

2017 Budget Request & Justification

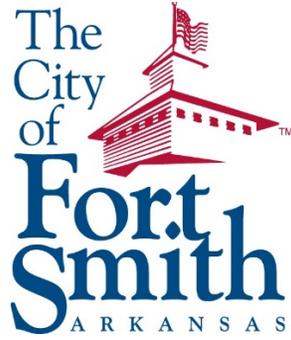
Utility Department Operations Division

EXECUTIVE SUMMARY

The Operations Division of the Fort Smith Utility Department is comprised of four (4) separate program codes. Program 5603 is Wastewater Treatment; Program 5604 is Water Treatment; Program 5625 is Environmental Quality; and Program 5626 is Fleet, Building, Grounds and Station Maintenance. While preparing the 2017 budget for the Operations Division, several different issues were addressed. The main issue is the comparison on the 2016 Budget to the Proposed 2017 Budget. The 2016 Budget was formulated by the former Utility Director and no records have been found as to how certain amounts for each cost code were derived. Additionally, 2016 was the first year under the new organizational structure for the Utility Department. This created challenges in budgeting that are now being addressed in the Proposed 2017 Budget. This document explains the rationale behind each cost code for each program, regardless of if that cost was an increase, decrease, or maintained the same. It is the purpose of this document to allow transparency in the budgeting process for the Utility Department's Operations Division. Some highlights from the summaries include the following:

- Program 5603 achieved an overall decrease in operation (personnel/operating accounts) of 4.9%.
- Program 5604 has an overall increase in operating expenses of approximately 14.8%. This is due largely in part to increased chemical costs and the increased use of chemicals at Lake Fort Smith due to water quality issues caused by the flood/landslide in December 2015.
- Program 5625 has an overall increase in operating expenses of approximately 9%. This is due to increased staffing and supplies for the Consent Decree required FOG Program.
- Program 5626 has an overall increase in operating expenses of approximately 3%. This is due in part to meeting the requirements of the Consent Decree and the addition of one (1) staff. In addition, the current Utility Director has instructed items such as utilities and janitorial expenses for the Kelley Hwy. and Carnall Ave. facilities, repair of buildings, and utility costs be moved from Programs 5501, 5610, 5611, 5612, and 5625 to Program 5626.

It is the staff's hope that this document will be helpful in explaining the needs of the Operations Division and will be utilized to answer questions and spawn productive discussions about the Proposed 2017 Budget.



2017 Budget Request & Justification

Utility Department Operations

Program 5603 Wastewater Treatment

City of Fort Smith
Program Title: Sewer Treatment
Program Number: 5603

Personnel			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
101	Regular Salaries	1,144,825	1,202,070
102	Overtime	96,390	101,210
103	Retirement	61,730	64,820
104	Social Security	95,470	100,240
105	Health Insurance	234,225	246,570
106	Longevity	4,710	5,040
107	Medical Expenses	2,500	2,500
108	Other	0	0
109	Employee Allowance	0	0
111	Worker's Compensation	2,480	2,480
	Total Personnel Costs:	\$1,642,330	\$1,724,930
Operating Accounts			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
201	Office Supplies	5,000	5,250
202	Small Equipment	48,520	50,950
203	Fuel, Oil, Lube	16,790	17,630
204	Clothing	33,760	35,450
205	Custodial Equipment and Supplies	19,000	19,950
206	Materials	260,000	273,000
207	Repair of Equipment	260,000	273,000
208	Repair of Buildings	50,000	52,500
209	Merchandise	0	0
210	Communications	4,670	4,900
211	Utilities	650,000	682,500
212	Bonds, Insurance, Licenses	113,000	118,650
213	Postage	500	530
214	Advertising, Printing, Photo	1,000	1,050
215	Travel	19,000	19,950
216	Education, Memberships, Subscriptions	8,200	8,610
217	Lease, Rent, Taxes	7,500	7,880
218	Claims	0	0
219	Other	410,000	430,500
220	Examinations	1,140	1,200
	Total Operating Costs	\$1,908,080	\$2,003,500

If replacement, MUST include asset #, mileage, model & year being replaced. If Addition- note on request

CAPITAL OUTLAY	2017 Budget	2018 Budget
	Requests	Projections
1) P Street Basin Diffuser (4 Basins) - R	\$116,640.00	
2) Massard Aeration Basin Blower - Rep	\$37,300.00	
3) P Street High Pressure Water Pumps	\$78,000.00	
4) P Street Wilo Stabilized Sludge Pump	\$54,920.00	
5) Massard HVAC (4) - Replacements	\$35,500.00	
6) P Street Solids/Chemical Handling Bu	\$9,300.00	
7) 1/2 Ton Pickup - 2003 Chevrolet Pick	\$23,100.00	
Total Capital Expenses	\$354,760	\$0
Grand Total (All accounts)	\$3,905,170	\$3,728,430

Schedule of Personnel			
Position Title	# of Positions 2016	# of Positions 2017	# of Positions 2018
Water & Sewer Treatment Program Manager	1	1	1
Supervisor	2	2	2
Chief Operator	4	4	4
Chief Process Operator	1	1	1
Chief Solids Operator	2	2	2
Plant Operator I-IV	18	18	18
Equipment Operator II	2	2	2
Laborer (Seasonal)	0.5	0.5	0.5
Total Positions	30.5	30.5	30.5

2017 Budget Request Justification by Account

PERSONNEL

101 Regular Salaries

\$1,144,825

Regular salaries were calculated based on current pay for the license schedule below. In addition to the base salary, there is potential for grade increases due to wastewater licensing. This means a Wastewater Operator I who achieves a Wastewater Operator II license would be moved up to the next pay grade. The calculated pay grade for each license is as follows:

Wastewater Operator IV	Pay Grade 7
Wastewater Operator III	Pay Grade 5
Wastewater Operator II	Pay Grade 4
Wastewater Operator I	Pay Grade 3
Operator In Training	Pay Grade 3

The base pay at current rates for Program 5603 is \$1,103,190. Operations and Finance Department staff recognize the potential for the salary increases due to Program 5603 staff obtaining higher wastewater treatment licenses as required by ADEQ. However, the base pay for Program 5603 is calculated using each employee's current 2016 salary (as of October 2016) as instructed by the Finance Department.

Per the City Administrator's instruction, a one percent (1%) Cost of Living Adjustment (COLA) is to be included in budgeting for base salaries. This increase totals \$11,335.

The wastewater plants operate around the clock every day of the year. The City allows for shift differentials to compensate staff who work second and third shift. The calculated values is based on the shift differential values provided in Section 2 of the City of Fort Smith Ordinance 87-15 dated December 1, 2015. The total shift differential for Program 5603 is \$3,230.

Due to the need to have certain staff on standby for possible wet weather events that would require the City to operate the Sunnymede Wet Weather Treatment System, the standby pay for the Program 5603 is calculated at \$27,070.

The total for all regular salary expenditures for Program 5603 is \$1,144,825.

102 Overtime

\$96,390

The overtime listed allows for personnel to provide shift coverage for those employees who are on vacation, sick leave, bereavement leave, or extended medical leave. Often during storms additional "P" Street and Massard staff are required to operate the Wet Weather Treatment

PREPARED BY:

SARAH BYERS, ADMINISTRATIVE COORDINATOR, OPERATIONS; LANCE MCAVOY, DEPUTY DIRECTOR OF OPERATIONS

Systems. During the year additional operational tasks are required for maintenance and plant optimization. Overtime also includes coverage during inclement weather which may prevent shift changes due to poor road conditions.

Overtime is based on experience of the operator and need. On average, "P" Street Chief Operators work an average of 125 hours of overtime a year. Massard Chief Operators and Chief Solids Operator work an average of 250 hours of overtime a year. The Chief Process Control Operator, Wastewater Operator IV, and Wastewater Operator III work an average of 150 hours of overtime a year. Equipment Operator II work an average of 110 hours of overtime a year. Wastewater Operator II and Wastewater Operator I work an average of 100 hours of overtime a year.

**Please note that the requested overtime does not include the COLA increase requested by City Administration. Should the COLA increase be approved, overtime will need to be increased by one percent (1%).*

103 Retirement \$61,730

Retirement calculations were provided by the Finance Department.

104 Social Security \$95,470

Social Security calculations were provided by the Finance Department.

105 Insurance \$234,225

Insurance calculations were provided by the Finance Department.

106 Longevity \$4,710

Longevity pay was calculated based on employee anniversary dates. The month following the anniversary date begins the longevity payment for the remainder of the year. Listed in Table 1: Longevity Calculations (on the following page) are the calculations for 2017 and 2018 longevity pay. For the employees who will receive a longevity pay increase mid-year, there is a separate entry that reflects the new calculation. The below calculations differ from that of the total of \$6,250 provided in Schedule 4 of the 2017 Budget Packet provided by the Finance Department. This difference is due, in part, to the turnover Program 5603 has experienced during 2016. This turnover has created a scenario in which Program 5603 has entry level grade Plant Operators who have had minimal time, if any, with the City of Fort Smith and thus are ineligible for longevity pay at this time. In addition, Program 5603 has five (5) employees who will reach a milestone anniversary with the City of Fort Smith, increasing their longevity pay mid-year.

Table 1: Longevity Calculations

Last	First	Service Date	Yrs of Service	2017 Longevity		2018 Longevity	
				Monthly	Annual	Monthly	Annual
Cowan	Preston	4/28/2008	8.32	10	120	10	40
Cowan	Preston	4/28/2008	8.32			15	120
Crawford	Truman	3/29/2010	6.4	10	120	10	120
Denny	Phillip	8/6/2010	6.05	10	120	10	120
Johnson	Jonadab	5/16/2013	3.27	0	0	0	0
Johnson	Jonadab	5/16/2013	3.27			10	70
Key	Johnny	5/13/1981	35.28	30	360	30	360
Long	Roger	7/20/1981	35.09	30	360	30	360
Lynch	Gavin	6/21/2016	0.17	0	0	0	0
Orr	Troy	4/22/2015	1.34	0	0	0	0
Salokar	Jimmy	9/6/1984	31.96	30	360	30	360
Shackleford	Bradley	4/4/2016	0.38	0	0	0	0
Webb	Jacob	6/18/2007	9.18	10	60		
Webb	Jacob	6/18/2007	9.18	15	90	15	180
Williams	Tony	7/8/2016	0.12	0	0	0	0
Cantrell	Doug	8/25/1981	34.99	30	360	30	360
Shelly	David	6/17/1985	31.18	30	360	30	360
Hobbs	George	7/26/2012	4.07	10	50	10	50
James	Clifton	4/24/2012	4.33	10	80	10	80
Jones	Kevin	3/12/1986	30.45	30	360	30	360
Kiene	Andrew	10/17/2007	8.85	10	100		
Kiene	Andrew	10/17/2007	8.85	15	30	15	300
LeDoux	Gerard	1/14/2016	0.61	0	0	0	0
Masterson	Russell	3/26/1991	25.41	30	360	30	360
Shelly	David	1/18/1984	32.59	30	360	30	360
Slay	Gary	6/17/1985	31.18	30	360	30	360
Sparkman	Charles	5/26/1992	24.24	25	125		
Sparkman	Charles	5/26/1992	24.24	30	210	30	360
Wiley	Jack	7/15/1991	25.11	30	360	30	360
Open Position		TBD	0	0	0	0	0
Program Totals Per Year					4705		5040

107 Medical Expenses **\$2,500**

Medical expenses within the Utility Department include, but are not limited to, new hire pre-employment screenings and drug testing, CDL physicals, incident reporting drug screenings, randomized drug screenings, Hepatitis B vaccinations, prescription safety glasses, etc.

108 Other **\$0**

Program 5603 is not requesting funds for Account Code 108 Other

109 Employee Allowances **\$0**

Program 5603 is not requesting funds for Account Code 109 Employee Allowances

111 Workers' Compensation **\$2,480**

Worker' Compensation funding was provided in Schedule 6 of the 2017 Budget Packet provided by the Finance Department.

OPERATING

201 Office Supplies **\$5,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$3,090. Due to the anticipated rise in product pricing, Program 5603 is requesting an additional two percent (2%). Expenditures for Account Code 201 include the following:

New Hire Package

Monthly Office Supply Cost

Periodic Printer Cartridge Replacement – Program Manager

Periodic Printer Cartridge Replacement – Supervisor & Chief Operators

Additional Filing Requirements under the Consent Decree

202 Small Equipment **\$48,520**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$43,660. Due to the anticipated rise in product pricing, Program 5603 is requesting an additional two percent (2%). Expenditures for Account Code 202 include the following:

Replacement Hand Tools

Specialty Tools

Process Control Laboratory Equipment/Meters

Gauges/Meters for used in Plant

Plant Operator Computer at P Street and Massard
 Battery Backup/Surge Protectors for Plant Computers
 Computer and Technology Replacements and Upgrades

203 Fuel, Oil, Lube \$16,790

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$13,200. In addition, Program 5603 is adding a new half-ton pickup truck at the Massard WWTP. This will increase the fleet’s cost for both fuel and preventative maintenance lube materials. Based on current mileage and average cost of fuel through September 2016, it is estimated that Program 5603 fleet vehicles will require a budget of \$16,790 for Budget Year 2017. The below table shows the calculated values to support this request.

5603 Wastewater Treatment													\$ 16,790.63	
Program	Asset	Year	Make	Model	Fuel Type	Miles	Gas Expenses to date	Average Cost Per Mile	Estimated Miles Per Year	Est. Annual Fuel Cost	Fuel Notes	Est. PM Cost	Est. Total Annual Cost (Acct 2013)	
5603-01		739	2005	Ford	Taurus SE	5242	519.68	0.10	6989	692.91		78.63	771.54	
5603-02 P Street		196	2007	Ford	F150	2096	260.25	0.12	2795	347.00		31.44	378.44	
5603-02 P Street		282	2012	International	7500 SFA 6x4	4225	1496.23	0.35	5633	1994.97		38.03	2033.00	
5603-02 P Street		283	2012	International	7500 SFA 6x4	5180	1852.1	0.36	6907	2469.47		46.62	2516.09	
5603-02 P Street		284	2012	International	7500 SFA 6x4	4825	1715.53	0.36	6433	2287.37		43.43	2330.80	
5603-02 P Street		898	2013	Ford	F150	2865	812.65	0.28	3820	1083.53		42.98	1126.51	
5603-02 P Street	Miscellaneous Expense			P Street Equipment	Diesel		387.21			516.28			516.28	
5603-02 P Street	Miscellaneous Expense			P Street Equipment	Unleaded		64.9			86.53			86.53	
5603-03 Massard		285	2012	International	7500 SFA 6x4	2785	1251.18	0.45	3713	1668.24		25.07	1693.31	
5603-03 Massard		TBD			1/2 Ton Full Size Lg Bd P/U	Unleaded	4085	1065.526	0.26	5447	1420.70	New Vehicle for Massard Supervisor - Pending	36.77	1457.47
5603-03 Massard		525	1999	GMC	2 TON	616	226.93	0.37	821	302.57		5.54	308.12	
5603-03 Massard		545	1999	Ford	Taurus	1954	186.04	0.10	2605	248.05		29.31	277.36	
5603-03 Massard		568	2003	Chevrolet	LS1500 1/2 Ton	4085	1065.526	0.26	5447	1420.70		61.28	1481.98	
5603-03 Massard		733	2003	International	2574 Dump Truck Tri-Axle	3635	1003.35	0.28	4847	1337.80		32.72	1370.52	
5603-03 Massard	Miscellaneous Expense			Massard Equipment	Diesel		226.57			302.09			302.09	
5603-03 Massard	Miscellaneous Expense			Massard Equipment	Unleaded		105.46			140.61			140.61	

204 Clothing \$33,760

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$25,670. Items included in this total include:

- Employee Uniform Rentals at a 10% markup for new employees & makeup charges \$11,860
- Employee Safety Boots @ \$150.00 + Tax per year per employee \$7,500
- City of Fort Smith Hat Replacements \$1,000
- Safety Clothing & Personal Protective Equipment \$5,310

In addition to the standard products listed above, there are new safety regulations that will require the purchase of Arc Flash Safety Suits. The pricing for these items are listed below.

