



Enterprise Funds

for the Fiscal Year Ending June 30, 2009

Civic Arena Fund

Currie Municipal Golf Course Fund

Parking Fund

Senior Housing Funds

Utilities Division Funds



Parks & Recreation Director Brett Ireland
Recreation Manager Marcie Post

Functional Organizational Chart

Administrative Services

- Administers department budget
- Coordinates staffing levels in conjunction with facility events
- Manages skate pro shop inventory
- Procures required supplies and equipment
- Oversees contractual custodial service for the facility
- Coordinates rental and billing of ice time for the three ice rinks
- Promotes and sells advertising space in the ice surface and on the rink boards

Arena Operations

- Maintains two NHL-size ice rinks and one Olympic-size rink
- Offers 4 independent team rooms for each rink along with dedicated locker rooms for Dow High, Midland High and Northwood University
- Rents office space to Midland Amateur Hockey League, Midland Figure Skating Club, and Midland Speed Skating Club
- Operates retail skate pro shop offering hockey, speed skating and figure skating equipment for sale along with skate sharpening services
- Hosts tournaments and events for local and national groups
- Offers concession area operated by the Midland Amateur Hockey League
- Rents skates for public use
- Offers public skating hours
- Home to the Midland County Sports Hall of Fame
- Offers a meeting room for rink and community use
- Manages preventative maintenance and servicing of mechanical, electrical, HVAC, plumbing and refrigeration systems for the 107,000 square foot facility

Department at a Glance

Funding Level Summary	2005-06 Actual	2006-07 Actual	Adjusted 2007-08 Budget	Estimated 2007-08 Budget	Adopted 2008-09 Budget	% of Change
Civic Arena Fund	\$ 3,737,413	\$ 2,404,291	\$ 2,287,627	\$ 2,199,541	\$ 1,858,523	-15.5%
Total Department	\$ 3,737,413	\$ 2,404,291	\$ 2,287,627	\$ 2,199,541	\$ 1,858,523	-15.5%
Personal Services	\$ 294,307	\$ 361,436	\$ 363,439	\$ 358,091	\$ 390,240	9.0%
Supplies	30,518	39,818	39,700	39,401	29,000	-26.4%
Other Services/Charges	628,826	729,054	664,745	749,542	777,294	3.7%
Debt Service	740,792	1,187,059	1,197,343	1,030,107	641,989	-37.7%
Capital Outlay	75,161	86,924	22,400	22,400	20,000	-10.7%
Operating Transfers Out	1,967,809	-	-	-	-	0.0%
Total Department	\$ 3,737,413	\$ 2,404,291	\$ 2,287,627	\$ 2,199,541	\$ 1,858,523	-15.5%

The Civic Arena is maintained and operated by full-time Parks & Recreation employees. Their labor and benefit costs are charged to the Civic Arena for the hours they spend working at the facility. This allows management the flexibility to schedule more or less employee hours as needed to meet the demands at the arena at different times of the year. Seasonal workers are hired to supplement peak season hours and special events. This method of staffing has been an efficient way to utilize our workforce and allows for flexibility in scheduling.

Service Statement

The department's scope of services includes: Administration; upkeep and maintenance of three ice rinks and the accompanying facility; Pro shop inventory and operations; providing, scheduling and billing ice use for ice user groups concerning skating related activities, including local and national events.

CIVIC ARENA FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Skate shop	\$ 179,492	\$ 160,000	\$ 164,531	\$ 182,000
Skate sharpening	18,752	15,000	16,268	18,000
Open skating	60,689	40,000	59,168	61,000
Ice rental	780,608	840,000	704,385	800,000
Skate rental	10,926	8,000	11,000	11,000
Office rental	5,950	4,800	7,000	7,000
Advertising revenue	46,737	60,000	35,737	85,000
Total operating revenues	1,103,154	1,127,800	998,089	1,164,000
Operating Expenses				
Personal services	361,436	338,515	340,959	390,240
Supplies	39,818	39,700	39,401	29,000
Other charges	729,054	654,745	739,542	767,294
Reserve for contingencies	-	10,000	10,000	10,000
Total operating expenses	1,130,308	1,042,960	1,129,902	1,196,534
Net operating income (loss)	(27,154)	84,840	(131,813)	(32,534)
Non-operating Revenues (Expenses)				
Investment earnings	31,459	4,105	21,500	15,000
Miscellaneous revenue	19,335	23,000	19,800	20,800
Miscellaneous expense	-	(24,924)	(17,132)	-
Interfund loan interest	(76,846)	(58,930)	(45,835)	(26,192)
Interest expense	(242,074)	(232,358)	(232,358)	(218,883)
Total non-operating revenues (expenses)	(268,126)	(289,107)	(254,025)	(209,275)
Other Financing Sources (Uses)				
Contributions	1,859,744	683,423	110,058	470,000
Investment in assets	(86,924)	(22,400)	(22,400)	(20,000)
Interfund loan principal	(398,139)	(416,055)	(261,914)	(261,914)
Operating transfer in	200,000	200,000	200,000	200,000
Retirement of debt	(470,000)	(490,000)	(490,000)	(135,000)
Total other financing sources (uses)	1,104,681	(45,032)	(464,256)	253,086
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	809,401	(249,299)	(850,094)	11,277
Non-working Capital Adjustments	(37,917)	266,263	509,142	(10,000)
Working Capital - beginning of year	(722,697)	48,787	48,787	(292,165)
Working Capital - end of year	\$ 48,787	\$ 65,751	\$ (292,165)	\$ (290,888)



Parks & Recreation Director Brett Ireland
Manager of Golf Operations.....Paul Milholland

Functional Organizational Chart

Administrative Services

- Administers department budget
- Reviews fees annually and recommends changes to keep the course competitive with the local golf market
- Markets and advertises for the golf course complex
- Manages staff assignments to provide proper coverage as dictated by course usage

Golf Operations

- Operates two 18-hole courses, a 9-hole par 3 course and a driving range
- Provides in-house turf maintenance services for all courses
- Offers a golf shop with logo apparel
- Coordinates golf outings for corporate and non-profit groups
- Operates golf leagues Monday – Thursday for 36 leagues comprised of approximately 800 golfers
- Provides for repairs and improvements to the courses
- Hosts junior golf program for youth 17 years and under
- Offers an annual city tournament for local golfers
- Participates in a golf players committee during the golf season to receive input from the golfers on playability and course condition issues

Department at a Glance

Funding Level Summary	2005-06 Actual	2006-07 Actual	Adjusted 2007-08 Budget	Estimated 2007-08 Budget	Adopted 2008-09 Budget	% of Change
General Operations	\$ 794,035	\$ 944,151	\$ 1,303,927	\$ 965,802	\$ 601,166	-37.8%
East Course Operations	-	-	-	145,567	350,838	141.0%
West Course Operations	-	-	-	177,837	428,382	140.9%
Capital Outlay	1,249	4,610	519,800	521,735	-	-100.0%
Total Department	\$ 795,284	\$ 948,761	\$ 1,823,727	\$ 1,810,941	\$ 1,380,386	-23.8%
Personal Services	\$ 442,469	\$ 496,973	\$ 649,961	\$ 666,892	\$ 794,917	19.2%
Supplies	152,954	180,479	191,386	178,675	170,950	-4.3%
Other Services/Charges	198,612	266,699	381,819	360,288	414,519	15.1%
Miscellaneous	-	-	30,961	33,551	-	-100.0%
Capital Outlay	1,249	4,610	519,800	521,735	-	-100.0%
Operating Transfers Out	-	-	49,800	49,800	-	-100.0%
Total Department	\$ 795,284	\$ 948,761	\$ 1,823,727	\$ 1,810,941	\$ 1,380,386	-23.8%

Personnel Summary

Full-Time	-	-	-	1	3
Part-Time	-	-	-	-	-
Total Department	-	-	-	1	3

In fiscal year 2007-08, the City hired its own full-time Golf Course manager to oversee the operations of the golf pro shop. This function had previously been performed by an outside contractor. Maintenance of the grounds is performed by full-time Parks employees whose labor and benefit costs are charged to the golf course based on the actual hours spent working at the course. This method of staffing for maintenance has been an efficient way to utilize our work force and allows flexibility to schedule more or less employee hours as maintenance conditions warrant.

For fiscal year 2008-09, the Golf Course General Supervisor and one Facilities Maintenance position have been moved into the Golf Course budget as full-time employees as they spend 100% of their time year round performing golf course maintenance activities. Additional full-time Parks employees will continue to be assigned to work at the golf course as needed for grounds maintenance. In addition, several seasonal employees are hired as maintenance workers, rangers, starters, cart attendants and golf pro shop staff.

Beginning in the 2008 golf season, the operational expenses will be broken out into East Course, West Course and General Operations (includes driving range, Par 3 course, clubhouse operations and power cart activities). This will provide management with better information for planning, monitoring and decision-making.

Service Statement

The department's scope of services includes: Administration; Clubhouse rentals; concessions; Golf Shop operations; golf pass sales; daily operations accounting; upkeep and maintenance of the fairways, greens, grounds and facilities; scheduling and coordination of tee times, various league activities and special events related to golf activities; Junior Golf Program and applications.

Currie Municipal Golf Course

CURRIE MUNICIPAL GOLF COURSE FUND DETAIL OF BUDGET APPROPRIATIONS AND REVENUES Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Greens fees	\$ 593,976	\$ 628,658	\$ 589,399	\$ 758,882
Season memberships	160,447	188,593	196,225	208,670
Power cart rental	82,800	250,000	176,886	222,500
Golf cart trail fees	10,248	8,474	8,623	12,000
Driving range rental	8,917	40,000	27,074	50,000
Gift certificates	4,641	2,309	3,557	7,000
Golf pro shop	7,125	50,000	31,447	75,000
Other operating revenue	-	-	4,000	4,000
Clubhouse rental	1,178	3,036	1,440	2,000
Golf handicap fees	2,100	5,500	5,425	5,425
Junior golf program	8,835	8,000	8,000	10,000
Golf lessons	-	10,000	-	-
Food concession	5,650	42,260	14,162	20,000
Total operating revenues	885,917	1,236,830	1,066,238	1,375,477
Operating Expenses				
Personal services	496,973	649,961	666,892	794,917
Supplies	180,479	191,386	178,675	170,950
Other charges	266,699	376,819	355,288	409,519
Reserve for contingencies	-	5,000	5,000	5,000
Total operating expenses	944,151	1,223,166	1,205,855	1,380,386
Net operating income (loss)	(58,234)	13,664	(139,617)	(4,909)
Non-operating Revenues (Expenses)				
Investment earnings	(5,177)	(1,445)	10,613	5,054
Miscellaneous revenue	549,959	549,800	233	233
Miscellaneous expense	-	(30,961)	(33,551)	-
Total non-operating revenues (expenses)	544,782	517,394	(22,705)	5,287
Other Financing Sources (Uses)				
Transfers to other funds	-	(49,800)	(49,800)	-
Investment in assets	(4,610)	(519,800)	(521,735)	-
Total other financing sources (uses)	(4,610)	(569,600)	(571,535)	-
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	481,938	(38,542)	(733,857)	378
Working Capital - beginning of year	(338,438)	143,500	143,500	(590,357)
Working Capital - end of year	\$ 143,500	\$ 104,958	\$ (590,357)	\$ (589,979)



Currie Municipal Golf Course

CURRIE MUNICIPAL GOLF COURSE FUND FIVE-YEAR FINANCIAL PLAN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues						
Greens fees	\$ 589,399	\$ 758,882	\$ 781,648	\$ 883,262	\$ 909,760	\$ 937,053
Season tickets	196,225	208,670	214,930	221,378	228,019	234,860
Power cart rental	176,886	222,500	229,175	245,217	252,574	260,151
Golf cart trail pass	8,623	12,000	12,360	13,596	14,004	14,424
Driving range rental	27,074	50,000	51,500	58,195	59,941	61,739
Other operating revenue	68,031	123,425	127,128	130,942	134,870	138,916
Total operating revenues	1,066,238	1,375,477	1,416,741	1,552,590	1,599,168	1,647,143
Operating Expenses						
Personal services	666,892	794,917	818,765	843,328	868,628	894,687
Supplies	178,675	170,950	176,079	181,361	186,802	192,406
Other charges	355,288	409,519	421,805	434,459	447,493	460,918
Reserve for contingencies	5,000	5,000	5,000	5,000	5,000	5,000
Total operating expenses	1,205,855	1,380,386	1,421,649	1,464,148	1,507,923	1,553,011
Net operating income (loss)	(139,617)	(4,909)	(4,908)	88,442	91,245	94,132
Non-operating Revenues (Expenses)						
Investment earnings	10,613	5,054	(3,170)	(3,386)	(1,453)	611
Miscellaneous revenue	233	233	240	250	261	272
Miscellaneous expense	(33,551)	-	-	-	-	-
Total non-operating revenues (expenses)	(22,705)	5,287	(2,930)	(3,136)	(1,192)	883
Other Financing Sources (Uses)						
Transfers to other funds	(49,800)	-	-	-	-	-
Investment in Assets	(521,735)	-	-	(15,000)	(15,000)	(15,000)
Total other financing sources (uses)	(571,535)	-	-	(15,000)	(15,000)	(15,000)
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	(733,857)	378	(7,838)	70,306	75,053	80,015
Working Capital - beginning of year	143,500	(590,357)	(589,979)	(597,817)	(527,511)	(452,458)
Working Capital - end of year	\$ (590,357)	\$ (589,979)	\$ (597,817)	\$ (527,511)	\$ (452,458)	\$ (372,443)
ASSUMPTIONS:						
Working capital goal	\$ 150,000					
Revenue increase per year	3%					
Rate increase in 2010/11	10%					
Power cart rental increase in 2010/11	7%					
Operating expense increase per year	3%					
Investment earnings on working capital	2.75%					
Annual dividends on donated stock	\$ 13,054					



City TreasurerSandy Marshall

PARKING FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Meter collection	\$ 5,107	\$ 6,000	\$ 5,200	\$ 5,200
Traffic bureau	15,606	13,900	14,537	14,400
Leased parking	23,570	24,360	23,758	24,900
Parking structure leases	43,212	46,000	43,453	45,573
Total operating revenues	87,495	90,260	86,948	90,073
Operating Expenses				
Administration	12,744	13,633	13,739	15,151
Parking enforcement	37,168	51,141	43,269	52,371
Lot maintenance	4,264	12,474	9,446	12,728
Parking structure maintenance	90,000	90,000	90,000	90,000
Total operating expenses	144,176	167,248	156,454	170,250
Net operating income (loss)	(56,681)	(76,988)	(69,506)	(80,177)
Non-operating Revenues (Expenses)				
Miscellaneous expense	-	-	(2,646)	-
Investment earnings	1,612	1,186	-	-
Total non-operating revenues (expenses)	1,612	1,186	(2,646)	-
Other Financing Sources (Uses)				
Operating transfer in - DDA Fund	40,000	45,000	45,000	45,000
Total other financing sources (uses)	40,000	45,000	45,000	45,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(15,069)	(30,802)	(27,152)	(35,177)
Working Capital - beginning of year	78,974	63,905	63,905	36,753
Working Capital - end of year	\$ 63,905	\$ 33,103	\$ 36,753	\$ 1,576

PARKING FUND FIVE-YEAR FINANCIAL PLAN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues						
Meter collection	\$ 5,200	\$ 5,200	\$ 5,300	\$ 5,300	\$ 5,400	\$ 5,400
Parking tickets	14,537	14,400	14,400	14,500	14,500	14,600
Leases	67,211	70,473	72,587	74,765	77,008	79,318
Total operating revenues	86,948	90,073	92,287	94,565	96,908	99,318
Operating Expenses						
Administration	13,739	15,151	15,606	16,074	16,556	17,053
Parking enforcement	43,269	52,371	53,942	55,560	57,227	58,944
Lot maintenance	9,446	12,728	13,110	13,503	13,908	14,325
Parking structure maintenance	90,000	90,000	40,000	50,000	60,000	50,000
Total operating expenses	156,454	170,250	122,658	135,137	147,691	140,322
Net operating loss	(69,506)	(80,177)	(30,371)	(40,572)	(50,783)	(41,004)
Non-operating Revenues (Expenses)						
Miscellaneous expense	(2,646)	-	-	-	-	-
Miscellaneous revenue	-	-	1,250	-	-	-
Investment earnings	-	-	43	62	185	31
Total non-operating revenues (expenses)	(2,646)	-	43	62	185	(40,973)
Other Financing Sources (Uses)						
Investment in assets	-	-	(14,000)	-	-	-
Operating transfer in - DDA Fund	45,000	45,000	45,000	45,000	45,000	45,000
Total other financing sources (uses)	45,000	45,000	31,000	45,000	45,000	45,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(27,152)	(35,177)	672	4,490	(5,598)	4,027
Working Capital - beginning of year	63,905	36,753	1,576	2,248	6,738	1,140
Working Capital - end of year	\$ 36,753	\$ 1,576	\$ 2,248	\$ 6,738	\$ 1,140	\$ 5,167
ASSUMPTIONS:						
Lease rate increases		3%				
Operating expense increase per year		3%				
Investment earnings on working capital		2.75%				



