GLADSTONE CITY COMMISSION BUDGET WORK SESSION FOR FISCAL YEAR 2026-2027

City Hall Chambers – 1100 Delta Avenue
February 18, 2026
5:00 PM

AGENDA

CALL TO ORDER

1. Roll Call

PUBLIC COMMENT

Proposed Fiscal Year 2026-2027 Budget

2. Proposed Fiscal Year 2026-2027 Budget

Waterworth Presentation

3. Waterworth Presentation Documents

Water Fund

Wastewater Fund

Harbor Fund

Cemetery Perpetual Care Fund

Major Streets Fund

Local Streets Fund

Solid Waste Fund

ADJOURNMENT

The City of Gladstone will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Gladstone. Individuals with disabilities requiring auxiliary aids or services should contact the City of Gladstone by writing or calling City Hall at (906) 428-2311.

Posted: 02-13-2026

Kimberly Berry, MiPMC
906-428-2311
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RULES FOR PUBLIC COMMENT/ PUBLIC HEARINGS

(Excerpt from City Commission Rules of Procedure Adopted: 11-25-2019

A. Public Comment / Public Hearings

At regular and special meetings of the commission, individuals wishing to be heard may address the commission during the public comment/public hearing periods as set forth in the agenda under the following rules:

1. Each speaker shall state name and address for the record.

2. Each speaker is limited to three (3) minutes of comment unless the presiding officer decides more time is necessary

3. Each speaker shall try to be concise and refrain from repeating comments already addressed by the commission.

4. Speakers who do not cease speaking when asked to do so will be deemed out of order and will not be allowed to address the commission again for the remainder of the meeting; continued disruption will warrant removal from the meeting.

5. The commission shall not decide issues that arise during public comment.

6. Speakers should address the commission through the presiding officer.

7. Commissioners and staff will not debate with the public.

8. Speakers will not verbally attack City Commissioners, City Staff or members of the public attending the meeting. Any such behavior will not be tolerated and any person presenting in this manner will be warned by the Mayor and shall be removed by Public Safety for noncompliance.

9. No vulgar or obscene language will be used by the speakers.

10. Any information the speaker wants to distribute to the Commission must first ask the Chair (Mayor) if they may present the Commission written comments at the meeting.

11. Speakers may not ask questions of the board during this time as the Commission or Staff will not address them during this public comment period.

Item 2.

Gladstone
MICHIGAN

2026-2027 Annual Budget Workshop

Date	Time	Fund Discussion
Tuesday, February 17, 2026	5:00 PM - 7:00 PM	DDA, General Fund & Street Funds
Wednesday, February 18, 2026	5:00 PM - 7:00 PM	Utility Funds
Thursday, February 19, 2026	5:00 PM - 7:00 PM	Time held if needed.

General Government Budget Review 2026/2027

Description | **Income** | **Expenses**

Administrative fees	$	482,275
Franchise Fees/Licenses	$	72,400
FOIA Requests	$	100
Penalty/Interest	$	53,000
Misc./Penalty/Reimbursements	$	35,500
Code Enforcement/Zoning	$	34,470
Transfer from Dr. Mary Cretens	$	47,900
Total Income	**$**	**725,645**

Total Income	$	725,645
Total Expenses	$	1,301,577
Income-Expense	**$**	**(575,932)**

Net Cost of City Hall	$	575,932
2020 Census		5,257
Cost/Resident	**$**	**109.56**
Taxes & Revenue Sharing	$	2,758,509
% Taxes/Revenue Sharing		20.9%

City Commission	$	144,620
City Manager	$	160,648
Office Clerk	$	99,019
City Clerk	$	184,100
Board of Review	$	2,953
City Treasurer	$	183,401
City Assessor	$	76,687
Elections	$	53,415
City Hall	$	84,632
Debt Service	$	100,000
Community Development	$	212,102
Total Expenses	**$**	**1,301,577**

Capital Projects:

Minor repairs interior and exterior at City Hall

Transfer switch and generator at City Hall

News or Notes:

Increased election cost due to early voting and three possible elections

Major Street Budget Review 2026/2027

Description	Income	
Special Assessment		
Grants	$	375,000
Act 51 Funds	$	719,643
Build Michigan Roads	$	11,000
Winter Maint Payment	$	4,000
Penalty Income		
Interest Income	$	5,000
Miscellaneous Income		
Loan Proceeds	$	275,000
Transfer from Fund Balance	$	152,871
Total Income	**$**	**1,542,514**

Description	Expenses	
Re-Construction		$720,180
Non-Motorized		$129,488
Surface Maintenance		$278,304
Storm Sewers		$11,108
Traffic Control		$27,099
Winter Maint.		$119,489
Sweeping/Flushing		$0
Administration		$256,846
Total Expenses	**$**	**1,542,514**

Total Income	$	1,542,514
Total Expenses	$	1,542,514
Income-Expense	**$**	**-**

Capital Projects:

Paving Minnesota, Michigan, S. Hill Rd

Chip seal Minneapolis, GSB-99 treatment 9th St

News or Notes:

$375,000 Fed Aid S.Hill Rd.

3/31/25 Audited Fund Balance	$	516,795
3/31/26 Projected Fund Balance	$	637,282
3/31/27 Requested Fund Balance	$	484,411

Local Street Budget Review 2026/2027

Description	Income
Special Assessment -Int./Penalty	
Grants	
Act 51 Funds	$270,427
Build Michigan Roads	$3,500
Winter Maint. Payment	$1,500
Metro Act 48 Funds	$31,806
Permit Fees	
Penalty Income	
Interest Income	$5,000
Loan Proceeds	$275,000
Transfer from Major Street	$200,000
Transfer from Fund Balance	$65,587
Total Income	**$ 852,820**

Expenses	
Re-Construction	$ 411,483
Non-Motorized	$ 126,291
Surface Maintenance	$ 171,049
Storm Sewers	$ 14,527
Traffic Control	$ 6,169
Winter Maint.	$ 94,753
Sweeping/Flushing	$ -
Administration	28,548
Total Expenses	**$ 852,820**

Total Income	$ 852,820
Total Expenses	$ 852,820
Income-Expense	**$ -**

Capital Projects:

Paving 5th Av N, N 14th

Chip seal and GSB-88 sealing

SHR and sewer project

News or Notes:

Moved sweep and flush to solid waste

3/31/25 Audited Fund Balance	$ 398,875
3/31/26 Projected Fund Balance	$ 415,931
3/31/27 Requested Fund Balance	$ 350,344

DDA Budget Review 2026/2027

Description	Income
Annual Capture	$ 523,711.00
Grants & Donations	
Local Community Stabalization	
Façade Owner Match	$ 25,000.00
Interest Income	$ 9,820.00
Liability & Prop Ins Reimbursement	$ 50.00
Farmers Market	$ 5,450.00
Social District Revenue	$ -
Transfer from Fund Balance	$ 45,029.00
Total Income	**$ 609,060**

Total Income	$ 609,060
Total Expenses	$ 609,060
Income-Expense	**$ -**

Capital Projects:

Farmers Market Structures

The Depot (701 Delta Ave)

Trash Receptacles

News or Notes:

Permanent Christmas Tree

Parks & Rec Contract

Bond & Mortgage Payments

3/31/25 Audited Fund Balance	$ 309,988
3/31/26 Projected Fund Balance	$ 389,662
3/31/27 Requested Fund Balance	$ 344,633

	Expenses
Administration	$ 74,933
Beautification Mat.& Sup.	$ 5,800
Social District Mat. & Sup.	$ 2,000
Streetscape Enhancements & Inventory	$ 23,500
Permanent Christmas Tree	$ 7,000
Downtown Concierge	$ 15,000
Interest on Loans	$ 15,313
Façade Grant Program	$ 57,491
Contracted Services	$ 7,590
Engineer & Architect Fees	$ 7,500
Sponsorships	$ 2,000
Christmas Celebration	$ 5,000
Farmers Market	$ 9,000
Downtown Day	$ 1,500
Capital Outlay	$ 102,500
9th Street Bond	$ 227,000
North Shore Loan	$ 45,933
Total Expenses	**$ 609,060**

Debt Service Budget Review 2026/2027

Description | **Income** | **Expenses**

Description		Income
General Fund Contribution	$	25,000
Major Street Contribution	$	29,400
Local Street Contribution	$	9,600
DDA Contribution	$	227,000
Wastewater Contribution	$	25,000
Water Contribution	$	18,000
9th St. Special Assessment		
Penalty Income		
Interest Income	$	12,000
Transfer from Fund Balance	$	15,725
Total Income	**$**	**361,725**

Administration	$1,275
9th St. Project Interest	$70,450
9th St. Project Bond Payment	$290,000
Transfer to Fund Balance	
Total Expenses	**$ 361,725**

Total Income	$	361,725
Total Expenses	$	361,725
Income-Expense	$	-

Capital Projects: 9th Street Dept Service

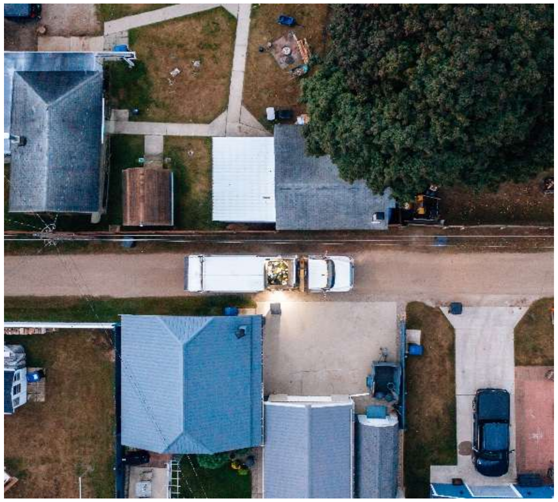
3/31/25 Audited Fund Balance	$	171,315
3/31/26 Projected Fund Balance	$	157,190
3/31/27 Requested Fund Balance	$	141,465

Solid Waste Budget Review 2026/2027

Description	Income	
Garbage Collection Fees	$	383,200
Compost Revenue	$	271,300
Sale of Carts	$	400
Loader Loan	$	13,500
Penalty Income	$	4,000
Interest Income	$	21,250
Liability & Props Ins Reimbursement	$	450
Total Income	**$**	**694,100**

