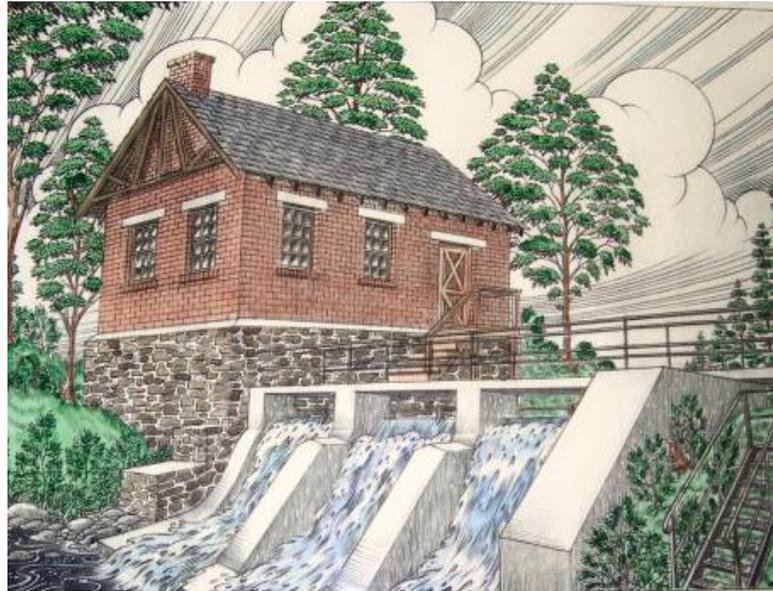


BOARD OF PUBLIC WORKS



BUDGET MEETING

May 10, 2016

**This presentation is available on the
Borough's web site at www.parkridgeboro.com**

BOARD OF PUBLIC WORKS

Terence Maguire, Mayor

George J. Mehm, Jr., President

John D. Pouletsos, Vice President

Robert A. Ludwig

Dr. Charles Moore

Matthew Levinson

Richard Bosi, Council Liaison

MANAGEMENT STAFF

William Beattie, Director of Operations

Paul Longo, General Supervisor Electric Distribution

William Hahn, General Supervisor Water and Sewer

Christopher O'Leary, Assistant Gen Supv Water & Sewer

Peter Wayne, General Supervisor of Public Works

Angelo Dell'Armo, Project Engineer

Park Ridge Operations Supervisors



William Beattie
Director of Operations



Paul Longo
Supervisor of Electric Dist.



Angelo Dell'Armo
Project Engineer



Peter Wayne
Supervisor of Public Works



William Hahn
Supervisor of Water & Sewer



Christopher O'Leary
Asst. Supv of Water & Sewer

Operations Staffing Changes

Retirees



William Hahn
Supv of Water & Sewer



James Babcock
Water & Sewer Repairer



Chuck Deitrich
Buildings & Grounds



Jay Ottens
Water Repairer

Recent Hires



Christopher O'Leary
Asst. Supv of Water & Sewer



Paul Hurly
Water Department Laborer



Ryan Witham
Road Department Laborer



Christopher Wheeler
Road Department Laborer

Utility and Public Works Shared Services

- **Joint Managed Contract Request For Proposals for Wholesale Power Supply** – Park Ridge, Seaside Heights, Lavallette and South River have joined together and are using a new managed contract approach to procure wholesale power. This has resulted in lower power costs **and this savings is being passed along to our customers. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) joined in the bidding in 2012.**
- **Tri-Boro Fuel Depot** – Unleaded and Diesel fueling station shared with Montvale and Woodcliff Lake.
- **Sewer Flusher** – We joined with Emerson and in 2010 we received a new Sewer flusher truck at no cost through a grant that was applied for through Bergen County. Emerson, Park Ridge and Montvale use this sewer flusher.
- **Sewer Camera** – Shared with several towns in the Pascack Valley for video inspection of sewer mains.

- **Public Power Association of New Jersey (PPANJ)** – Electric Department is a member of this service association comprised of all nine municipal electric utilities in New Jersey and Sussex Rural Electric Cooperative. Benefits include:
 - Share legal, engineering, administrative and consulting costs to monitor and act on both state and federal regulatory matters.
 - Share purchase of low-cost hydroelectric power from federally-funded projects on the St. Lawrence.
 - Joint power proposal contracts.

- **Joint Municipal Shared Services Energy Corporation** – This is legislation we are trying to enact which would enable the NJ municipal electric utilities to purchase energy contracts, power facilities, and other shared services. This is subject to legislative approval and the Governor’s signature. The bill was recently reintroduced in the new legislative session and we continue to work to get it passed.

- **American Public Power Association (APPA)** – Park Ridge Electric Department is a member of National APPA, comprised of municipally-owned electric utilities throughout the country. The main function this organization provides is for the monitoring and support for regulatory matters that could affect municipal electric utilities. They also provide educational materials and training.
- **New Jersey American Water Works Association (NJAWWA)** – Park Ridge Water Department is a member of the New Jersey AWWA, comprised of water utilities and professionals in New Jersey. This organization provides support and training for the water utilities. Also monitors and provides guidance to the New Jersey Legislators to promote public health and welfare in the provision of drinking water of unquestionable quality and sufficient quantity.
- **New Jersey Water Association** – Park Ridge Water Department is a member of this organization which is comprised of the smaller water utilities in New Jersey. This organization provides support and free training programs for the water department staff. Because most of our staff have obtained their operator’s licenses, this organization provides an excellent tool for the employees to keep up with their required continuing education credits at a minimal cost. They also provide additional monitoring and guidance for regulatory issues in New Jersey.

FINANCE DEPARTMENT

STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>CFO/Utility Treasurer</i>	Joseph Kolodziej	1*
<i>Asst. Director of Finance/Treasurer</i>	Ron Berg	1**
<i>Utilities Collection Supervisor</i>	Nancy Russell	21
<i>Principal Account Clerk</i>	Liz Maggio	10
<i>Senior Cashier</i>	Joseph Barnes	18
<i>Clerk Typist/Cashier (Tax Collector)</i>	Jessica Mazzarella	13
<i>Senior Account Clerk</i>	Thomas Mazzarella	5

* 20 years of financial experience prior to employment with Park Ridge

** 30 years of financial experience prior to employment with Park Ridge

Average Years of Service: 10

Borough Office Staff



Pictured left to right: Ron Berg, Bob Ludwig, Liz Maggio, Julie Falkenstern, Jess Mazzarella, Karen Prezant, Joe Kolodziej, Tom Mazzarella, Bob Campora, Kelley O'Donnell, Magdalena Giandomenico, Elizabeth Tallman, Francesca Maragliano, Elena Rega, Joe Barnes (not pictured Nancy Russell, Gina Walak, Joan Higgins)

ROADS, GROUNDS, VEHICLE MAINTENANCE STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Peter Wayne	25
<i>Road Supervisor</i>	Bill Diedtrich	24
<i>Senior Road Repairer</i>	John Woods	11
<i>Road Repairer</i>	Joseph Zuccaro	8
<i>Road Repairer</i>	Jason Coughenour	8
<i>Road Repairer</i>	Everett Sayers	3
<i>Road Repairer</i>	Christopher Wheeler	1*
<i>Laborer</i>	Ryan Witham	1
<i>Mechanic</i>	Ken Nibbling	12
<i>Buildings and Grounds</i>	Chuck Deitrich**	26

* 14 years Public Works experience prior to employment with Park Ridge

** Retiring May 31, 2016

Average Years of Service: 12

Park Ridge DPW Staff



Pictured left to right: Ryan Witham, Jason Coughenour, Everett Sayers, Christopher Wheeler, Joe Zuccaro, John Reynolds, Ken Nibbling, Bill Diedrich, John Woods, Peter Wayne

ROADS, GROUNDS, VEHICLE MAINT

2016 PROJECTS

- Funding has again been appropriated to extend the Recycling Center operating hours on Saturdays. It is now open from 9AM-2PM all year.
- Funding has been appropriated to purchase a new cardboard bailer at the Recycling Center.
- Capital budget includes funds to purchase a new garbage truck and pickup truck.
- Continue to work to improve the turf conditions in the parks and ballfields.
- Continue to process approximately 1,200 tons (2,400,000 lbs.) of recyclables and refuse delivered by residents to the Borough's recycling facility.
- Over 7,500 tons (15,000,000 lbs.) of total materials recycled in Park Ridge including curbside pickup and business recycling.
- Continue to maximize the use of Borough equipment and personnel to save recycling and solid waste costs.
- Continue to implement improved recycling and solid waste services.
- Continue employee-training programs.

WATER AND SEWER DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	William Hahn	28
<i>Asst. General Supervisor</i>	Chris O'Leary	1*
<i>Water Supervisor</i>	Ken Reynolds	30
<i>Senior Water Repairer</i>	Dan Boyle	23
<i>Water Repairer</i>	Jay Ottens**	30
<i>Water Repairer</i>	Mark Gronbeck	14
<i>Water Laborer</i>	Kevin Origoni	4
<i>Water Laborer</i>	Paul Hurley	1
<i>Sewer/Water Repairer</i>	Kevin Altomare	29

* 19 years experience prior to coming to Park Ridge

** Retiring May 31

Average Years of Service: 23

Park Ridge Water Department Staff



Pictured left to right: Ken Reynolds, Dan Boyle, Chris O'Leary, Mark Gronbeck, Paul Hurley, Kevin Altomare , Kevin Origoni, Anthony Confreda, Jay Ottens

SEWER

2016 PROJECTS

- Continue aggressive grease trap inspection program.
- Continue program to reduce infiltration and inflow.
- Replace worn out sewer manholes.
- Utilize shared sewer flusher truck with Montvale and Emerson.
- Utilize sewer camera to perform internal visual inspections of our sewer collection system.

