



**WANAQUE NORTH PROJECT
2016 FINAL BUDGET**

December 16, 2015

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
2016 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2016 Budget with no change in net assessments over the 2015 Budget.

The Commission has prepared the 2016 Budget with careful consideration of the current economic challenges that our participating municipalities continue to face. The Commission has systemically reviewed all departments in an effort to minimize increases, or where possible, reduce budgetary expenses.

Appropriations for the 2016 Budget total approximately \$38.3M, a decrease of \$298K (-0.8%) from the 2015 Budget. This reduction is mainly the result of diminished Capital requirements (-10.8%). During 2015, additional Capital funding was obtained through the issuance of Commission bonds as well as by accessing the New Jersey Infrastructure Trust Financing Program, thus reducing the need for Capital appropriations in 2016.

Operating costs are down \$34K (0.1%) year over year. This net decrease incorporates increases in Salary & Wages, Repairs & Maintenance, Utilities and Chemical costs, which are offset by decreases in Contractual Services and Health/General Insurance. Debt Service has increased by \$5K (0.1%) over the same period.

It is the opinion of the Commission staff that the 2016 Spending Plan is sufficient to meet Operating, Capital and Debt Service costs 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 2016 Spending Plan.

The Wanaque North municipalities include 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**

	2014 APPROPRIATION	2015 APPROPRIATION	Increase (Decrease)	2016 APPROPRIATION	%
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENT	\$25,583,297	\$25,583,297	(\$0)	\$25,583,297	0.00%
SURPLUS / (DEFICIT) APPLIED	0	0	0	0	0.00%
INCOME AND OTHER TRANSFERS	11,222,168	13,017,333	(297,907)	12,719,426	-2.29%
TOTAL REVENUES	\$36,805,465	\$38,600,630	(\$297,907)	\$38,302,723	-0.77%
APPROPRIATIONS					
OPERATING	\$31,208,093	\$31,833,567	(\$34,299)	\$31,799,268	-0.11%
CAPITAL	1,001,639	2,478,007	(268,168)	2,209,839	-10.82%
DEBT SERVICE	4,595,733	4,289,056	4,560	4,293,616	0.11%
TOTAL ANNUAL APPROPRIATIONS	\$36,805,465	\$38,600,630	(\$297,907)	\$38,302,723	-0.77%

BOARD OF COMMISSIONERS

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

SUBMITTED:


 William Schaffner, CFO

December 16, 2015

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

APPROPRIATION SUMMARY	2014 APPROPRIATION	2015 APPROPRIATION	Increase (Decrease)	2016 APPROPRIATION	% Change Over 2015 Budget
APPROPRIATIONS					
Regular	\$8,370,783	\$9,069,137	\$370,723	\$9,439,860	4.09%
Over Time	100,500	100,500	4,000	104,500	3.98%
1 Total Salaries & Wages	\$8,471,283	\$9,169,637	\$374,723	\$9,544,360	4.09%
2 Materials & Supplies	331,150	319,350	(19,400)	299,950	-6.07%
3 Services Contractual	3,765,910	3,596,200	(323,600)	3,272,600	-9.00%
4 Repairs & Maintenance	592,580	800,780	134,470	935,250	16.79%
5 Purchases of Equipment	189,500	189,100	11,100	200,200	5.87%
6 Miscellaneous	112,070	114,500	(3,100)	111,400	-2.71%
TOTAL DEPARTMENTAL EXPENSES	\$13,462,493	\$14,189,567	\$174,193	\$14,363,760	1.23%

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

APPROPRIATION SUMMARY	2014 APPROPRIATION	2015 APPROPRIATION	Increase (Decrease)	2016 APPROPRIATION	%
Statutory Expenditures					
Real Estate Taxes	\$3,530,000	\$3,555,000	\$145,000	\$3,700,000	4.08%
Pension	1,100,000	1,090,000	(140,000)	950,000	-12.84%
Payroll Taxes	1,010,000	757,800	30,000	787,800	3.96%
7 Total Statutory Expenditures	\$5,640,000	\$5,402,800	\$35,000	\$5,437,800	0.65%
Insurance					
Health Benefits	\$4,243,700	\$4,165,000	(\$13,500)	\$4,151,500	-0.32%
Health Benefits - Employee Contribution	(330,000)	(415,000)	(25,000)	(440,000)	6.02%
Workers Compensation	575,850	560,000	0	560,000	0.00%
General Insurance	2,096,300	2,200,000	(600,000)	1,600,000	-27.27%
8 Total Insurances	\$6,585,850	\$6,510,000	(\$638,500)	\$5,871,500	-9.81%
Utilities					
Electric Power	\$2,300,000	\$2,300,000	\$350,000	\$2,650,000	15.22%
Telephone	213,750	265,000	(20,000)	245,000	-7.55%
Other	42,000	42,000	(7,000)	35,000	-16.67%
9 Total Utilities	\$2,555,750	\$2,607,000	\$323,000	\$2,930,000	12.39%
Chemicals					
Polyaluminum Chloride	\$950,000	\$978,500	\$29,355	\$1,007,855	3.00%
Hypochloride	515,000	530,450	49,389	579,839	9.31%
Non Zinc Ortho Phosphate	450,000	463,500	13,905	477,405	3.00%
Other	885,000	967,750	(1,641)	966,109	-0.17%
10 Total Chemicals	\$2,800,000	\$2,940,200	\$91,008	\$3,031,208	3.10%
Fuel					
Gasoline	\$155,000	\$175,000	(\$25,000)	\$150,000	-14.29%
Heating Oil / Generator Fuel	9,000	9,000	6,000	15,000	66.67%
11 Total Fuels	\$164,000	\$184,000	(\$19,000)	\$165,000	-10.33%
TOTAL NON DEPARTMENTAL	\$17,745,600	\$17,644,000	(\$208,492)	\$17,435,508	-1.18%
Departmental Expense brought forward	\$13,462,493	\$14,189,567	\$174,193	\$14,363,760	1.23%
TOTAL OPERATING APPROPRIATIONS	\$31,208,093	\$31,833,567	(\$34,299)	\$31,799,268	-0.11%

