

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, NOVEMBER 23, 2009

Present: Ald. Coletti (Chair), Freedman, Gentile, Lennon, Johnson, Schnipper, Salvucci and Parker

Also Present: Alderman elect Crossley and Blazar

City Staff: David Turocy, Deputy Commissioner Public Works; Ryan Ferrara, Chief of Budget Public Works; Karen Griffey, Director of Administration Public Works; Craig Manseau, Executive Secretary Election Commission; Tom Daley, Commissioner Public Works; Susan Burstein, Chief Budget Officer and David Wilkinson, Comptroller

#368-09      ALD. BAKER, LENNON AND COLETTI pursuant to Sec. 2-7 of the City Charter, recommending the re-appointment of David C. Wilkinson as Comptroller of Accounts; said term will be two years or until a successor is duly qualified.  
[10/27/09 @ 9:39 AM]

**ACTION:**      **APPROVED 7-0 (Ald. Salvucci not voting)**

**NOTE:**      David Wilkinson, Comptroller joined the Committee for discussion on this item.

Mr. Wilkinson stated he will be pleased to continue serving as Comptroller for the City, if re-appointed. He said he will truly miss working with Aldermen Coletti and Parker and hopes they will remain active in the City.

Mr. Wilkinson stated the single most important issue is for the auditors to complete their work. The auditors expressed their concerns and are continuing their work, which is preventing their final report. The auditors continue their work in the Treasury Department on Cash Reconciliations and they would like to work with the Public Works Department regarding their billing problems from last year and the interest rate charged. He indicated the City's financial system will improve once the auditors complete their work. Mr. Wilkinson anticipates the auditors' financial statements will be issued in mid to late December.

Tentatively, on December 14 the auditors are scheduled to join the Finance Sub-Committee to provide Committee members with an update and to discuss the management letter and any issues that may remain outstanding.

The Committee was pleased to recommend approval of the re- appointment of David Wilkinson as Comptroller of Accounts. Committee members thanked him for his efforts to keep the City's accounts in good order as well as providing detailed reports as required and/or requested on various projects. The Committee looks forward working with Mr. Wilkinson for another term.

Without hesitation, Ald. Parker made the motion for approval and the Committee voted in favor

7-0, Ald. Salvucci not voting.

#207-07(4) ALD. COLETTI proposing that the city's Financial Management Guidelines adopted under board order #207-07 be amended to allow the adjustment of self-funded health insurance plan rates in the event that rates and any accumulated excess resources not meet actual resource requirements. [7-2-08 @ 12:12 PM]

**ACTION:** **REFERRED TO 2010-2011 BOARD 8-0**

#207-07(2) ALD. COLETTI proposing that the city's Financial Management Guidelines adopted under board order #207-07 be amended, effective FY10, as follows:  
 (A) total resources devoted to all forms of employee compensation shall not exceed the estimated growth in total general fund revenue for the following fiscal year;  
 (B) funds for salary and wage adjustments shall not exceed the difference between total estimated revenue growth and resources needed to fund growth in health/dental and life insurance benefits and growth in the actuarial required contribution for the city's retirement system for each fiscal year;  
 (C) if collective bargaining contracts are not resolved at the time of budget submission, funds budgeted for such contracts shall be held in "municipal and compensation" reserve. [7-2-08 @ 12:12 PM]

**ACTION:** **REFERRED TO 2010-2011 BOARD 8-0**

#386-09 HIS HONOR THE MAYOR requesting to transfer one thousand eight hundred twenty-one dollars and nine cents (\$1,821.09) from office equipment maintenance to equipment purchase in the Police Department to buy out a lease on a copy machine. [11/10/09 @ 5:57 PM]

**ACTION:** **APPROVED 7-0 (Ald. Johnson not voting)**

**NOTE:** Without discussion, Ald. Gentile made the motion for approval and the Committee voted in favor 7-0, Ald. Johnson not voting.

**REFERRED TO PROGRAM & SERVICES AND FINANCE COMMITTEES**

#387-09 HIS HONOR THE MAYOR requesting to appropriate and expend one hundred twenty-nine thousand, eight hundred dollars (\$129,800) from Budget Reserve for the costs related to the special state elections in December and January. [11/10/09 @ 5:57 PM]

**PROGRAM & SERVICES APPROVED 5-0 on 11-18-09**

**ACTION:** **APPROVED 7-0 (Ald. Johnson not voting)**

**NOTE:** Craig Manseau, Executive Secretary Election Commission joined the Committee for discussion on this item.

Mr. Manseau stated the reason he is asking for this appropriation is to perform two Special Elections in the City to fill the Senator in Congress seat for Massachusetts in the United States Senate. The elections are scheduled for December 8, 2009 and January 19, 2010. Mr. Manseau indicated the reason why the upcoming projected special election cost is approximately \$16,000

less than the special local election of May 2008 is because local elections require the Election Commission to purchase ballots and provide the voters with a mailer at a combined cost of approximately \$16,000. In these elections, the Secretary of the Commonwealth's Office will provide the ballots and the mailer is not required.

Ald. Gentile made the motion for approval and the Committee voted in favor 7-0, Ald. Johnson not voting.

