

**FISCAL YEAR 2017
BUDGET**



**MONGOMERY COUNTY
PUBLIC SERVICE AUTHORITY**

**MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
FISCAL YEAR 2017
BUDGET**

Executive Summary

The total Fiscal Year (FY) 2017 Budget is \$3,760,740 which represents a 2.1% decrease as compared to the FY 2016 Budget of \$3,841,306.

A sewer rate increase was publicly advertised and approved by the Montgomery County Public Service Authority (PSA) Board of Directors effective May 2, 2016. The last sewer rate increase for the PSA was June 3, 2013. The sewer rate increased from \$7.46 to \$7.65 per 1,000 gallons (2.5%). The water rate remains at \$7.60 per 1,000 gallons.

During FY 2016, we experienced several extraordinary weather events including flooding and extreme cold weather that lead to excessive sewer expenditures in excess of that budgeted. A Sewer Budget Amendment of \$70,000 was approved by Resolution R16-06-01 to balance the FY 2016 Sewer Budget.

The FY 2017 Water Budget is \$2,138,145, which is a 2% decrease as compared to the FY 2016 Water Budget of \$2,184,782. This budget includes employee salary increases consistent with Montgomery County levels. Employee salaries and benefits comprise 35% of budget expenses, purchased water is 31% of budget expenses, Operations/Maintenance is 20% of budget expenses, and debt service is 14% of budget expenses. This budget includes 10 new equivalent residential connections which is the same as the FY 2016 budget.

The FY 2017 Wastewater Budget is \$1,622,595, which is a 2% decrease as compared to the FY 2016 Wastewater Budget of \$1,656,524. This budget includes employee salary increases consistent with Montgomery County levels. Employee salaries and benefits comprise 42% of budget expenses, purchased wastewater treatment is 32% of budget expenses, Operations/Maintenance is 16% of budget expenses, and debt service is 10% of budget expenses. This budget includes 8 new equivalent residential connections which is the same as the FY 2016 budget.

Montgomery County became a member of the NRV Regional Water Authority (formerly Blacksburg-Christiansburg-VPI Water Authority) during FY 2014. Montgomery County Public Service Authority owns and operates the existing water systems serving County customers but is not a joining entity of the new authority. The transition of water supply in all PSA water systems from the Water Authority will require a number of water transmission main installations over a number of years. The transition will provide an adequate long-term water supply for Montgomery County.

**FY 2017 BUDGET
WASTEWATER**

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

	FY 2016 Revised Budget	FY 2017 Approved Budget	FY 2017 VS. FY 2016	% Diff.
<u>OPERATING REVENUES</u>				
SEWER CHARGES AND PENALTIES	1,426,128	1,465,705	39,577	2.78%
SERVICE FEES	123,240	123,240	0	0.00%
MISCELLANEOUS	450	400	-50	-11.11%
OTHER INCOME	3,000	3,000	0	0.00%
CONNECTION FEES	2,500	2,500	0	0.00%
INTEREST	0	0	0	0.00%
TOTAL OPERATING REVENUES	1,555,318	1,594,845	39,527	2.54%
<u>OPERATING EXPENSES</u>				
SALARIES AND WAGES	438,125	443,466	5,341	1.22%
EMPLOYEE BENEFITS	195,645	216,339	20,694	10.58%
PROFESSIONAL SERVICES	52,560	37,710	-14,850	-28.25%
UTILITIES	88,300	90,400	2,100	2.38%
OFFICE SUPPLIES, TRAVEL, DUES, PERMITS	15,420	15,920	500	3.24%
WASTEWATER SERVICES	535,000	525,000	-10,000	-1.87%
REPAIR AND MAINTENANCE	96,300	66,000	-30,300	-31.46%
INSURANCE	15,553	17,500	1,947	12.52%
VEHICLE SUPPLIES AND MAINTENANCE	20,000	16,000	-4,000	-20.00%
UNIFORMS	6,421	7,060	639	9.95%
CHEMICALS AND SUPPLIES	36,000	30,000	-6,000	-16.67%
PRINCIPLE, INTEREST AND DEBT RESERVE	157,200	157,200	0	0.00%
TOTAL OPERATING EXPENSES	1,656,524	1,622,595	-33,929	-2.05%
<u>NON OPERATING INCOME (EXPENSES)</u>				
FACILITY FEES	27,750	27,750	0	0.00%
CAPITAL OUTLAY	0	0	0	0.00%
BUDGET AMENDMENT	70,000	0	-70,000	-100.00%
TOTAL NON OPERATING INCOME (EXPENSES)	97,750	27,750	-70,000	-71.61%
NET INCOME (LOSS)	-3,456	0	0	0

