

2013

Stony Brook Regional Sewerage Authority

Authority Budget

Department Of



Community
Affairs

Division of Local Government Services

2013

Stony Brook Regional Sewerage Authority

AUTHORITY BUDGET

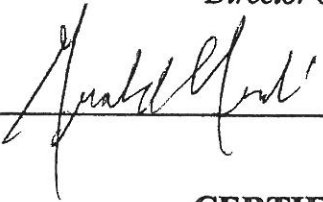
FISCAL YEAR: FROM December 1, 2012 TO November 30, 2013

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: 11/19/12

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: _____

2013 PREPARER'S CERTIFICATION

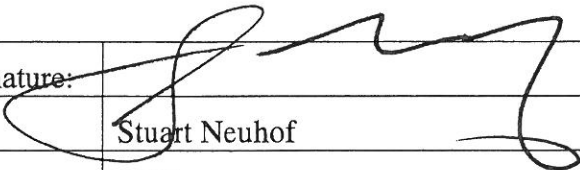
Stony Brook Regional Sewerage Authority

AUTHORITY BUDGET

FISCAL YEAR: FROM: 12/1/2012 TO: 11/30/2013

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:			
Name:	Stuart Neuhof		
Title:	CFO		
Address:	290 River Road, Princeton, NJ 08540		
Phone Number:	609 924-8881	Fax Number:	609 924 2857
E-mail address	sneuhof@SBRSA.org		

2013 APPROVAL CERTIFICATION

Stony Brook Regional Sewerage Authority

AUTHORITY BUDGET

FISCAL YEAR: FROM: 12/1/2012 TO: 11/30/2013

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 24th day of September, 2012.

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:			
Name:	John Kantorek		
Title:	Executive Director		
Address:	290 River Road, Princeton, NJ 08540		
Phone Number:	609 924-8881	Fax Number:	609 924 2857
E-mail address	jkantorek@SBRSA.org		

AUTHORITY INFORMATION SHEET

2013

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:	Bob Hutchins		
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

**2013 AUTHORITY BUDGET RESOLUTION
STONY BROOK REGIONAL SEWERAGE AUTHORITY
FISCAL YEAR PERIOD DECEMBER 1, 2012 to NOVEMBER 30, 2013**

Resolution # 2012-35

WHEREAS, the Annual Budget and Capital Budget for the STONY BROOK REGIONAL SEWERAGE AUTHORITY for the fiscal year period beginning DECEMBER 1, 2012 and ending NOVEMBER 30, 2013 has been presented before the governing body of the STONY BROOK REGIONAL SEWERAGE AUTHORITY at its open public meeting of September 24, 2012; and

WHEREAS, the Annual Budget as presented reflects Total Revenues of \$14,600,848, Total Appropriations, (including any Accumulated Deficit if any) of \$14,600,848 and Total Unrestricted Net Assets utilized of \$0; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$3,100,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$600,000; and

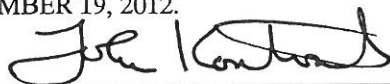
WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for 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 24, 2012 that the Annual Budget and Capital Budget of the STONY BROOK REGIONAL SEWERAGE AUTHORITY for the fiscal year period beginning DECEMBER 1, 2012 and ending NOVEMBER 30, 2013 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 19, 2012.



John Kantorek, P.E., Secretary

September 24, 2012

MOVED: Miller
SECONDED: Downey
ADOPTED: September 24, 2012

<u>RECORDED VOTE:</u>	<u>Recorded Vote</u>		<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 2013
STONY BROOK REGIONAL SEWERAGE AUTHORITY
(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM: 12/1/2012 TO: 11/30/2013

1. Complete a brief statement on the 2013 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 local economy has fared better than most parts of the State. We see continued strong demand for waste-water 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.

N/A

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.

N/A

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 14, 2012

Re: 2013 Proposed Budget

Summary:

The total 2013 budget request is for \$14,600,848 which is a decrease of \$273,710 or 1.8% less than the 2012 budget. The Participants' charge of \$12,124,848 will decrease by \$11,267 or 0.1%.

