

Sewer Fund

The Sewer Fund is an Enterprise Fund, that is, a fund that is used to account for operations which are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges. The Sewer Fund is used to account for the operations of the sanitary sewer system.

Revenues: The Sewer Fund's anticipated revenues are estimated at \$245,800, \$84,500 (52.39%) higher than the current year's estimated actual.

Sewer Service Charges: Sewer service charge revenues are budgeted at \$184,000, \$24,500 (15.36%) over the current year's estimated actual. This increase is the result of the sewer service charge increases implemented on 01/01/06 (\$.32 per month) and another increase (\$1.00 per month) to be implemented on 01/01/07. These increases are necessary to finance sewer repairs and replacements.

Interest & Rents is budgeted at \$1,000, \$1,000 higher than the current year's estimated actual. Because of the sewer construction work done on Fairbanks Street early in the current fiscal year, this fund has not been able to maintain a positive fund balance to invest and, therefore, interest earnings are expected to be \$-0- or very minimal for 2005-06.

Permits are budgeted at \$2,500, the same as the current fiscal year.

Other Financing Sources is budgeted at \$58,000, as compared to \$-0- for the current fiscal year. The \$58,000 is a contribution from the Capital Improvement Fund to help offset sanitary sewer projects to be undertaken during the fiscal year.

Other Revenues is budgeted at \$300, the same as the current year's estimated actual, and includes any monies received from a workers' compensation refund.

Expenditures: Expenditures for the Sewer Fund are budgeted at \$215,635, \$14,036 (6.96%) higher than the current year's estimated actual.

Maintenance: Maintenance is budgeted at \$143,885, \$12,286 (9.34%) higher than the current year's estimated actual. While wages and benefits account for a portion of this increase, along with a decrease in the budget for repair and maintenance parts, equipment rental charges paid to the Motor Vehicle and Equipment Fund will be implemented for the entire fiscal year, and is budgeted at \$24,000 for the year.

Construction: Construction is budgeted at \$71,750, \$1,750 (2.5%) higher than the current year's estimated actual figure. A listing of sewer projects to be undertaken is included in this section of the budget.

Fund Balance: The fund balance of the Sewer Fund is estimated at \$12,011 at the end of the current fiscal year, and \$42,176 at the end of fiscal 2006-07, an increase of \$30,165.

Future Fund Outlook: Even with the sewer service charge increases implemented and to be implemented, the Sewer Fund's balance will increase at a very slow pace and it may be several years before it can be considered "healthy".

