



2012/2013 Annual Budget

Thomas Kramer
Mayor

Cisco Ortiz
First Ward Councilmember

Tim Miller
First Ward Councilmember

Chris Pierce
Second Ward Councilmember

Toby Kirk
Second Ward Councilmember

Michael Beckwith
Third Ward Councilmember

Maureen Petzko
Third Ward Councilmember

Randall Hazelbaker
Fourth Ward Councilmember

Heather Peet
Fourth Ward Councilmember

CITY OF COLDWATER

BUDGET

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June 25, 2012

TO: Mayor Kramer and Councilmembers

FROM: Jeff Budd, City Manager

RE: **Fiscal Year 2012-2013 Budget**

The City of Coldwater presents the following operational budgets for City Council approval for the 2012-2013 fiscal year. These budgets include the City's general operating funds, special revenue funds, tax increment financing authorities of the Downtown Development and Local Development Funds and budgets for the Coldwater Board of Public Utilities.

As specified in the City Charter, the budgets presented have been vetted by the City Council through budget workshops and subject to public scrutiny through the public hearing process. There have been no significant changes to these budgets from what has been previously presented. City Council is being asked to approve Resolution Numbers 12-14, 12-15 and 12-16 to adopt the budgets for the ensuing fiscal year.

Financial Status

As the end of the 2012 fiscal year draws to a close, initial financial results show the City in a solid financial position. The original budget for 2012 reflected an operating deficit of \$198,651; however, the budget was amended to a deficit of \$818,470, a result of paying off the remaining debt on the Henry L. Brown Municipal Building and the replacement of the heating and cooling system at the public safety building. This would have reduced the City's fund balance from \$3.1 million at June 30, 2011, to \$2.3 million at June 30, 2012, or roughly 28% of revenues. Final operating results are projected to be significantly less than the amended budget of \$818,470.

Due to the City's strong financial position, it has been able to weather the significant decreases in revenue without cutting services to residents. The City's property tax revenues have dropped \$250,000 from 2010 and expected to drop another \$300,000 in 2013. Overall, property taxes are expected to drop \$550,000 (14%) from 2010. In

addition, state revenue sharing is expected to remain the same as in 2011; however, it is down \$310,000 from the high of \$1.2 million received in 2002. Overall, revenues will be \$300,000 less than what was received in fiscal year 2011.

Even with the decreased revenues, the City has been able to continue to deliver the high level of services expected by our residents. While there have been challenges, the City has continued to improve efficiency by investing in technology and working smarter, not harder. This has led to a decrease in expenditures, none of which would be possible without the reliable and dedicated employees of the City who have taken on additional duties as the existing workforce continues to shrink.

Unfortunately, the City has also delayed numerous capital investments during this period of declining revenue. At some point, these delays may result in future years bearing the brunt of the costs for the replacement of aging infrastructure.

The City is still projecting future budget deficits as revenues are not expected to increase significantly in the near future. However, these deficits are not nearly as severe as once projected. The City is well positioned financially to work through this period of declining revenue due to the reserves and conservative philosophy of City Council.

Growth

Growth? That is a word that has not been mentioned in the past few years in the City. In the past six months we have seen more economic development and opportunities to respond to inquiries than in recent history. This year the City has seen the development of a technologically advanced greenhouse and expansions by several local manufacturers. This has all helped soften the decline in the property tax values experienced starting with the recession in 2008.

Mastronardi Produce has substantially completed the first phase of what will ultimately be a 50-acre site of the largest greenhouse under glass in North America. Not only has this produced jobs for local employees, it has also increased the City's tax base and will positively impact the City's electric utility.

In addition, Asama Manufacturing, Gokoh Coldwater, Inc. and BDS Suspension have all expanded their current facilities. This brings increased tax base, but more importantly jobs to the local economy. Other pending developments include JT Billiards, Culver's and Jimmy Johns, along with scheduled improvements to Meijer and McDonald's.

The City through its relationship with the Branch County Economic Growth Alliance continues to actively recruit and obtain leads to build the employment and tax base in Branch County and ultimately the City of Coldwater. The recent activity is a good sign

things are starting to turn the corner and pick up in the State and local economies after suffering through several years of recessions.

Capital Expenditures

This budget year the City plans on continuing to provide residents the same services they have grown accustomed to. In doing so, the City is going to continue to minimize expenditures by delaying the purchase of several pieces of equipment. For example, the 1984 brush chipper was repaired as opposed to being replaced. Ultimately, the equipment will not last forever, but the City is trying to minimize capital expenditures until such time as revenues start to pick up.

But certain equipment needs to be replaced. Current plans call for \$447,500 of capital expenditures to be incurred during the 2013 fiscal year. The bulk of this outlay is replacement of worn out equipment, such as the replacement of a 1998 Dodge dump truck. There is also an additional \$112,000 planned on being spent for the purchase of equipment that will improve our efficiency, such as a spray patch machine used to fill in pot holes in a more efficient manner than cold patch, which has a higher failure rate.

Aging Infrastructure

The City and Coldwater Board of Public Utilities continues to be faced with the problem of aging infrastructure. Many of the underground pipes that catacomb the city were installed more than 50 years ago. While this infrastructure has served the city well, there is a point where it will need to be replaced.

The cost to replace the existing roads and pipes underneath the roads is staggering. While there is a capital improvement plan in place, rising costs and the unknown condition of the pipes is always a concern. As the City studies our infrastructure with underground cameras, new areas continue to pop up as concerns that need immediate attention to repair. Unfortunately, the funding sources are less than the repair costs. In the end, rates will need to be adjusted, but significant efforts are made to minimize the cost to the ratepayer and citizens.

While the City is currently free of general obligation debt, it may need to borrow to provide answers to the aging utility infrastructure, roadways and crumbling parking lots.

Fiscal Year 2013

Overall, the City is currently budgeting a small surplus of \$3,774. Originally, a larger budget deficit of \$100,000 was planned and discussed. A program to acquire and demolish blighted and abandoned homes was taken out of the final budget as presented. City Council wanted to be prudent in showing residents they do not intend

on spending money they don't have. This program will continue as planned, but will only occur if the financial results dictate a savings in other areas.

Even though the City will be working with less financial resources than the year before, there are no plans to reduce services. Prudent prior management decisions have allowed the City to cut employment and expenditures that have led to a buildup of financial reserves to mitigate the downturn in revenues. Unfortunately, there is a limit to the amount of expenditures that can be cut.

Local government is a labor intensive business. It takes employees to plow the snow, staff the fire station and police our neighborhoods. Roughly 67% of total expenditures are tied to wages and benefits. Fortunately, the City has been able to keep our wages and benefits at a manageable level. In addition, the legacy costs experienced by many other municipalities are almost nonexistent in Coldwater. This fact is a main reason the City has been able to maintain services while so many other cities are facing cuts and financial distress. The City's dedicated employees continue to be the biggest asset of the City.

A Little Ray of Hope

Last year's budget message was filled with doom and gloom. Property taxes were still falling and the unemployment rate was still greater than 10%.

But, now there appears to be an upturn in the local economy. Unemployment has dropped below 8% and as mentioned earlier, we have seen several new and existing companies investing in Coldwater and adding jobs. While property values have not picked up, there is an indication we may have reached the bottom of the market. Recent home sales study show mid-priced homes starting to sell versus only the ones at the bottom of the market. This certainly provides a ray of hope given the previous four years of recession.

But there still remain some dark and ominous clouds in the forecast. As discussed, infrastructure needs to be replaced, delayed equipment purchases will need to be purchased and downtown parking lots will need to be redone. There are also unknowns of the future of revenue sharing and when property tax values will increase. Add in the uncertainty of the Michigan legislature and there is still cause to be financially cautious about the year ahead.

Even with all the financial concerns, Coldwater will remain a great place to live, work and to raise a family. As a whole, the Coldwater Community, its residents and employers, continues to support our festivals, schools and community programs. The generosity of the community through monetary donations and community service involvement is envious of other municipalities, both large and small. I take great pride in calling Coldwater home, and I hope you do, too.

RESOLUTION NO. 12-14

**City of Coldwater
General Appropriations Act
for Fiscal Year 2012-2013**

WHEREAS, Public Act 621 of 1978 mandates a provision for expenditures of appropriations and disposition of revenues, and

WHEREAS, it is necessary to provide for a tax levy to fund the various appropriations, and

WHEREAS, it is necessary to provide for the implementation, operation and periodic amendment of this act;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

That the City Council of the City of Coldwater having reviewed the proposed budget document finds that the total revenues and unappropriated fund balance necessary for operation of the General Fund in Fiscal Year 2012-2013 are as follows:

Property Taxes	3,488,807
Licenses and Permits	150,800
State Shared Revenue	885,809
State Sources	44,000
Charges for Services	480,500
Rent	299,658
Interest Income	114,025
Contributions	1,500
Other Income	243,539
Payment in Lieu of Taxes	2,199,864
Operating Transfers	98,664
TOTAL:	8,007,166

BE IT FURTHER RESOLVED THAT the City Council having reviewed the proposed budget hereby establishes budget control centers and appropriates in the amount and purposes set forth as follows:

General Government	1,342,166
Public Safety	3,751,050
Public Works	1,484,999
Recreation and Cultural	1,027,275
Planning	128,275
Other	269,627
TOTAL:	8,003,392

BE IT FURTHER RESOLVED THAT the City Council, having reviewed the above revenues and expenditures and being advised that the City Assessor has certified: a) the state equalized value of all real and personal property in the City to be \$318,085,014, b) the taxable value of all real and personal property in the City to be \$307,963,248, and c) the value of property subject to the Industrial tax to be \$21,695,639, hereby directs that the tax levy for 2012-2013 be set at 11.5978 mills and further directs that the Treasurer prepare a tax roll and levy said taxes to be due and payable on August 1, 2012.

BE IT FURTHER RESOLVED THAT no member of the City Council or employees of the City shall expend any funds or obligate the expenditure of any funds except pursuant to the appropriations act adopted by the City Council. Changes in the amount of any appropriation shall require approval of the City Council.

BE IT FURTHER RESOLVED THAT the City Manager is charged with the supervision and execution of the budget adopted under this general appropriations act and shall be responsible for the performance of the programs within the amounts appropriated by the City Council unless such amounts appropriated are amended.

BE IT FURTHER RESOLVED THAT this resolution is effective on July 1, 2012.

This resolution is hereby adopted on this 25th day of June, 2012, by the City Council of the City of Coldwater with the following vote:

AYES:

NAYS:

ABSENT:

ATTEST:

CITY OF COLDWATER:

Ruth Ann Volkmer
City Clerk

Tom Kramer
Mayor

RESOLUTION NO. 12-15

**City of Coldwater
Special and Operating Funds Appropriations Act
for Fiscal Year 2012-2013**

WHEREAS, it is necessary to provide for the expenditure of appropriations and the disposition of revenues, and

WHEREAS, it is necessary to provide for tax levies and other charges to fund the various appropriations;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

That the City Council of the City of Coldwater having reviewed the proposed revenues, expenditures and unappropriated fund balances of the various special and operating funds hereby establishes budget control centers and appropriates in the amounts and for the purposes set forth as follows:

Major Streets	714,374
Local Streets	364,920
Parking Authority	46,500
Retirement Fund	98,664
Revolving Development	700,000
Electric Utility – Board of Public Utilities	31,482,732
Water Utility – Board of Public Utilities	2,060,800
Wastewater Utility – Board of Public Utilities	2,501,729
Telecommunication – Board of Public Utilities	3,249,520

BE IT FURTHER RESOLVED THAT no member of the City Council or employee of the City shall expend any funds or obligate the expenditure of any funds except pursuant to the special and operating funds appropriations act adopted by the City Council. Changes in the amount of any appropriations shall require Council approval.

BE IT FURTHER RESOLVED THAT the City Manager is charged with the supervision of the budget adopted under the special and operating funds appropriations act and shall be responsible for the performance of the programs under his control within the amounts appropriated by the City Council unless so amended.

BE IT FURTHER RESOLVED THAT this resolution is effective July 1, 2012.

