

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



**2013 FISCAL YEAR  
AS ADOPTED BY CITY COUNCIL**

**CITY OF WARREN, MICHIGAN**

**WATER & SEWER SYSTEM BUDGET**

**2013 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 2010 population per Federal Census, 134,056

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

## **PRESENT ELECTIVE OFFICERS** (Terms expire November 8, 2015)

**MAYOR**  
JAMES R. FOUTS

## **COUNCIL**

Cecil St. Pierre Jr., President

Patrick Green, Vice President

Scott C. Stevens, Secretary

Keith Sadowski, Assistant Secretary

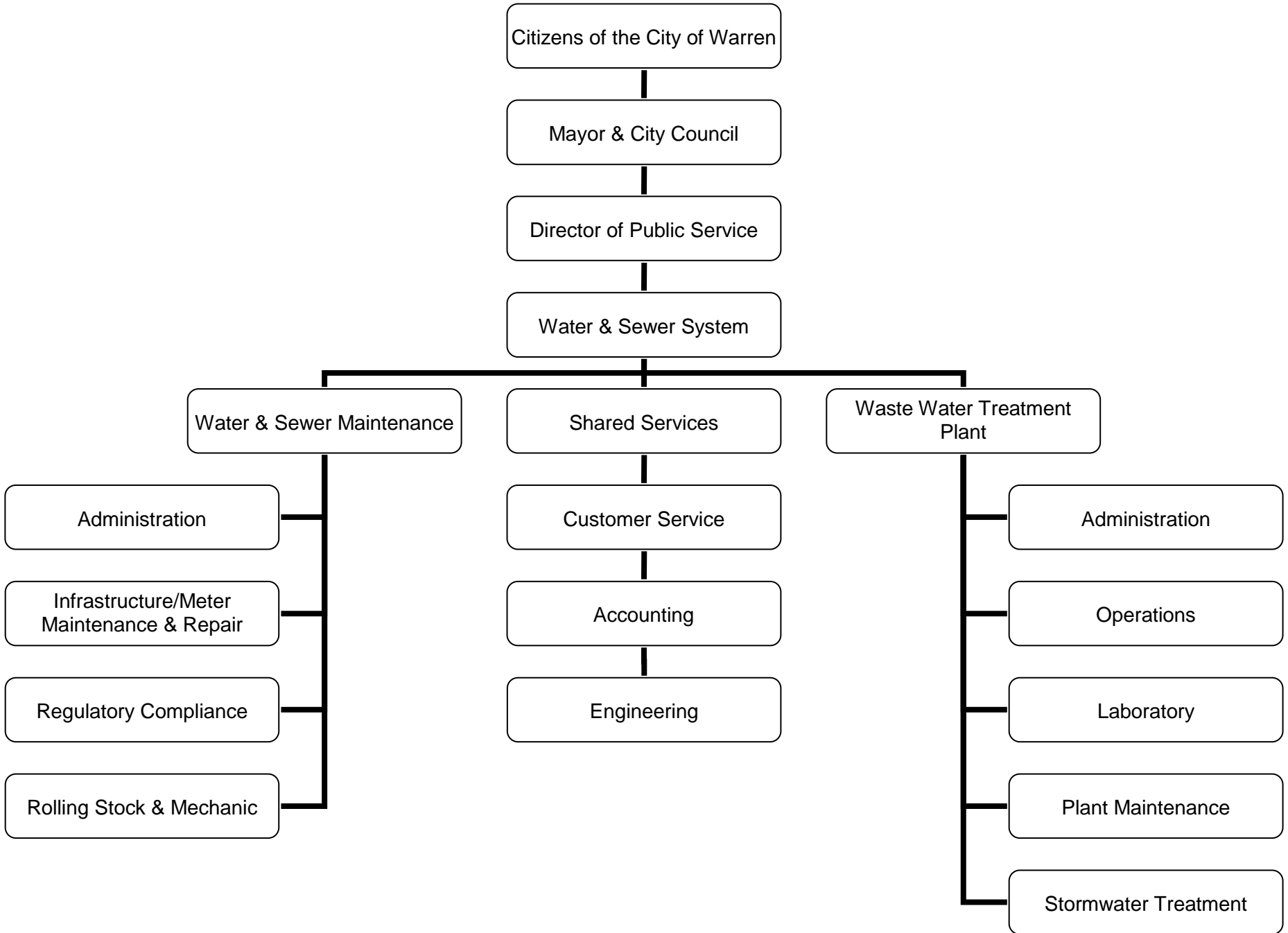
Kelly Colegio

Robert Boccomino

Steven Warner

**TREASURER**  
Carolyn Kurkowski Moceri

**CITY CLERK**  
Paul Wojno



CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 CITY COUNCIL ADOPTED BUDGET  
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CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
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CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 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 2013 City Council Adopted Water & Sewer System Budget is presented with a zero percent rate change. This zero percent rate change would not be possible without 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 2013 City Council Adopted Budget adds four labor positions and contains many reductions in expenses such as overtime, supplies, and other service costs. Furthermore, the Water & Sewer System was able to take advantage of the low interest environment by refinancing existing debt, which generated debt service savings of over \$3 million. These savings are realized within this current budget. Water sales used to calculate revenues were reduced for Fiscal 2013 to 690 million cubic feet, from the 715 million cubic feet projected for Fiscal 2012 to recognize the continued, but slowing decline in water sales. The summer of 2012 was unusually dry and resulted in unanticipated increased water sales.

The 2013 City Council Adopted Water & Sewer System Budget continues to recognize the need to improve infrastructure. The City of Warren is not alone when it comes to repairing and improving the underground water and sewer mains. Communities across the country are aging and face problems similar to ours, particularly in the Midwest and Eastern states where changes in climate have devastating effects on utility systems. The 2013 City Council Adopted Budget includes a State of Michigan – Drinking Water Revolving Fund (DWRF) bond issue to cover \$5.54 million for water system improvements and consists largely of the replacement of many existing 6" diameter water mains.

Approximately \$8 million is estimated to be transferred to the debt service fund, with approximately \$2.6 million resulting from the previously approved rate increases designated to pay the debt service cost for necessary infrastructure improvements. Two bond issues are committed against these funds and have an estimated cost of \$1.2 million annually. The DWRF bond issue mentioned above, when approved, will commit another bond issue with an estimated annual cost of \$0.4 million.

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

	Present Rate	Recommended Rate	Increase (Decrease) Amount	%
Water Service Charge	\$ 0.81	\$ 0.81	\$ -	
Sewer Service Charge	1.94	1.94	-	
Water Charge	28.50	28.50	-	
Waste Water Treatment Charge	21.02	21.02	-	
<b>Total</b>	<b>\$ 52.27</b>	<b>\$ 52.27</b>	<b>\$ -</b>	<b>0.0%</b>



CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 BUDGET FINANCIAL STATEMENTS

SCHEDULE B  
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 &amp; Fringe Benefits</i>					
Water & Sewer Maintenance	\$ 4,993,754	\$ 3,033,583	\$ -	\$ 584,477	\$ 1,375,694
Shared Services	2,341,656	1,639,159	702,497	-	-
Waste Water Treatment	5,959,613	-	5,959,613	-	-
<i>Total Wages &amp; Fringe Benefits</i>	<u>13,295,023</u>	<u>4,672,742</u>	<u>6,662,110</u>	<u>584,477</u>	<u>1,375,694</u>
<i>Supplies &amp; Other Charges</i>					
Water Purchases	10,105,000	10,105,000	-	-	-
Uncollectible debt	525,000	272,750	196,504	16,768	38,978
Water & Sewer Maintenance	2,204,700	1,290,819	-	292,375	621,506
Shared Services	2,882,438	1,438,393	1,111,053	194,122	138,870
Waste Water Treatment	3,202,800	-	3,202,800	-	-
<i>Total Supplies &amp; Other Charges</i>	<u>18,919,938</u>	<u>13,106,962</u>	<u>4,510,356</u>	<u>503,265</u>	<u>799,354</u>
<i>Transfers To Reserves</i>					
Capital Equipment	1,198,900	204,000	994,900	-	-
Debt Service	7,794,540	3,335,706	3,828,153	98,842	531,839
<i>Total Transfers</i>	<u>8,993,440</u>	<u>3,539,706</u>	<u>4,823,053</u>	<u>98,842</u>	<u>531,839</u>
<b>TOTAL COSTS</b>	<u>\$ 41,208,401</u>	<u>\$ 21,319,410</u>	<u>\$ 15,995,519</u>	<u>\$ 1,186,584</u>	<u>\$ 2,706,887</u>

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 BUDGET FINANCIAL STATEMENTS

