

TOWN OF SAUGUS
FISCAL YEAR 2019 WATER RATE ANALYSIS
BASELINE - NO INCREASE

Description	Budgeted FY 2018	Projected FY 2018	Budgeted FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Comments
Revenues								
Water User Charges	\$ 6,504,844	\$ 6,144,836	\$ 6,144,836	\$ 6,144,836	\$ 6,144,836	\$ 6,144,836	\$ 6,144,836	FY 18 actuals + carryovers from past years; assume level for baseline
Water Liens on User Charges	-	298,280	298,280	298,280	298,280	298,280	298,280	Five-year average from FY13-FY17; assume level
Interest on User Charges	-	28,117	28,117	28,117	28,117	28,117	28,117	Five-year average from FY13-FY17; assume level
Penalty on User Charges	-	14,351	14,351	14,351	14,351	14,351	14,351	Five-year average from FY13-FY17; assume level
Non-User Charges Fees	-	28,317	28,317	28,317	28,317	28,317	28,317	Five-year average from FY13-FY17; assume level
Miscellaneous Charges	-	13,631	13,631	13,631	13,631	13,631	13,631	Five-year average from FY13-FY17; assume level
Water Liens on Fees	-	5,367	5,367	5,367	5,367	5,367	5,367	Five-year average from FY13-FY17; assume level
Water Liens on Interest	-	32,662	32,662	32,662	32,662	32,662	32,662	Five-year average from FY13-FY17; assume level
Total Revenues	\$ 6,504,844	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	
Available Funds								
Retained Earnings Planned								Retained Earnings used to balance the budget
Total Revenues / Available Funds	\$ 6,504,844	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	\$ 6,565,561	
Expenditures								
Salaries	\$ 322,886	\$ 322,886	\$ 336,795	\$ 345,215	\$ 353,845	\$ 362,691	\$ 371,759	FY19 number is from Budget; 2.5% increase yearly
Other Expenses	4,578,139	4,578,139	4,639,650	4,813,943	4,994,982	5,183,032	5,378,369	FY19 number budgeted; 4% incr. yearly MWRA assmnt; 2% other exp.
Capital Outlay	85,000	85,000	85,000	85,000	85,000	85,000	85,000	FY19 number is from Budget; budget number carried forward
Existing Debt Service	972,310	972,310	975,065	796,312	701,837	692,862	601,012	FY19 from Budget; rest from "Existing Debt Service" tab
New Debt Service	-	-	-	308,395	543,345	745,446	743,090	See "New Debt Service" tab; Debt projections based on capital plan
Short Term Debt	10,000	10,000	10,000	50,000	50,000	50,000	50,000	FY19 from Budget; FY20 on a higher amount due to likely increases in int. rates
Indirect Costs	472,509	472,509	533,052	546,378	560,038	574,039	588,390	FY19 from Budget; increase 2.5% yearly
Funding of OPEB	64,000	64,000	41,856	42,902	43,975	45,074	46,201	FY19 from Budget; increase 2.5% yearly
Total Expenditures	\$ 6,504,844	\$ 6,504,844	\$ 6,621,418	\$ 6,988,145	\$ 7,333,021	\$ 7,738,144	\$ 7,863,820	
Excess (Deficit) of Revenues and Available Funds > Expenditures	\$ 0	\$ 60,717	\$ (55,857)	\$ (422,584)	\$ (767,460)	\$ (1,172,583)	\$ (1,298,259)	
Retained Earnings Projections								
Certified Retained Earnings June 30, 2017		\$ 1,618,086						
Retained Earnings at Start of the FY Listed			\$ 1,678,803	\$ 1,622,946	\$ 1,200,362	\$ 432,902	\$ (739,681)	
Surplus/(Deficit) Current FY		\$ 60,717	\$ (55,857)	\$ (422,584)	\$ (767,460)	\$ (1,172,583)	\$ (1,298,259)	
Projected Retained Earnings at End of FY		\$ 1,678,803	\$ 1,622,946	\$ 1,200,362	\$ 432,902	\$ (739,681)	\$ (2,037,940)	
Retained Earnings as % of Oper. Budget		25.81%	24.51%	17.18%	5.90%	-9.56%	-25.92%	
Numbers may be off due to rounding								

