



**Bendzinski & Co.**  
MUNICIPAL FINANCE ADVISORS  
A MICHIGAN FIRM, WORKING FOR MICHIGAN.



# **CITY OF GROSSE POINTE PARK**

**Water and Sewer Rate Study Report**

**July 16, 2025**

**2025**

July 16, 2025

City of Grosse Pointe Park  
15115 East Jefferson Avenue  
Grosse Pointe Park, MI 48230

**Subject: City of Grosse Pointe Park (Michigan) Water and Sewer Fund – Rate Study**

Dear City of Grosse Pointe Park:

It has been a pleasure working with you on this analysis of your Water and Sewer Fund. A rate study is not a historical document, but rather it should be used as living reference for current and future budgeting and decision-making. Bendzinski & Co. is available to discuss the study at any point in the future.

This study is performed on the “cash basis” of ratemaking, as described in the American Water Works Association (“AWWA”) M1 Manual of Rate Making Practices. It is also performed with Michigan standards and case laws (specifically Bolt v. Lansing) in mind. The rates and charges must reflect the customer base being served, and much be “regulatory in nature” and not “revenue generating”. As such, the rate study found in these pages is unique to your community. The goal of every rate study we perform is to develop a rate structure and revenues that meet the needs of operations, maintenance, and capital improvements of the system, while also being economical and equitable to the customers.

By acceptance of this study, the City Council understands and accepts the responsibility and liability for potential challenges to the rate structure and management of the funds. Rate studies, while often based on various methods, industry guidelines and case laws, do not follow a clear Michigan law. In addition, state law and case laws do not provide any comprehensive guidance regarding methodologies, required rate structures or management of fund balance requirements. Bendzinski & Co. is relying on City officials, and other sources, who have access to relevant data to provide accurate information. The City accepts that fund management and rate adjustment recommendations are inherently subject to estimations and projections and, as such, no assurance is provided regarding the actual performance of the funds over time. The City is advised to seek legal counsel regarding the implementation of any recommendations as to the required legal processes, resolutions and/or ordinances needed.

Thank you very much for the opportunity to help with this endeavor. Do not hesitate to reach out if you would like to further discuss the analysis or findings.

Sincerely,



Andy Campbell, CPA  
Registered Municipal Advisor

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## ***Executive Summary***

### **1.1 Community Background**

The City of Grosse Pointe Park (the “City”) is located in Wayne County, Michigan. It is 2.17 square miles and has a population of approximately 11,158 (2024 Census).

The City purchases wholesale water from Great Lakes Water Authority (GLWA) which is then provided to residents through the City’s water distribution system. Sanitary sewage is collected in the City’s collection system and forwarded to GLWS’s Water Resource Recovery Facility for treatment. (Source: City)

### **1.2 Discussion and Analysis**

#### Operating & Maintenance Expenses

The City is not insulated from the inflationary pressures happening. GLWA rates, healthcare, wages, various supplies and materials, and utility costs have risen significantly in the past few years. These increases to the budget are also part of the reason for the user rate increases.

#### User Growth

The City is not currently estimating significant future growth in the customer base on the water and sewer system.

#### Current Debt Payments

The Water and Sewer Fund currently does not have any debt outstanding.

#### Capital Improvements

The City of Grosse Pointe Park capital improvement plan is split between water and sewer. Through fiscal year 2030/31, the City is anticipating \$19,753,654 of water capital improvements and \$25,385,831 of sewer maintenance capital improvements. Currently, it is estimated that these improvements will be funded with the use of cash and debt issuance.

#### User Rates

To better address needed user rate increases, make the user rates simpler for ratepayers and administration and continue to fairly charge all ratepayers, the City is changing the rate structure for both water and sewer to a ready-to-serve fixed rate based on water meter size plus commodity charge variable rate based on usage. This rate structure change, along with associated increase to the bills overall for customers will effectively charge all customers for increasing operations, maintenance, capital improvements and upcoming expected debt payments.

## ***Information and Assumptions***

A significant effort has been made by the City to gather needed background information related to current revenues and expenses, as well as helping with our forecast of future revenues and expenses. Also, the community has put significant effort in developing a capital improvement plan to maintain and improve the system. The rate study is a four-step process: 1) historical comparison with audits and budgets, 2) test year, or normalized budget year, along with inflation assumptions for purposes of forecasting, 3) proof of rate to revenue for reliance on customer data, and 4) cash flow forecast including revenues, operating expenses, capital improvements (cash and debt funded), and cash reserves. The analysis is a “cash basis” approach as described in the AWWA M1 Manual of Rate Making Practices.

### Key Information Provided

- Audited comprehensive annual financial statements for FYE 2022, FYE 2023, and FYE 2024.
- Actual Revenue and Expenditure Report for FYE 2023 and FYE 2024, provided by the City.
- Budgeted Revenue and Expenditure Report for FYE 2025, provided by the City.
- Water and Sewer Fund cash balance as of June 30, 2024, provided by the City.
- Capital Improvement Plan (CIP), provided by the City.

### Key Assumptions

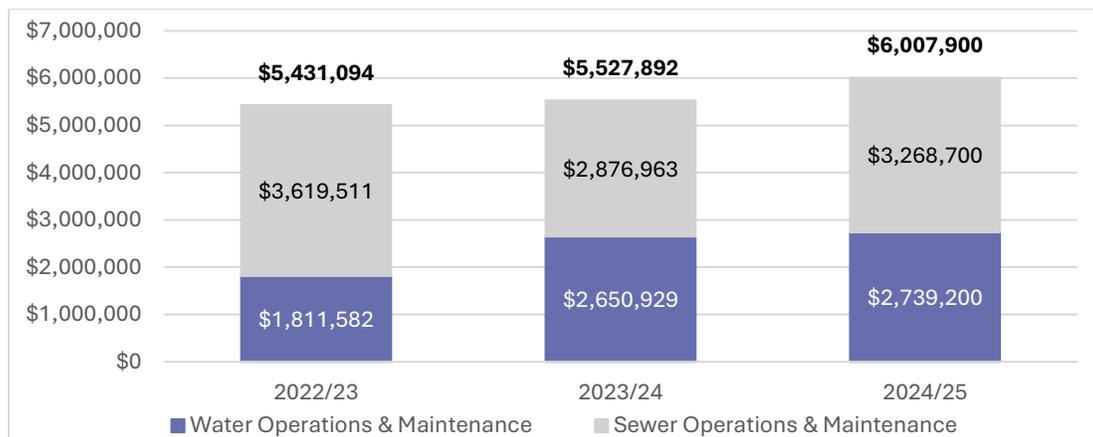
- User rates should not only cover operating expenses, but also support future system maintenance and capital improvements (both cash and debt funded).
- The City will follow AWWA guidelines.
- The budgeted amount for other revenue in FYE 2025 will be consistent in future years.
- The City will conduct all capital improvement projects forecasted by the City.
- A current conservative market rate is used for calculating proposed bond debt service.
- No new major customers will be connecting to the system.
- The City is not anticipating significant population growth, although some new customers are expected.

# Operations & Maintenance Expenses

## 2.1 Historical Operations & Maintenance (“O&M”) Expenses

Historical O&M expenses are reviewed to identify trends and any outlier expenses. The City’s water and sewer O&M budget has increased over the years due to GLWA rate increases along with one-time expenses and capital projects. It is forecasted that the water and sewer O&M expenses will continue to increase annually due to typical inflationary pressures. For a detailed breakdown of the water and sewer O&M expenses, please refer to Appendix A.

TABLE 2-1: EXPENSE HISTORY & CURRENT BUDGET



## 2.2 Test Year

A test year is a normalized year used as a baseline for forecasting future operations and maintenance expenses. Historical actuals are reviewed to identify trends, outliers, or one-time expenses. Concerns about specific line-item expenses are discussed with City officials to establish what these costs would typically be in a normal year. Adjustments are then made to these line items to better reflect a normalized year, which is used as the basis for forecasting future years.

## 2.3 Inflation Assumptions

After establishing the test year, it is important to recognize that the test year is only a normalized year, and those normalized expense assumptions will change over time. The subsequent step involves adjusting the test year expenses to account for annual inflation. Given that expenses are unlikely to remain constant over the forecast period, this adjustment reflects anticipated cost increases over time. The table below outlines the inflationary assumptions applied in the report.

