



The Metropolitan District **FISCAL YEAR 2027 BUDGET** Board of Finance Meeting





AGENDA

- Budget Calendar
- Highlights & Challenges
- Sewer Ad Valorem / Water Rate Overview
- Expenditure Analysis
- Revenue Analysis
- Sewer Ad Valorem Analysis
- Water Rate Comparison



BUDGET CALENDAR

- 09/30 Board of Finance Meeting to discuss 2027 Proposed Budget
- 10/02 Town Meeting #1
- 10/05 District Board refers Budget to BOF
- 10/26 Board of Finance Meeting
- 10/27 Town Meeting #2
- 11/09 Public Hearing for 2027 Budget, Rates and Ordinance Revisions
- 11/16 Water Bureau & Board of Finance to consider and approve 2027 and Water Rates and Refer to District Board
- 11/23 Bureau of Public Works to consider and approve 2027 Sewer Rates and Refer to District Board
- 11/30 MDC Government Committee – to consider and approve ordinance revisions and refer to District Board
- 12/07 MDC District Board adopts 2027 Proposed Budget
- By 12/31 Levy Tax/Publish Ordinance



2027 Budget Recommendation Highlights

- Proposed budget of \$250.1M, an increase of 3.65%
- Sewer Budget
 - Ad Valorem increase of 8.11%
 - Increases to the Sewer Customer Service Charge and Sewer User Charge
 - Overall sewer expenditures increased by \$6,395,652
- Water Budget
 - Decrease in estimated water consumption to 17.9M ccf (from 2026 estimate of 18.3M ccf)
 - Customer Water Rate increased from \$3.91 p/ccf to \$4.06 (3.95% increase)
 - Increases to Customer Service Charges, Fire Protection Service Fees, and Hydrant Maintenance Rate
 - Overall water expenditures increased by \$2,421,958
- Total number of employee positions remains unchanged at 490
 - Realigning positions to reflect cost of service for in water, sewer, and Integrated Plan projects
- Debt service costs as a percentage of the budget decrease slightly from 39.5% to 39.2%
- Operation of Tunnel is \$3.8M of expenditures in 2027



2027 Budget Challenges

- Revenues:

- Hydro Fund Contribution – Loss of fund contribution from the Hydro Fund
- Investment Income – Reduced revenue due to market conditions and fluctuating rates of return
- MDC – Fund balance is within the target range of 30% to 35%, limiting the availability of excess funds

- Expenditures:

- Electricity – Increased transmission and distribution rates along with higher usage associated with the Tunnel coming online
- General Operations – Increase in commodities such as soil, copper pipe, and other material costs
- Software as a Service – Cost of transitioning to the operating budget from the capital budget
- Fuel – Increasing diesel and gasoline state contract prices driven by global market conditions



EXPENDITURE ANALYSIS

(water and sewer operations)

	2026 Adopted	2027 Proposed	\$ Change	% Change
Debt	\$ 95,388,073	\$ 98,143,200	\$ 2,755,127	2.89%
Other Operating Expenditures	\$ 58,015,955	\$ 62,803,400	\$ 4,787,445	8.25%
Payroll	\$ 52,954,400	\$ 53,681,400	\$ 727,000	1.37%
Employee Benefits	\$ 13,767,000	\$ 14,195,600	\$ 428,600	3.11%
General Insurance	\$ 2,976,872	\$ 3,463,100	\$ 486,228	16.33%
Pension	\$ 8,375,970	\$ 8,555,700	\$ 179,730	2.15%
Contingencies	\$ 1,980,000	\$ 1,980,000	\$ -	0.00%
OPEB	\$ 7,853,120	\$ 7,306,600	\$ (546,520)	-6.96%
Total	\$ 241,311,390	\$ 250,129,000	\$ 8,817,610	3.65%



EXPENDITURE ANALYSIS

(water and sewer operations)

Debt:

\$2,755,127

- Net increase due to 2026 GO bond issue
- An increase of \$2.7 million in Sewer debt service
- An increase of \$0.05 million in Water debt service
- Debt service costs as a percentage of the budget decrease slightly from 39.5% to 39.2%



EXPENDITURE ANALYSIS

(water and sewer operations)

Other Operating Expenditures:

\$4,787,445

- Primary expenditure cost drivers:
 - Electricity-Utilities + \$2.00 million
 - Maintenance + \$0.68 million
 - Software-as-a-Service + \$0.57 million
 - Material From Stock + \$0.49 million
 - Fuel + \$0.36 million
 - Chemicals + \$0.21 million
 - Net other expenditure + \$0.48 million



EXPENDITURE ANALYSIS

(water and sewer operations)

Total Payroll - Operating:

\$727,000

- Year-over-year OPEX payroll changes totaling \$0.7 million:
 - Anticipated cost of COLA and Step + \$ 0.40 million
 - Increase to Overtime and Standby Pay + \$ 0.25 million
 - Net change to Longevity & Temp Pay + \$ 0.05 million
- Total Net Employee Count Remains Unchanged
 - 2026 employee count of 395 OPEX and 95 CAPEX equals **490 total**
 - 2027 employee count of 380 OPEX and 110 CAPEX equals **490 total**
 - Realigning positions to reflect cost of service

	2026 Adopted	2027 Proposed
OPEX	395	380
CAPEX	95	110
	490	490



EXPENDITURE ANALYSIS

(water and sewer operations)

Employee Benefits:

\$428,600

- Social Security
- Medicare
- Medical Services
- 2027 consultant claims projections for active employees:
 - 5.52% increase in Medical
 - Dental costs remain unchanged

+\$0.5 million

+\$0.1 million

(\$0.2 million)



EXPENDITURE ANALYSIS

(water and sewer operations)

Insurance (General Liability, Casualty, Workers' Compensation):

\$486,228

- October 1st insurance renewal, an overall premium increase no greater than 4.40% approved by PPI; (actual result was 1.8%)

Pension:

\$179,730

- Assume the same discount rate of 6.625%
- No changes to actuarial assumptions
- Change in Opex portion of ADC
- Realignment of positions for Opex & Capex employee positions to reflect cost of service

OPEB:

(\$546,520)

- Assume the same discount rate of 6.625%
- No changes to actuarial assumptions
- Change in Opex portion of ADC
- Realignment of positions for Opex & Capex employee positions to reflect cost of service



REVENUE ANALYSIS

(water and sewer operations)

	2026 Adopted	2027 Proposed	\$ Change	% Change
WATER				
Sale of Water	\$ 98,265,957	\$ 101,458,500	\$ 3,192,543	3.25%
Fire Protection Services	9,296,000	11,511,400	2,215,400	23.83%
Cross-Connection/BackWater Fee	350,000	538,300	188,300	53.80%
Hydrant Maintenance	1,904,850	2,034,000	129,150	6.78%
Water Billing Penalties	900,000	700,000	(200,000)	-22.22%
Non-Operating Revenues	8,381,972	7,154,100	(1,227,872)	-14.65%
Contributions from Other Funds	7,686,046	5,810,483	(1,875,563)	-24.40%
Total	\$ 126,784,825	\$ 129,206,783	\$ 2,421,958	1.91%
SEWER				
Tax on Member Municipalities	\$ 53,076,600	\$ 57,381,900	\$ 4,305,300	8.11%
Other Sewer Revenues	18,374,554	22,574,300	4,199,746	22.86%
Sewer User Revenues	16,415,590	17,094,400	678,810	4.14%
DEEP Contingency	1,980,000	1,980,000	-	0.00%
Revenue from Other Govt. Agencies	17,159,327	16,775,000	(384,327)	-2.24%
Contributions from Other Funds	7,520,494	5,116,617	(2,403,877)	-31.96%
Total	\$ 114,526,565	\$ 120,922,217	\$ 6,395,652	5.58%
TOTAL	\$ 241,311,390	\$ 250,129,000	\$ 8,817,610	3.65%



REVENUE ANALYSIS

(water operations)

WATER

\$2,421,958

- Operating Revenues

\$4,297,521

- Water Rate increasing by \$0.15 per CCF
- Customer Service Charge increasing by meter sizes
- Economic Development Rate is increasing from \$3.16 to \$3.31
- Fire Protection Service Fee is increasing by meter sizes
- Hydrant Maintenance Rate is increasing from \$170 to \$180

- Contribution from Other Funds

(\$ 1,875,563)

- Use of Net Position from \$5.5 million to \$4.0 million
- Use of Bond Premiums from \$2.2 million to \$1.0 million
- Use of Internal Service Fund contribution \$0.8 million



REVENUE ANALYSIS

(sewer operations)

SEWER

\$6,395,652

- Member Municipalities \$4,305,300
 - Increase of Ad Valorem 8.11%
 - MDC Fund Balance is within the 30-35% range
 - Limiting Fund Balance Contribution
- Other Sewer Revenues \$4,199,746
 - Sewer Customer Service Charge increasing from \$12.50 to \$16.84
- Sewer User Charges \$678,810
 - Sewer User Charge increasing from \$5.90 to \$6.38
- Other Governmental Agencies and Investment Income (\$384,327)
 - Decrease in sludge revenue
- Contributions From Other Funds (\$2,403,877)
 - See next slide for details



REVENUE ANALYSIS

(sewer operations)

Contributions From Other Funds

(\$2,403,877)

- Use of Assessable Sewer Fund Contribution increased \$3,530,000
- Use of Internal Service Fund Contribution increased by \$401,501
- A decrease in the Sewer Fund Contribution of \$4,480,000
- A decrease of use of Bond Premiums from \$2,124,690 to \$1,000,000
- A decrease in the Hydro Fund Contribution of \$730,688



