

AGENDA ITEM: D-1
Date: May 20, 2013

MEETING ITEM COMMENTARY

AGENDA ITEM: Adoption of FY 2013-2014 Water Resource Recovery Division Budget

COUNCIL RESOURCE: Councilor Les Smith

STAFF RESOURCE: Richard R. Michaud, City Administrator
Cheryl Fournier, Finance Director

BACKGROUND: The FY2012-2013 operating budget was \$2,259,758 that was supported by a sewer user fee rate of \$4.50 per unit. At the rate of \$4.50 per unit, an annual average of 100 customers was \$360.00 per year.

The FY2013-2014 budget includes an increase in the sewer user fee rate from \$4.50 to \$4.56 per unit. At the rate of \$4.56 per unit, an annual average of 100 customers will be \$364.39 per year, an increase of 1.3%.

The sewer user fee rate increase for FY2013-2014 represents the increase needed to cover expenses. In FY2014 there is no use of Fund Balance budgeted. In FY2013-2014, the Council will consider increasing the sewer user fee rate to \$4.56 per unit.

The Council discussed this item at Workshop on April 16, 2013, and again on May 6, 2013.

EXHIBIT: Proposed Changes to FY14 Budget
Total User Rate Change for FY14

SUGGESTED MOTION: *“Be it Ordered that the City Council move to adopt an appropriation order for the adoption of the Fiscal Year 2013-2014 Water Resource Recovery Division budget of the City of Saco, Maine as follows:*

Approve gross expenditures of \$2,373,825; to be offset by \$2,373,837 in anticipated revenues and other credits, which represents an increase in the rate of sewer user fees from \$4.50 to \$4.56.

“I move to approve the Order”.

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City of Saco, Maine Analysis of Treatment Plant Sewer User Fee FY 14

	<u>With Proposed Budget</u>
Fiscal 2013 BUDGET COST PER UNIT	\$ 4.50
BUDGET COST PER UNIT - FY2014	\$ 4.56
Average Household Increase per year	\$ 4.80
WWTP Revenues	
Septic Tank Discharge	\$ 5,000
Sewer User Fees	\$ 2,108,837
Miscellaneous Revenue	\$ 10,000
Use of Sewer Impact Fees	\$ 75,000
Use of CSO Fees	\$ 75,000
Poland Spring Revenue	\$ 100,000
TOTAL Revenue	\$ 2,373,837
WWTP Expenditures	
TOTAL WWTP - Personnel	\$ 748,820
WWTP - Benefits	\$ 213,407
WWTP - Operations	\$ 663,000
PUMP STATION - Operations	\$ 134,600
Debt service	\$ 241,798
Sewers and Drains	\$ 97,200
Capital & Improvements	\$ 275,000
TOTAL Expenditures	\$ 2,373,825
SURPLUS (DEFICIT)	\$ 11
Original Budget - Cost per Unit	\$ 4.58
Consensus Changes	
50101/500333 Electricity (\$10,000)	\$ (0.02)
New Cost per Unit	\$ 4.56