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CITY COUNCIL COMMITTEE OF THE WHOLE AGENDA
MONDAY, JANUARY 6, 2020 @ 5:30 PM

1. CALL TO ORDER; ROLL CALL
2. APPROVAL OF THE AGENDA
3. CITIZEN DISCUSSION FOR ITEMS NOT ON THE AGENDA

IF YOU WISH TO ADDRESS AN AGENDA ITEM, PUBLIC COMMENT FOR EACH ITEM WILL OCCUR AFTER THE INITIAL INFORMATION IS SHARED ON THE MATTER AND INITIAL DELIBERATIONS BY THE PUBLIC BODY. PUBLIC COMMENT WILL OCCUR BEFORE A VOTE ON THE AGENDA ITEM OCCURS

4. RATE STUDY
5. COUNCIL AND BOARDMEMBER COMMENTS
6. ADJOURNMENT

NOTE: Any person who wishes to speak on an item included on the printed meeting agenda may do so. Speakers will be recognized by the Chair, at which time they will be required to state their name and will be allowed five (5) minutes maximum to address the Council. A speaker representing a subdivision association or group will be allowed ten (10) minutes to address the Council.

DRAFT CIP Projects 1-3-2020

CITY OF LOWELL

CAPITAL IMPROVEMENT PLAN - 2019 EDITION

Planned FY	Project Title	Total Est. Project Cost	Sanitary Sewer Fund	Water Fund	Road Fund
2020	Foreman St from Beech St to Hudson St	\$ 330,906	\$ 330,906	\$ -	\$ -
2020	Spot Repairs Contract 1	\$ 153,000	\$ 153,000	\$ -	\$ -
2020	Lining/Grouting Contract 1	\$ 80,083	\$ 80,083	\$ -	\$ -
2021	Washington St from Main St to Fremont St	\$ 1,553,492	\$ 829,465	\$ 724,027	\$ -
2021	Spot Repairs Contract 2	\$ 91,035	\$ 91,035	\$ -	\$ -
2021	Lining Contract 2	\$ 99,716	\$ 99,716	\$ -	\$ -
2021	WWTP Oxidation Ditch Automation	\$ 369,000	\$ 369,000	\$ -	\$ -
2021	WWTP RAS Automation	\$ 115,000	\$ 115,000	\$ -	\$ -
2021	WWTP Primary Building Air Monitoring	\$ 24,000	\$ -	\$ -	\$ -
2021	WWTP Concrete Repairs	\$ 45,000	\$ -	\$ -	\$ -
2022	Monroe St from Front St to Fremont St	\$ 1,880,675	\$ 952,223	\$ 928,452	\$ -
2022	Spot Repairs Contract 3	\$ 159,181	\$ 159,181	\$ -	\$ -
2022	WWTP Sanitary Pump Station Improvements	\$ 151,000	\$ -	\$ -	\$ -
2022	WWTP Scum Pump Station Improvements	\$ 129,000	\$ 129,000	\$ -	\$ -
2023	Lincoln Lake Ave & Amly St from Elm St to Main St	\$ 540,527	\$ 230,014	\$ 310,512	\$ -
2023	WWTP Sludge Storage Mixer Replacement	\$ 492,000	\$ 492,000	\$ -	\$ -
2023	WWTP Site Pavement Improvements	\$ 93,000	\$ 93,000	\$ -	\$ -
2024	West St from Bowes St to Main St	\$ 335,606	\$ 335,606	\$ -	\$ -
2025	Avery St from Jefferson St to Jackson St	\$ 227,945	\$ 227,945	\$ -	\$ -
2025	WWTP Miscellaneous Control Building Improvements	\$ 214,000	\$ 214,000	\$ -	\$ -
2025	WWTP Generator Replacement	\$ 259,000	\$ 259,000	\$ -	\$ -
2026	Kent St from Monroe St to Washington St	\$ 131,107	\$ -	\$ 131,107	\$ -
2026	Lincoln Lake Ave from Mercer St to Elizabeth St	\$ 144,432	\$ 144,432	\$ -	\$ -
2027	Jackson St from Front St to Kent St	\$ 131,409	\$ -	\$ 131,409	\$ -
2027	Main St at Valley Vista	\$ 102,439	\$ 102,439	\$ -	\$ -
2028	Jefferson St from Kent St to Main St	\$ 128,482	\$ -	\$ 128,482	\$ -
2028	Main St from West St to Pleasant St	\$ 377,500	\$ -	\$ 377,500	\$ -
2029	King St from Lafayette St to Washington St	\$ 364,040	\$ -	\$ 364,040	\$ -
2029	WWTP Final Clarifier Addition	\$ 2,217,000	\$ 2,217,000	\$ -	\$ -
2029	WWTP Headworks Replacement	\$ 3,798,000	\$ 3,798,000	\$ -	\$ -
2029	WWTP RAS Pump Improvements	\$ 384,000	\$ 384,000	\$ -	\$ -
2029	WWTP SCADA	\$ 503,000	\$ 503,000	\$ -	\$ -
2029	WWTP Sludge Dewatering Improvements	\$ 1,941,000	\$ 1,941,000	\$ -	\$ -
2030	Ridgeview Ditch Enclosure	\$ 619,182	\$ 309,591	\$ 309,591	\$ -
2030	Grindle Dr/Shepard Blvd from Jackson St to Division St	\$ 495,763	\$ 240,266	\$ 255,497	\$ -
2030	Creekside Park between Faith Dr and Gee Dr	\$ 47,388	\$ -	\$ 47,388	\$ -
2030	Godfrey St between Lincoln Lake Ave and Hudson St	\$ 86,258	\$ -	\$ 86,258	\$ -
2030	High St 250' west of James St	\$ 33,416	\$ -	\$ 33,416	\$ -
2030	Grindle Dr 300' south of Fun St	\$ 145,281	\$ -	\$ 145,281	\$ -
10 Year Total		\$ 18,992,863	\$ 14,799,902	\$ 3,972,960	\$ -

Note: Water main projects are based on Water Reliability Study

CITY OF LOWELL (MICHIGAN) WATER FUND

COMPARATIVE STATEMENT OF NET POSITION

	As of			
	6/30/2016	6/30/2017	6/30/2018	6/30/2019
	(----- Per Client -----)			
Assets				
Current assets:				
Cash and pooled investments	\$865,824	\$2,095,857	\$1,714,480	\$1,488,503
Accounts receivable	174,101	171,666	177,126	158,354
Prepaid and other assets	3,202	670	-	-
Inventory	98,386	77,048	81,873	97,640
Total current assets	<u>1,141,513</u>	<u>2,345,241</u>	<u>1,973,479</u>	<u>1,744,497</u>
Noncurrent assets:				
Special assessments long-term	-	-	-	-
Capital assets:				
Land	109,908	109,908	109,908	109,908
Capital assets, net	3,025,834	3,022,844	3,563,226	3,723,599
Total noncurrent assets	<u>3,135,742</u>	<u>3,132,752</u>	<u>3,673,134</u>	<u>3,833,507</u>
Total Assets	<u>\$4,277,255</u>	<u>\$5,477,993</u>	<u>\$5,646,613</u>	<u>\$5,578,004</u>
Deferred Outflows of Resources				
Pension related	<u>221,155</u>	<u>120,869</u>	<u>35,066</u>	<u>135,407</u>
Liabilities				
Current liabilities:				
Accounts payable	\$30,700	\$19,764	\$221,725	\$151,005
Accrued liabilities	11,126	17,050	17,542	25,164
Customer deposits	7,485	6,685	7,285	6,485
Current portion of long-term debt	125,000	141,480	100,000	-
Total current liabilities	<u>174,311</u>	<u>184,979</u>	<u>346,552</u>	<u>182,654</u>
Noncurrent liabilities				
Premium on bonds	-	66,555	62,306	58,126
Net pension liability	753,156	703,322	631,840	804,033
Net OPEB obligation	41,027	49,096	223,484	231,842
Compensated absences	8,666	9,937	9,131	9,604
Bonds payable, net of current portion	210,000	1,101,087	954,000	924,000
Total noncurrent liabilities	<u>1,012,849</u>	<u>1,929,997</u>	<u>1,880,761</u>	<u>2,027,605</u>
Total Liabilities	<u>1,187,160</u>	<u>2,114,976</u>	<u>2,227,313</u>	<u>2,210,259</u>
Net Position				
Net investment in capital assets	2,800,742	2,728,502	2,556,828	2,851,381
Unrestricted	510,508	755,384	897,538	651,771
Total Net Position	<u>3,311,250</u>	<u>3,483,886</u>	<u>3,454,366</u>	<u>3,503,152</u>
Total Liabilities and Net Position	<u>\$4,498,410</u>	<u>\$5,598,862</u>	<u>\$5,681,679</u>	<u>\$5,713,411</u>

