



Internal Service Funds

for the Fiscal Year Ending June 30, 2010

Equipment Revolving Fund

Health Insurance Fund

Information Services Funds

Municipal Service Annex Fund

Municipal Service Center Fund

Property and Liability Insurance Fund

Special Assessment Revolving Fund



Public Services DirectorKaren Murphy

Service Statement

The department's scope of services includes: provide vehicle and equipment repair and preventative maintenance services; oversee building maintenance for the Municipal Service Center; develop bid specifications and make purchasing recommendations for new vehicles and equipment that meet the operational needs of City departments; provide in-house welding and fabrication services; operate fuel station for diesel and unleaded gasoline; and manage disposal of used equipment via trade-in, auction or the sealed bid process.

Functions

Administrative Services

- Coordinates & monitors daily staff activities
- Coordinates safety and job specific training for staff
- Prepares equipment and vehicle specifications for the bid process
- Evaluates bids received and makes recommendations for purchase in the best interest of the City
- Administers department budget
- Coordinates Municipal Service Center building repairs and improvements
- Manages computerized fleet management program
- Administers annual blanket purchase orders with over 220 parts suppliers
- Specifies and obtains necessary supplies, equipment and tools
- Maintains two 20,000 gallon fuel tanks and a computerized fuel inventory program to supply unleaded and diesel fuel to all City departments as well as Emergency Medical Services and Senior Services
- Coordinates the disposal of used equipment and vehicles through trade-in, auction or the sealed bid process
- Maintains and updates short- and long-range capital plans for vehicle and equipment replacement annually by evaluating age, mileage and condition of each unit in the fleet
- Determines maintenance & replacement costs for fleet items, and establishes monthly rental charges accordingly
- Recommends new and improved equipment and vehicles to increase the safety and efficiency of City operations

- Actively participates in Department of Public Works Safety Committee

Fleet Maintenance

- Provides equipment and vehicle preventative maintenance and repair services for the City fleet comprised of over 400 vehicles and pieces of equipment used by the Assessing, Building, Clerk, Dial-A-Ride, Engineering, Fire, Housing, Landfill, Library, Parks, Planning, Police, Public Services, Wastewater and Water departments
- Performs in-house welding and fabrication services and offers these services to all City departments
- Fabricates specialty equipment, including custom truck bodies, trailers and leaf collection implements
- Operates three overlapping shifts to provide in-shop and on-site service from 4:00 a.m. – 5:30 p.m. Monday – Friday, with emergency on-call service available at all other times
- Engineers and implements creative solutions to rectify safety concerns raised by the department safety committees relating to vehicle and equipment safety
- Performs in-house diagnostics and repair on diesel and gasoline engines, transmissions and anti-lock brakes using state-of-the-art computerized diagnostic tools
- Conducts monthly building maintenance audit for the Municipal Service Center to check the operation of emergency lighting, fire extinguishers, eye wash stations and chemical showers

Department at a Glance

Funding Level Summary	2006-07 Actual	2007-08 Actual	Adjusted 2008-09 Budget	Estimated 2008-09 Budget	Adopted 2009-10 Budget	% of Change
Equipment Maintenance	\$ 3,881,407	\$ 3,991,359	\$ 4,594,159	\$ 4,619,202	\$ 3,978,510	-13.9%
Total Department	\$ 3,881,407	\$ 3,991,359	\$ 4,594,159	\$ 4,619,202	\$ 3,978,510	-13.9%
Personal Services	\$ 1,399,288	\$ 1,419,575	\$ 1,491,564	\$ 1,520,746	\$ 1,523,481	0.2%
Supplies	814,207	691,552	791,680	792,680	742,525	-6.3%
Other Services/Charges	496,300	475,513	530,931	529,177	552,224	4.4%
Miscellaneous	48,740	184,433	25,000	36,920	39,280	6.4%
Capital Outlay	1,070,512	1,220,286	1,754,984	1,739,679	1,121,000	-35.6%
Operating Transfers Out	52,360	-	-	-	-	0.0%
Total Department	\$ 3,881,407	\$ 3,991,359	\$ 4,594,159	\$ 4,619,202	\$ 3,978,510	-13.9%

Personnel Summary

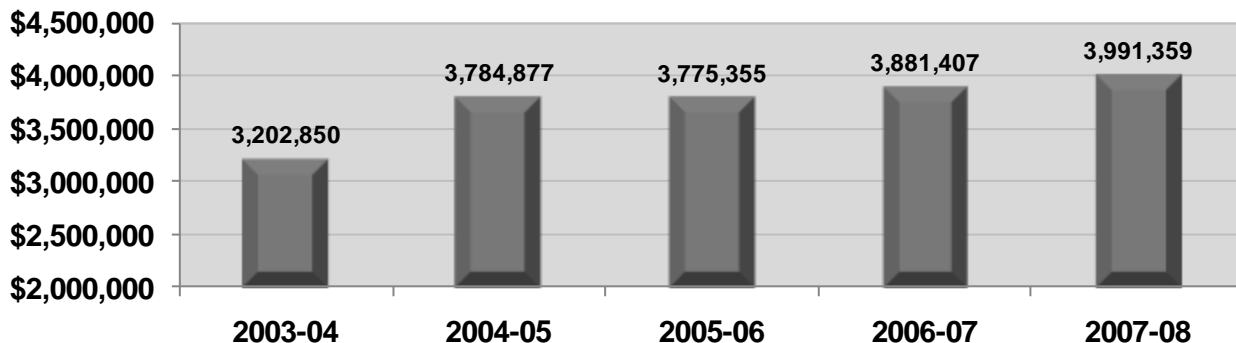
	2006-07	2007-08	Adjusted 2008-09	Estimated 2008-09	Adopted 2009-10
Full-Time	15	15	15	15	15
Regular Part-Time	-	-	-	-	-
Total Department	15	15	15	15	15

Summary of Budget Changes

Significant Notes – 2009-10 Budget Compared to 2008-09 Budget

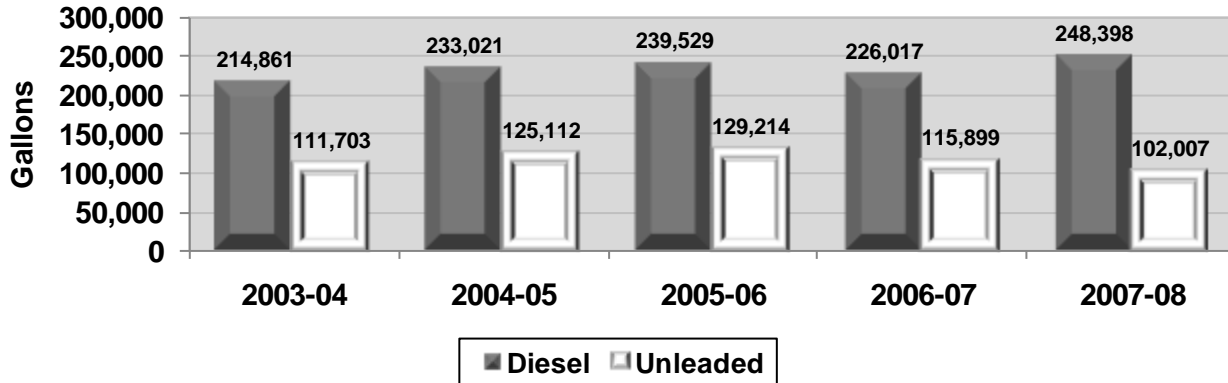
A professional fleet consultant was hired in 2008-09 to perform a best practices review of the City's fleet management operation. Recommendations from the consultant will be implemented over the upcoming year to help improve efficiencies both in the overall administration of the fleet and the provision of fleet services.