Arch Flash Electrical Hazard Coveralls (6 per plant – various sizes) \$550/each + Tax	\$3,620
Arch Flash Electrical Hazard Face Shields (4 per plant) \$450/each + Tax	\$1,980

205 Custodial Equipment **\$19,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$18,940. Items included in this total include:

Custodial Supply Rental from Cintas at a 10% markup for changes or makeup charges	\$5,980
Medicine Cabinet Restocking Fees (based on 2016 monthly average)	\$1,800
Break Room Supplies	\$4,800
Miscellaneous Janitorial Supplies i.e. brooms, mops, towels, cleaning products, etc.	\$6,360

206 Materials **\$260,000**

Program 5603 uses a wide variety of materials during the treatment of wastewater. Below is a list of standard materials used during this process and the approximate expense of each chemical.

Fire Extinguisher Inspection and Maintenance; Annual	\$200
Chlorine – P Street WWTP; Quarterly Shipments of 12 Tons @ \$960.00/Ton + Tax	\$50,580
Sodium Bisulfate; Monthly Shipment of 4,000 Gallons @ \$1.190/Gallon + Tax	\$62,690
Sodium Hypochlorite; 3 Shipments per year of 3,000 Gallons @ \$1.15/Gallon + Tax	\$11,360
ECO 6003 Dry W/W Polymer; 2 Shipments per year of 3,850lbs @ \$2.24/lb. + Tax	\$18,930
Liquid Ferric Sulfate; 5 Shipments of 20 Wet Tons @ \$199.50/Wet Ton + Tax	\$21,900
Emulsion Polymer – Massard; Quarterly Shipment of 7,200lbs @ \$1.23/lb. + Tax	\$38,880
VX456 – Massard Odor Control; 4 Totes of 330 Gallons @ \$4,125 + Tax per Tote	\$18,110
UV De-limer – Massard; 3 Shipments per year @ \$1,000 each shipment	\$3,000
Silica Sand – P Street WWTP & Sunnymede BFU; 20 Tons at \$150.00/Ton + Tax	\$3,300
Use Tax Estimates Based on 2016 Historical and Projection	\$8,540

In addition, there are minor chemicals and materials that are purchased throughout the year that are used on an as needed basis. Based on Budget Year 2016 projections, these expenses total

roughly \$25,000. Items in this category include but are not limited to, lab chemicals, soaps and solvents for belt press maintenance and equipment cleaning, paint for maintenance of safety striping, maintenance supplies, additional or replacement keys and locks, lawn care products, etc.

207 Repair of Equipment

\$260,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$257,330. Expenditures for Account Code 207 include the following:

Major Repair of Fleet Vehicles – Program 5603 has an aging fleet with the majority of vehicles over the 100,000 mile mark.

Minor Repair of Fleet Vehicles – Due to the nature of use, many of the vehicles experience flat tires frequently. Many times, these flats require tire replacement.

Massard WWTP UV System Repair/Bulb Replacement

Drive Motors Repair

Pump Repair

Blower Repair and Rebuild

Additional Wastewater Equipment Repair i.e. valves, electrical components, etc.

208 Repair of Buildings

\$50,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$47,660. Due to the anticipated rise in product pricing and additional repairs due to aging assets, Program 5603 is requesting an additional two percent (2%). Expenditures for Account Code 208 include the following:

Repair of HVAC Systems

Repair of Roof

Storm Damage Repair

Transition from Fluorescent Lighting to LED Lighting at Plants

LED Light Replacement

209 Merchandise **\$0**

Program 5603 is not requesting funds for Account Code 209 Merchandise

210 Communications **\$4,670**

The requested funding for Program 5603 is based on the expenses supplied by the City of Fort Smith Information Technology Services program in the 2017 Budget Packet. According to the supplied information, cell phone usage charges are approximately \$388.44 per month. Program 5603 does not have any additional communication expenses.

211 Utilities **\$650,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$636,410. This projection covers the cost of Electric Service and Gas Service for the P Street Wastewater Treatment Plant, the Massard Wastewater Treatment Plant, and the Sunnymede Wet Weather Treatment System.

After reviewing rate data with OG&E and Arkansas Oklahoma Gas Corporation it has been determined that Program 5603 cannot guarantee utility rates will remain consistent for 2017. In September 2016, OG&E increased residential rates by \$0.9847 (a 30.6% increase). In addition, AOG is in the process of being sold to Littleton, a Colorado-based Summit Utilities Group. This transaction, could result in increased rates as well. With this in mind, a two percent (2%) increase over the current estimated cost for 2016 is being requested.

212 Bonds, Insurance, Licenses **\$113,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$109,950. Expenditures for Account Code 212 include the following:

Insurance (as provided by the Finance Department in Schedule 7)	\$81,550
NPDES Permit Fees (ADEQ fees for "P" Street and Massard Wastewater Plants)	\$27,400

Wastewater Operator License Renewal Fees -	\$2,400
Employee CDL Reimbursements	\$550
AR Department of Labor – Elevator Inspections	\$300
AR Department of Labor – Boiler Inspections	\$200

213 Postage **\$500**

Budget Year 2016 did not have a postage budget. From time to time it is necessary to mail out correspondence to government agencies for compliance purposes. In addition, employees are required to mail in training certificates and applications for the Wastewater Operator exams. In years past, these mailings were charged to the Utility Administration postage account. In order to track expenses appropriately, a postage budget of \$500.00 is being requested for Budget Year 2017.

214 Advertising, Printing, Photo **\$1,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$790.00. The budget for Budget Year 2016 was \$1,000. It is being requested that this amount remain for Budget Year 2017. Expenditures for Account Code 214 include the following:

- Job Opening Advertisements for External Applicants
- Professional Printing Services for Consent Decree Projects

215 Training & Travel **\$19,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$2,350. This total is low in comparison to expected travel requirements for Budget Year 2017. This is due to 2017 being a renewal year for Wastewater Operator licenses. Employees are required to obtain 24 hours of training for this renewal. Training hours can be obtained by attending the monthly Western District Meetings, attending the AWW/WEA Annual Conference in Hot Springs, AR, and attending various courses offered by the Arkansas Training Academy and

the Rural Water Association throughout the State of Arkansas. Expenditures for Account Code 215 include the following:

Western District Meeting Reimbursements (\$20.00 each meeting)	\$7,440
Annual AWW/WEA Conference Registration*	\$2,000
Annual AWW/WEA Conference Hotel Expenses*	\$2,230
Annual AWW/WEA Conference Mileage Reimbursement*	\$690
Annual AWW/WEA Conference per Diems*	\$1,360
Employee Training - Out of Town Hotel (10 employees @ 3 nights)**	\$3,030
Employee Training - Out of Town Per Diems (10 employees)**	\$2,040

*Only Supervisors and above are authorized to attend the conference unless special approval is obtained by the Program Manager and the Deputy Director of Operations.

** Employee Training is typically 4 days long for Wastewater Operator Training. Additional training may be necessary depending on State and Federal Requirements. i.e. NetDMR training for Program Manager and Supervisors.

Wastewater Operator Exams	\$1,140
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The Plant Operators within Program 5603 are required to achieve a Class I Wastewater Operator License within the first year of hire. This license is a requirement of the Arkansas Department of Environmental Quality. The licensing and exam fee is \$40.00 per license exam. The management team has allowed for 2 test attempts per employee. The retest fee is \$20.00 if the first exam was not completed successfully. The total allotment for each employee for testing is \$60.00. Employees who have successfully completed the required training and have passed the Class I exam, are eligible to continue testing for Class II, Class III, and Class IV licenses. The \$60.00 allotment has been allowed for any employees who have not achieved the Class IV rating. As of August 30, 2016, there are 19 employees who do not currently hold a Class IV Wastewater Operator License. The total requested for examinations is \$1,140.

216 Education, Memberships, Subscriptions **\$8,200**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$1,370. This total is low in comparison to the expected funding required for Budget Year 2017. Due to new state and federal regulations, employees will be required to complete electrical hazard training. This training will be provided in the Fort Smith area through a consulting group. In addition, Wastewater Operators will be encouraged to become members of national associations in order to obtain additional training. Expenditures for Account Code 216 include the following:

Electrical Hazard Training	\$3,500
Water Environment Federation Annual Membership	\$2,130
Wastewater Operator Training Manuals (2 Sets)	\$1,000

217 Lease, Rent, Taxes **\$7,500**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$5,010. This total is low in comparison to the expected funding required for Budget Year 2017. In May of 2016, both the P Street and Massard Wastewater Treatment Plants entered into a copier lease with Preferred Office Products. The new monthly cost of \$186.36 plus tax is not entirely reflected in the projections for EOY 2016. Expenditures for Account Code 217 include the following:

Preferred Office Copier Lease – 2 Copiers at \$186.23/month + Printing Overages	\$7,080
Mountain Spring Water – 2 Cooler Rentals (1 per plant) at \$13.17/month + Markup	\$340

218 Claims **\$0**

Program 5603 is not requesting funds for Account Code 218 Claims

219 Other **\$410,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$277,970. This total is low as many of the expenses have not yet been processed. Several of the items mentioned below are due at the end of the calendar year. The anticipated total expense with the pending expenditure for Budget Year 2016 is \$396,360. Due to the anticipated rise in product pricing, Program 5603 is requesting an additional two percent (2%). Expenditures for Account Code 219 include the following:

Biosolids Disposal – Quarterly Journal Entry to Sanitation	\$350,000
Sludge Testing & WWTP Study Analytical Services	\$31,000
Biomonitoring	\$8,960
PSA, EPA, RMP Compliance Service Contract Fee	\$2,300

Fire Suppression System Inspections & Resets	\$1,000
Vegetation Control – Massard Wastewater Treatment Plant	\$3,100

CAPITAL OUTLAY

The following capital outlay requests are for equipment and building repairs. Justification sheets for each item may be found immediately following this page. Please note that these items may be budgeted as an operating expense or included in the capital plan. Funding is to be determined by the City Administrator and the Utility Director.

***The capital outlay request are listed in order of priority with the highest priority listed first.**

301 - P Street Basin Diffuser Replacements (4)	\$116,640
302 - Massard Aeration Basin Blower Addition	\$37,300
303 - P Street High Pressure Water Pumps (2)	\$78,000
304 - P Street Wilo Stabilized Sludge Pump Addition	\$54,920
305 - Massard HVAC Replacements (4)	\$35,500
306 - P Street Solids/Chemical Handling Building Heater Replacement	\$9,300
307 - Replacement of Asset 568 – Massard Wastewater Treatment Facility	\$23,100

**2017 BUDGET EXPENSE JUSTIFICATION:
5603-WASTEWATER TREATMENT
“P” STREET WWTP BASIN DIFFUSER REPLACEMENTS (4)**

SCOPE:

Purchase of replacement fine bubble diffusers for each of the four (4) aeration basins at the “P” Street Wastewater Treatment Plant (WWTP). The total number of fine bubble diffusers to be replaced is 1,440.

JUSTIFICATION:

Fine bubble diffusers are used in conjunction with air blowers to add oxygen to the activated sludge for treatment of wastewater. As these diffusers wear out, clog, and become less efficient over time, treatment cost rise due to increases in energy to operate the blowers to maintain the same dissolved oxygen. Observation and inspection of existing diffusers indicate that the diffusers have worn to the point that they are less effective and exhibiting coarse bubble aeration which is detrimental to the operation of the basins. The normal life span of fine air diffusers is ten (10) years. The existing diffusers were installed in 2001 and, as they are now fifteen (15) years old, have exceeded their useful life.

EXPENSE:

ITEM	COST
P Street WWTP Basin Diffuser Replacements (4 Basins)	\$116,640
Total (before tax & shipping)	\$116,640

RETURN:

- Meets requirements of the Consent Decree.
- Replacement of the diffusers offers more control of the aeration system and more efficient treatment.
- New fine bubble diffusers are more energy efficient and reduce operational cost by utilizing less blower capacity.
- Replacement is proactive reducing the chance of treatment issues leading to stipulated penalties and fines as outlined in the Consent Decree.

**2017 BUDGET EXPENSE JUSTIFICATION:
5603-WASTEWATER TREATMENT
MASSARD AERATION BASIN BLOWER ADDITION**

SCOPE:

Purchase of a replacement aeration basin blower for the Massard Wastewater Treatment Plant required by the Consent Decree to maintain normal wastewater treatment plant operations.

JUSTIFICATION:

The Consent Decree requires the Utility Department to identify, purchase, and stockpile components required for the continued operational viability of the wastewater collection and transmission system (WCTS). The Massard Wastewater Treatment Plant (WTPP) currently utilizes three (3) aeration basin blowers for the adding air to activated sludge to treat ammonia. If one of the aeration basin blowers fail, ammonia will not be properly treated and the plant most likely will violate its permitted discharge limit for ammonia. The purchase of the aeration basin blowers will allow continued normal operation of the WWTP thus reducing the potential of permit exceedances.

EXPENSE:

ITEM	COST
Massard Aeration Basin Blower (Addition)	\$ 37,300
Total (before tax & shipping)	\$ 37,300

RETURN:

- Meets requirements of the Consent Decree.
- Meets the specifications of equipment already in use and thus no additional training cost incurred.
- Ensures peak plant treatment efficiencies for ammonia and thus reduces the potential of stipulated penalties and fines.

**2017 BUDGET EXPENSE JUSTIFICATION:
5603-WASTEWATER TREATMENT
“P” STREET HIGH PRESSURE PLANT WATER PUMP REPLACEMENTS (2)**

SCOPE:

Purchase of two (2) replacement high pressure plant water pumps to maintain normal wastewater treatment plant operations at the “P” Street Wastewater Treatment Plant (WWTP).

JUSTIFICATION:

These two (2) pumps provide seal water to critical pumps and systems such as the chlorine feed system, sodium bisulfate system, polymer system wash/flush water to four bar screens, and wash down water used throughout the facility. These are required for successful treatment and are thereby required by the Consent Decree. These two (2) pumps would replace the original pumps installed in 2001 that normally have a life span of ten (10) years and have thus exceeded their useful life. Additionally, these pumps are no longer subject to being rebuilt and spare parts are difficult to locate or must be specially manufactured.

EXPENSE:

ITEM	COST
2 – “P” Street High Pressure Water Pumps (Replacement)	\$ 78,000
Total (before tax & shipping)	\$ 78,000

RETURN:

- Meets requirements of the Consent Decree.
- New pumps are more energy efficient and reduce operational cost.
- Replacement is proactive reducing emergency shipment costs.
- Spare parts are readily available and there is no added cost for specialty part manufacturing.

**2017 BUDGET EXPENSE JUSTIFICATION:
5603-WASTEWATER TREATMENT
“P” STREET WILO STABILIZED SLUDGE PUMP ADDITION**

SCOPE:

Purchase of an additional Wilo Stabilized Sludge Pump required by the Consent Decree to maintain normal wastewater treatment plant operations.

JUSTIFICATION:

The Consent Decree requires the Utility Department to identify, purchase, and stockpile components required for the prevention of sanitary sewer overflows (SSOs) and continued operational viability of the wastewater collection and transmission system (WCTS). The “P” Street Wastewater Treatment Plant (WTPP) currently utilizes three stabilized sludge pumps when flows exceed 33 million gallons per day (MGD) during wet weather flows. If one of the pumps fail, flow through the WWTP is decreased by 12 MGD which directly effects the capacity and use of the equalization basin and wet weather capacity of the entire WCTS. The purchase of the pump will allow continued normal operation of the WWTP thus reducing the potential of SSOs.

EXPENSE:

ITEM	COST
“P” Street Wilo Stabilized Sludge Pump (Addition)	\$ 54,920
Total (before tax & shipping)	\$ 54,920

RETURN:

- Meets requirements of the Consent Decree.
- Meets the specifications of equipment already in use and thus no additional training cost incurred.
- Ensures peak plant capacity which reduces the potential of SSO’s and thus reduces the potential of stipulated penalties and fines.

**2017 BUDGET EXPENSE JUSTIFICATION:
5603-WASTEWATER TREATMENT
MASSARD WWTP HVAC REPLACEMENTS (4)**

SCOPE:

Replacement of the HVAC units in four (4) locations at the Massard Wastewater Treatment Plant (WWTP): Filter Building Motor Control Center Room, Blower Building Motor Control Center Room, UV Motor Control Center Room, and the Pump Station Elevator Control Room.

