

SECTION V
SPECIAL REVENUE & INTERNAL SERVICE FUNDS
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Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. As outlined in this Section, the City maintains seven Special Revenue Funds:

General Purpose School Fund - Accounts for Oak Ridge School Operations.

Drug Enforcement Program Fund - Accounts for drug enforcement activities funded through restricted use drug fines and forfeitures.

State Street Aid Fund - Accounts for maintenance on non-state streets funded through restricted use State-shared gas and motor fuel taxes supplemented by operating transfers from the City's General Fund.

Street and Public Transportation Fund - Accounts for the City's public transportation programs funded through restricted use State-shared petroleum product inspection fees and a state operating assistance grant.

Economic Diversification Fund - Accounts for the City's economic development endeavors from funds City Council has allocated specifically for that purpose.

Grant Fund - Accounts for the receipt of various non-utility state and federal grant revenues, including the annual Community Development Block Grant (CDBG) and other grants that benefit low-income persons in the community.

Solid Waste Fund - Accounts for the collection and disposal of residential refuse. Under Tennessee State Law, these activities must be accounted for in a special revenue fund.

General Purpose School Fund

School operations are funded by transfers from the City's General Fund, set at \$10,646,242 for fiscal 2004, and from revenues from the State of Tennessee, Anderson and Roane Counties as well as federal sources. An elected five member School Board has oversight responsibility for the Oak Ridge Schools. The School Board reviews the budget prepared by School staff and then submits a funding request to the City to finance School operations. In fiscal 2004, the General Fund provides funding for approximately 25.7% of the Schools total budgeted expenditures. City Council approves the total legal expenditure appropriation for the General Purpose School Fund; however, City Council cannot alter any budget line item within the School's budget. The School Board reviews and may alter detail line items within the School's operating budget.

For fiscal 2004, the Oak Ridge Schools had requested an additional \$705,908 in funding from the City to support school operations. In accordance with the strategic policies adopted by City Council outlined on pages I-37 to I-46 of this document, fiscal 2004 operational funding from the City to the Schools was frozen at the fiscal 2003 level. One of the major goals of the strategic plan is to reduce the City's property tax rate, which currently is the second highest in the State. The legal appropriation for the School Fund for fiscal 2004 was amended on August 14, 2003 to allow for \$463,654 in additional expenditures to be funded primarily from federal sources. The amended legal appropriation for the Schools for fiscal 2004 is \$41,351,306, a 3.5 percent increase or \$1,389,614 over fiscal 2003. The School's prepare a separate budget document, which details the revenues and expenditures of the General Purpose School Fund.

GENERAL PURPOSE SCHOOL FUND

BUDGET SUMMARY

	<u>ACTUAL</u> 2002	<u>BUDGET</u> 2003	<u>PROJECTED</u> 2003	<u>BUDGET</u> 2004	<u>BUDGET</u> 04 vs 03	<u>%</u> CHANGE
REVENUES:						
Local Funds:						
Local Taxes-Anderson/Roane Co.	9,609,763	9,933,479	9,933,479	10,102,416	168,937	1.7
Charges for Services	1,432,751	1,545,184	1,545,184	1,542,614	(2,570)	-0.2
Other Local Revenues	304,562	295,800	295,800	358,000	62,200	21.0
State Funds:						
State Education Funds	13,965,414	13,900,261	13,900,261	14,265,792	365,531	2.6
Other State Revenues	0	33,300	33,300	33,300	0	0.0
Federal Funds:						
Federal Funds Received Thru State	496,670	588,705	588,705	520,192	(68,513)	-11.6
Direct Federal Funds	176,688	147,000	147,000	154,000	7,000	4.8
Federal Revenues	2,147,165	1,944,368	1,944,368	2,555,406	611,038	31.4
Other Sources	21,433	20,000	20,000	20,000	0	0.0
Total Revenues	28,154,446	28,408,097	28,408,097	29,551,720	1,143,623	4.0
EXPENDITURES:						
Instruction:						
Regular Education Program	17,505,193	18,305,340	18,305,340	18,682,088	376,748	2.1
Alternative Schools		306,933	306,933	317,164	10,231	3.3
Special Education Program	3,156,334	3,061,921	3,061,921	3,197,496	135,575	4.4
Technology Career Program	726,347	706,231	706,231	715,408	9,177	1.3
Other - Instruction Services	0	100,000	0	76,828	(23,172)	-23.2
Support Services:						
Attendance Services	50,487	48,236	48,236	0	(48,236)	-100.0
Health Services	137,289	142,446	142,446	149,740	7,294	5.1
Other Student Support	1,208,157	1,353,279	1,353,279	1,319,863	(33,416)	-2.5
Regular Instructional Support	1,296,909	1,411,995	1,411,995	1,524,868	112,873	8.0
Special Education Support	370,839	395,704	395,704	385,435	(10,269)	-2.6
Technology - Career Support	133,285	138,631	138,631	152,985	14,354	10.4
Board of Education Support	595,026	618,135	618,135	651,495	33,360	5.4
Office of Superintendent	219,207	234,584	234,584	282,974	48,390	20.6
Office of Principal	2,162,098	2,350,051	2,350,051	2,453,934	103,883	4.4
Fiscal Services	470,034	538,337	538,337	535,567	(2,770)	-0.5
Operation of Plant	2,787,640	3,040,785	3,040,785	3,083,548	42,763	1.4
Maintenance of Plant	931,970	1,089,829	1,089,829	1,091,814	1,985	0.2
Transportation	848,740	962,486	962,486	999,831	37,345	3.9
Central Services	773,978	712,204	712,204	782,581	70,377	9.9
Non-Instructional Services:						
Food Service	1,512,589	1,466,213	1,466,213	1,532,163	65,950	4.5
Community Services	297,884	355,934	355,934	352,985	(2,949)	-0.8
Capital Outlay	203,123	294,000	294,000	280,000	(14,000)	-4.8
Federal Projects	2,162,412	1,944,368	1,944,368	2,555,406	611,038	31.4
Other	308,000	384,050	384,050	227,133	(156,917)	-40.9
Total Expenditures	37,857,541	39,961,692	39,861,692	41,351,306	1,389,614	3.5
Excess (Deficiency) of Revenues Over Expenditures	(9,703,095)	(11,553,595)	(10,376,961)	(11,799,586)	(245,991)	2.1
Other Financing Sources (Uses)						
Operating Transfers In	9,949,638	10,646,242	10,646,242	10,646,242	0	0.0
Operating Transfers Out	(86,251)	(86,367)	0	0	86,367	0.0
Total Other Financing Sources (Uses)	9,863,387	10,559,875	10,646,242	10,646,242	86,367	0.8
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	160,292	(993,720)	(807,353)	(1,153,344)	(159,624)	16.1
Reserves and Fund Balance 7/1	4,462,863	3,896,558	4,623,155	3,815,802	(80,756)	-2.1
Reserves and Fund Balance 6/30	4,623,155	2,902,838	3,815,802	2,662,458	(240,380)	-8.3

Drug Enforcement Program Fund

Fund Overview:

In 1985, the Drug Enforcement Program Fund was established by the City to account for revenues from drug fines and from the sale of items confiscated during drug curtailment activities. Tennessee state law requires those revenues to be accounted for in a separate special revenue fund and that disbursements from those revenues be legally restricted to drug enforcement, drug education, drug treatment and nonrecurring general law enforcement expenditures. The operations accounted for in this Fund are under the supervision of the Police Department.

