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WESTFIELD WATER UTILITY
PROJECTED BUDGET FOR 2010

**WESTFIELD MUNICIPAL UTILITIES - WATER
KEY BUDGET ASSUMPTIONS – 2010**

WATER REVENUES

- Sales - based upon projected sales for 2010, added 200 new customers at an average monthly bill of \$26.
- Fire Surcharges - based upon the \$4.72 monthly fee for out-of-town customers, plus \$1.88 Phase IV charge in town.
- Availability & Connection - assumes 200 new EDU's at the rate of \$1,800 each availability and \$500 each for connection fees.
- Interest - based upon normalized 2009 interest income.
- Inspection/Planning Fees - based upon estimated revenues, projected \$17,750 less in 2010 than 2009.

WATER OPERATING EXPENSES

- Salaries & Wages - total budget in 2009 of \$1,654,000 decreased to \$1,369,929 in 2010. This change is mainly due to reduction in work force and some wage and benefit overhead reallocated to the corporate budget from water.
- 5% general wage increase for the existing employees.
- Insurance - this category includes both property/casualty and employee insurance. Property insurance is based upon the estimated 2010 premiums. Employee insurance is based on actual premiums including includes additional allocations for City Admin. employees.
- Purchased Power - budgeted 15% increase in purchased power
- Purchased Water - Assumes that there are no wholesale water purchases in 2010.

WATER OPERATING EXPENSES

(Continued)

- Employee Benefits - 17.4% of labor costs assuming 7.65% for payroll taxes and 9.5% for PERF and .25% for workers compensation.
- Uniforms - decreased based upon reduction in work force and eliminating unit uniform requirements.
- Contractual – Admin - includes legal, accounting, financial reporting, computer support, cleaning services, payroll processing services, employee testing/training, equipment maintenance contracts, appraisals, surveys.
- Depreciation - based upon estimated depreciation for 2009 infrastructure additions.
- Transportation - decreased based upon contract for fuel from the schools at a lower cost.
- City Lease Payment - new for 2010. 35% of the \$108,191 payment.
- PILT Payments - suspended payments for 2010
- Tower Antenna Leases - Additional \$30,000 to water for a total of \$60,000.
- All other expenses - amounts are either the same, increased or decreased based upon 2009 year to date experience.

WESTFIELD MUNICIPAL WATER UTILITY

PROJECTED CASH FLOWS

		2010 <u>BUDGETED</u>
EDU'S / YR:	COMMITTED	200
	OTHER	<u>0</u>
	TOTAL	<u><u>200</u></u>
CASH OPERATING REVENUES EXCLUDING WHOLESALE		\$3,692,250
CONTRACT SALES TO IWC		587,000
CASH OPERATING EXPENSES		<u>(3,180,506)</u>
NET OPERATING REVENUE		<u>1,098,744</u>
NON-OPERATING REVENUES:		
INTEREST INCOME		2,300
AVAILABILITY FEES (200 EDU'S)		113,485
CONNECTION FEES (200 EDU'S)		142,650
OTHER NON-OPERATING NET		150,000
CITY SERVICES LEASE		37,867
PILT		0
DEBT SERVICE:		
EXISTING:		
1998 BONDS	[Water Tower]	(190,550)
2002 BONDS	[HWU Acquisition]	(743,605)
2009 BONDS	[Land Purchase]	(144,233)
ESC PAYMENTS	[Energy Projects]	<u>(113,087)</u>
AVAILABLE FOR CAPITAL EXPENDITURES AND RESERVES		353,571
PROJECTED CAPITAL BUDGET		<u>(150,000)</u>
NET INCREASE/(DECREASE) IN CASH		203,571
BEGINNING CASH BALANCE		<u>660,635</u>
ENDING CASH BALANCE		<u><u>\$864,206</u></u>

