

BUDGET FOOTNOTES
FY 09/10 OPERATING / CAPITAL BUDGET

General Fund-101

Item **Page**

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|---|---|--|
| 1 | 1 | <p>There was a \$12,654,219 (-8.7%) decrease in the overall Taxable Values of the ad valorem tax roll to \$132,914,029 this past year. There was a \$30 million decrease in taxable value from the roll following the City's establishment of the Renaissance Zone for Gerber-Nestle. Fortunately, with \$12 million in new development in the City, the \$30 million decrease is not felt in its entirety. <u>The City will continue to levy 14 mills for the tenth straight year.</u> Even though the Charter permits the City of Fremont to levy up to 20 mills, taxpayers still have the lowest total millage rate in Newaygo County.</p> <p>The original ad valorem tax revenue estimate of \$1,711,037 was furthered reduced by the proposed increased Tax Increment Finance (TIF) captures by both the DDA (\$145,347) and the LDFA (\$14,690). The increased capture of General Fund tax revenue became necessary because of the loss of "capturability" of the school operating millages due to the State of Michigan's "Proposal A."</p> <p>IFT property taxes have been decreasing due to IFT certificates expiring, from which the taxable property values held at 50% on the IFT tax roll will be added to the ad valorem tax roll at 100%. Most of the City's IFT certificates have an exemption status for 12 years.</p> |
| 2 | 1 | <p>This is the fourth year for this new revenue line item, which accounts for the new property tax payments received from parcels transferring to the City's jurisdiction under the December 2004 "P.A. 425 Conditional Transfer Agreement" w/Dayton & Sheridan Townships. Parcels in the 1st Phase of the transfer included the new Wal-Mart Superstore, the eastern building of the 48th St. Complex (Sears) and both auto dealerships. Several Phase 2 parcels have now transferred into Phase 1 and have or will soon receive City water, sewer & other services (see map of 425 Agr. parcels in Appendix P.) Also, see Footnote #34 for details of the township payout & cooperative reserve account.</p> |
| 3 | 1 | <p>The current franchise fee for Comcast to lease the City's street ROW's to provide cable TV to its customers is based on 5% of gross revenues. The State Legislature succumbed to the fierce & well-financed lobbying pressure of the nation's tele-communication companies (Tele-coms) and passed a sweeping re-write of the State's CATV & video provider Act. As a result, any Tele-coms now desiring to enter the video programming business will receive a credit against their franchise fee for any payments made to the State's METRO Act ROW fees (see Local Street Fund [203]). Congress could not compromise on several versions of the Federal re-write of the Cable Act. Undaunted, the Bush Administration had the Federal Communications Commission (FCC) issue its own new rulemaking that seeks to accomplish the changes administratively, thus by-passing Congress. The proposed rules would eliminate control of our own ROW's & would redefine & limit the franchise fees we now receive.</p> |

the Downtown. Following this necessary repair, the Building will be marketed for resale to encourage further economic development.

FY07/08: Replaced network server and upgraded network software. The network room also received an air conditioner upgrade.

- 18 3 FY07/08: The City acquired a downtown building (\$120,000) for economic development and a house w/4.5 acres (\$85,000) bordering Branstrom Park.
- 19 4 Police Dept. replacement of patrol car laptop computer (\$2,075); Interview room recording equipment (\$2,800); In-car E-Ticket hardware/software (\$7,500); and general annual operating supplies (\$9,000.)
- 20 4 Runs increased 7.5% in 2006, 13.4% in 2007 and decreased 2.4% in 2008. Budget includes CPI increases for the hourly Firefighters pay this year.
- 21 4 Fire Department purchase of new Thermal Imager Camera (\$14,500); Automatic External Defibrillator (\$2,500); Computer/printer (\$3,000); Copy machine (\$2,500); and general annual operating supplies (\$8,000.)
- 22 4 Planning & Zoning services are handled by the Director of Neighborhood & Economic Development (NED.) The salary shown reflects 50% of NED position, whereas 25% of NED position is charged to G.F. Dept. 727 (Community & Economic Develop.) and 25% to the DDA Operating Fd-248.
- 23 4 FY07/08: The Zoning Ordinance rewrite to implement a “Smart Growth Code” was completed, supporting the Fremont Community Joint Comprehensive Development & Growth Management Plan.
- 24 4 This Department budget reflects the changes that were necessary for the establishment of the Fremont Community Joint Planning Commission FCJPC created by the City, Sheridan Charter Township and Dayton Township. With a beginning year Fund Balance, there is no transfer budgeted this year. Typically, the City’s pro-rata contribution (48.26%) of the total FCJPC budget is transferred to the FCJPC Fund-268.
- 25 5 Annual sidewalk replacement program (\$10,000.) There may be further consideration for additional sidewalk replacement, filling of gaps, and new sidewalk extensions pending the City’s success at receiving State grants through the “Safe Routes to Schools” program.
- 26 5 Purchase of additional 18-gallon recycling bins will be necessary this year. Residents are offered an additional bin if needed and bins often disappear following residents moving.
- 27 5 The refuse collection & disposal contract w/ Allied Waste Services was renewed April 1, 2007, but amended and extended on January 1, 2009 for a term ending March 31, 2011. There was no annual CPI increase requested from Allied, so the 65-gallon rate will remain at \$8.57 per month and the 95-gal. rate will remain at \$10.03 per month. Based on 1,104 65-gal. carts & 194 95-gal. carts, overall cost for the residential refuse contract is estimated @ \$139,500.