Salary and benefits in total are anticipated to increase by 2.0%. Pension expense is estimated to increase 10% in 2013. We are estimating a 7% increase for The State Health Benefits Plan effective January 1, 2013. Effective July 1, 2012 phase 2 of the State mandated health insurance payroll deductions took effect. These increased payroll deductions should more than off-set the increase in premiums. The full health insurance payroll deductions are being phased in over a four year period.

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 50.2%. Commodity gas has been purchased through November of 2015 at very favorable rates.

The Authority in its recent bid locked in very favorable electricity generation rates for a two year period beginning June 1, 2012. The generation portion of the bill has decreased 20% and will save the Authority an estimated \$500,000 over a 24 month period. In addition we have been able to expand the bid price from three locations to six locations in the most recent contract. The electricity budget has been decreased by 9.3% for 2013.

Debt service will decrease by 37% or \$1,237,778 due to the final 2012 payments on the 1993B refunding bond issue. Because of this decrease, the Authority requests to include a capital contribution of \$1.1M in the 2013 budget to fund future small capital projects.

Operating costs in total will decrease by 1.2% largely due to savings in natural gas and electricity.

2013 Budget Review, Continued
August 2012

Outside revenues including liquid and cake sludge, graywater, special waste and Princeton Farms are anticipated to be down by 4.2% due to declining receipts for liquid sludge.

We have realized our goal of no service charge increases to our participants for four consecutive years including this proposed budget for 2013. We believe there is a reasonable possibility that there will also be no service charge increase in 2014.

Attached please find the budget narrative, and detailed schedules used in preparing the 2013 budget.

Expenditures

1. Salaries:

2013 Request = \$ 3,636,567 **an increase of 2.2%**
2012 Budget = \$ 3,559,947
2012 Projected = \$ 3,558,777

Overall salaries are projected to increase by 2.2% compared to the 2012 budget and increase 2.2% compared to projected expenditures. 2012 is the final year of our three year union agreement. Negotiations will take place during the fall of this year.

The number of authorized positions remains at 46.

2. Benefits:

2013 Request = \$1,492,393 **an increase of 1.6%**
2012 Budget = \$1,469,301
2012 Projected = \$1,419,795

Health benefits and other benefits are projected to increase by 1.6% compared to the 2012 budget and 5.1% over projected expenditures. The anticipated increase for health benefits is 7.0% effective January 1, 2013. Phase 2 of the State Mandated health insurance deductions took effect on July 1, 2012. Phase 2 of the union employees Health insurance deductions are being deferred until the end of their current contract as mandated by law.

For 2013 our employer pension contributions are anticipated to increase 10% compared to the 2012 budget. The actual pension bill for next year should be available in September or October.

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 be \$110,100.

3. Administrative Expenses:

2013 Request = \$ 706,083 **a decrease of 16.7%**
2012 Budget = \$ 847,453
2012 Projected = \$ 829,400

Administrative expenses are projected to decrease 16.7% compared to the 2012 budget and decrease 14.9% compared to projected expenditures. The large decrease is due to the fact that our next stack test will be in 2016. The amount included in the 2012 budget for stack testing was \$230,000.

4. Professional Services

2013 Request = \$ 334,215 a decrease of 1.1%
2012 Budget = \$ 337,765
2012 Projected = \$ 325,052

Professional service expenses are projected to decrease by 1.1% compared to the 2012 budget and increase 2.8% compared to projected expenditures.

Most fees should remain the same as in 2012.

5. Operating:

2013 Request = \$ 5,206,349 a decrease of 1.7%
2012 Budget = \$ 5,297,073
2012 Projected = \$ 5,381,498

The Operating budget is projected to decrease 1.7% compared to the 2012 budget and decrease 3.3% compared to projected expenditures.

Electricity, natural gas and chemicals comprise approximately 63% of the Operating Budget.