JUSTIFICATION:

Four (4) HVAC units were installed at the Massard Wastewater Treatment Plant (WWTP) in 2000. Over the last several years maintenance cost have risen on these four (4) HVAC units. The current repair cost estimates indicate that new units would be more cost effective than to rebuild the existing ones. Due to the location of the HVAC units (Filter Building Motor Control Center Room, Blower Building Motor Control Center Room, UV Motor Control Center Room, and the Pump Station Elevator Control Room) these units are needed to maintain proper temperature to protect critical electrical components from excessive heat and cold.

EXPENSE:

ITEM	COST
4- Massard HVAC (Replacement)	\$ 34,500
Total (before tax & shipping)	\$ 34,500

RETURN:

- Meets requirements of the Consent Decree (continued proper treatment).
- Replacement will be more energy efficient reducing heating/cooling cost.
- Replacement effectively protects critical electrical components from excessive heat and cold.

**2017 BUDGET EXPENSE JUSTIFICATION:
5603-WASTEWATER TREATMENT
“P” STREET CHEMICAL/SOLIDS HANDLING BUILDING HEATER REPLACEMENT**

SCOPE:

Replacement of the heater for the “P” Street Wastewater Treatment Plan Chemical/Solids Handling Building.

JUSTIFICATION:

The “P” Street Wastewater Treatment Plan Chemical/Solids Handling Building currently has heaters that were installed in 1998 and have exceeded their useful service life. Treatment staff are faced with the problem of maintaining adequate building temperatures during cold weather. These cold temperatures effect the rate of flow of the chemicals, the rate and way reactions of chemicals occur, and decrease the efficiency of the solids handling equipment. The heater allows for proper operation of equipment and maintaining chemicals in a usable form. The heater core has deteriorated until is it no longer repairable.

EXPENSE:

ITEM	COST
2 – “P” Street Chemical/Solids Handling Building Heater (Replacement)	\$ 9,300
Total (before tax & shipping)	\$ 9,300

RETURN:

- Meets requirements of the Consent Decree (continued proper treatment).
- Replacement heaters are more energy efficient and reduce operational cost.
- Protects chemicals and solids handling equipment by maintaining proper temperature.

**2017 BUDGET EXPENSE JUSTIFICATION:
5603-WASTEWATER TREATMENT
MASSARD WWTP PICK-UP TRUCK ASSET #568 REPLACEMENT**

SCOPE:

Purchase a ½ ton pickup truck as a replacement of a 2003 Chevrolet 4-wheel drive pickup truck Asset #568 with 105,699 miles.

JUSTIFICATION:

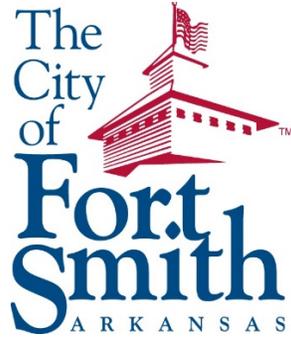
The Massard Wastewater Treatment Plant (WWTP) Asset #568 has accumulated 105,699 miles and is in fair condition mechanically. Considerable costs have been incurred for numerous engine repairs, door repairs, and miscellaneous electrical and mechanical issues. This unit is used to transport staff for training, sample collection, and equipment for minor repairs. This truck is required to travel to remote locations that are difficult to access with a tradesman style vehicle. The four-wheel drive capability allows staff to traverse the rough terrain in these locations. In addition, this vehicle is often used in inclement weather scenarios to ensure that staff can access equipment locations to make repairs so that no downtime in wastewater treatment results. The request is for a direct replacement of a half-ton 4-wheel drive pick-up.

EXPENSE:

ITEM	COST
½ Ton 4WD Pickup for Massard WWTP (Replacement)	\$23,100
Total (before tax & shipping)	\$23,100

RETURN:

- Replacement will decrease maintenance costs.
- Replacement will have increased fuel economy thus saving money.



2017 Budget Request & Justification

Utility Department Operations

Program 5604 Water Treatment

City of Fort Smith
Program Title: Water Treatment
Program Number: 5604

Personnel			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
101	Regular Salaries	904,788	950,030
102	Overtime	115,290	121,050
103	Retirement	50,770	53,310
104	Social Security	78,580	82,510
105	Health Insurance	179,100	188,540
106	Longevity	4,250	4,360
107	Medical Expenses	1,000	1,000
108	Other	0	0
109	Employee Allowance	0	0
111	Worker's Compensation	1,760	1,760
	Total Personnel Costs:	\$1,335,538	\$1,402,560
Operating Accounts			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
201	Office Supplies	1,000	1,050
202	Small Equipment	38,000	39,900
203	Fuel, Oil, Lube	7,000	7,350
204	Clothing	22,000	23,100
205	Custodial Equipment and Supplies	11,200	11,760
206	Materials	1,500,000	1,575,000
207	Repair of Equipment	110,000	115,500
208	Repair of Buildings	120,000	126,000
209	Merchandise	0	0
210	Communications	9,500	9,980
211	Utilities	600,000	630,000
212	Bonds, Insurance, Licenses	225,000	236,250
213	Postage	500	530
214	Advertising, Printing, Photo	1,000	1,050
215	Travel	16,500	17,330
216	Education, Memberships, Subscriptions	4,500	4,730
217	Lease, Rent, Taxes	26,000	27,300
218	Claims	0	0
219	Other	760,000	798,000
220	Examinations	0	0
	Total Operating Costs	\$3,452,200	\$3,624,830

If replacement, MUST include asset #, mileage, model & year being replaced. If Addition- note on request

CAPITAL OUTLAY	2017 Budget	2018 Budget
	Requests	Projections
2) Lee Creek Finish Water Drive (2) VFD	\$550,000.00	
1) Lee Creek Roof & Heater Replaceme	\$136,000.00	
3)	\$0.00	
4)	\$0.00	
5)	\$0.00	
Total Capital Expenses	\$686,000	\$0
Grand Total (All accounts)	\$5,473,738	\$5,027,390

Schedule of Personnel			# of Positions
Position Title	# of Positions 2016	# of Positions 2017	2018
Supervisor	2	2	2
Chief Operator	2	2	2
Plant Operator I-IV	18	18	18
Total Positions	22	22	22

2017 Budget Request Justification by Account

PERSONNEL

101 Regular Salaries

\$904,788

Regular salaries were calculated based on current pay for the license schedule below. In addition, there is a potential for the projected pay rates to increase for employees who are working on achieving a higher water license. This means a Water Operator I who achieves a Water Operator II license would be moved up to the next pay grade. The calculated pay grade for each license is as follows:

Water Operator IV	Pay Grade 7
Water Operator III	Pay Grade 6
Water Operator II	Pay Grade 5
Water Operator I	Pay Grade 4
Operator In Training	Pay Grade 3

The base pay at current rates for Program 5604 is \$892,190. Operations and Finance Department staff recognize the potential for the salary increases due to Program 5603 staff obtaining higher water treatment licenses as required by the Arkansas Department of Health. However, the base pay for Program 5604 is calculated using each employee's current 2016 salary (as of October 2016) as instructed by the Finance Department.

Per the City Administrator's instruction, a one percent (1%) Cost of Living Adjustment (COLA) is to be included in budgeting for base salaries. This increase totals \$8,958.

The water plants operate around the clock every day of the year. The City allows for shift differentials to compensate staff who work second and third shift. The calculated values is based on the shift differential values provided in Section 2 of the City of Fort Smith Ordinance 87-15 dated December 1, 2015. The total shift differential for Program 5604 is \$3,640.

The total for all regular salary expenditures for Program 5604 is \$904,788.

102 Overtime

\$115,290

The overtime listed allows for personnel to provide shift coverage for those employees who are on vacation, sick leave, bereavement leave, or extended medical leave. During the year, additional operational tasks are required for maintenance and plant optimization. Overtime also includes coverage during inclement weather which may prevent shift changes due to poor road conditions.

Overtime is based on experience of the operator and need. On average, Lee Creek and Lake Fort Smith Chief Operators work 300 hours of overtime a year. The Water Operator IV, Water Operator III, Water Operator II, and Water Operator I work an average of 200 hours of overtime a year. Operator In Training work an average of 100 hours of overtime a year.

**Please note that the requested overtime does not include the COLA increase requested by City Administration. Should the COLA increase be approved, overtime will need to be increased by one percent (1%).*

103 Retirement **\$50,770**

Retirement calculations were provided by the Finance Department.

104 Social Security **\$78,580**

Retirement calculations were provided by the Finance Department.

105 Insurance **\$179,100**

Insurance calculations were provided by the Finance Department.

106 Longevity **\$4,250**

Longevity pay was calculated based on employee anniversary dates. The month following the anniversary date begins the longevity payment for the remainder of the year. On the following page, a table of calculations for 2017 and 2018 longevity pay is included. For the employees who will receive a longevity pay increase mid-year, there is a separate entry that reflects the new calculation. The below calculations differ from that of the total of \$4,630 provided in Schedule 4 of the 2017 Budget Packet provided by the Finance Department. This difference is due, in part, to the turnover Program 5604 has experienced in 2016. This turnover has created a scenario in which Program 5604 has entry level grade Plant Operators who have had minimal time, if any, with the City of Fort Smith and thus are ineligible for longevity pay at this time. In addition, two (2) employees will reach a milestone anniversary with the City of Fort Smith, increasing their longevity pay mid-year.

Table 1: Longevity Calculations

		Service Date	Yrs of Service	2017 Longevity		2018 Longevity	
Bradshaw	Charles "Calvin"	1/26/1987	29.69	30	360	30	360
Floyd	Walter	6/20/1978	38.29	30	360	30	360
Fox	Jonathan	9/6/2016	0.07	0	0	0	0
Gage	Travis	1/14/1991	25.72	30	360	30	360
Harrison	Richard	6/15/2005	11.30	15	180	15	180
McKibben	Dania	7/31/2006	10.18	15	180	15	180
Myers	Earl	8/9/1988	28.15	30	360	30	360
Peter	Steven	5/26/1998	18.36	20	240	20	100
Peter	Steven	5/26/1998	18.36			25	175
Plank	Kenneth "Patrick"	5/13/2010	6.39	10	120	10	120
Vu	Dzung "Vincent"	12/6/1999	16.83	20	240	20	240
Wiley	Gayline	5/25/2004	12.36	15	180	15	180
Allen	Jamie	5/8/2000	16.41	20	240	20	240
Davis	Jonathan	10/10/1994	21.98	25	300	25	300
Dyer	Scott	1/1/2007	9.75	15	180	15	180
Fleetwood	Landon	6/8/1984	32.32	30	360	30	360
Greenwalt	Dale	4/28/2013	3.43	0	0	10	80
Hill	George "Dean"	2/1/1999	17.67	20	240	20	240
McGee	James	2/2/2015	1.67	0	0	0	0
Morton	Seth	5/21/2014	2.37	0	0	0	0
Reid	Eric	4/9/2007	9.49	5	15	5	15
Reid	Eric	4/9/2007	9.49	10	90	10	90
Rye	Billy	6/13/2016	0.31	0	0	0	0
West	Damon	3/12/2001	15.56	20	240	20	240
					4245		4360

107 Medical Expenses **\$1,000**

Medical expenses within the Utility Department include but are not limited to new hire pre-employment screenings and drug testing, CDL physicals, incident reporting drug screenings, randomized drug screenings, Hepatitis B vaccinations, prescription safety glasses, etc.

108 Other **\$0**

Program 5604 is not requesting funds for Account Code 108 Other

109 Employee Allowances **\$0**

Program 5604 is not requesting funds for Account Code 109 Employee Allowances

111 Workers' Compensation

\$1,760

Worker' Compensation funding was provided in Schedule 6 of the 2017 Budget Packet provided by the Finance Department.

OPERATING

201 Office Supplies

\$1,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$890. Due to the anticipated rise in product pricing, Program 5604 is requesting an even \$1,000 for Budget Year 2017. Expenditures for Account Code 201 include the following:

New Hire Package

Monthly Office Supply Cost

Periodic Printer Cartridge Replacement – Supervisor & Chief Operators

202 Small Equipment

\$38,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$36,850. Due to the anticipated rise in product pricing, Program 5604 is requesting an additional two percent (2%). Expenditures for Account Code 202 include the following:

Replacement Hand Tools

Specialty Tools

Process Control Laboratory Equipment/Meters

Plant Operator Computer at Lake Fort Smith and Lee Creek Water Treatment Plants

Battery Backup/Surge Protectors for Plant Computers

Computer and Technology Replacements and Upgrades

203 Fuel, Oil, Lube

\$7,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$6,750. Based on current mileage and average cost of fuel through September 2016, it is estimated that Program 5604 fleet vehicles will require a budget of \$6,960 for Budget Year 2017. The below table shows the calculated values to support this request.

5604 Water Treatment											\$ 6,951.51		
Program	Asset				Fuel Type	Miles	Gas Expenses to date	Average Cost Per Mile	Estimated Miles Per Year	Est. Annual Fuel Cost	Fuel Notes	Est. PM Cost	Est. Total Annual Cost (Acct 2013)
5604-02 Lake Fort		405	2002	Chevrolet	Silverado LS 1500 1/2 Ton	Unleaded	5110	952.93	0.19	6813	1270.57	76.65	1347.22
5604-02 Lake Fort		685	2014	Ford	F150 1/2 Ton	Unleaded	9285	897.73	0.10	12380	1196.97	139.28	1336.25
5604-02 Lake Fort		901	2012	Dodge	Ram 1500 ST 4WD 1/2 Ton	Unleaded	3245	488.01	0.15	4327	650.68	48.68	699.36
5604-02 Lake Fort	Miscellaneous Expense				Lake Fort Smith Plant Equipment	Diesel		54.36			72.48		72.48
5604-02 Lake Fort	Miscellaneous Expense				Lake Fort Smith Plant Equipment	Unleaded		39.91			53.21		53.21
5604-02 Lake Fort	Miscellaneous 685				Lake Fort Smith Plant Equipment	Diesel		139.57			186.09		186.09
5604-02 Lake Fort	Miscellaneous 685				Lake Fort Smith Plant Equipment	Unleaded		17.13			22.84		22.84
5604-03 Lee Creek		557	2001	Dodge	1500 1/2 Ton	Unleaded	220	35.53	0.16	293	47.37	3.30	50.67
5604-03 Lee Creek		902	2012	Dodge	Ram 1500 ST 4WD 1/2 Ton	Unleaded	11251	2131.71	0.19	15001	2842.28	168.77	3011.05
5604-03 Lee Creek	Miscellaneous 902				Lee Creek Plant Equipment	Unleaded		129.25			172.33		172.33

204 Clothing

\$22,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$16,000. Items included in this total include:

- Employee Uniform Rentals at a 10% markup for new employees & makeup charges \$9,440
- Employee Safety Boots @ \$150.00 + Tax per year per employee \$4,940
- Safety Clothing & Personal Protective Equipment \$2,000

In addition to the standard products listed above, there are new safety requirement that will require the purchase of Arc Flash Safety Suits. The pricing for these items are listed below.

- Arch Flash Electrical Hazard Coveralls (6 per plant – various sizes) \$550/each + Tax \$3,620
- Arch Flash Electrical Hazard Face Shields (4 per plant) \$450/each + Tax \$1,980

205 Custodial Equipment

\$11,200

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$11,200. Items included in this total include:

- Custodial Supply Rental from Cintas at a 10% markup for changes or makeup charges \$4,350

Break Room Supplies	\$1,000
Miscellaneous Janitorial Supplies i.e. brooms, mops, towels, cleaning products, etc.	\$5,850

206 Materials **\$1,500,000**

Program 5604 uses a wide variety of materials during the treatment of water. Due to change in water quality from the December 2015 rain event and landslides at Lake Fort Smith, turbidities have increased from 2 NTUs to over 80 NTUs. This has resulted in the use of additional chemicals to treat the water and meet the Federal and State drinking water requirements. Below is a list of standard materials used during this process and the approximate expense of each chemical.

