

**CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM BUDGET**



**2009 FISCAL YEAR
AS ADOPTED BY CITY COUNCIL**

CITY OF WARREN, MICHIGAN

WATER & SEWER SYSTEM BUDGET

2009 FISCAL YEAR

CITY OF WARREN

James R. Fouts
Mayor

One City Square
Warren, Michigan 48093

ADMINISTRATION

City of Warren was incorporated January 1, 1957, under Act 279, P.A. 1909 as amended (Home Rule Act). The 2000 population per Federal Census, 138,247

City is administered by a Mayor, a Council of nine members, Treasurer and Clerk, all of whom are elected to four-year terms.

PRESENT ELECTIVE OFFICERS

(Terms expire November 11, 2011)

MAYOR

JAMES R. FOUTS

COUNCIL

Mary M. Kamp, President

Scott C. Stevens, Assistant Secretary

Mark Liss

Donna Kaczor Caumartin, Vice President

Robert Boccomino

Kathy J. Vogt

Keith Sadowski, Secretary

Patrick Green

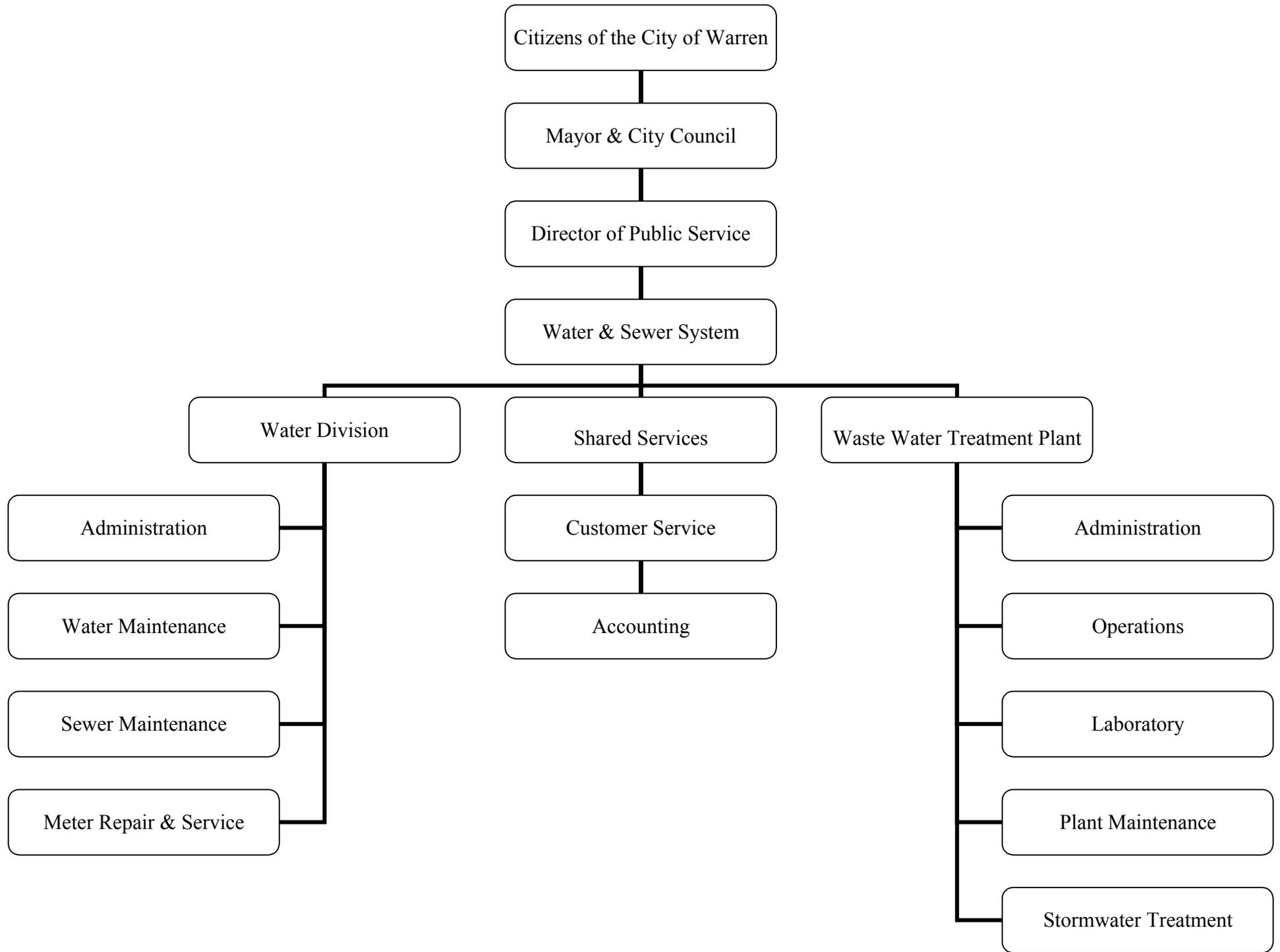
Steven Warner

TREASURER

Carolyn Kurkowski Mocerri

CITY CLERK

Paul Wojno



Citizens of the City of Warren

Mayor & City Council

Director of Public Service

Water & Sewer System

Water Division

Shared Services

Waste Water Treatment Plant

Administration

Water Maintenance

Sewer Maintenance

Meter Repair & Service

Customer Service

Accounting

Administration

Operations

Laboratory

Plant Maintenance

Stormwater Treatment

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET

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WATER & SEWER SYSTEM
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CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET

INTRODUCTION

The Water & Sewer System's functions include the financing, acquisition, operation and maintenance of an adequate water supply and a waste water treatment facility for the benefit of the citizens and business community in the City of Warren. Budget and accounting policies, as presented herein, conform to generally accepted accounting principles for enterprise funds. Revenues are initially deposited in a receiving fund in accordance with State statutes and local revenue ordinances adopted by the City of Warren. Monies are transferred, as needed, to the Operation & Maintenance Fund and Debt Service Reserve and Construction Reserves.

The entire 2009 rate change of 5.9% is attributable to an adjustment in projected sales volumes to recognize declining retail sales. The losses resulting from sales falling short of budget projections in prior years have only been partially offset by cost-cutting measures such as not filling labor positions and deferring capital replacements.

Vacant positions were permanently eliminated from budgets in Fiscal years 2007 and 2008. A smaller pool of manpower has made it more difficult to respond to problems within the community in a timely manner and has made it impossible to engage in an effective preventative maintenance program. Further personnel cuts would render the Water & Sewer System unable to provide the attention an aging infrastructure requires.

The approval of the Fiscal 2009 Budget is a solid first step toward stabilizing the financial condition of the Water & Sewer System. It is uncertain what future effects the struggling local and national economies will have on the System but the changes in user charges and policies and procedures in the 2009 Budget realistically address what the Water & Sewer System has experienced to date and puts it on a better foundation to forge long-term solutions.

Water sales volumes used to calculate rates were reduced by 8.3% for Fiscal 2009, from 900 million cubic feet to 825 million cubic feet. This is a significant reduction but still well above the expected final volumes for Fiscal 2008 of approximately 760 million cubic feet.

There were some unusual circumstances affecting the 2008 performance that are unlikely to re-occur in 2009. Foremost among those are the difficulties encountered in a pressure reducing valve installation. A large main transporting water from Detroit to Warren has been out of service for much of the year with a negative affect on water pressure and availability. Compounding the problem was the necessary request for voluntary conservation.

There were other factors as well, a wet, cold summer, translating to lower volumes of peak summer usage by Water & Sewer System customers and the devastating effects of the economic decline. While we hope for weather more conducive to water sales in 2009 and for a favorable turn in the economy, we must deal realistically with whatever the future presents.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
RATE CALCULATION

Introduction:

The City of Warren Water & Sewer System's current rate structure is based on the recommendations contained in a study by McNamee, Porter & Seeley completed in 1981. Minor modifications have been made to comply with State Revolving Fund (SRF) financing requirements and in response to changing system needs and customer base structure but it remains essentially as originally adopted.

Overview of rates:

There are four basic rates charged to almost every customer of the system. Two, the water rate and waste water treatment rate, are consumption based. This means that total charges can vary from month to month depending on the usage registered by the customer's meter. Some communities use rates that are progressive (the per unit charge increases with higher volumes of usage) and some use rates that are regressive (the per unit charge *decreases* with higher volumes of usage). In Warren, the rates are constant. That is, the per unit costs are the same regardless of the volume of usage. General Motors pays the same per unit cost as residential users; they just pay it on tens of thousands more units each month. Commercial/industrial customers also pay charges that residential users are not subject to. Those will be discussed in the paragraphs that follow.

The remaining two basic rates are flat rate charges – the water service charge and the sewer service charge. Both are based on the size of the meter at the customer location. Rates are apportioned among the various sizes in accordance with AWWA Demand standards. While there has been debate over the actual relationship between meter size and customer demand, especially when focusing on a very narrow range of accounts, the use of the current standard achieves the purpose of recovering a large percentage of cost from customers with the largest meters and highest overall system demand. Optional methods of cost recovery that achieve substantially the same result are priority areas of the rate study.

In addition to the basic rates there are rates that are solely charged to commercial and industrial customers. The cross-connection charge is consumption based and recovers the cost of the system's infrastructure review to determine the existence of illicit cross-connections that could potentially contaminate the fresh water supply. The commodity charge, also consumption based, recovers the cost of administering the industrial pre-treatment program. Discharge from commercial/industrial sites is tested for compliance with EPA standards and individual customers are charged for the treatment of regulated particulates in excess of EPA limits.

Each rate is directly related to particular areas of budgeted expenditures. For example, the Water rate recovers the cost of water purchases from the City of Detroit plus the system's costs in maintaining the infrastructure. These costs include the purchase of sections of water main, materials needed to repair leaks as they occur, costs for the purchase, operation and maintenance of vehicles and equipment to perform repairs, costs to operate and maintain buildings and other storage facilities, the costs for the repair of roadways, driveway approaches, sidewalks and green areas, debt service costs for revenue bonds issued to fund the full scale replacement of water lines that are beyond repair and the cost of labor – wages and benefits for the employees who perform repairs and preventative maintenance services and for those who administer the activities and perform billing and collection services.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
RATE CALCULATION
(continued)

The Water & Sewer System serves three principal functions. The first is the delivery of fresh water to each customer within the system. The second is the transport of waste material from customer locations to the Waste Water Treatment Plant. The third is the treatment of residential, commercial and industrial waste by the Waste Water Treatment Plant including disposal of solid waste materials and purification of liquids to be returned to the freshwater system.

The following pages show how each area of the budget is allocated among these functions for purposes of rate determination. On the first page, Schedule A, the budget Expenditure Summary is allocated to each rate. Wages & Fringe Benefits and Supplies and Other Charges are simple enough to follow. There are elements within Water & Sewer Maintenance that are chargeable to the Meter Service Charge – such as wages & fringe benefits for meter repair personnel. Those costs are subtracted out of the total and the balance allocated between the water consumption charge and the sewer service charge. As indicated previously, the costs for Shared Services is distributed 50/50 between the water rate and the waste water treatment rate. Transfers to reserves for debt service and capital outlay are allocated between the rates in accordance with the proposed usage of those items. For example, if a capital item is for the wastewater treatment plant it is charged to that rate. For debt service, the principal and interest costs are allocated among the rates in accordance with how the borrowed funds were used.

Schedule B starts with the Total Costs from Schedule A and subtracts other revenue sources from it to arrive at the net amount that has to be charged to each rate. If the other revenue is water related, it is subtracted from the charges allocable to the water rate, and other charges specific to a function are subtracted in the same manner. Common other income items, like penalties and interest, are allocated equally between the two largest consumption based rates for water and wastewater treatment.

Once the costs to be recovered from the rates are determined, it is simply a matter of calculating the per unit charges. For the consumption-based rates, the total costs are divided by the number of units expected to be sold during the year, based on historical data. The number of units for wastewater treatment is somewhat smaller than that for water (approximately 96%) since there are some “water-only” customers. Some of these are those with second meters purchased pursuant to recent policy changes. There are also some properties on our borders, or just outside, that get water service from here and sewer from another community and there are also a few existing properties still using septic systems although those are in the process of being eliminated.

For the fixed rates, meter service charges and sewer service charges, the allocation is bit more complex. The total number of meters in the system is distributed according to size. This information comes from recent billings – in the case of the current proposed budget, from the billing for October 2008. An AWWA approved factor is then applied to come up with the total “equivalent meters” in the system. This factor ranges from 1 as the base unit for a 5/8” meter to 500 for a 10” meter.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
RATE CALCULATION
(continued)

To determine the rate for the base unit, a 5/8" meter, the total charges to be recovered for the year is divided by 12 (to get a monthly value) and divided by the total equivalent meters. The AWWA factor is then applied to arrive at the rate for each of the other meter sizes.

Other commercial and industrial charges are subject to different formulas, most of which spring from compliance with Environmental Protection Agency (EPA) and the Michigan Department of Environmental Quality (DEQ) mandated policies and procedures. These charges, as stated before, are in addition to the basic charges that all customers pay.

CHANGE IN SALES ESTIMATES

The single largest factor affecting the overall rate is a reduction in the volume of estimated sales. For many years annual sales volumes were estimated at 10.7 million consumptions (100 cubic feet). The last time we actually sold that much water was in 1999. From 2000 through 2007 the average annual sales volume has been just over 9.2 million consumptions per year with a high of 10.2 million in 2002 and a low of 8.4 million in 2006. The projected sales volume for Fiscal 2008 is expected to be approximately 7.9 million consumptions.

There are a number of potential reasons why the billable usage volumes have fallen. The meters in service are at or near the ends of their useful lives and are surely not reading at the same accuracy levels as when they were new. The 2008 adopted water & sewer system budget included a proposal to begin a meter change out program coupled with an Automated Meter Reading System (AMR).

Changes in climate have had a great impact on water usage. For example, the summers of 2004 and 2008 were unusually wet and there was less need for residential, commercial and industrial customers to use water for lawns or other outdoor purposes.

As the rates have risen, there is greater incentive for customers to find ways to economize on usage. Small volume users, such as residential customers, can install flow-regulating devices in showers and lavatory facilities to reduce usage and/or change usage habits such as not watering lawns as frequently and using less water in other activities. Large volume commercial and industrial users can install similar devices and change processes reduce usage volumes.

It is an unfortunate situation for the system and the system users. The higher the unit price is of water and waste water treatment, the more incentive there is for the user to economize – but – the user reducing usage does not significantly reduce operating costs. In fact, about the only cost reduced by less customer usage is that of water purchases. Other operating costs like supplies, chemicals and utilities are minimally impacted. Debt service and wages and fringe benefits are not changed at all.

