

Revenues	2010		2011		2012		2013		2014	
	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale
Projected Fund Balance	\$ -	\$ 2,000,000	\$ -	\$ 2,156,595	\$ -	\$ 3,062,462	\$ -	\$ 3,312,038	\$ -	\$ 2,846,014
Water Fees (City)	\$ 40,694,513	\$ 16,600,000	\$ 41,927,349	\$ 17,098,000	\$ 43,197,169	\$ 17,610,940	\$ 44,505,084	\$ 18,139,268	\$ 45,852,237	\$ 18,683,446
Water Fees Aqua Contract	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Water Fees NJAW	\$ -	\$ 9,600,000	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000
NJAW Debt Service Contribution	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000
Misc. Revenue (interest income, etc.)	\$ 150,000	\$ 200,000	\$ 150,000	\$ 200,000	\$ 150,000	\$ 200,000	\$ 150,000	\$ 200,000	\$ 150,000	\$ 200,000
Total Revenues	\$ 41,244,513	\$ 31,000,000	\$ 42,477,349	\$ 33,054,595	\$ 43,747,169	\$ 34,473,402	\$ 45,055,084	\$ 35,251,306	\$ 46,402,237	\$ 35,329,460

APPROPRIATIONS	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale
Salaries and Wages	\$ 7,920,213	\$ 7,656,405	\$ 8,197,420	\$ 7,916,723	\$ 8,484,330	\$ 8,185,892	\$ 8,781,282	\$ 8,464,213	\$ 9,088,627	\$ 8,751,996
Health, Pension, SSI, etc.	\$ 5,077,153	\$ 5,047,000	\$ 5,331,011	\$ 5,198,410	\$ 5,597,562	\$ 5,354,362	\$ 5,877,440	\$ 5,568,536	\$ 6,171,312	\$ 5,791,277
Operating Expenses	\$ 12,308,669	\$ 7,900,000	\$ 12,677,929	\$ 8,137,000	\$ 13,058,267	\$ 8,381,110	\$ 13,450,015	\$ 8,632,543	\$ 13,853,515	\$ 8,891,519
Surplus to current fund (without sale)	\$ 3,000,000	\$ 300,000	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
Debt Service	\$ 12,101,758	\$ 8,240,000	\$ 12,922,040	\$ 8,740,000	\$ 13,422,040	\$ 9,240,000	\$ 13,922,040	\$ 9,740,000	\$ 14,422,040	\$ 10,240,000
Total Appropriations	\$ 40,407,793	\$ 29,143,405	\$ 42,128,400	\$ 29,992,133	\$ 43,562,199	\$ 31,161,364	\$ 45,030,777	\$ 32,405,292	\$ 46,535,494	\$ 33,674,792
Surplus/Deficit	\$ 836,720	\$ 1,856,595	\$ 348,949	\$ 3,062,462	\$ 184,970	\$ 3,312,038	\$ 24,307	\$ 2,846,014	\$ (133,257)	\$ 1,654,668
Est. Fund balance (without sale)	\$ 2,575,629		\$ 2,924,578		\$ 3,109,548		\$ 3,133,855		\$ 3,000,598	

	Percentage increases year over year							
Salaries and Wages	3.38%	3.29%	3.38%	3.29%	3.38%	3.29%	3.38%	3.29%
Health, Pension, SSI, etc.	4.76%	2.91%	4.76%	2.91%	4.76%	3.85%	4.76%	3.85%
Operating Expenses	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%
	Debt Service Increases year over year							
	\$ 820,282	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

Salaries and wages - Why would or is the percentage increase in this different? Table below shows percentage increases the same. Insert different percentage in green cells.

Health, Pension, SSI, etc. - Why would or is the percentage increase in this different?

Why does debt service increase more for without sale than for with sale?

Why is there more miscellaneous revenue without sale than with sale? Some of that comes from shut off fees and there would be more fees without the sale.

Revenues	2010		2011		2012		2013		2014	
	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale
Projected Fund Balance	\$ -	\$ 2,000,000	\$ -	\$ 1,377,455	\$ -	\$ 1,141,397	\$ -	\$ 567,014	\$ -	\$ 168,572
Water Fees (City)	\$ 40,694,513	\$ 15,870,860	\$ 41,927,349	\$ 17,098,000	\$ 43,197,169	\$ 17,610,940	\$ 44,505,084	\$ 18,139,268	\$ 45,852,237	\$ 18,683,446
Water Fees Aqua Contract	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Water Fees NJAW	\$ -	\$ 9,600,000	\$ -	\$ 9,888,000	\$ -	\$ 10,184,640	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000
NJAW Debt Service Contribution	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000
Misc. Revenue (interest income, etc.)	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Total Revenues	\$ 41,244,513	\$ 30,220,860	\$ 42,477,349	\$ 31,113,455	\$ 43,747,169	\$ 31,686,977	\$ 45,055,084	\$ 32,456,282	\$ 46,402,237	\$ 32,602,018
			0.0294	0.0718	0.0294	0.0291	0.0294	0.0291	0.0294	0.0291

