

Ironhouse Sanitary District
Significant Budget Highlights and Assumptions
FY 20/21

Revenue

1. Sewer services charges based on NBS realignment and an overall 9% increase in rates.
2. No budget for inspection and plan check fees since estimate not readily determinable.
3. Estimated 150 new connections. Expansion and trunk-line capacity fees combined into one capacity fee as calculated by NBS. Connection fee of \$1,392 eliminated; however, reduction is made-up in higher capacity fee. Year-over-year budget increase in connection related fees \$49,699.
4. Budget for RD830 management fee eliminated.

Expenses

Salaries and Related Expenses:

1. Merit/COLA increase currently set at 2.5%. Will be adjusted to CPI-W index for SF/Oakland/Hayward April 2019 to April 2020 change when available.
2. Medical premium cap established at 90% of Kaiser family rate or \$1,798.25 which is a slight increase from FY 19/20 cap of \$1,797.71. Estimated 8% increase effective January 2021 (4% effective rate increase for FY).
3. CalPERS retirement contribution for Classic employees increasing from 33.7% to 35.7%. PEPRA employee's contribution increasing from 7.5% to 8.2%. ISD continues to pay 7% of 8% required employee contribution for Classic employees. Overall expected increase in retirement budget (including unfunded liability) of \$72,927.

Operations and Maintenance:

1. Bio-Solids removal budget increase from \$140,000 to \$170,000 due to higher trucking and storage rates.

Professional Services:

1. No budget for connection rate studies as study completed in FY 19/20.
2. Studies and Assessments includes \$300,000 for Bio-Solids Master plan.

Other Income:

1. Interest income budget is decreasing from \$275,00 to \$200,000. The decrease is reflective of significantly lower interest rates and expected drawdown of capital expenditure reserve for planned capital improvements.