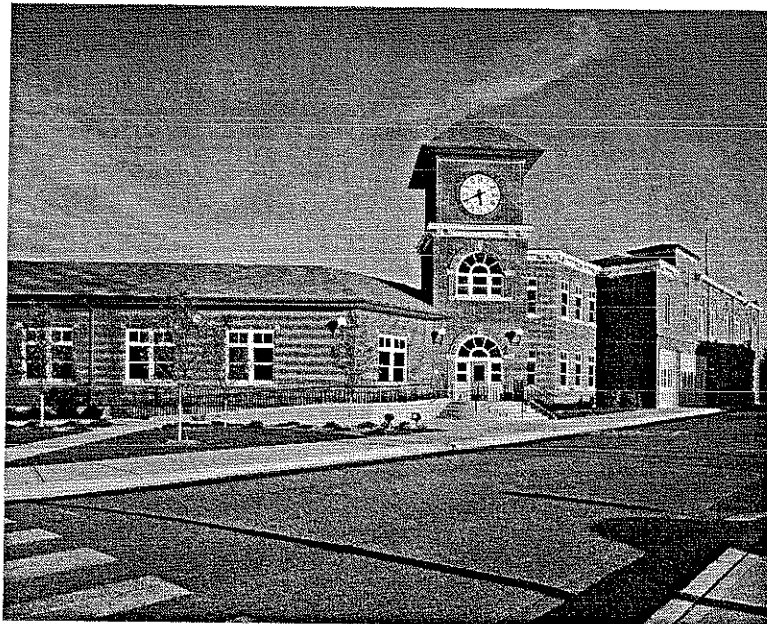


City of Lowell

Fiscal Budget

2008 — 2009



2008-2009 BUDGET SUMMARY

TO: Mayor Jeanne Shores and Members of the City Council

The establishment of an operating budget for the fiscal year 2008-2009 provides a schedule of proposed revenues and expenditures. Priorities are confirmed through this process. This document represents many staff hours of work compiling needed equipment and facility requests. These requests were carefully reviewed in terms of limitations of available funds.

The following narrative provides an outline of key elements comprising the City budget for this year:

GENERAL FUND

- Revenues: The 2008-2009 General Fund Budget has proposed the rate of \$16.08 (mills) per \$1,000 of Taxable Value. This includes 0.25 mills voted on November, 2002 for operating the Lowell Area Historical Museum. The projected revenues are to increase from 2.513 to 2.600 million dollars or a 3.46% gain.

It was noted that the Taxable Value would increase 3.4% (from 110.243 to 113.989 million dollars). Also, State Shared Revenues are projected to remain the same \$397,143.

The fund balance is planned to be 6.44% of expected expenditures. The unreserved fund balance has been projected at \$159,638.14. This is after a mill transfer of \$96,000 to the Local Street Construction Fund.

- Expenditures: The General Fund has a total of 2.476 million dollars in expenditures. This represents approximately 6.14% decrease from the FY 2007-2008 estimated budget.

This reflects a tightening of expenses because of lessened revenues. The primary points in reviewing these accounts are:

1. A 2.0 percent cost-of-living increase has been calculated into the budget for employees' salaries. No merit increases are planned.
2. The Police Department budget provides \$13,186 for the second year of lease payment involving two new police cruisers. Complete technology upgrades including a video recorder for the interrogation room and a laser radar unit will have \$4,200 as a match from the Lowell Area Community Fund grant.
3. Fire fighter turnout gear and three pagers are planned expenditures for the Fire Department (\$4,800).
4. The City will continue its refuse collection program whereby residents pay \$1.00 per bag. Also, the City provides the cost of residential recycling. Yard waste is provided with the residents paying \$1.00 per bag.

PARKS

A total of \$5,000 is being allocated from the Lee Fund for park maintenance. The Parks and Recreation Commission have set aside ten thousand dollars (\$10,000) for future projects. Agreements have been signed with the YMCA, Lowell Little League, Lowell Xtreme Softball, Kent County Youth Fair, Lowell Rugby and Lowell Lacrosse providing a pay per participant (\$5) for park usage.

EQUIPMENT FUND

For the fiscal year, \$8,500 has been budgeted for the first year lease involving the pickup cemetery truck. A new dump truck is being proposed replacing the 1989 C-10 Chevrolet (estimated \$20,000 lease payment).

DATA PROCESSING FUND

No new purchases, except for software maintenance agreements, are planned.

AIRPORT FUND

The Airport Fund has a current balance of \$15,622 on the loan from the General Fund, which was utilized to carry out improvements. With assistance from the State, the Airport Board is seeking to upgrade the facility to General Utility status enabling the airport to qualify for State grant funds. A \$70,000 loan from the Michigan Aeronautics Commission has assisted in securing air easements enabling tree removals at the ends of the main runway. Through a contract with the engineering firm of URS, work has commenced. During this past year, easements have been secured and trees cut through a 95% grant from the State of Michigan.

The School of Missionary Aviation Technology has announced its intentions to move to the Ionia County Airport. The Board is currently reviewing a proposal for a new Fixed Base Operator to manage the airport.

DOWNTOWN DEVELOPMENT AUTHORITY

The DDA has set aside \$120,000 for downtown projects.

CITY HALL CONSTRUCTION BOND FUND

With the sale of \$4,725,000 Building Authority Bonds in July 2002, the City Hall Renovation-Police Station Construction Project commenced. The project was completed and dedicated on July 12, 2003. Payments of \$322,735 for the seventh year of a 30 year bond will be issued.

STREET FUNDS

No new projects through the Major Street Fund are planned. Bowes Road from Valley Vista Drive to 1,950 feet west will be reconstructed under a Federal Surface Transportation-Small Urban Grant as well as the State Local Jobs Today Program to be initiated during the 2009-2010 budget year.

A total of \$96,000 has been allocated to the Local Street Fund. Decisions on projects will be made shortly.

WASTEWATER FUND

The following rates are proposed for consideration:

- User rate increase from \$3.26 to \$3.38 per 1,000 gallons per month
- Readiness to serve charge increase from \$19.91 to \$20.10 per residential unit per month

The sewer main upgrading program will be continued allocating \$30,000, assigned to the Department of Public Works. A total of \$40,000 is allocated for sewer maintenance. Several new manholes will be rebuilt (\$3,000). Two HVAC replacement make-up units will be installed at the plant (\$16,980).

WATER FUND

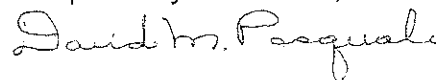
The readiness to serve rate is recommended for approval by City Council to be increased from \$23.12 to \$23.68 per month and consumption charge would increase from \$1.43 to \$1.45 per thousand gallons.

The following capital improvement projects include (1) ground reservoir (Water Plant) interior and exterior repaint (\$50,000), (2) replace main line valves (\$30,000), (3) Water Distribution map (\$14,000), and (4) truck lease, second year (\$9,000).

After two public hearings, the City Council will adopt the budget.

I wish to thank the members of the city staff for their work on the budget. In particular, I also thank City Treasurer Suzanne Olin, who spent numerous hours compiling budget funds data and assisting in evaluation of departmental request. Betty Morlock providing the typing for this document. The budget is truly a team effort and would not be possible without it.

Respectfully submitted,



David M. Pasquale
City Manager

GENERAL FUND REVENUE

The major source of revenue in the General Fund is the operating levy. The proposed 2008–2009 budget includes tax revenue calculated on tentative assessed valuations. The following taxable valuations are finalized.

REAL PROPERTY BY CLASSIFICATION

	<u>TAXABLE VALUE</u>	<u>PARCELS</u>	<u>% CHANGE</u>
Exempt		87	
Commercial	\$30,464,689	203	+2.2%
Industrial	10,477,220	36	+4.9%
Residential	<u>62,811,847</u>	<u>1,225</u>	<u>+3.6%</u>
Total	\$103,753,756	1,551	+2.7%

2008-2009 TAXABLE VALUES

	<u>TAXABLE VALUE</u>	<u>PARCELS</u>	<u>% CHANGE</u>
Real Property	103,753,756	1,551	+2.7%
Personal Property	<u>10,236,000</u>	<u>265</u>	<u>+11.0%</u>
Total	\$113,989,756	1,816	+3.4%

NOTE: Taxable value totals are now approximately 18% below assessed value totals.

It should be noted that Taxable Value is based on assessments sent to the County Bureau of Equalization. The figures are reflective of the 1993 Proposal A state wide referendum, which limited taxable assessments to the cost of living increase (2.3%). Thus, while property values were higher, the new law placed these limits along with substantially reduced school millage and increased sales tax by 2% (from 4 to 6 percent).

The City millage of \$16.08 per \$1,000 of Taxable Value is recommended reflective of the 1.98 mills allocated for the City Hall – Police Station project (Building Authority Bond) and 0.25 mills voted November 2002 for the Lowell Area Historical Museum.

No Truth-In-Taxation* hearing is necessary since the taxable value (discounting new and loss) is less than the rate of inflation.

Taxable Value totals from Industrial (Public Act 198) Exemption Facilities Certificates are as follows:

INDUSTRIAL	\$3,972,263	15 parcels (representing 5 firms)
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State Shared Revenues is the second major source of income. These revenues include the local unit's share of income tax, sales and use tax and intangibles tax. Allocations from the single business tax have been eliminated with higher shares given from the Sales tax. The basis of the estimates were provided by the State of Michigan, Department of Management and Budget. Revenues received from the State are expected to be \$397,143 (same as last year). At this point, there has been discussions to raise revenue sharing by the State Legislature. Since there is uncertainty, the revenues have been kept as is.

Licenses and Permit Fees provide a relatively small contribution to the General Fund. Imperial Municipal Services, Inc. conducts all building inspection service with fees paid directly to IMS. A ten percent return on building permits is provided to the City from IMS and accounted for under Other Income. The majority of monies collected (\$22,317.44) are collected from the Cable Television Franchise fee.

No Federal Grants have been anticipated and therefore none have been budgeted.

Cemetery Fees have been projected to be \$8,500, which is slightly more than the last fiscal year. Last year, there were 32 burials at Oakwood Cemetery which is one less than those conducted in 2006.

The purchase of grave lots is allocated to the Cemetery Trust Fund (perpetual care). Currently, this fund has investments valued at \$289,720. Interest earned (\$14,231.97) is then transferred to the General Fund for operations.

Contributions from local units are primarily from the Kent District Library (\$7,741) for maintenance and upkeep of the Englehardt Public Library.

Other Income derived includes such fees as zoning, fire/rescue (from Lowell and Vergennes townships) and animal care. The most prominent areas are interest (\$15,000), fire/rescue protection (from the townships at \$70,000), police fines (\$7,000), sale of garbage and leaf bags (\$51,000), and passports (\$3,500).

A total of \$37,400 has been budgeted as revenue for tower leases and Cable TV room lease from Comcast.

*A Truth-In-Taxation hearing is required when the current year's taxable value exceeds the prior year's taxable value by more than the rate of inflation. The purpose of the hearing is to publicly disclose the dollar amount taxes will increase due to the increase in taxable values.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
PROPERTY TAXES				
CURRENT PROPERTY TAX-REAL	1,362,155.07	1,380,256.73	1,380,256.73	1,414,000.00
CURRENT PROPERTY TAX-PERSONAL	71,993.83	101,146.57	101,146.57	117,000.00
IN LIEU OF TAXES	242,173.05	256,886.00	242,000.00	245,000.00
COMMERCIAL FACILITY TAX	0.00	0.00	0.00	0.00
INDUSTRIAL FACILITY TAX	12,247.28	12,300.00	12,300.00	12,300.00
TRAILER FEES	637.50	900.00	900.00	900.00
PENALTIES AND INTEREST	11,482.84	5,000.00	5,000.00	5,000.00
TOTAL	1,700,689.57	1,756,489.30	1,741,603.30	1,794,200.00
LICENSE/PERMIT FEES				
BUSINESS LICENSES & PERMITS	985.00	0.00	100.00	0.00
CABLE TV FRANCHISE FEES	31,699.33	22,317.44	21,288.33	22,317.44
NON-BUSINESS LIC. & PERMITS	0.00	0.00	0.00	0.00
TOTAL	32,684.33	22,317.44	21,388.33	22,317.44
FEDERAL GRANTS				
FEDERAL GRANT-D.A.R.E.	0.00	0.00	0.00	0.00
FEDERAL GRANT-C.O.P.S.	0.00	0.00	0.00	0.00
FEDERAL GRANT FEMA	0.00	0.00	0.00	0.00
FEDERAL GRANTS	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00
STATE SHARED REVENUES				
STATE GRANTS-PUBLIC SAFETY	5,860.60	0.00	0.00	0.00
STATE GRANT	0.00	0.00	0.00	0.00
SINGLE BUSINESS TAX	0.00	0.00	0.00	0.00
STATE INCOME TAX	0.00	0.00	0.00	0.00
SALES TAX	393,143.00	397,855.00	393,143.00	393,143.00
STATE LIQUOR LICENSE	3,309.90	3,300.00	3,300.00	3,300.00
STATE JUSTICE TRAINING FUND	980.72	1,100.00	1,100.00	1,100.00
RETURN-INVENTORY TAX	0.00	0.00	0.00	0.00
TOTAL	403,294.22	402,255.00	397,543.00	397,543.00

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
CONTRIBUTIONS FROM LOCAL UNITS				
TOWNSHIP CONTRIB/FIRE DEPT	10,838.68	0.00	0.00	0.00
TOWNSHIP CONTRIB/LIBRARY	0.00	0.00	0.00	0.00
KENT DIST CONTRIB/LIBRARY	7,741.00	7,741.00	7,741.00	7,741.00
SHOWBOAT CONTRIBUTION	0.00	0.00	0.00	0.00
LOWELL RESCUE UNIT DONATIONS	0.00	0.00	0.00	0.00
ROCKFORD AMBULANCE ADDITION PROCEEDS	137,809.10	0.00	125,281.00	0.00
TOTAL	156,388.78	7,741.00	133,022.00	7,741.00
CEMETERY REVENUES				
GRAVE OPENINGS	14,898.22	8,500.00	8,500.00	8,500.00
CEMETERY LOT SALES	0.00	0.00	0.00	0.00
TOTAL	14,898.22	8,500.00	8,500.00	8,500.00
OTHER INCOME				
KENT COUNTY YOUTH FAIR CONTRIBUTIONS	792.75	0.00	166.00	0.00
TREE FUND	723.75	0.00	11,125.25	0.00
ANIMAL CARE FEES	0.00	0.00	0.00	0.00
ZONING VARIANCE APP FEES	450.00	250.00	250.00	250.00
REZONING APPLICATION FEES	0.00	0.00	0.00	0.00
SPECIAL USE APPLICATION FEE	250.00	250.00	250.00	250.00
SITE PLAN REVIEW FEE	350.00	0.00	0.00	0.00
PASSPORT APPLICATION FEE	8,940.00	8,000.00	3,000.00	3,500.00
SALVAGE INSPECTION FEES	0.00	0.00	0.00	0.00
POLICE WITNESS FEES	0.00	0.00	0.00	0.00
REPORTS & FINGERPRINT FEES	759.60	600.00	750.00	600.00
PBT TEST	1,462.00	0.00	1,000.00	1,200.00
BUILDING INSPECTOR FEES	826.85	1,000.00	500.00	1,000.00
FIRE/RESCUE SERVICE	72,739.57	70,000.00	75,000.00	70,000.00
SALE OF ALLIED WASTE ORANGE BAGS	48,410.00	35,000.00	42,000.00	40,000.00
SALES-BLACK GARBAGE BAGS	80.00	0.00	0.00	0.00
SALES-YELLOW TRASH BAGS	0.00	0.00	0.00	0.00
SALES-LEAF BAGS/SVC	9,035.00	11,000.00	14,000.00	11,000.00
CITY FLAGS	0.00	0.00	0.00	0.00
HISTORIC DISTRICT BOOKS	0.00	0.00	0.00	0.00
SHOWBOAT FEES	25.00	0.00	0.00	0.00
CREEKSIDE PARK REVENUE	720.00	250.00	600.00	250.00
PARK USER FEES	0.00	0.00	0.00	10,000.00
POLICE FINES	7,022.74	7,000.00	10,000.00	7,000.00
O U I L FINES	3,318.00	1,000.00	4,500.00	1,000.00
SEX OFFENDER FEES	0.00	0.00	0.00	0.00
POLICE SEIZURES	0.00	0.00	0.00	0.00
POLICE DVD/CD SALES	20.00	0.00	0.00	0.00
INTEREST	17,967.21	15,000.00	15,000.00	15,000.00
INTEREST-FIRE TRUCK RESERVE	453.80	200.00	200.00	200.00
RENTAL FEES	60.00	0.00	0.00	0.00
DOG PARK DONATIONS	506.50	0.00	9,571.28	0.00
SALE OF FIXED ASSETS	0.00	0.00	7,500.00	0.00
SKATEBOARD PARK DONATIONS	0.00	0.00	2,000.00	0.00
CONTRIBUTION FOR DARE PROGRAM	0.00	0.00	0.00	0.00
INSURANCE RECOVERIES	0.00	0.00	0.00	0.00

