

THE VILLAGE OF ALMONT



*ECONOMIC VITALITY INCENTIVE PROGRAM
PROJECTED BUDGET REPORT (INCLUDES CURRENT BUDGET)
2014 - 2015 FISCAL YEAR
AND PROJECTED 2015 - 2016 FISCAL YEAR*

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This report includes information for the current fiscal year and the following fiscal year. This information includes revenues and expenditures and an explanation of the assumptions used for all projections. The production of this information satisfies all relevant requirements include in Public Act 59 of 2013 [Section 952].

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Welcome to the Economic Vitality Incentive Program Budget Report for the 2014 – 2015 fiscal year and 2015 – 2016 fiscal year for the Village of Almont.

As a governmental entity, we continually strive to provide a transparent and responsive government operation and are pleased to present this report to you. Questions concerning this guide may be directed to the Village Manager or Clerk/Treasurer at (810) 798-8528.

Village President – Steve Schneider

President Pro-Tem – Tim Dyke

Council Member – Rick Lauer

Council Member – Dave Love

Council Member – Gary Peltier

Council Member – Rick Tobias

Council Member – Melinda Steffler

BUDGET REPORT OVERVIEW

This page highlights the current mill rates and utility rates being levied or charged for each relevant Village activity or fund and the proposed rates for the upcoming 2015 – 2016 fiscal year [which runs from July 1, 2015 to June 30, 2016]:

MILLAGE RATES

	<u>2014-2015 FY</u>	<u>2015-2016 FY</u>
General Operating Mill Rate	13.567 mills	13.567 mills
Water Construction Debt Mill Rate	1.500 mills	1.500 mills
DWRF Water Tower Debt Mill Rate	2.275 mills	2.275 mills
TOTAL MILLS LEVIED	17.342 MILLS	17.342 MILLS

Note: This report assumes that these millage rates will remain unchanged for the 2015 – 2016 fiscal year. However, these rates are also subject to change as new legislation and regulation is passed by the State of Michigan legislature and as new information regarding the overall fiscal health of the Village is obtained. **These rates are only projections, and are subject to change.**

UTILITY RATES

2014 – 2015 FY SSO Rate:	\$2.15 per 1,000 gallons
2015 – 2016 FY SSO Rate:	\$2.15 per 1,000 gallons
2014- 2015 FY Sewer Rate:	\$39.50 Fixed and \$7.95 per 1,000 gallons
2015 - 2016 FY Sewer Rate:	\$39.50 Fixed and \$7.95 per 1,000 gallons
2014 - 2015 FY Water Rate:	\$33.00 Fixed and \$5.25 per 1,000 gallons
2015- 2016 FY Water Rate:	\$33.00 Fixed and \$5.25 per 1,000 gallons

Note: All utility rates will be affected by increases levied by the Detroit Water and Sewerage District and potentially by unexpected infrastructure needs that must be met in order to effectively operate the Village water and sewer systems. **These rates are only projections, and are subject to change.**

GENERAL FUND OVERVIEW

The general fund is projecting the following revenues for the 2014 – 2015 fiscal year and the 2015– 2016 fiscal year:

	<u>2014 – 2015 FY</u>	<u>2015– 2016FY</u>
Taxes	\$701,000	\$615,385
State Revenue Sharing	\$248,000	\$146,177
Township Police Contract	\$299,555	\$297,323
Garbage Collection	\$124,000	\$122,874
Park Contributions	\$26,000	\$10,000
Other Revenues	\$189,340	\$196,965
Funds Carried-Over	\$550,000	\$110,000
TOTAL REVENUES	\$2,137,895	\$1,498,724

The general fund is projecting the following expenditures for the 2014– 2015fiscal year and 2015 – 2016 fiscal year:

	<u>2014 – 2015 FY</u>	<u>2015– 2016 FY</u>
Governing Body	\$9,500	\$7,930
Management Operations	\$97,955	\$103,278
Clerk Operations	\$133,465	\$129,506
Central Operations	\$429,234	\$262,853
Public Safety	\$717,150	\$698,515
Public Works	\$149,500	\$146,357
Parks/Recreation	\$37,200	\$37,810
Planning/Zoning	\$5,275	\$13,441
TOTAL EXPENSES	\$1,579,279	\$1,399,690

The **projected** beginning and ending funds balances for the 2014 – 2015 FY and 2015– 2016 FY follow:

	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>
2013 – 2014 FY	\$230,000	\$239,950
2014 – 2015 FY	\$239,950	\$252,635
TOTAL SURPLUS/DEFICIT	+\$9,950	+\$12,685

GENERAL FUND OVERVIEW

Further detail regarding specific line items of each revenue and expenditure category can be obtained by reviewing the estimated 2014-2015 budget contained within Appendix A [the current budget is included in this report as Appendix B]. The assumptions used for the specific details contained within each category follow:

- The projections for the 2015- 2016FY Budget were created using the BS&A's Long Term Budget Forecasting Tool. This tool creates a projections based on moving averages of the previous five years of budget information.
- Funding from the Almont Township police contract will increase slightly.
- Health care expenses for all employees covered under the Village plan will increase by 7.11% during the 15-16FY

