



---

---

# FY15 Sewer Fund Budget

---

---

As Adopted  
By The  
Town Council

October 20, 2014

# TABLE OF CONTENTS

---

## Introduction

---

Table of Contents	2
Budget Message by the Finance Director	3

## Line Items

---

### Operating Fund

Operating Fund Balance	8
Operating Revenues	9
Operating Expenditures	10
Personnel Services	10
Employee Benefits	10
Contractual Services	10
Materials & Supplies	11
Utilities & Commodities	11
Repairs & Maintenance	11
Equipment Purchases	12
Other Expenses, Travel, Etc.	12

### Capital Fund

Capital Fund Balance	13
Capital Revenues	14
Capital Expenditures	
Capital Fund Status	15
Capital Fund Expenditures Plan (Years One through Five)	16
Equipment Replacement Schedule	17-18

## Charts

---

	Charts-Table of Contents	19
A.	Capital Improvement Program Narrative	20-25
B.	Personnel Services & Benefits	26-27
C.	Contractual Services	28-29
D.	Materials & Supplies	30
E.	Equipment Purchases	31
F.	Debt Service	32-34
G.	Net Income Statement	35
H.	Sewer Rate Schedule	36
I.	Sewer Rate Calculations	37
J.	Budget Standards/Non-Cash Exps	38
K.	Combined Fund Balance	39
	Residential Summer Discount App	40
	Sewer Budget Ordinance	41-42



# Town Of Bar Harbor

## Office of the Town Manager

93 Cottage Street, Suite I  
Bar Harbor, Maine 04609-1400  
Tel. 207-288-4098 Fax 207-288-4461

Stanley Harmon, Finance Director

[treasurer@barharbormaine.gov](mailto:treasurer@barharbormaine.gov)

October 7, 2014

## Budget Message

You will find attached the proposed Sewer Budget for FY15. Under the requested budget, the estimated annual sewer bill for a typical four-member residential household will rise 4.7%, or \$26.40 next year, about \$2.20 cents per month. For FY15, the total cost for 8000 cubic Feet of usage will increase to \$587.20 from last year's \$560.80 billing. The entire increase is with-in the operations rate. The capital rate does not require an increase this year.

### Fund Balance (page 39)

The proposed FY15 budget is essentially balanced, with an increase in our combined unassigned fund balance of approximately \$18,316 compared to the end of FY2014. Over the next five years, the unallocated fund balances of both the Operating Fund and Capital Fund are projected to remain relatively constant.

#### Fund Balance – Operating Fund (page 8)

The Operating Fund balance will essentially be flat, showing a gain over FY14 budget of \$190,025, but a reduction of \$46,783 from FY14 actual in the Unreserved & Undesignated Fund Balance. A *designation for working capital* of \$408,392 provides us with the cash necessary to run the Division until the first quarterly bill payments come in.

#### Fund Balance – Capital Fund (page 13)

Over the next five years, we expect only relatively minor draw downs in the Unallocated Fund Balance of the Capital Fund. As explained below, we'll need to spend previously bonded monies on the sewer portion of the DPW Road Improvement Program; of which the Town still had \$555,000 of bonded monies on hand for that as of the end of FY2014. Bond anticipation notes will need to be sold in Year Three to finance the engineering and construction work needed to implement our federally mandated Combined Sewer Overflow Plan. By financing these large projects over time, it enables us to keep our fund balance reasonably stable.

## Operating Expenditures (page 10)

The recommended budget for operating expenses will increase \$97,671 in the coming year, or 7.9% above last year's budget and 10.6% above the FY2014 actual. The largest increases from last year's budget are in Maine State Retirement contributions (new rates), estimated health insurance increase, wet well painting, lab testing, flo tote maintenance and certain operating equipment highlighted elsewhere in this budget. Wages are scheduled to increase by 1.5%, even though union negotiations are ongoing, as this is what the *General Fund* and *Water Fund* wage increases were. A proposed \$20,000 cost-of-service study, which was cut by Council in last year's budget, remains excluded from budget requests in this year's budget due to budget constraints.

The contributions by both employees and the Town to the Maine State Retirement system are being increased as of 7-1-14 to maintain the strong funding of the PLD pension fund. Chart C explains the significant costs related to the wet well painting. Increased costs in reference to the lab testing and for calibrating flo totes are budgeted significantly higher to provide more extensive data to the DEP in anticipation of renewal of our DEP license.

### Last Year's Operational Results

Fiscal 2014 final results indicated that wages and benefits ended up 2% below the budget estimates. Utilities and repairs in total remained \$41,000 below budget, Contract Services were \$12,000 over budget due primarily to engineering services for commitments for engineering studies that were carried over from the FY13 budget year; Supplies were 9% over due to various categories being over budget. Overall, the wastewater operations ended the FY2014 year 2% under its budget.

## Capital Expenditures (page 16)

A "Year by Year Overview" of our Capital Improvement Program is on page 16 of the budget, with a narrative description in Chart A, starting on page 20. With very few exceptions, the Five Year capital plan proposed in this year's budget looks similar to that approved last fall. Other than bonds for large projects, the "capital charges" separately stated on the sewer bill primarily funds the CIP replacement needs year to year. However, unlike the Water Division's rates, which is governed by the PUC, *depreciation* is not used in calculating sewer rates....an equipment reserve system is utilized, similar to the General Fund's CIP funding mechanism.

### Combined Sewer Overflow (CSO) Elimination Project (page 20)

During the coming year, we will continue discussions with state regulators in an attempt to postpone this federally mandated \$7.5 million project. We are just beginning discussions with MDEP for our license renewal and have included this project in the five year plan as a place holder. As directed by Council we will be working towards moving this project beyond the five year planning cycle at a minimum. Over the last three decades, we have removed 99% of our sewage overflows to the ocean. This project should remove the last 1%. Because of these efforts we are in a better position to put forth our request. Engineering is scheduled to start in Year Three of the capital plan at a cost of \$1.1 million. Year Four includes \$6.1 million for construction of the swirl concentrator, pump station and forcemain, as well as \$280,000 to re-

build the gravity sewer mains on Holland, Shannon and Glen Mary streets while we have them torn up to install the force main.

#### Route #3 DOT Construction Impact

In year 3 (FY17), we have included \$220,000 for sewer related costs due to the pending DOT Rte #3 construction. These are capital monies related to sewer work, as previously highlighted by the DPW Director before the Council on August 19<sup>th</sup> and may be adjusted depending upon conflicts with other utilities.

#### Debt Service

Since our engineering expenses for the CSO Project start mounting in Year Three, we'll need short-term financing, using a construction loan device known as Bond Anticipation Notes. The full \$7.5 million cost of the Combined Sewer Overflow Project will be financed by selling a bond issue in Year Five, after we have freed up close to a half million dollars per year by paying off Bond Issue E in Year Four. The good news is that it appears we may be able to get by with only a 5% blended rate increase in Year Three.

Debt service encompasses approximately 70% of the capital charge and just under 30% of all sewer revenues raised each year.

#### Construction & Repair Projects (page 21)

Throughout the five years of the CIP, we plan to continue repairing sewer mains, basins and services in order to reduce infiltration and inflow (I&I) and help us comply with the State and Federal mandates to reduce our CSOs. In Year One, we anticipate replacing \$220,000 worth of mains and services under town road projects. Specific projects are detailed in Chart A, the narrative description of the CIP, and are timed to coincide with the other road, sidewalk and storm drain projects of Public Works Director Chip Reeves's Consolidated Capital Work Plan.

#### Equipment Replacements (page 22)

We started our Pump Station Reconstruction program last year and expect to replace additional stations in Years One, Two and Five. We are coming under increasing DEP pressure to add more standby power, so are completing a generator install at the Hulls Cove Treatment Plant in Year One and replacing the Hulls Cove Pump Station generator in Year Two.

Several pieces of aging equipment are scheduled for replacement over the coming five years. Several pieces of sewer cleaning equipment will be replaced: a 60 year old bucket machine in Year Three and a 16 year old sewer jet in Year Four. The rodding machine, originally on the replacement schedule, will not be replaced.

Due to the rising cost, we lengthened their replacement cycles two years ago. As a result, only two vehicles are scheduled for replacement over the next five years: the superintendent's truck in Year Four and the inspector's truck in Year Three. Our largest equipment replacement will occur in Year Four when, as part of the CSO Project, we replace the supervisory control and data acquisition (SCADA) computer system which monitors and controls our sewage collection system and treatment process controls at the treatment plants. Should the CSO project be postponed or eliminated, we will need to re-evaluate the SCADA system project.

### Billing Volume (page 37)

Forecasting revenue continues to be difficult due to fluctuations in our billing volume; that is, our customers' water consumption, from which their bills are calculated. We are projecting volume that will increase over last year's budget but still remain conservatively below this past year's actual volume.

#### Historical Volume: (cubic feet)

FY2015 Budget	26,620,000
FY2014 Actual	26,680,000
FY2013 Actual	26,500,000
FY2012 Actual	25,970,000
FY2011 Actual	25,590,000
FY2010 Actual	24,676,000

For FY15, staff recommends holding billing volume level. While volume may have picked up from the tourism sector this fiscal year we are budgeting for no volume increase, which is a reasonable, yet conservative, projection.

### Revenues

Income other than user fees is an important part of the budget, since it helps to keep down sewer rates. The drop in the connection fees in last year's budget has removed some significant fees for new construction that did occur during FY2014. The connection fee revenue was also transferred to the Capital revenues from the many years utilized to calculate the operational rates. This loss of revenue was especially noted by staff in the 7.8% recommended increase in the operational rates this year to cover what is considered necessary maintenance and corrosion control to the Oxigest unit at the Degregoire Park plant. Operating revenues in FY14 exceeded the budget target by 1%.

### Rates (page 36)

Staff is suggesting that rates be increased enough to break even at this time; increasing the Operations Rate by 7.8% but partially offset with a 0% increase in the Capital Rate. If approved as proposed, the estimated annual sewer bill for a typical four-member residential household (for 8000 cuft usage) will rise 4.7% next year to \$587, as compared to a \$561 bill this year. That's \$6.60 more per quarterly bill. The lowest minimum bill for a residential customer can be as low as \$187 per year if there is no usage.

#### Historical Rate Increases: (blended opr/cap)

FY2015 Budget	4.7%
FY2014 Actual	0.5%
FY2013 Actual	0.6%
FY2012 Actual	1.3%
FY2011 Actual	5.1%
Fy2010 Actual	3.0%

#### Discounts Available to Sewer users:

*Summer Residential User Discount:* Available to year round residential users that may be entitled to a credit off their usage for the summer quarterly bill reflecting water that does not enter the Town's sewer system; e.g sprinkling lawn and gardens, washing vehicles and other similar uses. There is no fee and the customer must sign up on an annual basis.

*Outside Deduct Meters:* Available generally to commercial, non-residential properties that purchase a meter to measure outside summer water usage that does not enter the wastewater system. \$100 initial fee (for installation inspection) and then a \$25 administrative fee annually. Meters are read by Town staff in June and September and are shown on the water bill as a deduction off their water usage in the calculation of the quarterly sewer bill. For example, if there is no separate summer water service line for outside watering to a hotel property, then this metering deduction system is an option available for the customer to reduce their sewer charges.

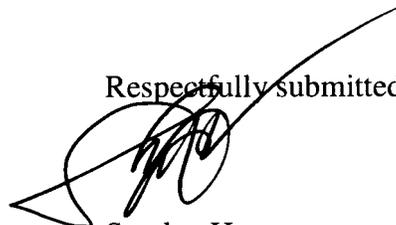
### **Requested Action by Council**

In summary, the budget being submitted:

- Projects that overall billable volume will remain stable.
- Projects a 7.9% increase in operating expenses vs. the FY2014 budget
- Increases the average homeowner's sewer bill by 4.7% caused by a 7.8% increase in the operations rate and a 0% increase in the capital rate

While it's never a good time for a rate increase, we feel that adoption of this budget is the best option we have available to cover the repairs that have been deferred. Accordingly, we respectfully suggest that the Town Council pass a motion to tentatively adopt the Sewer Budget Ordinance as proposed [or amended] pending a public hearing on October 20, 2014.

