

Enterprise Fund Overview

What is an Enterprise Fund

An enterprise fund establishes a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. Under enterprise accounting, the revenues and expenditures of the service are segregated into a separate fund with its own financial statements, rather than commingled with the revenues and expenses of all other governmental activities. Financial transactions are reported using standards similar to private sector accounting. Revenues are recognized when earned and expenses are recognized when incurred, under a full accrual basis of accounting. An enterprise fund provides management and taxpayers with information to measure performance, analyze the impact of financial decisions, determine the costs of providing a service and identify any subsidy from the general fund in providing a service.

Enterprise accounting allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy or other available funds, if any. A community may choose to recover total service costs through user charges, but it is not required.

History

The enterprise fund statute, MGL Ch 44 § 53F ½ (formerly Chapter 41 § 39K), was enacted in 1986. Before that time, communities used special revenue funds authorized under various general laws or special acts in order to separately account for their business type services. These special revenue funds were limited, however, with regard to the services and costs covered. The funds were most commonly authorized for water, gas and electric utility departments and used primarily to account for annual operating costs, not the indirect costs, capital expenditures or fixed assets of the service. The purpose of the enterprise fund statute was to give communities the flexibility to account separately for all financial activities associated with a broader range of municipal services.

Basis of Accounting

Proprietary fund revenues and expenses should be recognized on the accrual basis. Revenues should be recognized in the accounting period in which they are earned and become measurable; expense should be recognized in the period incurred, if measurable.

For the entire MGL on Enterprise Funds visit the Massachusetts Department of Revenue website:
<http://www.mass.gov/Ador/docs/dls/publ/misc/EnterpriseFundManual.pdf>

**BUREAU OF ACCOUNTS
SCHEDULE A-2
ENTERPRISE FUNDS**

**SALEM
SEWER ENTERPRISE FUND**

1. Enterprise Revenues & Available Funds

	(a) FY08 Budgeted Receipts	(b) FY09 Estimated Receipts
User Charges	6,380,216	7,327,853
Connection Fees		
Other Departmental Revenue	63,167	63,167
Investment Income		
Intergovernmental-SESD		
Total Revenues	<u>6,443,383</u>	<u>7,391,020</u>
Retained Earnings Appropriated		
Other Enterprise Available Funds	600,000	0
Total Revenue & Available Funds	<u><u>7,043,383</u></u>	<u><u>7,391,020</u></u>
		To Recap Part IIIB, line 3

2. Total Costs Appropriated

a. Costs appropriated in enterprise fund

Salary & Wages	388,207	422,676
Expenses	367,325	395,700
Insurance Expense (deductible expenses)		10,000
Capital outlay	25,000	25,000
Reserve Fund		
Other (SESD assessment)	5,603,209	5,841,346
Total costs appropriated in enterprise fund	<u>6,383,741</u>	<u>6,694,722</u>
Total costs appropriated in the general fund	<u>659,642</u>	<u>673,807</u>

Total Costs	<u><u>7,043,383</u></u>	<u><u>7,368,529</u></u>
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3. Calculation of General Fund Subsidy

Revenue & available funds	7,043,383	7,391,020
less: Total costs	7,043,383	7,368,529
less: Prior year deficit		

(Negative represents general fund subsidy)	<u><u>0</u></u>	<u><u>22,491</u></u>
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4. Sources of Funding for Costs Appropriated in the Enterprise Fund

a. Revenue & available funds	6,383,741	6,694,722
b. Taxation		
c. Free Cash		
d. Non-Enterprise available funds		

Total Sources of Funding for Costs Appropriated in Enterprise Fund	<u><u>6,383,741</u></u>	<u><u>6,694,722</u></u>
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**BUREAU OF ACCOUNTS
SCHEDULE A-2
ENTERPRISE FUNDS**

**SALEM
WATER ENTERPRISE FUND**

1. Enterprise Revenues & Available Funds

	(a) FY08 Budgeted Receipts	(b) FY09 Estimated Receipts
User Charges	4,145,196	4,439,863
Connection Fees		
Other Departmental Revenue	55,000	55,000
Investment Income		
Total Revenues	<u>4,200,196</u>	<u>4,494,863</u>
Retained Earnings Appropriated**		
Other Enterprise Available Funds		
Total Revenue & Available Funds	<u>4,200,196</u>	<u>4,494,863</u>
		To Recap Part IIIB, line 3

Schedule A-2

2. Total Costs Appropriated

a. Costs appropriated in enterprise fund

Salary & Wages	400,607	435,276
Expenses	649,237	612,635
Out-of-state travel		
Capital outlay	25,000	25,000
Insurance Expense (Deductibles)		10,000
Other (SBWB assessment)	2,143,805	2,168,075
Other (Long Term Debt Service ~ FY09)	227,626	515,937
Short term debt (interest only)	<u>173,655</u>	<u>100,000</u>
Total costs appropriated in enterprise fund	<u>3,619,930</u>	<u>3,866,923</u>

