

City of Coldwater Budget

For the Fiscal Year

July 1, 2011 to

June 30, 2012

CITY OF COLDWATER
BUDGET
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June 27, 2011

TO: Mayor Wallace and Councilmembers

FROM: Jeff Budd, City Manager

RE: **Fiscal Year 2011-2012 Budget**

The City of Coldwater presents the following operational budgets for City Council approval for the 2011-2012 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 11-12 and 11-13 to adopt the budgets for the ensuing fiscal year.

Financial Status

The City of Coldwater continues to remain in a very financially stable position. Reserve funds on hand were roughly 30% of revenues at June 30, 2010. Additionally, it appears the 2011 fiscal year will also end the year in a positive position. From a financial perspective, the City, due to its conservative fiscal policies, is doing much better than most municipalities in Michigan today.

However, for as much fiscal strength the City reflects on its balance sheet today, the deficit projections for the future could have a significant impact. We are projecting a deficit for the City's general operating fund for the 2012 fiscal year of \$198,651. This deficit was pared down during the budget process from an initial deficit of roughly \$400,000. Reductions were made to capital investments, and needed equipment purchases have been delayed for yet another year. Even with the proposed deficit the City has ample reserves to offset the budgeted deficit.

Unfortunately, the two-year budget projection also showed another \$380,000 deficit for the fiscal year ending June 30, 2013. These projected deficits do not include significant capital investments, indicating the deficit is primarily structural where expenditures are

Doing More with Less

As mentioned, the City has continued to provide residents the relied upon services they have come to expect and enjoy. City services ranging from police protection to garbage collection depend on a large amount of physical labor. A labor intensive business, such as local government, depends on its workforce more than supplies and equipment. Unfortunately, when governments cut labor, services typically have to be cut as well.

However, Coldwater has been able to maintain our services while reducing our workforce. As you can see from the staffing chart included in this document, the City has significantly reduced our workforce. We have been able to do more with less by making changes to our operations and upgrading technology, leading to improved efficiency. But, we have reached a point where services may need to be reduced if further staffing cuts are needed.

Personnel costs, including fringe benefits, for the General fund equate to roughly 67% of the City's operations. Even with the reduction in staffing, the cost to provide services is the City's largest expense. Employee concessions in terms of wages and health care costs have assisted in mitigating the impact to the City's budget. The City has also contracted various services to third party vendors when applicable.

The announcement of the closing of one of the City's prison facilities will also increase our labor costs. In past years the City was able to contract for a prison work crew who performed several labor intensive services for the City. Without the ability to use the financially discounted prison work crews, additional labor costs will be incurred for such items as leaf removal and other menial labor intensive tasks.

Equipment and Infrastructure

One of the other issues with labor intensive services is the need for equipment to transport people and materials. \$200,000 has been budgeted to replace worn out and dated equipment in our street department. Historically, the City will run our equipment right up to the end of its useful life. Many of the City's fleet of trucks are 10 years old or older, not to mention the equipment.

This year the City originally planned on replacing a 16 year old dump truck, but will instead purchase a truck that uses new technology allowing the truck to be used for a variety of uses versus a standard dump truck. A 12 year old truck will also be retrofitted with a new dump box versus being replaced. These are examples of using technology to maximize the return on the taxpayer's dollars.

The City does keep up with regularly scheduled maintenance and vehicle replacement such as police cars as well. This year two cars are scheduled for rotation. Repairs are also needed to the fire bay exhaust system that is over 30 years old.

outpacing revenues. There also does not appear to be any increased revenue in the future from property taxes or revenue from the State. This leads one to question how will this affect the City's ability to maintain services in the future?

While the answer to that question is not clear for the long term, the short term answer is the City is continuing to do things in a more economical and businesslike manner than ever before. More is being done with less people, processes are being simplified and costs are being kept to a minimum, but high level services are still being provided to the residents of Coldwater. There are going to have to be tough decisions in the years to come, but for now the City will be able to absorb the deficits due to the accumulated reserves and strategic planning employed by the City in past years.

Houston, We Have a Problem!

While we aren't necessarily spinning out of control in a spaceship, we do have a problem; a revenue problem. General Fund revenues are budgeted to be \$7.75 million for 2012, a decrease of \$264,000 (3.3%) from prior year and \$524,000 (6.3%) from two years ago. This is a significant decrease in funding in a short period of time, without any outlook that revenues will increase in the future.

Property taxes have been hit hard by the national recession. Home values have dropped another 5% in 2012 after taking a 15% decrease in 2011. Commercial values have also dropped 15%. Luckily, industrial values did not drop in 2012, but are expected to decrease in 2013. Overall, property taxes are estimated to be \$3.65 million, a decrease of \$219,625 (5.7%) from prior year. To keep this in perspective, taxes are down \$407,000 from 2010 (10.0%).

Not only did the City experience reduction to property tax revenues, but the State of Michigan has repeatedly reduced funding for local governments by reducing revenue sharing. Revenue sharing reached a high in 2002 of \$1.2 million; now it is projected the City will receive only \$758,000 in 2012. This is an annual loss of \$442,000 from the high nearly 10 years ago.

Fortunately, the City of Coldwater is a public power community. Having a citizen-owned Board of Public Utilities has allowed the City to continue to provide the same level of services to our residents due to the payment in lieu of taxes received based on the sales of utility services. For 2012 this amount is projected to be \$2.15 million or 28% of total revenues. Without these additional revenues the City would be facing the same budget crisis and reduction of service levels being experienced by many Michigan municipalities today.

Other new equipment purchases have quite simply been pushed back into the future or making do with what we have. However, sooner or later certain equipment will need to be purchased and will not be able to keep being pushed off into future fiscal years.

The same is true of the City's infrastructure. Continual cuts in road funding have presented a challenge to maintain City streets and infrastructure. With less dollars to spend, City staff tries to maintain a balance between maintenance and actual road repaving. Quite honestly there are more roads that need to be repaved than available funds.

This year \$250,000 has been budgeted in both the Major and Local Streets funds for repaving or reconstruction. Unfortunately, over \$1 million in street repairs have been identified. We will manage these funds as effectively as possible, but ultimately the future costs of repairing our street infrastructure may need to be funded by the City's General Fund, unless the State makes structural changes to how streets are funded.

What Lies Ahead

The City's conservative fiscal policies will allow the City to weather the projected deficits for the next two years. Continual changes in how the City operates will lend itself to more efficient use of resources, resulting in a lower cost to provide City services. We will also continue to analyze ways to make City government more efficient and effective, without diminishing the high quality services residents are accustomed.

Legislatively, there are several new laws and proposals that have the potential to dramatically change the landscape for local government. Revenue sharing cuts, employee health care contributions, binding arbitration are but a few of the topics being discussed that would result in these changes. Already a new corporate tax structure and budget has been adopted providing some certainty for business taxation and funding for local government.

With all the proposed changes, the City is in a unique situation amongst most Michigan municipalities. The City does not have the staggering legacy costs that hamstringing other communities. We have invested wisely in our infrastructure and have no outstanding general obligation debt to speak of. If economic times were to worsen the City would have the ability to issue additional debt for equipment and infrastructure until revenues increased or services were cut.

Short term the City may be faced with a number of years of operational deficits. No one knows when revenues can be reasonably assured of outpacing expenditures. Thankfully, the City has the reserves to mitigate any impact to its residents.

The long term outlook indicates the City needs to grow in tax base to sustain current services. Of late, the City has received several good indicators of investors looking to reinvest in Michigan and more importantly in Coldwater. A large state of the art commercial greenhouse is currently under construction adding jobs and tax base to our community. Through our economic development partnerships and own efforts, the City will continue to seek out opportunities to grow our community in a sustainable fashion.

While there might be some economic bumps in the road, strong reserve funds, conservative policy, lack of debt and a dedicated and professional labor force have positioned the City to continue to provide the high level of service our residents have come to expect. But one thing is guaranteed; Coldwater will continue to be a wonderful place to live, work and play.

JWB/js

RESOLUTION NO. 11-12

**City of Coldwater
General Appropriations Act
for Fiscal Year 2011-2012**

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 2011-2012 are as follows:

Property Taxes	3,647,781
Licenses and Permits	172,800
State Shared Revenue	758,233
State Sources	44,000
Charges for Services	481,241
Rent	294,758
Interest Income	65,000
Contributions	1,500
Other Income	21,000
Payment in Lieu of Taxes	2,159,102
Operating Transfers	103,357
TOTAL:	7,748,772

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	1,329,266
Public Safety	3,741,500
Public Works	1,400,400
Recreation and Cultural	1,025,300
Planning	82,700
Other	368,257
TOTAL:	7,947,423

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 \$318,411,536, b) the taxable value of all real and personal property in the City to be \$304,568,217, and c) the value of property subject to the Industrial tax to be \$24,404,410, hereby directs that the tax levy for 2011-2012 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, 2011.

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, 2011.

This resolution is hereby adopted on this 27th day of June, 2011, 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. 11-13

**City of Coldwater
Special and Operating Funds Appropriations Act
for Fiscal Year 2011-2012**

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	976,974
Local Streets	477,089
Parking Authority	42,050
Retirement Fund	103,357
Revolving Development	35,000
Electric Utility – Board of Public Utilities	26,404,888
Water Utility – Board of Public Utilities	2,060,337
Wastewater Utility – Board of Public Utilities	2,531,674
Telecommunication – Board of Public Utilities	3,119,225

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, 2011.

