



GAS FUND

Wilson Energy's purpose is to provide reliable and safe natural gas at an affordable price to citizens of Wilson and the surrounding area.

GAS FUND

COUNCIL GOALS

Building a Better Wilson 1	Economic Development 2	Infrastructure 3	Homes and Neighborhoods 4	Downtown 5	Recreation and Parks 6	Community Involvement 7
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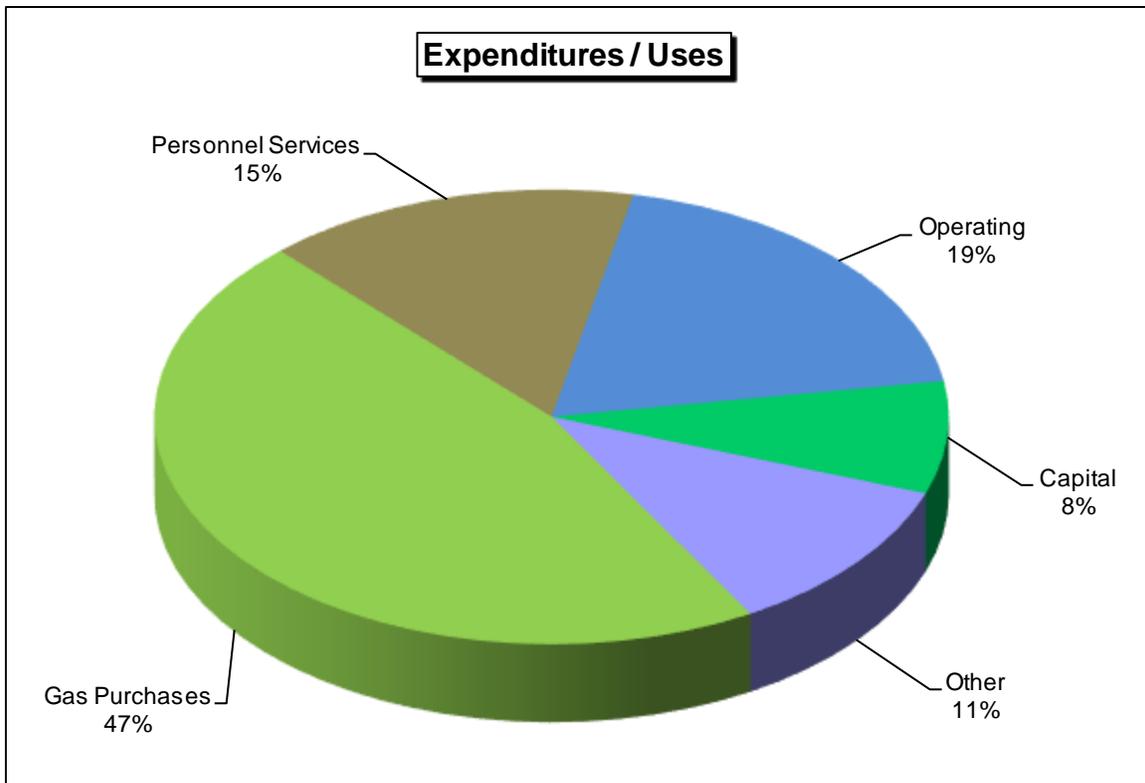
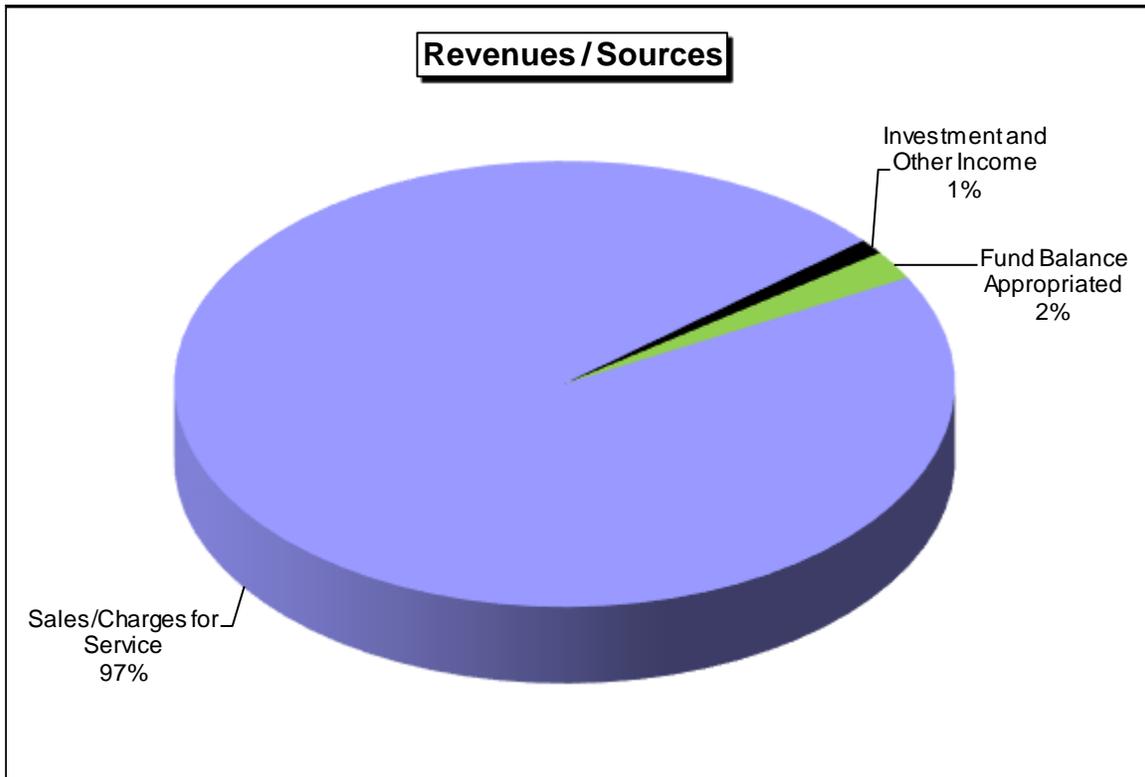
DEPARTMENTAL GOALS FOR FISCAL YEAR

