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

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Fiscal 2013</th>
<th>Proposed Budget</th>
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<tbody>
<tr>
<td>Fiscal 2013 BUDGET COST PER UNIT</td>
<td>$ 4.50</td>
<td>$ 4.56</td>
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<tr>
<td>BUDGET COST PER UNIT - FY2014</td>
<td>$ 4.56</td>
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<tr>
<td>Average Household Increase per year</td>
<td>$ 4.80</td>
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**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)

**New Cost per Unit**: $ 4.56