TABLE 2-3: INFLATION ASSUMPTIONS

Category	Inflation Assumption
Wages and Benefits	4.0%
Supplies	3.0%
GLWA Sewer Charges	5.0%
GLWA Water Charges	6.0%
Utilities	5.0%

## Capital Improvement Plan

### 3.1 Capital Improvement Plan (CIP)

Capital improvements are larger, one-time expenses that are separate from ongoing operations and maintenance expenses. It is beneficial to plan for these potential costs in advance and develop a detailed capital improvement plan.

For water, the City is considering cash-funding \$13,338,154 and debt-funding \$6,415,500 of capital improvements, which results in a potential total of \$19,753,654 for water capital improvements.

For sewer, the City is considering cash-funding \$2,789,001 and debt-funding \$22,596,830 of capital improvements, which results in a potential total of \$25,385,831 for sewer capital improvements.

The City's projected capital improvement costs account for inflation and contingency factors. The City provided a capital improvement plan up to fiscal year end 2030/31. Below are the lists of estimated cash-funded and debt-funded capital improvement costs identified by year for the City. Appendix B provides a detailed breakdown of the capital improvement plans for both water and sewer.

TABLE 3-1A: WATER CAPITAL IMPROVEMENT PLAN SUMMARY

Year	Cash-Funded Capital Improvements	Debt-Funded Capital Improvements	Total
2024/25	\$1,445,000	-	\$1,445,000
2025/26	1,706,250	\$1,785,000	3,491,250
2026/27	2,260,125	-	2,260,125
2027/28	549,872	4,630,500	5,180,372
2028/29	638,141	-	638,141
2029/30	3,254,518	-	3,254,518
2030/31	3,484,249	-	3,484,249
<b>Total</b>	<b>\$13,338,154</b>	<b>\$6,415,500</b>	<b>\$19,753,654</b>

TABLE 3-1B: SEWER CAPITAL IMPROVEMENT PLAN SUMMARY

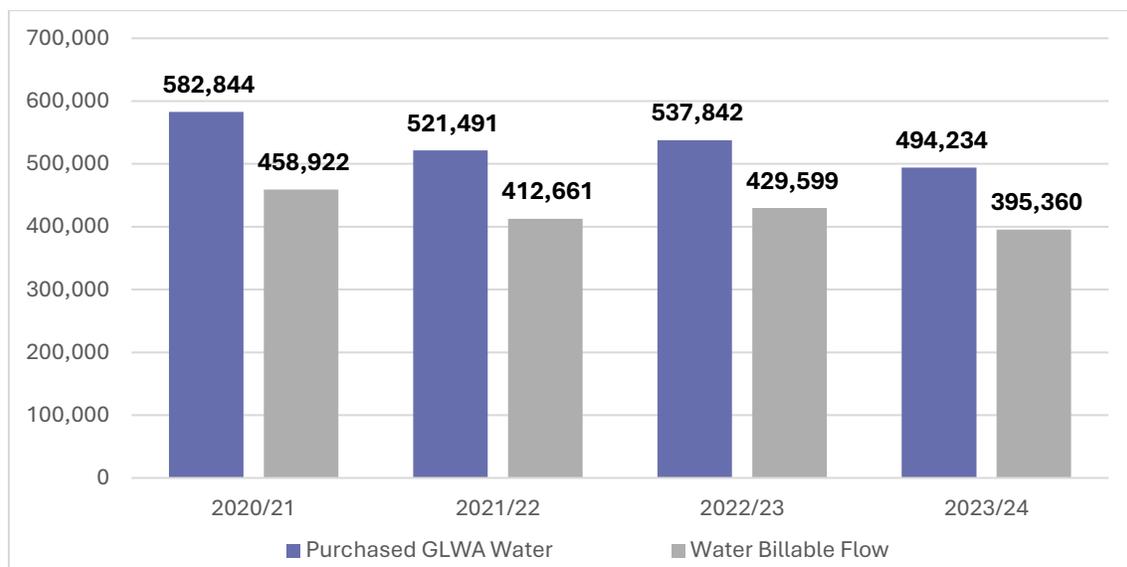
Year	Cash-Funded Capital Improvements	Debt-Funded Capital Improvements	Total
2024/25	\$495,000	-	\$495,000
2025/26	388,500	\$5,040,000	5,428,500
2026/27	468,563	-	468,563
2027/28	448,580	9,261,000	9,709,580
2028/29	334,264	-	334,264
2029/30	319,070	8,295,830	8,614,901
2030/31	335,024	-	335,024
<b>Total</b>	<b>\$2,789,001</b>	<b>\$22,596,830</b>	<b>\$25,385,831</b>

## Revenues & Cash Flow

### 4.1 Usage & Customers

Over the last four years, the City’s water billable flow has experienced a slight decline in its usage levels. This trend mirrors what is happening across many communities in Michigan, as home appliances become increasingly efficient and water conservation efforts increase. The graph below shows the City’s total water billable flow versus the City’s total water that is purchased from GLWA. The City recognizes that there is a water loss of around 25% on average per year. The City is currently working on ways to reduce their water loss problems.

TABLE 4-1A: WATER BILLABLE FLOW & PURCHASED WATER HISTORY



The City serves 4,130 customer accounts within its own City limits that are both on the water and sewer system. The table below shows the breakout of water and sewer customers by meter size.

TABLE 4-1B: WATER AND SEWER METER COUNTS BY METER SIZE

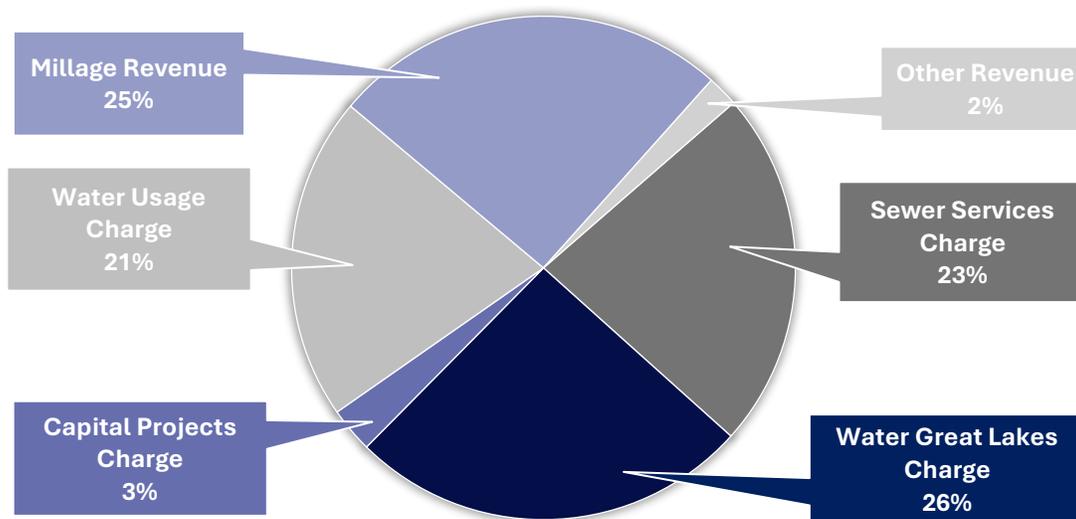
Meter Size	Meter Counts
5/8" and 3/4"	1,953
1"	1,442
<u>1 1/2"</u>	625
2"	96
3"	14
<b>Total Meter Count</b>	<b>4,130</b>

### 4.2 Current Revenue

The City currently charges water customers a commodity charge and two different flat charges. The water usage charge was designed to cover water operations and maintenance costs. The great lakes charge was designed to pay for the GLWA water expenses, and the capital improvements charge was designed to pay for water capital improvements. The sewer customers are charged two different flat charges. The sewer services charge was designed to cover all sewer operations and maintenance costs, including GLWA sewer expenses. While the capital improvements charge was designed to pay for sewer capital improvements. The City also receives revenue from a dedicated water and sewer infrastructure millage to help pay for the capital improvement needs on both systems. Table 4-2 below demonstrated how much revenue is currently derived from each charge.

Along with the revenue from user rates, the City is conservatively projecting about \$155,600 in other revenues for both water and sewer. This revenue is not generated from user rates and primarily comes from interest and late penalties. The forecast assumes these additional revenue sources will remain stable in the future. The chart below demonstrates how much revenue is derived from each charge.

