

2014-2015 Budget Overview



City of Charlevoix, Michigan

**CITY OF CHARLEVOIX, MICHIGAN
2014-2015 BUDGET
HIGHLIGHTS**



BUDGET:

- Property tax values - estimated flat, no final numbers available, they could go up some but we will lose TV from the loss of all Personal Property under \$40,000 TV. This loss will occur regardless of the vote in August 2014 to approve the State Use Tax "reimbursement". Since we receive less than 2.3% of our tax revenue from Personal Property Tax, we do not expect any reimbursement for lost revenues. We hope that losses will be offset by a few improvements and new construction in the City.

- The General Fund balance maintains our target of \$1 million, although our expenditures exceed our revenues and our percentage of fund balance dips below 30%.

TAXES:

- **Millage rate is 0.1 mill higher at 12.1093 mills.**
 Operating millage is 9.05 mills - unchanged
 Infrastructure mills 2.0593 - unchanged
 Millage for trash & rubbish pickup at 1.0 mill (up 0.1 mill to cover costs of spring cleanup, leaf pickup and brush pickup)
- Taxable value (TV) inflation increase of 1.6% (last year +2.4%)
- No additional TV added for new construction, the budget uses the same TV as last year
- DDA capture is reduced since it cannot capture school taxes
 (School taxes = local schools, debt, SET, ISD, sinking funds)

STATE OF MICHIGAN:

- State Revenue - The budget assumes no change in State Revenues in the General Fund, Major & Local Street Funds. This assumes we will meet the State's EVIP criteria to keep our legislative portion of these revenues. The budget also includes \$248,000 in State funding for the construction of the Lake to Lake Trail in the General Fund Parks division.

GENERAL FUND:

- \$383,300 increase in Budget revenue vs. 2013-14 Estimated Revenue (11.49% increase)
 This increase is from the \$248,000 State grant for the Lake to Lake Trail and a \$55,000 transfer from Infrastructure to fund the City's share of that construction. Additional revenue is provided by increases expected from Day Camp, Ski Hill, Parking revenue and Property Taxes, due to changes in the DDA capture formula and a .1 mill increase in the refuse millage levy.
- +11.19% in General Fund Expense (+\$402,600) (Budget compared to 13-14 Budget)
- Main areas of increased spending are from: Parks (Lake to Lake Trail), Day Camp, City Hall, City Manager (for Econ Development Director).

OTHER CHANGES:

- Fringe benefit rates for permanent, full time employees is decreased by 1% to 78%.
 The Fringe Benefit Fund is well funded and could sustain a lower contribution to cover lower costs for the MERS Pension benefits in the future.
- Projects are still deferred to future years because of the lack of growth in tax revenue.

DEBT REDUCTION:

- DDA bonds for Bridge Park were paid off.
- DDA East Park bonds are to be paid off in 2026-27.
- Act 99 Airport terminal loan to be paid off in 2015, while the State airport loan has one payment to go.
- LTGO Marina Bonds are a 20 year issue through 2026 and have a call provision in 2018.
- Water fund loan for groomer purchase was paid off in the 2013-14 Budget.
- Interest and \$3,500 in principal is proposed to be paid on the Electric fund advance to Marina Fund for \$700,000 used to complete East Park & the Marina Project.
- Interest and \$50,000 in principal is proposed to be paid on the Electric fund advance to the Airport Fund for \$200,000 used to purchase fuel and take over operations at the Airport.

**MAJOR
CAPITAL SPENDING:**

- **Total major capital expenditures for the following projects:**
 (Projects Over \$50,000)

Wastewater Treatment Plant improvements (total estimated project cost)	\$11,000,000
Infrastructure projects (State Street, Lewis Street carryover & Engineering)	1,004,400
Lake to Lake Trail inspection and construction	359,000
Motor Pool major capital purchases	296,600
New ambulance purchase	140,000
12 kv 3 phase construction - Electric	110,000
Park Ave decorative street lights	105,600
Engineering for capital projects - Electric	50,000
LED street light upgrades and replacements	50,000

