

CITY OF COLDWATER
BUDGET
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June 12, 2006
342-WRS-CM

TO: Mayor Wallace and Councilmembers

FROM: Bill Stewart, City Manager

RE: **Fiscal Year 2006-2007 Budget**

BUDGET ADOPTION PROCESS

We are pleased to present for your consideration the budget of the City of Coldwater for the fiscal year beginning July 1, 2006, and ending June 30, 2007. The proposed budget of the Coldwater Board of Public Utilities is also included for review and adoption. The schedule for budget adoption is as follows:

April 24 – Public Hearing
June 12 – Budget Adoption
July 1 – Fiscal Year Begins

PURPOSE

The purpose of the budget is to project the revenues and expenditures of the City of Coldwater and to provide an overview of the services and projects proposed for the fiscal year. As the community continues to grow, there is continued demand to provide new and improved infrastructure, public safety services and recreational opportunity. The budget is the plan designed to fund such needs in the priority determined by the City Council. It also includes the opportunity to provide for capital investment deemed of principal importance by the council and staff with feedback from the citizens of Coldwater. The overall capital investment is guided by the six-year capital improvement plan.

FINANCIAL STATUS

This year's budget includes \$739,500 in capital investment, excluding major and local street improvements funded separately. The investment in infrastructure will improve the quality of life for the citizens of the City of Coldwater and surrounding communities. Enhancements include extension of the City's linear trail system, resurfacing the popular Heritage Park walking trail, updating playground equipment and improving the boat launch at Rotary Park.

Other capital expenses will include equipment replacement for several City departments. Also included are costs to continue to connect the various sidewalks in the city. City

Council has adopted a sidewalk policy that addresses safety concerns for citizens as well as promoting the goal of connecting sidewalks throughout the city. The Council also included the popular city-wide refuse pickup in this year's budget.

Capital projects are funded from a number of sources including gifts, grants, assessments and fund balance, the accumulation of revenue collected in prior years that was not spent. The City will remain in a very healthy financial position going forward. It is estimated the fund balance will remain at approximately 25% of expenditures at the conclusion of the fiscal year, June 30, 2007. Maintaining a substantial financial cushion provides the City greater flexibility in the difficult Michigan economy. Of equal consideration, the City is able to finance capital expenditures without the issuance of debt. The financial stability of the City rests on the conservative principles of a succession of City Councils. With limited exceptions, pay as you go is the policy of elected officials in Coldwater city government.

The increase in general fund balance accrues from the 6.5% payment in lieu of taxes from the City's utility system as provided in the City Charter. As utility rates increase, especially in the electric utility, the amount of added revenue is significant. Under the Headlee amendment to the state constitution and a succession of statutes, the City's millage rate is reduced over time. It can never be raised to the established charter limit of 12.5 mills without a vote of the electorate. Consequently, the only means to assure growth in property taxes in Coldwater is through the addition of real or personal property investment. This has in fact happened with significant new development over the last ten years.

The City also receives constitutional and State shared revenue from the State of Michigan. The constitutional share is protected. Over the last number of years as the State's economy has declined, significant reductions have occurred in statutory revenue payments. This trend will likely continue for the indefinite future. It is only through the growth in utility revenues and tax base that the City has been able to continue to provide a level of service in discretionary programs, especially parks and recreation, which have been eliminated or sharply curtailed in many Michigan cities.

Reserves have also increased through proper management of the City's operating expenses. City staff is prudent in its purchasing and continually strives to improve operating efficiencies. Significant cost reductions have been realized through employee staff attrition. Less employees, coupled with the City moving to a self-funded health insurance plan has greatly reduced benefit costs adding to these reserves available for capital expenditures.

ECONOMIC OUTLOOK

The current status of local government financing remains unstable. The Michigan economy continues to lose manufacturing jobs and the corresponding investment that has been the primary source of revenue for the State of Michigan and local governments. Times are changing and changes will need to be made as to how the State has historically

funded local governments. Numerous communities in Michigan are experiencing extreme financial pressures resulting in reduction of services provided to residents. The impending elimination of the Single Business Tax will only compound the problem for state and local government.

Coldwater is not immune to the woes of the state economy. Over a period of years, the millage rate will be reduced and new industrial investment in an extremely competitive world economic climate is likely to be curtailed. When the high cost of health insurance and cost of union arbitration settlements are added to the picture, the future is one of great uncertainty.

A very immediate financial concern has already arrived for the City. With the end of the fiscal year on June 30, 2007, the Retirement Fund will be exhausted. At such time, the City Council will be faced with the decision to levy the authorized retirement millage or pay the expense from the operating budget. Funding retirement benefits out of general operations will have an impact on the General Fund budget and accumulated reserves. This will also put a financial strain on the level of services and capital projects that can be offered in the future.

HUMAN RESOURCES

The City has not settled labor contracts with two of four bargaining groups. It appears both unsettled union contracts will be arbitrated in order to reach an agreement. As was the case with the settled contracts, the primary point of contention deals with health insurance. Health insurance costs continue to escalate at a rate far greater than the growth of revenue. Under Michigan law police and fire contracts subject to arbitration are settled by a third party arbitrator with no input allowed by the City Council or the taxpayers. We are hopeful an equitable settlement can be reached in a timely fashion.

CONCLUSION

This year's budget continues to provide the residents of Coldwater the services they have to come to expect over time. A number of capital projects will be accomplished that will improve the quality of life, safety and park systems. This will be accomplished without issuing debt or depleting the City's reserves. Overall, the City remains financially stable and is positioned to adapt to the changing economic conditions in the State of Michigan.

We are extremely fortunate to live and work in a city with reasonable financial stability and an unsurpassed quality of life that is the envy of many other communities.

RESOLUTION NO. 06-23

**City of Coldwater
General Appropriations Act
for Fiscal Year 2006-2007**

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 2006-2007 are as follows:

Property Taxes	3,474,248
Licenses and Permits	143,000
Federal Grants	20,000
State Shared Revenue	987,093
Charges for Services	699,245
Interest Income	110,000
Payment in Lieu of Taxes	1,771,726
Operating Transfers	262,572
Miscellaneous Revenue	110,300
TOTAL:	7,578,184

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	1,301,319
Public Safety	3,315,562
Public Works	1,199,500
Recreation and Cultural	1,151,872
Planning	158,000
Other	568,925
TOTAL:	7,695,178

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 \$353,951,600, b) the taxable value of all real and personal property in the City to be \$306,364,172, and c) the value of property subject to the Industrial tax to be \$32,119,400, hereby directs that the tax levy for 2006-2007 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, 2006.

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, 2006.

This resolution is hereby adopted on this 12th day of June, 2006, 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

Eugene F. Wallace
Mayor

RESOLUTION NO. 06-24

**City of Coldwater
Special and Operating Funds Appropriations Act
for Fiscal Year 2006-2007**

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	\$956,055
Local Streets	628,750
Parking Authority	51,000
Revolving Development	100,000
Electric Utility – Board of Public Utilities	24,391,070
Water Utility – Board of Public Utilities	1,896,697
Wastewater Utility – Board of Public Utilities	2,076,900
Telecommunication – Board of Public Utilities	3,138,873

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, 2006.

This resolution is hereby adopted on this 12th day of June, 2006, 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

Eugene F. Wallace
Mayor

RESOLUTION NO. 06-25
FISCAL YEAR 2006-2007
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 12th day of June, 2006, 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
Retirement Fund Projection
6/30/2005**

Cash Balance at 6/30/02	\$ 844,472
Interest Income	20,291
Contributions paid	<u>(196,150)</u>
Cash Balance at 6/30/03	668,613
Interest Income	9,863
Contributions paid	<u>(203,689)</u>
Cash Balance at 6/30/04	474,787
Retirement Millage	100,858
Interest Income	8,949
Contributions paid	<u>(247,608)</u>
Cash Balance @ 6/30/05	336,986
Estimated Retirement Millage	100,430
Estimated Interest Income	7,000
Estimated Contributions paid	<u>(275,000)</u>
Estimated Cash Balance @ 6/30/06	169,416
Estimated Retirement Millage	107,799
Estimated Interest Income	4,000
Estimated Contributions paid	<u>(275,000)</u>
Estimated Cash Balance @ 6/30/07	<u><u>\$ 6,215</u></u>

**COLDWATER MUNICIPAL GOVERNMENT AND
COLDWATER BOARD OF PUBLIC UTILITIES
SERVICES**

CITY OF COLDWATER

Streets

Asphalt Streets

- Permanent Patching
- Winter Patching
- Crack Sealing
- Street Sealing
- Resurfacing

Concrete Streets

- Surface Removal
- Concrete Replacement
- Crack Sealing
- Sealing

Gravel Streets

- Grading
- Chloriding
- Drainage Ditching
- Base Construction

Alleys

- Grading
- Chloriding
- Patching
- Street Sealing
- Resurfacing

Guard Rails

- Installation
- Repair

Curbs

- Repair
- Removal
- Replacement
- Curb Cuts

Street Construction

Sidewalks

- Patching
- Root Sawing
- Installation
- Replacement

Ice & Snow Control

- Salting
- Plowing
- Snow Removal
- Parking Lot Plowing
- Special Area Plowing

Traffic & Street

- Pole Installation
- Sign Installation
- Pole & Sign Repairs
- Pole Painting

Traffic Engineering

Street Painting

- Center Lines
- Parking Stalls
- Stop Lines
- Curb Painting

Storm Sewers

- Catch Basin Cleaning
- Catch Basin Repairs
- Catch Basin Construction
- Flushing
- Construction
- Repairs
- Culvert Repairs

Sanitary Sewers

Sewer Construction
Manhole Construction

Refuse Collection

Residential Collection
Special Collections
Christmas Trees
Leaf Collection
Public Waste Receptacles
Disposal of Brush/Limbs

Street Sweeping

Business District Sweeping
Residential Sweeping
Leaf Pickup
Litter Pickup

Public Buildings

Window Washing
Painting
Structural Repairs

Parks

Mowing
Ballfield Maintenance
Landscaping
Litter Cleanup
Waste Receptacle Collection
Playground Equipment Repairs
Drinking Fountain Repairs
Basketball Court Maintenance
Lighting Repairs
Park Construction
Picnic Table/Shelter Maintenance
Special Park Activities

Forestry

Tree Trimming
Tree Removal

Stump Removal
Tree Planting
Tree Maintenance
Nursery Operation

Vehicle Maintenance

Routine Maintenance
Electrical Repairs
Inspection
Welding

Cemetery Operations

Mowing
Marker Maintenance
Openings & Closings
Foundation Setting
Family Consulting & Records

Special Activities

Election Setup
Christmas Decorations

Recreation Programs

Summer
Playgrounds
Softball
Baseball
Swimming
Shuffleboard
Tennis
Sand Volleyball
Walking for Fitness

Fall
Flag Football
Punt, Pass & Kick
Basketball
Soccer
Tennis
Softball
Square Dancing
Volleyball

Winter

- Basketball
- Volleyball
- Cross-Country Skiing
- Ice Skating
- Sled Hill

Police

- Patrol
- Records
- Evidence Control
- Investigations
- Traffic Enforcement Administration
- Vacation Home Checks
- Funeral Escorts
- Bank Deposit Escorts
- Juvenile Programs
- Crime Prevention
- Crossing Guards
- Animal Control
- Parking Enforcement

Fire

- Fire Suppression
- Fire Inspection
- Code Enforcement
- Arson Investigation
- Fire Prevention/Public Education
- Emergency Medical Services
- Technical Rescue
- Hazardous Materials
- Training

Neighborhood Services

- Permitting & Inspection Services
 - Rental Housing
 - Housing (Existing)
 - Building Permits/Inspections
 - Mechanical Permits/Inspections
 - Fire Inspections
 - Plan Review

Zoning Ordinance Administration

- Code Enforcement Services
 - Trash/Refuse/Garbage
 - Junk Vehicles
 - Parking in Violation of Zoning Restrictions
 - Noxious Weeds/Grass
 - Brush
 - Sidewalk Snow Removal

General Administration

- Management
- Public Relations
- Legal Services
- Labor Relations
- Financial Management
- Tax Collection
- Computer Services
- Risk Management
- Records Management
- Planning
- Engineering
- Economic Development
- Zoning Administration
- Contractual Administration
- Utility Billing Services

Some Services Performed by Contractual Arrangement with Other Service Providers Paid Through City Tax Funds

- Contractual-BPU
- Contractual-Branch County Road Comm.

