

SKYLINE UTILITY SERVICES INC.

14 October 2015

Waste Water Treatment Plant 2016 Operating Plan



LIVE *the* SKYLIFE



Contracted Costs	2013	2014	2015 Estimate	2016 Budget
Management Fee (for AWS Project Management)	\$64,320	\$65,700	\$66,660	\$68,082
Reporting Fee (for AWS Monthly and Yearly Reports)	\$11,209	\$11,601	\$11,801	\$12,343
Standby Fee (for AWS 24 h/365 day Staff Availability)	\$19,344	\$19,344	\$19,344	\$20,054
Attendance Fee (for AWS Certified Plant Operator)	\$118,370	\$124,197	\$121,658	\$131,386
Mileage Expense (for AWS Back-Up Operator)	\$6,940	\$9,944	\$7,084	\$6,120
Total	\$220,183	\$230,786	\$226,547	\$237,985

Controllable Costs	2013	2014	2015 Estimate	2016 Budget
Overtime (for Unforeseen/Uncontrollable Circumstances)	\$53,444	\$90,867	\$58,619	\$16,042
Sludge Removal/Hauling	\$63,508	\$67,271	\$77,609	\$122,520
Other (Vehicle/Phone/Internet/Chemical/ Garbage Disposal/Laboratory)	\$31,479	\$37,298	\$37,032	\$36,340
Contingency (for Overtime in Excess of Budget Amount)	-	-	\$62,871	\$23,659
Admin Fee on Additional Services	\$14,248	\$15,685	\$17,322	\$23,454
Total	\$162,679	\$211,121	\$253,453	\$222,015
<u>GRAND TOTAL</u>	<u>\$382,862</u>	<u>\$441,907</u>	<u>\$480,000</u>	<u>\$460,000</u>

Skyline Utility Services Budget for 2016

	2015 Estimate	2016 Budget	Variance 2016 vs 2015
Miscellaneous Supplies	\$30,000	\$6,000	-\$24,000
American Water Operation/Management Agreement	\$480,000	\$460,000	-\$20,000
Bank Fees	\$300	\$420	\$120
Audit/Legal	\$1,200	\$1,200	\$0
Hydro	\$45,360	\$42,000	-\$3,360
Wages (Skyline Director of Engineering monitoring AWS Operator)	\$7,200	\$7,800	\$600
Property Taxes	\$6,427	\$7,700	\$1,273
Insurance	\$22,500	\$22,500	\$0
Management Fee (Skyline as per Municipal Capital Facility Agreement)	\$60,000	\$60,000	\$0
Total	\$652,987	\$607,620	-\$45,367
HST	\$84,888	\$78,991	-\$5,897
<u>GRAND TOTAL</u>	<u>\$737,875</u>	<u>\$686,611</u>	<u>-\$51,264</u>

Budget Assumptions

- Sludge Trucking Disposal at Innisfil increased from \$75.00 per 1000 gallons to \$180.00 per 1000 gallons. Now disposing to Orillia.
- Overtime reduced from a high of \$90,867 in 2014 to a budgeted amount of \$16,042 for 2016.
- New units to include 67 Copeland House plus 40 Horseshoe Valley Lands in addition to the 598 current.
- 107 new units are not subject to payment of the immediately recovered maintenance and repairs due to lump sum payment at time of building permit application.

Cost Control Strategies

- A performance audit has been ordered for the plant.
- The use of overtime will be strictly monitored.
- American Water understands their contract will be strictly monitored until its termination in July 2018.

Recovery of Operating Shortfall – 2 Years

- This new charge is to recapture over a 2-Year Period Deficits incurred in 2014 and 2015 in a total amount of \$168,561
- The Annual Operating Cost Item under By-law 2014-012 raised a total amount of \$540,849 (incl. HST) for 2015 while the 2015 Budget Estimate is \$737,875 (incl. HST)
- Deficit August – December 2014: \$48,095; Deficit January – June 2015: \$60,233; and, Estimated Deficit June – December 2015: \$60,233

Skyline Utility Services 2016 Proposed Sewage Rates

	By-Law 2014-012		Proposed By-Law		
	598 Units Total with HST	Per Unit Cost	705 Units Total with HST	598 Units Per Unit Cost	New 107 Units
Annual Operating Costs	\$540,849	\$904.43	\$686,611	\$973.92	\$973.92
Recovery of Immediately Required Maintenance and Repairs – 4 Years	\$159,367	\$266.50	\$159,367	\$266.50	-
Recovery of Operating Shortfall – 2 Years	-	-	\$95,237	\$135.09	\$135.09
Reserve Fund Contribution	\$67,800	\$113.38	\$79,933	\$113.38	\$113.38
Township Administration	\$25,000	\$41.81	\$25,000	\$35.46	\$35.46
Total Annual Charges	\$793,015	\$1,326.11	\$1,046,147	\$1,524.34	\$1,257.84
Total Quarterly Charges	\$198,254	\$331.53	\$261,537	\$381.08	\$314.46