SCHEDULE C  
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 \$	41,208,401	\$ 21,319,410	\$ 15,995,519	\$ 1,186,584	\$ 2,706,887
OFFSETS FOR OTHER REVENUES:					
Water Sales - Unmetered	14,000	14,000	-	-	-
Public Fire Protection	90,000	90,000	-	-	-
Penalties	2,250,000	1,125,000	1,125,000	-	-
Water Division - Other Income	40,000	40,000	-	-	-
Land Contract Interest	-	-	-	-	-
Meter Repairs	3,000	-	-	3,000	-
Outside Service Income	25,000	25,000	-	-	-
Meter Sales	40,000	-	-	40,000	-
Centerline Transmission Charge	12,000	12,000	-	-	-
Pre-Treatment Surcharges	788,575	-	788,575	-	-
Cross Connection Charges	251,100	251,100	-	-	-
Waste Treatment - Other Income	210,000	-	210,000	-	-
Interest On Investments	20,000	10,000	10,000	-	-
Gain {Loss} On Asset Conversion	50,000	25,000	25,000	-	-
Use of Retained Earnings	89,788	61,775	-	-	28,013
Total revenue offsets	<u>3,883,463</u>	<u>1,653,875</u>	<u>2,158,575</u>	<u>43,000</u>	<u>28,013</u>
NET COSTS ALLOCATED TO RATES	<u>\$ 37,324,938</u>	<u>\$ 19,665,535</u>	<u>\$ 13,836,944</u>	<u>\$ 1,143,584</u>	<u>\$ 2,678,874</u>
Estimated billable consumption {100 c.f.}		6,900,000	6,582,600		
Supporting rate required		\$ 2.850	\$ 2.102	\$ 0.81	\$ 1.94
Current rate		\$ 2.850	\$ 2.102	\$ 0.81	\$ 1.94
Increase (decrease)		\$ -	\$ -	\$ -	\$ -

CITY OF WARREN, MICHIGAN  
 WATER & SEWER SYSTEM  
 2013 BUDGET FINANCIAL STATEMENTS

SCHEDULE D  
 RATES AND CHARGES - COUNCIL ADOPTED

	Present Rate	Recommended By Mayor	Council Adopted
<u>Domestic Minimum Bill Per Month With 5/8" Meter Service Charge:</u>			
Water Service Charge	\$ 0.81	\$ 0.81	\$ 0.81
Sewer Service Charge	1.94	1.94	1.94
Water 0 - 200 Cubic Feet	5.70	5.70	5.70
Waste Water Treatment 0 - 200 Cubic Feet	4.20	4.20	4.20
<b>Total</b>	<b>\$ 12.65</b>	<b>\$ 12.65</b>	<b>\$ 12.65</b>

Waste Water Extra Strength Surcharges Per Pound:

Bio-chemical Oxygen Demand (BOD)	\$ 0.2499	\$ 0.1918	\$ 0.1918
Suspended Solids (SS)	\$ 0.3058	\$ 0.2246	\$ 0.2246
Phosphorus (P)	\$ 2.7868	\$ 1.9953	\$ 1.9953
Ammonia (NH3-N)	\$ 0.4717	\$ 0.4683	\$ 0.4683

Waste Water Pretreatment Charge:

Per Sample	\$ 180.00	\$ 190.00	\$ 190.00
Per Analysis	\$ 75.00	\$ 80.00	\$ 80.00

Commodity Charge Per 100 Cubic Feet:

Non-Domestic User	\$ 0.3348	\$ 0.3478	\$ 0.3478
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Cross-Connection Charge Per 100 Cubic Feet:

Non-Domestic User	\$ 0.1003	\$ 0.1003	\$ 0.1003
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**WATER SERVICE CHARGE**

Meter Size	# of Meters	AWWA Meter Ratio	Equivalent Meters	2012 Service Charge	2013 Service Charge	Estimated Revenue
5/8"	44,093	1	44,093	\$0.81	\$0.81	\$ 428,584
3/4"	6	2	12	\$1.62	\$1.62	117
1"	3,746	4	14,984	\$3.24	\$3.24	145,644
1 - 1/2"	958	10	9,580	\$8.10	\$8.10	93,118
2"	925	25	23,125	\$20.25	\$20.25	224,775
3"	167	45	7,515	\$36.45	\$36.45	73,046
4"	69	90	6,210	\$72.90	\$72.90	60,361
6"	24	170	4,080	\$137.70	\$137.70	39,658
8"	12	300	3,600	\$243.00	\$243.00	34,992
10"	9	500	4,500	\$405.00	\$405.00	43,740
	<u>50,009</u>		<u>117,699</u>			<u>\$ 1,144,035</u>

**SEWER SERVICE CHARGE**

Meter Size	# of Meters	AWWA Meter Ratio	Equivalent Meters	2012 Service Charge	2013 Service Charge	Estimated Revenue
5/8"	43,534	1	43,534	\$1.94	\$1.94	\$ 1,013,472
3/4"	13	2	26	\$3.88	\$3.88	605
1"	3,597	4	14,388	\$7.76	\$7.76	334,953
1 - 1/2"	923	10	9,230	\$19.40	\$19.40	214,874
2"	876	25	21,900	\$48.50	\$48.50	509,832
3"	167	45	7,515	\$87.30	\$87.30	174,949
4"	69	90	6,210	\$174.60	\$174.60	144,569
6"	24	170	4,080	\$329.80	\$329.80	94,982
8"	12	300	3,600	\$582.00	\$582.00	83,808
10"	9	500	4,500	\$970.00	\$970.00	104,760
	<u>49,224</u>		<u>114,983</u>			<u>\$ 2,676,804</u>

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 BUDGET FINANCIAL STATEMENTS

**Revenues**

Account Name	Account Number	2011	2012			2013		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
<b>Water &amp; Sewer Charges</b>								
Water Sales	080-46101	\$ 17,973,044	\$ 18,842,700	8,058,378	19,810,000	20,197,824	19,665,200	\$ 19,665,200
Water Service Charges	080-46103	1,104,950	1,119,100	559,262	1,118,524	1,174,454	1,143,500	1,143,500
Waste Water Treatment Charges	080-47501	12,948,748	13,928,100	5,698,250	14,164,500	14,211,456	13,836,900	13,836,900
Sewer Service Charges	080-47502	2,568,513	2,611,900	1,301,219	2,602,438	2,751,321	2,679,100	2,679,100
<i>Total Water &amp; Sewer Charges</i>		<b>34,595,255</b>	<b>36,501,800</b>	<b>15,617,109</b>	<b>37,695,462</b>	<b>38,335,055</b>	<b>37,324,700</b>	<b>37,324,700</b>
<b>Other Operating Revenue</b>								
Water Sales - Unmetered	080-46000	7,742	8,000	7,330	14,000	14,000	14,000	14,000
Public Fire Protection	080-46300	90,000	90,000	45,000	90,000	90,000	90,000	90,000
Penalties	080-47000	2,244,063	1,500,000	1,428,486	2,856,972	2,250,000	2,250,000	2,250,000
Water Division - Other Income	080-47100	41,445	25,000	26,976	40,000	40,000	40,000	40,000
Garage Installment Sale	080-47200	7,861	1,610	-	1,610	-	-	-
Meter Repairs	080-47402	6,403	8,000	1,773	4,000	3,000	3,000	3,000
Outside Service Income	080-47404	25,322	25,000	14,433	25,000	25,000	25,000	25,000
Meter Sales	080-47405	69,479	40,000	17,785	40,000	40,000	40,000	40,000
Centerline Transmission Charge	080-47406	33,067	13,000	5,714	13,000	12,000	12,000	12,000
Pre-Treatment Surcharges	080-47407	833,400	896,841	433,389	866,778	788,575	788,575	788,575
Cross Connection Charges	080-47408	256,676	278,000	106,156	278,000	251,100	251,100	251,100
Waste Treatment - Other Income	080-47410	190,721	220,000	103,448	206,896	210,000	210,000	210,000
<i>Total Other Operating Revenue</i>		<b>3,806,179</b>	<b>3,105,451</b>	<b>2,190,490</b>	<b>4,436,256</b>	<b>3,723,675</b>	<b>3,723,675</b>	<b>3,723,675</b>
<i>Total Operating Revenue</i>		<b>38,401,434</b>	<b>39,607,251</b>	<b>17,807,599</b>	<b>42,131,718</b>	<b>42,058,730</b>	<b>41,048,375</b>	<b>41,048,375</b>
<b>Non-Operating Revenue</b>								
Interest On Investments	080-66500	8,009	7,500	10,341	20,682	20,000	20,000	20,000
Gain {Loss} On Asset Conversion	080-47401	90,904	2,500	60,744	150,000	50,000	50,000	50,000
<i>Total Non-Operating Revenue</i>		<b>98,913</b>	<b>10,000</b>	<b>71,085</b>	<b>170,682</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>
<b>GRAND TOTAL</b>		<b>\$ 38,500,347</b>	<b>\$ 39,617,251</b>	<b>\$ 17,878,684</b>	<b>\$ 42,302,400</b>	<b>\$ 42,128,730</b>	<b>\$ 41,118,375</b>	<b>\$ 41,118,375</b>

