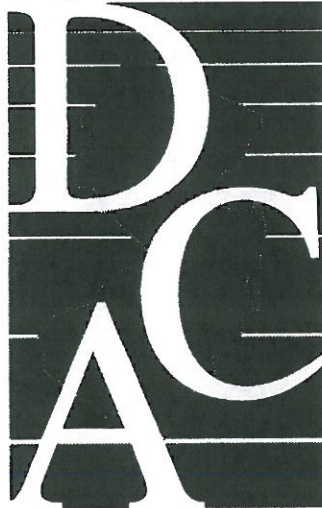


2012

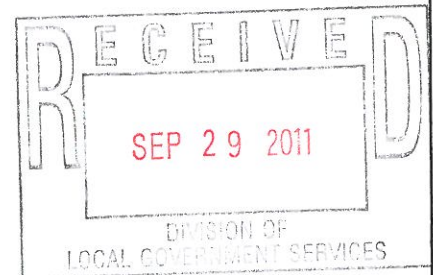
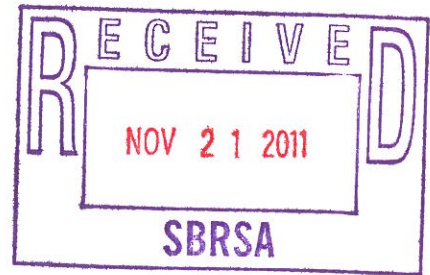
Stony Brook Regional Sewerage
Authority

Authority Budget

Department Of



Community
Affairs



Division of Local Government Services

2012

Stony Brook Regional Sewerage Authority

(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

For Division Use Only

CERTIFICATION OF APPROVED BUDGET

It is hereby certified that the approved Budget made a part hereof complies with the requirements of law and the rules and regulations of the Local Finance Board, and approval is given pursuant to N.J.S. 40A:5A-11.

*State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services*

By:  Date: 11/27/11

CERTIFICATION OF ADOPTED BUDGET

It is hereby certified that the adopted Budget made a part hereof has been compared with the approved Budget previously certified by the Division, and any amendments made thereto. This adopted Budget is certified with respect to such amendments and comparisons only.

*State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services*

By: _____ Date: _____

2012 PREPARER'S CERTIFICATION

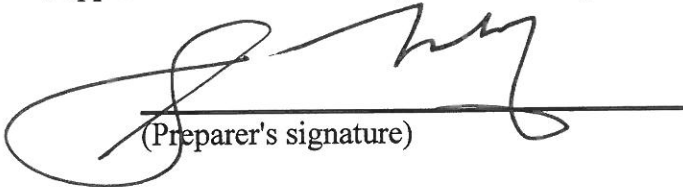
Stony Brook Regional Sewerage Authority
(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

It is hereby certified that the Authority Budget, including both the Annual Budget and the Capital Budget/Program annexed hereto, represents the members of the governing body's resolve with respect to statute in that; all estimates of revenue are reasonable, accurate and correctly stated, all items of appropriation are properly set forth and in itemization, form and content, the budget will permit the exercise of the comptroller function within the Authority.

It is further certified that all proposed budgeted amounts and totals are correct. Also, I hereby provide reasonable assurance that all assertions contained herein are accurate and all Supplemental Schedules required are completed and attached.


(Preparer's signature)

Stuart Neuhof
(Print Name)

CFO
(Title)

290 River Road
(Address)

Princeton, NJ 08620
(City, State, Zip Code)

609 924-8881 / 204 / 924 2857
(Phone number) (ext) (Fax number)

Sneuhof@SBRSA.org
(Email Address)

2012 APPROVAL CERTIFICATION

Stony Brook Regional Sewerage Authority
(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

It is hereby certified that the Authority Budget, including Supplemental Schedules appended hereto, are a true copy of the Annual Budget and Capital Budget/Program approved by resolution by the governing body of the Stony Brook Regional Sewerage Authority, at an open public meeting held pursuant to N.J.A.C. 5:31-2.3, on the 26th day of September, 2011.

It is further certified that the recorded vote appearing in the resolution represents a not less than a majority of the full membership of the governing body thereof.



(Secretary's signature)

John Kantorek

(Print Name)

Executive Director

(Title)

290 River Road

(Address)

Princeton, NJ 08620

(City, State, Zip Code)

609 924-8881 / 204 / 924 2857

(Phone number) (ext) (Fax number)

JKantorek@SBRSA.org

(Email Address)

AUTHORITY INFORMATION SHEET

2012

Please complete the following information regarding this Authority:

Name of Authority:	Stony Brook Regional Sewerage Authority		
Address:	290 River Road		
City, State, Zip:	Princeton	NJ	08540
Phone: (ext.)	609 924-8881 x204	Fax:	924-2857

Preparer's Name:	Stuart Neuhof		
Preparer's Address:	Same		
City, State, Zip:	Same		
Phone: (ext.)	609 924-8881 x204	Fax:	924-2857

Chief Executive Officer:	John Kantorek		
Phone: (ext.)	609 924-8881 x205	Fax:	924-2857
E-mail:	Jkantorek@SBRSA.org		

Chief Financial Officer:	Stuart Neuhof		
Phone: (ext.)	609 924-8881 x204	Fax:	924-2857
E-mail:	Sneuhof@SBRSA.org		

