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September 3, 2014

A working session of the Municipal Service Commission of the City of Wyandotte, Michigan, was held at the office of the Commission on Wednesday, September 3, 2014 at 4:00 P.M.

ROLL CALL: Present: Commissioner -Michael Sadowski
Leslie G. Lupo
Gerald P. Cole
Robert K. Alderman
Bryan Hughes

General Manager
& Secretary -Rod Lesko

Also Present -William Weirich
Paul LaManes
Charlene Hudson
Cable TV Volunteer

WATER BUDGET

Paul LaManes, Assistant General Manager, giving overview on proposed Fiscal 2015 Water Budget.

REVENUE

The last rate increase was effective 01/01/2014 and is included in the FY15 budget for a full fiscal year. No rate increase forecasted in budget for FY 2015.

Known new construction accounts for the increase in Tap installation revenue.

STAFFING AND COMPENSATION:

Wages are budgeted at a consistent increase for all non-represented positions.

Budgeted wage increases do no guarantee actual wage increases for Non-represented employees, actual raises will be based on merit and Performance reviews.

Wage increases for represented employees are effective 01/01/2015 at the collectively bargained 2.25% increase.

Notable changes in staffing:

- 023- Superintendents Office - The Assistant Superintendent Position has been reinstated into the budget as a full time position effective for FY2015.
- 008- Meter Readers-Shared staffing with Electric has been reduced from five (5) positions to three (3) resulting in a decrease in the requested budget.
- 025- I/T Department - Allocation of one (1) position has been increased to 25% Water. This position is no longer allocated to Cable.
- 026- Customer Assistance - Requested Budget increase reflects the transfer of Cable Converter Room Responsibilities to Customer Assistance with the corresponding allocation of 10% to Water.

BENEFITS

Healthcare/Medical reflect the impact of successful collective bargaining concluded in December 2013 for plans with lower premiums, 20% employee cost share and a greater incentive for opting out for represented employees, now identical to the plans, cost share and opt outs offered to non-represented employees. For all departments the employer contributions expressed as a Percent of annual pay for pension contributions, historically are a follows:

Beginning 10/01/2014 - 31.72% Beginning 10/01/2012 - 26.85%
Beginning 01/01/2013 - 28.98% Beginning 10/01/2011 - 20.91%

OTHER EXPENDITURES:

Standard allocation of shared expenses across Funds remains as follows:

Electric - 60%
Water - 10%
Cable - 30%

001 Fuels, Chemicals and Commodities - Requested budgets for Chemicals continue to be higher than actual activity due to the necessity of planning for any unexpected issues with the water supply.

031 Administration requested overall budget increase reflects rent expense for possible move to the 4th Floor of 3200 Biddle for final consolidation of all operations from 3005 Biddle.

033 Property, liability and other insurance costs- budget based on actual rates supplied by the provider.

040 Retirees for budget and reporting purposes Retiree costs have now been isolated into their own department.

FUND BALANCE APPROPRIATION-FILTER PLANT PROJECT:

A Multi Year Filtration System rehabilitation project for all 12 filters at the Water Filter Plant will commence during Fiscal 2015. The Water Department will utilize an estimated \$723,056 of its Unrestricted Fund Balance. (i.e. "Rainy Day Fund") for purposes of this project.

BONDS

Notice of Intent to Issue Bonds and Right of Referendum for Electric revenue Bonds for Improvement for the Electric Utility System.

Paul LaManes, Assistant General Manager, giving overview of Notice of Intent to Issue Bonds.

We need to publish notice of Intent for 45 days in the News Herald, we plan on doing this by September 14, 2014. After we publish in the News Herald the referendum will expire on October 29, 2014.

We will be taking a short term loan (BAN) which will be issued November 2014 @ a rate of 1 1/2%. We will pay back short term loan when bonds are issued in April of 2015.

In 2017 the old bonds will drop off and we will be replacing with principal payments on new debt beginning at that point. Bonds are interest only until that point.

Charlene Hudson, giving overview on updates for Power Plant and Electric Distribution.

Sub Station 6 and Substation 8 replacing breakers.

Rebuild of Turbine #5.

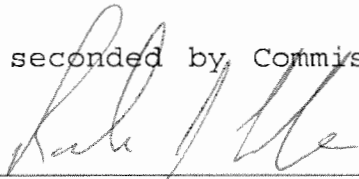
Update fencing and Security.

69 kV/120kV lines

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MOTION by Commissioner Sadowski and seconded by Commissioner Lupo
to adjourn. 4:50 p.m.



Rod Lesko, Secretary