

**ST. MARY'S COUNTY
METROPOLITAN COMMISSION**

OPERATING BUDGET

FISCAL YEAR 2015

ST. MARY'S COUNTY METROPOLITAN COMMISSION

BUDGET MESSAGE FY15

GENERAL COMMENTS:

The Fiscal Year 2015 Operating Budget was prepared from data and input obtained from staff conferences, Commission meetings, cost analysis, prior years' water and sewer flows, comparative figures, operation policies, and regulations from the US Environmental Protection Agency and the Maryland Department of the Environment (MDE). This budget was prepared as a consolidated budget for the whole of St. Mary's County Metropolitan Commission. Water flow estimates used in establishing rates are based upon recorded withdraws from all water pumping stations in the County. The basis of wastewater flow estimates is a combination of the recorded influent to all MetCom treatment plants. The water and sewer rates are uniform throughout the County.

The budget is basically a continuation of effort, with some increased costs in anticipation of the Enhanced Nutrient Removal (ENR) project.

REVENUES:

The revenue increase from the sewer service billing is approximately 3.7%. Water rates will remain unchanged.

Service Rates:

	FY14 Rates	FY15 Rates	% Increase
Sewer			
Non-metered per EDU per Month	\$34.56	\$35.83	3.7%
Metered -5,400 Gallons per Month	\$29.48	\$30.56	3.7%
Usage Rate per 1,000 Gallons	\$5.46	\$5.66	3.7%
Navy Rate per 1,000 Gallons	\$2.89	\$2.89	0.0%
Water			
Non-metered per EDU per Month	\$23.03	\$23.03	0.0%
Metered -6,000 Gallons per Month	\$18.42	\$18.42	0.0%
Usage Rate per 1,000 Gallons	\$3.07	\$3.07	0.0%
Hydrant Meter Rate per 1,000 Gallons	\$6.14	\$6.14	0.0%

Rates Continued:

	FY14 Rates	FY15 Rates	
Hydrant Meters			
Small Fire Hydrant Meter (Includes a \$1,000 refundable deposit.)	\$320.00 (for 3 years)	\$1,520.00 (for 9 years)	
Large Fire Hydrant Meter (Includes a \$1,000 refundable deposit.)	\$820.00 (for 3 years)	\$2,520.00 (for 9 years)	
Short-Term Meter Rental (60 days or less) (Includes a \$1,000 refundable deposit.)	N/A	\$1,250.00	
Monthly Maintenance Fee	\$20.00	\$0.00	
Failure to Report Monthly Meter Read	N/A	\$20.00/month	
Failure to Attend Annual Meter Inspection	N/A	\$100.00/year	
Hydrant Meter Rate per 1,000 Gallons	\$6.14	\$6.14	
	FY14 Rates	FY15 Rates	% Increase
Septage Hauler Rates per 1,000 Gallons			
Septic Tank Waste	\$65.61	\$65.61	0.0%
Portable Toilet Waste	\$82.69	\$82.69	0.0%
Grease Trap Waste	\$230.94	\$230.94	0.0%

EXPENSES:

Salaries:

Salaries are the largest component of MetCom's budget. The FY15 budget includes a merit increase for eligible employees and a cost of living allowance (COLA) of 1% for all employees . The budget includes four new permanent positions and the upgrade of two existing positions. The Senior Inspector position, which is currently vacant, is not funded in FY15.

New Positions:

- Assistant Engineer - Construction
- Assistant Finance Officer
- Laboratory Technician
- Meter Tech

Upgraded Positions:

- Upgrade Senior Wastewater Treatment Plant Operator to Assistant Superintendent
- Upgrade Laboratory Technician II to Laboratory Supervisor

Sewer Department Expenses:

- Maintenance budgeted at \$707,250, to provide sufficient funds for both preventative maintenance and emergency repairs.
- Power continues to be one of the larger expenses, budgeted at \$514,200, which includes increase for additional equipment at Marlay-Taylor as a result of the ENR project.
- Chemicals and Sludge Removal Expense include increases due to ENR project at Marlay-Taylor.
- The Sewer Department budget includes \$20,000 for possible MDE fines and penalties due to unforeseen sanitary sewer overflows.

