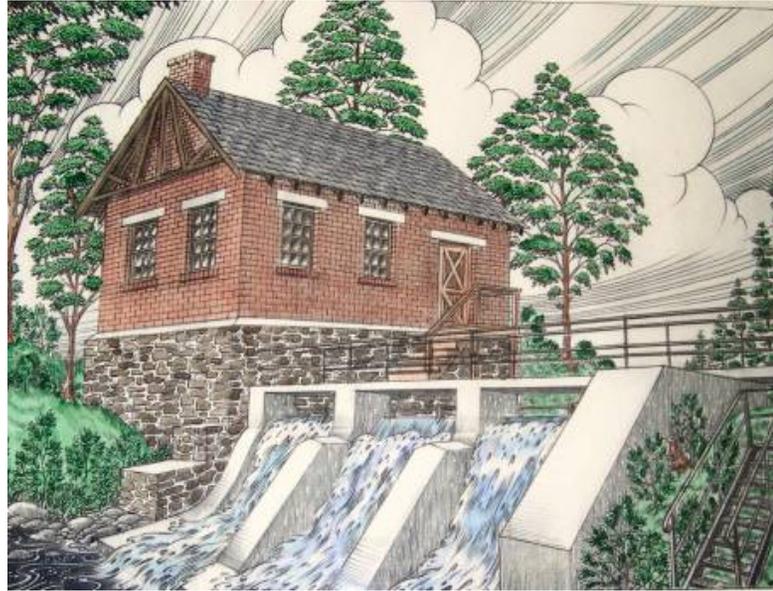


# **BOARD OF PUBLIC WORKS**



## **BUDGET MEETING**

**April 24, 2018**

**This presentation is available on the  
Borough's web site at [www.parkridgeboro.com](http://www.parkridgeboro.com)**



# **BOARD OF PUBLIC WORKS**

**Dr. Charles Moore, President**  
**John D. Pouletsos, Vice President**  
**Matthew Levinson**  
**Jeff Rutowski**  
**David O'Sullivan**  
**Tom Farinaro, Council Liaison**

## **OPERATIONS MANAGEMENT STAFF**

**William Beattie, Director of Operations**

**Paul Longo, General Supervisor Electric Distribution**

**Christopher O'Leary, General Supervisor 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.



Peter Wayne  
Supervisor of Public Works



Angelo Dell'Armo  
Project Engineer



Christopher O'Leary  
Supervisor of Water & Sewer

## **Utility and Public Works Shared Services**

- **Joint Managed Contract Request For Proposals for Wholesale Power Supply** – Eight NJ Municipal Electric Utilities (Park Ridge, Seaside Heights, Lavallette, South River, Milltown, Butler, Madison, Pemberton) have joined together and are using a managed contract approach to procure wholesale power. This has resulted in lower energy costs **and this savings is being passed along to our customers.**
- **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.
  
- **New Jersey Public Power Authority (NJPPA)** – Through a group effort of all the NJ municipalities owning electric utilities, in late 2015 we were able to pass legislation which was signed by the Governor that enabled us to form a NJ Public Power Authority. The Authority was formed in 2017 and Park Ridge became a member. We recently hired an new Executive Director and now are starting to implement shared services for our power supply management and energy purchasing.

- **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>	Open	
<i>Asst. Director of Finance/Treasurer</i>	Open	
<i>Utilities Collection Supervisor</i>	Nancy Russell	23
<i>Principal Account Clerk</i>	Liz Maggio	12
<i>Senior Cashier</i>	Joseph Barnes	20
<i>Finance (Tax Collector)</i>	Jessica Mazzarella	15
<i>Senior Account Clerk</i>	Thomas Mazzarella	7
<i>Payroll/Finance Clerk</i>	Sharon Browne	1

\* 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: 13**

## Borough Office Staff



*Pictured left to right: Anna Piantino, Lori Woods, Jess Mazzearella, Joe Barnes, Elizabeth Tallman, Tom Mazzearella, Tonya Tardibuono, Elena Rega, Magdalena Giandomenico, Sharon Browne, Julie Falkenstern, Liz Maggio, Karen Prezant, Nancy Russell*

# ROADS, GROUNDS, VEHICLE MAINTENANCE STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Peter Wayne	27
<i>Road Supervisor</i>	Bill Diedtrich	26
<i>Senior Road Repairer</i>	John Woods	13
<i>Road Repairer</i>	Joseph Zuccaro	10
<i>Road Repairer</i>	Jason Coughenour	10
<i>Road Repairer</i>	Everett Sayers	5
<i>Laborer</i>	Ryan Witham	3
<i>Laborer</i>	Kevin Reynolds	1
<i>Mechanic</i>	Ken Nibbling	14
<i>Buildings and Grounds</i>	Christopher Wheeler	3*

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

**Average Years of Service: 11**

## Park Ridge DPW Staff



*Pictured left to right: Christopher Wheeler, Joe Zuccaro, John Woods, Ken Nibbling, Everett Sayers, Ryan Witham, Kevin Reynolds, Jason Coughenour, Peter Wayne, (Not Pictured: Bill Diedtrich)*

# **ROADS, GROUNDS, VEHICLE MAINT**

## **2018 PROJECTS**

- Recycling Center operating hours on Saturdays from 9AM-2PM all year.
- Capital budget includes funds to purchase a front end loader to replace a 2000 model.
- Capital budget includes funds to purchase plowing and landscaping equipment.
- 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 8,350 tons 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>	Chris O'Leary	3*
<i>Water Supervisor</i>	Ken Reynolds	32
<i>Senior Water Repairer</i>	Dan Boyle	25
<i>Water Repairer</i>	Mark Gronbeck	16
<i>Water Repairer</i>	Kevin Origoni	6
<i>Water Laborer</i>	Paul Hurley	3
<i>Water Laborer</i>	Mike Rasulo	2
<i>Sewer/Water Repairer</i>	Kevin Altomare	31

*\* 19 years experience prior to coming to Park Ridge*

**Average Years of Service: 15**

## Park Ridge Water Department Staff



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

# **SEWER** **2018 PROJECTS**

- Continue aggressive grease trap inspection program.
- Analysis of potential sources of infiltration and inflow
- Replace worn out sewer manholes.
- Utilize sewer camera to perform internal visual inspections of our sewer collection system.

# WATER

## 2018 PROJECTS

- Well #21 “Test Well” installed and tested. Woodcliff Lake has provided an easement for permanent site to build pumping and treatment facility. We are now in the process of designing the facility and obtaining the necessary NJDEP permits (\$900,000).
- Complete the last stages of the upgrade to the Well #10 Treatment Facility (\$220,000).
- Complete the rehabilitation of the Well #7 pumping facility (\$100,000).
- Complete the installation of a Photo-Catalytic Oxidation treatment system for the removal of unregulated contaminant 1,4-Dioxane at Well 17. System will be online by June 1 (\$450,000).
- Replacement of a water main on Glen Road (\$800,000).
- Replace arsenic removing media at the Well 13 treatment facility (\$75,000).
- Carbon replacement at the Well #3 treatment facility (\$30,000).
- Continue program to hire contractor to test and exercise street valves.
- Contract for semi-annual leak detection survey.
- Continue employee-training programs.