BOARD OF PUBLIC UTILITIES

Traffic Control

- Traffic Signals
 - Bulb Replacement
 - Emergency Repairs
 - Preventive Maintenance
 - Painting
 - Pole Installation
 - Signal Installation

Street Lighting

Pole Site Selection
Lighting Costs/Bill
Repairs Notification

Sanitary Sewers

Dye Testing
Sewer Repairs
Flushing
Manhole Repairs
Jetting Blockages
Tap-in Inspection

Utility Service Water Supply

Testing
System Repairs
Meter Installation & Service
Well Maintenance Program
Service Main Construction
Connection Inspection
Flushing & Pool Filling
Hydrant System Install/Repair

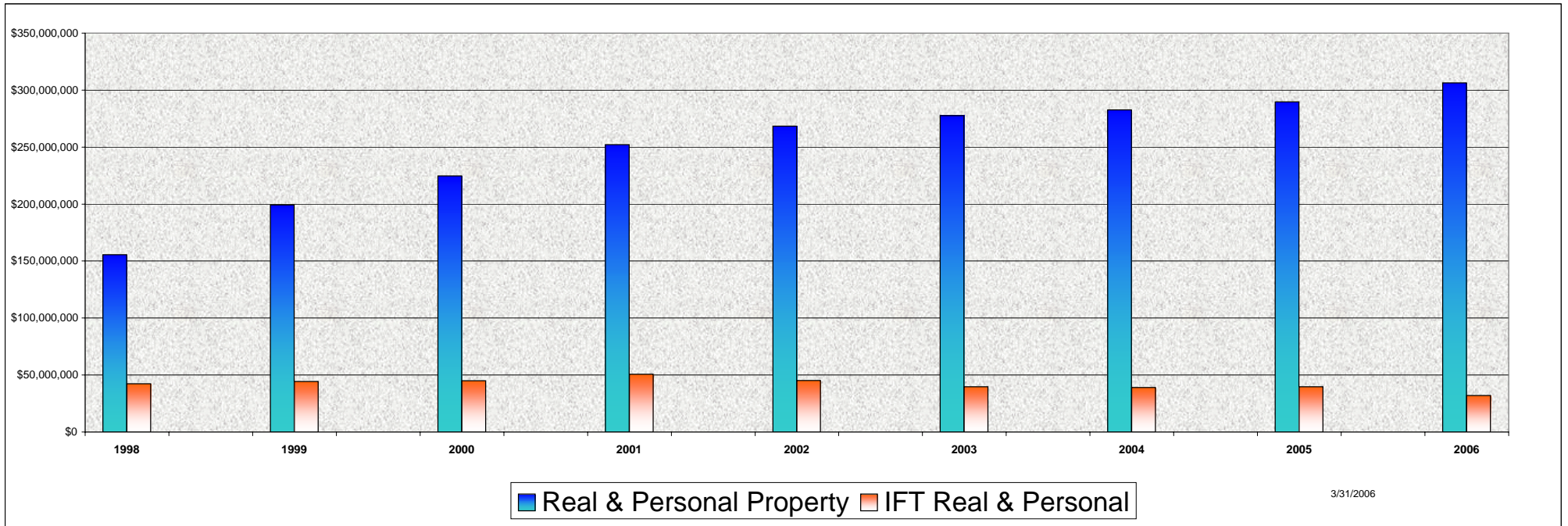
Telecommunications

Cable Television
Digital Cable Television
High Speed Internet
Point-to-Point Data Transfer
Dial-up Internet
Long Distance
V.O.I.P.
Wireless Internet
Leased Fiber
Web Hosting

6/04
misc\services.doc

City of Coldwater Assessor's Office - Taxable Values

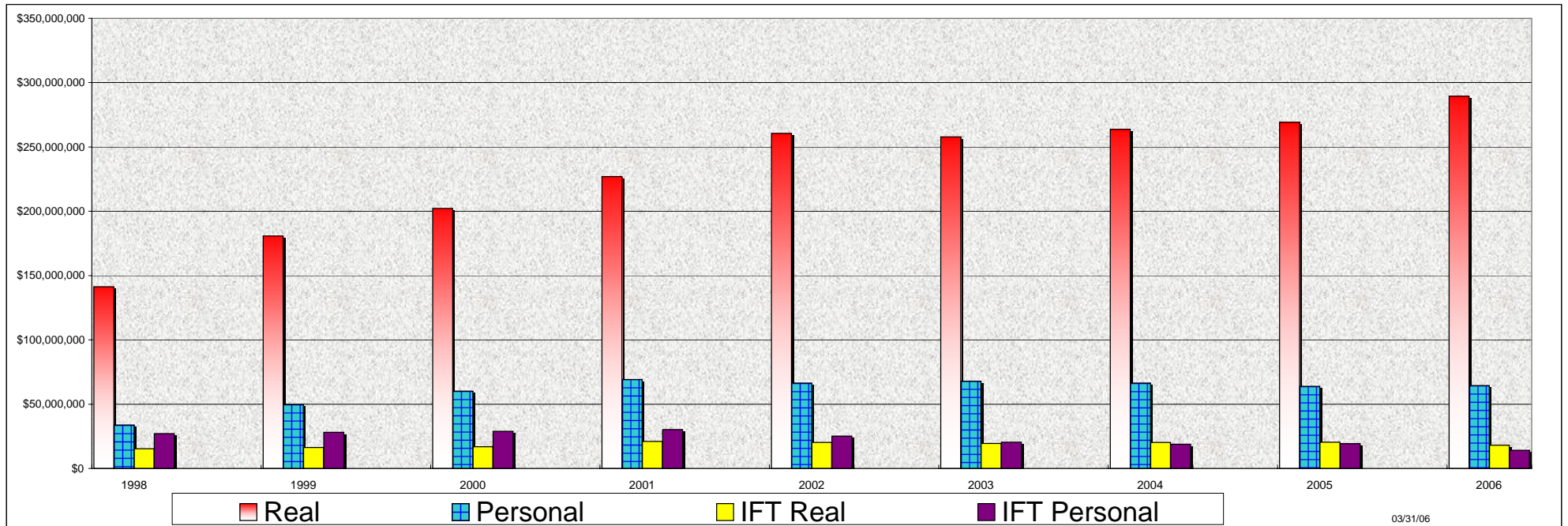
	1998	1999	2000	2001	2002	2003	2004	2005	2006	%chg.
Real & Personal	\$ 155,641,696	\$ 199,317,470	\$ 224,675,467	\$ 252,169,637	\$ 268,357,197	\$ 277,533,120	\$ 282,737,230	\$ 289,620,414	\$ 306,364,172	6%
IFT Real	\$ 42,251,026	\$ 44,228,034	\$ 45,004,767	\$ 50,606,466	\$ 45,131,156	\$ 39,649,504	\$ 38,978,950	\$ 39,738,224	\$ 32,119,400	-19%
Total	\$ 197,892,722	\$ 243,545,504	\$ 269,680,234	\$ 302,776,103	\$ 313,488,353	\$ 317,182,624	\$ 321,716,180	\$ 329,358,638	\$ 338,483,572	
IFT % of Total	21.4%	18.2%	16.7%	16.7%	14.4%	12.5%	12.1%	12.1%	9.5%	



City of Coldwater Assessor's Office - State Equalized Values

	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Real	\$ 141,389,580	\$ 180,872,700	\$ 202,219,500	\$ 227,049,200	\$ 260,651,800	\$ 257,845,300	\$ 263,642,900	\$ 269,286,000	\$ 289,509,900	
Personal	\$ 33,801,900	\$ 49,627,900	\$ 60,118,900	\$ 69,151,600	\$ 66,415,654	\$ 67,827,700	\$ 66,377,700	\$ 63,926,300	\$ 64,441,700	
IFT Real	\$ 15,355,100	\$ 16,251,200	\$ 16,853,300	\$ 20,967,100	\$ 20,323,500	\$ 19,537,700	\$ 20,313,600	\$ 20,532,300	\$ 18,054,500	
IFT Pers.	\$ 27,054,300	\$ 28,069,300	\$ 28,925,200	\$ 30,226,700	\$ 25,241,100	\$ 20,414,400	\$ 18,878,400	\$ 19,321,300	\$ 14,064,900	
Total	\$ 217,600,880	\$ 274,821,100	\$ 308,116,900	\$ 347,394,600	\$ 372,632,054	\$ 365,625,100	\$ 369,212,600	\$ 373,065,900	\$ 386,071,000	3%

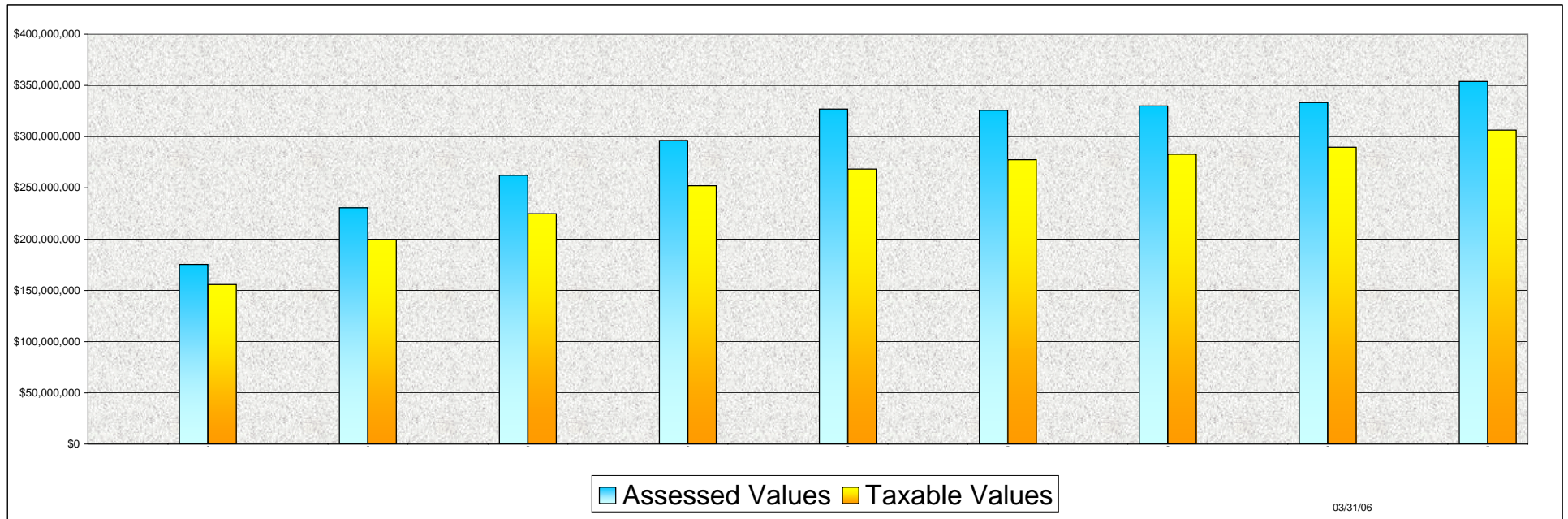
IFT % of Total	IFT % of Total	IFT % of Total	IFT % of Total	IFT % of Total	IFT % of Total	IFT % of Total	IFT % of Total	IFT % of Total	IFT % of Total
19%	16%	15%	15%	12%	11%	11%	11%	11%	8%