Water Department Expenses:

- Water Maintenance includes a significant increase for the maintenance of aging water lines and painting water stations.
- Meter Reading Expense is being reduced to \$38,076, to recognize that fewer manual meter reads are expected as the Radio Read Meter Project progresses.

Expenses Continued:

Engineering Department Expenses:

- The Engineering Department budget includes \$50,000 in professional services to perform an audit of the EDU's allocated to commercial properties.
- As was done in prior years, the FY15 budget has Engineering costs not completely covered by Engineering revenues allocated 60% to the Sewer Department and 40% to the Water Department.

General & Administrative Expenses:

- Hospitalization is decreasing \$165,423 from the FY14 Amended Budget, due to a decrease in health insurance premiums and changes to the Affordable Care Act requirement. The Hospitalization budget includes 5% of premiums or \$55,175 for self-insurance.
- The Other Post-Employment Benefit expense (OPEB) is being fully funded at \$458,000.
- General and Administrative Expenses are allocated to operations: 60.1% to Sewer, 31.6% to Water and 8.3% to Engineering.

CAPITAL EQUIPMENT AND EXPENDITURES:

New capital equipment and replacement capital equipment are budgeted at \$664,000.



Rebecca B. Shick, Chief Financial Officer

**Approved this 24th day of April 2014 by the
St. Mary's County Metropolitan Commission**



Steven P. Willing, Chairperson

**ST MARY'S COUNTY METROPOLITAN COMMISSION
OPERATING BUDGET - FY15
SEWER DIVISION**

	FY11 ACTUALS	FY12 ACTUALS	FY13 ACTUALS	FY14 BUDGET AS AMENDED 2/27/14	FY14 THRU 12/31/13	FY15 PROPOSED BUDGET
Operating Income						
Service Charge - Metered	\$ 1,211,452	\$ 1,206,828	\$ 1,282,744	\$ 1,196,322	\$ 644,643	\$ 1,374,227
Service Charge - Non-Metered	5,597,619	5,973,324	6,720,497	6,961,100	3,543,315	7,395,742
Septage Haulers	85,051	119,873	140,430	139,000	68,372	139,000
Remote Area & Shared System Surcharge	34,178	41,571	-	-	-	-
Other Revenue	41,469	48,436	54,168	53,700	18,499	40,000
Total Operating Income	\$ 6,969,769	\$ 7,390,032	\$ 8,197,839	\$ 8,350,122	\$ 4,274,829	\$ 8,948,969
Operating Expenses						
Salaries	\$ 1,811,443	\$ 2,004,123	\$ 2,116,155	\$ 2,206,636	\$ 1,025,096	\$ 2,343,916
Contractual Labor	112	22,814	-	-	-	4,333
Maintenance	454,820	621,486	630,311	742,060	219,771	707,250
Leonardtown Plant	109,716	107,837	128,295	111,000	44,732	133,750
Power	546,532	487,710	468,845	466,280	222,907	514,200
Telephone/Dialers	36,486	41,125	41,078	46,000	20,778	44,900
Fuel (Diesel & Oil)	82,062	90,649	107,892	90,000	40,538	93,100
Lab & Soils Testing	5,463	10,840	8,777	34,000	3,744	39,300
Chemicals	122,637	203,195	205,055	221,000	83,554	250,000
Employee Related Expense	28,031	35,701	38,357	59,080	23,484	51,383
Materials & Supplies	89,638	100,775	123,933	133,950	53,269	139,700
Building Utilities	24,645	26,854	24,167	27,876	10,754	26,137
Miscellaneous	5,064	4,784	3,681	7,000	1,273	3,550
Vehicles	93,340	111,790	112,002	113,650	56,677	119,350
Sludge Removal Expense	146,432	184,647	143,162	229,698	85,984	248,000
Depreciation	210,297	203,551	206,991	240,000	102,396	240,000
SSO's & Penalties	13,200	2,080	1,600	20,000	900	20,000
Misc Consultants	-	1,312	1,153	2,000	1,113	3,063
Contingencies						
Recv'ry of Cost	(16,370)	(70,322)	(27,590)	-	-	
Allocation of OH	2,304,346	2,432,499	2,594,021	3,081,715	1,329,657	3,256,341
Allocation of Engineering	345,540	327,757	293,847	487,514	193,873	502,199
Total Operating Expenses	\$ 6,413,434	\$ 6,951,207	\$ 7,221,732	\$ 8,319,459	\$ 3,520,500	\$ 8,740,472
Net Direct Sewer Operating Income	\$ 556,335	\$ 438,825	\$ 976,107	\$ 30,663	\$ 754,329	\$ 208,497