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

APPROPRIATION SUMMARY		2014 APPROPRIATION	2015 APPROPRIATION	Increase (Decrease)	2016 APPROPRIATION	%
TOTAL OPERATING APPROPRIATIONS		\$31,208,093	\$31,833,567	(\$34,299)	\$31,799,268	-0.11%
12	Debt Service	4,595,733	4,289,056	4,560	4,293,616	0.11%
13	Capital Items	1,001,639	2,478,007	(268,168)	2,209,839	-10.82%
TOTAL APPROPRIATIONS		\$36,805,465	\$38,600,630	(\$297,907)	\$38,302,723	-0.77%
REVENUES						
1	Wanaque South Participation	\$7,852,273	\$8,943,550	\$20,873	\$8,964,424	0.23%
2	UWNJ Participation	2,609,895	3,313,783	(298,780)	3,015,003	-9.02%
3	Anticipated Income /Transfers	760,000	760,000	(20,000)	740,000	-2.63%
4	Surplus Applied or Anticipated	0	0	0	0	0.00%
5	Municipal Assessments	25,583,297	25,583,297	(0)	25,583,297	0.00%
TOTAL REVENUES		\$36,805,465	\$38,600,630	(\$297,907)	\$38,302,723	-0.77%
Cost per Million Gallons (Net)		\$745.65	\$745.65	\$0.00	\$745.65	

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
CAPITAL BUDGET
2016**

Description	North Share	South Share	United Water Share	Total Cost
1 Computer Upgrades				
2 Lab Equipment Upgrade	\$79,440	\$40,560	\$0	\$120,000
3 Fleet / Mobile Equipment Replacement	\$66,200	\$33,800	\$0	\$100,000
4 Building Improvements / Renovations	\$119,160	\$60,840	\$0	\$180,000
Upgrades to Original Plant Infrastructure	\$132,400	\$67,600	\$0	\$200,000
5 Plant Facilities & Equipment	<u>\$132,400</u>	<u>\$67,600</u>	<u>\$0</u>	<u>\$200,000</u>
	\$0	\$0	\$0	\$0
6 Dams and Other Structures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
7 Capital Improvement Fund	1,812,639	\$0	\$0	1,812,639
TOTAL CAPITAL BUDGET	<u><u>\$2,209,839</u></u>	<u><u>\$202,800</u></u>	<u><u>\$0</u></u>	<u><u>\$2,412,639</u></u>

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

%	MUNICIPALITY	2014 ASSESSMENT	2015 ASSESSMENT	INCREASE / (DECREASE)	2016 ASSESSMENT
40.50%	NEWARK	\$10,361,235	\$10,361,235	(\$0)	\$10,361,235
20.00%	PATERSON	\$5,116,659	\$5,116,659	(\$0)	\$5,116,659
11.00%	PASSAIC	\$2,814,163	\$2,814,163	\$0	\$2,814,163
6.75%	CLIFTON	\$1,726,872	\$1,726,872	\$0	\$1,726,872
37.75%	PASSAIC VALLEY WATER COMM.	\$9,657,694	\$9,657,694	(\$0)	\$9,657,694
12.00%	KEARNY	\$3,069,996	\$3,069,996	(\$0)	\$3,069,996
5.00%	MONTCLAIR	\$1,279,165	\$1,279,165	(\$0)	\$1,279,165
4.00%	BLOOMFIELD	\$1,023,332	\$1,023,332	(\$0)	\$1,023,332
0.75%	GLEN RIDGE	\$191,875	\$191,875	\$0	\$191,875
100.00%	TOTAL ASSESSMENTS	\$25,583,297	\$25,583,297	(\$0)	\$25,583,297

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
 WANAQUE NORTH PROJECT
 BUDGET INSTALLMENTS
 2016**

%	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