

---

---

# FY17 Sewer Fund Budget

---

---

As Introduced

By The

Finance Director &  
Public Works Director

June 21, 2016

# TABLE OF CONTENTS

---

## Introduction

---

Table of Contents	2
Budget Message	3

## Line Items

---

### Operating Fund

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

### Capital Fund

Capital Expenditures	
Capital Fund Expenditures Plan (Years One through Five)	13
Equipment Replacement Schedule	14-15

## Charts

---

Charts-Table of Contents	16
A. Capital Improvement Program Narrative	17-21
B. Personnel Services & Benefits	22-23
C. Contractual Services	24-25
D. Materials & Supplies	26
E. Utilities and Repairs	27
F. Small Equipment Purchases	28
G. Debt Service	29-31
H. Sewer Rate Schedule	32
H. Sewer Rate Calculations	32
Qtrly Rate Comparisons-Family	33
Qtrly Rate Comparisons-Family (graph)	34
J. Net Income Statement	35
Residential Summer Discount App	36
Sewer Budget Ordinance, as proposed	37-38



# Town Of Bar Harbor

## Finance Department

93 Cottage Street

Bar Harbor, Maine 04609

Tel. 207-288-5096

Fax 207-288-4468

Stanley Harmon, Finance Director

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

May 17, 2016

## Budget Message

You will find attached the proposed Sewer Budget for FY17. Under the requested budget, the estimated annual sewer bill for a typical four-member residential household **will not change**. The combination of revenue and expense estimates have allowed the rates to stay flat for the last two years. This is also the second year where the Town has combined the operations rate (based on current usage) with the capital charge (that was based on the prior year's summer usage) into one rate utilizing the current quarterly measured usage. That charge will remain at \$7.80 per 100 cubic feet.

### A Quick Budget Recap:

The FY2017 budget, as submitted:

- Contains a flat expense and revenue budget
- Projects that overall billable volume will remain stable
- Maintains the one rate calculated to be \$7.80 per 100 cubic feet
- No projected bonding in the next 5 years
- Flat funding of capital appropriations

## Fund Balance

(Retained Earnings that is Reserved)

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

Using our formula for arriving at necessary working capital on hand, we arrive at \$439,082. This *designation for working capital* provides us with the cash necessary to run the Division until the first quarterly bill payments come in later in October.

Cash Reserve-Designated for Working Capital @ 6/30/16	\$439,082
---	-----------

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

Certain unfinished CIP projects and equipment reserves are funded each year in the capital rate and designated for these specific line items shown in the CIP section.

Cash Reserve-CIP Projects & Reserves @ 6/30/16	\$1,569,380
--	-------------

## Operating Expenditures (page 10)

The recommended budget for operating expenses will *decrease* \$1,884 in the coming year, or .1% *below* last year's budget and 1.3% *below* the FY2016 actual. Wages are scheduled to increase by 2.0%, with 1% for the base COLA per the union agreement and 1% for the employees picking up a higher portion of the health insurance costs from 17.5% to 20%. Total budgeted payroll and benefits will remain level with last year's budget.

Superintendent Jeff Van Trump, as being Superintendent of both Water and Sewer Divisions will have once again 50% of his wages/benefits charged to each division. This has the Wastewater Division staffed with 8 full timers and 1 Superintendent, but with 50% of the latter's wages & benefits charged to the water division.

Other than payroll, all other expenses are *reduced* by 1.1% from last year's budget, coming primarily from lower Contractual Services and with minor increases in the other categories.

### Last Year's Operational Results

Fiscal 2016 projected results will end \$16,198 (or 1%) above the budget, primarily due to major repairs for plant and pump station equipment failures this year.

## Capital Expenditures

A "Year by Year Overview" of our Capital Improvement Program is on page 13 of the budget, with a narrative description in Chart A, starting on page 17. With very few exceptions, the Five Year capital plan proposed in this year's budget looks similar to the Consolidated Work Plan provided to the Council in the Fall of 2014; just with the construction deferred. 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 instead, similar to the General Fund's CIP funding mechanism. At year end FY16, we anticipate \$1,569,380 of monies raised in prior years to remain unspent that are assigned to specific projects and equipment. We are keeping the CIP funding level from \$860-\$890,000 over the 5 years.

### Combined Sewer Overflow (CSO) Elimination Project (page 17)

During the coming year, we will continue discussions with state regulators in an attempt to postpone this federally mandated \$8 million project. As previously directed by Council we will be working towards moving this project beyond the five year planning cycle. Over the last three decades, we have removed 98% of our sewage overflows to the ocean. Some CSO engineering for pump station improvements is scheduled to start in Years Four and Five.

### Route #3 DOT Construction Impact

In year 1 (FY17), we have included \$20,000 for sewer related manhole costs due to the pending DOT Route #3 construction. These are capital monies related to sewer work, as previously highlighted by the DPW Director before the Council and may be adjusted depending upon conflicts with other utilities.

### Construction & Main Repair Projects

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. The work on Ash Place is a project deferred from the current FY16 year. 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 that was presented in the Fall of 2014. Because of the Council's decision to defer any new borrowing in the General Fund 2017 budget (from taxation), some related construction has been deferred by two+ years in this budget. With CSO related work deferred, the Town will continue to rehabilitate its failing brick manholes---\$100,000 estimated in FY17.

### Plant Equipment

The plant on LedgeLawn Avenue was completely rebuilt in 1997. Some equipment, especially certain electrical components have failed and have been replaced. Some other large mechanical equipment, such as the drive units for our two large clarifiers are nearing the end of their useful life. These units are now scheduled to be replaced after 20 years following the payoff of the related bond issue related to the plant re-construction. These units are estimated to cost \$275,000 and are scheduled in year 4 when monies are more easily raised from the normal sewer fees that would be freed up in FY19.

### Pump Stations

The Division has started some of its pump station reconstruction program with work finishing up on the PLC unit at the Main St. pump station in FY16, and in the current year with Albert Meadow. To date, three new pump stations were added/replaced within the last 3 years. However, prior to spending additional monies on 11 pump station renovations staff will be fully evaluating the priorities based on known CSO demands, condition of the units and other factors previously not taken into account. Any Anticipated engineering work and related spending should not start until years 4 and 5.

### Equipment Replacement's

We remain under DEP pressure to add more standby power, so we have completed a generator install at the Hulls Cove Treatment Plant in FY15 and will be replacing the Hulls Cove Pump Station generator in Year One (FY17).

Several pieces of aging equipment are scheduled for replacement over the coming five years. Two units of sewer cleaning equipment will be replaced: a 60 year old bucket machine in Year Two and a 14 year old sewer jet in Year Two. The rodding machine, originally on the replacement schedule, will not be replaced.

Three of the four pickup vehicles are scheduled for replacement over the next five years. The largest equipment replacement will occur in Year Three when we replace the Programmable Logic Controller (PLC) at the LedgeLawn plant which monitor and control our sewage collection system and treatment process controls at the treatment plants.

## Revenues

Income, other than user fees is an important part of the budget, since it helps to keep down sewer rates. **Connection Fees**- per Council directive last year, are still being re-evaluated at the time of this budget. It is expected that staff will return with a higher but reasonable connection fee recommendation that is based on more comparable connection fee rates from similar communities.

### Billing Volume (page 32)

Forecasting revenue continues to be difficult due to limited growth and some fluctuations in our billing volume; that is, our customers' water consumption from which the bills are calculated. We are projecting FY17 volume that will stay relatively level with last year's actual and with the past year's budgeted volume. While the commercial and Jackson Lab sectors have increased slightly in the last year, Residential volume decreased just enough to cause a net decline.

#### Historical Volume: (cubic feet)

FY2017 Budget	26,650,000
FY2016 Estimate	26,850,000
FY2016 Budget	26,650,000
FY2015 Actual	25,455,000
FY2014 Actual	26,680,000
FY2013 Actual	26,500,000
FY2012 Actual	25,970,000
FY2011 Actual	25,590,000

### Rates (page 32)

Town Council voted at its budget approval hearing in September 2015 to replace the split operation rate and capital rate charges with combined one rate in FY2016, based on the current usage for each quarter. The lowest minimum bill for a residential customer can be as low as \$187 per year for usage up to 600 cubic feet per quarter. No changes in the \$7.80 per 100 cubic foot are proposed in FY2017. For the first time in 20 years, there was very little confusion to the customers on having staff explain the nature of the sewer operating and capital rates. **See Comparative Rates for other Districts on page 33.**

#### Historical Rate Increases:

FY2017 Budget	0.0%
FY2016 Actual	0.0%
FY2015 Actual	4.7%
FY2014 Actual	0.5%
FY2013 Actual	0.6%
FY2012 Actual	1.3%
FY2011 Actual	5.1%
Fy2010 Actual	3.0%

Average annual increase over the last 8 years – 1.9%

**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. In the last year approximately 125 residential customers took advantage of this discount. Out of 1430 total customers, there are 760 listed residential properties.

*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. There is a \$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 to measure that garden/lawn usage is an option available for the customer to reduce their sewer charges. Approximately 40 customers have 60 meters in place every summer to take advantage of this program.

**Future Growth**

Bar Harbor's 2007 Comprehensive Plan's Chapter III.B Future Land Use Plan identifies growth areas within the Town. Growth areas are suitable areas toward which new development is to be directed. Most of these areas are either infill development where sewer and water are already present at the curb; areas where the utilities are nearby but would require service extensions to reach the new development location, or where public sewer and water will not be available for the foreseeable future. The Town should be prepared to allow utility infills and extensions. These extensions must be sized to accommodate both current and future needs. The Town should also consider being prepared to bear costs not directly covered by a developer such as for upgrades and for augmented capacity. There is no line item in the CIP designated yet for this "future growth" purpose.

**Requested Action by Council**

The next step is for the Town Council pass a motion to tentatively adopt the Sewer Budget Ordinance as proposed [*or amended*] and schedule a public hearing on July\_\_\_\_, 2016.