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REIMB. UTILITIES CHAMBER OF COMMERCE	1,440.00	1,440.00	1,440.00	1,440.00
REIMB. MUSEUM UTILITIES	1,200.00	1,200.00	1,200.00	1,200.00

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
MISCELLANEOUS	16,295.70	7,500.00	8,000.00	7,500.00
REFUNDS	0.00	0.00	0.00	0.00
GRAND RAPIDS FOUNDATION GRANTS	635.00	0.00	15,890.00	0.00
PROCEEDS FROM CAPITAL LEASE	0.00	0.00	39,600.00	0.00
PROCEEDS FROM TOWER LEASE	2,400.00	0.00	2,400.00	2,400.00
PROCEEDS FROM ALLTELL TOWER	0.00	0.00	20,000.00	20,000.00
PROCEEDS FROM CABLE ROOM LEASE	0.00	0.00	15,000.00	15,000.00
TOTAL	200,483.42	163,190.00	304,542.52	212,290.00
TOTAL REVENUES	2,509,438.54	2,360,492.74	2,606,599.16	2,426,007.44
OPERATING TRANSFERS IN				
TRANSFER FROM CITY HALL CONSTRUCTION	0.00	0.00	0.00	0.00
TRANSFER FROM D.D.A.	128,147.00	128,147.00	128,147.00	140,000.00
TRANSFER FROM DATA PROCESSING FUND	0.00	0.00	0.00	0.00
TRANSFER FROM CEMETERY FUND	0.00	5,000.00	8,000.00	8,000.00
TRANSFER FROM LEE FUND	5,000.00	5,000.00	5,000.00	5,000.00
TRANSFER FROM LOOK FUND	15,000.00	15,000.00	15,000.00	15,000.00
TRANSFER FROM IMPROVEMENT FUND	0.00	0.00	0.00	0.00
TOTAL OPER. TRANSFERS IN	148,147.00	153,147.00	156,147.00	168,000.00
TOTAL REVENUES & OPERATING TRANSFERS IN	2,656,585.54	2,513,639.74	2,762,746.16	2,594,007.44

ADMINISTRATIVE AND GENERAL GOVERNMENT

GENERAL FUND EXPENDITURES

COUNCIL

The City Council is responsible for legislative or policy-forming powers of the City. Meeting the first and third Mondays of each month, the Council approves the operating budget and its amendments, adopts ordinances and provides the critical link between citizenry and the functions of local government.

The Council consists of five members elected in staggered terms. Every two years, the two receiving the highest number of votes are awarded four-year terms. The third highest receives a two year term. From amongst its membership, a mayor and mayor pro tem are selected every two years. In November, 2009, the voters will cast ballots for these three positions.

In the budget, Mayor Exchange (\$1,500), gifts for Boards and Commissions and miscellaneous memorials (\$2,500). Membership fees for the Michigan Municipal League (\$2,239) in addition to the Grand Valley Metro Council (\$1,726) and Conferences and Conventions (\$4,000) are among the activities allocated.

MANAGER

As appointed by the City Council, the City Manager is responsible for organizing and supervising City operations. Among the Manager's duties are advising Council in its policy deliberations, supervising staff through department heads, providing overall budget administration and coordinating city planning activities. Also, staff responsibilities for the Downtown Development Authority are handled through the City Manager.

Seventy-five percent (75%) of the Manager's salary is allocated in this activity with the remaining between Public Works (5%), Major (2%) and Local (2%) Streets, Water (8%) and Wastewater (8%). Spending is projected to be \$91,735.59 which is slightly more than budgeted last year.

Funds have been set aside for Professional Services (used for the City audit, consultant assistance as needed and personnel training - \$1,800), Conferences and Conventions (\$1,000) and Miscellaneous expenses for professional association dues (\$1,600).

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
EXPENDITURES				
COUNCIL				
PERSONAL SERVICES	4,912.30	3,820.00	5,242.00	5,300.00
SUPPLIES	200.40	300.00	570.00	300.00
OTHER SERVICES & CHARGES	6,811.91	9,700.00	9,700.00	12,700.00
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00
TOTAL	11,924.61	13,820.00	15,512.00	18,300.00
MANAGER				
PERSONAL SERVICES	82,406.53	83,862.49	83,901.73	87,335.59
OTHER SERVICES & CHARGES	4,479.93	4,400.00	4,021.00	4,400.00
TOTAL	86,886.46	88,262.49	87,922.73	91,735.59

ELECTIONS

The election activity provides to meet the level of service required by law to conduct city, state and national elections.

This year's budget reflects the costs for the Primary (August 5) and General (November 4) elections, where the Presidential and Congressional contests will take place as well as numerous state and county wide elections.

ASSESSOR

The assessor maintains detailed information on all real and personal property in the City. This information is used to prepare assessed valuations needed for preparation of tax rolls.

The City maintains an employment agreement with James Marfia signed in December, 2006 (who holds Level 3 State certification) to perform assessment services. The agreement provides a yearly salary of \$33,737 in 2008 devoting at least sixteen hours a week to carry out his duties.

The Board of Review meets usually during the second week of March to review the city assessment roll and hear assessment appeals from property owners. Salaries for the Board of Review are estimated at \$400.

ATTORNEY

Richard A. Wendt of Dickinson Wright PLLC has served as City Attorney since April 1981. The Attorney's duties include review of contracts, preparation of legal opinions and ordinances and prosecution of violators of law. At its October 2, 2006 meeting, the Council approved an extension of an agreement designating Dickinson Wright's to provide legal services and Wendt as legal counsel. The compensation rate is \$140 an hour from October 1, 2006 to September 30, 2007 and \$145 an hour from October 1, 2007 to September 30, 2008. This two year agreement may be reviewed for the coming year.

The budget for the Attorney largely depends on events not easily forecast. Therefore, expenses estimated last year equates to the \$15,000 which has been budgeted.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
ELECTIONS				
PERSONAL SERVICES	2,589.57	2,850.00	2,528.00	2,850.00
SUPPLIES	1,798.71	500.00	970.00	500.00
OTHER SERVICES & CHARGES	1,109.96	2,440.00	2,100.00	2,440.00
CAPITAL EXPENDITURES	0.00	200.00	200.00	200.00
TOTAL	5,498.24	5,990.00	5,798.00	5,990.00
ASSESSOR				
PERSONAL SERVICES	36,959.12	38,758.10	38,758.10	38,758.10
SUPPLIES	50.80	600.00	600.00	600.00
OTHER SERVICES & CHARGES	2,866.21	3,050.00	2,350.00	3,050.00
TOTAL	38,976.13	42,408.10	41,708.10	42,408.10
ATTORNEY				
OTHER SERVICES & CHARGES	22,139.09	15,000.00	22,000.00	15,000.00
TOTAL	22,139.09	15,000.00	22,000.00	15,000.00

GENERAL OFFICE

This activity is the cost center for office supplies, postage and telephone services primarily for City Hall operations. The budget provides for 100% of the City Clerk's salary and 50% of the Deputy City Clerk/Account Clerk. Also, 30% of the part-time Receptionist/Clerk Typist who provide support to the City Manager, City Clerk and City Treasurer as well as 10% of the Assistant City Treasurer are included in this budget.

An amount of \$2,500 has been allocated for general office supplies, \$5,000 for postage, with \$10,000 for printing minutes and notices, updating the Code of Ordinances \$5,750 and \$7,000 for telephone services (communications). Conferences and conventions have been allocated \$800. Overall, this budget amounts to \$136,369.61.

TREASURER/FINANCE

The duties in the Treasurer/Finance Department are under the direction of Suzanne Olin who is designated as City Treasurer. The City Treasurer collects and deposits all city funds. Also, the City Treasurer assists the City Manager in the compiling of the annual budget and evaluating departmental requests. The Treasurer serves in chief financial officer capacity, planning and directing the maintenance of city accounting records. Vickie Videan, Deputy City Treasurer, provides a coordinator role in the areas of insurance as well as supervising payroll. Lori Gerard, as Assistant City Treasurer, provides utility and airport billing as well as invoicing.

The personnel levy within this activity includes 75% of the Treasurer's salary and 60% of the Deputy City Treasurer. Also, 10% of the Assistant City Treasurer position is provided within this activity. Wages for the Receptionist/Clerk Typist is additionally included at 30%.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIDR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
GENERAL OFFICE				
PERSONAL SERVICES	107,405.33	112,581.45	109,472.07	109,069.61
SUPPLIES	7,995.64	9,000.00	7,500.00	7,500.00
OTHER SERVICES & CHARGES	18,411.63	26,900.00	19,250.00	19,200.00
CAPITAL EXPENDITURES	0.00	600.00	600.00	600.00
TOTAL	133,812.60	149,081.45	136,822.07	136,369.61
TREASURER				
PERSONAL SERVICES	126,423.23	126,995.02	125,154.87	123,930.02
SUPPLIES	1,147.19	1,000.00	1,000.00	1,000.00
OTHER SERVICES & CHARGES	2,513.12	2,900.00	1,750.00	2,150.00
TOTAL	130,083.54	130,895.02	127,904.87	127,080.02

CITY HALL

This activity includes cleaning services (\$11,000), insurance (\$8,500), as well as heating/air-conditioning maintenance, public utilities (\$40,000) and miscellaneous repairs to the City Hall building.

A total of \$4,000 has been set aside for necessary repairs.

CEMETERY

The cemetery activity includes all care and maintenance (grass mowing and trimming) of Oakwood Cemetery. In addition, gravesites are sold and recorded, graves excavated and funerals expedited. During 2007, 32 burials took place at Oakwood.

No planned improvements are contemplated for the cemetery this year. But, a new cemetery office/maintenance building has been placed in the Capital Improvements Plan and will be considered as funds become available. Additionally, an allocation of \$13,000 for summer employment will assist during the intensive maintenance periods.

ENGINEERING/BUILDING INSPECTION.

Funds have been provided on a contractual basis (\$4,100) to Imperial Municipal Services, Inc. of Rockford to perform code enforcement work and issue sign permits.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
CITY HALL				
PERSONAL SERVICES	0.00	0.00	0.00	0.00
SUPPLIES	2,192.15	4,500.00	2,000.00	1,500.00
OTHER SERVICES & CHARGES	77,401.35	69,000.00	56,500.00	62,500.00
CAPITAL EXPENDITURES	0.00	1,000.00	0.00	0.00
TOTAL	79,593.50	74,500.00	58,500.00	65,000.00
CEMETERY				
PERSONAL SERVICES	51,997.07	54,844.36	54,847.00	51,268.30
SUPPLIES	4,365.27	2,750.00	2,750.00	2,700.00
OTHER SERVICES & CHARGES	26,148.81	22,565.00	22,325.00	29,285.00
CAPITAL EXPENDITURES	300.00	500.00	900.00	500.00
TOTAL	82,811.15	80,659.36	80,822.00	83,753.30
ENGINEER/BLDG INSPECTOR				
PROFESSIONAL SERVICES	0.00	0.00	0.00	0.00
OTHER SERVICES & CHARGES	6,626.25	6,300.00	4,600.00	4,100.00
TOTAL	6,626.25	6,300.00	4,600.00	4,100.00

PLANNING

By Public Act 285 of 1931, the Planning Commission is charged with preparing, adopting and maintaining a master plan for the city. The plan is a policy guide with regard to all matters affecting the physical development of the city. The Commission also approves site development plans, special use permits and recommends zoning ordinance amendments to the Council. The seven Commissioners which include a Councilmember are appointed by the Mayor for three-year terms, eligible for reappointment.

This item allocates funds for planning commission training including conferences and conventions as needed (\$500). As required by the Commission, \$600 for membership with the Michigan Society of Planning (a merger of the Michigan Society of Planning Officials and the Michigan Chapter of the American Planning Association), and \$500 for public meeting expenses.

On November 2, 1999, voters approved a charter amendment providing compensation to the Planning Commissioners. The City Council adopted at its December 6, 1999 meeting, a resolution giving each Commissioner \$25 per meeting to a maximum of \$325 per year (allowing for 11 meetings and 2 work sessions). An amount of \$2,910 has been included in the budget for compensation in consideration of valuable time spent.

The Commission approved the updating of the Master Plan at its October 22, 2007 meeting with the City Council accepting the document on November 5, 2007. As prepared by McKenna Associates the Plan outlines goals and directions for City growth and development.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
PLANNING				
PERSONAL SERVICES	2,781.94	2,910.00	2,820.00	2,910.00
OTHER SERVICES & CHARGES	12,162.27	8,300.00	3,800.00	2,800.00
TOTAL	14,944.21	11,210.00	6,620.00	5,710.00

PUBLIC SAFETY

POLICE

The police department operates 24 hours per day for the protection of all citizens. Police Officers handle such assignments as traffic complaints, parking violations, domestic complaints, and investigations of criminal activities. Also, nuisance complaints such as inoperable vehicles and litter are handled through this department. Civic public relations (e.g. Bicycle Safety) are an important aspect of the department functions. The City's pledge toward the reduction of illegal drugs has been through D.A.R.E. (Drug Abuse Resistance Education) where an officer explains the dangers in the local classrooms.

This year, D.A.R.E. will be provided to 5th graders and high school students. Because of budget constraints, no program will be given for Middle School.

The budget proposes a staffing level of six full-time officers: the chief, sergeant and four officers. One of the officers has investigation responsibilities. Police officers will be available to work with School Building Administration when dealing with school rule violations which may be criminal in nature.

Two clerk-dispatchers cover the 6 a.m. to 5:00 p.m. shift. Both work 40 hours per week under this budget.

Six to nine part-time certified officers supplement the staffing needs. Extra shift coverage is requested periodically for school events and community activities. The Department also responds to complaints concerning strays and vicious animals, through the Animal Control Officer.

The City will continue to contract with the City of Walker for dispatching off-hours. The dispatching cost of \$21,000 is provided. This gives the City reliable dispatching at an assured reasonable rate.

The department operates six police cruisers (four fully marked, one for administrative and special police functions and one unmarked for detective purposes). These are

maintained and replaced through the Police Budget rather than the Equipment Fund. This was initiated because Police vehicles are not utilized by a number of departments. Also, the actual costs of operation can be better reviewed. DARE and RSVP (Retired Senior Volunteer Program) vehicles have been provided through donations. The department has three mountain bikes used for patrol, one of which is donated.

Training and education continues to be an important element of police operations. Public Act 302 states shared revenues are available for this purpose. Receipt of these funds requires that the City not cut back on its level of funding for training and that Act 302 monies be used over and above City funding.

