



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors
FROM: Beverli A. Marshall, General Manager
DATE: July 24, 2017
SUBJECT: **Adopt A Resolution Approving the Contract Collection Services Budget for Fiscal Year 2017/18**

Staff Recommendation

Staff recommends that the Board of Directors adopt a resolution (next number in sequence) approving the Contract Collection Services (CCS) Budget for Fiscal Year 2017/18.

Fiscal Impact

The fiscal impact of the CCS Budget for Fiscal Year 2017/18 is \$813,561. This is an *overall decrease* of \$82,081 from the FY 2016/17 budget, which is primarily due to the eliminating funding for vehicle replacements. The impact to the participating agency assessments is (rounded to nearest \$):

	Total CCS Assessments for Each Agency			
	<u>FY 2016/17</u>	<u>FY 2017/18</u>	<u>\$ Change</u>	<u>% Change</u>
Half Moon Bay	\$331,685	\$274,596	(\$ 57,089)	(17%)
GCSD	\$242,350	\$239,954	(\$ 2,396)	(1.0%)
MWSD	\$321,608	\$279,411	(\$ 42,197)	(13%)
Total	\$895,642	\$793,961	(\$101,682)	(11%)

Strategic Plan Compliance

The revised CCS Budget complies with the SAM Strategic Plan Vision: “*Act as one organization service the Coastside community: member agencies, residents, visitors, and the environment.*” It also complies with Strategic Plan Goal 5.6: “*SAM is committed*

BOARD MEMBERS:	J. Blanchard	S. Boyd	D. Penrose
	D. Ruddock	K. Slater-Carter	L. Woren
ALTERNATE MEMBERS:	M. Clark	J. Harvey	B.
Huber	R. Kowalczyk	H. Rarback	

to providing quality collection system maintenance service for the Coastsides. It will seek to offer the type of agile and responsive service and cost that wins that business.”

Background and Discussion/Report

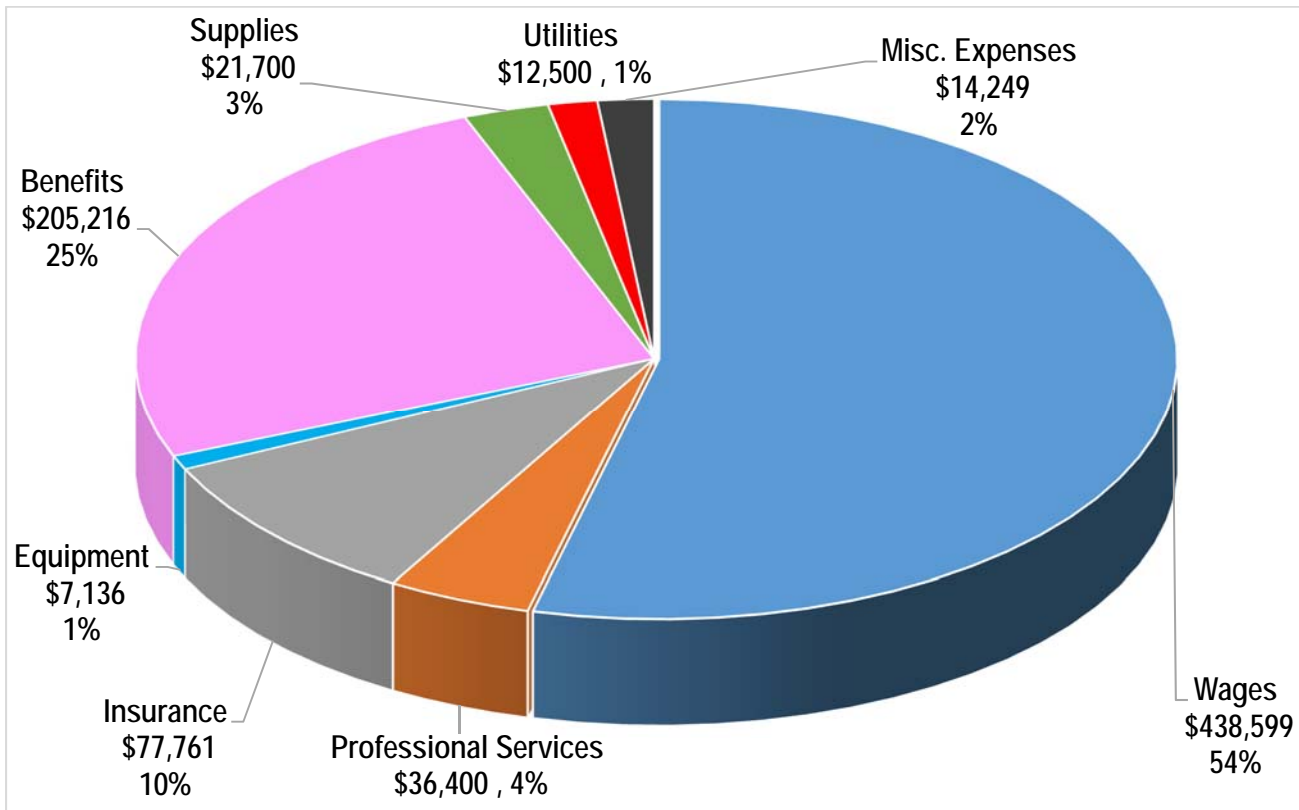
The CCS Budget for FY 2017/18 is presented to the Board of Directors for approval and adoption. The budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non-discretionary expenses.

Staff made the following assumptions in determining changes from FY 2016/17.

- All three agencies will fully participate in all services.
- All budgeted positions will be filled if they become vacant.
- All applicable merit step increases will be earned per the MOU with Local No. 39.
- 1.5% of payroll will be set aside for OPEB costs.

