



2025 Electric Budget



2025 BUDGET OVERVIEW

The 2025 budget is built on growth. The City of Jefferson is experiencing a record amount of growth and as a result so is the Utility. It is a very exciting time.

2025 REVENUES

For the 2024 budget, the Commission chose to review the five (5) year projected power costs and sales revenues that WPPI produces for the Utility each year and the Utility implemented the rate increase approved by the PSC on March 1, 2024. Budget year 2025 will bring uncertainty as major projects will go on-line, but timing of these projects are estimated currently. Based on the WPPI revenue projections including the estimated time of the major projects we are anticipating a 7.8% increase in revenues, which is a conservative estimate. Our 2025 projected sales revenues for 2025 are at \$11,152,292.

2025 EXPENSES

Overall, our expenses are estimated to increase by 8.82%. We are still dealing with supply chain issues and inflation costs.

Our largest expense on the electric side is our purchase power. Per WPPI's estimate, our 2025 purchase power cost will be increase to about 79.7% of our sales which is \$8,888, 377.

The water and wastewater utilities have agreed to contribute to costs for meter reading (#902), customer collections (#903), pensions & benefits (#926), and maintenance of computers (#932-00-0388). The payment will be based on actual 2024 costs and is estimated to be \$109,000. In 2025, the City will be taking over the billing for their own utility services. However, with the implementation of AMI Meters the Utility will see a decrease in meter reading expenses.

Our major operating and maintenance expenses consist of the following:

\$20,000	582-Substation Maintenance
\$15,000	586- Meter Expenses—Contract Meter Testing and Meter Tech Program
\$89,630	902-Meter Reading - WPPI AMI Reading
\$80,000	923-Outside Services – Engineering and Mapping Services
\$10,000	923-Outside Services – Server, Computer Support
\$20,000	585-Street Light Replacements
\$641,829	403-Depreciation
\$400,000	408-Payment in Lieu of Taxes (PILOT) and Taxes

Total estimated expenses are \$11,287,436. This will put our estimated net operating income at \$11,856 for the year, which we will have an estimated rate of return at 0.11%. Our authorized rate of return is 6.7%.

2025 CAPITAL EXPENDITURES

With the growth the City is experiencing, the Utility is planning our capital increases based on these estimated projects. We are estimating an increase in our capital of \$1,082,000.

2025 DEBT SERVICE

We have a loan for the building renovation that took place in 2019. The water department is responsible for \$34,781 and the electric department is responsible for \$42,510 for a total of \$77,290 due in 2025.

In May of 2024, the Utility's AMI Meter load went into effect. The Utility received most of the AMI meters that were purchased through this loan. This loan is a zero percent (0%) loan to purchase all Electric AMI meters. The loan is for up to 10 years meters in the amount of \$499,890. In 2024, the Utility paid \$38,333 towards repayment. In 2025, the Utility will pay \$50,000 towards repayment.

2025 WAGES AND FRINGE BENEFITS

This budget was built with a 3% cost of living increase to the control point of the structure on January 1, 2025 which is keeping with the City's plan for wage increases. In the current labor market, it is important to keep our wages competitive.

The employee is responsible for 12% of the monthly healthcare premium and 25% of the dental and vision premium. We have budgeted for the maximum health insurance increase of 14.9%. There will not be an increase in dental or vision premiums. In addition, we budgeted for contributions to employee's Health Savings Accounts at the same level as 2024.

The overall increase in wages in benefits for 2025 is approximately 25.05%

Some utilities require employees to contribute very little to nothing towards their health insurance. We must be competitive in our wages and benefits to retain our employees.

2025 CASH FLOW

Our estimated cash position as a whole at the end of 2025 is \$ \$3,334,400 or 2.95 months of cash on hand. These dollars are important to our utility as our auditors have strongly recommended that we have at least three (3) months of expenses on hand in the event of an emergency. We are making great strides in our effort to meet the Auditor's recommendation.

