



## **2016 Approved Budget**



*Table of Contents*

---

**JCWSA 2016 Approved Budget Document**

About the Budget.....page 1  
2016 Budget Summary..... page 3  
2016 Approved Budget.....page 4





### **About The Budget**

- FY 2015 metered water sales are projected to increase by approximately 9.89% compared to FY 2014 actual sales. Considering sales to JCWSA's wholesale customers, the increase from 2014 to 2015 would have been expected to be 19.35% if all wholesale customers continued purchasing water at the present rate. The City of Braselton has activated its well system, therefore, the projected sales for wholesale water sales remains level to 2014 projections. Metered sewer sales for the FY 2015 are expected to increase by approximately 20.02% compared to FY 2014 actual sales.

The projected increases for 2015 are attributed to an increase in the number of residential customers by approximately 2.83% since 2014. TICA's (Toyota) expansion of its facility in Jackson County continued to increase both water and sewer sales in 2015. This increase is expected to continue into 2016 as TICA has announced another expansion effort.

The 2016 Approved Budget does not include a water and sewer rate increase.

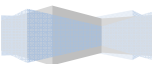
- The FY 2016 Annual Budget of \$9,359,538 is a decrease of (\$32,849) or -0.35% from the FY 2015 budget. The primary increases and decreases for the FY 2016 annual budget are:
  - The debt service requirement decrease of (\$477,542) or -37.85% from FY 2015 is due primarily to the 2015 refunding of the Upper Oconee Basin Water Authority bond issue (2015A & B).
  - The operating expense (net) increase of \$197,027 or 5.43% is due in large part to the increase in projected water purchases, and repair and maintenance costs for JCWSA as the system continues to grow. The bulk of the increase in operating expenses is attributable to the water purchases budget which increased by \$109,500. The remaining \$87,527 represents,

in part, the carry-over from prior years as GDOT continues to prepare for the Hwy. 129 project. The Georgia DOT requires relocation to a portion of the Hwy. 129 water main as part of its project. The relocation expense is expected to be approximately \$275,000, which is \$25,000 more than projected in the 2015 budget. An increase in the amount of \$13,980 was made to the contingency budget for 2016. Other operating increases in various operating expense budget items including field utilities, field operating equipment/supplies, and contracted services for software maintenance and technical support totaling \$48,547 make up the bulk of the remainder of the operating expenses increases in the 2016 budget.

- Salaries and Benefits are projected to increase by \$ 248,331 or 12.96% for FY 2016. This increase is -1.37% less than the increase from 2014 to 2015. This increase is attributable to the addition of two employees; one employee in the engineering department and one employee in the water department as a carry-over from the staffing needs established in 2014 for the future, a approved defined benefit plan for the JCWSA staff with an annual contribution of \$126,672 for 2016, and health cost increases of approximately 15% from the 2015 budget. No changes have been made to health benefits for the employees of the JCWSA.
- The Authority continues to run its operations with a lean staff while providing excellent service for its customer base. Compared to a survey done on local governments in the US<sup>1</sup>, the average percentage of the total budget spent on salaries and benefits is approximately 44%. Comparing this percentage to the Authority's spending at 23.12% (including the approved two additional employees and the approved defined benefit plan) of the total budget shows that efforts are continuously being made to keep these costs down while still providing a safe work environment and an excellent level of service for Jackson County.

<sup>1</sup>Source: Center on Budget and Policy Priorities (<http://www.cbpp.org>)

- The FY 2016 Approved Budget is balanced in accordance with Georgia state law.