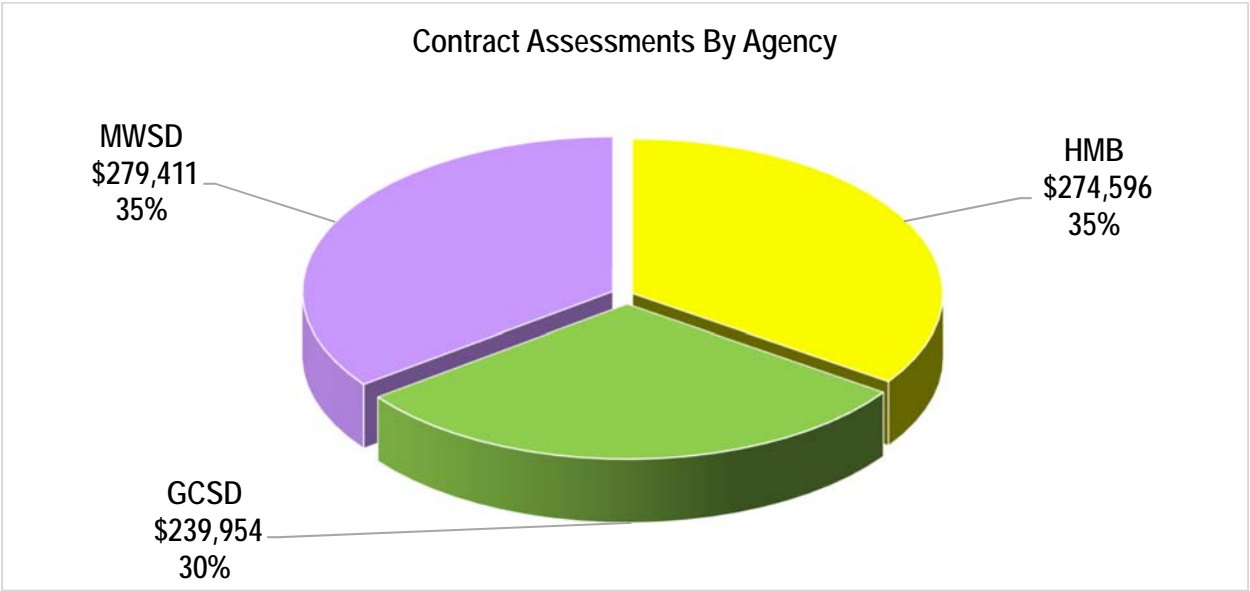
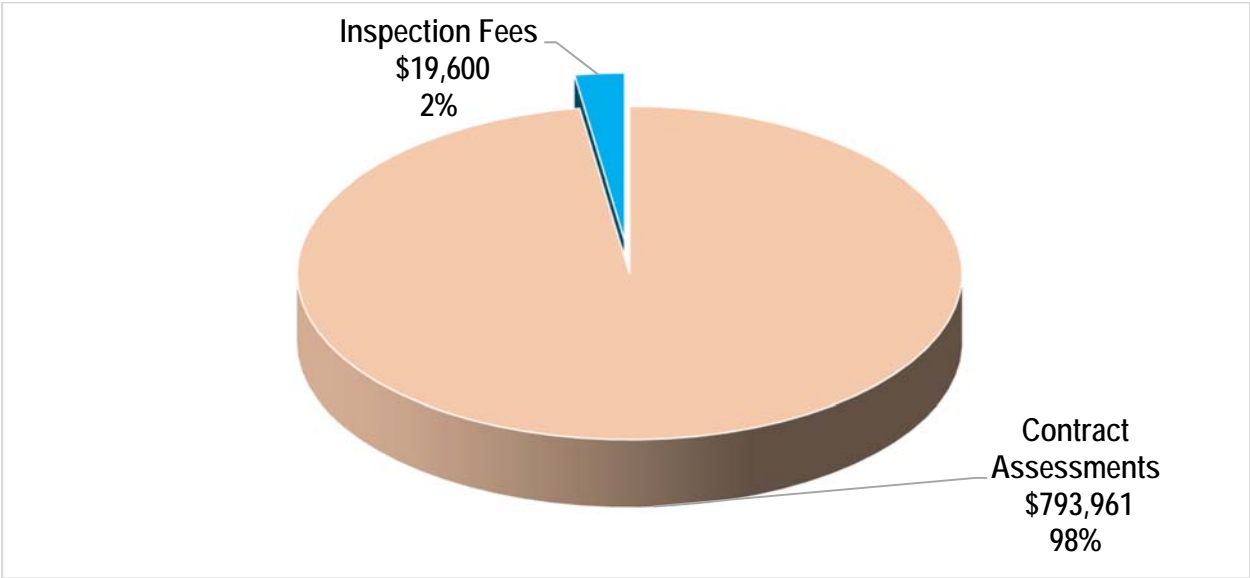
Budget Overview

Of the total CCS Budget expenses, 54% is for wages and 25% is for benefits. Insurance premiums represents the third largest category in the budget (10%).



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Of the CCS Budget revenue, the majority (99%) is from the contract assessments to the participating agencies. The remaining revenue is from the F.O.G. inspection fees.

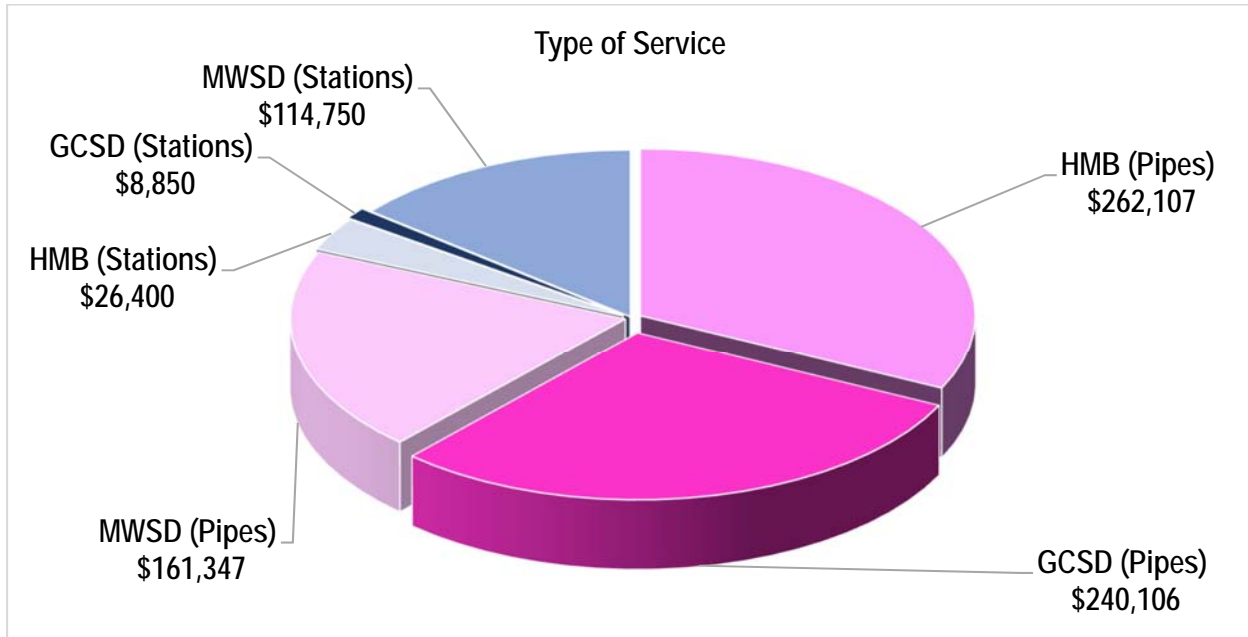


The change in the CCS budget is due to: increases in wages for cost of living adjustments; increases in CalPERS rates for classic members; increases in retirement medical contributions to meet GASB requirements for other post-employment benefits (OPEB); shifting staff time to Contract Collection Services for inspections (F.O.G.) that was previously charged to the Environmental Compliance budget; increases in insurance premiums due to retroactive adjustments based on claims experience; shifting training and travel to the JPA General Budget to support staff development that was previously charged to Contract Collection Services; reallocation of water costs that

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were incorrectly charged to the JPA General Budget; decreases in equipment costs due to the elimination of funding for vehicle replacements.