Respectfully submitted,



Stanley Harmon,  
Finance Director  
Chip Reeves  
Public Works Director

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	Requested Next Year FY15
--	------------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------

## Operating Fund Balance

<b>FUND BALANCE - Operating Fund</b>					
Starting Fund Balance	398,812	628,026	427,756	597,372	665,061
Revenues & Other Sources	1,481,789	1,381,290	1,258,833	1,275,360	1,288,441
Expenditures & Other Uses	1,252,575	1,411,945	1,237,553	1,207,670	1,335,224
<b>Ending Fund Balance</b>	<b>628,026</b>	<b>597,372</b>	<b>449,036</b>	<b>665,061</b>	<b>618,278</b>
<b>Designated Fund Balance</b>					
Working Capital (See Note A)	268,619	431,124	431,124	408,392	408,392
<b>Total Designated Fund Balance</b>	<b>268,619</b>	<b>431,124</b>	<b>431,124</b>	<b>408,392</b>	<b>408,392</b>
<b>Unreserved &amp; Undesignated Fund Balance</b>	<b>359,407</b>	<b>166,248</b>	<b>19,860</b>	<b>256,669</b>	<b>209,885</b>
Change in Unreserved & Undesignated Fund Balance		(193,160)	21,280	90,421	(46,783) <i>RNY/BTY</i>

**Notes:**

**A. Designation for Working Capital**

Since our first billing of the new fiscal year doesn't go out until October, and cash doesn't start coming in until November, we need to reserve at least four months' operating expenses at the end of each fiscal year to get us started the next fiscal year. This should be calculated at four month's expenditures. i.e.- 33% of the total current year (BTY) expenditures for the operating fund, less any Operating Transfers Out. For next fiscal year, this equals:

Operating Expenditures Budget This Year	1,237,553
Less Operating Transfers Out	0
<b>Sub-total</b>	<b>1,237,553</b>
<b>Four Month's Expenses</b>	<b>33%</b>
<b>Recommended Designation for Working Capital</b>	<b>\$408,392</b>

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	Requested Next Year FY15	Request's Change From This Year's: Budget	Estimate
--	------------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------	---	----------

# Operating Fund Revenues

**3597 OPERATIONS RATE CHARGES (See Chart J)**

<i>Sub Total: Charges from Operations Rate</i>	1,138,792	1,199,878	1,136,784	1,173,264	1,170,000	33,216	-3,264
		<i>ALY:YBL</i>	<i>BTY:ALY</i>	<i>ETY:BTY</i>	<i>RNY:ETY</i>	<i>RNY:BTY</i>	<i>RNY:ETY</i>
		5%	-5%	-2%	-0.3%	2.9%	-0.3%

**OTHER CUSTOMER CHARGES (\* = See Chart J)**

4932 Sludge Dewatering *	82,748	66,124	73,486	61,609	70,000	-4.7%	13.6%
4934 Septic Tank Dumping *	59,059	32,965	25,776	18,685	25,000	-3.0%	33.8%
4936 Connection Fees *	179,038	58,508	<i>Old Acct.</i>	<i>Old Acct.</i>	<i>Old Acct.</i>		
<i>Sub Total: Other Charges</i>	320,845	157,597	99,262	80,294	95,000	-4,262	14,706
		-51%	-37%	-49%	18%	-4.3%	18.3%

**OTHER INCOME (\* = See Chart J)**

4700 Interest on Investments *	7,595	6,346	6,358	5,761	6,971	9.6%	21.0%
4704 Penalties for Late Payments *	4,606	4,470	4,200	4,888	4,470	6.4%	-8.6%
4938 Miscellaneous	2,539	6,740	5,351	1,018	4,000	-25.2%	292.9%
4940 Lien Cost Reimbursements *	7,412	6,259	6,878	10,135	8,000	16.3%	-21.1%
<i>Sub Total: Other Income</i>	22,152	23,815	22,787	21,802	23,441	654	1,639
		8%	-4%	-8%	8%	2.9%	7.5%

<b>Total Operating Fund Revenues</b>	1,481,789	1,381,290	1,258,833	1,275,360	1,288,441	2.4%	1.0%
		(100,499)	(122,457)	(105,930)	13,081	29,608	13,081
		<i>ALY:YBL</i>	<i>BTY:ALY</i>	<i>ETY:ALY</i>	<i>RNY:ETY</i>	<i>RNY:BTY</i>	<i>RNY:ETY</i>
			-9%	-8%	1%	2.4%	1.0%

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	Requested Next Year FY15	Request's Change From This Year's: Budget	Actual
--	------------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------	---	--------

## Operating Fund Expenditures

### 51 PERSONNEL SERVICES (\* = See Chart B)

5105	Wages-Hourly Full Time *	346,586	360,455	351,818	345,254	356,826	1.4%	3.4%
5110	Wages-Overtime *	37,907	39,357	41,573	39,972	41,481	5.8%	3.8%
5130	Wages-Summer/Seasonal *	14,553	10,852	14,837	15,283	15,063	1.5%	-1.4%
5170	Wages - 27th Payperiod Accruals	1160	425	1,183	0	0		
5175	Wages - Vacation Accruals	2,595	543	1,999	2,158	1,385	-30.7%	-35.8%
<b>Total Personnel Services</b>		<b>402,801</b>	<b>411,633</b>	<b>411,410</b>	<b>402,667</b>	<b>414,755</b>	<b>0.8%</b>	<b>3.0%</b>
					8,743		3,345	12,088

*Under Budget*

### 52 EMPLOYEE BENEFITS (\* = See Chart B)

5160	ICMA Retirement *	0	0	1	1	1	0.0%	0.0%
5200	FICA & Medicare *	30,310	29,899	31,229	30,465	31,623	1.3%	3.8%
5210	MSRS Retirement *	14,384	20,620	23,596	24,065	31,068	31.7%	29.1%
5215	Workers' Compensation *	9,113	8,505	8,777	8,168	8,681	-1.1%	6.3%
5220	Unemployment Compensation *	2,228	2,167	2,376	2,765	2,700	13.6%	-2.4%
5225	Health Insurance *	82,367	85,717	89,687	84,722	95,400	6.4%	12.6%
5230	Health Insurance Opt Out	14,544	12,221	13,674	14,885	15,000	9.7%	0.8%
5245	Retirement Health Savings Acct. *	1,000	909	1,084	874	950	-12.4%	8.7%
5255	Innoculations & Physical Exams	486	227	242	739	500	106.6%	-32.3%
<b>Total Employee Benefits</b>		<b>154,432</b>	<b>160,264</b>	<b>170,666</b>	<b>166,684</b>	<b>185,923</b>	<b>8.9%</b>	<b>11.5%</b>
					3,982		15,257	19,239

*Under Budget*

### 53 CONTRACTUAL SERVICES (\* = See Chart C)

5300	Alarms & Paging *	821	760	552	824	870	57.6%	5.6%
5304	Audit & Accounting	1,729	1,800	1,831	1,923	1,900	3.8%	-1.2%
5306	Town Management Fees *	113,477	114,187	99,318	99,318	101,837	2.5%	2.5%
5308	Billing Processing	545	1,389	874	1,113	1,030	17.8%	-7.5%
5310	Office and Lab Cleaning	5,570	5,565	5,725	6,676	6,775	18.3%	1.5%
5311	Special Waste Cleaning *	0	3,500	2,237	0	4,000	78.8%	n/a
5312	Pump Station Pumping *	0	2,125	935	1,025	1,200	28.3%	17.1%
5314	Copier & Time Clock	388	417	424	449	460	8.5%	2.4%
5326	Engineering *	34	20,537	11,035	23,239	3,000	-72.8%	-87.1%
5330	Wet Well Prep & Painting *	0	0	0	0	35,000	n/a	n/a
5332	Generator Service *	2,575	5,924	5,626	4,888	5,715	1.6%	16.9%
5334	General Professional Fees	345	366	336	207	300	-10.7%	44.9%
5336	General Equipment Maintenance*	1,200	8,476	9,075	10,070	10,012	10.3%	-0.6%
5340	Legal Services	825	955	849	0	602	-29.1%	n/a
5348	Mowing	3,360	3,360	3,360	3,024	3,360	0.0%	11.1%
5366	Sludge Disposal *	57,120	51,921	53,624	51,195	52,345	-2.4%	2.2%
5368	Technology Licenses & Support *	852	3,338	2,585	2,582	4,147	60.4%	60.6%
5380	Testing - Drug & Alcohol	317	440	348	684	700	101.1%	2.3%
5384	Laboratory Testing *	6,455	4,230	4,310	3,710	11,905	176.2%	220.9%
5388	Uniform Cleaning & Rental	8,210	9,386	8,345	9,550	8,200	-1.7%	-14.1%
<b>Total Contractual Services</b>		<b>203,823</b>	<b>238,674</b>	<b>211,389</b>	<b>220,477</b>	<b>253,358</b>	<b>19.9%</b>	<b>14.9%</b>
					(9,088)		41,969	32,881



Under Budget

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	Requested Next Year FY15	Request's Change From This Year's: Budget	Estimate
--	------------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------	---	----------

**OPERATING FUND EXPENDITURES** Page 3

<b>57 EQUIPMENT PURCHASES (* = Chart E)</b>							
5700	Technology Equipment *	1,157	7,994	0	0	8,550	n/a n/a
5702	Office Equipment *	948	770	0	0	700	n/a n/a
5704	Operating Equipment *	5,764	2,874	0	5,530	13,200	n/a 138.7%
<b>Total Equipment Purchases</b>		7,869	11,638	0	5,530	22,450	306.0%
					(5,530)	22,450	16,920
					(Over Budget)		

<b>58 OTHER EXPENSES, TRAVEL, ETC.</b>							
5800	Advertising	207	228	222	235	230	3.6% -2.1%
5802	Uncollectable Customer Accts.	3,000	2,000	3,106	2,000	1,500	-25.0% -51.7%
5808	Dues & Licenses	800	325	763	675	800	4.8% 18.5%
5822	Insurance: Liability & Crime	6,130	6,576	6,468	6,018	6,508	0.6% 8.1%
5824	Insurance: Property & Casualty	13,472	13,172	13,624	13,910	13,556	-0.5% -2.5%
5826	Insurance: Automobiles	3,708	3,023	3,219	4,964	4,718	46.6% -5.0%
5832	Facility Permits & Fees	2,704	5,123	3,230	2,960	3,220	-0.3% 8.8%
5836	Postage & Shipping	4,467	4,167	4,153	4,295	4,405	6.1% 2.6%
5838	Registry & Lien Costs	2,821	2,593	3,051	4,421	4,400	44.2% -0.5%
5844	Training, Workshops, Etc.	675	1,160	1,810	633	2,300	27.1% 263.3%
5846	Travel: Rooms, Miles & Meals	402	770	717	1,289	2,000	178.9% 55.2%
<b>Total Other Expenses, Travel, Etc.</b>		38,386	39,137	40,363	41,400	43,637	8.1% 5.4%
					(1,037)	3,274	2,237
					(Over Budget)		

<b>080 "OLD" DEBT SERVICE (* = See Chart I)</b>							
<b>Total Old Debt Service*</b>		64,070	0	0	0	0	Old Acct.
					0	0	0
							Under Budget

<b>88 OPERATING TRANSFERS OUT</b>							
5980	Wastewater C.I.P. Fund	0	155,510	0	0	0	n/a
<b>Total Operating Transfers Out</b>		0	155,510	0	0	0	
					0	0	0
							Under Budget