Director of Planning and Community Development	Keith Baker
Riverside Place Senior Housing Manager.....	Catherine Marcy
Washington Woods Senior Housing Manager	Candace Stewart
Riverside Place Senior Housing Health Coordinator	Michel Hupfer
Washington Woods Senior Housing Health Coordinator	Carole Winter

Functional Organizational Chart

Administration

- Prepares and administers the department budget
- Develops and administers the capital improvement budget
- Establishes and maintains good working relationships with residents, families, contractors and service agencies
- Develops resident policies, resolves resident conflicts and ensures a safe living environment for residents
- Coordinates and delegates work to appropriate personnel
- Monitors department activities to assure efficient operations and adherence to established policies, practices and procedures
- Ensures safe working methods and facilitates safe working behavior

Office Staff

- Coordinates rental application process and calculates waiting list placement
- Fills apartment vacancies, completes apartment rental paperwork and calculates rent
- Conducts tours for prospective tenants and visitors
- Composes and distributes written communications regarding policies and special events
- Plans and coordinates social activities, entertainment and other resident functions
- Inputs time card information into the payroll system
- Records resident billing and daily meal charges; prepares resident invoices
- Conducts annual resident rent review and adjusts rents
- Prepares a variety of financial reports
- Issues purchase orders and prepares bills for payment
- Orders requested supplies
- Checks in residents at daily meal
- Produces work orders for maintenance to complete

Maintenance

- Keeps inventory of supplies & places orders
- Schedules and coordinates contractual work
- Troubleshoots and makes repairs with the building, including residents' apartments
- Cleans and maintains the appearance of the public areas
- Maintains the grounds, including mowing, landscaping and removing snow
- Completes renovation on vacated apartments
- Sets up tables, chairs and equipment for activities
- Maintains grounds & maintenance equipment
- Repairs and cleans furnace and air conditioning units

Health Service Coordinator

- Conducts pre-admission assessments
- Assesses health levels of residents for continued residency and advises management of issues
- Initiates and facilitates family conferences to ensure resident is receiving appropriate health care
- Oversees resident health care services; supervises nursing staff and health care contractors
- Plans, coordinates and conducts health care education programs for housing residents and City staff
- Serves as a resident health advocate
- Acts as facility contact for discharge planning after a hospitalization or long term care stay
- Identifies the need for and administers proper infection control procedures

Senior Housing Nurse

- Assesses the needs of residents regarding their physical and mental conditions
- Monitors resident status and arranges for appropriate intervention
- Maintains and updates medical histories
- Counsels residents and families regarding aging issues
- Assists with health screening, health fairs and flu clinics
- Serves as a resident health advocate
- Responds to emergency situations

Department at a Glance - Riverside Place

Funding Level Summary	2005-06 Actual	2006-07 Actual	Adjusted 2007-08 Budget	Estimated 2007-08 Budget	Adopted 2008-09 Budget	% of Change
Riverside	\$ 1,058,516	\$ 1,166,151	\$ 1,318,697	\$ 1,306,252	\$ 1,362,358	4.3%
Total Department	\$ 1,058,516	\$ 1,166,151	\$ 1,318,697	\$ 1,306,252	\$ 1,362,358	4.3%
Personal Services	\$ 440,943	\$ 462,543	\$ 513,608	\$ 506,623	\$ 621,402	22.7%
Supplies	15,734	22,679	25,520	23,616	23,520	-0.4%
Other Services/Charges	494,391	531,056	560,237	553,981	585,436	5.7%
Miscellaneous	78,680	104,217	162,233	158,233	77,000	-51.3%
Capital Outlay	18,768	35,656	47,099	53,799	45,000	-16.4%
Operating Transfers Out	10,000	10,000	10,000	10,000	10,000	0.0%
Total Department	\$ 1,058,516	\$ 1,166,151	\$ 1,318,697	\$ 1,306,252	\$ 1,362,358	4.3%

Personnel Summary

Full-Time	6	6	6	6	6
Part-Time	7	7	6	6	6
Total Department	13	13	12	12	12

Department at a Glance - Washington Woods

Funding Level Summary	2005-06 Actual	2006-07 Actual	Adjusted 2007-08 Budget	Estimated 2007-08 Budget	Adopted 2008-09 Budget	% of Change
Washington Woods	\$ 1,254,571	\$ 1,356,833	\$ 1,429,622	\$ 1,422,889	\$ 1,519,863	6.8%
Total Department	\$ 1,254,571	\$ 1,356,833	\$ 1,429,622	\$ 1,422,889	\$ 1,519,863	6.8%
Personal Services	\$ 528,131	\$ 541,676	\$ 607,052	\$ 603,183	\$ 754,440	25.1%
Supplies	34,102	43,201	38,961	34,136	38,761	13.5%
Other Services/Charges	488,057	550,762	569,315	587,295	620,302	5.6%
Miscellaneous	199,395	134,794	165,849	173,541	88,860	-48.8%
Capital Outlay	4,886	86,400	48,445	24,734	17,500	-29.2%
budget	\$ 1,254,571	\$ 1,356,833	\$ 1,429,622	\$ 1,422,889	\$ 1,519,863	6.8%

Personnel Summary

Full-Time	7	7	7	7	7
Part-Time	7	7	7	7	7
Total Department	14	14	14	14	14

Service Statement

The goal of Senior Housing in the City of Midland is to allow our residents to “age in place” and remain in their own apartment for as long as is safely possible. Support services such as a meal plan and health monitoring are offered.

All expenses must be met with rent revenue, because no operating subsidy is received. Washington Woods and Riverside Place are debt-free and non-profit. Between the two complexes there are a total of 364 apartments. One- and two-bedroom apartments are available. There are no maximum or minimum income levels. Residents represent a broad range of incomes.

You are eligible to live at either senior living community:

- If you or your spouse is 62 years or older in any income range;
- If you meet written tenant selection criteria and have a home assessment by our health coordinator;
- Persons 55 years of age or older in any income range are considered when there is no waiting list for those 62 years and older.

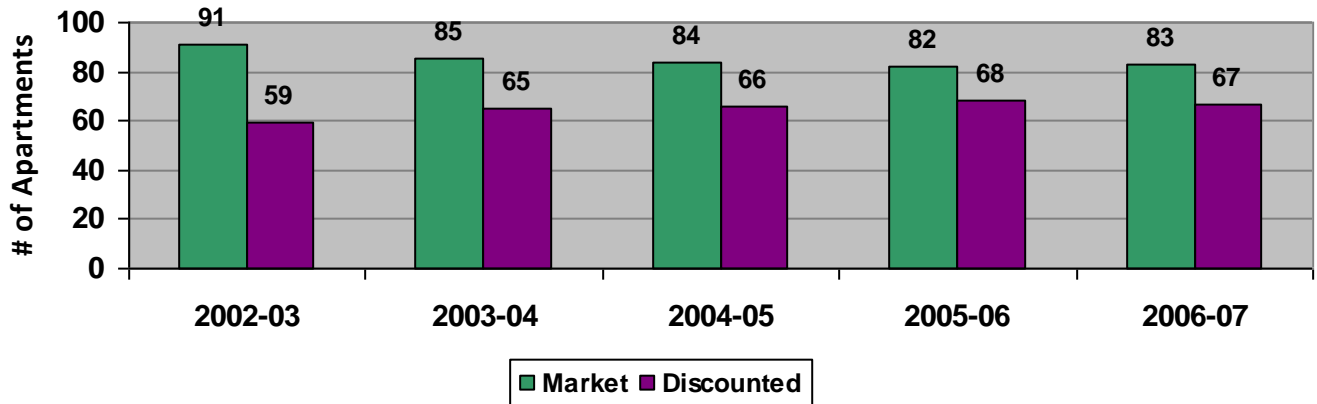
The waiting list rankings are determined by application date.

A wide variety of planned activities are offered from bingo to Bible study. Each apartment is equipped with an emergency call system and the front entrances are locked all the time. Card and craft shops are operated by the Tenant Council. Laundry facilities and beauty shops are also located within the buildings.

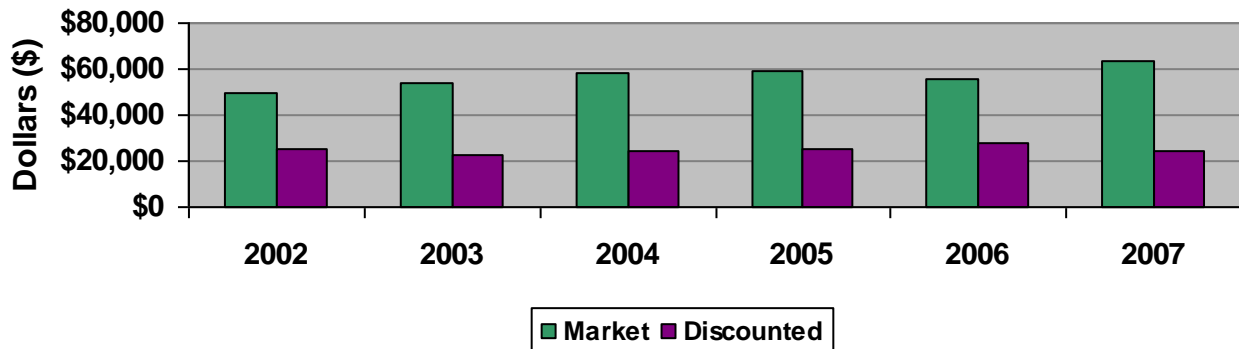
Good customer service, friendly, helpful staff and a well maintained building are key elements in drawing in new residents and retaining current ones. Senior Housing adheres to fair housing policies and ensures equal housing opportunities for all people, regardless of race, color, national origin, religion, sex, familial status, and/or disability.

Key Departmental Trends – Riverside Place

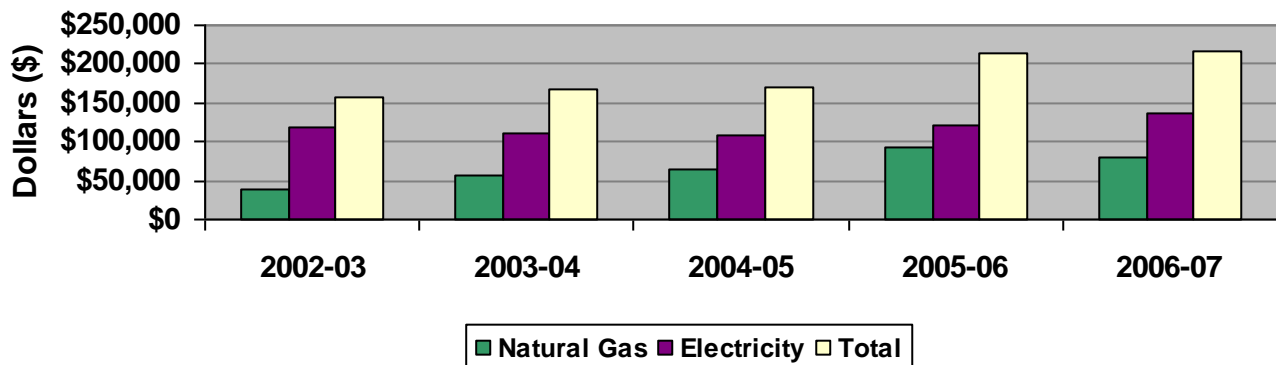
Market vs Discounted Trend



Market vs Discounted Trend (for month of July)



Utility Trend (annual)



Performance Objectives – Riverside Place

Performance Indicators (OUTPUT)	2005-06 Actual	2006-07 Actual	% Change
Apartment Renovations	34	41	21%
Number of apartments serviced	150	150	0%

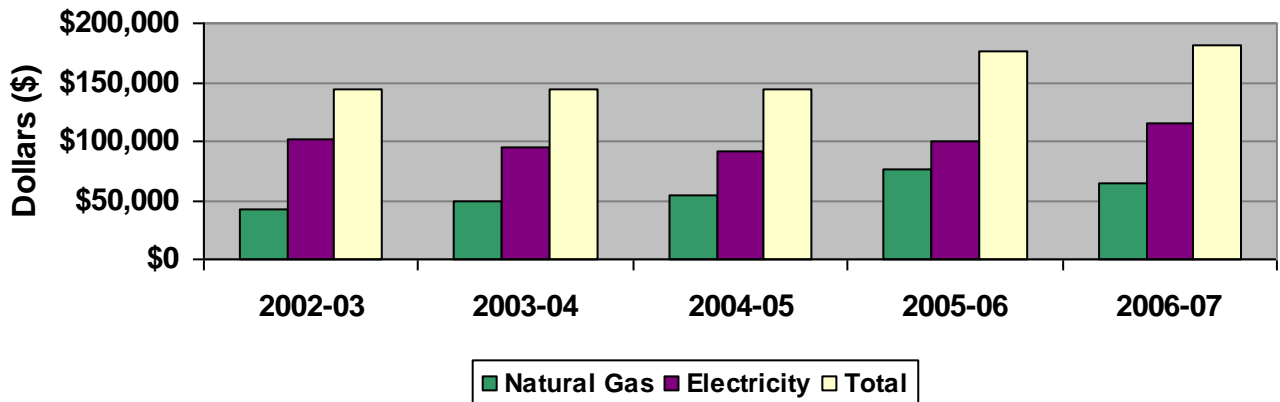
Performance Indicators (EFFICIENCY)	2005-06 Actual	2006-07 Actual	% Change
% Occupancy	100%	100%	
Apartment Turnover by Maintenance (Average days)	3.7	4.2	14%

Key Departmental Trends – Washington Woods

Market vs Discounted Trend



Utility Trend (annual)

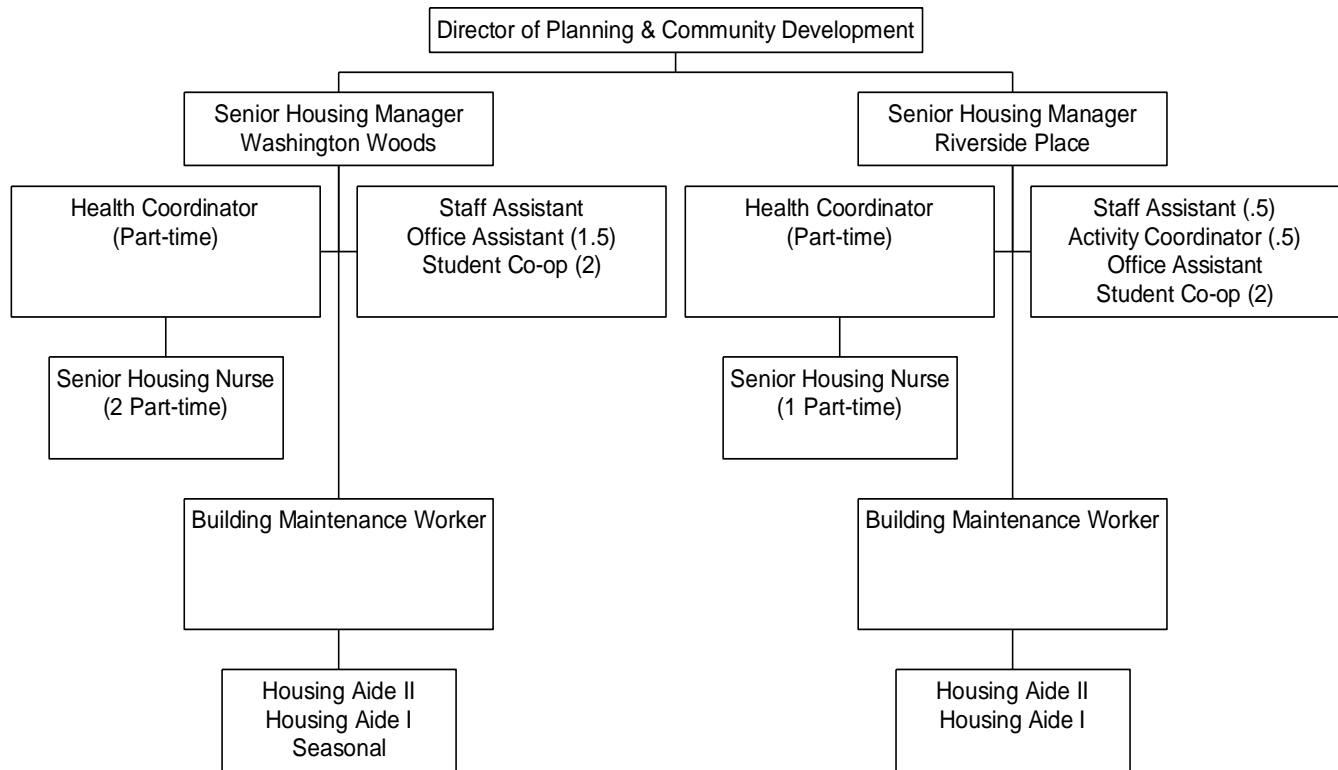


Performance Objectives – Washington Woods

Performance Indicators (OUTPUT)	2005-06 Actual	2006-07 Actual	% Change
Health Coordinator Assessments – New Residents	47	49	4%
Meals Served	31,360	30,632	-2%
Resident Activities	544	568	4%