Respectfully submitted,

Stanley Harmon,  
Finance Director

Chip Reeves  
Public Works Director

	Actual Yr.Before Last: FY14	Actual Last Year FY15	Budgeted This Year FY16	Actual This Year FY16	Requested Next Year FY17
--	-----------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------

## *Fund Balance*

### **FUND BALANCE -**

Starting Fund Balance/Retained Earnings	2,002,000	1,925,870	1,876,573	1,857,381	2,024,388
Revenues & Other Sources - <i>cash in</i>	2,149,895	2,099,860	2,212,776	2,225,638	2,131,500
Operating Expenditures - <i>cash out</i>	1,207,669	1,301,622	1,330,550	1,346,748	1,328,664
Capital/Debt Expenditures - <i>cash out</i>	1,018,356	866,727	869,396	711,883	910,993
Ending Fund Balance/Retained Earnings	1,925,870	1,857,381	1,889,403	2,024,388	1,916,231
<b>Designated Fund Balance/Retained Earnings</b>					
Working Capital (See Note A)	408,392	440,624	440,624	439,082	439,082
Unfinished CIP Projects (Note B)	1,414,343	1,415,906	1,258,950	1,569,380	1,524,131
Total Reserved Retained Earnings	1,822,735	1,856,530	1,699,574	2,008,462	1,963,212
<b>Unreserved &amp; Undesignated Fund Balance</b>	<b>103,135</b>	<b>851</b>	<b>189,829</b>	<b>15,927</b>	<b>(46,981)</b>

Cash on Hand	1,759,037	1,727,463
short by:	(63,698)	(129,067)

#### **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 late October, we need to reserve four months' operating expenses at the end of each fiscal year to get us started in the next fiscal year. This is calculated at four month's cash expenditures. i.e.- 33% of the total current year expenditures (BTY) for the operating fund. For next fiscal year, this equals:

Operating Expenditures Budget This Year	1,330,550
Four Month's Expenses	33%
Recommended Designation for Working Capital	\$439,082

##### **B. Designation for Unfinished CIP Projects & Equipment Reserve**

These are either active ongoing projects or equipment reserves funded for future replacements/upgrades  
The detail list of carryover projects are on page 16

	Actual Yr. Before Last: FY14	Actual Last Year FY15	Budgeted This Year FY16	Actual This Year FY16	Requested Next Year FY17	Request's Change From This Year's: Budget	Estimate
--	------------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------	---	----------

## Operating Fund Revenues

### 3597 OPERATIONS RATE CHARGES

<i>Sub Total: Charges from Operations Rate</i>	2,035,414	1,999,232	2,015,000	2,015,000	2,015,000	0	0
		<i>ALY:YBL</i>	<i>BTY:ALY</i>	<i>ETY:BTY</i>	<i>RNY:ETY</i>	<i>RNY:BTY</i>	<i>RNY:ETY</i>
		-2%	1%	1%	0.0%	0.0%	0.0%

### OTHER CUSTOMER CHARGES

4932 Sludge Dewatering	61,609	61,286	66,000	60,000	66,000	0.0%	10.0%
4934 Septic Tank Dumping	18,685	15,555	23,100	15,000	23,100	0.0%	54.0%
4936 Connection Fees (in CIP)	7,885	5,800	8,000	6,500	6,000		
<i>Sub Total: Other Charges</i>	88,179	82,641	97,100	81,500	95,100	-2,000	13,600
		-6%	17%	-1%	17%	-2.1%	16.7%

### OTHER INCOME

4600 Bond refinancing Proceeds	0	0	0	30,077	0		
4700 Interest on Investments	5,761	5,556	6,000	6,000	6,000	0.0%	0.0%
4704 Penalties for Late Payments	4,888	4,278	4,300	9,797	4,300	0.0%	-56.1%
4928 Sale of Fixed Assets	4,500	0	0	0	0		
4938 Miscellaneous	1,018	1,650	3,000	5,764	3,500	16.7%	-39.3%
4940 Lien Cost Reimbursements	10,135	6,503	7,600	7,500	7,600	0.0%	1.3%
4944 Special Assessments-Woodb	0	0	79,776	70,000	0		
<i>Sub Total: Other Income</i>	26,302	17,987	100,676	129,138	21,400	-79,276	-107,738
		-32%	460%	618%	-83%	-78.7%	-83.4%

### Total Operating Fund Revenues

	2,149,895	2,099,860	2,212,776	2,225,638	2,131,500	-3.7%	-4.2%
		(50,035)	112,916	125,778	(94,138)	-81,276	-94,138
		<i>ALY:YBL</i>	<i>BTY:ALY</i>	<i>ETY:ALY</i>	<i>RNY:ETY</i>	<i>RNY:BTY</i>	<i>RNY:ETY</i>
			5%	6%	-4%	-3.7%	-4.2%

	Actual Yr.Before Last: FY14	Actual Last Year FY15	Budgeted This Year FY16	Actual This Year FY16	Requested Next Year FY17	Request's Change From This Year's: Budget	Actual
--	-----------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------	---	--------

## Operating Fund Expenditures

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

5105	Wages-Salaries *	0	30,977	41,078	41,078	41,902	2.0%	2.0%
5105	Wages-Hourly Full Time *	345,254	326,823	353,581	355,000	360,603	5.1%	1.6%
5110	Wages-Overtime *	39,972	38,371	39,985	39,000	39,142	0.1%	0.4%
5130	Wages-Summer/Seasonal *	15,283	9,045	0	0	0	n/a	n/a
5170	Old Account	0	0	0	0	0		
5175	Wages - Vacation Accruals	2,158	0	2,212	2,158	2,100	-5.1%	-2.7%
<b>Total Personnel Services</b>		402,667	405,216	436,856	437,236	443,747	1.6%	1.5%
					(380)		6,891	6,511

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

5160	ICMA Retirement *	0	1,761	2,671	2,700	2,725	2.0%	0.9%
5200	FICA & Medicare *	30,465	29,395	33,250	32,500	33,786	1.6%	4.0%
5210	MSRS Retirement *	24,065	26,015	35,027	34,500	37,976	8.4%	10.1%
5215	Workers' Compensation *	8,168	7,695	8,429	8,400	8,575	1.7%	2.1%
5220	Unemployment Compensation *	2,765	2,920	2,550	2,765	2,244	-12.0%	-18.8%
5225	Health Insurance * - (4.5)	84,722	83,510	88,788	88,000	72,628	-18.2%	-17.5%
5230	Health Insurance Opt Out - (4)	14,885	15,171	29,000	27,500	33,000	13.8%	20.0%
5245	Retirement Health Savings Acct. *	874	918	950	950	950	0.0%	0.0%
5255	Innoculations & Physical Exams	739	245	500	500	500	0.0%	0.0%
<b>Total Employee Benefits</b>		166,683	167,630	201,165	197,815	192,383	-4.4%	-2.7%
					3,350		-8,782	-5,432

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

5300	Alarms & Paging *	824	821	837	901	837	0.0%	-7.1%
5304	Audit & Accounting	1,923	1,900	1,950	1,950	1,950	0.0%	0.0%
5306	Town Management Fees *	99,318	101,837	86,945	86,945	83,506	-4.0%	-4.0%
5308	Billing Processing	1,113	550	1,030	600	600	-41.7%	0.0%
5310	Office and Lab Cleaning	6,676	6,210	6,775	6,676	6,775	0.0%	1.5%
5311	Special Waste Cleaning *	0	6,970	6,000	6,000	6,000	0.0%	0.0%
5312	Pump Station Pumping *	1,025	2,900	1,200	1,300	1,200	0.0%	-7.7%
5314	Copier	449	492	460	491	460	0.0%	-6.3%
5326	Engineering *	23,239	7,398	3,000	4,000	3,000	0.0%	-25.0%
5330	Wet Well Prep & Painting	0	12,847	0	0	0	n/a	n/a
5332	Generator Service *	4,888	384	6,400	7,540	7,300	14.1%	-3.2%
5334	General Professional Fees	207	2,425	300	300	300	0.0%	0.0%
5336	General Equipment Maintenance*	10,070	8,818	10,484	10,355	10,284	-1.9%	-0.7%
5340	Legal Services	0	0	602	600	602	0.0%	0.3%
5348	Mowing	3,024	3,423	3,360	3,360	3,360	0.0%	0.0%
5366	Sludge Disposal *	51,195	51,917	52,345	54,298	54,701	4.5%	0.7%
5368	Technology Licenses & Support *	2,582	5,916	5,000	5,400	5,500	10.0%	1.9%
5378	Testing - Equipment	0	463	0	1,200	900	n/a	-25.0%
5380	Testing - Drug & Alcohol	684	362	700	684	700	0.0%	2.3%
5384	Laboratory Testing *	3,710	3,945	11,000	8,000	11,000	0.0%	37.5%
5388	Uniform Cleaning & Rental	9,550	9,332	8,300	9,300	9,550	15.1%	2.7%
<b>Total Contractual Services</b>		220,477	228,910	206,688	209,900	208,525	0.9%	-0.7%
					(3,212)		1,837	-1,375

	Actual Yr.Before Last: FY14	Actual Last Year FY15	Budgeted This Year FY16	Actual This Year FY16	Requested Next Year FY17	Request's Change From This Year's: Budget	Estimate
--	-----------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------	---	----------

**OPERATING FUND EXPENDITURES**

Page 2

**54 MATERIALS & SUPPLIES (\* = See Chart D)**

5410	Clothing Purchases*	3,577	4,359	4,300	4,300	4,300	0.0%	0.0%
5412	Copier & Printer Supplies	566	644	782	1,009	782	0.0%	-22.5%
5418	Forms, Checks, Etc.	400	600	703	400	703	0.0%	75.8%
5424	Sodium Hypochlorite *	8,925	13,939	11,000	12,000	12,500	13.6%	4.2%
5428	Lab Supplies	9,158	6,577	9,979	9,158	9,979	0.0%	9.0%
5432	Mains & Services	5,072	1,156	5,916	5,500	5,916	0.0%	7.6%
5436	Office Supplies	777	1,462	820	1,200	820	0.0%	-31.7%
5438	Operating Supplies	12,806	13,426	11,000	13,500	12,000	9.1%	-11.1%
5441	Magnesium Hydroxide & Other *	30,263	28,370	31,000	32,000	31,500	1.6%	-1.6%
5442	Polymer Supplies *	13,300	15,273	12,500	8,000	12,500	0.0%	56.3%
5444	Safety Supplies	2,427	3,689	2,500	2,500	2,800	12.0%	12.0%
5452	Sodium Bisulphite *	4,994	4,356	5,000	4,200	5,000	0.0%	19.0%
5458	Vehicle Supplies*	7,600	8,769	6,500	6,500	6,500	0.0%	0.0%
<b>Total Materials &amp; Supplies</b>		99,865	102,620	102,000	100,267	105,300	3.2%	5.0%
					1,733		3,300	5,033