Electricity accounts for 34% of the Operating budget. Electricity is anticipated to decrease 9.3%. The Authorities aggregation group's bid in December 2012 resulted in a 24 month fixed supply price of \$.06823 per KWh which is a 20% decrease compared to the prior generation price of \$.0851 per KWh. The new rate took effect on June 1, 2012.

Natural gas accounts for approximately 15% 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, 2017 .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 2015. The commodity portion of the gas bill will decrease by 10.8%. The decreases in commodity prices should result in an estimated savings of \$91,000 compared to the 2012 budget.

The Incinerator RTO (Regenerative Thermal Oxidizer Project) was completed in August 2009. Data since inception through June 2012 indicates that we are saving 50.2% 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 increase 2.2% mainly due to increases in contract prices.

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:

2013 Request	= \$ 2,125,242	A decrease of 37.6%
2012 Budget	= \$ 3,363,019	
2012 Projected	= \$ 3,405,144	

Debt service is budgeted at \$2,143,557, which is 36.3% less than the current budget. This decrease is due to the 1993B refunding bonds final payment in 2012.

Because of the above debt service savings, the Authority intends to provide a 2013 contribution to retained earnings of \$1,100,000 to fund future small capital projects.

Revenues:

Outside Sludge Revenues:

In total, 2013 outside sludge revenues are anticipated to be 4.2% lower due to lower quantities of liquid sludge. Liquid Sludge quantities are likely to be down by 2M gallons or \$104,000 based on this years deliveries.

1.	Sludge Cake:		
	26,000 yards @ average price of \$53/yard	=	\$1,378,000
2.	Liquid Sludge:		
	14,000,000 gallons @ average price of \$52/1000	=	728,000
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	=	<u>180,000</u>
	Total Anticipated Revenue	=	<u>\$2,396,000</u>

Interest income is budgeted at \$40,000, which is the same amount as the current budget. Interest rates are expected to be about the same in 2013.

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 decrease 0.1% for 2013.

2013

AUTHORITY BUDGET

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

---ANTICIPATED REVENUES---

<u>OPERATING REVENUES</u>	<u>CROSS REF.</u>	<u>2013 PROPOSED BUDGET</u>	<u>2012 CURRENT YEAR'S ADOPTED BUDGET</u>
SERVICE CHARGES	* A-1 *	\$12,124,848 *	\$12,136,115 *
CONNECTION FEES	* A-2 *		
PARKING FEES	* A-3 *		
OTHER OPERATING REVENUES	* A-4 *	\$2,396,000 *	\$2,500,000 *
TOTAL OPERATING REVENUES	* R-1 *	\$14,520,848 *	\$14,636,115 *
<u>NON-OPERATING REVENUES</u>	<u>CROSS REF.</u>	<u>2013 PROPOSED BUDGET</u>	<u>2012 CURRENT YEAR'S ADOPTED BUDGET</u>
OPERATING GRANTS & ENTITLEMENTS	* A-5 *		
LOCAL SUBSIDIES & DONATIONS	* A-6 *		
INTEREST ON INVESTMENTS AND DEPOSITS	* A-7 *	\$40,000 *	\$40,000 *
OTHER NON-OPERATING REVENUES	* A-8 *	\$40,000 *	\$40,000 *
TOTAL NON-OPERATING REVENUES	* R-2 *	\$80,000 *	\$80,000 *
TOTAL ANTICIPATED REVENUES (R-1 + R-2)	* B-1 *	\$14,600,848 *	\$14,716,115 *

2013

AUTHORITY BUDGET

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

---BUDGETED APPROPRIATIONS---

--OPERATING APPROPRIATIONS--

<u>ADMINISTRATION</u>	<u>CROSS REF.</u>	<u>2013 PROPOSED BUDGET</u>	<u>2012 CURRENT YEAR'S ADOPTED BUDGET</u>
SALARY & WAGES	* *	\$474,486 *	\$463,727 *
FRINGE BENEFITS	* *	\$194,682 *	\$191,394 *
OTHER EXPENSES	* *	\$746,702 *	\$736,646 *
TOTAL ADMINISTRATION	* E-1 *	\$1,415,870 *	\$1,391,767 *

