

## ***Public Works Department***

### ***Department Mission***

The Public Works Department Enterprise Funds' mission it is to provide the citizens of the Town with an environmentally sound, efficient and cost effective means of obtaining drinking water and disposal of solid waste and waste water.

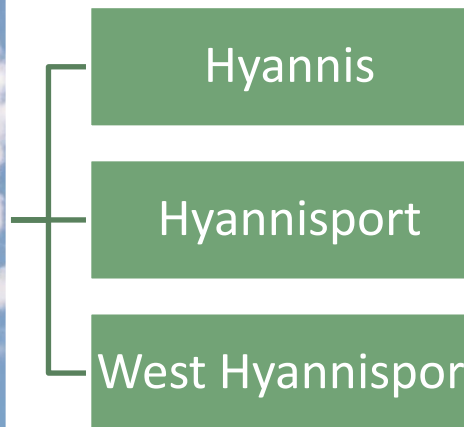


***Providing Safe and Economical Drinking Water, Solid Waste  
and Waste Disposal Services***

## ***Water Supply Division***

### ***Mission Statement***

The mission of the Water Supply Division is to provide commercial and residential properties in Hyannis, Hyannisport and West Hyannisport with a safe, efficient and effective means of obtaining drinking water and fire-readiness services.



### ***Description of Services Provided***

#### ***Water Supply Program***

The Water Supply division program oversees the contract management and operation of a water supply system that provides potable water to the residents and businesses (approximately 7,300 accounts) located in Hyannis, Hyannisport, West Hyannisport, and fire-readiness services. The management of the system involves substantial investment in water supply sources, pumping, treatment, storage and distribution infrastructure, customer service and regulatory compliance.

***Safe, Economical Drinking Water***

**RECENT ACCOMPLISHMENTS**

1. Pumped, treated, and distributed 840,900,000 Gallons of Water.
2. Successful results by the Operations Contractor for the operation and maintenance of the Hyannis Water System.
3. Continued construction on multiple water line/system improvement projects with State Revolving Funds.
4. Implemented good asset management by insuring preventive maintenance practices to be performed.
5. Constructed & commissioned two (2) water storage facilities, and the two (2) pump stations at the Maher and Straightway locations.
6. Increased productivity and efficiency of field staff through the use of i-Pad, wireless access to data bases and web-based asset management and work order systems, in conjunction with the GIS Department.
7. Increased water quality by implementing a uni-directional flushing system for the Hyannis Water System.
8. Completed the design and bid process for two (2) pipe replacement projects on Scudder Avenue and at the Maher Treatment Plant.

***Fiscal Year 2015 Goals and Objectives*****Short Term**

1. Maintain close contractual oversight of the administration, finances and operation of the Water Supply Division. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)
2. Continue to implement the capital funded pipe replacement program by focusing on water quality improvements and deficient water pipes while maximizing results and minimizing customer impact. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)
3. Continue to develop and integrate the Water Supply Division's technical and administrative requirements within the Town's regulatory system. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)
4. Continue the implementation of the new well exploration program to provide the Hyannis Water System with options to develop new water production sources with high quality drinking water. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)
5. Continue to implement the well building and treatment plant rehabilitation program by prioritizing and replacing building components, process control equipment, security and electrical systems. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)

**Long Term**

1. Provide cost-effective water supply services to the customers of the Hyannis Water System. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)

2. Maintain all assets of the Division to current standards and provide information to the Hyannis Water Board and the DPW Director for needed repairs, and improvements to the water system. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)
3. Insure reliable and redundant fire-flows to assist the Hyannis Fire Department and support demands on the system. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)
4. Continue to strive for excellence in customer service, asset-management, and cost-control within the Division. (SP: Environment and Natural Resources, Public Health and Safety, Infrastructure)

### ***Additional Funding Recommended***

#### **1. Operations Contract, Year 6 Increase**

**\$188,848 Requested**

**\$188,848 Recommended**

This request is to fund the increase in costs for the operations contract with United Water relative to the yearly escalation formula and the negotiated amendment 5 in the estimated amount of \$188,848. During the spring of 2013, the Hyannis Water Board and the Town negotiated with the operations contractor, United Water, to extend the current five (5) year contract. The negotiations resulted in amendment 5 to the contract in the amount of \$128,074. This decision package request combines this dollar amount with the contractual yearly increase according the escalation formula based on various indexes. The estimate of the escalation for year 6 (FY15) is \$60,774. The total funding request is for \$188,848 (\$128,074 + \$60,774).

#### **2. Operating Capital**

**\$160,000 Requested**

**\$160,000 Recommended**

This request is to fund the operating capital expenses for the DPW Water Supply Division. This recurring funding request for operating capital expenses is an integral part of the operations since the Town purchased the water system. It funds up to \$10,000 for police details and \$150,000 toward emergency repairs and improvements as detailed in the operations contract.