Name of Auditor:	Eugene Farrell		
Name of Firm:	Hutchins, Farrell, Meyer & Allison, P.A.		
Address:	912 Highway 33 Suite 2		
City, State, Zip:	Freehold	NJ	07728
Phone: (ext.)	732 409-0800	Fax:	732-866-9312
E-mail:	HFMA@optonline.net		

Membership of Board of Commissioners (Full Name)	Title
Robert A. Bartolini	Chair
Gale D. Downey	Vice Chair
James McKinnon	Member
David Miller	Treasurer
C. Schuyler Morehouse	Member
Bharat Patel	Member
Harry Compton	Member

2012 AUTHORITY BUDGET RESOLUTION
STONY BROOK REGIONAL SEWERAGE AUTHORITY

FISCAL YEAR PERIOD DECEMBER 1, 2011 to NOVEMBER 30, 2012
Resolution # 2011-30

WHEREAS, the Annual Budget and Capital Budget for the STONY BROOK REGIONAL SEWERAGE AUTHORITY for the fiscal year period beginning DECEMBER 1, 2011 and ending NOVEMBER 30, 2012 has been presented before the governing body of the STONY BROOK REGIONAL SEWERAGE AUTHORITY at its open public meeting of September 26, 2011; and

WHEREAS, the Annual Budget as presented reflects Total Revenues of \$14,716,115, Total Appropriations, (including any Accumulated Deficit if any) of \$14,874,558 and Total Unrestricted Net Assets utilized of \$158,443; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$9,121,600 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$600,000; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all or as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED by the governing body of the STONY BROOK REGIONAL SEWERAGE AUTHORITY at a public meeting held on September 26, 2011 that the Annual Budget and Capital Budget of the STONY BROOK REGIONAL SEWERAGE AUTHORITY for the fiscal year period beginning DECEMBER 1, 2011 and ending NOVEMBER 30, 2012 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the STONY BROOK REGIONAL SEWERAGE AUTHORITY will consider the Annual Budget and Capital Budget/Program for adoption on NOVEMBER 14, 2011.



John Kantorek, P.E., Secretary
September 26, 2011

MOVED: Patel
SECONDED: Downey
ADOPTED: September 26, 2011

<u>RECORDED VOTE:</u>	Recorded Vote		<u>ABSTAIN</u>	<u>ABSENT</u>
	<u>AYE</u>	<u>NO</u>		
Robert A. Bartolini	X			
Gale D. Downey	X			
Harry Compton	X			
David Miller				X
C. Schuyler Morehouse	X			
Bharat Patel	X			
James McKinnon				X

BUDGET MESSAGE 2012
Stony Brook Regional Sewerage Authority

AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

1. Complete a brief statement on the 2012 proposed Annual Budget and make comparison to the current year's adopted budget. Explain significant increases or decreases, if any.

See Attached

2. Complete a brief statement on the impact the proposed Annual Budget will have on Anticipated Revenues, especially service charges and on the general purpose/component unit financial statements. Explain significant increases or decreases, if any.

See Attached

3. Describe the state of the local/regional economy and how it may impact the proposed Annual Budget, including the planned Capital Budget/Program.

The State of the local economy has fared better than most parts of the State during this economic downturn that began in late 2007. We see continued strong demand for wastewater treatment.

4. Describe the reasons for utilizing Unrestricted Net Assets in the proposed Annual Budget, i.e. rate stabilization, debt service reduction, to balance the budget, etc.

Amount needed to balance the 2012 budget without a Participant rate increase.

5. If the proposed Annual Budget contains an Accumulated Deficit either existing or anticipated, pursuant to N.J.S.A 40A:5A-12, then an explanation as to reasons for occurrence must be disclosed.

SBRSA MEMORANDUM

TO: Robert A. Bartolini, Chairman
Gale D. Downey, Vice Chairman
David Miller, Treasurer
Harry Compton
James McKinnon
C. Schuyler Morehouse
Bharat Patel

FROM: Stuart Neuhof, Chief Financial Officer

DATE: September 7, 2011

Re: 2012 Proposed Budget

Summary:

The total 2012 budget request is for \$14,874,558 which is an increase of \$153,443 or 1.0% greater than the 2011 budget. The two year budget decrease from 2010 to 2012 totals \$448,592 or 2.9%. The Participants' charge of \$12,136,115 will remain the same for 2012.

The largest cost increase in the 2012 budget is for debt service which will increase by \$307,980. The majority of this increase is due to the \$12.1 million Headworks Project which was funded through the NJ Environmental Infrastructure Trust. The interest rates through the Trust are close to half of prevailing market rates and will save the Authority and its Participants approximately \$2.5 million over 20 years on the DEP portion of the loan. In addition the Authority saved \$2.5 million plus associated interest charges from the receipt of principal forgiveness funds.

Salary and benefits in total are anticipated to increase by 1.7%. Pension expense will increase 13.3% in 2012. We are estimating a 10% increase for The State Health Benefits Plan effective January 1, 2011. Effective May 21, 2010 as required by State mandate employees began contributing 1.5% of base salary toward the cost of their health coverage. The recently enacted legislation that mandates increased employee health insurance contributions will be phased in over the next four years. The old 1.5% employee contribution on base salary will continue until the new contributions are higher. The higher employee contribution will occur for most employees in the second year of the four year phase-in.