TOWN OF SAUGUS
FISCAL YEAR 2019 WATER RATE ANALYSIS
3.5% RATE INCREASE

Description	Budgeted FY 2018	Projected FY 2018	Budgeted FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Comments
Revenues			3.50%	3.50%	3.50%	3.50%	3.50%	Rate increases
Water User Charges	\$ 6,504,844	\$ 6,144,836	\$ 6,359,905	\$ 6,582,502	\$ 6,812,889	\$ 7,051,340	\$ 7,298,137	FY 18 actuals + carryovers from past years;
Water Liens on User Charges	-	298,280	298,280	298,280	298,280	298,280	298,280	rate increases mean higher user charges;
Interest on User Charges	-	28,117	28,117	28,117	28,117	28,117	28,117	Five-year average from FY13-FY17; assume level
Penalty on User Charges	-	14,351	14,351	14,351	14,351	14,351	14,351	Five-year average from FY13-FY17; assume level
Non-User Charges Fees	-	28,317	28,317	28,317	28,317	28,317	28,317	Five-year average from FY13-FY17; assume level
Miscellaneous Charges	-	13,631	13,631	13,631	13,631	13,631	13,631	Five-year average from FY13-FY17; assume level
Water Liens on Fees	-	5,367	5,367	5,367	5,367	5,367	5,367	Five-year average from FY13-FY17; assume level
Water Liens on Interest	-	32,662	32,662	32,662	32,662	32,662	32,662	Five-year average from FY13-FY17; assume level
Total Revenues	\$ 6,504,844	\$ 6,565,561	\$ 6,780,630	\$ 7,003,227	\$ 7,233,614	\$ 7,472,066	\$ 7,718,862	
Available Funds								
Retained Earnings Planned								Retained Earnings used to balance the budget
Total Revenues / Available Funds	\$ 6,504,844	\$ 6,565,561	\$ 6,780,630	\$ 7,003,227	\$ 7,233,614	\$ 7,472,066	\$ 7,718,862	
Expenditures								
Salaries	\$ 322,886	\$ 322,886	\$ 336,795	\$ 345,215	\$ 353,845	\$ 362,691	\$ 371,759	FY19 number is from Budget; 2.5% increase yearly
Other Expenses	4,578,139	4,578,139	4,639,650	4,813,943	4,994,982	5,183,032	5,378,369	FY19 number budgeted; 4% incr. yearly MWRA assmnt; 2% other exp.
Capital Outlay	85,000	85,000	85,000	85,000	85,000	85,000	85,000	FY19 number is from Budget; budget number carried forward
Existing Debt Service	972,310	972,310	975,065	796,312	701,837	692,862	601,012	FY19 from Budget; rest from "Existing Debt Service" tab
New Debt Service	-	-	-	308,395	543,345	745,446	743,090	See "New Debt Service" tab; Debt projections based on capital plan
Short Term Debt	10,000	10,000	10,000	50,000	50,000	50,000	50,000	FY19 from Budget; FY20 on a higher amount due to likely increases in int. rates
Indirect Costs	472,509	472,509	533,052	546,378	560,038	574,039	588,390	FY19 from Budget; increase 2.5% yearly
Funding of OPEB	64,000	64,000	41,856	42,902	43,975	45,074	46,201	FY19 from Budget; increase 2.5% yearly
Total Expenditures	\$ 6,504,844	\$ 6,504,844	\$ 6,621,418	\$ 6,988,145	\$ 7,333,021	\$ 7,738,144	\$ 7,863,820	
Excess (Deficit) of Revenues and Available Funds > Expenditures	\$ 0	\$ 60,717	\$ 159,212	\$ 15,082	\$ (99,407)	\$ (266,078)	\$ (144,958)	
Retained Earnings Projections								
Certified Retained Earnings June 30, 2017		\$ 1,618,086						
Retained Earnings at Start of the FY Listed			\$ 1,678,803	\$ 1,838,015	\$ 1,853,097	\$ 1,753,691	\$ 1,487,612	
Surplus/(Deficit) Current FY	\$ 60,717	\$ 159,212	\$ 15,082	\$ 15,082	\$ (99,407)	\$ (266,078)	\$ (144,958)	
Projected Retained Earnings at End of FY	\$ 1,678,803	\$ 1,838,015	\$ 1,853,097	\$ 1,753,691	\$ 1,487,612	\$ 1,342,654		
Retained Earnings as % of Oper. Budget	25.81%	27.76%	26.52%	23.91%	19.22%	17.07%		
Numbers may be off due to rounding								

