



# STATUS OF MWRA BUDGETS

## *FY1994 Year-End Summary*

Prepared for the September 15, 1994 meeting of the MWRA Advisory Board

<b>FISCAL YEAR 1994 YEAR-END EXPENDITURES CAPITAL IMPROVEMENT PROGRAM</b>				
	BUDGET	ACTUAL EXPENDITURES	VARIANCE	%
<b>WASTEWATER</b>				
INTERCEPTION & PUMPING	\$44,670	\$13,869	(\$30,801)	-69.0%
TREATMENT	670,854	558,253	(112,601)	-16.8%
RESIDUAL'S	14,938	3,267	(11,671)	-78.1%
CSO'S	4,510	3,705	(805)	-17.8%
OTHER	12,550	10,486	(2,064)	-16.4%
<b>SUBTOTAL</b>	<u>\$747,522</u>	<u>\$589,580</u>	<u>(\$157,942)</u>	<u>-21.1%</u>
<b>WATERWORKS</b>				
SUPPLY & TREATMENT	\$2,012	\$2,450	\$438	21.8%
TRANSMISSION	3,969	4,522	553	13.9%
DISTRIBUTION & PUMPING	14,582	7,194	(7,388)	-50.7%
OTHER	7,809	3,995	(3,814)	-48.8%
<b>SUBTOTAL</b>	<u>\$28,372</u>	<u>\$18,161</u>	<u>(\$10,211)</u>	<u>-36.0%</u>
<b>ADMINISTRATION</b>				
EQUIPMENT	\$625	\$0	(\$625)	-100.0%
BUILDINGS	261	11	(250)	-95.8%
OTHER	6,436	313	(6,123)	-95.1%
<b>SUBTOTAL</b>	<u>\$7,322</u>	<u>\$324</u>	<u>(\$6,998)</u>	<u>-95.6%</u>
<b>TOTAL</b>	<u><u>\$783,216</u></u>	<u><u>\$608,065</u></u>	<u><u>(\$175,151)</u></u>	<u><u>-22.4%</u></u>

### **FY94 Capital Improvement Program**

The Authority ended FY94 with spending at \$608.1 million, fully \$100 million more than spending just the year before, but \$175 million less than the \$783.2 million budgeted, for a 22% variance. Over \$110 million (or nearly 2/3) of the variance came from underspending on the Boston Harbor Project, the product of ambitious budget projections and the severe weather last winter which slowed down construction considerably.

The Authority spent \$13.9 million on interceptor repair projects, less than one-third of (or \$30.8 million below) the \$44.7 million budgeted. Most of the variance is due to delays in spending on the New Neponset, Wellesley, and Framingham sewer projects.

Waterworks project spending reached \$18.2 million, one-third less than the \$28.4 million budgeted, primarily due to delayed pipeline projects, including the southern service improvements and Heath Hill projects. Delays associated with the Spot Pond pump station rehabilitation project also contributed to the lower than budgeted spending.

**FISCAL YEAR 1994 YEAR-END REVENUE AND EXPENSE SUMMARY  
CURRENT EXPENSE BUDGET**

EXPENSES	REVISED BUDGET	ACTUAL	VARIANCE
<i>Wages &amp; Salaries</i>	\$68,893,637	\$67,637,873	(\$1,255,764)
<i>Overtime</i>	3,398,926	3,722,089	323,163
<i>Fringe Benefits</i>	9,237,681	9,430,372	192,691
<i>Workers Comp</i>	1,635,000	1,517,691	(117,309)
<i>Chemicals</i>	6,879,399	7,371,197	491,798
<i>Utilities</i>	9,849,577	8,555,085	(1,294,492)
<i>Ongoing Maintenance</i>	13,114,973	12,307,311	(807,662)
<i>Training &amp; Meetings</i>	842,953	413,383	(429,570)
<i>Professional Services</i>	8,555,687	7,242,353	(1,313,334)
<i>Other Materials</i>	4,098,405	4,217,198	118,793
<i>Other Services</i>	18,923,909	18,478,342	(445,567)
<b>Subtotal Direct Expenses</b>	<b>\$145,430,147</b>	<b>\$140,892,894</b>	<b>(\$4,537,253)</b>
<i>Insurance</i>	\$2,415,850	\$2,251,998	(163,852)
<i>Reimbursements</i>	12,988,770	11,092,638	(1,896,132)
<i>Debt Service</i>	190,424,965	188,230,888	(2,194,077)
<i>Other</i>	6,611,987	5,310,425	(1,301,562)
<i>Mitigation</i>	6,070,000	6,668,301	598,301
<i>Additions to Reserves</i>	8,884,000	9,383,998	499,998
<b>Subtotal Indirect Expenses</b>	<b>\$227,395,572</b>	<b>\$222,938,248</b>	<b>(\$4,457,324)</b>
<b>TOTAL CURRENT EXPENSES</b>	<b>\$372,825,719</b>	<b>\$363,831,142</b>	<b>(\$8,994,577)</b>
<b>REVENUE</b>			
<i>Rate Revenue</i>	\$304,358,791	\$304,358,781	(\$10)
<i>Late Charges</i>	40,000	20,350	(19,650)
<i>Permit Fees</i>	500,000	1,585,527	1,085,527
<i>Other User Charges</i>	1,360,586	1,535,690	175,104
<i>Fees</i>	360,852	360,852	0
<i>Penalties</i>	375,000	858,239	483,239
<i>Payments from the Commonwealth</i>	902,500	866,475	(36,025)
<i>Miscellaneous</i>	275,000	497,630	222,630
<i>Rate Stabilization</i>	13,000,000	13,000,000	0
<i>Profit/Loss on Disposal of Equipment</i>	0	42,046	42,046
<i>Operating Grant (TRAC)</i>	230,000	120,680	(109,320)
<i>Commonwealth Debt Service Assistance</i>	20,000,000	19,009,850	(990,150)
<i>Interest Income (Including SWAP)</i>	31,423,000	36,504,242	5,081,242
<b>TOTAL REVENUE</b>	<b>\$372,825,729</b>	<b>\$378,760,362</b>	<b>\$5,934,633</b>
<b>REVENUE LESS EXPENSES VARIANCE</b>	<b>\$10</b>	<b>\$14,929,220</b>	<b>\$14,929,210</b>

**FY94 CURRENT EXPENSE BUDGET**

Direct expenses reached \$140.9 million, close to the \$145.4 million budgeted. The \$4.5 million variance was due largely to delays in the Dorchester Corridor valve replacement program, less than planned spending pending Waterworks Division reorganization, and lower than budgeted utility prices. Under budget spending due to delays in Deer Island plant start-up were partially offset by greater than planned overtime spending (much of it linked to the severe winter weather) and higher prices and greater use of sodium hypochlorite.

The severe winter weather contributed significantly to lower than planned capital spending, which, in turn, resulted in less and later capital borrowing. In addition, revenue was \$5.9 million more than budgeted, including \$5.1 million in interest income.