

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES
BUREAU OF AUTHORITY REGULATION
TRENTON, N.J.

PEQUANNOCK, LINCOLN PARK, AND FAIRFIELD SEWERAGE AUTHORITY

**Resolution 20-003 Amendment 1 adopted January 8, 2020
Amending 2020 Adopted Operating Budget**

It is hereby certified that the amendment attached hereto complies with the requirements of law, and approval is given pursuant to N.J.A.C. 5:31-2.8.

Department of Community Affairs
Division of Local Government Services

By Paul D. Ewert
Paul D. Ewert, CPA, RMA
Supervising Municipal Finance Auditor
For: Director of the Division of Local Government Services

January 22, 2020

Attachments

RECEIVED

JAN 28 2020

TBSA

RESOLUTION #20-003

**FY 2020 BUDGET – AMENDMENT NO. 1
REQUEST FOR CHANGE IN TITLE, TEXT OR AMOUNT
OF APPROPRIATION PURSUANT TO N.J.A.C. 5:31-2.8**

WHEREAS, N.J.A.C. 5:31-2.8 provides that the Director of the Division of Local Government Services may, at the request of, or with the consent of, the governing body of an Authority or District, make such correction of the title, text or amount of any appropriation appearing in the budget as may be necessary to make said item of appropriation available for the purpose or purposes required for the needs of any such Authority or District;

NOW THEREFORE, Be It Resolved that in accordance with the provisions of N.J.A.C. 5:31-2.8, the Pequannock, Lincoln Park and Fairfield Sewerage Authority hereby requests the Director of the Division of Local Government Services to make the following corrections in the budget for the year 2020.

1. Increase the Appropriations for "Unrestricted Net Position Utilized - Other" category, on page F-4 as follows:

From: \$ 0
To: \$ 500,000

2. Decrease the Operating Revenues for the "Services Charges - Intergovernmental" category on page F-2 as follows:

From: \$ 11,681,850
To: \$ 11,181,850

BE IT FURTHER RESOLVED that the foregoing correction is, in the opinion of the governing body, warranted and authorized by the statute above referred to, and is necessary for the orderly operation of the Authority for the reasons hereinafter set forth:

1. The \$500,000 increase in Appropriations is being made from available surplus funds and will facilitate a reduction in annual charges.
2. The \$500,000 decrease in Revenues is a result of end of year credits and adjustments of FY 2019 user charges and refunds of surplus funds that will be credited in FY 2020.

ATTEST:

**PEQUANNOCK, LINCOLN PARK AND
FAIRFIELD SEWERAGE AUTHORITY**


Anthony G. Campisi, Jr., Secretary
Dated: January 8, 2020


Raymond T. Kerwin, Chairman

Governing Body Member:	Recorded Vote			
	Aye	Nay	Abstain	Absent
Robert A. Voorman	X			
Raymond Verdonik	X			
David A. Runfeldt				X
Raymond T. Kerwin	X			
Richard Phelan				X
Arthur J. Schmidt	X			
Jerry J. Notte	X			
Anthony G. Campisi, Jr.				X

SUMMARY

Pequannock, Lincoln Park and Fairfield Sewerage Authority
 For the Period December 1, 2019 to November 30, 2020

	FY 2020 Proposed Budget						FY 2019 Adopted Budget		\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted
	Operation #1		Operation #2		Total All Operations		Total All Operations			
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
REVENUES										
Total Operating Revenues	\$ 11,224,350	\$ -	\$ -	\$ -	\$ 11,224,350	\$ -	\$ 11,117,650	\$ 106,700	1.0%	
Total Non-Operating Revenues	90,000	-	-	-	90,000	-	24,000	66,000	275.0%	
Total Anticipated Revenues	11,314,350	-	-	-	11,314,350	-	11,141,650	172,700	1.6%	
APPROPRIATIONS										
Total Administration	916,800	-	-	-	916,800	-	928,180	(11,380)	-1.2%	
Total Cost of Providing Services	6,503,480	-	-	-	6,503,480	-	6,179,420	324,060	5.2%	
Total Principal Payments on Debt Service in Lieu of Depreciation	1,867,104	-	-	-	1,867,104	-	1,858,637	8,467	0.5%	
Total Operating Appropriations	9,287,384	-	-	-	9,287,384	-	8,966,237	321,147	3.6%	
Total Interest Payments on Debt	380,592	-	-	-	380,592	-	422,943	(42,351)	-10.0%	
Total Other Non-Operating Appropriations	2,146,374	-	-	-	2,146,374	-	2,110,072	36,302	1.7%	
Total Non-Operating Appropriations	2,526,966	-	-	-	2,526,966	-	2,533,015	(6,049)	-0.2%	
Accumulated Deficit	-	-	-	-	-	-	-	-	#DIV/0!	
Total Appropriations and Accumulated Deficit	11,814,350	-	-	-	11,814,350	-	11,499,252	315,098	2.7%	
Less: Total Unrestricted Net Position Utilized	500,000	-	-	-	500,000	-	357,602	142,398	39.8%	
Net Total Appropriations	11,314,350	-	-	-	11,314,350	-	11,141,650	172,700	1.6%	
ANTICIPATED SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	