TABLE 4-2: CURRENT WATER AND SEWER REVENUE BY USER RATE CATEGORY



### 4.3 Proposed Rates

Even though the current water and sewer rate structure adheres to common industry practices, we are recommending that the City change to a two-part rate structure that is comprised of a ready-to-serve charge based on meter size and a commodity-based rate calculated according to the total water and sewer usage during the billing period. By changing the rate structure, this allows the City to fairly charge the rates needed to pay the operations and maintenance expenses, GLWA charges, and capital improvement projects needed on each system, all while simplifying the rate structure and billing methods. Commodity charges are typically seen as the most equitable way to allocate costs to customers. Since these charges are based on the number of cubic feet used by the

customers, they can have more variation and risk to the system. Since there are still fixed costs the system needs to cover regardless of the number of gallons used, a ready-to-serve charge is essential.

The revenue needs to support operations and maintenance costs and future capital improvements while maintaining an adequate cash reserve. It is determined that after the rate structure change, an annual inflationary rate increase for both water and sewer is the most effective approach for rate management.

Table 4-3A below displays the proposed bi-monthly ready-to-serve charge for water and sewer customers based on the customer’s meter size for fiscal year 2025/26. Table 4-3B demonstrates a \$5.00 annual rate increase starting in fiscal year 2026/27 to the water ready-to-serve charge and \$10.00 to the sewer ready-to-serve charge. It also shows a 5.0% annual inflationary rate increase starting in fiscal year 2026/27 to the City’s water and sewer commodity charge.

TABLE 4-3A: WATER AND SEWER PROPOSED BI-MONTHLY READY-TO-SERVE CHARGES

Meter Size	Meter Ratio	Water RTS	Sewer RTS
3/4" and 5/8"	1.00	\$60.00	\$100.00
1"	1.00	60.00	100.00
1 1/2"	2.25	135.00	225.00
2"	4.00	240.00	400.00
3"	9.00	540.00	900.00
4"	16.00	960.00	1,600.00
6"	36.00	2,160.00	3,600.00

TABLE 4-3B: WATER AND SEWER PROPOSED RATE CHANGES

Adjustment	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Water Ready-to-Serve Charge (bi-monthly) [1]	\$60.00	\$65.00	\$70.00	\$75.00	\$80.00	\$85.00
Water Commodity Charge (per 100 cu. ft.)	3.80	3.99	3.99	4.19	4.40	4.62
Sewer Ready-to-Serve Charge (bi-monthly) [1]	100.00	110.00	120.00	130.00	140.00	150.00
Sewer Commodity Charge (per 100 cu. ft.)	2.50	2.63	2.76	2.89	3.04	3.19

[1] This table only reflects the 5/8", 3/4" and 1" meter ready-to-serve charge. See Appendix D for the full schedule of user rates.

TABLE 4-4B: TYPICAL HOMEOWNER’S WATER AND SEWER TOTAL BI-MONTHLY BILL

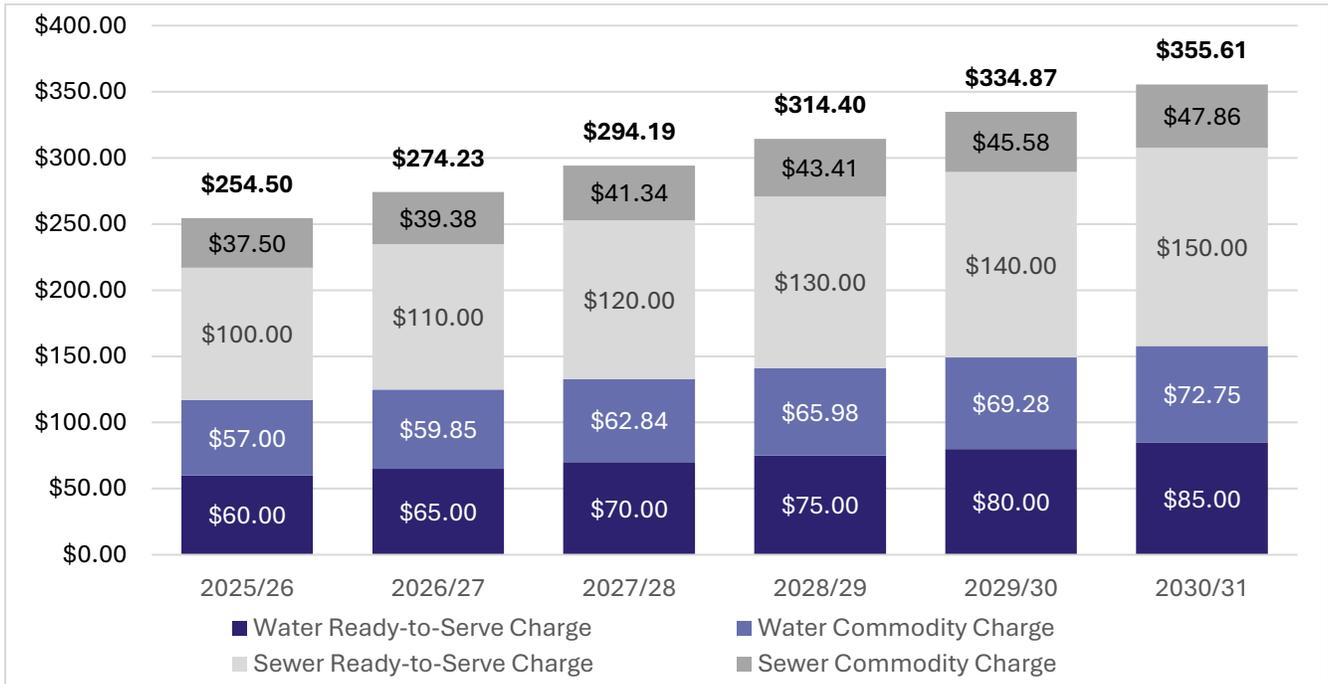
Homeowner Type	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Water Metered [1]	\$117.00	\$124.85	\$132.84	\$140.98	\$149.28	\$157.75
Sewer Metered [1]	137.50	149.38	161.34	173.41	185.58	197.86
Total Combined Bi-Monthly Bill	\$254.50	\$274.23	\$294.19	\$314.40	\$334.87	\$355.61

[1] Assumes 5/8", 3/4" and 1" meter size & 1,500 cubic feet/bi-monthly.

### 4.5 Rate Impact Summary

The proposed rate track results in an approximate average increase of \$8.15 to the water typical homeowner bi-monthly bill and \$12.07 to the sewer typical homeowner bi-monthly bill starting in fiscal year 2026/27, resulting in an average combined water and sewer rate increase of 7.0%.

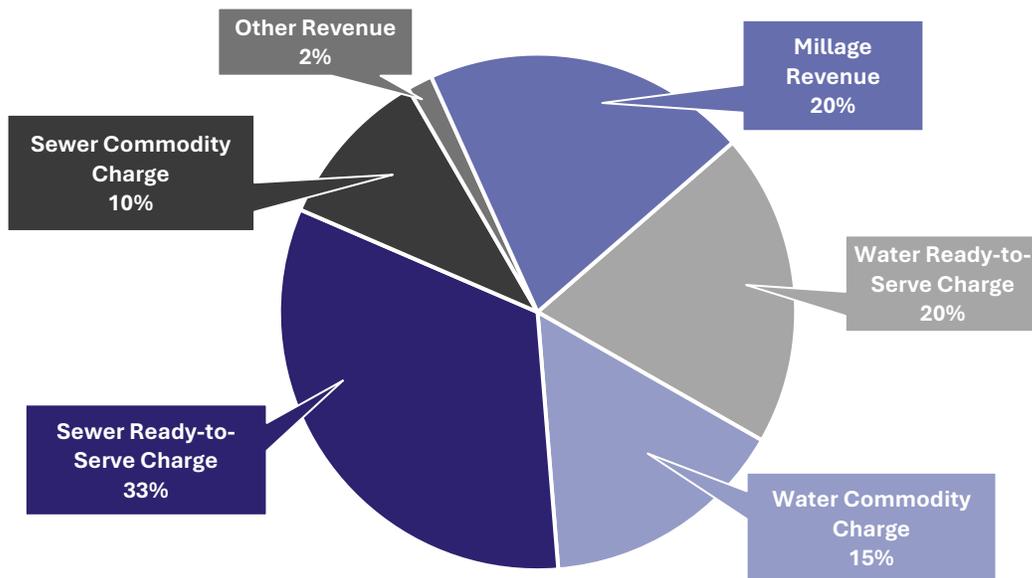
TABLE 4-5: TYPICAL HOMEOWNER’S WATER AND SEWER BI-MONTHLY BILL BREAKDOWN



### 4.6 Projected Revenue

Table 4-6 below the projected revenues broken down by the new user rates for fiscal year 2025/26.