TOWN OF SAUGUS
FISCAL YEAR 2019 WATER RATE ANALYSIS
3.0% RATE INCREASE

Description	Budgeted FY 2018	Projected FY 2018	Budgeted FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Comments
Revenues			3.00%	3.00%	3.00%	3.00%	3.00%	Rate increases
Water User Charges	\$ 6,504,844	\$ 6,144,836	\$ 6,329,181	\$ 6,519,056	\$ 6,714,628	\$ 6,916,067	\$ 7,123,549	FY 18 actuals + carryovers from past years;
Water Liens on User Charges	-	298,280	298,280	298,280	298,280	298,280	298,280	rate increases mean higher user charges
Interest on User Charges	-	28,117	28,117	28,117	28,117	28,117	28,117	Five-year average from FY13-FY17; assume level
Penalty on User Charges	-	14,351	14,351	14,351	14,351	14,351	14,351	Five-year average from FY13-FY17; assume level
Non-User Charges Fees	-	28,317	28,317	28,317	28,317	28,317	28,317	Five-year average from FY13-FY17; assume level
Miscellaneous Charges	-	13,631	13,631	13,631	13,631	13,631	13,631	Five-year average from FY13-FY17; assume level
Water Liens on Fees	-	5,367	5,367	5,367	5,367	5,367	5,367	Five-year average from FY13-FY17; assume level
Water Liens on Interest	-	32,662	32,662	32,662	32,662	32,662	32,662	Five-year average from FY13-FY17; assume level
Total Revenues	\$ 6,504,844	\$ 6,565,561	\$ 6,749,906	\$ 6,939,781	\$ 7,135,353	\$ 7,336,792	\$ 7,544,274	
Available Funds								
Retained Earnings Planned								Retained Earnings used to balance the budget
Total Revenues / Available Funds	\$ 6,504,844	\$ 6,565,561	\$ 6,749,906	\$ 6,939,781	\$ 7,135,353	\$ 7,336,792	\$ 7,544,274	
Expenditures								
Salaries	\$ 322,886	\$ 322,886	\$ 336,795	\$ 345,215	\$ 353,845	\$ 362,691	\$ 371,759	FY19 number is from Budget; 2.5% increase yearly
Other Expenses	4,578,139	4,578,139	4,639,650	4,813,943	4,994,982	5,183,032	5,378,369	FY19 number budgeted; 4% incr. yearly MWRA assmnt; 2% other exp.
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Indirect Costs	472,509	472,509	533,052	546,378	560,038	574,039	588,390	FY19 from Budget; increase 2.5% yearly
Funding of OPEB	64,000	64,000	41,856	42,902	43,975	45,074	46,201	FY19 from Budget; increase 2.5% yearly
Total Expenditures	\$ 6,504,844	\$ 6,504,844	\$ 6,621,418	\$ 6,988,145	\$ 7,333,021	\$ 7,738,144	\$ 7,863,820	
Excess (Deficit) of Revenues and Available Funds > Expenditures	\$ 0	\$ 60,717	\$ 128,488	\$ (48,363)	\$ (197,668)	\$ (401,352)	\$ (319,546)	
Retained Earnings Projections								
Certified Retained Earnings June 30, 2017		\$ 1,618,086						
Retained Earnings at Start of the FY Listed			\$ 1,678,803	\$ 1,807,291	\$ 1,758,928	\$ 1,561,260	\$ 1,159,908	
Surplus/(Deficit) Current FY		\$ 60,717	\$ 128,488	\$ (48,363)	\$ (197,668)	\$ (401,352)	\$ (319,546)	
Projected Retained Earnings at End of FY		\$ 1,678,803	\$ 1,807,291	\$ 1,758,928	\$ 1,561,260	\$ 1,159,908	\$ 840,361	
Retained Earnings as % of Oper. Budget		25.81%	27.29%	25.17%	21.29%	14.99%	10.69%	
Numbers may be off due to rounding								

TOWN OF SAUGUS PROPOSED WATER CAPITAL IMPROVEMENTS - FISCAL YEAR 2019

PROPOSED WATER ENTERPRISE FUND PROJECTS

CC#	Description		Priority	FY2017	FY2018	FY2019	FY2020	FY2021	Total
DPW-23	Replace Truck 604 (compressor truck)	Borrowed	1	\$ 120,000.00					\$ 120,000.00
DPW-22	Replace Truck 603 - w/ Utility Truck	Borrowed	1	\$ 90,000.00					\$ 90,000.00
DPW-27	Water Main Replacements	Borrowed \$250k	1	\$ 250,000.00		\$ 3,000,000.00	\$ 2,000,000.00	\$ 1,100,000.00	\$ 6,350,000.00
DPW-18	Replace 3 Trench dewatering pumps		3				\$ 8,000.00		\$ 8,000.00
DPW-26	New Mini Excavator		3				\$ 20,000.00	\$ 20,000.00	\$ 40,000.00
DPW-20	Replace Truck No 634		4				\$ 60,000.00		\$ 60,000.00
DPW-25	Replace Truck 620 (5 ton dump truck)		5					\$ 190,000.00	\$ 190,000.00
NEW	Water meter replacement program						\$ 1,500,000.00		\$ 1,500,000.00
Sub-Total				\$ 460,000.00	\$ -	\$ 3,000,000.00	\$ 3,588,000.00	\$ 1,310,000.00	\$ 8,238,000.00

A portion of this to be funded through the MWRA or Mass Drinking Water Trust

Changed from \$3m to the total presented below, per Wendy's notes

DPW-27 Debt service issued to date is on the most recent long-term debt service schedule.
 \$1,324,200 to be authorized at Town Meeting in May 2018 from MWRA
 \$1,284,746 previously authorized from MWRA
 \$500,000 previously authorized from Non-MWRA totals \$3m to be issued in FY19 debt service in FY20

FY19 MWRA Amt \$ 2,608,946.00
 FY19 Non-MWRA Amt \$ 500,000.00

This program is \$3m total, but is split 50%, 50% with sewer.

All MWRA debt is 0% interest payable over 10 years

Assume 4.5% interest payable over 20 years