

TOWN OF SAUGUS



SEWER ENTERPRISE FUND

INDIRECT COST CALCULATION

FISCAL YEAR 2019

May 2018

Town of Saugus Sewer Enterprise Indirect Cost Allocation

Area	Suggested Methodology
DPW Support	
Administration	Sewer Salaries and Operating Expenses / Total DPW Salaries and Operating Expenses
Engineering	Sewer Salaries and Operating Expenses / Sewer, Water, and Highway Budgets
Motor Pool	Number of Sewer Vehicles Maintained / Total Vehicles Maintained (Excluding Police/Fire/Emergency)
Highway	Normally this is not an "Indirect"; it would be on the basis of direct charge; charge back to Enterprise If/when these staff provide sewer system services their time should be "Directly" Charged
Forestry	Normally this is not an "Indirect"; it would be on the basis of direct charge; charge back to Enterprise
Parks	Normally this is not an "Indirect"; it would be on the basis of direct charge; charge back to Enterprise
Other Support	
Personal Services:	
Town Manager	Sewer Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses
Accounting	Sewer Salaries and Operating Expenses/ Total Townwide Salaries and Operating Expenses (so includes school dept) (so includes school department)
Treasurer (Collector)	Sewer Revenue / Total Committed Revenues: (MVX, Tax, and Sewer)
Inspectional Services	Normally this is not an "Indirect"; it would be on the basis of direct charge; charge back to Enterprise
Board of Selectmen	Sewer Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses

Town of Saugus Sewer Enterprise Indirect Cost Allocation

Area	Suggested Methodology
Expenses of:	
Town Manager	Sewer Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses
Accounting	Sewer Salaries and Operating Expenses / Total Townwide Salaries and Operating Expenses (so includes school dept)
Treasurer (Collector)	Sewer Revenue / Total Committed Revenues: (MVX, Tax, and Sewer)
Inspectional Services	Normally this is not an "Indirect"; it would be on the basis of direct charge; charge back to Enterprise
Board of Selectmen	Sewer Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses
Finance Committee	Sewer Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses
Legal and Information Technology	Sewer Wages and Operating Expenses / Municipal Wages and Operating Expenses
Property/Casualty Insurance	Actual Documentation provided by Exchange Insurance Inc.
Employee Benefits	
Health Insurance	All employees (direct or Indirect); Get Actual Health Plan (Family or Single) and Town Rate/Share
Medicare	Do calc based on actual employees (and 1.45 post 1986 hires)
Worker's Compensation	Based on actual employees and specific comp rates
Life Insurance	Based on actual employees and specific/actual rates
Retirement	Ideally actuarial method at department level, if it exists in last Saugus Retirement System Actuarial Valuation

A. Fiscal Year 2019 Sewer Utility Indirect Cost Allocations

I. Benefit Costs of Sewer Utility Personnel

Name of Employee	Wage	Health Insurance	Insurance	Life Insurance	Medicare	Workers Comp	Retirement Assessment	Total Benefits by Employee	Total Allocation	FY 18 Amount	Increase (Decrease)	Increase (Decrease) %
	\$ 68,064		\$ 9,568	\$ 58	\$ -	\$ 1,681	\$ 25,747	\$ 37,055	\$ 33,416			
	\$ 59,093		\$ 25,097	\$ 58	\$ 857	\$ 1,460	\$ 22,354	\$ 49,825	\$ 46,088			
	\$ 57,235		\$ 25,097	\$ 58	\$ 830	\$ 1,414	\$ 21,651	\$ 49,050	\$ 45,396			
	\$ 38,728		\$ 8,741	\$ 58	\$ 545	\$ 929	\$ 14,223	\$ 24,496	\$ 35,462			
	\$ 26,940		\$ 12,549	\$ 58	\$ 391	\$ 22	\$ 10,191	\$ 23,210	\$ 21,512			
Subtotal - Sewer Employee Benefits									\$ 183,636	\$ 181,873	\$ 1,763	0.97%

