

Exhibit No.:	_____
Issue:	Management Fees, General Manager Compensation
Witness:	Vernon Stump
Sponsoring Party:	Lake Region Water & Sewer Company
Case Nos.:	SR-2013-0459 and WR-2013-0461

LAKE REGION WATER & SEWER COMPANY

Case Nos. SR-2013-0459 and WR-2013-0461

REBUTTAL TESTIMONY

OF

VERNON STUMP

Four Seasons, Missouri
January, 2014

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Lake Region Water)
& Sewer Company for Authority)
to File Tariffs Increasing Rates for)
Water and Sewer Provided to)
Customers in the Company's)
Missouri Service Area)

Case No. WR-2013-0461

AFFADAVIT OF VERNON STUMP

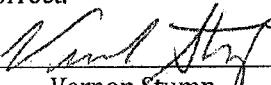
STATE OF TEXAS)
) ss
COUNTY OF BREWSTER)

Vernon Stump, being first sworn on his oath, states:

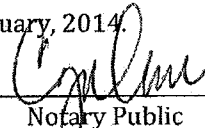
1. My name is Vernon Stump. I reside in Brewster County, Texas, and I am President of Lake Region Water & Sewer Company, Inc.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Lake Region Water & Sewer Company consisting of 10 pages, and Schedule 1, all of which have been prepared in written form for introduction into evidence in the above referenced dockets.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

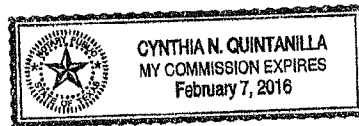

Vernon Stump

Subscribed and sworn before me this 9th day of January, 2014.


Notary Public

My Commission expires:

2/7/2016



1 REBUTTAL TESTIMONY

2 OF

3 VERNON STUMP

4 CASE NO. WR-2013-0461 and SR-2013-0459

5 **Q. Please state your full name and business address.**

6 A. My name is Vernon Stump. My business address is 62 Bittersweet Road, Four
7 Seasons, MO 65049.

8 **Q. Have you previously filed testimony in the two cases referenced above?**

9 A. No.

10 **Q. What is your position with Lake Region Water & Sewer Company?**

11 A. I am President of the Company.

12 **Q. Please describe your educational background and work experience.**

13 A. I have a BS in Civil Engineering from the University of Missouri, a MS in Civil
14 Engineering from the University of California at San Jose and a PhD in Sanitary
15 Engineering from the University of Missouri. I began my engineering career in
16 1969 with the US Coast Guard. My primary duties included the operation and
17 maintenance of water and sewer facilities. I went on to found two Missouri based
18 companies dealing with water and wastewater issues. Exhibit 1 is a resume
19 detailing my experience in the water and sewer industry for over 40 years.

20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to address and rebut certain statements and
22 assertions regarding compensation for the General Manager of Lake Region

1 Water and Sewer Company made by the Staff in Case No. WR-2013-0461. It is
2 also to address the issue of management fees for the Company directors.

3 **Q. What comments do you have concerning management fees for the Company**
4 **directors?**

5 A. I have not seen Staff's recommendations for management fees and therefore
6 cannot comment on specifics. If in fact Staff's recommendation is to retain
7 management fees at the level of the 2010 rate case I have no objections. If there
8 are reductions from the 2010 levels of compensation I reserve the right to
9 comment and rebut these recommendations.

10 **Q. Please describe your experience in hiring, supervising, and setting**
11 **compensation for General Managers of water and sewer utilities.**

12 A. Over the past thirty seven years I have hired and supervised approximately twenty
13 General Manager positions for water and wastewater utilities of a similar size.
14 These utilities were located in Missouri, Illinois and Kansas. In Missouri this
15 included the municipalities of Clinton, Lake Saint Louis, and O'Fallon. It also
16 included Boone County Regional Sewer District, Taney County Public Water
17 District #3, Saint Charles Public Water District #2, Ozark Shores Water
18 Company, Lake Region Water and Sewer Company, and the Meadows Water
19 Company.

20 **Q. Are you confident in your ability to set compensation in a fair manner for the**
21 **position of General Manager?**

22 A. Yes I am. I have been able to compare performances of different managers in
23 different operating entities at the same time, and over long periods of time. We

1 have always compensated these managers based on their ability and the value they
2 provided the operation.