	Expenses	
Sweep/Flushing	$	61,730
Composting	$	32,165
City Cleanup	$	10,630
Garbage Collection	$	254,385
Administration	$	270,145
Meter Reading & Billing	$	8,865
Vehicle Expense	$	56,180
Total Expenses	**$**	**694,100**

Total Income	$	694,100
Total Expenses	$	694,100
Income-Expense	**$**	**-**



Capital Projects:

News or Notes: $50,000Transfer to Bldg. Fund
3% rate increase
Moved Street sweeping into fund

3/31/25 Audited Fund Balance	$	628,226
3/31/26 Projected Fund Balance	$	658,272
3/31/27 Requested Fund Balance	$	713,493

Harbor Budget Review 2026/2027

Description	Income
Launch Permits	$ 5,400
Grants	$ 172,000
Seasonal Dockage	$ 70,000
Transient Dockage	$ 5,700
Gas and Oil Sales	$ 12,500
Interest on Investment	$ 5,000
Misc.	$ 420
Transfer from Fund Balance	$ 166,948
Total Income	**$ 437,968**

	Expenses
Administration	$437,968
Transfer to Fund Balance	
Total Expenses	**$ 437,968**

Total Income	$ 437,968
Total Expenses	$ 437,968
Income-Expense	**$ -**

Capital Projects: East wall transient docks

News or Notes: Marina Renovation Phase II

3/31/25 Audited Fund Balance	$ 218,018
3/31/26 Projected Fund Balance	$ 250,577
3/31/27 Requested Fund Balance	$ 83,629

Cemetery Perpetual Care Budget Review 2026/2027

Description | **Income** | **Expenses**

Perpetual Care Revenue	$1,000
Interest Income	$11,000
Total Income	**$ 12,000**

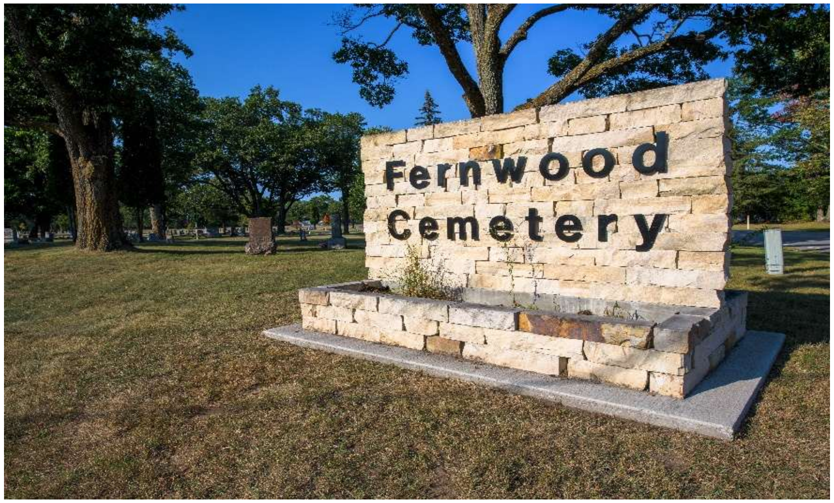
Transfer to General Fund	$ 11,000
Transfer to Fund Balance	$ 1,000
Audit Fees	
Total Expenses	**$ 12,000**

Total Income	$ 12,000
Total Expenses	$ 12,000
Income-Expense	**$ -**

Capital Projects:

News or Notes: continuing forever : everlasting.
occurring continually : constant.
Perpetually

3/31/25 Audited Fund Balance	$ 277,904
3/31/26 Projected Fund Balance	$ 281,178
3/31/27 Requested Fund Balance	$ 282,178



Retirement System Budget Review 2026/2027

Description | **Income** | **Expenses**

Interest from Investments	$	18,000
Transfer From General Fund	$	75,000
Transfer From Major Street Fund	$	15,747
Transfer From Local Street Fund	$	14,688
Total Income	**$**	**123,435**

Admin. Transfer to FB	$123,435
	-
Total Expenses	**123,435**

Total Income	$	123,435
Total Expenses	$	123,435
Income-Expense	**$**	**-**

Capital Projects:

News or Notes:

3/31/25 Audited Fund Balance	$	387,137
3/31/26 Projected Fund Balance	$	510,241
3/31/27 Requested Fund Balance	$	633,676

Public Safety Budget Review 2026/2027

Description	Income	
Act 33 PS Millage	$	565,781
PS Inservice Grant+CFC Grant	$	1,700
SOR Fees	$	600
Rampart Rent	$	4,000
Parking Violations	$	300
School Officer	$	66,805
Fire Calls	$	250
Transfer from Olson Trust	$	3,000
Transfer from K-9 Fund	$	15,875
Transfer from Building Fund	0	
Transfer from Patrol Car Fund	$	57,000
K-9 Donations	$	15,000
Misc. & Donations	$	9,000
Total Income	**$**	**739,311**

Expenses		
Police Department	$	1,851,680
K-9 Program	$	15,875
Fire Department	$	412,655
Total Expenses	**$**	**2,280,210**

Total Income	$	739,311
Total Expenses	$	2,280,210
Income-Expense	**$**	**(1,540,899)**

Net Cost of Public Safety	$	1,540,899
2020 Census		5,257
Cost/Resident	**$**	**293.11**
Taxes/Revenue Sharing	$	2,758,509
% Taxes/Revenue Sharing		55.9%

Capital Projects: Police Cruiser

News or Notes: Fire Truck & Equip Fund $151,800
Car Fund $24,000
Public Safety Special Assessment-Millage = 4.5 Mills

Public Works Budget Review 2026/2027

Description | **Income** | **Expenses**

Alley Maint. From Utilities	$	47,575
Sale of Gravel Pit	$	200,000
Gravel Sales	$	2,000
Grass & Snow Code Enforcement	0	
Equipment Rental	$	200,000
DPW Misc.	$	1,000
Building Rental	$	15,000
Grave Opening & Storage	$	30,000
Cemetery Lot Sales	$	20,000
Transfer from DPW CIP	$	27,764
Transfer from Perpetual Care	$	11,000
Dr. Mary Cretens: Cem/lento/ops	$	67,000
Total Income	**$**	**621,339**

Forestry	$	51,433
DPW Administration	$	163,870
Alley Maintenance	$	47,575
Grounds Maintenance	$	41,614
Equipment Pool	$	272,695
Fernwood Cemetery	$	117,395
Total Expenses	**$**	**694,582**

Total Income	$	621,339
Total Expenses	$	694,582
Income-Expense	**$**	**(73,243)**

Net Cost of Public Works	$	73,243
2020 Census		5,257
Cost/Resident	**$**	**13.93**
Taxes/Revenue Sharing	$	2,758,509
% Taxes/Revenue Sharing		2.7%

Capital Projects:

Cemetary leanto on back of garage

Drop Deck Trailer

Plasma cutter

News or Notes:

Recreation Budget Review 2026/2027

Income

Description		Income
Beautification DDA	$	20,800
Grants	$	21,560
Beach House Rental + Conc.	$	800
Pavilion & Gazebo Rental	$	4,900
Sports Park Tickets	$	45,000
Sports Park Concession	$	15,000
Sports Park Building Rental	$	6,000
Bayshore Ballfield	$	1,100
Rec. Programs	$	600
Campground	$	197,000
Misc.	$	5,000
Snack Shack	$	12,000
Donations for Projects	$	300
Transfer from Pram Funds	$	2,000
Dr. Mary Cretens	$	123,000
Total Income	**$**	**455,060**

Expenses

Recreation Admin.	$	339,560
Beautification	$	21,400
Parks	$	144,204
Beach	$	62,615
Other Rec. Facilities	$	78,755
Ice Rink	$	-
Campground	$	168,442
Sports Park	$	127,335
Rec. Programs	$	4,180
Total Expenses	**$**	**946,491**

Total Income	$	455,060
Total Expenses	$	946,491
Income-Expense	**$**	**(491,431)**

Net Cost of Recreation	$	491,431
2020 Census		5,257
Cost/Resident	**$**	**93.48**
Taxes/Revenue Sharing	$	2,758,509
% Taxes/Revenue Sharing		17.8%

Capital Projects:

Admin Bldg. roof replacemet, trash enclosures
Chip seal around big pavillion
Extend Beachwall
Campground playground (Rapgrant)
Sports park windows and siding

News or Notes:

26/27 General Fund Summary

	Income	Expense	Net Expense
General Gov.	$ 725,645	$ 1,301,577	$ 575,932
Public Safety	$ 739,311	$ 2,280,210	$ 1,540,899
Recreation	$ 455,060	$ 946,491	$ 491,431
DPW	$ 621,339	$ 694,582	$ 73,243
Total	**$ 2,541,355**	**$ 5,222,860**	**$ 2,681,505**

Taxes & PILT's	$ 2,074,937
Revenue Sharing	$ 683,572
	$ 2,758,509

Taxes & Revenue Sharing	$ 2,758,509
Net General Fund Expense	$ 2,681,505
Net Funds to Fund Balance	$ 77,004
	2.8%

3/31/25 Audited Fund Balance	$ 396,366
3/31/26 Projected Fund Balance	$ 429,061
3/31/27 Requested Fund Balance	$ 506,065

Required Fund Balance Minimum	$ 885,971
Required Fund Balance Maximum	$ 1,771,941

Dr. Mary Cretens Budget Review 2026/2027

Description	Income	
Annual Contribution	$	158,000
Interest Income	$	13,000
Transfer from Fund Balance	$	49,900
Total Income	**$**	**220,900**

Total Income	$	220,900
Total Expenses	$	237,900
Income-Expense	**$**	**(17,000)**

Expenses		
4th of July	$	30,900
Improvements to City	$	17,000
Cemetery and Rec.	$	13,000
Cemetery Improvements	$	58,000
Playgrounds	$	84,000
Fishing Piers	$	35,000
Total Expenses	**$**	**237,900**

Capital Projects:

News or Notes:

3/31/25 Audited Fund Balance	$	400,123
3/31/26 Projected Fund Balance	$	433,306
3/31/27 Requested Fund Balance	$	366,406

Economic Development Budget Review 2026/2027

Description	Income	
Interest Income	$	5,000
Land Sales	$	-
Transfer from Fund Balance	$	4,035
Total Income	**$**	**9,035**