**FY 2017 BUDGET
WASTEWATER**

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

	FY 2016 Revised Budget	FY 2016 Projected Year End	FY 2017 Approved Budget	FY 2017 VS. FY 2016	% Diff.
<u>OPERATING REVENUES</u>					
SEWER CHARGES AND PENALTIES	1,426,128	1,354,893	1,465,705	<i>39,577</i>	<i>2.78%</i>
416303 Metered Sales	1,352,268	1,275,692	1,391,755		
416304 Flat Rate	57,360	57,966	57,450		
416401 Penalty Charges	16,500	21,235	16,500		
SERVICE FEES					
416402 Service Charges	123,240	122,938	123,240	<i>0</i>	<i>0.00%</i>
MISCELLANEOUS	450	113	400	<i>-50</i>	<i>-11.11%</i>
416404 Trip Fees	0	0	0		
416406 Reconnection Fees	200	38	200		
416501 Miscellaneous Charges	0	0	0		
416607 Inspection Fees	250	75	200		
OTHER INCOME					
416502 Other Income	3,000	5,730	3,000	<i>0</i>	<i>0.00%</i>
CONNECTION FEES					
416601 Connection Fees	2,500	2,250	2,500	<i>0</i>	<i>0.00%</i>
INTEREST					
416603 Interest Income	0	0	0	<i>0</i>	<i>0.00%</i>
TOTAL OPERATING REVENUES	<u>1,555,318</u>	<u>1,485,924</u>	<u>1,594,845</u>	<i>39,527</i>	<i>2.54%</i>
<u>OPERATING EXPENSES</u>					
SALARIES AND WAGES	438,125	427,422	443,466	<i>5,341</i>	<i>1.22%</i>
510010 Full Time Salaries & Wages	434,075	409,986	424,066		
510020 Overtime	1,350	2,361	2,000		
510050 Compensation of Boards	2,700	15,075	17,400		
EMPLOYEE BENEFITS	195,645	187,633	216,339	<i>20,694</i>	<i>10.58%</i>
521000 FICA-Employers Share	33,413	32,281	33,336		
522000 Retirement - VRS	57,261	51,229	55,595		
523000 Hospital / Medical Plans	87,173	88,229	103,090		
524000 Group Insurance	5,765	4,647	5,598		
525000 Long-Term Disability Insur.	1,646	1,383	1,399		
526000 Unemployment Insurance	1,172	52	1,170		
527000 Worker's Compensation Prem.	9,215	9,812	16,151		
PROFESSIONAL SERVICES	52,560	29,701	37,710	<i>-14,850</i>	<i>-28.25%</i>
530010 Professional Services	3,060	3,732	3,060		
530060 Professional SVS-Audit	4,500	4,418	4,650		
530110 Professional SVS-Testing	45,000	21,551	30,000		
533000 Maintenance SVS Contract	0	0	0		
UTILITIES	88,300	86,055	90,400	<i>2,100</i>	<i>2.38%</i>
551010 Electric Services	78,500	74,169	77,200		
551040 Tipping Fees Payment	4,500	4,147	4,900		
552030 Telephone Services	5,300	7,739	8,300		