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#70-09(9) HIS HONOR THE MAYOR requesting an amendment to the FY10 Water revenue budget to three million one hundred sixty thousand dollars (\$3,160,000) from Water Reserve to offset the reduction in anticipated Water Revenue.  
[11/10/09 @ 5:57 PM

**PUBLIC FACILITIES APPROVED 5-0-1 (Lappin abstaining) on 11-18-09**

**ACTION: HELD 8-0**

**NOTE:** Tom Daley, Commissioner Public Works joined the Committee for discussion on this item.

Mr. Daley provided Committee members with a PowerPoint presentation on the proposed FY10 Mid-Year Water and Sewer Rate Adjustment with various scenarios, attached to this report.

Mr. Daley stated the requested amendment is part of a plan to eliminate the anticipated revenue shortfall in the sewer fund and works in concert with his request to amend the Water and Sewer Budgets and implement mid-year changes for Water and Sewer operations. He stated the Water Enterprise Reserve Fund has an available surplus balance of \$3,285,139; the City has a projected deficit of \$3,160,000. He stated this spring and summer have been very wet seasons and residents are not using the normal amounts of water usually used making a significant impact on the City's revenue.

Mr. Daley indicated DPW used a four-month average from June to September in 2002-2009 and statistics showed a 16.1% decrease in volume and last year it was a 9.2% decrease. He estimates the City will have an approximate projected deficit of \$2,000,000 in sewer, \$1,000,000 in water and \$790,660 in FY09 sewer deficit.

DPW used a median from 2007-2009 (January to June) which proved an approximate \$3,248,888 deficit in sewer and \$1,292,469 deficit in water. He anticipates the City could recover with some anticipated turn backs for example: MWRA charges, uniforms, salaries, chemicals, etc. The City can turn back \$303,660 in sewer and \$390,697 in water transferring meter debt and defer vehicles and capital projects. He anticipates the City will continue to work on major projects for example rehabilitation of Waban Hill Reservoir, MWRA pipeline replacement program and Sewer I/I Removal, etc. By deferring Capital projects, the new total deficit is approximately \$1,958,228 in sewer and \$1,202,772 in water by adjusting the rates.

Mr. Daley reviewed the various scenarios with Committee members and addressed their questions.

Committee members did not choose a specific scenario, expressed their concerns about raising the rates again this year, and suggested holding this item until December 7, 2009.

Ald. Coletti made the motion to hold this item and the Committee voted in favor 8-0.

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#70-09(10) **HIS HONOR THE MAYOR** requesting amendments to the FY10 Water and Sewer budgets be amended by reducing Sewer Bond Maturities by \$300,000; reducing Sewer Bond Interest by \$87,000; increasing Water Bond Maturities by \$300,000 and increasing Water Bond Interest by \$87,000 to transfer the full cost of the water meter replacement debt to the Water Fund and help eliminate the anticipated revenue shortfall in the Sewer Fund in concert with docket nos. 70-09(8) and (9) [11/10/09 @ 5:57 PM]

**PUBLIC FACILITIES APPROVED 5-0-1 (Lappin abstaining) on 11-18-09**

**ACTION: APPROVED 8-0**

**NOTE:** Ald. Coletti stated this amendment to the FY10 Water and Sewer budgets is necessary to close the budget. Failure to do adopt these measures could delay approval and impact the City's ability to issue timely tax bills in time for the third quarter.

Ald. Coletti made the motion for approval and the Committee voted in favor 8-0.

**REFERRED TO PROGRAM & SERVICES AND FINANCE COMMITTEES**

#233-09 **ALD. JOHNSON AND LINSKY** requesting a discussion to increase fines to the maximum level for dogs not having a current license. [07/13/09 @ 7:26 PM]  
**PROGRAM & SERVICES APPROVED 5-0 (Merrill and Sangiolo not voting) on 09-09-09**

**ACTION: APPROVED 8-0**

**NOTE:** Without discussion, Ald. Parker made the motion for approval and the Committee voted in favor 8-0.

**REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES**

#87-09 **ALD. SANGIOLO, BRANDEL, FREEDMAN AND HESS-MAHAN** requesting a Home Rule Petition to allow the City of Newton to require elected officials to contribute a higher percentage rate for health insurance benefits than is required for other employee groups. [03-10-09 @ 9:17 AM]

**PROGRAM AND SERVICES APPROVED 5-1-1 (Baker opposed; Merrill abstaining; Parker not voting) on 04-15-09**

**ACTION: REFERRED TO 2010-2011 BOARD 6-0 (Ald. Johnson and Freedman not voting)**

#299-08(2) HIS HONOR THE MAYOR requesting that the Board of Aldermen accept the provisions of §19 of Chapter 32B (as amended) of the General Laws to allow all subscribers for whom the City provides health insurance to transfer to the Group Insurance Commission (GIC) pursuant to Section 19(e) of Section 32B, which authorizes the City to engage in so-called coalition bargaining re the issue of the City joining the GIC. [08-04-08 @ 12:35 PM]

**ACTION:** **NO ACTION NECESSARY 6-1-0 (Ald. Johnson opposed, Freedman not voting)**

**NOTE:** Without discussion, Ald. Parker made the motion no action necessary and the Committee voted in favor 6-1-0, Ald. Johnson opposed, Freedman not voting.

