WATER ENTERPRISE

- Public Services
- Engineering
- Treasurer
  - Short Term Debt
  - SBWSB Assessment

Public Services – Water Enterprise

Mission Statement

Maintain safe and effective water distribution system.

Significant Changes

FY08 $100,000 increase to cover for National Water Main Contract Services

Previous Fiscal Year Accomplishments

- Retained vendor – National Water Main Cleaning for $100,000.00 contract for catch basins
- Web site used for up-to-date water emergency related bulletins.

FY 2008 Goals & Objectives

- Improve system flow, reduce leaks and ensure safe drinking water
- Continue Leak detection – work with city engineer on system improvements
- Continue to identify areas of weakness in the infrastructure and implement repairs and maintenance of, minimizing water loss, leaks and breaks.

CITY OF SALEM - FY 2008 OPERATING BUDGET

			Expenditures FY 2006	Adopted Budget FY 2007	Adjusted Budget FY 2007	Y-T-D Expenses FY 2007	Department FY 2008	Mayor FY 2008	Council FY 2008
Water-Pub Serv-Personnel									
610031	5111	SALARIES-FULL TIME	327,836.04	240,686.00	159,224.85	141,219.48	217,562.00	218,751.00	218,751.00
610031	5120	RETIREMNT ANTICIPATN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
610031	5131	OVERTIME (GENERAL)	41,903.42	40,000.00	37,774.49	37,177.22	30,000.00	30,000.00	30,000.00
610031	5150	FRINGE/STIPENDS	3,000.00	3,600.00	3,600.00	3,000.00	2,400.00	2,400.00	2,400.00
Total		**Water-Pub Serv-Personnel**	**372,739.46**	**284,286.00**	**200,599.34**	**181,396.70**	**249,962.00**	**251,151.00**	**251,151.00**
Water-Pub Serv-Expenses									
610032	5211	ELECTRICITY	199,995.81	244,745.00	0.00	0.00	0.00	0.00	0.00
610032	5251	UTILITY SERV REP & MAINT	93,379.10	0.00	15,258.86	15,147.97	50,000.00	25,000.00	25,000.00
610032	5278	TELEPHONE EQUIP LEAS	5,225.32	0.00	0.00	0.00	0.00	0.00	0.00
610032	5301	POLICE DETAIL	23,647.00	20,000.00	23,050.00	23,050.00	20,000.00	20,000.00	20,000.00
610032	5305	ACCOUNTING AND AUDIT	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
610032	5317	EDUCATIONAL TRAINING	1,000.00	1,000.00	1,000.00	883.00	1,000.00	1,000.00	1,000.00
610032	5320	CONTRACTED SERVICES	0.00	0.00	44,975.00	44,561.71	100,000.00	40,000.00	40,000.00
610032	5342	POSTAGE	4,899.21	0.00	0.00	0.00	0.00	0.00	0.00
610032	5381	PRINTING AND BINDING	4,474.65	0.00	0.00	0.00	0.00	0.00	0.00
610032	5398	LOCK BOX SERVICES	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
610032	5421	OFFICE SUPPLIES (GEN	1,254.61	1,000.00	1,000.00	697.09	1,600.00	1,600.00	1,600.00
610032	5481	GASOLINE/DIESEL FUEL	104,589.28	80,000.00	133,250.00	132,025.89	80,000.00	80,000.00	80,000.00
610032	5483	VEHICLE PRTS & ACCES	0.00	0.00	4,000.00	3,182.04	0.00	0.00	0.00
610032	5501	MED & SURGICAL SUPPL	0.00	100.00	100.00	100.00	100.00	100.00	100.00
610032	5538	WATER METERS	14,541.38	0.00	0.00	0.00	0.00	0.00	0.00
610032	5692	STATE TAXES	17,764.88	0.00	0.00	0.00	0.00	0.00	0.00
610032	5710	IN STATE TRAVEL, MEE	1,458.21	0.00	0.00	0.00	300.00	300.00	300.00
610032	5780	OTHER EXPENSES	0.00	0.00	0.00	0.00	750.00	750.00	750.00
610032	5835	WATER SYS IMPR PROG	17,582.72	0.00	7,000.00	4,682.29	0.00	0.00	0.00
610032	5839	INFRASTRUCTURE REPAI	3,050.34	25,000.00	40,725.00	40,278.48	25,000.00	25,000.00	25,000.00
610032	5860	EQUIPMENT	0.00	0.00	353,774.50	108,216.22	0.00	0.00	0.00
Total		**Water-Pub Serv-Expenses**	**497,862.51**	**371,845.00**	**624,133.36**	**372,824.69**	**278,750.00**	**193,750.00**	**193,750.00**
230	**450**	**Department Total**	**870,601.97**	**656,131.00**	**824,732.70**	**554,221.39**	**528,712.00**	**444,901.00**	**444,901.00**