MAJOR STREETS FUND OVERVIEW

The major streets fund is projecting the following revenues for the 2014– 2015 fiscal year and 2015– 2016 fiscal year:

	<u>2014 – 2015FY</u>	<u>2015 – 2016 FY</u>
Act 51 Funding	\$110,000	\$109,074
Other Revenues	\$74,999	\$23,689
TOTAL REVENUES	\$184,999	\$132,763

The major streets fund is projecting the following expenses for the 2014 – 2015 fiscal year and 2015 – 2016 fiscal year:

	<u>2014 – 2015FY</u>	<u>2015– 2016 FY</u>
TOTAL EXPENSES	\$123,650	\$120,856

The **projected** beginning and ending funds balances for the 2014– 2015FY and 2015 – 2016 FY follow:

	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>
2014 – 2015 FY	\$82,837	\$144,186
2015 – 2016 FY	\$144,186	\$156,094
TOTAL SURPLUS/DEFICIT	+\$61,349	+\$11,908

Further detail regarding specific line items of each revenue and expenditure category can be obtained by reviewing Appendix A and Appendix B. The assumptions used for the specific details contained within each category follow:

- The projections for the 2015- 2016FY Budget were created using the BS&A's Long Term Budget Forecasting Tool. This tool creates a projections based on moving averages of the previous five years of budget information.
- Current service levels will remain unchanged.
- Health care expenses for all employees covered under the Village plan will increase by 7.11% during the 15-16FY

LOCAL STREETS FUND OVERVIEW

The local streets fund is projecting the following revenues for the 2014 – 2015 fiscal year and 2015 – 2016 fiscal year:

	<u>2014– 2015 FY</u>	<u>2015 – 2016 FY</u>
Act 51 Funding	\$50,000	\$49,176
Other Revenues	\$108,580	\$78,326
TOTAL REVENUES	\$158,580	\$127,412

The local streets fund is projecting the following expenses for the 2014 – 2015 fiscal year and 2015 – 2016 fiscal year:

	<u>2014– 2015 FY</u>	<u>2015– 2016 FY</u>
TOTAL EXPENSES	\$96,580	\$130,040

The **projected** beginning and ending funds balances for the 20143 – 2015 FY and 2015 – 2016 FY follow:

	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>
2012 – 2013 FY	\$68,807	\$130,807
2013 – 2014 FY	\$130,807	\$128,182
TOTAL SURPLUS/DEFICIT	+\$62,000	-\$2,625

Further detail regarding specific line items of each revenue and expenditure category can be obtained by reviewing Appendix A and Appendix B. The assumptions used for the specific details contained within each category follow:

- The projections for the 2015- 2016FY Budget were created using the BS&A's Long Term Budget Forecasting Tool. This tool creates a projections based on moving averages of the previous five years of budget information.
- Current service levels will remain unchanged.
- Health care expenses for all employees covered under the Village plan will increase by 7.11% during the 15-16FY

Note: Installment purchase contract payments for the completion of the Cherry Street Bridge project are currently budgeted from this fund.

DDA FUND OVERVIEW

The Village operates a downtown development authority debt fund for the purposes of tracking salary monies owed to the Village from the DDA, as the Village pays for the salary of the DDA Director and is reimbursed in the same amount by the DDA [which functions as an independent agency of the Village].

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15 FY and 15-16 FY:

	<u>2013 – 2014 FY</u>	<u>2014 – 2015 FY</u>
Revenues	\$37,505	\$37,505
Expenditures	\$37,505	\$37,505
Ending Fund Balances	\$0	\$0

It should be noted that this is a pass-through account. As such, it is not expected to maintain an active fund balance and is used primarily for accounting purposes.

Note: No debt service requirements are due out of the DDA fund. However, it should be noted that the DDA does make installment purchase contract payments on a construction project. This information has been included in a separate debt service report.

WATER SYSTEM CONSTRUCTION IMPROVEMENT FUND OVERVIEW

This fund collects revenues that are used to make interest and principal payments on bonds which were issued in 1996 for improvements to the Village's water system.

These revenues are generated from a 1.700 mill rate that is based upon the taxable value of the Village.

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15 FY and 15-16 FY:

	<u>2014– 2015 FY</u>	<u>2015 – 2016 FY</u>
Revenues	\$110,927	\$95,509
Expenditures	\$87,900	\$86,348
Ending Fund Balance	\$54,072	\$63,232

The following assumptions used for the details contained within this fund follow:

- Revenues generated from the millage rate will remain constant.
- The principal and interest payments will remain unchanged from the debt report.

The revenues collected in and expenditures paid from this fund are specifically used to repay bond issuance payments. Specific details regarding these payments can be accessed in the separate debt service report.

The 1.700 millage rate is subject to change for the 2015 – 2016 fiscal year.

WWTP IMPROVEMENT PROJECT FUND OVERVIEW

This fund collects revenues that are used to make interest and principal payments on bonds which were issued in 2002 for the construction of four 500,000 gallon equalization basins at the wastewater treatment plant.