**ST MARY'S COUNTY METROPOLITAN COMMISSION
OPERATING BUDGET - FY15
WATER DIVISION**

	FY11 ACTUALS	FY12 ACTUALS	FY13 ACTUALS	FY14 BUDGET AS AMENDED 2/27/14	FY14 THRU 12/31/2013	FY15 PROPOSED BUDGET
Operating Income						
Service Charge - Metered	\$ 3,825,363	\$ 3,943,946	\$ 4,342,646	\$ 4,223,734	\$ 2,212,267	\$ 4,465,702
Service Charge - Non-Metered	343,837	329,114	314,226	223,900	122,709	231,175
Water Tower Rental	139,451	152,270	156,702	157,700	80,109	163,223
Ready-to-Serve	70,219	69,128	79,881	76,500	38,763	77,500
Other Revenue - mostly turn on/off	73,531	84,850	109,033	80,300	25,115	50,000
Total Operating Income	\$ 4,452,401	\$ 4,579,308	\$ 5,002,488	\$ 4,762,134	\$ 2,478,963	\$ 4,987,600
Operating Expenses						
Salaries	\$ 890,920	\$ 867,431	\$ 972,736	\$ 954,935	\$ 450,864	\$ 1,042,350
Contractual Labor	112	5,300	321	-	-	2,167
Casual Labor	-	-	-	-	-	-
Meter Reading Expense	84,430	86,373	85,650	69,400	39,655	38,076
Maintenance	253,021	230,468	316,401	329,000	145,247	512,500
Fire Hydrant ISO Inspection (50%)	40,935	42,073	44,023	45,000	3,567	45,000
Power	591,281	538,298	489,472	566,449	248,526	513,000
Telephone/Dialers	11,813	13,671	10,205	12,000	4,845	11,500
Fuel (Diesel & Oil)	3,764	5,299	5,122	7,200	896	6,000
Water Testing	17,800	14,405	15,601	15,500	6,970	18,000
Chemicals	84,103	92,179	104,683	119,000	52,380	125,000
Employee Related Expense	7,601	12,760	8,887	18,915	5,236	21,228
Materials & Supplies	59,983	55,438	82,323	85,352	34,957	80,500
Building Utilities	15,216	18,392	17,485	23,234	8,058	22,234
Miscellaneous	345	172	187	5,000	330	5,000
Vehicles	29,893	38,203	46,857	48,550	22,023	47,450
MDE Loan Repayment (#20 Water Met	-	-	-	-	-	-
Depreciation	153,740	171,637	199,086	220,000	83,228	230,000
Contingencies	-	-	-	100,000	-	-
Recv'ry of Cost	(7,398)	(10,151)	(2,109)	-	-	-
Allocation of OH	1,346,181	1,493,639	1,515,408	1,699,701	733,284	1,709,916
Allocation of Engineering	230,360	218,505	195,898	325,009	129,249	334,800
Total Operating Expenses	\$ 3,814,100	\$ 3,894,092	\$ 4,108,236	\$ 4,644,245	\$ 1,969,315	\$ 4,764,721
Net Direct Water Operating Income	\$ 638,301	\$ 685,216	\$ 894,252	\$ 117,889	\$ 509,648	\$ 222,879