FY 2008 MANAGEMENT, BOARD MEMBERS AND PART-TIME SALARIES

Name	Dept Name	Org/Obj	Job Desc	Hire Date	Budget FY 2007	Code	# Hours Wkly = 1	# Board Meetings	Rate FY 2007	Rate FY 2008	Dept Prop FY 2008	Mayor FY 2008	Council FY 2008
									-	4.5%		52.2	
RENNARD RICHARD N	230 WATER-PUBLIC SERVICES	610031-5111	PUBLIC SERVICES DIR	06031974			33%		1,534.39	1,603.44	26,431.40	27,620.82	27,620.82
					-		Total Full Time - 5111				26,431.40	27,620.82	27,620.82
					-		Department Total				26,431.40	27,620.82	27,620.82

	FY 2006	FY 2007	FY 2008	Variance
Full-Time Equivalent Employees:	8.7	4.6	5.1	0.5

FY 2008 AFSCME Union Employee Rates

EMPLOYEE NAME			Department	Org/Object	Job Title		BUDGET FY 2007 52	Rate FY 2007 2.0%	Rate FY 2008 0.0%	STEP INCREASES Date	Rate	# Wks Old	New		Dept FY 2008 52.2	Mayor FY 2008 52.2	Council FY 2008 52.2	LONGEVITY
BEAUREGARD	RICHARD		230 WATER - PUBLIC SERV	610031-5111	WORKING FOREMAN I/II	3/2/2001		792.81	792.81	8/21/2007	823.60	6.0	46.2	50%	21,403.59	21,403.59	21,403.59	
BRENNAN	ARTHUR	J	230 WATER - PUBLIC SERV	610031-5111	WATER METER READER	09141998	18,916.13	727.55	-					50%	TO WATER-ENGINEER		-	
CLAY	JOHN		230 WATER - PUBLIC SERV	610031-5111	HMEO	03221999	18,916.18	727.55	727.55					50%	18,988.94	18,988.94	18,988.94	
CONDON	DEREK	J	230 WATER - PUBLIC SERV	610031-5111	HMEO	9/8/2000	18,916.13	727.55	727.55					50%	18,989.06	18,989.06	18,989.06	
COVIELLO	VALERIE		230 WATER - PUBLIC SERV	610031-5111	PRINCIPAL ACCT CLERK	3/2/2000	13,018.94	751.10	751.10					33%	13,069.01	13,069.01	13,069.01	
MARINO	PAUL	L	230 WATER - PUBLIC SERV	610031-5111	HEO STEP	07231998	20,434.44	785.94	785.94	8% Shift Differential Below				50%	20,513.03	20,513.03	20,513.03	
MARINO	Shift Differential		230 WATER - PUBLIC SERV	610031-5111	Base Rate X 8% (4 days 32 hrs at $.50)		1,753.67	67.45	67.45					50%	-	-	-	
MCCARTHY JR	JOHN	W	230 WATER - PUBLIC SERV	610031-5111	PROV METER READER	04301990	18,916.13	727.55	-					50%	TO WATER-ENGINEER		-	
MURRAY III	JOHN	J	230 WATER - PUBLIC SERV	610031-5111	WATER SYS MAIN CRAFT	05221989	18,916.13	727.55	727.55					50%	18,989.06	18,989.06	18,989.06	
MURRAY III	Shift Differential		230 WATER - PUBLIC SERV	610031-5111	Base Rate X 8% (4 days 32 hrs at $.50)			58.20	58.20					50%	1,519.12	1,519.12	1,519.12	
OLEARY	BARRY	W	230 WATER - PUBLIC SERV	610031-5111	HEO STEP	08121996	20,434.44	785.94	-					50%	-	-	-	Workers Comp
Replace Oleary			230 WATER - PUBLIC SERV	610031-5111	HEO I			728.41	728.41					50%	19,011.50	19,011.50	19,011.50	
OSGOOD	STEPHEN		230 WATER - PUBLIC SERV	610031-5111	HMEO I/II	1/27/2007		637.60	637.60	1/27/2008	662.18	30.0	22.2	33%	11,163.37	11,163.37	11,163.37	
THIBODEAU	BRIAN		230 WATER - PUBLIC SERV	610031-5111	CROSS CONNECT INSP	7/1/2004	24,554.40	944.40	944.40					50%	24,648.84	24,648.84	24,648.84	
THIBODEAU	DOROTHY	E	230 WATER - PUBLIC SERV	610031-5111	ASST WATER REG	04151993	21,825.87	839.46	-					50%	TO WATER-ENGINEER		-	
TURCOTTE	JAMES	T	230 WATER - PUBLIC SERV	610031-5111	HEAD W/S FOREPERSON	04031989	24,554.49	-	-					50%	-	-	-	Resigned
Replace Turcotte			230 WATER - PUBLIC SERV	610031-5111	HEAD W/S FM I			874.87	874.87					50%	22,834.11	22,834.11	22,834.11	
WHITTEN	CYNTHIA		230 WATER - PUBLIC SERV	610031-5111	PRINCIPAL CLERK	7/1/2003	19,528.53	751.10	-					50%	TO WATER-ENGINEER		-	
							240,685.49								191,129.62	191,129.62	191,129.62	-