**55 UTILITIES & COMMODITIES (\* = See Chart E)**

5504	Electricity - Plants	87,438	94,988	92,000	93,000	93,500	1.6%	0.5%
5506	Electricity - Pumping	58,781	56,027	57,000	57,000	58,000	1.8%	1.8%
5508	#2 Heating Oil & Kerosene*	18,621	23,062	17,923	18,620	6,927	-61.4%	-62.8%
5514	Motor Fuel - Diesel	12,127	12,243	12,140	10,500	10,500	-13.5%	0.0%
5516	Motor Fuel - Unleaded Gasoline	15,375	12,840	18,500	16,500	16,500	-10.8%	0.0%
5518	Motor Oils & Grease	2,400	933	1,850	1,600	1,850	0.0%	15.6%
5520	Propane	3,647	2,438	3,100	3,100	3,100	0.0%	0.0%
5528	Telephone & Cellular	4,228	3,472	3,400	3,400	3,400	0.0%	0.0%
5530	Water	2,346	3,524	3,900	4,000	4,200	7.7%	5.0%
<b>Total Utilities &amp; Commodities</b>		204,963	209,527	209,813	207,720	197,977	-5.6%	-4.7%
					2,093		-11,836	-9,743

**56 REPAIRS & MAINTENANCE (\*=See Chart E)**

5602	Buildings	2,294	9,818	9,300	11,886	9,300	0.0%	-21.8%
5612	Technology	0	0	150	0	0	n/a	n/a
5616	Line Equipment/Flo Totes *	10,368	19,714	25,000	23,000	26,000	4.0%	13.0%
5628	Mains & Services	15,104	35,708	19,950	21,000	21,000	5.3%	0.0%
5634	Plant Equipment	21,061	25,156	30,000	37,964	32,000	6.7%	-15.7%
5640	Pump Station Equipment	13,556	26,917	19,000	32,310	21,000	10.5%	-35.0%
5644	Radios	1,094	0	0	0	0	n/a	n/a
5658	Vehicles - Repair by Others	2,607	3,138	3,000	2,500	3,000	0.0%	20.0%
<b>Total Repairs &amp; Maintenance</b>		66,084	120,451	106,400	128,660	112,300	5.5%	-12.7%
					(22,260)		5,900	-16,360

	Actual Yr.Before Last: FY14	Actual Last Year FY15	Budgeted This Year FY16	Actual This Year FY16	Requested Next Year FY17	Request's Change From This Year's: Budget	Estimate
--	-----------------------------------	-----------------------------	-------------------------------	-----------------------------	--------------------------------	---	----------

**OPERATING FUND EXPENDITURES**

Page 3

**57 EQUIPMENT PURCHASES (\* = Chart F)**

5700	Technology Equipment *	0	5,172	6,050	7,405	11,000	81.8%	48.5%
5702	Office Equipment *	0	274	6,400	4,510	1,500	-76.6%	-66.7%
5704	Operating Equipment *	5,530	14,945	9,900	6,311	7,700	-22.2%	22.0%
<b>Total Equipment Purchases</b>		5,530	20,391	22,350	18,226	20,200	-9.6%	10.8%
					4,124		-2,150	1,974

**58 OTHER EXPENSES, TRAVEL, ETC.**

5800	Advertising	235	2,649	230	880	500	117.4%	-43.2%
5802	Uncollectable Customer Accts.	2,000	1,000	1,500	600	1,500	150.0%	0.0%
5808	Dues & Licenses	675	635	800	1,200	1,200	50.0%	0.0%
5822	Insurance: Liability & Crime	6,018	6,508	6,508	6,258	6,508	0.0%	4.0%
5824	Insurance: Property & Casualty	13,910	13,556	13,556	15,022	15,600	15.1%	3.8%
5826	Insurance: Automobiles	4,964	4,718	4,718	4,426	4,718	0.0%	6.6%
5832	Facility Permits & Fees	2,960	4,053	3,220	3,600	3,800	18.0%	5.6%
5836	Postage & Shipping	4,295	2,548	4,346	4,328	3,806	-12.4%	-12.1%
5838	Registry & Lien Costs	4,421	3,536	4,400	4,200	4,400	0.0%	4.8%
5844	Training, Workshops, Etc.	633	3,231	3,000	3,100	3,100	3.3%	0.0%
5846	Travel: Rooms, Miles & Meals	1,289	4,443	3,000	3,310	3,100	3.3%	-6.3%
<b>Total Other Expenses, Travel, Etc.</b>		41,400	46,877	45,278	46,924	48,232	6.5%	2.8%
					(1,646)		2,954	1,308

**88 OPERATING TRANSFERS OUT**

5980		0	0	0	0	0	n/a	
<b>Total Operating Transfers Out</b>		0	0	0	0	0		
					0		0	0

Under Budget

**Total Operating****Fund Expenditures**

Increase (Decrease)

1,207,669	1,301,622	1,330,550	1,346,748	1,328,664	-0.1%	-1.3%
			-1.2%		-1,886	-18,084

(16,198)

(Over Budget)

## Capital Fund Expenditures Plan

Capital Improvement Program

### Year By Year Overview

Yr.End Bal. This Year FY16	Account Description	Year One FY17			Year Two FY18			Year Three FY19			Year Four FY20			Year Five FY21		
		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	468,793	468,793	0	468,965	468,965	0	0	0	0	0	0	0	0	0	0
0	Bond Issue N: Hulls Cove 2005	53,050	53,050	0	52,175	52,175	0	50,950	50,950	0	54,650	54,650	0	53,450	53,450	0
0	Bond Issue Q: Sewer Rehab 2011	89,250	89,250	0	88,075	88,075	0	86,900	86,900	0	92,955	92,955	0	93,742	93,742	0
0	BAN for CSO Elimination Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	<b>Projects &amp; Facilities (See Chart A)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
68,059	Pump Stations Equipmt & Replacement	20,000	21,100	66,959	20,000	0	86,959	95,000	0	181,959	240,000	25,000	396,959	210,000	213,437	393,522
19,376	CSO Elimination Project	0	7,000	12,376	0	5,376	7,000	25,000	25,000	7,000	50,000	50,000	7,000	50,000	50,000	7,000
72,317	DeGregoire Plant - Equipment	10,000	4,100	78,217	10,000	0	88,217	20,000	0	108,217	10,000	0	118,217	20,000	0	138,217
32,599	Hulls Cove Plant - Equipment	3,000	0	35,599	3,000	0	38,599	20,000	0	58,599	3,000	0	61,599	20,000	0	81,599
99,181	Main Treatment Plant - Equipment	21,000	9,500	110,681	30,000	0	140,681	125,000	0	265,681	100,000	275,000	90,681	125,000	0	215,681
705,067	Sewer Mains & Services	50,000	188,200	566,867	60,000	283,506	343,361	300,000	161,535	481,826	193,000	300,143	374,683	180,000	123,338	431,345
	<b>Equipment &amp; Vehicles (See Chart A)</b>															
11,030	Air Compressor, mobile	800	0	11,830	800	0	12,630	800	0	13,430	800	0	14,230	800	0	15,030
82,832	Bucket Machine	10,000	0	92,832	10,000	92,565	10,267	7,500	0	17,767	7,500	0	25,267	7,500	0	32,767
46,453	Generators, Backup - (10)	25,000	45,000	26,453	15,650	0	42,103	15,650	0	57,753	15,650	0	73,403	15,650	0	89,053
43,390	GIS System, incl. support eqpmt	3,500	0	46,890	3,500	20,169	30,221	3,500	20,000	13,721	3,500	10,000	7,221	3,500	0	10,721
0	Old account															
21,773	Sewer Cameras	11,270	0	33,043	11,270	12,837	31,476	11,270	0	42,745	11,270	0	54,015	11,270	0	65,285
99,836	Communication Systems	23,000	0	122,836	23,000	0	145,836	23,000	160,000	8,836	23,000	0	31,836	23,000	0	54,836
1,300	Utility Billing & Mgt. Software systems	24,000	25,000	300	24,000	0	24,300	24,000	0	48,300	24,000	0	72,300	24,000	0	96,300
4,675	Rain Gauge & USB Logger	750	0	5,425	750	0	6,175	750	6,000	925	750	0	1,675	750	0	2,425
0	Rodding Machine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Old account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
80,589	Sewer Jet	9,030	0	89,619	9,030	98,417	232	9,030	0	9,262	9,030	0	18,292	9,030	0	27,322
725	Issco Samplers (5)	725	0	1,450	725	0	2,175	725	0	2,900	725	0	3,625	725	0	4,350
755	Inspector's Truck -#43	3,500	0	4,255	3,500	0	7,755	3,500	0	11,255	3,500	0	14,755	3,500	0	18,255
22,986	Line Crew Truck -#44	7,143	0	30,129	7,143	0	37,272	7,143	0	44,415	7,143	0	51,557	7,143	50,000	8,700
32,869	Plant Crew Truck -#45	5,111	0	37,980	5,111	0	43,091	5,111	46,000	2,202	5,111	0	7,313	5,111	0	12,425
77,500	Sludge Truck	9,600	0	87,100	9,600	0	96,700	9,600	0	106,300	9,600	0	115,900	9,600	0	125,500
15,805	Sludge Truck Liquid Tank	3,333	0	19,138	3,333	0	22,472	3,333	0	25,805	3,333	0	29,138	3,333	0	32,472
30,263	Line P/up #2 Truck -#47	3,889	0	34,152	3,889	35,000	3,041	3,889	0	6,930	3,889	0	10,819	3,889	0	14,707
0	Undesignated	10,000	0	10,000	10,000	0	20,000	30,000	0	50,000	10,000	0	60,000	10,000	0	70,000
1,569,380	<b>Total</b>	865,744	910,993	1,524,131	873,516	1,157,085	1,240,562	881,651	556,385	1,565,828	882,406	807,748	1,640,486	890,993	583,967	1,947,512
	<i>Total without bonds</i>	865,744	910,993	1,524,131	873,516	1,157,085	1,240,562	881,651	556,385	1,565,828	882,406	807,748	1,633,486	890,993	583,967	1,940,512

