

**City of Swartz Creek
AGENDA**

**Regular Council Meeting, Monday August 26, 2013 7:00 P.M.
City Hall Building, 8083 Civic Drive Swartz Creek, Michigan 48473**

1. **CALL TO ORDER:**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**
 - 4A. Regular Council Meeting of August 12, 2013 MOTION Pg. 6, 17-29
 - 4B. Special Council Meeting of August 20, 2013 MOTION Pg. 6, 30-32
5. **APPROVE AGENDA**
 - 5A. Proposed / Amended Agenda MOTION Pg. 6
6. **REPORTS & COMMUNICATIONS:**
 - 6A. [City Manager's Report](#) (Agenda Item) MOTION Pg. 6, 2-5
 - 6B. County WWS Notice, Water Rate Increase, KWA (Agenda Item) Pg. 33-40
 - 6C. County Pictometry Program (Agenda Item) Pg. 41-42
 - 6D. QBS Engineering RFP Returns (Agenda Item) CD
 - 6E. County WWS Annual Audit Pg. 43-89
 - 6F. Performing Arts Center, Ribbon Ceremony Pg. 90
 - 6G. Small Cities Notice Pg. 91
7. **MEETING OPENED TO THE PUBLIC:**
 - 7A. General Public Comments
8. **COUNCIL BUSINESS:**
 - 8A. Water Rate Increase, County Pass Along, KWA RESO. Pg. 7, 33-40
 - 8B. County GIS Pictometry Program Commitment RESO. Pg. 15, 41-42
 - 8C. QBS Engineering Bids DISC. CD
9. **MEETING OPENED TO THE PUBLIC:**
10. **REMARKS BY COUNCILMEMBERS:**
11. **ADJOURNMENT:** MOTION

City of Swartz Creek
CITY MANAGER'S REPORT
 Regular Council Meeting of Monday August 26, 2013 7:00 P.M.

TO: *Honorable Mayor, Mayor Pro-Tem & Council Members*
FROM: PAUL BUECHE // City Manager
DATE: 23-August-2013

OLD / ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS

✓ **MAJOR STREET FUND, TRAFFIC IMPROVEMENTS** *(See Individual Category)*

☐ **MORRISH ROAD BRIDGE PROJECT** *(Status)*

Work continues on the Morrish Road Bridge Project. Cost estimates, using the lowest bid return, are as follows:

Morrish Road Bridge Deck Project (Summer, 2013)

Constr Total	Constr City Match	P.E.	C.E.	Total City Match	Project Total
\$425,453	\$36,957*	\$29,589	\$70,931	\$137,477	\$525,973

*Includes Enhancements & Walk-Way / Does Not Include Lighting (Estimated to be \$10,000)

The decorative rail deformities are still under review with MDOT. We are exploring solutions. We continue to encounter daily problems, albeit relatively minor, related to schedules, matching grades, etc. With a little luck, we'll have the road open in time for the start of school, although the actual completed finish date is likely to run a lot longer. I'll keep the Council posted on developments.

✓ **2013-2014 FY BUDGET, LONG-TERM PUBLIC SAFETY FUNDING** *(Status)*

We're working on the SAD process. I'll send out documents via email as we finish them.

✓ **WATER – SEWER ISSUES PENDING** *(See Individual Category)*

☐ **REHABILITATION PROGRAM** *(Status)*

Pending creation of a new plan for continuation of the Rehabilitation Program.

☐ **BEAR CREEK SANITARY SEWER AGREEMENT** *(Status)*

WWS advises that now that we have cleared the sanitary sewer concerns as it relates to the main that crosses the creek at the bridge, they'll begin preparing agreements for transfer of the main to the County. As soon as I get a draft of the agreement, I'll set the matter up for discussion on the terms.

☐ **KWA** *(Status)*

Pending

☐ **WATER RATE INCREASE** *(Resolution)*

Included with tonight's packet is another notice of water rate increase from the County WWS. We just enacted a pass along increase for 35¢ per 100 cf on June 10th, effective in September. This increase is for 41¢ per 100 cf and is for the construction of the K.W.A. This increase will go into effect in January and includes pass along adjustments for bulk water purchases. I have an update of the rate and fee structure included with tonight's agenda.

Also included with the rate and fee structure are a couple of items we've been holding that need fixed. All changes to the fee structure are in red text.

- ✓ **PERSONNEL: POLICIES & PROCEDURES** *(Status)*
Pending.
- ✓ **CITY PROPERTY, 4438 MORRISH ROAD** *(Status)*
Tom is seeking quotes right now to demolish the house. We've been using the garage and pole barn for storage. Back fill for the basement might add a chunk of change to the demo work, but before we can proceed to a demo bid, we need to know the approximate costs. Tom advises he would like to have the house down by the time the winter weather sets in. I'll keep the Council informed.
- ✓ **LABOR CONTRACTS, SHARED SERVICES, BUILDING DEPARTMENT** *(Status)*
The POLC, AFSCME, Supervisor, Assessor, Zoning Administrator and Part-Time Police Officers have been settled. The remaining loose ends are the building inspector's employment agreement, which in part is addressed in the Shared Services Study and the City Manager contract. Mundy Township has officially offered its commitments to perform building services for the City and Flint Township. We continue to look into the building services consolidation.
- ✓ **FIRE DEPARTMENT: COST RECOVERY & APPARATUS** *(Status)*
Pending.
- ✓ **SPRINGBROOK EAST & HERITAGE S.A.D. – VACANT LOTS** *(Status)*
A couple of items remain; accept the streets into our Act #51 Street System and the 17 vacant lots the City owns. The street acceptance process is a bit lengthy insofar as legal steps required assuring a proper transfer. Mr. Figura has prepared the paperwork on this end. There are several steps the Associations need to complete before we can begin our process. They have attorneys that are preparing documents for the transfer. On the vacant lots, I have a flurry of interest in purchasing them. We are still working on a mechanism to RFP the lots in a fair manner.
- ✓ **MEIJER, TRAFFIC SIGNAL, COMMUNITY DONATION** *(Status)*
On the Meijer Community Donation, we are still looking at several options for consideration, one of which is a sidewalk segment that would accompany the parking lot tire grant work we are looking to do.
- ✓ **NEW SDM & SDD, 4141 MORRISH ROAD, MEIJER INC.** *(Status)*
The SDM has been issued. Meijer is in the process of purchasing an SDD license for package liquor sales.
- ✓ **I-69 MORRISH ROAD BRIDGE REPAIR, FLOOD RELIEF GRANT** *(Status)*
We have been awarded a \$30,000 grant from the State's Emergency Management Division from the damage that occurred during the May 4th 2012 flood. Work has been completed by the contractor, Zeller & Sons Contracting, at the bid cost of \$27,000. We've completed final reconciliation and have submitted to the state for reimbursement.
- ✓ **MPSC COMPLAINT, FRONTIER v CITY** *(Status)*
I met with Frontier in late January, the meeting being quite positive. They will be formerly addressing the Council on several matters either late this month or first of July. In the meantime, they continue to repair poor workmanship locations in the overhead infrastructure. I'll keep the Council posted on developments.

- ✓ **MI-DEQ SCRAP TIRE GRANT** (*Status*)
 We've received a notice of award for \$136,904 from the MI-DEQ Scrap Tire Grant Program. The estimated total project costs are \$322,000 of which the City's match would be \$182,000 (includes design and construction engineering which is ineligible for grant funds). As we've discussed, the program is a 50% construction cost grant for public paving improvements that use recycled scrap tires in the asphalt process. We applied for a couple of our parking lots, being Public Safety Building and the north alley lot behind Hank & Don's. We are out of time to design, bid, award and complete the project this summer. Even if we could get the design done, the project bids would most likely return unfavorable due to the "end of year contractor crunch". We'll look to bid this in deep winter with work scheduled right after frost laws drop and asphalt plants open in the spring.
- ✓ **FARMERS MARKET** (*Status*)
 Underway. After a month or so in operation, I'll have Mr. Mattson report on the progress.
- ✓ **EVIP COMPETITIVE GRANT ASSISTANCE PROGRAM** (*Status*)
 As we discussed a couple of meetings ago, we are looking at this grant source for the development of the Bristol Road property into a sports complex, with the schools. Lou has advised Rowe can do the application for \$1,200. We're going to proceed forward on the outside chance that funds may be available. I'll keep the Council posted on developments.
- ✓ **PARK RESERVATION REQUEST, ART GUILD** (*Status*)
 The Swartz Creek Art Guild, represented by Mr. Chuck Jackson, has requested to reserve all of Elms Park on Saturday September 13th and Sunday September 14th 2014, to hold a fundraiser arts & crafts show for the guild. The matter is under review by the Park Board and the staff. A recommendation will be back before the Council in the near future.
- ✓ **Q.B.S. ENGINEERING SERVICES BIDS** (*Discussion*)
 Included with tonight's packet are returns from our QBS Engineering RFP's we solicited. We had five returns, response copies that are on the CD. I did not add them to this report due to size (330 total pages). In review, all of the firms are nearly equal. I've set this for discussion and possible action in establishing a one through five list. After a list is created, we'll look for sealed price submittals, although I suspect the service charges will be very close in comparison too.

NEW BUSINESS / PROJECTED ISSUES & PROJECTS

- ✓ **PICTOMETRY UPDATES** (*Resolution*)
 As the Council may recall, we have participated in the County's "Pictometry" project since the mid 2000's. Essentially, the program is high definition GPS aerial photography that is cross set to several other data bases such as parcel maps and FEMA flood plains. We use the heck out of the program in assessing, traffic projects, site planning, review, and the list goes on. The program was instituted in 2005 with new images taken in 2008. The 2011 scheduled photographs were suspended due to economic concerns. The County desires to take new images in the spring of 2014 (duh... no leaves on the trees) along with a commitment in 2017

for a cost savings. The estimated total cost for the City is \$3,020, variable by how many communities decide to stay in the program. My guess is they all will as this is a great program at little cost. I have a resolution to commit included with tonight's agenda. As soon as the County gets a final count, they'll send along an agreement for final approval (December or January)

Council Questions, Inquiries, Requests and Comments

- *Additional Lighting, Miller – Fairchild Intersection.* We are back trying to get a review by Consumers Energy.
- *High School Arts Center, Construction Debris.* The yard has been cleaned up and graded as well as the street from Miller Road into the center paved.
- *Parkridge Parkway “No Parking Signs”.* They are missing in the back phase near Hickory Lane. We are working to replace them.
- *Deteriorated Grain Elevator Building, Morrish at CNA Crossing.* For The most part, the front section is down and the debris has been hauled away. After cleanup, it should be an improvement to the site.

City of Swartz Creek
RESOLUTIONS
Regular Council Meeting, Monday August 26, 2013 7:00 P.M.

Resolution No. 130826-4A MINUTES – AUGUST 12, 2013

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday August 12, 2013, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 130826-4B MINUTES – AUGUST 20, 2013

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Minutes of the Special Council Meeting held Tuesday August 12, 2013, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 130826-5A AGENDA APPROVAL

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of August 26, 2013, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 130826-6A CITY MANAGER’S REPORT

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the City Manager’s Report of August 26, 2013, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

**ADOPT CITY-WIDE RATES, FEES AND CHARGES
(WATER RATE INCREASE – COUNTY PASS ALONG,
KWA PROJECT)**

Motion by Councilmember: _____

WHEREAS, the City collects rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services, and;

WHEREAS, such rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services are a necessary and essential part of the funding for the services that the City provides, and:

WHEREAS, the City's Code of Ordinances defines and provides for certain rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services, and;

WHEREAS, other such rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services are provided for by resolution of the City Council, statutory provision, past practice, policy and other such actions, and

WHEREAS, the City has amended the City's Code of Ordinances to provide for various rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services to be set by resolution of the City Council, and;

WHEREAS, the City has need to implement additional rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services to be set by resolution of the City Council, and;

WHEREAS, the City desires to have all such rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services organized into a single resolution that can be visited periodically and adjusted accordingly.

NOW, THEREFORE, Be It Resolved the City of Swartz Creek hereby sets its rates, fees, fees for permits, charges for services, cost recovery's and cost recovery for consulting services in accordance with the following schedule, effective immediately or as soon as practical thereafter, table as follows:

CITY OF SWARTZ CREEK RATES, FEES PERMITS & CHARGES FOR SERVICES

1. Chapter 1: Municipal Ordinance Violations Bureau (Parking Fines)

The following parking violations shall be punishable by the fines indicated:

<u>Offense</u>	<u>Fine</u>
(a) Parking too far from curb	\$ 20.00
(b) Angle parking violations	\$ 20.00
(c) Obstructing traffic	\$ 20.00
 <u>Prohibited parking (signs un-necessary)</u>	
(d) On sidewalk	\$ 20.00

(e) In front of drive	\$ 20.00
(f) Within intersection	\$ 20.00
(g) Within 15 feet of hydrant	\$ 20.00
(h) On crosswalk	\$ 20.00
(i) Within 20 feet of crosswalk or 15 feet of corner lot lines	\$ 20.00
(j) Within 30 feet of street side traffic sign or signal	\$ 20.00
(k) Within 50 feet of railroad crossing	\$ 20.00
(l) Within 20 feet of fire station entrance	\$ 20.00
(m) Within 75 feet of fire station entrance on opposite side of street (signs required)	\$ 20.00
(n) Beside street excavation when traffic obstructed	\$ 20.00
(o) Double parking	\$ 20.00
(p) On bridge of viaduct or within tunnel	\$ 20.00
(q) Within 200 feet of accident where police in attendance	\$ 20.00
(r) In front of theater	\$ 20.00
(s) Blocking emergency exit	\$ 20.00
(t) Blocking fire escape or fire lane	\$ 50.00
(u) In a handicapped space	\$100.00
(v) In prohibited zone (signs required)	\$ 20.00
(w) In alley (signs required)	\$ 20.00

Parking for prohibited purpose

(x) Displaying vehicle for sale	\$ 20.00
(y) Working or repairing vehicle	\$ 20.00
(z) Displaying advertising	\$ 20.00
(aa) Selling merchandise	\$ 20.00
(bb) Storage over 48 hours	\$ 20.00
(cc) Wrong side boulevard roadway	\$ 20.00
(dd) Loading zone violation	\$ 20.00
(ee) Bus, parking other than bus stop	\$ 20.00
(ff) Taxicab, parking other than cab stand	\$ 20.00
(gg) Bus, taxicab stand violations	\$ 20.00
(hh) Failure to set brakes	\$ 20.00
(ii) Parked on grade wheels not turned to curb	\$ 20.00
(jj) Parked on lawn extension within right of way	\$ 20.00

All \$20.00 violations not paid within 20 days will be assessed a \$10.00 late fee.

2. Chapter 2: Liability for Expense of an Emergency Operation (Hazardous Materials Cleanup Cost Recovery)

Cost shall be actual expenses inclusive of all Police & Fire Department wages, equipment and motor-pool and / or any sub-contracted actual expenses associated with hazardous materials clean-up.

3. Chapter 2: Liability for Expense of an Emergency Response (Alcohol Related Arrests, Accidents)

A. A cost of \$150 shall be assessed to each defendant convicted of O.U.I.L. – O.U.I.D or O.W.I. The cost recovery shall be collected as a part of the fines and costs set by the 67th District Court.

B. Actual costs shall be assessed to each defendant convicted of O.U.I.L. – O.U.I.D or O.W.I. in which a motor vehicle accident occurred. The cost recovery shall be collected as a part of the fines and costs set by the 67th District Court. In the event the court declines collection, they shall be billed direct to the defendant.

C. For the purpose of determining costs for extensive investigation and cleanup recovery for emergency response for alcohol related arrests and accidents, the following table shall be used:

Police Personnel	\$40	Per Hour
Police Clerical	30	Per Hour
Police Car	15	Per Hour
Fire Personnel	20	Per Hour
Fire Pumper	250	Per Hour
Fire Support Vehicles	100	Per Hour

4. **Chapter 5: Cemetery Lots - Purchase**

The cost for purchase of cemetery lots will be \$100.00 per lot.

5. **Chapter 5: Cemetery, Charges for Grave Openings, etc.**

Grave openings shall be actual costs, either as sub-contracted or performed by City Employees, plus a 15% administrative fee.

6. **Chapter 11: Park Reservation Fees**

Elms Park

Pavilion #1	\$ 70.00
Pavilion #2	\$ 120.00
Pavilion #3	\$ 70.00
Pavilion #4	\$ 120.00

Winshall Park

Pavilion #1	\$ 70.00
Pavilion #2	\$ 70.00
Pavilion #3	\$ 70.00

7. **Chapter 15: Permit, Sidewalk Installation**

\$25.00

8. **Chapter 15: Permit for Excavation, Right of Way or Other City Property**

\$100.00

9. **Chapter 19: Water System Use, Rates and Charges**

(A) Charges for water supply services to premises within the city connected with the water supply system shall be as follows:

Rates for Quarterly Billings

Readiness to serve charge

5/8", 3/4", 1"	\$47.45
1.5"	\$200.70
2"	\$321.12
3"	\$602.10
4"	\$1,003.50
6"	\$2,007.00

Commodity charge (per 100 cubic feet of water consumed): \$3.88

Commodity charge for K.W.A. effective 12/21/2013 (per 100 cubic feet of water consumed): \$0.41

Total per 100 cubic feet of water consumed: \$4.29

Additional meters, connected for the exclusive purpose of registering water consumed and NOT returned to the sewer system shall be charged the commodity charge only (example: lawn sprinkler system).

(B) Any water customer may have water services temporarily shut off for any time period during which the premises, for which the water service is provided, will be unoccupied. The request for

such shut off shall be made in writing on forms to be provided by the city. The written request shall specify the reason for the shut off and the date on which the water service shall be shut off.

(C) There shall be a Twenty Dollar (\$20.00) charge for shutting off the water service pursuant to such request and a Twenty Dollar (\$20.00) charge for turning the water service back on, if the shut off or turn on is performed during normal business hours. If this shut off or turn on is performed outside of normal business hours, the charge shall be One-Hundred Dollars (\$100.00). Such charges shall also apply if water is shut off or turned back on pursuant to account delinquency. The City Manager may waive shut off and turn on fees for reasonable cause.

(D) Water customers shall continue to be billed for a readiness to service charge while connected to the system.

(E) Bulk water sales shall be in accordance with the following fee schedule:

Bulk Water Purchases

1 cubic ft. = 7.4805
Gallons

Gallons	Cubic ft.	Cost	Effective 12/21/2013
3,740	499.96658	\$83.17	\$87.00
5,000	668.40452	\$91.10	\$97.00
10,000	1336.809	\$122.68	\$133.00
15,000	2005.2136	\$154.21	\$170.00
20,000	2673.6181	\$185.78	\$206.00

10. Chapter 19: Water & Sewer Tap Fees

(A) There shall be paid, with respect to all premises connecting to the water and sanitary sewer system of the city, a tap-in fee pursuant to the following schedules:

- (1) Single-family residence--\$1,500 each for water & sanitary sewer
- (2) Multiple-family residence--\$1,500 per unit each for water and sanitary sewer

(B) All other uses connecting to the water and/or sanitary sewer system of the city shall be required to pay tap-in fees at the rate of one-thousand, five hundred dollars (\$1,500) per unit factor, pursuant to the unit factor table provided for by the Genesee County Division of Water and Waste. In no case shall tap-in fees be less than one-thousand, five hundred dollars (\$1,500).

(C) Furthermore, for any structure used generally for more than one (1) purpose, connection fees shall be determined by applying the appropriate unit factors as set by the Genesee County Division of Water and Waste, to the various uses on any level, grade or sub-grade plane of the structure, provided that it is intended that the fees so derived shall be cumulative. Tap fees shall also apply for any additional units that may be calculated and applied by the County WWS pursuant to change in use or otherwise.

11. Chapter 19: Sanitary Sewer Rates

Rates for Quarterly Billings

Readiness to serve charge (per metered account):	\$48.70
Readiness to serve charge (non-metered accounts):	\$119.58
Commodity charge (per 100 cubic feet of water consumed):	\$1.57

A readiness to serve charge equal to the number of calculated sewer units shall be charged to all customers connected to the city's sewer system to offset fixed costs of system operation. In addition, a commodity charge shall be applied to the sewer bill in an amount equal to the above rate multiplied by the number of ccf that the accompanying water account registers. If the sewer connection is not accompanied by a water meter to register water usage, the charge shall be considered non-metered and no commodity charge shall be applied.