This resolution is hereby adopted on this 27th day of June, 2011, 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. 11-14
FISCAL YEAR 2011-2012
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 27th day of June, 2011 by the City Council of the City of Coldwater with the following vote:

AYES: _____

NAYS: _____

ABSENT: _____

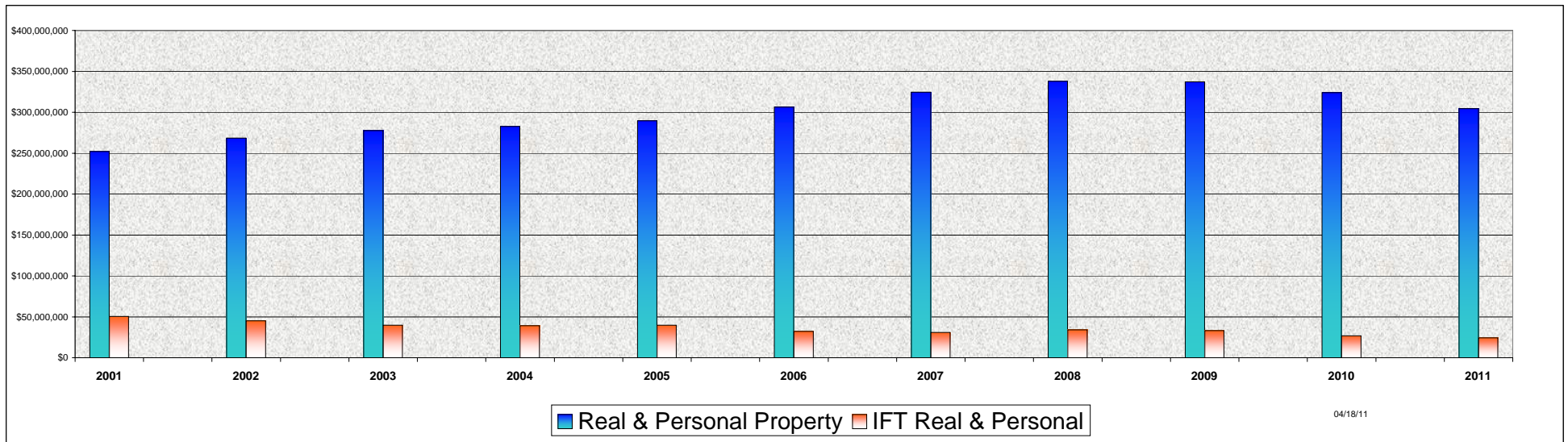
Date: _____

Ruth Ann Volkmer
City Clerk

City of Coldwater Assessor's Office

Taxable Values

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	%chg.
Real & Personal	\$ 252,169,637	\$ 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	-6.0%
IFT Real	\$ 50,606,466	\$ 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	-9.4%
IFT Pers.												
Total	\$ 302,776,103	\$ 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	-6.2%
IFT % of Total	16.7%	14.4%	12.5%	12.1%	12.1%	9.5%	8.7%	9.2%	9.0%	7.7%	7.4%	



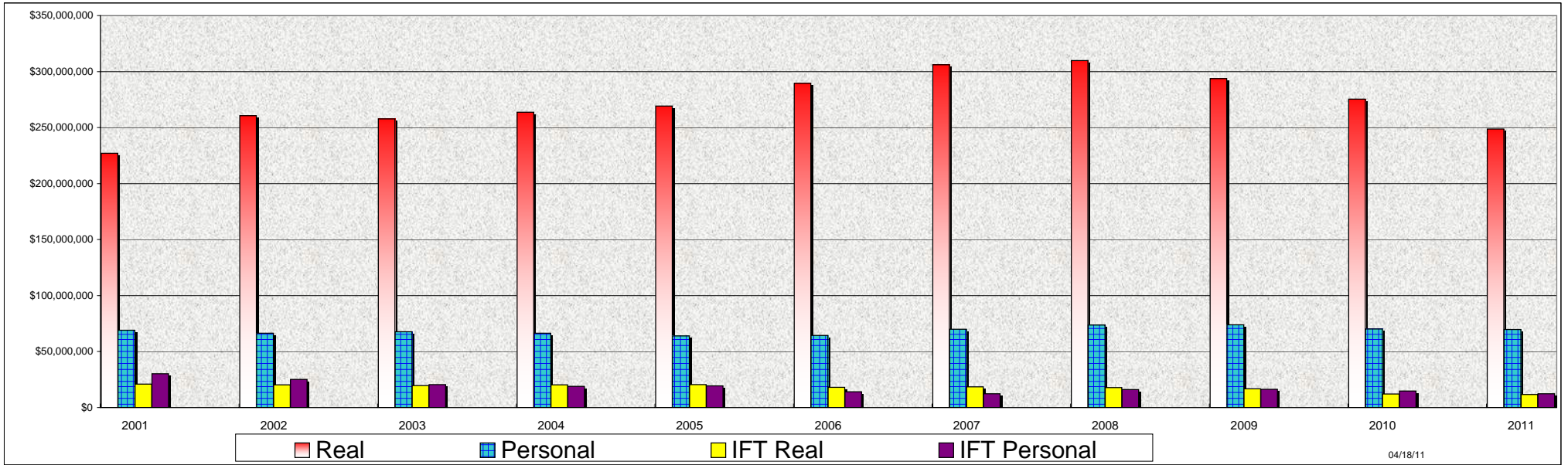
City of Coldwater Assessor's Office

State Equalized Values

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Real	\$ 227,049,200	\$ 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
Personal	\$ 69,151,600	\$ 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
IFT Real	\$ 20,967,100	\$ 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
IFT Pers.	\$ 30,226,700	\$ 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
Total	\$ 347,394,600	\$ 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

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 IFT % of Total

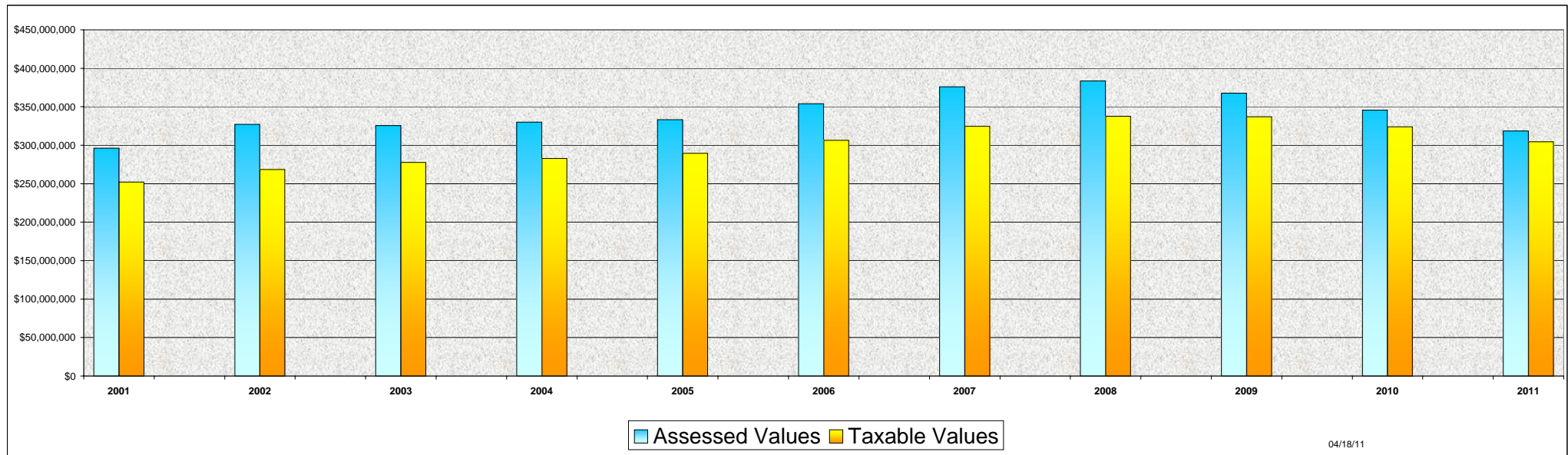
15% 12% 11% 11% 11% 8% 8% 8% 8% 7% 7%



City of Coldwater Assessor's Office

AV & TV Values

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	%chg.
Assessed	\$ 296,200,800	\$ 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	-7.9%
Taxable	\$ <u>252,169,637</u>	\$ <u>268,357,197</u>	\$ <u>277,533,120</u>	\$ <u>282,737,230</u>	\$ <u>289,620,414</u>	\$ <u>306,364,172</u>	\$ <u>324,721,632</u>	\$ <u>337,795,278</u>	\$ <u>337,114,641</u>	\$ <u>323,877,819</u>	\$ <u>304,568,217</u>	-6.0%
% of TV	85%	82%	85%	86%	87%	87%	86%	88%	92%	94%	96%	



04/18/11

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

<u>Department</u>	<u>2003-04</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>
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineering	2.00	2.50	2.50	1.50	1.50	1.50	1.50	1.00	1.00
Clerk/Assessor	3.00	3.00	-	-	-	-	-	-	-
Clerk	-	-	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Assessor	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance/Treasurer	-	-	-	-	-	-	-	-	-
Administrative Services	13.00	12.00	12.00	12.00	11.00	11.00	10.50	10.50	8.50
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	18.50	17.50	17.50
Fire	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	16.50
Municipal Services:									
Administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Streets	10.00	9.00	9.00	9.00	9.00	9.00	9.00	7.00	6.00
Rubbish Collection	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
Cemeteries	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Parks	2.00	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	3.50
Planning/Grant	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	3.00	3.00
Total City Employees	<u>82.50</u>	<u>80.00</u>	<u>79.00</u>	<u>78.00</u>	<u>77.00</u>	<u>77.00</u>	<u>77.00</u>	<u>72.50</u>	<u>70.50</u>
Electric	19.00	18.00	16.00	16.00	16.00	17.00	16.00	16.00	16.00
Water	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00
Wastewater	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Telecommunications	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Engineering	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00
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	<u>46.50</u>	<u>46.00</u>	<u>43.00</u>	<u>43.00</u>	<u>43.00</u>	<u>44.00</u>	<u>43.00</u>	<u>41.50</u>	<u>40.50</u>
Total Employees	<u>129.00</u>	<u>126.00</u>	<u>122.00</u>	<u>121.00</u>	<u>120.00</u>	<u>121.00</u>	<u>120.00</u>	<u>114.00</u>	<u>111.00</u>

Note: Excludes contract and seasonal employees

GENERAL FUND CAPITAL OUTLAY - FYE 12

CITY MANAGER	COMPUTER	\$ 1,500
	EXECUTIVE WING COPIER	6,000
	TOTAL CITY MANAGER	<u>7,500</u>
FINANCE	EXCHANGE SERVER	10,000
	COMPUTER	600
	MISC PRINTERS	1,250
	CENTER COUNTER DESKTOP	1,500
	TOTAL FINANCE	<u>13,350</u>
NETWORK ADMIN	LAPTOP COMPUTER	<u>1,100</u>
	TOTAL NETWORK ADMINISTRATOR	1,100
CEMETERY	FIX GROUND VAULT	<u>5,000</u>
	TOTAL CEMETERY	5,000
POLICE	PATROL CARS (2)	60,000
	COMPUTERS (4)	<u>6,000</u>
	TOTAL POLICE	66,000
FIRE	FIRE BAY EXHAUST SYSTEM	<u>75,000</u>
	TOTAL FIRE	75,000
PUBLIC WORKS	FORD 550 WITH SWAP LOADER	85,000
	RETROFIT 1999 INTL DUMP TRUCK	60,000
	GIS CONVERSION	35,000
	REPLACE EXTERIOR DOORS	5,000
	COMPLETE PAVING	<u>15,000</u>
	TOTAL PUBLIC WORKS	200,000
RECREATION	FLOOR SCRUBBER	<u>8,000</u>
	TOTAL RECREATION	8,000
HERITAGE SERV BLDG	FLOOR	<u>10,000</u>
	TOTAL HERITAGE SERV BLDG	10,000
PARK MAINTENANCE	FALL TREE PLANTING	15,000
	LINEAR TRAIL EXTENSION(S LAKE-BUTTERS)	10,000
	ROTARY BATHROOM RENOVATION	10,000
	REPLACE MULCH FOR KIDS KINGDOM	5,000
	NEW STORAGE BUILDING AT PARKHURST	10,000
	BENCHES FOR WALK PATHS	<u>2,000</u>
	TOTAL PARK MAINTENANCE	<u>52,000</u>
TOTAL CAPITAL OUTLAY FYE 12		<u><u>\$ 437,950</u></u>

**CITY OF COLDWATER
BUDGET SUMMARY
ALL FUNDS
FISCAL YEAR 2011/2012**

FUND DESCRIPTION	REVENUES	EXPENDITURES	OTHER FINANCING SOURCES (USES)	EXCESS (DEFICIENCY)
General Fund	5,486,313	7,947,423	2,262,459	(198,651)
Major Streets	682,988	691,997	(284,977)	(293,986)
Local Streets	192,112	477,089	284,977	-
Parking Authority	45,250	42,050	-	3,200
Revolving Development	46,000	35,000	-	11,000
<u>Component Units</u>				
Downtown Development Authority	107,200	76,350	(30,850)	-
Local Development Authority	21,129	21,129	-	-

CITY OF COLDWATER
GENERAL FUND
NARRATIVE

REVENUES:

Taxes

Property tax values are expected to decrease 5.7%. The result is a decrease in tax revenue of \$219,625. This relates to commercial values dropping 15% and residential values another 5%. Industrial values are expected to drop in the coming years as well.