## Equipment Replacement Schedule

### Capital Improvement Program

2016

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>Wastewater Division</b>								
<b>Vehicles</b>								
43-6830	Pickup Truck, 2016, GMC 2500, Insp.	2016	2024	8	25,097	8	28,000	3,500
46-6836	Sludge Truck, Volvo D-13, swap loader body	2008	2023	15	138,124	7	144,000	9,600
44-6832	Pickup Truck, Ram3500 w/Al Body, 4x4, Line#1	2014	2021	7	46,400	5	50,000	7,143
47-6838	Pickup Truck, 2009 Ford, F250XL, 4x4, line#2	2009	2018	9	27,479	2	35,000	3,889
45-6834	Pickup Truck, F350, Mech. Maint/Plant	2010	2019	9	45,933	3	46,000	5,111
<i>Total Vehicles</i>					283,033			29,243
<b>Equipment</b>								
6806	Compressor, Air, Ingersoll/Rand XP185-KL222	2001	2021	20	12,027	5	16,000	800
6821	Utility Billing & Mgt. Software Systems	2015	2025	10	13,000	9	13,000	1,300
6808	Bucket Machine, Flexible Sewer Tool Corp.	1957	<b>2018</b>	61	88,000	2	92,565	1,517
6814	GIS/ESRI Software, Laptops, GPS Unit, ESRI	2010	<b>2018</b>	8	26,000	2	28,000	3,500
6827	Issco Sampler - 5500 - (5 units)	varies	<b>varies</b>	8	25,000		5,800	725
	Rodding Machine, Serco, 18 Hp.	1991	do not replace	0	43,500		0	0
6826	Sewer Jet, SECOA, Series II, model 747-FR2000	2004	<b>2018</b>	14	62,384	2	98,417	7,030
6837	Liquid Tank for Sludge Truck, 2500 Gallons	2011	2023	12	38,809	7	40,000	3,333
6823	Rain Gauge & Logger, Sigma "Rain Logger"	2011	2019	8	5,000	3	6,000	750
<i>Total Equipment</i>					313,720			18,956
<b>Sewer Cameras</b>								
6818	Camera, Sewer: Aries, Saturn III w/ pan & tilt	2014	2024	10	97,580	8	102,000	10,200
6818	Camera, Sewer: Aries- retired; to be sold	2004	do not replace		23,854		0	0
6818	Camera, Service: RaTech, Inspector PC	2006	2018	12	11,198	2	12,837	1,070
<i>Total Sewer Cameras</i>					132,632			11,270
<b>Communication Systems</b>								
6825	Phone System - Main Plant	2013	2023	10	8,500	7	10,000	1,000
6825	WAN Network Equipment	2013	2025	12	9,850	9	11,000	917
6825	SCADA System Server (softw & hardw)	2012	2018	6	15,000	2	10,000	1,667
6825	Pump Stations (10) PLC Radio System	2012	2028	16	270,000	12	270,000	16,875
6825	Main St. Pmp Sta PLC Radio System	various		15			40,000	2,667
6825	Plants (3) PLC Radio Systems	various	2019	15			160,000	10,667
<i>Total Communication Systems</i>					303,350			33,792

2016								
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>								
6828	Sewer Mains, Manholes & Services	Varies	n/a	75	7,239,332	n/a	7500000	100,000
<b>Plants</b>								
6819	Main Treatment Plant & Eq	1998	2028	30	8,348,671	12	n/a	21,000
6815	Hulls Cove Treatment Plant & Eq	2001	2031	30	1,386,014	15	n/a	3,000
6809	DeGregoire Park Treatment Plant & Eq	1974	2020	46	162,779	4	n/a	10,000
					<i>Total Plants</i>			<u>34,000</u>
<b>Pump Stations (11)</b>								
6802	Main St. Pump Station & WWell	1974/1998	2022	50	368,937	6	3,000,000	20,000
6802	Hulls Cove Pump Station & WWell	1974/2001	2022	50	216,557	6	400,000	5,000
6802	Albert Meadow Pump Station & WWell	2015	<b>2045</b>	30	86,867	30	87,000	2,900
6802	Ferry Terminal Pump Station & WWell	2006	2041	35	58,900	26	60,000	1,714
6802	Hancock Street Pump Station	1974	2021	47	56,500	5	70,000	1,489
6802	Rodick Street Pump Station & WWell	1974	<b>2021</b>	47	56,500	5	58,437	1,243
6802	Wilcomb Lane Pump Station - no Gen.	2000	2035	35	31,000	19	33,000	943
6802	West Street Pump Station & WWell	1974	2021	47	70,000	5	72,000	1,532
6802	Town Pier Pump Station-no Gen.	2013	2048	35	27,508	32	35,000	1,000
6802	Degregoire Pump Station	1974	2024	50	22,000	8	50,000	1,000
6802	Ocean Avenue Pump Station & WWell	2013	2048	35	126,378	32	150,000	4,286
					<i>Total Pump Stations</i>			<u>41,107</u>
<b>Generators (10)</b>								
6812	Generator, Hulls Cove P/S, Onan, 85 KW	1974	<b>2017</b>	43	44,500	1	45,000	1,047
6812	Generator, Hulls Cove Plant, Onan, 85 KW	2015	<b>2045</b>	30	66,000	29	70,000	2,333
6812	Generator, Main Plant, Onan, 300 KW	1997	2027	30	41,000	11	66,000	2,200
6812	Generator, Main Street P/S, Onan, 230 KW	1997	2027	30	33,500	11	60,000	2,000
6812	Generator, West St. P/S, Onan 35 KW, Quiet Site	2003	2033	30	26,990	17	39,000	1,300
6812	Generator, Rodick St. P/S, Onan 40 KW, Quiet Site	2007	2037	30	34,525	21	44,000	1,467
6812	Generator, Albert Meadow, Onan 35KW, Quiet Site	2005	2035	30	25,000	19	38,000	1,267
6812	Generator, Ferry Term., Onan, 50 KW, Quiet Site	2005	2035	30	28,050	19	48,000	1,600
6812	Generator, DeGregoire Pk., Onan, 35 KW, Quiet Sit	2008	2038	30	31,048	22	38,000	1,267
6812	Generator, Hancock St.; No generator							
6812	Generator, Ocean Ave. Onan, 35 KW, Quiet Site	2013	2043	30	31,150	28	33,000	1,100
					<i>Total Generators</i>			<u>15,580</u>
<b>Total Wastewater Division</b>					<b>12,413,109</b>			<b>283,947</b>

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

## **Detail Charts**

<i>Chart</i>	<i>Page</i>	<i>Title</i>
A.	17-21	Capital Improvement Program Narrative
B.	22-23	Personnel Services & Benefits
C.	24-25	Contractual Services
D.	26	Materials & Supplies
E.	27	Utilities & Repairs
F.	28	Small equipment Purchases
G.	29-31	Debt Service
H.	32	Rate Schedule & Rate Calculation
	33-34	Community Sewer Rate Comparisons
I.	35	Net Income Statement
	36	Residential Sewer Discount Application
	37-38	Sewer Budget Ordinance

# C.I.P. Details Chart A

Capital Improvement Program Narrative 1 of 5

## 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 G for detailed information on bond payments.

The bond for the Ledgelawn Plant 1998 renovation and upgrade is fully paid off in FY18. Sewer fees raised for that debt service will be re-allocated to CIP to be utilized for direct capital equipment costs for the Plant & Pump Station and avoiding any future bonding.

## Projects

### CSO (Combined Sewer Overflow) Elimination Project #6804

The wastewater Division submitted to MDEP our Combined Sewer Overflow (CSO) Master Plan in December 2006. A first revision was submitted to the MDEP in February of 2009 and subsequently a second revision in January of 2010, when the plan was ultimately approved. Since then, the Town has met the required reporting schedule and implemented inflow and infiltration (I&I) reduction projects included in the Master Plan. As we approached the 2015 renewal of the plants waste discharge licenses, Town Council directed staff to negotiate the implementation of the CSO Master Plan beyond the five year licensing period. The Wastewater Division was successful in pushing implementation beyond 2020. We still do have targeted I & I projects that will need to be completed within this licensing period. These projects are detailed in the five year capital improvement plan of the 2017 budget.

As we move through this licensing period it is staff's recommendation to continue discussions with the MDEP on the implementation schedule of the CSO Master Plan as we learn more from other communities as to the results of their implementation projects. The current Wastewater Division's plan contains technology called a swirl concentrator which provides primary treatment of storm flows. There have been successful and some not so successful projects in other municipalities utilizing this technology which MDEP continues to monitor. Additionally, EPA may require different effluent (treated water) standards utilizing this technology which may affect our total effluent from the plant. Evaluating regulatory requirements and existing applications of this technology is prudent prior to committing an investment of approximately \$8 million dollars into our system, paid by the rate payers. There is no debating the fact our license requires us to eliminate overflows. The CSO Master Plan focuses on the last 2% of overflows. Conversely, we currently treat approximately 98% of our total flow. In simple terms, we do very well managing CSO's.

The impact on rate payers of an \$8 million 20 year bond at 4% would be somewhere between a 25% to 29% increase.

Ongoing engineering assistance	FY2017	\$	7,000
--------------------------------	--------	----	-------

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

2 of 5

<b>Sewer Mains &amp; Services</b>		#6828			
Funds from this account will be used to repair services, mains and manholes during road reconstruction projects as well as upgrading/replacing mains due to identified CSO reasons.					
<b>FY17</b>	<b>Year One</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
	Ash Place	527	3	2	68,200
	Rehabilitation of Brick manholes, Including Atlantic				100,000
	MDOT Rte#3 project - manholes	0	0	0	20,000
Sewer Mains & Services				<b>Year One Total</b>	<b>\$188,200</b>
<b>FY18</b>	<b>Year Two</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
		0	0	0	0
	Livingston Road	0	6	0	11,880
	Rodick Street	0	0	0	19,448
	Devon Road				126,962
	Cottage Street - Secondary Main	385	8	2	20,216
	Crooked Road - Reline	1,400			105,000
Sewer Mains & Services				<b>Year Two Total</b>	<b>\$283,506</b>
<b>FY19</b>	<b>Year Three</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
	Stephens Lane	469	2	4	30,910
	Derby Lane	440	5	0	30,536
	Atlantic Ave	720	13	4	65,329
	Des Ilse Avenue	0	0	0	34,760
Sewer Mains & Services				<b>Year Three Total</b>	<b>\$161,535</b>
<b>FY20</b>	<b>Year Four</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
	Hancock Street; MH 25-5C, 5D	683	17	2	64,543
	Pleasant Street	0	21	0	17,600
	Lower Main Street Streetscape Project (MtD to Park	1,692	31	8	218,000
Sewer Mains & Services				<b>Year Four Total</b>	<b>\$300,143</b>
<b>FY21</b>	<b>Year Five</b>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
Gravity Sewers Required for the CSO Project:					
	Shannon Road (entire length)	473	12	7	32,945
	Holland Avenue (entire length)	986	21	4	61,380
	Glen Mary Road (entire length)	0	18	0	29,013
Sewer Mains & Services				<b>Year Five Total</b>	<b>\$123,338</b>

**Total Sewer Mains & Services Work - All Five Years****\$1,056,722**

**C.I.P. Details**

**CHART A**

Capital Improvement Program

3 of 5

**Projects & Facilities**

**Main Treatment Plant - Equipment**

#6819

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.