For the purposes of determining sanitary sewer rates, per unit sewage disposal calculations resulting in a fraction of a whole number shall be rounded up to the next highest whole number.

12. Chapter 20: Weed Cutting Fees

\$300 per cut

13. Building & Trade Inspection Fees

A. Building Permit Fees: Appendix A 21.06

\$50.00 for first \$1,000 value \$5.00 per \$1,000 thereafter and \$50.00 for a one-time Inspection fee.

B. Electrical Inspection Fees

Application Fee (non-refundable) \$50

Service

Through 200 Amp.	\$10
Over 200 Amp. thru 600 Amp.	\$15
Over 600 Amp. thru 800 Amp.	\$20
Over 800 Amp. thru 1200 Amp.	\$25
Over 1200 Amp. (GFI only)	\$50
Circuits	\$5
Lighting Fixtures-per 25	\$6
Dishwasher	\$5
Furnace-Unit Heater	\$5
Electrical-Heating Units (baseboard)	\$4
Power Outlets (ranges, dryers, etc.)	\$7

Signs

Unit	\$10
Letter	\$15
Neon-each 25 feet	\$20
Feeders-Bus Ducts, etc.-per 50'	\$6
Mobile Home Park Site	\$6
Recreational Vehicle Park Site	\$4

K.V.A. & H.P.

Units up to 20	\$6
Units 21 to 50 K.V.A. or H.P.	\$10
Units 51 K.V.A. or H.P. & over	\$12

Fire Alarm Systems (excl. smoke detectors)

Up to 10 devices	\$50
11 to 20 devices	\$100
Over 20 devices	\$5 each

Data/Telecommunication Outlets

1-19 devices	\$5 each
20-300 devices	\$100
Over 300 devices	\$300
Energy Retrofit-Temp. Control	\$45
Conduit only or grounding only	\$45

Inspections

Special/Safety Insp. (includes cert. fee)	\$50
Additional Inspection	\$50
Final Inspection	\$50
Certification Fee	\$20

C. Mechanical Inspection Fees

Application Fee (non-refundable)	\$50
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Residential Heating System (includes duct & pipe, new building only)

Gas/Oil Burning Equipment (furnace, roof top units, generators)	\$30
Boiler	\$30
Water Heater	\$5
Damper	\$5
Solid Fuel Equip. (includes chimney)	\$30
Gas Burning Fireplace	\$30
Chimney, factory built (installed separately)	\$25
Solar; set of 3 panels-fluid transfer (includes piping)	\$20
Gas piping; each opening-new installation (residential)	\$5
Air Conditioning (includes split systems) RTU-Cooling only	\$30
Heat Pumps (complete residential)	\$30
Dryer, Bath & Kitchen Exhaust	\$5

Tanks

Aboveground	\$20
Aboveground Connection	\$20
Underground	\$25
Underground Connection	\$25
Humidifiers/Air Cleaners	\$10

Piping-minimum fee \$25

Piping	\$.05/ft
Process piping	\$.05/ft

Duct-minimum fee \$25	\$.10/ft
Heat Pumps; Commercial (pipe not included)	\$20

Air Handlers/Heat Wheels

Under 10,000 CFM	\$20
Over 10,000 CFM	\$60
Commercial Hoods/Exhausters	\$15
Heat Recovery Units	\$10
V.A.V. Boxes	\$10
Unit Ventilators	\$10
Unit Heaters (terminal units)	\$15

Fire Suppression/Protection

(includes piping) –minimum fee \$20	\$.75/head
Evaporator Coils	\$30
Refrigeration (split system)	\$30
Chiller	\$30
Cooling Towers	\$30
Compressor/Condenser	\$30

Inspections

Special/Safety Insp. (includes cert. fee)	\$50
Additional Inspection	\$50
Final Inspection	\$50
Certification Fee	\$20

D. Plumbing Inspection Fees

Application Fee (non-refundable)	\$50
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Mobile Home Park Site

Fixtures, floor drains, special drains,	\$5 each
Water connected appliances	\$5 each
Stacks (soil, waste, vent and conductor)	\$3 each
Sewage ejectors, sumps	\$5 each
Sub-soil drains	\$5 each

Water Service

Less than 2"	\$5
2" to 6"	\$25
Over 6"	\$50
Connection (bldg. drain-bldg. sewers)	\$5

Sewers (sanitary, storm or combined)

Less than 6"	\$5
6" and Over	\$25
Manholes, Catch Basins	\$5 each

Water Distributing Pipe (system)

¾" Water Distribution Pipe	\$5
1" Water Distribution Pipe	\$10
1 ¼" Water Distribution Pipe	\$15
1 ½" Water Distribution Pipe	\$20
2" Water Distribution Pipe	\$25
Over 2" Water Distribution Pipe	\$30
Reduced pressure zone back-flow preventer	\$5 each
Domestic water treatment and filtering equipment only	\$5
Medical Gas System	\$45

Inspections

Special/Safety Insp. (includes cert. fee)	\$50
Additional Inspection	\$50
Final Inspection	\$50
Certification Fee	\$20

14. Appendix B: Franchises

\$250 application fee plus actual expenses related to preparation by City Attorney.

15. Miscellaneous Fees

A. *Copies:*

Black & White: 50¢ for the first page & 10¢ for each additional page.

Color or Mixed Color and Black & White: 50¢ for the first page & 20¢ for each additional page.

B. *Freedom of Information Act Requests:*

50¢ for the first page and 10¢ for each additional page (20¢ for color or mixed color and black & white) plus all actual costs for outside re-production (i.e. photo re-prints, blueprint copies, etc.).

Extensive search requests shall have an additional per hour fee equal to wages only of the lowest paid clerical position employed with the City.

- C. *Police Reports:*
\$5 for copies under 6 pages, 10¢ for each page thereafter. Extensive research, reproduction costs, etc. shall be charged in accordance with F.O.I.A. requests.
- D. *Gun Registrations, Permits & Safety Inspections:*
No Charge
- E. *Towing & Impound Fees:*
\$100 for each vehicle towed as incidental to arrest or other civil custody. \$100 for each vehicle towed as abandoned. The Chief of Police may, at his/her discretion, waive any towing fee when in his/her opinion, special circumstance exists. A report shall be filed when any such action is taken.
- F. *Weddings:*
\$25 per ceremony
- G. *Fax Services:*
50¢ per page for the first 10 pages, then \$.10 per page thereafter
- H. *Notary Services:*
\$5.00 per item
- I. \$25 each for any check returned unpaid for account insufficient, closed or stopped

16. Chapter 13 & 16: Development Plans, Administrative Fees, Subdivision Site Plan & Review Fees

- A. Site Plan Review:

Property Re-Zoning	\$250
Single & Multiple-Family (non-plat)	\$300 plus \$5.00 per lot
Cluster Housing Development	\$300 plus \$5.00 per unit
Mobile Home Park	\$400 plus \$5.00 per unit
Commercial Development	\$450 plus \$50.00 per acre/fraction
Industrial Development	\$400 plus \$50.00 per acre/fraction
Office Development	\$350 plus \$50.00 per acre/fraction
Institutional	\$300 plus \$50.00 per acre/fraction
Public/semi-public uses	\$300 plus \$50.00 per acre/fraction
Special Approval or Conditional Use	\$250 plus \$5.00 per acre/fraction
PUD/Mixed Use Review	\$500 plus \$50.00 per acre/fraction Consulting
Fees (All Reviews)	Actual consultant costs
Revisions	½ of original review fee
- B. Building and Zoning:

Swimming Pool Permit	\$25
Misc. Zoning Permit	\$25
Sidewalk Permit	\$25
Sign Permit	See Building Permits
Structure Movement Permit	\$95
Demolition Permit (Including ROW Permit)	\$150
Right of Way Permit	\$100
Home Occupation Permit	\$95
Variance Review	\$250 per variance
Lot Split/Combination: City Ordinance Section 16.2	\$150 plus \$5.00 per lot
Public or Private Road Plan Reviews	\$400 per mile/fraction
Consulting Fees	Actual consultant costs
Zoning Code	\$10 CD, \$25 Paper Copy

Engineering Standards Manual \$10 CD, \$25 Paper Copy

- C. Subdivision Review
- Preliminary Subdivision Review-Tentative \$300 plus \$5.35 per lot
- Preliminary Subdivision Review- Final \$160 plus \$2.70 per lot
- Final Plat Review \$160 plus \$1.00 per lot

17. Chapter 1: Municipal Civil Infraction Fines

Civic Infraction Citation Fines:

First Offense	\$100
Second Offense	\$200
Third Offense	\$300

Civic Infraction Notice Fines:

First Offense	\$75
Second Offense	\$150
Third Offense	\$250

ADOPTION & REVISION HISTORY:

Resolution No. 050711-07	Dated July 11, 2005
Resolution No. 100208-06	Dated February 8, 2010
Resolution No. 101206-04	Dated December 6, 2010 (Water-Sewer-RTS)
Resolution No. 111114-05	Dated November 14, 2011 (Park Fees)
Resolution No. 110613-07	Dated June 13, 2011 (Water Fees)
Resolution No. 120611-05	Dated June 11, 2012 (Water Fees)
Resolution No. 120709-05	Dated July 9, 2012 (Bulk Water Fees)
Resolution No. 130610-09	Dated June 10, 2013 (Water Fees)
Resolution No 130826-8A	Dated August 26, 2013 (K.W.A. Water Fees)

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 130826-8B

COUNTY G.I.S. PICTOMETRY PROGRAM COMMITMENT

Motion by Councilmember: _____

WHEREAS, the City has participated in the County’s Pictometry – Orthoimagery Program since its inception in 2005; and

WHEREAS, the approximate average yearly cost to the City since the program initiation has been approximately \$400; and

WHEREAS, the City finds the program very useful in assessing, site plan review and evaluation, traffic design, engineering and management as well as law enforcement; and

WHEREAS, the County had suspended the 2011 scheduled update due to a downturn in the economy and now desires to resume updates and negotiate a six year agreement with the vendor; and

WHEREAS, commitments are needed from participating communities in order to calculate cost distribution, the City's estimated participating cost being \$3,020 which includes six years of software support with two photograph updates, one in 2014 and the other in 2017.

NOW, THEREFORE, I Move the City of Swartz Creek hereby commit to participation in the Genesee County G.I.S. Pictometry – Orthoimagery Program, for the 2014-2020 cycle, estimated total cost of \$3,020, and further, direct the staff to bring the inter-agency agreement back to the City Council for review and final approval.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

City of Swartz Creek
Regular Council Meeting Minutes
Of the Meeting Held
Monday August 12, 2013 7:00 P.M.

CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE COUNCIL MEETING
DATE 8/12/2013

The meeting was called to order at 7:00 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance to the Flag.

Councilmembers Present: Abrams, Gilbert, Hicks, Hurt, Krueger, Shumaker.

Councilmembers Absent: Porath.

Staff Present: City Manager Paul Bueche, City Clerk Juanita Aguilar, DPS Director Tom Svrcek, City Attorney Mike Gildner.

Others Present: Boots Abrams, Tommy Butler, Jim Florence, Bob Plumb, Ron Schultz, Lou Fleury, Linda DeFlorio, Lois Jones, Richard Mattson.

Resolution No. 130812-01

(Carried)

Motion by Councilmember Hurt
Second by Councilmember Shumaker

I Move the Swartz Creek City Council excuse the absence of Councilmember Porath due to a work commitment.

YES: Gilbert, Hicks, Hurt, Krueger, Shumaker, Abrams.
NO: None. Motion Declared Carried.

APPROVAL OF MINUTES

Resolution No. 130812-02

(Carried)

Motion Mayor Pro-Tem Abrams
Second by Councilmember Hurt

I Move the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting, held Monday, July 22, 2013 to be circulated and placed on file.

YES: Hicks, Hurt, Krueger, Shumaker, Abrams, Gilbert.

NO: None. Motion Declared Carried.

APPROVAL OF AGENDA

Resolution No. 130812-03

(Carried)

Motion by Councilmember Shumaker
Second by Councilmember Hurt

I Move the Swartz Creek City Council approves the Agenda, as amended, for the Regular Council Meeting of August 12, 2013, to be circulated and placed on file.

YES: Hurt, Krueger, Shumaker, Abrams, Gilbert, Hicks.

NO: None. Motion Declared Carried.

REPORTS AND COMMUNICATIONS:

City Manager's Report

Resolution No. 130812-04

(Carried)

Motion by Councilmember Hicks
Second by Councilmember Hurt

I Move the Swartz Creek City Council approve the City Manager's Report of August 12, 2013, to be circulated and placed on file.

YES: Shumaker, Abrams, Gilbert, Hicks, Hurt, Krueger.

NO: None. Motion Declared Carried.

All other reports and communications were accepted and placed on file.

MEETING OPENED TO THE PUBLIC:

Linda DeFlorio, 5148 Don Shenk, and Lois Jones, 5157 Don Shenk, spoke about some issues they have in their neighborhood; the first one being speeding cars going down their street. Ms. DeFlorio and Ms. Jones asked that the speed indicator sign be placed on their street. Ms. DeFlorio asked about the bus that is parked at 5235 Worchester, wondering if anything would be done about it. Ms. Jones asked what the rules were on firecrackers. Ms. Jones spoke about sidewalks in the City, stating that some that should be fixed aren't marked.

COUNCIL BUSINESS:

Final Site Plan Approval, Aardvark Mini Storage Addition, 4140 Morrish, Tax ID #58-35-200-007

Resolution No. 130812-05

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Hurt

I Move the City of Swartz Creek accept the recommendation of the Planning Commission and approve the final site plan dated June 4, 2013 with revision date of August 7, 2013, submitted by J.O.B.O. LLC, Mr. Alan Jory, for an addition to the Aardvark Min-Storage, 4140 South Morrish Road, Tax ID #58-35-200-007, with the following conditions and stipulations recommended by the Planning Commission:

1. No additional fencing is required beyond what is present on site.
2. Plan dimensions as illustrated, shall be used instead of Note #7 on sheet A1.
3. Finish asphalt cap on entire project before occupancy is granted for Building E.
4. Petitioner shall provide a performance bond to the City of Swartz Creek in an amount sufficient to pave all base coated areas within one year if not otherwise completed by petitioner.

Discussion Ensued.

YES: Shumaker, Abrams, Gilbert, Hicks, Hurt, Krueger.
NO: None. Motion Declared Carried.

Development Agreement, Taco Bell of America LLC

Resolution No. 130812-06

(Carried)

Motion by Councilmember Hurt
Second by Councilmember Gilbert

I Move the City of Swartz Creek enter into a development agreement with Taco Bell of America LLC, a Delaware based Company of Irving California, a copy of which is attached hereto, and further, direct the Mayor and City Clerk to execute the agreement on behalf of the City.

Discussion Took Place.

YES: Abrams, Gilbert, Hicks, Hurt, Krueger, Shumaker.
NO: None. Motion Declared Carried

Appropriation- Street Striping

Resolution No. 130812-07

(Carried)

Motion by Mayor Pro-Tem Abrams
Second by Councilmember Hurt

WHEREAS, the City finds the need to re-stripe portions of its street system; and

WHEREAS, the City's Purchasing Ordinance, Chapter 2, Article VI, Section 2-406 provides for and encourages cooperative government purchasing practices; and

WHEREAS, the Genesee County Road Commission accepts and awards bids for the re-stripping of roadways under its jurisdiction within the County; and

WHEREAS, the County Road Commission awarded a contract on October 1, 2012 to M&M Pavement Marking Inc., also DBA as D&D Striping Inc. of Grand Blanc Michigan, a copy of the contract award reviewed by the City Council; and

WHEREAS, the City finds that the costs cannot be matched due to volume of work, if attempts were made to bid on the open market or through private sources.

NOW, THEREFORE, I MOVE the City of Swartz Creek accept the Genesee County Road Commission's cooperative purchasing extension and appropriate an amount not to exceed \$4,509 plus 15% contingency, for the striping of streets in accordance with the estimate, as follows, expenses to be distributed proportionate to use at the direction of the City's Finance Director.

Discussion Took Place.

YES: Gilbert, Hicks, Hurt, Krueger, Shumaker, Abrams.
NO: None. Motion Declared Carried.

Appropriation, Fairchild Street Repairs-Post Work Approval

Resolution No. 130812-08

(Carried)

Motion by Councilmember Shumaker
Second by Councilmember Hurt

WHEREAS, a section of Fairchild south of Ingalls experienced an overnight partial collapse on August 5th, presenting public health and safety concerns that predicated immediate excavation to determine the cause and extent of the damage and to develop a solution for repair; and

WHEREAS, upon excavation, the cause was determined to be significant deterioration of a cross-over storm sewer line and associated catch basins that created considerable voids under the pavement, and further, public safety concerns dictated the continuation of repairs; and

WHEREAS, City Ordinance Part II Chapter 2 Section 405 Provides that

"If an emergency or an apparent emergency endangering the public peace, health and/or safety of the city should arise, and the delay of established purchasing procedures would vitally affect the welfare of the city, the purchasing agent, finance officer, or any department head may purchase directly any supplies, materials, or equipment that the department head deems to be immediately necessary. Within three working days from the time of purchase, the purchaser shall file in writing with the purchasing agent a detailed explanation of the necessity for any purchases, in addition to a request for such purchases. If the emergency transaction is \$5,000.00 or more, the purchasing agent shall submit the statement to the council no later than its next regular meeting before payment thereof may be authorized"

WHEREAS, the contractor, being C & H Construction of Gaines, has performed most of the repair and replacement work associated with the collapse and have submitted an invoice of to-date work that includes the total amount to finish the pavement portion of the work, total amount not to exceed \$11,450.

NOW, THEREFORE, I Move the City finds that such work meets the requirements of City Ordinance Part II Chapter 2 Section #405, and further appropriates an amount not to exceed \$11,450 to C & H Construction of Gaines, for the partial repair work completed and anticipated final paving work, in accordance with the invoice and proposal submitted as follows, funds to be appropriated from 202 Major Streets



August 5, 2013

To : City of Swartz Creek , DPW
8083 Civic Drive
Swartz Creek , Michigan 48473

Re : Fairchild Street Storm Sewer Replacement
Emergency Repair do to pipe failure under
center line of roadway.

Attn: Thomas Svrcok , Director of Public Work.

Description of Operations	Qty.
1. Sawcutting existing asphalt pavement	116' Lin.Ft.
2. Demolition with Breaker , Removal and Disposal off site , shipped to Mackenzie Crushing.	552 Sq.Ft.
3. Excavation and Removal of existing failed piping that had collapsed under roadway including a hand built 18" Dia. Basin found 2.8 feet below top of pavement.	38' Lin.Ft.
4. Installation of new SDR-26 PVC Storm Sewer run from existing curb inlet basin east side to west side curb basin .	38' Lin.Ft.
5. Cleaning and Plastering existing Catch Basins.	2 Each
6. 21AA Crushed Stone Mix hauled in.	22 Yds.
7. 6AA RCA Crushed Stone Mix hauled in. (Bedding)	10 Yds.
8. 4" Corrugated Tile w/ Sock run from existing 5" Tile in center of road east to 4' Dia. Curb Inlet located between 5111 and 5121 Fairchild Street.	24' Lin.Ft.
9. Traffic Control	Lump Sum
10. Trucking soils off site and cleanup.	Lump Sum

(Started 7:00 A.M. To 7:30 P.M.)

To be completed Asphalt Replacement as follows. 552 Sq.Ft.
Match Like in Kind , 9" Depth as found.

Asphalt Cross Section 6" 500C Base
To be installed. 3" 1100 T Topping w/ Tack Coating

Approximate Total : 11,450.00

Discussion Took Place.

YES: Hicks, Hurt, Krueger, Shumaker, Abrams, Gilbert.
NO: None. Motion Declared Carried.

Appropriation, 2012-2013 FY Audit, Plante-Moran

Resolution No. 130812-09

(Carried)

Motion by Councilmember Hicks

Second by Councilmember Hurt

I Move the City of Swartz Creek continue its agreement for professional audit services with Plante-Moran and appropriate an amount not to exceed \$20,825 for the 2012-2013 FY Audit, funds to be distributed proportionately at the discretion of the Finance Director.

Discussion Ensued.

YES: Hurt, Krueger, Shumaker, Abrams, Gilbert, Hicks.

