

JACKSON CITY COUNCIL
Regular Session
August 24, 2009
7:00 p.m.

Call to Order..... President Speakman

Pledge of Allegiance..... Mr. Adams

Opening Prayer..... Mr. Wiggins

Roll Call

Approval of Minutes

August 10, 2009

VISITORS

Marvin Ross, questions in regards to ordinances, electric and water rates, Apple Festival, ordinance for removal of funds to pay Judy Brown, tree removal and police salaries.

COMMITTEE REPORTS:

- Utility
- Budget & Finance
- Police, Fire & Traffic
- Service
- Railroad
- Building/Recreation
- City Auditor
- Law Director
- Mayor
- Service/Safety Director

ORDINANCES AND RESOLUTIONS

CORRESPONDENCE

OLD BUSINESS

NEW BUSINESS

ADJOURN

JACKSON CITY COUNCIL

Minutes from
August 10, 2009
7:00 p.m.
Regular Session

Jackson City Council met in regular session on Monday, August 10, 2009 at 7:00 p.m. at the Jackson City Council chambers. President Ron Speakman called the meeting to order. The Pledge of Allegiance was given, led by Mr. Evans. The Prayer was given, led by Mr. Wiggins.

A roll call was taken as follows:

- Mr. Evans – present
- Mr. Adams – present
- Mr. Eric Brown – present
- Mr. Smith – present
- Mr. Cary Brown – present
- Mr. Elliott - present
- Mr. Wiggins – present

Mr. Wiggins made a motion to approve the minutes of July 27, 2009 regular session seconded by Mr. Adams. In a voice vote, all Council agreed.

VISITORS

Mr. Smith made a motion amend the agenda adding Mark Tilley; he is requesting utilities, seconded by Mr. Cary Brown. In a voice vote, all Council agreed. Mr. Tilley was requesting water service for a single dwelling resident located at 139 Price Switch Road. Mr. Smith asked if Mr. Sheward had checked with the county. Mr. Sheward stated this was the first he had heard of this. Mr. Evans made a motion to approve the request, granting Mr. Tilley water utility service at 139 Price Switch Road, seconded by Mr. Smith. In a voice vote, all Council agreed.

COMMITTEE REPORTS

UTILITY

Mr. Eric Brown had no report, announced a meeting on August 11, 2008 at 7:05 to discuss any and all subjects, to last approximately 1 ½ hours.

BUDGET & FINANCE

Mr. Adams reported on the meeting held August 3, 2009 at 7:00 p.m., all members were present, the topic was Rents & Right of Ways and its role in supporting the General Fund. It was decided to take the 5% plan, an ordinance was prepared, 67-09 will be a presented tonight. Explained that reestablishing this would support the general fund, information was sent to the state auditor, if we receive a negative response it will then be taken to the Common Pleas Court for a regulatory judgment. In the past the city has received no response on the legality of this matter. We feel this is a short term solution, currently taking these will allow the general fund to balance. The committee has instructed the administration to come up with a comprehensive multi year plan, and the Mayor has reported this is currently being prepared. Mr. Detty stated this plan is strategy, not a slam dunk; we would like a decision from the state auditor. Mr. Elliott asked if doing this would deplete the utility funds, and alters the ability to progress. Mr. Adams stated yes, we need an income tax, unfortunately the city has always ran this way, and the money has to come from somewhere. Mr. Wiggins like the multi year plan, and hopes for cost reductions also.

POLICE, FIRE & TRAFFIC – No Report

Mr. Evans was concerned that the committee had requested monthly reports on activity and have yet to receive, asking Mr. Sheward if he receives. Mr. Sheward replied, sometimes. Mr. Evans asked him to request again.

SERVICE

Mr. Smith stated a meeting will be held on August 20, 2009 at 7:30 p.m. to discuss tree planting at Hammertown, Gary Volrath will attend to discuss the program.

RAILROAD - No report

Mr. Wiggins stated the committee met on July 30, 2009 at 5:00 p.m. with all members present, to discuss the MOU proposed between the City of Jackson and Lawrence County Port Authority. In the near future, stimulus funding will be available to extend the rail line to the Ohio River. Mr. Detty was unable to attend but was party to two of the three changes. The recommendation was given to the Mayor and he then met with LCPA. Mayor Heath stated he hopes to report on this matter at the next meeting.

BUILDING/RECREATION – No report

CITY AUDITOR

Mr. Humphreys passed out his monthly report for July.

LAW DIRECTOR

Mr. Detty gave his report, see attached. He requested an executive session to discuss Evans vs. Petro. He stated he had given Mr. Eric Brown information on possible ordinances for adult entertainment businesses. Stated there will be a public records training in Chillicothe in October if any one was interested he had the information. Mr. Eric Brown stated he would go as a representative for council. Mr. Heath asked if the 688 pending cases were for the city. Mr. Detty stated yes. Mr. Smith asked if this consumed a lot of time and how many employees worked on these cases. Mr. Detty replied himself and one other employee. Mr. Cary Brown asked Evans vs. Petro, are we reopening the special audit. Mr. Detty stated no this 2002 case has been dormant for many years, a pre trail was held a few weeks ago.

MAYOR

Mayor Heath reported that the pool will close on Saturday, this year due to weather, attendance was low. The administration is currently in negotiations with the FOP. He stated a special council meeting will be held on August 18, 2009 at 6:00 p.m., Wayne Cannon of RCAP will be on hand to with a presentation for obtaining the grant/loan package, valued at \$1.5 million for the water plant upgrades, see attached. He reported that the administration is trying to be efficient and reduce spending during the Apple Festival. Areas have been pin pointed with out effected the festival or sponsors. He also stated this year residents will not be permitted to place chairs along parade routes until the Tuesday of the festival beginning at noon, any chairs or stakes will be removed by city employees if placed out before this day. The reason for this is overall appearance of the city and safety concerns. The city is requesting the cooperation of residents. Mr. Wiggins made a motion to make the RCAP meeting a public special meeting, seconded by Mr. Eric Brown. In a voice vote, all members agreed.

SAFETY/SERVICE DIRECTOR

Mr. Sheward reported on the RCAP training, reminding Council that this is a free service, see attached documents, can get more information if requested. He stated that a Quikcare brochure had been placed in the packets, stating that this organization had reached an agreement with Jackson County Employees and it seemed to be working well. Requesting permission from Council to enter into an agreement for the city employees. This will be at no cost to the employees, the base visit is \$39, this will be billed and paid monthly by the city through the MAX105 fund, this will not be reportable to insurance, will alleviate ER visits. This is a walk in clinic, usual wait time is 15 minutes, and there will be no charge if patient is sent to the ER. Mr. Wiggins ask if this was \$39 per employee. Mr. Sheward stated \$39 per visit, shots and alternate treatments not to exceed \$100. This is cheaper than the ER, the employee will pay \$0, and this program seems to be working well for others. Mr. Smith asks if the city picks up the tab and if they go elsewhere does the city pay. Mr. Sheward stated partially, co-pay for the ER, \$150. Mr. Smith stated this is another service that we will be spending funds. Mr. Sheward replied this should benefit future premiums, and the MAX105 program is in good shape. Mr. Wiggins stated this sounds good, do we have a projected annual cost and potential savings to evaluate. Mr. Sheward replied he wasn't sure that would be possible we can do, not apples to apples. Mr. Wiggins asked to base on current, rather see projection. Mr. Adams stated he too would like to see projection and current Urgent Care costs. Mrs. Sexton stated the MAX105 fund is an employer/employee mix. Mr. Evans stated with modest co-pay, employees would be more cautious. Mr. Sheward stated he thinks the \$39 is an incentive, others are much more expensive. Mr. Evans stated the ER is more expensive, but \$10 is an incentive. Mr. Adams asked if the \$39 was paid by the employee. Mr. Sheward stated the employee pay zero. Mr. Adams stated he agreed with Mr. Evans. Mr. Eric Brown stated there are more Urgent Care visits, than doctor appointments. Mrs. Sexton stated the co-pays for office visit is \$25, Urgent Care visit is \$50 and Emergency Room \$150. Mr. Eric Brown asked the total average cost for an office visit. Mrs. Sexton stated \$75 is typical, the difference is charged to the insurance company this goes to the renewal rate. Mr. Eric Brown

asked didn't we raise the deductible to use the MAX105. Mrs. Sexton replied, that covers deductibles used with out of network visits, we use to buy higher deductible, this equates a lower cost for the city and employees, works best with used in the network. We have a higher deductible with a lower premium. Mr. Speakman requested that this be sent to the Budget & finance Committee.

Mr. Sheward stated the St. Rt. 776 paving project had been combined with a project in Wellston, this project will not be done this year due to Wellston's financial status, money invested will be refunded and will be done next year. Mr. Wiggins asked about the St. Rt. 139 project, is this chip and seal. Mr. Sheward stated yes, this had been discussed, doing to this to utilize money available. This is only being done on roads with no damage; this will be done a lot in the future, giving roads a new top coat. We do not recommend this for the city, gravel travels into sewer. Mr. Smith asked if this was being from JHS to the former Jenkins's station. Mr. Smith stated it was done just a few feet into the city limits. Mr. Smith requested this not be done in the city because of the storm sewers and snow plowing. Mr. Sheward stated council approved, we did talk to the state. Mr. Smith stated we do not want gravel roads, this was done on Mayhew, it only last 2-3 years, this was not told to council when we approved. Mr. Speakman stated he thinks the project is completed, just about 15 feet in the city. Mr. Smith stated this should be noted for future use.

ORDINANCES AND RESOLUTIONS

ORDINANCE 60-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE GENERAL FUND – ADMINISTRATIVE SERVICES.

Third Reading

In a roll call to adopt the ordinance, Council voted as follows:

Mr. Evans – yes
Mr. Adams – no
Mr. Eric Brown – yes
Mr. Smith – no
Mr. Cary Brown - no
Mr. Elliott – yes
Mr. Wiggins - no

ORDINANCE NO. 60-09 FAILED

ORDINANCE NO. 66-09

AN ORDINANCE AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF JACKSON AND PAUL J. BERRIDGE, FOR THE PURCHASE REAL PROPERTY AND WETLAND MITIGATION, AND DECLARING AN EMERGENCY.

Second Reading

ORDINANCE NO. 67-09

AN ORDINANCE ADOPTING AND ENACTING A RIGHT-OF-WAY MANAGEMENT ASSESSMENT PLAN AND POLICY FOR THE CITY'S UTILITIES, AND DECLARING AN EMERGENCY.

First Reading

Mr. Wiggins made a motion to adopt the ordinance, seconded by Mr. Eric Brown. In a voice vote, all Council agreed.

Mr. Adams made a motion to suspend the rules, seconded by Mr. Eric Brown. In a roll call vote, Council voted as follows:

Mr. Evans – yes
Mr. Adams – yes
Mr. Eric Brown – yes
Mr. Smith – yes
Mr. Cary Brown – yes

Mr. Elliott – yes
Mr. Wiggins – yes

In a roll call vote, Council voted as follows:

Mr. Evans – yes
Mr. Adams – yes
Mr. Eric Brown – yes
Mr. Smith – yes
Mr. Cary Brown – yes
Mr. Elliott – yes
Mr. Wiggins – yes

ORDINANCE NO. 67-09 DULY ADOPTED

ORDINANCE NO. 68-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE ELECTRIC FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Adams made a motion to adopt the ordinance, seconded by Mr. Elliott. In a voice vote, all Council agreed.

Mr. Adams asked if this needed passed now or wait on the state. Mr. Humphreys stated go ahead. Mr. Detty stated this was prepared for the Budget & Finance, does not have to pass tonight Mr. Wiggins requested it go three readings.

ORDINANCE NO. 69-09

AN ORDINANCE TRANSFERRING APPROPRIATIONS, AND DECLARING AN EMERGENCY.

First Reading

Mr. Eric Brown made a motion to adopt the ordinance, seconded by Mr. Adams. In a voice vote, all Council agreed.

ORDINANCE NO. 70-09

AN ORDINANCE TO MOVE APPROPRIATIONS,

First Reading

Mr. Evans made a motion to adopt the ordinance, seconded by Mr. Adams. In a voice vote, all Council agreed.

