

**City of Chelsea
2010-2011 Budget Estimate**

Electric

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
582.000.627000	Charges for Service - Duplctg	\$30	\$253	\$292	
582.000.629000	Charges for Services - Otsd Serv	\$5,000	\$0	\$3,000	Support for residential and commercial electrical line work
582.000.644000	Electric Sales - General	\$7,230,995	\$3,511,328	\$7,210,000	Calculated as current year actual +end of year accrual, no planned rate increase
582.000.662000	Electric Penalty	\$15,000	\$5,862	\$12,000	Customer late payment fees & NSF's
582.000.664000	Interest & Dividends	\$20,000	\$10,783	\$20,000	
582.000.694000	Other Income	\$0	\$2,171	\$0	

Electric Fund Revenues \$7,271,025 \$3,530,397 \$7,245,292

582.538.702000	Salaries & Wages	\$502,611	\$228,550	\$661,092	One team member back from WC, transfer in of one employee from Water
582.538.715000	Employer FICA & Medicare Match	\$38,450	\$17,602	\$50,574	One team member back from WC, transfer in of one employee from Water
582.538.716000	Health Insurance	\$58,958	\$30,825	\$81,137	Budgeted based on 09-10 actual-to-date plus an estimated 10% increase and transfer in of one employee from Water
582.538.717000	Life, AD&D, LT/ST Disability Insurance	\$4,200	\$1,840	\$4,421	
582.538.718000	Retirement Savings	\$12,476	\$8,396	\$21,017	ICMA/Defined Contribution retirement expense only, MERS paid through retirement fund
582.538.720000	Unemployment Insurance	\$972	\$934	\$2,382	Equals Dec City Actual * 2, * the % of City emp in each dept, plus a 20% est increase based on 2010 activity to date.
582.538.722000	Workers Compensation	\$10,978	\$17,356	\$22,940	Increase due to addition of one employee, and audit of employee categories.
582.538.723000	Benefits Paid by Other Funds	\$5,000	\$2,810	\$0	Use of DPW for Electric Dept Support
582.538.727000	Office Supplies	\$4,000	\$253	\$1,000	

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Electric

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
582.538.728000	Postage	\$6,500	\$2,947	\$1,750	Assumes a move to quarterly utility statements
582.538.740000	Operating Supplies	\$5,000	\$3,170	\$5,000	
582.538.744000	Clothing	\$8,000	\$2,646	\$7,000	Uniform and boot allowance expense
582.538.756000	Electric for Resale	\$5,168,577	\$2,070,268	\$4,913,184	Calculated as current year actual plus 9% purchase price increase plus June accrual
582.538.801000	Professional Services	\$90,000	\$95,284	\$88,300	\$15,000 Michigan Public Power Agency annual dues, \$12,000 for annual Michigan Public Power Rate Payer's Association, \$9000 Michigan Municipal Electric Association annual dues, \$5000 attorney fees, \$8000 energy consultant fees, \$6800 auditor fees, \$25000 substation service contract, \$3500 software maintenance and support, \$4,000 other
582.538.810000	Office Equipment Services	\$2,232	\$873	\$1,798	Mailing and folding machine rental, computer lease
582.538.850000	Communication Expense	\$3,500	\$937	\$1,800	Based on prior year actual, includes email service
582.538.863000	Equipment Maintenance	\$10,000	\$2,448	\$7,500	Servicing of departmental vehicles
582.538.867000	Gasoline & Oil	\$13,000	\$7,022	\$13,500	Based on prior year actual. Any anticipated rate increases are being offset by an expectation to reduce costs through energy efficiency.
582.538.890000	Energy Optimization Compliance	\$72,310	\$10,418	\$76,800	As noted in the City's adopted Energy Optimization Plan
582.538.910000	General, Auto, & Liability Insurance	\$24,360	\$24,466	\$25,000	Based on 09-10 rates
582.538.912000	Insurance Reserve	\$20,000	\$0	\$20,000	
582.538.920000	Public Utilities	\$12,000	\$3,648	\$13,000	DTE and City utilities, based on actual annual activity
582.538.931000	Building Maintenance	\$6,000	\$2,588	\$6,000	
582.538.933000	System Maintenance	\$58,000	\$74,026	\$70,000	

