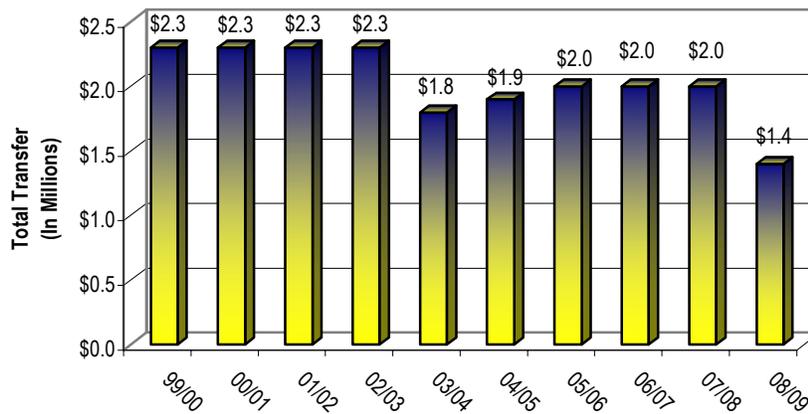


General Fund Expenditure Observations

City Departments continue to aggressively control costs; however, this has not reduced the dependency of the General Fund departments on the Enterprise Funds transfer. Due to little or no increase in tax rates for the last 10 fiscal years, the City has been forced to rely on the usage of enterprise funding. A concerted effort has been put forth to reduce the General Fund dependency on these transfers. The transfers have been reduced by \$639,795 for FY 08/09, the first significant reduction in amount over the last decade, this is definitely a step in the right direction. (The decrease in FY 2003/2004 is a result of the creation of General Fund cost distributions. The enterprise fund transfers were decreased by the amount that was identified and accounted for through the cost distributions.)

Budgeted Transfers to the General Fund 10 Fiscal Years



In Fiscal Year 2008/2009, the City saw no significant increases in expenditures. All categories of spending remained relatively unchanged from FY 2007/2008. Total expenditures increased by only \$74,766 or 0.9%.

Governmental Funds Expenditure Summary

Account Classification	2006 Actual Amount	2007 Actual Amount	2008 Amended Budget	2008 Actual Amount	2009 Council Approved
Fund: 0010 - General Fund					
EX40 - Personal Services	\$ 5,517,275	\$ 6,155,770	\$ 6,756,345	\$ 6,322,456	\$ 6,623,046
EX50 - Supplies	514,282	331,465	330,275	294,063	320,175
EX60 - Other Services & Charges	1,874,782	2,205,226	2,054,993	1,827,768	2,207,510
EX70 - Other Objects	(103,906)	(1,183,007)	(1,026,163)	(1,111,842)	(1,072,515)
EX90 - Capital Outlay	1,182,732	1,178,157	291,500	507,013	403,500
Expenditure Totals:	\$ 8,985,166	\$ 8,687,611	\$ 8,406,950	\$ 7,839,458	\$ 8,481,716
Fund: 0011 - Debt Service					
EX60 - Other Services & Charges	\$ -	\$ -	\$ -	\$ -	\$ 446,970
Expenditure Totals:	\$ -	\$ -	\$ -	\$ -	\$ 446,970
Fund: 0017 - Federal Grants					
EX50 - Supplies	\$ -	\$ -	\$ 13,076	\$ -	\$ 13,076
EX60 - Other Services & Charges	-	-	113,984	27,222	-
EX90 - Capital Outlay	-	-	-	74,014	-
Expenditure Totals:	\$ -	\$ -	\$ 127,060	\$ 101,236	\$ 13,076
Fund: 0018 - State and Local Grants					
EX60 - Other Services & Charges	\$ -	\$ -	\$ 155,557	\$ 63,794	\$ 50,000
Expenditure Totals:	\$ -	\$ -	\$ 155,557	\$ 63,794	\$ 50,000
Fund: 0020 - State Accommodations Tax					
EX60 - Other Services & Charges	\$ 41,007	\$ 66,114	\$ 63,089	\$ 63,917	\$ 56,450
EX70 - Other Objects	28,090	29,085	27,750	26,921	27,750
EX90 - Capital Outlay	-	-	-	-	-
Expenditure Totals:	\$ 69,097	\$ 95,199	\$ 90,839	\$ 90,838	\$ 84,200