#### **3. Lockbox Expenses**

**\$7,000 Requested**

**\$7,000 Recommended**

Historically, the lockbox services for the DPW - Water Supply Division, were provided by TD Bank, free of charge, as part of TD Bank services as the Town's financial institution. During the spring of 2013, the Town was approached by TD Bank and told that a charge of about \$20,000 per year would be assessed to the Water Supply Division for the lockbox service starting in 30 days. Ensuing discussions revealed that the most economic option would be to switch the lock box service to Century Bank, with an estimated yearly expense of \$7,000. This was accomplished November 1, 2013.

**4. Wireless Connection Fee****\$3,000 Requested****\$3,000 Recommended**

This funding request is for an increase in the cost of wireless service for six i-Pads that will help enhance the efficiency and effectiveness of field personnel, water treatment plant operators, and the Water Supply Division's project manager. The devices enable the opening and closing of work orders in the field, the immediate access to the web-based asset management system and the GIS based piping map of the Hyannis Water System with zooming capabilities and access to the data bases for water service tie-sheets and valve tie cards. It allows staff to resolve customer's complaints faster and more efficiently.

**5. Hydraulic Model Annual License Fee****\$1,200 Requested****\$1,200 Recommended**

The Hydraulic Model of the Hyannis Water System is a digital, computerized, map containing all pipes, water storage tanks and pump stations. This hydraulic model assists the Water Supply Division with planning and making decisions relative to future improvements. It calculates fire flows, water pressure, pipe diameter and gives water quality information. The annual license fee for the H2OMAP Water with 4,000 links is \$1,200.

**6. Water Conservation Products****\$2,000 Requested****\$2,000 Recommended**

This request will fund the purchase of water conservation literature, water saving wheels, water saving coloring books, pencils, shower timers, low flow faucets and shower heads. The DEP Water withdrawal permit requires the Water Supply Division to implement a water conservation outreach program. The ability to purchase educational materials and water conservation items greatly enhances the appeal and effectiveness of the program.

**7. Dues & Memberships****\$400 Requested****\$400 Recommended**

The American Water Works Association (AWWA) dues for the Hyannis Water System and its employees have increased by \$400. It is prudent for the Hyannis Water System and its personnel to be members of a nationwide professional organization representing and promoting drinking water related issues, and which provides discounted continuing education courses for its members.

### ***Fiscal Year 2015 Water Supply Enterprise Fund Financial Data***

The Water Supply Fund was created through the acquisition of the Barnstable Water Company. This operation provides service to residential and commercial properties within the village of Hyannis. The daily management of the water service is provided for by an outside contractor.

#### ***Factors Affecting Revenues***

The rates are set in accordance with the necessary revenue required to run the water operations and pay back borrowings issued for water related capital improvements. Current rates are projected to be adequate to cover the loan payments on the acquisition cost and on-going management contract. Annual rate increases of 4 percent are projected to help fund operational budget increases and 3 percent fund for an infrastructure improvement program. These are reviewed and adjusted annually with an updated rate model.

#### ***Factors Affecting Expenses***

Management of this service is provided for by an outside contractor and it is expected to continue operating in this manner. The capital improvement portion of this service could have a significant impact on expenses. Depending upon how aggressive the Town wants to address these improvements over the next 10 years will determine the amount of rate increase necessary to cover this cost.



**Dedication of new Staightway Water Tank and Pump Station**

Expense Category	Actual FY 2013	Approved FY 2014	Projected FY 2014	Proposed FY 2015	Change FY14 - 15	Percent Change
Personnel	\$ 214,115	\$ 245,497	\$ 245,000	\$ 252,775	\$ 7,278	2.96%
Benefits	9,647	12,215	12,000	19,783	7,568	61.96%
Operating Expenses	2,020,265	1,991,853	2,005,000	2,231,801	239,948	12.05%
Capital Outlay	151,770	160,000	160,000	160,000	-	0.00%
Debt Service	931,357	1,146,000	1,140,000	1,235,000	89,000	7.77%
Transfers Out	92,933	106,855	106,855	122,109	15,254	14.28%
<b>Subtotal Operating Budget</b>	<b>3,420,087</b>	<b>3,662,420</b>	<b>3,668,855</b>	<b>4,021,468</b>	<b>359,048</b>	<b>9.80%</b>
Capital Program	2,136,151	2,579,500	2,500,000	1,997,300	(582,200)	-22.57%
Total Expenses	5,556,238	6,241,920	6,168,855	6,018,768	(223,152)	-3.58%
<b>Permanent full-time equivalent employees</b>	<b>2.90</b>	<b>2.90</b>		<b>2.90</b>	<b>-</b>	
<b>Funding Sources</b>						
Intergovernmental Aid	428,627				-	0.00%
Fines & Penalties	55,508	45,000	53,000	50,000	5,000	11.11%
Fees, Licenses, Permits	101,519	37,500	10,000	42,500	5,000	13.33%
Charges for Services	3,798,822	3,402,920	3,800,000	3,772,968	370,048	10.87%
Interest and Other	203,905	177,000	180,000	156,000	(21,000)	-11.86%
Borrowing Authorizations		2,379,500	2,379,500	1,383,000	(996,500)	-41.88%
<b>Total Sources</b>	<b>4,588,381</b>	<b>6,041,920</b>	<b>6,422,500</b>	<b>5,404,468</b>	<b>(637,452)</b>	<b>-10.55%</b>
<b>Excess (Deficiency) cash basis</b>	<b>(967,857)</b>	<b>(200,000)</b>	<b>253,645</b>	<b>(614,300)</b>	<b>\$ (414,300)</b>	
<b>Adjustment to accrual basis</b>	<b>2,112,705</b>	<b>-</b>	<b>2,500,000</b>	<b>-</b>		
<b>Beginning Net Assets per CAFR</b>	<b>\$ 11,172,690</b>	<b>\$ 12,317,538</b>	<b>\$ 12,317,538</b>	<b>\$ 15,071,183</b>		
<b>Ending Net Assets per CAFR</b>	<b>\$ 12,317,538</b>	<b>\$ 12,117,538</b>	<b>\$ 15,071,183</b>	<b>\$ 14,456,883</b>		
<b>Invested in capital assets, net of related debt (1)</b>	<b>\$ (7,987,172)</b>					
<b>User Charges Receivable (1)</b>	<b>\$ (1,083,750)</b>					
<b>Intergovernmental receivable (1)</b>	<b>\$ (355,435)</b>					
<b>Reserved for subsequent year's budget (2)</b>	<b>\$ (200,000)</b>					
<b>Reserved for encumbrances (3)</b>	<b>\$ (65,699)</b>					
<b>Reserved for continuing appropriations (4)</b>	<b>\$ (532,910)</b>					
<b>Accrued Interest (5)</b>	<b>\$ 159,707</b>					
<b>Other post employment benefits obligation (5)</b>	<b>\$ 83,618</b>					
<b>Compensated absences (5)</b>	<b>\$ 12,036</b>					
<b>Net assets available for appropriation (free cash) (6)</b>	<b>\$ 2,347,933</b>					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent year's (FY 14) capital program budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2013.

