

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



**2011 FISCAL YEAR
AS ADOPTED BY CITY COUNCIL**

CITY OF WARREN, MICHIGAN

WATER & SEWER SYSTEM BUDGET

2011 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

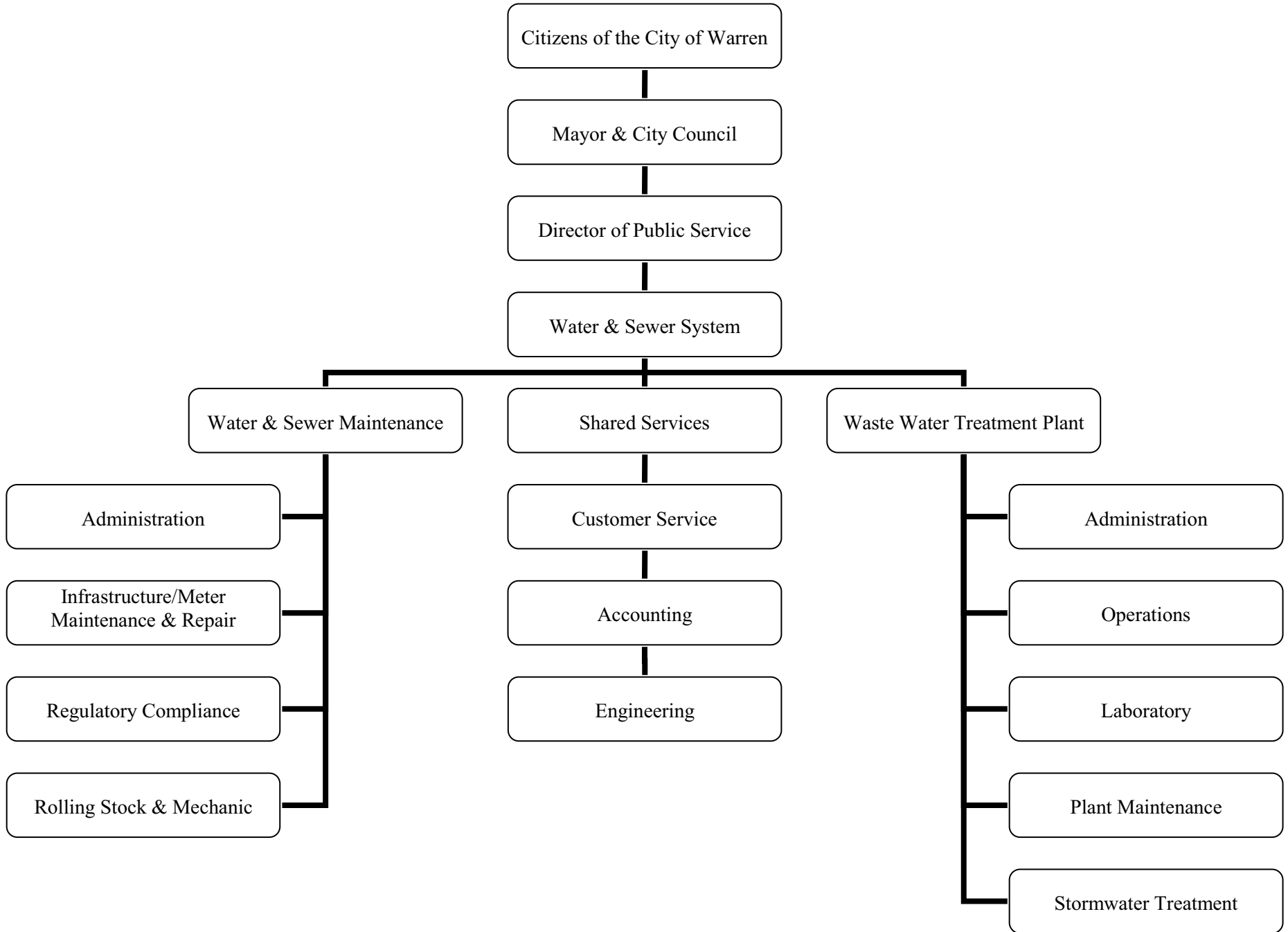
Steven Warner

TREASURER

Carolyn Kurkowski Mocerri

CITY CLERK

Paul Wojno



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET

TABLE OF CONTENTS

| | <u>PAGE</u> |
|---|-------------|
| Introduction | 1 |
| Rate Calculation Narrative | 2 - 5 |
| Distribution of Cost to Rates - Schedule A | 6 |
| Distribution of Cost to Rates - Schedule B | 7 |
| Service Charge Calculation - Schedule C | 8 |
| Effect of Rate Change on Average Residential User - Schedule D | 9 |
| Summary of Revenues, Expenses and Changes in Retained Earnings/Reserve Balances | 10 |
| Operation & Maintenance Fund Revenue Detail | 11 |
| Operation & Maintenance Fund Expense Summary | 12 |
| 10 Year O&M Expenditure History | 13 |
| WATER & SEWER MAINTENANCE | |
| Water Purchases | 14 |
| Organizational Chart | 15 |
| Function Narrative | 16 - 17 |
| Personnel Detail | 18 |
| Appropriation Detail | 19 |
| SHARED SERVICES | |
| Organizational Chart | 20 |
| Function Narrative | 21 - 22 |
| Personnel Detail | 23 |
| Appropriation Detail | 24 |
| WASTE WATER TREATMENT PLANT | |
| Organizational Chart | 25 |
| Function Narrative | 26 - 29 |
| Personnel Detail | 30 - 31 |
| Appropriation Detail | 32 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| RATES AND CHARGES | |
| Water and Waste Water Rates | 33 - 35 |
| | |
| SPECIAL PURPOSE RESERVES | |
| <u>Debt Service Reserve {592072}:</u> | |
| Function Narrative | 36 - 37 |
| Financial Resources & Financial Uses Detail | 38 |
| Schedule of Long-Term Debt | 39 - 48 |
| | |
| <u>Waste Water Treatment Improvement Reserve {592040}:</u> | |
| Function Narrative | 49 |
| Financial Resources & Financial Uses Detail | 50 |
| | |
| <u>Infrastructure Replacement Reserve {592044}:</u> | |
| Function Narrative | 51 |
| Financial Resources & Financial Uses Detail | 52 |
| Project List | 53 |
| | |
| <u>Meter Replacement Reserve {592045}:</u> | |
| Function Narrative | 54 |
| Financial Resources & Financial Uses Detail | 55 |
| | |
| <u>Capital Equipment Replacement Reserve {592047}:</u> | |
| Function Narrative | 56 |
| Financial Resources & Financial Uses Detail | 57 |
| Schedule of Equipment Requests | 58 |
| | |
| <u>Building Construction Reserve {592060}:</u> | |
| Function Narrative | 59 |
| Financial Resources & Financial Uses Detail | 60 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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 2011 City Council Adopted Water & Sewer System Budget reflects a zero percent rate change. Water volumes used to calculate the budgeted revenues were reduced slightly for Fiscal 2011, from 699 million cubic feet to 695 million cubic feet to recognize the loss in registration from the old residential meters remaining in service during the meter replacement process. A few increases were made in this budget to the wastewater surcharges and commodity charge for non-domestic users to recover the additional costs incurred from industrial and commercial users for chemicals, inspections, equipment, sampling and analysis, and program administration.

The zero percent rate change is largely attributed to the joint effort between the administration, members of City Council, and employees to find ways to improve efficiencies and reduce expenses without sacrificing customer services. The 2011 City Council Adopted Budget eliminates one labor position and contains many reductions in expenses such as overtime, fringe benefits, supplies, and other services in order to offset the slight decrease in estimated sales volume.

Sales volumes have significantly declined in the last decade. There are several potential contributing factors. The poor economic climate in Michigan has eliminated many businesses as contributing users to the Water & Sewer System and has caused many others to scale back operations and economize their use of resources, including water. This has had a significant carryover effect on residential usage. With declining incomes, residential users are scaling back on discretionary usages such as lawn irrigation. The break down of aging meters has also resulted in declined sales volume over the years through registration loss. This contributing factor is being addressed with the recent approval of the water meter replacement program and will put the Water & Sewer System on a better financial foundation.

We must keep our infrastructure in mind. The water and sewer lines that carry fresh water to homes and businesses and transport waste material to the Waste Water Treatment Plant for processing, is in decline. While we attempt to earmark funds for infrastructure replacement each year, the fact is that much more than what we have provided is needed. This is not merely a local issue. Every major city in the country faces problems similar to ours, particularly in the Midwest and Eastern states where changes in climate have devastating effects on underground utilities.

The 2011 City Council Adopted Budget also continues to look at the need for infrastructure improvements to the Water & Sewer System. Nearly \$6 million is estimated to be transferred to the debt service fund, with approximately \$1.3 million resulting from the previously approved rate increase designated to pay the debt service cost for necessary infrastructure improvements. Only one project is committed against these funds and has an estimated cost of \$200,625 annually. This budget contains a proposal to commit another \$297,050 annually against these funds, leaving funds available to cover an additional debt service payment of \$818,000.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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.

The Water & Sewer System serves three principal functions. The first is the delivery of potable 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 removal and disposal of solid waste materials, disinfection, and dechlorination before discharging into the Red Run Drain.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
RATE CALCULATION
(continued)

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 in a 60/40 ratio – the approximate historical allocation of time and materials between water maintenance and sewer maintenance. 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 determined 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 95%) 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.

The allocation is bit more complex for the fixed rates, meter service charges, and sewer service charges. The total number of meters in the system is distributed according to size. This information comes from previous billings – in the case of the current adopted budget, from the billing for May 2010. 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 1,000 for a 12” meter.

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 Natural Resources and Environment (DNRE) mandated policies and procedures. These charges, as stated before, are in addition to the basic charges that all customers pay.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
RATE CALCULATION
(continued)

CHANGE IN SALES ESTIMATES

The single largest factor affecting the overall rate is estimating the volume of water that will be purchased by our customers. 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 2009 the average annual sales volume has been approximately 8.9 million consumptions per year with a high of 10.3 million in 2002 and a low of 7.1 million in 2009. The projected sales volume for Fiscal 2010 is expected to be approximately 7.3 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 recently approved contract to begin a meter change out program coupled with an Automated Meter Reading System (AMR) will address this issue with the work expected to commence in early 2011.

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. On the other hand, the summer of 2010 was unusually dry resulting in more water usage than projected.

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 to 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 2011 adopted budget projects sales at 695 million cubic feet rather than the 699 million cubic feet estimated in 2010.

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 installation of pressure reducing valves in key areas has stabilized 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.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
RATE CALCULATION
(continued)

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. Notwithstanding the volatility of state shared revenues in the past several years, 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, approximately 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.

Using a realistic and conservative sales volume to budget revenues 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.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 BUDGET FINANCIAL STATEMENTS

SCHEDULE A
DISTRIBUTION OF COSTS TO RATES - COUNCIL ADOPTED

| Budget Cost Item: | <u>Total</u> | Supporting Revenue | | | |
|---|----------------------|----------------------|-------------------------|-----------------------------|-----------------------------|
| | | <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 | \$ 4,924,630 | \$ 2,569,196 | \$ - | \$ 667,638 | \$ 1,687,796 |
| Shared Services | 1,866,735 | 933,368 | 933,367 | - | - |
| Waste Water Treatment | 6,036,359 | - | 6,036,359 | - | - |
| <i>Total Wages & Fringe Benefits</i> | <u>12,827,724</u> | <u>3,502,564</u> | <u>6,969,726</u> | <u>667,638</u> | <u>1,687,796</u> |
| <i>Supplies & Other Charges</i> | | | | | |
| Water Purchases | 8,640,000 | 8,640,000 | - | - | - |
| Uncollectible debt | 45,000 | 21,403 | 17,969 | 1,626 | 4,002 |
| Water & Sewer Maintenance | 1,579,000 | 795,800 | - | 286,000 | 497,200 |
| Shared Services | 2,815,900 | 1,331,921 | 1,343,184 | 140,795 | - |
| Waste Water Treatment | 3,374,270 | - | 3,374,270 | - | - |
| <i>Total Supplies & Other Charges</i> | <u>16,454,170</u> | <u>10,789,124</u> | <u>4,735,423</u> | <u>428,421</u> | <u>501,202</u> |
| <i>Transfers To Reserves</i> | | | | | |
| Capital Equipment | 307,500 | 207,500 | 100,000 | - | - |
| Debt Service | 6,069,004 | 2,931,801 | 2,703,278 | 56,384 | 377,541 |
| <i>Total Transfers</i> | <u>6,376,504</u> | <u>3,139,301</u> | <u>2,803,278</u> | <u>56,384</u> | <u>377,541</u> |
| TOTAL COSTS | <u>\$ 35,658,398</u> | <u>\$ 17,430,989</u> | <u>\$ 14,508,427</u> | <u>\$ 1,152,443</u> | <u>\$ 2,566,539</u> |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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} \$ | 35,658,398 | \$ 17,430,989 | \$ 14,508,427 | \$ 1,152,443 | \$ 2,566,539 |
| OFFSETS FOR OTHER REVENUES: | | | | | |
| Water Sales - Unmetered | 10,000 | 10,000 | - | - | - |
| Public Fire Protection | 90,000 | 90,000 | - | - | - |
| Penalties | 1,100,000 | 550,000 | 550,000 | - | - |
| Water Division - Other Income | 25,000 | 25,000 | - | - | - |
| Land Contract Interest | 7,800 | 7,800 | - | - | - |
| Meter Repairs | 8,000 | - | - | 8,000 | - |
| Outside Service Income | 20,000 | 20,000 | - | - | - |
| Meter Sales | 40,000 | - | - | 40,000 | - |
| Centerline Transmission Charge | 10,000 | 10,000 | - | - | - |
| Pre-Treatment Surcharges | 800,000 | - | 800,000 | - | - |
| Cross Connection Charges | 278,000 | 278,000 | - | - | - |
| Waste Treatment - Other Income | 185,000 | - | 185,000 | - | - |
| Interest On Investments | 7,500 | 3,750 | 3,750 | - | - |
| Gain {Loss} On Asset Conversion | 2,500 | 1,250 | 1,250 | - | - |
| Total revenue offsets | <u>2,583,800</u> | <u>995,800</u> | <u>1,540,000</u> | <u>48,000</u> | <u>0</u> |
| NET COSTS ALLOCATED TO RATES | <u>\$ 33,074,598</u> | <u>\$ 16,435,189</u> | <u>\$ 12,968,427</u> | <u>\$ 1,104,443</u> | <u>\$ 2,566,539</u> |
| Estimated billable consumption {100 c.f.} | | 6,950,000 | 6,630,300 | | |
| Supporting rate required | | \$ 2.365 | \$ 1.956 | \$ 0.78 | \$ 1.87 |
| Current rate | | \$ 2.365 | \$ 1.956 | \$ 0.78 | \$ 1.87 |
| Increase (decrease) | | <u>\$ (0.00)</u> | <u>\$ (0.00)</u> | <u>\$ -</u> | <u>\$ -</u> |

WATER SERVICE CHARGE

| Meter Size | # of Meters | AWWA Meter Ratio | Equivalent Meters | 2010 Service Charge | 2011 Service Charge | Estimated Revenue |
|------------|---------------|------------------|-------------------|---------------------|---------------------|--------------------|
| 5/8" | 43,609 | 1 | 43,609 | \$0.78 | \$0.78 | \$ 408,180 |
| 3/4" | 4 | 2 | 8 | \$1.56 | \$1.56 | 75 |
| 1" | 3,686 | 4 | 14,744 | \$3.12 | \$3.12 | 138,004 |
| 1 - 1/2" | 948 | 10 | 9,480 | \$7.80 | \$7.80 | 88,733 |
| 2" | 905 | 25 | 22,625 | \$19.50 | \$19.50 | 211,770 |
| 3" | 168 | 45 | 7,560 | \$35.10 | \$35.10 | 70,762 |
| 4" | 71 | 90 | 6,390 | \$70.20 | \$70.20 | 59,810 |
| 6" | 25 | 170 | 4,250 | \$132.60 | \$132.60 | 39,780 |
| 8" | 11 | 300 | 3,300 | \$234.00 | \$234.00 | 30,888 |
| 10" | 9 | 500 | 4,500 | \$390.00 | \$390.00 | 42,120 |
| 12" | 1 | 1,000 | 1,000 | \$780.00 | \$780.00 | 9,360 |
| | <u>49,437</u> | | <u>117,466</u> | | | <u>\$1,099,482</u> |