Starting with FY 2017/18, the allocation of costs between the participating agencies is based on the percentage of total lines cleaned and percentage of lift stations maintained rather than on a percentage of total CCS man hours.



Changes Within Budget Categories

The significant overall changes in the budget categories are as follows.

1. Wages: increased \$34,987 for negotiated COLA of 3%; application of step increases, where appropriate. Also includes shifting .25 FTE Lead Collection Maintenance Worker for F.O.G. inspections.
2. Premium Pay: increased \$23,396 for negotiated changes in standby pay, certification pay, and overtime pay for work performed outside of normal working hours effective July 1, 2016, but not adopted until September 26, 2016. Also includes shifting .25 FTE Lead Collection Maintenance Worker for F.O.G. inspections.
3. Health Benefits: increased \$5,865 based on negotiated changes in benefits effective July 1, 2016, but not adopted until September 26, 2016. Also includes shifting .25 FTE Lead Collection Maintenance Worker for F.O.G. inspections.

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4. Retirement Contributions: *decreased* \$28,721 due to changes in the CalPERS contribution rates for PEPRA members. Also includes shifting .25 FTE Lead Collection Maintenance Worker for F.O.G. inspections.
5. Retirement Medical: increased \$5,856 (1.5% of wages) for contributions for OPEB as required by GASB. Also includes shifting .25 FTE Lead Collection Maintenance Worker for F.O.G. inspections.
6. Misc. Benefits: increased \$16,711 for negotiated changes in benefits effective July 1, 2016, but not adopted until September 26, 2016. Also includes shifting .25 FTE Lead Collection Maintenance Worker for F.O.G. inspections.
7. Legal Services: no legal service costs budgeted in CCS.
8. Engineering Services: no legal service costs budgeted in CCS.
9. Professional Services: increased \$6,086 and includes ongoing services that are specialized and need to be performed by consultants.
10. Professional Memberships: *decreased* \$491 to reflect shift to JPA General Budget for certification fees for negotiated changes in minimum requirements, effective July 1, 2016, but not adopted until September 26, 2016.
11. Printing/Advertising: increased \$103 based on projected FY 2016/17 expenses.
12. Insurance Premiums: increased \$18,425 to reflect retroactive premiums and anticipated adjustments in liability premiums for participating members.
13. Utilities: increased \$7,499 for water that was previously charged to the JPA General Budget in error.
14. Misc. Expenses: increased \$5,921 reflects a reallocation of expenses from the various categories to correct GL account lines in the accounting software.
15. Travel & Training: *decreased* \$13,120 to reflect shift to JPA General Budget.
16. Building & Maintenance Services: no building and maintenance service costs budgeted in CCS.
17. Chemicals: no chemical costs are budgeted in CCS.
18. Permits & Licenses: no permit and license costs are budgeted in CCS.
19. Supplies: increased \$7,322 based on projected FY 2016/17 expenses.

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20. Equipment: *decreased* \$173,864 to reflect the elimination of funding for replacement of collection system vehicles.
21. Tools: increased \$2,200 for replacement of tools that have worn out and to make sure spares are available in an emergency.
22. Infrastructure: no construction related costs are budgeted in CCS.

Challenges

SAM's Reserve Policy requires a balance of two months of operating reserve (\$135,594). As of April 30, 2017, SAM had no reserve funds for CCS. To be compliant with the reserve policy, funds need to be provided by the participating agencies to meet the reserve minimum in addition to the assessments needed to pay for FY 2017/18 expenses. Staff did not incorporate this additional funding in the revised budget.

Cash flow likely will be an issue in FY 2017/18. Assessments are billed in equal installments each month, which generally matches the expenditure outlays related to ongoing costs such as wages, benefits, and recurring services (janitorial, utility, etc.). Emergency repair work costs are incurred as needed and billed separately to the appropriate agency for reimbursement. There is often a 60-day delay between paying the vendor invoices and receiving the reimbursement from the agencies. This could result in a cash shortage while waiting for the reimbursements.

CalPERS has notified participating agencies of its change in discount rate and how the current smoothing process will increase contribution rates. This will continue to be significant cost until the workforce transitions to all classic employees being retired.

This budget was discussed by the Board of Directors at the regular meetings on March 27, April 10, May 8, May 22, and June 12, 2017. The Board requested that staff meet with the participating agency managers and sewer engineers to identify ways to reduce the budget and reprioritize infrastructure projects to lessen the impact on agency assessments. Staff met and discussed the budget on May 11 and 12. The following is a summary of recommendations made by one or more of the managers/engineers during those discussions.

- Need to think of SAM budget like personal finances vs. government spending.
- Be more conscientious of rate payer impact.
- Underbudget for non-fixed costs and ask for more mid-year, only if needed.
- SAM staff need to do more of the work and depend less on contractors (cut by 50%).

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- Key budget lines to reduce: Professional Services.
- Key budget lines to eliminate: Equipment for vehicle replacement funding.
- Need to evaluate number of staff in each position – may be overstaffed.
- SAM is facing a dire situation and needs to strip the budget bare.

Staff did not include all of the participating agency/engineer recommendations in the revised budget. It does include the elimination of vehicle replacement funding in the Equipment category.

As of July 19, 2017, all three member agencies approved the budget. Staff asks that the Board approve and adopt the CCS Budget for FY 2017/19.

Supporting Documents

Attachment A: CCS Budget for FY 2017/18

BOARD MEMBERS:	J. Blanchard	S. Boyd	D. Penrose
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SEWER AUTHORITY MID-COASTSIDE



PROPOSED CONTRACT COLLECTION SERVICES BUDGET FISCAL YEAR 2017/18 JUNE 12, 2017

**SEWER AUTHORITY MID-COASTSIDE
CONTRACT COLLECTION SERVICES (CCS) BUDGET
FISCAL YEAR 2017/18**

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**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SEWER AUTHORITY MID-COASTSIDE**

RESOLUTION NO. ____ - 2017

**APPROVING AND ADOPTING THE SEWER AUTHORITY MID-COASTSIDE
CONTRACT COLLECTION SERVICES BUDGET FOR FISCAL YEAR 2017/18**

The Board finds that:

The Sewer Authority Mid-Coastside has prepared and submitted to each of its member agencies a proposed Contract Collection Services (CCS) Budget for Fiscal Year 2017/18.

The member agency governing boards have each approved the proposed budget and adopted resolutions to record their approval.

As a result, the Board of Directors of the Sewer Authority Mid-Coastside:

1. approves and adopts the Contract Collection Services (CCS) Budget for Fiscal Year 2017/18; and
2. directs the Secretary to file a copy of this Resolution, along with a copy of the CCS Budget, with each member agency.