The City recently incorporated commercial refuse/dumpster pickup in the 4-block downtown area, in to their quarterly utility billing program. The City contracted with Allied Waste at a negotiated rate, of which has been estimated at \$10,500 for the year.

The City will continue contracting with Cart-Right, LLC of Fremont for the

curbside pickup of residential recyclable materials. The monthly recycling program fee will increase to \$2.48. Based on the current 1,569 recycling customers, Cart-Right's contract fee will result in an overall recycling program cost of approximately \$46,695.

The City also contracts for a 20-yard roll-off dumpster to handle the City's operational needs (\$5,500.)

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| 28 | 5 | Represents annual cost of Airport Manager contract and refuse services at the airport. |
| 29 | 5 | Includes \$7,000 annual support for the City's membership in the nonprofit Newaygo County Economic Development Office, Inc. (NCEDO); and \$500 to support the Fremont Community Leadership Council meetings held at Gerber. |
| 30 | 6 | Represents a continuing contractual arrangement with the Fremont Public School District for the Community/School Recreation program (\$20,000.) |
| 31 | 6 | The City introduced an employee health insurance opt-out program in 2007, whereas the City saves approximately 60% of premium costs by sharing the remaining 40% with employees who opt-out. |
| 32 | 6 | Healthcare costs continue to rise, with a rate increase of 4.28% (approx. \$13,000) effective 7/1/09. Currently, employees pay a \$30 co-pay for office visits and a \$15-generic / \$50-name brand co-pay for prescriptions. Effective 7/1/09, dental insurance premiums will increase 2.9%. |
| 33 | 6 | The City was informed that the municipal liability insurance rates through the MML Liability and Property Pool will not change this year. Rates have remained unchanged for two fiscal years now. |
| 34 | 6 | Transfer out to townships of 2 mills of shared property tax revenues (\$19,000) collected on parcels located with the P.A. 425 Agreement areas within Dayton & Sheridan Townships. Per the Agreement, this 2 mills of tax sharing is limited to 10 years from the time a parcel transfers to the City's jurisdiction. Also, transfer of ½ of 1 mill (\$4,750) collected from the above township parcels to a restricted account (est. \$21,900 balance 6/30/10) to be reserved for future cooperative projects or activities between the City and Dayton & Sheridan Townships. The townships will also be reserving ½ mill of their 2 mills for a like account. (See Appendix P for a map of the 425 Agreement Parcels and Appendix Q for a summary of the parcel values and tax receipts for the 425 Agreement.) |
| 35 | 6 | Community Promotions entail a variety of items: Yahaba Friendship City Program Administration (\$3,000); Mayor Exchange for comparable City (\$2,500); <u>City Beat</u> Newsletters (\$7,500); Employee Recognition Dinner (\$1,000); Chamber of Commerce Annual Community Profile (\$1,000) and new community map (\$500); Christmas Lighting Fund (\$1,000); Hike & Bike Program (\$1,500); and other miscellaneous items (\$2,500.) The City has recently established a Sister City Program relationship with Vevey, Switzerland, per Gerber-Nestle's request. An initial first budget year (\$11,400) has been estimated, with the City, Gerber and the Foundation potentially being the financial contributors. |
| 36 | 6 | <u>FY 07/08</u> : The City settled the MI Tax Tribunal (MTT) real property valuation case with Gerber Products Company and paid 2-yrs charge backs. <u>FY 08/09</u> : Dura Automotive Systems, Inc. filed bankruptcy, forcing the City |

to pay back a portion of 2006 and 2007 tax revenues.

