

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
October 16, 2017

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
4. **Approve the Agenda**
5. **Approval of Consent Business**
6. **Bills: Approve Warrant List**
7. **Liaison Report**
8. **Reports: Water Items**
 - 8a) Water System Operations Report – Verbal
 - 8b) Riverview Booster Station Construction Update
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Residential Clean Energy Choice Program
 - 9c) September 2017 MMPA Board Meeting Public Summary
10. **Reports: Human Resources**
11. **Reports: General**
 - 11a) 2017 September Financial Results
 - 11b) 2018 Wage and Compensation Planning Assumptions
 - 11c) Resn. #1172 - Regulation Wage Ranges
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Regular Meeting	--	November 6
- Mid Month Meeting	--	November 20
- Regular Meeting	--	December 4
- Mid Month Meeting	--	December 18
14. **Adjourn** to 11/6/17 at the SPUC Service Center, 255 Sarazin Street

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Amundson called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., October 2, 2017.

MEMBERS PRESENT: Commissioners Joos, Amundson, Helkamp, Hennen and Weyer. Also present, Liaison Mocol, Utilities Manager Crooks, Finance Director Schmid, Planning & Engineering Director Adams, Line Superintendent Drent, Water Superintendent Schemel and Marketing/Customer Relations Director Walsh.

Motion by Helkamp, seconded by Weyer to approve the minutes of the September 18, 2017 Commission meeting. Motion carried.

Under Communications, Utilities Manager Crooks handed out the Power Magazine article awarding a Top Plant designation for the Shakopee Energy Park.

President Amundson offered the agenda for approval.

Motion by Weyer, seconded by Helkamp to approve the agenda as presented. Motion carried.

Motion by Helkamp, seconded by Weyer to approve the Consent Business agenda as presented. Motion carried.

President Amundson stated that the Consent Items were: Item 8c: Monthly Water Production Dashboard.

The warrant listing for bills paid October 2, 2017 was presented.

Motion by Helkamp, seconded by Weyer to approve the warrant listing dated October 2, 2017 as presented. Motion carried.

Liaison Mocol presented her report and discussed high density housing and an upcoming Tax Increment Financing Workshop with the City Council.

Water Superintendent Schemel provided a report of current water operations. Several construction projects were updated.

Mr. Schemel presented the quarterly nitrate report and discussed the decreasing levels in the SPU wells.

Item 8c: Monthly Water Production Dashboard was received under Consent Business.

Line Superintendent Drent provided a report of current electric operations. It was noted that warmer weather in September reached a daily demand of 95KW. Seven electric outages were reviewed. Project updates were also provided.

Mr. Schemel presented the SPU website analytics.

Mr. Drent reviewed the Service Center HVAC unit replacement and the funding that will pay for the project.



The tentative commission meeting dates of October 16 and November 6 were noted.

Motion by Helkamp, seconded by Weyer to adjourn to the October 16, 2017 meeting.
Motion carried.



Commission Secretary: John R. Crooks

SHAKOPEE PUBLIC UTILITIES
MEMORANDUM

TO: John R. Crooks, Utilities Manager 
FROM: Lon R. Schemel, Water Superintendent 
SUBJECT: **Riverview Booster Construction Update**
DATE: October 13, 2017

At the October 16, 2017, regular Commission meeting, I will be giving a presentation of the progress from August 22, 2017, to present. The presentation will consist of a slide show and a short video showing the installation of the helical piers that support the floors.

Introducing



**MMPA launching new program January
2018**

- Inexpensive option for purchasing more renewable energy
- Increase current 17% supply
- Provide residential customers with a choice
- Replace existing Eco Energy "block" program



JPC
10/13/17 1



CLEAN ENERGY **CHOICE**

Program structure

- Customers can choose their green contribution
 - 100% of energy usage - \$3 surcharge
 - 75% of energy usage - \$2 surcharge
 - 50% of energy usage - \$1 surcharge
- MMPA to supply equivalent of residential energy usage from sustainable resources
 - Wind, solar or bio-energy



CLEAN ENERGY **CHOICE**

Marketing Plan

- Incorporate CEC logo into our program designs
 - Keep SPU design, look and feel
- Print materials
 - Bill Insert – Announcement & Reg Form – Nov 2017
 - Custom Envelopes – Nov 2017 – Feb 2018
 - Reg Forms at Service Center





