



Village of
ST. CHARLES

FY 2018/2019 PROPOSED BUDGET

Presented by: Matthew S. Lane,
Village Manager

“To be a welcoming, desirable community for families to call home.

To be environmentally conscious, family-friendly, and to be an outdoor oasis with sustainable public services in the Great Lakes Bay Region.”

Village of St. Charles

Mission/Vision

What is a budget?

“A budget is a plan of financial operation for a given period of time, including an estimate of all proposed expenditures ...and the proposed means of financing the expenditures.”

- *General Law Village Handbook*

What is a Fund?

“In the private sector, sometimes separate companies are set up for legal liability purposes, or tax purposes; in the public sector, separate activities are accounted for in separate funds, in order to show accountability.

- A specific revenue may be legally restricted, so it is reported in a separate fund to demonstrate that the revenue was spent only for the intended purpose;
- Any unspent amounts (in governmental funds) will then be reported as “restricted, committed, and assigned.”

- *Finance 101- Understanding Municipal Budgets and Financial Reports by MML and GFOA*

What is the General Fund?

“Individual funds are created because of laws, grant requirements, or the desires of the governing body; All activity that has not been assigned to a specific individual fund is then accounted for in the General Fund.

- As a result, most people find the General Fund to be the most important fund. That is the fund that contains uncommitted resources that may be used for general purposes.”
- *Finance 101- Understanding Municipal Budgets and Financial Reports*
by MML and GFOA

Fund Types

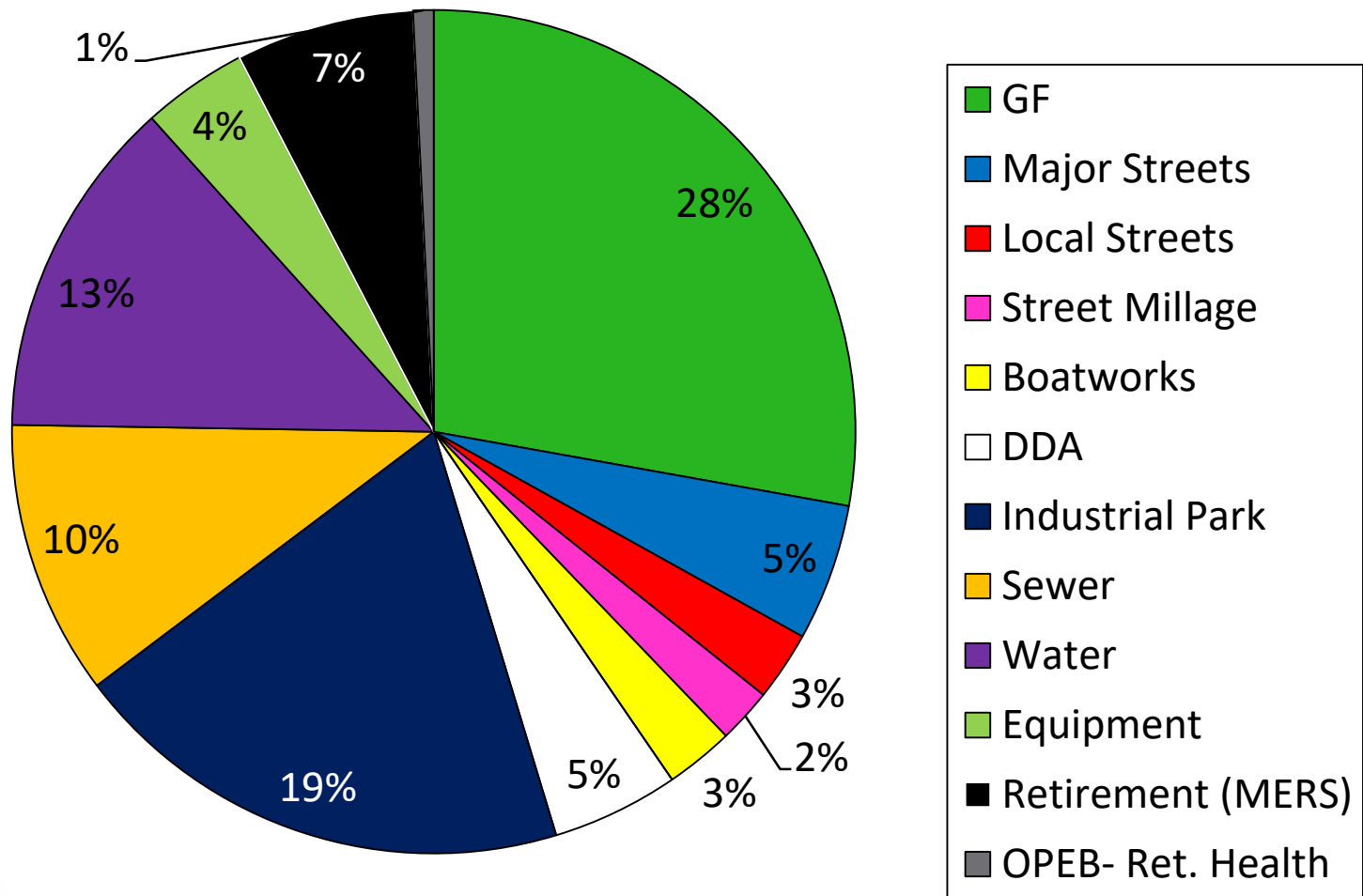
- GENERAL FUND- General Operating Millage, State Shared Revenue, Permits and Fees, Ordinance Fines, etcetera...
- SPECIAL REVENUE FUNDS- Act 51 Funds, Street Millage Fund, Grants, DDA, LDFA
- ENTERPRISE FUNDS- Water, Sewer, Power and Light
- INTERNAL SERVICE FUNDS- Equipment Fund, IT, Motor Pool, Workers Compensation, Insurance
- FIDUCIARY FUNDS- Cemetery Trusts, Pension/OPEB Systems

