

CITY OF BUCHANAN (MICHIGAN) SEWER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended				Test Year	Multiplier
	6/30/2020	6/30/2021	6/30/2022	6/30/2023		
	-----Per Client-----					
Dept. 590.000 - Sewer Maintenance & Operation						
706.001 Salaries - Full Time	\$291,017	\$289,776	\$332,242	\$389,598	\$389,598	3.0%
706.002 Salaries - Overtime	16,680	14,171	11,487	21,400	21,400	3.0%
706.005 Salaries - Part Time	4,481	-	-	10,700	10,700	3.0%
715.000 Fringe Benefits	134,130	129,349	133,133	235,500	235,500	3.0%
716.000 Pension Exp. - GASB 68	-	(41,258)	2,105	-	-	3.0%
728.000 Office Supplies	1,089	1,573	487	1,500	1,500	2.0%
730.000 Postage	4,925	2,564	3,385	5,000	5,000	2.0%
743.000 Chemicals	10,431	13,517	10,993	14,000	14,000	2.0%
751.000 Gas and Oil	3,894	4,250	4,280	4,500	4,500	2.0%
756.000 Miscellaneous Supplies	1,184	3,310	931	2,000	2,000	2.0%
757.000 Lab Supplies	11,683	10,318	12,239	12,500	12,500	2.0%
768.000 Uniforms	1,661	1,600	1,000	1,500	1,500	2.0%
802.000 Accounting Support	2,290	2,359	10,031	9,671	9,671	2.0%
807.000 Audit	10,500	7,500	8,500	10,500	10,500	2.0%
818.000 Contractual	24,102	27,208	45,224	25,000	25,000	2.0%
853.000 Telephone	2,766	3,586	2,615	3,150	3,150	2.0%
864.000 Conferences and Workshops	-	400	(678)	1,500	1,500	2.0%
870.000 Oxidation Ditch Bond	-	-	-	- [1]	-	2.0%
873.000 Travel & Car Allowance	257	-	-	1,000	1,000	2.0%
912.000 Fire & Liability Insurance	29,018	30,529	30,910	31,920	31,920	2.0%
916.000 Annual Permit Fee	5,760	5,760	6,510	6,500	6,500	2.0%
920.000 USDA Grant	21,764	100	-	100	100	2.0%
921.000 Utilities	101,901	89,205	88,746	83,000	83,000	2.0%
931.000 Maintenance - Buildings	2,716	6,083	20,052	5,000	5,000	2.0%
933.000 Maintenance - Equipment	31,458	16,778	24,141	25,000	25,000	2.0%
934.000 Maint. - Office Equipment	19,988	353	63	1,000	1,000	2.0%
936.000 Sludge Removal	7,658	10,764	14,691	8,000	8,000	2.0%
938.000 Maintenance - System	6,010	4,530	5,015	8,000	8,000	2.0%
939.000 Maintenance - Vehicle	9,755	845	1,125	1,500	1,500	2.0%
943.000 Equipment Rental	-	4,200	-	200	200	2.0%
960.000 Education and Training	2,625	806	226	3,500	3,500	2.0%
961.000 Medical Exams	652	414	182	400	400	2.0%
962.000 Miscellaneous	3,227	3,136	3,293	4,000	4,000	2.0%
962.015 Interest - 2020 Oxidation Ditch	-	-	-	- [1]	-	0.0%
963.000 Property Taxes	23,980	23,980	23,980	23,980	23,980	2.0%
970.001 Capital Outlay	-	-	-	- [2]	-	0.0%
976.000 Building Reserve Expenditures	8,726	-	-	-	-	0.0%
Total Sewer Operating Expenses	\$796,328	\$667,706	\$796,908	\$951,119	\$951,119	

[1] Principal and Interest on debt is removed from this section of the report. This item is addressed later in the report

[2] Capital outlay has been removed from this section of the report. This item is discussed later in the report.

