

**MOUNT LAUREL TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

**Resolution No 2017-06-89**

**RESOLUTION ADOPTING AMENDED BUDGET FOR FISCAL YEAR 2017**

WHEREAS, the Mount Laurel Township Municipal Utilities Authority has adopted the Fiscal Year 2017 Authority Budget on May 26, 2016 and

WHEREAS, the Mount Laurel Township Municipal Utilities Authority finds it necessary to adopt an amended Fiscal Year 2017 Authority Budget, as follows:

	<b><u>From</u></b>	<b><u>To</u></b>
<b><u>Anticipated Revenue:</u></b>		
<b><u>Operating Revenues:</u></b>		
Service Charges	\$17,451,800	\$18,128,780
Connection fees	\$1,418,300	\$289,000
Other Operating revenue	\$1,561,500	\$1,596,200
<b>Non-Operating Revenues</b>	\$198,250	\$434,850
<b>Total Anticipated Revenues</b>	<b>\$20,629,850</b>	<b>\$20,448,830</b>
<b><u>Budgeted Appropriations:</u></b>		
<b><u>Operating Appropriations:</u></b>		
Administration – Personnel		
Salaries & Wages	\$806,300	\$829,800
Fringe Benefits	\$425,039	\$417,432
Administration – Other	\$833,620	\$830,750
Cost of Providing Services – Personnel		
Salaries & Wages	\$3,588,200	\$3,636,300
Fringe Benefits	\$1,889,051	\$1,883,225
Cost of Providing Services – Other	\$6,508,585	\$6,451,955
Total Principal Payments on Debt Service	\$1,835,604	\$1,835,604
<b><u>Non-Operating Appropriations</u></b>	\$5,117,521	\$4,937,834
Total Appropriations & Accum. Deficit	\$21,003,920	\$20,800,900
Unrestricted Net Assets Utilized:		
Municipality/County Appropriation	\$374,070	\$374,070
Other	\$0	\$0
<b>Total net appropriations</b>	<b>\$20,629,850</b>	<b>\$20,448,830</b>

**NOW, THEREFORE BE IT RESOLVED**, by the Commissioners of the Mount Laurel Township Municipal Utilities Authority that the Fiscal Year 2017 adopted Budget is hereby amended as detailed above, and

**BE IT FURTHER RESOLVED**, that the Board's secretary is hereby directed to submit a copy of this resolution to the Director of Local Government Services for adoption as part of the Authority's Fiscal Year 2017 budget.

MOUNT LAUREL TOWNSHIP  
MUNICIPAL UTILITIES AUTHORITY

By: \_\_\_\_\_  
Christopher Smith, Chairman

Attest:

\_\_\_\_\_  
Cheryl Coco-Capri, Secretary

June 15, 2017

**Governing Body**

**Recorded Vote**

Member:

Aye

Nay

Abstain

Absent

Christopher Smith

John Francesone

Cheryl Coco-Capri

Elwood Knight

Geraldine Nardello

This Resolution was adopted at a meeting of the Mount Laurel Township Municipal Utilities Authority held on June 15, 2017.

**SUMMARY**

Mount Laurel Township Municipal Utilities Authority  
July 1, 2016 to June 30, 2017

