

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



**2014 FISCAL YEAR
AS ADOPTED BY CITY COUNCIL**

CITY OF WARREN, MICHIGAN

WATER & SEWER SYSTEM BUDGET

2014 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

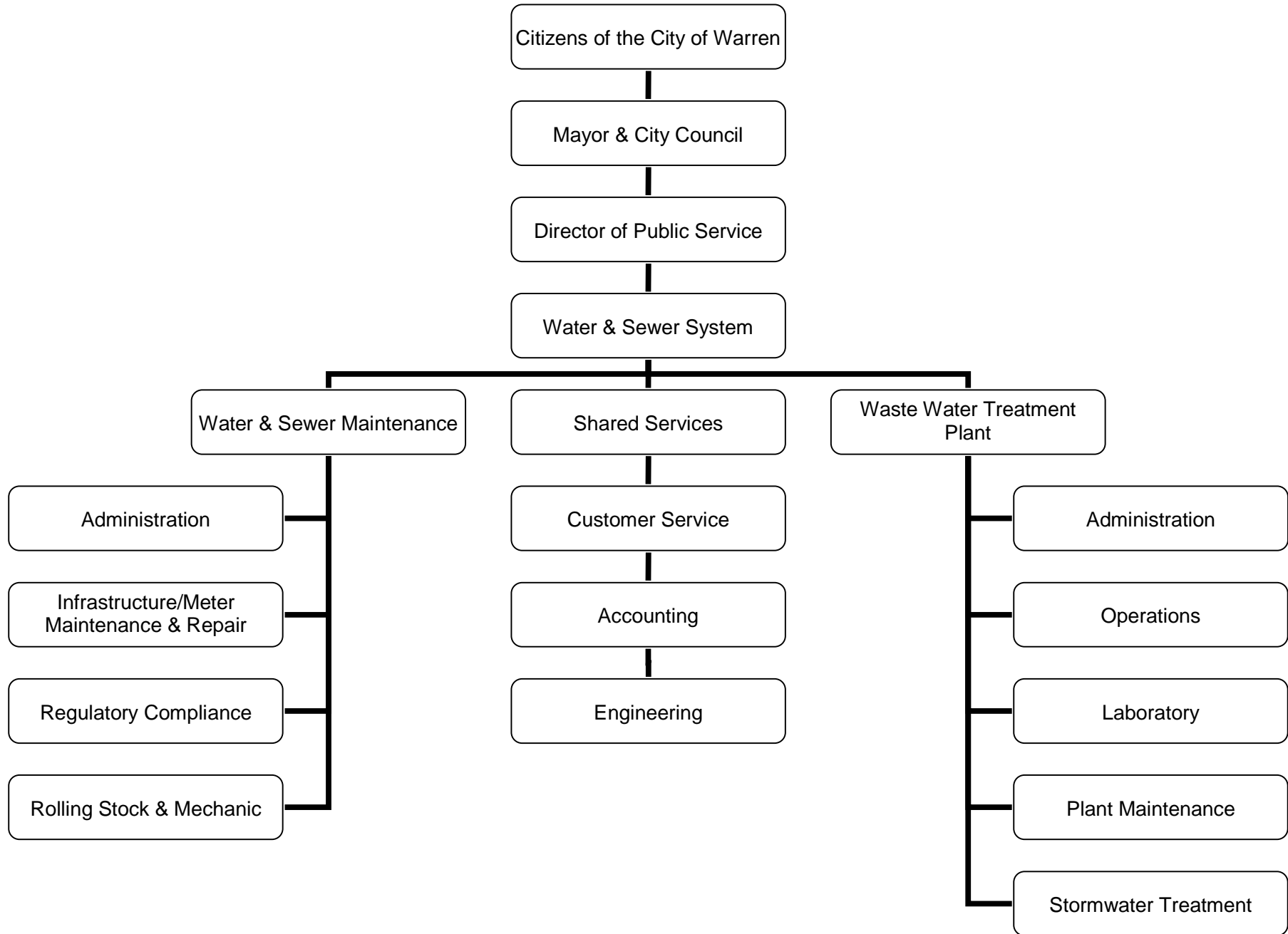
Scott C. Stevens, Secretary
Keith Sadowski, Assistant Secretary
Kelly Colegio

Robert Boccomino
Steven Warner

TREASURER
Carolyn Kurkowski Mocerri

CITY CLERK
Paul Wojno





CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 CITY COUNCIL ADOPTED BUDGET
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WATER & SEWER SYSTEM
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CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 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 2014 City Council Adopted Water & Sewer System Budget is presented with a 1.9 percent rate change. This nominal rate change would not be possible without the joint efforts between the administration, members of City Council, and employees to continue to find ways to improve efficiencies and reduce expenses without sacrificing customer services. The 2014 City Council Adopted Budget adds two labor positions to the Water and Sewer Maintenance section and one position to Shared Services. Water sales revenues for Fiscal 2014 are based on 690 million cubic feet, which was the same level used to calculate Fiscal 2013 revenues, and are based on the assumption that weather conditions, especially during the summer months, will be average.

The 2014 City Council Adopted Water & Sewer System Budget continues to recognize the need to invest in capital and improve infrastructure. This budget includes over \$5.1 million in new capital equipment and improvements. Approximately \$4 million will be used at the Waste Water Treatment Plant facility to rehabilitate final clarifier 1-4 and replace the east ash lagoon. Funding for these major capital items will come from the Water and Sewer System's unrestricted fund balance, which at December 31, 2012 was just under \$21 million.

Approximately \$8.3 million is estimated to be transferred to the debt service fund, with approximately \$3.1 million resulting from the previously approved rate increases designated to pay the debt service cost for necessary infrastructure improvements. Three bond issues are committed against these funds and have an estimated cost of \$2.7 million annually.

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	\$ 0.82	\$ 0.82	\$ -	
Sewer Service Charge	1.97	1.97	-	
Water Charge	27.50	28.50	1.00	
Waste Water Treatment Charge	21.34	21.34	-	
Total	\$ 51.63	\$ 52.63	\$ 1.00	1.9%

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 BUDGET FINANCIAL STATEMENTS

SCHEDULE B
DISTRIBUTION OF COSTS TO RATES-COUNCIL ADOPTED

Budget Cost Item:	Total	Supporting Revenue			
		Water Rate	Waste Water Rate	Water Service Charge	Sewer Service Charge
<i>Wages & Fringe Benefits</i>					
Water & Sewer Maintenance	\$ 5,199,749	\$ 3,171,485	\$ -	\$ 590,032	\$ 1,438,232
Shared Services	2,475,484	1,732,839	742,645	-	-
Waste Water Treatment	5,951,873	-	5,951,873	-	-
Total Wages & Fringe Benefits	13,627,106	4,904,324	6,694,518	590,032	1,438,232
<i>Supplies & Other Charges</i>					
Water Purchases	9,100,000	9,100,000	-	-	-
Uncollectible debt	250,000	132,854	92,170	7,513	17,463
Water & Sewer Maintenance	2,155,000	1,261,406	-	286,250	607,344
Shared Services	2,925,295	1,264,665	1,360,495	206,265	93,870
Waste Water Treatment	3,208,150	-	3,208,150	-	-
Total Supplies & Other Charges	17,638,445	11,758,925	4,660,815	500,028	718,677
<i>Transfers To Reserves</i>					
Capital Equipment	5,150,700	696,400	4,454,300	-	-
Debt Service	8,273,883	3,565,941	4,047,330	111,567	549,045
Total Transfers	13,424,583	4,262,341	8,501,630	111,567	549,045
TOTAL COSTS	\$ 44,690,134	\$ 20,925,590	\$ 19,856,963	\$ 1,201,627	\$ 2,705,954