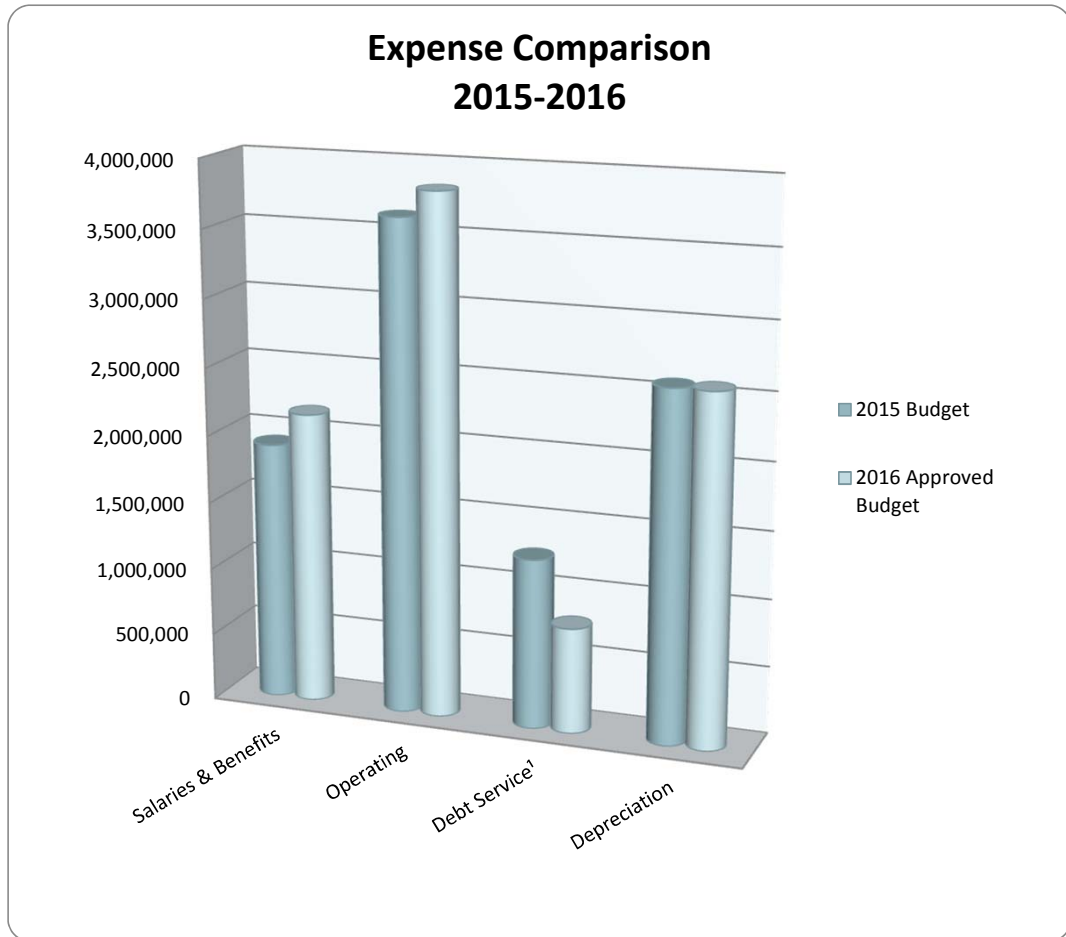


# APPROVED

## 2016 BUDGET SUMMARY

### Expense Totals

	2015 Budget	2016 Budget	Percent of Total 2016 Budget	Difference 2015-2016	Percent Change
Salaries & Benefits	1,915,760	2,164,091	23.12%	248,331	12.96%
Operating	3,631,531	3,828,558	40.91%	197,027	5.43%
Debt Service <sup>1</sup>	1,261,817	784,275	8.38%	(477,542)	-37.85%
Depreciation	2,583,279	2,582,614	27.59%	(665)	-0.03%
<b>TOTAL</b>	<b>9,392,387</b>	<b>9,359,538</b>	<b>100.00%</b>	<b>(32,849)</b>	<b>-0.35%</b>



<sup>1</sup> Debt Service Includes Amortization of Bond Premium/Discount & Amortization of Deferred Refunding