ST. MARY'S COUNTY METROPOLITAN COMMISSION
OPERATING BUDGET - FY15
ENGINEERING DEPARTMENT

	FY11 ACTUALS	FY12 ACTUALS	FY13 ACTUALS	FY14 BUDGET AS AMENDED 2/27/14	FY14 THRU 12/31/2013	FY15 PROPOSED BUDGET
Engineering Income						
Review Fees	\$ 139,705	\$ 86,870	\$ 126,320	\$ 115,000	\$ 48,865	\$ 102,617
Inspection Fees	158,574	262,036	239,666	250,000	94,959	199,414
Admin & Other Fees	21,843	36,725	30,607	45,000	15,613	32,787
Total Engineering Income	\$ 320,122	\$ 385,631	\$ 396,593	\$ 410,000	\$ 159,437	\$ 334,818
Engineering Expenses						
Salaries	\$ 426,067	\$ 437,656	\$ 454,936	\$ 510,612	\$ 205,122	\$ 594,056
Salaries- Locates	60,136	66,890	64,762	95,464	45,543	87,971
sub-total	\$ 486,203	\$ 504,546	\$ 519,698	\$ 606,076	\$ 250,665	\$ 682,027
Contractual Labor	\$ 35,065	\$ 63,186	\$ 35,793	\$ 45,491	\$ 10,931	\$ 46,742
Contractual Locates	31,696	25,163	18,019	-	-	-
Casual Labor	612	24,021	-	3,000	1,771	3,000
Professional Service	19,130	1,000	5,856	10,000	2,915	59,000
Vehicle Operation & Maintenance	7,004	6,965	4,827	7,500	160	5,500
Office Supplies & Expense	9,143	10,347	13,228	9,700	2,566	9,500
Building Utilities (power,cable,trash,fuel,cleaning)	7,447	11,700	10,019	12,300	5,060	12,600
Phone & FAX & Pagers	3,381	5,037	4,617	5,400	2,329	4,800
Mileage	154	265	214	400	99	300
Employee Related Expense(training,pagers,physic:	7,768	12,123	5,805	12,820	2,130	13,407
Depreciation	71,993	65,754	54,694	66,000	21,504	65,000
Miss Utility Expense	6,849	6,408	5,832	7,000	3,251	7,000
Miscellaneous Expense	445	613	60	1,000	-	500
Recv'ry of Cost	(220,996)	(258,072)	(268,245)	(301,800)	(141,112)	(337,213)
Allocation of OH	308,830	341,402	347,652	593,981	257,578	450,619
Allocation to Sewer (60%)	(345,540)	(327,757)	(293,847)	(487,514)	(193,873)	(502,199)
Allocation to Water (40%)	(230,360)	(218,505)	(195,898)	(325,009)	(129,249)	(334,800)
Allocation to Inspections	(81,381)	(70,923)	(98,494)	(85,036)	(46,996)	(114,174)
Inspection Salaries	49,820	49,963	52,678	121,480	53,381	126,860
Contractual Inspections	53,775	42,826	57,347	-	-	-
Inspection Vehicle Charges(Fuel/Mileage)	17,398	18,436	18,075	21,750	9,098	21,750
Inspection - Supplies	305	210	169	425	233	425
Inspection Overhead	81,381	70,923	98,494	85,036	46,996	114,174
Inspection Total	\$ 202,679	\$ 182,358	\$ 226,763	\$ 228,691	\$ 109,708	\$ 263,209
Total Engineering Expenses	\$ 320,122	\$ 385,631	\$ 396,593	\$ 410,000	\$ 159,437	\$ 334,818
Income From Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ST. MARY'S COUNTY METROPOLITAN COMMISSION
OPERATING BUDGET - FISCAL YEAR 2015
General & Administrative Expenses**

