

**TOWN OF SUFFIELD
WATER POLLUTION CONTROL AUTHORITY
2017/2018 BUDGET**

FUNDS

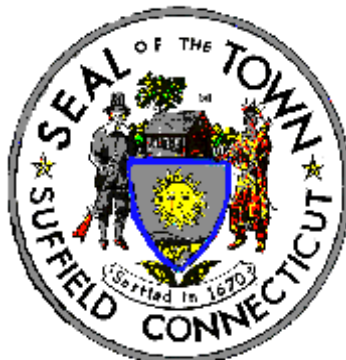
**ADMINISTRATION
ASSESSMENT
RESERVE CAPACITY MAINTENANCE**

WPCA Public Hearing - May 9, 2017

WPCA Meeting – May 9, 2017

Questions May Be Directed To:

**Shane McCannon, Superintendent OR Julie Nigro, Business Administrator
Town of Suffield WPCA
860-668-3856**



WATER POLLUTION CONTROL AUTHORITY
BUDGET SUMMARY

	<u>2016-2017</u>	<u>2017-2018</u>
ADMINISTRATION:	\$2,682,854	\$3,173,058
ASSESSMENT:	\$234,100	\$160,357
RESERVE CAPACITY MAINTENANCE:	<u>\$1,270,000</u>	<u>\$1,380,000</u>
	\$4,186,954	\$4,713,415
2017-2018 Town of Suffield Sewer Use Fee:		\$310 per unit
2017-2018 Kent Farm Sewer Use Fee:		\$235 per unit
2017-2018 Dollar Per 1,000 Gallons:		\$7.42

Water Pollution Control Authority Commission Members

Bruce Remington, Chairman
Kris Barthelmess, Vice Chairman
Wallace Rodger, Secretary/Treasurer
Janet Davis
Roger Ives
John Murphy
Charles Roumas

TOWN OF SUFFIELD WATER POLLUTION CONTROL AUTHORITY
2017/2018 Expense Budget - \$3,173,058

A copy of the WPCA Administration Expense Budget is attached. The 2017-2018 Expense Budget increased \$490,204 or 18.27%, while the Overall budget (ALL 3 BUDGETS: ADMIN, RCM, ASSESSMENT) has increased by 12.57%. The per unit charge for FY 2017-2018 has increased to \$310, representing an approximate 3% increase. The last rate change was last year, and we have capital projects planned out for future years and must plan for revenue increases accordingly.

Capital projects this year include a Facilities Plan (previously scheduled for 1617 but was delayed), as well as Roof repairs, underground storage tank removal, and Odor control improvements, along with several other projects listed under the "Reserve Capacity Maintenance Budget. We plan to use \$624,643 of Fund balance money.

Payroll, Social Security & Pension: Payroll, Social Security and Pension Costs for WPCA employees total \$919,502, or 28.98% of operation and maintenance expenses. The aggregate increase in Payroll of 2.28% is comprised of: a budgeted increase in pay for all staff of 2.4% (from the Bureau of Labor Statistics dated 1/31/17) as the Collective Bargaining Unit contract is still in negotiation. This also includes an estimate for Pay range definitions for the Administrative Staff to be determined by the Commission in June. This also includes an increase in hours for the Assistant Business Administrator from 24 hours/week to at least 30 hours. Additionally, this includes unscheduled overtime and the cost of the WPCA's contribution to deferred compensation accounts. Social Security is based on 7.65% of budgeted salaries. Town's Pension Administrator determines WPCA's contribution to the Pension Fund.

Workers' Compensation, Employee Medical Insurance, Property, General Liability, Umbrella, Automobile and Boiler and Machinery Insurance: The WPCA is included in the Town contracts.

OPEB Contribution – This line item represents the WPCA's portion of "Other Postemployment Benefits" as provided by Hooker & Holcombe, Inc. In lieu of final figures, this was estimated at 15% over last year as we've added another employee.