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

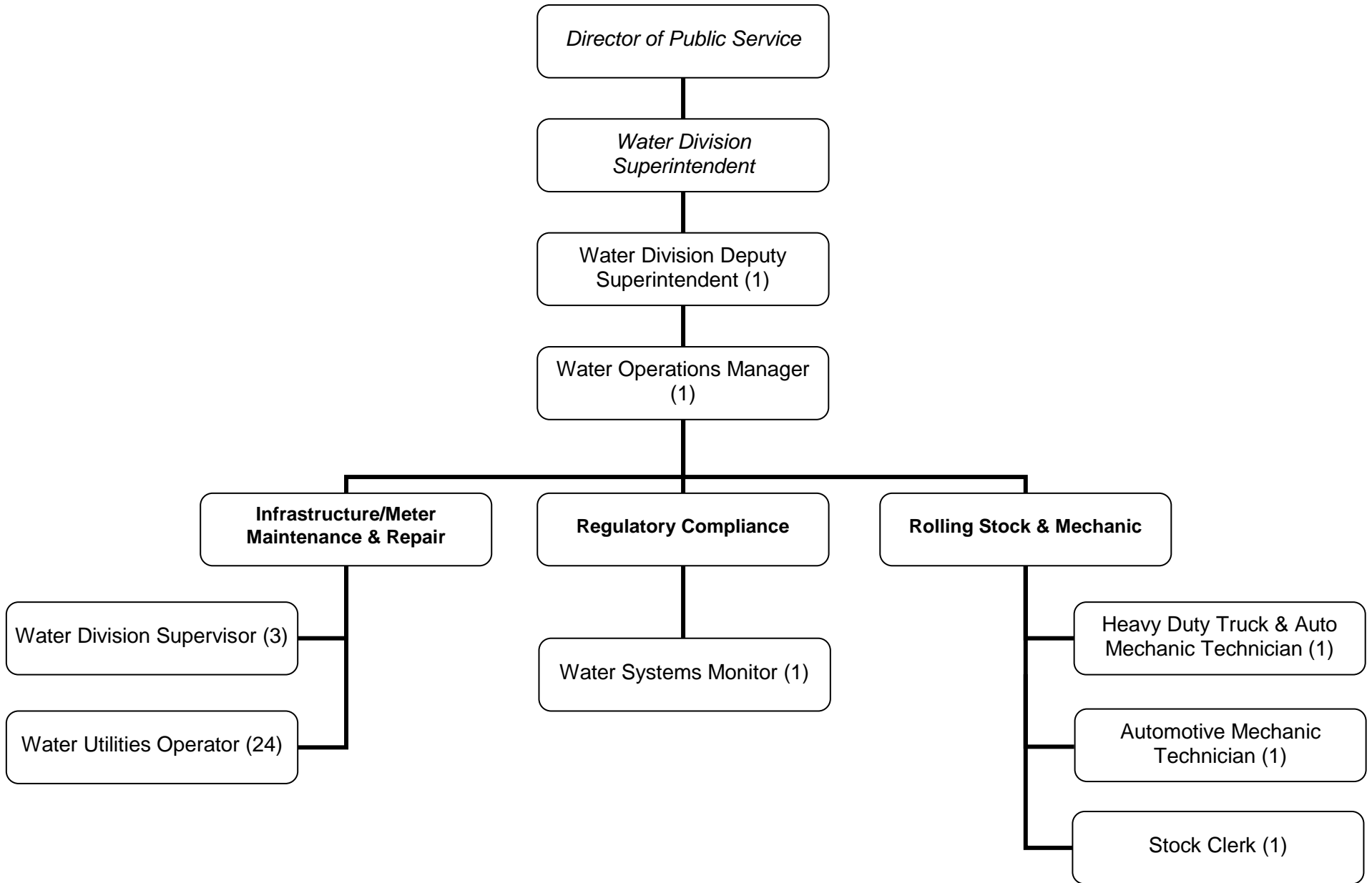
**Expenditure Summary**

Account Name	Account Number	2011	2012			2013		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
<b>Wages &amp; Fringe Benefits</b>								
Water & Sewer Maintenance	1540	\$ 4,083,332	\$ 4,838,365	\$ 1,919,962	\$ 4,838,555	\$ 4,905,496	\$ 4,903,966	\$ 4,993,754
Shared Services	1560	1,903,164	1,985,501	989,330	2,033,501	2,373,951	2,341,656	2,341,656
Waste Water Treatment	1580	4,645,382	5,941,191	2,441,215	5,921,561	5,952,943	5,951,413	5,959,613
<i>Total Wages &amp; Fringe Benefits</i>		10,631,878	12,765,057	5,350,507	12,793,617	13,232,390	13,197,035	13,295,023
<b>Supplies &amp; Other Charges</b>								
Water Purchases	1537-92700	8,538,853	9,300,000	4,556,000	9,774,300	10,105,000	10,105,000	10,105,000
Uncollectible debt	1537-95800	455,406	50,000	-	400,000	525,000	525,000	525,000
Water & Sewer Maintenance	1540	1,209,204	2,054,000	516,315	1,848,700	2,304,700	2,204,700	2,204,700
Shared Services	1560	2,795,593	2,877,400	1,328,884	2,823,050	3,007,438	2,882,438	2,882,438
Waste Water Treatment	1580	3,051,269	3,363,000	1,158,438	2,951,007	3,381,000	3,211,000	3,202,800
<i>Total Supplies &amp; Other Charges</i>		16,050,325	17,644,400	7,559,637	17,797,057	19,323,138	18,928,138	18,919,938
<b>Transfers To/(From) Reserves</b>								
Retained Earnings	67601	4,343,292	1,294	4,968,540	3,649,913	(238)	(238)	(90,026)
Capital Equipment	1537-96547	377,600	924,500	-	924,500	1,778,900	1,198,900	1,198,900
Debt Service	1537-96572	7,097,252	8,282,000	-	7,137,313	7,794,540	7,794,540	7,794,540
<i>Total Transfers</i>		11,818,144	9,207,794	4,968,540	11,711,726	9,573,202	8,993,202	8,903,414
<b>GRAND TOTAL</b>		<b>\$ 38,500,347</b>	<b>\$ 39,617,251</b>	<b>\$ 17,878,684</b>	<b>\$ 42,302,400</b>	<b>\$ 42,128,730</b>	<b>\$ 41,118,375</b>	<b>\$ 41,118,375</b>

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 CITY COUNCIL ADOPTED BUDGET  
STATEMENT OF ESTIMATED REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS  
YEAR ENDING DECEMBER 31, 2013

	TOTAL	OPERATION & MAINTENANCE 592020	WASTE WATER TREATMENT IMPROVEMENT 592040	INFRASTRUCTURE REPLACEMENT 592044	METER REPLACEMENT 592045	CAPITAL EQUIPMENT REPLACEMENT 592047	DEBT SERVICE 592072
<b>OPERATING REVENUES:</b>							
Water & sewer charges	\$ 37,324,700	\$ 37,324,700	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating revenue	3,723,675	3,723,675	-	-	-	-	-
<b>NON-OPERATING REVENUES:</b>							
Interest on investments	36,850	20,000	-	15,000	750	100	1,000
Other Income	246,869	50,000	-	-	-	-	196,869
<b>TRANSFERS FROM:</b>							
Other funds	8,993,440	-	-	-	-	1,198,900	7,794,540
Restricted Reserves	-	-	-	-	-	-	-
<b>OTHER FINANCIAL RESOURCES:</b>							
Financing Proceeds	5,540,000	-	-	5,540,000	-	-	-
<b>TOTAL FINANCIAL RESOURCES</b>	<b>55,865,534</b>	<b>41,118,375</b>	<b>-</b>	<b>5,555,000</b>	<b>750</b>	<b>1,199,000</b>	<b>7,992,409</b>
<b>OPERATING EXPENSES:</b>							
Water purchases	10,105,000	10,105,000	-	-	-	-	-
Uncollectible debt		525,000	-	-	-	-	-
Water & sewer maintenance	7,198,454	7,198,454	-	-	-	-	-
Shared services	5,224,094	5,224,094	-	-	-	-	-
Waste water treatment plant	9,162,413	9,162,413	-	-	-	-	-
<b>NON-OPERATING EXPENSES:</b>							
Construction contracts & related costs	11,043,924	-	24,775	8,576,119	1,244,030	1,199,000	-
Other non-operating expenses	7,137,398	-	-	100,000	-	-	7,037,398
<b>TRANSFERS TO:</b>							
Other funds	8,993,440	8,993,440	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>58,864,723</b>	<b>41,208,401</b>	<b>24,775</b>	<b>8,676,119</b>	<b>1,244,030</b>	<b>1,199,000</b>	<b>7,037,398</b>
<b>NET FISCAL YEAR INCREASE (DECREASE)</b>	<b>(2,999,189)</b>	<b>(90,026)</b>	<b>(24,775)</b>	<b>(3,121,119)</b>	<b>(1,243,280)</b>	<b>-</b>	<b>955,011</b>
<b>OTHER ADJUSTMENTS:</b>							
Net decrease (increase) in long term liability	(1,060,251)	(1,060,251)	-	-	-	-	-
Fixed assets capitalized	11,043,924	11,043,924	-	-	-	-	-
Depreciation	(4,300,000)	(4,300,000)	-	-	-	-	-
Estimated Fund Equity - January 1, 2013	46,440,680	19,871,890	24,775	15,072,850	1,244,030	-	10,227,135
Estimated Fund Equity - December 31, 2013	<b>\$ 49,125,164</b>	<b>\$ 25,465,537</b>	<b>\$ -</b>	<b>\$ 11,951,731</b>	<b>\$ 750</b>	<b>\$ -</b>	<b>\$ 11,182,146</b>

**Water & Sewer Maintenance**





CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 CITY COUNCIL ADOPTED BUDGET  
**Water & Sewer Maintenance**

Water Maintenance services include the maintenance and repair of the watermain 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. Other water maintenance services include the performance of gate valve inspections and maintenance and emergency repairs required to protect the health and safety of the citizens of Warren.