5-Year Operating Budget History

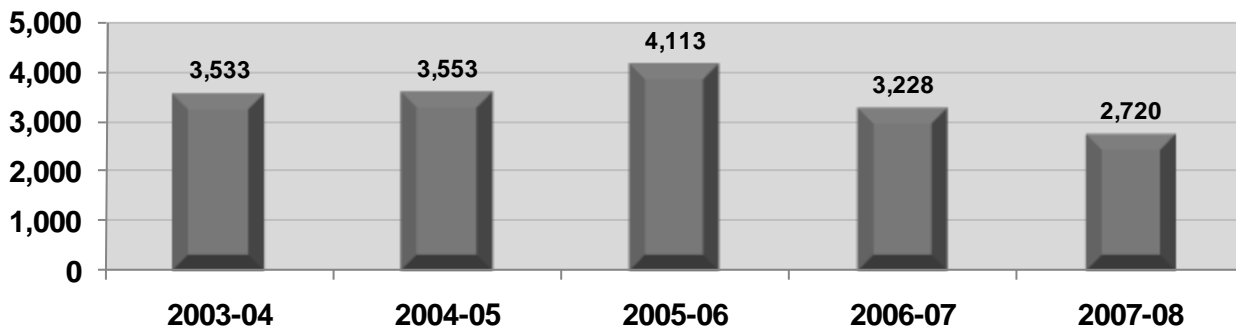


Key Departmental Trends

Fuel Consumption (Diesel & Unleaded Gasoline)



Work Orders Completed



Mechanics started writing their own work orders in fiscal year 2006-07, and were able to consolidate multiple requests on one work order. The intent was to reduce the paperwork involved in tracking repairs.

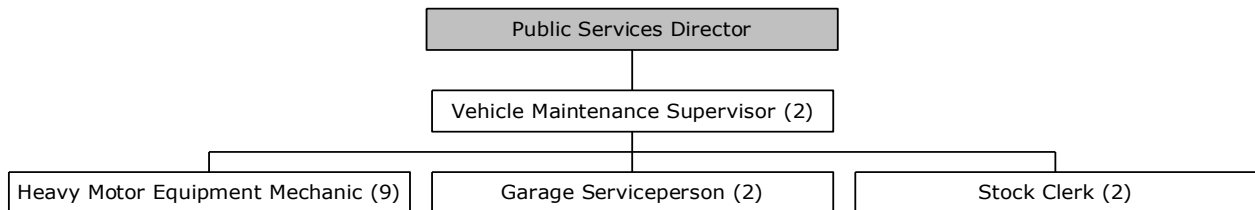
Performance Objectives

Performance Indicators (OUTPUT)	2006-07 Actual	2007-08 Actual	% Change
Number of vehicles/equipment in fleet	423	424	0.2%
Diesel fuel dispensed (gallons)	226,017	248,398	9.9%
Unleaded fuel dispensed (gallons)	115,899	102,007	-12.0%
Work orders processed**	3,228	2,720	-15.7%
Used oil recycled (gallons)	2,600	3,150	21.2%

Performance Indicators (EFFICIENCY)	2006-07 Actual	2007-08 Actual	% Change
Average age of police patrol cars (years)	2.0	2.3	15.0%
Average age of salt/plow trucks (years)	5.6	6.6	17.9%

**Mechanics started writing their own work orders in fiscal year 2006-07, and were able to consolidate multiple requests on one work order. The intent was to reduce the paperwork involved in tracking repairs.

Organizational Chart



Shaded boxes indicate a reporting structure to a department head that is funded outside of this budget.



Equipment Revolving Fund

Staff Summary	Approved 2007-08	Approved 2008-09	Adopted 2009-10
<u>Full-Time</u>			
Vehicle Maintenance Supervisor	2	2	2
Stock Clerk	2	2	2
Garage Serviceperson	4	2	2
Heavy Motor Equipment Mechanic	7	9	9
Total Full-Time	15	15	15
<u>Regular Part-Time</u>			
None	0	0	0
Total Regular Part-Time	0	0	0
Department Total	15	15	15

Equipment Revolving Fund

FUND 640 - EQUIPMENT REVOLVING FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Equipment rentals	\$ 3,361,769	\$ 3,690,958	\$ 3,927,100	\$ 3,925,672
Gas and oil sales	94,204	65,000	70,000	65,000
Equipment maintenance	62,411	85,000	120,000	120,000
Total operating revenues	<u>3,518,384</u>	<u>3,840,958</u>	<u>4,117,100</u>	<u>4,110,672</u>
Operating Expenses				
Personal services	1,193,140	1,491,564	1,520,746	1,523,481
Supplies	691,552	791,680	792,680	742,525
Other charges	475,513	530,931	529,177	552,224
Reserve for contingencies	-	25,000	25,000	25,000
Total operating expenses	<u>2,360,205</u>	<u>2,839,175</u>	<u>2,867,603</u>	<u>2,843,230</u>
Net Operating Income	<u>1,158,179</u>	<u>1,001,783</u>	<u>1,249,497</u>	<u>1,267,442</u>
Non-operating Revenues (Expenses)				
Investment earnings	85,226	60,000	41,656	30,000
Sale of assets - net	105,329	112,130	153,916	59,610
Miscellaneous revenues	25,299	1,500	4,000	1,500
Miscellaneous expenses	(410,868)	-	(11,920)	(14,280)
Total non-operating revenues (expenses)	<u>(195,014)</u>	<u>173,630</u>	<u>187,652</u>	<u>76,830</u>
Other Financing Sources (Uses)				
Operating transfers in	49,800	-	-	-
Investment in assets	(1,220,286)	(1,754,984)	(1,739,679)	(1,121,000)
Total other financing sources (uses)	<u>(1,170,486)</u>	<u>(1,754,984)</u>	<u>(1,739,679)</u>	<u>(1,121,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(207,321)	(579,571)	(302,530)	223,272
Working Capital - beginning of year	<u>1,704,835</u>	<u>1,497,514</u>	<u>1,497,514</u>	<u>1,194,984</u>
Working Capital - end of year	<u>\$ 1,497,514</u>	<u>\$ 917,943</u>	<u>\$ 1,194,984</u>	<u>\$ 1,418,256</u>