**City of Chelsea
2010-2011 Budget Estimate**

Electric

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
582.538.933002	Generator Maintenance	\$6,000	\$9,244	\$8,000	
582.538.942000	Rentals	\$7,500	(\$109)	\$3,000	Use of DPW equipment
582.538.943000	City Hall Installment Purchase Pymt	\$18,457	\$10,291	\$19,388	Monthly installment purchase of City Office Building
582.538.955000	Payment in Lieu of Taxes	\$470,015	\$0	\$468,650	6.5% of gross sales
582.538.957000	Training	\$5,500	\$2,327	\$5,000	
582.538.958000	Miscellaneous Expense	\$3,000	\$2,359	\$3,000	
582.538.966410	Contribution to Retirement Fund	\$158,423	\$53,964	\$162,690	Contribution to defined benefit & OPEB obligation
582.538.971000	Electric System Replacement	\$225,000	\$171,895	\$478,000	To set aside monies each year dedicated to equipment replacement, in lieu of reflecting depreciation. **For 10-11, also includes the purchase of one transformer (\$278,000).
582.538.981000	Bad Debt Expense	\$1,000	\$3,580	\$1,500	
582.538.992000	Debt Service - Interest	\$0	\$1,137	\$870	Interest on Case Wheel Loader lease-purchase, expense divided btwn DPW, Water, WW, and Electric

Electric Fund Revenues **\$7,032,019** **\$2,863,995** **\$7,245,292**

Electric Fund Net Income (Loss) **\$239,006** **\$666,402** **(\$0)**

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
590.000.608000	Sewer Charges	\$989,104	\$471,756	\$1,113,344	Calculated as current year actual plus 18% rate increase
590.000.609000	Sewer Connection Fee	\$15,120	\$11,045	\$0	Residential fee for new service (budgeted for 0 this year)
590.000.610000	REU Capital Connection	\$21,700	\$3,410	\$0	Commercial fee for new service (budgeted for 0 this year)
590.000.661000	Sewer Penalty	\$2,400	\$1,156	\$2,400	Customer late payment fees
590.000.664000	Interest & Dividends	\$15,000	\$1,328	\$5,000	
590.000.676101	Transfer in from General Fund	\$150,000	\$0	\$150,000	General fund support for SRF bond interest payment, proposed as part of rate study
590.000.694000	Other Income	\$0	\$2,186	\$302,000	\$302,000 transfer from cash balance

Total Wastewater Fund Revenues \$1,193,324 \$490,881 \$1,572,744

590.548.702000	Salaries & Wages	\$308,928	\$174,583	\$307,428	
590.548.715000	Employer FICA & Medicare Match	\$23,633	\$13,077	\$23,518	
590.548.716000	Health Insurance	\$17,270	\$11,246	\$24,741	Budgeted based on 09-10 actual-to-date plus an estimated 10% increase
590.548.717000	Life, AD&D, LT/ST Disability Insurance	\$2,362	\$1,039	\$1,976	
590.548.718000	Retirement Savings	\$10,100	\$6,297	\$12,765	ICMA/Defined Contribution retirement expense only, MERS paid through retirement fund
590.548.720000	Unemployment Insurance	\$648	\$600	\$1,361	Equals Dec City Actual * 2, * the % of City emp in each dept, plus a 20% est increase based on 2010 activity to date.
590.548.722000	Workers Compensation	\$5,564	\$8,209	\$6,158	Increase due to number of claims and audit of employee categories.
590.548.723000	Benefits Paid by Other Funds	\$2,000	\$463	\$0	Use of DPW for Wastewater Dept Support

**City of Chelsea
2010-2011 Budget Estimate**

Wastewater

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
590.548.727000	Office Supplies	\$2,500	\$220	\$2,500	
590.548.728000	Postage	\$3,600	\$1,625	\$1,000	Assumes a move to quarterly utility statements
590.548.740000	Operating Supplies	\$35,000	\$19,348	\$35,000	
590.548.744000	Clothing	\$3,600	\$1,449	\$3,200	Uniform and boot allowance expense
590.548.801000	Professional Services	\$60,000	\$36,086	\$68,300	Testing (\$13,200), hauling biosolids (\$20,000), audit fees (\$10,000), legal fees (\$5000), engineering fees (\$10,000), software maintenance & support (\$3300), drug screens (\$200/yr), other (\$6800)
590.548.810000	Office Equipment Services	\$2,232	\$998	\$2,558	Mailing and folding machine rental, lease of one computer, one printer
590.548.850000	Communication Expense	\$3,500	\$1,631	\$3,500	Based on prior year actual, includes email service
590.548.863000	Equipment Maintenance	\$2,600	\$1,294	\$2,600	
590.548.867000	Gasoline & Oil	\$6,500	\$1,443	\$3,000	Based on prior year actual. Any anticipated rate increases are being offset by an expectation to reduce costs through energy efficiency.
590.548.910000	General, Auto & Property Insurance	\$7,033	\$7,064	\$7,100	Based on 09-10 rates
590.548.920000	Public Utilities	\$108,000	\$63,631	\$130,000	DTE and City utilities, based on actual annual activity
590.548.931000	Building Maintenance	\$5,000	\$1,675	\$5,000	Painting roofs, electrical repairs for buildings
590.548.938000	Plant Maintenance	\$18,000	\$11,112	\$20,000	Includes blower filters for new blower filtration system (\$2000 annually).
590.548.939000	Lift Station Maintenance	\$15,000	\$4,461	\$15,000	Repair and maintenance for all five lift stations, some professional service fees for lift station monitoring
590.548.942000	Rentals	\$2,000	\$712	\$2,000	Use of DPW equipment at WWTP
590.548.943000	City Hall Installment Purchase Pymt	\$18,457	\$10,291	\$19,388	Monthly installment purchase of City Office Building