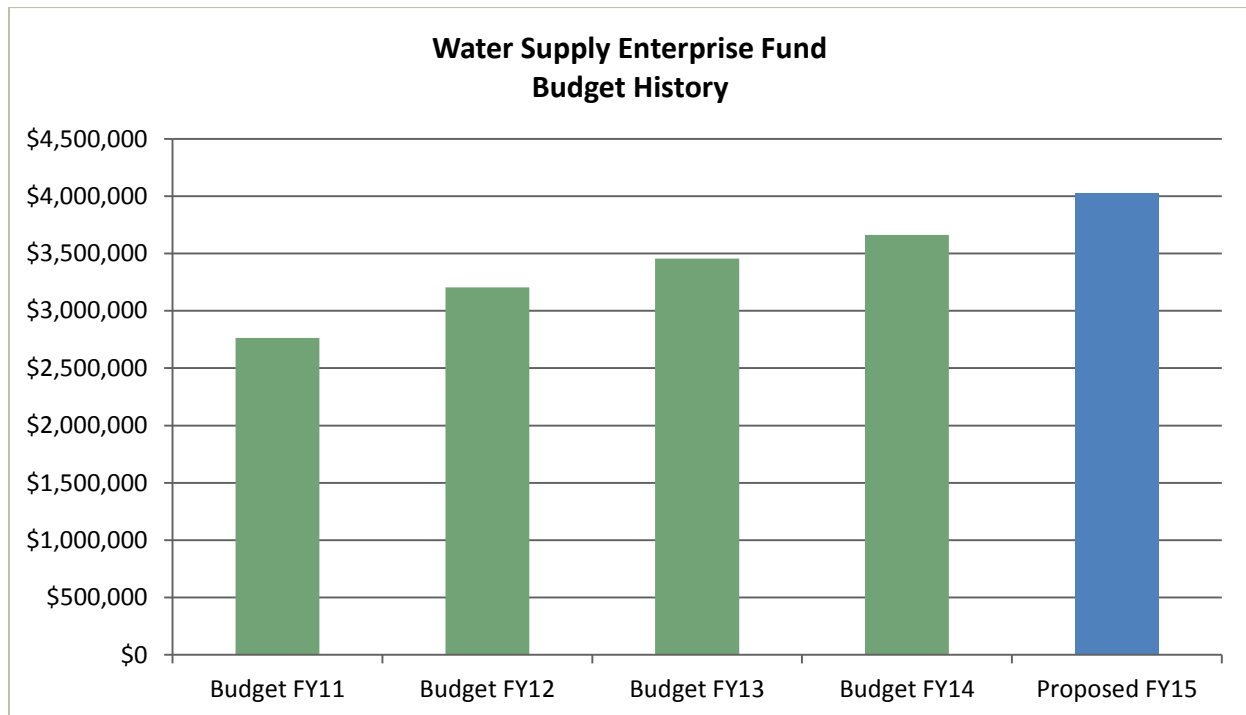
(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) Amount certified by the Division of Local Services.