#213-08 ALD. LINKSY, JOHNSON, ALBRIGHT, FREEDMAN, HARNEY, HESS-MAHAN, VANCE, MANSFIELD & PARKER requesting the evaluation of the following in conjunction with the contemplated conversion of general fund monies from operational budget uses to debt service use in regard to the Newton North High School project:

- (a) the impact on city and/or school services,
- (b) the process by which criteria and prioritization will be established when choices need to be made between services, and
- (c) whether additional revenue will be required in the form of debt exclusions or otherwise. [04-29-08 @ 11:26 AM]

**ACTION:** **NO ACTION NECESSARY 7-0 (Ald. Freedman not voting)**

**NOTE:** Without discussion, Ald. Coletti moved no action necessary and the Committee voted in favor 7-0, Ald. Freedman not voting.

**ITEM RECOMMITTED TO PUB. FACILITIES & FINANCE COMMITTEES 3/19/07**  
**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#76-07 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$300,000 from Free Cash for the purpose of conducting a study of the municipal buildings throughout the city. [02-27-07 @ 4:16 PM]

**PUB FACILITIES APPROVED 6-0-1 (Gentile abstaining) on 03-07-07**  
**FINANCE MOTION TO APPROVE FAILED TO CARRY 2-4-1 (Lennon, Salvucci, Gentile and Coletti opposed; Linsky abstaining) on 3-12-07**  
**PUBLIC FACILITIES APPROVED AS AMENDED 5-0 @ \$250,000 on 10-15-07**

**ACTION:** **NO ACTION NECESSARY 6-0-1 (Ald. Parker abstaining, Freedman not voting)**

**NOTE:** Without discussion, Ald. Coletti moved no action necessary and the Committee voted in favor 6-0-1, Ald. Parker abstaining, Freedman not voting.

**REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES**

#267-06(3) ALD. PARKER, BURG, LINSKY, FISCHMAN, HESS-MAHAN, VANCE, HARNEY, JOHNSON, & DANBERG proposing Home Rule Legislation authorizing the City of Newton to apply the ordinance proposed in item #267-06(2) to assets held by the City's retirement system.

**PROGRAM & SERVICES NO ACTION NECESSARY 5-0 on 11-18-09**

**ACTION: NO ACTION NECESSARY 7-0 (Ald. Freedman not voting)**

**NOTE:** Without discussion, Ald. Parker moved no action necessary and the Committee voted in favor 7-0, Ald. Freedman not voting.

#453-06 LEON JR. AND MARION D. SEMONIAN, 373 Dedham Street, requesting total abatement of betterment assessment in the amount of \$2,690 (assessed for sidewalk/curbing/road improvements to Countryside Road and Patten Circle). [11-16-06 @ 11:02 AM]

**ACTION: DENIED 8-0**

**NOTE:** Ald. Coletti stated this home had double frontage even though unfortunately the sewer line passes through his property the City has never issued an abatement to him. Years ago, Mr. Semonian was informed by the City Assessors Department that assessments are based on only the frontage of residential properties.

Ald. Coletti moved denial and the Committee voted in favor 8-0.

#93-06(2) ROBERT E. & ANNE M. SULLIVAN, 391 Dedham Street, applying for abatement of a street betterment assessment in the amount of \$15,880 levied by the Board of Aldermen in Board Order #93-06 which improved Countryside Road by the laying out, grading and acceptance of it as a public way. [07-02-07 @ 2:24 PM]

**ACTION: DENIED 7-0 (Ald. Parker not voting)**

**NOTE:** Ald. Coletti stated the side of the Sullivan's property is on a road, which was totally reconstructed and the City has accepted the lifetime maintenance of Countryside Road when it became accepted as a public way. Previously, the Sullivan's were responsible for the maintenance of the road.

Ald. Coletti moved denial and the Committee voted in favor 7-0, Ald. Parker not voting.

**REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES**

# 35-06 ALD. JOHNSON AND HESS-MAHAN requesting discussion with the School Department and School Committee members regarding the results of the studies addressing compensation for management and executive personnel and organizational structure of central administrative salaries.

**PROGRAM & SERVICES NO ACTION NECESSARY 6-0 on 04-18-07**

**ACTION: NO ACTION NECESSARY 7-0 (Ald. Parker not voting)**

**NOTE:** Without discussion, Ald. Coletti moved no action necessary and the Committee voted in favor 7-0, Ald. Parker not voting.

#29-06 ALD. JOHNSON AND PARKER requesting creation of a Citizen Financial Advisory Committee to work with city officials and staff to facilitate bench markers, strategic planning, and other initiatives to improve the financial operation of the City.  
(President's Note: While not formally referred to the Long Range Planning Committee, this item might usefully be discussed there in light of prior discussions of similar issues.)

**ACTION:** **REFERRED TO 2010-2011 BOARD 7-0 (Ald. Parker not voting)**

**ITEM RECOMMITTED TO FINANCE COMMITTEE ONLY on 03/05/07**  
**REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES**

#23-06 ALD PARKER AND LINSKY requesting that the City adopt §19 of MGL Chapter 32B to allow retiree coalition bargaining of health care benefits.  
**PROGRAM AND SERVICES NO ACTION NECESSARY 4-0-2 (Parker and Merrill abstaining; Sangiolo not voting) on 03-08-06**  
**FINANCE NO ACTION NECESSARY 5-0-3 (Lennon, Linsky and Parker abstaining) on 02-12-07**

**ACTION:** **NO ACTION NECESSARY 7-0 (Ald. Parker not voting)**

**NOTE:** Without discussion, Ald. Gentile moved no action necessary and the Committee voted in favor 7-0, Ald. Parker not voting.