We have no choice but to adjust projected sales volumes to be in line with what we have been experiencing. The 2009 adopted budget projects sales at 8.25 million consumptions rather than the 9.0 million estimated in 2008.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
RATE CALCULATION
(continued)

We are hopeful that our efforts to pinpoint and repair major problem areas in the infrastructure will reduce water loss and generate savings in water purchase costs as well as lessen the need for costly emergency repairs. The imminent installation of pressure reducing valves in key areas should stabilize water pressure in the water mains, lessening the stress placed on an aging infrastructure. Updating water meters should give a more accurate reading of usage at each user location that in turn results in a more equitable share of operating costs for the customer.

It cannot be overly stressed how important it is to use reasonable estimates for sales volumes. Shortfalls in sales dramatically hinder the Water & Sewer System's ability to meet performance objectives for the year. The resulting cash flow shortages mean that needed personnel positions have to be left vacant, equipment purchases have to be eliminated or delayed and capital projects have to be postponed.

One of the fundamental differences between budgeting in the Water & Sewer System and City's General is the certainty of revenue sources. If you examine the General Fund budget you will find that over 83% of revenue sources are in the form of property taxes, state shared revenues, grants and administrative fees. The volatility of state shared revenues in the past several years notwithstanding, these are all fairly stable and reliable income sources. At the time the budget is adopted the city knows with reasonable certainty that those monies will be collected.

On the other hand, 89% of the revenue sources for the Water & Sewer System can be significantly impacted by circumstances outside our control. All usage based fees can fluctuate dramatically depending on factors such as weather conditions, changes in the makeup of the user base and the general economic climate in the city and the state.

For example, usage typically peaks during the summer months when residential, commercial and industrial customers are all more active. If the summer is unusually cold and rainy, usage will be reduced. Changes in the makeup of the customer base can have long lasting effects on the system. The privatization of the Tank Plant property, while overall a very positive event for the City, resulting in replacing a high-volume industrial quality user with several commercial users with lower volumes of water utility usage. Other commercial and industrial users, affected by the depressed economic climate in Michigan, and in particular with the auto industry, have scaled back discretionary usage and sought alternative, less costly processes. Likewise, residential users have reduced their discretionary usage in response to the economic downturn and rising rates for not only water utilities but all utility costs.

Adjusting sales volumes is not an option, it is a necessity. Using an inflated volume would reduce rates on paper but would result in the system being far short of the financial resources necessary to operate. We have scaled back expenses as much as possible but basic operations have to be maintained and we have to continue addressing the problems associated with an aging infrastructure. To ignore them is a recipe for disaster in the long term.

CITY OF WARREN, MICHIGAN
 WATER & SEWER SYSTEM
 2009 BUDGET FINANCIAL STATEMENTS

SCHEDULE A
 DISTRIBUTION OF COSTS TO RATES - COUNCIL ADOPTED

Budget Cost Item:	<u>Total</u>	<u>Supporting Revenue</u>			
		<u>Water Rate</u>	<u>Waste Water Rate</u>	<u>Water Service Charge</u>	<u>Sewer Service Charge</u>
<i>Wages & Fringe Benefits</i>					
Water & Sewer Maintenance	\$ 5,077,187	\$ 2,595,110	\$ -	\$ 871,649	\$ 1,610,428
Shared Services	2,117,553	1,058,777	1,058,776	-	-
Waste Water Treatment	6,857,727	-	6,857,727	-	-
<i>Total Wages & Fringe Benefits</i>	<u>14,052,467</u>	<u>3,653,887</u>	<u>7,916,503</u>	<u>871,649</u>	<u>1,610,428</u>
<i>Supplies & Other Charges</i>					
Water Purchases	8,025,000	8,025,000	-	-	-
Water & Sewer Maintenance	1,824,000	989,600	-	245,000	589,400
Shared Services	2,867,000	1,433,500	1,433,500	-	-
Waste Water Treatment	3,497,000	-	3,497,000	-	-
<i>Total Supplies & Other Charges</i>	<u>16,213,000</u>	<u>10,448,100</u>	<u>4,930,500</u>	<u>245,000</u>	<u>589,400</u>
<i>Transfers To Reserves</i>					
WWT Improvement	-	-	-	-	-
Infrastructure Replacement	-	-	-	-	-
Capital Equipment	-	-	-	-	-
Debt Service	4,000,000	1,926,118	1,665,538	-	408,344
<i>Total Transfers</i>	<u>4,000,000</u>	<u>1,926,118</u>	<u>1,665,538</u>	<u>-</u>	<u>408,344</u>
TOTAL COSTS	<u>\$ 34,265,467</u>	<u>\$ 16,028,105</u>	<u>\$ 14,512,541</u>	<u>\$ 1,116,649</u>	<u>\$ 2,608,172</u>

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 BUDGET FINANCIAL STATEMENTS

SCHEDULE B
DISTRIBUTION OF COSTS TO RATES - COUNCIL ADOPTED

	<u>Total</u>	<u>Supporting Revenue</u>			
		<u>Water Rate</u>	<u>Waste Water Rate</u>	<u>Water Service Charge</u>	<u>Sewer Service Charge</u>
TOTAL COSTS {FROM PREVIOUS PAGE} \$	34,265,467	\$ 16,028,105	\$ 14,512,541	\$ 1,116,649	\$ 2,608,172
OFFSETS FOR OTHER REVENUES:					
Water Sales - Unmetered	12,000	12,000	-	-	-
Public Fire Protection	90,000	90,000	-	-	-
Penalties	300,000	150,000	150,000	-	-
Water Division - Other Income	15,000	15,000	-	-	-
Land Contract Interest	19,500	19,500	-	-	-
Meter Repairs	40,000	-	-	40,000	-
Outside Service Income	10,000	10,000	-	-	-
Meter Sales	35,000	-	-	35,000	-
Centerline Transmission Charge	17,000	17,000	-	-	-
Pre-Treatment Surcharges	940,200	-	940,200	-	-
Cross Connection Charges	320,000	320,000	-	-	-
Waste Treatment - Other Income	160,000	-	160,000	-	-
Interest On Investments	150,000	75,000	75,000	-	-
Gain {Loss} On Asset Conversion	10,000	5,000	5,000	-	-
Total revenue offsets	<u>2,118,700</u>	<u>713,500</u>	<u>1,330,200</u>	<u>75,000</u>	<u>0</u>
NET COSTS ALLOCATED TO RATES	<u>\$ 32,146,767</u>	<u>\$ 15,314,605</u>	<u>\$ 13,182,341</u>	<u>\$ 1,041,649</u>	<u>\$ 2,608,172</u>
Estimated billable consumption {100 c.f.}		8,250,000	7,829,250		
		Water	WWT	WSC	SSC
Supporting rate required	\$	1.857	\$ 1.684	\$ 0.74	\$ 1.89
Current rate	\$	1.794	\$ 1.536	\$ 0.74	\$ 1.89
Increase (decrease)	\$	0.063	\$ 0.148	\$ -	\$ -

WATER SERVICE CHARGE

Meter Size	# of Meters	AWWA Meter Ratio	Equivalent Meters	2008 Service Charge	2009 Service Charge	Estimated Revenue
5/8"	43,836	1	43,836	\$0.74	\$0.74	\$ 389,264
3/4"	8	2	16	\$1.48	\$1.48	142
1"	3,767	4	15,068	\$2.96	\$2.96	133,804
1 - 1/2"	949	10	9,490	\$7.40	\$7.40	84,271
2"	908	25	22,700	\$18.50	\$18.50	201,576
3"	168	45	7,560	\$33.30	\$33.30	67,133
4"	72	90	6,480	\$66.60	\$66.60	57,542
6"	25	170	4,250	\$125.80	\$125.80	37,740
8"	13	300	3,900	\$222.00	\$222.00	34,632
10"	8	500	4,000	\$370.00	\$370.00	35,520
	<u>49,754</u>		<u>117,300</u>			<u>\$ 1,041,624</u>

SEWER SERVICE CHARGE

Meter Size	# of Meters	AWWA Meter Ratio	Equivalent Meters	2008 Service Charge	2009 Service Charge	Estimated Revenue
5/8"	43,357	1	43,357	\$1.89	\$1.89	\$ 983,337
3/4"	15	2	30	\$3.78	\$3.78	680
1"	3,647	4	14,588	\$7.56	\$7.56	330,856
1 - 1/2"	922	10	9,220	\$18.90	\$18.90	209,110
2"	875	25	21,875	\$47.25	\$47.25	496,125
3"	167	45	7,515	\$85.05	\$85.05	170,440
4"	70	90	6,300	\$170.10	\$170.10	142,884
6"	25	170	4,250	\$321.30	\$321.30	96,390
8"	13	300	3,900	\$567.00	\$567.00	88,452
10"	8	500	4,000	\$945.00	\$945.00	90,720
	<u>49,099</u>		<u>115,035</u>			<u>\$ 2,608,994</u>

EFFECT OF RATE ON THE AVERAGE RESIDENTIAL USER
 {BASED ON 1,000 CUBIC FEET OF WATER METERED WITH A 5/8" WATER METER}
 - PER MONTH -

	Present Rate	Recommended Rate	Increase (Decrease) Amount	%
Water Service Charge	\$ 0.74	\$ 0.74	\$ -	
Sewer Service Charge	1.89	1.89	-	
Water Charge	17.94	18.57	0.63	
Waste Water Treatment Charge	15.36	16.84	1.48	
Total	\$ 35.93	\$ 38.04	\$ 2.11	5.9%

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET

STATEMENT OF ESTIMATED REVENUES, EXPENSES & CHANGES IN RETAINED
EARNINGS/RESERVE BALANCES
YEAR ENDING DECEMBER 31, 2009

	TOTAL	OPERATION & MAINTENANCE 592020	WASTE WATER TREATMENT IMPROVEMENT 592040	INFRASTRUCTURE REPLACEMENT 592044	CAPITAL EQUIPMENT REPLACEMENT 592047	DEBT SERVICE 592072
OPERATING REVENUES:						
Water & sewer charges	\$ 32,146,790	\$ 32,146,790	\$ -	\$ -	\$ -	\$ -
Other operating revenue	1,958,700	1,958,700	-	-	-	-
NON-OPERATING REVENUES:						
Interest on investments	260,000	150,000	10,000	70,000	5,000	25,000
Gain on sale of fixed assets	10,000	10,000	-	-	-	-
Special assessment collections	-	-	-	-	-	-
TRANSFERS FROM:						
Operation & Maintenance Fund	4,000,000	-	-	-	-	4,000,000
Restricted Reserves	-	-	-	-	-	-
OTHER FINANCIAL RESOURCES:						
Long term debt	152,000	-	-	-	152,000	-
TOTAL FINANCIAL RESOURCES	38,527,490	34,265,490	10,000	70,000	157,000	4,025,000
OPERATING EXPENSES:						
Water purchases	8,025,000	8,025,000	-	-	-	-
Water & sewer maintenance	6,901,187	6,901,187	-	-	-	-
Shared services	4,984,553	4,984,553	-	-	-	-
Waste water treatment plant	10,354,727	10,354,727	-	-	-	-
NON-OPERATING EXPENSES:						
Construction contracts & related project costs	361,000	-	-	-	361,000	-
Other non-operating expenses	4,512,016	-	-	-	8,000	4,504,016
TRANSFERS TO:						
Reserves	4,000,000	4,000,000	-	-	-	-
TOTAL EXPENSES	39,138,483	34,265,467	-	-	369,000	4,504,016
NET FISCAL YEAR INCREASE (DECREASE)	(610,993)	23	10,000	70,000	(212,000)	(479,016)
OTHER ADJUSTMENTS:						
Net decrease (increase) in long term liability	2,534,687	2,534,687	-	-	-	-
Fixed assets capitalized	361,000	361,000	-	-	-	-
Depreciation	(4,600,000)	(4,600,000)	-	-	-	-
Estimated Retained Earnings/Reserves - January 1, 2009	11,802,511	2,196,438	12,362	2,589,124	243,280	6,761,307
Estimated Retained Earnings/Reserves - December 31, 2009	\$ 9,487,205	\$ 492,148	\$ 22,362	\$ 2,659,124	\$ 31,280	\$ 6,282,291

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 BUDGET FINANCIAL STATEMENTS

Revenues

Account Name	Account Number	2007	2008			2009		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Water & Sewer Charges								
Water Sales - Commercial/Industrial	080-46101	\$ 5,778,048	\$ 6,103,800	\$ 2,224,125	\$ 5,450,800	\$ 6,453,400	\$ 6,281,100	\$ 6,125,700
Water Sales - Residential	080-46102	8,973,482	9,155,800	3,637,995	8,176,100	9,648,700	9,421,700	9,188,700
Water Service Charges	080-46103	1,043,675	1,034,550	521,522	1,044,000	1,041,650	1,041,650	1,041,650
Waste Water Treatment Charges	080-47501	11,665,546	12,909,600	4,683,633	11,396,500	13,762,700	13,393,900	13,182,300
Sewer Service Charges	080-47502	2,610,655	2,600,450	1,304,002	2,608,000	2,608,440	2,608,440	2,608,440
<i>Total Water & Sewer Charges</i>		30,071,406	31,804,200	12,371,277	28,675,400	33,514,890	32,746,790	32,146,790
Other Operating Revenue								
Water Sales - Unmetered	080-46000	9,724	12,000	5,025	12,000	12,000	12,000	12,000
Public Fire Protection	080-46300	90,000	90,000	45,000	90,000	90,000	90,000	90,000
Penalties	080-47000	326,704	300,000	134,214	305,000	300,000	300,000	300,000
Water Division - Other Income	080-47100	8,192	15,000	11,985	18,000	15,000	15,000	15,000
Garage Installment Sale	080-47200	29,480	24,500	-	24,544	19,500	19,500	19,500
Meter Repairs	080-47402	50,453	30,000	32,424	48,000	40,000	40,000	40,000
Outside Service Income	080-47404	9,057	15,000	-	10,000	10,000	10,000	10,000
Meter Sales	080-47405	40,150	35,000	10,215	27,000	35,000	35,000	35,000
Centerline Transmission Charge	080-47406	17,648	17,000	3,290	17,000	17,000	17,000	17,000
Pre-Treatment Surcharges	080-47407	915,449	942,000	358,074	790,000	940,200	940,200	940,200
Cross Connection Charges	080-47408	258,117	250,000	107,567	270,000	320,000	320,000	320,000
Waste Treatment - Other Income	080-47410	130,682	150,000	84,377	150,000	160,000	160,000	160,000
<i>Total Other Operating Revenue</i>		1,885,656	1,880,500	792,171	1,761,544	1,958,700	1,958,700	1,958,700
Total Operating Revenue		31,957,062	33,684,700	13,163,448	30,436,944	35,473,590	34,705,490	34,105,490
Non-Operating Revenue								
Interest On Investments	080-66500	172,855	125,000	82,494	170,000	150,000	150,000	150,000
Gain {Loss} On Asset Conversion	080-47401	-	10,000	-	10,000	10,000	10,000	10,000
<i>Total Non-Operating Revenue</i>		172,855	135,000	82,494	180,000	160,000	160,000	160,000
GRAND TOTAL		\$ 32,129,917	\$ 33,819,700	\$ 13,245,942	\$ 30,616,944	\$ 35,633,590	\$ 34,865,490	\$ 34,265,490