### Summary of Significant Budget Changes

The FY15 proposed budget is increasing \$359,048 or 9.8%. Personnel costs are increasing \$7,278 and there are no changes to staffing levels. Benefits are increasing \$7,568 and this includes an \$8,000 contribution to the Town's OPEB Trust Fund for its share of the liability. Operating expenses are increasing \$239,948. Significant increases include \$188,848 for the escalation in the operations contract and \$37,000 on the land lease for well heads located on airport property. Operating capital is level funded at \$160,000. Debt service is increasing \$89,000 for new loans issued to finance the capital program and transfers to the general fund for indirect support is increasing \$15,254. Estimated revenue generated by the operations will provide for the increase in the budget. No reserves will be used to finance the FY15 operating budget. \$614,300 of reserves will be used to finance the FY15 capital program.



The Water Supply Enterprise Fund budget has increased from \$2.763 million in FY11 to \$4.021 million proposed for FY15 or 46%. The significant increase is mainly due to an increase in debt service from an aggressive capital improvement program as well as increase in the management contract for the system's operations.



## ***Solid Waste Division***

### ***Mission Statement***

The mission of the Solid Waste Division is to provide the citizens of the Town with an environmentally sound, efficient and cost effective means of disposing of, or recycling, municipal solid waste.

### **Solid Waste Division**



***Solid Waste Program***

### ***Description of Services Provided***

#### ***Solid Waste Program***

The program provides for the operation, maintenance and remedial upgrading of the Town's Solid Waste Transfer Facility, to meet State regulations and operation of a residential transfer station and a recycling center, including composting of grass clippings and leaves. The residential transfer station uses a compactor type system that allows residents to manually dispose of their bagged waste. A residential sticker is sold annually which entitles purchasers to utilize the transfer station. Use of the recycling center is open to all residents with or without a sticker. The Division coordinates with the Town of Yarmouth and the SEMASS waste to energy

***Managing Waste as a Resource***

### RECENT ACCOMPLISHMENTS

#### Solid Waste Collection

1. Household trash: 8,840 tons
2. Packer Service: 438 tons
3. C&D: 2,764 tons

#### Recyclable Collection

1. Cardboard & paper: 1,745 tons
2. Plastics and Tin Cans: 309 tons
3. Glass: 459 tons
4. TV's and Computers: 94 tons
5. Metals: 501 tons
6. Cast Iron: 38 tons
7. Aluminum: 26 tons
8. Copper & Brass: 5.5 tons
9. Tires: 677 pieces
10. Refrigerator & AC's: 1,969 pieces
11. Propane tanks: 656 pieces
12. Mattresses: 2,020 pieces
13. Fluorescent Bulbs: 17,161
14. Books: 39.74 tons
15. Clothing: 27.39 tons
16. Waste Oil: 4,750 gallons
17. Leaves and Grass: 1012 tons
18. Manure: 821 tons

#### Other

19. Held 4 household hazardous waste collection events; served 885 households
20. Collected 10,430 Gallon) of hazardous waste
21. Processed over 3,500 yards of compost
22. Provided space and container for residents to donate redeemable bottles and cans to non-profit organizations

company, for transfer and disposal of solid waste. Solid Waste operates a Packer Service for the removal of trash at all Town buildings and beaches. The Division also holds collections of Household Hazardous Waste annually.

### *Fiscal Year 2015 Goals and Objectives*

#### Short Term

1. Evaluate Single Stream, Dual Stream and Pay-As-You-Throw as alternative to current procedures (SP: Public Health and Safety, Environment and Natural Resources)
2. Finalize preparations for 3 arrays of solar panels scheduled for installation this fall. (SP: Infrastructure, Finance)
3. Research ways of increasing recycling with intent to reduce household trash. (SP: Health and Safety)
4. Research organics and food waste recycling at the facility. (SP: Health and Safety)

#### Long Term

1. Implement cost effective improvements to minimize cost of programs to customer. (SP: Public Health and Safety)
2. Investigate marketing recycled products to help minimize cost of recycling program. (SP: Public Health and Safety)
3. Pursue all grants available to minimize impact of costs of programs to customers. (SP: Public Health and Safety, Environmental and Natural Resources)

***Additional Funding Recommended*****Solid Waste****1. Municipal Solid Waste Disposal Expenses****\$294,000 Requested****\$294,000 Recommended**

This request is to increase the budget item for disposal of Municipal Solid Waste (MSW) by \$294,000. The current contract with SEMASS to dispose of MSW ends December 2014. A new contract, which will begin January 2015, will have an increase in tipping fees from the current rate of \$37.51 per ton to \$67.00 per ton (includes trucking costs). This request is for the increase for the second half of FY15. In FY16 (the first full year with the new tipping fee), it is projected that the budget for MSW disposal will need to be \$630,000. Fees will need to be increased to accommodate these changes.

**2. Replacement of Two 50-yard Containers, and All Terrain Vehicle****\$35,000 Requested****\$35,000 Recommended**

This is the final year of a three year program to replace all of the Division's 50-yard roll-off containers (2 per year), and the all-terrain vehicles. Without the approval of this request, this Division would have to rely on old, worn-out equipment that may fail at any time and will be costly to repair (it is expected that the repair costs will be higher than the value of the equipment at this point).

***Fiscal Year 2015 Solid Waste Enterprise Fund Financial Data***

The solid waste fund is used to account for all revenues and expenses associated with operating the Town of Barnstable's facility located on Flint Street in Marstons Mills. The facility operates a transfer station, recycling facility, and bulky item disposal service.