For the Period

	FY 2017 Proposed Budget						FY 2017 Adopted Budget	Total All Operations	All Operations	All Operations	% Increase (Decrease) Proposed vs. Adopted
	Water Utility	Sewer Utility	N/A	N/A	N/A	N/A					
	Total All Operations	Total All Operations	Total All Operations	Total All Operations	Total All Operations	Total All Operations					
<b>REVENUES</b>											
Total Operating Revenues	\$ 9,805,050	\$ 10,208,930	\$ -	\$ -	\$ -	\$ -	\$ 20,013,980	\$ 20,431,600	\$ (417,620)	-2.0%	
Total Non-Operating Revenues	210,915	223,935	-	-	-	434,850	198,250	236,600	236,600	119.3%	
Total Anticipated Revenues	10,015,965	10,432,865	-	-	-	20,448,830	20,629,850	(181,020)	(181,020)	-0.9%	
<b>APPROPRIATIONS</b>											
Total Administration	1,026,271	1,051,711	-	-	-	2,077,982	2,064,959	13,023	13,023	0.6%	
Total Cost of Providing Services	5,718,882	6,252,598	-	-	-	11,971,480	11,985,836	(14,356)	(14,356)	-0.1%	
Total Principal Payments on Debt Service in Lieu of Depreciation	1,518,228	317,376	-	-	-	1,835,604	1,835,604	-	-	0.0%	
Total Operating Appropriations	8,263,381	7,621,685	-	-	-	15,885,066	15,886,399	(1,333)	(1,333)	0.0%	
Total Interest Payments on Debt	393,379	51,513	-	-	-	444,892	444,892	-	-	0.0%	
Total Other Non-Operating Appropriations	1,359,205	3,133,737	-	-	-	4,492,942	4,672,629	(179,687)	(179,687)	-3.8%	
Total Non-Operating Appropriations	1,752,584	3,185,250	-	-	-	4,937,834	5,117,521	(179,687)	(179,687)	-3.5%	
Accumulated Deficit	-	-	-	-	-	-	-	-	-	#DIV/0!	
Total Appropriations and Accumulated Deficit	10,015,965	10,806,935	-	-	-	20,822,900	21,003,920	(181,020)	(181,020)	-0.9%	
Less: Total Unrestricted Net Position Utilized	-	374,070	-	-	-	374,070	374,070	-	-	0.0%	
Net Total Appropriations	10,015,965	10,432,865	-	-	-	20,448,830	20,629,850	(181,020)	(181,020)	-0.9%	
<b>ANTICIPATED SURPLUS (DEFICIT)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	

# Revenue Schedule

Mount Laurel Township Municipal Utilities Authority  
For the Period July 1, 2016 to June 30, 2017

	<b>FY 2017 Proposed Budget</b>						<b>Total All</b>	<b>FY 2017 Adopted</b>	<b>Budget</b>	<b>\$ Increase</b>	<b>% Increase</b>
	Water Utility	Sewer Utility	N/A	N/A	N/A	N/A	Operations	Operations	All Operations	Proposed vs. Adopted	Proposed vs. Adopted
<b>OPERATING REVENUES</b>											
<i>Service Charges</i>											
Residential	5388471	6377235					\$ 11,765,706	\$ 11,219,500	\$ 546,206	4.9%	
Business/Commercial	2612592	3387906					6,000,498	5,880,400	120,098	2.0%	
Industrial							-	-	-	#DIV/0!	
Intergovernmental	163287	199289					362,576	351,900	10,676	3.0%	
Other							-	-	-	#DIV/0!	
Total Service Charges	8,164,350	9,964,430	-	-	-	-	18,128,780	17,451,800	676,980	3.9%	
<i>Connection Fees</i>											
Residential	3390	5280					8,670	18,900	(10,230)	-54.1%	
Business/Commercial	109610	170720					280,330	1,399,400	(1,119,070)	-80.0%	
Industrial							-	-	-	#DIV/0!	
Intergovernmental							-	-	-	#DIV/0!	
Other							-	-	-	#DIV/0!	
Total Connection Fees	113,000	176,000	-	-	-	-	289,000	1,418,300	(1,129,300)	-79.6%	
<i>Parking Fees</i>											
Meters							-	-	-	#DIV/0!	
Permits							-	-	-	#DIV/0!	
Fines/Penalties							-	-	-	#DIV/0!	
Other							-	-	-	#DIV/0!	
Total Parking Fees	-	-	-	-	-	-	-	-	-	-	
<i>Other Operating Revenues (List)</i>											
Hydrants/Fire Services	1287200						1,287,200	1,258,000	29,200	2.3%	
Tower Rental	172000						172,000	126,500	45,500	36.0%	
Solar Renewable Energy Credits	68500	68500					137,000	177,000	(40,000)	-22.6%	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Type in (Grant, Other Rev)							-	-	-	#DIV/0!	
Total Other Revenue	1,527,700	68,500	-	-	-	-	1,596,200	1,561,500	34,700	2.2%	
Total Operating Revenues	9,805,050	10,208,930	-	-	-	-	20,013,980	20,431,600	(417,620)	-2.0%	
<b>NON-OPERATING REVENUES</b>											
<i>Other Non-Operating Revenues (List)</i>											
Miscellaneous	50,990	54,010					105,000	26,000	79,000	303.8%	
Type in							-	-	-	#DIV/0!	
Type in							-	-	-	#DIV/0!	
Type in							-	-	-	#DIV/0!	
Type in							-	-	-	#DIV/0!	
Type in							-	-	-	#DIV/0!	
Total Other Non-Operating Revenue	50,990	54,010	-	-	-	-	105,000	26,000	79,000	303.8%	
<i>Interest on Investments &amp; Deposits (List)</i>											
Investments	79,925	79,925					159,850	40,750	119,100	292.3%	
Penalties	80,000	90,000					170,000	131,500	38,500	29.3%	
Other							-	-	-	#DIV/0!	
Total Interest	159,925	169,925	-	-	-	-	329,850	172,250	157,600	91.5%	
Total Non-Operating Revenues	210,915	223,935	-	-	-	-	434,850	198,250	236,600	119.3%	
<b>TOTAL ANTICIPATED REVENUES</b>	<b>\$ 10,015,965</b>	<b>\$ 10,432,865</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,448,830</b>	<b>\$ 20,629,850</b>	<b>\$ (181,020)</b>	<b>-0.9%</b>	