This resolution is hereby adopted on this 25th day of June, 2012, by the City Council of the City of Coldwater with the following vote:

AYES:

NAYS:

ABSENT:

ATTEST:

CITY OF COLDWATER:

Ruth Ann Volkmer
City Clerk

Tom Kramer
Mayor

RESOLUTION NO. 12-16
FISCAL YEAR 2012-2013
CITY EMPLOYEE RETIREMENT FUND

WHEREAS, the City Council of the City of Coldwater shall have the power to assess taxes and to levy and collect said taxes; and

WHEREAS, the City Charter of the City of Coldwater Section 8.1, authorizes the City Council to levy not to exceed one hundred seventy-five thousandths of one percent (1 $\frac{3}{4}$ mills) of such assessed value for the City's Employee Retirement Fund; and

THEREFORE, BE IT RESOLVED; that the portion of the budget to be raised by taxation for the Retirement Fund be set at 1/3 mill on the Taxable Value of the City of Coldwater.

This resolution is hereby adopted on the 25th day of June, 2012 by the City Council of the City of Coldwater with the following vote:

AYES: _____

NAYS: _____

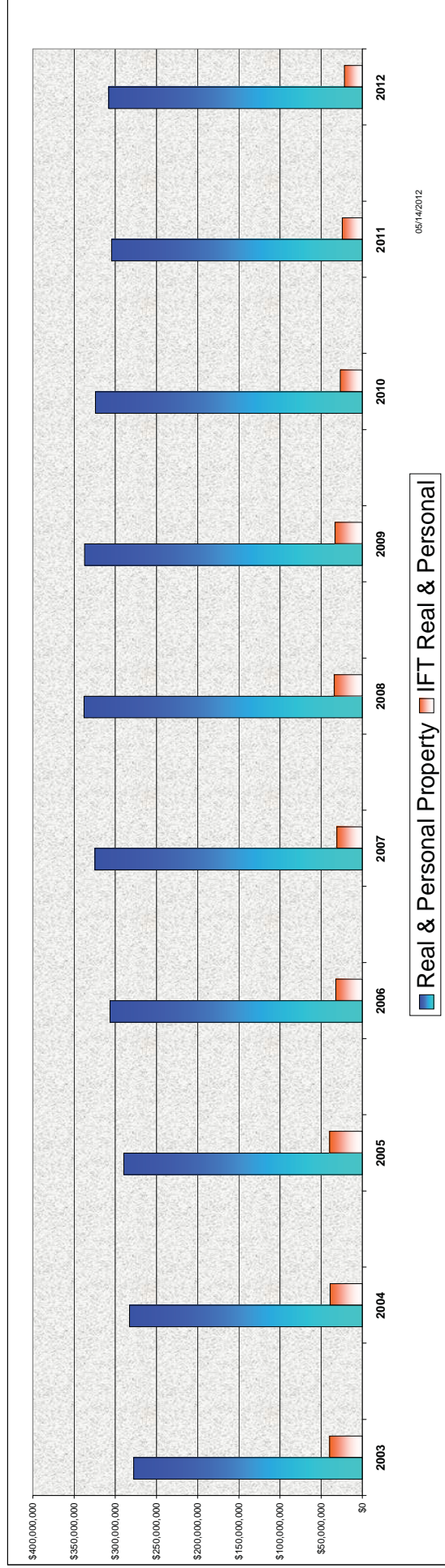
ABSENT: _____

Date: _____

Ruth Ann Volkmer
City Clerk

City of Coldwater Assessor's Office Taxable Values

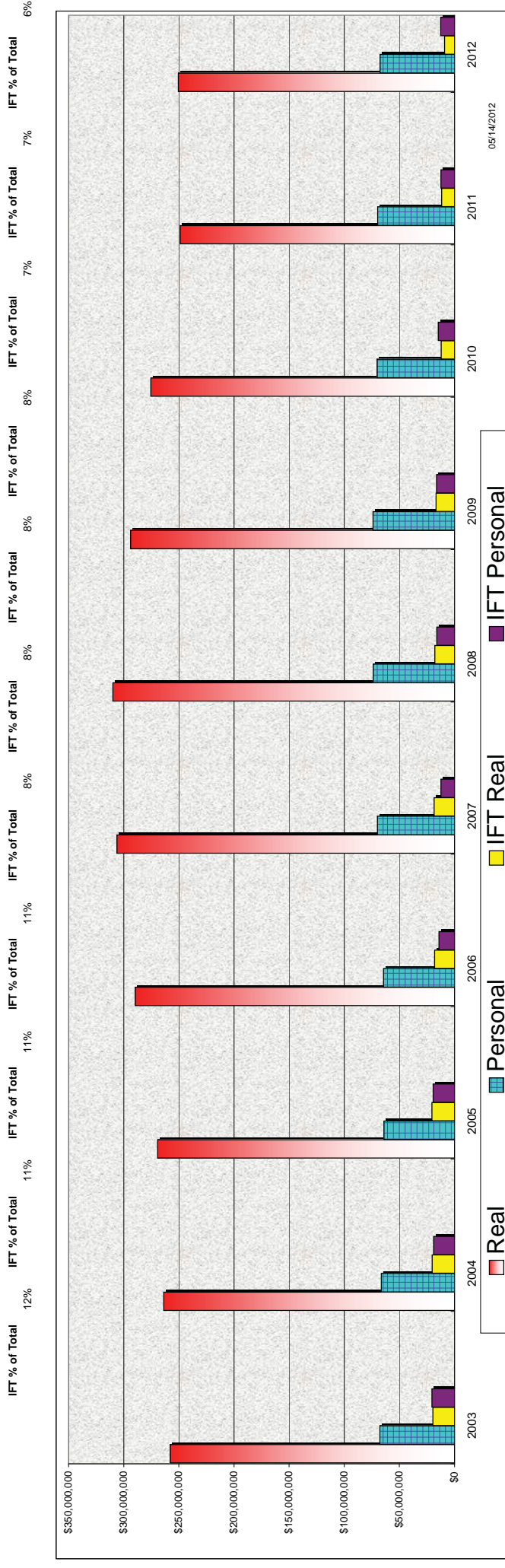
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	%chg.
Real & Personal												
IFT Real	\$ 268,357,197	\$ 277,533,120	\$ 282,737,230	\$ 289,620,414	\$ 306,364,172	\$ 324,721,632	\$ 337,795,278	\$ 337,114,641	\$ 323,877,819	\$ 304,568,217	\$ 307,963,248	1.1%
IFT Pers.	\$ 45,131,156	\$ 39,649,504	\$ 38,978,950	\$ 39,738,224	\$ 32,119,400	\$ 30,896,000	\$ 34,046,788	\$ 33,175,196	\$ 26,927,783	\$ 24,404,410	\$ 21,640,563	-11.3%
Total	\$ 313,488,353	\$ 317,182,624	\$ 321,716,180	\$ 329,358,638	\$ 338,483,572	\$ 355,617,632	\$ 371,842,066	\$ 370,289,837	\$ 350,805,602	\$ 328,972,627	\$ 329,603,811	0.2%
	IFT % of Total 14.4%	IFT % of Total 12.5%	IFT % of Total 12.1%	IFT % of Total 12.1%	IFT % of Total 9.5%	IFT % of Total 8.7%	IFT % of Total 9.2%	IFT % of Total 9.0%	IFT % of Total 7.7%	IFT % of Total 7.4%	IFT % of Total 6.6%	



City of Coldwater Assessor's Office

State Equalized Values

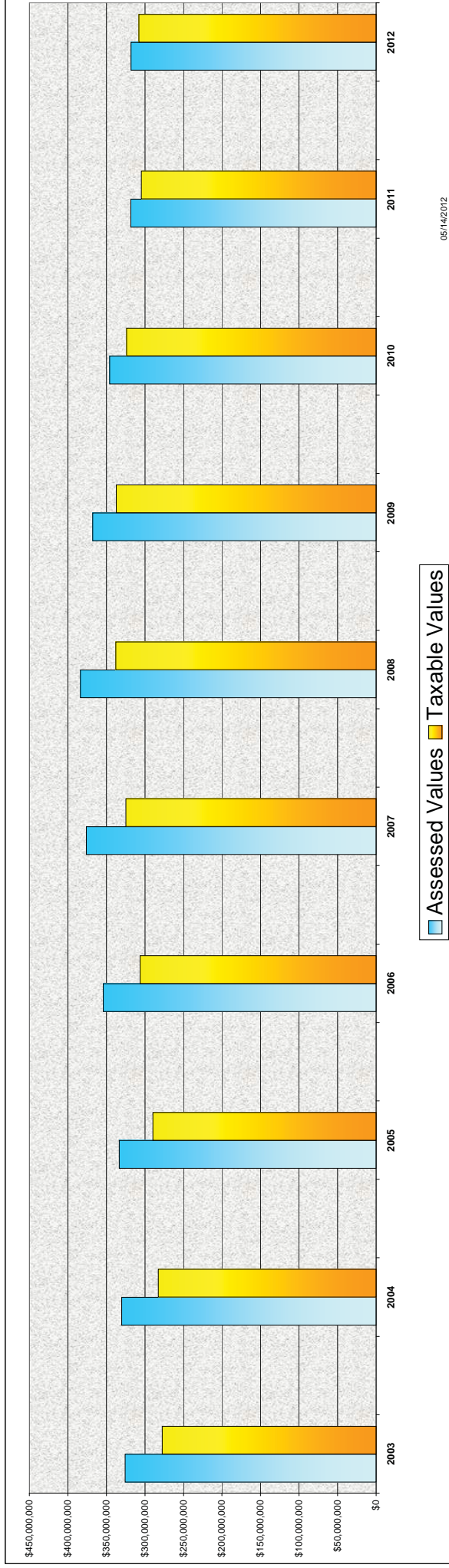
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Real	\$ 260,651,800	\$ 257,845,300	\$ 263,642,900	\$ 269,286,000	\$ 289,509,900	\$ 306,038,500	\$ 309,847,108	\$ 293,792,810	\$ 275,426,650	\$ 248,712,772	\$ 250,561,270
Personal	\$ 66,415,654	\$ 67,827,700	\$ 66,377,700	\$ 63,926,300	\$ 64,441,700	\$ 70,053,900	\$ 73,794,300	\$ 73,868,088	\$ 70,230,381	\$ 69,698,764	\$ 67,523,744
IFT Real	\$ 20,323,500	\$ 19,537,700	\$ 20,313,600	\$ 20,532,300	\$ 18,054,500	\$ 18,579,000	\$ 17,852,800	\$ 16,788,550	\$ 12,115,350	\$ 11,758,300	\$ 9,069,950
IFT Pers.	\$ 25,241,100	\$ 20,414,400	\$ 18,878,400	\$ 19,321,300	\$ 14,064,900	\$ 12,317,000	\$ 16,217,950	\$ 16,405,939	\$ 14,846,923	\$ 12,462,487	\$ 12,625,689
Total	\$ 372,632,054	\$ 365,625,100	\$ 369,212,600	\$ 373,065,900	\$ 386,071,000	\$ 406,988,400	\$ 417,712,158	\$ 400,855,387	\$ 372,619,304	\$ 342,632,323	\$ 339,780,653
	12%	11%	11%	11%	8%	8%	8%	8%	7%	7%	6%



City of Coldwater Assessor's Office

AV & TV Values

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	%chg.
Assessed	\$ 327,067,454	\$ 325,673,000	\$ 330,020,600	\$ 333,212,300	\$ 353,951,600	\$ 376,092,400	\$ 383,641,408	\$ 367,660,898	\$ 345,657,031	\$ 318,411,536	\$ 318,085,014	-0.1%
Taxable	\$ 288,357,197	\$ 277,533,120	\$ 282,737,230	\$ 289,620,414	\$ 306,364,172	\$ 324,721,632	\$ 337,795,278	\$ 337,114,641	\$ 323,877,819	\$ 304,568,217	\$ 307,963,248	1.1%
% of TV	82%	85%	86%	87%	87%	86%	88%	92%	94%	96%	97%	