Expenses	
Administration	$2,035
Economic Development	$7,000
Total Expenses	**$ 9,035**

Total Income	$	9,035
Total Expenses	$	9,035
Income-Expense	**$**	**-**

Capital Projects: Advertise and Promote

News or Notes: Possible Land Sale

3/31/25 Audited Fund Balance	$	101,410
3/31/26 Projected Fund Balance	$	96,617
3/31/27 Requested Fund Balance	$	92,582

Electric Fund Budget Review 2026/2027

Description	Income
Sales to Customers	$ 5,681,831
Consumer Services/Reconnect	$ 3,000
WPPI int free loan Proceeds	$ 500,000
DPW Sweeper Loan	$ 54,100
Door Hanger/Penalty Income	$ 55,000
Interest Income	$ 90,000
Rental/Investment Income	$ 140,085
Misc.	$ 2,000
Transfer from Fund Balance	$ 431,805
Total Income	**$ 6,957,821**

Total Income	$ 6,957,821
Total Expenses	$ 6,957,821
Income-Expense	**$ -**

Description	Expenses
Street Lighting	$ 117,720
Administrative	$ 1,234,401
Safety	$ 79,150
Meter Reading & Billing	$ 148,000
Consumer Services	$ 68,400
WPPI Community Services	$ 23,935
New Construction	$ 17,965
Line Maintenance	$ 672,900
Meter Maintenance	$ 9,420
Energy & Substation	$ 4,395,303
Energy Optimization	$ 96,052
Building & Grounds	$ 55,825
Vehicle Expense	$ 38,750
Total Expenses	**$ 6,957,821**

Capital Projects: Truck Garage siding
Budgeted addding an employee in billing
New Transformers
News or Notes: 6.4% Rate increase as per Rate Study
AMI near completion

3/31/25 Audited Fund Balance	$ 3,929,083
3/31/25 Projected Fund Balance	$ 3,872,370
3/31/26 Requested Fund Balance	$ 3,440,565

Wastewater Fund Budget Review 2026/2027

Description	Income	
Sales to Customers	$	1,874,244
Sales to Customers-Masonville	$	290,918
Consumer Services/Tap Fees	$	13,000
Penalty Income	$	14,000
Interest Income	$	50,000
Misc.	$	8,000
SRF Proceeds	$	5,072,067
Total Income	**$**	**7,322,229**

Total Income	$	7,322,229
Total Expenses	$	7,322,229
Income-Expense	**$**	**-**

	Expenses	
Solids Handling	$	13,126
New Line Construction	$	-
Masonville Sewer	$	94,295
Administrative	$	1,606,392
Safety	$	10,026
Meter Reading & Billing	$	65,493
Consumer Services	$	16,760
Line Maintenance	$	14,340
Meter Maintenance	$	22,755
Plant O & M	$	181,920
Lab	$	90,485
Lift Stations	$	67,550
Building & Grounds	$	35,805
Plant Improvements	$	-
Vehicle Expense	$	22,590
Consent Order	$	5,080,692
Total Expenses	**$**	**7,322,229**

Capital Projects: Sewer main replacements

News or Notes: Rate increase as per Rate Study
Plant Constuction Finished!?

3/31/25 Audited Fund Balance	$	2,519,432
3/31/26 Projected Fund Balance	$	2,620,757
3/31/27 Requested Fund Balance	$	2,682,204

Water Fund Budget Review 2026/2027

Description	Income
Sales to Customers	$ 1,160,500
Fire Protection	$ 57,900
Consumer Services/Tap Fees	$ 8,200
Penalty Income	$ 7,000
Interest Income	$ 20,000
Liability &Prop Ins Reimbursement	$ 6,500
PFOS Settlement	$ 42,650
Transfer From Fund Balance	$ 9,413
Total Income	**$ 1,312,163**

Total Income	$ 1,312,163
Total Expenses	$ 1,312,163
Income-Expense	**$ -**

	Expenses
New Line Construction	$ 18,000
Administrative	$ 594,323
Safety	$ 4,850
Meter Reading & Billing	$ 55,775
Consumer Services	$ 60,250
Line Maintenance	$ 21,720
Reservoir & Elevated Tanks	$ 28,310
Meter Maintenance	$ 25,370
Plant O & M	$ 201,170
Lab	$ 134,800
Hydrant Maintenance	$ 4,165
Building & Grounds	$ 16,930
Plant Improvements	$ 140,000
Vehicle Expense	$ 6,500
Total Expenses	**$ 1,312,163**

Capital Projects:
140,000 For USDA Project Engineering
10,000 for Cl2 Analyzer @ reservoir

News or Notes: 15% rate increase

3/31/25 Audited Fund Balance	$ 422,148
3/31/26 Projected Fund Balance	$ 782,876
3/31/27 Requested Fund Balance	$ 773,463

BUDGET REPORT FOR CITY OF GLADSTONE

Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 101 GENERAL FUND							
000	REVENUE	4,874,322	5,235,554	4,063,572	5,100,653	5,299,864	0
101	CITY COMMISSION	(143,831)	(132,927)	(147,312)	(154,378)	(144,620)	0
172	CITY MANAGER	(143,662)	(167,973)	(154,590)	(187,564)	(160,648)	0
192	OFFICE CLERK	(91,103)	(95,081)	(78,965)	(95,366)	(99,019)	0
215	CITY CLERK	(173,743)	(182,832)	(152,801)	(182,330)	(184,100)	0
228	IT DEPARTMENT	(440)	0	0	0	0	0
247	BOARD OF REVIEW	(2,561)	(2,953)	(591)	(2,953)	(2,953)	0
253	CITY TREASURER	(179,117)	(185,906)	(161,962)	(191,943)	(183,401)	0
257	CITY ASSESSOR	(85,422)	(87,585)	(68,013)	(82,469)	(76,687)	0
262	ELECTIONS	(39,399)	(27,980)	(16,653)	(22,252)	(53,415)	0
265	CITY HALL	(109,877)	(48,677)	(62,345)	(74,691)	(84,632)	0
268	FERNWOOD CEMETERY	(156,237)	(115,406)	(86,098)	(90,154)	(117,395)	0
301	POLICE DEPARTMENT	(1,699,780)	(1,865,891)	(1,478,291)	(1,881,379)	(1,851,680)	0
302	K9 PROGRAM	(2,834)	(9,875)	(2,836)	(2,955)	(15,875)	0
336	FIRE DEPARTMENT	(130,433)	(439,446)	(184,091)	(388,723)	(412,655)	0
429	FORESTRY	(72,701)	(44,798)	(49,343)	(55,198)	(51,433)	0
441	D.P.W. ADMINISTRATION	(121,047)	(161,978)	(85,201)	(163,658)	(163,870)	0
470	ALLEY MAINTENANCE	(23,769)	(30,673)	(61,357)	(68,370)	(47,575)	0
524	GROUNDS MAINTENANCE	(20,769)	(37,703)	(30,563)	(35,230)	(41,614)	0
532	MOTOR EQUIPMENT POOL	(257,722)	(228,598)	(196,859)	(226,786)	(272,695)	0
701	COMMUNITY DEVELOPMENT	(189,866)	(199,210)	(166,840)	(212,144)	(212,102)	0
752	RECREATION ADMINISTRATION	(202,475)	(323,295)	(247,290)	(302,417)	(339,560)	0
753	BEAUTIFICATION	(13,800)	(10,000)	(21,480)	(21,501)	(21,400)	0
754	PARKS	(109,891)	(112,910)	(117,575)	(125,683)	(144,204)	0
755	BEACH	(34,663)	(62,314)	(46,278)	(62,314)	(62,615)	0
756	OTHER RECREATIONAL FACILITIES	(303,964)	(58,491)	(62,112)	(66,119)	(78,755)	0
759	CAMPGROUND	(93,730)	(117,975)	(120,630)	(119,460)	(168,442)	0
761	SPORTS PARK	(108,982)	(119,525)	(95,516)	(124,079)	(127,335)	0
762	RECREATION PROGRAMS	(2,310)	(30,055)	(27,212)	(27,842)	(4,180)	0
906	DEBT SERVICE	(50,000)	(300,000)	(100,000)	(100,000)	(100,000)	0
990	GRANTS & TRANSFERS	0	(35,497)	0	(32,695)	(77,004)	0
Fund 101 - GENERAL FUND:							
TOTAL ESTIMATED REVENUES		4,874,322	5,235,554	4,063,572	5,100,653	5,299,864	0
TOTAL APPROPRIATIONS		4,564,128	5,235,554	4,022,804	5,100,653	5,299,864	0
Total Fund 101 GENERAL FUND:		310,194	0	40,768	0	0	0

BUDGET REPORT FOR CITY OF GLADSTONE
Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 202 MAJOR STREET FUND							
000 - REVENUE		725,188	733,634	463,628	743,612	1,542,514	0
453 - RE-CONSTRUCTION		(118,996)	(54,400)	(29,400)	(54,400)	(720,180)	0
458 - NON-MOTORIZED		(3,427)	(7,007)	(2,538)	(2,540)	(129,488)	0
463 - SURFACE MAINTENANCE		(109,288)	(91,668)	(41,718)	(79,978)	(278,304)	0
464 - STORM DRAINS		(2,980)	(10,568)	(9,222)	(10,140)	(11,108)	0
474 - TRAFFIC CONTROL		(10,518)	(25,517)	(21,866)	(27,417)	(27,099)	0
478 - WINTER MAINTENANCE		(84,766)	(125,520)	(93,731)	(125,111)	(119,489)	0
522 - SWEEP/FLUSHING		(17,567)	(26,513)	(19,201)	(21,352)	0	0
537 - ADMINISTRATIVE		(229,745)	(392,441)	(278,417)	(422,674)	(256,846)	0
Fund 202 - MAJOR STREET FUND:							
TOTAL ESTIMATED REVENUES		725,188	733,634	463,628	743,612	1,542,514	0
TOTAL APPROPRIATIONS		577,287	733,634	496,093	743,612	1,542,514	0
Total Fund 202 MAJOR STREET FUND:		147,901	0	(32,465)	0	0	0

