2018 BUDGET DOCUMENTS

UTILITY OPERATING
UTILITY CAPITAL

FINAL – December 11th, 2017.

KEY POINTS
2018 BUDGET

UTILITY OPERATING FUND

- WATER AND SEWER RATES WILL CONTINUE WITH THE INCREASES APPROVED IN 2017. DOCUMENT IS ATTACHED SHOWING RATE INCREASES. AVERAGE INCREASE OVER THE 5 YEARS WILL BE 10.3% PER YEAR FOR 40-45% OF RESIDENTIAL USERS.

- MINIMUM USERS (40-50% OF THE USERS) SAW THEIR QUARTERLY BILL INCREASE FROM $72 TO $81.10 IN 2017 AND WILL SEE FURTHER INCREASEES TO $90.20 IN 2018, $99.30 IN 2019, $108.40 IN 2020 AND $117.50 IN 2021.

- UTILITY REVENUE HAD BEEN STRUGGLING TO MEET BUDGET TARGETS EACH YEAR BECAUSE OF CONSERVATION OF WATER RESULITING IN LOWER BILLS. THIS SHOULD BE LESS OF AN ISSUE BY HAVING A FLAT RATE CHARGE PLUS USAGE SYSTEM RATHER THAN JUST USAGE ONLY SYSTEM.

- BUDGET INCLUDES A TRANSFER OF $80,000 TO UTILITY CAPITAL RESERVE FUND IN 2018; $40,000 WAS TRANSFERRED IN 2017; ESIMATED FUTURE TRANSFERS OF $120,000 IN 2019; $160,000 IN 2020 AND $200,000 IN 2021 FOR A TOTAL OF $600,000 IN THE RESERVE FUND OVER THE 5 YEARS. THESE FUNDS ARE BEING PUT AWAY FOR FUTURE LAGOON UPGRADES.

- TOTAL UTILITY BUDGET FOR 2018 OF $1,903,708 WHICH CONTINUES TO BE BALANCED ON A YEARLY BASIS. THIS COMPARES TO A TOTAL BUDGET OF $1,885,209 FOR 2017.

- ANNUAL REPAYMENT ON LONG TERM DEBT DECREASED BY $22,652 FOR A TOTAL ANNUAL DEBT PAYMENT OF $531,479.

