

***CANBY UTILITY
REGULAR BOARD MEETING
JUNE 23, 2015
7:00 P.M.***

AGENDA

- I. CALL TO ORDER
- II. AGENDA
 - Additions, Deletions or Corrections to the Meeting Agenda
- III. CONSENT AGENDA
 - Approval of June 23, 2015 Agenda
 - Approval of Regular Board Meeting Minutes of June 9, 2015
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS
 - I. ELECTRIC AND WATER FUND OPERATING AND CAPITAL BUDGETS
Recommended Fiscal Year 2016 Electric and Water Operating and Capital Budgets – Carol Sullivan, Finance Manager plus Management Team (pp. 1-40)
 - II. RECOMMENDATION Authorize Updates to Banking and Investment Accounts – Carol Sullivan, Finance Manager (pg. 41)
 - III. BOARD REPORTS
 - Chairman Comments
 - IV. STAFF REPORTS

Finance Manager:

 - Third Quarter Financials and Reserves (pp.42-45)

General Manager Updates:
- V. ADJOURN

CANBY UTILITY
REGULAR BOARD MEETING MINUTES
JUNE 9, 2015

PRESENT: Chairman Cornelius; Members Maxwell, Potter, Daniels, and Brito; Dan Murphy, General Manager and Barbara Benson, Board Secretary

ALSO PRESENT: Carol Sullivan, Finance Manager; Sue Arthur, Purchasing Agent; Larry Hepler, Operations Superintendent; David Doughman, Board Attorney; and Tim Dale, City Liaison

Chairman Cornelius called the Regular Board Meeting to order at 7:02 p.m.

Chairman Cornelius presented the meeting agenda for consideration. He asked for any additions, deletions or corrections to the meeting agenda and there were none.

Chairman Cornelius presented the consent agenda for approval. Member Potter made the *MOTION to Approve the Consent Agenda, Consisting of the Meeting Agenda, Regular Board Meeting Minutes of May 26, 2015, Write-Offs in the Amount of \$963.44, Payment of the Electric and Water Department Bills in the Amount of \$591,827.32, with Carry-Ins in the Amount of \$6,046.81, for a Total of \$597,874.13. Member Daniels seconded and the motion passed unanimously.

Chairman Cornelius asked for citizen input on non-agenda items and there was none.

Chairman Cornelius welcomed Canby Utility's new General Manager, Dan Murphy, whose first day was June 8. Dan thanked the Board for having trust in him and stated that it was a privilege to have been selected. Chairman Cornelius then thanked the management team for successfully managing the utility for the past nine months without a General Manager.

Carol Sullivan, Finance Manager, presented the fiscal year 2016 electric and water operating and capital budgets for consideration. She began with an overview of the personnel costs. The budget reflects an increase of 6% over last year. The increase is mainly due to cost of living and wage adjustments, Public Employees Retirement System contributions, and health insurance costs. The Board did not have any questions.

Carol then presented the electric budget executive summary that presents the proposed changes from fiscal year 2015 to 2016. The electric sales are expected to increase as a result of growth and an anticipated retail rate increase this fall. Also, there will be an increase in other electric energy revenues from BPA's energy efficiency contract. The budget reflects a total operating revenue increase of \$737,408.00. The operating expenses are expected to increase due to power and transmission rates increasing effective October 1 and more labor costs being allocated to the distribution budget and less in the capital budget. The operating income is lower mainly due to

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increased power and transmission costs. She also noted that the reduced operating income would not allow for the future facility reserves to be fully funded. Even with a potential electric retail rate adjustment of 9.95% this fall, the targeted \$600,000 contribution to the reserves would not be met. The reason for this shortfall is due to the \$800,000 reserve funds at the end of fiscal year 2013 that was used to cover operating expenses for the past two years. The expenses are still there, but the funds are not. She also noted there are sufficient funds for the future facility to build phase 1. In addition, the actual revenue collected for the future facility may be greater than budgeted, because the budget is based on the current fiscal year that had lower sales as a result of a mild winter. The total non-operating revenues and expenses are slightly higher than the prior year due to current interest rates and estimated cash on hand. The total capital contributions are projected to be less due to a decrease in customer funded projects. Carol stated that the change in net assets is a negative \$253,968.00. The total estimated end of fiscal year 2016 cash and investments is estimated at \$8,132,811.00. Carol invited the Board to ask questions. Board members commented that the summary was very helpful.

Carol reviewed the water budget executive summary and explained the proposed changes from fiscal year 2015 to 2016. The water sales are expected to increase as a result of the approved 8% rate increase that went into effect June 1. The operating expenses are expected to increase due to more labor cost being allocated to the distribution budget and less in the capital budget, as well as hiring an additional certified water worker. The operating income is higher mainly due to a recent rate adjustment. The total non-operating revenues and expenses, and total capital contributions have little change. Carol stated that the change in net assets reflects an increase of \$85,028.00. The total estimated end of fiscal year 2016 cash and investments is estimated at \$2,096,364.00.

Carol again invited questions and Member Potter asked about the GIS mapping cost in the capital budget. Larry Hepler, Operations Superintendent, commented that the budget item is a carry-over project from this year. Member Potter mentioned that the City has an intern assisting with their mapping work and wondered if Canby Utility had considered using interns for our mapping. Larry stated that there have been some discussion between Canby Utility and the city, but there are concerns about the software systems not being compatible. Member Maxwell asked about the budget reflecting the potential of reduced sales due to potential water restrictions, should the summer continue to be dryer than normal. Carol stated that she based the sales revenue on low consumption years to be conservative. Larry added that even with the projected $\frac{3}{4}$ to $1\frac{1}{2}$ inch of rain over the summer, he does not foresee any issues with water quantity; however, he is concerned about water quality. Chairman Cornelius noted that Canby Utility does have policies and procedures in place should water restrictions need to be implemented. Member Daniels asked if Canby Utility has ever had to enforce water restrictions in the past and Larry replied no. The water treatment plant production capacity maximum is 8 million gallons per day. The maximum peak day demand in 2014 was 4.3 million gallons, and the peak usage through May was 3.3 million gallons per day.

Carol noted that changes in the recommended budgets being presented at the next meeting will include additional security cameras at the shop complex, updating an employee's health

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insurance election, updating property and liability insurance premiums, and updating the cash estimates.

Carol also presented a recommendation to adopt a resolution to adjust water system development charges. She stated that at the last meeting the Board was presented with a proposal to adjust the SDCs. Following the last board meeting Barbara Benson, Administration/HR Manager, mailed letters to a list of interested parties notifying them of the proposal and invited them to comment on it. At the time of the meeting no comments had been received. Member Daniels made the *MOTION to Adopt Resolution No. 277, Adopting the Revised Water System Development Charges Reflecting Annual Adjustments for Inflation, Repealing Resolution No. 271. Member Potter seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Daniels, aye; Member Maxwell, aye; Member Brito, aye; and Chairman Cornelius, aye. The motion passed 5 to 0.

Larry Hepler, Operations Superintendent, presented a recommendation to replace an old water main and services to a new main using surplus funds. He explained that there are funds still remaining in the fiscal year 2015 main line replacement budget line item and city street resurfacing budget line item that could be used to transfer 9 services off of a vintage 4” steel main to a newer 14” main near NE 3rd Avenue. The 750’ of dead-end line would be abandoned. Larry explained the reasons for making this change and noted that the abandonment of this section of the main line will increase efficiency and reduce installation costs of other services to the City’s new civic center/library project that is under construction. The project was scheduled for next fiscal year; however, the surplus funds will provide an opportunity to finish the project sooner. Member Daniels made the *MOTION to Authorize Replacement of Vintage 4” Steel Main and Nine Services to a New 14” Main using Surplus Funds. Member Potter seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Daniels, aye; Member Maxwell, aye; Member Brito, aye; and Chairman Cornelius, aye. The motion passed 5 to 0.

Chairman Cornelius stated that he requested Board members to submit a list of current projects and concerns for our new General Manager at the previous meeting. He then reviewed the identified items submitted to him. The list included items such as progression/succession planning, BPA issues, management team composition, long-term budgeting, water rights, taste and odor concerns of our drinking water, future facility, strategic planning, and source water options to name a few. Chairman Cornelius plans to consolidate the list and present it to Dan Murphy. He noted that the list of expectations the Board developed will also be presented to Dan.

Member Potter shared that he and Barbara Benson attended the Molalla River Alliance meeting on April 24 at the request of Jack Hammond, former Board Attorney,. The Alliance is a coalition of people who are interested in the Molalla River. He noted he was impressed with the diversity of the interests that were represented at the meeting. One of the main initiatives is for the Molalla River to be included in the State’s Scenic Waterway system. He then shared some background on the Scenic Waterway program and the group’s efforts to have the Molalla River receive that

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designation. The section of the river being considered for the designation is from the Glen Avon Bridge, just above the city of Molalla, upstream 13 miles to the confluence of the Table Fork section of the Molalla River. The State Parks and Recreation Commission is forming an advisory committee for the Scenic Waterway, and it was suggested that Canby Utility have a representative serve on the committee. The advisory committee will be responsible for developing a nomination document that will be presented to the Oregon Water Resources Board and the State Parks and Recreation Commission. Those two commissions will then make a recommendation to the Governor's office and propose a nomination for inclusion into the system. The anticipated timeline for the final submission to the Governor's office will be in December. Member Potter commented on the Alliance and the Scenic Waterway nomination goals and objectives being aligned with Canby Utility's interests in the Molalla. At the Molalla River Alliance meeting, the group expressed their sincere appreciation for Canby Utility's assistance in donating labor and equipment to remove some informal campsites along the river corridor which will help to preserve the riverbanks. They will be requesting some additional service to remove two more informal campsites later this year. Member Potter was asked to serve on the advisory committee on behalf of Canby Utility, and he would be willing to serve until such time as the General Manager is settled in an can take over.

Larry Hepler, Operations Superintendent, announced that MWH Global has begun its analysis of our water treatment process to mitigate taste and odor issues related to algae in our source water. The evaluation should be complete by the end of June. Larry then talked about how the early May taste and odor event, which was algae related, but not the typical late-summer algae bloom. The extent of how much algae will affect water this summer will depend on temperatures, rainfall, water levels and other impacts. Larry then noted that Barbara was at the Canby Community Park on June 1 and happened to notice water being discharged through a pipe into the Molalla River from the Canby Sand and Gravel operation across the river. The flow rate was estimated to be , 1,800 gallons per minute based on the video she captured. The discharge was approximately ¼ mile upstream from our source water intake. The discharge was murky and had a strong odor. The owner of Canby Sand & Gravel apologized for the discharge and reported to Larry that the water discharged from that pipe was a result of human error. It is unclear how long that water had been flowing into the river and if it had an impact on the recent complaints of taste and odor. Larry also noted that sampling of the source water during the early-May event did show the presence of MIB and Geosmin, which is an organic chemical produced by Algae. Larry reported that the Department of Geology and Mineral Industries will visit the mining operation this week to review their operations and ensure they comply with their discharge permit. In addition, the Department of Environmental Quality has also been in contact with them regarding the discharge of water from their operations. Discussion ensued regarding Larry's conversation with the owner of Canby Sand and Gravel. Barbara noted that she was also contacted by the Environmental Protection Agency, and they were going to be investigating the incident as well. Larry noted that the city's parks department employees will be monitoring that pipe in the future when working in the park.

Carol Sullivan, Finance Manager, presented the electric retail rate cost of service analysis timeline. BPA will announce the final rates on July 24, which creates a tight timeline to meet our

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notification requirement to customers. Carol asked for direction on the 9.95% rate adjustment number that she used as a placeholder in the budget. Chairman Cornelius requested she discuss that number with Dan Murphy, General Manager, before bringing it back to the Board for input into the proposed rate case. Dan stated they will take a look at the impact of a 9.95% increase and what it will take to replenish the reserves. Staff will be working with Bob Brooks of Brooks and Associates, who is the consultant conducting the rate study. Carol noted that the public rate hearing is tentatively scheduled for September 22.

Member Maxwell made the *MOTION to Adjourn the Meeting. Member Potter seconded, and the motion passed unanimously.

There being no further business, the meeting was adjourned at 8:05 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Jack Brito, Member

Barbara Benson, Board Secretary



MEMORANDUM

June 18, 2015

TO: Chairperson Cornelius, Member Maxwell, Member Potter, Member Daniels, and Member Brito

FROM: Carol Sullivan, Finance Manager

SUBJECT: FY16 Recommended Operating & Capital Budgets

Recommendation: Approve FY16 Electric and Water Operating and Capital Budgets.