03/31/06

City of Coldwater Assessor's Office - Assessed Compared to Taxable Value

	1998	1999	2000	2001	2002	2003	2004	2005	2006	%chg.
Assessed	\$ 175,191,480	\$ 230,500,600	\$ 262,338,400	\$ 296,200,800	\$ 327,067,454	\$ 325,673,000	\$ 330,020,600	\$ 333,212,300	\$ 353,951,600	6.2%
Taxable	\$ 155,641,696	\$ 199,317,470	\$ 224,675,467	\$ 252,169,637	\$ 268,357,197	\$ 277,533,120	\$ 282,737,230	\$ 289,620,414	\$ 306,364,172	5.8%
% of TV	89%	86%	86%	85%	82%	85%	86%	87%	87%	



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

<u>Department</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
City Manager	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00
Engineering	2.00	2.50	2.50	2.50	2.50	2.50	2.00	2.50	2.50	1.50
Clerk/Assessor	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Clerk	-	-	-	-	-	-	-	-	1.00	1.00
Assessor	-	-	-	-	-	-	-	-	1.00	1.00
Finance/Treasurer	3.50	3.50	3.50	3.50	4.00	-	-	-	-	-
Administrative Services	-	-	-	-	-	12.00	13.00	12.00	12.00	12.50
Municipal Bldg. Maint.	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Police	17.50	17.50	17.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
Fire	14.50	12.50	12.50	12.50	15.50	15.50	15.50	15.50	15.50	15.50
Municipal Services:										
Administration	3.50	3.50	3.50	3.50	3.00	3.00	2.50	2.50	2.50	2.50
Streets	9.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00
Rubbish Collection	1.00	1.00	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	2.00
Cemeteries	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Parks	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Forestry	1.00	-	-	-	-	-	-	-	-	-
Recreation	2.50	3.00	3.00	3.00	3.00	3.00	3.50	3.50	3.50	3.50
Planning/Grant	1.00	1.00	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	4.00	4.00	4.00
Total City Employees	<u>67.00</u>	<u>70.00</u>	<u>70.00</u>	<u>71.00</u>	<u>74.00</u>	<u>83.00</u>	<u>83.00</u>	<u>80.50</u>	<u>79.50</u>	<u>79.00</u>
Electric	17.00	17.00	17.00	17.00	19.00	18.00	19.00	18.00	16.00	16.00
Water	6.50	7.50	7.50	7.50	7.50	7.50	7.00	7.00	7.00	7.00
Wastewater	5.50	5.50	5.50	5.50	5.50	5.50	5.00	5.00	5.00	5.00
Telecommunications	2.00	5.00	7.00	11.00	11.00	10.00	10.00	10.00	9.00	9.00
Engineering	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	3.50
Administration	10.00	10.00	9.00	10.00	10.00	2.00	2.00	2.00	2.00	2.00
Total BPU Employees	<u>44.00</u>	<u>48.00</u>	<u>49.00</u>	<u>54.00</u>	<u>56.00</u>	<u>46.00</u>	<u>46.00</u>	<u>45.50</u>	<u>42.50</u>	<u>42.50</u>
Total Employees	<u>111.00</u>	<u>118.00</u>	<u>119.00</u>	<u>125.00</u>	<u>130.00</u>	<u>129.00</u>	<u>129.00</u>	<u>126.00</u>	<u>122.00</u>	<u>121.50</u>

Note: Excludes contract and seasonal employees

**CITY OF COLDWATER
BUDGET SUMMARY
ALL FUNDS
FISCAL YEAR 2006/2007**

FUND DESCRIPTION	REVENUES	EXPENDITURES	OTHER FINANCING SOURCES (USES)	EXCESS (DEFICIENCY)
General Fund	7,315,612	7,695,178	262,572	(116,994)
Major Streets	689,402	801,055	(142,500)	(254,153)
Local Streets	190,500	628,750	163,000	(275,250)
Parking Authority	39,700	51,000	11,300	-
Revolving Development	100,000	100,000	-	-
<u>Component Units</u>				
Downtown Development Authority	237,604	237,604	-	-
Local Development Authority	201,210	188,210	-	13,000

CITY OF COLDWATER
GENERAL FUND
NARRATIVE

REVENUES:

Taxes

The City's taxable value rose by 2.8% resulting in a modest property tax revenue increase of approximately 3.8%. Property tax revenue continues to be affected by the Headlee millage reduction. Tax base growth has slowed significantly since the late 1990's.

Licenses and Permits

With the current state of the Michigan economy it is estimated building permits will remain relatively consistent with prior years. Included in the budget is \$42,500 of METRO Act funds from the State of Michigan in accordance with the law regarding telecommunications providers and right-of-way fees. However, pending legislation may eliminate these payments to local governments

Intergovernmental Revenues

For the second year in a row, state shared revenue, the 3rd largest revenue source of the City, is being held at prior year funding level by the State of Michigan. Current estimated funding levels are the same as what was received in 1997 and \$250,000 less than what was received in fiscal year 2002.

Charges for Services

The most significant of the charges for services include the payments received from providing fire service to surrounding Townships, recreational activities, the 1% property tax administration fee and internal equipment rental charges to various funds. No major changes are anticipated for these revenue streams.

Miscellaneous Revenue

The City's General Fund continues to receive increased funding from the Coldwater Board of Public Utilities for payments in lieu of taxes. PILOT payments are calculated based on 6½% of gross revenue from the utility.

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. The only significant capital expenditure is a dump truck to be used in the Cemetery Department.

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 new police cars and a backup electrical generator have been budgeted.

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. Through employee attrition the City has been able contain costs in terms of salaries and benefits. A replacement pickup and dump truck are budgeted as capital expenditures.

Recreation and Cultural

Significant capital expenditures have been budgeted to improve our parks and linear trails. These improvements will range from resurfacing the popular Heritage walking trail, walking trail extensions, playground equipment and Rotary Park Boat Launch improvements. Other costs budgeted include the operational costs of running our recreational programs and maintaining the various facilities and parks.

Planning

At current, no federal grants are expected to be received during the budgeted fiscal year, so total expenditures are down from prior year. Normal operating costs of running the Planning Department make up the majority of the costs. \$40,000 has been budgeted to construct new entrance signs to the City.

Other

Other expenditures are primarily debt administration on long-term debt, insurance payments for liability and worker's compensation and rent for the new municipal building.

OPERATING TRANSFERS:

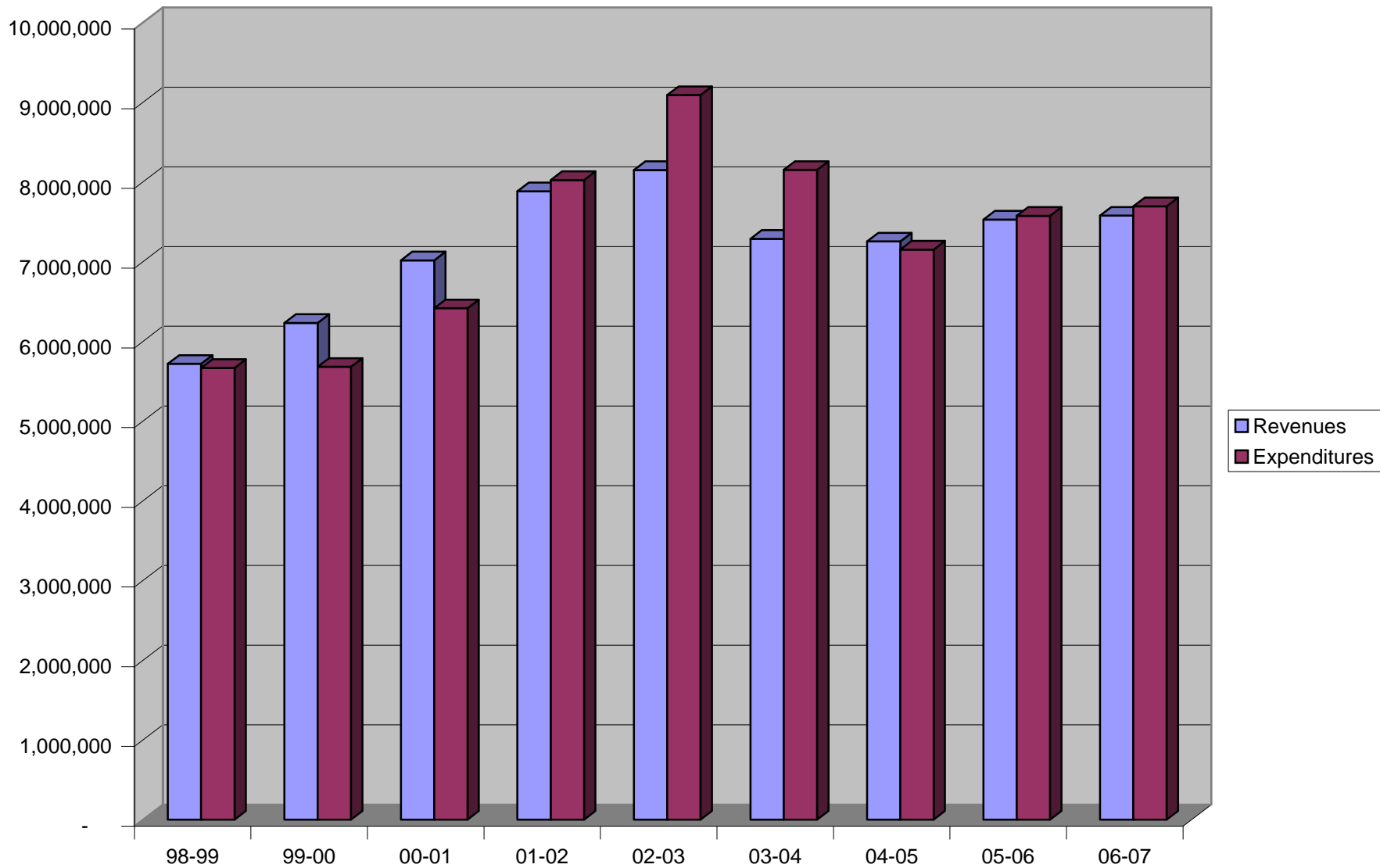
The General Fund receives an operating transfer from the Retirement Fund to offset the cost of retirement contributions. By the end of the budgeted fiscal year it is anticipated the Retirement Fund will be drawn to a zero balance.