- 37 6/9 Transfers out to the DDA Fund-248 for the 3rd year, a contribution for Downtown Façade Renovation Program (\$40,000.) (Year 1 contribution was from DDA Fund Balance- \$40,000, year 2 & 3 from the General Fund)
- 38 6/9/12 Transfers out to the Capital Projects Fund-490:
FY 09/10:
- Fremont Municipal Airport (FMA) Construction & inspection costs for Perimeter fence (\$3,750 of \$164,000 project.)
 - (\$5,000) Police Pistol account transfer as local match to outdoor shooting range enhancements. The NC Sheriff's Dept has agreed to contribute the other 50%.
 - General Fund match (\$165,000) to the required local match of the MDOT Econ Dev Grant for street construction.
- FY 08/09:
- Fremont Municipal Airport (FMA) Construction & inspection costs for new parallel taxiway for Runway 18/36 (\$37,130 [2.5%] local match of est. \$1,559,000 total project cost)
 - General Fund contribution (\$116,220) to the street construction projects that were over budget.

Major Street Fund-202

- 39 7/8 The State has again estimated little if any increase in Motor Fuel Tax (MFT) funds available for the P.A. 51 funding formula distributed between MDOT, county road commissions and cities & villages. This is mostly due to slumping fuel sales because of rising fuel prices & more fuel-efficient vehicles. It is also due, however, to the significant raids on the MI Transportation Fund to cover more & more costs of other State Departments, such as the Secretary of State and the Attorney General, that were previously covered by the State's General Fund.
- 40 7 The City annually crushes concrete and sells the resulting aggregate to local contractors and residents. This recycling/sales resource pays for itself and allows the City to keep enough product for City street projects, thus further lowering our raw material costs. In fact, we have not purchased virgin gravel for street projects since we began crushing operations in 1994.
- 41 7 MDOT increased the City's maintenance budget to \$58,843 in FY 08/09, to cover the consistently increasing winter maintenance costs experienced over the last few harsh winters.
- 42 7/8 Transfers the maximum 25% (\$57,500) of P.A. 51 Major Street revenues to the Local Street Fund-203 for much-needed local road projects. Under the Act 51 funding distribution formula, Local Streets receive significantly less per road mile than do Major Streets. Yet, the City has significantly more Local Streets (18.5 miles) than we do Major Streets (10.2 miles.)
- 43 7/12 FY 09/10: Transfer out (\$404,000) to Capital Projects Fund-490 for:
- Street milling / resurfacing: Stone Rd. (Main – 44th St.) (\$55,000 of

\$150,000 total), with MDOT grant funding \$95,000.

- Finish construction of Elm St. (Weaver-Division) \$100,000
- Major St Fund match (\$249,000) to MDOT Econ Dev Grant (\$915,000) for new construction of Market St (State – 44th St) and reconstruction of 44th St (Market – Stone)(Valley-Weaver) & Weaver (Dayton – RR tracks) and milling/ resurfacing of Weaver (RR tracks – 44th St) & 44th St (Stone – Valley)

FY 08/09: Transferred out (\$297,700) to Capital Projects Fund-490 for:

- Elm St. reconstruction (Weaver - Stewart Ave.) (\$115,000) in conjunction w/ watermain replacement project.
- Additional transfers (\$182,700) were needed because resurfacing and reconstruction projects ran over the estimated construction costs.

Local Street Fund- 203

44 8 State METRO Act right-of-way (ROW) rental fees for telecommunication companies, such as AT&T (formerly SBC) These funds are at-risk due to the hotly debated issue with local CATV franchising & private use of locally-owned ROW's at both the Federal & State governmental levels.

45 6/8 Transfers in (\$400,000) from General Fund to provide a local match for the Local street reconstruction projects identified in the footnote below. Most of the funds to be transferred are from FAF Economic Development grant funds anticipated. There are no new Local street construction projects planned this year.