# Prior Year Adopted Revenue Schedule

## Mount Laurel Township Municipal Utilities Authority

### FY 2017 Adopted Budget

	Water Utility	Sewer Utility	N/A	N/A	N/A	N/A	Total All Operations
<b>OPERATING REVENUES</b>							
<i>Service Charges</i>							
Residential	\$ 4,693,500	\$ 6,526,000					\$ 11,219,500
Business/Commercial	2,822,400	3,058,000					5,880,400
Industrial							-
Intergovernmental	180,900	171,000					351,900
Other							-
Total Service Charges	7,696,800	9,755,000	-	-	-	-	17,451,800
<i>Connection Fees</i>							
Residential	8,600	10,300					18,900
Business/Commercial	568,400	831,000					1,399,400
Industrial							-
Intergovernmental							-
Other							-
Total Connection Fees	577,000	841,300	-	-	-	-	1,418,300
<i>Parking Fees</i>							
Meters							-
Permits							-
Fines/Penalties							-
Other							-
Total Parking Fees	-	-	-	-	-	-	-
<i>Other Operating Revenues (List)</i>							
Hydrants/Fire Services	1258000						1,258,000
Tower Rental	126500						126,500
Solar Renewable Energy Credits	88500	88,500					177,000
Other Revenue 4							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Type in (Grant, Other Rev)							-
Total Other Revenue	1,473,000	88,500	-	-	-	-	1,561,500
Total Operating Revenues	9,746,800	10,684,800	-	-	-	-	20,431,600
<b>NON-OPERATING REVENUES</b>							
<i>Other Non-Operating Revenues (List)</i>							
Miscellaneous	12,500	13,500					26,000
Type in							-
Type in							-
Type in							-
Type in							-
Type in							-
Other Non-Operating Revenues	12,500	13,500	-	-	-	-	26,000
<i>Interest on Investments &amp; Deposits</i>							
Investments	20,250	20,500					40,750
Penalties	62,000	69,500					131,500
Other							-
Total Interest	82,250	90,000	-	-	-	-	172,250
Total Non-Operating Revenues	94,750	103,500	-	-	-	-	198,250
<b>TOTAL ANTICIPATED REVENUES</b>	<b>\$ 9,841,550</b>	<b>\$ 10,788,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,629,850</b>