SEWER SERVICE CHARGE

| Meter Size | # of Meters | AWWA Meter Ratio | Equivalent Meters | 2010 Service Charge | 2011 Service Charge | Estimated Revenue |
|------------|---------------|------------------|-------------------|---------------------|---------------------|--------------------|
| 5/8" | 43,110 | 1 | 43,110 | \$1.87 | \$1.87 | \$ 967,388 |
| 3/4" | 14 | 2 | 28 | \$3.74 | \$3.74 | 628 |
| 1" | 3,560 | 4 | 14,240 | \$7.48 | \$7.48 | 319,546 |
| 1 - 1/2" | 919 | 10 | 9,190 | \$18.70 | \$18.70 | 206,224 |
| 2" | 870 | 25 | 21,750 | \$46.75 | \$46.75 | 488,070 |
| 3" | 167 | 45 | 7,515 | \$84.15 | \$84.15 | 168,637 |
| 4" | 69 | 90 | 6,210 | \$168.30 | \$168.30 | 139,352 |
| 6" | 25 | 170 | 4,250 | \$317.90 | \$317.90 | 95,370 |
| 8" | 11 | 300 | 3,300 | \$561.00 | \$561.00 | 74,052 |
| 10" | 8 | 500 | 4,000 | \$935.00 | \$935.00 | 89,760 |
| 12" | 1 | 1,000 | 1,000 | \$1,870.00 | \$1,870.00 | 22,440 |
| | <u>48,754</u> | | <u>114,593</u> | | | <u>\$2,571,467</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 | Adopted Rate | Increase (Decrease) Amount | % |
|------------------------------|-----------------|-----------------|----------------------------------|-------------|
| Water Service Charge | \$ 0.78 | \$ 0.78 | \$ - | 0.0% |
| Sewer Service Charge | 1.87 | 1.87 | - | 0.0% |
| Water Charge | 23.65 | 23.65 | - | 0.0% |
| Waste Water Treatment Charge | 19.56 | 19.56 | - | 0.0% |
| Total | \$ 45.86 | \$ 45.86 | \$ - | 0.0% |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
STATEMENT OF ESTIMATED REVENUES, EXPENSES & CHANGES IN RETAINED
EARNINGS/RESERVE BALANCES
YEAR ENDING DECEMBER 31, 2011

| | TOTAL | OPERATION & MAINTENANCE 592020 | WASTE WATER TREATMENT IMPROVEMENT 592040 | INFRASTRUCTURE REPLACEMENT 592044 | METER REPLACEMENT 592045 | CAPITAL EQUIPMENT REPLACEMENT 592047 | DEBT SERVICE 592072 |
|--|--------------------|---|---|---|--------------------------------|---|---------------------------|
| OPERATING REVENUES: | | | | | | | |
| Water & sewer charges | \$ 33,086,300 | \$ 33,086,300 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other operating revenue | 2,573,800 | 2,573,800 | - | - | - | - | - |
| NON-OPERATING REVENUES: | | | | | | | |
| Interest on investments | 43,300 | 7,500 | 100 | 1,500 | 33,500 | 200 | 500 |
| Other Income | 185,963 | 2,500 | - | - | - | - | 183,463 |
| TRANSFERS FROM: | | | | | | | |
| Operation & Maintenance Fund | 6,376,504 | - | - | - | - | 307,500 | 6,069,004 |
| Restricted Reserves | - | - | - | - | - | - | - |
| OTHER FINANCIAL RESOURCES: | | | | | | | |
| Financing Proceeds | 4,370,300 | - | 940,500 | 3,429,800 | - | - | - |
| TOTAL FINANCIAL RESOURCES | 46,636,167 | 35,670,100 | 940,600 | 3,431,300 | 33,500 | 307,700 | 6,252,967 |
| OPERATING EXPENSES: | | | | | | | |
| Water purchases | 8,640,000 | 8,640,000 | - | - | - | - | - |
| Uncollectible debt | | 45,000 | - | - | - | - | - |
| Water & sewer maintenance | 6,503,630 | 6,503,630 | - | - | - | - | - |
| Shared services | 4,682,635 | 4,682,635 | - | - | - | - | - |
| Waste water treatment plant | 9,410,629 | 9,410,629 | - | - | - | - | - |
| NON-OPERATING EXPENSES: | | | | | | | |
| Construction contracts & related project costs | 11,474,765 | - | 940,500 | 3,325,000 | 6,701,765 | 507,500 | - |
| Other non-operating expenses | 6,167,883 | - | - | 870,800 | - | - | 5,297,083 |
| TRANSFERS TO: | | | | | | | |
| Reserves | 6,376,504 | 6,376,504 | - | - | - | - | - |
| TOTAL EXPENSES | 53,256,046 | 35,658,398 | 940,500 | 4,195,800 | 6,701,765 | 507,500 | 5,297,083 |
| NET FISCAL YEAR INCREASE (DECREASE) | (6,619,879) | 11,702 | 100 | (764,500) | (6,668,265) | (199,800) | 955,884 |
| OTHER ADJUSTMENTS: | | | | | | | |
| Net decrease (increase) in long term liability | (7,850,273) | (7,850,273) | - | - | - | - | - |
| Fixed assets capitalized | 11,474,765 | 11,474,765 | - | - | - | - | - |
| Depreciation | (4,500,000) | (4,500,000) | - | - | - | - | - |
| Estimated Retained Earnings/Reserves - January 1, 2011 | 24,631,642 | 7,548,025 | 151,824 | 800,007 | 9,105,751 | 212,730 | 6,813,305 |
| Estimated Retained Earnings/Reserves - December 31, 2011 | \$ 17,136,255 | \$ 6,684,219 | \$ 151,924 | \$ 35,507 | \$ 2,437,486 | \$ 12,930 | \$ 7,769,189 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2011 BUDGET FINANCIAL STATEMENTS

Revenues

| Account Name | Account Number | 2009 | | 2010 | | 2011 | | |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Fiscal Year | Amended | Actual Thru | Fiscal Year | Department | Recommended | Council |
| | | Actual | Budget | June 30 | Estimated | Request | By Mayor | Adopted |
| Water & Sewer Charges | | | | | | | | |
| Water Sales - Commercial/Industrial | 080-46101 | \$ 4,931,125 | \$ 5,980,000 | \$ 2,286,210 | \$ 5,958,200 | \$ 5,991,800 | \$ 5,916,900 | \$ 5,916,900 |
| Water Sales - Residential | 080-46102 | 9,150,715 | 8,968,000 | 4,358,584 | 10,519,500 | 10,652,000 | 10,518,900 | 10,518,900 |
| Water Service Charges | 080-46103 | 1,069,709 | 1,074,100 | 535,354 | 1,075,000 | 1,104,500 | 1,104,500 | 1,104,500 |
| Waste Water Treatment Charges | 080-47501 | 11,822,526 | 12,870,000 | 5,513,571 | 13,105,800 | 12,994,300 | 12,971,200 | 12,971,200 |
| Sewer Service Charges | 080-47502 | 2,632,894 | 2,513,300 | 1,277,094 | 2,525,000 | 2,594,800 | 2,574,800 | 2,574,800 |
| <i>Total Water & Sewer Charges</i> | | 29,606,969 | 31,405,400 | 13,970,813 | 33,183,500 | 33,337,400 | 33,086,300 | 33,086,300 |
| Other Operating Revenue | | | | | | | | |
| Water Sales - Unmetered | 080-46000 | 9,345 | 10,000 | 10,093 | 16,000 | 10,000 | 10,000 | 10,000 |
| Public Fire Protection | 080-46300 | 90,000 | 90,000 | 37,500 | 90,000 | 90,000 | 90,000 | 90,000 |
| Penalties | 080-47000 | 846,116 | 625,000 | 1,149,279 | 1,740,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Water Division - Other Income | 080-47100 | 31,213 | 25,000 | 17,687 | 28,000 | 25,000 | 25,000 | 25,000 |
| Garage Installment Sale | 080-47200 | 19,309 | 13,700 | - | 13,700 | 7,800 | 7,800 | 7,800 |
| Meter Repairs | 080-47402 | 11,750 | 40,000 | 5,134 | 10,500 | 8,000 | 8,000 | 8,000 |
| Outside Service Income | 080-47404 | 59,375 | 40,000 | 1,392 | 7,500 | 20,000 | 20,000 | 20,000 |
| Meter Sales | 080-47405 | 74,740 | 40,000 | 57,293 | 71,000 | 40,000 | 40,000 | 40,000 |
| Centerline Transmission Charge | 080-47406 | 10,452 | 10,000 | 4,829 | 10,000 | 10,000 | 10,000 | 10,000 |
| Pre-Treatment Surcharges | 080-47407 | 708,598 | 978,800 | 358,314 | 765,000 | 903,000 | 800,000 | 800,000 |
| Cross Connection Charges | 080-47408 | 278,713 | 280,000 | 105,935 | 281,000 | 278,000 | 278,000 | 278,000 |
| Waste Treatment - Other Income | 080-47410 | 316,315 | 180,000 | 278,996 | 365,000 | 185,000 | 185,000 | 185,000 |
| <i>Total Other Operating Revenue</i> | | 2,455,926 | 2,332,500 | 2,026,452 | 3,397,700 | 2,676,800 | 2,573,800 | 2,573,800 |
| Total Operating Revenue | | 32,062,895 | 33,737,900 | 15,997,265 | 36,581,200 | 36,014,200 | 35,660,100 | 35,660,100 |
| Non-Operating Revenue | | | | | | | | |
| Interest On Investments | 080-66500 | 9,066 | 10,000 | 2,393 | 6,000 | 7,500 | 7,500 | 7,500 |
| Gain {Loss} On Asset Conversion | 080-47401 | 1,283 | 10,000 | - | 1,500 | 2,500 | 2,500 | 2,500 |
| <i>Total Non-Operating Revenue</i> | | 10,349 | 20,000 | 2,393 | 7,500 | 10,000 | 10,000 | 10,000 |
| GRAND TOTAL | | \$ 32,073,244 | \$ 33,757,900 | \$ 15,999,658 | \$ 36,588,700 | \$ 36,024,200 | \$ 35,670,100 | \$ 35,670,100 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

| Expenditure Summary | | 2009 | 2010 | | | 2011 | | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Fiscal Year | Amended | Actual Thru | Fiscal Year | Department | Recommended | Council |
| Account Name | Account Number | Actual | Budget | June 30 | Estimated | Request | By Mayor | Adopted |
| Wages & Fringe Benefits | | | | | | | | |
| Water & Sewer Maintenance | 1540 | \$ 5,083,586 | \$ 4,783,472 | \$ 1,930,403 | \$ 4,595,715 | \$ 4,945,135 | \$ 4,945,135 | \$ 4,924,630 |
| Shared Services | 1560 | 2,060,976 | 1,923,267 | 862,779 | 1,911,101 | 1,858,169 | 1,858,169 | 1,866,735 |
| Waste Water Treatment | 1580 | 5,696,748 | 6,206,763 | 2,264,741 | 5,277,023 | 6,072,653 | 6,068,403 | 6,036,359 |
| <i>Total Wages & Fringe Benefits</i> | | 12,841,310 | 12,913,502 | 5,057,923 | 11,783,839 | 12,875,957 | 12,871,707 | 12,827,724 |
| Supplies & Other Charges | | | | | | | | |
| Water Purchases | 1537-92700 | 7,198,830 | 7,440,000 | 2,078,388 | 7,692,200 | 8,640,000 | 8,640,000 | 8,640,000 |
| Uncollectible debt | 1537-95800 | 30,781 | - | - | 35,000 | 45,000 | 45,000 | 45,000 |
| Water & Sewer Maintenance | 1540 | 1,475,948 | 1,589,000 | 368,075 | 1,634,000 | 1,629,000 | 1,579,000 | 1,579,000 |
| Shared Services | 1560 | 2,768,775 | 2,867,900 | 1,370,028 | 2,811,255 | 2,815,900 | 2,815,900 | 2,815,900 |
| Waste Water Treatment | 1580 | 3,242,146 | 3,502,000 | 1,023,564 | 3,585,500 | 3,502,500 | 3,502,500 | 3,374,270 |
| <i>Total Supplies & Other Charges</i> | | 14,716,480 | 15,398,900 | 4,840,055 | 15,757,955 | 16,632,400 | 16,582,400 | 16,454,170 |
| Transfers To Reserves | | | | | | | | |
| Retained Earnings | 1537-96501 | 1,515,454 | 498 | 5,101,680 | 2,573,099 | 69 | 219 | 11,702 |
| Meter Replacement Reserve | 1537-96545 | - | - | - | 109,280 | - | - | - |
| Capital Equipment | 1537-96547 | - | 300,000 | - | 300,000 | 600,000 | 300,000 | 307,500 |
| Debt Service | 1537-96572 | 3,000,000 | 5,145,000 | 1,000,000 | 6,064,527 | 5,915,774 | 5,915,774 | 6,069,004 |
| <i>Total Transfers</i> | | 4,515,454 | 5,445,498 | 6,101,680 | 9,046,906 | 6,515,843 | 6,215,993 | 6,388,206 |
| GRAND TOTAL | | \$ 32,073,244 | \$ 33,757,900 | \$ 15,999,658 | \$ 36,588,700 | \$ 36,024,200 | \$ 35,670,100 | \$ 35,670,100 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 BUDGET FINANCIAL STATEMENTS

10 Year History of Expenditures

| Fiscal Year | Water & | | | Waste |
|----------------------|--------------------|----------------------|--------------------|--------------------|
| | Water Purchases | Sewer Maintenance | Shared Services | Water Treatment |
| 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 | \$ 6,920,391 | \$ 6,081,254 | \$ 4,747,368 | \$ 9,345,937 |
| 2009 | \$ 7,198,830 | \$ 6,559,534 | \$ 4,829,751 | \$ 8,938,894 |
| 2010 Projected | \$ 7,692,200 | \$ 6,229,715 | \$ 4,722,356 | \$ 8,862,523 |
| 2011 Council Adopted | \$ 8,640,000 | \$ 6,503,630 | \$ 4,682,635 | \$ 9,410,629 |

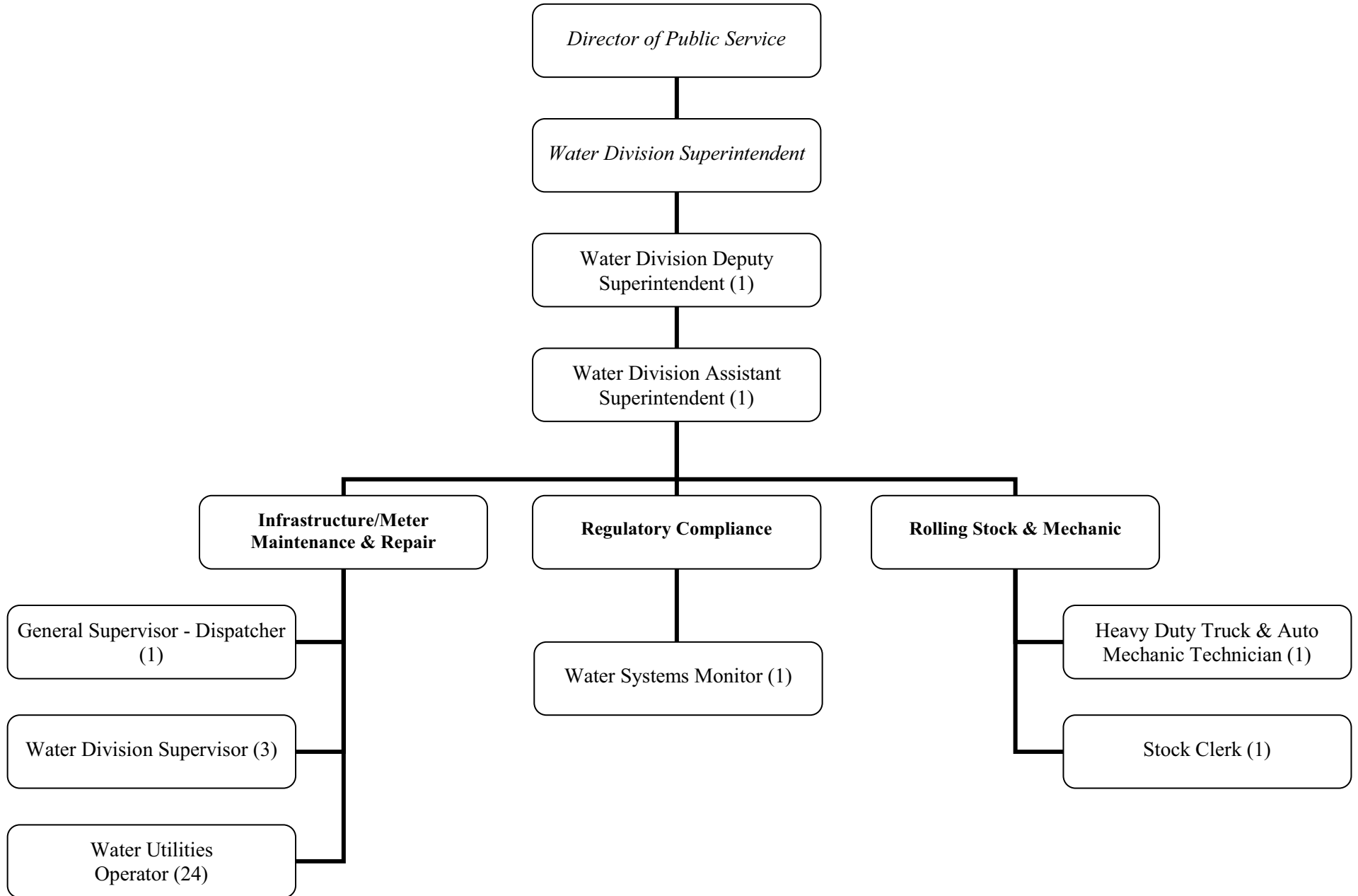
CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Water Purchases

An agreement between the City of Warren and the City of Detroit Board of Water Commissioners was approved by our City Council on October 26, 2010 and provides for the sale and delivery of water to the City of Warren. This requires the Board to provide a written notice of a proposed rate change and the underlying data used to calculate the rate. In addition, the notice must be provided not less than thirty (30) calendar days prior to the rate hearing required by Act 279.