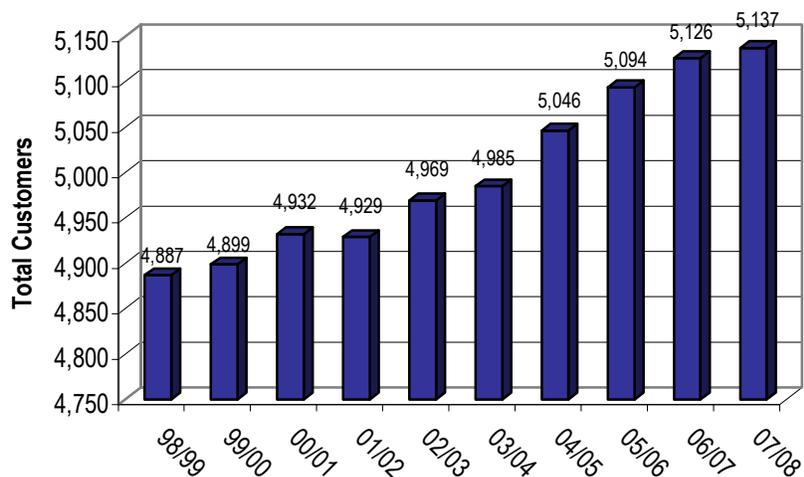
Governmental Funds Expenditure Summary (continued)

Account Classification	2006 Actual Amount	2007 Actual Amount	2008 Amended Budget	2008 Actual Amount	2009 Council Approved
<u>Fund: 0022 - Local Hospitality/ATax</u>					
EX40 - Personal Services	\$ 6,243	\$ 10,475	\$ 211,793	\$ 191,186	\$ 199,154
EX50 - Supplies	-	-	8,425	5,279	9,125
EX60 - Other Services & Charges	261,985	86,823	192,990	130,967	214,284
EX70 - Other Objects	351,322	441,610	114,540	89,732	98,780
EX90 - Capital Outlay	16,654	200,236	522,647	420,223	863,420
Expenditure Totals:	<u>\$ 636,203</u>	<u>\$ 739,144</u>	<u>\$ 1,050,395</u>	<u>\$ 837,387</u>	<u>\$ 1,384,763</u>
<u>Fund: 0060 - Comm Dev-Old Prog Income</u>					
EX70 - Other Objects	\$ -	\$ -	\$ 10,521	\$ -	\$ 11,410
Expenditure Totals:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,521</u>	<u>\$ -</u>	<u>\$ 11,410</u>
<u>Fund: 0086 - Seized and Forfeited</u>					
EX50 - Supplies	\$ 15,678	\$ 5,442	\$ 10,000	\$ 4,719	\$ 5,500
EX60 - Other Services & Charges	7,917	11,618	23,200	7,775	13,700
EX70 - Other Objects	-	-	4,467	-	-
EX90 - Capital Outlay	43,561	19,190	38,760	37,874	26,000
Expenditure Totals:	<u>\$ 67,156</u>	<u>\$ 36,250</u>	<u>\$ 76,427</u>	<u>\$ 50,368</u>	<u>\$ 45,200</u>

Proprietary Funds Expense Observations

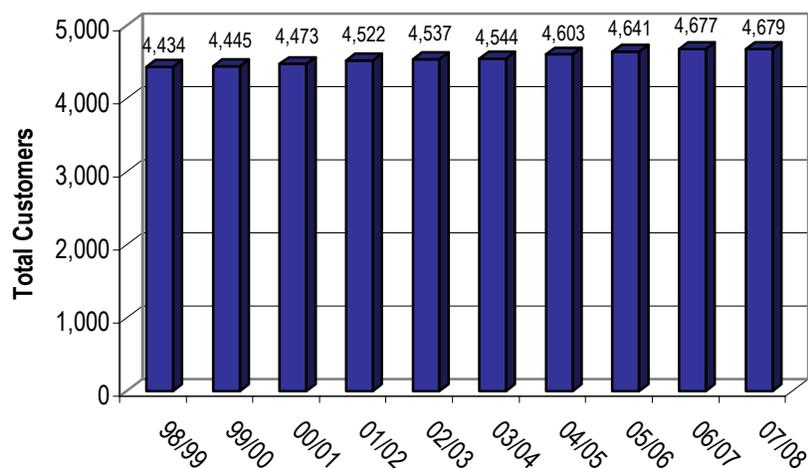
In the electric system, there are several factors that have had an obvious impact on expenses. The most predominate factor is the rising cost of fuel, which increases our cost of purchased power. Another factor driving increased expenses is customer growth. Additional expenses are generated in the provision of electric service to new customers, particularly commercial and industrial customers. Providing service to several underground subdivisions which will be under construction in the next couple of years will require higher than normal capital expenses.

