



# *Village of Elk Rapids*

## *2021-2022 Budget*



# The Budget Process

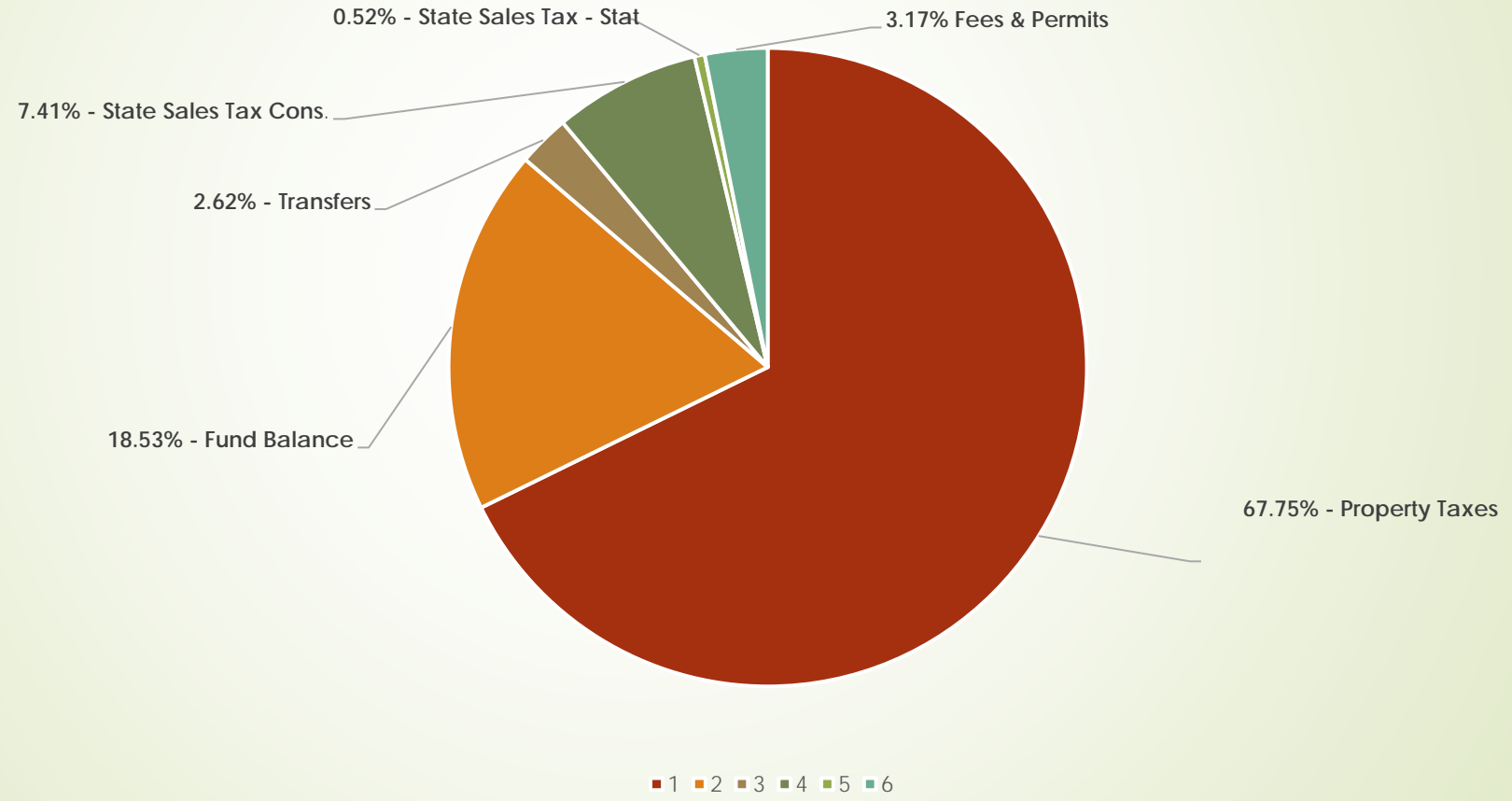
- *Information is gathered, assumptions are made and documented, and the Department Heads and Commissions draft their budget.*
- *Budgets are submitted to the Village Manager for review, discussion occurs as needed, and adjustments are made if necessary.*
- *The budget is then submitted to the Village 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 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!*