The consumption based rate at July 1, 2010, was \$9.58 per 1,000 cubic feet, and the monthly fixed charge was \$97,809.

The impact of the newly implemented fixed charge is already reflected in the current rate charged to the City of Warren customers. This change took effect July 1, 2010 and as a result, a mid-year adjustment was necessary to cover the cost.

Water & Sewer Maintenance



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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 **delegates the Deputy Superintendent and the Assistant Superintendent** assignments. These vary from inventory control, general supervision, assisting in the resolution of personnel issues, and the direction of the Water Division to maintain operational efficiency.

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.

The operation and maintenance of three newly installed Pressure Reducing Valves (PRV) located at Eight-Mile and Ryan, Eight-Mile and Van Dyke, Eight-Mile and Groesbeck were assigned to this operation. The control of water pressures on the City's aging infrastructure is of increasing importance in providing safe drinking water to our community while limiting water main breaks caused by excessive water delivery pressures from Detroit, our water supplier.

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.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Water & Sewer Maintenance
(continued)

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, vactor, 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.

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.

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 televising and cleaning 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.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2011 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> | |
|---|----------------|-----------|---------------------------------|---------------|---------------------------------|---------------|------------------------|---------------|
| | # | Rate | # | Rate | # | Rate | # | Rate |
| Superintendent | 1 | \$ 93,317 | - | {f} \$ 93,581 | - | {f} \$ 93,581 | - | {f} \$ 93,581 |
| Deputy Superintendent | - | 88,407 | 1 | {f} 88,671 | 1 | {f} 88,671 | 1 | {f} 88,671 |
| Assistant Superintendent | 1 | 86,461 | 1 | 86,725 | 1 | 86,725 | 1 | 86,725 |
| General Supervisor/Dispatcher | 1 | 36.35/hr. | 1 | 36.49/hr. | 1 | 36.49/hr. | 1 | 36.49/hr. |
| Water Division Supervisor | 3 | 33.67/hr. | 3 | 33.81/hr. | 3 | 33.81/hr. | 3 | 33.81/hr. |
| Water Utilities Operator | 24 | 27.06/hr. | 24 | 27.20/hr. | 24 | 27.20/hr. | 24 | 27.20/hr. |
| Water Systems Monitor | 1 | 62,956 | 1 | 63,220 | 1 | 63,220 | 1 | 63,220 |
| Heavy Duty Truck & Auto Mechanic Technician | 1 | 30.50/hr. | 1 | 30.64/hr. | 1 | 30.64/hr. | 1 | 30.64/hr. |
| Stock Clerk | 1 | 25.26/hr. | 1 | 25.40/hr. | 1 | 25.40/hr. | 1 | 25.40/hr. |
| Overtime | | 200,000 | | 200,000 | | 200,000 | | 200,000 |
| Temporary Employees | | 60,000 | | 120,000 | | 120,000 | | 120,000 |
| Total Personnel | <u>33</u> | | <u>33</u> | | <u>33</u> | | <u>33</u> | |

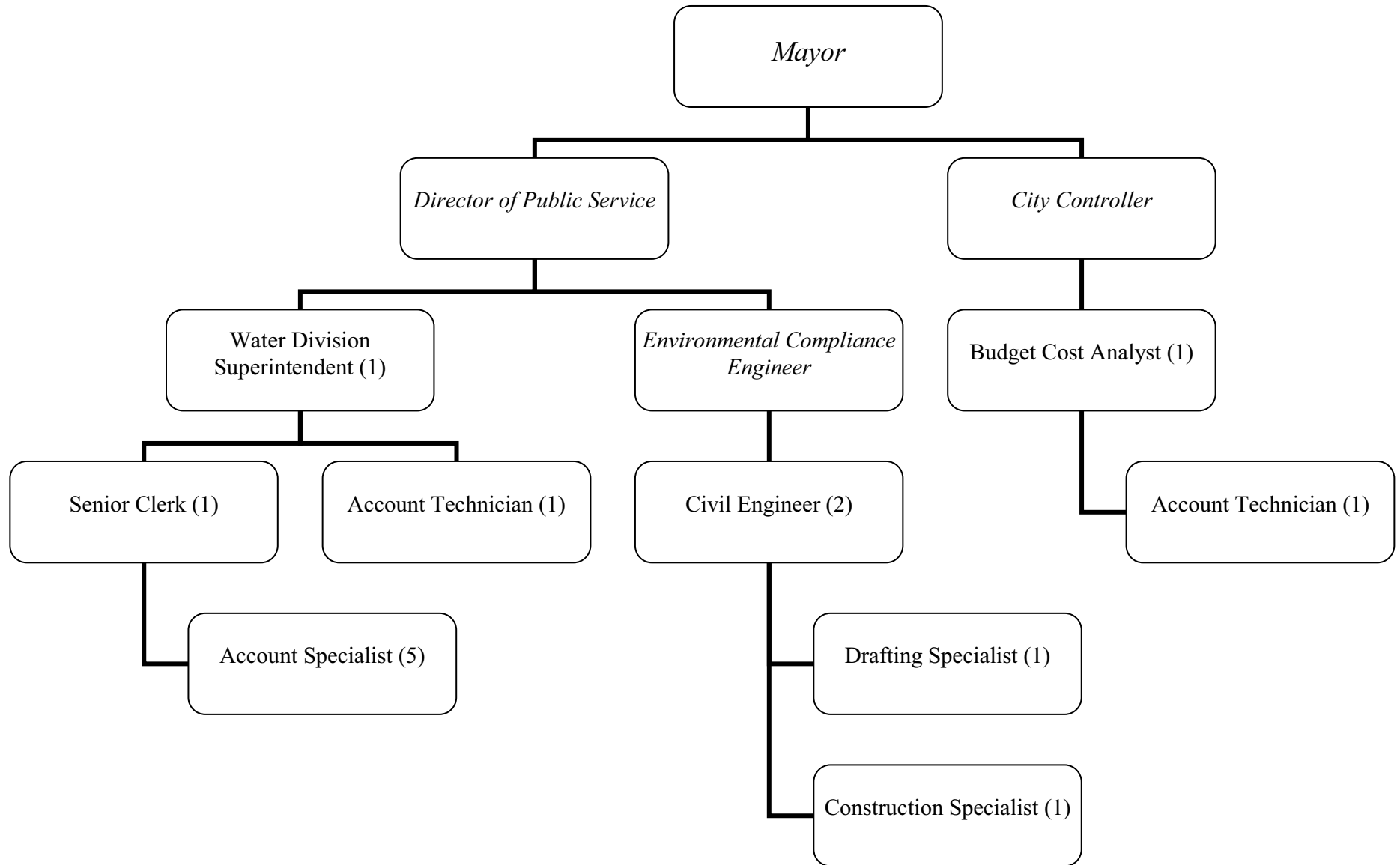
{a} Wage rates are based on AFSCME Local 1250, AFSCME Local 1917, and UAW Local 412 Unit 59 contracts that expire 6/30/2012

{f} Superintendent position transferred to Shared Services; Deputy Superintendent transferred from Shared Services

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

| Water & Sewer Maintenance | | 2009 | 2010 | | | 2011 | | |
|--|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Fiscal Year | Amended | Actual Thru | Fiscal Year | Department | Recommended | Council |
| Account Name | Account Number | Actual | Budget | June 30 | Estimated | Request | By Mayor | Adopted |
| Personnel Services | | | | | | | | |
| Permanent Employees | 70600 | \$ 2,016,751 | \$ 1,911,978 | \$ 876,010 | \$ 1,850,000 | \$ 1,972,126 | \$ 1,972,126 | \$ 1,972,126 |
| Temporary Labor | 70700 | 56,378 | 60,000 | 44,061 | 120,000 | 120,000 | 120,000 | 120,000 |
| Overtime | 70900 | 409,688 | 200,000 | 41,679 | 150,000 | 200,000 | 200,000 | 200,000 |
| Employee Benefits | | | | | | | | |
| Education & Training | 71302 | 13,626 | 7,800 | 1,784 | 17,500 | 15,000 | 15,000 | 15,000 |
| Auto Allowance | 71305 | 3,292 | 3,000 | - | - | 3,000 | 3,000 | 3,000 |
| Social Security | 71500 | 194,963 | 175,347 | 77,514 | 170,000 | 183,412 | 183,412 | 183,363 |
| Insurances | 71900 | 432,301 | 572,439 | 170,368 | 550,000 | 533,173 | 533,173 | 514,402 |
| Employees' VEBA Trust | 71904 | 783,957 | 720,777 | 282,363 | 675,000 | 722,045 | 722,045 | 721,841 |
| Health Savings | 71905 | 1,683 | 2,006 | 1,231 | 2,700 | 2,470 | 2,470 | 2,469 |
| Supplemental Life Insurance | 71906 | 1,044 | 552 | 542 | 1,000 | 1,014 | 1,014 | 1,014 |
| Longevity | 72100 | 83,124 | 80,347 | 45,960 | 80,500 | 67,315 | 67,315 | 67,315 |
| Retirement Fund | 72200 | 1,025,910 | 987,124 | 361,781 | 900,000 | 1,061,732 | 1,061,732 | 1,061,395 |
| Defined Contribution Expense | 72201 | 43,251 | 43,772 | 22,990 | 60,000 | 50,668 | 50,668 | 50,657 |
| Cost Of Living Allowance | 72400 | 4,360 | 7,515 | - | 7,515 | 4,444 | 4,444 | 3,774 |
| Uniforms | 72401 | 7,856 | 5,700 | 1,842 | 7,000 | 5,700 | 5,700 | 5,700 |
| My Lawyer | 72505 | 5,402 | 5,115 | 2,278 | 4,500 | 3,036 | 3,036 | 2,574 |
| Other Charges | | | | | | | | |
| Operating Supplies | 74000 | 314,970 | 320,000 | 51,417 | 320,000 | 320,000 | 320,000 | 320,000 |
| Materials | 78700 | 28,153 | 75,000 | 18,940 | 40,000 | 60,000 | 60,000 | 60,000 |
| Meter Replacement | 78900 | 36,346 | 25,000 | 63,316 | 95,000 | 50,000 | 50,000 | 50,000 |
| Professional Services | 80100 | 55,140 | 150,000 | 28,086 | 150,000 | 100,000 | 150,000 | 150,000 |
| Dirt Removal | 80102 | 127,343 | 120,000 | 27,925 | 130,000 | 130,000 | 130,000 | 130,000 |
| Concrete, Lawn & Manhole Repairs | 80103 | 643,567 | 600,000 | 80,778 | 600,000 | 600,000 | 560,000 | 560,000 |
| Telephone | 85300 | 9,145 | 9,000 | 4,152 | 9,000 | 9,000 | 9,000 | 9,000 |
| Auto Expense | 86300 | 139,028 | 140,000 | 47,171 | 140,000 | 170,000 | 150,000 | 150,000 |
| Utilities | 92000 | 91,237 | 110,000 | 43,629 | 110,000 | 110,000 | 110,000 | 110,000 |
| Facility Maintenance | 97500 | 31,019 | 40,000 | 2,661 | 40,000 | 80,000 | 40,000 | 40,000 |
| Total Water & Sewer Maintenance | | \$ 6,559,534 | \$ 6,372,472 | \$ 2,298,478 | \$ 6,229,715 | \$ 6,574,135 | \$ 6,524,135 | \$ 6,503,630 |

Shared Services



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Shared Services

The 2011 Water & Sewer System Budget includes fourteen employees in the Shared Services section, with job responsibilities apportioned into the following five function categories:

Accounting
Customer Service
Consumption Review
Meter Reading
Engineering

The Superintendent reports directly to the Director of Public Service 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 Superintendent also is responsible for the direct supervision, assemblage of work rules, guidelines and enforcement in the Customer Service area.

A Budget Cost Analyst assembles data and issues financial information for both the Water Division and Waste Water Treatment Plant. This position is responsible for verifying that all financial activity for the Water & Sewer System, including List-of-Bills, accounts receivable, cash receipts, and City Treasurer investments are accurately entered in the System's official computerized financial records. The preparation of all interim financial reports, the Water & Sewer System Annual Financial Report, and the annual Budget are also responsibilities of the Budget Cost Analyst. Two Account Technicians are included in this section. Their responsibilities include the review and computer entry of all cash receipts, purchase requisitions, purchase orders and invoices, as well as the preparation of the List-of-Bills. They are responsible for verifying time cards and correctly distributing Water & Sewer System payroll costs. 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, and 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 consumption review 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 consumption review function also coordinate the mailing of bills to the customers.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Shared Services
(continued)

Meter Reading is vital to the Water & Sewer System. Through an agreement with Consumers Energy we now provide monthly readings for all accounts. Currently, there are approximately 50,000 monthly accounts in the City from which physical readings must be taken. The large commercial and industrial accounts are read monthly by Water Division staff and include several meters that are located in meter pits, making the reading process very time consuming. The Water Division staff also performs visual inspections on bypass seals to assure accountability in our water sales.

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
2011 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> |
| Superintendent | - | \$ 93,317 | 1 | {f} \$ 93,581 | 1 | {f} \$ 93,581 | 1 | {f} \$ 93,581 |
| Deputy Superintendent | 1 | 88,407 | - | {f} 88,671 | - | {f} 88,671 | - | {f} 88,671 |
| Senior Clerk | 1 | 53,425 | 1 | 53,689 | 1 | 53,689 | 1 | 53,689 |
| Budget Cost Analyst | 1 | 69,791 | 1 | 70,055 | 1 | 70,055 | 1 | 70,055 |
| Account Technician | 2 | 53,421 | 2 | 53,685 | 2 | 53,685 | 2 | 53,685 |
| Account Specialist | 3 | 49,816 | 3 | 50,080 | 3 | 50,080 | 5 | {c} 50,080 |
| Office Assistant | 2 | 34,279 | 2 | 34,543 | 2 | 34,543 | - | {c} - |
| Civil Engineer | 2 | 78,425 | 2 | 78,689 | 2 | 78,689 | 2 | 78,689 |
| Drafting Specialist | 1 | 57,865 | 1 | 58,129 | 1 | 58,129 | 1 | 58,129 |
| Construction Specialist | 1 | 29.73/hr. | 1 | 29.87/hr. | 1 | 29.87/hr. | 1 | 29.87/hr. |
| Overtime | | 100,000 | | 74,509 | | 74,509 | | 74,509 |
| Temporary Employees | | 35,000 | | 60,000 | | 60,000 | | 60,000 |
| Total Personnel | <u>14</u> | | <u>14</u> | | <u>14</u> | | <u>14</u> | |

{a} Wage rates are based on AFSCME Local 1250, AFSCME Local 1917, and UAW Local 412 Unit 59 contracts that expire 6/30/2012