Total costs appropriated in the general fund	<u>580,266</u>	<u>605,448</u>
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Total Costs	<u>4,200,196</u>	<u>4,472,371</u>
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3. Calculation of General Fund Subsidy

Revenue & available funds	4,200,196	4,494,863
less: Total costs	4,200,196	4,472,371
less: Prior year deficit		

(Negative represents general fund subsidy)	<u>0</u>	<u>22,492</u>
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4. Sources of Funding for Costs Appropriated in the Enterprise Fund

a. Revenue & available funds	3,619,930	3,866,923
b. Taxation		
c. Free Cash		
d. Non-Enterprise available funds		

Total Sources of Funding for Costs		
Appropriated in Enterprise Fund	<u>3,619,930</u>	<u>3,866,923</u>

**BUREAU OF ACCOUNTS
SCHEDULE A-2
ENTERPRISE FUNDS**

**SALEM
TRASH ENTERPRISE FUND**

1. Enterprise Revenues & Available Funds

	(a) FY08 Budgeted Receipts	(b) FY09 Estimated Receipts
User Charges	700,000	650,000
Prior Year Liens	100,000	50,000
Other Departmental Revenue (recycling)		100,000
Investment Income		
Total Revenues	800,000	800,000
Retained Earnings Appropriated**		
Other Enterprise Available Funds		
Total Revenue & Available Funds	800,000	800,000
		To Recap Part IIIB, line 3

2. Total Costs Appropriated

a. Costs appropriated in enterprise fund

Salary & Wages	55,232	71,580
Expenses	15,613	27,200
Contracted Services - Collection		
Contracted Services - Disposal		
Contracted Services - Collection and Disposal (flat fee)	3,154,341	2,490,000
Recycling Initiative		12,000
Reserve Fund		
Total costs appropriated in enterprise fund	3,225,186	2,600,780

b. Costs appropriated in the general fund (to be transferred to enterprise)

0	0
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Total Costs	3,225,186	2,600,780
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3. Calculation of General Fund Subsidy

Revenue & available funds	800,000	800,000
less: Total costs	3,225,186	2,600,780
less: Prior year deficit		

(Negative represents general fund subsidy)	(2,425,186)	(1,800,780)
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4. Sources of Funding for Costs Appropriated in the Enterprise Fund

a. Revenue & available funds	800,000	800,000
b. Taxation	2,425,186	1,800,780
c. Free Cash		
d. Non-Enterprise available funds		

Total Sources of Funding for Costs Appropriated in Enterprise Fund	3,225,186	2,600,780
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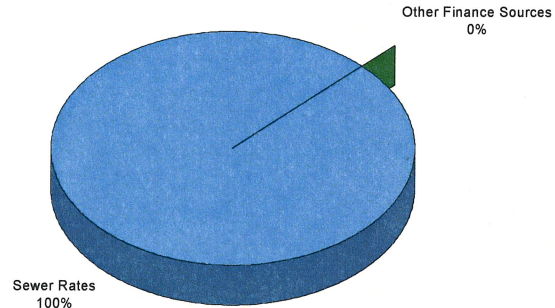
CITY OF SALEM
REVENUE SUMMARY - ENTERPRISE FUNDS

	Actual FY 2007	Actual* FY 2008	Estimated FY 2009	Increase % FY 08 VS FY 09	INCREASE FY 08 VS FY 09
ENTERPRISE FUND					
SEWER RATES	6,474,210	6,480,185	7,391,020	14.06%	910,835
SEWER TRANS/OFS	600,000	601,846	-	-100.00%	(601,846)
TOTAL SEWER	7,074,210	7,082,031	7,391,020	4.36%	(2,605,804)
WATER RATES	4,544,171	4,483,929	4,494,863	0.24%	10,934
WATER TRANS/OFS	-	129,990	-	-100.00%	(129,990)
TOTAL SEWER	4,544,171	4,613,919	4,494,863	-2.58%	(3,403,528)
TRASH FEES	-	780,267	800,000	2.53%	19,733
TRASH General Fund Subsidy/OFS	-	2,425,186	1,800,780	-25.75%	(624,406)
TOTAL SEWER	0	3,205,453	2,600,780	-18.86%	(5,661,287)
ENTERPRISE FUND TOTAL	11,618,381	14,901,404	14,486,663	-2.78%	(6,424,072)