Licenses and Permits

New investment continues to be stagnant. Recent inquiries and the construction of a new commercial greenhouse point to potential economic development, jobs and tax base in the near future.

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 is expected to decrease \$50,000 assuming the City can qualify for full funding based on new legislation. Various criteria have been established under the Economic Vitality Incentive Program that will allow the City to qualify for additional funding.

Charges for Services

The City continues to contract for fire protection with two surrounding townships in the amount of \$165,141. 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 rates continue to be at historic low as the Federal Reserve Board tries to stimulate the economy. Interest rates are expected to remain low throughout the 2012 fiscal year.

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 police cars are scheduled to 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. \$200,000 has been budgeted for the replacement of two trucks that are 16 and 12 years old, respectively. In addition to the trucks, dollars have been set aside for various projects including paving and GIS conversion.

Recreation and Cultural

Budget constraints have limited capital improvements to \$70,000 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 our local housing grants, 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:

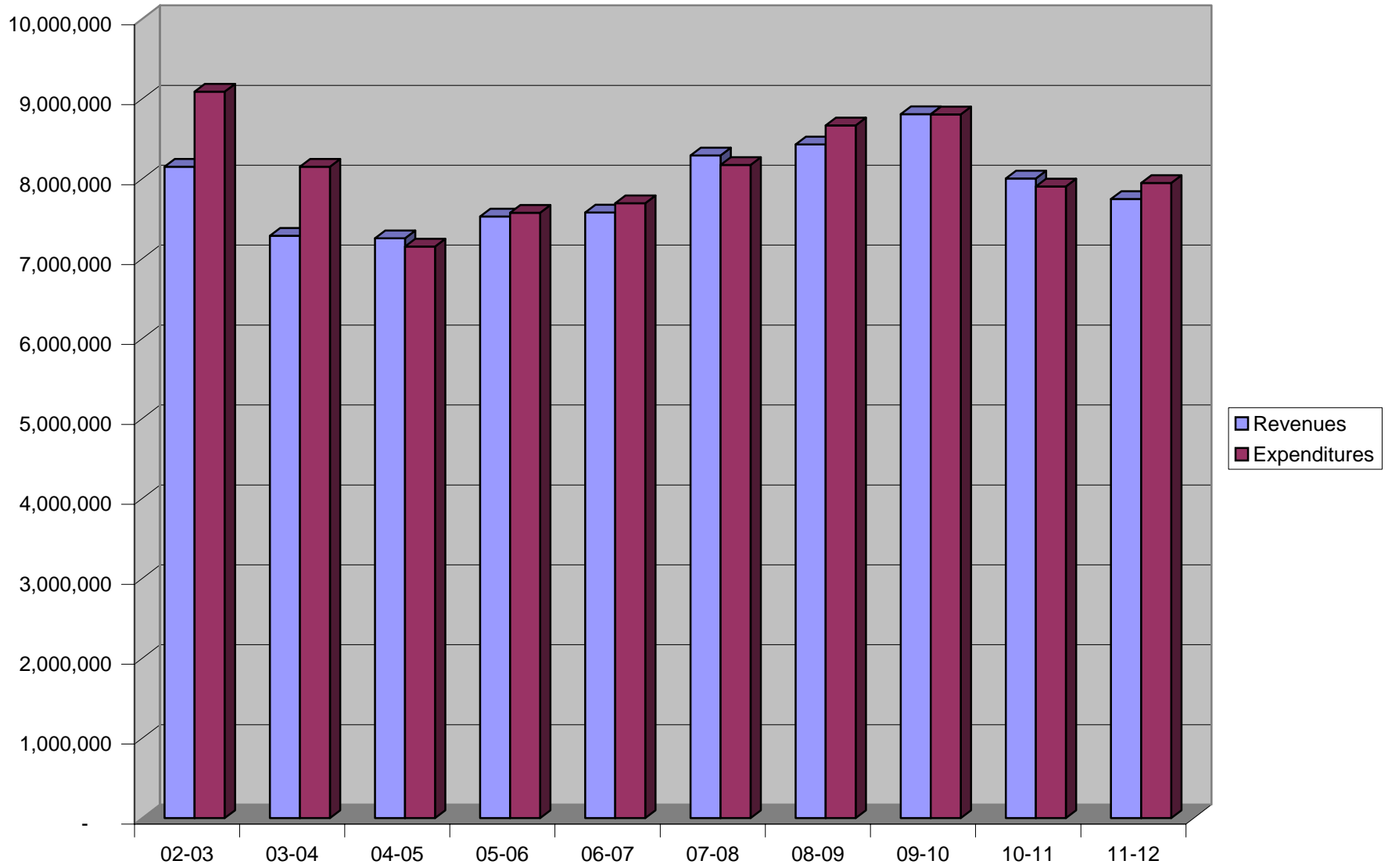
Operating transfers are primarily from the Retirement Fund and Payments in Lieu of Taxes (PILOT) from the Utility Departments. The Retirement Fund is a levy of 1/3rd of a mill. The City is authorized by City Charter to levy up to 1.75 mills at the discretion of the City Council. The PILOT is a City Charter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

CITY OF COLDWATER
GENERAL FUND

	Actual FY 09-10	Final Budget FY 10-11	Amended Budget FY 10-11	Proposed Budget FY 11-12
<u>Revenues</u>				
Taxes	\$ 4,055,257	\$ 3,865,472	\$ 3,867,406	\$ 3,647,781
Licenses and Permits	151,817	152,800	147,500	172,800
Federal Sources	77,569	-	30,000	-
State Shared Revenue	816,050	798,140	808,811	758,233
State Sources	44,070	42,000	51,950	44,000
Charges for Services	506,546	489,700	512,700	481,241
Rent	311,108	290,740	278,258	294,758
Interest Income	71,649	80,000	40,000	65,000
Contributions	26,411	1,500	2,725	1,500
Other Income	39,525	32,000	18,500	21,000
Total Revenues	6,100,002	5,752,352	5,757,850	5,486,313
<u>Expenditures</u>				
General Government	1,296,478	1,512,591	1,331,461	1,329,266
Public Safety	3,508,361	3,494,561	3,936,972	3,741,500
Public Works	1,399,587	1,277,300	1,295,733	1,400,400
Recreation and Cultural	936,937	1,035,100	982,100	1,025,300
Planning	152,494	116,200	103,200	82,700
Debt Service	-	42,500	435,346	-
Other Expenditures	431,387	426,900	380,700	368,257
Total Expenditures	7,725,244	7,905,152	8,465,512	7,947,423
Excess (Deficiency) of Revenues Over Expenditures	(1,625,242)	(2,152,800)	(2,707,662)	(2,461,110)
<u>Other Financing Sources (Uses)</u>				
Sale of fixed assets and land	1,948	-	-	-
Payment in Lieu of Taxes	2,030,988	2,146,199	2,146,199	2,159,102
Proceeds from debt	-	-	431,000	-
Operating transfers in	139,882	106,110	109,375	103,357
Total other financing sources (uses)	2,172,818	2,252,309	2,686,574	2,262,459
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	547,576	99,509	(21,088)	(198,651)
Fund Balance - Beginning of year	2,138,492	2,686,068	2,686,068	2,664,980
Fund Balance - End of the year	\$ 2,686,068	\$ 2,785,577	\$ 2,664,980	\$ 2,466,329