Revenue Schedule

Pequannock, Lincoln Park and Fairfield Sewerage Authority
 For the Period December 1, 2019 to November 30, 2020

	FY 2020 Proposed Budget						FY 2019 Adopted Budget	\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted
	Operation #1	Operation #2	N/A	N/A	N/A	N/A	Total All Operations	Total All Operations	All Operations
OPERATING REVENUES									
<i>Service Charges</i>									
Residential						\$ -	\$ -	\$ -	#DIV/0!
Business/Commercial						-	-	-	#DIV/0!
Industrial						-	-	-	#DIV/0!
Intergovernmental	11,181,850					11,181,850	11,075,150	106,700	1.0%
Other						-	-	-	#DIV/0!
Total Service Charges	11,181,850					11,181,850	11,075,150	106,700	1.0%
<i>Connection Fees</i>									
Residential						-	-	-	#DIV/0!
Business/Commercial						-	-	-	#DIV/0!
Industrial						-	-	-	#DIV/0!
Intergovernmental						-	-	-	#DIV/0!
Other						-	-	-	#DIV/0!
Total Connection Fees						-	-	-	#DIV/0!
<i>Parking Fees</i>									
Meters						-	-	-	#DIV/0!
Permits						-	-	-	#DIV/0!
Fines/Penalties						-	-	-	#DIV/0!
Other						-	-	-	#DIV/0!
Total Parking Fees						-	-	-	#DIV/0!
<i>Other Operating Revenues (List)</i>									
Miscellaneous	500					500	500	-	0.0%
Industrial Permits	42,000					42,000	42,000	-	0.0%
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Type In (Grant, Other Rev)						-	-	-	#DIV/0!
Total Other Revenue	42,500					42,500	42,500	-	0.0%
Total Operating Revenues	11,224,350					11,224,350	11,117,650	106,700	1.0%
NON-OPERATING REVENUES									
<i>Other Non-Operating Revenues (List)</i>									
Type In						-	-	-	#DIV/0!
Type In						-	-	-	#DIV/0!
Type In						-	-	-	#DIV/0!
Type In						-	-	-	#DIV/0!
Type In						-	-	-	#DIV/0!
Type In						-	-	-	#DIV/0!
Total Other Non-Operating Revenue						-	-	-	#DIV/0!
<i>Interest on Investments & Deposits (List)</i>									
Interest Earned	90,000					90,000	24,000	66,000	275.0%
Penalties						-	-	-	#DIV/0!
Other						-	-	-	#DIV/0!
Total Interest	90,000					90,000	24,000	66,000	275.0%
Total Non-Operating Revenues	90,000					90,000	24,000	66,000	275.0%
TOTAL ANTICIPATED REVENUES	\$ 11,314,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,141,650	\$ 172,700	1.6%

Appropriations Schedule

Pequanock, Lincoln Park and Fairfield Sewerage Authority
For the Period December 1, 2019 to November 30, 2020