Operation and Maintenance: Chemicals -This line item funds the following:

The cost of purchasing various chemicals used to treat wastewater. Chemical costs (Polymer) are stable this year; polymer is used for sludge dewatering and usage is based on the Hood demand on the system.

Waste - The cost of disposing of sludge at the Metropolitan District Commission sludge handling facility, and other wastes produced during the treatment process. MDC's rate is due to increase \$230/ton to \$240/ton.

Uniforms - The cost of supplying uniforms, foul weather gear and safety footwear to all of its operational employees as required under the collective bargaining agreement has decreased slightly and is based on all of the Union employees opting out of the uniform contract and using a "uniform allowance" instead of a Uniform company.

Tests - The cost of performing and reporting laboratory analysis which, due to the complex nature of the tests and advanced level of the technical equipment that is required, are performed by outside vendors.

Training, Medical Expenses, Safety Supplies - The cost for employees to participate in appropriate training opportunities and receive required medical tests and treatments. This also covers the appropriate training for Operators to pursue advanced licenses, safety courses, and exam fees, as well as safety supplies and equipment. The increase in Training is based on advanced troubleshooting classes. The increase in Safety supplies is for the purchase of additional confined space gear.

Plant Maintenance, Collection System - General plant and collection system maintenance expenses that are associated with the repair and maintenance of the treatment facility and public sewer lines. Plant maintenance has increased significantly from last year due to the age of the Plant system and additional maintenance.

Process Equipment R&M- The cost of specialized items needed to perform equipment maintenance and repairs and the cost of maintaining and repairing major mechanical components of the biological treatment process.

Tools & Equipment - This line item includes all miscellaneous tools and equipment (gauges, shovels, lab equipment, mower parts and accessories, etc.) as well as the purchase of a new tripod/harness confined space gear.

Utilities: Telephone, Electricity, Fuel oil-heat, and Water - These line items fund the cost of telephone, Cable internet, electrical service, heating oil and water service to the treatment facility. The WPCA participates in the Town wide fuel oil contract. The WPCA is in a 3-year contract with a rate of .081600 for electricity rates (due to expire 3/16/18) and we are continuing to implement energy cost savings plans.

Vehicles: Gas-automotive, Mileage, R&M Vehicles - This line item funds the cost of providing gasoline and diesel fuel to WPCA vehicles through the Town's Diesel Guard and Keegard Guard service; the cost of reimbursing WPCA employees for use of a personal vehicle for work related travel; vehicle repair and maintenance costs. The repair and maintenance budget has decreased this year due to the addition of two new vehicles requiring less unplanned service to the vehicles. Auto gas has increased based on last year's actual spend and budgeted additional work on the Collection System. The mileage reimbursement rate has decreased slightly from \$0.54 to \$0.535 per mile.

Administration Costs: Office Supplies, Postage, Advertising, Legal/Advice, Engineering Services, Service Contracts, Dues & Subscriptions These line items fund costs associated with office operations, routine correspondence, invoices and notices, certified mailings, legal advertising, outside consultants, legal advice, a copy machine, a wide format printer, and an annual subscription to the Hartford Courant, and various professional organizations and journals.

Contingency – This line item represents at least 3% of the total budget and is designated for unforeseen items not planned for in the RCM Budget for emergencies.

Capital Costs: The “**Capital Replacement – Vehicles**” line item funds the cost of replacing WPCA vehicles. This year's line item represents the third and final payment (principal portion) of a lease to own Volvo dump truck. The “**Interest Expense**” line item represents the interest portion of the lease. **Reserve Cap Projects** – line item is designated to accrue for Capital Projects using Sewer Use fees revenue.