**Jefferson Utilities 2025
Budget Summary**

	<u>2025 Budget</u>	<u>2024 Estimate</u>	<u>2024 Budget</u>	<u>5 yr. Average</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue									
Sales	\$11,152,292	\$10,273,387	\$11,553,928	\$9,869,553	\$10,002,037	\$10,717,888	\$9,909,658	\$9,341,677	\$9,376,505
Other	\$147,000	\$142,245	\$182,000	\$129,324	\$149,197	\$149,607	\$114,440	\$122,796	\$110,582
Total Operating Revenue:	\$11,299,292	\$10,415,633	\$11,735,928	\$9,998,877	\$10,151,234	\$10,867,495	\$10,024,098	\$9,464,473	\$9,487,087
Operating Expense									
Purchase Power	\$8,888,377	\$7,735,158	\$8,754,027	\$7,517,629	\$7,607,651	\$8,326,977	\$7,618,075	\$7,011,158	\$7,024,286
Expenses (Taxes not included)	\$1,357,230	\$1,531,350	\$1,502,100	\$1,260,872	\$1,474,206	\$1,616,041	\$1,193,563	\$1,010,652	\$1,009,898
Depreciation (Per PSC)	\$641,829	\$639,980	\$641,829	\$598,176	\$661,418	\$603,078	\$581,587	\$572,899	\$571,897
Taxes (Per PSC)	\$400,000	\$385,132	\$400,000	\$378,356	\$368,217	\$393,938	\$374,737	\$380,469	\$374,419
Total Operating Expense:	\$11,287,436	\$10,291,620	\$11,297,956	\$9,755,033	\$10,111,492	\$10,940,034	\$9,767,962	\$8,975,178	\$8,980,500
NET INCOME	\$11,856	\$124,013	\$437,973	\$243,844	\$39,741	-\$72,539	\$256,136	\$489,295	\$506,587
GENERAL FUND									
Total Available Funds as of December 31st:	\$3,334,300	\$3,424,094	\$2,635,400	\$3,425,406	\$2,552,578	\$2,538,743	\$4,534,240	\$4,126,700	\$3,374,770
Rate of Return %	0.11%	1.16%	5.39%	3.24%	0.50%	-0.97%	3.08%	6.67%	6.93%

Jefferson Utilities 2025 Electric Budget

OPERATING REVENUES	2025 Budget	2024 Annualized Sept. 2024	2024 Budget	5 Year Average (2019-2023)	2023	2022	2021	2020	2019
440-60-0000; 441-60-1000	3,755,391	3,614,833	3,888,792	3,543,563	3,591,585	3,801,936	3,538,052	3,442,426	3,343,815
442-70-0000; 441-70-1000	1,292,472	1,260,236	1,348,610	1,118,827	1,179,943	1,215,839	1,068,196	1,005,072	1,125,084
443-81-0000; 441-81-1000	986,518	879,720	994,377	922,062	858,816	975,327	970,783	893,875	911,507
443-82-0000; 443-84-0000	4,950,000	4,351,476	5,142,596	4,096,007	4,205,487	4,553,570	4,081,843	3,784,429	3,854,705
444-00-0000	127,911	127,358	133,741	126,965	127,206	129,139	125,092	121,107	132,283
Interdepartmental Sales	40,000	39,765	45,813	62,130	38,999	42,077	125,692	94,769	9,111
Total Electric Revenues	11,152,292	10,273,387	11,553,929	9,869,553	10,002,037	10,717,888	9,909,658	9,341,677	9,376,505
Other Operating Revenues									
450-00-0000	20,000	22,629	20,000	22,148	27,766	32,636	18,392	11,488	20,458
451-00-0000	25,000	21,000	120,000	45,812	22,747	80,529	80,582	32,649	12,553
454-00-0000	100,000	96,344	40,000	58,778	97,552	27,188	15,466	77,245	76,440
456-00-0000	2,000	2,273	2,000	2,586	1,132	9,254	0	1,414	1,131
Total Other Operating Revenues	147,000	142,245	182,000	129,324	149,197	149,607	114,440	122,796	110,582
TOTAL OPERATING REVENUES	11,299,292	10,415,633	11,735,929	9,998,878	10,151,234	10,867,495	10,024,098	9,464,473	9,487,087
OPERATING & MAINTENANCE EXPENSES									
555-00-0000									
Distribution Expenses:									
582-00-0000	20,000	67,633	20,000	76,746	150,877	61,880	65,784	64,491	40,700
583-00-0000	1,500	11,297	1,000	3,965	3,312	9,111	3,143	3,487	771
584-00-0000	1,000	11,232	1,000	12,616	3,174	55,186	730	3,089	899
585-00-0000	20,000	13,147	30,000	49,919	22,701	64,876	70,978	57,198	33,843
586-00-0000	15,000	11,942	15,000	15,205	13,331	23,003	16,228	7,702	15,763
588-00-0000	180,000	175,053	220,000	137,233	180,171	140,868	132,403	100,675	132,050
592-00-0000	500	1,650	500	830	0	3,319	0	0	0
593-00-0000	70,000	83,076	55,000	112,992	48,838	116,155	124,147	145,929	129,892
594-00-0000	70,000	92,673	93,000	70,834	91,064	98,057	58,271	57,331	49,449
595-00-0000	500	0	500	529	0	0	0	428	2,217
597-00-0000	500	0	500	690	2,065	0	772	611	0
Total Distribution Expenses	379,000	467,703	436,500	481,560	515,533	572,455	472,456	440,941	405,584