	FY 2020 Proposed Budget						FY 2019 Adopted Budget	\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted	
	Operation						Total All	Total All	All Operations	All Operations
	Operation #1	#2	N/A	N/A	N/A	N/A	Operations	Operations	All Operations	All Operations
OPERATING APPROPRIATIONS										
<i>Administration - Personnel</i>										
Salary & Wages	\$ 458,300					\$ 458,300	\$ 433,580	\$ 24,720	5.7%	
Fringe Benefits	234,500					234,500	232,600	1,900	0.8%	
Total Administration - Personnel	692,800	-	-	-	-	692,800	666,180	26,620	4.0%	
<i>Administration - Other (List)</i>										
Financial Svcs, Professional & Office Exp	224,000					224,000	262,000	(38,000)	-14.5%	
Type In Description						-	-	-	-	#DIV/0!
Type In Description						-	-	-	-	#DIV/0!
Type In Description						-	-	-	-	#DIV/0!
Miscellaneous Administration*						-	-	-	-	#DIV/0!
Total Administration - Other	224,000	-	-	-	-	224,000	262,000	(38,000)	-14.5%	
Total Administration	916,800	-	-	-	-	916,800	928,180	(11,380)	-1.2%	
<i>Cost of Providing Services - Personnel</i>										
Salary & Wages	2,092,880					2,092,880	2,045,420	47,460	2.3%	
Fringe Benefits	901,200					901,200	878,900	22,300	2.5%	
Total COPS - Personnel	2,994,080	-	-	-	-	2,994,080	2,924,320	69,760	2.4%	
<i>Cost of Providing Services - Other (List)</i>										
Energy	1,228,500					1,228,500	1,111,000	117,500	10.6%	
Chemicals, Equip/Maintenance/Repairs, Contracted Services, State Requirements	2,280,900					2,280,900	2,144,100	136,800	6.4%	
Type In Description						-	-	-	-	#DIV/0!
Miscellaneous COPS*						-	-	-	-	#DIV/0!
Total COPS - Other	3,509,400	-	-	-	-	3,509,400	3,255,100	254,300	7.8%	
Total Cost of Providing Services	6,503,480	-	-	-	-	6,503,480	6,179,420	324,060	5.2%	
Total Principal Payments on Debt Service in Lieu of Depreciation	1,867,104	-	-	-	-	1,867,104	1,858,637	8,467	0.5%	
Total Operating Appropriations	9,287,384	-	-	-	-	9,287,384	8,966,237	321,147	3.6%	
NON-OPERATING APPROPRIATIONS										
Total Interest Payments on Debt Operations & Maintenance Reserve	380,592	-	-	-	-	380,592	422,943	(42,351)	-10.0%	
Renewal & Replacement Reserve	1,246,374					1,246,374	1,210,072	36,302	3.0%	
Municipality/County Appropriation						-	-	-	-	#DIV/0!
Other Reserves	900,000					900,000	900,000	-	0.0%	
Total Non-Operating Appropriations	2,526,966	-	-	-	-	2,526,966	2,533,015	(6,049)	-0.2%	
TOTAL APPROPRIATIONS	11,814,350	-	-	-	-	11,814,350	11,499,252	315,098	2.7%	
ACCUMULATED DEFICIT										
TOTAL APPROPRIATIONS & ACCUMULATED DEFICIT	11,814,350	-	-	-	-	11,814,350	11,499,252	315,098	2.7%	
UNRESTRICTED NET POSITION UTILIZED										
Municipality/County Appropriation						-	-	-	-	#DIV/0!
Other	500,000					500,000	357,602	142,398	39.8%	
Total Unrestricted Net Position Utilized	500,000	-	-	-	-	500,000	357,602	142,398	39.8%	
TOTAL NET APPROPRIATIONS	\$ 11,314,350	\$ -	\$ -	\$ -	\$ -	\$ 11,314,350	\$ 11,141,650	\$ 172,700	1.6%	

* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 464,369.20 \$ - \$ - \$ - \$ - \$ - \$ - \$ 464,369.20

Net Position Reconciliation

Pequannock, Lincoln Park and Fairfield Sewerage Authority

For the Period December 1, 2019 to November 30, 2020

FY 2020 Proposed Budget

	Operation #1	Operation #2	N/A	N/A	N/A	N/A	Total All Operations
TOTAL NET POSITION BEGINNING OF LATEST AUDIT REPORT YEAR(1)	\$ 49,358,445						\$ 49,358,445
Less: Invested in Capital Assets, Net of Related Debt (1)	36,049,228						36,049,228
Less: Restricted for Debt Service Reserve (1)							
Less: Other Restricted Net Position (1)	78,495						78,495
Total Unrestricted Net Position (1)	13,230,722	-	-	-	-	-	13,230,722
Less: Designated for Non-Operating Improvements & Repairs							
Less: Designated for Rate Stabilization							
Less: Other Designated by Resolution	12,653,145						12,653,145
Plus: Accrued Unfunded Pension Liability (1)	6,384,206						6,384,206
Plus: Accrued Unfunded Other Post-Employment Benefit Liability (1)	951,558						951,558
Plus: Estimated Income (Loss) on Current Year Operations (2)	430,000						430,000
Plus: Other Adjustments (attach schedule)							
UNRESTRICTED NET POSITION AVAILABLE FOR USE IN PROPOSED BUDGET	8,343,341	-	-	-	-	-	8,343,341
Unrestricted Net Position Utilized to Balance Proposed Budget	500,000						500,000
Unrestricted Net Position Utilized in Proposed Capital Budget	1,835,626						1,835,626
Appropriation to Municipality/County (3)	-						-
Total Unrestricted Net Position Utilized in Proposed Budget	2,335,626	-	-	-	-	-	2,335,626
PROJECTED UNRESTRICTED UNDESIGNATED NET POSITION AT END OF YEAR	\$ 6,007,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,007,715
Last issued Audit Report (4)							

(1) Total of all operations for this line item must agree to audited financial statements.

(2) Include budgeted and unbudgeted use of unrestricted net position in the current year's operations.

(3) Amount may not exceed 5% of total operating appropriations. See calculation below.

Maximum Allowable Appropriation to Municipality/County

\$ 464,369 \$ - \$ - \$ - \$ - \$ - \$ 464,369

(4) If Authority is projecting a deficit for any operation at the end of the budget period, the Authority must attach a statement explaining its plan to reduce the deficit, including the timeline for elimination of the deficit, if not already detailed in the budget narrative section.