



**WANAQUE NORTH PROJECT
2017 FINAL BUDGET**

December 14, 2016

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
2017 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2017 Budget with no change in net assessments over the 2016 Budget.

The Commission has prepared the 2017 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 2017 Budget total approximately \$38.4M, an increase of \$139K (0.36%) from the 2016 Budget. This increase is the net result of further need for Capital investment; \$350K (15.8%), offset by a reduction in Operating Costs. The Capital items listed on Page 5 are for projects not included in the 2015 Commission Bond Issue or the 2016 New Jersey Infrastructure Trust Financing Program.

Operating costs, as previously mentioned, are down \$211K (-0.7%) year over year. This decrease incorporates several factors including Insurances, Utilities and Chemicals, along with minor changes in Repairs & Maintenance and Purchase of Equipment within the Departmental Budgets. These reductions are offset by minor increases in Salary & Wages, Materials & Supplies, Contractual Services and Miscellaneous items, along with minimal changes in Statutory Expenditures. Debt Service remains flat over the same period.

It is the opinion of the Commission staff that the 2017 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 2017 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**

	2015 APPROPRIATION	2016 APPROPRIATION	INCREASE/ (DECREASE)	2017 APPROPRIATION	% CHANGE
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	13,017,333	12,719,426	138,824	12,858,250	1.09%
TOTAL REVENUES	\$38,600,630	\$38,302,723	\$138,824	\$38,441,547	0.36%
APPROPRIATIONS					
OPERATING	\$31,833,567	\$31,799,268	(\$210,732)	\$31,588,536	-0.66%
CAPITAL	2,478,007	2,209,839	349,556	2,559,395	15.82%
DEBT SERVICE	4,289,056	4,293,616	0	4,293,616	0.00%
TOTAL ANNUAL APPROPRIATIONS	\$38,600,630	\$38,302,723	\$138,824	\$38,441,547	0.36%

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 14, 2016

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

APPROPRIATION SUMMARY	2015 APPROPRIATION	2016 APPROPRIATION	INCREASE/ (DECREASE)	2017 APPROPRIATION	% CHANGE
APPROPRIATIONS					
Regular	\$9,069,137	\$9,439,860	\$188,971	\$9,628,831	2.00%
Over Time	100,500	104,500	0	104,500	0.00%
1 Total Salaries & Wages	\$9,169,637	\$9,544,360	\$188,971	\$9,733,331	1.98%
2 Materials & Supplies	319,350	299,950	24,850	324,800	8.28%
3 Services Contractual	3,596,200	3,272,600	73,400	3,346,000	2.24%
4 Repairs & Maintenance	800,780	935,250	(10,100)	925,150	-1.08%
5 Purchases of Equipment	189,100	200,200	(4,901)	195,299	-2.45%
6 Miscellaneous	114,500	111,400	15,000	126,400	13.46%
TOTAL DEPARTMENTAL EXPENSES	\$14,189,567	\$14,363,760	\$287,220	\$14,650,980	2.00%

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

APPROPRIATION SUMMARY	2015 APPROPRIATION	2016 APPROPRIATION	INCREASE/ (DECREASE)	2017 APPROPRIATION	% CHANGE
Statutory Expenditures					
Real Estate Taxes	\$3,555,000	\$3,700,000	(\$65,000)	\$3,635,000	-1.76%
Pension	1,090,000	950,000	49,000	999,000	5.16%
Payroll Taxes	757,800	787,800	39,756	827,556	5.05%
7 Total Statutory Expenditures	\$5,402,800	\$5,437,800	\$23,756	\$5,461,556	0.44%
Insurance					
Health Benefits	\$4,165,000	\$4,151,500	(\$31,500)	\$4,120,000	-0.76%
Health Benefits - Employee Contribution	(415,000)	(440,000)	(5,000)	(445,000)	1.14%
Workers Compensation	560,000	560,000	(4,000)	556,000	-0.71%
General Insurance	2,200,000	1,600,000	(355,000)	1,245,000	-22.19%
8 Total Insurances	\$6,510,000	\$5,871,500	(\$395,500)	\$5,476,000	-6.74%
Utilities					
Electric Power	\$2,300,000	\$2,650,000	(\$50,000)	\$2,600,000	-1.89%
Telephone	265,000	245,000	(5,000)	240,000	-2.04%
Other	42,000	35,000	(10,000)	25,000	-28.57%
9 Total Utilities	\$2,607,000	\$2,930,000	(\$65,000)	\$2,865,000	-2.22%
Chemicals					
Polyaluminum Chloride	\$978,500	\$1,007,855	(\$7,855)	\$1,000,000	-0.78%
Hypochloride	530,450	579,839	195,161	775,000	33.66%
Non Zinc Ortho Phosphate	463,500	477,405	(27,405)	450,000	-5.74%
Other	967,750	966,109	(206,109)	760,000	-21.33%
10 Total Chemicals	\$2,940,200	\$3,031,208	(\$46,208)	\$2,985,000	-1.52%
Fuel					
Gasoline	\$175,000	\$150,000	(\$20,000)	\$130,000	-13.33%
Heating Oil / Generator Fuel	9,000	15,000	5,000	20,000	33.33%
11 Total Fuels	\$184,000	\$165,000	(\$15,000)	\$150,000	-9.09%
TOTAL NON DEPARTMENTAL	\$17,644,000	\$17,435,508	(\$497,952)	\$16,937,556	-2.86%
Departmental Expense brought forward	\$14,189,567	\$14,363,760	\$287,220	\$14,650,980	2.00%
TOTAL OPERATING APPROPRIATIONS	\$31,833,567	\$31,799,268	(\$210,732)	\$31,588,536	-0.66%