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 203 LOCAL STREET FUND							
000 - REVENUE		472,878	516,200	413,403	520,646	852,820	0
453 - RE-CONSTRUCTION		(38,988)	(9,600)	(11,061)	(11,121)	(411,483)	0
458 - NON-MOTORIZED		(716)	(2,536)	(959)	(960)	(126,291)	0
463 - SURFACE MAINTENANCE		(152,145)	(256,851)	(226,972)	(286,565)	(171,049)	0
464 - STORM DRAINS		(4,917)	(9,065)	(9,691)	(14,867)	(14,527)	0
474 - TRAFFIC CONTROL		(1,924)	(6,329)	(1,538)	(5,968)	(6,169)	0
478 - WINTER MAINTENANCE		(57,649)	(109,898)	(64,618)	(96,044)	(94,753)	0
522 - SWEEP/FLUSHING		(28,977)	(39,979)	(25,604)	(25,900)	0	0
537 - ADMINISTRATIVE		(37,934)	(81,942)	(63,523)	(79,221)	(28,548)	0
Fund 203 - LOCAL STREET FUND:							
TOTAL ESTIMATED REVENUES		472,878	516,200	413,403	520,646	852,820	0
TOTAL APPROPRIATIONS		323,250	516,200	403,966	520,646	852,820	0
Total Fund 203 LOCAL STREET FUND:		149,628	0	9,437	0	0	0

BUDGET REPORT FOR CITY OF GLADSTONE
Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 230 DR MARY CRETENS COMMUNITY FOUNDATION							
000 - REVENUE		180,166	198,000	17,902	175,000	237,900	0
537 - ADMINISTRATIVE		(228,179)	(198,000)	(1,500)	(175,000)	(237,900)	0
Fund 230 - DR MARY CRETENS COMMUNITY FOUNDATION:							
TOTAL ESTIMATED REVENUES		180,166	198,000	17,902	175,000	237,900	0
TOTAL APPROPRIATIONS		228,179	198,000	1,500	175,000	237,900	0
Total Fund 230 DR MARY CRETENS COMMUNITY FOUNDATION:		(48,013)	0	16,402	0	0	0

BUDGET REPORT FOR CITY OF GLADSTONE
Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 244 ECONOMIC DEVELOPMENT FUND							
000 - REVENUE		51,863	12,550	3,356	8,793	9,035	0
537 - ADMINISTRATIVE		(13,039)	(12,550)	(8,588)	(8,793)	(9,035)	0
Fund 244 - ECONOMIC DEVELOPMENT FUND:							
TOTAL ESTIMATED REVENUES		51,863	12,550	3,356	8,793	9,035	0
TOTAL APPROPRIATIONS		13,039	12,550	8,588	8,793	9,035	0
Total Fund 244 ECONOMIC DEVELOPMENT FUND:		38,824	0	(5,232)	0	0	0

GL Number Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 248 DOWNTOWN DEVELOPMENT AUTHORITY						
000 - REVENUE	528,264	527,393	474,108	550,587	609,060	0
537 - ADMINISTRATIVE	(388,933)	(527,393)	(454,832)	(550,587)	(609,060)	0
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:						
TOTAL ESTIMATED REVENUES	528,264	527,393	474,108	550,587	609,060	0
TOTAL APPROPRIATIONS	388,933	527,393	454,832	550,587	609,060	0
Total Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY:	139,331	0	19,276	0	0	0

BUDGET REPORT FOR CITY OF GLADSTONE

Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 301 GENERAL DEBT SERVICE FUND							
000 - REVENUE		355,100	359,950	347,123	360,125	361,725	0
537 - ADMINISTRATIVE		(363,543)	(359,950)	(40,200)	(360,125)	(361,725)	0
Fund 301 - GENERAL DEBT SERVICE FUND:							
TOTAL ESTIMATED REVENUES		355,100	359,950	347,123	360,125	361,725	0
TOTAL APPROPRIATIONS		363,543	359,950	40,200	360,125	361,725	0
Total Fund 301 GENERAL DEBT SERVICE FUND:		(8,443)	0	306,923	0	0	0

BUDGET REPORT FOR CITY OF GLADSTONE

Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 540 SOLID WASTE FUND							
000 - REVENUE		570,392	584,350	475,035	652,098	694,100	0
522 - SWEEP/FLUSHING		0	0	(29,324)	(33,375)	(61,730)	0
523 - COMPOSTING		(28,498)	(28,092)	(37,622)	(36,355)	(32,165)	0
525 - CITY CLEAN UP		(7,378)	(12,075)	(10,573)	(10,573)	(10,630)	0
528 - GARBAGE COLLECTION		(231,273)	(219,761)	(192,899)	(234,888)	(254,385)	0
537 - ADMINISTRATIVE		(152,096)	(278,979)	(115,542)	(279,277)	(270,145)	0
539 - METER READING & BILLING		(9,154)	(8,669)	(7,120)	(8,766)	(8,865)	0
560 - VEHICLE EXPENSE		(29,585)	(36,774)	(38,549)	(48,864)	(56,180)	0
Fund 540 - SOLID WASTE FUND:							
TOTAL ESTIMATED REVENUES		570,392	584,350	475,035	652,098	694,100	0
TOTAL APPROPRIATIONS		457,984	584,350	431,629	652,098	694,100	0
Total Fund 540 SOLID WASTE FUND:		112,408	0	43,406	0	0	0

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 582 ELECTRIC FUND							
000 - REVENUE		4,921,069	5,548,301	3,465,697	5,327,178	6,957,821	0
448 - STREET LIGHTING		(94,951)	(117,720)	(71,688)	(101,690)	(117,720)	0
537 - ADMINISTRATIVE		(1,022,403)	(1,311,421)	(886,303)	(1,281,808)	(1,234,401)	0
538 - SAFETY TRAINING PROGRAM		(63,601)	(75,200)	(41,340)	(56,824)	(79,150)	0
539 - METER READING & BILLING		(108,855)	(217,450)	(124,102)	(146,138)	(148,000)	0
540 - CONSUMER SERVICES		(23,201)	0	(13,714)	(14,585)	(68,400)	0
541 - WPPI COMMUNITY SERVICES		(16,108)	(24,900)	(22,706)	(24,900)	(23,935)	0
542 - NEW CONSTRUCTION		(9,098)	(17,865)	(32,223)	(32,223)	(17,965)	0
544 - LINE MAINTENANCE		(575,023)	(677,800)	(499,153)	(583,129)	(672,900)	0
547 - METER MAINTENANCE		(4,862)	0	(2,588)	(3,163)	(9,420)	0
550 - ENERGY & SUBSTATION		(2,672,806)	(2,903,570)	(2,221,475)	(2,916,221)	(4,395,303)	0
552 - ENERGY OPTIMIZATION		(25,208)	(40,000)	(22,781)	(37,135)	(96,052)	0
555 - BUILDING & GROUNDS		(20,254)	(53,625)	(26,571)	(29,728)	(55,825)	0
560 - VEHICLE EXPENSE		(21,629)	(116,750)	(31,760)	(99,634)	(38,750)	0
571 - NORTH BLUFF BROADBAND TOWER		(1,897)	0	0	0	0	0
Fund 582 - ELECTRIC FUND:							
TOTAL ESTIMATED REVENUES		4,921,069	5,548,301	3,465,697	5,327,178	6,957,821	0
TOTAL APPROPRIATIONS		4,659,896	5,556,301	3,996,404	5,327,178	6,957,821	0
Total Fund 582 ELECTRIC FUND:		261,173	(8,000)	(530,707)	0	0	0

BUDGET REPORT FOR CITY OF GLADSTONE

Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26- Recommended
Fund: 590 WASTE WATER FUND							
000	REVENUE	2,831,851	4,251,682	2,683,309	3,467,275	7,322,229	0
527	SOLDS HANDLING	(6,055)	(13,311)	(8,203)	(10,082)	(13,126)	0
536	MASONVILLE TWP SEWER PROJECT	(102,825)	(95,679)	(55,707)	(93,144)	(94,295)	0
537	ADMINISTRATIVE	(851,925)	(1,517,056)	(1,121,660)	(1,565,834)	(1,606,392)	0
538	SAFETY TRAINING PROGRAM	(5,786)	(11,390)	(6,054)	(10,247)	(10,026)	0
539	METER READING & BILLING	(44,895)	(45,023)	(35,616)	(41,563)	(65,493)	0
540	CONSUMER SERVICES	(21,549)	(14,285)	(16,276)	(21,265)	(16,760)	0
544	LINE MAINTENANCE	(28,204)	(16,690)	(8,845)	(12,720)	(14,340)	0
547	METER MAINTENANCE	(12,916)	(20,446)	(13,556)	(18,550)	(22,755)	0
549	PLANT OPERATION & MAINTENANCE	(180,467)	(205,522)	(148,859)	(190,190)	(181,920)	0
551	LAB	(80,223)	(82,215)	(71,276)	(88,475)	(90,485)	0
553	LIFT STATIONS	(19,579)	(60,860)	(53,132)	(59,738)	(67,550)	0
555	BUILDING & GROUNDS	(31,796)	(37,890)	(33,103)	(41,530)	(35,805)	0
556	PLANT IMPROVEMENTS	(33,344)	(89,344)	(235,897)	(282,845)	0	0
560	VEHICLE EXPENSE	(17,046)	(34,454)	(13,276)	(18,290)	(22,590)	0
562	CONSENT ORDER	(3,948)	(2,007,517)	(435,645)	(1,012,802)	(5,080,692)	0
Fund 590 - WASTE WATER FUND:							
TOTAL ESTIMATED REVENUES		2,831,851	4,251,682	2,683,309	3,467,275	7,322,229	0
TOTAL APPROPRIATIONS		1,440,558	4,251,682	2,257,105	3,467,275	7,322,229	0
Total Fund 590 WASTE WATER FUND:		1,391,293	0	426,204	0	0	0

