*Pamela Colestock – Mayor*
*William Steele – Mayor Pro Tem*
*Deb Malewski – Council Member*
*Rick Loftus – Council Member*
*Ken Nicholas – Council Member*

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*Corey Cagle – Director of Parks, Recreation & Events*
*Jake Forquer – Community and Economic Development Specialist*
*Randy Jewel – City Assessor*
*Cullen Harkness – City Attorney*

# CITY OF EATON RAPIDS
# WORK SESSION AGENDA

May 27, 2026
5:00 pm
200 S. Main Street

This meeting will be streamed live for viewing only at:
https://us06web.zoom.us/j/85394331944 Meeting ID: 853 9433 1944
*Please note all public comments must be made in person.*

**Call to Order**

**Public Comments**

**Unfinished and Special Business**

**New Business**

1. Control House Sub Station Bid Award
2. McArthur River Sewer Update
3. FY2025 Business and Credit Risk Assessment – Electric
4. FY2026/2027 Budget Draft Review
5. Wastewater Rate Increase
6. Utility Delinquent Accounts
7. Urban Air Recap

**Public Comments**

**Board and Committee Reports**

**Adjourn**

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 5/27/2026

CITY MANAGER

To: Mayor and City Council ☒Work Session

From: Yvonne Ridge, City Manager ☒Regular Meeting

Submitted: 5/22/2026

Subject: West Substation Control House Bid Award

## SUMMARY

As part of the ongoing improvements to the West Substation, the City is proceeding with the purchase and installation of a new control house. The control house will be utilized to house protective relay equipment associated with the new transformer project.

Bids for the project were solicited and publicly opened on April 17, 2026. Three (3) bids were received for consideration. The City's engineering consultant, Verdantas, reviewed and evaluated all submitted bids.

Following its review, Verdantas determined that VFP submitted the lowest responsive and responsible bid in the amount of $477,581.00. Verdantas has recommended award of the bid to VFP based on both pricing and lead time considerations.

Staff concurs with the recommendation provided by Verdantas and believes awarding the contract to VFP is in the best interest of the City and necessary to maintain the project schedule.

The total project cost for the control house is $477,581.00 and will be funded through the Electric

## STAFF RECOMMENDATION/MOTION

Approve the resolution awarding the West Substation Control House Project bid to VFP in the amount of $477,581.00 and authorize City Manager Yvonne Ridge to execute all necessary documents related to the project.

## LIST OF SUPPORTING DOCUMENTS

Verdantas Recommendation, Resolution 2026-38

May 19, 2026
048.0000025848

Rob Pierce
Utilities Director
City of Eaton Rapids
301 Market St
Eaton Rapids, MI 48827

**RE: Control House Bids Discussion**
**Bid Evaluation & Recommendation**

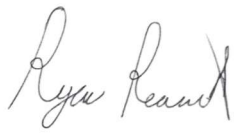
Dear Rob:

Verdantas has completed reviewing the bids submitted on April 17, 2026, for the Eaton Rapids West Substation Control House. Suppliers were solicited for bid, and three (3) bids were received. This control house will be used to house protective relay equipment for the new transformer. VFP submitted the low bid for the project in the amount of $477,581.00. A list of the bids received is shown below.

| Bidder | Fabricator | BASE BID | LEAD TIME (ARO) | REMARKS |
|---|---|---|---|---|
| SPS | SPS | No Bid | | |
| VFP | VFP | $477,581.00 | 32 Weeks | Low Bid |
| Panel Built Inc | Panel Built | $595,870.00 | 32 Weeks | Base bid includes required panels |
| ELUS | ELUS | No Bid | | |
| EP2 | Trachte | $497,428.00 | 60 Weeks | |

Verdantas sees no reason not to accept the VFP bid, due to lead time and price. Please contact me should you have any questions regarding this evaluation.

Sincerely,
**Verdantas**



Ryan Rearick
Senior Substation Engineer

3300 Eagle Run Dr
Grand Rapids MI 49525
P: 616.942.7183
F: 616.285.6448

https://www.verdantas.com/

325 E Lake Street Suite 26
Petoskey MI 49770
P: 231.439.9683
F: 231.439.9698

THE CITY OF
Eaton Rapids
MICHIGAN

*Pamela Colestock – Mayor*
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*Cullen Harkness – City Attorney*

# RESOLUTION NO. 2026-38

## RESOLUTION APPROVING THE BID AWARD FOR THE WEST SUBSTATION CONTROL HOUSE PROJECT

**WHEREAS**, the City of Eaton Rapids Electric Department is undertaking improvements to the West Substation, including the installation of a control house to accommodate protective relay equipment for the new transformer; and

**WHEREAS**, bids for the West Substation Control House Project were solicited and publicly opened on April 17, 2026; and

**WHEREAS**, three (3) bids were received and reviewed by the City's engineering consultant, Verdantas; and

**WHEREAS**, Verdantas evaluated the submitted bids and determined that VFP submitted the lowest responsive and responsible bid in the amount of Four Hundred Seventy-Seven Thousand Five Hundred Eighty-One Dollars ($477,581.00); and

**WHEREAS**, Verdantas has recommended acceptance of the bid submitted by VFP based on price and lead time considerations; and

**WHEREAS**, the City Council finds that accepting the bid submitted by VFP is in the best interest of the City of Eaton Rapids.

**NOW, THEREFORE, BE IT RESOLVED** that the Eaton Rapids City Council hereby approves the award of the West Substation Control House Project bid to VFP in the amount of $477,581.00.

**BE IT FURTHER RESOLVED** that City Manager Yvonne Ridge is hereby authorized to execute all necessary documents and take all actions necessary to carry out the intent of this Resolution.

The Foregoing resolution offered by Council Member _____ and seconded by Council Member _____.

Upon Roll Call, the following voted:

Aye:
Nay:
Absent:

This resolution is adopted by the City of Eaton Rapids and approved by the Mayor on this 27th day of May 2026.

_____
Pamela Colestock, Mayor

RESOLUTION DECLARED ADOPTED:

STATE OF MICHIGAN )

)ss.

COUNTY OF EATON )

I, the undersigned, the duly qualified and acting Clerk of the City of Eaton Rapids, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Eaton Rapids at a regular meeting held on the 27th day of May, 2026, the original of which resolution is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 267 of the Michigan Public Acts of 1976, including the case of a special or rescheduled meeting, notice by posting at least 18 hours prior to the time set for said meeting.

IN WITNESS WHEREOF, I have hereunto set my official signature, this 27th day of May, 2026.

_____
Robin Webb, City Clerk

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 5/27/2026

CITY MANAGER

To: Mayor and City Council ☒Work Session

From: Yvonne Ridge, City Manager ☒Regular Meeting

Submitted: 5/22/2026

Subject: Proposal for South Side I&I Investigation

## SUMMARY

The City of Eaton Rapids has experienced ongoing sanitary sewer performance issues in the area of McArthur River Drive from Outer Drive to State Street, particularly during rain events and spring snowmelt. These conditions indicate potential inflow and infiltration issues within the sanitary sewer system that may be contributing to surcharging and degraded system performance.

Following discussions with City staff on April 30, 2026, C2AE submitted a proposal dated May 4, 2026, to provide professional engineering services to investigate and identify potential sources of inflow and infiltration within the affected area.