Enclosed are the FY16 Recommended Electric and Water Operating and Capital Budgets.

These budgets are the Recommended versions, which incorporates changes and modifications since the Proposed budgets were presented. If approved at the June 23rd Board meeting, they will be finalized as the Approved budgets.

The following changes have been made to the budgets:

- Add two cameras to the capital budgets for additional shop surveillance
- Update employee health insurance election
- Update Property and Liability insurance from the billing invoice
- Update cash estimate

The overall change to electric is \$3,480 and water is \$3,783; a chart follows with the details.

Please feel free to provide any comments or suggestions as to the content and format of the attached budgets. Staff and I will be available to answer any questions the Board may have.

**Proposed FY16 Budget
As Issued**

Change

Recommended FY16 Budget

Canby Utility Electric Cash & Reserves Summary

Beginning Reserve Balance		\$ 7,988,639	\$	8,839
Cash Used For Capital Purchases	\$ (1,101,996)			(1,397)
Change in Net Assets/Operations	421,387			(4,091)
Add back depreciation (non-cash)	824,780	144,171		128
Ending Reserve Balance		<u>\$ 8,132,810</u>	\$	<u>3,480</u>

Canby Utility Electric Cash & Reserves Summary

Beginning Reserve Balance		\$ 7,997,478
Cash Used For Capital Purchases	\$ (1,103,393)	
Change in Net Assets/Operations	417,296	
Add back depreciation (non-cash)	824,908	138,812
Ending Reserve Balance		<u>\$ 8,136,290</u>

Canby Utility Water Cash & Reserves Summary

Beginning Reserve Balance		\$ 2,215,964	\$	3,510
Cash Used For Capital Purchases	\$ (735,865)			(637)
Change in Net Assets/Operations	286,332			877
Add back depreciation (non-cash)	644,932			33
Principle Payments on Water Bonds	(315,000)	\$ (119,601)		-
Ending Reserve Balance		<u>\$ 2,096,363</u>	\$	<u>3,783</u>

Canby Utility Water Cash & Reserves Summary

Beginning Reserve Balance		\$ 2,219,474
Cash Used For Capital Purchases	\$ (736,502)	
Change in Net Assets/Operations	287,209	
Add back depreciation (non-cash)	644,965	
Principle Payments on Water Bonds	(315,000)	\$ (119,328)
Ending Reserve Balance		<u>\$ 2,100,146</u>

Canby Utility - Electric Executive Summary of FY 16 Budget

DESCRIPTION	Recommended FY16 Budget	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes:
Total Electric Sales	\$ 11,080,628	\$ 10,363,545	\$ 717,083	6.92%	Based on prior months with 3% growth and a proposed 9.5% rate revenue increase effective 10/1/15.
Total Other Electric Energy Revenues	316,084	295,759	20,325	6.87%	Based on prior year other revenues, the increase is mostly the BPA Energy Efficiency contract which has been underspent, to date, and is carried over.
OPERATING REVENUES	11,396,712	10,659,304	737,408	6.92%	The overall effect on revenues is mainly driven by the rate increase.
TOTAL OPERATING EXPENSES	(11,439,089)	(10,602,160)	(836,929)	7.89%	Main drivers for the change are power & transmission rates increase effective 10/1/15 and there is more labor in the distribution budget.
OPERATING INCOME	(42,377)	57,144	(99,521)	-174.16%	The shift in labor to the distribution budget and increase in power and transmission are the main drivers for the reduced operating income. This reduced operating income is not fully funding the future facility reserve because proposed rate increase is set at 9.5%.
Total Non-Operating Revenues & Expenses	85,294	75,353	9,941	11.65%	Based on prior years and current interest rates applied to estimated cash on hand.
Total Capital Contributions	374,379	542,858	(168,479)	-31.04%	This year we have less customer funded projects.
Change in Net Assets	417,296	\$ 675,355	\$ (258,059)	-61.84%	The net amount of money we expect to bring in during the year is reduced because our contributed capital is lower, our expenses are higher, and the proposed rate increase does not fully offset this.
Cash and Investments Estimate, June 30, 2015	7,997,478				Estimated cash on hand.
Cash Used For Capital Purchases	(1,103,393)				Capital Budget for the year.
Add Back Depreciation	824,908				Non-cash item in the operations budget so we need to add it back to cash on hand.
Total Estimated End Of FY16 Cash & Investments	\$ 8,136,290				This is what we expect to have in CASH RESERVES at year end, 6/30/16.

Canby Utility - Water Executive Summary of FY 16 Budget

DESCRIPTION	Recommended FY16 Budget	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes:
TOTAL WATER USAGE SALES	\$ 2,703,266	\$ 2,503,337	\$ 199,929	8.0%	This includes the base charge increase effective 6/1/2015.
TOTAL OPERATING EXPENSES	(2,549,752)	(2,433,568)	116,184	4.8%	The shift in labor to the distribution budget and increased depreciation expenses are the main drivers for increased expenses.
OPERATING INCOME (LOSS)	153,514	69,769	83,745	120.0%	This increase is due to the effects of the rate increase.
Total Non-Operating Revenues & Expenses	(122,130)	(123,063)	933	-0.76%	Overall not much change from prior year.
Total Capital Contributions	255,826	254,598	1,228	0.46%	Overall not much change from prior year.
Change in Net Assets	287,209	\$ 201,304	\$ 85,905	42.67%	The net amount of money we expect to bring in during the year is higher because our rate increase, this is somewhat offset by more labor shifted to the distribution budget and increased depreciation.
Cash and Investments Estimate, June 30, 2015	2,219,474				Estimated cash.
Cash Used For Capital Purchases	(736,502)				Capital Budget for the year.
Principle Payments on Water Bonds	(315,000)				2007 & 2014 Bond principle payments.
Add Back Depreciation	644,965				A non-cash item in the operations budget, so we need to add it back to cash on hand.
Total Estimated End Of FY16 Cash & Investments	\$ 2,100,146				This is what we expect to have in CASH RESERVES at year end, 6/30/16.



Personnel Costs

Category	Recommended FY16 Budget					
	Electric System	% of Total Compensation	Water System	% of Total Compensation	Combined	% of Total Compensation
Payroll	\$ 1,333,082	66.2%	\$ 616,198	64.1%	\$ 1,949,280	65.5%
PERS	256,459	12.7%	118,726	12.3%	375,185	12.6%
FICA/Med	101,874	5.1%	47,048	4.9%	148,922	5.0%
Medical/Vision	272,375	13.5%	150,930	15.7%	423,305	14.2%
Dental	19,492	1.0%	10,198	1.1%	29,690	1.0%
Life	2,125	0.1%	1,665	0.2%	3,790	0.1%
Unemployment	1,319	0.1%	601	0.1%	1,920	0.1%
Worker's Comp	14,277	0.7%	9,630	1.0%	23,907	0.8%
Transit	7,987	0.4%	3,673	0.4%	11,660	0.4%
VEBA Account	4,704	0.2%	2,808	0.3%	7,512	0.3%
Total Payroll & Employer Paid Expenses	\$ 2,013,694	100.0%	\$ 961,477	100.0%	\$ 2,975,171	100.0%
% of Operating Expense	17.6%		37.7%		21.3%	
Category	FY15 Budget					
	Electric System	% of Total Compensation	Water System	% of Total Compensation	Combined	% of Total Compensation
Payroll	\$ 1,298,421	66.5%	\$ 544,375	64.9%	\$ 1,842,796	66.0%
PERS	230,359	11.8%	96,946	11.6%	327,305	11.7%
FICA/Med	99,234	5.1%	41,588	5.0%	140,822	5.0%
Medical/Vision	260,267	13.3%	125,334	14.9%	385,601	13.8%
Dental	20,308	1.0%	8,974	1.1%	29,282	1.0%
Life	2,317	0.1%	1,965	0.2%	4,282	0.2%
Unemployment	11,351	0.6%	4,849	0.6%	16,200	0.6%
Worker's Comp	18,153	0.9%	8,778	1.0%	26,931	1.0%
Transit	7,759	0.4%	3,253	0.4%	11,012	0.4%
VEBA Account	4,728	0.2%	2,496	0.3%	7,224	0.3%
Total Payroll & Employer Paid Expenses	\$ 1,952,897	100.0%	\$ 838,558	100.0%	\$ 2,791,455	100.0%
% of Operating Expense	18.4%		34.5%		21.4%	
Category	Increase/(Decrease) Recommended FY16 vs. FY15					
	Electric System	% Increase/(Decrease)	Water System	% Increase/(Decrease)	Combined	% Increase/(Decrease)
Payroll	\$ 34,661	2.7%	\$ 71,823	13.2%	\$ 106,484	5.8%
PERS	26,100	11.3%	21,780	22.5%	47,880	14.6%
FICA/Med	2,640	2.7%	5,460	13.1%	8,100	5.8%
Medical/Vision	12,108	4.7%	25,596	20.4%	37,704	9.8%
Dental	(816)	-4.0%	1,224	13.6%	408	1.4%
Life	(192)	-8.3%	(300)	-15.3%	(492)	-11.5%
Unemployment	(10,032)	-88.4%	(4,248)	-87.6%	(14,280)	-88.1%
Worker's Comp	(3,876)	-21.4%	852	9.7%	(3,024)	-11.2%
Transit	228	2.9%	420	12.9%	648	5.9%
VEBA Account	(24)	-0.5%	312	12.5%	288	4.0%
Total Payroll & Employer Paid Expenses	\$ 60,797	3.0%	\$ 122,919	14.7%	\$ 183,716	6.2%
% of Operating Expense FY16 vs. FY15	-0.8%		3.3%		-0.1%	
Employer Paid Expenses	\$ 26,136		51,096		\$ 77,232	8.0%



**Fiscal Year 2016
Recommended**

Electric Operating Budget see pages 7-8
Statement of Operations and Changes In Net Assets - Electric

Electric Capital Budget see pages 9-11

Electric Cash Reserve Calculation see page 12

Departmental Summary - Electric see pages 13-14
Followed by detailed departmental budgets see pages 15-22

**Canby Utility
Recommended FY 16 Budget
Statement of Operations and Changes In Net Assets - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
OPERATING REVENUES						
Residential Sales	\$ 5,624,000	\$ 5,349,842	\$ 5,483,553	\$ 140,447	3%	Growth 3% on FY15 actual & BPA 9.5% inc
Unbilled Revenue	-	32,324	-	-	N/A	Unknown Until FY Year-End
Green Power Sales	12,552	11,797	12,432	120	1%	Based April sales
Small Commercial	558,000	517,428	525,416	32,584	6%	Growth 3% on FY15 actual & BPA 9.5% inc
Large Commercial	2,607,000	2,281,371	2,282,896	324,104	14%	Growth 3% on FY15 actual & BPA 9.5% inc
Industrial	1,955,000	1,742,486	1,760,448	194,552	11%	Growth 3% on FY15 actual & BPA 9.5% inc
City Street Lighting	38,076	38,504	38,100	(24)	0%	Based April sales
Municipal	131,000	117,245	118,800	12,200	10%	Growth 3% on FY15 actual & BPA 9.5% inc
Canby Utility	155,000	140,621	141,900	13,100	9%	Growth 3% on FY15 actual & BPA 9.5% inc
Total Electric Sales	11,080,628	10,231,618	10,363,545	717,083	7%	
NSF Check Charge	957	875	900	57	6%	Based on May 2014 thru April 2015
Reconnect Fees	3,040	3,600	3,600	(560)	-16%	Based on May 2014 thru April 2015
Door Hanger Fees	54,350	58,750	58,200	(3,850)	-7%	Based on May 2014 thru April 2015
Account Set-up Fees	25,000	26,225	26,575	(1,575)	-6%	Based on May 2014 thru April 2015
BPA Conservation Rate Credit	232,737	203,221	206,484	26,253	13%	Contract amount
Total Other Electric Energy Revenues	316,084	292,671	295,759	20,325	7%	
TOTAL OPERATING REVENUES	11,396,712	10,524,289	10,659,304	737,408	7%	
OPERATING EXPENSES						
Board of Directors	14,829	8,715	17,897	(3,068)	-17%	See Departmental Page
Executive	245,626	197,875	247,437	(1,811)	-1%	See Departmental Page
Administrative	196,479	173,463	203,161	(6,682)	-3%	See Departmental Page
Customer Service	692,378	609,616	660,081	32,297	5%	See Departmental Page
Finance	9,103,461	8,117,687	8,415,445	688,016	8%	See Departmental Page
Operations	271,292	276,542	269,788	1,504	1%	See Departmental Page
Distribution	883,874	532,472	759,149	124,725	16%	See Departmental Page
Risk Management	31,150	23,058	29,202	1,948	7%	See Departmental Page
TOTAL OPERATING EXPENSES	11,439,089	9,939,428	10,602,160	836,929	8%	
OPERATING INCOME (LOSS)	(42,377)	584,861	57,144	(99,521)	-174%	
OPERATING MARGIN	0%	6%	1%			
NON-OPERATING REVENUES & EXPENSES						
Rental Lights	33,852	33,807	34,020	(168)	0%	Based on April sales
Rental Lights Expenses	-	-	-	-	N/A	N/A
St. Light Maintenance Sales	10,800	80,942	10,800	-	0%	No Change
Material Sales	-	-	504	(504)	-100%	N/A
Billed for Dig In's	5,400	(614)	2,004	3,396	169%	Average of May 2014 thru April 2015
Custom Work Sales	5,040	1,935	996	4,044	406%	Average of May 2014 thru April 2015
Public St. Lights Sold	-	16,345	-	-	N/A	In Contributed Capital till project closes