Performance Indicators (EFFICIENCY)	2005-06 Actual	2006-07 Actual	% Change
Apartment Renovations	42	50	19%

Organizational Chart



Staff Summary – Riverside Place	Approved 2006-07	Approved 2007-08	Approved 2008-09
Manager, Senior Housing	1	1	1
Health Coordinator (Part-Time)	1	1	1
Staff Assistant (Part-Time)	1	1	1
Building Maintenance Worker	1	1	1
Housing Aide II	1	1	1
Office Assistant	1	1	1
Activity Coordinator (Part-Time)	1	1	1
Nurse (Part-Time)	1	1	1
Housing Aide I	2	2	2
Co-op (Part-Time)	2	2	2

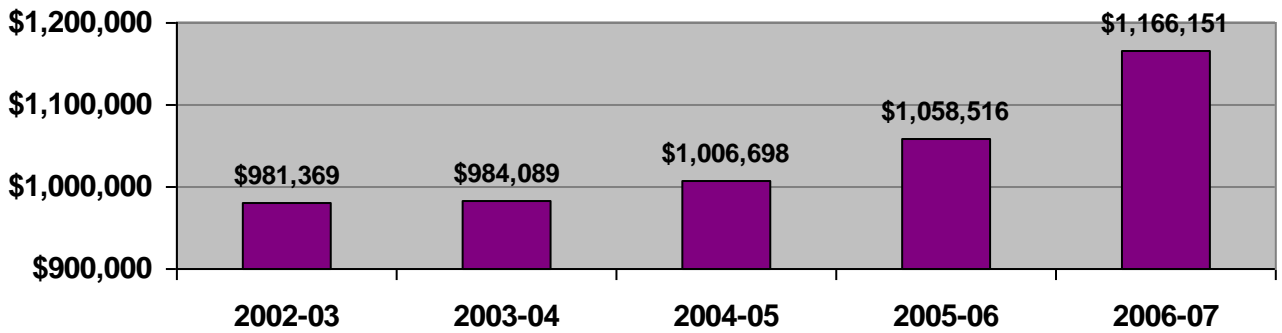
Staff Summary – Washington Woods	Approved 2006-07	Approved 2007-08	Approved 2008-09
Manager, Senior Housing	1	1	1
Health Coordinator (Part-Time)	1	1	1
Staff Assistant	1	1	1
Building Maintenance Worker	1	1	1
Housing Aide II	1	1	1
Office Assistant	1	1	1
Office Assistant (Part-Time)	1	1	1
Nurse (Part-Time)	2	2	2
Housing Aide I	2	2	2
Housing Aide I (Part-Time)	1	1	1
Co-op (Part-Time)	2	2	2

Summary of Budget Changes

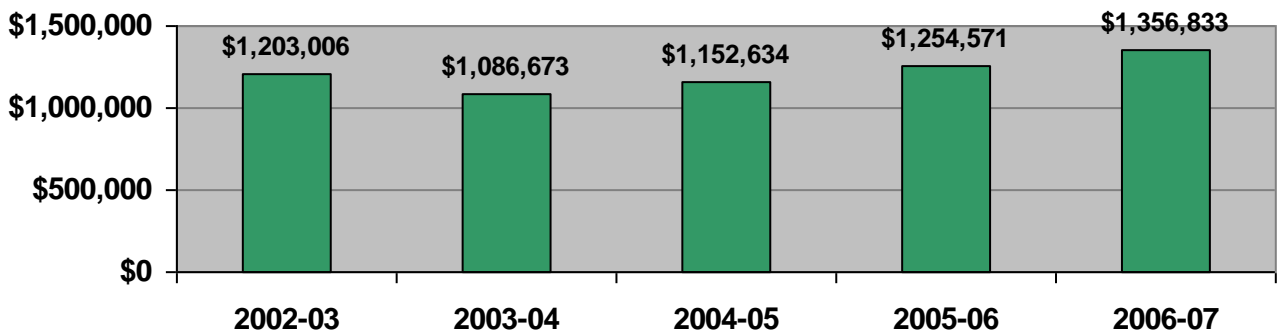
Significant Notes – 2008-09 Budget Compared to 2007-08 Budget

- Eliminated part-time nurse position which reduces nursing hours in 2007-08
- Prefunding Retiree health payments beginning in 2007-08
- Reduction in contracted refuse collection in 2007-08
- Redesigned landscaping to eliminate lawn mowing contract in 2007-08
- Eliminated contract for carpet cleaning in public areas in 2007-08
- Reduction in boiler service costs due to installation of new boilers in 2007-08
- Reduction in 5-year mechanical maintenance contract in 2008-09

5-Year Operating Budget History – Riverside Place



5-Year Operating Budget History – Washington Woods



RIVERSIDE PLACE FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Apartment rentals	\$ 1,014,559	\$ 1,047,012	\$ 1,074,274	\$ 1,135,147
Carport rentals	6,397	6,350	6,391	6,350
Total operating revenues	<u>1,020,956</u>	<u>1,053,362</u>	<u>1,080,665</u>	<u>1,141,497</u>
Operating Expenses				
Personal services	462,543	513,608	506,623	621,402
Supplies	22,679	25,520	23,616	23,520
Other charges	531,056	550,237	543,981	575,436
Reserve for contingencies	-	10,000	10,000	10,000
Total operating expenses	<u>1,016,278</u>	<u>1,099,365</u>	<u>1,084,220</u>	<u>1,230,358</u>
Net operating income (loss)	<u>4,678</u>	<u>(46,003)</u>	<u>(3,555)</u>	<u>(88,861)</u>
Non-operating Revenues (Expenses)				
Food services	(76,379)	(81,000)	(77,000)	(77,000)
Supportive living	36,040	36,000	35,304	36,000
Investment earnings	46,837	45,000	26,800	25,000
Miscellaneous revenue	100,381	83,000	89,721	82,300
Miscellaneous expense	(27,838)	(81,233)	(81,233)	-
Total non-operating revenues (expenses)	<u>79,041</u>	<u>1,767</u>	<u>(6,408)</u>	<u>66,300</u>
Other Financing Sources (Uses)				
Operating transfer in	795	-	-	-
Operating transfer out - Washington Woods	(10,000)	(10,000)	(10,000)	(10,000)
Investment in assets	(35,656)	(47,099)	(53,799)	(45,000)
Total other financing sources (uses)	<u>(44,861)</u>	<u>(57,099)</u>	<u>(63,799)</u>	<u>(55,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>38,858</u>	<u>(101,335)</u>	<u>(73,762)</u>	<u>(77,561)</u>
Working Capital - beginning of year	<u>767,276</u>	<u>806,134</u>	<u>806,134</u>	<u>732,372</u>
Working Capital - end of year	<u>\$ 806,134</u>	<u>\$ 704,799</u>	<u>\$ 732,372</u>	<u>\$ 654,811</u>

RIVERSIDE PLACE FUND FIVE-YEAR FINANCIAL PLAN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues						
Apartment rentals	\$ 1,074,274	\$ 1,135,147	\$ 1,179,609	\$ 1,226,166	\$ 1,274,938	\$ 1,326,021
Other rentals	6,391	6,350	6,350	6,350	6,350	6,350
Total operating revenues	<u>1,080,665</u>	<u>1,141,497</u>	<u>1,185,959</u>	<u>1,232,516</u>	<u>1,281,288</u>	<u>1,332,371</u>
Operating Expenses						
Personal services	506,623	621,402	649,365	678,587	709,123	741,034
Supplies	23,616	23,520	23,712	23,908	24,108	24,313
Other charges	543,981	575,436	586,133	597,071	608,255	621,941
Reserve for contingencies	10,000	10,000	5,000	5,000	5,000	5,000
Total operating expenses	<u>1,084,220</u>	<u>1,230,358</u>	<u>1,264,210</u>	<u>1,304,566</u>	<u>1,346,486</u>	<u>1,392,288</u>
Net operating income (loss)	<u>(3,555)</u>	<u>(88,861)</u>	<u>(78,251)</u>	<u>(72,050)</u>	<u>(65,198)</u>	<u>(59,917)</u>
Non-operating Revenues (Expenses)						
Food services	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)	(77,000)
Supportive living	35,304	36,000	36,000	36,000	36,000	36,000
Investment earnings	26,800	25,000	18,007	16,815	15,778	15,055
Miscellaneous revenue	89,721	82,300	82,894	83,506	84,136	84,785
Miscellaneous expense	<u>(81,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(6,408)</u>	<u>66,300</u>	<u>59,901</u>	<u>59,321</u>	<u>58,914</u>	<u>58,840</u>
Other Financing Sources (Uses)						
Operating transfer out - Washington Woods	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Investment in assets	<u>(53,799)</u>	<u>(45,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>(63,799)</u>	<u>(55,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(73,762)	(77,561)	(43,350)	(37,729)	(26,284)	(21,077)
Working Capital - beginning of year	<u>806,134</u>	<u>732,372</u>	<u>654,811</u>	<u>611,461</u>	<u>573,732</u>	<u>547,448</u>
Working Capital - end of year	<u>\$ 732,372</u>	<u>\$ 654,811</u>	<u>\$ 611,461</u>	<u>\$ 573,732</u>	<u>\$ 547,448</u>	<u>\$ 526,371</u>

ASSUMPTIONS:

Working capital goal	\$ 400,000
Annual market rent increase	5.00%
Operating expense increase per year	2.25%
Personal services increase per year	4.50%
Investment earnings on working capital	2.75%
Investment in assets: five-year capital plan	

WASHINGTON WOODS FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Apartment rentals	\$ 1,095,706	\$ 1,104,748	\$ 1,141,116	\$ 1,184,692
Carport rentals	8,116	7,800	8,100	8,100
Total operating revenues	1,103,822	1,112,548	1,149,216	1,192,792
Operating Expenses				
Personal services	541,676	607,052	603,183	754,440
Supplies	43,201	38,961	34,136	38,761
Other charges	550,762	559,315	582,295	610,302
Reserve for contingencies	-	10,000	5,000	10,000
Total operating expenses	1,135,639	1,215,328	1,224,614	1,413,503
Net operating income (loss)	(31,817)	(102,780)	(75,398)	(220,711)
Non-operating Revenues (Expenses)				
Food services	(74,506)	(68,216)	(73,638)	(76,020)
Investment earnings	43,375	39,995	20,500	18,500
Miscellaneous revenue	126,460	117,795	122,502	119,753
Miscellaneous expense	(60,288)	(97,633)	(99,903)	(12,840)
Total non-operating revenues (expenses)	35,041	(8,059)	(30,539)	49,393
Other Financing Sources (Uses)				
Investment in assets	(86,400)	(48,445)	(24,734)	(17,500)
Operating transfers in	40,000	10,000	10,000	77,000
Total other financing sources (uses)	(46,400)	(38,445)	(14,734)	59,500
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(43,176)	(149,284)	(120,671)	(111,818)
Working Capital - beginning of year	752,347	709,171	709,171	588,500
Working Capital - end of year	\$ 709,171	\$ 559,887	\$ 588,500	\$ 476,682

WASHINGTON WOODS FUND FIVE-YEAR FINANCIAL PLAN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues						
Apartment rentals	\$ 1,141,116	\$ 1,184,692	\$ 1,214,661	\$ 1,245,835	\$ 1,278,271	\$ 1,312,029
Other rentals	8,100	8,100	8,100	8,100	8,100	8,100
Total operating revenues	<u>1,149,216</u>	<u>1,192,792</u>	<u>1,222,761</u>	<u>1,253,935</u>	<u>1,286,371</u>	<u>1,320,129</u>
Operating Expenses						
Personal services	603,183	754,440	788,390	823,868	860,942	899,684
Supplies	34,136	38,761	39,228	39,706	40,194	40,693
Other charges	582,295	610,302	566,525	578,001	589,735	603,004
Reserve for contingencies	5,000	10,000	5,000	5,000	5,000	5,000
Total operating expenses	<u>1,224,614</u>	<u>1,413,503</u>	<u>1,399,143</u>	<u>1,446,575</u>	<u>1,495,871</u>	<u>1,548,381</u>
Net operating income (loss)	<u>(75,398)</u>	<u>(220,711)</u>	<u>(176,382)</u>	<u>(192,640)</u>	<u>(209,500)</u>	<u>(228,252)</u>
Non-operating Revenues (Expenses)						
Food services	(73,638)	(76,020)	(76,020)	(76,020)	(76,020)	(76,020)
Investment earnings	20,500	18,500	13,109	10,339	5,803	1,366
Miscellaneous revenue	122,502	119,753	120,610	121,493	122,402	126,074
Miscellaneous expense	(99,903)	(12,840)	(13,225)	(13,622)	(14,031)	(14,452)
Total non-operating revenues (expenses)	<u>(30,539)</u>	<u>49,393</u>	<u>44,474</u>	<u>42,190</u>	<u>38,154</u>	<u>36,968</u>
Other Financing Sources (Uses)						
Investment in assets	(24,734)	(17,500)	(45,800)	(24,500)	-	(39,000)
Operating transfers in	10,000	77,000	77,000	10,000	10,000	10,000
Total other financing sources (uses)	<u>(14,734)</u>	<u>59,500</u>	<u>31,200</u>	<u>(14,500)</u>	<u>10,000</u>	<u>(29,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(120,671)</u>	<u>(111,818)</u>	<u>(100,708)</u>	<u>(164,950)</u>	<u>(161,346)</u>	<u>(220,284)</u>
Working Capital - beginning of year	<u>709,171</u>	<u>588,500</u>	<u>476,682</u>	<u>375,974</u>	<u>211,024</u>	<u>49,678</u>
Working Capital - end of year	<u>\$ 588,500</u>	<u>\$ 476,682</u>	<u>\$ 375,974</u>	<u>\$ 211,024</u>	<u>\$ 49,678</u>	<u>\$ (170,606)</u>

ASSUMPTIONS:

Working capital goal	\$ 500,000
Annual market rent increase	5.00%
Annual non-market rent increase	1.00%
Operating expense increase per year	2.25%
Personal services increase per year	4.50%
Miscellaneous expense increase per year	3.00%
Investment earnings on working capital	2.75%
Investment in assets: five-year capital plan	



Utilities Director.....Noel Bush
Landfill Superintendent.....Scott O’Laughlin
Wastewater Superintendent.....Kevin Babinski
Water Superintendent.....David Love
Budget Analyst.....Joseph Sova

Functional Organizational Chart

Utilities Administration

- Oversees, coordinates and facilitates the operating and capital budgeting, major purchasing initiatives, and communications for each of the following Utilities enterprise and special revenue funds:
 - Landfill Enterprise Fund
 - Wastewater Enterprise Fund
 - Water Enterprise Fund
 - Storm Water Management Special Revenue Fund
 - Assesses and administers environmental issues impacting the City

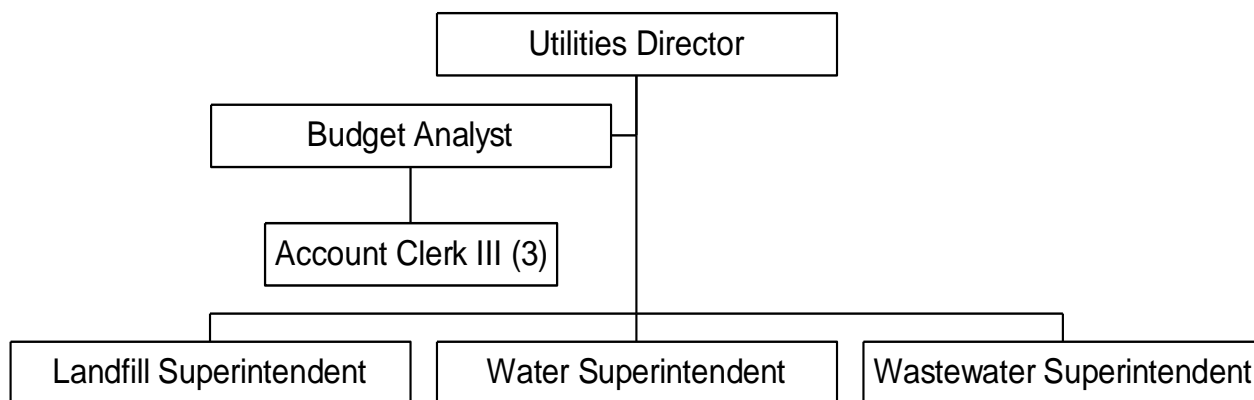
Customer Service and Billing

- Provides water and sewer billing for the City’s retail, wholesale, and industrial customers
- Account management and administration
- Issues new water permits
- Coordinates work orders for new meter sets, final bill meter reading, repairs, shut-offs, and meter change outs
- Water service and billing inquiries
- Educates consumers on leak detection and water loss through leaky toilets, etc.

