

RESOLUTION

Resolution No. R-16-10-1

Resolution to Amend Fiscal Year 2017 Annual Budget Prior to Adoption

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("Authority") introduced and approved its Annual Budget for Fiscal Year 2017 operations, the period from November 1, 2016 through October 31, 2016, on August 17, 2016; and

WHEREAS, the Authority desires to amend said approved Annual Budget in accordance with the September 15, 2016 comments received from the State of New Jersey, Division of Community Affairs, Division of Local Government Services; and

WHEREAS, the Authority further desires to adopt its Annual Budget for Fiscal Year 2017 following herein amendments thereto.

NOW, THEREFORE BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the counties of Morris and Passaic, the following amendments to the above referenced approved Annual Budget of August 17, 2016 for the Annual Budget period extending from November 1, 2016 through October 31, 2017 shall be approved as follows:

	<u>FROM</u>	<u>TO</u>
<u>Page F-1</u>		
REVENUES		
Total Non-Operating Revenues	\$ 160,000	\$ 10,000
Total Anticipated Revenues	\$5,460,000	\$5,310,000
APPROPRIATIONS		
Total Cost of Providing Services	\$2,854,000	\$3,934,000
<u>Less:</u> Total Unrestricted Net Position Utilized	\$ 0	\$ 150,000

Page F-2**OPERATING REVENUES**

	<u>FROM</u>	<u>TO</u>
Other Non-Operating Revenues and Retained Earnings	\$ 150,000	\$ 0
Other Non-Operating Revenues	\$ 155,000	\$ 5,000
Total Non-Operating Revenues	\$ 160,000	\$ 10,000
TOTAL ANTICIPATED REVENUES	\$5,460,000	\$5,310,000

Page F-4**OPERATING APPROPRIATIONS**

Cost of Proving Services	\$2,854,000	\$3,934,000
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NON-OPERATING APPROPRIATIONS

Unrestricted Net Position Utilized Other	\$ 0	\$ 150,000
TOTAL NET APPROPRIATIONS	\$5,460,000	\$5,310,000

Page F-6 (Principal)

Operation #3 TBSA Debt Service	\$ 540,000	\$ 0
TOTAL PRINCIPAL ALL OPERATIONS	\$1,270,950	\$ 730,950

Page F-7 (Interest)

Operation #3 TBSA Debt Service	\$ 540,000	\$ 0
TOTAL INTEREST ALL OPERATIONS	\$ 604,050	\$ 64,050

Page F-8

Unrestricted Net Position Utilized to Balance Proposed Budget	\$ 0	\$ 150,000
Total Unrestricted Net Position Utilized to Balance Proposed Budget	\$ 0	\$ 150,000
PROJECTED UNRESTRICTED UNDESIGNATED NET POSITION AT END OF YEAR	\$1,582,948	\$1,432,948

Page CB-3, CB-4, CB-5

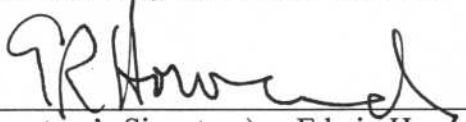
Operation #1 (Renamed)

BOONTON AVENUE INTERCEPTOR
PROJECT

Attachment A to Page N-1

For consistency, paragraphs 1 & 2 have been revised to reflect changes set forth above.

BE IT FURTHER RESOLVED, that the Secretary shall file two certified copies of this resolution forthwith in the Office of the Director of Local Government Services for certification of the Authority Fiscal Year 2017 Annual Budget so amended.


(Secretary's Signature) Edwin Howard

10/19/16
(Date)

Governing Body			Recorded Vote	
Member:	Aye	Nay	Abstain	Absent
Gall (Move)	X			
Howard	X			
Lampmann				X
Metcalf	X			
Verdonik (Second)	X			
Voorman	X	None	None	