*Unaudited Figures

ESTIMATED REVENUES SEWER ENTERPRISE FUND

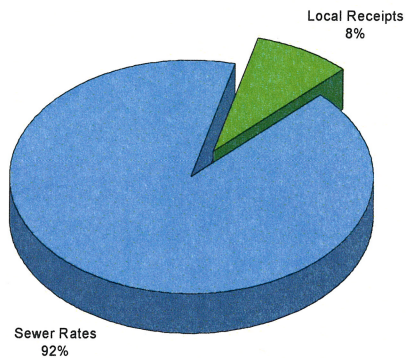
FY 2009



TOTAL \$7,391,020

ACTUAL REVENUES SEWER ENTERPRISE FUND

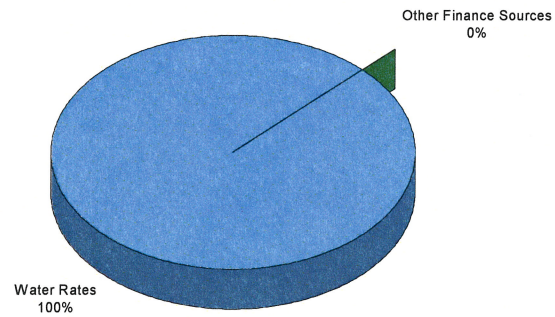
FY 2008



TOTAL \$7,082,031

ESTIMATED REVENUES WATER ENTERPRISE FUND

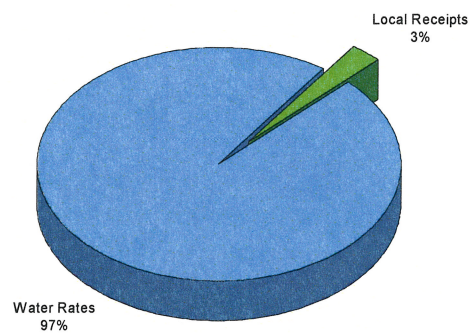
FY 2009



TOTAL \$4,494,863

ACTUAL REVENUES WATER ENTERPRISE FUND

FY 2008

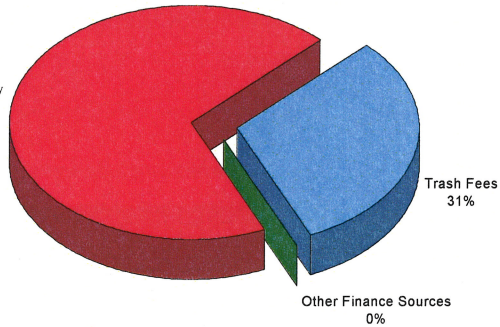


TOTAL \$4,610,919

ESTIMATED REVENUES TRASH ENTERPRISE FUND

FY 2009

General Fund Subsidy
69%

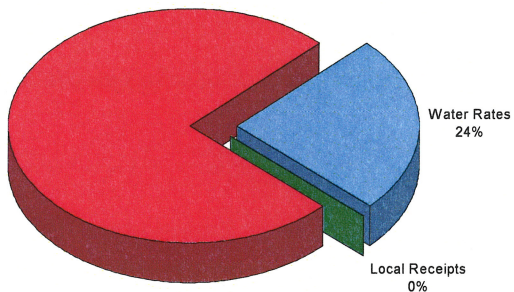


TOTAL \$2,600,780

ACTUAL REVENUES TRASH ENTERPRISE FUND

FY 2008

General Fund Subsidy
76%



TOTAL \$3,205,453

ENTERPRISE FUND REVENUE DETAIL

Revenues for enterprise funds can come from the following sources:

- **Charges and fees** – Amounts paid by those who use the service. These include late charges, fees and interest incurred in the collection process.
- **Investment Income** – or interest earnings of the fund are retained in the fund rather than closing to the general fund. Such revenues may be used as estimated revenue when preparing the budget.
- **Other revenues** – include all other receipts such as state funding and grants and monies from apportioned and un-apportioned betterments and special assessments relating to the enterprise fund.
- **Retained earnings** – the surplus of the enterprise fund. Based on the submission of a June 30 balance sheet, the retained earnings of an enterprise may be used for appropriations only after the Bureau of Accounts certifies it as a surplus. This surplus may be used for capital projects or to offset the operating budget, which effectively reduces the user charges, rates, or general fund subsidy. Like free cash and other general fund reserves, the surplus must be appropriated before the subsequent June 20. After July 1, no appropriation can be made from the surplus until after it is certified by the Director of Accounts.
- **General Fund Subsidy** – Any revenue deficits in an enterprise fund can and should be funded by the general fund, either during the initial budgeting process (if anticipated) or raised on the Recap after year end.

The City of Salem uses the following sources to fund each enterprise fund:

Sewer – User fees, penalties and interest, sewer liens, backflow tests, other miscellaneous revenue and any Fund Balance Surplus at the South Essex Sewerage District. SESD surpluses are the result of our assessment payment being more than the actual costs of running SESD.

Water – User fees, Penalties and interest, water liens, sale of water meters, and revenue from shutoffs.

