

Water Fund (Operating)

PRIMARY SERVICES

- Treatment and Distribution of Safe Drinking Water
- Repair and Maintenance of the Distribution System
- Customer Billing and Service Activities
- Systems Planning Activities - System Modeling

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Water Sales | \$ 17.7 | \$ 19.7 | \$ 20.4 | \$ 21.0 | \$ 21.8 | \$ 22.5 |
| Connection Charges | 1.5 | 0.7 | 1.1 | 0.8 | 0.8 | 0.8 |
| Operating Transfers | 1.9 | 1.7 | 1.5 | 1.5 | 1.4 | 1.4 |
| All Other | 3.3 | 3.5 | 2.9 | 1.0 | 0.5 | 0.6 |
| Total Revenue | \$ 24.4 | \$ 25.6 | \$ 25.9 | \$ 24.3 | \$ 24.5 | \$ 25.3 |
| <i>Expense:</i> | | | | | | |
| Field Operations | \$ 2.3 | \$ 2.0 | \$ 2.9 | \$ 3.2 | \$ 3.9 | \$ 3.3 |
| Water Treatment Plant | 6.6 | 7.0 | 6.9 | 7.3 | 7.5 | 7.7 |
| Depreciation | 2.6 | 2.6 | 2.9 | 3.1 | 3.2 | 3.4 |
| Customer Service | 1.4 | 1.3 | 1.1 | 1.2 | 1.2 | 1.2 |
| Debt Service | 1.9 | 1.7 | 1.5 | 2.0 | 1.6 | 1.6 |
| Safety Service Fee | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 |
| All Other | 4.0 | 3.4 | 3.4 | 2.9 | 2.7 | 2.5 |
| Total Expense | \$ 19.5 | \$ 18.7 | \$ 19.5 | \$ 20.5 | \$ 20.9 | \$ 20.7 |
| Net | \$ 4.9 | \$ 6.8 | \$ 6.4 | \$ 3.8 | \$ 3.5 | \$ 4.6 |
| <i>Memo:</i> | | | | | | |
| Debt Coverage Ratio (min 1.25) | 1.4 | 1.4 | 1.6 | 1.6 | 2.0 | 2.0 |
| Revenue Requirement Increase per plan | 3.4% | 3.3% | 3.5% | 3.8% | 4.0% | 4.0% |
| Unrestricted Fund balance (net assets) | \$ 14.5 | \$ 14.0 | \$ 16.9 | \$ 20.7 | \$ 24.2 | \$ 28.8 |

Observations:

- Annual savings above is planned to pay for capital improvements
- Current Bond Rating is AA-

OPERATIONS

- Pending Water Plant I Replacement
- Increased Maintenance needs due to aging infrastructure

FUND BALANCE (Net Assets)

FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)**\$ 73.6**

Less:

Restricted - Capital Assets (50.8)

Restricted - Equipment Replacement (1.8)

Restricted - Debt Service (4.0)

Unrestricted at June 30, 2012 17.0

Obligated - but not yet spent:

- Plymouth Rd Water Main Repl (0.1)

- Residual Pond Improvments (0.1)

- Recycle Streams Project (0.2)

- HVAC Improvements (0.1)

Subtotal Available Fund Balance \$ 16.6

Less: Minimum Balance Requirement-25% of Oper Exp (4.0)

Available Fund Balance \$ 12.6Known Risks

- FY 14 Anticipated Capital 8.6
- FY 15 Anticipated Capital needs 5.3
- FY 16 Anticipated Capital needs 10.5
- Impact of implementing GASB 68 \$7.5-\$8.5 Mil
- Water Plant I Replacement tbd

Sewer Fund (Operating)

PRIMARY SERVICES

- Collection, Treatment and Discharge of Sewage
- Repair and Maintenance of the Collection System
- Customer Billing and Service Activities
- Systems Planning Activities - System Modeling