The following capital expenditures has been planned:

- pay a second year (three year total) lease for two patrol cars at \$6,593 each. The 2008 Impalas have replaced two 2003 Impalas
- complete technology upgrades including video recorder for interrogation room and laser radar unit (\$4,200 match for Lowell Area Community Fund grant)

No further change in the level of service is planned for fiscal year 2008-2009. Police protection is a labor intensive service with such costs representing 82.02% of the police department budget. It is also noted that the Police budget is approximately 33.73% of the General Fund, the single largest of the Fund.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
POLICE				
PERSONAL SERVICES	721,722.73	715,374.09	663,452.79	685,438.49
SUPPLIES	24,843.69	28,300.00	26,300.00	27,800.00
OTHER SERVICES & CHARGES	100,304.22	91,156.00	96,600.00	89,274.00
CAPITAL EXPENDITURES	8,302.99	26,460.00	66,220.80	33,131.00
TOTAL	855,173.63	861,290.09	852,573.59	835,643.49

FIRE/RESCUE

The functions of the fire department are fire prevention, public education and awareness, life safety, fire suppression, hazardous material management, fire fighter training and fire investigation. The department covers a 60 square mile area including Vergennes Township and the upper two thirds of Lowell Charter Township. These townships contribute toward salaries and equipment.

Also, the department has incorporated responsibilities of Lowell Area Rescue. This service has since 1973 provided a first response to medical emergencies and accidents before an ambulance would transport to a hospital. In April of 1990, the Rescue was transferred from the Police to the Fire Department, consolidating emergency services into one building.

Currently, 20 volunteers are cross-trained to serve on the Fire/Rescue Department, while two work for fire only and one is medical only.

Among the major items of the combined Fire/Rescue budget are: insurance and utilities (\$18,000), training (\$6,000), repair and maintenance of fire and rescue vehicles (\$14,000) and operating supplies (\$12,000). Salaries and related benefits amount to \$95,300 or approximately 54.2% of the budget.

Among those items considered for purchase include three firefighter turn out gear (\$3,300) and three pagers (\$1,500).

AMBULANCE

In accordance with City Council action of April, 1988, contributions have been allocated for the establishment of a local ambulance service. Lowell Ambulance, a subsidiary of Rockford Ambulance, has provided this service.

A 2,170 square foot ambulance building adjacent to the Look Memorial Fire Station has been constructed. In conjugation with the City, Lowell and Vergennes Townships, the \$303,000 structure will address space needs of Lowell Ambulance.

As part of an agreement with Rockford Ambulance, the City is contributing \$16,000 over five years toward construction costs. Thus, \$3,200 has been budgeted. City service contributions during this time have been eliminated.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
FIRE/RESCUE				
PERSONAL SERVICES	93,500.72	95,300.00	101,900.00	95,300.00
SUPPLIES	21,735.73	21,500.00	36,000.00	22,800.00
OTHER SERVICES & CHARGES	60,716.85	57,500.00	49,300.00	52,300.00
CAPITAL EXPENDITURES	137,809.10	5,400.00	130,681.00	5,400.00
TOTAL	313,762.40	179,700.00	317,881.00	175,800.00
AMBULANCE				
OTHER SERVICES & CHARGES	2,000.00	2,000.00	0.00	2,000.00
TOTAL	2,000.00	2,000.00	0.00	2,000.00

PUBLIC WORKS PARKS AND RECREATION

PUBLIC WORKS

The Department of Public Works provides for the construction, operation and maintenance of physical properties and services of the City. Such services include streets, equipment (motor pool), water treatment and wastewater treatment, parks, cemetery and water distribution. Twelve employees (one contractual) are assigned by cost to various funds.

Within the Public Works activity, costs attributed to the Public Works Garage and grounds as well as street lights (\$24,000) and parking lots are allocated. Personnel costs for the Director (50%), four department employees and the City Manager (5%) are also included. Repair and maintenance accounts for \$3,000 as well as replacement of a hot water heater and roof repairs at the DPW building (\$2,000), office supplies (\$800) and operating supplies (\$3,200) which provide hand tools, posts, bolts, paint, cleaning products and bulbs.

Also, consideration for a storage building has been placed on the Capital Improvements Plan for future funding.

SIDEWALKS

Repair and maintenance work on sidewalks is budgeted under this item. A total of \$7,974.22 has been allocated.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
PUBLIC WORKS				
PERSONAL SERVICES	79,008.24	91,686.29	80,294.02	80,588.05
SUPPLIES	3,342.21	5,300.00	5,300.00	4,200.00
OTHER SERVICES & CHARGES	49,328.25	56,100.00	65,655.76	59,200.00
CAPITAL EXPENDITURES	0.00	4,500.00	1,500.00	2,000.00
TOTAL	131,678.70	147,586.29	152,749.78	146,088.05
SIDEWALKS				
PERSONAL SERVICES	5,102.89	2,061.58	5,136.38	4,524.62
SUPPLIES	669.92	250.00	250.00	200.00
OTHER SERVICES & CHARGES	2,601.35	3,550.00	5,050.00	3,250.00
CAPITAL EXPENDITURES	3,937.08	2,500.00	4,000.00	0.00
TOTAL	12,311.24	8,361.58	14,436.38	7,974.62

REFUSE

The City completing a three-year contract with Allied Waste Industries, Inc. for refuse pickup. The firm was awarded the contract to also provide recycling and yard waste pickup. An award of a new agreement will be considered this Fall. As authorized in February, 1994, a bag purchase system has been established. Residents pay \$1.00 per bag. The City also provides the cost for residential recycling (\$2.50 per month). Yard waste (leaves, grass and tree branches) collection is provided with residents paying \$1 per bag covering the entire cost of this service.

Based on average monthly costs, \$75,000 has been allocated for waste pickup. The offsetting revenue from the sale of bags (\$51,000) results in a net cost of \$24,000 per year.

PARKS

The parks activity includes all care, maintenance (grass mowing, watering, playground and picnic equipment care) and security in all City parks. The mowing of Creekside, Richards and McMahon Parks and the Recreation Park ball field will be undertaken by contract through Horizon Lawn Care. A total of \$29,000 has been budgeted in the Parks. As approved by Council on December 5, 2005, Horizons was awarded a three year contract (\$14,592 in this year's budget). As of July 17, 2006, the mowing was expanded for Horizons to do Recreation and Stoney Lakeside Parks (\$12,840) saving City manpower.

Under contractual services is the cost of renting two port-a-johns (\$980 in total) at the Recreation Park ball field from May to October.

- Also, \$20,000 has been provided for equipment rental. The Lee Fund will contribute \$5,000 toward parks maintenance.
- The City Council with the recommendation of the Parks and Recreation Commission has completed agreements with the YMCA, Lowell Little League, Lowell Youth Football, Lowell Xtreme Softball, Kent County Youth Fair, Lowell Rugby and Lowell Lacrosse for the parks and pay per participant for the usage.

SHOWBOAT

With the acceptance of ownership by the City Council for the Lowell Showboat at its December 4, 2000 meeting, a budgeted activity for the boat's care and maintenance is now provided. The Lowell Area Chamber of Commerce is responsible for the scheduling of events.

A total of \$150 has been allocated for insurance, \$620 for public utilities, \$1,000 involving repair and maintenance and \$100 for miscellaneous expenses.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REFUSE				
OTHER SERVICES & CHARGES	81,863.39	75,000.00	75,000.00	75,000.00
TOTAL	81,863.39	75,000.00	75,000.00	75,000.00
PARKS				
PERSONAL SERVICES	49,183.46	64,340.98	70,239.68	75,987.85
SUPPLIES	6,826.30	5,800.00	5,800.00	6,700.00
OTHER SERVICES & CHARGES	62,160.20	67,410.00	72,910.00	74,910.00
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00
TOTAL	118,169.96	137,550.98	148,949.68	157,497.85
SHOWBOAT				
PERSONAL SERVICES	0.00	0.00	0.00	0.00
SUPPLIES	0.00	0.00	0.00	0.00
OTHER SERVICES & CHARGES	1,694.56	1,650.00	1,650.00	1,870.00
TOTAL	1,694.56	1,650.00	1,650.00	1,870.00

LIBRARY

LIBRARY

The \$1.3 million 8800 square foot library was opened in February 1997 at the northwest corner of Avery and N. Monroe Streets. This has provided needed facility space to serve this community. Funding for the construction has raised over \$885,000 through the Look Memorial Fund, corporate, individual and foundation support. In particular, a generous donation from Harold Englehardt, long time City resident and businessman, made the Harold and Mildred Englehardt Public Library a reality. A \$770,000 ten-year Building Authority Bond provided the remaining financial support which had been successfully paid in full during March, 2007. Dedication of this facility was held on May 18, 1997.

A November 1994 election established the Kent District Library system and a library millage. In August, 2004, KDL received a millage renewal approval of 0.88 mills. From this millage, the District Library provides the Lowell library with a \$7,741 per year contribution toward the maintenance budget. City funds make up the balance of the Library's estimated \$51,276.35 maintenance costs. Amounts are set aside for the salaries of City maintenance (\$6,276.35), public utility charges (\$26,600), repair and maintenance such as cleaning, pest control, heating and air conditioning maintenance, and parking lot lighting, (\$10,000), insurance (\$1,500), and communications and miscellaneous (\$1,300).

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
LIBRARY				
PERSONAL SERVICES	6,396.00	6,467.06	6,763.28	6,276.35
SUPPLIES	1,409.83	2,000.00	2,100.00	2,100.00
OTHER SERVICES & CHARGES	42,054.01	38,200.00	42,300.00	42,900.00
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00
TOTAL	49,859.84	46,667.06	51,163.28	51,276.35

OTHER ACTIVITIES AND TRANSFERS TO OTHER FUNDS

HISTORIC DISTRICT COMMISSION

At its November 4, 1996 meeting, the City Council adopted a historic district ordinance encompassing 54 properties of significance to the community's heritage. Prior, a study committee documented each structure with its historic and architectural character. Through the formation of a five member Historic District Commission, review of plans involving changes to the exterior of a structure will be examined to conform to historic design. The goal of the Commission is to recognize, protect and preserve for present and future generations the historic buildings of Lowell, and to prevent, irreparable damage that occurs through neglect, and the inappropriate replacement of, or additions to, these historic structures which now have attained National Register status. The budget of \$1500 includes seminars and professional services (\$1,200), publications/memberships (\$250) and office/clerical expenses (\$50).

LOWELL AREA HISTORICAL MUSEUM

The Lowell Area Historical Museum is a charitable organization whose purpose is to collect, preserve and display Lowell history as well as to educate the community about its rich historical heritage. Efforts have been placed for the Museum to restore the Graham Building, a building on the National Registry of Historical Places. A successful November 2002 election has provided 0.25 mills toward Museum operations. Also, \$8,500 is budgeted for utilities as well as \$500 allocated for insurance on the building.

The building, located at the northeast corner of West Main and Hudson, has been recently dedicated for the Museum offices, archives and meeting space. It was dedicated in September 2001.

SENIOR CITIZEN CONTRIBUTION

As with previous years, a \$1,500 contribution is given to the Lowell Senior Neighbors Center.

CHAMBER OF COMMERCE CONTRIBUTION

A \$3,000 contribution has been budgeted to the Chamber of Commerce to promote its various activities. Of this, \$1,000 is allocated toward the operation of the Chamber office.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
HISTORIC DISTRICT COMMISSION				
SUPPLIES	20.70	50.00	50.00	50.00
OTHER SERVICES & CHARGES	82.81	1,450.00	1,450.00	1,450.00
TOTAL	103.51	1,500.00	1,500.00	1,500.00
LOWELL AREA HISTORICAL MUSEUM				
OTHER SERVICES & CHARGES	9,625.22	11,000.00	11,300.00	11,000.00
TOTAL	9,625.22	11,000.00	11,300.00	11,000.00
SENIOR CITIZEN PROGRAM				
OTHER SERVICES & CHARGES	1,500.00	1,500.00	1,500.00	1,500.00
TOTAL	1,500.00	1,500.00	1,500.00	1,500.00
CHAMBER OF COMMERCE				
OTHER SERVICES & CHARGES	3,000.00	3,000.00	3,000.00	3,000.00
TOTAL	3,000.00	3,000.00	3,000.00	3,000.00

UNALLOCATED

This category is reserved for unanticipated expenditures. Additionally, items that are difficult to fit within a specific budget (e.g. public officials liability insurance) are included. The downtown Christmas lights have been allocated in this area.

CONTINGENCY

Monies are allocated for activities which are unanticipated or under-funded. None is budgeted in this account. When budget amendments are required, funds are reallocated as necessary.

TRANSFER TO OTHER FUNDS

The General Fund will transfer the following to:

- Local Street Fund (\$73,500) for assistance in administration.
- Local Street Fund Construction (\$96,000)
- City Hall – Police Station Construction Fund (\$322,735) for the seventh payment toward a Building Authority bond.

TOTAL EXPENDITURES

The General Fund expenditures (including transfers out) total \$2,476,831.98. This represents a 1.24% increase over the 2007-2008 budget.

FUND BALANCE

An unreserved fund balance of \$159,638.14 in the General Fund has been planned. This represents 6.44% of the budget.

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
TOTAL EXPENDITURES	2,266,992.62	2,109,932.42	2,240,913.48	2,080,596.98
TRANSFERS TO OTHER FUNDS				
TRANSFER TO MAJOR STREET FUND	11,120.00	0.00	0.00	0.00
TRANSFER TO LOCAL STREET FUND	56,375.00	10,000.00	71,500.00	73,500.00
TRANSFER TO LOCAL CONSTRUCTION FUND	0.00	0.00	0.00	96,000.00
TRANSFER TO FIRE TRUCK RESERVE	0.00	0.00	0.00	0.00
TRANSFER TO BUILDING AUTHORITY	0.00	0.00	0.00	0.00
TRANSFER TO WASTEWATER FUND	0.00	0.00	0.00	0.00
TRANSFER TO WATER FUND	0.00	0.00	0.00	0.00
TRANSFER TO EQUIPMENT FUND	0.00	0.00	0.00	0.00
TRANSFER TO IMPROVEMENT FUND	0.00	0.00	0.00	0.00
TRANSFER TO CITY HALL CONSTRUCTION FUND	240,660.00	226,550.00	326,550.00	322,735.00
TOTAL OPERATING TRANSFERS OUT	408,155.00	336,550.00	398,050.00	492,235.00
TOTAL EXPENDITURES & OPERATING TRANSFERS OUT	2,675,147.62	2,446,482.42	2,638,963.48	2,572,831.98
EXCESS OF REVENUES AND OPERATING TRANSFERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	<18,562.08>	67,157.32	123,782.68	21,175.46
FUND BALANCE				
UNRESERVED	35,096.00	105,809.37	131,878.68	153,054.14
RESERVE/UNFUNDED ACC LIABILITY	0.00	0.00	0.00	0.00
POLICE TRAINING RESERVE	1,641.87	1,641.87	0.00	0.00
RESERVE/FIRE TRUCKS	0.00	0.00	0.00	0.00
TOTAL FUND EQUITY	36,737.87	107,451.24	131,878.68	153,054.14

2008-2009 FISCAL BUDGET
GENERAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
UNALLOCATED EXPENSES				
OTHER SERVICES & CHARGES	43,877.07	15,000.00	15,000.00	15,000.00
TOTAL	43,877.07	15,000.00	15,000.00	15,000.00
CONTINGENCY				
OTHER SERVICES & CHARGES	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00
DEBT SERVICE				
DEBT SERVICE	28,570.82	0.00	0.00	0.00
TOTAL	28,570.82	0.00	0.00	0.00

MAJOR STREET FUND

MAJOR STREET FUND

This fund derived from gas and weight tax revenues received through State Public Act 51 of 1951 provide for the care and maintenance of the City's 7.81 miles of designated major streets. Maintenance includes surface patching, sweeping and flushing, shoulder or curb maintenance, drainage (ditch or storm tile), roadside cleanup, grass and weed control, traffic services, winter maintenance, and engineering/record-keeping/administration. Construction includes new streets, reconstruction or resurfacing.