Total Major Capital Projects: \$13,115,600

CITY OF CHARLEVOIX, MICHIGAN
2014-2015 BUDGET
HIGHLIGHTS



Wage/Benefit Changes (4/1/2014)

Unit	Salary increase	Notes
Police/Fire	0.00%	in negotiations
Non-union Full-time	0.00%	
Non-union Part-time	0.00%	
Communication Workers	2.00%	per CWA contract (Effective 6/1/2014)
EFB rate reduced to .78 for full time		lower costs in EFB Fund, this lowers costs to all funds Effective 4/1/14 - was .79 last year

Change in Health Care Caps

Current caps on health care costs: <i>(per CWA Contract)</i> <i>Effective 10/1/12 to 5/31/15</i>	\$525/month	Single contract
	\$1,139/month	Double contract
	\$1,470/month	Family contract
	\$312/month	Opt out - CWA

Current cap on health care costs: <i>(POLC Contract)</i> <i>Effective 12/1/11 to 3/31/14</i>	\$509/month	Single contract
	\$1,119/month	Double contract
	\$1,424/month	Family contract
	\$291.67/month	Opt out - POLC

Current cap on health care costs: <i>(non-union)</i> <i>All effective 10/1/13</i>	\$509/month	Single contract
	\$1,119/month	Double contract
	\$1,424/month	Family contract
	\$312.00/month	Opt out - non-union

Proposed Rate Changes (4/1/2014)

Sewer	24.50%	Ave City residential user rate increase = \$9.57/month or \$114.84/year
Water	5.00%	Ave City residential user rate increase = \$1.61/month or \$19.32/year
Electric	0.00%	
Total Increase		In City residential rate ave user = \$11.18/month , \$134.16/year
Golf - season passes increased	~2%	
Dock Fees	No increase	Per Waterways, fees changed to be based on slip size, not boat size Harbormaster has discretion to adjust fees if necessary
Mileage rate for travel costs	.56/mile	IRS rate changes with their rate, current was effective 1/1/14 down \$.005/mile

Personnel Changes

Fire/Ambulance (Chief)		Possible reduction in cost from Public Safety change
Add Farmer's Market manager		DDA took over this operation from the Chamber of Commerce

CITY OF CHARLEVOIX, MICHIGAN
2014-2015 BUDGET
ALL FUNDS
REVENUES & EXPENSES SUMMARY



GENERAL FUND	MAJOR STREET	LOCAL STREET	AIRPORT	ELECTRIC	SEWER	WATER	MARINA	DDA	CEMETERY TRUST	TOTAL	2013-14
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REVENUES

Taxes	\$2,251,100							\$413,200		\$2,664,300	\$2,942,500
Licenses & Permits	4,200									4,200	3,900
State & Federal Grants	510,500	630,300	61,700					5,500		1,208,000	975,100
Charges for Services	730,400			1,357,800	6,523,700	1,464,000	914,300	399,000	5,000	11,394,200	10,945,800
Fines & Forfeits	24,200				43,700	7,200	6,000			81,100	82,400
Interest & Rents	122,100			49,500	20,200	2,100	1,300	100	43,200	1,000	239,500
Other	18,200			700	32,300	3,505,000	5,000	46,300		3,607,500	30,700
Fund Transfers	58,000	188,000	92,000	10,700	53,500	377,400	142,400	325,000		1,247,000	1,060,900
Appropriation-Surplus	88,800	19,200	22,000	285,900	1,240,800		236,600	642,600	4,000	2,539,900	2,803,500

TOTAL REVENUES:	\$3,807,500	\$837,500	\$175,700	\$1,704,600	\$7,914,200	\$5,355,700	\$1,305,600	\$1,366,700	\$508,200	\$10,000	\$22,985,700	\$19,074,600
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EXPENDITURES

Legislative	\$43,700									\$43,700	\$47,600
General Government	599,000									599,000	538,800
Public Safety	1,173,300									1,173,300	1,189,200
Public Works	230,100	219,900	123,700	1,343,200					167,700	10,000	2,094,600
Health & Welfare	405,900										405,900
Recreation & Culture	1,269,500							269,400			1,538,900
Capital Outlay		617,600	52,000		472,600	3,694,300	142,400				4,978,900
Debt Service				31,400				436,300			467,700
Electric					6,793,000						6,793,000
Sewer						1,060,000					1,060,000
Water							939,600				939,600
Fund Transfers	50,700			50,000	123,600	36,200		3,500	325,000		589,000
Other	35,300										35,300
Depreciation				280,000	525,000	218,000	223,600	657,500			1,904,100