**CITY OF COLDWATER AND
COLDWATER BOARD OF PUBLIC UTILITIES
EMPLOYEE COUNT**

<u>Department</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineering	2.50	2.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00
Clerk/Assessor	3.00	-	-	-	-	-	-	-	-
Clerk	-	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.00
Assessor	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance/Treasurer	-	-	-	-	-	-	-	-	-
Administrative Services	12.00	12.00	12.00	11.00	11.00	10.50	10.50	8.50	10.00
Municipal Bldg. Maint.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Police	18.50	18.50	18.50	18.50	18.50	18.50	17.50	17.50	17.50
Fire	15.50	15.50	15.50	15.50	15.50	15.50	15.50	16.50	16.50
Municipal Services:									
Administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.00
Streets	9.00	9.00	9.00	9.00	9.00	9.00	7.00	6.00	7.00
Rubbish Collection	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Cemeteries	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Parks	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00
Planning/Grant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Neighborhood Services	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	4.00
Total City Employees	80.00	79.00	78.00	77.00	77.00	77.00	72.50	70.50	70.50
Electric	18.00	16.00	16.00	16.00	17.00	16.00	16.00	16.00	17.00
Water	7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00	5.00
Wastewater	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Telecommunications	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Engineering	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00	4.00
Municipal Bldg. Maint.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total BPU Employees	46.00	43.00	43.00	43.00	44.00	43.00	41.50	40.50	42.50
Total Employees	126.00	122.00	121.00	120.00	121.00	120.00	114.00	111.00	113.00

Note: Excludes contract and seasonal employees

GENERAL FUND CAPITAL OUTLAY

FYE 13

LEGISLATIVE	COMPUTERS	\$	8,250
CITY MANAGER	COMPUTER		2,000
CLERK	COMPUTER		2,000
FINANCE	MISC PRINTERS		1,250
	COMPUTERS		2,000
	DOCUMENT MANAGEMENT SYSTEM		20,000
	TOTAL FINANCE		23,250
ASSESSOR	COMPUTERS		4,000
CEMETERY	FRONT PLOW MOUNT		5,000
POLICE	CARPET		7,500
FIRE	REPLACEMENT FIRE VEHICLE		30,000
	FIRE HOSE		4,000
	CARPET		7,500
	TOTAL FIRE		41,500
PUBLIC WORKS	REPLACE ONE TON DUMP TRUCKS		40,000
	REPLACE 4X4 PICKUP TRUCK		35,000
	BACKHOE RETROFIT		30,000
	SPRAY PATCH MACHINE		30,000
	TOTAL PUBLIC WORKS		135,000
ENGINEERING	TIBBITS STREET WORK		20,000
	CITY OWNED PARKING LOT MAINTENANCE		42,000
	DIGITIZING INFRASTRUCTURE DRAWING/MAPS		5,000
	GIS PROGRAMMING TOOL SOFTWARE		15,000
	TOTAL ENGINEERING		82,000
MECHANIC	SHOP OFFICE REMODEL		25,000
NEIGHBORHOOD SRV	REPLACEMENT VEHICLE		26,000
RECREATION	COMPUTER		2,000
PARK MAINTENANCE	PAVILIONS (HERITAGE) (2)		25,000
	PLAYGROUND EQUIPMENT		30,000
	DOG PARK ADDITION		4,000
	FALL TREE PLANTING		20,000
	WALKING TRAIL MAINTENANCE		5,000
	TOTAL PARK MAINTENANCE		84,000
TOTAL CAPITAL OUTLAY		\$	447,500

**CITY OF COLDWATER
BUDGET SUMMARY
ALL FUNDS
FISCAL YEAR 2012/2013**

FUND DESCRIPTION	REVENUES	EXPENDITURES	OTHER FINANCING SOURCES (USES)	EXCESS (DEFICIENCY)
General Fund	5,708,638	8,003,392	2,298,528	3,774
Major Streets	682,988	541,397	(172,977)	(31,386)
Local Streets	192,112	364,920	172,977	169
Parking Authority	45,001	46,500	-	(1,499)
Revolving Development	46,000	700,000	-	(654,000)
<u>Component Units</u>				
Downtown Development Authority	118,389	87,750	30,000	60,639
Local Development Authority	250,000	250,000	-	-

CITY OF COLDWATER
GENERAL FUND
NARRATIVE

REVENUES:

Taxes

Property tax values are expected to decrease 4.57%. The result is a decrease in tax revenue of \$164,178. Since 2010 fiscal year property taxes have dropped over \$566,000 (14%) annually. This decrease reflects the continuing drop in residential and commercial property values.

Licenses and Permits

Recent development has caused an increase in building permits. This trend should continue into the 2013 fiscal year. The budget reflects a very conservative estimate, but the City is optimistic actual financial results will exceed budgeted revenues.

Federal Sources

At present no federal grants are expected to be received. The City continues to apply for federal grants, but none are presented in the budget for this fiscal year.

State Shared Revenue

Revenue sharing will increase slightly as the City has met the requirements for additional funding under the Economic Vitality Incentive Program approved by the State Legislature.

Charges for Services

The City continues to contract for fire protection with two surrounding townships in the amount of \$170,400. The balance of revenues is from services provided for recreation, cemetery and reimbursements for services provided to citizens and other governmental agencies.

Rent

Equipment rental charged to street funds and other funds is the primary source of revenue. Final revenue will ultimately depend on various winter weather conditions in regards to snow plowing for Street funds.

Interest and Other Revenue

Interest income is expected to increase this even though interest rates remain at historic lows. The increase is primarily related to the tax increment financing capture for improvements in the LDFA district where the commercial greenhouse is being built. In addition to the interest income, there will be approximately \$200,000 of other income associated with the recapture of principal owed from the LDFA district as well.

EXPENDITURES:

General Government

General Government accounts for the primary administrative operations of the City of Coldwater. All expenditures are broken down by department and are primarily made up of salaries, fringes and costs of operation. There are no significant capital expenditures budgeted outside of replacement of computer equipment.

Public Safety

Listed under the Public Safety heading are the Police, Fire and Neighborhood Services Departments. These departments are responsible for the personal safety of the residents of the city. The majority of these expenditures relate to salaries, fringes and cost of operations. Two cars are scheduled be replaced pursuant to normal replacement schedule.

Public Works

Public Works expenditures relate directly to the cost of maintaining the city. The majority of these expenditures relate to salaries, fringes and cost of operations. \$135,000 has been budgeted for the replacement of trucks and various other equipment.

Recreation and Cultural

Budget constraints have limited capital improvements to \$84,000 primarily for projects enhancing the various city parks. The majority of costs are related to the operational costs of running the numerous recreational programs and maintaining the city's parks, primarily for wages, benefits and operating supplies.

Planning

Costs incurred will primarily cover the operations of the planning office to administer, plan reviews, zoning issues, and other planning functions.

Other

Other expenditures are primarily insurance payments for liability and worker's compensation and rent for the municipal building.

OPERATING TRANSFERS:

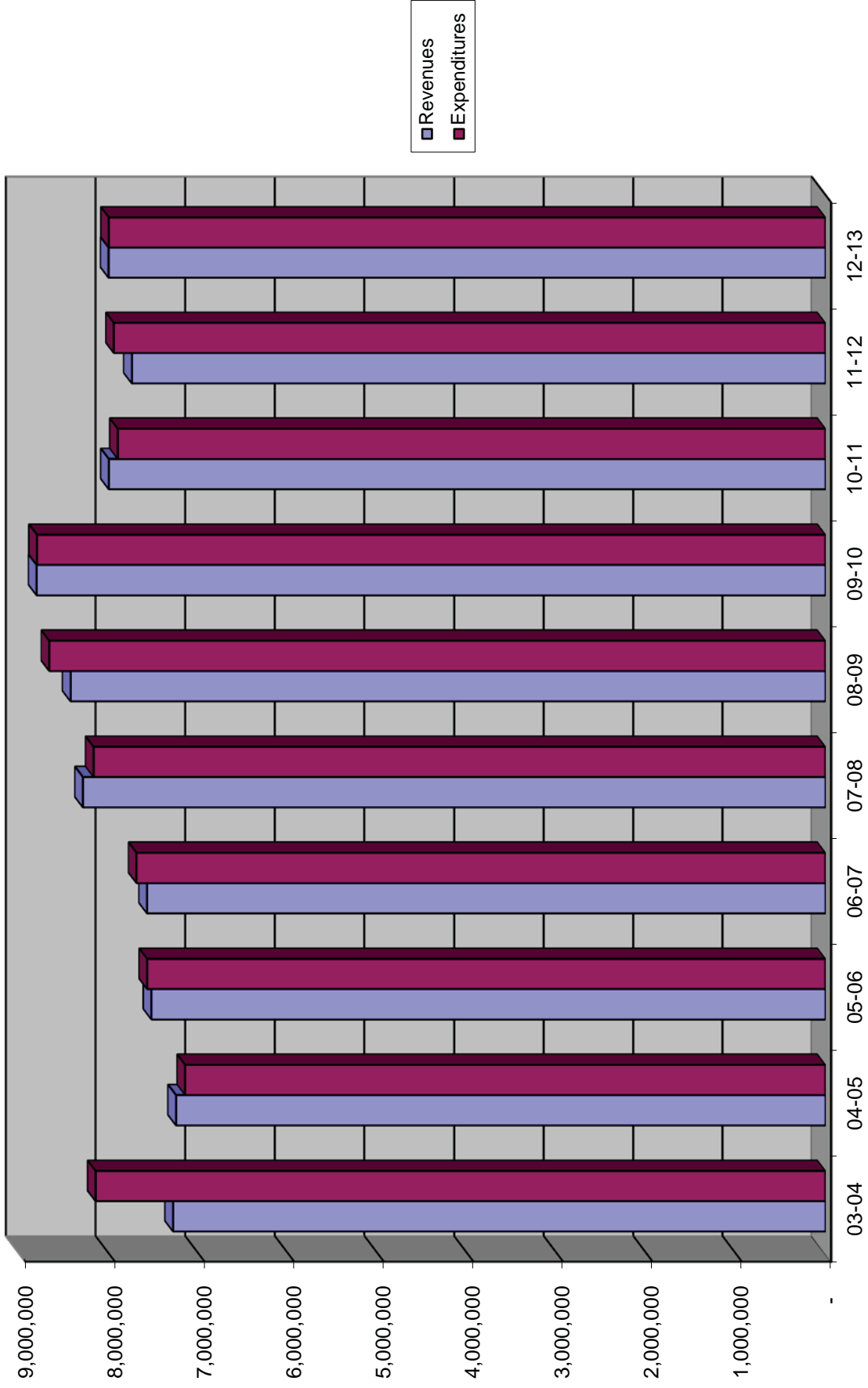
Operating transfers are primarily from the Retirement Fund and Payments in Lieu of Taxes (PILOT) from the Utility Departments. The Retirement Fund is a levy of 1/3rd of a mill. The City is authorized by City Charter to levy up to 1.75 mills at the discretion of the City Council. The PILOT is a City Charter authorized transfer equivalent to 6½% of utility revenues and amounts to \$2.1 million.