CITY OF COLDWATER
GENERAL FUND

	Actual FY 04-05	Final Budget FY 05-06	Amended Budget FY 05-06	Proposed Budget FY 06-07
<u>Revenues</u>				
Taxes	\$ 3,330,010	\$ 3,369,840	\$ 3,369,840	\$ 3,496,248
Licenses and Permits	110,738	97,250	129,750	143,000
Intergovernmental Revenues	1,069,175	1,142,247	1,129,393	1,010,893
Charges for Services	785,569	852,651	685,080	699,245
Miscellaneous Revenue	<u>1,875,537</u>	<u>1,895,938</u>	<u>1,954,338</u>	<u>1,966,226</u>
 Total Revenues	 7,171,029	 7,357,926	 7,268,401	 7,315,612
<u>Expenditures</u>				
General Government	1,167,591	1,217,273	1,233,033	1,301,319
Public Safety	3,076,048	3,202,825	3,320,125	3,315,562
Public Works	1,443,381	1,221,085	1,267,847	1,199,500
Recreation and Cultural	794,701	1,032,750	951,750	1,151,872
Planning	149,848	244,645	218,545	158,000
Other	<u>545,862</u>	<u>593,738</u>	<u>584,738</u>	<u>568,925</u>
 Total Expenditures	 <u>7,177,431</u>	 <u>7,512,316</u>	 <u>7,576,038</u>	 <u>7,695,178</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (6,402)	 (154,390)	 (307,637)	 (379,566)
<u>Other Financing Sources (Uses)</u>				
Sale of fixed assets and land	11,444	200	-	-
Operating transfers in	194,708	260,800	260,800	262,572
Operating transfers out	<u>(18,650)</u>	<u>(66,000)</u>	<u>-</u>	<u>-</u>
 Total other financing sources (uses)	 <u>187,502</u>	 <u>195,000</u>	 <u>260,800</u>	 <u>262,572</u>
 Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	 181,100	 40,610	 (46,837)	 (116,994)
 Fund Balance - Beginning of year	 <u>1,618,256</u>	 <u>1,799,356</u>	 <u>1,839,966</u>	 <u>1,793,129</u>
 Fund Balance - End of the year	 <u>\$ 1,799,356</u>	 <u>\$ 1,839,966</u>	 <u>\$ 1,793,129</u>	 <u>\$ 1,676,135</u>

COMPARATIVE DATA

GENERAL FUND



CITY OF COLDWATER
GENERAL FUND
REVENUE DETAIL

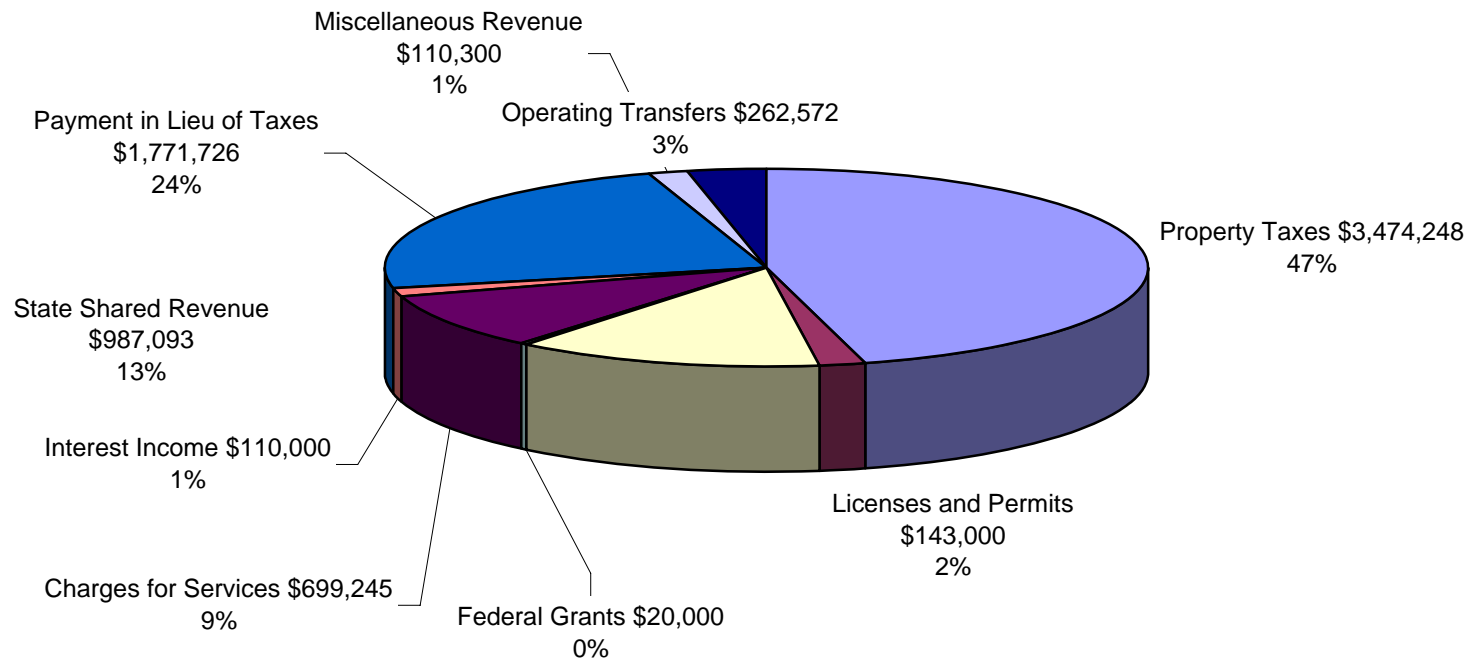
	Actual FY 04-05	Final Budget FY 05-06	Amended Budget FY 05-06	Proposed Budget FY 06-07
<u>Taxes</u>				
Property Taxes	\$ 3,307,260	\$ 3,348,340	\$ 3,348,340	\$ 3,474,248
Trailer Fees	2,331	1,500	1,500	2,000
Penalties	20,419	20,000	20,000	20,000
Total Taxes	3,330,010	3,369,840	3,369,840	3,496,248
<u>Licenses and Permits</u>				
Franchise Fees	69,821	65,000	69,500	69,500
Building Permits	28,621	21,000	47,500	60,000
Rental Housing Permits	2,458	1,500	2,500	2,500
Sign Permits	222	250	750	1,000
Liquor Licenses	9,616	9,500	9,500	10,000
Total Licenses and Permits	110,738	97,250	129,750	143,000
<u>Intergovernmental Revenues</u>				
Federal Grants	75,562	136,600	138,500	20,000
State Shared Revenue	991,318	1,000,647	987,093	987,093
State Sources	1,795	3,800	3,800	3,800
Local Sources	500	1,200	-	-
Total Intergovernmental Revenues	1,069,175	1,142,247	1,129,393	1,010,893
<u>Charges for Services</u>				
Cemetery	79,693	69,000	69,000	71,800
Property Tax Administration Fee	118,435	121,580	121,580	127,605
Police	4,803	6,000	6,000	5,000
Rural Fire Service	132,721	137,500	137,500	142,340
Recreation	132,539	115,000	120,000	125,000
City Manager	150	-	-	-
Highways and Streets	52,610	110,000	35,000	30,000
Maintenance	214,599	257,821	155,000	155,000
Fines	50,019	35,750	41,000	42,500
Total Charges for Services	785,569	852,651	685,080	699,245

CITY OF COLDWATER
GENERAL FUND
REVENUE DETAIL

	Actual FY 04-05	Final Budget FY 05-06	Amended Budget FY 05-06	Proposed Budget FY 06-07
<u>Miscellaneous Revenue</u>				
Interest Income	106,777	75,000	110,000	110,000
Refunds	612	-	-	-
Contribution From Private Sources	8,681	25,200	27,400	22,000
Rents	36,735	33,275	37,075	37,000
Payment in Lieu of taxes	1,685,940	1,735,663	1,735,663	1,771,726
Sale of Fixed Asset	11,444	-	16,500	-
Miscellaneous	<u>25,348</u>	<u>26,800</u>	<u>27,700</u>	<u>25,500</u>
Total Miscellaneous Revenue	<u>1,875,537</u>	<u>1,895,938</u>	<u>1,954,338</u>	<u>1,966,226</u>
Total Revenues	<u>\$ 7,171,029</u>	<u>\$ 7,357,926</u>	<u>\$ 7,268,401</u>	<u>\$ 7,315,612</u>

GENERAL FUND REVENUE

TOTAL \$7,578,184



CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
<u>GENERAL GOVERNMENT</u>				
Legislative:				
Salaries	\$ 17,771	\$ 17,850	\$ 17,850	\$ 17,650
Fringes	1,360	1,365	1,365	1,365
Office Supplies	560	2,500	1,750	1,500
Dues	430	7,500	7,500	7,500
Travel and Education	4,208	4,500	6,500	4,500
Capital Outlay	<u>1,503</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
 Total Legislative	 25,832	 35,215	 34,965	 34,015
City Manager:				
Salaries	130,213	134,600	134,600	137,650
Fringes	38,118	39,720	44,020	43,030
Office Supplies	10,733	2,300	10,500	11,000
Dues	969	1,100	1,500	1,500
Telephone	1,641	1,700	1,575	1,600
Miscellaneous	86	500	500	500
Travel and Education	6,644	7,000	7,000	7,000
Publishing	826	2,000	1,000	1,000
Equipment Maintenance	384	500	500	500
Capital Outlay	<u>7,229</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
 Total City Manager	 196,843	 191,420	 203,195	 205,780
Elections:				
Salaries	3,131	4,615	700	1,500
Fringes	1,030	360	360	200
Office Supplies	2,225	3,500	3,500	5,000
Contractual Services	18,263	15,000	11,000	18,800
Publishing	762	1,000	1,000	1,100
Equipment Maintenance	87	1,000	-	1,500
Equipment Rental	-	200	-	-
Miscellaneous	<u>1,008</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
 Total Elections	 26,506	 28,175	 19,060	 30,600
 Independent Accounting and Auditing	 15,050	 15,000	 15,000	 12,500

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
Attorney:				
Contractual Services	88,309	84,111	103,111	81,484
Special Cases	-	15,000	5,000	25,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Attorney	88,309	99,111	108,111	106,484
Finance/Treasurer:				
Salaries	153,175	147,050	147,050	176,100
Fringes	49,872	59,350	54,950	59,970
Office Supplies	9,262	15,500	14,000	14,000
Dues	1,089	1,500	1,500	1,500
Telephone	1,447	1,500	1,500	1,700
Miscellaneous	105	500	500	-
Travel and Education	2,893	5,500	5,500	6,500
Contractual Services	1,297	2,000	7,000	2,000
Equipment Maintenance	20	1,500	-	-
Capital Outlay	-	12,000	3,500	2,000
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Total Finance/Treasurer	219,160	246,400	235,500	263,770
Network Administration:				
Salaries	29,118	30,942	30,942	32,000
Fringes	12,154	13,045	11,945	13,545
Office Supplies	960	5,000	5,000	5,000
Dues	-	500	500	-
Telephone	279	500	500	500
Equipment Maintenance	-	1,000	-	-
Capital Outlay	-	7,500	2,500	-
Travel and Education	1,006	2,500	1,000	3,700
Miscellaneous	-	500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Network Administration	43,517	61,487	52,387	54,745

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
Clerk				
Salaries	144,044	57,700	52,700	55,750
Fringes	40,787	17,850	17,850	18,925
Office Supplies	7,534	3,800	3,800	2,900
Dues	1,246	1,000	1,000	800
Telephone	1,486	1,000	1,000	1,200
Publishing	4,926	4,000	4,000	4,500
Miscellaneous	29	1,000	-	-
Travel and Education	3,337	4,100	4,100	5,300
Equipment Rental	-	200	-	-
Equipment Maintenance	815	1,000	1,000	1,000
Capital Outlay	-	2,500	2,500	-
Contractual Services	1,080	2,500	2,500	2,500
Total Clerk	205,284	96,650	90,450	92,875
Assessor				
Salaries	-	42,800	42,800	66,000
Fringes	-	18,200	18,200	17,450
Office Supplies	-	4,500	6,500	9,000
Dues	-	1,000	1,000	2,000
Telephone	-	1,000	400	400
Publishing	-	1,500	1,500	2,000
Miscellaneous	-	1,000	1,000	-
Travel and Education	-	3,500	4,000	5,800
Equipment Maintenance	-	1,000	500	500
Capital Outlay	-	2,500	-	3,500
Contractual Services	-	2,500	-	4,500
Total Assessor	-	79,500	75,900	111,150