NO: None. Motion Declared Carried.

Appropriation, Sanitary Sewer Re-Hab Project, Phase IV Cost Over-Run

Resolution No. 130812-10

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Hurt

WHEREAS, the City of Swartz Creek extended the low bid award to Liqui-Force of Romulus Michigan for Phase IV of its Sanitary Sewer Re-Habilitation Program, estimated cost calculated on time and material basis of \$82,492.50, plus 5% contingency for a total of \$86,617, resolution of approval as follows:

Appropriation, Phase IV Sanitary Sewer Rehabilitation

Resolution No. 110725-07

(Carried)

*Motion by Councilmember Porath
Second by Councilmember Hurt*

WHEREAS, the City of Swartz Creek has a continuing sanitary sewer rehabilitation program which incorporates TV video, jetting and relining of the system in phase increments, the work having been bid and awarded to Liqui-Force on March 8, 2008, such rehabilitation reducing infiltration, inflow and vastly extending the useful life; and

WHEREAS, the City has completed three phases of the work and is prepared to begin Phase IV, Phase III approved for work on December 7, 2009 with the work completed in the spring of 2010, resolution for approval as follows:

Appropriation, Phase III Sewer Rehabilitation Program

Resolution No. 091207-04

(Carried)

*Motion by Councilmember Hicks
Second by Councilmember Hurt*

WHEREAS, the City is charged with preserving the health, safety, and welfare of its residents, and consummate to this, provides public utilities inclusive of a sanitary sewer system; and

WHEREAS, the city's sanitary sewer system is 50+ years of age and although still quite functional, is in need of maintenance and repair in order to extend and renew its longevity; and

WHEREAS, the staff, in consultation with its engineer's, have developed a plan to reline the existing sewer extending the life indefinitely, and further, have assigned a priority based on age and maintenance records, being the sections within the Winchester Village Subdivision, a section of which has already been completed; and

WHEREAS, the City's Engineer and Staff developed specifications and let the project for bid, based on unit costs, the low bidder being Liqui-Force, of Romulus Michigan, bid being awarded by the City Council on March 8, 2008; and

WHEREAS, on October 13, 2008, the City appropriated an amount not to exceed \$220,000 for Phase II Sanitary Sewer Rehabilitation, Manhole #166-164 Oxford/Oakview, Manhole #172-163 Daval/Helmsley, Manhole #13-17 Greenleaf/Durwood, Manhole # 41-36 Durwood Drive; and

WHEREAS, Manhole #166-164 Oxford/Oakview was bumped from Phase II to Phase III due to unanticipated costs after televising within the lines; and

WHEREAS, the Staff and City Engineer has identified a section of sanitary sewer within the Winchester Village Subdivision to be done in this phase, Phase III, being Manhole #166-164 Oxford/Oakview (\$37,596), and Manhole #44-41 Seymour Road (\$32,433), total for this work is \$70,029.

NOW, THEREFORE, I Move the City of Swartz Creek approve Phase III of the City's Sanitary Sewer Rehabilitation Program and appropriate an amount not to exceed \$70,029 plus 15% contingency, from the Sewer Fund 590, to Liqui-Force, for the rehabilitation of Manhole #166-164 Oxford/Oakview, and Manhole #44-41 Seymour Road, in accordance with the bid specification and award adopted by the City on March 8, 2008, and further, direct the Staff and City Engineer to prepare all necessary paperwork as specified in the bid documents.

BE IT FURTHER RESOLVED, that the City Council directs the Mayor and City Clerk to execute all necessary documents and contracts in accordance with the specifications as adopted by the City at the March 8 2008 Regular Council Meeting.

Discussion Took Place.

YES: Krueger, Porath, Shumaker, Abrams, Binder, Hicks, Hurt.

NO: None. Motion Declared Carried.

WHEREAS, the City Engineer and Staff have identified the next most critical area, being the re-lining of Manholes 126 to 140 on Winshall Drive, and the jetting and video of Manholes 140 to 150 on Winshall; and

WHEREAS, the engineers calculations of cost for such work, using time, materials and unit costs from the bid returns is \$82,492.50.

NOW, THEREFORE, I Move the City of Swartz Creek approve Phase IV of the City's Sanitary Sewer Re-Habilitation Program, being the re-lining of Manholes 126 to 140 on Winshall Drive, and the jetting and video of Manholes 140 to 150 on Winshall Drive, and further, appropriate an amount not to exceed \$82,492.50, plus 5% contingency from the sanitary sewer fund 591, contractor being the March 2008 awardee Liqui-Force of Romulus Michigan, and further, direct the staff to execute any and all documents associated for the completion of this Phase of the program.

Discussion Ensued.

YES: Shumaker, Abrams, Binder, Hicks, Hurt, Krueger, Porath

NO: None

WHEREAS, problems were encountered during the re-habilitation work resulting in the open excavation and repair of collapsed main in the 5100 block of Winshall Drive; and

WHEREAS, Phase IV re-habilitation work was completed in the winter and spring of 2013, however, additional TV and re-lining was required as a result of the repair of the collapsed main resulting in a cost over-run of \$18,598.

NOW, THEREFORE, I Move the City of Swartz Creek finds that the cost over-runs were unforeseen and are consistent with the time and material based bids, and further, amends resolution #110725-07 from the maximum appropriated amount of \$86,617 to \$105,215, expense to be posted in the 2012-2013 FY ledger.

Discussion Ensued.

YES: Krueger, Shumaker, Abrams, Gilbert, Hicks, Hurt.

NO: None. Motion Declared Carried.

Park Waiver Fee, Hope Lutheran Church Picnic

Resolution No. 130812-11

(Carried)

Motion by Councilmember Hurt

Second by Mayor Pro-Tem Abrams

I Move the City of Swartz Creek approve the use of Elms Road Park Pavilion #4, with waiver of fees, for the Swartz Creek Hope Lutheran Church's "Oktoberfest" Picnic, which might also be referred to as "Septemberfest" as it will be held on Saturday September 14, 2013 from 12:00 Noon to 8:00 PM, and further, allow for non-amplified live music during the specified hours.

Discussion Took Place.

YES: Shumaker, Abrams, Gilbert, Hicks, Hurt, Krueger.

NO: None. Motion Declared Carried.

Fire Services Agreement, Clayton Township

Resolution No. 130812-12

(Carried)

Motion by Mayor Pro-Tem Abrams

Second by Councilmember Hicks

I Move the City of Swartz Creek enter into an agreement for combined fire protection services with the Township of Clayton, term of the agreement to run from August 12,

2013 through November 2016, a copy of which is attached hereto, and further, direct the Mayor and City Clerk to execute the agreement on behalf of the City.

Discussion Ensued.

YES: Abrams, Gilbert, Hicks, Hurt, Krueger, Shumaker.
NO: None. Motion Declared Carried.

City of Swartz Creek v. Basil & Hiam Andoni

Resolution No. 130812-13

(Carried)

Motion by Councilmember Shumaker
Second by Councilmember Hurt

WHEREAS, the City of Swartz Creek filed a law suit for breach of contract against Basil & Hiam Andoni, of 5178 Wyndemere Square, Swartz Creek, a copy of the Circuit Court Complaint as follows:

STATE OF MICHIGAN

IN THE GENESEE COUNTY CIRCUIT COURT

CITY OF SWARTZ CREEK, a
Michigan home rule city,

Plaintiff,

CASE NO.

-vs-

BASIL G. ANDONI and
HIAM G. ANDONI,
jointly and severally,

Defendants.

SIMEN, FIGURA & PARKER, P.L.C.
BY: MICHAEL J. GILDNER (P49732)
Attorney for Plaintiff
5206 Gateway Centre, Suite 200
Flint, Michigan 48507
(810) 235-9000

COMPLAINT

1. The City of Swartz Creek ("City") is a Michigan home rule city having its principal place of business in Genesee County, Michigan.
2. Basil G. Andoni and Hiam G. Andoni ("Andoni") are husband and wife who resided at all relevant times in Genesee County, State of Michigan.
3. The Court has subject matter jurisdiction in that the City seeks damages in excess of \$25,000, plus interest, costs and attorney fees as allowed by law.

General Allegations

4. The Andonis owned a parcel of property located at the southeast corner of Elms Road and Miller Road in the City ("the Property").
5. The Andonis wished to develop the Property for commercial purposes and proposed a Planned Unit Development District for the Property, called the Elms-Miller Business Unit Development (the "Project").
6. The Andonis' plan for the Project was to develop building sites on the Property and sell those sites to commercial developers.

7. As a condition of developing the Property as proposed, the Andonis needed certain improvements made to Elms Road, specifically the installation of curbs, curb cuts, lane widening for a southbound left turn lane, and restriping.

8. But for the Project, the City did not intend or have the need to make the above improvements to Elms Road.

9. The Andonis requested that the City undertake the Elms Road improvements, and the City was willing to do so, but only on the condition that it be reimbursed the costs of doing so.

10. On or about March 14, 2011, the City entered into a Development Agreement with the Andonis.

11. A copy of the Development Agreement is attached as Exhibit 1 and incorporated herein by reference.

12. As it relates to the Elms Road improvements, the Agreement says:

*The Project includes the design, engineering and construction of certain Public Improvements to Elms Road as described on Exhibit E ("the Elms Road Improvement Project"). The Elms Road Improvement Project includes curbs, curb cuts, lane widening for a southbound left turn lane and restriping. **The City agrees to design, engineer and construct the Elms Road Improvement Project at its expense subject to being reimbursed for same by the Andonis.** The City further agrees to complete the Elms Road Improvement Project by December 31, 2011. (Exhibit 1, p. 4) (emphasis added).*

13. Concerning the Andonis' promise to reimburse the City the cost of the Elms Road improvements, the Agreement says:

Construction of the Elms Road Improvement Project is conditioned on the Andonis paying to the City no later than May 15, 2011 the sum of \$65,100, said sum being the estimated total cost of said public improvements. Following the completion of the construction of the Elms Road Public Improvement Project, the City will return to the Andonis any amount of said sum remaining after paying all costs of construction for said improvements. If said sum is insufficient to fully pay for the cost of construction of said improvements, the Andonis shall, within fifteen days after being notified of such insufficiency, pay to the City the full amount of said insufficiency. No occupancy permits for any portion of the project shall be issued by the City if said sum is not paid by said date.

14. The City completed the Elms Road Improvement Project by the agreed-upon date.

15. The City's actual costs of completing the Elms Road Improvement Project was \$63,760.18.

16. The City has sent invoices to the Andonis for the costs of the Elms Road Improvement Project and the Andonis have not disputed or challenged the accuracy of those invoices, or their liability to pay them.

17. Copies of the invoices sent to the Andonis are attached as Exhibit 2 and incorporated herein by reference.

18. As a result of the City's improvements to Elms Road, one of the sites within the Project has been offered for sale to developers who wish to construct a Taco Bell restaurant.

19. The City incorporates by reference the preceding paragraphs.

20. The parties entered into the Agreement attached as Exhibit 1.

21. The City fulfilled its obligations under the Agreement by advancing public funds toward the Elms Road Improvement Project.

22. The Andonis committed the first material breach that Agreement by failing or refusing to reimburse the City for the costs of the Elms Road Improvement Project.

23. The City suffered damages as a result of the Andonis' unlawful conduct.

24. The City incorporates by reference the preceding paragraphs.

25. By promising to repay any funds advanced by the City for the Elms Road Improvement Project, the Andonis induced the City into advancing public funds to finance improvements that it would not have made but for this Project.

26. The Elms Road Improvement Project made the Property more accessible and hence, more marketable, making it easier for the Andonis to sell development sites within the Project.

27. The Andonis have benefitted as a result of the City's advancement of public funds to make the Elms Road improvements.

28. *If the Andonis are not required to reimburse the City the costs of making those improvements, the Andonis will be unjustly enriched.*

29. *Under these circumstances, it would be inequitable for the Andonis not to reimburse the City its expenses in making the Elms Road improvements.*

For these reasons, the City of Swartz Creek requests entry of a money judgment against Defendants, jointly and severally, in the amount of \$63,760.18, plus interest, costs and attorney fees as allowed by law.

SIMEN, FIGURA & PARKER, P.L.C.

BY: _____
Michael J. Gildner (P49732)
Attorney for City of Swartz Creek
5206 Gateway Centre, Suite 200
Flint, Michigan 48507
(810) 235-9000
Date: August 6, 2013

WHEREAS, as a result of the debt owed the City and subsequent litigation, Greco Title Company of Mt. Clemens Michigan refused to issue title insurance on the property; and

WHEREAS, the parties to the sale, being Basil & Hiam Andoni, Aragona Properties, Taco Bell of America LLC and Cooper Commercial Real Estate re-negotiated terms of the sale to cover the debt owed the City; and

WHEREAS, on Friday August 9, 2013, the City received full settlement for all debts owed from Greco Title, consisting of \$63,760.18 for road construction and \$9,369.58 for taxes and assessments owed, total of \$73,129.76.

NOW, THEREFORE, I Move the City of Swartz Creek direct the City Attorney and Staff to file any and all paperwork necessary to terminate litigation and any further collection mechanism, purpose being the debts have been settled, paid in full.

Discussion Ensued.

(Councilmember Hicks left meeting, excused by Mayor Krueger.)

YES: Abrams, Gilbert, Hurt, Krueger, Shumaker.
NO: None. Motion Declared Carried.

Morrish Road Bridge Project

(Discussion)

City Manager Bueche updated the City Council on the progress of the Morrish Road Bridge Project, including water pooling issues and issues with the aesthetics of the bridge.

City's Long-Term Finance Plan, Solutions: Set Special Meeting

Resolution No. 130812-14

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Hurt

I Move the City of Swartz Creek set a Special Council Meeting to be held on Tuesday, August 20, 2013 at 6:00 PM, for the purpose of discussing the City's long-term financing issues and problems and seek solutions.

YES: Gilbert, Hurt, Krueger, Shumaker, Abrams.
NO: None. Motion Declared Carried.

Appropriation, Replace Office Processing Software

Resolution No. 130812-15

(Carried)

Motion by Councilmember Hurt
Second by Mayor Pro-Tem Abrams

WHEREAS, the City uses a variety of Microsoft office programs in conducting everyday business including, but not limited to MS Word, Excel, PowerPoint, Outlook and Publisher; and

WHEREAS, the versions the City is using today exceed ten years in age which causes compatibility issues with newer software and hardware; and

WHEREAS, Microsoft Office Software is a nearly exclusive choice of solutions for nearly all offices, both public and private, which presents very limited price options; and

WHEREAS, the City checked with various wholesale software vendors finding the pricing for up to date Microsoft Office Software to be consistent in price; and

WHEREAS, Tiger Direct of Miami Florida offers a very slight discount to governmental customers including the City.

WHEREAS, the City finds that the purchase of the current edition of Microsoft Office processing software is single source in nature with little price fluctuation, and further, that a small discount is available from Tiger Direct for governmental tax exempt agencies.

NOW, THEREFORE, I Move that the City of Swartz Creek appropriate an amount not to exceed \$5,310, plus 15% contingency, for the purchase of 15 2013 Microsoft Licenses for Microsoft Office Suite Standard Version and 3 2011 Adobe Professional document managing licenses, to Tiger Direct, in care of the City's IT

Technician Don Korth, funds to be proportionately distribute across the City's ledger, at the direction of the City's Staff.

Discussion Took Place.

YES: Hurt, Krueger, Shumaker, Abrams, Gilbert.
NO: None. Motion Declared Carried.

MEETING OPEN TO PUBLIC

Boots Abrams, 5352 Greenleaf Drive, reminded everyone that the Women's Club will be holding their "Rock-A-Thon" on Sunday at the Farmer's Market, proceeds to benefit the parks.

REMARKS BY COUNCILMEMBERS:

Councilmember Gilbert spoke about the Elevator being torn down. Mr. Gilbert stated that the dog statue is now permanently mounted at the Veteran's Memorial.

Councilmember Shumaker spoke about the contractors shifting traffic over on Miller Road in front of the Performing Arts Center and not properly marking the traffic shift. Mr. Shumaker asked what the policy was for driveway extensions and turn-arounds in the public street right of way. City Manager Bueche advised what the policies were and what was being done about the situation.

Mayor Pro-Tem Abrams asked if there was an ordinance for disturbing the peace, in reference to the firecracker problem. He was advised that there was. Mr. Abrams spoke about G.A.I.N. having financial difficulty and questioned if the City of Swartz Creek had paid their dues. He was advised that the City had not.

Councilmember Gilbert asked about the noise ordinance in reference to vehicles that have loud music playing.

Adjournment

Resolution No. 130812-16

(Carried)

Motion by Councilmember Hurt
Second by Councilmember Shumaker

I Move the City of Swartz Creek adjourn the Regular Session of the City Council meeting at 9:15 p.m.

YES: Unanimous Voice Vote.
NO: None. Motion Declared Carried.

David Krueger, Mayor

Juanita Aguilar, City Clerk

City of Swartz Creek
Special Council Meeting Minutes
Of the Meeting Held
Tuesday August 20, 2013 6:00 P.M.

CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE SPECIAL COUNCIL MEETING
DATE 8/20/2013

The meeting was called to order at 6:00 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance to the Flag.

Councilmembers Present: Abrams, Gilbert, Hicks, Hurt, Krueger, Porath, Shumaker.

Councilmembers Absent: None.

Staff Present: City Manager Paul Bueche, City Clerk Juanita Aguilar, DPS Director Tom Svrcek, City Attorney Mike Gildner.

Others Present: Boots Abrams, Tommy Butler, Jim Florence, Sharon Shumaker.

REPORTS AND COMMUNICATIONS:

City Manager's Report

Resolution No. 130820-01

(Carried)

Motion by Councilmember Porath
Second by Councilmember Hurt

I Move the Swartz Creek City Council approve the City Manager's Report of August 20, 2013, to be circulated and placed on file.

YES: Gilbert, Hicks, Hurt, Krueger, Porath, Shumaker, Abrams.
NO: None. Motion Declared Carried.

All other reports and communications were accepted and placed on file.

MEETING OPENED TO THE PUBLIC:

Tommy Butler, 40 Somerset, asked if the proposed millage would apply only to the police and not the general fund.

COUNCIL BUSINESS:

Public Safety Funding

Discussion took place regarding the problems with public safety funding and possibilities for more revenue.

Resolution No. 130820-02

(Carried)

Motion by Mayor Pro-Tem Abrams
Second by Councilmember Hicks

I Move the Swartz Creek City Council pursue the Special Assessment District (SAD) process at this time.

Discussion Ensued.

YES: Hicks, Hurt, Krueger, Porath, Shumaker, Abrams.
NO: Gilbert. Motion Declared Carried.

MEETING OPEN TO PUBLIC

Tommy Butler, 40 Somerset, stated that he felt that if residents didn't have to pay the special assessment, they would have to pay higher insurance rates due to no police or fire protection.

REMARKS BY COUNCILMEMBERS:

City Manager Bueche stated that the View reporter John McKeowen would be leaving for another position in Ann Arbor.

Councilmember Hurt stated that he felt there was good discussion at this meeting and that progress was made.

Councilmember Gilbert stated that he also felt that it was a good meeting and that people that he has talked to agree that something must be done.

Councilmember Hicks stated that she hopes that the residents trust that the Council has studied the issue and that they have a good government. Ms. Hicks also stated that there was good discussion.

Councilmember Shumaker stated that he was pleased with the information that City Manager Bueche passed on to the Council. Mr. Shumaker spoke about people buying homes in the City and staying for a long time. Mr. Shumaker stated that he appreciates the members of the City Council for being responsible board members. Mr. Shumaker stated that he would like more money directed towards the Public Works area because there is a lack of money to do what is necessary in that area.

Councilmember Porath apologized to the general public about his lack of attendance at the Council meetings this summer. Mr. Porath spoke about the Special Assessments, stating

that he prefers that a full amount be assessed at one time as opposed to incremental increases.

Mayor Pro-Tem Abrams spoke about the City Manager's salary stating that if Mr. Bueche were to be replaced, about another \$40,000 would have to be added to the budget. Mr. Abrams spoke about the SAD's stating that the process is good for giving the people the information that is needed.

Mayor Krueger stated that he feels the Council should consider how many questions they had tonight, the in-depth conversation and how many of them changed their minds during the course of the meeting. Mr. Krueger spoke about the possibility of another special meeting for the public hearing as opposed to having it at a regular council meeting.