Department Goals and Initiatives	Link to Council Goals
1. Plan and install gas mains and services as required by new customers and maintain all existing mains and services in accordance with federal regulations to include replacement as necessary	2,3
2. Seek opportunities to lower the cost of gas supply/maintain affordable rates	1,2,3,4,5,6,7
3. Promote energy conservation, utilization of natural gas for home and water heating, and continue to seek ways to improve utilization of existing resources	1,2,3,4,5,6,7
4. Promote economic development by providing reliable natural gas to industrial and commercial establishments/offer firm and interruptible options, and provide opportunities for customer hedging	2,3

REVENUE AND EXPENDITURE SUMMARY**GAS**

ITEM

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
<u>Revenues, Other Sources, and Fund Balance</u>				
Sales/Charges for Services	\$ 18,553,960	\$ 17,464,700	\$ 16,561,100	\$ 17,184,700
Miscellaneous Income	22,794	9,000	32,412	9,000
Investment Income	118,261	0	111,913	0
Interfund Loan Repayment	234,545	0	234,545	0
Fund Balance Appropriated	<u>0</u>	<u>497,695</u>	<u>0</u>	<u>372,060</u>
TOTAL	<u>\$ 18,929,560</u>	<u>\$ 17,971,395</u>	<u>\$ 16,939,970</u>	<u>\$ 17,565,760</u>
<u>Expenditures and Other Uses</u>				
Gas Administration	\$ 2,712,465	\$ 2,925,890	\$ 2,815,101	\$ 2,890,900
Gas Distribution	4,104,289	3,949,055	3,493,240	4,259,640
Utility Locators	131,208	147,280	144,142	163,520
Gas Purchases	8,896,934	8,925,470	8,046,800	8,250,720
Governmental Projects	30,720	33,290	33,290	9,570
Debt Service	439,869	463,020	463,015	456,780
Contingency	0	150,000	0	150,000
Interfund Transfers Out	<u>1,366,090</u>	<u>1,377,390</u>	<u>1,377,390</u>	<u>1,384,630</u>
TOTAL	<u>\$ 17,681,575</u>	<u>\$ 17,971,395</u>	<u>\$ 16,372,978</u>	<u>\$ 17,565,760</u>