<u>COST OF PROVIDING SERVICES</u>	<u>CROSS REF.</u>	<u>2013 PROPOSED BUDGET</u>	<u>2012 CURRENT YEAR'S ADOPTED BUDGET</u>
SALARY & WAGES	* *	\$3,162,081 *	\$3,096,222 *
FRINGE BENEFITS	* *	\$1,297,711 *	\$1,277,907 *
OTHER EXPENSES	* *	\$5,499,944 *	\$5,745,642 *
TOTAL COST OF PROVIDING SERVICES	* E-2 *	\$9,959,736 *	\$10,119,771 *
TOTAL PRINCIPAL PAYMENTS ON DEBT SERVICE IN LIEU OF DEPRECIATION	* D-1 *	\$1,334,573 *	\$2,431,872 *
TOTAL OPERATING APPROPRIATIONS (E-1 + E-2 + D-1)	* B-2 *	\$12,710,179 *	\$13,943,410 *

2013

AUTHORITY BUDGET

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

---BUDGETED APPROPRIATIONS---

--NON-OPERATING APPROPRIATIONS--

				2013 PROPOSED BUDGET	2012 CURRENT YEAR'S ADOPTED BUDGET
	CROSS REF.				
TOTAL INTEREST PAYMENTS ON DEBT	*	D-2	*	\$790,669	\$931,148
OPERATIONS & MAINTENANCE RESERVE	*		*	*	*
RENEWAL & REPLACEMENT RESERVE(S)	*	C-1	*	*	*
MUNICIPALITY/COUNTY APPROPRIATION	*		*	*	*
OTHER RESERVES	*	C-2	*	\$1,100,000	*
TOTAL NON-OPERATING APPROPRIATIONS	*	B-3	*	\$1,890,669	\$931,148
ACCUMULATED DEFICIT	*	B-4	*	*	*
TOTAL OPERATING & NON-OPERATING APPROPRIATIONS & ACCUMULATED DEFICIT (B-2 + B-3 + B-4)	*	B-5	*	\$14,600,848	\$14,874,558
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	*	\$14,600,848	\$14,716,115

2013 ADOPTION CERTIFICATION

STONY BROOK REGIONAL SEWERAGE AUTHORITY

(Name)

AUTHORITY BUDGET

FISCAL YEAR: FROM: 12/1/2012 TO: 11/30/2013

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 ___ day of, _____, _____.

Secretary's Signature:			
Name:	John Kantorek		
Title:	Executive Director		
Address:	290 River Road, Princeton, NJ 08540		
Phone Number:	609 924-8881	Phone Number:	609 924-8881
E-mail address	jkantorek@SBRSA.org		

2013 ADOPTED BUDGET RESOLUTION

STONY BROOK REGIONAL SEWERAGE AUTHORITY

FISCAL YEAR PERIOD DECEMBER 1, 2012 TO NOVEMBER 30, 2013

Resolution No. 2012-43

November 19, 2012

WHEREAS, the Annual Budget and Capital Budget/Program for the STONY BROOK REGIONAL SEWERAGE Authority for the fiscal year period beginning December 1, 2012 and ending November 30, 2013 has been presented for adoption before the governing body at its meeting of November 19, 2012 ; 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 \$14,600,848, Total Appropriations, including any Accumulated Deficit, if any of \$14,600,848 and Total Unrestricted Net Assets utilized of \$0 ; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$3,100,000 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 19, 2012 that the Annual Budget and Capital Budget/Program of the STONY BROOK REGIONAL SEWERAGE Authority for the fiscal year period beginning December 1, 2012 and ending November 30, 2013 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 19, 2012

MOVED: Miller
SECONDED: Downey
ADOPTED: November 19, 2012

<u>RECORDED VOTE:</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</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			

2013

STONY BROOK REGIONAL SEWERAGE AUTHORITY

AUTHORITY
CAPITAL
BUDGET/
PROGRAM

2013 CERTIFICATION of AUTHORITY CAPITAL BUDGET/PROGRAM

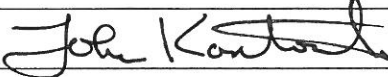
Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM: 12/1/2012 TO: 11/30/2013

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 24th day of September, 2012.