***Factors Affecting Revenues***

The solid waste fund revenues are affected by rates set at the residential transfer station and recycling facility. Rates are set annually for services provided by this facility. The two major sources of revenue for the fund are the residential sticker and the tonnage fees charged for disposal of construction and demolition materials by homeowners and local small businesses. Residential stickers increased \$10 annually to \$160 on January 1, 2014. Rates are projected to increase significantly in FY15 as the Town's disposal contract with SEMASS expires.

***Factors Affecting Expenses***

Expenses have been forecast to provide staffing levels for a 7 day operation. Projected wage and benefit increases range from 2 to 7.5 percent. Operating expenses are significantly increasing in FY15 for disposal costs. Debt service is included for all solid waste related borrowings.

The recycling operation does not generate enough revenue to offset the cost of operations requiring this operation to be funded partially with surplus funds. A significant amount of the fund's surplus is expected to be used for the landfill capping debt repayment over the next 8 years. Surplus used for debt repayment has been planned as surplus was accumulated in prior years for this specific purpose in order to eliminate any need for rate increases to repay the loan on the capping of the landfill.

Expense Category	Actual FY 2013	Approved FY 2014	Projected FY 2014	Proposed FY 2015	Change FY14 - 15	Percent Change
Personnel	\$ 971,812	\$ 1,050,586	\$ 1,045,000	\$ 1,071,642	\$ 21,056	2.00%
Benefits	74,364	88,385	85,000	112,827	24,442	27.65%
Operating Expenses	689,631	853,996	850,000	1,147,896	293,900	34.41%
Capital Outlay	32,348	35,600	35,200	35,000	(600)	-1.69%
Debt Service	403,010	401,403	401,400	403,667	2,264	0.56%
Transfers Out	270,195	266,371	266,371	306,518	40,147	15.07%
<b>Subtotal Operating Budget</b>	<b>2,441,360</b>	<b>2,696,341</b>	<b>2,682,971</b>	<b>3,077,550</b>	<b>381,209</b>	<b>14.14%</b>
Capital Program	5,240	415,000	415,000	245,000	(170,000)	-40.96%
Total Expenses	2,446,600	3,111,341	3,097,971	3,322,550	211,209	6.79%
<b>Permanent full-time equivalent employees</b>	<b>15.75</b>	<b>15.75</b>		<b>15.75</b>	<b>-</b>	
<b>Funding Sources</b>						
Charges for Services	2,167,999	2,201,472	2,225,000	2,528,935	327,463	14.87%
Interest and Other	90,029	66,500	66,000	68,000	1,500	2.26%
<b>Total Sources</b>	<b>2,258,028</b>	<b>2,267,972</b>	<b>2,291,000</b>	<b>2,596,935</b>	<b>328,963</b>	<b>14.50%</b>
<b>Excess (Deficiency) cash basis</b>	<b>(188,572)</b>	<b>(843,369)</b>	<b>(806,971)</b>	<b>(725,615)</b>	<b>\$117,754</b>	
<b>Adjustment to accrual basis</b>	<b>509,812</b>	<b>-</b>	<b>400,000</b>	<b>-</b>		
<b>Beginning Net Assets per CAFR</b>	<b>\$ 4,206,399</b>	<b>\$ 4,527,639</b>	<b>\$ 4,527,639</b>	<b>\$ 4,120,668</b>		
<b>Ending Net Assets per CAFR</b>	<b>\$ 4,527,639</b>	<b>\$ 3,684,270</b>	<b>\$ 4,120,668</b>	<b>\$ 3,395,053</b>		
<b>Invested in capital assets, net of related debt (1)</b>	<b>\$ (911,982)</b>					
<b>Intergovernmental receivable (1)</b>	<b>\$ (658,621)</b>					
<b>Reserved for subsequent year's budget (2)</b>	<b>\$ (843,369)</b>					
<b>Reserved for encumbrances (3)</b>	<b>\$ (117,939)</b>					
<b>Other post employment benefits obligation (4)</b>	<b>\$ 390,071</b>					
<b>Compensated absences (4)</b>	<b>\$ 63,158</b>					
<b>Landfill post closure care liability (4)</b>	<b>\$ 980,000</b>					
<b>Net assets available for appropriation (free cash) (5)</b>	<b>\$ 3,428,957</b>					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent year's (FY 14) capital program budget.