WATER

2016 PROJECTS

- Recently completed the replacement of the air stripping tower at the Well #19 Treatment Facility.
- Replace carbon at the Well #1&2 and Well #9&15 treatment facility (\$65,000).
- Install and perform testing on new Well #21 “Test Well” in Woodcliff Lake (\$50,000).
- Hire contractor to test and exercise street valves.
- Purchase new Dump Truck to replace 2001 Dump Truck (\$165,000).
- Upgrade Well #10 Treatment Facility and Replace Resin (\$300,000).
- Update Long Range Engineering Plan.
- Contract for semi-annual leak detection survey.
- Continue employee-training programs.

WATER

Building for the Future

2017 System Improvements

- Water distribution improvements - \$100,000

2018 System Improvements

- Construct Well #21 pumping facility - \$600,000 to \$800,000
- Water distribution improvements - \$100,000

2019 System Improvements

- Water distribution improvements - \$100,000

<u>Water Dept Annual Numbers (2011-2015)</u>		
<u>Gallons Billed</u>		
2015		689,133,000
2014		627,873,000
2013		611,505,000
2012		637,435,000
2011		630,060,000
<u>Revenue (from Water Sales)</u>		
2015		3,001,795
2014		2,835,125
2013		2,815,220
2012		2,517,950
2011		2,384,423
<u>Precipitation (inches)</u>		
2015		31.55
2014		40.30
2013		42.94
2012		36.35
2011*		69.91
* Note: Nineteen (19) inches of rain in August		

WATER UTILITY BUDGET

		15 MODIFIED	
A. REVENUES	16 BUDGET	BUDGET	15 ACTUAL
1 SURPLUS	\$ 407,266	\$ 399,400	\$ 399,400
2 RENTS	2,885,995	2,805,000	3,011,809
3 MISCELLANEOUS	250,000	250,000	265,827
4 WCL PROJ BOND PRINCIPAL - CURRENT	62,418	89,102	89,102
5 CAPITAL SURPLUS		71,057	71,057
TOTAL REVENUES	\$ 3,605,679	\$ 3,614,559	\$3,837,195
B. OPERATING EXPENSES			
1 SALARY AND WAGES	1,244,800	1,222,000	\$1,204,183
2 OTHER EXPENSES	1,597,000	1,542,000	1,468,896
3 GROUP INSURANCE EMPLOYEES	308,000	308,000	282,623
4 CAPITAL IMPROVEMENT FUND	5,000	5,000	5,000
5 CAPITAL OUTLAY	40,000	165,000	105,878
6 BOND PRINCIPAL	115,000	110,000	110,000
7 BOND INTEREST	35,041	37,059	37,059
8 NOTES INTEREST	11,838	-	-
9 DEFERRED CHARGES	21,500	21,500	21,500
10 PUBLIC EMPLOYMENT RETIREMENT SYSTEM	136,500	113,000	113,000
11 SOCIAL SECURITY	91,000	91,000	86,483
TOTAL EXPENSES	\$ 3,605,679	\$ 3,614,559	\$3,434,622

Surplus

\$ 626,759	January 1, 2015
\$ 618,454	December 31, 2015
\$ 179,937	2015 Appropriation Reserves

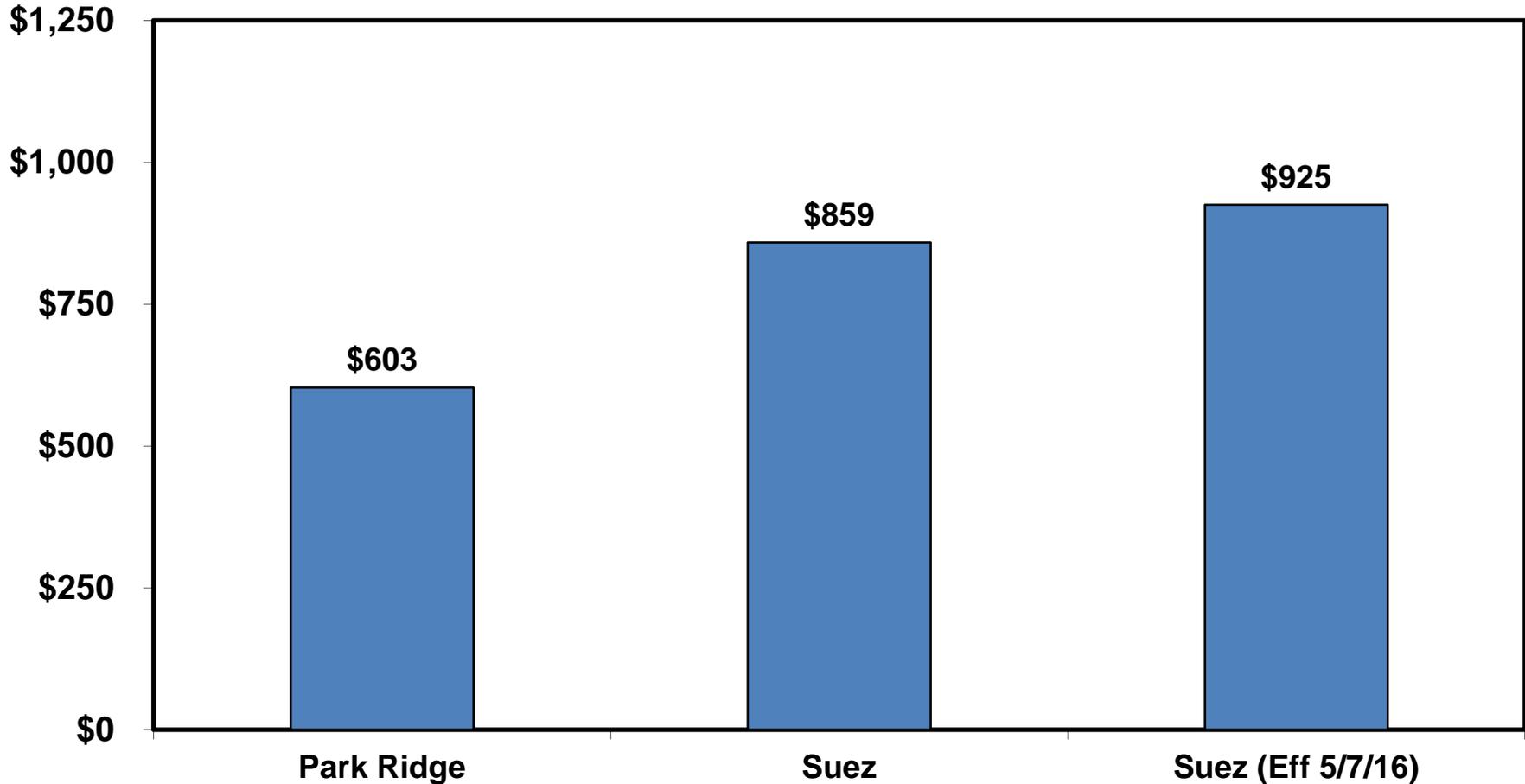
WATER UTILITY BUDGET (2012-2015)

REVENUES	16 BUDGET	15 MODIFIED BUDGET	14 MODIFIED BUDGET	13 MODIFIED BUDGET	12 MODIFIED BUDGET
SURPLUS	\$ 407,266	\$ 399,400	\$ 267,512	\$ 541,644	\$ 335,648
RENTS	2,885,995	2,805,000	2,805,000	2,863,000	2,380,000
MISCELLANEOUS	250,000	250,000	230,000	263,000	270,000
RESERVE FOR WCL CAPITAL	-	-	-	-	588,452
WCL CAPITAL SURCHARGE	-	-	389,772	-	-
CAPITAL SURPLUS	-	71,057	-	-	-
WCL PROJ BOND PRINCIPAL - CURRENT	62,418	89,102	26,842	-	-
WCL PROJ BOND PRINCIPAL - PRIOR	-	-	25,051	-	-
TOTAL REVENUES	\$ 3,605,679	\$ 3,614,559	\$ 3,744,177	\$ 3,667,644	\$ 3,574,100
OPERATING EXPENSES					
SALARY AND WAGES	1,244,800	1,222,000	1,177,998	1,150,700	\$ 1,176,000
OTHER EXPENSES	1,597,000	1,542,000	1,588,500	1,450,400	1,574,600
GROUP INSURANCE EMPLOYEES	308,000	308,000	369,800	404,500	375,000
CAPITAL OUTLAY	40,000	165,000	220,000	223,000	236,500
SOCIAL SECURITY	91,000	91,000	90,000	86,500	90,000
CAPITAL IMPROVEMENT FUND	5,000	5,000	25,000	25,000	25,000
PUBLIC EMPLOYMENT RETIREMENT	136,500	113,000	102,525	99,750	97,000
BOND PRINCIPAL	115,000	110,000	110,000	70,000	-
BOND INTEREST	35,041	37,059	38,854	32,511	-
NOTES INTEREST	11,838	-	-	283	-
DEFERRED CHARGES	21,500	21,500	21,500	25,000	-
SPECIAL EMERGENCY - HURRICANE SANDY	-	-	-	-	25,000
TOTAL EXPENSES	\$ 3,605,679	\$ 3,614,559	\$ 3,744,177	\$ 3,567,644	\$ 3,599,100