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
590.548.957000	Training	\$5,000	\$634	\$5,000	
590.548.958000	Miscellaneous Expense	\$2,000	\$519	\$2,000	
590.548.966408	Contribution to St Imp Fund	\$7,805	\$1,754	\$0	For planned street projects
590.548.966410	Contribution to Retirement Fund	\$51,204	\$14,064	\$47,101	Contribution to defined benefit & OPEB obligation
590.548.966470	Transfer to Municipal Building	\$15,422	\$0	\$16,090	Contribution to Buchanon Street bond payment
590.548.971000	Wastewater Trmnt Replace	\$45,000	\$41,576	\$0	To set aside monies each year dedicated to equipment replacement, in lieu of reflecting depreciation
590.548.981000	Bad Debt Expense	\$0	\$217	\$0	
590.548.991000	Debt Service – SRF Principal	\$0	\$0	\$485,000	2009 SRF Loan Payment
590.548.991001	Debt Service – SRF Principal	\$10,000	\$10,000	\$10,000	2007 SRF Loan Payment
590.548.992000	Debt Service – Interest	\$318,600	(\$940)	\$304,940	2009 SRF Loan Payment
590.548.992001	Debt Service – SRF Interest	\$0	\$0	\$3,437	2007 SRF Loan Payment
590.548.992002	Debt Service – Interest	\$0	\$1,137	\$870	Interest on Case Wheel Loader lease-purchase, expense divided btwn DPW, Water, WW, and Electric

Total Wastewater Fund Expenses **\$1,118,558** **\$447,515** **\$1,572,530**

Wastewater Fund Net Income (Loss) **\$74,766** **\$43,366** **\$214**

**City of Chelsea
2010-2011 Budget Estimate**

Water

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
591.000.606000	Water Connection Fee	\$16,660	\$12,495	\$0	Residential fee for new service (budgeted for 0 this year)
591.000.607000	Water Sales	\$1,424,950	\$656,833	\$1,353,076	Calculated as current year actual plus 3% rate increase
591.000.610000	REU Capital Connections	\$26,250	\$4,125	\$0	Commercial fee for new service (budgeted for 0 this year)
591.000.631000	Charges for Services - Other	\$1,000	\$150	\$0	
591.000.660000	Water Penalty	\$3,500	\$2,202	\$4,000	Customer late payment fees
591.000.664000	Interest & Dividends	\$1,000	\$139	\$500	Anticipate a lower cash balance due to necessary projects
591.000.676101	Transfer in from General Fund	\$0	\$0	\$500,000	
591.000.694000	Other Income	\$402,205	\$1,556	\$0	Meter horns for new service, \$315 each (anticipate 0 new residential, 0 new commercial starts)

Total Water Fund Revenues \$1,875,565 \$677,500 \$1,857,576

591.556.702000	Salaries & Wages	\$277,739	\$156,287	\$222,796	Transfer of one employee to Electric
591.556.715000	Employer FICA & Medicare Match	\$21,247	\$10,528	\$17,044	Transfer of one employee to Electric
591.556.716000	Health Insurance	\$46,149	\$21,339	\$33,624	Budgeted based on 09-10 actual-to-date plus an estimated 10% increase and decrease due to the transfer of one employee to DPW
591.556.717000	Life, AD&D, LT/ST Disability Insurance	\$1,648	\$949	\$1,384	Reduction due to transfer of one employee to Electric
591.556.718000	Retirement Savings	\$13,103	\$8,294	\$9,585	ICMA/Defined Contribution retirement expense only, MERS moved to retirement fund – reduction due to one employee transfer to DPW
591.556.720000	Unemployment Insurance	\$486	\$464	\$1,021	Equals Dec City Actual * 2, * the % of City emp in each dept, plus a 20% est increase based on 2010 activity to date.
591.556.722000	Workers Compensation	\$7,823	\$5,582	\$10,205	Increase due to number of claims and audit of employee categories.
591.556.723000	Benefits Paid by Other Funds	\$8,000	\$4,524	\$0	