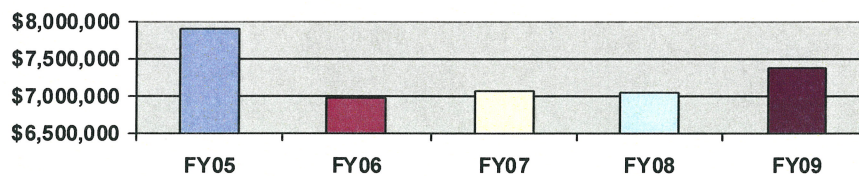
Trash – User fees, penalties and interest and General Fund Subsidy.

SEWER ENTERPRISE FUND

Sewer Revenue – The sewer revenues consist of penalties & interest, sewer rates revenues, sewer liens revenue, sewer backflow tests, and miscellaneous revenue. We also request on an annual basis that SESD send us any retained earnings that they may be holding in our behalf.

Year to Year Comparison	FY 05	FY 06	FY 07	FY 08	FY 09	% Change FY 08 – FY 09
Sewer Revenues	\$7,909,582	\$6,990,045	\$7,074,210	\$7,043,383*	\$7,391,020*	4.9%
*Estimated						

Sewer Enterprise Revenues

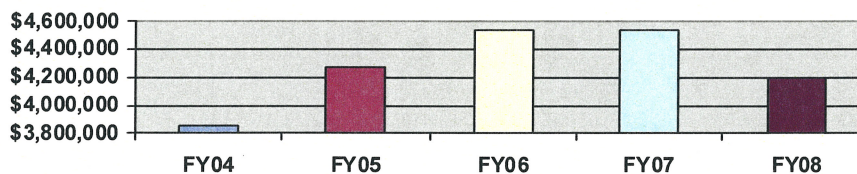


WATER ENTERPRISE

Water Revenue – The water revenues consist of penalties & interest, water rates revenues, water liens revenue, water backflow tests, and miscellaneous revenue. We also request on an annual basis that SESD send us any retained earnings that they may be holding in our behalf.

Year to Year Comparison	FY 05	FY 06	FY 07	FY 08	FY 09	% Change FY 08 – FY 09
Water Revenues	\$4,273,572	\$4,544,002	\$4,544,171	\$4,200,196*	\$4,494,863*	7.0%
*Estimated						

Water Enterprise Revenues



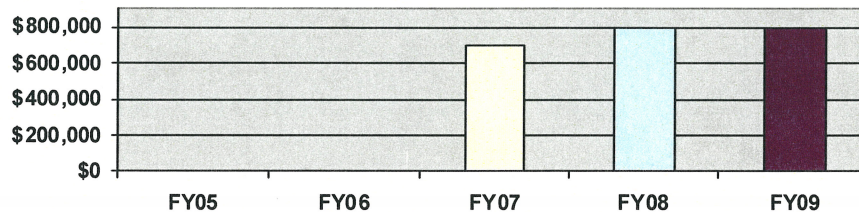
TRASH ENTERPRISE FUND

Trash Revenue – The trash revenues consist of penalties & interest and trash fee revenue. We subsidize the majority of the fund with a general fund transfer.

In FY 2007 the trash fees were collected and expensed entirely in the general fund. In FY 2008 we created a Trash Enterprise Fund by vote of City Council. FY 2009 revenue is anticipated to remain the same.

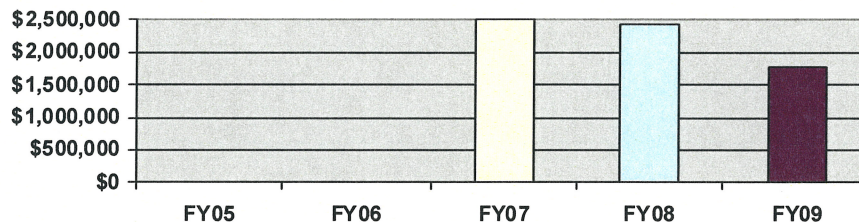
Year to Year Comparison	FY 05	FY 06	FY 07	FY 08	FY 09	% Change FY 08 – FY 09
Trash Fee Revenue	0	0	\$700,000	\$800,000*	\$800,000*	0.0%
*Estimated						

Trash Fee Revenue



Year to Year Comparison	FY 05	FY 06	FY 07	FY 08	FY 09	% Change FY 07 – FY 08
General Fund Subsidy	0	0	\$2,498,754*	\$2,425,186*	\$1,783,416	-26.5%
*Estimated						

