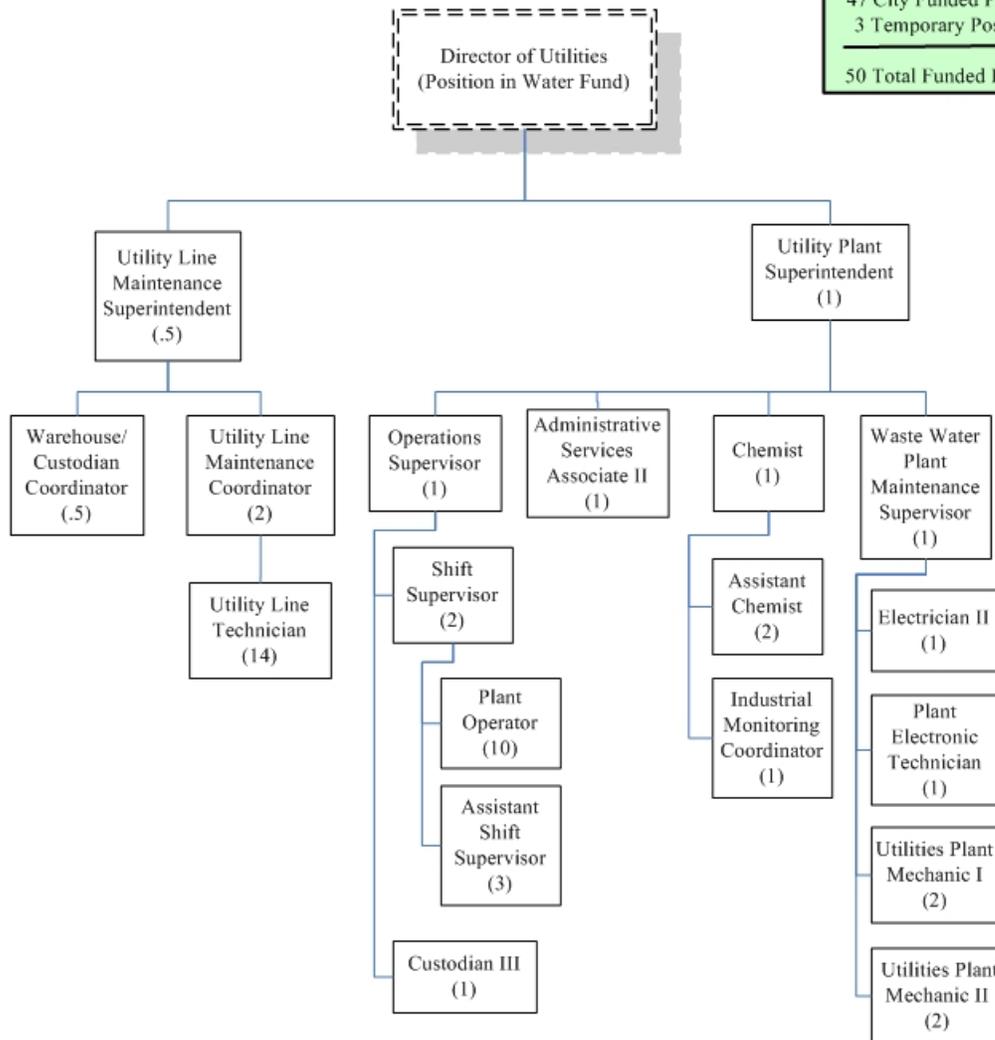




DEPARTMENT OF UTILITIES SEWER FUND

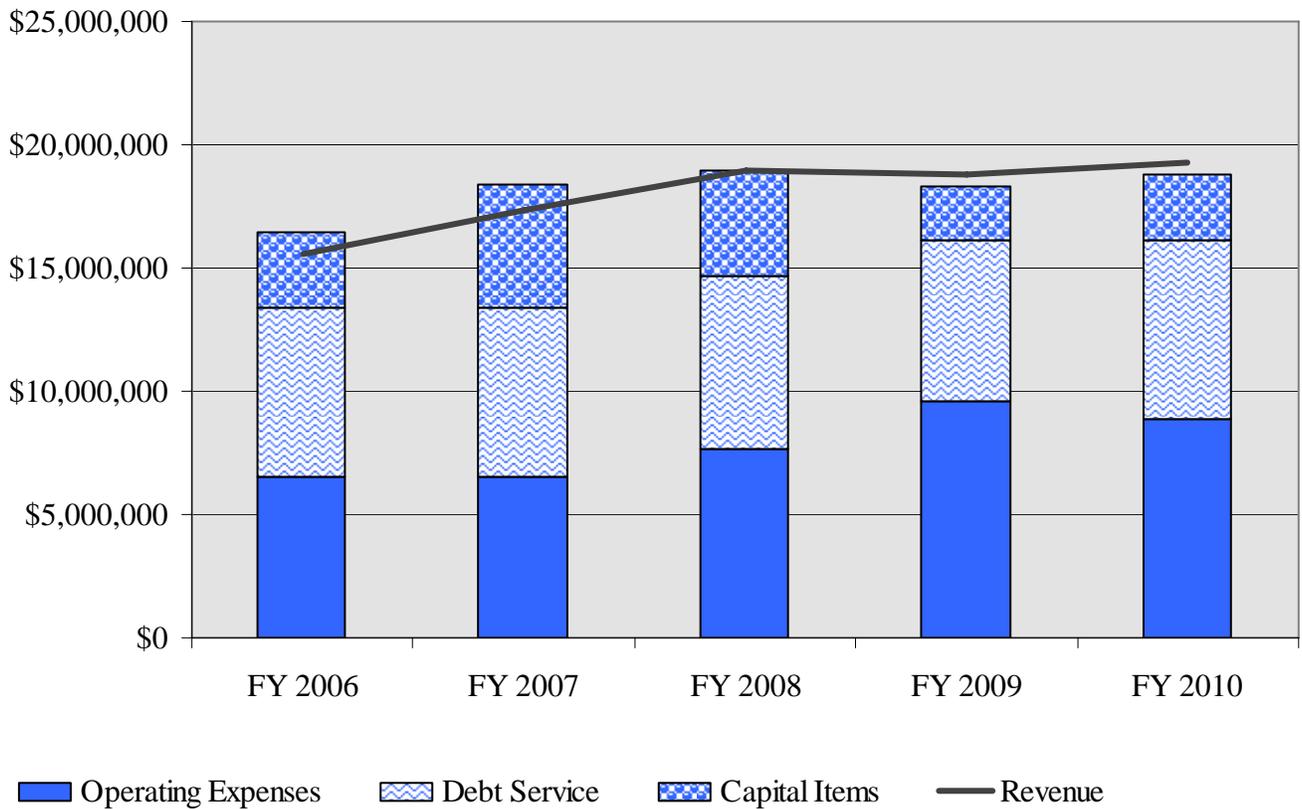
POSITION SUMMARY
.....
47 City Funded Positions
3 Temporary Positions
<hr/>
50 Total Funded Positions





Sewer Fund. The Utilities Department operates a regional wastewater treatment plant with an average daily treatment capacity of 22 million gallons per (mgd) per day of domestic or industrial wastewater and combined storm water. The department also owns and operates over 450 miles of sewer lines, including a combined sewer system. Wastewater service is provided to approximately 80% of the citizens and businesses in Lynchburg. Service is also provided to parts of Amherst, Bedford and Campbell Counties under the terms of the 1974 Regional Sewage Treatment Plant Agreement. The Utilities Department also cleans, monitors and repairs the wastewater collection system, including an extensive network of sanitary and combined sanitary/storm drains.