These revenues are generated from the \$2.15 per 1,000 gallons SSO charge levied against users of the Village's sanitary sewer system.

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15FY and 15-16 FY:

	<u>2014 – 2015 FY</u>	<u>2015 – 2016 FY</u>
Revenues	\$181,106	\$128,064
Expenditures	\$128,745	\$209,657
Ending Fund Balance	\$163,517	\$81,925

The following assumptions were used for the details contained within this fund follow:

- Principal and interest payments will remain unchanged.

The revenues collected in and expenditures paid from this fund are specifically used to repay bond issuance payments. Specific details regarding these payments can be accessed in a separate debt service report.

DWRF WATER TOWER FUND OVERVIEW

This fund collects revenues that are used to make interest and principal payments on bonds which were issued in 2007 to construct the Village's water tower.

These revenues are generated from a 2.400 millage that is based upon the taxable value of the Village.

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15 FY and 15-16 FY:

	<u>2014 – 2015 FY</u>	<u>2015– 2016FY</u>
Revenues	\$164,223	\$131,840
Expenditures	\$123,601	\$99,556
Ending Fund Balance	\$86,570	\$118,854

The following assumptions were used for the details contained within this fund follow:

- Principal and interest payments will remain unchanged.

The revenues collected in and expenditures paid from this fund are specifically used to repay bond issuance payments. Specific details regarding these payments can be accessed in a separate debt service report.

The 2.400 millage rate is subject to change for the 2015 – 2016 fiscal year.

INSPECTION FUND OVERVIEW

The Village operates an inspection fund for the purposes of tracking monies owed to Village inspectors and permit clerk for services rendered during the permitting processes.

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15FY and 15-16FY:

	<u>2014 – 2015 FY</u>	<u>2015 – 2016 FY</u>
Revenues	\$104,699	\$63,466
Expenditures	\$84,363	\$53,991
Ending Fund Balance:	\$47,964	\$57,438

It should be noted that this is a pass-through account. As such, it is not expected to maintain a large fund balance and is used primarily for reimbursement purposes. However, it does maintain a small fund balance that is used for purchasing office supplies required for the building department.

The following assumptions were used for the details contained within this fund follow:

- Permit fees will remain unchanged.
- The fund will be self-sustaining.

Note: No debt service requirements are due out of the inspection fund.

SEWER FUND OVERVIEW

This fund collects revenues that are used to pay for the operation of the sanitary sewer system and the wastewater treatment plant.

These revenues are generated from a fixed quarterly charge of \$39.50 and consumption charge of \$7.95 per 1,000 gallons levied against users of the Village's sanitary sewer system.

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15 FY and 15-16 FY:

	<u>2014 – 2015 FY</u>	<u>2015 – 2016 FY</u>
Revenues	\$778,794	\$757,127
Expenditures	\$627,749	\$675,627
Ending Fund Balance	\$4,247,007	\$4,328,507

The following assumptions were used for the details contained within this fund follow:

- Revenues generated from the sewer rate will remain constant
- Current service levels will remain unchanged.
- Health care expenses for all employees covered under the Village plan will increase by 7.11% during the 15-16FY

Note: The sewer fund is obligated to make payments on bonds issued for the upgrade of the East St. Clair lift station and system-wide installation of an improved alarm system.

This report assumes the following:

- Principal and interest payments will remain unchanged.

WATER FUND OVERVIEW

This fund collects revenues are used to pay for the purchase of water from the Detroit Water and Sewerage District and for the operation of the Village's water system.

These revenues are currently generated from a fixed quarterly charge of \$33.00 and consumption charge of \$5.25 per 1,000 gallons levied against users of the Village's sanitary sewer system.

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15FY and 15-16 FY:

	<u>2014 – 2015 FY</u>	<u>2015 – 2016 FY</u>
Revenues	\$584,445	\$560,839
Expenditures	\$508,978	\$493,905
Ending Fund Balance	\$1,960,951	\$2,027,884

The following assumptions were used for the details contained within this fund follow:

- Current service levels will remain unchanged.
- Health care expenses for all employees covered under the Village plan will increase by 7.11% during the 15-16FY
- Capital improvements project expenses will remain constant.

EQUIPMENT FUND OVERVIEW

The equipment fund is an internal service fund, which means that it receives revenues from other Village funds. These funds are deposited into the equipment fund based upon the use of Village equipment [based upon State of Michigan equipment charge rates per hour]. Expenses from this account are used to pay upkeep and maintenance costs associated with maintaining working and operable equipment and vehicles.

The following revenues, expenditures, and fund balances are projected for this fund for the 14-15 FY and 15-16 FY:

	<u>2014 – 2015 FY</u>	<u>2015 – 2016 FY</u>
Revenues	\$247,550	\$150,436
Expenditures	\$143,050	\$149,629
Ending Fund Balance	\$375,330	\$376,137

The following assumptions were used for the details contained within this fund follow:

- Equipment use will remain constant.
- Health care expenses for all employees covered under the Village plan will increase by 7.11% during the 15-16FY
- Equipment purchase expenses will decrease.