OFFICE SUPPLIES, TRAVEL, DUES, PERMITS	15,420	12,654	15,920	500	3.24%
535000 Printing & Binding	0	0	0		
535020 Copier Charges	0	0	0		
536000 Advertising	500	0	500		
552010 Postal Services	70	26	70		
554010 Employee Functions	0	0	0		
554030 Recognition Award	300	130	300		
554050 Dues & Assoc. Membership	1,025	600	1,050		
555000 Travel - Registration	0	0	0		
555200 Training	3,000	2,244	3,000		
556080 Permits	8,800	8,499	9,000		
560010 Office Supplies	725	975	1,000		
560610 Books & Subscriptions	200	0	200		
561000 Travel - Meals & Lodging	500	0	500		
561100 Hospitality / Meals	300	180	300		
WASTEWATER SERVICES					
551100 Sewer Treatment	535,000	542,256	525,000	-10,000	-1.87%
REPAIR AND MAINTENANCE	96,300	112,202	66,000	-30,300	-31.46%
533110 Repairs & Maint. Facilities	90,300	106,502	66,000		
559700 Lease / Rent of Equipment	0	0	0		
560200 Repair Part, Supplies - Site	6,000	5,700	0		
INSURANCE	15,553	16,562	17,500	1,947	12.52%
553120 General Liability Insurance	3,122	3,035	3,200		
553130 Motor Vehicle Insurance	3,607	3,733	4,000		
553180 Other Property Insurance	8,824	9,794	10,300		
VEHICLE SUPPLIES AND MAINTENANCE	20,000	13,349	16,000	-4,000	-20.00%
533130 Repair & Maintenance-Vehicle	5,000	3,203	5,000		
560080 Gasoline	15,000	10,146	11,000		
560090 Repair Parts, Supplies-Vehicle	0	0	0		
560095 Motor Oil, Grease	0	0	0		
UNIFORMS					
562000 Uniforms & Wearing Apparel	6,421	7,064	7,060	639	9.95%
CHEMICALS AND SUPPLIES					
560230 Chemicals	36,000	29,992	30,000	-6,000	-16.67%
PRINCIPLE, INTEREST AND DEBT RESERVE					
591000 Payment of Principle	157,200	157,170	157,200	0	0.00%
TOTAL OPERATING EXPENSES	1,656,524	1,622,060	1,622,595	-33,929	-2.05%
<u>NON OPERATING INCOME (EXPENSES)</u>					
FACILITY FEES	27,750	19,125	27,750	0	0.00%
416602 Facility Charges	24,000	16,875	24,000		
416611 Sewer Pump Station Facility Fee	3,750	2,250	3,750		
CAPITAL OUTLAY	0	330	0	0	0.00%
580050 Motor Vehicles & Equipment	0	0	0		
581010 Machinery and Equipment	0	330	0		
BUDGET AMENDMENT	70,000	70,000	0	-70,000	-100.00%

<i>TOTAL NON OPERATING INCOME (EXPENSES)</i>	<i>97,750</i>	<i>88,795</i>	<i>27,750</i>	<i>-70,000</i>	<i>-71.61%</i>
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<u>RESERVE FUNDS</u>					
SEWER RESERVES					
451213 Sewer Reserves	0	0	0	0	0.00%
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<u>NET INCOME (LOSS)</u>	-3,456	-47,341	0	0	0