The Authority continues to see a significant savings in natural gas costs due to favorable pricing and the reduction in quantity consumed due to the RTO installation. Natural gas costs were significantly reduced in the current budget due to commodity costs at multiple year lows and the start-up of our RTO project in August of 2009. Since start up, the RTO has reduced incinerator gas consumption by 52%. Commodity gas has been purchased through July of 2014 at very favorable rates.

Electricity generation rates will remain unchanged for the first half of 2012 until our 24 month fixed price contract ends. The Authorities Aggregation group will again request bids prior to the expiration of this contract. We are expecting a 1.7% increase in electricity costs.

Chemical costs are anticipated to decrease 4.4% mainly due to decreases in quantity which should more than off-set price increases.

Outside revenues including liquid and cake sludge, graywater, special waste and Princeton Farms are anticipated to be the same amount as the current 2011 budget.

Our Goal is to have no increases to the Participants through 2013. Please refer to 10 year budget projections on pages 20 and 21.

Attached please find the budget narrative, and detailed schedules used in preparing the 2011 budget.

Expenditures

1. **Salaries:**

2012 Request = \$ 3,559,947 a decrease of 0.4%
2011 Budget = \$ 3,572,718
2011 Projected = \$ 3,451,463

Overall salaries are projected to decrease by 0.4% compared to the 2011 budget and increase 3.1% compared to projected expenditures. The union is slated to receive an increase of 2.0% in 2012, the final year of their contract. Overtime costs have decreased and are again reflected in the 2012 Budget.

The number of authorized positions remains at 46.

2. **Benefits:**

2012 Request = \$1,469,301 an increase of 6.9%
2011 Budget = \$1,373,177
2011 Projected = \$1,374,314

Health benefits and other benefits are projected to increase by 6.9% compared to the 2011 budget and 7.0% over projected expenditures. The anticipated increase for health benefits is 10.0% effective January 1, 2012. Recent legislation will significantly increase employee contributions over a four year phase-in period. For employers covered by a union contract the new higher contributions will take effect upon expiration of the contract.

For 2012 our employer pension contribution will increase 13.3% compared to the 2011 budget and 1.1% compared to the actual expense for 2011. The actual pension figure was not known at the time the 2011 budget was approved. For 2012 the pension figure has already been provided by the pension system.

The Social Security and Medicare percentage is expected to remain at 7.65% but the contribution threshold will likely increase. The new threshold is unknown at this time. For budgeting purposes we assumed the threshold would increase to \$110,000.

3. Administrative Expenses:

2012 Request = \$ 847,453 **an increase of 40.0%**
2011 Budget = \$ 605,405
2011 Projected = \$ 599,248

Administrative expenses are projected to increase 40.0% compared to the 2011 budget and increase 41.4% compared to projected expenditures. Our largest expense increase is for The Incinerator stack tests required by our air permits every five years. The projected cost for these tests is \$230,000.

4. Professional Services

2012 Request = \$ 337,765 **an increase of 10.1%**
2011 Budget = \$ 306,672
2011 Projected = \$ 364,830

Professional service expenses are projected to increase by 10.1% compared to the 2011 budget and decrease 7.4% compared to projected expenditures.

NEIT loan fees have increased due to the 2010 Trust financing. Environmental consulting fees have increased in 2011 due to not replacing our Regulatory Officer. Other staff has picked up many of the responsibilities of the Regulatory Officer which should reduce the amount we pay for outside consultants in 2012 compared to 2011 projected expenditures.

5. Operating:

2012 Request = \$ 5,297,073 **an increase of 1.7%**
2011 Budget = \$ 5,208,104
2011 Projected = \$ 5,163,158

The Operating budget is projected to decrease 1.7% compared to the 2011 budget and increase 2.6% compared to projected expenditures.

Electricity, natural gas and chemicals comprise approximately 66% of the Operating Budget.

Electricity accounts for 37% of the Operating budget. Electricity is anticipated to increase 1.7%. The Authorities aggregation group's bid in November 2009 resulted in a Two year fixed supply price of \$.0851 per KWh hour which will expire in May 2012. The Group will likely bid this contract in late 2011 or early 2012.

Natural gas accounts for approximately 17% of the Operations budget. Our current gas contract expires on July 31, 2012. The Authority has another contract which extends our gas purchases to July 31, 2014. These contracts are on a fixed up-charge/variable commodity charge basis. Commodity prices are trading near multiple year lows. We have purchased all of our gas needs through July 2014. The commodity portion of the gas bill will decrease by 6.5%. In addition we have further decreased the quantity of natural gas consumed. The decreases in price and quantity should result in an estimated savings of \$137,000 compared to the 2011 budget.

The Incinerator RTO (Regenerative Thermal Oxidizer Project) was completed in August 2009. Data since inception through June 2011 indicates that we are saving approximately 52% in the quantity of gas consumed. The reduction in quantity and lower commodity costs are saving the Authority over one million dollars per year.

Chemical costs are anticipated to decrease 4.4% mainly due to decreases in quantities which should more than off-set price increases.

6. Capital Requests

Please refer to capital budget section.

Again SBRSA plans to add \$600,000 to the capital plan for several small capital projects. This amount will be funded from unrestricted retained earnings.

Items less than \$25,000 will be funded from the operating budget.

See capital section of the budget for a complete listing of projects.