CITY OF LOWELL (MICHIGAN) WATER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended			
	6/30/2016	6/30/2017	6/30/2018	6/30/2019
	(-----Per Audit-----)			
Operating Revenues				
Charges for services	\$1,090,393	\$1,130,149	\$1,114,494	\$1,161,748
Other	20,223	32,426	15,701	11,212
Total operating revenues	1,110,616	1,162,575	1,130,195	1,172,960
Operating Expenses				
Treatment	403,366	413,137	493,047	425,382
Transmission and distribution	205,922	224,105	170,099	287,112
Customer accounts	89,842	82,296	79,700	92,041
Administrative and general	172,011	131,451	136,403	138,352
Subtotal	871,141	850,989	879,249	942,887
Depreciation expense	122,407	130,685	135,117	164,281
Total operating expenses	993,548	981,674	1,014,366	1,107,168
Net operating income (loss)	117,068	180,901	115,829	65,792
Non-Operating Revenues (Expenses)				
Investment earnings	424	3,542	6,455	17,549
Interest expense	(9,605)	(11,807)	(48,644)	(34,555)
Total non-operating revenues (expenses)	(9,181)	(8,265)	(42,189)	(17,006)
Change in net position	107,887	172,636	73,640	48,786
Net position, beginning of year	3,203,363	3,311,250	3,380,726	3,454,366
Net position, end of year	\$3,311,250	\$3,483,886	\$3,454,366	\$3,503,152

CITY OF LOWELL (MICHIGAN) WATER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended					Test Year	Multiplier	2020/21	2021/22	2022/23	2023/24	2024/25
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020							
	----- Per Client -----											
Operating Expenses												
Dept 552 - Customer Accounts												
591-552-725.000 Disability Insurance	-	-	-	-	-	-	0.0%	-	-	-	-	-
Dept 570 - Treatment												
591-570-702.000 Salaries-Permanent	\$101,372	\$110,711	\$118,923	\$112,829	\$126,200	\$126,200	2.0%	128,724	131,298	133,924	136,603	139,335
591-570-707.000 Salaries-Temporary	50	148	-	-	-	-	0.0%	-	-	-	-	-
591-570-709.000 Salaries-Overtime	22,276	25,658	25,059	-	25,000	25,000	0.0%	25,000	25,000	25,000	25,000	25,000
591-570-715.000 Social Security	9,660	10,415	11,293	25,000	11,000	11,000	2.0%	11,220	11,444	11,673	11,907	12,145
591-570-716.000 Health Insurance	43,907	34,032	87,548	24,426	18,733	18,733	3.0%	19,295	19,874	20,470	21,084	21,717
591-570-717.000 Life Insurance	238	294	287	258	300	300	2.0%	306	312	318	325	331
591-570-718.000 Pension	66,456	51,255	44,384	26,109	33,200	-	0.0%	-	-	-	-	-
591-570-719.000 Accrued Vacation/Sick Leave	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-570-721.000 Longevity	793	858	923	988	1,235	1,235	2.0%	1,260	1,285	1,311	1,337	1,364
591-570-722.000 Workers Compensation	2,041	3,851	4,060	5,000	5,000	5,000	2.0%	5,100	5,202	5,306	5,412	5,520
591-570-723.000 Dental Insurance	1,110	1,191	1,194	1,152	1,195	1,195	2.0%	1,219	1,243	1,268	1,294	1,320
591-570-724.000 Eyecare	539	601	596	577	621	621	2.0%	634	646	659	673	686
591-570-725.000 Disability Insurance	784	991	1,041	867	1,113	1,113	2.0%	1,135	1,158	1,181	1,205	1,229
591-570-726.000 Accrued Wages	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-570-727.000 Office Supplies	101	215	283	200	400	400	1.0%	404	408	412	416	420
591-570-740.000 Operating Supplies	9,048	10,141	8,550	9,670	10,432	10,432	1.0%	10,536	10,642	10,748	10,855	10,964
591-570-741.000 Fuel	238	320	91	400	500	500	1.0%	505	510	515	520	526
591-570-743.000 Chemicals	48,261	49,028	44,133	44,500	45,088	45,088	1.0%	45,539	45,995	46,455	46,919	47,388
591-570-744.000 Uniforms	-	-	-	800	150	150	1.0%	152	153	155	156	158
591-570-801.000 Professional Services	3,632	4,751	5,804	5,250	5,240	5,240	1.0%	5,292	5,345	5,399	5,453	5,507
591-570-802.000 Contractual	6,119	9,615	9,280	9,350	9,316	9,316	1.0%	9,409	9,503	9,598	9,694	9,791
591-570-850.000 Communications	2,299	5,047	2,370	2,400	2,400	2,400	1.0%	2,424	2,448	2,473	2,497	2,522
591-570-860.000 Travel Expenses	14	-	190	200	200	200	1.0%	202	204	206	208	210
591-570-864.000 Conferences & Conventions	1,891	1,407	3,287	3,500	4,500	4,500	1.0%	4,545	4,590	4,636	4,683	4,730
591-570-920.000 Public Utilities	58,889	59,662	65,585	62,000	62,000	62,000	2.0%	63,240	64,505	65,795	67,111	68,453
591-570-930.000 Repair & Maintenance	17,302	14,546	29,732	15,000	15,000	15,000	1.0%	15,150	15,302	15,455	15,609	15,765
591-570-940.000 Rentals	883	863	1,356	2,000	3,000	3,000	1.0%	3,030	3,060	3,091	3,122	3,153
591-570-955.000 Miscellaneous Expense	2,063	5,423	3,129	3,300	3,300	3,300	1.0%	3,333	3,366	3,400	3,434	3,468
591-570-970.000 Capital Outlay	-	-	-	-	-	-	0.0%	-	-	-	-	-
	-	-	-	-	-	[1]	-	-	-	-	-	-
Total Dept 570 - Treatment Expenses	399,966	401,023	469,099	355,776	385,124	351,924		357,655	363,495	369,449	375,517	381,703
Dept 571 - Distribution												
591-571-702.000 Salaries-Permanent	49,204	41,565	44,413	54,618	106,000	106,000	2.0%	108,120	110,282	112,488	114,738	117,033
591-571-707.000 Salaries-Temporary	2,663	15	221	1,125	2,000	2,000	2.0%	2,040	2,081	2,122	2,165	2,208
591-571-708.000 Standby	887	705	1,405	-	1,500	1,500	0.0%	1,500	1,500	1,500	1,500	1,500
591-571-709.000 Salaries-Overtime	2,582	2,134	1,474	2,500	5,000	5,000	2.0%	5,100	5,202	5,306	5,412	5,520
591-571-715.000 Social Security	4,465	3,836	4,080	-	8,700	8,700	0.0%	8,700	8,700	8,700	8,700	8,700
591-571-716.000 Health Insurance	12,623	13,230	12,339	13,688	39,804	39,804	3.0%	40,998	42,228	43,495	44,800	46,144
591-571-717.000 Life Insurance	127	129	127	153	305	305	2.0%	311	317	323	330	336
591-571-718.000 Pension	40,483	29,743	18,712	12,639	28,000	-	0.0%	-	-	-	-	-
591-571-719.000 Accrued Vacation/Sick Leave	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-571-721.000 Longevity	345	344	344	406	475	475	2.0%	484	494	504	514	524
591-571-722.000 Workers Compensation	913	1,317	1,540	1,500	2,500	2,500	2.0%	2,550	2,601	2,653	2,706	2,760
591-571-723.000 Dental Insurance	498	490	468	595	1,360	1,360	2.0%	1,387	1,414	1,443	1,472	1,501
591-571-724.000 Eyecare	199	185	182	265	530	530	2.0%	541	552	563	574	586