# **WATER**

## **Building for the Future**

### **2019 System Improvements**

- Construct Well #21 pumping facility - \$900,000

### **2020 System Improvements**

- Water distribution improvements - \$150,000

### **2021 System Improvements**

- Water distribution improvements - \$150,000

**Water Dept Annual Numbers (2015-2017)**

<u>Gallons Billed</u>	
2017	632,199,000
2016	714,305,000
2015	689,133,000
<u>Revenue (from Water Sales)</u>	
2017	2,810,529
2016	3,303,653
2015	3,001,795
<u>Precipitation (inches)</u>	
2017	45.85
2016	32.09
2015	31.55

**WATER UTILITY BUDGET**

**A. REVENUES**

- 1. SURPLUS
- 2. RENTS
- 3. RENTS FROM RATE INCREASE
- 4. MISCELLANEOUS
- 5. WCL PROJ DEBT PRINCIPAL
- 6. RESERVE FOR HANDY & HARMON SETTLEMENT

**TOTAL REVENUES:**

	<b>2018 BUDGET</b>	<b>2017 MODIFIED BUDGET</b>	<b>2017 ACTUAL</b>
1. SURPLUS	528,355	604,542	604,542
2. RENTS	2,825,000	2,950,000	2,848,255
3. RENTS FROM RATE INCREASE	105,990	0	0
4. MISCELLANEOUS	246,000	280,000	246,694
5. WCL PROJ DEBT PRINCIPAL	65,508	64,208	64,208
6. RESERVE FOR HANDY & HARMON SETTLEMENT	550,000	0	0
<b>TOTAL REVENUES:</b>	<b>\$4,320,853</b>	<b>\$3,898,750</b>	<b>\$3,763,699</b>

**B. OPERATING EXPENSES**

- 1. SALARY AND WAGES
- 2. OTHER EXPENSES
- 3. GROUP INSURANCE EMPLOYEES
- 4. CAPITAL IMPROVEMENT FUND
- 5. CAPITAL OUTLAY
- 6. BOND PRINCIPAL
- 7. BOND ANTICIPATION NOTES/CAPITAL NOTES
- 8. INTEREST ON BONDS
- 9. INTEREST ON NOTES
- 10. DEFERRED CHARGES/EMERGENCY AUTH
- 11. PUBLIC EMPLOYMENT RETIREMENT SYSTEM
- 12. SOCIAL SECURITY

**TOTAL EXPENSES:**

1. SALARY AND WAGES	1,211,209	1,174,500	1,163,534
2. OTHER EXPENSES	1,664,000	1,496,500	1,458,723
3. GROUP INSURANCE EMPLOYEES	303,849	304,500	285,839
4. CAPITAL IMPROVEMENT FUND	5,000	5,000	5,000
5. CAPITAL OUTLAY	150,000	150,000	116,580
6. BOND PRINCIPAL	120,000	120,000	120,000
7. BOND ANTICIPATION NOTES/CAPITAL NOTES	1,300	0	0
8. INTEREST ON BONDS	50,255	32,703	32,703
9. INTEREST ON NOTES	12,700	15,000	15,000
10. DEFERRED CHARGES/EMERGENCY AUTH	569,540	121,500	121,500
11. PUBLIC EMPLOYMENT RETIREMENT SYSTEM	140,000	120,000	116,571
12. SOCIAL SECURITY	93,000	93,000	85,150
<b>TOTAL EXPENSES:</b>	<b>\$4,320,853</b>	<b>\$3,632,703</b>	<b>\$3,520,600</b>

**Surplus**

\$868,290 January 1, 2017  
 \$659,758 December 31, 2017  
 \$112,103 2017 Appropriation Reserves