#209-05 ALD. STEWART requesting that the Mayor provide the Board of Aldermen with a list of all salaried City employees who receive additional compensation (other than overtime) along with an explanation of the exact reasons for said additional payments.

**ACTION:** **NO ACTION NECESSARY 7-0 (Ald. Parker not voting)**

**NOTE:** Ald. Coletti stated some City employees receive additional compensation for other work performed especially the Police Department. Most of the compensations are for employees who work holidays, employees who are on call and receive additional compensation time in their salary.

David Wilkinson, Comptroller would provide a list of employees who receive the compensation if Committee members chose.

Ald. Coletti believes this has not been a problem in the past, therefore, Ald. Salvucci moved no action necessary and the Committee voted in favor 7-0, Ald. Parker not voting.

**REFERRED TO ZONING & PLANNING & FINANCE COMMITTEES**

#168-02 **HIS HONOR THE MAYOR** requesting that the Board of Aldermen establish new civil fines under Section 20-21 of the City of Newton Ordinances for the violation of various environmental provisions enforced by the Conservation Commission.

**ZONING & PLANNING APPROVED 6-0 on 12-13-04**

**ACTION:** **NO ACTION NECESSARY 7-0 (Ald. Parker not voting)**

**NOTE:** Ald. Coletti stated the intentions of this item is to enforce letters that the City sends out to violators of Conservation Commission Ordinances and Measures. In most cases, people result in compliance. However, in few cases, violators do not respond to the letters, leaving the task of seeking enforcement. The Conservation Commission believes that the ability to impose these fines by tickets will bring violators into compliance.

Ald. Salvucci moved no action necessary and the Committee voted in favor 7-0, Ald. Parker not voting.

**REFERRED TO PUBLIC FACILITIES & FINANCE COMMITTEES**

#55-02 **ALD. YATES** requesting that the water/sewer discount rate be made available to homeowners who receive Fuel Assistance, Supplementary Security Income, Food Stamps, Supplementary Disability Income, General Relief, Low Income Sewer and Water Assistance, School Breakfast and Lunch and other income based State and Federal programs.

**PUBLIC FACILITIES APPROVED 6-0 on 06-16-04**

**ACTION:** **NO ACTION NECESSARY 7-0 (Ald. Parker not voting)**

**NOTE:** Without discussion, Ald. Lennon moved no action necessary and the Committee voted in favor 7-0, Ald. Parker not voting.

At approximately, 9:40 pm Ald. Coletti moved for adjournment, which was approved 7-0.

Respectfully Submitted,

Paul E. Coletti, Chairman





DEPARTMENT OF PUBLIC WORKS

Office of the Commissioner  
1000 Commonwealth Avenue  
Newton Centre, MA 02459-1449

David B. Cohen  
Mayor

To: Board of Alderman  
Through: Honorable David B. Cohen, Mayor  
Sanford Pooler, Chief Administrative Officer  
Susan Burstein, Chief Budget Officer  
From: Thomas E. Daley, P.E., Commissioner  
Subject: Proposed FY10 Mid-Year Water and Sewer Rate Adjustment  
Date: November 20, 2009

09 NOV 20 PM 4:44  
CITY CLERK  
NEWTON, MA 02159

I am submitting this additional information in preparation for the Finance Committee's Monday night meeting. I have attached a copy of the presentation that was given during last Wednesday's Public Facilities Meeting. During that meeting Alderman Gentile requested that we supply the Board the budget for the water meter project and annual costs, which are also attached (see attachment "F").

Alderman Colletti raised an issue the other day regarding how Wellesley gets billed for the sewer that runs through Newton. We talked with Richard Trubiano of the MWRA who confirmed that there is a meter located in Wellesley at the closest possible point before it flows into Newton. There is also a meter where the sewer exits Newton. The flow that enters from Wellesley is billed to Wellesley and that same flow is subtracted from the Newton "gross" giving us our "net" amount.

Also based upon Public Facilities' meeting, I have attached a few scenarios if the Board does decide to increase the rates. Attachment "A" is the Mayor's recommendation. This option utilizes a combination of strategies to deal with last year's sewer deficit, this year's revenue shortfalls and an adjustment for reduced projected consumption looking at median consumption levels over the past three years for the last six months of each year. It includes reducing operational spending, reducing capital spending (not all), shifting all of the meter debt to Water and utilizing the Water Enterprise fund reserve. Attachment "A" results in a net zero increase in rates to the consumer.

Other scenario's as requested are:

Scenario 1 (see attachment "B"):

This scenario holds the operating budget, capital projects and reserves harmless. It also does not shift the water meter debt totally to the water enterprise fund from the sewer fund. This scenario results in a net 22.4% increase in rates to the consumer.

Scenario 2 (see attachment "C"):

This scenario holds the operating budget and capital projects harmless, however the projected water revenue shortfall is absorbed in the water reserve along with shifting the water meter debt totally to the water enterprise fund from the sewer fund. This scenario results in a net 14.1% increase in rates to the consumer.