General Fund Subsidy



**CITY OF SALEM, MASSACHUSETTS
FY 2009 OPERATING BUDGET**

ACTUAL EXPENDED FY 2007	ADOPTED BUDGET FY 2008	ADJUSTED BUDGET FY 2008	DEPT BUDGET FY 2009	MAYOR BUDGET FY 2009	CITY COUNCIL BUDGET FY 2009	FY08 Adj vs FY 09 Budget Inc/Decr Amount Percentage
410,189	435,651	590,636	597,890	485,088	485,088	-17.87%
368,206	344,881	346,465	446,392	358,288	358,288	3.41%
5,515,899	5,603,209	5,603,209	5,841,346	5,841,346	5,841,346	4.25%
	8,656	10,000	10,000	10,000	10,000	15.53%
6,294,294	6,383,741	6,548,965	6,895,628	6,694,722	6,694,722	2.23%
554,221	444,901	857,165	552,571	528,123	528,123	-38.39%
519,653	629,943	631,927	783,186	544,788	544,788	-13.79%
0	227,626	227,626	515,937	515,937	515,937	126.66%
157,733	173,655	180,424	100,000	100,000	100,000	-44.58%
2,081,364	2,143,805	2,143,805	2,168,075	2,168,075	2,168,075	1.13%
	0	0	10,000	10,000	10,000	
3,312,971	3,619,930	4,040,947	4,129,769	3,866,923	3,866,923	-4.31%
3,225,186	3,226,067	3,226,067	2,714,459	2,600,780	2,600,780	-19.38%
0	3,225,186	3,226,067	2,714,459	2,600,780	2,600,780	-19.38%
9,607,266	13,228,857	13,815,979	13,739,856	13,162,425	13,162,425	-4.73%
288,837	388,207	393,420	424,817	422,676	422,676	7.44%
6,005,457	5,995,534	6,155,545	6,470,811	6,272,046	6,272,046	1.89%
308,535	400,607	407,020	437,417	435,276	435,276	6.94%
3,004,436	3,219,323	3,633,926	3,692,352	3,431,647	3,431,647	-5.57%
0	55,232	56,113	70,999	71,580	71,580	27.56%
0	3,169,954	3,169,954	2,643,460	2,529,200	2,529,200	-20.21%
9,607,266	13,228,857	13,815,979	13,739,856	13,162,425	13,162,425	-4.73%

ENTERPRISE FUNDS

SEWER :

Sewer - Public Services
Sewer - Engineering
SESD Assessment
Sewer - Insurance Deduction

TOTAL SEWER

WATER :

Water-Public Services
Water-Engineering
Long Term Debt
Short Term Debt
SBWS Assessment
Water - Insurance Deduction

TOTAL WATER

TRASH :

Trash - Engineering

TOTAL TRASH

ENTERPRISE FUND TOTAL

PERSONNEL & NON-PERSONNEL SUMMARIES

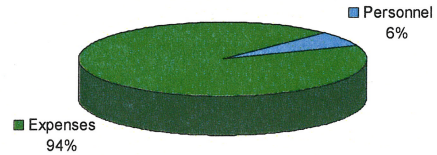
Sewer	Personnel
Water	Non-Personnel
Trash	Personnel
	Non-Personnel
TOTAL Enterprise Fund	Non-Personnel