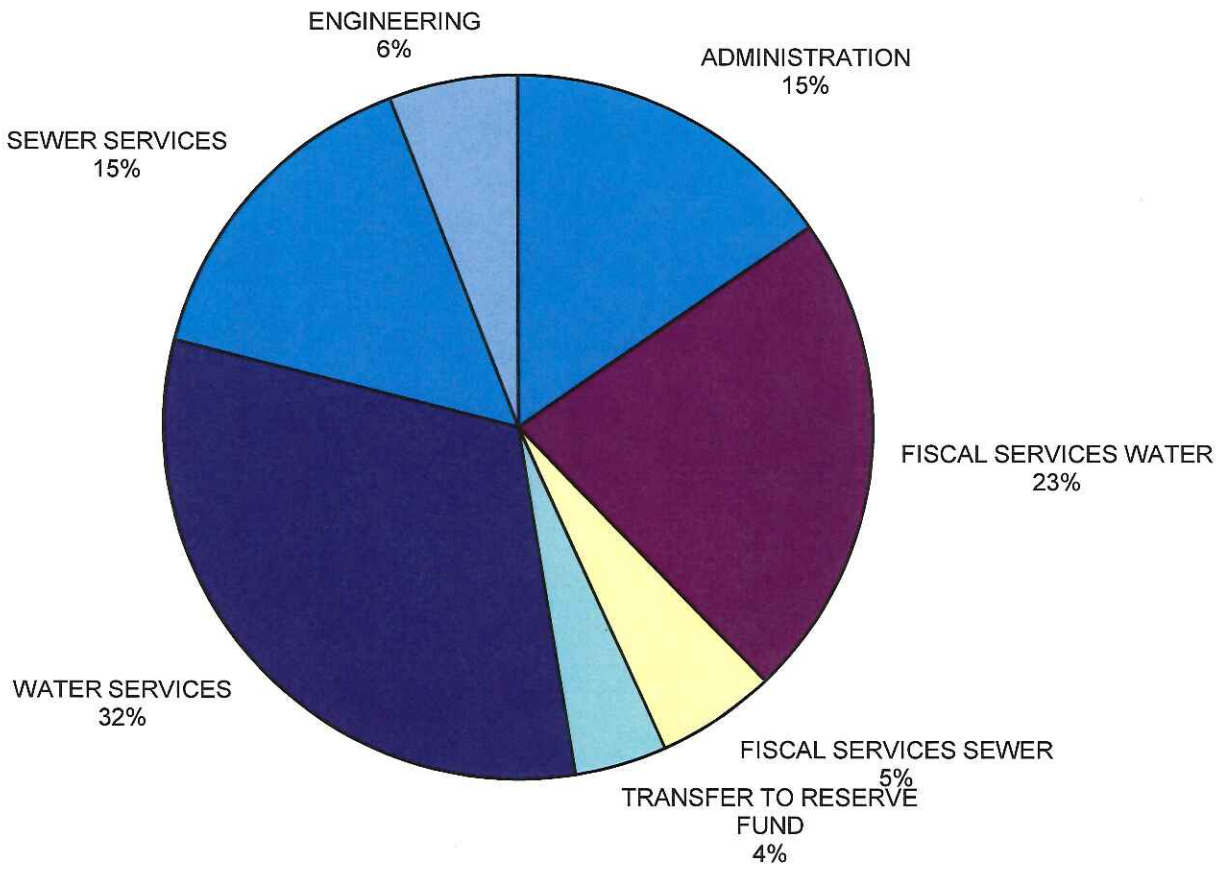
UTILITY CAPITAL FUND

- TOTAL UTILITY CAPITAL BUDGET OF $392,000
- PAST BOND REPAYMENT BEING COMPLETED IN 2019 OF $475,000 WHICH WILL ALLOW FOR THIS NEW BORROWING.
- ANNUAL DEBT PAYMENTS WILL BE SLIGHTLY REDUCED IN 2020 (FIRST YEAR OF DEBT PAYMENT) FROM LOWER CAPITAL EXPENSES THAN EXPIRING AMOUNT AND POTENTIAL LOWER INTEREST RATE AT TIME OF BORROWING.

TOWN OF SACKVILLE
2018 FINAL UTILITY OPERATING BUDGET

	2017 BUDGET	2018 BUDGET	INCREASE/ DECREASE	PERCENT CHANGE
ADMINISTRATION	$ 294,574	$ 292,315	$ (2,259)	-0.77%
FISCAL SERVICES (WATER)	$ 446,456	$ 427,641	$ (18,815)	-4.21%
FISCAL SERVICES (SEWER)	$ 107,675	$ 103,838	$ (3,837)	-3.56%
RESERVE FUND TRANSFERS	$ 40,000	$ 80,000	$ 40,000	
WATER SERVICES	$ 603,145	$ 600,037	$ (3,108)	-0.52%
SEWER SERVICES	$ 288,696	$ 288,242	$ (454)	-0.16%
ENGINEERING SERVICES	$ 104,663	$ 111,635	$ 6,972	6.66%
	$ 1,885,209	$ 1,903,708	$ 18,499	0.98%
REVENUE SOURCES:				
TRANSFER FROM GENERAL FUND	$ 336,000	$ 336,000	$ -	0.00%
SURPLUS 2ND PREV. YEAR	$ 13,169	$ 21,083	$ 7,914	60.10%
OTHER REVENUE	$ 104,000	$ 99,500	$ (4,500)	-4.33%
TOTAL REVENUE	$ 453,169	$ 456,583	$ 3,414	0.75%
REVENUE NEEDED THROUGH RATES	$ 1,432,040	$ 1,447,125	$ 15,085	1.05%