Meter Repair services include repairing and testing of meters in the shop and in the field, the installation of meters and reading devices, responding to service order requests, and maintaining records for proper reading and billing purposes.

Sewer Maintenance services include televising, cleaning, jetting and vactoring of the main sewers. Cleaning of sanitary sewers throughout the city is a priority. 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. 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.

Significant Notes – 2013 Adopted Budget Compared to 2012 Adopted Budget

**Personnel:**

The total cost of personnel services and benefits increased by \$155,389 or 3.2%, with retirement and VEBA costs being the main reason for the increase along with the addition of an Automotive Mechanic Technician. This position was added to help the other Water Division mechanic perform timely repairs and maintenance on the division's large vehicle fleet. Overtime decreased by \$50,000 or 33.3% as a result of the continued focus on efficiency and the decrease in the number of watermain breaks.

**Supplies:**

Operating supplies and materials increased by \$169,500 or 65.7% as a result of the high number of stop box repairs and replacements associated with the meter replacement program and delinquent shut offs.

**Other Charges:**

Total other charges decreased by \$18,800 or 1.8%. Dirt removal and facility maintenance were decreased by \$95,000 to bring the budgeted amounts in line with actual expenses. This decrease was offset mostly by an \$80,000 increase in concrete, lawn and manhole repairs associated with the stop box repairs and replacements.

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Water & Sewer Maintenance  
Personnel**

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
Deputy Superintendent	1	88,407	1	88,407	1	88,407	1	88,407
Water Operations Manager	1	84,000	1	84,000	1	84,000	1	84,000
Water Division Supervisor	3	33.67/hr.	3	33.67/hr.	3	33.67/hr.	3	33.67/hr.
Water Utilities Operator	24	27.06/hr.	24	27.06/hr.	24	27.06/hr.	24	27.06/hr.
Water Systems Monitor	1	62,956	1	62,956	1	62,956	1	62,956
Heavy Duty Truck & Auto Mech. Technician	1	30.50/hr.	1	30.50/hr.	1	30.50/hr.	1	30.50/hr.
Automotive Mechanic Technician	-	-	-	-	-	-	1	(b) 30.50/hr.
Stock Clerk	1	25.26/hr.	1	25.26/hr.	1	25.26/hr.	1	25.26/hr.
Overtime		150,000		100,000		100,000		100,000
Temporary Employees		88,000		118,000		118,000		118,000
Total Personnel	<u>32</u>		<u>32</u>		<u>32</u>		<u>33</u>	

(a) Wage rates are based on the AFSCME Local 1250, Local 1917, UAW Local 412 Unit 59 contracts that expired 6/30/12.

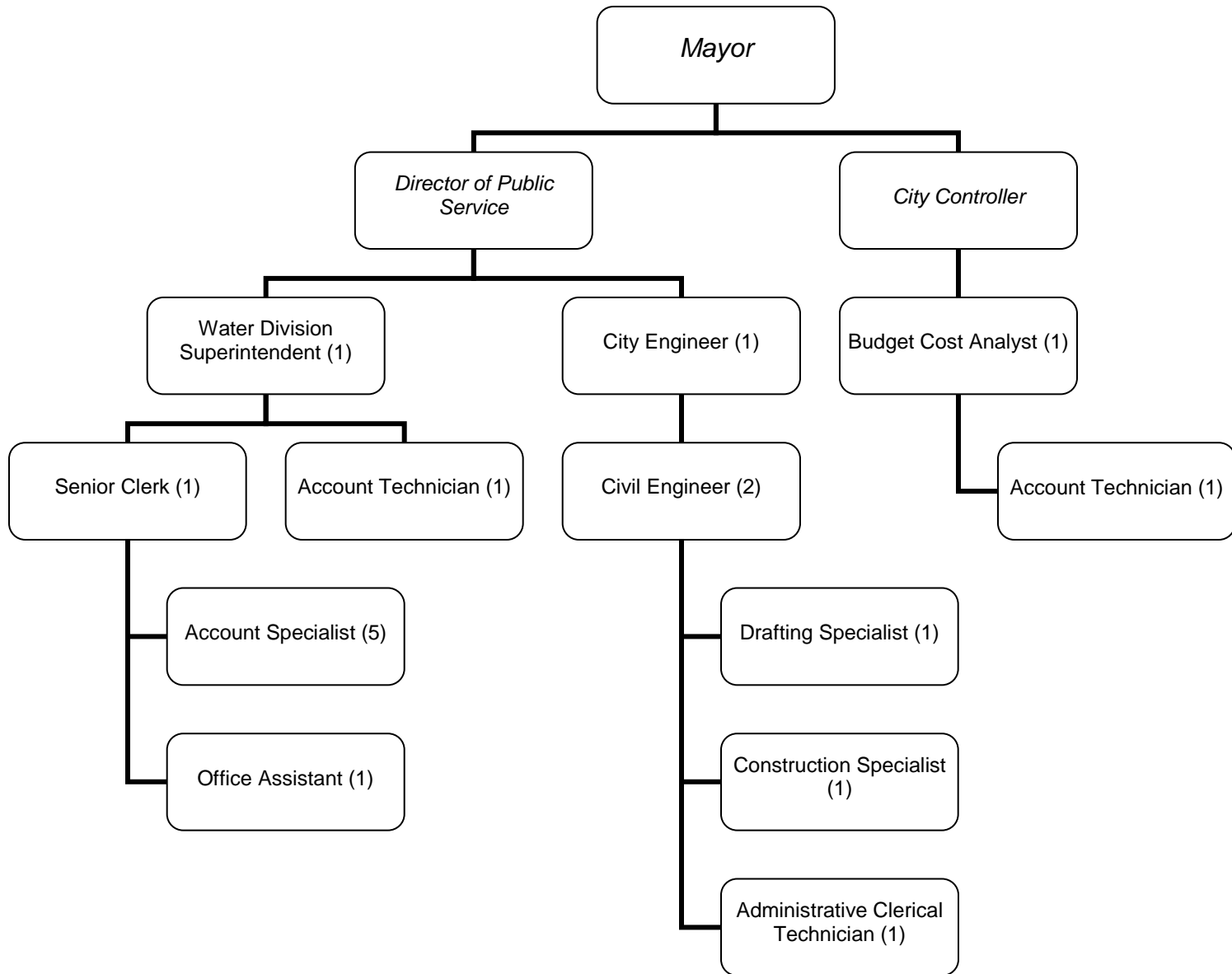
(b) New Position.

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Water & Sewer Maintenance**

Account Name	Account Number	2011	2012		2013			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
<b>Personnel Services</b>								
Permanent Employees	70600	\$ 1,769,414	\$ 1,909,060	\$ 847,777	\$ 1,909,060	\$ 1,913,071	\$ 1,913,071	\$ 1,972,436
Temporary Labor	70700	90,060	88,000	28,069	88,000	118,000	118,000	118,000
Overtime	70900	91,220	150,000	23,189	150,000	100,000	100,000	100,000
<b>Employee Benefits</b>								
Education & Training	71302	6,903	12,800	1,918	12,800	12,400	12,400	12,400
Social Security	71500	154,779	172,878	72,621	172,878	171,508	169,978	174,579
Insurances	71900	356,724	523,918	184,810	523,918	541,885	541,885	560,986
Employees' VEBA Trust	71904	609,199	715,696	277,984	715,696	735,696	735,696	735,696
Health Savings	71905	2,487	2,592	1,526	2,592	3,237	3,237	3,831
Supplemental Life Insurance	71906	1,078	1,164	778	1,164	2,538	2,538	2,538
Longevity	72100	70,427	80,720	46,976	80,720	79,727	79,727	79,727
Retirement Fund	72200	859,318	1,115,202	400,554	1,115,202	1,154,477	1,154,477	1,154,477
Defined Contribution Expense	72201	61,277	60,825	32,434	60,825	67,447	67,447	73,384
Cost Of Living Allowance	72400	2,666	-	-	-	-	-	-
Uniforms	72401	5,706	5,510	1,326	5,700	5,510	5,510	5,700
My Lawyer	72505	2,074	-	-	-	-	-	-
<b>Other Charges</b>								
Operating Supplies	74000	188,300	200,000	102,752	300,000	354,500	354,500	354,500
Materials	78700	96,158	60,000	40,651	75,000	100,000	75,000	75,000
Meter Replacement	78900	105,739	50,000	5,012	50,000	50,000	50,000	50,000
Professional Services	80100	75,020	700,000	177,236	500,000	700,000	700,000	700,000
Dirt Removal	80102	64,182	110,000	44,393	81,700	110,000	75,000	75,000
Concrete, Lawn & Manhole Repairs	80103	407,215	600,000	42,827	500,000	700,000	680,000	680,000
Unemployment Benefits	80300	5,238	-	-	-	-	-	-
Telephone	85300	11,416	24,000	6,428	22,000	20,200	20,200	20,200
Auto Expense	86300	152,961	150,000	56,721	160,000	150,000	150,000	150,000
Utilities	92000	88,203	80,000	35,839	80,000	80,000	80,000	80,000
Facility Maintenance	97500	14,772	80,000	4,456	80,000	40,000	20,000	20,000
<b>Total Water &amp; Sewer Maintenance</b>		<b>\$ 5,292,536</b>	<b>\$ 6,892,365</b>	<b>\$ 2,436,277</b>	<b>\$ 6,687,255</b>	<b>\$ 7,210,196</b>	<b>\$ 7,108,666</b>	<b>\$ 7,198,454</b>

Shared Services



CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 CITY COUNCIL ADOPTED BUDGET  
**Shared Services**

The accounting function assembles data and issues financial information for both the Water Division and Waste Water Treatment Plant. This function 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 financial records. Two Account Technicians are included in this section. Their responsibilities include the review and computer entries of all purchase requisitions, purchase orders and invoices, as well as the preparation of the List-of-Bills. They are responsible for payroll and correctly distributing the associated costs. They also prepare various monthly operation reports and invoice private parties and other City departments for reimbursement of costs incurred on their behalf by the Water & Sewer System.