46 8/12 FY09/10: Transfers out (\$563,500) to Capital Projects Fund-490 for the projects listed below:

- Street Milling & Resurfacing Projects (\$260,000):
 - Ramshorn Dr (Darling – N. City limits) (\$175,000)
 - Gerber Ave (Main – Middle School entrance) (\$85,000)
- Street Reconstruction Projects (\$303,500):
 - Finish Elm Street (Stewart – Hillcrest) (\$180,000)
 - Cherry St. (Decker – Hillcrest Ave.) (\$56,500 + \$5,000 design) as part of watermain replacement project.
 - Decker Ave. (Dayton – Cherry St.) (\$56,500 + \$5,000 design) as part of a watermain replacement project.

FY08/09: Transferred out (\$600,650) to Capital Projects Fund-490 for the projects listed below:

- Street Milling & Resurfacing Projects:
 - Cherokee (Pine - Apache)
 - Chippewa (Cherokee - Pine)
 - Seminole (Cherokee – Iroquois)
 - Pine St. (East – Chippewa)
- Street Reconstruction Projects:
 - Pine Street (Weaver – Stewart) as part of watermain & sanitary sewer line replacement project.
 - Woodrow St. (Division – Sullivan) as part of watermain & sanitary sewer line replacement project.

- New Street Construction Projects:
 - Cherry St. (Division – Merchant)
 - Maple St. (Gerber – Ammon)
 - Ammon Ave. (Maple – Oak St.)

Downtown Development Authority (DDA)
Operating Fund-248

- 47 9 In December of 2006, the City sold \$1.7 million of Capital Improvement Bonds to finance the first phase of reconstruction of the downtown parking lots and alleys, erection of a new way-finding signage system and the provision of environmental enhancement and recreational opportunities in the Fremont Industrial Park (FIP). All of the net proceeds of the '06 Bonds (\$1,674,500) are shown in the Capital Projects Fund-490. Construction began in Downtown in mid-winter of 2007 & was completed June 2008. Work in the Fremont Industrial Park was completed June 2009.
- The downtown portion of the bond project includes parking area expansions, retaining wall replacement, perimeter screening/landscaping, alley resurfacing, parking lot & alley lighting, extension of decorative lighting along the perimeter streets (Merchant, Dayton & Division) and construction of the Fremont Market Place Pavilion, which will house the relocated Farmers' Market. Debt service on the new bonds will be financed through TIF captures through the DDA and LDFA. This line item includes the DDA's FY 09/10 portion, \$138,547 or 88.2% of the coming year's debt service costs of \$157,083 on the bonds (also see Footnote # 53.) (See Debt Service Schedule in Appendix N of FY 09/10 Budget)
- This line item also now includes additional TIF captures (\$97,980) to:
- Pay for a portion (\$54,000) of the DDA District Maintenance Dept. costs (total budget of \$70,000.)
 - Cover the public-benefit (1/3 or \$7,980) of the overall annual cost of \$23,900 for downtown parking maintenance. The remaining private-benefit (2/3's or \$15,920) will be special assessed to the property owners within the revised DT Parking Assessment District (also see Footnote #51)
 - (\$36,000) Help cover additional DDA projects identified in footnote #55
- 48 9 Special assessments are being levied within the re-established Downtown Parking Maintenance District. Total maintenance budget for FY 09/10 is \$23,900. Based on the previous DT Parking S.A. program, 2/3's of the cost (\$15,920) will be assessable annually to private property owners within a defined S.A. district and 1/3 of the cost (\$7,980) will be covered by the public (in this case, TIF captures of non-school property tax levies.)
- 49 9 Represents donations of \$58,500 over two-year period for mural to be painted on Fremont Co-op's building, \$40,000 this year along with a grant/ request of \$45,000 from the City's Economic Development Grant Fund held at FACF. \$2,000 in miscellaneous administration costs are also included in this item.
- 50 9 Transfers \$30,000 from DDA Fund Balance to cover projected deficit in Fund due to expenses exceeding revenues. Other than project rollovers, this is the last of DDA Fund Balance that had accumulated from interest earnings from the previous bond debt project funds.