Major Revenue Sources:

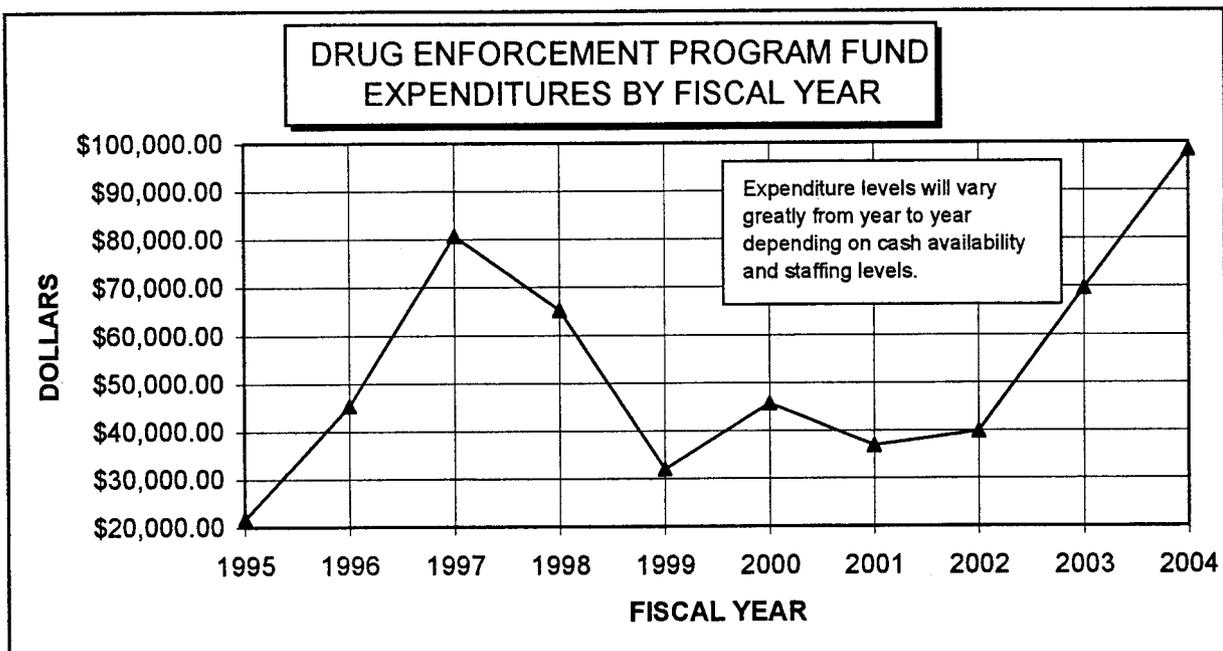
Fiscal 2004 revenues are budgeted at \$71,000 from drug fines and the sale of items confiscated during drug curtailment activities.

Major Expenditure Areas:

Fiscal 2004 expenditures are budgeted at \$98,450 for drug enforcement, drug education, drug treatment and nonrecurring general law enforcement expenditures.

Budget Overview and Changes:

Revenues and expenditures for this Fund will vary from year-to-year based on the level of Fund Balance and revenues collected during the fiscal year. Since expenditures are legally restricted, the \$98,450 appropriation for the Drug Enforcement Program Fund allows for fluctuations in expenditure levels due to irregular revenue/expenditure patterns from enforcement activities and the occasional state and/or federal grant award without requiring amendment of the appropriation ordinance.



DRUG ENFORCEMENT PROGRAM FUND

BUDGET SUMMARY

	<u>ACTUAL</u> <u>2002</u>	<u>BUDGET</u> <u>2003</u>	<u>PROJECTED</u> <u>2003</u>	<u>BUDGET</u> <u>2004</u>	<u>BUDGET</u> <u>04 vs 03</u>	<u>%</u> <u>CHANGE</u>
REVENUES:						
4035 Drug Fines	26,989	18,500	18,500	18,500	0	0.0
4036 Drugs Confiscated	3,377	40,000	30,000	40,000	0	0.0
4610 Interest on Investments	1,054	2,500	1,000	2,500	0	0.0
4790 Proceeds from Salvage Sale	494	10,000	500	10,000	0	0.0
Total Revenues	<u>31,914</u>	<u>71,000</u>	<u>50,000</u>	<u>71,000</u>	<u>0</u>	<u>0.0</u>
EXPENDITURES:						
14375 Drug Enforcement	<u>39,886</u>	<u>98,450</u>	<u>69,700</u>	<u>98,450</u>	<u>0</u>	<u>0.0</u>
Excess (Deficiency) of Revenues over Expenditures	(7,972)	(27,450)	(19,700)	(27,450)	0	0.0
<u>UNRESERVED FUND BALANCE - 7/1</u>	<u>60,382</u>	<u>40,632</u>	<u>52,410</u>	<u>32,710</u>	<u>(7,922)</u>	<u>-19.5</u>
<u>UNRESERVED FUND BALANCE - 6/30</u>	<u>52,410</u>	<u>13,182</u>	<u>32,710</u>	<u>5,260</u>	<u>(7,922)</u>	<u>-60.1</u>

State Street Aid Fund

Fund Overview:

The State Street Aid Fund provides for the maintenance of all City streets that are not designated State highways. The goal is to provide a cost effective and acceptable level of street maintenance and to improve overall quality of streets and sidewalks. The operations accounted for in this Fund are under the supervision of the Public Works Department. The City's work pool employees generally perform the routine street maintenance accounted for in this Fund, with the exception of the annual fall leaf pickup and major street resurfacing projects which are contracted to private vendors.

Maintenance of State streets located with Oak Ridge is accounted for in the City's General Fund, Activity 942. The State reimburses the City for a portion of State street maintenance under a separate contract.

Major Revenue Source:

Revenues in this Fund are received from the State of Tennessee's twenty-one-cent gasoline and motor fuel tax and may be used for street construction and maintenance related activities. The State restricts municipalities as to what type of expenditures are eligible for disbursement from these tax proceeds. Revenues from state-shared fuel taxes are budgeted at \$714,350 for fiscal 2004, a 6% reduction from the prior year based on the Governor's proposed Tennessee state budget at the time of adoption of the City's fiscal 2004 budget. Since fuel taxes are remitted directly to the state and then shared with local governmental entities throughout the state, the allocation to the City each fiscal year is under the purview of the Tennessee legislative body.

The revenue stream provided from fuel taxes is insufficient to fund all the expenditures accounted for in the State Street Aid Fund. The fiscal 2004 budget includes a \$560,650 operating transfer from the General Fund. \$70,650 of the \$260,650 budgeted increase in operating transfers is to replace the anticipated loss of state funding provided by motor fuel taxes. The operating transfer amounts for actual 2002 and budget 2003 were lower due to a planned reduction in City funded street resurfacing projects in those two fiscal years. The City used available state funding through the State Surface Transportation Program (STP) to resurface City streets during that time frame. STP is indirect federal funds, which contingent on annual Congressional appropriation, can be used for street resurfacing or street construction projects. In fiscal 2004, \$110,000 in STP funds is budgeted for street resurfacing projects, with the remainder allocated to street construction projects. Previously, the City has been allotted \$200,000 to \$240,000 annually in STP funds by the State. Awards for more than one year can be combined to perform larger street projects.

Major Expenditure Areas:

Expenditures are budgeted at \$1,581,290, a 39.8 percent increase over fiscal 2003. In fiscal 1995, the City began a major Pavement Management Program. Long-term goals of the program are to provide adequate maintenance to City streets in order to prevent or prolong the need for more expensive street reconstruction. Expenditures for this program should approximate between \$500,000 to \$600,000 annually.

Major projects for FY 2004 include:

- Street Maintenance (\$360,000) and related activities, including sidewalk maintenance (\$37,000), leaf pickup (\$115,000), storm drains and spoil dumps (\$115,000) and snow and ice removal (\$20,000) totaling \$647,000.