Engineering –Water Enterprise

Mission Statement

The Water Enterprise fund provides the funding for water services for the City of Salem, including capital improvements, payment to Beverly/Salem water district, billing, problem resolution of issues. The team continues to provide quality service and billing in a timely fashion.

Significant Changes

Water/Sewer registrar resigned, leaving a three-month vacancy in the department.
Continued intensified problems with antiquated billing system, laptop files, and Metron meters.
Ex: Metron meters went from 10% read rate to 0% read rate, resulting in increased estimating for last 5 months.

Previous Fiscal Year Accomplishments

- Moved Department to integrate with trash dept. and initiate improved communications and cross functionality
- Implemented new rates, saving ratepayers 2%
- Produced two sets of dunning letters (November and March) to collect overdue bills totalling $550,000.
- Worked with various departments to begin streamlining cumbersome DEP annual statistical report; for example fire consumption, water break consumption, etc.
- Streamline data collection process for breakout of water consumption
- Work with Salem State to develop plan for informing city of new meter installation, including deduct meters; resolve outstanding bills
- Educated staff on system and other similar communities approaches by scheduling tour of Beverly Salem Water, and meetings with Chelsea and Beverly.

FY 2008 Goals & Objectives

- Develop CIP plan to be implemented over next several years to provide more accurate billing and customer service
- Cross train staff to more effectively utilize department resources
- Streamline, document and improve billing process to ensure cross functionality
- Complete metron repairs, billing upgrade, improve MUNIS interface to ensure accurate readings
- Schedule staff to meet with like departments to discuss system, approaches, and how to improve
- Determine where leaks are in system; show reduction in DEP water statistical report
- Improve overall department and interdepartmental planning including dunning schedule, trash ticketing process, etc.