<b>Total Operating Fund Expenditures</b>		1,252,575	1,411,945	1,237,553	1,207,670	1,335,224	7.9% 10.6%
Increase (Decrease)			13%	-12.4%		10.6%	97,671 127,553
			159,370	-174,392	29,883	127,553	
							Under Budget

## Capital Fund Balance

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	<i>Five Year Plan</i>				
					Year One FY15	Year Two FY16	Year Three FY17	Year Four FY18	Year Five FY19
<b>FUND BALANCE - Capital Fund</b>									
Starting Fund Balance	251,832	1,647,715	1,649,672	1,561,524	1,447,702	1,307,265	994,447	758,659	7,052,706
Revenues & Other Sources (Cash In)	2,061,149	941,553	902,787	904,534	953,685	878,913	986,650	8,516,042	1,003,309
Expenditures & Other Uses (Cash Out)	665,266	1,027,744	1,085,661	1,018,356	1,094,122	1,191,731	1,222,438	2,221,995	7,445,107
Ending Fund Balance	1,647,715	1,561,524	1,466,798	1,447,702	1,307,265	994,447	758,659	7,052,706	610,907
<b>Designated Fund Balance at Year End</b>									
Unfinished CIP Projects (Note A)	1,591,589	1,501,922	1,283,942	1,414,343	1,188,807	872,723	692,839	7,027,947	606,852
October Bond Payment (Note B)	54,642	54,642	162,856	20,000	40,000	45,000	40,000	0	0
Due To (From) Bonds	0	0	0	0	0	0	0	0	0
Due To (From) Assessments - For Woodbury Park	0	0	0	0	0	0	0	0	0
Total Designated Fund Balance	1,646,231	1,556,564	1,446,798	1,434,343	1,228,807	917,723	732,839	7,027,947	606,852
<b>Unallocated Fund Balance</b>	<b>1,484</b>	<b>4,960</b>	<b>20,000</b>	<b>13,359</b>	<b>78,458</b>	<b>76,724</b>	<b>25,820</b>	<b>24,759</b>	<b>4,055</b>
<i>As a percent of total expenditures</i>					<i>7%</i>	<i>6%</i>	<i>2%</i>	<i>1%</i>	<i>0%</i>
Change in Unallocated Fund Balance	(10,212)	3,476	15,040	8,399	65,099	(1,734)	(50,904)	(1,061)	(20,704)

**Notes:**

**A. October Bond Payment**

Each year, we must make a \$400,000 bond payment before the first quarter (summer) billings are mailed. In other words, we need to have enough cash at the end of each fiscal year in June to make the \$400,000 payment in October.

## Capital Fund Revenues

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	Year One's Change		Five Year Plan				
					From This Year's: Budget	Estimate	Yr. One FY15	Yr. Two FY16	Yr. Three FY17	Yr. Four FY18	Yr. Five FY19
<b>CUSTOMER CHARGES</b> (* = See Chart J)											
4942 Capital Rate Charges	745,149	770,069	811,252	862,150	6.3%	0.0%	862,150	866,913	871,703	876,519	881,362
Rate Increase for CSO Project		0	0	0			0	0	101,947	101,947	101,947
4936 Connection Fees *			11,760	7,884	0.0%	49.2%	11,760	12,000	13,000	14,000	15,000
	745,149	770,069	823,012	870,034	6.2%	0.4%	873,910	878,913	986,650	992,466	998,309
		3%	7%	13%	50,898	3,876	0.4%	0.6%	12.3%	0.6%	0.6%
<b>OTHER SOURCES</b> (* = See Chart J)											
Bonds & BAN's	1,316,000	0	0	0			0	0	0	7,518,577	0
4232 Other Federal Grants	0	0	0	0			0	0	0	0	0
4944 Special Assessment to Neighborhood		0	79,775	0	0.0%		79,775	0	0	0	0
4928 Sale of Fixed Assets:	0	0	0	0							
Line Crew Truck	0	0	0	4,500			0	0	0	0	0
Rodding Machine	0	0	0	0			0	0	0	0	0
Sewer Jet	0	0	0	0			0	0	0	5,000	0
Plant Crew Truck	0	0	0	0			0	0	0	0	5,000
3180 Const. Contributions	0	0	0	30,000			0	0	0	0	0
<b>Total Other Sources</b>	1,316,000	0	79,775	34,500	0	0	79,775	0	0	7,523,577	5,000
		-100%		-57%	0	45,275	131%	-100%			(1)
<b>88 OPERATING TRANSFERS IN</b> (* = See Chart J)											
4806 From Cruise Ship Fund	<i>New Acct.</i> 15,974	0	0	0			0	0	0	0	0
4809 From Wastewater Operating Fund		155,510	0	0			0	0	0	0	0
Total Operating Transfers In	0	171,484	0	0			0	0	0	0	0
<b>Total Capital Fund Revenues</b>	2,061,149	941,553	902,787	904,534	5.6%	5.4%	953,685	878,913	986,650	8,516,042	1,003,309
		-54%	-4%	-4%	50,898	49,151	5%	-8%	12%	76.3%	-88%

## Capital Fund Status

Capital Improvement Program

### Status This Year

68 Acct. No.	Wastewater Division	Actual Exp. Yr. Before Last: FY12	Actual Exp. Last Year FY13	Yr. End Bal. Last Year FY13	Approp. This Yr. FY14	Fund Bal Mid-Year FY14	Approp. YTD This Year FY14	Est. Expense This Year FY14	Yr. End Bal. This Year FY14
<b>Bond Issue Payments (See Chart I)</b>									
n/a	Bond Issue E: Main Plant 1996	470,707	470,185	0	469,902		469,902	469,902	0
n/a	Bond Issue N: Hulls Cove 2000	56,748	55,604	0	54,423		54,423	54,423	0
n/a	Bond Issue Q: Sewer Rehab 2011	0	89,659	0	88,031		88,031	88,031	0
n/a	BAN for CSO Elimination Project	0	0	0	0		0	0	0
<b>Projects, Equipment &amp; Facilities (See Chart A)</b>									
6801	Woodbury Park Reconstruction	17,064	1,856	72,076	79,775	2,523	154,374	154,374	0
6804	CSO Elimination Project	0	886	19,376	0		19,376	0	19,376
6805	Ocean Ave. Pump Station Construction	51,795	83,783	0	0	14,674	14,674	14,674	0
6828	Sewer Mains & Services	47,260	210,498	779,266	0	30,000	809,266	66,986	742,280
<b>Equipment &amp; Facilities (See Chart A)</b>									
6819	Main Treatment Plant - Equipment	0	21,850	18,100	4,963		23,063	10,435	12,628
6815	Hulls Cove Plant - Equipment	0	5,498	11,548	3,000		14,548	0	14,548
6809	DeGregoire Plant - Equipment	0	0	44,300	1,000		45,300	0	45,300
6802	Pump Station Replacement	0	33,508	89,266	38,881		128,147	0	128,147
6806	Air Compressor, mobile	0	0	8,528	844		9,372	0	9,372
6808	Bucket Machine	0	0	45,098	11,867		56,965	0	56,965
6810	Flow Monitoring Equipment	0	0	0	0		0	0	0
6812	Generators	0	31,150	21,371	23,013		44,384	21,660	22,724
6814	GIS System, incl. Laptop Computers	0	0	27,321	8,003		35,324	4,073	31,251
6816	Microscope, Olympus	0	0	2,539	0		2,539	0	2,539
6818	Sewer Cameras	0	0	63,906	21,669	12,004	97,579	97,579	0
6820	Communication Systems	0	0	29,090	0		29,090	0	29,090
6824	Rodding Machine	0	0	34,644	6,641		41,285	0	41,285
6826	Sewer Jet	0	0	53,653	8,953		62,606	0	62,606
6830	Inspector's Truck -#43	0	0	17,609	1,398		19,007	0	19,007
6832	Line Crew Truck -#44	0	23,267	23,133	6,518		29,651	20,294	9,357
6834	Plant Crew Truck -#45	0	0	18,344	4,707		23,051	0	23,051
6836	Sludge Truck	0	0	47,865	9,933		57,798	0	57,798
6837	Sludge Truck Liquid Tank	0	0	6,084	3,167		9,251	0	9,251
6838	Superintendent's Truck -#47	0	0	18,428	3,949		22,377	0	22,377
6825	SCADA System Replacement	21,692	0	46,802	20,939		67,741	15,925	51,816
6823	Rain Gauge & USB Logger	0	0	3,575	0		3,575	0	3,575
6899	Undesignated	0	0	0	0	(29,201)	0	0	0
<b>Total</b>		<b>665,266</b>	<b>1,027,744</b>	<b>1,501,922</b>	<b>871,576</b>	<b>30,000</b>	<b>2,432,699</b>	<b>1,018,356</b>	<b>1,414,343</b>

## Capital Fund Expenditures Plan

Capital Improvement Program

### Year By Year Overview

Yr.End Bal. This Year FY14	Account Description	Year One FY15			Year Two FY16			Year Three FY17			Year Four FY18			Year Five FY19		
		Appropriation	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance
	<b>Bond Issue Payments (See Chart I)</b>															
0	Bond Issue E: Main Plant 1996	469,902	469,902	0	469,606	469,606	0	469,293	469,293	0	468,965	468,965	0	468,965	468,965	0
0	Bond Issue N: Hulls Cove 2000	53,223	53,223	0	56,923	56,923	0	55,523	55,523	0	54,123	54,123	0	54,123	54,123	0
0	Bond Issue Q: Sewer Rehab 2011	89,228	89,228	0	88,099	88,099	0	89,250	89,250	0	88,075	88,075	0	88,075	88,075	0
0	BAN for CSO Elimination Project	0	0	0	0	0	0	110,964	110,964	0	187,964	187,964	(0)	187,964	187,964	(1)
	<b>Projects, Equipment &amp; Facilities (See Chart A)</b>															
0	Woodbury Park Reconstruction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19,376	CSO Elimination Project	0	7,000	12,376	0	8,262	4,114	0	0	4,114	7,518,577	1,146,902	6,375,789	0	6,375,789	0
0	Ocean Ave. Pump Station Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
742,280	Sewer Mains & Services	50,000	220,319	571,961	60,000	439,709	192,252	187,000	379,236	16	80,000	0	80,016	53,000	132,191	825
	<b>Equipment &amp; Facilities (See Chart A)</b>															
12,628	Main Treatment Plant - Equipment	99,972	75,000	37,600	15,171	0	52,771	12,529	0	65,300	5,349	0	70,649	5,307	0	75,956
14,548	Hulls Cove Plant - Equipment	15,051	0	29,599	3,103	0	32,702	7,156	0	39,858	3,209	0	43,067	3,184	0	46,251
45,300	DeGregoire Plant - Equipment	6,017	0	51,317	1,034	0	52,351	1,052	0	53,403	1,070	0	54,473	1,061	0	55,534
128,147	Pump Station Replacement	10,000	124,450	13,697	48,391	58,437	3,651	20,490	0	24,141	20,490	0	44,631	26,000	70,000	631
9,372	Air Compressor, mobile	858	0	10,230	873	0	11,103	888	0	11,991	1,222	0	13,213	1,222	0	14,435
56,965	Bucket Machine	15,867	0	72,832	11,867	0	84,699	11,866	92,565	4,000	1,563	0	5,563	1,563	0	7,126
0	Flow Monitoring Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22,724	Generators	28,970	44,000	7,694	38,500	46,026	168	7,347	0	7,515	17,642	0	25,157	37,286	0	62,443
31,251	GIS System, incl. Laptop Computers	8,139	0	39,390	7,277	20,169	26,498	3,418	0	29,916	8,561	0	38,477	12,396	22,000	28,873
2,539	Microscope, Olympus	0	0	2,539	1,961	4,500	0	178	0	178	168	0	346	168	0	514
0	Sewer Cameras	10,503	0	10,503	5,681	0	16,184	5,863	0	22,047	11,048	12,837	20,258	9,388	0	29,646
29,090	Communication Systems	0	11,000	18,090	2,000	0	20,090	4,046	0	24,136	14,285	0	38,421	5,064	0	43,485
41,285	Rodding Machine	(41,285)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
62,606	Sewer Jet	8,953	0	71,559	8,953	0	80,512	8,953	0	89,465	8,952	98,417	0	8,953	0	8,953
19,007	Inspector's Truck -#43	4,000	0	23,007	1,600	0	24,607	1,700	25,607	700	1,800	0	2,500	1,600	0	4,100
9,357	Line Crew Truck -#44	6,629	0	15,986	6,741	0	22,727	6,856	0	29,583	6,294	0	35,877	6,294	0	42,171
23,051	Plant Crew Truck -#45	4,707	0	27,758	4,707	0	32,465	4,707	0	37,172	4,768	0	41,940	4,768	46,000	708
57,798	Sludge Truck	10,102	0	67,900	10,274	0	78,174	10,449	0	88,623	14,131	0	102,754	14,131	0	116,885
9,251	Sludge Truck Liquid Tank	3,221	0	12,472	3,275	0	15,747	3,331	0	19,078	3,388	0	22,466	5,048	0	27,514
22,377	Superintendent's Truck -#47	4,029	0	26,406	4,111	0	30,517	4,195	0	34,712	4,959	34,712	4,959	4,959	0	9,918
51,816	SCADA System Replacement	10,000	0	61,816	25,000	0	86,816	15,000	0	101,816	30,000	130,000	1,816	22,994	0	24,810
3,575	Rain Gauge & USB Logger	500	0	4,075	500	0	4,575	500	0	5,075	500	0	5,575	500	0	6,075
0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,414,343	<b>Total</b>	868,586	1,094,122	1,188,807	875,647	1,191,731	872,723	1,042,554	1,222,438	692,839	8,557,103	2,221,995	7,027,947	1,024,013	7,445,107	606,852