COMPARATIVE DATA

GENERAL FUND

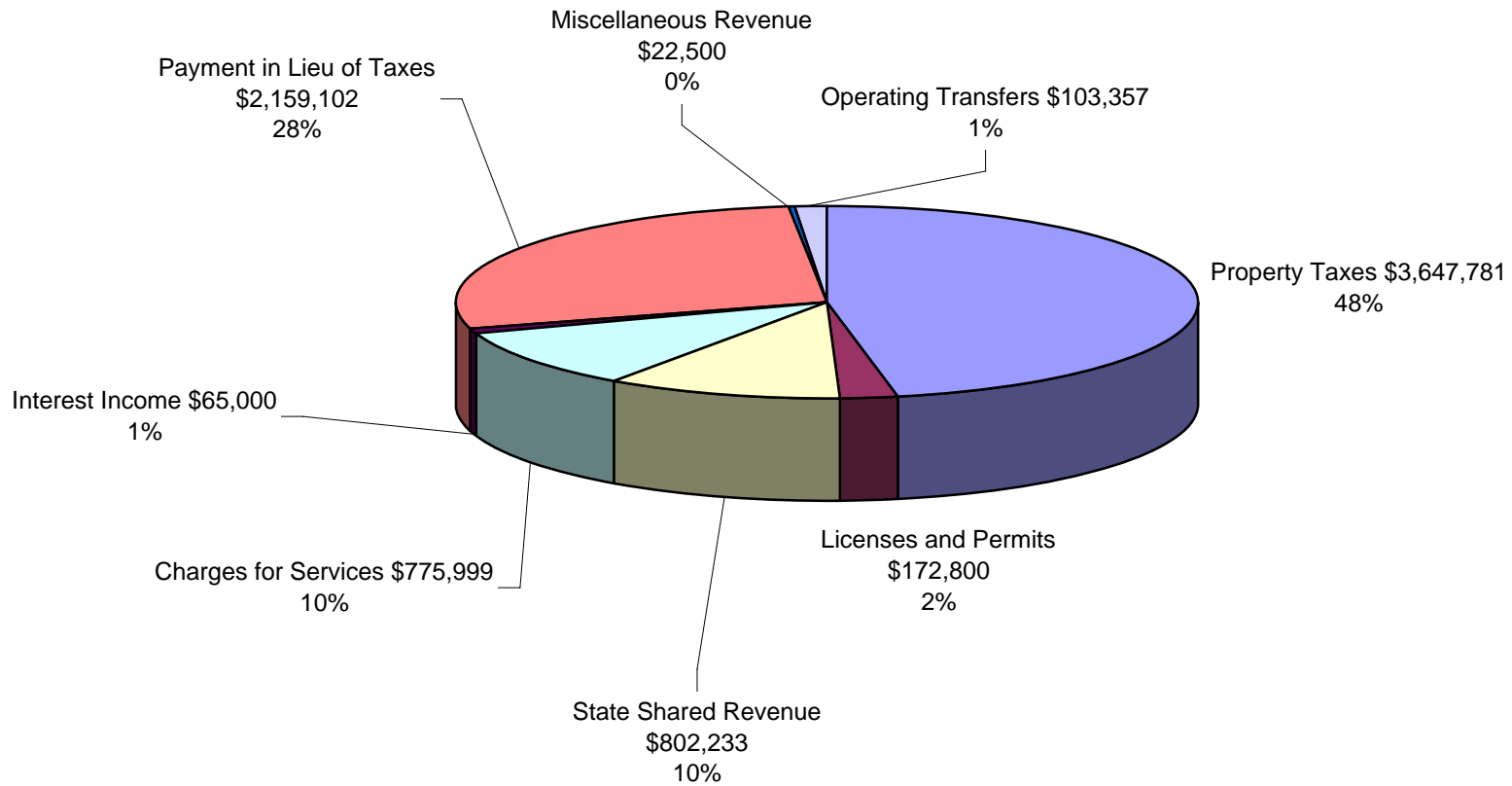


CITY OF COLDWATER
GENERAL FUND
REVENUE DETAIL

	Actual FY 09-10	Final Budget FY 10-11	Amended Budget FY 10-11	Proposed Budget FY 11-12
<u>Taxes</u>				
Property Taxes	\$ 3,937,674	\$ 3,752,004	\$ 3,753,938	\$ 3,542,382
Administration Fee	117,583	113,468	113,468	105,399
Total Taxes	4,055,257	3,865,472	3,867,406	3,647,781
<u>Licenses and Permits</u>				
Trailer Court Fees	2,503	2,300	2,300	2,300
Penalties	30,471	20,000	32,000	32,000
Liquor Licenses	21,818	11,000	11,000	11,000
Franchise Fees	43,255	38,000	46,000	46,000
Building Permits	10,941	35,000	14,000	35,000
Rental Housing Permits	2,252	2,500	2,500	2,500
Sign Permits	555	1,000	700	1,000
Fines & Forfeits Penalty	40,023	43,000	39,000	43,000
Total Licenses and Permits	151,817	152,800	147,500	172,800
Federal Grants	77,569	-	30,000	-
State Shared Revenue	816,050	798,140	808,811	758,233
State Sources	44,070	42,000	51,950	44,000
<u>Charges for Services</u>				
County Housing Admin	14,270	20,600	20,600	-
Rural Fire Service	158,770	155,000	163,000	165,141
Cemetery	50,088	65,000	55,000	60,000
Police	26,336	26,100	18,100	5,100
Recreation	158,428	145,000	161,000	161,000
Custom Work	83,655	63,000	80,000	75,000
Compost Site	15,000	15,000	15,000	15,000
Total Charges for Services	506,546	489,700	512,700	481,241
Rents	311,108	290,740	278,258	294,758
Interest Income	71,649	80,000	40,000	65,000
Contribution From Private Sources	26,411	1,500	2,725	1,500
Other Income	39,525	32,000	18,500	21,000
Total Revenues	\$ 6,100,002	\$ 5,752,352	\$ 5,757,850	\$ 5,486,313

GENERAL FUND REVENUE

TOTAL \$7,748,772



CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
<u>GENERAL GOVERNMENT</u>				
Legislative:				
Salaries	\$ 18,157	\$ 17,850	\$ 17,850	\$ 17,850
Fringes	1,378	1,366	1,366	1,366
Travel and Education	1,749	8,000	4,000	4,000
Office Supplies	238	550	500	300
Dues	5,090	5,000	5,000	5,000
Capital Outlay	-	-	1,420	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Legislative	26,612	32,766	30,136	28,516
City Manager:				
Salaries	114,328	150,300	150,300	159,000
Fringes	49,393	50,300	44,300	64,600
Training/Education/Travel	1,692	6,000	6,000	6,000
Office Supplies	1,196	1,300	1,300	1,400
Contractual Services	6,694	5,000	2,500	2,500
Dues	458	1,300	1,300	1,300
Telephone	965	1,500	1,500	1,500
Equipment Repairs and Maintenance	-	400	-	-
Computer Software and Updates	83	2,000	500	500
Miscellaneous	44	700	500	500
Capital Outlay	-	7,500	-	7,500
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Total City Manager	174,853	226,300	208,200	244,800
Elections:				
Office Supplies	4,533	6,000	6,000	4,500
Publishing	341	1,200	1,200	1,200
Contractual Services	8,864	21,000	21,000	17,500
Equipment Repairs and Maintenance	1,650	1,500	1,500	-
Miscellaneous	1,477	2,500	2,500	2,500
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Total Elections	16,865	32,200	32,200	25,700
Independent Accounting and Auditing	13,125	17,000	17,000	17,000

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
Attorney:				
Contractual Services	127,890	151,325	101,325	104,100
Total Attorney	127,890	151,325	101,325	104,100
Finance/Treasurer:				
Salaries	190,579	194,500	150,000	184,000
Fringes	75,785	77,200	67,200	70,000
Training/Education/Travel	1,251	4,000	2,000	2,000
Office Supplies	2,438	3,500	3,000	3,000
Contractual Services	801	1,500	2,700	1,500
Dues	980	1,500	1,500	1,500
Telephone	1,241	1,700	600	600
Equipment Repairs and Maintenance	510	-	-	-
Computer Software and Updates	10,807	15,000	23,000	12,000
Capital Outlay	17,439	12,950	12,950	13,350
Total Finance/Treasurer	301,829	311,850	262,950	287,950
Network Administration:				
Salaries	34,855	35,900	35,900	36,800
Fringes	15,621	17,100	17,100	17,100
Training/Education/Travel	-	1,500	1,500	500
Office Supplies	1,392	1,000	1,000	1,000
Contractual Services	-	-	9,500	-
Telephone	167	600	600	600
Computer Software and Updates	983	2,000	2,000	2,000
Capital Outlay	-	-	-	1,100
Total Network Administration	53,018	58,100	67,600	59,100

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
Clerk				
Salaries	71,537	74,400	74,400	73,000
Fringes	19,006	20,500	20,500	26,400
Training/Education/Travel	4,120	6,300	6,300	3,000
Office Supplies	1,484	1,700	1,700	1,700
Publishing	4,455	5,000	5,000	5,000
Contractual Services	870	2,500	2,500	2,000
Dues	300	600	600	600
Telephone	128	500	500	400
Equipment Repairs and Maintenance	59	-	-	-
Computer Software and Updates	208	1,000	1,000	500
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Total Clerk	102,166	112,500	112,500	112,600
Assessor				
Salaries	89,973	92,800	85,000	80,000
Fringes	24,145	27,350	26,150	16,650
Training/Education/Travel	2,476	3,500	3,000	2,500
Office Supplies	1,006	2,500	2,500	2,500
Publishing	443	1,000	1,500	1,000
Contractual Services	2,060	1,500	1,500	1,500
Dues	555	600	600	600
Telephone	351	700	200	200
Computer Software and Updates	7,647	5,000	6,000	6,500
Miscellaneous	6	100	100	-
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Total Assessor	128,663	135,050	126,550	111,450

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual FY 09-10</u>	<u>Final Budget FY 10-11</u>	<u>Amended Budget FY 10-11</u>	<u>Proposed Budget FY 11-12</u>
Henry L. Brown Building Maintenance				
Salaries	16,656	17,200	17,200	17,200
Fringes	9,856	9,950	9,950	9,200
Operating Supplies	8,995	7,000	7,000	7,000
Contracted Services	1,967	10,000	12,000	15,000
Telephone	243	500	500	500
Utilities	45,358	46,300	46,300	47,400
Equipment Repairs and Maintenance	8,162	8,000	8,000	15,500
Building Repairs and Maintenance	<u>6,477</u>	<u>4,000</u>	<u>15,000</u>	<u>4,000</u>
Total Henry L. Brown Building Maintenance	97,715	102,950	115,950	115,800
Cemetery:				
Salaries	110,887	108,100	116,500	123,500
Fringes	55,799	54,200	57,500	59,000
Training/Education/Travel	-	-	800	-
Operating Supplies	5,385	10,000	7,000	7,000
Maintenance	103	750	750	750
Contractual Services	44,858	75,000	10,000	10,000
Utilities	5,801	7,500	7,500	8,500
Equipment Repairs and Maintenance	33	-	-	-
Building Repairs and Maintenance	4,253	7,000	7,000	8,500
Miscellaneous	411	-	-	-
Capital Outlay	<u>26,210</u>	<u>70,000</u>	<u>50,000</u>	<u>5,000</u>
Total Cemetery	<u>253,741</u>	<u>332,550</u>	<u>257,050</u>	<u>222,250</u>
Total General Government	1,296,478	1,512,591	1,331,461	1,329,266

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
<u>PUBLIC SAFETY</u>				
Police:				
Salaries	1,131,210	1,102,300	1,102,300	1,123,600
Fringes	395,584	423,961	427,761	426,300
Training/Education/Travel	8,893	12,000	12,000	12,000
Supplies	13,994	25,000	19,000	22,500
Publishing	348	2,000	2,000	2,000
Gas	28,850	35,000	30,000	37,000
Contractual Services	9,048	16,000	16,000	23,000
Professional Fees	1,892	4,000	4,000	4,000
Utilities	28,542	32,500	32,000	31,000
Equipment Repairs and Maintenance	32,397	36,000	31,000	32,000
Building Repairs and Maintenance	20,606	15,000	15,000	15,000
Computer Software and Updates	1,075	4,000	4,000	2,000
Miscellaneous	2,043	2,600	2,600	2,600
Capital Outlay	63,515	56,000	56,000	66,000
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Total Police Department	1,737,997	1,766,361	1,753,661	1,799,000
Fire:				
Salaries	877,203	879,200	879,200	933,000
Fringes	425,422	427,300	412,500	481,000
Training/Education/Travel	14,069	10,000	10,000	9,000
Supplies	9,136	12,500	12,500	12,500
Gas	6,073	11,000	8,000	12,000
Contractual Services	407	1,500	1,500	1,500
Professional Fees	1,396	2,500	2,500	2,000
Utilities	24,460	29,500	27,500	28,000
Equipment Repairs and Maintenance	41,750	41,000	41,000	40,000
Building Repairs and Maintenance	22,972	13,000	13,000	15,000
Hydrant Rental	121,533	122,000	122,000	122,000
Computer Software and Updates	1,041	2,000	2,000	1,500
Miscellaneous	16	2,000	500	-
Capital Outlay	5,617	1,500	455,911	75,000
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Total Fire Department	1,551,093	1,555,000	1,988,111	1,732,500