7. Debt Service:

2012 Request = \$ 3,363,019 **An increase of 10.1%**
2011 Budget = \$ 3,055,039
2011 Projected = \$ 3,049,788

Debt service is budgeted at \$3,363,019, which is 10.1% greater than the current budget. Debt service will increase \$307,980 in fiscal 2012. This increase is largely due to the Headworks Project financing.

Outside Sludge Revenues:

In total, 2012 outside sludge revenues are anticipated to be the same as the 2011 Budget.

1. Sludge Cake:

26,000 yards @ average price of \$53/yard = \$1,378,000

2. Liquid Sludge:

16,000,000 gallons @ average price of \$52/1000 = 832,000

3. Special Waste is projected using this year's anticipated amount to cover the cost of the Pretreatment Program.

= 75,000

4. Septage/Gray Water:

Gray Water = 1,093,000 @ \$32.00/1000 = 35,000

Septage = 0 @ \$62.00/1000 = 0

Total Septage/Gray Water = 35,000

5. Princeton Farms Agreement

= 180,000

Total Anticipated Revenue = \$2,500,000

Interest income is budgeted at \$40,000, which is \$10,000 less than the current budget. Interest rates continued to decrease after we adopted the 2011 budget in November of 2011. Interest rates are expected to be about the same in 2012.

Other revenue is budgeted at \$40,000 and largely represents the Joint Insurance Fund dividend that we have received for the past several years. There is no indication at this time whether the JIF will increase or decrease this dividend.

The participants charge will remain the same for 2012.

2012

AUTHORITY BUDGET

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2011 TO November 30, 2012

---ANTICIPATED REVENUES---

<u>OPERATING REVENUES</u>	<u>CROSS REF.</u>	<u>2012 PROPOSED BUDGET</u>	<u>2011 CURRENT YEAR'S ADOPTED BUDGET</u>
SERVICE CHARGES	* A-1 *	\$12,136,115 *	\$12,136,115 *
CONNECTION FEES	* A-2 *		
PARKING FEES	* A-3 *		
OTHER OPERATING REVENUES	* A-4 *	\$2,500,000 *	\$2,500,000 *
TOTAL OPERATING REVENUES	* R-1 *	\$14,636,115 *	\$14,636,115 *
<u>NON-OPERATING REVENUES</u>	<u>CROSS REF.</u>	<u>2012 PROPOSED BUDGET</u>	<u>2011 CURRENT YEAR'S ADOPTED BUDGET</u>
OPERATING GRANTS & ENTITLEMENTS	* A-5 *		
LOCAL SUBSIDIES & DONATIONS	* A-6 *		
INTEREST ON INVESTMENTS AND DEPOSIT*	* A-7 *	\$40,000 *	\$50,000 *
OTHER NON-OPERATING REVENUES	* A-8 *	\$40,000 *	\$35,000 *
TOTAL NON-OPERATING REVENUES	* R-2 *	\$80,000 *	\$85,000 *
TOTAL ANTICIPATED REVENUES (R-1 + R-2)	* B-1 *	\$14,716,115 *	\$14,721,115 *

2012

AUTHORITY BUDGET

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2011 TO November 30, 2012

---BUDGETED APPROPRIATIONS---

--OPERATING APPROPRIATIONS--

<u>ADMINISTRATION</u>	<u>CROSS REF.</u>	<u>2012 PROPOSED BUDGET</u>	<u>2011 CURRENT YEAR'S ADOPTED BUDGET</u>
SALARY & WAGES	* *	\$463,727 *	\$458,284 *
FRINGE BENEFITS	* *	\$191,394 *	\$175,981 *
OTHER EXPENSES	* *	\$736,646 *	\$699,913 *
TOTAL ADMINISTRATION	* E-1 *	<u>\$1,391,767 *</u>	<u>\$1,334,178 *</u>

<u>COST OF PROVIDING SERVICES</u>	<u>CROSS REF.</u>	<u>2012 PROPOSED BUDGET</u>	<u>2011 CURRENT YEAR'S ADOPTED BUDGET</u>
SALARY & WAGES	* *	\$3,096,222 *	\$3,114,434 *
FRINGE BENEFITS	* *	\$1,277,907 *	\$1,197,196 *
OTHER EXPENSES	* *	\$5,745,642 *	\$5,420,268 *
TOTAL COST OF PROVIDING SERVICES	* E-2 *	<u>\$10,119,771 *</u>	<u>\$9,731,898 *</u>
TOTAL PRINCIPAL PAYMENTS ON DEBT SERVICE IN LIEU OF DEPRECIATION	* D-1 *	<u>\$2,431,872 *</u>	<u>\$2,161,034 *</u>
TOTAL OPERATING APPROPRIATIONS (E-1 + E-2 + D-1)	* B-2 *	<u>\$13,943,410 *</u>	<u>\$13,227,110 *</u>

