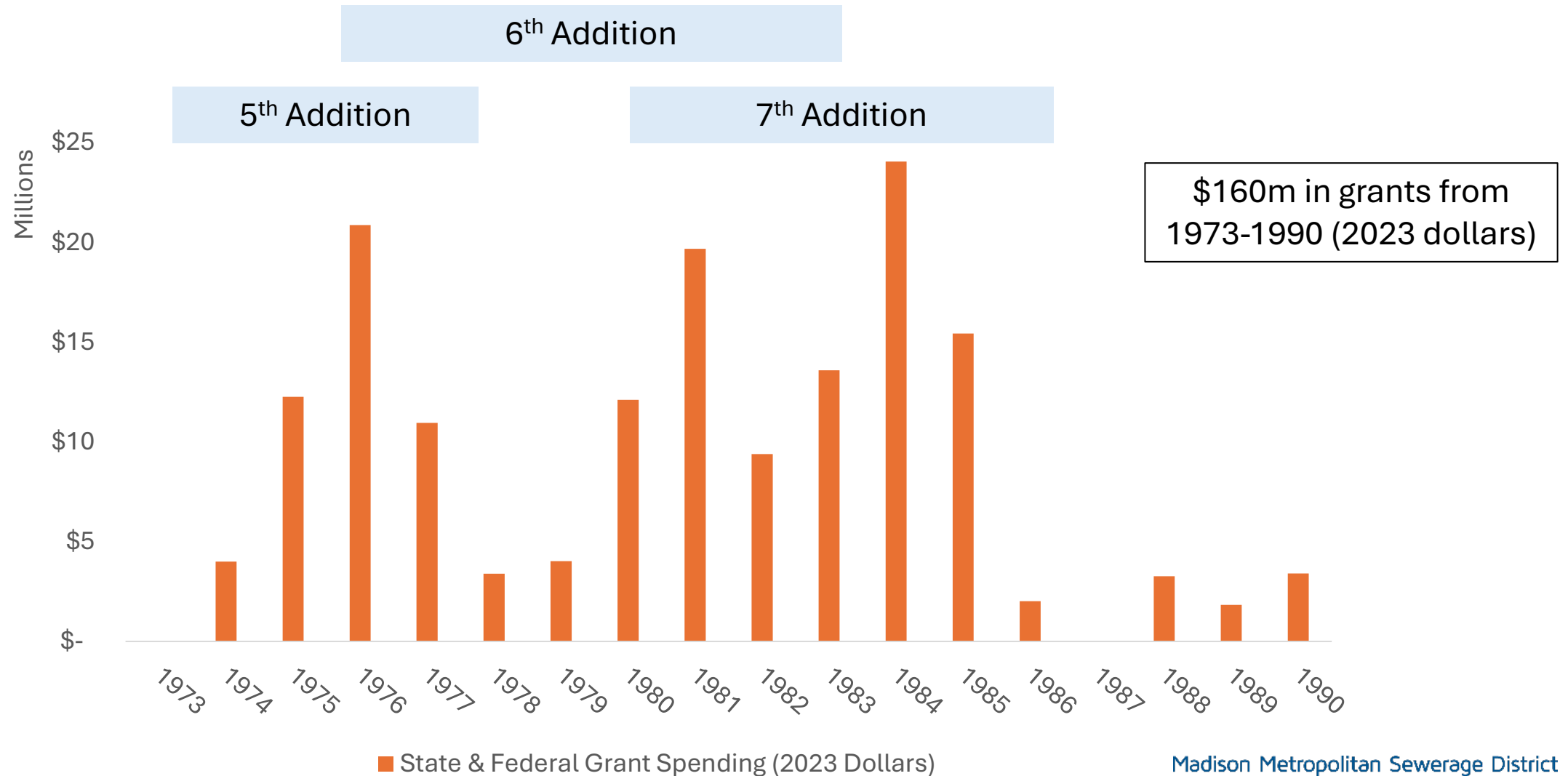
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Budget Cost Drivers - Age of Interceptor System (Sewer Pipes)