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue	\$1,253,642	\$1,702,405	\$1,569,425	\$1,617,092	\$1,619,711
Village Manager	\$54,611	\$54,947	\$54,871	\$56,654	\$65,509
General Services/Admin	\$235,356	\$376,804	\$216,418	\$223,578	\$241,635
Village Clerk	\$144,342	\$143,019	\$134,033	\$148,984	\$125,844
Police	\$452,248	\$511,225	\$507,842	\$522,875	\$487,432
DPW General Fund	\$281,005	\$230,200	\$234,549	\$306,099	\$255,860
Beautification	\$12,697	\$20,550	\$19,263	\$19,249	\$26,012
Parks & Rec	\$2,000	\$11,550	\$11,550	\$19,768	\$17,471
Planning & Zoning	\$88,195	\$102,270	\$88,576	\$87,294	\$92,185
Totals	\$1,270,454	\$1,450,565	\$1,267,102	\$1,384,501	\$1,311,948



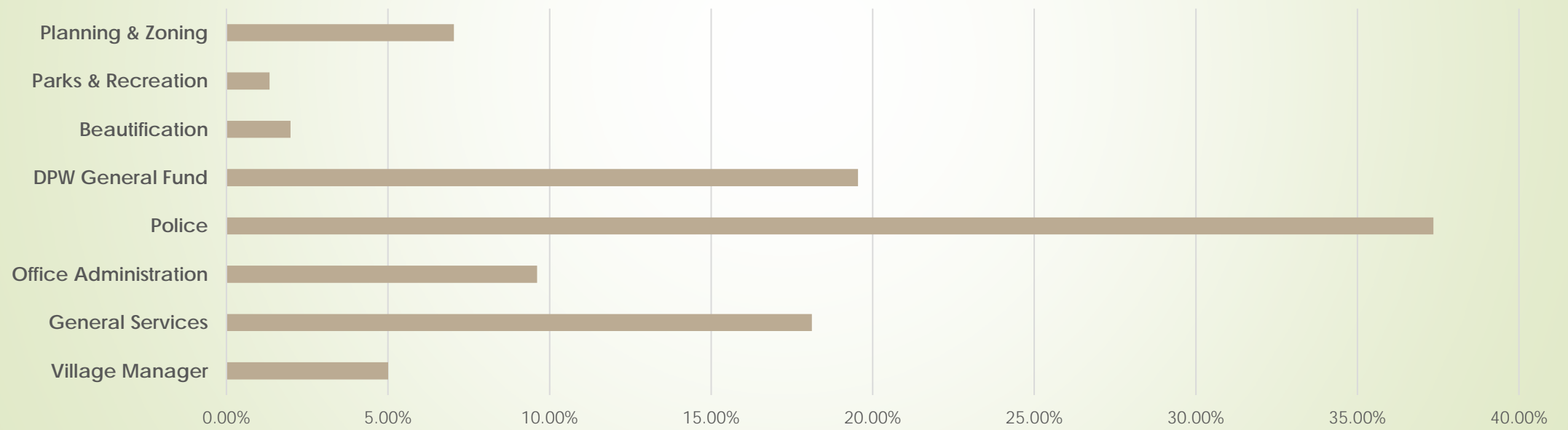
# General Fund

# General Fund Revenues FY2021-2022





# *General Fund Expenditures FY2021-2022*





# *DPW Responsibilities*

<b>General Fund</b>	<b>\$255,860</b>
<b>Major Streets</b>	<b>\$339,169</b>
<b>Local Streets</b>	<b>\$189,862</b>
<b>Waste Collection</b>	<b>\$147,021</b>
<b>Building Operations</b>	<b>\$ 87,059</b>
<b>Water Construction</b>	<b>\$236,624</b>
<b>General Capital</b>	<b>\$107,200</b>
<b>Sewer Capital</b>	<b>\$166,400</b>
<b>Water Capital</b>	<b>\$ 11,000</b>
<b>Sewer Operations</b>	<b>\$1,076,271</b>
<b>Water Operations</b>	<b>\$964,390</b>
<b>Motor Vehicle Fund</b>	<b>\$368,880</b>
	<b>\$3,949,736</b>