Customer Service handles all questions regarding water bills, landlord and tenant arrangements, bankruptcies as it relates to customer accounts, water taps, meter installations, repairing or replacing stop boxes, plugged main sewers, and the availability of water and sewer service. Other responsibilities of this section include the issuance of all water permits and resolution of delinquent accounts. 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 in this area also review the accuracy of readings. Included in this review is a check for inordinately high or low readings that could indicate a mechanical malfunction of either the meter or reading devices or a customer problem that requires resolution.

Under the direction of the newly budgeted City Engineer, personnel are assigned to draft, inspect, and implement infrastructure projects throughout the City that are related to the Water & Sewer System.

Significant Notes – 2013 Adopted Budget Compared to 2012 Adopted Budget

**Personnel:**

The total cost of personnel services and benefits increased by \$356,155 or 17.9%. An Office Assistant position was added to help with the increased efforts to bring delinquent accounts current. This position will also assist with other related customer service activities. In addition, two positions were added to the Engineering function. A City Engineer and Administrative Clerical Technician are needed to work on the unprecedented number of infrastructure projects. One half of the City Engineer's wages and benefits will be charged to the City's general fund since this position will also be responsible for the City's projects, such as road repairs and replacements.

**Supplies and Postage:**

Total operating supplies and postage increased by \$38,553 or 17.7% as a result of the additional paper, printing, and mailing of notices associated with the meter replacement program and delinquent accounts.

**Other Charges:**

Total other charges decreased by \$33,515 or 1.3%. Professional services decreased by \$185,000 since the automated reading system is replacing the need to contract with Consumers Energy for meter reading services. This decrease was offset by increases for general insurance costs and reimbursement to the City for administrative expenses.

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 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	1	\$ 93,317	1	\$ 93,317	1	\$ 93,317	1	\$ 93,317
Senior Clerk	1	53,425	1	\$ 53,425	1	\$ 53,425	1	\$ 53,425
Budget Cost Analyst	1	69,791	1	\$ 69,791	1	\$ 69,791	1	\$ 69,791
Account Technician	2	53,421	2	\$ 53,421	2	\$ 53,421	2	\$ 53,421
Administrative Clerical Technician	-	-	1	(b) \$ 51,100	1	(b) \$ 51,100	1	(b) \$ 51,100
Account Specialist	5	49,816	5	\$ 49,816	5	\$ 49,816	5	\$ 49,816
Office Assistant	-	-	1	(b) \$ 34,279	1	(b) \$ 34,279	1	(b) \$ 34,279
City Engineer	-	-	1	(b) \$ 101,415	1	(b) \$ 101,415	1	(b) \$ 101,415
Civil Engineer	2	78,425	2	\$ 78,425	2	\$ 78,425	2	\$ 78,425
Drafting Specialist	1	57,865	1	\$ 57,865	1	\$ 57,865	1	\$ 57,865
Construction Specialist	1	29.73/hr.	1	29.73/hr.	1	29.73/hr.	1	29.73/hr.
Overtime		100,000		130,475		130,475		130,475
Temporary Employees		47,000		61,500		31,500		31,500
Total Personnel	<u>14</u>		<u>17</u>		<u>17</u>		<u>17</u>	

(a) Wage rates are based on the AFSCME Local 1250, Local 1917, UAW Local 412 Unit 59 contracts that expired 6/30/12.

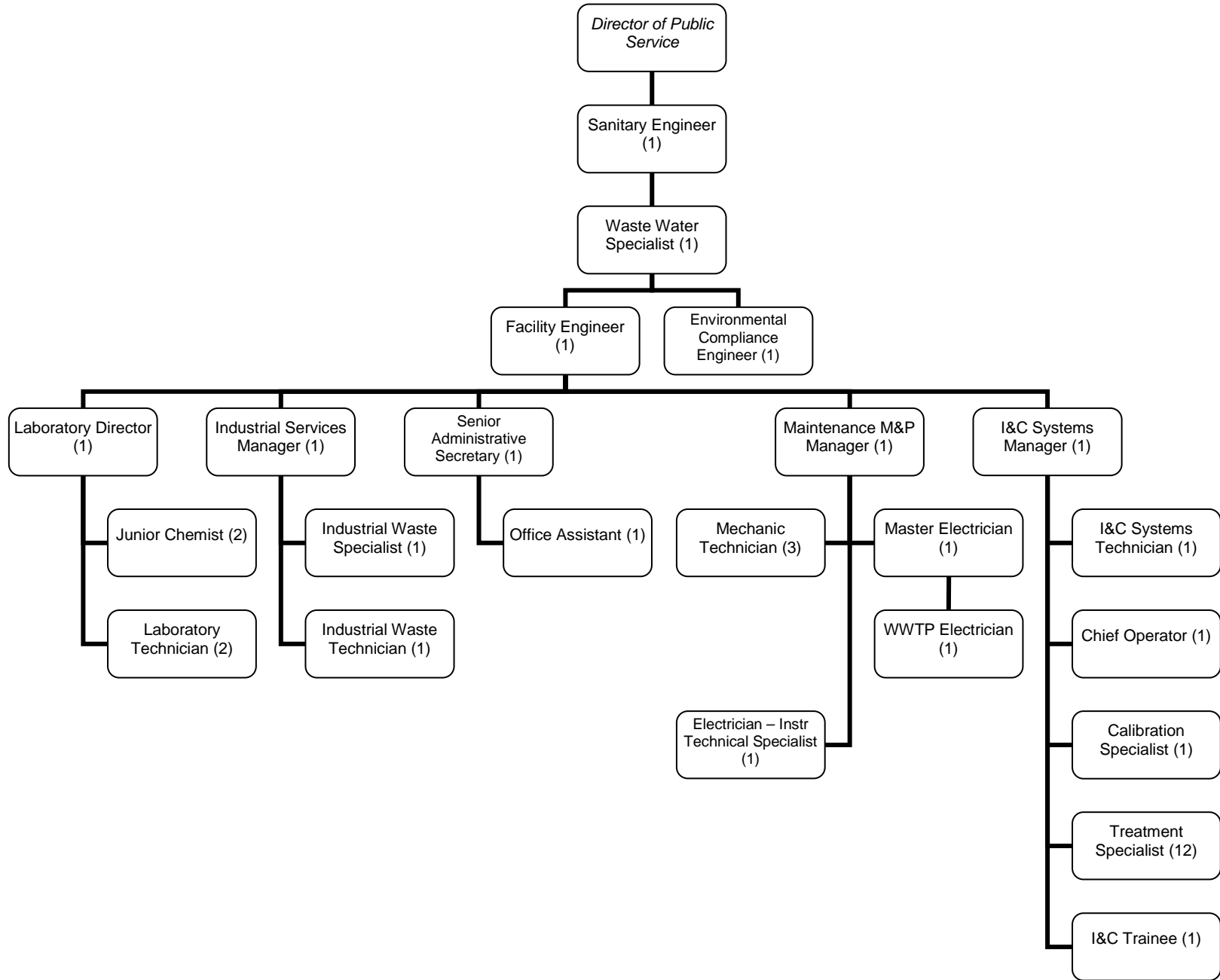
(b) New Position.