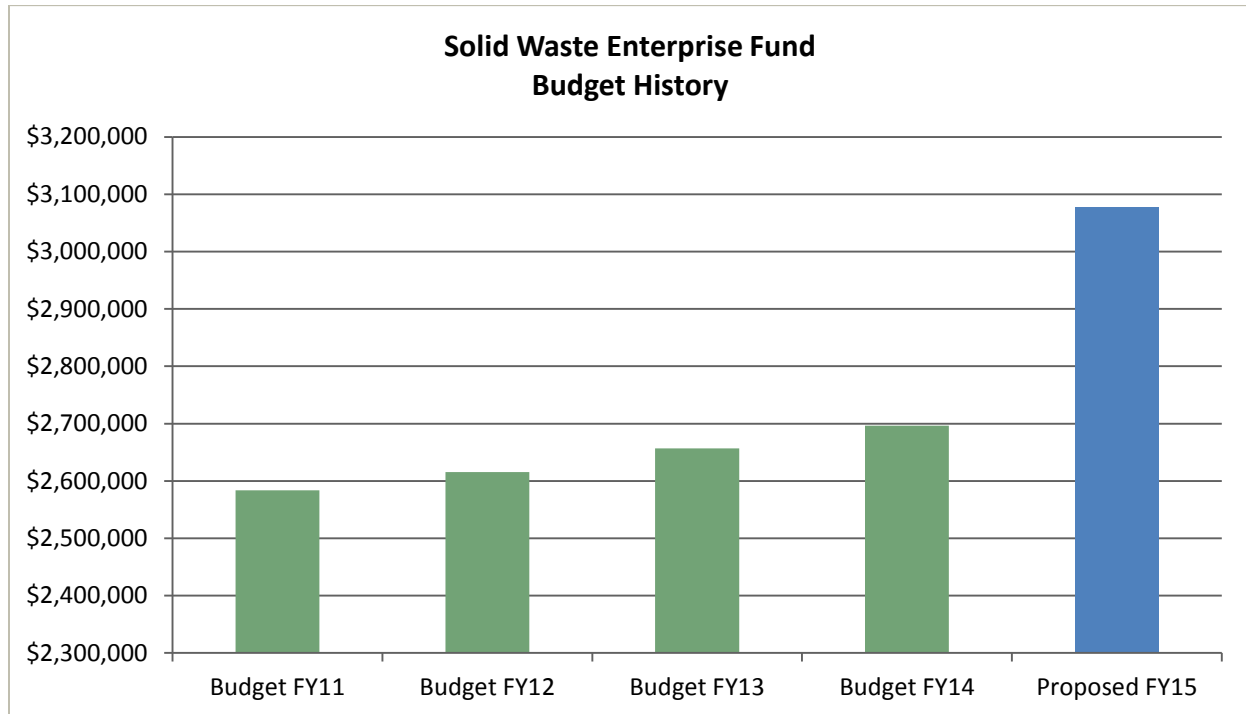
(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(5) Amount certified by the Division of Local Services.

### Summary of Significant Budget Changes

The FY15 proposed operating budget is increasing \$318,209 or 14.14%. Personnel costs are increasing \$21,056. This includes all contractual obligations. There are no changes to staffing levels. The benefits increase of \$24,442 includes a contribution of \$15,000 to the Town's OPEB Trust Fund for the Solid Waste Fund's share of the liability. Operating expenses are increasing \$294,000 as a result of the expiration of the Town's contract with SEMASS for disposal at \$37.51 per ton. The new disposal contract rate jumps to \$67.00 per ton and will become effective January 1, 2015. Capital outlay of \$35,000 is repeated. Transfers to the general fund for indirect support are increasing \$40,147. Solid waste revenue generated will provide for the FY15 budget. \$725,615 of surplus will be used to balance the budget; \$245,000 for the capital program, \$325,048 for the landfill capping debt and \$155,567 for operations.



The Solid Waste enterprise Fund budget has increased from \$2.583 million in FY1 to \$3,078 million proposed for FY15 or 19.1% of the five year period. The significant spike in FY15 is due to a new waste disposal contract that is significantly higher than previous years.

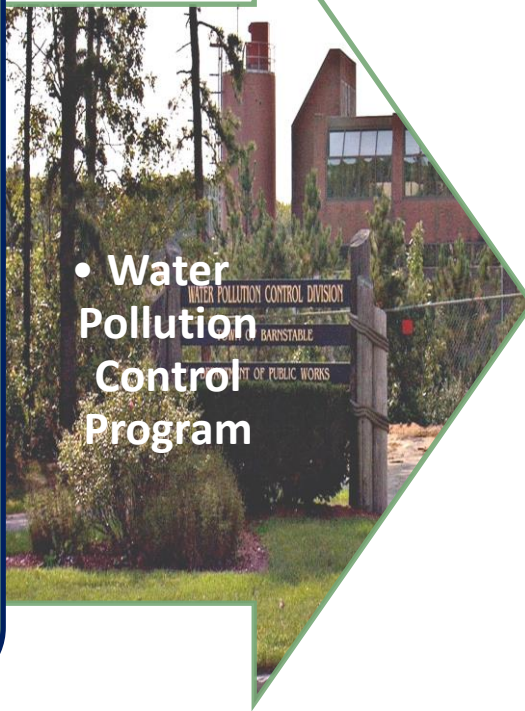
## ***Water Pollution Control Division***

### ***Mission Statement***

The mission of the Water Pollution Control Division is to provide the citizens of the Town with an environmentally safe, efficient and effective means of disposing of sanitary waste.