BOROUGH OF PARK RIDGE
Existing Bonded Service
2012 & 2013 Water Utility Bonds

<i>Year</i>	<i>2012 Bonds</i>				<i>2013 Bonds</i>				<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Outstanding</i>
				1,030,000				512,000	1,542,000
2016	75,000	20,886	95,886	955,000	40,000	15,018	55,018	472,000	1,427,000
2017	80,000	19,386	99,386	875,000	40,000	14,218	54,218	432,000	1,307,000
2018	80,000	17,786	97,786	795,000	40,000	13,418	53,418	392,000	1,187,000
2019	80,000	16,186	96,186	715,000	40,000	12,618	52,618	352,000	1,067,000
2020	85,000	14,586	99,586	630,000	40,000	11,818	51,818	312,000	942,000
2021	85,000	12,886	97,886	545,000	40,000	10,618	50,618	272,000	817,000
2022	85,000	11,186	96,186	460,000	45,000	9,418	54,418	227,000	687,000
2023	90,000	9,486	99,486	370,000	45,000	8,068	53,068	182,000	552,000
2024	90,000	7,686	97,686	280,000	45,000	6,718	51,718	137,000	417,000
2025	90,000	5,886	95,886	190,000	45,000	5,255	50,255	92,000	282,000
2026	95,000	4,086	99,086	95,000	45,000	3,680	48,680	47,000	142,000
2027	<u>95,000</u>	<u>2,090</u>	<u>97,090</u>	-	<u>47,000</u>	<u>1,880</u>	<u>48,880</u>	-	-
Total	1,030,000	142,136	1,172,136		512,000	112,727	624,727		

Annual Residential Water Cost Comparison (based on average residential bill)



Park Ridge's rate is 30% less than Suez old rate for the typical residential customer

Park Ridge's rate is 35% less than Suez new rate (effective 5/7/16) for the typical residential customer

ELECTRIC DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Paul Longo	12(*16)
<i>Line Supervisor</i>	James Leichtnam	10(**18)
<i>Senior Line Worker</i>	Shane Geanoules	7(***5)
<i>Line Worker</i>	Paul Neumann	29
<i>Line Worker</i>	Silvestre Jose	6 (****6)
<i>Line Worker</i>	OPEN	
<i>Electrician/Line Worker</i>	Bob Murken Jr.	21
<i>Meter Reader</i>	John Reynolds+	30

* 16 years experience with PSE&G prior to employment with Park Ridge

**18 years experience with PSE&G prior to employment with Park Ridge

***5 years experience with PSE&G prior to employment with Park Ridge

****6 years experience with PSE&G prior to employment with Park Ridge

+ Transferring to Buildings & Grounds – May 2016

Average Years of Service: 16

Park Ridge Electric Department Staff



Pictured left to right: Paul Neuman, Silvestre Jose, Shane Geanoules, Jim Leichtnam, Bob Murken, Paul Longo,

ELECTRIC **PROJECTS**

- Completed the power line clearance tree trimming on the west side of town in 2015 (east side completed in 2014).
- Recently completed the replacement of two 26KV oil circuit breakers and relaying equipment with new vacuum circuit breakers and electronic relays at the Mill Road Substation (\$180,000).
- Complete substation testing and maintenance at the Brae Blvd substation.
- Capital budget includes funds to purchase a new material handling bucket truck to replace 2001 bucket truck.
- Continue engineering study on the potential addition of a third substation for added redundancy and to eliminate need to replace two transformers at Mill Road Substation.
- Continue using electric department staff expertise for municipal installations (street and recreational lighting, computer networks, etc.).
- Project changes in load that may occur based on potential development sites.
- Continue employee-training programs.

ELECTRIC

Building for the Future

2017-18 System Improvements

Replace Conductors for Sub-transmission Circuit 2601 which feeds from Mill Road substation to the Brae Blvd substation - \$325,000

2018-19 System Improvements

Install 4011 Circuit from Mill Road Substation to Southeast Borough feed locations. Reconfigure existing circuits 4001, 4003, and 4006. - \$300,000

2019 System Improvements

Purchase and install Vacuum Circuit Breakers to replace the two existing oil circuit breakers OCB-3 and OCB-4 at Mill Rd. Substation - \$100,000

2020 System Improvements

Purchase and Install Bus No. 2 Low Side Main Circuit Breaker, Main Disconnect Switches and Associated Bus - \$165,000

ELECTRIC

Building for the Future

2021-22 System Improvements

Prepare Specifications, Bid, Purchase and Install No. 2 Main Power Transformer at Mill Road Substation - \$1,975,000

2023 System Improvements

Increase Bus Capacity and Main Disc. Switches on Bus No.1 & 2 at the Mill Road Substation - \$400,000

2024 System Improvements

Purchase and Install Bus No. 1 Low Side Main Circuit Breaker, Main Disconnect Switches and Associated Bus System at the Mill Road Substation - \$195,000

2025 System Improvements

Prepare Specifications, Bid, Purchase and Install No. 1 Main Power Transformer at Mill Road Substation - \$2,375,000

Park Ridge Utilities



Thinking Green



LED Street Lighting Project

Replaced 35 street lighting fixtures on Kinderkamack Rd and Park Ave with new high efficiency LED street lights. Funded by \$10,000 Sustainable Jersey grant.



Ford Fusion Hybrid



Ford Escape Hybrid



Toyota Camry Hybrid

The Park Ridge Water and Electric Conservation Measures

- Bi-Annual Leak Detection for Entire Water System: Twice a year, the Park Ridge Water Department hires a leak detection consultant to survey the entire water system using specialized equipment to look for distribution system leaks. After each session, a report is generated and the Park Ridge Water Department repairs the leaks. This results in our system having a very low unaccounted-for water measurement (Gallons Pumped vs. Gallons Billed)
 - United Water 2011 – 25%
 - New York City – 30%
 - Park Ridge Water Department’s 2015 Unaccounted-for-Water – 13.6%

- Electric and Water SCADA Systems: The Park Ridge Electric and Water Systems are monitored by a supervisory control and data acquisition system (SCADA) which allows us to monitor the real time water and electric system demands. By closely monitoring the demands we can see if there are potential water main breaks (e.g. high demand in the middle of the night).

The Park Ridge Water and Electric Conservation Measures

- **Water System Peak Shaving Power Save Mode:** We have built into our water system control program, a setting where we can shut down the wells and run the systems off the tank pressure for several hours during periods of peak electric use. By shutting the wells off during the peak periods, our electric system load factor is improved and our capacity charges are reduced.
- **Electric Load Forecasting Service and Request for Voluntary Reductions:** For the past few years, we have paid for a daily grid load forecasting service. Based on weather and other factors in our regional power grid (PJM), we are advised of days we should conserve energy. By reducing load on these days, we can save on the following year's bulk power costs. On these days we send out notifications to our residents and businesses requesting a voluntary reduction in load (generally from 3PM to 6PM). On these days, we also reduce load in our municipal and utilities operations.

The Park Ridge Utility Garage Solar System

(as of September 2015)



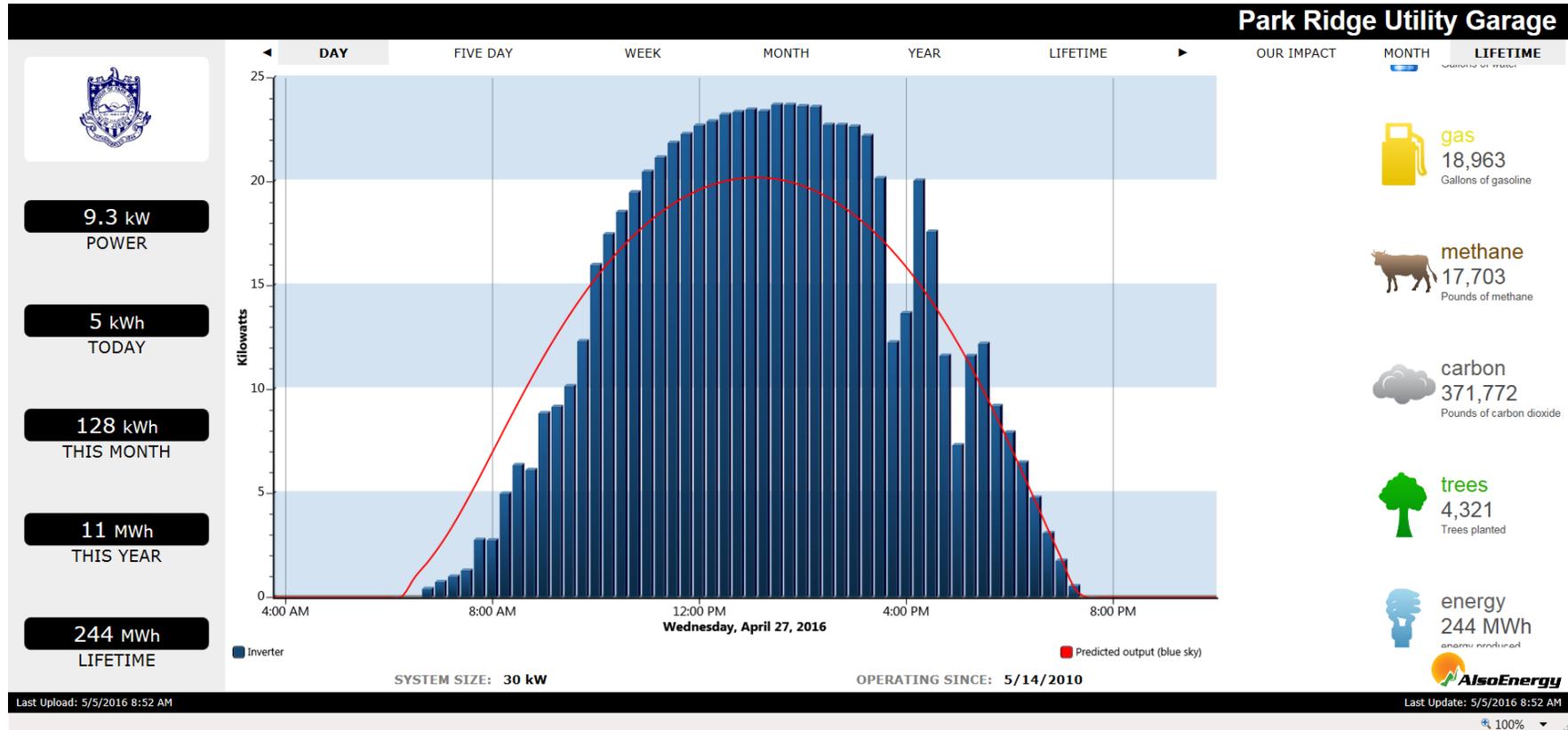
- Cost of Installation (including engineering): \$195,000
- The construction for the project started in March 2010 and was completed and went online in June 2010
- Total DC capacity for the system: 29.7 KW
- Financial benefits as of September 2015:
 - \$29,700 rebate received from the NJ Office of Clean Energy
 - \$47,330 received for solar energy renewable credits (SRECs)
 - \$26,044 in reduced electric costs
 - **\$103,074 in total benefits**
- Total electrical energy generated to date: 244,000 kilowatt-hours