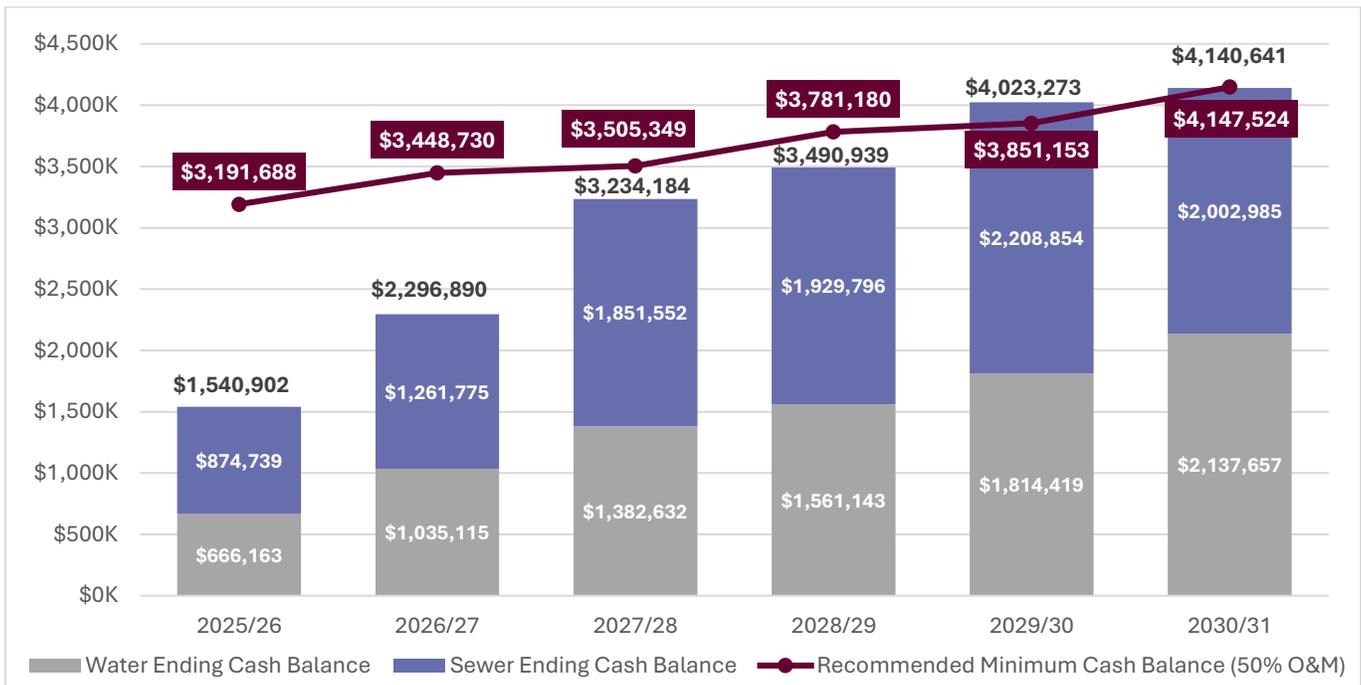
TABLE 4-6: PROJECTED WATER AND SEWER REVENUE BY USER RATE CATEGORY



### 4.7 Cash Position Summary

The cash reserves for the City is currently just below 3 months of cash operations and maintenance expenses (net of depreciation). This is below our recommended minimum balance of 6 months of cash operations and maintenance expenses for the Water and Sewer Fund. The minimum target is provided as a guardrail for the City to ensure proper cash reserves. Over the forecast period, the City anticipates cash-funding and debt-funding capital improvement projects. However, their ending cash balance is projected to increase over the forecasted period, so the ending cash reserve is around 6 months' worth of cash operating expenses. Appendix C provides a complete cash flow analysis breakdown for the water and sewer fund individually, along with the combined fund.

TABLE 4-7: SCHEDULE OF ESTIMATED WATER AND SEWER ENDING CASH BALANCE WITHOUT MILLAGE



**Appendix A:**  
**Comparative Detail of Operating Expenses –**  
**Water and Sewer Fund**

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Operating & Maintenance Expenses - Water Portion

	Fiscal Year Ended			Forecasted	
	6/30/2023	6/30/2024	6/30/2025	Test Year	Inflationary Increases
	Actuals	Actuals	Budget		
	(------Per Client-----)				
Department 535: Water Department					
702.010 Wages - Full Time Employees	\$150,041	\$105,297	\$322,800	\$322,800	4.00%
705.000 Wages - Overtime Pay	-	15,802	47,700	47,700	4.00%
707.000 Wages - Bonus CBA Compensations	-	107	13,000	13,000	4.00%
711.010 Wages - Longevity	-	3,800	6,100	6,100	4.00%
712.000 Wages - Social Security/Medicare	-	9,300	28,200	28,200	4.00%
714.000 Benefits - Life Insurances & Other	-	954	2,900	2,900	4.00%
715.000 Benefits - Workers Compensation Insurance	-	1,085	9,100	9,100	4.00%
716.000 Benefits - DB MERS Pension Plan	10,851	13,613	28,200	28,200	4.00%
717.000 Benefits - DC Healthcare Savings Plan	2,468	1,287	4,900	4,900	4.00%
718.000 Benefits - DC 457b ER Retirement Plan	-	3,265	10,400	10,400	4.00%
719.000 Benefits - Medical/Dental & Optical	23,112	78,874	149,700	149,700	4.00%
720.000 Benefits - DC ER 401a Retirement Plan	-	-	-	-	0.00%
721.000 Compensated Absences - Vacation Banks	7,014	4,762	-	-	0.00%
722.000 Compensated Absences - Sick Banks	12,808	45,211	-	-	0.00%
723.000 Compensated Absences - Longevity Payable	2,250	(2,250)	-	-	0.00%
725.000 Comp Absences - Social Security/Medicare	1,689	3,651	-	-	0.00%
728.100 Communication - Postage & Mail	9,840	-	-	-	0.00%
740.000 Operating Supplies & Tools	150,611	25,967	19,000	19,000	3.00%
741.100 Printing Services	1,867	-	-	-	0.00%
743.000 Supplies - Gasoline & Diesel Fuel	48,763	41,595	45,000	45,000	3.00%
746.000 Supplies - Clothing/Uniforms/Turnout/Riot	8,892	6,993	3,500	3,500	3.00%
752.000 Supplies - Office Supplies	-	45	-	-	0.00%
775.000 Supplies - Custodial/Janitorial Supplies	967	-	-	-	0.00%
787.000 Supplies - New Water Meters & Parts	-	59	7,500	7,500	3.00%
788.000 Supplies - New Fire Hydrants & Parts	-	2,089	3,500	3,500	3.00%
792.000 Supplies - Shop/Mechanic Supplies	1,126	6,965	3,000	3,000	3.00%
793.000 Supplies - Water System Repairs	-	79,758	50,000	50,000	3.00%
801.100 Professional & Contractual Services	75,346	22,838	52,000	52,000	3.00%
815.000 Professional - Engineering Services	3,387	32,526	25,000	25,000	3.00%
828.000 Contractual - Custodial Cleaning Service	1,042	-	-	-	0.00%
875.000 Defined Benefit - Retiree OPEB Expense	(430,010)	335,414	-	-	0.00%
876.000 Defined Benefit - Retiree Pension Expense	165,187	(63,514)	-	-	0.00%
923.010 Cost of Sales - Water Charges	1,450,854	1,445,134	1,553,300 [1]	1,608,675	6.00%
930.020 Maint & Repair - Water Meters & Hydrant	38,850	27,290	15,000	15,000	3.00%
931.000 Repair - Water Main Breaks	53,900	126,230	40,000	40,000	3.00%
931.050 Repair - Water Main Systems	-	-	15,000	15,000	3.00%
934.000 Maintenance & Repairs - Building(s)	8,648	459	-	-	0.00%
935.000 Maintenance & Repairs - Equipment	53,473	22,977	28,500	28,500	3.00%
939.000 Maintenance & Repairs - Vehicles	2,079	5,773	5,000	5,000	3.00%
940.100 Rentals/Leases	34,684	2,605	-	-	0.00%
941.030 Contractual - Lawncare/Landscaping Svcs	418	6,747	10,000	10,000	3.00%
956.000 Memberships/Dues & License Renewals	-	3,000	2,000	2,000	3.00%
957.000 Professional Development & Training	3,110	370	500	500	3.00%
958.000 Licenses/Permits & Fees	-	5,000	-	-	0.00%
964.000 Refunds & Rebates	79	-	-	-	0.00%
968.100 Depreciation/Depletion & Amortization	-	-	- [2]	-	0.00%
969.000 Miscellaneous Expense	265	10,000	-	-	0.00%
970.000 Capital Outlay	(82,026)	-	-	-	0.00%
981.466 Engineering Water Plant	(1)	-	-	-	0.00%
Total Department 535: Water Department	1,811,582	2,431,077	2,500,800	2,556,175	