EQUIPMENT REVOLVING FUND FIVE-YEAR FINANCIAL PLAN

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Operating Revenues						
Equipment rentals	\$ 3,927,100	\$ 3,925,672	\$ 4,318,239	\$ 4,750,063	\$ 5,177,569	\$ 5,591,775
Gas and oil sales	70,000	65,000	66,950	68,959	71,028	73,159
Equipment maintenance	120,000	120,000	123,600	127,308	131,127	135,061
Total operating revenues	4,117,100	4,110,672	4,508,789	4,946,330	5,379,724	5,799,995
Operating Expenses						
Personal services	1,520,746	1,523,481	1,592,038	1,663,680	1,738,546	1,816,781
Supplies	792,680	742,525	761,088	780,115	799,618	819,608
Other charges	529,177	552,224	566,030	580,181	594,686	609,553
Reserve for contingencies	25,000	25,000	25,000	25,000	25,000	25,000
Total operating expenses	2,867,603	2,843,230	2,944,156	3,048,976	3,157,850	3,270,942
Net Operating Income	1,249,497	1,267,442	1,564,633	1,897,354	2,221,874	2,529,053
Non-operating Revenues (Expenses)						
Investment earnings	41,656	30,000	21,274	8,470	6,894	6,744
Sale of assets - net	153,916	59,610	59,610	59,610	59,610	59,610
Miscellaneous revenues	4,000	1,500	1,500	1,500	1,500	1,500
Miscellaneous expenses	(11,920)	(14,280)	(14,637)	(15,003)	(15,378)	(15,762)
Total non-operating revenues (expenses)	187,652	76,830	67,747	54,577	52,626	52,092
Other Financing Uses						
Investment in assets	(1,739,679)	(1,121,000)	(2,486,000)	(2,057,000)	(2,284,500)	(2,594,500)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(302,530)	223,272	(853,620)	(105,069)	(10,000)	(13,355)
Working Capital - beginning of year	1,497,514	1,194,984	1,418,256	564,636	459,567	449,567
Working Capital - end of Year	\$ 1,194,984	\$ 1,418,256	\$ 564,636	\$ 459,567	\$ 449,567	\$ 436,212
Working capital goal - operations	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Working capital for investment in assets	1,144,984	1,368,256	514,636	409,567	399,567	386,212
	\$ 1,194,984	\$ 1,418,256	\$ 564,636	\$ 459,567	\$ 449,567	\$ 436,212
ASSUMPTIONS:						
Rental rate increases:						
2009/10		10%				
2010/11		10%				
2011/12		10%				
2012/13		9%				
2013/14		8%				
2014/15		5%				
Labor and benefits annual increase		4.5%				
Operating expense increase per year		2.5%				
Investment earnings on working capital		1.50%				

Investment in assets: ten-year capital plan



Fiscal Services Director David A. Keenan

Service Statement

The Health Insurance Fund is an internal service fund used to account for revenues and expenses associated with providing health insurance coverage to the City's active and retired employees and dependents. Its primary source of revenue is cost reimbursements from the other funds within the City, as well as employee premium sharing. Its expenses consist of actual claims, insurance premiums, and administrative costs paid to Blue Cross Blue Shield of Michigan, and prefunding contributions toward postemployment healthcare benefits.

FUND 680 - HEALTH INSURANCE FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Insurance services	\$ 10,173,993	\$ -	\$ 10,734,500	\$ 10,625,000
Medicare reimbursements	173,577	-	600,000	174,000
Investment earnings	51,072	-	80,000	60,000
Insurance refunds	-	-	461,750	461,750
Total operating revenues	10,398,642	-	11,876,250	11,320,750
Operating Expenses				
Health insurance claims	7,921,304	-	7,500,000	8,237,000
Contribution to post employment trust	-	-	5,835,707	2,375,000
Consultant	-	-	100,000	100,000
Total operating expenses	7,921,304	-	13,435,707	10,712,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,477,338	-	(1,559,457)	608,750
Working Capital - beginning of year	2,010,247	4,487,585	4,487,585	2,928,128
Working Capital - end of year	\$ 4,487,585	\$ 4,487,585	\$ 2,928,128	\$ 3,536,878



Fiscal Services Director David A. Keenan
Information Services Manager Tadd Underhill
Assistant Information Services Manager Chris Miller
GIS Manager Tony Foisy

Service Statement

The Information Services Department supports the computerization needs for all City departments. The result of this computer automation is an improvement in the productivity and accuracy of routine tasks and assistance in controlling and reducing operating costs. Fast availability to tremendous amounts of information stored on City servers is critical to the duties assigned to many employees.

Computer support is provided to personnel in 15 building locations throughout Midland. The City's website is available to all citizens or other interested parties around the world. Information Services staff members are on call around the clock to provide computer access 24 hours a day, every day of the year.

There are six technology platforms that City of Midland personnel rely on for automation and electronic communication. The first is an IBM iSeries minicomputer. This system stores the software and processes the data related to the financial, utility, parcel and public safety needs of the City of Midland. The second platform consists of the file servers that handle e-mail, calendar, voicemail, web and other systems. These servers also provide file storage for all employees' word processing documents, spreadsheet files and other documents. The third platform consists of the personal computers that are installed on the desks of many employees. The Microsoft Office suite is installed on every desktop PC to provide convenient access to word processing and spreadsheet applications. Microsoft Exchange/Outlook is used for calendaring and e-mail functions and provides for internal and external communications. The fourth platform consists of the network infrastructure, which connects all City facilities to centralized server and telephone resources. The fifth platform consists of the Avaya telephone systems installed in most major City facilities. The integrated phone systems provide for consistent features, centralized voicemail, four-digit dialing between employees and aggregated telephone service. The final platform is the Geographic Information System (GIS). GIS allows information such as floodplain locations, or all commercial zoned properties in the city, to be displayed in an easy-to-read graphical format on a computer.

Approximately 345 computers, scanners and laser printers are covered under a five-year replacement and maintenance plan. The replacement process cycles equipment out of production that has reached the end of its useful life. The new equipment generally performs the required functions faster and allows staff to be more productive. In terms of routine maintenance, equipment repairs are performed as needed, and a number of software applications and processes are routinely handled. First, all computers are updated daily with antivirus definitions. Anti-spyware software has also been deployed. Microsoft operating system and office suite patches are downloaded and automatically installed as needed. Finally, anti-spam software greatly reduces the amount of useless email employees receive.

Information Services personnel allocate considerable resources to maintaining existing equipment, software and infrastructure. The activities involve a number of different tasks such as resolving program bugs, answering user questions about software functionality, software enhancements, hardware maintenance, training, etc. Many of these activities are related to the SunGard software modules such as Tax Billing, Land Management, General Ledger, etc. Over 20 SunGard modules are currently deployed within City departments.

Because of the ever-increasing amount of data that must be protected against loss, Information Services has deployed and maintains a disk-to-disk-to-tape (D2D2T) backup system. This system provides nightly, fast, secure and reliable backups. Backups are stored on high-capacity hard drives on a daily basis and are automatically offloaded to tape once per week. Disaster recovery testing is regularly performed to ensure that data can be recovered in an emergency.