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
Neighborhood Services:				
Salaries	130,036	95,600	101,500	127,300
Fringes	64,087	31,900	43,900	45,000
Training/Education/Travel	1,054	1,500	4,000	1,500
Supplies	1,134	3,500	2,000	1,500
Publishing	1,110	1,500	1,500	1,500
Contractual Services	15,980	25,000	25,000	25,000
Membership and Dues	100	700	700	700
Professional Fees	898	6,000	1,000	2,000
Utilities	1,199	2,000	1,000	1,000
Equipment Repairs and Maintenance	2,101	2,500	2,500	2,500
Computer Software and Updates	855	2,000	11,100	2,000
Miscellaneous	719	1,000	1,000	-
	<u>219,272</u>	<u>173,200</u>	<u>195,200</u>	<u>210,000</u>
Total Neighborhood Services				
	3,508,361	3,494,561	3,936,972	3,741,500

PUBLIC WORKS

Public Works:				
Salaries	196,247	155,400	155,400	160,200
Fringes	138,140	99,600	95,300	103,000
Training/Education/Travel	1,901	2,000	2,000	1,500
Supplies	11,613	21,000	21,000	21,000
Contractual Services	5,048	5,000	11,000	37,000
Membership and Dues	1,440	2,000	2,000	1,500
Utilities	3,931	5,000	4,000	4,200
Equipment Repairs and Maintenance	2,133	1,000	1,000	1,000
Building Repairs and Maintenance	4,940	-	-	-
Computer Software and Updates	208	500	500	500
Capital Outlay	<u>113,826</u>	<u>145,000</u>	<u>154,316</u>	<u>200,000</u>
Total Public Works	479,428	436,500	446,516	529,900
Sidewalks	94,827	50,000	58,317	50,000

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual FY 09-10</u>	<u>Final Budget FY 10-11</u>	<u>Amended Budget FY 10-11</u>	<u>Proposed Budget FY 11-12</u>
Engineering:				
Salaries	91,892	75,800	65,000	76,600
Fringes	52,032	26,600	19,500	33,600
Training/Education/Travel	2,727	4,000	3,000	3,000
Office Supplies	593	1,300	1,300	1,300
Contractual Services	1,919	5,000	46,000	31,000
Telephone	629	800	800	800
Computer Software and Updates	2,369	4,000	4,000	3,000
Miscellaneous	135	500	500	500
Capital Outlay	41,240	-	-	-
Total Engineering	193,536	118,000	140,100	149,800
Mechanic:				
Salaries	89,050	96,600	96,600	99,500
Fringes	36,012	38,200	38,200	38,000
Supplies	81,167	93,600	93,600	96,500
Gas	44,793	72,000	55,000	60,000
Contractual Services	5,033	10,000	5,000	5,000
Utilities	22,977	26,000	22,500	24,000
Equipment Repairs and Maintenance	1,344	7,500	15,000	5,500
Building Repairs and Maintenance	630	3,000	3,000	1,000
Miscellaneous	641	500	500	-
Capital Outlay	10,045	-	-	-
Total Mechanic	291,692	347,400	329,400	329,500
Street Lighting	197,081	196,000	196,000	197,000
Compost Site:				
Salaries	52,760	50,000	53,000	54,000
Fringes	24,433	20,400	21,400	22,200
Printing and Advertising	169	1,000	1,000	-
Contractual Services	7,910	-	10,000	8,000
Equipment Rent	47,626	58,000	40,000	60,000
Capital Outlay	10,125	-	-	-
Total Compost Site	143,023	129,400	125,400	144,200
Total Public Works	1,399,587	1,277,300	1,295,733	1,400,400

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
<u>RECREATION AND CULTURAL</u>				
Recreation:				
Salaries	288,321	290,500	282,500	290,300
Fringes	77,945	82,300	82,300	86,600
Training/Education/Travel	1,773	3,000	3,000	2,000
Supplies	63,472	78,500	73,500	73,500
Printing and Advertising	7,641	10,000	10,000	7,500
Contractual Services	78,364	86,500	86,500	86,500
Memberships and Dues	485	700	700	700
Telephone	2,042	3,000	3,000	2,500
Utilities	43,108	56,700	51,700	51,300
Equipment Repairs and Maintenance	1,164	4,000	4,000	4,000
Building Repairs and Maintenance	4,594	3,000	3,000	3,000
Computer Software and Updates	167	1,000	1,000	500
Miscellaneous	158	1,500	1,500	500
Capital Outlay	8,110	7,000	7,000	18,000
Total Recreation	577,343	627,700	609,700	626,900
Park Maintenance:				
Salaries	100,988	106,100	106,100	108,100
Fringes	49,996	53,800	53,800	55,300
Supplies	9,874	15,500	8,500	12,000
Contractual Services	108,025	85,000	62,000	80,000
Utilities	15,676	13,000	13,000	14,000
Equipment Repairs and Maintenance	-	10,000	5,000	5,000
Capital Outlay	11,000	50,000	50,000	52,000
Total Park Maintenance	295,559	333,400	298,400	326,400
Forestry:				
Contractual Services	64,035	74,000	74,000	72,000
Total Forestry	64,035	74,000	74,000	72,000
Total Recreation and Cultural	936,937	1,035,100	982,100	1,025,300

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

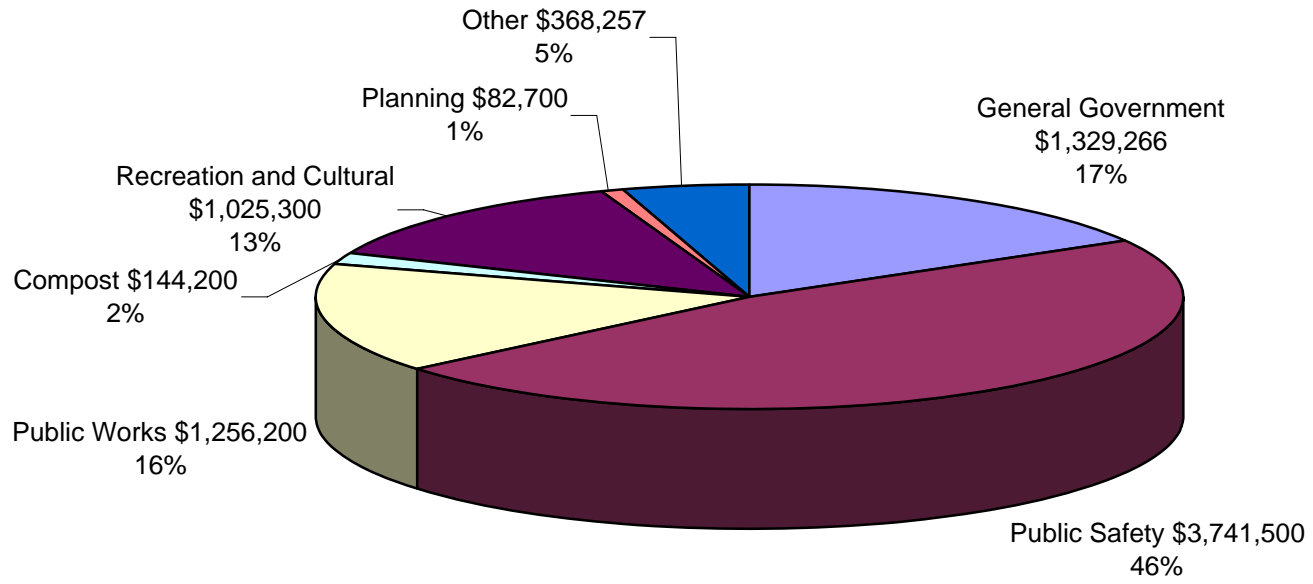
	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
<u>PLANNING</u>				
Planning Commission:				
Salaries	58,735	65,000	53,000	53,800
Fringes	18,180	15,300	12,800	13,600
Training/Education/Travel	3,859	3,000	3,000	3,000
Supplies	2,664	1,700	1,700	1,700
Printing and Advertising	8,610	2,500	4,000	2,500
Contractual Services	57,319	25,600	25,600	5,000
Membership Dues	1,186	1,500	1,500	1,500
Telephone	638	600	600	600
Computer Software and Updates	42	1,000	1,000	1,000
Miscellaneous	1,261	-	-	-
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Total Planning Commission	152,494	116,200	103,200	82,700
Debt Administration:	-	42,500	435,346	-
<u>OTHER</u>				
Rent	113,479	113,700	113,700	80,000
Postage	20,209	25,500	25,500	26,000
Community Promotions	62,400	40,000	40,000	65,100
Uncollectable Accounts	2,881	10,000	5,000	5,000
Unallocated General Government:	140,298	55,000	41,500	33,000
Insurance	92,120	182,700	155,000	159,157
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Expenditures	431,387	426,900	380,700	368,257
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 7,725,244</u>	<u>\$ 7,905,152</u>	<u>\$ 8,465,512</u>	<u>\$ 7,947,423</u>

CITY OF COLDWATER
GENERAL FUND
EXPENDITURE DETAIL

	<u>Actual</u> <u>FY 09-10</u>	<u>Final</u> <u>Budget</u> <u>FY 10-11</u>	<u>Amended</u> <u>Budget</u> <u>FY 10-11</u>	<u>Proposed</u> <u>Budget</u> <u>FY 11-12</u>
<u>OTHER FINANCING SOURCES (Uses)</u>				
Retirement Fund	\$ 115,962	\$ 106,110	\$ 109,375	\$ 103,357
Parking Authority	23,920	-	-	-
Payment in Lieu of Taxes	<u>-</u>	<u>2,146,199</u>	<u>2,146,199</u>	<u>2,159,102</u>
 Total	 <u>\$ 139,882</u>	 <u>\$ 2,252,309</u>	 <u>\$ 2,255,574</u>	 <u>\$ 2,262,459</u>

GENERAL FUND EXPENDITURES

TOTAL \$7,947,423



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 available of Funds. This year \$250,000 or road improvements and repairs have been budgeted. Projects may need to be scaled back based on available funding.

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 the 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)

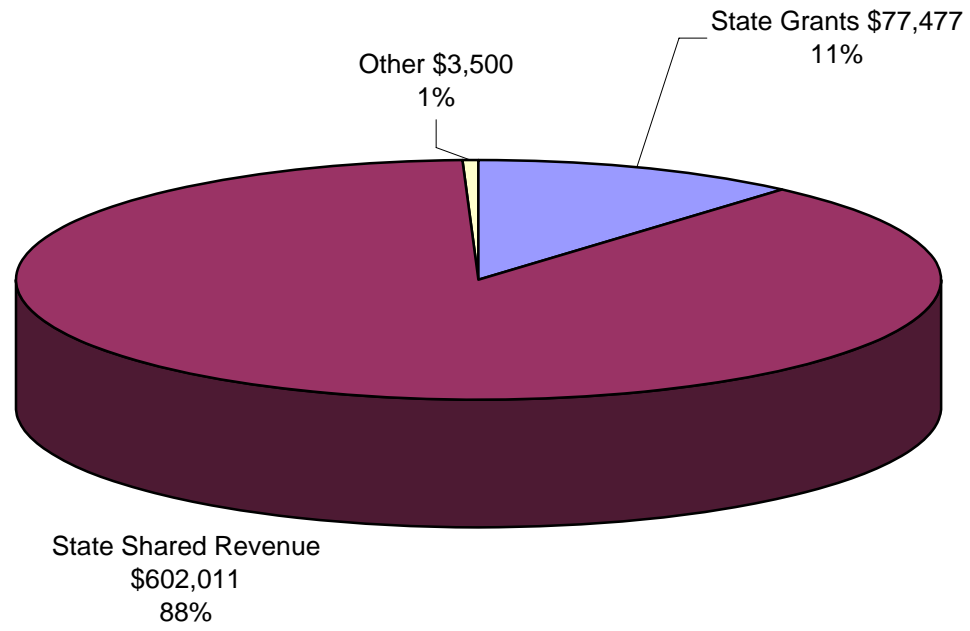
Major Streets are allowed to transfer funds to the Local Street Fund in accordance with Act 51 in order to fund construction of local streets. The General Fund will transfer funds to the Major Street Fund for a local match required for various engineering projects.