Service Statement

Facilitate, monitor and audit all Utilities Department budgets according to City guidelines to ensure availability of funds to effectively provide department services. Coordinate funding and assist division superintendents in the financial aspects of their operations, as well as with City Council communications relating to analysis, reporting, and purchasing initiatives.

Organizational Chart – Utilities Department





Landfill Superintendent..... Scott O'Laughlin

Functional Organizational Chart

Waste Disposal for Midland County

- Residential waste drop-off area for convenient disposal for citizens, including 3 yards per residence per month for free
- Commercial & industrial non-hazardous solid waste
- Asbestos
- Contaminated soil

Recycling

- Yard waste: 40,000+ yards of leaves & grass processed into compost annually
- Grinds up brush for internal use
- Separates scrap metal where possible and sells for scrap value
- Keeps concrete and asphalt waste separate for crushing and reuse as road or road base material on site
- Uses waste foundry sand for daily waste cover, avoiding use of virgin sand for cover
- Supports the Midland Area Recycling Center, located on site
- Provides tours to schools from pre-kindergarten through college

Site Maintenance

- Maintains park-like appearance
- Dust minimization
- Controls litter
- Erosion prevention
- Gas odor control
- Pump system maintenance

Regulatory Compliance/Environmental Stewardship

- Customer service: processes an average of over 100 vehicles daily
- Inspects loads to insure against prohibited waste disposal
- Keeps records for reporting to Michigan Department of Environmental Quality
- Monitors groundwater to verify no contamination of water table beneath site
- Developing a landfill gas collection system to reduce odor concerns and generate energy (future)
- Designing bioreactor landfill cell to extend site life and reduce future liability

Department at a Glance

Funding Level Summary	2005-06 Actual	2006-07 Actual	Adjusted 2007-08 Budget	Estimated 2007-08 Budget	Adopted 2008-09 Budget	% of Change
Sanitary Landfill	\$ 2,387,768	\$ 4,456,813	\$ 6,009,397	\$ 5,227,216	\$ 4,637,875	-11.3%
Total Department	\$ 2,387,768	\$ 4,456,813	\$ 6,009,397	\$ 5,227,216	\$ 4,637,875	-11.3%
Personal Services	\$ 695,854	\$ 703,387	\$ 734,786	\$ 750,118	\$ 994,962	32.6%
Supplies	184,921	180,725	187,450	193,950	196,489	1.3%
Other Services/Charges	1,099,036	1,088,684	1,171,486	1,224,074	1,406,588	14.9%
Perpetual Care	-	-	160,000	125,000	125,000	0.0%
Miscellaneous	167,573	380,662	131,160	91,160	19,836	-78.2%
Capital Outlay	240,384	2,091,655	3,624,515	2,842,914	1,895,000	-33.3%
Operating Transfers Out	-	11,700	-	-	-	0.0%
Total Department	\$ 2,387,768	\$ 4,456,813	\$ 6,009,397	\$ 5,227,216	\$ 4,637,875	-11.3%

Personnel Summary

Full-Time	8	8	9	9	9
Part-Time	-	-	-	-	-
Total Department	8	8	9	9	9

Service Statement

Landfill staff is responsible for safe, efficient, and regulatory compliant disposal of all non-hazardous solid waste in Midland County. Midland is a closed county, meaning Midland waste does not leave and waste from other counties or states does not enter the county for disposal. The site is open Monday through Friday, 8:00 a.m. – 4:00 p.m. all year, and on Saturdays from 8:30 a.m. – noon during the months of March through November. We process over 100 vehicles per day, which amounts to roughly 600 tons per day of waste buried.

The site recently finished a cell construction project for another 11 acres of waste disposal. Including future cell construction, the site has an estimated life of over 40 years remaining. We are also investigating the addition of a Type III (inert waste) waste disposal cell on the property to further extend the site life. Finally, new technologies of bioreactor, or liquid introduction to waste, cells and landfill gas collection for conversion to energy are being implemented into the operation over the next few years to reduce gas migration off the property and provide a source of revenue through energy sale (or offset of current energy use). These projects are subject to review and approval by our regulatory agency, the Michigan Department of Environmental Quality, in accordance with Part 115 of PA 451, as amended.

The City also runs a large scale yard waste composting operation on the property. Over 40,000 cubic yards of leaves and grass are ground, mixed, rotated several times, and eventually screened to generate high quality compost. The material is currently all used on site.

We support recycling and education at the site. We have a scrap metal drop-off area where metals are collected for disposal at a recycling yard, which also provides some revenue. Concrete and asphalt are recycled when brought to the site, and their use results in good road conditions in the waste disposal area.

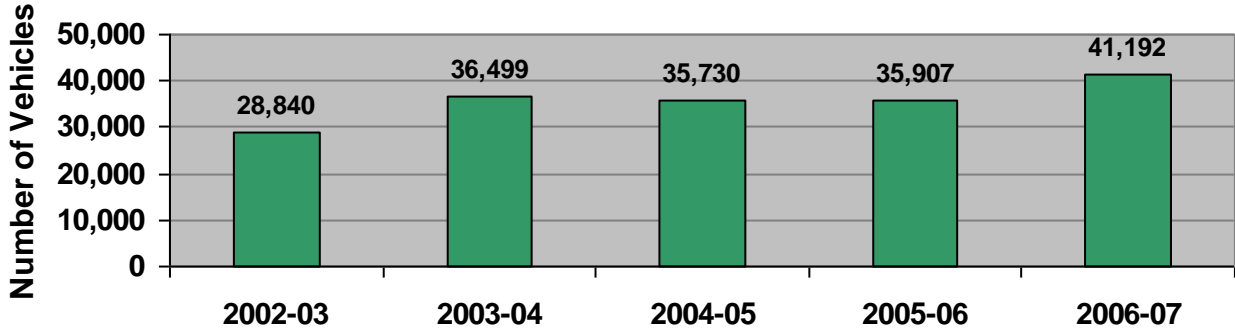
We have consultants perform groundwater, surface water, and air monitoring at the site to insure we are not releasing pollutants from the site. Landfill staff strives to maintain a park-like appearance through groundskeeping, litter control and dust minimization.

The Landfill provides a drop off location for five to six household hazardous waste collections held annually. The materials are taken off site for proper disposal by a hazardous waste disposal firm. The program is provided to citizens at no expense.

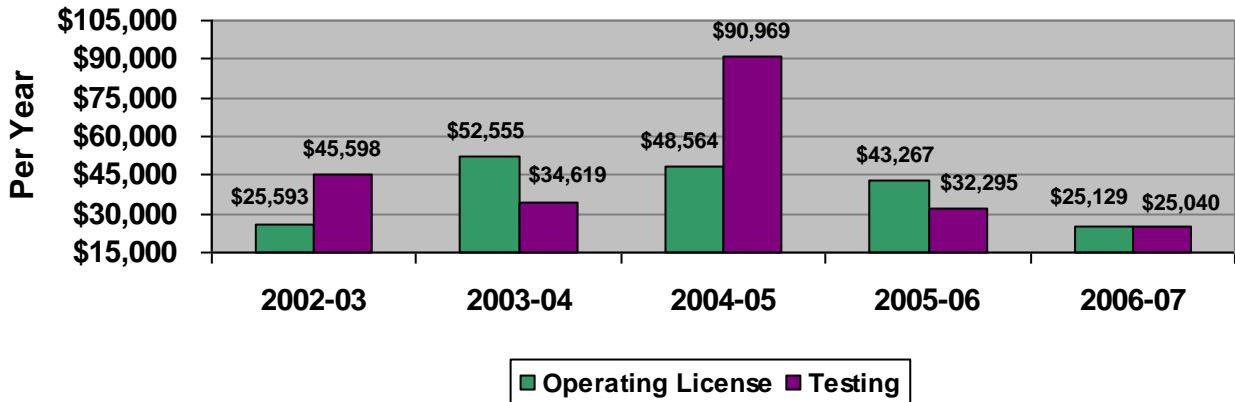
Citizens have access to convenient dumpsters on a paved, elevated pad for disposal of small volumes of waste. Each household in Midland City and County are allowed a single visit each month of up to three cubic yards of waste at no charge (excludes tires; maximum one appliance). Additional volume or visits within the calendar month are charged at the rates posted at the site and in the City ordinance. Disposal fees were reduced in 2003 for all waste types, and had not increased during the ten prior years.

Key Departmental Trends

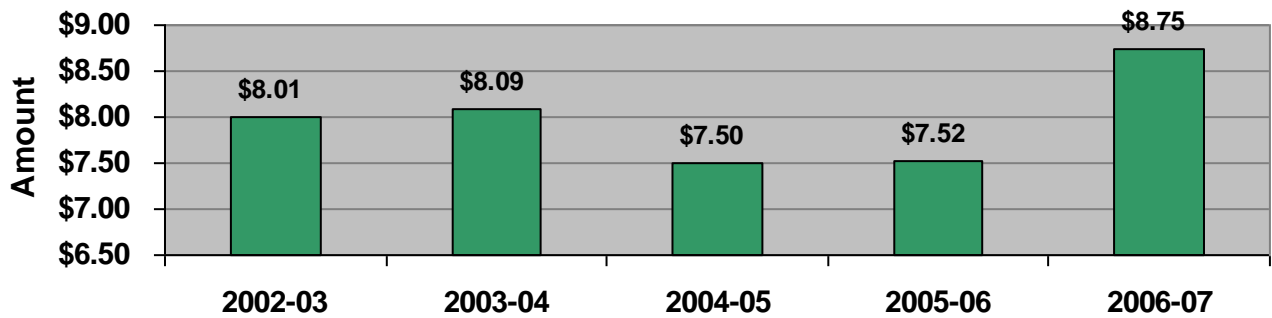
Vehicle Count



Licensing and Testing Costs

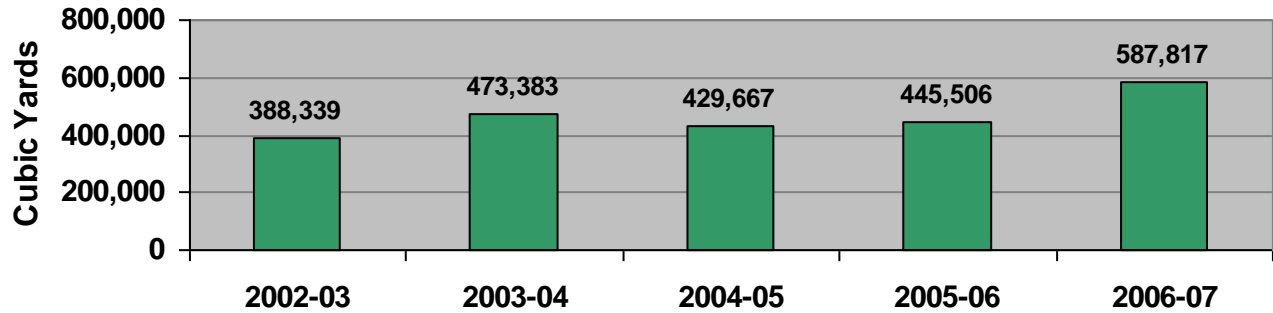


Average Charge Per Yard

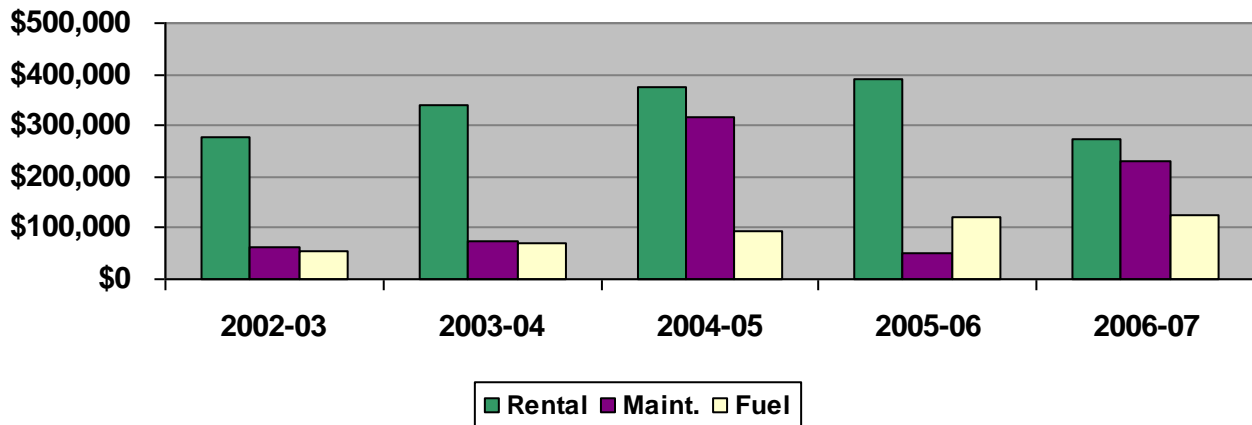


Key Departmental Trends

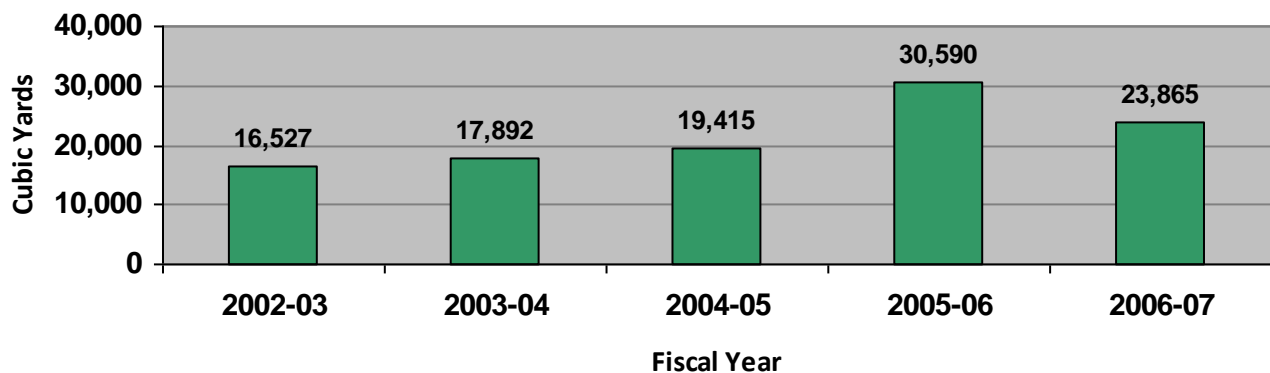
Total Waste Received at Gate



Equipment Operating Costs



Yard Waste Received

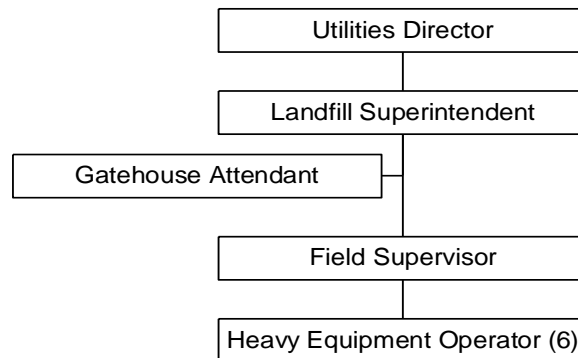


Performance Objectives

Performance Indicators (OUTPUT)	2005-06 Actual	2006-07 Actual	% Change
Vehicle Count	35,907	41,192	14.7%
Air Space Capacity (Cubic Yards)	1,126,046	905,764	-19.6%
Air Space Consumed (Cubic Yards)	141,560	224,143	58.3%
Remaining Life of Open Cells (Years)	8.0	4.0	-50.0%
Yard Waste Received (Cubic Yards)	30,590	23,865	-22.0%
Total Waste Received at Gate (Cubic Yards)	445,506	587,817	31.9%
Waste Received at Gate (Cubic Yards):			
Contractor	143,658	147,373	2.6%
Demolition	122,832	162,976	32.7%
City Residence	47,057	43,765	-7.0%
Heavy	39,735	35,646	-10.3%
Yard Waste	30,590	23,865	-22.0%
Public	13,157	11,528	-12.4%
Contaminated Soils	33,622	151,500	350.6%
Other	14,856	11,165	-24.8%

Performance Indicators (EFFICIENCY)	2005-06 Actual	2006-07 Actual	% Change
Average Waste Revenue per Cubic Yard	\$7.52	\$8.75	16.4%
Cubic yard of Waste Handled per Employee	55,688	73,477	31.9%
Average Cubic Yard per Vehicle	12.4	14.3	15.3%
Average Air Space Consumed per Vehicle	3.9	5.4	38.5%

Organizational Chart



Staff Summary	Approved 2006-07	Approved 2007-08	Approved 2008-09
Landfill Superintendent	1	1	1
Field Supervisor	0	1	1
Gatehouse Attendant	1	1	1
Heavy Equipment Operator	6	6	6

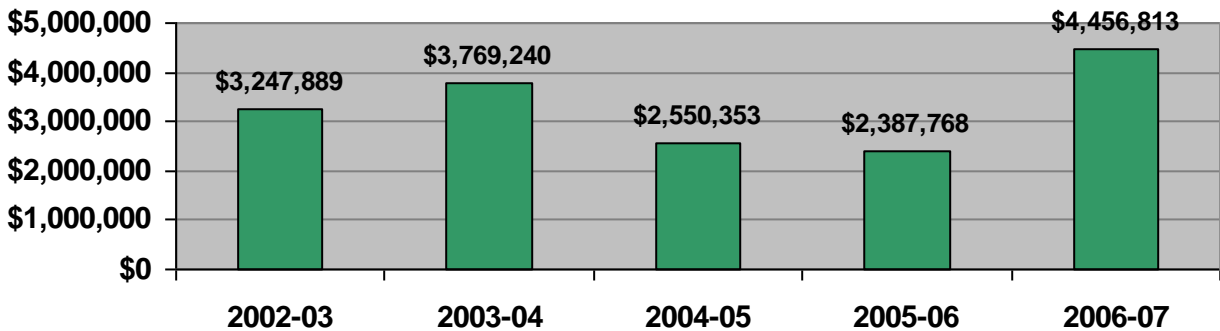
Summary of Budget Changes

Significant Notes – 2008-09 Budget Compared to 2007-08 Budget

Fiscal year 2008-09 will be relatively quiet compared with 2007-08. Cell 16 recently opened and will be the primary waste disposal cell for many years. The project included a permanent fencing installation around parts of all active areas, Cells 14-16, for litter control. Cell 14 had leachate breakouts whose long-term fix of a leachate interceptor trench inside the limit of waste will be completed by June 2008. The planned Type III – Construction and Demolition Debris cell work is well underway with a hydrogeologic study nearing completion by June 2008. This study will be used in 2008-09 to develop a new monitoring plan for the site and also in the design for the Type III cell.