The proposed work includes a desktop investigation phase, field investigation phase, and GIS map updates. Specific services include:

- Review and analysis of sanitary and storm sewer system data
- GIS/CAD overlay analysis to identify potential cross connections
- Coordination and support for sewer video inspection activities
- Dye testing and field investigation
- Collection of system elevation data
- Development of a system model to evaluate flow performance
- Preparation of findings and recommendations report
- GIS mapping updates for future reference and planning

The proposal excludes customer property inspections and private sump pump dye testing.

The total proposed fee for the project is $32,600.00 on a time and materials basis with a not-to-exceed amount. The project will be completed under the provisions of the existing General Services Agreement with C2AE effective April 1, 2016.

## STAFF RECOMMENDATION/MOTION

Staff recommends approval of the proposal from C2AE for the South Side I&I Investigation in the amount not to exceed $32,600.00 and authorization for City Manager Yvonne Ridge to execute the necessary documents.

## LIST OF SUPPORTING DOCUMENTS

C2AE Proposal, Resolution 2026-46

An AtkinsRéalis Company

106 W. Allegan St. Suite 500
Lansing, MI 48933
517.371.1200
www.c2ae.com

May 4, 2026

Mr. Robert Pierce
Public Works/Utility Director
City of Eaton Rapids
200 South Main Street
Eaton Rapids, MI 48827

## Re: Proposal for Professional Services: South Side I&I Investigation

Dear Mr. Pierce,

We appreciate the opportunity to continue providing professional services to the City of Eaton Rapids and you time discussing your sanitary collector system performance with us in our meeting on April 30, 2026.

## Project Understanding

The City of Eaton Rapids is interested in investigating potential sources of inflow and infiltration to the sanitary sewer system on McArthur River Drive from Outer Drive to State Street. This area of the city's system has experienced degraded performance, often during rain events or spring snowmelt. You have requested C2AE's support in leading an investigation to identify a source or sources of inflow and infiltration which are leading to the degraded system performance.

## Scope

Desktop Investigation Phase

1. Kick-Off Meeting: Meet with the city to review the project requirements, including the scope of services, schedule, and deliverables and to obtain pertinent information.
2. Progress Reports: Submit monthly progress reports, which include work accomplished during the month, anticipated work elements for next month, input required from the city, city directives, identified project challenges, and budget and schedule status.
3. Overlay the storm system and sanitary sewer system in CAD/GIS to assess potential cross ties or influence from one system to the other and to guide further fieldwork.
4. Conduct a desktop review of the systems to identify fieldwork assessments.
5. Provide documentation to the city to communicate with the video inspection vendor the limits of the inspection and requested documentation from their fieldwork.

Field Investigation Phase

1. Progress Reports: Submit monthly progress reports, which include work accomplished during the month, anticipated work elements for next month, input required from the city, city directives, identified project challenges, and budget and schedule status.
2. Conduct a dye inflow study in the field to assess potential cross ties from the storm system to the sanitary system using the CAD/GIS review to guide this effort.

3. Obtain flow path inverts and rim elevations for the sanitary sewer system manholes for the length of the system which is experiencing surcharges to eliminate poor slope as a driver of the degraded system performance.
4. Develop a system model to assess flow performance.
5. Produce a letter report to outline our findings and recommendations.
6. Conduct a deliverable review meeting with the city to review our report and define follow-on actions and planning.

GIS Map Updates

1. Compile the study and fieldwork data into a GIS model for communication and retrieval.

Additional scope items beyond those identified above may prove beneficial in assessing the degraded system performance. Should this occur, the additional scope will be addressed through an addendum to the base scope contract detailing the schedule and fee impacts for approval prior to commencement of the additional scope.

## Assumptions

1. An in-depth infiltration and inflow study inclusive of metered flows will not be conducted.
2. The scope of service does not include design services including the preparation of construction documents. These services can be provided in a future phase under a new proposal.
3. The City of Eaton Rapids will contract with a local provider to complete video inspection of the sanitary sewer lines in the investigation footprint.

## Deliverables

Desktop Investigation Phase

1. Periodic Progress Reports as agreed to in the kick-off meeting.
2. Scope for video inspection vendor.

Field Investigation Phase

1. Periodic Progress Reports as agreed to in the kick-off meeting.
2. Letter report detailing findings and recommendations for remediation actions.

GIS Map Phase

1. GIS model with object metadata developed through the above scope of work.

## Exclusions

Scope to support the City in completing inspections of the connected customers properties to assess the status of their sump pump connections to the sanitary sewer system or conduct dye studies for their foundation drain sump pump systems is excluded from this proposal.

## Schedule

We propose to complete the services, as outlined herein, in accordance with the following schedule. We reserve the right to adjust the schedule based on the actual date of authorization.

| | |
|---|---|
| Investigation | Authorization – July 31, 2026 |

## Fee

We propose to provide the services, as outlined herein, in accordance with the following:

| Task | Fee | Fee Basis |
|---|---|---|
| Desktop Investigation | $12,000.00 | Time and Materials |
| Field Investigation | $18,500.00 | Time and Materials |
| GIS Map Updates | $2,100.00 | Time and Materials |
| Total | $32,600.00 NTE | |

We will perform this scope under the provisions of our General Services contract executed effective April 1, 2016.

Sincerely,
C2AE

Brian J. Zatloukal, PE
Project Manager

Roger F. Marks, PE
Client Services Leader

Accepted by:

City of Eaton Rapids

Date

THE CITY OF
Eaton Rapids
MICHIGAN

*Pamela Colestock – Mayor*
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*Cullen Harkness – City Attorney*

# RESOLUTION NO. 2026-46

## RESOLUTION APPROVING PROFESSIONAL SERVICES AGREEMENT WITH C2AE FOR SOUTH SIDE I&I INVESTIGATION

**WHEREAS**, the City of Eaton Rapids has experienced degraded sanitary sewer system performance in the area of McArthur River Drive from Outer Drive to State Street, particularly during rain events and spring snowmelt; and

**WHEREAS**, the City desires to investigate potential sources of inflow and infiltration (I&I) contributing to the degraded system performance; and

**WHEREAS**, C2AE has submitted a proposal dated May 4, 2026, to provide professional engineering services for the South Side I&I Investigation; and

**WHEREAS**, the proposed scope of services includes desktop investigation, field investigation, GIS map updates, system modeling, dye testing, reporting, and recommendations for remediation actions; and

**WHEREAS**, the total proposed fee for the professional services is Thirty-Two Thousand Six Hundred Dollars ($32,600.00) on a time and materials basis not-to-exceed amount; and

**WHEREAS**, the services will be performed under the provisions of the existing General Services Contract executed effective April 1, 2016; and

**WHEREAS,** the City Council finds that approving the proposal from C2AE is in the best interest of the City of Eaton Rapids and necessary to further evaluate and address sanitary sewer system performance issues.

**NOW, THEREFORE, BE IT RESOLVED** that the Eaton Rapids City Council hereby approves the proposal from C2AE dated May 4, 2026, for professional services related to the South Side I&I Investigation in an amount not to exceed $32,600.00.

**BE IT FURTHER RESOLVED** that City Manager Yvonne Ridge is hereby authorized to execute all necessary documents and take all actions necessary to carry out the intent of this Resolution.

The Foregoing resolution offered by Council Member _____ and seconded by Council Member _____.

Upon Roll Call, the following voted:

Aye:
Nay:
Absent:

This resolution is adopted by the City of Eaton Rapids and approved by the Mayor on this 27th day of May 2026.

_____
Pamela Colestock, Mayor

RESOLUTION DECLARED ADOPTED:

STATE OF MICHIGAN )

)ss.