TOWN OF SACKVILLE
2018 FINAL UTILITY OPERATING BUDGET



WATER AND SEWER
HISTORICAL REVENUE

Rate History:	Comb	Flat/Qtr	% Increase		Actual Total Revenue	% Change
2000 Combined Rate	$ 1.53				$ 1,071,611	
2001 Combined Rate	$ 1.60		4.58%		$ 1,125,304	5.01%
2002 Combined Rate	$ 1.60		0.00%		$ 1,105,121	-1.79%
2003 Combined Rate	$ 1.60		0.00%		$ 1,105,350	0.02%
2004 Combined Rate	$ 1.64		2.50%		$ 1,110,631	0.48%
2005 Combined Rate	$ 1.64		0.00%		$ 1,058,449	-4.70%
2006 Combined Rate	$ 1.70		3.66%		$ 1,068,666	0.97%
2007 Combined Rate	$ 2.10		23.53%		$ 1,250,584	17.02%
2008 Combined Rate	$ 2.10		0.00%		$ 1,288,003	2.99%
2009 Combined Rate	$ 2.10		0.00%		$ 1,225,513	-4.85%
2010 Combined Rate	$ 2.10		0.00%		$ 1,227,724	0.18%
2011 Combined Rate	$ 2.10		0.00%		$ 1,221,808	-0.48%
2012 Combined Rate	$ 2.22		5.71%		$ 1,283,854	5.08%
2013 Combined Rate	$ 2.40		8.11%		$ 1,376,712	7.23%
2014 Combined Rate	$ 2.40		0.00%		$ 1,310,781	-4.79%
2015 Combined Rate	$ 2.40		0.00%		$ 1,282,546	-2.15%
2016 Combined Rate	$ 2.40		0.00%		$ 1,314,958	2.53%
2017 Combined Rate	$ 2.37	$ 10.00	-1.25%	Est	$ 1,363,695	3.71%
2018 Combined Rate	$ 2.34	$ 20.00	-1.27%			
2019 Combined Rate	$ 2.31	$ 30.00	-1.28%			
2020 Combined Rate	$ 2.28	$ 40.00	-1.30%			
2021 Combined Rate	$ 2.25	$ 50.00	-1.32%			

WATER AND SEWER
FUTURE NEEDS/STRUGGLES

Annual Shortage in Revenue	Prior years Revenue did not meet budget expectations
	Have had annual savings from vacant position not filled
Potential for Increase in Staffing	1 Positon, need budget allocation of up to $70,000/year
Additional Annual Capital Budget	$100,000 in borrowing cost $12,000/year
Sewer Treatment Uprades	$7,000,000 Estimate done in 2014
	$906,000 Annual Repayment for 10 years at 100%
	$562,000 Annual Repament for 20 years at 100%
	$2,333,000 our share at 33%
	$302,000 Annual Repayment for 10 years at 33%
	$187,000 Annual Repament for 20 years at 33%
	$8,000,000 Estimate done in 2021 with 2% inflation
	$1,036,000 Annual Repayment for 10 years at 100%
	$642,000 Annual Repament for 20 years at 100%
	$2,667,000 our share at 33%
	$345,000 Annual Repayment for 10 years at 33%
	$214,000 Annual Repament for 20 years at 33%
Sewer Treatment Uprades	Annual Operating Costs of $25,000-$75,000
	May require additional staff resources

Recommendations accepted during 2017 Budget Process

Water Operations Rates	$0.01 Increase per cubic meter per year for 5 years
Water Treatment Rates	Decrease of per cubic Meter cost
	Add a flate rate charge, to ensure revenue reliability
Sewer Operations Rates	$0.01 Increase per cubic meter per year for 5 years
Sewer Treatment Rates	Currently no charge exists
	Add a flate rate charge, to ensure revenue reliability
	Move all Revenue to Reserve Fund, through time period
	See below Reserve Example

5 Year Projection

	New Annual Revenue	Reserve Fund Total
2017 Flat Rate S/T Charge	$ 40,000	$ 40,000
2018 Flat Rate S/T Charge	$ 80,000	$ 120,000
2019 Flat Rate S/T Charge	$ 120,000	$ 240,000
2020 Flat Rate S/T Charge	$ 160,000	$ 400,000
2021 Flat Rate S/T Charge	$ 200,000	$ 600,000
2022 Flat Rate S/T Charge	$ 200,000	$ 800,000