Scenario 3 (see attachment "D"):

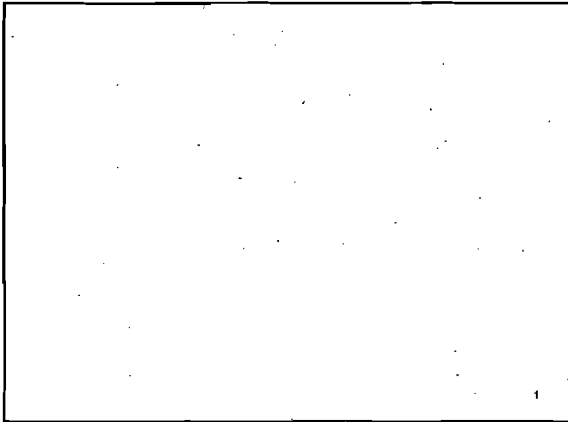
This scenario holds the capital projects harmless, but does include reducing operational spending, shifting all of the meter debt to Water and utilizing the Water Enterprise fund reserve. This scenario results in a net 3.4% increase in rates to the consumer.

Scenario 4 (see attachment "E"):

Alderman Colletti requested that we run a fourth scenario that allows shifting the water meter debt totally to the water enterprise fund from the sewer fund along with absorbing the projected FY10 revenue shortfall in water, removes the capital projects, but does not utilize the water surplus to offset a rate increase. This scenario results in a net 11.2% increase in rates to the consumer.

I hope that this information is helpful. Please feel free to contact me if you have any questions.  
Thank you.

CC: Fred Russell, Dir. of Utilities  
David Turocy, Deputy Commissioner of Public Works  
Karen Griffey, Dir. of DPW Admin.  
Ryan Ferrara, DPW Chief of Budget and Finance



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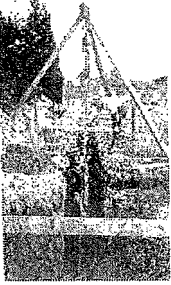
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 **City of Newton**  
**Water and Sewer Enterprise Fund**

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**MID-FISCAL YEAR 2010**  
**RATES PRESENTATION**

November 18, 2009



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**Why are we here tonight?**

The Water Enterprise Reserve Fund has an available surplus balance of:

**\$3,285,139**

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**HOWEVER!**

In June of this past year it began to rain....



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And rain....  
And rain....

**The sixth wettest July since 1891 !**

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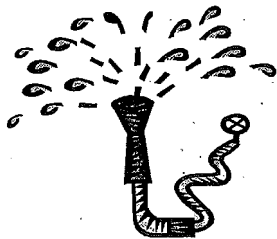
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**What doesn't happen  
when it rains?**



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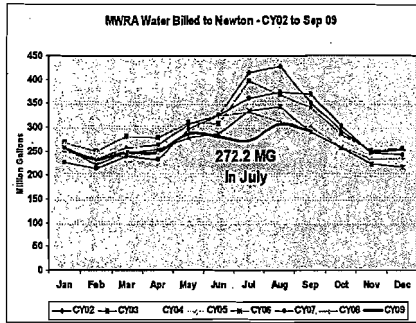
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**So what's the volumes?**



'02-'09  
Jun - Sept. Avg.

**-16.1%**

'08-'09  
Jun - Sept. Avg.

**-9.2%**

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**So what's the dollars?**

	Sewer	Water
Original budget:	\$25,819,677	\$16,705,828
Revised Proj. Rev.:	<u>\$23,819,677</u>	<u>\$15,705,828</u>
Proj. Deficit:	(\$2,000,000)	(\$1,000,000)
FY'09 sewer deficit:	(\$790,660)	
Rev. Consumption	(\$458,228)	(\$292,469)
FY'07-'09 median use		
Jan. - June		
Sub-total:	<u>(\$3,248,888)</u>	<u>(\$1,292,469)</u>

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**So what's our plan?**

	Sewer	Water
Sub-total:	<u>(\$3,248,888)</u>	<u>(\$1,292,469)</u>
Anticipated Turnbacks:		
le: MWRA charges (\$260k)		
Uniforms, Salaries		
Chemicals, etc.:	\$303,660	\$390,697
Transfer Meter Debt:	\$387,000	(\$387,000)
Defer vehicles:	\$100,000	\$87,000
Defer Capital Projects:		

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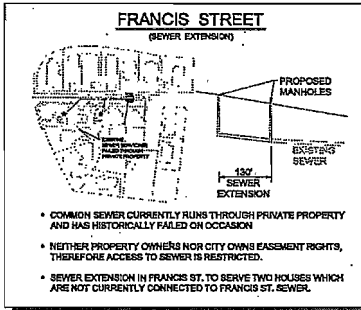
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### Projects Such As...

→ \$135K for Francis St. sewer extension



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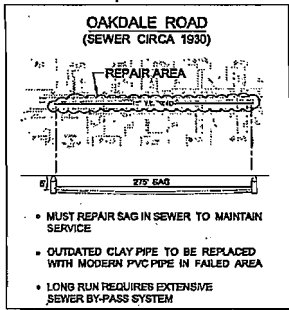
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### Projects Such As...

→ \$125K for Oakdale sewer repair



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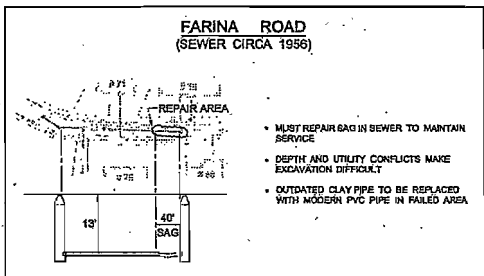
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### Projects Such As...