## WATER UTILITY BUDGET (2014-2018)

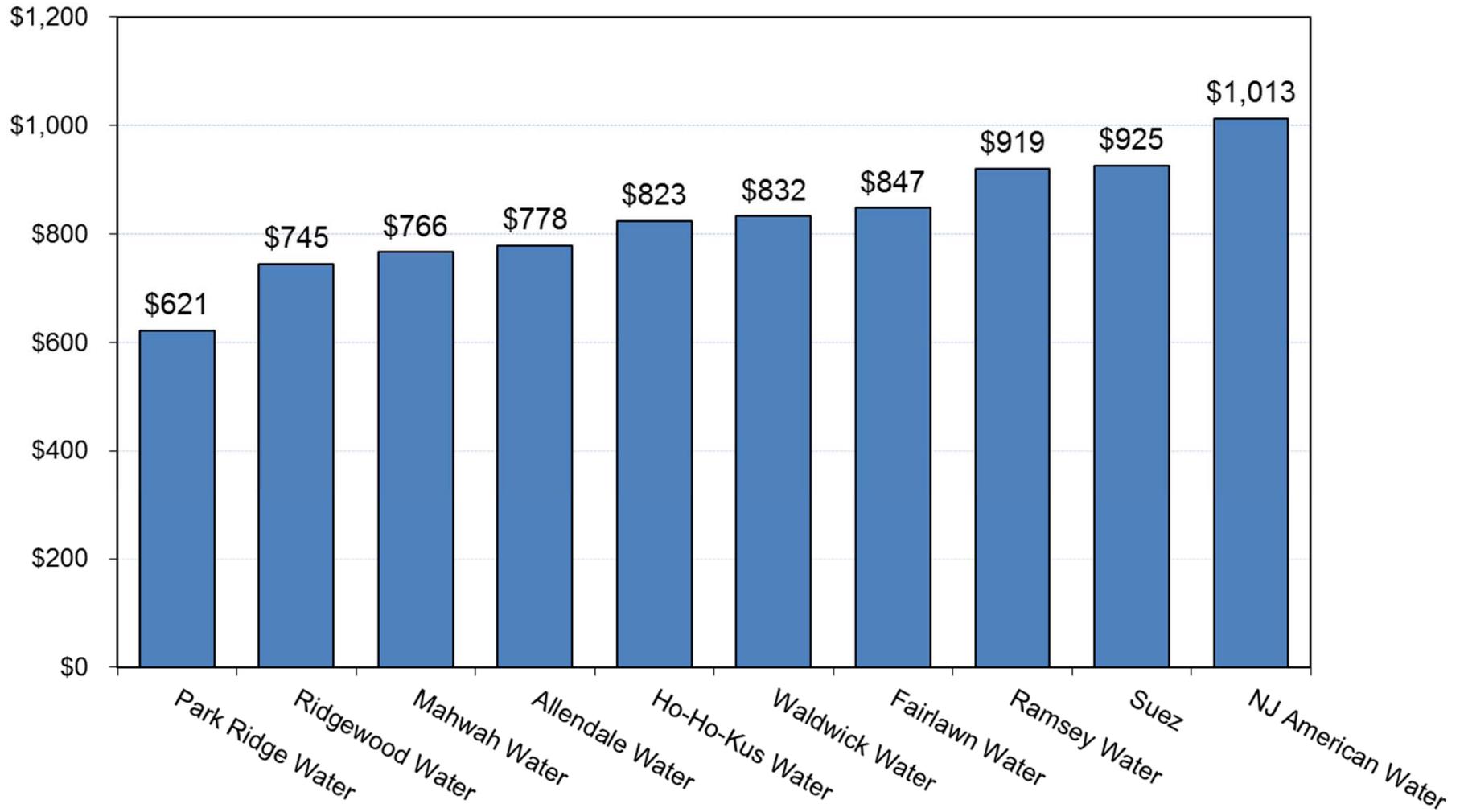
<b>REVENUES</b>	<b>18 BUDGET</b>	<b>17 MODIFIED BUDGET</b>	<b>16 MODIFIED BUDGET</b>	<b>15 MODIFIED BUDGET</b>	<b>14 MODIFIED BUDGET</b>
SURPLUS	\$ 528,355	\$ 604,542	\$ 407,266	\$ 399,400	\$ 267,512
RENTS	2,825,000	2,950,000	2,885,995	2,805,000	2,805,000
RENTS FROM RATE INCREASE	105,990	-			
MISCELLANEOUS	246,000	280,000	250,000	250,000	230,000
WCL CAPITAL SURCHARGE	-	-	-	-	389,772
CAPITAL SURPLUS	-	-	-	71,057	
WCL PROJ BOND PRINCIPAL - CURRENT	65,508	64,208	62,418	89,102	26,842
WCL PROJ BOND PRINCIPAL - PRIOR	-	-	-	-	25,051
RESERVE FOR HANDY & HARMON SETTLEMENT	550,000	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 4,320,853</b>	<b>\$ 3,898,750</b>	<b>\$ 3,605,679</b>	<b>\$ 3,614,559</b>	<b>\$ 3,744,177</b>
 <b>OPERATING EXPENSES</b>					
SALARY AND WAGES	1,211,209	1,194,500	1,244,800	1,222,000	1,177,998
OTHER EXPENSES	1,664,000	1,671,500	1,597,000	1,542,000	1,588,500
GROUP INSURANCE EMPLOYEES	303,849	354,500	308,000	308,000	369,800
CAPITAL OUTLAY	150,000	150,000	38,000	165,000	220,000
SOCIAL SECURITY	93,000	93,000	92,100	91,000	90,000
CAPITAL IMPROVEMENT FUND	5,000	5,000	5,000	5,000	25,000
PUBLIC EMPLOYMENT RETIREMENT	140,000	140,000	136,500	113,000	102,525
BOND PRINCIPAL	120,000	120,000	115,000	110,000	110,000
BOND ANTICIPATION NOTES/CAPITAL NOTES	1,300	-	-	-	-
BOND INTEREST	50,255	33,750	35,941	37,059	38,854
NOTES INTEREST	12,700	15,000	11,838	-	-
DEFERRED CHARGES/EMERGENCY AUTH	569,540	121,500	21,500	21,500	21,500
<b>TOTAL EXPENSES</b>	<b>\$ 4,320,853</b>	<b>\$ 3,898,750</b>	<b>\$ 3,605,679</b>	<b>\$ 3,614,559</b>	<b>\$ 3,744,177</b>

**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>
2017				<b>875,000</b>				<b>432,000</b>	<b>1,307,000</b>
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	875,000	101,864	976,864		432,000	83,491	515,491		

<b>BOROUGH OF PARK RIDGE</b>			
<b>Proposed Water Utility Bonds - Stand Alone Schedule</b>			
	<b>Proposed Bonds Dated May 15, 2018</b>		
	<b>\$790,000; 13 Years; 3.50% Interest</b>		
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018		13,825	13,825
2019	50,000	26,775	76,775
2020	50,000	25,025	75,025
2021	55,000	23,188	78,188
2022	55,000	21,263	76,263
2023	55,000	19,338	74,338
2024	60,000	17,325	77,325
2025	60,000	15,225	75,225
2026	60,000	13,125	73,125
2027	65,000	10,938	75,938
2028	65,000	8,663	73,663
2029	70,000	6,300	76,300
2030	70,000	3,850	73,850
2031	75,000	1,313	76,313
	<u>\$ 790,000</u>	<u>\$ 206,150</u>	<u>\$ 996,150</u>
		Average Annual Cost:	76,627
		Increase over 2018 Water User Charges:	2.71%

### Comparison of Annual Water Bills Based on Average Customer Using 34,000 Gallons per Quarter



# ELECTRIC DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Paul Longo	14(*16)
<i>Line Supervisor</i>	James Leichtnam	12(**18)
<i>Senior Line Worker</i>	Shane Geanoules	9(***5)
<i>Line Worker</i>	Paul Neumann	31
<i>Line Worker</i>	Silvestre Jose	8(****6)
<i>Line Worker</i>	OPEN	
<i>Electrician/Line Worker</i>	Bob Murken Jr.	23
<i>Meter Reader</i>	Anthony Confreda	2

\* 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

**Average Years of Service: 14**

## Park Ridge Electric Department Staff



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

# **ELECTRIC** **PROJECTS**

- Perform utility pole testing and treatment (\$85,000).
- Perform power line clearance tree trimming (\$150,000).
- Install new electric systems for new developments in Park Ridge.
- Continue using Electric Department staff expertise for municipal installations (street and recreational lighting, computer networks, etc.).
- Continue employee-training programs.

# **ELECTRIC**

## **Building for the Future**

### **2019 System Improvements**

Install electric distribution infrastructure for downtown redevelopment and other projects.

### **2020 System Improvements**

Replace Conductors for Sub-transmission Circuit 2601 which feeds from Mill Road substation to the Brae Blvd substation - \$350,000

### **2021 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 - \$125,000

### **2021-2022 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**

### **2022-23 System Improvements**

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

### **2024 System Improvements**

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

### **2025 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

### **2026 System Improvements**

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

# **ELECTRIC DEPARTMENT EXTRA** **BENEFIT TO MUNICIPALITY**

- In Lieu of Gross Receipts and Franchise Tax - \$500,000
- Payment in Lieu of Taxes - \$155,000
- Street lighting (\$200,000 savings to municipal budget)
- Discounted electric rates for municipal facilities
- Tree trimming
- Miscellaneous electrical and telecommunications work in municipal facilities
- Senior Citizen rate savings
- Computers system purchases and maintenance
- Holiday decorations/banners
- Use of equipment during snow operations
- Maintaining traffic signals
- Sports lighting bulbs and maintenance

# **Park Ridge Utilities**



## **Thinking Green**



**LED Street Lights**



**EV Car Charging Stations**

**\$25,000 in grant funding received to install three EV charging station. PR Electric, working with Green Team obtained funding. Beginning installation in next several weeks.**



**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 2013 – 26%
  - Park Ridge Water Department’s 2016 Unaccounted-for-Water – 6%
  - Park Ridge Water Department’s 2017 Unaccounted-for-Water – 15%
  
- **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:** 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.