Fire Extinguisher Inspection and Maintenance; Annual	\$500
Chlorine – 10 Shipments of 12 Tons @ \$960.00/Ton + Tax	\$124,710
Fluoride – Lee Creek; Monthly Shipment of 15000 lbs. @ \$396/ton + tax	\$38,580
Fluoride – Lake Fort Smith; Monthly shipment of 21000lbs @ \$397/ton + tax	\$54,150
CedarClear CedarChem – Lake Fort Smith; 24 Shipments of 45,000lbs @ \$0.22/lb.	\$237,600
Hydrated Lime – Lee Creek; 15 Shipments of 14,800lbs @ \$216.50/ton + tax	\$84,370
Hydrated Lime – Lake Fort Smith; 5 Shipments of 14,800lbs @ \$216.50/ton + tax	\$28,130
CF-150 Polymer Hyper Ion 1090+; 24 Shipments of 45,000lbs @ \$0.171/lb. + tax	\$200,000
Soda Ash Sodium Carbonate; 15 Shipments of 14,800lbs @ \$550/ton + tax	\$223,270
Liquid Ferric Sulfate; 2 Shipments of 20 Wet Tons @ 199.50/Wet Ton + tax	\$8,640
Potassium Permanganate; Quarterly shipment of 3,000lbs @ \$3.507/lb. + tax	\$410,000
Power Act. Carbon – Lee Creek; 2 Shipments of 8,000lbs @ \$0.60/lb. + tax \$10,400	
Power Act. Carbon – Lake Fort Smith 2 Shipments of 8,000lbs @ \$0.665/lb. + tax	\$11,520
SW-102 Polymer; 3 Shipments of 20,000lbs @ \$0.3949/lb. + tax	\$25,660
Chlorine Reagent Sets for In-Line Meter; 48 sets @ \$52.00 each + tax	\$2,710
Use Tax Estimates Based on 2016 Historical and Projection	\$40,830

In addition, there are minor chemicals and materials that are purchased throughout the year that are used on an as needed basis. Based on Budget Year 2016 projections, these expenses total roughly \$30,000. Items in this category include but are not limited to, lab chemicals, soaps and

solvents for equipment cleaning, paint for maintenance of safety striping, maintenance supplies, additional or replacement keys and locks, lawn care products, etc.

*Program 5604 is reducing the original requested amount of \$1,531,070 to \$1,500,000 in anticipation of water quality improvement at the Lake Fort Smith Water Treatment Plant and overall plant optimization.

207 Repair of Equipment \$110,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$105,160. Due to the anticipated rise in product pricing, Program 5604 are requesting an additional two percent (2%). Expenditures for Account Code 207 include the following:

Major Repair of Fleet Vehicles – Program 5604 has an aging fleet with the majority of vehicles over the 100,000 mile mark.

Minor Repair of Fleet Vehicles – Due to the nature of use, many of the vehicles experience flat tires frequently. Many times, these flats require tire replacement.

Additional Water Equipment Repair i.e. valves, pumps, electrical components, etc.

208 Repair of Buildings \$120,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$117,080. Due to the anticipated rise in product pricing and additional repairs due to aging assets, Program 5604 is requesting an additional two percent (2%). Expenditures for Account Code 208 include the following:

Repair of HVAC Systems

Repair of Roof

Storm Damage Repair

Transition from Fluorescent Lighting to LED Lighting at Plants

LED Light Replacement

Maintenance of City Owned Property within the Lee Creek and Frog Bayou Watersheds

209 Merchandise

\$0

Program 5604 is not requesting funds for Account Code 209 Merchandise

210 Communications

\$9,500

The requested funding for Program 5604 is based on the expenses supplied by the City of Fort Smith Information Technology Services program in the 2017 Budget Packet. According to the supplied information, cell phone usage charges are approximately \$279.78 per month. This will total \$3,340 for Budget Year 2017.

In addition, the Lake Fort Smith Water Treatment Plant also has a Long Distance Service that is approximately \$50.00 per month. This service will be ending in June 2017 as Sprint will no longer offer the service to that area. Cost for this service will total \$300 for Budget Year 2017.

Lee Creek also has additional communication fees associated with their phone system. AT&T has a monthly fee for long distance services that will total \$3,600 for Budget Year 2017.

Lastly, Program 5604 has aging equipment. It is requested that \$2,000 be built in for replacement equipment.

211 Utilities

\$600,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$593,520. This projection covers the cost of Electric Service and Gas Service for the Lake Fort Smith Water Treatment Plant and the Lee Creek Water Treatment Plant.

After reviewing rate data with OG&E and Arkansas Oklahoma Gas Corporation it has been determined that Program 5604 cannot guarantee utility rates will remain constant for 2017. In September 2016, OG&E increased residential rates by \$0.9847 (a 30.6% increase). In addition, AOG is in the process of being sold to Littleton, a Colorado-based Summit Utilities Group. This transaction, could result in increased rates as well. With this in mind, a two percent (2%) increase over the current estimated cost for 2016 is being requested. At this time, Arkansas Valley Electric Cooperative does not appear to show signs of rate increases for 2017.

212 Bonds, Insurance, Licenses

\$225,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project

expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$109,950. Expenditures for Account Code 212 include the following:

Insurance (as provided by the Finance Department in Schedule 7)	\$123,000
NPDES Lagoon Permit Fees	\$800
US Geological Survey Cooperative Stream Gauging Program	\$86,570
Station 07249985: Lee Creek Near Short, OK	\$ 9,670
Station 07249800: Lee Creek at Short, OK	\$14,870
Station 07249920: Little Creek new Nicut, OK	\$14,870
Station 07250085: Lee Creek at Lee Creek Reservoir	\$ 2,543
Station 07250935: Jones Creek at Winfrey, AR	\$14,870
Station 07250965: Frog Bayou at Winfrey, AR	\$14,870
Station 07250974: Jack Creek near Winfrey, AR	\$14,870
Employee CDL Reimbursements	\$2,200
Water Operator License Renewal – Treatment/Distribution	\$440
AR Department of Labor – Elevator Inspections	\$660
AR Department of Labor – Boiler Inspections	\$620
ANRC Permitted Dam Assessment Fee	\$10,860

213 Postage **\$500**

Budget Year 2016 had an extensive postage budget due to the Consumer Confidence Report. This report is actually completed by the Environmental Quality team. The funds for this report will be reflected in the 5625 budget. However, from time to time it is necessary to mail out correspondence to government agencies for compliance purposes. In addition, employees are required to mail in training certificates and applications for the Water Operator exams. In years past, these mailings were charge to the Utility Administration postage account. In order to track expenses appropriately, a postage budget of \$500.00 is being requested for Budget Year 2017.

214 Advertising, Printing, Photo **\$1,000**

Budget Year 2016 had an extensive Advertising and Printing budget due to the Consumer Confidence Report. This report is actually completed by the Environmental Quality team. The

funds for this report will be reflected in the 5625 budget. However, from time to time it is necessary to utilize professional printing and or newspaper services. In order to track expenses appropriately, a postage budget of \$1,000.00 is being requested for Budget Year 2017. Expenditures for Account Code 214 include the following:

- Job Opening Advertisements for External Applicants
- FERC Requirements

215 Training & Travel \$16,500

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$1,750. This total is low in comparison to expected travel requirements for Budget Year 2017. This is due to 2017 being a renewal year for Water Operator Licenses. Employees are required to obtain 24 hours of training for this renewal. Training hours can be obtained by attending the monthly Western District Meetings, attending the AWW/WEA Annual Conference in Hot Springs, AR, and attending various courses offered by the Arkansas Training Academy and the Rural Water Association throughout the State of Arkansas. Expenditures for Account Code 215 include the following:

Western District Meeting Reimbursements (\$20.00 each meeting)	\$5,280
Annual AWW/WEA Conference Registration*	\$2,000
Annual AWW/WEA Conference Hotel Expenses*	\$2,230
Annual AWW/WEA Conference Mileage Reimbursement*	\$690
Annual AWW/WEA Conference per Diems*	\$1,360
Employee Training - Out of Town Hotel (10 employees @ 3 nights)**	\$3,030
Employee Training - Out of Town Per Diems (10 employees)**	\$1,800

*Only Supervisors and above are authorized to attend the conference unless special approval is obtained by the Program Manager and the Deputy Director of Operations.

** Employee Training is typically 4 days long for Water Operator Training. Additional training may be necessary depending on State and Federal Requirements. i.e. NetDMR training for Program Manager and Supervisors.

Water Operator Licensing Exam Fees \$330

The Plant Operators within Program 5604 are required to achieve a Class I Water Operator License within the first year of hire. This license is a requirement of the Arkansas Department of Health. The licensing and exam fee is \$35.00 per license exam. The management team has allowed for 2 test attempts per employee. The retest fee is \$20.00 if the first exam was not

completed successfully. The total allotment for each employee for testing is \$55.00. Employees who have successfully completed the required training and have passed the Class I exam, are eligible to continue testing for Class II, Class III, and Class IV licenses. The \$55.00 allotment has been allowed for any employees who have not achieved the Class IV rating. As of August 30, 2016, there are 6 employees who do not currently hold a Class IV Water Operator License. The total requested for examinations is \$330.00.

216 Education, Memberships, Subscriptions \$4,500

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$1,290. This total is slightly low in comparison to the expected funding required for Budget Year 2017. Water Operators will be encouraged to become members of national associations in order to obtain additional training. In addition, the Water Plants will need to increase their in-house training material library to allow for operators to study for the Water Exams. Expenditures for Account Code 216 include the following:

AWWA Annual Membership	\$3,100
Water Operator Training Manuals	\$1,000

217 Lease, Rent, Taxes \$26,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$3,870. This total is low in comparison to the expected funding required for Budget Year 2017. In May of 2016, the Lake Fort Smith Water Treatment Plant entered into a new copier lease with Preferred Office Products. The new monthly cost of 186.36 plus tax is not entirely reflected in the projections for EOY 2016. In addition, Lee Creek Water Treatment Plant will enter into a copier lease in January of 2017. The cost is expected to be equivalent to that of the copier at the Lake Fort Smith facility. Expenditures for Account Code 217 include the following:

Preferred Office Copier Lease – 2 Copiers at \$186.23/month + Printing Overages	\$6,560
Lee Creek Maintenance Cutting Torches and Welders Gas Cylinder Rental	\$240
Property Tax Expenses	\$20,000

218 Claims**\$0**

Program 5604 is not requesting funds for Account Code 218 Claims

219 Other**\$760,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$350,810. This total is low as many of the expenses have not yet been processed. To date, there have been no lagoon cleaning services performed. The request is currently with the Engineering division to request bids for the cleaning. It is anticipated that these cleanings will occur at the end of the calendar year. The anticipated total expense with the pending expenditure for Budget Year 2017 is \$746,990. Due to the anticipated rise in product pricing, Program 5604 is requesting an additional two percent (2%). Expenditures for Account Code 219 include the following:

Dam Inspection Services	\$4,600
Dam Monitoring Services	\$268,250
Backwash Lagoon Cleaning	\$400,000
PSA, EPA, RMP Compliance Service Contract Fee	\$4,600
Vegetation Control Program	\$60,580
Rural Fire Authority Dues	\$1,250
Waste Removal Services	\$3,690
Pest Control Services	\$2,016

CAPITAL OUTLAY

The following capital outlay requests are for equipment and building repairs. Justification sheets for each item may be found immediately following this page. Please note that these items may be budgeted as an operating expense or included in the capital plan. Funding is to be determined by the City Administrator and the Utility Director.

***The capital outlay request are listed in order of priority with the highest priority listed first.**

301 Lee Creek Finish Water Drive VFD Replacements (2)	\$550,000
302 Lee Creek Raw Water Intake Building Roof & Heater Replacement	\$136,000

PREPARED BY:

SARAH BYERS, ADMINISTRATIVE COORDINATOR, OPERATIONS; LANCE MCAVOY, DEPUTY DIRECTOR OF OPERATIONS

**2017 BUDGET EXPENSE JUSTIFICATION:
5604-WATER TREATMENT
LEE CREEK FINISH WATER VFD DRIVE REPLACEMENTS (2)**

SCOPE:

Replacement of two (2) variable frequency drive pumps that supply drinking water after treatment at the Lee Creek Finished Water Pump Station.

JUSTIFICATION:

The current variable frequency drive (VFD) pumps were installed in 1991. These VFDs are currently twenty-five (25) years old and have a useful service life of fifteen (15) years. One (1) VFD is currently off line due to failure of critical components and the estimated cost to replace the components is greater than half the cost of a new system. If the VFDs are repaired future failures due to the age of the equipment are expected. These additional repair costs will exceed the cost of new VFDs. These VFDs are used to transport finished treated drinking water from the Lee Creek Finished Water Pump Station to the City and its contract water users. Without the VFDs it will be difficult or impossible to maintain proper flow and pressure to the City and within the distribution system.

EXPENSE:

ITEM	COST
2- Finished Water VFD Drive (Replacements)	\$ 550,000
Total (before tax & shipping)	\$ 550,000

RETURN:

- New VFDs are more energy efficient and reduce operational cost.
- Replacement is proactive in reducing emergency shipment costs.
- Replacement will allow for continued regulation of flow and pressure necessary for the efficient operation of the distribution system and reduce the possibility of interruption of service.

**2017 BUDGET EXPENSE JUSTIFICATION:
5604-WATER TREATMENT
LEE CREEK RAW WATER INTAKE BUILDING ROOF AND HEATER REPLACEMENT**

SCOPE:

Replacement of the roof and heater of the Lee Creek Raw Water Intake Building.

JUSTIFICATION:

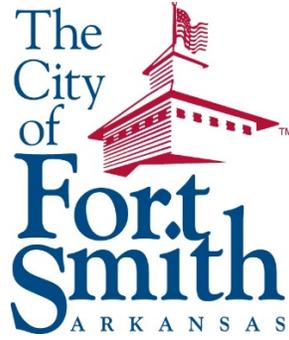
The Lee Creek Raw Water Intake Building currently has its original roof and heater system, both of which are twenty-five (25) years old. The roof protects the hydroelectric generator and its control equipment, electrical components, pumps, and chemical feed systems. The heater allows for proper operation of equipment and maintaining chemicals in a usable form. The heater core has deteriorated until is it no longer repairable.

EXPENSE:

ITEM	COST
Roof and Building Heater (Replacement)	\$ 136,000
Total (before tax & shipping)	\$ 136,000

RETURN:

- Meets the requirements of the Federal Energy Regulatory Commission (FERC) contact/agreement for protection of the hydroelectric generator and its control equipment.
- Necessary for the protection of costly electrical components, pumps, and chemical feed systems.



2017 Budget Request & Justification

Utility Department Operations

Program 5625 Environmental Quality

City of Fort Smith
Program Title: Environmental Quality
Program Number: 5625

Personnel			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
101	Regular Salaries	862,924	906,070
102	Overtime	39,120	41,080
103	Retirement	44,750	46,990
104	Social Security	68,610	72,040
105	Health Insurance	104,553	110,070
106	Longevity	1,520	1,680
107	Medical Expenses	2,500	2,500
108	Other	0	0
109	Employee Allowance	0	0
111	Worker's Compensation	1,200	1,200
	Total Personnel Costs:	\$1,125,177	\$1,181,630
Operating Accounts			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
201	Office Supplies	5,000	5,250
202	Small Equipment	83,250	87,410
203	Fuel, Oil, Lube	21,000	22,050
204	Clothing	15,260	16,020
205	Custodial Equipment and Supplies	3,500	3,680
206	Materials	125,000	131,250
207	Repair of Equipment	82,810	86,950
208	Repair of Buildings	8,500	8,930
209	Merchandise	25,000	26,250
210	Communications	5,000	5,250
211	Utilities	0	0
212	Bonds, Insurance, Licenses	9,000	9,450
213	Postage	31,000	32,550
214	Advertising, Printing, Photo	25,680	26,960
215	Travel	26,000	27,300
216	Education, Memberships, Subscriptions	10,000	10,500
217	Lease, Rent, Taxes	9,000	9,450
218	Claims	2,000	2,100
219	Other	82,820	86,960
220	Examinations	0	0
	Total Operating Costs	\$569,820	\$598,310

If replacement, MUST include asset #, mileage, model & year being replaced. If Addition- note on request

CAPITAL OUTLAY	2017 Budget	2018 Budget
	Requests	Projections
1) 1/2 Ton 4wd P/U w/Regular Cab, 200	\$23,100	
2) InfraCal 2 FOG IR Analysis System (\$42,500	
3) Hydro Lab Surveyor 4 with 50 M Cab	\$15,950	
4) ICP Mass Spec (Replacement)	\$159,650	
5)	\$0	
Total Capital Expenses	\$241,200	\$0
Grand Total (All accounts)	\$1,936,197	\$1,779,940

Schedule of Personnel			# of Positions
Position Title	# of Positions 2016	# of Positions 2017	2018
Environmental Quality Program Mgr.	1	1	1
Laboratory Supervisor & Environmental Chemist	1	1	1
Environmental Monitoring Supervisor	1	1	1
FOG Coordinator	1	1	1
Environmental Coordinator	1	1	1
Biologist	2	2	2
Watershed Maintenance Coordinator*	1	1	1
FOG Inspector**	2	4	4
Environmental Technician	2	2	2
Lab Analyst	2	2	2
Assistant Biologist	2	2	2
Laboratory Technician	3	3	3
Lab Assistant (Part-Time)	2	2	2
Watershed Management Supervisor	0	0	1
Total Positions	21	23	24
*Approved for mid-year hire by Carl Geffken			
**Additional FOG Inspectors approved by the Board at the May 19, 2015 board meeting as part of the hiring plan.			

