AGENDA
CITY COUNCIL
CITY OF MARTINSVILLE, VIRGINIA
Council Chambers – Municipal Building

7:00 p.m.-CLOSED SESSION prior to regular session at 7:30pm
Tuesday, June 14, 2011

Invocation – Vice Mayor Kimble Reynolds
Pledge to the American Flag

1. Items to be considered in Closed Session, in accordance with the Code of Virginia, Title 2.2 Chapter 37—Freedom of Information Act, Section 2.2-3711—Closed Meetings, the following:
   A. Appointments to Boards and Commissions as specified in Subsection 1.

2. Consider appointment of school board members for two three-year terms ending 6/30/2014. (5 minutes)

3. Hear recommendation from Power Advisory Committee regarding participation in the Fremont power project, conduct a public hearing, and consider adoption of ordinance authorizing participation on first reading. (45 minutes)

4. Consider adoption, on second reading, of an ordinance establishing the City's Budget and Tax Rates for FY 2012. (15 minutes)

5. Business from the Floor
   This section of the Council meeting provides citizens the opportunity to discuss matters that are not listed on the printed agenda. Since the Council meetings are broadcast on Martinsville Government Television, the City Council is responsible for the content of the programming. Thus, any person wishing to bring a matter to Council's attention under this Section of the agenda should:
   (1) come to the podium, state name and address;
   (2) state the matter they wish to discuss and Council action requested;
   (3) limit remarks to five minutes;
   (4) refrain from making any personal references or accusations of a factually false and/or malicious nature.
   Persons who violate these guidelines will be ruled out of order by the presiding officer and asked to leave the podium. Persons who refuse to comply with the direction of the presiding officer may be removed from the chambers

6. Comments by members of City Council. (5 minutes)

7. Comments by City Manager. (5 minutes)

Martinsville

City Council Agenda Summary

Meeting Date: June 14, 2011

Item No: 2.

Department: City Council

Issue: Consider appointment of school board members for two three-year terms ending 2014.

Summary: After Council reconvenes from Closed Session, public announcement will be made as to school board appointments.

Attachments:

Recommendations:

Martinsville
A CITY WITHOUT LIMITS

City Council Agenda Summary

Meeting Date: **June 14, 2011**

Item No: **3**

Department: **Electric**

Issue: American Municipal Power Inc. Fremont Energy Center

Summary: American Municipal Power Inc. is currently seeking subscriptions for the AMP Fremont Natural Gas Combined Cycle generation project and participation by subscription is offered for consideration by Council.

Staff will provide a brief overview of the City's ongoing power strategy followed by the Power Advisory Committee's presentation and recommendation concerning participation in the AMP Fremont Energy Center.
Staff will conclude with a recommendation concerning participation.

Attachments:

1. Jack Madden, GDS Associates Inc. letter of recommendation
2. Duane Dahlquist, Blue Ridge Power Agency, letter of recommendation
3. Fred Ritts of Brickfield, Burchette, Ritts and Stone, PC supporting memorandum of recommendation concerning the Power Sales Contract
4. Power Advisory Committee report and recommendation
5. Staff recommendation

Recommendations: After hearing recommendations from the Power Advisory Committee and Staff conduct a Public Hearing and consider approval of an Ordinance on first reading authorizing the execution of the AMP Fremont Power Sales Contract.

GDS Associates, Inc.

Engineers and Consultants

MEMORANDUM

TO: Clarence Monday, City Manager
Leon Towarnicki, Assistant City Manager
Dennis Bowles, Director of Utilities

FROM: Garrett Cole
Jack Madden

DATE: June 6, 2011

SUBJECT: AMP Fremont Energy Center – GDS Recommendations

GDS has provided detailed presentations at each of your respective council and/or council-appointed committee meetings to summarize our review of the AMP Fremont Energy Center economic feasibility, as performed by R.W. Beck for AMP. As mentioned at those meetings, GDS exchanged detailed written and verbal questions with AMP and R.W. Beck to better understand the modeling assumptions and analysis that results in a favorable projection of power cost from the AMP Fremont Energy Center as compared to market over the life of the plant. While GDS did not agree with every assumption, GDS believes that R.W. Beck performed a well-balanced analysis with conservative economic assumptions in most areas.