Pump Stations: These line items fund the cost of providing electrical service, generator fuel and maintenance and repair to 19 pump stations. Pump station expenses include electricity, Mission Communication at each station, as well as costs associated with DEEP testing requirements and administration costs for the Kent Farm Sewer District. This also includes projects for several stations including:

New Fence at Pump station 12	\$8000
New Fence & Paving at Pump station 2	\$8000
Paving at Pump station 4	\$5000
New Shed at Pump station 8	\$3000

**KENT FARMS COMMUNITY SEPTIC SYSTEM
2017/2018 Expense Budget - \$235**

The Kent Farms Community Septic System is operated by the WPCA as a separate sewer district. The system was designed to a maximum of 44 homes, and currently serves 44 homes. Based on the schedule of expenses for “Pump Station #8 – Plantation Drive”, the WPCA levies a separate user fee against property owners using that system. The WPCA is responsible for maintaining on-site septic systems in the Kent Farms Sewer District. The 2017/2018 Kent Farms Sewer Use Fee will increase from \$227 to \$235, representing an approximate 3% increase. The fee covers pump station maintenance, electricity, time and labor for station monitoring, as well as pump-outs of the separate septic tanks for 1/3 of Kent Farms each year (homes are pumped out every three years), and the cost to treat this at the Plant.

2017/2018 WPCA Assessment Fund Budget - \$160,357

The WPCA Assessment Fund is the account into which all WPCA Sewer Benefit Assessment payments or Sewer Connection Charges are deposited. A Sewer Benefit Assessment is levied against any property owner whose property is “specially benefited” by the installation of a public sewer line, as enabled by Chapter 103, Section 7-249 through 7-254 of the Connecticut General Statutes. The Sewer Connection Charges are assigned to a property whenever construction results in the creation of additional units connected to the existing sanitary sewer system per CGS§7-255. The cash in this fund is used to pay down any debt from the financing of the acquisition or construction of the sewerage system OR for the acquisition or construction of the sewerage system. There is currently no debt, therefore all Assessment and Sewer Connection revenues are transferred into the RCM fund for Capital Improvement Projects allowable by State statute.

2017/2018 WPCA Reserve Capacity Maintenance Fund Budget – \$1,380,000

This fund is used to help finance WPCA Collection System & Plant construction projects. Included in this year's RCM budget besides Sewer Development are the following Plant Upgrade projects:

Grant Portion	Capital - Plant	\$\$\$
	New Incline screen rack in Headworks building	250,000
	U.S.T. project - done before 2019	150,000
	Odor control improvements	80,000
	Replace Boiler & controls	45,000
	Sludge Storage Mixers	50,000
	Roof Repairs	85,000

660,000

Grant Portion	Capital - Pump Stations	\$\$\$
385,000	Facilities plan	700,000
	Update SCADA infrastructure	20,000

720,000

Total Capital Projects 1,380,000

**Town of Suffield Water Pollution Control Authority
2017/2018 Administration (O&M) Revenue Budget**

2016/2017 2017/2018 Variance

Proposed 2017/2018 Use Fee	\$ 300	\$ 310	\$ 10	3% increase in EDU cost from 2016 (*See Definition of EDU below)
Proposed Dollar Per Gallon (Com)	\$ 6.55	\$ 7.42	\$ 0.87	Commercial excess gallons charge in excess of 1 EDU
Use Charges - Commercial	\$ 225,193	\$ 245,292	\$ 20,099	Increase based on higher Equivalent Dwelling Unit (EDU) rate and a 10% commercial surcharge for excess gallons over 46k
Use Charges - Residential billed	\$ 925,231	\$ 986,270	\$ 61,039	based on last year's collection rate of 96.8%. Note the previous year was based on a collection rate of 94% of \$982.2k
Use Charges - Kent Farms	\$ 9,501	\$ 9,805	\$ 304	Last rate increase was 2016. Rate increase of 3% and collection rate of 95%
Use Charges - Prison	\$ 676,601	\$ 773,825	\$ 97,224	Increase - Based on increased Commercial rate and higher flows
Use Charges - Hood	\$ 408,665	\$ 480,842	\$ 72,177	Incr. based on projected budget and recent Hood flows and strength of flow
Use Charges - Delinquent	\$ 23,185	\$ 16,725	\$ (6,460)	less delinquent balance & based on last year's collection rate of 63.28% of delinquent amount
Interest & Fees	\$ 13,854	\$ 11,157	\$ (2,697)	decrease based on last year's collection rate of 42.21% of delinquent amount
Permits & Septic	\$ 20,523	\$ 21,587	\$ 1,064	based on avg of 5 year's actuals
Investment Income	\$ 3,914	\$ 2,913	\$ (1,001)	decrease- based on last year's actuals
Transfer from Fund Balance	\$ 376,187	\$ 624,643	\$ 248,456	Use of Fund Balance - to be transferred to RCM Budget