Canby Utility
Recommended FY 16 Budget
Statement of Operations and Changes In Net Assets - Electric

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Misc. Other Sales	-	164	-	-	N/A	N/A
Material Sales Cost	-	-	(504)	504	-100%	N/A
Custom Work Costs	(996)	(593)	(996)	-	0%	No Change
St. Light Maintenance Costs	(10,800)	(78,187)	(10,800)	-	0%	No Change
Misc. Other Costs	-	-	-	-	N/A	N/A
Temp Service	3,000	2,559	-	3,000	N/A	Budgeted one a month
Interest Income/Other	38,888	35,486	39,909	(1,021)	-3%	Rate applied to estimated cash on hand
Gain On Disposition of Property	1,418	53	500	918	184%	Sale of Trencher
Loss On Disposition of Property	-	(4,089)	-	-	N/A	Unknown
Other Interest Expense	(1,308)	(1,072)	(1,080)	(228)	21%	Interest on Deposits
Total Non-Operating Revenues & Expenses	85,294	86,736	75,353	9,941	12%	
Net Income/(Loss) Before Capital Contributions	42,917	671,597	132,497	(89,580)	-209%	
Capital Contributions:						
Hook-up Fees	177,785	86,938	57,248	120,537	211%	From Capital Budget
Contribution From Others	196,594	83,575	-	196,594	N/A	From Capital Budget
Line Extension Fees	-	35,357	485,610	(485,610)	-100%	Should have been Contrib from Others
Total Capital Contributions	374,379	205,870	542,858	(168,479)	-31%	
Change in Net Assets	\$ 417,296	\$ 877,467	\$ 675,355	\$ (258,059)	-62%	
Cash Flow:						
Cash and Investments Estimate, June 30, 2015	\$ 7,997,478					
Cash Used For Capital Purchases	(1,103,393)					
Change in Net Assets	417,296					
Add Back Depreciation	824,908					
Net Cash Generated/(Used)	138,812					
Total Estimated End Of FY15 Cash & Investments	\$ 8,136,290					

Canby Utility Electric System FY 16 Recommended Capital Budget							
Project Name	Description of Project	Labor	Materials	Transportation Charges	Labor Overheads 62.25%	Contractor Costs	Project Cost
Executive - Projects							
No items		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance - Projects							
Machine to fold and stuff billing statements and reporter/flyers. 75E/25W	Current machine has been repaired several times last year and is not dependable, it is recommended to purchase a new machine.	-	-	-	-	11,250	11,250
Operations - Projects							
Security cameras 75E/25W	Currently the shops complex office building has no video surveillance. It is recommended to install two additional security cameras to provide video coverage of the front desk and front doors/access area. These additional cameras are needed due to the isolated location of the shops complex, at times there may only be one individual in the building, and the building design provides no intrusion barrier to inhibit access to the entire building. Additionally, these cameras will provide documentation of visitor behavior and employee response.	-	-	-	-	975	975
Operations - Capital Equipment							
Replace U59 Vermeer Trencher	Purchase a mini-track hoe to replace U59 a 1987 Vermeer V-430A Trencher purchased used in 1991. U59 is in need of approximately \$6,300 in repairs and is "single function" with it's hydraulic controls, making it very slow and cumbersome to operate. In addition one of its more common duties is to act a mini-crane to remove rear lot line transformers during our cable replacement projects. However, it is too wide to enter many side yard gates, requiring us to dismantle and reassemble gates and fences in order to pass. The recommended mini-backhoe is 22 inches narrower and can pass thru most side yard gates.	-	35,000	-	-	-	35,000
FY15 Carry Over - New Service Bucket Truck	It was approved in the FY15 budget to replace U12, a 2007 Ford F550 / 35' reach aerial man lift with a new aerial man lift service truck with a 38' reach.	-	125,000	-	-	-	125,000
Replace U6 Dump Truck	Unit 6 is a 1992 GMC 6 yard dump truck CU purchased in Nov. of 1991. U6 has become unreliable, requiring repairs after nearly every use. It is recommended to replace it with a new 10 yard dump truck.	-	155,000	-	-	-	155,000
Distribution - Projects							
1 NW Cable Replacement	Continuation of Replacement of deteriorated primary cable NW9th to NW 13th and N. Aspen. Relocation of rear lot line transformers to front lot lines. A portion of this project was completed in FY15 under a special request to the board due to increased failure rate.	25,000	30,000	7,000	15,563	26,000	103,563
2 NW 8th Pl. Cable Replacement	Replace and upgrade approx. 800' of deteriorated primary cable . Relocate transformers and line segments to from rear lot line to front lot line.	15,000	20,000	7,000	9,338	15,000	66,338
4 Replace Vacuum Fault Interrupter Switchgear	As approved in our Electric Master Plan, CIP, Item D8, it is recommended to replace one VFI switchgear.	6,000	48,000	1,500	3,735	1,000	60,235
5 Install Smart Switches	Purchase and install two overhead smart switches.	5,000	33,500	2,500	3,113	-	44,113

Canby Utility Electric System FY 16 Recommended Capital Budget								
Project Name	Description of Project	Labor	Materials	Transportation Charges	Labor Overheads 62.25%	Contractor Costs	Project Cost	
3	Underground SW 4th & Birch	It is recommended to convert 3 spans of OH 3 phase primary to UG. This work will improve power flow thru the area and improve reliability due to existing tree hazard. This OH line segment has repeatedly been pointed out as being visually objectionable as it is fed from and feeds UG line and is located in front of the high School and Performing Art Center.	18,000	45,000	5,000	11,048	10,000	89,048
6	Purchase 10 Knight Hawk Meters	These meters will allow remote disconnect/reconnect. They are customer reset, have a current limit option, pay-as-you go option, tamper detection. There is a \$2/Mo. Per meter fee for the connect/disconnect option, and a \$3 per Mo. fee for the pay-as-you-go option. It is expected that these meters will reduce field and office personnel to exposure to difficult customers.	500	4,400	250	311	-	5,461
7	FY15 Carry Over - Transition to GIS Mapping	Canby Utility's current mapping software, GeoMedia, is not well supported, expensive, and not user friendly. Each user's computer requires a separate annual license making it expensive to make available to multiple users. We are still in the process of researching our options, but have great interest in what the City of Troutdale has gone to. It would be a multi-year transition starting with the "data gathering" via a 3D scan of the City and purchase of the ArcGIS Software. This move to GIS mapping also provides "knowledge retention" due to the identification and exact locating of our physical plant.	1,000	8,000	1,000	623	8,000	18,623
Distribution - Capital Equipment								
	Purchase 3 pt. Mount 5' Rotary Mower Brush Attachment	It is recommended to purchase a 5' rotary mower to aid in the maintenance of the CU properties. The flail mower purchased with our mowing tractor has proven to be not well suited to all the varied ground and vegetation conditions encountered in the maintenance of CU's properties. Purchase of this 5' rotary brush mower will aid greatly in the maintenance of the bottomlands roadways and other locations when the grass gets too tall for the flail mower to mow at a reasonable pace. The rotary mower should save both mowing time and repair/maintenance costs.	-	1,388	-	-	-	1,388
	Replace Two Connector Presses - Battery Powered	The presses used by the Electric Department have become problematic. They have been rebuilt and the batteries replaced several times, and are in need of both again. These expenses will exceed 1/2 the cost of replacing them, making the presses not worth keeping. An unreliable press could fail leaving the electric crew in the middle of a press with hot wires in their hands. The new presses are substantially lighter making their operation much easier on the CUB employees and the better batteries should eliminate mid-operation battery change outs.	-	6,720	-	-	-	6,720
	Purchase two "Troubleman" Kits	Kit contains devises used with a lineman's hot stick to quickly and safely determine accurate amperage and voltage readings of OH primary conductors while energized and in service. This kit will allow confirmation of a conductors status, will aid in diagnostics/trouble shooting and will be used to much more efficiently perform load balancing of our three phase mainlines, as recommended in our electric master plan.	-	6,300	-	-	-	6,300
CONTRIBUTED CAPITAL:								
	Residential Connects	Estimated 50 connects / meter sets	12,000	15,000	5,000	7,470	-	39,470
	Fred Meyer Gas Station	Provide electrical service to a new Fred Meyer gas station to be located at 99E and S. locust.	4,400	10,000	2,200	2,739	-	19,339

Canby Utility							
Electric System							
FY 16 Recommended Capital Budget							
Project Name	Description of Project	Labor	Materials	Transportation Charges	Labor Overheads 62.25%	Contractor Costs	Project Cost
Faist SE 13th Ave	30 lot subdivision - FY15 carry over	15,000	48,000	12,000	9,338	-	84,338
Pine Meadows - Phase II	17 lot subdivision - NE Pine Street	7,500	24,000	6,000	4,669	-	42,169
Eli Subdivision	10 lot subdivision - SE 15th and Juniper	5,000	16,000	4,000	3,113	-	28,113
Emeralds Gardens	15 Unit Condo Project - SE 3rd and 4th East of Locust	8,000	12,000	2,000	4,980	-	26,980
Trend Building C	Trend Development may be adding a new building this year.	9,500	22,000	1,500	5,914	-	38,914
Hope Village Duplexes	Hope Village is developing a 2 acre site with 6 duplexes planned.	2,400	10,300	800	1,494	-	14,994
Western Mini Storage	Expansion of Western Mini Storage requiring new three phase 120/208v service	1,234	3,866	300	768	-	6,168
Canby Mini Storage	Plans to develop a 5 acre site off of SE 1st just east of the Providence Medical Center.	2,500	10,000	1,500	1,556	-	15,556
Canby Square Building Replacement	Plans for a new 5,000 sq. ft. commercial building at the site of the old Hoi Tin restaurant. Will require new fire service.	4,000	7,000	1,000	2,490	-	14,490
McDonalds Rebuild	McDonalds has purchased adjoining property and is indicating that they will move forward in FY16	5,000	9,000	1,000	3,113	-	18,113
Canby Civic Center/Library	Provide electric service to new Canby Civic Center / Library	6,000	14,000	2,000	3,735	-	25,735
Totals		\$ 153,034	\$ 719,474	\$ 63,550	\$ 95,110	\$ 72,225	\$ 1,103,393

Procedure 520
Attachment 1

Canby Utility
Cash Reserve Procedure

Cash Reserve Calculation

The Recommended FY16 Cash Reserve Calculation

The cash reserve calculations are targeted end of year balances at June 30, 2016.