CLEAN ENERGY **CHOICE**

Marketing Plan

- Advertising
 - Ads in SVN – 1xNov and 1xDec – story?
 - Banner in front of Service Center – Nov-Jan
- Social Media
 - SPU website – Announcement – Nov
 - Link to MMPA – Jan 1, 2018
 - Facebook – 8 weekly posts – beginning Nov




CLEAN ENERGY **CHOICE**

Next steps

- Update Daffron billing system to accept new charge ID's
- Develop marketing materials
- Define and implement new process for managing program
 - Reporting to MMPA
 - Enrollments
 - Opt outs
 - Daffron account changes



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER 
SUBJECT: SEPTEMBER 2017 MMPA BOARD MEETING SUMMARY
DATE: OCTOBER 12, 2017

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on September 26, 2017 at the offices of Shakopee Public Utilities in Shakopee, Minnesota.

MMPA's Shakopee Energy Park was awarded a 2017 Top Plant Award by Power Magazine.

Customer penetration of MMPA's Clean Energy Choice program for residential customers increased to 2.2%, with a range of market penetration by members of 5.6% to 0.7%.

The Clean Energy Choice for Business program rollout is about to begin.

The Board also discussed the status of the renewable projects that the Agency is pursuing



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

October 12, 2017

TO: John Crooks *JPC*

CC: Joe Adams
Sherri Anderson
Greg Drent
Lon Schemel
Sharon Walsh

FROM: Renee Schmid, *RS* Director of Finance and Administration

SUBJECT: Financial Results for September, 2017

The following Financial Statements are attached for your review and approval.

Month to Date and Year to Date Financial Results – September, 2017

- Combined Statement of Revenue & Expense and Net Assets – Electric, Water and Total Utility
- Electric Operating Revenue & Expense Detail
- Water Operating Revenue & Expense Detail

Key items to note:

Month to Date Results – September, 2017

- Total Utility Operating Revenues for the month of September totaled \$5.3 million and were unfavorable to budget by \$1.2 million or 18.1%. Electric revenues were unfavorable to budget by \$1.2 million or 20.3% driven by lower than plan energy sales in all revenue groups, due to a cooler than normal weather pattern in August, and lower than plan power cost adjustment revenue in all revenue groups. Water revenues were favorable to budget by \$18k or 3.0% driven by higher than plan sales volumes.
- Total operating expenses were \$4.1 million and were favorable to budget by \$39k or 0.9%. Total purchased power costs in September were \$3.3 million and were \$201k or 6.5% higher than plan for the month. Total Operating Expense for electric including purchased power was \$3.8 million and was favorable to budget by \$13k or 0.4% primarily due to lower than plan expenses in operation and maintenance, conservation, administrative and general, and depreciation, which were partially offset by higher than plan purchased power expense. Total Operating Expense for Water was \$350k was favorable to budget by \$25k or 6.8% due to lower than plan expenditures in system operation and maintenance, and depreciation, partially offset by higher than plan administrative and general expense due to outside services expense for Water SCADA screens and engineering professional service fees.
- Total Utility Operating Income was \$1.1 million and was \$1.1 million unfavorable to budget primarily due to lower than plan electric operating revenues for the month.



SHAKOPEE PUBLIC UTILITIES

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- Total Utility Non-Operating Revenue was \$21k and was favorable to budget by \$3k due to higher than plan rental and miscellaneous income and investment income.
- Capital Contributions for the month of September totaled \$432k and were favorable to budget by \$283k due to higher than plan connection fee income related to a new hotel development project within the city.
- Municipal contributions to the City of Shakopee totaled \$190k and were lower than plan by \$10k.
- Change in Net Position was \$1.4 million and was unfavorable to budget by \$0.8 million due to lower than plan operating revenues which were partially offset by higher than plan operating capital contributions.
- Electric usage billed to customers in September was 40,147,097 KWH, a decrease from August usage billed at 45,398,804 KWH.
- Water usage billed to customers in September was 206.4 million gallons, a decrease from August usage billed at 269.6 million gallons.