**FY 2017 BUDGET
WATER**

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

	FY 2016 Revised Budget	FY 2017 Approved Budget	FY 2017 VS. FY 2016	% Diff.
<u>OPERATING REVENUES</u>				
WATER CHARGES AND PENALTIES	1,889,837	1,845,190	-44,647	-2.36%
SERVICE FEES	213,330	213,330	0	0.00%
VDH SURCHARGE	8,205	8,205	0	0.00%
MISCELLANEOUS	31,910	29,920	-1,990	-6.24%
OTHER INCOME	3,000	3,000	0	0.00%
CONNECTION FEES	7,500	7,500	0	0.00%
INTEREST	6,000	6,000	0	0.00%
TOTAL OPERATING REVENUES	2,159,782	2,113,145	-46,637	-2.16%
<u>OPERATING EXPENSES</u>				
SALARIES AND WAGES	480,226	504,794	24,568	5.12%
EMPLOYEE BENEFITS	223,184	237,406	14,222	6.37%
PROFESSIONAL SERVICES	150,015	102,739	-47,276	-31.51%
MAINTENANCE CONTRACTS	117,000	95,000	-22,000	-18.80%
UTILITIES	37,750	33,500	-4,250	-11.26%
OFFICE SUPPLIES, POSTAGE, TRAINING, DUES, PERMITS	30,155	37,300	7,145	23.69%
WATER SERVICES	670,000	655,000	-15,000	-2.24%
REPAIR AND MAINTENANCE	81,453	71,000	-10,453	-12.83%
INSURANCE	19,292	19,900	608	3.15%
VEHICLE SUPPLIES AND MAINTENANCE	37,500	30,500	-7,000	-18.67%
UNIFORMS	5,276	4,800	-476	-9.02%
CHEMICALS AND SUPPLIES	500	1,500	1,000	200.00%
PRINCIPLE, INTEREST AND DEBT RESERVE	293,082	293,081	-1	0.00%
TOTAL OPERATING EXPENSES	2,145,433	2,086,520	-58,913	-2.75%
<u>NON OPERATING INCOME (EXPENSES)</u>				
FACILITY FEES	25,000	25,000	0	0.00%
CAPITAL OUTLAY	39,625	51,625	12,000	30.28%
TOTAL NON OPERATING INCOME (EXPENSES)	-14,625	-26,625	-12,000	82.05%
NET INCOME (LOSS)	-276	0	276	0.00%

**FY 2017 BUDGET
WATER**

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

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<u>OPERATING REVENUES</u>					
WATER CHARGES AND PENALTIES	1,889,837	1,793,649	1,845,190	-44,647	-2.36%
416301 Metered Sales	1,842,647	1,741,066	1,798,000		
416302 Bulk Water Sales	200	0	200		
416305 Fire Service Fees	20,640	20,640	20,640		
416401 Penalty Charges	26,350	31,943	26,350		
SERVICE FEES					
416402 Service Charges	213,330	213,827	213,330	0	0.00%
VDH SURCHARGE					
416403 VA Dept Health Surcharge	8,205	8,223	8,205	0	0.00%
MISCELLANEOUS	31,910	30,589	29,920	-1,990	-6.24%
416404 Trip Fees	150	38	150		
416405 Transfer Fees	5,460	5,100	5,470		
416406 Reconnection Fees	12,000	12,638	12,000		
416607 Inspection Fees	300	38	300		
416608 Returned Check Fees	0	840	0		
416612 Fire Hydrant Availability Fee	14,000	11,935	12,000		
OTHER INCOME					
416502 Other Income	3,000	44,542	3,000	0	0.00%
CONNECTION FEES					
416601 Connection Fees	7,500	7,688	7,500	0	0.00%
INTEREST					
416603 Interest Income	6,000	10,104	6,000	0	0.00%
TOTAL OPERATING REVENUES	2,159,782	2,108,622	2,113,145	-46,637	-2.16%
<u>OPERATING EXPENSES</u>					
SALARIES AND WAGES	480,226	461,032	504,794	24,568	5.12%
510010 Full Time Salaries & Wages	467,926	442,135	470,643		
510020 Overtime	4,000	3,971	4,000		
510020 Standby Compensation	0	0	15,051		
510030 Part-Time Salaries & Wages	5,000	3,038	2,500		
510050 Compensation of Boards	3,300	11,888	12,600		
EMPLOYEE BENEFITS	223,184	202,244	237,406	14,222	6.37%
521000 FICA-Employers Share	34,303	34,881	38,046		
522000 Retirement - VRS	58,786	56,108	63,403		
523000 Hospital / Medical Plans	103,590	94,247	107,065		
524000 Group Insurance	5,919	5,085	6,384		
525000 Long-Term Disability Insur.	1,704	1,563	1,838		
526000 Unemployment Insurance	1,170	163	1,170		
527000 Worker's Compensation Prem.	17,712	10,197	19,500		
PROFESSIONAL SERVICES	150,015	92,135	102,739	-47,276	-31.51%
530010 Professional Services	6,900	1,000	3,500		
530040 Professional SVS-Engineering	0	11,832	0		

