

SEWER MAINTENANCE FUND  
STATEMENT OF MID YEAR REVIEW OF FINANCIAL CONDITION  
CURRENT YEAR 2009  
PROJECTED YEAR 2010  
**AS OF JUNE 30, 2009**

	2009 <sup>(A)</sup>	2010 <sup>(F)</sup>
Operating Revenues:		
Sewer Maintenance Fees <sup>(B)</sup>	\$ 28,142,246	\$ 27,944,830 <sup>(G)</sup>
Stormwater Fees <sup>(C)</sup>	18,469,725	20,522,091
Sewer Maint-Non City Service <sup>(D)</sup>	202,911	186,190
Interest Income	175,000	258,347
Sewer User Penalties 10%	381,142	401,793
Water Sales Penalties	681,024	698,143
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Total Revenues	\$ 48,052,048	\$ 50,011,394
Operating Expenditures:		
Contractual Expenses	\$ 7,191,106	\$ 6,977,000
Salaries and Wages	5,152,197 <sup>(E)</sup>	5,059,373 <sup>(H)</sup>
Employee Benefits	2,667,723	2,843,833 <sup>(I)</sup>
Equipment	80,500	25,000
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Total Expenses	\$ 15,091,526	\$ 14,905,206
Net Revenues Available for Senior Debt Service	\$ 32,960,522	\$ 35,106,188
Senior Bonds Maximum Annual Debt Service <sup>(J)</sup>	\$ 5,125,765	\$ 5,114,165
Senior Bonds Debt Service Coverage <sup>(K)</sup>	6.43	6.86
Senior Bonds Minimum Required Coverage <sup>(L)</sup>	1.20	1.20
Pass Senior Bonds Debt Service Coverage Test	yes	yes
Second Lien Revenues <sup>(M)</sup>	27,834,757	29,992,023
Second Lien Debt Service <sup>(N)</sup>	3,178,162	5,442,485
Second Lien Debt Service Coverage <sup>(O)</sup>	8.76	5.51
Second Lien Revenue Requirement <sup>(P)</sup>	1.20	1.20
Pass Second Lien Rate Covenant	yes	yes

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

(A) Current year 2009

Revenue data includes five months of actual revenue (January – May 2009) and estimated revenue through year-end. Operating Expenditures data includes five months of actual expenses (January – May 2009) 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 \$1.1200 per CcF (hundred cubic feet) of sanitary sewer consumption, which is based on the amount of metered tap water.

(C) Operating Revenue – Storm water Management Fee

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 ERU (Equivalent Residential Unit) of 1,610 sq ft. Non-residential properties are assigned ERUs by dividing their actual impervious surface areas by 1,610 sq ft. Each ERU is charged \$8.66 per quarter thru April and \$12.87 per quarter thru year end.

(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) Salaries and Wages 2009

Salaries and Fringes are actual cost through pay period 11. The 2009 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.

(F) Budget year 2010

The expense data for 2010 is based on the fund's 2010 cost to continue. The 2010 figures are subject to change in the final adopted budget by the Common Council and Mayor in November 2009.

(G) Sewer Maintenance Revenue 2010

The 2010 Sewer Maintenance Fee revenue reflects the rate of \$1.1200 per CCF of sanitary sewer consumption. The storm Water Fee reflects the rate of \$12.87 per quarter per ERU.

(H) Salaries and Wages 2010

The current Salary and Wage Rate Schedule was used for determining the amounts to be included in the 2010 budget request. The number of authorized positions will remain the same as 2009.

(I) Employee Benefits 2010

Employee benefits includes an estimate for a pension contribution to be made in 2010.

(J) Senior Bonds Maximum Annual Debt Service

Includes bonds issued in 2001 and 2003. Assumes future bonds are issued on a subordinated basis.

(K) Debt Service Coverage

Net Revenues Available for Debt Service divided by Maximum Annual Debt Service.

(L) Senior Bonds Minimum Required Coverage

Required by the Master Resolution, section 8.02, adopted by the CITY on August 2, 2001.

(M) Second Lien Revenues

Net Revenues Available for Senior Debt Service less Debt Service on Senior Bonds. Senior Bonds Maximum Annual Debt Service is used as a proxy for Debt Service on Senior Bonds.

(N) Second Lien Debt Service

Debt Service payable in the Fiscal Year includes debt issued through June 1, 2009. For 2010, assumes \$35 million of Second Lien Debt issued in 2009.

(O) Second Lien Debt Service Coverage

Second Lien Revenues divided by Second Lien Debt Service.

(P) Second Lien Revenue Requirement

Required by the Second Lien Resolution, Section 11, adopted by the City on June 20, 2006.