2017 Budget Request Justification by Account

PERSONNEL

101 Regular Salaries **\$862,924**

Regular salaries were calculated based on current pay for the positions listed in the schedule. This also includes two (2) additional FOG Inspectors which were approved by the Board of Directors on May 19, 2015, with passage of Resolution R-89-15.

Per the City Administrator's instruction, a one percent (1%) Cost of Living Adjustment (COLA) is to be included in budgeting for base salaries. This increase totals \$8,543.80.

The total for all regular salary expenditures for Program 5625 is \$862,924.

102 Overtime **\$39,120**

The overtime listed allows for personnel to provide coverage for those employees who are on vacation, sick leave, bereavement leave, or extended medical leave. This also allows for coverage during holidays and weekends. Some of the positions are involved in sample collection which occurs after the normal working hours. These include quarterly sampling of wastewater plants, Consent Decree Mitigation Project sampling, electro-shocking, meter netting, and other environmental sampling. Some staff will be required to perform training after their normal work hours. This training would include FOG and Pretreatment Programs for shareholders

Overtime is based on the job position. On average, Environmental Technicians and Assistant Biologists work an average of 75 hours of overtime a year. The Biologist, FOG Coordinator, and FOG Inspectors work an average of 125 hours of overtime a year. The Laboratory Technicians and Watershed Maintenance Coordinator work an average of 60 hours of overtime a year. The Laboratory Analyst work an average of 70 hours of overtime a year. The Environmental Coordinator works an average of 100 hours of overtime a year.

**Please note that the requested overtime does not include the COLA increase requested by City Administration. Should the COLA increase be approved, overtime will need to be increased by one percent (1%).*

103 Retirement **\$44,750**

Retirement calculations were provided by the Finance Department.

104 Social Security **\$68,610**

Retirement calculations were provided by the Finance Department.

105 Insurance**\$104,553**

Insurance calculations were provided by the Finance Department.

106 Longevity**\$1,520**

Longevity pay was calculated based on employee anniversary dates. The month following the anniversary date begins the longevity payment for the remainder of the year. The table below reflects the calculations for 2017 and 2018 longevity pay. For the employees who will receive a longevity pay increase mid-year, there is a separate entry that reflects the new calculation. The calculations differ from that of the total of \$1,030 provided in Schedule 4 of the 2017 Budget Packet provided by the Finance Department. This difference is due, in part, to the turnover Program 5625 has experienced in 2016. This turnover has created a scenario in which Program 5625 has entry level grade employees who have had minimal time, if any, with the City of Fort Smith and thus are ineligible for longevity pay at this time. In addition, Program 5625 has three (3) employees who will reach a milestone anniversary with the City of Fort Smith, increasing their longevity pay mid-year.

Last	First	Service Date	Yrs. of Service	2017 Monthly	2017 Annual	2018 Monthly	2018 Annual
Bell	Alyssa	7/18/2016	0	0	0	0	0
Clover	Don	10/2/2000	16	20	240	20	240
Cooper	Chris	5/29/2012	4	10	80	10	120
Dias	Samuel	7/14/2014	2	0	0	0	0
Dupire	Dax	10/28/2013	3	0	0	10	20
Fouts	Rhonda	5/1/2009	7	10	120	10	120
Gramlich	Elizabeth	3/31/2016	0	0	0	0	0
Hancock	John	8/8/2011	5	10	120	10	120
Kiatoukaysy	Lojay	1/17/2012	4	10	90	10	120
Lunsford	Taylor	1/4/2016	0	0	0	0	0
Pennington	Trenton	6/21/2016	0	0	0	0	0
Puckett	Katie	8/5/2013	3	0	0	10	40
Schneider	Christine	9/15/2014	2	0	0	0	0
Sharp	Rachel	8/13/2007	9	10/15	145	15	180
Smith	Tim	5/14/1990	26	30	360	30	360
White	Eric	8/17/2015	1	0	0	0	0
Woodruff	Shawn	9/10/1985	31	30	360	30	360
					1,515		1,680

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SARAH BYERS, ADMINISTRATIVE COORDINATOR, OPERATIONS; LANCE MCAVOY, DEPUTY DIRECTOR OF OPERATIONS

4

107 Medical Expenses **\$2,500**

Medical expenses within the Utility Department include but are not limited to new hire pre-employment screenings and drug testing, CDL physicals and incident reporting drug screenings, randomized drug screenings, Hepatitis B vaccinations, prescription safety glasses, etc.

108 Other **\$0**

Program 5625 is not requesting funds for Account Code 108 Employee Allowances

109 Employee Allowances **\$0**

Program 5625 is not requesting funds for Account Code 109 Employee Allowances

111 Workers' Compensation **\$1,200**

Worker' Compensation funding was provided in Schedule 6 of the 2017 Budget Packet provided by the Finance Department.

OPERATING

201 Office Supplies **\$5,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$1,740. This amount is lower than required for Budget year 2017 as the Laboratory places the office product order in December each year for all supplies required for file setup for January 1 of the following year. Expenditures for Account Code 201 include the following:

FOG New Hire Package \$880

Monthly Office Supplies \$3,720

 Monthly Office Supply Cost

 Periodic Printer Cartridge Replacement – Program Manager

 Periodic Printer Cartridge Replacement – Environmental Monitoring

202 Small Equipment **\$83,250**

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The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$35,210. The budgeted amount also includes the equipment and shelving that was scheduled to be purchased in 2016 to outfit the FOG vans, but was delayed due to the time of purchase of these vehicles. Due to the anticipated rise in product pricing, Program 5625 is requesting an additional two percent (2%). Expenditures for Account Code 202 include the following:

FOG New Hire Package	\$16,320
Additional Equipment	\$66,930
Laboratory Glassware and Equipment	
Meter/Gill Nets	
Watershed Equipment	
New FOG Program Equipment (Consent Decree)	
Computer and Technology Replacements and Upgrades	
New Vehicle Fit-out	

203 Fuel, Oil, Lube \$21,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$9,890. In addition, Program 5625 is adding a new vehicle to the fleet. This will increase the fleet's cost for both fuel and preventative maintenance lube materials. Based on current mileage and average cost of fuel through September 2016, it is estimated that Program 5625 fleet vehicles will require a budget of \$21,540 for Budget Year 2017. The below table shows the calculated values to support this request.

5625 Environmental Quality											\$21,539.18		
Program	Asset				Fuel Type	Miles	Gas Expenses to date	Average Cost Per Mile	Estimated Miles Per Year	Est. Annual Fuel Cost	Fuel Notes	Est. PM Cost	Est. Total Annual Cost (Acct 203)
5625-03 Program Manager					SUV 4WD	7124	680.03	0.10	9499	906.71	New Vehicle - Pending	108.86	1013.57
5625-02 LAB	604 2013	Chevrolet			Equinox LS AWD	7124	680.03	0.10	9499	906.71		108.86	1013.57
5625-02 LAB					4Door Mid Size Sedan Gas/Hybrid	4296	489.33	0.11	5728	652.44	New Vehicle - Pending	64.44	716.88
5625-03 Watershed	590 2000	Hydrasport			H522LT Boat		213.37			284.49			284.49
5625-03 Watershed	791 2014	Ford			F150	11764	1392.29	0.12	15685	1856.39		176.46	2032.85
5625-03 Watershed	916 2014	Ford			F250 XL SD	12116	1582.11	0.16	16155	2642.81		181.74	2824.55
5625-03 Watershed	Misc. Small Boats						290.3			387.07			387.07
5625-03 Watershed	938 2006	Ford			Explorer	4296	489.33	0.11	5728	652.44		64.44	716.88
5625-03 Watershed					1/2 Ton Full Size Reg Cab Short Bd PU	11764	1392.29	0.12	15685	1856.39	New Vehicle - Pending	176.46	2032.85
5625-03 Watershed					1/2 Ton Full Size Reg Cab Short Bd PU	11764	1392.29	0.12	15685	1856.39	New Vehicle - Pending	176.46	2032.85
5625-04 Env. Monitoring					4Door Mid Size Sedan Gas/Hybrid	4296	489.33	0.11	5728	652.44	New Vehicle - Pending	64.44	716.88
5625-05 Pretreatment	017 2013	Ford			Transit Connect XL	5783	529.33	0.09	7711	705.77		86.75	792.52
5625-05 Pretreatment	018 2014	Ford			Transit Connect XL	6166	532.2	0.09	8221	709.60		92.49	802.09
5625-05 Pretreatment	058 2011	Ford			F150	9463	1201.05	0.13	12617	1601.40		141.95	1743.35
5625-05 Pretreatment	721 2003	GMC			Safari	2343	287.4	0.12	3124	383.20		35.15	418.35
5625-04 Env. Monitoring FOG	T8D				Mini Van	6166	532.2	0.09	8221	709.60	New Vehicle for FOG Program - Pending	92.49	802.09
5625-04 Env. Monitoring FOG	T8D				Mini Van	6166	532.2	0.09	8221	709.60	New Vehicle for FOG Program - Pending	92.49	802.09
5625-04 Env. Monitoring FOG	T8D				Mini Van	6166	532.2	0.09	8221	709.60	New Vehicle for FOG Program - Pending	92.49	802.09
5625-04 Env. Monitoring FOG	T8D				Mini Van	6166	532.2	0.09	8221	709.60	New Vehicle for FOG Program - Pending	92.49	802.09

PREPARED BY:
 SARAH BYERS, ADMINISTRATIVE COORDINATOR, OPERATIONS; LANCE MCAVOY, DEPUTY DIRECTOR OF OPERATIONS

204 Clothing **\$15,260**

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$9,140. However, the FOG program will kick-off in 2017 and as a result, the FOG program will add 4 employees to the current staff increasing the clothing budget. Expenditures included in Account 204 include:

Employee Uniform Rentals at a 10% markup for new employees & makeup charges	\$6,060
Laboratory	\$2,700
Watershed	\$600
FOG	\$1,830
Pretreatment	\$930
Employee Safety Boots @ \$150.00 + Tax per year per employee	\$3,790
FOG New Hire Package	\$3,810
Safety Clothing & Personal Protective Equipment	\$1,600

205 Custodial Equipment **\$3,500**

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$1,580. Items included in this total include:

FOG Inspector New Hire Package	\$500
Miscellaneous Janitorial Supplies i.e. brooms, mops, towels, cleaning products, etc.	\$3,000

206 Materials **\$125,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$119,650. Due to the anticipated rise in product pricing, Program 5625 is requesting an additional two percent (2%). Expenditures for Account Code 206 include: laboratory chemicals/standards, proficiency samples for certification, sample containers, and laboratory supplies.

207 Repair of Equipment **\$82,810**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$47,730. Expenditures for Account Code 207 include the following:

Laboratory Equipment Preventative Maintenance and Restocking Service	\$7,810
Additional Equipment Repair	\$75,000

Major Repair of Fleet Vehicles – Assets in 5625 are often driven off-road and remote collection sites resulting in increased wear and tear on the vehicles.

Minor Repair of Fleet Vehicles – Due to the nature of use, many of the vehicles experience flat tires frequently. Many times, these flats require tire replacement.

Aquatic Vessel Preventative Maintenance and Repair

Laboratory Equipment Repair

208 Repair of Buildings **\$8,500**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$8,290. Due to the anticipated rise in product pricing and additional repairs due to aging assets, Program 5625 is requesting an additional two percent (2%). Expenditures for Account Code 208 include the following:

Repair of HVAC Systems

Storm Damage Repair at Collection Sites

Transition from Fluorescent Lighting to LED Lighting at Kelley Highway Office

LED Light Replacement

209 Merchandise **\$25,000**

Program 5625 is requesting \$25,000 for Public Education materials for the Industries and Citizens within Fort Smith. The Fat, Oils, and Grease (FOG) Program is a new program to the area and the success of the program lies with the education of the local industries and citizens.

210 Communications **\$5,000**

The requested funding for Program 5625 is based on the expenses supplied by the City of Fort Smith Information Technology Services program in the 2017 Budget Packet. According to the supplied information, cell phone usage charges are approximately \$88.55 per month. The annual total for cell phone usage is \$1,070. Additionally, Program 5625 is requesting \$1,000 for additional phones for new employees and replacement phones for existing employees.

211 Utilities **\$0**

Program 5625 is not requesting funds for Utilities. Utilities at both Kelly Highway and Carnall Avenue will be paid from Program 5626 per the Utility Director.

212 Bonds, Insurance, Licenses **\$9,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$3,610. Expenditures for Account Code 212 include the following:

Insurance (as provided by the Finance Department in Schedule 7)	\$1,670
Annual ADEQ Laboratory Certification Fees	\$1,000
Employee CDL Reimbursements	\$100
Wastewater License Renewal	\$1,840
Water License Renewal – Treatment/Distribution	\$460
Additional Licensing Fees (Software and Equipment)	\$4,000

213 Postage **\$31,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$12,090. The budget for Budget Year 2016 was \$30,000. At the current time, The Industrial Waste Survey has not yet been mailed out to local industries. This mailer will take place in the fourth quarter of 2016. Expenditures for Account Code 213 include the following:

*Water Consumer Confidence Report	\$6,310
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Fats Oil and Grease Program Survey	\$12,000
General Operating Mailing Expenses for Permits, Violations, Notices, etc.	\$12,090

**The Consumer Confidence Report was previously paid out of Program 5604. Because the report is actually compiled and submitted by Environmental Quality, those expenses have been moved to Program 5625.*

214 Advertising, Printing, Photo \$25,680

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$3,880. The budget for Budget Year 2016 was \$27,500. At the current time, The Industrial Waste Survey has not yet been mailed out to local industries. This mailer will take place in the fourth quarter of 2016. Expenditures for Account Code 214 include the following:

Job Opening Advertisements for External Applicants	\$1,500
Water Consumer Confidence Report	\$14,180

**The Consumer Confidence Report was previously paid out of Program 5604. Because the report is actually compiled and submitted by Environmental Quality, those expenses have been moved to Program 5625.*

Fats Oil and Grease Program Survey	\$10,000
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215 Training & Travel \$26,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$11,330. This total is low in comparison to expected travel requirements for Budget Year 2017. This is due to 2017 being a renewal year for Water and Wastewater Operator Licenses. Employees are required to obtain 24 hours of training for this renewal. Training hours can be obtained by attending the monthly Western District Meetings, attending the AWWA/WEA Annual Conference in Hot Springs, AR, and attending various courses offered by the Arkansas Training Academy and the Rural Water Association throughout the State of Arkansas. In addition, the Watershed Management program will begin attending additional conferences in order to participate and review ongoing projects that would allow The City of Fort Smith to improve Watershed Management Practices. Expenditures for Account Code 215 include the following:

Western District Meeting Reimbursements (\$20.00 each meeting)	\$5,280
Annual AWW/WEA Conference Registration*	\$2,000
Annual AWW/WEA Conference Hotel Expenses*	\$2,230

Annual AWW/WEA Conference Mileage Reimbursement*	\$690
Annual AWW/WEA Conference per Diems*	\$680
Employee Training - Out of Town Hotel (10 employees @ 3 nights)**	\$3,020
Employee Training - Out of Town Per Diems (10 employees)**	\$1,800
Additional Watershed Management Conferences	\$5,000
Southwest AWWA Annual Conference	\$3,000

*Only Supervisors and above are authorized to attend the conference unless special approval is obtained by the Program Manager and the Deputy Director of Operations. Several staff members have been given permission to give presentations or serve on conference committees.