CITY OF SALEM - FY 2008 OPERATING BUDGET

			Expenditures FY 2006	Adopted Budget FY 2007	Adjusted Budget FY 2007	Y-T-D Expenses FY 2007	Department FY 2008	Mayor FY 2008	Council FY 2008
Water-Engineer-Personnel									
610131	5111	SALARIES-FULL TIME	0.00	51,082.00	130,228.49	122,598.40	142,587.00	144,956.00	144,956.00
610131	5131	OVERTIME (GENERAL)	0.00	0.00	4,540.17	4,540.17	4,500.00	4,500.00	4,500.00
Total		**Water-Engineer-Personnel**	**0.00**	**51,082.00**	**134,768.66**	**127,138.57**	**147,087.00**	**149,456.00**	**149,456.00**
Water-Engineer-Expenses									
610132	5211	ELECTRICITY-PUMP STATION	0.00	244,745.00	244,745.00	244,744.53	445,952.00	300,000.00	300,000.00
610132	5233	COMPUTER MAINTENANCE	0.00	1,000.00	7,000.00	997.95	16,000.00	16,000.00	16,000.00
610132	5278	TELEPHONE EQUIP-PUMP STA	0.00	4,680.00	7,680.00	7,671.91	4,914.00	4,914.00	4,914.00
610132	5301	POLICE DETAIL	0.00	0.00	1,600.00	1,600.00	0.00	0.00	0.00
610132	5305	ACCOUNTING AND AUDIT	0.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
610132	5317	EDUCATIONAL TRAINING	0.00	0.00	6,000.00	2,000.00	5,400.00	5,400.00	5,400.00
610132	5342	POSTAGE	0.00	6,825.00	10,325.00	10,325.00	7,223.00	7,223.00	7,223.00
610132	5375	PUMP STAT OP & MAINT	0.00	62,500.00	59,500.00	1,406.20	50,000.00	40,000.00	40,000.00
610132	5381	PRINTING AND BINDING	0.00	3,750.00	8,750.00	8,750.00	4,620.00	4,620.00	4,620.00
610132	5421	OFFICE SUPPLIES (GEN	0.00	1,000.00	1,500.00	1,154.90	3,000.00	3,000.00	3,000.00
610132	5445	PUMP STATION SUPPL	0.00	50,000.00	50,000.00	35,197.33	50,000.00	25,000.00	25,000.00
610132	5519	COMPUTER SOFTWARE	0.00	0.00	0.00	0.00	2,225.00	2,225.00	2,225.00
610132	5520	SOFTWARE SUPPORT/ENHAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
610132	5538	WATER METERS (REV)	0.00	15,000.00	21,000.00	20,999.40	146,250.00	20,000.00	20,000.00
610132	5692	STATE TAXES	0.00	18,000.00	18,000.00	17,943.15	19,000.00	19,000.00	19,000.00
610132	5710	IN STATE TRAVEL/MEETINGS	0.00	500.00	1,250.00	831.95	500.00	500.00	500.00
610132	5780	OTHER EXPENSES	0.00	0.00	0.00	0.00	2,125.00	2,125.00	2,125.00
610132	5835	WATER SYS IMPR PROG	0.00	65,000.00	65,000.00	21,892.14	65,000.00	25,000.00	25,000.00
610132	5839	INFRASTRUCTURE REPAI	0.00	0.00	214,040.00	14,500.00	0.00	0.00	0.00
610132	5869	COMPUTER EQUIP/TECH	0.00	0.00	0.00	0.00	2,980.00	2,980.00	2,980.00
Total		**Water-Engineer-Expenses**	**0.00**	**475,500.00**	**718,890.00**	**392,514.46**	**827,689.00**	**480,487.00**	**480,487.00**
235	**451**	**Department Total**	**0.00**	**526,582.00**	**853,658.66**	**519,653.03**	**974,776.00**	**629,943.00**	**629,943.00**

FY 2008 MANAGEMENT, BOARD MEMBERS AND PART-TIME SALARIES

Name				Dept Name	Org/Obj	Job Desc	Hire Date	Budget FY 2007	Code	# Hours Wkly = 1	# Board Meetings	Rate FY 2007	Rate FY 2008	Dept Prop FY 2008	Mayor FY 2008	Council FY 2008
												-	4.5%		52.2	
PARSONS	RAELEEN	F	235	WATER-ENGINEERING	610131-5111	WATER REGISTRAR/MGR.	01/27/04	23,652.72		45%		1,010.80	-	-	-	-
ROSE	JULIE		235	WATER-ENGINEERING	610131-5111	WATER REGISTRAR/MGR.	2/1/2007			40%		1,010.80	1,056.29	21,105.50	22,055.25	22,055.25
Replace B Thibodeau			235	WATER-ENGINEERING	610131-5111	Engineer	01/01/2003	27,428.54		33%		1,598.40	1,670.33	27,534.04	28,773.07	28,773.07
New Position			235	WATER-ENGINEERING	610131-5111	GIS				20%			1,000.00	10,440.00	10,440.00	10,440.00
CONNORS	BISA		235	WATER-ENGINEERING	610131-5111	EXECUTIVE SECRETARY	10/11/2005			10%		769.23	803.85	4,015.38	4,196.07	4,196.07
								51,081.26		Total Full Time - 5111				63,094.92	65,464.39	65,464.39
								51,081.26		Department Total				63,094.92	65,464.39	65,464.39