CITY OF COLDWATER
GENERAL FUND

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
<u>Revenues</u>				
Taxes	\$ 3,878,166	\$ 3,647,781	\$ 3,652,985	\$ 3,488,807
Licenses and Permits	143,298	172,800	173,800	150,800
Federal Sources	29,217	-	47,500	-
State Shared Revenue	838,787	758,233	847,068	885,809
State Sources	48,919	44,000	44,000	44,000
Charges for Services	538,292	481,241	483,866	480,500
Rent	307,428	294,758	294,758	299,658
Interest Income	73,904	65,000	65,000	114,025
Contributions	2,725	1,500	1,500	1,500
Other Income	171,422	21,000	35,760	243,539
Total Revenues	6,032,158	5,486,313	5,646,237	5,708,638
<u>Expenditures</u>				
General Government	1,275,832	1,329,266	1,282,500	1,342,166
Public Safety	3,857,232	3,741,500	3,909,500	3,751,050
Public Works	1,300,914	1,400,400	1,407,400	1,484,999
Recreation and Cultural	851,823	1,025,300	1,016,800	1,027,275
Planning	125,531	82,700	118,850	128,275
Debt Service	435,346	-	-	-
Other Expenditures	398,533	368,257	995,457	269,627
Total Expenditures	8,245,211	7,947,423	8,730,507	8,003,392
Excess (Deficiency) of Revenues Over Expenditures	(2,213,053)	(2,461,110)	(3,084,270)	(2,294,754)
<u>Other Financing Sources (Uses)</u>				
Sale of fixed assets and land	893	-	3,341	-
Payment in Lieu of Taxes	2,146,188	2,159,102	2,159,102	2,199,864
Proceeds from debt	431,000	-	-	-
Operating transfers in	115,249	103,357	103,357	98,664
Total other financing sources (uses)	2,693,330	2,262,459	2,265,800	2,298,528
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	480,277	(198,651)	(818,470)	3,774
Fund Balance - Beginning of year	2,686,068	3,166,345	3,166,345	2,347,875
Fund Balance - End of the year	\$ 3,166,345	\$ 2,967,694	\$ 2,347,875	\$ 2,351,649

COMPARATIVE DATA

GENERAL FUND

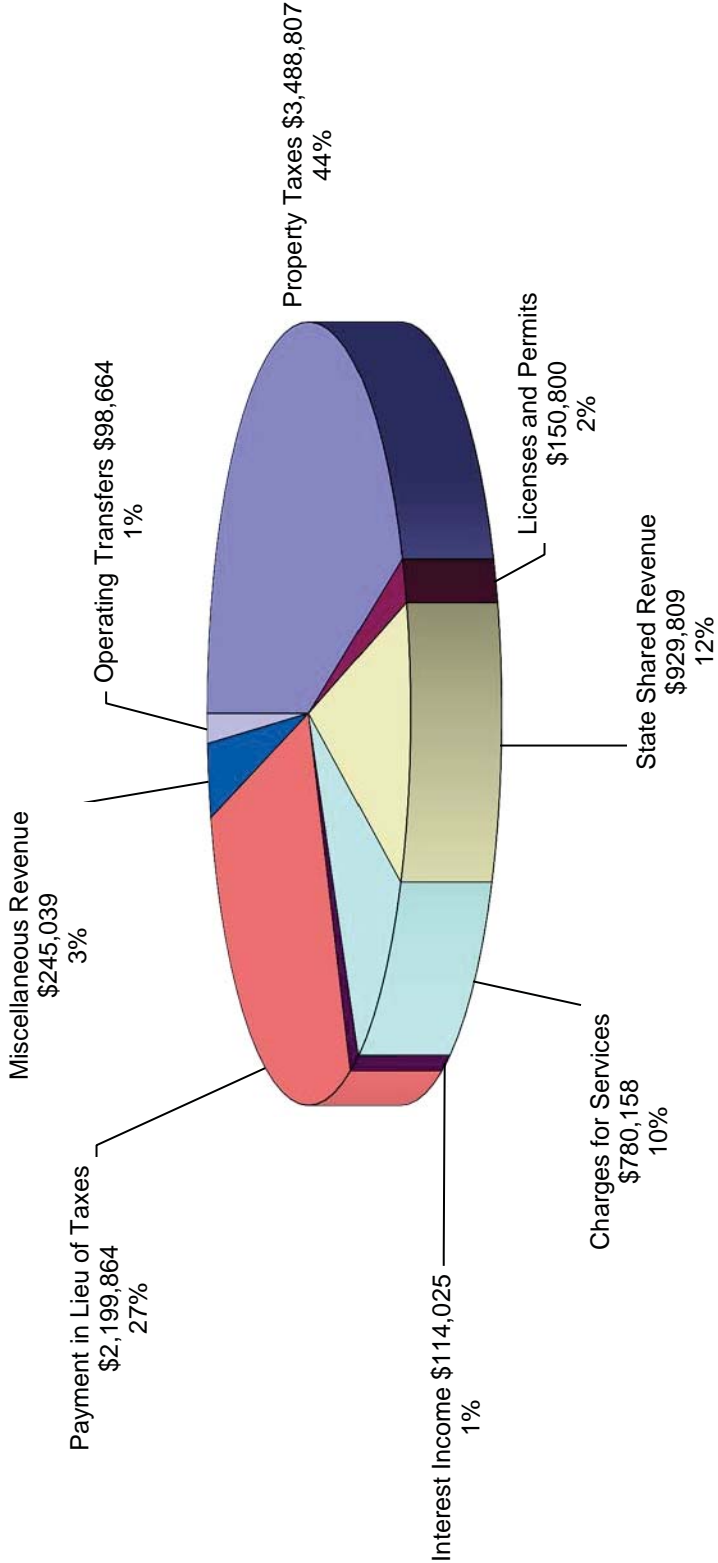


CITY OF COLDWATER
GENERAL FUND
REVENUE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
<u>Taxes</u>				
Property Taxes	\$ 3,764,849	\$ 3,542,382	\$ 3,547,586	\$ 3,383,284
Administration Fee	113,317	105,399	105,399	105,523
Total Taxes	3,878,166	3,647,781	3,652,985	3,488,807
<u>Licenses and Permits</u>				
Trailer Court Fees	2,277	2,300	2,300	2,300
Penalties	30,671	32,000	32,000	32,000
Liquor Licenses	11,182	11,000	11,000	11,000
Franchise Fees	47,638	46,000	47,000	49,000
Building Permits	13,601	35,000	35,000	15,000
Rental Housing Permits	1,259	2,500	2,500	2,500
Sign Permits	525	1,000	1,000	1,000
Fines & Forfeits Penalty	36,145	43,000	43,000	38,000
Total Licenses and Permits	143,298	172,800	173,800	150,800
Federal Grants	29,217	-	47,500	-
State Shared Revenue	838,787	758,233	847,068	885,809
State Sources	48,919	44,000	44,000	44,000
<u>Charges for Services</u>				
County Housing Admin	9,333	-	2,625	-
Rural Fire Service	162,556	165,141	165,141	170,400
Cemetery	57,100	60,000	60,000	60,000
Police	19,959	5,100	5,100	2,100
Recreation	155,843	161,000	161,000	158,000
Custom Work	118,501	75,000	75,000	75,000
Compost Site	15,000	15,000	15,000	15,000
Total Charges for Services	538,292	481,241	483,866	480,500
Rents	307,428	294,758	294,758	299,658
Interest Income	73,904	65,000	65,000	114,025
Contribution From Private Sources	2,725	1,500	1,500	1,500
Other Income	171,422	21,000	35,760	243,539
Total Revenues	\$ 6,032,158	\$ 5,486,313	\$ 5,646,237	\$ 5,708,638

GENERAL FUND REVENUE

TOTAL \$8,007,166



CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
<u>GENERAL GOVERNMENT</u>				
Legislative:				
Salaries	\$ 17,998	\$ 17,850	\$ 17,850	\$ 17,850
Fringes	1,366	1,366	1,366	1,366
Travel and Education	3,153	4,000	4,750	8,000
Office Supplies	497	300	300	300
Dues	460	5,000	5,000	5,000
Capital Outlay	1,418	-	-	8,250
	<hr/>	<hr/>	<hr/>	<hr/>
Total Legislative	24,892	28,516	29,266	40,766
City Manager:				
Salaries	154,954	159,000	159,000	160,700
Fringes	46,734	64,600	64,600	63,625
Training/Education/Travel	5,519	6,000	6,000	6,000
Office Supplies	539	1,400	1,400	1,500
Contractual Services	488	2,500	2,500	2,500
Dues	775	1,300	1,300	1,300
Telephone	1,465	1,500	1,500	1,500
Computer Software and Updates	280	500	500	500
Miscellaneous	696	500	500	500
Capital Outlay	-	7,500	7,500	2,000
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Total City Manager	211,450	244,800	244,800	240,125
Elections:				
Office Supplies	3,360	4,500	4,500	5,000
Publishing	621	1,200	1,200	1,000
Contractual Services	15,181	17,500	17,500	21,000
Miscellaneous	2,511	2,500	2,500	2,500
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Total Elections	21,673	25,700	25,700	29,500
Independent Accounting and Auditing	16,983	17,000	14,700	18,000

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Attorney:				
Contractual Services	95,499	104,100	104,100	135,500
Total Attorney	95,499	104,100	104,100	135,500
Finance/Treasurer:				
Salaries	149,045	184,000	125,000	127,900
Fringes	69,177	70,000	51,084	47,400
Training/Education/Travel	1,138	2,000	2,000	3,000
Office Supplies	1,743	3,000	3,000	3,000
Contractual Services	2,716	1,500	1,500	1,500
Dues	440	1,500	1,500	1,500
Telephone	567	600	600	600
Equipment Repairs and Maintenance	555	-	-	-
Computer Software and Updates	16,424	12,000	12,000	16,500
Capital Outlay	14,640	13,350	13,350	23,250
Total Finance/Treasurer	256,445	287,950	210,034	224,650
Network Administration:				
Salaries	35,905	36,800	36,800	37,300
Fringes	16,210	17,100	17,100	15,475
Training/Education/Travel	100	500	500	500
Office Supplies	1,165	1,000	1,000	1,500
Contractual Services	9,563	-	-	-
Telephone	149	600	600	600
Computer Software and Updates	510	2,000	2,000	2,000
Capital Outlay	885	1,100	1,100	-
Total Network Administration	64,487	59,100	59,100	57,375

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Clerk				
Salaries	71,860	73,000	73,000	64,400
Fringes	22,846	26,400	26,400	24,600
Training/Education/Travel	695	3,000	3,000	3,800
Office Supplies	1,398	1,700	1,700	1,700
Publishing	4,987	5,000	5,000	5,000
Contractual Services	941	2,000	2,000	2,000
Dues	400	600	600	600
Telephone	-	400	400	400
Computer Software and Updates	158	500	500	500
Capital Outlay	-	-	-	2,000
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Total Clerk	103,285	112,600	112,600	105,000
Assessor				
Salaries	83,451	80,000	80,000	80,000
Fringes	24,285	16,650	25,150	26,425
Training/Education/Travel	2,979	2,500	3,000	3,000
Office Supplies	1,677	2,500	2,500	2,500
Publishing	587	1,000	1,000	1,000
Contractual Services	1,500	1,500	1,500	1,500
Dues	555	600	600	600
Telephone	148	200	200	200
Computer Software and Updates	7,593	6,500	6,500	7,500
Capital Outlay	-	-	-	4,000
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Total Assessor	122,775	111,450	120,450	126,725

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Henry L. Brown Building Maintenance				
Salaries	17,477	17,200	17,200	18,000
Fringes	10,321	9,200	9,200	8,775
Operating Supplies	3,739	7,000	7,000	7,000
Contracted Services	7,764	15,000	15,000	8,000
Telephone	65	500	500	500
Utilities	45,321	47,400	47,400	45,500
Equipment Repairs and Maintenance	6,601	15,500	15,500	23,000
Building Repairs and Maintenance	14,618	4,000	4,000	-
Total Henry L. Brown Building Maintenance	105,906	115,800	115,800	110,775
Cemetery:				
Salaries	129,384	123,500	143,500	155,500
Fringes	54,342	59,000	60,700	60,000
Training/Education/Travel	800	-	-	-
Operating Supplies	6,126	7,000	7,000	8,000
Maintenance	-	750	750	750
Contractual Services	5,217	10,000	14,000	10,000
Utilities	5,742	8,500	6,500	7,500
Equipment Repairs and Maintenance	570	-	-	-
Building Repairs and Maintenance	3,600	8,500	8,500	7,000
Capital Outlay	46,656	5,000	5,000	5,000
Total Cemetery	252,437	222,250	245,950	253,750
Total General Government	1,275,832	1,329,266	1,282,500	1,342,166

