

**SEWER MAINTENANCE FUND
STATEMENT OF MID YEAR REVIEW OF FINANCIAL CONDITION
CURRENT YEAR 2003
PROJECTED YEAR 2004
AS OF JUNE 30, 2003**

	2003 ^(C)	2004 ^(D)
Operating Revenues:		
Sewer Maintenance Fees	\$ 32,715,356	\$ 36,766,716
Sewer Maint-Non City Service ^(A)	84,700	100,000
Deferred Sewer Assessment	42,000	52,200
Interest Income ^(B)	48,000	83,000
Sewer User Penalty - 10%		35,300
Sewer Maint - Plat Reviews	23,150	17,000
Unused Sewer Life	15,400	13,000
Cert Survey Plat Review	3,504	2,500
Total Revenues	<u>\$ 32,932,110</u>	<u>\$ 37,069,716</u>
 Operating Expenses:		
Contractual Services	\$ 7,715,045	\$ 7,422,750
Other Operating Expenses ^(G)	1,530,000	1,545,000
Salaries and Wages	4,545,686 ^(E)	4,994,952 ^(F)
Employee Benefits	1,655,500	1,848,132
Equipment	74,000	50,640
Total Expenses	<u>\$ 15,520,231</u>	<u>\$ 15,861,474</u>
 Net Revenues Available for Debt Service	 \$ 17,411,879	 \$ 21,208,242
 Maximum Annual Debt Service ^(H)	 \$ 5,152,190	 \$ 5,152,190
 Debt Service Coverage ^(I)	 3.38	 4.12
 Minimum Required Coverage ^(J)	 1.20	 1.20
 Pass Debt Service Coverage Test	 yes	 yes

Department Of Public Works
Notes to the Statement of Midyear Review OF Financial Condition

(A) Revenue – Sewer Maintenance-Non City Service

This revenue is for cleaning sewer systems, structures, drainage channels and culverts for city and outside agencies. Maintenance and repair services are included.

(B) Revenue – Interest Income

This revenue is generated from the proceeds of the revenue bond sale held in reserves.

(C) Current year 2003

Revenue and expense data includes four months of actual revenue and expenses (January – April 2003) and estimated revenue and expenses through year-end. Salaries and Fringes are actual through pay period 11. Projections are based on current year trends and historical trends. The current rate charged for water consumption is \$1.1094 per Ccf (hundred cubic feet) of water.

(D) Budget year 2004

Revenue data for 2004 is based on the Sewer Maintenance Fund's projected rate of \$1.148 per Ccf (hundred cubic feet) of water for 2004. The expense data for 2004 is based on the fund's 2004 budget request. The 2004 figures are subject to change in the final adopted budget by the Common Council and Mayor in November 2003.

(E) Salaries and Wages 2003

The 2003 projection assumes current spending levels through year-end. An increase of 3.5 percent was included in the calculation. The number of authorized positions will remain the same for the year.

(F) Salaries and Wages 2004

The Salary and Wage Rate Schedule for 2003 was used for determining the amounts to be included in the 2004 budget request. An increase of 3 percent was included in the calculation. The number of authorized positions will remain the same as 2003.

(G) Other Operating Expenses:

This includes a payment to the Water Works Department for administration of sewer billing. It also includes sewer maintenance contingencies.

(H) Maximum Annual Debt Service

Includes Sewerage System Revenue bonds, Series 2003 S4 sold on June 20, 2003.

(I) Debt Service Coverage

This calculation is based on Net Revenues Available for Debt Service divided by Maximum Annual Debt Service.

(J) Minimum Required Coverage

Required by the Master Resolution, section 8.02, adopted by The CITY OF MILWAUKEE August 2, 2001.