New Business #13

COUNTY AGENDA REQUEST

Department:	Fayette County Water System	Presenter(s):	Water System Director Lee Pope
Meeting Date:	March 27, 2014	Type of Request:	New Business

Wording for the Agenda:

Consideration of staff's recommendation to increase the sewer billing fees that the Water System charges to the Peachtree City Water & Sewerage Authority, the City of Fayetteville, the Town of Tyrone, and the Town of Brooks from $1.00 to $1.62.

Background/History/Details:

The Fayette County Water System bills sewer for the Peachtree City Water & Sewerage Authority, the City of Fayetteville, the Town of Tyrone, and the Town of Brooks. The sewer bills are based on water consumption and the bill is sent to the customers each month on the same bill with their water bill. Currently, the Water System charges $1.00 per bill for each sewer bill that is sent out.

Careful analysis was conducted of the cost associated for the Fayette County Water System to bill sewer for these four entities. The analysis takes into account both direct and indirect costs. The analysis showed that the cost to do sewer billing is significantly more than what is being collected. Therefore, the Water System is recommending raising the billing fee from $1.00 per bill to $1.62 per bill.

This increase would not go into effect until July 1, 2014 with the new budget year to provide adequate notice to Peachtree City of Fayetteville, Town of Tyrone and Town of Brooks. The Peachtree City Water & Sewerage Authority has already reviewed the analysis and agrees with this recommendation.

What action are you seeking from the Board of Commissioners?

Consideration of staff's recommendation to increase the sewer billing fees that the Water System charges to the Peachtree City Water & Sewerage Authority, the City of Fayetteville, the Town of Tyrone, and the Town of Brooks from $1.00 to $1.62.

If this item requires funding, please describe:

Not Applicable.

Has this request been considered within the past two years?	No	If so, when?	
Is Audio-Visual Equipment Required for this Request?*	No	Backup Provided with Request?	Yes

**** All audio-visual material must be submitted to the County Clerk's Office no later than 48 hours prior to the meeting. It is also your department's responsibility to ensure all third-party audio-visual material is submitted at least 48 hours in advance.***

Approved by Finance	Yes	Reviewed by Legal	
Approved by Purchasing	Not Applicable	County Clerk's Approval	Yes
Administrator's Approval			

Staff Notes:

This increase would not go into effect until July 1, 2014 with the new budget year to provide adequate notice to Peachtree City of Fayetteville, Town of Tyrone and Town of Brooks. The Peachtree City Water & Sewerage Authority has already reviewed the analysis and agrees with this recommendation.

ANNUAL YEAR 2012
FAYETTE COUNTY WATER SYSTEM

Water System Billing Analysis

Number Water System Bills	**332,545**			**Old Rate**				
				$1.00				
Yearly Water Billing Direct Costs[1]	**Actual**	**Per Bill**						
Postage	$132,514.64	$0.3985		**Revenue**	**Direct**	**Indirect[2]**	**Total**	**Variance**
Ink Cartridge Bill Printer	$3,672.00	$0.0110		$126,528	$62,965	$141,954	$204,919	($78,391)
Water Bills (Paper)	$5,184.38	$0.0156		$14,650	$7,290	$16,436	$23,727	($9,077)
Permit Envelopes (Permit, Return & Window)	$13,340.13	$0.0401		$4,775	$2,376	$5,357	$7,733	($2,958)
Stuffer/Inserter Equipment	$10,776.00	$0.0324		$144	$72	$162	$233	($89)
	$165,487.15	**$0.4976**		**$146,097**	**$72,703**	**$163,909**	**$236,612**	**($90,515)**
[1] Includes 34,069 Delinquent Notices								
				Proposed				
Jurisdiction	**# Bills**	**% Yrly**	**Weight**	**$1.62**				
PTC WASA	126,528	38.0%	86.6%					
City of Fayetteville	14,650	4.4%	10.0%	**Revenue**	**Direct**	**Indirect[2]**	**Total**	**Variance**
Town of Tyrone	4,775	1.4%	3.3%	$204,975	$62,965	$141,954	$204,919	$56
Town of Brooks	144	0.0%	0.1%	$23,733	$7,290	$16,436	$23,727	$6
	146,097	**43.9%**	**100.0%**	$7,736	$2,376	$5,357	$7,733	$2
				$233	$72	$162	$233	$0
Water System Department	**# Bills**			**$236,677**	**$72,703**	**$163,909**	**$236,612**	**$65**
Billing Weighted Sewer	$128,390							
Customer Service Weighted Sewer	$35,519			***[2] Indirect Costs times Jurisdictional Weight***				
	$163,909			Maintaining services, customer records, etc. within the Munis software				
				Opening, sorting mail, & posting payments				
				Stuffing, sorting, and mailing bulk mail				
				Electronic file processing				
				Bank Deposits				
				ACH processing				
				Penalty processing				
				Return check processing				
				Adjustment processing				
				Customer correspondence (letters, returns bills, etc…)				
				Customer service incoming/outgoing calls				
				Reports (AR, Aging, totals, usage etc…)				
				Tyler Support				
				Forms, TCM, Ebill etc…				