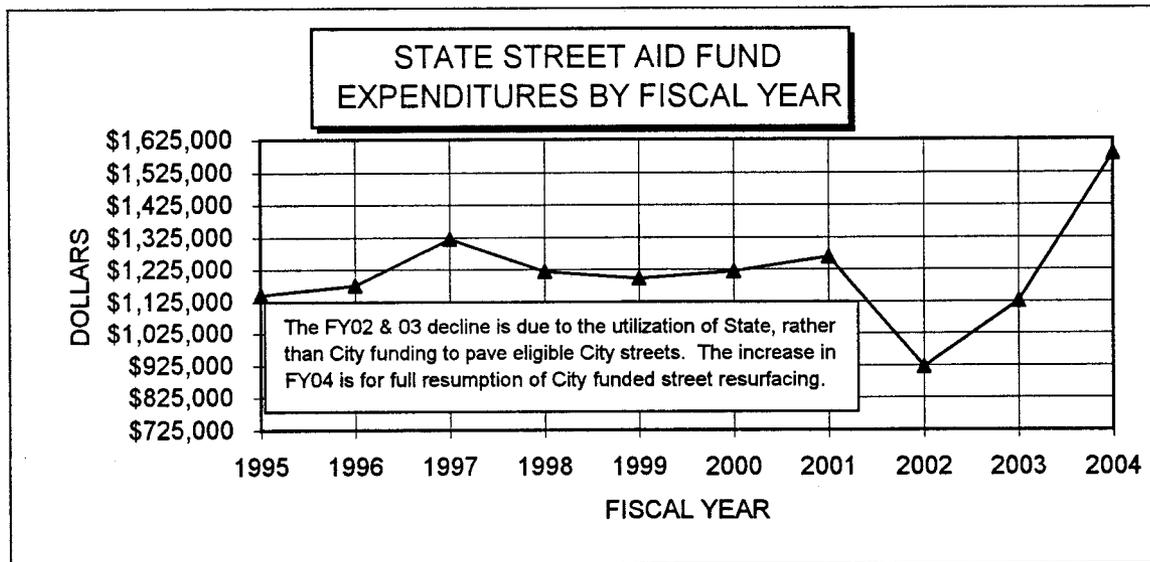
- Resurfacing of City streets at \$700,000 includes \$110,000 in matching funds for the State Surface Transportation Program, \$470,000 for resurfacing City streets that do not qualify for the STP program and \$120,000 for the ongoing rejuvenation program.

- Other Costs budgeted at \$234,290 is the allocation of charges from the General Fund for engineering and other services rendered and rental for space occupied at the Central Services Complex.

Budget Changes:

The \$450,365 budgeted increase in expenditures is primarily related to street resurfacing. In fiscal 2003, paving efforts were concentrated on streets that were eligible for resurfacing under the Surface Transportation Program (STP). Under this program, the State issues the contract for street resurfacing, with the City providing funding for 20% of the contract amount. In fiscal 2004, paving efforts on streets that do not qualify for the STP program will return to normal funding levels.

During budget deliberations, \$60,000 in funding for snow removal on non-state streets was removed from the budget. This service reduction was made solely to reduce the property tax rate. Correspondingly, a \$60,000 reduction was made to budgeted funding from operating transfers from the General Fund.



STATE STREET AID FUND

BUDGET SUMMARY

	<u>ACTUAL 2002</u>	<u>BUDGET 2003</u>	<u>PROJECTED 2003</u>	<u>BUDGET 2004</u>	<u>BUDGET 04 vs 03</u>	<u>% CHANGE</u>
<u>REVENUES:</u>						
4610 Interest on Investments	8,129	3,000	8,000	10,000	7,000	233.3
4810 Motor Fuel Tax	152,452	150,000	160,000	145,600	(4,400)	-2.9
4811 State Shared Gasoline Tax	612,867	610,000	625,000	568,750	(41,250)	-6.8
Total Revenues	<u>773,448</u>	<u>763,000</u>	<u>793,000</u>	<u>724,350</u>	<u>(38,650)</u>	<u>-5.1</u>
<u>EXPENDITURES:</u>						
15100 Street Maintenance	222,119	255,000	255,000	255,000	0	0.0
15110 Curb & Gutter Replacement	22,170	35,000	35,000	35,000	0	0.0
15120 Traffic Sign Maintenance	15,165	25,000	25,000	25,000	0	0.0
15130 Striping City Streets	4,232	45,000	45,000	45,000	0	0.0
15200 Sidewalk Maintenance	30,259	30,000	30,000	37,000	7,000	23.3
15300 Leaf Pickup	99,565	115,000	115,000	115,000	0	0.0
15400 Storm Drains	74,410	90,000	90,000	90,000	0	0.0
15500 Snow & Ice Removal	8,370	80,000	80,000	20,000	(60,000)	-75.0
15600 Spoil Dumps	2,159	25,000	25,000	25,000	0	0.0
15700 Other Costs	218,436	235,925	232,092	234,290	(1,635)	-0.7
15800 Street Resurfacing	223,058	195,000	195,000	700,000	505,000	259.0
Total Expenditures	<u>919,943</u>	<u>1,130,925</u>	<u>1,127,092</u>	<u>1,581,290</u>	<u>450,365</u>	<u>39.8</u>
Excess (Deficiency) of Revenues over Expenditures	(146,495)	(367,925)	(334,092)	(856,940)	(489,015)	132.9
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers In General Fund	<u>265,000</u>	<u>300,000</u>	<u>500,000</u>	<u>560,650</u>	<u>260,650</u>	<u>86.9</u>
Total Other Financing Sources (Uses)	<u>265,000</u>	<u>300,000</u>	<u>500,000</u>	<u>560,650</u>	<u>260,650</u>	<u>0.9</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	118,505	(67,925)	165,908	(296,290)	(228,365)	336.2
<u>UNRESERVED FUND BALANCE - 7/1</u>	<u>146,348</u>	<u>116,348</u>	<u>264,853</u>	<u>430,761</u>	<u>314,413</u>	<u>270.2</u>
<u>UNRESERVED FUND BALANCE - 6/30</u>	<u>264,853</u>	<u>48,423</u>	<u>430,761</u>	<u>134,471</u>	<u>86,048</u>	<u>177.7</u>



Street and Public Transportation Fund

Major Revenue Sources

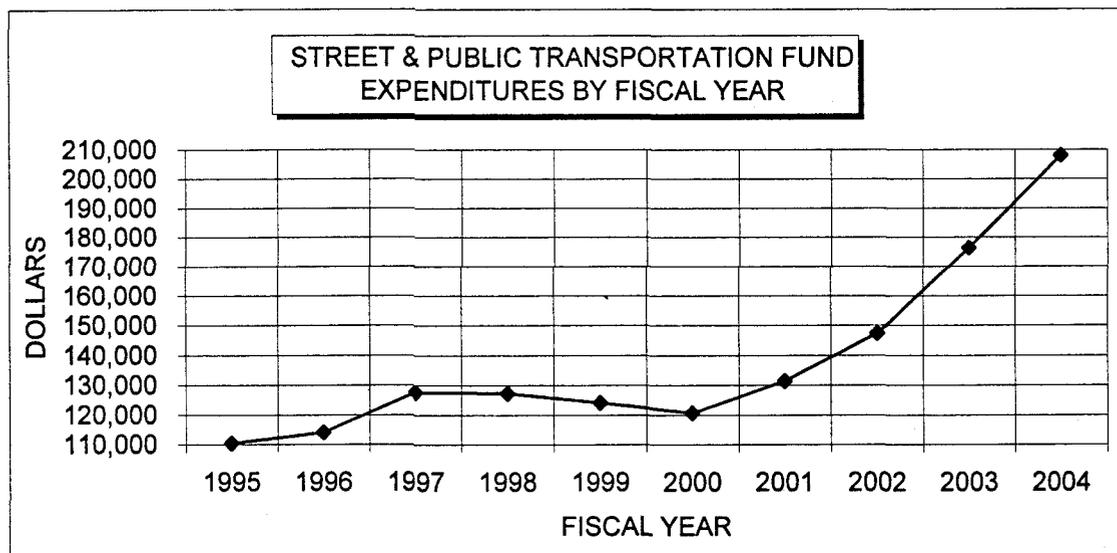
The primary source of revenue for this Fund is a special one-cent-per-gallon inspection fee levied on all petroleum products bought, sold or stored in the state and an operating assistance grant from the Tennessee Department of Transportation (TDOT). The inspection fee is distributed on a per-capita basis to assist municipalities with street signage and public transportation. Fiscal 2004 revenues from this fee are budgeted at \$59,150, a \$12,850 decrease based on actual lower receipts and a 9% reduction in the allocation of this fee to local entities as presented in the Governor's proposed State budget. To replace a portion of this anticipated revenue loss, a \$5,850 operating transfer from the General Fund is budgeted for fiscal 2004.