Year to Date Financial Results – September, 2017

- Total Utility Operating Revenue year to date September was \$39.2 million and was unfavorable to budget by \$2.0 million or 4.8%. Electric revenues totaled \$35.2 million and were unfavorable to budget by \$2.0 million or 5.4% driven by lower than sales in the residential and industrial revenue groups and lower than plan power cost adjustment revenue in all revenue groups driven by lower than plan purchased power costs. Water revenues totaled \$4.0 million and were favorable to budget by \$29k or 0.7% driven by higher than plan sales volumes in the commercial revenue group.
- Total Utility Operating Expenses year to date September were \$33.9 million and were favorable to budget by \$2.9 million or 7.9% primarily due to lower than plan purchased power costs of \$1.2 million, timing of expenditures in energy conservation of \$0.5 million, administrative and general expense of \$0.7 million in outside services and employee benefit expenses, electric and water operation and maintenance expense of \$0.3 million, and depreciation expense of \$0.2 million. Total Operating Expense for electric including purchased power was \$30.9 million and was favorable to budget by \$2.6 million or 7.6%. Total Operating Expense for Water was \$3.0 million and was also favorable to budget by \$0.4 million or 10.9%.
- Total Utility Operating Income was \$5.3 million and was favorable to budget by \$0.9 million driven by lower than plan operating expenses of \$2.9 million and offset by lower than planned operating revenues \$2.0 million.
- Total Utility Non-Operating Income was \$396k and was favorable to budget by \$92k primarily due to higher than planned investment income of \$98k.
- YTD Capital Contributions were \$3.1 million and are favorable to budget by \$1.8 million due to higher than plan collection of water connection fees of \$1.7 million and higher than planned capital contributions of \$0.1 million.
- Municipal contributions to the City of Shakopee totaled \$1.7 million year to date and is lower than plan by \$94k or 5.2%. The actual estimated payment throughout the year is based on prior year results and will be trued up at the end of the year.
- YTD Change in Net Position is \$7.1 million and is favorable to budget by \$2.9 million reflecting higher than plan operating income of \$0.9 million and higher than plan capital contributions of \$1.8 million.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
SEPTEMBER 2017



SHAKOPEE PUBLIC UTILITIES
“Lighting the Way – Yesterday, Today and Beyond”

SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	Month to Date Actual - September 2017			Month to Date Budget - September 2017			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	MTD Actual v. Budget B/(W) \$	%	MTD Actual v. Budget B/(W) \$	%	MTD Actual v. Budget B/(W) \$	%
OPERATING REVENUES	\$ 4,634,429	635,773	5,270,202	5,814,915	617,531	6,432,447	(1,180,487)	-20.3%	18,242	3.0%	(1,162,244)	-18.1%
OPERATING EXPENSES												
Operation, Customer and Administrative	3,617,226	237,137	3,854,363	3,614,628	250,376	3,865,004	(2,598)	-0.1%	13,238	5.3%	10,641	0.3%
Depreciation	173,238	112,404	285,642	189,194	124,473	313,667	15,956	8.4%	12,069	9.7%	28,025	8.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	3,790,463	349,542	4,140,005	3,803,822	374,848	4,178,670	13,358	0.4%	25,307	6.8%	38,665	0.9%
Operating Income	843,966	286,232	1,130,197	2,011,094	242,683	2,253,776	(1,167,128)	-58.0%	43,549	17.9%	(1,123,579)	-49.9%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	26,207	121	26,328	22,173	2,068	24,241	4,034	18.2%	(1,947)	-94.2%	2,087	8.6%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	9,750	7,789	17,539	12,951	3,002	15,954	(3,201)	-24.7%	4,787	159.5%	1,586	9.9%
Interest Expense	(29,039)	(27)	(29,066)	(28,769)	(19)	(28,788)	(270)	-0.9%	(8)	-42.2%	(278)	-1.0%
Amortization of Debt Issuance Costs and Loss on Refunding	(1,484)	-	(1,484)	(1,484)	-	(1,484)	-	0.0%	-	-	-	0.0%
Gain/(Loss) on the Disposition of Property	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Non-Operating Revenue (Expense)	12,935	7,883	20,817	12,372	5,051	17,423	563	4.5%	2,832	56.1%	3,395	19.5%
Income Before Contributions and Transfers	856,900	294,115	1,151,015	2,023,466	247,734	2,271,199	(1,166,566)	-57.7%	46,381	18.7%	(1,120,185)	-49.3%
CAPITAL CONTRIBUTIONS												
MUNICIPAL CONTRIBUTION	(116,223)	431,913	431,913	(121,398)	149,395	149,395	5,175	4.3%	5,192	6.6%	10,368	5.2%
CHANGE IN NET POSITION	\$ 740,677	652,028	1,392,705	1,902,068	317,936	2,220,004	(1,161,390)	-61.1%	334,091	105.1%	(827,299)	-37.3%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