Notes:

# Equipment Replacement Schedule

## Capital Improvement Program

Unit No.	Description of Present Equipment	FY in Service	2015		Actual Cost Equipped	Proposed Years Until Replaced	Current Replacement Cost	Straight Line Funding Year One
			Proposed					
			Replacement Fiscal Year	Replacement Age				
<b>Wastewater Division</b>								
<b>Vehicles</b>								
43	Pickup Truck, 2006, Ford F150XL, 4x4	2007	2017	10	17,594	3	25,607	2,561
46	Sludge Truck, Volvo D-13, swap loader body	2008	2023	15	138,124	9	144,000	9,600
44	Pickup Truck, Ram3500 w/Al Body, 4x4	2014	2021	7	46,400	7	50,000	7,143
47	Pickup Truck, 2009 Ford, F250XL, 4x4	2009	2018	9	27,479	4	34,712	3,857
45	Pickup Truck, F350, Maintenance Body	2010	2019	9	45,933	5	46,000	5,111
<i>Total Vehicles</i>					275,530			28,272
<b>Equipment</b>								
	Compressor, Air, Ingersoll/Rand XP185	2001	2021	20	12,027	7	16,000	800
	Bucket Machine, Flexible Sewer Tool Corp.	1957	2017	60	88,000	3	92,565	1,543
	Flow Monitoring Equipment (Flo-Totes)	Varies	Oper. exp	n/a	97,850	n/a	97,850	0
	GIS Software & Laptop Computers	2013	2016	3	19,500	2	20,169	6,723
	GPS Handheld Unit, & ESRI Software	2009	2014	5	6,068	5	8,000	1,600
	Microscope, Olympus	2014	2016	2	4,073	15	4,500	2,250
	Issco Sampler - 5500 - (5 units)	varies	varies	8	25,000	8	5,800	725
	Rodding Machine, Serco, 18 Hp.	1991	do not replace	0	43,500		0	0
	Sewer Jet, SECOA*, Series II, model 747-FR2000	2004	2018	14	62,384	4	98,417	7,030
	Liquid Tank for Sludge Truck, 2500 Gallons	2011	2023	12	38,809	9	40,000	3,333
	SCADA System, GE, iFix	2012	2018	6	127,600	6	130,000	21,667
	Rain Gauge & Logger, Sigma "Rain Logger"	2011	2021	10	5,000	7	6,000	600
	Plotter, Map, HP Design Jet 800 Color	2004	n/a	n/a	n/a	n/a	n/a	n/a
<i>Total Equipment</i>					529,811			46,271
<b>Sewer Cameras</b>								
	Camera, Sewer: Aries, Saturn III w/ pan & tilt	2014	2024	10	97,580	10	102,000	10,200
	Camera, Service: RaTech, Inspector PC	2006	2018	12	11,198	4	12,837	1,070
<i>Total Sewer Cameras</i>					108,778			11,270
<b>Communication Systems</b>								
	Phone System - Main Plant	2013	2023	10	8,500	9	10,000	1,000
	WAN Network Equipment	2013	2023	10	9,850	9	11,000	1,100
	Utility Billing System, Munis	2007	2015	8	5,900	1	11,000	1,375
	Pump Station Alarm System	2011	2036	25	265,092	22	265,000	10,600
<i>Total Communication Systems</i>					289,342			14,075

2015								
Unit No.	Description of Present Equipment	FY in Service	Proposed		Actual Cost Equipped	Proposed Years Until Replaced	Current Replacement Cost	Straight Line Funding Year One
			Replacement Fiscal Year	Replacement Age				
<b>Mains</b>								
	Sewer Mains, Manholes & Services	Varies	n/a	n/a	7,376,550	n/a	n/a	30,000
<b>Plants</b>								
	Main Treatment Plant	1998	2028	30	8,345,725	14	n/a	5,000
	Hulls Cove Treatment Plant	2001	2031	30	1,386,014	17	n/a	3,000
	DeGregoire Park Treatment Plant	1974	2020	46	162,779	6	n/a	1,000
	<i>Total Plants</i>				9,894,518			9,000
<b>Pump Stations (11)</b>								
	Main St. Pump Station & WWell	1974/1998	2022	50	418,937	8	3,000,000	
	Hulls Cove Pump Station & WWell	1974/2001	2022	50	266,557	6	400,000	
	Albert Meadow Pump Station & WWell	1974	<b>2015</b>	41	58,900	1	87,000	2,122
	Ferry Terminal Pump Station & WWell	2006	2041	35	58,900	27	60,000	1,714
	Hancock Street Pump Station	1974	2019	45	56,500	5	70,000	1,556
	Rodick Street Pump Station & WWell	1974	<b>2016</b>	42	56,500	2	58,437	1,391
	Wilcomb Lane Pump Station	2000	2035	35	31,000	21	33,000	943
	West Street Pump Station & WWell	1974	<b>2018</b>	44	70,000	4	72,000	1,636
	Town Pier Pump Station	2013	2048	35	27,508	34	35,000	1,000
	Degregoire Pump Station	1974	2024	50	22,000	10	50,000	1,000
	Ocean Avenue Pump Station & WWell	2013	2048	35	126,378	34	150,000	4,286
	<i>Total Pump Stations</i>				1,193,180			15,648
<b>Generators (10)</b>								
	Generator, Hulls Cove P/S, Onan, 85 KW	1974	<b>2016</b>	42	44,500	2	46,026	1,096
	Generator, Hulls Cove Plant, Onan, 85 KW	2015	<b>2045</b>	30	65,000	30	70,000	2,333
	Generator, Main Plant, Onan, 300 KW	1997	2027	30	41,000	13	66,000	2,200
	Generator, Main Street P/S, Onan, 230 KW	1997	2027	30	33,500	13	60,000	2,000
	Generator, West St. P/S, Onan 35 KW, Quiet Site	2003	2033	30	26,990	19	39,000	1,300
	Generator, Rodick St. P/S, Onan 40 KW, Quiet Site	2007	2037	30	34,525	23	44,000	1,467
	Generator, Albert Meadow, Onan 35KW, Quiet Site	2005	2035	30	25,000	21	38,000	1,267
	Generator, Ferry Term., Onan, 50 KW, Quiet Site	2005	2035	30	28,050	21	48,000	1,600
	Generator, DeGregoire Pk., Onan, 35 KW, Quiet Site	2008	2038	30	31,048	24	38,000	1,267
	Generator, Ocean Ave. Onan, 35 KW, Quiet Site	2013	2043	30	31,150	29	33,000	1,100
	<i>Total Generators</i>				360,763			15,629

# ***Table of Contents - Charts***

## **Detail Charts**

<i>Chart</i>	<i>Page</i>	<i>Title</i>
A.	20-25	Capital Improvement Program Narrative
B.	26-27	Personnel Services & Benefits
C.	28-29	Contractual Services
D.	30	Materials & Supplies
E.	31	Equipment Purchases
F.	32-34	Debt Service
G.	35	Net Income Statement
H.	36	Rate Schedule
I.	37	Rate Calculations
J.	38	Budget Standards & Non-Cash Exps
K.	39	Combined Fund Balance: Operating and Capital Budgets
	40	Residential Sewer Discount Application
	41-42	Sewer Budget Ordinance

## ***C.I.P. Details***

***Chart A***

### **Capital Improvement Program Narrative**

### **Purpose of the C.I.P.**

In order to better understand our Capital Improvement Program, it may be helpful to explain its purpose and function. As required by Section C-30.A of the Town Charter, the CIP is "a program consisting of projects any one of which costs more than \$5,000 and meets one or more of the following requirements:

- construction time extends to two or more fiscal years;
- includes planning for, construction of or major renovation of a Town building, wharf, public way, sewer, drain or appurtenant equipment; or
- replacement or acquisition of equipment with life expectancy of five years or longer."

While not fully articulated in the Charter, contemporary thinking further suggests that the CIP should help the Town to avoid surprises by forcing us to look ahead for the next five years or even longer. Typically, this helps stabilize the CIP capital rate, so that it does not exhibit wild swings from year to year despite changes in expenditures.

### **Bond Issue Payments**

See Chart F for detailed information on bond payments.

The big change over the next five years will be the bond issue for the construction of the CSO Elimination Project as detailed below.

### **Projects**

#### **Woodbury Park Reconstruction**

Town Council approved the complete replacement of the services, sewer mains and manholes in the neighborhood bounded by Cleftstone, Bloomfield, Champlain and Highbrook Roads because they are leaking very badly. Residents will pay a portion of this cost, capped at a maximum of \$6,648, with the Sewer Fund paying the balance. In addition, the General Fund will finance the installation of storm drains. The project has now been completed but the final assessments to the 12 sewer users have not been sent out. The system was privately constructed and owned.

#### **CSO (Combined Sewer Overflow) Elimination Project**

We are required by the DEP to "eliminate overflows" at our pump stations. The reason why we overflow is due to storm water entering our system from two sources: Inflow and Infiltration. Water entering from cracks in sewer pipes, basins and service entrances is called "Infiltration", while water entering from a storm drain or roof gutter is called "Inflow". Collectively these are called Infiltration/Inflow or I&I. For many years, we have been addressing our Combined Sewer Overflows (CSO's) by aggressively reducing the amount of I&I entering our collection system.

To determine the areas for our I&I work, we gathered flow information and studied flow rates of completed projects. Even though we have determined that our I&I work removed all but 0.9% of our total flow (sewage plus I&I), our estimates indicate that we still will not eliminate all overflows. Consequently, the Maine Department of Environmental Protection (DEP) has required us to create a CSO Master Plan to map the way for complete CSO elimination.

The focus of the plan approved by the DEP in FY10 was the construction of a new \$7.7 million combined sewer overflow abatement system, including expansion of the West Street Pump Station so that it can accommodate the excess flows and construction of a forcemain from the expanded station to the Main Treatment Plant on Ledgelawn Avenue, where we will build a new swirl concentrator, complete with chlorination and dechlorination equipment.