The TDOT operating assistance grant reimburses the City for 40% of the expenditures for the taxicab coupon program and the public transit program, up to a total grant award that is adjusted annually. Historically, eligible expenses have been well below the grant maximum resulting in the full 40% reimbursement allowed under the grant.

Major Expenditures Areas:

The Public Transit Program provides for the operation of four wheelchair lift equipped vans. The program is demand responsive and provides service within the City's corporate limits on a 24-hour advance reservation basis. Service is provided six days a week, Monday through Saturday, from 8:00 a.m. until 5:30 p.m. for a fare of \$1.50 per one-way trip. The system is operated under contract with the East Tennessee Human Resources Agency (ETHRA), who is responsible for all facets of operation, including hiring and training of personnel, scheduling, dispatch functions, vehicle maintenance and financial report/record keeping. \$120,000 is budgeted for this program in FY 2004.

The Taxi Coupon Program, administered in the Senior Center (Activity 978), provides for the purchase of coupons by the elderly for reduced taxi fares. The participant's share of the coupon is 75 cents for the rider, 30 cents for the cab company and \$1.95 for the City. \$82,000 is budgeted for this program in fiscal 2004.



STREET AND PUBLIC TRANSPORTATION FUND

BUDGET SUMMARY

	<u>ACTUAL 2002</u>	<u>BUDGET 2003</u>	<u>PROJECTED 2003</u>	<u>BUDGET 2004</u>	<u>BUDGET 04 vs 03</u>	<u>% CHANGE</u>
<u>REVENUES:</u>						
4610 Interest on Investments	5,267	13,000	5,500	6,000	(7,000)	-53.8
4820 State Shared Gasoline Tax Inspection Fees	63,150	72,000	65,000	59,150	(12,850)	-0.2
4358 Tennessee Department of Transportation	51,417	80,800	68,120	80,800	0	0.0
Total Revenues	<u>119,834</u>	<u>165,800</u>	<u>138,620</u>	<u>145,950</u>	<u>(19,850)</u>	<u>-12.0</u>
<u>EXPENDITURES:</u>						
16100 Maintenance of Streets	6,680	6,000	6,000	6,000	0	0.0
16200 Taxi Coupon Program	54,177	82,000	60,000	82,000	0	0.0
16205 Public Transit Program	86,477	120,000	110,300	120,000	0	0.0
Total Expenditures	<u>147,334</u>	<u>208,000</u>	<u>176,300</u>	<u>208,000</u>	<u>0</u>	<u>0.0</u>
Excess (Deficiency) of Revenues over Expenditures	(27,500)	(42,200)	(37,680)	(62,050)	(19,850)	47.0
<u>OTHER FINANCING SOURCES (USES):</u>						
Operating Transfers In General Fund	0	0	0	5,850	5,850	100.0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,850</u>	<u>5,850</u>	<u>100.0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(27,500)	(42,200)	(37,680)	(56,200)	(14,000)	0.3
UNRESERVED FUND BALANCE - 7/1	<u>286,166</u>	<u>271,166</u>	<u>258,666</u>	<u>220,986</u>	<u>(50,180)</u>	<u>-18.5</u>
UNRESERVED FUND BALANCE - 6/30	<u>258,666</u>	<u>228,966</u>	<u>220,986</u>	<u>164,786</u>	<u>(64,180)</u>	<u>-28.0</u>

Economic Diversification (ED) Fund

Fund Overview:

A primary objective of the City is to promote diversification of the local Oak Ridge economic base, create and protect jobs, and provide for the common wealth of current and future Oak Ridgers. To assist in the attainment of this objective, the Economic Diversification (ED) Fund was established in fiscal 2000 with revenues primarily provided from operating transfers from the General, Electric and Waterworks Funds.

Major Revenue Source:

Operating transfers are budgeted at \$931,655 in fiscal 2004, an \$819,726 decrease over fiscal 2003 levels reflecting the budget changes outlined on the next page.

Major Expenditure Areas:

Expenditures for the ED Fund are budgeted at \$3,021,655 for fiscal 2004. This includes a \$2,100,000 contingency amount. Budgeting for a contingency allows the City the flexibility of obtaining state/federal grant funding and the awarding of location incentives for opportunities that arise after adoption of the budget without the requirement of reappropriating the budget to allow for the expenditures related to these items. The \$679,371 increase in budgeted expenditures for fiscal 2004 is related to a \$950,000 increase in the contingency amount. This contingency is not operationally funded. Any actual expenditures for these contingency items would be funded through the ED Fund's existing fund balance or new grant revenues.

\$503,025 is budgeted for economic development services from the Oak Ridge Chamber of Commerce at \$196,083, Oak Ridge Convention and Visitors Bureau (CVB) at \$281,942, Melton Hill Regional Industrial Development Association (MHRIDA) at \$15,000 and Roane Alliance at \$10,000. Historically, funding for the CVB is based on actual Hotel/Motel tax collections for the last audited fiscal year.

During fiscal 2002, the City entered into a 3-year contract with Baker, Donelson, Bearman & Caldwell to provide an action plan of possible avenues for increased remuneration to the City from the federal and state governments at cost of \$144,000 plus travel expenses annually. \$5,280 is budgeted toward the Home Guide published in the Oak Ridger. \$100,000 is funded from operating transfers for undesignated marketing or location incentives.

\$168,350 is budgeted for social services funding including \$136,500 for the City's social service program administered under a contract with Aid to Distressed Families of Appalachian Counties (ADFAC). The City's social service program provides housing assistance (rent, mortgage and/or utility payments), medical assistance for prescription drugs (excluding controlled substances), transportation for doctor appointments or job interviews, counseling toward self-sufficiency and referrals to appropriate agencies for further assistance (such as food and clothing banks) to eligible citizens. \$31,850 in funding is budgeted for the Anderson County Health Council Healthy Start program, which provides assistance, training and support program for young mothers. Both of these programs are 100% funded by the operating transfer from the General Fund.

Budget Changes:

Funding for the operations of the Economic Development Department was accounted for in the ED Fund. The City Manager's proposed budget included the elimination of the Economic Development Department and its three employees, a Director, Planner II and Secretary II positions. The intent was that other City staff and economic development contractors will absorb the duties performed by these positions. The elimination of these positions was recommended to meet the goals contained in City Council's 5-year Strategic Plan, which called for a reduction in the City's property tax rate, a greater emphasis on neighborhood improvement and development and reflects the philosophy of contracting out marketing services. In addition to the \$257,868 reduction in funding for the salaries and related expenses for these 3 positions, an additional \$273,817 in funding for marketing and/or location incentives was eliminated from funding in the fiscal 2004 budget. The impact of these changes was a 5.6 cent reduction in the property tax rate. This reduction in the property tax rate results when the operating transfer from the City's General Fund is reduced. Just prior to adoption of the fiscal 2004 budget, the City Manager resigned. Due to the upcoming vacancy in the Manager position, City Council reinstated the Economic Development Director position at a cost of \$90,000 for fiscal 2004 with funding to be provided from the existing fund balance of the ED Fund.