At the time GDS performed on-site presentations, there were still a number of outstanding questions and issues that we wanted to see addressed in the Power Sales Contract (PSC) prior to agreeing to move forward. Two of those key issues included local control of natural gas hedging and shorter term, more limited parameters for purchase of replacement power for the project. At the time, GDS provided a range of potential participation, in megawatts, depending upon how thoroughly AMP addressed our concerns in these areas.

GDS is pleased that AMP was willing to address our concerns in a satisfactory manner. The final PSCs allow for local control of long-term replacement power for the project and provide the option to "opt out" of the natural gas hedging policy if you should determine that such a policy is not in your best interest. In making a long-term commitment to a project, these issues are important to maintain the intended use of the AMP Fremont Energy Center in each of your respective power supply portfolios. Based upon the satisfactory changes to the PSC, we are comfortable recommending participation in the AMP Fremont Energy Center project at the higher end of the range suggested in your respective presentations – 5.2 MW.

We have attached a table showing final recommendation quantities, and we would be happy to discuss them further if you have any questions. The quantities are broken out to show the plant's base capacity, duct firing capacity and total capacity. Regarding final ordinances, the quantity that you will list as your respective "up to" capacity amounts will be based on the base capacity (512 megawatts) alone, and you will receive the corresponding pro rata share of duct firing capacity.

Please call us if you have any further questions regarding this memorandum or other material necessary for presentation to your respective councils.

Attachment

cc: Duane Dahlquist (BRPA)
Elizabeth Kaiser (GDS)

BLUE RIDGE POWER AGENCY

"Providing Electric Energy to the Blue Ridge"

City of Bedford • City of Bristol • Town of Front Royal • City of Martinsville • City of Radford
Town of Richlands • City of Salem • Virginia Polytechnic Institute and State University • Central Virginia Electric Co-op

June 9, 2011

MEMORANDUM TO: Clarence Monday, City Manager, City of Martinsville

FROM: Duane S. Dahlquist, General Manager, Blue Ridge Power Agency

SUBJECT: City of Martinsville Participation in AMP Fremont Energy Center ("Fremont")—Recommendation

In March 2011, American Municipal Power ("AMP") provided the City of Martinsville the opportunity to participate in the AMP Fremont Energy Center ("AFEC") project. This opportunity was also provided to the other 127 members of AMP, select other municipal organizations and Blue Ridge member Central Virginia Electric Cooperative. The construction of this 675 MW combined-cycle, natural gas generating plant is now about 99% complete. The plant's output consists of 512 MW of intermediate base capacity and an additional 163 MW of peaking capacity. AMP's purchase of the plant from First Energy is scheduled to close on July 15, 2011 with the "commissioning" process beginning shortly thereafter. January 1, 2012 is the date set for the Fremont plant to begin delivering power into the transmission grid from which the City receives its wholesale electricity.

I have reviewed the Initial Feasibility and Beneficial Use Reports prepared by AMP's Consulting Engineer, R.W. Beck (now SAIC). In addition, I have worked extensively with Blue Ridge's legal counsel, Fred Ritts, of Brickfield, Burchette, Ritts & Stone and our consultants, Jack Madden and Garrett Cole of GDS Associates ("GDS") as they performed their evaluation and analysis of the project. I have also reviewed the Fremont Power Sales Contract and participated alongside our consultants in discussions with AMP's General Counsel during which several changes to the contract language were negotiated. This effort resulted in revisions advantageous to the City in two major areas dealing with natural gas financial hedging and Replacement Power.