	FY11 ACTUAL	FY12 ACTUAL	FY13 ACTUAL	BUDGET FY14 AS AMENDED 2/27/14	FY14 Thru 12/31/13	FY15 BUDGET REQUEST
Administrative Salaries	\$ 1,037,284	\$ 1,140,132	\$ 1,234,875	\$ 1,390,844	\$ 627,286	\$ 1,543,863
Contractual Labor	150,929	127,479	82,858	102,401	44,129	106,785
Commissioner Stipend	14,167	14,500	14,542	14,500	6,750	14,500
Casual Labor	-	2,406	-	5,000	-	5,000
Payroll Taxes	351,817	388,458	392,159	447,700	196,917	479,236
Hospitalization	835,967	792,743	947,099	1,329,100	557,035	1,163,677
OPEB	336,718	443,719	469,596	456,000	228,000	458,000
Maryland State Pension Plan	414,746	425,887	383,616	544,300	229,495	542,754
Pension Loan	113,092	113,091	113,092	113,092	56,545	113,092
Long Term Disability& Life Insurance	21,819	24,468	20,581	23,760	10,910	22,352
Tuition Reimbursement/Beneficial Suggestions	7,668	5,816	2,787	8,300	2,014	13,800
Office Supplies & Printing	55,153	65,217	85,188	99,900	48,195	90,233
Postage Expense	97,451	102,851	103,697	96,000	46,518	98,000
Insurance	195,582	175,075	209,645	257,400	86,547	274,800
Rent	6,631	-	-	-	-	-
Accounting & Audit	12,825	16,500	17,225	21,200	14,500	21,200
Computer & IT Services	44,216	63,319	65,490	91,400	33,393	100,400
Legal Services	63,649	43,635	57,772	27,700	21,669	27,700
Misc.Consultants	9,112	9,508	17,198	27,000	-	17,000
Building Utilities(power,cable,trash,fuel,cleaning)	16,906	26,476	24,471	26,600	13,111	28,700
First Colony CAM	-	6,909	6,059	6,200	2,436	6,900
Phone & FAX	37,724	45,124	43,099	49,300	23,825	50,160
Vehicle Operation	1,361	1,753	1,392	1,800	536	1,800
Employee Related Expense(training,physicals, uniforms)	18,647	69,578	30,336	89,100	5,394	56,809
Depreciation	107,028	152,338	118,650	105,000	47,346	125,000
Admin. Bond Expense	1,500	1,500	1,500	1,500	750	1,500
Employment Advertising	3,166	2,745	5,701	6,000	368	6,000
Classifieds	16,091	14,228	13,850	13,400	4,414	14,000
Public Relations	1,899	4,800	-	14,600	9,600	14,500
Bank Fees/On-Line Bill Payment Fees						20,000
Miscellaneous Expense	5,921	5,872	5,810	10,500	4,574	7,500
Dues & Subscriptions	7,402	10,278	9,806	11,300	4,326	11,670
Recv'ry of Cost (Grants & Projects)	(27,114)	(27,365)	(21,013)	(15,500)	(6,063)	(20,054)
Total G & A Expenses	\$ 3,959,357	\$ 4,269,040	\$ 4,457,081	\$ 5,375,397	\$ 2,320,520	\$ 5,416,876
To Sewer	60.1%	\$ 2,304,346	\$ 2,432,499	\$ 2,594,021	\$ 3,081,715	\$ 3,256,341
To Water	31.6%	1,346,181	1,493,639	1,515,408	1,699,701	1,709,916
To Engineering	8.3%	308,830	341,402	347,652	593,981	450,619
		\$ 3,959,357	\$ 4,267,540	\$ 4,457,081	\$ 5,375,397	\$ 5,416,876

**ST.MARY'S COUNTY METROPOLITAN COMMISSION
OPERATING BUDGET - FISCAL YEAR 2015
OTHER INCOME & EXPENSES**

	FY11 ACTUALS	FY12 ACTUALS	FY13 ACTUALS	FY14 BUDGET AS AMENDED 11/14/13	FY14 THRU 12/31/13	FY15 PROPOSED BUDGET
OTHER INCOME AND EXPENSE :						
Interest Income	\$ 20,231	\$ 34,080	\$ 19,432	\$ 25,000	\$ 7,142	\$ 25,000
Late Charge Income	92,243	90,975	104,024	101,000	75,773	135,000
Meter Installation (net)	(55,436)	2,755	(3,146)	(65,000)	4,971	(40,000)
Sewer Connec. Chrg. (net)	220	(73)	-	-	-	-
Miscellaneous	10,912	8,997	6,380	5,000	16,552	10,000
Total Other Income and Expense	\$ 68,170	\$ 136,734	\$ 126,690	\$ 66,000	\$ 104,438	\$ 130,000
NET INCOME FROM SERVICE CHARGES	\$ 1,262,806	\$ 1,260,775	\$ 1,997,049	\$ 214,552	\$ 1,368,415	\$ 561,376