Electric	Input	Pro-rate	Policy	Reserve Dollars	Basis	
Annual O&M Expenditures (excluding Power Supply costs and depreciation)	\$ 3,231,236	365	180	\$ 1,593,486	Budget 2016	
High month Power Supply Costs	759,597	30	45	1,139,396	Budget 2016	
Power Supply Risk				250,000	BPA	
Rate Base Factor for Catastrophic Event	Assets 27,745,423	Depre 10,589,738	Depre/Assets 38.2%	Assumption 2.0%	554,908	March 2015 Balance Sheet w/ WIP
Debt Service Highest Payment				-	NA	
Capital Improvements	2013-2018	\$2,000,000	20.0%	400,000	400,000	1/5 of 5 year September 2013 CIP
Vehicle/Equipment Replacement Program				130,423	Rotation Schedule	
Labor Contingency				100,000	To cover less labor intensive capital years	
Total Before Project Reserve				4,168,213		
Project Reserve				3,968,077	Remainder for future building	
Targeted Cash Reserve				\$ 8,136,290		
				Estimated cash at Budgeted Fiscal Year End 2016	\$ 8,136,290	
				Over / (Under) Target	-	
Minimum Cash Reserve \$4,000,000				Over / (Under) Minimum	\$ 4,136,290	

Canby Utility
Recommended FY 16 Budget
Departmental Summary - Electric

Categories	Board of Directors	Executive	Administrative	Customer Service	Finance	Operations	Distribution	Risk Mgt	Total by Category	% Change FY16 vs. FY15	\$ Change FY16 vs. FY15
Payroll		\$ 107,642	\$ 61,621	\$ 222,515	\$ 162,443	\$ 163,310	\$ 615,551		\$ 1,333,082	2.67%	\$ 34,661
PERS		24,804	14,196	43,163	28,001	28,143	118,152		256,459	11.33%	26,100
Medical/Vision Insurance		14,256	16,417	63,706	22,167	31,046	124,783		272,375	4.65%	12,108
Dental Insurance		1,092	1,259	4,497	1,669	2,214	8,761		19,492	-4.02%	(816)
Life Insurance		132	58	804	195	299	637		2,125	-8.29%	(192)
Worker's Comp		204	129	702	325	343	12,574		14,277	-21.35%	(3,876)
Taxes State Unemployment		108	57	228	162	172	592		1,319	-88.38%	(10,032)
Taxes FICA/Medicare		8,232	4,716	17,019	12,435	12,488	46,984		101,874	2.66%	2,640
City Transit		648	372	1,333	969	979	3,686		7,987	2.94%	228
HRA VEBA		228	228	1,164	456	528	2,100		4,704	-0.51%	(24)
Subtotal Employer-Paid Expenses	-	49,704	37,432	132,616	66,379	76,212	318,269	-	680,612	3.99%	26,136
Wages - Capitalized							(237,396)		(237,396)	-19.92%	59,040
Net Total Payroll & Employer-Paid Expenses	-	157,346	99,053	355,131	228,822	239,522	696,424	-	1,776,298	7.23%	119,837
401 (k)					2,122				2,122	-11.73%	(282)
Dues, Fees & Subscriptions	400	2,369	3,007	-	26,115	60	-	-	31,951	17.28%	4,707
Meeting Expenses		843	533	54	-	600			2,030	70.45%	839
Safety			1,125			492	27,600		29,217	10.05%	2,668
Special Events			10,845						10,845	40.01%	3,099
Office Supplies			5,400	300		96	192		5,988	-28.80%	(2,422)
Postage				44,100					44,100	-2.00%	(900)
Printing & Stationery Supplies			6,496	-					6,496	-25.72%	(2,249)
BPA Conservation				232,737					232,737	12.71%	26,253
Comm Audits				-					-	-100.00%	-
Customer Relations				1,500					1,500	0.00%	-
Heat Pump				900					900	0.00%	-
Res. Weatherization				-					-	-100.00%	-
School/Comm				500					500	0.00%	-
Share the Warmth				30,000					30,000	0.00%	-
Water Heater Rebates				-					-	-100.00%	-
Maint. Of Office Equipment			8,208						8,208	4.75%	372
Maintenance of Substations							3,288		3,288	52.22%	1,128
Shop & Work Equipment Expenses							15,504		15,504	0.80%	123
Maint. Of Bldgs. & Grounds			25,041						25,041	-20.32%	(6,386)
Utilities			4,647			14,394			19,041	2.64%	489
After Hours Dispatching						1,116			1,116	-25.00%	(372)
One Call						204			204	-32.00%	(96)
PGE Pole Contract							396		396	3.13%	12
Purchased Power					7,382,945				7,382,945	8.03%	549,070
Property & Liability Insurance								31,150	31,150	9.57%	2,721
Reporters				8,040					8,040	18.69%	1,266
Bad Debts				12,000					12,000	32.98%	2,976
Computer Supplies			3,750						3,750	-0.16%	(6)
Computer Upgrades					3,444				3,444	-48.77%	(3,278)
Maintenance of Computers					34,878				34,878	-12.88%	(5,156)
Software Upgrades					1,763				1,763	30.50%	412

Canby Utility
Recommended FY 16 Budget
Departmental Summary - Electric

Categories	Board of Directors	Executive	Administrative	Customer Service	Finance	Operations	Distribution	Risk Mgt	Total by Category	% Change FY16 vs. FY15	\$ Change FY16 vs. FY15
Telephone			21,115						21,115	-8.69%	(2,009)
Franchise Tax					554,032				554,032	7.65%	39,353
Energy Resource Supplier Assessment					7,969				7,969	-57.12%	(10,615)
Director Fees	3,980								3,980	0.00%	-
Other Expenses	728						120		848	-81.10%	(3,639)
Depreciation					824,908				824,908	14.82%	106,458
Trade Organizations		42,748							42,748	1.49%	627
Cash Over/Short				120					120	33.33%	30
Maintenance of Overhead Lines							8,772		8,772	26.03%	1,812
Maintenance of Underground Lines							39,000		39,000	8.33%	3,000
Maintenance of Line Transformers							1,356		1,356	-15.41%	(247)
Uncollectible Accounts				-					-	-100.00%	-
Maintenance of Electric Meters							31,596		31,596	-7.06%	(2,400)
Street Maintenance Fee					7,896				7,896	0.00%	-
Maintenance, Supervision & Engineering							-		-	100.00%	(1,872)
Total Departmental Expenses	5,108	45,960	90,167	330,251	8,846,072	16,962	127,824	31,150	9,493,494	8.03%	705,485
Audit					21,000				21,000	-17.65%	(4,500)
Computer Consultants					4,266				4,266	48.13%	1,386
Infra-Red Scanning							3,924		3,924	9.73%	348
Labor Negotiations			500						500	-71.36%	(1,246)
Legal		24,000			-	-		-	24,000	-40.27%	(16,184)
Mapping						192			192	-78.67%	(708)
Other Consultants		11,425	4,125		-	-			15,550	100.49%	7,794
Pole Inspection & Treatment							-		-	-100.00%	-
Rate Studies					-				-	-100.00%	-
Translation Services				90					90	-33.33%	(45)
Tree Trimming							38,352		38,352	-100.00%	38,352
Marketing		901							901	-88.31%	(6,807)
Engineering					-	7,896	1,200		9,096	-41.32%	(6,404)
Meter Expenses							900		900	0.00%	-
Arc-Flash Hazard Assessment							-		-	-100.00%	-
Inspections					-				-	-100.00%	-
Office Contract Help				-					-	-100.00%	-
Paving/Road							-		-	-100.00%	-
Total Consulting/Contract	-	36,326	4,625	90	25,266	8,088	44,376	-	118,771	11.22%	11,986
Training	6,361	3,488	1,395	2,363	2,572	-	8,000	-	24,179	-5.20%	(1,325)
Transportation	3,360	2,506	1,239	4,543	729	6,720	7,250	-	26,347	3.72%	945
Total Transportation & Training	9,721	5,994	2,634	6,906	3,301	6,720	15,250	-	50,526	-0.75%	(380)
Total Operating Expenses	\$ 14,829	\$ 245,626	\$ 196,479	\$ 692,378	\$ 9,103,461	\$ 271,292	\$ 883,874	\$ 31,150	\$ 11,439,089	7.89%	\$ 836,928

**Canby Utility
Recommended FY 16 Budget
Board of Directors - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Director Fees	\$ 3,980	\$ 3,720	\$ 3,980	\$ -	0%	Based on Meetings and Trainings
Total Director Fees	3,980	3,720	3,980	-	0%	
Dues, Fees & Subscriptions	400	-	396	4	1%	APPA, Leadership guides/books, etc.
Other Expenses	728	4,764	4,367	(3,639)	-83%	Bd Mtg Refreshments, no tablets, lamp
Total Departmental	1,128	4,764	4,763	(3,635)	-76%	
Training	3,360	175	2,569	791	31%	APPA, SDAO & Webinars
Transportation	6,361	56	6,585	(224)	-3%	Air purchased by April APPA Conf (4)
Total Transportation & Training	9,721	231	9,154	567	6%	
Total Board of Directors Expense	\$ 14,829	\$ 8,715	\$ 17,897	\$ (3,068)	-17%	

**Canby Utility
Recommended FY 16 Budget
Executive - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 157,346	\$ 129,373	\$ 145,958	\$ 11,388	8%	New contract salary
Dues, Fees & Subscriptions	2,369	2,040	2,619	(250)	-10%	No CH this year, Review of expenditures
Meeting Expenses	843	774	719	124	17%	New GM, Add'l Meetings possible
Total Departmental	3,212	2,814	3,338	(126)	-4%	
Legal	24,000	11,961	40,184	(16,184)	-40%	Based on past nine months
Other Consultants	11,425	9,538	2,500	8,925	357%	Electric Rate Study
Marketing	901	1,315	7,708	(6,807)	-88%	Review of exps, removed NW River Prtnrs
Total Consulting/Contract	36,326	22,814	50,392	(14,066)	-28%	
APPA	5,917	5,263	5,450	467	9%	Actual, + 5%
LOC	393	375	400	(7)	-2%	Actual, + 5%
LGPI	814	756	788	26	3%	Actual, + 5%
OMEU	15,000	14,020	15,000	-	0%	Varies, this should cover based on PY's
SDAO	679	-	773	(94)	-12%	Actual, + 5%
PNUCC	-	-	-	-	N/A	Discontinued membership
NWPPA	11,755	11,049	11,000	755	7%	Actual, + 5%
PPC	8,190	8,141	8,200	(10)	0%	Actual, + 5%
ICMA	-	490	510	(510)	-100%	Discontinued membership
Total Trade Organizations	42,748	40,094	42,121	627	1%	
Training	2,506	843	2,855	(349)	-12%	APPA, OMEU, SDAO, NWWH
Transportation	3,488	1,937	2,773	715	26%	Based on training locations
Total Transportation & Training	5,994	2,780	5,628	366	7%	
Total Executive Expense	\$ 245,626	\$ 197,875	\$ 247,437	\$ (1,811)	-1%	

**Canby Utility
Recommended FY 16 Budget
Administrative - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 99,053	\$ 89,297	\$ 93,941	\$ 5,112	5%	2.5% COLA and inc'd exp's
Dues, Fees & Subscriptions	3,007	672	2,681	326	12%	Milliman Survey
Meeting Expenses	533	-	418	115	28%	No labor neg, new GM All EE lunch/Mtgs
Safety	1,125	547	1,122	3	0%	No change
Special Events	10,845	6,004	7,746	3,099	40%	45th Customer Apprec Event
Office Supplies	5,400	5,301	7,990	(2,590)	-32%	LH desk, Ops chairs purchased last year
Printing & Stationery Supplies	6,496	4,954	6,495	1	0%	No change
Maint. Of Office Equipment	8,208	6,000	7,836	372	5%	Pitney B. Actual + 5%
Maint. Of Bldgs. & Grounds	25,041	24,014	31,427	(6,386)	-20%	Lower HVAC; Racks, Pkg lot & Wall repair done
Utilities	4,647	4,241	4,599	48	1%	Based on past 12 mons with increases
Computer Supplies	3,750	3,713	3,756	(6)	0%	No change
Telephone	21,115	20,322	23,124	(2,009)	-9%	Closer to actual
Total Departmental	90,167	75,768	97,194	(7,027)	-7%	
Labor Negotiations	500	3,568	1,746	(1,246)	-71%	No labor negotiations
Other Consultants	4,125	2,622	5,256	(1,131)	-22%	GM 360, No salary survey
Total Consulting/Contract	4,625	6,190	7,002	(2,377)	-34%	
Training	1,395	1,331	2,978	(1,583)	-53%	No SHRM Conf
Transportation	1,239	877	2,046	(807)	-39%	No SHRM Conf
Total Transportation & Training	2,634	2,208	5,024	(2,390)	-48%	
Total Administrative - Expense	\$ 196,479	\$ 173,463	\$ 203,161	\$ (6,682)	-3%	