In spring 2008 the majority of raw compost on the property was sold, prior to most processing, for use in biological treatment of contaminated soils in Porter Township. In both fall 2007 and spring 2008 properties adjacent to the Landfill were purchased to increase the buffer between the landfill operations and residences. Landfill gas to energy is one project which will expand in 2008-09. An active gas collection system is being developed to: 1) protect the environment; 2) reduce odor complaints by controlling fugitive gas emissions; and 3) provide potential for an energy source through gas purification or electrical generation through a turbine. Installation of piping will commence in the 2008-09 fiscal year.

5-Year Operating Budget History



LANDFILL FUND
DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Township	\$ 414,567	\$ 430,000	\$ 429,723	\$ 430,000
Public	2,707,584	1,800,000	1,100,666	1,100,000
City - residential	412,246	410,000	410,022	410,000
Demolition	1,506,874	1,050,000	1,400,000	1,150,000
Penalties	8,069	2,500	2,500	1,500
Total operating revenues	5,049,340	3,692,500	3,342,911	3,091,500
Operating Expenses				
Personal services	703,387	734,786	750,118	994,962
Supplies	180,725	187,450	193,950	196,489
Other charges	1,088,684	1,171,486	1,174,074	1,356,588
Perpetual care	-	160,000	125,000	125,000
Reserve for contingencies	-	-	50,000	50,000
Total operating expenses	1,972,796	2,253,722	2,293,142	2,723,039
Net operating income (loss)	3,076,544	1,438,778	1,049,769	368,461
Non-operating Revenues (Expenses)				
Investment earnings	234,923	231,550	310,000	235,000
Interfund loan interest	76,846	58,930	45,835	26,192
Miscellaneous revenue	36,905	83,500	47,163	28,500
Miscellaneous expense	(380,662)	(131,160)	(91,160)	(19,836)
Total non-operating revenues (expenses)	(31,988)	242,820	311,838	269,856
Other Financing Sources (Uses)				
Investment in assets	(2,091,655)	(3,624,515)	(2,842,914)	(1,895,000)
Operating transfers out	(11,700)	-	-	-
Interfund loan proceeds	398,139	416,055	261,914	261,914
Total other financing sources (uses)	(1,705,216)	(3,208,460)	(2,581,000)	(1,633,086)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,339,340	(1,526,862)	(1,219,393)	(994,769)
Working Capital - beginning of year	4,597,367	5,936,707	5,936,707	4,717,314
Working Capital - end of year	\$ 5,936,707	\$ 4,409,845	\$ 4,717,314	\$ 3,722,545

LANDFILL FUND FIVE-YEAR FINANCIAL PLAN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues	<u>\$ 3,342,911</u>	<u>\$ 3,091,500</u>	<u>\$ 3,122,165</u>	<u>\$ 3,153,190</u>	<u>\$ 3,184,581</u>	<u>\$ 3,216,341</u>
Operating Expenses						
Personal services	750,118	994,962	1,039,735	1,086,523	1,135,417	1,186,511
Supplies	193,950	196,489	202,384	208,456	214,710	221,151
Other charges	1,174,074	1,356,588	1,397,286	1,439,205	1,482,381	1,526,852
Perpetual care	125,000	125,000	128,750	132,613	136,591	140,689
Reserve for contingencies	50,000	50,000	25,000	25,000	25,000	25,000
Total operating expenses	<u>2,293,142</u>	<u>2,723,039</u>	<u>2,793,155</u>	<u>2,891,797</u>	<u>2,994,099</u>	<u>3,100,203</u>
Net operating income (loss)	<u>1,049,769</u>	<u>368,461</u>	<u>329,010</u>	<u>261,393</u>	<u>190,482</u>	<u>116,138</u>
Non-operating Revenues (Expenses)						
Investment earnings	310,000	235,000	102,370	73,099	67,630	76,832
Interest-interfund loans	45,835	26,192	19,644	13,096	6,548	-
Miscellaneous revenue	47,163	28,500	28,500	28,500	28,500	28,500
Miscellaneous expense	(91,160)	(19,836)	(20,828)	(21,869)	(22,962)	(24,110)
Total non-operating revenues (expenses)	<u>311,838</u>	<u>269,856</u>	<u>129,686</u>	<u>92,826</u>	<u>79,716</u>	<u>81,222</u>
Other Financing Sources (Uses)						
Investment in Assets	(943,297)	(195,000)	(35,000)	(515,000)	(147,500)	(120,000)
Interfund loan proceeds	261,914	261,914	261,914	261,914	261,914	-
Cell Development & Closure	(1,899,617)	(1,700,000)	(1,750,000)	(300,000)	(50,000)	(50,000)
Total other financing sources (uses)	<u>(2,581,000)</u>	<u>(1,633,086)</u>	<u>(1,523,086)</u>	<u>(553,086)</u>	<u>64,414</u>	<u>(170,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,219,393)	(994,769)	(1,064,390)	(198,867)	334,612	27,360
Working Capital - beginning of year	<u>5,936,707</u>	<u>4,717,314</u>	<u>3,722,545</u>	<u>2,658,155</u>	<u>2,459,288</u>	<u>2,793,900</u>
Working Capital - end of year	<u>\$ 4,717,314</u>	<u>\$ 3,722,545</u>	<u>\$ 2,658,155</u>	<u>\$ 2,459,288</u>	<u>\$ 2,793,900</u>	<u>\$ 2,821,260</u>
Working capital (Goal = \$1 million)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Working capital for cell development & closure	<u>3,717,314</u>	<u>2,722,545</u>	<u>1,658,155</u>	<u>1,459,288</u>	<u>1,793,900</u>	<u>1,821,260</u>
	<u>\$ 4,717,314</u>	<u>\$ 3,722,545</u>	<u>\$ 2,658,155</u>	<u>\$ 2,459,288</u>	<u>\$ 2,793,900</u>	<u>\$ 2,821,260</u>



Wastewater Superintendent.....Kevin Babinski

Functional Organizational Chart

Sewer Maintenance

- Maintains and repairs the sanitary sewer system on a two-year rotation
- Maintenance includes cleaning, televising, and repairing sanitary sewers and manholes
- Responds to service request calls related to the sanitary sewer system
- Inspects, assists and supervises subcontractors in the maintenance of the sanitary sewer system

Storm Maintenance

- Maintains and repairs the storm sewer systems
- Cleans storm sewers on a four-year rotation including catch basins
- Inspects, removes debris and supervises subcontractors in the maintenance of open drains and outfalls

Plant Operations

- Maintains National Pollutant Discharge Elimination System Permit, effluent limits and compliance schedule
- Removes non-recyclable material from wastewater and dispose
- Removes solids from wastewater and stabilizes for recycling
- Monitors biological treatment systems processes for cleaning wastewater
- Collects daily samples and performs daily analytical on all phases of the water recycling process and discharge requirements
- Adjusts process controls of each phase of treatment based on analytical results
- Maintains quality control and quality assurance of laboratory
- Inspects all plant equipment to ensure it's properly running and reports any malfunctioning equipment
- Generates daily report on all processes
- Monitors pumping stations via computer system communication
- Maintains storm water compliance permit as required by the State of Michigan, which includes bi-weekly storm water

inspections, bi-annual inspections and annual reports

Pump Station Maintenance

- Monitors 40 pump stations via telemetry and computer system
- Performs weekly inspections as part of preventative maintenance program
- Utilizes in-house staff for pump, motor, electrical and structural repairs
- Researches new technology as it becomes available and implements this technology after it has been tested and proven, i.e., PLC control
- Installs equipment to help increase efficiency and reliability of pump station, i.e., variable frequency drives, flow meters, and standby generators
- Assists in design and construction of new pump stations
- Documents improvements and/or repairs to keep history to assist PM program
- All maintenance staff are members of MWEA and receive information on training and latest technology used in the wastewater industry

Plant Maintenance

- Monitors plant equipment via computer and associated instruments
- Performs weekly inspections of plant equipment and structures
- Administers intensive preventative maintenance program
- Utilizes in-house staff for pump, motor, electrical, and structural repairs
- Works in cooperation with operations staff utilizing a trouble area work order program
- Annually tests thermography on critical equipment
- Annually calibrates meters
- Prioritizes equipment replacement using an asset management plan
- All maintenance staff are members of MWEA and receive information on training and latest technology used in the wastewater industry

Department at a Glance

Funding Level Summary	2005-06 Actual	2006-07 Actual	Adjusted 2007-08 Budget	Estimated 2007-08 Budget	Adopted 2008-09 Budget	% of Change
Administration	\$ 620,798	\$ 666,705	\$ 728,230	\$ 739,173	\$ 884,155	19.6%
Operations	1,050,128	1,103,363	1,081,322	1,147,259	1,284,828	12.0%
Maintenance	1,384,256	1,486,579	1,569,637	1,555,298	1,706,970	9.8%
Miscellaneous	181,559	516,292	371,794	380,549	50,500	-86.7%
Debt Service	1,870,818	1,351,457	1,385,537	1,382,812	1,391,607	0.6%
Capital Outlay	441,819	295,642	849,802	758,888	1,232,500	62.4%
Operating Transfers Out	100,000	140,000	70,000	70,000	-	-100.0%
Total Department	\$ 5,649,378	\$ 5,560,038	\$ 6,056,322	\$ 6,033,979	\$ 6,550,560	8.6%
Personal Services	\$ 1,667,052	\$ 1,680,441	\$ 1,784,837	\$ 1,841,841	\$ 1,841,745	0.0%
Supplies	316,480	367,835	357,540	380,346	386,955	1.7%
Other Services/Charges	1,253,209	1,724,663	1,608,606	1,600,092	1,697,753	6.1%
Debt Service	1,870,818	1,351,457	1,385,537	1,382,812	1,391,607	0.6%
Capital Outlay	441,819	295,642	849,802	758,888	1,232,500	62.4%
Operating Transfers Out	100,000	140,000	70,000	70,000	-	-100.0%
Total Department	\$ 5,649,378	\$ 5,560,038	\$ 6,056,322	\$ 6,033,979	\$ 6,550,560	8.6%

Personnel Summary

Full-Time	22	22	22	22	22
Part-Time	1	1	1	1	1
Total Department	23	23	23	23	23

Service Statement

The City of Midland is a "Class A" sewage treatment plant and has been issued a National Pollution Discharge Elimination System (NPDES) Permit by the EPA and MDEQ. The treatment plant has a design capacity of 10.0 million gallons a day (MGD) and a hydraulic capacity of 18.0 MGD. Samples are collected each shift and analyzed daily by the operational staff in the wastewater laboratory. Process adjustments for each phase of treatment are made based on the analytical results in comparison to permit limitation of each pollutant. Daily reports are generated and compiled into a monthly operating report which is submitted to the State of Michigan.

Sludge is a waste product that is generated from solids removed during the cleaning of the wastewater. It is stabilized through a biological process referred to as anaerobic digestion. In this process microorganisms destroy pathogens and viruses while reducing the volatile content, creating a safe recyclable product called bio-solids. Bio-solids are used as a fertilizer throughout the farming industry and contain nitrogen, phosphorus and many micro-nutrient and organic solids that enrich the soil. The City of Midland recycles approximately 3.5 million gallons of bio-solids each year.

Staff monitors plant equipment using a SCADA system and performs inspections of all equipment and structures daily. An intensive preventive maintenance program keeps equipment operating at peak efficiency.

A computerized work order system tracks equipment maintenance costs. Most repairs to equipment are done in-house.

The treatment plant has a standby diesel generator sized to run critical loads during a power outage.

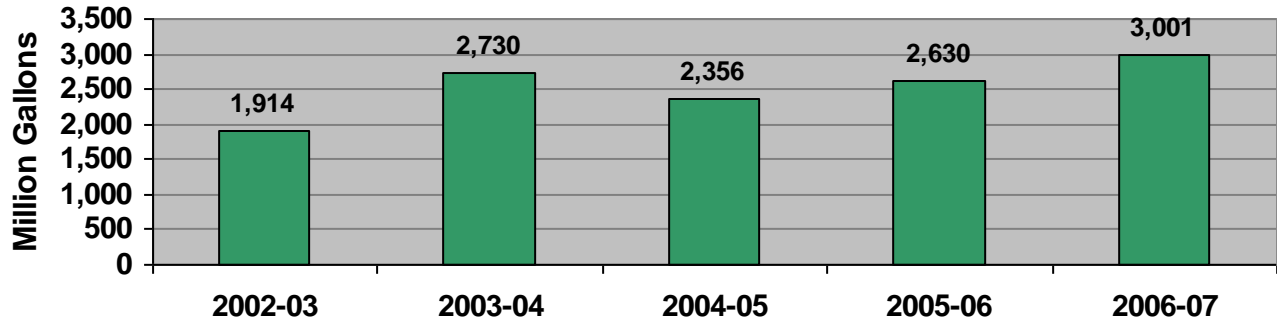
Staff, working with an engineering firm, is implementing an asset management program to review and prioritize capital expenditures for the next 20 years. The development of a comprehensive plan for wastewater improvements will allow for orderly and cost effective improvements.

The sewer maintenance staff is responsible for maintaining nearly 200 miles of sanitary sewers. The sanitary system is cleaned on a two year rotation. Computerized work orders track progress. Staff will respond to service requests 24 hours a day. The staff conducts regular inspections and is responsible for repairs to damaged structures and lines. Recently purchased equipment allows us to repair some defects in-house using a form of trenchless sewer technology called "spot liners". Larger defects that require a full length liner or a dig and repair method are contracted out.

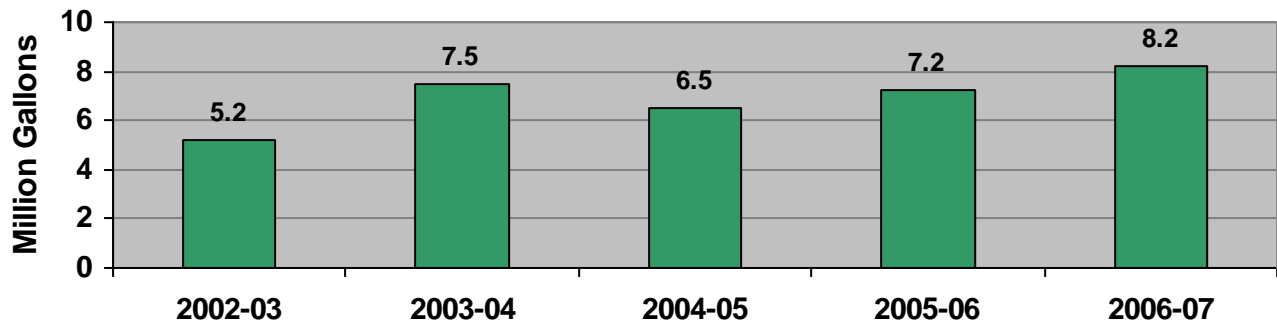
The storm maintenance staff is responsible for maintaining nearly 180 miles of storm sewer. The storm system is cleaned on a four year rotation. Progress is tracked using a computerized work order system. Open drains throughout the City are inspected for debris after major rainfalls.

