

Ironhouse Sanitary District
Significant Budget Highlights and Assumptions
FY 19/20

Revenue

1. No service charge rate increase, remains at \$658 per EDU.
2. Estimated to start the year with 15,975 EDUs. Year-over-year revenue increase of \$148,050.
3. No budget for inspection and plan check fees since estimate not readily determinable.
4. 150 new connections, down from 200 budgeted in FY 18/19. This results in reduction of revenue of \$368,300.
5. Budget estimates 2.5% increase for capacity fees based on April year over year Construction Cost Index (CCI) for the bay area.
6. Budget for hay sales being increased by \$70,000.

Expenses

Salaries and Related Expenses:

1. Merit/COLA Increase of 3%.
2. Medical premium cap established at 90% of Kaiser family rate or \$1,797.71 which is a decrease from FY 18/19 cap of \$1,824.88. Estimated 8% increase effective January 2020 (4% effective rate increase for FY).
3. CalPERS retirement contribution for Classic employees increasing from 31% to 33.7%. Overall expected increase in retirement cost of \$113,685.
4. Worker's compensation experience mod decreased from 1.44 to 0.89 (38% decrease in mod) resulting in significantly lower premiums. Overall expected reduction in cost of \$55,667.

Operations and Maintenance:

1. Bio-Solids removal budget increase from \$94,000 to \$165,000 due to closure of Jersey Island bridge. Rather than bio-solids being spread on Jersey Island, they will need to be trucked and disposed at Synargo.
2. Jersey Island road repairs estimated at \$50,000. No budget in FY 18/19.

Professional Services:

1. Completion of Connection Rate Studies by NBS and V.W. Housen Associates estimated at \$35,000. No FY 18/19 budget.
2. Programing services budget increased by \$53,000 for SCADA programming for flow analysis.

Other Income:

1. Interest income budget increased from \$220,000 (FY 18/19) to \$275,000.