REVENUES, OTHER SOURCES, AND FUND BALANCE**GAS**

ITEM

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
SALES/CHARGES FOR SERVICES				
Sales to General Consumers	\$ 18,351,674	\$ 17,285,780	\$ 16,419,650	\$ 17,031,470
Sales to Other Utilities	<u>202,286</u>	<u>178,920</u>	<u>141,450</u>	<u>153,230</u>
Sub-Total	18,553,960	17,464,700	16,561,100	17,184,700
MISCELLANEOUS INCOME	22,794	9,000	32,412	9,000
INVESTMENT INCOME	118,261	0	111,913	0
INTERFUND LOAN REPAYMENT	234,545	0	234,545	0
FUND BALANCE APPROPRIATED				
Fund Balance Appropriated (Unassigned)	0	431,200	0	372,060
Encumbrance Balance	<u>0</u>	<u>66,495</u>	<u>0</u>	<u>0</u>
Sub-Total	<u>0</u>	<u>497,695</u>	<u>0</u>	<u>372,060</u>
Total	<u>\$ 18,929,560</u>	<u>\$ 17,971,395</u>	<u>\$ 16,939,970</u>	<u>\$ 17,565,760</u>

CHARGES FOR SALES AND SERVICE

Sales to General Consumers This revenue represents retail natural gas sales to residential, commercial, and industrial customers.

Sales to Other Utilities This category represents the sale of natural gas to other utility operations of the City.

MISCELLANEOUS INCOME This category includes the proceeds from the disposal of old equipment and other miscellaneous items.

INVESTMENT INCOME This represents the Gas Fund's share of the interest earned on and the capital gains from the sale of the City's investments.

PROCEEDS FROM DEBT REFUNDING This represents proceeds received from the issuance of new debt to be used to repay previously issued debt.

PROCEEDS FROM INSTALLMENT CONTRACTS This represents the amount recognized as a financial resource associated with an asset acquired through a revenue bond or lease - purchase type of arrangement.

FUND BALANCE

Fund Balance Appropriated This represents an appropriation of some portion of the fund balance as of the close of the preceding fiscal year to help finance the activities of the subsequent year.

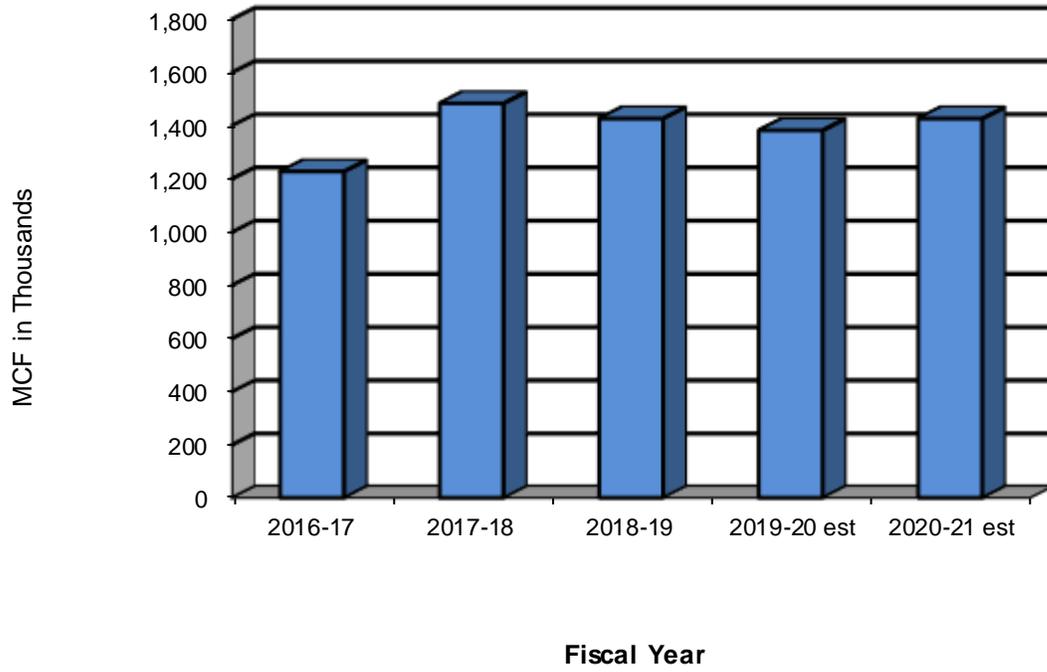
Encumbrance Balance This represents the amount of fund balance at the close of the preceding fiscal year for the financial commitments that are re-appropriated in the subsequent year's budget.