Revenues & Expenses





Sewer Fund Debt Coverage

	Actual FY 2008	Adopted FY 2009	Department Requested FY 2010	Manager's Proposed FY 2010	Adopted FY 2010
SEWER FUND DEBT COVERAGE					
REVENUES					
Charges for Services	\$15,525,331	\$16,050,029	\$15,987,279	\$15,987,279	\$15,987,279
Sewer Contracts	2,836,482	2,318,161	2,961,334	2,961,334	2,961,334
Interest & Other	622,706	404,251	299,212	299,212	299,212
TOTAL REVENUES	\$18,984,519	\$18,772,441	\$19,247,825	\$19,247,825	\$19,247,825
EXPENDITURES					
WWTP	\$4,721,425	\$5,140,376	\$6,002,513	\$5,998,613	\$5,998,613
Sewer Line Maintenance	1,686,548	1,962,239	2,347,561	2,345,351	2,345,351
Non-Departmental	1,283,302	1,601,139	515,495	427,664	427,664
Projects costs charged to operations	424,948	0	0	0	0
TOTAL EXPENDITURES	\$8,116,223	\$8,703,754	\$8,865,569	\$8,771,628	\$8,771,628
OPERATING INCOME	\$10,868,296	\$10,068,688	\$10,382,256	\$10,476,197	\$10,476,197
Debt Service	6,958,584	6,572,006	7,283,231	7,283,231	7,283,231
NET REVENUE	\$3,909,712	\$3,496,682	\$3,099,025	\$3,192,966	\$3,192,966
Debt Coverage ratio Target	1.20	1.20	1.20	1.20	1.20
Debt Coverage ratio	1.56	1.53	1.43	1.44	1.44



Sewer Fund

	Actual FY 2008	Adopted FY 2009	Department Requested FY 2010	Manager's Proposed FY 2010	Adopted FY 2010
SEWER FUND POSITION SUMMARY					
City Funded Full-Time	45.0	46.0	47.0	47.0	47.0
City Funded Seasonal Wage	1.4	1.3	3.0	3.0	3.0
TOTAL FTE	46.4	47.3	50.0	50.0	50.0
SEWER FUND SUMMARY					
BEGINNING NET ASSETS	\$92,715,447				
Less: Invested in Capital Assets, net of related debt	(67,111,290)				
BEGINNING UNRESTRICTED NET ASSETS	\$25,604,157	\$5,811,522	\$28,011,657	\$28,011,657	\$28,011,657
REVENUES					
Charges for Services	\$15,525,331	\$16,050,029	\$15,987,279	\$15,987,279	\$15,987,279
Sewer Contracts	2,836,482	2,318,161	2,961,334	2,961,334	2,961,334
Interest and Other	622,706	404,251	299,212	299,212	299,212
TOTAL REVENUES	\$18,984,519	\$18,772,441	\$19,247,825	\$19,247,825	\$19,247,825
EXPENDITURES					
Departmental	\$6,407,973	\$7,102,615	\$8,350,074	\$8,343,964	\$8,343,964
Non-departmental	1,283,302	1,601,139	515,495	427,664	427,664
Equipment Purchases	46,667	115,000	110,000	110,000	110,000
Transfer - Capital	3,950,000	2,000,000	2,500,000	2,500,000	2,500,000
Transfer - General Fund-Fleet	325,000	0	0	0	0
Debt Service	6,958,584	6,572,006	7,283,231	7,283,231	7,283,231
TOTAL EXPENDITURES	\$18,971,526	\$17,390,760	\$18,758,800	\$18,664,859	\$18,664,859
ENDING UNRESTRICTED NET ASSETS	\$25,617,150	\$7,193,203	\$28,500,682	\$28,594,623	\$28,594,623

Note: Ending Unrestricted Net Assets for FY 2008 does not agree to Beginning Unrestricted Net Assets for FY 2009 as Amended due to the difference in reporting capital outlay, debt service and certain revenue items in the CAFR and the Budget.