- 51 9 Represents a grant (\$14,000) to be requested from the Fremont Downtown Beautification Fund endowment at the FACF for DDA maintenance. The DPW crew has assumed additional new O & M duties, including an extensive banner program, more parking lots, landscaping & irrigation, new Market structure, etc. The remaining maintenance costs will be covered by additional TIF capture of levies from only the City, Newaygo County & the Fremont Area District Library within the DDA District.
- 52 9 Represents another year (Year 3) of the Façade Renovation Program rehab grants (\$40,000) funded by the General Fund and (\$68,000) to cover the following additional DDA projects:
- Banners in DDA (\$11,000)
 - Finish up Co-op Streetscape Project (\$28,000)
 - Downtown area signage (\$25,000)
 - Additional Downtown Christmas Lights in trees (\$4,000)
- 53 9 Debt Payments (\$138,547) are 88.2% of Capital Improvement Bond annual debt service (LDFA Fund pays remaining \$18,536 or 11.8 %.)
- 54 9 Trans. DDA funds (\$58,500) to cover artwork for the Coop Streetscape Proj.

Fremont Community Joint Planning Commission (FCJPC)
Operating Fund-268

- 55 10 This Fund will account for the operations of the Fremont Community Joint Planning Commission (FCJPC). The City has agreed to act as the fiduciary entity for the administration of financial aspects of the Commission. The historic Agreement establishing the FCJPC includes a pro-rata share of the operating expenses for each of the founding entities: City: 48.26%; Dayton Twp.: 23.31%; and Sheridan Charter Twp.: 28.43%. The City's share (\$20,289) is transferred in from the General Fund. The combined contributions of both Townships (\$21,751) are shown as one allocation.
- 56 10 Represents use of fund balance reserves accumulated from prior year funded projects that have been extended into the next fiscal year.
- 57 10 The FCJPC is planning to create a Joint Zoning Ordinance (\$12,000) which will include both city/township characteristics, in coordination with the recently adopted Joint Comprehensive Development & Growth Management Plan; and (\$500) annual accounting/auditing services through the City; (\$430) Miscellaneous.
- 58 10 FCJPC (14) members and Sheridan Charter/Dayton Township Supervisor receive \$50 per business mtg. with 6 business mtgs.(\$4,200); line item also includes compensation for FCJPC joint zoning Working Group (WG) members (4) to receive \$50 per WG mtg.; anticipating 12 WG mtgs. (\$2,400); City Zoning Administrator has volunteered services for meetings at no cost and there is no longer a recording secretary.
- 59 10 FCJPC members have continuing education requirements placed on their positions. This line item represents payments to Commissioners for attendance at continuing education events.

Local Development Finance Authority (LDFA)
Operating Fund-298

- 60 10 Tax revenues will continue to be captured for debt payments on the 2006 Capital Improvement Bonds used to fund various projects, including installation of entryway signs & landscaping (3 locations); additional Town & Country Pathway; and wetland & wildlife habitat enhancements around Outlot A of the Fremont Industrial Park (FIP).
- This year's capture of \$23,927 TIF capture is broken down as follows:
- \$18,927 LDFA portion of debt service and fees on 06' Capital Improvement Bonds
 - \$5,000 for LDFA's share of administrative costs
- 61 10 The City has entered into a sales-option agreement for the sale of approximately 20 acres of FIP property for a methane digester facility and expect it to be finalized by 6/30/09.
- 62 10 The LDFA has accumulated a fund balance from the sale of lots in the Industrial Park, funds that should be used to help finish the development and enhancement of the Park.
- 63 10 Update & reprinting of the FIP marketing brochure as well as enhancements to the City's & NCEDO's websites that promote the FIP.
- 64 10 The LDFA Fund has a fund balance due to the continued sale of lots in the FIP. The LDFA needs to reimburse the General Fund for covering previous years' TIF capture shortages & other non-reimbursed expenses in previous years (final annual reimbursement of \$25,000 to G.F. to reimburse for prior expenses totaling \$100,000.) \$5,000 of TIF capture funds will also be transferred annually to the G.F. to cover LDFA administrative costs, staffing, audit, accounting, tax collection, etc.
- 65 10 Industrial Park (LDFA) construction projects over the last two years used up an estimated 11.8% of the project funds (11.8% x \$1,650,00) received from the December 2006 Capital Improvement Bond sale. This transfer represents that portion of the bond principle and interest due within FY 09/10.
- 66 10 FY 09/10: Transfer out \$35,000 to Capital Projects Fund-491 for Town & Country "Trail Head" parking area along Locust and Outlot C. Transferred \$45,000 in FY 07/08 to the Capital Projects Fund-490, as LDFA match for the capital projects funded by a portion of the 2006 Capital Improvement Bond issue as described in Footnote # 60.