During budget deliberations it was learned that funding from State-shared taxes from the State of Tennessee were proposed by the Governor to be reduced by 9%. While the ED Fund did not receive any funding directly from State-shared taxes, this proposed reduction impacted the General Fund which does provide funding through operating transfers to the ED Fund. Accordingly, City Council reduced funding by 9% of the proposed budget amount to the Oak Ridge Chamber of Commerce (\$19,393), CVB (\$27,884), ADFAC (\$13,500) and Healthy Start (\$3,150) for a total reduction of \$63,927.

**ECONOMIC DIVERSIFICATION FUND
BUDGET SUMMARY**

	ACTUAL 2002	BUDGET 2003	PROJECTED 2003	BUDGET 2004	BUDGET 04 vs 03	% CHANGE
REVENUES:						
4305 Future Grants	0	1,000,000	0	1,000,000	0	0.0
4465 Incubator Building Rental	39,191	0	0	0	0	0.0
4730 Land Sale Proceeds	4,001	0	137,580	0	0	0.0
4610 Interest on Investments	40,789	65,000	33,700	40,000	(25,000)	-38.5
Total Revenues	83,981	1,065,000	171,280	1,040,000	(25,000)	-2.3
EXPENDITURES:						
5111 Salaries & Fringe Benefits	180,452	177,883	179,285	90,000	(87,883)	-49.4
5200 Contractual Services & Building Maintenance	56,939	69,885	59,210	0	(69,885)	-100.0
5300 Commodities	4,606	7,000	5,500	0	(7,000)	-100.0
5430 Social Services Programs (ADFAC)	150,000	150,000	150,000	136,500	(13,500)	-2.1
5430 Social Services Programs (Healthy Start)	35,000	35,000	35,000	31,850	(3,150)	-9.0
5430 Convention & Visitors Bureau	296,202	287,040	287,040	281,942	(5,098)	-1.8
5430 Oak Ridge Chamber of Commerce	200,389	215,476	215,476	196,083	(19,393)	-9.0
5430 MHRIDA	15,000	15,000	15,000	15,000	0	0.0
5430 Legal Services	136,356	155,000	155,000	155,000	0	0.0
5430 Roane Alliance	5,000	10,000	10,000	10,000	0	0.0
5430 Marketing	142,525	70,000	5,280	5,280	(64,720)	-92.5
5480 Investment/Initiative Grant Funded	0	1,000,000	0	1,000,000	0	0.0
5480 Investment/Initiative City Funded:						
Miscellaneous	0	150,000	0	1,100,000	950,000	633.3
Industrial Development Board	0	0	500,000	0	0	0.0
Total Expenditures	1,222,469	2,342,284	1,616,791	3,021,655	679,371	29.0
Excess (Deficiency) of Revenues over Expenditures	(1,138,488)	(1,277,284)	(1,445,511)	(1,981,655)	(704,371)	55.1
OTHER FINANCING SOURCES:						
Transfers From Other Funds						
General Fund	1,331,688	1,346,665	1,146,665	679,764	(666,901)	-49.5
Electric Fund	217,645	220,750	220,750	137,395	(83,355)	-37.8
Waterworks Fund	181,371	183,966	183,966	114,496	(69,470)	-37.8
Total Other Financing Sources	1,730,704	1,751,381	1,551,381	931,655	(819,726)	-46.8
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	592,216	474,097	105,870	(1,050,000)	(1,524,097)	-321.5
UNRESERVED FUND BALANCE - 7/1	1,761,587	2,430,834	2,353,803	2,459,673	28,839	1.2
UNRESERVED FUND BALANCE - 6/30	2,353,803	2,904,931	2,459,673	1,409,673	(1,495,258)	100.0



Grant Fund

Fund Overview:

The Grant Fund accounts for the receipt of various non-utility state and federal grant revenues, including those that benefit low-income persons in the community. With the passage of the Urban-Rural Recovery Act of 1983, Oak Ridge became eligible for an automatic annual community block grant entitlement (CDBG) through the US Department of Housing and Urban Development (HUD). The entitlement has been used for projects that benefit low and very low-income persons; eliminate or prevent slums; or eliminate conditions detrimental to the health, safety and public welfare. The Grant Fund was initially established to account for the annual CDBG award. As grant opportunities expanded to other areas, the accounting for non-utility grants was centralized in the Grant Fund. Routine grant awards now include, an Emergency Shelter Grant (ESG) through the Tennessee Department of Human Services and police grants through the US Department of Justice.

Major Revenue/Expenditure Sources and Budget Changes:

Grants awarded and therefore the appropriated expenditure level will vary from year to year in the Grant Fund. Revenues and expenditures are budgeted to be equal in the Grant Fund at \$4,700,881 for fiscal 2004.

The fiscal 2004 CDBG award is projected at \$309,000, with \$4,880 available as a carryover of funding provided from prior year CDBG grant awards. On January 22, 2002, City Council approved a staff recommendation that established the CDBG Program Model for awarding sub-recipient grants to community organizations. City Council established housing rehabilitation and construction as its top priority for funding. Usage of the CDBG model has brought a sense of fairness and consistency to the funding process. The City's CDBG program was administered by a Planner II position in the Economic Development Fund. This position, staffed by the Economic Development Department, was eliminated in fiscal 2004. CDBG funding toward grant administrative costs was reduced from \$35,000 down to \$16,531 for fiscal 2004. The administrative duties of the CDBG grant will be absorbed by the Finance Department.

During fiscal 2002, City Council authorized the City to borrow \$1,000,000 to finance the costs for the expansion and construction of a gymnasium at the Scarboro Center. In fiscal 2003, HUD approved a \$95,000 annual allocation under the CDBG entitlement for the next 15 years to fund the annual debt service payments on this borrowing. In fiscal 2004, \$46,245 of CDBG funds will be utilized to add a new Property Maintenance Inspector position under the supervision of the Office of Neighborhood Improvement. This is in accordance with City Council's goal of placing a higher priority on housing rehabilitation and construction issues in Oak Ridge. The remaining CDBG funds were allocated as follows: \$62,441 to ADFAC to rehabilitate owner occupied low-income households, \$25,000 to HDCCV to support 2 transitional housing units and for housing counseling services, \$27,800 to Ridgeview Psychiatric Hospital to support 2 transitional housing units and for housing counseling services and \$33,200 to ORHA for case management activities that move public housing and Section 8 residents from public assistance to self-sufficiency.

\$25,200 is budgeted for an Emergency Shelter Grant (ESG) through the Tennessee Department of Human Services to provide funds for emergency assistance to low and very-low income persons threatened with displacement. Also budgeted is \$55,000 in police and fire grants, \$480,000 for a sidewalk construction grant from TDOT awarded in late 2001 and \$833,000 for an awarded pass-through grant to ORAU toward construction of a conference center. For the past few years, the City has been awarded grants toward police functions from the US Department of Justice and Fire grants from the Tennessee Department of Military. The fiscal 2004 appropriation for the Grant Fund also contains a \$2,993,801 contingency so that the City can aggressively pursue other federal and state grants.