3 **Q. What has been your past experience when Staff has disallowed compensation**
4 **that was being paid to existing staff?**

5 A. In 2000 I was President and a 50% stockholder of the Meadows Water Company.
6 The Commission Staff disallowed the full salary and partial salary of two
7 employees. This recommendation was based on a comparison to similar sized
8 companies. Factors such as availability of contract labor, the location of the
9 utility, and its rural nature were not considered. We had no choice but to follow
10 the Staff's evaluation and reduce the staff. The result was that with that staffing
11 level we could not provide effective service. We struggled with the company
12 operations for eight more years until it was sold to the City of Willard.

13 **Q. Do you believe the overall base compensation provided to the PWSD4, Lake**
14 **Region, and Ozark Shores General Manager as stated by Staff is comparable**
15 **to the annual wage for an experienced individual?**

16 A. Yes I do. The annual wage paid to the General Manager is comparable to what
17 we would expect to pay for that position.

18 **Q. The current General Manager of PWSD4, Lake Region, and Ozark Shores is**
19 **also paid an additional consulting fee of \$38,896, is that correct?**

20 A. Yes it is.

21 **Q. Is this consulting fee a part of the established compensation package for the**
22 **General Manager position for PWSD4, Lake Region, and Ozark Shores?**

1 A. No it is not. If the current General Manager were to leave this position his
2 successor would not be paid a consulting fee unless he/she was able to
3 demonstrate capabilities that would save the organization costs in excess of any
4 consulting fee.

5 **Q. Do you agree with the Staff's statement in this case that the consulting fee**
6 **paid to the current General Manager is neither a necessary nor reasonable**
7 **expense to be funded by the ratepayers?**

8 A. I disagree with the Staff's determination and do not believe that the Staff has a
9 complete understanding of the services provided by this particular General
10 Manager.

11 **Q. Can you summarize what services this General Manager provides Lake**
12 **Region and Ozark Shores that past General Managers you have supervised**
13 **could not provide?**

14 A. The General Manager provides for Lake Region and Ozark Shores senior
15 accounting expertise and regulatory expertise which past managers I have
16 supervised were not capable of providing.

17 **Q. Have you ever had another General Manager under your direction that has**
18 **had these similar skills?**

19 A. We have never had a General Manager with management, accounting and
20 regulatory experience. I generally would not expect to be able to hire an
21 individual that can manage a utility operation and provide the additional benefits
22 normally found in an entirely different professional skill set.

1 **Q. Have you ever in the past paid a consulting fee to someone in the General**
2 **Manager position?**

3 A. Yes I have but it has been infrequent. In the early 1990's we paid a consulting fee
4 to a General Manager in our Glenview, Illinois division for managing another
5 water system that was remote from his home office. This individual was
6 transferred to a similar position in Ozark Shores and the consulting fee was
7 terminated when he moved to the Ozark Shores operation.

8 **Q. Do you have an estimate of what monetary benefit Lake Region receives**
9 **annually as a result of the consulting services the General Manager**
10 **provides?**

11 A. Yes I do. I believe the benefit Lake Region derives directly from these services is
12 currently \$50,107 annually. Lake Region currently pays the General Manager
13 \$27,227 to provide these services. Overall the Company and its rate payers are
14 saving \$22,830 annually due to the additional accounting and rate case services
15 this General Manager provides.

16 **Q. Can you detail the method you used to develop the financial information**
17 **presented above?**

18 A. Yes I can. I compared Lake Region's outside accounting costs with comparable
19 regulated Missouri utilities. I used the Lake Region 2012, Raytown Water
20 Company 2012, and Tri-States Utility Company 2009 outside accounting costs.
21 The year 2009 was used for Tri-States since it was the company's last full year of
22 operation before its Chapter 11 filing. These costs were \$14,200, \$31,985, and
23 \$36,963, respectively. The average annual outside accounting cost incurred by

1 Raytown and Tri-States was \$34,474. Overall the outside accounting fees Lake
2 Region pays are \$20,274 less per year than these comparable companies. This
3 data is presented in Chart 1.

4 I also have reviewed our existing staff office level and conclude that if our current
5 General Manager would leave we would need an additional office staff member to
6 assist in collection and accounting. This cost is estimated to be \$35,000 per year.
7 This staff member's compensation would be divided between Lake Region and
8 Ozark Shores. The cost Lake Region would incur would be \$17,500. These
9 savings can be directly attributed to the accounting direction and controls the
10 Lake Region General Manager provides.