**ST. MARY'S COUNTY METROPOLITAN COMMISSION
CAPITAL EQUIPMENT & EXPENDITURES
BUDGET REQUEST
FY15**

	<u>Budget Request</u>
 <u>Water</u>	
Cedar Cove WPS Rehab phase 1 of 2	\$50,000
Generator for Wicomico Shores WPS	50,000
Pegg/Sanner Water Meters	37,000
Truck 3/4 4WD Utility Body - for new Utilities Mechanical/Electrical Tech Position	\$30,000
Vehicle Transeiver for Meter Reading	21,000
Barrister's Landing Cost Sharing Agreement - water line from 8" to 12"	14,600
Soft Starter for Pegg Road WPS	12,000
 Sub-total Water	<hr/> \$214,600 <hr/>
 <u>Wastewater</u>	
Generator - replacement at Spring Valley WWPS	\$50,000
Manhole monitors - 2 moveable devices to monitor & record flow	13,000
Wet Well Aeration System for odor control & hydrogen sulfide elimination	9,500
 Sub-total Wastewater Collections	<hr/> \$72,500 <hr/>

**ST. MARY'S COUNTY METROPOLITAN COMMISSION
CAPITAL EQUIPMENT & EXPENDITURES
BUDGET REQUEST
FY15**

Marlay-Taylor

Lab LMS/Bar Code Reader/Printer	\$50,000
Raw Sludge Transfer Pump	35,000
VFD & Motor for Recirculating Pump	8,500
Lab steam Washer	7,500
Low Temp Oven for Lab *	4,000
Air Cylinders	2,500

Sub-total Marlay-Taylor

\$107,500

Other Treatment Plants

Steel Machine Shed - storage for tractors & other equipment	\$28,000
Influent Flow Meter for SCS	4,000
Drying Oven	2,500
12 Volt Purging Pumps for SCS	1,900
Chemical Transfer Pump	1,700

Sub-total Other Treatment Plants

\$38,100

Fiscal & Administration

Van or SUV - replace van 559	\$50,000
Furniture	10,000
Mail Machine	4,200

Sub-total Fiscal & Administration

\$64,200

**ST. MARY'S COUNTY METROPOLITAN COMMISSION
CAPITAL EQUIPMENT & EXPENDITURES
BUDGET REQUEST
FY15**

SCADA

DFS Transmission Control Units (3) - new installations	\$18,000
Digital Power Meter - handheld w/ sensor & element	2,000
R&S Receiver/Monitor	9,600
Rohn Tower Sections - new towers	5,000
Kathrine Antenna's - signal gain 10DB (current antennas 6 or 8Db)	5,600
	<u>\$40,200</u>

IT

Fiber Optics to SCS WWTF	\$25,000
Replace/Upgrade IBM i5scaled to handle new apps	32,000
Laptops (convertables)	15,000
Laser Printers	12,000
Workstations	11,000
Electronic Door Locks - Server & IT office at Petty Building	4,000
DROBO I800 Storage Device (external storage for server ESSEX at LKP)	5,000
DROBO I800 Storage Device (external storage for server HORNET @ Admin Bldg)	5,000
Projection Screen - ceiling mounted, motorized	1,000
WXGA Projector - high definition ceiling mounted projector	1,700
Video Camera - second angle mounted camera	1,200
Check Writer Software to send checks electronically	2,500

Sub-total IT

<u>\$115,400</u>

**ST. MARY'S COUNTY METROPOLITAN COMMISSION
 CAPITAL EQUIPMENT & EXPENDITURES
 BUDGET REQUEST
 FY15**

Engineering

Schoenstadt Locator - upgrade R Gibson equipment	\$4,000
Schoenstadt Locator - for J Murphy	4,000
Desks & Chairs (5)	2,000
Flat File Cabinets	1,500
Sub-total Engineering	<u>\$11,500</u>
TOTAL	<u><u>\$664,000</u></u>

* Will only be purchased in the event that the equipment fails prior to equipment being replaced as part of ENR project.