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Expenditure Summary

Account Name	Account Number	2007	2008			2009		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Wages & Fringe Benefits								
Water & Sewer Maintenance	1540	\$ 4,614,507	\$ 5,003,308	\$ 1,999,435	\$ 4,931,500	\$ 5,150,097	\$ 5,077,187	\$ 5,077,187
Shared Services	1560	1,826,250	1,948,657	940,479	2,139,640	2,268,127	2,117,553	2,117,553
Waste Water Treatment	1580	5,745,460	6,579,192	2,563,363	6,090,400	6,886,843	6,857,727	6,857,727
<i>Total Wages & Fringe Benefits</i>		12,186,217	13,531,157	5,503,277	13,161,540	14,305,067	14,052,467	14,052,467
Supplies & Other Charges								
Water Purchases	1537-92700	8,087,453	7,950,000	3,317,872	7,213,000	8,025,000	8,025,000	8,025,000
Water & Sewer Maintenance	1540	1,354,588	1,648,000	427,679	1,574,500	1,861,500	1,824,000	1,824,000
Shared Services	1560	2,634,879	2,753,500	1,209,164	2,719,000	2,770,000	2,867,000	2,867,000
Waste Water Treatment	1580	3,267,976	3,237,000	1,280,059	3,951,000	3,572,000	3,497,000	3,497,000
<i>Total Supplies & Other Charges</i>		15,344,896	15,588,500	6,234,774	15,457,500	16,228,500	16,213,000	16,213,000
Transfers To Reserves								
Retained Earnings	1537-96501	1,698,804	43	(1,267,109)	(2,702,096)	23	23	23
Capital Equipment	1537-96547	-	-	-	-	600,000	-	-
Debt Service	1537-96572	2,900,000	4,700,000	2,775,000	4,700,000	4,500,000	4,600,000	4,000,000
<i>Total Transfers</i>		4,598,804	4,700,043	1,507,891	1,997,904	5,100,023	4,600,023	4,000,023
GRAND TOTAL		\$ 32,129,917	\$ 33,819,700	\$ 13,245,942	\$ 30,616,944	\$ 35,633,590	\$ 34,865,490	\$ 34,265,490

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 BUDGET FINANCIAL STATEMENTS

10 Year History of Expenditures

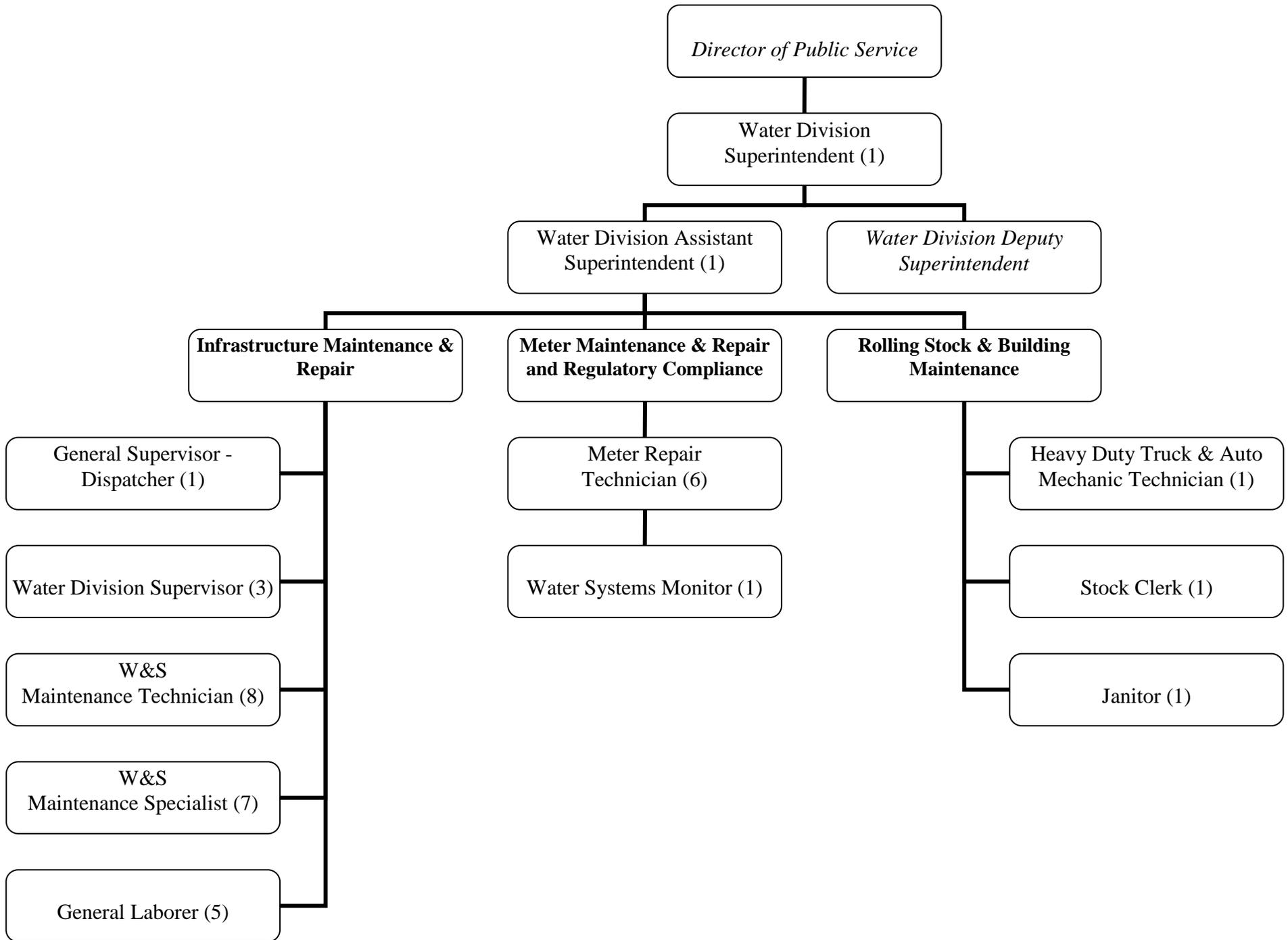
Fiscal Year	Water &			Waste
	Water Purchases	Sewer Maintenance	Shared Services	Water Treatment
2000	\$ 5,871,592	\$ 5,172,490	\$ 3,032,062	\$ 7,624,852
2001	\$ 5,999,460	\$ 5,127,376	\$ 2,902,329	\$ 8,240,905
2002	\$ 7,232,632	\$ 5,445,014	\$ 3,509,087	\$ 7,422,741
2003	\$ 7,578,869	\$ 5,373,938	\$ 3,653,705	\$ 7,774,064
2004	\$ 6,832,765	\$ 5,916,995	\$ 4,042,620	\$ 8,568,872
2005	\$ 7,395,809	\$ 5,807,447	\$ 4,480,884	\$ 8,758,069
2006	\$ 7,007,742	\$ 5,822,573	\$ 4,273,600	\$ 9,004,903
2007	\$ 8,087,453	\$ 5,969,095	\$ 4,438,312	\$ 9,036,253
2008 Projected	\$ 7,213,000	\$ 6,506,000	\$ 4,858,640	\$ 10,041,400
2009 Council Adopted	\$ 8,025,000	\$ 6,901,187	\$ 4,984,553	\$ 10,354,727

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET

Water Purchases

An agreement between the City of Warren and the City of Detroit Board of Water Commissioners provides for the sale and delivery of water to the City of Warren. This agreement is for a minimum term of thirty-five (35) years, commencing on January 23, 1980, and requires ninety (90) days notice in the event of any rate change. The rate at October 1, 2008, was \$8.56 per 1,000 cubic feet.

It is erroneous to label the difference between what we pay the City of Detroit for water and what we charge end users as “profit”. The price that we pay for water to Detroit is only for delivery to our corporate boundaries. Over 400 miles of water mains must be maintained, repaired, and replaced as needed. Though the cost of water purchases is a significant part of the cost to deliver water to Warren homes and businesses, it is not our only cost. It is not even the majority of the cost. Outlays for personnel, supplies, equipment and debt service on bond issues used for large replacement projects are all expenses that have to be considered in determining the charges to end users.



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Water & Sewer Maintenance

Water Maintenance services include the maintenance and repair of the water mains throughout the City, water service installation, service repairs, responses to requests from the Miss Dig system, gate valve maintenance (repairing and cleaning), and hydrant repair and maintenance.

The Water Division Superintendent and the Deputy Superintendent delegate the Assistant Superintendent assignments. These vary from inventory control, general supervision, assisting in the resolution of personnel issues and direction of the Water Division to maintain operational efficiency in situations where both the Superintendent and Deputy Superintendent are assigned elsewhere.

The Heavy Duty Truck & Auto Mechanic Technician will perform repairs to the Water Division fleet as assigned.

The repair and relocation of hydrants throughout the City, at the request of the Fire Department, are water maintenance responsibilities. Other water maintenance services include the routine repair of water main breaks and leaking services, performance of gate valve inspection and maintenance and emergency repairs required to protect the health and safety of citizens of Warren.

Meter Repair services include repairing of meters in the shop and in the field, the installation of meters, repairing remote units, responding to service order requests, and maintaining records for proper reading and billing purposes are responsibilities of this section.

Two major testing and repair or replacement programs are in operation. During the winter months, the repair or replacement of 1-1/2" and 2" meters is conducted at service locations. The summer program focuses on the testing and repair of large meters at service locations to insure that reading accuracy is maintained within acceptable parameters. In shop testing and repair of small meters is also performed year round. Other services performed include the installation of meters in new homes and businesses, servicing meters and remote reading units in the field and responding to service orders written up by the Customer Service personnel for customer inquiries regarding noisy meters, high bills and water leaks.

As more remote readers have been installed, the remote repair work has developed into a very technical job. Locating defective wiring, shorts, pinched wires, bad pins and no lights due to no contact with the remote head are just some of the problems the service personnel encounter. The complexity of the remote system requires the running of continuity tests on each unit that is in need of repair.

Sewer Maintenance services include the televising, cleaning, jetting and vactoring of the main sewers.

The general work assignments are detailed as follows:

The cleaning of sanitary sewers throughout the city is a priority activity. A systematic program of sewer cleaning helps reduce basement flooding, since a clean sewer acts as a reservoir for sanitary sewage. Specialized equipment, such as jet, vector, rodder, and bucket machines, are utilized in the performance of this function. This, and other related equipment must be properly maintained and available for use, without delay, as the need arises.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Water & Sewer Maintenance
(continued)

The filming of sanitary sewers where problems are suspected confirms the nature and extent of existing problems and provides the data necessary for effective repair or replacement. A section by section routine filming program is in process as it is a goal of the Water & Sewer System to establish a video database of the entire sanitary sewer system.

Other tasks of sewer maintenance include repairing manholes on a regular basis and investigating and resolving citizen complaints regarding plugged main sewers.

Major non-personnel budget line items within the Water & Sewer Maintenance section are utilized as follows:

Operating Supplies - asphalt, gravel, and other fill materials used in water main repair; safety equipment {barricades, etc.}; building maintenance and minor repairs supplies; Miss Dig; trade publications, meter parts for repair & maintenance of in-service meters and reconditioning of meters placed back into inventory, sand and other fill materials used in sewer main repair.

Materials - repair sleeves; water main sections; other repair water main repair materials; hydrants.

Meter Replacement - purchase of residential, commercial and industrial meters to replace worn out in-service meters

Professional Services - computer system consulting; professional water main testing services; communication equipment rental, elevator maintenance, building maintenance services, professional meter testing of large meters in use at commercial and/or industrial locations, professional sewer testing services; building maintenance services, contractual sewer line repairs, line locating services.

Concrete, Lawn & Manhole Repairs - restoration of sidewalks, roadways, driveway approaches and grass areas disturbed as the result of water main repair activities.

Facility Maintenance - major repairs to heating & cooling systems, garage doors and building structure.

NOTE: The above descriptions of activities are as they should be performed. Budget constraints over the past several years have resulted in the inability to allocate personnel, particularly maintenance positions, to any activity above and beyond responding to water main breaks, plugged sewers and other emergency situations. Preventative maintenance is not performed on a regular basis in any area of Water & Sewer Maintenance. A return to a balanced approach is contingent on proper funding and review and revision of work practices. With the staffing reductions of the last decade it is imperative that outdated, labor-intensive processes give way to proven, technologically current methods.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Water & Sewer Maintenance
Personnel**

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
Superintendent	1	\$ 93,141	1	\$ 93,405	1	\$ 93,405	1	\$ 93,405
Assistant Superintendent	1	86,285	1	86,549	1	86,549	1	86,549
General Supervisor/Dispatcher	1	36.26/hr.	1	36.40/hr.	1	36.40/hr.	1	36.40/hr.
Water Division Supervisor	3	33.58/hr.	3	33.72/hr.	3	33.72/hr.	3	33.72/hr.
Water & Sewer Maintenance Technician	8	26.79/hr.	9	{b} 26.93/hr.	8	{b} 26.93/hr.	8	{b} 26.93/hr.
Water & Sewer Maintenance Specialist	7	26.33/hr.	7	26.47/hr.	7	26.47/hr.	7	26.47/hr.
Meter Repair Technician	6	26.97/hr.	6	27.11/hr.	6	27.11/hr.	6	27.11/hr.
General Laborer	5	17.67/hr.	5	17.81/hr.	5	17.81/hr.	5	17.81/hr.
Water Systems Monitor	1	62,780	1	63,044	1	63,044	1	63,044
Heavy Duty Truck & Auto Mechanic Technician	1	30.41/hr.	1	30.55/hr.	1	30.55/hr.	1	30.55/hr.
Stock Clerk	1	25.17/hr.	1	25.31/hr.	1	25.31/hr.	1	25.31/hr.
Janitor	1	24.44/hr.	1	24.58/hr.	1	24.58/hr.	1	24.58/hr.
Overtime		250,000		250,000		250,000		250,000
Temporary Employees		75,000		60,000		60,000		60,000
Total Personnel	<u>36</u>		<u>37</u>		<u>36</u>		<u>36</u>	

{a} Wage rates are based on the AFSCME Local 1250, Local 1917, and U.A.W. Local 412 Unit 35 contracts that expire 6/30/09.