	MTD Actual		MTD Budget		MTD Actual v. Budget	
	September 2017		September 2017		Better/(Worse)	
	\$		\$		%	
OPERATING REVENUES						
Sales of Electricity						
Residential	\$ 1,660,912		2,096,938		(436,027)	-20.8%
Commercial and Industrial	2,865,230		3,602,741		(737,511)	-20.5%
Uncollectible accounts	-		-		-	-
Total Sales of Electricity	4,526,142		5,699,680		(1,173,538)	-20.6%
Forfeited Discounts	26,490		21,016		5,474	26.0%
Free service to the City of Shakopee	14,223		14,223		0	0.0%
Conservation program	67,574		79,997		(12,423)	-15.5%
Total Operating Revenues	4,634,429		5,814,915		(1,180,487)	-20.3%
OPERATING EXPENSES						
Operations and Maintenance						
Purchased power	3,269,945		3,069,045		(200,900)	-6.5%
Distribution operation expenses	(28,475)		39,436		67,911	172.2%
Distribution system maintenance	47,218		55,428		8,210	14.8%
Maintenance of general plant	18,209		35,652		17,443	48.9%
Total Operation and Maintenance	3,306,897		3,199,561		(107,336)	-3.4%
Customer Accounts						
Meter Reading	10,488		9,810		(679)	-6.9%
Customer records and collection	49,222		44,751		(4,470)	-10.0%
Energy conservation	19,486		58,828		39,342	66.9%
Total Customer Accounts	79,196		113,389		34,193	30.2%
Administrative and General						
Administrative and general salaries	57,735		49,969		(7,766)	-15.5%
Office supplies and expense	5,220		15,471		10,251	66.3%
Outside services employed	8,205		40,959		32,755	80.0%
Insurance	8,938		15,727		6,789	43.2%
Employee Benefits	135,891		143,488		7,597	5.3%
Miscellaneous general	15,144		36,063		20,918	58.0%
Total Administrative and General	231,133		301,678		70,545	23.4%
Total Operation, Customer, & Admin Expenses	3,617,226		3,614,628		(2,598)	-0.1%
Depreciation	173,238		189,194		15,956	8.4%
Amortization of plant acquisition	-		-		-	0.0%
Total Operating Expenses	\$ 3,790,463		3,803,822		13,358	0.4%
OPERATING INCOME	\$ 843,966		2,011,094		(1,167,128)	-58.0%

**SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE**

	MTD Actual September 2017	MTD Budget September 2017	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 631,251	615,800	15,451	2.5%
Forfeited Discounts	4,523	1,731	2,791	161.2%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	<u>635,773</u>	<u>617,531</u>	<u>18,242</u>	<u>3.0%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	14,819	39,294	24,475	62.3%
Pumping and distribution maintenance	15,582	33,731	18,149	53.8%
Power for pumping	24,340	23,252	(1,088)	-4.7%
Maintenance of general plant	2,243	2,342	99	4.2%
Total Operation and Maintenance	<u>56,984</u>	<u>98,620</u>	<u>41,636</u>	<u>42.2%</u>
Customer Accounts				
Meter Reading	5,548	7,592	2,044	26.9%
Customer records and collection	13,876	11,996	(1,880)	-15.7%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>19,424</u>	<u>19,588</u>	<u>164</u>	<u>0.8%</u>
Administrative and General				
Administrative and general salaries	36,530	31,460	(5,070)	-16.1%
Office supplies and expense	3,240	5,926	2,686	45.3%
Outside services employed	40,621	17,377	(23,244)	-133.8%
Insurance	2,979	5,242	2,263	43.2%
Employee Benefits	49,415	52,190	2,775	5.3%
Miscellaneous general	27,943	19,971	(7,972)	-39.9%
Total Administrative and General	<u>160,729</u>	<u>132,167</u>	<u>(28,562)</u>	<u>-21.6%</u>
Total Operation, Customer, & Admin Expenses	<u>237,137</u>	<u>250,376</u>	<u>13,238</u>	<u>5.3%</u>
Depreciation	112,404	124,473	12,069	9.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>349,542</u>	<u>374,848</u>	<u>25,307</u>	<u>6.8%</u>
OPERATING INCOME	<u>\$ 286,232</u>	<u>242,683</u>	<u>43,549</u>	<u>17.9%</u>

SHAKOPEE PUBLIC UTILITIES
YEAR TO DATE FINANCIAL RESULTS
SEPTEMBER 2017



SHAKOPEE PUBLIC UTILITIES
“Lighting the Way – Yesterday, Today and Beyond”

SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	Year to Date Actual - September 2017			Year to Date Budget - September 2017			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	YTD Actual v. Budget B/(W) \$ %	YTD Actual v. Budget B/(W) \$ %	YTD Actual v. Budget B/(W) \$ %			
OPERATING REVENUES	\$ 35,188,349	4,023,803	39,212,152	37,198,293	3,994,592	41,192,885	(2,009,944)	-5.4%	29,211	0.7%	(1,980,733)	-4.8%
OPERATING EXPENSES												
Operation, Customer and Administrative	29,339,310	2,035,335	31,374,645	31,752,683	2,299,380	34,052,063	2,413,373	7.6%	264,045	11.5%	2,677,418	7.9%
Depreciation	1,559,139	1,011,638	2,570,778	1,702,744	1,120,256	2,823,000	143,605	8.4%	108,618	9.7%	252,222	8.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	30,898,449	3,046,973	33,945,422	33,455,427	3,419,636	36,875,063	2,556,978	7.6%	372,663	10.9%	2,929,641	7.9%
Operating Income	4,289,900	976,830	5,266,730	3,742,866	574,956	4,317,822	547,034	14.6%	401,874	69.9%	948,907	22.0%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	182,577	169,481	352,058	199,558	167,180	366,738	(16,981)	-8.5%	2,301	1.4%	(14,680)	-4.0%
Interdepartment Rent from Water	67,500	-	67,500	67,500	-	67,500	-	0.0%	-	-	-	0.0%
Investment Income	181,819	59,511	241,329	116,563	27,019	143,582	65,256	56.0%	32,491	120.3%	97,747	68.1%
Interest Expense	(261,592)	(218)	(261,810)	(260,426)	(172)	(260,597)	(1,167)	-0.4%	(46)	-26.9%	(1,213)	-0.5%
Amortization of Debt Issuance Costs and Loss on Refunding	(13,352)	-	(13,352)	(13,352)	-	(13,352)	-	0.0%	-	0.0%	-	0.0%
Gain/(Loss) on the Disposition of Property	6,934	3,362	10,296	-	-	-	6,934	0.0%	3,362	-	10,296	-
Total Non-Operating Revenue (Expense)	163,885	232,136	396,021	109,844	194,028	303,871	54,042	49.2%	38,108	19.6%	92,150	30.3%
Income Before Contributions and Transfers	4,453,785	1,208,966	5,662,751	3,852,710	768,984	4,621,694	601,076	15.6%	439,982	57.2%	1,041,057	22.5%
CAPITAL CONTRIBUTIONS	94,254	3,055,491	3,149,745	-	1,344,557	1,344,557	94,254	-	1,710,934	127.2%	1,805,188	134.3%
MUNICIPAL CONTRIBUTION	(1,045,296)	(666,503)	(1,711,799)	(1,092,582)	(712,732)	(1,805,314)	47,286	4.3%	46,229	6.5%	93,515	5.2%
CHANGE IN NET POSITION	\$ 3,502,743	3,597,954	7,100,697	2,760,128	1,400,809	4,160,937	742,615	26.9%	2,197,145	156.8%	2,939,760	70.7%

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE**

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	September 2017	September 2017	Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 12,538,839	13,367,522	(828,683)	-6.2%
Commercial and Industrial	21,820,244	22,972,477	(1,152,232)	-5.0%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	<u>34,359,084</u>	<u>36,339,999</u>	<u>(1,980,915)</u>	<u>-5.5%</u>
Forfeited Discounts	189,043	189,145	(101)	-0.1%
Free service to the City of Shakopee	128,005	128,005	0	0.0%
Conservation program	512,218	541,145	(28,927)	-5.3%
Total Operating Revenues	<u>35,188,349</u>	<u>37,198,293</u>	<u>(2,009,944)</u>	<u>-5.4%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	25,571,691	26,740,435	1,168,744	4.4%
Distribution operation expenses	307,089	354,924	47,836	13.5%
Distribution system maintenance	494,777	498,854	4,077	0.8%
Maintenance of general plant	179,723	320,866	141,143	44.0%
Total Operation and Maintenance	<u>26,553,279</u>	<u>27,915,079</u>	<u>1,361,800</u>	<u>4.9%</u>
Customer Accounts				
Meter Reading	74,896	88,287	13,391	15.2%
Customer records and collection	396,538	402,762	6,225	1.5%
Energy conservation	65,952	529,453	463,501	87.5%
Total Customer Accounts	<u>537,386</u>	<u>1,020,502</u>	<u>483,116</u>	<u>47.3%</u>
Administrative and General				
Administrative and general salaries	425,330	449,725	24,395	5.4%
Office supplies and expense	99,181	139,238	40,057	28.8%
Outside services employed	107,254	368,635	261,381	70.9%
Insurance	121,465	141,544	20,079	14.2%
Employee Benefits	1,227,162	1,393,396	166,234	11.9%
Miscellaneous general	268,253	324,564	56,311	17.3%
Total Administrative and General	<u>2,248,645</u>	<u>2,817,102</u>	<u>568,456</u>	<u>20.2%</u>
Total Operation, Customer, & Admin Expenses	<u>29,339,310</u>	<u>31,752,683</u>	<u>2,413,373</u>	<u>7.6%</u>
Depreciation	1,559,139	1,702,744	143,605	8.4%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	<u>\$ 30,898,449</u>	<u>33,455,427</u>	<u>2,556,978</u>	<u>7.6%</u>
OPERATING INCOME	<u>\$ 4,289,900</u>	<u>3,742,866</u>	<u>547,034</u>	<u>14.6%</u>