CITY OF LOWELL (MICHIGAN) WATER FUND

(Continued)

COMPARATIVE DETAIL OF OPERATING EXPENSES

		Fiscal Year Ended					Test Year	Multiplier	2020/21	2021/22	2022/23	2023/24	2024/25
		6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020							
		----- Per Client -----											
Operating Expenses (Continued)													
591-571-725.000	Disability Insurance	337	355	379	423	973	973	2.0%	993	1,013	1,033	1,053	1,075
591-571-726.000	Accrued Wages	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-571-727.000	Office Supplies	-	199	-	200	300	300	1.0%	303	306	309	312	315
591-571-740.000	Operating Supplies	8,005	216	(3,813)	1,000	3,600	3,600	1.0%	3,636	3,672	3,709	3,746	3,784
591-571-744.000	Uniforms	550	352	330	850	1,250	1,250	1.0%	1,263	1,275	1,288	1,301	1,314
591-571-800.000	Customer Installation Expense	-	-	5,559	15,000	5,000	5,000	1.0%	5,050	5,101	5,152	5,203	5,255
591-571-801.000	Cross Connections	9,780	11,496	12,317	15,000	25,000	25,000	1.0%	25,250	25,503	25,758	26,015	26,275
591-571-802.000	Contractual	8,995	9,199	5,700	15,000	20,000	20,000	1.0%	20,200	20,402	20,606	20,812	21,020
591-571-850.000	Communications	837	1,086	1,346	1,200	1,200	1,200	1.0%	1,212	1,224	1,236	1,249	1,261
591-571-864.000	Conferences & Conventions	2,962	2,224	1,022	3,000	4,500	4,500	1.0%	4,545	4,590	4,636	4,683	4,730
591-571-920.000	Public Utilities	20,432	19,976	20,396	21,000	23,000	23,000	2.0%	23,460	23,929	24,408	24,896	25,394
591-571-930.000	Repair & Maintenance	27,160	44,315	31,415	35,000	48,500	48,500	1.0%	48,985	49,475	49,970	50,469	50,974
591-571-940.000	Rentals	4,464	2,460	7,282	8,750	12,000	12,000	1.0%	12,120	12,241	12,364	12,487	12,612
591-571-941.000	Fuel	-	-	-	-	3,500	3,500	1.0%	3,535	3,570	3,606	3,642	3,679
591-571-955.000	Miscellaneous Expense	859	1,665	2,861	2,250	3,000	3,000	1.0%	3,030	3,060	3,091	3,122	3,153
591-571-970.000	Capital Outlay	-	-	-	-	-	[1]	0.0%	-	-	-	-	-
591-571-991.000	Principal	-	-	-	-	-	[2]	0.0%	-	-	-	-	-
591-571-995.000	Interest	-	-	-	-	-	[2]	0.0%	-	-	-	-	-
Total Dept 571 - Distribution Expenses		199,370	187,238	170,100	206,162	347,996	319,996		325,312	330,733	336,261	341,900	347,652
Dept 572 - Customer Accounts													
591-572-702.000	Salaries - Permanent	28,367	26,324	28,523	27,704	29,000	29,000	2.0%	29,580	30,172	30,775	31,391	32,018
591-572-703.000	Salaries - Meter Reads	4,247	4,243	3,892	4,500	4,500	4,500	2.0%	4,590	4,682	4,775	4,871	4,968
591-572-707.000	Salaries - Temporary	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-572-709.000	Salaries - Overtime	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-572-715.000	Social Security	2,423	2,147	1,988	3,000	2,500	2,500	2.0%	2,550	2,601	2,653	2,706	2,760
591-572-716.000	Health Insurance	11,698	9,607	10,818	13,124	14,108	14,108	3.0%	14,531	14,967	15,416	15,879	16,355
591-572-717.000	Life Insurance	103	102	98	101	101	101	2.0%	103	105	107	110	112
591-572-718.000	Pension	19,066	12,194	6,582	6,411	7,500	-	0.0%	-	-	-	-	-
591-572-719.000	Accrued Vacation/Sick Leave	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-572-721.000	Longevity	552	439	439	325	325	325	2.0%	332	338	345	352	359
591-572-722.000	Workers Compensation	417	268	138	400	200	200	2.0%	204	208	212	216	221
591-572-723.000	Dental Insurance	365	317	345	414	388	388	2.0%	396	404	412	420	429
591-572-724.000	Eyecare	135	117	126	152	141	141	2.0%	144	147	150	153	156
591-572-725.000	Disability	224	227	228	222	245	245	2.0%	249	254	260	265	270
591-572-726.000	Accrued Wages	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-572-727.000	Office Supplies	-	71	-	1,500	1,500	1,500	1.0%	1,515	1,530	1,545	1,561	1,577
591-572-730.000	Postage	2,503	2,464	2,539	3,000	3,000	3,000	1.0%	3,030	3,060	3,091	3,122	3,153
591-572-740.000	Operating Supplies	286	398	87	1,000	1,000	1,000	1.0%	1,010	1,020	1,030	1,041	1,051
591-572-860.000	Travel Expenses	399	369	767	500	500	500	1.0%	505	510	515	520	526
591-572-864.000	Conferences & Conventions	-	-	23,000	-	-	-	0.0%	-	-	-	-	-
591-572-940.000	Rentals	-	-	56	-	-	-	0.0%	-	-	-	-	-
591-572-941.000	Data Processing	19,000	23,000	74	23,460	23,460	23,460	1.0%	23,695	23,932	24,171	24,413	24,657
591-572-955.000	Miscellaneous Expense	57	-	-	100	100	100	1.0%	101	102	103	104	105
591-572-969.000	Bad Debts	-	9	-	100	100	100	1.0%	101	102	103	104	105
Total Dept 572 - Customer Accounts		89,841	82,297	79,698	86,013	88,668	81,168		82,636	84,135	85,664	87,226	88,821

CITY OF LOWELL (MICHIGAN) WATER FUND

(Continued)

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended					Test Year	Multiplier	2020/21	2021/22	2022/23	2023/24	2024/25
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020							
	(----- Per Client -----)											
Operating Expenses (Continued)												
Dept 573 - Administration												
591-573-702.000 Salaries - Permanent	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-715.000 Social Security	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-716.000 Health Insurance	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-717.000 Life Insurance	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-718.000 Pension	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-719.000 Accrued Vacation/Sick Leave	-	1,271	-	-	-	-	0.0%	-	-	-	-	-
591-573-721.000 Longevity	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-722.000 Workers Compensation	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-723.000 Dental Insurance	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-724.000 Eyecare	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-725.000 Disability	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-726.000 Accrued Wages	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-727.000 Office Supplies	-	-	5	-	-	-	0.0%	-	-	-	-	-
591-573-740.000 Operating Supplies	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-801.000 Professional Services	36,296	2,785	10,077	-	15,000	15,000	1.0%	15,150	15,302	15,455	15,609	15,765
591-573-830.000 Administrative Services	125,400	91,500	114,400	114,546	114,400	114,400	2.0%	116,688	119,022	121,402	123,830	126,307
591-573-864.000 Conferences & Conventions	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-906.997 Cost Of Issuance	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-910.000 Insurance	9,240	8,971	10,644	11,000	13,269	13,269	1.0%	13,402	13,536	13,671	13,808	13,946
591-573-940.000 Rentals	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-941.000 Data Processing	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-955.000 Miscellaneous Expense	1,075	26,924	1,277	2,000	-	-	1.0%	-	-	-	-	-
591-573-967.000 Amortization	-	-	-	-	[3]	-	0.0%	-	-	-	-	-
591-573-968.000 Depreciation	-	-	-	-	[3]	-	0.0%	-	-	-	-	-
591-573-969.000 Depreciation - Contributed Capital	-	-	-	-	[3]	-	0.0%	-	-	-	-	-
591-573-970.000 Capital Outlay	-	-	-	-	[1]	-	0.0%	-	-	-	-	-
591-573-977.000 Contingency - Equipment Replacement	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-573-991.000 Principal - Bonds	-	-	-	-	[2]	-	0.0%	-	-	-	-	-
591-573-995.000 Interest - Bonds	-	-	-	-	[2]	-	0.0%	-	-	-	-	-
591-573-996.000 Paying Agent Fees	200	200	550	550	1,200	1,200	0.0%	1,200	1,200	1,200	1,200	1,200
Total Dept 573 - Administration	172,211	131,652	136,953	128,096	143,869	143,869		146,440	149,059	151,728	154,447	157,218
Dept 906 - Debt Service												
591-906-995.000 Interest	-	6,591	(6,017)	-	-	-	0.0%	-	-	-	-	-
Dept 965 - Transfers Out												
591-965-999.101 Transfer To General Fund	-	-	-	-	-	-	0.0%	-	-	-	-	-
591-965-999.203 Transfer To Local Street Fund	-	-	-	-	-	-	0.0%	-	-	-	-	-
Total Dept 965 - Transfers Out Expenses	-	-	-	-	-	-		-	-	-	-	-
Dept 999 - Transfers In												
591-999-999.990 Current Fund Contra Change	-	-	-	-	-	-	0.0%	-	-	-	-	-
Total Operating Expenses	\$861,389	\$808,800	\$849,834	\$776,047	\$965,658	\$896,958		\$912,042	\$927,422	\$943,102	\$959,091	\$975,393