11 In order to develop the financial information given on rate case cost savings I
12 considered the fact that Lake Region has had two rate cases in the last four-year
13 period. The current rate case was filed, by Commission order, three years after
14 the last case was settled.

15 Both cases are extremely complicated and contentious and the Company has
16 needed competent and experienced expertise to present its position and case. This
17 General Manager prepares our rate cases and provides extensive defense of these
18 cases. He has in the past held the position of director of the regulatory division of
19 Missouri Public Service Company. In that position he directed the rate cases of
20 the Missouri Public Service Company. These cases were ten times the magnitude
21 of the Lake Region cases and required thorough knowledge of the regulatory
22 process. Without having this expertise available, Lake Region would have hired a
23 consulting firm to conduct and direct the case. I have estimated that the cost for an

1 outside consultant to direct a Lake Region case would be at a minimum the same
2 as that of our legal counsel. This cost in the 2010 rate case was \$37,000. If this
3 cost is amortized over three years, it would be \$12,333 per year.

4 By adding the cost savings in accounting and annualized rate case cost less the
5 consulting fees paid to the General Manager, the overall annual cost savings to the
6 Company and rate payers is \$22,833. This data is summarized in Chart 2.

7 **Q. You have assumed that if you hired a consulting firm to conduct the**
8 **presentation of a rate case the cost would be similar to the legal fees the**
9 **Company incurred in the last rate case. Do you have any additional data to**
10 **support that assumption?**

11 A. I can state that in the last rate case and in this rate case the General Manager and
12 our legal representative both have and will attend every work session, conference,
13 and hearing related to the case. The General Manager works with our legal
14 representative on every filing and prepares the preliminary documents for legal
15 review and finalization. He also prepares most of the data requests and works
16 with the Staff during the audit. If anything, I have underestimated the cost of a
17 consultant preparing and defending the Company in a rate case.

18 The only other cost comparison I can refer to is that the Company has retained an
19 expert to present and defend the Company's position on cost of capital. The
20 estimated cost of this defense is \$20,000 and it will encompass only one of the
21 many major issues in the case.

22 **Q. How does the overall cost of Lake Region's General Manager's compensation**
23 **and its office staff costs compare to what it was in 2003?**

1 A. These costs are \$37,772 less than they were in 2003. This cost reduction adjusted
2 for a three percent inflation rate would be \$50,761 per year.

3 **Q. Can you explain how you arrived at these numbers?**

4 A. In 2002 the Lake Region manager was paid \$62,400. Currently total
5 compensation for the Lake Region General Manager including his consulting fee
6 is \$55,893. The Lake Region office accounting and billing salary cost in 2003
7 was \$58,799. Currently the Lake Region office accounting and billing salary cost
8 is \$27,534. Overall the rate payers are paying \$37,771 less for the general
9 management, billing and accounting services than they were twelve years ago.
10 These savings are in addition to the amount listed above that is saved in
11 accounting and rate case costs by the General Manager's consulting efforts. This
12 information is summarized in Chart 3.

13 **Q. What portion of the above savings can be attributed to the capabilities of the**
14 **current PWD4, Lake Region General Manager?**

15 A. I believe that at least fifty percent can be attributed to his performance and
16 capabilities. The combining of PWSD4, Lake Region, and Ozark Shores, by the
17 nature of the combination, creates savings. However, in order to make such a
18 combination work, a great deal of management and accounting capability was
19 required to bring this all together. It also took a great deal of professional
20 accounting and rate case knowledge to limit the accounting and rate case expenses
21 to their current level. This is why I believe Staff did not take into consideration
22 all of the factors relating to the General Manager's consulting fee.

23

1 **Q. Why does Lake Region and Ozark Shores pay all of the consulting fees to the**
2 **General Manager while the PWSD4 does not participate?**

3 A. There are two reasons. First, the accounting functions that Lake Region and
4 Ozark Shores must perform are vastly more detailed than that of the District.
5 Lake Region must keep accounting records according to Commission rules and
6 according to IRS rules. It must file annual reports with the Commission and
7 maintain records as required by the Commission. The District does not have any
8 of these requirements and does not need the accounting expertise that a regulated
9 company is required to maintain.