My participation in the Power Advisory Committee ("PAC") meetings has been valuable in helping assess any potential risks for the City in the Fremont project relating to its operation, permitting, fuel supply and cost and the like. The PAC members brought a unique mix of expertise and experience in the areas of operation, engineering, environmental and citizen/customer perspective. They reviewed the documentation thoroughly and carried out detailed question/answer exchanges with AMP staff as well as its attorneys and consultants. Participation in several of their meetings and review of the Q&A exchanges has given me very helpful insights for evaluation of the project.

742 Main Street • Danville, VA 24541
Phone: 434/799-8375 • Fax: 434/797-2852 • E-mail: brpa@gamewood.net • www.brpa.org

In addition, I attended the presentations that both AMP and GDS made to the Martinsville City Council and the PAC, plus those to other Blue Ridge member councils. I have also been present and active at the AMP Board of Trustees and Power Supply & Generation Committee meetings since AMP introduced the Fremont project. Participation in these forums has provided additional information and insight.

I have personally toured the Fremont facility, and although one cannot judge the operational performance by its look, the plant appeared to be very well constructed. The current management of the plant is clearly very proud of the quality of their newest plant of First Energy's fleet. Also, AMP staff and Consulting Engineer performed much more detailed physical review of the plant and its construction status and quality.

Ultimately, in order to be of value to the City, the economics of the proposed Fremont project participation must work to the City's advantage when compared to the available alternatives such as purchasing from the PJM market or other sources of intermediate generation. For Fremont to be a successful resource, it must also be reliable and provide maximum dispatch availability and flexibility and have a long useful life well beyond the 30 year term of the initial bonds. In addition to savings when compared to market purchases during the term of the initial bonds, after 30 years, participants should enjoy greatly reduced cost of power.

It is my judgment, after assessing all of the aforementioned information, that the City of Martinsville's participation in the Fremont project would be an economically beneficial investment. The capital cost of the Fremont plant is at least 28% lower than the cost of building a new plant. The risks associated with this plant from the perspective of design, commissioning operation and life expectancy are no greater than the risks associated with the hundreds of like plants across the country, many, if not most, utilities have found these risks acceptable when compared to the cost and risk associate with the alternatives. The associated Power Sales Contract in its final form is reasonable and protects the City's interests. In addition to potential savings after the initial bonds are paid off, the cost of the power from this plant is projected to save nearly $15 million over its first 30 years of operation compared to the projected cost of purchasing it from the PJM market.

Participation in the Fremont project would add a generation component to and continue the City's initiative begun in 2006 to develop a diversified power supply portfolio of generation assets and purchases from the PJM market that will yield significant long term benefits to citizens.

I recommend that the City participate in the AMP Fremont Energy Center and that its level of participation be the maximum base capacity recommended by GDS, 5.2 MW.

DSD/ada

c: Leon Towarniki
Dennis Bowles

This is from Fred Ritts

Re: Power Sales Contract with AMP for Participation in the AMP Fremont Energy Center

The Power Sales Contract has been through several drafts and AMP has agreed to some major changes that we requested. For natural gas, if AMP proposes hedges or prepayments or buying reserves, you can tell AMP, on an individual Participant basis, that you do not want to participate. (See Section 4(g)(iii)).

The contract also has a much more narrow definition of Replacement Power, limiting it to providing replacement energy for Fremont output that had already been scheduled and replacement capacity when Fremont is unable to meet capacity requirements due to an outage or a derating.

The Power Sales Contract is in final form, according to AMP's counsel, with the exception of insignificant changes to fix typos and checking for correct references to sections in the Contract. We should see the final Contract on June 6 and AMP will forward individualized versions to each AMP member shortly thereafter. Assuming that the Contract has no substantive changes, it is ready for execution and I recommend that you sign it.