2012

AUTHORITY BUDGET

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2011 TO November 30, 2012

---BUDGETED APPROPRIATIONS---

--NON-OPERATING APPROPRIATIONS--

	<u>CROSS</u>		<u>2012</u>		<u>2011</u>		
	<u>REF.</u>		<u>PROPOSED</u>		<u>CURRENT YEAR'S</u>		
			<u>BUDGET</u>		<u>ADOPTED</u>		
					<u>BUDGET</u>		
TOTAL INTEREST PAYMENTS ON DEBT	*	D-2	*	\$931,148	*	\$894,005	*
OPERATIONS & MAINTENANCE RESERVE	*		*		*		*
RENEWAL & REPLACEMENT RESERVE(S)	*	C-1	*		*		*
MUNICIPALITY/COUNTY APPROPRIATION	*		*		*		*
OTHER RESERVES	*	C-2	*		*	\$600,000	*
TOTAL NON-OPERATING APPROPRIATIONS	*	B-3	*	\$931,148	*	\$1,494,005	*
ACCUMULATED DEFICIT	*	B-4	*		*		*
TOTAL OPERATING & NON-OPERATING APPROPRIATIONS & ACCUMULATED DEFICIT (B-2 + B-3 + B-4)	*	B-5	*	\$14,874,558	*	\$14,721,115	*
UNRESTRICTED NET ASSETS UTILIZED:							
MUNICIPALITY/COUNTY APPROPRIATION	*	R-3a	*		*		*
OTHER	*	R-3b	*	\$158,443	*		*
LESS: TOTAL UNRESTRICTED NET ASSETS UTILIZED (R-3a + R-3b)	*	R-3	*	\$158,443	*		*
NET TOTAL APPROPRIATIONS (B-5 - R-3)	*	B-6	*	\$14,716,115	*	\$14,721,115	*

2012 ADOPTION CERTIFICATION

Stony Brook Regional Sewerage Authority

(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

It is hereby certified that the Authority Budget and Capital Budget/Program annexed hereto is a true copy of the Budget adopted by the governing body of the Stony Brook Regional Sewerage Authority, pursuant to N.J.A.C. 5:31-2.3, on the 14th day of, November, 2011.

(Secretary's signature)

John Kantorek

(Print Name)

Executive Director

(Title)

290 River Road

(Address)

Princeton, NJ 08620

(City, State, Zip Code)

609 924-8881 / 204 / 924 2857

(Phone number) (ext) (Fax number)

JKantorek@SBRSA.org

(Email Address)

2012 ADOPTED BUDGET RESOLUTION

STONY BROOK REGIONAL SEWERAGE AUTHORITY
FISCAL YEAR PERIOD DECEMBER 1, 2011 TO NOVEMBER 30, 2012

Resolution No. 2012-
November 14, 2011

WHEREAS, the Annual Budget and Capital Budget/Program for the STONY BROOK REGIONAL SEWERAGE Authority for the fiscal year period beginning December 1, 2011 and ending November 30, 2012 has been presented for adoption before the governing body at its meeting of November 14, 2011 ; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects total Revenues of \$14,716,115, Total Appropriations, including any Accumulated Deficit, if any of \$14,874,558 and Total Unrestricted Net Assets utilized of \$158,443 ;and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$9,121,600 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$600,000; and

NOW, THEREFORE BE IT RESOLVED by the governing body of the STONY BROOK REGIONAL SEWERAGE Authority at a open public meeting held on November 14, 2011 that the Annual Budget and Capital Budget/Program of the STONY BROOK REGIONAL SEWERAGE Authority for the fiscal year period beginning December 1, 2011 and ending November 30, 2012 is hereby approved; and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriations in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

John Kantorek, P.E., Secretary
November 14, 2011

Recorded Vote

<u>RECORDED VOTE:</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Robert A. Bartolini				
Gale D. Downey				
Harry Compton				
David Miller				
C. Schuyler Morehouse				
Bharat Patel				
James McKinnon				

2012

Stony Brook Regional Sewerage Authority
(Name)

AUTHORITY
CAPITAL
BUDGET/
PROGRAM

**2012 CERTIFICATION of AUTHORITY CAPITAL
BUDGET/PROGRAM**


Stony Brook Regional Sewerage Authority
(Name)

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

[X] It is hereby certified that the Authority Capital Budget/Program annexed hereto is a true copy of the Capital Budget/Program approved, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget, by the governing body of the Stony Brook Regional Sewerage Authority, on the 26th day of September, 2011.

OR

[] It is further certified that the governing body of the _____ Authority have elected **NOT** to adopt a Capital Budget /Program for the aforesaid fiscal year, pursuant to N.J.A.C. 5:31-2.2 for the following reason(s): _____



(Secretary's signature)

John Kantorek

(Print Name)

Executive Director

(Title)

290 River Road

(Address)

Princeton, NJ 08620

(City, State, Zip Code)

609 924-8881 / 204 / 924 2857

(Phone number) (ext) (Fax number)

JKantorek@SBRSA.org

(Email Address)

2012 Capital Budget/Program Message

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

1. Has each municipality or county affected by the actions of the authority participated in the development of the capital plan and reviewed or approved the plans or projects included within the Capital Budget/Program?

Comments are received during September from Finance Officers and other municipal officials are welcome to comment prior to adoption.

2. Has each capital project/project financing been developed from a specific capital improvements plan or report; does it include full lifecycle costs, and is it consistent with appropriate elements of Master Plans or other plans in the jurisdictions served by the authority?

Most capital projects are based on reports or studies. Many of the capital projects are developed based on operational needs and regulatory requirements. Capital, O&M costs and in most cases O&M cost savings are developed for each project.

3. Has a long-term (10-20 years) infrastructure needs assessment or other capital plan with a horizon beyond six years been prepared?

NO

4. Describe the projected impacts of the proposed capital projects, including impact on the schedule of rates, fees, and service charges and the impact on current and future year's schedules.