Number of Customers-Electric System-10 Fiscal Years



Growth in water customers continued to be small but steady in FY 2007/2008. This is projected to continue as the City continues to expand its water system to accommodate growth for new customers within the existing City limits, and for customers associated with newly developed areas. The upcoming South Island Project will provide approximately 195 new customers. With these customers will come the associated costs of supplying more water.

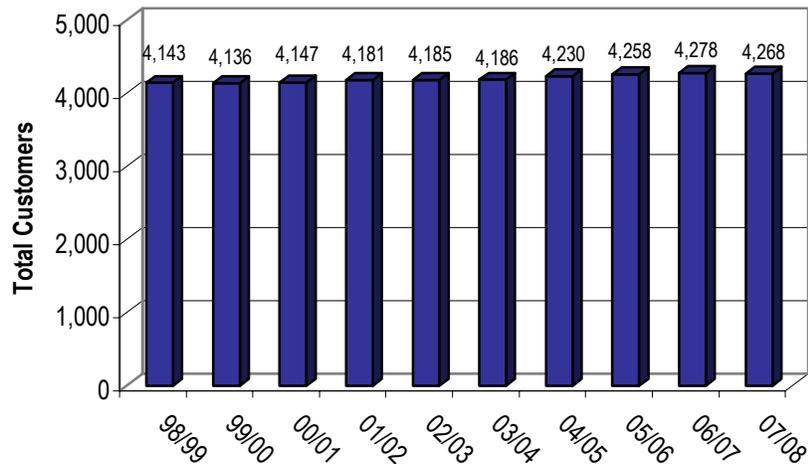
Number of Customers-Water System-10 Fiscal Years



Proprietary Funds Expense Observations (continued)

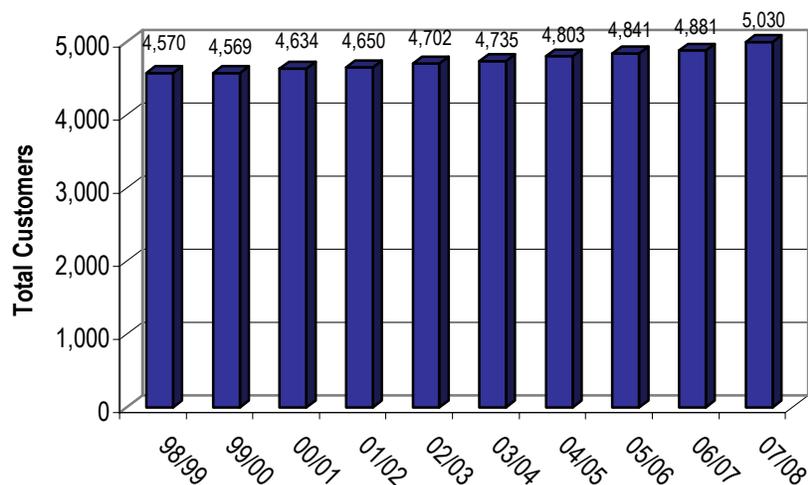
Growth in sewer customers declined slightly in FY 2007/2008. This trend is projected to change as development within the City limits increases. New customers will bring the associated costs of supplying more sewer service and any other additional expenditure increases are attributable to existing infrastructure replacement.

Number of Customers-Wastewater System-10 Fiscal Years



Although new customer growth was minimal in the years following the establishment of the Stormwater System (1993), the last several years have proven to be more progressive. The major expenses in this fund are related to the start of a significant drainage project. This involves the construction of a stormwater pump station, in addition to major upgrades to portions of the existing system.

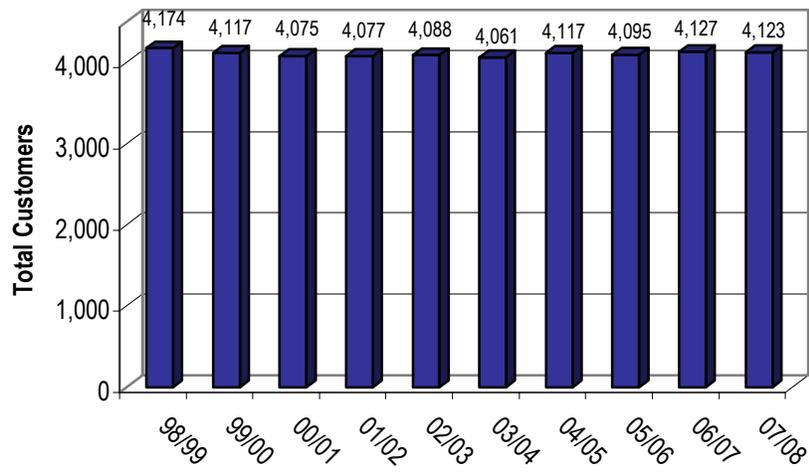
Number of Customers-Stormwater System-10 Fiscal Years



Proprietary Funds Expense Observations (continued)

Growth in sanitation customers has fluctuated mildly over the last 10 fiscal years, with a deviation from the mean number of customer during the last 10 years being less than 1.7%. The majority of the expenses in this fund are related to maintenance of equipment.