Martinsville
A CITY WITHOUT LIMITS

Power Advisory Committee "PAC"

Report to the Martinsville City Council concerning the AMP Fremont Energy Center (AFEC)

June 14, 2011

Power Advisory Committee Members

- Dave Maddox – Chair
- Joe Hundley
- Andrew Hynes
- Lorene Martin
- Rayford Smith
- Vince Stone

Meeting attended by Clarence Monday, Eric Monday, Dennis Bowles, and Duane Dahlquist (BRPA) as available.

The PAC wishes to sincerely thank Molly Jo Shelton for her long hours of work and staff support.

PAC Tasking

- Purpose
  - A citizens committee selected by application to City Council and appointed to serve as members for the purpose of evaluating City participation in a Natural Gas Combined Cycle (NGCC) generation plant being built by American Municipal Power Inc.(AMP) in Meigs (Sandusky) County, Ohio.
  - Participation in the Project will consist of City Council authorizing the execution of a Power Sales Contract which will obligate the City to purchase from the generation plant for a pre-determined time frame

PAC Review process
Documents Read and Reviewed

- AFEC Feasibility Study from R. W. Beck.
- Power Sales Contract draft.
- GDS Council presentation and recommendations.
- City of Martinsville current power purchase strategies.
- State of Ohio EPA air permitting protocols.
- Fremont Energy Center Ohio EPA Title IV (acid rain)permit.
- Fremont Energy Center Ohio EPA Title V PTI # P0106280.
- USEPA 40 CFR Part 63 Subpart YYYY MACT applicability.
- NYMEX natural gas commodity futures 2011 thru 2023.
- Ohio Citizen Action publications.
- Stochastic modeling probability theory and forecast reliability.
- City Attorney comments regarding Power Sales Contract

PAC Review Process Activities

- 8 meetings of the PAC convened over 8 months.
- 511 pages of documents read and reviewed.
- 116 written questions submitted to GDS, BRPA, and AMP officials for answer and/or clarification.
- One 2 hour conference call with GDS and BRPA officials to discuss concerns and/or question clarification.
- One 2 ½ hour conference call with AMP officials (GDS, BRPA, and City Attorney in attendance) to discuss concerns and/or question clarification.
- Visit to Meigs County AMP site in Ohio.

PAC Review Process
Due Diligence Commitment

- ~240 man-hours devoted by PAC members to research, investigate, question, deliberate, and debate; for the purpose of providing City Council with an evaluation of the AMP NGCC Fremont proposal.

CONCLUSIONS

- The City of Martinsville should execute the Power Sales Contract and participate in receiving intermediate 5/16 electrical power from the AMP Fremont NGCC Energy Center via the PJM transmission system.
- The City of Martinsville should subscribe for 5.2 Megawatts of intermediate 5/16 electricity.
- The above recommendations are contingent upon any concerns the City Attorney may express with regard to the Power Sales Contract.

AMP Fremont NCGG Energy Center Participation Positives

1. Savings over 30 year period between $11and $15 million.
2. Deference of Meigs County indebtedness with some financial relief from non Meigs County participants.
3. Ownership of an electrical generating asset.
4. When 30 year bonds are retired the City of Martinsville debt service stops thereby reducing the total cost for delivered electricity.
5. Reduced environmental risk and costs associated with natural gas vs. other fuels.
6. Less financial risk for an almost completed generating facility.

Participation Positives (cont.)

7. Provides the city with a diversified portfolio of controlled power generation assets (~45%).
8. Off sets capacity (demand) charges in the PJM transmission system.
9. Amp Fremont contract similar to the Prairie State & the Hydro Phase 1 projects, which allow for the sale of the Power Sales Contract to another buyer. (Subject to the approval of ¾ of the Participants Committee)
10. Fits into the strategy set forth by the City Council in 2006. (diversification & ownership)
11. Offers protection against volatility of markets.

Participation Positives (cont.)

12. Fremont facility can be purchased at 72% of the cost of building a similar facility in today's dollars. ($934/Kw vs. $1312/Kw).
13. Does not impact the city's capacity to issue bonds.
14. Provides approximately 35% of projected intermediated (5/16) power needs through 2041.
15. Allows the City of Martinsville the option of gas hedging and replacement power exceeding one year.