CITY OF COLDWATER
MAJOR STREETS FUND

	Actual FY 09-10	Final Budget FY 10-11	Amended Budget FY 10-11	Proposed Budget FY 11-12
Revenues				
Special Assessments	\$ 8,589	\$ 2,500	\$ 2,500	\$ -
Federal Grant	169,261	-	-	-
State Grants	223,878	75,843	75,843	77,477
State Shared Revenue	596,489	585,508	585,508	602,011
Interest Earnings	4,034	3,650	3,650	1,000
Miscellaneous	<u>1,863</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
 Total Revenues	 1,004,114	 670,001	 670,001	 682,988
Expenditures				
Construction	39,312	8,000	8,000	6,000
Routine Maintenance	881,538	183,875	183,875	466,900
Traffic Service	99,055	117,820	117,820	118,620
Debt Service	-	39,312	39,312	23,000
Trunkline Maintenance	<u>73,789</u>	<u>65,197</u>	<u>65,197</u>	<u>77,477</u>
 Total Expenditures	 <u>1,093,694</u>	 <u>414,204</u>	 <u>414,204</u>	 <u>691,997</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (89,580)	 255,797	 255,797	 (9,009)
Other Financing Sources				
Debt Proceeds	253,891	-	-	-
Operating transfers out	<u>(149,122)</u>	<u>(275,704)</u>	<u>(275,704)</u>	<u>(284,977)</u>
 Total other financing sources	 <u>104,769</u>	 <u>(275,704)</u>	 <u>(275,704)</u>	 <u>(284,977)</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	 15,189	 (19,907)	 (19,907)	 (293,986)
 Fund Balance - Beginning of year	 <u>253,300</u>	 <u>268,489</u>	 <u>268,489</u>	 <u>248,582</u>
 Fund Balance - End of the year	 <u>\$ 268,489</u>	 <u>\$ 248,582</u>	 <u>\$ 248,582</u>	 <u>\$ (45,404)</u>

MAJOR STREET REVENUE

TOTAL \$682,988

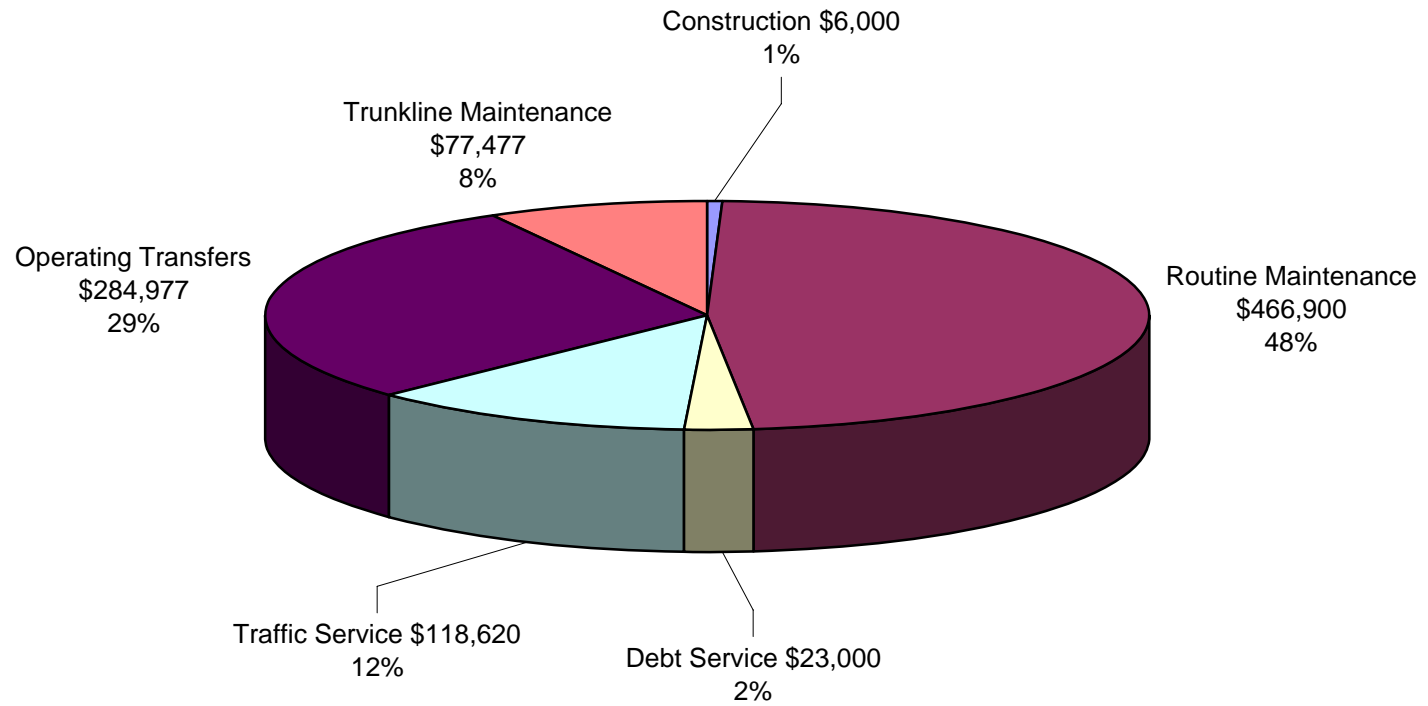


CITY OF COLDWATER
MAJOR STREETS FUND
EXPENDITURE DETAIL

	Actual FY 09-10	Final Budget FY 10-11	Amended Budget FY 10-11	Proposed Budget FY 11-12
Construction				
Railroad Crossing	\$ 39,312	\$ 8,000	\$ 8,000	\$ 6,000
Routine maintenance				
Salaries	53,608	48,500	48,500	48,500
Fringes	23,857	23,200	23,200	24,500
Supplies	24,251	14,000	14,000	25,000
Equipment Rental	58,655	56,300	56,300	56,300
Contractual Services	280,038	41,875	41,875	312,600
Capital Outlay	441,129	-	-	-
Total Routine Maintenance	881,538	183,875	183,875	466,900
Traffic Service				
Salaries	18,413	30,900	30,900	26,900
Fringes	7,806	13,900	13,900	14,700
Supplies	34,149	34,500	34,500	22,500
Equipment Rental	18,962	26,520	26,520	26,520
Contractual Services	19,725	12,000	12,000	28,000
Total Traffic Service	99,055	117,820	117,820	118,620
Trunkline Maintenance				
Salaries	18,529	20,600	20,600	24,600
Fringes	8,134	14,155	14,155	14,755
Supplies	11,211	8,572	8,572	11,372
Equipment Rental	25,434	14,400	14,400	18,400
Contractual Services	10,481	7,470	7,470	8,350
Total Trunkline Maintenance	73,789	65,197	65,197	77,477
Debt Service	253,891	39,312	39,312	23,000
Total Expenditures	<u>\$ 1,347,585</u>	<u>\$ 414,204</u>	<u>\$ 414,204</u>	<u>\$ 691,997</u>
<u>SUMMARY OF OPERATING TRANSFERS</u>				
To Local Streets	<u>\$ (149,122)</u>	<u>\$ (275,704)</u>	<u>\$ (275,704)</u>	<u>\$ (284,977)</u>
Total Operating Transfers	<u>\$ (149,122)</u>	<u>\$ (275,704)</u>	<u>\$ (275,704)</u>	<u>\$ (284,977)</u>

MAJOR STREET EXPENDITURES

TOTAL \$976,974



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 available of Funds. This year \$250,000 or road improvements and repairs have been budgeted. Projects may need to be scaled back based on available.

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 the funded by the State of Michigan Revolving Loan Fund.

TRANSFERS:

Operating Transfers In

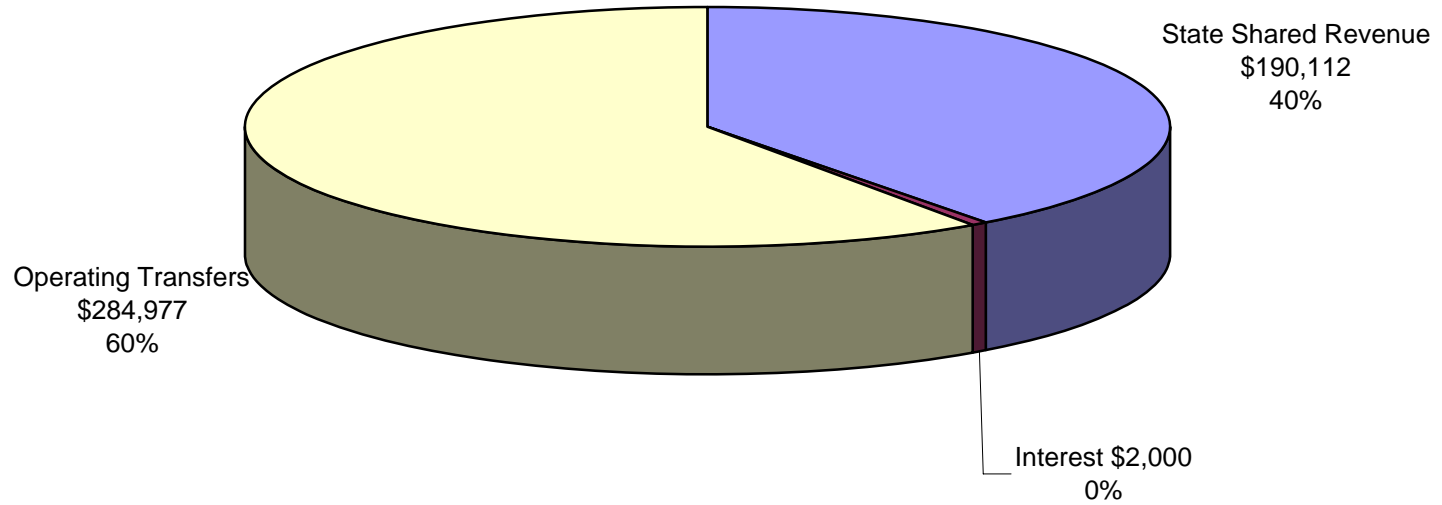
The Major Street Fund annually transfers money to the Local Street Fund to help finance local road construction and maintenance. The General Fund will transfer funds to the Local Street Fund for a local match required for various engineering projects.