### **Water Pollution Control Division**

#### **• Water Pollution Control Program**



### ***Description of Services Provided***

#### ***Water Pollution Control Program***

The Water Pollution Control Program manages a wastewater collection, treatment and disposal system, including the operation and maintenance of a secondary wastewater treatment plant, 30 sewage pump stations, and 55 miles of sewer lines. The Program also includes the operation of a pretreatment program, and a laboratory for testing the quality of sewage and septage, to prevent the introduction of toxic wastes into the system, and

*Protecting the Town's Water Resources*



**RECENT ACCOMPLISHMENTS**

1. 559,280,900 Gallons of Wastewater received and treated.
2. 12,456,100 Gallons of Septage received and treated.
3. 1,106 Tons of Sludge treated.
4. Installed two new grinder pumps at Sudbury pump station.
5. Finished installation of energy efficient windows in sludge building, 15 windows.
6. Replaced boiler in the Septage building with new high efficiency boiler.
7. Installed seven variable frequency drives on blower motors saving \$500 a week. Payback will be two years.
8. Repainted the Old Colony pump station.
9. Installed two new grinder pumps at Sudbury pump station to stop rags from clogging pump.

to ensure compliance with Federal and State regulations. In addition, the Program manages an accounts receivable and billing system for users of the sewer system. The Program provides owners of properties with on-site septic systems, with a means of disposing of septage pumped routinely from their systems to prevent premature failure of the system and contamination of the groundwater. When received at the plant, the septage is pretreated and blended with the sewage of the wastewater treatment plant, and disposed of in a manner that meets or exceeds public health and environmental regulations. The Program also operates and maintains the wastewater treatment in Marstons Mills, and a community cluster system on Lake Elizabeth Drive.

***Fiscal Year 2015 Goals and Objectives*****Short Term**

1. Install remaining portable generator hookups, at Tobey, Kalmus, and Marks Path pump stations.
2. Issue RFQ for painting of clarifiers.
3. Issue RFQ for first phase of arc flash/blast study.
4. Install second VFD on back up effluent pump for the effluent pumping system.
5. Construct and occupy new locker room facility.
6. Install grinder pump at Oak Neck Road pump station to relieve pump clogging problem due to rags.
7. Install new grinder at the Old Colony pump station.
8. Install SCADA system in the secondary building.

**Long Term**

1. Evaluate the Septage building capacity, operation and sludge disposal options. (SP: Environmental and Natural Resources)

2. Construct a portable generator storage shed. (SP: Environmental and Natural Resources)
3. Evaluate the capacity and durability of the 1935 clay pipe sewers. (SP: Environmental and Natural Resources)
4. Conduct a storm resilience study of the shore pump stations and sewers. (SP: Environmental and Natural Resources)

### ***Additional Funding Recommended***

#### **1. Increase in Buildings Account**

**\$50,000 Requested**

**\$50,000 Recommended**

For the last five years, the Buildings line item has run deficits of up to \$50,000 per year. This account funds the equipment repairs and upgrades to the facility on Bearse's Way, which was constructed in 1935. The cost of replacement equipment and repair parts has been steadily increasing over the years while the WPCD budget has been subject to nearly \$200,000 in reductions.

#### **2. Annual Sewer Rate Review**

**\$7,000 Requested**

**\$7,000 Recommended**

This request will add a new line item to the WPCD budget to fund an annual sewer rate review. In 2010, Municipal and Finance Service Group conducted a sewer rate study for the Town. In 2012 and 2013, the DPW requested an update of the study to reflect current financial times and to add or delete expenses and CIP's. The results are submitted in the fall rate review to the Town Manager. The last two yearly studies have cost \$6,500 per year.

#### **3. Operating Capital**

**\$90,000 Requested**

**\$90,000 Recommended**

The Operating Capital line item is a recurring line item that funds the replacement of large pieces of equipment or entire systems that do not reach the level of CIP funding. The FY2014 Op Capital line item to date has funded the replacement of the Old Colony pump station sewage grinder (\$39,000), and will be used to upgrade the WPCF back-up effluent pump (\$15,000), and install mixers into two pump stations (\$10,000) that will help mitigate grease buildup.

### ***Fiscal Year 2015 Water Pollution Control Enterprise Fund Financial Data***

The Water Pollution Control Fund is used to account for revenues and expenses associated with the Wastewater Facility on Bearses Way in Hyannis, the treatment plant located in Marstons Mills on school property along Osterville-West Barnstable Road, and a treatment system near Red Lily Pond. The main facility in Hyannis acts as a repository for residential and commercial sewage and septage. The facility in Marstons Mills services the two school buildings and a residential housing development located adjacent to the school property. The Red Lily Pond system services residential properties located in the vicinity of the pond.

#### ***Factors Affecting Revenues***

Sewer rates charged to users of the system account for a majority of the revenue in this fund. The number of customers tied into the facility can have a significant impact on revenue. The rates are set in accordance with the necessary revenue required to run the sewer operations and pay back the borrowings issued for the sewer plant improvements.

In July of 2010, the Town Council voted to increase the local rooms tax by 2 percent and to levy a local meals tax of 0.75 percent. The Council also voted to dedicate these new revenues to a sewer expansion program by filing special legislation for the creation of a sewer trust fund. This legislation was passed in FY13. This fund's balance is projected to reach \$7 million by the end of FY14.