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 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} \$	44,690,134	\$ 20,925,590	\$ 19,856,963	\$ 1,201,627	\$ 2,705,954
OFFSETS FOR OTHER REVENUES:					
Water Sales - Unmetered	14,000	14,000	-	-	-
Public Fire Protection	90,000	90,000	-	-	-
Penalties	1,500,000	750,000	750,000	-	-
Water Division - Other Income	75,000	75,000	-	-	-
Meter Repairs	3,000	-	-	3,000	-
Outside Service Income	35,000	35,000	-	-	-
Meter Sales	40,000	-	-	40,000	-
Centerline Transmission Charge	12,000	12,000	-	-	-
Pre-Treatment Surcharges	780,000	-	780,000	-	-
Cross Connection Charges	245,000	245,000	-	-	-
Waste Treatment - Other Income	220,000	-	220,000	-	-
Interest On Investments	25,000	12,500	12,500	-	-
Gain {Loss} On Asset Conversion	60,000	30,000	30,000	-	-
Use of Retained Earnings	4,019,400	-	4,019,400	-	-
Total revenue offsets	7,118,400	1,263,500	5,811,900	43,000	-
NET COSTS ALLOCATED TO RATES	\$ 37,571,734	\$ 19,662,090	\$ 14,045,063	\$ 1,158,627	\$ 2,705,954
Estimated billable consumption {100 c.f.}		6,900,000	6,582,600		
Supporting rate required		\$ 2.850	\$ 2.134	\$ 0.82	\$ 1.97
Current rate		\$ 2.750	\$ 2.134	\$ 0.82	\$ 1.97
Increase (decrease)		\$ 0.100	\$ -	\$ -	\$ -

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 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	\$ 0.82	\$ 0.82	\$ 0.82
Sewer Service Charge	1.97	1.97	1.97
Water 0 - 200 Cubic Feet	5.50	5.70	5.70
Waste Water Treatment 0 - 200 Cubic Feet	4.27	4.27	4.27
Total	\$ 12.56	\$ 12.76	\$ 12.76
<u>Waste Water Extra Strength Surcharges Per Pound:</u>			
Bio-chemical Oxygen Demand (BOD)	\$ 0.1918	\$ 0.2184	\$ 0.2184
Suspended Solids (SS)	\$ 0.2246	\$ 0.2527	\$ 0.2527
Phosphorus (P)	\$ 1.9953	\$ 2.2577	\$ 2.2577
Ammonia (NH3-N)	\$ 0.4683	\$ 0.4838	\$ 0.4838
<u>Waste Water Pretreatment Charge:</u>			
Per Sample	\$ 190.00	\$ 190.00	\$ 190.00
Per Analysis	\$ 80.00	\$ 80.00	\$ 80.00
<u>Commodity Charge Per 100 Cubic Feet:</u>			
Non-Domestic User	\$ 0.3478	\$ 0.3607	\$ 0.3607
<u>Cross-Connection Charge Per 100 Cubic Feet:</u>			
Non-Domestic User	\$ 0.1003	\$ 0.1003	\$ 0.1003

WATER SERVICE CHARGE

Meter Size	# of Meters	AWWA Meter Ratio	Equivalent Meters	2013 Service Charge	2014 Service Charge	Estimated Revenue
5/8"	43,583	1	43,583	\$0.82	\$0.82	\$ 428,857
3/4"	6	2	12	\$1.64	\$1.64	118
1"	3,771	4	15,084	\$3.28	\$3.28	148,427
1 - 1/2"	964	10	9,640	\$8.20	\$8.20	94,858
2"	931	25	23,275	\$20.50	\$20.50	229,026
3"	167	45	7,515	\$36.90	\$36.90	73,948
4"	69	90	6,210	\$73.80	\$73.80	61,106
6"	24	170	4,080	\$139.40	\$139.40	40,147
8"	12	300	3,600	\$246.00	\$246.00	35,424
10"	9	500	4,500	\$410.00	\$410.00	44,280
	<u>49,536</u>		<u>117,499</u>			<u>\$ 1,156,191</u>

SEWER SERVICE CHARGE

Meter Size	# of Meters	AWWA Meter Ratio	Equivalent Meters	2013 Service Charge	2014 Service Charge	Estimated Revenue
5/8"	43,004	1	43,004	\$1.97	\$1.97	\$ 1,016,615
3/4"	12	2	24	\$3.94	\$3.94	567
1"	3,618	4	14,472	\$7.88	\$7.88	342,118
1 - 1/2"	926	10	9,260	\$19.70	\$19.70	218,906
2"	881	25	22,025	\$49.25	\$49.25	520,671
3"	168	45	7,560	\$88.65	\$88.65	178,718
4"	69	90	6,210	\$177.30	\$177.30	146,804
6"	24	170	4,080	\$334.90	\$334.90	96,451
8"	12	300	3,600	\$591.00	\$591.00	85,104
10"	9	500	4,500	\$985.00	\$985.00	106,380
	<u>48,723</u>		<u>114,735</u>			<u>\$ 2,712,334</u>

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 BUDGET FINANCIAL STATEMENTS

Revenues

Account Name	Account Number	2012	2013			2014		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Water & Sewer Charges								
Water Sales	080-46101	\$ 19,737,384	\$ 19,665,200	\$ 8,496,402	\$ 18,650,000	\$ 20,274,700	\$ 19,662,000	\$ 19,662,000
Water Service Charges	080-46103	1,116,098	1,143,500	554,753	1,124,700	1,138,500	1,158,600	1,158,600
Waste Water Treatment Charges	080-47501	13,693,110	13,836,900	5,785,174	13,000,000	14,261,600	14,045,000	14,045,000
Sewer Service Charges	080-47502	2,594,317	2,679,100	1,291,811	2,630,608	2,748,700	2,705,900	2,705,900
<i>Total Water & Sewer Charges</i>		37,140,909	37,324,700	16,128,140	35,405,308	38,423,500	37,571,500	37,571,500
Other Operating Revenue								
Water Sales - Unmetered	080-46000	12,150	14,000	7,350	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	2,086,146	2,250,000	889,506	1,700,000	1,500,000	1,500,000	1,500,000
Water Division - Other Income	080-47100	61,174	40,000	50,091	65,000	75,000	75,000	75,000
Garage Installment Sale	080-47200	1,609	-	-	-	-	-	-
Meter Repairs	080-47402	2,252	3,000	1,565	3,000	3,000	3,000	3,000
Outside Service Income	080-47404	17,700	25,000	23,087	25,000	35,000	35,000	35,000
Meter Sales	080-47405	44,006	40,000	18,773	40,000	40,000	40,000	40,000
Centerline Transmission Charge	080-47406	19,692	12,000	6,898	12,000	12,000	12,000	12,000
Pre-Treatment Surcharges	080-47407	912,588	788,575	392,045	662,700	700,000	780,000	780,000
Cross Connection Charges	080-47408	253,505	251,100	104,462	241,900	245,000	245,000	245,000
Waste Treatment - Other Income	080-47410	196,569	210,000	130,922	210,000	220,000	220,000	220,000
<i>Total Other Operating Revenue</i>		3,697,391	3,723,675	1,669,699	3,063,600	2,934,000	3,014,000	3,014,000
<i>Total Operating Revenue</i>		40,838,300	41,048,375	17,797,839	38,468,908	41,357,500	40,585,500	40,585,500
Non-Operating Revenue								
Interest On Investments	080-66500	21,885	20,000	14,576	23,200	25,000	25,000	25,000
Gain {Loss} On Asset Conversion	080-47401	140,108	50,000	74,158	74,158	60,000	60,000	60,000
<i>Total Non-Operating Revenue</i>		161,993	70,000	88,734	97,358	85,000	85,000	85,000
GRAND TOTAL		\$ 41,000,293	\$ 41,118,375	\$ 17,886,573	\$ 38,566,266	\$ 41,442,500	\$ 40,670,500	\$ 40,670,500