Part of four street department employees' salaries are allocated by maintenance (\$17,981), traffic (\$2,873), and winter (\$14,858) services. Also, \$6,432 is allocated in administration.

No projects are being planned which affect the 2008-2009 budget at this time. The City will receive a Federal Surface Transportation-Small Urban Program grant in FY 2010 for reconstructing Bowes Road from Valley Vista Drive to 1950 feet west. The cost of construction is estimated to be \$427,000 with \$341,600 (80%) allocated from the federal grant. Preliminary and construction engineering are each \$41,500. Sidewalks for this area are estimated to be \$29,500. Consideration for engineering this road project in this fiscal year will be given.

The Major Street Fund will have a planned fund balance of approximately \$47,162.45.

2008 - 2009
MAJOR STREET FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
FEDERAL GRANT	0.00	0.00	0.00	0.00
INTEREST	549.66	1,000.00	800.00	500.00
MISCELLANEOUS	1,478.32	0.00	0.00	0.00
TRANSPORTATION FUND	184,032.65	200,000.00	184,032.65	185,000.00
TRUNKLINE MAINTENANCE	13,099.70	4,000.00	7,700.00	4,000.00
PROCEEDS FROM GENERAL FUND	0.00	0.00	0.00	0.00
TOTAL REVENUES	199,260.33	205,000.00	192,532.65	189,500.00
OPERATING TRANSFERS IN				
TRANSFER FROM GENERAL FUND	11,120.00	0.00	0.00	0.00
TOTAL TRANSFERS IN	11,120.00	0.00	0.00	0.00
TOTAL REVENUES & OTHER SOURCES	210,380.33	205,000.00	192,532.65	189,500.00
EXPENDITURES				
CONSTRUCTION				
CAPITAL EXPENDITURES	91,133.81	0.00	31,000.00	0.00
CONSTRUCTION TOTAL	91,133.81	0.00	31,000.00	0.00
ROUTINE MAINTENANCE				
PERSONAL SERVICES	25,123.02	27,288.10	20,873.96	17,981.52
SUPPLIES	4,341.99	7,900.00	7,900.00	7,200.00
OTHER SERVICES AND CHARGES	18,109.13	27,980.00	9,280.00	29,320.00
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00
MAINTENANCE TOTAL	47,574.14	63,168.10	38,053.96	54,501.52
TRAFFIC SERVICES				
PERSONAL SERVICES	2,940.47	4,236.67	4,236.67	2,873.13
SUPPLIES	3,031.21	4,500.00	1,000.00	4,500.00
OTHER SERVICES & CHARGES	8,517.80	8,470.00	10,150.00	11,770.00
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00
TRAFFIC TOTAL	14,489.48	17,206.67	15,386.67	19,143.13

2008 - 2009
MAJOR STREET FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
WINTER MAINTENANCE				
PERSONAL SERVICES	11,975.81	11,502.01	13,152.01	14,858.88
SUPPLIES	4,453.55	4,800.00	6,700.00	5,200.00
OTHER SERVICES & CHARGES	8,686.30	10,300.00	11,200.00	11,400.00
WINTER MAINTENANCE TOTAL	25,115.66	26,602.01	31,052.01	31,458.88
ADMINISTRATION				
PERSONAL SERVICES	15,344.41	6,024.47	14,524.47	6,432.56
OTHER SERVICES & CHARGES	1,570.00	1,660.00	1,660.00	1,660.00
ADMINISTRATION TOTAL	16,914.41	7,684.47	16,184.47	8,092.56
DEBT SERVICE				
DEBT SERVICE	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	195,227.50	114,661.25	121,677.11	113,196.09
TRANSFER TO LOCAL STREET FUND	45,000.00	105,000.00	45,000.00	45,000.00
TOTAL EXPENDITURES & OPERATING TRANSFERS OUT	240,227.50	219,661.25	176,677.11	158,196.09
EXCESS (DEFICIENCY) OF REV- ENUES & OPERATING TRANSFERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	<29,847.17>	<14,661.25>	15,855.54	31,303.91
FUND BALANCES				
UNRESERVED FUND BALANCE	3.00	16,846.60	15,858.54	47,162.45
RESERVE/UNFUNDED ACC LIABILITY	8,725.67	0.00	0.00	0.00
TOTAL FUND BALANCE	8,728.67	16,846.60	15,858.54	47,162.45

LOCAL STREET FUND

LOCAL STREET FUND

The purpose of this fund is to provide for the care and improvement of the City's 13.48 miles of residential, local streets through State Public Act 51 revenues. These monies are used for the same activities as described under Major Streets.

Part of two street department employees' salaries are allocated by maintenance (\$31,280), traffic (\$3,911), and winter services (\$19,101). Also, as with Major Streets, \$12,395 is budgeted for administration.

Since the City receives substantially less revenue for Local Streets from the State (\$73,582) than Major Streets (\$185,000), transfers are needed to provide adequate revenues. Transfers are scheduled from the Major Street Fund (\$45,000) and the General Fund (\$73,500). A fund balance of \$79.48 is planned.

The equivalent of one mill (\$96,000) is being allocated from the General Fund to Local Streets Construction Fund.

Projects will be determined during the course of the budget year.

2008 - 2009
LOCAL STREET FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
STATE GRANT	0.00	0.00	0.00	0.00
TOWNSHIP CONTRIBUTION	0.00	0.00	0.00	0.00
SPECIAL ASSESSMENT CHARGES	0.00	0.00	0.00	0.00
INTEREST	26.07	100.00	100.00	100.00
INTEREST ON SPECIAL ASSESSMENTS	0.00	0.00	0.00	0.00
INTEREST CONSTRUCTION FUND	19.30	0.00	0.00	0.00
INTEREST BOND PROCEEDS	0.00	0.00	0.00	0.00
CONTRIBUTIONS	0.00	0.00	0.00	0.00
MISCELLANEOUS	282.49	0.00	0.00	0.00
TRANSPORTATION FUND	71,189.97	73,582.04	73,582.04	73,582.04
STATE FUNDS - MAINTENANCE OF RIGHTOFWAY	11,717.75	0.00	0.00	0.00
PROCEEDS FROM GENERAL FUND	0.00	0.00	0.00	0.00
TOTAL REVENUES	83,235.58	73,682.04	73,682.04	73,682.04
OPERATING TRANSFERS IN				
TRANSFER FROM GENERAL FUND	56,375.00	10,000.00	71,500.00	73,500.00
TRANSFER FROM GF LOCAL CONSTRUCTION	0.00	0.00	0.00	96,000.00
TRANSFER FROM MAJOR STREET FUND	45,000.00	105,000.00	45,000.00	45,000.00
TOTAL TRANSFERS IN	101,375.00	115,000.00	116,500.00	214,500.00
TOTAL REVENUES & OTHER SOURCES	184,610.58	188,682.04	190,182.04	288,182.04
EXPENDITURES				
CONSTRUCTION				
CAPITAL EXPENDITURES	0.00	0.00	0.00	96,000.00
CONSTRUCTION TOTAL	0.00	0.00	0.00	96,000.00
ROUTINE MAINTENANCE				
PERSONAL SERVICES	33,344.45	35,165.78	19,414.26	31,280.47
SUPPLIES	3,828.59	6,900.00	8,000.00	6,200.00
OTHER SERVICES AND CHARGES	20,182.33	24,300.00	11,800.00	24,300.00
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00
MAINTENANCE TOTAL	57,355.37	66,365.78	39,214.26	61,780.47
TRAFFIC SERVICES				
PERSONAL SERVICES	3,692.90	3,617.59	3,617.59	3,911.40
SUPPLIES	2,843.82	2,500.00	1,000.00	2,500.00
OTHER SERVICES & CHARGES	1,499.54	1,500.00	3,000.00	3,500.00
TRAFFIC TOTAL	8,035.26	7,617.59	7,617.59	9,911.40

2008 - 2009
LOCAL STREET FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
WINTER MAINTENANCE				
PERSONAL SERVICES	14,745.05	11,296.99	12,694.45	19,101.48
SUPPLIES	4,471.34	4,000.00	7,000.00	5,500.00
OTHER SERVICES & CHARGES	14,972.71	6,190.00	25,290.00	16,650.00
WINTER MAINTENANCE TOTAL	34,190.10	21,486.99	44,984.45	41,251.48
ADMINISTRATION				
PERSONAL SERVICES	15,365.36	15,693.89	15,693.89	10,685.56
OTHER SERVICES & CHARGES	1,210.00	1,710.00	1,710.00	1,710.00
ADMINISTRATION TOTAL	16,575.36	17,403.89	17,403.89	12,395.56
DEBT SERVICE				
DEBT SERVICE	69,205.75	71,115.00	72,225.00	75,502.50
TOTAL EXPENDITURES	185,361.84	183,989.25	181,445.19	296,241.41
EXCESS (DEFICIENCY) OF REV- ENUES & OPERATING TRANSFERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	<751.26>	4,692.79	8,736.85	<8,659.37>
FUND BALANCES				
FUND BALANCE	2.00	7,323.89	8,738.85	79.48
RESERVE/UNFUNDED ACC LIABILITY	0.00	0.00	0.00	0.00
TOTAL FUND BALANCE	2.00	7,323.89	8,738.85	79.48

DOWNTOWN DEVELOPMENT AUTHORITY FUND

DOWNTOWN DEVELOPMENT AUTHORITY FUND

In response to needs expressed by the Lowell Area Chamber of Commerce, the City adopted an ordinance on November 16, 1992 creating a Downtown Development Authority. This nine member board has express responsibility to provide efforts revitalizing the downtown area.

A plan approved by the DDA and the City Council has provided priorities for streetscape improvements (sidewalk, curb and gutter, decorative concrete, landscaping and historical style lighting fixtures) along Main Street between Amity Street and Division Street. Also, upgrading and expansion of municipal parking lots is planned, as well as riverfront improvements.

The principal means of funding is tax increment financing. This method captures the taxes in the DDA district generated by subsequent growth stimulated by new public investment. In October of 1994, a \$1.235 million twenty year TIFA bond was issued through the Michigan Municipal Bond Authority so that downtown improvements can be undertaken from 1995 to 1998. In 1995, the demolition of the Hobby Stop building and construction of a seawall along the Flat River by Lafayette Street took place (\$124,438).

In 1996, the streetscape work as outlined above was completed from Jefferson to Broadway Streets. Also, the Broadway-Riverside parking lot has been upgraded as well as the installation of a 12 inch water main crossing the Flat River. (Total Cost \$1,237,503).

Being coordinated with projects planned in cooperation with the Michigan Department of Transportation, the streetscape project was extended from Broadway to Lincoln Lake Avenue in 1998. The \$245,000 project was supplemented by a Federal Transportation Enhancement Grant of \$80,000. At this time, M-21 was repaved from the east City Limits to Valley Vista Drive, the M-21-Hudson Street intersection widened, and the old sluiceway near the Flat River bridge was filled.

In 1999, the DDA had the following capital projects completed:

- placement of a retaining wall, railing extension and sidewalk repair at the old Lee's Landing site along Main Street (\$100,749)
- contribution toward completion of West Main Street sidewalks projects (\$20,000, \$60,000 total)
- construction of a crosswalk and sidewalk extension on the south side of Foreman Road west of Root Lowell and east of Cherry Creek. A culvert extension is planned as part of the school safety project (\$14,176)

The DDA finished the following projects in 2000:

- exterior work of the Chamber of Commerce building (\$18,630)
- engineering of Bowes Road sidewalk (\$1,100)
- engineering and property acquisition pertaining to Monroe and King Milling parking lot improvements (\$70,000)
- City Hall Construction (\$125,000)

Of note, \$20,000 has been set aside for promotions and \$46,953.92 for landscape maintenance, personnel and utilities.

A second bond issue of \$1,100,000 was sold on December 16, 1999 to carry out further downtown improvements. The bond which will be paid in entirety on December 1, 2013 has completed the following during the years 2000-2003:

1. Extension of Riverwalk to Amphitheater (including sheet piling)	\$773,374.00
King Milling Parking Lot improvements	
Monroe – Avery Parking Lot improvements	
City Hall - Police Station Parking Lot	
2. Lighthouse Sidewalk	\$17,000.00
3. Sidewalk on north side of Bowes between West and	
Valley Vista Streets	\$14,268.00
4. Graham Building Roof Contribution	\$17,253.00
5. Showboat Amphitheater Upgrading	\$12,490.00
6. Mid Michigan Railroad property purchase (off Kent Street)	\$36,058.00

7. Bridge railing repair (M-21)	\$27,738.00
8. Banner Poles	\$4,200.00
9. Chamber of Commerce dumpster enclosure	\$26,500.00
10. Tubular fence in King Milling Parking Lot	\$7,731.00

During fiscal year 2003-2004, the following projects were completed:

1. Assistance for barrier free ramp, stairs and sidewalks at 202 - 206 West Main	\$16,115.00
2. Downtown underground wiring	\$33,950.00
3. Electric service upgrades at the City Hall block	\$10,617.00
4. Traffic engineering study for downtown pedestrian crossing	\$5,700.00
5. Assistance for purchasing 475 S. Hudson (Barton house) at fairgrounds	\$50,000.00

During fiscal year 2004-2005, the following projects were completed:

1. Demolition of 475 S. Hudson	\$12,350.00
2. Crosswalk markings	\$589.00
3. Repair washout by Riverwalk stage	\$1,634.00
4. Sidewalk replacement Avery (between N. Washington and Jefferson) and Lincoln Lake (between Chatham and Main east side)	\$5,992.00
5. Contribution toward speed board (total: \$14,239)	\$7,239.00

During fiscal year 2005-2006, the following projects were completed:

1. Construction of Public Works Garage fence	\$10,962.00
2. Downtown Crosswalk Ramps	\$10,957.00
3. Reducing downtown street lights from two to one globe (sample area)	\$6,500.00
4. Reducing wattage from 175 to 100 watts on all downtown street lights	\$21,769.50
5. Downtown clock repair	\$1,040.00

During fiscal year 2006-2007, the following projects were completed:

1. Farmer's market Start-up	\$3,650.00
2. Showboat repair	3,930.00
3. Showboat swing gate	489.00

During fiscal year 2007-2008, the following projects were completed:

1. Painting the downtown light poles	\$21,150.00
2. Farmer's Market (assistance)	2,500.00
3. Painting downtown clock	935.00

During the summer months of 2008, overhead power lines in the alley between Larkins and the Post Office will be buried (\$24,898 electrician costs and \$15,000 Light and Power). Also, \$60,000 has been allocated for the paving of Riverside from Main Street to the Light and Power building, the parking lot adjacent north of the 200 block of West Main Street and the forementioned alley.

During the coming year, the DDA has set aside \$120,000 for capital improvement projects in the district.