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Operating & Maintenance Expenses - Water Portion

	Fiscal Year Ended			Forecasted	
	6/30/2023	6/30/2024	6/30/2025	Test Year	Inflationary Increases
	Actuals	Actuals	Budget		
	(------Per Client-----)				
Dept 536 - Water & Sewer Administration (50% Water)					
702.010 Wages - Full Time Employees	-	67,141	70,700	70,700	4.00%
702.050 Wages - Vacation & Sick Payouts	-	-	800	800	4.00%
707.000 Wages - Bonus CBA Compensations	-	9	150	150	4.00%
711.010 Wages - Longevity	-	-	1,500	1,500	4.00%
712.000 Wages - Social Security/Medicare	-	5,402	5,950	5,950	4.00%
714.000 Benefits - Life Insurances & Other	-	504	650	650	4.00%
715.000 Benefits - Workers Compensation Insurance	-	85	150	150	4.00%
716.000 Benefits - DB MERS Pension Plan	-	4,436	2,300	2,300	4.00%
717.000 Benefits - DC Healthcare Savings Plan	-	1,893	1,450	1,450	4.00%
718.000 Benefits - DC 457b ER Retirement Plan	-	2,148	2,150	2,150	4.00%
719.000 Benefits - Medical/Dental & Optical	-	9,078	5,050	5,050	4.00%
720.000 Benefits - DC ER 401a Retirement Plan	-	3,438	4,150	4,150	4.00%
721.000 Compensated Absences - Vacation Banks	-	6,456	-	-	0.00%
722.000 Compensated Absences - Sick Banks	-	8,785	-	-	0.00%
723.000 Compensated Absences - Longevity Payable	-	500	-	-	0.00%
725.000 Comp Absences - Social Security/Medicare	-	1,204	-	-	0.00%
728.100 Communication - Postage & Mail	-	12,371	8,900	8,900	3.00%
740.000 Operating Supplies & Tools	-	1,088	2,650	2,650	3.00%
741.100 Printing Services	-	4,378	2,500	2,500	3.00%
752.000 Supplies - Office Supplies	-	285	1,000	1,000	3.00%
775.000 Supplies - Custodial/Janitorial Supplies	-	802	800	800	3.00%
801.100 Professional & Contractual Services	-	12,151	7,500	7,500	3.00%
817.000 Health Services - Pre/Post Fit & Physical	-	175	-	-	0.00%
828.000 Contractual - Custodial Cleaning Service	-	5,832	5,200	5,200	3.00%
851.000 Communication - Phones/Cell/Radio	-	1,527	1,550	1,550	3.00%
858.000 Communication - Internet/Cable Services	-	3,241	3,450	3,450	3.00%
875.000 Defined Benefit - Retiree OPEB Expense	-	27,018	45,900	45,900	3.00%
876.000 Defined Benefit - Retiree Pension Expense	-	3,990	36,700	36,700	3.00%
899.540 Community - Stormwater Education & Train	-	1,030	1,050	1,050	3.00%
900.100 Advertising & Publications	-	372	250	250	3.00%
921.000 Electricity	-	9,923	4,350	4,350	3.00%
922.000 Gas - Heating	-	9,265	9,500	9,500	5.00%
933.000 Maintenance & Repairs - Land Improvements	-	-	850	850	5.00%
934.000 Maintenance & Repairs - Building(s)	-	-	2,650	2,650	3.00%
934.001 Office Equipment Svc Agmts & Repairs	-	50	-	-	0.00%
936.000 Maintenance & Repair - Equipment	-	692	-	-	0.00%
940.100 Rentals/Leases	-	5,771	3,100	3,100	3.00%
956.000 Memberships/Dues & License Renewals	-	1,291	-	-	0.00%
957.000 Professional Development & Training	-	219	500	500	3.00%
960.070 Contractual - Technology & Computer Svcs	-	7,303	5,000	5,000	3.00%
Total Dept 536 - Water & Sewer Administration	-	219,852	238,400	238,400	
 Total Water O&M Expenses		<u>\$1,811,582</u>	<u>\$2,739,200</u>	<u>\$2,794,575</u>	

[1] Rates are set by Great Lakes Water and Sewer Authority

[2] Depreciation/Depletion & Amortization are removed from this report as it is performed on the cash basis.

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Operating & Maintenance Expenses - Sewer Portion

	Fiscal Year Ended			Forecasted	
	6/30/2023	6/30/2024	6/30/2025	Test Year	Inflationary Increases
	Actuals	Actuals	Budget		
	(-----Per Client-----)				
Department 527: Sewage Disposal					
702.010 Wages - Full Time Employees	\$211,565	\$166,778	\$253,000	\$253,000	4.00%
702.050 Wages - Vacation & Sick Payouts	-	-	900	900	4.00%
705.000 Wages - Overtime Pay	-	30,997	24,000	24,000	4.00%
707.000 Wages - Bonus CBA Compensations	-	71	5,600	5,600	4.00%
711.010 Wages - Longevity	-	2,470	4,500	4,500	4.00%
712.000 Wages - Social Security/Medicare	-	14,761	19,900	19,900	4.00%
714.000 Benefits - Life Insurances & Other	2,094	1,013	2,300	2,300	4.00%
715.000 Benefits - Workers Compensation Insurance	-	582	9,500	9,500	4.00%
716.000 Benefits - DB MERS Pension Plan	18,086	19,152	23,000	23,000	4.00%
717.000 Benefits - DC Healthcare Savings Plan	590	86	2,400	2,400	4.00%
718.000 Benefits - DC 457b ER Retirement Plan	-	5,109	7,500	7,500	4.00%
719.000 Benefits - Medical/Dental & Optical	45,318	57,763	89,700	89,700	4.00%
720.000 Benefits - DC ER 401a Retirement Plan	-	621	2,700	2,700	4.00%
721.000 Compensated Absences - Vacation Banks	5,341	6,646	-	-	0.00%
722.000 Compensated Absences - Sick Banks	32,907	18,114	-	-	0.00%
723.000 Compensated Absences - Longevity Payable	2,470	(2,470)	-	-	0.00%
725.000 Comp Absences - Social Security/Medicare	3,115	1,705	-	-	0.00%
740.000 Operating Supplies & Tools	18,354	2,259	5,000	5,000	3.00%
801.100 Professional & Contractual Services	588,744	7,800	8,000	8,000	3.00%
801.200 Contract Services - Storm Water	-	11,250	22,000	22,000	3.00%
802.000 Professional - Legal Services	8,133	-	10,000	10,000	3.00%
815.000 Professional - Engineering Services	69,753	59,172	56,000	56,000	3.00%
817.000 Health Services - Pre/Post Fit & Physical	-	88	1,000	1,000	3.00%
851.000 Communication - Phones/Cell/Radio	8,395	-	-	-	0.00%
858.000 Communication - Internet/Cable Services	1,615	2,515	4,800	4,800	3.00%
875.000 Defined Benefit - Retiree OPEB Expense	25,301	32,571	-	-	0.00%
876.000 Defined Benefit - Retiree Pension Expense	54,257	-	-	-	0.00%
921.000 Utilities - Electricity	12,130	22,690	30,000	30,000	5.00%
922.010 Utilities - Heating/Gas	9,083	3,902	4,500	4,500	5.00%
923.020 Cost of Sales - Sewer Charges	1,897,258	1,849,800	2,019,700 [1]	2,250,300	5.00%
923.030 Sewer Charges - Industrial Waste Control	14,284	14,524	15,000	15,000	5.00%
923.040 Infrastructure Restoration Maint&Repair	26,650	209	30,000	30,000	3.00%
932.000 Repair - Sewer System	-	-	15,000	15,000	3.00%
934.000 Maintenance & Repairs - Building(s)	990	4,677	5,000	5,000	3.00%
937.000 Maintenance & Repairs - Equipment	15,189	2,120	-	-	0.00%
939.000 Maintenance & Repairs - Vehicles	2,845	1,647	3,000	3,000	3.00%
940.100 Rentals/Leased Equipment	32,465	-	-	-	0.00%
941.030 Contractual - Lawncare/Landscaping Svcs	-	2,979	-	-	0.00%
956.000 Memberships/Dues & License Renewals	80	1,045	-	-	0.00%
957.000 Professional Development & Training	315	-	-	-	0.00%
968.100 Depreciation/Depletion & Amortization	-	-	- [2]	-	0.00%
970.000 Capital Outlay	(18,003)	-	-	-	0.00%
980.050 Contractual - Computer & Software Svcs	1,638	-	-	-	0.00%
Total Dept 527 - Sewage Disposal	3,090,961	2,342,645	2,674,000	2,904,600	

