



Village of Elk Rapids 2019-2020 Budget

A presentation of the proposed budget for
Fiscal Year 2019-2020

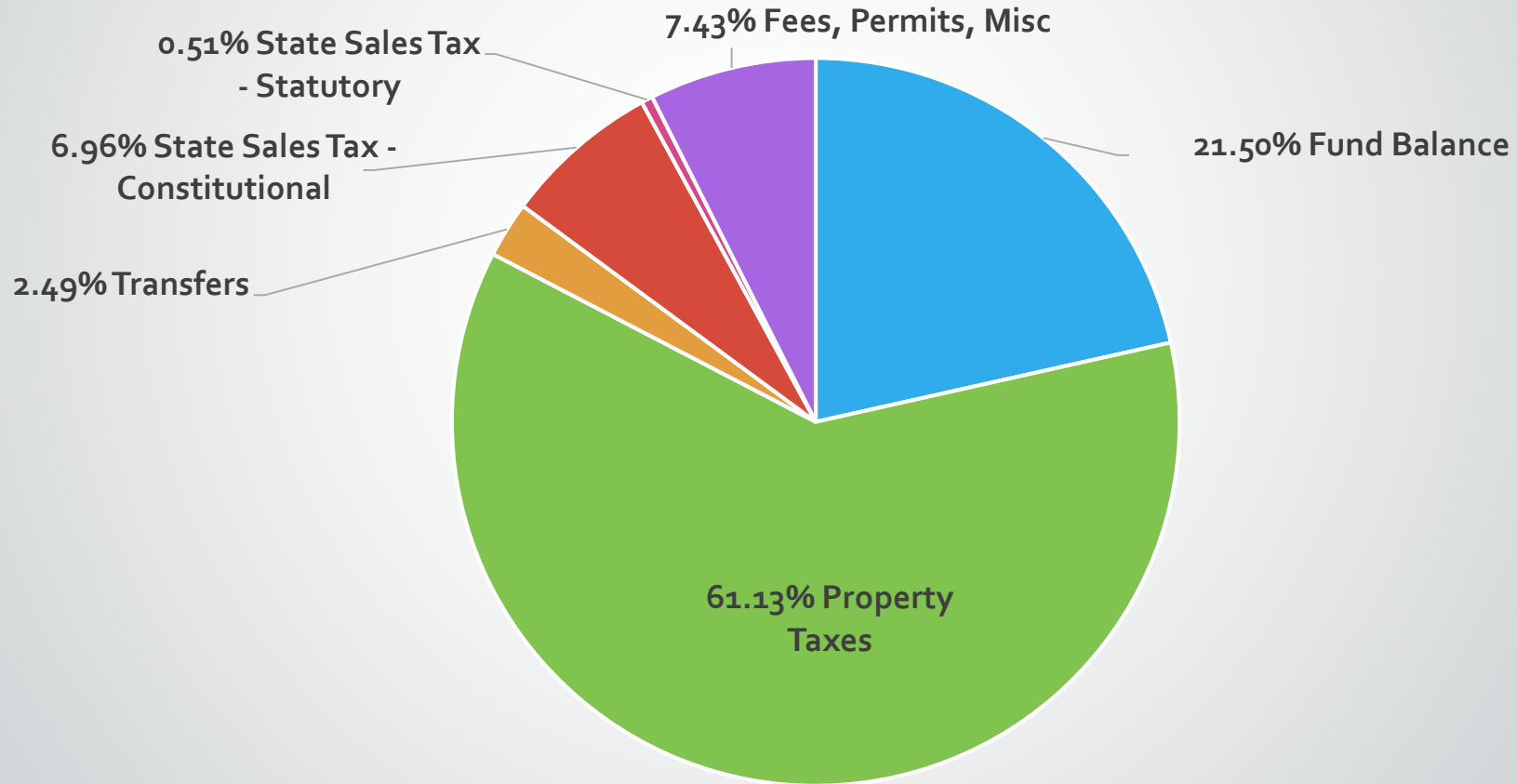
The Budget Process

- *Information is gathered, assumptions are made and documented, and the Department Heads and Commissions draft their budget.*
- *Budgets are submitted to the Village Manager for review, discussion occurs as needed, and adjustments are made if necessary.*
- *The budget is then submitted to the Village Council for review, discussion and modification as needed. (Budget Work Sessions)*
- *The “final” budget is presented to the General Public, and based on comments received, additional adjustments may or may not be made. (Public Hearing)*
- *The Village Council approves the budget, hopefully, but definitely by February 28, as required by the State.*
- *This entire process starts in October!*
- *This year we did something a little different, Caroline oversaw the process and handled most of the review with the Village Council.*