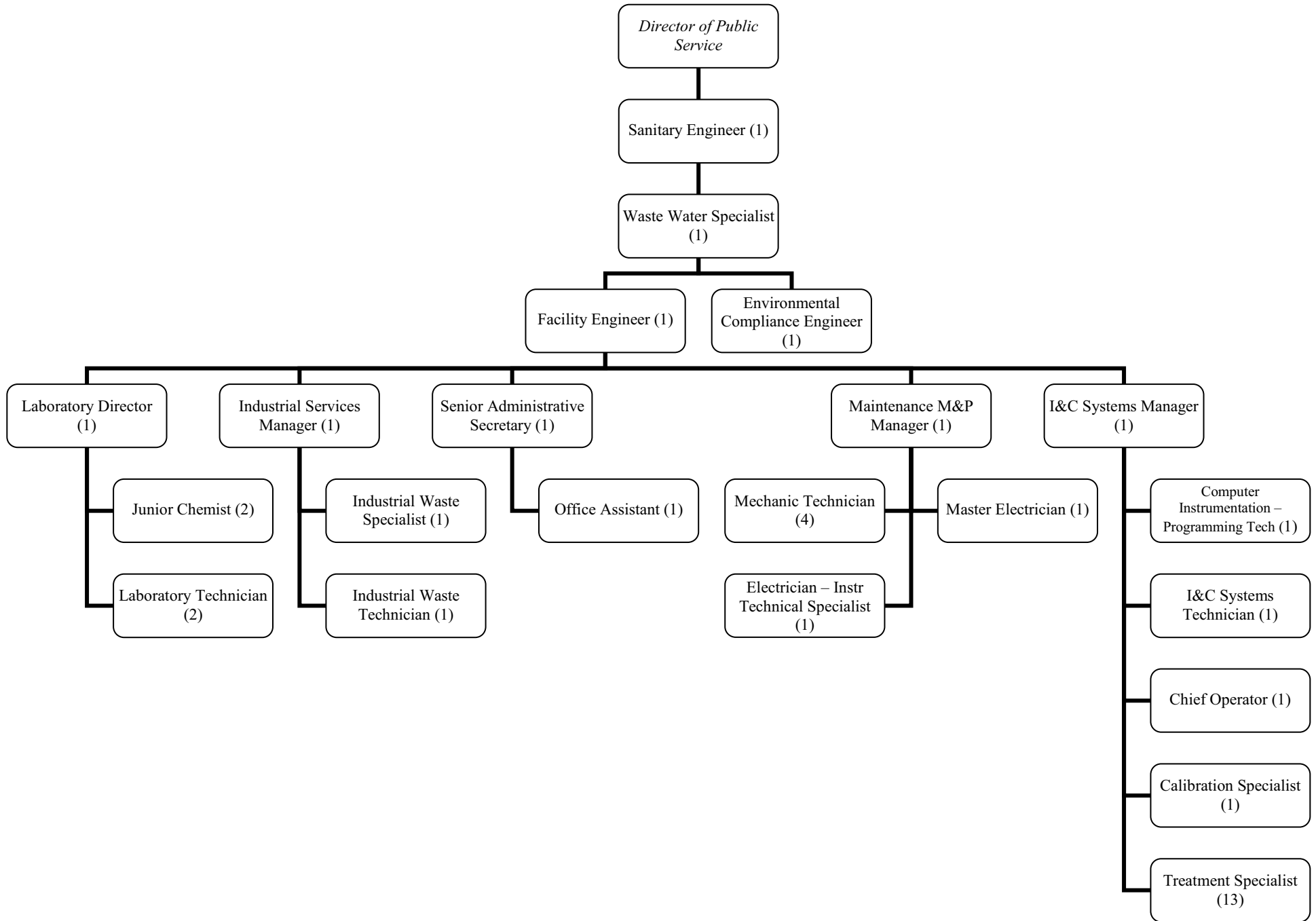
{c} Reclassification of Office Assistant to Account Specialist (2)

{f} Superintendent position transferred from Water & Sewer Maintenance; Deputy Superintendent transferred to Water & Sewer Maintenance

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

| Shared Services | | 2009 | 2010 | | | 2011 | | |
|------------------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | Fiscal Year | Amended | Actual Thru | Fiscal Year | Department | Recommended | Council |
| Account Name | Account Number | Actual | Budget | June 30 | Estimated | Request | By Mayor | Adopted |
| Personnel Services | | | | | | | | |
| Permanent Employees | 70600 | \$ 872,188 | \$ 815,337 | \$ 375,845 | \$ 815,000 | \$ 816,896 | \$ 816,896 | \$ 830,745 |
| Temporary Employees | 70700 | 24,179 | 35,000 | 10,386 | 35,000 | 60,000 | 60,000 | 60,000 |
| Overtime | 70900 | 167,176 | 100,000 | 58,832 | 110,000 | 74,509 | 74,509 | 74,509 |
| Employee Benefits | | | | | | | | |
| Education & Training | 71302 | 6,162 | 3,400 | 1,897 | 6,000 | 4,000 | 4,000 | 4,000 |
| Auto Allowance | 71305 | 3,000 | 3,000 | 917 | 917 | - | - | - |
| Social Security | 71500 | 84,763 | 76,210 | 35,349 | 76,000 | 76,860 | 76,860 | 77,668 |
| Insurances | 71900 | 219,818 | 204,921 | 91,942 | 205,000 | 179,277 | 179,277 | 175,505 |
| Employees' VEBA Trust | 71904 | 316,629 | 299,913 | 129,752 | 290,000 | 256,972 | 256,972 | 255,775 |
| Health Savings | 71905 | 1,421 | 1,256 | 653 | 2,000 | 2,201 | 2,201 | 2,338 |
| Supplemental Life Insurance | 71906 | 960 | 649 | 378 | 800 | 712 | 712 | 712 |
| Longevity | 72100 | 37,185 | 33,862 | 16,169 | 30,000 | 32,344 | 32,344 | 32,344 |
| Retirement Fund | 72200 | 241,940 | 284,375 | 108,477 | 275,000 | 296,138 | 296,138 | 294,274 |
| Defined Contribution Expense | 72201 | 81,117 | 59,960 | 31,120 | 60,000 | 54,723 | 54,723 | 56,064 |
| Cost Of Living Allowance | 72400 | 1,967 | 3,024 | - | 3,024 | 1,947 | 1,947 | 1,519 |
| Uniforms | 72401 | 231 | 190 | - | 190 | 190 | 190 | 190 |
| My Lawyer | 72505 | 2,240 | 2,170 | 1,062 | 2,170 | 1,400 | 1,400 | 1,092 |
| Other Charges | | | | | | | | |
| Operating Supplies | 74000 | 8,122 | 12,000 | 1,267 | 8,000 | 7,500 | 7,500 | 7,500 |
| Professional Services | 80100 | 450,327 | 500,000 | 202,151 | 450,000 | 440,000 | 440,000 | 440,000 |
| Auditing | 80105 | 15,500 | 16,500 | 13,000 | 15,500 | 15,500 | 15,500 | 15,500 |
| Postage | 80200 | 203,654 | 209,600 | 102,805 | 206,455 | 210,000 | 210,000 | 210,000 |
| Unemployment Benefits | 80300 | 2,688 | 3,000 | - | 3,000 | 3,000 | 3,000 | 3,000 |
| Auto Expense | 86300 | 449 | 1,000 | 933 | 2,500 | 1,000 | 1,000 | 1,000 |
| General Insurance | 91000 | 400,000 | 400,000 | 200,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Utilities | 92000 | 599 | 1,000 | 472 | 1,000 | 1,000 | 1,000 | 1,000 |
| Administrative Expense | 94200 | 1,666,150 | 1,698,800 | 849,400 | 1,698,800 | 1,711,900 | 1,711,900 | 1,711,900 |
| M.S.D.W.A. Annual Fee | 96202 | 21,286 | 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 | | \$ 4,829,751 | \$ 4,791,167 | \$ 2,232,807 | \$ 4,722,356 | \$ 4,674,069 | \$ 4,674,069 | \$ 4,682,635 |

Waste Water Treatment Plant



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Waste Water Treatment Plant

Warren's Waste Water Treatment Facility, constructed in 1959, 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.

An Efficiency Study first 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 resulted in our WWTP becoming a highly efficient and competitive operation.

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 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).

In 1994, the City's Industrial Pretreatment Program received the Environmental Protection Agency's Nation 2nd Place Award for outstanding Pretreatment Program for the protection of the facility and the environment from harmful commercial and industrial discharges.

FACILITY PROCESS DESCRIPTION:

The Warren Waste Water Treatment Plant provides equipment and facilities for primary, secondary, and tertiary treatment with biosolids removal and disposal. All of these integrated processes have recently been fully automated using a state of the art Supervisory Control and Data Acquisition (SCADA) System programmed in-house using WWTP staff. The following is a brief description of the processes utilized at the treatment plant.

Preliminary Treatment

- **Bar Screens:** Three mechanically cleaned bar screens are available to remove large debris and trash. Each screen is capable of handling flow up to 90 mgd. The screenings are trucked to a landfill.
- **Raw Sewage Pumping Station:** After screening, eight raw sewage pumps lift the sewage 65 feet to the grit removal structure. The total pumping capacity is about 200 mgd.
- **Grit Chamber:** The grit chamber consists of three covered channels. The chamber removes coarse, inorganic solids to reduce wear on operating mechanisms and limit solids build-up in the primary settling tanks. The grit and screenings are trucked to a sanitary landfill.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Waste Water Treatment Plant
(continued)

Primary Treatment

- **Primary Settling Tanks:** Flow from the grit chamber is directed to eight primary settling tanks with a total capacity of 1.7 mg. Detention in these tanks results in removal of approximately 60 percent of the suspended solids and 40 percent of the biochemical oxygen demand (BOD). Settled solids are collected and pumped to the sludge processing facility.
- **Retention Basin:** During wet weather, flows greater than the treatment plant hydraulic capacity of 60 mgd are diverted to a 50 mgd retention basin. On rare occasions, the basin overflows. Overflow from the basin is mixed with tertiary effluent, chlorinated and discharged to the Red Run Drain. When the storm ends, retained flow in the basin is returned to the plant for treatment. During dry periods, the basin can also be used to store sewage with high concentrations of harmful contaminants, which may result from industrial spills, accidents, or illegal dumping. If this occurs, the sewage is returned at a controlled rate for treatment.

Secondary Treatment

- **Aeration Tanks:** This treatment stage consists of a single-stage activated sludge system, which provides removal of both the carbonaceous and nitrogenous oxygen demands. Treatment at this stage is in four of six aeration tanks with a detention time of 4.5 hours at design flow. Two tanks operate as plug flow aeration reactors and two tanks as complete mix aeration basins. Ferric chloride is added for sulfide control and phosphorus removal at the plant influent pumping station. However, ferric chloride or alum can also be fed at the aeration tanks if required for alternate phosphorus removal.
- **Secondary Settling Tanks:** After aeration, the flow is directed to eight settling tanks, with a total volume of 4.9 mg. The solids settle in these tanks. Some of the settled solids from the secondary settling tanks are returned to the aeration tanks for reuse. Excess solids from the settling tanks are transferred to the sludge handling facility. Effluent from these tanks is then pumped to the rapid sand filters for tertiary treatment.

Tertiary Treatment

- **Secondary Effluent Pumping Station:** This station discharges the effluent from the secondary clarifiers to the rapid sand filters. Four vertical mixed flow turbine pumps are utilized, each with 20 mgd capacity.
- **Mixed Media Filters:** Twelve mixed media filter units with a total filter bed area of 8,640 square feet are used at this stage. Filtered water, stored in a 220,000 gallon reservoir is used to backwash the filters. Waste wash water containing solids removed from the filters is returned to the aeration tank for processing.
- **Chlorine Contact Tank:** Tertiary filter effluent enters the chlorine contact tank and is dosed with chlorine for disinfection via a remote vacuum chlorination system. The system is capable of feeding 8,000 lbs/day by two 2,000 lbs/day chlorinators, one 4,000 lbs/day chlorinator and one 8,000 lbs/day evaporator. Chlorine gas is mixed with the filtered effluent, and is retained in the chlorine contact tank for 30 minutes at 36 mgd. The normal fecal coliform count from the Warren WWTP effluent is less than 100 counts per 100 milliliters (ml), well within the state-imposed effluent standard of 200 counts per 100 ml.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Waste Water Treatment Plant
(continued)

- **Dechlorination Facility:** At the end of the chlorine contact tank the chlorinated effluent is dosed with 38% sodium bisulfite for dechlorination. The dechlorination system is capable of feeding 1,460 lbs/day by two 2.6 gallons per hour (gph) metering pumps. The sodium bisulfite reacts with the residual chlorine to reduce the concentration of total residual chlorine below the state imposed effluent standard of 0.038 mg/l. The disinfected and dechlorinated effluent is discharged into the Red Run Drain.

Sludge Handling

- **Sludge Storage Tanks:** Sludge resulting from the primary settling tanks is stored in four 68,000 gallon primary sludge storage tanks. Sludge from the flotation thickeners is stored in two 204,000 gallon activated sludge storage tanks. The two sludges are mixed in three 50,000 gallon blended sludge storage tanks.
- **Belt Filter Presses:** Blended sludge is thickened and dewatered by three 2.2 meter Andritz belt filter presses (BFP's) each with a gravity belt thickener stacked on top. Sludge is conditioned by the addition of a polymer coagulation agent to improve filterability prior to being fed to the filters. The resulting filter cake is discharged to a belt conveyor system for transport to the sludge incinerator.
- **Sludge Incinerator:** Filter cake produced by the BFP's is incinerated in a ten hearth 25"-9" diameter multiple hearth incinerator. Natural gas is used as a supplementary fuel. A counter-flow water impingement plate scrubber is provided to cleanse the exhaust gases before discharge to the atmosphere. Chlorinated plant effluent is used as a liquid medium in the scrubber system.
- **Ash Disposal:** Ash from the furnace is discharged at the bottom and slurried using water discharged from the scrubber system. Slurried ash is pumped to two ash settling lagoons. Overflow water from the lagoons is returned to the treatment plant for processing. Dewatered ash is trucked from the ash lagoons to a landfill.

The investment and commitment in the City's Waste Water Plant provides extremely high levels of treatment protecting the environment in a way that Warren residents can be proud of, including:

- 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 thirty-nine (39) employees will operate and maintain the Treatment Plant in Fiscal 2011. Their responsibilities include plant operations, plant maintenance, laboratory operations, the Industrial Pretreatment Monitoring and Enforcement, employee safety, grounds maintenance, and administrative support.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Waste Water Treatment Plant
(continued)

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
2011 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> | |
|--|----------------|------------|---------------------------------|------------|---------------------------------|------------|------------------------|------------|
| | # | Rate | # | Rate | # | Rate | # | Rate |
| Sanitary Engineer | 1 | \$ 101,415 | 1 | \$ 101,679 | 1 | \$ 101,679 | 1 | \$ 101,679 |
| Wastewater Specialist | 1 | 83,784 | 1 | 84,048 | 1 | 84,048 | 1 | 84,048 |
| Facility Engineer | - | - | 1 | {c} 86,045 | 1 | {c} 86,045 | 1 | {c} 86,045 |
| Process Control/Training & Compliance Engineer | 1 | 85,632 | - | {c} - | - | {c} - | - | {c} - |
| Environmental Compliance Engineer | 1 | 85,632 | 1 | 85,896 | 1 | 85,896 | 1 | 85,896 |
| <i>Laboratory Section:</i> | | | | | | | | |
| Laboratory Director | 1 | 80,113 | 1 | 80,377 | 1 | 80,377 | 1 | 80,377 |
| Junior Chemist | 2 | 30.19/hr. | 2 | 30.33/hr. | 2 | 30.33/hr. | 2 | 30.33/hr. |
| Laboratory Technician | 2 | 26.87/hr. | 2 | 27.01/hr. | 2 | 27.01/hr. | 2 | 27.01/hr. |
| <i>Maintenance Section:</i> | | | | | | | | |
| Maintenance M&P Manager | 1 | 73,243 | 1 | 73,507 | 1 | 73,507 | 1 | 73,507 |
| Mechanic Technician | 4 | 61,900 | 4 | 62,164 | 4 | 62,164 | 4 | 62,164 |
| Master Electrician | 1 | 68,622 | 1 | 68,886 | 1 | 68,886 | 1 | 68,886 |
| Electrician/Instrumentation Technical Specialist | 1 | 75,637 | 1 | 75,901 | 1 | 75,901 | 1 | 75,901 |

{a} Wage rates are based on AFSCME Local 1250, AFSCME Local 1917, and UAW Local 412 Unit 59 contracts that expire 6/30/2012

{c} Reclassification of Process Control/Training & Compliance Engineer to Facility Engineer

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2011 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> | |
|---|----------------|-----------|---------------------------------|---------------|---------------------------------|---------------|------------------------|---------------|
| | # | Rate | # | Rate | # | Rate | # | Rate |
| <i>Industrial Services/Stormwater Section:</i> | | | | | | | | |
| Industrial Services Manager | 1 | 75,637 | 1 | 75,901 | 1 | 75,901 | 1 | 75,901 |
| Industrial Waste Specialist | 1 | 59,845 | 1 | 60,109 | 1 | 60,109 | 1 | 60,109 |
| Industrial Waste Technician | 1 | 53,055 | 1 | 53,319 | 1 | 53,319 | 1 | 53,319 |
| <i>Operating Section:</i> | | | | | | | | |
| I & C System Manager | 1 | 80,214 | 1 | 80,478 | 1 | 80,478 | 1 | 80,478 |
| Comp. Instr./Programming Technician | 1 | 58,717 | 1 | 58,981 | 1 | 58,981 | 1 | 58,981 |
| I & C System Technician | 1 | 67,539 | 1 | 67,803 | 1 | 67,803 | 1 | 67,803 |
| Chief Operator | 1 | 85,632 | 1 | 85,896 | 1 | 85,896 | 1 | 85,896 |
| Treatment Specialist | 14 | 28.90/hr. | 13 | {d} 29.04/hr. | 13 | {d} 29.04/hr. | 13 | {d} 29.04/hr. |
| Calibration Specialist | 1 | 58,818 | 1 | 59,082 | 1 | 59,082 | 1 | 59,082 |
| <i>Clerical Section:</i> | | | | | | | | |
| Senior Administrative Secretary - WWTP | 1 | 55,435 | 1 | 55,699 | 1 | 55,699 | 1 | 55,699 |
| Office Assistant | 1 | 34,279 | 1 | 34,543 | 1 | 34,543 | 1 | 34,543 |
| Overtime | | 225,000 | | 225,000 | | 225,000 | | 225,000 |
| Temporary Employees | | 50,000 | | 50,000 | | 50,000 | | 50,000 |
| Total Personnel | <u>40</u> | | <u>39</u> | | <u>39</u> | | <u>39</u> | |

