STATUS OF MWRA BUDGETS THROUGH DECEMBER 1992[1]

FY93 Current Expense Budget

Spending during the first half of fiscal year 1993 totaled $158.9 million, or 97.6% of the $162.9 million budgeted for the period. All of the $4 million variance is the result of less than budgeted direct expense spending.

- *Regular pay* is $2 million under budget. This is somewhat offset by spending for interns and temporary help that is $424,000 greater than budgeted. The Authority is working to consolidate the number of authorized positions from a high of 1,790 down to 1,751. As of the end of December, authorized positions had been reduced to 1,766 with another 183 positions vacant. Health insurance spending accounts for another $266,000 in less than budgeted accruals.

- *Overtime* is now $286,000 greater than budget, much of it coming in November and December when the Authority faced several big storms and water system repair emergencies.

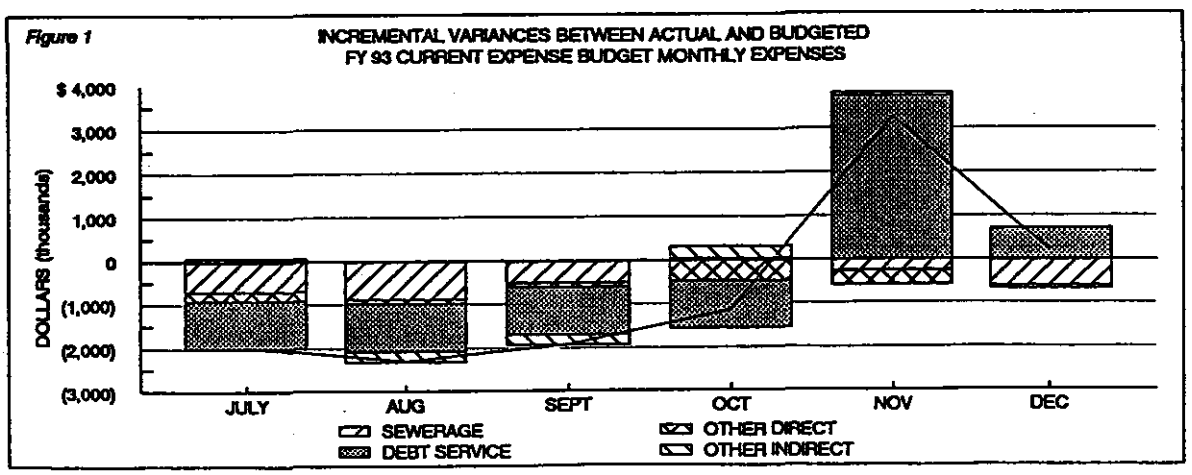
- *Sodium hypochlorite* accruals are now virtually on budget.

- *Utility expense* at Deer Island is now nearly $800,000 under budget, due primarily to continued use of the diesel engines and methane mixture to meet energy needs, as compared to the budgeted amounts which reflect the possible requirement of using more expensive electric energy supplied by the cross harbor cable.

- *Maintenance* spending throughout the Authority is more than $750,000 less than budget. Most of this under spending is at Deer Island and Nut Island, and is partially offset by greater than budgeted spending in the Waterworks Operations Department for emergency repairs.

- *Pelletizing plant* accruals, when combined with treated polymer and utility expenses, are virtually on budget.

Indirect expenses match budgeted amounts since the Authority decided in November to accrue the MDC debt payments. Accrual of some initial payments associated with the recent debt refunding accounts for $141,000 over budget for revenue bonds. The Authority expects a considerable surplus, however, by year's end.



[1] Prepared for the MWRA Advisory Board Meeting January 21, 1993.

FY93 Capital Improvement Program

Accrued spending for the first half of the fiscal year totaled $235.97 million. According to the Authority's revised (but not formally adopted) fiscal year 1993 Capital Improvement Program (CIP) budget, accrued spending during the first six months resulted in a $66.75 million (or 22%) under budget variance.

This $66.75 million variance between actual accruals and revised projections results primarily from continued delays in bringing the tunnel boring machine (TBM) up to full production speed, which is currently $38.1 million under budget.

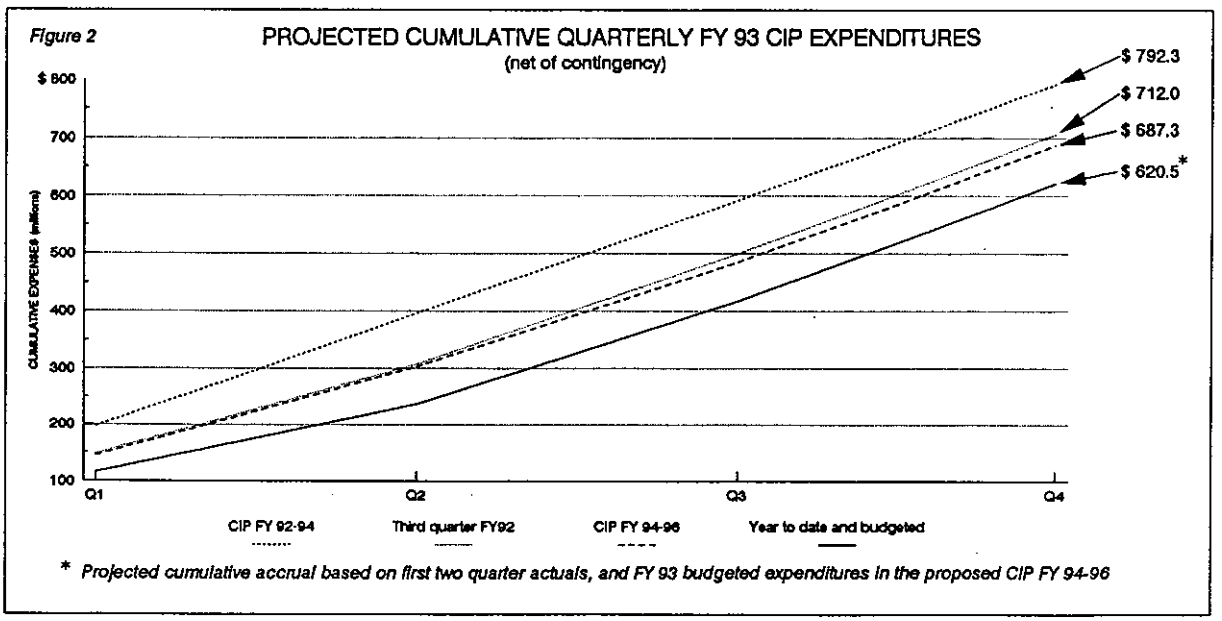
The following Boston Harbor projects contributed an under budget variance of $50.61 million:

- the *Inter-Island Tunnel* - $10.2 million
- the *Disinfectant Facility/Hydroelectric Plant* - nearly $27 million
- the *Deer Island Power Plant* - $13.4 million.

Construction Fund Balance

The balance on the Construction Fund as of early January was $518.6 million, much higher than had been expected by this time. The Authority's latest projections of FY93 accruals, assumed in the FY94-96 CIP, estimated spending for the second half of this year at $384.5 million. If the Authority spends all of this amount, there could be $134 million left in the Construction Fund as of July 1, the start of FY94.

Figure 2



* *Projected cumulative accrual based on first two quarter actuals, and FY 93 budgeted expenditures in the proposed CIP FY 94-96*