Mr. Smith requested a short explanation, is this new or current project. Mr. Sheward stated this was for engineering services to invest in alternate methods of disposing of sludge. Mr. Smith state we are going to pay \$10,000 for someone to tell us how to dispose of sludge. Mr. Sheward replied land disposal is the current method; there are more other methods that are more economical. Mr. Smith stated we don't have an employee that can research this. Mr. Sheward stated he was not sure they have the information and background to look at all the processes. Mr. Smith stated why this was not researched when we did the addition to the sewer plant. This is just more money to spend. With Mr. Wilson's classifications he should be qualified to answer this. We were asked at the last meeting to pay for engineering for the dam, we need to get a handle on this type of spending. Mr. Sheward stated he was not in on the sewer project planning, but it would have still cost \$10,000. Mr. Wiggins asked if we approve, does it include project cost and savings projections. Mr. Sheward stated it gives a plan. Mr. Evans stated Mr. Sheward does know the answers; Mr. Wilson needs to come to the next meeting. Mr. Sheward stated he will ask him, stating further that there are many options that will save money. Mr. Smith stated he was not attacking Mr. Sheward, we always have the same excuse, new administration, but we still have the same employees. Mr. Wilson and Mr. Bambino have many classifications, this money is for studies. This council has been waiting 20 months for cost savings measures. Mr. Speakman stated this needs to go to the Utility Committee and request Mr. Wilson to attend. Mr. Humphreys stated there asking for \$10,000, but approved \$1 million in change orders and no one bitched. Mr. Smith disagreed. Mr. Sheward stated there is money in the budget, just a different location. Mr. Smith stated we don't have to spend every dime in the budget. Mr. Eric Brown stated he would ask Mr. Wilson to attend the meeting tomorrow night.

ORDINANCE NO. 70-09

AN ORDINANCE TO MOVE APPROPRIATIONS.

First Reading

Mr. Evans made a motion to adopt the ordinance, seconded by Mr. Adams. In a voice vote, all Council agreed.

Mr. Adams asked if Mr. Detty had any questions, will this effect your operations. Mr. Detty replied yes, he had already expressed his concern with the Mayor, drastic impact.

CORRESPONDENCE

OLD BUSINESS

Mr. Smith asked about the Zoning Committees term, does the Mayor assign the term and did it start June 29, 2009, asking for clarification. Mr. Heath explained all terms start at the beginning of the year, with automatic reappointment. Discovered we may have issues, how did we get in the mid year cycle. Mr. Speakman stated some are staggered, replacement, etc. Mr. Smith just wanted it made clear. Mr. Heath stated he would have Mr. Detty review. Mr. Wiggins requested the list have a start and end date.

NEW BUSINESS

Mr. Smith requested an executive session to discuss Evans vs. Petro, seconded by Mr. Elliott. In a roll call vote, all members agreed. Council moved into executive session at 8:00 p.m.

Mr. Evans made a motion to return to regular session, seconded by Mr. Smith. In a voice vote, all Council agreed. Council returned to regular session at 8:20 p.m.

ADJOURN

Mr. Smith made a motion to adjourn, seconded by Mr. Evans. In a voice vote, all Council agreed. Council adjourned at 8:20 p.m.

Tera Brown
Tera Brown
Clerk
Date 8-24-09

Ron Speakman
Ron Speakman
Council President
Date 8/24/09

JOHN L. "JACK" DETTY

Jackson City Law Director

145 Broadway Street

Jackson, Ohio 45640

Phone: 740-286-2201

Fax: 740-286-3492

jdetty@jacksonohio.us

Jackson City Council

August 10, 2009

REPORT OF THE LAW DIRECTOR

The following is the Report of the Law Director:

• **ORDINANCES AND RESOLUTIONS - NOTES**

- Ordinances 67-09 is the proposed ordinance to adopt a rents and right of way reimbursement plan for the City's utility departments.
 - The Budget and Finance Committee may report on this issue and provide more information.
 - The plan is as follows:
 - Adopt the Ordinance.
 - Send the Ordinance to the State Auditor for there information.
 - If the State Auditor does not approve or takes no action, file an action in Jackson County Common Pleas Court to address the legality of the Plan
- Ordinances 68-09 and 69-09 accompany Ord. 67-09. This is the actual appropriation and transfer under the Plan.
- Ordinance 70-09 was prepared at the request of the Auditor's Office. I have no further information concerning this matter.
- Ordinance 71-09 was prepared based upon the request my office received. I have no information as to the basis or origination of this Ordinance. I do have some concerns as this appears to directly address the staffing in the Law Director's Office.

• **RAILROAD – PROPOSED EXPANSION TO OHIO RIVER**

- I received information from the RR Committee to make some minor changes tot eh proposed Memorandum of Understanding.
- The Mayor is contacting the Lawrence County Port Authority to address those changes. Once they are in agreement an Ordinance to adopt the Memorandum of Understanding will be brought to Council.

- **RAILROAD – City vs US Rail**

- No new matters since the last meeting's report.

- **EVANS v PETRO – Pending Litigation**

- I would request an executive session to discuss the pending case of Evans v Petro, Jackson County Common Pleas Court.

- **MUNICIPAL COURT**

- At present time there are 688 active cases involving the City of Jackson which the Law Director's Office is handling.
 - Approximately ½ of the active cases are of a criminal nature.
 - Approximately ½ of the active cases are traffic cases.
 - Over 125 of the cases are alcohol or drug related – i.e. possession of marijuana; drug paraphernalia; underage consumption; disorderly by intoxication.
 - Over 80 of the cases are theft related.

- **PUBLIC RECORDS TRAINING**

- The closest available training session for public records/open meetings is October 20, 2009 in Chillicothe.
 - Scheduled from 1:00 p.m. to 4:15 p.m
 - Held at Ohio University – Chillicothe.
 - Sponsored by Ohio Attorney General.
- All elected officials or their designated representative are required to attend a training session on public records/open meetings.
- If you have any questions please contact me.

As always, thank you for your service, and if at any time you have any questions or would like to discuss any issues with me please feel free to stop by my office, or call me at 710-1214.

John L. "Jack" Detty

City of Jackson, Ohio

City Auditor's Monthly Report

For the Month of July, 2009

James L. Humphreys, City Auditor

City of Jackson
General Fund Expenditures
Multi-Year Comparisons

Expenditures By Month

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
January	\$ 299,410.44	\$ 294,900.66	\$ 274,241.87	\$ 275,516.26	\$ 185,638.52
February	\$ 156,870.45	\$ 191,733.53	\$ 223,805.47	\$ 194,533.58	\$ 158,815.91
March	\$ 312,910.33	\$ 368,347.87	\$ 1,969,401.66	\$ 222,041.06	\$ 254,227.73
April	\$ 225,907.81	\$ 345,080.52	\$ 248,076.13	\$ 661,152.22	\$ 203,430.83
May	\$ 219,075.00	\$ 254,098.91	\$ 325,860.20	\$ 403,708.47	\$ 247,809.48
June	\$ 191,027.58	\$ 241,234.72	\$ 276,496.21	\$ 261,438.14	\$ 284,272.06
July	\$ 1,266,822.97	\$ 253,206.73	\$ 244,241.53	\$ 257,070.14	\$ 185,245.64
August		\$ 291,284.81	\$ 303,032.99	\$ 295,095.39	\$ 585,336.18
September		\$ 280,489.39	\$ 288,345.89	\$ 235,568.39	\$ 242,311.60
October		\$ 357,102.39	\$ 327,761.48	\$ 387,271.42	\$ 260,268.32
November		\$ 381,361.11	\$ 368,685.49	\$ 205,218.13	\$ 451,921.07
December		\$ 1,099,228.89	\$ 264,279.60	\$ 327,583.78	\$ 690,513.27
	<u>\$ 2,672,024.58</u>	<u>\$ 4,358,069.53</u>	<u>\$ 5,114,228.52</u>	<u>\$ 3,726,196.98</u>	<u>\$ 3,749,790.61</u>

Notes: March 2007 -- \$1.25 Million was advanced out to water fund

December 2008 -- Transfer to railroad fund

July 2009 -- The General Fund Transferred & Advanced out the following:

Transfer To:		Advances To:	
Street & Alley Fund	\$ 103,000.00	Railroad Fund	\$ 342,915.60
Swimming Pool	\$ 36,524.79	Storm Water Utility Fund	\$ 500,000.00
Total Transfers Out of General Fund	<u>\$ 139,524.79</u>		<u>\$ 842,915.60</u>

THEN & NOW CERTIFICATES

	<u>2009</u>
Jan & Feb	73
March	21
April	8
May	13
June	25
July	14
August	
September	
October	
November	
December	
Total	<u>154</u>

CITY OF JACKSON
UTILITIES RECAP - JULY 2009

FUND	DESCRIPTION	Jul-09	Jul-09	Jul-08
		MONTH TO DATE	YEAR TO DATE	YEAR TO DATE
GENERAL				
110-0600-40608	BUILDING PERMITS	\$ 144.00	\$ 2,049.00	\$ 5,609.00
110-0100-40108	KILOWATT PER HOUR TAX (INSIDE)	\$ 46,164.20	\$ 365,051.35	\$ 360,171.37
110-0800-40808	OTHER MISCELLANEOUS/ALARMS CHGS	\$ -	\$ 0.40	\$ -
110-0800-40826	NSF & PENALTY CHARGES	\$ 150.00	\$ 1,299.00	\$ 1,997.95
	SUBTOTAL GENERAL FUND	\$ 46,458.20	\$ 368,399.75	\$ 367,778.32
CEMETERY				
221-0500-40520	SALE OF LOTS	\$ 325.00	\$ 4,575.00	\$ 5,525.00
221-0500-40521	PREPARATION	\$ 4,650.00	\$ 21,000.00	\$ 22,400.00
221-0500-40522	UPKEEP	\$ -	\$ 1,560.90	\$ 2,304.10
221-0800-40808	CEMETERY DEED TRANSFER	\$ 50.00	\$ 150.00	\$ 200.00
	SUBTOTAL CEMETERY FUND	\$ 5,025.00	\$ 27,285.90	\$ 30,429.10
ST & ALLEY				
222-0800-40808	MISC	\$ -	\$ -	\$ -
	SUBTOTAL STREET & ALLEY FUND	\$ -	\$ -	\$ -
STATE HIGHWAY				
224-0800-40808	MISC	\$ -	\$ -	\$ -
	SUBTOTAL STATE HIGHWAY FUND	\$ -	\$ -	\$ -
PROGRAM INCOME				
236-0800-40810	REHAB	\$ -	\$ 100.00	\$ 500.00
	SUBTOTAL PROGRAM INCOME FUND	\$ -	\$ 100.00	\$ 500.00
WATER				
701-0500-40525	CHARGES	\$ 124,711.07	\$ 894,105.12	\$ 863,455.51
701-0500-40526	ON/OFF CHARGES	\$ 348.39	\$ 3,794.28	\$ 4,142.24
701-0500-40527	HYDRANT CHARGES	\$ 646.94	\$ 5,558.29	\$ 5,970.15
701-0500-40528	TAP FEES	\$ -	\$ 2,900.00	\$ 5,125.00
701-0500-40529	OTHER CHARGES	\$ -	\$ 111.00	\$ 559.14
701-0800-40808	WATER MISC CHARGES	\$ -	\$ -	\$ 420.52
701-0800-40819	JISCO LAKE FISHING KEY FEE	\$ -	\$ 20.00	\$ -
703-0500-40530	WATER UTILITY DEPOSITS	\$ 2,200.00	\$ 15,450.00	\$ 16,025.00
	SUBTOTAL WATER FUND	\$ 127,906.40	\$ 921,938.69	\$ 895,697.56
SEWER				
711-0500-40535	CHARGES	\$ 197,980.40	\$ 1,485,167.44	\$ 1,538,833.35
711-0500-40536	TAP FEES	\$ -	\$ 700.00	\$ 1,600.00
711-0500-40537	OTHER CHARGES	\$ 45.00	\$ 45.00	\$ -
711-0500-40538	MONITOR CHARGES	\$ 481.60	\$ 3,368.40	\$ 3,121.00
711-0500-40539	SURCHARGES	\$ -	\$ 14,085.34	\$ -
714-0500-40539	SEWER UTILITY DEPOSITS	\$ 1,975.00	\$ 14,675.00	\$ 14,325.00
	SUBTOTAL SEWER FUND	\$ 200,482.00	\$ 1,518,041.18	\$ 1,557,879.35
GARBAGE				
721-0500-40540	CHARGES	\$ 50,862.10	\$ 355,096.76	\$ 318,986.13
721-0500-40541	OTHER	\$ 265.00	\$ 2,650.00	\$ 2,890.00
723-0500-40542	GARBAGE UTILITY DEPOSITS	\$ 825.00	\$ 5,419.00	\$ 5,495.00
	SUBTOTAL GARBAGE FUND	\$ 51,952.10	\$ 363,165.76	\$ 327,371.13
ELECTRIC				
731-0500-40545	CHARGES	\$ 1,346,028.19	\$ 9,943,659.78	\$ 6,807,695.77
731-0500-40546	ON/OFF CHARGES	\$ 514.96	\$ 3,708.57	\$ 5,671.54
731-0500-40547	SEC LIGHTS	\$ 3,222.22	\$ 23,146.68	\$ 24,020.80
731-0500-40548	OTHER CHARGES	\$ 461.00	\$ 3,688.00	\$ 4,288.00
731-0500-40549	KILOWATT PER HOUR TAX (OUTSIDE)	\$ 2,876.56	\$ 23,446.29	\$ 25,026.01
731-0500-40550	ELECTRIC UTILITY DEPOSITS	\$ 8,625.00	\$ 63,325.00	\$ 73,075.00
	SUBTOTAL ELECTRIC FUND	\$ 1,361,727.93	\$ 10,060,974.32	\$ 6,929,777.12
POOL				
750-0500-40512	POOL PARTIES	\$ -	\$ -	\$ -
	SUBTOTAL POOL FUND	\$ -	\$ -	\$ -
STREET EXCAVATION				
801-0500-40551	STREET OPENING - EXCAVATION	\$ -	\$ -	\$ 3,000.00
	SUBTOTAL STREET EXCAVATION FUND	\$ -	\$ -	\$ 3,000.00
CEM ENDOWMENT				
810-0500-40523	PERPETUAL CARE	\$ 425.00	\$ 2,925.00	\$ 4,000.00
	SUBTOTAL CEMETERY ENDOWMENT FUND	\$ 425.00	\$ 2,925.00	\$ 4,000.00
	TOTALS	\$ 1,793,976.63	\$ 13,262,830.60	\$ 10,126,432.58