** Employee Training is typically 4 days long for Wastewater Operator Training. Additional training may be necessary depending on State and Federal Requirements. i.e. NetDMR training for Program Manager and Supervisors.

Examinations Fees for Licensing Course	\$2,500
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Due to the nature of the work performed by Environmental Quality staff, every person employed in Program 5626 is required to have either a water or wastewater license, or both. Additional licensure is also required for certain staff members. With the addition of additional staff both this year and next, the total request for Program 5625 is \$2,500.

216 Education, Memberships, Subscriptions \$10,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$1,380. This total is low in comparison to the expected funding required for Budget Year 2017. All Environmental Quality staff are encouraged to become members of national associations in order to obtain additional training and industry knowledge that can be applied to projects with the City of Fort Smith. In addition, the Environmental Quality team will need to create a training manual library for staff use when studying for the water and wastewater licenses exams. Expenditures for Account Code 216 include the following:

Professional Association Annual Membership	\$3,800
Wastewater Operator Training Manuals (4 Sets)	\$2,000
Water Operator Training Manuals (4 Sets)	\$2,000

217 Lease, Rent, Taxes \$9,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project

expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$4,790. This total is low in comparison to the expected funding required for Budget Year 2017. In July of 2016, the staff in 5625-04 and 5625-05 moved to the Carnall Avenue building. The split for the copier lease has not been fully captured in the Year-to-Date totals, effectively lowering the projected expenses. Expenditures for Account Code 217 include the following:

Preferred Office Copier Lease	\$3,330
Laboratory Gas Cylinder Rental	\$1,840

**Cylinder rental includes, maintenance, inspection, and refill of required gas for sample testing.*

Laboratory Equipment Rental	\$9,180
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**This includes the rental fees for the DI Water Systems for all Water and Wastewater Plant Process Control Labs and the main Environmental Quality Lab from EVOQUA, Inc. This expense was not included in the final approved budget amount.*

218 Claims \$2,000

Program 5625 frequently takes samples from citizen property in order to maintain compliance with State and Federal Laws. In addition, citizens may request sampling to ensure they are receiving the best quality water at their home or business. During the sampling process, there is a potential for damage to sample sites. In the event of an incident, the City will reimburse or pay for repair.

219 Other \$82,820

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$65,250. Due to the anticipated rise in product pricing, Program 5625 are requesting an additional two percent (2%). Expenditures for Account Code 219 include the following:

Macroinvertebrate Analysis (Annual)	\$2,900
Mitigation Project Sampling Analysis for Consent Decree	\$25,000
Watershed Total Kjeldahl Nitrogen Sampling Analysis	\$1,500
ADEQ Wastewater Required Sample Analysis Service	\$33,420
Additional Professional Laboratory Services	\$20,000

CAPITAL OUTLAY

The following capital outlay requests are for equipment and building repairs. Justification sheets for each item may be found immediately following this page. Please note that these items may be budgeted as an operating expense or included in the capital plan. Funding is to be determined by the City Administrator and the Utility Director.

***The capital outlay request are listed in order of priority with the highest priority listed first.**

301 - New Half-Ton 4WD Pickup with Regular Cab Replacement	\$23,100
302 - New InfraCal FOG IR Analysis System (5)	\$42,500
303 - New Hydro Lab Surveyor 4 with 50m Cable	\$15,950
304 - ICP Mass Spec Replacement	\$159,650

**2017 BUDGET EXPENSE JUSTIFICATION:
5625-ENVIRONMENTAL QUALITY
ENVIRONMENTAL QUALITY ASSET #938 REPLACEMENT**

SCOPE:

Purchase of half-ton 4-wheel drive pickup truck as replacement of 2006 Ford Explorer Asset #938 with 109,261 miles.

JUSTIFICATION:

Environmental Quality Asset #938 is a 2006 Ford Explorer that has accumulated 109,261 miles and is in fair condition mechanically. In review if replacement of the vehicle staff determined a half-ton 4-wheel drive pickup truck would better suit the work to be performed in the watershed by this vehicle. This unit is used to transport staff for training, sample collection, maintenance in the watersheds, and equipment for minor repairs. The request is for a half-ton 4-wheel drive pickup truck.

EXPENSE:

ITEM	COST
Half-Ton 4WD Regular Cab Pickup (Replacement)	\$ 23,100
Total (before tax & shipping)	\$ 23,100

RETURN:

- Replacement will decrease maintenance costs.
- Replacement will have more functionality over the current vehicle.
- Replacement will have increased fuel economy thus saving money.

**2017 BUDGET EXPENSE JUSTIFICATION:
5625-ENVIRONMENTAL QUALITY
INFRA CAL 2 FOG IR ANALYSIS SYSTEM (5) ADDITIONAL**

SCOPE:

Purchase of five (5) new InfraCal 2 FOG IR Analysis System for use in FOG Program.

JUSTIFICATION:

With the new FOG Program requirements of the Consent Decree, the City is required to sample FOG generator for FOG discharge concentrations. The InfraCal 2 FOG IR Analysis Systems will allow field screening of the FOG discharge concentrations to determine if additional sampling and analysis is required. The laboratory method is more costly than the field screen method and by utilizing the field meters, cost associated with the program will be controlled.

EXPENSE:

ITEM	COST
5 - InfraCal 2 FOG IR Analysis System (Additional)	\$ 42,500
Total (before tax & shipping)	\$ 42,500

RETURN:

- Meets requirements of the Consent Decree.
- Addition allows for reduced analytical fees.
- Addition allows for quicker determination of compliance.

**2017 BUDGET EXPENSE JUSTIFICATION:
5625-ENVIRONMENTAL QUALITY
HYDRO LAB SURVEYOR 4 WITH 50 M CABLE ADDITIONAL**

SCOPE:

Purchase of an additional Hydro Lab Surveyor 4 with 50 Meter Cable for use in watershed management and source water protection.

JUSTIFICATION:

A Hydro Lab Surveyor 4 with 50 Meter Cable is used to perform lake profiles. A profile looks at water quality parameters such as chlorophyll-a (associated with algae and algal toxins), turbidity, pH, conductivity, etc. These profiles allow the City to determine the health of the lakes, possible issues with contamination, quality of water to be treated, and provide information to the treatment plants of possible treatment issues associated with the lake water quality. Treatment plants may then chose the most cost effective treatment measure, and at Lake Fort Smith, alter what level the water is take from the lake for treatment. The additional unit will allow staff to sample both water supplies simultaneously and will allow for redundancy so interruption of services will not occur in the event of required equipment maintenance.

EXPENSE:

ITEM	COST
Hydro Lab Surveyor 4 with 50 M Cable (Additional)	\$ 15,950
Total (before tax & shipping)	\$ 15,950

RETURN:

- Addition allows for more efficient use of staff.
- Addition allows for redundancy during equipment maintenance and repair.
- Addition allows for better evaluation of lake water to determine most cost effective intake port to reduce treatment chemical use and cost.

**2017 BUDGET EXPENSE JUSTIFICATION:
5625-ENVIRONMENTAL QUALITY
INDUCTIVELY COUPLED PLASMA-MASS SPECTROMETER REPLACEMENT**

SCOPE:

Scheduled replacement of existing inductively coupled plasma-mass spectrometer (ICP-MS) used in the laboratory for water, wastewater, industrial pretreatment wastewater, and surface water samples for the presence of metals.

JUSTIFICATION:

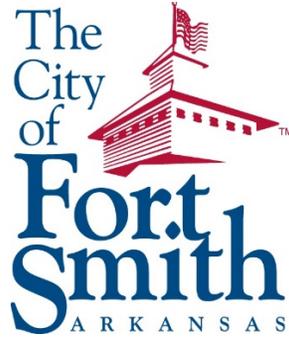
The current ICP-MS (X-Series II) was purchased in 2009 with a scheduled replacement of seven (7) years. In 2016 the laboratory experienced increased maintenance cost due to requiring vendor service calls as the system nears the end of its life span. This equipment is used to maintain certification through the Arkansas Department of Environmental Quality (ADEQ), to meet permit requirements, and to ensure the City meets established water quality standards. This instrument is crucial to ensure the integrity of potable drinking water for the residents of Fort Smith and surrounding areas (i.e. lead and copper testing for citizens). Additionally the X-Series II is no longer manufactured and the availability of spare parts is questionable.

EXPENSE:

ITEM	COST
ICP-MS Spectrometer with Collison Cell (Replacement)	\$ 159,650
Total (before tax & shipping)	\$ 159,650

RETURN:

- Replacement is proactive in reducing emergency repair costs and less chance of interruption of services.
- Replacement utilizes the same technology ADEQ uses for comparability of data.
- Replacement with newer technology allows for full availability of parts and service, reducing the risk of downtime.
- Replacement meets requirements for continued State Laboratory Certification.



2017 Budget Request & Justification

Utility Department Operations

Program 5626 Fleet, Building, Station,
and Grounds Maintenance

City of Fort Smith
Program Title: Fleet, Building, Station Maintenance
Program Number: 5626

Personnel			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
101	Regular Salaries	1,400,244	1,470,260
102	Overtime	53,180	55,840
103	Retirement	70,010	73,510
104	Social Security	111,090	116,640
105	Health Insurance	156,186	164,420
106	Longevity	3,420	3,660
107	Medical Expenses	3,600	3,600
108	Other	0	0
109	Employee Allowance	0	0
111	Worker's Compensation	2,840	2,840
	Total Personnel Costs:	\$1,800,570	\$1,890,770
Operating Accounts			
		2017 Budget	2018 Budget
Code	Description	Requests	Projections
201	Office Supplies	2,530	2,660
202	Small Equipment	67,170	70,530
203	Fuel, Oil, Lube	80,000	84,000
204	Clothing	36,940	38,790
205	Custodial Equipment and Supplies	34,000	35,700
206	Materials	120,000	126,000
207	Repair of Equipment	265,000	278,250
208	Repair of Buildings	150,000	157,500
209	Merchandise	0	0
210	Communications	11,000	11,550
211	Utilities	450,000	472,500
212	Bonds, Insurance, Licenses	32,000	33,600
213	Postage	500	530
214	Advertising, Printing, Photo	2,500	2,630
215	Travel	47,000	49,350
216	Education, Memberships, Subscriptions	25,000	26,250
217	Lease, Rent, Taxes	6,000	6,300
218	Claims	2,000	2,100
219	Other	100,000	105,000
220	Examinations	0	0
	Total Operating Costs	\$1,431,640	\$1,503,240

If replacement, MUST include asset #, mileage, model & year being replaced. If Addition- note on request

CAPITAL OUTLAY	2017 Budget	2018 Budget
	Requests	Projections
1) Garage Truck Lift, Gray (Addition)	\$38,000.00	
2 Pickup with Service Bed - 2006 Ford E	\$32,500.00	
3) 1/2 Ton 4wd P/U w/Ex-Cab - 2002 Ch	\$25,300.00	
4) 1 ton Cab/Chassis w/ Utility Bed - 200	\$56,000.00	
5) 1 ton Cab/Chassis Auto Crane - 2005	\$66,500.00	
Total Capital Expenses	\$218,300	\$0
Grand Total (All accounts)	\$3,450,510	\$3,394,010

Schedule of Personnel			# of Positions
Position Title	# of Positions 2016	# of Positions 2017	2018
Fleet, Building & Station Program Mgr.	1	1	1
Supervisor	2	2	2
Chief Mechanic	1	1	1
Chief Equipment Mechanic	1	1	1
Electrician	4	4	4
Electronic Technician	4	4	4
Accounting Technician	1	1	1
Equipment Mechanic Body Repair	1	1	1
Maintenance Machinist/Mechanic (I-IV)*	14	15	15
Grounds Maintenance Leadperson	1	1	1
Grounds Maintenance Person	3	3	3
Maintenance Person	2	2	2
Laborer (Seasonal)	1	1	1
Total Positions	36	37	37
*Additional Maintenance Machinist/Mechanic approved by the Board at the May 19, 2015 board meeting as part of the hiring plan.			

2017 Budget Request Justification by Account

PERSONNEL

101 Regular Salaries

\$1,400,244

Regular salaries were calculated based on current pay current pay for the positions listed in the schedule. This also includes one (1) additional Machinist/Mechanic which was approved by the Board of Directors on May 19, 2015, with passage of Resolution R-89-15. Machinist/Mechanic are the only positions in Program 5626 which has a graded system ranging from I to IV, all other positions currently are hired in at one grade. These levels are based on experience and licenses held.

Machinist/Mechanic IV	Pay Grade 6
Machinist/Mechanic III	Pay Grade 5
Machinist/Mechanic II	Pay Grade 4
Machinist/Mechanic I	Pay Grade 3

The base pay at current rates for Program 5626 is \$1,290,880. Operations and Finance Department staff recognize the potential for the salary increases due to Program 5603 staff obtaining higher water and wastewater treatment licenses as required by the Arkansas Department of Health and ADEQ. However, the base pay for Program 5626 is calculated using each employee's current 2016 salary (as of October 2016) as instructed by the Finance Department.

Per the City Administrator's instruction, a one percent (1%) Cost of Living Adjustment (COLA) is to be included in budgeting for base salaries. This increase totals \$13,864.

Although the Utility Department strives to utilize preventative maintenance to reduce the number of equipment breakdowns, maintenance staff is on call twenty-four (24) hours a day, seven (7) days a week to respond to emergencies when equipment fails to operate properly. Additionally, the City is required through the Consent Decree to have staff available at all times to respond to equipment outages as part of the Overflow Emergency Response Plan (OERP). To meet the requirements of the Consent Decree and insure both water and wastewater equipment issues may be addressed efficiently and effectively, the City utilizes standby pay. Standby pay for the Program 5626 is calculated at \$95,500.

The total for all regular salary expenditures for Program 5626 is \$1,400,244.

102 Overtime**\$53,180**

The overtime listed allows for personnel to provide coverage for those employees who are on vacation, sick leave, bereavement leave, or extended medical leave. Often during storms maintenance staff work overtime or are called to work due to equipment failures resulting from power fluctuations or additional debris from inflow/infiltration causing issues with pumps at pump stations or the plants. During the year additional maintenance tasks are required for that may take longer than previously scheduled resulting in overtime.

Often the garage staff are asked to repair fleet equipment after hours to ensure staff may respond or continue to respond to SSO events, emergency line repairs, or aid in vehicle retrieval. Currently the Utility Department employees two (2) mechanics for these repairs.

Overtime is based on the work of the personnel. The schedule for overtime is spread over each position and the number of staff in that position. Overtime is broken down by position as shown in the following table.

Position	Number of Employees in Position	Number of Overtime Hours per Employee	Total Number of Overtime Hours for Position per Year
Chief Mechanic (WW Maint.)	1	50	50
Chief Mechanic (Garage)	1	260	260
Electrician	4	80	360
Technician Water Stationary Equipment	4	60	240
Accounting Technician	1	24	24
Equipment Mechanic	1	260	260
Mechanic/Machinist IV	4	50	200
Grounds Maintenance Leadsperson	1	24	24
Mechanic/Machinist III	2	50	100
Mechanic/Machinist II	2	50	100
Grounds Maintenance Person	3	24	72
Maintenance Person	2	24	48
Mechanic/Machinist I	7	50	350

**Please note that the requested overtime does not include the COLA increase requested by City Administration. Should the COLA increase be approved, overtime will need to be increased by one percent (1%).*

103 Retirement **\$70,010**

Retirement calculations were provided by the Finance Department.

104 Social Security **\$111,090**

Retirement calculations were provided by the Finance Department.

105 Insurance **\$156,186**

Insurance calculations were provided by the Finance Department.