## The Park Ridge Utility Garage Solar System

(as of May 2017)



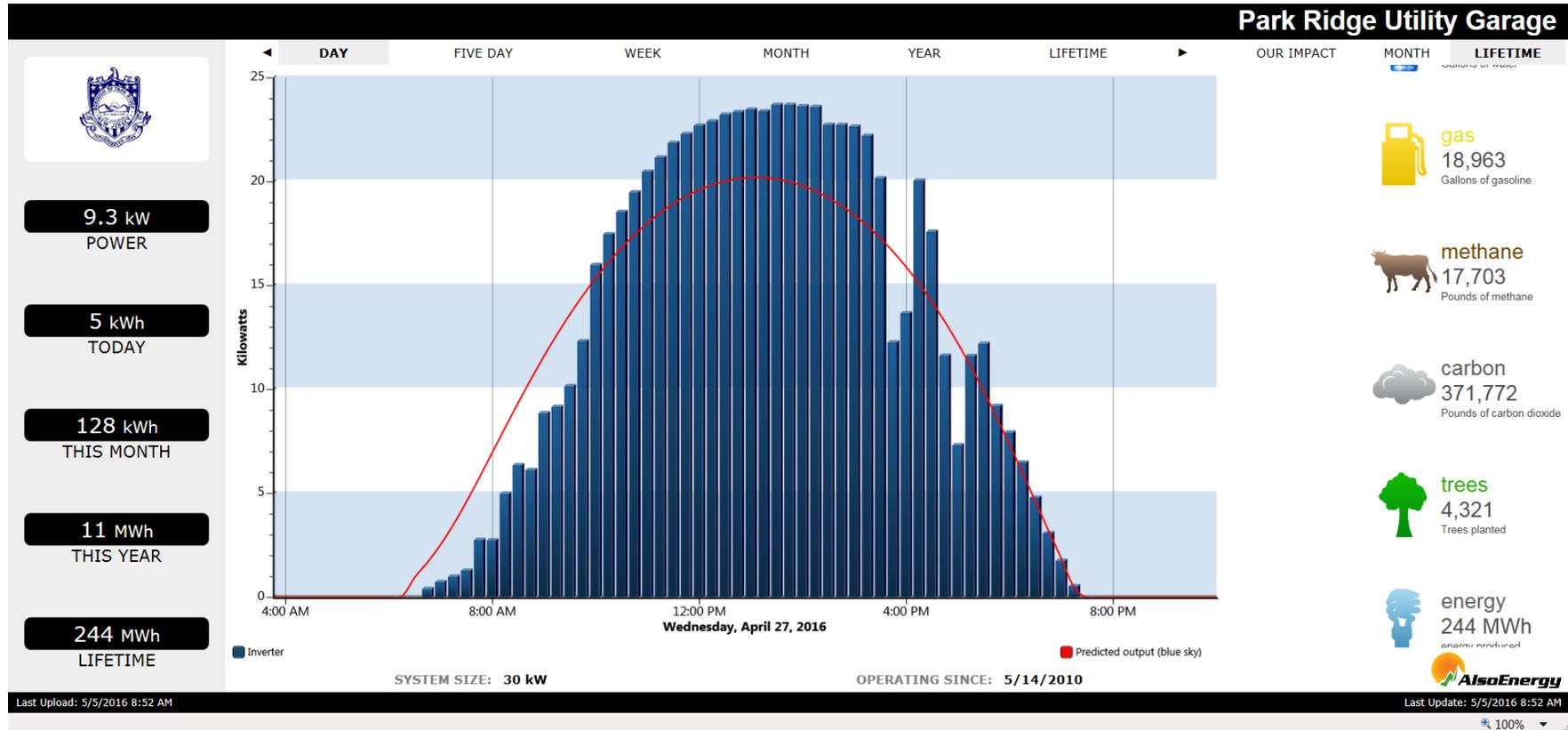
- Cost of installation (including engineering): \$195,000
- The construction for the project started in March 2010 and was completed and went online in June 2010
- Total DC capacity for the system: 29.7 KW
- Financial benefits as of May 2017:
  - \$29,700 rebate received from the NJ Office of Clean Energy
  - \$56,093 received for solar energy renewable credits (SRECs)
  - \$ 30,336 in reduced electric costs
  - **\$ 116,129 in total benefits**
- Total electrical energy generated to date: 218,270 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 32.4 passenger vehicles would create in a year.
  - The amount that would have been generated from the electricity used in 16.2 homes in a year.
  - The amount that would have been reduced by the growth of 3,975 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](http://www.parkridgeboro.com) in the Electric Utility section.

<b><u>Electric Dept Annual Numbers (2013-2018)</u></b>		
<u>Purchase of Current</u>		<u>(\$)/KWH</u>
2018 Budget	\$6,867,000	\$ 0.098
2017	\$6,651,427	\$ 0.104
2016	\$6,679,716	\$ 0.097
2015	\$6,837,558	\$ 0.097
2014	\$7,377,195	\$ 0.106
2013	\$7,190,095	\$ 0.100
<u>Energy Billed (KWH's)</u>		
2018 Budget	60,303,625	
2017	60,303,625	
2016	63,243,196	
2015	65,854,919	
2014	65,939,991	
2013	65,893,133	
<u>Revenue (from Energy Sales)</u>		
2018 Budget	9,584,872	
2017	9,253,074	
2016	9,897,815	
2015	10,074,473	
2014	9,765,882	
2013	9,853,268	
<u>Heating/Cooling Degree Days</u>		
	<u>HDD</u>	<u>CDD</u>
2017	5,055	1,159
2016	5,051	1,355
2015	5,353	1,284
2014	5,696	1,015
2013	4,752	1,339

**ELECTRIC UTILITY BUDGET**

**A. REVENUES**

	<b>2018 BUDGET</b>	<b>2017 MODIFIED BUDGET</b>	<b>2017 ACTUAL</b>
1. SURPLUS	436,296	528,350	528,350
2. LIGHT AND POWER	9,225,000	9,835,000	9,239,750
3. ADDL REVENUE - POWER ADJUSTMENT	359,872	0	0
4. MISCELLANEOUS	22,000	30,000	22,348
<b>TOTAL REVENUES:</b>	<b>\$10,043,168</b>	<b>\$10,393,350</b>	<b>\$9,790,448</b>

**B. OPERATING EXPENSES**

1. SALARY AND WAGES	1,149,371	1,106,100	1,078,330
2. OTHER EXPENSES	674,000	518,500	475,570
3. PURCHASE OF CURRENT	6,730,674	6,686,000	6,651,427
4. GROUP INSURANCE EMPLOYEES	238,829	259,000	223,889
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	5,000	0	0
8. CAPITAL OUTLAY	30,000	75,500	60,598
9. BOND/NOTE PRINCIPAL	270,000	265,000	265,000
10. INTEREST ON BONDS	36,687	29,493	29,493
11. INTEREST ON NOTES	8,500	5,065	5,065
12. DEFERRED CHARGES	24,107	25,500	25,500
13. PUBLIC EMPLOYEES RETIREMENT SYSTEM	135,000	116,000	115,673
14. SOCIAL SECURITY	86,000	87,000	78,091
<b>TOTAL EXPENSES:</b>	<b>\$10,043,168</b>	<b>\$9,828,158</b>	<b>9,663,636</b>