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Shared Services**

Account Name	Account Number	2011	2012			2013		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
<b>Personnel Services</b>								
Permanent Employees	70600	\$ 820,871	\$ 834,069	\$ 421,693	\$ 834,069	\$ 1,019,288	\$ 1,019,288	\$ 1,019,288
Temporary Employees	70700	59,445	47,000	47,304	80,000	61,500	31,500	31,500
Overtime	70900	117,392	100,000	65,166	115,000	130,475	130,475	130,475
<b>Employee Benefits</b>								
Education & Training	71302	3,700	5,000	-	5,000	5,000	5,000	5,000
Social Security	71500	78,301	79,017	41,255	79,017	96,243	93,948	93,948
Insurances	71900	178,305	187,024	79,218	187,024	254,969	254,969	254,969
Employees' VEBA Trust	71904	264,650	278,374	131,431	278,374	280,433	280,433	280,433
Health Savings	71905	2,442	2,399	1,330	2,399	5,053	5,053	5,053
Supplemental Life Insurance	71906	657	580	458	580	761	761	761
Longevity	72100	32,343	35,048	15,019	35,048	28,647	28,647	28,647
Retirement Fund	72200	277,439	360,075	154,272	360,075	420,405	420,405	420,405
Defined Contribution Expense	72201	65,198	56,725	32,184	56,725	70,987	70,987	70,987
Cost Of Living Allowance	72400	1,248	-	-	-	-	-	-
Uniforms	72401	98	190	-	190	190	190	190
My Lawyer	72505	1,075	-	-	-	-	-	-
<b>Other Charges</b>								
Operating Supplies	74000	6,603	7,500	25,520	30,000	31,053	31,053	31,053
Professional Services	80100	432,740	385,000	137,784	300,000	300,000	200,000	200,000
Auditing	80105	15,500	15,500	-	15,500	17,700	17,700	17,700
Postage	80200	207,565	210,000	106,596	210,000	250,000	225,000	225,000
Unemployment Benefits	80300	2,609	3,000	-	3,000	3,000	3,000	3,000
Telephone	85300	3,757	-	2,678	5,200	5,000	5,000	5,000
Auto Expense	86300	259	1,000	82	1,000	1,000	1,000	1,000
General Insurance	91000	400,000	526,000	200,000	500,000	600,000	600,000	600,000
Utilities	92000	638	1,000	274	1,000	1,000	1,000	1,000
Administrative Expense	94200	1,705,350	1,702,400	855,950	1,731,350	1,772,685	1,772,685	1,772,685
M.S.D.W.A. Annual Fee	96202	20,572	25,000	-	25,000	25,000	25,000	25,000
Agents Fees	99602	-	1,000	-	1,000	1,000	1,000	1,000
<b>Total Shared Services</b>		<b>\$ 4,698,757</b>	<b>\$ 4,862,901</b>	<b>\$ 2,318,214</b>	<b>\$ 4,856,551</b>	<b>\$ 5,381,389</b>	<b>\$ 5,224,094</b>	<b>\$ 5,224,094</b>

# Waste Water Treatment Plant





CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 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.

A small, but highly technical staff of thirty-eight (38) employees will operate and maintain the Treatment Plant in Fiscal 2013. Their responsibilities include plant operations, plant maintenance, laboratory operations, the Industrial Pretreatment Monitoring and Enforcement, employee safety, grounds maintenance, and administrative support.

Significant Notes – 2013 Adopted Budget Compared to 2012 Adopted Budget

**Personnel:**

The total cost of personnel services and benefits increased by \$18,422 or 0.3%. A Treatment Specialist position was reclassified to an I & C Trainee, and a Calibration Specialist position was reclassified to a WWTP Electrician. Overtime costs decreased by \$25,000. This decrease helped offset the increases in retirement and VEBA costs.

**Supplies:**

Total operating supplies, which include chemicals decreased by \$73,200 or 15.3%. Chemical costs have decreased since the ultraviolet light disinfection process was implemented as less chlorine and sodium bi-sulfite are needed.

**Utilities:**

Total utility costs decreased by \$53,000 or 2.8% and is the result of an anticipated decrease in fluctuating natural gas prices.

**Other Charges:**

Total other charges decreased by \$34,000 or 3.5% with professional services being the main factor and brings the budgeted amount in line with actual expenses.

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 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	\$ 101,415	1	\$ 101,415	1	\$ 101,415
Wastewater Specialist	1	83,784	1	83,784	1	83,784	1	83,784
Facility Engineer	1	85,781	1	85,781	1	85,781	1	85,781
Environmental Compliance Engineer	1	85,632	1	85,632	1	85,632	1	85,632
<b>Laboratory Section:</b>								
Laboratory Director	1	80,113	1	80,113	1	80,113	1	80,113
Junior Chemist	2	30.19/hr.	2	30.19/hr.	2	30.19/hr.	2	30.19/hr.
Laboratory Technician	2	26.87/hr.	2	26.87/hr.	2	26.87/hr.	2	26.87/hr.
<b>Maintenance Section:</b>								
Maintenance M&P Manager	1	73,243	1	73,243	1	73,243	1	73,243
Mechanic Technician	3	61,900	3	61,900	3	61,900	3	61,900
Master Electrician	1	68,622	1	68,622	1	68,622	1	68,622
WWTP Electrician	-	-	-	-	-	-	1	(c) 66,075
Electrician/Instrumentation Technical Spec.	1	75,637	1	75,637	1	75,637	1	75,637

(a) Wage rates are based on the AFSCME Local 1250, Local 1917, UAW Local 412 Unit 59 contracts that expired 6/30/12.

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

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

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
<b>Industrial Services/Stormwater Section:</b>								
Industrial Services Manager	1	75,637	1	75,637	1	75,637	1	75,637
Industrial Waste Specialist	1	59,845	1	59,845	1	59,845	1	59,845
Industrial Waste Technician	1	53,055	1	53,055	1	53,055	1	53,055
<b>Operating Section:</b>								
I & C System Manager	1	80,214	1	80,214	1	80,214	1	80,214
I & C System Technician	1	67,539	1	67,539	1	67,539	1	67,539
I & C Trainee	-	-	1	(b) 57,806	1	(b) 57,806	1	(b) 57,806
Chief Operator	1	85,632	1	85,632	1	85,632	1	85,632
Treatment Specialist	13	28.90/hr.	12	(b) 28.90/hr.	12	(b) 28.90/hr.	12	(b) 28.90/hr.
Calibration Specialist	2	58,818	2	58,818	2	58,818	1	(c) 58,818
<b>Clerical Section:</b>								
Senior Administrative Secretary - WWTP	1	55,435	1	55,435	1	55,435	1	55,435
Office Assistant	1	34,279	1	34,279	1	34,279	1	34,279
Overtime		225,000		200,000		200,000		200,000
Temporary Employees		50,000		50,000		50,000		50,000
Total Personnel	<u>38</u>		<u>38</u>		<u>38</u>		<u>38</u>	

(a) Wage rates are based on the AFSCME Local 1250, Local 1917, UAW Local 412 Unit 59 contracts that expired 6/30/12.

(b) Reclassification of Treatment Specialist to I & C System Trainee.

(c) Reclassification of Calibration Specialist to WWTP Electrician.

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Waste Water Treatment**

Account Name	Account Number	2011	2012		2013			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
<b>Personnel Services</b>								
Permanent Employees	70600	\$ 2,186,688	\$ 2,537,022	\$ 1,193,329	\$ 2,537,022	\$ 2,534,695	\$ 2,534,695	\$ 2,541,442
Temporary Employees	70700	17,818	50,000	4,911	50,000	50,000	50,000	50,000
Overtime	70900	167,145	225,000	64,660	225,000	200,000	200,000	200,000
<b>Employee Benefits</b>								
Education & Training	71302	27,511	48,500	7,031	30,000	48,500	48,500	48,500
Certification Bonuses	71303	27,660	30,000	213	30,000	38,000	38,000	38,000
Social Security	71500	192,642	232,032	101,047	232,032	230,513	228,983	229,506
Holiday Pay	71700	53,196	63,139	32,779	63,139	59,818	59,818	59,818
Insurances	71900	417,654	610,676	203,661	610,676	610,864	610,864	611,053
Employees' VEBA Trust	71904	763,467	944,361	399,430	944,361	993,748	993,748	993,748
Health Savings	71905	4,089	4,588	2,191	4,588	5,317	5,317	5,384
Supplemental Life Insurance	71906	2,286	2,415	1,457	2,415	4,343	4,343	4,343
Longevity	72100	73,526	80,305	33,540	80,305	83,617	83,617	83,617
Retirement Fund	72200	479,507	898,511	283,058	898,511	857,949	857,949	857,949
Defined Contribution Expense	72201	223,043	209,512	112,887	209,512	230,449	230,449	231,123
Cost Of Living Allowance	72400	2,956	-	-	-	-	-	-
Uniforms	72401	3,813	5,130	1,021	4,000	5,130	5,130	5,130
My Lawyer	72505	2,381	-	-	-	-	-	-
<b>Other Charges</b>								
Operating Supplies	74000	65,833	80,000	31,976	138,514	85,000	85,000	85,000
Chemicals	74300	182,224	400,000	81,051	350,000	350,000	330,000	321,800
Professional Services	80100	6,465	150,000	3,576	40,000	150,000	100,000	100,000
Building Lease	80104	54,000	54,000	27,000	54,000	54,000	54,000	54,000
Odor Control	80107	12,189	20,000	3,719	19,650	20,000	20,000	20,000
Ash Removal Contract	81800	129,109	70,000	11,238	88,229	80,000	80,000	80,000
Telephone	85300	11,159	13,000	4,252	9,000	10,000	10,000	10,000
Auto Expense	86300	16,980	21,000	8,747	17,482	18,000	18,000	18,000
Utilities	92000	621,601	800,000	185,529	450,000	700,000	600,000	600,000
Electric Power	92001	1,411,363	1,100,000	653,652	1,137,132	1,250,000	1,250,000	1,250,000
Repairs & Maintenance	93000	508,135	625,000	140,232	622,000	634,000	634,000	634,000
Management Agency Fee	96201	32,211	30,000	7,466	25,000	30,000	30,000	30,000
<b>Total Waste Water Treatment</b>		<b>\$ 7,696,651</b>	<b>\$ 9,304,191</b>	<b>\$ 3,599,653</b>	<b>\$ 8,872,568</b>	<b>\$ 9,333,943</b>	<b>\$ 9,162,413</b>	<b>\$ 9,162,413</b>