~ CIP Details Continued on Next Page ~

**C.I.P. Details**

**CHART A**

**Capital Improvement Program**

Page 2

**CSO Elimination Project (Continued)**

**Project Schedule**

- FY14 through FY16 - We will continue to monitor flows, as we work to reduce I&I. An engineer will be used to analyze the data we collect.
- FY17 - Construction Drawings begin and a Bond Anticipation Note negotiated.
- FY18 - Construction of the CSO prevention system begins
- FY18 - Main Treatment Plant paid off
- FY19 - Construction complete
- FY20 - First payment on permanent financing

**Estimated Project Cost**

FY18 - Engineering in FY16 at 18% of construction cost	18%	\$1,146,902
FY19 - Plant Construction: CSO Pump Station, Forcemain and Swirl Concentrator		6,092,000
FY19 - Gravity Sewers on Shannon, Glen Mary & Holland Ave. (see detail below)		279,675

Principal Amount of Bond Issue Sold in FY19	<b>Year Five Total</b>	\$7,518,577
---	------------------------	-------------

<b>Sewer Mains &amp; Services</b>		#3597 - 6828			
Funds from this account will be used to repair services, mains and manholes during road reconstruction projects.					
<b>FY14 This Year</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>	
Derby Lane 8" - relining	433	0	0	16,454	
Norris Ave 6" - relining	412	0	0	14,832	
Albert Meadow 8" -relining	150	0	0	5,700	
<b>Sewer Mains &amp; Services</b>			<b>Current Year Total</b>		<b>\$36,986</b>
<b>FY15 Year One</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>	
<i>Listed in Priority Order:</i>					
Ash Place	527	3	2	68,200	
Oliver St. - Relining	564	14	2	55,946	
Center St. - Relining	529	3	2	35,981	
Cottage St. Secondary Main	385	8	2	36,300	
Pine St. (Upper) MH 4-12D1	409	0	1	23,892	
<b>Sewer Mains &amp; Services</b>			<b>Year One Total</b>		<b>\$220,319</b>
<b>FY16 Year Two</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>	
<i>Listed in Priority Order:</i>					
Wayman Ln.	0	16	0	14,520	
Lower Main Streetscape Project (Mt. Desert to Park)	1,692	31	8	235,455	
Holland Ave. MH 8-3, 4, 5 MH 5-5A	986	21	4	115,297	
Stephens Ln.	469	2	2	29,766	
Derby Ln.	440	5	0	27,071	
Pleasant St. (School St. to Main St.)	0	4	0	17,600	
<b>Sewer Mains &amp; Services</b>			<b>Year Two Total</b>		<b>\$439,709</b>

~ CIP Narrative Continued on Next Page ~

<b>C.I.P. Details</b>					<b>CHART A</b>
<b>Capital Improvement Program</b>					<b>Page 3</b>
<b>Sewer Mains &amp; Services (Continued)</b>					
<b>FY17 Year Three</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>	
<i>Listed in Priority Order:</i>					
Livingston Rd.	0	6	0	11,880	
Hancock St. MH 25-5C, 5D	683	17	2	68,057	
Atlantic Ave. (All)	720	13	4	79,299	
Route #3 Reconstruction: (180' m & 650' fm)	830	0	61	220,000	
Sewer Mains & Services			<b>Year Three Total</b>	<b>\$379,236</b>	
<b>FY18 Year Four</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>	
<i>Listed in Priority Order:</i>					
Gravity Sewers Required for the CSO Project:					
Shannon Road (entire length)	473	12	7	126,203	
Holland Avenue (entire length)	986	21	4	40,392	
Glen Mary Road (entire length)	0	18	0	113,080	
<b>Cost included in CSO Elimination Project above</b>				<b>(279,675)</b>	
Sewer Mains & Services			<b>Year Four Total</b>	<b>\$0</b>	
<b>FY19 Year Five</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>	
<i>Listed in Priority Order:</i>					
Hancock Street	630	14	3	64,305	
Stephens Lane	469	2	4	33,286	
Pleasant Street	0	21	0	34,600	
Sewer Mains & Services			<b>Year Five Total</b>	<b>\$132,191</b>	

**Total Sewer Mains & Services Work - All Five Years**

**\$1,171,455**

### Equipment & Facilities

**Main Treatment Plant - Equipment**

We've setup a plant equipment CIP account for things like the dewatering machine, sludge pumps and other major pieces of plant equipment, so that we'll have money to fix or replace them as they fail.

FY15	Contact Tank gate valves	75,000
Total Main Treatment Plant - Equipment		\$75,000

**Hulls Cove Plant - Equipment**

We've setup a plant equipment CIP account for things like sludge pumps and other major pieces of plant equipment, so that we'll have money to fix or replace them as they fail.

FY15 No major equipment replacements are planned within the next five years.

**DeGregoire Plant - Equipment**

We've setup a plant equipment CIP account for things like sludge pumps and other major pieces of plant equipment, so that we'll have money to fix or replace them as they fail.

**C.I.P. Details**

**CHART A**

**Capital Improvement Program**

Page 4

FY15 Prep & Paint Bid Documents – The results of the tank testing in DeGregoire Park and four of our pump stations determined that all were structurally sound but need special epoxy paint to prevent further corrosion. Due to the complexities involved, it's best to have an engineer oversee this process, including preparing the bid documents, presenting them to the appropriate contractors, scheduling related meetings, taking bids and recommending a contractor..... (moved to oper. fund as an expense)

Total DeGregoire Plant - Equipment \$0

**Pump Station Replacement**

The Town has three pumping stations which are integral to our three treatment plants, plus an additional eight standalone pump stations. Of those eight, five were built in 1974, making them 40 years old. Since the replacement cycle should be somewhere around 35 years, we have started a replacement program. Our present plan is to upgrade the West Street station as part of the CSO Elimination Project, whenever that occurs. The Harbor Place station has been turned over to Ocean Properties, as we have completed the new pump station to service the comfort stations and Port Security Office, so there is no longer a need to replace that station. The remaining three pump stations will be replaced one at a time on the schedule shown below, using the reserve account started in FY05.

FY15 Main St. Wetwell	37,600
FY15 Albert Meadow	86,850
FY16 Rodick Street	58,437
FY18 West Street (as part of CSO Elimination Project)	
FY19 Hancock Street	70,000

**Air Compressor, Mobile**

A reserve account has been funded to allow us to pay cash when we are scheduled to replace this twenty year old machine in FY21.

**Bucket Machine**

This 1957 model sewer cleaning machine uses buckets to remove sand and gravel from the lines. A reserve account has been funded so we can pay cash when we replace this 60 year old machine in FY17.

**Flow Monitoring Equipment**

These are the 22 Flo-Totes and related equipment that allow us to measure sewer flows by installing a weir and sensors in the sewer and then hooking them to a laptop computer to download the flow data. As our Flo-Totes age it becomes increasingly expensive to have them calibrated as well as to have repairs or routine maintenance work done, but we now consider these expenses operations, not capital. Once the CSO Elimination Program is built, we should be able to reduce the number of Flo-Totes required, but we will still need to monitor flows to prove regulatory compliance.

**Generators**

The DEP is encouraging us to install standby power for all of our facilities. The expected construction schedule follows.

FY15 Hulls Cove Plant	\$44,000	Completion of Replacement generator
FY16 Hulls Cove Pump Station	\$46,026	Replacement of existing generator
Postpone Hancock Street Pump Station		This station gives us very little trouble, has very low flow and does not have an overflow pipe, so we plan to postpone installation indefinitely.

~ CIP Narrative Continued on Next Page ~

**C.I.P. Details****CHART A****Capital Improvement Program**

Page 5

**GIS System, including Laptop Computers**

Our Line Maintenance crew has heavy-duty laptop computers which they use in the field to edit and store records such as maps, service cards, basin diagrams, etc. When combined with the rest of the Town's computerized maps and digital records, this system is known as a GIS, or Geographic Information System. The portability of the laptops allows us to review sewer information in the field. In addition, our laptops can be used in the office for word processing and data input and even from home, to monitor the plant without taking the time to drive there. We have funded a replacement reserve using a three year cycle for all laptops, which will be replaced in FY16 and FY19. In FY15 we propose to replace our six year old, heavy-duty handheld GPS Trimble unit and the ESRI software which allow us to locate points in the field, so that they can be mapped and entered into the GIS system.

**Microscope, Olympus**

A reserve account has been funded so we can pay cash when we replace this 19 year old machine in FY16.

**Sewer Cameras**

We have two sewer cameras: a small one for inspection of the building service lines and a large one for the sewer mains. The smaller camera is scheduled for replacement on a 12 year cycle, next due in FY18. The larger camera was replaced in FY14 and a reserve account funded.

**Communication Systems**

This account is used for our utility billing software, the telephone system at the Main Plant, our Wide Area Network (WAN) and the pump station alarm system. A single reserve account has been funded so we can pay cash when each piece of equipment reaches the end of its life expectancy. Our WAN is a computer system which allows us to communicate electronically with our widespread equipment and facilities. We expect to upgrade our utility billing software in FY15 at a cost not to exceed \$15,000.

**Rodding Machine**

As its name implies, this machine pushes a long rod back and forth in the sewer to remove obstructions. We do not plan to replace this piece of equipment.

**Sewer Jet**

We purchased a new sewer jet in FY04 for cleaning sewer mains. A reserve account has been funded to allow us to pay cash when we are scheduled to replace this 14 year old machine in FY18.

**Inspector's Truck**

A reserve account has been funded so we can pay cash when we replace this eleven year old pickup truck (#43) in FY17.

**Line Crew Truck**

A reserve account has been funded so we can pay cash when we replace this 7 year old stake-body dump truck in FY20. A shorter replacement cycle has been used, since this truck is used for plowing snow.

**Plant Crew Truck**

A reserve account has been funded so we can pay cash when we replace this 9 year old truck in FY19. A shorter replacement cycle has been used, since this truck is used for plowing snow.

~ CIP Narrative Continued on Next Page ~

**C.I.P. Details****CHART A****Capital Improvement Program**

Page 6

**Sludge Truck**

This truck is used to haul sludge to the compost site. The replacement reserve includes the cost of the sludge containers, but not of the liquid waste tank, since it is a physically separate and expensive piece of equipment, and it wears out at a different rate. A reserve account has been funded so we can pay cash when we replace this 15 year old truck in FY23.

**Sludge Truck Liquid Tank**

This tank is used to haul liquid (un-dewatered) sludge from our DeGregoire and Hulls Cove plants to the main plant for dewatering. Although it is mounted in the Sludge Truck when used, we expect it to wear out more quickly than the truck, so a separate replacement account has been established. This reserve account has been funded so we can pay cash when we replace this 12 year old tank in FY23.

**Superintendent's Truck**

A reserve account has been funded so we can pay cash when we replace this 9 year old pickup truck (#47) in FY18. A shorter replacement cycle has been used, since this truck is used for plowing snow.

**SCADA System Replacement**

SCADA stands for "supervisory control and data acquisition", the computer system which monitors and controls our sewage collection system and treatment process controls at the plants. A reserve account was funded based on a five year expected life cycle, with the next replacement scheduled for FY18.

**Rain Gauge & USB Logger**

Used for the purpose of reporting rainfall data to the DEP as a part of our yearly CSO report.