COUNTY OF EATON )

I, the undersigned, the duly qualified and acting Clerk of the City of Eaton Rapids, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Eaton Rapids at a regular meeting held on the 27th day of May, 2026, the original of which resolution is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 267 of the Michigan Public Acts of 1976, including the case of a special or rescheduled meeting, notice by posting at least 18 hours prior to the time set for said meeting.

IN WITNESS WHEREOF, I have hereunto set my official signature, this 27th day of May, 2026.

_____
Robin Webb, City Clerk

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 5/27/2026

CITY MANAGER

To: Mayor and City Council ☒Work Session

From: Yvonne Ridge, City Manager ☐Regular Meeting

Submitted: 5/22/2026

Subject: Business and Credit Risk Assessment - Electric

## SUMMARY

The Michigan Public Power Agency (MPPA) annually completes a Business & Credit Risk Assessment (BCRA) for member utilities to evaluate financial and operational performance and identify areas of strength and improvement.

The City's 2026 assessment resulted in the following scores:

- Financial Profile: 4.1 / 6.0 (Strong)
- Operational Profile: 3.5 / 6.0 (Adequate)
- Total Composite Score: 3.8 / 6.0 (Adequate)

The report identified several financial strengths, including strong liquidity and low debt-to-capitalization ratios. The assessment also noted the City's competitive electric rates compared to surrounding investor-owned utilities.

Areas identified for improvement include fixed charge coverage, reserve levels, reliability metrics tracking, and distributed energy resource (DER) readiness. MPPA also recognized the City's ongoing efforts to address aging infrastructure through its capital improvement plan and implementation of a new PILOT policy.

Staff will continue reviewing the assessment recommendations and incorporate appropriate improvements into future operational planning, budgeting, and capital investment strategies.

## STAFF RECOMMENDATION/MOTION

Information Only

## LIST OF SUPPORTING DOCUMENTS

Business and Credit Risk Assessment

# 2026 Business and Credit Risk Assessment Executive Summary Report

## Introduction & Purpose

Producing and delivering an individual Business & Credit Risk Assessment (BCRA) for each Member on an annual basis is a core component of MPPA's long-term Financial Stability strategy. MPPA's overall financial strength—and its ability to source power supply competitively and economically for its Members—is fundamentally tied to the collective health of those Members. The BCRA serves as an essential mechanism for monitoring, understanding, and proactively managing Members' operational and financial risk profiles. By evaluating both financial and operational factors in a standardized, repeatable manner, Members can track progress over time, validate the impact of improvement efforts, and maintain a continuous improvement cycle that supports operational excellence and financial resilience.

## What the Assessment Provides

The BCRA delivers a comprehensive, data-driven view of each Member's financial and operational condition. It includes:

**A Detailed Scorecard**

Modeled after Standard & Poor's credit rating methodology, the scorecard assesses two equally weighted profiles—Financial and Operational—each composed of multiple metrics scored on a scale from *Highly Vulnerable (1)* to *Extremely Strong (6)*. A score of 4 ("Strong") is expected of public power utilities in financial markets, making it a key benchmark for Members. Any score below "Strong" (score < 4) should trigger timely review and documented action by Members to mitigate risk in the affected areas.

**An Executive Summary Report**

Paired with the scorecard, the Executive Summary highlights areas of strength, identifies opportunities for improvement, and outlines recommended actions.

## How to Use Your Assessment

**Review Results and Implement Recommendations**

Members should review recommendations to help guide future decision-making and take action by adopting or revising policies, conducting studies where needed, and actively integrating the results of the BCRA into their budgeting and capital planning processes.

**Share with Your Governing Body**

MPPA recommends that each Member review the BCRA findings with their governing body to build shared understanding of financial and operational risk areas, align on priorities, and address gaps and opportunities for improvement.

## Results Summary

### Year-over-Year Assessment Scores

The Financial Profile score has **remained Strong** in the 2025 and 2026 reports; however, this represents a decline from the 2024 report, when significantly higher net operating revenues drove a Very Strong fixed charge coverage ratio, resulting in a Very Strong Financial Profile score.

The **Operational Profile score has remained stable** year-over-year across the four risk categories—Operational Assets; Management, Policies, and Procedures; Rate-Setting Practices; and Environmental & Regulatory Compliance and Legal Risk—though opportunities for improvement remain.

| Year | Financial Profile Score | Operational Profile Score | Total Score (50% Financial / 50% Operational) |
|---|---|---|---|
| **2024** | 5.0/6.0 (Very Strong) | 3.4/6.0 (Adequate) | **4.2/6.0 (Strong)** |
| **2025** | 4.1/6.0 (Strong) | 3.5/6.0 (Adequate) | **3.8/6.0 (Adequate)** |

### 2026 Assessment Score

| Financial Profile Score (Weighted): | | Operational Profile Score (Weighted): | |
|---|---|---|---|
| **4.1 / 6.0** | **Strong** | **3.5 / 6.0** | **Adequate** |

| Total Score (50% Financial / 50% Operational): | |
|---|---|
| **3.8 / 6.0** | **Adequate** |

## Financial Profile (Fiscal Year Ending 6/30/25)

### *Areas of Strength*

- **Days Liquidity: 6.0 (Extremely Strong)**
    - Measures the utility's ability to address fluctuations in cash flows due to the volatility of operating expenses and timing of revenue collection.

- **Debt to Capitalization: 6.0 (Extremely Strong)**
    - Measures the extent liabilities may affect a utility's debt servicing capability.

### *Opportunities for Improvement*

The remaining two metrics fell below the minimum expected score of 4 (Strong):

- **Fixed Charge Coverage (FCC) Ratio 3.0 (Adequate)**
    - The FCC ratio measures the electric utility's **ability to pay fixed obligations,** such as debt service and contractual payments (i.e., purchased power).
    - The (FCC) Ratio currently stands at 1.12x, continuing a **multi-year decline** from 1.15x in the 2025 report and 1.45x in the 2024 report. While the metric scored Adequate for the 2025 and 2026 reports, it previously scored Very Strong for the 2024 report.

- **Available Reserves 2.0 (Vulnerable)**
    - Measures the utility's financial flexibility to manage fluctuations in cash flow resulting from volatility in operating expenses.
    - However, S&P's scale does not consider the size of the utility (i.e., there is a "one size fits all approach"). Consequently, small-to-medium sized utilities, from an industry perspective, will almost always score on the lower end of the rating scale.
    - From an overall liquidity perspective when the Available Reserves metric is analyzed in conjunction with the Days Liquidity metric, it results in a reasonable liquidity score.

### *Recommendations*

- **Review rates and consider revising** to ensure net operating revenues are sufficient to ensure a stable and Strong FCC ratio.

- **Implement the recommendations under the Operational Profile** to prevent any degradation of the electric utility's Financial Profile score.

## Operational Profile (2025)

### *Areas of Strength*

- **Rate Affordability: 6.0 (Extremely Strong)**
    - Electric rates are very competitive compared to the surrounding investor-owned utility. On average, the utility's rates are:
        - 40% lower for residential customers.
        - 37% lower for commercial customers.
        - 30% lower for industrial customers.

### *Opportunities for Improvement*

The utility's overall **Operational Management score is a 3.5 (Adequate)**, which falls below the score of 4 (Strong) – the minimum expected score for a public power utility in financial markets.

The electric utility is already taking the following actions to address the major drivers of this score, including:

- Executing the approved **Capital Plan** to address the 80% depreciation of system assets**,** prioritizing capital investment in the distribution system, facilities, and infrastructure to reduce outage risk, and support long-term system performance.