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
591.556.727000	Office Supplies	\$1,800	\$132	\$500	
591.556.728000	Postage	\$4,000	\$1,628	\$1,000	Assumes a move to quarterly utility statements
591.556.740000	Operating Supplies	\$40,000	\$23,553	\$40,000	Chemicals for plant
591.556.744000	Clothing	\$2,400	\$1,115	\$2,400	Uniform and boot allowance expense
591.556.801000	Professional Services	\$30,000	\$12,768	\$31,900	Software/hardware support (\$3,200/yr), bacti sampling (\$1,500/yr), legal fees (\$5,000/yr), MISS Digs (\$200/yr), State of MI fees (\$2,000/yr), outside plumbing & excavating services (\$2,500/yr), audit fees (\$6,500/yr), generator service (\$500/yr), drug screens (\$200/yr), wellhead protection program fees (\$8,000), other (\$2,300)
591.556.810000	Office Equipment Services	\$2,758	\$1,138	\$3,078	Mailing and folding machine rental, computer lease
591.556.850000	Communication Expense	\$2,700	\$913	\$2,100	Based on prior year actual, includes email service
591.556.863000	Equipment Maintenance	\$6,000	\$1,795	\$6,000	
591.556.867000	Gasoline & Oil	\$8,000	\$1,883	\$7,000	Based on prior year actual. Any anticipated rate increases are being offset by an expectation to reduce costs through energy efficiency.
591.556.910000	General, Auto & Property Insurance	\$13,928	\$13,990	\$14,000	Based on 09-10 rates
591.556.920000	Public Utilities	\$90,000	\$40,829	\$90,000	DTE and City utilities, based on actual annual activity
591.556.931000	Building Maintenance	\$5,000	\$2,760	\$5,000	
591.556.933000	System Maintenance	\$75,000	\$3,316	\$36,000	
591.556.938000	Plant Maintenance	\$12,000	\$4,345	\$17,000	
591.556.942000	Rentals	\$11,500	\$6,794	\$11,500	

Account #	Description	2009-2010 Amended Budget	2009-2010 YTD (thru 2Q)	2010-2011 Budget Estimate	Notes
591.556.943000	City Hall Installment Purchase Pymt	\$18,457	\$11,590	\$19,388	Monthly installment purchase of City Office Building
591.556.957000	Training	\$5,000	\$2,124	\$5,000	
591.556.958000	Miscellaneous Expense	\$1,500	\$254	\$1,500	
591.556.966410	Contribution to Retirement Fund	\$63,530	\$26,362	\$64,152	Contribution to defined benefit & OPEB obligation
591.556.966470	Transfer to Municipal Bldg	\$16,193	\$0	\$16,895	Contribution to Buchanon Street bond payment
582.538.971000	Water System Replacement	\$400,000	\$166,822	\$0	No monies set aside this year to allow for growth of fund balance. Last year's budget reflected the possible work to East street using cash balance reserves.
591.556.981000	Bad Debt Expense	\$500	\$349	\$250	Miscellaneous invoice activity associated with Water system work
591.556.991000	Debt Service - Principal	\$35,000	\$0	\$40,000	Water Tower Construction: last pymt 2/1/2015
591.556.991002	DbtSvc-Drnkg Water Rev Fund	\$425,000	\$425,000	\$435,000	Plant Construction: phase I last pymt 10/1/2022, phase II last pymt 10/1/2021
591.556.992000	Debt Service - Interest	\$16,340	\$0	\$14,135	Water Tower Construction: last pymt 2/1/2015
591.556.992001	Debt Service - Interest	\$0	\$3,449	\$870	Interest on Case Wheel Loader lease-purchase, expense divided btwn DPW, Water, WW, and Electric. Also included Electric loan interest in 2009-2010.
591.556.992002	DbtSvcInt-DrkgWater Rev Fund	\$160,313	(\$1)	\$149,563	Plant Construction: phase I last pymt 10/1/2022, phase II last pymt 10/1/2021
591.556.993000	Debt Service - Fees	\$425	\$0	\$425	

Total Water Fund Expenses **\$1,823,539** **\$960,875** **\$1,310,314**

Water Fund Net Income (Loss) **\$52,026** **(\$283,375)** **\$547,262**

This change in cash balance will go directly towards the \$517,000 Water Plant Bond Payment due 10/1/2011. It will also give the fund a year to build up their cash reserves to make the 2012 payment.