TOTAL EXPENSES:	\$3,807,500	\$837,500	\$175,700	\$1,704,600	\$7,914,200	\$5,008,500	\$1,305,600	\$1,366,700	\$492,700	\$10,000	\$22,623,000	\$19,074,600
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EXPENSES AS % OF TOTAL-ALL FUNDS	17%	4%	1%	8%	35%	22%	6%	6%	2%	0%	100%
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CITY OF CHARLEVOIX, MICHIGAN
2014-2015 BUDGET
INTERNAL SERVICE FUNDS
REVENUES & EXPENSES SUMMARY



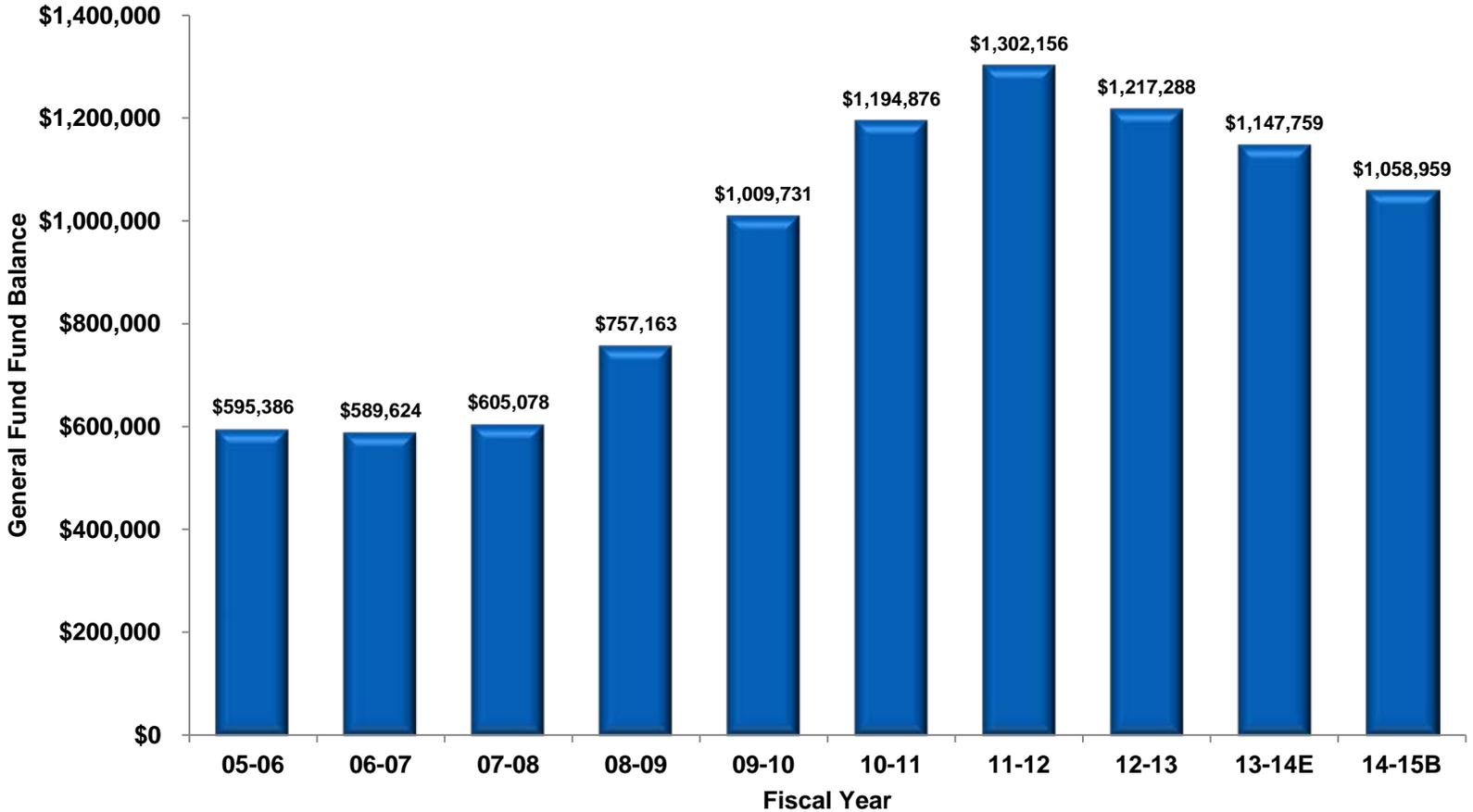
	EMPLOYEE FRINGE BENEFITS	MOTOR POOL	FIRE & AMBULANCE	SEWER TAP-INS	NORTHSIDE/ SOUTHSIDE SEWER	INFRASTRUCTURE IMPROVEMENTS	STREET IMPROVEMENTS	PUBLIC WORKS SITE	INDUSTRIAL PARK	MT MCSAUBA RECREATION	DOWNTOWN PARKING	TOTAL
REVENUES												
Taxes						457,500	247,950					\$705,450
Licenses & Permits												0
Federal Grants												0
State Grants												0
Sale of Land/Fixed Assets												0
Charges for Services	2,311,500	633,900		10,000								2,955,400
Fines & Forfeits												0
Interest & Rents	1,000	400		1,000	100		200	1,000	400	5,700		9,800
Other												0
Fund Transfers			75,000					181,600				256,600
Appropriation-Surplus		314,100	65,000	224,000					4,600			607,700
TOTAL REVENUES:	\$2,312,500	\$948,400	\$140,000	\$235,000	\$100	\$457,500	\$248,150	\$182,600	\$5,000	\$5,700	\$0	\$4,534,950
EXPENDITURES												
Legislative												\$0
General Government												0
Public Safety												0
Public Works		372,500				149,200	216,000					737,700
Health & Welfare												0
Capital Outlay		296,600	140,000						5,000			441,600
Utilities						284,800						284,800
Fringes	2,116,200											2,116,200
Depreciation		180,000						12,000				192,000
Contingency												0
Fund Transfers		99,300		235,000								334,300
TOTAL EXPENSES:	\$2,116,200	\$948,400	\$140,000	\$235,000	\$0	\$434,000	\$216,000	\$12,000	\$5,000	\$0	\$0	\$4,106,600
EXPENSES AS % OF TOTAL INTERNAL SERVICE FUNDS	52%	23%	3%	6%	0%	11%	5%	0%	0%	0%	0%	100%