[1] Capital Outlay is removed from this section of the report. This item is discussed later in the report.
 [2] Principal and Interest on debt are removed from this section of the report. These items are discussed later in the report.
 [3] Depreciation and Amortization Expense are removed from this report as it is performed on the cash basis.

CITY OF LOWELL (MICHIGAN) WATER FUND

SCHEDULE OF AMORTIZATION OF \$924,000 PRINCIPAL AMOUNT OUTSTANDING OF GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BONDS, SERIES 2016 - WATER PORTION

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service		Fiscal Year Total
			Principal	Interest	
			-----In Dollars-----		
11/1/2019	\$924,000	2.00	\$30,000	\$17,996.25	\$47,996.25
5/1/2020	894,000			17,696.25	17,696.25
11/1/2020	894,000	2.00	30,000	17,696.25	47,696.25
5/1/2021	864,000			17,396.25	17,396.25
11/1/2021	864,000	3.00	30,000	17,396.25	47,396.25
5/1/2022	834,000			16,946.25	16,946.25
11/1/2022	834,000	3.00	30,000	16,946.25	46,946.25
5/1/2023	804,000			16,496.25	16,496.25
11/1/2023	804,000	3.00	30,000	16,496.25	46,496.25
5/1/2024	774,000			16,046.25	16,046.25
11/1/2024	774,000	4.00	30,000	16,046.25	46,046.25
5/1/2025	744,000			15,446.25	15,446.25
11/1/2025	744,000	4.00	31,500	15,446.25	46,946.25
5/1/2026	712,500			14,816.25	14,816.25
11/1/2026	712,500	4.00	31,500	14,816.25	46,316.25
5/1/2027	681,000			14,186.25	14,186.25
11/1/2027	681,000	4.00	33,000	14,186.25	47,186.25
5/1/2028	648,000			13,526.25	13,526.25
11/1/2028	648,000	4.00	34,500	13,526.25	48,026.25
5/1/2029	613,500			12,836.25	12,836.25
11/1/2029	613,500	4.00	36,000	12,836.25	48,836.25
5/1/2030	577,500			12,116.25	12,116.25
11/1/2030	577,500	4.00	37,500	12,116.25	49,616.25
5/1/2031	540,000			11,366.25	11,366.25
11/1/2031	540,000	4.00	39,000	11,366.25	50,366.25
5/1/2032	501,000			10,586.25	10,586.25
11/1/2032	501,000	4.00	40,500	10,586.25	51,086.25
5/1/2033	460,500			9,776.25	9,776.25
11/1/2033	460,500	4.00	43,500	9,776.25	53,276.25
5/1/2034	417,000			8,906.25	8,906.25
11/1/2034	417,000	4.00	45,000	8,906.25	53,906.25
5/1/2035	372,000			8,006.25	8,006.25
11/1/2035	372,000	4.00	46,500	8,006.25	54,506.25
5/1/2036	325,500			7,076.25	7,076.25
11/1/2036	325,500	4.00	48,000	7,076.25	55,076.25
5/1/2037	277,500			6,116.25	6,116.25
11/1/2037	277,500	4.00	51,000	6,116.25	57,116.25
5/1/2038	226,500			5,096.25	5,096.25
11/1/2038	226,500	4.50	52,500	5,096.25	57,596.25
5/1/2039	174,000			3,915.00	3,915.00
11/1/2039	174,000	4.50	55,500	3,915.00	59,415.00
5/1/2040	118,500			2,666.25	2,666.25
11/1/2040	118,500	4.50	58,500	2,666.25	61,166.25
5/1/2041	60,000			1,350.00	1,350.00
11/1/2041	60,000	4.50	60,000	1,350.00	61,350.00
Totals			\$924,000	\$502,736.25	\$1,426,736.25
					\$1,426,736.25

CITY OF LOWELL (MICHIGAN) WATER FUND

SCHEDULE OF AMORTIZATION OF \$924,000 PRINCIPAL AMOUNT OUTSTANDING OF GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BONDS, SERIES 2016 - WATER PORTION

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service			Fiscal Year Total
			Principal	Interest	Total	
			-----In Dollars-----			
11/1/2019	\$924,000	2.00	\$30,000	\$17,996.25	\$47,996.25	
5/1/2020	894,000			17,696.25	17,696.25	\$65,692.50
11/1/2020	894,000	2.00	30,000	17,696.25	47,696.25	
5/1/2021	864,000			17,396.25	17,396.25	65,092.50
11/1/2021	864,000	3.00	30,000	17,396.25	47,396.25	
5/1/2022	834,000			16,946.25	16,946.25	64,342.50
11/1/2022	834,000	3.00	30,000	16,946.25	46,946.25	
5/1/2023	804,000			16,496.25	16,496.25	63,442.50
11/1/2023	804,000	3.00	30,000	16,496.25	46,496.25	
5/1/2024	774,000			16,046.25	16,046.25	62,542.50
11/1/2024	774,000	4.00	30,000	16,046.25	46,046.25	
5/1/2025	744,000			15,446.25	15,446.25	61,492.50
11/1/2025	744,000	4.00	31,500	15,446.25	46,946.25	
5/1/2026	712,500			14,816.25	14,816.25	61,762.50
11/1/2026	712,500	4.00	31,500	14,816.25	46,316.25	
5/1/2027	681,000			14,186.25	14,186.25	60,502.50
11/1/2027	681,000	4.00	33,000	14,186.25	47,186.25	
5/1/2028	648,000			13,526.25	13,526.25	60,712.50
11/1/2028	648,000	4.00	34,500	13,526.25	48,026.25	
5/1/2029	613,500			12,836.25	12,836.25	60,862.50
11/1/2029	613,500	4.00	36,000	12,836.25	48,836.25	
5/1/2030	577,500			12,116.25	12,116.25	60,952.50
11/1/2030	577,500	4.00	37,500	12,116.25	49,616.25	
5/1/2031	540,000			11,366.25	11,366.25	60,982.50
11/1/2031	540,000	4.00	39,000	11,366.25	50,366.25	
5/1/2032	501,000			10,586.25	10,586.25	60,952.50
11/1/2032	501,000	4.00	40,500	10,586.25	51,086.25	
5/1/2033	460,500			9,776.25	9,776.25	60,862.50
11/1/2033	460,500	4.00	43,500	9,776.25	53,276.25	
5/1/2034	417,000			8,906.25	8,906.25	62,182.50
11/1/2034	417,000	4.00	45,000	8,906.25	53,906.25	
5/1/2035	372,000			8,006.25	8,006.25	61,912.50
11/1/2035	372,000	4.00	46,500	8,006.25	54,506.25	
5/1/2036	325,500			7,076.25	7,076.25	61,582.50
11/1/2036	325,500	4.00	48,000	7,076.25	55,076.25	
5/1/2037	277,500			6,116.25	6,116.25	61,192.50
11/1/2037	277,500	4.00	51,000	6,116.25	57,116.25	
5/1/2038	226,500			5,096.25	5,096.25	62,212.50
11/1/2038	226,500	4.50	52,500	5,096.25	57,596.25	
5/1/2039	174,000			3,915.00	3,915.00	61,511.25
11/1/2039	174,000	4.50	55,500	3,915.00	59,415.00	
5/1/2040	118,500			2,666.25	2,666.25	62,081.25
11/1/2040	118,500	4.50	58,500	2,666.25	61,166.25	
5/1/2041	60,000			1,350.00	1,350.00	62,516.25
11/1/2041	60,000	4.50	60,000	1,350.00	61,350.00	61,350.00
Totals			<u>\$924,000</u>	<u>\$502,736.25</u>	<u>\$1,426,736.25</u>	<u>\$1,426,736.25</u>