106 Longevity **\$3,420**

Longevity pay was calculated based on employee anniversary dates. The month following the anniversary date begins the longevity payment for the remainder of the year. In Table 1 on the next page, the calculations for 2017 and 2018 longevity pay are listed. For the employees who will receive a longevity pay increase mid-year, there is a separate entry that reflects the new calculation. The below calculations differ from that of the total of \$4,510 provided in Schedule 4 of the 2017 Budget Packet provided by the Finance Department. This difference is due, in part, to the turnover Program 5626 has experienced in 2016. This turnover has created a scenario in which Program 5626 has entry level grade Mechanics and Electricians who have had minimal time, if any, with the City of Fort Smith and thus are ineligible for longevity pay at this time. In addition, we have two (2) employees who will reach a milestone anniversary with the City of Fort Smith, increasing their longevity pay mid-year.

Table 1: Longevity Calculations

				2017		2018	
Plank	Gerald	8/30/1982	34.09	30.00	360.00	30.00	360.00
Guthrie	John	11/8/2010	5.90	10.00	120.00	10.00	120.00
McAllister	Kyle	9/20/2010	6.04	10.00	120.00	10.00	120.00
Cheatwood	Mark	8/27/1999	17.10	20.00	240.00	20.00	240.00
Rice	Kevin	10/25/1999	16.94	20.00	240.00	20.00	240.00
Chesher	James	1/21/2014	2.70	0.00	0.00	0.00	0.00
Vanlue	Lawrence	9/6/2016	0.07	0.00	0.00	0.00	0.00
Wofford	Mick	7/15/2004	12.22	15.00	180.00	15.00	180.00
Electrician	TBD			0.00	0.00	0.00	0.00
Skinner	Mike	5/9/2016	0.40	0.00	0.00	0.00	0.00
Dai	Hung	9/18/2015	1.04	0.00	0.00	0.00	0.00
Gentry	Robert	7/13/1998	18.23	20.00	240.00	20 - 25	265.00
Lee	Karl	4/10/2000	16.48	20.00	240.00	20.00	240.00
Martin	Tiffany	5/2/2016	0.42	0.00	0.00	0.00	0.00
Sherrill	Joseph	3/30/2015	1.51	0.00	0.00	0.00	0.00
Ashley	Darrell	1/28/1985	31.68	30.00	360.00	30.00	360.00
French	Glen	11/16/1998	17.88	20.00	240.00	20 - 25	245.00
Gatlin	Mark	9/22/2003	13.03	15.00	180.00	15 - 20	195.00
Nguyen	Tom	5/13/2013	3.39	0.00	0.00	0 - 10	70.00
Bese	Dwight	4/22/2002	14.45	15 - 20	220.00	20.00	240.00
Boggs	Anthony	3/19/2009	7.54	10.00	120.00	10.00	120.00
Smith	Rodney	7/23/2001	15.20	20.00	240.00	20.00	240.00
Davis	Brendon	7/14/2014	2.22	0.00	0.00	0.00	0.00
McKnight	Jason	1/20/2015	1.70	0.00	0.00	0.00	0.00
Campbell	Mike	10/31/2005	10.92	15.00	180.00	15.00	180.00
Hamilton	Jimmy	9/26/2016	0.02	0.00	0.00	0.00	0.00
Tabor	Christopher	5/2/2016	0.42	0.00	0.00	0.00	0.00
Massongill	Kimberly	10/23/2012	3.95	0 - 10	20.00	10.00	120.00
Norman	Donald	9/19/2011	5.04	10.00	120.00	10.00	120.00
Barnes	Joshua	5/10/2016	0.40	0.00	0.00	0.00	0.00
Crawford	Mark	5/16/2016	0.38	0.00	0.00	0.00	0.00
Gasparotto	Zachary	1/12/2016	0.73	0.00	0.00	0.00	0.00
Martinez	Adrian	5/2/2016	0.42	0.00	0.00	0.00	0.00
Meeks	Chris	5/9/2016	0.40	0.00	0.00	0.00	0.00
Gragg	Nathan	6/15/2015	1.30	0.00	0.00	0.00	0.00
Mechanic	TBD	6/15/2015	1.30	0.00	0.00	0.00	0.00
					3420.00		3655.00

107 Medical Expenses **\$3,600**

Medical expenses within the Utility Department include but are not limited to new hire pre-employment screenings and drug testing, CDL physicals and incident reporting drug screenings, randomized drug screenings, Hepatitis B vaccinations, prescription safety glasses, etc.

108 Other **\$0**

Program 5626 is not requesting funds for Account Code 108 Other

109 Employee Allowances **\$0**

Program 5626 is not requesting funds for Account Code 109 Employee Allowances

111 Workers' Compensation **\$2,840**

Worker' Compensation funding was provided in Schedule 6 of the 2017 Budget Packet provided by the Finance Department.

OPERATING

201 Office Supplies **\$2,530**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$2,480. Due to the anticipated rise in product pricing, Program 5626 is requesting an additional two percent (2%). Expenditures for Account Code 201 include the following:

Monthly Office Supply Cost

Periodic Printer Cartridge Replacement – Program Manager

Periodic Printer Cartridge Replacement – Supervisor & Chief Mechanics/Electricians

202 Small Equipment **\$67,170**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the

end of 2016 is \$45,770. Due to the anticipated rise in product pricing, we are requesting an additional two percent (2%). In addition, the new fleet vehicles will need a complete fit-out that will total approximately \$20,500 above the anticipated normal expenses. Expenditures for Account Code 202 include the following:

- Replacement Hand Tools & Specialty Tools
- New Vehicle Fit Out
- New & Replacement Meters
- New/Replacement Lawn Care Equipment
- Computer and Technology Replacements and Upgrades

203 Fuel, Oil, Lube

\$80,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$45,880. In addition, Program 5626 is adding nine (9) new vehicles to the fleet. This will increase the fleet's cost for both fuel and preventative maintenance lube materials. Based on current mileage and average cost of fuel through September 2016, it is estimated that Program 5626 fleet vehicles will require a budget of \$81,840 for Budget Year 2017. The table below shows the calculated values to support this request.

5626 Fleet Building Station Grounds Maintenance												\$ 81,836.75	
Program	Asset	Year	Make	Model	Fuel Type	Miles	Fuel Expenses	Average Cost Per	Estimated Miles Per	Est. Annual	Fuel Notes	Est. PM	Est. Total Annual Cost (Acct 203)
5626	TBD			1/2 Ton Full Size Reg Cab Short Bed P	Unleaded	4645	551.34	0.12	6193	735.12	New Vehicle - Pending	63.68	804.80
5626	TBD			4Door Mid Size Sedan Gas/Hybrid	Unleaded	4296	489.33	0.11	5728	652.44	New Vehicle - Pending	64.44	716.88
5626	TBD			1Ton cab/Chassis Utility Bed	Diesel	7930	1936.27	0.24	10573	2581.63	New Vehicle - Pending - Equivalent to 500	118.35	2700.64
5626	TBD			1Ton cab/Chassis Utility Bed	Diesel	7930	1936.27	0.24	10573	2581.63	New Vehicle - Pending - Equivalent to 500	118.35	2700.64
5626	TBD			1Ton cab/Chassis Utility Bed	Diesel	7930	1936.27	0.24	10573	2581.63	New Vehicle - Pending - Equivalent to 500	118.35	2700.64
5626	TBD			Dodge 450 Short Wheelbase Equival	Diesel	8311	821.67	0.10	11081	1095.56	New Vehicle - Pending	74.80	1170.36
5626	TBD			3/4Ton Cab/Chassis Utility Bed	Diesel	10567	6368.31	0.60	14089	8431.08	New Vehicle - Pending - Equivalent to 372	158.51	8643.59
5626	TBD			1Ton cab/Chassis Utility Bed	Diesel	7930	1936.27	0.24	10573	2581.63	New Vehicle - Pending - Equivalent to 500	118.35	2700.64
5626	TBD			1Ton cab/Chassis Utility Bed	Diesel	7930	1936.27	0.24	10573	2581.63	New Vehicle - Pending - Equivalent to 500	118.35	2700.64
5626	423	2015	Ford	F250	Diesel	343	183.42	0.20	1257	252.56		6.43	261.05
5626-02 Garage	482	2001	Dodge	2500	Unleaded	1701	401.11	0.24	2268	534.81		25.52	560.33
5626-02 Garage	Miscellaneous Garage 2				Diesel		123.3			172.40			172.40
5626-02 Garage	Miscellaneous Garage 2				Unleaded		10.2			13.60			13.60
5626-03 Sewer Lifts	2205				Diesel		2.3			3.87			3.87
5626-03 Sewer Lifts	292	2012	Chevrolet	Silverado K1500	Unleaded	4044	532.73	0.13	5392	710.31		60.66	770.97
5626-03 Sewer Lifts	296	2012	Ford	F350 Superduty	Unleaded	8283	1820.28	0.23	11044	2501.04		124.25	2631.29
5626-03 Sewer Lifts	341	2005	GMC	Sierra 3500	Diesel	9611	1264.35	0.13	13081	1656.60		68.30	1774.30
5626-03 Sewer Lifts	446	2002	Ford	F350	Unleaded	5450	1513.82	0.28	7267	2018.43		81.75	2100.18
5626-03 Sewer Lifts	467	1992	GMC	Topkick C7h042	Diesel	308	80.54	0.26	411	107.39		2.77	110.16
5626-03 Sewer Lifts	500	2001	Chevrolet	Silverado 3500	Unleaded	7930	1936.27	0.24	10573	2581.63		118.35	2700.64
5626-03 Sewer Lifts	546	2002	Chevrolet	Silverado 3500	Unleaded	5321	1156.3	0.22	7095	1542.53		79.82	1622.35
5626-03 Sewer Lifts	570	2016	Chevrolet	Silverado 3500	Diesel	3906	711.09	0.18	7727	2153.27	New vehicle June 2016	35.15	2168.42
5626-03 Sewer Lifts	632	2014	International	1400 Marforce	Diesel	410	335.36	0.36	547	527.15		3.63	530.64
5626-03 Sewer Lifts	946	2006	Ford	Econoline E142	Unleaded	6216	1762.47	0.28	8243	3524.34	* Mileage not correct Jan-Mar	93.27	3618.21
5626-03 Sewer Lifts	Miscellaneous				Unleaded		93.34			132.45			132.45
5626-04 Electrical	355	2014	Ford	F150 XL	Unleaded	4645	551.34	0.12	6193	735.12		63.68	804.80
5626-04 Electrical	480				Unleaded	4390	583.34	0.13	5853	777.73		65.85	843.64
5626-04 Electrical	520	2012	Ford	F250 Super Duty	Diesel	5056	488.45	0.10	6741	651.27		45.50	636.77
5626-04 Electrical	521	2012	Ford	F250 Super Duty	Diesel	6323	555.88	0.09	8201	874.51		62.31	936.81
5626-04 Electrical	550	2013	Ford	F350	Unleaded	7636	1638.78	0.21	10181	2184.36		114.54	2299.52
5626-04 Electrical	842				Unleaded	6119	1332.47	0.23	8153	1856.63		31.73	1948.41
5626-04 Electrical	914	2015	Ford	F250 XL SD	Diesel	8311	821.67	0.10	11081	1095.56		74.80	1170.36
5626-04 Electrical	973	2006	GMC	Sierra 3500	Unleaded	7500	1611.55	0.21	10000	2148.73		112.50	2261.23
5626-05 Water Pump	734	2013	Ford	F350 Superduty	Unleaded	7924	1563.23	0.20	10565	2092.31		118.86	2211.17
5626-05 Water Pump	912	2006	GMC	Sierra 3500	Unleaded	10567	6368.31	0.60	14089	8431.08		158.51	8643.59
5626-05 Water Pump	974	2006	GMC	Sierra 3500	Unleaded	5649	1176.11	0.20	7193	1530.03		87.74	1656.76
5626-05 Water Pump	976	2007	GMC	Sierra 3500	Unleaded	6222	1260.53	0.20	8236	1680.71		93.33	1774.04
5626-06 Ground Maintenance	167	2015	Ford	F250 XL SD	Unleaded	8379	4434.14	0.43	11972	5312.19		###	6046.87
5626-06 Ground Maintenance	2040	2002	New Holland	TL80 Tractor	Diesel		63.24			252.96	*Data only available from July-September		252.96
5626-06 Ground Maintenance	2102	2014	New Holland	T4.75 Tractor	Diesel		432.37			657.23			657.23
5626-06 Ground Maintenance	226	2012	Chevrolet	Silverado C2500HD	Unleaded	3116	1833.75	0.21	12155	2525.00		136.74	2661.74
5626-06 Ground Maintenance	226 Misc Bed Tank				Diesel		263.16			1052.64	*Data only available from July-September		1052.64
5626-06 Ground Maintenance	462	2001	International	4700	Diesel	173	35.87	0.50	1038	515.23	*Data only available for 2 months	1.56	516.78
5626-06 Ground Maintenance	540	1991	Chevrolet	K3500 Silverado	Unleaded		35.64			47.52	*Data only available for 1 month		47.52
5626-06 Ground Maintenance	742	2004	International	4200	Diesel	688	183.87	0.27	917	245.16		6.19	251.35
5626-06 Ground Maintenance	Misc. Grass Crew Campbell				Diesel		115.2			153.60			153.60
5626-06 Ground Maintenance	Misc. Grass Crew Campbell				Unleaded		35.36			127.95			127.95
5626-06 Ground Maintenance	Misc. Grass Woodruff				Diesel		148.71			198.28			198.28
5626-06 Ground Maintenance	Misc. Grass Woodruff				Unleaded		112.17			223.56			223.56
5626-06 Ground Maintenance	Misc. 167				Diesel		63.5			254.00	*Data only available from July-September		254.00
5626-06 Ground Maintenance	Misc. 167				Unleaded		23.16			116.64	*Data only available from July-September		116.64

PREPARED BY:

SARAH BYERS, ADMINISTRATIVE COORDINATOR, OPERATIONS; LANCE MCAVOY, DEPUTY DIRECTOR OF OPERATIONS

204 Clothing **\$36,940**

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$29,530. Items included in this total include:

Employee Uniform Rentals at a 10% markup for new employees & makeup charges	\$19,440
Employee Safety Boots @ \$150.00 + Tax per year per employee	\$7,500
Safety Clothing & Personal Protective Equipment	\$1,500

In addition to the standard products listed above, there are new safety requirement that will require the purchase of Arc Flash Safety Suits. The pricing for these items are listed below.

Category 4 Electrical Hazard Arc Flash Suits	\$8,500
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205 Custodial Equipment **\$34,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of August 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$29,960. Items included in this total include:

Custodial Supply Rental from Cintas at a 10% markup for changes or makeup charges	\$10,200
Medicine Cabinet Restocking Fees (based on 2016 monthly average)	\$4,630
Coffee and Break Room Supplies	\$2,650
Carnall Avenue Janitorial Service	\$6,500
Miscellaneous Janitorial Supplies i.e. brooms, mops, towels, cleaning products, etc.	\$10,000

206 Materials **\$120,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$68,670. This estimate is low as this year, weather has allowed for the purchase of less product for repair of equipment at treatment facilities and pump stations. The chemicals listed below are an average of use over the last couple of year. More product is used in wet weather years. Expenditures for Account Code 206 include the following:

Calcium Nitrate for Zero St & Sunnymede; 2 Shipments of 54 Tons @ 383.96/Ton + Tax	\$45,520
Remote Station Generator Diesel; 2 Shipments per year (estimated based on historical)	\$13,180
Chlorine Reagent Sets for In-line Meters	\$12,230
Activated Carbon	\$10,000
Pump Station Plumbing and Electrical Supplies	\$35,000
Fire Extinguisher Inspection and Reset	\$500
Miscellaneous Garage Supplies	\$1,340
Estimated Use Tax	\$2000

207 Repair of Equipment \$265,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$259,840. Due to the anticipated rise in product pricing and repairs due to aging assets, Program 5626 is requesting an additional two percent (2%). Expenditures for Account Code 207 include the following:

Major Repair of Fleet Vehicles – Program 5626 have an aging fleet with the majority of vehicles over the 100,000 mile mark.