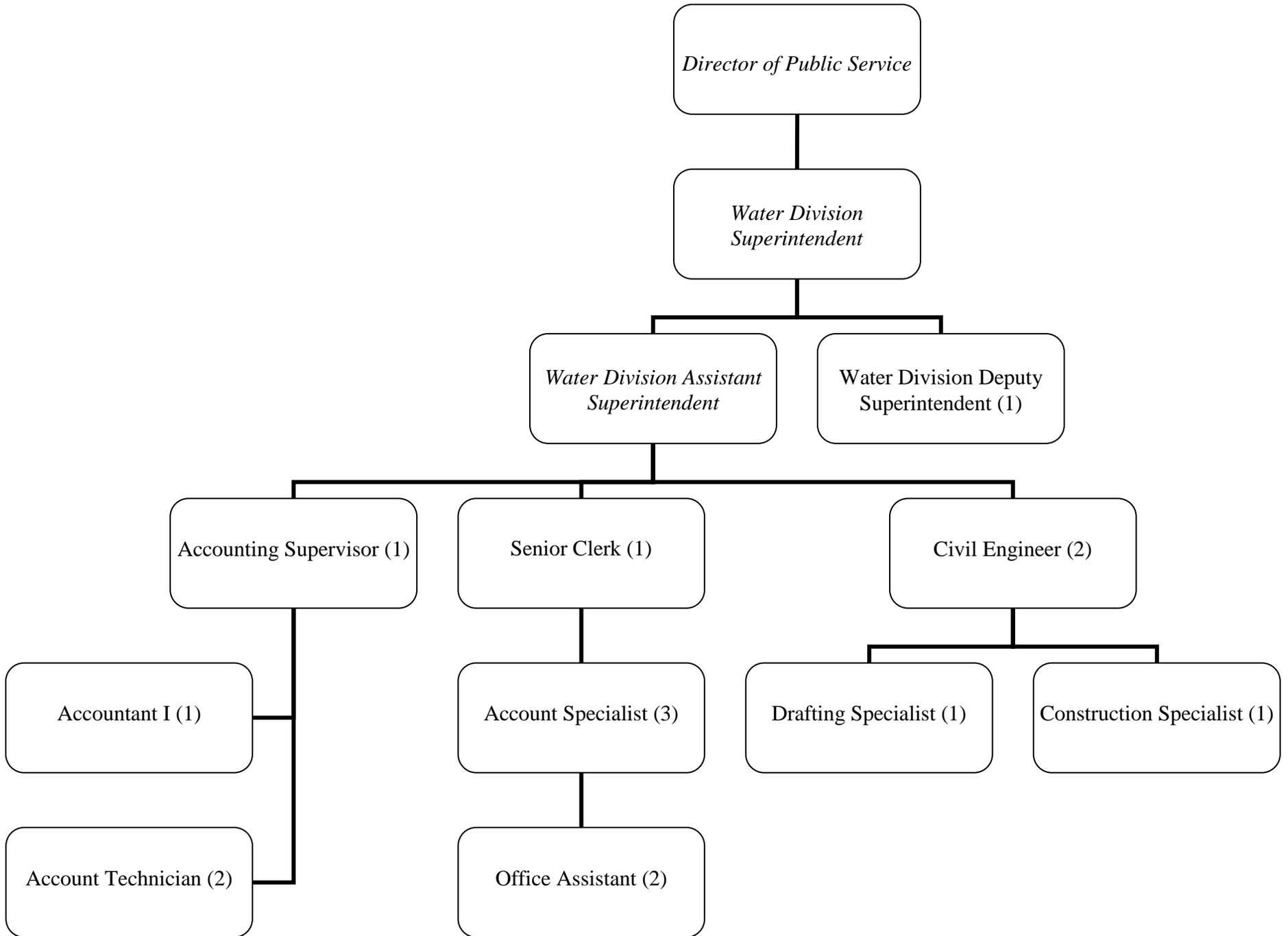
{b} New position - rescinded in Mayor's Recommended Budget

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

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Water & Sewer Maintenance

Account Name	Account Number	2007	2008		2009			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Personnel Services								
Permanent Employees	70600	\$ 1,721,336	\$ 2,030,910	\$ 852,234	\$ 1,940,000	\$ 2,139,785	\$ 2,083,552	\$ 2,083,552
Temporary Labor	70700	79,209	75,000	27,165	62,000	60,000	60,000	60,000
Overtime	70900	414,645	250,000	156,815	335,000	250,000	250,000	250,000
Employee Benefits								
Education & Training	71302	12,477	12,000	938	8,000	8,950	8,950	8,950
Auto Allowance	71305	-	-	2,061	6,100	6,600	6,600	6,600
Uniform/Cleaning Allowance	71306	9,000	-	-	-	-	-	-
Social Security	71500	175,705	189,113	83,376	187,000	197,324	192,822	192,822
Insurances	71900	547,525	606,383	120,469	606,400	608,134	600,694	600,694
Employees' VEBA Trust	71904	610,206	700,099	271,891	695,000	758,995	758,995	758,995
Health Savings	71905	42	-	639	1,500	1,624	1,624	1,624
Supplemental Life Insurance	71906	405	972	486	1,000	972	972	972
Longevity	72100	84,900	72,489	48,478	80,000	82,080	82,080	82,080
Retirement Fund	72200	924,597	1,026,383	410,197	950,000	959,767	959,767	959,767
Defined Contribution Expense	72201	21,784	19,907	16,420	40,000	54,666	50,505	50,505
Cost Of Living Allowance	72400	3,687	8,202	2,574	8,200	8,660	8,431	8,431
Uniforms	72401	4,842	6,270	3,183	6,300	6,650	6,460	6,460
My Lawyer	72505	4,147	5,580	2,509	5,000	5,890	5,735	5,735
Other Charges								
Operating Supplies	74000	180,545	225,000	89,775	314,500	332,500	320,000	320,000
Materials	78700	91,877	100,000	-	100,000	100,000	95,000	95,000
Meter Replacement	78900	187,457	50,000	910	50,000	50,000	50,000	50,000
Professional Services	80100	145,890	150,000	11,696	130,000	130,000	130,000	130,000
Dirt Removal	80102	44,702	110,000	45,344	95,000	150,000	150,000	150,000
Concrete, Lawn & Manhole Repairs	80103	421,009	750,000	171,073	600,000	750,000	750,000	750,000
Telephone	85300	9,892	8,000	4,310	8,500	9,000	9,000	9,000
Fleet Maintenance	86300	145,042	140,000	49,178	155,500	200,000	190,000	190,000
Utilities	92000	108,895	100,000	53,967	101,000	120,000	110,000	110,000
Facility Maintenance	97500	19,279	15,000	1,426	20,000	20,000	20,000	20,000
Total Water & Sewer Maintenance		\$ 5,969,095	\$ 6,651,308	\$ 2,427,113	\$ 6,506,000	\$ 7,011,597	\$ 6,901,187	\$ 6,901,187



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Shared Services

The 2009 Water & Sewer System Budget includes fifteen employees in the Shared Services section, with job responsibilities apportioned into the following six function categories:

Accounting
Information Systems
Customer Service
Meter Book Audit
Meter Reading
Engineering

The Deputy Superintendent reports directly to the Water Division Superintendent and is responsible for assisting in confidential matters and other duties such as reports to the Mayor and Council, budget preparation, education and training of employees in Federal, State, Municipal and divisional matters of health and safety and ordinance compliance. The Deputy Superintendent also fills in for the Superintendent during periods of absence to assure operational efficacy. The person in this position will be responsible for the direct supervision, assemblage of work rules, guidelines and enforcement in this area.

An Accounting Supervisor, Accountant 1, and two Account Technicians assemble data and issue financial reports for both the Water Division and Waste Water Treatment Plant. Their responsibilities include the review and computer entry of all purchase requisitions, purchase orders and invoices. All financial activity for the Water & Sewer System, including List-of-Bills, cash receipts and City Treasurer investments are verified and entered in the System's official computerized financial records by accounting personnel. They are responsible for verifying time cards and correctly distributing Water & Sewer System payroll costs. Preparation of all interim financial reports, the Water & Sewer System Annual Financial Report and annual Budget are handled by the Accounting staff. They also prepare monthly reports on work performed by the maintenance sections and office staff and invoice private parties and other City departments for reimbursement of costs incurred on their behalf by the Water & Sewer System.

Customer Service personnel serve as customer relations representatives for the Water Division. They handle all questions regarding water bills, water taps, meter installations, repairing or replacing stop boxes, plugged main sewers, the availability of water and sewer service. Other responsibilities of this subsection include the issuance of all water permits and resolution of delinquent accounts. Contact is made with customers whose accounts are delinquent and payment arrangements are coordinated. Customer Service also compiles a listing of all unpaid accounts as of December 31st, since all unpaid accounts as of that date are placed on the tax roll for collection.

Personnel assigned to the Meter Book Audit function review the accuracy of readings entered into our permanent records for each meter in service. Included in this review is a check for inordinately high or low readings that could indicate a mechanical malfunction of either the meter or remote reading devices or a customer problem that requires resolution. Any changes as a result of this review are entered in the master Accounts Receivable records. Those individuals assigned to the Meter Book audit function also coordinate the mailing of bills to the customers.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Shared Services
(continued)

Meter Reading is vital to the Water & Sewer System, providing accurate meter readings and visual inspections on bypass seals to assure accountability in our water sales. Currently, there are approximately 50,000 monthly accounts in the City from which physical readings must be taken. The commercial accounts include several meters that are located in meter pits, making the reading process very time consuming.

Through an agreement with Consumers Energy all accounts are read and billed on a monthly basis. Third-party meter reading will be phased out as the water meters are updated and an automated meter reading system is installed.

Responses to high bill inquiries, re-checking meter readings in cases of dispute, and the collection of our delinquent accounts are other tasks assigned to this section.

Under the direction of the City Engineer, two Civil Engineers, a Drafting Specialist and a Construction Specialist draft and inspect Water Division projects performed in the right-of-way.

Major non-personnel budget line items within the Shared Services section are utilized as follows:

Postage - cost of mailing utility billings and public information notices to customers.

General Insurance - insurance on rolling stock, buildings and general liability insurance on employees.

Administration Expense - reimbursement to General Fund for support services from City Administration, City Council, Treasurer and City Clerk such as bill processing, cash collection and deposit, purchasing, legal services, tax roll assessment {delinquent water} and contract review and approval.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Shared Services
Personnel**

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
Deputy Superintendent	1	\$ 88,231	1	\$ 88,495	1	\$ 88,495	1	\$ 88,495
W & S System Accounting Supervisor	1	85,922	1	86,186	1	86,186	1	86,186
System Analyst	-	-	1	{b} 70,000	-	{b} -	-	{b} -
Senior Clerk	1	53,249	1	53,513	1	53,513	1	53,513
Accountant 1	1	59,325	1	59,589	1	59,589	1	59,589
Account Technician	2	53,245	2	53,509	2	53,509	2	53,509
Account Specialist	3	49,640	3	49,904	3	49,904	3	49,904
Office Assistant	2	34,103	2	34,367	2	34,367	2	34,367
Civil Engineer	2	78,249	2	78,513	2	78,513	2	78,513
Drafting Specialist	1	57,689	1	57,953	1	57,953	1	57,953
Construction Specialist	1	29.64/hr.	1	29.78/hr.	1	29.78/hr.	1	29.78/hr.
Overtime		90,000		135,000		135,000		135,000
Temporary Employees		35,000		35,000		35,000		35,000
Total Personnel	<u>15</u>		<u>16</u>		<u>15</u>		<u>15</u>	

{a} Wage rates are based on the AFSCME Local 1250, Local 1917, and U.A.W. Local 412 Unit 59 contracts that expire 6/30/09.

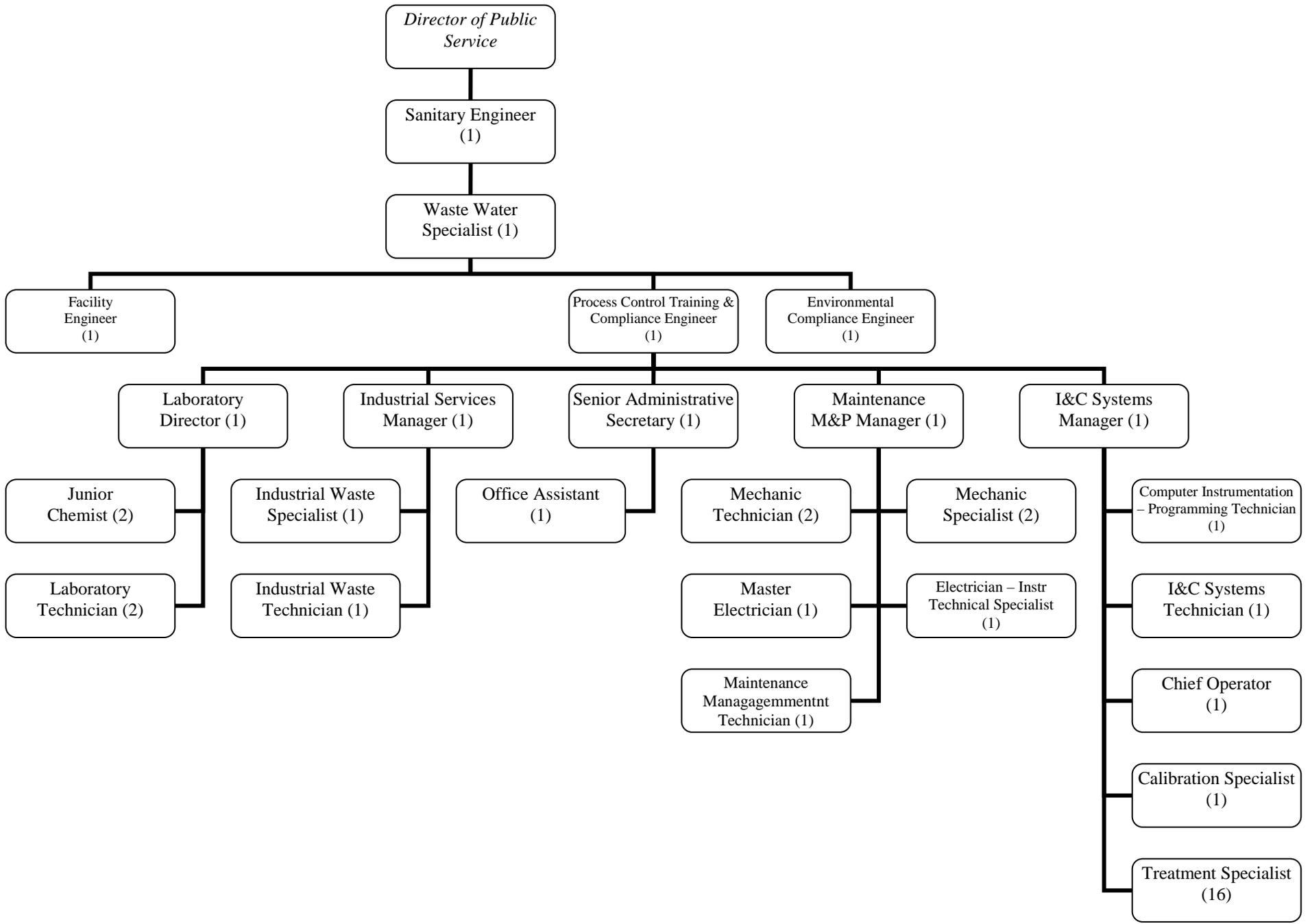
{b} New position - rescinded in Mayor's Recommended Budget