- Implementing a new **Payment in Lieu of Taxes (PILT) policy** with the assistance of a third-party consultant.

Other areas of opportunity that should be reviewed include:

- **Reliability Metrics Tracking: 1.0 (Highly Vulnerable)**
    - Reliability metrics such as SAIDI, SAIFI, CAIDI, and MAIFI quantify how often outages occur, how long they last, and how quickly service is restored.
    - Without systematic outage tracking, utilities cannot objectively assess service performance, where investment may be required in its distribution system, or identify trends affecting customer satisfaction.

- **Distributed Energy Resource (DER) Readiness: 2.2 (Vulnerable)**
    - As more customers adopt technologies such as rooftop solar, batteries, and electric vehicles, utilities need to plan for how these resources are integrated into their distribution systems and how they are fairly compensated without negatively impacting other customers.

- When managed effectively, customer-owned resources can reduce peak demand, help control costs for both the utility and customers, and increase customer satisfaction.

*Recommendations*

- **Implement a reliability tracking program** to systematically track, analyze, and benchmark outage and reliability performance. Consider utilizing American Public Power Association's platform, PowerTRX Reliability, which is designed for public power utilities.

- **Improve the utility's DER Readiness through the following actions:**
  - Establish **interconnection policies and procedures** and implement a regular review cycle (ideally every three years) to ensure they remain current and aligned with industry standards. MPPA will provide guidance in 2026 to assist with this effort.
  - Consider implementing a **standby rate**, which applies to customers with on-site generation who primarily serve their own electric needs but remain connected to the utility for backup power.

# City of Eaton Rapids - Electric Department

Business and Credit Risk Assessment Scorecard

Fiscal Year End June 30, 2025

| | Metric | Score | Weight | Weighted Score | AAA 6 Extremely Strong | AA 5 Very Strong | A 4 Strong | BBB 3 Adequate | BB 2 Vulnerable | B or less 1 Highly Vulnerable |
|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Profile Assessment** | | | | | | | | | | |
| **Fixed Charge Coverage Ratio** - Measures the ability of the utility to service its debt and debt like obligations (PPAs and PILOT) | 1.12 | 3.0 | 55.0% | 1.7 | => 1.6 | 1.4-1.59 | 1.2-1.39 | 1.1-1.19 | 1.0-1.09 | < 1.0 |
| **Days Liquidity** - Measures the ability of the utility's flexibility to address fluctuations in cash flows due to the volatility of operating expenses and timing of revenue collection | 312 | 6.0 | 17.5% | 1.1 | >270 | 151-270 | 91-150 | 45-90 | 15-44 | <15 |
| **Available Reserves ($ in millions)** - Measures the ability of the utility's flexibility to address fluctuations in cash flows due to the volatility of operating expenses | $7.5 | 2.0 | 7.5% | 0.2 | =>$250.0 | $100.0-$249.9 | $50.0-$99.9 | $10.0-$49.9 | $2.1-$9.9 | <=$2.0 |
| **Debt to Capitalization** - Measures the extent liabilities may affect a utility's debt servicing capability | 0.00% | 6.0 | 20.0% | 1.2 | <20% | 20%-29% | 30%-39% | 40%-49% | 50%-59% | =>60% |
| **Financial Profile Weighted Score** | | | | **4.1** | | | | | | |
| **Enterprise Profile Assessment** | | | | | | | | | | |
| **Diversity of Sales and Service Area Demographics** | | | 30.0% | | | | | | | |
| - Residential customer class % of total revenues | 21.5% | 3.0 | 33.3% | 0.3 | >=75% | >50% | 36% - 50% | 21% - 35% | <=20% | <=10% |
| - Top 10 customers % of total revenues | 69.2% | 1.0 | 33.3% | 0.1 | <=10% | 11%-17% | 18% - 24% | 25% - 31% | 32% - 44% | =>45% |
| - Top customer % of total revenues | 48.5% | 1.0 | 33.3% | 0.1 | <2% | 2% - 3% | 4% - 5% | 6% - 9% | 10% - 19% | => 20% |
| **Industry Risk** - S&P assessment of industry risk for municipal electric utilities as compared to all industry sectors | n/a | 6.0 | 10.0% | 0.6 | | | | | | |
| **Electric Market Position** - Measures a utility's revenue raising flexibility | 66.4% | 6.0 | 20.0% | 1.2 | <80% | 80% - 89% | 90% - 99% | 100% - 109% | 110% - 119% | => 120% |
| **Operational Management** - Evaluates the risks associated with the operations of the utility based on factors such as operational assets, environmental compliance, management, policies and planning, and rate-setting practices | n/a | 3.1 | 40.0% | 1.2 | | | | | | |
| **Enterprise Profile Weighted Score** | | | | **3.5** | | | | | | |
| **Total Score - Weighted 50% Financial Profile Score, 50% Enterprise Profile Score** | | | | **3.8** | | | | | | |

*The scorecard is largely based on the US Municipal Retail Electric and Gas Utilities Methodology as published by Standard & Poor's. Scoring is based on a scale of 6 (Extremely Strong) to 1 (Highly Vulnerable). The financial profile assessment measures the financial strength of the utility. The enterprise profile assessment captures the operating environment and incorporates broad industry factors as well as organization specific factors of the utility.*

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 5/27/2026

CITY MANAGER

To: Mayor and City Council

From: Yvonne Ridge, City Manager

Submitted: 5/22/2026

Subject: Budget Draft

☒Work Session

☐Regular Meeting

## SUMMARY

The purpose of the Fiscal Year 2026/2027 Budget document is to:

1. Provide a clear picture of the City's financial position.
2. Develop a strategic response to the City's current financial and economic conditions.
3. Implement a budget plan that supports both short-term and long-term goals of the City.
4. Ensure the long-term sustainability of community services desired by residents.

The proposed budget is based on responsible stewardship of public funds while maintaining a fair tax rate for property owners within the City of Eaton Rapids. The budget was developed with the following guiding principles:

- Commitment to a balanced budget.
- Compliance with all legal and fiscal requirements.
- Maintenance and adequate funding of essential City services.
- Support for infrastructure and capital investment through the Capital Improvement Program and adopted City plans.
- Ensuring proprietary funds remain self-sufficient.
- Conservative and realistic revenue projections.

The budget reflects the City's continued commitment to fiscal responsibility, operational efficiency, and long-term financial sustainability.

The City Manager, Yvonne Ridge, City Treasurer/Finance Director, Genny Allen, and the Budget Committee members, Council Member Ken Nicholas and Mayor Pamela Colestock, met several times to review the proposed budget.

The public hearing for the proposed Fiscal Year 2026/2027 Budget is scheduled for the May 27, 2026, City Council meeting. Final approval of the budget is scheduled for the June 8, 2026, City Council meeting. Any changes to the proposed budget may be discussed, considered, and voted on at that meeting.