EXPENDITURE SUMMARY

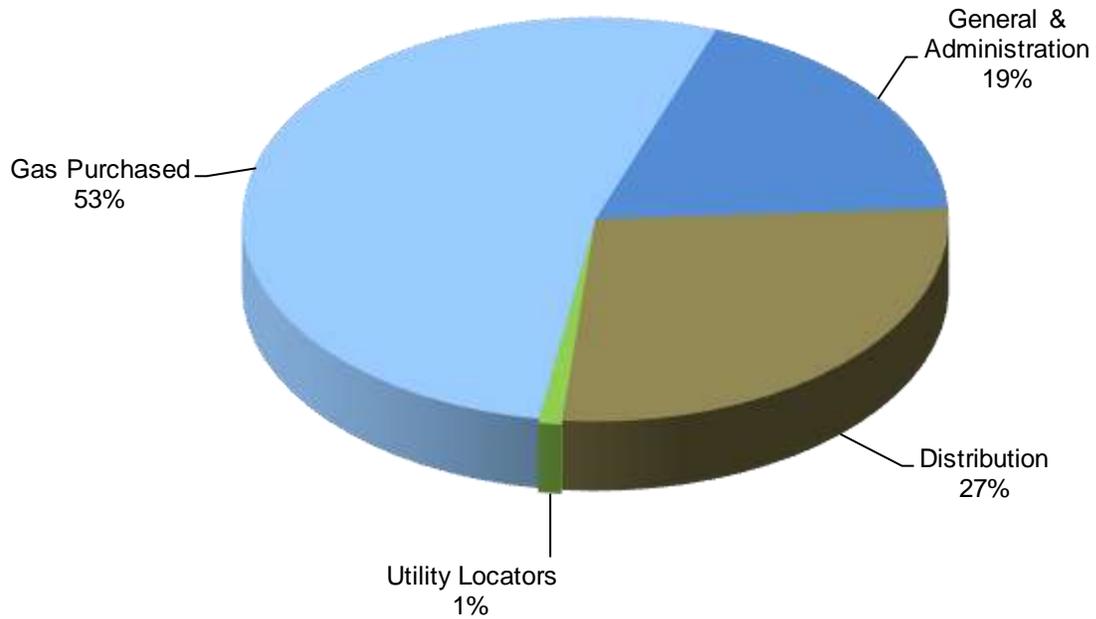
GAS

ITEM	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Gas Administration				
Personnel Services	\$ 155,929	\$ 189,150	\$ 204,420	\$ 207,660
Operating Expenses	<u>2,556,536</u>	<u>2,736,740</u>	<u>2,610,681</u>	<u>2,683,240</u>
Total	2,712,465	2,925,890	2,815,101	2,890,900
Gas Distribution				
Personnel Services	2,133,836	2,256,560	2,092,950	2,371,920
Operating Expenses	570,652	622,693	599,956	652,720
Recovered Costs	0	(190,000)	0	(190,000)
Capital Outlay	<u>1,399,801</u>	<u>1,259,802</u>	<u>800,334</u>	<u>1,425,000</u>
Total	4,104,289	3,949,055	3,493,240	4,259,640
Utility Locators				
Personnel Services	108,414	121,270	123,070	136,550
Operating Costs	56,984	65,030	52,680	67,420
Recovered Costs	<u>(34,190)</u>	<u>(39,020)</u>	<u>(31,608)</u>	<u>(40,450)</u>
Total	131,208	147,280	144,142	163,520
Gas Purchases				
Operating Expenses	<u>8,896,934</u>	<u>8,925,470</u>	<u>8,046,800</u>	<u>8,250,720</u>
Total	8,896,934	8,925,470	8,046,800	8,250,720
Other Expenditures				
Debt Service	\$ 439,869	\$ 463,020	\$ 463,015	\$ 456,780
Governmental Projects	30,720	33,290	33,290	9,570
Transfer to General Fund	1,102,920	1,102,920	1,102,920	1,102,920
Transfer to General Fund - PILOT (Payment in lieu of taxes)	152,170	163,470	163,470	170,710
Transfer to Mass Transit Fund	111,000	111,000	111,000	111,000
Contingency	<u>0</u>	<u>150,000</u>	<u>0</u>	<u>150,000</u>
Total	<u>1,836,679</u>	<u>2,023,700</u>	<u>1,873,695</u>	<u>2,000,980</u>
Grand Total	<u>\$ 17,681,575</u>	<u>\$ 17,971,395</u>	<u>\$ 16,372,978</u>	<u>\$ 17,565,760</u>