	FY 2006	FY 2007	FY 2008	Variance
Full-Time Equivalent Employees:	0.0	2.8	2.9	0.1

FY 2008 AFSCME Union Employee Rates

EMPLOYEE NAME			Department	Org/Object	Job Title		BUDGET FY 2007 52	Rate FY 2007 2.0%	Rate FY 2008 0.0%	STEP INCREASES Date	Rate	# Wks Old	New		Dept FY 2008 52.2	Mayor FY 2008 52.2	Council FY 2008 52.2	LONGEVITY
BRENNAN	ARTHUR	J	235 WATER - ENGINEERING	610131-5111	WATER METER READER	09141998	-	727.55	727.55					50%	18,989.06	18,989.06	18,989.06	
MCCARTHY JR	JOHN	W	235 WATER - ENGINEERING	610131-5111	PROV METER READER	04301990	-	727.54	727.54					50%	18,988.89	18,988.89	18,988.89	
THIBODEAU	DOROTHY	E	235 WATER - ENGINEERING	610131-5111	ASST WATER REG	04151993	-	839.46	839.46					50%	21,909.82	21,909.82	21,909.82	
WHITTEN	CYNTHIA		235 WATER - ENGINEERING	610131-5111	PRINCIPAL CLERK	7/1/2003	-	751.10	751.10					50%	19,603.64	19,603.64	19,603.64	
							-								79,491.40	79,491.40	79,491.40	-

Treasurer–Water Enterprise–Long Term Debt

The Massachusetts Water Pollution Abatement Trust (MWPAT) was established in 1989 pursuant to Title VI of the Federal Clean Water Act. It was later amended in 1998 to encompass the provisions of Title XIV of the Federal Safe Drinking Water Act. The Trust's mission is to fund the implementation of water pollution control and drinking water projects in the Commonwealth through a revolving fund loan program.

In March 2006, MWPAT approved a loan commitment to the City of Salem in the amount of $7,640,000. The Loan Interest Rate is 2%. On March 13, 2003, the Salem City Council approved the authorization of $12,000,000 in principal amount to be borrowed to finance anticipated water projects. Of this amount, $7,640,000 would be funded through the MWPAT Loan Commitment and $4,360,000 would be raised through future bond issues.

In December 2006, the City raised funding through an MWPAT 2% Loan in the amount of $2,330,656 to finance Contract No. 1, the Loring Avenue Water Main Improvements. This project is expected is expected to be completed in the spring of 2007. Contract No. 2, the Water Storage Tank Installation on Highland Avenue, is expected to be completed in January 2008 at an estimated Cost of $4,476,019.

Upon completion of Contract No. 2, the City will fund through an additional MWPAT 2% Loan for the actual Contract No. 2 cost. It is estimated that interest on draw-downs on Contract No. 2 will accrue at 1.76% in the total amount of $50,000 between the present time and the completion of the project. Debt Service on the final 2% Loan for Contract No. 2 will begin in FY09. The $2,330,656 MWPAT 2% Loan will be paid off in semi-annual principal payments through July 2026. For FY08 there is a principal and interest payment of $119,238.47 due in July, and an interest-only payment of $2,837.38 due in January.