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Expenditure Summary

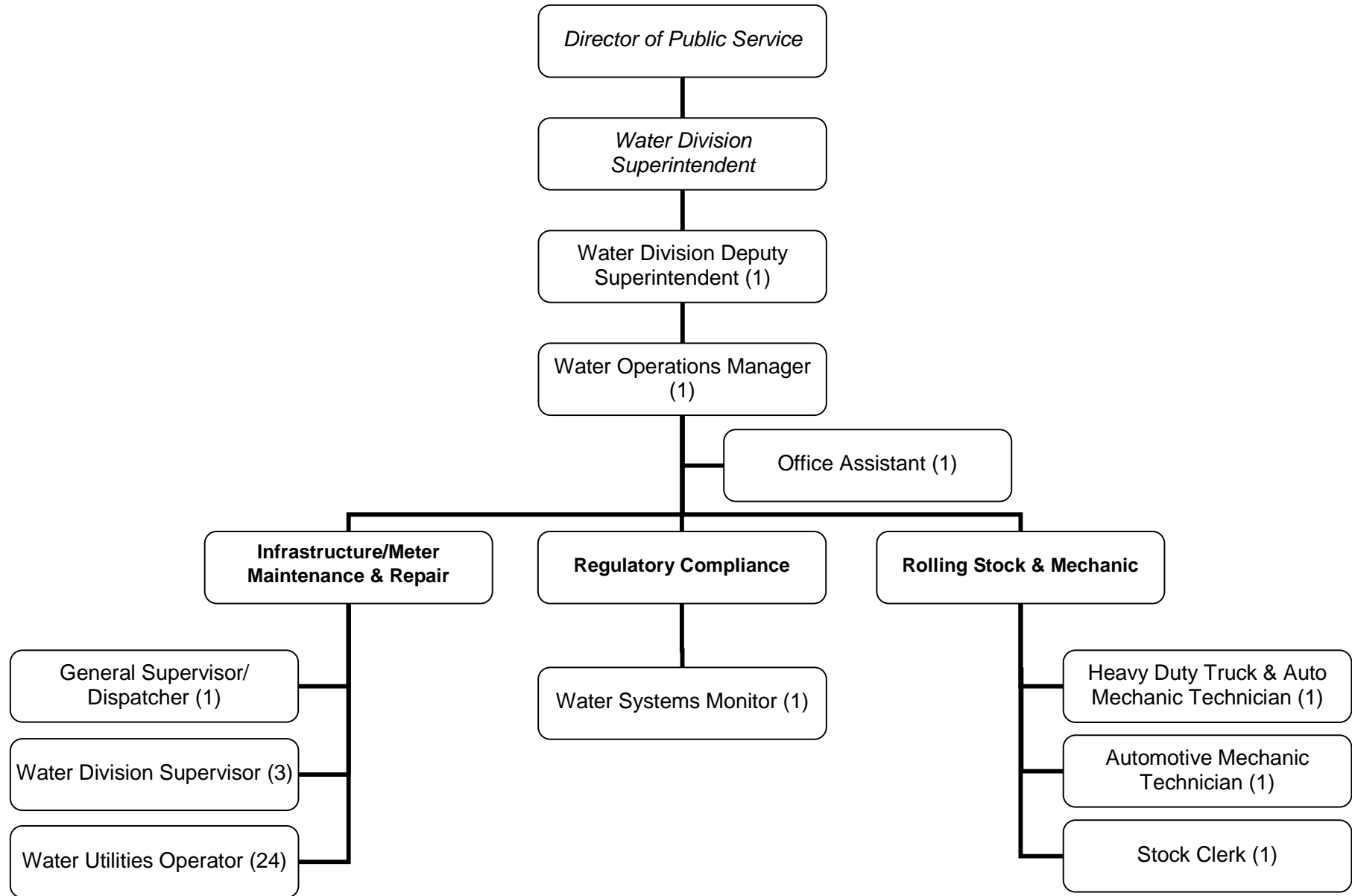
Account Name	Account Number	2012	2013		2014			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Wages & Fringe Benefits								
Water & Sewer Maintenance	1540	\$ 3,931,811	\$ 4,993,754	\$ 1,727,192	\$ 4,684,798	\$ 5,199,749	\$ 5,199,749	\$ 5,199,749
Shared Services	1560	1,911,716	2,354,471	912,581	2,262,336	2,517,149	2,475,484	2,475,484
Waste Water Treatment	1580	4,869,956	5,959,613	2,400,555	5,572,555	5,972,090	5,951,873	5,951,873
<i>Total Wages & Fringe Benefits</i>		10,713,483	13,307,838	5,040,328	12,519,689	13,688,988	13,627,106	13,627,106
Supplies & Other Charges								
Water Purchases	1537-92700	9,740,191	10,105,000	3,017,524	9,415,000	9,100,000	9,100,000	9,100,000
Uncollectible debt	1537-95800	45,669	525,000	-	525,000	250,000	250,000	250,000
Water & Sewer Maintenance	1540	1,488,828	2,204,700	512,810	2,011,000	2,175,000	2,155,000	2,155,000
Shared Services	1560	2,662,218	2,882,438	1,295,905	2,780,500	2,925,295	2,925,295	2,925,295
Waste Water Treatment	1580	2,913,441	3,202,800	1,209,526	3,132,000	3,208,150	3,208,150	3,208,150
<i>Total Supplies & Other Charges</i>		16,850,347	18,919,938	6,035,765	17,863,500	17,658,445	17,638,445	17,638,445
Transfers To/(From) Reserves								
Retained Earnings	67601	4,749,367	(102,841)	811,580	(464,750)	(4,018,342)	(4,019,634)	(4,019,634)
WWT Improvement Reserve	1537-96540	(72)	-	-	(45)	-	-	-
Meter Replacement Reserve	1537-96545	368,809	-	-	(341,976)	-	-	-
Capital Equipment	1537-96547	925,190	1,198,900	1,198,900	1,198,700	5,839,526	5,150,700	5,150,700
Debt Service	1537-96572	7,393,169	7,794,540	4,800,000	7,791,148	8,273,883	8,273,883	8,273,883
<i>Total Transfers</i>		13,436,463	8,890,599	6,810,480	8,183,077	10,095,067	9,404,949	9,404,949
GRAND TOTAL		\$ 41,000,293	\$ 41,118,375	\$ 17,886,573	\$ 38,566,266	\$ 41,442,500	\$ 40,670,500	\$ 40,670,500



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 CITY COUNCIL ADOPTED BUDGET
STATEMENT OF ESTIMATED REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS
YEAR ENDING DECEMBER 31, 2014

	TOTAL	Unrestricted	Restricted				
		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	\$ 37,571,500	\$ 37,571,500	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating revenue	3,014,000	3,014,000	-	-	-	-	-
NON-OPERATING REVENUES:							
Interest on investments	76,790	25,000	-	50,000	90	200	1,500
Other Income	253,835	60,000	-	-	-	-	193,835
TRANSFERS FROM:							
Other funds	13,424,583	-	-	-	-	5,150,700	8,273,883
Restricted Reserves	-	-	-	-	-	-	-
OTHER FINANCIAL RESOURCES:							
Financing Proceeds	-	-	-	-	-	-	-
TOTAL FINANCIAL RESOURCES	54,340,708	40,670,500	-	50,000	90	5,150,900	8,469,218
OPERATING EXPENSES:							
Water purchases	9,100,000	9,100,000	-	-	-	-	-
Uncollectible debt		250,000	-	-	-	-	-
Water & sewer maintenance	7,354,749	7,354,749	-	-	-	-	-
Shared services	5,400,779	5,400,779	-	-	-	-	-
Waste water treatment plant	9,160,023	9,160,023	-	-	-	-	-
NON-OPERATING EXPENSES:							
Construction contracts & related costs	18,763,288	-	24,775	13,230,689	356,924	5,150,900	-
Other non-operating expenses	8,352,682	-	-	-	-	-	8,352,682
TRANSFERS TO:							
Other funds	13,424,583	13,424,583	-	-	-	-	-
TOTAL EXPENSES	71,556,104	44,690,134	24,775	13,230,689	356,924	5,150,900	8,352,682
NET FISCAL YEAR INCREASE (DECREASE)	(17,215,396)	(4,019,634)	(24,775)	(13,180,689)	(356,834)	-	116,536
Estimated Fund Equity - January 1, 2014	63,505,291	20,904,939	24,775	30,688,018	356,834	-	11,530,725
Estimated Fund Equity - December 31, 2014	\$ 46,289,895	\$ 16,885,305	\$ -	\$ 17,507,329	\$ -	\$ -	\$ 11,647,261

Water & Sewer Maintenance



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 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. 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 – 2014 Adopted Budget Compared to 2013 Adopted Budget

Personnel:

The total cost of personnel services and benefits increased by \$205,995 or 4.1%, with the addition of a General Supervisor/Dispatcher and an Office Assistant. The General Supervisor/Dispatcher was re-established as a result of a settlement with AFSCME Local 1917, and the Office Assistant was added to perform miscellaneous clerical work that is currently completed by a Water Utilities Operator. Retirement fund expenses also increased as a result of the change to the contribution policy. Periodic employer contributions are no longer calculated as a percentage of annual covered payrolls, but rather are based on actuarially determined dollar values.