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Sewer Sales | \$ 18.9 | \$ 19.7 | \$ 20.4 | \$ 21.2 | \$ 22.2 | \$ 23.4 |
| Connection Charges | 0.2 | 0.3 | 0.6 | 0.3 | 0.3 | 0.3 |
| All Other | 0.9 | 2.4 | 0.8 | 0.8 | 0.3 | 0.3 |
| Total Revenue | <u>\$ 19.9</u> | <u>\$ 22.4</u> | <u>\$ 21.8</u> | <u>\$ 22.4</u> | <u>\$ 22.8</u> | <u>\$ 24.0</u> |
| <i>Expense:</i> | | | | | | |
| Field Operations | \$ 1.8 | \$ 1.9 | \$ 2.6 | \$ 1.9 | \$ 2.4 | \$ 2.3 |
| Depreciation | 1.8 | 2.2 | 2.3 | 3.3 | 3.4 | 3.5 |
| Waste Water Treatment Plant | 8.9 | 7.3 | 7.1 | 8.5 | 8.7 | 9.0 |
| Debt Service | 2.2 | 2.1 | 2.1 | 2.9 | 4.7 | 4.6 |
| All Other | 0.8 | 3.4 | 1.5 | 2.9 | 2.0 | 2.1 |
| Total Expense | <u>\$ 15.4</u> | <u>\$ 16.8</u> | <u>\$ 15.6</u> | <u>\$ 19.4</u> | <u>\$ 21.2</u> | <u>\$ 21.4</u> |
| Net | <u>\$ 4.5</u> | <u>\$ 5.6</u> | <u>\$ 6.2</u> | <u>\$ 2.9</u> | <u>\$ 1.7</u> | <u>\$ 2.6</u> |
| <i>Memo:</i> | | | | | | |
| Debt Coverage Ratio (min 1.25) | 2.3 | 2.7 | 2.5 | 2.3 | 1.6 | 1.6 |
| Revenue Requirement Increase per plan | 4.0% | 4.3% | 4.3% | 5% | 5% | 5% |
| Unrestricted Fund balance (net assets) | \$ 31.1 | \$ 25.6 | \$ 13.3 | \$ 16.2 | \$ 17.9 | \$ 20.5 |

Observations:

- Annual savings above is planned to pay for capital improvements
- Current Bond Rating is AA+
- Projected Revenue Requirement Increases to 4.25% - 5.0% Thru FY 2020

OPERATIONS

- Facilities Renovation Project Currently Underway
- Increased Maintenance needs due to aging infrastructure

FUND BALANCE (Net Assets)

FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)**\$ 105.1**

Less:

Restricted - Capital Assets

(76.2)

Restricted - Debt Service

(6.2)

Restricted - Equipment Replacement

(9.3)

Unrestricted at June 30, 2012

13.3

Obligated - but not yet spent:

- Miller Creek Bank Stabilization

(0.2)

- Liberty/Washington Relief

(0.2)

Subtotal Available Fund Balance**\$ 12.8**

Less: Minimum Balance Requirement-25% of Oper Exp

(4.1)

Available Fund Balance**\$ 8.7**Known Risks

• FY 14 Anticipated Capital needs

8.7

• FY 15 Anticipated Capital needs

8.5

• FY 16 Anticipated Capital needs

9.7

• Impact of implementing GASB 68

\$7.0-\$8.0 Mil

Stormwater Fund (Operating)

PRIMARY SERVICES

- Collection and Treatment of Stormwater Runoff
- Repair and Maintenance of the Collection Mains
- Maintain Install Street Tree population

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Stormwater Sales | \$ 5.4 | \$ 5.4 | \$ 5.7 | \$ 5.8 | \$ 6.0 | \$ 6.2 |
| County Reimbursement (SRF) | | 2.0 | | | | |
| All Other | 0.9 | 1.0 | 0.3 | 0.2 | 0.2 | 0.2 |
| Total Revenue | <u>\$ 6.3</u> | <u>\$ 8.4</u> | <u>\$ 6.0</u> | <u>\$ 6.0</u> | <u>\$ 6.2</u> | <u>\$ 6.4</u> |
| <i>Expense:</i> | | | | | | |
| Field Operations | \$ 2.0 | \$ 2.3 | \$ 2.3 | \$ 2.7 | \$ 2.3 | \$ 2.3 |
| Depreciation | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| County Payments | 0.3 | 0.3 | 0.1 | 1.0 | 1.1 | 1.3 |
| All Other | 2.6 | 2.4 | 3.3 | 1.8 | 2.1 | 2.2 |
| Total Expense | <u>\$ 5.1</u> | <u>\$ 5.3</u> | <u>\$ 6.0</u> | <u>\$ 5.9</u> | <u>\$ 5.8</u> | <u>\$ 6.1</u> |
| Net | <u>\$ 1.2</u> | <u>\$ 3.2</u> | <u>\$ 0.1</u> | <u>\$ 0.1</u> | <u>\$ 0.4</u> | <u>\$ 0.3</u> |
| <i>Memo:</i> | | | | | | |
| Revenue Requirement Increase per plan | 1.6% | 2.0% | 3.3% | 4.0% | 4.0% | 4.0% |
| Unrestricted Fund balance (net assets) | \$ 4.8 | \$ 6.3 | \$ 5.6 | \$ 5.7 | \$ 6.1 | \$ 6.4 |