## STAFF RECOMMENDATION/MOTION

Review

## LIST OF SUPPORTING DOCUMENTS

Draft Budget and supporting documents

THE CITY OF
Eaton Rapids
MICHIGAN

# Annual Budget: 2026-2027

# With Capital Outlay

# City Council

*From Left to Right: Councilperson, Deb Malewski; Mayor Pro-Tempore, William Steele; Mayor Pamela Colestock; Councilperson, Ken Nicholas; Councilperson, Rick Loftus*

## CITY OFFICIALS and DEPARTMENT HEADS

Yvonne Ridge, City Manager

Larry Weeks, Chief of Police

Roger McNutt, Chief of Fire

Genny Allen, City Treasurer/Finance Director

Robin Webb, City Clerk

LeRoy Hummel, Building and Zoning Official

Corey Cagle, Director of Parks, Recreation and Events

Rob Pierce, Public Works/Utilities Director

Jake Forquer, Community and Economic Development Specialist

Randy Jewell, City Assessor

Cullen Harkness, City Attorney

# MILLAGE REQUESTS

| MILLAGE RATE DESCRIPTION | FY 2025<br>2024 TAX YEAR | FY 2026<br>2025 TAX YEAR | FY 2027<br>2026 TAX YEAR |
|---|---|---|---|
| City Charter – General Fund* | 8.3289 | 8.2222 | 8.1391 |
| Parks – Extra Voted | 0.8324 | 0.8217 | 0.8134 |
| -<br>Utility Fund – Extra Voted Millage | 1.2000 | 0.1450 | 0.0000 |

*Maximum Allowable Millage per Headlee & MCL 211.34 Rollback Computations

# Introduction

In accordance with the requirements of the City of Eaton Rapids' Charter, this approved budget for the fiscal year July 1, 2026, through June 30, 2027, was approved by the City Council of Eaton Rapids on June 8, 2026.

The purpose of this budget document is to:

1. Provide a clear detail of the City's financial position,
2. Develop a strategic response to the current financial/economic reality for the City,
3. Implement a budget plan that reflects a strategic, proactive response to short-term and long-term goals for the City,
4. Secure long-term sustainability of the community's desired services.

The approved budget is based on the stewardship of public funds and to ensure a fair tax rate to the property owners within the City of Eaton Rapids considering the following:

- Commitment to a balanced budget.
- Meeting legal and fiscal requirements.
- Basic services being maintained, efficient, and funded adequately.
- Based on an accurate Capital Improvement Program and on adopted plans to ensure necessary infrastructure and capital investments are undertaken.
- Proprietary Funds are self-sufficient.
- Revenue will be estimated at realistic and conservative value.

# FINANCIAL STRUCTURE

**GENERAL FUND**

**COMPONENT UNIT FUNDS**

Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY
Fund 280 - INDUSTRIAL PARK FUND

**ENTERPRISE FUNDS**

Fund 249 - BUILDING INSPECTION FUND
Fund 301 - GENERAL DEBT SERVICE (VOTED BONDS)
Fund 582 - ELECTRIC UTILITY
Fund 590 - WASTE WATER
Fund 591 - WATER

**INTERNAL SERVICE FUNDS**

Fund 611 - MOTOR POOL FUND

**SPECIAL REVENUE FUNDS**

Fund 202 - MAJOR ROAD FUND
Fund 203 - LOCAL ROAD FUND
Fund 204 - COUNTY ROAD FUND
Fund 207 - ACT 302 FUND
Fund 208 - PARKS AND RECREATION FUND
Fund 218 - RENTAL INSPECTION FUND
Fund 220 - CURB GRANT FUND
Fund 282 – BROWNFIELD REDEVELOPMENT AUTHORITY

**FIDUCIARY FUNDS**

Fund 241 - OAKRIDGE PARK

**PERMANENT FUNDS**

Fund 150 - CEMETERY PERPETUAL CARE FUND

# CITY OF EATON RAPIDS

**2026-2027 DRAFT Budget**

| Fund 101 - GENERAL FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **Revenues** | | | |
| TAXES | $1,203,381.63 | $1,277,460.00 | $1,378,539.64 |
| INTERGOVERNMENTAL | $669,339.87 | $862,300.00 | $1,112,642.94 |
| CHARGES FOR SERVICES | $1,142,340.07 | $1,161,521.00 | $842,796.00 |
| INTEREST | $7,500.00 | $7,500.00 | $10,700.00 |
| OTHER | $46,938.00 | $36,900.00 | $76,675.00 |
| TRANSFERS IN | $60,243.00 | $0.00 | $0.00 |
| USE OF RESERVES | $0.00 | $0.00 | $0.00 |
| **TOTAL REVENUES** | **$3,129,743** | **$3,345,681** | **$3,421,353.58** |
| **DEPARTMENT** | | | |
| Dept 101 - CITY COUNCIL | $47,131.00 | $42,031.00 | $55,031.00 |
| Dept 172 - CITY MANAGER | $75,713.00 | $78,199.00 | $81,195.00 |
| Dept 215 - CITY CLERK | $43,229.05 | $75,182.00 | $75,268.00 |
| Dept 247 - BOARD OF REVIEW | $888.65 | $1,000.00 | $1,000.00 |
| Dept 253 - CITY TREASURER | $168,396.80 | $196,165.00 | $220,969.00 |
| Dept 257 - CITY ASSESSOR | $39,570.00 | $39,570.00 | $39,420.00 |
| Dept 262 - ELECTIONS | $21,212.00 | $3,485.00 | $13,540.00 |
| Dept 265 - BUILDING & GROUNDS | $24,000.00 | $24,000.00 | $24,450.00 |
| Dept 276 - CEMETERY | $95,166.00 | $99,600.00 | $115,927.00 |
| Dept 299 - COMMUNITY AND ECONOMIC DEVELOPMENT | $28,507.00 | $32,423.00 | $45,961.58 |
| Dept 301 - POLICE DEPARTMENT | $1,266,670.00 | $1,267,210.00 | $1,302,774.00 |
| Dept 336 - FIRE DEPARTMENT | $271,854.00 | $337,460.00 | $364,786.00 |
| Dept 371 - BUILDING DEPARTMENT | $2,882.00 | $2,705.00 | $2,704.00 |
| Dept 441 - PUBLIC WORKS | $632,234.00 | $614,763.15 | $601,184.00 |
| Dept 445 - STORM SEWERS | $3,976.00 | $7,771.00 | $7,771.00 |
| Dept 651 - AMBULANCE | $45,061.00 | $47,013.00 | $50,891.40 |
| Dept 721 - PLANNING COMMISSION | $953.00 | $2,750.00 | $2,750.00 |
| Dept 722 - ZONING BOARD OF APPEALS | $0.00 | $850.00 | $850.00 |
| Dept 901 - CAPITAL OUTLAY | $141,474.00 | $121,244.00 | $114,204.00 |
| Dept 999 - FUND BALANCE (TRANSFERS OUT) | $262,984.00 | $352,260.17 | $466,773.98 |
| **TOTAL EXPENDITURES** | **$3,171,902** | **$3,345,681** | **$3,587,449.96** |
| **NET OF REVENUES/EXPENDITURES** | **($42,158.93)** | **$0.00** | **($166,096.38)** |
| Beginning Fund Balance | $3,601,599.93 | $3,559,441.00 | $3,559,441.00 |
| Use of Fund Balance | $42,158.93 | $0.00 | ($166,096.38) |
| Ending Fund Balance | $3,559,441.00 | $3,559,441.00 | $3,393,344.62 |