City of Jackson
July 2009 Interest Recap

<u>FUND #</u>	<u>FUND NAME</u>	<u>JULY 2009</u>	<u>2009 YEAR TO DATE</u>	<u>2008 YEAR TO DATE</u>	<u>08 to 09 Difference</u>
110	GENERAL	\$35,250.03	\$233,972.44	\$447,454.85	(\$213,482.41)
221	CEMETERY	\$2,736.82	\$7,966.59	\$15,103.56	(\$7,136.97)
222	STREET & ALLEY	\$117.45	\$748.76	\$672.52	\$76.24
224	PERMISSIVE TAX	\$53.40	\$304.52	\$83.83	\$220.69
401	BROADWAY ST WATER LINE	\$0.00	\$0.00	\$0.00	\$0.00
405	ELECTRIC CONSTRUCTION	\$0.00	\$0.00	\$22,541.10	(\$22,541.10)
416	ELECTRIC IMPROVEMENT	\$5.77	\$100.19	\$565.47	(\$465.28)
701	WATER	\$0.00	\$0.00	\$0.00	\$0.00
731	ELECTRIC	\$646.39	\$4,524.73	\$21,680.82	(\$17,156.09)
732	ELECTRIC REPLACEMENT & IMPROV	\$98.43	\$1,713.64	\$9,671.94	(\$7,958.30)
760	RECREATION	\$1,460.38	\$8,719.87	\$10,847.02	(\$2,127.15)
813	E JONES INVESTMENT	\$221.92	\$1,849.71	\$3,081.65	(\$1,231.94)
814	LILLIAN JONES MUSEUM TRUST	\$911.16	\$7,262.37	\$13,437.88	(\$6,175.51)
					\$0.00
TOTALS		\$41,501.75	\$267,162.82	\$545,140.64	(\$277,977.82)

Percentage Increase (Decrease) 2008 to 2009 YTD Totals

-50.99%

Bank Report

AS OF: 08 08 2019

BANK CODE	BANK	BEGINNING BALANCE	-----REVENUE-----		-----EXPENSE-----		TRANS-IN YTD	TRANS-OUT YTD	ENDING BALANCE
			MTD	YTD	MTD	YTD			
BAP	CD'S NAT'L CITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BRF	STAR OH-BOND RETIREM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BSW	OHB-BROADWAY ST WTR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CDB	OHB-CDBG FUNDS	1933.20	0.00	0.00	0.00	0.00	0.00	0.00	1933.20
CDD	CDS OAK HILL BANK	3804194.22	0.00	0.00	0.00	0.00	320000.00	0.00	4124194.22
CEM	CDS OHIO VALLEY BANK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHI	OHB-COMMUNITY HOUSIN	283.00	0.00	0.00	0.00	0.00	0.00	0.00	283.00
CHIO6	OHB-COMMUNITY HOUSIN	149635.93	0.00	0.00	0.00	0.00	0.00	1347.50	148288.43
CMT	CD'S MILTON-CEM ENDO	187932.58	0.00	0.00	0.00	0.00	125000.00	0.00	312932.58
DTR	OHB-CDBG-DOWNTOWN RE	2400.12	0.00	0.00	0.00	0.00	0.00	0.00	2400.12
DUL	CASH RESERVE ACCOUNT	1250.00	0.00	0.00	0.00	0.00	0.00	0.00	1250.00
DUM	** SUB TOTAL ** ABOV	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DUN	*****	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EDW	CD'S-EDWARD JONES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EIR	STAR OHIO-ELECTRIC I	533868.40	98.43	1713.64	0.00	0.00	0.00	0.00	535582.04
EJI	STAR OHIO-E. JONES I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELC	STAR OHIO-ELECTRIC B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELE	STAR OHIO-06 ELEC IM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FDM	FREDDIE MACS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FNM	FNMA-LILLIAN JONES T	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FNW	CDS 1ST NAT'L-WELLST	3494473.00	0.00	0.00	0.00	0.00	0.00	3394478.00	100000.00
FCC	F. O. J. CASH FUND	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	1000.00
GEN	STAR OHIO-GENERAL FU	107434.80	13.81	344.82	0.00	0.00	0.00	0.00	107779.62
LEB	OHB-LAW ENFORCEMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LJC	CD'S OHB-LILL JONES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LJCFNW	CD'S FNBW-LILL JONES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LJCOVB	CD'S OVB-LILL JONES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LUT	STAR OHIO-LILLIAN JC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MIL	CD'S-MILTON BANK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MMA	MONEY MARKET ACCT.-O	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MOR	MSDW-ACTIVE ASSETS G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NCB	NCB-GEN CHECKING ACC	1397962.66	6952660.13	22980343.90	7241859.25	23101110.81	2977500.00	0.00	4254695.75
CHB	OHB-GEN CHECKING ACC	4366333.06	16149.81	97723.36	0.00	0.00	2098325.50	0.00	6562381.32
CHC	CD'S FNBW-CEMETERY T	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHD	CD'S FNBW-EDDIE JONE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ORC	OAK HILL BANK (ORDC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OVE	CD'S-OHIO VALLEY BAN	4565000.00	0.00	0.00	0.00	0.00	0.00	2165000.00	2400000.00
OVL	CD'S OVB-LILLIAN E.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PET	PETTY CASH-LILLIAN J	500.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
PRE	OHB-PREM INVEST ACCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REC	CD'S OHB-RECREATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RES	STAR OHIO - RECREATI	549797.21	0.91	913.23	0.00	0.00	0.00	545684.90	5025.64
REV	OHB-REVOLVING LOAN F	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SPS	SUPER PASSBOOK SAVIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STA	STAR OHIO-ELECTRIC-G	31210.70	5.77	100.19	0.00	0.00	0.00	0.00	31310.89
VAR	STAR OHIO-CEMETERY E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WESREC	WESBANCO - RECREATIO	0.00	1459.47	7669.93	0.00	0.00	585684.80	0.00	593354.73
TOTAL		19195163.88	6970394.33	23088809.07	7241859.25	23101110.81	6106510.30	6106510.30	19182962.14

* End of Report: City of Jackson *

Statement of Cash Pos w KTC

AS OF: 09-30-2009

YEAR: 2009

STARTING ACCOUNT:

ENDING ACCOUNT: 0

FUND NO.	FUND DESCRIPTION	BEGINNING BALANCE	RECEIPTS		DISBURSMENTS		UNEXPENDED BALANCE	OUTSTANDING ENCUMBRANCE	ENDING BALANCE
			N-T-D	Y-T-D	N-T-D	Y-T-D			
274	PROBLEM SOLVING GRA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
275	DRUG OFFENSE FUND	13704.60	150.00	1211.00	184.23	377.68	14537.92	0.00	14537.92
276	COMMUNITY POLICING	1768.93	0.00	0.00	0.00	0.00	1768.93	0.00	1768.93
277	FLOOD MITIGATION PR	7080.00	0.00	0.00	0.00	0.00	7080.00	0.00	7080.00
278	COMMUNITY POLICING	4215.25	0.00	0.00	0.00	0.00	4215.25	0.00	4215.25
279	SCHOOL-BASED PARTNE	602.66	0.00	0.00	0.00	0.00	602.66	0.00	602.66
280	TROOPS TO COPS GRAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
281	VIOLENCE AGAINST WC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
282	LAW ENFORCEMENT BLD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
283	CHIP FY '99 GRANT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
284	1999 SCHOOL-BASED P	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
285	JACKSON CO ECONOMIC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
286	MEMORIAL BUILDING A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
287	FIRE DEPT.-SPECIAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
288	FEMA-FIRE TRUCK	4.80	0.00	0.00	0.00	0.00	4.80	0.00	4.80
289	CHIP-ROUND 13	283.00	0.00	0.00	0.00	0.00	283.00	0.00	283.00
290	FEMA-FIRE GEAR	4.50	0.00	0.00	0.00	0.00	4.50	0.00	4.50
291	CHIP-15 GRANT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
292	2006 COMMUNITY HOUS	14780.34	0.00	0.00	0.00	3768.01	10962.33	0.00	10962.33
300	DEBT SERVICE-GENERA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
301	DEBT SERVICE-ELECTR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
302	FIRE TAX LEVY FUND	65818.61	0.00	409483.90	6910.93	302882.41	172420.10	8372.06	164048.04
303	FIRE TAX LEVY FUND	113703.36	0.00	50317.68	498.99	2286.16	166735.38	6317.37	160418.01
309	RIGHT OF WAYS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
401	BROADWAY ST WATER P	5667.04	0.00	0.00	0.00	0.00	5667.04	0.00	5667.04
403	CDBG FORMULA GRANT	1402.18	0.00	0.00	0.00	0.00	1402.18	0.00	1402.18
404	ICE PLANT BUILDING	184.96	0.00	0.00	0.00	0.00	184.96	0.00	184.96
405	ELECTRIC CONSTRUCTI	369470.91	0.00	0.00	5380.00	150787.23	218683.68	63373.99	155309.69
406	BIKE PATH PROJECT	77635.07	0.00	0.00	0.00	0.00	77635.07	0.00	77635.07
407	ST RT 93 WATER MAIN	0.00	0.00	116740.00	0.00	116740.00	0.00	0.00	0.00
410	WATER PLANT PROJECT	30569.00	0.00	0.00	0.00	0.00	30569.00	157850.00	127281.00
414	SEWER PLANT IMPROVE	3041339.03	0.00	431199.67	0.00	2332136.10	1140402.60	2398583.56	1258136.96
415	**NOT IN TTE** L=01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
416	ELECTRIC IMP-JACKSO	31210.70	5.77	100.19	0.00	0.00	31310.89	0.00	31310.89
417	REAL ESTATE & IMPRO	1748.49	0.00	0.00	0.00	0.00	1748.49	0.00	1748.49
420	BURLINGTON RD BRIDG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
430	LUIGINO SEWER FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
431	JACKSON SALT LICK N	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
432	HURON STREET BRIDGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
433	SMITH LANE PAVING G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
434	1998 BRIDGE REHABIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
435	MCCARTY LANE BRIDGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
436	ALTERNATE ACCESS RO	9143.00	0.00	0.00	0.00	0.00	9143.00	0.00	9143.00
437	JACKSON INDUSTRIAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
438	PARK ENHANCEMENT	8768.61	0.00	0.00	0.00	0.00	8768.61	2537.55	6231.06
439	WOOD AVE SANITARY S	137493.19	0.00	0.00	0.00	0.00	137493.19	0.00	137493.19
601	MEDICAL BENEFITS FU	1020404.44	13529.30	108512.51	12171.22	31961.66	1046955.29	24251.45	1022703.84
701	WATER FUND	1546104.60	127706.40	911488.69	101637.90	1050901.15	1436692.14	403024.47	1003667.67