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:			
Name:	John Kantorek		
Title:	Executive Director		
Address:	290 River Road, Princeton, NJ 08540		
Phone Number:	609 924-8881	Phone Number:	609 924-8881
E-mail address	jkantorek@SBRSA.org		

2013 Capital Budget/Program Message Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM: 12/1/2012 TO: 11/30/2013

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 remain the same or decrease through 2014. After 2014 we anticipate increases to be 2.2% in 2015 and then average 2.9% per year through 2022.

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.

		2013		Sewerage Authority (OPERATION)	
AUTHORITY CAPITAL BUDGET					
<u>Stony Brook Regional Sewerage Authority</u>					
FISCAL YEAR: FROM December 1, 2012 TO November 30, 2013					
PROPOSED YEAR'S CAPITAL IMPROVEMENT PLAN:					
PROJECTS	ESTIMATED TOTAL COST	FUNDING SOURCES			
		UNRESTRICTED NET ASSETS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTHORIZATION	OTHER SOURCES
A Small Capital Projects	\$600,000	\$600,000			
B River Road STP Headworks-balance	\$2,500,000			\$2,500,000	
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
TOTAL	\$3,100,000	\$600,000		\$2,500,000	

2013

Sewerage Authority
(OPERATION)

AUTHORITY CAPITAL PROGRAM

Stony Brook Regional Sewerage Authority

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

5 YEAR CAPITAL IMPROVEMENT PLAN COSTS:

PROJECTS	ESTIMATED TOTAL COST	2013	2014	2015	2016	2017
A Small Capital Projects	\$3,000,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
B River Road STP Headworks-balance	\$2,500,000	\$2,500,000				
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 Plant Upgrades	\$3,500,000		\$500,000		\$1,500,000	\$1,500,000
E High Solids Schwing Pumps (7)	\$3,700,000			\$3,700,000		
F R.R. Emergency Generator	\$3,000,000			\$3,000,000		
G						
H						
I						
J						
K						
L						
M						
N						
TOTAL	\$29,900,000	\$3,100,000	\$1,600,000	\$11,900,000	\$6,700,000	\$6,600,000

2013

AUTHORITY CAPITAL PROGRAM

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2012 TO November 30, 2013

5 YEAR CAPITAL PLAN FUNDING SOURCES: From 2012 to 2016

	<u>PROJECTS</u>	<u>ESTIMATED TOTAL COST</u>	<u>UNRESTRICTED NET ASSETS</u>	<u>FUNDING SOURCES</u>		<u>OTHER SOURCES</u>
				<u>RENEWAL & REPLACEMENT RESERVE</u>	<u>DEBT Current</u>	
A	Small Capital Projects	\$3,000,000	\$3,000,000			
B	River Road STP Headworks-balance	\$2,500,000			\$2,500,000	
C	Pennington STP Phos / Expansion	\$14,200,000			\$5,575,000	\$8,625,000
D	Hopewell STP Upgrades & Phos. Removal	\$3,500,000				\$3,500,000
E	High Solids Schwing Pumps (7)	\$3,700,000	\$3,200,000			\$500,000
F	R.R. Emergency Gen	\$3,000,000				\$3,000,000
G						
H						
I						
J						
K						
L						
M						
N						
	TOTAL	<u>\$29,900,000</u>	<u>\$6,200,000</u>		<u>\$8,075,000</u>	<u>\$15,625,000</u>