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

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Shared Services

Account Name	Account Number	2007	2008			2009		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Personnel Services								
Permanent Employees	70600	\$ 813,358	\$ 893,116	\$ 404,892	\$ 890,000	\$ 971,569	\$ 912,362	\$ 912,362
Temporary Employees	70700	29,791	35,000	11,557	30,000	35,000	35,000	35,000
Overtime	70900	136,669	90,000	57,549	165,000	135,000	135,000	135,000
Employee Benefits								
Education & Training	71302	14,102	4,250	-	7,500	9,600	9,600	9,600
Auto Allowance	71305	-	-	-	2,250	3,000	3,000	3,000
Uniform/Cleaning Allowance	71306	10,000	-	-	-	-	-	-
Social Security	71500	78,153	82,243	37,003	87,000	91,981	85,824	85,824
Insurances	71900	172,857	202,924	170,556	280,000	229,972	209,914	209,914
Employees' VEBA Trust	71904	254,570	277,417	113,016	297,000	355,149	328,541	328,541
Health Savings	71905	699	889	584	1,300	917	917	917
Supplemental Life Insurance	71906	392	914	738	1,400	1,087	1,087	1,087
Longevity	72100	33,902	35,569	13,170	35,600	37,218	37,218	37,218
Retirement Fund	72200	200,900	251,939	91,400	251,900	321,409	283,613	283,613
Defined Contribution Expense	72201	76,442	68,642	37,929	85,000	70,101	69,723	69,723
Cost Of Living Allowance	72400	1,858	3,239	984	3,200	3,454	3,239	3,239
Uniforms	72401	547	190	-	190	190	190	190
My Lawyer	72505	2,010	2,325	1,101	2,300	2,480	2,325	2,325
Other Charges								
Operating Supplies	74000	4,481	15,000	4,281	15,000	15,000	12,000	12,000
Professional Services	80100	420,600	450,000	114,320	450,000	450,000	550,000	550,000
Auditing	80105	15,500	15,500	13,000	15,500	16,000	16,000	16,000
Postage	80200	187,862	210,000	82,329	197,000	200,000	200,000	200,000
Unemployment Benefits	80300	6,002	1,000	-	1,000	1,000	1,000	1,000
Fleet Maintenance	86300	16,948	15,000	533	2,500	3,000	3,000	3,000
Conferences & Workshops	86400	240	-	-	-	-	-	-
General Insurance	91000	400,000	400,000	200,000	400,000	400,000	400,000	400,000
Utilities	92000	429	1,000	201	750	1,000	1,000	1,000
Administrative Expense	94200	1,560,000	1,620,000	794,500	1,611,250	1,658,000	1,658,000	1,658,000
M.S.D.W.A. Annual Fee	96202	22,817	25,000	-	25,000	25,000	25,000	25,000
Agents Fees	99602	-	1,000	-	1,000	1,000	1,000	1,000
Total Shared Services		\$ 4,461,129	\$ 4,702,157	\$ 2,149,643	\$ 4,858,640	\$ 5,038,127	\$ 4,984,553	\$ 4,984,553



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Waste Water Treatment Plant

Warren's Waste Water Treatment Plant was originally built in 1959 composed of primary settling tanks and secondary treatment units using the activated sludge process and disinfection. The Treatment Plant was designed for flows of approximately 24 million gallons per day (MGD). In 1963 the Plant was further expanded to handle 36 MGD. During the mid 1970's expansion, the pumping capacity was increased to 197 MGD, a 50 million gallon retention basin, two new final tanks, and mixed media tertiary filter building were added. In 1987, a new laboratory was added with the most sophisticated analytical equipment then available, such as an Atomic Absorption Spectrophotometer, a Mercury Analyzer, and an Automatic Ammonia Distillation Unit. Since that time, additional instrumentation such as a Gas Chromatograph/Mass Spectrometer (GC/MS), Toxicity Characteristics Leachate Procedure (TCLP) Apparatus, HNU Vapor Analyzer and Flash Point Tester have been added to meet increasingly stringent regulatory requirements. A system for wet well and incinerator stack odor control was put on line in 1989. Also in 1989, an extensive confined space program was instituted and a computerized maintenance management system and comprehensive plant training manuals were developed. Recently executed contracts will upgrade pumping reliability and increase pumping capacity to 206 MGD and replace the process control computer with a state-of-the-art system incorporating a fiber optic data highway to eliminate loss of computer control during storms. Additional accomplishments include total PCB removal, a major upgrade of the Nine Mile Pumping Station, the addition of a lunch room and locker room for operators, an automatic transfer switch for the 14 Mile Treatment Plant generator, a computerized account tracking system, and a thorough orientation and training program for new employees. These additions enable the Treatment Plant to operate more effectively in order to assure compliance with State and Federal regulations.

This investment and commitment to the City's Waste Water Plant now allows for treatment resulting in:

- 99% Removal of Solids
- 99% Removal of Biochemical Oxygen Demand
- 99% Removal of Nitrogen
- Diversion and Storage of Sewage During Major Storms for Subsequent Treatment
- Diversion and Storage of Industrial Spills for Subsequent Treatment

A small, but highly technical staff of forty-four (44) employees will operate and maintain the Treatment Plant in Fiscal 2009. Their responsibilities include plant operations, plant maintenance, laboratory operations, the Industrial Pretreatment Program (IPP), employee safety, grounds maintenance, and administrative support.

The City of Warren Waste Water Treatment Plant is a recognized leader in the protection of the environment in southeast Michigan. In 1983, and again in 1991, the United States Environmental Protection Agency presented an award to the Treatment Plant for being the best operated and maintained water pollution control facility in Region V, a six-state region. Also in 1991, the Warren Waste Water Treatment Plant won the award for the best operated and maintained facility in the nation for the "Large WWTP Category", (flow more than 20 MGD).

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Waste Water Treatment Plant
(continued)

In 1994, the City's Industrial Pretreatment Program received the Environmental Protection Agency's national 2nd place award for an outstanding Pretreatment Program in the 21 to 50 Significant Industrial Users category. This award, officially announced at the EPA Wastewater Management Excellence Awards Ceremony on October 17, 1994 in Chicago, Illinois, recognizes the program's "exceptional pretreatment efforts" and the dedication of the staff. The EPA's selection of the City of Warren's program was result of an extensive national competition and based on the "innovative and effective approaches" the pretreatment program has implemented to improve influent and effluent water quality and sludge quality.

Warren's Waste Water Treatment Facility was one of the first advanced waste water treatment facilities to be placed in service and continues to meet the stringent discharge limitations imposed by State and Federal authorities. Warren residents can be proud of their facility and should be aware that their sewer rates have not dramatically increased over the past several years, as have the rates of suburban customers of the Detroit Sewage Treatment System. The Treatment Plant staff is proud of the many awards received attesting to the outstanding operational performance of the Plant. The exemplary performance record has been maintained in part as the result of the solid budgetary support provided in the past and can only be maintained with a continuation of that support.

The Efficiency Study commissioned in Fiscal 1999 began an elaborate process of evaluating the technologies employed in the operation of the Waste Water Treatment Plant and the work practices of employees at every level of operation. The collaborative efforts of employees and consultants shows much promise in developing and maintaining an efficient and competitive operation.

Major non-personnel budget line items within the Waste Water Treatment Plant are utilized as follows:

Operating Supplies - office supplies; small computer software & hardware enhancements; laboratory supplies.

- Chemicals - chemicals used in testing and treatment of effluent.
- Professional Services - computer system consulting; testing services; regulatory compliance consultants.
- Ash Removal - removal and disposal of ash from facility.
- Repairs & Maintenance - repair and replacement of precision equipment used in testing and treatment activities at the Waste Water Treatment Plant.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Waste Water Treatment Plant
Personnel**

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
Sanitary Engineer	1	\$ 101,239	1	\$ 101,503	1	\$ 101,503	1	\$ 101,503
Wastewater Specialist	1	83,608	1	83,872	1	83,872	1	83,872
Facility Engineer	1	85,605	1	85,869	1	85,869	1	85,869
Process Control/Training & Compliance Engineer	1	85,456	1	85,720	1	85,720	1	85,720
Environmental Compliance Engineer	1	85,456	1	85,720	1	85,720	1	85,720
<i>Laboratory Section:</i>								
Laboratory Director	1	79,937	1	80,201	1	80,201	1	80,201
Junior Chemist	2	30.10/hr	2	30.24/hr	2	30.24/hr	2	30.24/hr
Laboratory Technician	2	26.78/hr	2	26.92/hr	2	26.92/hr	2	26.92/hr
<i>Maintenance Section:</i>								
Maintenance M&P Manager	1	73,067	1	73,331	1	73,331	1	73,331
Maintenance Management Technician	1	46,939	-	{c}	1	{c}	1	{c}
Mechanic Technician	2	61,724	4	{c}	2	{c}	2	{c}
Mechanic Specialist	2	56,541	1	{c}	2	{c}	2	{c}
Master Electrician	1	68,446	1	68,710	1	68,710	1	68,710
Electrician/Instrumentation Technical Specialist	1	75,461	1	75,725	1	75,725	1	75,725

{a} Wage rates are based on the AFSCME Local 1250, Local 1917, and U.A.W. Local 412 Unit 35 and 59 contracts that expire 6/30/09.

{c} Reclassification of Maintenance Management Technician to Mechanic Specialist and Mechanic Specialist to Mechanic Technician - rescinded in Mayor's Recommended Budget.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Waste Water Treatment Plant
Personnel {continued}**

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
<i>Industrial Services/Stormwater Section:</i>								
Industrial Services Manager	1	75,461	1	75,725	1	75,725	1	75,725
Industrial Waste Specialist	1	59,669	1	59,933	1	59,933	1	59,933
Industrial Waste Technician	1	52,879	1	53,143	1	53,143	1	53,143
<i>Operating Section:</i>								
I & C System Manager	1	80,038	1	80,302	1	80,302	1	80,302
Comp. Instr./Programming Technician	1	58,541	1	58,805	1	58,805	1	58,805
I & C System Technician	1	67,363	1	67,627	1	67,627	1	67,627
Chief Operator	1	85,456	1	85,720	1	85,720	1	85,720
Treatment Specialist	16	28.81/hr	16	28.95/hr	16	28.95/hr	16	28.95/hr
Calibration Specialist	1	58,642	1	58,906	1	58,906	1	58,906
Clerical Section:								
Senior Administrative Secretary - WWTP	1	55,259	1	55,523	1	55,523	1	55,523
Office Assistant	1	34,103	1	34,367	1	34,367	1	34,367
Overtime		225,000		250,000		250,000		250,000
Temporary Employees		45,000		50,000		50,000		50,000
Total Personnel	<u>44</u>		<u>44</u>		<u>44</u>		<u>44</u>	

{a} Wage rates are based on the AFSCME Local 1250, Local 1917, and U.A.W. Local 412 Unit 35 and 59 contracts that expire 6/30/09.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

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Waste Water Treatment

Account Name	Account Number	2007	2008			2009		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Personnel Services								
Permanent Employees	70600	\$ 2,558,429	\$ 2,889,498	\$ 1,175,006	\$ 2,650,000	\$ 2,929,902	\$ 2,916,110	\$ 2,916,110
Temporary Employees	70700	64,826	45,000	12,931	40,000	50,000	50,000	50,000
Overtime	70900	249,557	225,000	107,578	225,000	250,000	250,000	250,000
Employee Benefits								
Education & Training	71302	48,899	11,500	10,132	75,000	75,000	75,000	75,000
Certification Bonuses	71303	38,500	55,000	-	55,000	45,000	45,000	45,000
Uniform/Cleaning Allowance	71306	22,000	-	-	-	-	-	-
Social Security	71500	236,504	264,276	106,042	250,000	269,249	268,179	268,179
Holiday Pay	71700	66,846	72,619	38,272	72,600	73,883	73,883	73,883
Insurances	71900	544,176	707,314	264,793	707,300	722,992	720,137	720,137
Employees' VEBA Trust	71904	828,047	987,828	367,119	900,000	1,113,418	1,108,798	1,108,798
Health Savings	71905	225	313	200	1,000	1,011	1,011	1,011
Supplemental Life Insurance	71906	1,243	2,983	1,308	2,500	2,276	2,276	2,276
Longevity	72100	103,138	105,203	50,845	105,200	104,601	104,601	104,601
Retirement Fund	72200	795,108	1,033,897	341,252	800,000	1,057,010	1,050,231	1,050,231
Defined Contribution Expense	72201	172,560	156,121	81,999	185,000	169,861	169,861	169,861
Cost Of Living Allowance	72400	4,972	9,740	2,514	9,700	9,740	9,740	9,740
Uniforms	72401	4,785	6,080	441	6,100	6,080	6,080	6,080
My Lawyer	72505	5,645	6,820	2,931	6,000	6,820	6,820	6,820
Other Charges								
Operating Supplies	74000	91,473	70,000	20,680	84,000	80,000	75,000	75,000
Chemicals	74300	286,813	350,000	147,766	400,000	430,000	400,000	400,000
Professional Services	80100	146,563	275,000	10,328	250,000	150,000	150,000	150,000
Building Lease	80104	54,000	54,000	27,000	54,000	54,000	54,000	54,000
Odor Control	80107	6,256	45,000	25,683	45,000	45,000	45,000	45,000
Ash Removal Contract	81800	60,971	70,000	14,611	70,000	85,000	85,000	85,000
Telephone	85300	14,769	13,000	5,009	13,000	13,000	13,000	13,000
Fleet Maintenance	86300	9,901	20,000	5,994	15,000	15,000	15,000	15,000
Utilities	92000	874,943	825,000	416,507	1,200,000	1,000,000	1,000,000	1,000,000
Electric Power	92001	1,158,033	1,000,000	435,381	1,040,000	1,100,000	1,100,000	1,100,000
Repairs & Maintenance	93000	534,059	475,000	152,728	750,000	565,000	525,000	525,000
Management Agency Fee	96201	30,195	40,000	18,372	30,000	35,000	35,000	35,000
Total Waste Water Treatment		\$ 9,013,436	\$ 9,816,192	\$ 3,843,423	\$ 10,041,400	\$ 10,458,843	\$ 10,354,727	\$ 10,354,727

