

**FISCAL YEAR 2018
BUDGET**



**MONTGOMERY COUNTY
PUBLIC SERVICE AUTHORITY**

**MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
FISCAL YEAR 2018
BUDGET**

Executive Summary

The total (water & wastewater) Fiscal Year (FY) 2018 Budget is \$3,925,150 which represents a 4.4% increase as compared to the FY 2017 Budget of \$3,760,740.

Water and sewer rate increases were publicly advertised and approved by the Montgomery County Public Service Authority (PSA) Board of Directors May 1, 2017. The last water rate increase was May 4, 2015. The FY 2018 water rate increase was from \$7.60 to \$8.53 per 1,000 gallons (12.2%). The last sewer rate increase for the PSA was May 2, 2016. The FY 2018 wastewater rate increase was from \$7.65 to \$8.07 per 1,000 gallons (5.5%). The water and wastewater budgets include a 2% employee salary increase which is the same as Montgomery County.

The FY 2018 Water Budget is \$2,291,335, which is a 7.2% increase as compared to the FY 2017 Water Budget of \$2,138,145. The water rate and budget increase are due to a 31.6% bulk water rate increase from the NRV Regional Water Authority and a utility billing software update. Employee salaries and benefits comprise 33% of budget expenses, purchased water is 33% of budget expenses, Operations/Maintenance is 21% of budget expenses, and debt service is 13% of budget expenses. This budget projects 14 new equivalent residential water connections which is 4 more than the FY 2017 budget.

The FY 2018 Wastewater Budget is \$1,633,815, which is a 0.7% increase as compared to the FY 2017 Wastewater Budget of \$1,622,595. Employee salaries and benefits comprise 42% of budget expenses, purchased wastewater treatment is 30% of budget expenses, Operations/Maintenance is 18% of budget expenses, and debt service is 10% of budget expenses. This budget includes 12 new equivalent residential wastewater connections which is 4 more than the FY 2017 budget.

Montgomery County became a member of the NRV Regional Water Authority (formerly Blacksburg-Christiansburg-VPI Water Authority) in FY 2014. Montgomery County Public Service Authority owns and operates the water systems serving County customers but is not a member of the Authority. The transition of water supply to all PSA water systems from the Water Authority will require several water transmission main installations over several years.

**FY 2018 BUDGET
WATER**

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

	FY 2017 Revised Budget	FY 2018 Approved Budget	FY 2018 VS. FY 2017	% Diff.
<u>OPERATING REVENUES</u>				
WATER CHARGES AND PENALTIES	1,845,190	1,980,590	135,400	7.34%
SERVICE FEES	213,330	214,500	1,170	0.55%
VDH SURCHARGE	8,205	8,250	45	0.55%
MISCELLANEOUS	29,920	30,120	200	0.67%
OTHER INCOME	3,000	7,500	4,500	150.00%
CONNECTION FEES	7,500	9,000	1,500	20.00%
INTEREST	6,000	10,000	4,000	66.67%
TOTAL OPERATING REVENUES	2,113,145	2,259,960	146,815	6.95%
<u>OPERATING EXPENSES</u>				
SALARIES AND WAGES	504,794	528,850	24,056	4.77%
EMPLOYEE BENEFITS	237,406	229,350	-8,056	-3.39%
PROFESSIONAL SERVICES	102,739	104,975	2,236	2.18%
MAINTENANCE CONTRACTS	125,632	88,000	-37,632	-29.95%
UTILITIES	33,500	34,000	500	1.49%
OFFICE SUPPLIES, TRAINING, DUES, PERMITS	37,300	93,250	55,950	150.00%
WATER SERVICES	655,000	760,000	105,000	16.03%
REPAIR AND MAINTENANCE	80,265	99,500	19,235	23.96%
INSURANCE	19,900	21,635	1,735	8.72%
VEHICLE SUPPLIES AND MAINTENANCE	30,500	27,500	-3,000	-9.84%
UNIFORMS	5,800	4,500	-1,300	-22.41%
CHEMICALS AND SUPPLIES	1,500	2,500	1,000	66.67%
PRINCIPLE, INTEREST AND DEBT RESERVE	293,081	297,275	4,194	1.43%
TOTAL OPERATING EXPENSES	2,127,417	2,291,335	163,918	7.71%
<u>NON OPERATING INCOME (EXPENSES)</u>				
FACILITY FEES	25,000	35,000	10,000	40.00%
CAPITAL OUTLAY	51,625	3,625	-48,000	-92.98%
TOTAL NON OPERATING INCOME (EXPENSES)	-26,625	31,375	58,000	-217.84%
NET INCOME (LOSS)	-40,897	0	40,897	0.00%