Key Departmental Trends

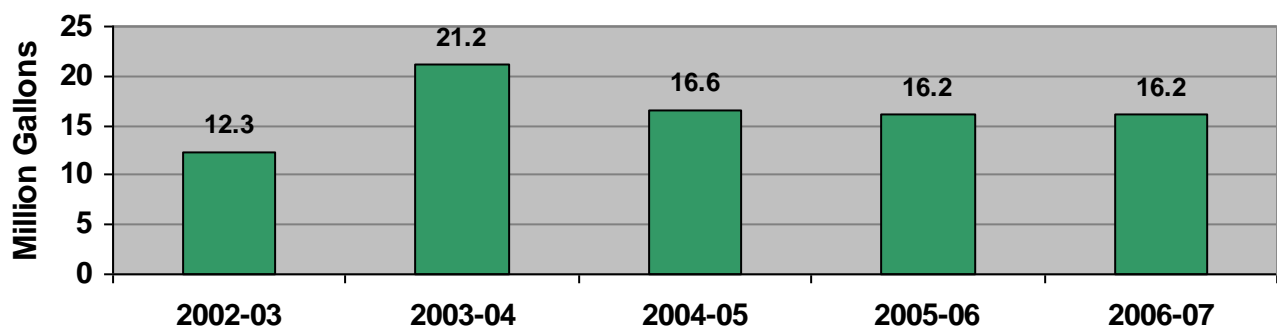
Sewer Treated



Sewer Treated Avg Day

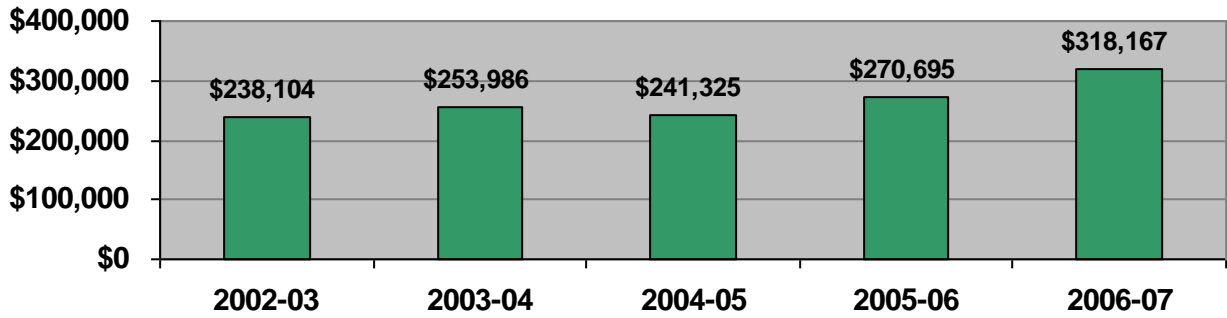


Sewer Treated Max Day

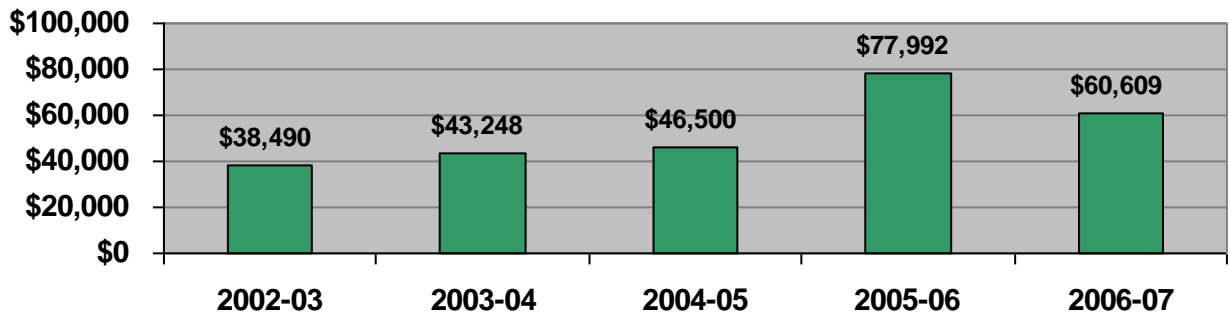


Key Departmental Trends

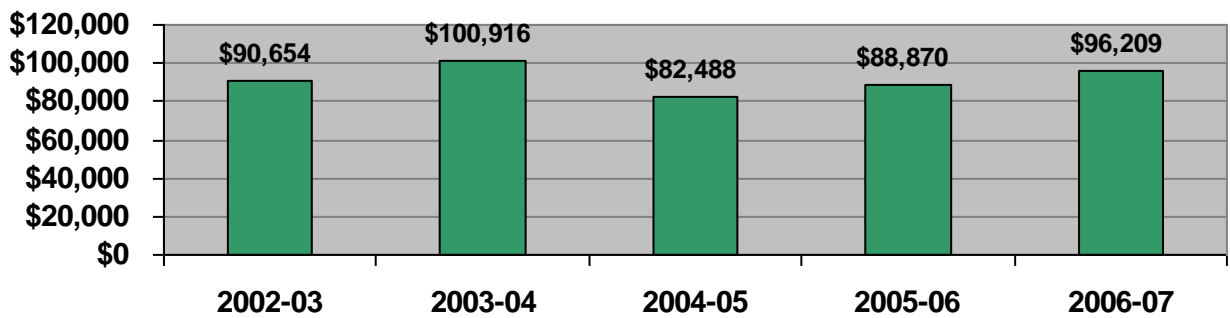
Electric Costs



Natural Gas Costs



Chemical Costs

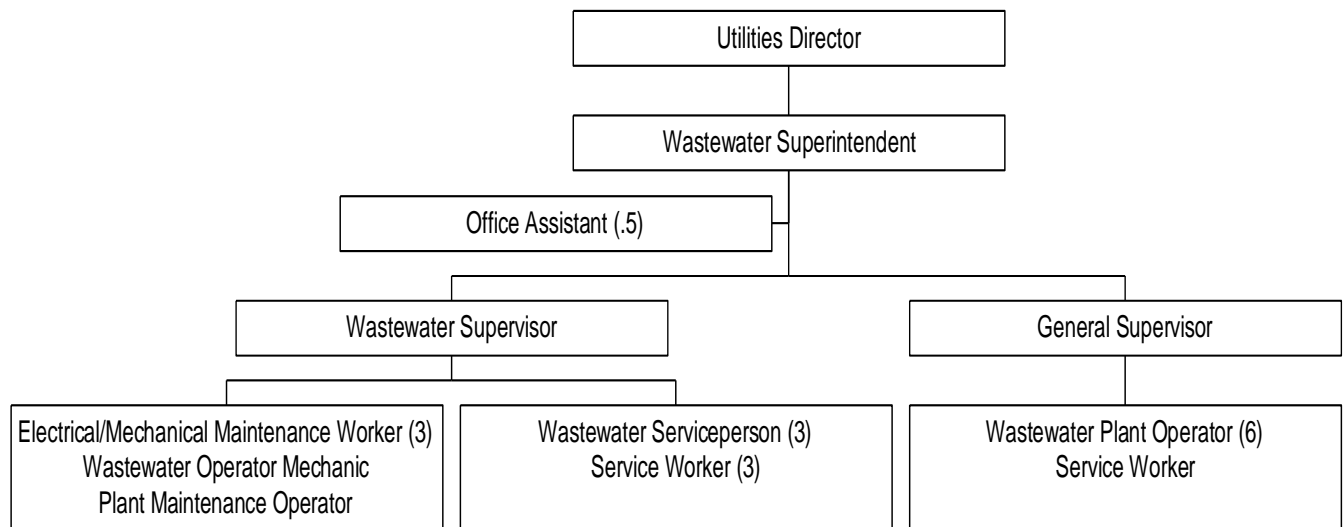


Performance Objectives

Performance Indicators (OUTPUT)	2005-06 Actual	2006-07 Actual	% Change
Annual Treatment (MG)	2,630.2	3,000.6	14.1%
Max Day Treatment (MG)	16.2	16.2	0%
Average Day Treatment (MG)	7.2	8.2	13.9%
Miles of Pipe	192.9	193.1	0.1%
Feet of Pipe Cleaned	457,135	460,949	0.8%
Collection Failures (#)	0	4	100%
Inches of Rain per Year	36.7	32.9	-10.4%
Inches of Rain Max Month	5.5	4.5	-18.2%

Performance Indicators (EFFICIENCY)	2005-06 Actual	2006-07 Actual	% Change
MG Treated Per Employee	114.4	130.5	14.1%
Cost per MG Collected/Treated	\$5,770	\$1,774	-69.3%
Chemical Cost per MG Treated	\$29.65	\$20.20	-31.9%
Collection Failures per Mile of Pipe	0.00	0.02	<1%
Average Residential Sewer Cost/Quarter	\$73.18	\$76.10	4.0%
Non-Compliance Days	0	0	0.0%

Organizational Chart



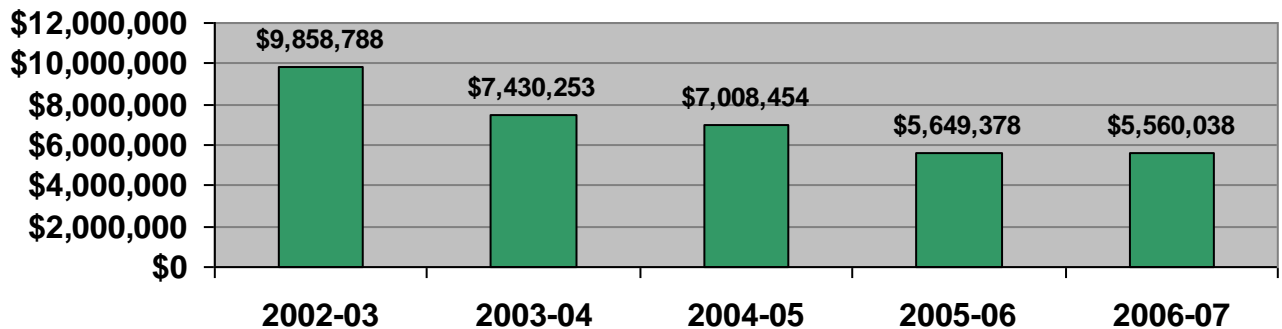
Staff Summary	Approved 2006-07	Approved 2007-08	Approved 2008-09
Wastewater Superintendent	1	1	1
Wastewater Supervisor	1	1	1
Operations Supervisor	1	1	1
Office Assistant	.5	.5	.5
Electrical/Mechanical Maintenance Worker II	3	3	3
Plant Maintenance Operator	1	1	1
Service Worker	4	4	4
Wastewater Operator Mechanic	2	2	2
Wastewater Plant Operator	6	6	6
Wastewater Service Person	3	3	3

Summary of Budget Changes

Significant Notes – 2008-09 Budget Compared to 2007-08 Budget

Repairs to infrastructure at the wastewater plant will include lintel replacement and epoxy coatings on various concrete structures. Manhole rehabilitation will increase with a focus on older deteriorating block manholes in the downtown area. Rehabilitation of the sanitary sewer using trenchless technologies on Drake Street is scheduled. Pump station wet wells will get safety grating installed to prevent falling into structure during maintenance.

5-Year Operating Budget History



**WASTEWATER FUND
DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
Fiscal Year Ending June 30, 2009**

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Sewer service charges	\$ 4,588,778	\$ 4,694,068	\$ 4,757,160	\$ 5,133,620
Forfeited discounts	64,717	60,800	63,228	60,580
Total operating revenues	<u>4,653,495</u>	<u>4,754,868</u>	<u>4,820,388</u>	<u>5,194,200</u>
Operating Expenses				
Administration	666,705	728,230	739,173	884,155
Operations				
Wastewater operations	866,286	824,183	887,524	1,013,659
Residuals processing	148,992	149,161	159,726	157,216
Digester operations	58,844	69,618	60,949	70,111
Maintenance				
Pump stations	420,449	416,320	416,664	464,677
Sewer plant	459,285	493,861	493,747	490,134
Janitorial	59,936	59,835	64,253	74,311
Sanitary sewer cleaning	224,964	218,560	224,514	254,533
Digester maintenance	10,115	17,432	14,631	19,442
Residuals process	12,697	12,624	9,108	14,457
Motor equipment	110,281	186,807	156,268	209,480
Sanitary sewer repair	176,173	136,496	156,206	146,388
Instrumentation	12,679	27,702	19,907	33,548
Safety	29,241	38,360	39,060	43,842
Reserve for contingencies	-	50,000	50,000	50,000
Total operating expenses	<u>3,256,647</u>	<u>3,429,189</u>	<u>3,491,730</u>	<u>3,925,953</u>
Net operating income (loss)	<u>1,396,848</u>	<u>1,325,679</u>	<u>1,328,658</u>	<u>1,268,247</u>
Non-operating Revenues (Expenses)				
Capital charges	11,480	10,200	11,600	12,300
Investment earnings	100,843	75,000	66,100	50,000
Miscellaneous revenue	14,996	18,000	34,700	32,000
Miscellaneous expense	(516,292)	(321,794)	(330,549)	(500)
Interest expense	(596,457)	(570,537)	(567,812)	(536,607)
Total non-operating revenues (expenses)	<u>(985,430)</u>	<u>(789,131)</u>	<u>(785,961)</u>	<u>(442,807)</u>
Other Financing Sources (Uses)				
Investment in assets	(295,642)	(849,802)	(758,888)	(1,232,500)
Operating transfers in	833,555	987,242	972,123	834,964
Operating transfers out	(140,000)	(70,000)	(70,000)	-
Retirement of debt	(755,000)	(815,000)	(815,000)	(855,000)
Total other financing sources (uses)	<u>(357,087)</u>	<u>(747,560)</u>	<u>(671,765)</u>	<u>(1,252,536)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	54,331	(211,012)	(129,068)	(427,096)
Working Capital - beginning of year	<u>1,910,678</u>	<u>1,965,009</u>	<u>1,965,009</u>	<u>1,835,941</u>
Working Capital - end of year	<u>\$ 1,965,009</u>	<u>\$ 1,753,997</u>	<u>\$ 1,835,941</u>	<u>\$ 1,408,845</u>

WASTEWATER FUND FIVE-YEAR FINANCIAL PLAN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues	<u>\$ 4,820,388</u>	<u>\$ 5,194,200</u>	<u>\$ 5,427,186</u>	<u>\$ 5,640,812</u>	<u>\$ 5,871,714</u>	<u>\$ 6,103,780</u>
Operating Expenses						
Administration	739,173	884,155	908,292	933,088	958,561	984,730
Operations	1,108,199	1,240,986	1,284,296	1,329,118	1,375,504	1,423,509
Maintenance	1,555,298	1,706,970	1,766,543	1,828,195	1,891,999	1,958,030
Safety	39,060	43,842	45,552	47,329	49,175	51,093
Reserve for contingencies	50,000	50,000	25,000	25,000	50,000	50,000
Total operating expenses	<u>3,491,730</u>	<u>3,925,953</u>	<u>4,029,683</u>	<u>4,162,730</u>	<u>4,325,239</u>	<u>4,467,362</u>
Net operating income (loss)	<u>1,328,658</u>	<u>1,268,247</u>	<u>1,397,503</u>	<u>1,478,082</u>	<u>1,546,475</u>	<u>1,636,418</u>
Non-operating Revenues (Expenses)						
Capital charges	11,600	12,300	7,500	7,500	7,500	7,500
Investment earnings	66,100	50,000	36,000	29,000	22,000	20,000
Miscellaneous revenue	34,700	32,000	32,960	33,949	34,967	36,016
Miscellaneous expense	(330,549)	(500)	(525)	(551)	(579)	(608)
Interest expense	<u>(567,812)</u>	<u>(536,607)</u>	<u>(503,742)</u>	<u>(469,021)</u>	<u>(432,182)</u>	<u>(399,485)</u>
Total non-operating revenues (expenses)	<u>(785,961)</u>	<u>(442,807)</u>	<u>(427,807)</u>	<u>(399,123)</u>	<u>(368,294)</u>	<u>(336,577)</u>
Other Financing Sources (Uses)						
Investment in assets	(758,888)	(1,232,500)	(1,076,500)	(1,376,500)	(1,104,000)	(1,212,000)
Operating transfer in	972,123	834,964	842,245	848,413	856,309	863,691
Operating transfer out	(70,000)	-	-	-	-	-
Retirement of debt	<u>(815,000)</u>	<u>(855,000)</u>	<u>(900,000)</u>	<u>(945,000)</u>	<u>(995,000)</u>	<u>(1,040,000)</u>
Total other financing sources (uses)	<u>(671,765)</u>	<u>(1,252,536)</u>	<u>(1,134,255)</u>	<u>(1,473,087)</u>	<u>(1,242,691)</u>	<u>(1,388,309)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(129,068)	(427,096)	(164,559)	(394,128)	(64,510)	(88,468)
Working Capital - beginning of year	<u>1,965,009</u>	<u>1,835,941</u>	<u>1,408,845</u>	<u>1,244,286</u>	<u>850,158</u>	<u>785,648</u>
Working Capital - end of year	<u>\$ 1,835,941</u>	<u>\$ 1,408,845</u>	<u>\$ 1,244,286</u>	<u>\$ 850,158</u>	<u>\$ 785,648</u>	<u>\$ 697,180</u>

