



2006 User Rate Budget Overview Water/Wastewater Administration Department

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Budget Highlights:

Line 10 Personnel Costs – The 2006 budget is lower than the 2005 budget and the 2005 actuals. This is due to a correction in the allocation of employee's time. As opposed to going to a general overhead wage line as in the past, employee wages now go directly to the system they work on. There is an offsetting increase in the wastewater 2006 budget line 10 and in the water budget line 10.

Line 24 Materials and Supplies – The 2006 budget is lower than the 2005 budget line causing a variance of (\$40,900). The 2006 budget is more accurately based on realistic actual costs, with costs being allocated to the actual operating system and not the administration area if at all possible.

Line 28 Staff Development – The 2006 budget is higher than the actual costs spent in 2005. This is due to increased training required in 2006 due to changes in Provincial Regulations.

Line 41 Contribution to Other Funds – The 2006 budget is higher than both the 2005 budget and the 2005 actuals to date. The effect of the increase in the water rates according to By Law 2006-023 passed by Council on January 24, 2006 is to slowly increase the amount of dollars being placed in the infrastructure renewal reserves.

Line 51 Debenture Principal and Interest – The 2005 budget was too high for the administration department. The debenture principal and interest is allocated where possible, to the actual operating system. Therefore, the 2006 budget has been more accurately stated to reflect the long term debt schedules for the water/wastewater administration department.

2006 Preliminary User Rate Budget

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Program	2005		2006 Proposed Budget	\$ Variance
	Approved Budget	Unaudited Actuals		
WATERWASTEWATER ADMINISTRATION				
Expenses				
10 Personnel Costs	520,990	762,539	297,141	(223,849)
12 Allowances	7,100	11,128	10,050	2,950
21 Professional Technical & Contract Services	42,000	61,529	31,000	(11,000)
22 Insurance	0	18,621	1,000	1,000
23 Communications	8,350	17,928	19,365	11,015
24 Materials & Supplies	67,600	38,018	26,700	(40,900)
25 Energy Costs Utilities Taxes Rents & Leases	3,500	2,761	2,000	(1,500)
26 Maintenance & Repairs	1,000	6,106	5,000	4,000
27 Advertising & Promotion	500	0	500	0
28 Staff Development	25,600	20,812	29,350	3,750
31 Other Expenses	1,600	2,035	0	(1,600)
41 Contribution to Other Funds	2,150,000	1,900,000	3,368,565	1,218,565
42 Inter-Departmental Transfers	300,500	310,776	311,000	10,500
43 Transfers to Others	0	2,525	0	0
51 Debuture Principal & Interest	1,015,422	39,095	43,940	(971,482)
90 Taxation - General Levy	2,000	51	0	(2,000)
	<u>4,146,162</u>	<u>3,193,925</u>	<u>4,145,611</u>	<u>(551)</u>
Revenues				
2 Grants, Donations & Subsidies	0	0	0	0
3 User Fees & Charges	0	(63,483)	(5,220)	(5,220)
4 Interest & Penalty on Taxation	(60,000)	(88,759)	(105,462)	(45,462)
5 Contribution From Other Funds	0	0	0	0
7 Other Revenues	0	0	0	0
44 Inter-Departmental Transfers Revenues	0	0	0	0
	<u>(60,000)</u>	<u>(152,242)</u>	<u>(110,682)</u>	<u>(50,682)</u>
WATERWASTEWATER ADMINISTRATION	4,086,162	3,041,683	4,034,929	(51,233)
WATERWASTEWATER ADMINISTRATION	1,734,842			



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Line 10 Personnel Costs – The budget line for 2006 is higher than the 2005 approved budget and 2005 unaudited actuals because there has been some correction in the allocation of employees time. As opposed to going to a general overhead wage line as in the past, employee wages now go directly to the system they work on. There is an offsetting decrease in the Water/Wastewater Administration line 10.

Line 21 Professional Technical and Contract Services – The budget is higher than the 2005 approved budget to more realistically reflect the true costs. The 2005 actuals are high due to the fact that some Omemee sewer repairs were occurring in 2005, but in 2006 these costs will be directed towards a capital project as opposed to the operating budget.

Line 24 Materials and supplies - has a reduction of \$184,100 to more closely budget to true costs. The 2005 approved budget of \$264,100 was too high and actual costs do not reflect this dollar amount. Therefore, the 2006 budget amount has been reduced.