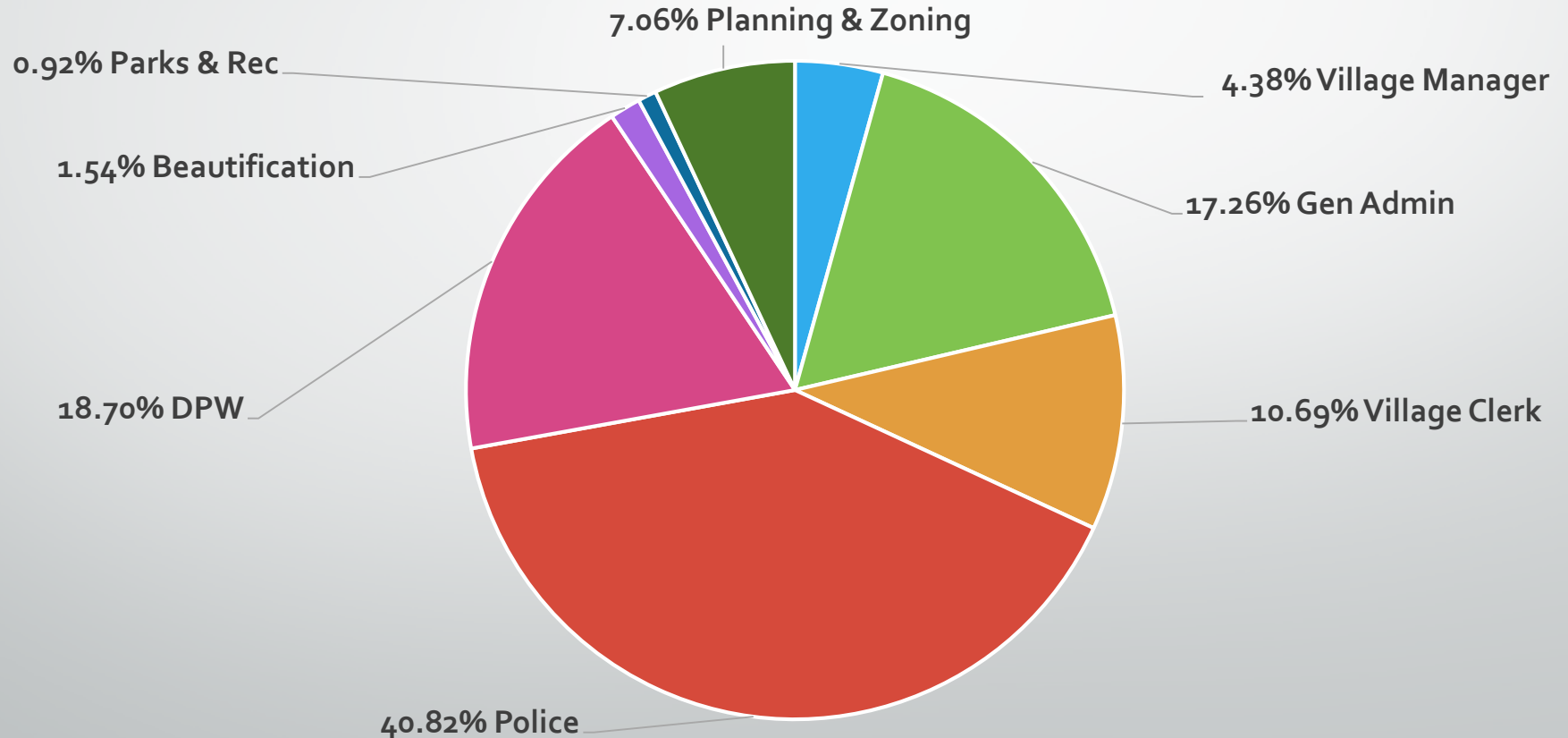
General Fund

	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Revenue	\$1,089,700	\$1,227,080	\$1,253,642	\$1,702,405	\$1,569,425
Village Manager	\$61,317	\$66,352	\$54,611	\$54,947	\$54,871
General Services/Admin	\$183,594	\$190,801	\$235,356	\$376,804	\$216,418
Village Clerk	\$90,165	\$133,051	\$144,342	\$143,019	\$134,033
Police	\$413,084	\$405,562	\$452,248	\$511,225	\$507,842
DPW General Fund	\$158,091	\$253,328	\$281,005	\$230,200	\$234,549
Beautification	\$16,151	\$18,864	\$12,697	\$20,550	\$19,263
Parks & Rec	\$3,562	\$2,527	\$2,000	\$11,550	\$11,550
Planning & Zoning	\$86,872	\$90,657	\$88,195	\$102,270	\$88,576
Totals	\$1,012,836	\$1,161,142	\$1,270,454	\$1,450,565	\$1,267,102

General Fund Revenue



General Fund Expenditures



DPW Responsibilities

General Fund	\$234,549
Major Streets	\$300,437
Local Streets	\$208,488
Waste Collection	\$148,407
Building Operations	\$72,910
Water Construction	\$140,000
General Capital	\$254,000
SAW Grant	\$750,000
Sewer Capital	\$469,000
Water Capital	\$0
Sewer Operations	\$1,387,168
Water Operations	\$977,588
Motor Vehicle Fund	\$388,214
	\$5,330,761

All Other Funds

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Fund	Actual	Actual	Budget	Projected	Proposed
Major Streets - Revenue	\$227,449	\$295,035	\$331,400	\$360,385	\$368,785
Major Streets - Expenses	\$205,295	\$265,255	\$287,100	\$259,690	\$300,437
Local Streets - Revenue	\$228,596	\$305,272	\$257,000	\$292,382	\$250,384
Local Streets - Expenses	\$210,571	\$277,259	\$244,750	\$206,225	\$135,694