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE

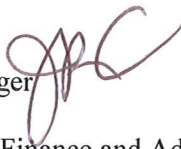
	YTD Actual September 2017	YTD Budget September 2017	YTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 4,007,870	3,979,010	28,860	0.7%
Forfeited Discounts	15,932	15,582	350	2.2%
Uncollectible accounts	(0)	-	(0)	-
Total Operating Revenues	<u>4,023,803</u>	<u>3,994,592</u>	<u>29,211</u>	<u>0.7%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	345,349	353,649	8,300	2.3%
Pumping and distribution maintenance	228,704	303,580	74,876	24.7%
Power for pumping	215,245	209,272	(5,973)	-2.9%
Maintenance of general plant	26,745	21,081	(5,664)	-26.9%
Total Operation and Maintenance	<u>816,043</u>	<u>887,582</u>	<u>71,539</u>	<u>8.1%</u>
Customer Accounts				
Meter Reading	42,079	68,327	26,248	38.4%
Customer records and collection	108,238	107,967	(271)	-0.3%
Energy conservation	1,834	12,000	10,166	-
Total Customer Accounts	<u>152,151</u>	<u>188,294</u>	<u>36,143</u>	<u>19.2%</u>
Administrative and General				
Administrative and general salaries	273,393	283,143	9,750	3.4%
Office supplies and expense	46,557	53,337	6,779	12.7%
Outside services employed	81,453	156,392	74,940	47.9%
Insurance	40,488	47,181	6,693	14.2%
Employee Benefits	442,434	503,712	61,279	12.2%
Miscellaneous general	182,815	179,738	(3,077)	-1.7%
Total Administrative and General	<u>1,067,140</u>	<u>1,223,504</u>	<u>156,364</u>	<u>12.8%</u>
Total Operation, Customer, & Admin Expenses	<u>2,035,335</u>	<u>2,299,380</u>	<u>264,045</u>	<u>11.5%</u>
Depreciation	1,011,638	1,120,256	108,618	9.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 3,046,973</u>	<u>3,419,636</u>	<u>372,663</u>	<u>10.9%</u>
OPERATING INCOME	<u>\$ 976,830</u>	<u>574,956</u>	<u>401,874</u>	<u>69.9%</u>




SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

October 10, 2017

TO: John Crooks, Utilities Manager 

FROM: Renee Schmid, Director of Finance and Administration 

SUBJECT: 2018 Wage and Compensation Planning Assumptions

The Compensation Sub-Committee met on 2018 Wages and Compensation Planning. Sub-Committee members included Commissioner Amundson, and Commissioner Weyer. Staff members included Utilities Manager, John Crooks and Finance and Administration Director, Renee Schmid.

The following amounts are proposed for the 2018 Operating Budget and Wages.

1. A provision for increase in wage ranges of 3.0% at a cost of \$123,459.
2. Include a provision of \$88,750.82 or 2.1% of base pay in the 2018 Operating Budget for wage increases to cover adjustments for movements within ranges.
3. Include a provision of \$119,056 or 2.9% of base pay in the 2018 Operating Budget to fill three authorized position previously left unfilled, promotion of two Water Operators from Apprentice to Journeyman, and funding for two months of cross training overlap for anticipated retirement. The following positions are included in this provision:
 - Customer Service Representative as of 4/1/2018 at annualized cost of \$36,113
 - Engineering Technician as of 1/1/18 at annualized cost of \$53,643
 - Engineering Summer Help at a cost of \$9,003
 - Water Operator promotions at a cost of \$2,579
 - Two month cross training overlap for anticipated retirement at a cost of \$17,718

The budget does not include any requests for new staff additions beyond the current authorized positions.