FY16	Contact Tank gate valves - completed in FY16		
FY16	Purchase Sludge Blanket Depth Indicator - connected to SCADA	\$8,500	
FY16	Purchase & Install outside lighting @ Main Treatment Plant	\$5,500	
FY17	Replace Online Dissolved Oxygen /ORP Meter		\$9,500
FY20	Replace 2 1997 Clarifier drive units		\$275,000

**Hulls Cove Plant - Equipment**

#6815

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.

**DeGregoire Plant - Equipment**

#6809

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.

FY17	Replace Blower unit		\$4,100
------	---------------------	--	---------

**Pump Station Replacement**

#6802

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, or if, that occurs. Staff will re-evaluate its pump station replacement program and structure its future CIP budgets based on that need, or how critical the replacement or upgrade may be and how it will positively impact the CSO program goals.

FY17	Hulls Cove Pump Station Building Repair	\$8,000	
FY17	New VFD Drive on Pump#3 @ Main St. Pump Station	\$8,000	
FY17	Backup Radar Level sensor for Main St. Pump Station	\$5,100	\$21,100
FY21	Rodick Street	\$58,437	
FY21	West Street (Could be Part of CSO Elimination Project)	\$85,000	
FY21	Hancock Street	\$70,000	\$213,437

**Equipment & Vehicles**

**Air Compressor, Mobile**

#6806

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**

#6808

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 FY18.

\$92,565

<b>C.I.P. Details</b>	<b>CHART A</b>
<b>Capital Improvement Program</b>	4 of 5

<b>Generators</b>	#6812
-------------------	-------

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

FY17 Hulls Cove Pump Station	Replacement of existing generator (40+ years old)	\$45,000
------------------------------	---	----------

<b>GIS System, including Laptop Computers</b>	#6814
---	-------

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. We have funded a replacement reserve using a three year cycle for all laptops, which will be replaced in FY17 and FY19. In FY17 we propose to replace our six year old, heavy-duty handheld GPS Trimble unit as well as the ESRI software which allow us to locate points in the field, so that they can be mapped and entered into the GIS system layer.

<b>Sewer Cameras</b>	#6818
----------------------	-------

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.

<b>Communication Systems</b>	#6820
------------------------------	-------

This account is used for our telephone system, the Wide Area Network (WAN), the SCADA system server and the electrical controller PLC radio systems at all locations. 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 the backbone computer system/switches which allows us to communicate electronically with our widespread equipment and facilities. SCADA stands for "*supervisory control and data acquisition*", the computer based system which communicates with our PLC's (*programmable logic controllers*) at the 11 pump stations and 3 treatment plants. These electrical controller PLC systems are the basis of all remote and on site communication to the pump stations and plants relating to their ongoing status of operations. 10 of the pump stations received this major upgrade in 2011-12 at a cost of over \$260,000. Main St. pump station and the 3 plants have not had a PLC upgrade for a number of years. Main St. pump station is schedule for certain PLC improvements in FY16. The Main plant will receive major PLC communication improvements in FY18. It has only had minor fixes since the major rebuild in 1998. These PLC systems provide communication of the operations of all the plants and pump stations on a real time basis, also with remote accessibility, so that staff analysis and response capability to handle abnormal events are efficient--all essential components to further reducing our reportable CSO events to its goal of zero.

FY16 Selected upgrade to the Main St pump station PLC controller	\$15,000		
FY19 Selected upgrade to the Main Plant PLC controller			\$160,000

<b>Utility Billing &amp; Mgt. Software Systems</b>	#6821
--	-------

We utilize Tyler Technology's MUNIS billing software and are investigating appropriate software to allow easier access to service, billing, usage & other data for public and internal availability. We are reviewing a complete Asset Management & Maintenance software system (shared with Water) in FY17 for purchase.

<b>Rain Gauge &amp; USB Logger</b>	#6823
------------------------------------	-------

Equipment necessary to track rain events for CSO documentation

<b>Sewer Jet</b>	#6826
------------------	-------

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. \$98,417

**C.I.P. Details**

**CHART A**

**Capital Improvement Program**

5 of 5

**ISSCO Samplers #6827**

Equipment necessary for sampling treated water in the wastewater treatment process. These are current ISSCO Samplers that are located at each plant location.

**Inspector's Truck #43 #6830**

This ten year old pickup truck (#43) was replaced in FY16.

**Line Crew Truck #1 - #44 #6832**

A reserve account has been funded so we can pay cash when we replace this 7 year old stake-body truck (#44) in FY21. A shorter replacement cycle has been used, since this truck is used for plowing snow. \$50,000

**Plant Crew Truck - #45 #6834**

A reserve account has been funded so we can pay cash when we replace this 9 year old truck (#45) in FY19. A shorter replacement cycle has been used, since this truck is used for plowing snow. \$46,000

**Sludge Truck #6836**

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 #6837**

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.

**Line Truck #2 -#47 #6838**

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. \$35,000

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

# Personnel Services & Benefits Chart B

**51 PERSONNEL SERVICES**

**HOURLY RATE CALCULATIONS** Fiscal Year Starting: July 1, 2016

Classification	FY16 Base Rate This Yr.	Union Wage Incr 2.0%	One Time Adjust- ment	FY17 Base Rate This July		
Superintendent	39.50	0.79	0.00	40.29	COLA 1%, +1% CPI_U 1%, +1%	Salary Non Union
Operations Manager	24.77	0.50	0.00	25.27		Union
Process Control Mgr	22.74	0.45	0.00	23.19		Union
Regulatory Compliance	21.91	0.44	0.00	22.35		Union
Maintenance Tech II	20.67	0.41	0.00	21.08		Union
Maintenance Tech I	20.11	0.40	0.00	20.51		Union
Maintenance Worker II	19.22	0.38	0.00	19.60		Union
Maintenance Worker I	18.82	0.38	0.00	19.20		Union

Hourly Rate	LONGEVITY PAY					Total Hourly Rate Next Yr.	Name
	Authorized Base Rate Next Yr.	Seniority Date	Years of Service				
			10	15	20		
Classification			\$0.25	\$0.15	\$0.10		
Superintendent	\$40.29	6/27/06	\$0.00	\$0.00	\$0.00	\$40.29	J VT
Operations Manager	\$25.27	3/7/77	\$0.25	\$0.15	\$0.10	\$25.77	BK
Process Control Mgr	\$23.19	8/19/85	\$0.25	\$0.15	\$0.10	\$23.69	EM
Regulatory Compliance	\$22.35	9/7/04	\$0.25	\$0.00	\$0.00	\$22.60	TJ
Maintenance Tech II	\$21.08	2/25/08	\$0.00	\$0.00	\$0.00	\$21.08	TG
Maintenance Tech I	\$20.51	7/27/09	\$0.00	\$0.00	\$0.00	\$20.51	DR
Maintenance Tech I	\$20.51	6/21/99	\$0.25	\$0.15	\$0.00	\$20.91	SY
Maintenance Worker II	\$19.60	3/19/07	\$0.00	\$0.00	\$0.00	\$19.60	PL
Maintenance Worker I	\$19.20	10/12/15	\$0.00	\$0.00	\$0.00	\$19.20	AJ

Total Annual Pay	Positions	Regular	Scheduled	Emerg/unsch	Ave. OT	Base Pay	
	Next Yr.	Hours	O.T.Hours	O.T.Hours	Rate		Next Year
Superintendent	1	1,040					41,902
Operations Manager	1	2,080	0	0	0	0	53,592
Process Control Mgr	1	2,080	0	0	0	0	49,285
Regulatory Compliance	1	2,080	0	0	0	0	47,004
Maintenance Tech II	1	2,080	0	0	0	0	43,853
Maintenance Tech I	1	2,080	0	0	0	0	42,665
Maintenance Tech I	1	2,080	0	0	0	0	43,497
Maintenance Worker II	1	2,080	0	0	0	0	40,777
Maintenance Worker I	1	2,080	0	0	0	0	39,929
Regular Hrly wages	8.5	16,640					360,603
Overtime - (5)			948	200	\$ 34.10		39,142
<b>Next Year's Total</b>	<b>8.5</b>	<b>16,640</b>	<b>948</b>	<b>200</b>			<b>\$441,647</b>

~ ~ Personnel Services Continued on Next Page ~ ~

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

Page 2

BREAKOUT OF WAGES	Account Number		Gross Pay
Wages - Salaries	5100	Supt. - 50% shared w/Water Div.	41,902
Wages-Hourly Full Time	5105		360,603
Wages=Overtime	5110		39,142
			0
Hourly Wage Totals			\$ 441,647

Historical Overtime:

FY2017 Bud	1,148
FY2016 Bud	1,196
CY 2015	1,159
CY 2014	1,131
CY 2013	1,155
	3,445
3 Year Avg.	1,148

**52 EMPLOYEE BENEFITS**

	Gross Wages Next Year	ICMA Retirement	FICA & Medicare	MSRS Retirement	Workers Comp.	Unem-employment	Health Insurance
FY2017 Bud	\$441,647	\$2,724	\$33,786	\$37,976	\$8,575	\$2,244	\$72,628
	Rates ->	Up To	7.65%	9.50%	2.00%	2.20%	Net eff. 7/1/16
		6.50%	of Gross	of Gross	of Gross	Of Regular	Family
		of Gross	Wages			Wages	Adult&Child
							\$1,588.14
						(8.5 FTE up to \$12,000)	Single
							\$708.01
							Next CY Est
Employee health insurance contribution increase from 17.5% to 20.0%, effective 7/1/16							7.50%

**5230 Health Insurance Opt Out**

This is a reimbursement program to reimburse employees for the costs of out of pocket costs for health insurance premiums paid for by the spouse's employer as well as costs for deductibles, etc., up to a maximum annual amount that is voted on annually in December by the Town Council.