2008-2009 FISCAL BUDGET
DOWNTOWN DEVELOPMENT AUTHORITY FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
TIFA REVENUE	531,330.31	500,000.00	530,000.00	535,000.00
STATE GRANT	0.00	0.00	0.00	0.00
INTEREST	13,935.26	7,000.00	7,800.00	7,000.00
INTEREST-BOND PROCEEDS	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00
BOND PROCEEDS	0.00	0.00	0.00	0.00
TRANSFER FROM LOOK FUND	0.00	0.00	0.00	0.00
TRANSFER FROM LIGHT & POWER	0.00	0.00	0.00	0.00
INCREASE(DEC) IN FMV-INVEST	0.00	0.00	0.00	0.00
TOTAL REVENUES	545,265.57	507,000.00	537,800.00	542,000.00
OPERATING TRANSFERS IN				
TRANSFER FROM LOOK FUND	0.00	0.00	0.00	0.00
TOTAL TRANSFERS IN	0.00	0.00	0.00	0.00
TOTAL REVENUES AND OTHER SOURCES	545,265.57	507,000.00	537,800.00	542,000.00
EXPENDITURES				
CONSTRUCTION				
CAPITAL EXPENDITURES	0.00	100,000.00	80,000.00	120,000.00
CONSTRUCTION TOTAL	0.00	100,000.00	80,000.00	120,000.00
ROUTINE MAINTENANCE				
PERSONAL SERVICES	19,799.23	20,413.64	20,413.64	29,380.12
SUPPLIES	2,335.84	2,000.00	2,000.00	2,500.00
OTHER SERVICES & CHARGES	27,909.23	30,600.00	30,600.00	28,600.00
CAPITAL EXPENDITURES	0.00	7,100.00	7,100.00	0.00
MAINTENANCE TOTAL	50,044.30	60,113.64	50,113.64	60,480.12
ADMINISTRATION				
SUPPLIES	0.00	0.00	0.00	0.00
OTHER SERVICES & CHARGES	50,234.39	46,700.00	45,000.00	45,000.00
ADMINISTRATION TOTAL	50,234.39	46,700.00	45,000.00	45,000.00

2008-2009 FISCAL BUDGET
DOWNTOWN DEVELOPMENT AUTHORITY FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
DEBT SERVICE				
PRINCIPAL ON BONDS	135,000.00	150,000.00	150,000.00	155,000.00
INTEREST ON BONDS	73,886.25	66,165.00	66,165.00	57,757.50
PAYING AGENT FEES	275.00	0.00	0.00	0.00
BOND ISSUE COSTS	0.00	0.00	0.00	0.00
TOTAL DEBT SERVICE	209,161.25	216,165.00	216,165.00	212,757.50
TOTAL EXPENDITURES	309,439.94	422,978.64	401,278.64	438,247.62
TRANSFERS TO OTHER FUNDS				
TRANSFER TO GENERAL FUND	128,147.00	128,147.00	128,147.00	140,000.00
TRANSFER TO WASTEWATER FUND	0.00	0.00	0.00	0.00
TRANSFER TO WATER FUND	0.00	0.00	0.00	0.00
TOTAL TRANSFERS OUT	128,147.00	128,147.00	128,147.00	140,000.00
TOTAL EXPENDITURES AND TRANSFERS OUT	437,586.94	551,125.64	529,425.64	578,247.62
EXCESS (DEFICIENCY) OF REV- ENUES AND OPERATING TRANSFERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	107,678.63	<44,125.64>	8,374.36	<36,247.62>
FUND BALANCE	142,514.79	67,918.85	150,889.15	114,641.53

CITY HALL CONSTRUCTION BOND FUND

CITY HALL CONSTRUCTION BOND FUND

With the sale of \$4,725,000 Building Authority Bond on July 23, 2002, the City Hall Renovation - Police Station Construction project commenced. This 30 year issue reimbursed the General Fund for \$774,160 in property acquisition, demolition, legal and engineering costs.

Payments for the seventh year budgeted from the General Fund include \$224,235 in interest and \$60,000 in principal on the 2002 bond plus \$35,000 in principal and \$3,500 in interest on the existing debt service issued in September, 1999 for an initial \$500,000 bond covering property acquisition (paid off in January, 2010).

The project was completed and the facility dedicated on July 12, 2003.

2008 - 2009 FISCAL BUDGET

CITY HALL CONSTRUCTION BOND FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
GRANTS-FEDERAL	0.00	0.00	0.00	0.00
STATE GRANT	0.00	0.00	0.00	0.00
GRANTS-COUNTY & TWP CONTRIB	0.00	0.00	0.00	0.00
INTEREST	240.19	0.00	0.00	0.00
INTEREST-VARIOUS RESERVES	0.00	0.00	0.00	0.00
SALE OF FIXED ASSETS	0.00	0.00	0.00	0.00
CONTRIB FROM PRIVATE SOURCES	0.00	0.00	0.00	0.00
RECOVERIES-REIMBURSEMENTS	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00
PROCEEDS FROM LOAN	0.00	0.00	0.00	0.00
TRANSFER FROM GENERAL FUND	340,650.00	326,550.00	326,550.00	322,735.00
TRANSFER FROM D.D.A.	0.00	0.00	0.00	0.00
TRANSFER FROM LOOK FUND	0.00	0.00	0.00	0.00
TOTAL REVENUES	340,900.19	326,550.00	326,550.00	322,735.00
EXPENDITURES				
OTHER SERVICES & CHARGES	0.00	0.00	0.00	0.00
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00
DEBT SERVICE	337,522.50	326,850.00	326,850.00	323,035.00
TOTAL EXPENDITURES	337,522.50	326,850.00	326,850.00	323,035.00
EXCESS REVENUES/(EXPENDITURES)	3,377.69	<300.00>	<300.00>	<300.00>
FUND BALANCE	3,220.06	2,620.06	2,920.06	2,620.06

WASTEWATER FUND

WASTEWATER FUND

The City has a 1.42 million gallon per day secondary Wastewater Treatment Plant. In July, 1989, the City entered into its first agreement with Earth Tech Operation Services of Grand Rapids to run the plant. On June 6, 2005, the City Council approved an agreement extending the contract to 2015. Earth Tech is responsible for all operation costs. The annual cost includes \$305,512 for operations, \$12,000 for maintenance and \$22,000 covering equipment improvements. Earth Tech will receive 50% of surcharges where an industry contributes higher than normal concentrations of wastewater to the facility (total \$36,000, half \$18,000). A total of \$357,512 has been budgeted under Contractual Services. Through Lowell Charter Township, \$78,030 is expected in revenue.

The City retains an employee and pays the debt retirement. The agreement is seen as a means to meet stringent state and federal regulations and manpower requirements in a cost effective manner.

While Earth Tech maintains a Superintendent at the plant and part time assistance in such areas as lab and maintenance, the City handles the sewer collection system. A cost of \$77,831 is estimated for these mains. Administrative costs are \$28,781, while customer accounts (e.g. utility billing) amount to \$47,729.

During the summer of 1993, a sewer main upgrading program was initiated. By systematically reviewing mains, the project will televise and repair, eliminating infiltration. This will save wastewater treatment capacity. A total of \$30,000 is budgeted for this work, which is now budgeted within the transmission main account and \$10,000 for sewer maintenance.

In the coming year, several manholes will be constructed or rebuilt (\$3,000). Through Earth Tech, plans for future expansion of the plant have been undertaken.

Based on a rate study conducted by Tetra Tech, the following charges have been proposed:

- user rate: \$3.26 to \$3.38 per 1,000 gallons per month
- increase the Readiness to serve charge: \$19.91 to \$20.10 per residential equivalent unit per month

Also, an equipment reserve of \$250,000 was created in fiscal year 1991-92 for the active components of the plant. A total of \$473,476.65 is projected for funding equipment replacement at the end of fiscal year 2008-2009.

Capital Improvement projects for Waste Water Treatment and Distribution are as follows:

- two HVAC replacement make-up units for the plant (\$16,980)

The fiscal integrity of the Wastewater Fund will be closely monitored to ensure adequate revenues are received to maintain this plant and the wastewater system.

2008-2009 FISCAL BUDGET
WASTEWATER FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
OPERATING REVENUE				
READINESS TO SERVE CHARGE	367,327.18	365,000.00	380,000.00	380,000.00
TOWNSHIP SERVICE CHARGES	76,179.70	78,030.00	78,030.00	78,030.00
OTHER TOWNSHIP CHARGES	0.00	0.00	0.00	0.00
CAPITAL CONNECTION CHARGE	1,002.00	0.00	0.00	0.00
SEWER ONLY-SERVICE CHARGE	8,817.74	7,800.00	7,800.00	8,800.00
INDUSTRIAL TREATMENT CHARGES	63,615.26	36,000.00	35,000.00	18,000.00
DUMPING FEES	250.00	250.00	250.00	250.00
METERED SALES	377,445.26	354,258.00	380,000.00	385,000.00
TOTAL OPERATING REVENUE	894,637.14	841,338.00	881,080.00	870,080.00
TREATMENT				
PERSONAL SERVICES	77,267.45	77,320.73	77,320.73	82,203.71
SUPPLIES	644.37	803.00	803.00	803.00
OTHER SERVICES & CHARGES	380,028.33	384,203.00	383,203.00	386,112.00
TREATMENT TOTAL	457,940.15	462,326.73	461,326.73	469,118.71
TRANSMISSION				
PERSONAL SERVICES	23,632.17	21,316.41	22,586.41	28,031.33
SUPPLIES	973.46	2,000.00	2,000.00	1,000.00
OTHER SERVICES & CHARGES	11,068.84	48,800.00	48,800.00	48,800.00
TRANSMISSION TOTAL	35,674.47	72,116.41	73,386.41	77,831.33
CUSTOMER ACCOUNTS				
PERSONAL SERVICES	28,058.86	27,736.55	27,736.55	29,339.93
SUPPLIES	1,830.22	3,300.00	3,300.00	3,300.00
OTHER SERVICES & CHARGES	4,590.00	5,090.00	5,090.00	5,090.00
CUSTOMER ACCOUNTS TOTAL	34,479.08	36,126.55	36,126.55	47,729.93
ADMINISTRATION				
PERSONAL SERVICES	23,279.88	26,676.99	26,676.99	23,361.10
OTHER SERVICES & CHARGES	5,476.68	8,420.00	4,920.00	5,420.00
ADMINISTRATION TOTAL	28,756.56	35,096.99	31,596.99	28,781.10

2008-2009 FISCAL BUDGET
WASTEWATER FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	556,850.26	505,666.68	602,436.68	623,461.07
OPERATING INCOME BEFORE DEPRECIATION	337,786.88	235,671.32	278,643.32	246,618.93
DEPRECIATION	0.00	220,000.00	220,000.00	220,000.00
OPERATING INCOME (LOSS)	337,786.88	15,671.32	58,643.32	26,618.93
NON-OPERATING INCOME (EXPENSE)				
SEWER TAP FEE	300.00	500.00	500.00	500.00
INTEREST-OPERATING	58.11	0.00	0.00	0.00
INTEREST-IMPROVEMENT & REPAIR RESERVE	13,957.87	6,000.00	9,500.00	9,500.00
INTEREST-BOND RESERVE	9,401.13	785.00	7,000.00	8,000.00
INTEREST-SPECIAL ASSESSMENT	12.60	65.00	100.00	65.00
INTEREST-VEHICLE REPLACE RESV	197.56	50.00	65.00	50.00
MISCELLANEOUS	3,426.44	500.00	3,000.00	500.00
GAIN ON REFUNDING	0.00	0.00	0.00	0.00
INTEREST-BONDS	56,264.00	42,735.00	42,735.00	35,267.00
PAYING AGENT FEES	1,484.00	1,500.00	1,484.00	1,500.00
TOTAL NON-OPERATING INCOME (EXPENSE)	<30,394.24>	<36,335.00>	<24,054.00>	<18,152.00>
NET INCOME (LOSS)	307,392.64	<20,663.68>	34,589.32	8,466.93
DEPRECIATION-CONTRIB CAPITAL	<218,423.00>	<170,000.00>	<170,000.00>	<170,000.00>
RETAINED EARNINGS				
IMPROVEMENT & REPAIR RESERVE	372,208.27	389,800.00	391,208.27	400,708.27
VEHICLE REPLACEMENT RESERVE	7,735.40	8,050.00	7,657.84	7,707.87
BOND RESERVES	106,540.56	106,540.56	106,540.56	106,540.56
TOTAL RETAINED EARNINGS	486,474.23	504,390.56	505,406.67	514,956.70

WASTEWATER FUND

ESTIMATE CASH POSITION

	<u>2007-2008</u>		<u>2008-2009</u>	
CASH BALANCE - BEGINNING	\$	(78,911.27)		14,597.05
IMPROVE./REPAIR RESERVE - BEGINNING	\$	454,976.65	\$	464,476.65
VEHICLE REPLACEMENT RESERVE - BEGINNING	\$	7,527.84	\$	7,533.84
ADDITIONS (DEDUCTIONS)				
OPERATING REVENUES:				
CHARGES FOR SERVICES	\$	881,080.00	\$	870,080.00
OPERATING EXPENSES:				
TREATMENT	\$	461,326.73	\$	469,118.71
TRANSMISSION AND DISTRIBUTION	\$	73,386.41	\$	77,831.33
CUSTOMER ACCOUNT	\$	36,126.55	\$	47,729.93
ADMINISTRATIVE AND GENERAL	\$	31,596.99	\$	28,781.10
TOTAL OPERATING EXPENSES	\$	602,436.68	\$	623,461.07
NON-OPERATING INCOME (EXPENSES)				
INTEREST				
INTEREST/IMPROVEMENT RESERVE	\$	9,500.00	\$	9,500.00
INTEREST ON VEHICLE RESERVE	\$	65.00	\$	50.00
INTEREST/BOND RESERVE	\$	7,000.00	\$	8,000.00
SPECIAL ASSESSMENT REVENUE	\$	100.00	\$	65.00
HOOK-UP FEES	\$	500.00	\$	500.00
MISCELLANEOUS INCOME	\$	3,000.00	\$	500.00
ADDITIONS TO UTILITY	\$	(8,000.00)	\$	(20,000.00)
INTEREST ESP. & FEES (REV. BONDS)	\$	(42,735.00)	\$	(35,267.00)
BOND PAYMENTS	\$	(145,000.00)	\$	(155,000.00)
TOTAL NON-OPERATING	\$	(175,570.00)	\$	(191,652.00)
CASH BALANCE - ENDING	\$	14,597.05	\$	60,013.98
IMPROVE./REPAIR RESEVE - ENDING	\$	464,476.65	\$	473,976.65
VEHICLE REPLACEMENT RESERVE - ENDING	\$	7,533.84	\$	7,583.84

WATER FUND

WATER FUND

The City operates a 1.75 million gallons per day lime softening water treatment plant off Bowes Road. Four supply wells are located at the treatment plant site and pump to the facility. The newest well located to the west of the plant provides both bypass (during periods of extremely heavy water demand) and production capabilities.

The City completed \$1.5 million of water system improvements in 1994 providing water main extensions on the westside, a ground storage tank and booster pump station. Also, Lowell Charter Township, as a wholesale customer, completed improvements serving the Eastgate Subdivision area and the new high school located near the intersection of Alden Nash N.E. and Vergennes Rd.

The distribution system has approximately 20 miles of water mains serving 1268 customers. The system is assisted by two storage tanks. One is located in the northeast section of the City near Shepard Drive containing 500,000 gallons. The other is a reinforced concrete 800,000 gallon tank near Gee Drive.

Personnel demands are met by a superintendent and two operators at the Water Treatment Plant. A water distribution supervisor maintains the water transmission system. An Assistant City Treasurer has primary responsibility for utility billing.

In reviewing the operating expenses, based on a previous study, the consumption charge is proposed to increase from \$1.43 to \$1.45 per thousand gallons per month, with the readiness to serve rate to increase from \$23.12 to \$23.68 per month.