ASSUMPTIONS:

Working capital goal	600,000
Sewer revenue increases:	
2008-09	5.00%
2009-10	4.50%
2010-11	4.00%
2011-12	4.20%
2012-13	4.00%
Personnel services increase per year	4.50%
Other operating expenses increase per year	2.25%
Investment earnings on working capital	2.75%
Miscellaneous income increase per year	3.00%
Miscellaneous expense increase per year	3.00%
Retirement of debt - actual	
Investment in assets: five-year capital plan	



Water Superintendent.....David Love

Functional Organizational Chart

Water Plant Operations

- Maintains water quality within Federal and State requirements to protect public health
- Monitors plant operation 24/7 to optimize treatment efficiency
- Files monthly treatment reports to MDEQ
- Complies with Process Safety (OSHA) and Risk Management (EPA) requirements for chlorine handling
- Performs daily chemical and biological analysis monitoring treatment process
- Develops short- and long-range budget and capital improvement plan
- Responds to citizen service requests and inquiries related to water quality questions
- Performs daily water system testing for bacteriological indicator organism to confirm water quality
- Maintains certification of plant laboratory to meet EPA and MDEQ standards
- Monitors mandated MDEQ operator certification to ensure continuing education requirements are completed
- Conducts water quality control sampling of our distribution system
- Coordinates daily flow request with the Saginaw-Midland Water Supply Corp. to optimize raw water system efficiency
- Monitors and maintains treatment chemical inventories
- Meets MDEQ and Clean Water Act requirements for the disposal of water treatment residuals

Water Plant Maintenance

- Maintains 5 pump stations including: industrial pumping, domestic pumping, pressure district pumping and booster pump stations
- Maintains Supervisor Control and Data Acquisition (SCADA) systems and corresponding remote radio telemetry to insure reliability of the plant controls
- Performs preventive maintenance program on system equipment
- Monthly calibrates online analytical equipment for turbidity and chlorine to ensure regulatory compliance

- Completes all required staff safety training
- Conducts annual maintenance of all treatment basins and process equipment including calibration of all chemical feeders and flow meters
- Completes annual inspection and monitoring program of plant filters

Water Distribution

- Maintains and repairs emergency water main for 312 miles of water main
- Inspects and cleans elevated storage
- Reviews and approves design for all water system extensions and improvements
- Responds to citizen service requests and inquiries related to water quality questions, water pressure problems and water main repair or construction projects
- Provides accurate and timely readings of 18025 water meters on a quarterly basis for billing purposes
- Administers and enforces City Ordinances relating to our cross connection control program including the facilitation of the testing requirements for 4828 backflow prevention devices
- Monitors operator MDEQ certification to ensure mandated continuing education requirements are completed
- Conducts annual system flushing program
- Monitors and maintains inventories for water system repair parts and meter stock
- Maintains and repairs emergency valves for 3032 distribution valves
- Maintains 48" and 36" raw water transmission lines from Saginaw-Midland Municipal Water Supply Corporation to the City of Midland Water Treatment Plant
- Maintains 2924 fire hydrants including auxiliary valves
- Gathers fire flow test data for City of Midland Fire Department and fire suppression contractors
- Responds to approximately 6000 requests for utility locates on an annual basis



Water Treatment and Distribution

Department at a Glance

Funding Level Summary	2005-06 Actual	2006-07 Actual	Adjusted 2007-08 Budget	Estimated 2007-08 Budget	Adopted 2008-09 Budget	% of Change
Administration	\$ 1,083,624	\$ 1,008,306	\$ 1,072,364	\$ 1,078,278	\$ 1,342,232	24.5%
Plant Operations	3,653,856	4,016,920	2,772,819	2,940,229	3,274,508	11.4%
Maintenance	2,405,999	2,318,442	2,501,865	2,516,415	2,866,954	13.9%
Miscellaneous	1,276,798	685,079	626,753	623,303	101,000	-83.8%
Debt Service	2,324,211	2,122,849	2,535,561	2,535,562	2,477,627	-2.3%
Capital Outlay	185,803	222,557	3,976,801	3,941,358	1,252,000	-68.2%
Operating Transfers Out	90,000	100,000	190,000	190,000	-	-100.0%
Total Department	\$ 11,020,291	\$ 10,474,153	\$ 13,676,163	\$ 13,825,145	\$ 11,314,321	-18.2%

Personal Services	\$ 3,043,423	\$ 3,113,342	\$ 3,303,935	\$ 3,390,893	\$ 3,468,281	2.3%
Supplies	497,022	473,457	567,100	582,856	620,445	6.4%
Other Services/Charges	4,879,832	4,441,948	3,102,766	3,184,476	3,495,968	9.8%
Debt Service	2,324,211	2,122,849	2,535,561	2,535,562	2,477,627	-2.3%
Capital Outlay	185,803	222,557	3,976,801	3,941,358	1,252,000	-68.2%
Operating Transfers Out	90,000	100,000	190,000	190,000	-	-100.0%
Total Department	\$ 11,020,291	\$ 10,474,153	\$ 13,676,163	\$ 13,825,145	\$ 11,314,321	-18.2%

Personnel Summary

Full-Time	36	36	36	36	36
Part-Time	1	1	1	1	1
Total Department	37	37	37	37	37

Service Statement

Raw water from Lake Huron is purchased from the Saginaw-Midland Municipal Water Supply Corporation pipeline. The pipeline corporation is jointly owned by the cities of Midland and Saginaw.

The Water Division is responsible for the planning, management, treatment and distribution of potable water. Bringing this precious natural resource into homes and businesses requires the hard work and commitment of knowledgeable and devoted trained specialists working around the clock.

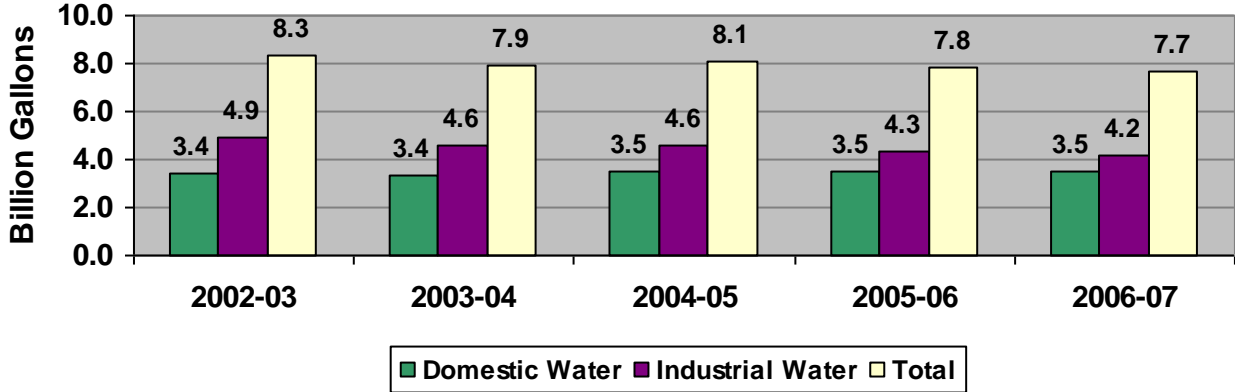
The City of Midland water system operates under oversight from EPA and MDEQ under the U.S. Safe Drinking Water Act of 1974 and the Michigan Safe Drinking Water Act 1976 PA 399.

Our water treatment and distribution system protect us from naturally occurring and manmade contaminants. Our water treatment plant is capable of producing 48 million gallons a day of high quality water. Chemicals are added to the raw water at the Water Plant to accomplish the purification and disinfection process that includes: coagulation, clarification and filtration. Operators at the water plant monitor water quality in "real time" 24 hours a day, 365 days a year. Over 100,000 tests are performed each year by our laboratory, before, during and after treatment to assure that the water meets or exceeds all the requirements of Federal and State regulations for safe drinking water. Finished water is distributed through separate transmission systems to both our general population or domestic flow and our industrial customers at Dow Michigan Division and Dow Corning. The plant maintenance team is responsible for ensuring the reliability of all the electrical and mechanical systems for the treatment and delivery of the water. Water is stored in both elevated and underground facilities located throughout the water system to meet our customers' needs.

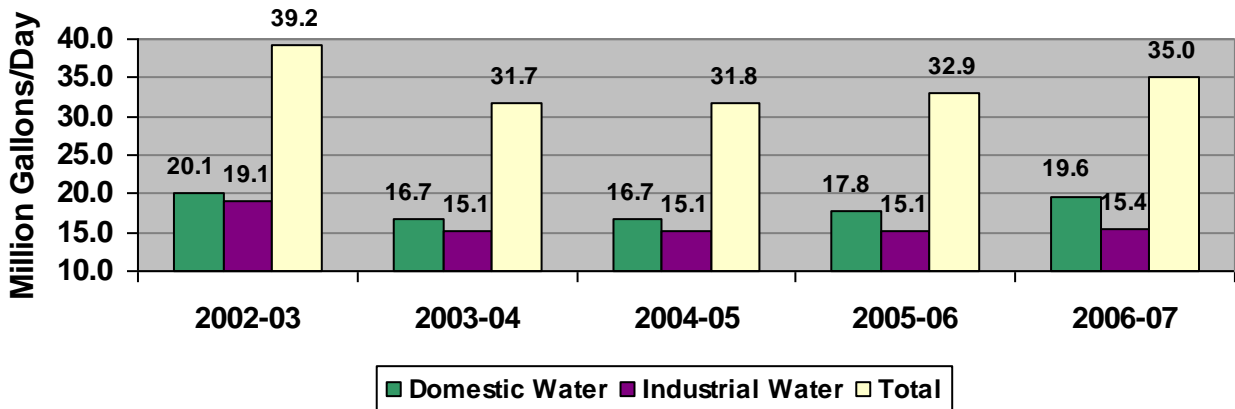
The water transmission and distribution system is comprised of over 312 miles of water main providing water for fire protection, business, industry and individual customers in the City of Midland, Homer Township, Larkin Township, Midland Township, Mills Township, Water District #1 of Midland County and the City of Auburn. Water system distribution crews provide for the integrity of this delivery system with emergency water main repair, valve operation, elevated storage inspection and cleaning, hydrant inspections and meter reading and maintenance. The Distribution staff also administers the City's Cross Connection Control Program to protect the system from back flow potential.

Key Departmental Trends

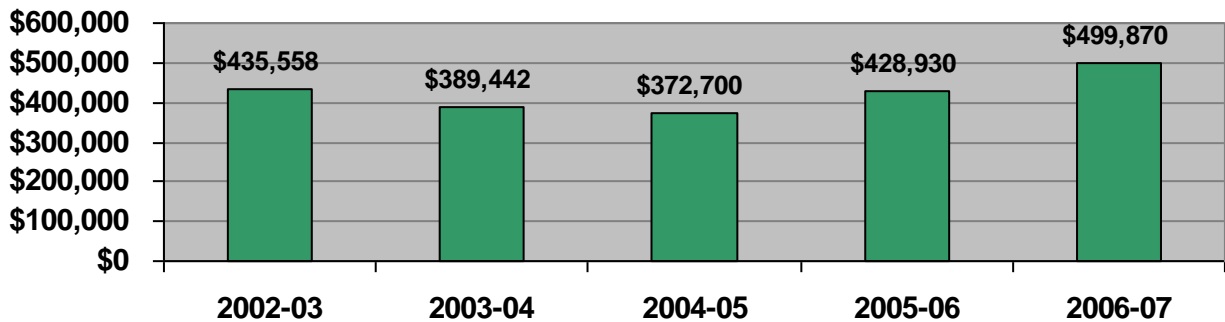
Water Treated



Max Day Water Pumpage

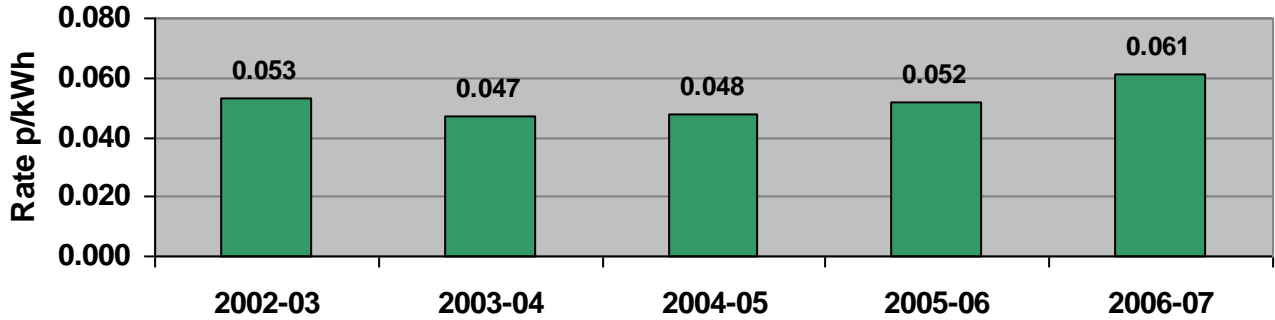


Electric Costs

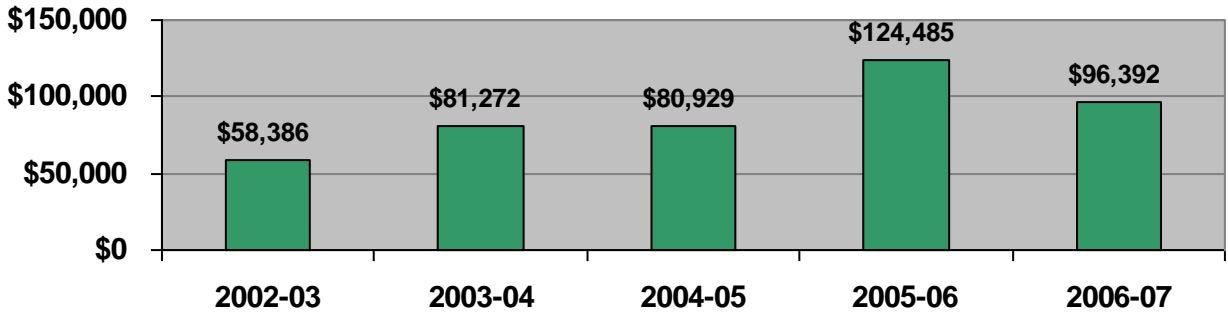


Key Departmental Trends (cont.)

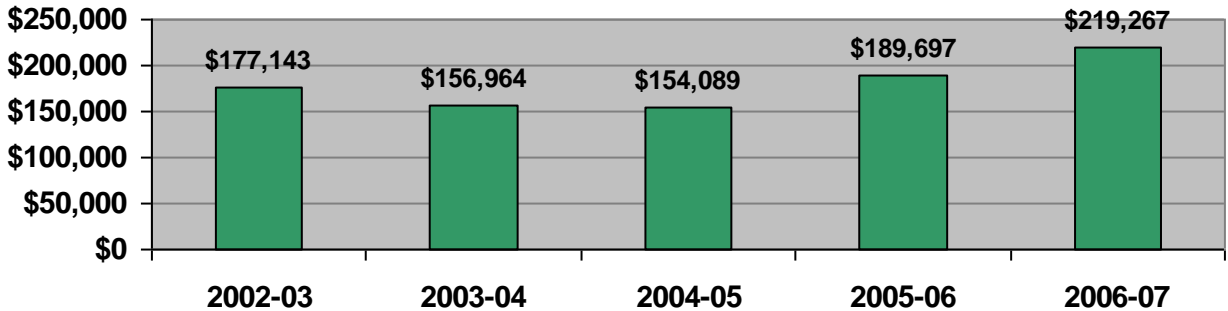
Electric Costs per kWh



Natural Gas Costs

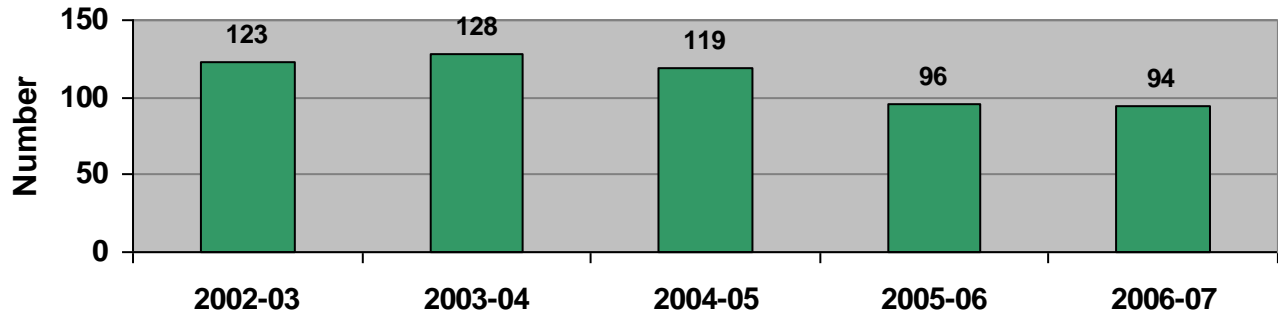


Chemical Costs

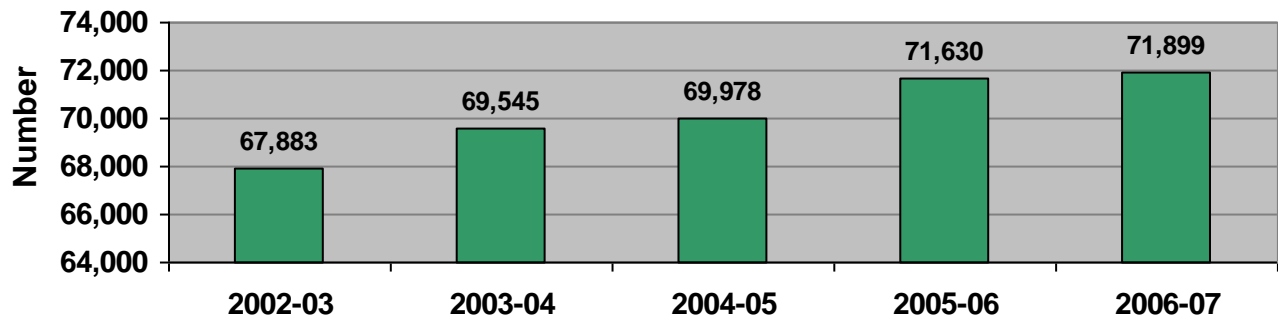


Key Departmental Trends (cont.)