TOTAL BUDGET:\$3,817,662

- General Fund -- \$1,062,065
- Major Streets -- \$200,450
- Local Street s-- \$101,347
- Street Millage -- \$80,000
- Boat Works Grant Fund -- \$100,000
- DDA -- \$185,925
- Industrial Park LDFA --\$741,193
- Sewer -- \$402,090
- Water -- \$499,544
- *Equipment -- \$153,851
- *MERS -- \$261,197
- *OPEB -- \$30,000

* Internal Services

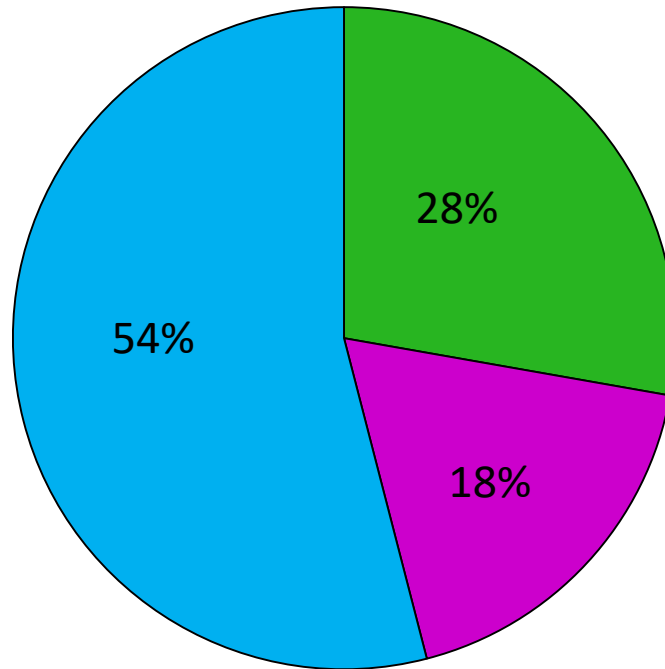
FY 2018/2019 Fund Breakdown



Total Cost Breakdown

FY 2018/2019 Budget

■ Personnel ■ Capital Outlay ■ Operating

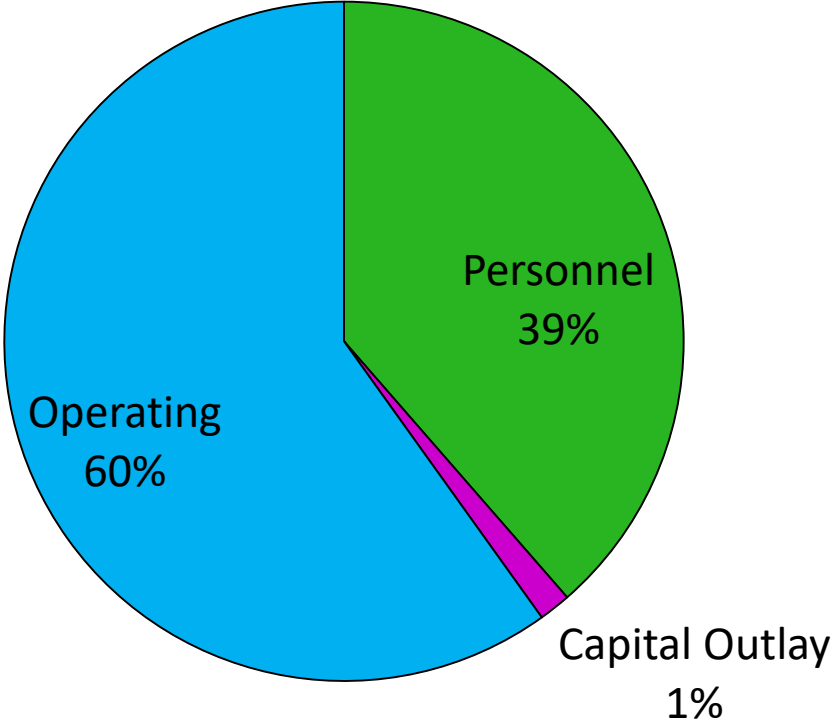


BUDGETED REVENUES- GF

- Property Tax----\$425,000
- PPT Replacement----\$94,500
- State Revenue Sharing----\$200,000
- Inter-fund Loan----\$100,000
- All Other----\$235,065
 - TOTAL INCOME: \$1,054,565
- *Use of Fund Balance*----\$7,500
- **TOTAL GF REVENUE: \$1,062,065**

Cost Breakdown By Fund

General Fund Proposed FY 2018/2019 Budget



101- GENERAL FUND ITEMS

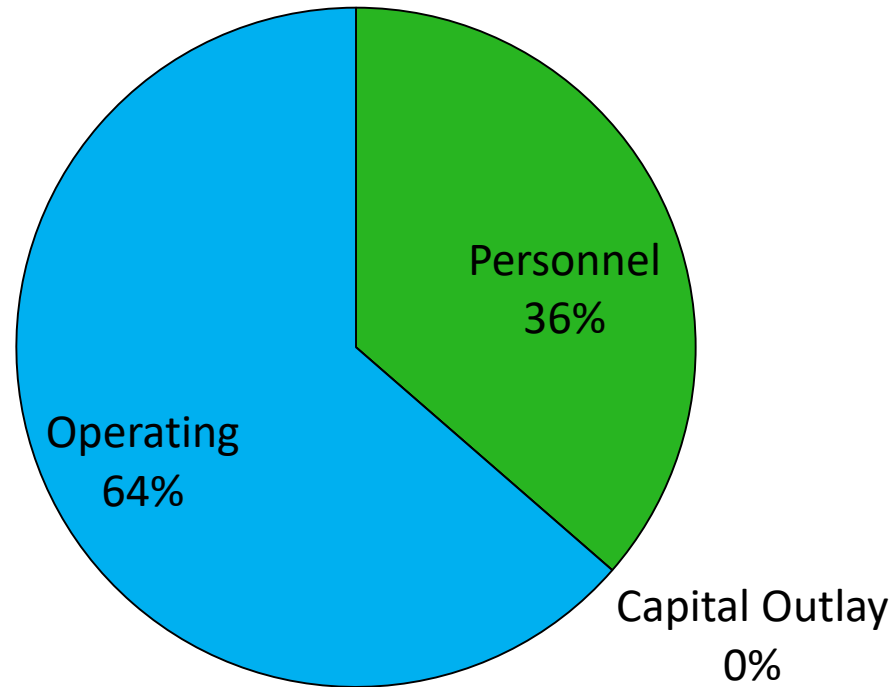
- Environmental Clean-Up-\$100,000 Placeholder
 - Inter-fund Loan from Boat Works Grant for total cost
 - Will need further council approval based on actual bids
 - Have access to roughly \$43,000 of \$50,000 in state funding for clean-up from MUSTA Legacy Release Program
- Mid-Term Elections- Including Village Council
 - We split costs with St. Charles Township- Village Share= \$2,000
- Park Upgrades and Universally Accessible Play Equipment
 - \$5,000 basic building repairs and updates
 - \$2,000 for strategic upgrades
 - \$6,600 for play structure (\$3,300 from HH and matched 1:1 by Village)
- Includes seasonal Market Manager for Farmers' Marketplace
 - \$50 per week for 17 weeks (\$915)
- Updating computer workstations for Village Office (including PD)
 - Budgeted at \$7,500 for hardware, software and networking
 - Funds come from computer replacement funds held in GF
- Police Body Cameras
 - \$2,000 for 3-4 cameras
 - New Chief will be responsible for acquisition
- Addition of Full-Time Police Officer
 - Total Cost = \$53,766 (Salary: \$36,400)
 - Cost is off set by \$24,700 for the elimination of a 30-hour PT position
 - This leaves PD roster at: 1 FT Chief, 2 FT Officers and 2 PT 30-hour officers
 - Total Active Police Personnel Costs: \$281,445
 - Police Retirement Liability: \$143,657