WESTFIELD MUNICIPAL WATER UTILITY

PROJECTED STATEMENT OF REVENUES AND EXPENSES

FOR THE TWELVE MONTHS ENDED DECEMBER 31

	BUDGET 2010	BUDGET 2009
OPERATING REVENUES:		
METERED SALES	\$3,275,000	\$3,275,000
CONTRACT SALES	587,000	556,000
FIRE PROTECTION	115,000	121,000
FIRE SURCHARGES	256,000	256,000
PENALTIES	13,000	13,000
INSPECTION/PLANNING FEES	16,250	34,000
OTHER	17,000	10,000
TOTAL OPERATING REVENUES	4,279,250	4,265,000
OPERATING EXPENSES:		
SOURCE OF SUPPLY	367,000	234,000
TREATMENT	277,353	310,017
DISTRIBUTION	573,202	610,535
CUSTOMER ACCOUNTS	240,058	306,183
ADMINISTRATIVE AND GENERAL	1,722,893	1,915,448
SUBTOTAL	3,180,506	3,376,183
DEPRECIATION	888,000	800,000
TOTAL OPERATING EXPENSES	4,068,506	4,176,183
NET OPERATING REVENUES	210,744	88,817
NONOPERATING REVENUES (EXPENSES):		
INTEREST INCOME	2,300	80,000
TAP FEES	142,650	142,650
AVAILABILITY FEES	113,485	113,485
CITY SERVICES LEASE	37,867	
OTHER NON-OPERATING	150,000	50,000
AMORTIZATION	(13,540)	(13,540)
PAYMENT IN LIEU OF TAXES	0	(69,504)
INTEREST ON ENERGY SAVINGS CONTRACT	(28,972)	(32,814)
INTEREST ON REVENUE BONDS (1998)	(62,915)	(68,475)
INTEREST ON REVENUE BONDS (2002)	(366,092)	(381,758)
INTEREST ON REVENUE BONDS (2009)	(52,459)	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	(77,676)	(179,956)
NET INCOME	\$133,068	(\$91,139)

WESTFIELD MUNICIPAL WATER UTILITY

PROJECTED DETAIL OF OPERATION AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31

	BUDGET 2010	BUDGET 2009
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SOURCE OF SUPPLY		
PURCHASED POWER	367,000	234,000
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TOTAL	367,000	234,000
TREATMENT		
LABOR	208,853	249,317
CHEMICALS	31,000	35,000
MATERIALS AND SUPPLIES	500	500
REPAIRS	7,000	200
CONTRACTUAL SERVICES	14,000	10,000
LAB TESTING	16,000	15,000
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TOTAL	277,353	310,017
DISTRIBUTION		
LABOR	314,202	457,535
MATERIALS AND SUPPLIES	103,000	82,000
CONTRACTUAL SERVICES	98,000	47,000
REPAIRS	58,000	24,000
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TOTAL	573,202	610,535
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WESTFIELD MUNICIPAL WATER UTILITY

PROJECTED DETAIL OF OPERATION AND MAINTENANCE EXPENSES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31
 (CONTINUED)

	BUDGET 2010	BUDGET 2009
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CUSTOMER ACCOUNTS		
METER READING AND ACCOUNTING	\$240,058	\$306,183
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TOTAL	240,058	306,183
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ADMINISTRATIVE AND GENERAL		
SALARIES	464,242	584,836
INSPECTION/PLANNING SALARIES	142,574	149,462
OFFICE SUPPLIES	15,000	16,000
BILLING SUPPLIES	24,000	22,000
UTILITIES	22,000	19,000
TELEPHONE	34,000	26,000
INSURANCE	280,709	382,000
CONTRACTUAL - ENGINEERING	119,000	70,000
CONTRACTUAL - GIS	14,000	15,000
CONTRACTUAL - ADMINISTRATIVE	269,000	150,000
TRANSPORTATION	11,000	85,000
AUDIT	6,000	5,100
EMPLOYEE BENEFITS	238,368	304,000
REPAIRS	1,000	3,000
UNIFORMS	12,000	16,000
TRAINING/EDUCATION	8,000	11,000
PROMOTIONAL	0	200
UTILITY RECEIPTS TAX	53,000	45,850
OTHER	9,000	11,000
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TOTAL	1,722,893	1,915,448
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DEPRECIATION EXPENSE	888,000	800,000
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TOTAL OPERATING EXPENSES	\$4,020,506	\$4,176,183

WESTFIELD WATER UTILITY
2010 PROJECTED BUDGET

PROJECTS:

None	0
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Sub-Total	0
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EQUIPMENT AND VEHICLES:

Instrumentation and Control Equipment	50,000
Computers and Software	50,000
GIS Software and Equipment	<u>50,000</u>

Sub-Total	150,000
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Total	\$150,000
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WESTFIELD WASTEWATER UTILITY

PROJECTED BUDGET FOR 2010

**WESTFIELD MUNICIPAL UTILITIES - WASTEWATER
KEY BUDGET ASSUMPTIONS – 2010**

WASTEWATER REVENUES

- Sales - based upon projected sales for 2010, plus 300 new customers at an average monthly bill of \$38, adjusted for Phase II of the South to North rate equalization process.
- Availability & Connection - assumes 300 new EDU's at \$3,500 or \$3,150 each for availability and \$1,200 each for connection fees. Developer commitments cover 100 EDU's.
- Interest - based upon normalized 2009 interest income.