**Canby Utility
Recommended FY 16 Budget
Customer Service - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 355,131	\$ 334,032	\$ 349,606	\$ 5,525	2%	Sch'd inc's offset by less mtr reading time
Dues, Fees & Subscriptions	-	-	-	-	N/A	N/A
Meeting Expenses	54	37	54	-	0%	6 Office Staff Meetings @ \$9
Office Supplies	300	2,303	120	180	150%	Ink Postage Machine, Moved Stmt's Exp
Postage	44,100	37,902	45,000	(900)	-2%	Additional for possible increase
Reporters	8,040	4,475	6,774	1,266	19%	Additional Reporter & Increase in Rates
Bad Debt	12,000	11,728	9,024	2,976	33%	Based on History
Cash Over/Short	120	17	90	30	33%	Based on FY15 Actual
Uncollectible Accounts	-	4	-	-	N/A	Immaterial
Total Departmental	64,614	56,466	61,062	3,552	6%	
Printing & Stationery Supplies	-	343	2,250	(2,250)	-100%	No Stmt's Needed Until FY17
Translation Services	90	30	135	(45)	-33%	Place Holder, Zero use FY15
Outside Services Employed	-	-	-	-	N/A	N/A
Office Contract Help	-	-	-	-	N/A	N/A
Total Consulting/Contract	90	373	2,385	(2,295)	-96%	
Training	2,363	1,155	1,951	412	21%	2 CSR's to high bill class & 3 C's conf
Transportation	4,543	3,702	5,693	(1,150)	-20%	2 CSR's to high bill class & 3 C's conf & inc
		34				
Total Transportation & Training	6,906	4,891	7,644	(738)	-10%	
BPA Conservation	232,737	181,921	206,484	26,253	13%	3 Months BPA FY15, New FY \$ Oct
Comm Audits	-	-	-	-	N/A	N/A
Customer Relations	1,500	1,483	1,500	-	0%	Same as last FY
Heat Pump	900	450	900	-	0%	Same as last FY
Res. Weatherization	-	-	-	-	N/A	N/A
School/Comm	500	-	500	-	0%	Public Power Week October promo
Share the Warmth	30,000	30,000	30,000	-	0%	Same as last FY
Water Heater Rebates	-	-	-	-	N/A	
Total Programs	265,637	213,854	239,384	26,253	11%	
Total Customer Service Expense	\$ 692,378	\$ 609,616	\$ 660,081	\$ 32,297	5%	

**Canby Utility
Recommended FY 16 Budget
Finance - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 228,822	\$ 202,971	\$ 219,054	\$ 9,768	4%	2.5% COLA and inc'd exp's
Depreciation Expense - Electric Plant	676,112	558,581	647,611	28,501	4%	From Schedule
Depreciation Expense - Equipment	108,854	23,371	26,857	81,997	305%	From Schedule
Depreciation Expense - Office Equipment	39,942	38,869	43,982	(4,040)	-9%	From Schedule
Franchise Tax	554,032	511,655	514,679	39,353	8%	5% of Sales
Purchased Power & Transmission	7,382,945	6,671,070	6,833,875	549,070	8%	BPA est, 13% for trans & \$23,400 true up
Dues, Fees & Subscriptions	26,115	20,958	20,715	5,400	26%	Based on prior 9 month of CC fees and ORCPP
Meeting Expenses	-	29	-	-	N/A	Immaterial
401(k), Sec. 125	2,122	1,941	2,404	(282)	-12%	Monthly fees, Annual Report & Plan Reinstatement
Computer Upgrades	3,444	580	6,722	(3,278)	-49%	Printer and accessories
Maintenance of Computers	34,878	30,677	40,034	(5,156)	-13%	Maint and Support, PCS Upgrade
Software Upgrades	1,763	1,891	1,351	412	30%	Software renewals
Energy Resource Supplier Asses.	7,969	19,319	18,584	(10,615)	-57%	OR DOE ESA, WECC now on power bill
Street Maintenance Fee	7,896	7,891	7,896	-	0%	Numbers from the City
Total Departmental	8,846,072	7,886,832	8,164,710	681,362	8%	
Audit	21,000	25,500	25,500	(4,500)	-18%	Contract amount
Computer Consultants	4,266	2,324	2,880	1,386	48%	Pro rated past nine months
Legal	-	-	-	-	N/A	N/A
Other Consultants	-	-	-	-	N/A	N/A
Rate Studies	-	-	-	-	N/A	N/A
Engineering	-	-	-	-	N/A	N/A
Inspections	-	-	-	-	N/A	N/A
Total Consulting/Contract	25,266	27,824	28,380	(3,114)	-11%	
Training	2,572	22	2,572	-	0%	OMFOA, 4 for PA, CIS & APPA Fin conf
Transportation	729	38	729	-	0%	OMFOA, 4 for PA, CIS & APPA Fin conf
Total Transportation & Training	3,301	60	3,301	-	0%	
Total Finance Expense	\$ 9,103,461	\$ 8,117,687	\$ 8,415,445	\$ 688,016	8%	

**Canby Utility
Recommended FY 16 Budget
Operations - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expenses						
Total Payroll & Employer Paid Expenses	\$ 239,522	\$ 249,692	\$ 232,226	\$ 7,296	3%	Sch'd inc's and inc'd exp's
Dues, Fees & Subscriptions	60	-	60	-	0%	Based on prior year
Meeting Expenses	600	-	-	600	N/A	OMEU lunch & meeting
Office Supplies	96	-	96	-	0%	Based on prior year
Utilities	14,394	13,338	13,953	441	3%	Based on past 12 mons with increases
After Hours Dispatching	1,116	1,244	1,488	(372)	-25%	Prorated July to February FY15
One Call	204	375	300	(96)	-32%	Based on prior years
Total Departmental	16,470	14,957	15,897	573	4%	
Safety	492	67	60	432	720%	Orange & Green safety shirts W/ CUB logo
Legal	-	-	-	-	N/A	N/A
Mapping	192	-	900	(708)	-79%	Mapping paper
Other Consultants	-	-	-	-	N/A	N/A
Engineering	7,896	6,671	14,300	(6,404)	-45%	Prorated July to February FY15
Total Consulting/Contract	8,580	6,738	15,260	(6,680)	-44%	
Training	-	23	615	(615)	-100%	N/A
Transportation	6,720	5,132	5,790	930	16%	Prorated July to January FY15
Total Transportation & Training	6,720	5,155	6,405	315	5%	
Total Operations Expense	\$ 271,292	\$ 276,542	\$ 269,788	\$ 1,504	1%	

**Canby Utility
Recommended FY 16 Budget
Distribution - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Net Payroll & Employer Paid Expenses	696,424	406,237	615,676	80,748	13%	Less capitalized & Sch'd inc's and inc'd exp's
Dues, Fees & Subscriptions	-	-	-	-	N/A	N/A
Safety	27,600	22,705	25,367	2,233	9%	Average over the years and new FR gloves
Office Supplies	192	505	204	(12)	-6%	Miscellaneous supplies
Maintenance of Substations	3,288	3,721	2,160	1,128	52%	Based on prior years and weed control
Shop & Work Equipment Expenses	15,504	11,876	15,381	123	1%	Based on FY15 8 month actuals
PGE Pole Contract Agreement	396	342	384	12	3%	Based on FY14 actuals
Maintenance of Overhead Lines	8,772	3,541	6,960	1,812	26%	Based on FY15 8 month actuals
Maintenance of Underground Lines	39,000	39,297	36,000	3,000	8%	Based on FY15 8 month actuals
Maintenance of Line Transformers	1,356	746	1,603	(247)	-15%	Based on FY15 8 month actuals
Maintenance of Electric Meters	31,596	34,613	33,996	(2,400)	-7%	Based on FY15 8 month actuals
Maintenance Supervision & Engineering	-	2,216	1,872	(1,872)	-100%	\$0 used based on FY15 8 month actuals
Total Departmental	127,704	119,562	123,927	3,777	3%	
Infra-Red Scanning	3,924	-	3,576	348	10%	Based on past yrs w/ 10% inc, not done FY15
Pole Inspection & Treatment	-	-	-	-	N/A	N/A
Tree Trimming	38,352	-	-	38,352	N/A	Based on FY13 w/ 4% inc - Bureau of labor stat.
Engineering	1,200	-	1,200	-	0%	On call place holder
Metering	900	2,152	900	-	0%	Based on prior years
Other Expenses	120	950	120	-	0%	miscellaneous supplies and 8 month actuals
Arc-Flash Hazard Assessment	-	-	-	-	N/A	N/A
Paving/Road	-	-	-	-	N/A	N/A
Total Consulting/Contract	44,496	3,102	5,796	38,700	668%	
Training	8,000	99	8,030	(30)	0%	2 PGE trans, 3-4 E&O, 2 NW meter school, 1 Sub. relay
Transportation	7,250	3,472	5,720	1,530	27%	Based on FY15 8 month actuals
Total Transportation & Training	15,250	3,571	13,750	1,500	11%	
Total Distribution Expense	\$ 883,874	\$ 532,472	\$ 759,149	\$ 124,725	16%	

**Canby Utility
Recommended FY 16 Budget
Risk Management - Electric**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Dues, Fees and Subscriptions	\$ -	\$ -	\$ 773	\$ (773)	-100%	N/A
Property & Liability Insurance	31,150	23,058	28,429	2,721	10%	Per Invoice
Total Departmental	31,150	23,058	29,202	1,948	7%	
Legal	-	-	-	-	N/A	Moved to Executive Budget
Total Consulting/Contract	-	-	-	-	N/A	
Training	-	-	-	-	N/A	Not budgeting any conferences
Transportation	-	-	-	-	N/A	Not budgeting any conferences
Total Transportation & Training	-	-	-	-	N/A	
Total Risk Management Expense	\$ 31,150	\$ 23,058	\$ 29,202	\$ 1,948	7%	



**Fiscal Year 2015
Recommended**

Water Operating Budget see pages 24-25
Statement of Operations and Changes In Net Assets - Water

Water Capital Budget see pages 26-28

Water Cash Reserve Calculation see page 29

Departmental Summary - Water see pages 30-31
Followed by detailed departmental budgets see pages 32-40

Canby Utility
Recommended FY 16 Budget
Statement of Operations and Changes In Net Assets - Water

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
OPERATING REVENUES						
Residential	1,761,470	\$ 1,487,237	\$ 1,619,537	\$ 141,933	9%	FY12 with base charge increase
Commercial	314,542	282,577	310,102	4,439	1%	FY12 with base charge increase
Industrial	35,155	30,998	32,219	2,936	9%	FY12 with base charge increase
Municipal	29,886	24,057	25,855	4,032	16%	FY12 with base charge increase
Multi-Family	482,209	454,018	449,872	32,337	7%	FY12 with base charge increase
Irrigation/Hydrant	80,004	74,152	65,752	14,252	22%	FY12 with base charge increase
Unbilled Revenue	-	9,756	-	-	N/A	Unknown Until FY Year-End
Total Water Usage Sales	2,703,266	2,362,795	2,503,337	199,929	8%	
Other Water Revenue	-	-	-	-	N/A	No Change
Total Other Water Revenues	-	-	-	-	N/A	
Total Operating revenues	2,703,266	2,362,795	2,503,337	199,929	8%	
Operating expenses:						
Board of Directors	2,549	2,847	3,301	(752)	-23%	See Departmental Page
Executive	70,534	52,489	77,663	(7,129)	-9%	See Departmental Page
Administrative	78,596	70,533	82,314	(3,718)	-5%	See Departmental Page
Customer Service	158,943	143,609	151,791	7,152	5%	See Departmental Page
Finance	891,353	819,663	849,145	42,208	5%	See Departmental Page
Operations	143,106	88,959	133,493	9,613	7%	See Departmental Page
Distribution	352,403	363,436	295,814	56,589	19%	See Departmental Page
Water Treatment Plant	822,820	803,070	810,856	11,964	1%	See Departmental Page
Risk Management	29,448	25,876	29,191	257	1%	See Departmental Page
Total Operating Expenses	2,549,752	2,370,482	2,433,568	116,184	5%	
Operating Income/(Loss)	153,514	(7,687)	69,769	83,745	120%	
Operating Margin	6%	0%	3%			
NON-OPERATING REVENUES & EXPENSES						
Material Sales	-	1,968	180	(180)	-100%	Based on May 2014 thru April 2014
Billed for Dig In's	-	3,679	600	(600)	-100%	Based on May 2014 thru April 2015
Custom Work Sales	-	(115)	504	(504)	-100%	Based on May 2014 thru April 2016
Misc. Other Sales	-	34,209	-	-	N/A	Unknown
Inspection Fees	2,400	2,319	996	1,404	141%	Based on Prior years
Sewer Billing Fees - City	-	-	-	-	N/A	No Change
Material Sales Costs	-	(2,485)	(180)	180	-100%	Based on May 2014 thru April 2014

