

City Hall Offices
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City of Iron Mountain

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To: City Council
From: Carol J. Bartolameolli, Chief Financial Officer
Subject: Fiscal 2006-07 Proposed Budget
Date: March 30, 2006

Attached is the fiscal year 2006-07 proposed, preliminary budget. As you will notice, the budget has an extra column this year, which forecasts what the revenues and expenditures will be for fiscal 2007-08.

As of this date, actual workers' compensation, unemployment, health insurance, and liability and property insurance costs for fiscal 2006-07 are unknown. The budget has been prepared with the same figures as fiscal 2005-06 or with percentage increases over the 2005-06 rates. Should new rates for these expenditures become available prior to the budget's adoption, the budget will be updated to reflect the new rates.

While preparing the budget, I had great concerns of where the Capital Improvement, Health Insurance, Local Street, and the Motor Vehicle Funds are at this point in time. While the General Fund has improved its fund balance significantly over the last two years, the above named funds have continued to deteriorate. The city manager is also aware of the state of these funds and the need to address the situation in the near future.

Should you have questions concerning this memo or the budget, please feel free to contact me.