FY 2018 BUDGET

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

WATER

	FY 2017 Revised Budget	FY 2017 Projected Year End	FY 2018 Approved Budget	FY 2018 VS. FY 2017	% Diff.
<u>OPERATING REVENUES</u>					
WATER CHARGES AND PENALTIES	1,845,190	1,710,390	1,980,590	<i>135,400</i>	<i>7.34%</i>
416301 Metered Sales	1,798,000	1,647,406	1,923,800		
416302 Bulk Water Sales	200	0	200		
416305 Fire Service Fees	20,640	30,240	30,240		
416401 Penalty Charges	26,350	32,744	26,350		
SERVICE FEES					
416402 Service Charges	213,330	214,250	214,500	<i>1,170</i>	<i>0.55%</i>
VDH SURCHARGE					
416403 VA Dept Health Surcharge	8,205	8,240	8,250	<i>45</i>	<i>0.55%</i>
MISCELLANEOUS	29,920	20,783	30,120	<i>200</i>	<i>0.67%</i>
416404 Trip Fees	150	150	150		
416405 Transfer Fees	5,470	5,220	5,470		
416406 Reconnection Fees	12,000	12,660	12,000		
416607 Inspection Fees	300	30	0		
416608 Returned Check Fees	0	1134	500		
416612 Fire Hydrant Availability Fee	12,000	0	12,000		
419108 Recovered Costs	0	1,589	0		
OTHER INCOME					
416502 Other Income	3,000	17,347	7,500	<i>4,500</i>	<i>150.00%</i>
CONNECTION FEES					
416601 Connection Fees	7,500	11,100	9,000	<i>1,500</i>	<i>20.00%</i>
INTEREST					
416603 Interest Income	6,000	9,787	10,000	<i>4,000</i>	<i>66.67%</i>
TOTAL OPERATING REVENUES	2,113,145	1,991,897	2,259,960	<i>146,815</i>	<i>6.95%</i>

OPERATING EXPENSES

SALARIES AND WAGES	504,794	489,681	528,850	<i>24,056</i>	<i>4.77%</i>
510010 Full Time Salaries & Wages	470,643	461,649	500,000		
510020 Overtime	19,051	15,432	16,250		
510030 Part-Time Salaries & Wages	2,500	0	0		
510050 Compensation of Boards	12,600	12,600	12,600		
EMPLOYEE BENEFITS	237,406	199,495	229,350	<i>-8,056</i>	<i>-3.39%</i>
521000 FICA-Employers Share	38,046	36,623	38,520		
522000 Retirement - VRS	63,403	52,252	57,760		
523000 Hospital / Medical Plans	107,065	84,052	108,000		
524000 Group Insurance	6,384	5,962	6,650		
525000 Long-Term Disability Insur.	1,838	1,364	1,510		
526000 Unemployment Insurance	1,170	395	410		
527000 Worker's Compensation Prem.	19,500	18,847	16,500		