# CITY OF EATON RAPIDS

**2026-2027 DRAFT Budget**

| Fund 150 - CEMETERY PERPETUAL CARE FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$5,000.00** | **$5,000.00** | **$7,500.00** |
| **TOTAL EXPENDITURES** | **$10,000.00** | **$10,000.00** | **$0.00** |
| **NET OF REVENUES/EXPENDITURES** | **($5,000.00)** | **($5,000.00)** | **$7,500.00** |
| Beginning Fund Balance | $68,453.00 | $63,453.00 | $58,453.00 |
| Use of Fund Balance | $0.00 | ($5,000.00) | $0.00 |
| Ending Fund Balance | $63,453.00 | $58,453.00 | $65,953.00 |

| Fund 202 - MAJOR STREET FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$530,000.00** | **$921,800.00** | **$607,816.11** |
| **TOTAL EXPENDITURES** | **$97,032.77** | **$159,564.34** | **$162,893.08** |
| **NET OF REVENUES/EXPENDITURES** | **$432,967.23** | **$762,235.66** | **$444,923.03** |
| Beginning Fund Balance | $2,477,740.52 | $2,073,907.00 | $1,604,647.00 |
| Capital Outlay | ($403,833.52) | ($469,260.00) | ($149,700.00) |
| Ending Fund Balance | $2,073,907.00 | $1,604,647.00 | $1,899,870.03 |

| Fund 203 - LOCAL STREET FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$193,936.01** | **$193,000.00** | **$193,444.00** |
| **TOTAL EXPENDITURES** | **$153,008.68** | **$145,583.44** | **$140,790.55** |
| **NET OF REVENUES/EXPENDITURES** | **$40,927.33** | **$47,416.56** | **$52,653.45** |
| Beginning Fund Balance | $847,838.00 | $888,765.33 | $985,461.00 |
| Capital Outlay | $0.00 | ($5,000.00) | ($344,125.00) |
| Ending Fund Balance | $888,765.33 | $985,461.00 | $693,989.45 |

# CITY OF EATON RAPIDS

**2026-2027 DRAFT Budget**

| Fund 207 - ACT 302 FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$1,597.36** | **$2,926.16** | **$2,926.16** |
| **TOTAL EXPENDITURES** | **$900.00** | **$2,926.16** | **$2,926.16** |
| **NET OF REVENUES/EXPENDITURES** | **$697.36** | **$0.00** | **$0.00** |
| Beginning Fund Balance | $2,141.08 | $2,838.44 | $2,838.44 |
| Ending Fund Balance | $2,838.44 | $2,838.44 | $2,838.44 |

| Fund 208 - PARK/RECREATION FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$433,079.00** | **$307,545.30** | **$315,464.73** |
| **TOTAL EXPENDITURES** | **$433,079.00** | **$518,468.67** | **$655,190.40** |
| **NET OF REVENUES/EXPENDITURES** | **$0.00** | **($210,923.37)** | **($339,725.67)** |
| Beginning Fund Balance | $43,068.68 | $43,068.68 | $43,068.98 |
| Use of Fund Balance | ($23,611.78) | $0.00 | $0.00 |
| Transfer from General Fund | $0.00 | $210,923.67 | $339,725.67 |
| Ending Fund Balance | $43,068.68 | $43,068.98 | $43,068.98 |

# CITY OF EATON RAPIDS

**2026-2027 DRAFT Budget**

| Fund 218 - RENTAL INSPECTION PROGRAM | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$525.00** | **$21,000.00** | **$38,250.00** |
| **TOTAL EXPENDITURES** | **$11,745.36** | **$20,916.12** | **$43,486.00** |
| **NET OF REVENUES/EXPENDITURES** | **($11,220.36)** | **$83.88** | **($5,236.00)** |
| Beginning Fund Balance | $57,115.81 | $45,895.45 | $45,979.33 |
| Use of Fund Balance | $0.00 | $0.00 | ($5,236.00) |
| Ending Fund Balance | $45,895.45 | $45,979.33 | $35,507.33 |

| Fund 220 - CURB GRANT | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$7,000.00** | **$0.00** | **$0.00** |
| **TOTAL EXPENDITURES** | **$1,500.00** | **$7,000.00** | **$7,000.00** |
| **NET OF REVENUES/EXPENDITURES** | **$5,500.00** | **($7,000.00)** | **($7,000.00)** |
| Beginning Fund Balance | $9,598.18 | $15,098.18 | $8,098.18 |
| Use of Fund Balance | $0.00 | ($7,000.00) | ($7,000.00) |
| Ending Fund Balance | **$15,098.18** | **$8,098.18** | **$1,098.18** |

| Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$104,382.44** | **$121,525.00** | **$120,100.00** |
| **TOTAL EXPENDITURES** | **$116,485.18** | **$142,840.00** | **$145,172.90** |
| **NET OF REVENUES/EXPENDITURES** | **($12,102.74)** | **($21,315.00)** | **($25,072.90)** |
| Beginning Fund Balance | $88,441.74 | $76,339.00 | $35,219.35 |
| Use of Fund Balance | ($12,102.74) | ($21,315.00) | ($25,072.90) |
| Ending Fund Balance | $76,339.00 | $35,219.35 | $10,146.45 |

# CITY OF EATON RAPIDS

**2026-2027 DRAFT Budget**

| Fund 249 - BUILDING INSPECTION FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$80,203.12** | **$143,740.00** | **$88,900.00** |
| **TOTAL EXPENDITURES** | **$172,288.25** | **$200,580.00** | **$215,948.31** |
| **NET OF REVENUES/EXPENDITURES** | **($92,085.13)** | **($56,840.00)** | **($127,048.31)** |
| Beginning Fund Balance | $100,960.00 | $8,874.87 | $12,261.00 |
| Transfer from General Fund | $0.00 | $0.00 | $127,048.31 |
| Use of Fund Balance | ($92,373.25) | ($56,840.00) | $0.00 |
| Ending Fund Balance | $8,874.87 | $12,261.00 | $12,261.00 |

| Fund 280 - INDUSTRIAL PARK FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$102,595.09** | **$558,050.00** | **$108,050.00** |
| **TOTAL EXPENDITURES** | **$299,023.22** | **$354,127.46** | **$630,141.40** |
| **NET OF REVENUES/EXPENDITURES** | **($196,428.13)** | **$203,922.54** | **($522,091.40)** |
| Beginning Fund Balance | $1,167,160.00 | $970,731.87 | $1,174,654.41 |
| Use of Fund Balance | $0.00 | $0.00 | ($522,091.40) |
| Ending Fund Balance | $970,731.87 | $1,174,654.41 | $652,563.01 |

| Fund 598 - ELECTRIC UTILITIES | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$9,679,598.45** | **$10,733,319.00** | **$10,574,738.00** |
| **TOTAL EXPENDITURES** | **$7,978,709.30** | **$10,453,043.38** | **$8,627,944.00** |
| **NET OF REVENUES/EXPENDITURES** | **$1,700,889.15** | **$280,275.62** | **$1,946,794.00** |
| Beginning Fund Balance | $11,988,093.00 | $13,688,982.15 | $13,967,213.77 |
| Capital Outlay | $0.00 | ($2,044.00) | ($1,509,900.00) |
| Ending Fund Balance | $13,688,982.15 | $13,967,213.77 | $14,404,107.77 |