Gas Sold



Gas Division Estimated Expenditures 2020-2021

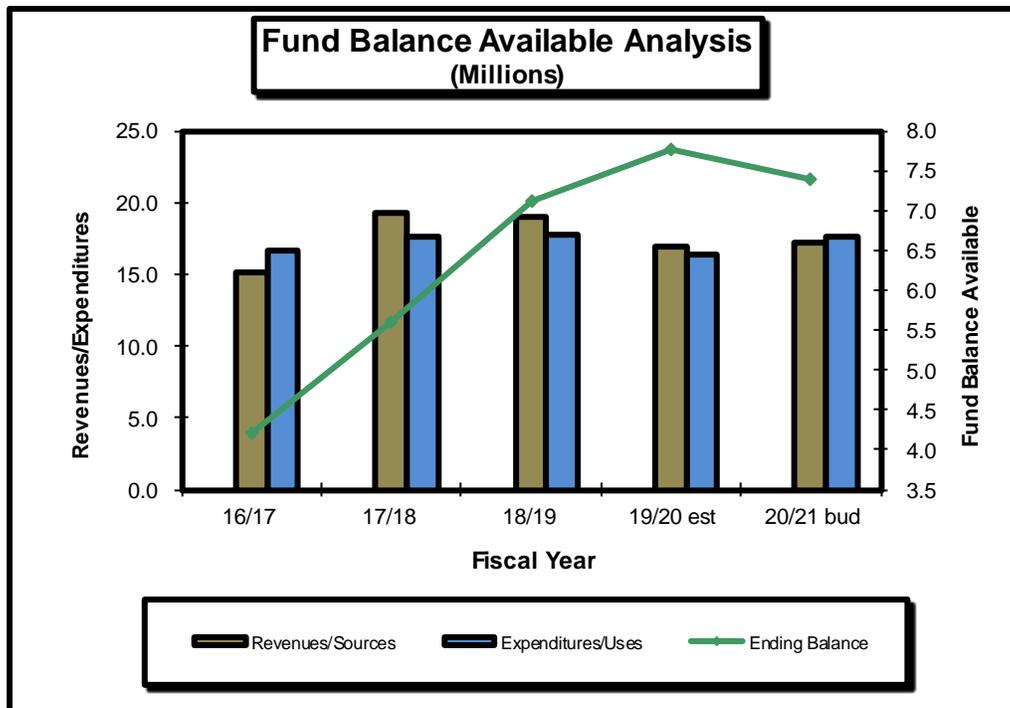


FUND BALANCE AVAILABLE

GAS

ITEM	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Revenues/Other Financing Sources	\$ 18,929,560	\$ 17,473,700	\$ 16,939,970	\$ 17,193,700
Expenditures/Other Financing Uses	<u>17,681,575</u>	<u>17,971,395</u>	<u>16,372,978</u>	<u>17,565,760</u>
Revenues/Other Financing Sources Over (Under) Expenditures/Other Financing Uses	<u>\$ 1,247,985</u>	<u>\$ (497,695)</u>	<u>\$ 566,992</u>	<u>\$ (372,060)</u>
Fund Balance Appropriated	<u>\$ 698,711</u>	<u>\$ 497,695</u>	<u>\$ 497,695</u>	<u>\$ 372,060</u>
Fund Balance - Beginning of Year	\$ 5,612,267	\$ 7,118,146	\$ 7,118,146	\$ 7,751,633
Increase (Decrease)	<u>1,505,879</u>	<u>(431,200) *</u>	<u>633,487 *</u>	<u>(372,060)</u>
Fund Balance - End of Year	<u>\$ 7,118,146</u>	<u>\$ 6,686,946</u>	<u>\$ 7,751,633</u>	<u>\$ 7,379,573</u>

* Excludes Encumbrances Reappropriated in the amount of \$ 66,495



DEPARTMENT SUMMARY**GAS****EXPENDITURE SUMMARY:**

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Personnel Services	\$ 2,398,179	\$ 2,566,980	\$ 2,420,440	\$ 2,716,130
Operating Expenses	12,081,106	12,349,933	11,310,117	11,654,100
Recovered Costs	(34,190)	(229,020)	(31,608)	(230,450)
Capital Outlay	<u>1,399,801</u>	<u>1,259,802</u>	<u>800,334</u>	<u>1,425,000</u>
TOTAL	<u>\$ 15,844,896</u>	<u>\$ 15,947,695</u>	<u>\$ 14,499,283</u>	<u>\$ 15,564,780</u>

PERSONNEL SUMMARY

GAS

Class Title	Salary Range	2018-19 Authorized (as amended)	2019-20 Authorized (as amended)	2020-21 Authorized
Gas Distribution (6502)				
Gas Distribution Manager	26	1	1	1
Gas Regulatory Compliance Supervisor	25	1	1	1
Gas Meter and Regulator Supervisor	24	1	1	1
Gas Distribution Supervisor	24	1	1	1
Gas Engineer I-III	22-24	1	1	1