	\$ 2,682,853	\$ 3,173,058
Kent Farms rate	\$227	\$235

* **EDU - Equivalent Dwelling Unit =**
46,000 gpy per single family dwelling or 126 gpd

expenses	\$ 3,173,058
Revenue	\$ 3,173,058
difference from Revenue	\$ 0

**Suffield WPCA
2017/2018 Budget**

	2016/2017	2017/2018	variance	Description
Payroll	\$ 756,699	\$ 773,918	2.28%	Assumes Employment Cost index increase of 2.4% (Bureau of Labor Statistics Jan 31, 2017) for all staff (plus an estimate for Pay Range Definitions (to be finalized in June). Also includes an increase from 24 hr/week to at least 30 hrs/week for the Assistant Business Administrator.
Social security	\$ 57,887	\$ 59,205	2.28%	7.65% of Payroll
Pension	\$ 84,592	\$ 86,379	2.11%	Per forecast as of 1/19/17 from Finance Director
Workers Comp	\$ 33,000	\$ 36,900	11.82%	based on 3% increase over last year's actual of \$31,407 and est audit assessment amount
Office supplies	\$ 9,000	\$ 9,450	5.00%	incr. based on 5 yrs actuals
Chemicals	\$ 30,600	\$ 30,600	0.00%	no change
Postage	\$ 2,700	\$ 2,700	0.00%	no change
Telephone	\$ 8,000	\$ 10,200	27.50%	incr. based on additional cell for Plant Operations and bundled telephone with internet/cameras
Electricity	\$ 157,000	\$ 164,800	4.97%	incr. - currently in 3-yr electrical contract due to expire 3/16/18 at rate of .081600 - based on actuals from 1617 (\$87k thru 1st half of 1617)
Water	\$ 7,000	\$ 5,000	-28.57%	decr based on forecasting less for system improvements
Gas - automotive	\$ 12,800	\$ 14,080	10.00%	incr. based on additional collection system work
Fuel oil - heat	\$ 17,000	\$ 625	-96.32%	decr based on only 250 gallons of heating fuel - will be switching to electric heat
Mileage	\$ 3,000	\$ 3,000	0.00%	no change
Waste disposal	\$ 103,000	\$ 112,000	8.74%	incr- based on projected usage and rate incr from \$230/ton to \$240/ton
Insurance	\$ 31,084	\$ 33,100	6.49%	incr based on last years actuals with a 10% projected increase
Advertising	\$ 4,000	\$ 5,000	25.00%	incr based on last 2 years actuals and additional Public notices for RFP's, etc. for Capital Projects
Legal/advice	\$ 12,240	\$ 10,200	-16.67%	decr based on attorney services only - Assumes some Union Negotiations expenses carried into this year
Engineering Services	\$ 50,000	\$ 30,000	-40.00%	decr based on previous years actuals and large scope projects are under "Capital Projects" within the RCM budget.
Service Contracts	\$ 19,000	\$ 35,000	84.21%	incr- based on additional service contracts with: TAB computers, Mission, WINN -11, HACH, Huber, and Otis
Uniforms	\$ 6,000	\$ 5,800	-3.33%	decr- Uniform contract + some winter gear
Tests	\$ 12,000	\$ 15,000	25.00%	incr. - based on last 3 years actuals
Dues & Subscriptions	\$ 950	\$ 950	0.00%	no change
Employee Insur	\$ 293,000	\$ 296,000	1.02%	Assumes 11% increase in cost of Health insurance, Llife, std & ltd
Training	\$ 6,000	\$ 8,000	33.33%	incr based on additional Advanced Troubleshooting classes
Medical Expenses	\$ 2,700	\$ 2,700	0.00%	no change