**Surplus**

\$860,117 January 1, 2017

\$657,939 December 31, 2017

\$164,522 2017 Appropriation Reserves

## ELECTRIC UTILITY BUDGET (2014-2018)

<b>REVENUES</b>	<b>18 BUDGET</b>	<b>17 MODIFIED BUDGET</b>	<b>16 MODIFIED BUDGET</b>	<b>15 MODIFIED BUDGET</b>	<b>14 MODIFIED BUDGET</b>
SURPLUS	\$ 436,296	\$ 528,350	\$ 575,870	\$ 514,598	\$ 945,480
LIGHT AND POWER	9,225,000	9,835,000	9,872,729	9,849,000	9,840,000
ADDITIONAL PURCHASE POWER ADJ.	359,872	-	-	-	180,000
MISCELLANEOUS	22,000	30,000	30,000	22,000	36,000
CAPITAL SURPLUS	-	-	-	36,841	-
FEMA NOTE REIMBURSEMENT	-	-	-	-	52,427
FEMA REIMBURSEMENT	-	-	-	-	108,673
INSURANCE PROCEEDS	-	-	-	-	25,983
<b>TOTAL REVENUES:</b>	<b>\$ 10,043,168</b>	<b>\$ 10,393,350</b>	<b>\$ 10,478,599</b>	<b>\$ 10,422,439</b>	<b>\$ 11,188,563</b>
<b>OPERATING EXPENSES</b>					
PURCHASE OF CURRENT	\$ 6,730,674	\$ 6,686,000	\$ 6,754,000	\$ 7,126,000	\$ 7,840,000
SALARY AND WAGES	1,149,371	1,106,100	1,071,900	1,133,000	1,119,000
OTHER EXPENSES	674,000	518,500	497,000	670,000	636,500
GROUP INSURANCE EMPLOYEES	238,829	259,000	286,000	286,000	360,200
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	30,000	75,500	175,000	15,000	33,500
CAPITAL IMPROVEMENT FUND	5,000	-	115,000	33,500	-
PUBLIC EMPLOYEES RETIREMENT SYSTEM	135,000	116,000	129,500	107,000	91,994
SOCIAL SECURITY	86,000	87,000	87,000	87,000	85,000
BOND PRINCIPAL	270,000	265,000	240,000	240,000	235,000
BOND INTEREST	36,687	29,493	37,888	44,439	52,198
INTEREST ON NOTES	8,500	5,065	4,811	-	2,244
DEFERRED CHARGES	24,107	25,500	25,500	25,500	25,500
SPECIAL EMERGENCY - HURRICANE SANDY	-	-	-	-	52,427
<b>TOTAL EXPENSES</b>	<b>\$ 10,043,168</b>	<b>\$ 9,828,158</b>	<b>\$ 10,078,599</b>	<b>\$ 10,422,439</b>	<b>\$ 11,188,563</b>

**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>
2017				<b>493,000</b>				<b>205,000</b>				<b>40,000</b>	<b>738,000</b>
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	493,000	38,905	531,905		205,000	6,200	211,200		40,000	1,200	41,200		

<b>BOROUGH OF PARK RIDGE</b>			
<b>Proposed Electric Utility Bonds - Stand Alone</b>			
	<b>Proposed Bonds Dated May 15, 2018</b>		
	<b>\$600,000; 10 Years; 3.25% Interest</b>		
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017			
2018		9,750	9,750
2019	35,000	18,931	53,931
2020	50,000	17,550	67,550
2021	60,000	15,763	75,763
2022	60,000	13,813	73,813
2023	60,000	11,863	71,863
2024	65,000	9,831	74,831
2025	65,000	7,719	72,719
2026	65,000	5,606	70,606
2027	70,000	3,413	73,413
2028	70,000	1,138	71,138
	<u>\$ 600,000</u>	<u>\$ 115,375</u>	<u>\$ 715,375</u>
		Average Annual Cost:	71,538
		Increase over 2018 Light & Power Charges:	0.78%

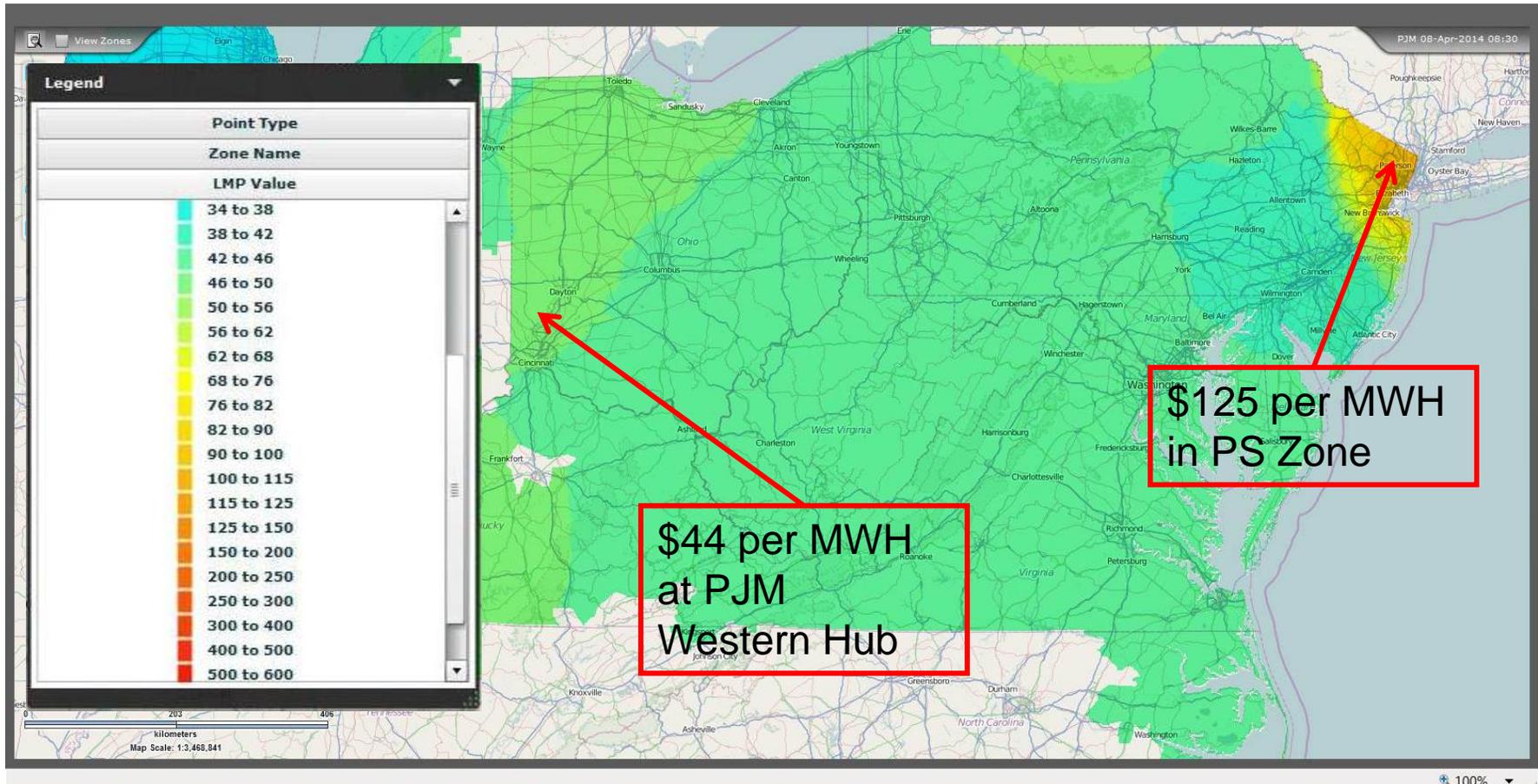
<b>Wholesale Component Budget Costs Comparison - Updated 1-30-18</b>								
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Energy</b>	4,841,213	4,816,265	4,510,959	4,631,999	4,224,220	3,849,412	3,469,000	3,005,707
<b>Capacity</b>	1,141,999	1,089,868	1,781,839	1,540,924	1,271,843	1,600,007	1,589,000	1,504,889
<b>Transmission</b>	592,446	556,641	789,063	1,093,690	1,374,484	1,165,237	1,609,000	1,987,786
<b>Others</b>	336,811	265,885	252,300	156,156	205,206	121,409	88,000	128,848
<b>Total</b>	6,912,469	6,728,660	7,334,161	7,422,769	7,075,753	6,736,065	6,755,000	6,627,230
<b>Percentage of Total Cost Comparison</b>								
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Energy</b>	70%	72%	62%	62%	60%	57%	51%	45%
<b>Capacity</b>	17%	16%	24%	21%	18%	24%	24%	23%
<b>Transmission</b>	9%	8%	11%	15%	19%	17%	24%	30%
<b>Others</b>	5%	4%	3%	2%	3%	2%	1%	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.