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

WATER AND WASTE WATER RATES

Water Consumption Rates Based on the amount of metered water	Present Rate	2009 Department Requested	2009 Recommended By Mayor	2009 Council Adopted
0 to 600 Cubic Feet	\$1.794 per C	\$1.943 per C	\$1.903 per C	\$1.857 per C
Each 100 Cubic Feet Thereafter	\$1.794 per C	\$1.943 per C	\$1.903 per C	\$1.857 per C
<u>Monthly Water Service Charge:</u>				
Meter Size:				
5/8"	\$ 0.74	\$ 0.74	\$ 0.74	\$ 0.74
3/4"	\$ 1.48	\$ 1.48	\$ 1.48	\$ 1.48
1"	\$ 2.96	\$ 2.96	\$ 2.96	\$ 2.96
1-1/2"	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.40
2"	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50
3"	\$ 33.30	\$ 33.30	\$ 33.30	\$ 33.30
4"	\$ 66.60	\$ 66.60	\$ 66.60	\$ 66.60
6"	\$ 125.80	\$ 125.80	\$ 125.80	\$ 125.80
8"	\$ 222.00	\$ 222.00	\$ 222.00	\$ 222.00
10"	\$ 370.00	\$ 370.00	\$ 370.00	\$ 370.00
Monthly Water Service Charge				
<u>Fire Line Only - Flat Rate:</u>				
Service Line Size:				
5/8"	\$ 4.52	\$ 4.83	\$ 4.75	\$ 4.66
3/4"	\$ 5.26	\$ 5.57	\$ 5.49	\$ 5.40
1"	\$ 6.74	\$ 7.05	\$ 6.97	\$ 6.88
1-1/2"	\$ 26.28	\$ 27.84	\$ 27.44	\$ 26.98
2"	\$ 37.38	\$ 38.94	\$ 38.54	\$ 38.08
3"	\$ 52.18	\$ 53.74	\$ 53.34	\$ 52.88
4"	\$ 85.48	\$ 87.04	\$ 86.64	\$ 86.18
6"	\$ 144.68	\$ 146.24	\$ 145.84	\$ 145.38
8"	\$ 240.88	\$ 242.44	\$ 242.04	\$ 241.58
10"	\$ 388.88	\$ 390.44	\$ 390.04	\$ 389.58

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

WATER AND WASTE WATER RATES

Waste Water Treatment Consumption Rates Based on the amount of metered water	Present Rate	2009 Department Requested	2009 Recommended By Mayor	2009 Council Adopted
0 to 600 Cubic Feet	\$1.536 per C	\$1.739 per C	\$1.711 per C	\$1.684 per C
Each 100 Cubic Feet Thereafter	\$1.536 per C	\$1.739 per C	\$1.711 per C	\$1.684 per C
<u>Monthly Sewer Service Charge:</u>				
Meter Size:				
5/8"	\$ 1.89	\$ 2.15	\$ 1.89	\$ 1.89
3/4"	\$ 3.78	\$ 4.30	\$ 3.78	\$ 3.78
1"	\$ 7.56	\$ 8.60	\$ 7.56	\$ 7.56
1-1/2"	\$ 18.90	\$ 21.50	\$ 18.90	\$ 18.90
2"	\$ 47.25	\$ 53.75	\$ 47.25	\$ 47.25
3"	\$ 85.05	\$ 96.75	\$ 85.05	\$ 85.05
4"	\$ 170.10	\$ 193.50	\$ 170.10	\$ 170.10
6"	\$ 321.30	\$ 365.50	\$ 321.30	\$ 321.30
8"	\$ 567.00	\$ 645.00	\$ 567.00	\$ 567.00
10"	\$ 945.00	\$ 1,075.00	\$ 945.00	\$ 945.00
<u>Unmetered Minimum Bill</u>				
<u>Per Month - Sewer Only Charge:</u>				
Water Service Size:				
5/8"	\$ 4.96	\$ 5.63	\$ 5.31	\$ 5.26
3/4"	\$ 6.85	\$ 7.78	\$ 7.20	\$ 7.15
1"	\$ 10.63	\$ 12.08	\$ 10.98	\$ 10.93
1-1/2"	\$ 34.26	\$ 38.89	\$ 36.01	\$ 35.74
2"	\$ 62.61	\$ 71.14	\$ 64.36	\$ 64.09
3"	\$ 100.41	\$ 114.14	\$ 102.16	\$ 101.89
4"	\$ 185.46	\$ 210.89	\$ 187.21	\$ 186.94
6"	\$ 336.66	\$ 382.89	\$ 338.41	\$ 338.14
8"	\$ 582.36	\$ 662.39	\$ 584.11	\$ 583.84
10"	\$ 960.36	\$ 1,092.39	\$ 962.11	\$ 961.84

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

WATER AND WASTE WATER RATES

Meter Minimum Bill Per Month With 5/8" Meter Service Charge:	Present Rate	2009 Department Requested	2009 Recommended By Mayor	2009 Council Adopted
Water Service Charge	\$ 0.74	\$ 0.74	\$ 0.74	\$ 0.74
Sewer Service Charge	1.89	2.15	1.89	1.89
Water 0 - 200 Cubic Feet	3.59	3.89	3.81	3.71
Waste Water Treatment 0 - 200 Cubic Feet	3.07	3.48	3.42	3.37
Total	\$ 9.29	\$ 10.26	\$ 9.86	\$ 9.71

Waste Water Extra Strength Surcharges
Per Pound:

Bio-chemical Oxygen Demand (BOD)	\$ 0.2463	\$ 0.2347	\$ 0.2347	\$ 0.2347
Suspended Solids (SS)	\$ 0.3174	\$ 0.3004	\$ 0.3004	\$ 0.3004
Phosphorus (P)	\$ 2.4089	\$ 2.5217	\$ 2.5217	\$ 2.5217
Ammonia (NH3-N)	\$ 0.4550	\$ 0.4700	\$ 0.4700	\$ 0.4700

Waste Water Pretreatment Charge:

Per Sample	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Per Analysis	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00

Commodity Charge Per 100 Cubic Feet:

Non-Domestic User	\$ 0.2329	\$ 0.2329	\$ 0.2329	\$ 0.2329
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Cross-Connection Charge Per 100 Cubic Feet:

Non-Domestic User	\$ 0.0940	\$ 0.1008	\$ 0.1008	\$ 0.1008
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CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Debt Service Reserve

The Debt Service Reserve Fund was established to set aside funds for the payment of bonded indebtedness. Included in Fiscal 2009 appropriations are the actual debt service costs the following debt instruments issued directly by the Water & Sewer System or in conjunction with other city funding entities:

Conventional revenue bonds:

- \$8.005 million of the \$12.0 million revenue refunding bonds issued in 1999 to refinance revenue bond issues from 1994 and 1996
- \$11.4 million revenue bonds issued in 1999 {refinanced in 2005 - \$150,000 outstanding}
- \$13.75 million revenue bonds issued in 2000 (refinanced in 2005 - \$1.8 million outstanding)
- \$20.95 million of the \$21.675 million revenue refunding bonds issued in 2005 to refinance bond issues from 1999 and 2000

State Revolving Fund {SRF} revenue bonds:

- \$3.98 million of \$4.75 million issued in 2003 {5134-01}
- \$5.935 million of \$6.465 million issued in 2004 {5134-02}
- \$942,091 of \$1,147,091 issued in 2004 {5134-03}
- \$7.495 million of \$8.2 million issued in 2005 {5134-04}

Capital Equipment financing:

- \$42,605 of \$266,280 Building Authority capital equipment bonds issued in 2002
- \$1,045,000 of \$1,280,543 of City of Warren capital improvement bonds issued in 2003
- \$2,092,533 of \$2,120,700 City of Warren capital improvement bonds issued in 2006
- Projected 2009 \$152,000 capital equipment bonds

The SRF bond issues differed from conventional revenue bonds in that the proceeds were transmitted to the City as construction progressed on a reimbursement basis. As a result repayment schedules fluctuated from year to year. Disbursements for each project have been completed so the amounts listed above and the debt schedules in the debt service section of the budget documents reflect total liability and the final repayment schedules.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

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Debt Service

Account Name	Account Number	2007	2008			2009		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 86,886	\$ 150,000	\$ 12,690	\$ 23,000	\$ 25,000	\$ 25,000	\$ 25,000
Special Assessment Collections	69700	-	-	-	-	262,700	262,700	-
Transfer From:								
Operation & Maintenance Fund	67620	2,900,000	4,700,000	-	4,700,000	4,500,000	4,600,000	4,000,000
Waste Water Treatment Improvement	67640	1,322,283	1,000,000	-	1,000,000	-	-	-
Infrastructure Replacement	67644	75,335	-	-	-	-	-	-
Capital Equipment	67647	3,943	-	-	-	-	-	-
Total Financial Resources		4,388,447	5,850,000	12,690	5,723,000	4,787,700	4,887,700	4,025,000
Expenditures:								
<i>Revenue Bond Debt Service</i>								
Principal	99600	1,520,000	1,585,000	890,000	1,585,000	1,680,000	1,680,000	1,680,000
Interest	99601	1,448,756	1,684,520	705,028	1,390,920	1,319,090	1,319,090	1,319,090
Proposed Bond Issue	99601	-	-	-	-	123,900	123,900	-
<i>Building Authority Bond Debt Service</i>								
Principal	99602	48,221	91,014	50,540	91,014	97,605	97,605	97,605
Interest	99603	41,734	39,628	20,188	39,628	37,024	37,024	37,024
<i>Capital Improvement Bond Debt Service</i>								
Principal	99604	14,082	14,082	-	14,082	14,082	14,082	14,082
Interest	99605	61,253	81,058	40,592	81,058	80,530	80,530	80,530
<i>State Revolving Fund Bond Debt Service</i>								
Principal	99606	855,000	880,000	625,000	880,000	895,000	895,000	895,000
Interest	99607	381,271	379,354	192,553	379,354	361,585	361,585	361,585
Special Assessment Bonds	99608	-	-	-	-	262,700	262,700	-
<i>Capital Equipment Bonds</i>								
Interest	99610	-	-	-	-	-	16,600	16,600
Other costs	99700	562	2,500	562	2,500	2,500	2,500	2,500
Total Transfers & Expenditures		4,370,879	4,757,156	2,524,462	4,463,556	4,874,016	4,890,616	4,504,016
Net Increase (Decrease)	96501	17,568	1,092,844	(2,511,772)	1,259,444	(86,316)	(2,916)	(479,016)
FY Beginning Restricted Reserve		5,484,295	5,501,863	5,501,863	5,501,863	6,761,307	6,761,307	6,761,307
FY Ending Restricted Reserve		\$ 5,501,863	\$ 6,594,707	\$ 2,990,091	\$ 6,761,307	\$ 6,674,991	\$ 6,758,391	\$ 6,282,291

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 BUDGET WORKPAPERS
DEBT SERVICE SUMMARY

CITY COUNCIL ADOPTED BUDGET

Date	2009 Fiscal Year			Total Outstanding Debt @ FYE	Average Annual Debt Service	Highest Annual Debt Service
	Principal	Interest	Total			
Revenue Bonds						
1999 Refunding Issue	\$ 930,000.00	\$ 339,877.50	\$ 1,269,877.50	\$ 7,075,000	\$ 1,181,620	\$ 1,293,798
1999 Revenue Bonds	50,000.00	6,600.00	56,600.00	100,000	54,433	56,600
2000 Revenue Bonds	575,000.00	92,250.00	667,250.00	1,225,000	662,354	667,250
2005 Refunding Issue	125,000.00	880,362.50	1,005,362.50	20,825,000	1,697,892	2,654,431
Total revenue bonds	<u>1,680,000.00</u>	<u>1,319,090.00</u>	<u>2,999,090.00</u>	<u>29,225,000</u>	<u>3,596,299</u>	<u>4,672,079</u>
Building Authority Bonds						
2002 Capital Equipment Bonds	42,604.85	1,576.38	44,181.23	-	-	-
2003 Capital Improvement Bonds	55,000.00	35,447.51	90,447.51	990,000	90,993	93,813
2009 Capital Equipment Bonds (proposed)	-	16,600.00	16,600.00	608,000	75,820	85,200
Total building authority bonds	<u>97,604.85</u>	<u>53,623.89</u>	<u>151,228.74</u>	<u>1,598,000</u>	<u>166,813</u>	<u>179,013</u>
Capital Improvement Bonds						
2006 Capital Improvement Bonds	<u>14,081.65</u>	<u>80,529.44</u>	<u>94,611.09</u>	<u>2,078,452</u>	<u>165,917</u>	<u>228,714</u>
State Revolving Fund Bonds						
5134-01: Sand filter	205,000.00	99,500.00	304,500.00	3,775,000	304,945	307,500
5134-02: Water system improvements	275,000.00	123,196.88	398,196.88	5,660,000	396,751	398,919
5134-03: Sand filter stage 2	55,000.00	20,019.44	75,019.44	887,091	69,391	76,519
5134-04: Solids handling improvements	360,000.00	118,868.76	478,868.76	7,135,000	480,218	482,938
Total state revolving fund bonds	<u>895,000.00</u>	<u>361,585.08</u>	<u>1,256,585.08</u>	<u>17,457,091</u>	<u>1,251,305</u>	<u>1,265,876</u>
Total 2009 Debt Service	<u>\$ 2,686,686.50</u>	<u>\$ 1,814,828.41</u>	<u>\$ 4,501,514.91</u>	<u>\$ 50,358,543</u>	<u>\$ 5,180,334</u>	<u>\$ 6,345,682</u>

Debt Service Reserve Options		
10% of O/S Debt	110% of Avg Debt	Highest Annual
\$ 5,035,854	\$ 5,698,367	\$ 6,345,682