{a} Wage rates are based on AFSCME Local 1250, AFSCME Local 1917, and UAW Local 412 Unit 59 contracts that expire 6/30/2012

{d} Position deleted

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

| Waste Water Treatment | | 2009 | | 2010 | | 2011 | | |
|------------------------------------|-------|-------------------|-----------------------|-------------------|------------------------|--------------------------|-----------------------|-------------------------|
| | | Account Number | Fiscal Year Actual | Amended Budget | Actual Thru June 30 | Fiscal Year Estimated | Department Request | Recommended By Mayor |
| Personnel Services | | | | | | | | |
| Permanent Employees | 70600 | \$ 2,591,601 | \$ 2,663,307 | \$ 1,070,996 | \$ 2,300,000 | \$ 2,606,436 | \$ 2,606,436 | \$ 2,606,436 |
| Temporary Employees | 70700 | 17,861 | 50,000 | 6,973 | 30,000 | 50,000 | 50,000 | 50,000 |
| Overtime | 70900 | 204,952 | 225,000 | 86,580 | 200,000 | 225,000 | 225,000 | 225,000 |
| Employee Benefits | | | | | | | | |
| Education & Training | 71302 | 47,763 | 49,250 | 12,528 | 46,000 | 49,250 | 45,000 | 45,000 |
| Certification Bonuses | 71303 | 34,664 | 35,000 | 604 | 35,000 | 30,000 | 30,000 | 30,000 |
| Social Security | 71500 | 219,776 | 244,523 | 94,586 | 220,000 | 237,988 | 237,988 | 237,907 |
| Holiday Pay | 71700 | 57,311 | 67,309 | 33,335 | 67,000 | 63,723 | 63,723 | 63,723 |
| Insurances | 71900 | 579,309 | 644,244 | 218,423 | 600,000 | 600,275 | 600,275 | 570,850 |
| Employees' VEBA Trust | 71904 | 928,532 | 1,016,957 | 368,822 | 850,000 | 988,812 | 988,812 | 988,464 |
| Health Savings | 71905 | 2,369 | 2,803 | 1,262 | 2,800 | 2,825 | 2,825 | 2,824 |
| Supplemental Life Insurance | 71906 | 2,252 | 2,237 | 1,050 | 2,100 | 2,099 | 2,099 | 2,099 |
| Longevity | 72100 | 111,176 | 94,897 | 35,205 | 90,000 | 80,557 | 80,557 | 80,557 |
| Retirement Fund | 72200 | 676,082 | 901,077 | 235,788 | 600,000 | 931,606 | 931,606 | 931,348 |
| Defined Contribution Expense | 72201 | 207,267 | 189,597 | 95,151 | 215,000 | 189,549 | 189,549 | 189,458 |
| Cost Of Living Allowance | 72400 | 4,663 | 8,852 | - | 8,623 | 5,401 | 5,401 | 4,331 |
| Uniforms | 72401 | 4,911 | 5,510 | 916 | 5,000 | 5,320 | 5,320 | 5,320 |
| My Lawyer | 72505 | 6,259 | 6,200 | 2,522 | 5,500 | 3,812 | 3,812 | 3,042 |
| Other Charges | | | | | | | | |
| Operating Supplies | 74000 | 86,393 | 80,000 | 12,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Chemicals | 74300 | 342,568 | 375,000 | 110,989 | 435,000 | 400,000 | 400,000 | 400,000 |
| Professional Services | 80100 | 89,524 | 150,000 | 15,578 | 150,000 | 155,000 | 155,000 | 155,000 |
| Building Lease | 80104 | 54,000 | 54,000 | 27,000 | 54,000 | 54,000 | 54,000 | 54,000 |
| Odor Control | 80107 | 11,809 | 10,000 | 519 | 10,000 | 20,000 | 20,000 | 20,000 |
| Ash Removal Contract | 81800 | 64,766 | 70,000 | 8,851 | 70,000 | 70,000 | 70,000 | 70,000 |
| Telephone | 85300 | 13,939 | 13,000 | 5,883 | 13,500 | 13,500 | 13,500 | 13,500 |
| Auto Expense | 86300 | 14,558 | 15,000 | 5,036 | 15,000 | 15,000 | 15,000 | 15,000 |
| Utilities | 92000 | 746,436 | 875,000 | 247,492 | 875,000 | 825,000 | 825,000 | 825,000 |
| Electric Power | 92001 | 1,184,693 | 1,175,000 | 448,685 | 1,200,000 | 1,185,000 | 1,185,000 | 1,056,770 |
| Repairs & Maintenance | 93000 | 598,113 | 650,000 | 123,541 | 650,000 | 650,000 | 650,000 | 650,000 |
| Management Agency Fee | 96201 | 35,347 | 35,000 | 17,990 | 33,000 | 35,000 | 35,000 | 35,000 |
| Total Waste Water Treatment | | \$ 8,938,894 | \$ 9,708,763 | \$ 3,288,305 | \$ 8,862,523 | \$ 9,575,153 | \$ 9,570,903 | \$ 9,410,629 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

WATER AND WASTE WATER RATES

| Water Consumption Rates Based on the amount of metered water | Present Rate | 2011 Department Requested | 2011 Recommended By Mayor | 2011 Council Adopted |
|---|-----------------|---------------------------------|---------------------------------|----------------------------|
| 0 to 600 Cubic Feet | \$2.365 per C | \$2.395 per C | \$2.365 per C | \$2.365 per C |
| Each 100 Cubic Feet Thereafter | \$2.365 per C | \$2.395 per C | \$2.365 per C | \$2.365 per C |
| <u>Monthly Water Service Charge:</u> | | | | |
| Meter Size: | | | | |
| 5/8" | \$ 0.78 | \$ 0.78 | \$ 0.78 | \$ 0.78 |
| 3/4" | \$ 1.56 | \$ 1.56 | \$ 1.56 | \$ 1.56 |
| 1" | \$ 3.12 | \$ 3.12 | \$ 3.12 | \$ 3.12 |
| 1-1/2" | \$ 7.80 | \$ 7.80 | \$ 7.80 | \$ 7.80 |
| 2" | \$ 19.50 | \$ 19.50 | \$ 19.50 | \$ 19.50 |
| 3" | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 |
| 4" | \$ 70.20 | \$ 70.20 | \$ 70.20 | \$ 70.20 |
| 6" | \$ 132.60 | \$ 132.60 | \$ 132.60 | \$ 132.60 |
| 8" | \$ 234.00 | \$ 234.00 | \$ 234.00 | \$ 234.00 |
| 10" | \$ 390.00 | \$ 390.00 | \$ 390.00 | \$ 390.00 |
| 12" | \$ 780.00 | \$ 780.00 | \$ 780.00 | \$ 780.00 |
| Monthly Water Service Charge | | | | |
| <u>Fire Line Only - Flat Rate:</u> | | | | |
| Service Line Size: | | | | |
| 5/8" | \$ 5.71 | \$ 5.77 | \$ 5.71 | \$ 5.71 |
| 3/4" | \$ 6.49 | \$ 6.55 | \$ 6.49 | \$ 6.49 |
| 1" | \$ 8.05 | \$ 8.11 | \$ 8.05 | \$ 8.05 |
| 1-1/2" | \$ 32.45 | \$ 32.75 | \$ 32.45 | \$ 32.45 |
| 2" | \$ 44.15 | \$ 44.45 | \$ 44.15 | \$ 44.15 |
| 3" | \$ 59.75 | \$ 60.05 | \$ 59.75 | \$ 59.75 |
| 4" | \$ 94.85 | \$ 95.15 | \$ 94.85 | \$ 94.85 |
| 6" | \$ 157.25 | \$ 157.55 | \$ 157.25 | \$ 157.25 |
| 8" | \$ 258.65 | \$ 258.95 | \$ 258.65 | \$ 258.65 |
| 10" | \$ 414.65 | \$ 414.95 | \$ 414.65 | \$ 414.65 |
| 12" | \$ 804.65 | \$ 804.95 | \$ 804.65 | \$ 804.65 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

WATER AND WASTE WATER RATES

| Waste Water Treatment Consumption Rates Based on the amount of metered water | Present Rate | 2011 Department Requested | 2011 Recommended By Mayor | 2011 Council Adopted |
|---|-----------------|---------------------------------|---------------------------------|----------------------------|
| 0 to 600 Cubic Feet | \$1.956 per C | \$1.960 per C | \$1.956 per C | \$1.956 per C |
| Each 100 Cubic Feet Thereafter | \$1.956 per C | \$1.960 per C | \$1.956 per C | \$1.956 per C |
| <u>Monthly Sewer Service Charge:</u> | | | | |
| Meter Size: | | | | |
| 5/8" | \$ 1.87 | \$ 1.89 | \$ 1.87 | \$ 1.87 |
| 3/4" | \$ 3.74 | \$ 3.78 | \$ 3.74 | \$ 3.74 |
| 1" | \$ 7.48 | \$ 7.56 | \$ 7.48 | \$ 7.48 |
| 1-1/2" | \$ 18.70 | \$ 18.90 | \$ 18.70 | \$ 18.70 |
| 2" | \$ 46.75 | \$ 47.25 | \$ 46.75 | \$ 46.75 |
| 3" | \$ 84.15 | \$ 85.05 | \$ 84.15 | \$ 84.15 |
| 4" | \$ 168.30 | \$ 170.10 | \$ 168.30 | \$ 168.30 |
| 6" | \$ 317.90 | \$ 321.30 | \$ 317.90 | \$ 317.90 |
| 8" | \$ 561.00 | \$ 567.00 | \$ 561.00 | \$ 561.00 |
| 10" | \$ 935.00 | \$ 945.00 | \$ 935.00 | \$ 935.00 |
| 12" | \$ 1,870.00 | \$ 1,890.00 | \$ 1,870.00 | \$ 1,870.00 |
| <u>Unmetered Minimum Bill</u> | | | | |
| <u>Per Month - Sewer Only Charge:</u> | | | | |
| Water Service Size: | | | | |
| 5/8" | \$ 5.78 | \$ 5.81 | \$ 5.78 | \$ 5.78 |
| 3/4" | \$ 7.65 | \$ 7.70 | \$ 7.65 | \$ 7.65 |
| 1" | \$ 11.39 | \$ 11.48 | \$ 11.39 | \$ 11.39 |
| 1-1/2" | \$ 38.26 | \$ 38.50 | \$ 38.26 | \$ 38.26 |
| 2" | \$ 66.31 | \$ 66.85 | \$ 66.31 | \$ 66.31 |
| 3" | \$ 103.71 | \$ 104.65 | \$ 103.71 | \$ 103.71 |
| 4" | \$ 187.86 | \$ 189.70 | \$ 187.86 | \$ 187.86 |
| 6" | \$ 337.46 | \$ 340.90 | \$ 337.46 | \$ 337.46 |
| 8" | \$ 580.56 | \$ 586.60 | \$ 580.56 | \$ 580.56 |
| 10" | \$ 954.56 | \$ 964.60 | \$ 954.56 | \$ 954.56 |
| 12" | \$ 1,889.56 | \$ 1,909.60 | \$ 1,889.56 | \$ 1,889.56 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

WATER AND WASTE WATER RATES

| Meter Minimum Bill Per Month With 5/8" Meter Service Charge: | Present Rate | 2011 Department Requested | 2011 Recommended By Mayor | 2011 Council Adopted |
|---|-----------------|---------------------------------|---------------------------------|----------------------------|
| Water Service Charge | \$ 0.78 | \$ 0.78 | \$ 0.78 | \$ 0.78 |
| Sewer Service Charge | 1.87 | 1.89 | 1.87 | 1.87 |
| Water 0 - 200 Cubic Feet | 4.73 | 4.79 | 4.73 | 4.73 |
| Waste Water Treatment 0 - 200 Cubic Feet | 3.91 | 3.92 | 3.91 | 3.91 |
| Total | \$ 11.29 | \$ 11.38 | \$ 11.29 | \$ 11.29 |

Waste Water Extra Strength Surcharges
Per Pound:

| | | | | |
|----------------------------------|-----------|-----------|-----------|-----------|
| Bio-chemical Oxygen Demand (BOD) | \$ 0.2380 | \$ 0.2772 | \$ 0.2772 | \$ 0.2772 |
| Suspended Solids (SS) | \$ 0.3113 | \$ 0.3076 | \$ 0.3076 | \$ 0.3076 |
| Phosphorus (P) | \$ 2.6871 | \$ 2.8909 | \$ 2.8909 | \$ 2.8909 |
| Ammonia (NH3-N) | \$ 0.5779 | \$ 0.5928 | \$ 0.5928 | \$ 0.5928 |

Waste Water Pretreatment Charge:

| | | | | |
|--------------|-----------|-----------|-----------|-----------|
| Per Sample | \$ 180.00 | \$ 180.00 | \$ 180.00 | \$ 180.00 |
| Per Analysis | \$ 75.00 | \$ 75.00 | \$ 75.00 | \$ 75.00 |

Commodity Charge Per 100 Cubic Feet:

| | | | | |
|-------------------|-----------|-----------|-----------|-----------|
| Non-Domestic User | \$ 0.2808 | \$ 0.3315 | \$ 0.3315 | \$ 0.3315 |
|-------------------|-----------|-----------|-----------|-----------|

Cross-Connection Charge Per 100 Cubic Feet:

| | | | | |
|-------------------|-----------|-----------|-----------|-----------|
| Non-Domestic User | \$ 0.1003 | \$ 0.1003 | \$ 0.1003 | \$ 0.1003 |
|-------------------|-----------|-----------|-----------|-----------|

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Debt Service Reserve

The Debt Service Reserve Fund was established to set aside funds for the payment of finance obligations. Included in Fiscal 2011 appropriations are the actual debt service costs for the following debt instruments issued directly by the Water & Sewer System or in conjunction with other city funding entities:

Conventional revenue bonds:

- \$11.4 million revenue bonds issued in 1999 {refinanced in 2005 - \$50,000 outstanding}
- \$13.75 million revenue bonds issued in 2000 (refinanced in 2005 - \$625,000 outstanding)
- \$20.695 million of the \$21.675 million revenue refunding bonds issued in 2005 to refinance bond issues from 1999 and 2000
- \$8.005 million of the \$12.0 million revenue refunding bonds issued in 1999 to refinance revenue bond issues from 1994 and 1996 (refinanced in 2010 - \$6.23 million outstanding)

State Revolving Fund {SRF} revenue bonds:

- \$3.565 million of \$4.75 million issued in 2003 {5134-01}
- \$5.38 million of \$6.465 million issued in 2004 {5134-02}
- \$902,091 of \$1,147,091 issued in 2004 {5134-03}
- \$6.765 million of \$8.2 million issued in 2005 {5134-04}
- \$3.09 million of \$3.09 million issued in 2009 {5401-01}

Capital Improvement financing:

- \$935,000 of \$1,280,543 of the City of Warren capital improvement bonds issued in 2003
- \$2,064,370 of \$2,120,700 of the City of Warren capital improvement bonds issued in 2006
- \$9.29 million of \$9.29 million of the City of Warren capital improvement bonds issued in 2010
- \$3,455,700 of \$3,455,700 of the *proposed* City of Warren capital improvement bonds to be issued in 2011

Equipment Lease Purchase:

- \$119,547 of \$871,586 of the Grant Capital Management lease purchase approved in 2010

The SRF bond issues differ from conventional revenue bonds in that the proceeds are transmitted to the City as construction progresses on a reimbursement basis. As a result, actual repayment schedules fluctuate from year to year until the projects are complete. Disbursements for projects 5134-01 through 5134-04 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. The amount listed above and the debt schedule for project 5401-01 is estimated and illustrates the total liability expected when the project is complete.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 CITY COUNCIL ADOPTED BUDGET
Debt Service Reserve
(continued)