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
<u>PUBLIC SAFETY</u>				
Police:				
Salaries	1,123,238	1,123,600	1,126,545	1,159,800
Fringes	408,902	426,300	427,800	450,500
Training/Education/Travel	6,163	12,000	12,000	12,000
Supplies	18,779	22,500	25,100	22,500
Publishing	1,047	2,000	2,000	2,000
Gas	32,536	37,000	37,000	40,000
Contractual Services	12,075	23,000	12,255	12,000
Professional Fees	1,185	4,000	4,000	2,000
Utilities	28,761	31,000	29,000	31,000
Equipment Repairs and Maintenance	26,369	32,000	35,700	33,000
Building Repairs and Maintenance	5,565	15,000	115,000	15,000
Computer Software and Updates	731	2,000	2,000	2,000
Miscellaneous	1,502	2,600	2,600	2,600
Capital Outlay	43,688	66,000	66,000	7,500
Total Police Department	1,710,541	1,799,000	1,897,000	1,791,900
Fire:				
Salaries	875,738	933,000	933,000	946,100
Fringes	399,523	481,000	481,000	493,400
Training/Education/Travel	6,710	9,000	9,000	14,500
Supplies	8,136	12,500	9,500	11,500
Gas	7,765	12,000	12,000	9,500
Contractual Services	4,875	1,500	1,500	1,500
Professional Fees	1,190	2,000	2,000	2,000
Utilities	23,960	28,000	26,000	29,000
Equipment Repairs and Maintenance	47,638	40,000	40,000	38,000
Building Repairs and Maintenance	7,065	15,000	115,000	15,000
Hydrant Rental	121,663	122,000	122,000	122,000
Computer Software and Updates	944	1,500	1,500	1,500
Miscellaneous	267	-	-	-
Capital Outlay	455,782	75,000	50,000	41,500
Total Fire Department	1,961,256	1,732,500	1,802,500	1,725,500

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Neighborhood Services:				
Salaries	106,423	127,300	127,300	127,800
Fringes	35,355	45,000	45,000	42,150
Training/Education/Travel	3,601	1,500	1,500	1,500
Supplies	1,777	1,500	1,500	1,500
Publishing	1,710	1,500	1,500	1,500
Contractual Services	18,776	25,000	25,000	25,000
Membership and Dues	225	700	700	700
Professional Fees	847	2,000	2,000	2,000
Utilities	899	1,000	1,000	1,000
Equipment Repairs and Maintenance	1,340	2,500	2,500	2,500
Computer Software and Updates	11,196	2,000	2,000	2,000
Miscellaneous	61	-	-	-
Capital Outlay	3,225	-	-	26,000
Total Neighborhood Services	185,435	210,000	210,000	233,650
Total Public Safety	3,857,232	3,741,500	3,909,500	3,751,050
<u>PUBLIC WORKS</u>				
Public Works:				
Salaries	169,094	160,200	160,200	185,400
Fringes	100,165	103,000	103,000	106,400
Training/Education/Travel	3,313	1,500	1,500	1,500
Supplies	10,962	21,000	21,000	21,000
Contractual Services	14,323	37,000	37,000	17,500
Membership and Dues	1,480	1,500	1,500	1,500
Utilities	3,856	4,200	4,200	5,200
Equipment Repairs and Maintenance	367	1,000	1,000	-
Computer Software and Updates	160	500	500	5,500
Miscellaneous	276	-	-	-
Capital Outlay	154,316	200,000	200,000	135,000
Total Public Works	458,312	529,900	529,900	479,000
Sidewalks	58,317	50,000	50,000	50,000

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Engineering:				
Salaries	72,107	76,600	87,600	94,200
Fringes	17,040	33,600	22,100	33,574
Training/Education/Travel	1,848	3,000	3,500	10,000
Office Supplies	2,761	1,300	1,300	1,300
Contractual Services	42,841	31,000	26,000	27,000
Telephone	688	800	800	800
Computer Software and Updates	2,079	3,000	5,000	3,000
Miscellaneous	73	500	500	500
Capital Outlay	-	-	5,000	82,000
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Total Engineering	139,437	149,800	151,800	252,374
Mechanic:				
Salaries	91,696	99,500	99,500	101,400
Fringes	32,939	38,000	38,000	35,925
Supplies	104,870	96,500	96,500	98,000
Gas	56,994	60,000	60,000	65,000
Contractual Services	1,047	5,000	5,000	5,000
Utilities	22,791	24,000	24,000	25,000
Equipment Repairs and Maintenance	12,291	5,500	5,500	5,500
Building Repairs and Maintenance	2,456	1,000	6,000	1,000
Capital Outlay	-	-	-	25,000
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Total Mechanic	325,084	329,500	334,500	361,825
Street Lighting	196,762	197,000	197,000	198,000
Compost Site:				
Salaries	50,962	54,000	54,000	54,000
Fringes	22,907	22,200	22,200	21,800
Printing and Advertising	35	-	-	-
Contractual Services	10,217	8,000	8,000	8,000
Membership Dues	600	-	-	-
Equipment Rent	38,281	60,000	60,000	60,000
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Total Compost Site	123,002	144,200	144,200	143,800
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Total Public Works	1,300,914	1,400,400	1,407,400	1,484,999

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
<u>RECREATION AND CULTURAL</u>				
Recreation:				
Salaries	285,318	290,300	290,300	294,600
Fringes	80,985	86,600	86,600	86,900
Training/Education/Travel	2,753	2,000	2,000	2,000
Supplies	60,244	73,500	73,500	75,500
Printing and Advertising	8,049	7,500	7,500	7,500
Contractual Services	62,062	86,500	86,500	86,500
Memberships and Dues	454	700	700	700
Telephone	1,892	2,500	2,500	2,500
Utilities	48,411	51,300	46,300	52,300
Equipment Repairs and Maintenance	1,517	4,000	4,000	4,000
Building Repairs and Maintenance	491	3,000	3,000	3,000
Computer Software and Updates	128	500	500	1,000
Miscellaneous	23	500	500	500
Capital Outlay	5,194	18,000	18,000	2,000
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Total Recreation	557,521	626,900	621,900	619,000
Park Maintenance:				
Salaries	84,978	108,100	108,100	109,100
Fringes	39,925	55,300	49,300	30,175
Supplies	11,520	12,000	12,000	12,000
Contractual Services	69,401	80,000	82,500	80,000
Utilities	16,194	14,000	14,000	16,000
Equipment Repairs and Maintenance	2,329	5,000	5,000	5,000
Capital Outlay	-	52,000	52,000	84,000
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Total Park Maintenance	224,347	326,400	322,900	336,275
Forestry:				
Contractual Services	69,955	72,000	72,000	72,000
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Total Forestry	69,955	72,000	72,000	72,000
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Total Recreation and Cultural	851,823	1,025,300	1,016,800	1,027,275

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

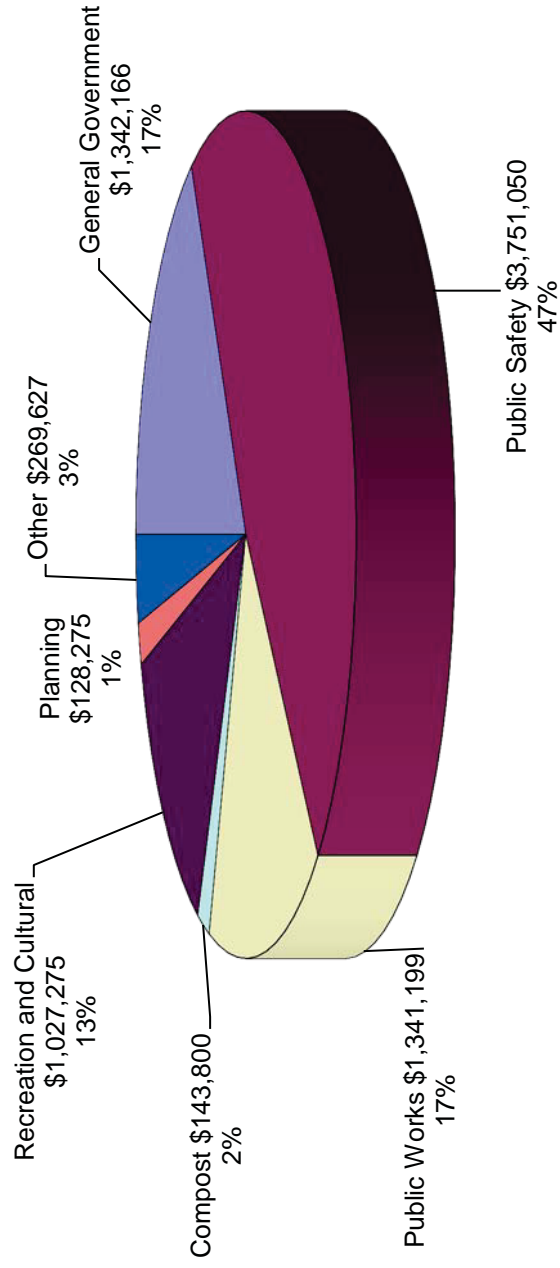
	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
<u>PLANNING</u>				
Planning Commission:				
Salaries	52,076	53,800	67,900	79,100
Fringes	12,489	13,600	21,150	30,375
Training/Education/Travel	3,537	3,000	3,000	5,000
Supplies	892	1,700	1,700	1,700
Printing and Advertising	4,007	2,500	2,500	3,000
Contractual Services	27,132	5,000	19,500	5,000
Membership Dues	1,612	1,500	1,500	2,000
Telephone	-	600	600	1,100
Computer Software and Updates	32	1,000	1,000	1,000
Capital Outlay	23,754	-	-	-
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Total Planning Commission	125,531	82,700	118,850	128,275
Debt Administration:	435,346	-	-	-
<u>OTHER</u>				
Rent	112,043	80,000	596,138	-
Postage	24,744	26,000	26,000	26,000
Community Promotions	69,685	65,100	70,100	70,100
Uncollectable Accounts	2,416	5,000	5,000	5,000
Unallocated General Government:	53,089	33,000	153,000	28,000
Insurance	136,556	159,157	145,219	140,527
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Total Other Expenditures	398,533	368,257	995,457	269,627
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Total Expenditures	<u>\$ 8,245,211</u>	<u>\$ 7,947,423</u>	<u>\$ 8,730,507</u>	<u>\$ 8,003,392</u>

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 10-11</u>	<u>Final</u> <u>Budget</u> <u>FY 11-12</u>	<u>Amended</u> <u>Budget</u> <u>FY 11-12</u>	<u>Proposed</u> <u>Budget</u> <u>FY 12-13</u>
<u>OTHER FINANCING SOURCES (Uses)</u>				
Retirement Fund	\$ 110,901	\$ 103,357	\$ 103,357	\$ 98,664
Parking Authority	4,348	-	-	-
Payment in Lieu of Taxes	<u>2,146,188</u>	<u>2,159,102</u>	<u>2,159,102</u>	<u>2,199,864</u>
 Total	 <u>\$ 2,261,437</u>	 <u>\$ 2,262,459</u>	 <u>\$ 2,262,459</u>	 <u>\$ 2,298,528</u>

GENERAL FUND EXPENDITURES

TOTAL \$8,003,392



CITY OF COLDWATER
MAJOR STREETS
NARRATIVE

REVENUES:

The majority of revenues are made up of Act 51 money received from the State of Michigan. Act 51 money is provided by the State to finance the construction and maintenance of major streets within the City of Coldwater. Other money is received from the State of Michigan to pay for the maintenance of Highway US-12 that runs through the City.

EXPENDITURES:

Construction

Construction levels vary from year to year depending on availability of Funds. This year the City expects to reconstruct parts of North Hanchett Street at a cost of \$90,000. This is in addition to continuing maintenance in various other parts of the City as funding allows.

Routine Maintenance

Expenditures relating to the maintenance of major streets include snowplowing, resurfacing, sweeping, flushing, road signs, etc.

Traffic Service

Traffic service costs are also incurred to improve the condition and maintenance of major streets.

Debt Service

Debt service on road reconstruction associated with a wastewater utility upgrade is funded by the State of Michigan Revolving Loan Fund.