CITY OF BUCHANAN (MICHIGAN) SEWER FUND

CASH FLOW ANALYSIS

	<u>2021/22</u>	<u>Increases Per Year</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>
Assumptions							
City							
Meter Equivalents	1,966		1,966	1,966	1,966	1,966	1,966
Ready-to-Serve Rate	\$21.18	8.00%	\$22.87	\$24.70	\$26.68	\$28.82	\$31.12
Billable Flow (1,000 gal)	77,427		77,427	77,427	77,427	77,427	77,427
Commodity Charge (1,000 gal)	\$10.17	8.00%	\$10.98	\$11.86	\$12.81	\$13.83	\$14.94
Township							
Meter Equivalents	191		191	191	191	191	191
Ready-to-Serve Rate	\$24.78	8.00%	\$26.76	\$28.90	\$31.22	\$33.71	\$36.41
Billable Flow (1,000 gal)	7,715		7,715	7,715	7,715	7,715	7,715
Commodity Charge (1,000 gal)	\$11.92	8.00%	\$12.87	\$13.90	\$15.01	\$16.21	\$17.51
<i>Typical City homeowner's monthly bill (assumes 4,000 gallons/month)</i>	\$61.86		\$66.81	\$72.14	\$77.92	\$84.14	\$90.88
Revenue							
City							
Ready-to-Serve Charge	\$499,679		\$539,653	\$582,825	\$629,451	\$679,807	\$734,192
Commodity Charge	787,433		850,427	918,284	991,840	1,070,815	1,156,759
Township							
Ready-to-Serve Charge	56,796		61,339	66,247	71,546	77,270	83,452
Commodity Charge	91,963		99,292	107,239	115,802	125,060	135,090
Other							
Leachate Treatment	225,175		240,000	240,000	240,000	240,000	240,000
Miscellaneous	39,573		36,000	36,000	36,000	36,000	36,000
Total Revenues	1,700,617		1,826,712	1,950,594	2,084,639	2,228,953	2,385,492
Less: Total Operating Expenditures	(796,908)		(951,119)	(976,713)	(1,003,017)	(1,030,049)	(1,057,832)
Net Operating Revenue	903,709		875,593	973,881	1,081,623	1,198,903	1,327,661
Less: Current Debt Service Payments	(557,015)		(559,173)	(660,428)	(664,240)	(662,710)	(660,900)
Estimated Cash-Funded Capital Improvements [1]	-		(71,450)	(94,900)	(121,800)	(121,800)	(121,800)
Wheel Loader Payments (sewer portion)	(2,900)		(2,900)	(2,900)	(2,900)	(2,900)	(2,900)
General Fund Loan Payments	(46,892)		(46,892)	(46,892)	-	-	-
Estimated Debt Service #1 2023 DPW Bonds [2]	-		-	(105,000)	(104,000)	(103,000)	(102,000)
Estimated Debt Service #2 2023 USDA Bonds [3]	-		-	(52,000)	(243,000)	(243,000)	(243,000)
Net Cash Flow	\$296,902		\$195,178	\$11,761	(\$54,317)	\$65,493	\$197,061
<i>Cash & Investments</i>	<i>\$1,600,776</i>		<i>\$1,795,954</i>	<i>\$1,807,715</i>	<i>\$1,753,398</i>	<i>\$1,818,892</i>	<i>\$2,015,952</i>
<i>Less: Estimated Debt Service Reserves [4]</i>	<i>-</i>		<i>-</i>	<i>(24,300)</i>	<i>(48,600)</i>	<i>(72,900)</i>	<i>(97,200)</i>
<i>Unrestricted and Cash Investments</i>	<u>\$1,600,776</u>		<u>\$1,795,954</u>	<u>\$1,783,415</u>	<u>\$1,704,798</u>	<u>\$1,745,992</u>	<u>\$1,918,752</u>

[1] Includes USDA Letter of Conditions stated Repair, Replacement and Improvement (RRI) requirement of \$52,667 per year.

[2] Estimated portion of the overall bond issue payable from the Sewer Fund.

[3] Estimated debt service payments based on a \$7,459,000 40-year USDA bond issue at the Letter of Conditions interest rate of 1.375%.

[4] Accumulated.