Municipal Streets - Revenue	\$341,662	\$389,923	\$384,750	\$394,543	\$374,350
Municipal Streets - Expenses	\$338,798	\$377,750	\$374,550	\$392,316	\$310,238
Waste Collection - Revenue	\$120,503	\$170,399	\$162,250	\$149,053	\$179,675
Waste Collection - Expenses	\$112,092	\$159,363	\$180,630	\$121,903	\$148,407
Building Ops - Revenue	\$66,502	\$86,027	\$120,500	\$66,000	\$90,000
Building Ops - Expenses	\$66,501	\$84,430	\$113,900	\$65,189	\$72,910
Water Bond Construction - Revenue	\$ -	\$ -	\$685,742	\$4,246,500	\$140,000
Water Bond Construction - Expenses	\$ -	\$1,250,945	\$685,742	\$4,246,500	\$140,000

All Other Funds (Cont.)

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019
Fund	Actual	Actual	Actual	Projected	Proposed
General Capital - Revenue	\$160,816	\$268,332	\$256,925	\$370,432	\$306,732
General Capital - Expenses	\$98,932	\$149,925	\$203,500	\$307,500	\$254,000
MDEQ SAW Grant - Revenue	\$ -	\$ -	\$ -	\$837,153	\$750,000
MDEQ SAW Grant - Expenses	\$ -	\$ -	\$ -	\$837,153	\$750,000
Sewer Capital - Revenue	\$5,874	\$157,957	\$160,000	\$1,037,800	\$618,200
Sewer Capital - Expenses	\$12,300	\$127,500	\$138,000	\$820,850	\$469,000
Harbor Capital - Revenue	\$295,023	\$149,000	\$583,500	\$375,000	\$270,100
Harbor Capital - Expenses	\$307,847	\$149,000	\$575,500	\$144,500	\$213,500
Wastewater Construction - Revenue	\$1,173,285	\$729,611	\$ -	\$ -	\$ -
Wastewater Construction - Expenses	\$1,464,536	\$762,905	\$ -	\$ -	\$ -
Water Capital - Revenue	\$ -	\$ -	\$ -	\$585,000	\$460,300
Water Capital - Expenses	\$ -	\$ -	\$ -	\$369,193	\$50,000