US – 12 Trunkline Maintenance

Trunkline maintenance costs are budgeted to maintain the cost of Highway US-12 that runs through the City.

TRANSFERS:

Operating Transfers In (Out)

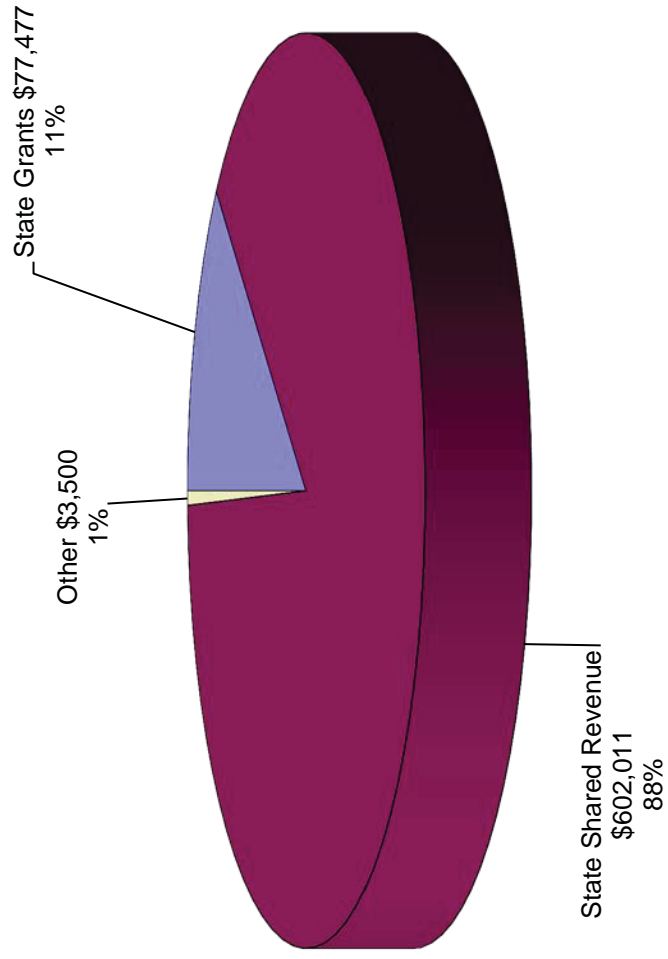
Major Streets are allowed to transfer funds to the Local Street Fund in accordance with Act 51 in order to fund construction of local streets. The General Fund will transfer funds to the Major Street Fund for a local match required for various engineering projects.

CITY OF COLDWATER
MAJOR STREETS FUND

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Revenues				
Special Assessments	\$ 2,881	\$ -	\$ -	\$ -
State Grants	96,688	77,477	77,477	77,477
State Shared Revenue	605,109	602,011	602,011	602,011
Interest Earnings	2,560	1,000	1,000	1,000
Miscellaneous	<u>1,017</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
 Total Revenues	 708,255	 682,988	 682,988	 682,988
Expenditures				
Construction	6,250	6,000	6,000	6,000
Routine Maintenance	204,473	466,900	466,900	329,800
Traffic Service	121,788	118,620	118,620	105,120
Debt Service	21,988	23,000	23,000	23,000
Trunkline Maintenance	<u>91,491</u>	<u>77,477</u>	<u>77,477</u>	<u>77,477</u>
 Total Expenditures	 <u>445,990</u>	 <u>691,997</u>	 <u>691,997</u>	 <u>541,397</u>
 Excess (Deficiency) of Revenues Over Expenditures	 262,265	 (9,009)	 (9,009)	 141,591
Other Financing Sources				
Operating transfers out	<u>(226,559)</u>	<u>(284,977)</u>	<u>(284,977)</u>	<u>(172,977)</u>
 Total other financing sources	 <u>(226,559)</u>	 <u>(284,977)</u>	 <u>(284,977)</u>	 <u>(172,977)</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	 35,706	 (293,986)	 (293,986)	 (31,386)
 Fund Balance - Beginning of year	 <u>268,489</u>	 <u>304,195</u>	 <u>304,195</u>	 <u>10,209</u>
 Fund Balance - End of the year	 <u>\$ 304,195</u>	 <u>\$ 10,209</u>	 <u>\$ 10,209</u>	 <u>\$ (21,177)</u>

MAJOR STREET REVENUE

TOTAL \$682,988

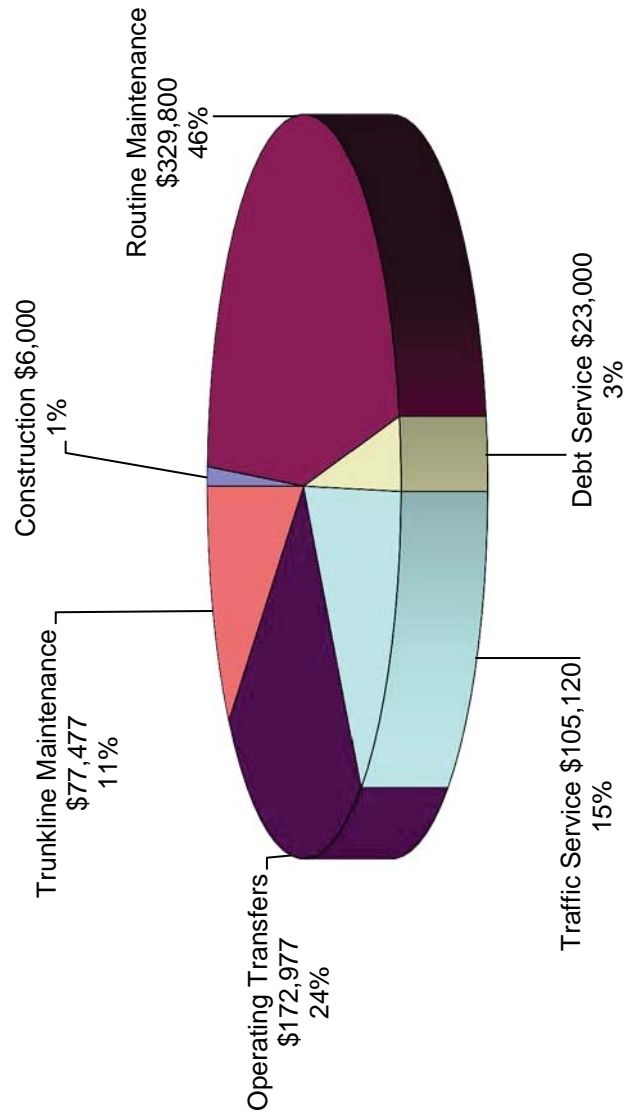


CITY OF COLDWATER
MAJOR STREETS FUND
EXPENDITURE DETAIL

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Construction				
Railroad Crossing	\$ 6,250	\$ 6,000	\$ 6,000	\$ 6,000
Routine maintenance				
Salaries	51,643	48,500	48,500	51,000
Fringes	24,075	24,500	24,500	21,900
Supplies	36,757	25,000	25,000	25,000
Equipment Rental	46,650	56,300	56,300	56,300
Contractual Services	<u>45,348</u>	<u>312,600</u>	<u>312,600</u>	<u>175,600</u>
Total Routine Maintenance	204,473	466,900	466,900	329,800
Traffic Service				
Salaries	22,903	26,900	26,900	26,900
Fringes	9,652	14,700	14,700	12,700
Supplies	27,001	22,500	22,500	26,000
Equipment Rental	25,481	26,520	26,520	26,520
Contractual Services	<u>36,751</u>	<u>28,000</u>	<u>28,000</u>	<u>13,000</u>
Total Traffic Service	121,788	118,620	118,620	105,120
Trunkline Maintenance				
Salaries	28,005	24,600	24,600	25,900
Fringes	12,687	14,755	14,755	13,455
Supplies	13,174	11,372	11,372	11,372
Equipment Rental	28,872	18,400	18,400	18,400
Contractual Services	<u>8,753</u>	<u>8,350</u>	<u>8,350</u>	<u>8,350</u>
Total Trunkline Maintenance	91,491	77,477	77,477	77,477
Debt Service	<u>21,988</u>	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>
Total Expenditures	<u>\$ 445,990</u>	<u>\$ 691,997</u>	<u>\$ 691,997</u>	<u>\$ 541,397</u>
<u>SUMMARY OF OPERATING TRANSFERS</u>				
To Local Streets	<u>\$ (226,559)</u>	<u>\$ (284,977)</u>	<u>\$ (284,977)</u>	<u>\$ (172,977)</u>
Total Operating Transfers	<u>\$ (226,559)</u>	<u>\$ (284,977)</u>	<u>\$ (284,977)</u>	<u>\$ (172,977)</u>

MAJOR STREET EXPENDITURES

TOTAL \$714,374



CITY OF COLDWATER
LOCAL STREETS
NARRATIVE

REVENUES:

Revenues are made up of Act 51 money received from the State of Michigan. Act 51 money is provided from the State to finance the construction and maintenance of local streets within the City of Coldwater.

EXPENDITURES:

Construction

Construction levels vary from year to year depending on availability of Funds. This year the reconstruction of South Circle is the main construction project with an estimated cost of \$120,000. The City will also continue crack filling and various other maintenance projects throughout the City as funding allows.

Routine Maintenance

Expenditures in the Local Street Fund relate to the maintenance of local streets including snowplowing, resurfacing, sweeping, flushing, road signs, etc.

Traffic Service

Traffic service costs are also incurred to improve the condition and maintenance of local streets.

Debt Service

Debt service on road reconstruction associated with a wastewater utility upgrade is funded by the State of Michigan Revolving Loan Fund.

TRANSFERS:

Operating Transfers In

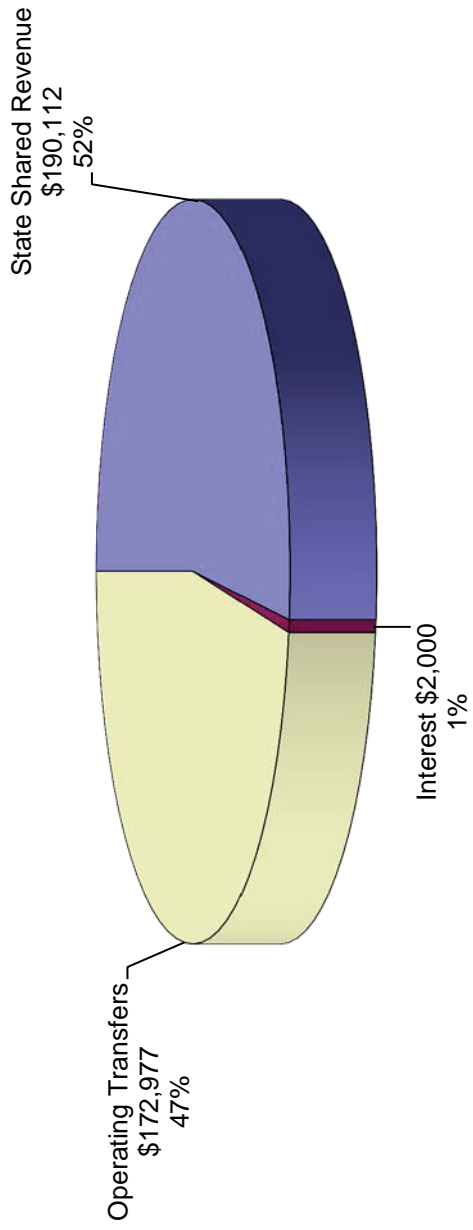
The Major Street Fund annually transfers money to the Local Street Fund to help finance local road construction and maintenance. The General Fund will transfer funds to the Local Street Fund for a local match required for various engineering projects.

