



WANAQUE NORTH 2014 FINAL BUDGET

December 18, 2013

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
2014 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2014 Budget with appropriations totaling \$36.8M, which is a decrease of \$369K (-0.99%) from the 2013 Budget. This Budget marks the fourth year in a row without an increase to appropriations.

The Commission has prepared the 2014 Budget with careful consideration to the current economic challenges that our participating municipalities continue to face. The Commission has systemically reviewed all departments in an effort to either hold or reduce budgetary expenses.

Operating costs are down \$125K (-0.4%) year on year. This reduction incorporates several factors including decreases in Salary & Wages, Repairs & Maintenance, as well as Pension and Health Benefits. These items are partially offset by an increase in the Services Contractual line representing a new appropriation for the hauling and disposal of Residual Treatment Facility by-products.

The Capital Budget has been reduced by \$545K (-35.3%) from the 2013 Budget while Debt Service has been increased by \$302K (7.0%) over the same time period. Both line items anticipate that additional expenditures from the 5 Year Capital Plan will be funded through new bonding.

It is the opinion of the Commission staff that the 2014 Spending Plan is sufficient to meet the Operating, Capital and Debt Service as reflected in the Budget. The funding for the appropriations has been estimated and reflected on page 4 of the Budget. It is anticipated that the net assessments as shown on Page 6 along with application of miscellaneous sources of revenue will be sufficient to fund the 2014 Spending Plan.

As presented, the budgeted net assessments for the North Project municipalities will be \$17K less than 2013. This equates to a savings of 0.06% for the City of Newark, Passaic Valley Water Commission (representing Paterson, Passaic and Clifton), Kearny, Montclair, Bloomfield and Glen Ridge.

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET OVERVIEW**

	2012 APPROPRIATION	2013 APPROPRIATION	Increase (Decrease)	2014 APPROPRIATION	%
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENT	\$26,020,096	25,599,885	\$ (16,588)	\$ 25,583,297	-0.06%
SURPLUS / (DEFICIT) APPLIED	-	-	(0)	(0)	0.00%
INCOME AND OTHER TRANSFERS	\$12,226,537	\$11,574,343	(\$352,174)	\$ 11,222,168	-3.04%
TOTAL REVENUES	\$38,246,633	37,174,228	\$ (368,763)	\$ 36,805,465	-0.99%
APPROPRIATIONS					
OPERATING	\$32,785,799	\$31,333,574	(\$125,481)	\$31,208,093	-0.40%
CAPITAL	1,162,303	1,547,040	(545,401)	\$1,001,639	-35.25%
DEBT SERVICE	4,298,531	4,293,614	302,120	\$4,595,733	7.04%
TOTAL ANNUAL APPROPRIATIONS	\$38,246,633	\$37,174,228	(\$368,763)	\$36,805,465	-0.99%

BOARD OF COMMISSIONERS

Charles P. Shotmeyer, Chairman
Carmen A. Orechio, Vice Chairman
Alan S. Ashkinaze
Jerome P. Amedeo
Donald C. Kuser
Howard L. Burell

SUBMITTED:


William Schaffner, CFO

December 18, 2013

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET SUMMARY REPORT**

APPROPRIATION SUMMARY		2012 APPROPRIATION	2013 APPROPRIATION	Increase (Decrease)	2014 APPROPRIATION	% Change Over 2013 Budget
APPROPRIATIONS						
	Regular	\$9,827,750	\$9,069,618	\$ (698,835)	\$ 8,370,783	-7.71%
	Over Time	205,250	125,882	\$ (25,382)	100,500	-20.16%
1	Total Salaries & Wages	\$10,033,000	\$9,195,500	\$ (724,217)	\$ 8,471,283	-7.88%
2	Materials & Supplies	329,625	313,600	\$ 17,550	331,150	5.60%
3	Services Contractual	2,494,200	1,880,500	\$ 1,885,410	3,765,910	100.26%
4	Repairs & Maintenance	1,031,650	992,500	\$ (399,920)	592,580	-40.29%
5	Purchases of Equipment	168,675	164,500	\$ 25,000	189,500	15.20%
6	Miscellaneous	131,650	96,500	\$ 15,570	112,070	16.13%
TOTAL DEPARTMENTAL EXPENSES		\$14,188,800	\$12,643,100	\$ 819,393	\$ 13,462,493	6.48%