10 Second, the District does not have rate cases to conduct that require eleven
11 months to complete. A major portion of the General Manager's consulting fee is
12 related to rate case expense.

13 **Q. Why does Lake Region pay 70% of the General Manager's consulting fee**
14 **and Ozark Shores only 30%?**

15 A. This is due to the fact that Lake Region is conducting its second rate case in the
16 past four years and Ozark Shores has had no rate cases. In addition the
17 accounting functions at Lake Region are more complicated than those of Ozark
18 Shores due to the fact that Lake Region has two separate service areas, with
19 different rates. Lake Region also provides both water and sewer service. Ozark
20 Shores has one service area, one rate structure, and provides only water service.

21 **Q. The General Manager has been paid consulting fees for some period of time.**
22 **Why don't you simply make them part of his salary package?**

1 A. I believe that the consulting services that have been provided and continue to be
2 provided by the General Manager are not part of the General Manager position. If
3 and when we reach a point that there are no significant rate cases projected and
4 our accounting systems are matured we want to be in a position to terminate these
5 services.

6 **Q. If the Staff recommendation is that the General Manager's consulting fee is**
7 **an unnecessary expense, and that recommendation is accepted by the**
8 **Commission, what impact will that have on the Company?**

9 A. It would have a deleterious impact on the operations and morale of the Company
10 and staff. It will result in higher costs in other areas than this fee and an overall
11 dampening of the efficiency of Company operations. If the General Manager
12 would seek other employment this certainly would be the case. If he remains as
13 an employee and does not provide the extra professional services he now
14 provides, we would again see higher costs due to the necessity of hiring these
15 services outside the Company. Overall I believe the Staff's recommendation to
16 disallow the General Manager consulting fee is ill advised, and if implemented
17 will cause substantial harm to the operations of Lake Region.

18 **Q. Does that conclude your rebuttal testimony?**

19 A. Yes.

Vernon Stump

Education:

BS in Civil Engineering, University of Missouri Columbia

MS in Civil Engineering, University of California San Jose

PhD in Sanitary Engineering, University of Missouri Columbia

Professional:

Professional Engineer, registered in the state of Missouri

Work Experience:

1969-1971 - Officer in United States Coast Guard

Served as base Civil Engineer at the Officer Training Center at Yorktown, Virginia. Primary duties included management of water and sewer facilities. Major engineering projects included upgrade of the sewage treatment facility and design and construction of lift stations for new barracks and mess hall.

1971-1973 - Superintendent of Water Treatment for Austin, Texas

Mr. Stump served as superintendent of water treatment for the three Austin water treatment plants. Each facility was a lime softening surface water treatment plant. Total capacity was 175 MGD and average treated water supplied to the city ranged from 50 MGD to 120 MGD. He supervised a staff of 36 water operators.

1974-1983 - Mid Missouri Testing Laboratory

Mr. Stump established Mid Missouri Testing Laboratory in 1974 while working on a PhD degree at the University of Missouri in Columbia, Missouri. This laboratory provided water and wastewater testing services for NPDES permits and for research projects. In 1977 the laboratory was expanded to include testing for heavy metals and organics for water systems. The laboratory operations were sold in 1983.

1977-1991 - Mid Missouri Engineers, Inc.

Mr. Stump established Mid Missouri Engineers, Inc (MMEI) in 1977. MMEI is a contract operations firm that provides complete operation, maintenance, and management to private utilities, water and sewer districts, and municipalities.

By 1983 MMEI had become the largest water and wastewater contract operations firm in Missouri. In 1991 Dr. Stump sold his interest in MMEI. MMEI's name was changed to Alliance Water Resources, and it remains a leader in water and wastewater contract operations in Missouri. MMEI had 75 employees at the time Dr. Stump sold his interest in the company. Facilities which MMEI operated and maintained under his direction include the following:

Clinton, Missouri water system	3,500 customers
Osceola, Missouri water system	400 customers
Lake Saint Louis, Missouri wastewater system	1,500 customers
O'Fallon, Missouri water and wastewater system	5,000 customers
Boone County Sewer District	2,300 customers

Binder Basin Sewer Company	300 customers
Saline Sewer Company	3,000 customers
Cape Girardeau water plant	30,000 customers
Holts Summit sewer	500 customers

1977-Present - Regulated Utility Owner

Since 1977, Dr. Stump and his wife have owned a major interest in regulated water and sewer systems in Missouri, Kansas, and Illinois. During this time he has provided engineering and management to each entity. This list includes 13 separate utility companies which provide water service, sewer service, or both to 18 separate cities or geographic areas. In general at any given time Dr. Stump has owned a major interest in and managed approximately four separate utility systems and spent approximately 25% of his time providing services to each facility.