* * *

I HEREBY CERTIFY that this resolution was duly and regularly adopted by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo County, California, at a regular meeting held on the 24th day of July 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Secretary of the Board
Sewer Authority Mid-Coastside
San Mateo County, California

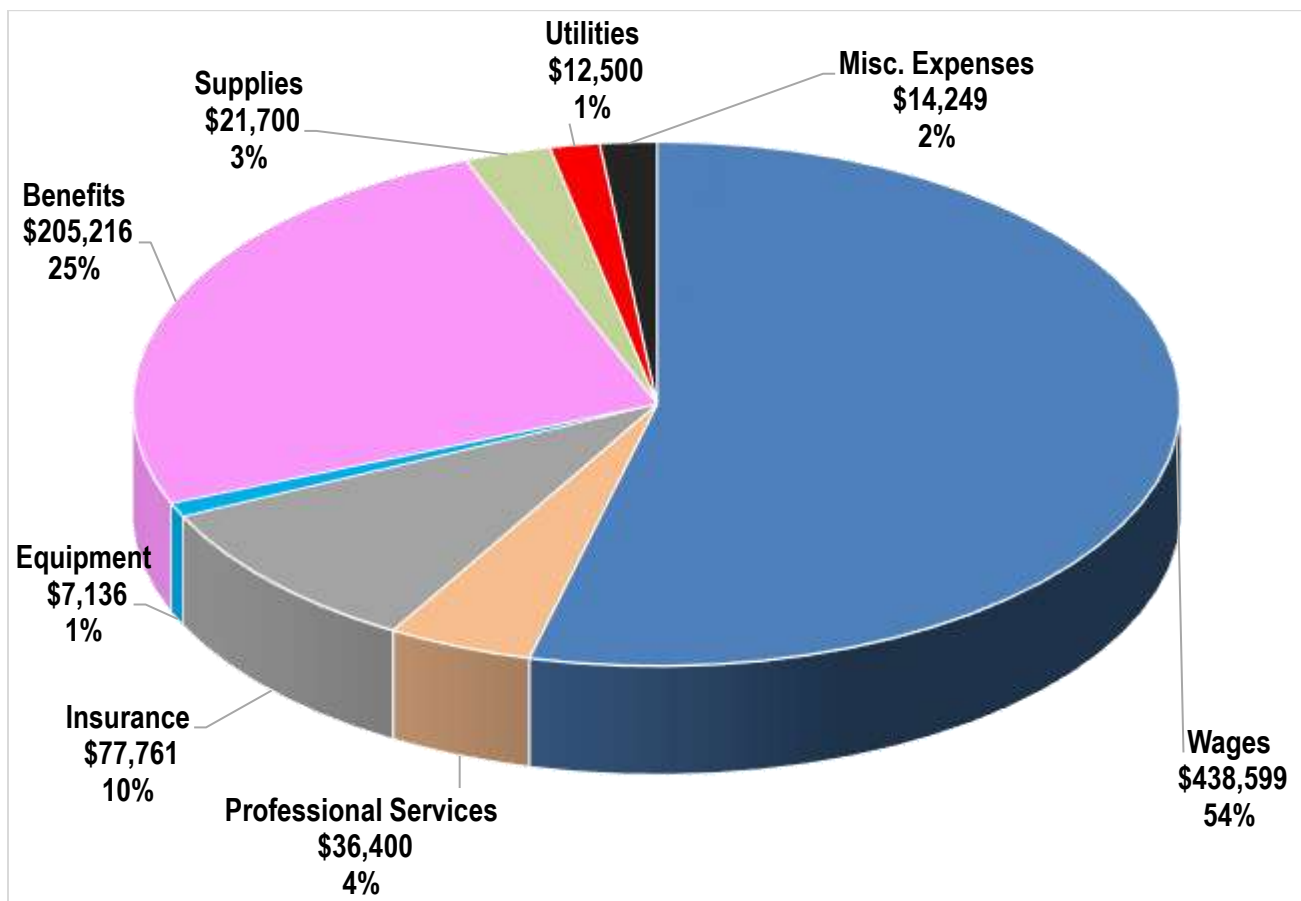
CONTRACT COLLECTION SERVICES BUDGET

SUMMARY

Each year SAM makes assumptions regarding revenue and expenses. While some of the expenses are outside of SAM's control (utilities, collection flow levels, emergency repairs), it is still possible to estimate the cost from year to year. The Board and the contracting agencies expect staff to justify all expenditures and to continue to identify areas that can be made more efficient and cost effective.

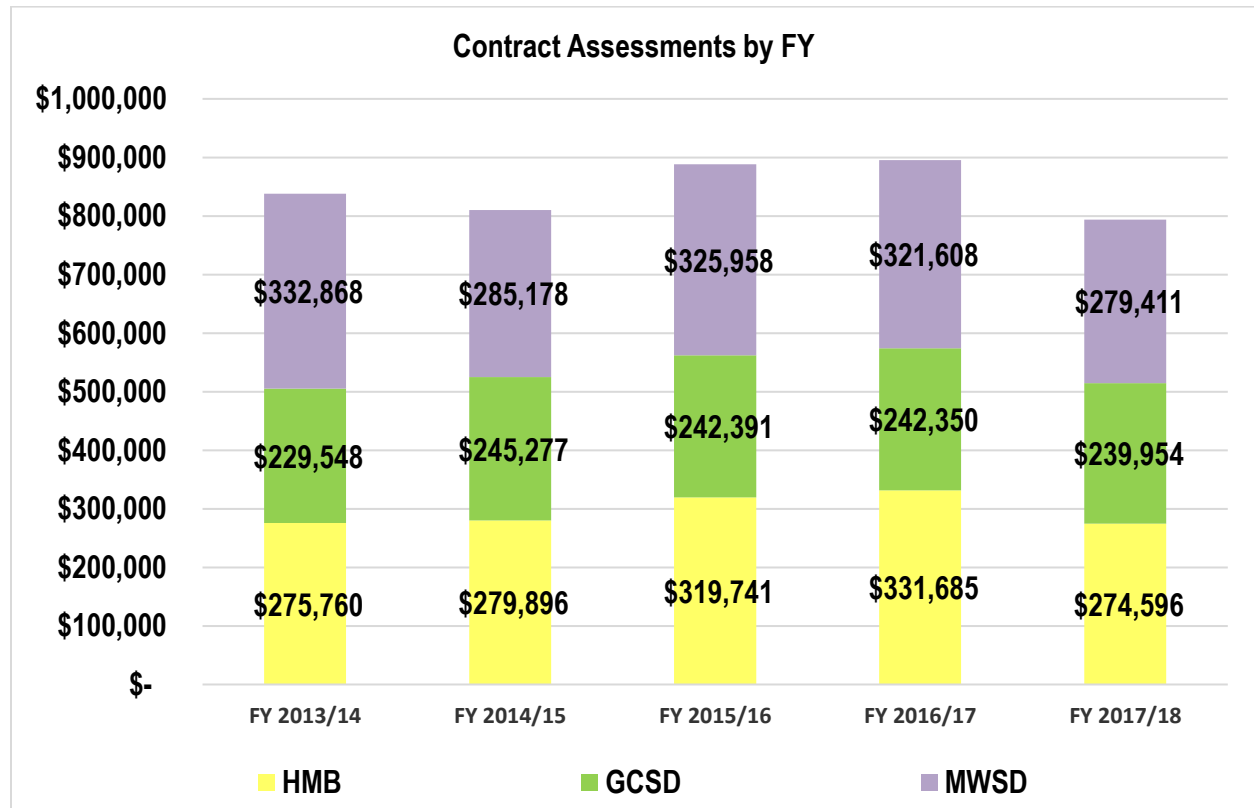
The budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts, increases in retirement contributions, utilities, fuel, and other non-discretionary expenses. Discretionary costs were recommended by staff based on identified needs and industry practices.