Jefferson Utilities 2025 Electric Budget (Cont.)

	2025 Budget	2024 Annualized Sept. 2023	2024 Budget	5 Year Average (2019-2023)	2023	2022	2021	2020	2019
Customer Expenses:									
902-00-0000	89,630	107,112	130,000	73,160	78,915	128,233	51,731	55,853	51,066
903-00-0000	130,000	126,757	160,000	107,991	148,214	143,151	119,268	71,998	57,322
904-00-0000	2,000	4,137	2,000	5,815	0	12,959	0	2,965	13,153
Total Customer Expenses	221,630	238,006	292,000	186,966	227,129	284,343	170,999	130,816	121,541
Sales, Administrative and General Expenses:									
913-00-0000	7,500	8,500	7,500	9,991	9,045	12,518	13,301	8,232	6,857
920-00-0000	170,000	161,932	190,000	127,576	175,068	149,137	113,908	96,691	103,075
921-00-0000	80,000	87,949	90,000	80,638	97,738	111,288	70,223	57,826	66,114
921-00-0388	10,000	14,334	7,000	5,565	9,328	6,957	6,049	2,125	3,367
923-00-0000	80,000	162,190	70,000	46,952	89,702	53,425	34,572	23,137	33,926
924-00-0000	8,000	7,602	8,000	7,360	9,200	8,050	8,050	3,450	8,050
925-00-0000	90,000	96,149	70,000	70,348	68,445	77,693	77,994	58,938	68,671
926-00-0000	200,000	186,004	200,000	162,510	207,619	202,670	132,427	136,114	133,722
928-10-0000	100	0	100	313	0	0	1,299	172	92
930-00-0000	6,000	6,392	8,000	8,872	7,750	10,745	9,260	7,468	9,137
933-00-0000	25,000	22,366	50,000	28,692	(11,257)	53,465	43,868		
932-00-0000	50,000	50,975	40,000	34,521	50,361	42,002	20,075	27,924	32,243
932-00-0388	30,000	21,250	33,000	20,651	18,545	31,293	19,082	16,818	17,519
Total Administrative and General	749,100	817,141	766,100	593,999	722,499	746,725	536,807	430,663	475,916
Total Operating Expenses	10,245,607	9,266,508	10,256,127	8,790,144	9,081,857	9,943,018	8,811,638	8,021,810	8,034,184
Depreciation (Per PSC)	641,829	639,980	641,829	598,176	661,418	603,078	581,587	572,899	571,897
Taxes (Per PSC)	400,000	385,132	400,000	378,356	368,217	393,938	374,737	380,469	374,419
Total Operating & Maintenance Expenses	11,287,436	10,291,620	11,297,956	9,766,676	10,111,492	10,940,034	9,767,962	8,975,178	8,980,500
NET UTILITY OPERATING INCOME (PER PSC)	11,856	124,013	437,973	232,202	39,741	(72,539)	256,136	489,295	506,587