	EE #	Org	Department	Job Class Desc	Budget	Actual
Billing						
#	EE #	Org	Department	Job Class Desc	Budget	Actual
1	166	50541013	WATER SYS BILLING	SENIOR BILLING REPRESENTATIVE	$41,987	$41,987
1	2741	50541013	WATER SYS BILLING	SENIOR BILLING REPRESENTATIVE	$35,323	$35,323
1	1406	50541013	WATER SYS BILLING	BILLING OPER SPUV WATER	$45,216	$45,216
1	2436	50541013	WATER SYS BILLING	BILLING REPRESENTATIVE	$31,220	$31,220
1	3185	50541013	WATER SYS BILLING	BILLING REPRESENTATIVE	$32,000	$32,000
1	3194	50541013	WATER SYS BILLING	BILLING REPRESENTATIVE	$30,459	$30,459
1	1585	50541016	WATER SYS METER READING	SENIOR METER READER	$35,323	$35,323
1	264	50541016	WATER SYS METER READING	METER READER	$38,989	$38,989
1	1807	50541016	WATER SYS METER READING	METER READER	$30,459	$30,459
9					**$320,976**	**$320,976**
Customer Service						
#	EE #	Org	Department	Job Class Desc	Budget	Actual
1	1575	50541012	WATER SYS CUSTOMER SERVICE	SENIOR CUSTOMER SERVICE REPRES	$35,323	$35,323
1	411	50541012	WATER SYS CUSTOMER SERVICE	CUSTOMER SERVICE SUPERVISOR	$45,216	$45,216
1	271	50541012	WATER SYS CUSTOMER SERVICE	FIELD SERVICE REP	$45,216	$45,216
1	1650	50541012	WATER SYS CUSTOMER SERVICE	FIELD SERVICE REP	$37,111	$37,111
1	2667	50541012	WATER SYS CUSTOMER SERVICE	FIELD SERVICE REP	$33,620	$33,620
1	172	50541012	WATER SYS CUSTOMER SERVICE	CUSTOMER SERVICE REP	$35,323	$35,323
1	2449	50541012	WATER SYS CUSTOMER SERVICE	CUSTOMER SERVICE REP	$32,000	$32,000
1	3073	50541012	WATER SYS CUSTOMER SERVICE	CUSTOMER SERVICE REP		$30,459
1	3317	50541012	WATER SYS CUSTOMER SERVICE	CUSTOMER SERVICE REP	$30,459	$30,459
1	3504	50541012	WATER SYS CUSTOMER SERVICE	CUSTOMER SERVICE REP		$30,459
10					**$294,268**	**$355,186**
					$615,244	**$676,162**
				Billing	$320,976	**$320,976**
				Customer Service	$294,268	**$355,186**
					$615,244	**$676,162**
				Billing Weighted Sewer	40.0%	**40.0%**
				Customer Service Weighted Sewer	10.0%	**10.0%**
				Billing	$128,390	**$128,390**
				Customer Service	$29,427	**$35,519**
					$157,817	**$163,909**

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FAYETTE COUNTY WATER SYSTEM

	Water								
Month	**Services Billed**								
January	27,523								
February	27,535								
March	27,571								
April	27,658								
May	27,699								
June	27,881								
July	27,713								
August	27,852								
September	27,720								
October	27,752								
November	27,821								
December	27,820								
Total	**332,545**								
	PTC WASA			**City of Fayetteville**			**Town of Tyrone**		**Town of Brooks**	
Month	**Services Billed**	**$Amount**		**Services Billed**	**$Amount**		**Services Billed**	**$Amount**	**Services Billed**	**$Amount**
January	10,489	$10,489		1,212	$1,212		391	$391	12	$12
February	10,492	$10,492		1,216	$1,216		390	$390	12	$12
March	10,523	$10,523		1,221	$1,221		395	$395	12	$12
April	10,539	$10,539		1,215	$1,215		394	$394	12	$12
May	10,545	$10,545		1,224	$1,224		400	$400	12	$12
June	10,618	$10,618		1,229	$1,229		400	$400	12	$12
July	10,531	$10,531		1,219	$1,219		398	$398	12	$12
August	10,591	$10,591		1,227	$1,227		403	$403	12	$12
September	10,532	$10,532		1,219	$1,219		399	$399	12	$12
October	10,537	$10,537		1,218	$1,218		398	$398	12	$12
November	10,560	$10,560		1,225	$1,225		407	$407	12	$12
December	10,571	$10,571		1,225	$1,225		400	$400	12	$12
Grand Total	**126,528**	**$126,528**		**14,650**	**$14,650**		**4,775**	**$4,775**	**144**	**$144**
$ 165,666.00										
Annual Year Cost	**$ Amount**									
Postage	$113,411									
Ink Catridge Bill Printer	$3,240									
Water Bills (Paper)	$4,991									
Permit Envelopes	$7,452									
#9 Return Evelopes	$5,336									
#10 Window Envelopes (used for mailing Delinquent Notices, re-mail etc...)	$552									
Stuffer/Inserter Equipment	$10,776									

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# of Delinquent Notices Printed and Mailed	**34,069**										
Postage for Delinquent Notices	$15,672			$165,487							
Paper cost (for deliquent notices)	$193										
Postage meter	$3,432										
Postage meter ink	$432										
All sewer services are based on the water usage											
Sewer services are maintained and billed on the same Munis account and also printed on the same water bill mailed out											
Employee Costs											
Maintaining services,customer records, etc. within the Munis software											
Opening,sorting mail, & posting payments											
Stuffing, sorting, and mailing bulk mail											
Electronic file processing											
Bank Deposits											
ACH processing											
Penalty processing											
Return check processing											
Adjustment processing											
Customer correspondence (letters, returns bills, etc…)											
Customer service incoming/outgoing calls											
Reports (AR, Aging, totals, usage etc…)											
Tyler Support											
Forms, TCM, Ebill etc…											