Statement of Cash Pos w WFO

AS OF: 06-30-2009

YEAR: 2009

STARTING ACCOUNT:

ENDING ACCOUNT: 0

FUND NO.	FUND DESCRIPTION	BEGINNING BALANCE	-----RECEIPTS-----		[-----DISBURSEMENTS-----]		UNEXPENDED BALANCE	OUTSTANDING ENCUMBRANCE	ENDING BALANCE
			M-T-D	Y-T-D	M-T-D	Y-T-D			
700	WATER IMPROVEMENT	61285.97	0.00	30000.00	0.00	0.00	91285.97	0.00	91285.97
703	WATER UTILITY DEPOS	61304.50	2200.00	15450.00	1950.00	16550.00	59904.50	600.00	59304.50
704	WATER SURPLUS	204.72	0.00	0.00	0.00	0.00	204.72	0.00	204.72
705	WATER STORAGE TANK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
706	WATER TOWER REHABIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
707	WATER-UTILITY OFFIC	16237.32	0.00	158000.00	14581.05	95336.36	79301.26	12680.93	66220.43
708	WATER-DISTRIBUTION	125091.15	0.00	325202.23	31989.42	183990.13	266303.25	26202.49	240100.76
711	SEWER FUND	2254302.96	199757.00	1517944.22	593966.75	1935228.35	1330016.83	516002.28	1294016.55
712	SEWER IMPROVEMENT	1573.84	0.00	0.00	0.00	0.00	1573.84	0.00	1573.84
713	SEWER SURPLUS	237.13	0.00	0.00	0.00	0.00	237.13	0.00	237.13
714	SEWER UTILITY DEPOS	56316.94	1975.00	14675.00	1325.00	15650.00	55341.94	600.00	54741.94
715	SEWER EQUIP REPLACE	100000.00	0.00	0.00	0.00	0.00	100000.00	0.00	100000.00
716	SEWER-UTILITY OFFIC	10695.46	0.00	74000.00	6663.00	44503.19	40192.27	10849.12	29343.15
717	SEWER-COLLECTION DE	72494.23	0.00	445000.00	33715.80	214983.84	303500.44	33994.63	269505.75
721	GARBAGE FUND	116721.17	62053.15	517163.93	48024.66	477925.12	165059.96	62433.01	92566.97
722	GARBAGE IMPROVEMENT	63727.45	0.00	12000.00	0.00	0.00	63727.45	0.00	63727.45
723	GARBAGE UTILITY DEP	17947.94	825.00	5419.00	700.00	5641.00	17725.94	230.00	17525.94
724	GARBAGE-UTILITY OFF	10865.71	0.00	13500.00	1005.53	11936.45	12529.26	2745.69	9783.57
731	ELECTRIC REVENUE	3516740.49	1362374.32	10200037.76	4980433.37	11711103.59	2004674.66	4092956.07	2088231.41-
732	ELECTRIC REPLACEMEN	649387.54	95.43	121713.64	0.00	0.00	771101.13	566020.00	205081.13
733	ELECTRIC UTILITY DE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
734	ELECTRIC UTILITY RE	1861233.61	3474809.00	3474809.00	0.00	0.00	5336062.61	0.00	5336062.61
735	RAILROAD FUND	437115.72	348711.31	376516.07	12469.36	419240.93	395390.86	395595.15	204.29-
736	ELECTRIC-UTILITY OF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
737	RAILROAD REHABILITA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
740	STORM WATER UTILITY	35560.10	500000.00	500000.00	0.00	500000.00	35560.10	35560.10	0.00
750	MUNICIPAL SWIMMING	5702.87	40344.67	48969.14	11284.60	22937.95	31734.06	8889.83	22844.23
751	POOL NATURES WORKS	2503.71	0.00	0.00	0.00	2370.72	132.99	130.64	2.35
760	JACKSON CITY RECREA	20567.42	1819.58	28885.44	3378.78	16414.87	33037.99	5800.93	27237.96
761	RECREATION RESERVE	548955.29	0.00	0.00	0.00	0.00	548955.29	0.00	548955.29
801	STREET EXCAVATION F	12350.00	0.00	0.00	0.00	0.00	12350.00	0.00	12350.00
802	FIRE LOSS FUND	2355.08	0.00	1153.00	0.00	0.00	3513.08	0.00	3513.08
810	CEMETERY ENDOWMENT	364624.58	425.00	2925.00	0.00	0.00	367549.58	0.00	367549.58
812	CDBG INVESTMENT FUN	1933.20	0.00	0.00	0.00	0.00	1933.20	0.00	1933.20
813	E JONES INVESTMENT	123466.01	221.92	1849.71	0.00	0.00	125315.72	0.00	125315.72
814	LILLIAN JONES MUSEU	437629.57	911.16	7262.37	0.00	0.00	444891.94	0.00	444891.94
815	UNCLAIMED MONEYS FU	24553.22	0.00	0.00	0.00	0.00	24553.22	0.00	24553.22
820	VISITORS CENTER	51799.96	2936.48	33317.99	700.00	52170.00	32947.95	8564.00	24383.95
	TOTAL:	19195163.88	6970394.33	23088809.07	7241859.25	23101110.81	19182862.14	9397971.86	9784890.23

* End of Report: City of Jackson *

Bill Sheward

From: WAYNE CANNON [hwcannon@wsos.org]
Sent: Monday, August 10, 2009 2:20 PM
To: wsheward@jacksonohio.us
Subject: Water Rate Analysis

Attachments: Jackson Rate Study.xls; Executive Summary 8-10-09.doc; _AVG certification_.txt



Jackson Rate Study.xls (182 KB...
Executive Summary 8-10-09.doc ...
AVG certification.txt (275 KB)

Attached please find final copy of the water rate analysis spreadsheet and Executive Summary. I believe these documents contain all of the revisions that we discussed over the phone. These documents will provide council with enough information to begin debating implementation of the necessary rate increase. After today, I will be out of the office for the remainder of the week. I can be reached by cell phone on an intermittent basis. Otherwise, I have Aug. 18 at 6:00 PM scheduled to meet with city council to answer remaining questions and make any final revisions.

Thanks
Wayne

Wayne Cannon - Field Agent
Rural Community Assistance Program
3680 Fall Creek Road
Leesburg, Ohio 45135

Office Phone 937-393-2153
Personal Cell Phone 937-409-3686
Office Fax 937-393-2316

e-mail hwcannon@wsos.org

City of Jackson

Rate Analysis Report

Final Report
8/10/2009

0



Ohio Rural Community Assistance Program

Executive Summary

This study of water rates was conducted for the City of Jackson to determine the amount of revenue needed to maintain the water department on a stable and financially sound basis. The Ohio Rural Community Assistance Partnership was commissioned to prepare this analysis.

The rate analysis was conducted using historical and projected data for operating and non-operating expenses, debt service, and capital expenditures. The majority of the data used was obtained from the community. Industry standards and rules of thumb developed by industry experts were applied when community specific information was unavailable.

A long term planning horizon was assumed with emphasis upon minimizing the cost of asset ownership over its useful life. The budgets developed provide funding necessary to implement an aggressive preventative maintenance program. The Asset Management objective of lowest possible life of asset cost can only be achieved if the equipment is maintained to maximize its economic lifespan.

Findings:

The water department's rate schedule is inadequate to sustain operations of the utility. Several significant weaknesses were noted:

1. The utility has posted three consecutive years of increasingly negative earnings. Water sales have been flat while operating expenses have increased significantly. Water department operating expenses increased by 14.5% annually during this time period. Leading expense categories were capital replacement and personal expense. City officials have reviewed the proposed typical year plan and feel the projected expenses are reasonable. A typical year budget shows a continuation of this trend with a projected operating loss of \$529,000.
2. The community has a moderate water loss problem with unaccounted water of 172,133,000 gallons or 23.8% in FY 2008. Water loss percentage is up from the FY 2007 figure of 22.3%. Industry experts typically consider water loss in excess of 15% to be unacceptable. The higher than average quantity and increasing percentage of water loss is an indicator to the deteriorating condition of underground infrastructure.

We recommended that the community invest in leak detection program. Often leaks are concentrated along a relatively small section of pipe which can be delineated by age, service history, construction methodology, soil conditions, etc. Another common source of water loss is aging meters. I understand that you have already implemented a meter testing program. I would like to applaud this effort.

I would also like to caution you that water loss problems will not fix themselves. As problems areas are discovered, necessary corrective actions need to be incorporated into your five-year Capital Improvement Plan. The city is strongly encourages to develop an asset management plan to outline preventative and predictive maintenance practices which can be implemented to extend the useful life of water department equipment. Implementation of an effective preventative maintenance program will require the water department to be adequately funded.

3. The community is not currently eligible for most low interest loan and grant programs because of extremely low customer rates. Most funding agencies require the typical residential user of 4500 gallons per month to pay between 1.1% and 1.5% of MHI. Under your existing rate schedule the typical residential user of 4500 gallon pays less that 1.0% of MHI. This means that unless user rates are increased to at least 1.1% MHI, any necessary capital upgrades will likely need to be installed using market rate loans. Many of the public funding agencies consider 1/5% MHI to be the base level of community support necessary to justify participation in their grant program.
4. Present accounting practices do not earmark funds for emergencies, debt service reserves and capital rehabilitation / replacement. Holding escrow funds in separate accounts reduces the temptation to fund operating losses from savings. Cash reserves held by the water department have declined by \$570,527 during the three years time period from 2006 to 2008. Reducing the cash balance maintained in the Water Department Operating account will force decision makers to be more responsive to changes in revenue needs.

Recommendations:

The city should consider adoption of the following recommendations:

1. Water rates need to be increased as soon as practical. We recommend increasing rates as indicated below.

<u>Inside Rate</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
Base Rate - First 2,000	\$ 7.53	\$ 10.54
Next 10,000	\$ 5.21	\$ 7.29
Next 20,000	\$ 4.86	\$ 6.80
Next 48,000	\$ 3.74	\$ 5.24
Next 150,000	\$ 2.99	\$ 4.19
Next 770,000	\$ 2.14	\$ 3.00
Over 1,000,000	\$ 1.36	\$ 1.90
<u>Outside Rate</u>		
Base Rate - First 2,000	\$ 9.04	\$ 12.66
Next 10,000	\$ 6.25	\$ 8.75

Next 20,000	\$	5.85	\$	8.19
Next 48,000	\$	4.50	\$	6.30
Next 150,000	\$	3.59	\$	5.03
Next 770,000	\$	2.56	\$	3.58
Over 1,000,000	\$	1.56	\$	2.18

This rate increase will eliminate ongoing operating losses and will allow the community to begin accumulating cash for necessary capital improvements.

The community anticipates saving \$100,000 annually for raw water line and filter tank replacement. In addition they have targeted \$50,000 per year toward improved preventative and predictive maintenance in the distribution system and \$60,000 for staffing upgrades at the water treatment plant. They also hope to upgrade one of the water department's pickup trucks.

2. The proposed rate is considered reasonable with an average residential user of 4500 gallons monthly paying \$28.78 monthly for water service. This amount represents 1.29% of MHI based upon 2000 census results. Many funding agencies consider 1.5% of MHI or \$33.41 monthly to be the minimum requirement for low interest loan and grant eligibility.
3. Historically, water rates have not risen to keep pace with inflation. No water rate increases were enacted during the five year period from 2002 to 2007. During this time period the water department lost approximately 18.7% in spending power due to inflation.

