

**Red Lion Municipal Authority
Budget Meeting Minutes
Wednesday, October 26th, 2016**

Members

Eric Immel, Chairman
Skip Missimer, Vice-Chairman
Michael Poff, Treasurer
Brad Smith, Secretary
Jeff Herrman, Asst. Secretary/Treasurer (arrived @ 6:30p.m.)

Others

Keith Kahwajy, Superintendent
Jeff Beard, Asst. Superintendent
Jason Reichard, Engineer
Stacy Myers, Recording Sec'y

1. The Budget Meeting was called to order @ 6:00p.m. All present participated in the pledge to the flag.
2. **Discussion on the proposed budget for 2017.** Jason, along with Keith & Jeff created the 2017 proposed budget.

Wages/Benefits Review--

- Wages/benefits for each employee—2.75% increase proposed for union employees; 3% increase proposed for non-union employees.
- Life insurance—Municipal Authority office staff (4 employees) asked to be moved up from a “Class 3” to a “Class 2”. This would be an increase in life insurance benefits from \$10,000 to \$25,000 (approx. \$6.18/month per employee).
- Health insurance—now is based on age of employee and their dependents
- Overtime hours were estimated to be included in the budget; estimated from previous years for each employee
- Workers Compensation rates are—\$.29 for Keith, Jeff and Municipal office staff; \$3.16 for filter plant employees, and \$5.01 for the road crew.
- 457B Retirement Plan is offered to employees; it is a contributing plan. Calculations were given to the Board should the Authority contribute 1% into plan for each employee that contributes a minimum of 3%. Currently 6 out of 16 employees participate in the retirement plant and the Board would like to offer this as an incentive for employees.

Proposed Water Budget Review—Notable Revenue items:

- Projected revenue per the 3rd quarter results look good. Projected year-end revenue is 3.9million. There was a 13.6% increase from 2015 to 2016.
- Metered sales show the biggest difference in revenue; the 2017 budget numbers are indeed the 2016 projection.
- Of note, the FEMA payment received for the dredging project (was put into the Construction Fund).

Notable Expense items:

- Legal expenses were up in 2016—hopefully will decrease somewhat in 2017
- Electric expenses were up but the payback from Met-Ed carries out over 18 months
- Pension—state funded in the past; \$60,000 has been worked into the 2017 budget (for water and sewer)
- Meter purchases for replacing meters in the system—necessary to budget more money for this.
- Construction Reserve account—are increasing our contribution into this account
- Proposed budget is currently set up for 0% increase in water rates. Projected net revenue for 2017 is \$98,316. Funds have already been allocated toward construction projects. A summary of rate increases were reviewed; more discussion on this before budget adoption.

Proposed Sewer Budget Review—Notable Revenue items:

- Based on year-to-date numbers, projected year-end revenue is \$1,088,000, with a possible \$30,000 increase to this number by year-end.

Notable Expense items:

- Expenses have been holding steady throughout 2016. Budgeted \$1,018,000 for 2016 expenses; projected expenses for year-end is \$992,000.
- Meter purchase—a portion of the replacement water meters are paid from sewer, so this expense is up.
- Proposing an expense budget for 2017 of \$1,040,000
- Net revenue shows a surplus of \$66,643 (2016 sewer budget was approved with a net revenue of approx. \$56,000). Staff is comfortable with no increase in sewer rates for 2017, but more discussion may be held regarding this.

Mr. Missimer and the rest of the Board thanked Jason & Keith for putting together the budget spreadsheet that was easy to understand and very thorough. They also thanked Keith & Jeff for working hard throughout the year to keep expenses down.

3. **Of note, the next regular Municipal Authority** meeting will be held Tuesday, November 15th, 2016 @ 7:00 p.m.
4. **Adjournment**—Authority adjourned the Budget Meeting @ 6:54p.m.

Respectfully submitted by:

Stacy Myers, Recording Secretary