ADOPTED BUDGET SEWER ENTERPRISE FUND

FY 2009

SEWER FUND

• Personnel	\$ 422,676
• Expenses	<u>6,272,046</u>
• TOTAL	\$ 6,694,722



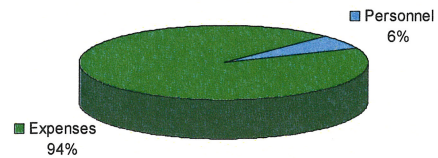
■ Personnel ■ Expenses

ADOPTED BUDGET SEWER ENTERPRISE FUND

FY 2008

SEWER FUND

• Personnel	\$ 388,207
• Expenses	<u>5,995,534</u>
• TOTAL	\$ 6,383,741



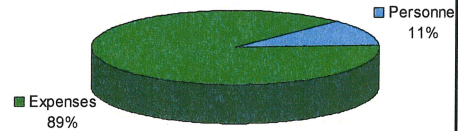
■ Personnel ■ Expenses

ADOPTED BUDGET WATER ENTERPRISE FUND

FY 2009

WATER FUND

• Personnel	\$ 435,276
• Expenses	<u>3,431,647</u>
• TOTAL	\$ 3,866,923



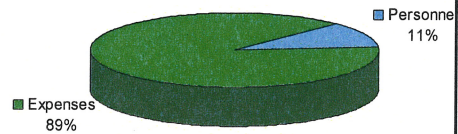
■ Personnel ■ Expenses

ADOPTED BUDGET WATER ENTERPRISE FUND

FY 2008

WATER FUND

• Personnel	\$ 400,607
• Expenses	<u>3,219,323</u>
• TOTAL	\$ 3,619,930



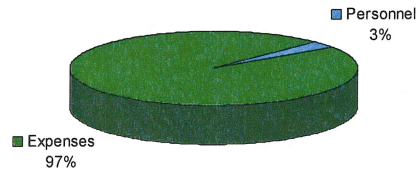
■ Personnel ■ Expenses

ADOPTED BUDGET TRASH ENTERPRISE FUND

FY 2009

TRASH FUND

• Personnel	\$ 71,580
• Expenses	<u>2,529,200</u>
• TOTAL	\$ 2,600,780



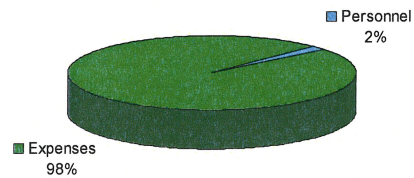
■ Personnel ■ Expenses

ADOPTED BUDGET WATER ENTERPRISE FUND

FY 2008

WATER FUND

• Personnel	\$ 55,232
• Expenses	<u>3,169,954</u>
• TOTAL	\$ 3,225,186



■ Personnel ■ Expenses

**Five Year Financial Forecast
Water and Sewer Enterprise Funds
FY08-FY12**

Desc		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
<i>projected percent increase</i>		<i>0%</i>	<i>9%</i>	<i>5%</i>	<i>5%</i>	<i>7%</i>
Sewer Rates	Residential	4.24	4.62	4.85	5.10	5.45
	Non-Residential < 25,000 cu ft	6.42	7.00	7.35	7.72	8.26
	Non-Residential > 25,000 cu ft	8.23	8.97	9.42	9.89	10.58

SEWER REVENUE

Penalties & Interest Sewer	53,167	59,547	62,524	65,651	70,246
Sewer Rates Revenue	6,591,223	7,184,433	7,543,654	7,920,837	8,475,296
Sewer Liens Revenue					
Sewer Backflow Tests	10,000	11,200	11,760	12,348	13,212
Misc Revenue Sewer					

SEWER RATES	6,654,390	7,255,180	7,617,939	7,998,836	8,558,754
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OFS		135,840	297,687	453,347	111,676
SESD Trans In	600,000		-	-	-

SEWER OFS/Trans In	600,000	135,840	297,687	453,347	111,676
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TOTAL SEWER REVENUE	7,254,390	7,391,020	7,915,626	8,452,183	8,670,430
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SEWER EXPENSES

Administration	780,532	853,376	878,977	905,347	932,507
Long Term Debt - FY09 Capital Budget			302,875	611,050	594,063
SESD Assessment	5,603,209	5,841,346	6,016,586	6,197,084	6,382,996
Subtotal	6,383,741	6,694,722	7,198,439	7,713,481	7,909,566

Indirect Costs	659,642	696,298	717,187	738,703	760,864
Subtotal	7,043,383	7,391,020	7,915,626	8,452,183	8,670,430

Encumbrances

TOTAL SEWER EXPENSES	7,043,383	7,391,020	7,915,626	8,452,183	8,670,430
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Desc		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
<i>percent increase</i>		<i>0%</i>	<i>0%</i>	<i>4%</i>	<i>4%</i>	<i>7%</i>
Water Rates	Residential	2.18	2.18	2.27	2.36	2.52
	Non-Residential	2.96	2.96	3.08	3.20	3.43

WATER REVENUE

Penalties & Interest Water	45,000	46,800	48,672	50,619	54,162
Water Rates Revenue	4,703,057	4,703,057	4,891,180	5,086,827	5,442,905
Water Liens Revenue					
Sale Of Water Meters	5,000	5,200	5,408	5,624	6,018
Misc Revenue Water	5,000	5,200	5,408	5,624	6,018

WATER RATES	4,758,057	4,760,257	4,950,668	5,148,694	5,509,103
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OFS			(0)	367,167	274,393
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WATER OFS/Trans in	-	-	(0)	367,167	274,393
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TOTAL WATER REVENUE	4,758,057	4,760,257	4,950,667	5,515,862	5,783,496
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WATER EXPENSES

Admin	1,074,844	1,082,911	1,126,227	1,171,277	1,218,128
Long Term Debt - FY09 Capital Budget			326,600	666,875	647,750
Long Term Debt - prior capital projects	227,626	515,937	505,000	485,000	800,000
Short Term Debt	173,655	100,000	110,426	195,000	-
SBWSB Assessment	2,143,805	2,168,075	2,254,798	2,344,990	2,438,790
Reserve Fund					

Subtotal	3,619,930	3,866,923	4,323,051	4,863,141	5,104,667
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Indirect Costs	580,266	603,477	627,616	652,720	678,829
Subtotal	4,200,196	4,470,400	4,950,667	5,515,862	5,783,496

Encumbrances

TOTAL WATER EXPENSES	4,200,196	4,470,400	4,950,667	5,515,862	5,783,496
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2007 COMBINED RETAIL WATER AND SEWER RATE COMMUNITY CHARGE COMPARISON