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
Henry L. Brown Building Maintenance				
Salaries	17,198	15,000	15,000	16,000
Fringes	5,579	5,215	5,215	5,325
Operating Supplies	5,004	5,000	5,000	5,300
Contracted Services	7,199	6,000	6,000	5,000
Equipment Repairs and Maintenance	4,908	5,000	5,000	5,000
Building Repairs and Maintenance	1,984	2,500	8,000	2,500
Capital Outlay	6,104	-	-	-
Utilities	65,553	68,200	61,700	64,700
Equipment Rental	307	1,000	-	-
Total Henry L. Brown Building Maintenance	113,836	107,915	105,915	103,825
Cemetery:				
Salaries	86,394	90,000	90,000	91,350
Fringes	30,825	34,100	31,100	35,775
Office Supplies	5,427	6,500	5,500	5,500
Contractual Services	61,476	65,000	68,000	68,000
Utilities	4,984	6,300	5,700	5,700
Equipment Maintenance	423	2,000	750	750
Building Repairs and Maintenance	709	12,000	12,000	12,000
Miscellaneous	619	1,500	1,500	1,500
Capital Outlay	2,234	10,000	10,000	30,000
Total Cemetery	193,091	227,400	224,550	250,575
Unallocated General Government:				
Other	40,163	29,000	68,000	35,000
Total General Government	1,167,591	1,217,273	1,233,033	1,301,319

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
<u>PUBLIC SAFETY</u>				
Police:				
Salaries	1,013,244	1,055,000	1,055,000	1,089,900
Fringes	264,773	292,100	281,900	304,160
Supplies	22,873	24,500	24,500	25,500
Gas	22,523	22,000	22,000	24,000
Contractual Services	11,854	18,500	18,500	12,000
Maintenance	16,809	34,000	34,000	32,000
Utilities	16,972	20,000	20,000	26,000
Miscellaneous	2,423	3,500	3,500	4,500
Travel and Education	18,682	13,000	13,000	10,000
Telephone	13,079	7,000	7,000	8,000
Building Repairs and Maintenance	9,585	4,000	4,000	4,000
Building Improvements	1,000	3,000	3,000	5,000
Capital Outlay	<u>30,924</u>	<u>35,000</u>	<u>214,800</u>	<u>101,000</u>
 Total Police Department	 1,444,741	 1,531,600	 1,701,200	 1,646,060
Fire:				
Salaries	823,162	852,150	852,150	872,866
Fringes	257,542	281,300	262,300	289,100
Supplies	13,950	10,600	10,500	10,500
Gas	5,918	6,000	6,000	9,500
Contractual Services	5,042	5,500	5,500	5,500
Maintenance	29,987	39,000	39,000	34,000
Utilities	18,199	21,500	21,500	27,000
Hydrant Rental	95,934	98,000	98,000	100,000
Miscellaneous	832	2,000	2,000	2,000
Travel and Education	17,479	15,200	15,000	12,500
Telephone	8,207	3,000	3,000	3,000
Building Repairs and Maintenance	17,858	4,000	8,000	7,500
Building Improvements	9,512	4,000	-	-
Capital Outlay	<u>55,380</u>	<u>2,500</u>	<u>2,500</u>	<u>10,000</u>
 Total Fire Department	 1,359,002	 1,344,750	 1,325,450	 1,383,466

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
Neighborhood Services:				
Salaries	172,471	187,200	172,200	166,736
Fringes	65,127	77,725	69,725	56,000
Supplies	5,833	7,600	7,600	8,800
Contractual Services	21,828	44,000	34,000	46,000
Maintenance	578	1,000	1,000	1,500
Miscellaneous	1,347	1,000	1,000	1,000
Travel and Education	1,685	3,950	3,950	3,000
Membership and Dues	300	500	500	500
Telephone	3,136	3,500	3,500	2,500
	<u>272,305</u>	<u>326,475</u>	<u>293,475</u>	<u>286,036</u>
Total Neighborhood Services				
	272,305	326,475	293,475	286,036
Total Public Safety	3,076,048	3,202,825	3,320,125	3,315,562
<u>PUBLIC WORKS</u>				
Public Works:				
Salaries	200,427	141,815	141,315	136,800
Fringes	82,152	74,835	104,835	28,500
Supplies	15,466	23,800	19,000	17,200
Contractual Services	134,905	11,500	57,000	144,650
Travel and Education	540	2,000	2,000	2,000
Telephone	4,847	5,000	5,000	5,200
Maintenance	1,409	20,000	11,000	11,000
Equipment Rent	-	2,500	-	-
Miscellaneous	261	1,500	500	500
Capital Outlay	65,816	10,000	46,162	58,000
	<u>505,823</u>	<u>292,950</u>	<u>386,812</u>	<u>403,850</u>
Total Public Works	505,823	292,950	386,812	403,850

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	Actual FY 04-05	Final Budget FY 05-06	Amended Budget FY 05-06	Proposed Budget FY 06-07
Engineering:				
Salaries	113,195	152,900	152,900	129,100
Fringes	36,449	61,625	51,125	44,900
Office Supplies	4,151	3,900	5,300	5,300
Contractual Services	569	20,000	5,000	10,000
Telephone	1,122	1,000	1,000	1,000
Miscellaneous	502	750	750	500
Travel and Education	1,011	500	500	500
Equipment Rental	-	100	-	-
Equipment Maintenance	86	1,000	-	-
Capital Outlay	-	1,000	-	-
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Total Engineering	157,085	242,775	216,575	191,300
Mechanic:				
Salaries	70,199	83,000	84,200	87,200
Fringes	50,621	45,310	43,310	46,800
Supplies	103,767	69,100	69,100	79,200
Gas	42,608	35,000	40,000	40,000
Contractual Services	12,519	11,000	14,000	12,000
Utilities	20,276	21,500	21,500	22,500
Maintenance	31,416	15,000	6,000	6,000
Miscellaneous	-	1,000	1,000	-
Capital Outlay	166,290	20,000	20,000	5,000
Building Improvements	1,214	10,000	10,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Mechanic	498,910	310,910	309,110	298,700
Street Lighting	183,118	191,000	183,000	184,600
Stock Materials	930	50,000	50,000	-
Compost Site:				
Salaries	33,526	50,000	50,000	50,000
Fringes	12,982	26,950	17,850	18,050
Supplies	360	1,000	1,000	-
Printing and Advertising	432	500	500	-
Contractual Services	8,460	-	-	-
Membership Dues	7,615	10,000	8,000	8,000
Equipment Rent	34,140	45,000	45,000	45,000
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Total Compost Site	97,515	133,450	122,350	121,050
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Total Public Works	1,443,381	1,221,085	1,267,847	1,199,500

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
<u>RECREATION AND CULTURAL</u>				
Recreation:				
Salaries	210,413	239,250	225,250	233,500
Fringes	68,496	70,150	79,150	66,532
Supplies	59,385	51,300	51,300	60,500
Contractual Services	68,505	77,300	72,700	73,000
Telephone	3,717	3,500	3,500	3,600
Utilities	38,005	52,400	52,400	55,100
Maintenance	8,640	50,000	53,000	31,000
Equipment Rental	-	1,500	-	-
Miscellaneous	571	1,500	-	-
Memberships and Dues	475	500	500	600
Training and Education	2,624	3,500	3,500	3,500
Pool Repairs	-	2,500	-	2,600
Capital Outlay	12,434	76,000	76,000	28,000
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Total Recreation	473,265	629,400	617,300	557,932
Park Maintenance:				
Salaries	107,543	137,000	110,100	115,440
Fringes	47,686	69,250	51,250	53,100
Supplies	31,028	16,500	10,500	10,500
Contractual Services	29,550	55,000	60,000	60,000
Utilities	8,494	10,000	10,000	10,300
Equipment Rental	29	-	-	-
Capital Outlay	-	-	-	232,000
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Total Park Maintenance	224,330	287,750	241,850	481,340

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

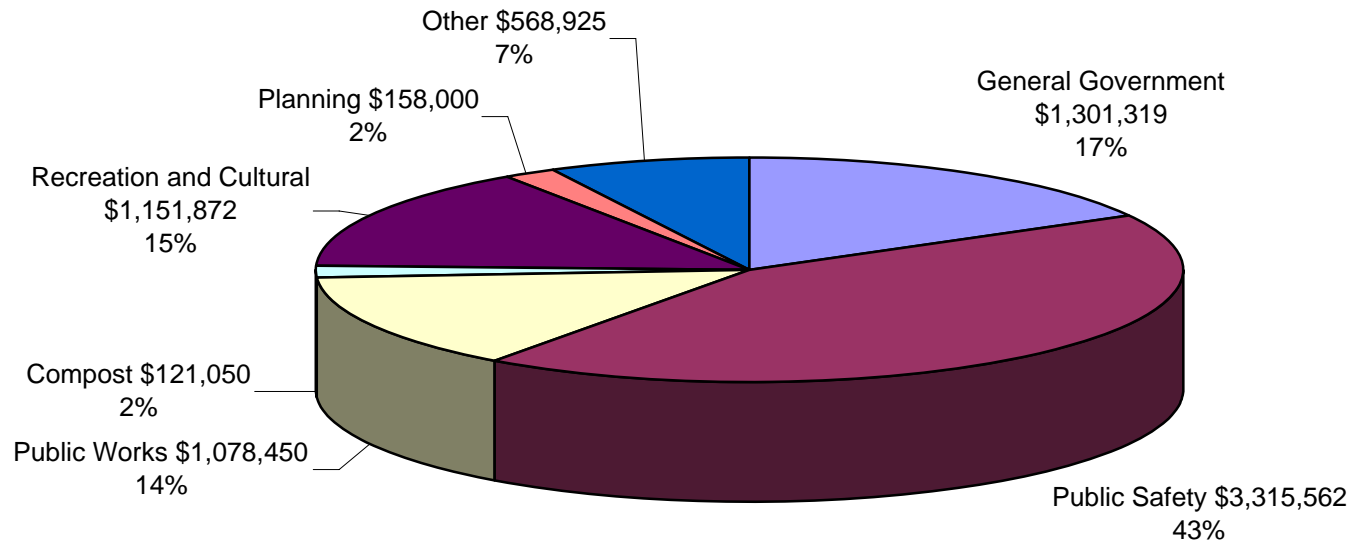
	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
Forestry:				
Salaries	24,410	21,700	21,700	20,600
Fringes	10,762	10,400	10,400	-
Office Supplies	1,059	-	-	-
Contractual Services	60,875	60,500	60,500	62,000
Equipment Maintenance	-	3,000	-	-
Capital Outlay	-	20,000	-	30,000
	<u>97,106</u>	<u>115,600</u>	<u>92,600</u>	<u>112,600</u>
Total Forestry				
	97,106	115,600	92,600	112,600
Total Recreation and Cultural	794,701	1,032,750	951,750	1,151,872
<u>PLANNING</u>				
Planning Commission:				
Salaries	46,523	56,420	56,420	62,000
Fringes	21,321	24,825	17,825	15,250
Supplies	1,655	2,850	1,350	1,750
Consulting Fees	59,651	131,600	115,000	12,500
Telephone	614	450	450	500
Training and Education	1,115	3,500	3,500	4,500
Miscellaneous	-	1,000	-	-
Membership and Dues	15,869	17,500	17,500	17,500
Capital Outlay	-	-	-	40,000
Publishing	3,100	6,500	6,500	4,000
	<u>149,848</u>	<u>244,645</u>	<u>218,545</u>	<u>158,000</u>
Total Planning Commission	149,848	244,645	218,545	158,000
<u>OTHER</u>				
Debt Administration	192,210	196,227	196,227	192,689
Rent	112,236	112,236	112,236	112,236
Postage	18,421	20,000	20,000	20,000
Community Promotions	49,321	95,275	89,275	74,000
Insurance	173,674	170,000	167,000	170,000
	<u>545,862</u>	<u>593,738</u>	<u>584,738</u>	<u>568,925</u>
Total Other Expenditures	545,862	593,738	584,738	568,925
Total Expenditures	<u>\$ 7,177,431</u>	<u>\$ 7,512,316</u>	<u>\$ 7,576,038</u>	<u>\$ 7,695,178</u>

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Amended</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
<u>SUMMARY OF OPERATING TRANSFERS</u>				
Retirement Fund	\$ -	\$ 260,800	\$ 260,800	\$ 262,572
Capital Improvement	-	(66,000)	-	-
 Total Operating Transfers	 \$ -	 \$ 194,800	 \$ 260,800	 \$ 262,572

GENERAL FUND EXPENDITURES

TOTAL \$7,695,178



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

The City is planning on spending fund balance in order to reduce the accumulation from prior years. The accumulation of fund balance is the result of mild winters and prior year road projects being under budget. A significant portion of these funds will be spent on road construction and maintenance. \$433,530 has been budgeted to improve various major streets.