Pursuant to section 41-181(3) of the Code of Ordinances of the City of Warren, each July the city may increase the combined water and waste water rates to provide funding to pay the long term financing costs for needed capital improvements. In Fiscal 2009 and 2010, the mid-year adjustments were 2.5% and 2%, respectively. The mid-year adjustment for 2011 shall be 2%. Below is a schedule for Fiscal 2011 detailing the estimated revenues from the funding increase, the estimated expenses to be charged against the revenues, and the net balance remaining.

| | | |
|--|--------------------|-------------------------|
| Beginning Balance (July 2009 – December 2010): | | \$1,188,258 {estimated} |
| 2011 Estimated Revenues | \$1,315,774 | |
| 2011 Estimated Expenses | <u>(\$284,150)</u> | |
| Net Cumulative Balance (at December 31, 2011): | | \$2,219,882 {estimated} |

The following capital projects are committed against these funds, leaving an estimated balance of \$818,000 for authorized expenditures:

| | | |
|--|--|------------|
| UV Disinfection System – WWTP State Revolving Fund Revenue Issue #5401-01 \$3,090,000, 2.5% interest, 20 years remaining <i>Estimated</i> Highest Annual Principal & Interest Payment | | \$ 200,625 |
| <i>Proposed</i> Pressure Reducing Valves and Infiltration Projects <i>Proposed</i> 2011 Capital Improvement Bond Issue \$3,455,700, <i>estimated</i> 5% interest, 20 years <i>Estimated</i> Highest Annual Principal & Interest Payment | | \$ 297,050 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9072

Debt Service

| Account Name | Account Number | 2009 | 2010 | | 2011 | | | |
|---|----------------|--------------------|------------------|---------------------|-----------------------|--------------------|----------------------|------------------|
| | | Fiscal Year Actual | Amended Budget | Actual Thru June 30 | Fiscal Year Estimated | Department Request | Recommended By Mayor | Council Adopted |
| Revenues: | | | | | | | | |
| Interest on Investments | 66500 | \$ 2,235 | \$ 10,000 | \$ 275 | \$ 450 | \$ 500 | \$ 500 | \$ 500 |
| Miscellaneous Income | 47100 | \$ 4,145 | | | | 183,463 | 183,463 | 183,463 |
| Transfer From: | | | | | | | | |
| Operation & Maintenance Fund | 67620 | 2,731,269 | 5,145,000 | 1,000,000 | 5,145,000 | 4,600,000 | 4,600,000 | 4,753,230 |
| O&M Fund - Generated from Rate | 67521 | 268,731 | - | 318,172 | 919,527 | 1,315,774 | 1,315,774 | 1,315,774 |
| Total Financial Resources | | 3,006,380 | 5,155,000 | 1,318,447 | 6,064,977 | 6,099,737 | 6,099,737 | 6,252,967 |
| Expenditures: | | | | | | | | |
| <i>Revenue Bond Debt Service</i> | | | | | | | | |
| Principal | 99600 | 1,680,000 | 1,755,000 | 975,000 | 1,755,000 | 1,960,000 | 1,960,000 | 1,960,000 |
| Interest | 99601 | 1,306,401 | 1,241,983 | 631,473 | 1,241,983 | 1,030,525 | 1,030,525 | 1,030,525 |
| <i>Building Authority Bond Debt Service</i> | | | | | | | | |
| Principal | 99602 | 97,604 | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 |
| Interest | 99603 | 36,659 | 34,128 | 17,414 | 34,128 | 32,670 | 32,670 | 32,670 |
| <i>Capital Improvement Bond Debt Service</i> | | | | | | | | |
| Principal | 99604 | 14,082 | 14,082 | - | 14,082 | 42,245 | 42,245 | 42,245 |
| Interest | 99605 | 80,354 | 80,001 | 40,001 | 80,001 | 79,473 | 79,473 | 79,473 |
| Interest - 2010 bond issue | 99605 | - | 343,429 | - | - | 407,698 | 407,698 | 407,698 |
| Interest - 2011 bond issue {proposed} | 99605 | - | - | - | - | 86,900 | 86,900 | 86,900 |
| <i>Equipment Lease Purchase</i> | | | | | | | | |
| Principal | 99608 | - | - | - | - | - | - | 119,547 |
| Interest | 99609 | - | - | - | - | - | - | 33,681 |
| <i>State Revolving Fund Bond Debt Service</i> | | | | | | | | |
| Principal {estimated} | 99606 | 895,000 | 915,000 | 650,000 | 915,000 | 1,045,000 | 1,045,000 | 1,045,000 |
| Interest {estimated} | 99607 | 357,088 | 430,963 | 174,722 | 343,463 | 402,344 | 402,344 | 402,344 |
| Other costs | 99700 | 1,438 | 2,500 | 582 | 1,500 | 2,000 | 2,000 | 2,000 |
| Total Transfers & Expenditures | | 4,468,626 | 4,872,086 | 2,544,192 | 4,440,157 | 5,143,855 | 5,143,855 | 5,297,083 |
| Net Increase (Decrease) | 96501 | (1,462,246) | 282,914 | (1,225,745) | 1,624,820 | 955,882 | 955,882 | 955,884 |
| FY Beginning Restricted Reserve | | 6,650,731 | 5,188,485 | 5,188,485 | 5,188,485 | 6,813,305 | 6,813,305 | 6,813,305 |
| FY Ending Restricted Reserve | | \$ 5,188,485 | \$ 5,471,399 | \$ 3,962,740 | \$ 6,813,305 | \$ 7,769,187 | \$ 7,769,187 | \$ 7,769,189 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 BUDGET WORKPAPERS
DEBT SERVICE SUMMARY

| Date | 2011 Fiscal Year | | | Total Outstanding Debt @ FYE | Average Annual Debt Service | Highest Annual Debt Service |
|---|------------------------|------------------------|------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| | Principal | Interest | Total | | | |
| Revenue Bonds | | | | | | |
| 2010 Refunding issue | \$ 1,150,000.00 | \$ 125,125.00 | \$ 1,275,125.00 | \$ 5,080,000 | \$ 1,106,252 | \$ 1,293,798 |
| 1999 Revenue bonds | 50,000.00 | 2,250.00 | 52,250.00 | - | 52,250 | 52,250 |
| 2000 Revenue bonds | 625,000.00 | 32,031.26 | 657,031.26 | - | 657,031 | 657,031 |
| 2005 Refunding issue | 135,000.00 | 871,118.76 | 1,006,118.76 | 20,560,000 | 1,784,429 | 2,654,431 |
| Total revenue bonds | <u>1,960,000.00</u> | <u>1,030,525.02</u> | <u>2,990,525.02</u> | <u>25,640,000</u> | <u>3,599,962</u> | <u>4,657,511</u> |
| Building Authority Bonds | | | | | | |
| 2003 Capital improvement bonds | 55,000.00 | 32,670.01 | 87,670.01 | 880,000 | 91,179 | 93,813 |
| Total building authority bonds | <u>55,000.00</u> | <u>32,670.01</u> | <u>87,670.01</u> | <u>880,000</u> | <u>91,179</u> | <u>93,813</u> |
| Capital Improvement Bonds | | | | | | |
| 2006 Capital improvement bonds | 42,244.95 | 79,473.32 | 121,718.27 | 2,022,125 | 174,863 | 228,714 |
| 2010 Capital improvement bonds - AMR {est} | - | 224,234.43 | 224,234.43 | 9,290,000 | 606,376 | 735,145 |
| 2011 Capital improvement bonds {proposed} | - | 86,900.00 | 86,900.00 | 3,455,700 | 269,905 | 297,050 |
| Total capital improvement bonds | <u>42,244.95</u> | <u>390,607.75</u> | <u>432,852.70</u> | <u>14,767,825</u> | <u>1,051,144</u> | <u>1,260,909</u> |
| State Revolving Fund Bonds | | | | | | |
| 5134-01: Sand filter | 215,000.00 | 89,125.00 | 304,125.00 | 3,350,000 | 305,018 | 307,500 |
| 5134-02: Water system improvements | 285,000.00 | 111,296.88 | 396,296.88 | 5,095,000 | 396,627 | 398,919 |
| 5134-03: Sand filter stage 2 | 50,000.00 | 17,788.18 | 67,788.18 | 787,091 | 69,824 | 73,623 |
| 5134-04: Solids handling improvements | 375,000.00 | 106,884.38 | 481,884.38 | 6,390,000 | 480,132 | 481,913 |
| 5401-01: UV disinfection system | 120,000.00 | 77,250.00 | 197,250.00 | 2,970,000 | 198,281 | 200,625 |
| Total state revolving fund bonds | <u>1,045,000.00</u> | <u>402,344.44</u> | <u>1,447,344.44</u> | <u>18,592,091</u> | <u>1,449,882</u> | <u>1,462,579</u> |
| Equipment Lease Purchase | | | | | | |
| WWTP waste heat to energy project | 119,547.38 | 33,680.62 | 153,228.00 | - | - | - |
| Total equipment lease purchase | <u>119,547.38</u> | <u>33,680.62</u> | <u>153,228.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total 2011 Debt Service | <u>\$ 3,221,792.33</u> | <u>\$ 1,889,827.84</u> | <u>\$ 5,111,620.17</u> | <u>\$ 59,879,916</u> | <u>\$ 6,192,167</u> | <u>\$ 7,474,811</u> |
| Debt Service Reserve Options | | | | | | |
| 10% of O/S Debt 110% of Avg Debt Highest Annual | | | | | | |
| <u>\$ 5,987,992 \$ 6,811,384 \$ 7,474,811</u> | | | | | | |
| Debt Service Reserve Ordinance Requirement | | | | | | |
| <u>\$ 5,987,992</u> | | | | | | |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 BUDGET WORKPAPERS
DEBT SERVICE DETAIL - REVENUE BONDS

| Date | 2010 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 |
| 05/01/2011 | 1,150,000.00 | 68,312.50 | - | 1,125.00 | - | 16,015.63 | - | 435,559.38 | 1,150,000.00 | 521,012.51 | |
| 11/01/2011 | - | 56,812.50 | 50,000.00 | 1,125.00 | 625,000.00 | 16,015.63 | 135,000.00 | 435,559.38 | 810,000.00 | 509,512.51 | 2,990,525.02 |
| 05/01/2012 | 1,135,000.00 | 56,812.50 | - | - | - | - | - | 433,028.13 | 1,135,000.00 | 489,840.63 | |
| 11/01/2012 | - | 45,462.50 | - | - | - | - | 865,000.00 | 433,028.13 | 865,000.00 | 478,490.63 | 2,968,331.26 |
| 05/01/2013 | 1,165,000.00 | 45,462.50 | - | - | - | - | - | 416,809.38 | 1,165,000.00 | 462,271.88 | |
| 11/01/2013 | - | 33,812.50 | - | - | - | - | 885,000.00 | 416,809.38 | 885,000.00 | 450,621.88 | 2,962,893.76 |
| 05/01/2014 | 1,065,000.00 | 33,812.50 | - | - | - | - | - | 400,215.63 | 1,065,000.00 | 434,028.13 | |
| 11/01/2014 | - | 23,162.50 | - | - | - | - | 930,000.00 | 400,215.63 | 930,000.00 | 423,378.13 | 2,852,406.26 |
| 05/01/2015 | 1,025,000.00 | 23,162.50 | - | - | - | - | - | 381,615.63 | 1,025,000.00 | 404,778.13 | |
| 11/01/2015 | - | 10,350.00 | - | - | - | - | 975,000.00 | 381,615.63 | 975,000.00 | 391,965.63 | 2,796,743.76 |
| 05/01/2016 | 690,000.00 | 10,350.00 | - | - | - | - | - | 362,115.63 | 690,000.00 | 372,465.63 | |
| 11/01/2016 | - | - | - | - | - | - | 1,870,000.00 | 362,115.63 | 1,870,000.00 | 362,115.63 | 3,294,581.26 |
| 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 | \$ 6,230,000.00 | \$ 407,512.50 | \$ 50,000.00 | \$ 2,250.00 | \$ 625,000.00 | \$ 32,031.26 | \$ 20,695,000.00 | \$ 7,855,856.32 | \$ 27,600,000.00 | \$ 8,297,650.08 | \$ 35,897,650.08 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 BUDGET WORKPAPERS
DEBT SERVICE DETAIL - BUILDING AUTHORITY BONDS

2003 Capital Improvement Bonds
Total Issue: \$ 3,585,000
Water Share: \$ 1,280,543

| Date | Principal | Interest | Fiscal Year |
|-------------------|----------------------|------------------------|------------------------|
| | | | Total |
| 06/01/2011 | 55,000.00 | 16,713.13 | |
| 12/01/2011 | - | 15,956.88 | 87,670.01 |
| 06/01/2012 | 60,000.00 | 15,956.88 | |
| 12/01/2012 | - | 15,101.88 | 91,058.76 |
| 06/01/2013 | 60,000.00 | 15,101.88 | |
| 12/01/2013 | - | 14,201.88 | 89,303.76 |
| 06/01/2014 | 65,000.00 | 14,201.88 | |
| 12/01/2014 | - | 13,186.25 | 92,388.13 |
| 06/01/2015 | 65,000.00 | 13,186.25 | |
| 12/01/2015 | - | 12,113.75 | 90,300.00 |
| 06/01/2016 | 70,000.00 | 12,113.75 | |
| 12/01/2016 | - | 10,888.75 | 93,002.50 |
| 06/01/2017 | 70,000.00 | 10,888.75 | |
| 12/01/2017 | - | 9,628.75 | 90,517.50 |
| 06/01/2018 | 75,000.00 | 9,628.75 | |
| 12/01/2018 | - | 8,241.25 | 92,870.00 |
| 06/01/2019 | 75,000.00 | 8,241.25 | |
| 12/01/2019 | - | 6,816.25 | 90,057.50 |
| 06/01/2020 | 80,000.00 | 6,816.25 | |
| 12/01/2020 | - | 5,256.25 | 92,072.50 |
| 06/01/2021 | 85,000.00 | 5,256.25 | |
| 12/01/2021 | - | 3,556.25 | 93,812.50 |
| 06/01/2022 | 85,000.00 | 3,556.25 | |
| 12/01/2022 | - | 1,856.25 | 90,412.50 |
| 06/01/2023 | 90,000.00 | 1,856.25 | 91,856.25 |
| Total | \$ 935,000.00 | \$ 250,321.91 | \$ 1,185,321.91 |
| | | \$ 1,185,321.91 | |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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 |
|-------------------|------------------------|----------------------|------------------------|
| 03/01/2011 | - | 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 | \$ 2,064,369.89 | \$ 733,442.70 | \$ 2,797,812.59 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