#### ***Factors Affecting Expenses***

Expenses have been forecast to maintain current staffing levels, at a projected wage and benefit increase of 2.5 and 7.5 percent respectively. Operating expenses are projected to increase 3 percent per year. Sludge disposal is major expense for this operation. Utility savings have been accounted for in the FY15 proposed budget as a result of the renewable energy upgrades at the facility. Debt service is included for all sewer related borrowings.

This enterprise fund will see some significant changes in the future. There has been much discussion of various funding scenarios for sewer expansion, effluent mitigation and nitrogen management. Part of the expansion discussion includes issues of ability to pay and cost allocation. In the past, the federal and state governments subsidized 90 percent of capital costs for construction of new wastewater facilities and sewer expansion. Decisions will need to be made in regards to the cost allocation for sewer expansion, nitrogen management and effluent mitigation. Cost allocations will include betterments, sewer rates and tax rates, net of any federal and state funding that may be available. The Town Council recently voted to assess 50% betterments to homeowners tying into the Stewart's Creek sewer expansion.

Expense Category	Actual FY 2013	Approved FY 2014	Projected FY 2014	Proposed FY 2015	Change FY14 - 15	Percent Change
Personnel	\$ 903,693	\$ 1,043,996	\$ 1,005,000	\$ 1,071,094	\$ 27,098	2.60%
Benefits	83,905	95,050	92,000	119,148	24,098	25.35%
Operating Expenses	1,297,450	1,402,450	1,380,000	1,448,450	46,000	3.28%
Capital Outlay	77,605	90,000	90,000	90,000	-	0.00%
Debt Service	1,313,594	1,307,000	1,300,000	1,257,000	(50,000)	-3.83%
Transfers Out	390,865	390,022	390,022	424,361	34,339	8.80%
<b>Subtotal Operating Budget</b>	<b>4,067,112</b>	<b>4,328,518</b>	<b>4,257,022</b>	<b>4,410,053</b>	<b>81,535</b>	<b>1.88%</b>
Capital Program	645,721	370,000	370,000	782,000	412,000	111.35%
Total Expenses	4,712,833	4,698,518	4,627,022	5,192,053	493,535	10.50%
<b>Permanent full-time equivalent employees</b>	<b>15.15</b>	<b>15.15</b>		<b>15.15</b>	<b>-</b>	
<b>Funding Sources</b>						
Intergovernmental Aid	1,511,455	-	-	-	-	0.00%
Fines & Penalties	77,175	80,000	150,000	80,000	-	0.00%
Charges for Services	4,129,465	4,028,518	4,200,000	4,140,053	111,535	2.77%
Interest and Other	324,803	220,000	255,000	190,000	(30,000)	-13.64%
<b>Total Sources</b>	<b>6,042,898</b>	<b>4,328,518</b>	<b>4,605,000</b>	<b>4,410,053</b>	<b>81,535</b>	<b>1.88%</b>
<b>Excess (Deficiency) cash basis</b>	<b>1,330,065</b>	<b>(370,000)</b>	<b>(22,022)</b>	<b>(782,000)</b>	<b>\$(412,000)</b>	
<b>Adjustment to accrual basis</b>	<b>1,515,621</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>		
<b>Beginning Net Assets per CAFR</b>	<b>\$ 37,774,635</b>	<b>\$ 40,620,321</b>	<b>\$ 40,620,321</b>	<b>\$ 42,098,299</b>		
<b>Ending Net Assets per CAFR</b>	<b>\$ 40,620,321</b>	<b>\$ 40,250,321</b>	<b>\$ 42,098,299</b>	<b>\$ 41,316,299</b>		
<b>Invested in capital assets, net of related debt (1)</b>	<b>\$ (23,364,199)</b>					
<b>User Charges Receivable (1)</b>	<b>\$ (1,798,942)</b>					
<b>Special Assessments Receivable (1)</b>	<b>\$ (1,509,609)</b>					
<b>Intergovernmental receivable (1)</b>	<b>\$ (1,384,038)</b>					
<b>Reserved for subsequent year's budget (2)</b>	<b>\$ (370,000)</b>					
<b>Reserved for encumbrances (3)</b>	<b>\$ (299,780)</b>					
<b>Reserved for continuing appropriations (4)</b>	<b>\$ (157,017)</b>					
<b>Other post employment benefits obligation (5)</b>	<b>\$ 276,971</b>					
<b>Compensated absences (5)</b>	<b>\$ 56,446</b>					
<b>Net assets available for appropriation (free cash) (6)</b>	<b>\$ 12,070,153</b>					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent year's (FY14) capital program budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2013.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) Amount certified by the Division of Local Services.

### Summary of Significant Budget Changes

The FY15 proposed operating budget is increasing \$81,535 or 1.88%. There are no proposed changes to staffing levels. Operating expenses are increasing \$46,000 and includes additional funds for building maintenance and an annual rate study. Benefits are increasing \$24,098 and this includes a \$25,000 payment to the Town's OPEB Trust Fund for the operation's share of this cost. Operating capital is level funded for \$90,000. Revenue generated by the operation will cover the operating budget. \$782,000 of surplus will be used for the FY15 capital program.

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