~ ~ End of C.I.P. ~ ~

# Personnel Services & Benefits

Chart B

## 51 PERSONNEL SERVICES

### HOURLY RATE CALCULATIONS

Fiscal Year Starting: July 1, 2014

Classification	FY14 Base Rate This Yr.	C.O.L.A. This July 1.5%	One Time Adjust- ment	FY15 Base Rate This July
Chief Operator	28.17	0.42	0.00	28.59
Operator III	23.47	0.35	0.00	23.82
Operator II	21.51	0.32	0.00	21.83
Maintenance Tech	19.76	0.30	0.00	20.06
Maintenance Worker II	18.36	0.28	0.00	18.64
Maintenance Worker I	18.18	0.27	0.00	18.45
		0.0%		
Seasonal Worker	14.27	0.21	0.00	14.48

Hourly Rate (Continued)	Authorized Base Rate Next Yr.	LONGEVITY PAY				Total Hourly Rate Next Yr.	Name
		Seniority Date	Years of Service				
			10 \$0.25	15 \$0.15	20 \$0.10		
Chief Operator	\$28.59	7/1/14	\$0.00	\$0.00	\$0.00	\$28.59	vacant
Operator III	\$23.82	3/7/77	\$0.25	\$0.15	\$0.10	\$24.32	B Kane
Operator II	\$21.83	8/19/85	\$0.25	\$0.15	\$0.10	\$22.33	E McFarland
Maintenance Tech	\$20.06	9/7/04	\$0.25	\$0.00	\$0.00	\$20.31	T Jones
Maintenance Tech	\$20.06	2/25/08	\$0.00	\$0.00	\$0.00	\$20.06	T Griffin
Maintenance Worker II	\$18.64	6/21/99	\$0.25	\$0.15	\$0.00	\$19.04	S Young
Maintenance Worker I	\$18.45	7/27/09	\$0.00	\$0.00	\$0.00	\$18.45	D Ranzoni
Maintenance Worker I	\$18.45	3/19/07	\$0.00	\$0.00	\$0.00	\$18.45	M Ganz
Seasonal Worker	\$14.48	n/a	\$0.00	\$0.00	\$0.00	\$14.48	D Trennam

Total Annual Pay	Positions Next Yr.	Regular Hours	Scheduled O.T. Hours	Emerg/unsch O.T. Hours	Ave. OT Rate	Base Pay Next Year
Chief Operator	1	2,080	0	0	0	59,473
Operator III	1	2,080	0	0	0	50,590
Operator II	1	2,080	0	0	0	46,452
Maintenance Tech	1	2,080	0	0	0	42,237
Maintenance Tech	1	2,080	0	0	0	41,717
Maintenance Worker II	1	2,080	0	0	0	39,594
Maintenance Worker I	1	2,080	0	0	0	38,382
Maintenance Worker I	1	2,080	0	0	0	38,382
Regular wages	8	16,640				356,826
Overtime - (5)			996	200	\$ 34.68	41,481
Seasonal Worker	1	1,040	0	0	0	15,063
<b>Next Year's Total</b>	<b>9</b>	<b>17,680</b>	<b>996</b>	<b>200</b>		<b>\$413,370</b>

~ ~ Personnel Services Continued on Next Page ~ ~

**PERSONNEL SERVICES & BENEFITS** **CHART B**

Page 2

BREAKOUT OF WAGES	Account Number	Gross Pay
Wages - Salaries	5100	0
Wages-Hourly Full Time	5105	356,826
Wages=Overtime	5110	41,481
Wages-Seasonal/Summer	5130	15,063
Hourly Wage Totals		<u>\$ 413,370</u>
Historical Overtime:		
FY2015 Bud	1,196	
FY2014 Bud	1,214	
CY 2013	1,155	
CY 2012	1,164	
CY 2011	1,226	
	<u>3,545</u>	
3 Year Avg.	1,182	

**52 EMPLOYEE BENEFITS**

	Gross Wages Next Year	ICMA Retirement	FICA & Medicare	MSRS Retirement	Workers Comp.	Unem- ployment	Health Insurance
FY2015 Bud	\$413,370	\$0	\$31,623	\$31,068	\$8,681	\$2,700	\$95,400
	Rates ->	Up To 6.50% of Gross	7.65% of Gross Wages	7.80% of Gross	2.10% of Gross	2.50% Of Regular Wages	Net/Mo.Now Family \$1,460.30 Adult&Child \$1,062.22 Single \$651.02 Next CY 3.00%

**5245 Retirement Health Savings Acct.**

For employees who have accumulated their maximum amount of sick leave, the Town calculates the amount of sick leave the employee would have earned beyond his/her maximum following each calendar year, and the Town contributes 25% of that amount to the employee's Retirement Health Savings account.

<b>Contractual Services</b>	<b>Chart C</b>
-----------------------------	----------------

**5300 ALARMS & PAGING**

	<i>Number This Year</i>	<i>Number Next Year</i>	<i>Cost Each This Year</i>	<i>Cost Each Next Year</i>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Paging - Contract for paging call people	3	3	104	106	312	318
Fire Alarm Monitoring	4	4	128	138	512	552
Includes monthly maintenance and service contract.						
<b>Total Alarms &amp; Paging</b>					\$824	\$870

**5306 TOWN MANAGEMENT FEES**

Administrative Services is the cost to the General Fund of providing accounting and management services to the Sewer Fund, Water Fund and Cruise Ship Fund. We charge a flat amount each quarter, to cover all administrative services to each of those funds. The calculations for those amounts are shown in the Town Budget on Chart I.

	<i>Estimated This Year</i>	<i>Requested Next Year</i>
<b>5311 SPECIAL WASTE CLEANING</b>		
We have to clean the grit out of the septic receiving station every year and from the digester as needed. In the past, this has been done by the contractor AllWaste. The contract includes trucking. Disposal is charged to the sludge disposal account.		
Septage Receiving Station cleaning (annual)	0	2,200
FY13 - Digester cleaning	0	0
FY15 - Next Digester cleaning scheduled.	n/a	1,800
<b>Total Septic Receiving Station Cleaning</b>	\$0	\$4,000

**5312 PUMP STATION PUMPING**

Occasionally, we have to hire a septic hauler to pump out one of our pump stations due to a power outage or for service.

**5326 ENGINEERING**

	<i>Estimated This Year</i>	<i>Requested Next Year</i>
<b>Items Funded Every Year</b>		
Routine Maintenance	801	3,000
<b>Special projects Funded</b>		
MAIN STREET WET WELL MIXING EVALUATION:	2,628	n/a
STEEL TANK TESTING:		
- PUMP STATIONS:	3,560	n/a
DEGREGOIRE PARK TREATMENT PLANT EVALUATION:	16,250	n/a
<b>Total Engineering</b>	\$23,239	\$3,000

**5330 OXIGEST UNIT & WET WELL PAINTING**

This project is to prepare and resurface the exterior surface of the Oxigest unit at the Degregoire Park Treatment Plant. The Oxigest tank has exterior corrosion of varying levels from the concrete floor up which require cleaning and recoating. The estimated construction cost is due to a combination of factors including the presence of lead paint in certain locations that will require a specialty contractor to perform the work. Engineering reports were created by Enterprise Engineering, Inc. and Wright Pierce Engineers. 3 Wet Wells will have scheduled painting over the next 3 years. \$ 35,000

~ ~ Contractual Services Continued On Next Page ~ ~

**Contractual Services** **CHART C**

**5332 GENERATOR SERVICE**

	<i>Number This Year</i>	<i>Number Next Year</i>	<i>Cost Each This Year</i>	<i>Cost Each Next Year</i>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Generator Maintenance Agreements	8	9	611	635	4,888	5,715
<b>Total Generator Service</b>					\$4,888	\$5,715

**5336 GENERAL EQUIPMENT MAINTENANCE**

	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Process Servicing Corp - Annual Chlorine Equipment Maintenance	1,250	1,269
QC Labs - Annual Lab Equipment Maintenance & Calibration	1,047	1,063
FY11 - Removed four pieces of equipment from maintenance contract		
Overhead Door Maintenance Contract	497	504
FY11 - Moved overhead door repairs to a maintenance contract to reduce expense.		
Building HVAC System - Mechanical Services	1,240	1,140
Variable Frequency Drive (VFD) Maintenance Contract-Horizon Sol.	6,036	6,036
FY13 - VFD Maintenance Contract Added		
<b>Total General Equipment Maintenance</b>	\$10,070	\$10,012

**5366 SLUDGE DISPOSAL**

	<i>Est. Tons This Yr.</i>	<i>Tons Next Yr.</i>	<i>Cost/Ton This Yr.</i>	<i>Cost/Ton Next Yr.</i>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Estimated Use						
Treatment and Disposal	943	950	\$54.29	\$55.10	51,195	52,345
<b>Total Sludge Disposal</b>					\$51,195	\$52,345

**5368 TECHNOLOGY LICENSES & SUPPORT**

These are the annual licensing fees which must be paid in order to continue using the software or hardware and to receive maintenance and support services. These fees also include upgrades, enhancements, modem support, etc.

<i>Product</i>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
ArcView - GIS mapping software license - Single Use, Secondary, Maintenance	300	300
ArcPad - Application Builder - Primary, Maintenance	250	250
General Code - Laserfiche	147	147
Automatech - SCADA (System Control And Data Acquisition) license and support	1,885	1,950
This is the software that runs the plant and keeps track of equipment maintenance.		
IT Ppipes software license (for new camera system)	0	1,500
<b>Total Technology Licenses and Support</b>	\$2,582	\$4,147

**5384 LABORATORY TESTING**

The US EPA and Maine DEP require us to do some very expensive testing, which is beyond our capabilities, so we must hire it out. Testing requirements change from year to year, depending on our license renewal cycle. Licenses must be renewed every five years. Our next renewal is scheduled for FY16. Typically, the DEP requires a lot of additional testing in the year prior to renewal, FY15.

**Materials & Supplies****Chart D****5410 CLOTHING PURCHASES**

Safety Boots, Hip Boots, Foul Weather Gear, Coveralls, Jackets, etc.

**5424 SODIUM HYPOCHLORITE**

We disinfect our effluent with sodium hypochlorite, the equivalent of super strong bleach.

**5441 MAGNESIUM HYDROXIDE & OTHER SUPPLIES**

We use magnesium hydroxide to adjust the pH of our effluent.

Miscellaneous - Other treatment supplies are also charged to this account.

**5442 POLYMER SUPPLIES**

We use polymer chemicals in the sludge dewatering process.

**5452 SODIUM BISULFITE**

We use this chemical to remove sodium hypochlorite from our effluent prior to discharge to the ocean.

**5458 VEHICLE SUPPLIES -**

This account is used for the purchase of parts and supplies needed by Town employees to maintain and repair Wastewater Division vehicles and equipment. Typical examples of items charged to this account include motor oil, filters, tires, wipers, mufflers, starters, etc. The increase for FY15 is primarily for tires for the swap loader

Account 5658 "Vehicle Repairs" is used for parts and supplies for repair and maintenance jobs sent to an outside repair shop.

~ ~ End of Materials & Supplies Details ~ ~

<b><i>Equipment Purchases</i></b>	<b><i>Chart E</i></b>
-----------------------------------	-----------------------

<b>5700 TECHNOLOGY EQUIPMENT - PURCHASE</b>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
---	--------------------------------	--------------------------------

This account is used only for non-capital equipment. Anything which costs more than \$5,000 and has a life expectancy of five years or longer is budgeted in the Capital Improvement Program.