Observations:

- Projected Revenue Requirement Increases 4.0% Thru FY 2020
- In FY 2011 - 2012 Street Tree operations added to the Stormwater Budget.
- Street tree operation transferred with over \$1.0 Mill unfunded deferred maintenance need

OPERATIONS

- Unfunded back-log of tree maintenance
- planned capital investment to deal with drainage issues
- Partnership with County is integral to the system

FUND BALANCE (Net Assets)

FY 2012

(\$ Mills.)

6/30/12 - Total Fund Balance (Net Assets)

\$ 16.5

Less:

Restricted - Capital Assets

(11.0)

Subtotal Available Fund Balance

\$ 5.5

Less: Minimum Balance Requirement-25% of Oper Exp

(1.0)

Available Fund Balance

\$ 4.5

Known Risks

- Unfunded and deferred street tree maintenance 1.0
- FY 14 Anticipated Capital needs 3.9
- FY 15 Anticipated Capital needs 4.8
- FY 16 Anticipated Capital needs 1.7
- Impact of implementing GASB 68 \$2.5-\$3.5 Mil

Solid Waste Fund

PRIMARY SERVICES

- Collection of Solid Waste
- Residential and Commercial Recycling (Material Recovery)
- Compost Collection
- Landfill Maintenance

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Solid Waste Millage | \$ 11.7 | \$ 11.2 | \$ 11.0 | \$ 11.2 | \$ 11.4 | \$ 11.6 |
| Recycling Processing Credit | 0.3 | 1.2 | 1.4 | 0.6 | 0.6 | 0.6 |
| Waste Collection - Commercial | 0.9 | 1.5 | 1.9 | 1.8 | 1.8 | 1.8 |
| All Other | 0.6 | 0.6 | 0.9 | 0.5 | 0.6 | 0.5 |
| Total Revenue | <u>\$ 13.5</u> | <u>\$ 14.5</u> | <u>\$ 15.2</u> | <u>\$ 14.2</u> | <u>\$ 14.4</u> | <u>\$ 14.6</u> |
| <i>Expense:</i> | | | | | | |
| Waste | \$ 4.0 | \$ 4.5 | \$ 4.7 | \$ 6.0 | \$ 6.4 | \$ 6.5 |
| Material Recovery | 3.5 | 3.4 | 3.3 | 3.6 | 3.8 | 3.8 |
| Compost | 1.6 | 1.7 | 1.0 | 1.0 | 1.1 | 1.1 |
| Depreciation | 1.0 | 0.8 | 0.7 | 0.8 | 0.8 | 0.8 |
| All Other | 2.4 | 3.7 | 2.2 | 2.4 | 2.4 | 2.4 |
| Total Expense | <u>\$ 12.6</u> | <u>\$ 14.1</u> | <u>\$ 11.9</u> | <u>\$ 13.8</u> | <u>\$ 14.4</u> | <u>\$ 14.6</u> |
| Net | <u>\$ 0.9</u> | <u>\$ 0.3</u> | <u>\$ 3.2</u> | <u>\$ 0.4</u> | <u>\$ -</u> | <u>\$ -</u> |
| <i>Memo:</i> | | | | | | |
| Non-recurring - recycling credit higher than anticipated | \$ 0.3 | \$ 0.8 | \$ 0.6 | | | |
| Non-recurring - purchase of carts in FY11, gain on equipment sale/depr less than planned in FY12 | - | (1.5) | 1.4 | | | |
| Non-recurring - labor savings | | | 0.3 | | | |
| Recurring Net | <u>\$ 0.6</u> | <u>\$ 1.1</u> | <u>\$ 1.0</u> | | | |
| Unrestricted Fund balance (net assets) | \$ 8.6 | \$ 8.5 | \$ 12.3 | \$ 12.6 | \$ 12.6 | \$ 12.6 |