<b>June 2018-May 2019</b>				
Date Purchased	Product	Price	Delivery	Company
3/11/2015	1st Traunch	<b>43.85</b>	PSE&G Zone	Constellation
10/8/2015	2nd Traunch	<b>36.35</b>	PSE&G Zone	Nextera
3/3/2016	3rd Traunch	<b>36.95</b>	Hillsdale Node	BP
<b>June 2019-May 2020</b>				
Date Purchased	Product	Price	Delivery	Company
3/3/2016	1st Traunch	<b>33.09</b>	PSE&G Zone	Exelon
5/11/2016	2nd Traunch	<b>36.45</b>	PSE&G Zone	Exelon
8/5/2016	3rd Traunch	<b>36.35</b>	Hillsdale Node	Nextera

# Typical PJM Locational Marginal Pricing (LMP) Contour Map



## 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.

	<b>PJM Rate</b>	<b>Park Ridge</b>
<b>PJM Delivery Year</b>	<b>MW-Day</b>	<b>Annual Cost</b>
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	\$218.98	\$1,598,554
June 2019 to May 2020	\$115.15	\$840,595
June 2020 to May 2021	\$174.85	\$1,276,405
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 increased 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.

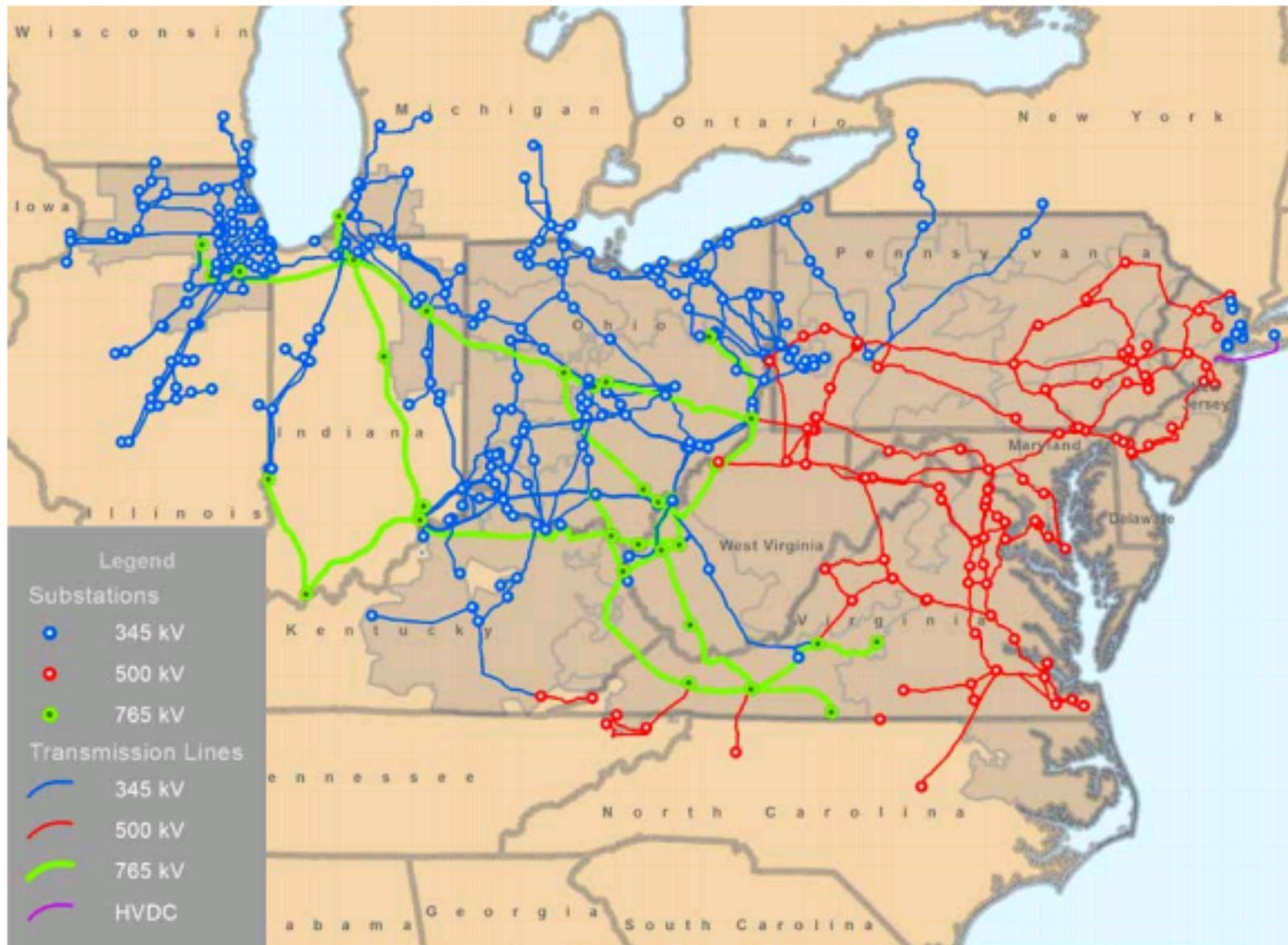
In a quarterly earnings call, the Newark company yesterday disclosed its expenditures on transmission projects now account for 36 percent of the utility's rate base, up from 28 percent the previous year. The rate base largely determines what the utility earns from its customers and how much they have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