Treasurer–Water Enterprise–Short Term Debt

On December 22, 2006, the City of Salem issued a $7,967,000 BAN which was a refinancing and restructuring of four prior short-term debt instruments for the High School, Police Equipment and Water projects. The Water portion of the BAN, in the amount of $3,308,136, was a partial issuance of a total $12,000,000 water borrowing originally authorized by the City Council on March 17, 2003. This $3,308,136 is itself a refinancing and restructuring of three BAN's originally issued on January 15, 2004, January 13, 2005 and January 12, 2006. Bond Anticipation Notes can be issued for up to five years, but pay-downs are required on the first maturity date after the second anniversary of the original issue date and annually thereafter until the BAN is retired or bonded. In Salem's case, two out of the three BAN's in the abovementioned $3,308,136 BAN will be meeting the dates where a pay-down will be required. Thus, in addition to $103,655 in Water Short Term debts service obligations, the City will be paying $86,000 in BAN principal pay-downs in FY08.

Treasurer-Water Enterprise-SBWSB

Chapter 700 of the Acts of 1913 requires the Salem/Beverly Water Supply Board to annually determine the volume of water supplied to the cities of Salem and Beverly during the three years prior to September 30. This data establishes the proportions on which the cities pay their expenses for the operation of the Water Board. At its meeting on December 5, 2006, the Salem/Beverly Water Supply Board certified that in the three-year period prior to September 30, 2005, the City of Salem consumed 58.8% of the water supplied while Beverly consumed 41.2%. The Water Board certified that the assessment proportioned for each of the cities would be determined accordingly.

CITY OF SALEM - FY 2008 OPERATING BUDGET

Water Debt Service

			Expenditures FY 2006	Adopted Budget FY 2007	Adjusted Budget FY 2007	Y-T-D Expenses FY 2007	Department FY 2008	Mayor FY 2008	Council FY 2008
610034	5916	WATER BOND 1 - PRIN-MWPA	0.00	0.00	0.00	0.00	91,918.00	91,918.00	91,918.00
610034	5922	PRINCIPAL PAYDOWN ON BA	0.00	0.00	0.00	0.00	86,000.00	86,000.00	86,000.00
610034	5936	WATER BOND 1 - INT-MWPAT	0.00	0.00	0.00	0.00	49,708.00	49,708.00	49,708.00
	Total	**Water Debt Service**	**0.00**	**0.00**	**0.00**	**0.00**	**227,626.00**	**227,626.00**	**227,626.00**
270	**710**	**Department Total**	**0.00**	**0.00**	**0.00**	**0.00**	**227,626.00**	**227,626.00**	**227,626.00**

CITY OF SALEM - FY 2008 OPERATING BUDGET

Water-Short Term Debt Int-Exp

	Expenditures FY 2006	Adopted Budget FY 2007	Adjusted Budget FY 2007	Y-T-D Expenses FY 2007	Department FY 2008	Mayor FY 2008	Council FY 2008
610035 5304 PROFESSIONAL SERV/FEES	10,000.00	10,000.00	10,000.00	5,500.00	20,000.00	20,000.00	20,000.00
610035 5925 INTEREST ON NOTES	113,560.00	141,604.00	152,232.72	152,232.72	153,655.00	153,655.00	153,655.00
Total Water-Short Term Debt Int-Exp	**123,560.00**	**151,604.00**	**162,232.72**	**157,732.72**	**173,655.00**	**173,655.00**	**173,655.00**
270 752 Department Total	**123,560.00**	**151,604.00**	**162,232.72**	**157,732.72**	**173,655.00**	**173,655.00**	**173,655.00**

CITY OF SALEM - FY 2008 OPERATING BUDGET

	Expenditures FY 2006	Adopted Budget FY 2007	Adjusted Budget FY 2007	Y-T-D Expenses FY 2007	Department FY 2008	Mayor FY 2008	Council FY 2008
Water Assessments							
610033 5650 SBWSB ASSESSMENT	2,023,668.00	2,081,364.00	2,081,364.00	2,081,364.00	2,143,805.00	2,143,805.00	2,143,805.00
Total Water Assessments	**2,023,668.00**	**2,081,364.00**	**2,081,364.00**	**2,081,364.00**	**2,143,805.00**	**2,143,805.00**	**2,143,805.00**
270 840 Department Total	**2,023,668.00**	**2,081,364.00**	**2,081,364.00**	**2,081,364.00**	**2,143,805.00**	**2,143,805.00**	**2,143,805.00**