# Appropriations Schedule

## Mount Laurel Township Municipal Utilities Authority

For the Period July 1, 2016 to June 30, 2017

	<b>FY 2017 Proposed Budget</b>						<b>Total All</b>	<b>FY 2017 Adopted</b>	<b>Proposed vs.</b>	<b>% Increase</b>
	Water Utility	Sewer Utility	N/A	N/A	N/A	N/A	Operations	Total All	Adopted	Proposed vs.
								Operations	All Operations	All Operations
<b>OPERATING APPROPRIATIONS</b>										
<i>Administration - Personnel</i>										
Salary & Wages	\$ 414,900	\$ 414,900					\$ 829,800	\$ 806,300	\$ 23,500	2.9%
Fringe Benefits	207,171	210,261					417,432	425,039	(7,607)	-1.8%
<b>Total Administration - Personnel</b>	<b>622,071</b>	<b>625,161</b>	-	-	-	-	<b>1,247,232</b>	<b>1,231,339</b>	<b>15,893</b>	<b>1.3%</b>
<i>Administration - Other (List)</i>										
Computer Expenses	86,200	82,750					168,950	182,500	(13,550)	-7.4%
Other Expenses	274,850	298,650					573,500	463,400	110,100	23.8%
Insurance/Surety Bond Expense	4,400	6,400					10,800	10,720	80	0.7%
Trustee Expenses	35,000	35,000					70,000	172,000	(102,000)	-59.3%
Miscellaneous Administration*	3,750	3,750					7,500	5,000	2,500	50.0%
<b>Total Administration - Other</b>	<b>404,200</b>	<b>426,550</b>	-	-	-	-	<b>830,750</b>	<b>833,620</b>	<b>(2,870)</b>	<b>-0.3%</b>
<b>Total Administration</b>	<b>1,026,271</b>	<b>1,051,711</b>	-	-	-	-	<b>2,077,982</b>	<b>2,064,959</b>	<b>13,023</b>	<b>0.6%</b>
<i>Cost of Providing Services - Personnel</i>										
Salary & Wages	1,535,400	2,100,900					3,636,300	3,588,200	48,100	1.3%
Fringe Benefits	779,357	1,103,868					1,883,225	1,889,051	(5,826)	-0.3%
<b>Total COPS - Personnel</b>	<b>2,314,757</b>	<b>3,204,768</b>	-	-	-	-	<b>5,519,525</b>	<b>5,477,251</b>	<b>42,274</b>	<b>0.8%</b>
<i>Cost of Providing Services - Other (List)</i>										
Purchase of water(water); sludge & CCMUA(s)	2,327,600	937,000					3,264,600	3,423,400	(158,800)	-4.6%
Chemicals	139,400	586,250					725,650	659,100	66,550	10.1%
Electric Power	368,400	665,500					1,033,900	1,157,500	(123,600)	-10.7%
Other Expenses	546,225	845,080					1,391,305	1,250,085	141,220	11.3%
Miscellaneous COPS*	22,500	14,000					36,500	18,500	18,000	97.3%
<b>Total COPS - Other</b>	<b>3,404,125</b>	<b>3,047,830</b>	-	-	-	-	<b>6,451,955</b>	<b>6,508,585</b>	<b>(56,630)</b>	<b>-0.9%</b>
<b>Total Cost of Providing Services</b>	<b>5,718,882</b>	<b>6,252,598</b>	-	-	-	-	<b>11,971,480</b>	<b>11,985,836</b>	<b>(14,356)</b>	<b>-0.1%</b>
<b>Total Principal Payments on Debt Service in Lieu of Depreciation</b>	<b>1,518,228</b>	<b>317,376</b>	-	-	-	-	<b>1,835,604</b>	<b>1,835,604</b>	-	<b>0.0%</b>
<b>Total Operating Appropriations</b>	<b>8,263,381</b>	<b>7,621,685</b>	-	-	-	-	<b>15,885,066</b>	<b>15,886,399</b>	<b>(1,333)</b>	<b>0.0%</b>
<b>NON-OPERATING APPROPRIATIONS</b>										
Total Interest Payments on Debt	393,379	51,513					444,892	444,892	-	0.0%
Operations & Maintenance Reserve	1,089,205	4,899,667					5,988,872	6,168,559	(179,687)	-2.9%
Renewal & Replacement Reserve	270,000	(2,140,000)					(1,870,000)	(1,870,000)	-	0.0%
Municipality/County Appropriation		374,070					374,070	374,070	-	0.0%
Other Reserves							-	-	-	#DIV/0!
<b>Total Non-Operating Appropriations</b>	<b>1,752,584</b>	<b>3,185,250</b>	-	-	-	-	<b>4,937,834</b>	<b>5,117,521</b>	<b>(179,687)</b>	<b>-3.5%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>10,015,965</b>	<b>10,806,935</b>	-	-	-	-	<b>20,822,900</b>	<b>21,003,920</b>	<b>(181,020)</b>	<b>-0.9%</b>
<b>ACCUMULATED DEFICIT</b>							-	-	-	#DIV/0!
<b>TOTAL APPROPRIATIONS &amp; ACCUMULATED DEFICIT</b>	<b>10,015,965</b>	<b>10,806,935</b>	-	-	-	-	<b>20,822,900</b>	<b>21,003,920</b>	<b>(181,020)</b>	<b>-0.9%</b>
<b>UNRESTRICTED NET POSITION UTILIZED</b>										
Municipality/County Appropriation	-	374,070	-	-	-	-	374,070	374,070	-	0.0%
Other							-	-	-	#DIV/0!
<b>Total Unrestricted Net Position Utilized</b>	<b>-</b>	<b>374,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>374,070</b>	<b>374,070</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL NET APPROPRIATIONS</b>	<b>\$ 10,015,965</b>	<b>\$ 10,432,865</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,448,830</b>	<b>\$ 20,629,850</b>	<b>\$ (181,020)</b>	<b>-0.9%</b>

\* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 413,169.05 \$ 381,084.25 \$ - \$ - \$ - \$ - \$ 794,253.30

# Prior Year Adopted Appropriations Schedule

## Mount Laurel Township Municipal Utilities Authority

	<i>FY 2017 Adopted Budget</i>						<b>Total All Operations</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>OPERATING APPROPRIATIONS</b>							
<i>Administration - Personnel</i>							
Salary & Wages	\$ 403,150	\$ 403,150					\$ 806,300
Fringe Benefits	214,024	211,015					425,039
Total Administration - Personnel	617,174	614,165	-	-	-	-	1,231,339
<i>Administration - Other (List)</i>							
Computer Expenses	80,500	102,000					182,500
Other Expenses	212,150	251,250					463,400
Insurance/Surety Bond Expense	4,335	6,385					10,720
Trustee Expenses	105,000	67,000					172,000
Miscellaneous Administration*	2,500	2,500					5,000
Total Administration - Other	404,485	429,135	-	-	-	-	833,620
Total Administration	1,021,659	1,043,300	-	-	-	-	2,064,959
<i>Cost of Providing Services - Personnel</i>							
Salary & Wages	1,464,100	2,124,100					3,588,200
Fringe Benefits	777,261	1,111,790					1,889,051
Total COPS - Personnel	2,241,361	3,235,890	-	-	-	-	5,477,251
<i>Cost of Providing Services - Other (List)</i>							
Purchase of water(water) sludge & CCMUA(s)	2,529,500	893,900					3,423,400
Chemicals	146,200	512,900					659,100
Electric Power	377,300	780,200					1,157,500
Other Expenses	561,740	688,345					1,250,085
Miscellaneous COPS*	9,000	9,500					18,500
Total COPS - Other	3,623,740	2,884,845	-	-	-	-	6,508,585
Total Cost of Providing Services	5,865,101	6,120,735	-	-	-	-	11,985,836
Total Principal Payments on Debt Service in Lieu of Depreciation	1,518,228	317,376	-	-	-	-	1,835,604
Total Operating Appropriations	8,404,988	7,481,411	-	-	-	-	15,886,399
<b>NON-OPERATING APPROPRIATIONS</b>							
Total Interest Payments on Debt	393,379	51,513	-	-	-	-	444,892
Operations & Maintenance Reserve	773,183	5,395,376					6,168,559
Renewal & Replacement Reserve	270,000	(2,140,000)					(1,870,000)
Municipality/County Appropriation		374,070					374,070
Other Reserves							-
Total Non-Operating Appropriations	1,436,562	3,680,959	-	-	-	-	5,117,521
<b>TOTAL APPROPRIATIONS</b>	<b>9,841,550</b>	<b>11,162,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,003,920</b>
<b>ACCUMULATED DEFICIT</b>							
<b>TOTAL APPROPRIATIONS &amp; ACCUMULATED DEFICIT</b>	<b>9,841,550</b>	<b>11,162,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,003,920</b>
<b>UNRESTRICTED NET POSITION UTILIZED</b>							
Municipality/County Appropriation	-	374,070	-	-	-	-	374,070
Other							-
Total Unrestricted Net Position Utilized	-	374,070	-	-	-	-	374,070
<b>TOTAL NET APPROPRIATIONS</b>	<b>\$ 9,841,550</b>	<b>\$ 10,788,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,629,850</b>

\* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations    \$ 420,249.40    \$ 374,070.55    \$ -    \$ -    \$ -    \$ -    \$ 794,319.95

To: Pamela J. Carolan, Executive Director

From: David R. Wiest, Finance Director 

Date: June 13, 2017

Subject: Fiscal Year 2017 budget amendment

We have completed the amendment of our fiscal year 2017 (FY17) operating budget. Although not required by law, the amendment of the nearly completed fiscal year budget has been an internal routine that allows us to compare the budget to the actual results for the year, anticipate the final few months of fiscal activity, and make appropriate adjustments to the outgoing budget. Enclosed is a printout which shows the budget in a form familiar to the board members. This shows the adopted budget we have been operating under during FY17, the proposed amended FY17 budget and the amended budget's breakdown between our water and sewer utilities.

Significant Amendments:

**REVENUES:**

In the aggregate, revenues are expected to remain fairly consistent with the adopted FY17 budget, with an anticipated decrease of \$181,000. This is a reduction of just 0.9%.