**GRANT FUND
BUDGET SUMMARY**

	ACTUAL 2002	BUDGET 2003	PROJECTED 2003	BUDGET 2004	BUDGET 04 vs 03	% CHANGE
REVENUES:						
4835 TEMA/FEMA Grants	65,031	1,089,750	1,310,690	0	(1,089,750)	-100.0
4886 Anderson County	0	0	76,260	0	0	-100.0
4839 DOE Grants	21,638	28,152	20,000	0	(28,152)	-100.0
4845 Police/Fire Grants	135,450	28,000	65,000	55,000	27,000	96.4
4878 Emergency Shelter Grant	24,528	25,200	24,000	25,200	0	0.0
4879 Community Development						
Block Grant (CDBG) Entitlement	406,630	334,110	409,141	313,880	(20,230)	-6.1
4879 CDBG Scarboro Construction Loan	0	1,000,000	1,000,000	0	(1,000,000)	-100.0
4880 TDOT Grant	50,000	480,000	0	480,000	0	0.0
4880 Future and Other Grants	48,941	2,766,890	150,000	3,826,801	1,059,911	38.3
Total Revenues	<u>752,218</u>	<u>5,752,102</u>	<u>3,055,091</u>	<u>4,700,881</u>	<u>(1,051,221)</u>	<u>-18.3</u>
EXPENDITURES:						
Community Development Block Grant (CDBG):						
27000 Unprogrammed/Carried Forward	0	0	4,881	7,663	7,663	100.0
27401 Property Maintenance Inspector	0	0	0	46,245	46,245	100.0
27405 Habitat for Humanity	0	40,000	40,000	0	(40,000)	-100.0
27406 Grants Coordinator/Administrative	30,093	35,000	35,000	16,531	(18,469)	-52.8
27408 Oak Ridge Housing Authority (ORHA)	30,850	30,000	30,000	33,200	3,200	10.7
27411 Ridgeview Psychiatric Hospital	18,000	18,000	18,000	27,800	9,800	54.4
27412 Tech 2020	61,150	0	0	0	0	0.0
27215 Scarboro Center (Loan Payment)	0	75,000	60,000	95,000	20,000	26.7
27215 Scarboro Center (Construction)	61,850	1,000,000	1,085,150	0	(1,000,000)	-100.0
27420 ORHTC	36,195	0	0	0	0	0.0
27501 ADFAC	132,802	70,500	70,500	62,441	(8,059)	-11.4
27505 HDCCV	35,690	40,610	40,610	25,000	(15,610)	-38.4
27510 Housing Design Project	0	25,000	25,000	0	(25,000)	-100.0
Other Grants:						
27502 THDA	48,651	0	0	0	0	0.0
27504 Emergency Shelter Grant (ESG)	24,528	25,200	24,000	25,200	0	0.0
27601 Parcel 412 Remediation (DOE)	21,638	28,152	20,000	0	(28,152)	-100.0
27602 Pass-Through Conference Center	0	0	150,000	833,000	833,000	100.0
27603 Mona Lane/Carst Remediation	13,677	1,453,000	1,642,295	0	(1,453,000)	-100.0
27604 Police Grants	135,450	28,000	60,000	50,000	22,000	78.6
27605 Fire Grants	53,198	5,000	5,000	5,000	0	0.0
27606 TDOT	50,000	480,000	0	480,000	0	0.0
27900 Future Grants Contingency	0	2,761,890	0	2,993,801	231,911	8.4
Total Expenditures	<u>753,772</u>	<u>6,115,352</u>	<u>3,310,436</u>	<u>4,700,881</u>	<u>(1,414,471)</u>	<u>-23.1</u>
Excess (Deficiency) of Revenues over Expenditures	(1,554)	(363,250)	(255,345)	0	363,250	100.0
OTHER FINANCING SOURCES:						
Transfer From Capital Projects Fund	1,831	363,250	255,345	0	(363,250)	-100.0
Excess (Deficiency) Of Revenues and Other Financing Sources Over (Under) Expenditures	277	0	0	0	0	0.0
UNRESERVED FUND BALANCE - 7/1	<u>106</u>	<u>106</u>	<u>383</u>	<u>383</u>	<u>277</u>	<u>261.3</u>
UNRESERVED FUND BALANCE - 6/30	<u>383</u>	<u>106</u>	<u>383</u>	<u>383</u>	<u>277</u>	<u>261.3</u>

Solid Waste Fund

Fund Overview:

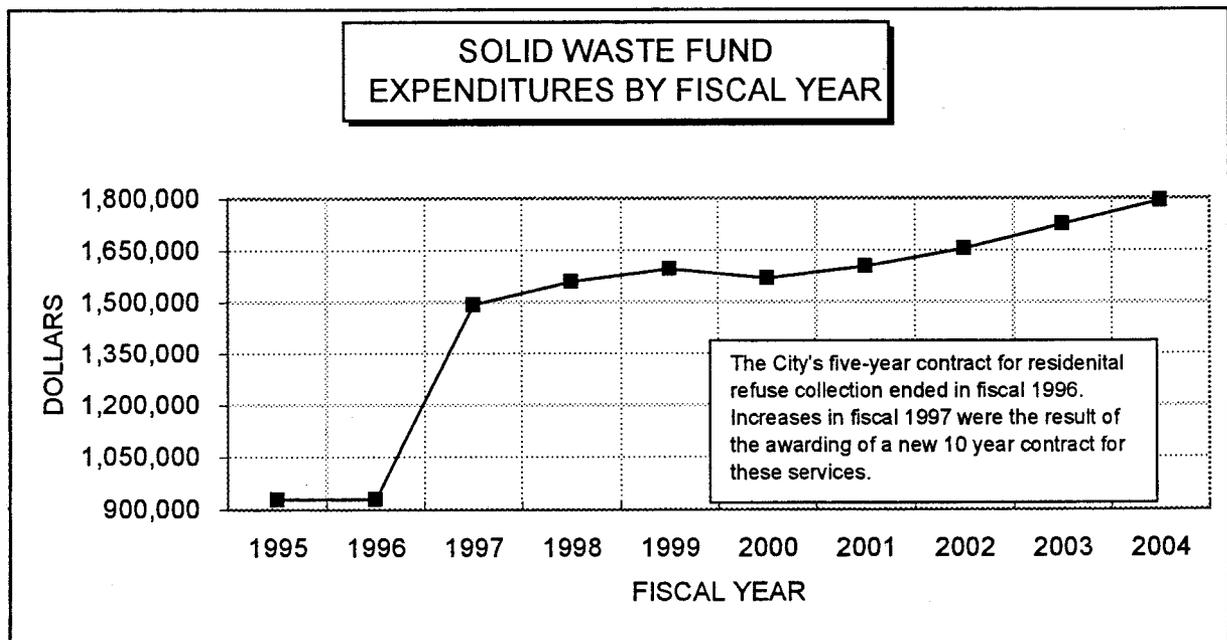
This Fund provides for the collection and disposal of residential refuse. The goal is to contribute to the health and welfare of the community by providing a quality level of refuse collection, while at the same time, continually striving to identify and recommend measures which improve the efficiency of the service to the public. This service had historically been funded and accounted for in the City's General Fund. In 1992, state legislation required that the City establish a separate Fund to account for solid waste management expenditures. General Fund revenues continue to provide a portion of funding for solid waste expenditures via an operating transfer from the General Fund.

Major Revenue Source:

In fiscal 1999, City Council authorized a \$5 monthly fee be charged to residential households for solid waste collection. In fiscal 2004, this fee is estimated to provide \$686,000 in funding for the Solid Waste Fund. The City does not provide refuse collection to commercial entities located within Oak Ridge. The operating transfer from the General Fund is budgeted at \$1,108,510.

Major Expenditures Areas:

For fiscal 2004, expenditures for the Solid Waste Fund are budgeted at \$1,794,510, a \$6,895 increase from the preceding fiscal year due to inflation. The City contracts with Waste Connections for the collection and disposal of residential solid waste at an estimated cost of \$1,390,750. Residential refuse collection is provided once a week at the back door and once a week at curbside for recyclable items. The contractor is also responsible for the operation of a convenience center for disposing of residential waste and recyclable items, budgeted at a cost of \$280,650, and an annual spring clean-up and fall brush collection. The cost for providing these services increased 53% when the contract was last bid in 1996. In an effort to mitigate escalating costs, the City entered into a 10-year, rather than 5-year contract for these services, which extends through June 30, 2008. The current multiyear contract provides for annual increases in contract payments determined by a formula calculated on an increase of 90% of the change in the Consumer Price Index. Also budgeted in this Fund, is \$22,000 for landfill costs for waste generated by residents that live in the Roane County portion of Oak Ridge and \$77,000 for brush mulching costs.