Capital improvement projects for Water Treatment and Water Distribution being considered are as follows:

- | | |
|---|----------|
| • Ground Reservoir (Water Plant) Interior & Exterior Repaint | \$50,000 |
| • Replace Main Line valves | \$30,000 |
| • Water Distribution Map through Grand Valley Metro Council (REGIS) | \$14,000 |
| • Truck Lease, Water Department (2 nd year) | \$ 9,000 |

- Well no. 2 re-hab \$25,000
- New mower \$ 7,000

2008 - 2009 FISCAL BUDGET
WATER FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
OPERATING REVENUE				
READINESS TO SERVE CHARGE	535,267.25	530,000.00	530,000.00	530,000.00
SPRINKLER SYSTEM READINESS CHARGE	1,530.00	1,530.00	1,530.00	1,530.00
OTHER TOWNSHIP CHARGES	0.00	0.00	0.00	0.00
METERED SALES-TOWNSHIP	147,461.15	136,000.00	136,000.00	136,000.00
METERED SALES	218,410.30	220,000.00	220,000.00	220,000.00
SERVICE-ON FEE	13,141.50	9,000.00	9,000.00	9,000.00
CAPITAL CONNECTION CHARGE	1,393.00	0.00	0.00	0.00
TOTAL OPERATING REVENUE	917,203.20	896,530.00	896,530.00	896,530.00
EXPENDITURES				
PERSONAL SERVICES	177,936.48	194,687.23	178,946.05	208,798.21
SUPPLIES	37,508.50	49,500.00	49,500.00	55,100.00
OTHER SERVICES & CHARGES	64,021.29	74,700.00	75,460.00	68,200.00
TREATMENT TOTAL	279,466.27	318,887.23	303,906.05	332,098.21
TRANSMISSION				
PERSONAL SERVICES	92,698.05	92,508.84	92,648.92	96,448.40
SUPPLIES	4,144.05	6,000.00	6,090.00	5,070.00
OTHER SERVICES & CHARGES	65,315.25	91,101.00	87,101.00	107,145.00
TRANSMISSION TOTAL	162,157.45	189,609.84	185,839.92	208,663.40
CUSTOMER ACCOUNTS				
PERSONAL SERVICES	30,610.36	27,374.55	29,379.22	38,970.93
SUPPLIES	1,900.19	3,250.00	3,250.00	3,950.00
OTHER SERVICES & CHARGES	4,590.00	4,790.00	4,790.00	8,200.00
CUSTOMER ACCOUNTS TOTAL	37,100.55	35,414.55	37,419.22	51,120.93
ADMINISTRATION				
PERSONAL SERVICES	23,332.46	26,806.99	26,806.99	23,491.10
SUPPLIES	0.00	0.00	0.00	0.00
OTHER SERVICES & CHARGES	17,336.31	14,620.00	9,620.00	14,620.00
ADMINISTRATION TOTAL	40,668.77	41,426.99	36,426.99	38,111.10
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	519,393.04	585,338.61	563,592.18	629,993.64
OPERATING INCOME BEFORE DEPRECIATION	397,810.16	311,191.39	332,937.82	266,536.36

2008 - 2009 FISCAL BUDGET
WATER FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
DEPRECIATION	119,072.00	120,000.00	115,000.00	120,000.00

2008 - 2009 FISCAL BUDGET
WATER FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
OPERATING INCOME (LOSS)	278,738.16	191,191.39	217,937.82	146,536.36
NON-OPERATING INCOME (EXPENSE)				
WATER TAP FEES	1,715.00	325.00	1,320.00	500.00
INTEREST	18,180.54	10,000.00	14,000.00	14,000.00
INTEREST-RESTRICTED/EQUIPMENT	0.00	0.00	0.00	0.00
INTEREST-SPECIAL ASSESSMENT	1,101.70	100.00	100.00	100.00
INTEREST-BOND RESERVE	10,153.52	8,300.00	8,300.00	8,300.00
INTEREST-CONSTRUCTION FUND	0.00	0.00	0.00	0.00
RENTAL FEES	1,340.00	6,000.00	3,820.00	3,820.00
HYDRANT RENTAL	6,000.00	6,000.00	6,000.00	6,000.00
MISCELLANEOUS	17,351.24	12,000.00	14,900.00	12,000.00
INTEREST-BONDS	<100,494.25>	<85,607.00>	<85,607.10>	<79,810.00>
PAYING AGENT FEES	<750.00>	<1,500.00>	<1,500.00>	<1,500.00>
TOTAL NON-OPER. INC. (EXP)	45,402.25	44,382.00	38,667.10	36,590.00
OTHER FINANCING SOURCES (USES)				
TRANSFER FROM GENERAL FUND	0.00	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES	0.00	0.00	0.00	0.00
NET INCOME (LOSS)	233,335.91	146,809.39	179,270.72	109,946.36
DEPRECIATION-CONTRIB CAPITAL	0.00	<15,000.00>	<15,000.00>	<15,000.00>
RETAINED EARNINGS				
UNRESERVED	1,442,075.34	1,539,483.83	1,636,346.06	1,761,292.42
EQUIPMENT REPLACEMENT RESERVE	80,000.00	80,000.00	80,000.00	80,000.00
BOND RESERVES	256,798.75	289,018.00	256,798.75	256,798.75
TOTAL RETAINED EARNINGS	1,778,874.09	1,908,501.83	1,973,144.81	2,098,091.17

WATER FUND

ESTIMATED CASH POSITION

	<u>2007-2008</u>	<u>2008-2009</u>
CASH BALANCE - BEGINNING	\$ 354,933.26	\$ 439,904.08
EQUIPMENT RESERVE CASH - BEGINNING	\$ 80,000.00	\$ 80,000.00
ADDITIONS (DEDUCTIONS)		
OPERATING REVENUES:		
CHARGES FOR SERVICE	\$ 896,530.00	\$ 896,530.00
OPERATING EXPENSES:		
WATER TREATMENT	\$ 303,906.05	\$ 332,098.21
TRANSMISSION AND DISTRIBUTION	\$ 185,839.92	\$ 208,663.40
CUSTOMER ACCOUNT	\$ 37,419.22	\$ 51,120.93
ADMINISTRATIVE AND GENERAL	\$ 36,426.99	\$ 38,111.10
TOTAL OPERATING EXPENSES	\$ 563,592.18	\$ 629,993.64
NON-OPERATING INCOME (EXPENSES):		
INTEREST	\$ 14,000.00	\$ 14,000.00
HOOK-UP FEES	\$ 1,320.00	\$ 500.00
RENTAL INCOME	\$ 3,820.00	\$ 3,820.00
HYDRANT RENTAL	\$ 6,000.00	\$ 6,000.00
SPECIAL ASSESSMENT REVENUE	\$ 100.00	\$ 100.00
MISCELLANEOUS INCOME	\$ 14,900.00	\$ 12,000.00
ADDITIONS TO UTILITY:		
TREATMENT	\$ (26,000.00)	\$ (82,000.00)
WATER MAINS	\$ (26,000.00)	\$ (70,500.00)
TRUCK LEASE		\$ (9,500.00)
INTEREST EXPENSE (REVENUE BONDS)	\$ (85,607.00)	\$ (79,810.00)
BOND PAYMENT	\$ (149,000.00)	\$ (150,000.00)
PAYING AGENT FEES	\$ (1,500.00)	\$ (1,500.00)
TOTAL NON-OPERATING	\$ (247,967.00)	\$ (356,890.00)
CASH BALANCE - ENDING	\$ 439,904.08	\$ 349,550.44
EQUIPMENT RESERVE CASH - ENDING	\$ 80,000.00	\$ 80,000.00

DATA PROCESSING FUND

DATA PROCESSING FUND

The Data Processing Fund is the cost center for the in-house computer operation. This operation is coordinated by the Finance Department. Rental accounts are charged to the Treasurer, Cemetery, Sewer, Water, Public Works, Major and Local Streets, Elections, Assessor, Equipment and General Office departments. Monies are utilized for supplies, purchase of software, equipment maintenance contracts and acquisition of computer hardware.

Except for software maintenance agreements, no new purchases are planned. A cash balance of \$427.75 is proposed.

2008 - 2009 FISCAL BUDGET
DATA PROCESSING FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
OPERATING REVENUES				
INTEREST	127.80	100.00	5.00	5.00
RENTALS-TREASURER	0.00	0.00	0.00	0.00
RENTALS-CEMETERY	0.00	0.00	0.00	0.00
RENTALS-PUBLIC WORKS	0.00	0.00	0.00	0.00
RENTALS-PARKS	0.00	0.00	0.00	0.00
RENTALS-SEWER FUND	6,210.00	6,210.00	6,210.00	6,210.00
RENTALS-WATER FUND	6,210.00	6,210.00	6,210.00	6,210.00
RENTALS-MAJOR STREET	810.00	810.00	810.00	810.00
RENTALS-LOCAL STREET	810.00	810.00	810.00	810.00
RENTALS-ELECTIONS	0.00	0.00	0.00	0.00
RENTALS-ASSESSOR	0.00	0.00	0.00	0.00
RENTALS-EQUIPMENT FUND	1,000.00	1,000.00	1,000.00	1,000.00
RENTALS-GENERAL OFFICE	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00
TOTAL REVENUES	15,177.80	15,140.00	15,045.00	15,045.00
	<15,177.88>	<15,140.00>	<15,045.00>	<15,045.00>
	<15,177.88>	<15,140.00>	<15,045.00>	<15,045.00>
OPERATING EXPENSES				
SUPPLIES	2,136.48	5,000.00	2,000.00	2,000.00
OTHER SERVICES & CHARGES	16,181.53	7,450.00	15,750.00	10,750.00
LEASED ASSETS	0.00	0.00	0.00	0.00
COMPUTER DATA PROCESSING EQUIPMENT	1,329.93	1,200.00	1,200.00	1,000.00
TRANSFER TO GENERAL FUND	0.00	0.00	0.00	0.00
CAPITAL EXPENDITURES	1,329.93	1,200.00	1,200.00	1,000.00
INTEREST	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00
TOTAL OPERATING EXPENSES	19,647.94	13,650.00	18,950.00	13,750.00
NET OPERATING INCOME (LOSS)	<19,647.94>	<13,650.00>	<18,950.00>	<13,750.00>
OTHER INCOME (EXPENSES) - NET				
	4,470.06	<1,490.00>	3,905.00	<1,295.00>
NET INCOME (LOSS)	<4,470.06>	1,490.00	<3,905.00>	1,295.00
TOTAL RETAINED EARNINGS	7,496.04	55,092.52	3,591.04	4,886.04

DATA PROCESSING FUND

ESTIMATED CASH POSITION

	<u>2007-2008</u>	<u>2008-2009</u>
CASH BALANCE – BEGINNING	\$ 4,037.75	\$ 132.75
ADDITIONS (DEDUCTIONS)		
OPERATING REVENUES:		
CHARGES FOR SERVICES	\$ 15,045.00	\$ 15,045.00
OPERATING EXPENSES:		
SUPPLIES	\$ (2,000.00)	\$ (2,000.00)
OTHER SERVICES AND CHARGES	\$ (15,750.00)	\$ (11,750.00)
TOTAL OPERATING EXPENSES	\$ (17,750.00)	\$ (13,750.00)
NON-OPERATING INCOME (EXPENSES)		
INTEREST	\$ -	\$ -
MISCELLANEOUS REVENUE	\$ -	\$ -
ADDITIONS TO ASSETS	\$ (1,200.00)	\$ (1,000.00)
TOTAL NON-OPERATING	\$ (1,200.00)	\$ (1,000.00)
CASH BALANCE – ENDING	\$ 132.75	\$ 427.75

EQUIPMENT FUND

EQUIPMENT FUND

The Equipment Fund accounts for the centralized maintenance and operational supply support for the city's fleet of trucks and specialized pieces of equipment. All equipment is rented to user departments to finance operational costs and future equipment replacement. The salary of the Public Works mechanic is provided through this fund which provides a preventive maintenance program.

For the fiscal year, \$8,500 has been set aside for the first payment of a five year lease purchase for the cemetery truck.

Also, a new dump truck has been proposed replacing the 1989 C-10 Chevrolet. It is estimated to cost \$90,000-\$95,000 (5 year lease: approximately \$20,000 per year).

2008-2009
EQUIPMENT FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUE				
CITY VEHICLE R & M CHARGES	11,148.00	14,000.00	10,000.00	10,000.00
RENTALS-CEMETERY	20,154.56	14,745.00	215.00	21,000.00
RENTALS-PUBLIC WORKS	4,311.28	3,500.00	5,500.00	3,500.00
RENTALS-SIDEWALKS	2,601.35	2,500.00	4,900.00	3,200.00
RENTALS-PARKS	19,540.70	16,000.00	17,000.00	20,000.00
RENTALS-SEWER FUND	3,809.43	5,000.00	2,500.00	5,000.00
RENTALS-WATER FUND	12,904.44	20,000.00	11,000.00	20,000.00
RENTALS-MAJOR STREET	25,554.30	29,450.00	17,500.00	30,450.00
RENTALS-LOCAL STREET	34,364.38	24,500.00	23,000.00	38,000.00
RENTALS DDA	6,976.93	8,500.00	8,000.00	8,500.00
RENTALS LIBRARY	3,129.36	4,000.00	3,000.00	3,500.00
RENTALS - FIRE	523.81	500.00	500.00	500.00
TOTAL CHARGES FOR SERVICES	145,018.54	142,695.00	113,215.00	163,650.00
OPERATING EXPENSES				
PERSONAL SERVICES	74,600.79	61,849.18	59,312.08	64,368.58
SUPPLIES	28,071.48	31,300.00	24,800.00	34,800.00
EQUIPMENT	1,799.13	0.00	50,000.00	28,500.00
OTHER SERVICES & CHARGES	32,960.48	35,291.00	81,150.00	68,600.00
TOTAL OPERATING EXPENDITURES	135,632.75	128,440.18	175,262.08	167,768.58
DEPRECIATION	6,692.00	10,000.00	8,000.00	8,000.00
NET OPER. INCOME (LOSS)	2,693.79	4,254.82	<70,047.08>	<12,118.58>
OTHER INCOME (EXPENSES) - NET				
INTEREST	298.53	100.00	552.00	500.00
MISCELLANEOUS	427.95	0.00	215.00	0.00
REIMBURSEMENT FOR FUEL	0.00	0.00	0.00	0.00
PROCEEDS FROM LOAN	0.00	0.00	37,691.00	0.00
GAIN/SALE OF DEP FIXED ASSETS	0.00	0.00	0.00	0.00
INTEREST	0.00	0.00	0.00	0.00
PROCEEDS FROM LOAN	0.00	0.00	37,691.00	0.00
TOTAL OTHER INC. (EXP)	726.48	100.00	76,149.00	500.00
OTHER FINANCING SOURCES				
TRANSFER FROM GENERAL FUND	0.00	0.00	0.00	0.00
OTHER FINANCING SOURCES				
TOTAL TRANSFERS IN (OUT)	0.00	0.00	0.00	0.00
NET INCOME (LOSS)	3,420.27	4,254.82	6,101.92	<11,618.58>
TOTAL RETAINED EARNINGS	8,202.48	1,230.15	14,304.40	2,585.82

EQUIPMENT FUND
ESTIMATED CASH POSITION

	<u>2007-2008</u>	<u>2008-2009</u>
CASH BALANCE – BEGINNING	17,162.31	8358.23
ADDITIONS (DEDUCTIONS)		
OPERATING REVENUES:		
CHARGE FOR SERVICE	128,000.00	163,650.00
OPERATING EXPENSES:		
PERSONAL SERVICES	(69,312.08)	(64,368.58)
SUPPLIES	(24,800.00)	(34,800.00)
OTHER SERVICES AND CHARGES	(31,150.00)	(40,100.00)
TOTAL OPERATING EXPENSES	(125,262.08)	(139,268.58)
NON-OPERATING INCOME (EXPENSES):		
PROCEEDS FROM LOAN	37,691.00	
INTEREST	552.00	500.00
MISCELLANEOUS INCOME	215.00	
ADDITIONS TO ASSETS	(50,000.00)	(28,500)
INTEREST EXPENSE	0	
INTERFUND TRANSFERS	0	0
GAIN/SALE OF FIXED ASSET	0	0
LOAN GENERAL FUND		
TOTAL NON-OPERATING	(11542.00)	(28,000.00)
CASH BALANCE - ENDING	8,358.23	4,739.65

AIRPORT FUND

AIRPORT FUND

As authorized by the City Council at its February 5, 1990 meeting, the Airport Fund was created to initiate a means for improvements to the Lowell City Airport. As an enterprise fund, the airport seeks to promote revenues such as hangar rentals and tie down fees to pay for capital expenditures.

The City Council adopted an ordinance in 1988 instituting an Airport Board. This seven member body provides recommendations to the Council on matters affecting the airport. All financial decisions rest with the Council.

The fund revenues reflect payment of monthly rental fees from four hangars that the City possesses. Also, airplanes' tie down fees at the airport are included.

