

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

(A) Current year 2006

Revenue data includes five months of actual revenue (January – May 2006) and estimated revenue through year-end. Operating Expenditures data includes five months of actual expenses (January – May 2006) and estimated expenses through year-end. Projections are based on current year trends and historical trends

(B) Operating Revenue – Sewer Maintenance Fees

The Sewer Fee is calculated at the current rate of \$1.27 per CcF (hundred cubic feet) of water for January 2006 – June 2006 and 0.85 per CcF of water for July 2006 – December 2006.

(C) Operating Revenue – Storm water Management Fee

The Storm Water Fee will go into effect July 1, 2006. The Storm Water Fee is based on the amount of impervious surface (areas that do not allow storm water to penetrate into the soil). Each residential property is assumed to be 1,610 sq ft. One residential property is equal to 1 ERU (Equivalent Residential Unit). All residential properties (129,217) will be charged a flat rate of \$8.00 per quarter. Non-residential properties will be charged based on their actual amount of impervious surface. Non-residential ERUs are calculated by dividing their impervious surface areas by 1,610 sq ft. Each ERU is charged \$8.00 per quarter.

(D) Operating 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.

(E) Operating Revenue – Water Sales Penalties

This revenue is from the actual amount of outstanding accounts receivables recorded each month by the Water Department.

(F) Salaries and Wages 2006

Salaries and Fringes are actual cost through pay period 11. The 2006 projection assumes current spending levels through year-end. No cost of living increase was included in the calculation. The number of authorized positions will remain the same for the year.

(G) Budget year 2007

The expense data for 2007 is based on the fund's 2007 budget request. The 2007 figures are subject to change in the final adopted budget by the Common Council and Mayor in November 2006

(H) Sewer Maintenance Revenue 2007

The 2007 Sewer Maintenance Fee revenue reflects the latter 2006 rate (\$0.85 per CCF of sanitary sewer consumption, which is based on the amount of metered tap water) for January 2007-December 2007. The Storm Water Fee is based on a flat rate charge of \$8.00 per quarter for residential properties. Non-residential properties will be charged based on their actual amount of impervious surface. Non-residential ERUs are calculated by dividing their impervious surface areas by 1,610 sq ft. Each ERU is charged \$8.00 per quarter.

(I) Salaries and Wages 2007

The current Salary and Wage Rate Schedule was used for determining the amounts to be included in the 2007 budget request. The number of authorized positions will remain the same as 2006.

(J) Maximum Annual Debt Service

Includes Sewerage System Revenue bonds, Series 2003 S4 sold on June 20, 2003. 2007 assumes the issuance of \$60.0 million of additional bonds.

(K) Debt Service Coverage

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

(L) Minimum Required Coverage

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