*** Can use reserve fund to reduce borrowing cost on construction

*** This would allow additional operating expenses covered by rate increases already done

TOWN OF SACKVILLE
WATER AND SEWER RATES
2017- 2021

Meter Size	Metered Water Operations	Metered Water Treatment	Quarterly FR Water Treatment	Metered Sewer Treatment	Quarterly FR Sewer Treatment	Minimum Quarterly Usage
Current						
5/8"-3/4"-1"-1.5"	$ 0.95	$ 0.50	$ -	$ 0.95	$ -	30
2"	$ 0.95	$ 0.50	$ -	$ 0.95	$ -	30
3"	$ 0.95	$ 0.50	$ -	$ 0.95	$ -	90
4"	$ 0.95	$ 0.50	$ -	$ 0.95	$ -	150
6"	$ 0.95	$ 0.50	$ -	$ 0.95	$ -	300
2017						
5/8"-3/4"-1"-1.5"	$ 0.96	$ 0.45	$ 5.00	$ 0.96	$ 5.00	30
2"	$ 0.96	$ 0.45	$ 5.00	$ 0.96	$ 5.00	30
3"	$ 0.96	$ 0.45	$ 15.00	$ 0.96	$ 15.00	90
4"	$ 0.96	$ 0.45	$ 25.00	$ 0.96	$ 25.00	150
6"	$ 0.96	$ 0.45	$ 50.00	$ 0.96	$ 50.00	300
2018						
5/8"-3/4"-1"-1.5"	$ 0.97	$ 0.40	$ 10.00	$ 0.97	$ 10.00	30
2"	$ 0.97	$ 0.40	$ 10.00	$ 0.97	$ 10.00	30
3"	$ 0.97	$ 0.40	$ 30.00	$ 0.97	$ 30.00	90
4"	$ 0.97	$ 0.40	$ 50.00	$ 0.97	$ 50.00	150
6"	$ 0.97	$ 0.40	$ 100.00	$ 0.97	$ 100.00	300
2019						
5/8"-3/4"-1"-1.5"	$ 0.98	$ 0.35	$ 15.00	$ 0.98	$ 15.00	30
2"	$ 0.98	$ 0.35	$ 15.00	$ 0.98	$ 15.00	30
3"	$ 0.98	$ 0.35	$ 45.00	$ 0.98	$ 45.00	90
4"	$ 0.98	$ 0.35	$ 75.00	$ 0.98	$ 75.00	150
6"	$ 0.98	$ 0.35	$ 150.00	$ 0.98	$ 150.00	300
2020						
5/8"-3/4"-1"-1.5"	$ 0.99	$ 0.30	$ 20.00	$ 0.99	$ 20.00	30
2"	$ 0.99	$ 0.30	$ 20.00	$ 0.99	$ 20.00	30
3"	$ 0.99	$ 0.30	$ 60.00	$ 0.99	$ 60.00	90
4"	$ 0.99	$ 0.30	$ 100.00	$ 0.99	$ 100.00	150
6"	$ 0.99	$ 0.30	$ 200.00	$ 0.99	$ 200.00	300
2021						
5/8"-3/4"-1"-1.5"	$ 1.00	$ 0.25	$ 25.00	$ 1.00	$ 25.00	30
2"	$ 1.00	$ 0.25	$ 25.00	$ 1.00	$ 25.00	30
3"	$ 1.00	$ 0.25	$ 75.00	$ 1.00	$ 75.00	90
4"	$ 1.00	$ 0.25	$ 125.00	$ 1.00	$ 125.00	150
6"	$ 1.00	$ 0.25	$ 250.00	$ 1.00	$ 250.00	300

WATER AND SEWER REVENUE
FUTURE PROJECTIONS/RATE PROPOSAL (5 Year)

YEAR	METERED WATER OPERATIONS	METERED WATER TREATMENT	ANNUAL FLAT RATE WATER TREATMENT	METERED SEWER OPERATIONS	ANNUAL FLAT RATE SEWER TREATMENT
2016	$ 0.95	$ 0.50	$ -	$ 0.95	$ -
2017	$ 0.96	$ 0.45	$ 20.00	$ 0.96	$ 20.00
2018	$ 0.97	$ 0.40	$ 40.00	$ 0.97	$ 40.00
2019	$ 0.98	$ 0.35	$ 60.00	$ 0.98	$ 60.00
2020	$ 0.99	$ 0.30	$ 80.00	$ 0.99	$ 80.00
2021	$ 1.00	$ 0.25	$ 100.00	$ 1.00	$ 100.00