Welder	23	3	3	3
GIS Technician I-II	16-17	1	1	1
Gasline Technician I-III & Lead	13-19	11	12	12
Administrative Assistant	13	1	0	0
Utility Locators (6503)				
Utility Locator I-II	18-19	4	4	4
Full-time				
		25	25	25

Redistribution Notes:

Position Title:	From:	To:	Percent:
Utility Locators (4)	Gas Utility Locators 6503	Electric Distribution 6005	25%
	Gas Utility Locators 6503	Broadband Operations 6302	10%
	Gas Utility Locators 6503	Water Distribution 7003	25%
Chief Operations Officer	Electric Administration 6001	Gas Administration 6501	30%
Director of Wilson Energy	Electric Administration 6001	Gas Administration 6501	20%
Executive Assistant	Electric Administration 6001	Gas Administration 6501	45%
Administrative Technician I	Electric Administration 6001	Gas Administration 6501	20%
Administrative Secretary	Electric Administration 6001	Gas Administration 6501	20%
Key Accounts Manager	Key Accounts and Marketing 6006	Gas Administration 6501	20%
Unified Communications Center (14)	Unified Communications Center 6307	Gas Distribution 6502	29%
Traffic Technician (5)	Parking and Traffic 5008	Gas Distribution 6502	5%

Item	New/ Replacement	2020-21 Budget
Gas Distribution (6502)		
One (1) Directional Drill	R	270,000
Gas Mains	N	300,000
Steel Gas Mains	R	300,000
Gas Services	N	150,000
Consumer Meters	N	325,000
One (1) Compact Excavator	R	45,000
One (1) Pickup Truck 4x4 w/extended cab	R	35,000
Total		1,425,000

Impact of Capital Outlay on Operating Budget:

None

Note: Any direct impact on the operating budget from capital items identified for replacement or new purchase in FY 2021 will result from a reduction to the maintenance and/or repair costs previously experienced on the older items. This amount of reduction varies and for this reason is not extrapolated and built into the operating budget.