AMP Fremont NGCC Energy Center Participation Negatives

1. Uncompleted 10 year old facility owned by multiple entities.
2. Uncertainty as to actual versus planned commercial operation date. (12-31-11)
3. As of June 14, 2011, the plant remains un-commissioned.
4. 10 year old technology.
5. Local public perception of AMP.
6. Although the plant is 97-99% complete, the risk is not zero and hidden costs could increase the cost for the City of Martinsville to participate.

Participation Negatives (cont.)

7. Financial risk of $6.5 Million.
8. Savings are based on market projection over 30 years. (Stochastic market modeling projections breakdown beginning in 2023).
8. Amount of decommissioning cost if and when the Fremont facility closes.
9. Inability to accurately project the City of Martinsville future electricity needs.
10. The Power Sales Contract is a take or pay contract.
11. Step-up of an addition 25% Megawatts in the event of participant default.

Participation Negatives (cont.)

12. Huge environmental unknown with regard to Ohio and future CAIR/CATR and air emission transport rules.
13. Unknown cost impacts resulting from world events.
14. Un-anticipated technology breakthroughs in next 30 years.
15. 30 year contractual commitment versus a shorter term market contract commitment.
16. During the term of the Power Sales Contract the ability to sell the City electric department could potentially be impacted.

PAC Open Session Committee Vote June 7, 2011

- On the motion to recommend participation in the AMP Fremont NGCC Energy Center project.
  - 6 Ayes 0 Nays
- On the motion to recommend subscription to 5.2 megawatts of intermediate (5/16) electrical power.
  - 5 Ayes 1 Nay
- On the motion to recommend subscription of 2.6 megawatts of intermediate (5/16) electrical power.
  - 1 Aye 5 Nays

Martinsville
A CITY WITHOUT LIMITS

June 8, 2011

To: Mr. Clarence Monday, City Manager

From: Dennis Bowles, Director of Utilities

Subject: AMP Fremont Energy Center Recommendation

Mr. Monday:

This letter is to inform you of the staff recommendation as to participation in the American Municipal Power Fremont Energy Center. I have reviewed the R. W. Beck Initial Feasibility Study for the AMP Fremont Energy Center and other supporting documentation or direct participation including:

- A review and recommendation of the project conducted by GDS Associates Inc. (Jack Madden and Garrett Cole)
- A review of the Fremont Savings analysis conducted by GDS Associates
- A review and recommendation of the Power Sales Contract by Fred Ritts of Brickfield, Burchette, Ritts and Stone PC
- Participation in the review of the project by the Power Advisory Committee.
- An overview of a personal visit to the Fremont Energy Center by Duane Dahlquist in March 2011
- A review and recommendation of the project by Duane Dahlquist of Blue Ridge Power Agency

Additionally, the Power Advisory Committee conducted an in depth analysis of the Fremont Center which involved numerous man hours reviewing the R. W. Beck Initial Feasibility Study, the Power Sales Contract and questioning staff representatives of AMP, R. W. Beck and GDS Associates related to the plant feasibility, commissioning and operation of the facility. I am confident the committee completed an exhaustive review of resources available to them to arrive at a recommendation. It was a pleasure working with this group during this process.

During the review process GDS Associates was able to negotiate changes to the Power Sales Contract including provisions for local control of replacement power options and the ability to opt out of certain natural gas hedging strategies if needed. The projected savings of market power verses Fremont power is expected to be between $11.1 and $14.8 million over 30 years and participation at the 5.2 MW level will provide 37% of the City's intermediate energy needs.

To arrive at a recommendation, I have used the best available information to date with the knowledge that this information and the forecasts used to arrive at projected

savings verses cost are subject to change; I recommend participation in the Fremont Energy Center at the 5.2 MW level.