Sewer Fund

	Actual FY 2008	Adopted FY 2009	Department Requested FY 2010	Manager's Proposed FY 2010	Adopted FY 2010
SEWER FUND REVENUE SUMMARY					
CHARGES FOR SERVICES					
Sewer Sales - Inside City	\$13,575,448	\$14,300,000	\$14,399,070	\$14,399,070	\$14,399,070
Septic Hauler Charges	397,347	400,000	400,000	\$400,000	400,000
College Hill Backwash Charge	112,600	112,600	112,600	112,600	112,600
Leachate Treatment	57,000	59,280	60,471	60,471	60,471
Industrial Pre-treatment	6,900	6,000	7,000	7,000	7,000
Industrial Monitoring Charges	44,769	42,000	40,000	40,000	40,000
Industrial Surcharges	300,992	300,000	329,600	329,600	329,600
Cut-on & Penalty Charges	80,928	70,000	84,460	84,460	84,460
Connection charges	136,500	154,000	50,000	50,000	50,000
Availability Fees	353,282	150,000	50,000	50,000	50,000
Account Charges	413,044	411,000	423,044	423,044	423,044
Sewer Cost Plus	30,748	35,000	15,000	15,000	15,000
Miscellaneous - Collection and Tax Lien Fees	15,773	10,149	16,034	16,034	\$16,034
TOTAL CHARGES FOR SERVICES	\$15,525,331	\$16,050,029	\$15,987,279	\$15,987,279	\$15,987,279
SEWER CONTRACTS					
Counties					
Amherst	\$303,134	\$296,478	\$313,082	\$313,082	313,082
Bedford	319,627	322,333	343,440	343,440	343,440
Campbell	204,641	206,297	225,743	225,743	225,743
Industrial					
Rock Tenn	1,431,240	900,000	1,442,000	1,442,000	1,442,000
Frito Lay	577,840	593,053	637,069	637,069	637,069
TOTAL SEWER CONTRACTS	\$2,836,482	\$2,318,161	\$2,961,334	\$2,961,334	\$2,961,334
INTEREST AND OTHER					
Interest	\$584,206	\$365,751	\$206,212	\$206,212	206,212
State Highway Maintenance	38,500	38,500	93,000	93,000	93,000
TOTAL INTEREST AND OTHER	\$622,706	\$404,251	\$299,212	\$299,212	\$299,212
TOTAL REVENUES	\$18,984,519	\$18,772,441	\$19,247,825	\$19,247,825	\$19,247,825



Sewer Fund

	Actual FY 2008	Adopted FY 2009	Department Requested FY 2010	Manager's Proposed FY 2010	Adopted FY 2010
SEWER FUND EXPENSE SUMMARY					
DEPARTMENTAL					
Salaries	\$1,660,149	\$1,819,775	\$1,945,968	\$1,945,968	\$1,945,968
Employee Benefits	629,723	690,389	751,302	745,192	745,192
Chemicals	434,143	503,500	627,000	627,000	627,000
Communication Charges	10,070	9,600	14,750	14,750	14,750
Utilities-Waste Water Treatment Plant	409,812	470,000	546,786	546,786	546,786
Natural Gas	88,214	140,000	88,214	88,214	88,214
Sludge Disposal	614,327	700,000	550,000	550,000	550,000
Contractual Services	825,665	754,394	818,590	818,590	818,590
Supplies and Materials	456,844	572,739	536,700	536,700	536,700
Indirect Costs	851,886	852,694	685,219	685,219	685,219
Self-Insurance	187,882	196,716	193,886	193,886	193,886
Admin/Overhead Pmts to Water fund	0	0	1,100,000	1,100,000	1,100,000
All Other	239,258	392,808	491,659	491,659	491,659
TOTAL DEPARTMENTAL	\$6,407,973	\$7,102,615	\$8,350,074	\$8,343,964	\$8,343,964
NON-DEPARTMENTAL					
Water Operating Payment	\$775,000	\$1,063,248	\$0	\$0	\$0
Financial Audit	14,537	13,442	16,250	\$16,250	16,250
Allowance for Uncollectible Accounts	20,440	20,000	25,000	25,000	25,000
Special Order CSO Charges	10,174	30,000	34,073	34,073	34,073
Retiree Benefits	207,551	87,660	140,172	140,172	140,172
Compensation Plan Adjustments	0	86,789	0	(87,831)	(87,831)
Interceptor Maintenance	255,600	300,000	300,000	300,000	300,000
TOTAL NON-DEPARTMENTAL	\$1,283,302	\$1,601,139	\$515,495	\$427,664	\$427,664
CAPITAL AND TRANSFERS					
Transfer to Sewer Capital Fund	\$3,950,000	\$2,000,000	\$2,500,000	\$2,500,000	\$2,500,000
Transfer to General Fund-Fleet	325,000	0	0	0	0
Capital Purchases	46,667	115,000	110,000	110,000	110,000
TOTAL CAPITAL AND TRANSFERS	\$4,321,667	\$2,115,000	\$2,610,000	\$2,610,000	\$2,610,000
Debt Service	6,958,584	6,572,006	7,283,231	7,283,231	7,283,231
TOTAL EXPENDITURES	\$18,971,526	\$17,390,760	\$18,758,800	\$18,664,859	\$18,664,859