Other Charges:

Total other charges decreased by \$49,700 or 2.3%. Professional services expense was decreased by \$150,000 to bring the budgeted amounts in line with actual expenses. This decrease was offset mostly by a \$105,000 increase in dirt removal.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 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	85,050	1	85,050	1	85,050
General Supervisor/Dispatcher	-	-	1	(b) 76,553	1	(b) 76,553	1	(b) 76,553
Water Division Supervisor	3	70,034	3	70,909	3	70,909	3	70,909
Water Utilities Operator	24	56,285	24	56,988	24	56,988	24	56,988
Water Systems Monitor	1	62,956	1	63,743	1	63,743	1	63,743
Heavy Duty Truck & Auto Mech. Technician	1	63,440	1	64,233	1	64,233	1	64,233
Automotive Mechanic Technician	1	63,440	1	64,233	1	64,233	1	64,233
Stock Clerk	1	52,541	1	53,198	1	53,198	1	53,198
Office Assistant	-	-	1	(b) 34,707	1	(b) 34,707	1	(b) 34,707
Overtime		100,000		100,000		100,000		100,000
Temporary Employees		118,000		100,000		100,000		100,000
Total Personnel	<u>33</u>		<u>35</u>		<u>35</u>		<u>35</u>	

(a) Wage rates are based on the UAW Local 412 Unit 59 contract that expired 6/30/12, and the AFSCME Local 1250 and Local 1917 contracts that expire 6/30/16.

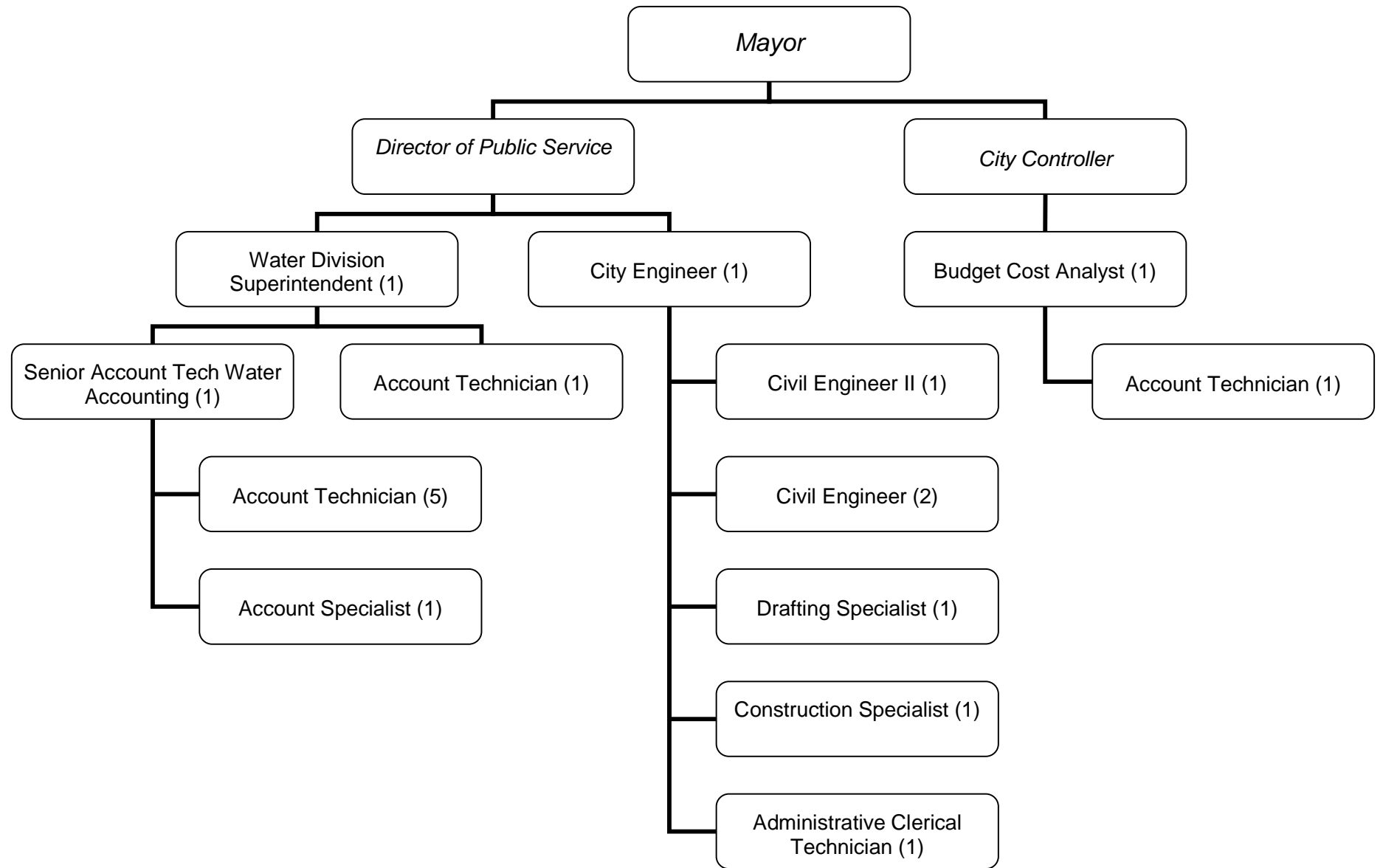
(b) New Position. The General Supervisor/Dispatcher position was added as a result of a settlement with AFSCME Local 1917.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Water & Sewer Maintenance

Account Name	Account Number	2012	2013			2014		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Personnel Services								
Permanent Employees	70600	\$ 1,669,139	\$ 1,972,436	\$ 762,500	\$ 1,800,000	\$ 1,990,266	\$ 1,990,266	\$ 1,990,266
Temporary Labor	70700	81,112	118,000	29,773	100,000	100,000	100,000	100,000
Overtime	70900	55,278	100,000	25,341	70,000	100,000	100,000	100,000
Employee Benefits								
Education & Training	71302	7,057	12,400	1,078	10,000	14,400	14,400	14,400
Social Security	71500	142,737	174,579	63,897	165,009	172,136	172,136	172,136
Insurances	71900	385,673	560,986	158,684	560,986	534,279	534,279	534,279
Employees' VEBA Trust	71904	587,772	735,696	256,198	661,723	482,834	482,834	482,834
Health Savings	71905	3,057	3,831	1,817	3,349	10,041	10,041	10,041
Supplemental Life Insurance	71906	2,064	2,538	1,229	2,538	3,022	3,022	3,022
Longevity	72100	77,101	79,727	34,357	79,727	57,788	57,788	57,788
Retirement Fund	72200	848,372	1,154,477	354,880	1,152,382	1,595,000	1,595,000	1,595,000
Defined Contribution Expense	72201	68,372	73,384	36,284	73,384	134,093	134,093	134,093
Uniforms	72401	4,077	5,700	1,154	5,700	5,890	5,890	5,890
Other Charges								
Operating Supplies	74000	205,721	354,500	110,508	354,500	355,000	355,000	355,000
Materials	78700	88,742	75,000	25,371	65,000	50,000	50,000	50,000
Meter Replacement	78900	12,250	50,000	53,426	70,000	50,000	50,000	50,000
Professional Services	80100	283,945	700,000	177,330	600,000	550,000	550,000	550,000
Dirt Removal	80102	110,008	75,000	37,305	75,000	200,000	180,000	180,000
Concrete, Lawn & Manhole Repairs	80103	552,760	680,000	-	575,000	680,000	680,000	680,000
Telephone	85300	15,752	20,200	13,286	26,500	35,000	35,000	35,000
Auto Expense	86300	134,774	150,000	51,936	150,000	150,000	150,000	150,000
Utilities	92000	76,491	80,000	42,532	80,000	80,000	80,000	80,000
Facility Maintenance	97500	8,385	20,000	1,116	15,000	25,000	25,000	25,000
Total Water & Sewer Maintenance		\$ 5,420,639	\$ 7,198,454	\$ 2,240,002	\$ 6,695,798	\$ 7,374,749	\$ 7,354,749	\$ 7,354,749