**Items Already Funded This Year**

0            n/a

**Items Requested For Next Year**

Rugged Motion tablet-Field Maint. use	3,500
software license for new tablet pc	350
IT Pipes GIS Receiving Module	n/a    3,200
Software Smartnet & Terra wave antenna for access point; POE device	600
WWiFi Hotspot for Septic Receiving-Cisco 1262	900

<b>Total Technology Equipment Purchases</b>	\$0	\$8,550
---	-----	---------

<b>5702 OFFICE EQUIPMENT - PURCHASE</b>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
---	--------------------------------	--------------------------------

**Items Already Funded This Year**

FRONT OFFICE CHAIRS 0            n/a

**Items Requested For Next Year**

Bookcase & Misc. n/a            700

<b>Total Office Equipment Purchases</b>	\$0	\$700
---	-----	-------

<b>5704 OPERATING EQUIPMENT - PURCHASE</b>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
--	--------------------------------	--------------------------------

**Items Already Funded This Year**

Underground utility pipe/service locator	3,701	n/a
Metal grinder	278	n/a
Magnetic manhole cover lifter	699	
Tool chest w/tools	353	
Generator - 3600W	499	

**Items Requested For Next Year**

1 manhole cover lift @ 700		700
ISSCO 5800 Sampler	n/a	5,500
Magnesium Pump @ Degregoir Park		3,000
Plant Water Pump		4,000

<b>Total Operating Equipment Purchases</b>	\$5,530	\$13,200
--	---------	----------

~ ~ End of Equipment Purchases Details ~ ~

# Debt Service

Chart F

## "Old" Debt

Old Debt is that debt incurred prior to the 1996 upgrades of the Bar Harbor Plant and Hulls Cove Plant. For rate setting purposes, "Old" debt is included in the Operating Rate.

### Previously Issued Bonds

Bond Issue ID	Actual Yr. Before	Actual Last Year	Budgeted This Year	Estimated This Year	Requested Next Year	Change: R.N.Y vs. B.T.Y.	Change: R.N.Y vs. E.T.Y.
Project Name	Last: FY12	FY13	FY14	FY14	FY15	B.T.Y.	E.T.Y.

Bond Issue A

#### **Treatment Plant & Sewer Rehabilitation**

Last Payment in FY11

Interest	0	0	0	0	0		
Fees	0	0	0	0	0		
Principal	0	0	0	0	0		
<b>Bond Issue Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

Bond Issue D

#### **Sewer Rehabilitation and SSES: Phase One**

Last Payment in FY12

Interest	3,900	0	0	0	0		
Fees	170	0	0	0	0		
Principal	60,000	0	0	0	0		
<b>Bond Issue Total</b>	<b>64,070</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

### **Total "Old Debt"**

Interest	3,900	0	0	0	0		
Fees	170	0	0	0	0		
Principal	60,000	0	0	0	0		
<b>Old Debt Total</b>	<b>64,070</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

~ ~ Debt Service Continued on Next Page ~ ~

**DEBT SERVICE**

**CHART F**

**"New" Debt**

New Debt is that incurred for the 1996 upgrades of the Bar Harbor and Hulls Cove Plants and subsequent debt issues. For rate setting purposes, "New" debt is included in the Capital Rate.

<i>Project Name</i>	<i>Actual Yr. Before Last: FY12</i>	<i>Actual Last Year FY13</i>	<i>Budgeted This Year FY14</i>	<i>Estimated This Year FY14</i>	<i>Requested Next Year FY15</i>	<i>Change: R.N.Y vs. B.T.Y.</i>	<i>Change: R.N.Y vs. E.T.Y.</i>
<b>Bond Issue E</b>							
<b>Main Wastewater Treatment Plant Upgrade - 1996</b>							
Last Payment in FY18							
Interest & Svc.Fee	81,576	71,611	61,131	61,131	50,107	-18.0%	-18.0%
Paying Agent Fees	500	500	500	500	500	0.0%	0.0%
Principal	388,631	398,341	408,554	408,554	419,295	2.6%	2.6%
<b>Bond Issue Total</b>	<b>470,707</b>	<b>470,452</b>	<b>470,185</b>	<b>470,185</b>	<b>469,902</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Bond Issue N</b>							
<b>Hulls Cove Wastewater Treatment Plant Forcemain &amp; Sewer Rehab - 2000</b>							
A.G. Edwards & Sons, Inc.		Average Rate = 4.12%			Original Principal = \$800,000		
Last Payment in FY28							
Can be refinanced after February 2016							
Interest	26,748	25,604	24,423	24,423	23,225	-4.9%	-4.9%
Fees	0	0	0	0	0		
Principal	30,000	30,000	30,000	30,000	30,000	0.0%	0.0%
<b>Bond Issue Total</b>	<b>56,748</b>	<b>55,604</b>	<b>54,423</b>	<b>54,423</b>	<b>53,225</b>	<b>-2.2%</b>	<b>-2.2%</b>
<b>Bond Issue Q</b>							
<b>Sewer Rehabilitation - 2011</b>							
Morgan Stanley & Co., LLC		Average Rate = 2.7%			Original Principal = \$1,316,000		
Last Payment in FY32							
Can be refinanced after February 2016							
Interest	25,259	34,973	33,884	33,884	32,778	-3.3%	-3.3%
Fees	0	0	0	0	0		
Principal	0	54,686	54,147	54,147	56,450	4.3%	4.3%
<b>Bond Issue Total</b>	<b>25,259</b>	<b>89,659</b>	<b>88,031</b>	<b>88,031</b>	<b>89,228</b>	<b>1.4%</b>	<b>1.4%</b>

~ ~ Debt Service Continued on Next Page ~ ~

**DEBT SERVICE**

**CHART F**

Page 3

**Bonds Not Yet Issued**

**Bond Anticipation Note**

<b>Combined Sewer Overflow Elimination Project</b>		First Payment: FY17	Last Payment: FY19
<p>We will be making our last payments on the Ledgelawn Avenue Main Treatment Plant in FY18. We propose to structure the debt for the new CSO Elimination Project by using a Bond Anticipation Note. A BAN is similar to a home construction loan, in that you pay interest only on the amount of principal you have drawn down. While this means that we will have to pay a slightly higher interest rate, we will not be paying interest on the principal until the project is complete. In this case, we expect to finish construction in FY19. Depending on the construction schedule, interest rates and the bond market, we are thinking that we would like to structure the new bond issue so that our first principal payment doesn't come due until FY20, the 2nd year after our last payment on the Main Plant, thus helping prevent a huge rate increase. For budgeting and rate setting purposes, we have used the average amount of principal, that is, one half of the total principal. However, this assumption may have to be adjusted for the second and third years of BAN financing, since we will then be paying interest on the full amount of principal.</p>			
Loan Terms:	Interest Rate: 5.0%	Term: 3 Years	Principal: \$3,759,288
<b>Payments:</b>			<b>Annual Payment: \$187,964</b>

**Bond Issue T**

<b>Combined Sewer Overflow Elimination Project</b>		First Payment: FY20	Last Payment: FY40
	Interest Rate: 5.0%	Term: 20 Years	Principal: \$7,518,577
<b>Payments:</b>			<b>Annual Payment: \$603,310</b>

	<i>Actual Yr. Before Last: FY12</i>	<i>Actual Last Year FY13</i>	<i>Budgeted This Year FY14</i>	<i>Estimated This Year FY14</i>	<i>Requested Next Year FY15</i>	<i>Change: R.N.Y vs. B.T.Y.</i>	<i>Change: R.N.Y vs. E.T.Y.</i>
<b>Total "New Debt"</b>							
Interest	133,583	132,188	119,438	119,438	106,110	-11.2%	-11.2%
Fees	500	500	500	500	500	0.0%	0.0%
Principal	418,631	483,027	492,701	492,701	505,745	2.6%	2.6%
<b>New Debt Total</b>	<b>552,714</b>	<b>615,715</b>	<b>612,639</b>	<b>612,639</b>	<b>612,355</b>	<b>0.0%</b>	<b>0.0%</b>

**Total "New" and "Old" Debt**

Interest	137,483	132,188	119,438	119,438	106,110	-11.2%	-11.2%
Fees	670	500	500	500	500	0.0%	0.0%
Principal	478,631	483,027	492,701	492,701	505,745	2.6%	2.6%
<b>Total Payments</b>	<b>616,784</b>	<b>615,715</b>	<b>612,639</b>	<b>612,639</b>	<b>612,355</b>	<b>0.0%</b>	<b>0.0%</b>

FOR FULL DETAILS OF DEBT, SEE CHART J OF THE GENERAL TOWN BUDGET.

~ ~ End of Debt Service ~ ~

# Net Income Statement

**Chart G**

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	Requested Next Year FY15	Change: E.T.Y. vs. R.N.Y.
<b>OPERATING REVENUES:</b>						
Charges for Services	1,462,176	1,364,215	1,241,397	1,254,576	1,269,000	14,424
Capital Charge & Connection Fees	745,149	770,069	823,012	870,034	873,910	3,876
Interest (on late payments+lien costs)	12,018	10,729	11,078	15,023	12,470	(2,553)
<b>Total Operating Revenues</b>	<b>2,219,343</b>	<b>2,145,013</b>	<b>2,075,487</b>	<b>2,139,633</b>	<b>2,155,380</b>	<b>15,747</b>
Change in Charges >>		-6.7%	-9.0%	-8.0%	1.1%	
<b>OPERATING EXPENDITURES:</b>						
Wages & Benefits	557,233	571,897	582,076	569,351	600,677	31,326
Contractual Services	203,823	238,674	211,389	220,477	316,608	96,131
Utilities & Commodities	208,943	206,463	220,280	204,963	213,236	8,273
Repairs & Maintenance	78,160	101,755	92,300	66,084	108,650	42,566
Equipment Purchases	7,869	11,638	0	5,530	23,150	17,620
Other Expenses, Travel, Etc.	38,386	39,137	40,363	41,400	44,637	3,237
Depreciation & Amortization	507,324	521,779	521,309	515,470	515,470	0
Materials & Supplies	94,091	86,870	91,145	99,865	98,266	(1,599)
<b>Total Operating Expenditures</b>	<b>1,695,829</b>	<b>1,778,214</b>	<b>1,758,862</b>	<b>1,723,140</b>	<b>1,920,694</b>	<b>197,554</b>
		4.9%	-1.1%	-3.1%	11.5%	
<b>Net Operating Income</b>	<b><u>523,514</u></b>	<b><u>366,799</u></b>	<b><u>316,625</u></b>	<b><u>416,493</u></b>	<b><u>234,686</u></b>	<b><u>(181,807)</u></b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest Revenue (Investment)	7,595	6,346	6,358	5,761	6,971	1,210
Gain/(Loss) on Disposal of Assets	0	0	0	30,000	0	(30,000)
Federal & State Grants	0	0	0	0	0	0
Bond Refinancing Refund	0	0	0	0	0	0
Less Interest Expense	137,483	132,188	119,438	119,438	106,110	(13,328)
<b>Total Non-Operating Revenue (Expense)</b>	<b>145,078</b>	<b>138,534</b>	<b>125,796</b>	<b>155,199</b>	<b>113,081</b>	<b>(42,119)</b>
		-4.5%	-9.2%	12.0%	-27.1%	
<b>NET INCOME (LOSS) YTD</b>	<b>668,592</b>	<b>505,333</b>	<b>442,421</b>	<b>571,692</b>	<b>347,766</b>	<b>(223,925)</b>
Change from Previous Year		(163,259)	(62,912)	66,358	(223,925)	

# Sewer Rate Schedule

**Chart H**

<i>Type of Rate</i>	<i>Measure</i>	<i>Old Rate FY14</i>	<i>New Rate FY15</i>	<i>Percent Change</i>
Operations Rate (See Chart M)	Per 100 Cubic Feet of Water Used	\$4.24	\$4.57	7.8%
Capital Rate (See Chart M)	Per 100 C.F. of Seasonal Water Used	\$5.54	\$5.54	0.0%
Minimum Operations Bills: (per quarter)				
- Residential Customers	Based on 1000 Cu. Ft. of Water Used	\$42.40	\$45.70	7.8%
- Non-Residential Cust.	Based on 2800 Cu. Ft. of Water Used	\$118.72	\$127.96	7.8%
- Unmetered Customers	Based on 2150 Cu. Ft. of Water Used	\$91.16	\$98.26	7.8%
Septic Tank Pumpage (Note B)	Per 100 Gallons	\$11.22	\$11.22	0.0%
Sludge Disposal (Notes A & B)	Per 100 Gallons	\$6.72	\$6.72	0.0%
Connection Fee Rate	Per Gallon of Sewage Per Day	\$9.83	\$10.60	7.8%
	Per Inch of Sewer Service Diameter	\$100	\$100	0.0%
Late Payment Penalty(Note C)	Per Annum	7.0%	7.0%	0.0%

## Notes:

- A. We dewater and dispose of sewage plant sludge for the towns of Mount Desert and Southwest Harbor.
- B. This rate was set based on market.
- C. The maximum amount of this rate is set by State Law as determined by the State Treasurer.