2016 (PRBRSA FY 2017) Budget Summary

Pequannock River Basin Regional Sewerage Authority

For the Period November 1, 2016 to October 31, 2017

	<i>Proposed Budget</i>						<i>Adopted Budget</i>	<i>\$ Increase (Decrease) Proposed vs. Adopted</i>	<i>% Increase (Decrease) Proposed vs. Adopted</i>
	Operation Operation #1	Operation #2	Operation Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations	Total All Operations	All Operations All Operations
REVENUES									
Total Operating Revenues	\$ 5,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,300,000	\$ 5,300,000	\$ - 0.0%
Total Non-Operating Revenues	10,000	-	-	-	-	-	10,000	300,000	(290,000) -96.7%
Total Anticipated Revenues	5,310,000	-	-	-	-	-	5,310,000	5,600,000	(290,000) -5.2%
APPROPRIATIONS									
Total Administration	311,000	-	-	-	-	-	311,000	306,500	4,500 1.5%
Total Cost of Providing Services	3,934,000	-	-	-	-	-	3,934,000	2,832,500	1,101,500 38.9%
Total Principal Payments on Debt Service in Lieu of Depreciation	650,000	80,950	-	-	-	-	730,950	1,115,634	(384,684) -34.5%
Total Operating Appropriations	4,895,000	80,950	-	-	-	-	4,975,950	4,254,634	721,316 17.0%
Total Interest Payments on Debt	46,550	17,500	-	-	-	-	64,050	89,325	(25,275) -28.3%
Total Other Non-Operating Appropriations	420,000	-	-	-	-	-	420,000	180,765	239,235 132.3%
Total Non-Operating Appropriations	466,550	17,500	-	-	-	-	484,050	270,090	213,960 79.2%
Accumulated Deficit	-	-	-	-	-	-	-	-	#DIV/0!
Total Appropriations and Accumulated Deficit	5,361,550	98,450	-	-	-	-	5,460,000	4,524,724	935,276 20.7%
Less: Total Unrestricted Net Position Utilized	150,000	-	-	-	-	-	150,000	-	150,000 #DIV/0!
Net Total Appropriations	5,211,550	98,450	-	-	-	-	5,310,000	4,524,724	785,276 17.4%
ANTICIPATED SURPLUS (DEFICIT)	\$ 98,450	\$ (98,450)	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 1,075,276	\$ (1,075,276) -100.0%

2016 (PRBRSA FY 2017) Revenue Schedule

Pequanock River Basin Regional Sewerage Authority

For the Period November 1, 2016 to October 31, 2017

	Proposed Budget						Adopted Budget	\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted
	Operation #1	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations	Total All Operations	All Operations
OPERATING REVENUES									
<i>Service Charges</i>									
Residential	\$5,300,000						\$5,300,000	\$ 5,300,000	\$ - 0.0%
Business/Commercial							-	-	#DIV/0!
Industrial							-	-	#DIV/0!
Intergovernmental							-	-	#DIV/0!
Other							-	-	#DIV/0!
Total Service Charges	5,300,000	-	-	-	-	-	5,300,000	5,300,000	- 0.0%
<i>Connection Fees</i>									
Residential							-	-	#DIV/0!
Business/Commercial							-	-	#DIV/0!
Industrial							-	-	#DIV/0!
Intergovernmental							-	-	#DIV/0!
Other							-	-	#DIV/0!
Total Connection Fees	-	-	-	-	-	-	-	-	#DIV/0!
<i>Parking Fees</i>									
Meters							-	-	#DIV/0!
Permits							-	-	#DIV/0!
Fines/Penalties							-	-	#DIV/0!
Other							-	-	#DIV/0!
Total Parking Fees	-	-	-	-	-	-	-	-	#DIV/0!
<i>Other Operating Revenues (List)</i>									
Other Revenue 1							-	-	#DIV/0!
Other Revenue 2							-	-	#DIV/0!
Other Revenue 3							-	-	#DIV/0!
Other Revenue 4							-	-	#DIV/0!
Total Other Revenue	-	-	-	-	-	-	-	-	#DIV/0!
Total Operating Revenues	5,300,000	-	-	-	-	-	5,300,000	5,300,000	- 0.0%
NON-OPERATING REVENUES									
<i>Grants & Entitlements (List)</i>									
Grant #1							-	-	#DIV/0!
Grant #2							-	-	#DIV/0!
Grant #3							-	-	#DIV/0!
Grant #4							-	-	#DIV/0!
Total Grants & Entitlements	-	-	-	-	-	-	-	-	#DIV/0!
<i>Local Subsidies & Donations (List)</i>									
Local Subsidy #1							-	-	#DIV/0!
Local Subsidy #2							-	-	#DIV/0!
Local Subsidy #3							-	-	#DIV/0!
Local Subsidy #4							-	-	#DIV/0!
Total Local Subsidies & Donations	-	-	-	-	-	-	-	-	#DIV/0!
<i>Interest on Investments & Deposits</i>									
Investments	5,000						5,000	30,000	(25,000) -83.3%
Security Deposits							-	-	#DIV/0!
Penalties							-	-	#DIV/0!
Other Investments							-	-	#DIV/0!
Total Interest	5,000	-	-	-	-	-	5,000	30,000	(25,000) -83.3%
<i>Other Non-Operating Revenues (List)</i>									
Application Fees	2,000						2,000	2,000	- 0.0%
Retained Earnings							-	6,412	(6,412) -100.0%
Interest State Loan Bonds	3,000						3,000	5,000	(2,000) -40.0%
TBSA Debt Service Credit							-	256,588	(256,588) -100.0%
Other Non-Operating Revenues	5,000	-	-	-	-	-	5,000	270,000	(265,000) -98.1%
Total Non-Operating Revenues	10,000	-	-	-	-	-	10,000	300,000	(290,000) -96.7%
TOTAL ANTICIPATED REVENUES	\$5,310,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$5,310,000	\$ 5,600,000	\$ (290,000) -5.2%