GAS ADMINISTRATION

Description of Services:

Gas Administration is responsible for providing planning, budgeting, and general leadership to the natural gas fund operations. These activities include training and career development for employees, administering personnel programs, promoting conservation, marketing, and public relations, monitoring and recommending rate adjustments, spot gas purchases and calculating negotiated rates, maintaining appropriate utility files and records, providing effective and efficient contractual services, and maintaining safe and reliable gas system.

PROGRAM GOALS AND INITIATIVES:

- Provide reliable and safe natural gas services at affordable prices
- Provide timely and dependable responses to customers' needs for new gas services, response to customer concerns, and all gas utilization requirements
- Provide planning and engineering for the growth and maintenance of the gas system
- Manage the procurement of natural gas supply and control purchased gas cost to allow affordable customer rates
- Maintain compliance with federal pipeline safety requirements as mandated by the USDOT/assist and cooperate with NCUC periodic inspections
- Provide administrative services for the Gas Division including cost accounting, budgeting, personnel support, and promote a safe and healthy work environment
- Promote economic development by assisting the Wilson Economic Development Council with infrastructure planning, system improvements, cost, and rate data

EXPENDITURE SUMMARY:

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Personnel Services	\$ 155,929	\$ 189,150	\$ 204,420	\$ 207,660
Operating Expenses	<u>2,556,536</u>	<u>2,736,740</u>	<u>2,610,681</u>	<u>2,683,240</u>
TOTAL	<u>\$ 2,712,465</u>	<u>\$ 2,925,890</u>	<u>\$ 2,815,101</u>	<u>\$ 2,890,900</u>

PERFORMANCE INDICATORS:

Outputs	2018-19 Actual	2019-20 Estimated	2020-21 Goal
Gas customers	13,650	13,700	13,900
Key Account Interruptible natural gas customers	6	7	7
Serious safety/USDOT violations	0	0	0
On-time assistance to WEDC for clients	100%	100%	100%

GAS DISTRIBUTION

Description of Services:

Gas Distribution is responsible for providing safe and dependable supply of natural gas to our customers, O&M activities of our gas infrastructure, training division employees to PHMSA standards, complying with all PHMSA regulations, responding to gas related emergencies, and maintaining computerized gas infrastructure records.

PROGRAM GOALS AND INITIATIVES:

- Maintain the highest level of safety and integrity of our natural gas system
- Meet customer expectations in regards to customer service, installation of services, and timely response to gas emergencies
- Work within the scope of the division, city, state, and federal policies and procedures of the O&M of our gas system
- Deliver natural gas in a safe and dependable manner
- Improve customer and first responder awareness of safety and uses of natural gas
- Computerize and maintain all gas facility records
- Perform timely leak and CP surveys, critical valve inspections, and regulator inspections

EXPENDITURE SUMMARY:

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Personnel Services	\$ 2,133,836	\$ 2,256,560	\$ 2,092,950	\$ 2,371,920
Operating Expenses	570,652	622,693	599,956	652,720
Recovered Costs	0	(190,000)	0	(190,000)
Capital Outlay	<u>1,399,801</u>	<u>1,259,802</u>	<u>800,334</u>	<u>1,425,000</u>
TOTAL	<u>\$ 4,104,289</u>	<u>\$ 3,949,055</u>	<u>\$ 3,493,240</u>	<u>\$ 4,259,640</u>

PERFORMANCE INDICATORS:

Outputs	2018-19 Actual	2019-20 Estimated	2020-21 Goal
New gas services installed	76	95	100
Gas mains installed (miles)	2.49	4.90	2.50
Gas losses on system	2.87%	2.5%	2.25%
Leaks repaired	987	700	500

UTILITY LOCATORS

Description of Services:

Utility Locators are responsible for the timely and accurate response to locate the City's gas, electric, water, and broadband facilities as requests are made through the NCOC system.