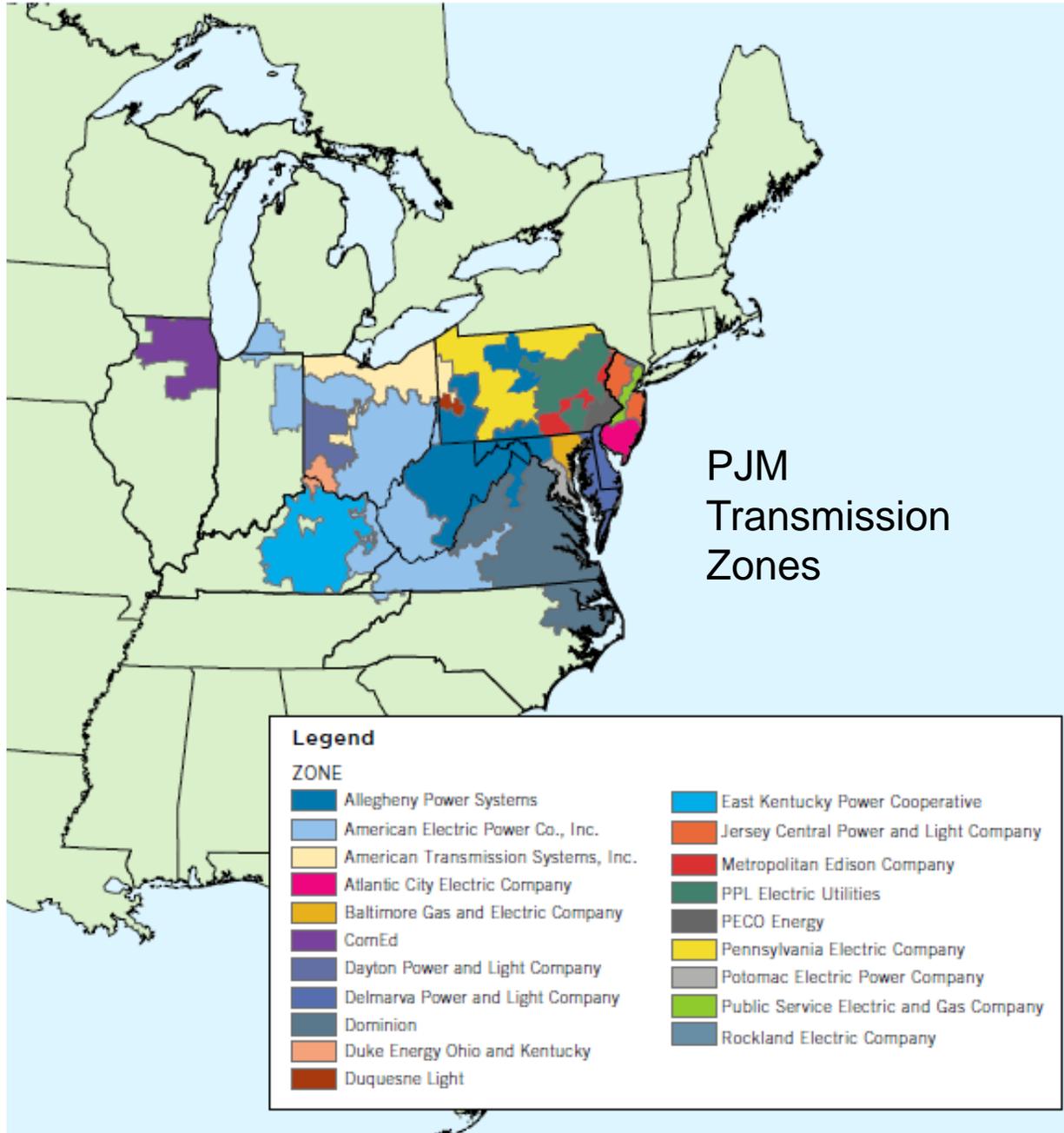
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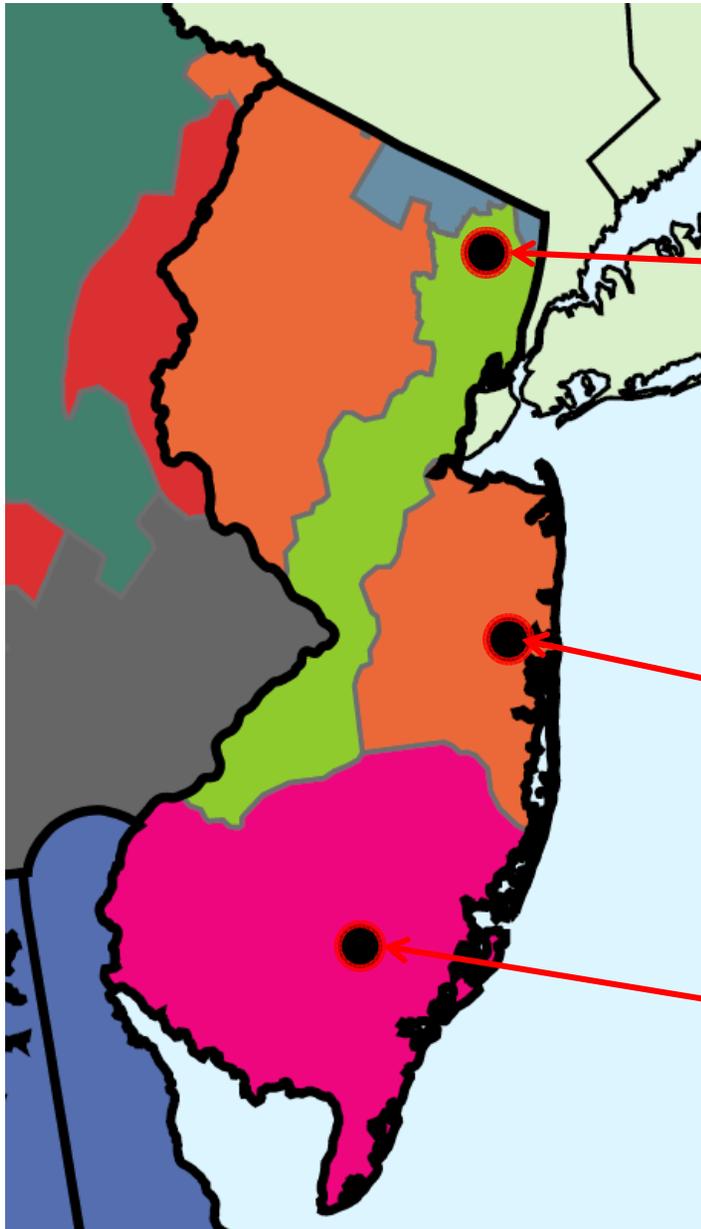
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Map 1.1: PJM Backbone Transmission System