We anticipate Participant charges will decrease through 2013. After 2013 we anticipate increases to be 2.6% in 2014 and then average 4.1% per year thereafter.

5. Please indicate which capital projects/project financings are being undertaken in the Metropolitan or Suburban Planning Areas as defined in the State Development and Redevelopment Plan.

All projects.

6. Please indicate which capital projects/project financings are being undertaken within the boundary of a State Planning Commission-designated Center and/or Endorsed Plan and if the project was included in the Plan Implementation Agenda for that Center/Endorsed Plan?

All projects, however to our knowledge the projects have not been included in the Plan Implementation Agenda.

Add additional sheets if necessary.

		2012		Sewerage Authority (OPERATION)	
AUTHORITY CAPITAL BUDGET					
Stony Brook Regional Sewerage Authority					
FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012					
PROPOSED YEAR'S CAPITAL IMPROVEMENT PLAN:					
----- FUNDING SOURCES -----					
PROJECTS	ESTIMATED TOTAL COST	UNRESTRICTED NET ASSETS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTHORIZATION	OTHER SOURCES
A	Small Capital Projects	\$600,000			
B	River Road STP Headworks-balance	\$8,521,600		\$8,521,600	
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
TOTAL		\$9,121,600	\$600,000	\$8,521,600	

2012

AUTHORITY CAPITAL PROGRAM

Stony Brook Regional Sewerage Authority

Sewerage Authority
(OPERATION)

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

5 YEAR CAPITAL IMPROVEMENT PLAN COSTS:

PROJECTS	ESTIMATED TOTAL COST	2012	2013	2014	2015	2016
A Small Capital Projects	\$3,000,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
B River Road STP Headworks-balance	\$10,021,600	\$8,521,600	\$1,500,000			
C Pennington STP Phos / Expansion and River Road Phos.	\$14,200,000		\$500,000	\$4,600,000	\$4,600,000	\$4,500,000
D Hopewell STP Phos. Removal	\$3,500,000		\$500,000		\$1,500,000	\$1,500,000
E High Solids Schwing Pumps(2)	\$1,200,000			\$1,200,000		
F R.R. Emergency Gen	\$3,000,000			\$3,000,000		
G Schwing Pumps (5 pumps)	\$2,500,000			\$2,500,000		
H						
I						
J						
K						
L						
M						
N						
TOTAL	\$37,421,600	\$9,121,600	\$3,100,000	\$11,900,000	\$6,700,000	\$6,600,000

2012

AUTHORITY CAPITAL PROGRAM

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2011 TO November 30, 2012

5 YEAR CAPITAL PLAN FUNDING SOURCES: From 2012 to 2016

	<u>PROJECTS</u>	<u>ESTIMATED TOTAL COST</u>	<u>FUNDING SOURCES</u>				
			<u>UNRESTRICTED NET ASSETS</u>	<u>RENEWAL & REPLACEMENT RESERVE</u>	<u>DEBT Current</u>	<u>AUTHORIZATION Future</u>	<u>OTHER SOURCES</u>
A	Small Capital Projects	\$3,000,000	\$3,000,000				
B	River Road STP Headworks-balance	\$10,021,600			\$10,021,600		
C	Pennington STP Phos / Expansion and River Road Phos.	\$14,200,000			\$4,410,000	\$9,790,000	
D	Hopewell STP Phos. Removal	\$3,500,000			\$500,000	\$3,000,000	
E	High Solids Schwing Pumps(2)	\$1,200,000				\$1,200,000	
F	R.R. Emergency Gen	\$3,000,000				\$3,000,000	
G	Schwing Pumps (5 pumps)	\$2,500,000				\$2,500,000	
H							
I							
J							
K							
L							
M							
N							
	TOTAL	<u>\$37,421,600</u>	<u>\$3,000,000</u>		<u>\$14,931,600</u>	<u>\$19,490,000</u>	

2012
Stony Brook Regional
Sewerage Authority
(Name)

AUTHORITY

SUPPLEMENTAL SCHEDULES

STATE OF NEW JERSEY

DIVISION OF LOCAL GOVERNMENT SERVICES

2012

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2011 TO November 30, 2012

==== OPERATING REVENUES ====

---SERVICE CHARGES---	CROSS REF.	# UNITS	2012 PROPOSED ANNUAL COLLECTION	# UNITS	2011 CURRENT YEAR'S ADOPTED BUDGET
RESIDENTIAL	*	*		*	*
BUSINESS/COMMERCIAL	*	*		*	*
INDUSTRIAL	*	*		*	*
INTERGOVERNMENTAL	*	*		*	*
OTHER	*	*	\$12,136,115	*	\$12,136,115
TOTAL SERVICE CHARGES	* A-1	*	\$12,136,115	*	\$12,136,115

---CONNECTION FEES---	CROSS REF.	# UNITS	2012 PROPOSED ANNUAL COLLECTION	# UNITS	2011 CURRENT YEAR'S ADOPTED BUDGET
RESIDENTIAL	*	*		*	*
BUSINESS/COMMERCIAL	*	*		*	*
INDUSTRIAL	*	*		*	*
INTERGOVERNMENTAL	*	*		*	*
OTHER	*	*		*	*
TOTAL CONNECTION FEES	* A-2	*		*	*