Councilmember Porath stated that he would like to be considered as an alternate on the special committee if someone can't make it to any meetings.

Adjournment

Resolution No. 130820-03

(Carried)

Motion by Councilmember Hurt
Second by Councilmember Shumaker

I Move the City of Swartz Creek adjourn the Special Session of the City Council meeting at 8:15 p.m.

YES: Unanimous Voice Vote.
NO: None. Motion Declared Carried.

David Krueger, Mayor

Juanita Aguilar, City Clerk



GENESEE COUNTY DRAIN COMMISSIONER'S OFFICE

- DIVISION OF -

WATER & WASTE SERVICES

G-4610 BEECHER ROAD - FLINT, MICHIGAN 48532-2617

PHONE (810) 732-7870 - FAX (810) 732-9773

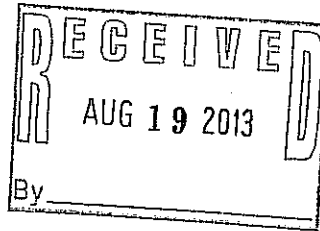
JEFFREY WRIGHT
COMMISSIONER

August 15, 2013

To: The Governing Bodies of each of the
Communities Served by the
Genesee County Water Supply System

Attention: Clerk

Re: Notice of Rates to be Charged for
Water Supply for all Bills Rendered
On and After January 2, 2014



Dear Ladies and Gentlemen:

The Genesee County Water and Waste Advisory Committee recommended that the Drain Commissioner enter into agreement with the Karegnondi Water Authority (KWA) for the purchase of up to 42 million gallons a day of water. In addition, the Advisory Committee members recommended the County Drain Commissioner proceed with the construction of the lake intake by awarding a contract to L. D'Agostini.

The County Agency submitted a projected budget to the Advisory Committee identifying our payments to DWSD, our operations' costs, and the new cost for the construction of the intake. To cover our expenses during our period of dual payments, Detroit and construction, we will need additional revenue. It was determined that by increasing the commodity charge 41¢ from \$3.53 to \$3.94 per 100 cubic feet, we will have adequate revenue.

The rate will become effective on all water bills issued by the County Agency after January 2, 2014. Those bills prepared before and issued on January 1 will not include the new rate. Wholesale customers' first bill would be January 10 and retail customers on February 1, 2014.

Once the rate increase is approved by each local community, our retail customers need to give us 20 day notice of rate change. If you would like your rate change to be effective January 2, we need notification by December 11. If, for example, your ordinance requires 90 day notice for rates, you must begin the process in September. As always, our office is available to assist you in adjusting your water rates to cover the increase.

Should you have any questions or need further comments, do not hesitate to contact this office.

Sincerely,

John F. O'Brien, P.E., Director
Division of Water and Waste Services

GENESEE COUNTY WATER SUPPLY SYSTEM
 RATES FOR SERVICE FOR WATER BILLS RENDERED
 ON AND AFTER JANUARY 2, 2014

The rates to be charged for water furnished by the System shall be as hereinafter set forth. Water to be furnished by the System shall be measured by a meter or equivalent meters, installed and controlled by the County. Charges for water service will be made for water furnished based upon monthly, bimonthly, and quarterly billings as set forth herein.

I. RATES BASED ON SUMMATION OF INDIVIDUAL METER READINGS (MONTHLY CHARGES)

<u>Meter Size - Inches</u>	<u>Readiness to Serve Charge</u>	<u>Irrigation Meters</u>
5/8	\$ 14.59	\$14.59
3/4	\$ 21.89	¾ or larger \$21.89
1	\$ 36.48	
1-1/2	\$ 72.95	
2	\$ 116.72	
3	\$ 218.85	
4	\$ 364.75	
6	\$ 729.50	
8	\$ 1,167.20	
10	\$ 1,750.80	
12	\$ 3,136.85	

(Irrigation meters are an automatic charge May 1 through October 31 or any quarter that usage is recorded) Rate becomes effective on date signed.

I. A. Indirect Rates

<u>Meter Size - Inches</u>	<u>Readiness to Serve Charge</u>	<u>Irrigation Meters</u>
5/8	\$ 13.53	\$13.53
3/4	\$ 20.30	¾ or larger \$20.30
1	\$ 33.83	
1-1/2	\$ 67.65	
2	\$ 108.24	
3	\$ 202.95	
4	\$ 338.25	
6	\$ 676.50	
8	\$ 1,082.40	

II. RATES BASED ON MASTER METER READINGS

A. MONTHLY

<u>Equivalent Meters</u>	<u>Readiness to Serve Charge @ \$89.67 / eq. meter</u>
25	\$ 2,241.75
50	\$ 4,483.50
80	\$ 7,173.60
120	\$ 10,760.40
165	\$ 14,795.55
215	\$ 19,279.05
320	\$ 28,694.40

The number of equivalent meters is based on the peak monthly flow from the prior calendar year. An equivalent meter size will be determined based on the peak monthly flow being 75% of the meter capacity. The meter capacity and number of capacity equivalent meters will be based on current AWWA standards. The meter size and number of equivalent meters will be based on standard meter sizes, with a minimum of 25 equivalent meters.

III. COMMODITY CHARGES (applies to both Individual and Master Meters):

The total commodity charge is \$3.94 per 100 cubic feet. This sum is the total of \$1.86 per 100 cu.ft. plus the DWSO commodity charge, which is charged via the City of Flint and is currently estimated at \$2.08 per 100 cu. ft.

IV. QUARTERLY RATES (applies to Individual Meters):

Multiply readiness to serve charge by three.

V. WATER STATION RATES

The commodity charge for watering is \$4.71 per 100 cubic feet (0.25 per 40 gallons). No Readiness to Serve charge. Accounts shall be billed monthly.

VI. HYDRANT METER RATES

The commodity charge is \$4.71 per 100 cubic feet. No Readiness to Serve charge. Accounts shall be billed within 30 days of use.

GENESEE COUNTY WATER SUPPLY SYSTEM
RATES FOR SERVICE FOR WATER BILLS RENDERED
ON AND AFTER JANUARY 2, 2014

VII. COUNTY CAPITAL IMPROVEMENT FEE

The County will charge a Capital Improvement Fee of \$1,000 per unit based upon the Residential Equivalent Units prior to the issuance of a Water Permit (B-Permit). The County Agency shall collect the fee.

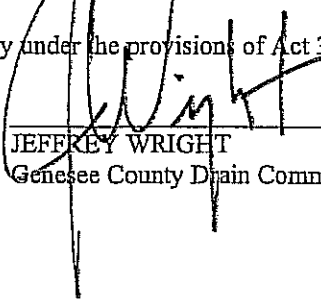
VIII. CITY OF FLINT FRANCHISE RATES

The County will add \$1.00 per month to the amount the City of Flint bills the franchise customers for each 5/8-inch meter equivalence plus \$0.10 per each 100 cubic feet of volume used.

The rates are established pursuant to Act 342 Michigan Public Acts of 1939 as amended.

Jeffrey Wright, Drain Commissioner, as County Agency under the provisions of Act 342, Michigan Public Acts of 1939, as amended.

Dated: AUG 4th 2013



JEFFREY WRIGHT
Genesee County Drain Commissioner, the County Agency



GENESEE COUNTY DRAIN COMMISSIONER'S OFFICE

- DIVISION OF -

WATER & WASTE SERVICES

G-4610 BEECHER ROAD - FLINT, MICHIGAN 48532-2617

PHONE (810) 732-7870 - FAX (810) 732-9773

JEFFREY WRIGHT
COMMISSIONER

April 23, 2013

To: The Governing Bodies of each of the
Communities Served by the
Genesee County Water Supply System

Attention: Clerk

Re: Notice of Rates to be Charged for
Water Supply for all Bills Rendered
On and After September 2, 2013



Dear Ladies and Gentlemen:

The water rates as proposed by DWSD for the 2013/2014 year have been approved. Their rates will take effect on all water used on and after July 1, 2013.

The County Agency has also reviewed its rates for 2013. The new rate structure will take the County through its next five years. The rate evaluation has made adjustment to the Readiness to Serve charges for both master and individual meters.

After reviewing the DWSD rate increase, the County Agency recommended an increase of 35¢ per 100 cubic feet of water used. We have enclosed an executed rate sheet for your convenience.

The rate will become effective on all water bills issued by the County Agency after September 2, 2013. Those bills prepared before and issued on September 1 will not include the new rate. Wholesale customers' first bill would be September 10 and retail customers on October 1, 2013.

Once the rate increase is approved by each local community, our retail customers need to give us 20 day notice of rate change. If you would like your rate change to be effective October 1, we need notification by September 10. If, for example, your ordinance requires 90 day notice for rates, you must begin the process in June. As always, our office is available to assist you in adjusting your water rates to cover the increase.

Should you have any questions or need further comments, do not hesitate to contact this office.

Sincerely,

John F. O'Brien, P.E., Director
Division of Water and Waste Services

GENESEE COUNTY WATER SUPPLY SYSTEM
 RATES FOR SERVICE FOR WATER BILLS RENDERED
 ON AND AFTER SEPTEMBER 2, 2013

The rates to be charged for water furnished by the System shall be as hereinafter set forth. Water to be furnished by the System shall be measured by a meter or equivalent meters, installed and controlled by the County. Charges for water service will be made for water furnished based upon monthly, bimonthly, and quarterly billings as set forth herein.

I. RATES BASED ON SUMMATION OF INDIVIDUAL METER READINGS (MONTHLY CHARGES)

<u>Meter Size - Inches</u>	<u>Readiness to Serve Charge</u>	<u>Irrigation Meters</u>
5/8	\$ 14.59	\$14.59
3/4	\$ 21.89	¾ or larger \$21.89
1	\$ 36.48	
1-1/2	\$ 72.95	
2	\$ 116.72	
3	\$ 218.85	
4	\$ 364.75	
6	\$ 729.50	
8	\$ 1,167.20	
10	\$ 1,750.80	
12	\$ 3,136.85	

(Irrigation meters are an automatic charge May 1 through October 31 or any quarter that usage is recorded) Rate becomes effective on date signed.

I. A. Indirect Rates

<u>Meter Size - Inches</u>	<u>Readiness to Serve Charge</u>	<u>Irrigation Meters</u>
5/8	\$ 13.53	\$13.53
3/4	\$ 20.30	¾ or larger \$20.30
1	\$ 33.83	
1-1/2	\$ 67.65	
2	\$ 108.24	
3	\$ 202.95	
4	\$ 338.25	
6	\$ 676.50	
8	\$ 1,082.40	

II. RATES BASED ON MASTER METER READINGS

A. MONTHLY

<u>Equivalent Meters</u>	<u>Readiness to Serve Charge @ \$89.67 / eq. meter</u>
25	\$ 2,241.75
50	\$ 4,483.50
80	\$ 7,173.60
120	\$ 10,760.40
165	\$ 14,795.55
215	\$ 19,279.05
320	\$ 28,694.40

The number of equivalent meters is based on the peak monthly flow from the prior calendar year. An equivalent meter size will be determined based on the peak monthly flow being 75% of the meter capacity. The meter capacity and number of capacity equivalent meters will be based on current AWWA standards. The meter size and number of equivalent meters will be based on standard meter sizes, with a minimum of 25 equivalent meters.

III. COMMODITY CHARGES (applies to both Individual and Master Meters):

The total commodity charge is \$3.53 per 100 cubic feet. This sum is the total of \$1.45 per 100 cu.ft. plus the DWSD commodity charge, which is charged via the City of Flint and is currently estimated at \$2.08 per 100 cu. ft.

IV. QUARTERLY RATES (applies to Individual Meters):

Multiply readiness to serve charge by three.

V. WATER STATION RATES

The commodity charge for watering is \$4.71 per 100 cubic feet (0.25 per 40 gallons). No Readiness to Serve charge. Accounts shall be billed monthly.

VI. HYDRANT METER RATES

The commodity charge is \$4.71 per 100 cubic feet. No Readiness to Serve charge. Accounts shall be billed within 30 days of use.

GENESEE COUNTY WATER SUPPLY SYSTEM
RATES FOR SERVICE FOR WATER BILLS RENDERED
ON AND AFTER SEPTEMBER 2, 2013

VII. COUNTY CAPITAL IMPROVEMENT FEE

The County will charge a Capital Improvement Fee of \$1,000 per unit based upon the Residential Equivalent Units prior to the issuance of a Water Permit (B-Permit). The County Agency shall collect the fee.

VIII. CITY OF FLINT FRANCHISE RATES

The County will add \$1.00 per month to the amount the City of Flint bills the franchise customers for each ⁵/₈-inch meter equivalence plus \$0.10 per each 100 cubic feet of volume used.

The rates are established pursuant to Act 342 Michigan Public Acts of 1939 as amended.

Jeffrey Wright, Drain Commissioner, as County Agency under the provisions of Act 342, Michigan Public Acts of 1939, as amended.

Dated: 4.22.13



JEFFREY WRIGHT

Genesee County Drain Commissioner, the County Agency

Comparison of Water

		Billed		Quantity	
1	2/10/2013	6591.5	59430.07	1868870	0.0318
2	1/10/2013	6591.5	76955.36	2419980	0.0318
3	12/10/2012	6591.5	58878.34	1851520	0.0318
4	11/10/2012	6591.5	62481.59	1964830	0.0318
5	10/10/2012	6591.5	70607.45	2220360	0.0318
6	9/10/2012	6591.5	73015.34	2296080	0.0318
7	8/10/2012	6591.5	78557.45	2470360	0.0318
8	7/10/2012	6591.5	98309.3	3321260	0.0296
9	6/10/2012	6591.5	82541.38	2788560	0.0296
10	5/10/2012	6591.5	75395.64	2547150	0.0296
11	4/10/2012	6591.5	56840.29	1920280	0.0296
12	3/10/2012	6591.5	54372.83	1836920	0.0296
		\$79,098.00	\$847,385.04	27506170	

\$926,483.04

12414170 0.0022 27311.174

		New Rates		Quantity	
1	2/10/2013	4483.5	65971.111	1868870	0.0353
2	1/10/2013	4483.5	85425.294	2419980	0.0353
3	12/10/2012	4483.5	65358.656	1851520	0.0353
4	11/10/2012	4483.5	69358.499	1964830	0.0353
5	10/10/2012	4483.5	78378.708	2220360	0.0353
6	9/10/2012	4483.5	81051.624	2296080	0.0353
7	8/10/2012	4483.5	87203.708	2470360	0.0353
8	7/10/2012	4483.5	117240.478	3321260	0.0353
9	6/10/2012	4483.5	98436.168	2788560	0.0353
10	5/10/2012	4483.5	89914.395	2547150	0.0353
11	4/10/2012	4483.5	67785.884	1920280	0.0353
12	3/10/2012	4483.5	64843.276	1836920	0.0353
		\$53,802.00	\$970,967.80	27506170	

\$1,024,769.80
-27311.17
\$997,458.63

1.076607544

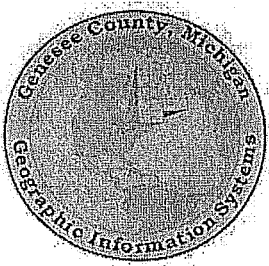
7.66 % increase

If Readiness to serve charge left unchanged increase would be about 10.4%

		New Rates		Quantity	
1	2/10/2013	4483.5	73633.478	1868870	0.0394
2	1/10/2013	4483.5	95347.212	2419980	0.0394
3	12/10/2012	4483.5	72949.888	1851520	0.0394

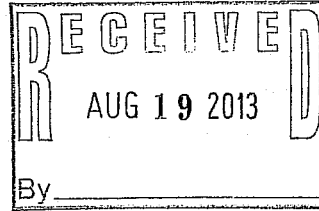
4	11/10/2012	4483.5	77414.302	1964830	0.0394
5	10/10/2012	4483.5	87482.184	2220360	0.0394
6	9/10/2012	4483.5	90465.552	2296080	0.0394
7	8/10/2012	4483.5	97332.184	2470360	0.0394
8	7/10/2012	4483.5	130857.644	3321260	0.0394
9	6/10/2012	4483.5	109869.264	2788560	0.0394
10	5/10/2012	4483.5	100357.71	2547150	0.0394
11	4/10/2012	4483.5	75659.032	1920280	0.0394
12	3/10/2012	4483.5	72374.648	1836920	0.0394
		\$53,802.00	\$1,083,743.10	27506170	\$1,137,545.10

Difference of \$ 121027.14



GENESEE COUNTY GIS DEPARTMENT
1101 Beach Street, Room 210, Flint, MI 48502-1468
Telephone (810) 257-3163 Fax (810) 768-7954

gis@co.genesee.mi.us



August 7th, 2013

Paul Bueche, City Manager
City of Swartz Creek
8083 Civic Drive
Swartz Creek, MI 48473-1498

Subject: Pictometry and Orthoimagery Project 2014 Update

Dear Mr. Bueche,

In 2005 and again in 2008 the Genesee County GIS Department organized the Pictometry project partnership between 33 local governments and agencies within Genesee County. This partnership has successfully provided oblique and orthogonal imagery and software for all participants at a reasonable cost. The imagery and software has been installed at City and Township offices, Assessor's offices, Police and Fire Departments and many other locations throughout the County and has become an important tool in the daily operations of many entities.

Due in large part to the economic downturn, the next flight was delayed beyond a preferred timeframe of 2-3 years. Now that significant time has passed, we are organizing a flight in Spring of 2014 which would at least maintain the five year aerial imagery interval that was in place for many years.

The current two-tier offering from Pictometry is 3 and 9 inch oblique imagery and 4 and 10 inch ortho imagery. After discussions with key stakeholders it was agreed that planning for two flights, one in 2014 and one in 2017, would be the best option. This would provide:

- Lower total cost than previous flights
- Locked in savings for the second flight
- Spread payments across six years
- Higher resolution in hi-resolution areas than in the 2009 flight and comparable in low resolution areas
- Seats of "Pictometry-Online" Included in projects cost (stand alone EFS still included)

If all partners continue to participate, the anticipated TOTAL cost for the 2014/17 Pictometry Aerial imagery for **City of Swartz Creek** is: **\$ 3018.20**, which can be paid in six annual installments of **\$503.03**.

These figures may change slightly but this is our best estimate at this time. The final figure will be locked-in and presented with the updated intergovernmental agreement in coming months.

This project will provide each member with:

- New Pictometry oblique imagery for your jurisdiction (complementing the current imagery)
- Software updates for the EFS software used to view the imagery
- The most current parcel data layer for use in EFS.
- Training for two (2) users of each partner organization at time of delivery of each flight.

In order to implement this project we will create a new intergovernmental agreement which will first need to be approved by the Genesee County Board of Commissioners. Once that is complete we will present it for approval/signature to each partner. This will be followed by an invoicing process. It is currently expected to have **initial payments received January 30th, 2014**. We have some flexibility on this aspect so please contact me if this timing presents a problem for your community or agency due to your fiscal year budget cycle.

It is critically important that all members participate in this project in order to achieve the lowest costs for ALL and the best product possible. As a result of this important aspect, I request that you contact me to confirm whether you are expecting to participate or discuss any concerns you may have about the project. Please send email confirmation of your intent to kkoleda@co.genesee.mi.us by Friday September 13th. If you have any questions or concerns, please do not hesitate to call me at 810.257.3163.

Thank you for your continued participation in this valuable project.