Department of Utilities Sewer Fund – Sewer Line Maintenance Division. Provides installation, maintenance, cleaning and repair of sanitary sewer lines and sewer services as well as monitoring of overflow points. Performs line inspections using TV cameras. Provides vermin control. Manages storm water and maintains retention pond grounds. Maintenance of storm and sanitary sewer lines provides flood and pollution control, thus promoting the welfare and health of the public. Services are federally mandated by the Clean Water Act. Oversight is provided by the Department of Environmental Quality.

	Actual FY 2008	Adopted FY 2009	Department Requested FY 2010	Manager's Proposed FY 2010	Adopted FY 2010
POSITION SUMMARY					
City Funded Full-Time	17	17	17	17	17
TOTAL FTE	17	17	17	17	17
BUDGET SUMMARY					
Salaries	\$531,000	\$604,372	\$636,797	\$636,797	\$636,797
Employee Benefits	209,730	236,129	254,898	252,688	252,688
Contractual Services	31,423	75,123	113,619	113,619	113,619
Internal Services					
Fleet Service Charges	100,888	170,594	243,044	243,044	243,044
Other Charges					
Supplies and Materials	146,150	195,564	185,700	185,700	185,700
Gasoline / Fuel	54,860	62,334	58,350	58,350	58,350
Telecommunications	5,182	2,900	7,750	7,750	7,750
Training and Conferences	5,270	7,500	5,250	5,250	5,250
Indirect Costs	483,467	484,275	327,285	327,285	327,285
Self - Insurance	117,833	121,448	120,839	120,839	120,839
Admin/Overhead Pmts to Water fund	0	0	392,079	392,079	392,079
Miscellaneous	0	500	450	450	450
Rentals and Leases	745	1,500	1,500	1,500	1,500
Capital Outlay	17,917	15,000	10,000	10,000	10,000
TOTAL	\$1,704,465	\$1,977,239	\$2,357,561	\$2,355,351	\$2,355,351



Sewer Fund – Sewer Line Maintenance Division Budget Description

The Department Requested FY 2010 Sewer Fund – Sewer Line Maintenance Division budget of \$2,357,561 represents a 19.2% increase of \$380,322 as compared to the Adopted FY 2009 budget of \$1,977,239.

Significant changes introduced in the Department Requested FY 2010 budget include:

- \$51,194 increase in Salaries and Employee Benefits reflecting FY 2009 salary adjustments and mid year market increases.
- \$72,450 increase in Fleet Services Charges due to increased parts and labor costs.
- \$38,496 increase in Contractual Services reflecting, \$20,000 for landfill fees for dumping construction debris, and \$19,446 for software maintenance on GIS and the new Work Management System.
- \$227,166 increase in Other Charges which includes \$428,835 for Water Fund Admin expense attributable to Sewer Line Maintenance and CSO as an indirect cost, moving it out of Non-departmental expense, which is partially offset by the reduction of the General Fund indirect cost by \$156,900.

Major items requested not proposed by the City Manager for funding:

- 3% in Salaries and Employee Benefits reflecting a 3% salary reduction for all employees. This savings is recognized as a lump sum in the Other Non-Departmental line item of the Expenditure Summary.
- \$360 in Employee Benefits per full-time classified employee due to realized savings in health care costs from employee participation in the Health Management Program. This savings is recognized as a lump sum in the Non-Departmental – Other line item of the Expenditure Summary.
- \$2,210 in Employee Benefits from the elimination of a \$5 per pay period employer match previously provided to employees participating the Deferred Compensation program.

The Proposed FY 2010 Sewer Fund – Sewer Line Maintenance Division budget was adopted by City Council without changes.