	Water		Sewer		Discounts	Fund	Last Rate Adjustment	% change from FY06	Annual Cost per 120 HCF (approx 90,000 gallons)
	Residential	Commercial	Residential	Commercial					
Salem - current	\$ 2.18	\$ 2.96	HCF	\$ 4.24	yes 10% water if pd. within 15 days	Enterprise Fund Water & Sewer	10/1/2006	0.00%	Water: \$ 261.60 Sewer: \$ 508.80 Combined: \$ 770.40
Salem - proposed	\$ 2.18	\$ 2.96	HCF	\$ 4.62		Enterprise Fund Water & Sewer	10/1/2006	9.00%	Water: \$ 261.60 Sewer: \$ 554.59 Combined: \$ 816.19
Beverly	\$ 2.25	same	HCF	\$ 4.70	no	General Fund Water & Sewer	7/1/2007	7.80%	Water: \$ 270.00 Sewer: \$ 564.00 Combined: \$ 834.00
Chelsea	\$ 3.50	same	0-10 HCF	\$ 5.33	no	Enterprise Fund Water & Sewer	7/1/2007	5.70%	Water: \$ 420.00 Sewer: \$ 639.60 Combined: \$ 1,059.60
	\$ 3.87	same	11-50 HCF	\$ 5.89					
	\$ 4.28	same	balance	\$ 6.51					
Danvers	\$ 3.44	same	HCF	\$ 4.78	yes 15% water elderly/low income	General Fund Water & Sewer	7/1/2007	10.90%	Water: \$ 412.74 Sewer: \$ 573.52 Combined: \$ 986.26
Gloucester	\$ 7.52	same	HCF	\$ 11.28	no	Enterprise Fund Water & Sewer	7/1/2007	30.50%	Water: \$ 676.80 Sewer: \$ 1,015.20 Combined: \$ 1,692.00
Lynn	\$ 3.05	same	0-27.40 HCF	\$ 5.61	yes owner occ. elderly/disabled single @ 15% 3-fam @ 5%	Enterprise Fund Water & Sewer	7/1/2007	11.60%	Water: \$ 366.94 Sewer: \$ 675.18 Combined: \$ 1,042.12
	\$ 3.14	same	27.41-73.05 HCF	\$ 5.80					
	\$ 3.18	same	73.06-281.245 HCF	\$ 5.86					
	\$ 3.24	same	balance	\$ 5.92					
Marblehead	\$ 3.35	same	0-30 HCF	\$ 5.35	no	Enterprise Fund Water & Sewer	7/1/2007	0.40%	Water: \$ 450.00 Sewer: \$ 674.00 Combined: \$ 1,124.00
	\$ 3.65	same	balance	\$ 5.65					
Peabody	\$ 2.44	\$ 2.90	0-15 HCF	\$ 3.25	no	General Fund Water & Sewer	7/1/2007	15.00%	Water: \$ 306.00 Sewer: \$ 409.80 Combined: \$ 715.80
	\$ 2.66	\$ 3.16	15-30 HCF	\$ 3.58					
	\$ 2.90	\$ 3.44	balance	\$ 4.13					
Revere	\$ 2.61	\$ 3.47	HCF	\$ 7.84	yes senior/low income	Enterprise Fund Water & Sewer	7/1/2007	13.50%	Water: \$ 313.20 Sewer: \$ 940.80 Combined: \$ 1,254.00
Swampscott	\$ 5.22	same	HCF	\$ 3.65		Enterprise Fund Water & Sewer	7/1/2007	-0.30%	Water: \$ 626.40 Sewer: \$ 438.00 Combined: \$ 1,064.40

Average Costs of listed communities:	
Water:	\$ 426.90
Sewer:	\$ 658.90
Combined:	\$ 1,085.80

NOTE: All data taken from MWRA Annual Water and Sewer Retail Rate Survey - November 2007 except Danvers (gathered from Danvers Accounting office January 2008)