Sincerely,



Ken Koleda
GIS Director
Genesee County GIS Department

**Genesee County Drain Commissioner
Division of Water and Waste Services**

**Financial Report
with Supplemental Information
December 31, 2012**

plante
moran

audit • tax • consulting

Genesee County Drain Commissioner Division of Water and Waste Services

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Independent Auditor's Report

To the Board of Directors
Genesee County Drain Commissioner
Division of Water and Waste Services

Report on the Financial Statements

We have audited the accompanying financial statements of the Enterprise Fund, Internal Service Funds, and business-type activities of the Genesee County Drain Commissioner Division of Water and Waste Services (the "Division") as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Genesee County Drain Commissioner Division of Water and Waste Services' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Enterprise Fund, Internal Service Funds, and business-type activities of the Genesee County Drain Commissioner Division of Water and Waste Services as of December 31, 2012 and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Genesee County Drain Commissioner
Division of Water and Waste Services

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genesee County Drain Commissioner Division of Water and Waste Services' basic financial statements. The supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Report on Summarized Comparative Information

We have previously audited the Genesee County Drain Commissioner Division of Water and Waste Services' December 31, 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 25, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

May 14, 2013

Genesee County Drain Commissioner Division of Water and Waste Services

Management's Discussion and Analysis (Continued)

Sewage Treatment Facilities - The core function of all treatment facilities is to effectively and efficiently treat sewage in compliance with regulations established by their NPDES (National Pollutant Discharge Elimination System) permit. The facilities maintain good working relationships with customers and elected officials of the districts to achieve the goals of accountability, transparency, and credibility. These activities include the following:

- Facility operation and maintenance
- Analytical support to ensure compliance with discharge limits and industrial pretreatment
- Providing training in plant operation, maintenance, safety, and regulatory compliance
- Residuals management
- Addition of various treatment chemicals and/or use of other treatment alternatives
- Planning for plant improvements, equipment replacement, and upgrades
- Emergency response planning
- Storage lagoon operation and maintenance
- Discharge limitations and monitoring
- Pollutant minimization
- Operation of an Industrial Pretreatment Program (IPP)

The sanitary sewer treatment operations are responsible for the collection and transmission of effluent through the sewer interceptor lines to the three disposal plants under the Division's jurisdiction. These plants are the Linden Facility (District No. 3), the Bird Road Lagoons (District No. 7), and the Anthony Ragnone Treatment Plant (ARTP) (Districts No. 1, 2, 5, and 6). In addition to serving large portions of Genesee County, the Division has contracts for sewer treatment outside of its jurisdiction with Shiawassee, Lapeer, Saginaw, Oakland, and Livingston counties.

ARTP provides sewage treatment for the majority of the Division's service area, with Districts No. 3 and No. 7 providing service for several outlying areas. And while the District No. 3 and No. 7 facilities are two distinctly separate operations, they are combined administratively due to their proximity to one another.

The Division also manages two programs that impact its treatment facilities:

- **Biosolids Disposal** - Each treatment plant is responsible for disposing wastewater treatment plant biosolids in a manner that is considered beneficial reuse, in particular, biosolids application on farmland. The ARTP accomplished this goal in 2012 by applying 6,473 dry tons of stabilized biosolids on approximately 2,500 acres of approved fields. In 2012, District No. 3 applied 1,145 dry tons of stabilized biosolids on approximately 900 acres of approved fields.

Genesee County Drain Commissioner Division of Water and Waste Services

Management's Discussion and Analysis (Continued)

- **Industrial Pretreatment Program** - The Division regulates and monitors industrial and nondomestic dischargers to the wastewater system. The Division reviews applications, issues discharge permits, verifies compliance, calculates fees and surcharge bills for the customers, as well as enforces regulations through discharge permits, which protect the wastewater treatment facilities and the environment. An arsenic program for drinking water systems was implemented to ensure compliance with MDEQ regulations. The ordinance also allows for best management practices (BMP) in regulating silver and mercury from over 750 physician and dental offices and grease and oil from approximately 1,400 restaurants. Inter-jurisdictional agreements and the sewer use ordinance have been distributed to the municipalities, and the local unit of government approval process is ongoing. At this time, there are approximately 15 significant industrial facilities and one categorical user that pay surcharges for the cost of treating various substances they discharge to the Division.

Water Supply - The water supply department is responsible for acquisition of water from the Detroit Water and Sewerage Department via the City of Flint. The Division transmits potable water to local communities, which in turn supply their residential, commercial, and industrial customers. The Division also contracts with certain local municipalities to operate and maintain their water systems, as well as provide billing services.

The Division maintains a distribution system consisting of over 600 miles of water mains. It also installs water connections and performs turn-ons/off at the request of its communities, services and changes water meters, and oversees the backflow prevention program. In order to provide an uninterrupted supply of safe drinking water, this department provides forward thought to:

- Identify and evaluate water supply alternatives to meet normal and emergency needs
- Prepare cost estimates to construct, operate, and maintain selected alternatives
- Determine water treatment and pumping requirements

Objectives and Achievements

The main objectives of the Division are to maintain high quality services along with residential and commercial water and sewer rates that are fair and cost effective to all concerned. Although not required by law, the Division maintains a yearly budget of income and expenses for all cost centers. The budget is reviewed and approved by an advisory board. Each community that is a customer of the Division has a seat on the advisory board, which meets monthly to provide guidance to the Division.

The rising cost of water from the Detroit Water and Sewerage Department (DWSD) to the City of Flint, and there in turn to the Division and its community customers, continues to be of great concern. From 2002 to 2013, the average yearly DWSD cost of water increased 9.06 percent. This cost from Detroit is passed through to the Division with no markup from the City of Flint. Instead, a monthly flat rate of \$114,000 is paid to the City of Flint which also provides for up to 5.2 million gallons per day in emergency backup water supply.

Genesee County Drain Commissioner Division of Water and Waste Services

Management's Discussion and Analysis (Continued)

Due to concern over reliability and this rising cost of water from DWSD, the Division has been coordinating an interjurisdictional initiative for developing an alternative water supply system from Lake Huron. Communities currently supplied by DWSD that are participating in this initiative include the City of Flint, Genesee County, Sanilac County, and the Greater Lapeer County Utilities Authority (GLCUA).

As such, a new governmental entity, the Karegnondi Water Authority (KWA), was incorporated on October 1, 2010, with the purpose of developing this new water supply. At formation, it was comprised of the following five governmental units: Genesee County Drain Commissioner, Lapeer County, the City of Lapeer, Sanilac County, and the City of Flint. After construction of a new pipeline, it will then be KWA's responsibility to provide a supply of untreated Lake Huron water to all contracting municipalities.

As of December 31, 2012, KWA has not incurred any transactions that would have a financial impact on the Division. At the time of this report, both the City of Flint and the Advisory Board of the Genesee County Drain Commissioner Division of Water and Waste Services have voted to sign capacity contracts with KWA.

Rate Structure

During 2012, the Division continued a review of its rate structure, with the goal of adjusting rates beginning in 2013. A Division goal is to review and set water and sewer rates on a five-year basis in order to maintain stable and fiscally responsible utility rates. The Division has been able to keep its portion of water and sewer rates constant since its last rate increases in 2008 and 2009. Part of the rate structure requires automatic adjustments based upon DWSD's rate increases to the City of Flint, which are typically passed on to the Division's customers in September of each year.

Grant Acquisitions

- The Division was allocated funds of \$863,500 for the Vortex Grit Tank No. 2 Project at District No. 3 in September 2011. The funds were allocated from the Department of the Army under Section 219 of the Water Resources Development Act of 1992. Public Law 102-580, as amended, specifies the cost-sharing requirements applicable. During 2012, the Division received \$289,991 of contributed capital toward the project.

Genesee County Drain Commissioner Division of Water and Waste Services

Management's Discussion and Analysis (Continued)

- The Division was allocated funds as part of the Kearsley Creek Interceptor Project in 2006 and in 2008. The Department of the Army and the Division entered into a project cooperation agreement for the design of approximately 22 miles of interceptor sanitary sewer lines, associated to pump stations and associated appurtenances pursuant to Section 219(f)(59) of the Water Resources Development Act of 1992, Public Law 102-580 as amended, which authorized the Secretary of the Army to provide design and construction assistance for environmental infrastructure improvements to Genesee County, Michigan. During 2012, the Division made the decision not to move forward with the construction of this project, expensed the project to date, and made a final recording of \$218,434 for contributed capital.
- State of Michigan Revolving Fund Program loans were approved in prior years for \$1,445,000 to fund the ARTP Switchgear project, \$14,544,000 to fund the Pump Station #1 and ARTP Blowers and Clarifiers projects, and \$933,515 to fund the Fenton Road Water Main Project. A total of \$345,440, \$2,382,209, and \$29,111 was collected, respectively, for these projects during 2012.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows provide information about the activities of the Division as a whole and assist in presenting a longer-term view of its finances.

Genesee County Drain Commissioner Division of Water and Waste Services

Management's Discussion and Analysis (Continued)

Condensed Financial Information

The following tables present condensed information about the Division's financial position compared to the prior year:

	December 31		Increase (Decrease)	Percent Change
	2012	2011		
Assets				
Current assets	\$ 26,350,746	\$ 24,633,437	\$ 1,717,309	7.0 %
Restricted assets	543,333	5,459,054	(4,915,721)	(90.0)
Noncurrent lease receivable	25,759,265	28,668,516	(2,909,251)	(10.1)
Capital assets	322,899,623	321,952,707	946,916	0.3
Other noncurrent assets	835,548	2,169,783	(1,334,235)	(61.5)
Total assets	376,388,515	382,883,497	(6,494,982)	(1.7)
Liabilities				
Current liabilities	16,269,157	15,420,478	848,679	5.5
Liabilities payable from restricted assets	243,008	3,509,475	(3,266,467)	(93.1)
Other noncurrent liabilities	5,832,566	7,276,880	(1,444,314)	(19.8)
Long-term debt	159,837,896	167,452,099	(7,614,203)	(4.5)
Total liabilities	182,182,627	193,658,932	(11,476,305)	(5.9)
Net Position				
Net investment in capital assets	181,595,040	178,661,325	2,933,715	1.6
Restricted	3,098,940	3,098,052	888	-
Unrestricted	9,511,908	7,465,188	2,046,720	27.4
Total net position	\$ 194,205,888	\$ 189,224,565	\$ 4,981,323	2.6

	December 31		Increase (Decrease)	Percent Change
	2012	2011		
Revenue from operations	\$ 52,560,768	\$ 50,021,535	\$ 2,539,233	5.1 %
Interest on operating cash and receivables	43,217	35,427	7,790	22.0
Total revenue	52,603,985	50,056,962	2,547,023	5.1
Sludge disposal charges	1,228,262	1,098,897	129,365	11.8
Cost of water	11,779,406	12,947,738	(1,168,332)	(9.0)
Operating and maintenance	21,825,607	18,853,461	2,972,146	15.8
Administrative and depreciation	12,208,067	12,283,110	(75,043)	(0.6)
Total operating expenses	47,041,342	45,183,206	1,858,136	4.1
Other nonoperating expense	2,201,438	2,432,996	(231,558)	(9.5)
Change in net position - Before capital contributions	3,361,205	2,440,760	920,445	37.7
Capital contributions	1,620,118	268,228	1,351,890	504.0
Change in net position	\$ 4,981,323	\$ 2,708,988	\$ 2,272,335	83.9

Genesee County Drain Commissioner Division of Water and Waste Services

Management's Discussion and Analysis (Continued)

Major Capital Assets and Debt Activity

Construction projects completed by the Division totaled \$36,835,568 during 2012. This resulted in a reclassification of the construction costs of this amount from a nondepreciable to depreciable asset. The ARTP Clarifiers Project was the largest completed during 2012, valued at \$11,924,394.

The Division also increased its capital assets by \$1,111,693 due to the completion of the Fenton Road Water Main project, which was funded by two local community customers.

Use of restricted County Capital Improvement Fees (CCIF) to pay debt service and the reduction of restricted receivables from other governmental entities has been the past practice of the Division. Underfunding has occurred and was considered in the initial planning of the CCIF program. CCIF will continue to be collected after retirement of the bond to reconstitute the fund in full.

Financial Review

In analyzing the Genesee County Drain Commissioner Division of Water and Waste Services' financial position, it is important to recognize the mission of the agency, which has been previously stated. A discussion of the significant financial activity during the current year is as follows:

Statement of Net Position

- Current assets increased by \$1.7 million in the current year due to an increase in cash and equivalents, current accounts receivable, and prepaid expenses.
- Current liabilities increased by approximately \$850,000 from the prior year. The main portion of this increase is due to a rise in the current portion of long-term debt, while a smaller amount is due to the timing of accounts payable transactions.
- Liabilities payable from restricted assets decreased significantly again in 2012, from \$3.5 million in 2011 to \$243,000 at the end of 2012. This continued decrease once again is due to several projects being completed during the year.
- Other noncurrent liabilities decreased by approximately \$9.0 million. This was primarily due to a reduction in long-term debt of approximately \$7.6 million.
- Combined unrestricted net position increased by approximately \$2.0 million, with increases occurring in each of the four divisions. Of significant note, District No. 3 moved from an unrestricted deficit position in 2011 of (\$252,524) to a positive ending 2012 position of \$130,124.

Genesee County Drain Commissioner Division of Water and Waste Services

Management's Discussion and Analysis (Continued)

Statement of Revenue, Expenses, and Changes in Net Assets

- Operating revenue increased by 5.1 percent during 2012, with water sales accounting for the majority of this increase. The increase in water sales is largely due to the increase in the pass-through rate from DWSD, while a warm and dry summer did produce an increase in water demand. Operating expenses increased slightly less, at a 4.1 percent rate.
- Two of the Division's largest expenses, water costs and utilities, were reduced on a fiscal basis in 2012. However, this calendar year reduction in costs does not fully represent the true yearly ongoing cost of these two expenses. As noted in last year's audit report letter dated June 25, 2012, the Division made a change to accounts payable invoice timing which resulted in an overstatement of expenses for 2011. After review by the Division's new finance officer, the Division concurred with the auditors and moved to correct the situation in 2012. To do so required a subsequent understatement in expenses for both the cost of water and for utilities in 2012. Going forward, a policy has been put in place which will ensure that 12 months of expenses are properly incurred in each calendar year.
- Contractual services increased by approximately \$4.0 million in 2012, primarily due to increased engineering and legal work performed for the interceptor and treatment, and water supply divisions. In particular, the Division decided not to move forward with a construction project for interceptor and treatment which resulted in a reclassification of CIP to contractual services, accounting for \$2.5 million of the overall increase.
- Depreciation increased by approximately \$770,000 due to project completion in 2012 and the associated CIP having been converted to depreciable assets.

The following table shows the trend in interceptor and treatment sewage disposal revenue compared to total flow volumes for the Division's main ARTP treatment facility:

	Year Ended December 31			
	2009	2010	2011	2012
I&T sewage disposal revenue	\$ 22,579,898	\$ 22,596,773	\$ 22,014,199	\$ 22,785,153
Total flow (thousands of gallons)	11,979,000	9,518,000	11,726,740	9,540,064
Average revenue per thousands of gallons treated	\$ 1.88	\$ 2.37	\$ 1.88	\$ 2.39

**Genesee County Drain Commissioner
Division of Water and Waste Services**

Management’s Discussion and Analysis (Continued)

The following table shows the trend in water sales compared to volume of water purchased and volume of water sold, with the resulting water efficiency rate:

	Year Ended December 31			
	2009	2010	2011	2012
Water sales revenue (wholesale and retail)	\$ 19,809,718	\$ 21,202,820	\$ 21,697,903	\$ 23,012,087
Volume of water purchased (cu. ft.)	616,325,400	616,632,200	621,182,300	630,152,800
Volume of water sold (cu. ft.)	594,736,958	585,092,058	581,675,986	551,198,996
Water efficiency rate	96%	95%	94%	87%

Contacting the Division’s Management

This financial report is intended to provide our constituents, sewer/water users, and bondholders with a general overview of the Genesee County Drain Commissioner Division of Water and Waste Services’ accountability for the money it receives. These financial statements are included as a component unit of Genesee County and should be viewed as part of the government-wide financial statements. If there are questions about this report or if additional information is needed, we welcome anyone to contact the Drain Commissioner or the director of the Division.

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Net Position - Proprietary Fund Types

	December 31, 2012			December 31,
	Enterprise	Internal	Total	2011
	Fund	Service Fund		Total
Assets				
Current assets:				
Cash and cash equivalents (Note 2)	\$ 12,796,815	\$ 1,139,582	\$ 13,936,397	\$ 13,380,794
Accounts receivable	8,812,458	-	8,812,458	8,255,907
Current portion of leases receivable	2,940,000	-	2,940,000	2,825,000
Due from other governmental units	-	-	-	2,000
Inventory	75,625	-	75,625	52,658
Prepaid expenses and other assets	493,266	-	493,266	87,078
Other assets	93,000	-	93,000	30,000
Total current assets	25,211,164	1,139,582	26,350,746	24,633,437
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	-	4,592,588
Restricted accounts receivable	243,008	-	243,008	532,653
Restricted - Due from other governmental units	300,325	-	300,325	333,813
Leases receivable - Net of current portion	25,759,265	-	25,759,265	28,668,516
Local unit construction in progress	156,500	-	156,500	1,413,161
Capital assets (Note 3):				
Assets not subject to depreciation	55,779,523	-	55,779,523	86,934,064
Assets subject to depreciation - Net of depreciation	264,520,174	2,599,926	267,120,100	235,018,643
Unamortized bond issuance costs	679,048	-	679,048	756,622
Total noncurrent assets	347,437,843	2,599,926	350,037,769	358,250,060
Total assets	372,649,007	3,739,508	376,388,515	382,883,497
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	5,031,387	1,472	5,032,859	4,823,168
Due to other governmental units	241,300	-	241,300	237,310
Due to State of Michigan	149,998	-	149,998	-
Current portion of long-term debt (Note 4)	10,845,000	-	10,845,000	10,360,000
Total current liabilities	16,267,685	1,472	16,269,157	15,420,478
Noncurrent liabilities:				
Liabilities related to restricted assets	243,008	-	243,008	3,509,475
Unearned leases	156,500	-	156,500	1,524,185
Other postemployment benefit obligation (Note 6)	5,676,066	-	5,676,066	5,752,695
Long-term debt - Net of current portion (Note 4)	159,837,896	-	159,837,896	167,452,099
Total noncurrent liabilities	165,913,470	-	165,913,470	178,238,454
Total liabilities	182,181,155	1,472	182,182,627	193,658,932
Equity - Net position				
Net investment in capital assets	178,995,114	2,599,926	181,595,040	178,661,325
Restricted	3,098,052	-	3,098,052	3,098,052
Unrestricted	8,374,686	1,138,110	9,512,796	7,465,188
Total net position	\$ 190,467,852	\$ 3,738,036	\$ 194,205,888	\$ 189,224,565

The Notes to Financial Statements are an
Integral Part of this Statement.

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Revenue, Expenses, and Changes in Net Position Proprietary Fund Types

	December 31, 2012			December 31,
	Enterprise	Internal	Total	2011
	Fund	Service Fund		Total
Operating Revenue				
Charges for sales and service:				
Sale of water	\$ 23,104,124	\$ -	\$ 23,104,124	\$ 21,697,903
Sewage disposal charges	26,708,222	-	26,708,222	26,028,846
Billing services	146,171	-	146,171	-
Water meter sales	46,694	-	46,694	64,662
Sewer and pumping station - Operation and maintenance	1,197,219	-	1,197,219	1,197,219
Other operating revenue	1,358,338	-	1,358,338	1,032,905
Total operating revenue	52,560,768	-	52,560,768	50,021,535
Operating Expenses				
Cost of water	11,779,406	-	11,779,406	12,947,738
Sludge disposal service	1,228,262	-	1,228,262	1,098,897
Cost of insurance claims and expenses	277,414	-	277,414	388,005
Repairs and maintenance	2,314,611	65,905	2,380,516	1,584,188
Personnel services	15,207,816	-	15,207,816	16,672,169
Other supplies and expenses	995,794	-	995,794	1,044,117
Contractual services	4,620,263	-	4,620,263	622,620
Utilities	3,241,481	-	3,241,481	4,288,957
Depreciation	6,849,102	461,288	7,310,390	6,536,515
Total operating expenses	46,514,149	527,193	47,041,342	45,183,206
Operating Income (Loss)	6,046,619	(527,193)	5,519,426	4,838,329
Nonoperating Revenue (Expenses)				
Community bond interest income	1,263,136	-	1,263,136	1,356,456
Community bond interest expense	(1,263,136)	-	(1,263,136)	(1,356,456)
Miscellaneous income	930,054	-	930,054	635,689
Miscellaneous expense	(45,582)	(1,756)	(47,338)	(158,115)
Capital interest and fee expense	(3,103,857)	-	(3,103,857)	(2,910,570)
Investment income	43,217	-	43,217	35,427
Gain on sale of assets	-	19,703	19,703	-
Total nonoperating (expense) revenue	(2,176,168)	17,947	(2,158,221)	(2,397,569)
Income (Loss) - Before capital contributions and operating transfers	3,870,451	(509,246)	3,361,205	2,440,760
Capital Contributions	1,620,118	-	1,620,118	268,228
Transfers In	45,632,133	-	45,632,133	37,662,791
Transfers Out	(45,518,311)	(113,822)	(45,632,133)	(37,662,791)
Increase (Decrease) in Net Position	5,604,391	(623,068)	4,981,323	2,708,988
Net Position - Beginning of year	184,863,461	4,361,104	189,224,565	186,515,577
Net Position - End of year	\$ 190,467,852	\$ 3,738,036	\$ 194,205,888	\$ 189,224,565

The Notes to Financial Statements are an
Integral Part of this Statement.