2025 Rate of Return (ROR)

Electric	2025 Budget	2024 Annualized	2024 Budget	5 year Average	PSC 2023	PSC 2022	PSC 2021	PSC 2020	PSC 2019
Utility Financed Plant in Service	\$ 22,776,004	\$ 22,206,004	\$ 19,747,452	\$ 18,004,312	\$ 19,651,399	\$ 18,607,452	\$ 17,654,740	\$ 17,252,011	\$ 16,855,958
Materials and Supplies	\$ 800,000	\$ 750,000	\$ 670,000	\$ 513,597	\$ 638,145	\$ 598,200	\$ 561,772	\$ 410,444	\$ 359,424
Utility Financed Accumulated Depreciation	\$ (12,800,000)	\$ (12,300,000)	\$ (12,286,430)	\$ (10,973,676)	\$ (12,080,963)	\$ (11,736,430)	\$ (10,858,585)	\$ (10,305,560)	\$ (9,886,843)
Customer Advances for Construction					\$	\$ (3,586)	\$ (3,856)	\$ (430)	\$ (860)
Regulatory Liability	\$ (3,500)	\$ (3,000)	\$ (10,365)	\$ (12,953)	\$ (2,589)	\$ (7,770)	\$ (12,953)	\$ (18,136)	\$ (23,319)
Net Base Rate	\$ 10,772,504	\$ 10,653,004	\$ 8,120,657	\$ 7,497,989	\$ 8,007,550	\$ 7,506,640	\$ 7,331,777	\$ 7,338,759	\$ 7,305,220
Operating Income - Regulatory Basis	\$ 11,856	\$ 124,013	\$ 437,973	\$ 8,790,144	\$ 39,740	\$ (72,540)	\$ 225,893	\$ 489,295	\$ 506,587
Rate of Return %	0.11%	1.16%	5.39%	3.24%	0.50%	-0.97%	3.08%	6.67%	6.93%
Authorized Rate of Return 6.7%									

**General Fund Cash
2025 Budget**

	<u>2025 Budget</u>	<u>2024 Annualized</u>	<u>2024 Budget</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Checking and Savings Jan. 1st (131-00-0000; 132-01-0012)	\$ 3,000,000	\$ 3,106,138	\$ 2,330,000	\$ 2,252,445	\$ 2,252,239	\$ 4,253,341	\$ 3,349,852	\$ 3,113,041
LGIP - a of Jan. 1st (132-01-0010; 132-01-0013)	\$ 333,900	\$ 317,556	\$ 305,000	\$ 299,733	\$ 286,104	\$ 280,499	\$ 776,448	\$ 261,329
Petty Cash (131-00-0002; 131-00-0003)	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Total Funds Available as of Dec. 31st:	\$ 3,334,300	\$ 3,424,094	\$ 2,635,400	\$ 2,552,578	\$ 2,538,743	\$ 4,534,240	\$ 4,126,700	\$ 3,374,770
Months on hand	2.95	3.33	2.33	2.26	2.60	4.14	4.22	3.76

