

Article 11

Responses to Water Analysis questions:

1. MWRA Assessment is projected to be \$4,882,255 but MWRA final assessment is \$4,860,987 or \$21,268 less. This data was available in February 2022. Why was the higher number used?

We typically include the final MWRA assessment if/when known, but it was not updated in the FY23 analysis. Whether the final FY22 assessment amount or the preliminary FY22 assessment was used, the rate plan recommendations would be the same. A difference of \$21,000 isn't enough to change the rate plans when the rate plans are set to try to recover over \$6 million in additional water revenue over the next five fiscal years.

2. We budgeted \$611,779 retained earnings as an appropriation yet it is not projected as a revenue for FY2022? Why?

Retained earnings is included in the FY22 Budgeted column as a funding source to close the anticipated revenue shortfall going into the fiscal year so the budget is balanced (reflected with \$0 on the Surplus/Deficit row). When projecting results for a fiscal year not yet completed (including FY22, in this case), we prefer to show the fund's surplus or deficit on the bottom line instead of including retained earnings needed to cover any deficit as a funding source on the Retained Earnings row. For FY22, we project a deficit of \$332,984 that will be funded out of retained earnings which is less than the appropriated amount of \$611,779.

3. Projected expenditures for FY22 were \$7,970,588 and this is identical to what was budgeted as expenditures for FY22. Why, after nearly 10 months in the fiscal year isn't there an accurate expenditure analysis or should we assume that projected expenditures match, to the dollar, what was budgeted?

We typically assume spending to budget in our analysis since the Town is authorized to do so. Historically, the Town comes close to spending the water budget in full. In FY 2021, with encumbrances included, the Town didn't spend about \$50,000 of the water budget. In FY 2020, with encumbrances included, the Town didn't spend about \$235,000 of the water budget, but this year was an abnormality because of the COVID pandemic's impact on operations and spending. In FY 2019, with encumbrances included, the Town didn't spend about \$150,000 of the water budget. Like with Question 1, assuming the FY22 budget will not be fully spent (say, by \$200,000) would not impact the rate plans presented.

4. "Other expenditures" for FY2022 is stated to be \$796,486. This is \$286,610 more than the previous year and far exceeds each of the previous 4 years by a similar amount. I would like to see an itemization of those expenditures before voting. Are we really going to see \$796,486 in other expenses in this fiscal year?

Each year, the budgeted amount for Other Expenses includes prior-year encumbrances. The following is the breakdown of the FY21 and FY22 budgeted expenses on the Other Expenses line, as well as actual expenditures for FY21 extracted from each of the budget documents previously provided.

FY 22 Other Expenses	ORIGINAL APPROP	CARRYOVER PY ENC	REVISED BUDGET
REP & MAINT VEHICLES	\$ 20,000	\$ 546	\$ 20,546
REP & MAINT COMMUNICATION EQ	\$ 500	\$ -	\$ 500
REP & MAINT FENCE & HOT-TOP	\$ 25,000	\$ 1,697	\$ 26,697
REP & MAINT METERS	\$ 50,000	\$ -	\$ 50,000
REP & MAINT WATER SYSTEM	\$ 455,000	\$ 152,323	\$ 607,323
PROF & TECH GENERAL	\$ 8,000	\$ 7,500	\$ 15,500
PROF & TECH LEGAL & LITIGATION	\$ 10,000	\$ -	\$ 10,000
PROF & TECH LAB ANALYSIS	\$ 18,000	\$ -	\$ 18,000
PROF & TECH ADVERTISING	\$ 1,350	\$ -	\$ 1,350
PROF & TECH TECHNOLOGY	\$ 10,000	\$ 874	\$ 10,874
SUPPLIES MOTOR FUEL & LUBE	\$ 25,000	\$ 9,195	\$ 34,195
OTHR EXP DUES & MEMBERSHIPS	\$ 1,500	\$ -	\$ 1,500
TOTAL Other Expenses	\$ 624,350	\$ 172,136	\$ 796,486

FY 21 Other Expenses	ORIGINAL APPROP	CARRYOVER PY ENC	REVISED BUDGET	YTD EXPENDED
REP & MAINT VEHICLES	\$ 20,000	\$ 262	\$ 20,262	\$ 18,081
REP & MAINT COMMUNICATION EQ	\$ 500	\$ -	\$ 500	\$ -
REP & MAINT FENCE & HOT-TOP	\$ 30,000	\$ -	\$ 30,000	\$ 42,751
REP & MAINT METERS	\$ 50,000	\$ -	\$ 50,000	\$ 20,501
REP & MAINT WATER SYSTEM	\$ 455,000	\$ 62,976	\$ 517,976	\$ 388,173
PROF & TECH GENERAL	\$ 8,000	\$ 2,000	\$ 10,000	\$ 13,100
PROF & TECH LEGAL & LITIGATION	\$ 10,000	\$ -	\$ 10,000	\$ -
PROF & TECH LAB ANALYSIS	\$ 18,000	\$ -	\$ 18,000	\$ 9,973
PROF & TECH ADVERTISING	\$ 1,350	\$ -	\$ 1,350	\$ -
PROF & TECH TECHNOLOGY	\$ 5,000	\$ -	\$ 5,000	\$ 8,101
SUPPLIES OFFICE	\$ 300	\$ -	\$ 300	\$ -
SUPPLIES MOTOR FUEL & LUBE	\$ 25,000	\$ 2,313	\$ 27,313	\$ 8,747
OTHR EXP DUES & MEMBERSHIPS	\$ 1,500	\$ -	\$ 1,500	\$ 250
TOTAL Other Expenses	\$ 624,650	\$ 67,551	\$ 692,201	\$ 509,676

The \$796,486 for FY22 Other Expenses includes the original appropriation of \$624,350 and the prior-year encumbrances of \$172,136. The FY21 Other Expenses original appropriation is \$300 higher than the FY22 Other Expenses original appropriation. The FY23 Other Expenses original appropriation is \$635,350. To date the amount of \$448,839 has been expended from the FY22 budget in this category.