BUDGET REPORT FOR CITY OF GLADSTONE

Calculations As Of 01/31/2026

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 591 WATER FUND							
000 - REVENUE		1,097,481	1,299,923	1,393,625	1,623,011	1,312,163	0
534 - NEW LINES		(18,004)	(18,000)	(18,000)	(18,000)	(18,000)	0
537 - ADMINISTRATIVE		(456,743)	(531,713)	(340,680)	(893,645)	(594,323)	0
538 - SAFETY TRAINING PROGRAM		(4,393)	(5,710)	(3,064)	(3,371)	(4,850)	0
539 - METER READING & BILLING		(42,452)	(42,400)	(38,989)	(45,800)	(55,775)	0
540 - CONSUMER SERVICES		(172,604)	(68,850)	(44,009)	(47,281)	(60,250)	0
544 - LINE MAINTENANCE		(21,215)	(28,240)	(18,525)	(20,855)	(21,720)	0
545 - RESERVOIR & ELEV TANK		(17,410)	(24,350)	(25,944)	(28,211)	(28,310)	0
547 - METER MAINTENANCE		(12,851)	(26,160)	(17,603)	(19,534)	(25,370)	0
549 - PLANT OPERATION & MAINTENANCE		(165,445)	(301,820)	(246,749)	(306,682)	(201,170)	0
551 - LAB		(128,128)	(142,260)	(110,998)	(132,589)	(134,800)	0
554 - HYDRANT MAINTENANCE		(134)	(3,620)	(699)	(742)	(4,165)	0
555 - BUILDING & GROUNDS		(15,742)	(21,300)	(8,858)	(9,623)	(16,930)	0
556 - PLANT IMPROVEMENTS		0	(8,500)	(23,424)	(23,424)	(140,000)	0
560 - VEHICLE EXPENSE		(3,881)	(77,000)	(3,108)	(73,254)	(6,500)	0
Fund 591 - WATER FUND:							
TOTAL ESTIMATED REVENUES		1,097,481	1,299,923	1,393,625	1,623,011	1,312,163	0
TOTAL APPROPRIATIONS		1,059,002	1,299,923	900,650	1,623,011	1,312,163	0
Total Fund 591 WATER FUND:		38,479	0	492,975	0	0	0

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 594 HARBOR FUND							
000 - REVENUE		112,263	454,068	102,379	101,960	437,968	0
537 - ADMINISTRATIVE		(84,835)	(454,068)	(67,531)	(101,960)	(437,968)	0
Fund 594 - HARBOR FUND:							
TOTAL ESTIMATED REVENUES		112,263	454,068	102,379	101,960	437,968	0
TOTAL APPROPRIATIONS		84,835	454,068	67,531	101,960	437,968	0
Total Fund 594 HARBOR FUND:		27,428	0	34,848	0	0	0

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 705 CEMETERY PERPETUAL CARE FUND							
000 - REVENUE		13,291	12,000	13,855	15,300	12,000	0
537 - ADMINISTRATIVE		(11,696)	(12,000)	(26)	(15,300)	(12,000)	0
Fund 705 - CEMETERY PERPETUAL CARE FUND:							
TOTAL ESTIMATED REVENUES		13,291	12,000	13,855	15,300	12,000	0
TOTAL APPROPRIATIONS		11,696	12,000	26	15,300	12,000	0
Total Fund 705 CEMETERY PERPETUAL CARE FUND:		1,595	0	13,829	0	0	0

Item 2.

GL Number	Description	24-25 Activity	25-26 Amended Budget	25-26 Activity	25-26 Projected	26-27 Requested	26-27 Recommended
Fund: 731 RETIREMENT SYSTEM FUND							
000 - REVENUE		39,167	118,494	124,501	123,104	123,435	0
537 - ADMINISTRATIVE		(25,000)	(118,494)	0	(123,104)	(123,435)	0
Fund 731 - RETIREMENT SYSTEM FUND:							
TOTAL ESTIMATED REVENUES		39,167	118,494	124,501	123,104	123,435	0
TOTAL APPROPRIATIONS		25,000	118,494	0	123,104	123,435	0
Total Fund 731 RETIREMENT SYSTEM FUND:		14,167	0	124,501	0	0	0
Report Totals:							
TOTAL ESTIMATED REVENUES - ALL FUNDS		20,821,236	19,852,099	14,080,458	18,769,342	25,772,634	
TOTAL APPROPRIATIONS - ALL FUNDS		18,213,475	19,860,099	13,120,002	18,769,342	25,772,634	
NET OF REVENUES & APPROPRIATIONS:		2,607,761	(8,000)	960,456			

WATERWORTH™

Waterworth

A financial forecasting and revenue calibration solution adopted by hundreds of organizations across North America. Our job is to help utilities like yours plan financially — so you can avoid surprises, avoid emergency rate hikes, and make smart choices about how to invest in your infrastructure.

Our Tool

- Continuous Process
- Full Cost Recovery
- Communication

Presentation Outcomes

EST. 1887 Gladstone MICHIGAN

- To have a clear picture on current/forecasted financials
- To know what the revenue requirements are
- To have an actionable plan

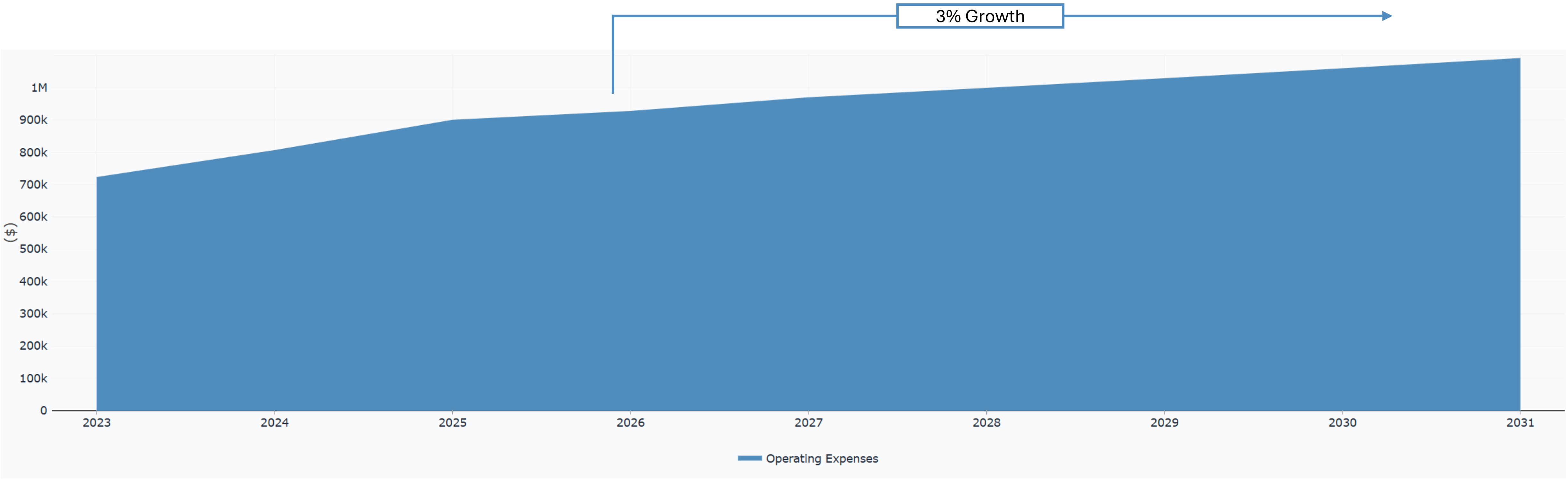
- Understanding of our tool/process
- To know how we have produced the information
- Have confidence in the results

Our Process

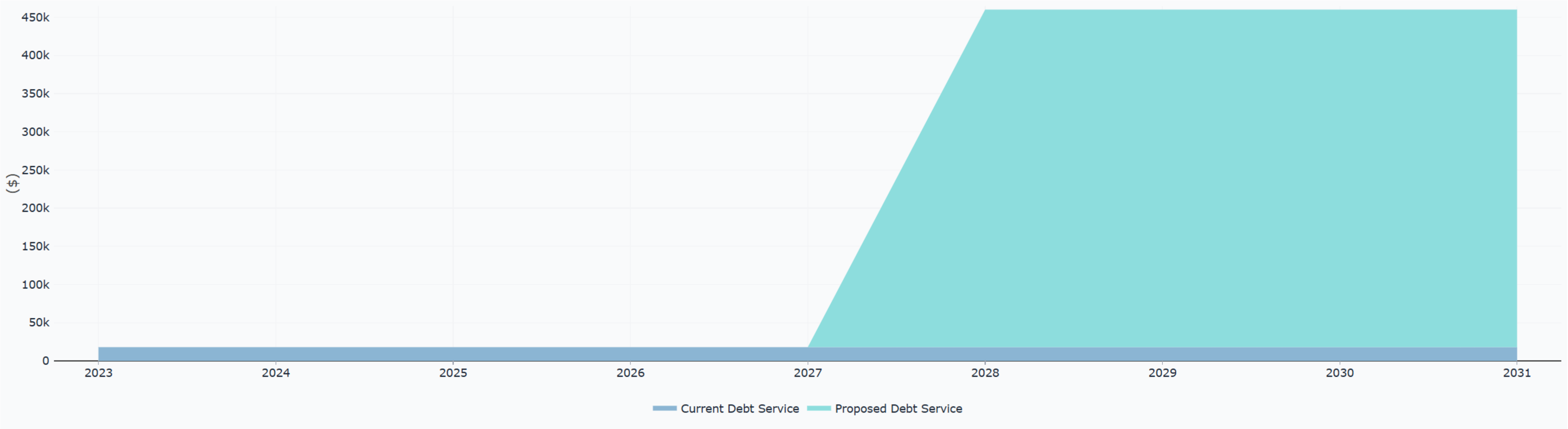
Establish Financial Baseline → Build Long-term Financial Forecasts → Determine Revenue Needs and Funding Strategies → Communicate, Refine and Repeat