2013

Stony Brook Regional Sewerage Authority

SUPPLEMENTAL SCHEDULES

STATE OF NEW JERSEY

DIVISION OF LOCAL GOVERNMENT SERVICES

2013

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

==== OPERATING REVENUES ====

----SERVICE CHARGES----	CROSS REF.	# UNITS	2013	# UNITS	2012
			PROPOSED ANNUAL COLLECTION		CURRENT YEAR'S ADOPTED BUDGET
RESIDENTIAL	*	*		*	*
BUSINESS/COMMERCIAL	*	*		*	*
INDUSTRIAL	*	*		*	*
INTERGOVERNMENTAL	*	*		*	*
OTHER	*	*	\$12,124,848	*	\$12,136,115
TOTAL SERVICE CHARGES	* A-1	*	\$12,124,848	*	\$12,136,115

----CONNECTION FEES----	CROSS REF.	# UNITS	2013	# UNITS	2012
			PROPOSED ANNUAL COLLECTION		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

2013

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

==== OPERATING REVENUES ====

----PARKING FEES----	<u>CROSS REF.</u>	<u># UNITS</u>	<u>2013 PROPOSED ANNUAL COLLECTION</u>	<u># UNITS</u>	<u>2012 CURRENT YEAR'S ADOPTED BUDGET</u>
METERS	*	*		*	*
PERMITS	*	*		*	*
FINES/PENALTIES	*	*		*	*
OTHER	*	*		*	*
TOTAL PARKING FEES	*	A-3	-----	*	-----
			=====		=====

---OTHER OPERATING REVENUES---

	<u>CROSS REF.</u>		<u>2013 PROPOSED ANNUAL COLLECTION</u>		<u>2012 CURRENT YEAR'S ADOPTED BUDGET</u>
LIST IN DETAIL:					
Liquid Sludge	*	*	\$728,000	*	\$832,000
Cake Sludge	*	*	\$1,378,000	*	\$1,378,000
Special Waste	*	*	\$75,000	*	\$75,000
Septage / Gray Water	*	*	\$35,000	*	\$35,000
Princeton Farms	*	*	\$180,000	*	\$180,000
TOTAL OTHER REVENUES	*	A-4	----- \$2,396,000	*	----- \$2,500,000
			=====		=====

* INCLUDE ALL APPLICABLE RATE SCHEDULES TO SUPPORT SUCH FEES
PAGE SS-2

2013

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

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

----GRANTS &---- ----ENTITLEMENTS----	CROSS REF.	2013 PROPOSED BUDGET	2012 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:	* * *		*
	* * *		*
	* * *		*
	* * *		*
TOTAL GRANTS & ENT.	* A-5 *	----- *****	----- *****

---LOCAL SUBSIDIES--- ---& DONATIONS---	CROSS REF.	2013 PROPOSED BUDGET	2012 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:	* * *		*
	* * *		*
	* * *		*
	* * *		*
TOTAL SUB. & DONATIONS	* A-6 *	----- *****	----- *****

2013

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

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

---INTEREST ON INVESTMENTS---
---AND DEPOSITS---

	<u>CROSS</u>		<u>2013</u>	<u>2012</u>
	<u>REF.</u>		<u>PROPOSED</u>	<u>CURRENT YEAR'S</u>
			<u>BUDGET</u>	<u>ADOPTED</u>
				<u>BUDGET</u>
INVESTMENTS	*	*	\$40,000 *	\$40,000 *
SECURITY DEPOSITS	*	*	*	*
PENALTIES	*	*	*	*
OTHER INVESTMENTS	*	*	*	*
TOTAL INTEREST ON	*		-----	-----
INVESTMENTS & DEPOSITS	*	A-7 *	\$40,000 *	\$40,000 *
			=====	=====

---OTHER NON-OPERATING REVENUES---

	<u>CROSS</u>		<u>2013</u>	<u>2012</u>
	<u>REF.</u>		<u>PROPOSED</u>	<u>CURRENT YEAR'S</u>
			<u>BUDGET</u>	<u>ADOPTED</u>
				<u>BUDGET</u>
LIST IN DETAIL:				
Insurance Dividend	*	*	\$30,000 *	\$30,000 *
Misc.	*	*	\$10,000 *	\$10,000 *
	*	*	*	*
	*	*	*	*
	*	*	*	*
TOTAL OTHER REVENUES	*	A-8 *	-----	-----
			\$40,000 *	\$40,000 *
			=====	=====

