The City Utilities Budget

2006

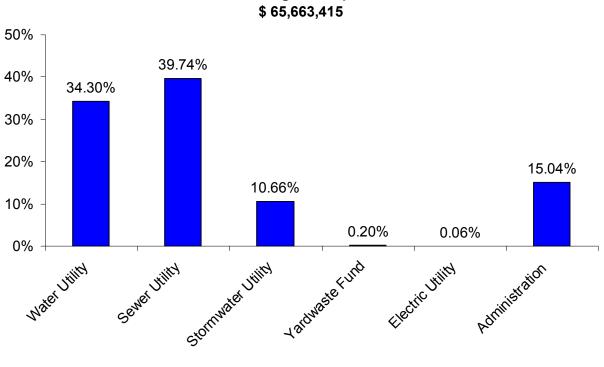


The City Utilities Budget Process

The City Utilities operation and maintenance budget process begins in July with individual departments preparing draft budgets for the next calendar year. Utility Administration works with the various departments to develop assumptions, service indicators, and objectives. The accounting department prepares revenue and cash flow projections. The budgets and projections are subject to review and modification by Utility Administration. Capital Improvement committees prepare priority lists of revenue capital items, which are subject to review and modification. Revenue capital items included in the budget are dependent on the available cash after consideration of budgeted operation and maintenance expenses.

With the Mayor's approval, the budget is presented to the Board of Public Works and the Board of Stormwater Management for final approval.

Regardless of the amount, departments are required to submit all budget adjustments to Utility Administration for approval. Plan changes that materially impact the budget are presented to the Boards for approval.



City of Fort Wayne Utilities 2006 Budgeted Expense \$ 65,663,415

City of Fort Wayne Budget in Brief 2006 The City Utilities Budget Page 3 City of Fort Wayne - City Utilities Expense Budget 2005 - 2006