Shared Services



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 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. The Budget Cost Analyst and Two Account Technicians are included in this section. Their responsibilities include the review of all financial activity and computer entries, such as purchase requisitions, purchase orders and invoices, and vendor payments. They are responsible for payroll and correctly distributing the associated costs. They also prepare various monthly financial and 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 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 – 2014 Adopted Budget Compared to 2013 Adopted Budget

Personnel:

The total cost of personnel services and benefits increased by \$162,678 or 6.9%. A Civil Engineer II position was added to work on the unprecedented number of infrastructure repair and improvement projects and to reduce the amount of work assigned to outside engineering firms. In addition, there are a number of employee reclassifications in the Customer Service area to recognize the additional responsibilities with the new meter reading system and the resolution of delinquent customer accounts. Retirement Fund expenses also increased as a result of the change to the contribution policy. Periodic employer contributions are no longer calculated as a percentage of annual covered payrolls, but rather are based on actuarially determined dollar values.

Other Charges:

Total other charges increased by \$42,857 or 1.5%. Postage increased by \$10,000 or 4.4% due to an increase in postal rates and additional mailings associated with delinquent accounts. Reimbursement to the City for administrative expenses increased \$53,160 or 3%. These increases were offset by a \$20,000 or 10% decrease in Professional Services.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 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	\$ 94,483	1	\$ 94,483	1	\$ 94,483
Senior Account Tech./Water Acctg.	-	-	1	(c) 58,143	1	(c) 58,143	(c)	58,143
Senior Clerk	1	53,425	-	(c) -	-	(c) -	1	(c) -
Budget Cost Analyst	1	69,791	1	69,791	1	69,791	1	69,791
Account Technician	2	53,421	8	(c) 54,089	7	(c) 54,089	7	(c) 54,089
Administrative Clerical Technician	1	51,100	1	51,739	1	51,739	1	51,739
Account Specialist	5	49,816	-	(c) -	1	(c) 50,439	1	(c) 50,439
Office Assistant	1	34,279	-	(c) -	-	(c) -	-	(c) -
City Engineer	1	112,000	1	113,400	1	113,400	1	113,400
Civil Engineer II	-	-	1	(b) 83,224	1	(b) 83,224	1	(b) 83,224
Civil Engineer	2	78,425	2	79,405	2	79,405	2	79,405
Drafting Specialist	1	57,865	1	58,588	1	58,588	1	58,588
Construction Specialist	1	61,838	1	62,611	1	62,611	1	62,611
Overtime		130,475		109,000		81,900		81,900
Temporary Employees		31,500		30,000		30,000		30,000
Total Personnel	<u>17</u>		<u>18</u>		<u>18</u>		<u>18</u>	

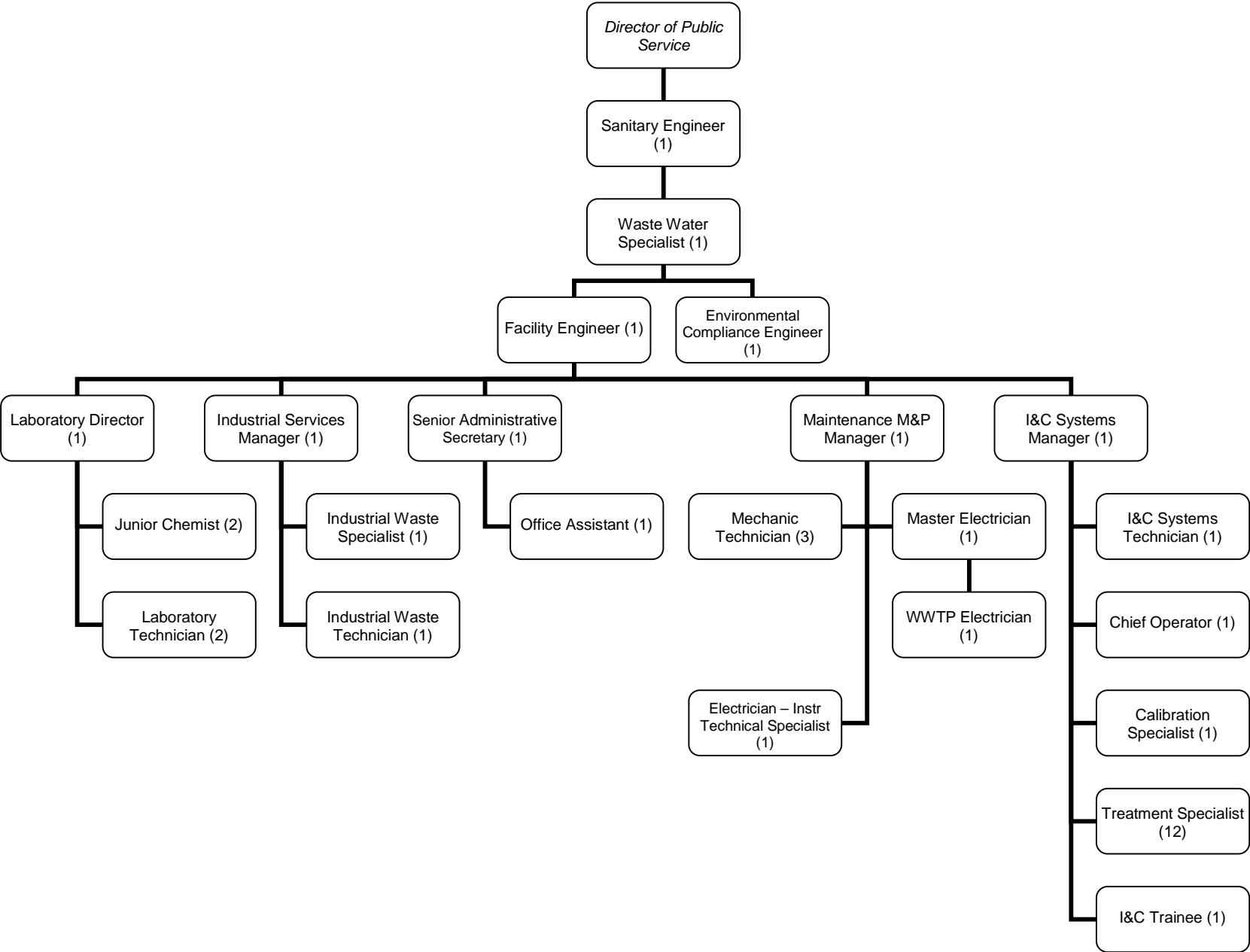
- (a) Wage rates are based on the UAW Local 412 Unit 59 contract that expired 6/30/12, and the AFSCME Local 1250 and Local 1917 contracts that expire 6/30/16.
- (b) New Position.
- (c) Reclassification of Senior Clerk to Senior Account Technician/Water Accounting, five (5) Account Specialists to Account Technicians, and one (1) Office Assistant to Account Specialist.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Shared Services

