

AMHERST Massachusetts

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SELECT BOARD MEETING April 25, 2011

New Business

To: Stephanie O'Keeffe, Chair, Amherst Select Board

Members of the Amherst Select Board

From: John Musante, Town Manager

Date: April 21, 2011

Re: FY12 Water and Sewer Rates

In conjunction with consideration of the FY12 Water and Sewer Enterprise Funds operating budget, the Select Board needs to set water and sewer rates for coming year. I am pleased to recommend a modest increase in the sewer rate of 3% and, for the second year in a row, no increase in the water rate. I have attached water and sewer budget and usage projections. These charts outline the proposed budget for FY12 and the perspective sewer rate increase. Those projections indicate that the rate increases should be implemented as follows:

Rate per 100 cubic foot

Utility	Old Rate	New Rate	% Change
Water	\$3.30	\$3.30	0.0 %
Sewer	\$3.25	\$3.35	3.0% increase

The Amherst average homeowner sewer bill is projected to increase for from \$390 per year to \$402 per year, an increase of \$12. The average water bill will remain at \$396 per year.

The Amherst Town Government Act names that the Select Board as the water and sewer commissioners. I recommend the Select Board should adopt the following motion:

The Select Board, acting as the Sewer Commission as prescribed by the Town Act, hereby increases the sewer rate from \$3.25/100 cubic foot, to \$3.35/100 cubic foot, effective July 1, 2011.

		WATER FUND BUDGET PROJECTIONS/ USER CHARGE PROJECTIONS			
		FY 10 Actual	FY11 Budget	FY12	
1	Other Operating Revenues	174,959	196,967	161,000	
2	Appropriation from Surplus	215,684	145,624	0	
3	Appropriation from unused articles	210,001	1 10,02 1	· ·	
4	Operating Expenses	(2,452,969)	(2,751,262)	(2,832,286)	
5	Transfers to General Fund & Reserves	(394,416)	(411,616)	(415,568)	
6	Current Debt	(779,773)	(703,716)	(703,688)	
7	Proposed Debt	,	, ,	,	
8	Capital Expenses	(536,600)	(345,000)	(150,000)	
9	User Charge Revenues Needed	, ,	,	, , ,	
10	To Cover Costs	(\$3,773,115)	(\$3,869,003)	(\$3,940,542)	
11	=				
12	Rate Needed to Cover Costs - excluding other source	\$3.55	\$3.43	\$3.52	
13	Rate Needed to Cover Costs - including other source	\$3.36	\$3.31	\$3.52	
14	Rate susidized by surplus and other available funds	\$0.19	\$0.12	\$0.00	
15	=				
16	Actual/Proposed Rates:				
17	Over 100,000				
18	10,000 - 100,000	\$3.30	\$3.30	\$3.30	
19 20	Under 10,000	\$3.30	\$3.30	\$3.30	
21	Usage (Hundreds Cu Ft)				
22	Over 100,000				
23	10,000 - 100,000	559,315	560,000	510,000	
24	Under 10,000	563,920	610,000	610,000	
25	Total Usage (Hundreds Cu Ft)	1,123,235	1,170,000	1,120,000	
26	<u> </u>				
27	Budgeted User Charge Revenues	3,762,000	3,861,000		
28	Projected User Charge Revenues (billed)	\$3,706,676	\$3,861,000	\$3,696,000	
29 30	Actual User Charge Revenues(collected) Outstanding Balance as of 6/30	\$3,718,035			
31	Actual/Projected Operating Surplus (Deficit)	(66,440)	(8,003)	(244,542)	
32		(00,110)	(0,000)	(= 1 1,0 1=)	
33 34	Operating Surplus(Deficit) after Capital Projects	(66,440)	(8,003)	(244,542)	
35	Appropriation from Surplus	-145,624	(0,000)	(211,012)	
36	PY Encumbrances returned to Fund Balance	-143,024			
37	Other Adustments	-260,104			
38	Water Fund Balance, Beginning of Year	1,578,304	1,106,136	1,098,133	
39		1,070,004	1,100,100	1,000,100	
40	Unreserved WF Balance, End of Year	\$1,106,136	\$1,098,133	\$853,591	
	Amherst Annual Average Homeowner Bill @ 120 hundred cubic feet (90,000 gals.)	396	396	396	

SEWER FUND BUDGET PROJECTIONS/ USER CHARGE PROJECTIONS

	FY10 Actual	FY11 Projected	FY12 Projected
		,	,
	•	•	•
Other Operating Revenues	\$193,246	\$160,000	\$148,000
Appropriation From Surplus Operating Expenses	232,658 (2,536,245)	248,917 (2,805,443)	(2,787,591)
Transfers to General Fund & Reserves	(306,144)	(324,691)	(323,032)
Current Debt	(327,803)	(325,284)	(316,576)
Total Actual/Proposed Capital Expenses	(373,600)	(295,000)	(336,000)
User Charge Revenues Needed	(\$0.447.000)	(00.044.504)	(00.045.400)
To Cover Costs	(\$3,117,888)	(\$3,341,501)	(\$3,615,199)
Rate Needed to Cover Costs	\$3.04	\$3.26	\$3.59
Actual/Proposed Rate	\$3.25	\$3.25	\$3.35
Usage (Hundreds Cu Ft)			
Projected	1,026,000	1,026,000	1,008,000
Actual Collected Against (Rev/Rate)	1,052,712		
Budgeted User Charge Revenues	3,334,500		
Projected User Charge Revenues (billed)	3,334,500	3,334,500	3,376,800
Actual User Charge Revenues (collected)	3,421,315		
Outstanding balance			
Operating Surplus (Deficit)	216,612	(7,001)	(238,399)
Reserved for Expenditures	(248,917)	0	0
Capital Articles Closed out	, , ,		
PY Encumbrances returned to Fund Balance			
Adjustment	(177,610)		
Sewer Fund Balance, Beginning of Year	1,630,508	1,420,593	1,413,592
Unreserved SF Balance, End of Year	\$1,420,593	\$1,413,592	\$1,175,193
	40.1%	37.7%	31.2%
Amherst Annual Average Homeowner Bill @ 120 hundred cubic feet (90,000 gals.)	\$390	\$390	\$402