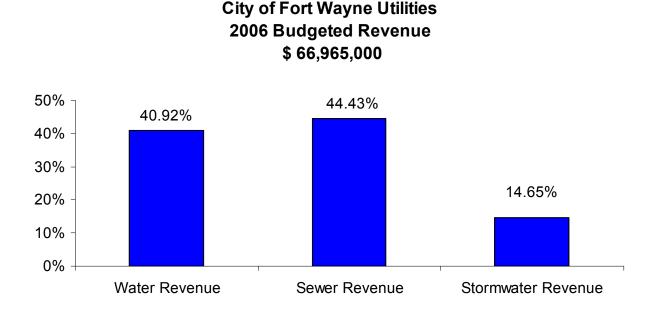
Water Utility S 341,312 \$ 208,000 -39.1% Filtration Plant 5,755,467 5,647 6,642,000 15.4% Maintenance 5,155,091 5,447,000 5,7% 6,642,000 -3.5% Capital 4,516,750 8,335,000 -3.5% 6,335,000 -3.5% Capital 4,516,750 22,520,000 27.1% Sewer Utility Engineering 891,900 492,000 44.8% Treatment Plant 5,993,069 5,666,000 -7.1% Maintenance 2,671,423 3,882,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 -5.5% Stormwater Utility 84,758 120,000 -3.1% General & Administration 106,650 133,000 24.7% General & Administration 106,650 133,000 24.7% General & Administration		 2005 Approved Budget	 2006 Approved Budget	% Change
Filtration Plant 5,755,467 6,642,000 15,4% Maintenance 5,155,091 5,447,000 5,7% General & Administration 1,955,950 1,888,000 -3,5% Capital 4,516,750 8,335,000 84,5% Water Direct Expense Total 17,724,570 22,520,000 27,1% Sewer Utility Engineering 891,900 492,000 -44.8% Treatment Plant 5,993,069 5,566,000 -7,1% Maintenance 2,571,423 3,582,000 39,3% General & Administration 3,245,163 2,617,000 -19,4% Capital 11,812,027 13,839,000 17,2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Engineering 184,758 120,000 -35,1% Maintenance 3,207,558 3,108,000 -3,1% Maintenance 3,097,000 3,638,000 17,5% Stormwater Direct Expense Total 6,595,966 6,999,000 6,1% Yardwaste Fund 132,780 132,479 -0.2% Electr	Water Utility			
Maintenance 5,155,091 5,447,000 5.7% General & Administration 1,955,950 1,888,000 -3.5% Capital 4.517,724,570 22,520,000 27.1% Sewer Utility 17,724,570 22,520,000 27.1% Sewer Utility 891,900 492,000 44.8% Treatment Plant 5,993,069 5,566,000 -7.1% Maintenance 2,571,423 3,582,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Stormwater Utility 8 120,000 -3.5% Engineering 184,758 120,000 -3.5% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% <th>Engineering</th> <th>\$ 341,312</th> <th>\$ 208,000</th> <th>-39.1%</th>	Engineering	\$ 341,312	\$ 208,000	-39.1%
General & Administration 1,955,950 1,888,000 -3.5% Capital Water Direct Expense Total 17,724,570 22,520,000 27.1% Sewer Utility Engineering 891,900 492,000 -44.8% Treatment Plant 5,993,069 5,566,000 -7,1% Maintenance 2,257,1423 3,582,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Stormwater Utility Engineering 184,758 120,000 -3.5% General & Administration 106,650 133,000 24.7% General & Administration 106,650 133,000 24.7% General & Administration 106,650 133,000 24.7% Gata 3,097,000 3,638,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense 1,828,979 1,782,314 -2.6%	Filtration Plant	5,755,467	6,642,000	15.4%
Capital 4,516,750 8,335,000 84.5% Water Direct Expense Total 17,724,570 22,520,000 27.1% Sewer Utility Engineering 891,900 492,000 -44.8% Treatment Plant 5,993,069 5,566,000 -7.1% Maintenance 2,571,423 3,582,000 39.3% General & Administration 3,245,163 2,660,000 6.5% Stormwater Utility Engineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% Maintenance 3,097,000 3,638,000 17.5% Capital 3,097,000 3,638,000 -3.1% Maintenance 3,097,000 3,638,000 -5.1% Maintenance 3,097,000 3,638,000 -5.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration 1,828	Maintenance	5,155,091	5,447,000	5.7%
Water Direct Expense Total 17,724,570 22,520,000 27.1% Sewer Utility Engineering Treatment Plant Maintenance 891,900 492,000 -44.8% General & Administration 2,571,423 3,582,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Engineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense 2,819,994 1,782,314 -2.6% General Accounting 392,883 441,186 12.3%	General & Administration	1,955,950	1,888,000	-3.5%
Sewer Utility Bigineering 891,900 492,000 44.8% Treatment Plant 5,993,069 5,566,000 -7.1% Maintenance 2,571,423 3,582,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Bigineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - - Customer Relations 1,828,979 1,782,314 -2.6% Meter Reading	Capital	4,516,750	8,335,000	84.5%
Engineering 891,900 492,000 -44.8% Treatment Plant 5,993,069 5,566,000 -7.1% Maintenance 2,571,423 3,582,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Engineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - - Quatomer Relations 1,828,979 - - - Data Control 508,832	Water Direct Expense Total	17,724,570	 22,520,000	27.1%
Engineering 891,900 492,000 -44.8% Treatment Plant 5,993,069 5,566,000 -7.1% Maintenance 2,571,423 3,582,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Engineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - - Quatomer Relations 1,828,979 - - - Data Control 508,832	Sewer Utility			
Maintenance 2,571,423 3,582,000 39.3% General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Engineering 184,758 120,000 -31.% Maintenance 3,207,558 3,108,000 -31.% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense Customer Relations 1,828,979 1,782,314 -2.6% Meter Reading 428,298 -100.0% 2.6% 3.99,383 341,186 12.3% Utility Administration 1855,110 1,086,788 27.1% 58 General Accounting 392,883 441,186 12.3% General Accounting 392,883	-	891,900	492,000	-44.8%
General & Administration 3,245,163 2,617,000 -19.4% Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility 26,096,000 6.5% Stormwater Utility 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense				-7.1%
Capital 11,812,027 13,839,000 17.2% Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Engineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense	Maintenance	2,571,423	3,582,000	39.3%
