



# STATUS OF MWRA BUDGETS

*through August 1994*

## FY95 Current Expense Budget

Accrued spending through August 1994 reached \$56.2 million, or 97% of the \$58.3 million budgeted for the period.

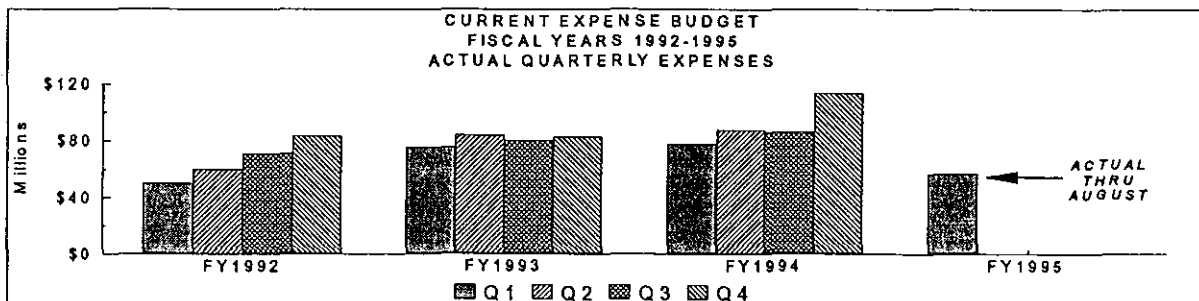
Direct Expenses totaled \$25.3 million, just over the \$25.1 million budgeted for the two-month period. (It should be noted that the August accounting period was six weeks long and extended to September 3rd, slightly longer than the period assumed for much of the budgeted numbers.) Half the spending, or \$12.6 million, is for *Wages and Salaries*. The Authority began the fiscal year with 1,884 authorized positions, an increase of 43 positions (primarily to support the start up of the new Deer Island plant) from the FY94 year end staffing level of 1,841. During the year, the Authority plans to continue to streamline operations and eliminate 30 positions; 4 have already been eliminated. Through August, 1,687 positions were filled and 193 vacant (of which 35 are budgeted to be filled after August).

Spending on *Overtime* was nearly \$0.9 million, or 29% greater than the amount budgeted for the period. The Authority reports that much of the overage was due to additional maintenance at Deer Island, and to the breakdown of two pumps at the Braintree-Weymouth pump station. The other major over budget variance was for *Fringe Benefits*, the result of accounting differences which should be reconciled in the next month's variance report.

The second largest category of direct expense spending is *Other Services*, including the New England Fertilizer Company costs of sludge pelletization. Costs of this service (not including utility and chemical costs) came to \$1.5 million for the first two months of the year, 10% below the amount budgeted. Both unit prices and tonnages were below budgeted amounts.

Chemicals spending is 10% below budget, and reflects less than budgeted spending for sodium hypochlorite and chlorine. The Authority anticipates, however, that price and use of these disinfectants will be increasing during the fiscal year, and that actual expenses are underaccrued.

Indirect Expenses came to \$31.3 million, nearly 6% under the \$33.2 million budgeted for the two-month period. Much of the variance is due to the later than budgeted timing of the most recent borrowing, which took place in early August. Sizing and costs of the borrowing were also lower than budgeted levels, resulting in lower debt service payments. *Insurance expense*, with accruals at just over \$250,000 instead of the \$65,000 budgeted, appear over budget but reflects an earlier than budgeted billing; by the next month, accruals should more closely match the budgeted amounts.



## FY95 Capital Improvement Program

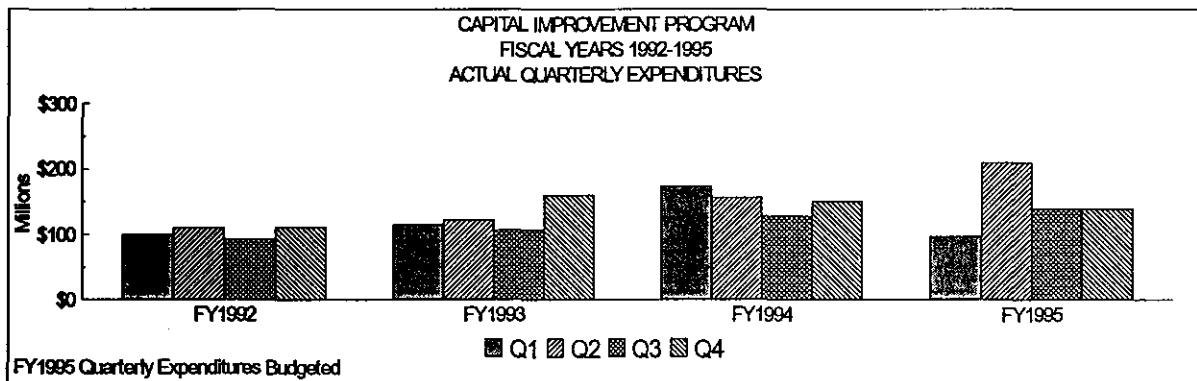
Accrued spending for the first two months of the fiscal year came to \$97.1 million, 13% below the \$111.9 million budgeted for the period. Accruals for the month of August (a six-week accounting period) reached \$59.4 million, 6% over the nearly \$56 million budgeted.

Spending on the *Boston Harbor Project* continued to dominate the capital program, at \$88.4 million or 91% of all capital spending for the year to date. The primary reason for the variance was the shut down of drilling in the long outfall tunnel while new and more extensive conditions to reduce fire and safety hazards were negotiated following the fire in the shorter inter-island tunnel in June. Both tunnel projects started up again in early September. Delays in spending for the Nut Island Headworks project, back-up power plant, primary clarifiers C and D, and secondary clarifier B have been offset by greater than budgeted accruals for late site preparation, secondary reactor batteries A and B, and the inter-island tunnel (reflecting a payment for additional costs incurred before the fire due to unexpectedly high groundwater levels in the tunnel).

Spending on the *New Neponset Valley Relief* and *Wellesley Extension Replacement* sewer projects accounted for most of the rest of the \$6.4 million accrued for other wastewater projects. Wastewater projects accounted for 98% of all capital spending for the two-month period.

## Construction Fund Balance

The Construction Fund balance at the end of the August accounting period stood at \$232 million, up from the \$130 million as of the end of the July period. Disbursements (on a cash basis) for the month were \$49.3 million, while receipts included \$136.4 million of bond proceeds following the early August borrowing. The Authority has budgeted spending of \$258.1 million from September through December 1994.



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