



TOWN OF SAUGUS

WATER ENTERPRISE FUND

INDIRECT COST CALCULATION

FISCAL YEAR 2019

May 2018

Town of Saugus Water Enterprise Indirect Cost Allocation

Area	Suggested Methodology
DPW Support	
Administration	Water Salaries and Operating Expenses / Total DPW Salaries and Operating Expenses
Engineering	Water Salaries and Operating Expenses / Sewer, Water, and Highway Budgets
Motor Pool	Number of Water Vehicles Maintained / Total Vehicles Maintained
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 water 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	Water Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses
Accounting	Water Salaries and Operating Expenses / Total Townwide Salaries and Operating Expenses (so includes school department)
Treasurer (Collector)	Water Revenue / Total Committed Revenues: (MVX, Tax, and Water)
Inspectional Services	Normally this is not an "Indirect"; it would be on the basis of direct charge; charge back to Enterprise
Board of Selectmen	Water Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses

Town of Saugus Water Enterprise Indirect Cost Allocation

Area

Suggested Methodology

Expenses of:

Town Manager	Water Salaries and Operating Expenses / Total Municipal Salaries and Operating Expense
Accounting	Water Salaries and Operating Expenses / Total Townwide Salaries and Op. Exp (so includes school dept)
Treasurer (Collector)	Water Revenue/Total Committed Revenues: (MVX, Tax, and Water)
Inspectional Services	Normally this is not an "Indirect"; it would be on the basis of direct charge; charge back to Enterprise
Board of Selectmen	Water Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses
Finance Committee	Water Salaries and Operating Expenses / Total Municipal Salaries and Operating Expenses
Legal and Information Technology	Water Salaries and Operating Expenses / Total Municipal Salaries 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 calculation based on actual employees (and 1.45 post 1986 hires)
Worker's Compensation	Based on actual employees and specific worker's compensation 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

A. Fiscal Year 2019 Water Utility Indirect Cost Allocations

1. Benefit Costs of Water Utility Personnel

Staff	Health Insurance			Life Insurance	Workers Compensation		Retirement Assessment	Total Benefits by Employee		FY 18 Amount	Increase (Decrease) Amt	Increase (Decrease) %
	Wages	Plan	Insurance		Medicare	Compensation		Employee	Total Allocation			
	\$ 64,717	\$	25,331	\$ 58	\$ 938	\$ 2,064	\$ 24,481	\$	52,873			
	\$ 54,508	\$	25,331	\$ 58	\$ 790	\$ 1,739	\$ 20,619	\$	48,538			
	\$ 54,508	\$	-	\$ -	\$ 790	\$ 1,739	\$ 20,619	\$	23,148			
	\$ 50,782	\$	25,331	\$ 58	\$ 736	\$ 1,620	\$ 19,210	\$	46,955			
	\$ 26,940	\$	12,666	\$ 29	\$ 391	\$ 22	\$ 10,191	\$	23,298			

II. Central Service Departments/Units

	Wages		Benefits	Expenses		Total	Allocation %	Total Allocable to Water Ent by Dept.		FY 18 Amount	Increase (Decrease) Amt	Increase (Decrease) %			
Accounting															
Town Accountant	\$	84,406	\$	58,376	\$	150,750	3.27%	\$	4,922						
Accounts Payable Position	\$	55,029	\$	31,284	\$	142,782	3.27%	\$	4,662						
Payroll Clerk	\$	58,000	\$	47,983	\$	86,313	4.04%	\$	3,485						
Accounting Manager	\$	67,092	\$	51,561	\$	105,983	1.71%	\$	1,813						
						\$	3.27%	\$	3,874	\$	17,167	\$	1,590	9.26%	
Treasury/Collection	\$	259,963	\$	187,350	\$	109,500	8.72%	\$	48,580	\$	42,238	\$	6,342	15.02%	
Human Resources	\$	143,350	\$	88,072	\$	17,500	0.75%	\$	1,870	\$	1,784	\$	86	4.85%	
Purchasing	\$	125,000	\$	94,977	\$	7,500	4.04%	\$	9,185	\$	2,698	\$	6,487	240.45%	
MIS	\$	103,000	\$	-	\$	229,000	3.27%	\$	10,841	\$	10,180	\$	661	6.49%	
Legal	\$	59,482	\$	48,508	\$	291,500	3.27%	\$	13,045	\$	11,920	\$	1,125	9.43%	
Town Manager	\$	430,211	\$	263,177	\$	342,700	3.27%	\$	33,832	\$	23,803	\$	10,029	42.13%	
Board of Selectmen	\$	48,651	\$	-	\$	6,075	3.27%	\$	1,787	\$	1,619	\$	168	10.38%	
Finance Committee	\$	5,000	\$	-	\$	-	3.27%	\$	163	\$	162	\$	1	0.78%	
DPW/Directors	\$	301,375	\$	220,940	\$	10,090	22.35%	\$	119,007	\$	121,021	\$	(2,014)	-1.66%	
Engineering	\$	80,000	\$	59,129	\$	7,700	28.4%	\$	41,757	\$	37,165	\$	4,592	12.36%	
Motor Pool	\$	66,185	\$	50,539	\$	-	6.76%	\$	7,887	\$	7,398	\$	489	6.61%	
Total	\$1,886,744		\$1,201,896		\$1,172,315			Subtotal - Central Service Costs	\$	306,711	\$	277,155	\$	29,556	10.66%