Water Main Breaks



Water Bills Processed

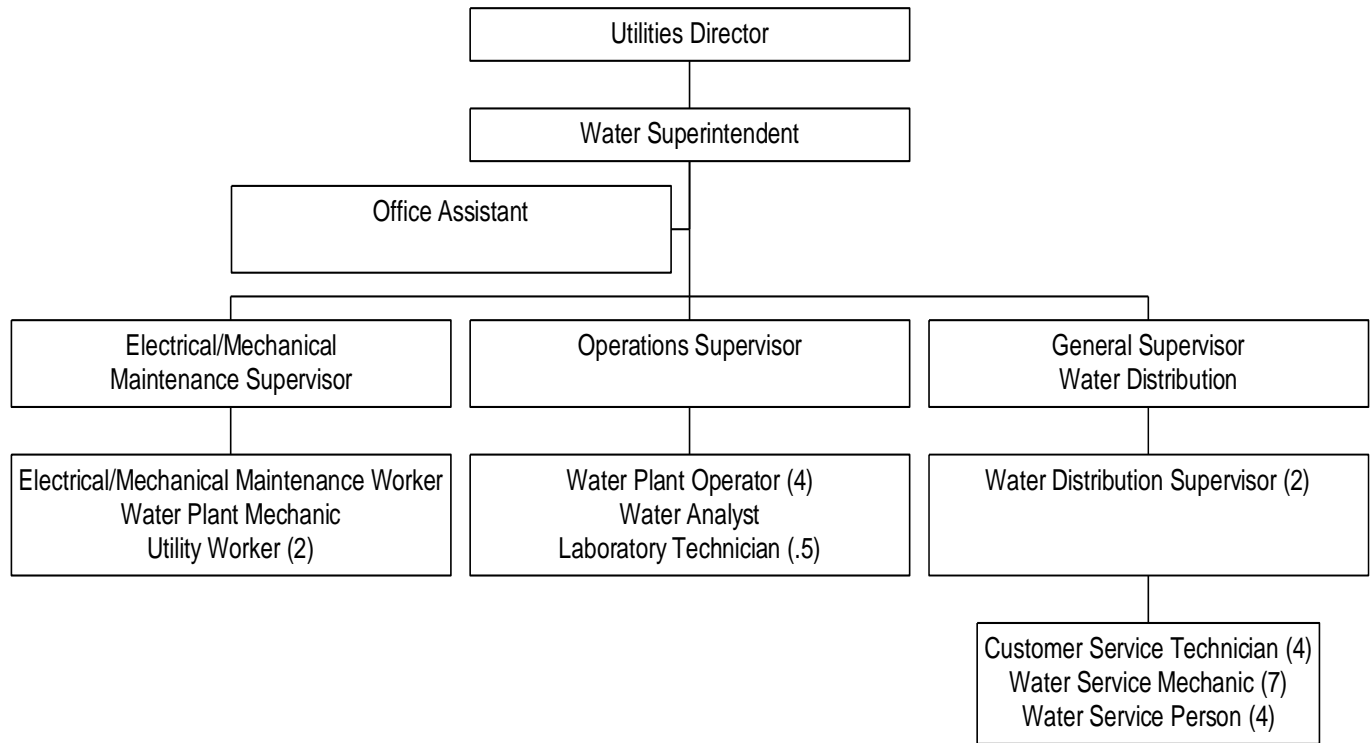


Performance Objectives

Performance Indicators (OUTPUT)	2005-06 Actual	2006-07 Actual	% Change
Water Treated (MG)	7,822.2	7,696.6	-1.6%
Contract Water Analyses Performed	7,757	7,971	2.8%
Main Breaks Repaired	96	94	-2.1%
New Service Installations	88	215	144.3%
Water Bills Processed	71,630	71,899	0.4%
Service Orders Processed	3,746	3,804	1.5%
New Meter Set Installations	158	196	24.1%
Miles of Water Main	313.7	332.8	6.1%
Fire Hydrants	2,626	2,947	12.2%
Valves	5,652	6,189	9.5%
Utility Locates (Miss Dig)	5,042	5,795	14.9%

Performance Indicators (EFFICIENCY)	2005-06 Actual	2006-07 Actual	% Change
MG Pumped Per Employee	601.71	592.04	-1.6%
Costs per MG Treated/Distributed	\$1,302.00	\$1,325.57	1.8%
Chemical Costs per MG Treated	\$26.54	\$28.36	6.9%
Water Main Breaks per Mile of Pipe	0.31	0.28	-9.7%
Avg Residential Water Cost/Quarter	\$56.25	\$58.56	4.1%
Customers Billed per Employee	14,326	14,380	0.4%

Organizational Chart



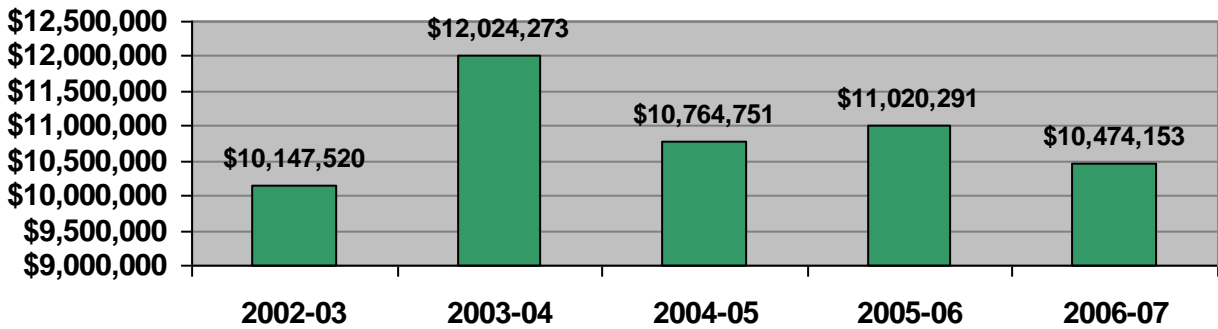
Staff Summary	Approved 2006-07	Approved 2007-08	Approved 2008-09
Water Superintendent	1	1	1
Electrical/Mechanical Maintenance Supervisor	1	1	1
General Supervisor, Water Distribution	1	1	1
Operations Supervisor	1	1	1
Water Distribution Supervisor	2	2	2
Customer Service Technician	3	3	4
Electrical/Mechanical Maintenance Worker I	1	1	1
Laboratory Technician	.5	.5	.5
Office Assistant	2	2	1
Utility Worker I	2	2	2
Water Analyst	1	1	1
Water Plant Mechanic	1	1	1
Water Plant Operator	4	4	4
Water Service Mechanic	7	7	7
Water Service Person	4	4	4

Summary of Budget Changes

Significant Notes – 2008-09 Budget Compared to 2007-08 Budget

Major capital expenditure will be undertaken to replace and upgrade our existing 27 year old chemical feed systems along with our 8 year old Supervisory Control and Data Acquisition hardware and software. The project has a projected completion of June 2009. The EPA mandated Stage 2 Disinfection By-Product Rule sampling requirements will increase staff time and laboratory expenses to complete the new sampling requirements under this regulation for Total Trihalomethanes and Haloacetic Acids. The sampling will take place at EPA-approved sites across our entire water distribution system. Staff restructuring at Water Distribution will allow us to improve our meter reading and installation capacity while also enhancing our cross connection control program inspections and compliance enforcement.

5-Year Operating Budget History



Water Treatment and Distribution

WATER FUND DETAIL OF BUDGET APPROPRIATIONS AND REVENUES Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Water sales				
Filtered water - city	\$ 5,533,625	\$ 5,883,400	\$ 5,850,841	\$ 6,038,390
Filtered water - county/Auburn	399,781	507,220	444,639	492,425
Industrial grade water	1,634,611	1,498,000	1,690,737	1,545,000
Hydrant rental	380,926	390,000	380,527	345,000
Intergovernmental service	4,000	4,000	2,000	-
Administrative fees	333,200	340,100	340,100	413,000
Forfeited discounts	83,213	73,540	86,024	75,480
Service connections	67,899	31,040	65,483	30,510
Capital charges	193,455	177,960	173,530	138,100
Total operating revenues	8,630,710	8,905,260	9,033,881	9,077,905
Operating Expenses				
Administration	1,008,306	1,072,364	1,078,278	1,342,232
Plant operations	3,995,055	2,746,179	2,912,443	3,241,863
Maintenance				
Plant	415,090	594,506	586,717	652,838
Valley Drive repump	3,931	14,363	10,618	13,152
Clerical activities	55,994	72,752	52,029	151,430
Meter reading	211,577	215,609	231,686	254,135
Elevated tanks	17,472	56,616	54,759	55,379
Water systems	1,322,270	1,223,910	1,292,780	1,425,145
Equipment & structures	44,773	49,557	49,618	55,801
Vehicles	247,335	274,552	238,208	259,074
Utilities safety	21,865	26,640	27,786	32,645
Reserve for contingencies	-	34,480	31,530	100,000
Total operating expenses	7,343,668	6,381,528	6,566,452	7,583,694
Net operating income (loss)	1,287,042	2,523,732	2,467,429	1,494,211
Non-operating Revenues (Expenses)				
Investment earnings	302,321	220,000	186,377	117,306
Rentals	-	2,500	1,500	2,500
Contractual revenue				
Dow Chemical	953,575	1,272,348	1,236,984	893,502
Dow Corning	115,860	155,238	152,166	110,069
Miscellaneous revenue	40,839	61,010	94,328	55,570
Miscellaneous expense	(685,079)	(592,273)	(591,773)	(1,000)
Interest expense	(235,290)	(627,073)	(627,074)	(536,579)
Total Non-operating revenues (expenses)	492,226	491,750	452,508	641,368



Water Treatment and Distribution

WATER FUND DETAIL OF BUDGET APPROPRIATIONS AND REVENUES Fiscal Year Ending June 30, 2009

	2006-07	2007-08		2008-09
	Actual	Budget	Estimate	Adopted
Other Financing Sources (Uses)				
Investment in assets	\$ (222,557)	\$ (3,976,801)	\$ (3,941,358)	\$ (1,252,000)
Retirement of debt	(1,887,559)	(1,908,488)	(1,908,488)	(1,941,048)
Operating transfers in	65,910	59,997	59,997	-
Operating transfers out	(100,000)	(190,000)	(190,000)	-
Total other financing sources (uses)	(2,144,206)	(6,015,292)	(5,979,849)	(3,193,048)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(364,938)	(2,999,810)	(3,059,912)	(1,057,469)
Working Capital - beginning of year	6,131,543	5,766,605	5,766,605	2,706,693
Working Capital - end of year	\$ 5,766,605	\$ 2,766,795	\$ 2,706,693	\$ 1,649,224
Working Capital				
Reserved for capacity improvements	\$ 622,755	\$ 800,715	\$ 796,285	\$ 184,385
Unreserved	5,143,850	1,966,080	1,910,408	1,464,839
	\$ 5,766,605	\$ 2,766,795	\$ 2,706,693	\$ 1,649,224



Water Treatment and Distribution

WATER FUND FIVE-YEAR FINANCIAL PLAN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating Revenues						
Filtered water - city	\$ 5,850,841	\$ 6,038,390	\$ 6,220,530	\$ 6,408,780	\$ 6,603,020	\$ 6,803,440
Filtered water - county/Auburn	444,639	492,425	512,418	521,824	531,582	541,756
Industrial grade water	1,690,737	1,545,000	1,540,400	1,540,400	1,540,400	1,540,400
Capital charges	173,530	138,100	181,900	227,900	227,900	267,900
Other	874,134	863,990	871,990	879,990	887,990	895,990
Total operating revenues	9,033,881	9,077,905	9,327,238	9,578,894	9,790,892	10,049,486
Operating Expenses						
Administration	1,078,278	1,342,232	1,385,452	1,430,064	1,476,112	1,523,643
Operations	1,845,293	2,141,863	2,203,549	2,267,011	2,332,301	2,399,471
Maintenance	2,516,415	2,866,954	2,975,325	3,087,792	3,204,511	3,325,642
Safety	27,786	32,645	33,866	35,133	36,447	37,810
Saginaw Midland Water Supply	1,067,150	1,100,000	1,133,000	1,166,990	1,202,000	1,238,060
Reserve for contingencies	31,530	100,000	100,000	100,000	100,000	100,000
Total operating expenses	6,566,452	7,583,694	7,831,192	8,086,990	8,351,371	8,624,626
Net operating income	2,467,429	1,494,211	1,496,046	1,491,904	1,439,521	1,424,860
Non-operating Revenues (Expenses)						
Investment earnings	186,377	117,306	37,403	41,294	59,118	59,921
Contract revenue	1,389,150	1,003,571	1,003,571	1,003,571	1,003,571	1,003,571
Miscellaneous revenue	95,828	58,070	40,000	40,000	40,000	40,000
Interest expense	(627,074)	(536,579)	(442,940)	(347,281)	(307,635)	(264,620)
Miscellaneous expense	(591,773)	(1,000)	(1,050)	(1,103)	(1,158)	(1,216)
Total non-operating revenues (expenses)	452,508	641,368	636,984	736,481	793,896	837,656
Other Financing Sources (Uses)						
Operating transfers in	59,997	-	-	-	-	-
Investment in assets	(3,941,358)	(1,252,000)	(1,701,100)	(695,000)	(709,000)	(1,886,100)
Retirement of debt	(1,908,488)	(1,941,048)	(820,931)	(858,139)	(900,000)	(939,535)
Operating transfers out	(190,000)	-	-	-	-	-
Total other financing sources (uses)	(5,979,849)	(3,193,048)	(2,522,031)	(1,553,139)	(1,609,000)	(2,825,635)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,059,912)	(1,057,469)	(389,001)	675,246	624,417	(563,119)
Working Capital - beginning of year	5,766,605	2,706,693	1,649,224	1,260,223	1,935,469	2,559,886
Working Capital - end of year	\$ 2,706,693	\$ 1,649,224	\$ 1,260,223	\$ 1,935,469	\$ 2,559,886	\$ 1,996,767
Working capital - capacity improvements	\$ 796,285	\$ 184,385	\$ 45,285	\$ 273,185	\$ 501,085	\$ 268,985
Working capital - operations	1,910,408	1,464,839	1,214,938	1,662,284	2,058,801	1,727,782
	\$ 2,706,693	\$ 1,649,224	\$ 1,260,223	\$ 1,935,469	\$ 2,559,886	\$ 1,996,767
ASSUMPTIONS:						
Working capital goal for operations	\$1,000,000					
Filtered water revenue increase:						
2008-09	3.50%					
2009-10 through 2012-13	3.00%					
Industrial water sales increase	0.25%					
Capital charges - based on estimated schedule						
Other income increase per year	1.00%					
Personnel services increase per year	4.50%					
Other operating expenses increase per year	2.25%					
Raw water cost increase	3.00%					
Investment earnings on working capital	2.75%					
Retirement of debt - actual						
Investment in assets: five-year capital plan						