Debt Service Reserve Ordinance Requirement
\$ 5,035,854

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 BUDGET WORKPAPERS
DEBT SERVICE DETAIL - REVENUE BONDS

Date	1999 Refunding Issue \$12,000,000		1999 Revenue Bonds {after Refunding} \$300,000		2000 Revenue Bonds {after Refunding} \$3,750,000		2005 Refunding Issue \$21,675,000		Combined Total		Fiscal Year
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
05/01/2009	930,000.00	179,936.25	-	3,300.00	-	46,125.00	-	440,181.25	930,000.00	669,542.50	
11/01/2009	-	159,941.25	50,000.00	3,300.00	575,000.00	46,125.00	125,000.00	440,181.25	750,000.00	649,547.50	2,999,090.00
05/01/2010	975,000.00	159,941.25	-	2,225.00	-	31,390.63	-	437,915.63	975,000.00	631,472.51	
11/01/2010	-	138,978.75	50,000.00	2,225.00	600,000.00	31,390.63	130,000.00	437,915.63	780,000.00	610,510.01	2,996,982.52
05/01/2011	1,035,000.00	138,978.75	-	1,125.00	-	16,015.63	-	435,559.38	1,035,000.00	591,678.76	
11/01/2011	-	116,467.50	50,000.00	1,125.00	625,000.00	16,015.63	135,000.00	435,559.38	810,000.00	569,167.51	3,005,846.27
05/01/2012	1,080,000.00	116,467.50	-	-	-	-	-	433,028.13	1,080,000.00	549,495.63	
11/01/2012	-	92,167.50	-	-	-	-	865,000.00	433,028.13	865,000.00	525,195.63	3,019,691.26
05/01/2013	1,135,000.00	92,167.50	-	-	-	-	-	416,809.38	1,135,000.00	508,976.88	
11/01/2013	-	66,630.00	-	-	-	-	885,000.00	416,809.38	885,000.00	483,439.38	3,012,416.26
05/01/2014	1,060,000.00	66,630.00	-	-	-	-	-	400,215.63	1,060,000.00	466,845.63	
11/01/2014	-	42,250.00	-	-	-	-	930,000.00	400,215.63	930,000.00	442,465.63	2,899,311.26
05/01/2015	1,050,000.00	42,250.00	-	-	-	-	-	381,615.63	1,050,000.00	423,865.63	
11/01/2015	-	17,575.00	-	-	-	-	975,000.00	381,615.63	975,000.00	399,190.63	2,848,056.26
05/01/2016	740,000.00	17,575.00	-	-	-	-	-	362,115.63	740,000.00	379,690.63	
11/01/2016	-	-	-	-	-	-	1,870,000.00	362,115.63	1,870,000.00	362,115.63	3,351,806.26
05/01/2017	-	-	-	-	-	-	-	324,715.63	-	324,715.63	
11/01/2017	-	-	-	-	-	-	2,005,000.00	324,715.63	2,005,000.00	324,715.63	2,654,431.26
05/01/2018	-	-	-	-	-	-	-	283,362.50	-	283,362.50	
11/01/2018	-	-	-	-	-	-	2,040,000.00	283,362.50	2,040,000.00	283,362.50	2,606,725.00
05/01/2019	-	-	-	-	-	-	-	241,287.50	-	241,287.50	
11/01/2019	-	-	-	-	-	-	2,075,000.00	241,287.50	2,075,000.00	241,287.50	2,557,575.00
05/01/2020	-	-	-	-	-	-	-	197,193.75	-	197,193.75	
11/01/2020	-	-	-	-	-	-	2,110,000.00	197,193.75	2,110,000.00	197,193.75	2,504,387.50
05/01/2021	-	-	-	-	-	-	-	152,356.25	-	152,356.25	
11/01/2021	-	-	-	-	-	-	2,170,000.00	152,356.25	2,170,000.00	152,356.25	2,474,712.50
05/01/2022	-	-	-	-	-	-	-	106,243.75	-	106,243.75	
11/01/2022	-	-	-	-	-	-	1,030,000.00	106,243.75	1,030,000.00	106,243.75	1,242,487.50
05/01/2023	-	-	-	-	-	-	-	83,068.75	-	83,068.75	
11/01/2023	-	-	-	-	-	-	1,025,000.00	83,068.75	1,025,000.00	83,068.75	1,191,137.50
05/01/2024	-	-	-	-	-	-	-	60,006.25	-	60,006.25	
11/01/2024	-	-	-	-	-	-	1,015,000.00	60,006.25	1,015,000.00	60,006.25	1,135,012.50
05/01/2025	-	-	-	-	-	-	-	37,168.75	-	37,168.75	
11/01/2025	-	-	-	-	-	-	1,010,000.00	37,168.75	1,010,000.00	37,168.75	1,084,337.50
05/01/2026	-	-	-	-	-	-	-	13,181.25	-	13,181.25	
11/01/2026	-	-	-	-	-	-	555,000.00	13,181.25	555,000.00	13,181.25	581,362.50
Total	\$ 8,005,000.00	\$ 1,447,956.25	\$ 150,000.00	\$ 13,300.00	\$ 1,800,000.00	\$ 187,062.52	\$ 20,950,000.00	\$ 9,612,050.08	\$ 30,905,000.00	\$ 11,260,368.85	\$ 42,165,368.85

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 BUDGET WORKPAPERS
DEBT SERVICE DETAIL - BUILDING AUTHORITY BONDS

2002 Capital Equipment Bonds

Total Issue: \$ 3,125,000
Water Share: \$ 266,280

2003 Capital Improvement Bonds

Total Issue: \$ 3,585,000
Water Share: \$ 1,280,543

Date	Principal	Interest	Date	Principal	Interest	Combined Total		Fiscal Year Total
						Principal	Interest	
05/01/2009	-	788.19	06/01/2009	55,000.00	18,033.13	55,000.00	18,821.32	
11/01/2009	42,604.85	788.19	12/01/2009	-	17,414.38	42,604.85	18,202.57	134,628.74
	-	-	06/01/2010	55,000.00	17,414.38	55,000.00	17,414.38	
	-	-	12/01/2010	-	16,713.13	-	16,713.13	89,127.51
	-	-	06/01/2011	55,000.00	16,713.13	55,000.00	16,713.13	
	-	-	12/01/2011	-	15,956.88	-	15,956.88	87,670.01
	-	-	06/01/2012	60,000.00	15,956.88	60,000.00	15,956.88	
	-	-	12/01/2012	-	15,101.88	-	15,101.88	91,058.76
	-	-	06/01/2013	60,000.00	15,101.88	60,000.00	15,101.88	
	-	-	12/01/2013	-	14,201.88	-	14,201.88	89,303.76
	-	-	06/01/2014	65,000.00	14,201.88	65,000.00	14,201.88	
	-	-	12/01/2014	-	13,186.25	-	13,186.25	92,388.13
	-	-	06/01/2015	65,000.00	13,186.25	65,000.00	13,186.25	
	-	-	12/01/2015	-	12,113.75	-	12,113.75	90,300.00
	-	-	06/01/2016	70,000.00	12,113.75	70,000.00	12,113.75	
	-	-	12/01/2016	-	10,888.75	-	10,888.75	93,002.50
	-	-	06/01/2017	70,000.00	10,888.75	70,000.00	10,888.75	
	-	-	12/01/2017	-	9,628.75	-	9,628.75	90,517.50
	-	-	06/01/2018	75,000.00	9,628.75	75,000.00	9,628.75	
	-	-	12/01/2018	-	8,241.25	-	8,241.25	92,870.00
	-	-	06/01/2019	75,000.00	8,241.25	75,000.00	8,241.25	
	-	-	12/01/2019	-	6,816.25	-	6,816.25	90,057.50
	-	-	06/01/2020	80,000.00	6,816.25	80,000.00	6,816.25	
	-	-	12/01/2020	-	5,256.25	-	5,256.25	92,072.50
	-	-	06/01/2021	85,000.00	5,256.25	85,000.00	5,256.25	
	-	-	12/01/2021	-	3,556.25	-	3,556.25	93,812.50
	-	-	06/01/2022	85,000.00	3,556.25	85,000.00	3,556.25	
	-	-	12/01/2022	-	1,856.25	-	1,856.25	90,412.50
	-	-	06/01/2023	90,000.00	1,856.25	90,000.00	1,856.25	91,856.25
Total	\$ 42,604.85	\$ 1,576.38	Total	\$ 1,045,000.00	\$ 319,896.93	\$ 1,087,604.85	\$ 321,473.31	\$ 1,409,078.16

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 BUDGET WORKPAPERS
DEBT SERVICE DETAIL - CAPITAL IMPROVEMENT BONDS

2006 Capital Improvement Bonds
Total Issue: \$ 7,530,000
Water Share: \$ 2,120,700

Date	Principal	Interest	Fiscal Year Total
03/01/2009	-	40,264.72	
09/01/2009	14,081.65	40,264.72	94,611.09
03/01/2010	-	40,000.69	
09/01/2010	14,081.65	40,000.69	94,083.03
03/01/2011	-	39,736.66	
09/01/2011	42,244.95	39,736.66	121,718.27
03/01/2012	-	38,944.56	
09/01/2012	42,244.95	38,944.56	120,134.07
03/01/2013	-	38,152.47	
09/01/2013	87,306.23	38,152.47	163,611.17
03/01/2014	-	36,515.48	
09/01/2014	133,775.68	36,515.48	206,806.64
03/01/2015	-	34,007.18	
09/01/2015	140,816.50	34,007.18	208,830.86
03/01/2016	-	31,366.88	
09/01/2016	147,857.33	31,366.88	210,591.09
03/01/2017	-	28,594.55	
09/01/2017	154,898.15	28,594.55	212,087.25
03/01/2018	-	25,690.21	
09/01/2018	161,938.98	25,690.21	213,319.40
03/01/2019	-	22,653.85	
09/01/2019	176,020.63	22,653.85	221,328.33
03/01/2020	-	19,309.46	
09/01/2020	183,061.45	19,309.46	221,680.37
03/01/2021	-	15,785.53	
09/01/2021	197,143.10	15,785.53	228,714.16
03/01/2022	-	11,941.24	
09/01/2022	118,285.86	11,941.24	142,168.34
03/01/2023	-	9,575.52	
09/01/2023	118,285.86	9,575.52	137,436.90
03/01/2024	-	7,209.80	
09/01/2024	119,694.03	7,209.80	134,113.63
03/01/2025	-	4,815.92	
09/01/2025	119,694.03	4,815.92	129,325.87
03/01/2026	-	2,422.04	
09/01/2026	121,102.16	2,422.04	125,946.24
Total	\$ 2,092,533.19	\$ 893,973.52	\$ 2,986,506.71

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 BUDGET WORKPAPERS
DEBT SERVICE DETAIL - STATE REVOLVING FUND REVENUE BONDS

Date	5134-01: \$4,750,000		5134-02: \$6,465,000		5134-03: \$1,147,091		5134-04: \$8,200,000		Combined Total		Fiscal Year Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
04/01/2009	-	49,750.00	275,000.00	63,059.38	-	10,009.72	360,000.00	60,896.88	635,000.00	183,715.98	
10/01/2009	205,000.00	49,750.00	-	60,137.50	55,000.00	10,009.72	-	57,971.88	260,000.00	177,869.10	1,256,585.08
04/01/2010	-	47,187.50	280,000.00	60,137.50	-	9,425.34	370,000.00	57,971.88	650,000.00	174,722.22	
10/01/2010	210,000.00	47,187.50	-	57,162.50	55,000.00	9,425.34	-	54,965.63	265,000.00	168,740.97	1,258,463.19
04/01/2011	-	44,562.50	285,000.00	57,162.50	-	8,840.97	375,000.00	54,965.63	660,000.00	165,531.60	
10/01/2011	215,000.00	44,562.50	-	54,134.38	55,000.00	8,840.97	-	51,918.75	270,000.00	159,456.60	1,254,988.20
04/01/2012	-	41,875.00	290,000.00	54,134.38	-	8,256.59	380,000.00	51,918.75	670,000.00	156,184.72	
10/01/2012	220,000.00	41,875.00	-	51,053.13	55,000.00	8,256.59	-	48,831.25	275,000.00	150,015.97	1,251,200.69
04/01/2013	-	39,125.00	300,000.00	51,053.13	-	7,672.22	385,000.00	48,831.25	685,000.00	146,681.60	
10/01/2013	225,000.00	39,125.00	-	47,865.63	60,000.00	7,672.22	-	45,703.13	285,000.00	140,365.98	1,257,047.58
04/01/2014	-	36,312.50	305,000.00	47,865.63	-	7,034.72	390,000.00	45,703.13	695,000.00	136,915.98	
10/01/2014	230,000.00	36,312.50	-	44,625.00	60,000.00	7,034.72	-	42,534.38	290,000.00	130,506.60	1,252,422.58
04/01/2015	-	33,437.50	310,000.00	44,625.00	-	6,397.22	400,000.00	42,534.38	710,000.00	126,994.10	
10/01/2015	240,000.00	33,437.50	-	41,331.25	60,000.00	6,397.22	-	39,284.38	300,000.00	120,450.35	1,257,444.45
04/01/2016	-	30,437.50	315,000.00	41,331.25	-	5,759.72	405,000.00	39,284.38	720,000.00	116,812.85	
10/01/2016	245,000.00	30,437.50	-	37,984.38	65,000.00	5,759.72	-	35,993.75	310,000.00	110,175.35	1,256,988.20
04/01/2017	-	27,375.00	325,000.00	37,984.38	-	5,069.09	410,000.00	35,993.75	735,000.00	106,422.22	
10/01/2017	250,000.00	27,375.00	-	34,531.25	65,000.00	5,069.09	-	32,662.50	315,000.00	99,637.84	1,256,060.06
04/01/2018	-	24,250.00	330,000.00	34,531.25	-	4,378.47	420,000.00	32,662.50	750,000.00	95,822.22	
10/01/2018	255,000.00	24,250.00	-	31,025.00	65,000.00	4,378.47	-	29,250.00	320,000.00	88,903.47	1,254,725.69
04/01/2019	-	21,062.50	340,000.00	31,025.00	-	3,687.84	425,000.00	29,250.00	765,000.00	85,025.34	
10/01/2019	265,000.00	21,062.50	-	27,412.50	65,000.00	3,687.84	-	25,796.88	330,000.00	77,959.72	1,257,985.06
04/01/2020	-	17,750.00	345,000.00	27,412.50	-	2,997.22	430,000.00	25,796.88	775,000.00	73,956.60	
10/01/2020	270,000.00	17,750.00	-	23,746.88	70,000.00	2,997.22	-	22,303.13	340,000.00	66,797.23	1,255,753.83
04/01/2021	-	14,375.00	355,000.00	23,746.88	-	2,253.47	440,000.00	22,303.13	795,000.00	62,678.48	
10/01/2021	275,000.00	14,375.00	-	19,975.00	70,000.00	2,253.47	-	18,728.13	345,000.00	55,331.60	1,258,010.08
04/01/2022	-	10,937.50	360,000.00	19,975.00	-	1,509.72	445,000.00	18,728.13	805,000.00	51,150.35	
10/01/2022	285,000.00	10,937.50	-	16,150.00	70,000.00	1,509.72	-	15,112.50	355,000.00	43,709.72	1,254,860.07
04/01/2023	-	7,375.00	370,000.00	16,150.00	-	765.97	455,000.00	15,112.50	825,000.00	39,403.47	
10/01/2023	290,000.00	7,375.00	-	12,218.75	70,000.00	765.97	-	11,415.63	360,000.00	31,775.35	1,256,178.82
04/01/2024	-	3,750.00	375,000.00	12,218.75	-	22.22	460,000.00	11,415.63	835,000.00	27,406.60	
10/01/2024	300,000.00	3,750.00	-	8,234.38	2,091.00	22.22	-	7,678.13	302,091.00	19,684.73	1,184,182.33
04/01/2025	-	-	385,000.00	8,234.38	-	-	470,000.00	7,678.13	855,000.00	15,912.51	
10/01/2025	-	-	-	4,143.75	-	-	-	3,859.38	-	8,003.13	878,915.64
04/01/2026	-	-	390,000.00	4,143.75	-	-	475,000.00	3,859.38	865,000.00	8,003.13	873,003.13
Total	\$ 3,980,000.00	\$ 899,125.00	\$ 5,935,000.00	\$ 1,206,521.94	\$ 942,091.00	\$ 168,161.00	\$ 7,495,000.00	\$ 1,148,915.74	\$ 18,352,091.00	\$ 3,422,723.68	\$ 21,774,814.68