The overall change from the Contract Collection Services (CCS) Budget for Fiscal Year 2016/17 to Fiscal Year 2017/18 is a **decrease** of \$82,081 (-9.2%), which is due mostly to the elimination of funding for vehicle replacement.



All expenditures and revenues are included in the General Fund, SAM's primary funding source. The impact to the participating agency assessments is:

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Half Moon Bay	\$ 279,896	\$ 319,741	\$ 331,685	\$ 274,596	(\$ 57,089)	(17%)
GCSD	\$ 245,277	\$ 242,391	\$ 242,350	\$ 239,954	(\$ 2,396)	(1.0%)
MWSD	\$ 285,178	\$ 325,958	\$ 321,608	\$ 279,961	(\$ 42,197)	(13%)
Total	\$ 810,351	\$ 888,090	\$ 895,643	\$ 793,961	(\$101,682)	(11%)



The primary changes in the CCS Budget are: increased in wages for cost of living adjustments; increase in CalPERS rates for classic members; increase in retirement medical contributions to meet GASB requirements for other post-employment benefits (OPEB); shift of staff time to Contract Collection Services for pre-treatment inspections (F.O.G.) that was previously charged to the Environmental Compliance budget; increase in insurance premiums due to retroactive adjustments based on claims experience; shift in training costs to the O & M budget; reallocation of water costs that were incorrectly budgeted in the O & M budget; decreased equipment costs due to financing the vehicle replacement costs over the life of the vehicles (12 years).

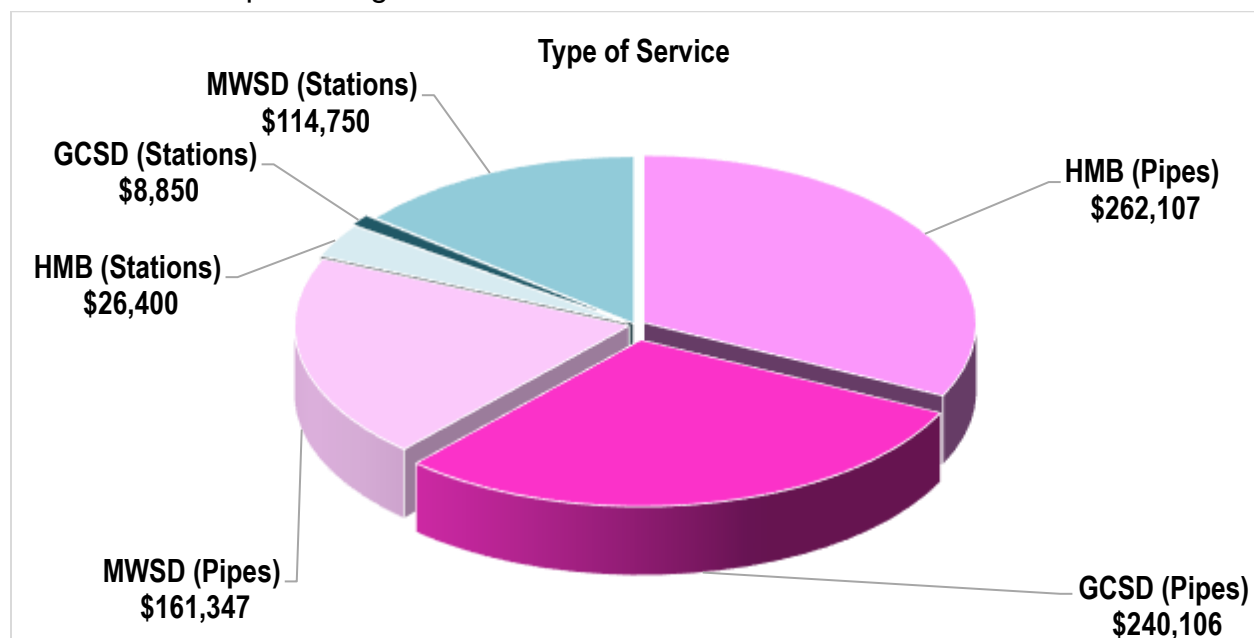


PROGRAM DESCRIPTION

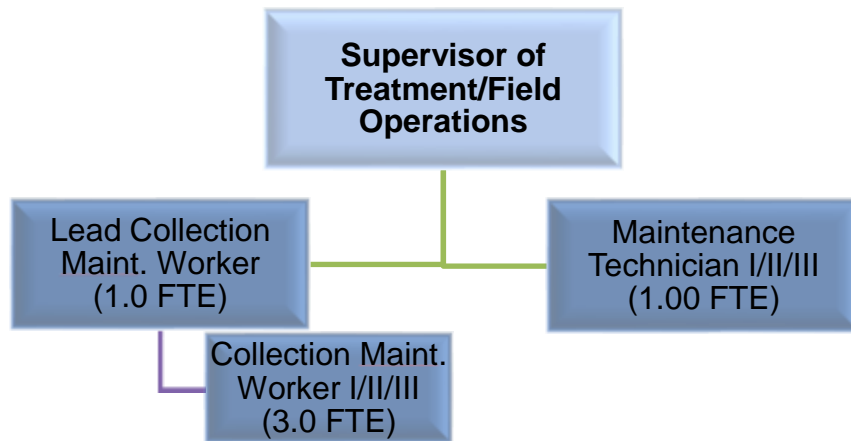
The Contract Collection Services (CCS) division budget is a discrete function at SAM and not included in the JEPA. This division provides preventive and corrective maintenance of the wastewater main lines and lift stations and responds to customer requests for service for the City of Half Moon Bay, Granada Community Services District, and the Montara Water & Sanitary District. The service levels are identified in the service agreements between SAM and each participating agency.

In the past, assessments for the contract collection services were calculated based on the previous calendar year’s man-hours spent in each contracting agency’s system.

Starting with FY 2017/18, the allocation of costs between the participating agencies is based on the percentage of total lines cleaned and percentage of lift stations maintained rather than on a percentage of total CCS man hours.



Services are supervised by the Supervisor of Treatment/Field Operations. None of the cost of the Supervisor is charged to the CCS Budget as is included in the JPA General Budget. The following organizational chart reflects the reporting structure of the division.



The following staffing summary reflects the historical cost allocation for the division.