II. Other Support/ Related Costs:

[illegible]

B. Water Utility - Central Service Department/Units - Allocation % calculation

Basis for Allocations:		Fiscal Year 2019	Allocation %
Calculation:			
Accounting:	Water Wages and Operating Expense	\$ 880,726	3.27%
	Municipal Wages and Operating Expense	\$ 26,972,087	
	Water Direct Operating Expenses	\$ 564,650	4.04%
	Total Municipal and School Direct Operating Expenses	\$ 13,983,654	
	Water Wages	\$ 316,076	1.71%
	Total Municipal Wages	\$ 18,480,473	
Treasurer/Collector	Water Revenue (FY18 Budgeted)	\$ 6,504,844	8.72%
	Total Committed Revenue (FY18 budgeted: Water, Property tax, MVX)	\$ 74,556,434	
Human Resources	Water Wages	\$ 316,076	0.75%
	Total Municipal and School Wages	\$ 42,063,683	
Purchasing	Water Direct Operating Expenses	\$ 564,650	4.04%
	Total Municipal and School Operating Expenses	\$ 13,983,654	
Legal and Info Technology	Water Wages and Operating Expense	\$ 880,726	3.27%
	Municipal Wages and Operating Expense	\$ 26,972,087	
Town Manager	Water Wages and Operating Expense	\$ 880,726	3.27%
	Municipal Wages and Operating Expense	\$ 26,972,087	

Basis for Allocations:		Calculation:	Fiscal Year 2019	Allocation %
Board of Selectmen	Water Wages and Operating Expense		\$ 880,726	3.27%
	Municipal Wages and Operating Expense		\$ 26,972,087	
DPW Directors	Water Wages and Operating Expense		\$ 880,726	22.35%
	All DPW Dept. Wages and Operating Expense		\$ 3,940,132	
Engineering	Water Wages and Operating Expenses		\$ 880,726	28.4%
	Sewer, Water and Highway Budgets		\$ 3,096,888	
Motor Pool	Number of Water Vehicles		\$ 5	6.76%
	Total Number of Vehicles Maintained		\$ 74	

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 Benefit
Water	Foreman		\$ 64,717	\$ 25,331	\$ 58	\$ 938	\$ 2,064	\$ 24,481	\$ 52,873		
	Operator		\$ 54,508	\$ 25,331	\$ 58	\$ 790	\$ 1,739	\$ 20,619	\$ 48,538		
	Operator		\$ 54,508	\$ -	\$ -	\$ 790	\$ 1,739	\$ 20,619	\$ 23,148		
	Meter Tech/Reader		\$ 50,782	\$ 25,331	\$ 58	\$ 736	\$ 1,620	\$ 19,210	\$ 46,955		
	Billing Coordinator		\$ 26,940	\$ 12,666	\$ 29	\$ 391	\$ 22	\$ 10,191	\$ 23,298		
Subtotal - Water Employee Benefits										\$ 194,813	

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 Benefit
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	\$ 31,284	
	Payroll Clerk				\$ 58,000	\$ 25,097	\$ 58	\$ 841	\$ 46	\$ 21,940	\$ 47,983	\$ 189,204
Treasury/Collection	Finance Director &T/Coll				\$ 107,011	\$ 25,097	\$ 58	\$ 1,552	\$ 86	\$ 40,480	\$ 67,273	
	Asst. Collector				\$ 57,407	\$ 25,097	\$ 58	\$ 832	\$ 46	\$ 21,716	\$ 47,749	
	Principal Clerk				\$ 48,131	\$ 9,568	\$ -	\$ 698	\$ 39	\$ 18,207	\$ 28,512	
	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	\$ 88,072
Purchasing	Purchasing/Accounting Manager				\$ 75,000	\$ 22,832	\$ 58	\$ 1,088	\$ 60	\$ 28,371	\$ 52,408	
	Assistant Purchasing Agent				\$ 50,000	\$ 22,832	\$ 58	\$ 725	\$ 40	\$ 18,914	\$ 42,569	\$ 94,977
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	
	Econ Dev 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	
	Clerk				\$ 50,156	\$ 9,568	\$ 58	\$ 727	\$ 40	\$ 18,973	\$ 29,367	\$ 263,177
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	\$ 55,696	
	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	\$ 220,940

C. Fiscal Year 2019 Water 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 Total Benefit
Engineering		Engineer			\$ 80,000	\$ 25,097	\$ 58	\$ 1,160	\$ 2,552	\$ 30,262	\$ 59,129	\$ 59,129
Motor Pool		Foreman			\$ 61,585	\$ 25,097	\$ 58	\$ 893	\$ 1,195	\$ 23,296	\$ 50,539	\$ 50,539
									Subtotal - Central Service Employee Benefits		\$ 1,201,896	\$ 1,201,896