\$9,290,000

**CITY OF WARREN
CAPITAL IMPROVEMENT BONDS, SERIES 2010
METER REPLACEMENT PROJECT**

DEBT SERVICE SCHEDULE-TAXABLE

| Date | Principal | Coupon | Interest | Interest Rebate | Total Debt Service | Annual Total |
|-----------------|------------------------------|---------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| 04/01/11 | \$ - | | \$185,317.71 | \$83,392.97 | \$101,924.74 | |
| 10/01/11 | | | 222,381.25 | 100,071.56 | 122,309.69 | \$224,234.43 |
| 04/01/12 | 300,000.00 | 1.45% | 222,381.25 | 100,071.56 | 422,309.69 | |
| 10/01/12 | | | 220,206.25 | 99,092.81 | 121,113.44 | \$543,423.13 |
| 04/01/13 | 300,000.00 | 1.95% | 220,206.25 | 99,092.81 | 421,113.44 | |
| 10/01/13 | | | 217,281.25 | 97,776.56 | 119,504.69 | \$540,618.13 |
| 04/01/14 | 325,000.00 | 2.35% | 217,281.25 | 97,776.56 | 444,504.69 | |
| 10/01/14 | | | 213,462.50 | 96,058.13 | 117,404.37 | \$561,909.06 |
| 04/01/15 | 325,000.00 | 2.55% | 213,462.50 | 96,058.13 | 442,404.37 | |
| 10/01/15 | | | 209,318.75 | 94,193.44 | 115,125.31 | \$557,529.68 |
| 04/01/16 | 350,000.00 | 2.90% | 209,318.75 | 94,193.44 | 465,125.31 | |
| 10/01/16 | | | 204,243.75 | 91,909.69 | 112,334.06 | \$577,459.37 |
| 04/01/17 | 350,000.00 | 3.30% | 204,243.75 | 91,909.69 | 462,334.06 | |
| 10/01/17 | | | 198,468.75 | 89,310.94 | 109,157.81 | \$571,491.87 |
| 04/01/18 | 375,000.00 | 3.55% | 198,468.75 | 89,310.94 | 484,157.81 | |
| 10/01/18 | | | 191,812.50 | 86,315.63 | 105,496.87 | \$589,654.68 |
| 04/01/19 | 375,000.00 | 4.25% | 191,812.50 | 86,315.63 | 480,496.87 | |
| 10/01/19 | | | 183,843.75 | 82,729.69 | 101,114.06 | \$581,610.93 |
| 04/01/20 | 400,000.00 | 4.45% | 183,843.75 | 82,729.69 | 501,114.06 | |
| 10/01/20 | | | 174,943.75 | 78,724.69 | 96,219.06 | \$597,333.12 |
| 04/01/21 | 425,000.00 | 4.95% | 174,943.75 | 78,724.69 | 521,219.06 | |
| 10/01/21 | | | 164,425.00 | 73,991.25 | 90,433.75 | \$611,652.81 |
| 04/01/22 | 450,000.00 | 4.95% | 164,425.00 | 73,991.25 | 540,433.75 | |
| 10/01/22 | | | 153,287.50 | 68,979.38 | 84,308.12 | \$624,741.87 |
| 04/01/23 | 475,000.00 | 5.30% | 153,287.50 | 68,979.38 | 559,308.12 | |
| 10/01/23 | | | 140,700.00 | 63,315.00 | 77,385.00 | \$636,693.12 |
| 04/01/24 | 500,000.00 | 5.30% | 140,700.00 | 63,315.00 | 577,385.00 | |
| 10/01/24 | | | 127,450.00 | 57,352.50 | 70,097.50 | \$647,482.50 |
| 04/01/25 | 525,000.00 | 5.60% | 127,450.00 | 57,352.50 | 595,097.50 | |
| 10/01/25 | | | 112,750.00 | 50,737.50 | 62,012.50 | \$657,110.00 |
| 04/01/26 | 550,000.00 | 5.60% | 112,750.00 | 50,737.50 | 612,012.50 | |
| 10/01/26 | | | 97,350.00 | 43,807.50 | 53,542.50 | \$665,555.00 |
| 04/01/27 | 575,000.00 | 5.90% | 97,350.00 | 43,807.50 | 628,542.50 | |
| 10/01/27 | | | 80,387.50 | 36,174.38 | 44,213.12 | \$672,755.62 |
| 04/01/28 | 625,000.00 | 5.90% | 80,387.50 | 36,174.38 | 669,213.12 | |
| 10/01/28 | | | 61,950.00 | 27,877.50 | 34,072.50 | \$703,285.62 |
| 04/01/29 | 650,000.00 | 6.00% | 61,950.00 | 27,877.50 | 684,072.50 | |
| 10/01/29 | | | 42,450.00 | 19,102.50 | 23,347.50 | \$707,420.00 |
| 04/01/30 | 700,000.00 | 6.00% | 42,450.00 | 19,102.50 | 723,347.50 | |
| 10/01/30 | | | 21,450.00 | 9,652.50 | 11,797.50 | \$735,145.00 |
| 04/01/31 | 715,000.00 | 6.00% | 21,450.00 | 9,652.50 | 726,797.50 | \$726,797.50 |
| | <u>\$9,290,000.00</u> | | <u>\$6,261,642.71</u> | <u>\$2,817,739.27</u> | <u>\$12,733,903.44</u> | <u>\$12,733,903.44</u> |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS
ESTIMATED 2011 CAPITAL IMPROVEMENT BOND COST

| | WATER | WWT | TOTAL |
|-------------------------------|------------|--------------|--------------|
| Construction estimates: | | | |
| Water | \$ 775,000 | \$ - | \$ 775,000 |
| Sanitary Sewer | - | 2,550,000 | 2,550,000 |
| | 775,000 | 2,550,000 | 3,325,000 |
| Estimated bond issue | \$ 840,350 | \$ 2,615,350 | \$ 3,455,700 |
| Estimated discount {.75%} | (6,300) | (19,600) | (25,900) |
| Estimated bond issuance costs | (22,900) | (81,900) | (104,800) |
| Net bond issue | \$ 811,150 | \$ 2,513,850 | \$ 3,325,000 |
| Estimated Interest | | | 5.00% |
| Estimated Issuance Date | | | 2/1/2011 |

| Estimated Debt Schedule | | | | | | |
|-------------------------|-----------------|-----------|-----------|--------------|--------------|--|
| | | Principal | Interest | Balance | Annual Total | |
| 2011 | 8/1/2011 | \$ - | \$ 86,900 | \$ 3,455,700 | \$ 86,900 | |
| 2012 | 2/1/2012 | - | 86,400 | 3,455,700 | | |
| | 8/1/2012 | 75,500 | 86,400 | 3,380,200 | 248,300 | |
| 2013 | 2/1/2013 | - | 84,500 | 3,380,200 | | |
| | 8/1/2013 | 86,250 | 84,500 | 3,293,950 | 255,250 | |
| 2014 | 2/1/2014 | - | 82,300 | 3,293,950 | | |
| | 8/1/2014 | 97,000 | 82,300 | 3,196,950 | 261,600 | |
| 2015 | 2/1/2015 | - | 79,900 | 3,196,950 | | |
| | 8/1/2015 | 107,750 | 79,900 | 3,089,200 | 267,550 | |
| 2016 | 2/1/2016 | - | 77,200 | 3,089,200 | | |
| | 8/1/2016 | 118,500 | 77,200 | 2,970,700 | 272,900 | |
| 2017 | 2/1/2017 | - | 74,300 | 2,970,700 | | |
| | 8/1/2017 | 129,250 | 74,300 | 2,841,450 | 277,850 | |
| 2018 | 2/1/2018 | - | 71,000 | 2,841,450 | | |
| | 8/1/2017 | 140,000 | 71,000 | 2,701,450 | 282,000 | |
| 2019 | 2/1/2019 | - | 67,500 | 2,701,450 | | |
| | 8/1/2019 | 150,750 | 67,500 | 2,550,700 | 285,750 | |
| 2020 | 2/1/2020 | - | 63,800 | 2,550,700 | | |
| | 8/1/2020 | 161,500 | 63,800 | 2,389,200 | 289,100 | |
| 2021 | 2/1/2021 | - | 59,700 | 2,389,200 | | |
| | 8/1/2021 | 172,250 | 59,700 | 2,216,950 | 291,650 | |
| 2022 | 2/1/2022 | - | 55,400 | 2,216,950 | | |
| | 8/1/2022 | 183,000 | 55,400 | 2,033,950 | 293,800 | |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS
ESTIMATED 2011 CAPITAL IMPROVEMENT BOND COST

| Estimated Debt Schedule | | | | | |
|-------------------------|----------|---------------------|---------------------|--------------|--------------|
| | | Principal | Interest | Balance | Annual Total |
| 2023 | 2/1/2023 | - | 50,800 | \$ 2,033,950 | |
| | 8/1/2023 | 193,750 | 50,800 | \$ 1,840,200 | \$ 295,350 |
| 2024 | 2/1/2024 | - | 46,000 | \$ 1,840,200 | |
| | 8/1/2024 | 204,500 | 46,000 | \$ 1,635,700 | \$ 296,500 |
| 2025 | 2/1/2025 | - | 40,900 | \$ 1,635,700 | |
| | 8/1/2025 | 215,250 | 40,900 | \$ 1,420,450 | \$ 297,050 |
| 2026 | 2/1/2026 | - | 35,500 | \$ 1,420,450 | |
| | 8/1/2026 | 226,000 | 35,500 | \$ 1,194,450 | \$ 297,000 |
| 2027 | 2/1/2027 | - | 29,900 | \$ 1,194,450 | |
| | 8/1/2027 | 236,750 | 29,900 | \$ 957,700 | \$ 296,550 |
| 2028 | 2/1/2028 | - | 23,900 | \$ 957,700 | |
| | 8/1/2028 | 247,500 | 23,900 | \$ 710,200 | \$ 295,300 |
| 2029 | 2/1/2029 | - | 17,800 | \$ 710,200 | |
| | 8/1/2029 | 258,250 | 17,800 | \$ 451,950 | \$ 293,850 |
| 2030 | 2/1/2030 | - | 11,300 | \$ 451,950 | |
| | 8/1/2030 | 269,000 | 11,300 | \$ 182,950 | \$ 291,600 |
| 2031 | 2/1/2031 | - | 4,600 | \$ 182,950 | |
| | 8/1/2031 | 174,550 | 4,600 | \$ 8,400 | \$ 183,750 |
| | | <u>\$ 3,455,700</u> | <u>\$ 2,212,300</u> | | |
| | | <u>\$5,668,000</u> | | | |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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 |
|--------------|------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|-------------------------|------------------------|-------------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Total |
| 04/01/2011 | - | 44,562.50 | 285,000.00 | 57,162.50 | - | 8,894.09 | 375,000.00 | 54,965.63 | 660,000.00 | 165,584.72 | |
| 10/01/2011 | 215,000.00 | 44,562.50 | - | 54,134.38 | 50,000.00 | 8,894.09 | - | 51,918.75 | 265,000.00 | 159,509.72 | 1,250,094.44 |
| 04/01/2012 | - | 41,875.00 | 290,000.00 | 54,134.38 | - | 8,362.84 | 380,000.00 | 51,918.75 | 670,000.00 | 156,290.97 | |
| 10/01/2012 | 220,000.00 | 41,875.00 | - | 51,053.13 | 50,000.00 | 8,362.84 | - | 48,831.25 | 270,000.00 | 150,122.22 | 1,246,413.19 |
| 04/01/2013 | - | 39,125.00 | 300,000.00 | 51,053.13 | - | 7,831.59 | 385,000.00 | 48,831.25 | 685,000.00 | 146,840.97 | |
| 10/01/2013 | 225,000.00 | 39,125.00 | - | 47,865.63 | 55,000.00 | 7,831.59 | - | 45,703.13 | 280,000.00 | 140,525.35 | 1,252,366.32 |
| 04/01/2014 | - | 36,312.50 | 305,000.00 | 47,865.63 | - | 7,247.22 | 390,000.00 | 45,703.13 | 695,000.00 | 137,128.48 | |
| 10/01/2014 | 230,000.00 | 36,312.50 | - | 44,625.00 | 55,000.00 | 7,247.22 | - | 42,534.38 | 285,000.00 | 130,719.10 | 1,247,847.58 |
| 04/01/2015 | - | 33,437.50 | 310,000.00 | 44,625.00 | - | 6,662.84 | 400,000.00 | 42,534.38 | 710,000.00 | 127,259.72 | |
| 10/01/2015 | 240,000.00 | 33,437.50 | - | 41,331.25 | 55,000.00 | 6,662.84 | - | 39,284.38 | 295,000.00 | 120,715.97 | 1,252,975.69 |
| 04/01/2016 | - | 30,437.50 | 315,000.00 | 41,331.25 | - | 6,078.47 | 405,000.00 | 39,284.38 | 720,000.00 | 117,131.60 | |
| 10/01/2016 | 245,000.00 | 30,437.50 | - | 37,984.38 | 60,000.00 | 6,078.47 | - | 35,993.75 | 305,000.00 | 110,494.10 | 1,252,625.70 |
| 04/01/2017 | - | 27,375.00 | 325,000.00 | 37,984.38 | - | 5,440.97 | 410,000.00 | 35,993.75 | 735,000.00 | 106,794.10 | |
| 10/01/2017 | 250,000.00 | 27,375.00 | - | 34,531.25 | 60,000.00 | 5,440.97 | - | 32,662.50 | 310,000.00 | 100,009.72 | 1,251,803.82 |
| 04/01/2018 | - | 24,250.00 | 330,000.00 | 34,531.25 | - | 4,803.47 | 420,000.00 | 32,662.50 | 750,000.00 | 96,247.22 | |
| 10/01/2018 | 255,000.00 | 24,250.00 | - | 31,025.00 | 60,000.00 | 4,803.47 | - | 29,250.00 | 315,000.00 | 89,328.47 | 1,250,575.69 |
| 04/01/2019 | - | 21,062.50 | 340,000.00 | 31,025.00 | - | 4,165.97 | 425,000.00 | 29,250.00 | 765,000.00 | 85,503.47 | |
| 10/01/2019 | 265,000.00 | 21,062.50 | - | 27,412.50 | 60,000.00 | 4,165.97 | - | 25,796.88 | 325,000.00 | 78,437.85 | 1,253,941.32 |
| 04/01/2020 | - | 17,750.00 | 345,000.00 | 27,412.50 | - | 3,528.47 | 430,000.00 | 25,796.88 | 775,000.00 | 74,487.85 | |
| 10/01/2020 | 270,000.00 | 17,750.00 | - | 23,746.88 | 65,000.00 | 3,528.47 | - | 22,303.13 | 335,000.00 | 67,328.48 | 1,251,816.33 |
| 04/01/2021 | - | 14,375.00 | 355,000.00 | 23,746.88 | - | 2,837.84 | 440,000.00 | 22,303.13 | 795,000.00 | 63,262.85 | |
| 10/01/2021 | 275,000.00 | 14,375.00 | - | 19,975.00 | 65,000.00 | 2,837.84 | - | 18,728.13 | 340,000.00 | 55,915.97 | 1,254,178.82 |
| 04/01/2022 | - | 10,937.50 | 360,000.00 | 19,975.00 | - | 2,147.22 | 445,000.00 | 18,728.13 | 805,000.00 | 51,787.85 | |
| 10/01/2022 | 285,000.00 | 10,937.50 | - | 16,150.00 | 65,000.00 | 2,147.22 | - | 15,112.50 | 350,000.00 | 44,347.22 | 1,251,135.07 |
| 04/01/2023 | - | 7,375.00 | 370,000.00 | 16,150.00 | - | 1,456.59 | 455,000.00 | 15,112.50 | 825,000.00 | 40,094.09 | |
| 10/01/2023 | 290,000.00 | 7,375.00 | - | 12,218.75 | 65,000.00 | 1,456.59 | - | 11,415.63 | 355,000.00 | 32,465.97 | 1,252,560.06 |
| 04/01/2024 | - | 3,750.00 | 375,000.00 | 12,218.75 | - | 765.97 | 460,000.00 | 11,415.63 | 835,000.00 | 28,150.35 | |
| 10/01/2024 | 300,000.00 | 3,750.00 | - | 8,234.38 | 72,091.00 | 765.97 | - | 7,678.13 | 372,091.00 | 20,428.48 | 1,255,669.83 |
| 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 | \$ 3,565,000.00 | \$ 705,250.00 | \$ 5,380,000.00 | \$ 966,025.06 | \$ 837,091.00 | \$ 140,447.10 | \$ 6,765,000.00 | \$ 917,109.47 | \$ 16,547,091.00 | \$ 2,728,831.63 | \$ 19,275,922.63 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

\$3,090,000
CITY OF WARREN
CAPITAL IMPROVEMENT BONDS, SERIES 2009
ULTRAVIOLET DISINFECTION SYSTEM PROJECT
ESTIMATED DEBT SERVICE SCHEDULE

| Date | Principal | Coupon | Interest | Total Debt Service | Annual Total |
|-----------------|---------------------|---------------|-------------------|-------------------------------|---------------------|
| 04/01/11 | | | \$ 38,625 | \$ 38,625 | |
| 10/01/11 | \$ 120,000 | 2.50% | \$ 38,625 | \$ 158,625 | \$ 197,250 |
| 04/01/12 | | | \$ 37,125 | \$ 37,125 | |
| 10/01/12 | \$ 125,000 | 2.50% | \$ 37,125 | \$ 162,125 | \$ 199,250 |
| 04/01/13 | | | \$ 35,563 | \$ 35,563 | |
| 10/01/13 | \$ 125,000 | 2.50% | \$ 35,563 | \$ 160,563 | \$ 196,125 |
| 04/01/14 | | | \$ 34,000 | \$ 34,000 | |
| 10/01/14 | \$ 130,000 | 2.50% | \$ 34,000 | \$ 164,000 | \$ 198,000 |
| 04/01/15 | | | \$ 32,375 | \$ 32,375 | |
| 10/01/15 | \$ 135,000 | 2.50% | \$ 32,375 | \$ 167,375 | \$ 199,750 |
| 04/01/16 | | | \$ 30,688 | \$ 30,688 | |
| 10/01/16 | \$ 135,000 | 2.50% | \$ 30,688 | \$ 165,688 | \$ 196,375 |
| 04/01/17 | | | \$ 29,000 | \$ 29,000 | |
| 10/01/17 | \$ 140,000 | 2.50% | \$ 29,000 | \$ 169,000 | \$ 198,000 |
| 04/01/18 | | | \$ 27,250 | \$ 27,250 | |
| 10/01/18 | \$ 145,000 | 2.50% | \$ 27,250 | \$ 172,250 | \$ 199,500 |
| 04/01/19 | | | \$ 25,438 | \$ 25,438 | |
| 10/01/19 | \$ 145,000 | 2.50% | \$ 25,438 | \$ 170,438 | \$ 195,875 |
| 04/01/20 | | | \$ 23,625 | \$ 23,625 | |
| 10/01/20 | \$ 150,000 | 2.50% | \$ 23,625 | \$ 173,625 | \$ 197,250 |
| 04/01/21 | | | \$ 21,750 | \$ 21,750 | |
| 10/01/21 | \$ 155,000 | 2.50% | \$ 21,750 | \$ 176,750 | \$ 198,500 |
| 04/01/22 | | | \$ 19,813 | \$ 19,813 | |
| 10/01/22 | \$ 160,000 | 2.50% | \$ 19,813 | \$ 179,813 | \$ 199,625 |
| 04/01/23 | | | \$ 17,813 | \$ 17,813 | |
| 10/01/23 | \$ 165,000 | 2.50% | \$ 17,813 | \$ 182,813 | \$ 200,625 |
| 04/01/24 | | | \$ 15,750 | \$ 15,750 | |
| 10/01/24 | \$ 165,000 | 2.50% | \$ 15,750 | \$ 180,750 | \$ 196,500 |
| 04/01/25 | | | \$ 13,688 | \$ 13,688 | |
| 10/01/25 | \$ 170,000 | 2.50% | \$ 13,688 | \$ 183,688 | \$ 197,375 |
| 04/01/26 | | | \$ 11,563 | \$ 11,563 | |
| 10/01/26 | \$ 175,000 | 2.50% | \$ 11,563 | \$ 186,563 | \$ 198,125 |
| 04/01/27 | | | \$ 9,375 | \$ 9,375 | |
| 10/01/27 | \$ 180,000 | 2.50% | \$ 9,375 | \$ 189,375 | \$ 198,750 |
| 04/01/28 | | | \$ 7,125 | \$ 7,125 | |
| 10/01/28 | \$ 185,000 | 2.50% | \$ 7,125 | \$ 192,125 | \$ 199,250 |
| 04/01/29 | | | \$ 4,813 | \$ 4,813 | |
| 10/01/29 | \$ 190,000 | 2.50% | \$ 4,813 | \$ 194,813 | \$ 199,625 |
| 04/01/30 | | | \$ 2,438 | \$ 2,438 | |
| 10/01/30 | \$ 195,000 | 2.50% | \$ 2,438 | \$ 197,438 | \$ 199,875 |
| | <u>\$ 3,090,000</u> | | <u>\$ 875,625</u> | <u>\$ 3,965,625</u> | <u>\$ 3,965,625</u> |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