Account Name	Account Number	2012	2013			2014		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Personnel Services								
Permanent Employees	70600	\$ 770,978	\$ 1,029,914	\$ 425,424	\$ 975,000	\$ 1,133,899	\$ 1,133,039	\$ 1,133,039
Temporary Employees	70700	98,344	31,500	35,487	46,000	30,000	30,000	30,000
Overtime	70900	156,229	130,475	48,121	130,475	109,000	81,900	81,900
Employee Benefits								
Education & Training	71302	3,067	5,000	250	5,000	3,700	3,700	3,700
Social Security	71500	79,386	94,772	39,112	93,542	99,895	97,757	97,757
Insurances	71900	162,222	255,165	84,727	255,165	262,882	262,872	262,872
Employees' VEBA Trust	71904	254,191	280,433	103,763	274,942	229,067	220,315	220,315
Health Savings	71905	2,987	5,159	2,029	5,159	7,167	7,158	7,158
Supplemental Life Insurance	71906	881	761	420	761	870	870	870
Longevity	72100	33,002	28,647	14,745	28,647	30,183	30,183	30,183
Retirement Fund	72200	281,287	420,405	121,659	375,405	507,500	507,500	507,500
Defined Contribution Expense	72201	68,952	72,050	36,844	72,050	102,796	100,000	100,000
Uniforms	72401	190	190	-	190	190	190	190
Other Charges								
Operating Supplies	74000	31,082	31,053	3,041	25,000	30,000	30,000	30,000
Professional Services	80100	238,557	200,000	87,216	200,000	180,000	180,000	180,000
Auditing	80105	16,450	17,700	-	17,700	17,700	17,700	17,700
Postage	80200	212,046	225,000	127,888	225,000	235,000	235,000	235,000
Unemployment Benefits	80300	522	3,000	-	3,000	3,000	3,000	3,000
Telephone	85300	4,807	5,000	2,098	5,000	5,000	5,000	5,000
Auto Expense	86300	131	1,000	-	1,000	1,000	1,000	1,000
General Insurance	91000	400,000	600,000	200,000	500,000	600,000	600,000	600,000
Utilities	92000	519	1,000	262	750	750	750	750
Administrative Expense	94200	1,731,350	1,772,685	875,400	1,777,050	1,825,845	1,825,845	1,825,845
M.S.D.W.A. Annual Fee	96202	26,754	25,000	-	25,000	27,000	27,000	27,000
Agents Fees	99602	-	1,000	-	1,000	-	-	-
Total Shared Services		\$ 4,573,934	\$ 5,236,909	\$ 2,208,486	\$ 5,042,836	\$ 5,442,444	\$ 5,400,779	\$ 5,400,779

Waste Water Treatment Plant



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 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 2014. Their responsibilities include plant operations, plant maintenance, laboratory operations, the Industrial Pretreatment Monitoring and Enforcement, employee safety, grounds maintenance, and administrative support.

Significant Notes – 2014 Adopted Budget Compared to 2013 Adopted Budget

Personnel:

There are no changes with employee positions. The total cost of personnel services and benefits decreased by \$7,740 or 0.1%. Employee Insurances decreased, but were mainly offset by the increase in Retirement Fund expenses as a result of the change to the contribution policy. Periodic employer contributions are no longer calculated as a percentage of annual covered payrolls, but rather are based on actuarially determined dollar values.

Supplies:

Total operating supplies, which include chemicals decreased by \$14,650 or 3.6%. Chemical costs continued to decrease since the ultraviolet light disinfection process was implemented as less chlorine and sodium bi-sulfite are needed.

Other Charges:

Total other charges increased by \$20,000 or 0.7% with an increase in professional services of \$100,000 being the main factor. The increase in professional services was mostly offset by a \$50,000 or 4.0% decrease in electric power and a \$34,000 or 5.3% decrease in repairs and maintenance.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

**Waste Water Treatment Plant
Personnel**

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
Sanitary Engineer	1	\$ 101,415	1	\$ 102,683	1	\$ 102,683	1	\$ 102,683
Wastewater Specialist	1	83,784	1	84,831	1	84,831	1	84,831
Facility Engineer	1	85,781	1	86,853	1	86,853	1	86,853
Environmental Compliance Engineer	1	85,632	1	85,632	1	85,632	1	85,632
<i>Laboratory Section:</i>								
Laboratory Director	1	80,113	1	81,114	1	81,114	1	81,114
Junior Chemist	2	62,795	2	63,580	2	63,580	2	63,580
Laboratory Technician	2	55,890	2	56,588	2	56,588	2	56,588
<i>Maintenance Section:</i>								
Maintenance M&P Manager	1	73,243	1	74,159	1	74,159	1	74,159
Mechanic Technician	3	61,900	3	62,674	3	62,674	3	62,674
Master Electrician	1	68,622	1	69,480	1	69,480	1	69,480
WWTP Electrician	1	66,075	1	66,901	1	66,901	1	66,901
Electrician/Instrumentation Technical Spec.	1	75,637	1	76,582	1	76,582	1	76,582

(a) Wage rates are based on the UAW Local 412 Unit 59 contract that expired 6/30/12, and the AFSCME Local 1250 and Local 1917 contracts that expire 6/30/16.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

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

	<u>Present</u>		<u>Department Requested {a}</u>		<u>Recommended By Mayor {a}</u>		<u>Council Adopted</u>	
	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>	<u>#</u>	<u>Rate</u>
<i>Industrial Services/Stormwater Section:</i>								
Industrial Services Manager	1	75,637	1	76,582	1	76,582	1	76,582
Industrial Waste Specialist	1	59,845	1	60,593	1	60,593	1	60,593
Industrial Waste Technician	1	53,055	1	53,718	1	53,718	1	53,718
<i>Operating Section:</i>								
I & C System Manager	1	80,214	1	81,217	1	81,217	1	81,217
I & C System Technician	1	67,539	1	68,383	1	68,383	1	68,383
I & C Trainee	1	57,806	1	58,529	1	58,529	1	58,529
Chief Operator	1	85,632	1	85,632	1	85,632	1	85,632
Treatment Specialist	12	60,112	12	60,863	12	60,863	12	60,863
Calibration Specialist	1	58,818	1	58,818	1	58,818	1	58,818
<i>Clerical Section:</i>								
Senior Administrative Secretary - WWTP	1	55,435	1	56,128	1	56,128	1	56,128
Office Assistant	1	34,279	1	34,707	1	34,707	1	34,707
Overtime		200,000		220,000		206,680		206,680
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 UAW Local 412 Unit 59 contract that expired 6/30/12, and the AFSCME Local 1250 and Local 1917 contracts that expire 6/30/16.

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - OPERATION & MAINTENANCE FUND
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Waste Water Treatment

Account Name	Account Number	2012	2013			2014		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Personnel Services								
Permanent Employees	70600	\$ 2,301,623	\$ 2,541,442	\$ 1,168,730	\$ 2,435,000	\$ 2,558,139	\$ 2,558,139	\$ 2,558,139
Temporary Employees	70700	17,922	50,000	5,409	25,000	50,000	50,000	50,000
Overtime	70900	156,469	200,000	87,907	200,000	220,000	206,680	206,680
Employee Benefits								
Education & Training	71302	29,008	48,500	14,290	45,000	63,500	63,500	63,500
Certification Bonuses	71303	37,961	38,000	-	38,000	45,000	45,000	45,000
Social Security	71500	200,145	229,506	99,259	219,145	230,285	229,266	229,266
Holiday Pay	71700	54,603	59,818	34,132	59,818	54,662	54,662	54,662
Insurances	71900	422,249	611,053	189,870	611,053	583,136	582,892	582,892
Employees' VEBA Trust	71904	814,984	993,748	408,956	946,960	903,750	899,448	899,448
Health Savings	71905	5,019	5,384	2,992	5,384	7,883	7,883	7,883
Supplemental Life Insurance	71906	4,112	4,343	2,030	4,343	4,694	4,694	4,694
Longevity	72100	82,068	83,617	30,847	83,617	83,561	83,561	83,561
Retirement Fund	72200	495,121	857,949	227,982	662,982	870,000	870,000	870,000
Defined Contribution Expense	72201	244,286	231,123	127,113	231,123	292,350	291,018	291,018
Uniforms	72401	4,386	5,130	1,038	5,130	5,130	5,130	5,130
Other Charges								
Operating Supplies	74000	82,301	85,000	28,817	85,000	92,150	92,150	92,150
Chemicals	74300	248,020	321,800	72,535	310,000	300,000	300,000	300,000
Professional Services	80100	66,639	100,000	9,726	75,000	200,000	200,000	200,000
Building Lease	80104	54,000	54,000	27,000	54,000	54,000	54,000	54,000
Odor Control	80107	12,820	20,000	7,935	20,000	25,000	25,000	25,000
Ash Removal Contract	81800	87,687	80,000	21,016	80,000	80,000	80,000	80,000
Telephone	85300	8,979	10,000	6,390	10,000	12,000	12,000	12,000
Auto Expense	86300	19,628	18,000	10,759	18,000	15,000	15,000	15,000
Utilities	92000	521,125	600,000	240,746	600,000	600,000	600,000	600,000
Electric Power	92001	1,339,199	1,250,000	568,002	1,250,000	1,200,000	1,200,000	1,200,000
Repairs & Maintenance	93000	451,087	634,000	194,857	600,000	600,000	600,000	600,000
Management Agency Fee	96201	21,956	30,000	21,741	30,000	30,000	30,000	30,000
Total Waste Water Treatment		\$ 7,783,397	\$ 9,162,413	\$ 3,610,081	\$ 8,704,555	\$ 9,180,240	\$ 9,160,023	\$ 9,160,023