Functions

Administrative Functions

- Prepares and administers IS budget
- Keeps abreast of technological changes
- Develops short- and long-term plans
- Manages purchases and implementation
- Establishes standards in coordination with City departments
- Recommends and adopts policies
- Maintains software and equipment inventory
- Maintains relationships with City departments
- Coordinates and evaluates staff development and activities
- Develops and implements training programs for City employees

Applications Support

- Performs requirements analysis to determine application software needs
- Recommends and implements application software
- Provides initial and ongoing training
- Functions as front line support and acts as the liaison between software vendors and end users to resolve issues
- Implements change requests and enhancements
- Responsible for successful software upgrades
- Custom programming and interfaces
- Maintenance of Intranet and Internet web sites

Client Support

- Provides hardware support and maintenance
- Provides desktop software support and maintenance
- Purchases and installs new equipment and software
- Serves as the contact with various vendors

Infrastructure Support

- Network administration
- iSeries management
- GIS systems management
- Support of all technology needed to provide data communications
- Responsible for installation, maintenance and upgrade of network and iSeries operating systems and software
- Responsible for communications and network equipment, and iSeries maintenance
- Develops and executes backup procedures
- Maintains e-mail and enterprise fax communication gateways
- Responsible for network, telecommunication, and iSeries security
- Maintenance and support of telecommunication systems

Department at a Glance

Funding Level Summary	2006-07 Actual	2007-08 Actual	Adjusted 2008-09 Budget	Estimated 2008-09 Budget	Adopted 2009-10 Budget	% of Change
Operations	1,117,980	943,328	1,194,647	1,147,193	1,712,824	49.3%
Computer Rental	190,496	290,225	161,941	161,366	171,650	6.4%
GIS	459,895	322,493	550,034	397,214	546,238	37.5%
Total Department	\$ 1,768,371	\$ 1,556,046	\$ 1,906,622	\$ 1,705,773	\$ 2,430,712	42.5%
Personal Services	\$ 740,509	\$ 863,446	\$ 948,496	\$ 949,224	\$ 990,111	4.3%
Supplies	97,314	195,655	38,175	33,842	69,000	103.9%
Other Services/Charges	746,504	495,295	728,526	587,283	671,651	14.4%
Miscellaneous	(11,979)	(37,025)	30,000	-	80,000	100.0%
Capital Outlay	196,023	38,675	161,425	135,424	619,950	357.8%
Total Department	\$ 1,768,371	\$ 1,556,046	\$ 1,906,622	\$ 1,705,773	\$ 2,430,712	42.5%

Personnel Summary

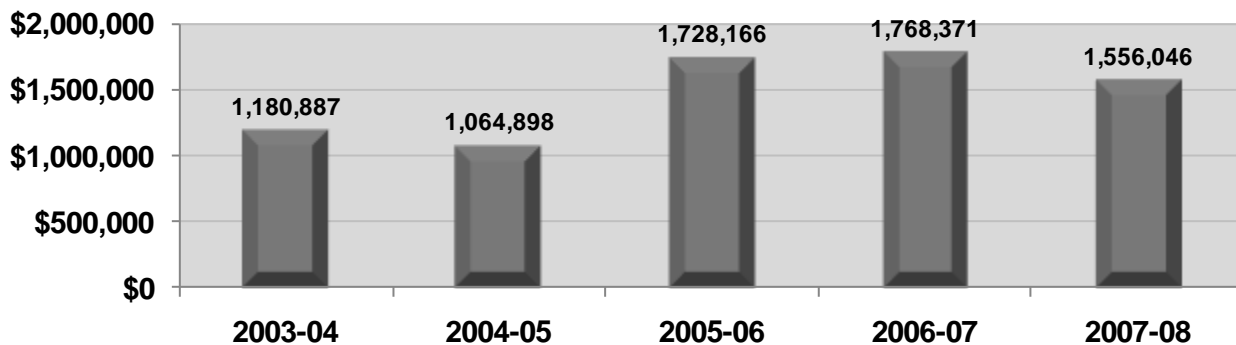
Full-Time	8	8	8	8	8
Regular Part-Time	-	-	-	-	-
Total Department	8	8	8	8	8

Summary of Budget Changes

Significant Notes – 2009-10 Budget Compared to 2008-09 Budget

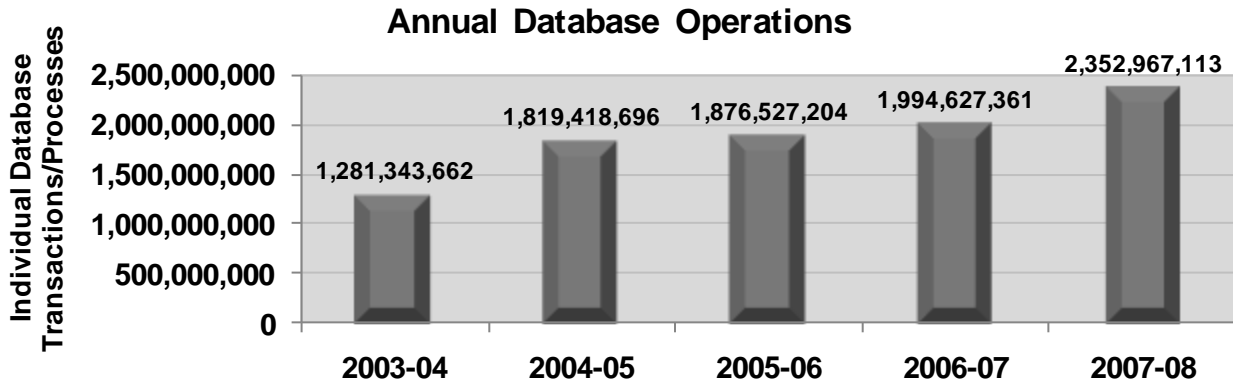
Capital purchase requests have been reduced from \$125,000 to \$95,000 in the Operations Fund, and computer replacements will now occur every five years instead of four for the Rental Fund.

5-Year Operating Budget History



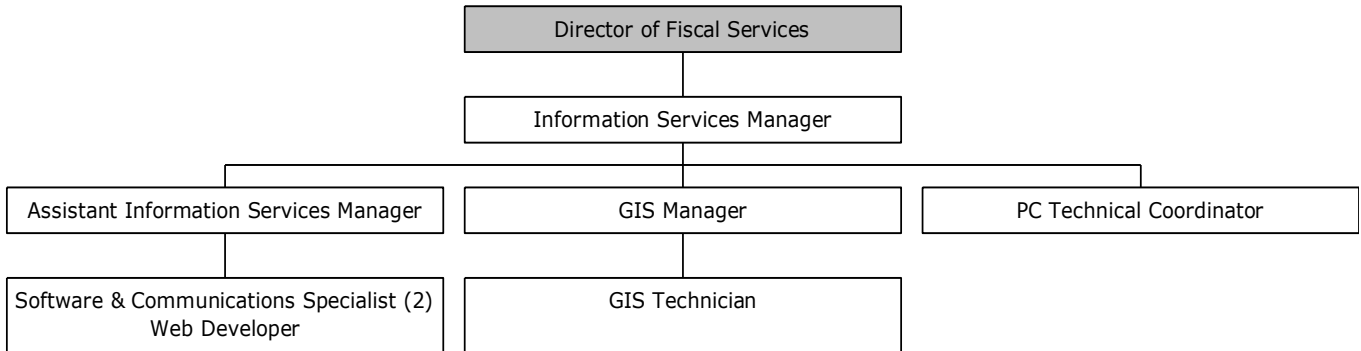
The implementation of the Geographic Information System began during the 2005-2006 budget year and accounts for the increase from 2005 through 2007.