→ \$125K for Farina sewer repair



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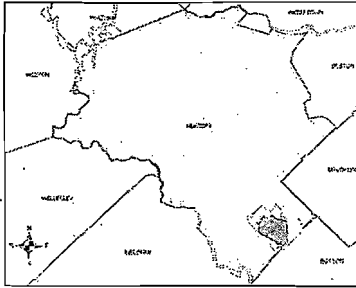
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### Projects Such As...

→\$115K for Old Farm Road design



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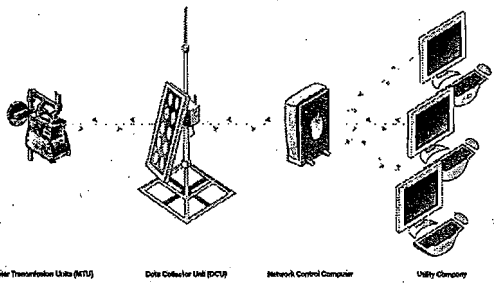
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### But We Are Still Doing....



Meter Transformer Unit (MTU)      Data Collector Unit (DCU)      Network Control Computer      Utility Company

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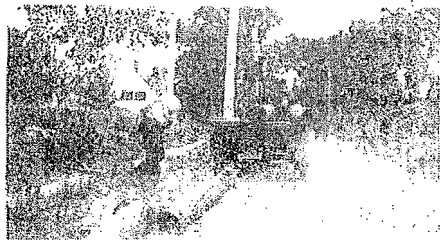
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### But We Are Still Doing....

- \$259K for FY10 MWRA water pipeline replacement program (10 year interest free loan)



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**But We Are Still Doing....**

- Rehabilitation of Waban Hill Reservoir (1890)



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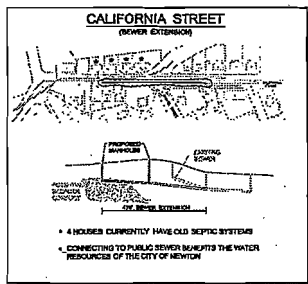
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**But We Are Still Doing....**

\$135K for California St.



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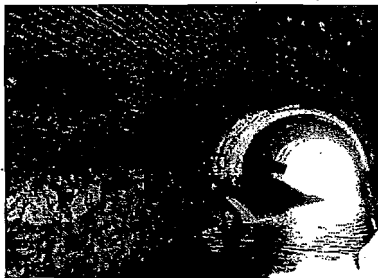
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**But We Are Still Doing....**

Sewer I/I Removal, Etc., Etc., Etc.



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**So what's our plan?**

	Sewer	Water
Sub-total:	(\$3,248,888)	(\$1,292,469)
Anticipated Turnbacks:		
le: MWRA charges (\$260k)		
Uniforms, Salaries		
Chemicals, etc.:	\$303,660	\$390,697
Transfer Meter Debt:	\$387,000	(\$387,000)
Defer vehicles:	\$100,000	\$87,000
Defer Capital Projects:	\$500,000	
Net Totals:	(\$1,958,228)	(\$1,201,772)

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**So now adjust the rates!**

	Sewer	Water
Net Totals:	(\$1,958,228)	(\$1,201,772)
Transfer Sewer Def.:	\$1,958,228	(\$1,958,228)
Final Totals:	0	(\$3,160,000)

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**So Back to the Beginning**

The Water Enterprise Reserve Fund has an available surplus balance of:

**\$3,285,139**

Our projected new deficit is:

**\$3,160,000**

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**The Advantages of Our Rec.:**

- 1) No net increase to the consumer
- 2) Fully funds the '09 Sewer deficit
- 3) Reacts in a timely manner to this issue
- 4) Maintains core operations and capital spending

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**The Devil's in the details...**

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**Questions  
or  
Comments?**

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**Proposed FY10 Water and Sewer Mid-Year Adjustment**

**FY 2010 WATER SEWER RATES - Status Quo Jan - Jun**

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$4.35	\$6.81	\$3,642,903	\$5,703,028	\$9,345,931
21 - 70	363,421	\$5.22	\$8.17	\$1,897,058	\$2,969,150	\$4,866,207
> 70	379,222	\$6.26	\$9.80	\$2,373,930	\$3,716,376	\$6,090,305
<b>Total</b>	<b>1,580,092</b>			<b>7,913,890</b>	<b>12,388,553</b>	<b>20,302,443</b>

**Supplemental FY 2010 Water/Sewer Revenue Needs Jan - Jun**

	Water	Sewer	Total
FY10 Budget	7,913,890	12,388,553	20,302,443
Coverage of Projected Sewer Shortfall (1)	(1,500,000)	0	(1,500,000)
Increased Sewer Revenue (2)	0	1,500,000	1,500,000
Revised Water/Sewer Use Consumption Projection Shortfall (3)	(458,228)	458,228	0
<b>Subtotal</b>	<b>5,955,662</b>	<b>14,346,781</b>	<b>20,302,443</b>
<b>Net Total Revenue Needed</b>	<b>\$5,955,662</b>	<b>\$14,346,781</b>	<b>\$20,302,443</b>
<b>Percentage Increase from FY 2010</b>	<b>-24.7%</b>	<b>15.8%</b>	<b>0.0%</b>