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
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Account Name	Account Number	2012	2013			2014		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Debt Service								
Revenues:								
Miscellaneous Income	47100	\$ 199,164	\$ 196,869	\$ 99,093	\$ 188,363	\$ 193,835	\$ 193,835	\$ 193,835
Interest on Investments	66500	1,178	1,000	762	1,250	1,500	1,500	1,500
Operation & Maintenance Fund	67620	5,088,062	5,224,060	4,800,000	5,230,912	5,127,485	5,127,485	5,127,485
O&M Fund - Generated from Rate	67622	2,305,107	2,570,480	-	2,560,236	3,146,398	3,146,398	3,146,398
Total Financial Resources		7,593,511	7,992,409	4,899,855	7,980,761	8,469,218	8,469,218	8,469,218
Expenditures:								
<i>Revenue Bond Debt Service</i>								
Principal	99600	2,000,000	-	-	-	-	-	-
Interest	99601	786,169	-	-	-	-	-	-
<i>Capital Improvement Bond Debt Service</i>								
Principal	99602	60,000	60,000	60,000	60,000	65,000	65,000	65,000
Interest	99603	30,916	29,304	15,102	29,304	27,388	27,388	27,388
Principal	99604	342,245	2,842,306	1,885,000	2,842,306	3,570,674	3,570,674	3,570,674
Interest	99605	958,976	1,866,783	932,950	1,866,783	1,730,391	1,730,391	1,730,391
Interest-2013 bonds	99605	-	-	-	-	781,063	781,063	781,063
<i>State Revolving Fund Bond Debt Service</i>								
Principal	99606	1,065,000	1,090,000	685,000	1,090,000	1,110,000	1,110,000	1,110,000
Interest	99607	368,338	358,491	179,032	352,027	328,045	328,045	328,045
Interest-2013 DWRF {proposed}	99607	-	69,250	-	-	-	-	-
<i>Lease/Installment Purchases</i>								
Principal	99611	445,209	487,443	91,160	487,443	522,020	522,020	522,020
Interest	99612	26,983	20,161	10,992	20,161	12,722	12,722	12,722
Interest	99613	218,099	211,659	-	211,659	203,379	203,379	203,379
Other costs	99700	1,624	2,000	1,069	2,000	2,000	2,000	2,000
Total Transfers & Expenditures		6,303,559	7,037,397	3,860,305	6,961,683	8,352,682	8,352,682	8,352,682
Net Increase (Decrease)	96501	1,289,952	955,012	1,039,550	1,019,078	116,536	116,536	116,536
FY Beginning Restricted Reserve		9,221,695	10,511,647	10,511,647	10,511,647	11,530,725	11,530,725	11,530,725
FY Ending Restricted Reserve		\$ 10,511,647	\$ 11,466,659	\$ 11,551,197	\$ 11,530,725	\$ 11,647,261	\$ 11,647,261	11,647,261

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 BUDGET WORKPAPERS
DEBT SERVICE SUMMARY

	2014 Fiscal Year			Total	Average	Highest
	Principal	Interest	Total	Outstanding Debt @ FYE	Annual Debt Service	Annual Debt Service
Capital Improvement Bonds						
2003 Capital improvement bonds	\$ 65,000.00	\$ 27,388.13	\$ 92,388.13	\$ 695,000	\$ 91,729	\$ 93,813
2010 Capital improvement bonds - AMR	325,000.00	430,743.75	755,743.75	8,365,000	634,757	735,145
2010 Capital improvement refunding bonds	1,065,000.00	56,975.00	1,121,975.00	1,715,000	952,558	1,098,813
2012 Capital improvement refunding bonds	900,000.00	658,000.00	1,558,000.00	16,010,000	1,622,708	2,418,200
2013 Capital improvement refunding bonds	150,673.66	55,852.05	206,525.71	1,758,798	172,938	217,294
Total capital improvement bonds	<u>2,505,673.66</u>	<u>1,228,958.93</u>	<u>3,734,632.59</u>	<u>28,543,798</u>	<u>3,474,690</u>	<u>4,563,265</u>
State Revolving Fund Bonds						
5134-01: Sand filter	230,000.00	72,625.00	302,625.00	2,675,000	305,375	307,500
5134-02: Water system improvements	305,000.00	92,490.63	397,490.63	4,200,000	396,586	398,722
5134-03: Sand filter stage 2	55,000.00	14,494.44	69,494.44	627,091	70,215	73,623
5134-04: Solids handling improvements	390,000.00	88,237.51	478,237.51	5,235,000	479,995	481,913
Total state revolving fund bonds	<u>980,000.00</u>	<u>267,847.58</u>	<u>1,247,847.58</u>	<u>12,737,091</u>	<u>1,252,171</u>	<u>1,261,758</u>
Installment/Lease Purchases						
WWTP waste heat to energy project	191,581.82	12,722.18	204,304.00	199,321	204,304	204,304
2011 Installment purchase agreement	330,437.80	203,379.20	533,817.00	7,119,349	699,068	870,821
Total installment/lease purchases	<u>522,019.62</u>	<u>216,101.38</u>	<u>738,121.00</u>	<u>7,318,670</u>	<u>903,372</u>	<u>1,075,125</u>
Total 2014 Debt Service	<u>\$ 4,007,693.28</u>	<u>\$ 1,712,907.89</u>	<u>\$ 5,720,601.17</u>	<u>\$ 48,599,559</u>	<u>\$ 5,630,233</u>	<u>\$ 6,900,148</u>

Debt Service Reserve Options - Applies To Bonds		
10% of O/S Debt	110% of Avg Debt	Highest Annual
\$ 4,859,956	\$ 6,193,256	\$ 6,900,148
Debt Service Reserve Ordinance Requirement		
<u>\$ 4,859,956</u>		

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM
2014 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, 2012, and 2013 the mid-year adjustments were 2.5%, 2%, 2%, 1.5% and 1.5% respectively. In fiscal years 2014 and 2015, the mid-year adjustment will be 1.5%. Below is a schedule for Fiscal 2014 detailing the estimated revenues from the funding increase, the estimated expenses to be charged against the revenues, and the net balance remaining:

Beginning Balance:		\$6,270,986 {estimated}
2014 Estimated Revenues	\$3,146,398	
2014 Estimated Expenses	<u>(\$2,630,080)</u>	
Net Cumulative Balance (at December 31, 2014):		\$6,787,304 {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
2013 Capital Improvement Bond Issue \$18,775,000, 4.0% - 4.5% interest, 20 years Highest Annual Principal & Interest Payment	\$1,467,063



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Waste Water Treatment Improvement		2012	2013			2014		
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Account Name	Account Number							
Revenues:								
Interest on Investments	66500	\$ 72	\$ -	\$ 26	\$ 45	\$ -	\$ -	\$ -
Financing Proceeds	69600	22,602	-	-	36,952	-	-	-
Total Financial Resources		22,674	-	26	36,997	-	-	-
Expenditures:								
Transfers to Operation & Maintenance	96520	72	-	-	45	-	-	-
Construction Contracts	97001	-	24,775	-	-	24,775	24,775	24,775
State Revolving Fund Projects	97002	22,602	-	6,930	36,952	-	-	-
Total Expenditures		22,674	24,775	6,930	36,997	24,775	24,775	24,775
Net Increase (Decrease)	67601	-	(24,775)	(6,904)	-	(24,775)	(24,775)	(24,775)
FY Beginning Restricted Reserve		24,775	24,775	24,775	24,775	24,775	24,775	24,775
FY Ending Restricted Reserve		\$ 24,775	\$ -	\$ 17,871	\$ 24,775	\$ -	\$ -	\$ -