WASTEWATER OPERATING EXPENSES

- Salaries & Wages
 - total budget in 2009 of \$1,579,028 was decreased to \$1,149,900 in 2010. This change is mainly due to reduction of force and some wage and benefit overhead reallocated to the corporate budget from wastewater.
 - 5% general wage increase for the existing employees.
- Sludge Removal
 - decreased based upon 2009 year to date experience.
- Treatment – Carmel
 - decreased budget estimate based upon actual daily flows to Carmel for first 8 months of 2009.
- Purchased Power
 - budgeted 15% increase in purchased power
- Insurance
 - this category includes both property/casualty and employee insurance. Property insurance is based upon the estimated 2010 premiums. Employee insurance is based on actual premiums including includes additional allocations for City Admin. employees.
- Employee Benefit
 - 17.15% of labor costs assuming 7.65% for payroll taxes and 9.5% for PERF and .25% for workers compensation.
- Contractual Other
 - includes legal, accounting, financial reporting, computer support, cleaning services, payroll processing services, employee testing/training, equipment maintenance contracts, appraisals, surveys. Budget based on normalized 2009 data.
- Depreciation
 - based upon estimated depreciation for 2009 plant additions.
- Trash/Recycling Contract
 - new for 2010.
- City Lease Contract
 - new for 2010. 65% of the \$108,191 payment.
- PILT Payments
 - suspended payments for 2010
- Drainage Assessment
 - shifted from Corporate Budget
- All other expenses
 - amounts are either the same, increased or decreased based upon 2009 year to date experience.

WESTFIELD MUNICIPAL WASTEWATER UTILITY

PROJECTED CASH FLOWS

		2010 <u>BUDGETED</u>
EDU'S / YR:	COMMITTED	200
	OTHER	100
	TOTAL	<u>300</u>
CASH OPERATING REVENUES		\$7,181,000
CASH OPERATING EXPENSES		<u>(4,314,892)</u>
NET OPERATING REVENUE		<u>2,866,108</u>
NON-OPERATING REVENUES (EXPENSES):		
INTEREST INCOME		6,000
AVAILABILITY FEES (300 EDU's)		257,895
CONNECTION FEES (300 EDU's)		285,576
CITY SERVICES LEASE		70,324
PILT		0
DEBT SERVICE		
EXISTING:		
2002 BONDS	[HWU Acquisition]	(823,715)
2004 BONDS	[WWTP Expansion]	(901,144)
2006 BONDS	[Refund 1997 Bonds]	(746,815)
2007 BONDS	[Westside Interceptor]	(683,200)
ESC PAYMENTS	[Energy Projects]	(326,330)
AVAILABLE FOR CAPITAL		
EXPENDITURES AND RESERVES		4,699
PROJECTED CAPITAL BUDGET		<u>0</u>
NET INCREASE/(DECREASE) IN CASH		4,699
BEGINNING CASH BALANCE		<u>3,036,554</u>
ENDING CASH BALANCE		<u><u>\$3,041,253</u></u>

WESTFIELD MUNICIPAL WASTEWATER UTILITY

PROJECTED STATEMENT OF REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31

	BUDGET 2010	BUDGET 2009
OPERATING REVENUES:		
COMMERCIAL AND RESIDENTIAL SALES	\$5,405,000	\$4,925,000
STORMWATER	404,000	383,000
TRASH	1,200,000	0
PENALTIES	91,000	73,000
INSPECTION/PLANNING FEES	12,000	36,700
EROSION CONTROL	53,000	41,200
MISCELLANEOUS	16,000	12,000
	7,181,000	5,470,900
OPERATING EXPENSES:		
COLLECTION	680,959	848,889
TREATMENT - WESTFIELD PLANT	471,568	445,987
TREATMENT - CARMEL	596,000	729,480
STORMWATER	115,700	78,793
ADMINISTRATIVE AND GENERAL	2,450,666	1,944,359
	4,314,892	4,047,508
DEPRECIATION	1,932,100	1,705,000
	934,008	(281,608)
NON-OPERATING REVENUES (EXPENSES):		
INTEREST INCOME	6,000	125,000
AVAILABILITY FEES	257,895	1,015,000
CONNECTION FEES	285,576	360,000
CITY SERVICES LEASE	70,324	
OTHER	2,000	2,000
AMORTIZATION EXPENSE	(116,053)	(116,053)
PILT	0	(162,300)
INTEREST ON 2007 REVENUE BONDS	(652,775)	(653,908)
INTEREST ON 2006 REVENUE BONDS	(240,148)	(259,482)
INTEREST ON 2004 REVENUE BONDS	(455,644)	(471,894)
INTEREST ON 2002 REVENUE BONDS	(407,660)	(424,880)
INTEREST ON ENERGY SAVINGS CONTRACT	(93,603)	(94,690)
	(1,344,088)	(681,207)
NET INCOME	(\$410,080)	(\$962,815)