* INCLUDE ALL APPLICABLE RATE SCHEDULES TO SUPPORT SUCH FEES

2012

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

==== OPERATING REVENUES ====

----PARKING FEES----	<u>CROSS REF.</u>	<u># UNITS</u>	<u>2012 PROPOSED ANNUAL COLLECTION</u>	<u># UNITS</u>	<u>2011 CURRENT YEAR'S ADOPTED BUDGET</u>
METERS	*	*		*	*
PERMITS	*	*		*	*
FINES/PENALTIES	*	*		*	*
OTHER	*	*		*	*
TOTAL PARKING FEES	*	A-3	-----	*	-----
			=====		=====

---OTHER OPERATING REVENUES---

	<u>CROSS REF.</u>		<u>2012 PROPOSED ANNUAL COLLECTION</u>		<u>2011 CURRENT YEAR'S ADOPTED BUDGET</u>
LIST IN DETAIL:					
Liquid Sludge	*	*	\$832,000	*	\$832,000
Cake Sludge	*	*	\$1,378,000	*	\$1,378,000
Special Waste	*	*	\$75,000	*	\$75,000
Septage	*	*	\$35,000	*	\$35,000
Princeton Farms	*	*	\$180,000	*	\$180,000
TOTAL OTHER REVENUES	*	A-4	----- \$2,500,000	*	----- \$2,500,000
			=====		=====

* INCLUDE ALL APPLICABLE RATE SCHEDULES TO SUPPORT SUCH FEES

2012

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

==== NON-OPERATING REVENUES ====

----GRANTS &---- ----ENTITLEMENTS----	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:	* *	*	*
	* *	*	*
	* *	*	*
	* *	*	*
TOTAL GRANTS & ENT.	* A-5 *	----- =====	----- =====

---LOCAL SUBSIDIES--- ---& DONATIONS---	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:	* *	*	*
	* *	*	*
	* *	*	*
	* *	*	*
TOTAL SUB. & DONATIONS	* A-6 *	----- =====	----- =====

2012

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2011 TO November 30, 2012

==== NON-OPERATING REVENUES ====

---INTEREST ON INVESTMENTS--- ---AND DEPOSITS---	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
INVESTMENTS	* *	\$40,000 *	\$50,000 *
SECURITY DEPOSITS	* *		
PENALTIES	* *		
OTHER INVESTMENTS	* *		
TOTAL INTEREST ON INVESTMENTS & DEPOSITS	* A-7 *	----- \$40,000 * =====	----- \$50,000 * =====
---OTHER NON-OPERATING REVENUES---	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:			
Insurance Dividend	* *	\$30,000 *	\$30,000 *
Misc.	* *	\$10,000 *	\$5,000 *
	* *		
	* *		
	* *		
TOTAL OTHER REVENUES	* A-8 *	----- \$40,000 * =====	----- \$35,000 * =====

2012

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

===== NON-OPERATING APPROPRIATIONS =====

---RENEWAL &--- ---REPLACEMENT RESERVE(S)---	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET

LIST IN DETAIL:			
	* * *	*	*
	* * *	*	*
	* * *	*	*
	* * *	*	*
	-----	-----	-----
TOTAL RENEWAL & REPLACEMENT RESERVE(S)	* C-1 *	* =====	* =====
---OTHER RESERVES---			
	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
	-----	-----	-----
LIST IN DETAIL:			
Reserved for Capital Projects	* * *	*	\$600,000 *
	* * *	*	*
	* * *	*	*
	* * *	*	*
	-----	-----	-----
TOTAL OTHER RESERVES	* C-2 *	* =====	* \$600,000 =====

2012

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2011 TO November 30, 2012

==== BUDGETED DEBT SERVICE REQUIREMENTS ====

---PRINCIPAL PAYMENTS---

	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* P-1 *		
AUTHORITY BONDS	* P-2 *	\$1,745,000	\$1,645,000
CAPITAL LEASES	* P-3 *		
INTERGOVERN. LOANS	* P-4 *	\$686,872	\$516,034
OTHER OBLIGATIONS	* P-5 *		
TOTAL PRINCIPAL PAYMENTS	* D-1 *	\$2,431,872	\$2,161,034

---INTEREST PAYMENTS---

	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* I-1 *		
AUTHORITY BONDS	* I-2 *	\$502,906	\$584,162
CAPITAL LEASES	* I-3 *		
INTERGOVERN. LOANS	* I-4 *	\$428,242	\$309,843
OTHER OBLIGATIONS	* I-5 *		
TOTAL INTEREST PAYMENTS	* D-2 *	\$931,148	\$894,005

2012

Sewerage Authority
(OPERATION)

AUTHORITY BUDGET

SUPPLEMENTAL SCHEDULES

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

5 YEAR DEBT SERVICE SCHEDULE

PRINCIPAL PAYMENTS	YEARS					
	Prior Year 2011	2012	2013	2014	2015	2016
--AUTHORITY NOTES--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-1	*	*	*	*	*	*
--AUTHORITY BONDS--	*	*	*	*	*	*
	\$1,645,000	\$1,745,000	\$565,000	\$590,000	\$620,000	\$640,000
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-2	\$1,645,000	\$1,745,000	\$565,000	\$590,000	\$620,000	\$640,000
--AUTHORITY CAPITAL LEASES--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-3	*	*	*	*	*	*
--AUTHORITY INTERGOVERNMENTAL LOANS--						
2007 NJEIT	\$263,909	\$268,440	\$274,016	\$271,277	\$276,591	\$276,591
2009 NJEIT	\$72,125	*	\$42,125	\$72,125	\$77,125	\$77,125
2010 NJEIT	\$180,000	\$418,432	\$428,432	\$438,432	\$448,432	\$458,432
TOTAL PAYMENTS P-4	\$516,034	\$686,872	\$744,573	\$781,834	\$802,148	\$812,148
--AUTHORITY OBLIGATIONS (LIST)--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-5	*	*	*	*	*	*
TOTAL PRINCIPAL DEBT PAYMENTS SS-6	\$2,161,034	\$2,431,872	\$1,309,573	\$1,371,834	\$1,422,148	\$1,452,148