Department of Utilities Sewer Fund – Wastewater Treatment Plant. Performs secondary treatment for an average of 13 million gallons per day (mgd) (with peaks up to 44 mgd) of domestic and industrial wastewater. Amherst, Bedford, and Campbell Counties partner with the City in this cooperative endeavor by paying their proportional share of the capital and operating expenses based on the capacity they own and their wastewater flows. Wastewater receives primary settling, aeration, secondary settling, and disinfection before the effluent is discharged into the James River. Sludge produced from the treatment process is dewatered and landfilled. Wastewater is treated to meet or exceed Federal and State water quality standards and to promote the general health and welfare of residents of the region. The services provided are Federally mandated by the Clean Water Act. Oversight is provided by the Department of Environment Quality.

	Actual FY 2008	Adopted FY 2009	Department Requested FY 2010	Manager's Proposed FY 2010	Adopted FY 2010
POSITION SUMMARY					
City Funded Full-Time	28.0	29.0	30.0	30.0	30.0
City Funded Seasonal Wage	1.4	1.3	3.0	3.0	3.0
TOTAL FTE	29.4	30.3	33.0	33.0	33.0
BUDGET SUMMARY					
Salaries	\$1,129,149	\$1,215,403	\$1,309,171	\$1,309,171	\$1,309,171
Employee Benefits	419,993	454,260	496,404	492,504	492,504
Contractual Services	794,242	679,271	704,971	704,971	704,971
Internal Services					
Fleet Service Charges	19,993	69,909	95,465	95,465	95,465
Other Charges					
Supplies and Materials	310,694	377,175	351,000	351,000	351,000
Sludge disposal - landfill	614,327	700,000	550,000	550,000	550,000
Chemicals	434,143	503,500	627,000	627,000	627,000
Gasoline / Fuel	13,457	14,271	19,350	19,350	19,350
Telecommunications	4,888	6,700	7,000	7,000	7,000
Utilities	498,026	610,000	635,000	635,000	635,000
Buildings and Grounds	6,716	0	10,500	10,500	10,500
Training and Conferences	14,964	16,700	12,250	12,250	12,250
Indirect Costs	368,419	368,419	357,934	357,934	357,934
Self - Insurance	70,049	75,268	73,047	73,047	73,047
Admin/Overhead Pmts to Water fund	0	0	707,921	707,921	707,921
Memberships/Permits/Nutrient Trading Program	18,336	29,500	35,500	35,500	35,500
Rentals and Leases	4,029	20,000	10,000	10,000	10,000
Capital Outlay	28,750	100,000	100,000	100,000	100,000
TOTAL	\$4,750,175	\$5,240,376	\$6,102,513	\$6,098,613	\$6,098,613



Sewer Fund – Wastewater Treatment Plant Budget Description

The Department Requested FY 2010 Sewer Fund – Wastewater Treatment Plant budget of \$6,102,513 represents a 16.5% increase of \$862,137 as compared to the Adopted FY 2009 budget of \$5,240,376.

Significant changes introduced in the Department Requested FY 2010 budget include:

- \$135,912 increase in Salaries and Employee Benefits reflecting FY 2010 salary adjustments and mid year market increases, a new Assistant Chemist position and an added wage position.
- \$707,921 increase in Other Charges due to moving Water Fund Admin. expense from Non-departmental into Indirect Costs. Increases in chemical costs and electricity were offset by a decrease in landfill fees.

Major items requested not proposed by the City Manager for funding:

- 3% in Salaries and Employee Benefits reflecting a 3% salary reduction for all employees. This savings is recognized as a lump sum in the Other Non-Departmental line item of the Expenditure Summary.
- \$360 in Employee Benefits per full-time classified employee due to realized savings in health care costs from employee participation in the Health Management Program. This savings is recognized as a lump sum in the Non-Departmental – Other line item of the Expenditure Summary.
- \$3,900 in Employee Benefits from the elimination of a \$5 per pay period employer match previously provided to employees participating the Deferred Compensation program.

The Proposed FY 2010 Sewer Fund – Wastewater Treatment Plant budget was adopted by City Council without changes.