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Infrastructure Replacement		2012	2013		2014			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Revenues:								
Miscellaneous Income	47100	\$ 1,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	66500	15,861	15,000	14,416	28,000	50,000	50,000	50,000
Financing Proceeds	69600	15,452,487	5,540,000	-	18,716,413	-	-	-
Total Financial Resources		15,469,653	5,555,000	14,416	18,744,413	50,000	50,000	50,000
Expenditures:								
Non-capitalized expenses	95600	30,212	-	-	-	-	-	-
Construction Contracts	97001	1,154,365	8,576,119	1,519,137	3,000,000	13,230,689	13,230,689	13,230,689
Bond issuance costs	97003	128,873	100,000	-	82,961	-	-	-
Total Expenditures		1,313,450	8,676,119	1,519,137	3,082,961	13,230,689	13,230,689	13,230,689
Net Increase (Decrease)	67601	14,156,203	(3,121,119)	(1,504,721)	15,661,452	(13,180,689)	(13,180,689)	(13,180,689)
FY Beginning Unspent Bond Proceeds		824,244	14,980,447	14,980,447	14,980,447	30,641,899	30,641,899	30,641,899
FY Beginning Restricted Reserve		46,119	46,119	46,119	46,119	46,119	46,119	46,119
FY Ending Unspent Bond Proceeds		14,980,447	11,859,328	13,461,310	30,641,899	17,457,328	17,457,328	17,457,328
FY Ending Restricted Reserve		\$ 46,119	\$ 46,119	\$ 60,534	\$ 46,119	\$ 50,000	\$ 50,000	\$ 50,000

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

Project Description	Cost Estimate
ONGOING APPROVED PROJECTS (Funded with 2012/2013 Capital Improvement Bonds)	
<i>Watermain Replacement Projects</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
Replacement of Deteriorated Existing Watermains, City Wide	5,170,000
Watermain Upsize and Redundant Looping Projects	<u>2,400,000</u>
Subtotal	<u>8,472,916</u>
<i>Infiltration Removal from the Sanitary Sewer System</i>	
Project Plan for Sanitary Collection System Permit Compliance	1,261,000
<i>Sanitary Sewer Replacements/Repairs due to Condition</i>	
Cunningham from Toepfer to Nine Mile	600,000
<i>Repair of Sewage Infiltration into the Storm Sewer System</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>
<i>Relief Sewers</i>	
10 Mile Road and 12 Mile Road	18,775,000
Total Ongoing Projects	<u><u>\$ 30,658,916</u></u>



CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Meter Replacement		2012	2013			2014		
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	\$ 4,684	\$ 750	\$ 322	\$ 500	\$ 90	\$ 90	\$ 90
Operation & Maintenance	67620	368,809	-	-	-	-	-	-
Total Financial Resources		373,493	750	322	500	90	90	90
Expenditures:								
Transfers to Operation & Maintenance	96520	-	-	341,476	341,976	-	-	-
Construction Contracts	97001	5,615,775	1,244,030	171,837	210,438	356,924	356,924	356,924
Bond issuance costs	97003	-	-	-	-	-	-	-
Total Expenditures		5,615,775	1,244,030	513,313	552,414	356,924	356,924	356,924
Net Increase (Decrease)	67601	(5,242,282)	(1,243,280)	(512,991)	(551,914)	(356,834)	(356,834)	(356,834)
FY Beginning Restricted Reserve		6,151,030	908,748	908,748	908,748	356,834	356,834	356,834
FY Ending Unspent Bond Proceeds		\$ 908,748	\$ (334,532)	\$ 395,757	\$ 356,834	\$ -	\$ -	\$ -

CITY OF WARREN, MICHIGAN
WATER & SEWER SYSTEM - RESTRICTED USE RESERVES
2014 FISCAL YEAR BUDGET FINANCIAL STATEMENTS

Capital Equipment		2012	2013		2014			
		Fiscal Year Actual	Amended Budget	Actual Thru June 30	Fiscal Year Estimated	Department Request	Recommended By Mayor	Council Adopted
Account Name	Account Number							
Revenues:								
Interest on Investments	66500	\$ 178	\$ 100	\$ 158	\$ 300	\$ 200	\$ 200	\$ 200
Transfer From:								
Operation & Maintenance	67620	925,190	1,198,900	-	1,198,700	5,839,526	5,150,700	5,150,700
Total Financial Resources		925,368	1,199,000	158	1,199,000	5,839,726	5,150,900	5,150,900
Expenditures:								
Water Maintenance	98040	73,528	160,000	86,854	160,000	909,000	642,500	642,500
Administration	98060	25,377	44,000	-	44,000	88,000	54,000	54,000
Waste Water Treatment	98080	197,924	995,000	77,990	1,631,048	4,842,726	4,454,400	4,454,400
Total Expenditures		296,829	1,199,000	164,844	1,835,048	5,839,726	5,150,900	5,150,900
Net Increase (Decrease)	67601	628,539	-	(164,686)	(636,048)	-	-	-
FY Beginning Restricted Reserve		7,509	636,048	636,048	636,048	-	-	-
FY Ending Restricted Reserve		\$ 636,048	\$ 636,048	\$ 471,362	\$ -	\$ -	\$ -	\$ -

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

Funding Category	Item Description	New or Replacement	#	Department Request	#	Recommended By Mayor
98040 Water Maintenance:						
2014-01	Sewer jet/vactor truck	R	1	\$ 410,000	1	\$ 410,000
2014-02	Crew vans	R	2	110,000	1	55,000
2014-03	15 yard dump truck	R	1	105,000	1	105,000
2014-04	John Deere backhoe	N	1	104,000	-	-
2014-05	5-6 yard dump truck	R	1	80,000	-	-
2014-06	Meter vans	R	2	55,000	1	27,500
2014-07	Cross connection software	N	1	25,000	1	25,000
2014-08	Water garage doors/electronic access	R	1	20,000	1	20,000
				<u>\$ 909,000</u>		<u>\$ 642,500</u>
98060 Administration:						
2014-09	Inspections vehicles	R	2	\$ 68,000	1	\$ 34,000
2014-10	Time and attendance system	N	1	20,000	1	20,000
				<u>\$ 88,000</u>		<u>\$ 54,000</u>
98080 Waste Water Treatment Plant:						
2014-11	Final clarifier 1-4 rehabilitation	R	1	\$ 3,169,400	1	\$ 3,169,400
2014-12	East ash lagoon replacement	R	1	850,000	1	850,000
2014-13	Road replacement - primary tank to building B	R	1	160,876	-	-
2014-14	Smokestack Repairs	N	1	100,000	-	-
2014-15	VFD and motor for backwash pump	R	1	85,000	1	85,000
2014-16	Miscellaneous Roadway Repairs	R	1	76,650	-	-
2014-17	Spencer blower demolition	R	1	60,000	1	60,000
2014-18	Facility window upgrade	R	1	54,000	1	30,200
2014-19	Drywell ventillation repairs	R	1	52,800	1	52,800
2014-20	Asbestos abatement	N	1	50,000	1	50,000
2014-21	Incinerator quencher repairs	R	1	49,000	1	49,000
2014-22	Sampling vehicle	R	1	27,000	-	-
2014-23	SQL server	R	1	25,000	1	25,000
2014-24	Rockwell Tech - connect support	R	1	20,000	1	20,000
2014-25	SCADA server	R	1	15,000	1	15,000
2014-26	Control system work stations	R	1	12,000	1	12,000
2014-27	Glassware washer	R	1	12,000	1	12,000
2014-28	Opower meter	N	1	10,000	1	10,000
2014-29	6 inch hose replacement	R	1	9,000	1	9,000
2014-30	Dump bed for pickup truck	R	1	5,000	1	5,000
				<u>\$ 4,842,726</u>		<u>\$ 4,454,400</u>
GRAND TOTAL - EQUIPMENT REQUESTS				<u>\$ 5,839,726</u>		<u>\$ 5,150,900</u>