4/26/06 F.Y. 2006-07 and F.Y. 2007-08 Capital Improvements

		FY 06-07	FY 07-08	BUDGETED		
DEPT. &/Or Fund	ITEM/IMPROVEMENT	COST	COST	IN		
City Hall	Telephone System	\$15,000			TIFA Fund	
City Hall	Copy Machine	\$15,000			TIFA Fund	
City Hall	Technology Improvements	\$52,000	\$35,000		TIFA Fund -(reimbursement to General Fund for costs)	
Police	In-car cameras	\$6,500			General	
Police/Fire	Fitness room equipment	\$750			General	
Police	Women's restroom update	\$2,000			General	
Police	Office equip. & furniture	\$2,000			General	
Cemetery	Ground thawing system	\$2,500			Cap Improv	
Cemetery	New section clear & grade	\$10,000			General	
Cemetery	Pavement-new & repair	\$10,000	\$10,000		General	
DPW	Alley repairs		\$25,000		Cap Improv	
Parks/Rec	Pavillion rehab	\$100,000			Cap Improv	(funded by a transfer from General Fund)
Parks/Rec	Pave tennis ct. entrance/p.lot	\$33,000			Cap Improv	
Parks/Rec	Resurface tennis cts.-City park		\$10,000		Cap Improv	
Parks/Rec	Boat Launch		\$15,000		Cap Improv	
Major Sts.	Resurface: West "H" from Kimb. To Carpenter	\$5,000	\$5,000		Major Street Fund	
	East "H" From Carp. To Stephenson	\$14,060	\$14,060		Major Street Fund	
	Prospect from Detroit to West "H"	\$7,200	\$7,200		Major Street Fund	
	Park Avenue from East "F" to Steph.	\$15,700	\$15,700		Major Street Fund	
	Bike path	\$18,000			Major Street Fund	
Local Sts.	Resurface: East "C" St. from Park Ave. to East End	\$25,000			Local Street Fund	
	Pave East "D" St. from Park Ave. to East End	\$30,750			Local Street Fund	
	600 Block East "E" Street	\$20,000			Local Street Fund	
	Reconstruct: Kramer Drive intersection	\$31,400			Local Street Fund	
	Additional projects	\$75,000	\$150,000		Local Street Fund	
Water Cap. Improv	Hydrant replacement	\$30,000	\$30,000		Water Cap. Improv	
	Large meter replacement	\$20,000	\$20,000		Water Cap. Improv	
	Main replacement-800 Block East "E" St.	\$35,000			Water Cap. Improv	
	Loop main-East "C" to East "D"	\$25,000			Water Cap. Improv	
	Install main-Crystal Lake from "H" St. to dead-end	\$17,000			Water Cap. Improv	
	Install 3/4" water line in new cemetery section	\$5,000			Water Cap. Improv	
	Building for Well 4		\$10,000		Water Cap. Improv	
	Pine Mountain water extension		\$37,500		Water Cap. Improv	
Water Construction	Replace main - Park-Oslo-"F" Streets	\$80,000			Water Construction Fund	
	Install main - Prospect from H to J	\$30,000			Water Construction Fund	
	Vision 2020	\$150,000			Water Construction Fund	
Motor Pool	Holder & attachments	\$100,000			Motor Vehicle & Equipment Fund	
	Cut saw	\$1,200			Motor Vehicle & Equipment Fund	
	Vector repair parts (overhaul)	\$30,000			Motor Vehicle & Equipment Fund	
	Police Car	\$23,000	\$23,000		Motor Vehicle & Equipment Fund	
	Vibratory compactor	\$2,800			Motor Vehicle & Equipment Fund	
	Water Dept. van		\$19,000		Motor Vehicle & Equipment Fund	
	Water Dept. truck		\$21,000		Motor Vehicle & Equipment Fund	
	Cemetery backhoe		\$25,000		Motor Vehicle & Equipment Fund	
	Pick-up truck		\$20,000		Motor Vehicle & Equipment Fund	
Sewers	Install sewer main East "D" St. from Park to 900' east	\$51,750			Sewer Fund	
	Replace lift station pumps	\$20,000			Sewer Fund	
	Pine Mountain sewer extension		\$37,500		Sewer Fund	
DPW	Downtown parking lots	\$225,000	\$225,000		TIFA Fund	
	Hydraulic Falls Rd. Intersection	\$25,000			TIFA Fund	*=financed
	Woodward Ave./Terminal Ave. Corridor Analysis	\$25,000			TIFA Fund	
	Infrastructure Improvements in TIFA District	\$800,000	\$400,000		TIFA Fund	
	Carollo sanitary sewer	\$50,000			TIFA Fund	
	Trader's Mine Rd.-road & utilities	\$245,000	\$245,000		TIFA Fund	
	N.E. area Chapin Pit terracing	\$100,000	\$100,000		TIFA Fund	

SEWER FUND SUMMARY
Fiscal Year 2006-07 Budget
City of Iron Mountain

	F.Y. 2004-05 Actual	F.Y. 2005-06 Appr. Bud.	F.Y. 2005-06 Est. Actual	F.Y. 2006-07 Prop. Bud.	FY 2007- 08 Prop. Budget
<u>Revenues</u>					
Sewer Service	152,964	166,500	159,500	184,000	220,000
Interest & Rents	176	750	0	1,000	1,000
Permits	2,580	2,500	1,500	2,500	2,500
Other Financing Sources	8,630	0	0	58,000	0
Other Revenues	<u>291</u>	<u>100</u>	<u>300</u>	<u>300</u>	<u>300</u>
Total Revenues	164,641	169,850	161,300	245,800	223,800
<u>Expenditures</u>					
Maintenance	112,331	119,015	131,599	143,885	149,280
Construction	<u>0</u>	<u>100,000</u>	<u>70,000</u>	<u>71,750</u>	<u>38,000</u>
Total Expenditures	112,331	219,015	201,599	215,635	187,280
Net Income (Loss)	52,310	(49,165)	(40,299)	30,165	36,520
Retained Earnings-Prior Years	<u>0</u>	<u>52,310</u>	<u>52,310</u>	<u>12,011</u>	<u>42,176</u>
Retained Earnings at Year End	52,310	3,145	12,011	42,176	78,696
Reserved:					
Inventory	0	0		0	0
Unreserved	<u>52,310</u>	<u>3,145</u>	<u>12,011</u>	<u>42,176</u>	<u>78,696</u>
TOTAL	<u>52,310</u>	<u>3,145</u>	<u>12,011</u>	<u>42,176</u>	<u>78,696</u>