# CITY OF EATON RAPIDS

**2026-2027 DRAFT Budget**

| Fund 590 - WASTE WATER | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$1,569,807.00** | **$2,367,919.00** | **$1,656,524.40** |
| **TOTAL EXPENDITURES** | **$2,618,377.73** | **$951,413.00** | **$980,985.00** |
| **NET OF REVENUES/EXPENDITURES** | **($1,048,570.73)** | **$1,416,506.00** | **$675,539.40** |
| Beginning Fund Balance | $1,925,281.00 | $876,710.27 | $991,172.27 |
| Capital Outlay | $0.00 | ($1,302,044.00) | ($1,656,290.04) |
| Use of Fund Balance | $0.00 | $0.00 | $0.00 |
| Ending Fund Balance | $876,710.27 | $991,172.27 | $10,421.63 |

| Fund 591 - WATER | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL REVENUES** | **$1,039,715.00** | **$1,173,970.37** | **$1,696,025.00** |
| **TOTAL EXPENDITURES** | **$1,197,095.33** | **$838,138.35** | **$879,841.00** |
| **NET OF REVENUES/EXPENDITURES** | **($157,380.33)** | **$335,832.02** | **$816,184.00** |
| Beginning Fund Balance | $1,465,130.00 | $1,307,749.67 | $1,641,537.69 |
| Capital Outlay | $0.00 | ($2,044.00) | ($9,900.00) |
| Ending Fund Balance | $1,307,749.67 | $1,641,537.69 | $2,447,821.69 |

| Fund 611 - MOTOR POOL FUND | 2024-2025 ACTIVITY | 2025-2026 BUDGET | 2026-2027 DRAFT BUDGET |
|---|---|---|---|
| **TOTAL TRANSFERS IN** | **$154,357.86** | **$94,561.00** | **$157,535.00** |
| **TOTAL EXPENDITURES** | **$118,437.98** | **$144,804.00** | **$297,135.00** |
| **NET OF REVENUES/EXPENDITURES** | **$35,919.88** | **($50,243.00)** | **($139,600.00)** |
| Beginning Fund Balance | $1,037,454.00 | $1,037,454.00 | $987,211.00 |
| Use of Fund Balance | $0.00 | ($50,243.00) | ($139,600.00) |
| Ending Fund Balance | $1,037,454.00 | $987,211.00 | $847,611.00 |

## DRAFT Capital Outlay 2026-2027

| GENERAL, BUILDING & GROUNDS, PARKS FUND | | Requested | Recommendation | Recommendation | Approved | | DRAFT 05/12/2026 |
|---|---|---|---|---|---|---|---|
| **Department** | **Description** | **Amount** | **Amount** | **Motor Pool** | **Amount** | **Saved to Date** | **Notes:** |
| Multiple | BS&A Cloud | $19,800.00 | $19,800.00 | $0.00 | $0.00 | | Per Quote from BS&A |
| Clerk | Tabulators | $45,000.00 | $45,000.00 | $0.00 | $0.00 | | New tabulators - $15,000 per precinct, possible state reimbursement |
| Police | Body Camera Replacement | $17,504.00 | $17,504.00 | $0.00 | $0.00 | | No impact on current annual cloud fees/revised quote |
| Police | Front Line Software Upgrade | $7,300.00 | $6,000.00 | $0.00 | $0.00 | | Same recurring annual sub fee. Reduced by $1,012 for Virtual Academy - CPE Funds pay $1,300. |
| Police | Drone Program | $15,000.00 | $0.00 | $0.00 | $0.00 | | Drone and Data Management Software |
| Police | E-Ticketing | $5,500.00 | $5,500.00 | $0.00 | $0.00 | | $143.00 annually after initial purchase |
| Police | Furnace and AC replacement | $15,609.00 | $0.00 | $0.00 | $0.00 | | One of two left to replace. |
| Police | New Patrol Vehicle | $20,000.00 | $20,400.00 | $0.00 | $0.00 | $35,823.68 | Lease from Enterprise @ $1,700 per month |
| Fire | Silverado | $80,000.00 | $0.00 | $80,000.00 | | | replacing a 2005 |
| Fire | Rescue Boat | $71,931.00 | $0.00 | $0.00 | $0.00 | | possible grant opportunity, add to cap improv, when replace |
| DPW 1 Roof | DPW 1 Roof | $20,500.00 | $0.00 | $0.00 | $0.00 | | per the Capital Improvement Plan |
| DPW 2 Roof | DPW 2 Roof | $105,000.00 | $0.00 | $0.00 | $0.00 | | per the Capital Improvement Plan |
| DPW | DPW 3 Roof (Y) | $35,000.00 | $0.00 | $0.00 | $0.00 | | per the Capital Improvement Plan |
| DPW | Vehicle | $80,000.00 | $0.00 | $0.00 | $0.00 | | per the Capital Improvement Plan |
| Parks | Downtown Sound System | $90,000.00 | $0.00 | $0.00 | $0.00 | | possible grant opportunity, CIP |
| Parks | Kayak Trailer (Eaton County Grant submission) | $12,500.00 | $7,500.00 | $0.00 | $0.00 | | reviewing the price, possible $5,000 grant |
| Parks | ORC Improvements | ? | $0.00 | $0.00 | $0.00 | | researching pricing |
| Parks | Community Center Remodel (400 Dexter) | $25,000.00 | $25,000.00 | $0.00 | $0.00 | | working on grant, 25,000 match, $13,100 architectural services |
| Parks | Mylo L Stewart Park (Pocket Park)(Eaton County Grant submissi | $7,700.00 | $2,700.00 | $0.00 | $0.00 | | reviewing the price, possible $5,000 grant |
| Parks | Howe Field Lighting | $1,010,000.00 | $0.00 | $0.00 | $0.00 | | Capital Improvement Plan, possible grant, waiting on quote |
| Parks | Howe Field Dugouts | $63,880.96 | $0.00 | $0.00 | $0.00 | | Per Estimate (10 dugouts) |
| Bldg & Grounds | Remodel of City Hall Office Space | $55,000.00 | $0.00 | $0.00 | $0.00 | | 4 workstations at $5,000 per station, Quote from DBI |
| Bldg & Grounds | City Hall Roof | $40,000.00 | $0.00 | $0.00 | $0.00 | $60,000.00 | working on quote |
| | ***Total*** | **$1,842,224.96** | **$149,404.00** | **$80,000.00** | **$0.00** | **$95,823.68** | |

| MAJOR STREETS FUND | | Requested | Recommendation | Recommendation | Approved | | |
|---|---|---|---|---|---|---|---|
| | **Description** | **Amount** | **Amount** | **Motor Pool** | **Amount** | **Saved to Date** | **Notes:** |
| Small Urban | Knight Street Repairs - Federal Aid Road 2026 | $534,700.00 | $149,700.00 | $0.00 | $0.00 | $0.00 | $149,700 City's share |
| | Hall Street Repairs (2027, 2029) | ? | $0.00 | $0.00 | $0.00 | $0.00 | |
| | Salt Barn Roof | $13,500.00 | $0.00 | $0.00 | $0.00 | $0.00 | |
| | ***Total*** | ***$548,200.00*** | ***$149,700.00*** | ***$0.00*** | ***$0.00*** | ***$0.00*** | |

| LOCAL STREETS FUND | | Requested | Recommendation | Recommendation | Approved | | |
|---|---|---|---|---|---|---|---|
| | **Description** | **Amount** | **Amount** | **Motor Pool** | **Amount** | **Saved to Date** | **Notes:** |
| | Parking Lot Plan | $75,000.00 | $75,000.00 | $0.00 | $0.00 | $0.00 | $75,000 per year to start working the plan, working with C2AE |
| Category B | Knight Street Repairs - Knight and Center | $519,125.00 | $269,125.00 | $0.00 | $0.00 | $0.00 | $269,125 City's share |
| | ***Total*** | ***$0.00*** | ***$344,125.00*** | ***$0.00*** | ***$75,000.00*** | ***$0.00*** | |