2013

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

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

---RENEWAL &---
---REPLACEMENT RESERVE(S)---

CROSS REF.	2013 PROPOSED BUDGET	2012 CURRENT YEAR'S ADOPTED BUDGET
---------------	----------------------------	---

LIST IN DETAIL:

*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
TOTAL RENEWAL & REPLACEMENT RESERVE(S)		*	*
* C-1	*	*	*

---OTHER RESERVES---

CROSS REF.	2013 PROPOSED BUDGET	2012 CURRENT YEAR'S ADOPTED BUDGET
---------------	----------------------------	---

LIST IN DETAIL:

Reserved for Capital Projects	*	\$1,100,000	*	*
	*		*	*
	*		*	*
	*		*	*
TOTAL OTHER RESERVES	* C-2	\$1,100,000	*	*

2013

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

Sewerage Authority
(OPERATION)

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM _December 1, 2012 TO November 30, 2013

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

---PRINCIPAL PAYMENTS---

	CROSS REF.	2013 PROPOSED BUDGET	2012 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* P-1 *	*	*
AUTHORITY BONDS	* P-2 *	\$590,000 *	\$1,745,000 *
CAPITAL LEASES	* P-3 *	*	*
INTERGOVERN. LOANS	* P-4 *	\$744,573 *	\$686,872 *
OTHER OBLIGATIONS	* P-5 *	*	*
TOTAL PRINCIPAL PAYMENTS	* D-1 *	\$1,334,573 *	\$2,431,872 *

---INTEREST PAYMENTS---

	CROSS REF.	2013 PROPOSED BUDGET	2012 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* I-1 *	*	*
AUTHORITY BONDS	* I-2 *	\$372,180 *	\$502,906 *
CAPITAL LEASES	* I-3 *	*	*
INTERGOVERN. LOANS	* I-4 *	\$418,488 *	\$428,242 *
OTHER OBLIGATIONS	* I-5 *	*	*
TOTAL INTEREST PAYMENTS	* D-2 *	\$790,668 *	\$931,148 *

2013

Sewerage Authority
(OPERATION)

AUTHORITY BUDGET

SUPPLEMENTAL SCHEDULES

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2012 TO November 30, 2013

5 YEAR DEBT SERVICE SCHEDULE

PRINCIPAL PAYMENTS	YEARS					
	Prior Year 2012	2013	2014	2015	2016	2017
--AUTHORITY NOTES--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-1	*	*	*	*	*	*
--AUTHORITY BONDS--						
	* \$1,745,000	* \$590,000	* \$615,000	* \$645,000	* \$665,000	* \$280,000
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-2	* \$1,745,000	* \$590,000	* \$615,000	* \$645,000	* \$665,000	* \$280,000
--AUTHORITY CAPITAL LEASES--						
	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-3	*	*	*	*	*	*
--AUTHORITY INTERGOVERNMENTAL LOANS--						
2007 NJEIT	* \$268,440	* \$274,016	* \$271,277	* \$276,591	* \$288,780	* \$292,529
2009 NJEIT	* \$42,125	* \$42,125	* \$77,125	* \$77,125	* \$77,125	* \$77,125
2010 NJEIT	* \$418,432	* \$428,432	* \$438,432	* \$448,432	* \$458,432	* \$473,432
TOTAL PAYMENTS P-4	* \$686,872	* \$744,573	* \$786,834	* \$802,148	* \$824,337	* \$843,086
--AUTHORITY OBLIGATIONS (LIST)--						
	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS P-5	*	*	*	*	*	*
TOTAL PRINCIPAL DEBT PAYMENTS SS-6	* \$2,431,872	* \$1,334,573	* \$1,401,834	* \$1,447,148	* \$1,489,337	* \$1,123,086