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Cash Flows - Proprietary Fund Types

	December 31, 2012			December 31,
	Enterprise	Internal	Total	2011
	Fund	Service Fund		Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 52,079,220	\$ 28,183	\$ 52,107,403	\$ 56,647,903
Payments to suppliers and others for goods and services	(25,544,057)	(295,873)	(25,839,930)	(32,126,627)
Payments for salaries and employee benefits	(14,771,454)	-	(14,771,454)	(9,449,173)
Net cash provided by (used in) operating activities	11,763,709	(267,690)	11,496,019	15,072,103
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	(8,722,477)	(476,857)	(9,199,334)	(17,995,616)
Contribution from local units for construction	-	-	-	1,219,720
County capital improvements fee	968,219	-	968,219	630,783
Collections of leases receivable from municipalities	4,030,844	-	4,030,844	4,014,604
Proceeds from issuance of bonded debt	3,418,569	-	3,418,569	24,872,946
Principal paid on bond maturities	(10,534,250)	-	(10,534,250)	(17,708,000)
Interest paid on bonds and other long-term liabilities	(4,371,165)	-	(4,371,165)	(4,277,392)
Operating transfer	113,822	(113,822)	-	-
Net cash used in capital and related financing activities	(15,096,438)	(590,679)	(15,687,117)	(9,242,955)
Cash Flows from Investing Activities - Investment income	154,113	-	154,113	56,557
Net (Decrease) Increase in Cash and Cash Equivalents	(3,178,616)	(858,369)	(4,036,985)	5,885,705
Cash and Cash Equivalents - Beginning of year	15,975,431	1,997,951	17,973,382	12,087,677
Cash and Cash Equivalents - End of year	<u>\$ 12,796,815</u>	<u>\$ 1,139,582</u>	<u>\$ 13,936,397</u>	<u>\$ 17,973,382</u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and cash equivalents	\$ 12,796,815	\$ 1,139,582	\$ 13,936,397	\$ 13,380,794
Restricted cash and cash equivalents	-	-	-	4,592,588
Total cash and cash equivalents	<u>\$ 12,796,815</u>	<u>\$ 1,139,582</u>	<u>\$ 13,936,397</u>	<u>\$ 17,973,382</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 6,046,619	\$ (527,193)	\$ 5,519,426	\$ 4,838,329
Depreciation	6,849,102	461,288	7,310,390	6,536,515
Write-off of construction in progress	2,369,806	-	2,369,806	-
Changes in assets and liabilities:				
Receivables	(457,645)	1,998	(455,647)	2,154,890
Other	-	(1,756)	(1,756)	-
Inventories	(22,967)	-	(22,967)	(9,359)
Prepaid and other assets	(550,877)	81,689	(469,188)	106,151
Accounts payable	(2,874,252)	(309,901)	(3,184,153)	1,374,259
Internal balances	(26,185)	26,185	-	-
Due from other governmental units - Net	(30,292)	-	(30,292)	71,318
Accrued and other liabilities	460,400	-	460,400	-
Net cash provided by (used in) operating activities	<u>\$ 11,763,709</u>	<u>\$ (267,690)</u>	<u>\$ 11,496,019</u>	<u>\$ 15,072,103</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2012, the Enterprise Fund had \$1,111,693 and \$508,425 contributed to the water and sewer systems by local communities and a grant, respectively.

Genesee County Drain Commissioner Division of Water and Waste Services

**Notes to Financial Statements
December 31, 2012**

Note 1 - Summary of Significant Accounting Policies

The Genesee County Drain Commissioner Division of Water and Waste Services (the "Division") was organized in September 1965 under Public Act No. 342 of 1939 of the State of Michigan (amended in 1967). The Division's major operations are the construction and operation of water and waste systems in Genesee County, Michigan (the "County") and certain areas in surrounding counties. Construction is financed with proceeds from the sale of bonds and federal and state grants. The operating activities are financed primarily through user charges to municipalities in the systems.

The financial statements of the Division have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Division's accounting policies are described below:

Reporting Entity - Included within the reporting entity are the following:

- Genesee County Sewage Disposal Systems Nos. 1, 2, 5, and 6 (interceptors and treatment facilities)
- Genesee County Sanitary Sewage Disposal Systems Nos. 3 and 7
- Genesee County water supply systems
- Genesee County Division of Water and Waste Services - Vehicle and Equipment Fund (Internal Service Fund)
- Genesee County Division of Water and Waste Services - Insurance Fund (Internal Service Fund)

Genesee County Drain Commissioner Division of Water and Waste Services

Notes to Financial Statements December 31, 2012

Note I - Summary of Significant Accounting Policies (Continued)

In evaluating how to define the Division for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governmental body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Division is able to exercise oversight responsibilities. Based on the application of these criteria, there are no component units to be included in these basic financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Division reports the following major proprietary fund:

- The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs (expenses, including depreciation) of providing water and sewer services to the general public on a continuing basis are financed through user charges.

Additionally, the Division reports the following Internal Service Fund:

- The Internal Service Fund accounts for financing of goods and services provided by one department to other departments of the Division on a cost-plus basis as well as risk management services provided to other departments on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the basic financial statements. Exceptions to this general rule are charges between the Division's water and sewer function and various other functions of the Division. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Genesee County Drain Commissioner

Division of Water and Waste Services

Notes to Financial Statements December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Division's proprietary fund relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value, based on quoted market prices.

Short-term Financial Instruments - The fair value of short-term financial instruments, including cash and cash equivalents, trade accounts receivable and payable, accrued receivables, and accrued liabilities, is equal to the carrying amounts in the accompanying basic financial statements due to the short maturity of such instruments.

Receivables and Payables - Outstanding balances between funds are reported in the basic financial statements as "internal balances." All trade receivables are shown as net of an allowance for uncollectible amounts.

Inventories - Inventories consist primarily of water meters and grinder pumps, valued at cost, using the first-in, first-out method. The cost of supply inventory is recorded as an expense when consumed rather than when purchased.

Leases Receivable - Leases receivable consist of amounts due to the Division from various municipalities for construction activity. The Division constructs assets for various municipalities under Act 342. Under this act, the County issues bonds and constructs assets on behalf of municipalities. These assets are then leased by the municipalities over the life of the bonds. Lease payments approximate the debt service requirements of the associated bonds.

Local Unit Construction in Progress - Local unit construction in progress represents construction of water and sewer distribution and collection systems performed by the Division for local communities. The projects are recorded as an asset during the construction phase and are offset by an unearned lease. When the projects are substantially complete, the asset and unearned lease are removed from the basic financial statements and an asset is recorded by the local community.

Genesee County Drain Commissioner Division of Water and Waste Services

Notes to Financial Statements
December 31, 2012

Note I - Summary of Significant Accounting Policies (Continued)

Restricted Assets - Certain assets are restricted by the Division's bond ordinances for capital outlay. In addition, unspent bond proceeds and County capital improvement fees are restricted for the construction of water collection and sewage disposal systems projects. When an expense is incurred that allows the use of restricted assets (such as bond debt principal and interest), those assets are applied before utilizing any unrestricted assets.

In 2011, of the total restricted cash and cash equivalents of \$4,592,588, \$3,384,138 was restricted for construction and \$1,208,450 was restricted for debt service. Of the total restricted accounts receivable of \$532,653, \$264,688 was county capital improvement fees restricted for construction and \$267,965 was interest receivable from communities restricted for debt service. The total amount restricted due from other governmental units of \$333,813 was restricted for construction.

In 2012, there are no restrictions on cash.

Postemployment Benefits - In addition to the pension benefits described in Note 5, the Division provides postemployment health care, dental, and life insurance benefits after retirement through a contractual agreement. The Division is responsible for 100 percent of the cost of postemployment benefits and funds these costs as they are incurred. Postemployment benefits for retired employees were \$1,514,865 and \$1,426,481 for the years ended December 31, 2012 and 2011, respectively. The total number of eligible retirees amounted to 82 and 83 individuals during December 31, 2012 and 2011, respectively.

Compensated Absences - The Division's employees are granted vacation leave bi-annually based on length of service and 80 hours of personal leave each January 1. Upon termination or resignation, employees are paid accumulated vacation at current salary rates. Upon retirement, employees are paid accumulated vacation and up to 112 hours of personal leave at current salary rates. At December 31, 2012 and 2011, the Division has recorded a liability of approximately \$431,000 and \$426,000, respectively, for accumulated vacation leave.

Unearned Leases - Unearned leases represent cash and investments and construction in progress recorded on the Division's books belonging to the municipalities participating in the water collection and sewage disposal system.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Genesee County Drain Commissioner Division of Water and Waste Services

Notes to Financial Statements December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Plant, and Equipment - Additions to property, plant, and equipment are recorded at cost or, if donated, at their estimated fair value at the time of donation. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Depreciation has been calculated on each class of property using the straight-line method based on the estimated useful lives of the assets, as follows:

Land improvements and underground networks	25-100 years
Buildings	10-50 years
Machinery and equipment	3-25 years

Comparative Data/Reclassifications - Comparative total data for the prior year has been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Reporting Change - During the year, the Division adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. The statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The statement impacts the format and reporting of the balance sheet.

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

**Genesee County Drain Commissioner
Division of Water and Waste Services**

**Notes to Financial Statements
December 31, 2012**

Note 2 - Deposits and Investments (Continued)

The Division has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Division's deposits and investment policies are in accordance with statutory authority.

The Division's cash and investments are subject to custodial credit risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Division's deposits may not be returned to it. The Division does not have a deposit policy for custodial credit risk. At year end, the Division had \$1,092,031 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Division believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Division evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The unlimited FDIC insurance program expired on December 31, 2012. Starting January 1, 2013, the Division's uninsured deposits increased significantly.

Genesee County Drain Commissioner Division of Water and Waste Services

Notes to Financial Statements December 31, 2012

Note 3 - Capital Assets

Capital asset activity of the Division's proprietary fund type at December 31, 2012 was as follows:

	Balance January 1, 2012	Reclassifications*	Additions	Disposals	Balance December 31, 2012
Enterprise Fund:					
Capital assets not being depreciated:					
Land	\$ 871,021	\$ -	\$ -	\$ -	\$ 871,021
Construction in progress	86,046,793	(36,835,568)	8,097,276	(2,399,999)	54,908,502
Subtotal	86,917,814	(36,835,568)	8,097,276	(2,399,999)	55,779,523
Capital assets being depreciated:					
Distribution and collections system	278,985,859	29,806,472	1,895,257	-	310,687,588
Buildings and equipment	5,419,064	7,045,346	435,029	-	12,899,439
Vehicles	382,261	-	-	-	382,261
Subtotal	284,787,184	36,851,818	2,330,286	-	323,969,288
Accumulated depreciation:					
Distribution and collections system	(48,921,258)	-	(6,327,670)	-	(55,248,928)
Buildings and equipment	(3,423,902)	-	(406,918)	-	(3,830,820)
Vehicles	(254,852)	-	(114,514)	-	(369,366)
Subtotal	(52,600,012)	-	(6,849,102)	-	(59,449,114)
Net capital assets being depreciated	232,187,172	36,851,818	(4,518,816)	-	264,520,174
Net capital assets	\$ 319,104,986	\$ 16,250	\$ 3,578,460	\$ (2,399,999)	\$ 320,299,697
Internal Service Funds:					
Capital assets not being depreciated -					
Construction in progress	\$ 16,250	\$ (16,250)	\$ -	\$ -	\$ -
Capital assets being depreciated -					
Buildings and equipment	8,628,852	-	229,743	(352,730)	8,505,865
Accumulated depreciation - Buildings and improvements					
	(5,797,381)	-	(461,288)	352,730	(5,905,939)
Net capital assets being depreciated	2,831,471	-	(231,545)	-	2,599,926
Net capital assets	2,847,721	(16,250)	(231,545)	-	2,599,926
Total proprietary funds capital assets	\$ 321,952,707	\$ -	\$ 3,346,915	\$ (2,399,999)	\$ 322,899,623

* \$16,250 in renovations on an office building were originally recorded as construction in progress in the Internal Service Fund. Subsequent to completion, the amount was reclassified from the Internal Service Fund to the Enterprise Fund.

Genesee County Drain Commissioner Division of Water and Waste Services

Notes to Financial Statements December 31, 2012

Note 3 - Capital Assets (Continued)

Construction Commitments - The Division has active construction projects at year end. The projects include improvements and extensions to the water and sewage disposal systems. At year end, the Division's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Interceptor and treatment facilities	\$ 35,147,898	\$ 544,915
Sewage disposal system - District No. 3	1,835,728	10,541
Sewage disposal system - District No. 7	24,394	20,075
Water supply system	4,001,252	2,193,395
Total	<u>\$ 41,009,272</u>	<u>\$ 2,768,926</u>

Note 4 - Long-term Debt

The Division issues bonds to provide for the construction of water and waste systems in Genesee County and certain areas in surrounding counties. General obligation bonds are direct obligations and pledge the full faith and credit of the Division. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service and require certain financial covenants to be met.

Long-term debt activity for the year ended December 31, 2012 can be summarized as follows:

	<u>Number of Issues</u>	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance *</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance *</u>	<u>Due Within One Year</u>
Genesee County Drain Commissioner bonds payable:								
Interceptor and treatment facilities	13	1.625%-5.00%	2031	\$ 99,311,556	\$ 3,388,570	\$ (6,180,000)	\$ 96,520,126	\$ 6,310,000
District No. 3	2	2.50%-4.50%	2030	6,430,000	-	(270,000)	6,160,000	285,000
Water supply system	4	2.50%-5.125%	2033	40,245,000	-	(1,260,000)	38,985,000	1,310,000
Subtotal				145,986,556	3,388,570	(7,710,000)	141,665,126	7,905,000
Community-related bonds payable:								
Interceptor and treatment facilities	2	4.00%-4.35%	2026	5,235,000	-	(375,000)	4,860,000	390,000
District No. 3	6	2.50%-7.375%	2024	25,355,000	-	(2,415,000)	22,940,000	2,510,000
Water supply system	1	2.50	2031	903,516	29,999	(34,250)	899,265	40,000
Subtotal				31,493,516	29,999	(2,824,250)	28,699,265	2,940,000
Total bonds payable				<u>\$ 177,480,072</u>	<u>\$ 3,418,569</u>	<u>\$ (10,534,250)</u>	<u>\$ 170,364,391</u>	<u>\$ 10,845,000</u>

* Long-term debt balance excludes bond discount/premium of \$318,505 and \$332,027 at December 31, 2012 and 2011, respectively.

Genesee County Drain Commissioner Division of Water and Waste Services

Notes to Financial Statements December 31, 2012

Note 4 - Long-term Debt (Continued)

Total interest expense for the year was approximately \$5.8 million, of which approximately \$1.5 million was capitalized as part of construction in progress. Annual debt service requirements to maturity for the above obligations are as follows:

Years Ending December 31	Business-type Activities		
	Principal	Interest	Total
2013	\$ 10,845,000	\$ 5,654,333	\$ 16,499,333
2014	11,180,000	5,317,264	16,497,264
2015	11,540,000	4,966,431	16,506,431
2016	11,645,000	4,604,434	16,249,434
2017	10,830,000	4,250,159	15,080,159
2018-2022	48,350,000	16,663,484	65,013,484
2023-2027	46,570,000	8,859,989	55,429,989
2028-2032	17,869,391	2,250,274	20,119,665
2033	1,535,000	75,406	1,610,406
Total	<u>\$ 170,364,391</u>	<u>\$ 52,641,774</u>	<u>\$ 223,006,165</u>

Future Revenue Pledged for Debt Payment

Revenue Bond - The Division has pledged substantially all revenue, net of operating expenses, to repay the above Genesee County Drain Commissioner water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water and waste systems described above. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$115,370,449. During the current year, net revenue of the system was \$12,895,721 compared to the annual debt requirements of \$7,623,037.

Note 5 - Defined Benefit Pension Plan

Plan Description - The Division participates in the Genesee County Employees' Retirement System (GCERS), which is a contributory agent multiple-employer defined benefit plan for pension and disability benefits that covers substantially all employees of Genesee County. Each employer has the ability to negotiate and/or establish benefits through personal policies. The authority to establish and amend the benefit provisions of the plan is governed by Act No. 156, Public Acts of 1851, as amended by the State of Michigan. GCERS issues a publicly available financial report that includes financial statements and required supplemental information for the Division. That report may be obtained by writing to Genesee County Employees' Retirement System, 1101 Beach, Flint, MI 48502 or by calling 1-800-949-2627.

**Genesee County Drain Commissioner
Division of Water and Waste Services**

**Notes to Financial Statements
December 31, 2012**

Note 5 - Defined Benefit Pension Plan (Continued)

Funding Policy - The County's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost is determined using an attained age actuarial funding method.

Annual Pension Cost - For the years ended December 31, 2012 and 2011, the Division's annual pension cost of \$1,531,645 and \$1,763,782, respectively, was equal to the Division's required and actual contribution. The annual required contributions were determined as part of the actuarial valuations at December 31, 2010 and December 31, 2009 using the individual entry age actuarial cost method.

Actuarial Methods and Assumptions - In the December 31, 2011 actuarial valuation, the individual entry age actuarial cost method was used. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8.00 percent per year compounded annually and (b) projected salary increases of 3.00 percent to 7.03 percent per year compounded annually. Both (a) and (b) included an inflation component of 3.00 percent. The actuarial value of the Division's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The Division's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis, with the remaining amortization period of 25 years at December 31, 2011.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/06	\$ 37,578,528	\$ 42,770,145	\$ 5,191,617	87.9 %	\$ 8,245,848	63.0 %
12/31/07	38,979,791	44,748,462	5,768,671	87.1	7,823,724	73.7
12/31/08	37,329,643	46,855,482	9,525,839	79.7	8,420,060	113.1
12/31/09	36,627,952	49,055,966	12,428,014	74.7	8,130,143	152.9
12/31/10	35,600,950	50,285,901	14,684,951	70.8	7,610,890	192.9
12/31/11	32,632,128	48,896,200	16,264,072	66.7	7,312,770	222.4

**Genesee County Drain Commissioner
Division of Water and Waste Services**

**Notes to Financial Statements
December 31, 2012**

Note 5 - Defined Benefit Pension Plan (Continued)

Schedule of Employer Contributions

Fiscal Year Ended	Actuarial Valuation Date	Contribution Rate as Percentage of Valuation Payroll	Annual Pension Cost (APC)	Actual Reported Contribution	Percentage of ARC Contributed
12/31/10	12/31/08	17.76 %	\$ 1,744,861	\$ 1,744,861	100 %
12/31/11	12/31/09	18.81	1,763,782	1,763,782	100
12/31/12	12/31/10	16.62	1,531,645	1,531,645	100

Note 6 - Other Postemployment Benefits

Plan Description - The Division provides retiree health care, dental, life, and vision benefits to eligible employees and their spouses and dependents through the Municipal Employees' Retirement System. This is an agent multiple-employer defined benefit plan administered by the Division. The benefits are provided under collective bargaining agreements.

Funding Policy - The collective bargaining agreements do not require employee contributions. The Division has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Division has made contributions to advance-fund these benefits, as determined by the Division.

**Genesee County Drain Commissioner
Division of Water and Waste Services**

**Notes to Financial Statements
December 31, 2012**

Note 6 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended December 31, 2012, the Division has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2010. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

	<u>2012</u>	<u>2011</u>
Annual required contribution (recommended)	\$ 3,818,480	\$ 3,933,831
Interest on the prior year's net OPEB obligation	230,108	127,528
Less adjustment to the annual required contribution	<u>(101,338)</u>	<u>(78,511)</u>
Annual OPEB cost	3,947,250	3,982,848
Amounts contributed:		
Payments of current premiums	(1,523,879)	(1,337,004)
Advance funding	<u>(2,500,000)</u>	<u>(81,360)</u>
Total contributions	<u>(4,023,879)</u>	<u>(1,418,364)</u>
(Decrease) increase in net OPEB obligation	(77,629)	2,564,484
OPEB obligation - Beginning of year	<u>5,752,695</u>	<u>3,188,211</u>
OPEB obligation - End of year	<u>\$ 5,675,066</u>	<u>\$ 5,752,695</u>

The net OPEB obligation is recorded in the basic financial statements as part of noncurrent liabilities.