These facilities are listed below by state:

Missouri:

Mid Missouri Sanitation	500 customers
Cedar Lake Sewer Company	300 customers
Clearview Sewer Company	250 customers
El Chaparral Sewer Company	400 customers
Prairie Meadows Sewer Company	50 customers
Crestview Sewer Company	400 customers
Saline Sewer Company ²	3,000 customers
Meadows Water Company ²	1,200 water customers 275 sewer customers
Ozark Shores Water Company ^{1,2}	1,500 customers
Lake Region Water and Sewer Company ^{1,2}	650 water customers 750 sewer customers

Kansas:

Central Kansas Utility Company serving:	
Great Bend water ²	5,000 customers
McCracken water ²	200 customers
Caldwell water ²	300 customers
Coldwater water ²	350 customers

Illinois:

North Suburban Public Utility ²	12,000 water customers 6,000 sewer customers
Tri County Utility serving:	
Tower Lakes water	150 customers
Twin Lakes water	300 customers
Fairhaven water ^{1,2}	80 customers

¹Currently own

²Common ownership with Schwermann family

In order to illustrate the services provided to utilities under Dr. Stump's direction, a brief summary of four utility operations are included below.

O'Fallon Municipal Water System

Client: City of O'Fallon, Missouri

Service Area: City of O'Fallon, Missouri

Service Period: January, 1984 to 2009

System Description:

- 5 deep wells, combined capacity 2.5 mgd

- 4 elevated storage tanks, 1.9 million gallons

- 60 miles distribution main

Customers Served: 4,500 connections

The complete services agreement provides total system operation and maintenance for potable water facilities serving the City of O'Fallon, Missouri. The City utility serves some 15,000 citizens or approximately 4,500 customer connections.

The complete service package includes responsibility for operation and maintenance of the City's five potable water wells, ion exchange softening treatment facilities, storage reservoirs, and distribution system. The system supplies approximately 1.5 mgd to City residents.

Additionally the contract services provide maintenance of the water distribution system and meters for all residents, new water and sewer tap inspections, and computer billing and collection of customer accounts for both the water and wastewater utilities at O'Fallon.

O'Fallon Municipal wastewater system

Client: City of O'Fallon, Missouri

Service Area: Regional Treatment Plant serving O'Fallon, Lake Saint Louis and unincorporated area

Service Period: 1983 to 2009

System Description:

- 5.5 mgd ABF treatment plant

- 11 sewage pumping stations

- 65 miles of sewer line

Customers Served: 8,000 connections (including wholesale customers)

Total population served by the treatment plant is approximately 22,000.

The service agreement with O'Fallon, Missouri, provides complete system operation and maintenance for sewer facilities serving the City and a substantial unincorporated area in the Belleau Creek watershed. MMEI, a partner in PeopleService, has furnished complete management services for the overall O'Fallon system since July, 1, 1983.

At the initiation of the contract, responsibilities included operation and maintenance of the City's three secondary treatment plants, eight waste stabilization ponds, eleven pumping stations, and the entire sewer collection system. In the spring of 1984, our company initiated start-up and operation of a new 5.5 mgd activated biofilter treatment facility which replaced all existing treatment facilities. The ABF facility represents state-of-the-art primary and secondary treatment technology. The facility currently treats a daily average flow of about 3.5 mgd from 8,000 customer connections.

Beyond operation and maintenance of facilities, contract services include computer billing and customer collection for the wastewater utility as well as the potable water utility.

The complete services contract provided for development and implementation of an extensive industrial pretreatment program for regulation of connected industrial facilities including a large micro-chip manufacturer. Staff responsibilities include development of pretreatment permits and discharge criteria, plant surveys and inspections, and routine monitoring and data evaluation.