CITY OF COLDWATER
LOCAL STREETS FUND

	Actual FY 09-10	Final Budget FY 10-11	Amended Budget FY 10-11	Proposed Budget FY 11-12
Revenues				
Federal Grant	\$ 76,652	\$ -	\$ -	\$ -
State Shared Revenue	188,246	184,674	184,674	190,112
Interest	<u>596</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Total Revenues	265,494	186,674	186,674	192,112
Expenditures				
Routine Maintenance	571,849	329,453	329,453	381,497
Debit Service	-	14,688	14,688	10,852
Traffic Service	<u>68,830</u>	<u>83,780</u>	<u>83,780</u>	<u>84,740</u>
Total Expenditures	<u>640,679</u>	<u>427,921</u>	<u>427,921</u>	<u>477,089</u>
Excess (Deficiency) of Revenues Over Expenditures	(375,185)	(241,247)	(241,247)	(284,977)
Other Financing Sources				
Debt Proceeds	119,478	-	-	-
Operating transfers in	<u>149,122</u>	<u>275,704</u>	<u>275,704</u>	<u>284,977</u>
Total other sources (uses)	268,600	275,704	275,704	284,977
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures	(106,585)	34,457	34,457	-
Fund Balance - Beginning of year	<u>137,223</u>	<u>30,638</u>	<u>30,638</u>	<u>65,095</u>
Fund Balance - End of the year	<u>\$ 30,638</u>	<u>\$ 65,095</u>	<u>\$ 65,095</u>	<u>\$ 65,095</u>

LOCAL STREET REVENUE

TOTAL \$477,089



CITY OF COLDWATER
LOCAL STREETS FUND
EXPENDITURE DETAIL

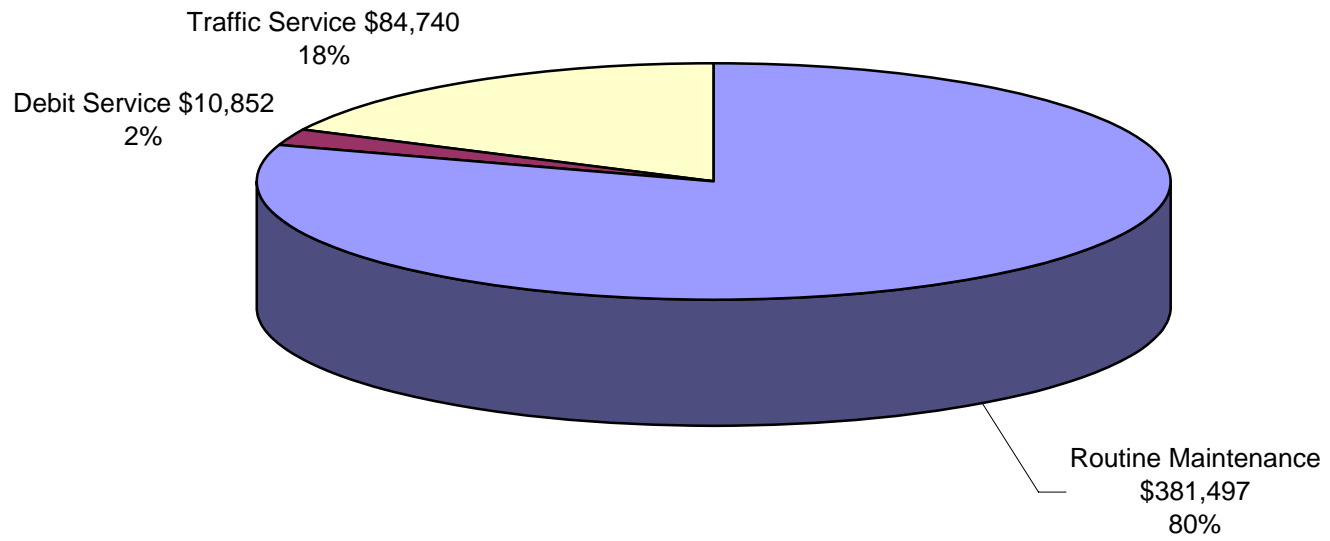
	Actual FY 09-10	Final Budget FY 10-11	Amended Budget FY 10-11	Proposed Budget FY 11-12
Routine maintenance				
Salaries	60,492	49,180	49,180	49,180
Fringes	27,218	26,269	26,269	27,869
Supplies	5,604	11,000	11,000	11,000
Contractual Services	197,786	188,704	188,704	250,000
Equipment Rental	73,159	54,300	54,300	43,448
Capital Outlay	207,590	-	-	-
Total Routine maintenance	571,849	329,453	329,453	381,497
Traffic Service				
Salaries	15,752	27,820	27,820	27,820
Fringes	7,124	14,840	14,840	15,800
Supplies	28,246	17,500	17,500	17,500
Contractual Services	160	-	-	-
Equipment Rental	17,548	23,620	23,620	23,620
Total Traffic Service	68,830	83,780	83,780	84,740
Debt Service	-	14,688	14,688	10,852
Total Expenditures	<u>\$ 640,679</u>	<u>\$ 427,921</u>	<u>\$ 427,921</u>	<u>\$ 477,089</u>

SUMMARY OF OPERATING TRANSFERS FROM OTHER FUNDS

Major Streets	\$ 149,122	\$ 275,704	\$ 275,704	\$ 284,977
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LOCAL STREET EXPENDITURES

TOTAL \$477,089



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 09-10	Budget	Budget
	FY 09-10	FY 10-11	FY 11-12
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Parking Fines	\$ 5,493	\$ 5,000	\$ 5,000
Special Assessments	40,259	40,250	40,250
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	45,752	45,250	45,250
Expenditures			
Salaries	6,982	14,850	14,850
Fringes	3,001	8,700	8,700
Supplies	2,424	3,500	3,500
Contractual Services	214	5,000	5,000
Equipment Rental	9,211	5,600	10,000
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	21,832	37,650	42,050
Excess (Deficiency) of Revenues Over Expenditures	23,920	7,600	3,200
Other Financing Sources			
Operating transfers from General Fund	(23,920)	-	-
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources	(23,920)	-	-
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	-	7,600	3,200
Fund Balance - Beginning of year	-	-	7,600
	<u> </u>	<u> </u>	<u> </u>
Fund Balance - End of the year	\$ -	\$ 7,600	\$ 10,800
	<u> </u>	<u> </u>	<u> </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 and other miscellaneous expenditures.

CITY OF COLDWATER
REVOLVING DEVELOPMENT

	Actual FY 09-10	Final Budget FY 10-11	Proposed Budget FY 11-12
Revenues			
Interest Earnings	\$ 31,759	\$ 62,000	\$ 29,000
Other Income	48,416	30,000	17,000
Total Revenue	<u>80,175</u>	<u>92,000</u>	<u>46,000</u>
Expenditures			
Rehabilitation Programs	277,468	10,000	35,000
Contribution to others	-	55,000	-
Professional Fees	154	-	-
Miscellaneous	1,000	-	-
Total Expenditures	<u>278,622</u>	<u>65,000</u>	<u>35,000</u>
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	(198,447)	27,000	11,000
Fund Balance - Beginning of year	<u>1,430,845</u>	<u>1,232,398</u>	<u>1,259,398</u>
Fund Balance - End of year	<u>\$ 1,232,398</u>	<u>\$ 1,259,398</u>	<u>\$ 1,270,398</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 09-10	Final Budget FY 10-11	Proposed Budget FY 11-12
Revenues			
Tax Capture	\$ 136,951	\$ 123,300	\$ 97,200
State Grant	90,516	-	-
Interest Earnings	1,172	1,200	1,000
Rent	8,250	9,000	9,000
Contributions From Private Sources	10,000	-	-
Miscellaneous	14,096	-	-
Total Revenues	260,985	133,500	107,200
Expenditures			
Salaries	47,625	48,000	25,000
Fringes	6,500	6,800	2,000
Travel Expense	598	500	500
Office Supplies	2,468	2,000	2,000
Printing and Publishing	1,982	-	1,000
Recruitment and Retention	135	-	1,500
Contractual Services	3,740	8,000	3,000
Kerr Building	2,341	3,000	-
Membership and Dues	1,280	500	600
Telephone	5,029	5,800	5,800
Downtown Maintenance	8,064	22,000	20,000
Promotion	1,339	2,000	2,000
Rent	12,100	12,100	12,100
Miscellaneous	311	200	350
92 West Chicago Street	639	300	500
Capital Outlay	301,617	-	-
Total Expenditures	395,768	111,200	76,350
Excess of Revenues Over Expenditures	(134,783)	22,300	30,850
Other Financing Sources			
Operating transfers	-	(22,300)	(30,850)
Total other financing sources	-	(22,300)	(30,850)
Excess (Deficiency) of Revenues and other Financing Sources Over Expenditures and Other Uses	(134,783)	-	-
Fund Balance - Beginning of year	146,060	11,277	11,277
Fund Balance - End of the year	\$ 11,277	\$ 11,277	\$ 11,277

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 09-10	Final Budget FY 10-11	Proposed Budget FY 11-12
Revenues			
Tax Capture	\$ 38,779	\$ 47,606	\$ 21,129
Interest Earnings	6,028	-	-
Total Revenues	44,807	47,606	21,129
Expenditures			
Principal	17,887	22,527	-
Miscellaneous	6,028	-	21,129
Interest expense	20,892	25,079	-
Total Expenditures	44,807	47,606	21,129
Excess of Revenues Over Expenditures	-	-	-
Fund Balance - Beginning of year	-	-	-
Fund Balance - End of the year	\$ -	\$ -	\$ -