Key Departmental Trends



This chart represents the utilization of the following enterprise software modules: Application Tracking, Accounts Receivable, Business Licenses, Building Permits, Code Enforcement, Crimes Management System, Fires Management System, Fixed Assets, Fleet Management, General Ledger, Human Resources, Land/Parcel Management, Loans/Special Assessments, Parking Tickets, Payroll/Personnel/Pension Payroll, Planning and Zoning, Purchasing/Inventory, Tax Billing, Utility Billing/Customer Information and Word Orders/Facilities Management.

Organizational Chart



Shaded boxes indicate a reporting structure to a department head that is funded outside of this budget.

Staff Summary	Approved 2007-08	Approved 2008-09	Adopted 2009-10
<u>Full-Time</u>			
Information Services Manager	1	1	1
Assistant Information Services Manager	1	1	1
Geographical Information Services Manager	1	1	1
Software & Communications Specialist	2	2	2
Web Developer	1	1	1
Geographical Information Services Technician	1	1	1
PC Technical Coordinator	1	1	1
Total Full-Time	8	8	8
<u>Regular Part-Time</u>			
None	0	0	0
Total Regular Part-Time	0	0	0
Department Total	8	8	8

FUND 636 - INFORMATION SERVICES - OPERATIONS FUND
DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
EDP charges - internal	\$ 969,001	\$ 969,000	\$ 969,000	\$ 902,800
PC service rental charges	104,116	135,041	135,041	108,750
Total operating revenues	<u>1,073,117</u>	<u>1,104,041</u>	<u>1,104,041</u>	<u>1,011,550</u>
Operating Expenses				
Personal services	541,293	700,561	703,436	733,537
Supplies	14,676	18,600	18,273	8,000
Other charges	294,548	360,486	335,484	338,337
Reserve for contingencies	-	-	-	50,000
Total operating expenses	<u>850,517</u>	<u>1,079,647</u>	<u>1,057,193</u>	<u>1,129,874</u>
Net Operating Income (Loss)	<u>222,600</u>	<u>24,394</u>	<u>46,848</u>	<u>(118,324)</u>
Non-operating Revenues (Expenses)				
Investment earnings	56,116	33,600	26,069	15,500
Miscellaneous revenues	93	-	-	-
Miscellaneous expenses	(74,190)	-	-	-
Total non-operating revenues (expenses)	<u>(17,981)</u>	<u>33,600</u>	<u>26,069</u>	<u>15,500</u>
Other Financing Uses				
Investment in assets	(18,621)	(115,000)	(90,000)	(582,950)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>185,998</u>	<u>(57,006)</u>	<u>(17,083)</u>	<u>(685,774)</u>
Working Capital - beginning of year	<u>1,178,333</u>	<u>1,364,331</u>	<u>1,364,331</u>	<u>1,347,248</u>
Working Capital - end of year	<u>\$ 1,364,331</u>	<u>\$ 1,307,325</u>	<u>\$ 1,347,248</u>	<u>\$ 661,474</u>
Working Capital				
Reserved for equipment replacement	\$ 100,000	\$ 200,000	\$ 50,000	\$ 50,000
Unreserved	1,264,331	1,107,325	1,297,248	611,474
	<u>\$ 1,364,331</u>	<u>\$ 1,307,325</u>	<u>\$ 1,347,248</u>	<u>\$ 661,474</u>

INFORMATION SERVICES - OPERATIONS FUND FIVE-YEAR FINANCIAL PLAN

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Operating Revenues						
EDP charges - internal	\$ 969,000	\$ 902,800	\$ 925,370	\$ 948,504	\$ 972,217	\$ 996,522
PC rental service charges	135,041	108,750	113,644	118,758	124,102	129,687
Total operating revenues	<u>1,104,041</u>	<u>1,011,550</u>	<u>1,039,014</u>	<u>1,067,262</u>	<u>1,096,319</u>	<u>1,126,209</u>
Operating Expenses						
Personal services	703,436	733,537	765,669	779,747	714,836	747,004
Supplies	18,273	8,000	8,200	8,405	8,615	8,830
Other charges	335,484	338,337	338,323	291,622	298,912	306,385
Reserve for contingencies	-	50,000	50,000	50,000	-	-
Total operating expenses	<u>1,057,193</u>	<u>1,129,874</u>	<u>1,162,192</u>	<u>1,129,774</u>	<u>1,022,363</u>	<u>1,062,219</u>
Net Operating Income (Loss)	<u>46,848</u>	<u>(118,324)</u>	<u>(123,178)</u>	<u>(62,512)</u>	<u>73,956</u>	<u>63,990</u>
Non-operating Revenues						
Investment earnings	<u>26,069</u>	<u>15,500</u>	<u>9,922</u>	<u>4,484</u>	<u>2,563</u>	<u>2,661</u>
Other Financing Uses						
Investment in assets	<u>(90,000)</u>	<u>(582,950)</u>	<u>(249,316)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(17,083)	(685,774)	(362,572)	(128,028)	6,519	(3,349)
Working Capital - beginning of year	<u>1,364,331</u>	<u>1,347,248</u>	<u>661,474</u>	<u>298,903</u>	<u>170,874</u>	<u>177,393</u>
Working Capital - end of year	<u>\$ 1,347,248</u>	<u>\$ 661,474</u>	<u>\$ 298,903</u>	<u>\$ 170,874</u>	<u>\$ 177,393</u>	<u>\$ 174,044</u>
Working capital - equipment replacement	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Working capital - operations	<u>1,347,248</u>	<u>661,474</u>	<u>273,903</u>	<u>145,874</u>	<u>152,393</u>	<u>149,044</u>
	<u>\$ 1,347,248</u>	<u>\$ 661,474</u>	<u>\$ 298,903</u>	<u>\$ 170,874</u>	<u>\$ 177,393</u>	<u>\$ 174,044</u>
ASSUMPTIONS:						
Working capital goal	\$ 100,000					
EDP Charges-Internal revenues projections:						
2009-10		-7%				
2010-11 thereafter		3%				
PC Service Rental revenue projections		4.5%				
Personal services annual increase		4.5%				
Other charges increase per year		2.5%				
Investment earnings on working capital		1.50%				
Investment in assets: five-year capital plan						

FUND 637 - INFORMATION SERVICES - COMPUTER RENTAL FUND
DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Computer rentals	\$ 193,975	\$ 194,095	\$ 194,095	\$ 173,842
Total operating revenues	193,975	194,095	194,095	173,842
Operating Expenses				
Supplies	178,223	10,575	10,000	52,000
Other charges	109,716	146,941	146,941	114,650
Total operating expenses	287,939	157,516	156,941	166,650
Net Operating Income (Loss)	(93,964)	36,579	37,154	7,192
Non-operating Revenues				
Investment earnings	10,286	7,900	5,177	3,000
Miscellaneous revenues	4,868	2,500	-	1,750
Total non-operating revenues	15,154	10,400	5,177	4,750
Other Financing Uses				
Investment in assets	(2,286)	(4,425)	(4,425)	(5,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(81,096)	42,554	37,906	6,942
Working Capital - beginning of year	349,428	268,332	268,332	306,238
Working Capital - end of year	\$ 268,332	\$ 310,886	\$ 306,238	\$ 313,180