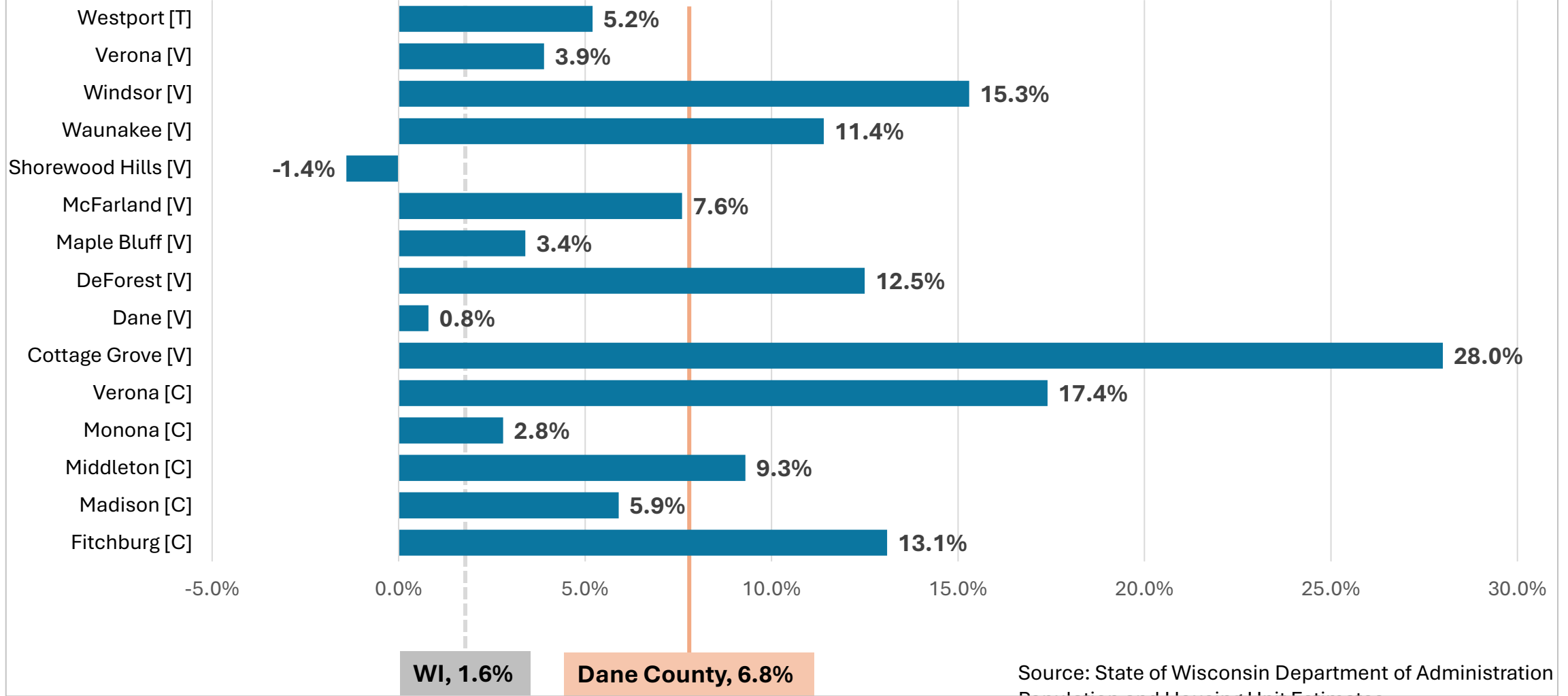


Budget Cost Drivers - Age of Treatment Plant



Population change, Owner communities

% Population Growth, 2020-2024 - District Owner Communities



Source: State of Wisconsin Department of Administration
Population and Housing Unit Estimates



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Changes to Proposed Budget

- Staff amendment to address urgent project needs (Nine Springs Valley Interceptor) and to update project costs.
- Commission direction on Oct. 17:
 - Remove the Director of Wastewater Operations & Reliability position (\$208,000 in salary + benefits).
 - Remove the Maintenance Planner position (\$120,600 in salary + benefits).
 - Cut \$40,000 for the Artist in Residence program from the Operations budget .



Changes to Budget

	2025 Capital Expenditures	2025-2030 Capital Expenditures	Operating Expenditures	Service Charge Revenue	Service Charge Rev. % Change from Prior Year
Budget as Introduced on Sept. 12	\$44,944,000	\$279,278,000	\$63,671,200	\$59,191,900	7.5%
Budget as Amended for Oct. 31st	\$43,933,000	\$289,688,000	\$63,302,600	\$58,641,500	6.5%