II. Central Service Departments/Units

	Wages	Benefits	Expenses	Total	Allocation %	Total Allocable to Sewer Ent by Dept.	FY18 Amount	Increase (Decrease)	Increase (Decrease) %
Accounting			\$ 150,750	\$ 150,750	4.22%	\$ 6,360			
Town Accountant	\$ 84,406	\$ 58,376		\$ 142,782	4.22%	\$ 6,024			
Accounts Payable Position	\$ 55,029	\$ 31,285		\$ 86,314	6.21%	\$ 5,359			
Payroll Clerk	\$ 58,000	\$ 47,983		\$ 105,983	1.75%	\$ 1,855			
Accounting Manager	\$ 67,092	\$ 51,561		\$ 118,653	4.22%	\$ 5,006	\$ 23,699	\$ 906	3.82%
Treasury/Collection	\$ 259,963	\$ 187,350	\$ 109,500	\$ 556,813	5.55%	\$ 30,926	\$ 27,362	\$ 3,564	13.03%
Human Resources	\$ 143,350	\$ 88,073	\$ 17,500	\$ 248,923	0.76%	\$ 1,882	\$ 1,755	\$ 127	7.21%
Purchasing	\$ 125,000	\$ 94,978	\$ 7,500	\$ 227,478	6.21%	\$ 14,124	\$ 4,348	\$ 9,776	224.83%
MIS	\$ 103,000	\$ -	\$ 229,000	\$ 332,000	4.22%	\$ 14,008	\$ 13,917	\$ 91	0.65%
Legal	\$ 59,482	\$ 48,508	\$ 291,500	\$ 399,490	4.22%	\$ 16,855	\$ 16,296	\$ 559	3.43%
Town Manager	\$ 430,211	\$ 263,178	\$ 342,700	\$ 1,036,089	4.22%	\$ 43,715	\$ 32,542	\$ 11,173	34.33%
Board of Selectmen	\$ 48,651	\$ -	\$ 6,075	\$ 54,726	4.22%	\$ 2,309	\$ 2,214	\$ 95	4.29%
Finance Committee	\$ 5,000	\$ -	\$ -	\$ 5,000	4.22%	\$ 211	\$ 221	\$ (10)	-4.54%
DPW Directors	\$ 301,375	\$ 220,941	\$ 10,090	\$ 532,406	28.90%	\$ 153,891	\$ 165,450	\$ (11,559)	-6.99%
Engineering	\$ 80,000	\$ 59,130	\$ 7,700	\$ 146,830	36.78%	\$ 53,997	\$ 50,809	\$ 3,188	6.27%
Motor Pool	\$ 66,185	\$ 50,539	\$ -	\$ 116,724	4.05%	\$ 4,732	\$ 4,439	\$ 293	6.60%
Total	\$ 1,886,744	\$ 1,201,900	\$ 1,172,315	\$ 4,260,959					
Subtotal - Central Service Costs						\$ 361,255	\$ 343,052	\$ 18,203	5.31%

III. Other Support/ Related Costs:

Automobile Insurance	Sewer Vehicles - 3 vehicles 3 of 129 vehicles	\$ 173,480	\$ 1,345			\$ 4,034	\$ 3,650	\$ 384	10.53%
Property Insurance	Sewer Pump Stations Portion of DPW Building	\$ 221,839	4.6%	\$ 10,305	66%	\$ 6,801	\$ 5,425	\$ 1,376	25.37%
					34%	\$ 1,752	\$ 1,397	\$ 355	25.40%
Postage/Printing	PKS Associates	\$ 14,999	1/2 allocated to Sewer			\$ 7,500	\$ 3,500	\$ 4,000	114.28%
Lockbox	Eastern Bank	\$ 2,000	1/2 allocated to Sewer			\$ 1,000	\$ 2,000	\$ (1,000)	-50.00%
Meter Reading Software	Itron	\$ 4,845	1/2 allocated to Sewer			\$ 2,423	\$ 1,500	\$ 923	61.50%
Subtotal - Other Support Costs						\$ 23,510	\$ 17,472	\$ 6,038	34.56%