530060 Professional SVS-Audit	4,515	4,418	4,639		
530061 Professional SVS-Finance	116,500	60,566	78,000		
530110 Professional SVS-Testing	8,600	10,127	8,600		
556070 Fees-Banking	10,500	3,961	5,000		
556090 Bad Debt Expense	3,000	0	3,000		
558200 Refunds	0	231	0		
MAINTENANCE CONTRACTS					
533000 Maintenance SVS Contract	117,000	102,085	95,000	-22,000	-18.80%
UTILITIES	37,750	33,290	33,500	-4,250	-11.26%
551010 Electric Services	29,000	22,981	22,250		
551041 Tipping Fees Payment	250	0	250		
552030 Telephone Services	8,500	10,309	11,000		
OFFICE SUPPLIES, TRAINING, DUES, PERMITS	30,155	33,841	37,300	7,145	23.69%
535000 Printing & Binding	300	8,548	9,000		
535020 Copier Charges	150	167	150		
536000 Advertising	650	0	650		
552010 Postal Services	20,000	16,198	19,000		
554030 Recognition Award	300	85	300		
554050 Dues & Assoc. Membership	775	1,283	1,500		
555200 Training	1,500	1,383	1,500		
560010 Office Supplies	1,550	1,779	1,600		
560610 Books & Subscriptions	280	87	250		
561000 Travel - Meals & Lodging	500	0	500		
561100 Hospitality / Meals	750	358	750		
561200 Taxable Meals	0	52	0		
583000 ADP Equipment	2,400	3,301	1,600		
583600 ADP Software - Major	1,000	600	500		
WATER SERVICES					
551200 Purchased Water	670,000	654,818	655,000	-15,000	-2.24%
REPAIR AND MAINTENANCE	81,453	85,623	71,000	-10,453	-12.83%
533110 Repairs & Maint. Facilities	80,453	79,430	70,000		
560200 Repair Part, Supplies - Site	1,000	6,193	1,000		
559700 Lease/Rent of Equipment	0	0	0		
INSURANCE	19,292	18,975	19,900	608	3.15%
553120 General Liability Insurance	4,814	4,672	4,900		
553130 Motor Vehicle Insurance	5,541	5,719	6,000		
553180 Other Property Insurance	8,937	8,584	9,000		
VEHICLE SUPPLIES AND MAINTENANCE	37,500	32,799	30,500	-7,000	-18.67%
533130 Repair & Maintenance-Vehicle	15,500	19,519	15,500		
560080 Gasoline	22,000	13,280	15,000		
UNIFORMS					
562000 Uniforms & Wearing Apparel	5,276	4,231	4,800	-476	-9.02%
CHEMICALS AND SUPPLIES					
560230 Chemicals	500	2,394	1,500	1,000	200.00%
PRINCIPLE, INTEREST AND DEBT RESERVE	293,082	293,081	293,081	-1	0.00%
591000 Payment of Principle	245,560	245,559	245,559		
591000 BCVPI Water Authority Buy-In	47,522	47,522	47,522		

TOTAL OPERATING EXPENSES	2,145,433	2,016,548	2,086,520	-58,913	-2.75%
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NON OPERATING INCOME (EXPENSES)

FACILITY FEES

416602 Facility Charges	25,000	22,665	25,000	<i>0</i>	<i>0.00%</i>
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CAPITAL OUTLAY

580050 Motor Vehicles & Equipment	39,625	39,267	51,625	<i>12,000</i>	<i>30.28%</i>
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581000 Other Capital Outlay	3,625	6,012	3,625		
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581010 Machinery and Equipment	0	0	0		
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TOTAL NON OPERATING INCOME (EXPENSES)	-14,625	-16,602	-26,625	-12,000	82.05%
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RESERVE FUNDS

WATER RESERVES

451213 Water Reserves	0	0	0	<i>0</i>	<i>0.00%</i>
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<u>NET INCOME (LOSS)</u>	-276	75,472	0	276	<i>0.00%</i>
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