CITY OF LOWELL (MICHIGAN) WATER FUND
COMPARATIVE DETAIL OF OPERATING EXPENSES

(Continued)

	Fiscal Year Ended					Test Year	Multiplier	2020/21	2021/22	2022/23	2023/24	2024/25
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020							
Operating Expenses (Continued)												
Dept 573 - Administration												
591-573-702 000 Salaries - Permanent	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-715 000 Social Security	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-716 000 Health Insurance	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-717 000 Life Insurance	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-718 000 Pension	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-719 000 Accrued Vacation/Sick Leave	-	1,271	-	-	-	0.0%	-	-	-	-	-	-
591-573-721 000 Longevity	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-722 000 Workers Compensation	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-723 000 Dental Insurance	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-724 000 Eyecare	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-725 000 Disability	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-726 000 Accrued Wages	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-727 000 Office Supplies	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-740 000 Operating Supplies	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-801 000 Professional Services	36,296	2,785	10,077	-	15,000	1.0%	15,150	15,302	15,455	15,609	15,765	
591-573-830 000 Administrative Services	125,400	91,500	114,400	114,546	114,400	2.0%	116,688	119,022	121,402	123,830	126,307	
591-573-864 000 Conferences & Conventions	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-906 997 Cost Of Insurance	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-910 000 Insurance	9,240	8,971	10,644	11,000	13,269	1.0%	13,402	13,536	13,671	13,808	13,946	
591-573-940 000 Rentals	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-941 000 Data Processing	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-955 000 Miscellaneous Expense	1,075	26,924	1,277	2,000	-	1.0%	-	-	-	-	-	
591-573-967 000 Amortization	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-968 000 Depreciation	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-969 000 Depreciation - Contributed Capital	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-970 000 Capital Outlay	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-977 000 Contingency - Equipment Replacement	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-991 000 Principal - Bonds	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-995 000 Interest - Bonds	-	-	-	-	-	0.0%	-	-	-	-	-	-
591-573-996 000 Paying Agent Fees	200	200	550	550	1,200	0.0%	1,200	1,200	1,200	1,200	1,200	
Total Dept 573 - Administration	172,211	131,652	136,953	128,096	143,869		146,440	149,059	151,728	154,447	157,218	
Dept 906 - Debt Service												
591-906-995 000 Interest	-	6,591	(6,017)	-	-	0.0%	-	-	-	-	-	
Dept 965 - Transfers Out												
591-965-999 101 Transfer To General Fund	-	-	-	-	-	0.0%	-	-	-	-	-	
591-965-999 203 Transfer To Local Street Fund	-	-	-	-	-	0.0%	-	-	-	-	-	
Total Dept 965 - Transfers Out Expenses	-	-	-	-	-		-	-	-	-	-	
Dept 999 - Transfers In												
591-999-999 990 Current Fund Contra Change	-	-	-	-	-	0.0%	-	-	-	-	-	
Total Operating Expenses	\$861,389	\$808,800	\$849,834	\$776,047	\$965,658		\$912,042	\$927,422	\$943,102	\$959,091	\$975,393	

[1] Capital Outlay is removed from this section of the report. This item is discussed later in the report.
 [2] Principal and Interest on debt are removed from this section of the report. These items are discussed later in the report.
 [3] Depreciation and Amortization Expense are removed from this report as it is performed on the cash basis.

CITY OF LOWELL (MICHIGAN) WATER FUND

CASH FLOW ANALYSIS

	2019/20		2020/21	Increase Per Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Assumptions		Increase												
Water meter equivalents	1,466		1,466		1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466
Ready-to-serve charge - monthly (all months)	\$24.25	6.50%	\$25.83	3.00%	\$26.60	\$27.40	\$28.22	\$29.07	\$29.94	\$30.84	\$31.76	\$32.71	\$33.70	\$34.71
Irrigation meter equivalents	121		121		121	121	121	121	121	121	121	121	121	121
Ready-to-serve charge - monthly (six months)	\$24.25	6.50%	\$25.83	3.00%	\$26.60	\$27.40	\$28.22	\$29.07	\$29.94	\$30.84	\$31.76	\$32.71	\$33.70	\$34.71
REU count (apartments and mobile homes)	457		457		457	457	457	457	457	457	457	457	457	457
REU charge - monthly	\$24.25	6.50%	\$25.83	3.00%	\$26.60	\$27.40	\$28.22	\$29.07	\$29.94	\$30.84	\$31.76	\$32.71	\$33.70	\$34.71
Volume sold - annual mgal - city	127,750		127,750		127,750	127,750	127,750	127,750	127,750	127,750	127,750	127,750	127,750	127,750
Commodity charge - mgal - city	\$2.37	6.50%	\$2.53	3.00%	\$2.60	\$2.68	\$2.76	\$2.85	\$2.93	\$3.02	\$3.11	\$3.20	\$3.30	\$3.40
Volume sold - annual mgal - township	58,589		58,589		58,589	58,589	58,589	58,589	58,589	58,589	58,589	58,589	58,589	58,589
Commodity charge - mgal - township	\$3.70	6.50%	\$3.94	3.00%	\$4.06	\$4.18	\$4.30	\$4.43	\$4.57	\$4.70	\$4.85	\$4.99	\$5.14	\$5.29
<i>Typical homeowner's bill (assumes 4,500 gallons/month)</i>	<i>\$34.93</i>		<i>\$37.20</i>		<i>\$38.32</i>	<i>\$39.47</i>	<i>\$40.65</i>							
Revenues														
Rates & charges														
Water ready-to-serve charge	\$426,569		\$454,296		\$467,925	\$481,962	\$496,421	\$511,314	\$526,653	\$542,453	\$558,726	\$575,488	\$592,753	\$610,535
Irrigation ready-to-serve charge	17,602		18,746		19,308	19,887	20,484	21,099	21,732	22,384	23,055	23,747	24,459	25,193
REU charge	132,982		141,625		145,874	150,250	154,758	159,401	164,183	169,108	174,181	179,407	184,789	190,333
Commodity charge - city	303,218		322,927		332,615	342,593	352,871	363,457	374,361	385,592	397,159	409,074	421,346	433,987
Commodity charge - township	216,721		230,808		237,732	244,864	252,210	259,776	267,569	275,596	283,864	292,380	301,152	310,186
Total rates & charges revenue	1,097,090		1,168,401		1,203,453	1,239,557	1,276,744	1,315,046	1,354,497	1,395,132	1,436,986	1,480,096	1,524,499	1,570,234
Other	18,000		18,000		18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Total revenues	1,115,090		1,186,401		1,221,453	1,257,557	1,294,744	1,333,046	1,372,497	1,413,132	1,454,986	1,498,096	1,542,499	1,588,234
Less: Total operating expenditures	(896,958)		(912,042)		(927,422)	(943,102)	(959,091)	(975,393)	(1,008,968)	(1,026,254)	(1,043,882)	(1,061,859)	(1,080,193)	(1,098,891)
Net operating revenue	218,133		274,359		294,032	314,455	335,653	357,653	363,529	386,878	411,105	436,237	462,306	489,342
Less: Current debt service payments	(65,693)		(65,093)		(64,343)	(63,443)	(62,543)	(61,493)	(61,763)	(60,503)	(60,713)	(60,863)	(60,953)	(60,983)
Estimated pension contributions	(80,789)		(88,246)		(86,124)	(88,762)	(92,711)	(96,735)	(100,974)	(110,487)	(115,122)	(119,813)	(124,684)	(129,696)
Estimated SCADA improvements [1]	(50,000)		-		-	-	-	-	-	-	-	-	-	-
Estimated cash-funded capital improvements	(204,000)		-		-	-	(310,512)	-	-	(131,107)	(131,409)	(505,982)	(364,040)	(877,431)
Estimated debt service #1 2021/22 bonds [2]	-		-		(35,000)	(64,750)	(64,750)	(64,750)	(64,750)	(64,750)	(64,750)	(64,750)	(64,750)	(64,750)
Net cash flow	(\$182,348)		\$121,021		\$108,565	\$97,500	(\$194,863)	\$199,425	\$200,793	\$84,782	\$103,861	(\$250,420)	(\$87,371)	(\$578,767)
<i>Cash & investments</i>	<i>\$1,488,503</i>	<i>\$1,306,155</i>	<i>\$1,427,176</i>		<i>\$1,535,741</i>	<i>\$1,633,241</i>	<i>\$1,438,378</i>	<i>\$1,637,803</i>	<i>\$1,838,596</i>	<i>\$1,923,378</i>	<i>\$2,027,239</i>	<i>\$1,776,819</i>	<i>\$1,689,448</i>	<i>\$1,110,680</i>

[1] Assumed water fund allocation is 50% of overall costs.