INFORMATION SERVICES - COMPUTER RENTAL FUND FIVE-YEAR FINANCIAL PLAN

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Operating Revenues						
Computer rentals	\$ 194,095	\$ 173,842	\$ 179,057	\$ 184,429	\$ 189,962	\$ 195,661
Operating Expenses						
Supplies	10,000	52,000	92,180	78,365	178,556	95,753
Other charges	146,941	114,650	119,809	125,200	130,834	136,722
Total operating expenses	156,941	166,650	211,989	203,565	309,390	232,475
Net Operating Income	37,154	7,192	(32,932)	(19,136)	(119,428)	(36,814)
Non-operating Revenues						
Investment earnings	5,177	3,000	4,698	4,225	3,953	2,172
Miscellaneous revenues	-	1,750	1,750	1,750	1,750	1,750
Total non-operating revenues	5,177	4,750	6,448	5,975	5,703	3,922
Other Financing Uses						
Investment in assets	(4,425)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	37,906	6,942	(31,484)	(18,161)	(118,725)	(37,892)
Working Capital - beginning of year	268,332	306,238	313,180	281,696	263,535	144,810
Working Capital - end of year	\$ 306,238	\$ 313,180	\$ 281,696	\$ 263,535	\$ 144,810	\$ 106,918
ASSUMPTIONS:						
Working capital goal	\$ 50,000					
Computer rental rate increase						
2009/10		-7.50%				
2010/11 thereafter		3.00%				
Supplies annual increase		3.00%				
Other charges increase per year		4.50%				
Investment earnings on working capital		1.50%				
Investment in assets: five-year capital plan						
Computers are on a five-year replacement schedule						

FUND 638 - GEOGRAPHIC INFORMATION SYSTEMS FUND
DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
GIS charges	\$ -	\$ 430,000	\$ 430,178	\$ 399,900
Total operating revenues	-	430,000	430,178	399,900
Operating Expenses				
Personal services	192,292	247,935	245,788	256,574
Supplies	2,756	9,000	5,569	9,000
Other charges	91,031	221,099	104,858	218,664
Reserve for contingencies	-	30,000	-	30,000
Total operating expenses	286,079	508,034	356,215	514,238
Net Operating Income (Loss)	(286,079)	(78,034)	73,963	(114,338)
Non-operating Revenues (Expenses)				
Investment earnings	20,505	9,500	11,269	11,000
Miscellaneous expenses	(18,646)	-	-	-
Total non-operating revenues (expenses)	1,859	9,500	11,269	11,000
Other Financing Sources (Uses)				
Investment in assets	(17,768)	(42,000)	(40,999)	(32,000)
Operating transfers in	430,000	-	-	-
Total other financing sources (uses)	412,232	(42,000)	(40,999)	(32,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	128,012	(110,534)	44,233	(135,338)
Working Capital - beginning of year	402,065	530,077	530,077	574,310
Working Capital - end of year	\$ 530,077	\$ 419,543	\$ 574,310	\$ 438,972

GEOGRAPHIC INFORMATION SYSTEMS FUND FIVE-YEAR FINANCIAL PLAN

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Operating Revenues						
GIS charges	\$ 430,178	\$ 399,900	\$ 403,899	\$ 407,938	\$ 412,017	\$ 416,137
Total operating revenues	430,178	399,900	403,899	407,938	412,017	416,137
Operating Expenses						
Personal services	245,788	256,574	268,120	280,185	292,793	305,969
Supplies	5,569	9,000	9,270	9,548	9,834	10,129
Other charges	104,858	218,664	122,224	125,891	129,668	133,558
Reserve for contingencies	-	30,000	-	-	-	-
Total operating expenses	356,215	514,238	399,614	415,624	432,295	449,656
Net Operating Income (Loss)	73,963	(114,338)	4,285	(7,686)	(20,278)	(33,519)
Non-operating Revenues						
Investment earnings	11,269	11,000	6,585	6,223	5,676	4,932
Other Financing Uses						
Investment in assets	(40,999)	(32,000)	(35,000)	(35,000)	(35,000)	(35,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	44,233	(135,338)	(24,130)	(36,463)	(49,602)	(63,587)
Working Capital - beginning of year	530,077	574,310	438,972	414,842	378,379	328,776
Working Capital - end of year	\$ 574,310	\$ 438,972	\$ 414,842	\$ 378,379	\$ 328,776	\$ 265,189
ASSUMPTIONS:						
Working capital goal	\$ 50,000					
GIS Charges revenues projections:						
2009-10		-7.0%				
2009-10 thereafter		1.0%				
Personal services annual increase		4.5%				
Other charges increase per year		3%				
Supplies and Other charges annual increase		3%				
Investment earnings on working capital		1.50%				
Investment in assets: five-year capital plan						



Public Services DirectorKaren Murphy

Service Statement

To support increasing activities in and around the downtown area, the City of Midland acquired 7.97 acres of land and a 10,000-square-foot storage building from 4D Old Castle Inc. at their industrial site on River Road in 2008. The land and storage building will be shared by the Parks, Planning, Utilities and Engineering departments. These departments will store such items as the portable stage, iceless skating rink, mowers, housing rehabilitation materials, traffic signs and large sections of water main pipe. In addition to increasing materials storage capacity, the building will provide the opportunity to place manpower and resources in close proximity to the downtown area.

In addition to the General Fund and Water Fund's contributions, the acquisition of the property was made possible by the generous participation of the Herbert H. and Grace A. Dow, Rollin M. Gerstacker, and Charles J. Strosacker foundations.

Department at a Glance

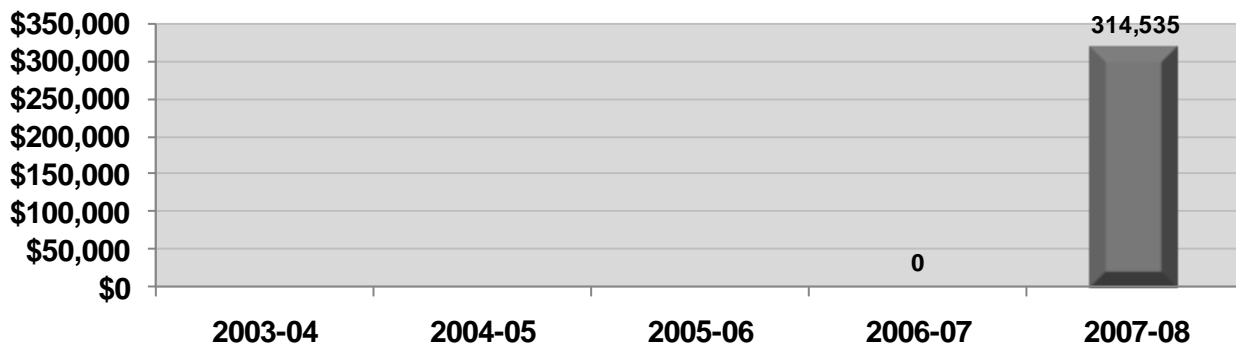
Funding Level Summary	2006-07 Actual	2007-08 Actual	Adjusted 2008-09 Budget	Estimated 2008-09 Budget	Adopted 2009-10 Budget	% of Change
Building Operations	\$ -	\$ 314,535	\$ 18,220	\$ 19,264	\$ 23,744	23.3%
Total Department	\$ -	\$ 314,535	\$ 18,220	\$ 19,264	\$ 23,744	23.3%
Personal Services	\$ -	\$ -	\$ 1,120	\$ 560	\$ 1,120	100.0%
Supplies	-	-	400	150	400	166.7%
Other Services/Charges	-	4,484	12,500	14,354	17,224	20.0%
Capital Outlay	-	310,051	4,200	4,200	5,000	19.0%
Total Department	\$ -	\$ 314,535	\$ 18,220	\$ 19,264	\$ 23,744	23.3%

