



STATUS OF MWRA BUDGETS

FY2001 through October 2000

Focus on the FY01 Current Expense Budget

For the first four months of the fiscal year, spending came to \$141.58 million, nearly \$4.7 million or 3.2% below the \$146.26 million budgeted. By way of comparison, total current expenses for the same four-month period in 1998 was \$147.2 million. **Direct Expense** spending reached \$59.37 million, nearly 5% or \$3.04 million below the \$62.4 million budgeted for the four-month period. **Indirect Expense** accruals were \$82.2 million, just 2% (\$1.64 million) below the \$83.85 million budgeted.

For the month of October, spending totaled \$33.37 million or 5.1% (\$1.79 million) less than the \$35.16 million budgeted. **Direct Expense** spending was \$13.99 million, 5.2% (\$0.76 million) below the \$14.75 million budgeted. **Indirect Expense** accruals were \$19.39 million or 5.0% (\$1.03 million) below the \$20.4 million budgeted for the month.

The largest contributors to the year to date variance were lower than budgeted Maintenance spending of \$1.38 million and lower than budgeted debt service expense, also of \$1.38 million. Personnel costs (including Wages and Salaries, Overtime, Fringe Benefits, and Workers' Compensation) totaled \$32.94 million or 3.9% (\$1.325 million) below the budgeted amounts. Personnel spending remains 55.5% of all direct expense spending.

Year to Date Expenditures - Through October 2000			
	YTD FY99	YTD FY00	YTD FY01
			FY01 Budget
DIRECT EXPENSES			
Wages and Salaries	\$26,439,023	\$29,566,839	\$28,197,474
Overtime	1,430,840	1,350,211	1,154,461
Fringe Benefits	3,154,908	3,234,380	3,386,973
Workers' Compensation	393,690	563,803	201,132
Chemicals	3,316,247	3,060,579	3,315,462
Energy & Utilities	7,508,379	7,503,973	6,536,504
Maintenance	5,186,384	4,416,214	4,712,538
Training & Meetings	79,672	145,433	121,471
Professional Services	1,868,078	1,773,615	1,912,338
Other Materials	1,173,809	1,267,955	1,282,750
Other Services	8,628,942	8,137,930	8,547,109
Total Direct Expenses	\$59,179,972	\$61,020,932	\$59,368,212
INDIRECT EXPENSES			
Insurance	\$326,549	\$245,838	\$289,087
Watershed/PILOT	5,644,000	6,138,000	6,698,458
Capital Financing	76,837,149	67,713,747	71,158,617
BECo Payment	2,006,288	1,997,336	1,808,008
Mitigation	1,626,653	1,655,700	1,413,941
Additions to Reserves	444,000	446,000	0
Retirement Fund	1,123,198	987,062	845,163
Total Indirect Expenses	\$88,007,837	\$79,183,683	\$82,213,274
Total Current Expenses	\$147,187,809	\$140,204,615	\$141,581,486
			\$437,393,188

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Spending on **Wages and Salaries** through the month of October was \$28.2 million, 3.2% (\$0.92 million) below the \$29.12 million budgeted. The number of authorized positions fell by 62 to 1,751 as the Authority implemented previously announced plans to tighten the number of positions (and to correct for discrepancies in the monthly personnel report). As of the end of October, filled positions numbered 1,589 (as compared to 1,601 at the end of September) and vacant positions 162 (as compared to 210 a month ago). The total number of authorized positions is now 139 less than at the end of the first quarter of FY98, three years ago.

Overtime spending through the first third of the year was \$1.15 million, or 9.2% below the \$1.27 million budgeted. The Authority has been working to reduce the use of Overtime in several areas, most notably in the Transport and Deer Island departments where two-thirds of the \$116,560 variance was achieved. Overtime spending was also \$32,000 below budget for Waterworks Operations.

Spending on **Chemicals** came to \$3.315 million through October. While the year to date figure is just 1% below the budgeted amount, spending for the month of October was 17% below budgeted amounts, as spending on polymer and sodium hypochlorite declined. The award of a new sodium hypochlorite supply contract for Deer Island in recent weeks is expected to contribute to a widening of this variance as the year progresses. Use of this chemical will also continue to be below budgeted amounts, with the earlier than budgeted opening of the effluent outfall tunnel (allowing reduced chemical use due to the longer contact time in the 9-mile tunnel).

Utilities spending was \$6.5 million, or 11% below the \$7.35 million budgeted. Progress in utilizing methane gas at the Deer Island thermal/power plant has resulted in reduced use of diesel fuel, for lower spending of \$255,000. Use of the new processing facilities at the pelletizing plant (and continued production of sludge cake) has also contributed to lower use of natural gas.

Lower than budgeted spending on **Maintenance** resulted from continued reduction of excess inventory, delays of several projects (including the Everett pipeline rehabilitation project and the installation of the K Street meter, both to move forward in the coming months), and changing schedules for some Deer Island and Residuals maintenance work.

Other Services spending reached \$8.5 million or 6.4% (\$0.5 million) greater than the \$8.0 million budgeted for the year to date. Contributing to the variance were \$0.25 million in FY00 costs for grit and screenings removal that were charged to this year's budget, and greater than budgeted landfill use charges for sludge cake disposal due to pellet plant capacity constraints during the extended construction period.

Indirect Expenses came to \$82.2 million, or \$1.64 million (2%) less than the \$83.85 million budgeted for the period. **Debt service** expense was responsible for most of the underspending, due primarily to the timing of the recent fall borrowing (two months later than budgeted). Capital financing (net of state debt service assistance) is 48.5% of the full year budget. Accruals for the **insurance program**, **pension expense**, and the **HEEC charge** (for costs associated with the provision of electricity to Deer Island through the cross harbor cable) all were under budget for the month and for the year to date.