2025 Budget Cash Flow

	2025 Budget	2024 Annualized	2024 Budget	5 year Average	2023	2022	2021	2020	2019
Cash Flows from Operating Activities									
Received from customers	\$ 11,152,292	\$ 10,273,387	\$ 11,553,928	\$ 11,042,508	\$ 10,323,025	\$ 10,488,789	\$ 11,841,902	\$ 11,404,766	\$ 11,154,059
Received from municipality for services	\$ 215,000	\$ 202,917	\$ 227,000	\$ 126,935	\$ 127,206	\$ 129,139	\$ 125,092	\$ 121,107	\$ 132,130
Paid to suppliers for goods and services	\$ (9,001,558)	\$ (8,085,343)	\$ (8,733,657)	\$ (8,602,585)	\$ (8,270,202)	\$ (9,215,899)	\$ (9,378,156)	\$ (8,154,968)	\$ (7,993,699)
paid to employees for operating payroll	\$ (1,249,966)	\$ (973,569)	\$ (918,435)	\$ (881,627)	\$ (921,493)	\$ (757,383)	\$ (884,835)	\$ (905,202)	\$ (939,221)
Net cash flows from operating activities	\$ 1,115,768	\$ 1,417,393	\$ 2,128,836	\$ 1,685,231	\$ 1,258,536	\$ 644,646	\$ 1,704,003	\$ 2,465,703	\$ 2,353,269
Cash Flows from Noncapital Financing Activities									
Paid to municipality for tax equivalent	\$ (350,000)	\$ (318,943)	\$ (350,000)	\$ (497,764)	\$ (292,461)	\$ (319,064)	\$ (632,335)	\$ (617,875)	\$ (627,083)
Cash Flows for Capital and Related Financing Activities									
Acquisition and Construction of capital assets	\$ (680,000)	\$ (680,000)	\$ (680,000)	\$ (1,029,727)	\$ (423,435)	\$ (1,200,393)	\$ (1,342,917)	\$ (1,000,965)	\$ (1,180,926)
Capital contributions received	\$ 2,000	\$ 350,000	\$ 2,000	\$ 168,660	\$ 44,092	\$ 533,286	\$ 9,970	\$ 173,625	\$ 82,326
Special Assessment received	\$ -	\$ -	\$ -	\$ 11,901	\$ -	\$ -	\$ 20,880	\$ 16,204	\$ 22,422
Debt Retired	\$ (38,500)	\$ (38,500)	\$ (38,500)	\$ (86,431)	\$ (35,750)	\$ (35,750)	\$ (121,275)	\$ (120,212)	\$ (119,169)
Interest Paid	\$ (4,010)	\$ (10,049)	\$ (9,180)	\$ (21,732)	\$ (6,014)	\$ (13,990)	\$ (28,075)	\$ (30,536)	\$ (30,046)
Proceeds from Debt Issues - Debt Issuance Costs	\$ (9,165)	\$ -	\$ (9,165)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net cash flows from capital and related financing activities	\$ (729,675)	\$ (378,549)	\$ (734,845)	\$ (957,330)	\$ (421,107)	\$ (716,847)	\$ (1,461,417)	\$ (961,884)	\$ (1,225,393)
Cash Flows from Investing Activities									
Investment Income	\$ 22,000	\$ 21,807	\$ 18,000	\$ 16,228	\$ 24,773	\$ 9,031	\$ 5,646	\$ 17,710	\$ 23,981
Net Change in Cash and Cash Equivalents	\$ 58,093	\$ 741,707	\$ 1,061,991	\$ 246,366	\$ 569,741	\$ (382,234)	\$ (384,103)	\$ 903,654	\$ 524,774
Cash and Cash Equivalents, Beginning	\$ 2,863,331	\$ 2,863,331	\$ 2,863,331	\$ 3,615,547	\$ 2,073,526	\$ 2,455,760	\$ 5,307,102	\$ 4,362,579	\$ 3,878,770
Cash and Cash Equivalents, Ending	\$ 2,921,424	\$ 3,605,038	\$ 4,715,127	\$ 3,857,030	\$ 2,643,267	\$ 2,073,526	\$ 4,898,677	\$ 5,307,102	\$ 4,362,579

2025 Proposed Capital

<u>Capital Additions</u>		Notes
#364	<u>Poles, Towers, & Fixtures</u> · Routine Pole Replacement	See Project Listing
#365	<u>Overhead Conductors</u>	See Project Listing
#366	<u>Underground Conduits</u>	See Project Listing
#367	<u>Underground Conductors</u>	See Project Listing
#368	<u>Transformers</u>	See Project Listing
#369	<u>Services</u>	\$ 35,000 No Change from 2024
#370	<u>Meters</u> AMI Meter Installation Project	\$ - Decreased due to WPPI Loan
#392	<u>Fleet Equipment</u> Nissan Buy Out	\$ - No Change
#388	<u>Computers</u>	\$ - No Change
#394	<u>Tools, Shop, Garage</u> · Routine Replacement and Acquisition of Tools/Smaller Equipment	\$ 10,000 No Change from 2024
Total:		\$ 45,000