\$871,586
CITY OF WARREN
GRANT CAPITAL MANAGEMENT LEASE PURCHASE
WWTP WASTE HEAT TO ENERGY PROJECT
PAYMENT SCHEDULE

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> | <u>Annual Total</u> |
|-------------|-------------------|------------------|-------------------------------|---------------------|
| 06/15/11 | \$ 33,645 | \$ 17,431 | \$ 51,076 | |
| 09/15/11 | 42,738 | 8,338 | 51,076 | |
| 12/15/11 | 43,164 | 7,912 | 51,076 | \$ 153,228 |
| 03/15/12 | 43,593 | 7,483 | 51,076 | |
| 06/15/12 | 44,027 | 7,049 | 51,076 | |
| 09/15/12 | 44,465 | 6,611 | 51,076 | |
| 12/15/12 | 44,907 | 6,169 | 51,076 | 204,304 |
| 03/15/13 | 45,354 | 5,722 | 51,076 | |
| 06/15/13 | 45,806 | 5,270 | 51,076 | |
| 09/15/13 | 46,261 | 4,815 | 51,076 | |
| 12/15/13 | 46,722 | 4,354 | 51,076 | 204,304 |
| 03/15/14 | 47,187 | 3,889 | 51,076 | |
| 06/15/14 | 47,656 | 3,420 | 51,076 | |
| 09/15/14 | 48,130 | 2,946 | 51,076 | |
| 12/15/14 | 48,609 | 2,467 | 51,076 | 204,304 |
| 03/15/15 | 49,093 | 1,983 | 51,076 | |
| 06/15/15 | 49,581 | 1,495 | 51,076 | |
| 09/15/15 | 50,075 | 1,001 | 51,076 | |
| 12/15/15 | 50,573 | 503 | 51,076 | 204,304 |
| | <u>\$ 871,586</u> | <u>\$ 98,858</u> | <u>\$ 970,444</u> | <u>\$ 970,444</u> |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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.

In Fiscal 2011 funds are principally earmarked for construction of the UV disinfection system with completion expected in early 2011.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9040

Waste Water Treatment

| Account Name | Account Number | 2009 | 2010 | | 2011 | | | |
|----------------------------------|----------------|--------------------|----------------|---------------------|-----------------------|--------------------|----------------------|-----------------|
| | | Fiscal Year Actual | Amended Budget | Actual Thru June 30 | Fiscal Year Estimated | Department Request | Recommended By Mayor | Council Adopted |
| Revenues: | | | | | | | | |
| Interest on Investments | 66500 | \$ 1,605 | \$ 5,000 | \$ 84 | \$ 150 | \$ 100 | \$ 100 | \$ 100 |
| Other Sources: | | | | | | | | |
| Financing Proceeds | 69600 | 421,987 | - | 721,968 | 3,787,691 | 940,500 | 940,500 | 940,500 |
| Total Financial Resources | | 423,592 | 5,000 | 722,052 | 3,787,841 | 940,600 | 940,600 | 940,600 |
| Expenditures: | | | | | | | | |
| State Revolving Fund Projects | 97002 | 459,678 | - | 803,275 | 3,750,000 | 940,500 | 940,500 | 940,500 |
| Total Expenditures | | 459,678 | - | 803,275 | 3,750,000 | 940,500 | 940,500 | 940,500 |
| Net Increase (Decrease) | 67601 | (36,086) | 5,000 | (81,223) | 37,841 | 100 | 100 | 100 |
| FY Beginning Restricted Reserve | | 150,069 | 113,983 | 113,983 | 113,983 | 151,824 | 151,824 | 151,824 |
| FY Ending Restricted Reserve | | \$ 113,983 | \$ 118,983 | \$ 32,760 | \$ 151,824 | \$ 151,924 | \$ 151,924 | \$ 151,924 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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.

Infrastructure replacements and improvements as determined by the department heads and professional consultants are listed on the projects page.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9044

Infrastructure Replacement

| Account Name | Account Number | 2009 | 2010 | | 2011 | | | |
|----------------------------------|----------------|--------------------|----------------|---------------------|-----------------------|--------------------|----------------------|-----------------|
| | | Fiscal Year Actual | Amended Budget | Actual Thru June 30 | Fiscal Year Estimated | Department Request | Recommended By Mayor | Council Adopted |
| Revenues: | | | | | | | | |
| Interest on Investments | 66500 | \$ 2,360 | \$ 10,000 | \$ 2,974 | \$ 3,700 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Other Sources: | | | | | | | | |
| Financing Proceeds | 69600 | - | - | - | - | 3,429,800 | 3,429,800 | 3,429,800 |
| Total Financial Resources | | 2,360 | 10,000 | 2,974 | 3,700 | 3,431,300 | 3,431,300 | 3,431,300 |
| Expenditures: | | | | | | | | |
| Non-capitalized expenses | 95600 | - | 200,000 | 15,079 | 25,000 | 766,000 | 766,000 | 766,000 |
| Construction Contracts | 97001 | 1,711,226 | - | 116,660 | 1,430,800 | 3,325,000 | 3,325,000 | 3,325,000 |
| Bond issuance costs | 97003 | - | - | - | - | 104,800 | 104,800 | 104,800 |
| Total Expenditures | | 1,711,226 | 200,000 | 131,739 | 1,455,800 | 4,195,800 | 4,195,800 | 4,195,800 |
| Net Increase (Decrease) | 67601 | (1,708,866) | (190,000) | (128,765) | (1,452,100) | (764,500) | (764,500) | (764,500) |
| FY Beginning Restricted Reserve | | 3,960,973 | 2,252,107 | 2,252,107 | 2,252,107 | 800,007 | 800,007 | 800,007 |
| FY Ending Restricted Reserve | | \$ 2,252,107 | \$ 2,062,107 | \$ 2,123,342 | \$ 800,007 | \$ 35,507 | \$ 35,507 | \$ 35,507 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS
INFRASTRUCTURE REPLACEMENT RESERVE
PROJECT LIST

| Project Description | Estimated Cost |
|--|---------------------|
| Projects to be funded with long term financing (capital projects) | |
| <i>Pressure reducing valves:</i> | |
| Mound at Eight Mile | \$ 775,000 |
| <i>Infiltration Removal from the Sanitary Sewer System:</i> | |
| Oakland Macomb interceptor connection(s) | 2,500,000 |
| <i>Repair of Sewage Infiltration into the Storm Sewer System:</i> | |
| Dequindre, north of Eight Mile | 50,000 |
| Total projects funded with long term financing | \$ 3,325,000 |
| Projects funded with Infrastructure Replacement Reserve funds | |
| <i>Design Work for Construction of Relief Sewers:</i> | |
| 13 Mile Road capacity improvement | 72,000 |
| 12 Mile Road capacity improvement | 63,000 |
| 11 Mile Road capacity improvement | 29,000 |
| 10 Mile Road capacity improvement | 52,000 |
| Project Plan for Sanitary Collection System | 350,000 |
| Emergency watermain break repair program (as-needed basis) | 200,000 |
| Total Projects funded with Infrastructure Replacement Reserve funds | \$ 766,000 |
| Grand Total - 2011 Projects | \$ 4,091,000 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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.

On September 28, 2010, City Council approved a contract with National Field Services Corporation for water meter replacements and an automatic meter reading system including billing software and software installation. In Fiscal 2011 funds are earmarked for this project.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9045

Meter Replacement

| Account Name | Account Number | 2009 | 2010 | | 2011 | | | |
|----------------------------------|----------------|--------------------|----------------|---------------------|-----------------------|--------------------|----------------------|-----------------|
| | | Fiscal Year Actual | Amended Budget | Actual Thru June 30 | Fiscal Year Estimated | Department Request | Recommended By Mayor | Council Adopted |
| Revenues: | | | | | | | | |
| Interest on Investments | 66500 | \$ 183 | \$ - | \$ - | \$ 12,000 | \$ 33,500 | \$ 33,500 | \$ 33,500 |
| Transfer From: | | | | | | | | |
| Operation & Maintenance | 67620 | - | - | - | 109,280 | - | - | - |
| Other Sources: | | | | | | | | |
| Financing Proceeds | 69600 | - | - | - | 9,290,000 | - | - | - |
| Total Financial Resources | | 183 | - | - | 9,411,280 | 33,500 | 33,500 | 33,500 |
| Expenditures: | | | | | | | | |
| Construction Contracts | 97001 | - | - | - | 196,249 | 6,701,765 | 6,701,765 | 6,701,765 |
| Bond issuance costs | 97003 | - | - | - | 109,280 | - | - | - |
| Transfer To: | | | | | | | | |
| Capital Equipment | 96547 | 183 | - | - | - | - | - | - |
| Total Expenditures | | 183 | - | - | 305,529 | 6,701,765 | 6,701,765 | 6,701,765 |
| Net Increase (Decrease) | 67601 | - | - | - | 9,105,751 | (6,668,265) | (6,668,265) | (6,668,265) |
| FY Beginning Restricted Reserve | | - | - | - | - | 9,105,751 | 9,105,751 | 9,105,751 |
| FY Ending Restricted Reserve | | \$ - | \$ - | \$ - | \$ 9,105,751 | \$ 2,437,486 | \$ 2,437,486 | \$ 2,437,486 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9047

Capital Equipment

| Account Name | Account Number | 2009 | 2010 | | 2011 | | | |
|----------------------------------|----------------|--------------------|----------------|---------------------|-----------------------|--------------------|----------------------|-----------------|
| | | Fiscal Year Actual | Amended Budget | Actual Thru June 30 | Fiscal Year Estimated | Department Request | Recommended By Mayor | Council Adopted |
| Revenues: | | | | | | | | |
| Interest on Investments | 66500 | \$ 598 | \$ 1,000 | \$ 102 | \$ 200 | \$ 200 | \$ 200 | \$ 200 |
| Transfer From: | | | | | | | | |
| Operation & Maintenance | 67620 | - | 300,000 | - | 300,000 | 600,000 | 300,000 | 307,500 |
| Meter Replacement | 67645 | 183 | - | - | - | - | - | - |
| Building Construction | 67660 | 30 | - | - | - | - | - | - |
| Total Financial Resources | | 811 | 301,000 | 102 | 300,200 | 600,200 | 300,200 | 307,700 |
| Capital Purchases: | | | | | | | | |
| Water Maintenance | 98040 | 32,657 | 65,000 | - | 65,000 | 227,500 | 225,000 | 227,500 |
| Meter Repair & Service | 98050 | 22,643 | - | - | - | - | - | - |
| Administration | 98060 | 18,306 | 20,000 | 7,385 | 20,000 | 108,000 | 75,000 | 80,000 |
| Waste Water Treatment | 98080 | 274,792 | 150,000 | 9,966 | 150,000 | 309,900 | 200,000 | 200,000 |
| Sewer Maintenance | 98090 | - | 65,000 | - | 65,000 | - | - | - |
| Transfer To: | | | | | | | | |
| Debt Service | 96572 | 106 | - | - | - | - | - | - |
| Total Expenditures | | 348,504 | 300,000 | 17,351 | 300,000 | 645,400 | 500,000 | 507,500 |
| Net Increase (Decrease) | 67601 | (347,693) | 1,000 | (17,249) | 200 | (45,200) | (199,800) | (199,800) |
| Reassign Debt Service Liability | | 42,605 | - | - | - | - | - | - |
| FY Beginning Restricted Reserve | | 517,618 | 212,530 | 212,530 | 212,530 | 212,730 | 212,730 | 212,730 |
| FY Ending Restricted Reserve | | \$ 212,530 | \$ 213,530 | \$ 195,281 | \$ 212,730 | \$ 167,530 | \$ 12,930 | \$ 12,930 |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS
CAPITAL EQUIPMENT

| Funding Category | Item Description | # | New or Replacement | Estimated Cost |
|--|-----------------------------------|---|-----------------------|-------------------|
| 98040 Water Maintenance: | | | | |
| 2011-01 | Mini dumps | 2 | R | 35,000 |
| 2011-02 | Garage lighting system | | R | 40,000 |
| 2011-03 | Loader | 1 | R | 152,500 |
| | | | | <u>227,500</u> |
| 98060 Administration: | | | | |
| 2011-04 | Computer equipment & software | | R | 25,000 |
| 2011-05 | Inspection vehicle (Engineering) | 1 | R | 25,000 |
| 2011-06 | GPS survey package (Engineering) | 1 | N | 30,000 |
| | | | | <u>80,000</u> |
| Total Water Division Capital Requests | | | | <u>\$ 307,500</u> |
| 98080 Waste Water Treatment Plant: | | | | |
| | <i>Maintenance</i> | | | |
| 2011-07 | Grit chamber flight chain | 1 | R | \$ 10,000 |
| | <i>Safety and Security</i> | | | |
| 2011-08 | Ash lagoon fence replacement | | R | 10,000 |
| | <i>Operations/Process Control</i> | | | |
| 2011-09 | Trash dump | 1 | N | 1,500 |
| 2011-10 | Road repairs | | N | 50,000 |
| 2011-11 | 1/4 ton pickup truck (2) | 1 | R | 35,000 |
| | <i>Electrical / Engineering</i> | | | |
| 2011-12 | Flow meters | 2 | R | 23,000 |
| 2011-13 | RSP #6 VFD motor and drive | 1 | R | 30,000 |
| 2011-14 | Infrared thermal imaging system | 1 | N | 18,000 |
| | <i>Laboratory</i> | | | |
| 2011-15 | Auto sampler | 1 | N | 2,000 |
| 2011-16 | Dissolved oxygen meter and probes | 1 | R | 16,000 |
| 2011-17 | Vessel kit for metals digester | 1 | N | 4,500 |
| Total Waste Water Treatment Capital Requests | | | | <u>\$ 200,000</u> |
| GRAND TOTAL - 2011 CAPITAL EQUIPMENT | | | | <u>\$ 507,500</u> |

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2011 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 water and sewer maintenance employees operate from this 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
2011 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

9060

Building Construction

| Account Name | Account Number | 2009 | 2010 | | | 2011 | | |
|----------------------------------|----------------|--------------------|----------------|---------------------|-----------------------|--------------------|----------------------|-----------------|
| | | Fiscal Year Actual | Amended Budget | Actual Thru June 30 | Fiscal Year Estimated | Department Request | Recommended By Mayor | Council Adopted |
| Revenues: | | | | | | | | |
| Interest on Investments | 66500 | \$ 30 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Financial Resources | | 30 | - | - | - | - | - | - |
| Transfer To: | | | | | | | | |
| Capital Equipment | 96547 | 30 | - | - | - | - | - | - |
| Total Expenditures | | 30 | - | - | - | - | - | - |
| Net Increase (Decrease) | 67601 | - | - | - | - | - | - | - |
| FY Beginning Restricted Reserve | | - | - | - | - | - | - | - |
| FY Ending Restricted Reserve | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