SOLID WASTE FUND

BUDGET SUMMARY

	<u>ACTUAL</u> <u>2002</u>	<u>BUDGET</u> <u>2003</u>	<u>PROJECTED</u> <u>2003</u>	<u>BUDGET</u> <u>2004</u>	<u>BUDGET</u> <u>04 vs 03</u>	<u>%</u> <u>CHANGE</u>
REVENUES:						
4400 Charges for Services	681,750	689,000	686,000	686,000	(3,000)	-0.4
EXPENDITURES:						
5210 Residential Refuse Pickup & Recycle Service	1,331,956	1,385,180	1,350,240	1,390,750	5,570	0.4
5210 Convenience Center Rental	268,721	279,475	272,475	280,650	1,175	0.4
5210 Roane County Landfill	0	22,000	22,000	22,000	0	0.0
5210 Annual Brush Collection	23,057	23,960	23,410	24,110	150	0.6
5210 Mulching Contract	31,112	52,000	33,000	52,000	0	0.0
5235 Support Services for Mulching	326	25,000	25,000	25,000	0	0.0
Total Expenditures	<u>1,655,172</u>	<u>1,787,615</u>	<u>1,726,125</u>	<u>1,794,510</u>	<u>6,895</u>	<u>0.4</u>
OTHER FINANCING SOURCES:						
Operating Transfers In General Fund	973,422	1,098,615	1,040,125	1,108,510	9,895	0.9
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	0	0	0	0	0	0.0
UNRESERVED FUND BALANCE - 7/1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
UNRESERVED FUND BALANCE - 6/30	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

Internal Service Funds

Internal Service Funds are used to account for services provided by one department to other departments of the City on a cost-reimbursement basis. Rates for revenues are set by City staff in order for projected revenues to be equal to projected expenses. These Funds are presented merely to show an accumulation of the total cost of providing these services to the City. The budgets of these Funds are not legally appropriated. These Funds are not presented in the Combined Summary of Revenues, Expenditures and Changes in Fund Balance – All Funds presented on page I-53 of this document as this would be a duplication of expenditures/expenses. The City currently maintains two Internal Service Funds, the Equipment Replacement Rental Fund and the Insurance Fund.

Equipment Replacement Rental Fund (ERRF)

This Fund is used to accumulate resources for the future replacement of equipment utilized by Governmental Funds and by the work pool and to account for the maintenance of that equipment. This is accomplished in the form of an equipment use charge to the corresponding activity/Fund which utilizes the equipment. For example, the ERRF charges the General Fund Fire Department, Activity 923, for maintenance and rental (for future replacement) of fire fighting equipment (fire trucks, etc.). This is recorded in the General Fund as an equipment use charge. Equipment use charges include both the actual cost of providing maintenance of the equipment (fuel, material and labor) and depreciation charges on the equipment. The accumulation of the proceeds from the depreciation charges is used to fund the future replacement of assets serviced by the Fund (i.e. fire trucks, etc.). The cost of providing this service is recorded as an expenditure in both the applicable Fund (General Fund in this example) and in the ERRF for the actual maintenance cost and depreciation expense. Proceeds from equipment use charges to other Funds are recorded as revenues in the ERRF. Maintenance and depreciation expenses are budgeted at \$2,373,490 for fiscal 2004. Approximately \$37,870 in reductions to budgeted expenses was made in the ERRF for fiscal 2004 as part of mandated cost reductions for all City operations.

\$2,326,575 in long-term debt was issued in fiscal 1999 to purchase three fire pumpers and one ladder truck and year 2000 compliant mainframe computers and software. Debt service on this debt issuance will be funded by the ERRF. Interest payments are budgeted at \$50,000 for fiscal 2004. Revenues and existing cash levels of the ERRF should be sufficient to fund the annual debt service requirements for the purchase of this equipment; therefore, no impact for this debt is anticipated on the property tax rate. Budgeted interest expense declined by \$45,000 due to a restructuring of debt in fiscal 2003.

Equipment accounted for in this Fund is eligible for replacement review once it is fully depreciated. Each year the equipment shop staff in conjunction with the department reviews the physical state of the equipment to determine if it should be replaced or retained. Equipment replacement is based on the mechanical state of the equipment rather than depreciation status. Page V-21 contains \$808,000 in equipment that will be eligible for replacement in fiscal 2004.

EQUIPMENT REPLACEMENT RENTAL FUND

BUDGET SUMMARY

	<u>ACTUAL 2002</u>	<u>BUDGET 2003</u>	<u>PROJECTED 2003</u>	<u>BUDGET 2004</u>	<u>BUDGET 04 vs 03</u>	<u>% CHANGE</u>
<u>OPERATING REVENUES:</u>						
4466 Charges for Service	<u>1,765,134</u>	<u>2,154,215</u>	<u>2,093,700</u>	<u>2,093,260</u>	<u>(60,955)</u>	<u>-2.8</u>
<u>OPERATING EXPENSES:</u>						
5235 Routine Repair & Maintenance	<u>1,324,850</u>	<u>1,582,060</u>	<u>1,522,225</u>	<u>1,568,490</u>	<u>(13,570)</u>	<u>-0.9</u>
5460 Depreciation	<u>742,276</u>	<u>726,000</u>	<u>810,000</u>	<u>805,000</u>	<u>79,000</u>	<u>10.9</u>
Total Operating Expenses	<u>2,067,126</u>	<u>2,308,060</u>	<u>2,332,225</u>	<u>2,373,490</u>	<u>65,430</u>	<u>2.8</u>
Operating Income (Loss)	<u>(301,992)</u>	<u>(153,845)</u>	<u>(238,525)</u>	<u>(280,230)</u>	<u>(126,385)</u>	<u>82.2</u>
<u>NONOPERATING REVENUES/(EXPENSES):</u>						
4610 Net interest Income	<u>20,496</u>	<u>30,000</u>	<u>24,000</u>	<u>30,000</u>	<u>0</u>	<u>0.0</u>
4720 Gain/(Loss) on Sale of Assets	<u>2,557</u>	<u>40,000</u>	<u>30,000</u>	<u>30,000</u>	<u>(10,000)</u>	<u>-25.0</u>
4314 State of TN Trans. Grant	<u>0</u>	<u>0</u>	<u>99,900</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
5439 Interest Expense	<u>(45,643)</u>	<u>(95,000)</u>	<u>(45,000)</u>	<u>(50,000)</u>	<u>45,000</u>	<u>-47.4</u>
Total Nonoperating Revenues (Expenses)	<u>(22,590)</u>	<u>(25,000)</u>	<u>108,900</u>	<u>10,000</u>	<u>35,000</u>	<u>-140.0</u>
Net Income (Loss)	<u>(324,582)</u>	<u>(178,845)</u>	<u>(129,625)</u>	<u>(270,230)</u>	<u>(91,385)</u>	<u>51.1</u>
<u>RETAINED EARNINGS - 7/1</u>	<u>1,914,980</u>	<u>1,610,427</u>	<u>1,590,398</u>	<u>1,460,773</u>	<u>(149,654)</u>	<u>-9.3</u>
<u>RETAINED EARNINGS - 6/30</u>	<u>1,590,398</u>	<u>1,431,582</u>	<u>1,460,773</u>	<u>1,190,543</u>	<u>(241,039)</u>	<u>-16.8</u>

**EQUIPMENT REPLACEMENT RENTAL FUND
CAPITAL EXPENDITURES**

The following equipment is fully depreciated and scheduled for replacement in FY 2004