The Park Ridge Utility Garage Solar System



- Environmental benefits due to the generation of clean renewable energy: To date, the solar system has reduced the amount of carbon dioxide emissions equal to:
 - The amount 36.3 passenger vehicles would create in a year.
 - The amount that would have been generated from the electricity used in 18 homes in a year.
 - The amount that would have been reduced by the growth of 4,287 tree seedlings over ten years.

Park Ridge Real Time Solar Output Web Page



Web page available on the Borough's web site at www.parkridgeboro.com in the Electric Utility section.

<u>Electric Dept Annual Numbers (2011-2016)</u>		
<u>Purchase of Current</u>		<u>(\$)/KWH</u>
2016 Budget	\$6,904,000	\$ 0.098
2015	\$6,837,558	\$ 0.097
2014	\$7,377,195	\$ 0.106
2013	\$7,190,095	\$ 0.100
2012	\$6,387,383	\$ 0.089
2011	\$6,832,594	\$ 0.093
<u>Energy Billed (KWH's)</u>		
2016 Budget	65,854,919	
2015	65,854,919	
2014	65,939,991	
2013	65,893,133	
2012	67,381,578	
2011	69,913,780	
<u>Revenue (from Energy Sales)</u>		
2016 Budget	9,872,729	
2015	10,070,539	
2014	9,765,882	
2013	9,853,268	
2012	9,582,597	
2011	10,019,928	
<u>Heating/Cooling Degree Days</u>		
	<u>HDD</u>	<u>CDD</u>
2015	5,353	1,284
2014	5,696	1,015
2013	4,752	1,339
2012	3,955	1,450
2011	4,275	1,585

A. REVENUES	15 MODIFIED		
	16 BUDGET	BUDGET	15 ACTUAL
1 SURPLUS	575,870	514,598	514,598
2 LIGHT AND POWER	9,872,729	9,849,000	10,070,539
3 MISCELLANEOUS	30,000	22,000	37,443
4 CAPITAL SURPLUS		36,841	36,841
	\$ 10,478,599	\$ 10,422,439	\$ 10,659,421

B. OPERATING EXPENSES			
1 SALARY AND WAGES	1,146,900	1,133,000	1,090,548
2 OTHER EXPENSES	647,000	670,000	544,231
3 PURCHASE OF CURRENT	6,904,000	7,126,000	6,837,558
4 GROUP INSURANCE EMPLOYEES	286,000	286,000	266,967
5 IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000
6 PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000
7 CAPITAL IMPROVEMENT FUND	115,000	15,000	15,000
8 CAPITAL OUTLAY	200,500	33,500	19,090
9 BOND PRINCIPAL	240,000	240,000	240,000
10 BOND INTEREST	37,388	44,439	44,439
11 INTEREST ON NOTES	4,811	-	-
12 DEFERRED CHARGES	25,500	25,500	25,500
13 PUBLIC EMPLOYEES RETIREMENT SYSTEM	129,500	107,000	107,000
14 SOCIAL SECURITY	87,000	87,000	77,188
TOTAL EXPENSES	\$ 10,478,599	\$ 10,422,439	\$ 9,922,521

<u>Surplus</u>		
\$	608,177	January 1, 2015
\$	815,879	December 31, 2015
\$	263,727	2015 Appropriation Reserves

ELECTRIC UTILITY BUDGET (2012-2016)

REVENUES	16 BUDGET	15 MODIFIED BUDGET	14 MODIFIED BUDGET	13 MODIFIED BUDGET	12 MODIFIED BUDGET
SURPLUS	\$ 575,870	\$ 514,598	\$ 945,480	\$ 1,118,760	\$ 796,335
LIGHT AND POWER	9,872,729	9,849,000	9,840,000	9,580,810	9,400,000
ADDITIONAL PURCHASE POWER ADJ.	-	-	180,000	-	-
MISCELLANEOUS	30,000	22,000	36,000	36,000	50,000
CAPITAL SURPLUS	-	36,841	-	-	-
FEMA NOTE REIMBURSEMENT	-	-	52,427	45,000	-
FEMA REIMBURSEMENT	-	-	108,673	-	-
INSURANCE PROCEEDS	-	-	25,983	-	-
TOTAL REVENUES:	\$ 10,478,599	\$ 10,422,439	\$11,188,563	\$10,780,570	\$ 10,246,335
OPERATING EXPENSES					
PURCHASE OF CURRENT	\$ 6,904,000	\$ 7,126,000	\$ 7,840,000	\$ 7,235,000	\$ 6,846,000
SALARY AND WAGES	1,146,900	1,133,000	1,119,000	1,075,000	1,012,000
OTHER EXPENSES	647,000	670,000	636,500	588,900	672,700
GROUP INSURANCE EMPLOYEES	286,000	286,000	360,200	370,000	363,000
IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000	500,000	500,000
PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000	155,000	155,000
CAPITAL OUTLAY	200,500	15,000	33,500	93,500	243,500
CAPITAL IMPROVEMENT FUND	115,000	33,500	-	-	100,000
PUBLIC EMPLOYEES RETIREMENT SYSTEM	129,500	107,000	91,994	103,595	100,000
SOCIAL SECURITY	87,000	87,000	85,000	82,250	80,000
BOND PRINCIPAL	240,000	240,000	235,000	220,000	125,000
BOND INTEREST	37,388	44,439	52,198	58,627	49,135
INTEREST ON NOTES	4,811	-	2,244	3,698	-
DEFERRED CHARGES	25,500	25,500	25,500	45,000	-
SPECIAL EMERGENCY - HURRICANE SANDY	-	-	52,427	-	225,000
TOTAL EXPENSES	\$ 10,478,599	\$ 10,422,439	\$11,188,563	\$10,530,570	\$ 10,471,335

BOROUGH OF PARK RIDGE
Existing Bonded Service
2007, 2012 & 2013 Electric Utility Bonds

<i>Year</i>	<i>2007 Bonds</i>				<i>2012 Bonds</i>				<i>2013 Bonds</i>				<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Outstanding</i>
				768,000				405,000				70,000	1,243,000
2016	125,000	29,760	154,760	643,000	100,000	8,100	108,100	305,000	15,000	1,400	16,400	55,000	1,003,000
2017	150,000	24,916	174,916	493,000	100,000	6,100	106,100	205,000	15,000	1,100	16,100	40,000	738,000
2018	150,000	19,104	169,104	343,000	100,000	4,100	104,100	105,000	20,000	800	20,800	20,000	468,000
2019	175,000	13,291	188,291	168,000	105,000	2,100	107,100	-	20,000	400	20,400	-	168,000
2020	168,000	6,510	174,510	-									-
Total	768,000	93,581	861,581		405,000	20,400	425,400		70,000	3,700	73,700		

MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER

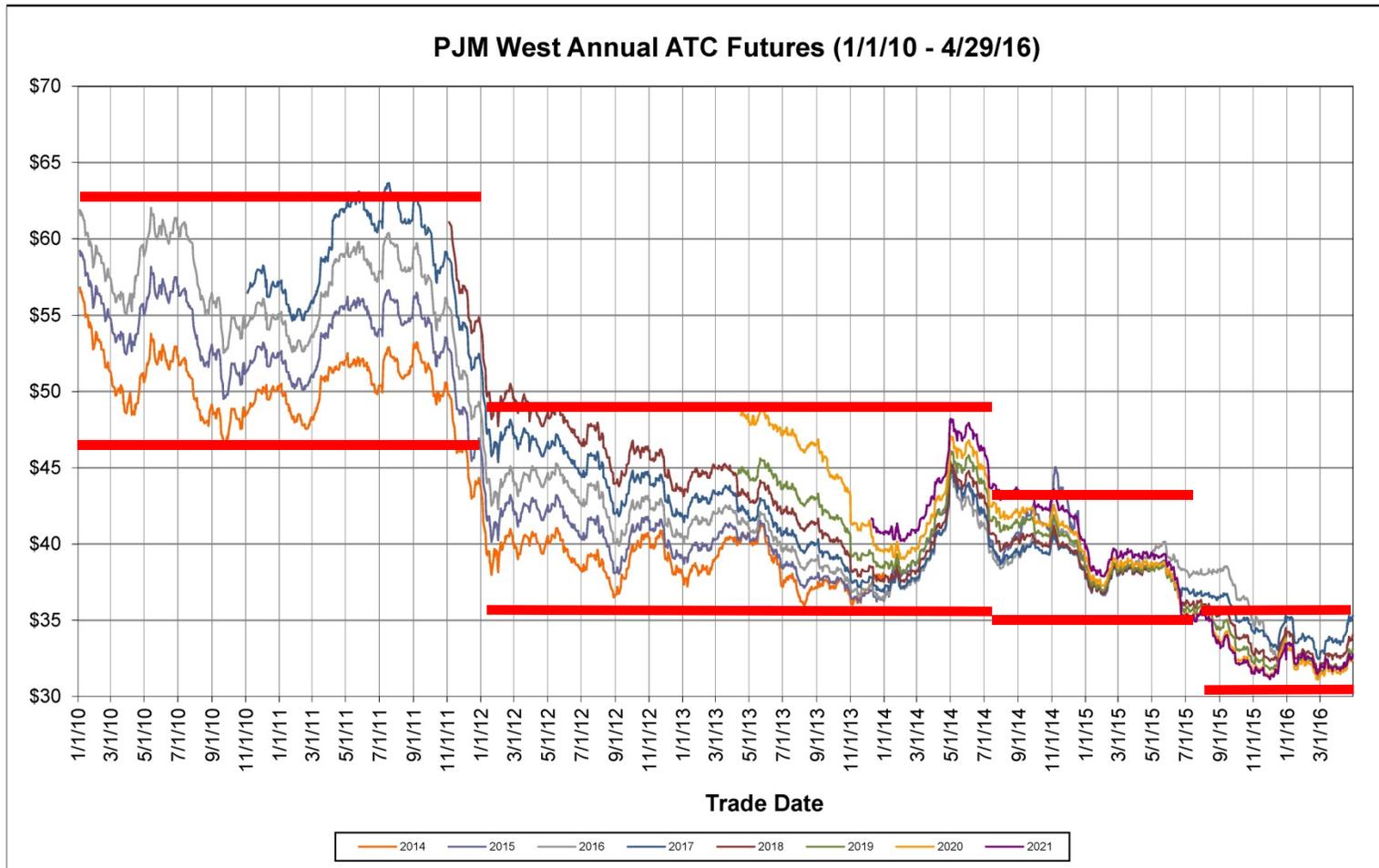
- In 2008 Park Ridge decided to join with South River, Seaside Heights, and Lavallette to procure wholesale power requirements using an alternate “Managed Contract” approach as opposed to the fixed price, full-requirements method. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) joined in the bidding in 2012
- The municipalities contracted with American Power Net to provide procurement advice and wholesale electric procurement services.
- We needed to join the PJM Interconnection which is the regional transmission organization that coordinates the movement and settlement of wholesale electricity.
- Approach approved by the NJ Department of Community Affairs

MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER

- Using this process, we request proposals and purchase blocks of energy from suppliers at various times to build up a portfolio of contracts for the Borough's power requirements.
- This new approach gives us the ability to monitor the power supply market and purchase some of our requirements, either on a regular basis OR when there are dips in the wholesale electricity futures prices.
- We have been very successful since implementing this program. Our first wholesale purchases using this approach were for the term beginning 6/1/09 through 5/31/10.
- Since November 2008, we have gone out to the market with request for proposals (RFP's) and purchased blocks of power twenty seven (27) times. We have purchased all of our block power requirements through May 2019 and 1/3 of our requirements for June 2019 through May 2020 term.

Electricity Futures Market Factors

- Largely based on natural gas futures prices.
- Normally, the further you purchase out in the market, the bigger the year-to-year spread
- Currently this is not the case based on mild winter and very low natural gas prices.



Electricity Futures Market Factors

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PJM West Forward Strips for 4/29/2016													
On-Pk	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2016	N/A	N/A	N/A	N/A	\$34.65	\$37.50	\$51.25	\$45.75	\$36.20	\$34.15	\$35.60	\$40.10	\$39.40
2017	\$57.95	\$54.45	\$41.90	\$36.90	\$37.45	\$38.70	\$51.75	\$45.45	\$36.65	\$34.20	\$34.90	\$38.80	\$42.43
2018	\$54.65	\$51.00	\$40.15	\$34.60	\$36.35	\$38.15	\$50.00	\$44.65	\$34.60	\$32.60	\$33.70	\$37.75	\$40.68
2019	\$53.15	\$48.90	\$38.85	\$32.75	\$34.50	\$37.10	\$49.20	\$43.90	\$34.85	\$31.65	\$32.35	\$36.55	\$39.48
2020	\$51.20	\$47.45	\$38.55	\$32.75	\$34.80	\$37.70	\$47.70	\$42.25	\$35.20	\$31.35	\$31.90	\$35.95	\$38.90
2021	\$51.60	\$47.85	\$37.05	\$32.90	\$34.75	\$38.05	\$48.80	\$43.15	\$36.40	\$30.95	\$31.85	\$35.80	\$39.10
Off-Pk	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2016	N/A	N/A	N/A	N/A	\$22.65	\$23.15	\$28.15	\$26.30	\$23.20	\$24.05	\$26.45	\$30.50	\$25.56
2017	\$45.00	\$41.00	\$32.60	\$28.95	\$23.95	\$23.25	\$28.60	\$26.40	\$23.55	\$24.55	\$25.05	\$28.25	\$29.26
2018	\$41.40	\$38.95	\$32.00	\$28.25	\$23.25	\$24.85	\$26.60	\$26.00	\$24.20	\$24.55	\$24.70	\$25.80	\$28.38
2019	\$38.75	\$36.40	\$29.70	\$26.30	\$24.25	\$25.30	\$27.00	\$26.40	\$23.30	\$24.55	\$24.70	\$26.05	\$27.73
2020	\$39.35	\$36.70	\$29.70	\$26.05	\$24.15	\$24.15	\$26.00	\$25.60	\$22.15	\$23.70	\$24.00	\$24.90	\$27.20
2021	\$39.25	\$36.65	\$29.50	\$25.90	\$24.30	\$24.55	\$26.30	\$25.80	\$22.70	\$23.75	\$24.15	\$25.00	\$27.32
ATC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Strip
2016	N/A	N/A	N/A	N/A	\$28.17	\$29.75	\$38.78	\$35.25	\$29.18	\$28.70	\$30.66	\$34.92	\$31.92
2017	\$50.96	\$47.19	\$36.88	\$32.61	\$30.16	\$30.36	\$39.25	\$35.16	\$29.58	\$28.99	\$29.58	\$33.10	\$35.32
2018	\$47.50	\$44.49	\$35.75	\$31.17	\$29.28	\$30.97	\$37.36	\$34.58	\$28.98	\$28.25	\$28.84	\$31.30	\$34.04
2019	\$45.37	\$42.15	\$33.91	\$29.27	\$28.97	\$30.73	\$37.21	\$34.45	\$28.61	\$27.82	\$28.22	\$30.88	\$33.13
2020	\$44.80	\$41.65	\$33.77	\$29.13	\$29.05	\$30.38	\$35.98	\$33.26	\$28.15	\$27.22	\$27.63	\$29.98	\$32.58
2021	\$44.93	\$41.80	\$32.97	\$29.12	\$29.11	\$30.76	\$36.65	\$33.78	\$29.00	\$27.06	\$27.69	\$29.97	\$32.74

Current & Outstanding Power Purchase Contracts

June 2019-May 2020

Date Purchased	Product	Price	Delivery	Company
3/3/2016	1st Traunch	36.95	Hillsdale Node	BP
	2nd Traunch			
	3rd Traunch			

June 2018-May 2019

Date Purchased	Product	Price	Delivery	Company
3/11/2015	1st Traunch	43.85	PSE&G Zone	Constellation
10/8/2015	2nd Traunch	36.35	PSE&G Zone	Nextera
3/3/2016	3rd Traunch	33.09	PSE&G Zone	Exelon

June 2017- May 2018

Date Purchased	Product	Price	Delivery	Company
4/22/2013	1st Traunch	52.00	Hillsdale Node	PPL
9/10/2014	2nd Traunch	46.05	PSE&G Zone	Exelon
3/11/2015	3rd Traunch	49.60	Hillsdale Node	PSEG

June 2016- May 2017

Date Purchased	Product	Price	Delivery	Company
6/28/2012	1st Traunch	51.20	Hillsdale Node	PPL
4/22/2013	2nd Traunch	51.10	Hillsdale Node	PSEG
9/4/2013	3rd Traunch	45.25	Hillsdale Node	PPL
	2x16			

June 2015- May 2016

Date Purchased	Product	Price	Delivery	Company
12/1/2011	1st Traunch	60.16	Hillsdale Node	PSEG
1/5/2012	2nd Traunch	53.90	Hillsdale Node	PSEG
2/1/2012	3rd Traunch	50.51	Hillsdale Node	PSEG
2/1/2012	2x16	45.70	PSE&G Zone	Exelon

Prior Power Purchase History

June 2014- May 2015

Date Purchased	Product	Price	Delivery	Company
2/16/2011	1st Traunch	58.96	PSE&G Zone	Exelon
12/1/2011	2nd Traunch	56.40	Hillsdale Node	PSEG
1/5/2012	3rd Traunch	51.75	Hillsdale Node	PSEG
12/1/2011	2x16	57.35	PSE&G Zone	Exelon

