

Article 18: Utility Enterprise Fund FY17 Operating Budgets

2016 Annual Town Meeting

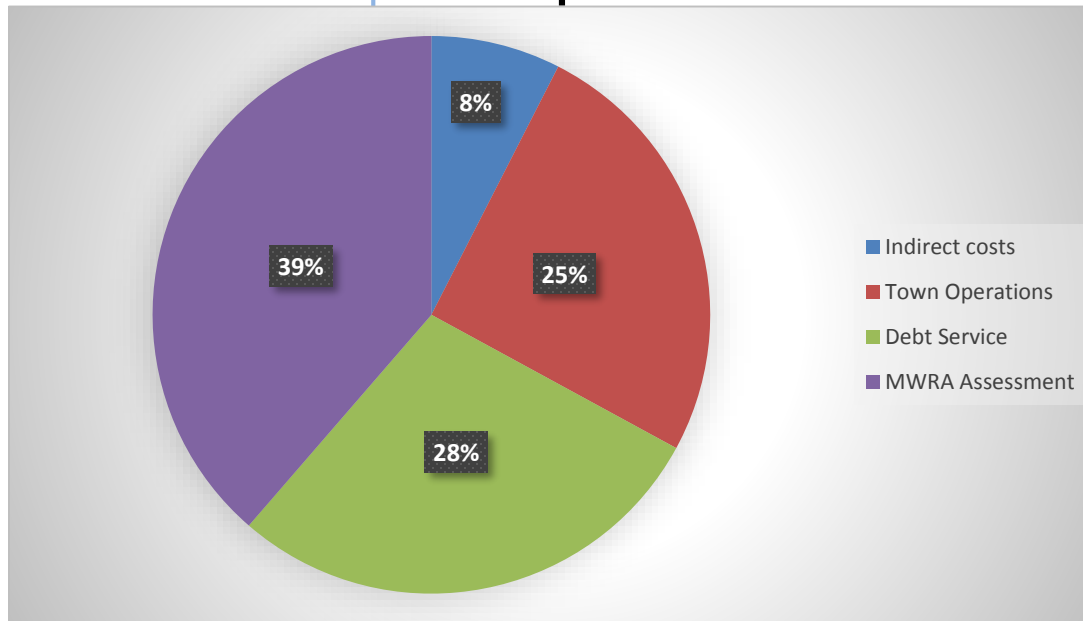
Utility Enterprise fund

- Combining Water and Sewer Enterprise Funds into one fund
 - Separate departments/same accounting and transparency
 - Still measuring each departments costs for rate setting
 - Eliminate splitting capital projects
 - Eliminate separate bond funds and reduce bonding costs
 - Reduce # of Town Meeting articles

Water Department FY17

FY17 Budget
Recommendation
\$21,200,697

- Total Increase: \$711,139 (3.47%)
- MWRA assessment: -\$51,864 (-.63%)
 - Indirect charge to GF: +\$46,442 (3%)
 - Debt Service: + \$583,095 (10.7%)
 - Operations costs: +133,466 (2.5%)



Sewer Department FY17

FY17 Budget
Recommendation
\$27,891,489

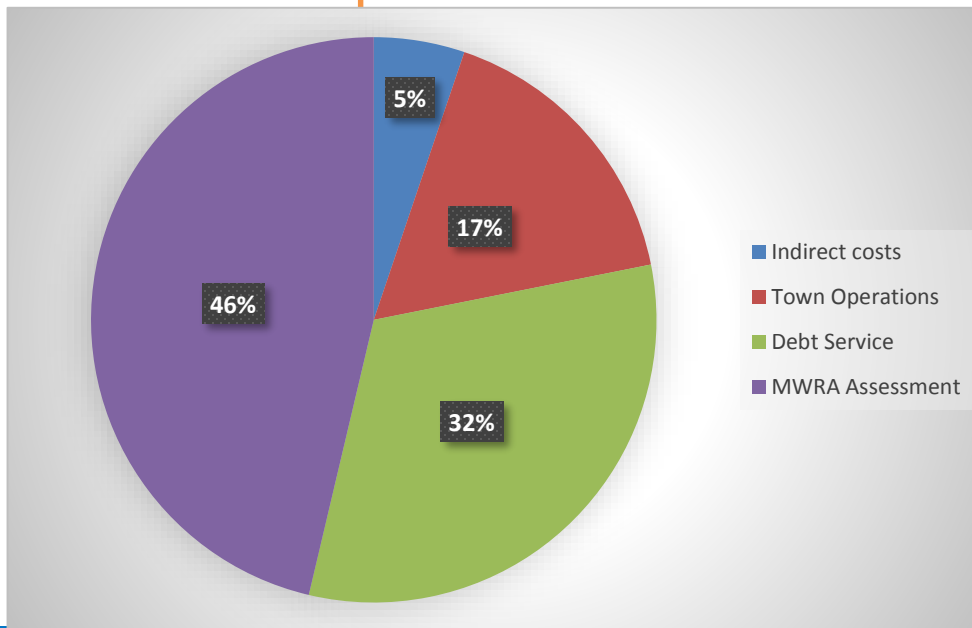
Total Increase: \$2.19M (8.5%)

MWRA assessment: +\$886,322 (7.4%)

Indirect charge to GF: +\$43,030 (3%)

Debt Service: + \$1.2M (15.9%)

Operations costs: +\$43,861 (.95%)



Debt Service Mitigation

- Review of existing authorized debt in conjunction with construction schedule to determine how much short term and long term borrowing needs to occur during FY17
 - Water Department A/U Debt Service = \$482,554
 - Sewer Department A/U Debt Service = \$695,753
 - Reducing these numbers directly reduces the budget and the increase in rates

Impact on Rates

- Using current budget and MWRA assessment
 - Water: 4% Sewer: 10%
 - Assumes no change to consumption
 - Will have to adjust consumption between tiers based on current measured consumption changes from last year but we are very close
- Use Retained earnings to mitigate increase in rates
 - FY15 certified retained earnings
 - Water Enterprise Fund: \$3.1 M
 - Sewer Enterprise Fund: \$2.7 M
 - Rate goal will \$100 or less increase for average family water/sewer bill