Loans to the Michigan Aeronautics Commission for construction of two six stall T-hangars have been repaid. The first was a \$36,000 ten year loan for a hangar built in 1990 (was paid in full). The other is a \$40,380 ten year loan for a hangar constructed in 1992 (also paid in full). The main runway was paved in 1994 at a cost of \$46,192. After the sale of four acres of airport property (\$25,611), a grant from the Look Memorial Fund (\$10,000), and funds raised at four "fly ins," a loan balance of \$4,322 had remained. The City Council authorized loans for tree removals at the east and west ends of the main runway, raising the total to \$18,622 which is now at \$15,622. It is the goal of the Airport Board to eliminate this outstanding balance as soon as possible so other improvements can be pursued. A fly-in has been scheduled on September 28, 2008 as a fundraiser for the Airport. A breakfast by the Board and plane rides are part of the festivities.

The School of Missionary Aviation Technology has decided to relocate to the Ionia County Airport effective August 31, 2008. The Board is currently reviewing a proposal for anew Fixed Base Operator to manage the airport.

At its December 6, 1999 meeting, the City Council authorized borrowing from the Michigan Bureau of Aeronautics for improvements to the Airport. A \$70,000 loan has been secured from the State. Through these funds, the apron and taxiway areas have been hard surfaced.

In consulting with the State, the possibility of grant funds could utilize further projects by the use of the loan as a local match. The need to secure air easements, particularly at the end of 12-30, is considered a priority by the Aeronautics Bureau in order to qualify for grant funding. The hiring of URS as authorized by the City Council at its April 9, 2001 meeting to attain General Utility status, where this will provide the Airport grant eligibility. Air easements have been secured from adjoining properties and tree cutting has recently been completed for safer approaches for the main runway.

In 2002, runway 6-24 (turf) was lengthened approximately 1,000 feet to 2,680 feet overall with provision for fill and wetland mitigation (\$55,497) in 2002.

In May of 2005, a contract was approved with URS to initiate the air easement process with eight adjoining properties. The \$47,500 cost will be funded by a 90% grant from the State. It has been estimated the total cost to secure the easements is \$350,000. Currently, URS secured easements on the east side of the airport. Trees were cut last winter with work recently finished. Easements on the west side will be completed this year with appropriate cutting of vegetation.

The Board has placed a priority on improving the airport to General Utility status along with installing a boundary fence. The grading, graveling and asphaltting of the main entrance road is a second priority.

The Budget is in accordance with City policy to have the City Airport self sufficient without need of General Fund revenues for support.

2008-2009 FISCAL BUDGET
AIRPORT FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
TIE-DOWN FEES	480.00	1,000.00	480.00	480.00
GAS TAX FEES	187.42	0.00	0.00	0.00
HANGAR RENTAL FEES	35,032.00	36,500.00	35,000.00	35,000.00
TOTAL OPERATING REVENUE	35,699.42	37,500.00	35,480.00	35,480.00
EXPENDITURES				
SUPPLIES	225.00	4,000.00	2,500.00	4,000.00
OTHER SERVICES & CHARGES	23,979.32	14,700.00	11,800.00	13,700.00
TOTAL OPERATING EXPENDITURES BEFORE DEPRECIATION	24,204.32	18,700.00	14,300.00	17,700.00
DEPRECIATION	12,821.00	12,500.00	12,500.00	12,500.00
OPERATING INCOME (LOSS)	<1,325.90>	6,300.00	8,680.00	5,280.00
NON-OPERATING INCOME - (EXPENS				
INTEREST	2,225.71	600.00	1,300.00	1,200.00
MISCELLANEOUS	<901.20>	0.00	0.00	0.00
INTEREST	2,148.00	1,790.00	1,790.00	1,378.00
TOTAL NON-OPERATING INCOME	<823.49>	<1,190.00>	<490.00>	<178.00>
NET INCOME (LOSS)	<2,149.39>	5,110.00	8,190.00	5,102.00
DEPRECIATION-CONTRIB CAPITAL	<4,500.00>	<4,500.00>	<4,500.00>	<4,500.00>
FUND BALANCE/RETAINED EARNINGS	158,539.46	177,776.66	171,229.46	180,831.46

AIRPORT FUND

ESTIMATED CASH POSITION

	<u>2007-2008</u>		<u>2008-2009</u>	
CASH BALANCE - BEGINNING	\$	62,354.18	\$	60,222.18
ADDITIONS (DEDUCTIONS)				
OPERATING REVENUES:				
CHARGES FOR SERVICE	\$	35,480.00	\$	35,480.00
OPERATING EXPENSES:				
SUPPLIES	\$	2,500.00	\$	4,000.00
OTHER SERVICES AND CHARGES	\$	11,800.00	\$	13,700.00
TOTAL OPERATING EXPENSES		(14,300.00)		(17,700.00)
NON-OPERATING INCOME (EXPENSES):				
INTEREST	\$	1,300.00	\$	1,200.00
MISCELLANEOUS REVENUE				
ADDITIONS TO ASSETS	\$	(14,025.00)		
INTEREST EXPENSE	\$	(1,790.00)	\$	(1,378.00)
LOAN PAYMENT	\$	(7,497.00)	\$	(7,909.00)
TOTAL NON-OPERATING	\$	(22,012.00)	\$	(8,087.00)
CASH BALANCE - ENDING	\$	60,222.18	\$	70,315.18

LEE FUND

LEE FUND

These monies derived from a bequest in the will of Dr. Solomon S. Lee have provided funds for park improvements in the community. Interest earnings from the \$200,000 reserve fund balance are utilized for this purpose. In following with the Parks and Recreation Commission policy adopted on March 9, 1996, at least \$1,000 or 10% of net proceeds would be set aside toward building a fund reserve to gain greater investment revenue. A total of \$1,250 will be transferred for this purpose.

A total of \$5,000 is being allocated from the Fund to handle maintenance of the parks. Also, projects will be proposed out of the remaining \$10,000 in unallocated expenses as determined by the Parks and Recreation Commission and City Council.

In addition, \$300 has been provided in the Lee Fund budget for auditing services. The planned fund balance, at the end of the 2008-2009 fiscal year, is \$208,142.

2008-2009 FISCAL BUDGET
LEE FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
INTEREST	10,601.52	12,500.00	12,500.00	12,500.00
MISCELLANEOUS	0.00	0.00	0.00	0.00
GAIN ON SALE OF INVESTMENT	0.00	0.00	0.00	0.00
INCREASE(DEC) IN FMV-INVEST	0.00	0.00	0.00	0.00
GRAND RAPIDS FOUNDATION GRANT	0.00	0.00	16,000.00	0.00
TOTAL REVENUES	10,601.52	12,500.00	28,500.00	12,500.00
EXPENDITURES				
OTHER SERVICES & CHARGES	310.97	200.00	200.00	300.00
CAPITAL EXPENDITURES	1,500.00	14,000.00	29,000.00	10,000.00
TRANSFERS TO OTHER FUNDS	5,000.00	5,000.00	5,000.00	5,000.00
TOTAL EXPENDITURES	6,810.97	19,200.00	34,200.00	15,300.00
EXCESS (DEFICIENCY) OF REV- ENUES AND OPERATING TRANSFERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	3,790.55	<6,700.00>	<5,700.00>	<2,800.00>
FUND BALANCES				
FUND BALANCE - UNRESERVED	14,202.00	2,869.19	7,252.00	3,202.00
FUND BALANCE - RESERVED	205,642.00	209,854.97	206,892.00	208,142.00

APPENDIX

2008-2009 FISCAL BUDGET
CEMETERY PERPETUAL CARE FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUE				
PERPETUAL CARE INCOME	15,750.00	10,000.00	10,000.00	10,000.00
INTEREST	14,056.00	10,000.00	12,000.00	10,000.00
INCREASE(DEC) IN FMV-INVEST	0.00	0.00	0.00	0.00
TOTAL REVENUES	29,806.00	20,000.00	22,000.00	20,000.00
EXPENDITURES				
TRANSFER TO GENERAL FUND	14,231.97	5,000.00	8,000.00	8,000.00
TOTAL TRANSFERS OUT	14,231.97	5,000.00	8,000.00	8,000.00
*TOTAL EXPENDITURES AND TRANSFERS OUT	14,231.97	5,000.00	8,000.00	8,000.00
NET INCOME (LOSS)	15,574.03	15,000.00	14,000.00	12,000.00
FUND BALANCE	259,872.43	296,873.00	273,872.43	285,872.43

2008-2009 FISCAL BUDGET
LOOK FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
INTEREST	46,925.92	0.00	60,000.00	0.00
CONTRIB FROM PRIVATE SOURCES	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00
GAINS ON SALES OF INVESTMENTS	0.00	0.00	0.00	0.00
INCREASE(DEC) IN FMV-INVEST	13,191.19	0.00	0.00	0.00
TOTAL REVENUES	60,127.11	0.00	60,000.00	0.00
EXPENDITURES				
PROFESSIONAL SERVICES	0.00	0.00	0.00	0.00
COMMUNITY PROMOTIONS	60,918.61	0.00	45,000.00	0.00
MISCELLANEOUS EXPENSE	0.00	0.00	0.00	0.00
OTHER SERVICES & CHARGES	60,918.61	0.00	45,000.00	0.00
TRANSFER TO GENERAL FUND	0.00	0.00	0.00	0.00
TRANSFER TO D.D.A. FUND	0.00	0.00	0.00	0.00
TRANSFER TO BUILDING AUTHORITY	0.00	0.00	0.00	0.00
TRANSFERS TO OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	60,918.61	0.00	45,000.00	0.00
EXCESS (DEFICIENCY) OF REV- ENUES AND OPERATING TRANS- FERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	<791.50>	0.00	15,000.00	0.00
FUND BALANCE/RETAINED EARNINGS	59,110.61	0.00	74,110.61	0.00
	0.00	0.00	0.00	0.00
FUND BALANCE	59,110.61	0.00	74,110.61	0.00
RESERVE FOR FORFEITURE FUNDS	864,696.00	0.00	870,000.00	0.00
FUND BALANCE RESERVED	864,696.00	0.00	870,000.00	0.00

2008 - 2009 FISCAL BUDGET
FRANK CARR MEMORIAL FUND

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
INTEREST	917.70	0.00	700.00	0.00
CONTRIB FROM PRIVATE SOURCES	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00
TOTAL REVENUES	917.70	0.00	700.00	0.00
EXPENDITURES				
PROFESSIONAL SERVICES	150.00	0.00	150.00	0.00
CONTRIBUTIONS FOR LIBRARY PROGRAMS	500.00	0.00	500.00	0.00
MISCELLANEOUS EXPENSE	51.31	0.00	0.00	0.00
OTHER SERVICES & CHARGES	701.31	0.00	650.00	0.00
TOTAL EXPENDITURES	701.31	0.00	650.00	0.00
EXCESS (DEFICIENCY) OF REV- ENUES OVER EXPENDITURES	216.39	0.00	50.00	0.00
FUND BALANCE/RETAINED EARNINGS	2,410.00	0.00	2,326.00	0.00
	0.00	0.00	0.00	0.00
FUND BALANCE	2,410.00	0.00	2,326.00	0.00
RESERVE FOR FORFEITURE FUNDS	20,833.00	0.00	23,176.00	0.00
FUND BALANCE RESERVED	20,833.00	0.00	23,176.00	0.00

2008 - 2009 FISCAL BUDGET
CARR FUND II

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
INTEREST	2,943.60	2,500.00	2,000.00	2,500.00
CONTRIB FROM PRIVATE SOURCES	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00
TOTAL REVENUES	2,943.60	2,500.00	2,000.00	2,500.00
EXPENDITURES				
PROFESSIONAL SERVICES	0.00	0.00	0.00	0.00
COMMUNITY PROMOTION	0.00	0.00	0.00	0.00
MISCELLANEOUS EXPENSE	147.91	0.00	0.00	0.00
OTHER SERVICES & CHARGES	147.91	0.00	0.00	0.00
TRANSFER TO GENERAL FUND	0.00	0.00	0.00	0.00
TRANSFERS TO OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	147.91	0.00	0.00	0.00
EXCESS (DEFICIENCY) OF REV- ENUES AND OPERATING TRANS- FERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	2,795.69	2,500.00	2,000.00	2,500.00
FUND BALANCE/RETAINED EARNINGS	70,912.85	69,758.45	72,912.85	75,412.85
FUND BALANCE	70,912.85	69,758.45	72,912.85	75,412.85
FUND BALANCE RESERVED	0.00	0.00	0.00	0.00

2008 - 2009 FISCAL BUDGET
HISTORIC DISTRICT COMMISSION

	PRIOR YEAR ACTUAL 2006-2007	CURRENT YEAR BUDGET 2007-2008	2007-2008 EST. TOTAL	2008-2009 BUDGET
REVENUES				
INTEREST	1,665.43	0.00	1,000.00	0.00
HISTORIC DISTRICT GRANTS	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,665.43	0.00	1,000.00	0.00
 TOTAL REVENUES AND OTHER SOURCES	 1,665.43	 0.00	 1,000.00	 0.00
 EXPENDITURES				
HISTORIC DISTRICT GRANTS	27,944.80	0.00	10,000.00	0.00
TOTAL EXPENDITURES	27,944.80	0.00	10,000.00	0.00
 TOTAL EXPENDITURES AND TRANSFERS OUT	 27,944.80	 0.00	 10,000.00	 0.00
EXCESS (DEFICIENCY) OF REVENUE AND OPERATING TRANSFERS IN OVER EXPENDITURES AND OPERATING TRANSFERS OUT	0.00 <26,279.37>	0.00 0.00	0.00 <9,000.00>	0.00 0.00
 FUND BALANCE/RETAINED EARNINGS	 29,527.00 29,527.00	 0.00 0.00	 20,527.00 20,527.00	 0.00 0.00

OPERATING BUDGET 2008 - 2009

LOWELL LIGHT & POWER

		2005 - 2007 Actual	2007 - 2008 Budget	2007 - 2008 Proj. Actual	2008 - 2009 Budget	Change: Incr. (Decr.)
SALES REVENUES						
RESIDENTIAL SALES	4.00	1,575,088	1,614,286	1,570,733	1,636,482	65,749
GENERAL SERVICES-GS	7.00	1,243,250	1,268,011	1,292,372	1,373,824	81,452
GENERAL SERVICES-GSD	8.00	1,445,809	1,508,077	1,521,475	1,589,373	67,898
GENERAL SERVICES-GSDTO	9.00	1,011,533	962,799	1,022,649	1,091,066	68,417
GENERAL SERVICES-GSDPM	10.00	283,362	281,000	303,144	314,673	11,529
TOTAL COMMERCIAL SALES	11.00	3,983,956	4,019,887	4,139,640	4,368,936	229,297
SALES TO CAMPBELL NO 3	13.00	0	0	0	0	0
SALES TO BELLE RIVER	14.00	88,216	32,000	146,116	83,779	(62,337)
SALES TO MPPA	15.00	103,201	84,100	195,327	195,327	0
SECURITY LIGHT-NO USAGE SALES	15.50	837	980	1,000	1,000	0
TOTALS	19.00	5,729,300	5,751,253	6,052,817	6,285,524	232,708

Year end projections for residential sales reflect lower than normal consumption (presumably weather related) seen in the first half of the 2008 fiscal year. Lower consumption levels elevate the amount of energy from Lowell owned entitlements that is sold to others, reflecting higher amounts for Sales to Belle River and MPPA. Revenue projections for the new fiscal year anticipate normalized consumption levels, slow growth in energy consumption and the effect of the recent rate adjustment and the Power Cost Adjustment charge.