PROFESSIONAL SERVICES	102,739	93,462	104,975	2,236	2.18%
530010 Professional Services	3,500	1,819	2,500		
530040 Professional SVS-Engineering	0	6,000	0		
530060 Professional SVS-Audit	4,639	4,550	4,775		
530061 Professional SVS-Finance	78,000	61,620	75,000		
530110 Professional SVS-Testing	8,600	3,429	4,000		
556070 Fees	5,000	14,792	14,500		
556090 Bad Debt Expense	3,000	0	3,000		
558200 Refunds	0	1,252	1,200		
MAINTENANCE CONTRACTS					
533000 Maintenance SVS Contract	125,632	58,139	88,000	-37,632	-29.95%
UTILITIES	33,500	33,991	34,000	500	1.49%
551010 Electric Services	22,250	24,262	23,500		
551041 Tipping Fees Payment	250	7	250		
552030 Telephone Services	11,000	9,722	10,250		
OFFICE SUPPLIES, TRAINING, DUES, PERMITS	37,300	37,071	93,250	55,950	150.00%
535000 Printing & Binding	9,000	7,210	7,200		
535020 Copier Charges	150	124	150		
536000 Advertising	650	731	650		
552010 Postal Services	19,000	15,606	18,000		
554010 Employee Functions	0	62	0		
554030 Recognition Award	300	98	300		
554050 Dues & Assoc. Membership	1,500	1,571	1,500		
555200 Training	1,500	182	1,500		
556080 Permits	0	900	1,000		
560010 Office Supplies	1,600	1,277	1,500		
560140 Other Operating Supplies	0	4,774	0		
560400 Software	0	190	0		
560610 Books & Subscriptions	250	436	250		
561000 Travel - Meals & Lodging	500	10	500		
561100 Hospitality / Meals	750	415	600		
561200 Taxable Meals	0	149	0		
583000 IT Equipment	1,600	3,336	1,600		
583600 IT Software - Major	500	0	58,500		
WATER SERVICES					
551200 Purchased Water	655,000	610,611	760,000	105,000	16.03%
REPAIR AND MAINTENANCE	80,265	93,296	99,500	19,235	23.96%
533110 Repairs & Maint. Facilities	79,265	88,373	98,000		
559700 Lease/Rent of Equipment	0	0	0		
560200 Repair Part, Supplies - Site	1,000	4,923	1,500		
INSURANCE	19,900	20,548	21,635	1,735	8.72%
553120 General Liability Insurance	4,900	5,119	5,400		
553130 Motor Vehicle Insurance	6,000	5,682	6,000		
553180 Other Property Insurance	9,000	9,747	10,235		
VEHICLE SUPPLIES AND MAINTENANCE	30,500	29,529	27,500	-3,000	-9.84%
533130 Repair & Maintenance-Vehicle	15,500	17,032	15,500		
560080 Gasoline	15,000	12,497	12,000		
UNIFORMS					
562000 Uniforms & Wearing Apparel	5,800	3,281	4,500	-1,300	-22.41%

CHEMICALS AND SUPPLIES					
560230 Chemicals	1,500	3,291	2,500	<i>1,000</i>	<i>66.67%</i>
PRINCIPLE, INTEREST AND DEBT RESERVE	293,081	293,082	297,275	<i>4,194</i>	<i>1.43%</i>
591000 Payment of Principle	245,559	245,560	245,559		
591000 Payment of Principle - SERCAP	0	0	4,194		
591000 BCVPI Water Authority Buy-In	47,522	47,522	47,522		
TOTAL OPERATING EXPENSES	<u>2,127,417</u>	<u>1,965,477</u>	<u>2,291,335</u>	<i>163,918</i>	<i>7.71%</i>
 <u>NON OPERATING INCOME (EXPENSES)</u>					
FACILITY FEES					
416602 Facility Charges	25,000	78,000	35,000	<i>10,000</i>	<i>40.00%</i>
CAPITAL OUTLAY	51,625	68,571	3,625	<i>-48,000</i>	<i>-92.98%</i>
580050 Motor Vehicles & Equipment	48,000	50,330	0		
581000 Other Capital Outlay	3,625	15,372	3,625		
581010 Machinery and Equipment	0	2,869	0		
TOTAL NON OPERATING INCOME (EXPENSES)	<u>-26,625</u>	<u>9,429</u>	<u>31,375</u>	<i>58,000</i>	<i>-217.84%</i>
 <u>RESERVE FUNDS</u>					
WATER RESERVES					
451213 Water Reserves	0	0	0	<i>0</i>	<i>0.00%</i>
<u>NET INCOME (LOSS)</u>	<u>-40,897</u>	<u>35,849</u>	<u>0</u>	<u>40,897</u>	<i>0.00%</i>