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and preceding year were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Costs</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
12/31/10	\$ 2,641,753	55.87 %	\$ 3,188,211
12/31/11	3,982,848	35.61	5,752,695
12/31/12	3,947,250	101.94	5,676,066

The Division approved a prefunding plan in 2012 and remitted \$2.5 million to the trust during the year. Going forward, \$1.2 million will be remitted to the trust per year until the liability is funded.

**Genesee County Drain Commissioner
Division of Water and Waste Services**

**Notes to Financial Statements
December 31, 2012**

Note 6 - Other Postemployment Benefits (Continued)

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/08	\$ -	\$ 35,394,879	\$ 35,394,879	-	\$ 8,420,060	420.36 %
12/31/10	-	51,474,408	51,474,408	-	7,610,890	676.33
9/30/12	2,333,369	37,819,976	35,486,607	6.17 %	7,312,770	485.27

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Contribution Rate as Percentage of Valuation Payroll
12/31/10	12/31/08	\$ 2,641,753	55.87 %	32.43 %
12/31/11	12/31/10	3,982,848	35.61	50.59
12/31/12	12/31/10	3,947,250	101.94	50.59

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 5.0 percent. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

**Genesee County Drain Commissioner
Division of Water and Waste Services**

**Notes to Financial Statements
December 31, 2012**

Note 7 - Risk Management

The Division is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Division is partially self-insured for medical benefits and has purchased commercial insurance for the remaining medical benefits and other risks of loss. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Division estimates the liability for medical claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. The liability is included with accounts payable and other accrued expenses in the statement of net position. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2012</u>	<u>2011</u>
Unpaid claims - Beginning of year	\$ 290,676	\$ 261,162
Incurred claims, including claims incurred but not reported	2,208,189	2,559,231
Claim payments	<u>(2,038,825)</u>	<u>(2,529,717)</u>
Unpaid claims - End of year	<u>\$ 460,040</u>	<u>\$ 290,676</u>

Note 8 - Upcoming Accounting Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the Division as of December 31, 2013.

Genesee County Drain Commissioner Division of Water and Waste Services

Notes to Financial Statements December 31, 2012

Note 8 - Upcoming Accounting Pronouncements (Continued)

In June 2012, the GASB issued two new pension standards, GASB Statement No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions*. These new standards significantly revise the current accounting and reporting for pensions, both from an employer perspective as well as from a plan perspective. Employers providing defined benefit pensions to its employees must now, under these new standards, recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised and expanded note disclosures and required supplemental information (RSI). Statement No. 67 is required to be adopted for December 31, 2013 and Statement No. 68 one year later.

Supplemental Information

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Net Position - Proprietary Fund Types

	December 31, 2012					December 31,
	Sewage Disposal Systems					2011
	Interceptor and Treatment Facilities	District No. 3	District No. 7	Water Supply Systems	Total	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 3,364,946	\$ 269,995	\$ 80,105	\$ 9,081,769	\$ 12,796,815	\$ 11,382,843
Accounts receivable	5,062,899	314,269	154,197	3,281,093	8,812,458	8,253,909
Current portion of leases receivable	390,000	2,510,000	-	40,000	2,940,000	2,825,000
Due from other governmental units	-	-	-	-	-	2,000
Inventory	-	-	-	75,625	75,625	52,658
Prepaid expenses	236,811	39,375	5,419	211,661	493,266	5,389
Other assets	-	-	-	93,000	93,000	30,000
Total current assets	9,054,656	3,133,639	239,721	12,783,148	25,211,164	22,551,799
Noncurrent assets:						
Restricted cash and cash equivalents	-	-	-	-	-	4,592,588
Restricted accounts receivable	33,615	203,770	-	5,623	243,008	532,653
Restricted - Due from other governmental units	-	300,325	-	-	300,325	333,813
Leases receivable - Net of current portion	4,470,000	20,430,000	-	859,265	25,759,265	28,668,516
Local unit construction in progress	-	-	-	156,500	156,500	1,413,161
Capital assets:						
Assets not subject to depreciation	52,813,000	604,823	1,415	2,360,285	55,779,523	86,917,814
Assets subject to depreciation - Net of depreciation	172,348,963	28,322,095	414,484	63,434,632	264,520,174	232,187,172
Unamortized bond issuance costs	657,879	21,169	-	-	679,048	756,622
Total noncurrent assets	230,323,457	49,882,182	415,899	66,816,305	347,437,843	355,402,339
Total assets	239,378,113	53,015,821	655,620	79,599,453	372,649,007	377,954,138
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	2,017,833	240,188	22,066	2,751,300	5,031,387	4,228,728
Due to other governmental units	241,300	-	-	-	241,300	237,310
Internal balances	-	-	-	-	-	26,185
Due to State of Michigan	149,998	-	-	-	149,998	-
Current portion of long-term debt	6,700,000	2,795,000	-	1,350,000	10,845,000	10,360,000
Total current liabilities	9,109,131	3,035,188	22,066	4,101,300	16,267,685	14,852,223
Noncurrent liabilities:						
Liabilities related to restricted assets	33,615	203,770	-	5,623	243,008	3,509,475
Unearned leases	-	-	-	156,500	156,500	1,524,185
Other postemployment benefit obligation	3,483,846	553,652	94,518	1,544,050	5,676,066	5,752,695
Long-term debt - Net of current portion	94,808,826	26,328,956	-	38,700,114	159,837,896	167,452,099
Total noncurrent liabilities	98,326,287	27,086,378	94,518	40,406,287	165,913,470	178,238,454
Total liabilities	107,435,418	30,121,566	116,584	44,507,587	182,181,155	193,090,677
Equity - Net position						
Invested in capital assets - Net of related debt	129,171,016	22,764,131	415,899	26,644,068	178,995,114	175,813,604
Restricted	-	-	-	3,098,052	3,098,052	3,098,052
Unrestricted	2,771,679	130,124	123,137	5,349,746	8,374,686	5,951,805
Total net position	\$ 131,942,695	\$ 22,894,255	\$ 539,036	\$ 35,091,866	\$ 190,467,852	\$ 184,863,461

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Revenue, Expenses, and Changes in Net Position (Divisional Detail) - Enterprise Fund

	December 31, 2012				December 31, 2011	
	Sewage Disposal Systems					
	Interceptor and Treatment Facilities	District No. 3	District No. 7	Water Supply Systems	Total	Total
Operating Revenue						
Charges for sales and service:						
Sale of water	\$ -	\$ -	\$ -	\$ 23,104,124	\$ 23,104,124	\$ 21,697,903
Sewage disposal charges	22,785,153	3,201,467	721,602	-	26,708,222	26,028,846
Billing services	146,171	-	-	-	146,171	-
Water meter sales	-	-	-	46,694	46,694	64,662
Sewer and pumping station - Operation and maintenance	1,197,219	-	-	-	1,197,219	1,197,219
Other operating revenue	484,869	162,795	1,447	709,227	1,358,338	880,452
Total operating revenue	24,613,412	3,364,262	723,049	23,860,045	52,560,768	49,869,082
Operating Expenses						
Cost of water	-	-	-	11,779,406	11,779,406	12,947,738
Sludge disposal service	986,087	242,175	-	-	1,228,262	1,098,897
Cost of insurance claims and expenses	125,273	29,052	4,608	118,481	277,414	237,060
Repairs and maintenance	1,383,070	299,042	172,738	459,761	2,314,611	2,367,433
Personnel services	8,915,314	1,590,428	227,729	4,474,345	15,207,816	16,672,169
Other supplies and expenses	665,619	44,321	30,610	255,244	995,794	1,033,489
Contractual services	3,437,616	129,178	26,770	1,026,699	4,620,263	622,620
Utilities	2,196,573	389,106	145,146	510,656	3,241,481	4,288,957
Depreciation	4,258,784	717,785	22,722	1,849,811	6,849,102	6,142,303
Total operating expenses	21,968,336	3,441,087	630,323	20,474,403	46,514,149	45,410,666
Operating Income (Loss)	2,645,076	(76,825)	92,726	3,385,642	6,046,619	4,458,416
Nonoperating Revenue (Expenses)						
Community bond interest income	207,194	1,031,715	-	24,227	1,263,136	1,356,456
Community bond interest expense	(207,194)	(1,031,715)	-	(24,227)	(1,263,136)	(1,356,456)
Miscellaneous income	250,899	-	-	679,155	930,054	635,689
Miscellaneous expense	(45,582)	-	-	-	(45,582)	(158,115)
Capital interest and fee expense	(1,060,572)	(222,242)	-	(1,821,043)	(3,103,857)	(2,910,570)
Investment income	13,622	1,102	145	28,348	43,217	33,575
Total nonoperating (expense) revenue	(841,633)	(221,140)	145	(1,113,540)	(2,176,168)	(2,399,421)
Income (Loss) - Before capital contributions and operating transfers	1,803,443	(297,965)	92,871	2,272,102	3,870,451	2,058,995
Capital Contributions	218,434	289,991	-	1,111,693	1,620,118	268,228
Transfers In	41,889,990	1,759,884	1,138	1,981,121	45,632,133	37,559,040
Transfers Out	(41,835,356)	(1,751,915)	-	(1,931,040)	(45,518,311)	(37,662,791)
Increase (Decrease) in Net Position	2,076,511	(5)	94,009	3,433,876	5,604,391	2,223,472
Net Position - Beginning of year	129,866,184	22,894,260	445,027	31,657,990	184,863,461	182,639,989
Net Position - End of year	<u>\$ 131,942,695</u>	<u>\$ 22,894,255</u>	<u>\$ 539,036</u>	<u>\$ 35,091,866</u>	<u>\$ 190,467,852</u>	<u>\$ 184,863,461</u>

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Cash Flows (Divisional Detail) - Enterprise Fund

	December 31, 2012					December 31, 2011
	Sewage Disposal Systems					Total
	Interceptor and Treatment Facilities	District No. 3	District No. 7	Water Supply Systems	Total	
Cash Flows from Operating Activities						
Receipts from customers	\$ 24,357,589	\$ 3,349,295	\$ 689,402	\$ 23,682,934	\$ 52,079,220	\$ 52,060,797
Payments to suppliers and others for goods and services	(9,209,198)	(1,281,626)	(393,676)	(14,659,557)	(25,544,057)	(28,444,732)
Payments for salaries and employee benefits	(8,551,259)	(1,590,520)	(251,767)	(4,377,908)	(14,771,454)	(9,449,173)
Net cash provided by operating activities	6,597,132	477,149	43,959	4,645,469	11,763,709	14,166,892
Cash Flows from Capital and Related Financing Activities						
Purchases of capital assets	(5,813,739)	(132,755)	(5,660)	(2,770,323)	(8,722,477)	(17,461,991)
Contribution from local units for construction	-	-	-	-	-	1,219,720
County capital improvement fees	250,899	-	-	717,320	968,219	630,783
Collections of leases receivable from municipalities	581,769	3,444,824	-	4,251	4,030,844	4,014,604
Proceeds from issuance of bonded debt	3,388,570	-	-	29,999	3,418,569	24,872,946
Principal paid on bond maturities	(6,555,000)	(2,685,000)	-	(1,294,250)	(10,534,250)	(17,708,000)
Interest paid on bonds	(1,282,408)	(1,254,377)	-	(1,834,380)	(4,371,165)	(4,277,392)
Operating transfer	54,634	7,969	1,138	50,081	113,822	(103,751)
Net cash used in capital and related financing activities	(9,375,275)	(619,339)	(4,522)	(5,097,302)	(15,096,438)	(8,813,081)
Cash Flows from Investing Activities - Investment income	16,161	1,102	145	136,705	154,113	54,705
Net (Decrease) Increase in Cash and Cash Equivalents	(2,761,982)	(141,088)	39,582	(315,128)	(3,178,616)	5,408,516
Cash and Cash Equivalents - Beginning of year	6,126,928	411,083	40,523	9,396,897	15,975,431	10,566,915
Cash and Cash Equivalents - End of year	<u>\$ 3,364,946</u>	<u>\$ 269,995</u>	<u>\$ 80,105</u>	<u>\$ 9,081,769</u>	<u>\$ 12,796,815</u>	<u>\$ 15,975,431</u>
Balance Sheet Classification of Cash and Cash Equivalents						
Cash and investments	\$ 3,364,946	\$ 269,995	\$ 80,105	\$ 9,081,769	\$ 12,796,815	\$ 11,382,843
Restricted cash and cash equivalents	-	-	-	-	-	4,592,588
Total cash and cash equivalents	<u>\$ 3,364,946</u>	<u>\$ 269,995</u>	<u>\$ 80,105</u>	<u>\$ 9,081,769</u>	<u>\$ 12,796,815</u>	<u>\$ 15,975,431</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 2,645,076	\$ (76,825)	\$ 92,726	\$ 3,385,642	\$ 6,046,619	\$ 4,458,416
Depreciation	4,258,784	717,785	22,722	1,849,811	6,849,102	6,142,303
Write-off of construction in progress	2,369,806	-	-	-	2,369,806	-
Changes in assets and liabilities:						
Receivables	(398,295)	289,034	(33,269)	(315,115)	(457,645)	2,122,207
Inventories	-	-	-	(22,967)	(22,967)	(9,359)
Prepaid and other assets	(235,536)	(39,200)	(5,268)	(270,873)	(550,877)	(34,320)
Accounts payable	(2,549,230)	(109,552)	-	(215,470)	(2,874,252)	1,418,138
Due to (from) other governmental units - Units	155,998	(41,794)	(32,574)	(111,922)	(30,292)	71,318
Accrued and other liabilities	364,055	(92)	-	96,437	460,400	-
Internal balances	(13,526)	(262,207)	(378)	249,926	(26,185)	(1,811)
Net cash provided by operating activities	<u>\$ 6,597,132</u>	<u>\$ 477,149</u>	<u>\$ 43,959</u>	<u>\$ 4,645,469</u>	<u>\$ 11,763,709</u>	<u>\$ 14,166,892</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2012, the Enterprise Fund had \$1,111,693 and \$508,425 contributed to the water and sewer systems by local communities and a grant, respectively.

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Net Position - Internal Service Funds

	December 31, 2012			December 31,
	Equipment Fund	Insurance Fund	Total	2011
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,138,432	\$ 1,150	\$ 1,139,582	\$ 1,997,951
Accounts receivable	-	-	-	1,998
Prepaid expenses	-	-	-	81,689
Total current assets	1,138,432	1,150	1,139,582	2,081,638
Noncurrent assets - Capital assets - Assets subject to depreciation - Net of depreciation	2,599,926	-	2,599,926	2,847,721
Total assets	3,738,358	1,150	3,739,508	4,929,359
Liabilities - Current liabilities				
Accounts payable and accrued expenses	322	1,150	1,472	594,440
Internal balances	-	-	-	(26,185)
Total liabilities	322	1,150	1,472	568,255
Equity - Net position				
Invested in capital assets - Net of related debt	2,599,926	-	2,599,926	2,847,721
Unrestricted	1,138,110	-	1,138,110	1,513,383
Total net position	<u>\$ 3,738,036</u>	<u>\$ -</u>	<u>\$ 3,738,036</u>	<u>\$ 4,361,104</u>

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds

	December 31, 2012			December 31,
	Equipment Fund	Insurance Fund	Total	2011
	Combined	Combined		Total
Operating Revenue				
Other operating revenue	\$ -	\$ -	\$ -	\$ 152,453
Billing to Enterprise Fund	-	-	-	4,400,159
Total operating revenue	-	-	-	4,552,612
Operating Expenses				
Cost of insurance claims and expenses	-	-	-	3,767,859
Repairs and maintenance	65,905	-	65,905	-
Other supplies and expenses	-	-	-	10,628
Depreciation	461,288	-	461,288	394,212
Total operating expenses	527,193	-	527,193	4,172,699
Operating (Loss) Income	(527,193)	-	(527,193)	379,913
Nonoperating Revenue				
Miscellaneous expense	(1,756)	-	(1,756)	-
Investment income	-	-	-	1,852
Gain on sale of assets	19,703	-	19,703	-
Total nonoperating revenue	17,947	-	17,947	1,852
(Loss) Income - Before operating transfers	(509,246)	-	(509,246)	381,765
Transfers In	-	-	-	103,751
Transfers Out	(16,250)	(97,572)	(113,822)	-
(Decrease) Increase in Net Position	(525,496)	(97,572)	(623,068)	485,516
Net Position - Beginning of year	4,263,532	97,572	4,361,104	3,875,588
Net Position - End of year	<u>\$ 3,738,036</u>	<u>\$ -</u>	<u>\$ 3,738,036</u>	<u>\$ 4,361,104</u>

Genesee County Drain Commissioner Division of Water and Waste Services

Statement of Cash Flows - Internal Service Funds

	December 31, 2012			December 31,
	Equipment Fund	Insurance Fund	Total	2011 Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 26,185	\$ 1,998	\$ 28,183	\$ 4,587,106
Payments to suppliers and others for goods and services	(67,339)	(228,534)	(295,873)	(3,681,895)
Net cash (used in) provided by operating activities	(41,154)	(226,536)	(267,690)	905,211
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(476,857)	-	(476,857)	(533,625)
Operating transfer	(16,250)	(97,572)	(113,822)	103,751
Net cash used in capital and related financing activities	(493,107)	(97,572)	(590,679)	(429,874)
Cash Flows from Investing Activities - Investment income	-	-	-	1,852
Net (Decrease) Increase in Cash and Cash Equivalents	(534,261)	(324,108)	(858,369)	477,189
Cash and Cash Equivalents - Beginning of year	1,672,693	325,258	1,997,951	1,520,762
Cash and Cash Equivalents - End of year	<u>\$ 1,138,432</u>	<u>\$ 1,150</u>	<u>\$ 1,139,582</u>	<u>\$ 1,997,951</u>
Balance Sheet Classification of Cash and Cash Equivalents	<u>\$ 1,138,432</u>	<u>\$ 1,150</u>	<u>\$ 1,139,582</u>	<u>\$ -</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities				
Operating (loss) income	\$ (527,193)	\$ -	\$ (527,193)	\$ 379,913
Depreciation	461,288	-	461,288	394,212
Changes in assets and liabilities:				
Receivables	-	1,998	1,998	32,683
Other	(1,756)	-	(1,756)	-
Prepaid and other assets	-	81,689	81,689	140,471
Accounts payable, accrued expenses, and deferred revenue	322	(310,223)	(309,901)	(43,879)
Internal balances	26,185	-	26,185	1,811
Net cash (used in) provided by operating activities	<u>\$ (41,154)</u>	<u>\$ (226,536)</u>	<u>\$ (267,690)</u>	<u>\$ 905,211</u>

Genesee County Drain Commissioner Division of Water and Waste Services

Description of Issue	Principal Outstanding January 1, 2012	Issued During the Year	Retired During the Year	Principal Outstanding December 31, 2012	2013		2014	
					Principal	Interest	Principal	Interest
Interceptor and Treatment Facilities								
<u>Genesee County Drain Commissioner Bonds Payable:</u>								
Series 2003 \$9,000,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Division Western Trunk Relief project. Due serially in various amounts ranging from \$350,000 to \$2,350,000 through 2018 with interest rates from 2.00% to 4.50%	\$ 3,485,000	\$ -	\$ (440,000)	\$ 3,045,000	\$ 460,000	\$ 132,288	\$ 480,000	\$ 113,888
Series 2005A \$22,180,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Northeast Extension Sewer project. Fully drawn May 2007. Due in amounts ranging from \$950,000 to \$1,285,000 through 2026 with interest rate of 1.625%	17,280,000	-	(1,025,000)	16,255,000	1,045,000	264,144	1,060,000	247,163
Series 2005B \$15,505,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee for Division project. Fully drawn May 2007. Due in amounts ranging from \$660,000 to \$900,000 through 2026 with interest rate of 1.625%	12,090,000	-	(720,000)	11,370,000	730,000	178,831	740,000	166,888
Series 2006A \$2,815,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Division Northeast Extension Sewer project. Fully drawn October 2007. Due in amounts ranging from \$120,000 to \$165,000 through 2027 with interest rate of 1.625%	2,325,000	-	(130,000)	2,195,000	130,000	35,669	130,000	33,556
Series 2006B \$7,705,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Division Northeast Extension Sewer project. Fully drawn July 2008. Due in amounts ranging from \$330,000 to \$445,000 through 2027 with interest rate of 1.625%	6,355,000	-	(350,000)	6,005,000	355,000	97,581	365,000	91,813

