

June 27, 2003

To the Honorable, the Common Council

Subject: Review of the Financial Condition of the Sewerage System

Dear Council Members:

The Department of Public Works is submitting a "Statement of Mid-Year Review for Financial Condition" of the Sewer Maintenance Fund as required by the Sewerage System Revenue Bonds Master Resolution Article VIII, section 8.02 adopted August 2001.

The analysis covers the current year 2003 and the proposed budget for 2004. The data for the current year covers actual revenue and expenditures through April, plus an estimate for revenue and expenditures through the end of the year. The 2004 proposed budget was used for the year 2004.

The estimated Debt Service Coverage of 3.38 for 2003 and 4.12 for 2004 exceeds the minimum requirement of 1.20. The sewer fund is, therefore, in compliance with the covenant as found in Article VIII of the Master Resolution.

If you have any questions regarding this report, please do not hesitate to contact the City Engineer at 286-2400.

Very truly yours,

Jeffrey S. Polenske, P.E.  
City Engineer

Mariano A. Schifalacqua  
Commissioner of Public Works

MJ:cjt

c: Mr. W. M. Morics  
Mr. Joseph Czarnecki  
Mr. Martin Aquino  
Ms. Dorinda Floyd

W97/FINANCIAL CONDITION SEWERAGE SYSTEM