Plant Maintenance	\$ 38,000	\$ 50,000	31.58%	incr. based on last 3 years of actuals
Collection System	\$ 50,000	\$ 50,000	0.00%	no change
R & M - Vehicles	\$ 10,000	\$ 8,000	-20.00%	decrease due to newer vehicles, therefore less cost for repairs
Cap Replace - Vehicles	\$ 60,573	\$ 52,778	-12.87%	3rd year (final payment) on a lease (principal only) for a 2016 Volvo Dump truck and no accrual for New vehicles
Cap Improve	\$ -	\$ -	0.00%	no change
Tools & Equipment	\$ 10,000	\$ 15,000	50.00%	incr. - due to the purchase of a New Tripd/Harness confined space gear
Process Equipment - R&M	\$ 22,000	\$ 22,000	0.00%	no change
Reserve Cap Projects	\$ -	\$ 210,000	#DIV/0!	incr. based on accruing for Capital Replacement Projects
Interest Expense	\$ 4,506	\$ 2,301	-48.94%	3rd year lease payment (interest portion) on new Volvo Dump truck
OPEB Contribution	\$ 143,832	\$ 165,407	15.00%	incr based on estimated 15% increases over last years - as includes 1 additional employee
Transfer to RCM	\$ 406,690	\$ 624,643	53.59%	incr. based on usage of Fund Balance to be transferred to RCM Budget
Safety Supplies	\$ 6,000	\$ 7,000	16.67%	incr based on regular Safety gear as well as purchase of additional confined space gear
Contingency	\$ 83,000	\$ 85,000	2%	incr = 3%+ of budget (less the fund balance transfer) for unforeseen items not planned for in RCM for emergencies
#1 -Thompsonville Rd	\$ 20,000	\$ 19,000	-5.00%	routine exp including Electricity + Mission Commun.
#10 - Mapleton Estates	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#11 - Mapleton Ave	\$ 4,000	\$ 5,000	25.00%	routine exp including Electricity + Mission Commun.
#12 - Bridge St	\$ 12,000	\$ 14,000	16.67%	routine exp including Electricity + Mission Commun. + New Fence
#13 - Stony Brook	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#2 - Willow Creek	\$ 12,000	\$ 12,000	0.00%	routine exp including Electricity + Mission Commun. + New Fence & Paving
#3 - Mountain Road	\$ 24,000	\$ 12,000	-50.00%	routine exp including Electricity + Mission Commun.
#4 - River Blvd	\$ 7,000	\$ 12,000	71.43%	routine exp including Electricity + Mission Commun. + Paving
#5 - Fairhill Lane	\$ 9,000	\$ 10,000	11.11%	routine exp including Electricity + Mission Commun.
#6 - Suffield Meadows	\$ 5,000	\$ 7,000	40.00%	routine exp including Electricity + Mission Commun.
#7 - Poole Rd.	\$ 3,000	\$ 5,000	66.67%	routine exp including Electricity + Mission Commun.
#8 - Plantation Dr	\$ 6,000	\$ 10,321	72.02%	routine exp including Electricity + Mission Commun. + New Shed
#9 - Eagles Watch	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#16 Prospect Hill Estates	\$ 4,000	\$ 3,000	-25.00%	routine exp including Electricity + Mission Commun.
#17 Cedar Crest Drive	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#18 Wisteria Lane	\$ 3,000	\$ 3,000	0.02%	routine exp including Electricity + Mission Commun.
#19 Malec Farms	\$ 4,000	\$ 2,000	-49.99%	routine exp including Electricity + Mission Commun.
	\$ 2,682,854	\$ 3,173,058		
		\$ 490,204	18.27%	