Canby Utility
Recommended FY 16 Budget
Statement of Operations and Changes In Net Assets - Water

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Misc. Other Costs	-	(193)	-	-	N/A	Based on May 2014 thru April 2015
Inspection Fees Cost	(2,400)	(5,534)	(996)	(1,404)	141%	Based on Prior years
Interest Income	10,033	10,148	10,925	(892)	-8%	Rate applied to estimated cash on hand
Gain On Disposition of Property	-	8,624	8,500	(8,500)	-100%	Immaterial amount expected
Loss On Disposition of Property	-	298	-	-	N/A	Unknown
Other Deductions	(750)	(6,001)	(6,498)	5,748	-88%	2007 Bond Admin Fees
Interest Expense	(131,413)	(177,976)	(137,094)	5,681	-4%	Refunding 2004 Bond savings
Total Non-Operating Revenues & Expenses	(122,130)	(131,059)	(123,063)	933	-1%	
Net Income/(Loss) before Capital Contributions	31,383	(138,746)	(53,294)	84,677	-159%	
Capital Contributions						
Hook-up Fees	7,848	13,837	10,900	(3,052)	-28%	36 new meter sets
Contribution From Others	118,702	31,432	56,198	62,504	111%	
SDC Fees	129,276	132,267	187,500	(58,224)	-31%	36 new connects
Total Capital Contributions	255,826	177,536	254,598	1,228	0%	
Change in Net Assets	\$ 287,209	\$ 38,790	\$ 201,304	\$ 85,905	43%	

Cash Flow:

Cash and Investments Estimate June 30, 2014	\$ 2,219,474
	\$ 2,219,474
Cash Used For Capital Purchases	(736,502)
Change in Net Assets	287,209
Add/Subtract Non-Cash Items:	
Add Back Depreciation	644,965
Principle Payments on Water Bonds	(315,000)
Net Cash Generated/(Used)	(119,328)
Total Estimated End Of FY15 Cash & Investments	\$ 2,100,146

Canby Utility Water System FY 16 Recommended Capital Budget							
Project Name	Description of Project	Labor	Materials	Transportation Charges	Labor Overheads 67.13%	Contractor Costs	Project Cost
Executive - Projects							
Willamette River Reallocation	Recommending to fund a contribution to the Oregon Water Utilities Council as part of a joint effort by several entities holding Willamette River water rights. It is a share of matching funds for a U.S. Army Corps of Engineers Willamette River reallocation analysis to make stored water available by contract during times when water is otherwise limited by a water permit. For example, CU's Willamette River water permit limits available water from July through October, our peak water use period. By aiding in this joint effort, CU supports the opportunity to potentially contract for water availability not otherwise available with our permit under certain river flow conditions.	\$ -	\$ -	\$ -	\$ -	\$ 1,270	\$ 1,270
Finance - Projects							
Machine to fold and stuff billing statements and reporter/flyers. 75E/25W	Current machine has been repaired several times last year and is not dependable, it is recommended to purchase a new machine.	-	-	-	-	3,750	3,750
Operations - Projects							
Security cameras 75E/25W	Currently the shops complex office building has no video surveillance. It is recommended to install two additional security cameras to provide video coverage of the front desk and front doors/access area. These additional cameras are needed due to the isolated location of the shops complex, at times there may only be one individual in the building, and the building design provides no intrusion barrier to inhibit access to the entire building. Additionally, these cameras will provide documentation of visitor behavior and employee response.	-	-	-	-	325	325
Operations - Capital Equipment							
No items		-	-	-	-	-	-
Distribution - Projects							
3 Mainline Replacement	Continuation of Water Master Plan recommendation to replace aging water mains. Lines to be replaced are chosen based on age, material type, leak/failure history and projected improvement to system. This years candidates are NE 9th Place from Pine to Molalla Forest Rd. , NE 16th from Maple to Manzanita, finish transfer of services to newer main and abandon problematic old steel line NE Maple from NE 10th to NE 16th and replace 1025 feet of 6" steel with 8" Ductile Iron.	70,000	212,000	12,000	46,991	10,227	351,218
6 Upgrade Two Large Metering Vaults	These metering installations have various issues including inadequate working space, no meter by-pass, lack of front shut off valves and plumbing arrangements that could be causing poor metering accuracy.	6,666	20,800	6,900	4,475	-	38,841
7 Water Quality Sampling Stations	Purchase and install 2 water quality sampling stations to provide sanitary sampling locations as opposed to the current practice of using residential or commercial faucets which carry the potential of a false positive reading being reported to the state.	433	2,400	333	291	-	3,457
2 City Street Resurfacing	In advance of City of Canby street resurfacing projects at various locations throughout the year Canby Utility will need to replace damaged/deteriorated valve cans.	5,000	1,000	2,500	3,357	-	11,857

Canby Utility Water System FY 16 Recommended Capital Budget							
Project Name	Description of Project	Labor	Materials	Transportation Charges	Labor Overheads 67.13%	Contractor Costs	Project Cost
4 FY15 Carry Over - Emergency Well Water Treatment	Provide the Utility with a transportable well water treatment plant capable of providing 250 gpm of potable water. In the event of a major earthquake this unit may be the only potable water production available to us, at least in the short term. This unit will be complete with it's own power supply and necessary pumps. This unit will be set up to pump to the system or to an isolated section of distribution piping with public drive up distribution points. The FY16 request contains approx. \$20,555 of unspent FY15 funds and a request for an additional \$45,000. Project cost escalators encountered included the up-sizing of the stand-by power unit to accommodate starting of selected wells pumps, an increase in the system control complexity to allow un-manned operation under certain operating conditions and Canby School District has agreed to allow storage of the facility next to our #1 well pick at Baker Prairie in exchange for some modest site preparation and some cosmetic concerns.	4,000	7,950	989	2,685	50,000	65,624
5 FY15 Carry Over - Transition to GIS Mapping	Canby Utility's current mapping software, GeoMedia, is not well supported, expensive and not user friendly. Each user's computer requires a separate annual license making it expensive to make available to multiple users. We are still in the process of researching our options, but have great interest in what the City of Troutdale has gone to. It would be a multi-year transition starting with the "data gathering" via a 3D scan of the City and purchase of the ArcGIS Software. This move to GIS mapping also provides "knowledge retention" due to the identification and exact locating of our physical plant.	10,000	8,000	1,000	6,713	8,000	33,713
1 NE 10th Improvement / Rebuild	City of Canby plans a July 1 start of curbs and sidewalks from Ivy to Locust and a complete rebuild from Locust to Maple. This will impact 37 meter locations, 19 service laterals and 4 fire hydrants.	18,000	24,000	8,000	12,083	-	62,083
Distribution - Capital Equipment							
Large Pavement / Concrete saw.	Purchase a used walk behind pavement / concrete saw to be used for the larger street opening projects such as mainline replacements. Our existing saw is too under powered, light weight and unstable for safe operation on the thicker pavement and uneven surfaces often encountered. It is recommended to buy a used unit, make any needed repairs and have only a 4 year payback over rentals.	-	8,000	-	-	-	8,000
Purchase 3 pt. Mount 5' Rotary Mower Brush Attachment	It is recommended to purchase a 5' rotary mower to aid in the maintenance of the CU properties. The flail mower purchased with our mowing tractor has proven to be not well suited to all the varied ground and vegetation conditions encountered in the maintenance of CU's properties. Purchase of this 5' rotary brush mower will aid greatly in the maintenance of the bottomlands roadways and other locations when the grass gets too tall for the flail mower to mow at a reasonable pace. The rotary mower should save both mowing time and repair/maintenance costs.	-	463	-	-	-	463
Hand Held Concrete Saw	Replaces water departments unit that has become unreliable and difficult to repair.	-	1,200	-	-	-	1,200
Trench Shoring Sheets	Purchase OSHA approved panels to be used with trench shoring jacks / frames. Current use of plywood sheets is not allowed.	-	1,400	-	-	-	1,400
Road Work Signage	This purchase replaces worn out signage and adds some new signs required to properly direct/instruct traffic at construction sites.	-	3,200	-	-	-	3,200
Data Loggers	Data Loggers record pressure readings over time. These aid in diagnostics of customer complaints and system conditions.	-	1,300	-	-	-	1,300
Walk Behind Plate Compactor	This compactor is used to safely and effectively compact dirt, gravel and asphalt patches in trench lines and excavations.	-	5,100	-	-	-	5,100
WTP							

Canby Utility Water System FY 16 Recommended Capital Budget							
Project Name	Description of Project	Labor	Materials	Transportation Charges	Labor Overheads 67.13%	Contractor Costs	Project Cost
Capital Expenditure Modifications	Capital Draw-down upon request Per VEOLIA WATER O&M Service Agreement.	-	-	-	-	25,000	25,000
CONTRIBUTED CAPITAL							
Various Residential Connects	Estimate 36 new connects / meter sets.	1,029	1,080	514	690	-	3,313
Civic Center / Library	Provide water service to new Canby Civic Center / Library	2,000	7,700	-	1,343	-	11,043
Pine Meadows - Phase II	17 lot subdivision - NE Pine Street	1,700	-	-	1,141	-	2,841
Faist SE 13th Ave	30 lot subdivision - FY15 carry over	3,000	-	-	2,014	-	5,014
Fred Meyer Gas Station	Provide water service to a new Fred Meyer Gas Station to be located at 99E and S. Locust. FY15 Carry Over.	500	-	-	336	-	836
Eli Subdivision	10 lot subdivision - SE 15th and Juniper	1,000	-	-	671	-	1,671
McDonalds Rebuild	McDonalds plans to proceed with replacement of building. Plans call for a new 2" main to meter, 2" meter, and a 4" fire service.	2,500	7,500	1,500	1,678	-	13,178
Emeralds Gardens	15 Unit Condo Project - SE 3rd and 4th East of Locust	5,300	16,400	5,400	3,558	-	30,658
Trend Building C	Trend Development may be adding a new building this year.	1,000	4,300	800	671	-	6,771
Canby Mini Storage	Plans to develop a 5 acre site off of SE 1st just east of the Providence Medical	5,600	10,400	3,000	3,759	-	22,759
Hope Village Duplexes	Install 2" main to meter, setting a 2" meter and a 4" or 6" fire service	2,800	8,000	1,800	1,880	-	14,480
Western Mini Storage	Expansion of Western Mini Storage requiring new three phase 120/208v service	1,015	1,925	981	681	-	4,602
Canby Square Building Replacement	Plans for a new 5,000 sq. ft. commercial building at the site of the old Hoi Tin restaurant. Will require new fire service.	500	300	400	336	-	1,536
Total		\$ 142,043	\$ 354,418	\$ 46,117	\$ 95,353	\$ 98,572	\$ 736,502

Procedure 520
Attachment 1

Canby Utility
Cash Reserve Procedure

Cash Reserve Calculation

The Recommended FY16 Cash Reserve Calculation

The cash reserve calculations are targeted end of year balances at June 30, 2016.