Number of Customers-Waste Management-10 Fiscal Years



Proprietary Funds Expense Summary

Account Classification	2006 Actual Amount	2007 Actual Amount	2008 Amended Budget	2008 Actual Amount	2009 Council Approved
Fund: 0030 - Electric Utility Fund					
EX40 - Personal Services	\$ 1,141,796	\$ 1,355,112	\$ 1,294,120	\$ 1,223,482	\$ 1,301,315
EX50 - Supplies	8,064,644	8,196,142	8,751,700	8,183,418	8,373,311
EX60 - Other Services & Charges	844,873	881,414	1,090,719	975,855	1,185,443
EX70 - Other Objects	3,930,978	2,208,336	2,169,327	2,206,257	1,910,054
EX90 - Capital Outlay	-	-	-	-	-
Expenditure Totals:	\$ 13,982,291	\$ 12,641,004	\$ 13,305,866	\$ 12,589,012	\$ 12,770,123
Fund: 0031 - Water Utility Fund					
EX40 - Personal Services	\$ 635,946	\$ 699,106	\$ 855,106	\$ 741,529	\$ 849,671
EX50 - Supplies	365,986	438,304	431,910	374,325	349,840
EX60 - Other Services & Charges	880,544	845,787	979,539	879,984	883,284
EX70 - Other Objects	442,070	435,401	322,099	326,298	162,894
EX79 - Inter-Dept. Allocations	(143,948)	(225,864)	(327,268)	(260,488)	(222,839)
EX90 - Capital Outlay	-	-	-	-	-
Expenditure Totals:	\$ 2,180,598	\$ 2,192,734	\$ 2,261,386	\$ 2,061,649	\$ 2,022,850
Fund: 0032 - Wastewater Fund					
EX40 - Personal Services	\$ 431,581	\$ 457,142	\$ 625,383	\$ 535,196	\$ 602,654
EX50 - Supplies	89,118	154,971	204,690	138,721	144,600
EX60 - Other Services & Charges	1,635,773	1,848,503	1,704,783	1,698,128	1,698,488
EX70 - Other Objects	633,182	722,732	1,024,017	1,039,037	508,132
EX79 - Inter-Dept. Allocations	119,957	188,214	272,722	217,073	185,700
EX90 - Capital Outlay	-	-	-	-	-
Expenditure Totals:	\$ 2,909,611	\$ 3,371,562	\$ 3,831,595	\$ 3,628,155	\$ 3,139,574
Fund: 0033 - Stormwater Utility Fund					
EX40 - Personal Services	\$ 223,370	\$ 266,269	\$ 296,709	\$ 258,955	\$ 265,589
EX50 - Supplies	10,254	13,449	23,050	10,962	11,550
EX60 - Other Services & Charges	220,275	236,747	296,543	240,107	249,134
EX70 - Other Objects	45,472	71,324	40,615	44,013	43,805
EX79 - Inter-Dept. Allocations	23,991	37,651	54,555	43,415	37,140
EX90 - Capital Outlay	-	-	-	-	-
Expenditure Totals:	\$ 523,362	\$ 625,439	\$ 711,472	\$ 597,452	\$ 607,218

Proprietary Funds Expense Summary (continued)

Account Classification	2006 Actual Amount	2007 Actual Amount	2008 Amended Budget	2008 Actual Amount	2009 Council Approved
Fund: 0035 - Waste Management Fund					
EX40 - Personal Services	\$ 782,166	\$ 720,715	\$ 761,299	\$ 771,550	\$ 771,054
EX50 - Supplies	14,907	12,506	13,650	14,272	12,400
EX60 - Other Services & Charges	512,260	504,043	557,747	508,526	544,456
EX70 - Other Objects	188,114	182,661	141,256	140,356	108,020
EX90 - Capital Outlay	-	-	-	-	-
Expenditure Totals:	<u>\$ 1,497,447</u>	<u>\$ 1,419,924</u>	<u>\$ 1,473,952</u>	<u>\$ 1,434,704</u>	<u>\$ 1,435,930</u>