Line 25 Energy costs utilities taxes rents and leases - has been increased to more accurately reflect true costs including an inflation component.

Line 26 Maintenance and repairs – The 2005 unaudited actuals are high due to an unexpected expense relating to the clarifier for the Lindsay sewer plant. That particular expense is not estimated again in the 2006 budget, but the 2006 budget has been increased to more accurately reflect true costs.

Line 31 – The 2005 budget did not include an amount for loan principal in error, thus causing a \$12,938 variance. This payment is accurately reflected in the 2006 unaudited actuals and now budgeted in 2006.

Line 41 Contribution to Other funds – the 2005 unaudited actuals reflects a one time entry to pay out a former Lindsay TD loan that originated prior to amalgamation. There will be no recurrence of this payment in the future.



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Line 51 Debenture Principal and Interest – the 2005 budget amount was not sufficient for the actual payments being made, and thus there is a variance of \$390,139. The 2005 unaudited actuals reflect true costs, and the 2006 budget amount of \$1,786,315 has been arrived at through the long term debt schedules for wastewater debentures.

Line 3 User fees and charges – The 2005 budget amount was too high, therefore there is a large variance in the 2005 budget to 2006 budget. The 2006 budget more accurately reflects true estimated revenues. It should be noted that there is an offsetting variance in the Water variance on the same line 3.

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Program	2005		2006 Proposed Budget	\$ Variance
	Approved Budget	Unaudited Actuals		
WASTEWATER				
Expenses				
10 Personnel Costs	186,848	207,762	456,648	290,342
12 Allowances	0	0	0	0
21 Professional Technical & Contract Services	1,213,047	1,322,661	1,102,630	72,907
23 Communications	7,035	5,670	2,500	(2,800)
24 Materials & Supplies	92,051	88,960	80,000	(184,100)
25 Energy Costs Utilities Taxes Rents & Leases	396,245	373,437	407,000	62,000
26 Maintenance & Repairs	20,552	110,685	66,000	48,500
31 Other Expenses	44,862	13,833	12,938	12,938
41 Contribution to Other Funds	319,480	319,260	0	0
42 Inter-Departmental Transfers	25,839	37,949	28,500	(4,500)
43 Transfers to Others	0	0	0	0
51 Debiture Principal & Interest	1,918,915	1,798,099	1,786,315	390,139
	<u>4,224,873</u>	<u>4,278,316</u>	<u>3,942,531</u>	<u>685,426</u>
Revenues				
3 User Fees & Charges	(3,797,597)	(4,069,668)	(4,200,138)	1,124,048
5 Contribution From Other Funds	0	0	0	0
7 Other Revenues	0	0	0	0
	<u>(3,797,597)</u>	<u>(4,069,668)</u>	<u>(4,200,138)</u>	<u>1,124,048</u>
WASTEWATER	427,276	208,647	(257,607)	1,809,474



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Line 21 Professional Technical and Contract Services – The budget is higher than the 2005 approved budget, to more realistically reflect the true cost including inflation. Also included in this budget line for 2006 is \$69,005 for the cost of the Monitoring of community wells for the Community Services department. The cost recovery of this occurs on line 44 in the Revenue section. The 2005 actuals include an expense for upgrades to the Lindsay water system; this work is complete and has not been budgeted in the 2006 amount.

Line 24 Materials and Supplies – has a reduction of \$43,570 to more closely reflect true costs.

Line 26 Maintenance and Repairs – The 2006 budget has increased over the 2005 budget for inflationary factors.

Line 42 Inter-Departmental Transfers – This line represents equipment allocation expenses and fleet charges from the maintenance management system.

Line 51 Debenture Principal and interest – The 2005 budget was too high for the actual payments that were made. The 2006 budget figure is based on the actual figures in the long term debt schedules for water debentures.

Line 3 User Fees and Charges – The 2005 budget amount was too low, therefore there is a large variance in the 2005 budget to 2006 budget. The 2006 budget more accurately reflects true estimated revenues. It should be noted that there is an offsetting variance in the Wastewater variance on the same line 3.



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Line 44 Interdepartmental Transfers Revenues – The budget for 2006 reflects a cost recovery from the Community Services department for the monitoring of Community wells. The expense has been agreed and budgeted in the tax based budget for Community Services.