CITY OF CHARLEVOIX, MICHIGAN
2014-2015 BUDGET
GENERAL FUND
SUMMARY



	Actual 2012-2013	Budget 2013-2014	Est Actual 2013-2014	Adopted 2014-2015
REVENUES				
Taxes	\$2,223,508	\$2,234,900	\$2,222,412	\$2,251,100
Licenses & Permits	4,180	3,900	3,900	4,200
Federal Grants	0	0	0	0
State Grants	256,031	202,600	218,368	510,500
Charges for Services	668,589	673,500	722,252	730,400
Fines & Forfeits	25,278	25,500	19,921	24,200
Interest & Rents	118,754	126,900	120,150	122,100
Other	83,080	8,400	25,848	18,200
Fund Transfers	2,500	2,500	2,500	58,000
TOTAL REVENUES	\$3,381,920	\$3,278,200	\$3,335,352	\$3,718,700
EXPENDITURES				
Legislative	\$41,419	\$47,600	\$46,984	\$43,700
General Government	575,337	538,800	574,798	599,000
Public Safety	1,156,888	1,189,200	1,169,863	1,173,300
Public Works	234,691	237,600	232,011	230,100
Health & Welfare	390,481	392,500	407,865	405,900
Recreation & Culture	885,568	917,300	905,286	1,269,500
Other	65,999	56,200	18,076	35,300
Fund Transfers	116,405	45,000	50,000	50,700
TOTAL EXPENSES	\$3,466,788	\$3,424,200	\$3,404,881	\$3,807,500
FUND BALANCE AT YEAR END				
Excess (Deficiency) of Revenues over Expenses	(\$84,868)	(\$146,000)	(\$69,529)	(\$88,800)
Fund Balance Prior Years	1,302,156	1,167,902	1,217,288	1,147,759
Reserve for Camp McSauba scholarships	0	0	0	0
Reserve for Drug Forfeitures	624	1,716	1,716	0
Unrestricted Fund Balance	1,301,532	1,166,186	1,215,572	1,147,759
Fund Balance at Year End	\$1,217,288	\$1,021,902	\$1,147,759	\$1,058,959
Cash Balance at Year End	\$1,100,002	\$926,583	\$1,030,473	\$941,673
Fund Balance % of Total Expenses	35.1%	29.8%	33.7%	27.8%