User fee revenues are being increased by slightly over \$675,000, as water delivered to service in FY17 is projected to be about 1,500 mg. When the budget was created in March 2016, a two year average of 1,431 mg of water consumption was used. This yields about 70mg of more water delivered than we anticipated, accounting for the revenue increase.

Connection fee revenue is being decreased by over \$1.1 m, as several large projects that were anticipated to tie in during FY17 have not, in whole or in part. These projects have been included in our FY18 budget. Examples include the Hampton Inn on Briggs Road, 5000 Midlantic Drive (hotel phase), Bread of Life Cemetery and Walmart.

SREC income is being decreased by \$40,000 as the market price of SRECs declined during FY17. The weighted average price for an SREC is currently around \$220, while the FY17 budget was developed when the unit price was near \$280.

Interest income is increasing significantly, due in large part to the omission of some of the Authority's investment instruments when projecting interest income for the original FY17 budget.

Tower Rental / Other Income are increasing due to a combination of under budgeting tower rental in the adopted FY17 budget and an increase in other income due to the fees associated with a more aggressive collections process and more administrative fees realized due to a surge in settlements on new and existing homes.



## **EXPENSES:**

Overall expenses (excluding depreciation) are expected to remain virtually the same. The more significant changes are addressed below.

Salaries expense will increase by \$71,600. Contributing factors include higher than expected overtime costs associated with various operational issues throughout the year, salary adjustments for employees promoted to replace supervisors retiring at the end of calendar 2017 and the hiring of interns that, in part, were brought in to cover the responsibilities of an employee out on maternity leave.

Repairs and Maintenance expense has risen nearly \$165,000, largely as the result of repairs at the sewer treatment plant and several force main breaks through the course of FY17. Costs of repairs to the force main and the costs of tanking sewage have pushed this line item up substantially. Capital project budgeting is addressing a long term fix of the force main problem and steps are underway to replace a particular section of the force main within the next few months.

Chemical expense is projected to increase by \$66,500. Odor control chemicals are at the root of this increase. This is due to the fact that warmer weather means more odor control chemical consumption. Because the winter of 2017 was mild, the Authority used more of this chemical than was anticipated in the FY17 budget.

Vehicles – Fuel and Maintenance has been reduced by nearly \$25,000. The Authority has benefitted from a protracted period of low fuel costs and its fleet of vehicles has not needed any major repairs or maintenance to speak of.

Sludge Disposal expense is increasing \$38,000. Operational actions necessitate this adjustment, such as the sewer plant's thickener tank being pumped down (increasing sludge disposal) for cleaning. Also, the primary clarifier failed three times which required its sludge to be pumped to the thickener tank. This resulted in the sludge press running more than normal, generating more sludge and disposal cost.

Purchase of water (POW) expense is dropping by \$200,000. This line item was impacted by lower than normal system demand, reducing the overall purchase of water. This reduction of projected water purchase specifically impacted the Willingboro MUA supply as the NJAWC supply contract does not permit changes in supply flow. The original POW projections were based on historical demand trends and considered the supply of water during many demand patterns. The current supply pattern is somewhat less than normal historic delivery volumes.

Legal expense is increasing by \$33,500 largely due to unexpected costs arising from the Chase Partners issue and the costs associated with negotiating a separation agreement with an outgoing employee.

Engineering fees are more than doubling the original budget of \$50,000. The primary reason for this increase is the hiring of an engineering firm to work on the Authority's GIS system. Maser Consulting has been working toward getting the GIS system to where it should be and will continue to coordinate efforts with MUA personnel in order to move the process forward.

Merchant fees have been increased to account for bank fees imposed on the Authority part way through FY17. The original budget did not anticipate these fees, as they were not being charged at the time the FY17 budget was developed.

Employee group medical insurance expense will decrease \$73,300 or 6.2%. This decrease is due to a few things. First, premium reductions for CY17 in the State Health Benefits Plan (SHBP) were realized across all plan options. Also, 12 employees opted into the SHBP tier plan, which resulted in lower premium costs than the MUA base plan. The remaining savings are due to new employees not covered by group health insurance for a period of time at the beginning of their employment and the departure of employees that generally carried the same or higher levels of coverage compared to new employees.

Trustee expense is reducing due to the expiration of 1996 debt during FY17, while trustee fees for that issue were anticipated in the adopted budget. Additionally, significant publishing fees for the retirement of bonds from the Authority's 1977 issue were budgeted, but did not occur. Since that bond issue had a 40 year term, these costs will no longer be incurred.

We will be seeking board passage of an amending resolution at Thursday night's meeting.