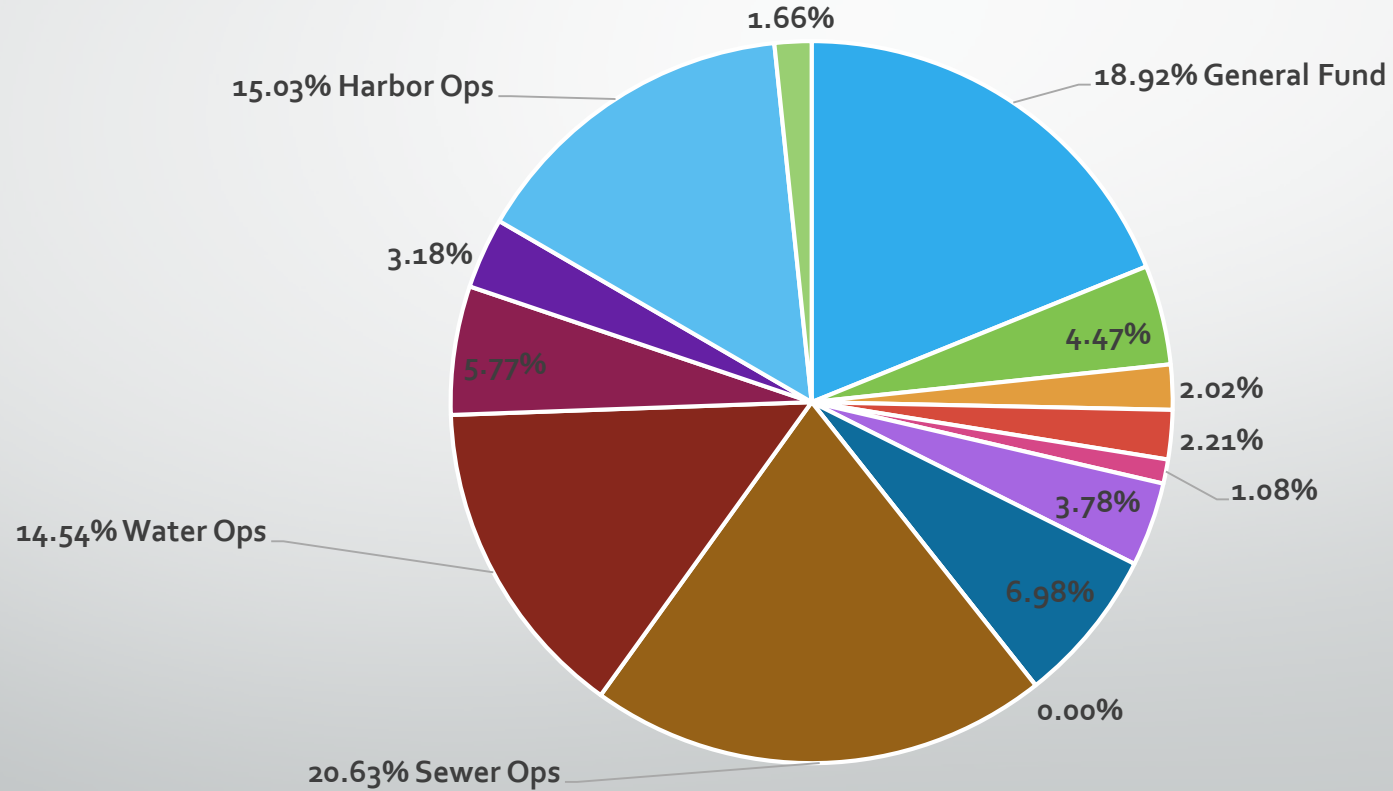
All Other Funds (Cont.)

	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019
Fund	Actual	Actual	Budget	Proposed	Proposed
Sewer Operations - Revenue	\$2,348,699	\$1,462,279	\$1,524,650	\$1,605,600	\$1,682,600
Sewer Operations - Expenses	\$708,640	\$866,245	\$896,570	\$1,322,072	\$1,387,168
Harbor Operations - Revenue	\$1,362,391	\$1,160,530	\$1,229,874	\$1,330,813	\$1,212,713
Harbor Operations - Expenses	\$1,124,295	\$1,002,482	\$1,167,614	\$1,070,255	\$1,010,272
Water Operations - Revenue	\$244,792	\$501,161	\$799,200	\$1,003,710	\$1,327,500
Water Operations - Expenses	\$327,237	\$411,291	\$470,653	\$826,963	\$977,588
Motor Vehicle Fund - Revenue	\$369,374	\$450,589	\$488,700	\$522,100	\$525,300
Motor Vehicle Fund - Expenses	\$210,800	\$251,219	\$343,300	\$355,200	\$388,214
DDA (TIFA) - Revenue	\$116,935	\$155,985	\$152,175	\$149,388	\$183,040
DDA (TIFA) - Expenses	\$113,072	\$106,550	\$106,350	\$114,029	\$111,370
Harbor Construction - Revenue	\$ -	\$ -	\$ -	\$455,000	\$455,000
Harbor Construction - Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