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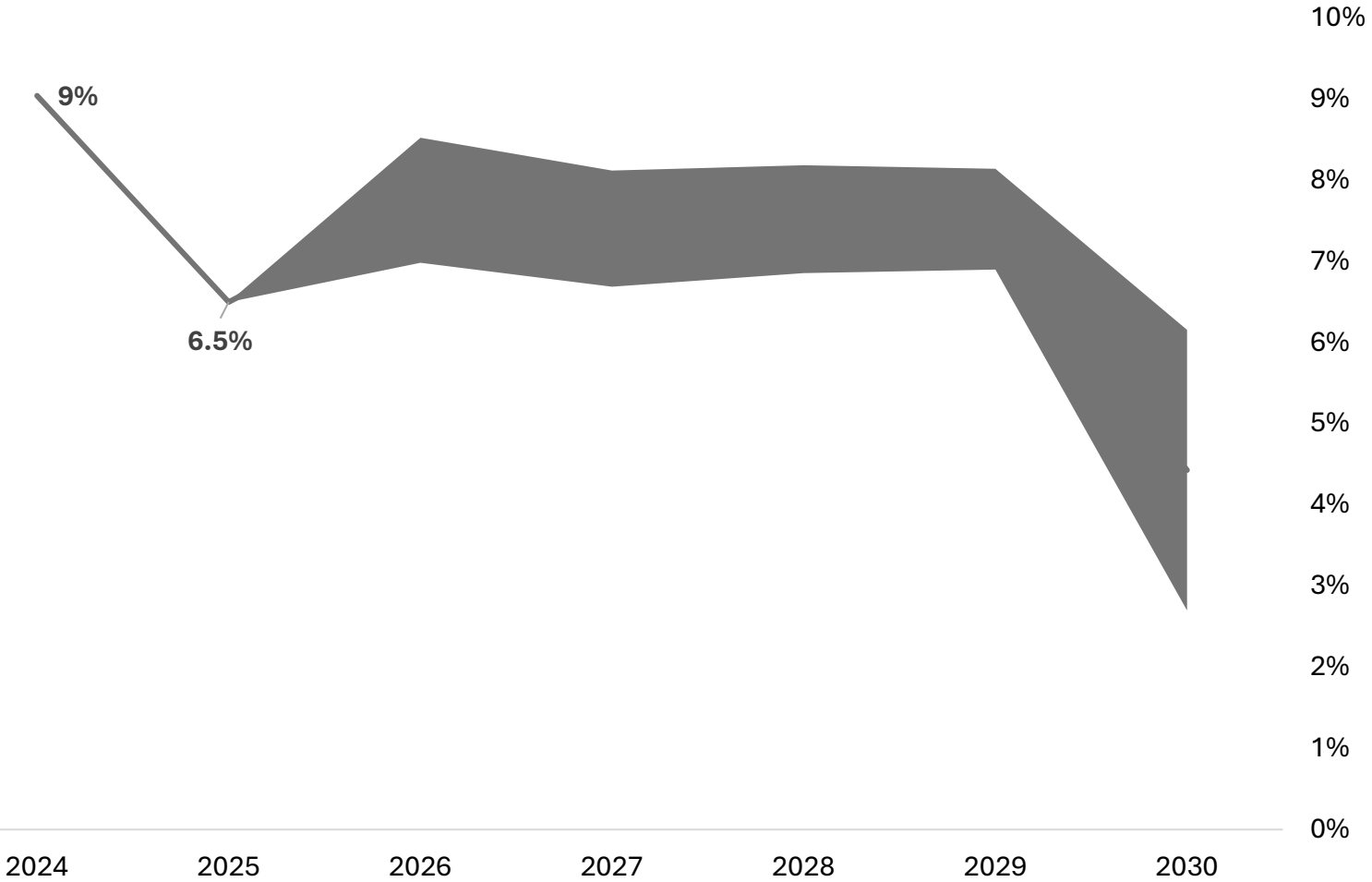
Budget Overview

- **Capital budget addresses aging infrastructure and a growing population, for example:**
 - Lower Badger Mill Creek Interceptor
 - Northeast Interceptor – Waunakee Extension Capacity Improvements
 - Pumping Station 17 Capacity Improvements
 - Treatment Plant Electrical Service Equipment Replacement
- **Most urgent positions prioritized in operating budget**
 - Treatment Plant Operator
 - Collection System Engineer
 - Waste Acceptance Coordinator
 - Facilities Maintenance Worker (budget neutral contractor swap)



Budget Overview

Forecast Annual % Increases in Service Charge Revenues



Shaded area in future years reflects forecast range of uncertainty





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Budget Approval – Resolution and Attachment 1

- **Operating Budget**
 - \$63,671,200 in 2025 operating expenditures.
 - Service charge rates will be authorized by separate action at this Commission meeting.
- **Capital Budget**
 - \$43,933,000 in 2025 capital project expenditures.
 - Spending limits on a per project basis, up to the figure noted for each project in Attachment 1.
 - Budget approval does not authorize spending in future years of the six-year Capital Improvements Plan (CIP), but instead only grants approval for 2025 capital expenditures. Commission action on the CIP is intended to provide an indication of the projects the Commission intends to move forward with in the future.
- **Debt Budget**
 - \$16,398,000 in 2025 debt service expenditures.



Budget Approval

- **Questions?**
- **Commission Action for Budget Approval –**
 - Roll call vote
 - Simple majority of Commissioners in attendance required for budget passage