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.

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

Transfers in are from the Retirement Fund to offset cost of retirement contributions.

Operating Transfers Out

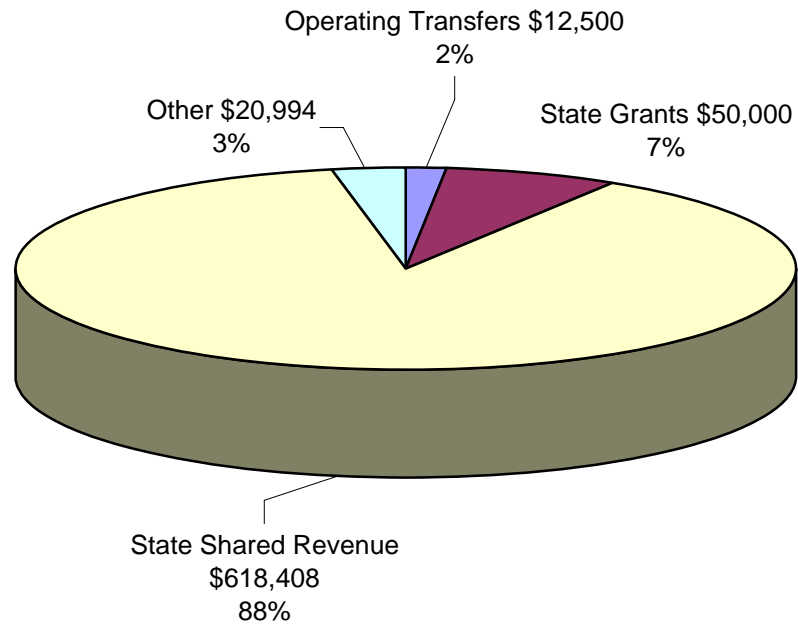
Major Streets are allowed to transfer funds to the Local Street Fund in accordance with Act 51 in order to fund construction of local streets.

CITY OF COLDWATER
MAJOR STREETS FUND

	Actual FY 04-05	Final Budget FY 05-06	Proposed Budget FY 06-07
Revenues			
Special Assessments	\$ 8,589	\$ 8,589	\$ 8,594
State Grants	43,826	66,000	50,000
State Shared Revenue	657,698	650,000	618,408
Interest Earnings	16,754	6,000	12,400
Contrib From Private Sources	<u>-</u>	<u>6,100</u>	<u>-</u>
Total Revenues	727,915	736,689	689,402
Expenditures			
Construction	54,692	562,000	433,530
Routine Maintenance	160,454	272,835	230,525
Traffic Service	87,123	116,830	92,450
Trunkline Maintenance	<u>42,871</u>	<u>56,791</u>	<u>44,550</u>
Total Expenditures	<u>345,140</u>	<u>1,008,456</u>	<u>801,055</u>
Excess (Deficiency) of Revenues Over Expenditures	382,775	(271,767)	(111,653)
Other Financing Sources			
Operating transfers in	9,149	12,550	12,500
Operating transfers out	<u>(164,424)</u>	<u>(162,500)</u>	<u>(155,000)</u>
Total other financing sources	<u>(155,275)</u>	<u>(149,950)</u>	<u>(142,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	227,500	(421,717)	(254,153)
Fund Balance - Beginning of year	<u>550,374</u>	<u>777,874</u>	<u>356,157</u>
Fund Balance - End of the year	<u>\$ 777,874</u>	<u>\$ 356,157</u>	<u>\$ 102,004</u>

MAJOR STREET REVENUE

TOTAL \$701,902

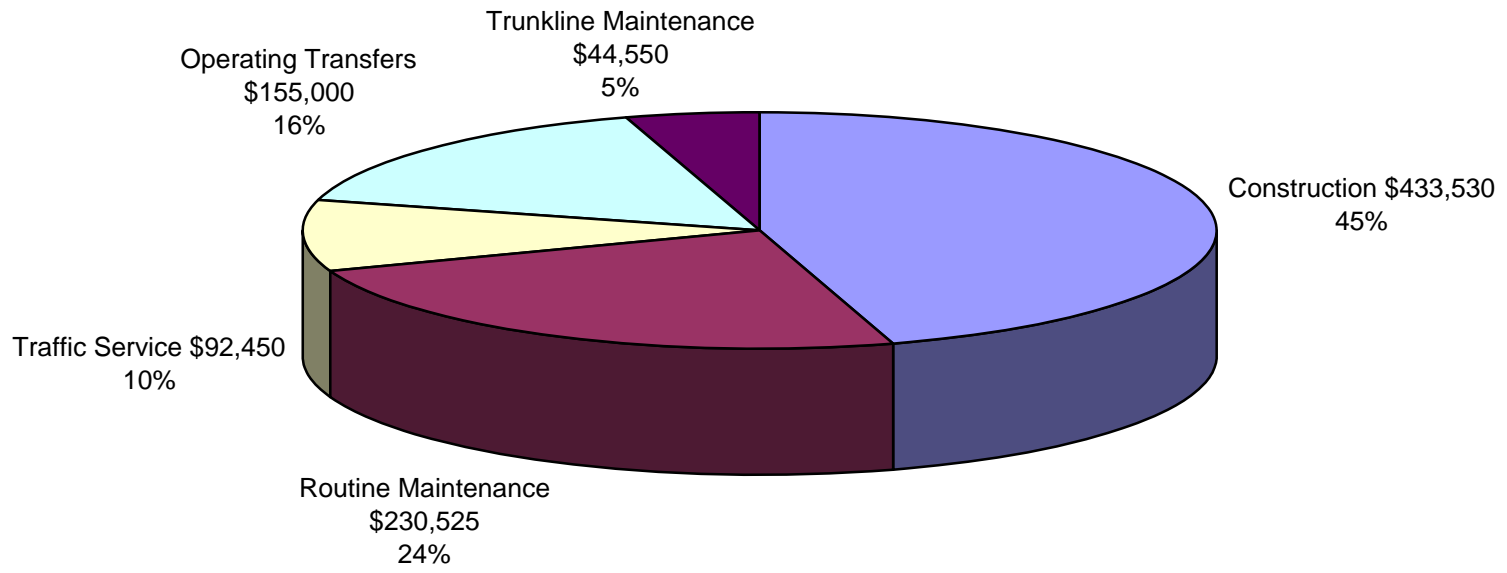


CITY OF COLDWATER
MAJOR STREETS FUND
EXPENDITURE DETAIL

	Actual FY 04-05	Final Budget FY 05-06	Proposed Budget FY 06-07
Construction			
Railroad Crossing	\$ 5,350	\$ 65,000	\$ 7,000
Street Improvement	<u>49,342</u>	<u>497,000</u>	<u>426,530</u>
Total Construction	54,692	562,000	433,530
Routine maintenance			
Salaries	50,955	57,400	46,550
Fringes	25,969	31,425	24,975
Supplies	14,741	17,610	16,500
Equipment Rental	34,906	61,000	37,500
Contractual Services	<u>33,883</u>	<u>105,400</u>	<u>105,000</u>
Total Routine Maintenance	160,454	272,835	230,525
Traffic Service			
Salaries	28,628	32,900	26,100
Fringes	12,485	14,430	10,150
Supplies	23,736	25,000	19,100
Equipment Rental	12,400	22,500	15,600
Contractual Services	<u>9,874</u>	<u>22,000</u>	<u>21,500</u>
Total Traffic Service	87,123	116,830	92,450
Trunkline Maintenance			
Salaries	13,440	13,910	15,000
Fringes	6,254	7,560	2,550
Supplies	6,726	-	7,000
Equipment Rental	4,465	22,321	8,000
Contractual Services	<u>11,986</u>	<u>13,000</u>	<u>12,000</u>
Total Trunkline Maintenance	42,871	56,791	44,550
Total Expenditures	<u>\$ 345,140</u>	<u>\$ 1,008,456</u>	<u>\$ 801,055</u>
<u>SUMMARY OF OPERATING TRANSFERS</u>			
From Retirement Fund	\$ 9,149	\$ 12,550	\$ 12,500
To Local Streets	<u>(164,424)</u>	<u>(162,500)</u>	<u>(155,000)</u>
Total Operating Transfers	<u>\$ (155,275)</u>	<u>\$ (149,950)</u>	<u>\$ (142,500)</u>

MAJOR STREET EXPENDITURES

TOTAL \$956,055



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

The City is planning on spending fund balance in order to reduce the accumulation from prior years. The accumulation of fund balance is the result of mild winters and prior year road projects being under budget. A significant portion of these funds will be spent on road construction and maintenance. \$450,000 has been budgeted to improve the local streets.

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.

TRANSFERS:

Operating Transfers In

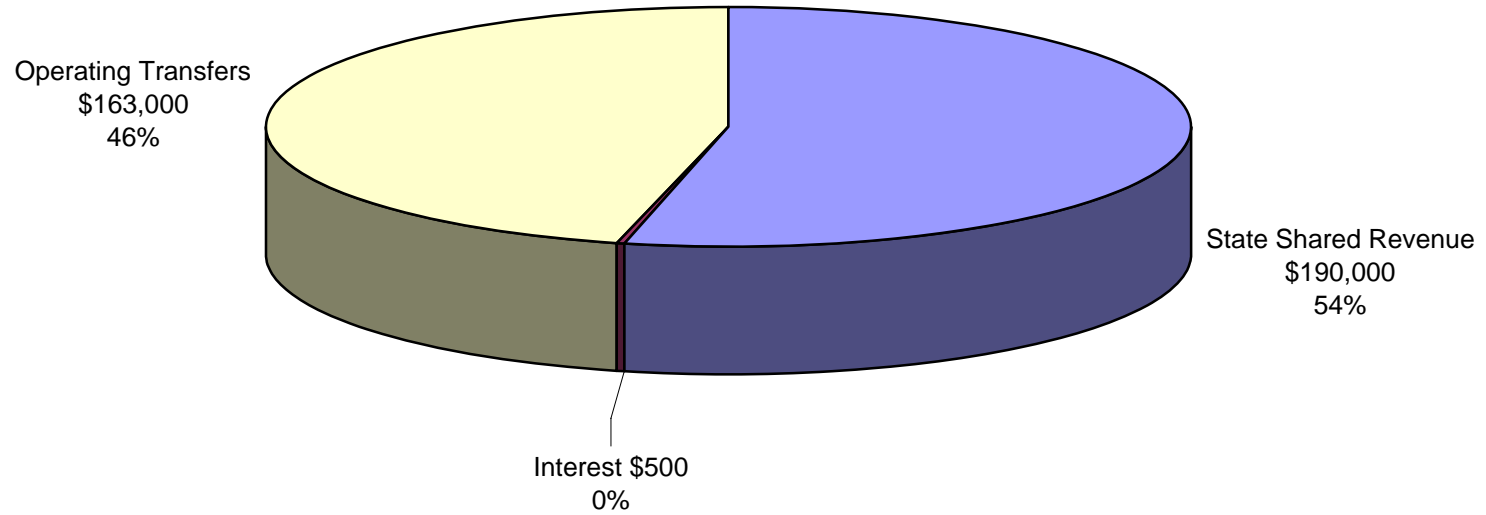
The Major Street Fund annually transfers money to the Local Street Fund to help finance local road construction and maintenance. The Retirement Fund transfers money to offset the cost of retirement contributions.