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Fund	Actual	Actual	Actual	Budget	Proposed
Major Streets - Revenue	\$301,506	\$276,536	\$261,091	\$480,150	\$485,200
Major Streets - Expenses	\$250,526	\$495,780	\$246,385	\$254,703	\$393,169
Local Streets - Revenue	\$215,405	\$222,211	\$212,911	\$320,050	\$285,150
Local Streets - Expenses	\$200,731	\$163,180	\$173,988	\$223,250	\$124,597
Municipal Streets - Revenue	\$362,753	\$378,073	\$400,281	\$416,634	\$483,082
Municipal Streets - Expenses	\$255,224	\$185,200	\$235,703	\$344,450	\$354,264
Waste Collection - Revenue	\$131,664	\$127,476	\$174,011	\$184,430	\$197,489
Waste Collection - Expenses	\$160,349	\$146,013	\$163,997	\$153,926	\$155,021
Building Ops - Revenue	\$62,512	\$68,749	\$71,565	\$99,000	\$109,000
Building Ops - Expenses	\$7,624	\$68,748	\$66,151	\$82,470	\$87,059
Water Bond Construction - Revenue	\$687,808	\$4,148,141	\$312	\$200,000	\$236,624
Water Bond Construction - Expenses	\$1,122,925	\$4,106,609	\$270,295	\$200,000	\$236,624



*All Other Funds*

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Fund	Actual	Actual	Actual	Budget	Proposed
General Capital - Revenue	\$80,761	\$171,131	\$48,336	\$148,500	\$152,000
General Capital - Expenses	\$0	\$161,005	\$221,293	\$123,000	\$122,200
MDEQ SAW Grant - Revenue	\$-	\$837,153	\$750,000	\$837,153	\$0
MDEQ SAW Grant - Expenses	\$-	\$837,153	\$750,000	\$837,153	\$0
Sewer Capital - Revenue	\$390,989	\$150,518	\$36,442	\$355,900	\$560,400
Sewer Capital - Expenses	\$33,084	\$290,134	\$37,204	\$131,500	\$166,400
Harbor Capital - Revenue	\$479,071	\$375,310	\$689	\$227,200	\$325,300
Harbor Capital - Expenses	\$469,666	\$8,989	\$157,174	\$167,870	\$223,000
Water Capital - Revenue	\$450,000	\$337,763	\$963	\$650,250	\$900,450
Water Capital - Expenses	\$-	\$33,950	\$74,553	\$3,000	\$11,000