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 09-10</u>	<u>Final Budget FY 10-11</u>	<u>Amended Budget FY 10-11</u>	<u>Proposed Budget FY 11-12</u>
Revenue:				
Sales	\$ 429,111	\$ 430,000	\$ 430,000	\$ 430,000
Interest	6,096	8,000	8,000	8,000
Penalties	<u>2,337</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
 Total Revenues	 437,544	 440,000	 440,000	 440,000
Expenditures:				
Salaries	75,877	76,400	76,400	77,500
Fringes	35,093	40,000	40,000	41,700
Uniforms	3,596	1,000	1,000	1,000
Operating Supplies	3,032	10,000	10,000	10,000
Gas	10,039	13,000	13,000	13,000
Contractual Services - Contract	201,563	200,000	200,000	200,000
Contractual Services - Labor	56,737	68,000	68,000	68,000
Contractual Services - Trash Pickup	-	30,000	30,000	30,000
Uncollectable Accounts	2,517	3,000	3,000	3,000
Depreciation Expense	12,658	15,000	15,000	15,000
Equipment Repairs and Maintenance	4,032	2,500	2,500	2,500
Equipment Rental	15,907	12,000	12,000	12,000
Printing and Advertising	2,904	2,500	2,500	2,500
Collection Fees	491	-	-	-
Miscellaneous and General Expense	43	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
 Total Expenditures	 <u>424,489</u>	 <u>473,400</u>	 <u>473,400</u>	 <u>676,200</u>
 Net Income	 <u>\$ 13,055</u>	 <u>\$ (33,400)</u>	 <u>\$ (33,400)</u>	 <u>\$ (236,200)</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 09-10	Final Budget FY 10-11	Proposed Budget FY 11-12
<u>ELECTRIC</u>			
Revenue:			
Residential Sales	\$ 4,564,897	\$ 4,786,000	\$ 4,786,000
Commercial Sales	15,288,371	15,800,000	15,500,000
Special Contract Sales	-	-	1,500,000
Business Outdoor Lights	78,932	78,000	78,000
Special Industrial Primary	7,493,829	7,500,000	7,500,000
Municipal Street Lighting	198,948	200,000	200,000
Municipal Traffic Signals	18,169	20,000	20,000
Rental Income	34,197	35,000	35,000
Penalties on Customer Accounts	37,956	38,000	38,000
Service Connection Fees	33,575	35,000	35,000
Service Reconnection Fees	7,444	10,000	10,000
Surge Protection Program	5,455	6,000	6,000
Contracted Service Income	193,948	180,000	180,000
Energy Optimization Revenue	30,303	-	-
Web Metering Income	11,220	12,000	12,000
	<u>27,997,244</u>	<u>28,700,000</u>	<u>29,900,000</u>
Total Operating Revenue			
Purchased Power	21,237,466	24,141,514	20,496,942
Power Plant	313,090	384,150	361,700
Distribution	835,342	909,700	933,600
Substation	101,154	157,600	157,600
Metering/Lighting	437,621	455,800	472,500
Customer Service	135,264	162,700	168,200
Billings, Accounting and Collection	150,188	157,475	171,075
Administrative and General	820,899	760,140	790,640
Payments in Lieu of Taxes	1,671,360	1,778,126	1,779,340
Depreciation	906,786	916,158	853,715
	<u>26,609,170</u>	<u>29,823,363</u>	<u>26,185,312</u>
Total Operating Expenses			
Operating Income	1,388,074	(1,123,363)	3,714,688
Nonoperating Revenue (Expense)			
Investment Income	2,852,075	300,000	200,000
Interest Expense	(300,723)	(296,800)	(219,576)
Miscellaneous and General Expense	55,707	47,700	47,700
Gain on Disposal of Assets	164,990	-	-
	<u>2,772,049</u>	<u>50,900</u>	<u>28,124</u>
Total Nonoperating Revenue (Expense)			
Net Income	<u>\$ 4,160,123</u>	<u>\$ (1,072,463)</u>	<u>\$ 3,742,812</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
ELECTRIC**

	Actual FY 09-10	Final Budget FY 10-11	Proposed Budget FY 11-12
BOND COVERAGE			
Net Income	\$ 4,160,123	\$ (1,072,463)	\$ 3,742,812
Add back Depreciation	906,786	916,158	-
Add back Amortization of bond expenses	-	52,158	-
Add back Payments in Lieu of Taxes	1,671,360	1,778,126	1,779,340
Add back Interest Expense	<u>300,723</u>	<u>296,800</u>	<u>219,576</u>
Net Revenue	7,038,992	1,970,779	5,741,728
Annual Debt Payments	2,056,363	834,173	829,576
Coverage Ratio (1.1 Required)	3.42	2.36	6.92

**COLDWATER BOARD OF PUBLIC UTILITIES
TELECOMMUNICATION**

	Actual FY 09-10	Final Budget FY 10-11	Proposed Budget FY 11-12
<u>Telecommunications</u>			
Revenue:			
Sales - Cable Television	\$ 1,181,719	\$ 1,278,000	\$ 1,263,360
Income - Pay Per View	8,594	8,500	7,350
Cable Television Reconnect Fees	4,440	5,000	5,000
Internet Dial Up Services	178,370	150,000	120,000
Business Fiber	5,454	30,000	68,500
Internet Cable Modems	905,493	900,000	966,000
Internet Wireless	145,734	-	-
Data Fees	43,380	50,000	45,549
Web Host Fees	13,512	14,000	14,700
Internet and Phone Reconnect Fees	2,570	3,000	3,000
Help Desk Call in Service	53,830	45,000	53,000
Long Distance Re-Sale Income	71,444	68,400	50,000
Momentum VOIP Service	100,060	94,000	136,500
Sales to Electric System	148,986	149,000	156,450
Sales to Water System	33,300	33,300	34,965
Sales to Wastewater System	53,400	53,400	56,070
Tower Rent	3,960	6,000	3,960
Penalties on Customer Accounts	5,669	6,000	6,000
Contracted Service Income	5,787	5,000	5,000
	<hr/>	<hr/>	<hr/>
Total Operating Revenue	2,965,702	2,898,600	2,995,404
Cable Television	1,224,380	1,213,026	1,386,726
Internet Expenses	429,949	464,600	354,600
Wireless Internet	4,841	500	-
VOIP	67,282	60,000	100,500
Long Distance Expenses	60,939	60,000	42,500
Help Desk Expenses	226,724	231,350	256,850
Billing, Accounting and Collection	127,628	129,975	144,275
Administrative and General	211,584	220,400	216,500
Payments in Lieu of Taxes	96,984	133,646	99,855
Depreciation	460,921	473,000	390,919
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	2,911,232	2,986,497	2,992,725
Operating Income	54,470	(87,897)	2,679
Nonoperating Revenue (Expense)			
Interest Expense	(151,388)	(150,150)	(126,500)
Miscellaneous	17,836	21,000	18,000
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenue (Expense)	(133,552)	(129,150)	(108,500)
Net Income	<u>\$ (79,082)</u>	<u>\$ (217,047)</u>	<u>\$ (105,821)</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
TELECOMMUNICATION**

	<u>Actual FY 09-10</u>	<u>Final Budget FY 10-11</u>	<u>Proposed Budget FY 11-12</u>
BOND COVERAGE			
Net Income	\$ (79,082)	\$ (217,047)	\$ (105,821)
Add back Depreciation	460,921	468,000	390,919
Add back Amortization of bond expenses	-	5,000	-
Add back Payments in Lieu of Taxes	96,984	133,646	99,855
Add back Interest Expense	<u>151,388</u>	<u>150,150</u>	<u>126,500</u>
Net Revenue	630,211	539,749	511,453
Annual Debt Payments	427,575	422,450	426,500
Coverage Ratio (1.5 Recommended)	1.47	1.28	1.20

**COLDWATER BOARD OF PUBLIC UTILITIES
WASTEWATER**

<u>WASTEWATER</u>	<u>Actual FY 09-10</u>	<u>Final Budget FY 10-11</u>	<u>Proposed Budget FY 11-12</u>
Revenue:			
Federal Grant	\$ 1,113,317	\$ -	\$ -
Sales	2,160,202	2,417,662	2,277,856
Penalties on Customer Accounts	8,089	7,259	7,500
Contracted Service Income	<u>14,318</u>	<u>9,333</u>	<u>15,000</u>
 Total Operating Revenue	 3,295,926	 2,434,254	 2,300,356
 Collection System	 195,573	 136,800	 161,750
Treatment	813,155	856,700	842,700
Billings, Accounting and Collection	134,447	141,075	155,075
Administrative and General	253,577	290,500	308,500
Payments in Lieu of Taxes	135,144	136,086	138,422
Depreciation	<u>652,089</u>	<u>664,196</u>	<u>668,196</u>
 Total Operating Expenses	 <u>2,183,985</u>	 <u>2,225,357</u>	 <u>2,274,643</u>
 Operating Income	 1,111,941	 208,897	 25,713
 Nonoperating Revenue (Expense)			
Investment Income	26,709	50,000	10,000
Interest Expense	(271,710)	(270,000)	(257,031)
Miscellaneous	<u>3,640</u>	<u>12,000</u>	<u>7,000</u>
 Total Nonoperating Revenue (Expense)	 <u>(241,361)</u>	 <u>(208,000)</u>	 <u>(240,031)</u>
 Net Income	 <u>\$ 870,580</u>	 <u>\$ 897</u>	 <u>\$ (214,318)</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
WASTEWATER**

	<u>Actual FY 09-10</u>	<u>Final Budget FY 10-11</u>	<u>Proposed Budget FY 11-12</u>
BOND COVERAGE			
Net Income	\$ 870,580	\$ 897	\$ (214,318)
Add back Depreciation	652,089	648,000	668,196
Add back Amortization of bond expenses	-	16,196	-
Add back Payments in Lieu of Taxes	135,144	136,086	138,422
Add back Interest Expense	<u>271,710</u>	<u>270,000</u>	<u>257,031</u>
Net Revenue	1,929,523	1,071,179	849,331
Annual Debt Payments	1,492,567	644,209	648,711
Coverage Ratio (1.2 Required)	1.29	1.66	1.31

**COLDWATER BOARD OF PUBLIC UTILITIES
WATER**

	Actual FY 09-10	Final Budget FY 10-11	Proposed Budget FY 11-12
<u>WATER</u>			
Revenue:			
Sales	\$ 2,213,371	\$ 2,343,200	\$ 2,413,632
Penalties on Customer Accounts	<u>7,640</u>	<u>6,000</u>	<u>7,000</u>
 Total Operating Revenue	 2,221,011	 2,349,200	 2,420,632
 Wells	 87,613	 78,200	 77,700
Treatment	408,756	402,600	394,700
Distribution	333,022	396,050	351,750
Billings, Accounting and Collection	134,405	140,875	154,975
Administrative and General	266,736	320,189	294,189
Payments in Lieu of Taxes	127,500	98,341	141,485
Depreciation	<u>404,758</u>	<u>458,538</u>	<u>437,538</u>
 Total Operating Expenses	 <u>1,762,790</u>	 <u>1,894,793</u>	 <u>1,852,337</u>
 Operating Income	 458,221	 454,407	 568,295
 Nonoperating Revenue (Expense)			
Investment Income	7,109	8,000	1,500
Interest Expense	(234,967)	(232,400)	(208,000)
Miscellaneous	<u>11,967</u>	<u>2,000</u>	<u>2,000</u>
 Total Nonoperating Revenue (Expense)	 <u>(215,891)</u>	 <u>(222,400)</u>	 <u>(204,500)</u>
 Net Income	 <u>\$ 242,330</u>	 <u>\$ 232,007</u>	 <u>\$ 363,795</u>

**COLDWATER BOARD OF PUBLIC UTILITIES
WATER**

	<u>Actual FY 09-10</u>	<u>Final Budget FY 10-11</u>	<u>Proposed Budget FY 11-12</u>
BOND COVERAGE			
Net Income	\$ 242,330	\$ 232,007	\$ 363,795
Add back Depreciation	404,758	432,000	437,538
Add back Amortization of bond expenses	-	26,538	-
Add back Payments in Lieu of Taxes	127,500	98,341	141,485
Add back Interest Expense	<u>234,967</u>	<u>232,400</u>	<u>208,000</u>
Net Revenue	1,009,555	1,021,286	1,150,818
Annual Debt Payments	625,100	624,400	628,000
Coverage Ratio (1.2 Required)	1.62	1.64	1.83