2016 (PRBSA FY 2017) Appropriations Schedule

Pequanock River Basin Regional Sewerage Authority
For the Period November 1, 2016 to October 31, 2017

	Proposed Budget						Adopted Budget	\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted
	Operation #1	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations	Total All Operations	All Operations
OPERATING APPROPRIATIONS									
<i>Administration - Personnel</i>									
Salary & Wages							\$ -	\$ -	#DIV/0!
Fringe Benefits							-	-	#DIV/0!
Total Administration - Personnel							-	-	#DIV/0!
<i>Administration - Other (List)</i>									
Other Admin Expense #1	311,000						311,000	306,500	4,500 1.5%
Other Admin Expense #2							-	-	#DIV/0!
Other Admin Expense #3							-	-	#DIV/0!
Other Admin Expense #4							-	-	#DIV/0!
Miscellaneous Administration*							-	-	#DIV/0!
Total Administration - Other	311,000	-	-	-	-	-	311,000	306,500	4,500 1.5%
Total Administration	311,000	-	-	-	-	-	311,000	306,500	4,500 1.5%
<i>Cost of Providing Services - Personnel</i>									
Salary & Wages							-	-	#DIV/0!
Fringe Benefits							-	-	#DIV/0!
Total COPS - Personnel							-	-	#DIV/0!
<i>Cost of Providing Services - Other (List)</i>									
Other COPS Expense #1	3,934,000						3,934,000	2,832,500	1,101,500 38.9%
Other COPS Expense #2							-	-	#DIV/0!
Other COPS Expense #3							-	-	#DIV/0!
Other COPS Expense #4							-	-	#DIV/0!
Miscellaneous COPS*							-	-	#DIV/0!
Total COPS - Other	3,934,000	-	-	-	-	-	3,934,000	2,832,500	1,101,500 38.9%
Total Cost of Providing Services	3,934,000	-	-	-	-	-	3,934,000	2,832,500	1,101,500 38.9%
Total Principal Payments on Debt Service in Lieu of Depreciation	650,000	80,950	-	-	-	-	730,950	1,115,634	(384,684) -34.5%
Total Operating Appropriations	4,895,000	80,950	-	-	-	-	4,975,950	4,254,634	721,316 17.0%
NON-OPERATING APPROPRIATIONS									
Total Interest Payments on Debt	46,550	17,500	-	-	-	-	64,050	89,325	(25,275) -28.3%
Operations & Maintenance Reserve							-	765	(765) -100.0%
Renewal & Replacement Reserve							-	-	#DIV/0!
Municipality/County Appropriation							-	-	#DIV/0!
Other Reserves	420,000						420,000	180,000	240,000 133.3%
Total Non-Operating Appropriations	466,550	17,500	-	-	-	-	484,050	270,090	213,960 79.2%
TOTAL APPROPRIATIONS	5,361,550	98,450	-	-	-	-	5,460,000	4,524,724	935,276 20.7%
ACCUMULATED DEFICIT							-	-	#DIV/0!
TOTAL APPROPRIATIONS & ACCUMULATED DEFICIT	5,361,550	98,450	-	-	-	-	5,460,000	4,524,724	935,276 20.7%
UNRESTRICTED NET POSITION UTILIZED									
Municipality/County Appropriation							-	-	#DIV/0!
Other	150,000						150,000	-	150,000 #DIV/0!
Total Unrestricted Net Position Utilized	150,000	-	-	-	-	-	150,000	-	150,000 #DIV/0!
TOTAL NET APPROPRIATIONS	\$ 5,211,550	\$ 98,450	\$ -	\$ -	\$ -	\$ -	\$ 5,310,000	\$ 4,524,724	\$ 785,276 17.4%

* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 244,750.00 \$4,047.48 \$ - \$ - \$ - \$ - \$ 248,797.48

5 Year Debt Service Schedule - Principal

Pequannock River Basin Regional Sewerage Authority

	Current Year (2015)	Fiscal Year Beginning in							Total Principal Outstanding
		2016	2017	2018	2019	2020	2021	Thereafter	
Operation #1									
Series N	\$ 1,035,000	\$ 650,000	\$ 170,000	\$ 175,000	\$ 185,000	\$ 190,000	\$ 200,000	\$ -	\$ 1,570,000
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	1,035,000	650,000	170,000	175,000	185,000	190,000	200,000	-	1,570,000
Operation #2									
Series 2015A-1(Fund)	65,634	65,634	65,634	65,634	65,634	65,634	65,634	787,616	1,181,420
Series 2015A-1(Trust)	15,000	15,000	15,000	15,000	15,000	15,000	20,000	280,000	375,000
Rounding		316							316
Debt Issuance #4									-
Total Principal	80,634	80,950	80,634	80,634	80,634	80,634	85,634	1,067,616	1,556,736
Operation #3									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
Operation #4									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
Operation #5									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
Operation #6									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
TOTAL PRINCIPAL ALL OPERATIONS	\$ 1,115,634	\$ 730,950	\$ 250,634	\$ 255,634	\$ 265,634	\$ 270,634	\$ 285,634	\$ 1,067,616	\$ 3,126,736

Indicate the Authority's most recent bond rating and the year of the rating by ratings service.

	Moody's	Fitch	Standard & Poors
Bond Rating	A1		
Year of Last Rating	2012		

5 Year Debt Service Schedule - Interest

Pequannock River Basin Regional Sewerage Authority

	Fiscal Year Beginning in								Total Interest Payments Outstanding
	Current Year (2015)	2016	2017	2018	2019	2020	2021	Thereafter	
Operation #1									
Series N	\$ 71,825	\$ 46,550	\$ 33,400	\$ 26,500	\$ 19,300	\$ 11,800	\$ 4,000	\$ -	\$ 141,550
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	71,825	46,550	33,400	26,500	19,300	11,800	4,000	-	141,550
Operation #2									
Series 2015A-1 (Fund)	-	-	-	-	-	-	-	-	-
Series 2015A-1 (Trust)	17,500	16,750	16,000	15,250	14,500	13,750	13,000	79,200	168,450
Rounding		750							750
Debt Issuance #4									-
Total Interest Payments	17,500	17,500	16,000	15,250	14,500	13,750	13,000	79,200	169,200
Operation #3									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
Operation #4									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
Operation #5									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
Operation #6									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
TOTAL INTEREST ALL OPERATIONS	\$ 89,325	\$ 64,050	\$ 49,400	\$ 41,750	\$ 33,800	\$ 25,550	\$ 17,000	\$ 79,200	\$ 310,750