REVENUE ANALYSIS

(Ad Valorem by Member Municipalities)

Member Municipalities Tax History

	2023	2024	2025	2026	2027	\$	%
Ad Valorem Budge	Adopted	Adopted	Adopted	Adopted	Proposed	Change	Change
Hartford	\$13,923,310	\$13,826,795	\$13,817,887	\$13,471,949	\$14,531,616	\$1,059,667	7.87%
East Hartford	6,227,300	6,178,995	6,130,552	6,052,696	6,691,906	639,210	10.56%
Newington	4,776,720	4,767,023	4,791,089	5,165,492	5,140,535	(24,957)	-0.48%
Wethersfield	4,266,270	4,270,903	4,239,858	4,252,025	4,558,326	306,301	7.20%
Windsor	4,712,920	4,751,783	4,795,922	4,862,485	5,400,609	538,124	11.07%
Bloomfield	3,831,630	3,869,023	3,750,383	3,912,243	4,120,164	207,921	5.31%
Rocky Hill	3,294,640	3,352,445	3,373,184	3,377,825	3,733,664	355,839	10.53%
West Hartford	12,043,810	12,059,633	12,177,725	11,981,885	13,205,080	1,223,195	10.21%
Total	\$53,076,600	\$53,076,600	\$53,076,600	\$53,076,600	\$57,381,900	4,305,300	8.11%

	2027 Installment Schedule				
Installment Date	1/20/2027	4/21/2027	7/21/2027	10/20/2027	Total
Hartford	\$3,259,600	\$3,259,600	\$4,006,208	\$4,006,208	\$14,531,616
East Hartford	1,493,744	1,493,744	1,852,209	1,852,209	6,691,906
Newington	1,212,104	1,212,104	1,358,164	1,358,164	5,140,535
Wethersfield	1,074,967	1,074,967	1,204,195	1,204,195	4,558,326
Windsor	1,230,944	1,230,944	1,469,361	1,469,361	5,400,609
Bloomfield	1,057,534	1,057,534	1,002,548	1,002,548	4,120,164
Rocky Hill	854,883	854,883	1,011,949	1,011,949	3,733,664
West Hartford	2,920,943	2,920,943	3,681,597	3,681,597	13,205,080
Total	\$13,104,719	\$13,104,719	\$15,586,231	\$15,586,231	\$57,381,900



AVERAGE CUSTOMER WATER BILL

		2026			2027			Variance		
	CCFs / Month	Rate / CCF	Monthly	Annual	Rate / CCF	Monthly	Annual	Monthly	Annual	%
Member Town - Residential										
Water Use Charge	8.33	\$ 3.91	\$ 32.58	\$ 391.00	\$ 4.06	\$ 33.87	\$ 406.44	\$ 1.29	\$ 15.44	3.95%
Clean Water Project Charge (CWPC)	8.33	\$ 4.87	\$ 40.58	\$ 487.00	\$ 5.20	\$ 43.33	\$ 520.00	\$ 2.75	\$ 33.00	6.78%
Water Customer Service Charge			\$ 15.73	\$ 188.76		\$ 16.84	\$ 202.07	\$ 1.11	\$ 13.31	7.05%
Sewer Customer Service Charge			\$ 12.50	\$ 150.00		\$ 16.84	\$ 202.07	\$ 4.34	\$ 52.07	34.71%
Total Bill			\$ 101.40	\$ 1,216.76		\$ 110.88	\$ 1,330.57	\$ 9.48	\$ 113.81	9.35%
Non-Member - Residential										
Water Used Charge	8.33	\$ 3.91	\$ 32.58	\$ 391.00	\$ 4.06	\$ 33.87	\$ 406.44	\$ 1.29	\$ 15.44	3.95%
Customer Service Charge			\$ 15.73	\$ 188.76		\$ 16.84	\$ 202.07	\$ 1.11	\$ 13.31	7.05%
General Surcharge Outside of District			\$ 15.73	\$ 188.76		\$ 16.84	\$ 202.07	\$ 1.11	\$ 13.31	7.05%
Total Bill			\$ 64.04	\$ 768.52		\$ 67.55	\$ 810.57	\$ 3.50	\$ 42.05	5.47%



WATER RATE COMPARISON

(typical 5/8" residential meter)

2026	
Water Utility	Water Rate Per CCF (748 gal)
Metropolitan District (MDC) - 2027	\$4.06
Aquarion (General Service first 9 CCF)	\$4.34
Regional Water Authority (RWA)	\$5.41
CT Water	\$8.18

Trend		
Year	MDC	RWA
2027	\$4.06	-
2026	\$3.91	\$5.41
2025	\$3.91	\$5.23
2024	\$3.80	\$5.03
2023	\$3.80	\$4.77
2022	\$4.09	\$4.77
2021	\$4.05	\$4.40
2020	\$3.97	\$4.40