*All Other Funds (Cont.)*



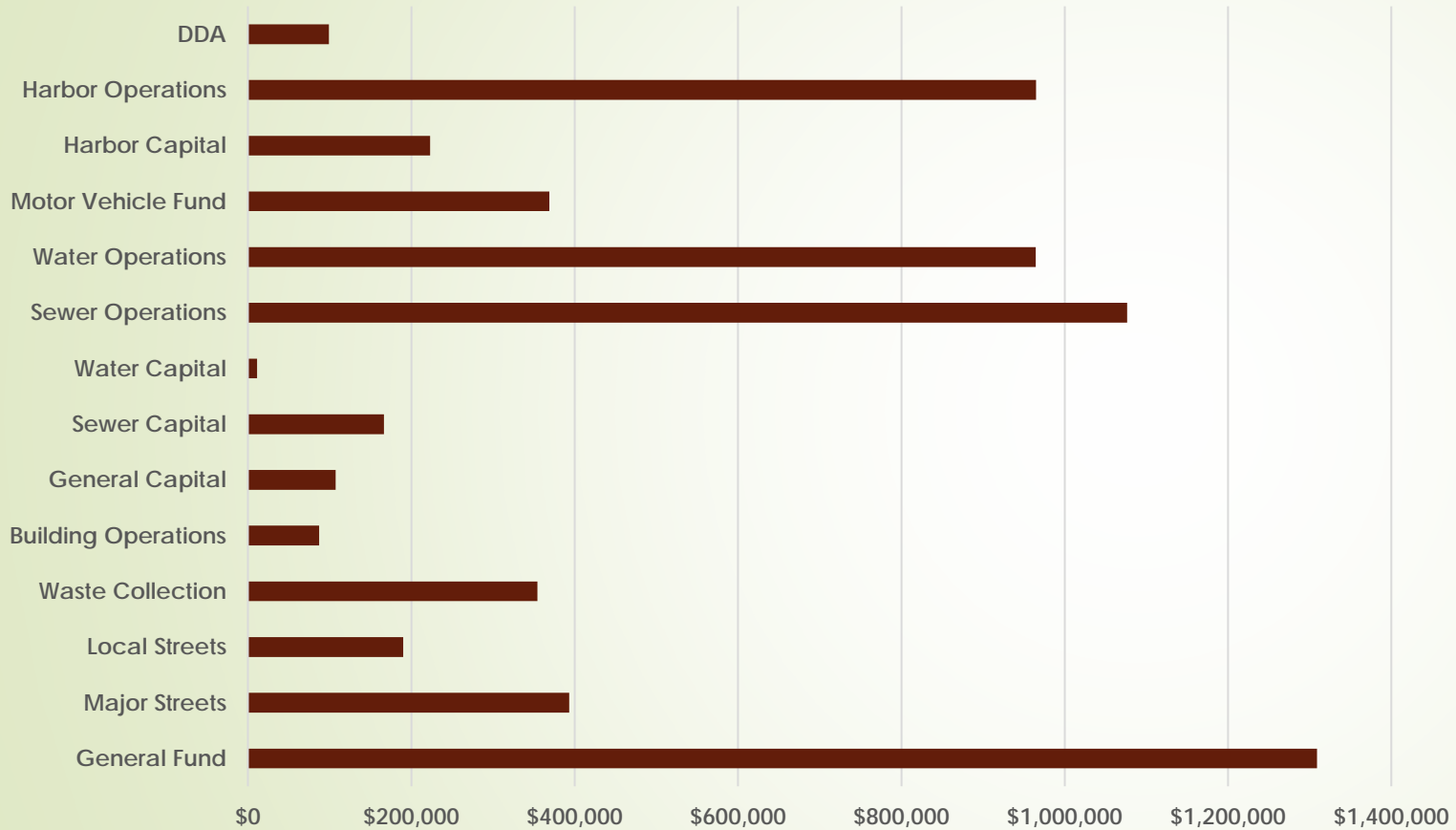
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Fund	Actual	Actual	Actual	Budget	Proposed
Sewer Operations - Revenue	\$1,063,593	\$1,183,326	\$1,264,131	\$1,276,950	\$1,341,530
Sewer Operations - Expenses	\$1,267,006	\$1,197,855	\$1,065,848	\$1,062,026	\$1,076,271
Harbor Operations - Revenue	\$1,073,020	\$1,105,556	\$1,022,560	\$1,257,400	\$1,258,250
Harbor Operations - Expenses	\$1,143,906	\$1,201,319	\$1,169,967	\$925,373	\$1,018,516
Water Operations - Revenue	\$2,029,021	\$899,306	\$1,458,022	\$1,307,147	\$1,234,600
Water Operations - Expenses	\$4,494,672	\$995,699	\$941,756	\$1,041,208	\$964,390
Motor Vehicle Fund - Revenue	\$345,274	\$368,716	\$348,238	\$660,200	\$508,200
Motor Vehicle Fund - Expenses	\$394,280	\$522,770	\$386,846	\$380,911	\$368,880
DDA (TIFA) - Revenue	\$156,049	\$134,889	\$150,511	\$246,258	\$297,969
DDA (TIFA) - Expenses	\$105,925	\$146,584	\$59,714	\$183,478	\$139,621
Harbor Construction - Revenue	924	\$886	\$1,027	\$508,500	\$625,500
Harbor Construction - Expenses	\$ -	\$ -	\$ -	\$ -	\$ -