Sewer Direct Expense Total 24,513,582 26,096,000 6.5% Stormwater Utility Engineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - -100.0% Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Utility Administration 855,110 1,983,250 14.1% Customer Billings 370,000 385,000 4.1% Customer Billings 370,000 385,000 4.1% Customer Billings 370,000 385,000	General & Administration	3,245,163	2,617,000	-19.4%
Stormwater Utility 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense	Capital	11,812,027	13,839,000	17.2%
Engineering 184,758 120,000 -35.1% Maintenance 3,207,558 3,108,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - - Customer Relations 1,828,979 1,782,314 -2.6% Meter Reading 428,298 - -100.0% Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Engineering 2,819,994 3,693,984 31.0% Customer Billings 370,000 385,000 4.1% Other 10,100 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114<	Sewer Direct Expense Total	 24,513,582	 26,096,000	6.5%
Maintenance 3,207,558 3,109,000 -3.1% General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - -0.0% Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Customer Billings 370,000 385,000 4.1% Customer Billings 370,000 385,000 4.1% Other 10,100 10,100 10,0% 0.0%	Stormwater Utility			
General & Administration 106,650 133,000 24.7% Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - - Customer Relations 1,828,979 1,782,314 -2.6% Meter Reading 428,298 - - - - Data Control 508,832 495,492 -2.6% -<	-	184,758	120,000	-35.1%
Capital 3,097,000 3,638,000 17.5% Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense	Maintenance	3,207,558	3,108,000	-3.1%
Stormwater Direct Expense Total 6,595,966 6,999,000 6.1% Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - - Customer Relations 1,828,979 1,782,314 -2.6% Meter Reading 428,298 - -100.0% Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Engineering 2,819,994 3,693,984 31.0% Customer Billings 370,000 385,000 4.1% Other 10,100 10,100 10,00% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%	General & Administration	106,650	133,000	24.7%
Yardwaste Fund 132,780 132,479 -0.2% Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense - - - Customer Relations 1,828,979 1,782,314 -2.6% Meter Reading 428,298 - -100.0% Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Engineering 2,819,994 3,693,984 31.0% Customer Billings 370,000 385,000 4.1% Other 10,100 1,983,250 14.1% Other 10,100 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%	Capital	3,097,000	3,638,000	17.5%
Electric Utility 38,983 37,822 -3.0% Utility Administration Indirect Expense	Stormwater Direct Expense Total	 6,595,966	 6,999,000	6.1%
Utility Administration Indirect Expense Customer Relations 1,828,979 1,782,314 -2.6% Meter Reading 428,298 100.0% Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Engineering 2,819,994 3,693,984 31.0% Customer Billings 370,000 385,000 4.1% City Services 1,738,100 1,983,250 14.1% Other 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%	Yardwaste Fund	132,780	132,479	-0.2%
Customer Relations1,828,9791,782,314-2.6%Meter Reading428,298100.0%Data Control508,832495,492-2.6%General Accounting392,883441,18612.3%Utility Administration855,1101,086,78827.1%Engineering2,819,9943,693,98431.0%Customer Billings370,000385,0004.1%City Services1,738,1001,983,25014.1%Other10,10010,1000.0%Utility Administration Indirect Expense Total8,952,2969,878,11410.3%	Electric Utility	38,983	37,822	-3.0%
Meter Reading 428,298 - -100.0% Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Engineering 2,819,994 3,693,984 31.0% Customer Billings 370,000 385,000 4.1% City Services 1,738,100 1,983,250 14.1% Other 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%	Utility Administration Indirect Expense			
Data Control 508,832 495,492 -2.6% General Accounting 392,883 441,186 12.3% Utility Administration 855,110 1,086,788 27.1% Engineering 2,819,994 3,693,984 31.0% Customer Billings 370,000 385,000 4.1% City Services 1,738,100 1,983,250 14.1% Other 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%	Customer Relations	1,828,979	1,782,314	
General Accounting392,883441,18612.3%Utility Administration855,1101,086,78827.1%Engineering2,819,9943,693,98431.0%Customer Billings370,000385,0004.1%City Services1,738,1001,983,25014.1%Other10,10010,1000.0%Utility Administration Indirect Expense Total8,952,2969,878,114			-	
Utility Administration 855,110 1,086,788 27.1% Engineering 2,819,994 3,693,984 31.0% Customer Billings 370,000 385,000 4.1% City Services 1,738,100 1,983,250 14.1% Other 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%				
Engineering2,819,9943,693,98431.0%Customer Billings370,000385,0004.1%City Services1,738,1001,983,25014.1%Other10,10010,1000.0%Utility Administration Indirect Expense Total8,952,2969,878,11410.3%	•			
Customer Billings 370,000 385,000 4.1% City Services 1,738,100 1,983,250 14.1% Other 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%	-			
City Services 1,738,100 1,983,250 14.1% Other 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%				
Other 10,100 10,100 0.0% Utility Administration Indirect Expense Total 8,952,296 9,878,114 10.3%				
Utility Administration Indirect Expense Total8,952,2969,878,11410.3%	-			
Total Budgeted Expense \$ 57,958,177 \$ 65,663,415 13.3%	Utility Administration Indirect Expense Total	 8,952,296	 9,878,114	10.3%
	Total Budgeted Expense	\$ 57,958,177	\$ 65,663,415	13.3%