June 2013- May 2014

Date Purchased	Product	Price	Delivery	Company
5/12/2010	1st Traunch	64.50	PSE&G Zone	PPL
6/9/2010	2nd Traunch	61.52	PSE&G Zone	PPL
8/26/2010	3rd Traunch	58.90	PSE&G Zone	Exelon
2/1/2012	Summer Peak	55.20	PSE&G Zone	Nextera
8/26/2010	2x16	59.25	PSE&G Zone	Exelon

June 2012- May 2013

Date Purchased	Product	Price	Delivery	Company
3/24/2010	1st Traunch	59.18	Hillsdale	Nextera
4/29/2010	2nd Traunch	61.32	Hillsdale	PSEG
4/29/2010	3rd Traunch	61.32	Hillsdale	PSEG
1/5/2012	Summer Peak	55.10	PSE&G Zone	PSEG
8/26/2010	2x16	56.20	PSE&G Zone	Exelon

June 2011- May 2012

Date Purchased	Product	Price	Delivery	Company
8/12/2009	1st Traunch	67.95	Hillsdale	Nextera
12/7/2009	2nd Traunch	69.20	Hillsdale	Nextera
3/24/2010	3rd Traunch	55.71	Hillsdale	Nextera
3/24/2010	2x16	63.25	Hillsdale	PSE&G
11/15/2010	Summer Peak	65.45	PSE&G Zone	PPL

June 2010- May 2011

Date Purchased	Product	Price	Delivery	Company
1/21/2009	1st Traunch	58.95	Western Hub	Nextera
5/14/2009	2nd Traunch	72.81	Hillsdale Node	Nextera
8/12/2009	3rd Traunch	62.85	Hillsdale Node	Nextera
8/12/2009	2x16	71.50	PSE&G Zone	PSE&G

June 2009- May 2010

Date Purchased	Product	Price	Delivery	Company
11/6/2008	1st Traunch	66.40	Western Hub	Nextera
12/10/2008	2nd Traunch	60.75	Western Hub	DTE
1/21/2009	3rd Traunch	54.10	Western Hub	Nextera
12/10/2008	2x16	68.00	Western Hub	PSE&G
1/21/2009	2x16	59.15	Western Hub	Nextera
6/17/2009	Superpeak	97.00	PSE&G Zone	PSE&G

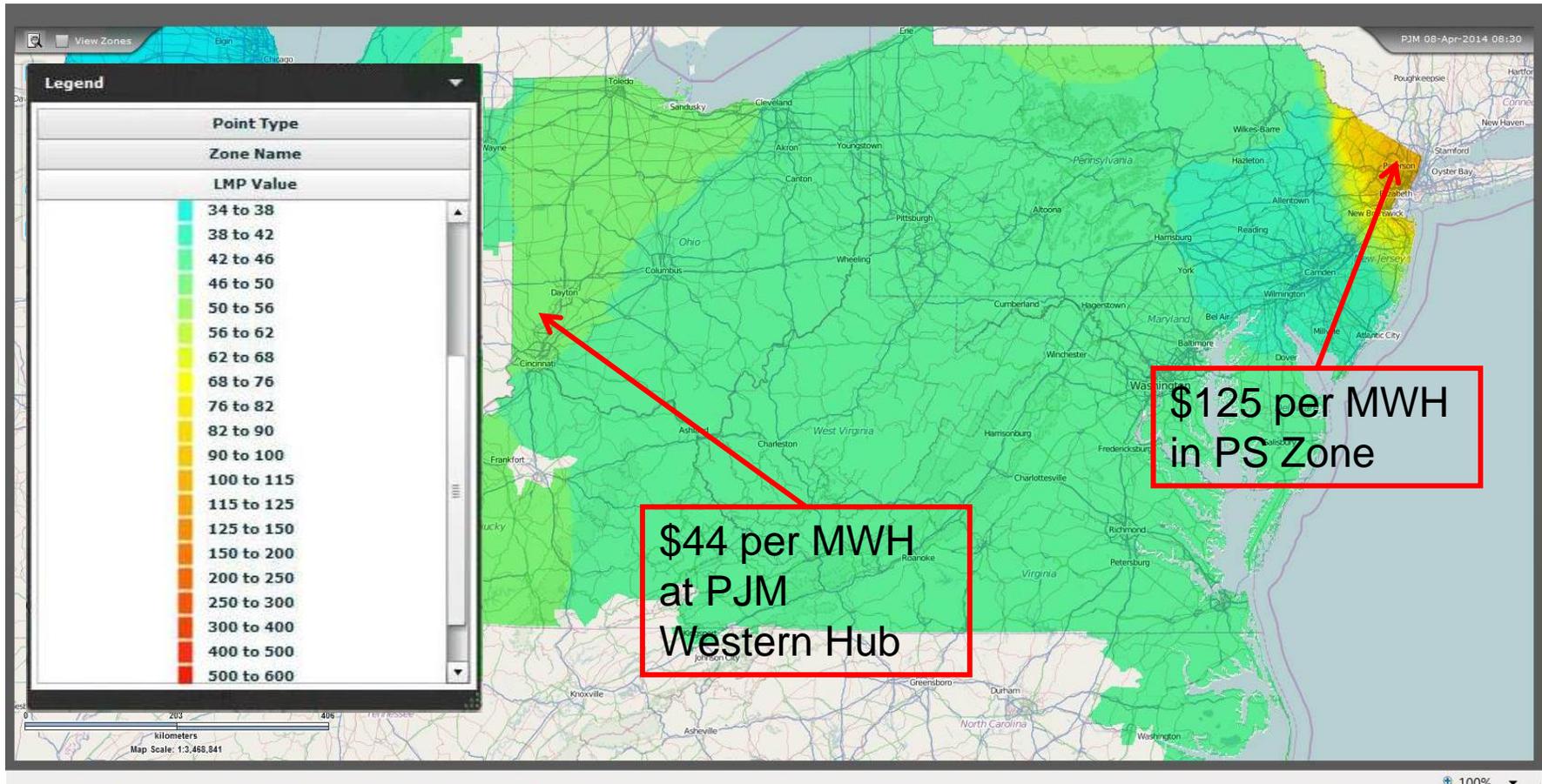
Wholesale Component Budget Costs Comparison - Updated 12-14-15						
	2011	2012	2013	2014	2015	2016
Energy	4,841,213	4,816,265	4,510,959	4,631,999	4,224,220	3,849,412
Capacity	1,141,999	1,089,868	1,781,839	1,540,924	1,271,843	1,600,007
Transmission	592,446	556,641	789,063	1,093,690	1,374,484	1,165,237
Others	336,811	265,885	252,300	156,156	205,206	121,409
Total	6,912,469	6,728,660	7,334,161	7,422,769	7,075,753	6,736,065
Percentage of Total Cost Comparison						
	2011	2012	2013	2014	2015	2016
Energy	70%	72%	62%	62%	60%	57%
Capacity	17%	16%	24%	21%	18%	24%
Transmission	9%	8%	11%	15%	19%	17%
Others	5%	4%	3%	2%	3%	2%

Energy Costs

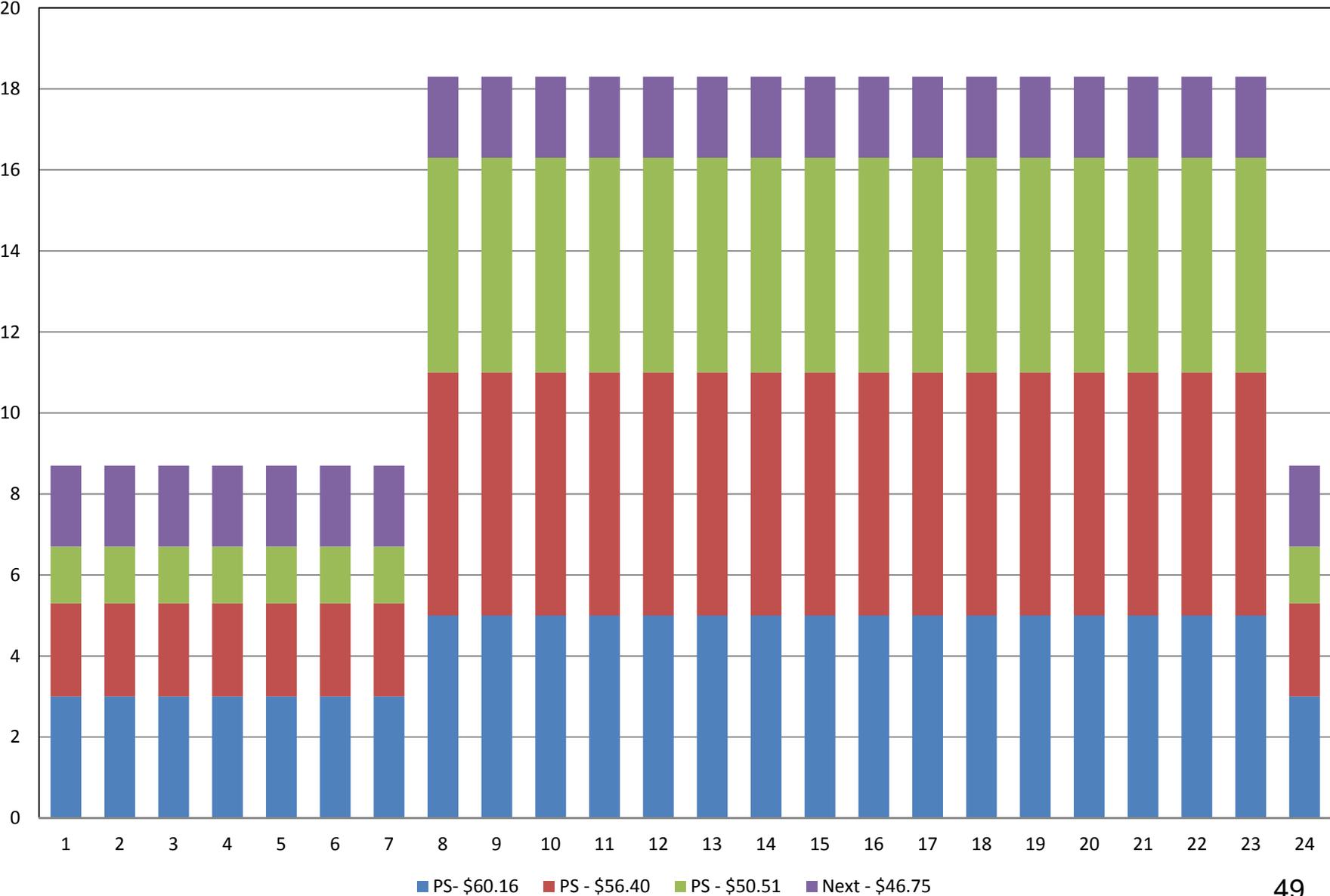
Energy costs are what we pay for the energy that is generated at the power plants and then delivered to our substation. The cost is based on our wholesale block purchases along with hourly spot purchases when we need additional energy, and spot sales when we have surplus energy.