**DRAFT Capital Outlay 2026-2027**

| ELECTRIC FUND | Description | Requested Amount | Recommendation Amount | Recommendation Motor Pool | Approved Amount | Saved to Date | Notes: |
|---|---|---|---|---|---|---|---|
| | BS&A Cloud | $9,900.00 | $9,900.00 | $0.00 | $0.00 | $0.00 | Per Quote from BS&A |
| | Truck | $80,000.00 | $0.00 | $80,000.00 | $0.00 | $0.00 | |
| | Five Year Electric System Projects | $1,500,000.00 | $1,500,000.00 | $0.00 | $0.00 | $0.00 | |
| | Electric Dept Roof | $24,500.00 | $0.00 | $0.00 | $0.00 | $0.00 | per the Capital Improvement Plan |
| | ***Total*** | ***$1,614,400.00*** | ***$1,509,900.00*** | ***$80,000.00*** | ***$0.00*** | ***$0.00*** | |

| WATER FUND | Description | Requested Amount | Recommendation Amount | Recommendation Motor Pool | Approved Amount | Saved to Date | Notes: |
|---|---|---|---|---|---|---|---|
| | BS&A Cloud | $9,900.00 | $9,900.00 | $0.00 | $0.00 | $0.00 | Per Quote from BS&A |
| | Roof | ? | $0.00 | $0.00 | $0.00 | $0.00 | DWSRF and insurance claim |
| | ***Total*** | ***$9,900.00*** | ***$9,900.00*** | | ***$0.00*** | ***$0.00*** | |

| WASTE WATER FUND | Description | Requested Amount | Recommendation Amount | Recommendation Motor Pool | Approved Amount | Saved to Date | Notes: |
|---|---|---|---|---|---|---|---|
| | BS&A Cloud | $9,900.00 | $9,900.00 | $0.00 | $0.00 | $0.00 | Per Quote from BS&A |
| | Roof | $42,537.00 | $0.00 | $0.00 | $0.00 | $0.00 | per the Capital Improvement Plan |
| | Waste Water Expansion Project - (Plaines Rd) | $1,656,290.04 | $1,656,290.04 | $0.00 | $0.00 | $0.00 | 2026-2027 Projects - Resolution 2026-39 |
| | ***Total*** | ***$1,708,727.04*** | ***$1,666,190.04*** | ***$0.00*** | ***$0.00*** | ***$0.00*** | |

| LDFA | Description | Requested Amount | Recommendation Amount | Recommendation Motor Pool | Approved Amount | Saved to Date | Notes: |
|---|---|---|---|---|---|---|---|
| Category B | Hollow Ridge Project | $569,930.40 | $319,930.40 | $0.00 | $0.00 | $0.00 | $319,930.40 City's share |
| | ***Total*** | ***$569,930.40*** | ***$319,930.40*** | ***$0.00*** | ***$0.00*** | ***$0.00*** | |
| | ***Grand Total*** | ***$6,293,382.40*** | ***$4,149,149.44*** | ***$160,000.00*** | ***$75,000.00*** | ***$95,823.68*** | |

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 5/27/2026

CITY MANAGER

To: Mayor and City Council

From: Yvonne Ridge, City Manager

Submitted: 5/22/2026

Subject: Wastewater Rates

☒Work Session

☐Regular Meeting

## SUMMARY

The purpose of the proposed wastewater rate increase is to ensure the long-term financial stability and sustainability of the City's wastewater system.

Over the past several years, operational costs, maintenance expenses, and capital improvement project costs have continued to increase significantly and are exceeding original projections. In addition, the City must continue planning for future infrastructure improvements and regulatory requirements necessary to maintain reliable wastewater services for residents and businesses.

The proposed rate increase will assist the City in:

- Addressing increased operating and project costs.
- Building and maintaining an appropriate fund balance within the Wastewater Fund.
- Supporting future capital improvement and infrastructure replacement projects.
- Maintaining compliance with state and federal regulatory requirements.
- Ensuring the long-term sustainability and reliability of the wastewater system.

Staff recognizes the impact utility rate increases have on residents and businesses; however, the proposed increase is necessary to maintain the financial health of the Wastewater Fund and continue providing safe and reliable wastewater services to the community.

## STAFF RECOMMENDATION/MOTION

Staff recommends approval of the proposed wastewater rate increase.

## LIST OF SUPPORTING DOCUMENTS

Resolution 2026-47

THE CITY OF Eaton Rapids MICHIGAN

# Fiscal Years 2026-2027, 2027-2028, and 2028-2029
# DRAFT - Waste Water Rate Increases

**Waste Water Rates - Effective Dates as Follows:**

| **Base Charge** | **Current** | **1-Jul-26** | **1-Jul-27** | **1-Jul-28** |
|---|---|---|---|---|
| 5/8" to 3/4" (residential) | $29.46 | $33.88 | $35.91 | $38.07 |
| 1" to 1 1/2" (commercial) | $32.40 | $37.26 | $39.50 | $41.87 |
| 2" | $85.44 | $98.26 | $104.15 | $110.40 |
| 3" | $324.07 | $372.68 | $395.04 | $418.74 |
| 1 1/2" (outside city limits) | $52.07 | $59.88 | $63.47 | $67.28 |
| Consumption Charge per 1,000 gallons | $5.49 | $6.31 | $6.69 | $7.09 |

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 5/27/2026

CITY MANAGER

To: Mayor and City Council ☒Work Session

From: Yvonne Ridge, City Manager ☒Regular Meeting

Submitted: 5/22/2026

Subject: Delinquent Utility Accounts to Tax Roll

## SUMMARY

Pursuant to City policy and applicable state statutes, staff is requesting authorization to place delinquent utility accounts on the property tax roll.

The accounts identified consist of unpaid water, wastewater, and electric utility charges that remain delinquent after notice and collection efforts have been completed. Adding these delinquent balances to the tax roll provides the City with an additional collection mechanism and helps protect the financial stability of the utility funds.

The placement of delinquent utility charges on the tax roll is a standard process utilized to recover unpaid balances associated with services provided to properties within the City.

The Treasurer/Finance Director will complete the final list of accounts to place on the tax roll on Tuesday, May 26, 2026. The finalized list will be provided to Council at that time for review and consideration. The corresponding resolution will also be provided to Council on Tuesday.

## STAFF RECOMMENDATION/MOTION

Staff recommends approval of the delinquent water, wastewater, and electric utility accounts to be placed on the tax roll.

## LIST OF SUPPORTING DOCUMENTS

Resolution 2026-47 & 2026-48

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 5/27/2026

CITY MANAGER

To: Mayor and City Council

From: Yvonne Ridge, City Manager

Submitted: 5/22/2026

Subject: Urban Air

☒Work Session

☐Regular Meeting

## SUMMARY

The recent Urban Air event was an amazing and successful event for the community, bringing significant activity, tourism, and excitement to downtown Eaton Rapids. The event created a positive atmosphere throughout the City and showcased Eaton Rapids as a welcoming and vibrant destination for residents and visitors alike.

City staff, volunteers, local businesses, and event organizers all contributed to the success of the event, and their efforts are greatly appreciated. The event provided a unique opportunity to highlight the downtown district, parks, and community amenities while supporting local businesses and encouraging community engagement.

As planning begins for future Urban Air events, staff will continue working to build on this year's success and identify opportunities to further enhance the event experience for participants, residents, businesses, and visitors.

Director Cagel will provide a report at the meeting regarding the event. If Council members have questions they would like addressed at the meeting, please email Director Cagel in advance of the meeting, if possible.

Mayor Colestock has also shared several discussion points and questions for consideration, which Director Cagel will do his best to address during the meeting.

## STAFF RECOMMENDATION/MOTION

Discussion

## LIST OF SUPPORTING DOCUMENTS

N/A