CITY OF COLDWATER
LOCAL STREETS FUND

	Actual FY 04-05	Final Budget FY 05-06	Proposed Budget FY 06-07
Revenues			
State Shared Revenue	\$ 205,181	\$ 200,000	\$ 190,000
Interest	2,713	1,000	500
Total Revenues	207,894	201,000	190,500
Expenditures			
Construction	33,114	106,500	450,000
Routine Maintenance	118,378	212,980	127,200
Traffic Service	56,958	68,190	51,550
Total Expenditures	208,450	387,670	628,750
Excess (Deficiency) of Revenues Over Expenditures	(556)	(186,670)	(438,250)
Other Financing Sources			
Operating transfers in	170,231	171,500	163,000
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures	169,675	(15,170)	(275,250)
Fund Balance - Beginning of year	175,885	345,560	330,390
Fund Balance - End of the year	<u>\$ 345,560</u>	<u>\$ 330,390</u>	<u>\$ 55,140</u>

LOCAL STREET REVENUE

TOTAL \$353,500

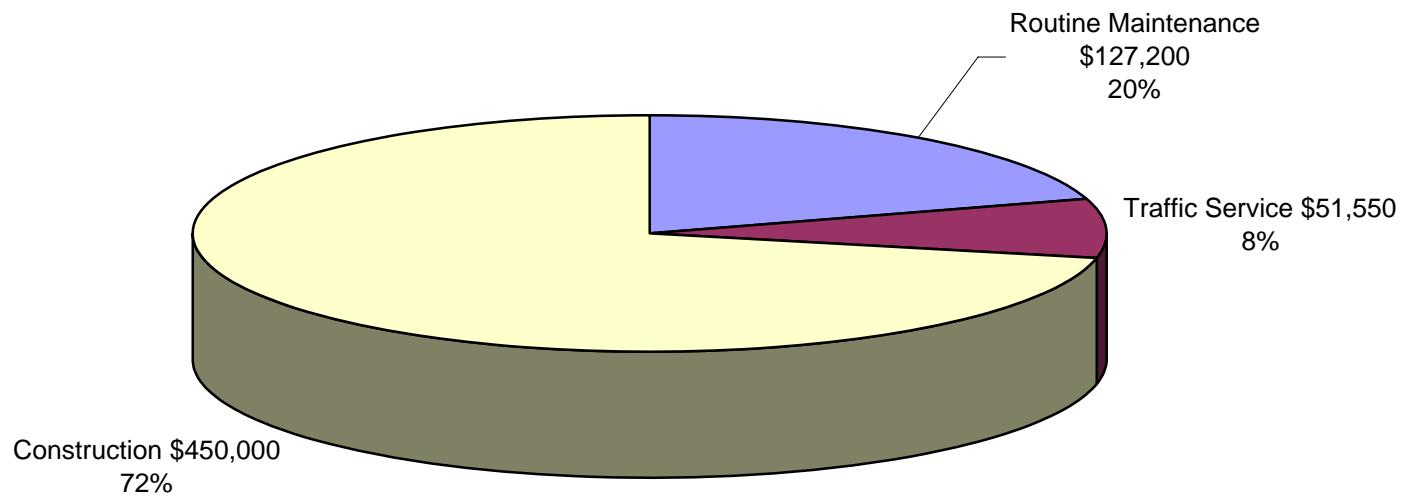


CITY OF COLDWATER
LOCAL STREETS FUND
EXPENDITURE DETAIL

	Actual	Final	Proposed
	FY 04-05	Budget	Budget
	FY 04-05	FY 05-06	FY 06-07
Construction			
Contractual services	\$ 33,114	\$ 106,500	\$ 450,000
Routine maintenance			
Salaries	40,890	51,000	41,800
Fringes	20,446	28,580	16,300
Supplies	11,392	8,600	12,600
Equipment Rental	31,228	52,800	36,500
Contractual Services	<u>14,422</u>	<u>72,000</u>	<u>20,000</u>
Total Routine maintenance	118,378	212,980	127,200
Traffic Service			
Salaries	21,451	23,100	22,400
Fringes	10,004	10,490	2,000
Supplies	15,691	17,400	15,400
Equipment Rental	<u>9,812</u>	<u>17,200</u>	<u>11,750</u>
Total Traffic Service	<u>56,958</u>	<u>68,190</u>	<u>51,550</u>
Total Expenditures	<u>\$ 208,450</u>	<u>\$ 387,670</u>	<u>\$ 628,750</u>
 <u>SUMMARY OF OPERATING TRANSFERS FROM OTHER FUNDS</u>			
Major Streets	\$ 164,424	\$ 162,500	\$ 155,000
Retirement Fund	<u>5,807</u>	<u>9,000</u>	<u>8,000</u>
Total Operating Transfers	<u>\$ 170,231</u>	<u>\$ 171,500</u>	<u>\$ 163,000</u>

LOCAL STREET EXPENDITURES

TOTAL \$628,750



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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.

Included in the expenditures is a \$10,000 payment to the Downtown Development Authority that was established to assist in the payment of the debt incurred by the Authority during the last downtown streetscape renovation. The General Fund transfers money to the fund to finance any deficit in revenues to cover the expenditures.

CITY OF COLDWATER
PARKING AUTHORITY FUND

	Actual FY 04-05	Final Budget FY 05-06	Proposed Budget FY 06-07
Revenues			
Parking Fines	\$ 3,821	\$ 5,000	\$ 4,700
Special Assessments	<u>35,003</u>	<u>35,000</u>	<u>35,000</u>
Total Revenues	38,824	40,000	39,700
Expenditures			
Salaries	19,736	13,350	15,200
Fringes	9,114	5,450	7,200
Supplies	4,840	5,000	4,600
Contractual Services	7,725	7,000	7,000
Parking Lot Project-DDA	10,000	10,000	10,000
Equipment Rental	<u>5,475</u>	<u>6,500</u>	<u>7,000</u>
Total Expenditures	<u>56,890</u>	<u>47,300</u>	<u>51,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,066)	(7,300)	(11,300)
Other Financing Sources			
Operating transfers from Retirement Fund	1,891	1,350	1,300
Operating transfers from General Fund	<u>1,142</u>	<u>5,950</u>	<u>10,000</u>
Total other financing sources	<u>3,033</u>	<u>7,300</u>	<u>11,300</u>
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	(15,033)	-	-
Fund Balance - Beginning of year	<u>16,018</u>	<u>985</u>	<u>985</u>
Fund Balance - End of the year	<u>\$ 985</u>	<u>\$ 985</u>	<u>\$ 985</u>

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, contribution to the Branch County Economic Growth Alliance and other miscellaneous expenditures.

CITY OF COLDWATER
REVOLVING DEVELOPMENT

	Actual FY 04-05	Final Budget FY 05-06	Proposed Budget FY 06-07
Revenues			
Interest Earnings	\$ 121,647	\$ 100,000	\$ 100,000
Other Income	117,054	-	-
 Total Revenue	 <u>238,701</u>	 <u>100,000</u>	 <u>100,000</u>
Expenditures			
Rehabilitation Programs	102,655	45,000	45,000
Contribution to others	25,168	45,000	45,000
Capital Outlay	200,398	-	-
Fire protection reimbursement	-	10,000	10,000
 Total Expenditures	 <u>328,221</u>	 <u>100,000</u>	 <u>100,000</u>
 Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	 (89,520)	 -	 -
 Fund Balance - Beginning of year	 <u>929,486</u>	 <u>839,966</u>	 <u>839,966</u>
 Fund Balance - End of year	 <u>\$ 839,966</u>	 <u>\$ 839,966</u>	 <u>\$ 839,966</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 full-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 04-05	Final Budget FY 05-06	Proposed Budget FY 06-07
Revenues			
Tax Capture	\$ 270,683	\$ 202,515	\$ 215,604
Federal Grant	39,491	-	-
Contributions From Private Sources	10,000	10,000	10,000
Interest Earnings	4,429	3,000	3,000
Rent	9,700	8,000	9,000
Total Revenues	334,303	223,515	237,604
Expenditures			
Salaries	40,000	44,000	46,000
Fringes	5,460	6,200	6,400
Office Supplies	2,195	4,000	3,000
Recruitment and Retention	5,487	5,000	20,000
Rebate program	8,810	16,200	18,000
Kerr Building	-	3,000	3,000
Downtown Maintenance	11,257	25,000	30,000
Telephone	1,134	3,200	3,200
Travel Expense	2,616	4,000	4,000
Promotion	4,241	10,000	12,000
Printing and Publishing	1,125	3,115	3,000
Equipment Maintenance	-	500	500
Rent	12,100	9,600	9,600
Miscellaneous	111	300	300
92 West Chicago Street	3,342	3,000	3,000
Membership and Dues	1,644	2,400	2,400
New Parking Lot	34,550	-	-
Professional Services	20	2,500	2,500
Contractual Services	8,504	10,000	13,704
Debt Service	131,330	71,500	57,000
Total Expenditures	273,926	223,515	237,604
 Excess of Revenues Over Expenditures	 60,377	 -	 -
 Fund Balance - Beginning of year	 -	 60,377	 60,377
 Fund Balance - End of the year	 <u>\$ 60,377</u>	 <u>\$ 60,377</u>	 <u>\$ 60,377</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 04-05	Final Budget FY 05-06	Proposed Budget FY 06-07
Revenues			
Tax Capture	\$ 170,315	\$ 161,656	\$ 188,210
Interest Earnings	<u>13,519</u>	<u>10,000</u>	<u>13,000</u>
Total Revenues	183,834	171,656	201,210
Expenditures			
Principal	114,356	90,000	98,000
Miscellaneous	13,519	-	-
Interest expense	<u>55,959</u>	<u>81,656</u>	<u>90,210</u>
Total Expenditures	<u>183,834</u>	<u>171,656</u>	<u>188,210</u>
Excess of Revenues Over Expenditures	-	-	13,000
Fund Balance - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,000</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.

The main expenses for the fund are the costs for dumping fees, contractual labor for temporary employees to assist with the pickup and the cost of providing a driver for the actual refuse truck.

Along with picking up rubbish, the City also provides curbside recycling.