Summary of Budget Changes

Significant Notes – 2009-10 Budget Compared to 2008-09 Budget

The Municipal Service Annex Fund was created in 2007-08 upon City acquisition of the facility. City staff did not begin using the building until fall 2008, so the actual operating costs of the facility remain somewhat uncertain at this time. This is reflected in the increased budget for 2009-10.

5-Year Operating Budget History



FUND 642 - MUNICIPAL SERVICE ANNEX FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Building rentals	\$ 6,330	\$ 18,220	\$ 18,220	\$ 23,744
Total operating revenues	6,330	18,220	18,220	23,744
Operating Expenses				
Personal services	-	1,120	560	1,120
Supplies	-	400	150	400
Other charges	4,484	7,500	11,854	12,224
Reserve for contingencies	-	5,000	2,500	5,000
Total operating expenses	4,484	14,020	15,064	18,744
Net Operating Income (Loss)	1,846	4,200	3,156	5,000
Non-operating Revenues				
Miscellaneous revenues	200,000	-	-	-
Investment earnings	2,378	500	183	183
Total non-operating revenues	202,378	500	183	183
Other Financing Sources (Uses)				
Investment in assets	(310,051)	(4,200)	(4,200)	(5,000)
Operating transfers in	110,051	-	-	-
Total other financing sources (uses)	(200,000)	(4,200)	(4,200)	(5,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,224	500	(861)	183
Working Capital - beginning of year	-	4,224	4,224	3,363
Working Capital - end of year	\$ 4,224	\$ 4,724	\$ 3,363	\$ 3,546



Public Services DirectorKaren Murphy

Service Statement

The scope of services includes: provide custodial services for the main facility; provide for routine building maintenance activities; schedule regular preventative maintenance services for electrical, plumbing, HVAC and mechanical systems; perform monthly building safety audits; implement building modifications as feasible to better meet the needs of on-site departments.

Functions

Administrative Services

- Administers department budget
- Coordinates building repairs using available garage and DPW staff
- Rents facility space at the Municipal Service Center to Signs/Signals, Water Distribution, Public Works, Parks/Recreation, Equipment Revolving Fund, and Dial-A-Ride
- Analyzes building needs and implements changes to building design/layout to better meet the needs of departments housed within
- Develops long-range capital plans for all the major systems to ensure adequate funding is allocated for future maintenance or replacement

Building Maintenance

- Provides in-house custodial services for the Municipal Service Center facility
- Develops and follows through with service procedures for the building
- Conducts annual building audits in cooperation with the City's Safety & Health Manager
- Schedules routine maintenance on the mechanical, electrical, HVAC and plumbing systems within the facility
- Conducts monthly building audit to ensure proper operation of emergency lighting, fire extinguishers, eye wash stations and chemical showers

Department at a Glance

Funding Level Summary	2006-07 Actual	2007-08 Actual	Adjusted 2008-09 Budget	Estimated 2008-09 Budget	Adopted 2009-10 Budget	% of Change
Building Operations	\$ 292,527	\$ 365,312	\$ 611,923	\$ 327,269	\$ 617,616	88.7%
Total Department	\$ 292,527	\$ 365,312	\$ 611,923	\$ 327,269	\$ 617,616	88.7%
Personal Services	\$ 18,211	\$ 67,342	\$ 72,833	\$ 89,154	\$ 88,589	-0.6%
Supplies	8,478	12,448	10,000	11,200	12,500	11.6%
Other Services/Charges	211,571	186,047	183,090	181,915	178,527	-1.9%
Miscellaneous	-	-	10,000	10,000	10,000	0.0%
Capital Outlay	54,267	99,475	336,000	35,000	328,000	837.1%
Total Department	\$ 292,527	\$ 365,312	\$ 611,923	\$ 327,269	\$ 617,616	88.7%

Personnel Summary

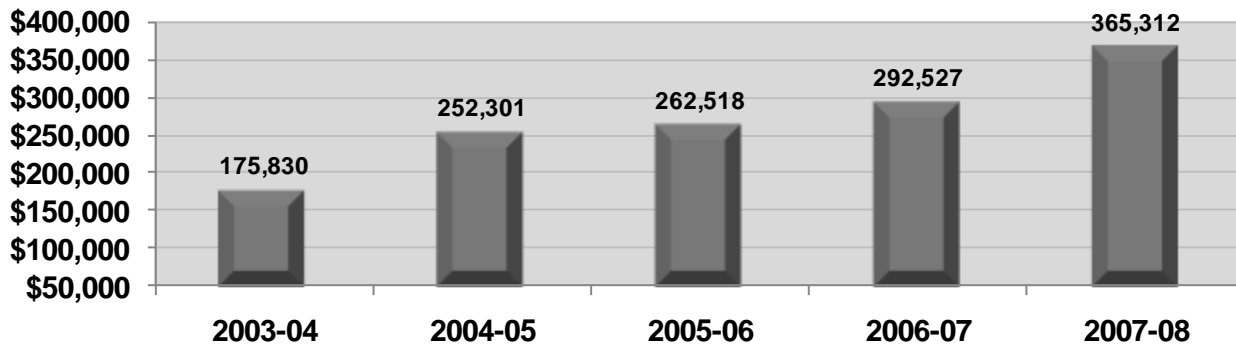
Full-Time	-	1	1	1	1
Regular Part-Time	-	-	-	-	-
Total Department	-	1	1	1	1

Summary of Budget Changes

Significant Notes – 2009-10 Budget Compared to 2008-09 Budget

The City-wide radio communication system - originally scheduled for replacement in 2008-09 with an estimated cost of \$312,000 - has been postponed until 2009-10 to allow for evaluation of different technologies that are available. This radio system is used by all City departments with the exception of Police and Fire, as these two departments have their own radio systems.

5-Year Operating Budget History

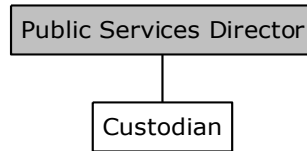


Performance Objectives

Performance Indicators (OUTPUT)	2006-07 Actual	2007-08 Actual	% Change
Maintenance audits performed	11	12	9.1%
Safety audits performed	12	12	0.0%

Performance Indicators (EFFICIENCY)	2006-07 Actual	2007-08 Actual	% Change
Required monthly audits performed	95.8%	100.0%	4.4%

Organizational Chart



Shaded boxes indicate a reporting structure to a department head that is funded outside of this budget.