Staffing Summary	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Regular Positions	6.15	6.15	6.15	6.475	4.75	5.00

The following pages provide the CCS Budget details as well as the separate budgets for each participating agency.

CONTRACT COLLECTION SERVICES BUDGET

FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 ACTUAL	FY 2016/17 ADOPTED	FY 2016/17 ESTIMATE	FY 2017/18 PROPOSED	CHANGE FROM FY 2016/17 ADOPTED
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EXPENDITURES

By Type:

1 Wages	347,920	437,355	430,134	355,606	292,600	390,503	34,897	10%
2 Premium Pay	35,363	40,049	15,545	24,701	71,518	48,097	23,396	95%
3 Health Benefits	-	-	129,030	111,435	88,285	117,300	5,865	5.3%
4 Retirement Cont.	57,407	72,164	71,986	68,596	42,454	45,044	(23,552)	-34%
5 Retirement Medical	9,058	1,389	11,943	5,334	1,491	5,856	522	10%
6 Misc. Benefits	117,740	125,816	12,232	20,305	31,009	37,016	16,711	82%
7 Legal Services	-	-	-	-	-	-	-	0%
8 Engineering Services	-	-	-	-	-	-	-	0%
9 Professional Services	19,500	17,875	37,454	30,314	173,208	36,400	6,086	20%
10 Prof. Memberships	148	-	245	750	1,079	259	(491)	-65%
11 Printing/Advertising	-	-	154	3	101	106	103	3440%
12 Insurance Premiums	51,996	48,091	51,718	59,336	71,995	77,761	18,425	31%
13 Utilities	3,347	257	943	5,001	11,019	12,500	7,499	150%
14 Misc. Expenses	4,091	10,163	46,948	5,083	7,362	11,004	5,921	116%
15 Travel & Training	5,519	8,949	10,666	16,000	9,876	2,880	(13,120)	-82%
16 Bldg & Maint Services	-	-	22	-	-	-	-	0%
17 Chemicals	-	-	-	-	-	-	-	0%
18 Permits & Licenses	-	-	-	-	-	-	-	0%
19 Supplies	9,390	8,875	12,256	11,378	27,218	18,700	7,322	64%
20 Equipment	15,872	20,233	57,425	181,000	2,117	7,136	(173,864)	-96%
21 Tools	353	222	3,974	800	268	3,000	2,200	275%
22 Infrastructure	-	-	-	-	-	-	-	0%
23	677,704	791,438	892,675	895,642	831,599	813,561	(82,081)	-9.2%

24 Funded Positions:

25 <i>Operating Fund FTE</i>	6.150	6.150	6.475	4.750	4.750	5.000	0.25	5.3%
26 <i>Other Funds FTE</i>	-	-	-	-	-	-	-	0%
27	6.150	6.150	6.475	4.750	4.750	5.000	0.25	5.3%

28 REVENUE

By Type:

30 JPA Assessments	-	-	-	-	-	-	-	0%
31 Contract Services	838,176	810,351	888,090	895,643	895,643	793,961	(101,682)	-11%
32 NDWSCP Fees	-	-	-	-	-	19,600	19,600	196000%
33 Misc. Fees	-	-	-	-	-	-	-	0%
34 Interest Earnings	-	-	-	-	-	-	-	0%
35 Misc. Revenue	-	-	-	-	-	-	-	0%
36 From/(To) Reserves	-	-	-	-	-	-	-	0%
37	838,176	810,351	888,090	895,643	895,643	813,561	(82,082)	-9.2%

By Agency:

39 Half Moon Bay	275,760	279,896	319,741	331,685	331,685	274,596	(57,089)	-17%
40 Granada CSD	229,548	245,277	242,391	242,350	242,350	239,954	(2,396)	-1.0%
41 Montara WSD	332,868	285,178	325,958	321,608	321,608	279,411	(42,197)	-13%
42	838,176	810,351	888,090	895,643	895,643	793,961	(101,682)	-11%

CONTRACT COLLECTION SERVICES: HMB DIVISION

FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 ACTUAL	FY 2016/17 ADOPTED	FY 2016/17 ESTIMATE	FY 2017/18 PROPOSED	CHANGE FROM FY 2016/17 ADOPTED	
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EXPENDITURES

By Type:

1 Wages	115,440	152,681	154,848	133,612	109,643	137,983	4,370	3.3%
2 Premium Pay	11,733	13,981	8,837	8,840	26,891	16,434	7,594	86%
3 Health Benefits	-	-	46,451	41,767	33,195	41,483	(284)	-0.7%
4 Retirement Cont.	19,048	25,192	25,915	25,813	15,962	16,701	(9,112)	-35%
5 Retirement Medical	3,005	485	4,299	2,005	619	2,069	64	3.2%
6 Misc. Benefits	39,066	43,922	4,403.52	7,570	11,466	13,068	5,498	73%
7 Legal Services	-	-	-	-	-	-	-	0%
8 Engineering Services	-	-	-	-	-	-	-	0%
9 Professional Services	6,470	6,240	13,483	10,926	65,094	14,485	3,559	33%
10 Prof. Memberships	49	-	88	282	406	40	(242)	-86%
11 Printing/Advertising	-	-	55	1	38	40	39	3893%
12 Insurance Premiums	17,252	16,789	18,618	17,140	22,253	25,272	8,132	47%
13 Utilities	1,111	90	339	1,881	4,143	4,974	3,094	165%
14 Misc. Expenses	1,357	3,548	13,431	1,910	2,604	1,260	(650)	-34%
15 Travel & Training	1,831	3,124	3,840	6,016	3,713	1,234	(4,782)	-79%
16 Bldg & Maint Services	-	-	8	-	-	-	-	0%
17 Chemicals	-	-	-	-	-	-	-	0%
18 Permits & Licenses	-	-	-	-	-	-	-	0%
19 Supplies	3,116	3,098	4,412	3,903	10,223	7,442	3,539	91%
20 Equipment	5,266	7,063	20,673	68,056	859	3,343	(64,713)	-95%
21 Tools	117	78	1,431	301	101	1,194	893	297%
22 Infrastructure	-	-	-	-	-	-	-	0%
23	224,862	276,291	321,133	330,024	307,210	287,021	(43,003)	-13.0%

24 Funded Positions:

25 Operating Fund FTE	2.041	2.148	2.350	1.786	1.786	1.768	(0.018)	-1.0%
26 Other Funds FTE	-	-	-	-	-	-	-	0%
27	2.041	2.148	2.350	1.786	1.786	1.768	(0.018)	-1.0%

28 REVENUE

By Type:

30 JPA Assessments	-	-	-	-	-	-	-	0%
31 Contract Services	275,760	279,896	319,741	331,685	331,685	274,596	(57,089)	-17%
32 NDWSCP Fees	-	-	-	-	-	12,425	12,425	124250%
33 Misc. Fees	-	-	-	-	-	-	-	0%
34 Interest Earnings	-	-	-	-	-	-	-	0%
35 Misc. Revenue	-	-	-	-	-	-	-	0%
36 From/(To) Reserves	-	-	-	-	-	-	-	0%
37	275,760	279,896	319,741	331,685	331,685	287,021	(44,664)	-13%