4. It should be noted that this operating budget proposal leaves three positions unfilled from fully authorized staffing levels for a total of \$73,168 or 1.6% of the total base pay budget. The following positions are planned to remain unfilled in 2018:
 - Engineering Coordinator
 - Summer Help – Electric
 - Summer Help - Water



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

5. As of 1/1/2018 approve the reorganization of some positions within the electric department as listed below. These changes are included in the proposed wage ranges and have no financial impact to the staffing budget. An updated organization chart for Shakopee Public Utilities is attached reflecting the reorganization.
 - Change the job title of the Line Foreman position to Assistant Electric Superintendent. There are no changes to duties or wage ranges with this change. Some positions will now officially be listed as reporting to this position that had not been officially listed as such in the past.
 - Consolidate the Systems Technician position into the Lead Lineman position
 - Consolidate the Groundsman/Equipment Operator position into the Apprentice Lineman position
 - Consolidate the Serviceworker - Apprentice position into the Apprentice Lineman position
 - Consolidate the Serviceworker – Journeyman position into the Journeyman Lineman position
 - Change the minimum of the Apprentice Lineman wage range from \$27.51 to \$22.31 for 2018.
 - Job descriptions are being updated to reflect the position consolidation and reorganization

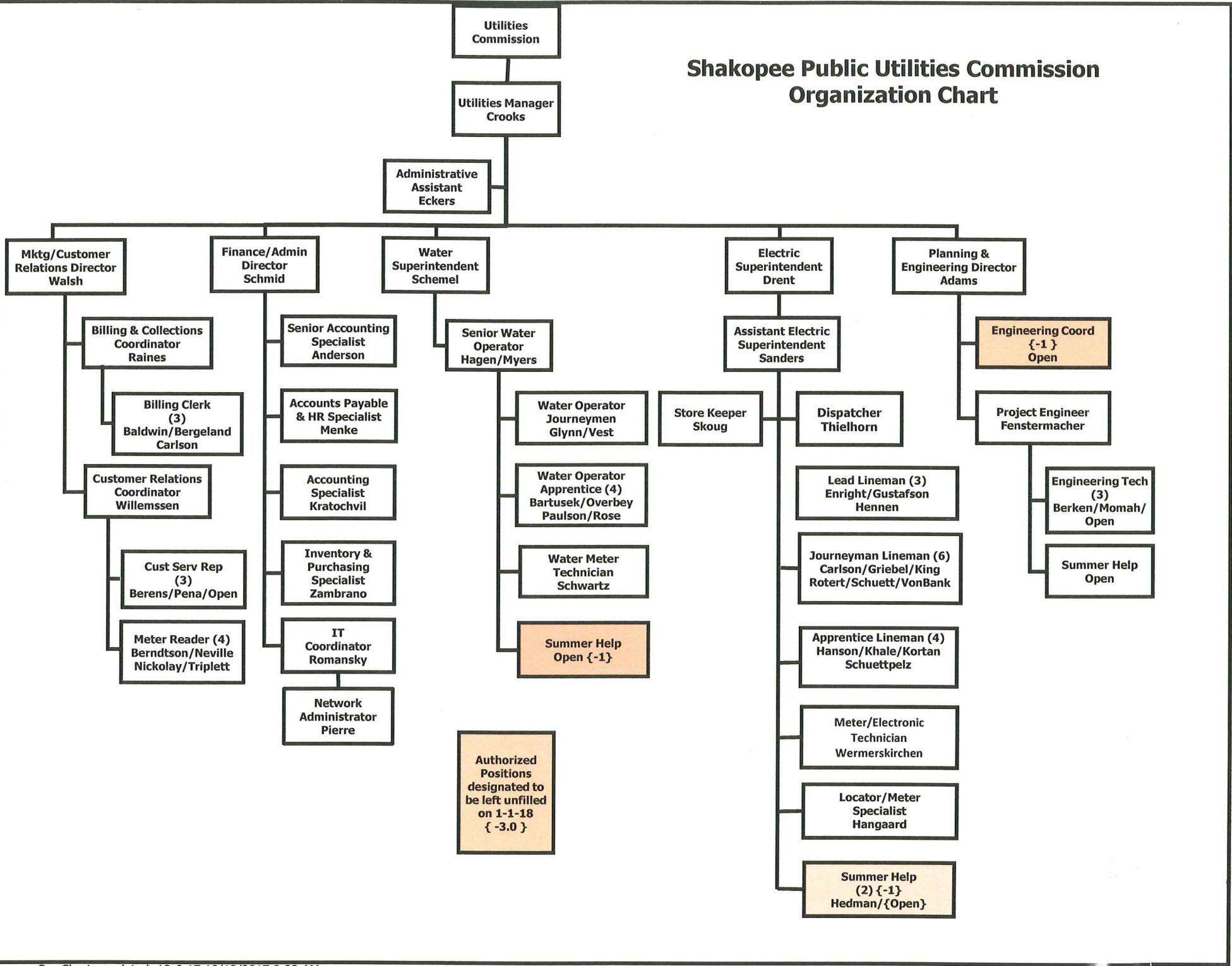
Conclusion:

On October 10th, 2017 a consensus by the Compensation Sub-committee was reached on all the above figures. The Compensation Committee recommends adoption of the 2018 Wage and Compensation Planning Assumptions as outlined above.

Requested Commission Action:

- Approve 2018 Wage and Compensation Planning Assumptions and adopt Resolution #1172, a resolution regulating wage ranges.
- Direct staff to proceed with job description updates for the electric department reorganization. Positions included: Assistant Electric Superintendent, Storekeeper, Dispatcher, Lead Linemen, Journeyman Lineman, Apprentice Lineman, Meter/Electronic Technician, Locator/Meter Specialist

Shakopee Public Utilities Commission Organization Chart



RESOLUTION #1172

RESOLUTION REGULATING WAGE RANGES

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION in meeting duly assembled on October 16, 2017, that the Shakopee Public Utilities Commission does hereby amend Resolution #1154 and affirm wage ranges in accordance with the rates in "Appendix A" to this Resolution.

BE IT FURTHER RESOLVED that said wage ranges are to become effective from and after January 1st, 2018 as applicable.

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 16th day of October, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

Appendix "A" To Resolution #1172
 Shakopee Public Utilities 2018 Wage Ranges

Position	Hourly Personnel Range (\$ Per Hour)			Salaried Personnel Range (\$ Bi-Weekly)		
Utilities Manager				4,284.4038	---	7,650.7212
Director of Finance and Administration				3,733.5519	---	6,375.6010
Electric Superintendent				2,999.0827	---	5,355.5048
Marketing/Customer Relations Director				2,999.0827	---	5,355.5048
Planning & Engineering Director				3,733.5519	---	6,375.6010
Water Superintendent				2,999.0827	---	5,355.5048
Billing and Collections Coordinator				2,441.3284	---	3,544.2301
Customer Relations Coordinator				2,441.3284	---	3,544.2301
Information Technology Coordinator				2,917.4750	---	4,870.9591
Project Engineer				3,101.0923	---	5,176.9880
Accounting Specialist	22.92	---	31.52			
Accounts Payable/H.R. Specialist	25.46	---	43.76			
Administrative Assistant	24.24	---	32.85			
Billing Clerk/CSR	22.92	---	30.13			
Dispatcher	21.03	---	37.80			
Engineering Coordinator	26.52	---	45.09			
Engineering Technician	22.28	---	39.79			
Inventory/Purchasing Specialist	27.96	---	38.59			
Network Administrator	23.08	---	38.46			
Lead Lineman	37.17	---	48.31			
Assistant Electric Superintendent	37.02	---	51.11			
Apprentice Lineman	22.31	---	35.72			
Journeyman Lineman	33.15	---	43.05			
Locator/Meter Specialist	26.24	---	34.08			
Meter Reader	PT	20.10	---	27.90		
Meter Technician		22.31	---	28.98		
Meter/Electronics Technician		27.51	---	39.25		
Senior Accounting Specialist		30.99	---	51.72		
Senior Water Operator		29.46	---	40.78		
Storekeeper		23.59	---	30.63		
Temp/Summer Help	PT	13.24	---	17.44		
Water Operator-Apprentice		24.39	---	31.73		
Water Operator-Journeyman		26.37	---	34.27		
Commission Secretary					200.00	Monthly
Duty Pay					351.87	Weekly
Duty Pay Holiday					422.24	Weekly

Note: PT denotes part-time position