**FY 2016 BUDGET
WASTEWATER**

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

	FY 2017 Revised Budget	FY 2018 Approved Budget	FY 2018 VS. FY 2017	% Diff.
<u>OPERATING REVENUES</u>				
SEWER CHARGES AND PENALTIES	1,465,705	1,486,960	21,255	1.45%
SERVICE FEES	123,240	124,020	780	0.63%
MISCELLANEOUS	400	585	185	46.25%
OTHER INCOME	3,000	3,000	0	0.00%
CONNECTION FEES	2,500	3,000	500	20.00%
INTEREST	0	0	0	0.00%
TOTAL OPERATING REVENUES	1,594,845	1,617,565	22,720	1.42%
<u>OPERATING EXPENSES</u>				
SALARIES AND WAGES	443,466	468,345	24,879	5.61%
EMPLOYEE BENEFITS	216,339	217,730	1,391	0.64%
PROFESSIONAL SERVICES	37,710	25,475	-12,235	-32.44%
UTILITIES	90,400	85,600	-4,800	-5.31%
OFFICE SUPPLIES, TRAVEL, DUES, PERMITS	15,920	16,965	1,045	6.56%
WASTEWATER SERVICES	525,000	500,000	-25,000	-4.76%
REPAIR AND MAINTENANCE	71,544	100,000	28,456	39.77%
INSURANCE	17,500	17,900	400	2.29%
VEHICLE SUPPLIES AND MAINTENANCE	16,000	18,100	2,100	13.13%
UNIFORMS	9,354	7,500	-1,854	-19.82%
CHEMICALS AND SUPPLIES	31,161	19,000	-12,161	-39.03%
PRINCIPLE, INTEREST AND DEBT RESERVE	157,200	157,200	0	0.00%
TOTAL OPERATING EXPENSES	1,631,594	1,633,815	2,221	0.14%
<u>NON OPERATING INCOME (EXPENSES)</u>				
FACILITY FEES	27,750	42,000	14,250	51.35%
CAPITAL OUTLAY	0	25,750	25,750	0.00%
TOTAL NON OPERATING INCOME (EXPENSES)	27,750	16,250	-11,500	-41.44%
NET INCOME (LOSS)	-8,999	0	0	0

**FY 2018 BUDGET
WASTEWATER**

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

	FY 2017 Approved Budget	FY 2017 Projected Year End	FY 2018 Approved Budget	FY 2018 VS. FY 2017	% Diff.
<u>OPERATING REVENUES</u>					
SEWER CHARGES AND PENALTIES	1,465,705	1,347,652	1,486,960	21,255	1.45%
416303 Metered Sales	1,391,755	1,268,644	1,413,010		
416304 Flat Rate	57,450	57,286	57,450		
416401 Penalty Charges	16,500	21,722	16,500		
SERVICE FEES					
416402 Service Charges	123,240	123,833	124,020	780	0.63%
MISCELLANEOUS	400	630	585	185	46.25%
416404 Trip Fees	0	0	0		
416405 Transfer Fees	0	540	200		
416406 Reconnection Fees	200	0	200		
416501 Miscellaneous Charges	0	0	0		
416607 Inspection Fees	200	90	0		
416613 Pool Meter Fee	0	12	10		
416614 Garden Meter	0	210	175		
OTHER INCOME					
416502 Other Income	3,000	29,878	3,000	0	0.00%
CONNECTION FEES					
416601 Connection Fees	2,500	4,383	3,000	500	20.00%
INTEREST					
416603 Interest Income	0	0	0	0	0.00%
TOTAL OPERATING REVENUES	1,594,845	1,506,376	1,617,565	22,720	1.42%

OPERATING EXPENSES

SALARIES AND WAGES	443,466	422,786	468,345	24,879	5.61%
510010 Full Time Salaries & Wages	424,066	403,700	448,945		
510020 Overtime	2,000	1,686	2,000		
510050 Compensation of Boards	17,400	17,400	17,400		
EMPLOYEE BENEFITS	216,339	192,390	217,730	1,391	0.64%
521000 FICA-Employers Share	33,336	31,887	34,345		
522000 Retirement - VRS	55,595	46,260	51,500		
523000 Hospital / Medical Plans	103,090	96,572	110,130		
524000 Group Insurance	5,598	5,283	5,925		
525000 Long-Term Disability Insur.	1,399	1,336	1,350		
526000 Unemployment Insurance	1,170	571	480		
527000 Worker's Compensation Prem.	16,151	10,481	14,000		
PROFESSIONAL SERVICES	37,710	22,769	25,475	-12,235	-32.44%
530010 Professional Services	3,060	108	2,000		
530060 Professional SVS-Audit	4,650	4,550	4,775		
530110 Professional SVS-Testing	30,000	17,513	18,000		
533000 Maintenance SVS Contract	0	0	0		
558200 Refunds	0	598	700		