**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</i> <i>This Year</i>	<i>Number</i> <i>Next Year</i>	<i>Cost Each</i> <i>This Year</i>	<i>Cost Each</i> <i>Next Year</i>	<i>Estimated</i> <i>This Year</i>	<i>Requested</i> <i>Next Year</i>
Paging - Contract for paging call people	3	3	102	104	306	312
Fire Alarm Monitoring	4	4			515	525
Includes monthly maintenance and service contract.						
<b>Total Alarms &amp; Paging</b>					<b>\$821</b>	<b>\$837</b>

**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; shown as expenses to these three funds and revenue to the General Fund. The calculations for those amounts are shown in the General Fund Town Budget

	<i>Estimated</i> <i>This Year</i>	<i>Requested</i> <i>Next Year</i>
<b>5311 SPECIAL WASTE CLEANING</b>		
We have to clean the grit out of the septic receiving and pump stations every year and from the digester as needed. The contract includes trucking. Disposal is charged to the sludge Disposal account.		
Septage Receiving Station cleaning (bi-annual)	0	2,000
Pump Station Cleaning	4,500	4,000
<b>Total Septic Receiving Station Cleaning</b>	<b>\$4,500</b>	<b>\$6,000</b>

**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</i> <i>This Year</i>	<i>Requested</i> <i>Next Year</i>
<b>Items Funded Every Year</b>		
Routine Maintenance	3,118	3,000
<b>Special projects Funded</b>	0	0
<b>Total Engineering</b>	<b>\$3,118</b>	<b>\$3,000</b>

**5332 GENERATOR SERVICE**

	<i>Number</i> <i>This Year</i>	<i>Number</i> <i>Next Year</i>	<i>Cost Each</i> <i>This Year</i>	<i>Cost Each</i> <i>Next Year</i>	<i>Estimated</i> <i>This Year</i>	<i>Requested</i> <i>Next Year</i>
Generator Maintenance Agreements	10	10	728	730	7,280	7,300
<i>Electric Power</i>						
<b>Total Generator Service</b>					<b>\$7,280</b>	<b>\$7,300</b>

~ ~ Contractual Services Continued On Next Page ~ ~

**Contractual Services - (continued)****CHART C**

	<i>Estimated</i>	<i>Requested</i>
	<i>This Year</i>	<i>Next Year</i>
<b>5336 GENERAL EQUIPMENT MAINTENANCE</b>		
<i>Process Servicing Corp - Annual Chlorine Equipment Maintenance</i>	1,250	1,269
<i>QC Services - Annual Lab Equipment Maintenance &amp; Calibration</i>	1,332	1,335
<i>Overhead Door Maintenance Contract</i>	497	504
<i>Building HVAC System - Mechanical Services</i>	1,240	1,140
<i>Variable Frequency Drive (VFD) Maint. -Horizon Solutions.</i>	6,036	6,036
	0	0
<b>Total General Equipment Maintenance</b>	<b>\$10,355</b>	<b>\$10,284</b>

**5366 SLUDGE DISPOSAL**

	<i>Est. Tons</i>	<i>Tons</i>	<i>Cost/Ton</i>	<i>Cost/Ton</i>		
<b>Estimated Use</b>	<i>This Yr.</i>	<i>Next Yr.</i>	<i>This Yr.</i>	<i>Next Yr.</i>		
<i>Treatment and Disposal</i>	943	950	\$57.58	\$57.58	54,298	54,701
<i>Soil Preparation, Inc.</i>						
<b>Total Sludge Disposal</b>					<b>\$54,298</b>	<b>\$54,701</b>

**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>Estimated</i>	<i>Requested</i>
<i>Product</i>	<i>This Year</i>	<i>Next Year</i>
<i>ArcView - ESRI - GIS mapping software license - Single Use, Secondary Maint.</i>	600	600
<i>ArcPad - ESRI -Application Builder - Primary, Maintenance</i>	500	500
<i>General Code - Laserfiche</i>	110	110
<i>GE Suite - Kepware, Inc. -Allows SCADA to talk to PLC's</i>	187	187
<i>Automatech - SCADA (System Control And Data Acquisition) license and support</i>	1,885	1,950
<i>This is the software that runs the plant and keeps track of equipment maintenance.</i>		
<i>IT pipes software license (for camera system connection to GIS) -Telepipe Service, Inc.</i>	3,195	2,695
<b>Total Technology Licenses and Support</b>	<b>\$6,477</b>	<b>\$6,042</b>

**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.

<b><i>Materials &amp; Supplies</i></b>	<b><i>Chart D</i></b>
--	-----------------------

---

---

**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 chemicals 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 to maintain and repair Wastewater Division vehicles and equipment. Typical examples of items charged to this account include motor oil, filters, tires, wipers mufflers, batteries, starters, etc.

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

~ ~ End of Materials & Supplies Details ~ ~

# *Utilities & Commodities**Chart E*

## **5504 ELECTRICITY - PLANTS**

The largest variable in our electric bills is not the rate, but the consumption. In very wet years, we use a lot more electricity and our bills are much higher. Therefore, we budget using either a 3 year average or a flat budget. Supply rates are locked in on the 2 plants from 12/1/15 to 12/1/17 @ .0743 which avoids any temporary supply cost spikes; thus helping to stabilize the overall costs. The old rate was .0669.

## **5506 ELECTRICITY - PUMPING**

The largest variable in our electric bills is not the rate, but the consumption. In very wet years, we use a lot more electricity, and our bills are much higher. Therefore, we budget using a 3 year average or a flat budget. Supply rate is locked in on the Main St. pump station from 12/1/15 to 12/1/17 @ .07431 which avoids temporary supply cost spikes; thus helping to stabilize the overall cost.

## **5508 HEATING OIL & KEROSENE**

In very cold years, we use a lot more fuel oil, and our bills are correspondingly higher. Therefore, we budget using a three year average of consumption. All plants and pump stations are heated with oil, except for the DeGregoire Plant, which is partially heated with kerosene.

<b>Historical Use</b>	<i>Fiscal Year</i>	<i>Gals. Bought</i>	<i>Price /Gal.</i>	<i>Price Increase</i>		
	FY13	6,513	\$2.7700	-43.6%		
	FY14	6,663	\$2.7500	13.6%		
	FY15	8,029	\$3.0700	25.6%		
	<i>Averages</i>	<i>7,068</i>	<i>\$2.8633</i>			
<b>Estimated Use</b>					<i>Estimated This Year</i>	<i>Requested Next Year</i>
This Year	FY16	7,000	\$2.6600	-13.4%	18,620	
Next Year	FY17	7,068	\$0.9800	-63.2% (contract)		6,927
<b>Total Utilities - Heating Oil &amp; Kerosene</b>					<b>\$18,620</b>	<b>\$6,927</b>

# *Repairs & Maintenance**Chart E*

## **5616 LINE EQUIPMENT / FLOT TOTES**

This budget includes enough monies to buy 3 new Flo-Totes @ \$7000 each and include monies for normal repairs of other line equipment such as the sewer camera. Flot Totes are necessary for compliance with the Town's CSO mandated monitoring program. Staff usually has 5 fully operational flo-totes with backups on hand. \$ 25,000    \$ 25,000

## **5634 & 5640 PLANT & PUMP STATION EQUIPMENT REPAIRS**

The utility is experiencing unanticipated equipment failures and various emergency repairs---the latest example is for a \$4600 emergency repair to the clarifier unit. The equipment is approaching 20 years old and large overhaul costs are budgeted in years FY19 - FY21, following detail evaluations.

# Equipment Purchases

**Chart F**

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

	<i>Requested Next Year</i>
<b>5700 TECHNOLOGY EQUIPMENT - PURCHASE</b>	
Replace ArcMap Computer	1,100
Replace Inspector's Computer	850
Redeploy old ArcMap comptuer	100
Redeploy Insp. Computer laptop to On call Laptop	150
LaserFiche Forms Development Support	1,000
LaserFiche Forms User License	800
Conversion from <i>IFIX</i> SCADA to <i>Ignition</i> SCADA	7,000
	0
<b>Total Technology Equipment Purchases</b>	<b>\$11,000</b>
<b>5702 OFFICE EQUIPMENT - PURCHASE</b>	
Various Office Furniture replacements	1,500
	0
	0
<b>Total Office Equipment Purchases</b>	<b>\$1,500</b>
<b>5704 OPERATING EQUIPMENT - PURCHASE</b>	
Replacement of 3" 1957 trash pump	2,500
HCove Plant Generator Communication to PLC	2,000
Concrete repair/upgrade @ Septic Receiving Station	1,200
Install exisiting Plow on truck	2,000
<b>Total Operating Equipment Purchases</b>	<b>\$7,700</b>