38 By Agency:

39 Half Moon Bay	275,760	279,896	319,741	331,685	331,685	274,596	(57,089)	-17%
40 Granada CSD	-	-	-	-	-	-	-	0%
41 Montara WSD	-	-	-	-	-	-	-	0%
42	275,760	279,896	319,741	331,685	331,685	274,596	(57,089)	-17%

CONTRACT COLLECTION SERVICES: GCSD DIVISION

FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 ACTUAL	FY 2016/17 ADOPTED	FY 2016/17 ESTIMATE	FY 2017/18 PROPOSED	CHANGE FROM FY 2016/17 ADOPTED
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EXPENDITURES

By Type:

1 Wages	95,922	134,049	117,427	97,335	80,366	116,125	18,790	19%
2 Premium Pay	9,750	12,275	6,701	7,377	19,525	12,887	5,511	75%
3 Health Benefits	-	-	35,225	30,594	24,102	34,923	4,329	14%
4 Retirement Cont.	15,827	22,118	19,652	18,761	11,590	14,451	(4,311)	-23%
5 Retirement Medical	2,497	426	3,260	1,456	330	1,741	285	20%
6 Misc. Benefits	32,461	38,563	3,339.34	5,638	8,716	10,991	5,353	95%
7 Legal Services	-	-	-	-	-	-	-	0%
8 Engineering Services	-	-	-	-	-	-	-	0%
9 Professional Services	5,376	5,479	10,225	8,943	47,332	13,011	4,068	45%
10 Prof. Memberships	41	-	67	205	294	36	(169)	-83%
11 Printing/Advertising	-	-	42	1	28	29	28	2799%
12 Insurance Premiums	14,335	14,740	14,119	14,332	16,901	17,834	3,502	24%
13 Utilities	923	79	257	1,365	3,008	4,468	3,103	227%
14 Misc. Expenses	1,128	3,115	6,569	1,389	2,180	8,116	6,727	484%
15 Travel & Training	1,522	2,743	2,912	4,368	2,696	1,108	(3,260)	-75%
16 Bldg & Maint Services	-	-	6	-	-	-	-	0%
17 Chemicals	-	-	-	-	-	-	-	0%
18 Permits & Licenses	-	-	-	-	-	-	-	0%
19 Supplies	2,589	2,720	3,346	2,833	7,446	6,684	3,851	136%
20 Equipment	4,376	6,201	15,677	49,413	550	2,252	(47,161)	-95%
21 Tools	97	68	1,085	218	73	1,072	854	391%
22 Infrastructure	-	-	-	-	-	-	-	0%
23	186,843	242,576	239,910	244,230	225,138	245,729	1,500	0.6%

24 Funded Positions:

25 Operating Fund FTE	1.696	1.885	1.774	1.297	1.297	1.489	0.192	15%
26 Other Funds FTE	-	-	-	-	-	-	-	0%
27	1.696	1.885	1.774	1.297	1.297	1.489	0.192	15%

28 REVENUE

By Type:

30 JPA Assessments	-	-	-	-	-	-	-	0.0%
31 Contract Services	229,548	245,277	242,391	242,350	242,350	239,954	(2,396)	-1.0%
32 NDWSCP Fees	-	-	-	-	-	5,775	5,775	577500%
33 Misc. Fees	-	-	-	-	-	-	-	0%
34 Interest Earnings	-	-	-	-	-	-	-	0%
35 Misc. Revenue	-	-	-	-	-	-	-	0%
36 From/(To) Reserves	-	-	-	-	-	-	-	0%
37	229,548	245,277	242,391	242,350	242,350	245,729	3,379	1.4%

By Agency:

39 Half Moon Bay	-	-	-	-	-	-	-	0%
40 Granada CSD	229,548	245,277	242,391	242,350	242,350	239,954	(2,396)	-1.0%
41 Montara WSD	-	-	-	-	-	-	-	0%
42	229,548	245,277	242,391	242,350	242,350	239,954	(2,396)	-1.0%

CONTRACT COLLECTION SERVICES: MWSD DIVISION

FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 ACTUAL	FY 2016/17 ADOPTED	FY 2016/17 ESTIMATE	FY 2017/18 PROPOSED	CHANGE FROM FY 2016/17 ADOPTED	
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EXPENDITURES

By Type:

1 Wages	136,559	150,625	157,859	124,658	102,591	136,395	11,737	9.4%
2 Premium Pay	13,880	13,793	7	8,484	25,103	18,775	10,291	121%
3 Health Benefits	-	-	47,354	39,074	30,988	40,894	1,820	4.7%
4 Retirement Cont.	22,532	24,853	26,419	24,021	14,901	13,891	(10,130)	-42%
5 Retirement Medical	3,555	478	4,383	1,872	541	2,045	173	9.3%
6 Misc. Benefits	46,213	43,331	4,489.14	7,097	10,826	12,957	5,860	83%
7 Legal Services	-	-	-	-	-	-	-	0%
8 Engineering Services	-	-	-	-	-	-	-	0%
9 Professional Services	7,654	6,156	13,746	10,445	60,783	8,904	(1,541)	-15%
10 Prof. Memberships	58	-	90	263	379	183	(80)	-30%
11 Printing/Advertising	-	-	57	1	36	37	36	3628%
12 Insurance Premiums	20,408	16,563	18,981	27,864	32,842	34,655	6,791	24%
13 Utilities	1,314	89	346	1,755	3,868	3,058	1,303	74%
14 Misc. Expenses	1,606	3,500	26,949	1,784	2,578	1,628	(156)	-8.7%
15 Travel & Training	2,166	3,082	3,914	5,616	3,466	538	(5,078)	-90%
16 Bldg & Maint Services	-	-	8	-	-	-	-	0%
17 Chemicals	-	-	-	-	-	-	-	0%
18 Permits & Licenses	-	-	-	-	-	-	-	0%
19 Supplies	3,686	3,057	4,498	4,642	9,549	4,574	(68)	-1.5%
20 Equipment	6,230	6,968	21,075	63,531	708	1,541	(61,990)	-98%
21 Tools	139	76	1,458	281	94	734	453	161%
22 Infrastructure	-	-	-	-	-	-	-	0%
23	265,999	272,571	331,632	321,388	299,251	280,811	(40,577)	-13%

24 Funded Positions:

25 Operating Fund FTE	2.414	2.117	2.350	1.667	1.667	1.743	0.076	4.6%
26 Other Funds FTE	-	-	-	-	-	-	-	0%
27	2.414	2.117	2.350	1.667	1.667	1.743	0.076	4.6%

28 REVENUE

By Type:

30 JPA Assessments	-	-	-	-	-	-	-	0%
31 Contract Services	332,868	285,178	325,958	321,608	321,608	279,411	(42,197)	-13%
32 NDWSCP Fees	-	-	-	-	-	1,400	1,400	140000%
33 Misc. Fees	-	-	-	-	-	-	-	0%
34 Interest Earnings	-	-	-	-	-	-	-	0%
35 Misc. Revenue	-	-	-	-	-	-	-	0%
36 From/(To) Reserves	-	-	-	-	-	-	-	0%
37	332,868	285,178	325,958	321,608	321,608	280,811	(40,797)	-13%

By Agency:

39 Half Moon Bay	-	-	-	-	-	-	-	0%
40 Granada CSD	-	-	-	-	-	-	-	0%
41 Montara WSD	332,868	285,178	325,958	321,608	321,608	279,411	(42,197)	-13%
42	332,868	285,178	325,958	321,608	321,608	279,411	(42,197)	-13%

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2016/17 and 2017/18 budgets.