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET SUMMARY REPORT

APPROPRIATION SUMMARY		2012 APPROPRIATION	2013 APPROPRIATION	Increase (Decrease)	2014 APPROPRIATION	%
Statutory Expenditures						
	Real Estate Taxes	\$ 3,200,000	\$ 3,328,000	\$ 202,000	\$ 3,530,000	6.07%
	Pension	1,275,000	1,250,000	(150,000)	1,100,000	-12.00%
	Payroll Taxes	805,500	675,800	334,200	1,010,000	49.45%
7	Total Statutory Expenditures	\$ 5,280,500	\$ 5,253,800	\$ 386,200	\$ 5,640,000	7.35%
Insurance						
	Health Benefits	\$ 5,557,500	\$ 5,557,050	\$ (1,313,350)	\$ 4,243,700	-23.63%
	Health Benefits - Employee Contribution	(400,000)	(360,000)	30,000	(330,000)	-8.33%
	Workers Compensation	585,000	523,500	52,350	575,850	10.00%
	General Insurance	1,615,500	1,945,800	150,500	2,096,300	7.73%
8	Total Insurances	\$ 7,358,000	\$ 7,666,350	\$ (1,080,500)	\$ 6,585,850	-14.09%
Utilities						
	Electric Power	\$ 2,700,000	\$ 2,469,324	\$ (169,324)	\$ 2,300,000	-6.86%
	Telephone	291,500	263,000	(49,250)	213,750	-18.73%
	Other	65,000	42,000	-	42,000	0.00%
9	Total Utilities	\$ 3,056,500	\$ 2,774,324	\$ (218,574)	\$ 2,555,750	-7.88%
Chemicals						
	Polyaluminum Chloride	\$ 613,000	\$ 945,000	\$ 5,000	\$ 950,000	0.53%
	Hypochloride	521,000	550,000	(35,000)	515,000	-6.36%
	Non Zinc Ortho Phosphate	196,000	300,000	150,000	450,000	50.00%
	Other	1,364,000	1,034,000	(149,000)	885,000	-14.41%
10	Total Chemicals	\$ 2,694,000	\$ 2,829,000	\$ -29,000.00	\$ 2,800,000	-1.03%
Fuel						
	Gasoline	\$ 160,000	\$ 147,000	\$ 8,000	\$ 155,000	5.44%
	Heating Oil	48,000	20,000	(11,000)	9,000	-55.00%
11	Total Fuels	\$ 208,000	\$ 167,000	\$ (3,000)	\$ 164,000	-1.80%
TOTAL NON DEPARTMENTAL		\$ 18,597,000	\$ 18,690,474	\$ (944,874)	\$ 17,745,600	-5.06%
Departmental Expense brought forward		\$ 14,188,800	\$ 12,643,100	\$ 819,393	\$ 13,462,493	6.48%
TOTAL OPERATING APPROPRIATIONS		\$ 32,785,800	\$ 31,333,574	\$ (125,481)	\$ 31,208,093	-0.40%

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET SUMMARY REPORT

APPROPRIATION SUMMARY		2012 APPROPRIATION	2013 APPROPRIATION	Increase (Decrease)	2014 APPROPRIATION	%
TOTAL OPERATING APPROPRIATIONS		\$ 32,785,800	\$ 31,333,574	\$ (125,481)	\$ 31,208,093	-0.40%
12	Debt Service	4,298,531	4,293,614	302,119	4,595,733	7.04%
13	Capital Items	1,162,303	1,547,040	(545,401)	\$ 1,001,639	-35.25%
TOTAL APPROPRIATIONS		\$ 38,246,633	\$ 37,174,228	\$ (368,764)	\$ 36,805,465	-0.99%
REVENUES						
1	Wanaque South Participation	\$8,195,587	\$7,847,505	\$ 4,768	\$ 7,852,273	0.06%
2	UWNJ Participation	3,211,477	2,896,950	\$ (287,054)	\$2,609,896	-9.91%
3	Anticipated Income /Transfers	819,473	829,889	\$ (69,889)	760,000	-8.42%
4	Surplus Applied or Anticipated	-	-	\$ (0)	(0)	N/A
5	Municipal Assessments	26,020,096	25,599,885	\$ (16,588)	25,583,297	-0.06%
TOTAL REVENUES		\$38,246,633	\$37,174,228	\$ (368,764)	\$ 36,805,465	-0.99%
Cost per Million Gallons		\$ 758.38	\$ 746.13	\$ (0.48)	\$ 745.65	