Summary of Bonds Payable Year Ended December 31, 2012

2015		2016		2017		Later		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 495,000	\$ 93,488	\$ 515,000	\$ 72,450	\$ 535,000	\$ 49,275	\$ 560,000	\$ 25,200	\$ 3,045,000	\$ 486,589
1,080,000	229,938	1,095,000	212,388	1,115,000	194,594	10,860,000	901,145	16,255,000	2,049,372
755,000	154,741	765,000	142,391	780,000	129,838	7,600,000	569,075	11,370,000	1,341,764
135,000	31,444	135,000	29,250	140,000	27,056	1,525,000	139,749	2,195,000	296,724
370,000	85,881	375,000	79,869	380,000	73,775	4,160,000	380,737	6,005,000	809,656

Genesee County Drain Commissioner Division of Water and Waste Services

Description of Issue	Principal Outstanding January 1, 2012	Issued During the Year	Retired During the Year	Principal Outstanding December 31, 2012	2013		2014	
					Principal	Interest	Principal	Interest
<p>Series 2006C \$4,335,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Division Northeast Extension Sewer project. Fully drawn January 2008. Due in amounts ranging from \$185,000 to \$250,000 through 2027 with interest rate of 1.625%</p>	\$ 3,575,000	\$ -	\$ (200,000)	\$ 3,375,000	\$ 200,000	\$ 54,844	\$ 205,000	\$ 51,594
<p>Series 2007 \$10,500,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Division Northeast Extension Sewer project. Fully drawn in December 2010. Due in amounts ranging from \$450,000 to \$610,000 through 2028 with interest rate of 1.625%</p>	9,130,000	-	(470,000)	8,660,000	480,000	136,825	485,000	128,984
<p>Series 2007B \$8,000,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Division Northeast Extension Sewer project. Due serially and term in amounts ranging from \$240,000 to \$605,000 through 2028 with interest rates from 4.00% to 4.40%</p>	7,240,000	-	(280,000)	6,960,000	295,000	289,578	310,000	277,778
<p>Series 2009A \$15,000,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Division Northeast Extension Sewer project. Due serially and term in amounts ranging from \$475,000 to \$1,150,000 through 2029 with interest rates from 2.75% to 5.00%</p>	14,050,000	-	(475,000)	13,575,000	500,000	607,188	525,000	593,438
<p>Series 2010A \$14,544,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Pump Station #1, ARTP Blower Revamp, and ARTP Clarifiers. \$794,876 remaining to be drawn. Due in amounts ranging from \$569,000 to \$910,000 through 2030 with interest rate of 2.50%</p>	10,508,950	2,521,176	(585,000)	12,445,126	600,000	316,223	615,000	299,878
<p>Series 2011A \$1,445,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for ARTP Switchgears. Fully drawn in October 2012. Due in amounts ranging from \$55,000 to \$90,000 through 2031 with interest rate of 2.50%</p>	577,606	867,394	(55,000)	1,390,000	60,000	34,685	60,000	33,250
<p>Series 2011B \$4,825,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for NEES 3E. Due serially and term in amounts ranging from \$180,000 to \$405,000 through 2031 with interest rates from 3.00% to 5.00%</p>	4,825,000	-	-	4,825,000	-	201,500	-	201,500
<p>Refunding Series 2011C \$7,870,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Refunded Series 2000, \$6,000,000 ARTP Grit Removal bond and Series 2002A, \$11,000,000 ARTP Enhancement bond. Due in amounts ranging from \$1,000,000 to \$1,500,000 through 2017 with interest rates from 2.00% to 2.25%</p>	7,870,000	-	(1,450,000)	6,420,000	1,455,000	116,350	1,465,000	87,150
Total Genesee County Drain Commission bonds payable	99,311,556	3,388,570	(6,180,000)	96,520,126	6,310,000	2,465,706	6,440,000	2,326,880

Summary of Bonds Payable (Continued)
Year Ended December 31, 2012

2015		2016		2017		Later		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 205,000	\$ 48,263	\$ 210,000	\$ 44,931	\$ 215,000	\$ 41,519	\$ 2,340,000	\$ 214,500	\$ 3,375,000	\$ 455,651
495,000	121,022	500,000	112,938	510,000	104,731	6,190,000	569,482	8,660,000	1,173,982
325,000	265,378	340,000	252,378	360,000	238,778	5,330,000	1,479,235	6,960,000	2,803,125
525,000	577,688	600,000	561,281	625,000	541,031	10,800,000	3,768,282	13,575,000	6,648,908
630,000	284,503	645,000	268,753	660,000	252,628	9,295,126	1,618,911	12,445,126	3,040,896
60,000	31,750	60,000	30,250	65,000	28,750	1,085,000	214,500	1,390,000	373,185
-	201,500	180,000	198,800	185,000	193,325	4,460,000	1,550,820	4,825,000	2,547,445
1,500,000	57,500	1,000,000	32,500	1,000,000	11,250	-	-	6,420,000	304,750
6,575,000	2,183,096	6,420,000	2,038,179	6,570,000	1,886,550	64,205,126	11,431,636	96,520,126	22,332,047

Genesee County Drain Commissioner Division of Water and Waste Services

Description of Issue	Principal	Issued During the Year	Retired During the Year	Principal	2013		2014	
	Outstanding January 1, 2012			Outstanding December 31, 2012	Principal	Interest	Principal	Interest
Interceptor and Treatment Facilities								
Community-related Bonds Payable:								
Refunding Series 2005 \$2,900,000 County of Genesee Limited Tax General Obligation Bonds. Refunded Series 1999, \$3,800,000 Bonds for Mt. Morris Township Sanitary Sewer System project. Due serially in amounts ranging from \$15,000 to \$315,000 through 2019 with interest rates from 4.00% to 4.25%	\$ 2,175,000	\$ -	\$ (235,000)	\$ 1,940,000	\$ 245,000	\$ 75,433	\$ 255,000	\$ 65,183
Series 2006 \$3,665,000 County of Genesee Limited Tax General Obligation Bonds for Community Western Trunk Extension Sewer Phase II project. Due serially in amounts ranging from \$110,000 to \$285,000 through 2026 with interest rates from 4.00% to 4.35%	3,060,000	-	(140,000)	2,920,000	145,000	118,335	155,000	112,335
Total community-related bonds payable	5,235,000	-	(375,000)	4,860,000	390,000	193,768	410,000	177,518
Total interceptor and treatment facilities bonds payable	\$ 104,546,556	\$ 3,388,570	\$ (6,555,000)	\$ 101,380,126	\$ 6,700,000	\$ 2,659,474	\$ 6,850,000	\$ 2,504,398
District No. 3								
Genesee County Drain Commissioner Bonds Payable:								
Series 2007 \$6,000,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Treatment Plant Improvement project. Due serially in various amounts ranging from \$195,000 to \$470,000 through 2027 with interest rates from 4.00% to 4.50%	\$ 5,385,000	\$ -	\$ (225,000)	\$ 5,160,000	\$ 240,000	\$ 214,538	\$ 250,000	\$ 204,738
Series 2010A \$1,089,000 State Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for District #3 Digester Phase I. Fully drawn in September 2011. Due in amounts ranging from \$44,000 to \$70,000 through 2030 with interest rate of 2.50%	1,045,000	-	(45,000)	1,000,000	45,000	25,000	45,000	23,875
Total Genesee County Drain Commission bonds payable	6,430,000	-	(270,000)	6,160,000	285,000	239,538	295,000	228,613

Summary of Bonds Payable (Continued)
Year Ended December 31, 2012

2015		2016		2017		Later		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 265,000	\$ 54,523	\$ 275,000	\$ 43,453	\$ 285,000	\$ 31,901	\$ 615,000	\$ 26,382	\$ 1,940,000	\$ 296,875
<u>165,000</u>	<u>105,935</u>	<u>170,000</u>	<u>99,235</u>	<u>180,000</u>	<u>92,235</u>	<u>2,105,000</u>	<u>435,276</u>	<u>2,920,000</u>	<u>963,351</u>
<u>430,000</u>	<u>160,458</u>	<u>445,000</u>	<u>142,688</u>	<u>465,000</u>	<u>124,136</u>	<u>2,720,000</u>	<u>461,658</u>	<u>4,860,000</u>	<u>1,260,226</u>
<u>\$ 7,005,000</u>	<u>\$ 2,343,554</u>	<u>\$ 6,865,000</u>	<u>\$ 2,180,867</u>	<u>\$ 7,035,000</u>	<u>\$ 2,010,686</u>	<u>\$ 66,925,126</u>	<u>\$ 11,893,294</u>	<u>\$ 101,380,126</u>	<u>\$ 23,592,273</u>

\$ 265,000	\$ 194,438	\$ 275,000	\$ 183,638	\$ 290,000	\$ 172,338	\$ 3,840,000	\$ 918,095	\$ 5,160,000	\$ 1,887,785
<u>45,000</u>	<u>22,750</u>	<u>50,000</u>	<u>21,625</u>	<u>50,000</u>	<u>20,375</u>	<u>765,000</u>	<u>140,875</u>	<u>1,000,000</u>	<u>254,500</u>
<u>310,000</u>	<u>217,188</u>	<u>325,000</u>	<u>205,263</u>	<u>340,000</u>	<u>192,713</u>	<u>4,605,000</u>	<u>1,058,970</u>	<u>6,160,000</u>	<u>2,142,285</u>

Genesee County Drain Commissioner Division of Water and Waste Services

Description of Issue	Principal Outstanding January 1, 2012	Issued During the Year	Retired During the Year	Principal Outstanding December 31, 2012	2013		2014	
					Principal	Interest	Principal	Interest
District No. 3								
Community-related Bonds Payable:								
Series 1996 \$1,240,000 County of Genesee Limited Tax General Obligation Bonds for Fenton Township Rolston and Ripley Road Arms project. Due serially in amounts ranging from \$25,000 to \$100,000 through 2017 with interest rates from 5.00% to 7.375%	\$ 575,000	\$ -	\$ (75,000)	\$ 500,000	\$ 100,000	\$ 24,750	\$ 100,000	\$ 19,250
Refunding Series 1996A \$12,940,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Refunded Series 2005, \$6,000,000 District No. 3 Treatment Plant Improvement bond. Due serially in various amounts ranging from \$75,000 to \$1,355,000 through 2016 with interest rates from 2.50% to 5.00%	6,705,000	-	(1,350,000)	5,355,000	1,355,000	228,819	1,345,000	164,694
Series 2003 \$4,000,000 County of Genesee Limited Tax General Obligation Bonds for Fenton Township Sewage Disposal System project. Due serially in amounts ranging from \$125,000 to \$250,000 through 2024 with interest rates from 2.50% to 4.50%	2,925,000	-	(200,000)	2,725,000	200,000	109,775	200,000	102,775
Series 2004A \$8,000,000 County of Genesee Limited Tax General Obligation Bonds for Fenton Township Sewage Disposal System project. Due serially in amounts ranging from \$250,000 to \$700,000 through 2024 with interest rates from 4.00% to 5.00%	6,250,000	-	(350,000)	5,900,000	350,000	244,500	400,000	225,750
Series 2004B \$4,600,000 County of Genesee Limited Tax General Obligation Bonds for Fenton Township Sewage Disposal System project. Due serially in amounts ranging from \$100,000 to \$400,000 through 2024 with interest rates from 4.00% to 5.00%	3,950,000	-	(150,000)	3,800,000	150,000	157,250	150,000	149,750
Refunding Series 2007 \$5,615,000 County of Genesee Limited Tax General Obligation Bonds. Partially refunded Series 1998, \$7,140,000 Bonds for City of Fenton, Fenton Township, and City of Linden Sewage Disposal System project. Due serially in amounts ranging from \$20,000 to \$915,000 through 2019 with interest rate of 4.00%	4,950,000	-	(290,000)	4,660,000	355,000	179,300	440,000	163,400
Total community-related bonds payable	25,355,000	-	(2,415,000)	22,940,000	2,510,000	944,394	2,635,000	825,619
Total District No. 3 bonds payable	\$ 31,785,000	\$ -	\$ (2,685,000)	\$ 29,100,000	\$ 2,795,000	\$ 1,183,932	\$ 2,930,000	\$ 1,054,232

Summary of Bonds Payable (Continued) Year Ended December 31, 2012

2015		2016		2017		Later		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 100,000	\$ 13,750	\$ 100,000	\$ 8,250	\$ -	\$ -	\$ 100,000	\$ 2,750	\$ 500,000	\$ 68,750
1,330,000	99,500	1,325,000	33,125	-	-	-	-	5,355,000	526,138
200,000	95,775	225,000	88,525	225,000	80,088	1,675,000	297,425	2,725,000	774,363
400,000	207,750	400,000	191,750	450,000	174,750	3,900,000	650,125	5,900,000	1,694,625
200,000	142,000	300,000	132,000	300,000	120,000	2,700,000	421,000	3,800,000	1,122,000
540,000	143,800	595,000	121,100	910,000	91,000	1,820,000	72,600	4,660,000	771,200
2,770,000	702,575	2,945,000	574,750	1,885,000	465,838	10,195,000	1,443,900	22,940,000	4,957,076
<u>\$ 3,080,000</u>	<u>\$ 919,763</u>	<u>\$ 3,270,000</u>	<u>\$ 780,013</u>	<u>\$ 2,225,000</u>	<u>\$ 658,551</u>	<u>\$ 14,800,000</u>	<u>\$ 2,502,870</u>	<u>\$ 29,100,000</u>	<u>\$ 7,099,361</u>

Genesee County Drain Commissioner Division of Water and Waste Services

Description of Issue	Principal Outstanding January 1, 2012	Issued During the Year	Retired During the Year	Principal Outstanding December 31, 2012	2013		2014	
					Principal	Interest	Principal	Interest
Water Supply Systems								
Genesee County Drain Commissioner Bonds Payable:								
Series 2003 \$9,000,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Water Tower project. Due serially in various amounts ranging from \$455,000 to \$775,000 through 2018 with interest rates from 2.50% to 4.375%	\$ 4,835,000	\$ -	\$ (615,000)	\$ 4,220,000	\$ 635,000	\$ 163,361	\$ 660,000	\$ 137,461
Series 2003B \$18,000,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for North Water Loop III project. Due serially and term in various amounts ranging from \$175,000 to \$10,085,000 through 2033 with interest rates from 4.00% to 5.125%	16,290,000	-	(270,000)	16,020,000	290,000	783,763	310,000	772,163
Series 2004 \$14,960,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for North Water Loop III project. Due serially in various amounts ranging from \$200,000 to \$1,000,000 through 2030 with interest rates from 3.00% to 5.00%	13,720,000	-	(225,000)	13,495,000	235,000	614,338	240,000	606,700
Series 2007 \$6,000,000 Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for North Water Loop III project. Due serially and term in various amounts ranging from \$150,000 to \$450,000 through 2033 with interest rates from 4.00% to 4.40%	5,400,000	-	(150,000)	5,250,000	150,000	227,478	150,000	221,328
Total Genesee County Drain Commission bonds payable	40,245,000	-	(1,260,000)	38,985,000	1,310,000	1,788,940	1,360,000	1,737,652
Community-related Bonds Payable:								
Series 2011 \$933,515 Drinking Water Revolving Fund Program Revenue Bonds backed by the full faith and credit of the County of Genesee. Bond proceeds used for Fenton Road Watermain - Bristol to Maple. Fully drawn in July 2012. Due in amounts ranging from \$34,250 to \$59,265 through 2031 with interest rate of 2.50%	903,516	29,999	(34,250)	899,265	40,000	21,987	40,000	20,982
Total water supply systems bonds payable	\$ 41,148,516	\$ 29,999	\$ (1,294,250)	\$ 39,884,265	\$ 1,350,000	\$ 1,810,927	\$ 1,400,000	\$ 1,758,634
Total Genesee County Drain Commission bonds payable	\$ 145,986,556	\$ 3,388,570	\$ (7,710,000)	\$ 141,665,126	\$ 7,905,000	\$ 4,494,184	\$ 8,095,000	\$ 4,293,145
Total community-related bonds payable	31,493,516	29,999	(2,824,250)	28,699,265	2,940,000	1,160,149	3,085,000	1,024,119
Total - All bonds payable	\$ 177,480,072	\$ 3,418,569	\$ (10,534,250)	\$ 170,364,391	\$ 10,845,000	\$ 5,654,333	\$ 11,180,000	\$ 5,317,264

Summary of Bonds Payable (Continued) Year Ended December 31, 2012

2015		2016		2017		Later		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 690,000	\$ 110,116	\$ 715,000	\$ 80,956	\$ 745,000	\$ 49,924	\$ 775,000	\$ 16,953	\$ 4,220,000	\$ 558,771
325,000	759,763	345,000	746,763	365,000	732,963	14,385,000	6,964,662	16,020,000	10,760,077
240,000	598,300	250,000	588,700	260,000	578,700	12,270,000	4,348,300	13,495,000	7,335,038
160,000	214,953	160,000	208,153	160,000	201,353	4,470,000	1,994,696	5,250,000	3,067,961
1,415,000	1,683,132	1,470,000	1,624,572	1,530,000	1,562,940	31,900,000	13,324,611	38,985,000	21,721,847
40,000	19,982	40,000	18,982	40,000	17,982	699,265	128,378	899,265	228,293
<u>\$ 1,455,000</u>	<u>\$ 1,703,114</u>	<u>\$ 1,510,000</u>	<u>\$ 1,643,554</u>	<u>\$ 1,570,000</u>	<u>\$ 1,580,922</u>	<u>\$ 32,599,265</u>	<u>\$ 13,452,989</u>	<u>\$ 39,884,265</u>	<u>\$ 21,950,140</u>
\$ 8,300,000	\$ 4,083,416	\$ 8,215,000	\$ 3,868,014	\$ 8,440,000	\$ 3,642,203	\$ 100,710,126	\$ 25,815,217	\$ 141,665,126	\$ 46,196,179
3,240,000	883,015	3,430,000	736,420	2,390,000	607,956	13,614,265	2,033,936	28,699,265	6,445,594
<u>\$ 11,540,000</u>	<u>\$ 4,966,431</u>	<u>\$ 11,645,000</u>	<u>\$ 4,604,434</u>	<u>\$ 10,830,000</u>	<u>\$ 4,250,159</u>	<u>\$ 114,324,391</u>	<u>\$ 27,849,153</u>	<u>\$ 170,364,391</u>	<u>\$ 52,641,773</u>

You are cordially invited to attend the Swartz Creek Schools Performing Arts Center



Ribbon Cutting Ceremony

*Thursday, September 5, 2013 at 4:00 PM
Swartz Creek Schools Performing Arts Center
One Dragon Drive
Swartz Creek, MI 48473*

Performances by the Madrigals Choir and the Marching Band. Speakers will include Board of Education President Brian Mitchell, Superintendent Jeff Hall and a representative from SKW group, the architect company overseeing the project. Light refreshments will also be served.

Paul Bueche

From: gcsv@mail-list.com on behalf of City of Clio (clioexec at yahoo.com)
<gcsv@listserv.mml.org>
Sent: Thursday, August 22, 2013 9:02 AM
To: gcsv@listserv.mml.org
Subject: September meeting

This message was sent by City of Clio clioexec@yahoo.com

The Wednesday, September 4th Small Cities/Villages meeting is being hosted by the City of Burton.

The meeting will be held at Tia Helita's Mexican Cuisine, 4070 S Saginaw, Burton 48529.

The speaker will be Ken Koleda from Genesee County, he will be speaking on the pictometry & orthoimagery project.

No RSVP is needed. We will be ordering off the menu.

Tracy Myers
City of Clio
505 W Vienna St
Clio, MI 48420
(810) 686-5850, ext 201

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