Observations:

- FY13 includes early replacement of 2 recycle trucks
- Recurring operations are break-even
- Restoration of Street Leaf Collection would increase annual costs by \$285,000
- Restoration of Street Leaf Collection would also incur a one-time cost of \$395,000
- Restoration of Christmas Tree Collection would increase annual costs by \$26,000

OPERATIONS

- Additional Commercial Recycling Route required but projected revenues do not support
- Desire to expand the food waste program but revenues do not currently support
- Desire to expand multi-families utilization of existing recycling program

FUND BALANCE (Net Assets)FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)**\$ 28.3**

Less:

Restricted - Capital Assets

(15.5)

Restricted - Capital Repair & Replacement Fund

(0.3)

Restricted - Landfill reserve

(0.2)

Unrestricted at June 30, 2012

12.2

Obligated - but not yet spent:

- Landfill Ground Water Pre-Treatment

(1.0)

- Single Stream Recycling

(0.7)**Subtotal Available Fund Balance****\$ 10.5**

Less: Minimum Balance Requirement-25% of Oper Exp

(1.9)**Available Fund Balance****\$ 8.6**Known Risks

- Landfill - Liability for site maintenance (MDEQ) TBD (30 years est. \$5.3 mil.)
- Landfill - entrance improvements 0.4
- Landfill - remediation action plan 0.2
- Landfill Methane gas recovery project 0.2
- Drop-off station replacement \$0 - \$4.9 Mil. Depending on Solution
- Impact of implementing GASB 68 \$3.5-\$4.5 Mil

Fleet

PRIMARY SERVICES

- The Maintenance and Repair of the City's Fleet
- Procurement of Fuel
- Plan and Procure Replacement Vehicles

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Fleet Rates to City Units | \$ 6.3 | \$ 6.7 | \$ 6.9 | \$ 7.0 | \$ 7.4 | \$ 7.6 |
| All Other | 1.2 | 0.2 | 0.3 | 0.3 | 0.2 | 0.2 |
| Total Revenue | <u>\$ 7.5</u> | <u>\$ 6.9</u> | <u>\$ 7.2</u> | <u>\$ 7.3</u> | <u>\$ 7.6</u> | <u>\$ 7.8</u> |
| <i>Expense:</i> | | | | | | |
| Operations | \$ 4.8 | \$ 5.1 | \$ 4.7 | \$ 3.5 | \$ 3.4 | \$ 3.5 |
| Fuel | 0.9 | 1.0 | 1.1 | 1.3 | 1.5 | 1.6 |
| Capital | 2.1 | 1.6 | 1.1 | 7.9 | 2.8 | 2.5 |
| Total Expense | <u>\$ 7.8</u> | <u>\$ 7.7</u> | <u>\$ 6.9</u> | <u>\$ 12.7</u> | <u>\$ 7.7</u> | <u>\$ 7.6</u> |
| Net | <u>\$ (0.3)</u> | <u>\$ (0.8)</u> | <u>\$ 0.3</u> | <u>\$ (5.4)</u> | <u>\$ (0.1)</u> | <u>\$ 0.2</u> |
| <i>Memo:</i> | | | | | | |
| Expenditures Capitalized for Vehicle | | | | | | |
| Purchases | <u>\$ (2.1)</u> | <u>\$ (1.6)</u> | <u>\$ (1.1)</u> | <u>\$ (7.9)</u> | <u>\$ (2.8)</u> | <u>\$ (2.5)</u> |
| Change in Net Assets (per CAFR) | <u>\$ 1.8</u> | <u>\$ 0.8</u> | <u>\$ 1.4</u> | <u>\$ 2.5</u> | <u>\$ 2.7</u> | <u>\$ 2.7</u> |
| Unrestricted Fund balance (net assets) | \$ 12.1 | \$ 12.9 | \$ 14.3 | \$ 8.9 | \$ 8.8 | \$ 9.0 |

Observations:

- Fleet fund is designed to be a break-even operation
- Fleet fund is designed to have reserves to pay for replacement equipment at end-of-life
- Significant vehicle acquisitions planned for FY2013
- Decreased operational cost due to lower vehicle maintenance as a result of new equipment

OPERATIONS

- Equipment is increasing in cost due to increasing complexity of technology.
- 50% of the Fleet Staff will be eligible for retirement in FY 2015