Water	Input	Pro-rate	Policy	Reserve Dollars	Basis
Annual O&M Expenditures (excluding depreciation)	\$ 1,904,787	365	120	\$ 626,231	Budget 2016
Rate Base Factor for Catastrophic Event	Assets 28,779,763	Depre 8,890,588	Depre/Assets 30.9%	Assumption 2.0%	575,595 May 2014 Balance Sheet w/ WIP
Debt Service Highest Payment		10/1/2016	4/1/2017		
	Series 2007	\$189,201	\$41,519		
	Series 2014	\$198,355	\$18,174		
		\$387,556.00	\$59,693.00	-	Not funding due to low reserves
Water Revenue Bonds, Series 2014 Reserve				195,100	Bond requirement, to be moved to Willamette when the bond is paid off.
Capital Improvements	2011-2015	\$2,420,000	20.0%	484,000	484,000 1/5 of 5 year CIP
Vehicle/Equipment Replacement Program				146,641	Rotation Schedule
Total Before Project Reserve				2,027,568	
Project Reserve				72,579	Remainder for Willamette
Targeted Cash Reserve				\$ 2,100,146	
				Estimated cash at Budgeted Fiscal Year End 2016	\$ 2,100,146
				Over / (Under) target	-
Minimum Cash Reserve \$2,000,000				Over / (Under) minimum	\$ 100,146

Canby Utility
Recommended FY 16 Budget
Department Summary - Water

Categories	Board of Directors	Executive	Administrative	Customer Service	Finance	Operations	Distribution	WTP	Risk Mgt	Total by Category	% Change FY16 vs. FY15	\$ Change FY16 vs. FY15
Wages - Expense		\$ 35,881	\$ 20,541	\$ 74,155	\$ 54,154	\$ 86,778	\$ 344,689	\$ -	\$ -	\$ 616,198	13.19%	\$ 71,823
PERS		8,267	4,728	14,388	9,340	14,958	67,045			118,726	22.47%	21,780
Medical/Vision Insurance		4,752	5,472	21,243	7,393	20,105	91,965			150,930	20.42%	25,596
Dental Insurance		360	424	1,495	556	1,383	5,980			10,198	13.64%	1,224
Life Insurance		43	23	260	65	228	1,046			1,665	-15.27%	(300)
Worker's Comp		69	44	241	102	209	8,965			9,630	9.71%	852
Taxes State Unemployment		31	19	68	62	81	340			601	-87.61%	(4,248)
Taxes FICA/Medicare		2,743	1,568	5,680	4,137	6,638	26,282			47,048	13.13%	5,460
City Transit		217	116	444	319	514	2,063			3,673	12.91%	420
HRA VEBA		72	72	384	156	372	1,752			2,808	12.50%	312
Subtotal Employer-Paid Expenses	-	16,554	12,466	44,203	22,130	44,488	205,438	-	-	345,279	17.37%	51,096
Wages - Capitalized							(248,148)			(248,148)	25.09%	(49,776)
Net Total Payroll & Employer-Paid Expenses	-	52,435	33,007	118,358	76,284	131,266	301,979	-	-	713,329	11.43%	73,143
401 (k)					849					849	5.47%	44
Dues, Fees & Subscriptions	204	281	1,946	-	5,301	-	600		-	8,332	-11.89%	(1,124)
Meeting Expenses		281	190	18	-	-				489	12.67%	55
Safety			374	100		162	6,600			7,236	1.44%	103
Special Events			3,985							3,985	43.09%	1,200
Office Supplies			1,800			1,785	60			3,645	-2.31%	(86)
Postage				19,500						19,500	30.00%	4,500
Printing & Stationery Supplies			2,243	-						2,243	-25.11%	(752)
Customer Info				500						500	0.00%	-
Customer Relations				-						-	-100.00%	-
School/Comm				500						500	0.00%	-
Share the Warmth				10,000						10,000	0.00%	-
Water Promotion				104						104	-100.00%	104
Maint. Of Office Equipment			2,759							2,759	4.75%	125
Shop & Work Equipment Expenses							6,240			6,240	-30.16%	(2,695)
Maint. Of Bldgs. & Grounds			18,447							18,447	-8.97%	(1,818)
Utilities			1,937			3,470				5,407	-12.56%	(777)
After Hours Dispatching						420				420	-14.63%	(72)
One Call						125				125	-5.30%	(7)
Property & Liability Insurance									29,448	29,448	1.78%	515
Reporters				3,885						3,885	-14.12%	(639)
Bad Debts				3,640						3,640	124.69%	2,020
Computer Supplies			1,250							1,250	0.16%	2
Computer Upgrades					1,149					1,149	-48.73%	(1,092)
Maintenance of Computers					11,625					11,625	-12.88%	(1,718)
Software Upgrades					588					588	30.48%	137
Telephone			7,905							7,905	-9.88%	(867)
Franchise Tax					135,163					135,163	7.99%	9,997
Hazardous Substance Fee					-					-	-100.00%	-
Director Fees	1,260									1,260	0.00%	-
Other Expenses	243						120			363	-76.92%	(1,210)
Depreciation					644,965					644,965	5.49%	33,574

Canby Utility
Recommended FY 16 Budget
Department Summary - Water

Categories	Board of Directors	Executive	Administrative	Customer Service	Finance	Operations	Distribution	WTP	Risk Mgt	Total by Category	% Change FY16 vs. FY15	\$ Change FY16 vs. FY15
Trade Organizations		2,730								2,730	-5.80%	(168)
Cash Over/Short				-						-	-100.00%	(30)
Uncollectible Accounts				-						-	-100.00%	-
Maint. Of Distribution Mains							4,200			4,200	-37.61%	(2,532)
Maintenance of Water Services							11,100			11,100	16.65%	1,584
Maintenance of Water Meters							8,208			8,208	125.74%	4,572
Maintenance of Water Hydrants							4,104			4,104	-0.87%	(36)
Equipment Rental							-			-	-100.00%	-
Street Maintenance Fee					6,252					6,252	0.00%	-
Maintenance, Supervision & Engineering							-			-	-100.00%	-
Total Departmental Expenses	1,707	3,292	42,836	38,247	805,892	5,962	41,232	-	29,448	968,616	4.64%	42,909
Audit					7,000					7,000	-17.65%	(1,500)
Computer Consultants					1,422					1,422	48.13%	462
Labor Negotiations			500							500	-82.59%	(2,372)
Legal		11,994			-	1,800			-	13,794	95.41%	6,735
Mapping						432				432	0.00%	-
Other Consultants (Maint Material & Exp's WTP)		634	1,375		-	-		6,850		8,859	-1.12%	(100)
Rate Studies					-					-	-100.00%	-
Regulatory								-		-	-100.00%	(3,000)
Translation Services				30						30	-33.33%	(15)
Veolia Water NA								815,970		815,970	1.71%	13,689
Marketing		-								-	-100.00%	(15,000)
Engineering					-	-				-	-100.00%	-
Leak Detection Survey							-			-	-100.00%	-
Inspections					-					-	-100.00%	-
Office Contract Help										-	-100.00%	-
Paving/Road							-			-	-100.00%	-
Total Consulting/Contract	-	12,628	1,875	30	8,422	2,232	-	822,820	-	848,007	-0.13%	(1,101)
Training	324	960	465	1,521	548	1,750	3,192		-	8,760	44.36%	2,692
Transportation	518	1,219	413	787	207	1,896	6,000		-	11,040	-11.67%	(1,459)
Total Transportation & Training	842	2,179	878	2,308	755	3,646	9,192	-	-	19,800	6.64%	1,233
Total Operating Expenses	\$ 2,549	\$ 70,534	\$ 78,596	\$ 158,943	\$ 891,353	\$ 143,106	\$ 352,403	\$ 822,820	\$ 29,448	\$ 2,549,752	4.77%	\$ 116,184

**Canby Utility
Recommended FY 16 Budget
Board of Directors - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Director Fees	\$ 1,260	\$ 1,240	\$ 1,260	\$ -	0%	Based on Meetings
Total Director Fees	1,260	1,240	1,260	-	0%	
Dues, Fees & Subscriptions	204	-	204	-	0%	AWWA, Leadership guides, books, etc.
Other Expenses	243	1,588	1,453	(1,210)	-83%	Bd Mtg Refreshments, no tablets, lamp
Total Departmental	447	1,588	1,657	(1,210)	-73%	
Training	324	-	180	144	80%	SDAO Conf (2)
Transportation	518	19	204	314	154%	SDAO Conf (2)
Total Transportation & Training	842	19	384	458	119%	
Total Board of Directors Expenses	\$ 2,549	\$ 2,847	\$ 3,301	\$ (752)	-23%	

**Canby Utility
Recommended FY 16 Budget
Executive - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 52,435	\$ 43,121	\$ 48,631	\$ 3,804	8%	New contract salary
Dues, Fees & Subscriptions	281	672	362	(81)	-22%	No CH this year, Review of exp, MRA
Meeting Expenses	281	208	226	55	24%	New GM, Add'l Meetings possible
Total Departmental Expenses	562	880	588	(26)	-4%	
Legal	11,994	5,185	7,059	4,935	70%	Inc for Water Asset Ownership
Other Consultants	-	-	15,000	(15,000)	-100%	Not hiring consultant
Marketing	634	92	1,628	(994)	-61%	Closer to actual per schedule
Total Consulting/Contract	12,628	5,277	23,687	(11,059)	-47%	
LOC	131	125	150	(19)	-13%	Actual, +5%
LGPI	271	252	275	(4)	-1%	Actual, +5%
OAWU	977	920	925	52	6%	Actual, +5%
SDAO	226	-	258	(32)	-12%	Actual, +5%
Tri County	75	75	75	-	0%	0 pd in FY 15, unsure if there is \$ for FY 16
AWWA	350	339	350	-	0%	Actual, +5%
OWUC	700	700	700	-	0%	No change for FY 16
ICMA	-	164	165	(165)	-100%	Discontinued membership
Total Trade Organizations	2,730	2,575	2,898	(168)	-6%	
Training	960	156	650	310	48%	SDAO Conf, NWWH, GM new to Water
Transportation	1,219	480	1,209	10	1%	Based on training locations
Total Transportation & Training	2,179	636	1,859	320	17%	
Total Executive Expenses	\$ 70,534	\$ 52,489	\$ 77,663	\$ (7,129)	-9%	

**Canby Utility
Recommended FY 16 Budget
Administrative - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 33,007	\$ 29,670	\$ 31,303	\$ 1,704	5%	2.5% COLA and inc'd exp's
Dues, Fees & Subscriptions	1,946	217	1,807	139	8%	Milliman Survey, Recruit for water worker
Meeting Expenses	190	-	190	-	0%	No change
Safety	374	182	374	-	0%	No change
Special Events	3,985	2,014	2,785	1,200	43%	45th Customer Apprec Event
Office Supplies	1,800	1,832	2,361	(561)	-24%	LH desk, Ops chairs purchased last year
Printing & Stationery Supplies	2,243	1,704	2,245	(2)	0%	No change
Maint. Of Office Equipment	2,759	2,000	2,634	125	5%	Pitney B. Actual + 5%
Maint. Of Bldgs. & Grounds	18,447	20,061	20,265	(1,818)	-9%	Lower HVAC; Racks, Pkg lot & Wall repair done
Utilities	1,937	1,751	1,895	42	2%	Based on past 12 mons with increases
Computer Supplies	1,250	1,155	1,248	2	0%	No change
Telephone	7,905	7,144	8,772	(867)	-10%	Closer to actual, new water worker phone
Total Departmental	42,836	38,060	44,576	(1,740)	-4%	
Labor Negotiations	500	1,189	2,872	(2,372)	-83%	No labor negotiations, place holder for misc
Other Consultants	1,375	874	1,756	(381)	-22%	GM 360, No salary survey
Total Consulting/Contract	1,875	2,063	4,628	(2,753)	-59%	
Training	465	444	1,096	(631)	-58%	No SHRM Conf
Transportation	413	296	711	(298)	-42%	No SHRM Conf
Total Transportation & Training	878	740	1,807	(929)	-51%	
Total Administrative Expenses	\$ 78,596	\$ 70,533	\$ 82,314	\$ (3,718)	-5%	

**Canby Utility
Recommended FY 16 Budget
Customer Service - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 118,358	\$ 111,247	\$ 116,522	\$ 1,836	2%	Sch'd inc's offset by less mtr reading time
Dues, Fees & Subscriptions	-	-	-	-	N/A	N/A
Meeting Expenses	18	12	18	-	0%	6 office staff meetings @ \$3
Office Supplies	100	768	50	50	100%	Ink Postage Machine, Moved Stmt's Exp
Postage	19,500	12,634	15,000	4,500	30%	Addtl for CC Program and possible Inc
Reporters	3,885	2,945	4,524	(639)	-14%	Additional Reporter & Increase in Rates
Bad Debt	3,640	3,752	1,620	2,020	125%	Based on History
Cash Over/Short	-	-	30	(30)	-100%	N/A
Uncollectible Accounts	-	2	-	-	N/A	Immaterial
Total Departmental	27,143	20,113	21,242	5,901	28%	
Printing & Stationery Supplies	-	114	750	(750)	-100%	No Stmt's Needed Until FY17
Translation Services	30	10	45	(15)	-33%	Place Holder, Zero use FY15
Outside Services Employed	-	-	-	-	N/A	N/A
Office Contract Help	-	-	-	-	N/A	N/A
Total Consulting/Contract	30	124	795	(765)	-96%	
Training	787	385	488	299	61%	2 CSR's to high bill class & 3 C's conf
Transportation	1,521	1,246	1,744	(223)	-13%	2 CSR's to high bill class & 3 C's conf & inc
Total Transportation & Training	2,308	1,631	2,232	76	3%	
Customer Info	-	-	-	-	N/A	N/A
Customer Relations	500	494	500	-	0%	Same as last FY
School/Comm	500	-	500	-	0%	Same as last FY
Share the Warmth	10,000	10,000	10,000	-	0%	Same as last FY
Water Promotion	104	-	-	104	N/A	Brochures/Coloring Books for Kids
Total Programs	11,104	10,494	11,000	104	1%	
Total Customer Service Expenses	\$ 158,943	\$ 143,609	\$ 151,791	\$ 7,152	5%	