CITY OF CHARLEVOIX, MICHIGAN
2014-2015 BUDGET
GENERAL FUND
FUND BALANCE HISTORY SINCE 2005-2006



**CITY OF CHARLEVOIX, MICHIGAN
2014-2015 BUDGET
GENERAL FUND
2 YEAR PROJECTION**



	Actual 2012-13	Budget 2013-14	Est Actual 2013-14	Adopted 2014-15	Estimated 2015-2016
REVENUES					
Taxes	\$2,223,508	\$2,234,900	\$2,222,412	\$2,251,100	\$2,296,122
Licenses & Permits	4,180	3,900	3,900	4,200	4,200
Federal Grants	0	0	0	0	0
State & Local Grants	256,031	202,600	218,368	510,500	207,000
Charges for Services	668,589	673,500	722,252	730,400	734,327
Fines & Forfeits	25,278	25,500	19,921	24,200	24,200
Interest & Rents	118,754	126,900	120,150	122,100	129,586
Other	83,080	8,400	25,848	18,200	18,200
Funds Transfers	2,500	2,500	2,500	58,000	2,500
TOTAL REVENUES	\$3,381,920	\$3,278,200	\$3,335,352	\$3,718,700	\$3,416,134
EXPENDITURES					
Legislative	\$41,419	\$47,600	\$46,984	\$43,700	\$43,937
General Government	575,337	538,800	574,798	599,000	581,394
Public Safety	1,156,888	1,189,200	1,169,863	1,173,300	1,189,149
Public Works	234,691	237,600	232,011	230,100	231,895
Health & Welfare	390,481	392,500	407,865	405,900	409,880
Recreation & Culture	885,568	917,300	905,286	1,269,500	916,220
Other	65,999	56,200	18,076	35,300	25,403
Fund Transfers	116,405	45,000	50,000	50,700	105,700
TOTAL EXPENSES	\$3,466,788	\$3,424,200	\$3,404,881	\$3,807,500	\$3,503,578
FUND BALANCE AT YEAR END					
Excess (Deficiency) of Revenues over Expenses	(\$84,868)	(\$146,000)	(\$69,529)	(\$88,800)	(\$87,443)
Fund Balance Prior Years	1,302,156	1,167,902	1,217,288	1,147,759	1,058,959
Unrestricted Fund Balance	1,301,532	1,166,186	1,215,572	1,147,759	1,058,959
Fund Balance at Year End	\$1,217,288	\$1,021,902	\$1,147,759	\$1,058,959	\$981,516
Cash Balance at Year End	\$1,100,002	\$926,583	\$1,030,473	\$941,673	\$854,230
Fund Balance % of Total Expenses	35.1%	29.8%	33.7%	27.8%	28.0%

Assumptions:	Tax Increase:	102.00%
	Inflation:	101.00%
	Wages:	101.00%
	Fringes:	101.28%
	Rev Sharing:	100.00%
	Interest Rate:	101.00%