Usage per Qtr	Yearly Current Bill	Yearly 2017 Billing	Yearly 2018 Billing	Yearly 2019 Billing	Yearly 2020 Billing	Yearly 2021 Billing
30 m3	$ 288.00	$ 324.40	$ 360.80	$ 397.20	$ 433.60	$ 470.00
50 m3	$ 480.00	$ 514.00	$ 548.00	$ 582.00	$ 616.00	$ 650.00
75 m3	$ 720.00	$ 751.00	$ 782.00	$ 813.00	$ 844.00	$ 875.00
100 m3	$ 960.00	$ 1,028.00	$ 1,096.00	$ 1,164.00	$ 1,232.00	$ 1,300.00
250 m3	$ 2,400.00	$ 2,490.00	$ 2,580.00	$ 2,670.00	$ 2,760.00	$ 2,850.00
500 m3	$ 4,800.00	$ 4,940.00	$ 5,080.00	$ 5,220.00	$ 5,360.00	$ 5,500.00

Per Qtr	2017 Billing	2018 Billing	2019 Billing	2020 Billing	2021 Billing	Total
30 m3	12.64%	11.22%	10.09%	9.16%	8.39%	63.19%
50 m3	7.08%	6.61%	6.20%	5.84%	5.52%	35.42%
75 m3	4.31%	4.13%	3.96%	3.81%	3.67%	21.53%
100 m3	7.08%	6.61%	6.20%	5.84%	5.52%	35.42%
250 m3	3.75%	3.61%	3.49%	3.37%	3.26%	18.75%
500 m3	2.92%	2.83%	2.76%	2.68%	2.61%	14.58%

Usage per Qtr	Difference 2017 Yearly Bill	Difference 2018 Yearly Bill	Difference 2019 Yearly Bill	Difference 2020 Yearly Bill	Difference 2021 Yearly Bill
30 m3	$ 36.40	$ 36.40	$ 36.40	$ 36.40	$ 36.40
50 m3	$ 34.00	$ 34.00	$ 34.00	$ 34.00	$ 34.00
75 m3	$ 31.00	$ 31.00	$ 31.00	$ 31.00	$ 31.00
100 m3	$ 68.00	$ 68.00	$ 68.00	$ 68.00	$ 68.00
250 m3	$ 90.00	$ 90.00	$ 90.00	$ 90.00	$ 90.00
500 m3	$ 140.00	$ 140.00	$ 140.00	$ 140.00	$ 140.00

Usage per Qtr	Difference 2017 Weekly Bill	Difference 2018 Weekly Bill	Difference 2019 Weekly Bill	Difference 2020 Weekly Bill	Difference 2021 Weekly Bill
30 m3	$ 0.70	$ 0.70	$ 0.70	$ 0.70	$ 0.70
50 m3	$ 0.65	$ 0.65	$ 0.65	$ 0.65	$ 0.65
75 m3	$ 0.60	$ 0.60	$ 0.60	$ 0.60	$ 0.60
100 m3	$ 1.31	$ 1.31	$ 1.31	$ 1.31	$ 1.31
250 m3	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73
500 m3	$ 2.69	$ 2.69	$ 2.69	$ 2.69	$ 2.69

TOWN OF SACKVILLE
UTILITY CAPITAL
2018 RECOMMENDATIONS

Other Funding

Nil		$ -

Page	Priority	**2018 Recommended by Staff**	
1	B	Water Meters	$ 100,000
2	B	Lift Station Repairs	$ 20,000
3	B	Various Utility Renewals (Main Street)	$ 242,000
4	A	Water Treatment Plant Upgrades	$ 30,000
			$ 392,000

		2018 Requested Delayed to Future	
5/6	B	Various Utilitiy Renewals	$ 135,000
		(University & St. James)	$ 135,000

Proposed Source of Funding

Capital out of Revenue Budget	$ -		
Capital Reserve Fund	$ -		
Borrowing	$ 392,000	$ 392,000	Total Regular Capital
Gas Tax Funds		$ -	
		$ -	Total Other
		$ 392,000	Total Utility Cap. Projects

Priority Description

A	Legislated and/or Health and Safety Required
B	Committed and/or Operationally Required
C	Want to do versus need to do