Utility Revenue

The water user rates are based on the quantity of water used plus a charge based on the meter size. Inside-the-city customers pay a lower water usage rate and a lower water meter service charge than outside-the-city customers. Wholesale users are billed for services in accordance with a contract or agreement. The rates and charges set forth in the agreement are intended to cover the City's cost of treating and supplying water as well as a portion of the operation, maintenance and capital cost of the Water Utility.

The sewer user rates are based on the quantity of water used plus a billing charge. Insidethe-city customers pay a lower rate than outside-the-city customers. The City also imposes an additional charge on users whose sewage waste exceeds the "stronger than normal domestic strength" sewage waste limits, based on the applicable levels of discharges. Wholesale users are billed for services in accordance with a contract agreement. The rates and charges set forth in the agreement are intended to cover the City's cost of treating and disposing of the applicable waste as well as a portion of the operation, maintenance, and capital costs of the Treatment Plant.

The storm water user rates are based on ERUs (Equivalent Residential Units) of impervic surface and apply to properties located within the City. An ERU is equal to the avera amount of impervious area of a single-family residential property, and is established at 2,5 square feet. Impervious areas are those that have been paved, and/or covered with buildin so the infiltration of water into the soil is prevented. Properties exempt from property taxat are granted a 15% discount off their gross ERU's.



City of Fort Wayne - City Utilities Revenues by Source 2005-2006

	2005 Approved Budget		 2006 Approved Budget	% Change
Water Revenue Customer Revenue Private Fire Public Fire Interest Income Miscellaneous Income	\$	21,400,000 650,000 2,100,000 100,000 100,000	\$ 24,010,000 731,000 2,363,000 300,000	12.2% 12.5% 12.5% 200.0% -100.0%
Water Revenue Total		24,350,000	27,404,000	12.5%
Sewer Revenue Customer Revenue Industrial Bulk & Contract Interest Income Miscellaneous Income		25,600,000 1,000,000 2,400,000 300,000 100,000	25,450,000 1,550,000 2,350,000 300,000 100,000	-0.6% 55.0% -2.1% 0.0% 0.0%
Sewer Revenue Total		29,400,000	29,750,000	1.2%
Stormwater Revenue Customer Revenue Interest Income Miscellaneous Income Stormwater Revenue Total		5,376,000 50,000 15,000 5,441,000	 9,446,000 350,000 15,000 9,811,000	75.7% 600.0% 0.0% 80.3%
Total Revenue	\$	59,191,000	\$ 66,965,000	13.1%

City of Fort Wayne - City Utilities Cash Flow Projections 2006

	Water Utility	Sewer Utility	Stormwater Utility	
Operating Cash				
Estimated Cash Balance 1/1/2006	\$ 2,019,000	\$ 10,672,000	\$ 996,000	
Current Year Budget:				
Revenue	27,104,000	29,350,000	9,446,000	
Other Cash	1,000,000	2,500,000	-	
Direct Operating & Maintenance Expenses	(14,185,000)	(12,257,000)	(3,361,000)	
Allocated Expenses - Administration	(4,095,000)	(4,320,000)	(974,000)	
Capital from Revenue	(8,335,000)	(13,839,000)	(3,638,000)	
Debt Service Principal	(3,018,000)	(9,902,000)	(525,000)	
	(1,529,000)	(8,468,000)	948,000	
Estimated Cash Balance 12/31/2006	\$ 490,000	\$ 2,204,000	\$ 1,944,000	