2012

Sewerage Authority

AUTHORITY BUDGET

(OPERATION)

SUPPLEMENTAL SCHEDULES

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

5 YEAR DEBT SERVICE SCHEDULE

INTEREST PAYMENTS	YEARS					
	Prior Year 2011	2012	2013	2014	2015	2016
--AUTHORITY NOTES--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-1	*	*	*	*	*	*
--AUTHORITY BONDS--	*	*	*	*	*	*
	\$584,162	\$502,906	\$415,496	\$389,226	\$361,750	\$332,866
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-2	\$584,162	\$502,906	\$415,496	\$389,226	\$361,750	\$332,866
--AUTHORITY CAPITAL LEASES--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-3	*	*	*	*	*	*
--AUTHORITY INTERGOVERNMENTAL LOANS--						
2007 NJEIT	\$122,993	\$117,242	\$113,162	\$108,788	\$104,288	\$97,788
2009 NJEIT	\$33,850	*	\$20,751	\$30,850	\$29,100	\$27,350
2010 NJEIT	\$153,000	\$311,000	\$300,750	\$290,000	\$278,750	\$267,000
TOTAL PAYMENTS I-4	\$309,843	\$428,242	\$434,663	\$429,638	\$412,138	\$392,138
--AUTHORITY OBLIGATIONS (LIST)--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-5	*	*	*	*	*	*
TOTAL INTEREST DEBT PAYMENTS SS-6	\$894,005	\$931,148	\$850,159	\$818,864	\$773,888	\$725,004

Stony Brook Regional Sewerage Authority

**Sewerage Authority
(OPERATION)**

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

FISCAL YEAR: FROM December 1, 2010 TO November 30, 2011

(1) PY UNRESTRICTED NET ASSETS PY AUDIT * *

ADJUSTMENTS DURING CURRENT YEAR

(a) EST. NET INCOME OR (LOSS) ON CURRENT YEAR'S RESULTS OF OPERATIONS * *
 (Include unbudgeted use of unrestricted net assets)

(b) ADJUSTMENTS: OTHER (Attach list): * Capital Contribution * *

(2) SUBTOTAL - ADJUSTMENTS (ADD AMOUNTS ON LINES a-b) *

(3) ADD LINES 1 AND 2 *

**CURRENT YEAR ESTIMATED CHANGES IN RESTRICTIONS
(attach documentation)**

	INC./(DEC.)	
(c) DEBT SERVICE reserve	* <input type="text"/>	* <input type="text"/>
(d) MAINTENANCE RESERVE	* <input type="text"/>	* <input type="text"/>
(e) OPERATING REQUIREMENT	* <input type="text"/>	* <input type="text"/>
(f) OTHER LEGAL RESERVATIONS	* <input type="text"/>	* <input type="text"/>

(4) SUB-TOTAL - RESTRICTIONS (ADD AMOUNTS ON LINES c-f) *

DESIGNATIONS (attach documentation)

(g) NON-OPERATING IMPROVEMENTS & REPAIRS (CB-4&5) * *

(h) CONTRIBUTION TO RATE STABILIZATION PLAN (#) *

(i) OTHER BOARD DESIGNATION *

(j) ADJUSTMENTS /OTHER (Attach list): * Renew / Replace. * *

(5) SUBTOTAL - DESIGNATIONS (ADD AMOUNTS ON LINES g-i) *

(6) ADD LINES 4 and 5 *

(7) UNRESTRICTED NET ASSETS AVAILABLE FOR USE IN PROPOSED BUDGET (SUBTRACT LINE 6 FROM LINE 3) *

PROPOSED UTILIZATION OF AVAILABLE UNRESTRICTED NET ASSETS

(8) AS REVENUE IN ANNUAL BUDGET (PAGE 6, LINE R-3b) * *

(9) FOR CURRENT YEAR CAPITAL BUDGET (PAGE CB-3) * *

(10) SUBTOTAL - U/R NET ASSETS UTILIZED (ADD AMOUNTS ON LINES 8-9) *

(11) MAXIMUM ALLOWABLE FOR APPROPRIATION TO MUNICIPALITY/COUNTY (Budget Item B-2 times 5%) N/A
 N/A -We are a regional S.A

(12) AS APPROPRIATED TO MUNICIPALITY/COUNTY (PAGE 6, LINE R-3a) *

(13) TOTAL UNRESTRICTED/UNDESIGNATED NET ASSETS (SUBTRACT LINES 10 AND 12 FROM LINE 7) *

609 924-8881 x 203 / 924-2857
 Phone # (extension) / Fax#

CERTIFIED BY: John Kantolo
 EXECUTIVE DIRECTOR

(#) Explain in detail in the Budget Message

DATE: 9/13/11