Water Baseline Model

Operating Expenses

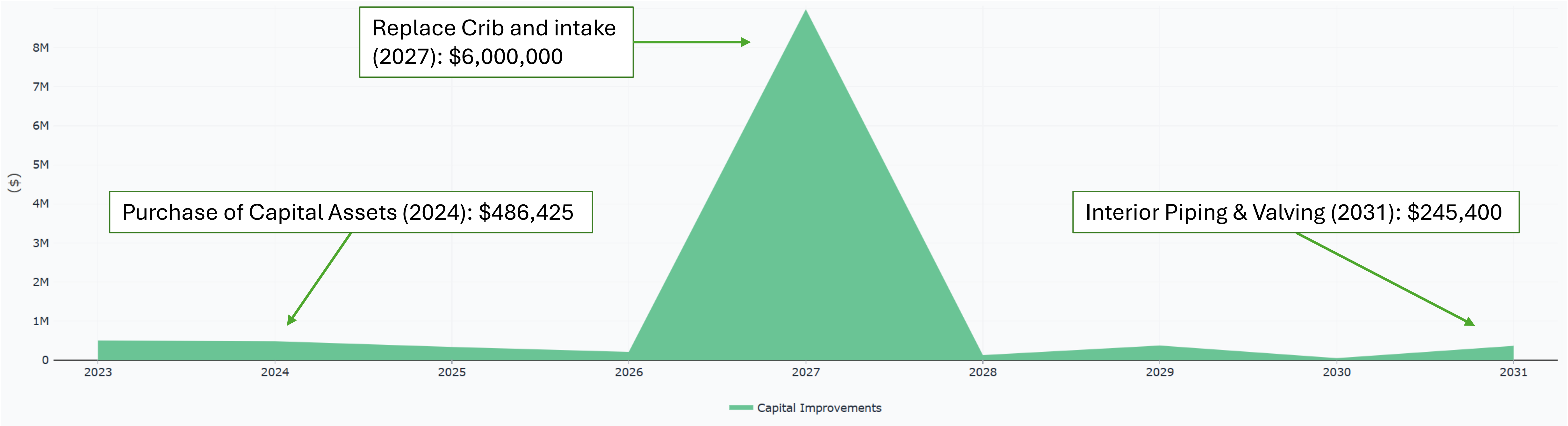


Current Debt Service



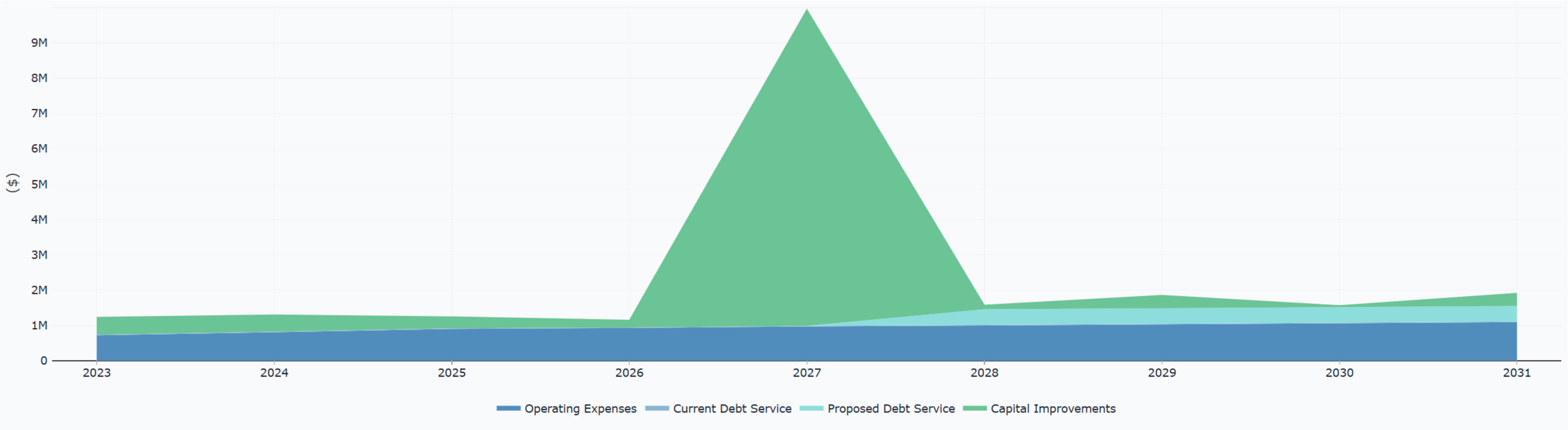
- Proposed Debt service reflects estimated payments for $7,927,000 USDA 2025 Loan over a 40-year repayment schedule at a 3.375% interest rate.

Capital Expenses

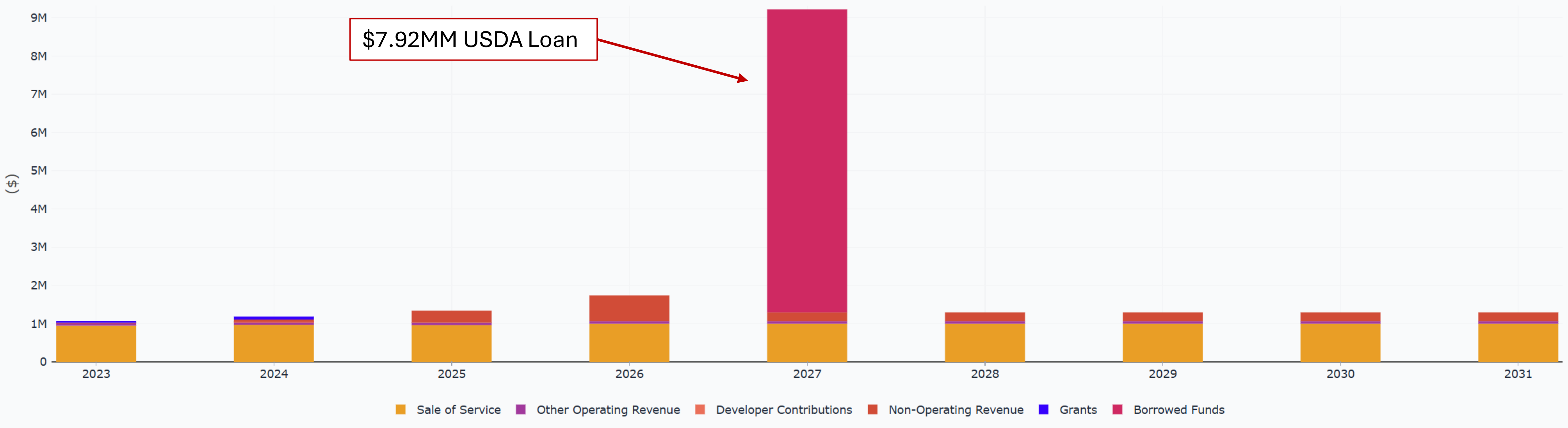


Revenue Requirements

Item 3.

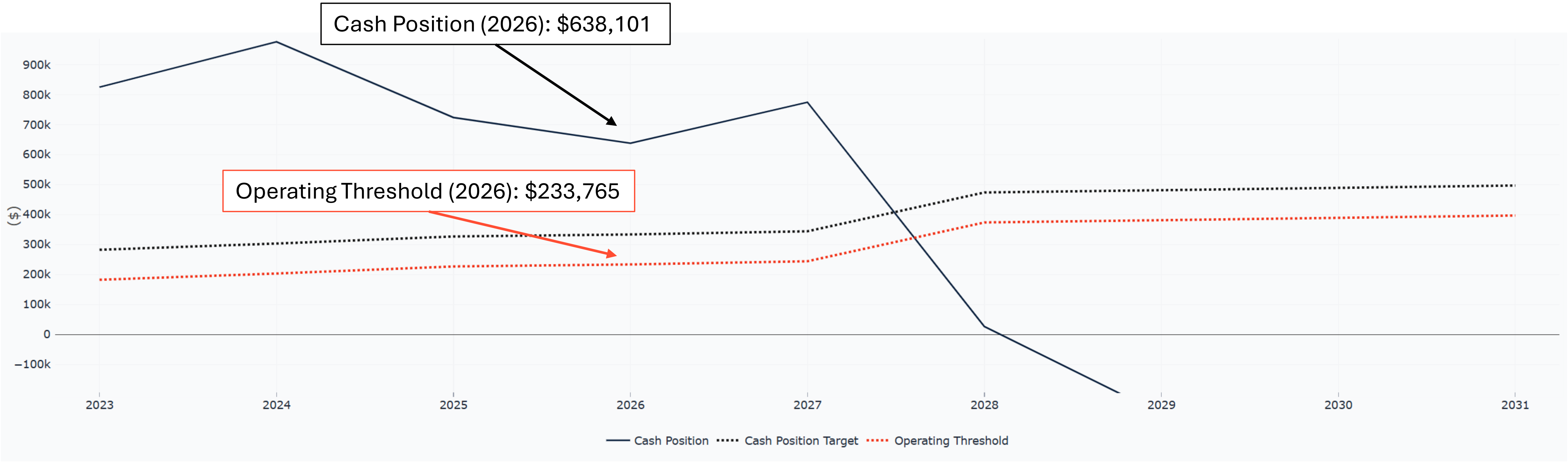


Projected Revenues – No Growth



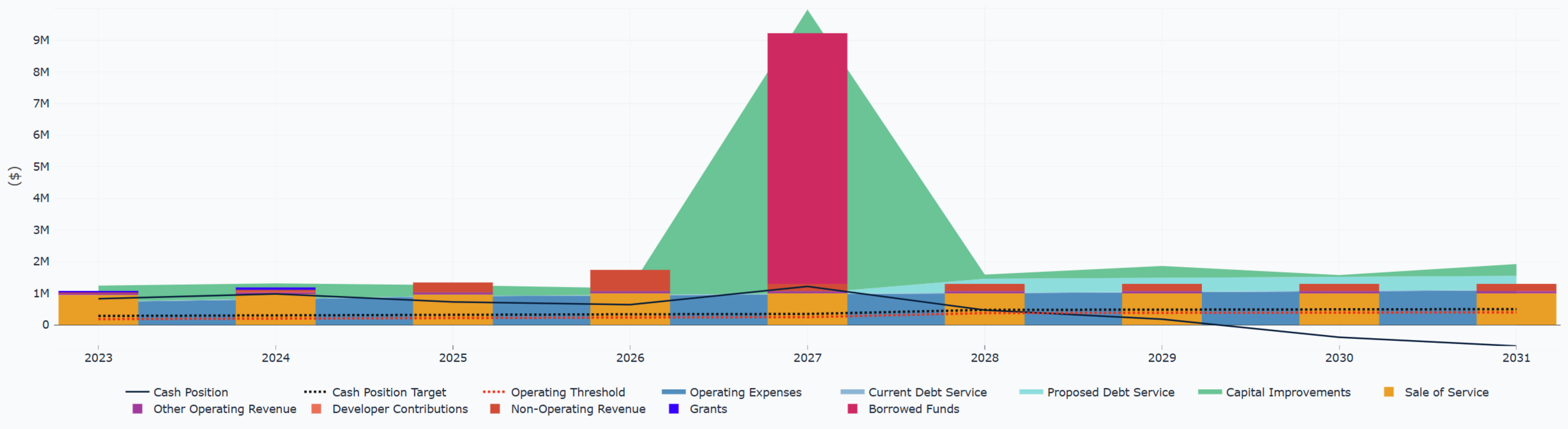
- FY2026 PFAS settlement is captured in Non-operating Revenue. No additional PFAS settlement revenues are assumed in forecast.