June 2015- May 2016				
Date Purchased	Product	Price	Delivery	Company
12/1/2011	1st Traunch	60.16	Hillsdale Node	PSEG
1/5/2012	2nd Traunch	53.90	Hillsdale Node	PSEG
2/1/2012	3rd Traunch	50.51	Hillsdale Node	PSEG
9/10/2014	Addl Summer	46.75	Hillsdale Node	Nextera
2/1/2012	2x16	45.70	PSE&G Zone	Exelon

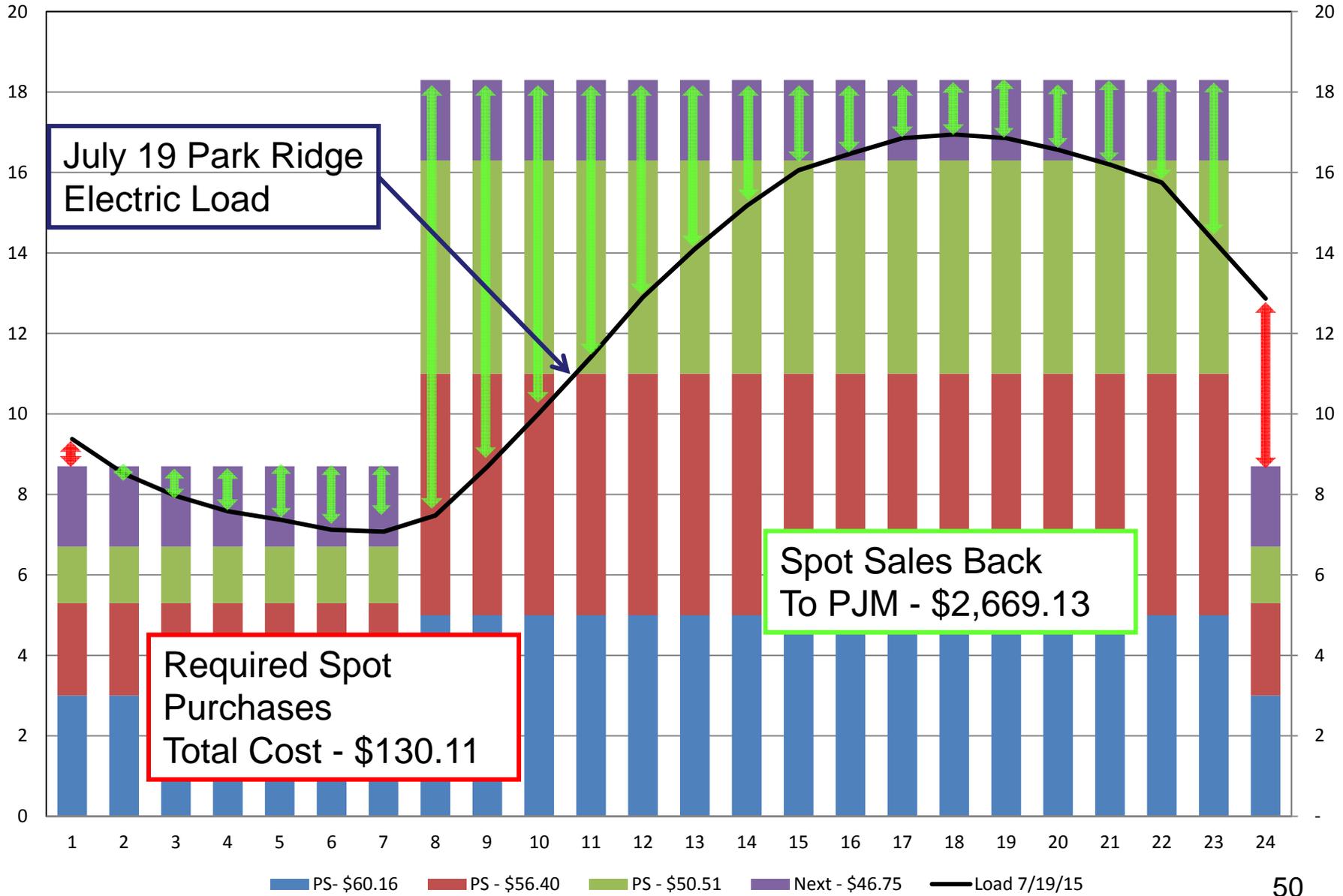
Typical PJM Locational Marginal Pricing (LMP) Contour Map



July 16, 2015 Contract Purchases



July 19, 2015 Contract Purchases



Capacity Cost

Capacity costs are what we pay throughout the year to assure that there is enough power produced in the entire grid during peak hours. Our capacity costs are set through PJM auctions. These auctions allow generators to bid their capacity for power supplied three year in advance. For all customers in our area, the price for capacity is based on the result of the auction in the PSE&G Zone. The following table summarizes the auction results and the effect on our annual costs.

	PJM Rate	Park Ridge
PJM Delivery Year	MW-Day	Annual Cost
June 2012 to May 2013	\$139.73	\$1,020,029
June 2013 to May 2014	\$245.00	\$1,788,500
June 2014 to May 2015	\$170.95	\$1,247,935
June 2015 to May 2016	\$166.51	\$1,215,523
June 2016 to May 2017	\$224.64	\$1,639,872
June 2017 to May 2018	\$205.78	\$1,502,194
June 2018 to May 2019	\$215.97	\$1,576,581
Park Ridge Peak Load	20 MW	

Transmission Costs

Transmission costs are what we pay PJM for the operation, maintenance, and expansion of the regional transmission grid. The cost for transmission is regulated by the Federal Energy Regulatory Commission (FERC). FERC has approved a number of large projects for PSE&G and the costs are updated and adjusted each year beginning January 1. Due to these major improvements, our transmission costs have increase significantly over the past few years.

PSE&G announces it will spend \$10 billion on transmission line upgrades



Public Service Electric & Gas at work last year on a high-voltage transmission line in Livingston, part of the North Central Reliability Project. Today, PSE&G announced it would spend \$10 billion over the next five years to upgrade its transmission lines. (Star-Ledger file photo)

Public Service Electric & Gas today announced a capital investment of \$10 billion over the next five years, mostly to upgrade its high-voltage transmission lines.

TRANSMISSION PLAYING LARGER PART IN PSE&G PLANS -- AND CUSTOMER BILLS

TOM JOHNSON | FEBRUARY 21, 2014

In earnings call, PSEG chief says transmission projects now account for more than one-third of its utility's business



PSE&G's investments in upgrading its transmission lines are playing a bigger part in its business plan and its profits. Most likely they also mean higher bills for Public Service Electric & Gas customers.