Category	FY 2016/17	FY 2017/18
<p>Wages</p> <p>Increased for COLA adjustments of 3% per MOU, a shift of 0.25 Lead Collection Maintenance Worker from the JPA budget, which reflects the F.O.G. inspections performed on behalf of the participating agencies, and merit step increases, where applicable.</p>	\$355,606	\$390,503
<p>Premium Pay</p> <p>Includes overtime paid for staff to perform tasks outside of normal work times as well as standby pay. The change includes negotiated changes effective July 1, 2016, but not adopted until September 26, 2016. The increase also includes the shift of 0.25 Lead Collection Maintenance Worker from the JPA budget.</p>	\$24,701	\$48,097
<p>Health Benefits</p> <p>The cost of medical, dental, and vision benefits provided to employees based on the MOU. The increase includes negotiated changes effective July 1, 2016, but not adopted until September 26, 2016. The increase also includes the shift of 0.25 Lead Collection Maintenance Worker from the JPA budget.</p>	\$111,435	\$117,300
<p>Retirement Contributions</p> <p>Decreased to reflect changes in CALPERS contribution rates for PEPRA members. SAM pays a portion of the employee contribution to CalPERS for retirement benefits only for classic members. SAM is in compliance PEPRA.</p>	\$68,596	\$45,044
<p>Retirement Medical</p> <p>Increased to make contributions to an OPEB trust in compliance with GASB. The increase also includes the shift of 0.25 Lead Collection Maintenance Worker from the JPA budget.</p>	\$5,334	\$5,856

FISCAL YEAR 2017/18

Misc. Benefits	\$20,305	\$37,016
Increased to include negotiated changes effective July 1, 2016, but not adopted until September 26, 2016.		
Legal Services	\$0	\$0
There are no legal services budgeted to CCS.		
Engineering Services	\$0	\$0
There are no engineering costs charged to CCS.		
Professional Services	\$30,314	\$36,400
This category reflects specialized services that cannot be provided by SAM staff. This includes vehicle maintenance, medical services to maintain Class B licenses, and contracting with vendor to perform cleaning services on Hwy 1.		
Professional Membership	\$750	\$259
Includes memberships in professional organizations (CWEA) for SAM to keep current on industry practices and service delivery improvements.		
Printing/Advertising	\$3	\$106
Includes the cost of business cards, door hangtags, and F.O.G outreach materials.		
Insurance Premiums	\$59,336	\$77,761
The liability insurance premiums for coverage of the participating agencies' collection systems are charged to this budget. Increases are based on FY 2016/17 premiums, retroactive premiums, and anticipated premium changes by the pooling authority (CSRMA).		
Utilities	\$5,001	\$12,500
Water and cellular telephones for CCS staff. Water was previously charged to the JPA budget in error.		
Misc. Expenses	\$5,086	\$11,004
Includes incidental expenses (uniform laundry services, postage, delivery services, etc.) not captured in other categories.		

FISCAL YEAR 2017/18

Travel & Training	\$16,000	\$2,880
Training and travel related costs for required safety training.		
Building & Maintenance Services	\$0	\$0
There are no building and maintenance services budgeted to CCS.		
Chemicals	\$0	\$0
There are no chemical costs budgeted to CCS.		
Permits	\$0	\$0
There are no permit fees budgeted to CCS. If permits are needed for emergency repairs of participating agency pipes, the costs are charged to the appropriate agency for reimbursement.		
Supplies	\$11,378	\$18,700
Office, computer, printer, safety, and general supplies.		
Equipment	\$181,000	\$7,136
Decreased to eliminate funding for replacement of CCS vehicles due to the uncertainty of continued contract services with one or more of the participating agencies.		
Tools	\$800	\$3,000
Purchase of tools and small equipment for use in the collection system.		
Construction	\$0	\$0
There are no construction costs budgeted to CCS.		

The significant changes in the Contract Collection Services division from the Adopted Budget for FY 2016/17 included in the FY 2017/18 budget are:

1. Changed the allocation methodology to more accurately reflect the types of services delivered to each participating agency rather than allocating the percentage of total man hours used.
2. Reallocated 0.25 FTE Lead Collection Maintenance Worker related to the F.O.G. inspections performed on behalf of participating agencies.

3. Reallocated budget between line items to more accurately reflect the expenditures after implementing new accounting software.
4. Eliminated funding for equipment replacement or establishment of a replacement fund for the purchase of future CCS vehicles.

GOALS

- Perform all scheduled and emergency maintenance at the service levels defined in the service agreements.
- Work with the member agencies to reduce sanitary sewer overflows (SSOs) through use of industry best practices.
- Provide customers with quick, knowledgeable, and complete response by service crews.
- In a timely manner, process all liability claims paperwork as required by CSRMA on behalf of the participating agencies.
- Promote the development and education of staff to assure the ongoing ability to maintain, troubleshoot and repair all systems and equipment.

HIGHLIGHTS

- Cleaned participating agency sewer lines as required in the service agreements.
- Responded to service requests as required in the service agreements.
- Responded to most emergency service requests within 60 minutes.
- Performed preventive maintenance at all contract lift stations. This work improves station reliability and reduces odor generation.
- Conducted all required annual safety training programs.
- Responded to requests for USA markings.
- Performed connection inspections for member agencies as requested.
- Performed project management services for sewer line repair work as requested by participating agencies.

PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows in the participating agencies' systems, and to minimize the possibility of equipment breakdowns
- Continue to promote and provide a safe and healthy environment for all staff.
- Develop and implement standard operating procedures (SOPs) for contract collection and maintenance functions.
- Develop and implement maintenance plan for routine maintenance on all equipment.

- Perform the annual F.O.G. program inspections on behalf of the participating agencies.

PERFORMANCE MEASURES

- Clean all segments of participating agency sewer lines each year for regular cleaning and more frequently for “hot spots” or problem areas.
- Reduce sanitary sewer overflows (SSOs) to no more than the annual Region 2 average of six spills per 100 miles of pipe.
- No lost time due to injuries or accidents.
- Completion of 100% of required annual safety trainings.
- Respond to 100% of emergency service requests within 60 minutes with 100% customer satisfaction.