Breakdown of Overall Expenditures

	FY2018-2019		FY2019-2020
General Fund	\$1,234,974		\$1,267,102
Major Streets	\$259,690		\$300,437
Local Streets	\$206,225		\$135,694
Waste Collection	\$121,903		\$148,407
Building Operations	\$65,189		\$72,910
General Capital	\$307,500		\$254,000
Sewer Capital	\$820,850		\$469,000
Water Capital	\$369,193		\$50,000
Sewer Operations	\$1,322,072		\$1,387,168
Water Operations	\$826,963		\$977,588
Motor Vehicle Fund	\$355,200		\$388,214
Harbor Capital	\$144,500		\$213,500
Harbor Operations	\$1,070,255		\$1,010,272
DDA	\$114,029		\$111,370
	\$7,218,543		\$6,785,662
Water Construction	\$4,246,500		\$140,000
SAW Grant	\$837,153		\$750,000
Total Expenditures	\$12,302,196		\$7,675,662

Overall Expenditures



Village Debt

We are making progress!!

Year	Year		Amount			
Debt	Debt to be		of	2019 - 2020		
Incurred	Retired	Purpose	Debt	Payment	Fund	Source
2013	2020	Refunding of Water Bond	\$285,000.00	\$46,519.00	301 - Water Bond 2013	Millage
2015	2035	WWTP Construction	\$4,400,000.00	\$272,412.00	392 - WWTP Debt	Sewer Ops - 590
2013	2024	River Street - Refunding Bond	\$530,000.00	\$67,988.00	398 - River Street Bond Debt	Muni Streets - 204
2008	2024	DDA Bond (Lake & Loomis)	\$600,000.00	\$52,615.00	791 - DDA/TIFA Fund	DDA - 791
2012	2027	Harbor - Capital Improv & Refunding	\$1,245,000.00	\$90,245.00	795 - Harbor Bond Debt	Harbor Ops - 594
2016	2036	Water System Improvements	\$2,000,000.00	\$127,363.00	302 - Water Bond 2016	Water Ops - 595
2017	2037	Water System Improvements	\$3,500,000.00	\$239,850.00	304 - Water Bond 2017	Water Ops - 595

Millage Rates

A Little Bit of History

Year	General Fund	Streets	Refuse Collection	Total	Bond Debt	Grand Total
1994	6.8600	3.9800	1.6900	12.5300	1.1900	13.7200
1995	7.2774	3.9093	1.6700	12.8567	1.5023	14.3590
1996	7.3438	3.9712	1.6941	13.0091	0.0000	13.0091
1997	7.3441	3.8100	1.6320	12.7861	0.0000	12.7861
1998	7.5251	3.6810	1.5800	12.7861	0.0000	12.7861
1999	7.3730	3.8650	1.5481	12.7861	0.0000	12.7861
2000	6.9418	3.4872	0.7491	11.1781	0.7494	11.9275
2001	6.8361	3.2762	2.1178	12.2301	0.6849	12.9150
2002	7.7060	2.6517	1.9326	12.2903	0.6247	12.9150
2003	7.7060	2.6517	1.9326	12.2903	0.6037	12.8940
2004	8.2247	2.1517	1.8291	12.2055	0.5717	12.7772
2005	8.7000	2.8071	1.8626	13.3697	0.5079	13.8776
2006	8.4256	2.8071	1.6204	12.8531	0.5806	13.4337
2007	8.5371	2.6357	1.3576	12.5304	0.4764	13.0068
2008	8.3913	2.6435	1.2075	12.2423	0.4477	12.6900
2009	8.0940	2.6275	1.0183	11.7398	0.4483	12.1881
2010	8.0346	2.6800	0.8679	11.5825	0.4312	12.0137
2011	7.7632	2.7012	1.0531	11.5175	0.4325	11.9500
2012	7.4950	3.1002	0.9558	11.5510	0.4635	12.0145
2013	7.3805	3.1554	0.9200	11.4559	0.4441	11.9000
2014	7.6950	3.0200	0.7800	11.4950	0.3050	11.8000
2015	7.5800	3.0200	0.7800	11.3800	0.4200	11.8000
2016	7.5800	3.0500	0.7700	11.4000	0.4000	11.8000
2017	7.5800	3.0500	0.7700	11.4000	0.4000	11.8000
2018	7.6050	3.0500	0.7700	11.4250	0.3750	11.8000
AVERAGE	7.6800	3.1113	1.3243	12.1156	0.4824	12.5980