In order to prevent this situation from reoccurring, we strongly recommend that an automatic rate adjustment be implemented to counteract the adverse impact of inflation. An automatic rate adjustment of 3.5% annually is recommended. The rate increase should be made effective on the first billing date after January 1.

4. Holding the majority of water department funds in a single account is a dangerous practice as it provides a false sense of financial security. It is recommended that separate accounts be established for an Emergency Fund, Debt Service Reserves, Rehabilitation and Replacement Reserve Escrow and Capital Improvements. The recommended rate increases will provide the revenues necessary to properly fund water department escrow accounts as prescribed below:
5. The community should endeavor to maintain a minimum **Water Operating** account balance of 12.5% annual operating expenses excluding debt service. This amount represents 45 days of operating expenditures. The recommended operating account fund balance is necessary to satisfy financial obligations as cash flow fluctuates during the year. Presently the community holds the majority of their cash reserves in one of the three operating accounts. **Unneeded operating money should be safeguarded in an escrow account at the first available opportunity.**

6. Financial resources of the water department can be used very rapidly when emergencies occur. An **Emergency Fund** should be immediately established and fully funded. The suggested minimum emergency fund balance represents 12.5% or an additional 45 days of annual operating expenditures.

Once funded the recommended balance should be adjusted periodically to reflect the impacts of inflation. When used, emergency funds should be replaced as soon as financially feasible. The emergency fund combined with Water Operating Account should provide for 90 days or 3 months of operating expenses.

7. A **Debt Service Reserve** account should be immediately established and funded. Debt service reserve funds should be deposited at the rate of 10% of the annual debt service payment each year until one annual payment on all debt service has been accumulated.

Debt service reserve funds should only be used to pay debt obligations and emergency repairs. Any unused debt service reserve funds remaining upon retirement of the underlying debt obligation should be transferred to the Rehabilitation and Replacement Reserve Escrow account. If used, debt service reserve funds should be replaced at the rate of 10% of the annual debt service payment each year until the recommended escrow amount has been re-established.

8. A **Replacement / Rehabilitation Reserve Escrow** account should be established. In the absence of an Asset Management Plan we recommend funding this account at 2.5% of gross sales. An asset management plan should be developed to guide the community on how to best utilize these funds.

These funds should be devoted toward upkeep of existing equipment. Replacement / Rehabilitation Reserve Escrow should not be used for capacity upgrades and service area extensions. A separate Capital Improvement fund should be established for this purpose.

The community plans to replace a pickup truck at the water department within the next three years at a cost of \$35,000. This is an asset replacement project. This purchase would be eligible for funding from the Replacement / Rehabilitation Reserve.

9. The **Capital Improvement Fund** should continue to be maintained. These funds will be devoted to capacity upgrades and service line extensions. Unlike the Replacement / Rehabilitation Reserve Escrow account, Capital Improvement Funds can be used for any capital outlay which improves operation of the utility system. These funds however should only be used with knowledge and consent of council. The city presently has a Water Improvement Fund with cash balance as of 12/31/2008 of \$61,286.

The proposed budget allows for the accumulation of cash reserves during the 2010 to 2020 time period. These funds will be used to reduce the amount of money borrowed on the raw water line and backwash tank replacement project. The community hopes to accumulate \$1,000,000 over the next 10 years to partially fund the \$3,000,000 project. Since this is an asset replacement project, money in the Capital Improvement Fund can be combined with money in the Replacement / Rehabilitation Reserve Escrow account to finance these improvements.

10. Any unneeded operating account proceeds remaining after funding the emergency fund, debt service reserve and capital improvement fund should be transferred to the replacement / rehabilitation reserve account. The use of separate escrow accounts reduces the temptation to fund operating losses from savings. The general operating account should be maintained with only enough funds to provide for ongoing normal operations.

Assumptions:

This section presents the assumptions used in the rate analysis.

1. A typical year operating budget was developed based upon trend analysis of the three most recent year-end financial results.
2. The customer growth rate throughout the study period was assumed to be zero.
3. An inflationary factor of three and one-half percent (3.50%) was used to project future operating expenses. All expense categories were treated equally.
4. The department has two outstanding notes. The Mortgage Bonds: Refinance & New Money note carries an annual payment of approximately \$191,000. The Holzer Hospital Water Lines Pay note requires annual payments of \$12,618.
5. The community has accumulated \$61,286 in the Water Improvement (Capital Improvement) Fund as of Dec. 31, 2008. With this exception all other water department money is housed in one of the three operating accounts. Water Operating account balance was \$1,546,105, Water Utility Office account balance was \$16,237 and the Water Distribution account balance was \$125,091. In addition the water department has customer deposits totaling \$61,005.
6. The water rate structure will remain unchanged. Recommended rate adjustments are based upon across the board rate increases enforced equally upon all water system users. The first rate increase will occur ASAP. Inflationary rate adjustments should go into effect at the beginning of each calendar year.

City of Jackson

Water Department

Historical Information: 2006 2007 2008 Annualized 2009

Typical Year Calculations

2010 2011 2012 2013 2014

	2006	2007	2008	Annualized 2009
TOTAL REVENUES	1,591,627	1,554,862	1,593,718	1,624,328
Water Operating				
PERSONAL SERVICES	386,383	382,744	431,439	374,684
OPERATIONS & MAINTENANCE	352,242	340,986	324,677	400,657
CAPITAL OUTLAY	41,458	135,434	474,479	85,458
DEBT SERVICE	214,459	205,575	195,763	203,618
MEMBERSHIPS		56,250		
TOTAL WATER OPERATING	994,542	1,120,989	1,426,358	1,064,417
			14.5%	
Water Utility Office				
PERSONAL SERVICES	181,719	178,882	190,978	146,371
OPERATIONS & MAINTENANCE	16,597	17,080	16,534	18,341
CAPITAL OUTLAY	2,544	5,254	4,037	3,003
TOTAL WATER UTILITY OFFICE	200,861	201,216	211,549	167,714
Water Distribution Dept.				
PERSONAL SERVICES	277,242	232,341	284,679	268,523
OPERATIONS & MAINTENANCE	66,246	56,859	53,448	30,063
CAPITAL OUTLAY	100,539	24,598	65,977	21,062
TOTAL WATER DISTRIBUTION	444,126	313,798	404,105	319,648
Reserves / Escrow Accounts				
Emergency Fund				
Debt Service Reserve				
Rehab / Replacement				
Capital Improvements	30,000	30,000	30,000	30,000
TOTAL RESERVE ACCOUNTS	30,000	30,000	30,000	30,000
TOTAL EXPENSES	1,669,529	1,666,002	2,072,011	1,581,779
CASH SURPLUS / DEFICIT	(87,902)	(111,140)	(478,294)	42,548

Fund Balances	2006	2007	2008	2009
Water Operating	1,969,871	1,938,744	1,546,105	1,593,015
Water Utility Office	44,002	27,787	16,237	6,523
Water Distribution	260,132	196,334	125,091	130,443
Emergency Fund				
Debt Service Reserve				
Rehab / Replacement	45,241	31,286	61,286	91,286
Water Improvements	55,728	59,453	61,005	61,005
Water Deposits				
Water Department Total	2,319,246	2,194,151	1,748,719	1,821,267

Typical Year	Summary	\$/Fixed
1,550,765		
438,142	106,078	
399,302	148,928	
217,124	217,124	
228,618	228,618	
1,283,185	700,748	
192,424	192,424	
18,858	18,858	
3,945	3,945	
215,227	215,227	
284,444		
108,851		
63,738		
457,033		
	Fully Funded except for Inflation	
	Fully Funded for existing debt levels	
51,886	2.5% Revenues (Annually)	51,886
60,000	30,000 Annually	60,000
111,886		111,886
2,067,331	Fixed	1,027,861
(516,565)	Variable	1,039,470
1,027,861	Total Fixed Cost	
3,340	Number of Customers	307.74
9,430	Number of EDU	109.00
1,039,470	Variable Cost	\$/1,000
557,780	Gallons Sold / 1000	1.86
2,067,331	Total Cost	\$/1,000
557,780	Gallons Sold / 1000	3.71

354,300	Min 12.5% Operating Expense or 125,000
6,523	Min 12.5% Operating Expense or 27,000
30,443	Min 12.5% Operating Expense or 51,000
215,853	12.5% Operating Expense (Fully Funded 2010)
22,862	10% Loan Payments (Fully Funded 2010)
1,000,000	Transfer (1,000,000) from Water Operating Acct.
191,286	Transfer 100,000 from Water Distribution
61,005	Balance Maintained at FYE 2008 levels
1,821,267	

	2010	2011	2012	2013	2014
Budget Summary					
2,158,304	2,232,727	2,309,756	2,389,480	2,471,995	
453,477	469,348	485,776	502,778	520,375	
413,277	427,742	442,713	458,208	474,245	
224,723	232,588	240,729	249,154	257,875	
228,618	228,618	228,618	228,618	228,618	
1,320,095	1,358,297	1,397,836	1,438,758	1,481,113	
199,158	206,129	213,343	220,810	228,539	
19,518	20,201	20,908	21,640	22,397	
4,083	4,226	4,374	4,527	4,686	
222,760	230,556	238,626	246,978	255,622	
294,399	304,703	315,368	326,406	337,830	
112,661	116,604	120,685	124,909	129,281	
65,969	68,278	70,668	73,141	75,701	
473,029	489,585	506,720	524,455	542,811	
7,555	7,819	8,093	8,376	8,669	
53,958	55,818	57,744	59,737	61,800	
60,000	60,000	60,000	60,000	60,000	
121,512	123,637	125,837	128,113	130,469	
2,137,396	2,202,075	2,269,018	2,338,304	2,410,015	
20,908	30,652	40,737	51,176	61,979	

507,509	676,940	863,860	1,064,582	1,280,463
13,763	18,207	19,581	22,604	26,982
(17,585)	(67,170)	(118,890)	(173,846)	(231,157)
223,408	231,227	239,320	247,697	256,366
22,862	22,862	22,862	22,862	22,862
1,053,958	1,109,776	1,167,520	1,227,257	1,289,057
251,286	311,286	371,286	431,286	491,286
61,005	61,005	61,005	61,005	61,005
2,055,200	2,303,128	2,565,539	2,842,941	3,135,858

City of Jackson Water Department

Historical Information: Annualized 2006 2007 2008 2009
 Typical Year Calculations
 Five Year Budget 2010 2011 2012 2013 2014

Customer Count	2006	2007	2008	2009	Customers	Avg. Gallons	EDU
1,000	12,000.01-32,000	12,000.01-32,000	12,000.01-32,000	12,000.01-32,000	295	553	295
2,000	32,000.01-80,000	32,000.01-80,000	32,000.01-80,000	32,000.01-80,000	424	1,515	424
3,000	80,000.01-230,000	80,000.01-230,000	80,000.01-230,000	80,000.01-230,000	468	2,508	468
4,000	>1,000,000	>1,000,000	>1,000,000	>1,000,000	419	3,498	419
5,000					345	4,472	345
6,000					249	5,470	249
7,000					159	6,438	159
8,000					90	7,478	90
9,000					52	8,509	52
10,000					32	9,450	32
11,000					18	10,518	18
12,000					16	11,484	16
12,000.01-32,000					69	18,436	283
32,000.01-80,000					36	48,339	387
80,000.01-230,000					7	122,386	190
230,000.001-1,000,000					5	361,048	401
>1,000,000					4	5,465,291	4858
Total in town					2,688		8,686
1,000					55	527	55
2,000					104	1,510	104
3,000					129	2,522	129
4,000					111	3,495	111
5,000					77	4,478	77
6,000					65	5,492	65
7,000					32	6,463	32
8,000					20	7,611	20
9,000					21	8,444	21
10,000					11	9,415	11
11,000					2	10,695	2
12,000					6	11,405	6
12,000.01-32,000					18	18,588	74
32,000.01-80,000					1	164,013	36
80,000.01-230,000							
230,000.001-1,000,000							
>1,000,000							
Total out of town					652		744
Total customers					3,340		9,430
% Customer Growth							

Water Loss	2006	2007	2008	2009
Gallons Water Produced (Thousands)	724,786	724,539	724,539	724,539
Gallons Water Sold (Thousands)	562,155	552,406	552,406	552,406
Unaccounted for Water	161,631	172,133	172,133	172,133
5 Unaccounted for Water	22.3%	23.8%	23.8%	23.8%

Average Gallons sold / 1000
 557,780

EDU Adjustments were made for large users of more than 12,000 gal.
 Customer count and average usage data was provided by the city.