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$3.27	\$7.89	2,739,296	6,606,635	9,345,931
21 - 70	363,421	\$3.93	\$9.47	1,428,245	3,441,597	4,869,841
> 70	379,222	\$4.72	\$11.36	1,789,928	4,307,962	6,097,890
	<b>1,580,092</b>	<b>(\$1.08)</b>	<b>\$1.08</b>	<b>\$5,957,468</b>	<b>\$14,356,194</b>	<b>\$20,313,662</b>
			Surplus/(Deficit)	\$1,806	\$9,413	\$11,219

(1) Includes \$700K for projected net YE sewer shortfall and \$800K for FY09 YE sewer deficit

(2) Sewer rates are being increased to cover the shortfall cited under footnote #1

(3) Based on updated Jan-Jun water use projection

A

**Scenario #1**

\$2M gross Sewer deficit; \$800K to cover FY09 Sewer deficit; No shift from water to sewer; \$1M Water deficit raised via rates; Adjust for median FY07-09 water use

**Proposed FY10 Water and Sewer Mid-Year Adjustment**

**FY 2010 WATER SEWER RATES - Status Quo Jan - Jun**

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$4.35	\$6.81	\$3,642,903	\$5,703,028	\$9,345,931
21 - 70	363,421	\$5.22	\$8.17	\$1,897,058	\$2,969,150	\$4,866,207
> 70	379,222	\$6.26	\$9.80	\$2,373,930	\$3,716,376	\$6,090,305
Total	1,580,092			7,913,890	12,388,553	20,302,443

**Supplemental FY 2010 Water/Sewer Revenue Needs Jan - Jun**

	Water	Sewer	Total
FY10 Budget	7,913,890	12,388,553	20,302,443
FY09 Sewer Deficit	0	800,000	800,000
Increased Water and Sewer Revenue	1,000,000	2,000,000	3,000,000
Revised Water/Sewer Use Consumption Projection Shortfall	292,469	458,228	750,697
<i>Subtotal</i>	9,206,359	15,646,781	24,853,140
<b>Net Total Revenue Needed</b>	<b>\$9,206,359</b>	<b>\$15,646,781</b>	<b>\$24,853,140</b>
<b>Percentage Increase from FY 2010</b>	<b>16.3%</b>	<b>26.3%</b>	<b>22.4%</b>

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$5.06	\$8.60	4,240,004	7,202,061	11,442,066
21 - 70	363,421	\$6.08	\$10.32	2,209,600	3,750,505	5,960,104
> 70	379,222	\$7.30	\$12.38	2,768,321	4,694,768	7,463,089
	1,580,092	<b>\$0.71</b>	<b>\$1.79</b>			
				\$9,217,925	\$15,647,334	\$24,865,259
			Surplus/(Deficit)	\$11,565	\$554	\$12,119

B

Scenario #2

\$1.6M Sewer deficit (includes water meter debt shift); \$800K to cover FY09 Sewer deficit; shift sewer deficits to water; \$1.3M Water deficit (includes water meter debt shift) absorbed in water reserve; Adjust for median FY07-09 water use

Proposed FY10 Water and Sewer Mid-Year Adjustment

FY 2010 WATER SEWER RATES - Status Quo Jan - Jun

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$4.35	\$6.81	\$3,642,903	\$5,703,028	\$9,345,931
21 - 70	363,421	\$5.22	\$8.17	\$1,897,058	\$2,969,150	\$4,866,207
> 70	379,222	\$6.26	\$9.80	\$2,373,930	\$3,716,376	\$6,090,305
Total	1,580,092			7,913,890	12,388,553	20,302,443

Supplemental FY 2010 Water/Sewer Revenue Needs Jan - Jun

	Water	Sewer	Total
FY10 Budget	7,913,890	12,388,553	20,302,443
FY09 Sewer Deficit	0	800,000	800,000
Increased Sewer Revenue	0	1,600,000	1,600,000
Revised Water/Sewer Use Consumption Projection Shortfall	0	458,228	458,228
<b>Subtotal</b>	<b>7,913,890</b>	<b>15,246,781</b>	<b>23,160,671</b>
<b>Net Total Revenue Needed</b>	<b>\$7,913,890</b>	<b>\$15,246,781</b>	<b>\$23,160,671</b>
<b>Percentage Increase from FY 2010</b>	<b>0.0%</b>	<b>23.1%</b>	<b>14.1%</b>

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$4.35	\$8.38	3,642,903	7,017,823	10,660,726
21 - 70	363,421	\$5.22	\$10.06	1,897,058	3,656,015	5,553,073
> 70	379,222	\$6.26	\$12.07	2,373,930	4,577,210	6,951,139
	1,580,092	\$0.00	\$1.57			
				\$7,913,890	\$15,251,047	\$23,164,938
			Surplus/(Deficit)	\$0	\$4,267	\$4,267

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**Scenario #3**

\$1.3M Sewer deficit, reflects projected spending but holds capital harmless; \$800K to cover FY09 Sewer deficit; shift sewer deficits to water; \$1.0M Water deficit, reflects projected spending but holds capital harmless; \$1.0 M water deficit absorbed in reserve; Adjust for median FY07-09 water use