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Operating & Maintenance Expenses - Sewer Portion

	Fiscal Year Ended			Forecasted	
	6/30/2023	6/30/2024	6/30/2025	Test Year	Inflationary Increases
	Actuals	Actuals	Budget		
	(-----Per Client-----)				
Dept 528 - Sewer/Pump Stations					
702.010 Wages - Full Time Employees	136,965	125,418	70,600	70,600	4.00%
702.050 Wages - Vacation & Sick Payouts	-	20,381	1,400	1,400	4.00%
705.000 Wages - Overtime Pay	-	22,671	12,800	12,800	4.00%
707.000 Wages - Bonus CBA Compensations	-	18	1,800	1,800	4.00%
711.010 Wages - Longevity	-	2,050	1,400	1,400	4.00%
712.000 Wages - Social Security/Medicare	-	11,043	6,700	6,700	4.00%
714.000 Benefits - Life Insurances & Other	989	943	600	600	4.00%
715.000 Benefits - Workers Compensation Insurance	-	-	900	900	4.00%
716.000 Benefits - DB MERS Pension Plan	7,234	8,871	6,800	6,800	4.00%
717.000 Benefits - DC Healthcare Savings Plan	2,396	5,048	-	-	0.00%
718.000 Benefits - DC 457b ER Retirement Plan	-	4,370	2,700	2,700	4.00%
719.000 Benefits - Medical/Dental & Optical	45,067	54,288	36,700	36,700	4.00%
721.000 Compensated Absences - Vacation Banks	5,266	(1,518)	-	-	0.00%
722.000 Compensated Absences - Sick Banks	44,795	(11,870)	-	-	0.00%
723.000 Compensated Absences - Longevity Payable	2,050	(2,050)	-	-	0.00%
725.000 Comp Absences - Social Security/Medicare	3,986	(1,181)	-	-	0.00%
740.000 Operating Supplies & Tools	9,313	5,058	2,200	2,200	3.00%
741.100 Printing Services	-	22	-	-	0.00%
752.000 Supplies - Office Supplies	-	-	300	300	3.00%
775.000 Supplies - Custodial/Janitorial Supplies	-	41	200	200	3.00%
801.100 Professional & Contractual Services	20,570	-	2,000	2,000	3.00%
815.000 Professional - Engineering Services	-	693	500	500	3.00%
875.000 Defined Benefit - Retiree OPEB Expense	7,623	16,503	-	-	0.00%
876.000 Defined Benefit - Retiree Pension Expense	54,257	-	-	-	0.00%
921.000 Utilities - Electricity	7,161	-	-	-	0.00%
922.000 Utilities - Heating/Gas	4,453	-	-	-	0.00%
932.000 Infrastructure Restoration Maint & Repair	28,915	75	-	-	0.00%
933.000 Maintenance & Repairs - Land Improvements	4,394	-	-	-	0.00%
934.000 Maintenance & Repairs - Building(s)	89,013	2,523	100,000 [3]	100,000	3.00%
935.000 Maintenance & Repairs - Equipment	19,347	49,801	102,000 [3]	102,000	3.00%
956.000 Memberships/Dues & License Renewals	-	-	500	500	3.00%
957.000 Professional Development & Training	-	450	2,100	2,100	3.00%
960.000 Municipal Risk - Liability Insurance	87,876	-	-	-	0.00%
968.000 Depreciation & Depletion	-	-	- [2]	-	0.00%
970.000 Capital Outlay	(213,495)	-	-	-	0.00%
980.050 Contractual - Computer & Software Svcs	2,873	819	4,100	4,100	3.00%
996.050 Capital Outlay - Alleyways	157,503	-	-	-	0.00%
Total Dept 528 - Sewer/Pump Stations	<u>528,550</u>	<u>314,466</u>	<u>356,300</u>	<u>356,300</u>	

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Operating & Maintenance Expenses - Sewer Portion

	Fiscal Year Ended			Forecasted	
	6/30/2023	6/30/2024	6/30/2025	Test Year	Inflationary Increases
	Actuals	Actuals	Budget		
	(-----Per Client-----)				
Dept 536 - Water & Sewer Administration (50% Sewer)					
702.010 Wages - Full Time Employees	-	67,141	70,700	70,700	4.00%
702.050 Wages - Vacation & Sick Payouts	-	-	800	800	4.00%
707.000 Wages - Bonus CBA Compensations	-	9	150	150	4.00%
711.010 Wages - Longevity	-	-	1,500	1,500	4.00%
712.000 Wages - Social Security/Medicare	-	5,402	5,950	5,950	4.00%
714.000 Benefits - Life Insurances & Other	-	504	650	650	4.00%
715.000 Benefits - Workers Compensation Insurance	-	85	150	150	4.00%
716.000 Benefits - DB MERS Pension Plan	-	4,436	2,300	2,300	4.00%
717.000 Benefits - DC Healthcare Savings Plan	-	1,893	1,450	1,450	4.00%
718.000 Benefits - DC 457b ER Retirement Plan	-	2,148	2,150	2,150	4.00%
719.000 Benefits - Medical/Dental & Optical	-	9,078	5,050	5,050	4.00%
720.000 Benefits - DC ER 401a Retirement Plan	-	3,438	4,150	4,150	4.00%
721.000 Compensated Absences - Vacation Banks	-	6,456	-	-	0.00%
722.000 Compensated Absences - Sick Banks	-	8,785	-	-	0.00%
723.000 Compensated Absences - Longevity Payable	-	500	-	-	0.00%
725.000 Comp Absences - Social Security/Medicare	-	1,204	-	-	0.00%
728.100 Communication - Postage & Mail	-	12,371	8,900	8,900	3.00%
740.000 Operating Supplies & Tools	-	1,088	2,650	2,650	3.00%
741.100 Printing Services	-	4,378	2,500	2,500	3.00%
752.000 Supplies - Office Supplies	-	285	1,000	1,000	3.00%
775.000 Supplies - Custodial/Janitorial Supplies	-	802	800	800	3.00%
801.100 Professional & Contractual Services	-	12,151	7,500	7,500	3.00%
817.000 Health Services - Pre/Post Fit & Physical	-	175	-	-	0.00%
828.000 Contractual - Custodial Cleaning Service	-	5,832	5,200	5,200	3.00%
851.000 Communication - Phones/Cell/Radio	-	1,527	1,550	1,550	3.00%
858.000 Communication - Internet/Cable Services	-	3,241	3,450	3,450	3.00%
875.000 Defined Benefit - Retiree OPEB Expense	-	27,018	45,900	45,900	3.00%
876.000 Defined Benefit - Retiree Pension Expense	-	3,990	36,700	36,700	3.00%
899.540 Community - Stormwater Education & Train	-	1,030	1,050	1,050	3.00%
900.100 Advertising & Publications	-	372	250	250	3.00%
921.000 Electricity	-	9,923	4,350	4,350	5.00%
922.000 Gas - Heating	-	9,265	9,500	9,500	5.00%
933.000 Maintenance & Repair - Land Improvements	-	-	850	850	3.00%
934.000 Maintenance & Repair - Building(s)	-	-	2,650	2,650	3.00%
934.001 Office Equipment Svc Agmts & Repairs	-	50	-	-	0.00%
936.000 Maintenance & Repair - Equipment	-	692	-	-	0.00%
940.100 Rentals/Leases	-	5,771	3,100	3,100	3.00%
956.000 Memberships/Dues & License Renewals	-	1,291	-	-	0.00%
957.000 Professional Development & Training	-	219	500	500	3.00%
960.070 Contractual - Technology & Computer Svcs	-	7,303	5,000	5,000	3.00%
Total Dept 536 - Water & Sewer Administration	-	219,852	238,400	238,400	
 Total Sewer O&M Expenses		<u>\$2,876,963</u>	<u>\$3,268,700</u>	<u>\$3,499,300</u>	

[1] Rates are set by Great Lakes Water and Sewer Authority  
[2] Depreciation/Depletion & Amortization are removed from this report as it is performed on the cash basis.  
[3] Anticipated to be every other year, per client.