# Jackson County Water & Sewerage Authority

## 2016 Approved Budget

	2015	2016
<b>REVENUES</b>		
WATER SALES-METERED	\$ 5,234,343	\$ 5,837,470
WATER SALES - WHOLESALE	1,040,000	757,500
SEWER SALES-METERED	571,546	800,000
DAMAGE/TAMPERING/THEFT FINES	8,000	7,500
SERVICE FEES	843,672	1,124,475
OTHER REVENUES	153,500	112,000
<b>TOTAL REVENUES</b>	<u>7,851,061</u>	<u>8,638,945</u>
<b>COST OF SALES</b>		
WATER PURCHASES	1,808,000	1,917,500
REPAIRS/MAINTENANCE	635,000	610,000
OTHER COST OF SALES	597,000	621,175
<b>TOTAL COST OF SALES</b>	<u>3,040,000</u>	<u>3,148,675</u>
<b>GROSS PROFIT</b>	<u>4,811,061</u>	<u>5,490,270</u>
<b>EXPENSES</b>		
SALARIES & BENEFITS	1,915,760	2,164,091
PROFESSIONAL SERVICES	84,000	87,000
OTHER OPERATING EXPENSES	539,075	562,883
CONTINGENCY EXPENSES	16,020	30,000
<b>TOTAL EXPENSES</b>	<u>2,554,855</u>	<u>2,843,974</u>
<b>NET INCOME FROM OPERATIONS</b>	<u>2,256,206</u>	<u>2,646,296</u>
<b>OTHER INCOME(EXPENSES)</b>		
INTEREST INCOME-CASH ACCOUNTS	8,200	10,000
INTEREST INCOME-2006BONDS	50	100
INTEREST INCOME - 2011 A&B BONDS	-	-
INTEREST INCOME - UOBWA BONDS	5,000	5,000
INTERGOVT. REV.-NON-OPERATING	1,565,640	665,493
<b>TOTAL OTHER INCOME(EXPENSE)</b>	<u>1,578,890</u>	<u>680,593</u>
<b>CONSTRUCTION RELATED INCOME(EXPENSE)</b>		
SPLOST PROCEEDS	-	-
FEDERAL GOVERNMENT GRANTS - CAPITAL	-	30,000
STATE GOVERNMENT GRANTS - CAPITAL	-	-
INTEREST CAPITALIZED	10,000	10,000
BOND INTEREST & ISSUANCE EXPENSE*	(1,261,817)	(784,275)
ASSET DEPRECIATION EXPENSE	(2,255,420)	(2,254,755)
INTANGIBLE ASSET AMORTIZATION	(327,859)	(327,859)
<b>TOTAL CONSTRUCTION RELATED</b>	<u>(3,835,095)</u>	<u>(3,326,889)</u>
<b>NET INCOME</b>	<u>\$ -</u>	<u>\$ -</u>

## 2016 CAPITAL OUTLAY - APPROVED

		<u>Purpose for Request</u>	<u>Funding Source</u>
<b>Finance Department</b>			
Emergency Generator (Administration)	\$ 60,000	Emergency back up	Capital Reserves
	<u>60,000</u>		
<b>Water Department</b>			
F250 Service Truck - Water	40,000	Replacement of vehicle	Capital Reserves
Towable I85 CFM Air Compressor	25,000	For use by the field operating crew	Capital Reserves
Utility Trailer	15,000	For use in hauling JCWSA heavy equipment	Capital Reserves
Parks Creek Reservoir (JCWSA continued participation)	300,000	Expansion of water capacity for JCWSA	Capital Reserves
Georgia Power Tank & P/S Upgrade	350,000	Upgrade to water system	Capital Reserves
East Jackson Tank & P/S Upgrade	450,000	Upgrade to water system	Capital Reserves
	<u>1,180,000</u>		
<b>Sewer Department</b>			
Valentine Park L/S Upgrade	625,000	Improvements to sewer system	Capital Reserves
	<u>625,000</u>		
<b>Engineering Department</b>			
Middle Oconee Permit Upgrade	40,000	Upgrade permit from 0.5 MGD	Capital Reserves
	<u>40,000</u>		
<b>Communications/GIS</b>			
Brocade Layer 3 Switches - 2016	19,600	Network Optimization Upgrade	Capital Reserves
Virtual Network Servers - 2016	33,800	Network Optimization Upgrade	Capital Reserves
	<u>53,400</u>		
<b>Total Capital Outlay</b>	<b>\$ <u>1,958,400</u></b>		

# JCWSA

## RECONCILIATION OF CAPITAL OUTLAY

### AND FUNDING SOURCE(S)

**2016**

Net Income	\$	-
Cash - Capital Reserve Fund (reserved for 2016 Capital Outlay)		1,958,400
Total cash and cash equivalents		<u>1,958,400</u>
Capital Outlay Requests		
Emergency Generator (Administration)		60,000
F250 Service Truck - Water		40,000
Utility Trailer		15,000
Towable I85 CFM Air Compressor		25,000
Parks Creek Reservoir (JCWSA continued participation)		300,000
Georgia Power Tank & P/S Upgrade		350,000
East Jackson Tank & P/S Upgrade		450,000
Valentine Park L/S Upgrade		625,000
Middle Oconee Permit Upgrade		40,000
Brocade Layer 3 Switches - 2016		19,600
Virtual Network Servers - 2016		33,800
Total Reconciliation of Debt Requirement/Capital Improvements		<u>1,958,400</u>
Net Difference	\$	<u>(0)</u>