Cash Position



- Operating Threshold is reflective of 25% (3 months) of Operating Expenses and 10% of Debt Payments worth of Cash on hand in a given Fiscal Year
- Cash Position Target is $100,000 in addition to Operating Threshold

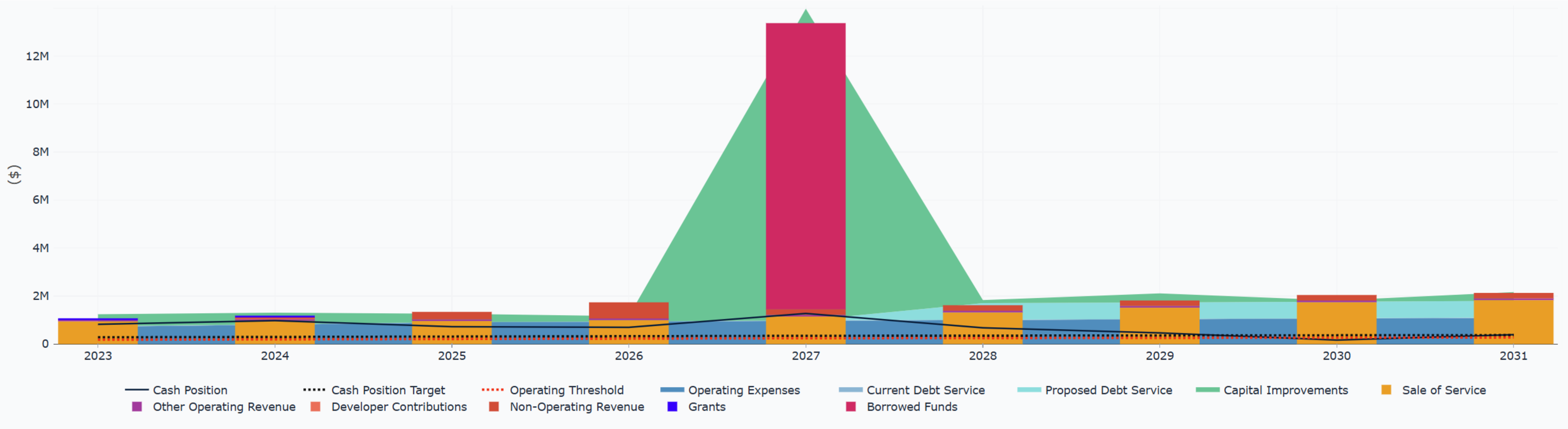
Status Quo - Long Term Financial Model



Proposed Water Scenarios

Proposed Scenario 1 – $4MM Loan Lead Pipelines Service FY2027

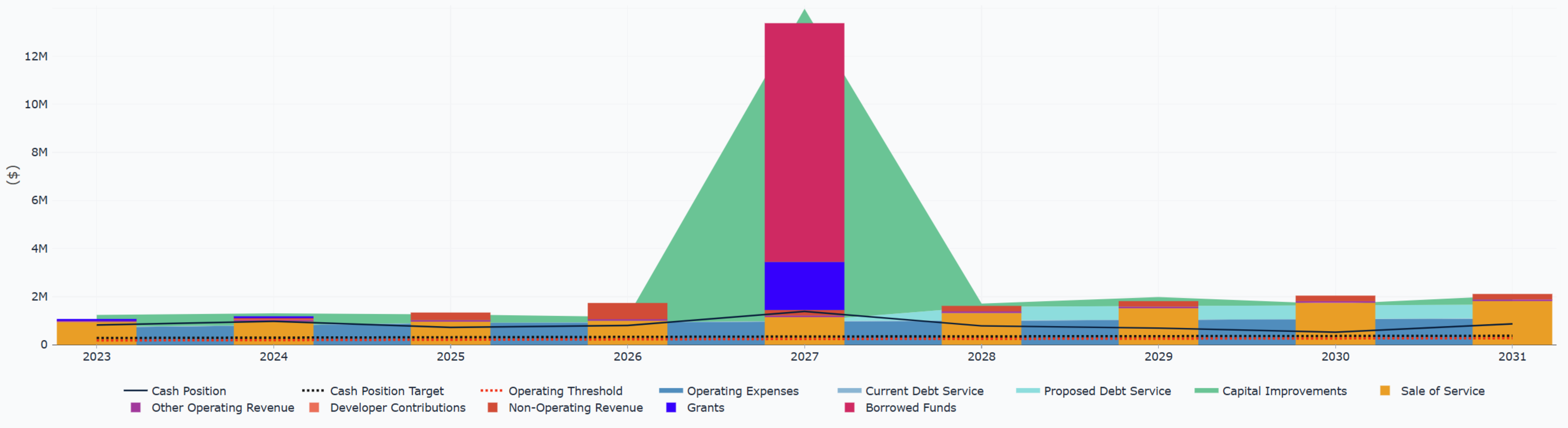
- Proposed $4MM Loan to service all Lead Pipelines is forecasted at 4.50% interest over a 30-year amortization period
- Scenario 1 includes a 15% rate increase from FY2027 to FY2030, followed by a 5% increase in FY2031



2027	2028	2029	2030	2031
15.0%	15.0%	15.0%	15.0%	5.0%

Proposed Scenario 2 – $4MM Loan w/ Principal Forgiveness FY2027

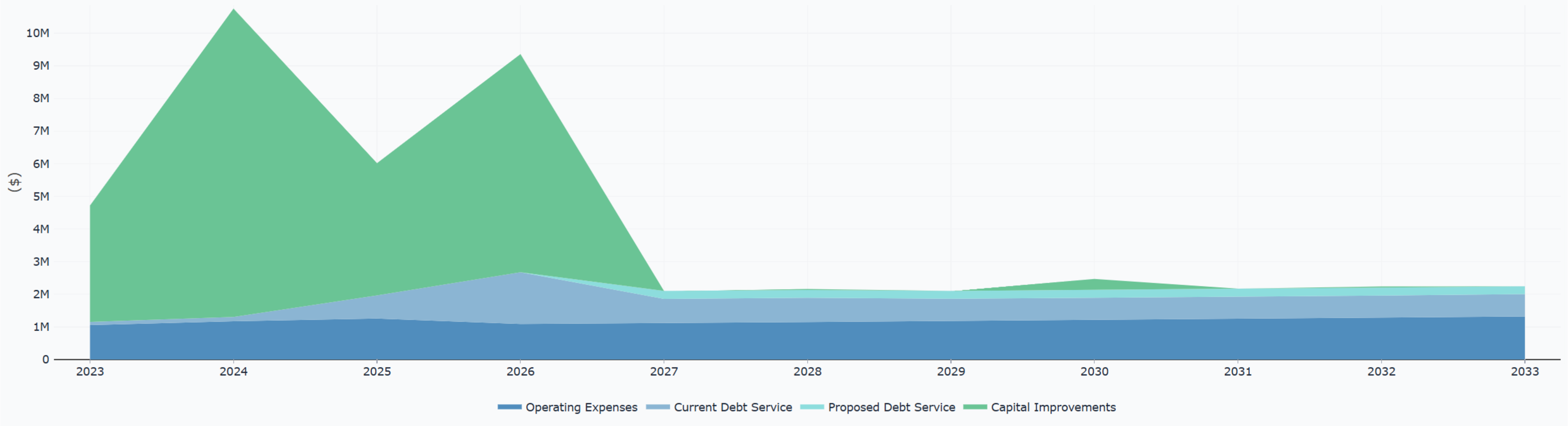
- Proposed $4MM Loan to service all Lead Pipelines is forecasted at 4.50% interest over a 30-year amortization period, with $2MM in Principal Forgiveness captured in Grant Revenue category
- Scenario 2 includes a 15% rate increase from FY2027 to FY2030, followed by a 4% increase in FY2031