~ ~ End of Equipment Purchases Details ~ ~

**DEBT SERVICE****CHART G**

<i>Project Name</i>	<i>Actual Yr. Before Last: FY14</i>	<i>Actual Last Year FY15</i>	<i>Budgeted This Year FY16</i>	<i>Estimated This Year FY16</i>	<i>Requested Next Year FY17</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	61,131	50,107	38,514	38,514	26,320	-31.7%	-31.7%
Paying Agent Fees	0	0	0	0	0		
Principal	408,554	419,295	430,592	430,592	442,473	2.8%	2.8%
<b>Bond Issue Total</b>	<b>469,685</b>	<b>469,402</b>	<b>469,106</b>	<b>469,106</b>	<b>468,793</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Bond Issue N</b>							
<b>Hulls Cove Wastewater Treatment Plant Foremain &amp; Sewer Rehab - 2000</b>							
A.G. Edwards & Sons, Inc.		Average Rate = 4.12%		Original Principal = \$800,000			
Last Payment in FY28		Was refinanced in August 2015					
Interest	24,423	23,225	21,923	21,923	18,050	-17.7%	-17.7%
Fees	0	0	0	0	0		
Principal	30,000	30,000	35,000	35,000	35,000	0.0%	0.0%
<b>Bond Issue Total</b>	<b>54,423</b>	<b>53,225</b>	<b>56,923</b>	<b>56,923</b>	<b>53,050</b>	<b>-6.8%</b>	<b>-6.8%</b>
<b>Bond Issue Q</b>							
<b>Sewer Mains-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 2021					
Interest	33,884	32,778	31,650	31,650	30,498	-3.6%	-3.6%
Principal	54,147	56,450	56,450	56,450	58,753	4.1%	4.1%
<b>Bond Issue Total</b>	<b>88,031</b>	<b>89,228</b>	<b>88,100</b>	<b>88,100</b>	<b>89,251</b>	<b>1.3%</b>	<b>1.3%</b>
<b>Total Debt</b>							
Interest	119,438	106,110	92,087	92,087	74,868	-18.7%	-18.7%
Fees	0	0	0	0	0		
Principal	492,701	505,745	522,042	522,042	536,226	2.7%	2.7%
<b>New Debt Total</b>	<b>612,139</b>	<b>611,855</b>	<b>614,129</b>	<b>614,129</b>	<b>611,094</b>	<b>-0.5%</b>	<b>-0.5%</b>

11/24/2015

FY17 Budget

## Debt Service

### A Responsibility of the Finance Department

#### Bond Issue A

#### MAIN WASTEWATER TREATMENT PLANT UPGRADE - 1996

\$7,300,000 Principal

Maine Municipal Bond Bank / US Bank, Trustee

State Revolving Fund / DEP

Date of Issue: 8/14/97      Refinanced: January 2005 and again in December 2009.

Can be refinanced only at the option of the lender.

Payments Dates:      Interest Only - April 1      Principal & Interest on October 1

Although these are general obligation bonds, all payments will be made from Sewer Fund revenues.

Date of Maturity	Rate	Principal Payment	Service Fee & Interest Payment	Paying Agent Fee	Total Payment by Sewer Fund
FY17	3.03%	442,473	26,320	500	469,293
FY18	3.03%	454,970	13,495	500	468,965
Totals		897,443	39,815	1,000	938,258

#### Bond Issue D

#### USDA RURAL DEVELOPMENT REFUNDING ISSUE--HULLS COVE SEWER

Original Principal = \$800,000

Issued: 2/1/05

Interest Rate = 2.0% - 5.0% (Avg. - 3.83%)      TIC = 2.69%

Notes: 2005      (Refinanced two 12/15/00 & 9/10/15)

Payment Dates: April 15 (interest only) & October 15 (principal and interest)

Lender:      Roosevelt & Cross, Inc.  
 Paying agent: Bank of New York/ Mellon Trust  
 Agent fee: None  
 No longer can be refinanced

FY	Date	Interest Rate	Principal Payment	Interest Payment	Payment Total	Fiscal Year Total
17	10/15/16	4.00%	35,000.00	9,200.00	44,200.00	
	4/15/17			8,850.00	8,850.00	53,050.00
18	10/15/17	4.00%	35,000.00	8,850.00	43,850.00	
	4/15/18			8,325.00	8,325.00	52,175.00
19	10/15/18	4.00%	35,000.00	8,325.00	43,325.00	
	4/15/19			7,625.00	7,625.00	50,950.00
20	10/15/19	4.00%	40,000.00	7,625.00	47,625.00	
	4/15/20			7,025.00	7,025.00	54,650.00
21	10/15/20	4.00%	40,000.00	7,025.00	47,025.00	
	4/15/21			6,425.00	6,425.00	53,450.00
22	10/15/21	4.10%	40,000.00	6,425.00	46,425.00	
	4/15/22			5,825.00	5,825.00	52,250.00
23	10/15/22	4.15%	45,000.00	5,825.00	50,825.00	
	4/15/23			4,925.00	4,925.00	55,750.00
24	10/15/23	4.20%	45,000.00	4,925.00	49,925.00	
	4/15/24			4,025.00	4,025.00	53,950.00
25	10/15/24	4.25%	45,000.00	4,025.00	49,025.00	
	4/15/25			3,125.00	3,125.00	52,150.00
26	10/15/25	4.30%	50,000.00	3,125.00	53,125.00	
	4/15/26			1,875.00	1,875.00	55,000.00
27	10/15/26	4.35%	50,000.00	1,875.00	51,875.00	
	4/15/27			625.00	625.00	52,500.00
28	10/15/27	4.38%	50,000.00	625.00	50,625.00	
Totals			510,000.00	126,500.00	636,500.00	636,968.75

~ ~ Debt Service Continued on Next Page ~ ~

11/24/2015

FY17 Budget

## Debt Service

### A Responsibility of the Finance Department

#### Bond Issue G

#### SEWER SYSTEM IMPROVEMENTS: 2011

Sewermain and SCADA System Replacement. Repaid by the Sewer Fund.

Original Principal = \$1,316,000

Date of Issue: 9/15/11

Interest Rate = 2.0% - 3.50% (Avg. - 2.70%)

Payment Dates: Dec 1 (prin. and int.) & June 1 (interest)

Lender: Morgan Stanley & Co  
 Paying agent: Bank of New York/ Mellon Trust  
 Refinance: After Dec. 2021

FY	Date	Interest Rate	Principal Payment	Interest Payment	Payment Total	Fiscal Year Total
17	12/01/16	2.00%	58,753.00	15,542.47	74,295.47	
	06/01/17			14,954.94	14,954.94	89,250.41
18	12/01/17	2.00%	58,753.00	14,954.94	73,707.94	
	06/01/18			14,367.41	14,367.41	88,075.35
19	12/01/18	2.00%	58,753.00	14,367.41	73,120.41	
	06/01/19			13,779.88	13,779.88	86,900.29
20	12/01/19	2.00%	66,056.00	13,779.88	79,835.88	
	06/01/20			13,119.32	13,119.32	92,955.20
21	12/01/20	2.50%	68,358.00	13,119.32	81,477.32	
	06/01/21			12,264.84	12,264.84	93,742.16
22	12/01/21	3.00%	68,358.00	12,264.84	80,622.84	
	06/01/22			11,239.47	11,239.47	91,862.31
23	12/01/22	3.00%	70,661.00	11,239.47	81,900.47	
	06/01/23			10,179.56	10,179.56	92,080.03
24	12/01/23	3.00%	72,964.00	10,179.56	83,143.56	
	06/01/24			9,085.10	9,085.10	92,228.66
25	12/01/24	3.00%	75,267.00	9,085.10	84,352.10	
	06/01/25			7,956.09	7,956.09	92,308.19
26	12/01/25	3.00%	77,569.00	7,956.09	85,525.09	
	06/01/26			6,792.56	6,792.56	92,317.65
27	12/01/26	3.00%	84,872.00	6,792.56	91,664.56	
	06/01/27			5,519.48	5,519.48	97,184.04
28	12/01/27	3.13%	62,175.00	5,519.48	67,694.48	
	06/01/28			4,547.99	4,547.99	72,242.47
29	12/01/28	3.25%	64,478.00	4,547.99	69,025.99	
	06/01/29			3,500.22	3,500.22	72,526.21
30	12/01/29	3.25%	66,781.00	3,500.22	70,281.22	
	06/01/30			2,415.03	2,415.03	72,696.25
31	12/01/30	3.38%	69,083.00	2,415.03	71,498.03	
	06/01/31			1,249.26	1,249.26	72,747.29
32	12/01/31	3.50%	71,386.00	1,249.26	72,635.26	
	06/01/32					72,635.26
Totals			1,094,267.00	277,484.77	1,371,751.77	1,371,751.77

## Sewer Rate Schedule Chart H

Type of Fee	Measure	Old Rate FY16	New Rate FY17	Percent Change
\	Per 100 cubic Feet of Water Used	\$7.80	\$7.80	0.0%
Minimum Bills: (per quarter)				
- Residential Customers	Based on 600 Cu. Ft. of Water Used	\$46.80	\$46.80	0.0%
- Non-Residential Cust.	Based on 1700 Cu. Ft. of Water Used	\$132.60	\$132.60	0.0%
- Unmetered Customers	Based on 1300 Cu. Ft. of Water Used	\$101.40	\$101.40	0.0%
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 (cap rate)	\$11.05	\$11.05	0.0%
	Per Inch of Sewer Service Diameter (cap rate)	\$100	\$100	0.0%
Late Payment Penalty (Note C)	Per Annum	7.0%	7.0%	0.0%

## Sewer Rate Calculation

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

VOLUME ESTIMATE		Actual Yr. Before	Actual Last Year	Budget This Year	Actual This Year	Requested Next Year	Change: R.N.Y vs.	Change: R.N.Y vs.
Quarter	Ending	Last: FY14	FY15	FY16	FY16	FY17	B.T.Y.	E.T.Y.
Summer	September 30	9,740,000	9,375,000	9,650,000	10,800,000	10,300,000	6.7%	-4.6%
Fall	December 31	5,645,000	5,220,000	5,500,000	4,800,000	5,000,000	-9.1%	4.2%
Winter	March 31	3,225,000	3,270,000	3,300,000	3,600,000	3,400,000	3.0%	-5.6%
Spring	June 30 (Note D)	5,820,000	5,140,000	5,800,000	5,400,000	5,500,000	-5.2%	1.9%
Unmetered Accounts		250,000	250,000	250,000	250,000	250,000	0.0%	0.0%
Minimum Bills (Note E)		2,000,000	2,200,000	2,150,000	2,000,000	2,200,000	2.3%	10.0%
<b>Annual Volume in Cubic Feet (See Note B)</b>		<b>26,680,000</b>	<b>25,455,000</b>	<b>26,650,000</b>	<b>26,850,000</b>	<b>26,650,000</b>	<b>0.0%</b>	<b>-0.7%</b>
Change			(1,225,000)	1,195,000	1,395,000	(200,000) << (Decrease)	FY17 Volume Assumption	
			-4.6%		5.5%	<b>-0.7%</b>		