Staff Summary	Approved 2007-08	Approved 2008-09	Adopted 2009-10
<u>Full-Time</u>			
Custodian	1	1	1
Total Full-Time	1	1	1
<u>Regular Part-Time</u>			
None	0	0	0
Total Regular Part-Time	0	0	0
Department Total	1	1	1

**In 2006-07, the full-time custodial position was eliminated and custodial services were contracted out. The arrangement didn't meet staff's expectations, so the custodial position was reinstated in 2007-08.

FUND 641 - MUNICIPAL SERVICE CENTER FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Building rentals	\$ 316,100	\$ 325,433	\$ 325,433	\$ 335,196
Total operating revenues	316,100	325,433	325,433	335,196
Operating Expenses				
Personal services	64,015	72,833	89,154	88,589
Supplies	12,448	10,000	11,200	12,500
Other charges	186,047	183,090	181,915	178,527
Reserve for contingencies	-	10,000	10,000	10,000
Total operating expenses	262,510	275,923	292,269	289,616
Net Operating Income (Loss)	53,590	49,510	33,164	45,580
Non-operating Revenues (Expenses)				
Miscellaneous revenues (expenses)	(3,327)	1,000	-	-
Investment earnings	33,121	21,229	14,981	14,981
Total non-operating revenues (expenses)	29,794	22,229	14,981	14,981
Other Financing Uses				
Investment in assets	(99,475)	(336,000)	(35,000)	(328,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(16,091)	(264,261)	13,145	(267,439)
Working Capital - beginning of year	740,743	724,652	724,652	737,797
Working Capital - end of year	\$ 724,652	\$ 460,391	\$ 737,797	\$ 470,358

MUNICIPAL SERVICE CENTER FUND FIVE-YEAR FINANCIAL PLAN

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Operating Revenues						
Building rentals	\$ 325,433	\$ 335,196	\$ 348,604	\$ 362,548	\$ 377,050	\$ 392,132
Total operating revenues	325,433	335,196	348,604	362,548	377,050	392,132
Operating Expenses						
Personal services	89,154	88,589	92,576	96,742	101,095	105,644
Supplies	11,200	12,500	12,813	13,133	13,461	13,798
Other charges	181,915	178,527	182,990	187,565	192,254	197,060
Reserve for contingencies	10,000	10,000	-	-	-	-
Total operating expenses	292,269	289,616	288,379	297,440	306,810	316,502
Net Operating Income (Loss)	33,164	45,580	60,225	65,108	70,240	75,630
Non-operating Revenues						
Investment earnings	14,981	14,981	7,055	7,900	8,935	6,312
Other Financing Uses						
Investment in assets	(35,000)	(328,000)	(11,000)	(4,000)	(254,000)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	13,145	(267,439)	56,280	69,008	(174,825)	81,942
Working Capital - beginning of year	724,652	737,797	470,358	526,638	595,646	420,821
Working Capital - end of year	\$ 737,797	\$ 470,358	\$ 526,638	\$ 595,646	\$ 420,821	\$ 502,763
Working Capital - for operations	\$ 20,117	\$ 13,706	\$ 4,237	\$ 5,619	\$ 36,223	\$ 71,577
Working Capital - for investment in assets	717,680	456,652	522,401	590,027	384,598	431,186
	\$ 737,797	\$ 470,358	\$ 526,638	\$ 595,646	\$ 420,821	\$ 502,763
ASSUMPTIONS:						
Working capital goal - operations	\$ 50,000					
Rental rate increases:						
2008-09	3%					
2009-10 thereafter	4%					
Personal services annual increase	4.5%					
Operating expense & supplies increase per year	2.5%					
Investment earnings on working capital	1.5%					
Investment in assets: five-year capital plan						



Fiscal Services Director David A. Keenan

Service Statement

The Property and Liability Insurance Fund is an internal service fund used to account for costs associated with providing forms of property and liability insurance to the City. The primary source of expenditures to the fund is insurance premiums and claims which fall within the policy deductibles. Its primary source of revenue is cost reimbursements from the other funds within the City.



Property & Liability Insurance Fund

FUND 675 - PROPERTY AND LIABILITY INSURANCE FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Insurance services	\$ 669,747	\$ 652,249	\$ 650,470	\$ 634,027
Insurance surcharges	133,253	130,450	130,094	126,803
Insurance claims	19,487	-	350	-
Insurance refunds	2,314	-	-	-
Total operating revenues	824,801	782,699	780,914	760,830
Operating Expenses				
Property insurance	90,647	92,458	96,698	98,368
Liability insurance	412,224	467,893	441,403	450,231
Fleet insurance	140,888	91,898	96,305	98,231
Deductible claims	110,574	250,000	180,000	250,000
Total operating expenses	754,333	902,249	814,406	896,830
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	70,468	(119,550)	(33,492)	(136,000)
Working Capital - beginning of year	914,393	984,861	984,861	951,369
Working Capital - end of year	\$ 984,861	\$ 865,311	\$ 951,369	\$ 815,369

Service Statement

The Special Assessment Revolving Loan Fund provides interim financing for those construction costs borne to property owners participating in the City's sidewalk, water, sewer, and street paving special assessment projects. Property owners, who elect to utilize the special assessment process to finance their portion of the project, rather than prefunding their portion of the project costs through some other means, repay the fund, plus interest, via an annual charged placed on their summer property tax bill.

Special Assessment Revolving Fund

FUND 688 - SPECIAL ASSESSMENT REVOLVING FUND
 DETAIL OF BUDGET APPROPRIATIONS AND REVENUES
 Fiscal Year Ending June 30, 2010

	2007-08	2008-09		2009-10
	Actual	Budget	Estimate	Adopted
Operating Revenues				
Special assessments	\$ 18,732	\$ 50,000	\$ 56,000	\$ 454,721
Total operating revenues	<u>18,732</u>	<u>50,000</u>	<u>56,000</u>	<u>454,721</u>
Operating Expenses				
Total operating expenses	-	-	-	-
Net Operating Income (Loss)	<u>18,732</u>	<u>50,000</u>	<u>56,000</u>	<u>454,721</u>
Non-operating Revenues				
Special assessment interest earnings	8,998	10,000	10,000	20,000
Investment earnings	128,007	50,000	44,658	30,000
Total non-operating revenues	<u>137,005</u>	<u>60,000</u>	<u>54,658</u>	<u>50,000</u>
Other Financing Uses				
Operating transfers out	-	(56,000)	(551,000)	(120,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	155,737	54,000	(440,342)	384,721
Non-working Capital Adjustments	23,141	-	-	-
Working Capital - beginning of year	<u>2,086,026</u>	<u>2,264,904</u>	<u>2,264,904</u>	<u>1,824,562</u>
Working Capital - end of year	<u>\$ 2,264,904</u>	<u>\$ 2,318,904</u>	<u>\$ 1,824,562</u>	<u>\$ 2,209,283</u>