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

APPROPRIATION SUMMARY	2015 APPROPRIATION	2016 APPROPRIATION	INCREASE/ (DECREASE)	2017 APPROPRIATION	% CHANGE
TOTAL OPERATING APPROPRIATIONS	\$31,833,567	\$31,799,268	(\$210,732)	\$31,588,536	-0.66%
12 Debt Service	4,289,056	4,293,616	0	4,293,616	0.00%
13 Capital Items	2,478,007	2,209,839	349,556	2,559,395	15.82%
TOTAL APPROPRIATIONS	\$38,600,630	\$38,302,723	\$138,824	\$38,441,547	0.36%
REVENUES					
1 Wanaque South Participation	\$8,943,550	\$8,964,424	\$31,735	\$8,996,159	0.35%
2 Suez Participation	3,313,783	3,015,003	(42,212)	2,972,791	-1.40%
3 Anticipated Income / Transfers / Grants	760,000	740,000	149,300	889,300	20.18%
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	\$38,600,630	\$38,302,723	\$138,824	\$38,441,547	0.36%
Cost per Million Gallons (Net)	\$745.65	\$745.65	\$0.00	\$745.65	0.00%

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
CAPITAL BUDGET
2017**

Description	North Share	South Share	Suez Share	Total Cost
1 Computer Upgrades	\$66,200	\$33,800	\$0	\$100,000
2 Lab Equipment Upgrade	\$82,750	\$42,250	\$0	\$125,000
3 Fleet / Mobile Equipment Replacement	\$132,400	\$67,600	\$0	\$200,000
4 Building Improvements / Renovations	\$0	\$0	\$0	\$0
5 Plant Facilities & Equipment				
Security Fencing	\$198,600	\$101,400	\$0	\$300,000
New KMNO4 Chemical Feed System	\$297,900	\$152,100	\$0	\$450,000
Reaction Basin Rehabilitation	\$264,800	\$135,200	\$0	\$400,000
Wanaque Aqueduct Ventilation Chambers Irrigation System	\$728,200	\$371,800	\$0	\$1,100,000
Ramapo Interconnections	\$46,340	\$23,660	\$0	\$70,000
LLPS Replacement Equipment	\$231,700	\$118,300	\$0	\$350,000
New Valves & Valve Operators at W/S/P/S Elevator Upgrades	\$0	\$300,000	300,000	\$600,000
	\$264,800	\$135,200	\$0	\$400,000
Total Plant Facilities & Equipment	\$2,230,940	\$1,439,060	\$300,000	\$3,970,000
6 Dams and Other Structures	\$0	\$0	\$0	\$0
7 Capital Improvement Fund	\$47,105	\$1,457,198	\$0	\$1,504,303
TOTAL CAPITAL BUDGET	\$2,559,395	\$3,039,908	\$300,000	\$5,899,303

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

%	MUNICIPALITY	2015 ASSESSMENT	2016 ASSESSMENT	INCREASE / (DECREASE)	2017 ASSESSMENT
40.50%	NEWARK	\$10,361,235	\$10,361,235	\$0	\$10,361,235
20.00%	<i>PATERSON</i>	\$5,116,659	\$5,116,659	\$0	\$5,116,659
11.00%	<i>PASSAIC</i>	\$2,814,163	\$2,814,163	\$0	\$2,814,163
6.75%	<i>CLIFTON</i>	\$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
 2017**

%	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