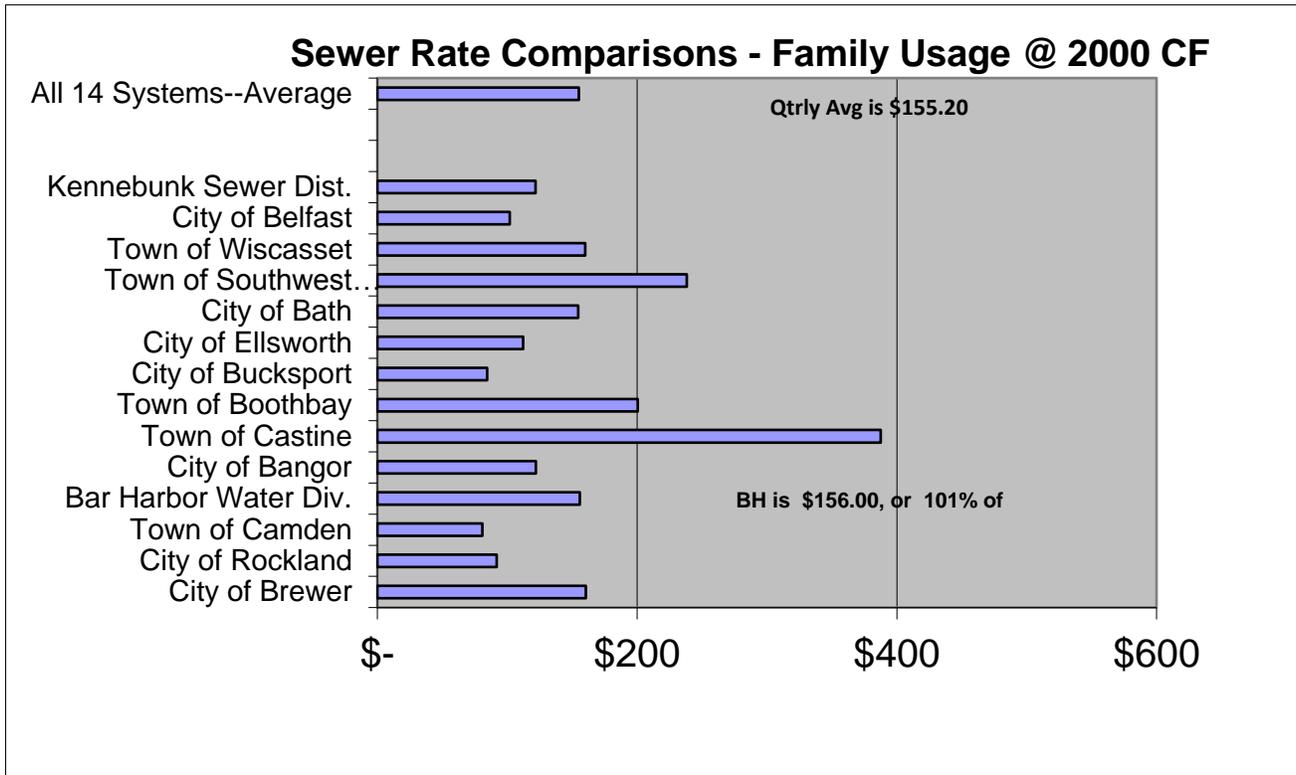
Operating Fund Appropriations	\$1,328,664
Capital Appropriations	865,744
Less Non Rate Revenues:	
Other Customer Charges:	(95,100)
Other Income	(21,400)
<b>Net Needed from Operations Charges</b>	<b>\$2,077,908</b>
<b>Estimated Minimum Rate / 100 cu.ft.</b>	<b>\$7.80</b>

- Notes
- A. We dewater and dispose of sewage plant sludge for the Towns of Mt 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.
  - D. The volume in the ETY column is actual for the first three quarters, and estimated for the spring quarter.
  - E. 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.

## Sewer Rate Comparisons - Quarterly Usage

(USDA std)

<i>Utility Name</i>	<i>Qtr Minimum</i>	<i>Qtr - Family 2000 CuFt</i>
City of Brewer	\$ 80.30	\$ 160.60
City of Rockland	\$ 41.84	\$ 91.84
Town of Camden	\$ 40.40	\$ 80.80
<b><i>Bar Harbor Water Div.</i></b>	<b>\$ 46.80</b>	<b>\$ 156.00</b>
City of Bangor	\$ 73.20	\$ 122.00
Town of Castine	\$ -	\$ 387.60
Town of Boothbay	\$ -	\$ 200.40
City of Bucksport	\$ 76.16	\$ 84.62
City of Ellsworth	\$ 50.49	\$ 112.20
City of Bath	\$ 47.50	\$ 154.60
Town of Southwest Harbor	\$ 111.82	\$ 238.32
Town of Wiscasset	\$ -	\$ 160.00
City of Belfast	\$ 102.00	\$ 102.00
Kennebunk Sewer Dist.	\$ -	\$ 121.82
 Average Billing	 \$ 67.05	 \$ 155.20
<b>BH Rate as a % of Avg. Rate</b>		<b>101%</b>



# Net Income Statement

**Chart J**
*(audit format with full depreciaton & accruals)*

	Actual Yr.Before Last: FY14	Actual Last Year FY15	Budgeted This Year FY16	Actual This Year FY16	Requested Next Year FY17	Change: E.T.Y.vs. R.N.Y.
<b>OPERATING REVENUES:</b>						
Charges for Services	2,124,611	2,083,523	2,115,100	2,102,264	2,113,600	11,336
Interest (on late payments+lien costs)	15,023	10,781	11,900	17,297	11,900	(5,397)
<b>Total Operating Revenues</b>	<b>2,139,634</b>	<b>2,094,304</b>	<b>2,127,000</b>	<b>2,119,561</b>	<b>2,125,500</b>	<b>5,939</b>
Change in Charges >>		-1.9%	1.5%	0.9%	0.5%	
<b>OPERATING EXPENDITURES:</b>						
Wages & Benefits	569,350	572,846	638,021	635,051	636,130	1,079
Contractual Services	220,477	228,910	206,688	209,900	208,525	(1,375)
Utilities & Commodities	204,963	209,527	209,813	207,720	197,977	(9,743)
Repairs & Maintenance	66,084	120,451	106,400	128,660	112,300	(16,360)
Equipment Purchases	5,530	20,391	22,350	18,226	20,200	1,974
Other Expenses, Travel, Etc.	41,400	46,877	45,278	46,924	48,232	1,308
Depreciation & Amortization	521,779	528,532	529,000	529,000	529,000	0
Materials & Supplies	99,865	102,620	102,000	100,267	105,300	5,033
<b>Total Operating Expenditures</b>	<b>1,729,448</b>	<b>1,830,154</b>	<b>1,859,550</b>	<b>1,875,748</b>	<b>1,857,664</b>	<b>(18,084)</b>
		5.8%	1.6%	2.5%	-1.0%	
<b>Net Operating Income</b>	<b><u>410,186</u></b>	<b><u>264,150</u></b>	<b><u>267,450</u></b>	<b><u>243,813</u></b>	<b><u>267,836</u></b>	<b><u>24,023</u></b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest Revenue (Investment)	5,761	5,556	6,000	6,000	6,000	0
Gain/(Loss) on Disposal of Assets	4,500	0	0	0	0	0
Special Assessments	0	0	79,776	70,000	0	(70,000)
Bond Refinancing Refund	0	0	0	30,077	0	0
Less Interest Expense	(119,438)	(106,110)	(92,087)	(92,087)	(74,868)	17,219
<b>Total Non-Operating Revenue (Expense)</b>	<b>(109,177)</b>	<b>(100,554)</b>	<b>(6,311)</b>	<b>13,990</b>	<b>(68,868)</b>	<b>(82,858)</b>
		-7.9%	-93.7%	-113.9%	-592.3%	
<b>NET INCOME (LOSS) YTD</b>	<b>301,009</b>	<b>163,596</b>	<b>261,139</b>	<b>257,803</b>	<b>198,968</b>	<b>(58,835)</b>

TOWN OF BAR HARBOR  
SEWER DIVISION  
ANNUAL SUMMER DISCOUNT APPLICATION

ELIGIBLE TO "RESIDENTIAL" SERVICE CLASS CUSTOMERS ONLY

Date \_\_\_\_\_

Return by 9/15/2016!

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

2016 Usage

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

### #2016-

#### An Amendment to Adopt the Fiscal Year 2017 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:*

[Please Note: Old language is ~~stricken~~. New language is underlined.]

---

## Chapter 165 , SEWERS

---

### ARTICLE III, Sewer Budget and Rates

---

\*\*\*\*

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

A. Budget ~~adopted~~ introduced. The fiscal year 2016~~7~~ Sewer Budget, dated ~~August 4, 2015~~ May 13, 2016, is hereby ~~adopted~~ introduced as published and summarized below.

- (1) Fund balance. Designated fund balances are estimated as follows:
  - (a) Estimated starting designated fund balances:
    - [1] Working Capital: \$440,624.
    - [2] CIP Projects: ~~\$1,262,846~~ 1,258,950.
  - (b) Ending designated fund balance:
    - [1] Working Capital: ~~\$440,624~~ 439,082.
    - [2] CIP Projects: ~~\$1,258,950~~ 1,569,380.
- (2) Revenues.
  - (a) Total revenues and other sources are estimated to be: ~~\$2,133,000~~ 2,131,500.
  - (b) Revenue for the sewer rates shall be calculated from the total operating and capital appropriations minus any non-rate revenues:
    - [1] Total revenue derived from sewer rate: ~~\$2,078,052~~ 2,077,908.
- (3) Expenses. Total appropriations shall be:
  - (a) Operating Fund: ~~\$1,330,551~~ 1,328,664.

(b) Capital Fund: ~~\$865,500~~ 865,744.

(4) Rates.

(a) Rate of \$7.80 per 100 cubic feet of water used.

(b) Minimum bills.

[1] Residential customers: \$46.80 for up to 600 cubic feet of water used per quarter.

[2] Nonresidential customers: \$132.60 for up to 1,700 cubic feet of water used per quarter.

[3] Unmetered customers: \$101.40 per quarter (based on 1,300 cubic feet of water used).

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

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

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

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

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

\*\*\*\*

*[End of Ordinance]*

---

LEGISLATIVE HISTORY:

06-21-16 Recommended by Finance Director

06-21-16 Introduced by Council

07-19-16 Public Hearing

Council Adopted

Sent for Codification