2013

Sewerage Authority

AUTHORITY BUDGET

(OPERATION)

SUPPLEMENTAL SCHEDULES

Stony Brook Regional Sewerage Authority

FISCAL YEAR: FROM December 1, 2012 TO November 30, 2013

INTEREST PAYMENTS	5 YEAR DEBT SERVICE SCHEDULE					
	Prior Year 2012	2013	2014	2015	2016	2017
--AUTHORITY NOTES--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-1	*	*	*	*	*	*
--AUTHORITY BONDS--	*	*	*	*	*	*
	\$502,906	\$372,180	\$345,160	\$316,936	\$287,300	\$263,400
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-2	\$502,906	\$372,180	\$345,160	\$316,936	\$287,300	\$263,400
--AUTHORITY CAPITAL LEASES--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-3	*	*	*	*	*	*
--AUTHORITY INTERGOVERNMENTAL LOANS--	*	*	*	*	*	*
2007 NJEIT	\$117,242	\$113,162	\$108,788	\$104,288	\$97,788	\$90,788
2009 NJEIT	*	\$4,576	\$30,850	\$29,100	\$27,350	\$25,600
2010 NJEIT	\$311,000	\$300,750	\$290,000	\$278,750	\$267,000	\$254,750
TOTAL PAYMENTS I-4	\$428,242	\$418,488	\$429,638	\$412,138	\$392,138	\$371,138
--AUTHORITY OBLIGATIONS (LIST)--	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*
TOTAL PAYMENTS I-5	*	*	*	*	*	*
TOTAL INTEREST						
DEBT PAYMENTS SS-6	\$931,148	\$790,668	\$774,798	\$729,074	\$679,438	\$634,538

Stony Brook Regional Sewerage Authority

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

**Sewerage Authority
(OPERATION)**

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

(1) PY UNRESTRICTED NET ASSETS	PY AUDIT	*		*	\$8,291,960	*
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				*	8,291,960	*
CURRENT YEAR ESTIMATED CHANGES IN RESTRICTIONS						
(attach documentation)						
(c) DEBT SERVICE reserve	due to 2012 ref. bonds	*	INC./(DEC.)	*	(89,335)	*
(d) MAINTENANCE RESERVE		*		*		*
(e) OPERATING REQUIREMENT		*		*		*
(f) OTHER LEGAL RESERVATIONS		*		*		*
(4) SUB-TOTAL - RESTRICTIONS	(ADD AMOUNTS ON LINES c-f)			*	(89,335)	*
DESIGNATIONS (attach documentation)						
(g) NON-OPERATING IMPROVEMENTS & REPAIRS (CB-4&5)		*	5,600,000	*		*
(h) CONTRIBUTION TO RATE STABILIZATION PLAN (#)		*		*		*
(i) OTHER BOARD DESIGNATION		*		*		*
(j) ADJUSTMENTS /OTHER (Attach list):	Renew / Replace.	*	1,000,000	*		*
(5) SUBTOTAL - DESIGNATIONS	(ADD AMOUNTS ON LINES g-i)			*	6,600,000	*
(6) ADD LINES 4 and 5				*	6,510,665	*
(7) UNRESTRICTED NET ASSETS AVAILABLE FOR USE IN PROPOSED BUDGET	(SUBTRACT LINE 6 FROM LINE 3)			*	1,781,295	*
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)		*	600,000	*		*
(10) SUBTOTAL - U/R NET ASSETS UTILIZED	(ADD AMOUNTS ON LINES 8-9)			*	600,000	*
(11) MAXIMUM ALLOWABLE FOR APPROPRIATION TO MUNICIPALITY/COUNTY	(Budget Item B-2 times 5%)		\$635,509		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)			*	\$1,181,295	*

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

CERTIFIED BY: John Kantovich
EXECUTIVE DIRECTOR

DATE: 9/25/12

(#) Explain in detail in the Budget Message