2027	2028	2029	2030	2031
15.0%	15.0%	15.0%	15.0%	4.0%

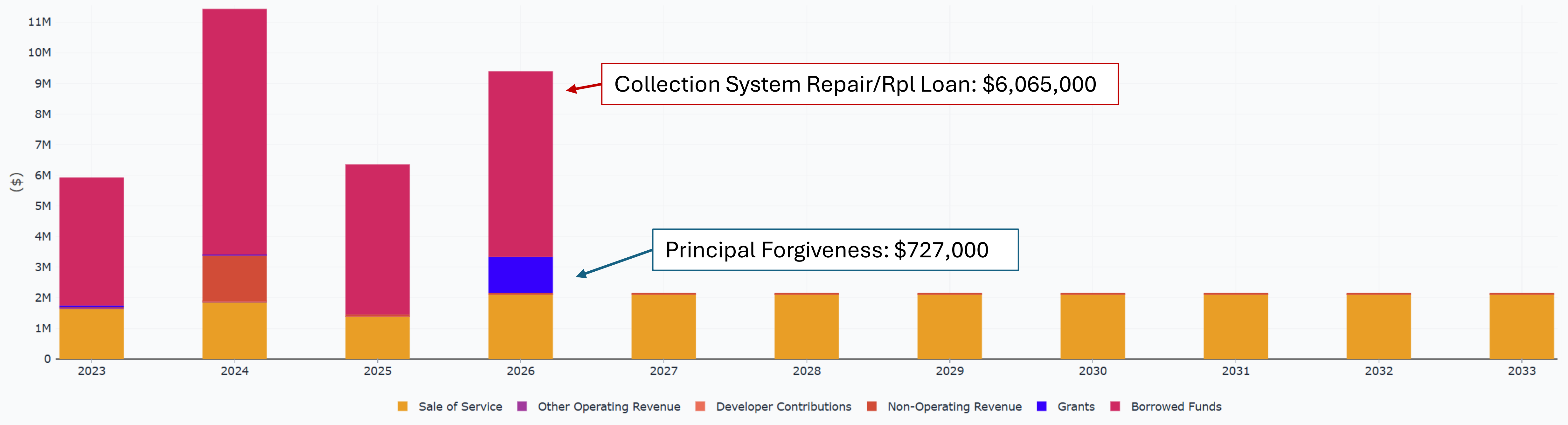
Wastewater Baseline Model

Revenue Requirements

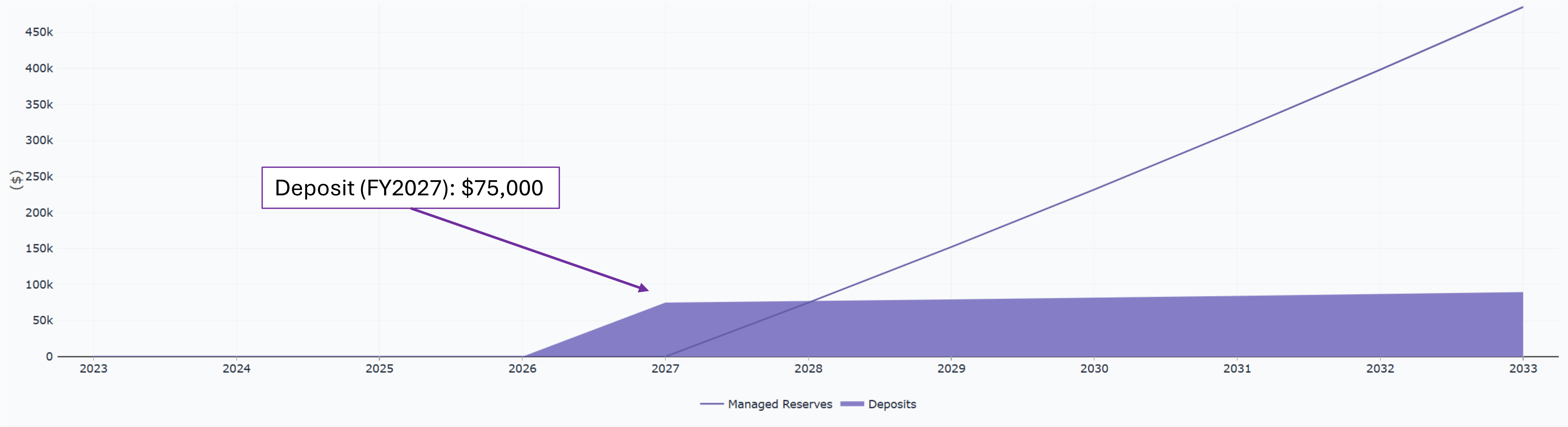


- Major Planned Wastewater Capital projects end in FY2026
- Proposed Debt service reflects scheduled payments for $6,065,000 USDA 2025 Loan

Projected Revenues – No Growth

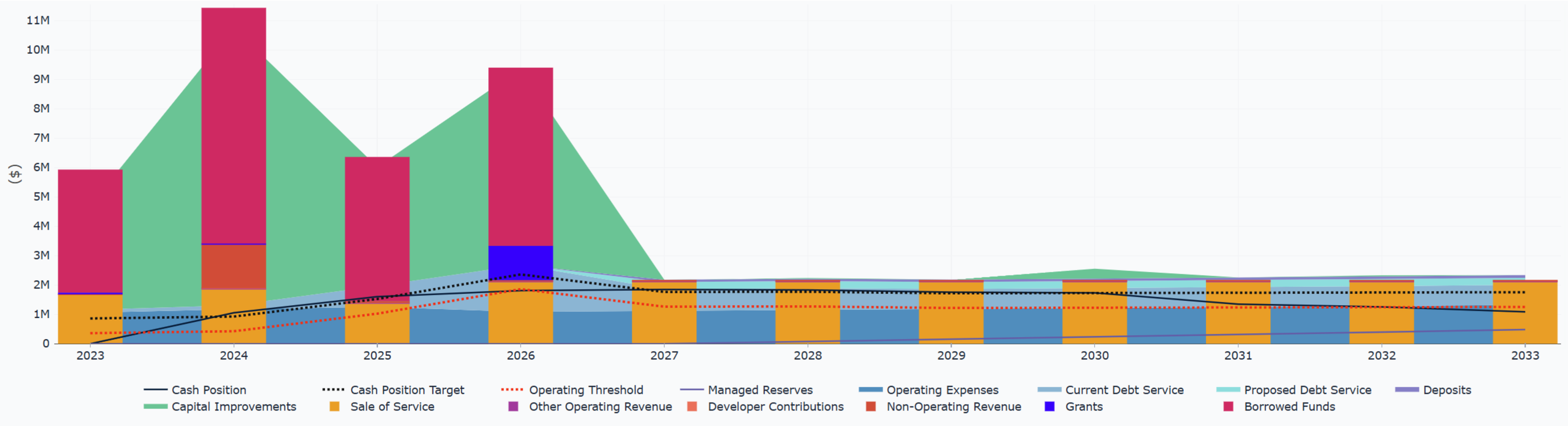


Managed Reserves



- Managed Reserves represents small reoccurring cash ‘deposit’ of $75,000 growing at 3% annually.

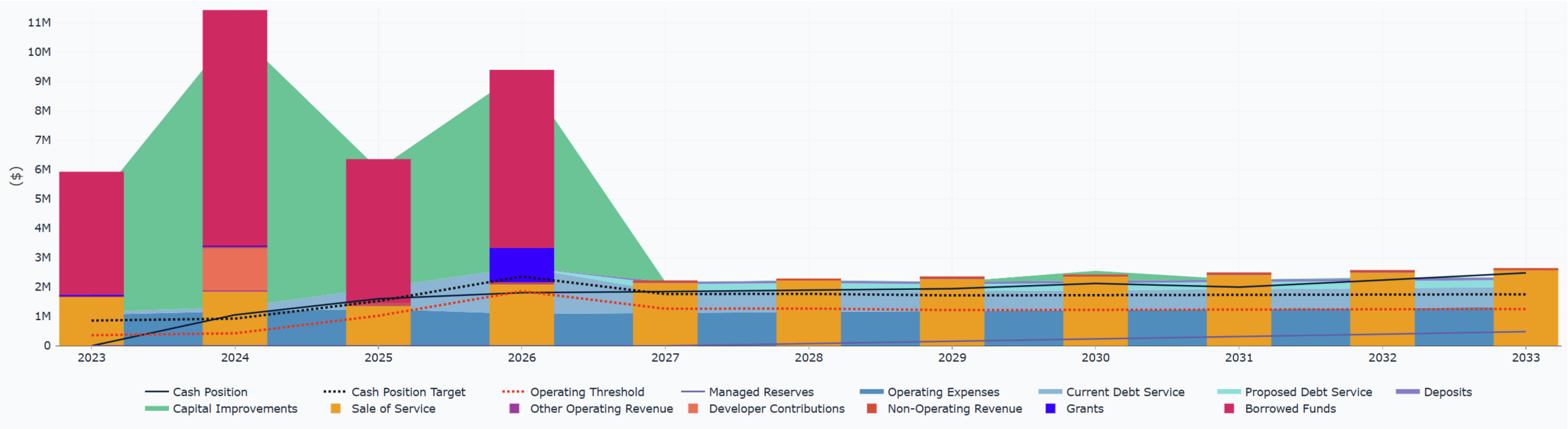
Status Quo - Long Term Financial Model



- Operating Threshold is reflective of 25% (3 months) of Operating Expenses and 100% of Debt Payments worth of Cash on hand in a given Fiscal Year
- Cash Position Target is $500,000 in addition to Operating Threshold

Proposed Wastewater Scenarios

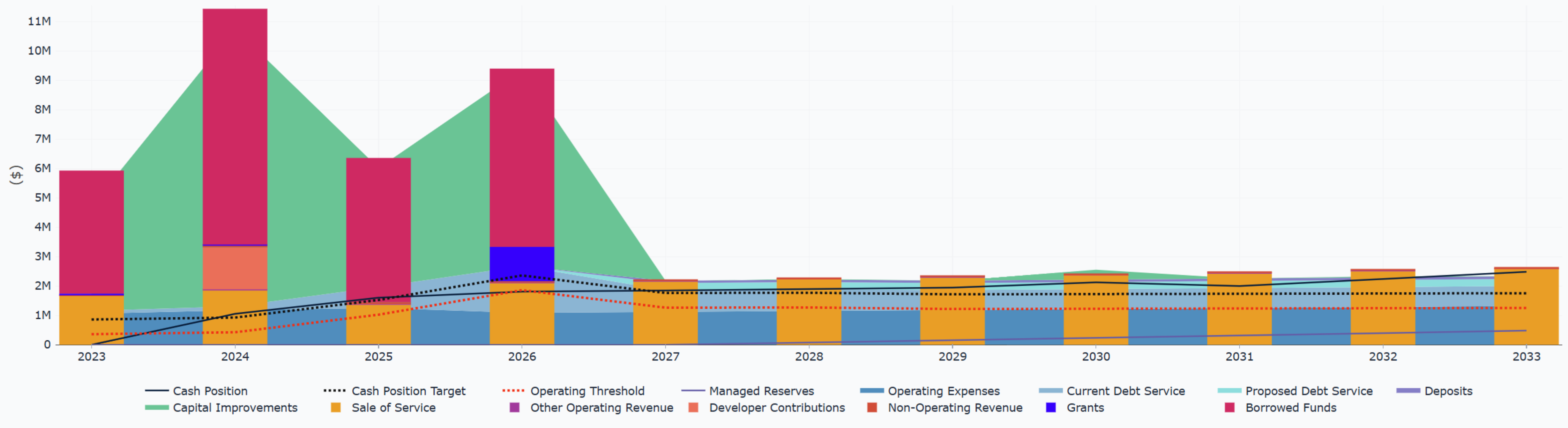
Proposed Scenario 1 – Reoccurring 3% Increase



2027	2028	2029	2030	2031	2032	2033
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Proposed Scenario 2 – Reoccurring 3% Increase w/ CRB Lift Station Improvement

- Scenario 2 includes $500,000 Lift Station Improvements/Replacements in FY2027 & FY2031



2027	2028	2029	2030	2031	2032	2033
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%