<u>Major Operational & Maintenance Expenses</u>		Notes
#582	<u>Substation Expense</u> · Routine Maintenance	\$ 20,000.00 No Change from 2024
#585	<u>Street Light Expense</u> · Changeover to LED	\$ 20,000.00 No change from 2024
#586	<u>Meter Expenses</u> · Contract Meter Testing · WPPI Meter Tech Program	\$ 15,000.00 No change from 2024
#902	<u>Metering Reading</u>	\$ 89,630.11 Decreased due to AMI Meter Installation
#923	<u>Outside Services</u>	\$ 80,000.00 Increased due WPPI support service increase and Forster Engineering Services
Total:		\$ 224,630.11

Project Listing Anticipated Added Capital

Golf Drive Development	\$585,000
Food and Beverage Innovation Park	\$452,000
Total	\$1,037,000
Total Added Proposed Capital 2025	\$1,082,000

**2025 Jefferson Utilities Budget
Wages and Benefits Analysis**

	2025 Budget	2024 Annualized	2024 Budget	5 Year Average	2023	2022	2021	2020	2019
Wages									
Regular Wages Only	\$1,166,518	\$900,812	\$875,412	\$863,770	\$854,835	\$779,364	\$917,596	\$869,345	\$897,711
Overtime	\$25,000	\$10,518	\$26,928	\$24,318	\$26,526	\$32,969	\$23,809	\$16,867	\$21,417
Double Time	\$6,500	\$6,212	\$6,146	\$4,867	\$5,742	\$5,605	\$5,789	\$2,311	\$4,886
Standby	\$51,948	\$50,434	\$45,300	\$43,872	\$50,068	\$44,271	\$49,892	\$38,419	\$36,710
PTO Pay Out	\$0	\$5,592	\$0	\$10,314	\$12,361	\$18,557	\$4,486	\$16,166	\$0
Total Wages	\$1,249,966	\$973,569	\$953,786	\$947,140	\$949,532	\$880,766	\$1,001,572	\$943,108	\$960,724
Benefits									
Health Insurance (926)	\$230,809	\$126,457	\$146,042	\$113,405	\$103,352	\$152,763	\$92,983	\$107,817	\$110,111
Dental/Vision Insurance (926)	\$10,041	\$7,745	\$8,646	\$8,645	\$6,879	\$11,583	\$8,263	\$7,108	\$9,392
Life Insurance (926)	\$2,000	\$1,357	\$2,500	\$2,170	\$1,876	\$3,050	\$2,158	\$2,226	\$1,540
WRS (241-00-0205)	\$79,530	\$65,822	\$62,114	\$58,014	\$62,860	\$55,271	\$65,476	\$44,865	\$61,599
Total	\$322,379	\$201,381	\$219,302	\$182,234	\$174,967	\$222,667	\$168,880	\$162,016	\$182,642
Income Taxes									
FICA Employer (241-00-0202)	\$89,239	\$57,223	\$55,543	\$56,130	\$57,133	\$53,458	\$59,240	\$54,248	\$56,572
FICA Med Employer (241-00-0202)	\$20,525	\$13,251	\$13,098	\$13,127	\$13,362	\$12,502	\$13,855	\$12,687	\$13,231
Total	\$89,239	\$70,474	\$68,641	\$68,948	\$70,494	\$65,960	\$73,095	\$66,935	\$69,803
TOTAL WAGES AND BENEFITS	\$1,661,584	\$1,245,424	\$1,241,729	\$1,198,632	\$1,194,993	\$1,169,393	\$1,243,547	\$1,172,059	\$1,213,169