City of Charlevoix, Michigan

2014-2015 Capital Budget Summary



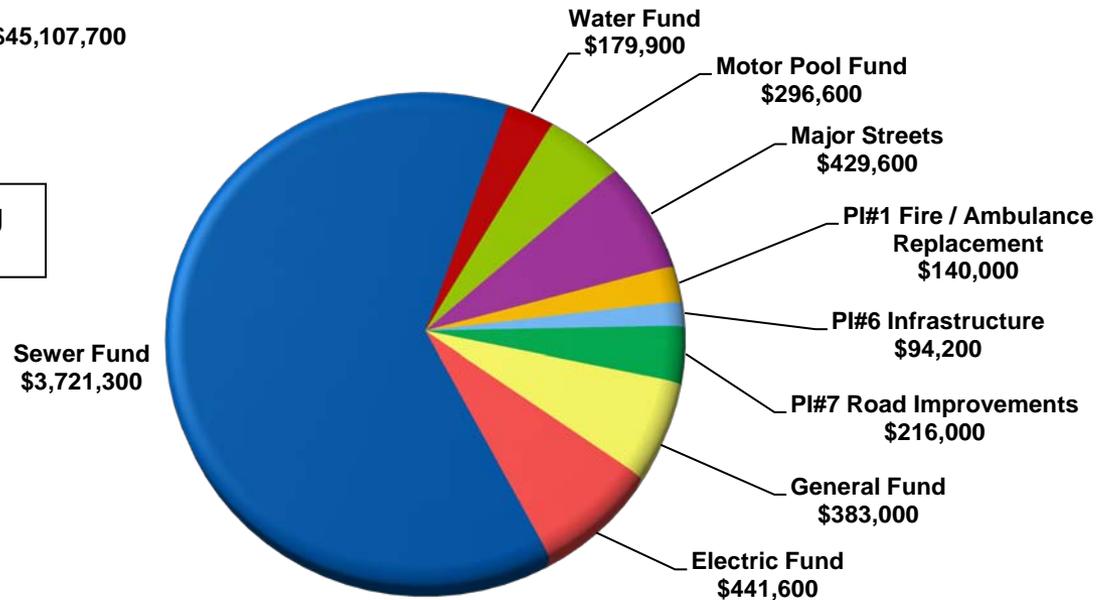
FUND	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Future
General Fund	383,000						
Electric Fund	441,600	245,000	255,000	255,000	355,000	305,000	7,635,000
Sewer Fund	3,721,300	7,596,900	31,100	25,000	25,000	25,000	820,100
Water Fund	179,900		35,000				
Public Works Site Fund							3,500,000
Motor Pool Fund	296,600	270,000	226,100	291,800	567,000	195,000	949,400
PI#1 Fire / Ambulance Replacement	140,000				35,000	400,000	
PI#6 Infrastructure	94,200	331,200	256,100	260,000	10,000		11,905,800
PI#7 Road Improvements	216,000	200,000	200,000	200,000	200,000	200,000	1,400,000
Major Streets (State Street Project)	429,600						
TOTAL:	\$5,902,200	\$8,643,100	\$1,003,300	\$1,031,800	\$1,192,000	\$1,125,000	\$26,210,300

Last year's budgeted capital spending: \$2,078,400

Total - All Capital Needs Estimate: \$45,107,700

2014-15 Budget

**Total Capital Spending
\$5,902,200**



City of Charlevoix, Michigan

2014-2015 Major Capital Expenditures



Project	Amount
Wastewater Treatment Plant Improvements*	\$11,000,000
Infrastructure (State Street, Lewis Street carryover & Engineering)	1,004,400
Lake to Lake Trail Inspection & Construction	359,000
Motor Pool Major Capital Purchases	296,600
New Ambulance Purchase	140,000
12 kv 3 Phase Construction – Electric	110,000
Park Ave Decorative Street Lights	105,600
Engineering for Capital Projects – Electric	50,000
LED Street Light Upgrades & Replacement	50,000
TOTAL MAJOR CAPITAL PROJECTS	\$13,115,600

* Total estimated project cost over 2 years

City of Charlevoix, Michigan

2014-2015 General Fund Capital Budget



Item	Activity	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Lake to Lake Trail - Engineering & Construction	Parks	359,000					
Walk thru metal doors - Fire EMS portion of City Hall	City Hall & Grounds	14,000					
Turnout gear (2)	Fire	5,000					
New rental equipment	Ski Hill	5,000					
Subtotal Capital:		383,000	-	-	-	-	-
Transfer to Local Street Fund	Transfer	40,000	75,000	75,000	75,000	75,000	75,000
Transfer to Airport	Transfer	10,700	10,700	10,700	10,700	10,700	10,700
Transfer to DPW Fund	Transfer	0	10,000	10,000	10,000	10,000	10,000
Subtotal Transfers:		50,700	95,700	95,700	95,700	95,700	95,700
TOTALS:		\$ 433,700	\$ 95,700				