Taxable Value A Little Shorter History

Fiscal		Taxable		Percentage
Year		Value		Increase
2012 - 2013		\$105,907,946		
2013 - 2014		\$106,241,283		0.31%
2014 - 2015		\$108,533,886		2.16%
2015 - 2016		\$111,208,697		2.46%
2016 - 2017		\$114,039,973		2.55%
2017 - 2018		\$117,702,902		3.21%
2018 - 2019		\$122,304,870		3.90%
2019 - 2020		\$125,974,000		3.00%

New Topic: Why is a Fund Balance Necessary

- *Assure that the Village can respond to emergencies*
- *Plan for major expenses*
- *Save for major expenses, not just wait until something breaks then look for the money to fix it*
- *A basic requirement from the State to assure solvency*
- *Minimum Fund Balance = 20% of expenditures as set by the Village Council. Currently we have two funds expected to be below this requirement.*

What is he doing??

- *Quite frankly, I am stalling before I break it to you that I asked the Village Council for a millage increase as part of the budget*
- *Sorry, it had to be done!!*

So, here we go, I have asked for a millage increase

	2018 - 2019 Maximum Allowable Millage	Actual Millage	2019- 2020 Maximum Allowable Millage	Millage	Millage Difference	Additional Revenue Generated
General Fund	8.2626	7.6050	8.1775	7.9550	0.4500	\$ 44,091
Waste Collection	1.9826	0.7700	1.9622	1.0200	0.2500	\$ 31,494
Streets	3.3046	3.0500	3.2706	3.0500	0.0000	\$ -
Bond Debt	1.0000	0.3750	0.9897	0.3750	0.0000	\$ -
	14.5498	11.8000	14.3999 (1)	12.4000 (2)		
	(1)	Assumes the same Headlee impact as in 2018-2019.				
	(2)	Assumes a total millage of 12.4000 divided between the General Fund and the Waste Collection Fund				

How will the funds be used:

In the General Fund, revenues will be divided. \$10,000 will go to Building Operations, Fund 296, to assure that we have funding for future expenses for the Government Center. The remainder, \$34,091, will be held to fund future projects, such as sidewalk replacement, lighting or other projects throughout the Village.

The funding for Waste Collection, Fund 228, will assure that we maintain a fund balance to be used if and when major expenses arise.

Millage Rates A Little Bit of History

Year	General Fund	Streets	Refuse Collection	Total	Bond Debt	Grand Total
1994	6.8600	3.9800	1.6900	12.5300	1.1900	13.7200
1995	7.2774	3.9093	1.6700	12.8567	1.5023	14.3590
1996	7.3438	3.9712	1.6941	13.0091	0.0000	13.0091
1997	7.3441	3.8100	1.6320	12.7861	0.0000	12.7861
1998	7.5251	3.6810	1.5800	12.7861	0.0000	12.7861
1999	7.3730	3.8650	1.5481	12.7861	0.0000	12.7861
2000	6.9418	3.4872	0.7491	11.1781	0.7494	11.9275
2001	6.8361	3.2762	2.1178	12.2301	0.6849	12.9150
2002	7.7060	2.6517	1.9326	12.2903	0.6247	12.9150
2003	7.7060	2.6517	1.9326	12.2903	0.6037	12.8940
2004	8.2247	2.1517	1.8291	12.2055	0.5717	12.7772
2005	8.7000	2.8071	1.8626	13.3697	0.5079	13.8776
2006	8.4256	2.8071	1.6204	12.8531	0.5806	13.4337
2007	8.5371	2.6357	1.3576	12.5304	0.4764	13.0068
2008	8.3913	2.6435	1.2075	12.2423	0.4477	12.6900
2009	8.0940	2.6275	1.0183	11.7398	0.4483	12.1881
2010	8.0346	2.6800	0.8679	11.5825	0.4312	12.0137
2011	7.7632	2.7012	1.0531	11.5175	0.4325	11.9500
2012	7.4950	3.1002	0.9558	11.5510	0.4635	12.0145
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2014	7.6950	3.0200	0.7800	11.4950	0.3050	11.8000
2015	7.5800	3.0200	0.7800	11.3800	0.4200	11.8000
2016	7.5800	3.0500	0.7700	11.4000	0.4000	11.8000
2017	7.5800	3.0500	0.7700	11.4000	0.4000	11.8000
2018	7.6050	3.0500	0.7700	11.4250	0.3750	11.8000
AVERAGE	7.6800	3.1113	1.3243	12.1156	0.4824	12.5980