*All Other  
Funds  
(Cont.)*

## *Breakdown of Overall Expenditures*

	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022
	Actual	Actual	Budget	Proposed
<b>General Fund</b>	<b>\$1,169,298</b>	<b>\$1,133,139</b>	<b>\$1,384,501</b>	<b>\$1,311,948</b>
Major Streets	\$245,254	\$246,385	\$254,703	\$393,169
Local Streets	\$163,810	\$173,988	\$223,250	\$189,862
Municipal Streets	\$185,200	\$235,703	\$344,450	\$354,264
Waste Collection	\$146,031	\$163,997	\$153,926	\$155,021
Building Operations	\$68,748	\$66,151	\$82,470	\$87,059
General Capital	\$161,005	\$221,293	\$123,000	\$122,200
Sewer Capital	\$290,134	\$37,204	\$131,500	\$166,400
Water Capital	\$33,950	\$74,553	\$3,000	\$11,000
Sewer Operations	\$1,197,855	\$1,065,848	\$1,062,026	\$1,076,271
Water Operations	\$995,699	\$941,756	\$1,041,208	\$964,390
Motor Vehicle Fund	\$522,770	\$386,846	\$380,931	\$368,880
Harbor Capital	\$8,989	\$157,174	\$167,870	\$223,000
Harbor Operations	\$1,201,319	\$1,169,967	\$925,373	\$1,018,516
DDA	\$146,584	\$59,714	\$183,478	\$139,621
<b>Total Operations</b>	<b>\$6,536,646</b>	<b>\$6,133,718</b>	<b>\$6,461,686</b>	<b>\$6,578,601</b>
Water Construction	\$4,106,609	\$270,295	\$200,000	\$236,624
SAW Grant	\$837,153	\$750,000	\$100,000	\$0
<b>Total Expenditures</b>	<b>\$11,480,408</b>	<b>\$7,154,013</b>	<b>\$6,761,686</b>	<b>\$6,815,225</b>



Overall  
Expenditures  
FY2021-2022

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Water - Flat Fee	\$36.61	\$37.71	\$38.46	\$39.23
Water - Usage per 1,000 gallons	\$4.36	\$4.49	\$4.58	\$4.67
Sewer - Flat Rate	\$34.75	\$35.79	\$36.68	\$37.60
Sewer - Usage Fees	\$6.95	\$7.16	\$7.34	\$7.52
	The new Utility Rates reflect the following:			
	2% increase in Water Rates			
	2.5% increase in Sewer Rates			



*Proposed Utility Rates (One of the Elephants in the Room)*



# Utility Rate Quick Overview

- ▶ 2016 - Completed a detailed rate analysis and assessment of options
- ▶ 2017 - Implemented the approach to stay away from bonding for the water and sewer projects and to start saving for the projects
- ▶ 2017 - Plan included water and sewer projects, replacing 1 mile of water lines and 1 mile of sewer lines, every 4 years, requiring annual rate increases of 3%
- ▶ 2018 - Did not raise the utility rates due to increasing the overall millage rate
- ▶ 2020 - modified the implementation plan to doing projects every 5 years allowing for a reduction in the rate increases to 2.0% for water and 2.5% for sewer.
- ▶ The 2020 plan also requires a reassessment of the approach and the rates every 5 years going forward.

Year Debt Incurred	Year Debt to be Retired	Purpose	Amount of Debt	FYE2022 Principal Payment	FYE2022 Interest Payment	FYE2022 Agent Fee	Total Due	Type of Debt	Fund
2008	2024	DDA Bond (Lake & Loomis)	\$600,000.00	\$45,000.00	\$8,917.50	\$ -	\$53,917.50	Bond	791 - DDA/TIFA Fund
2012	2027	Harbor - Capital Improv & Refunding	\$1,245,000.00	\$75,000.00	\$16,290.00	\$250.00	\$91,540.00	Bond	594 - Harbor Operations
2013	2024	River Street - Refunding Bond	\$530,000.00	\$60,000.00	\$5,400.00	\$ -	\$65,400.00	Bond	204 - Muni & 595 - Water Ops
2014	2035	WWTP Construction	\$4,400,000.00	\$190,000.00	\$83,161.18	\$ -	\$273,161.18	SRF	590- Sewer Operations
2016	2036	Water System Improvements	\$2,000,000.00	\$85,000.00	\$43,662.50	\$500.00	\$129,162.50	Bond	595- Water Operations
2017	2037	Water System Improvements	\$3,500,000.00	\$145,000.00	\$96,100.00	\$500.00	\$241,600.00	Bond	595- Water Operations