Sincerely,

Dennis Bowles
Director of Electrical Operations
City of Martinsville
276-403-5293
dbowles@ci.martinsville.va.us

Martinsville

City Council Agenda Summary

Date: June 14, 2011

Item No: 4.

Department: Finance

Issue:

Summary: A public hearing was conducted May 24, 2011 and the ordinance was adopted on first reading with amendments with a 4-1 vote. No increase in tax rates was recommended in the FY12 budget.

Attachments: FY12 Budget ordinance

Recommended Action: Adopt ordinance on second reading.

Council directed the staff to bring back recommendations for $400,000 in revenue and/or expenditure adjustments to contain the use of fund balance to less than $1 million. In order to do this, Staff began by re-examining the revenue projections.

The City's budget has around 5,000 line items. The entire budget development process takes over four months to project revenues and estimate expenditures for the period of time ending eighteen months later. Expenditure estimates are not as difficult to assess while revenue forecasting is much more complicated.

Many factors go into revenue projections including examination of past collections and trends, statistical analysis, anticipated actions by the General Assembly, aid paid to localities by the State, grant program stability, anticipated grant awards and/or amounts, general economic conditions on both State and Federal levels, known/anticipated business closings and expansions, many other variables, and last but not least, intuition and experience. The largest unknown variable is how much revenue will actually be realized by the end of the fiscal year. One staff member may forecast revenues more conservatively than another, yet the total budget document must be presented to Council with only one prediction.

Timing is also an important factor in the budget process. Obviously, the only way to know for certain how much revenue will be collected is after it's received. Any calculation prior to that is only an educated forecast based on the previously-

mentioned factors. The closer to final collection, the more accurate the forecasting becomes. If this re-examination exercise was performed again in two weeks, there would be different results with a different prediction.

Staff examined the General Fund revenues, comprised of 499 line items, and determined that an additional $242,725 (net) could be added, if the Council so desires. Those adjustments are as follows:

01100901-411212 – PSC R/E – increase 10,000 to 220,000
01100901-411512 – M&T Tax – increase 3,000 to 97,000
01100902-421101 – Sales Tax – decrease 46,830 to 1,900,000
01100902-421310 – Business License – increase 300,000 to 1,600,000
01100902-421601 – Bank Franchise Tax – increase 6,630 to 246,630
01100902-421805 – Cigarette Tax – decrease 2,000 to 123,000
01100902-421901 – Rental Tax – increase 1,000 to 1,000
01100902-442506 – Telecom Tax – decrease 31,075 to 948,925
01101915-422001 – Auto Rental Tax – increase 2,000 to 44,500

The City's total budget is $61,424,120, while the General Fund is $28,484,878. The revenue adjustments of $242,725 represent .86% (less than 1%) of the total General Fund budget. Staff reminds Council that if this additional revised revenue estimate is included in the budget there is little room, if any, for deviation in considering a budget balanced with almost $1 million of Fund Balance.

Included in the amendments was an additional $81,360 for State Grant revenue for the ambulance purchase in the Capital Fund. Notification of the extra funding was only received on June 2nd. Again, the later in the budget process, the more refined the predictions will be.

In addition to those already approved at the previous Council meeting, the following expenditure adjustments are also being recommended:

General Fund:
01331108-508216 – Technology Grant – decrease 55,657
01714212-501300 – Sr. Serv. P/T Wages – decrease 3,037
01221082-505500 – Comm Atty – Travel – increase 4,250
01811241-503140 – Prof.Service – Study – decrease 15,500

Water Fund:
12542312-508220 – Reservoir Spillway repairs – decrease 16,000

In summary, total additional revenues of $324,085, along with a decrease in expenditures of $85,944, resulted in total adjustments of $410,029. These amendments result in a use of Fund Balance of $924,649.