Acceptable amount of water loss is 15% or less.
 Aggressive Capital Improvement Planning recommended.

City of Jackson

Water Department

Historical Information

	2006	2007	2008	2009	2010	2011	2012	2013	2014
--	------	------	------	------	------	------	------	------	------

Water Rates

% Increase Effective Date

Inside Rate

Base Rate - First 2000	2006	2007	2008	2009	2010	2011	2012	2013	2014
Next 10000	\$ 5.21	\$ 5.21	\$ 5.21	\$ 5.21	10.54	10.91	11.29	11.69	12.10
Next 20000	\$ 4.86	\$ 4.86	\$ 4.86	\$ 4.86	7.29	7.55	7.81	8.09	8.37
Next 48000	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74	6.80	7.04	7.29	7.54	7.81
Next 150000	\$ 2.99	\$ 2.99	\$ 2.99	\$ 2.99	5.24	5.42	5.61	5.81	6.01
Next 700000	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	4.19	4.33	4.48	4.64	4.80
Over 1000000	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	3.00	3.10	3.21	3.32	3.44
					1.90	1.97	2.04	2.11	2.18

Outside Rate

Base Rate - First 2000	2006	2007	2008	2009	2010	2011	2012	2013	2014
Next 10000	\$ 9.04	\$ 9.04	\$ 9.04	\$ 9.04	12.66	13.10	13.56	14.03	14.52
Next 20000	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	8.75	9.06	9.37	9.70	10.04
Next 48000	\$ 5.85	\$ 5.85	\$ 5.85	\$ 5.85	8.19	8.48	8.77	9.08	9.40
Next 150000	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	6.30	6.52	6.75	6.98	7.23
Next 700000	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	5.03	5.20	5.38	5.57	5.77
Over 1000000	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	3.58	3.71	3.84	3.97	4.11
					2.18	2.26	2.34	2.42	2.51

Water Haulers / Bulk Sales
Wholesale Water Contracts

Water Tap and Service Charges

Tap Fees

Oh / OHT Charges

Bad Check Fee

Hydrant Charges

Other

Typical Inside Residential Bill (4500 gal.)	2006	2007	2008	2009	2010	2011	2012	2013	2014
Affordability Index	33.41	33.41	33.41	33.41	28.78	29.78	30.83	31.91	33.02
Affordable Bill (Based upon 1.5% MHI)	33.41	33.41	33.41	33.41	1.29%	1.34%	1.38%	1.43%	1.48%

Typical Year Calculations

MHI form 2000 Census

26,728

33,411

33,411

33,411

33,411

City of Jackson

Water Department

Historical Information Annualized Typical Year Calculations Five Year Budget

	2006	2007	2008	2009	Typical Year	Methodology	% Fixed	\$/Fixed	2010	2011	2012	2013	2014
Water Operating	2,030,786	1,969,871	1,938,744	1,546,105									
Consumer Charges	1,537,967	1,512,565	1,506,007	1,598,269	1,518,846	Avg 2006 - 2008			354,300	507,509	676,940	863,860	1,064,582
On / Off Charges	6,513	8,452	7,394	6,631	7,453	Avg 2006 - 2008			2,126,385	2,200,809	2,277,837	2,357,561	2,440,076
Hydrant Charges	9,647	9,336	9,862	9,994	9,615	Avg 2006 - 2008			7,453	7,453	7,453	7,453	7,453
Tap Fees	9,263	8,350	9,852	5,214	9,155	Avg 2006 - 2008			9,615	9,615	9,615	9,155	9,615
Other Charges	1,193	772	962	200	809	Avg 2006 - 2008			9,155	9,155	9,155	9,155	9,155
Water Plant Receipts	317								809	809	809	809	809
Total Charges for Services	1,564,901	1,538,976	1,534,077	1,620,308	1,545,879				2,153,418	2,227,841	2,304,869	2,384,594	2,467,108
Other		5,708				Assume Zero							
Total Note Proceeds		5,708			58,656	Assume Zero							
Rental and Lease Income						Assume Zero							
Sale of Fixed Assets	1,005	1,100		4,000		Assume Zero							
Sale of Materials & Supplies		252		39		Assume Zero							
Interest	8,761	8,516			4,258	Avg 2007 - 2008			4,258	4,258	4,258	4,258	4,258
Other, Miscellaneous	6,960	310	946		628	Avg 2007 - 2008			628	628	628	628	628
Jaco Lake Key Deposit				20		Assume Zero							
Total Miscellaneous	16,726	10,178	985	4,020	4,886	Assume Zero			4,886	4,886	4,886	4,886	4,886
Reimbursements Services & Materials						Assume Zero							
Total Transfers & Reimbursements						Assume Zero							

	2006	2007	2008	2009	Typical Year	Methodology	% Fixed	\$/Fixed	2010	2011	2012	2013	2014
Non-Typical Expenses	228,025	212,951	262,038	238,299	262,038	2008 Actual	25%	65,510	271,210	280,702	290,527	300,695	311,219
SALARIES & WAGTS	33,990	31,688	39,056	36,744	39,056	2008 Actual	25%	9,764	40,423	41,837	43,302	44,817	46,386
HEALTH INSURANCE	68,134	79,874	83,127	56,492	83,127	2008 Actual	25%	20,782	86,036	89,047	92,164	95,390	98,728
UNIFORM ALLOWANCE	250	250				2008 Actual	25%	1,367	5,661	5,859	6,064	6,277	6,496
WORKERS COMPENSATION	8,011	3,179	5,220	8,166	3,264	Avg 2006 - 2008	25%	816	3,378	3,496	3,619	3,745	3,876
MEDICARE	3,131	3,064	3,596	3,092	500	Avg 2006 - 2008	25%	125	517	535	554	574	594
LNU/ATHL / LOOL ALLOWANCE	500	499	500	899	500	Avg 2006 - 2008	25%	4,921	20,374	21,087	21,825	22,589	23,380
OVERTIME	19,450	19,516	20,111	17,054	19,685	Avg 2006 - 2008	25%	2,793	11,564	11,969	12,388	12,822	13,270
DEFENSE PAY	13,992	15,784	3,744		11,173	Avg 2006 - 2008	0%		14,513	14,814	15,333	15,869	16,425
CASH IN PAY	11,502	15,937	14,048	13,939	13,829	Avg 2006 - 2008	0%						
CONTRACTUAL SERVICES													

Inflation Rate 3.5% 3.5% 3.5% 3.5% 3.5%

City of Jackson Water Department

Historical Information

Typical Year Calculations

Five Year Budgets

	2006	2007	2008	2009	2010	2011	2012	2013	2014				
HAUL & TRANSPORTATION	1,526	649	2,840	403	1,668	Avg 2006 - 2008	0%	1,777	1,787	1,850	1,914	1,981	
CONTRACTUAL SERVICES	2,588	1,384	97,106	81,508	1,324	Avg 2006 - 2008	0%	9,377	10,131	20,972	47	50	52
LIGHTS	95,726	88,473	4,037	3,385	93,768	Avg 2006 - 2008	10%	97,050	100,447	117,066	1,468	1,519	1,572
COMMUNICATIONS	9,400	3,487	36,915	160,830	5,641	Avg 2006 - 2008	50%	5,839	6,043	6,255	6,473	6,700	6,927
PROFESSIONAL SERVICES	34,397	43,393	14,367	6,500	38,368	Avg 2006 - 2008	50%	39,711	41,101	42,540	44,029	45,570	47,100
MAINTENANCE OF EQUIPMENT & FACILITIES	28,855	24,276	20,048	6,500	22,959	Avg 2006 - 2008	50%	23,287	24,102	24,949	25,819	26,712	27,605
INSURANCE & BONDING	31,229	34,765	34,765	20,048	29,347	Avg 2006 - 2008	100%	30,374	31,438	32,538	33,677	34,855	36,074
ADVERTISING	211	150	964	150	120	Avg 2006 - 2008	0%	124	129	133	138	143	148
PRINTING & REPRODUCTION	964	135	832	1,753	599	Avg 2006 - 2008	100%	620	641	664	687	711	735
MIS. CONTRACTUAL SERVICES	24,027	20,025	16,737	13,732	45	Avg 2006 - 2008	0%	47	48	50	52	54	56
SUPPLIES & MATERIALS	111	240	1,329	1,421	20,263	Avg 2006 - 2008	50%	20,972	21,706	22,466	23,252	24,066	24,891
OFFICE SUPPLIES	52	53	50	97	560	Avg 2006 - 2008	100%	580	600	621	643	665	687
REAL ESTATE TAXES	1,044	170	50	97	52	Avg 2006 - 2008	100%	53	55	57	59	61	63
MATERIAL SERVICES	278	150	122	910	405	Avg 2006 - 2008	50%	419	433	449	464	481	497
DRUGS & SUBSCRIPTIONS	25,938	11,210	28,506	32,256	143	Avg 2006 - 2008	100%	148	153	158	164	169	174
GAS, FUEL & OIL	84,610	104,981	91,624	86,740	21,885	Avg 2006 - 2008	10%	22,651	23,443	24,264	25,113	25,992	26,907
CHEMICALS	4,152	2,621	4,000	4,288	1,333	Avg 2006 - 2008	0%	97,019	100,415	103,930	107,567	111,332	115,233
STREET REPAIR MATERIALS & SUPPLIES	1,895	135	1,255	1,537	677	Avg 2006 - 2008	50%	1,380	1,428	1,478	1,530	1,584	1,640
EDUCATION & TRAINING	546	750	636	910	101	Avg 2006 - 2008	50%	2,770	2,867	2,967	3,071	3,178	3,287
SAFETY EQUIPMENT	180	122	545	695	101	Avg 2006 - 2008	50%	666	690	714	739	765	791
UNIFORMS & REPAIRS	395	453	3,287	906	464	Avg 2006 - 2008	100%	104	108	112	116	120	124
RETIROTS, OTHER	2,084	1,112	572	3,596	228	Avg 2006 - 2008	0%	2,505	2,592	2,683	2,777	2,874	2,972
MECHANICAL FEES	1,000	1,000	1,000	1,000	333	Avg 2006 - 2008	100%	345	357	370	383	396	409
POSTAGE	60,000	60,000	60,000	60,000	60,000	Avg 2006 - 2008	100%	62,100	64,274	66,523	68,851	71,261	73,750
EMPLOYEE AWARD						See Supporting Schedule							
Preventative & Predictive Maintenance													
Non-Typical Adjustments													
EQUIPMENT													
BUILDINGS & OTHER EQUIPMENT	31,240	14,909	89,403	40,026	34,771	Avg 2006 - 2008	100%	35,988	37,247	38,551	39,900	41,297	
UTILITY DISTRIBUTION SYSTEMS	2,458	65,724	126,334	8,400	112,020	Avg 2006 - 2008	100%	115,940	119,998	124,198	128,545	133,044	
IT EQUIPMENT	7,760	5,999	2,173	7,415	64,839	Avg 2006 - 2008	100%	67,108	69,457	71,888	74,404	77,008	
Non-Typical Adjustments						Avg 2006 - 2008	100%	5,687	5,886	6,092	6,305	6,525	
GENERAL OUTFITTING													
EXISTING DEBT (PRINCIPAL)	105,417	100,833	100,000	112,618	112,618	2009 Budget	100%	112,618	112,618	112,618	112,618	112,618	
EXISTING DEBT (INTEREST)	109,042	104,742	95,763	91,000	91,000	2005 Budget	100%	91,000	91,000	91,000	91,000	91,000	
PROPOSED WSRA ARRA LOAN					25,000	2009 Budget	100%	25,000	25,000	25,000	25,000	25,000	
PROPOSED ADDITIONAL DEBT						2005 Budget	100%						
LOSS ON SALE OF INVESTMENT													
DEBT SERVICE													
TRANSFERS OUT	648,000	465,000	560,000	513,000	702,259	Avg 2006 - 2008	100%	685,000	705,000	725,000	750,000	775,000	
REIMBURSEMENTS SERVICES & MATERIALS		56,250											
GENERAL MAINTENANCE													
ESTIMATED FUND BALANCE @ DECEMBER 31	1,969,871	1,938,744	1,546,105	1,593,015	507,509		676,940	863,860	1,064,562	1,280,463			