## Geographic Difference in Transmission Costs

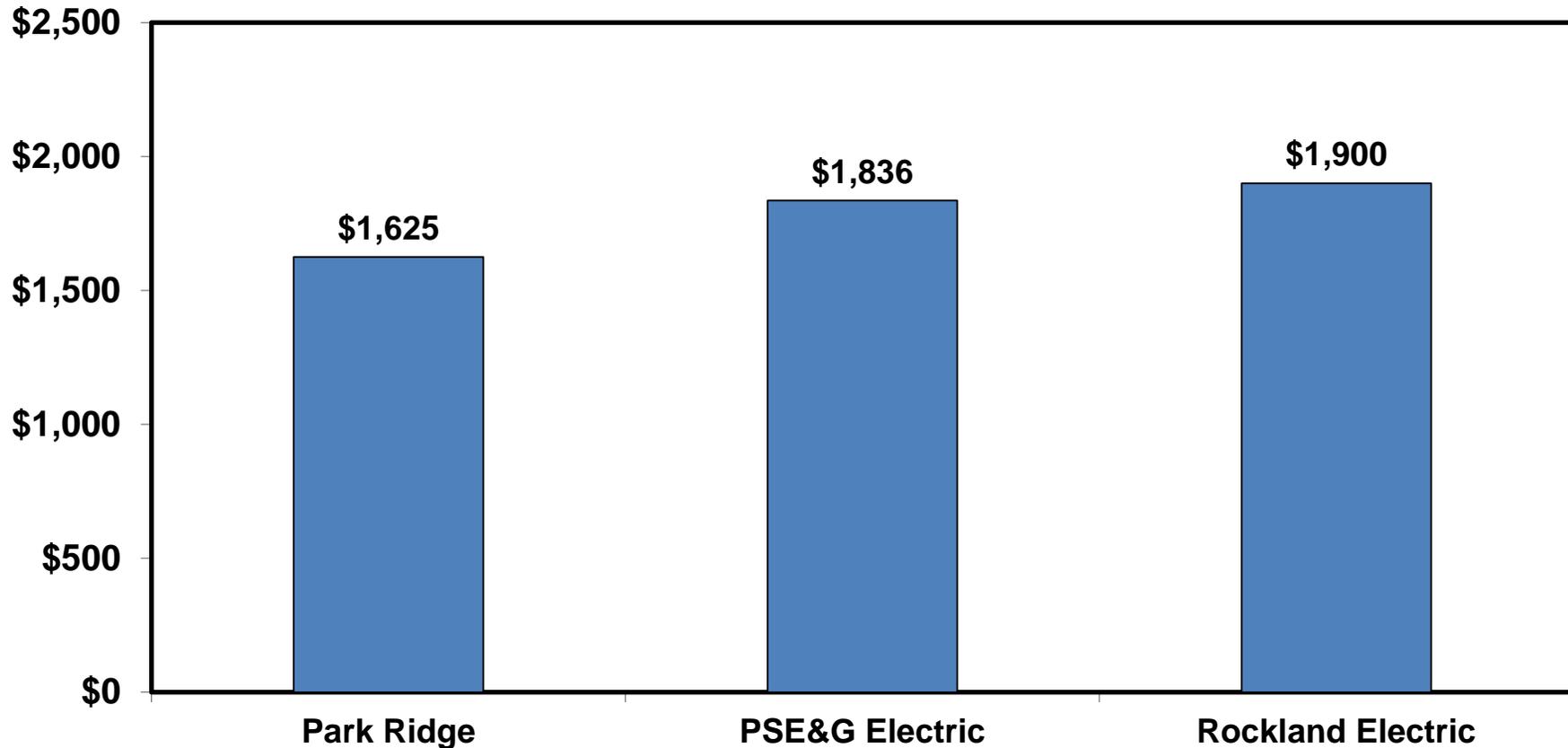


In PSEG Zone  
our cost is  
\$1,990,000 for  
transmission in  
2018

In JCP&L Zone  
our cost would  
be \$360,000

In Atlantic Electric  
Zone our cost  
would be \$770,000

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



**Park Ridge's residential rate is 11.5% lower than PSE&G**

**Park Ridge's residential rate is 14.5% lower than Rockland**

## **Possible Rate Action**

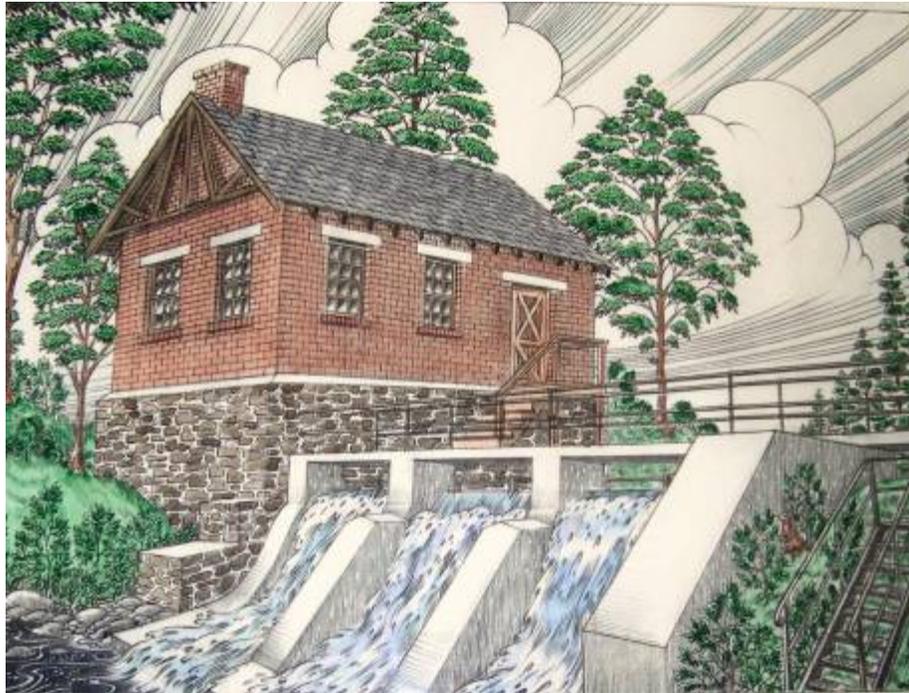
### **Electric Department Factors:**

- Power Adjustment (PA) rate increased on January 1, 2018
- Decrease in this year's wholesale energy costs offset by large increase in transmission costs.
- Capital Outlay has been reduced in 2018 as we will be utilizing previously authorized electric capital reserve funds to purchase these materials
- No increase in base rate expected for 2018.

### **Water Department Factors:**

- Water rate increased by 3% on January 1, 2018
- Increase in water treatment costs.
- No additional increase in rates is expected for 2018.
- Likelihood to see moderate rate increases in upcoming years.

# COMMENTS



**Questions?**