**Proposed FY10 Water and Sewer Mid-Year Adjustment**

**FY 2010 WATER SEWER RATES - Status Quo Jan - Jun**

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$4.35	\$6.81	\$3,642,903	\$5,703,028	\$9,345,931
21 - 70	363,421	\$5.22	\$8.17	\$1,897,058	\$2,969,150	\$4,866,207
> 70	379,222	\$6.26	\$9.80	\$2,373,930	\$3,716,376	\$6,090,305
Total	1,580,092			7,913,890	12,388,553	20,302,443

**Supplemental FY 2010 Water/Sewer Revenue Needs Jan - Jun**

	Water	Sewer	Total
FY10 Budget	7,913,890	12,388,553	20,302,443
Coverage of Projected Sewer Shortfall (Hold Capital Harmless)	(1,500,000)	0	(1,500,000)
Increased Water and Sewer Revenue	0	1,500,000	1,500,000
Restore Capital	100,000	600,000	700,000
Revised Water/Sewer Use Consumption Projection Shortfall	(458,228)	458,228	0
<b>Subtotal</b>	<b>6,055,662</b>	<b>14,946,781</b>	<b>21,002,443</b>
<b>Net Total Revenue Needed</b>	<b>\$6,055,662</b>	<b>\$14,946,781</b>	<b>\$21,002,443</b>
<b>Percentage Increase from FY 2010</b>	<b>-23.5%</b>	<b>20.6%</b>	<b>3.4%</b>

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$3.33	\$8.21	2,789,543	6,877,550	9,667,093
21 - 70	363,421	\$4.00	\$9.86	1,453,684	3,583,331	5,037,015
> 70	379,222	\$4.80	\$11.83	1,820,266	4,486,196	6,306,462
	1,580,092	<b>(\$1.02)</b>	<b>\$1.40</b>			
				\$6,063,492	\$14,947,077	\$21,010,569
			Surplus/(Deficit)	\$7,830	\$296	\$8,126

D.

**Scenario #4**

Includes: 1) \$800K to cover FY09 Sewer deficit; 2) Adjust for median in FY07-09 water use; 3) Transfer \$387K in sewer debt to water budget for meters; 4) Include \$1.6 projected Sewer shortfall and subtract out \$600K in sewer capital; 5) Water projected deficit of \$1 million will be absorbed in the water reserve

**Proposed FY10 Water and Sewer Mid-Year Adjustment**

**FY 2010 WATER SEWER RATES - Status Quo Jan - Jun**

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$4.35	\$6.81	\$3,642,903	\$5,703,028	\$9,345,931
21 - 70	363,421	\$5.22	\$8.17	\$1,897,058	\$2,969,150	\$4,866,207
> 70	379,222	\$6.26	\$9.80	\$2,373,930	\$3,716,376	\$6,090,305
<b>Total</b>	<b>1,580,092</b>			<b>7,913,890</b>	<b>12,388,553</b>	<b>20,302,443</b>

**Supplemental FY 2010 Water/Sewer Revenue Needs Jan - Jun**

	Water	Sewer	Total
FY10 Budget	7,913,890	12,388,553	20,302,443
Transfer Full FY10 Meter Debt to Water Fund	(387,000)	387,000	0
Cover FY09 Sewer Fund Shortfall	0	800,000	800,000
Increased Sewer Revenue to Cover Deficit	0	1,013,000	1,013,000
Revised Water/Sewer Use Consumption Projection Shortfall	0	458,228	458,228
<b>Subtotal</b>	<b>7,526,890</b>	<b>15,046,781</b>	<b>22,573,671</b>
<b>Net Total Revenue Needed</b>	<b>\$7,526,890</b>	<b>\$15,046,781</b>	<b>\$22,573,671</b>
<b>Percentage Increase from FY 2010</b>	<b>-4.9%</b>	<b>21.5%</b>	<b>11.2%</b>

HCF	Consumption	Water Rate	Sewer Rate	Water Revenue	Sewer Revenue	Total Est. Revenue
0 - 20	837,449	\$4.14	\$8.28	3,467,039	6,934,078	10,401,117
21 - 70	363,421	\$4.97	\$9.94	1,806,202	3,612,405	5,418,607
> 70	379,222	\$5.96	\$11.93	2,260,163	4,524,118	6,784,282
	<b>1,580,092</b>	<b>(\$0.21)</b>	<b>\$1.47</b>			<b>\$1.26</b>
				<b>\$7,533,404</b>	<b>\$15,070,601</b>	<b>\$22,604,005</b>
			Surplus/(Deficit)	<b>\$6,514</b>	<b>\$23,820</b>	<b>\$30,334</b>

3.

### Newton Water Meter and AMR Replacement Budget

Description	Estimate
Purchase of Meters and Registers	\$3,127,000
Meter Reading Equipment, Including Transmitters	3,300,000
<b>Combined Meters and AMR System Subtotal</b>	<b>\$6,427,000</b>
Installation of System	3,179,000
<b>Subtotal</b>	<b>\$9,606,000</b>
Contingencies (10%)	961,000
Engineering (10%)	961,000
<b>Total</b>	<b>\$11,528,000</b>
Board of Aldermen Authorization to borrow for the meter and AMR Replacement program (118-08)	\$11,528,000
Year One Principal	600,000
Year One Interest	87,000
<b>Total debt split 50/50 between the original FY10 water and sewer budget</b>	<b>\$687,000</b>
Impact of meter debt on original FY10 budget	2.1%
FY10 impact on typical homeowner using 100 HCF annually	\$21.80
<i>*This is for the first \$6 million of issued debt (roughly half of the total)</i>	