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

ESTIMATED 2009 CAPITAL EQUIPMENT BOND COST

	WATER	SEWER	WWT	TOTAL
Requested equipment financing	\$ 60,000	\$ 7,000	\$ 85,000	\$ 152,000
Estimated bond issue	\$ 60,900	\$ 7,100	\$ 86,100	\$ 154,100
Estimated discount {.75% }	(500)	(100)	(600)	(1,200)
Estimated bond issuance costs	(400)	-	(500)	(900)
Net bond issue	<u>\$ 60,000</u>	<u>\$ 7,000</u>	<u>\$ 85,000</u>	<u>\$ 152,000</u>
Estimated Interest				4.00%
Estimated Issuance Date				3/1/2009

Estimated Debt Schedule						
		Principal	Interest	Balance	Annual Total	
2009	11/1/2009	\$ 12,400	\$ 4,200	\$ 141,700	\$ 16,600	
2010	5/1/2010	-	2,800	\$ 141,700		
	11/1/2010	35,425	2,800	\$ 106,275	\$ 41,025	
2011	5/1/2011	-	2,100	\$ 106,275		
	11/1/2011	35,425	2,100	\$ 70,850	\$ 39,625	
2012	5/1/2012	-	1,400	\$ 70,850		
	11/1/2012	35,425	1,400	\$ 35,425	\$ 38,225	
2013	5/1/2013	-	700	\$ 35,425		
	11/1/2013	35,425	700	\$ -	\$ 36,825	
		<u>\$ 154,100</u>	<u>\$ 18,200</u>			
		<u>\$172,300</u>				

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Waste Water Treatment Improvement Reserve

The WWTP Improvement Fund reserves are designated for replacements and improvements at the Waste Water Treatment Plant. Debt service costs previously shown in this section have been transferred to the Debt Service Reserve.

Projects requested but unfunded are still listed on the projects page both to show the need for replacements and improvements as determined by the department head and professional consultants.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9040

Waste Water Treatment

Account Name	Account Number	2007	2008		2009			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 107,651	\$ 100,000	\$ 33,617	\$ 55,000	\$ 10,000	\$ 10,000	\$ 10,000
Transfer From:								
Operation & Maintenance	67620	-	-	-	-	-	-	-
Other Sources:								
Financing Proceeds	69600	-	-	-	-	4,419,000	859,000	-
Total Financial Resources		107,651	100,000	33,617	55,000	4,429,000	869,000	10,000
Expenditures:								
Construction Contracts	97001	136,383	-	-	-	4,350,000	850,000	-
State Revolving Fund Projects	97002	6,400	-	-	165,000	-	-	-
Bond issuance costs	97003	-	-	-	-	58,302	13,500	-
Transfer To:								
Infrastructure Replacement	96544	-	1,350,000	-	1,000,000	-	-	-
Debt Service	96572	1,322,283	1,000,000	-	1,000,000	-	-	-
Total Expenditures		1,465,066	2,350,000	-	2,165,000	4,408,302	863,500	-
Net Increase (Decrease)	67601	(1,357,415)	(2,250,000)	33,617	(2,110,000)	20,698	5,500	10,000
FY Beginning Restricted Reserve		3,479,777	2,122,362	2,122,362	2,122,362	12,362	12,362	12,362
FY Ending Restricted Reserve		\$ 2,122,362	\$ (127,638)	\$ 2,155,979	\$ 12,362	\$ 33,060	\$ 17,862	\$ 22,362

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

WASTE WATER TREATMENT IMPROVEMENT RESERVE
Proposed Projects

Project Description	Cost Estimate
Future projects to be funded with long term financing (capital projects)	
Road Resurfacing	\$ 500,000
9 Mile Odor Control System	350,000
UV-Disinfection System	<u>3,500,000</u>
	<u>\$ 4,350,000</u>

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Infrastructure Replacement Reserve

The Capital Improvement Fund was established to account for ongoing capital projects that are approved in the annual Water & Sewer System budget.

Funds are principally earmarked for replacements and/or new installations of water mains and sanitary sewers in the System.

Projects requested but unfunded are still listed on the projects page both to show the need for infrastructure replacements and improvements as determined by the department heads and professional consultants.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9044

Infrastructure Replacement

Account Name	Account Number	2007	2008		2009			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 200,991	\$ 150,000	\$ 46,430	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Transfer From:								
Operation & Maintenance	67620	-	-	-	-	-	-	-
Waste Water Treatment Reserve	67640	-	1,350,000	-	1,000,000	-	-	-
Other Sources:								
Financing Proceeds	69600	-	10,150,000	-	10,150,000	14,431,000	3,692,000	-
Total Financial Resources		200,991	11,650,000	46,430	11,220,000	14,501,000	3,762,000	70,000
Expenditures:								
Non-capitalized expenses	95600	66,256	859,515	4,405	859,515	-	-	-
Construction Contracts	97001	1,453,604	12,550,000	775,060	12,550,000	14,251,000	3,632,000	-
Bond issuance costs	97003	-	-	-	-	190,700	53,400	-
Transfer to Debt Service	96572	75,335	-	-	-	-	-	-
Total Expenditures		1,595,195	13,409,515	779,465	13,409,515	14,441,700	3,685,400	-
Net Increase (Decrease)	67601	(1,394,204)	(1,759,515)	(733,035)	(2,189,515)	59,300	76,600	70,000
FY Beginning Restricted Reserve		6,172,843	4,778,639	4,778,639	4,778,639	2,589,124	2,589,124	2,589,124
FY Ending Restricted Reserve		\$ 4,778,639	\$ 3,019,124	\$ 4,045,604	\$ 2,589,124	\$ 2,648,424	\$ 2,665,724	\$ 2,659,124

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

INFRASTRUCTURE REPLACEMENT RESERVE

Project Description	Proposed Projects	<u>Cost Estimate</u>
Projects to be funded with long term financing (capital projects)		
<i>Water distribution system:</i>		
Hayes Road between Common & 14 Mile		\$ 1,700,000
Nine Mile between Ryan & Dequindre		1,133,000
Ryan Road between Eight & Nine Mile Roads		1,133,000
Water main break detection system		1,000,000
Curie between Eight Mile & Toepfer		475,000
Emergency watermain break repair program		200,000
Regency Park Drive		126,000
Subtotal		<u>5,767,000</u>
 <i>Sanitary sewer system:</i>		
Nine Mile pump station district		6,000,000
Cunningham between Toepfer & Nine Mile		1,012,000
Curie between Eight Mile & Toepfer		540,000
Lozier, west of Lorraine		330,000
Chicago between Blair and Dimas		242,000
Eight Mile, west of Groesbeck		105,000
Dequindre, north of Eight Mile		90,000
Nine Mile at Lorraine		65,000
Hoover at Toepfer		65,000
14 Mile at Mound		35,000
Subtotal		<u>8,484,000</u>
 <i>Pressure reducing valves:</i>		
Mound at Eight Mile		750,000
Waltham at Eight Mile		426,000
Fourteen Mile at Schoenherr		465,000
Subtotal		<u>1,641,000</u>
 Grand Total		 <u><u>\$ 15,892,000</u></u>

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Meter Replacement Reserve

The Meter Replacement Fund was established to account for the cost of the removal and replacement of meters in the City of Warren Water & Sewer System. All replacement meters were first tested in the Meter Shop by Water Division personnel and then placed in service by an independent contractor.

In 2008, this function was transferred to the Infrastructure Replacement Reserve to consolidate reporting. The balance of funds left in this reserve was transferred to the Capital Equipment Reserve to be used for equipment purchases.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9045

Meter Replacement

Account Name	Account Number	2007	2008		2009			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 12,756	\$ -	\$ 3,740	\$ 6,500	\$ -	\$ -	\$ -
Total Financial Resources		12,756	-	3,740	6,500	-	-	-
Expenditures:								
Transfer to Capital Equipment	96547	-	270,759	-	277,515	-	-	-
Total Expenditures		-	270,759	-	277,515	-	-	-
Net Increase (Decrease)	67601	12,756	(270,759)	3,740	(271,015)	-	-	-
FY Beginning Restricted Reserve		258,259	271,015	271,015	271,015	-	-	-
FY Ending Restricted Reserve		\$ 271,015	\$ 256	\$ 274,755	\$ -	\$ -	\$ -	\$ -

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET

Capital Equipment Replacement Reserve

The Capital Equipment Replacement Reserve Fund was established to designate monies for the replacement of capital equipment, as needed.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9047

Capital Equipment

Account Name	Account Number	2007	2008		2009			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 22,203	\$ 10,000	\$ 3,757	\$ 7,000	\$ 5,000	\$ 5,000	\$ 5,000
Transfer From:								
Operation & Maintenance	67620	-	-	-	-	600,000	-	-
Meter Replacement	67645	-	270,759	-	277,515	-	-	-
Building Construction	67660	-	44,702	-	45,811	-	-	-
Financing Proceeds	69600	-	-	-	-	-	608,000	152,000
Total Financial Resources		22,203	325,461	3,757	330,326	605,000	613,000	157,000
Capital Purchases:								
Water Maintenance	98040	-	213,000	5,086	204,000	185,000	185,000	105,000
Meter Repair & Service	98050	-	20,000	-	13,300	25,000	25,000	25,000
Administration	98060	-	20,000	-	20,000	46,000	46,000	20,000
Waste Water Treatment	98080	168,999	498,300	258,046	676,247	214,000	214,000	204,000
Sewer Maintenance	98090	-	-	-	-	347,000	347,000	7,000
Transfer To Debt Service	96572	3,943	-	-	-	-	-	-
Bond Issuance Costs	97003	-	-	-	-	-	8,000	8,000
Total Expenditures		172,942	751,300	263,132	913,547	817,000	825,000	369,000
Net Increase (Decrease)	67601	(150,739)	(425,839)	(259,375)	(583,221)	(212,000)	(212,000)	(212,000)
FY Beginning Restricted Reserve		977,240	826,501	826,501	826,501	243,280	243,280	243,280
FY Ending Restricted Reserve		\$ 826,501	\$ 400,662	\$ 567,126	\$ 243,280	\$ 31,280	\$ 31,280	\$ 31,280

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS
CAPITAL EQUIPMENT

Funding Category	Item Description	#	New or Replacement	Estimated Cost
98040 Water Maintenance:				
2009-01	Pickup truck, quad cab	1	R	\$ 25,000
2009-02	Crew van	1	R	60,000
2009-03	Hydraulic valve turner unit	1	R	15,000
2009-04	Portable 4 inch trash pump	1	N	5,000
				<u>105,000</u>
98050 Meter Repair & Service:				
2009-05	Cargo van	1	R	<u>25,000</u>
98060 Administration:				
2009-06	Computer equipment & software		R	20,000
				<u>20,000</u>
98090 Sewer Maintenance:				
2009-07	Core saw	1	N	7,000
				<u>7,000</u>
	Total Water Division Capital Requests			<u><u>\$ 157,000</u></u>

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS
CAPITAL EQUIPMENT

Funding Category	Item Description	#	New or Replacement	Estimated Cost
98080 Waste Water Treatment Plant:				
<i>Maintenance</i>				
2009-08	Parts to rebuild #6 raw sewage pump		N	\$ 20,000
2009-09	Parts to repair 9 Mile flapper valve		N	10,000
2009-10	Backwash pump rebuild parts		N	17,000
2009-11	Primary tank replacement parts		R	10,000
2009-12	Hilo	1	R	20,000
2009-13	Vogulsang pump parts		N	10,000
<i>Engineering/Electrical</i>				
2009-14	9 Mile sewer gate actuator	1	N	25,000
2009-15	Basin drain gate actuators		R	25,000
2009-16	Main air flow meter	1	R	8,000
2009-17	Analog output cards		N	12,000
2009-18	Cable tugger with pully system	1	N	8,000
2009-19	Triple nickel conduit bender	1	N	12,000
2009-20	Non potable pump check valves		R	8,000
2009-21	Ceramic bearings for non potable pumps		N	10,000
<i>Operations/Process Control</i>				
2009-22	Hydraulic power unit	1	R	<u>9,000</u>
Total Waste Water Treatment Capital Requests				<u>\$ 204,000</u>
GRAND TOTAL - EQUIPMENT REQUESTS				<u>\$ 361,000</u>

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2009 CITY COUNCIL ADOPTED BUDGET
Building Construction Reserve

The Building Construction Reserve Fund was established to account for the construction cost of the new Water Division Headquarters. The majority of Water Division employees operate from this new facility. The Water Division's rolling stock, major equipment, repair materials and inventory are stored and maintained there as well.

The major portion of the Headquarters' cost was financed through a City of Warren Building Authority bond issue. Payment of principal and interest on the bonds is directly related to lease/purchase payments made by the Water & Sewer System to the Building Authority. Final payment on the bond issue was processed in fiscal year 2004.

This reserve was closed in 2008 with the unused balance of funds transferred to the Capital Equipment Reserve.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2009 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9060
Building Construction

Account Name	Account Number	2007	2008		2009			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 2,109	\$ -	\$ 618	\$ 1,000	\$ -	\$ -	\$ -
Total Financial Resources		2,109	-	618	1,000	-	-	-
Transfer To:								
Capital Equipment	96547	-	44,702	-	45,811	-	-	-
Total Expenditures		-	44,702	-	45,811	-	-	-
Net Increase (Decrease)	67601	2,109	(44,702)	618	(44,811)	-	-	-
FY Beginning Restricted Reserve		42,702	44,811	44,811	44,811	-	-	-
FY Ending Restricted Reserve		\$ 44,811	\$ 109	\$ 45,429	\$ -	\$ -	\$ -	\$ -