Building Authority Bond
Debt Retirement Fund-369

- 67 11 The 1992 Building Authority Bonds were paid off in June 2007! *Shall we have a mortgage burning ceremony to celebrate?* These bonds were used to finance the construction of the City Municipal Building, which houses the Police & Fire Depts. as well as the City's Administrative staff. Now that the bonds are paid, the remaining balance in the Debt Retirement Fund (\$30,300), which is primarily interest earned over the life of the bond, was transferred to the General Fund to be used to cover O & M expenses of the facility.

Capital Improvement Bond
Debt Retirement Fund-389

In December of 2006, the City sold \$1.7 million of Capital Improvement Bonds to finance the first phase of reconstruction of the downtown parking lots and alleys, erection of a new way-finding signage system and the provision of environmental enhancement and recreational opportunities in the Fremont Industrial Park (FIP). All of the net proceeds of the '06 Bonds (\$1,674,500) are shown in the Capital Projects Fund-490. Construction began in Downtown in mid-winter of 2007 & was completed June 2008. Work in the Fremont Industrial Park was completed June 2009.

The downtown portion of the bond project includes parking area expansions, retaining wall replacement, perimeter screening/landscaping, alley resurfacing, parking lot & alley lighting, extension of decorative lighting along the perimeter streets (Merchant, Dayton & Division) and construction of the Fremont Market Place Pavilion, which will house the relocated Farmers' Market. Debt service on the new bonds will be financed through TIF captures through the DDA and LDFA. This line item includes the DDA's FY 09/10 portion, \$138,547 or 88.2% of the coming year's debt service costs of \$157,083 on the bonds (also see Footnote #47 & #53.) (See Debt Service Schedule in Appendix N of FY 09/10 Budget).

Capital Projects Fund-490

- 68 12 FY 09/10: Includes State/Federal grant for the Fremont Municipal Airport (FMA) capital project (\$146,250), which is administered by MDOT's Bureau of Aviation with the City paying the 2.5% local match (\$3,750); and an estimated \$915,600 from an MDOT Economic Development Category A grant for the following street construction projects:
- Market St. (State – 44th St.)
 - 44th St. (Market – Weaver)
 - Weaver Ave. (44th St. – Dayton)
- FY 08/09: Included State/Federal grant for the Fremont Municipal Airport (FMA) capital project (\$1,527,290), which was administered by MDOT's Bureau of Aviation with the City paying the 2.5% local match (\$37,130); and an estimated \$40,000 of the original \$130,560 MDNR grant for Phase 2 of the Town & Country Path.
- 69 12 The Fremont Area Community Foundation is still currently holding an estimated \$60,000 of funds reserved for Path construction.
- 70 12 FY 06/07: Received reimbursement from MDOT for M-82 reconstruction project expense (from Market Ave. to Industrial Dr.)
- 71 12/20 Assessable portions of street, curb & gutter, storm and/or sidewalk construction projects (\$100,000) to be initially financed by the Special Assessment Capital Project Fund-805 with special assessment payments returning to that Fund:
- 44th St.(Valley – Weaver) curb & gutter
 - Market Ave. (State – 44th St.) new street, storm drain and curb & gutter

- 72 12/13 Transfers funds from Fund-490 Fund Balance from unspent amounts transferred for projects that have rolled in to the new fiscal year.
- 73 12 Includes engineering/design work (\$150,000) for Major & Local Street projects listed in this section.
- 74 13 Reflects 3 City limit entryway sign projects (3 @ \$20,000): W. Main, E. Main and S. Stewart. Two completed in FY 08/09 and one in FY 09/10.
- 75 13 Reflects in-kind labor of DPW employees on continued tree clearing/trimming & placement of signs and benches along the Town & Country Path.
- 76 13 Cleanup and redevelopment of outdoor firing range in Sheridan Township. The NC Sheriff's Department will fund 50% of the project and Fremont Police personnel have agreed to use reserved pistol fund and forfeiture monies for the remaining 50%.