[2] Estimated debt service based on a \$1,652,479 40-year USDA bond issue at the current intermediate rate (2.375%).

CITY OF LOWELL (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF NET POSITION

	As of			
	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
	(-----Per Audit-----)			
Assets				
Current assets:				
Cash and pooled investments	\$2,012,461	\$2,736,914	\$1,939,552	\$1,645,089
Accounts receivable	229,423	130,811	139,555	265,228
Due from other governments	-	-	90,074	125,579
Total current assets	<u>2,241,884</u>	<u>2,867,725</u>	<u>2,169,181</u>	<u>2,035,896</u>
Noncurrent assets:				
Special assessments long-term	150,699	155,973	161,432	126,041
Capital assets:				
Land	4,500	4,500	4,500	4,500
Capital assets, net	<u>685,270</u>	<u>2,374,281</u>	<u>3,300,232</u>	<u>3,507,791</u>
Total noncurrent assets	<u>840,469</u>	<u>2,534,754</u>	<u>3,466,164</u>	<u>3,638,332</u>
Total Assets	<u><u>\$3,082,353</u></u>	<u><u>\$5,402,479</u></u>	<u><u>\$5,635,345</u></u>	<u><u>\$5,674,228</u></u>
Deferred Outflows of Resources				
Pension related	<u>43,951</u>	<u>20,015</u>	<u>5,332</u>	<u>20,952</u>
Liabilities				
Current liabilities:				
Accounts payable	\$47,577	\$206,567	\$211,186	\$101,254
Accrued liabilities	2,730	16,844	17,370	19,457
Current portion of long-term debt	-	68,520	70,000	70,000
Total current liabilities	<u>50,307</u>	<u>291,931</u>	<u>298,556</u>	<u>190,711</u>
Noncurrent liabilities				
Premium on bonds	-	144,858	135,615	126,519
Net pension liability	150,631	116,465	96,079	124,407
Net OPEB obligation	10,684	12,785	48,293	79,548
Compensated absences	1,917	2,620	2,761	3,089
Bonds payable, net of current portion	-	2,178,913	2,156,000	2,086,000
Total noncurrent liabilities	<u>163,232</u>	<u>2,455,641</u>	<u>2,438,748</u>	<u>2,419,563</u>
Total Liabilities	<u>213,539</u>	<u>2,747,572</u>	<u>2,737,304</u>	<u>2,610,274</u>
Net Position				
Net investment in capital assets	689,770	502,324	943,117	1,229,772
Unrestricted	<u>2,222,995</u>	<u>2,172,598</u>	<u>1,960,256</u>	<u>1,855,134</u>
Total Net Position	<u>2,912,765</u>	<u>2,674,922</u>	<u>2,903,373</u>	<u>3,084,906</u>
Total Liabilities and Net Position	<u><u>\$3,126,304</u></u>	<u><u>\$5,422,494</u></u>	<u><u>\$5,640,677</u></u>	<u><u>\$5,695,180</u></u>

CITY OF LOWELL (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended			
	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
	(-----Per Audit-----)			
Operating Revenues				
Charges for services	\$1,202,946	\$1,113,146	\$919,176	\$1,242,675
Other	14,934	2,862	2,278	3,438
Total operating revenues	<u>1,217,880</u>	<u>1,116,008</u>	<u>921,454</u>	<u>1,246,113</u>
Operating Expenses				
Treatment	578,139	899,113	777,881	825,692
Transmission and distribution	127,433	227,684	111,808	102,487
Customer accounts	102,521	66,283	80,057	118,973
Administrative and general	170,400	236,667	162,041	130,442
Subtotal	<u>978,493</u>	<u>1,429,747</u>	<u>1,131,787</u>	<u>1,177,594</u>
Depreciation expense	<u>36,037</u>	<u>42,588</u>	<u>97,242</u>	<u>101,396</u>
Total operating expenses	<u>1,014,530</u>	<u>1,472,335</u>	<u>1,229,029</u>	<u>1,278,990</u>
Net operating income (loss)	<u>203,350</u>	<u>(356,327)</u>	<u>(307,575)</u>	<u>(32,877)</u>
Non-Operating Revenues (Expenses)				
Investment earnings	6,119	12,078	12,413	(5,038)
Interest expense	-	(58,784)	(79,701)	(76,859)
Total nonoperating revenues (expenses)	<u>6,119</u>	<u>(46,706)</u>	<u>(67,288)</u>	<u>(81,897)</u>
Capital grants	-	165,190	255,539	296,307
Change in net position	<u>209,469</u>	<u>(237,843)</u>	<u>(119,324)</u>	<u>181,533</u>
Net position, beginning of year	<u>2,703,296</u>	<u>2,912,765</u>	<u>3,022,697</u>	<u>2,903,373</u>
Net position, end of year	<u>\$2,912,765</u>	<u>\$2,674,922</u>	<u>\$2,903,373</u>	<u>\$3,084,906</u>