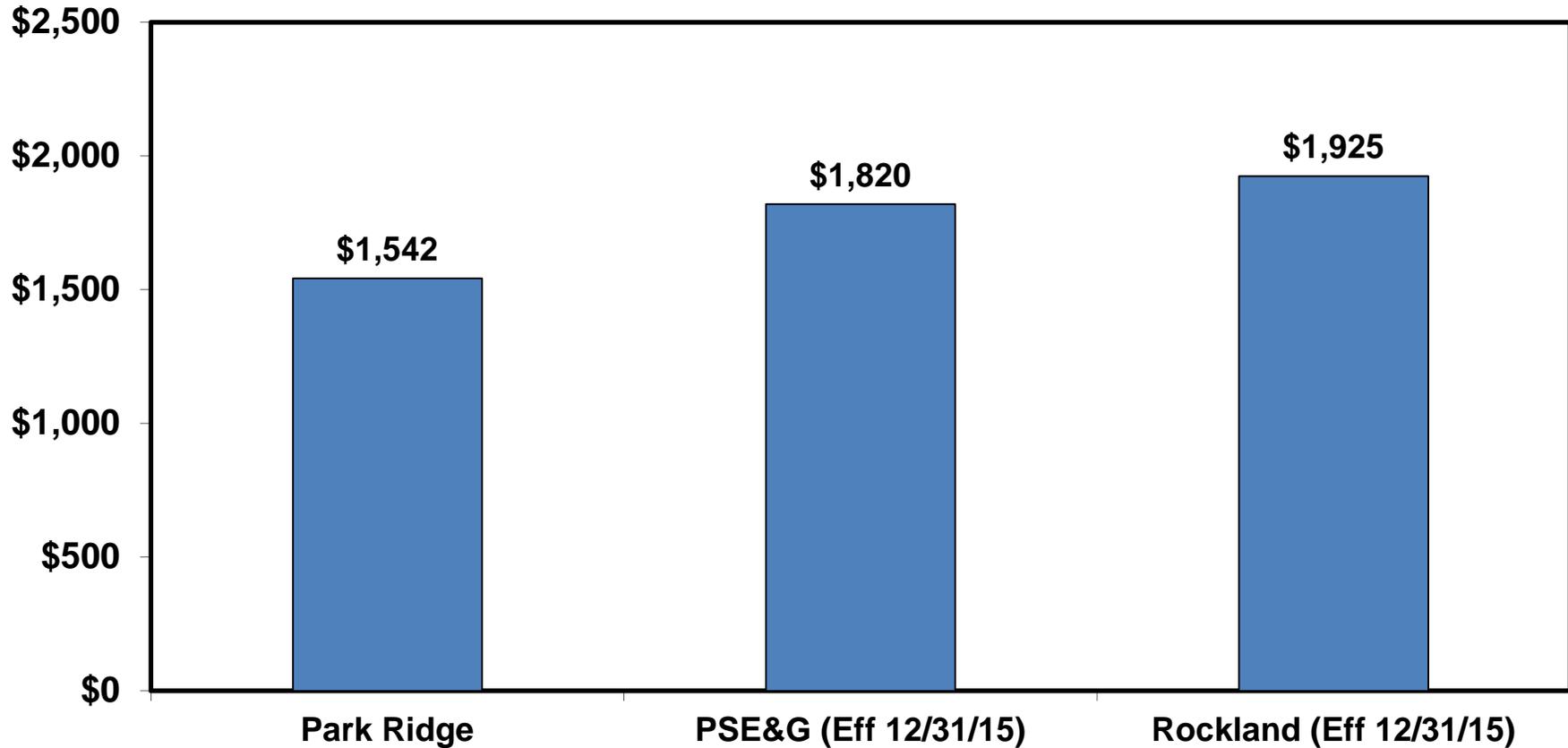
In a quarterly earnings call, the Newark company yesterday disclosed its expenditures on transmission projects now account for 36 percent of the utility's rate base, up from 28 percent the previous year. The rate base largely determines what the utility earns from its customers and how much they have to pay.

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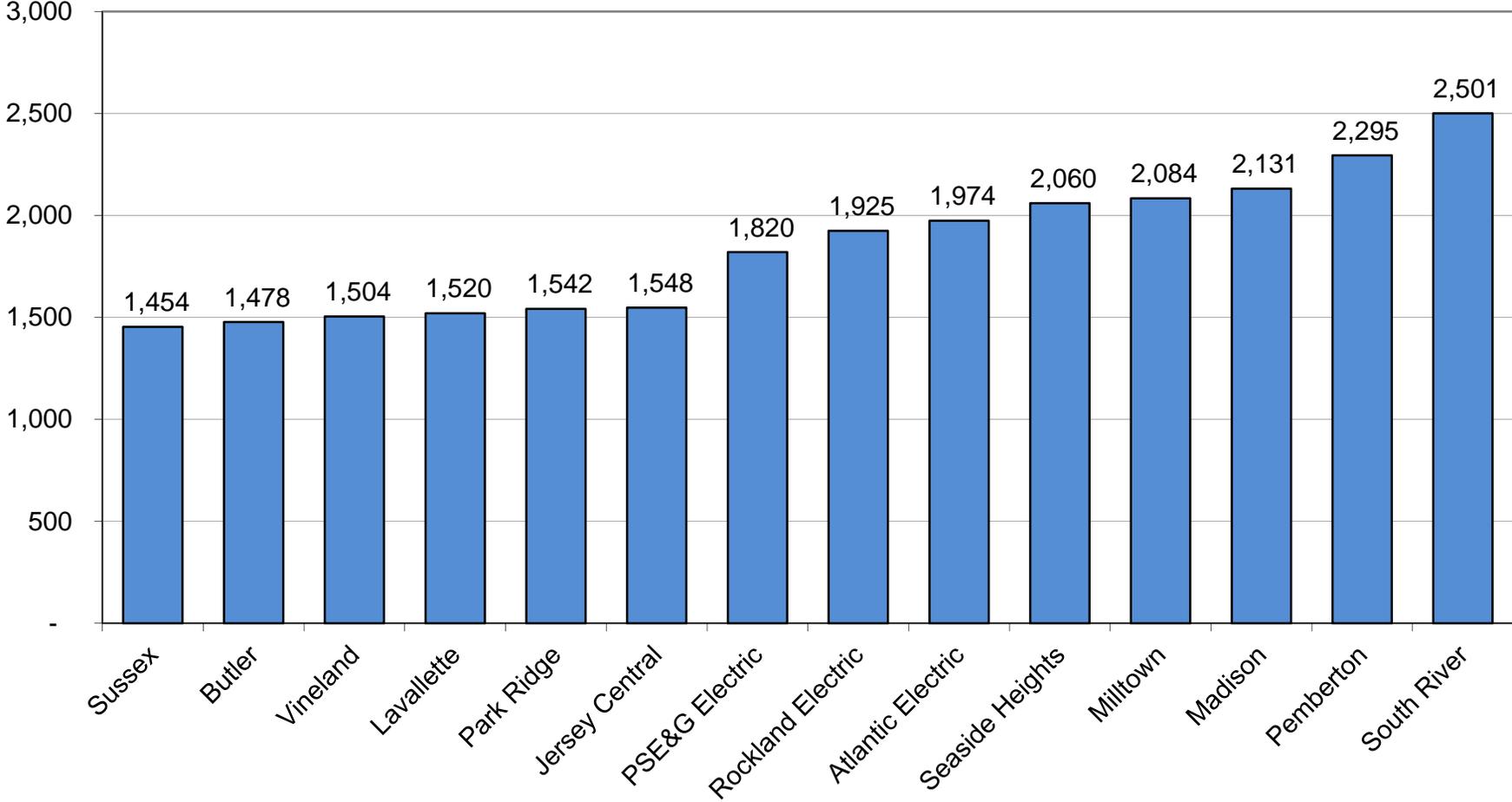
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Annual Residential Electric Cost Comparison (based on average residential bill)



Park Ridge rates are 15% lower than PSE&G
Park Ridge rates are 20% lower than Rockland

Annual Residential Electric Cost Comparison (based on typical Park Ridge residential load)



Collective Bargaining Agreements Settled with Utility, Public Works and Office Staff

- Electric and Water operations staff (PRUEA) – 1/1/15 to 12/31/18
- Public Works operations staff (UPSEU) – 1/1/15 to 12/31/18
- Borough Hall Office (UPSEU) – 1/1/15 to 12/31/17

Possible Rate Action

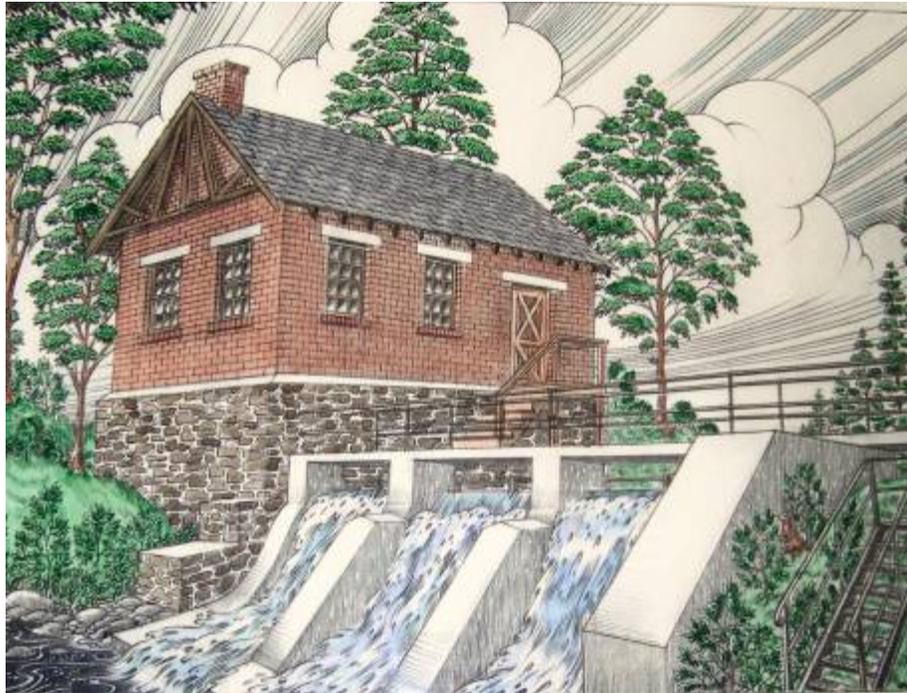
Electric Department Factors:

- Power Adjustment (PA) rate changed on January 1, 2016
- Decrease in this year's wholesale energy costs offset somewhat by increasing transmission costs.
- Capital Outlay in operating budget increased to typical level.
- Capital Improvement Fund increased in preparation of future substation project.
- No increase in base rate for 2016.

Water Department Factors:

- 3% rate increase went into effect on February 1, 2016
- Last rate increase November 2012
- Increase in water treatment costs.
- Capital expenditures.

COMMENTS



Questions?