# *Debt Payment Schedule FY2021-2022*

	General Fund	Streets	Refuse	Total	Bonds	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
2000	6.9418	3.4872	0.7491	11.1781	0.7494	11.9275
2005	8.7000	2.8071	1.8626	13.3697	0.5079	13.8776
2010	8.0346	2.6800	0.8679	11.5825	0.4312	12.0137
2015	7.5800	3.0200	0.7800	11.3800	0.4200	11.8000
2018	7.6050	3.0500	0.7700	11.4250	0.3750	11.8000
2019	8.1000	3.1000	1.1000	12.3000	0.0000	12.3000
2020	8.1000	3.0000	1.2000	12.3000	0.0000	12.3000
2021	7.9707	3.0000	1.3293	12.3000	0.0000	12.3000



*Millage Rates  
A Little  
Bit of  
History*

# *A Future Revenue Problem???*

## *(Another Elephant in the Room)*

Purpose	Original Millage Rate	2020 Millage Rate due to Headlee	2020 Millage Levied	2021 Proposed Millage	Possible 2022 Millage
General Fund	12.5000	8.0970	8.0970	7.9707	7.8463
Waste Collection	3.0000	1.9426	1.1030	1.2929	1.4178
Streets	5.0000	3.2383	3.1000	3.0000	3.0000
	20.5000	13.2779	12.3000	12.3000	12.3000
<p><b>The General Fund may or may not have a funding problem in 2022, depending on the amount of the increase in taxable values for the Village. However, expect a problem in 2023.</b></p>					





# *Headlee - Simply Stated*

- Primary purpose was to limit major up-swings in millage rates – especially in light of increasing taxable values.
- This was an attempt to keep millage rates level
- Voters approved Headlee
- Upside = avoids major increases in millage rates
- Downside = no way for community to increase funding when taxable values drop (2008)
- Only way to change at the local level is a Headlee override which requires a vote of the people. This is only a temporary fix unless the voters make it permanent.



*Taxable  
Value  
Interesting  
History*

<b>Fiscal Year</b>	<b>Taxable Value</b>	<b>Percentage Increase</b>
<b>1994</b>	<b>\$44,587,200</b>	
<b>2012</b>	<b>\$105,907,946</b>	
<b>2013</b>	<b>\$106,241,283</b>	<b>0.31%</b>
<b>2014</b>	<b>\$108,533,886</b>	<b>2.16%</b>
<b>2015</b>	<b>\$111,208,697</b>	<b>2.46%</b>
<b>2016</b>	<b>\$114,039,973</b>	<b>2.55%</b>
<b>2017</b>	<b>\$117,702,902</b>	<b>3.21%</b>
<b>2018</b>	<b>\$122,304,870</b>	<b>3.91%</b>
<b>2019</b>	<b>\$128,414,402</b>	<b>5.00%</b>
<b>2020</b>	<b>\$135,220,365</b>	<b>5.30%</b>
<b>2021 Projected</b>	<b>\$140,629,180</b>	<b>4.00%</b>



Overall  
Highlights  
FY2021-  
2022

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*Utility Rates (Water & Sewer Rates) will increase. Like last year, water rates will increase 2.0%, sewer will increase 2.5% (Assuming Council approval.)*

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*The Millage rate will remain at 12.3000 mils. (Assuming Council approval in June)*

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*Overall, it will be a fairly quite year. No new grant projects and no major water or sewer projects this year, but they will be coming in a couple of years.*

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*The biggest project will be the replacement of water valves throughout the community. These will be announced as DPW is ready to proceed.*



# Looking Ahead

- ▶ *Work Force Housing/Reasonably Priced Housing/Housing in General will continue to be a top priority.*
- ▶ *As noted last year, potential repairs to the Government Center have been evaluated and potential costs identified. The Village and the Township have moved forward with savings plan to accomplish repairs as needed.*
- ▶ *We continue to evaluate operations in order to find ways to reduce costs and maximize efficiencies throughout the Village.*
- ▶ *A lot of new faces around the Government Center. A new Village Manager, new Village Clerk and new Planning & Zoning Administrator. New faces with the same commitment to service and cost-effective management.*

# *Who are the New Folks??*

- ▶ *Village Manager - Bryan Gruesbeck*
- ▶ *Village Clerk - Kaitlyn Szczypka*
- ▶ *Planning & Zoning Administrator - Coming Soon*



# ?? QUESTIONS ??

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

*(Related to the Budget)*