UTILITIES	90,400	81,016	85,600	-4,800	-5.31%
551010 Electric Services	77,200	70,965	74,800		
551040 Tipping Fees Payment	4,900	4,101	4,600		
552030 Telephone Services	8,300	5,950	6,200		
OFFICE SUPPLIES, TRAVEL, DUES, PERMITS	15,920	14,212	16,965	1,045	6.56%
535000 Printing & Binding	0	0	0		
535020 Copier Charges	0	0	0		
536000 Advertising	500	552	615		
552010 Postal Services	70	37	50		
554010 Employee Functions	0	0	0		
554030 Recognition Award	300	171	300		
554050 Dues & Assoc. Membership	1,050	1,896	2,000		
555000 Travel - Registration	0	0	0		
555200 Training	3,000	1,835	3,000		
556080 Permits	9,000	8,580	9,000		
560010 Office Supplies	1,000	931	1,000		
560610 Books & Subscriptions	200	0	200		
561000 Travel - Meals & Lodging	500	0	500		
561100 Hospitality / Meals	300	210	300		
WASTEWATER SERVICES					
551100 Sewer Treatment	525,000	477,787	500,000	-25,000	-4.76%
REPAIR AND MAINTENANCE	71,544	132,595	100,000	28,456	39.77%
533110 Repairs & Maint. Facilities	71,544	132,566	100,000		
559700 Lease / Rent of Equipment	0	0	0		
560200 Repair Part, Supplies - Site	0	29	0		
INSURANCE	17,500	16,978	17,900	400	2.29%
553120 General Liability Insurance	3,200	3,413	3,600		
553130 Motor Vehicle Insurance	4,000	3,788	4,000		
553180 Other Property Insurance	10,300	9,777	10,300		
VEHICLE SUPPLIES AND MAINTENANCE	16,000	17,376	18,100	2,100	13.13%
533130 Repair & Maintenance-Vehicle	5,000	7,385	7,800		
560080 Gasoline	11,000	9,991	10,300		
560090 Repair Parts, Supplies-Vehicle	0	0	0		
560095 Motor Oil, Grease	0	0	0		
UNIFORMS					
562000 Uniforms & Wearing Apparel	9,354	6,634	7,500	-1,854	-19.82%
CHEMICALS AND SUPPLIES					
560230 Chemicals	31,161	17,069	19,000	-12,161	-39.03%
PRINCIPLE, INTEREST AND DEBT RESERVE					
591000 Payment of Principle	157,200	157,170	157,200	0	0.00%
TOTAL OPERATING EXPENSES	1,631,594	1,558,782	1,633,815	2,221	0.14%
<u>NON OPERATING INCOME (EXPENSES)</u>					
FACILITY FEES	27,750	93,600	42,000	14,250	51.35%
416602 Facility Charges	24,000	83,700	36,000		
416611 Sewer Pump Station Facility Fee	3,750	9,900	6,000		

CAPITAL OUTLAY	0	890	25,750	25,750	0.00%
580050 Motor Vehicles & Equipment	0	0	25,000		
581010 Machinery and Equipment	0	890	750		
TOTAL NON OPERATING INCOME (EXPENSES)	27,750	92,710	16,250	-11,500	-41.44%
<u>RESERVE FUNDS</u>					
SEWER RESERVES					
451213 Sewer Reserves	0	0	0	0	0.00%
<u>NET INCOME (LOSS)</u>	-8,999	40,304	0	0	0

AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY, HELD ON THE 1st DAY OF MAY 2017, 7:00 P.M., MULTI-PURPOSE ROOM #2, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:

R17-05-02
RESOLUTION APPROVING
PSA FY 2018 BUDGET

On a motion by Christopher Tuck, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approved the annual budget for FY 2018, in the total amount of \$3,925,150 – (\$2,291,335 Water & \$1,633,815 Sewer); and, that the Director is hereby authorized to utilize the budget as an official document of the Authority to become effective July 1, 2017.

The roll call vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Gary Creed		
Christopher Tuck		
Mary Biggs		
Annette Perkins		
April DeMotts		
Darrell Sheppard		
Todd King		

ATTEST:



Robert C. Fronk, PSA Director