CITY OF COLDWATER
LOCAL STREETS FUND

	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Revenues				
State Shared Revenue	\$ 191,065	\$ 190,112	\$ 190,112	\$ 190,112
Interest	<u>152</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Total Revenues	191,217	192,112	192,112	192,112
Expenditures				
Routine Maintenance	317,731	381,497	381,497	271,980
Debit Service	10,347	10,852	10,852	10,800
Traffic Service	<u>62,958</u>	<u>84,740</u>	<u>84,740</u>	<u>82,140</u>
Total Expenditures	<u>391,036</u>	<u>477,089</u>	<u>477,089</u>	<u>364,920</u>
Excess (Deficiency) of Revenues Over Expenditures	(199,819)	(284,977)	(284,977)	(172,808)
Other Financing Sources				
Operating transfers in	<u>226,559</u>	<u>284,977</u>	<u>284,977</u>	<u>172,977</u>
Total other sources (uses)	226,559	284,977	284,977	172,977
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures	26,740	-	-	169
Fund Balance - Beginning of year	<u>33,638</u>	<u>60,378</u>	<u>60,378</u>	<u>60,378</u>
Fund Balance - End of the year	<u>\$ 60,378</u>	<u>\$ 60,378</u>	<u>\$ 60,378</u>	<u>\$ 60,547</u>

LOCAL STREET REVENUE

TOTAL \$365,089



CITY OF COLDWATER
LOCAL STREETS FUND
EXPENDITURE DETAIL

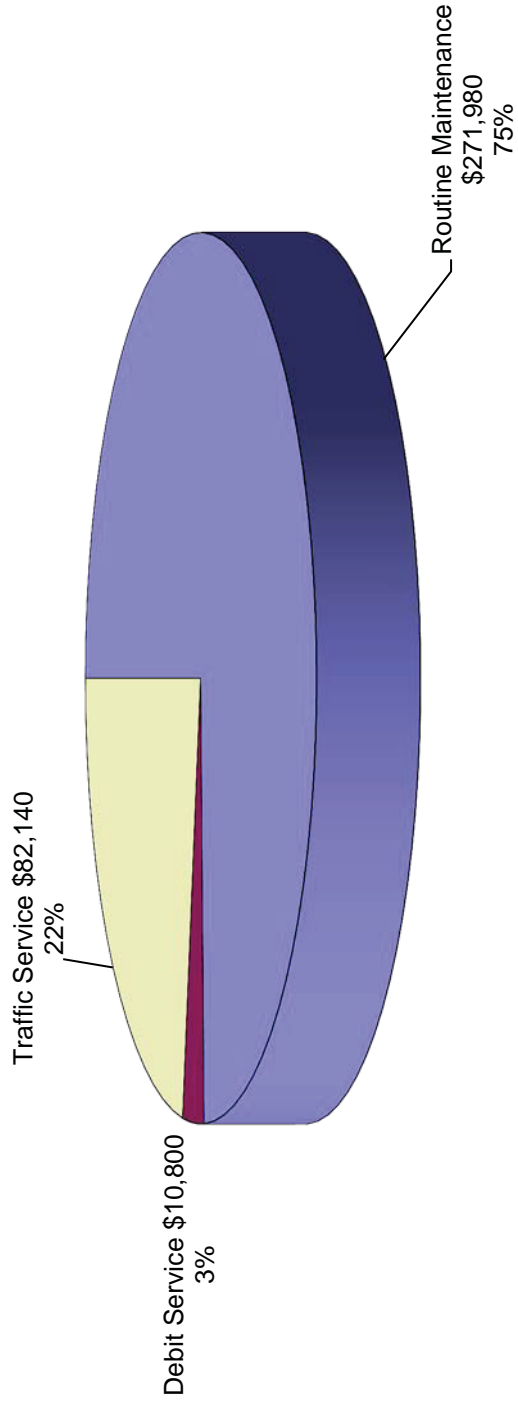
	Actual FY 10-11	Final Budget FY 11-12	Amended Budget FY 11-12	Proposed Budget FY 12-13
Routine maintenance				
Salaries	61,159	49,180	49,180	54,680
Fringes	27,580	27,869	27,869	25,000
Supplies	11,265	11,000	11,000	8,000
Contractual Services	143,658	250,000	250,000	130,000
Equipment Rental	<u>74,069</u>	<u>43,448</u>	<u>43,448</u>	<u>54,300</u>
Total Routine maintenance	317,731	381,497	381,497	271,980
Traffic Service				
Salaries	15,965	27,820	27,820	27,820
Fringes	7,229	15,800	15,800	13,200
Supplies	19,792	17,500	17,500	17,500
Contractual Services	643	-	-	-
Equipment Rental	<u>19,329</u>	<u>23,620</u>	<u>23,620</u>	<u>23,620</u>
Total Traffic Service	62,958	84,740	84,740	82,140
Debt Service	<u>10,347</u>	<u>10,852</u>	<u>10,852</u>	<u>10,800</u>
Total Expenditures	<u>\$ 391,036</u>	<u>\$ 477,089</u>	<u>\$ 477,089</u>	<u>\$ 364,920</u>

SUMMARY OF OPERATING TRANSFERS FROM OTHER FUNDS

Major Streets	\$ 226,559	\$ 284,977	\$ 284,977	\$ 172,977
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LOCAL STREET EXPENDITURES

TOTAL \$364,920



CITY OF COLDWATER
PARKING AUTHORITY
NARRATIVE

The purpose of the Parking Authority Fund is to maintain the municipal parking lots located in the downtown area of the City. Assessing parking fines and assessing local businesses that have adjacent property to the parking lots offset operational costs.

CITY OF COLDWATER
PARKING AUTHORITY FUND

	Actual	Final	Proposed
	FY 10-11	Budget	Budget
	FY 10-11	FY 11-12	FY 12-13
Revenues			
Parking Fines	\$ 3,640	\$ 5,000	\$ 4,000
Special Assessments	41,001	40,250	41,001
	<hr/>	<hr/>	<hr/>
Total Revenues	44,641	45,250	45,001
Expenditures			
Salaries	10,545	14,850	15,000
Fringes	4,573	8,700	8,000
Supplies	2,389	3,500	3,500
Contractual Services	19	5,000	5,000
Equipment Rental	14,381	10,000	15,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	31,907	42,050	46,500
Excess (Deficiency) of Revenues Over Expenditures	12,734	3,200	(1,499)
Other Financing Sources			
Operating transfers from General Fund	(4,348)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	(4,348)	-	-
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	8,386	3,200	(1,499)
Fund Balance - Beginning of year	-	8,386	11,586
	<hr/>	<hr/>	<hr/>
Fund Balance - End of the year	\$ 8,386	\$ 11,586	\$ 10,087
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CITY OF COLDWATER
REVOLVING DEVELOPMENT
NARRATIVE

The purpose of the Revolving Development Fund is to loan money to various projects that will improve housing, industry or infrastructure of the City of Coldwater. Under the direction of the Community Development Advisory Committee, various projects are approved for grants or loans to various types of entities.

Revenue is derived from interest received on outstanding loans. Significant expenditures relate to the rehabilitation housing program and other miscellaneous expenditures.

CITY OF COLDWATER
REVOLVING DEVELOPMENT

	Actual FY 10-11	Final Budget FY 11-12	Proposed Budget FY 12-13
Revenues			
Interest Earnings	\$ 20,970	\$ 29,000	\$ 21,000
Other Income	24,699	17,000	25,000
 Total Revenue	 45,669	 46,000	 46,000
Expenditures			
Rehabilitation Programs	26,508	35,000	-
Miscellaneous	-	-	700,000
 Total Expenditures	 26,508	 35,000	 700,000
 Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	 19,161	 11,000	 (654,000)
 Fund Balance - Beginning of year	 1,232,398	 1,251,559	 1,262,559
 Fund Balance - End of year	 <u>\$ 1,251,559</u>	 <u>\$ 1,262,559</u>	 <u>\$ 608,559</u>

CITY OF COLDWATER
DOWNTOWN DEVELOPMENT AUTHORITY
NARRATIVE

The Downtown Development Authority is a separate component unit of the City of Coldwater. The Authority, working under a separate board, receives tax increment financing dollars from all parcels located within the downtown district. These tax dollars are recaptured to fund projects meant to revitalize the downtown area of the City. A part-time director oversees the various downtown projects and works to recruit new businesses and assist existing businesses located downtown.

CITY OF COLDWATER
DOWNTOWN DEVELOPMENT AUTHORITY

	Actual FY 10-11	Final Budget FY 11-12	Proposed Budget FY 12-13
Revenues			
Tax Capture	\$ 128,390	\$ 97,200	\$ 96,389
Interest Earnings	605	1,000	-
Rent	9,000	9,000	9,000
Contributions From Private Sources	-	-	12,000
Miscellaneous	271	-	1,000
Total Revenues	138,266	107,200	118,389
Expenditures			
Salaries	37,826	25,000	25,500
Fringes	5,124	2,000	2,000
Travel Expense	657	500	500
Office Supplies	357	2,000	500
Printing and Publishing	925	1,000	-
Recruitment and Retention	137	1,500	8,200
Contractual Services	9,282	3,000	2,000
Kerr Building	43,122	-	10,000
Membership and Dues	357	600	600
Telephone	5,019	5,800	5,000
Downtown Maintenance	11,115	20,000	15,500
Promotion	1,795	2,000	5,000
Rent	12,100	12,100	12,100
Miscellaneous	364	350	350
92 West Chicago Street	7,999	500	500
Capital Outlay	1,423	-	-
Total Expenditures	137,602	76,350	87,750
Excess of Revenues Over Expenditures	664	30,850	30,639
Other Financing Sources			
Operating transfers	-	(30,850)	30,000
Total other financing sources	-	(30,850)	30,000
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	664	-	60,639
Fund Balance - Beginning of year	11,277	11,941	11,941
Fund Balance - End of the year	<u>\$ 11,941</u>	<u>\$ 11,941</u>	<u>\$ 72,580</u>

CITY OF COLDWATER
LOCAL DEVELOPMENT AUTHORITY
NARRATIVE

The Local Development Authority is a separate component unit of the City of Coldwater. The Authority, working under a separate board, receives tax increment financing dollars from parcels located within the specified development districts. These tax dollars are recaptured to fund projects to develop industrial parks or improve existing sites.

CITY OF COLDWATER
LOCAL DEVELOPMENT AUTHORITY

	Actual FY 10-11	Final Budget FY 11-12	Proposed Budget FY 12-13
Revenues			
Tax Capture	\$ 31,420	\$ 21,129	\$ 250,000
Miscellaneous	153,275	-	-
Interest Earnings	<u>4,622</u>	<u>-</u>	<u>-</u>
Total Revenues	189,317	21,129	250,000
Expenditures			
Principal	149,432	-	222,000
Miscellaneous	4,622	21,129	-
Contractual Services	3,300	-	-
Interest expense	<u>31,963</u>	<u>-</u>	<u>28,000</u>
Total Expenditures	<u>189,317</u>	<u>21,129</u>	<u>250,000</u>
Excess of Revenues Over Expenditures	-	-	-
Fund Balance - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLDWATER
RUBBISH FUND
NARRATIVE

The City picks up rubbish for all residential customers in the City of Coldwater. Commercial and industrial consumers must contract with independent contractors for their rubbish removal.

Starting May1, 2012, the City contracted with Republic Services to handle all rubbish collection. The City remains responsible for the billing and other administrative functions.

The City also contracts with Republic Services to provide curbside recycling for residential customers.