2016 Net Position Reconciliation

Pequannock River Basin Regional Sewerage Authority

For the Period

November 1, 2016

to

October 31, 2017

Proposed Budget

	Operation #1	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations
TOTAL NET POSITION BEGINNING OF CURRENT YEAR (1)	\$ 11,243,087						\$ 11,243,087
Less: Invested in Capital Assets, Net of Related Debt (1)	2,704,223						2,704,223
Less: Restricted for Debt Service Reserve (1)	948,750						948,750
Less: Other Restricted Net Position (1)	1,583,753						1,583,753
Total Unrestricted Net Position (1)	6,006,361	-	-	-	-	-	6,006,361
Less: Designated for Non-Operating Improvements & Repairs							-
Less: Designated for Rate Stabilization							-
Less: Other Designated by Resolution	4,628,953						4,628,953
Plus: Accrued Unfunded Pension Liability (1)							-
Plus: Accrued Unfunded Other Post-Employment Benefit Liability (1)							-
Plus: Estimated Income (Loss) on Current Year Operations (2)	205,540						205,540
Plus: Other Adjustments (attach schedule)							-
UNRESTRICTED NET POSITION AVAILABLE FOR USE IN PROPOSED BUDGET	1,582,948	-	-	-	-	-	1,582,948
Unrestricted Net Position Utilized to Balance Proposed Budget	150,000	-	-	-	-	-	150,000
Unrestricted Net Position Utilized in Proposed Capital Budget	-	-	-	-	-	-	-
Appropriation to Municipality/County (3)	-	-	-	-	-	-	-
Total Unrestricted Net Position Utilized in Proposed Budget	150,000	-	-	-	-	-	150,000
PROJECTED UNRESTRICTED UNDESIGNATED NET POSITION AT END OF YEAR (4)	\$ 1,432,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,432,948

(1) Total of all operations for this line item must agree to audited financial statements.

(2) Include budgeted and unbudgeted use of unrestricted net position in the current year's operations.

(3) Amount may not exceed 5% of total operating appropriations. See calculation below.

Maximum Allowable Appropriation to Municipality/County \$ 244,750 \$ 4,047 \$ - \$ - \$ - \$ - \$ 248,797

(4) If Authority is projecting a deficit for any operation at the end of the budget period, the Authority must attach a statement explaining its plan to reduce the deficit, including the timeline for elimination of the deficit, if not already detailed in the budget narrative section.

2016 (PRBRSA FY 2017) Proposed Capital Budget

Pequannock River Basin Regional Sewerage Authority

For the Period November 1, 2016 to October 31, 2017

	Estimated Total Cost	Funding Sources				
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants	Other Sources
Operation #1						
Boonton Avenue Interceptor Project	\$ 700,000			\$ 700,000		
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	700,000	-	-	700,000	-	-
Operation #2						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #3						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #4						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #5						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #6						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
TOTAL PROPOSED CAPITAL BUDGET	\$ 700,000	\$ -	\$ -	\$ 700,000	\$ -	\$ -

Enter brief description of up to four projects for each operation above. For operations with more than four budgeted projects, please attach additional schedules. Input total amount of all projects for the operation on single line and enter "See Attached Schedule" instead of project description.

5 Year Capital Improvement Plan

Pequannock River Basin Regional Sewerage Authority

For the Period November 1, 2016 to October 31, 2017

	Estimated Total Cost	Fiscal Year Beginning in				
		Current Year Proposed Budget	2017	2018	2019	2020
Operation #1						
Boonton Avenue Interceptor Pr	\$ 1,100,000	\$ 700,000	\$ 400,000			
Project B Description	-	-				
Project C Description	-	-				
Project D Description	-	-				
Total	1,100,000	700,000	400,000	-	-	-
Operation #2						
Project A Description	-	-				
Project B Description	-	-				
Project C Description	-	-				
Project D Description	-	-				
Total	-	-	-	-	-	-
Operation #3						
Project A Description	-	-				
Project B Description	-	-				
Project C Description	-	-				
Project D Description	-	-				
Total	-	-	-	-	-	-
Operation #4						
Project A Description	-	-				
Project B Description	-	-				
Project C Description	-	-				
Project D Description	-	-				
Total	-	-	-	-	-	-
Operation #5						
Project A Description	-	-				
Project B Description	-	-				
Project C Description	-	-				
Project D Description	-	-				
Total	-	-	-	-	-	-
Operation #6						
Project A Description	-	-				
Project B Description	-	-				
Project C Description	-	-				
Project D Description	-	-				
Total	-	-	-	-	-	-
TOTAL	\$ 1,100,000	\$ 700,000	\$ 400,000	\$ -	\$ -	\$ -