APPROPRIATIONS	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale
Salaries and Wages	\$ 7,920,213	\$ 7,656,405	\$ 8,180,788	\$ 7,908,301	\$ 8,449,936	\$ 8,168,484	\$ 8,727,939	\$ 8,437,227	\$ 9,015,088	\$ 8,714,812
Health, Pension, SSI, etc.	\$ 5,077,153	\$ 5,047,000	\$ 5,224,898	\$ 5,193,868	\$ 5,376,943	\$ 5,345,009	\$ 5,533,412	\$ 5,500,549	\$ 5,694,434	\$ 5,660,615
Operating Expenses	\$ 12,308,669	\$ 7,900,000	\$ 12,666,851	\$ 8,129,890	\$ 13,035,457	\$ 8,366,470	\$ 13,414,788	\$ 8,609,934	\$ 13,805,159	\$ 8,860,483
Surplus to current fund (without sale)	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
Debt Service	\$ 12,101,758	\$ 8,240,000	\$ 12,601,758	\$ 8,740,000	\$ 13,422,040	\$ 9,240,000	\$ 13,922,040	\$ 9,740,000	\$ 14,422,040	\$ 10,240,000
Total Appropriations	\$ 40,407,793	\$ 28,843,405	\$ 41,674,295	\$ 29,972,058	\$ 43,284,375	\$ 31,119,963	\$ 44,598,179	\$ 32,287,710	\$ 45,936,721	\$ 33,475,910
Surplus/Deficit	\$ 836,720	\$ 1,377,455	\$ 803,054	\$ 1,141,397	\$ 462,794	\$ 567,014	\$ 456,905	\$ 168,572	\$ 465,516	\$ (873,892)

Est. Fund balance (without sale) \$ 2,575,629 \$ 3,378,683 \$ 3,841,476 \$ 4,298,381 \$ 4,763,898

Look at projected Water Fees 16,600,000 represents
41%

of total revenue. That percentage may be at least a couple of percentage points higher than actual percentage of revenue.

Decreasing the water fees to 39% percent of the total revenue cuts the projected surplus in half.

Need to see how the 4.4 million dollar reduction in operating expenses is achieved. If it includes the eliminatin of the 27 vacancies, that should be shown in the slaries and wages line.

If estimated reduction in operating expenses is one million dollars less, with sale will show a 3.8 million dollar deficit in 2014.

Enter 8,900,000 in place of 7,900,000 and you will see that there will be a deficit in 2012.

Combining a decrease in the reduction of operating expenses with a decrease in water fees produces a 4.5 million dollar deficit in 2014 and a 75,000 dollar deficit in 2011.

The projection incluces a \$300,000 transfer of surplus to current fund in 2010. That should probably be zero. The revised table shows it at zero.

The projection overstates the increase in the water fees from NJAW. It is limited by contract to the CPI. Using 3%, which actually may be less, shows a deficit in 2014.

Using 2% as the CPI causes a greater deficit to appear.

Worst case scenarios, that is including all of the foregoing and rather reasonable adjustments, results in a significant deficit that starts to appear in 2011.

The table below includes a CPI of 2%, a revenue increase of 1% and operating expenses of \$8,900,000. The results speak for themselves.

Revenues	2010		2011		2,012		2013		2014	
	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale
Projected Fund Balance	\$ -	\$ 2,000,000	\$ -	\$ 377,455	\$ -	\$ (983,703)	\$ -	\$ (2,813,933)	\$ -	\$ (4,302,240)
Water Fees (City)	\$ 40,694,513	\$ 15,870,860	\$ 41,927,349	\$ 17,098,000	\$ 43,197,169	\$ 17,610,940	\$ 44,505,084	\$ 18,139,268	\$ 45,852,237	\$ 18,683,446
Water Fees Aqua Contract	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Water Fees NJAW	\$ -	\$ 9,600,000	\$ -	\$ 9,792,000	\$ -	\$ 9,987,840	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000
NJAW Debt Service Contirbution	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000
Misc. Revenue (interest income, etc.)	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Total Revenues	\$ 41,244,513	\$ 30,220,860	\$ 42,477,349	\$ 30,017,455	\$ 43,747,169	\$ 29,365,077	\$ 45,055,084	\$ 29,075,335	\$ 46,402,237	\$ 28,131,206
			0.0294	0.0718	0.0294	0.0291	0.0294	0.0291	0.0294	0.0291
APPROPRIATIONS	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale	Without Sale	With Sale
Salaries and Wages	\$ 7,920,213	\$ 7,656,405	\$ 8,180,788	\$ 7,908,301	\$ 8,449,936	\$ 8,168,484	\$ 8,727,939	\$ 8,437,227	\$ 9,015,088	\$ 8,714,812
Health, Pension, SSI, etc.	\$ 5,077,153	\$ 5,047,000	\$ 5,224,898	\$ 5,193,868	\$ 5,376,943	\$ 5,345,009	\$ 5,533,412	\$ 5,500,549	\$ 5,694,434	\$ 5,660,615
Operating Expenses	\$ 12,308,669	\$ 8,900,000	\$ 12,666,851	\$ 9,158,990	\$ 13,035,457	\$ 9,425,517	\$ 13,414,788	\$ 9,699,799	\$ 13,805,159	\$ 9,982,063
Surplus to current fund (without sale)	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
Debt Service	\$ 12,101,758	\$ 8,240,000	\$ 12,601,758	\$ 8,740,000	\$ 13,422,040	\$ 9,240,000	\$ 13,922,040	\$ 9,740,000	\$ 14,422,040	\$ 10,240,000
Total Appropriations	\$ 40,407,793	\$ 29,843,405	\$ 41,674,295	\$ 31,001,158	\$ 43,284,375	\$ 32,179,010	\$ 44,598,179	\$ 33,377,575	\$ 45,936,721	\$ 34,597,490
Surplus/Deficit	\$ 836,720	\$ 377,455	\$ 803,054	\$ (983,703)	\$ 462,794	\$ (2,813,933)	\$ 456,905	\$ (4,302,240)	\$ 465,516	\$ (6,466,284)
Est. Fund balance (without sale)	\$ 2,575,629		\$ 3,378,683		\$ 3,841,476		\$ 4,298,381		\$ 4,763,898	

The 40% rate increase should have produced a significant increase in surplus.

The data available does not provide how much surplus is being produced and how much of the existing FY2008 surplus was transferred to the City's general fund.