# SPECIAL PURPOSE RESERVES

Debt Service

Waste Water Treatment Improvement

Infrastructure Replacement

Meter Replacement

Capital Equipment Replacement

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Debt Service		2011	2012			2013		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Account Name	Account Number							
Revenues:								
Miscellaneous Income	47100	\$ 178,461	\$ 199,164	\$ 100,072	\$ 199,164	\$ 196,869	\$ 196,869	\$ 196,869
Interest on Investments	66500	1,644	1,500	492	1,000	1,000	1,000	1,000
Operation & Maintenance Fund	67620	5,398,386	6,260,000	-	5,115,313	5,224,060	5,224,060	5,224,060
O&M Fund - Generated from Rate	67622	1,698,866	2,022,000	-	2,022,000	2,570,480	2,570,480	2,570,480
<b>Total Financial Resources</b>		<b>7,277,357</b>	<b>8,482,664</b>	<b>100,564</b>	<b>7,337,477</b>	<b>7,992,409</b>	<b>7,992,409</b>	<b>7,992,409</b>
Expenditures:								
<i>Revenue Bond Debt Service</i>								
Principal	99600	1,960,000	2,000,000	1,135,000	2,000,000	-	-	-
Interest	99601	1,020,134	968,331	489,841	968,331	-	-	-
<i>Capital Improvement Bond Debt Service</i>								
Principal	99602	55,000	60,000	60,000	60,000	60,000	60,000	60,000
Interest	99603	32,544	31,059	15,957	31,059	29,304	29,304	29,304
Principal	99604	42,245	342,245	300,000	342,245	2,842,306	2,842,306	2,842,306
Interest	99605	505,176	520,477	241,771	520,477	1,329,463	1,329,463	1,329,463
Interest-2012 bonds	99605	-	831,900	270,760	270,760	537,320	537,320	537,320
<i>State Revolving Fund Bond Debt Service</i>								
Principal	99606	1,045,000	1,065,000	670,000	1,065,000	1,090,000	1,090,000	1,090,000
Interest	99607	368,991	380,663	190,415	380,663	358,491	358,491	358,491
Interest-2013 DWRF {proposed}	99607	-	-	-	-	69,250	69,250	69,250
<i>Lease/Installment Purchases</i>								
Principal	99611	119,547	176,993	87,620	445,209	487,443	487,443	487,443
Interest	99612	35,026	27,311	14,532	27,311	20,161	20,161	20,161
Interest	99613	26,398	-	218,982	218,982	211,659	211,659	211,659
Other costs	99700	2,113	2,000	644	2,000	2,000	2,000	2,000
<b>Total Transfers &amp; Expenditures</b>		<b>5,212,174</b>	<b>6,405,979</b>	<b>3,695,522</b>	<b>6,332,037</b>	<b>7,037,398</b>	<b>7,037,398</b>	<b>7,037,398</b>
Net Increase (Decrease)	96501	2,065,183	2,076,685	(3,594,958)	1,005,440	955,011	955,011	955,011
FY Beginning Restricted Reserve		7,156,512	9,221,695	9,221,695	9,221,695	10,227,135	10,227,135	10,227,135
FY Ending Restricted Reserve		\$ 9,221,695	\$ 11,298,380	\$ 5,626,737	\$ 10,227,135	\$ 11,182,146	\$ 11,182,146	\$ 11,182,146

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 BUDGET WORKPAPERS  
DEBT SERVICE SUMMARY

	2013 Fiscal Year			Total	Average	Highest
	Principal	Interest	Total	Outstanding Debt @ FYE	Annual Debt Service	Annual Debt Service
<b>Capital Improvement Bonds</b>						
2003 Capital improvement bonds	\$ 60,000.00	\$ 29,303.76	\$ 89,303.76	\$ 760,000	\$ 91,508	\$ 93,813
2006 Capital improvement bonds	87,306.23	76,304.94	163,611.17	1,760,804	173,156	228,714
2010 Capital improvement bonds - AMR	300,000.00	437,487.50	737,487.50	8,690,000	629,802	735,145
2010 Capital improvement refunding bonds	1,165,000.00	79,275.00	1,244,275.00	2,780,000	1,025,488	1,244,275
2012 Capital improvement refunding bonds	870,000.00	736,395.83	1,606,395.83	16,910,000	1,621,543	2,418,200
Total capital improvement bonds	<u>2,482,306.23</u>	<u>1,358,767.03</u>	<u>3,841,073.26</u>	<u>30,900,804</u>	<u>3,541,497</u>	<u>4,720,147</u>
<b>State Revolving Fund Bonds</b>						
5134-01: Sand filter	225,000.00	78,250.00	303,250.00	2,905,000	305,198	307,500
5134-02: Water system improvements	300,000.00	98,918.76	398,918.76	4,505,000	396,753	398,919
5134-03: Sand filter stage 2	55,000.00	15,663.18	70,663.18	682,091	70,252	73,623
5134-04: Solids handling improvements	385,000.00	94,534.38	479,534.38	5,625,000	479,963	481,913
Total state revolving fund bonds	<u>965,000.00</u>	<u>287,366.32</u>	<u>1,252,366.32</u>	<u>13,717,091</u>	<u>1,252,165</u>	<u>1,261,954</u>
<b>Installment/Lease Purchases</b>						
WWTP waste heat to energy project	184,142.82	20,161.18	204,304.00	529,692	204,304	204,304
2011 Installment purchase agreement	303,299.72	211,659.28	514,959.00	7,449,787	685,918	870,821
Total installment/lease purchases	<u>487,442.54</u>	<u>231,820.46</u>	<u>719,263.00</u>	<u>7,979,479</u>	<u>890,222</u>	<u>1,075,125</u>
Total 2013 Debt Service	<u>\$ 3,934,748.77</u>	<u>\$ 1,877,953.81</u>	<u>\$ 5,812,702.58</u>	<u>\$ 52,597,374</u>	<u>\$ 5,683,884</u>	<u>\$ 7,057,226</u>

Debt Service Reserve Options - Applies To Bonds		
10% of O/S Debt	110% of Avg Debt	Highest Annual
\$ 5,259,737	\$ 6,252,273	\$ 7,057,226

Debt Service Reserve Ordinance Requirement  
\$ 5,259,737

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
2013 CITY COUNCIL ADOPTED BUDGET  
**Debt Service Reserve**

Pursuant to section 41-181(3) of the Code of Ordinances of the City of Warren, each July the city could increase the combined water and waste water rates to provide funding to pay the long term financing costs for needed capital improvements. In fiscal years 2009, 2010, 2011, and 2012 the mid-year adjustments were 2.5%, 2%, 2%, and 1.5% respectively. In fiscal years 2013, 2014, and 2015, the mid-year adjustment will be 1.5%. Below is a schedule for Fiscal 2013 detailing the estimated revenues from the funding increase, the estimated expenses to be charged against the revenues, and the net balance remaining:

Beginning Balance:		\$4,574,625 {estimated}
2013 Estimated Revenues	\$2,570,480	
2013 Estimated Expenses	<u>(\$1,222,695)</u>	
Net Cumulative Balance (at December 31, 2013):		\$5,922,410 {estimated}

The following capital projects are committed against these funds:

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
2012 Capital Improvement Bond Issue \$15,680,000, 2.0% - 4.1% interest, 20 years Highest Annual Principal & Interest Payment	\$1,000,090
<i>Proposed</i> 2013 State Drinking Water Revolving Fund Issue \$5,540,000, <i>estimated</i> 2.5% interest, 20 years <i>Estimated</i> Highest Annual Principal & Interest Payment	\$ 372,675



CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Waste Water Treatment Improvement		2011	2012			2013		
Account Name	Account Number	Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 255	\$ 100	\$ 112	\$ 200	\$ -	\$ -	\$ -
Financing Proceeds	69600	728,832	480,009	-	269,690	-	-	-
<b>Total Financial Resources</b>		729,087	480,109	112	269,890	-	-	-
Expenditures:								
Non-capitalized expenses	95600	1,943	-	-	-	-	-	-
Transfers to Operation & Maintenance	96520	86,667	-	-	200	-	-	-
Construction Contracts	97001	-	-	-	-	24,775	24,775	24,775
State Revolving Fund Projects	97002	728,832	480,009	2,339	269,690	-	-	-
<b>Total Expenditures</b>		817,442	480,009	2,339	269,890	24,775	24,775	24,775
Net Increase (Decrease)	67601	(88,355)	100	(2,227)	-	(24,775)	(24,775)	(24,775)
FY Beginning Restricted Reserve		113,130	24,775	24,775	24,775	24,775	24,775	24,775
FY Ending Restricted Reserve		\$ 24,775	\$ 24,875	\$ 22,548	\$ 24,775	\$ -	\$ -	\$ -