Sanitary Sewer System Enterprise Fund-590

- 77 14 Sewer Fund revenues declined dramatically after the '05 removal of Gerber Product's Research & Pilot Plant line wastewater from the City's sanitary sewer system to Gerber's treatment facility located in Dayton Township. Revenues have been steady however, since FY 06/07.
- The City's fiscal policy is to ensure enterprise funds are "self-supporting", i.e. based primarily on usage fees & not taxes or subsidies from other funds. In an attempt to achieve that policy, effective 7/1/06 for the July – Sept. 2006 calendar quarter, the Council eliminated the flat "winter-usage-based" sewer fee structure for residential properties that was used throughout the year.
- Under the former rate structure, sewer fees for the remaining 3 quarters of each calendar year (April – Dec.) were based on water usage during the 1st quarter (Jan – March). The old fee was unfair to the City's year-round residents because they subsidized those "snowbirds" that were not at home during the winter quarter (and used no water.) Those part-time residents were thus charged only the base sewer fee for the rest of the year, even though their water usage contributed more to the sewer system.
- Residents were also given the opportunity to purchase & install a second water meter for any irrigation systems or outdoor water spigots. Charges for sewer use do not apply to these 2nd meters as none of the water enters the sanitary sewer system. (Also see Footnote #82.)
- 78 14/20 Per City policy, installation of new (not replacement) sewer lines is 100% assessable to the abutting property owners. For FY 09/10, the City is planning construction of a new section of street on Market Ave. (State St. – 44th St.) and the new sanitary sewer is assessable. (\$41,600)
- 79 14 This line item now reflects the engineering/design costs (15%) for the capital projects described in Footnote #77.
- 80 14 Includes MDEQ's new mandated annual land discharge permit fee of \$3,650.
- 81 14 During FY 06/07 the City purchased limestone to reinforce the upper portion of the existing wastewater lagoon dikes to allow raising of the water storage level & Wastewater Treatment Plant's (WWTP's) capacity. Since completion, the City received its revised Groundwater Discharge Permit from MDEQ,

which increased the WWTP's discharge rate from 300 to 400 million gallons per year, a 33% increase! This equates to a daily discharge limit of 4 million gallons. Irrigation of the City's WWTP fields is limited to the period April 1 – November 30; thus the increased storage volume of the 80-acres of lagoons is critical to the efficient operation of the WWTP.

Water System Enterprise Fund-591

- 82 16 As noted in Footnote #77, the City Council amended the sanitary sewer rate policy effective in July '06. This change incentivized the installation of a second water meter for residential properties, which must be used exclusively for irrigation or outside water spigots where wastewater does not enter the sanitary sewer collection system. The City does not charge a "readiness-to-serve" minimum billing on these 2nd meters; the fee is based solely on the amount of water consumption.
- Since the sewer rate policy change, resident property owners installed the following number of new irrigation meters:
- From 7/01/06 to 12/31/06: 28 new irrigation meters
 - From 1/1/07 thru 6/1/07: 26 new irrigation meters
 - From 7/01/07 thru 6/1/08: 14 new irrigation meters
- 83 16 Possible contribution (50%) from Fremont Public Schools Sinking Fund toward the watermain extension at the Fremont Middle School (FMS) to improve fireflow to the southwest portion of the FMS complex (\$32,200 of \$64,400 total project) (see Footnote #87); **and** payment from Riebel Development for Stoney Creek Subdivision Phase #4 watermain to be installed by developer (\$24,000 of \$36,000 total cost.)
- 84 16 Per City policy, installation of new (not replacement) water lines is 100% assessable to the abutting property owners. For FY 09/10, the City is planning construction of a new section of street on Market Ave. (State St. – 44th St.) and the new water is assessable. (\$42,350)
- 85 16 FY 06/07: Cleaned & painted Weaver/Hemlock elevated storage tank.
FY 08/09: (\$90,000) Clean & paint inside & out of E. Main St. elevated storage tank.
- 86 16 **Replacements of Existing Watermains:** (\$266,500):
- Cherry St. (between Decker & Hillcrest) \$26,500)
 - Decker Av. (between Dayton & Cherry) \$26,500)
 - Elm St. (between Weaver & Hillcrest) \$190,000)
 - Mechanic Av. (from Elm & N 250') \$10,000)
 - Merchant Av. (between Elm & Cherry) \$13,500)
- 87 16 **New Watermain Installations:**
- FY 09/10:
- Market St. (State St. - 44th St.) (\$85,000)
 - Middle School SW Fireflow (FMS – Lake Dr.) (\$56,200) It is hoped that the FPS District will contribute at least half of the design & construction funding (\$32,200), because this public main is on FPS property & services only the FMS. This dead-end line needs to have the loop around the building completed, plus run an 8" main west to connect w/ the 8" under