City of Jackson

Water Department

Water Utility Office

	Historical Information				Annualized	Typical Year Calculations							
	2006	2007	2008	2009		Typical Year	Methodology	% Fixed	\$/Fixed	2010	2011	2012	2013
Beginning Year Cash	25,560	44,002	27,787	16,237					6,523	13,763	18,207	19,981	27,604
Insurance Settlement / Misc Transfers In	1,303	185,000	200,000	158,000					230,000	235,000	240,000	250,000	460,000
	218,000	185,000	200,000	158,000					230,000	235,000	240,000	250,000	460,000
SALARIES & WAGES	97,712	95,792	100,947	99,033		100%	100%	100,947	104,480	108,136	111,921	115,838	119,893
P.F.R.S.	13,284	14,141	14,141	14,035		100%	100%	14,141	14,636	15,148	15,679	16,227	16,795
HEALTH INSURANCE	28,862	29,833	37,154	25,036		100%	100%	37,154	38,454	39,800	41,193	42,634	44,127
RETIREMENT INCENTIVE	31,521	31,521	31,521	31,521		100%	100%	31,521	32,624	33,766	34,947	36,171	37,437
WORKERS COMPENSATION	2,860	1,197	1,740	2,811		100%	100%	1,932	2,000	2,070	2,142	2,217	2,295
SUPERVISOR'S OVERTIME	23	69	43	135		100%	100%	45	47	48	50	52	54
MEDICARE	1,304	1,244	1,310	1,218		100%	100%	1,286	1,331	1,377	1,425	1,475	1,527
OVERTIME	336	157	135	380		100%	100%	213	220	228	236	244	253
LAST IN PAY	5,757	5,814	3,988	3,721		100%	100%	5,186	5,368	5,556	5,750	5,952	6,160

Non-Typical Expenses

	2006	2007	2008	2009	Typical Year	Methodology	% Fixed	\$/Fixed	2010	2011	2012	2013	2014
HAVEL & TRANSPORTATION	1,000	1,200	1,411	1,119	1,411	2008 Actual	100%	1,411	1,461	1,512	1,565	1,619	1,676
CONTRACTUAL SERVICES	346	288	220	360	282	Avg 2006 - 2008	100%	282	292	303	313	324	335
UTILITIES	394	478	525	795	466	Avg 2006 - 2008	100%	466	482	499	516	534	553
COMMUNICATIONS	5,043	2,005	1,191	1,230	2,746	Avg 2006 - 2008	100%	2,746	2,843	2,942	3,045	3,152	3,262
PROFESSIONAL SERVICES	486	379	360	717	409	Avg 2006 - 2008	100%	409	423	438	453	468	485
MAINTENANCE OF EQUIPMENT & FACILITIES	2,400	2,124	2,873	906	2,466	Avg 2006 - 2008	100%	2,466	2,552	2,642	2,734	2,830	2,929
INSURANCE & BONDING	271	260	642	2,231	391	Avg 2006 - 2008	100%	391	405	419	433	449	464
PRINTING & REPRODUCTION	481	1,005	1,112	2,231	1,112	2008 Actual	100%	1,112	1,151	1,191	1,233	1,276	1,320
MISC CONTRACTUAL SERVICES	1,085	454	454	1,015	513	Avg 2006 - 2008	100%	513	531	550	569	589	609
SUPPLIES & MATERIALS	857	960	514	330	777	Avg 2006 - 2008	100%	777	804	832	861	892	923
OFFICE SUPPLIES	703	450	626	657	593	Avg 2006 - 2008	100%	593	614	635	657	680	704
METRIC SERVICES	180	115	50	180	115	Avg 2006 - 2008	100%	115	119	123	128	132	137
GAS FUEL & OIL	969	1,000	1,039	636	1,039	2008 Actual	100%	1,039	1,075	1,113	1,152	1,192	1,234
EDUCATION & TRAINING	101	114	17	23	77	Avg 2006 - 2008	100%	77	80	83	86	89	92
SAFETY EQUIPMENT	1,063	429	392	392	628	Avg 2006 - 2008	100%	628	650	673	696	721	746
UNIFORMS & REPAIRS	482	570	570	392	541	Avg 2006 - 2008	100%	541	560	579	599	620	642
REFUNDS OTHER	743	196	16	392	318	Avg 2006 - 2008	100%	318	329	341	353	365	378
MECHANICAL EXPENSE		195	45		80	Avg 2006 - 2008	100%	80	83	86	89	92	95
POSTAGE		4,857	4,931	7,750	4,894	Avg 2006 - 2008	100%	4,894	5,065	5,242	5,426	5,616	5,812

Non-Typical Adjustments

	2006	2007	2008	2009	Typical Year	Methodology	% Fixed	\$/Fixed	2010	2011	2012	2013	2014
EQUIPMENT	638	4,642	2,000	2,733	2,427	Avg 2006 - 2008	100%	2,427	2,512	2,599	2,690	2,785	2,882
IT EQUIPMENT	1,906	612	2,037	270	1,518	Avg 2006 - 2008	100%	1,518	1,572	1,637	1,698	1,762	1,833

	2006	2007	2008	2009	Typical Year	Methodology	% Fixed	\$/Fixed	2010	2011	2012	2013	2014
Estimated Fund Balance @ December 31	44,002	27,787	16,237	6,523	13,763				13,763	18,207	19,981	22,604	26,982

City of Jackson

Water Department

Water Distribution Dept.

	Historical Information				Annualized				Typical Year Calculations				
	2006	2007	2008	2009	Typical Year	Methodology	% Fixed	\$/Fixed	2010	2011	2012	2013	2014
Beginning Year Cash	301,443	260,132	196,334	125,091	30,443	(17,585)	(67,149)	(118,890)	(173,446)				
Sale of Fixed Assets	2,815	1,750	1,112										
Transfers In	400,000	250,000	330,000	325,000	425,000	425,000	455,000	420,000	485,000				
Total Revenue	402,815	250,000	332,862	325,000	425,000	425,000	455,000	420,000	485,000				
MATERIALS & WAGES	175,230	145,879	179,670	172,005	179,670	2008 Actual	0%		185,958	192,467	199,203	206,175	213,443
PROPERTY TAX	24,268	20,531	23,178	24,430	23,178	2008 Actual	0%		24,829	27,596	25,698	26,598	27,525
HEALTH INSURANCE	66,780	57,501	71,544	62,532	71,544	2008 Actual	0%		74,048	76,639	79,322	82,098	84,971
INFORMATIONAL/IMPROVEMENT	114	93	69	62,532	69	Avg 2006-2008	0%		72	74	77	79	82
WORKERS COMPENSATION	4,963	2,080	2,590	5,034	3,211	Avg 2006-2008	0%		3,323	3,440	3,560	3,685	3,814
SUPERVISOR'S OVERTIME	147	147	49	406	49	Avg 2006-2008	0%		51	52	54	56	58
MATERIALS	1,543	1,631	1,825	1,820	1,825	2008 Actual	0%		1,889	1,954	2,023	2,096	2,167
OVERHEAD	1,432	1,837	1,837	2,175	2,007	2008 Actual	0%		2,077	2,150	2,225	2,303	2,384
PROPERTY TAX	2,763	1,872	1,560	2,175	2,065	Avg 2006-2008	0%		2,137	2,212	2,290	2,370	2,453
CASH IN HAND		2,476	528		825	Avg 2006-2008	0%		854	884	915	947	980

Non Typical Expenses

TRAVAL & TRANSPORTATION	1,472	73	326	4,053	624	Avg 2006-2008	0%		645	668	691	716	741
UTILITIES	8,654	4,258	4,113	1,031	5,842	Avg 2006-2008	0%		6,046	6,258	6,477	6,704	6,938
CONTRACTS	1,985	2,276	1,453	1,80	1,705	Avg 2006-2008	0%		1,764	1,826	1,890	1,956	2,022
PROFESSIONAL SERVICES	1,215	70	495	180	580	Avg 2006-2008	0%		600	621	643	665	689
MAINTENANCE OF EQUIPMENT & FACILITIES	30,849	28,332	26,763	16,449	28,648	Avg 2006-2008	0%		29,651	30,688	31,763	32,874	34,025
INSURANCE & BONDING	8,500	8,095	5,331	7,309	7,309	Avg 2006-2008	0%		7,565	7,829	8,103	8,387	8,680
ADVERTISING	204	149	11	406	53	Avg 2006-2008	0%		55	57	59	61	63
SUPPLIES & MATERIALS	143	212	100	406	68	Avg 2006-2008	0%		70	73	76	78	81
OFFICE SUPPLIES	248	305	225	180	152	Avg 2006-2008	0%		157	162	168	174	180
MECHANICAL SERVICES	6,771	7,187	8,817	5,459	7,575	Avg 2006-2008	0%		768	778	788	798	808
TOOLS, FUEL & OIL	793	153	2,000	2,000	982	Avg 2006-2008	0%		1,017	1,052	1,089	1,127	1,166
SHEET METAL MATERIAL & SUPPLIES	1,776	805	205	270	912	Avg 2006-2008	0%		944	977	1,011	1,047	1,083
ELECTRICAL & TRAINING	1,378	764	845	270	996	Avg 2006-2008	0%		1,030	1,067	1,104	1,142	1,181
SAFETY EQUIPMENT	1,092	1,410	1,765	566	1,422	Avg 2006-2008	0%		1,472	1,523	1,577	1,632	1,689
INVENTORY & REPAIRS	1,865	2,271	1,039	1,470	1,725	Avg 2006-2008	0%		1,785	1,848	1,913	1,980	2,049
MATERIAL EXPENSE					50,000	See Supporting Schedule	0%		51,750	53,561	55,436	57,376	59,384

Non Typical Adjustments

REVENUE	50,341	12,745	43,745	21,062	35,440	Avg 2006-2008	0%		36,681	37,964	39,293	40,668	42,092
UTILITY SYSTEMS	21,183	955	955	375	7379	Avg 2006-2008	0%		7,638	7,905	8,182	8,468	8,764
EQUIPMENT	1,325	956	375	21,062	885	Avg 2006-2008	0%		916	948	982	1,016	1,051
WATER METER REPLACEMENT PROGRAM	16,273	11,397	10,820	7,880	12,830	Avg 2006-2008	0%		13,229	13,744	14,225	14,731	15,248
HYDRANT REPLACEMENT PROGRAM	4,343	7,880	4,075	2,202	4,075	Avg 2006-2008	0%		4,217	4,365	4,518	4,676	4,839
VALVE REPLACEMENT PROGRAM	7,184	2,202	3,129		3,129	Avg 2006-2008	0%		3,238	3,351	3,469	3,590	3,716

Non Typical Adjustments

Estimated Fund Balance @ December 31	260,132	196,334	125,091	130,443	(17,585)	(67,170)	(118,890)	(173,460)	(231,157)				
--------------------------------------	---------	---------	---------	---------	----------	----------	-----------	-----------	-----------	--	--	--	--

City of Jackson Water Department

	Historical Information				Annualized					Typical Year Calculations					Five Year Budget				
	2005	2007	2008	2009	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Transfers Out	648,000	465,000	560,000	513,000	702,259					685,000	705,000	725,000	750,000	775,000					
Transfer IN (Water Improvement)	30,000	30,000	30,000	30,000	30,000					30,000	30,000	30,000	30,000	30,000					
Transfer IN (Water Office)	218,000	185,000	400,000	158,000	215,227					230,000	235,000	240,000	250,000	260,000					
Transfer IN (Water Distribution Dept.)	400,000	250,000	330,000	325,000	457,033					425,000	440,000	455,000	470,000	485,000					
Total Transfer IN	648,000	465,000	560,000	513,000	702,259					685,000	705,000	725,000	750,000	775,000					

Water Improvement

	2005	2007	2008	2009	2010	2011	2012	2013	2014
Beginning Year Cash	181,067	45,241	31,286	61,286	191,286	251,286	311,286	371,286	431,286
Transfers In	30,000	30,000	30,000	30,000	60,000	60,000	60,000	60,000	60,000
Capital Improvements	165,826	43,955							
Estimated Fund Balance @ December 31	45,241	31,286	61,286	91,286	251,286	311,286	371,286	431,286	491,286

Notes

A summary budget was developed to eliminate the transfers into and out of the water department operating account. By eliminating transfers the full impact of water department operating can be shown on a single page.