**Canby Utility
Recommended FY 16 Budget
Finance - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 76,284	\$ 67,499	\$ 73,056	\$ 3,228	4%	2.5% COLA and inc'd exp's
Depreciation Expense - Plant	295,772	407,464	412,068	(116,296)	-28%	From Schedule
Depreciation Expense - Transportation Equipment	22,819	-	-	22,819	N/A	From Schedule
Depreciation Expense - Office Equipment	13,367	13,655	14,251	(884)	-6%	From Schedule
Depreciation Expense - WTP	313,007	180,096	185,072	127,935	69%	From Schedule
Franchise Tax	135,163	117,651	125,166	9,997	8%	5% of Sales
Dues, Fees & Subscriptions	5,301	5,395	6,225	(924)	-15%	Based on prior 9 month of CC fees and ORCPP
Meeting Expenses	-	10	-	-	N/A	Immaterial
401(k), Sec. 125	849	658	805	44	5%	Monthly fees, Annual Report & Plan Reinstatement
Computer Upgrades	1,149	107	2,241	(1,092)	-49%	Printer and accessories
Maintenance of Computers	11,625	10,956	13,344	(1,718)	-13%	Maint and Support, PCS Upgrade
Software Upgrades	588	630	450	137	30%	Software renewals
Hazardous Substance Fee	-	-	-	-	N/A	
Street Maintenance Fee	6,252	6,247	6,252	-	0%	Numbers from the city
Total Departmental	805,892	742,869	765,874	40,018	5%	
Audit	7,000	8,500	8,500	(1,500)	-18%	Contract amount
Computer Consultants	1,422	775	960	462	48%	Pro rated past nine months
Legal	-	-	-	-	N/A	N/A
Other Consultants	-	-	-	-	N/A	N/A
Rate Studies	-	-	-	-	N/A	N/A
Engineering	-	-	-	-	N/A	N/A
Inspections	-	-	-	-	N/A	N/A
Total Consulting/Contract	8,422	9,275	9,460	(1,038)	-11%	
Training	548	7	548	-	0%	OMFOA, 4 for PA & CIS
Transportation	207	13	207	-	0%	OMFOA, 4 for PA & CIS
Total Transportation & Training	755	20	755	-	0%	
Total Finance Expense	\$ 891,353	\$ 819,663	\$ 849,145	\$ 42,208	5%	

**Canby Utility
Recommended FY 16 Budget
Operations - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Total Payroll & Employer Paid Expenses	\$ 131,266	\$ 82,932	\$ 125,026	\$ 6,240	5%	Sch'd inc's and inc'd exp's
Dues, Fees & Subscriptions	-	-	-	-	N/A	N/A
Meeting Expenses	-	-	-	-	N/A	N/A
Office Supplies	1,785	-	1,310	475	36%	BBQ clean up E50/W50 \$100 Tri-Fold Info CCBF \$1685
Utilities	3,470	3,700	4,289	(819)	-19%	Based on past 12 mons with increases
After Hours Dispatching	420	415	492	(72)	-15%	Based on prior years
One Call	125	125	132	(7)	-5%	Based on prior years
Total Departmental	5,800	4,240	6,223	(423)	-7%	
Safety	162	67	132	30	23%	Monthly safety meeting refreshments
Legal	1,800	-	-	1,800	N/A	Potential CC-BF issues
Mapping	432	-	432	-	0%	New crew plot maps
Other Consultants	-	-	-	-	N/A	N/A
Engineering	-	-	-	-	N/A	N/A
Total Consulting/Contract	2,394	67	564	1,830	324%	
Training	1,750	7	-	1,750	N/A	E&O Conf
Transportation	1,896	1,713	1,680	216	13%	E&O Conf, Car Washes, Auto Detailing
Total Transportation & Training	3,646	1,720	1,680	1,966	117%	
Total Operations Expense	\$ 143,106	\$ 88,959	\$ 133,493	\$ 9,613	7%	

**Canby Utility
Recommended FY 16 Budget
Distribution - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Net Payroll & Employer Paid Expenses	301,979	310,005	245,648	56,331	23%	Less capitalized & Sch'd inc's and inc'd exp's
Dues, Fees & Subscriptions	600	655	600	-	0%	WD Renewals, CC Renewals, AWWA - 5 workers
Safety	6,600	4,152	6,577	23	0%	Safety CDL Phy, Hearing Test, Fire Extg, Awards,
Office Supplies	60	122	60	-	0%	ESCI, Rain Gear, Signs
Shop and Work Equipment Expenses	6,240	7,312	8,935	(2,695)	-30%	Incidentals
Maintenance of Distribution Mains	4,200	11,599	6,732	(2,532)	-38%	Hyd. Mtr. Testing, Shop Exp's, Radio Syst.
Maintenance of Water Services	11,100	12,562	9,516	1,584	17%	Based on PY's & Adj'd for Reasonableness
Maintenance of Water Meters	8,208	3,675	3,636	4,572	126%	Based on PY's & Adj'd for Reasonableness
Maintenance of Water Hydrants	4,104	8,920	4,140	(36)	-1%	Based on PY's & Adj'd for Reasonableness
Equipment Rental	-	6	-	-	N/A	N/A
Maintenance Supervision & Engineering	-	-	-	-	N/A	N/A
Total Departmental	41,112	49,003	40,196	916	2%	
Other Expenses	120	544	120	-	0%	Place Holder
Leak Detection Survey	-	-	-	-	N/A	N/A
Paving / Road	-	-	-	-	N/A	N/A
Total Consulting/Contract	120	544	120	-	0%	
Training	3,192	2,080	1,850	1,342	73%	Seminars, CC Spec. Training, CEU's for 5 employees
Transportation	6,000	1,804	8,000	(2,000)	-25%	W/O Costs, Seminars/Training - Dates Unknown
Total Transportation & Training	9,192	3,884	9,850	(658)	-7%	
Total Distribution Expenses	\$ 352,403	\$ 363,436	\$ 295,814	\$ 56,589	19%	

**Canby Utility
Recommended FY 16 Budget
Water Treatment Plant**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Maint. Material and Expenses	\$ 6,850	\$ 4,988	\$ 5,575	\$ 1,275	23%	Clean 1 backwash pond
Regulatory	-	4,506	3,000	(3,000)	-100%	
Veolia Water NA	815,970	783,145	802,281	13,689	2%	Annual Fee Adjustment 3.84%
Total Consulting/Contract	822,820	792,639	810,856	11,964	1%	
Other Expenses	-	10,431	-	-	N/A	
Total WTP Expenses	\$ 822,820	\$ 803,070	\$ 810,856	\$ 11,964	1%	

**Canby Utility
Recommended FY 16 Budget
Risk Management - Water**

Description	Recommended FY16 Budget	FY14 Actual	Approved FY15 Budget	Increase (Decrease) FY16 - FY15	% Increase (Decrease) FY16 - FY15	Notes
Expense:						
Dues, Fees & Subscriptions	\$ -	\$ 319	\$ 258	\$ (258)	-100%	N/A
Property & Liability Insurance	29,448	25,557	28,933	515	2%	Per Invoice
Total Departmental	29,448	25,876	29,191	257	1%	
Legal	-	-	-	-	N/A	Moved to Executive Budget
Total Consulting/Contract	-	-	-	-	N/A	
Training	-	-	-	-	N/A	Not budgeting any conferences
Transportation	-	-	-	-	N/A	Not budgeting any conferences
Total Transportation & Training	-	-	-	-	N/A	
Total Risk Management Expenses	\$ 29,448	\$ 25,876	\$ 29,191	\$ 257	1%	



MEMORANDUM

June 19, 2015

TO: Chairperson Cornelius, Member Maxwell, Member Potter, Member Daniels, and Member Brito

FROM: Carol Sullivan, Finance Manager

SUBJECT: Update Banking and Investment Accounts

Recommendation to authorize the following four banking and investment items:

- 1) Authorize the Board Secretary to sign updated Columbia Bank checking account agreements to add Daniel P. Murphy as a signer
- 2) Authorize Finance Manager to add Daniel P. Murphy to on-line banking and activate token used to perform on-line banking business
- 3) Authorize Board Secretary to apply for a company credit card for Daniel P. Murphy
- 4) Authorize the Chairperson to sign a letter updating the Local Government Investment Pool authorized account signers; allowing Carol R. Sullivan and Daniel P. Murphy to initiate information changes, removing Barbara Benson

Background: Daniel P. (Dan) Murphy is our new General Manager for Canby Utility. As such, there is several banking and investment functions that need to be updated as outlined in the recommendation.

I will answer any questions the Board may have during the regular board meeting.



Memorandum

June 18, 2015

To: Chairperson Cornelius, Member Maxwell, Member Potter, Member Daniels, and Member Brito

From: Carol Sullivan, Finance Manager

Subject: Quarterly Financial Update as of March 30, 2015 Fiscal Year 2015

Please find attached the Executive Financial Summary through March 30, 2015, the Utility's first nine months of fiscal year 2015. The report is cumulative to date and gives a quick overview of profit and loss resulting from operations and capital contributions, a comparison to budget with notes, and cash reserves compared to the budget target and minimum. For monthly information refer to the financial packet sent via e-mail.

I will present these at the next board meeting and will be available for comments or to answer any questions.

Canby Utility Executive Financial Summary
Profit (Loss) Resulting From Operations and Capital Contributions***
Year To Date Month Ending March 2015

Legend	
	= Electric
	=Water

Electric

Profit (Loss) From Operations

	Revenue	Expense	Operating Profit (Loss)
\$	7,992,224	\$ 7,584,155	\$ 408,069

Operations And Capital Contributions***

	Operating Profit (Loss)	Capital Contributions	Net Income (Loss)
\$	408,069	\$ 218,638	\$ 626,707

Water

Profit (Loss) From Operations

	Revenue	Expense	Operating Profit (Loss)
\$	2,076,938	\$ 1,955,983	\$ 120,955

Operations And Capital Contributions ***

	Operating Profit (Loss)	Capital Contributions	Net Income (Loss)
\$	120,955	\$ 81,986	\$ 202,941

*****Capital Contributions** are contributions of capital, in the form of money or assets/infrastructure to Canby Utility from a customer or a vendor.

**Canby Utility Executive Financial Summary
 Profit (Loss) Resulting From Operations With Capital Contributions Compared To Budget
 Year To Date Month Ending March 2015**

Electric

Net Income (Loss)	Budget	Over (Under) Budget
\$ 626,707	\$ 358,124	\$ 268,583

Notes : Our net income year to date is over budget even though revenue is under budget, because the expenses were significantly under and this was only slightly offset by capital contributions being under budget.

Revenue is under budget due to less electric kWh sales than anticipated.

Operating expenses are under budget mainly due to less purchase power expense, more labor being capitalized, the General Manager position vacancy and lower conservation payments.

Capital contributions are under budget due to a journal entry to move street lights sold to the proper account.

Water

Net Income (Loss)	Budget	Over (Under) Budget
\$ 202,941	\$ 211,434	\$ (8,492)

Notes : Our net income year to date is under budget; even though revenue is over budget, our expenses are also over budget, this combined with capital contributions being under budget caused the net income to be under budget.

Revenue is above budget due to higher water consumption than budgeted.

Operating expenses are over budget. This is due to expenses associated with the bond refinance which was somewhat offset by the General Manager position vacancy.

Capital contributions are under budget due to low SDC's and hook up fees.

**Canby Utility Executive Financial Summary
Cash Reserves
Year To Date Month Ending March 2015**

Electric

<u>Budget Target 6/30/15</u>	Current Cash Reserves		FYE 2015 Target		Over (Under) Target
	\$	8,161,718	\$	7,837,994	\$ 323,724

<u>MINIMUM</u>	Current Cash Reserves		Minimum		Over (Under) Minimum
	\$	8,161,718	\$	4,000,000	\$ 4,161,718

Water

<u>Budget Target 6/30/15</u>	Current Cash Reserves		FYE 2015 Target		Over (Under) Target
	\$	2,257,529	\$	2,006,064	\$ 251,465

<u>MINIMUM</u>	Current Cash Reserves		Minimum		Over (Under) Minimum
	\$	2,257,529	\$	2,000,000	\$ 257,529