SERVICE REVENUES						
SECURITY LIGHT CONNECT FEE	21.00	0	0	0	0	0
CUSTOMER LATE CHARGES	22.00	51,054	46,508	46,591	52,000	5,409
RECONNECT/DISCONNECT FEES	23.00	5,330	7,235	8,047	7,000	(1,047)
MISC FEES (NSF CK FEES)	24.00	2,150	2,200	1,622	2,150	528
METER SET/READ/TEST/MISC FEES	25.00	8,735	9,200	8,218	9,050	832
PAYMENT ARRANGEMENT FEES	25.20	4,640	5,271	3,770	3,770	0
SERVICE CALL OUT FEES	25.22	140	750	0	0	0
NEW ACCOUNT SETUP FEES	25.30	8,480	9,060	8,169	8,986	817
MISC SERVICE REVENUES	26.00	0	8,100	35,000	12,000	(23,000)
TOTALS	28.00	80,499	86,325	111,417	94,956	(16,461)

Service revenues are somewhat variable and unpredictable as they reflect charges for services initiated by customer's requests or requirements. The swing in Miscellaneous Service Revenues resulted from an increase in installation of services to new customers (mostly businesses). Also, projections reflect an accounting correction of where service revenues are recorded. Note the corresponding adjustments in "other revenues" (line 35).

MISCELLANEOUS REVENUES						
INTEREST & DIVIDEND INCOME	31.00	13,321	15,000	19,495	25,000	5,505
INTEREST INCOME SERIES 2002 BOND	31.50	19,471	14,050	17,407	18,500	1,093
INTEREST INCOME LCTV 2003 LOAN	32.52	-19,882	16,410	3,983	0	(3,983)
OFFICE COMP. LCTV	32.55	13,585	13,584	2,264	0	(2,264)
LEASE INCOME - CHATHAM BUILDING	32.56	0	60,000	11,000	60,000	49,000
MPPA FROM GAIN/LOSS	32.80	18,147	0	0	0	0
MPPA WORKING CAPITAL INTEREST	32.85	2,247	0	2,250	2,250	0
INTEREST INCOME ZERO COUPON	32.90	35,184	35,436	41,175	46,000	4,825
GAIN ON SALE OF INVESTMENTS	32.91	0	0	9,019	9,019	0
LOSS ON SALE OF INVESTMENTS	32.92	-395	0	0	0	0
INC/DEC FAIR MKT VAL-INVESTMENTS	33.00	15,798	0	28,630	28,630	0
OTHER REVENUES	35.00	29,877	24,000	7,000	23,000	16,000
TOTALS	37.00	167,731	178,480	142,222	212,398	70,177

With the uncertainty in the current investment and bond market, anticipated interest revenues and gains are projected at historically average levels. With the sale of the Cable TV operation, there is the elimination of revenues from the loan interest and reimbursement of office expenses. Revenue projections include the anticipated revenues from the lease of the vacant portion of the Chatham Street warehouse.

LOWELL LIGHT & POWER

		2006 - 2007 Actual	2007 - 2008 Budget	2007 - 2008 Proj. Actual	2008 - 2009 Budget	Change: Incr. (Decr.)
GENERATION EXPENSES						
OPERATION SUPVR/ENGRING	44.00	3,687	4,100	7,655	8,000	345
GENERATION EXPENSES	45.00	6,167	2,500	1,060	2,113	1,054
FUEL	45.50	9,200	7,500	2,101	5,318	(2,453)
MISC GENERATION EXPENSES	46.00	7,485	6,450	9,649	7,195	0
MAINT SUPVR/ENGRING	47.00	0	0	0	0	365
MAINT OF STRUCTURES	48.00	6,540	4,400	4,840	5,205	2,206
MAINT GEN/ELEC EQUIP	49.00	14,126	6,000	4,155	6,361	(5,663)
MAINT MISC GEN PLANT	50.00	7,097	2,500	8,417	2,755	0
TOTALS	52.00	68,327	33,450	37,877	36,947	0

Projected 2007-2008 expenses reflect lower than normal generation requirements for the peak July - September season. Labor allocated to the installation of new fuel tanks and venting increased the maintenance costs for the current year. For the new fiscal year, generation expenses are projected based upon anticipated and historically normal levels.

PURCHASED POWER						
DEFICIENCY CAPACITY CHGS	55.00	299,495	349,068	135,174	195,808	60,634
CAMPBELL NO. 3 PROJECT	56.00	2,189,647	1,666,672	2,011,938	1,725,361	(286,577)
BELLE RIVER PROJECT	57.00	657,810	834,156	810,995	978,212	167,217
KALKASKA CT PROJECT	57.50	290,222	264,000	355,216	354,590	(626)
MPPA TRANSMISSION PROJECT	57.55	8,602	0	8,692	9,561	869
DEFFICENCY ENERGY CHARGE	58.00	178,291	310,000	319,544	305,498	(14,046)
TRANSMISSION	59.00	-8,426	0	0	6,141	6,141
ANCILLARY CHARGE - Power Pool	59.50	81,300	88,977	83,500	67,675	4,175
POOL OVERHEAD	60.00	34,856	39,101	30,630	25,922	(4,708)
RECONCILIATION	61.00	10,080	-20,000	34,334	-9,683	(44,018)
MISC ADJUSTMENTS	62.00	-1,380	3,000	-30	5,617	5,647
TOTALS	64.00	3,745,509	3,535,174	3,789,993	3,684,701	(105,292)

Variations reflect the following: (1) lower than anticipated peak demand in 2007, (2) higher "backup energy" costs from unanticipated outages at Campbell 3, (3) planned maintenance outages and backup energy costs at Belle River (4) higher than anticipated levels of generation at the Kalkaska peaking plant (largely for sales to the MISO market). 2008 - 2009 projections are based on MPPA project budget estimates and anticipated variations in Lowell's demand.

LOWELL LIGHT & POWER

LOWELL LIGHT & POWER	2006 - 2007 Actual	2007 - 2008 Budget	2007 - 2008 Proj. Actual	2008 - 2009 Budget	Change: Incr. (Decr.)	
DISTRIBUTION EXPENSES						
OPERATION SUPVR/ENGRING	67.00	37,106	37,597	43,836	50,950	7,014
LOAD DISPATCHING	68.00	3,993	3,150	4,790	5,795	1,006
SUBSTATION EXP	69.00	135	1,000	195	821	626
OVERHEAD LINE EXP	70.00	25,846	33,000	23,887	33,930	10,043
UNDERGROUND LINE EXP	71.00	16,936	18,500	22,014	25,294	3,280
STREET LIGHT EXP	72.00	2,786	3,300	3,926	0	(3,926)
METER EXP	73.00	2,484	2,200	4,905	2,277	(2,628)
CUSTOMER INSTALL EXP	74.00	22,423	12,900	26,642	14,552	(12,590)
DISTRIBUTION EXP. GENERAL	75.00	136,811	102,000	164,602	172,832	8,230
MAINT-SUPERVISION/ENGINEERING	76.00	175	0	0	0	N/C
MAINT OF STRUCTURES (distrib)	77.00	55,942	20,000	68,018	50,000	(18,018)
MAINT OF SUBSTATIONS	78.00	7,476	6,250	7,621	6,160	(1,461)
MAINT OF OVERHEAD LINES	79.00	256,342	158,000	172,000	118,719	(53,282)
MAINT OF UNDERGROUND LINES	80.00	6,673	10,500	10,927	11,473	546
MAINT OF XSFORMERS	81.00	812	11,100	2,099	2,500	401
MAINT OF ST LIGHTING	82.00	123	500	238	450	212
MAINT OF METERS	83.00	5,546	2,000	3,022	2,500	(522)
TOTALS	85.00	581,515	421,997	558,721	497,653	(61,068)

Variations in distribution expenses reflect actual the labor and materials as they were required for various activities. Some changes in administrative labor resulted from the elimination of the Cable TV operation and the labor being utilized for electric activities. Increases in new underground construction (line 71) and maintenance (line 80) are increasing those expenses. Completion of improvements and the move to the Chatham warehouse increased costs and labor allocations. 2008-2009 projections reflect anticipated requirements and estimates based on historically normalized levels.

CUSTOMER ACCTING EXP						
CUSTOMER ACCTS EXP	88.00	7,144	6,700	11,957	12,000	43
METER READING EXP	89.00	38,670	35,250	48,500	45,000	(3,500)
CUSTOMER RECORDS/COLLECT EXP	90.00	46,514	42,981	71,045	65,000	(6,045)
UNCOLLECTABLE ACCTS EXPENSE	91.00	5,037	10,000	6,000	4,300	(1,700)
INTEREST EXP. CUST. DEPOSITS	91.50	1,276	1,300	1,300	1,300	0
MISC CUSTOMER ACCTS EXP	92.00	10,083	9,372	18,271	16,000	(2,271)
CUSTOMER ASSISTANCE EXP	93.00	3,614	3,800	8,544	8,800	256
TOTALS	95.00	110,341	109,403	165,617	152,400	(13,217)

Elimination of the Cable TV operation has resulted in more labor hours and costs (previously shared) being allocated to electric operations. Other expenses are projected at anticipated and normal levels.

MARKETING & ADVERTISING EXP						
INFORM/INSTRUCT ADVERTISING	98.00	1,306	4,500	1,478	2,499	922
MISC CUSTOMER SVC/INFORM EXP	99.00	619	1,400	1,600	2,000	400
DEMONSTRATING/SELLING EXP	100.00	3,764	4,400	4,986	5,495	499
ADVERTISING EXPENSE	101.00	2,013	2,400	10,428	10,800	372
TOTALS	103.00	7,704	12,700	18,492	20,695	2,193

Advertising and marketing efforts (and labor allocated to those efforts) are increased in the current fiscal year with additional institutional and image advertising, the Lowell Expo and the Public Power Week ads and open house. Additional expenses are projected for the coming year to fund increased image advertising and outreach efforts.

ADMINISTRATIVE & GENERAL EXP						
ADMINISTRATIVE & GEN SALARIES	106.00	100,811	95,790	120,897	124,524	3,627

Additional labor hours, previously contributing to the Cable TV operation are now allocated to electric activities resulting in an anticipated increases in administrative expenses.

LOWELL LIGHT & POWER

		2006 - 2007 Actual	2007 - 2008 Budget	2007 - 2008 Proj. Actual	2008 - 2009 Budget	Change: Incr. (Decr.)
OFFICE SUPPLIES, INS., MAINT. EXP						
MAINT OF STRUCTURES - OFFICE	111.00	14,155	11,800	18,283	14,000	(4,283)
OFFICE SUPPLIES AND EXPENSE	112.00	48,873	45,900	65,545	54,000	(11,545)
ACCTING & LEGAL EXPENSE	113.00	14,336	15,000	11,845	15,000	3,155
PROPERTY & LIABILITY EXPENSE	114.00	30,814	30,500	29,894	22,800	(7,094)
INJURIES, DAMAGES & SAFETY EXP	115.00	20,367	17,000	22,618	19,548	(3,070)
TOTALS	117.00	128,546	120,200	148,185	125,348	(22,837)

Maintenance to the exterior of the office building exceeded budget projections for 2007-2008. The elimination of the cable TV operation resulted in higher initial office expenses, which are expected to level off in the coming year. The reduction in property - liability insurance premiums will further reduce expenses for the new year.

EMPLOYEE BENEFITS EXPENSE						
TAXES-EMPLOYEE SOC SEC/MED EXP	120.00	47,819	46,000	57,792	59,526	1,734
EMPLOYEE PENSION & BENEFITS EXP	121.00	225,606	227,760	281,398	289,840	8,442
COMPENSATED ABSENCES EXP	122.00	106,025	92,000	128,567	132,424	3,857
OTHER COMPENSATION	123.00	60,784	60,900	52,580	54,158	1,577
TOTALS	125.00	440,234	426,660	520,337	535,947	15,610

Again the allocation of all labor hours to electric operations (and elimination of the Cable TV contribution) results in an increase in the benefits cost allocation. A 3% increase is projected.

MISCELLANEOUS EXPENSES						
DEPRECIATION EXPENSE	128.00	669,045	588,672	629,040	654,202	25,162
INTEREST EXPENSE - SERIES 2002	128.50	215,174	212,649	213,000	209,805	(3,195)
AMORT - DISCOUNT 2002 BOND	128.51	617	612	614	614	0
AMORT - EXPENS 2002 BOND	128.52	4,820	4,812	4,812	4,812	0
LOSS ON PROPERTY DISPOSAL	129.00	15,799	0	0	0	0
IN LIEU OF TAXES-CITY OF LOWELL	130.00	242,173	256,886	269,956	280,334	10,379
PROPERTY TAX - CHATHAM BLDG	130.50	8,706	15,000	0	3,500	3,500
MISC GENERAL EXPENSES	131.00	339	2,750	5,634	4,155	(1,479)
CONFERENCE/SPECIAL MEETING EXP	132.00	25,204	19,800	42,496	36,000	(6,496)
TRANSPORTATION EXP	133.00	0	1,000	0	0	0
TOTALS	135.00	1,181,876	1,102,181	1,165,551	1,193,422	27,871

Addition of capital assets has increased the current depreciation expenses and future projections. The projection of increased electric sales revenue will result in a corresponding increase in the Payment in Lieu of Taxes contribution to the City. In the event the vacant portion of the Chatham property is leased, property tax will be payable for the first half of the 2009 calendar year. Attendance of additional training and educational seminars and conferences (for both Board and staff) will increase expenses in the current year, with a lower expense projected for the new fiscal year.

TOTAL REVENUES	39.00	5,977,531	6,018,058	6,306,455	6,592,879	286,424
TOTAL EXPENSES	137.00	6,352,769	5,857,554	6,525,670	6,371,627	(154,043)
NET INCOME	139.00	(\$375,238)	\$160,504	(\$219,215)	\$221,252	440,467

Lowell Light & Power - 2008-2009 Anticipated Capital Projects

DEPT	PROJECT	EST COST	DISCRIPTION	COMMENTS
OFC	Replacement - primary office copier / printer/ scanner	\$4,800	Critical 2001 machine experiencing increased maintenance and reliability concerns	
OFC	Upgrade accounting, billing, customer information system	\$55,000	Existing software system becoming obsolete and unsupported by provider. Upgrade to current version - added efficiency, services and features	Includes software conversion, training and support services
OFC	(2) Notebook PC Replacements - Admin Mgr. & Ops Mgr.	\$3,700	Performance deterioration and reliability issues affecting these older (but critical) office PC's.	
DIST	Meter reading instruments (hand held number entry)	\$20,000	Conversion from paper route-book system to handheld instruments, for accuracy, speed, efficiency	Includes instruments, training and conversion
DIST	Structural repairs - 1992 bucket and 1988 pole truck -	\$50,000	Both vehicles needing repairs to pass structural and insulation standards.	If repair costs are not cost effective, replacement vehicles may be considered.
OFC	Roof replacement - Chatham warehouse (east section)	\$65,000	Deterioration and leakage of existing roof will require replacement when building is leased.	Project will be delayed until required for new tenant.
	Voltage conversion - upgrade n/w circuits			
PWR	PS2: Cir 3122 South Sub Fdr	\$10,000.00	*1 Transfer feed to South Sub from Plant Sub (69) to 138intrch	This would be a temporary tie until Bowes Rd Rbid; Would need to remain connected to Plant Sub (69) until completed. (different cost, different yr)Eliminate feed from plant 69 sub.
PWR	PS4: Cir 3322 South Dist Fdr	\$5,000	*1 tie feed at Hudson/Bowes-South Fdr from Plant Sub (69) to 138intrch	Eliminate feed from plant 69 sub.
PWR	GP3: Cir 2122 South West Fdr	\$2,000	*1 tie feed from Plant Sub (69) South Sub or North Sub pending load analyses -to 138intrch	Eliminate feed from plant 69 sub.
PWR	GP4: Cir 2022 North Dist Fdr	\$2,500	*1 tie feed Into North West Circ-North Dist from Plant Sub (69) to 138intrch	Dependant on this yrs load; may redesign and postpone until next fiscal year. Eliminate feed from plant 69 sub.
PWR	SS4: Cir 5322	\$200,000	Rebuild/conversion of west circuit, part of South Substation decommission Proj.	This project will extend past this fiscal year's budg. (\$300K-350K total)
	TOTAL	\$418,000		