**City of Salem
Capital Plan
FY09 Capital Budget Cash Outlay
AS APPROVED BY CITY COUNCIL**

CAPITAL REQUEST		FY08 PRIORITY	FUNDING SOURCE	ACTUAL FY 2007	PROPOSED FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Water Enterprise-Engineering									
	Salem Pump Station (Wenham Lake)								
	upgrade mechanical system			\$ 125,293.00					
	Gallow's Hill Reservoir Mech System upgrade			\$ 20,128.00					
	Capital Improvement Program/Transmission Mains/Water Meter System			\$ 88,000.00					
	Loring Ave. Water Main (2003 Bond issue)			\$ 3,500,000.00					
	Highland Ave Water Tank (2003 Bond issue)				\$ 1,000,000.00	\$ 3,500,000.00			
	Main System Upgrades Vales/Pipe replacement (2003 Bond issue)	in progress	bond		\$ 500,000.00	1,500,000.00			
	Upgrade Water Meters - Entire City (new bond issue)	in progress	bond		\$ -	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	
	Design/Construction of Transmission Main Upgrades (Rantoul Street) (new bond issue)	1	bond		\$ -	\$ 1,250,000.00	\$ 1,250,000.00		
	Main System Upgrades Vales/Pipe replacement	2	bond		\$ -	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
			r/e						
	Subtotal: Water Enterprise			\$ 3,733,421.00	\$ 1,500,000.00	\$ 7,350,000.00	\$ 2,350,000.00	\$ 1,100,000.00	\$ 100,000.00
Sewer Enterprise-Engineering									
	Highland Ave. Sewer Investigations			\$ 40,000.00					
	Sewer Pump Station Upgrades/Replacements	1	bond			\$ 400,000.00			
	Sewer Line Replacement	2	r/e			\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
	I/I Removal Program	3	SESD			\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
	South River Basin Upgrades (study, design/permit, construction)	4	bond			\$ 350,000.00	\$ 500,000.00	\$ 3,500,000.00	
	Drain Cleaning	5	bond			\$ 300,000.00			
	Illicit connection removal (study, design, construction)	6	SESD			\$ 100,000.00	\$ 100,000.00	\$ 400,000.00	
	North River improvements - Peer Review	7	r/e			\$ 50,000.00			
	Forester St. study (study, design, construct)	9	bond			\$ 150,000.00			
	Station/Moffat Rd. (study, design, construct)	10	bond			\$ 150,000.00			
	Subtotal: Sewer Enterprise			\$ -	\$ -	\$ 1,575,000.00	\$ 675,000.00	\$ 3,975,000.00	\$ 75,000.00
	Total: Enterprise Fund			\$ 3,733,421.00	\$ 1,500,000.00	\$ 8,925,000.00	\$ 3,025,000.00	\$ 5,075,000.00	\$ 175,000.00
				FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012

**City of Salem
Capital Plan**

**FY09 Capital Budget Cash Outlay
AS APPROVED BY CITY COUNCIL**

CAPITAL REQUEST		FY08 PRIORITY	FUNDING SOURCE	ACTUAL FY 2007	PROPOSED FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
NOTES - Funding Sources:									
Bonding: r/e: Retained Earnings of the respective enterprise fund (no effect on rates) SESD: South Essex Sewerage District Retained Earnings to be used going forward to funds I/I and Illicit Removal campaigns (this will help contain costs in future years)		LENGTH OF BOND & APPROX. INTEREST RATE			TOTAL COST				
		10 year bond @ 4.5%			\$ 3,000,000.00				
Water - Upgrade Water Meters (principal)									
Water - Upgrade Water Meters (interest)									
Water - Rantoul St. transmission Main (principal)									
Water - Rantoul St. transmission Main (interest)									
Sewer - Sewer Pump Station upgrades (principal)									
Sewer - Sewer Pump Station upgrades (interest)									
Sewer - South River Basin upgrades (principal)									
Sewer - South River Basin upgrades (interest)									
Sewer - Drain Cleaning (principal)									
Sewer - Drain Cleaning (interest)									
Sewer - Forrester River stucy (principal)									
Sewer - Forrester River stucy (interest)									
Sewer - Station/Moffat Rd. (principal)									
Sewer - Station/Moffat Rd. (interest)									

	debt payment - FY09	debt payment - FY10	debt payment - FY11	debt payment - FY12
\$	39,600.00	\$ 89,100.00	\$ 300,000.00	\$ 300,000.00
\$	39,600.00	\$ 89,100.00	\$ 135,000.00	\$ 121,500.00
			\$ 435,000.00	\$ 421,500.00
\$	\$	125,000.00	\$ 125,000.00	\$ 125,000.00
\$	50,000.00	\$ 112,500.00	\$ 106,875.00	\$ 101,250.00
	50,000.00	\$ 237,500.00	\$ 231,875.00	\$ 226,250.00
\$	\$	40,000.00	\$ 40,000.00	\$ 40,000.00
\$	4,000.00	\$ 18,000.00	\$ 16,200.00	\$ 14,400.00
	4,000.00	\$ 58,000.00	\$ 56,200.00	\$ 54,400.00
\$	43,500.00	\$ 97,875.00	\$ 217,500.00	\$ 217,500.00
	43,500.00	\$ 97,875.00	\$ 195,750.00	\$ 185,962.50
			\$ 413,250.00	\$ 403,462.50
\$	\$	60,000.00	\$ 60,000.00	\$ 60,000.00
\$	12,000.00	\$ 13,500.00	\$ 10,800.00	\$ 8,100.00
	12,000.00	\$ 73,500.00	\$ 70,800.00	\$ 68,100.00
	\$	30,000.00	\$ 30,000.00	\$ 30,000.00
\$	\$	6,750.00	\$ 5,400.00	\$ 4,050.00
	6,000.00	\$ 36,750.00	\$ 35,400.00	\$ 34,050.00
\$	\$	30,000.00	\$ 30,000.00	\$ 30,000.00
	6,000.00	\$ 6,750.00	\$ 5,400.00	\$ 4,050.00
\$	6,000.00	\$ 36,750.00	\$ 35,400.00	\$ 34,050.00