FUND BALANCE (Net Assets)

FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)

\$ 14.3

Less:

Invested in Capital Assets

(3.9)

Equipment Replacement Reserve

(9.1)

Subtotal Available Fund Balance

\$ 1.3

Less: Minimum Balance Requirement (20% non-capital exp)

(1.0)

Available Fund Balance

\$ 0.3

Known Risks

- Impact of implementing GASB 68

\$2.0-\$3.0 Mil

Major & Local Street Funds

PRIMARY SERVICES

- Right-of-Way Maintenance
(Pot-hole filling, guardrails, surface repair)
- Pavement Marking
- Winter Maintenance
- Traffic Engineering
- Street Sweeping
- Fiber Optic Installation and Maintenance
- Traffic Sign/Signal Installation and Maintenance

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|---|---------------|-----------------|-----------------|---------------|-----------------|---------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Weight and Gas Tax | \$ 6.7 | \$ 6.8 | \$ 7.2 | \$ 7.0 | \$ 7.2 | \$ 7.2 |
| Parking Lane Maint/DDA | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| All Other | 1.2 | 1.2 | 1.0 | 0.7 | 0.8 | 0.8 |
| Total Revenue | \$ 8.7 | \$ 8.8 | \$ 9.0 | \$ 8.5 | \$ 8.8 | \$ 8.8 |
| <i>Expense:</i> | | | | | | |
| Right-of-Way Maintenance | \$ 3.3 | \$ 4.0 | \$ 3.1 | \$ 3.8 | \$ 3.9 | \$ 3.9 |
| Traffic Control | 2.1 | 2.3 | 1.8 | 2.3 | 2.6 | 2.6 |
| Debt Service | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Alternative Transportation | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| All Other | 2.0 | 1.8 | 1.8 | 1.5 | 1.5 | 1.5 |
| Total Expense | \$ 8.4 | \$ 8.9 | \$ 7.6 | \$ 8.5 | \$ 8.8 | \$ 8.8 |
| Net | \$ 0.3 | \$ (0.2) | \$ 1.4 | \$ 0.0 | \$ (0.0) | \$ 0.0 |
| <i>Memo:</i> | | | | | | |
| Non-recurring - Vacancies (Labor/Equip) | | | \$ 0.9 | | | |
| Non-recurring - Revenue above projected | | | 0.5 | | | |
| Recurring Net | | | \$ (0.0) | \$ 0.0 | \$ (0.0) | \$ 0.0 |
| Unrestricted Fund balance (net assets) | \$ 10.8 | \$ 10.6 | \$ 12.0 | \$ 12.0 | \$ 12.0 | \$ 12.0 |

Observations:

- We regularly plan to spend all funding we receive on right-of-way maintenance
- Funding from Weight & Gas Tax funding is insufficient to improve existing conditions
- Reserve policy is equal to one year's revenue (\$7.0 Mill)
- Reserve in excess of policy minimum accrues due to weather volatility

OPERATIONS

- City has unmet right-of-way maintenance needs
- Staff is currently identifying one-time maintenance items to utilize excess reserves
- Vacancies are hampering management from utilizing excess reserves

FUND BALANCE

FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)

\$ 12.0

Less: Minimum Balance Requirement (one-year of revenue)

(7.0)

Available Fund Balance

\$ 5.0

Street Millage Fund

PRIMARY SERVICES

- Street Reconstruction/Resurfacing
- Bridge Reconstruction/Resurfacing
- Local Matching Funding for Federal/State-Aid Projects
- Sidewalk Repair/Replacement (not new installation)