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
CAPITAL BUDGET
2014**

Description		North Share	South Share	United Water Share	Total Cost
1	Computer Upgrades	\$ 90,289	\$ 26,711	\$ -	\$ 117,000
2	Lab Equipment Upgrade	-	-	-	-
3	Fleet Renewal and Replacement	-	-	-	-
4	Building Improvements / Renovations	-	-	-	-
	LLPS - Gear Repair/Replacement	385,850	114,150	-	500,000
	Telephone System Upgrade	45,500	19,500	-	65,000
	Basin 1 - 4 Improvement Study/Engineering	90,000	-	-	90,000
	Design/Build - W/S/P/S Upgrade	-	55,000	55,000	110,000
	Asset Condition Study & Hydraulic Model - Pipelines	250,000	-	-	250,000
	Electrical Substation Study	140,000	60,000	-	200,000
5	Plant Facilities & Equipment	911,350	248,650	55,000	1,215,000
		-	-	-	-
6	Dams and Other Structures	-	-	-	-
7	Miscellaneous Items	-	-	-	-
TOTAL CAPITAL BUDGET		\$ 1,001,639	\$ 275,361	\$ 55,000	\$ 1,332,000
CARRY TO PAGE 4 LINE 13					

Additional expenditures from the 5 Year Capital Plan will be funded through new bonding.

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
ASSESSMENT BY MUNICIPALITY**

%	MUNICIPALITY	2012 ASSESSMENT	2013 ASSESSMENT	INCREASE / (DECREASE)	2014 ASSESSMENT
40.50%	NEWARK	\$ 10,538,139	\$ 10,367,953	\$ (6,718)	\$ 10,361,235
20.00%	PATERSON	5,204,019	5,119,977	(3,318)	5,116,659
11.00%	PASSAIC	2,862,211	2,815,987	(1,825)	2,814,163
6.75%	CLIFTON	1,756,356	1,727,992	(1,120)	1,726,872
37.75%	PASSAIC VALLEY WATER COMM.	9,822,586	9,663,957	(6,262)	9,657,694
12.00%	KEARNY	3,122,412	3,071,986	(1,991)	3,069,996
5.00%	MONTCLAIR	1,301,005	1,279,994	(829)	1,279,165
4.00%	BLOOMFIELD	1,040,804	1,023,995	(664)	1,023,332
0.75%	GLEN RIDGE	195,151	191,999	(124)	191,875
100.00%	TOTAL ASSESSMENTS	\$ 26,020,096	\$ 25,599,885	\$ (16,589)	\$ 25,583,297

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET INSTALLMENTS
2014

%	MUNICIPALITY	JAN 15 25%	APL 1ST 25%	JUL 1ST 25%	OCT. 1ST 25%	TOTAL
40.50%	NEWARK	\$2,590,308.75	\$2,590,308.75	\$2,590,308.75	\$2,590,308.75	\$10,361,235.00
20.00%	PATERSON	\$1,279,164.75	\$1,279,164.75	\$1,279,164.75	\$1,279,164.75	\$5,116,659.00
11.00%	PASSAIC	\$703,540.75	\$703,540.75	\$703,540.75	\$703,540.75	\$2,814,163.00
6.75%	CLIFTON	\$431,718.00	\$431,718.00	\$431,718.00	\$431,718.00	\$1,726,872.00
37.75%	PASSAIC VALLEY WATER	\$2,414,423.50	\$2,414,423.50	\$2,414,423.50	\$2,414,423.50	\$9,657,694.00
12.00%	KEARNY	\$767,499.00	\$767,499.00	\$767,499.00	\$767,499.00	\$3,069,996.00
5.00%	MONTCLAIR	\$319,791.25	\$319,791.25	\$319,791.25	\$319,791.25	\$1,279,165.00
4.00%	BLOOMFIELD	\$255,833.00	\$255,833.00	\$255,833.00	\$255,833.00	\$1,023,332.00
0.75%	GLEN RIDGE	\$47,968.75	\$47,968.75	\$47,968.75	\$47,968.75	\$191,875.00
100.00%	TOTAL INSTALLMENTS	\$6,395,824.25	\$6,395,824.25	\$6,395,824.25	\$6,395,824.25	\$25,583,297.00