Minor Repair of Fleet Vehicles – Due to the nature of use, many of the vehicles experience flat tires frequently. Many times, these flats require tire replacement.

Pump, Mechanical, Electrical Repairs at Pump Stations

208 Repair of Buildings \$150,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$36,970. This value is not sufficient for Budget Year 2017 due to the request that the elevated water tanks be cleaned following citizen complaints. An additional increase of in this budget line item is due to the Board of Directors requesting the elevated water tanks be cleaned following citizen complaints of mold and mildew on the outside of the tanks. Expenditures for Account Code 208 include the following:

Carnall Avenue Building Security Expense	\$800
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Remote Station Security	\$25,000
Repair of Utility Buildings	\$102,000

**Program 5626 will be covering all building repairs related to Utility Programs. Expenses for building repair will roll from programs 5501, 5611, 5612, and 5625 into Program 5626.*

Repair of HVAC Systems

Repair of Roof

Storm Damage Repair

Transition from Fluorescent Lighting to LED Lighting at Facilities

LED Light Replacement

Elevated Tank Cleaning Services: Includes minor touch up of paint if required. \$80,000

**Tanks will be on a 3 year cleaning rotation. The actual expense for Account 208 may require an increase depending on the order for priority for the above listed tank cleaning.*

Luce Reservoir	\$36,000
Country Club Elevated Tank	\$14,000
Wildcat Mountain Reservoir	\$36,000
Wildcat Mountain Standpipe	\$13,000
Crowe Hill Elevated Tank	\$14,000
Fianna Hills Elevated Tank	\$14,000
Jack Freeze Reservoir	\$40,000
Crowe Hill Standpipe	\$40,000
The Woods Elevated Tank	\$14,000
Howard Hill Elevated Tank	\$35,000

209 Merchandise **\$0**

Program 5626 is not requesting funds for Account Code 209 Merchandise

210 Communications **\$11,000**

The requested funding for Program 5626 is based on the expenses supplied by the City of Fort Smith Information Technology Services program in the 2017 Budget Packet. According to the

supplied information, cell phone usage charges are approximately \$773.79 per month for an annual cost of \$9,290. In addition, Program 5626 is responsible for the SCADA Long Distance Service at a cost of \$640 annually.

211 Utilities \$450,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$423,446. This projection covers the cost of Electric Service and Gas Service for the Sewer Lift Stations, Water Pump Stations, Kelley Highway, and Carnall Avenue buildings. The projected expense is slightly lower than it will be for Budget Year 2017 as the building at 801 Carnall Avenue has only been in service for three months at the time of this calculation. As such, Program 5626 is requesting an additional \$15,000 in order to cover the expense for 801 Carnall Avenue.

After reviewing rate data with OG&E and Arkansas Oklahoma Gas Corporation it has been determined that Program 5626 cannot guarantee utility rates will remain for 2017. In September 2016, OG&E increased residential rates by \$0.9847 (a 30.6% increase). In addition, AOG is in the process of being sold to Littleton, a Colorado-based Summit Utilities Group. This transaction, could increase rates as well. With this in mind, a two percent (2%) increase over the current estimated cost for 2016 is being requested.

212 Bonds, Insurance, Licenses \$32,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$15,340. Expenditures for Account Code 212 include the following:

Insurance (as provided by the Finance Department in Schedule 7)	\$10,800
Employee Licensing Fees	\$1,500
Wastewater License Renewal	\$2,960
Water License Renewal – Treatment and Distribution	\$740
Employee CDL Reimbursements	\$500
Miscellaneous Expense (Software Licensing, etc.)	\$2,500
Wonderware Annual Support Agreement	\$3,000

Schneider Annual Support Agreement	\$5,700
Kepware Annual Network Monitoring Support Agreement	\$1,000
CLReporter Annual Support Agreement	\$1,000
Terrain Analysis Package Annual Support Agreement	\$1,000

213 Postage \$500

Budget Year 2016 did not have a postage budget. From time to time it is necessary to mail out correspondence to government agencies for compliance purposes. In addition, employees are required to mail in training certificates and applications for the Water and Wastewater Operator exams. In years past, these mailings were charge to the Utility Administration postage account. In order to track expenses appropriately, a postage budget of \$500.00 is being requested for Budget Year 2017.

214 Advertising, Printing, Photo \$2,500

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$3,170. However, Program 5626 does not anticipate the EOY projection to be accurate as Program 5626 will not be posting additional job postings on external job boards. The amount requested for Budget Year 2017 is \$2,500. Expenditures for Account Code 214 include the following:

- Job Opening Advertisements for External Applicants
- Advertisement for Bids/Equipment

215 Training & Travel \$47,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$5,340. This total is low in comparison to expected travel requirements for Budget Year 2017. This is due to 2017 being a renewal year for Water and Wastewater Operator Licenses. Employees are required to obtain 24 hours of training for this renewal. Training hours can be obtained by attending the monthly Western District Meetings, attending the AWW/WEA Annual Conference in Hot Springs, AR, and attending various courses offered by the Arkansas Training

Academy and the Rural Water Association throughout the State of Arkansas. Expenditures for Account Code 215 include the following:

Western District Meeting Reimbursements (\$20.00 each meeting)	\$8,640
Annual AWW/WEA Conference Registration*	\$2,000
Annual AWW/WEA Conference Hotel Expenses*	\$2,230
Annual AWW/WEA Conference Mileage Reimbursement*	\$690
Annual AWW/WEA Conference per Diems*	\$1,360
Employee Training - Out of Town Hotel (10 employees @ 3 nights)**	\$3,020
Employee Training - Out of Town Per Diems (10 employees)**	\$1,800
Backflow Training	\$2,000
Underground Storage Tank Certification	\$1,000
Mechanical Training	\$8,500
Wonderware, PLC Training	\$10,000

*Only Supervisors and above are authorized to attend the conference unless special approval is obtained by the Program Manager and the Deputy Director of Operations.

** Employee Training is typically 4 days long for Wastewater Operator Training. Additional training may be necessary depending on State and Federal Requirements. i.e. NetDMR training for Program Manager and Supervisors.

Operator Exam Fees	\$6,000
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The Mechanics and Electricians within Program 5626 are encouraged to obtain their Water and Wastewater certifications within the first year of employment. Other licenses and certification such as Backflow Assembly Technician, Master Electrician, etc. are also encouraged as soon as possible. The cost of these additional certifications vary. Program 5626 is requesting additional examination funding in the amount of \$3,000.

The Wastewater license is a requirement of the Arkansas Department of Environmental Quality. The licensing and exam fee is \$40.00 per license exam. The management team has allowed for 2 test attempts per employee. The retest fee is \$20.00 if the first exam was not completed successfully. The total allotment for each employee for testing is \$60.00. Employees who have successfully completed the required training and have passed the Class I exam, are eligible to continue testing for Class II, Class III, and Class IV licenses. The \$60.00 allotment has been allowed for any employees who have not achieved the Class IV rating. The total requested for wastewater examinations is \$2,000.

The Water Operator license is a requirement of the Arkansas Department of Health. The licensing and exam fee is \$35.00 per license exam. The management team has allowed for 2 test attempts

per employee. The retest fee is \$20.00 if the first exam was not completed successfully. The total allotment for each employee for testing is \$55.00. Employees who have successfully completed the required training and have passed the Class I exam, are eligible to continue testing for Class II, Class III, and Class IV licenses. The \$55.00 allotment has been allowed for any employees who have not achieved the Class IV rating. The total requested for the Water Operator examinations is \$1,000.

216 Education, Memberships, Subscriptions \$25,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$1,600. This total is low in comparison to the expected funding required for Budget Year 2017. Due to new state and federal regulations, employees will be required to complete Electrical Hazard Training. This training will be provided in the Fort Smith area through a consulting group. In addition, employees will be encouraged to become members of national associations in order to obtain additional training. Expenditures for Account Code 216 include the following:

Boom Training	\$12,000
Electrical Hazard In-House Training	\$3,500
Professional Association Annual Membership	\$1,000
Training Manuals	\$2,000

217 Lease, Rent, Taxes \$6,000

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$4,380. This total is low in comparison to the expected funding required for Budget Year 2017. From time to time, it is necessary for mechanics and electricians to rent heavy equipment to perform job duties. Equipment includes, scissor lifts. Cranes, hand trucks, etc. Expenditures for Account Code 217 include the following:

Preferred Office Copier Lease at \$108.33/month + Printing Overages	\$1,300
Gas Cylinder Rental (Cutting Torches & Welders)	\$1,260
Miscellaneous Equipment Rentals	\$4,000

218 Claims **\$2,000**

Due to the nature of work performed, there is a potential for property or vehicle damage. Program 5626 is requesting \$2,000 for minor repairs for such instances.

219 Other **\$100,000**

The total amount requested for Budget Year 2017 is based on the expenses through the end of September 2016. The total expenses during this period were used in a formula to project expenses through the remainder of the current budget year. The expected expenses through the end of 2016 is \$22,910. This total is low as the program has had to send minimal work out under a professional contract for installation or repair. The program is requesting a contingency in the event that a contracted service will need to perform specialized work on Utility systems. Expenditures for Account Code 219 include the following:

Contract Repair and Equipment Installation Services	\$100,000
Vegetation Control Program – Mill Creek Interceptor	\$2,000

220 Examinations **\$0**

CAPITAL OUTLAY

The following capital outlay requests are for equipment and building repairs. Justification sheets for each item may be found immediately following this page. Please note that these items may be budgeted as an operating expense or included in the capital plan. Funding is to be determined by the City Administrator and the Utility Director.

***The capital outlay request are listed in order of priority with the highest priority listed first.**

301 New Garage Truck Lift	\$43,800
302 Replacement of Asset 946 (124,000 miles)	\$32,500
303 Replacement of Asset 546 (100,000 miles)	\$25,300
304 Replacement of Asset 974 (117,000 miles)	\$56,000
305 Replacement of Asset 341 (110,000 miles)	\$66,500

**2017 BUDGET EXPENSE JUSTIFICATION:
5626-FLEET, BUILDING, STATION MAINTENANCE
NEW GRAY TRUCK LIFT FOR THE UTILITY GARAGE ADDITIONAL**

SCOPE:

Purchase of a new 74,000 pound capacity adjustable carriage 24 volt system truck lift with four (4) 20,000 pound capacity hi-rise jack stands for the Utility Department Garage.

JUSTIFICATION:

As new vehicles are purchased for compliance with the Consent Decree, in-house maintenance is vital to keep the fleet operational. The new truck lift will be used to lift heavy equipment and vehicles, such as vac-trucks, to allow for maintenance and repair. The lift will provide the ability to repair equipment and vehicles that the garage currently does not have with its current equipment. This lift system will also improve in safety.

EXPENSE:

ITEM	COST
Truck Lift (Additional)	\$ 43,800
Total (before tax & shipping)	\$ 43,800

RETURN:

- Meets requirements of the Consent Decree.
- Addition will expand the repair capabilities, thus allowing for less outside repair costs.
- Addition will shorten in-house repair times and increase fleet reliability to respond to sanitary sewer overflows that would result in stipulate penalties and fines.

**2017 BUDGET EXPENSE JUSTIFICATION:
5626-FLEET, BUILDING, STATION MAINTENANCE
SEWER STATION MAINTENANCE ASSET #946 REPLACEMENT**

SCOPE:

Purchase of ¾ ton regular cab chassis truck with a service bed as replacement of a 2006 Ford Econoline E142 Cargo Van Asset #946 with 124,000 miles.

JUSTIFICATION:

The current vehicle Asset #946 is a 2006 Ford Econoline E142 Cargo Van with 124,000 miles. The primary use for the vehicle is transportation of two (2) Maintenance Mechanic/Machinists and associated lubrication fluids necessary to maintain pump stations as required by the Consent Decree. The replacement of the Ford Econoline E142 Cargo Van with a ¾ ton regular cab chassis truck with a service bed is safer and more suited for transportation of flammable liquids.

EXPENSE:

ITEM	COST
Cab-Chassis truck, ¾ ton, regular cab, with service bed (Replacement)	\$ 32,500
Total (before tax & shipping)	\$ 32,500

RETURN:

- Meets requirements of the Consent Decree.
- Replacement will have more functionality over the current vehicle.
- Replacement will eliminate anticipated costs and down time relating to maintaining older vehicle.
- Replacement will allow for more efficient maintenance of sewer pump stations and reduce the chances of pump failure related sanitary sewer overflows resulting in stipulate penalties and fines.

**2017 BUDGET EXPENSE JUSTIFICATION:
5626-FLEET, BUILDING, STATION MAINTENANCE
SEWER STATION MAINTENANCE ASSET #546 REPLACEMENT**

SCOPE:

Purchase of ½ ton 4-wheel drive extended cab pick-up truck as replacement of a 2002 Chevrolet Silverado 1500 extended cab pickup truck Asset #546 with 100,000 miles.

JUSTIFICATION:

The current vehicle Asset #546 is a 2002 Chevrolet Silverado 1500 extended cab pickup truck with 100,000 miles that is in poor condition. The primary use of the vehicle is for transportation of Chief Maintenance Mechanic/Machinist to remote sites to assist in repair of pumping and other mechanical equipment critical to reduce the possibility of sanitary sewer overflows and oversee and direct the work of employees.

EXPENSE:

ITEM	COST
½ ton 4WD Extended Cab Pickup (Replacement)	\$ 25,300
Total (before tax & shipping)	\$ 25,300

RETURN:

- Meets requirements of the Consent Decree.
- Replacement will have more functionality over the current vehicle.
- Replacement will eliminate anticipated costs and down time relating to maintaining older vehicle.
- Replacement will allow for more efficient maintenance of sewer pump stations and reduce the chances of pump failure related sanitary sewer overflows resulting in stipulate penalties and fines.

**2017 BUDGET EXPENSE JUSTIFICATION:
5626-FLEET, BUILDING, STATION MAINTENANCE
WATER STATION MAINTENANCE ASSET #974 REPLACEMENT**

SCOPE:

Purchase of a 1 ton cab/chassis with utility bed as a direct replacement for a 2006 GMC Sierra 3500 utility truck Asset #974, with 117,000 miles.

JUSTIFICATION:

The current vehicle Asset #974 is a 2006 GMC Sierra 3500 utility truck with 117,000 miles that is in poor condition. The primary use of the vehicle is for transportation of a Maintenance Mechanic/Machinist to remote sites to make repairs on pumping and other mechanical equipment critical to the City's water distribution system.

EXPENSE:

ITEM	COST
1 Ton Cab/Chassis with Utility Bed (Replacement)	\$ 56,000
Total (before tax & shipping)	\$ 56,000

RETURN:

- Replacement will eliminate anticipated costs and down time relating to maintaining older vehicle.
- Replacement will allow for more efficient maintenance and ensure prompt response to water system failures.
- Replacement will eliminate anticipated costs and down time relating to maintaining older vehicle.

**2017 BUDGET EXPENSE JUSTIFICATION:
5626-FLEET, BUILDING, STATION MAINTENANCE
SEWER STATION MAINTENANCE ASSET #341 REPLACEMENT**

SCOPE:

Purchase of a 1 ton cab/chassis with service bed & auto crane as a direct replacement for a 2005 GMC Sierra 3500 utility truck with auto crane Asset #341, with 110,000 miles.

JUSTIFICATION:

The current vehicle Asset #341 is a 2005 GMC Sierra 3500 utility truck with 110,000 miles that is in poor condition. The primary use of the vehicle is for transportation of two (2) mechanic/machinists to remote sites for maintenance and repair of pumping and other mechanical equipment critical to reduce the possibility of sanitary sewer overflows. The auto-crane is required for lifting pumps at remote and limited access sites to allow better assessment and accessibility for the repair of pumps.

EXPENSE:

ITEM	COST
1 Ton Cab/Chassis Truck with Service Bed & Auto Crane (Replacement)	\$ 66,500
Total (before tax & shipping)	\$ 66,500

RETURN:

- Meets requirements of the Consent Decree.
- Replacement will eliminate anticipated costs and down time relating to maintaining older vehicle.
- Replacement will allow for more efficient maintenance of sewer pump stations and reduce the chances of pump failure related sanitary sewer overflows resulting in stipulate penalties and fines.