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|--|----------------|---------------|-----------------|-----------------|-----------------|-----------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Street Millage | \$ 9.4 | \$ 9.0 | \$ 8.9 | \$ 8.9 | \$ 9.0 | \$ 9.1 |
| Sidewalk Repair Millage | | | | 0.6 | 0.6 | 0.6 |
| Operating Transfers In | 3.2 | 0.1 | 2.6 | | | |
| All Other | 1.2 | 0.4 | 2.5 | 0.4 | 0.3 | 0.3 |
| Total Revenue | \$ 13.8 | \$ 9.5 | \$ 14.0 | \$ 9.9 | \$ 9.9 | \$ 10.0 |
| <i>Expense:</i> | | | | | | |
| Annual Street Resurfacing | \$ 4.5 | \$ 3.8 | \$ 7.4 | \$ 10.4 | \$ 5.7 | \$ 2.2 |
| E. Stadium Bridges | 1.2 | 1.2 | 4.8 | 1.2 | | |
| Dexter Ave. Improvements | | | 1.2 | | | |
| Madison Improvements | | | | 1.7 | | |
| Miller Ave. Improvements | | | | 2.1 | | |
| W. Stadium Improvements | 1.2 | 1.4 | 0.6 | | | |
| Pontiac Trail Improvements | | | | | 1.7 | |
| Stone School Improvements | | | | | 0.9 | |
| Pauline Improvements | | | | | | 1.0 |
| Geddes Ave Improvements | | | | | | 2.3 |
| Sidewalk Repair | | | | 0.6 | 0.6 | 0.6 |
| All Other | 3.7 | 2.4 | 4.2 | 3.8 | 5.9 | 5.0 |
| Total Expense | \$ 10.6 | \$ 8.8 | \$ 18.2 | \$ 19.7 | \$ 14.8 | \$ 11.1 |
| Net | \$ 3.2 | \$ 0.8 | \$ (4.2) | \$ (9.9) | \$ (4.9) | \$ (1.1) |
| <i>Memo:</i> | | | | | | |
| Unrestricted Fund balance (net assets) | \$ 28.5 | \$ 29.2 | \$ 25.0 | \$ 15.1 | \$ 10.3 | \$ 9.2 |

Observations:

- FY 2010 reflects deferral of street projects to insure funding for Stadium bridge replacement
- FY2013 & FY2014 reflects increased street repair since Stadium bridge grant received
- Fund balance appears high at fiscal year end because it is mid construction season

OPERATIONS

- Funding for Major Infrastructure (ie. Geddes Rd.) strains the fund for street reconstruction
- Major Streets reconstructions are costly which reduces the number of streets we can reconstruct
- The Street Millage Fund is Critical for Local Matching for Federal/State-Aid Projects

FUND BALANCE (Net Assets)

FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)

\$ 25.0

Less:

Obligated - but not yet spent:

- Resurfacing/Reconstruction

(1.9)

Subtotal Available Fund Balance

\$ 23.1

Less: Minimum Balance Requirement

(9.0)

Available Fund Balance

\$ 14.1

Known Risks

- FY 2013 Programmed use of Fund Balance

\$ 9.9

Parks Maintenance & Capital Improvement Millage

PRIMARY SERVICES

- Operations and maintenance of the City's park system
- Natural area preservation and park volunteerism
- Forestry activities within the park system
- Parks capital projects and planning

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|-----------------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Taxes | \$ 5.2 | \$ 5.0 | \$ 4.9 | \$ 5.0 | \$ 5.1 | \$ 5.2 |
| Interest Income | 0.1 | 0.1 | 0.1 | - | - | - |
| All Other | - | - | 0.5 | - | - | - |
| Total Revenue | \$ 5.3 | \$ 5.1 | \$ 5.5 | \$ 5.0 | \$ 5.1 | \$ 5.2 |
| <i>Expense:</i> | | | | | | |
| Personnel | \$ 2.0 | \$ 2.2 | \$ 2.3 | \$ 2.7 | \$ 2.9 | \$ 3.0 |
| All Other | 1.3 | 1.6 | 1.8 | 1.5 | 1.4 | 1.4 |
| Sub-total Operating Expense | \$ 3.3 | \$ 3.8 | \$ 4.1 | \$ 4.2 | \$ 4.3 | \$ 4.4 |
| Project-related costs | 1.0 | 0.3 | 1.9 | 3.5 | 0.9 | 0.9 |
| Total Expense | \$ 4.3 | \$ 4.1 | \$ 6.0 | \$ 7.7 | \$ 5.2 | \$ 5.3 |
| Net | \$ 1.0 | \$ 1.0 | \$ (0.5) | \$ (2.7) | \$ (0.1) | \$ (0.1) |

Memo:

Total fund balance \$ 3.4 \$ 4.4 \$ 3.9 \$ 1.2 \$ 1.1 \$ 1.0

Previously approved project budgets included above

\$ 2.2

Observations:

- Personnel increase reflects an increased allocation of Park Operations maintenance staff to millage activities
- \$0.5 other revenue in FY12 an operating transfer of expired parks millage
- Project related costs in FY11 mostly design related, while FY12 more construction
- Project related costs in FY13 include \$2.2 in previously approved capital budgets

OPERATIONS

- Focus on replacement, restoration, and rehabilitation of existing infrastructure
- Park volunteerism and NAP now part of Community Services

FUND BALANCE (Net Assets)

FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)

\$ 3.9

Less:

Restricted - Culture and Recreation

(3.9)

Subtotal Available Fund Balance

\$ -

Known Risks

- Addition of parks dilute funding available for maintenance and upkeep of park system
- Size and scope of park system can result in unanticipated capital expenses

Information Technology

PRIMARY SERVICES

- Support & Maintenance of Applications
- Administer dispersed city network
- Responsible for storage & backup of city data
- Onsite and remote support for customers
- Project Management for process/technology
- Manage web/GIS/document management
- Strategic planning & procurement
- Cyber security

FINANCIAL SUMMARY

| | Actual | | | Projected | | |
|--|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
| | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) | (\$ Mil.) |
| <i>Revenue:</i> | | | | | | |
| Charge to Units for Services | \$ 6.6 | \$ 6.3 | \$ 6.4 | \$ 6.5 | \$ 6.3 | \$ 6.3 |
| Interest Income | 0.1 | 0.1 | 0.1 | - | 0.1 | 0.1 |
| Total Revenue | \$ 6.7 | \$ 6.4 | \$ 6.5 | \$ 6.5 | \$ 6.3 | \$ 6.3 |
| <i>Expense:</i> | | | | | | |
| Personnel | \$ 2.8 | \$ 2.4 | \$ 2.5 | \$ 3.1 | \$ 3.3 | \$ 3.3 |
| Software Maintenance | 0.9 | 1.1 | 1.3 | 1.3 | 1.6 | 1.6 |
| All Other | 1.5 | 1.4 | 1.9 | 1.3 | 1.5 | 1.5 |
| Sub-total Operating Expense | \$ 5.1 | \$ 4.9 | \$ 5.7 | \$ 5.7 | \$ 6.4 | \$ 6.4 |
| Project-related costs | 0.2 | 0.9 | 0.6 | 2.4 | 1.2 | 0.6 |
| Total Expense | \$ 5.3 | \$ 5.8 | \$ 6.3 | \$ 8.1 | \$ 7.6 | \$ 7.0 |
| Net | \$ 1.4 | \$ 0.6 | \$ 0.2 | \$ (1.6) | \$ (1.3) | \$ (0.7) |
| Previously approved project budgets included above | | | | 1.5 | | |
| <i>Memo:</i> | | | | | | |
| Invested in capital assets | \$ 1.7 | \$ 2.5 | \$ 2.3 | \$ 2.3 | \$ 2.3 | \$ 2.3 |
| Unrestricted fund balance (net assets) | 4.6 | 4.4 | 4.8 | 3.2 | 1.9 | 1.2 |
| Total fund balance (net assets) | \$ 6.3 | \$ 6.9 | \$ 7.1 | \$ 5.5 | \$ 4.2 | \$ 3.5 |

Observations:

- Future investments in capital assets are projected to stay constant for purposes of this analysis
- Existing Collection for FY14/FY15 reflect a use of fund balance of \$200K per year; Rates in future years may increase when this rebate is discontinued

OPERATIONS

- Focus on maintaining current level of technology.
- Integrating existing technology with work processes.
- Improving internal processes & controls (on-boarding employees, password policy, etc.)
- Deliver major projects (disaster recovery, website re-design, etc.)

FUND BALANCE (Net Assets)

FY 2012

(\$ Mils.)

6/30/12 - Total Fund Balance (Net Assets)**\$ 7.2**

Less:

Restricted - Invested in Capital Assets

(2.3)

Committed for Projects:

Network Replacements

(1.1)

Human Resources Upgrade

(0.8)

PC Replacements

(0.4)

Document Management

(0.4)

Financial System Upgrade

(0.3)

Disaster Recovery

(0.3)

Server Replacements

(0.2)

Enterprise Telecommunication

(0.1)

All Other

(0.7)

Subtotal Available Fund Balance**\$ 0.7**

Less: Minimum Balance Requirement

(0.3)

Available Fund Balance**\$ 0.4**Known Risks

- GASB #68

\$3-\$4 Mil