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

5 Year Capital Improvement Plan Funding Sources

Pequannock River Basin Regional Sewerage Authority

For the Period November 1, 2016 to October 31, 2017

	Estimated Total Cost	Funding Sources				
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants	Other Sources
Operation #1						
Boonton Avenue Interceptor Pr	\$ 1,100,000			\$ 1,100,000		
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	1,100,000	-	-	1,100,000	-	-
Operation #2						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #3						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #4						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #5						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
Operation #6						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
TOTAL	<u>\$ 1,100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,100,000</u>	<u>\$ -</u>	<u>\$ -</u>
Total 5 Year Plan per CB-4	<u>\$ 1,100,000</u>					
Balance check	-	If amount is other than zero, verify that projects listed above match projects listed on CB-4.				

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

**2016 (PRBRSA FY 2017) AUTHORITY BUDGET
MESSAGE & ANALYSIS**
Pequannock River Basin Regional Sewerage Authority
(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM: November 1, 2016 TO: October 31, 2017

ATTACHMENT A TO PAGE N-1

1. The Authority's FY 2017 budget proposes a \$290,000 reduction, a 5.2% decrease in Appropriations and Revenues. It also includes a \$0 or 0.0% increase in Annual Charges to the towns.

Attached is a FY 2017 Budget Summary dated October 19, 2016 (Option B) outlining the changes from the prior year budget to that for FY 2017. (ATTACHMENT B)

The Authority assesses Annual Charges to the four municipalities in accordance with the terms of the service contracts.

A budget hearing will be convened at the October 19, 2016 meeting on adoption of the FY 2017 budget to present the service contract charges to the towns.

2. As indicated under (1) above, the proposed Annual Charge increase to the municipalities is \$0 or 0.0% for the year. That change is largely driven by the service contract payments due to the Pequannock, Lincoln Park & Fairfield Sewerage Authority (aka, the Two Bridges Sewerage Authority) for conveyance and treatment services.

As indicated on Page F-1, two line items changed in excess of 10%. Non-Operating Revenues are reduced by \$290,000, from \$300,000 in PRBRSA FY 2016 to \$10,000 in PRBRSA FY 2017. That change results from a service contract payment obligation (i.e., the TBSA Debt Service Credit) reduction due from the Pequannock Lincoln Park & Fairfield Sewerage Authority to PRBRSA, a reduction in Revenues from \$256,588 in the prior year to \$0 in the upcoming budget year for a total reduction of \$256,588.

Also on Page F-1, under Appropriations, is a decrease in "Total Principal Payments on Debt Service in Lieu of Depreciation" from \$730,950 to \$1,115,634, a \$384,684 or 34.5% overall decrease. This reduction is due to a decrease in overall debt service payable.

In addition, on Page F-1, under Appropriations, is an increase in "Total Other Non-Operating Appropriations" from \$180,765 to \$420,000, a \$239,235 or 132.3% overall increase. That reflects an increase in the contribution to the Authority's Capital Reserve Fund from \$150,000 in the current year to \$390,000 in the upcoming year, a \$240,000 increase.

3. The local and regional economies have largely recovered from the recession. For the four municipalities served by the Authority, the Boroughs of Bloomingdale, Butler, Kinnelon and Riverdale, no extraordinary financial stress has been reported.
4. Unrestricted Net Position funds of \$150,000 have been proposed for the Authority's FY 2017 Annual Budget.
5. No funds have been included for transfer to the County of Morris nor to the Boroughs of Bloomingdale, Butler, Kinnelon and Riverdale as a part of the Authority's FY 2016 Annual Budget.
6. The Authority's proposed FY 2016 budget does not reflect an anticipated deficit from FY 2016 (PRBRSA FY 2017).
7. The service charges to be assessed to each of the municipalities are summarized on the attached FY 2017 Annual Budget Summary dated August 17, 2016 (Option B). The Authority does not assess connection fees for the new connectors to the system.
8. Attached is a copy of the Authority's most recent filing with the Electric Municipal Marketplace Access (EMMA) website to satisfy the Authority's continuing disclosure obligations for outstanding debt issuances. (ATTACHMENT C)