Saline Sewer Company

Client: Saline Sewer Company

Service Area: Jefferson County, Missouri

Service Period: December, 1985 to 1987

System Description:

- 5 treatment plants, 1.2 mgd capacity

- 12 pumping stations

- 65 miles of sewer collection system

Customers Served: 4,600 connections

Saline Sewer Company is a publicly regulated private sewer company authorized to furnish sewer service in a 20-square-mile, unincorporated residential area south of St. Louis. Saline Sewer Company serves approximately 4,500 customer connections and operates 5 treatment facilities with a combined capacity in excess of 1.2 mgd.

We were called upon, in 1982, to perform a complete evaluation of the management, physical facilities, operability, design loadings, staffing, operating procedures and I/I investigations, including smoke testing, flow monitoring, and internal inspection. These efforts produced complete and comprehensive manuals for every aspect of utility management and operation specific to Saline's facilities.

In 1985, the Saline Sewer Company contracted with our firm to provide complete O & M services for the treatment plants, pumping stations, and collection systems, as well as computerized billing and collection and inspection of new construction and connections. In July of 1987, the responsibilities were expanded to include procurement of engineering services and project coordination on construction of a new plant and a 1.0 mgd expansion at an existing facility.

Prior to our involvement, this sewer company was the defendant in a 6-year lawsuit filed by the federal EPA and the State of Missouri, resulting in a \$1,000,000 fine and numerous compliance articles to continue operation. The contract management and operations services resulted in permit compliance, customer satisfaction, reliable performance of mechanical equipment, and adherence to State construction standards. As a result, an amended consent decree was signed in 1986 acknowledging the contract management effectiveness, reducing the penalty to \$100,000 for earlier violations, and allowing the utility to expand its facilities.

Henry County Water Company

Client: Henry County Water Company

Service Area: City of Clinton, Missouri

Service Period: November, 1983 to present

System Description:

1.4 mgd treatment plant

1.25 million gallons storage

Customers Served: 4,000 connections

The Henry County Water Company is a not-for-profit corporation formed to provide potable water service for the citizens of Clinton, Missouri. The management of the company is vested in a board of directors consisting of five members approved by the City of Clinton.

Management services include operation and maintenance of a 1.5 mgd water treatment plant consisting of flash mixing, flocculation, gravity filtration, and post chlorination. The staff is also responsible for operation, maintenance, and repair of the water distribution system as well as billing and collection for the 4,000+ customers.

A full-service agreement furnishes the entire administrative, operations, and maintenance staff for the water utility. Engineering and technical services provided as part of the full-service package include coordination and assisting the design consultant in design of major improvements, negotiating easements and land acquisition, evaluation and permitting a sludge disposal site, and preparation of contract documents for elevated storage painting.

Chart 1
Lake Region Water & Sewer Company
Accounting Cost For Lake Region Sized Utilities
Case NO. WR-2013-0461

	Lake Region 2012	Raytown Water 2012	Tri States Utility 2009*
Net Plant in Service	6,061,934	6,407,663	2,169,926
Revenue	978,515	1,955,511	985,936
Meters	652	6,400	3,482
non metered	652		
Annual Outside accounting cost	14,200	31,985	36,963
Total cost for senior accounting functions	14,200	31,985	36,963
Average cost, Raytown, Tri States	34,474		
Summers Consulting cost saving	20,274		

*Last full year of operations before Bankruptcy filing
Raytown water revenue is net of purchased water

Chart 2
Lake Region Water & Sewer Company
General Manager Cost Savings
Case NO. WT-2013-0461

Lake Region General Manager Consulting Cost Analysis

	Under new General Manager
Annual consulting fee	<u>(27,227)</u>
Cost to Lake Region w/o current mgr	
Accounting Costs	20,274
Rate Case Cost	12,333
Additional accounting staff	<u>17,500</u>
Subtotal	50,107
Additional cost Lake Region would incur if consulting services were not provided by current General Manager	<u>22,880</u>

Chart 3
 Lake Region Water & Sewer Company
 Lake Region Office Cost Savings over 2002
 Case NO. WT-2013-0461

Lake Region General Manager and office costs 2003 vs 2013

	2003	2013
General Manager Salary	62,400	28,666
General Manager Consulting	-	27,227
Subtotal	62,400	55,893
Office staff accounting	43,802	13,578
Office staff billing	14,997	13,956
Subtotal	58,799	27,534
Total cost	121,199	83,427
Current savings over 2003	37,772	