ACTIVITY	ASSET NO.	DESCRIPTION	BUDGETED COST
910 Police Supervision	194	Ford Crown Victoria, 2000	\$ 21,000
913 Patrol	116	Jeep Grand Cherokee, 2000	21,000
	140,141,142,146	Ford Crown Victoria, 1997	84,000
	154	Ford Crown Victoria, 2000	21,000
	171	Ford Crwon Victoria, 1999	21,000
916 Animal Control	9907	Crematory	30,000
	382	Dodge 1 Ton pickup, 1993 with Animal Control Unit	30,000
922 Fire Prevention	133	Jeep Cherokee, 1995	20,000
923 Fire Fighting	810	Power Rescue System	12,000
966 Code Enforcement	277	Ford Bronco, 1989	22,000
	283	Chevy S-10 Pickup, 1989	18,000
	285	Ford Bronco, 1990	22,000
	286	Ford Ranger Pickup, 1990	18,000
	289	Ford Ranger Pickup, 1990	18,000
970 Recreation Supervision	257	Dodge Ram 1/2 Ton Pickup, 1987	18,000
976 Parks	251	GMC Sierra 3/4 Ton Pickup, 1990	23,000
	297	Ford F250 3/4 Ton Pickup, 1992	23,000
	299	GMC Sierra 4x4 Truck, 1994	23,000
		Items Less Than \$5,000 ea.	20,000
11951 Equipment Shop	269	GMC 3/4 Ton Pickup, 1988	23,000
	887	Engine Analyzer, 1992	40,000
		Items Less Than \$5,000	5,000
21941 Work Pool	663	Ford Tractor, w/6' Mower	20,000
		Items Less Than \$5,000	20,000
024 Golf Course Fund		Various Equipment	30,000
845		DeskTop Computers & Printers	80,000
		GIS Equipment, Software & Installation	75,000
		Records Management System	50,000
TOTAL			\$ 808,000

Insurance Fund

The Insurance Fund ensures that adequate funds are available to pay for various losses, which the City may incur. The Insurance Fund ensures the City's ability to pay for losses through the purchase of insurance, the maintenance of monetary reserves or a combination of both. Revenues to the Insurance Fund are provided through charges to the General, Electric and Waterworks Funds and from employee and retiree contributions toward medical premiums.

At the present time, the City purchases insurance with deductibles for Worker's Compensation, liability and property damage. The City has a \$50,000 per incident deductible on Workers' Compensation coverage and property damage due to a natural disaster. Other deductibles for property, equipment and general liabilities range from \$5,000 to \$10,000 per incident. The City is self-insured for the employee dental/hearing/vision reimbursement program and unemployment compensation. Monetary reserves are maintained within the Insurance Fund to pay for the City's portion of any losses in these areas. The appropriate level of reserves within the Fund is determined by examining the potential for losses in each area of risk and providing the necessary funds to cover a catastrophic loss in any one-risk area.

Budgeted expenses for the Insurance Fund totaled \$3,411,220 for fiscal 2004, a \$713,000 or 26.4% increase over fiscal 2003. The City continually reviews its insurance programs and providers in an attempt to mitigate ever increasing insurance costs, particularly employee medical. In 1990, the City began a primarily self-insured program for employee medical claims. Medical claims increased 87.8% from 1991 to 1995. On August 1, 1996, the City converted to a Group Hospitalization plan under which employee medical claims were funded entirely through insurance premiums. Contributions by employees and retirees fund a portion of costs for medical insurance premiums. Since 1999, the City has contracted employee medical coverage through the State of Tennessee Local Government Health Insurance Program.

Employee medical insurance premiums increased 30% on January 1, 2003 and are expected to increase by another 20% effective January 1, 2004. In an overall cost reduction endeavor, the employee paid percentages toward the medical insurance premiums was increased. Beginning July 1, 2003, the City will pay 85% of the highest single premium and 70% of the highest family premium. The increased cost to employees range from \$17.18 to \$37.58 per pay period depending on the employees' insurance plan type.

**INSURANCE FUND
BUDGET SUMMARY**

	<u>ACTUAL 2002</u>	<u>BUDGET 2003</u>	<u>PROJECTED 2003</u>	<u>BUDGET 2004</u>	<u>BUDGET 04 vs 03</u>	<u>% CHANGE</u>
<u>OPERATING REVENUES:</u>						
4400 Charges for Service	<u>2,137,472</u>	<u>2,648,220</u>	<u>2,814,783</u>	<u>3,378,289</u>	<u>730,069</u>	<u>27.6</u>
<u>OPERATING EXPENSES:</u>						
5160 Medical Insurance	1,746,016	2,162,075	2,266,153	2,806,120	644,045	29.8
5175 Workers Compensation	272,650	236,935	236,276	249,000	12,065	5.1
5200 Contractual Services	0	1,500	13,700	13,700	12,200	813.3
5400 Other Insurance	<u>270,549</u>	<u>297,710</u>	<u>333,750</u>	<u>342,400</u>	<u>44,690</u>	<u>15.0</u>
Total Operating Expenses	<u>2,289,215</u>	<u>2,698,220</u>	<u>2,849,879</u>	<u>3,411,220</u>	<u>713,000</u>	<u>26.4</u>
Operating Income (Loss)	(151,743)	(50,000)	(35,096)	(32,931)	17,069	-34.1
<u>NONOPERATING REVENUES:</u>						
4610 Interest Income	<u>15,755</u>	<u>50,000</u>	<u>15,000</u>	<u>22,500</u>	<u>(27,500)</u>	<u>-55.0</u>
Net Income (Loss)	(135,988)	0	(20,096)	(10,431)	(10,431)	-100.0
<u>RETAINED EARNINGS - 7/1</u>	<u>607,218</u>	<u>546,159</u>	<u>471,230</u>	<u>451,134</u>	<u>(95,025)</u>	<u>-17.4</u>
<u>RETAINED EARNINGS - 6/30</u>	<u>471,230</u>	<u>546,159</u>	<u>451,134</u>	<u>440,703</u>	<u>(105,456)</u>	<u>-19.3</u>

INSURANCE FUND EXPENDITURES	ACTUAL FY 2002	BUDGET FY 2003	PROJECTED FY 2003	BUDGET FY 2004	BUDGET 04 vs 03	% CHANGE
PERSONAL SERVICES						
5161 Employee Medical Insurance	1,579,455	1,982,075	2,095,253	2,633,120	651,045	32.8
5162 Dental/Vision Reimbursement Program	111,028	115,000	115,000	115,000	0	0.0
5163 Long Term Disability Premium	55,533	65,000	55,900	58,000	-7,000	-10.8
5175 Workers' Compensation	<u>272,650</u>	<u>236,935</u>	<u>236,276</u>	<u>249,000</u>	<u>12,065</u>	<u>5.1</u>
Total Personal Services	2,018,666	2,399,010	2,502,429	3,055,120	656,110	27.3
CONTRACTUAL SERVICES						
5210 Professional & Cont. Services	0	1,500	13,700	13,700	12,200	813.3
OTHER CHARGES						
5411 Insurance - Liability	177,588	192,000	219,933	225,300	33,300	17.3
5412 Insurance - Property	84,387	88,610	98,617	102,000	13,390	15.1
5413 Surety Bonds	2,147	2,000	2,200	2,000	0	0.0
5415 Other Insurance	4,000	10,500	10,500	10,500	0	0.0
5416 Unemployment Compensation	<u>2,427</u>	<u>4,600</u>	<u>2,500</u>	<u>2,600</u>	<u>-2,000</u>	<u>-43.5</u>
Total Other Charges	270,549	297,710	333,750	342,400	44,690	15.0
TOTAL INSURANCE FUND EXPENSES	<u>2,289,215</u>	<u>2,698,220</u>	<u>2,849,879</u>	<u>3,411,220</u>	<u>713,000</u>	<u>26.4</u>