**Town of Suffield Water Pollution Control Authority
2017/2018 Reserve Capacity Maintenance (RCM) Revenue Budget**

	2016/2017	2017/2018	Variance	
Transfer from RCM Fund Balance	\$ 205,709	\$ -	\$ (205,709)	depleted RCM Fund Balance in 1617
Transfer from Assessment Fund	\$ 234,100	\$ 160,357	\$ (73,743)	All Assessment Income
Transfer from O&M Line Item	\$ 30,503	\$ 210,000	\$ 179,497	revenue generated by sewer use fee & earmarked for cap projects
Grant Income	\$ 423,500	\$ 385,000	\$ (38,500)	55% reimbursement from DEEP for Facilities Plan
Transfer from Fund Balance	\$ 376,187	\$ 624,643	\$ 248,456	Transfer from Fund Balance of \$1,923,386 (as of 6/30/16)
TOTAL REVENUE	\$ 1,270,000	\$ 1,380,000		
Sewer Development	\$ 25,000	\$ -	\$ (25,000)	decr. None planned - will reduce Plant Upgrades should "Sewer Development" become necessary
Emergency Repairs	\$ -	\$ -	\$ -	-see Contingency line item in O&M Budget
Plant Upgrades (Capital Improvements)	\$ 1,245,000	\$ 1,380,000	\$ 135,000	PLANT: New Incline screen rack in Headworks bldg (\$250k), Underground storage tank removal (\$150k), Odor control improve. (\$80k), Replace Boiler & controls (\$45k), Sludge storage blowers (\$50k), Roof repairs (\$85k) PUMP STATIONS: Update SCADA infrastructure \$20k COLLECTION SYSTEM: Facilities Plan (\$700K)
TOTAL EXPENSES	\$ 1,270,000	\$ 1,380,000		

NOTE: THE NET CAPITAL PROJECTS WILL BE \$ 995,000
(Plant Upgrades - Grant Income)

**Town of Suffield Water Pollution Control Authority
2017/2018 Assessment/Connection Revenue Budget**

	2016/2017	2017/2018	Variance	Description
2017-2018 New Assessments/Sewer Connections	\$ 3,483	\$ 3,483	\$ -	3 new accounts
Developer's Agreements	\$ 80,000	\$ 80,000	\$ -	10 New - Based on remaining open and 5 year actuals
Current Assessments	\$ 19,890	\$ 22,209	\$ 2,319	based on 2017 annual billing at 90% collection rate
Assessments - Prior Years	\$ 934	\$ 2,143	\$ 1,208	25% of total delinquent
Penalty Interest & Fees	\$ 561	\$ 1,286	\$ 725	60% of delinquent amount collected
Advance Collection	\$ 969	\$ 1,187	\$ 218	1% of principal not billed
Investment Interest	\$ 20	\$ 50	\$ 30	very little interest earned on fluctuating balance
Total:	<u>\$ 105,855</u>	<u>\$ 110,357</u>		
Transfer from Fund Balance	\$ -	\$ -	\$ -	
Assessment Fund Balance (Cash on Hand eoy 1617)	\$ 128,244	\$ 50,000	\$ (78,244)	
TOTAL REVENUE	<u>\$ 234,099</u>	<u>\$ 160,357</u>		
Transfer to Town General Fund	\$ -	\$ -	\$ -	
Transfer to RCM	\$ 234,100	\$ 160,357	\$ (73,744)	
TOTAL EXPENSES	<u>\$ 234,100</u>	<u>\$ 160,357</u>		