PROGRAM GOALS AND INITIATIVES:

- Provide utility locating services for all gas, electric, water, and broadband infrastructure
- Protect the City's investment in its underground facilities
- Communicate any deviations/changes to the City's GIS team for proper map placement

EXPENDITURE SUMMARY:

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Personnel Services	\$ 108,414	\$ 121,270	\$ 123,070	\$ 136,550
Operating Expenses	56,984	65,030	52,680	67,420
Recovered Costs	<u>(34,190)</u>	<u>(39,020)</u>	<u>(31,608)</u>	<u>(40,450)</u>
TOTAL	<u>\$ 131,208</u>	<u>\$ 147,280</u>	<u>\$ 144,142</u>	<u>\$ 163,520</u>

PERFORMANCE INDICATORS:

Outputs	2018-19 Actual	2019-20 Estimated	2020-21 Goal
Locates performed annually	8,388	9,000	10,000

PURCHASE OF GAS

Description of Services:

Purchase natural gas in a timely and cost effective manner as needed/utilized by Wilson Energy customers.

PROGRAM GOALS AND INITIATIVES:

- Purchase natural gas in the most economical way as required to meet the demand of customers
- Manage purchases based on expected sales/utilize hedging seasonally to manage cost
- Utilize negotiable/interruptible rate to sell gas to customers with alternative fuel capability to allow flexibility to shed available load during critical peak loads
- Explore every opportunity to purchase natural gas in the most economical manner to meet the needs of customers, including making future purchases and utilizing prepay gas agreements
- Watch weather forecast and estimate usage based on previous usage in similar weather conditions to determine when interruptible customers should be curtailed to maximize use of facilities and minimize cost

EXPENDITURE SUMMARY:

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Operating Expenses	\$ 8,896,934	\$ 8,925,470	\$ 8,046,800	\$ 8,250,720
TOTAL	<u>\$ 8,896,934</u>	<u>\$ 8,925,470</u>	<u>\$ 8,046,800</u>	<u>\$ 8,250,720</u>

PERFORMANCE INDICATORS:

Outputs	2018-19 Actual	2019-20 Estimated	2020-21 Goal
Natural gas accounts	13,650	13,700	13,900
Hedged purchases	50%	50%	50%
Settle price/spot gas purchases	50%	50%	50%
Interruptions of natural gas customers	3 Days	2 Days	1 Day

OTHER EXPENDITURES

Description of Services:

Rocky Mount/Wilson Regional Airport support is included to benefit Wilson area, particularly diversified industrial operations.

PROGRAM GOALS AND INITIATIVES:

- Contribute to various intergovernmental agencies and programs that provide a variety of services to the citizens of the City of Wilson
- Rocky Mount/Wilson Airport: a) Continue to grow and increase air service availability to service area, b) Provide a first-class facility for its corporate business users, c) Conduct financially sound operation

EXPENDITURE SUMMARY:

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Operating Expenses	\$ 30,720	\$ 33,290	\$ 33,290	\$ 9,570
TOTAL	<u>\$ 30,720</u>	<u>\$ 33,290</u>	<u>\$ 33,290</u>	<u>\$ 9,570</u>

PERFORMANCE INDICATORS:

Outputs	2018-19 Actual	2019-20 Estimated	2020-21 Goal
Review annual budget request to ensure budget aligns with City's growth initiative	100%	100%	100%

DEBT SERVICE

Description of Services:

Revenue bond principal, revenue bond interest, certificates of participation and installment-purchasing are financing opportunities for natural gas capital requirements.

PROGRAM GOALS AND INITIATIVES:

- Provide financing and subsequent repayment of obligations incurred for Gas Fund purposes
- Meet current debt obligations in a timely manner
- Meet all legal requirements applicable to local government financing
- Comply with all Internal Revenue Service rules and regulations pertaining to tax-exempt debt

EXPENDITURE SUMMARY:

	2018-19 Actual	2019-20 Budget	2019-20 Estimated	2020-21 Budget
Operating Expenses	\$ 439,869	\$ 463,020	\$ 463,015	\$ 456,780
TOTAL	<u>\$ 439,869</u>	<u>\$ 463,020</u>	<u>\$ 463,015</u>	<u>\$ 456,780</u>

PERFORMANCE INDICATORS:

Outputs	2018-19 Actual	2019-20 Estimated	2020-21 Goal
Timely servicing of debt obligation	100%	100%	100%
Compliance to all regulatory guidelines and covenants	100%	100%	100%