**CITY OF CHARLEVOIX
ORDINANCE NO. 764 OF 2014
BUDGET APPROPRIATION ACT**

THE CITY OF CHARLEVOIX ORDAINS:

WHEREAS, The City Council of the City of Charlevoix did give notice of the time and place when a public hearing would be held in conformity with provisions of Section 7.8, Article VII of the City Charter, which Public Hearing was duly held pursuant to said notice and in conformity therewith;

THEREFORE, BE IT RESOLVED, That the revenues and expenditures for the fiscal year commencing on April 1, 2014 and ending March 31, 2015 are hereby appropriated on a fund level basis (a detailed breakdown by activity level can be found in the Budget Details document) as summarized by the following:

<u>GENERAL FUND</u>	
TOTAL REVENUES:	<u>\$3,807,500</u>
TOTAL EXPENSE:	<u>\$3,807,500</u>

BE IT FURTHER RESOLVED, that the City Council of the City of Charlevoix does hereby levy a tax of 11.1093 mills (9.05 mills operating and 2.0593 mills infrastructure) for the period of April 1, 2014 through March 31, 2015 on all real and eligible personal property in the City of Charlevoix according to the valuation of the same. This tax is levied for the purpose of defraying the general expense and liability of the City of Charlevoix and for infrastructure improvements, and is levied pursuant to Section 8.1, Article VIII of the City Charter; and

BE IT FURTHER RESOLVED, that the City Council does hereby levy a tax not to exceed 1.3631 mills for the period April 1, 2014 through March 31, 2015 on all real and eligible personal property in the Downtown Development District, according to the valuation of the same within the district; and

BE IT FURTHER RESOLVED, that the City Council does hereby levy a tax not to exceed 1 mill for the period April 1, 2014 through March 31, 2015 on all real and eligible personal property in the City of Charlevoix, according to the valuation of the same. This tax is levied for the purpose of defraying the cost of rubbish collection and other related services provided citizens allowed by the act, and is levied pursuant to Michigan Public Act 213 of 1969; and

BE IT FURTHER RESOLVED, that the City Council does hereby approve the following budgets for the period April 1, 2014 through March 31, 2015 in the amounts set forth below by fund:

<u>FUND</u>	<u>REVENUE</u>	<u>EXPENSE</u>
Major Street Fund	\$ 837,500	\$ 837,500
Local Street Fund	175,700	175,700
Electric Fund	7,914,200	7,914,200
Sewer Fund	5,355,700	5,008,500
Water Fund	1,305,600	1,305,600
Marina Fund	1,366,700	1,366,700
Airport Fund	1,704,600	1,704,600
Downtown Development Authority	508,200	492,700
Employee Fringe Benefit	2,132,500	2,116,200
Motor Vehicle Fund	948,400	948,400
Perpetual Care Trust Fund	10,000	10,000
Fire/Ambulance Fund	140,000	140,000
Sewer Tap-in Fund*	235,000	235,000
Northside/Southside Sewer Fund*	100	0
Infrastructure Improvement	457,500	434,000
Road Improvements	248,150	216,000
Public Works Site Fund	182,600	12,000
Industrial Park Fund	5,000	5,000
Mt. McSauba Recreation Fund	5,700	0

* These funds are part of the Sewer Fund.

Ordinance # 764 was enacted on the 17th day of February, A.D. 2014, by the Charlevoix City Council as follows:

Motion by: Councilmember Brennan
Second by: Councilmember Gennett

YEAS: Gibson, Perron, Porter, Brennan, Cole, Gennett
NAYS: None.
ABSENT: None.

State of Michigan)
) ss
City of Charlevoix)

Stephanie C. Brown, Deputy City Clerk
Norman L. Carlson, Jr., Mayor