**Appendix B:**  
**Schedule of Estimated Water and Sewer Capital  
Improvement Plan**

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
*Schedule of Estimated Capital Improvements - Water*

<b>Project</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
Replace JCB Backhoe #59 (50% Water)	\$95,000						
3/4 Ton Truck Replacement Program (50% Water)			\$50,000	\$25,000	\$25,000		
Annual Watermain Replacements	1,300,000	\$1,625,000	2,000,000	4,000,000	-	\$2,000,000	\$2,000,000
Lead Service Line Replacement				450,000	500,000	550,000	600,000
Water Meter Replacement - Whole City		1,700,000					
Water System Reliability Study	50,000						
Sub-total	1,445,000	3,325,000	2,050,000	4,475,000	525,000	2,550,000	2,600,000
Plus: Inflation Allowance (5.0%)		166,250	210,125	705,372	113,141	704,518	884,249
<b>Total Capital Improvements</b>	<b>\$1,445,000</b>	<b>\$3,491,250</b>	<b>\$2,260,125</b>	<b>\$5,180,372</b>	<b>\$638,141</b>	<b>\$3,254,518</b>	<b>\$3,484,249</b>
Cash-Funded:	\$1,445,000	\$1,706,250	\$2,260,125	\$549,872	\$638,141	\$3,254,518	\$3,484,249
Bond-Funded:		\$1,785,000		\$4,630,500			

Note: Millage Fund 598 covers cash-funded capital improvements. Water Fund 592 (water user rates) covers bond debt service payments.

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
*Schedule of Estimated Capital Improvements - Sewer*

<b>Project</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
Replace JCB Backhoe #59 (50% Sewer)	\$95,000						
Replace #82 1992 Loader (50% Sewer)				\$112,500			
Sewer Camera		\$120,000					
Annual Sanitary Sewer Maintenance		250,000	\$250,000	250,000	\$250,000	\$250,000	\$250,000
Priority 1 Sanitary Sewer Repairs		4,300,000					
Replace 2002 Sewer Jetter #99		500,000					
Priority 2 Sanitary Sewer Phase 1				6,500,000			
Jefferson Sewer Separation Phase 2	400,000			1,500,000			
Priority 2 Sanitary Sewer Phase 2						6,500,000	
Pump Station SCADA Upgrades (50% Sewer)			125,000				
3/4 Ton Truck Replacement Program (50% Sewer)			50,000	25,000	25,000		
<b>Sub-total</b>	<b>495,000</b>	<b>5,170,000</b>	<b>425,000</b>	<b>8,387,500</b>	<b>275,000</b>	<b>6,750,000</b>	<b>250,000</b>
Plus: Inflation Allowance (5.0%)	-	258,500	43,563	1,322,080	59,264	1,864,901	85,024
<b>Total Capital Improvements</b>	<b>\$495,000</b>	<b>\$5,428,500</b>	<b>\$468,563</b>	<b>\$9,709,580</b>	<b>\$334,264</b>	<b>\$8,614,901</b>	<b>\$335,024</b>
Cash-Funded:	\$495,000	\$388,500	\$468,563	\$448,580	\$334,264	\$319,070	\$335,024
Bond-Funded:		\$5,040,000		\$9,261,000		\$8,295,830	

Note: Millage Fund 598 covers cash-funded capital improvements. Sewer Fund 592 (sewer user rates) covers bond debt service payments.

**Appendix C:**  
**Cash Flow Analysis – Water Fund, Sewer Fund,  
Combined Funds, and Millage Fund.**

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Cash Flow - Water

	<u>2025/26</u>	<u>Increases Per Year</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>
<b>Rates:</b>							
Meter Equivalents	5,311		5,311	5,311	5,311	5,311	5,311
Ready-to-Serve Charge (bi-monthly)	\$60.00	\$5.00	\$65.00	\$70.00	\$75.00	\$80.00	\$85.00
Billable Flow (100 cubic ft)	395,360		395,360	395,360	395,360	395,360	395,360
Commodity Charge (per 100 cubic ft)	\$3.80	5.00%	\$3.99	\$4.19	\$4.40	\$4.62	\$4.85
<i>Typical homeowner's bi-monthly bill (assumes 1,500 cubic feet/bi-monthly)</i>	\$117.00		\$124.85	\$132.84	\$140.98	\$149.28	\$157.75
<b>Revenues:</b>							
Ready-to-Serve Charge Revenue	\$1,912,050		\$2,071,388	\$2,230,725	\$2,390,063	\$2,549,400	\$2,708,738
Commodity Charge Revenue	1,502,368		1,577,486	1,656,361	1,739,179	1,826,138	1,917,445
Other	61,000		61,000	61,000	61,000	61,000	61,000
<b>Total Revenues</b>	<u>3,475,418</u>		<u>3,709,874</u>	<u>3,948,086</u>	<u>4,190,241</u>	<u>4,436,538</u>	<u>4,687,182</u>
<b>Less: Expenditures:</b>							
Cost of Sales - Water Charges - Variable	(562,715)		(596,477)	(632,266)	(670,202)	(710,414)	(753,039)
Cost of Sales - Water Charges - Fixed	(1,142,481)		(1,211,030)	(1,283,692)	(1,360,713)	(1,442,356)	(1,528,897)
Administration	(246,709)		(255,316)	(264,231)	(273,466)	(283,033)	(292,944)
Operations & Maintenance	(982,155)		(1,018,099)	(1,055,380)	(1,094,049)	(1,134,159)	(1,175,764)
<b>Total Operating Expenditures</b>	<u>(2,934,060)</u>		<u>(3,080,922)</u>	<u>(3,235,569)</u>	<u>(3,398,431)</u>	<u>(3,569,962)</u>	<u>(3,750,644)</u>
<b>Net Operating Revenue</b>	541,359		628,952	712,517	791,811	866,576	936,538
Less: Estimated Debt Service #1 2025/26 Open Market Bonds [1]	(40,000)		(260,000)	(260,000)	(260,000)	(260,000)	(260,000)
Estimated Debt Service #2 2027/28 Open Market Bonds [2]	-		-	(105,000)	(353,300)	(353,300)	(353,300)
<b>Net Cash Flow</b>	<u>\$501,359</u>		<u>\$368,952</u>	<u>\$347,517</u>	<u>\$178,511</u>	<u>\$253,276</u>	<u>\$323,238</u>
<i>Cash &amp; Investments [3]</i>	\$164,805	\$666,163	\$1,035,115	\$1,382,632	\$1,561,143	\$1,814,419	\$2,137,657

[1] Estimated debt service payments based on a \$1,785,000 8-year open market bond issue at an estimated interest rate of 4.00%. Includes water meter replacements.

[2] Estimated debt service payments based on a \$4,630,500 20-year open market bond issue at an estimated interest rate of 4.50%. Includes two years of watermain replacements.

[3] Starting cash & investments balance is one half of total fund balance as of 6/30/2025.

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Cash Flow - Sewer

	<u>2025/26</u>	<u>Increases Per Year</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>
<b>Rates:</b>							
Meter Equivalents	5,311		5,311	5,311	5,311	5,311	5,311
Ready-to-Serve Charge (bi-monthly)	\$100.00	\$10.00	\$110.00	\$120.00	\$130.00	\$140.00	\$150.00
Billable Flow (100 cubic ft)	395,360		395,360	395,360	395,360	395,360	395,360
Commodity Charge (per 100 cubic ft)	\$2.50	5.00%	\$2.63	\$2.76	\$2.89	\$3.04	\$3.19
<i>Typical homeowner's bi-monthly bill (assumes 1,500 cubic feet/bi-monthly)</i>	\$137.50		\$149.38	\$161.34	\$173.41	\$185.58	\$197.86
<b>Revenues:</b>							
Ready-to-Serve Charge Revenue	\$3,186,750		\$3,505,425	\$3,824,100	\$4,142,775	\$4,461,450	\$4,780,125
Commodity Charge Revenue	988,400		1,037,820	1,089,711	1,144,197	1,201,406	1,261,477
Other	94,600		95,330	96,097	96,901	97,746	98,634
<b>Total Revenues</b>	<b>4,269,750</b>		<b>4,638,575</b>	<b>5,009,908</b>	<b>5,383,873</b>	<b>5,760,603</b>	<b>6,140,235</b>
<b>Less: Expenditures:</b>							
Cost of Sales - Sewer Charges	(2,362,815)		(2,480,956)	(2,605,004)	(2,735,254)	(2,872,016)	(3,015,617)
Administration	(246,779)		(255,461)	(264,458)	(273,781)	(283,442)	(293,455)
Operations & Maintenance	(839,722)		(1,080,122)	(905,669)	(1,154,894)	(976,885)	(1,235,333)
<b>Total Operating Expenditures</b>	<b>(3,449,316)</b>		<b>(3,816,539)</b>	<b>(3,775,130)</b>	<b>(4,163,929)</b>	<b>(4,132,344)</b>	<b>(4,544,405)</b>
<b>Net Operating Revenue</b>	<b>820,434</b>		<b>822,036</b>	<b>1,234,777</b>	<b>1,219,944</b>	<b>1,628,259</b>	<b>1,595,830</b>
<b>Less: Estimated Debt Service #1 2025/26 Open Market Bonds [1]</b>	<b>(110,500)</b>		<b>(435,000)</b>	<b>(435,000)</b>	<b>(435,000)</b>	<b>(435,000)</b>	<b>(435,000)</b>
Estimated Debt Service #2 2027/28 Open Market Bonds [2]	-		-	(210,000)	(706,700)	(706,700)	(706,700)
Estimated Debt Service #3 2029/30 Open Market Bonds [3]	-		-	-	-	(207,500)	(660,000)
<b>Net Cash Flow</b>	<b>\$709,934</b>		<b>\$387,036</b>	<b>\$589,777</b>	<b>\$78,244</b>	<b>\$279,059</b>	<b>(\$205,870)</b>
<i>Cash &amp; Investments [4]</i>	<i>\$164,805</i>	<i>\$874,739</i>	<i>\$1,261,775</i>	<i>\$1,851,552</i>	<i>\$1,929,796</i>	<i>\$2,208,854</i>	<i>\$2,002,985</i>