TOTAL SEWER INDIRECT COSTS	\$ 568,401	\$ 542,397	\$ 26,004	4.79%
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B. Sewer Utility

Basis for Allocations:	Calculation:	FISCAL YEAR 2019	%
Accounting:			
Accountant and Account Manager	Sewer Wages and Operating Expense	\$1,138,889	
	Municipal Wages and Operating Expense	\$26,992,806	4.22%
Accounts Payable Position	Sewer Direct Operating Expenses	\$815,076	
	Total Municipal and School Direct Operating Expenses	\$13,127,654	6.21%
Payroll Position	Sewer Wages	\$323,813	
	Total Municipal Wages	\$18,501,192	1.75%
Treasurer/Collector	Sewer Revenue (FY18 Budgeted)	\$4,001,993	
	Total Committed Revenue (FY 18 Budgeted: Sewer/Property Tax & 17 Estimate: MVX)	\$72,053,583	5.55%
Human Resources	Sewer Wages	\$323,813	
	Total Municipal and School Wages	\$42,840,402	0.76%
Purchasing	Sewer Direct Operating Expenses	\$815,076	
	Total Municipal and School Operating Expenses	\$13,127,654	6.21%
Legal and Info Technology	Sewer Wages and Operating Expense	\$1,138,889	
	Municipal Wages and Operating Expense	\$26,992,806	4.22%
Town Manager	Sewer Wages and Operating Expense	\$1,138,889	
	Municipal Wages and Operating Expense	\$26,992,806	4.22%
Board of Selectmen	Sewer Wages and Operating Expense	\$1,138,889	
	Municipal Wages and Operating Expense	\$26,992,806	4.22%
DPW Directors	Sewer Wages and Operating Expense	\$1,138,889	
	All DPW Dept. Wages and Operating Expense	\$3,940,132	28.90%
Engineering	Sewer Wages and Operating Expenses	\$1,138,889	
	Sewer, Water and Highway Budgets	\$3,096,888	36.8%
Motor Pool	Number of Sewer Vehicles	3	
	Total Number of Vehicles Maintained (Excluding Public Safety)	74	4.05%

C. Fiscal Year 2019 Sewer Utility - Detailed Benefits Calculations

I. All Benefits Allocated for Direct Utility Staff:

Division/Unit	Name of Employee	Title/Note	Health Insurance Plan	Wage	Health Insurance	Life Insurance	Medicare	Workers Comp	Retirement Assessment	Total Benefits	Division/Unit Total Benefits
Sewer		Foreman		\$ 68,064	\$ 9,568	\$ 58	\$ -	\$ 1,681	\$ 25,747	\$ 37,055	
		Operator		\$ 59,093	\$ 25,097	\$ 58	\$ 857	\$ 1,460	\$ 22,354	\$ 49,825	
		Operator		\$ 57,235	\$ 25,097	\$ 58	\$ 830	\$ 1,414	\$ 21,651	\$ 49,050	
		I & I Fog Inspector (80%)		\$ 37,600	\$ 8,741	\$ 58	\$ 545	\$ 929	\$ 14,223	\$ 24,496	
		Billing Coordinator		\$ 26,940	\$ 12,549	\$ 58	\$ 391	\$ 22	\$ 10,191	\$ 23,210	
Subtotal - Sewer Employee Benefits											\$ 183,636