CITY OF MARTINSVILLE, VIRGINIA
ORDINANCE NO. 2011-___
The Budget for Fiscal 2011-2012

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session assembled June 14 , 2011, that the following sums of money be and hereby are appropriated—by specified Fund—for the City's fiscal year ending June 30, 2012, from the following Fund sources of estimated revenue:

Pursuant to § 15.2-2506 of the Code of Virginia notice is hereby given of a Public Hearing on the proposed budget for the City of Martinsville, Virginia, for its fiscal year ending June 30, 2012. Martinsville City Council will conduct the public hearing at City Hall, 55 West Church Street, on Tuesday May 24, 2011, beginning at 7:30 p.m., or as soon thereafter as practicable.

The amounts listed below, except for school funds, are recommendations from the City Manager. The Public Hearing is being conducted to allow citizens of the community an opportunity to comment regarding the proposed budget. Following the public hearing, City Council may take action to approve the recommended budget or modify the amounts as they deem appropriate.

SUMMARY STATEMENT OF BUDGET ESTIMATES, 2011-2012

	Projected Fund Balance 06/30/11	Projected Revenues FY11-12	Budgeted Exp/ Transfers	Depreciation	Projected Fund Balance 06/30/12	Net (Decrease) Increase
General Fund	**$1,797,729**	**$28,115,289**	**$28,115,289**		**$ 1,797,729**	**0**
Electric	$5,153,679	$17,450,729	$18,606,754	$ 525,000	$ 4,522,654	(631,025)
Water	$ 277,607	$ 3,148,095	$ 3,413,095	$ 265,000	$ 277,607	0
Sewer	$ (5,395)	$ 3,963,012	$ 4,538,012	$ 575,000	$ (5,395)	0
Refuse	$1,727,345	$ 1,684,346	$ 1,784,346	$ 100,000	$ 1,727,345	0
TOTAL UTILITY FUNDS	**$7,153,236**	**$26,246,182**	**$28,342,207**	**$1,465,000**	**$ 6,522,211**	**(631,025)**
Schools	$1,838,113	$21,131,386	$ 21,131,386		$1,838,113	0
Cafeteria	$ 579,813	$ 1,319,661	$ 1,319,661		$ 579,813	0
School Grants	$ 27,733	0	0		$ 27,733	0
TOTAL SCHOOL FUNDS	**$2,445,659**	**$22,451,047**	**$ 22,451,047**		**$2,445,659**	**0**
Capital Reserve	$ 390,072	$ 810,612	$ 810,612		$ 390,072	0
Meals Tax $	704,186	$1,388,475	$1,388,475		$ 704,186	0
TOTAL CAPITAL FUNDS	**$1,094,258**	**$2,199,087**	**$2,199,087**		**$ 1,094,258**	**0**
CDBG	$(194,550)	$ 31,110	$ 160,314	$ (323,754)	$(129,204)	
Housing Choice	$ 84,467	$2,117,364	$2,208,730		$ (6,899)	$(91,366)
TOTAL SP REV FUNDS	**$(110,083)**	**$2,148,474**	**$2,369,044**	**$ (330,653)**	**$ (220,570)**	
TOTAL ALL FUNDS	**$12,380,799**	**$81,160,079**	**$83,476,674**	**$1,465,000**	**$11,529,204**	**$ (851,595)**

Tax Rates

Real Estate:	$1.01816 per $100 assessed value
Personal Property:	$2.30 per $100 assessed value
Machinery & Tools:	$1.85 per $100 assessed value

Proposed Sewer Rates:

For Service Within and Outside City Limits:

First 4,000 gals of metered water usage:	$19.87	
Next 2,999,000 gals/month		$2.99 per 1000 gals
Next 7,000,000 gals/month		$2.59 per 1000 gals
Over 10,000,000 gals/month		$2.19 per 1000 gals

BE IT FURTHER ORDAINED by said Council that this Ordinance shall be effective on and after July 1, 2011.

* * * * * * *

Attest:

_____
Clarence C. Monday, Clerk of Council

_____ _____
Date Adopted Date Effective