[1] Estimated debt service payments based on a \$5,040,000 20-year open market bond issue at an estimated interest rate of 4.25%. Includes priority 1 sanitary sewer repairs (structured over 20 years) and sewer jetter (structured over 6 years).

[2] Estimated debt service payments based on a \$9,261,000 20-year open market bond issue at an estimated interest rate of 4.50%. Includes priority 2 sanitary sewer phase 1 and Jefferson sewer separation phase 2.

[3] Estimated debt service payments based on a \$8,295,830 20-year open market bond issue at an estimated interest rate of 5.00%. Includes priority 2 sanitary sewer phase 2.

[4] Starting cash & investments balance is one half of total fund balance as of 6/30/2025.

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
592 Cash Flow - Water & Sewer Combined

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>
<i>Typical homeowner's bi-monthly bill</i> <i>(assumes 1,500 cubic feet/bi-monthly)</i>							
Water Portion	\$131.12	\$117.00	\$124.85	\$132.84	\$140.98	\$149.28	\$157.75
Sewer Portion	75.71	137.50	149.38	161.34	173.41	185.58	197.86
Combined	<u>\$206.83</u>	<u>\$254.50</u>	<u>\$274.23</u>	<u>\$294.19</u>	<u>\$314.40</u>	<u>\$334.87</u>	<u>\$355.61</u>
Revenues:							
Water Portion		\$3,475,418	\$3,709,874	\$3,948,086	\$4,190,241	\$4,436,538	\$4,687,182
Sewer Portion		4,269,750	4,638,575	5,009,908	5,383,873	5,760,603	6,140,235
Total Revenues		<u>7,745,168</u>	<u>8,348,449</u>	<u>8,957,993</u>	<u>9,574,114</u>	<u>10,197,140</u>	<u>10,827,417</u>
Less: Total Operating Expenditures		<u>(6,383,376)</u>	<u>(6,897,461)</u>	<u>(7,010,699)</u>	<u>(7,562,359)</u>	<u>(7,702,306)</u>	<u>(8,295,049)</u>
Net Operating Revenue		1,361,793	1,450,988	1,947,294	2,011,755	2,494,834	2,532,368
Less: Estimated Debt Service #1 2025/26 Open Market Bonds [1]		(150,500)	(695,000)	(695,000)	(695,000)	(695,000)	(695,000)
Estimated Debt Service #2 2027/28 Open Market Bonds [2]		-	-	(315,000)	(1,060,000)	(1,060,000)	(1,060,000)
Estimated Debt Service #3 2029/30 Open Market Bonds [3]		-	-	-	-	(207,500)	(660,000)
Net Cash Flow		<u>\$1,211,293</u>	<u>\$755,988</u>	<u>\$937,294</u>	<u>\$256,755</u>	<u>\$532,334</u>	<u>\$117,368</u>
Cash & Investments	\$329,609	\$1,540,902	\$2,296,890	\$3,234,184	\$3,490,939	\$4,023,273	\$4,140,641

[1] Estimated debt service payments based on a \$6,825,000 bond issue at an estimated interest rate of 4.25%. Includes water meters (structured over 8 years), priority 1 sanitary sewer repairs (structured over 20 years) and sewer jetter (structured over 6 years).

[2] Estimated debt service payments based on a \$13,891,500 bond issue at an estimated rate of 4.50%. Includes two years of watermain replacements, priority 2 sanitary sewer phase 1 and Jefferson sewer separation phase 2.

[3] Estimated debt service payments based on a \$8,295,830 bond issue at an estimated rate of 5.00%. Includes priority 2 sanitary sewer phase 2.

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**  
598 Cash Flow - Infrastructure Millage Fund

	<u>2024/25</u>	<u>Increases Per Year</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>	<u>2031/32</u>
Millage Levied	2.4817		2.4817	2.4817	2.4817	2.4817	2.4817	2.4817	2.4817
Taxable Value	797,958,415	3.00%	821,897,167	846,554,082	871,950,705	898,109,226	925,052,503	952,804,078	981,388,200
Revenues:									
Millage Revenue	\$1,980,293		\$2,039,702	\$2,100,893	\$2,163,920	\$2,228,838	\$2,295,703	\$2,364,574	\$2,435,511
Less: Estimated Cash-Funded Capital Improvements - Sewer	(495,000)		(388,500)	(468,563)	(448,580)	(334,264)	(319,070)	(335,024)	-
Estimated Cash-Funded Capital Improvements - Water	<u>(1,445,000)</u>		<u>(1,706,250)</u>	<u>(2,260,125)</u>	<u>(549,872)</u>	<u>(638,141)</u>	<u>(3,254,518)</u>	<u>(3,484,249)</u>	<u>-</u>
Net Cash Flow	<u>\$40,293</u>		<u>(\$55,048)</u>	<u>(\$627,794)</u>	<u>\$1,165,469</u>	<u>\$1,256,433</u>	<u>(\$1,277,886)</u>	<u>(\$1,454,699)</u>	<u>\$2,435,511</u>
Cash & Investments	\$1,161,629	\$1,201,922	\$1,146,875	\$519,080	\$1,684,549	\$2,940,982	\$1,663,096	\$208,397	\$2,643,908

# **Appendix D:** **Schedule of User Rates**

**CITY OF GROSSE POINTE PARK**  
**COUNTY OF WAYNE, STATE OF MICHIGAN**

*User Rates - Water*

Meter Size	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
5/8" and 3/4"	\$60.00	\$65.00	\$70.00	\$75.00	\$80.00	\$85.00
1"	60.00	65.00	70.00	75.00	80.00	85.00
1 1/2"	135.00	146.25	157.50	168.75	180.00	191.25
2"	240.00	260.00	280.00	300.00	320.00	340.00
3"	540.00	585.00	630.00	675.00	720.00	765.00
4"	960.00	1,040.00	1,120.00	1,200.00	1,280.00	1,360.00
6"	2,160.00	2,340.00	2,520.00	2,700.00	2,880.00	3,060.00

Metered	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Commodity Charge (per 100 cu. ft.)	\$3.80	\$3.99	\$4.19	\$4.40	\$4.62	\$4.85

*User Rates - Sewer*

Meter Size	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
5/8" and 3/4"	\$100.00	\$110.00	\$120.00	\$130.00	\$140.00	\$150.00
1"	100.00	110.00	120.00	130.00	140.00	150.00
1 1/2"	225.00	247.50	270.00	292.50	315.00	337.50
2"	400.00	440.00	480.00	520.00	560.00	600.00
3"	900.00	990.00	1,080.00	1,170.00	1,260.00	1,350.00
4"	1,600.00	1,760.00	1,920.00	2,080.00	2,240.00	2,400.00
6"	3,600.00	3,960.00	4,320.00	4,680.00	5,040.00	5,400.00

Metered	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Commodity Charge (per 100 cu. ft.)	\$2.50	\$2.63	\$2.76	\$2.89	\$3.04	\$3.19