CITY OF LOWELL (MICHIGAN) SEWER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended					Test Year	Multiplier	2020/21	2021/22	2022/23	2023/24	2024/25
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020							
	Per Client											
Operating Expenses												
Dept 550 - Treatment												
590-550-702.000	\$1,049	\$99	\$497	\$400	-	-	0.0%	-	-	-	-	-
590-550-709.000	62	-	136	150	-	-	0.0%	-	-	-	-	-
590-550-715.000	84	7	37	40	-	-	0.0%	-	-	-	-	-
590-550-716.000	8	-	7	-	\$10	\$10	2.0%	\$10	\$10	\$11	\$11	\$11
590-550-717.000	5	-	0	1	-	-	2.0%	-	-	-	-	-
590-550-719.000	-	703	-	-	-	-	0.0%	-	-	-	-	-
590-550-722.000	20	2	12	50	50	50	2.0%	51	52	53	54	55
590-550-723.000	12	1	3	5	5	5	2.0%	5	5	5	5	6
590-550-724.000	14	1	0	5	1	1	2.0%	1	1	1	1	1
590-550-725.000	16	1	1	2	2	2	2.0%	2	2	2	2	2
590-550-801.000	24,819	173,232	272,118	313,000	239,234	49,000	1.0%	12,000	12,120	12,241	12,364	12,487
590-550-802.000	476,903	498,453	443,394	452,000	467,000	467,000	2.3%	477,508	488,251	499,237	510,470	521,955
590-550-850.000	-	-	20	-	-	-	0.0%	-	-	-	-	-
590-550-910.000	9,195	13,259	17,320	17,320	16,294	16,294	1.0%	16,457	16,622	16,788	16,956	17,125
590-550-930.000	40,429	49,326	16,944	25,000	25,000	25,000	1.0%	25,250	25,503	25,758	26,015	26,275
590-550-940.000	119	95	234	4,000	300	300	1.0%	303	306	309	312	315
590-550-970.000	-	-	-	-	-	[1]	0.0%	-	-	-	-	-
Total Dept 550 - Treatment Expenses	552,734	735,180	750,725	811,973	747,896	557,662		531,586	542,872	554,404	566,189	578,233
Dept 551 - Collection												
590-551-702.000	23,993	25,804	21,795	25,821	25,900	32,000	2.0%	32,640	33,293	33,959	34,638	35,331
590-551-707.000	10	-	-	-	-	-	0.0%	-	-	-	-	-
590-551-708.000	1,178	698	1,255	1,250	1,250	1,250	2.0%	1,275	1,301	1,327	1,353	1,380
590-551-709.000	166	797	982	1,000	2,000	2,000	2.0%	2,040	2,081	2,122	2,165	2,208
590-551-715.000	1,921	2,112	1,866	2,100	2,200	2,200	2.0%	2,244	2,289	2,335	2,381	2,429
590-551-716.000	2,249	581	652	2,189	8,463	8,463	2.0%	8,632	8,805	8,981	9,160	9,343
590-551-717.000	64	79	66	75	81	81	2.0%	83	84	86	88	89
590-551-718.000	5,643	(629)	(3,877)	5,975	6,900	-	0.0%	-	-	-	-	-
590-551-721.000	13	13	13	68	91	91	2.0%	93	95	97	99	100
590-551-722.000	489	524	461	600	1,100	1,100	2.0%	1,122	1,144	1,167	1,191	1,214
590-551-723.000	277	279	231	313	366	366	2.0%	373	381	388	396	404
590-551-724.000	94	102	81	97	149	149	2.0%	152	155	158	161	164
590-551-725.000	175	215	197	201	251	251	2.0%	256	261	266	271	277
590-551-740.000	183	146	231	750	800	800	1.0%	808	816	824	832	841
590-551-744.000	550	222	184	850	1,250	1,250	1.0%	1,263	1,275	1,288	1,301	1,314
590-551-800.000	-	-	7,250	15,000	5,000	5,000	1.0%	5,050	5,101	5,152	5,203	5,255
590-551-801.000	9,069	21,605	5,900	1,000	1,000	1,000	1.0%	1,010	1,020	1,030	1,041	1,051
590-551-802.000	34,687	32,039	2,119	15,000	15,000	15,000	1.0%	15,150	15,302	15,455	15,609	15,765
590-551-910.000	750	750	750	750	750	750	1.0%	758	765	773	780	788
590-551-930.000	41,875	56,172	59,185	115,000	125,500	75,000	1.0%	75,750	76,508	77,273	78,045	78,826
590-551-850.000	-	56	770	600	1,000	1,000	1.0%	1,010	1,020	1,030	1,041	1,051
590-551-864.000	490	1,866	2,378	2,200	3,000	3,000	1.0%	3,030	3,060	3,091	3,122	3,153
590-551-940.000	3,524	11,890	9,319	8,750	9,000	9,000	1.0%	9,090	9,181	9,273	9,365	9,459
590-551-955.000	33	-	-	-	2,500	2,500	1.0%	2,525	2,550	2,576	2,602	2,628
590-551-970.000	-	-	-	-	-	[1]	0.0%	-	-	-	-	-
Total Dept 551 - Collection Expenses	127,433	155,321	111,808	199,588	213,550	162,250		164,352	166,484	168,648	170,843	173,071

CITY OF LOWELL (MICHIGAN) SEWER FUND

(Continued)

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended					Test Year	Multiplier	2020/21	2021/22	2022/23	2023/24	2024/25	
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020								
	Per Client												
Operating Expenses (Continued)													
Dept 552 - Customer Accounts													
590-552-702.000	Salaries-Permanent	28,367	26,325	28,523	27,704	28,600	28,600	2.0%	29,172	29,755	30,351	30,958	31,577
590-552-703.000	Salaries-Meter Reads	4,247	4,244	4,247	4,500	4,500	4,500	2.0%	4,590	4,682	4,775	4,871	4,968
590-552-715.000	Social Security	2,424	2,148	1,988	2,500	2,200	2,200	2.0%	2,244	2,289	2,335	2,381	2,429
590-552-716.000	Health Insurance	13,613	11,708	14,080	13,124	14,108	14,108	2.0%	14,390	14,678	14,972	15,271	15,576
590-552-717.000	Life Insurance	103	103	99	101	101	101	2.0%	103	105	107	110	112
590-552-718.000	Pension	27,209	(2,549)	6,582	6,411	7,500	-	0.0%	-	-	-	-	-
590-552-721.000	Longevity	553	439	439	325	325	325	2.0%	332	338	345	352	359
590-552-722.000	Workers Compensation	337	248	167	300	200	200	2.0%	204	208	212	216	221
590-552-723.000	Dental Insurance	365	317	345	414	388	388	2.0%	396	404	412	420	429
590-552-724.000	Eyecare	135	117	126	152	141	141	2.0%	144	147	150	153	156
590-552-725.000	Disability	224	227	228	222	245	245	2.0%	249	254	260	265	270
590-552-727.000	Office Supplies	-	71	-	-	-	-	0.0%	-	-	-	-	-
590-552-730.000	Postage	2,503	2,464	2,539	3,000	3,000	3,000	1.0%	3,030	3,060	3,091	3,122	3,153
590-552-740.000	Operating Supplies	286	398	552	1,000	1,000	1,000	1.0%	1,010	1,020	1,030	1,041	1,051
590-552-860.000	Travel Expenses	399	369	412	400	400	400	1.0%	404	408	412	416	420
590-552-941.000	Data Processing	21,700	19,600	19,600	19,992	19,992	19,992	1.0%	20,192	20,394	20,598	20,804	21,012
590-552-955.000	Miscellaneous Expense	56	54	56	100	-	-	0.0%	-	-	-	-	-
590-552-969.000	Bad Debts	-	-	74	100	-	-	0.0%	-	-	-	-	-
Total Dept 552 - Customer Accounts		102,521	66,282	80,055	80,345	82,700	75,200		76,460	77,743	79,049	80,379	81,733
Dept 553 - Administration													
590-553-718.000	Pension	-	-	-	-	-	-	0.0%	-	-	-	-	-
590-553-801.000	Professional Services	24,402	5,427	941	-	10,000	10,000	1.0%	10,100	10,201	10,303	10,406	10,510
590-553-830.000	Administrative Services	143,400	166,100	161,100	117,504	117,504	117,504	1.0%	118,679	119,866	121,064	122,275	123,498
590-553-955.000	Miscellaneous Expense	2,598	65,140	-	-	-	-	0.0%	-	-	-	-	-
590-553-969.000	Depreciation-Contrib Capital	-	-	-	-	[2]	-	0.0%	-	-	-	-	-
590-553-991.000	Principal-Bonds	-	-	-	-	[3]	-	0.0%	-	-	-	-	-
590-553-995.000	Interest-Bonds	-	-	-	-	[3]	-	0.0%	-	-	-	-	-
590-553-996.000	Paying Agent Fees	-	500	150	-	350	350	0.0%	350	350	350	350	350
Total Dept 553 - Administration		170,400	237,167	162,191	117,504	127,854	127,854		129,129	130,417	131,717	133,031	134,358
Total Operating Expenses		\$953,088	\$1,193,949	\$1,104,778	\$1,209,410	\$1,172,000	\$922,966		\$901,527	\$917,516	\$933,819	\$950,443	\$967,394

[1] Capital Outlay is removed from this section of the report. This item is discussed later in the report.

[2] Depreciation Expense is removed from this report as it is performed on the cash basis.

[3] Principal and Interest on debt are removed from this section of the report. These items are discussed later in the report.