-- End of Sewer Rate Schedule --

# Sewer Rate Calculations Chart I

This spreadsheet calculates the minimum rates required in order to "break even" on a cash basis.

### VOLUME ESTIMATE

Quarter	Ending	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budget This Year FY14	Actual This Year FY14	Requested Next Year FY15	Change: R.N.Y vs. B.T.Y.	Change: R.N.Y vs. E.T.Y.
Summer	September 30	9,980,000	9,568,000	9,568,000	9,740,000	9,700,000	1.4%	-0.4%
Fall	December 31	4,920,000	5,712,000	5,712,000	5,645,000	5,645,000	-1.2%	0.0%
Winter	March 31	3,360,000	3,590,000	3,580,000	3,225,000	3,225,000	-9.9%	0.0%
Spring	June 30 (See Note A)	5,260,000	5,280,000	5,100,000	5,820,000	5,800,000	13.7%	-0.3%
Unmetered Accounts		250,000	250,000	250,000	250,000	250,000	0.0%	0.0%
Minimum Bills (See Note F)		2,200,000	2,100,000	2,100,000	2,000,000	2,000,000	-4.8%	0.0%
<b>Annual Volume in Cubic Feet (See Note B)</b>		<b>25,970,000</b>	<b>26,500,000</b>	<b>26,310,000</b>	<b>26,680,000</b>	<b>26,620,000</b>	<b>1.2%</b>	<b>-0.2%</b>
Change			530,000	(190,000)	180,000	(60,000) << (Decrease)	Volume Assumption	
		-5.6%	2.0%		0.7%	<b>0.0%</b>	RNY vs. ETY	

### OPERATIONS RATE

Quarter	Ending	Requested Next Year FY15
Operating Fund Expenditures		1,335,224
Less Operating Transfers Out		0
Less Non Rate Revenues:		
Other Customer Charges		(95,000)
Other Income		(23,441)
<b>Net Needed from Operations Charges</b>		<b>\$1,216,783</b>
<b>Estimated Minimum Operations Rate / 100 cu.ft.</b>		<b>\$4.57</b>
<i>Current Rate @ 4.24</i>		

### CAPITAL RATE

Quarter	Ending	Estimated This Year FY14	Requested Next Year FY15		
Capital Appropriations			868,586		
Less Capital Fund:					
Connection Fees			(11,760)		
Other Sources of Revenue			0		
Operating Transfers In			0		
Change in Unallocated Fund Balance			0		
<b>Net Needed from Capital Charges</b>			<b>\$856,826</b>		
Peak Season Volume ( See Note D) -(Sum,Fall, 1/2 Unmet)		15,385,000	15,470,000	0.6%	0.6%
<b>Estimated Minimum Capital Rate / 100 Cu.Ft. (See Note E)</b>			<b>\$5.54</b>		
<i>Current rate 5.54; recommend no change in FY15</i>					

### NOTES

- A. The volume estimate in the ETY column is actual for the first three quarters, and estimated for the spring quarter.
- B. Annual volume of water consumed, stated in cubic feet. One cubic foot is equal to 7.48 gallons.
- D. Peak Season Volume is used for the Capital Rate because the plant must be built large enough to accomodate peak season volumes.
- E. The Capital Rate is determined by dividing the "Net Needed from Capital Charges" by the "Peak Season Volume" (C/D=E).
- F. In order to calculate the needed rate, we must use the estimated volume. This volume must include an allowance for the cubic feet that are not used by the customer, but which we bill as part of the minimum bill.

~ ~ End of Sewer Rate Calculations ~ ~

<b>Budgeting Standards</b>	<b>Chart J</b>
----------------------------	----------------

Description	Inflation Factors	
	This Year	Next Year
Fuel Oil (Heating)	6.8%	12.0%
Motor Fuels (Diesel)	12.9%	10.0%
Water	8.3%	0.0%
Wages (Union)	1.0%	1.5%

<b>Non-Cash Expenses</b>
--------------------------

		Actual Yr. Before FY12	Actual Last Year FY13	Budgeted This Year FY14	Estimated This Year FY14	Requested Next Year FY15
<b>DEPRECIATION &amp; AMORTIZATION</b>						
6006	Ammortization of Bond Issue Costs	6,309	6,309	6,309	0	0
6012	Depreciation	501,015	515,470	515,000	515,470	515,470
<b>Total Asset Depreciation</b>		507,324	521,779	521,309	515,470	515,470

		Actual Yr. Before FY12	Actual Last Year FY13	Budgeted This Year FY14	Estimated This Year FY14	Requested Next Year FY15
<b>CONTRIBUTED CAPITAL/GRANTS</b>						
6004	Contributed Capital Amortization	(123,518)	(123,522)	(122,522)	(80,408)	(80,408)

# Combined Fund Balance

Chart K

## Operating and Capital Budgets

	Actual Yr. Before Last: FY12	Actual Last Year FY13	Budgeted This Year FY14	Actual This Year FY14	Requested Next Year FY15
Starting Fund Balance	650,644	2,275,741	2,077,428	2,158,896	2,112,763
Revenues & Other Sources	3,542,938	2,322,843	2,161,620	2,179,894	2,242,126
Expenditures & Other Uses	1,917,841	2,439,689	2,323,214	2,226,026	2,429,346
Ending Fund Balance	2,275,741	2,158,896	1,915,834	2,112,763	1,925,543
Total Reserved & Designated Fund Balance	1,914,850	1,987,688	1,877,922	1,842,735	1,637,199
Unassigned Fund Balance	360,891	171,208	39,860	270,028	288,343
Change in Unassigned Fund Balance		(189,684)	36,320	98,820	18,316

**Details:**

*Operating Fund Balance:*

<i>Desig.-Working Capital</i>	431,124	431,124	408,392	408,392
<i>Undesignated</i>	166,248	19,860	256,669	209,885
<i>Total Operating Fund Balance</i>	597,372	450,984	665,061	618,278

*Capital Fund Balance:*

<i>Desig.-Unfinished CIP Projects &amp; Reserves</i>	1,501,922	1,283,942	1,414,343	1,188,807
<i>Desig.-October Bond payment Reserve</i>	54,642	162,856	20,000	40,000
<i>Undesig.-Unallocated</i>	4,960	20,000	13,359	78,458
<i>Total Capital Fund Balance</i>	1,561,524	1,466,798	1,447,702	1,307,265
<i>Total Fund Balance - Combined (Budgetary)</i>	2,158,896	1,917,782	2,112,763	1,925,543

*Total Fund Balance (Retained Earnings per audit)* 2,276,220

Actual **Cash** in Fund Balance/Retained Earnings:

-Unspent Bond Monies	592,725	555,739
-Cash & Investments	1,339,082	1,203,297
-non cash related receivables	227,089	353,727
Total Fund Balance - Combined	2,158,896	2,112,763

~ ~ End of Combined Fund Balance ~ ~

TOWN OF BAR HARBOR  
SEWER DIVISION  
ANNUAL SUMMER DISCOUNT APPLICATION

ELIGIBLE TO "RESIDENTIAL" SERVICE CLASS CUSTOMERS ONLY

Date \_\_\_\_\_

Return by 9/15/2014!

A/C# \_\_\_\_\_

If you use water outside your home for lawns and gardens, you may be eligible for an adjustment in your sewer user fees for the Third Quarter (July 1 – September 30). This application (or renewal) must be filled out each season by the customer.

Please fill out the attached form and return the lower section to the Sewer Department office at the Municipal Building if you do expect to use water outside during the Third Quarter. The Finance Department will then use an average of your first and second quarter usage to calculate your Third Quarter bill. This adjustment should provide a savings to families who wish to water their lawns, gardens, or wash their cars, etc.

NOTE: YOU WILL NOT BE ELIGIBLE FOR THIS ADJUSTMENT IF:

- 1) You run a business on your property;
- 2) The Residence is used for any commercial rental;
- 3) Your service accepts waste from more than one residential unit;
- 4) You are classified as a seasonal water customer

Per Chapter 165, Sewer Ordinance; Article III, Sewer Rates, Sec #165-7.B.(2)©[2]

Top – Customer Copy



Return this section

Town Copy

Date \_\_\_\_\_

Account# \_\_\_\_\_

I wish to apply for an adjustment in my sewer residential charges for the Third quarter (summer usage) because I use water for outside purposes (lawn, garden, car washes, etc.) that does not flow into the sewer system.

\_\_\_\_\_  
Customer signature

\_\_\_\_\_  
Print name of Property Owner  
as it appears on the tax bill

\_\_\_\_\_  
Location of Property

If not returned to the Bar Harbor Finance Department at the Municipal Building by September 15<sup>th</sup>, you may be disqualified for an adjustment.

# **Sewer Ordinance Amendment**

## **Town of Bar Harbor**

#2014-06

### **An Amendment to Adopt the Fiscal Year 2015 Sewer Budget, Rates, Fees and Charges.**

*The Town of Bar Harbor hereby ordains that Chapter 165, Sewers, of the Town Code is amended as follows:*

---

## **Chapter 165 , SEWERS**

---

---

### **ARTICLE III, Sewer Budget and Rates**

---

\*\*\*\*

#### **§ 165-7.1. Sewer budget, fees and charges.**

A. Budget adopted. The fiscal year 2015 Sewer Budget, dated October 7, 2014 , is hereby adopted as published and summarized below.

(1) Fund balance. Unreserved and undesignated fund balances are estimated as follows:

(a) Estimated starting unreserved and undesignated fund balance:

[1] Operating Fund: \$256,669 .

[2] Capital Fund: \$13,359 .

(b) Ending unreserved and undesignated fund balance:

[1] Operating Fund: \$209,885 .

[2] Capital Fund: \$78,458 .

(2) Revenues.

(a) Total revenues and other sources are estimated to be:

[1] Operating Fund: \$1,288,441 .

[2] Capital Fund: \$953,685 .

(b) Revenue from sewer rates shall be calculated as follows:

[1] Operations rate charges: \$1,216,784 .

[2] Capital rate charges: \$856,826 .

(3) Expenses. Total appropriations shall be:

(a) Operating Fund: \$1,335,224 .

(b) Capital Fund: \$1,094,122 .

(4) Rates.

(a) Operations rate: \$4.57 per 100 cubic feet of water used.

(b) Capital rate: \$5.54 per 100 cubic feet of seasonal water used.

(c) Minimum operations bills:

[1] Residential customers: \$45.70 for up to 1,000 cubic feet of water used per quarter.

[2] Nonresidential customers: \$127.96 for up to 2,800 cubic feet of water used per quarter.

[3] Unmetered customers: \$98.26 per quarter (based on 2,150 cubic feet of water used).

(d) Septic tank pumpage: \$11.22 per 100 gallons.

(e) Sludge disposal: \$6.72 per 100 gallons.

(f) Connection fee rate: \$100 per inch diameter of the service connection.

(g) Connection fee rate: \$10.60 per gallon of sewage per day.

(h) Late payment penalty: 7.0% per annum.

\*\*\*\*

*[End of Ordinance]*

---

LEGISLATIVE HISTORY:

9-16-2014 Recommended by Finance Director  
10-07-2014 Introduced by Council  
10-20-14 Public Hearing  
10-20-14 Council Adopted  
10-22-14 Sent for Codification