**CITY OF COLDWATER
RUBBISH**

	<u>Actual FY 04-05</u>	<u>Final Budget FY 05-06</u>	<u>Proposed Budget FY 06-07</u>
Revenue:			
Sales	\$ 426,500	\$ 422,000	\$ 402,000
Interest	-	700	3,000
Penalties	-	2,000	-
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Total Operating Revenue	426,500	424,700	405,000
Expenditures:			
Salaries	52,260	43,500	48,000
Fringes	20,848	24,400	24,200
Uniforms	250	600	-
Operating Supplies	321	5,000	5,000
Gas	5,250	6,000	8,000
Contractual Services - Contract	193,400	93,600	70,000
Contractual Services - Labor	50,943	180,000	200,000
Uncollectable Accounts	157	2,000	1,000
Depreciation Expense	14,637	12,600	15,000
Equipment Repairs and Maintenance	150	5,000	2,500
Equipment Rental	5,467	5,000	5,000
Printing and Advertising	-	200	500
Collection Fees	203	200	-
Miscellaneous and General Expense	711	2,000	-
	<hr/>	<hr/>	<hr/>
Total Rubbish Expenses	344,597	380,100	379,200
Income (Loss) before transfers	81,903	44,600	25,800
Transfer from Retirement Fund	5,477	5,300	5,500
	<hr/>	<hr/>	<hr/>
Net Income	<u>\$ 87,380</u>	<u>\$ 49,900</u>	<u>\$ 31,300</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**

<u>ELECTRIC</u>	<u>Actual FY 04-05</u>	<u>Final Budget FY 05-06</u>	<u>Proposed Budget FY 06-07</u>
<u>Revenue:</u>			
Residential Sales	\$ 3,991,894	\$ 4,107,540	\$ 4,487,600
Commercial Sales	14,252,833	14,351,400	15,483,200
Special Contract Sales	2,528,016	2,550,000	2,587,200
Economic Development Sales	53,540	-	-
Business Outdoor Lights	63,048	63,240	61,600
Special Industrial Primary	1,344,833	1,339,260	1,469,500
Municipal Street Lighting	187,480	188,700	182,946
Municipal Traffic Signals	20,024	16,626	16,472
Rental Income	21,020	30,600	62,200
Penalties on Customer Accounts	31,407	30,600	35,100
Service Connection Fees	35,730	20,400	41,000
Service Reconnection Fees	22,659	16,320	17,000
Surge Protection Program	4,942	4,080	5,500
Contracted Service Income	124,405	132,600	215,400
Web Metering Income	10,916	12,240	150,000
	<u>22,692,747</u>	<u>22,863,606</u>	<u>24,814,718</u>
Total Operating Revenue			
Purchased Power	16,769,357	17,227,564	18,803,900
Power Plant	424,864	609,650	483,700
Transmission	-	12,000	-
Distribution	717,660	807,100	822,900
Substation	188,900	171,750	146,200
Metering/Lighting	305,874	363,200	353,800
Customer Service	150,736	179,200	157,700
Billings, Accounting and Collection	119,239	124,450	133,200
Administrative and General	564,079	641,200	626,400
Payments in Lieu of Taxes	1,390,992	1,420,716	1,446,716
Depreciation	884,784	915,000	915,000
	<u>21,516,485</u>	<u>22,471,830</u>	<u>23,889,516</u>
Total Operating Expenses			
Operating Income	1,176,262	391,776	925,202
<u>Nonoperating Revenue (Expense)</u>			
Investment Income	1,212,457	125,000	232,400
Interest Expense	(509,182)	(507,710)	(501,554)
Miscellaneous and General Expense	74,598	(5,441)	6,200
Gain on Disposal of Assets	28,000	-	1,200
	<u>805,873</u>	<u>(388,151)</u>	<u>(261,754)</u>
Total Nonoperating Revenue (Expense)			
Net Income	<u>\$ 1,982,135</u>	<u>\$ 3,625</u>	<u>\$ 663,448</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
ELECTRIC**

	<u>Actual FY 04-05</u>	<u>Final Budget FY 05-06</u>	<u>Proposed Budget FY 06-07</u>
BOND COVERAGE			
Net Income	\$ 1,982,135	\$ 3,625	\$ 663,448
Add back Depreciation	884,784	915,000	915,000
Add back Amortization of bond expenses	27,941	27,941	30,000
Add back Payments in Lieu of Taxes	1,390,992	1,420,716	1,446,716
Add back Interest Expense	<u>509,182</u>	<u>507,710</u>	<u>501,554</u>
Net Revenue	4,795,034	2,874,992	3,556,718
Annual Debt Payments	881,689	1,012,710	1,121,554
Coverage Ratio (1.1 Required)	5.44	2.84	3.17

**COLDWATER BOARD OF PUBLIC UTILITIES
TELECOMMUNICATION**

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
<u>Telecommunications</u>			
Revenue:			
Sales - Cable Television	\$ 1,019,169	\$ 1,060,000	\$ 1,114,000
Income - Pay Per View	10,207	10,000	16,000
Cable Television Reconnect Fees	9,360	6,000	10,800
Internet Dial Up Services	515,738	550,000	387,000
Internet Cable Modems	737,202	750,000	840,000
Internet Wireless	114,526	110,000	140,000
Data Fees	33,970	35,000	35,000
Web Host Fees	24,480	30,000	21,900
Internet and Phone Reconnect Fees	3,030	3,000	3,200
Help Desk Call in Service	37,680	35,000	50,000
Long Distance Re-Sale Income	202,360	215,000	240,000
Sales to Electric System	142,860	140,000	142,973
Sales to Water System	33,300	32,000	33,300
Sales to Wastewater System	53,400	53,000	53,400
Penalties on Customer Accounts	9,510	10,000	10,000
Contracted Service Income	<u>9,948</u>	<u>4,000</u>	<u>10,600</u>
 Total Operating Revenue	 2,956,740	 3,043,000	 3,108,173
 Cable Television	 990,664	 880,800	 1,090,500
Internet Expenses	417,035	447,875	316,900
Wireless Internet	20,862	23,400	25,200
Long Distance Expenses	103,631	114,000	190,000
Help Desk Expenses	183,395	199,200	193,600
Billing, Accounting and Collection	116,120	138,900	123,200
Administrative and General	287,604	244,100	261,700
Payments in Lieu of Taxes	81,060	88,770	91,343
Depreciation	<u>567,899</u>	<u>575,000</u>	<u>575,000</u>
 Total Operating Expenses	 <u>2,768,270</u>	 <u>2,712,045</u>	 <u>2,867,443</u>
 Operating Income	 188,470	 330,955	 240,730
Nonoperating Revenue (Expense)			
Investment Income	8,869	-	-
Interest Expense	(288,074)	(284,482)	(271,430)
Miscellaneous	<u>25,596</u>	<u>21,500</u>	<u>30,700</u>
 Total Nonoperating Revenue (Expense)	 <u>(253,609)</u>	 <u>(262,982)</u>	 <u>(240,730)</u>
 Net Income	 <u>\$ (65,139)</u>	 <u>\$ 67,973</u>	 <u>\$ -</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
TELECOMMUNICATION**

	<u>Actual FY 04-05</u>	<u>Final Budget FY 05-06</u>	<u>Proposed Budget FY 06-07</u>
BOND COVERAGE			
Net Income	\$ (65,139)	\$ 67,973	\$ -
Add back Depreciation	567,899	575,000	575,000
Add back Amortization of bond expenses	4,967	4,000	4,967
Add back Payments in Lieu of Taxes	81,060	88,770	91,343
Add back Interest Expense	<u>288,074</u>	<u>284,482</u>	<u>271,430</u>
Net Revenue	876,861	1,020,225	942,740
Annual Debt Payments	540,653	537,994	534,786
Coverage Ratio (1.5 Recommended)	1.62	1.90	1.76

**COLDWATER BOARD OF PUBLIC UTILITIES
WASTEWATER**

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
<u>WASTEWATER</u>			
Revenue:			
Sales	\$ 1,835,615	\$ 1,918,000	\$ 1,968,800
Penalties on Customer Accounts	6,378	6,000	5,500
Contracted Service Income	<u>51,437</u>	<u>7,000</u>	<u>8,500</u>
 Total Operating Revenue	 1,893,430	 1,931,000	 1,982,800
 Collection System	 131,552	 177,500	 129,200
Treatment	635,017	616,300	694,400
Billings, Accounting and Collection	115,968	124,450	127,300
Administrative and General	203,382	225,050	230,300
Payments in Lieu of Taxes	108,732	117,646	119,090
Depreciation	<u>501,584</u>	<u>515,000</u>	<u>525,000</u>
 Total Operating Expenses	 <u>1,696,235</u>	 <u>1,775,946</u>	 <u>1,825,290</u>
 Operating Income	 197,195	 155,054	 157,510
 Nonoperating Revenue (Expense)			
Investment Income	50,865	25,000	93,300
Interest Expense	(269,595)	(273,218)	(251,610)
Miscellaneous	<u>80,645</u>	<u>10,500</u>	<u>800</u>
 Total Nonoperating Revenue (Expense)	 (138,085)	 (237,718)	 (157,510)
 Net Income	 <u>\$ 59,110</u>	 <u>\$ (82,664)</u>	 <u>\$ -</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
WASTEWATER**

	<u>Actual FY 04-05</u>	<u>Final Budget FY 05-06</u>	<u>Proposed Budget FY 06-07</u>
BOND COVERAGE			
Net Income	\$ 59,110	\$ (82,664)	\$ -
Add back Depreciation	501,584	515,000	525,000
Add back Amortization of bond expenses	31,836	40,500	40,500
Add back Payments in Lieu of Taxes	108,732	117,646	119,090
Add back Interest Expense	<u>269,595</u>	<u>273,218</u>	<u>251,610</u>
Net Revenue	970,857	863,700	936,200
Annual Debt Payments	719,010	728,218	726,610
Coverage Ratio (1.2 Required)	1.35	1.19	1.29

**COLDWATER BOARD OF PUBLIC UTILITIES
WATER**

	<u>Actual</u> <u>FY 04-05</u>	<u>Final</u> <u>Budget</u> <u>FY 05-06</u>	<u>Proposed</u> <u>Budget</u> <u>FY 06-07</u>
<u>WATER</u>			
Revenue:			
Sales	\$ 1,771,901	\$ 1,871,000	\$ 1,879,500
Penalties on Customer Accounts	<u>4,721</u>	<u>5,000</u>	<u>5,500</u>
 Total Operating Revenue	 1,776,622	 1,876,000	 1,885,000
 Wells	 92,472	 82,200	 87,200
Treatment	322,762	335,704	347,000
Distribution	296,656	377,100	404,300
Billings, Accounting and Collection	115,356	138,900	127,200
Administrative and General	213,808	233,300	241,000
Payments in Lieu of Taxes	105,156	108,532	114,557
Depreciation	<u>361,714</u>	<u>370,000</u>	<u>370,000</u>
 Total Operating Expenses	 <u>1,507,924</u>	 <u>1,645,736</u>	 <u>1,691,257</u>
 Operating Income	 268,698	 230,264	 193,743
 Nonoperating Revenue (Expense)			
Investment Income	6,862	5,000	8,200
Interest Expense	(220,410)	(217,455)	(205,440)
Miscellaneous	<u>(7,701)</u>	<u>(16,003)</u>	<u>3,497</u>
 Total Nonoperating Revenue (Expense)	 <u>(221,249)</u>	 <u>(228,458)</u>	 <u>(193,743)</u>
 Net Income	 <u>\$ 47,449</u>	 <u>\$ 1,806</u>	 <u>\$ -</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
WATER**

	<u>Actual FY 04-05</u>	<u>Final Budget FY 05-06</u>	<u>Proposed Budget FY 06-07</u>
BOND COVERAGE			
Net Income	\$ 47,449	\$ 1,806	\$ -
Add back Depreciation	361,714	370,000	370,000
Add back Amortization of bond expenses	41,503	41,503	41,503
Add back Payments in Lieu of Taxes	105,156	108,532	114,557
Add back Interest Expense	<u>220,410</u>	<u>217,455</u>	<u>205,440</u>
Net Revenue	776,232	739,296	731,500
Annual Debt Payments	486,315	487,455	490,440
Coverage Ratio (1.2 Required)	1.60	1.52	1.49