An inflationary rate of 3.5% was assumed in budget preparation. All expense categories were treated equally. Line item details available in the supporting budgets which are presented below. Most expense categories were projected using a three year average. However, some categories with rapidly increasing or decreasing trends were estimated using two year averages or 2008 actual to reflect the impact of rapidly changing trends.

Zero growth was projected. It was assumed that existing customers would continue to use the same amount of water in all future periods. The community has a significant concentration 17 large customers using over 80,000 gallons per month. Four of these customers use over 1,000,000 gallons monthly. Any significant reduction in sales to these large commercial and industrial customers would place a significant financial hardship upon the community.

Increasing water loss amounts and percentages points toward the need to increase capital replacement and rehabilitation dollars for the distribution system. This need was addressed by increasing preventative maintenance by \$50,000 annually. Additional labor will be hired at the water treatment plant at an additional cost of \$60,000 annually.

Emergency and Debt Service Reserve Accounts were fully funded from the Water Dept. Operating Account. Except inflation, no additional funds will be required.

The community hopes to save \$1,000,000 over the next 10 years to partially fund replacement of the raw water line and backwash tank. Cost of this project has been estimated at \$3,000,000. Approximately half of the necessary money will be accumulated in the Rehab./ Replacement Reserve Escrow Account while the other half will be safeguarded in the Water Improvement Fund.

A fixed / variable cost analysis was developed to evaluate the break-even point for industrial and bulk water users. The variable cost of water projection was estimated at \$1.86 per 1000 gallons. This is the minimum recommended price which water should be sold. At this price the city will not recoup any of the fixed cost. Therefore this rate should be reserves for the highest level business customers. In order to calculate the fixed cost of serving these customers engineering estimates of the distribution system capacity devoted to there service would need to be provided.

Fund balances were projected from YTD 2009 balanced adjusted to reflect budgeted operating results. Suggested account transfers are documented under the typical year plan. We recommend that the emergency fund and debt service reserve fund be fully funded from the water operating account. In addition we recommend that \$1,000,000 be transferred from the water operating account into the rehab./ renewal escrow account. Finally \$100,000 should be transferred from the water distribution account into the water improvement (Capital Improvement) account. As excessive funds accumulate in the water operating accounts they should be transferred to one of the capital improvement escrow accounts for safeguarding.

<u>Inside Rate</u>	Existing Rates	Percentage Increase	Proposed Rates
Base Rate - First 2000	\$ 7.53	40%	\$ 10.54
Next 10000	\$ 5.21	40%	\$ 7.29
Next 20000	\$ 4.86	40%	\$ 6.80
Next 48000	\$ 3.74	40%	\$ 5.24
Next 150000	\$ 2.99	40%	\$ 4.19
Next 770000	\$ 2.14	40%	\$ 3.00
Over 1000000	\$ 1.36	40%	\$ 1.90

<u>Outside Rate</u>	Existing Rates	Percentage Increase	Proposed Rates
Base Rate - First 2000	\$ 9.04	40%	\$ 12.66
Next 10000	\$ 6.25	40%	\$ 8.75
Next 20000	\$ 5.85	40%	\$ 8.19
Next 48000	\$ 4.50	40%	\$ 6.30
Next 150000	\$ 3.59	40%	\$ 5.03
Next 770000	\$ 2.56	40%	\$ 3.58
Over 1000000	\$ 1.56	40%	\$ 2.18

Usage	Customer Count	Average Monthly Usage	Total Monthly Usage	Percentage Usage	Bill Based upon Avg. Usage
1,000	295	553	163,135	0.4%	11
2,000	424	1,515	642,360	1.6%	11
3,000	468	2,508	1,173,744	3.0%	14
4,000	419	3,498	1,465,662	3.7%	21
5,000	345	4,472	1,542,840	3.9%	29
6,000	249	5,470	1,362,030	3.4%	36
7,000	159	6,438	1,023,642	2.6%	43
8,000	90	7,478	673,020	1.7%	50
9,000	52	8,509	442,468	1.1%	58
10,000	32	9,450	302,400	0.8%	65
11,000	18	10,518	189,324	0.5%	73
12,000	16	11,484	183,744	0.5%	80
12,000.01-32,000	69	18,436	1,272,084	3.2%	127
32,000.01-80,000	36	48,339	1,740,204	4.4%	305
80,000.01-230,000	7	122,386	856,702	2.2%	648
230,000.001-1,000,000	5	361,048	1,805,240	4.6%	1,491
>1,000,000	4	5,465,291	<u>21,861,164</u>	<u>55.3%</u>	13,374
Total in town	2,688		36,699,763	92.8%	
1,000	55	527	28,985	0.1%	13
2,000	104	1,510	157,040	0.4%	13
3,000	129	2,522	325,338	0.8%	17
4,000	111	3,495	387,945	1.0%	26
5,000	77	4,478	344,806	0.9%	34
6,000	65	5,492	356,980	0.9%	43
7,000	32	6,463	206,816	0.5%	52

8,000	20	7,611	152,220	0.4%	62
9,000	21	8,444	177,324	0.4%	69
10,000	11	9,415	103,565	0.3%	78
11,000	2	10,695	21,390	0.1%	89
12,000	6	11,405	68,430	0.2%	95
20,000.01-32,000	18	18,588	334,584	0.8%	154
32,000.01-80,000	-	-	-	0.0%	367
80,000.01-230,000	1	164,013	164,013	0.4%	989
230,000.001-1,000,000	-	-	-	0.0%	496
>1,000,000	-	-	-	<u>0.0%</u>	3,578
Total out of town	652		2,829,436	7.2%	
Total customers	3,340		39,529,199	100.0%	
Est Annual Revenue	(New Rate)				
Est Annual Revenue	(Old Rate)				

Monthly Revenue	Percentage Revenue	Fairness
3,110	1.8%	1.4%
4,470	2.7%	1.0%
6,668	4.0%	1.0%
8,995	5.3%	1.6%
9,858	5.8%	1.9%
8,927	5.3%	1.9%
6,823	4.0%	1.5%
4,545	2.7%	1.0%
3,017	1.8%	0.7%
2,076	1.2%	0.5%
1,308	0.8%	0.3%
1,275	0.8%	0.3%
8,782	5.2%	2.0%
10,984	6.5%	2.1%
4,538	2.7%	0.5%
7,457	4.4%	-0.1%
<u>53,495</u>	<u>31.7%</u>	<u>-23.6%</u>
146,328	86.8%	-6.0%
696	0.4%	0.3%
1,316	0.8%	0.4%
2,222	1.3%	0.5%
2,857	1.7%	0.7%
2,644	1.6%	0.7%
2,809	1.7%	0.8%
1,655	1.0%	0.5%

1,235	0.7%	0.3%
1,450	0.9%	0.4%
853	0.5%	0.2%
177	0.1%	0.1%
570	0.3%	0.2%
2,774	1.6%	0.8%
-	0.0%	0.0%
989	0.6%	0.2%
-	0.0%	0.0%
-	<u>0.0%</u>	<u>0.0%</u>
<hr/> 22,246	13.2%	6.0%
168,574	100.0%	
2,022,891		
<hr/> 1,444,922		
577,969		

City of Jackson
 Debt Schedule
 For Year Ended 12/31/08

WATER FUND									
	Bal @ 12/31/2007	Additions	Reductions	Bal @ 12/31/2008	Interest Paid 08	Interest Rate	Accrued Interest	Maturity Date	Term of Loan
Holzer Hospital Water Lines Pay	\$229,312	\$0	(\$12,318)	\$216,994	\$0	0.00%	\$0	----	(1)
TOTAL NOTES PAYABLE	\$229,312	\$0	(\$12,318)	\$216,994	\$0	----	\$0	----	

Mortgage Bonds: Refi & New Money	\$2,375,000	\$0	(\$100,000)	\$2,275,000	\$95,763	4.0%	\$15,956	12/1/2026	
----------------------------------	-------------	-----	-------------	-------------	----------	------	----------	-----------	--

SEWER FUND									
	Bal @ 12/31/2007	Additions	Reductions	Bal @ 12/31/2008	Interest Paid 08	Interest Rate	Accrued Interest	Maturity Date	Term of Loan
Holzer Hospital Lift Station Pay	\$428,458	\$0	(\$33,520)	\$394,938	\$0	0.00%	\$0	----	(2)
OWDA	\$0	\$8,167,862	(\$184,365)	\$7,982,896	\$40,839	1.00%	\$0	7/1/2028	20 yrs
TOTAL NOTES PAYABLE	\$428,458	\$8,167,862	(\$218,586)	\$8,377,734	\$40,839	----	\$0	----	

GARBAGE FUND									
	Bal @ 12/31/2007	Additions	Reductions	Bal @ 12/31/2008	Interest Paid 08	Interest Rate	Accrued Interest	Maturity Date	Term of Loan
Garbage Truck Loan Payable	\$29,534	\$0	(\$23,523)	\$6,011	\$661	3.50%	\$1	3/30/2009	5 yrs
TOTAL NOTES PAYABLE	\$29,534	\$0	(\$23,523)	\$6,011	\$661	----	\$1	----	

ELECTRIC FUND									
	Bal @ 12/31/2007	Additions	Reductions	Bal @ 12/31/2008	Interest Paid 08	Interest Rate	Accrued Interest	Maturity Date	Term of Loan
Electric System Revenue Bonds	\$5,500,000	\$0	(\$640,000)	\$4,860,000	\$217,563	4.50%	\$16,178	12/1/2030	25 yrs
TOTAL NOTES PAYABLE	\$5,500,000	\$0	(\$640,000)	\$4,860,000	\$217,563	----	\$16,178	----	

RAILROAD FUND									
	Bal @			Bal @	Interest	Interest	Accrued	Maturity	

	12/31/2007	Additions	Reductions	12/31/2008	Paid '08	Rate	Interest	Date
Railroad Rehab Loan	\$0	\$0	\$0	\$0	\$0	----	\$0	----
TOTAL NOTES PAYABLE	\$0	\$0	\$0	\$0	\$0	----	\$0	----

- 1 -- This loan is repaid to the hospital through a reduction of their water utility billing.
- 2 -- This loan is repaid to the hospital through a reduction of their sewer utility billing.
- 3 -- Both loans on the Ice Plant are 10 Year Loans with a balloon payment due in the 10th year.

GENERAL FUND # 210

	Bal @ 12/31/2007	Additions	Reductions	Bal @ 12/31/2008	Interest Paid 08	Interest Rate	Accrued Interest	Maturity Date	Term of Loan
Paul Barridge Property Note	\$312,848	\$0	\$0	\$312,848	\$0	1.00%	\$0	5/12/2009	4 yrs
Police Grant Car Loan	\$10,297	\$0	(\$5,367)	\$15,364	\$330	3.20%	\$229	7/15/2009	5 yrs
Police Non-Grant Car Loan	\$8,882	\$0	(\$4,371)	\$13,253	\$285	3.20%	\$121	9/19/2009	5 yrs
TOTAL NOTES PAYABLE	\$332,027	\$0	(\$9,738)	\$341,465	\$615	----	\$350		

COMMUNITY IMPROVEMENT FUND # 228

	Bal @ 12/31/2007	Additions	Reductions	Bal @ 12/31/2008	Interest Paid 08	Interest Rate	Accrued Interest	Maturity Date	Term of Loan	LOAN #
Ice Plant Acquisition	\$115,071	\$0	(\$4,440)	\$110,631	\$4,487	4.00%	\$0	3/24/2015	10 yrs (3)	1319502
Ice Plant Renovations	\$92,060	\$0	(\$3,729)	\$88,331	\$3,789	4.00%	\$0	3/24/2015	10 yrs (3)	1319502
TOTAL NOTES PAYABLE	\$207,131	\$0	(\$8,169)	\$198,962	\$8,276	----	\$0			