II. Benefits Allocated based on method stated for each unit/division:

Division/Unit	Name of Employee	Title/Note	Health Insurance Plan	Wage	Health Insurance	Life Insurance	Medicare	Workers Comp	Retirement Assessment	Total Benefits	Division/Unit Total Benefits
Accounting		Town Accountant		\$ 84,406	\$ 25,097	\$ 58	\$ 1,224	\$ 68	\$ 31,929	\$ 58,376	
		Accounting Manager		\$ 67,092	\$ 25,097	\$ 58	\$ 973	\$ 54	\$ 25,380	\$ 51,561	
		Principal Clerk		\$ 55,029	\$ 9,568	\$ 58	\$ 798	\$ 44	\$ 20,816	\$ 31,285	
		Payroll Clerk		\$ 58,000	\$ 25,097	\$ 58	\$ 841	\$ 46	\$ 21,940	\$ 47,983	\$ 189,205
Treas/Collection		Finance Director & T/Collector		\$ 107,011	\$ 25,097	\$ 58	\$ 1,552	\$ 86	\$ 40,480	\$ 67,273	
		Assistant Collector		\$ 57,407	\$ 25,097	\$ 58	\$ 832	\$ 46	\$ 21,716	\$ 47,749	
		Principal Clerk		\$ 48,131	\$ 9,568	\$ -	\$ 698	\$ 39	\$ 18,207	\$ 28,511	
		Principal Clerk		\$ 47,414	\$ 25,097	\$ 58	\$ 688	\$ 38	\$ 17,936	\$ 43,816	\$ 187,350
Human Resources		Human Resource Director		\$ 85,000	\$ 22,832	\$ 58	\$ 1,233	\$ 68	\$ 32,154	\$ 56,344	
		HR Benefits Administrator		\$ 58,350	\$ 8,705	\$ 58	\$ 846	\$ 47	\$ 22,073	\$ 31,728	\$ 88,073
Purchasing		Purchasing Assistant		\$ 75,000	\$ 22,832	\$ 58	\$ 1,088	\$ 60	\$ 28,371	\$ 52,409	
		Assistant Purchasing Agent		\$ 50,000	\$ 22,832	\$ 58	\$ 725	\$ 40	\$ 18,914	\$ 42,569	\$ 94,978
Legal		Town Counsel		\$ 59,482	\$ 25,097	\$ -	\$ 862	\$ 48	\$ 22,501	\$ 48,508	\$ 48,508
Town Manager		Town Manager		\$ 168,225	\$ 25,097	\$ 58	\$ 2,439	\$ 135	\$ 63,636	\$ 91,365	
		Chief Administrative Aide		\$ 63,654	\$ 25,097	\$ 58	\$ 923	\$ 51	\$ 24,079	\$ 50,208	
		Economic Develop Coordinator		\$ 82,400	\$ 25,097	\$ 58	\$ 1,195	\$ 66	\$ 31,170	\$ 57,586	
		Economic Planner		\$ 65,776	\$ 8,705	\$ 58	\$ 954	\$ 53	\$ 24,882	\$ 34,651	
		Administrative Aide		\$ 50,156	\$ 9,568	\$ 58	\$ 727	\$ 40	\$ 18,973	\$ 29,367	\$ 263,178
MIS		MIS Director		\$ 103,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DPW Directors		Director		\$ 125,094	\$ 22,832	\$ -	\$ 1,814	\$ 3,990	\$ 47,321	\$ 75,957	
		Assistant Director		\$ 77,250	\$ 22,832	\$ 58	\$ 1,120	\$ 2,464	\$ 29,222	\$ 55,697	
		Principal Clerk		\$ 50,000	\$ 25,097	\$ 58	\$ 725	\$ 40	\$ 18,914	\$ 44,834	
		Principal Clerk		\$ 49,031	\$ 25,097	\$ 58	\$ 711	\$ 39	\$ 18,547	\$ 44,453	\$ 220,941

C. Fiscal Year 2019 Sewer Utility - Detailed Benefits Calculations

II. Benefits Allocated based on method stated for each unit/division:

Division/Unit	Name of Employee	Title/Note	Health Insurance Plan	Wage	Health Insurance	Life Insurance	Medicare	Workers Comp	Retirement Assessment	Total Benefits	Division/Unit
Engineering		Engineer		\$ 80,000	\$ 25,097	\$ 58	\$ 1,160	\$ 2,552	\$ 30,262	\$ 59,130	Engineering
Motor Pool		Foreman		\$ 61,585	\$ 25,097	\$ 58	\$ 893	\$ 1,195	\$ 23,296	\$ 50,539	Motor Pool
Subtotal - Central Service Employee Benefits										\$ 1,201,900	