CITY OF LOWELL (MICHIGAN) SEWER FUND

SCHEDULE OF AMORTIZATION OF \$2,156,000 PRINCIPAL AMOUNT OUTSTANDING OF GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BONDS, SERIES 2016 - SEWER PORTION

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service			Fiscal Year Total
			Principal	Interest	Total	
			-----In Dollars-----			
11/01/19	\$2,156,000	2.00	\$70,000	\$42,568.75	\$112,568.75	
05/01/20	2,086,000			41,868.75	41,868.75	\$154,437.50
11/01/20	2,086,000	2.00	70,000	41,868.75	111,868.75	
05/01/21	2,016,000			41,168.75	41,168.75	153,037.50
11/01/21	2,016,000	3.00	70,000	41,168.75	111,168.75	
05/01/22	1,946,000			40,118.75	40,118.75	151,287.50
11/01/22	1,946,000	3.00	70,000	40,118.75	110,118.75	
05/01/23	1,876,000			39,068.75	39,068.75	149,187.50
11/01/23	1,876,000	3.00	70,000	39,068.75	109,068.75	
05/01/24	1,806,000			38,018.75	38,018.75	147,087.50
11/01/24	1,806,000	4.00	70,000	38,018.75	108,018.75	
05/01/25	1,736,000			36,618.75	36,618.75	144,637.50
11/01/25	1,736,000	4.00	73,500	36,618.75	110,118.75	
05/01/26	1,662,500			35,148.75	35,148.75	145,267.50
11/01/26	1,662,500	4.00	73,500	35,148.75	108,648.75	
05/01/27	1,589,000			33,678.75	33,678.75	142,327.50
11/01/27	1,589,000	4.00	77,000	33,678.75	110,678.75	
05/01/28	1,512,000			32,138.75	32,138.75	142,817.50
11/01/28	1,512,000	4.00	80,500	32,138.75	112,638.75	
05/01/29	1,431,500			30,528.75	30,528.75	143,167.50
11/01/29	1,431,500	4.00	84,000	30,528.75	114,528.75	
05/01/30	1,347,500			28,848.75	28,848.75	143,377.50
11/01/30	1,347,500	4.00	87,500	28,848.75	116,348.75	
05/01/31	1,260,000			27,098.75	27,098.75	143,447.50
11/01/31	1,260,000	4.00	91,000	27,098.75	118,098.75	
05/01/32	1,169,000			25,278.75	25,278.75	143,377.50
11/01/32	1,169,000	4.00	94,500	25,278.75	119,778.75	
05/01/33	1,074,500			23,388.75	23,388.75	143,167.50
11/01/33	1,074,500	4.00	101,500	23,388.75	124,888.75	
05/01/34	973,000			21,358.75	21,358.75	146,247.50
11/01/34	973,000	4.00	105,000	21,358.75	126,358.75	
05/01/35	868,000			19,258.75	19,258.75	145,617.50
11/01/35	868,000	4.00	108,500	19,258.75	127,758.75	
05/01/36	759,500			17,088.75	17,088.75	144,847.50
11/01/36	759,500	4.50	112,000	17,088.75	129,088.75	
05/01/37	647,500			14,568.75	14,568.75	143,657.50
11/01/37	647,500	4.50	119,000	14,568.75	133,568.75	
05/01/38	528,500			11,891.25	11,891.25	145,460.00
11/01/38	528,500	4.50	122,500	11,891.25	134,391.25	
05/01/39	406,000			9,135.00	9,135.00	143,526.25
11/01/39	406,000	4.50	129,500	9,135.00	138,635.00	
05/01/40	276,500			6,221.25	6,221.25	144,856.25
11/01/40	276,500	4.50	136,500	6,221.25	142,721.25	
05/01/41	140,000			3,150.00	3,150.00	145,871.25
11/01/41	140,000	4.50	140,000	3,150.00	143,150.00	143,150.00
Totals			<u>\$2,156,000</u>	<u>\$1,193,858.75</u>	<u>\$3,349,858.75</u>	<u>\$3,349,858.75</u>

CITY OF LOWELL (MICHIGAN) SEWER FUND

CASH FLOW ANALYSIS

	2019/20	Increase Per Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Assumptions													
Meter equivalents	1,387		1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387
Ready-to-serve charge - monthly	\$24.44	2.00%	\$24.93	\$25.43	\$25.94	\$26.46	\$26.99	\$27.53	\$28.08	\$28.64	\$29.21	\$29.80	\$30.39
REU count (apartments and mobile homes)	457		457	457	457	457	457	457	457	457	457	457	457
REU charge - monthly	\$24.44	2.00%	\$24.93	\$25.43	\$25.94	\$26.46	\$26.99	\$27.53	\$28.08	\$28.64	\$29.21	\$29.80	\$30.39
REU count (flat charge)	18		18	18	18	18	18	18	18	18	18	18	18
Flat charge - monthly	\$58.81		\$59.98	\$61.18	\$62.40	\$63.65	\$64.93	\$66.22	\$67.55	\$68.90	\$70.28	\$71.68	\$73.12
Volume sold - annual mgal - city	117,000		128,000	128,000	128,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000
Commodity charge - mgal - city	\$4.04	2.00%	\$4.12	\$4.21	\$4.29	\$4.38	\$4.46	\$4.55	\$4.64	\$4.74	\$4.83	\$4.93	\$5.03
Volume sold - annual mgal - township	43,244		43,244	43,244	43,244	43,244	43,244	43,244	43,244	43,244	43,244	43,244	43,244
Commodity charge - mgal - township	\$1.66		\$1.66	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66
<i>Typical homeowner's bill (assumes 4,500 gallons/month)</i>	<i>\$42.64</i>		<i>\$43.49</i>	<i>\$44.36</i>	<i>\$45.24</i>	<i>\$46.15</i>							
Revenues													
Rates & charges													
Ready-to-serve charge (metered)	\$406,985		\$415,124	\$423,427	\$431,896	\$440,533	\$449,344	\$458,331	\$467,498	\$476,848	\$486,384	\$496,112	\$506,034
Ready-to-serve charge (non-metered)	134,051		136,732	139,467	142,256	145,101	148,003	150,963	153,982	157,062	160,203	163,407	166,675
Flat charge	12,702		12,956	13,215	13,479	13,749	14,024	14,304	14,591	14,882	15,180	15,484	15,793
Commodity charge (city)	472,973		527,789	538,345	549,111	595,100	607,002	619,142	631,524	644,155	657,038	670,179	683,582
Commodity charge (township)	71,785		71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785	71,785
Total rates & charges revenue	1,098,495		1,164,386	1,186,238	1,208,527	1,266,268	1,290,158	1,314,525	1,339,380	1,364,732	1,390,591	1,416,967	1,443,870
Other	215,600		15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600
Total revenues	1,314,095		1,179,986	1,201,838	1,224,127	1,281,868	1,305,758	1,330,125	1,354,980	1,380,332	1,406,191	1,432,567	1,459,470
Less: Total operating expenditures	(901,527)		(917,516)	(933,819)	(950,443)	(967,394)	(984,680)	(1,002,308)	(1,020,284)	(1,038,616)	(1,057,312)	(1,076,378)	(1,095,823)
Net operating revenue	412,568		262,470	268,019	273,684	314,474	321,077	327,817	334,696	341,716	348,879	356,189	363,647
Less: Current debt service payments	(154,438)		(153,038)	(151,288)	(149,188)	(147,088)	(144,638)	(145,268)	(142,328)	(142,818)	(143,168)	(143,378)	(143,448)
Estimated pension contributions	(15,188)		(16,605)	(16,207)	(16,702)	(17,445)	(18,202)	(19,000)	(20,790)	(21,662)	(22,545)	(23,462)	(24,405)
Estimated SCADA improvements [1]	(50,000)		-	-	-	-	-	-	-	-	-	-	-
Estimated remaining bond proceeds to spend	-		-	-	-	-	-	-	-	-	-	-	-
Estimated cash-funded capital improvements	(103,000)		-	(553,000)	(287,000)	-	-	-	-	-	-	-	(1,941,000)
Estimated debt service #1 2024/25 bonds [2]	-		-	-	-	-	(83,500)	(272,750)	(272,750)	(272,750)	(272,750)	(272,750)	(272,750)
Net cash flow	\$89,942		\$92,828	(\$452,476)	(\$179,205)	\$149,941	\$395,814	\$218,617	\$233,524	\$246,202	\$259,296	\$272,788	(\$1,654,308)
<i>Cash & investments</i>	<i>\$1,645,089</i>	<i>\$1,735,031</i>	<i>\$1,827,859</i>	<i>\$1,375,383</i>	<i>\$1,196,178</i>	<i>\$1,346,118</i>	<i>\$1,741,933</i>	<i>\$1,960,550</i>	<i>\$2,194,074</i>	<i>\$2,440,275</i>	<i>\$2,699,571</i>	<i>\$2,972,360</i>	<i>\$1,318,052</i>

[1] Assumed sewer fund allocation is 50% of overall costs.

[2] Estimated debt service payments based on a \$7,013,000 40-year USDA bond issue at the current intermediate rate (2.375%).