WESTFIELD MUNICIPAL WASTEWATER UTILITY

PROJECTED DETAIL OF OPERATION AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31

	<u>BUDGET</u> <u>2010</u>	<u>BUDGET</u> <u>2009</u>
COLLECTION:		
LABOR	487,959	678,889
PURCHASED		
POWER	60,000	50,000
MATERIALS AND		
SUPPLIES	119,000	100,000
REPAIRS	14,000	3,000
CONTRACTUAL		
SERVICES	<u>0</u>	<u>17,000</u>
TOTAL COLLECTION	<u>680,959</u>	<u>848,889</u>
TREATMENT:		
SALARIES AND WAGES	45,568	73,987
PURCHASED		
POWER	245,000	150,000
CHEMICALS	63,000	33,000
MATERIALS AND		
SUPPLIES	20,000	20,000
REPAIRS	2,000	4,000
SLUDGE		
REMOVAL	38,000	100,000
CONTRACTUAL		
SERVICES	3,000	2,000
LAB TESTING	17,000	20,000
INSURANCE - PROPERTY	26,000	30,000
UTILITIES	2,000	3,000
PERMITS AND		
FEES	10,000	10,000
OTHER	<u>0</u>	<u>0</u>
TREATMENT PLANT TOTAL	<u>471,568</u>	<u>445,987</u>
TREATMENT FEES -		
CARMEL	<u>596,000</u>	<u>729,480</u>
TOTAL TREATMENT	<u>1,067,568</u>	<u>1,175,467</u>
STORMWATER:		
SALARIES AND WAGES	37,700	35,793
CONTRACTUAL SERVICES - ENG	8,000	31,000
MATERIALS & SUPPLIES	3,000	11,000
MISCELLANEOUS	1,000	1,000
DRAINAGE ASSESSMENT	<u>66,000</u>	<u>0</u>
TOTAL STORMWATER	<u>115,700</u>	<u>78,793</u>

WESTFIELD MUNICIPAL WASTEWATER UTILITY

PROJECTED DETAIL OF OPERATION AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31

	<u>BUDGET</u> 2010	<u>BUDGET</u> 2009
ADMINISTRATIVE AND GENERAL:		
ADMINISTRATIVE SALARIES	416,298	672,577
INSPECTION/PLANNING SALARIES	131,922	117,782
TRASH SALARIES & WAGES	30,453	0
OFFICE SUPPLIES	16,000	16,000
BILLING SUPPLIES	24,000	23,000
TRANSPORTATION	12,000	85,000
UTILITIES AND TELEPHONE	49,000	33,000
INSURANCE	237,205	352,000
EMPLOYEE BENEFITS	200,083	275,000
AUDIT	4,000	5,000
CONTRACTUAL SERVICES - ENGINEERING - COLLECTION SYSTEM AND LIFT STATIONS	13,000	120,000
CONTRACTUAL SERVICES - GIS	14,000	15,000
OTHER CONTRACTUAL AND PROFESSIONAL SERVICES	175,000	175,000
CONTRACT - TRASH	1,086,705	
REPAIRS	12,000	10,000
UNIFORMS	0	16,000
TRAINING/EDUCATION	18,000	13,000
PROMOTIONAL	0	0
OTHER	11,000	16,000
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TOTAL ADMINISTRATIVE	2,450,666	1,944,359
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DEPRECIATION	1,932,100	1,705,000
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TOTAL OPERATING EXPENSES	<u>\$6,246,992</u>	<u>\$5,752,508</u>

WESTFIELD WASTEWATER

2010 PROJECTED CAPITAL BUDGET

None

Total

\$0