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Infrastructure Replacement		2011	2012			2013		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Miscellaneous Income	47100	\$ 26,522	\$ -	\$ 1,305	\$ 1,305	\$ -	\$ -	\$ -
Interest on Investments	66500	476	2,000	198	1,200	15,000	15,000	15,000
Operation & Maintenance	67620	-	-	-	27,495	-	-	-
Financing Proceeds	69600	-	33,987,244	15,452,487	15,452,487	5,540,000	5,540,000	5,540,000
<b>Total Financial Resources</b>		26,998	33,989,244	15,453,990	15,482,487	5,555,000	5,555,000	5,555,000
Expenditures:								
Non-capitalized expenses	95600	30,005	100,000	9,092	30,000	-	-	-
Transfers to Operation & Maintenance	96520	691,430	-	-	-	-	-	-
Construction Contracts	97001	289,926	32,565,078	566,341	1,150,000	8,576,119	8,576,119	8,576,119
Bond issuance costs	97003	-	1,481,200	72,047	100,000	100,000	100,000	100,000
<b>Total Expenditures</b>		1,011,361	34,146,278	647,480	1,280,000	8,676,119	8,676,119	8,676,119
Net Increase (Decrease)	67601	(984,363)	(157,034)	14,806,510	14,202,487	(3,121,119)	(3,121,119)	(3,121,119)
FY Beginning Unspent Bond Proceeds		1,078,128	824,244	824,244	824,244	15,026,731	15,026,731	15,026,731
FY Beginning Restricted Reserve		776,598	46,119	46,119	46,119	46,119	46,119	46,119
FY Ending Unspent Bond Proceeds		824,244	667,210	15,638,343	15,026,731	11,936,731	11,936,731	11,936,731
FY Ending Restricted Reserve		\$ 46,119	\$ 46,119	\$ 38,530	\$ 46,119	\$ 15,000	\$ 15,000	\$ 15,000

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
INFRASTRUCTURE REPLACEMENT RESERVE

Project Description	Cost Estimate
<b>ONGOING APPROVED PROJECTS (Funded with 2012 Capital Improvement Bonds)</b>	
<i><b>Watermain Replacement Projects</b></i>	
Watermain Replacement to Gen Building	\$ 58,826
Watermain Installation to NE Section of WWTP	144,090
Chicago Road, Pagels to Blair (in conjunction with sewer work in same area)	210,000
Regency Park Drive watermain loop (Stephens to 1,200 feet south)	190,000
Replacement of sections of ex watermains in Section 5	300,000
<i>Pressure reducing valves:</i>	
Fourteen Mile at Mound	495,000
Fourteen Mile at Schoenherr	510,000
Replacement of Deteriorated Existing Watermains, City Wide	7,555,000
Watermain Upsize and Redundant Looping Projects	<u>2,400,000</u>
Subtotal	<u>11,862,916</u>
<i><b>Infiltration Removal from the Sanitary Sewer System</b></i>	
Project Plan for Sanitary Collection System Permit Compliance	1,261,000
<i><b>Sanitary Sewer Replacements/Repairs due to Condition</b></i>	
Cunningham from Toepfer to Nine Mile	600,000
<i><b>Repair of Sewage Infiltration into the Storm Sewer System:</b></i>	
Eight Mile, west of Groesbeck	250,000
Dequindre, north of Eight Mile	50,000
Hoover at Toepfer	150,000
14 Mile at Mound	50,000
Chicago between Blair and Dimas	500,000
Essex West of Lorraine (Sec 27)	<u>550,000</u>
Subtotal	<u>3,411,000</u>
Total Ongoing Projects	<u><u>\$ 15,273,916</u></u>
<b>PROPOSED NEW PROJECT (Funded with 2013 DWRP Issue)</b>	
Replacement of existing 6" diameter watermains	<u><u>\$ 5,540,000</u></u>

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

<b>Meter Replacement</b>		2011	2012			2013		
Account Name	Account Number	Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 12,301	\$ 10,000	\$ 3,344	\$ 5,000	\$ 750	\$ 750	\$ 750
Financing Proceeds	69600	-	-	-	-	-	-	-
<b>Total Financial Resources</b>		12,301	10,000	3,344	5,000	750	750	750
Expenditures:								
Transfers to Operation & Maintenance	96520	771,506	-	-	5,000	-	-	-
Construction Contracts	97001	2,319,168	2,403,378	2,642,254	4,907,000	1,244,030	1,244,030	1,244,030
Bond issuance costs	97003	-	-	-	-	-	-	-
<b>Total Expenditures</b>		3,090,674	2,403,378	2,642,254	4,912,000	1,244,030	1,244,030	1,244,030
Net Increase (Decrease)	67601	(3,078,373)	(2,393,378)	(2,638,910)	(4,907,000)	(1,243,280)	(1,243,280)	(1,243,280)
FY Beginning Restricted Reserve		9,229,403	6,151,030	6,151,030	6,151,030	1,244,030	1,244,030	1,244,030
FY Ending Unspent Bond Proceeds		\$ 6,151,030	\$ 3,757,652	\$ 3,512,120	\$ 1,244,030	750	\$ 750	\$ 750

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES  
2013 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Capital Equipment		2011	2012			2013		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Interest on Investments	66500	\$ 419	\$ 300	\$ 35	\$ 70	\$ 100	\$ 100	\$ 100
Transfer From:								
Operation & Maintenance	67620	377,600	924,500	-	1,024,430	1,198,900	1,198,900	1,198,900
<b>Total Financial Resources</b>		<b>378,019</b>	<b>924,800</b>	<b>35</b>	<b>1,024,500</b>	<b>1,199,000</b>	<b>1,199,000</b>	<b>1,199,000</b>
Expenditures:								
Transfers to Operation & Maintenance	96520	251,763	-	-	-	-	-	-
Water Maintenance	98040	203,974	100,000	-	100,000	160,000	160,000	160,000
Administration	98060	54,007	52,000	19,388	52,000	44,000	44,000	44,000
Waste Water Treatment	98080	226,577	872,500	135,816	880,009	995,000	995,000	995,000
<b>Total Expenditures</b>		<b>736,321</b>	<b>1,024,500</b>	<b>155,204</b>	<b>1,032,009</b>	<b>1,199,000</b>	<b>1,199,000</b>	<b>1,199,000</b>
Net Increase (Decrease)	67601	(358,302)	(99,700)	(155,169)	(7,509)	-	-	-
FY Beginning Restricted Reserve		365,811	7,509	7,509	7,509	-	-	-
FY Ending Restricted Reserve		\$ 7,509	\$ (92,191)	\$ (147,660)	\$ -	\$ -	\$ -	\$ -

CITY OF WARREN, MICHIGAN  
WATER & SEWER SYSTEM  
CAPITAL EQUIPMENT RESERVE

Funding Category	Item Description	#	New or Replacement	Estimated Cost
<b>98040 Water Maintenance:</b>				
2013-01	Crew van	1	R	\$ 50,000
2013-02	Pickup trucks	2	R	50,000
2013-03	Time and attendance hardware/software	1	N	20,000
2013-04	Neptune meter reading hardware	1	N	20,000
2013-05	Rehab jet truck	1	N	10,000
2013-06	Sewer lateral TV camera with DVD capability	1	R	10,000
				160,000
<b>98060 Administration:</b>				
2013-07	Inspection vehicles	2	R	44,000
Total Water Division Capital Requests				\$ 204,000
<b>98080 Waste Water Treatment Plant:</b>				
<i>Administrative</i>				
2013-08	Office copier	1	R	\$ 7,000
2013-09	Flooring Replacement	1	R	8,500
<i>Process Control - Automation</i>				
2013-10	Allen Bradley PLC replacement parts	1	R	40,000
2013-11	Sludge blanket depth monitor system	1	R	40,000
2013-12	Network server	1	N	15,000
2013-13	Non potable pump motor ground addition	1	R	10,000
<i>Operations</i>				
2013-14	Industrial shelving	1	N	10,000
2013-15	Tile ops. Lunch and locker rooms	1	R	10,000
2013-16	Hydraulic rising stem valve operator	1	N	8,000
2013-17	Forklift shelter	1	N	5,000
<i>Facilities</i>				
2013-18	East ash lagoon replacement	1	R	413,000
2013-19	Road rehab wet well, maintenance solids bldgs	1	R	85,000
2013-20	Road replcmt sand filter to blower bldg	1	R	80,000
2013-21	Generator drainage improvements	1	N	68,000
2013-22	Repr storm sewer outlet to Beaver Creek	1	R	60,000
2013-23	Door replacement project	1	R	40,000
2013-24	Wet well stair replacement	1	R	30,000
2013-25	Concrete 4 primary tank hoppers	1	R	20,000
2013-26	Filter system for blending tank odor control	1	N	10,000
<b>98080 Waste Water Treatment Plant (continued):</b>				
<i>Laboratory</i>				
2013-27	Industrial sampling vehicle	1	R	29,000
2013-28	Autoclave	1	N	6,500
Total Waste Water Treatment Capital Requests				\$ 995,000
GRAND TOTAL - EQUIPMENT REQUESTS				\$ 1,199,000