**CITY OF COLDWATER
RUBBISH**

	<u>Actual FY 10-11</u>	<u>Final Budget FY 11-12</u>	<u>Amended Budget FY 11-12</u>	<u>Proposed Budget FY 12-13</u>
Revenue:				
Sales	\$ 428,936	\$ 430,000	\$ 430,000	\$ 430,000
Interest	4,572	8,000	8,000	5,000
Penalties	<u>2,277</u>	<u>2,000</u>	<u>2,000</u>	<u>2,500</u>
 Total Revenues	 435,785	 440,000	 440,000	 437,500
Expenditures:				
Salaries	97,880	77,500	77,500	30,000
Fringes	36,939	41,700	41,700	10,000
Uniforms	566	1,000	1,000	-
Operating Supplies	10,478	10,000	10,000	-
Gas	11,545	13,000	13,000	-
Contractual Services - Contract	200,991	200,000	200,000	367,500
Contractual Services - Labor	41,006	68,000	68,000	-
Contractual Services - Trash Pickup	-	30,000	30,000	30,000
Uncollectable Accounts	2,442	3,000	3,000	-
Depreciation Expense	12,766	15,000	15,000	-
Equipment Repairs and Maintenance	19,731	2,500	2,500	-
Equipment Rental	17,880	12,000	12,000	-
Printing and Advertising	1,549	2,500	2,500	-
Collection Fees	328	-	-	-
Capital Outlay	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
 Total Expenditures	 <u>454,101</u>	 <u>676,200</u>	 <u>676,200</u>	 <u>437,500</u>
 Net Income	 <u>\$ (18,316)</u>	 <u>\$ (236,200)</u>	 <u>\$ (236,200)</u>	 <u>\$ -</u>

COLDWATER BOARD OF PUBLIC UTILITIES
ENTERPRISE FUNDS
NARRATIVE

The following pages present the budget for the Coldwater Board of Public Utilities as recommended by the Board of Directors to the Coldwater City Council for adoption. The Coldwater Board of Public Utilities is a department of the City of Coldwater authorized by the City Charter. The Board of Directors is composed of five members appointed by the Mayor of the City.

The Board of Directors along with the City Council adopts utility rates sufficient to cover operating costs, future capital improvement needs and reserve requirements established by the City Charter. Rates are also established to maintain debt service coverage as required by the individual bond covenants.

**COLDWATER BOARD OF PUBLIC UTILITIES
ELECTRIC**

	Actual FY 10-11	Final Budget FY 11-12	Proposed Budget FY 12-13
<u>ELECTRIC</u>			
Revenue:			
Residential Sales	\$ 4,810,796	\$ 4,786,000	\$ 5,507,000
Commercial Sales	15,652,219	15,500,000	16,800,000
Special Contract Sales	-	1,500,000	1,500,000
Business Outdoor Lights	80,061	78,000	100,000
Special Industrial Primary	7,389,807	7,500,000	7,500,000
Municipal Street Lighting	197,831	200,000	250,000
Municipal Traffic Signals	14,930	20,000	20,000
Rental Income	46,096	35,000	35,000
Penalties on Customer Accounts	38,434	38,000	38,000
Service Connection Fees	33,055	35,000	35,000
Service Reconnection Fees	4,980	10,000	10,000
Surge Protection Program	5,548	6,000	6,000
Contracted Service Income	301,893	180,000	180,000
Energy Optimization Revenue	210,840	-	-
Web Metering Income	11,220	12,000	12,000
	<u>28,797,710</u>	<u>29,900,000</u>	<u>31,993,000</u>
Total Operating Revenue			
Purchased Power	21,316,267	20,496,942	25,385,000
Power Plant	327,795	361,700	372,276
Distribution	925,557	933,600	965,808
Substation	212,929	157,600	177,328
Metering/Lighting	480,555	472,500	498,375
Customer Service	147,516	168,200	198,946
Billings, Accounting and Collection	142,606	171,075	153,607
Administrative and General	1,156,495	790,640	861,269
Payments in Lieu of Taxes	1,778,124	1,779,340	1,815,310
Depreciation	933,619	853,715	862,252
	<u>27,421,463</u>	<u>26,185,312</u>	<u>31,290,171</u>
Total Operating Expenses			
Operating Income	1,376,247	3,714,688	702,829
Nonoperating Revenue (Expense)			
Investment Income	538,938	200,000	150,000
Interest Expense	(238,066)	(219,576)	(192,561)
Miscellaneous and General Expense	175,713	47,700	40,000
Gain on Disposal of Assets	20,248	-	-
	<u>496,833</u>	<u>28,124</u>	<u>(2,561)</u>
Total Nonoperating Revenue (Expense)			
Net Income	<u>\$ 1,873,080</u>	<u>\$ 3,742,812</u>	<u>\$ 700,268</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
ELECTRIC**

	<u>Actual FY 10-11</u>	<u>Final Budget FY 11-12</u>	<u>Proposed Budget FY 12-13</u>
BOND COVERAGE			
Net Income	\$ 1,873,080	\$ 3,742,812	\$ 700,268
Add back Depreciation	933,619	853,715	862,252
Add back Payments in Lieu of Taxes	1,778,124	1,779,340	1,815,310
Add back Interest Expense	<u>238,066</u>	<u>219,576</u>	<u>192,561</u>
Net Revenue	4,822,889	6,595,443	3,570,391
Annual Debt Payments	834,173	829,576	827,561
Coverage Ratio (1.1 Required)	5.78	7.95	4.31

**COLDWATER BOARD OF PUBLIC UTILITIES
TELECOMMUNICATION**

	Actual FY 10-11	Final Budget FY 11-12	Proposed Budget FY 12-13
<u>Telecommunications</u>			
Revenue:			
Sales - Cable Television	\$ 1,200,613	\$ 1,263,360	\$ 1,347,378
Income - Pay Per View	6,544	7,350	5,000
Cable Television Reconnect Fees	2,970	5,000	5,000
Internet Dial Up Services	129,715	120,000	82,000
Business Fiber	57,680	68,500	69,000
Internet Cable Modems	934,184	966,000	970,000
Data Fees	43,380	45,549	43,380
Web Host Fees	11,911	14,700	11,000
Internet and Phone Reconnect Fees	1,710	3,000	2,000
Help Desk Call in Service	52,668	53,000	52,668
Long Distance Re-Sale Income	52,784	50,000	-
Momentum VOIP Service	129,972	136,500	180,000
Sales to Electric System	148,986	156,450	148,986
Sales to Water System	33,850	34,965	39,900
Sales to Wastewater System	53,400	56,070	53,400
Tower Rent	3,960	3,960	3,960
Penalties on Customer Accounts	4,843	6,000	6,000
Contracted Service Income	2,087	5,000	5,000
Total Operating Revenue	2,871,257	2,995,404	3,024,672
Cable Television	1,309,366	1,386,726	1,568,426
Internet Expenses	418,821	354,600	360,238
Wireless Internet	276	-	-
VOIP	79,516	100,500	103,515
Long Distance Expenses	47,532	42,500	-
Help Desk Expenses	235,096	256,850	267,756
Billing, Accounting and Collection	118,734	144,275	121,103
Administrative and General	197,789	216,500	172,500
Payments in Lieu of Taxes	98,340	99,855	98,723
Depreciation	454,115	390,919	447,809
Total Operating Expenses	2,959,585	2,992,725	3,140,070
Operating Income	(88,328)	2,679	(115,398)
Nonoperating Revenue (Expense)			
Interest Expense	(136,033)	(126,500)	(109,450)
Miscellaneous	22,428	18,000	18,540
Total Nonoperating Revenue (Expense)	(113,605)	(108,500)	(90,910)
Net Income	\$ (201,933)	\$ (105,821)	\$ (206,308)

**COLDWATER BOARD OF PUBLIC UTILITIES
TELECOMMUNICATION**

	<u>Actual FY 10-11</u>	<u>Final Budget FY 11-12</u>	<u>Proposed Budget FY 12-13</u>
BOND COVERAGE			
Net Income	\$ (201,933)	\$ (105,821)	\$ (206,308)
Add back Depreciation	454,115	390,919	447,809
Add back Payments in Lieu of Taxes	98,340	99,855	98,723
Add back Interest Expense	<u>136,033</u>	<u>126,500</u>	<u>109,450</u>
Net Revenue	486,555	511,453	449,674
Annual Debt Payments	422,450	426,500	429,450
Coverage Ratio (1.5 Recommended)	1.15	1.20	1.05

**COLDWATER BOARD OF PUBLIC UTILITIES
WASTEWATER**

<u>WASTEWATER</u>	<u>Actual FY 10-11</u>	<u>Final Budget FY 11-12</u>	<u>Proposed Budget FY 12-13</u>
Revenue:			
Sales	\$ 2,220,153	\$ 2,277,856	\$ 2,278,111
Penalties on Customer Accounts	7,526	7,500	7,725
Contracted Service Income	<u>12,148</u>	<u>15,000</u>	<u>15,000</u>
Total Operating Revenue	2,239,827	2,300,356	2,300,836
Collection System	187,065	161,750	167,103
Treatment	837,505	842,700	826,881
Billings, Accounting and Collection	127,980	155,075	132,827
Administrative and General	285,190	308,500	317,205
Payments in Lieu of Taxes	136,080	138,422	142,374
Depreciation	<u>695,666</u>	<u>668,196</u>	<u>674,878</u>
Total Operating Expenses	<u>2,269,486</u>	<u>2,274,643</u>	<u>2,261,268</u>
Operating Income	(29,659)	25,713	39,568
Nonoperating Revenue (Expense)			
Investment Income	20,428	10,000	10,300
Interest Expense	(277,511)	(257,031)	(240,461)
Miscellaneous	<u>87,285</u>	<u>7,000</u>	<u>7,210</u>
Total Nonoperating Revenue (Expense)	<u>(169,798)</u>	<u>(240,031)</u>	<u>(222,951)</u>
Net Income	<u>\$ (199,457)</u>	<u>\$ (214,318)</u>	<u>\$ (183,383)</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
WASTEWATER**

	<u>Actual FY 10-11</u>	<u>Final Budget FY 11-12</u>	<u>Proposed Budget FY 12-13</u>
BOND COVERAGE			
Net Income	\$ (199,457)	\$ (214,318)	\$ (183,383)
Add back Depreciation	695,666	668,196	674,878
Add back Payments in Lieu of Taxes	136,080	138,422	142,374
Add back Interest Expense	<u>277,511</u>	<u>257,031</u>	<u>240,461</u>
Net Revenue	909,800	849,331	874,330
Annual Debt Payments	644,209	648,711	649,965
Coverage Ratio (1.2 Required)	1.41	1.31	1.35

**COLDWATER BOARD OF PUBLIC UTILITIES
WATER**

	Actual FY 10-11	Final Budget FY 11-12	Proposed Budget FY 12-13
<u>WATER</u>			
Revenue:			
Sales	\$ 2,236,102	\$ 2,413,632	\$ 2,413,632
Penalties on Customer Accounts	<u>6,756</u>	<u>7,000</u>	<u>7,000</u>
 Total Operating Revenue	 2,242,858	 2,420,632	 2,420,632
 Wells	 53,745	 77,700	 80,031
Treatment	358,292	394,700	408,141
Distribution	377,582	351,750	364,503
Billings, Accounting and Collection	128,302	154,975	132,624
Administrative and General	251,603	294,189	299,126
Payments in Lieu of Taxes	133,644	141,485	143,462
Depreciation	<u>447,577</u>	<u>437,538</u>	<u>441,913</u>
 Total Operating Expenses	 <u>1,750,745</u>	 <u>1,852,337</u>	 <u>1,869,800</u>
 Operating Income	 492,113	 568,295	 550,832
Nonoperating Revenue (Expense)			
Investment Income	5,779	1,500	1,545
Interest Expense	(219,067)	(208,000)	(191,000)
Miscellaneous	<u>16,811</u>	<u>2,000</u>	<u>2,060</u>
 Total Nonoperating Revenue (Expense)	 <u>(196,477)</u>	 <u>(204,500)</u>	 <u>(187,395)</u>
 Net Income	 <u>\$ 295,636</u>	 <u>\$ 363,795</u>	 <u>\$ 363,437</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
WATER**

	<u>Actual FY 10-11</u>	<u>Final Budget FY 11-12</u>	<u>Proposed Budget FY 12-13</u>
BOND COVERAGE			
Net Income	\$ 295,636	\$ 363,795	\$ 363,437
Add back Depreciation	447,577	437,538	441,913
Add back Payments in Lieu of Taxes	133,644	141,485	143,462
Add back Interest Expense	<u>219,067</u>	<u>208,000</u>	<u>191,000</u>
Net Revenue	1,095,924	1,150,818	1,139,812
Annual Debt Payments	624,400	628,000	621,000
Coverage Ratio (1.2 Required)	1.76	1.83	1.84