What does the Millage Increase Really Mean??

Common millage calculations:		
Taxable Value as of 2018 =		\$122,304,870
Assume 3% Increase in 2019 =		\$125,974,016
		Revenue
1 mill =		\$ 125,974
0.10		\$ 12,597
0.20		\$ 25,195
0.30		\$ 37,792
0.40		\$ 50,390
0.50		\$ 62,987
0.60		\$ 75,584
0.70		\$ 88,182
0.80		\$ 100,779
0.90		\$ 113,377
0.25		\$ 31,494
0.50		\$ 62,987
0.75		\$ 94,481
Taxable Value of \$200,000 - Annual Cost		
with a 1.0 mil increase =		\$ 200
0.6 mil increase =		\$ 120

Projected Fund Balances

02/29/20

Fund	Balance	Percentage
General Fund	\$ 330,000	26.30%
Major Streets Fund	\$ 98,000	22.75%
Local Streets Fund	\$ 42,000	20.10%
Municipal Streets Fund	\$ 64,000	20.67%
Waste Collection Fund	\$ 31,200	21.07%
Building Operations Fund	\$ 17,000	23.44%
General Capital Fund	\$ 52,700	20.76%
Water Operations Fund	\$ 349,912	35.79%
Water Capital Fund	\$ 460,300	46.03%
Sewer Operations Fund	\$ 295,432	21.30%
Sewer Capital Fund	\$ 149,200	31.81%
Motor Vehicle Fund	\$ 137,100	35.31%
Harbor Operations Fund	\$ 202,441	20.04%
Harbor Capital Fund	\$ 56,600	26.51%
DDA Fund	\$ 71,600	64.35%

Overall Highlights FY2019-2020

- *Millage rates will increase from 11.8000 to 12.4000. (Assuming Council approval.)*
- *Utility Rates (Water & Sewer Rates) will increase 3.0% this year. As noted last year, and when we first developed this plan two years ago, we anticipate that we would be increasing the rates, per the inflation rate for construction costs, in all future years. (Again, assuming Council approval.)*
- *The Water Improvement Project was almost completed. "Punch list" items and restoration work will be completed by May 2019.*
- *We received a grant from the DNR towards the construction of bathrooms at Dam Beach. After a disappointing bid process, minor changes were made in the design, it was rebid, and now we expect to move forward and complete this project in 2019.*
- *We are moving forward with the SAW Grant, the evaluation and prioritization for work on our sewer system. The project started last year and is expected to be completed next year, in plenty of time for our first sewer replacement project.*

Utility Rates

(aka Water and Sewer Rates)

	Actual	Actual	Proposed
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Water - Flat Fee	\$36.61	\$36.61	\$37.71
Water - Usage per 1,000 gallons	\$4.36	\$4.36	\$4.49
Sewer - Flat Rate	\$34.75	\$34.75	\$35.79
Sewer - Usage Fees	\$6.95	\$6.95	\$7.16

Looking Ahead

- *Water and Sewer projects will move forward every 4 years, following our project plan. Each project will replace 1 mile of water line and 1 mile of sewer line. Based on current and projected pricing, each mile will cost \$1,000,000. Saving versus borrowing will save hundreds of thousands of dollars over the next 80 years.*
- *Work Force Housing/Reasonably Priced Housing/Housing in General will continue to be a top priority.*
- *Potential repairs to the Government Center have been evaluated, and potential costs identified. The Village and the Township will be moving forward with a savings plan to accomplish those repairs as needed.*
- *We continue to evaluate operations in order to find ways to reduce costs and maximize efficiencies throughout the Village.*



?? *QUESTIONS* ??

*We will attempt to answer any
and all questions at this time*

(Related to the Budget)