BUDGETED REVENUES- Maj. Streets

- Act 51 Gas & Weight---\$180,000
- Interest Revenue---\$450
 - TOTAL INCOME: \$180,450
- *Use of Fund Balance*----\$20,000
- **TOTAL REVENUE: \$200,450**

Cost Breakdown By Fund (Cont.)

Major Streets Proposed FY 2018/2019 Budget



202- MAJOR STREETS ITEMS

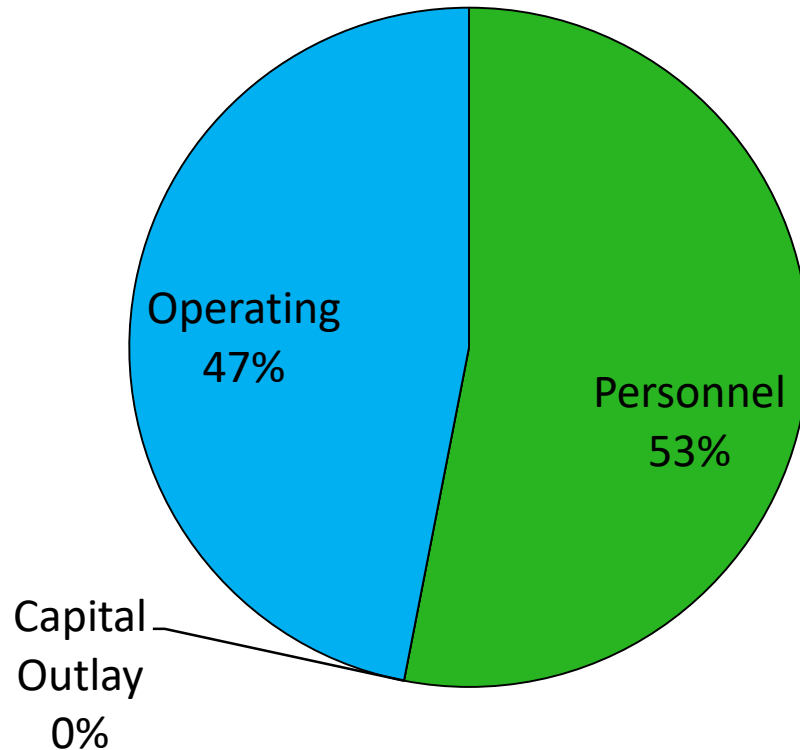
- No Capital Outlay in this budget- Projects are not shovel-ready
 - Need complete Asset Management Plan to build capital improvement programming
- Continuation of Streets Asset Management Plan- \$20,000
 - Village staff will work with Spicer Group to rate the streets and identify potential replacement costs. Will map condition assessment in GIS and integrate with Water/Sewer/Storm Sewer plans.
- Tree Removal Program- \$10,000
 - Working to remove dangerous trees from the Right-of-Way

BUDGETED REVENUES- Local Streets

- Act 51 Gas & Weight----\$70,000
- Transfer From Major----\$11,047
- Interest Revenue---\$300
 - TOTAL INCOME: \$81,347
- *Use of Fund Balance*----\$20,000
- **TOTAL REVENUE: \$101,347**

Cost Breakdown By Fund (Cont.)

Local Streets Proposed FY 2018/2019 Budget



203- LOCAL STREETS ITEMS

- No Capital Outlay in this budget- Projects are not shovel-ready
 - Need complete Asset Management Plan to build capital improvement programming
- Continuation of Streets Asset Management Plan- \$20,000
 - Village staff will work with Spicer Group to rate the streets and identify potential replacement costs. Will map condition assessment in GIS and integrate with Water/Sewer/Storm Sewer plans.

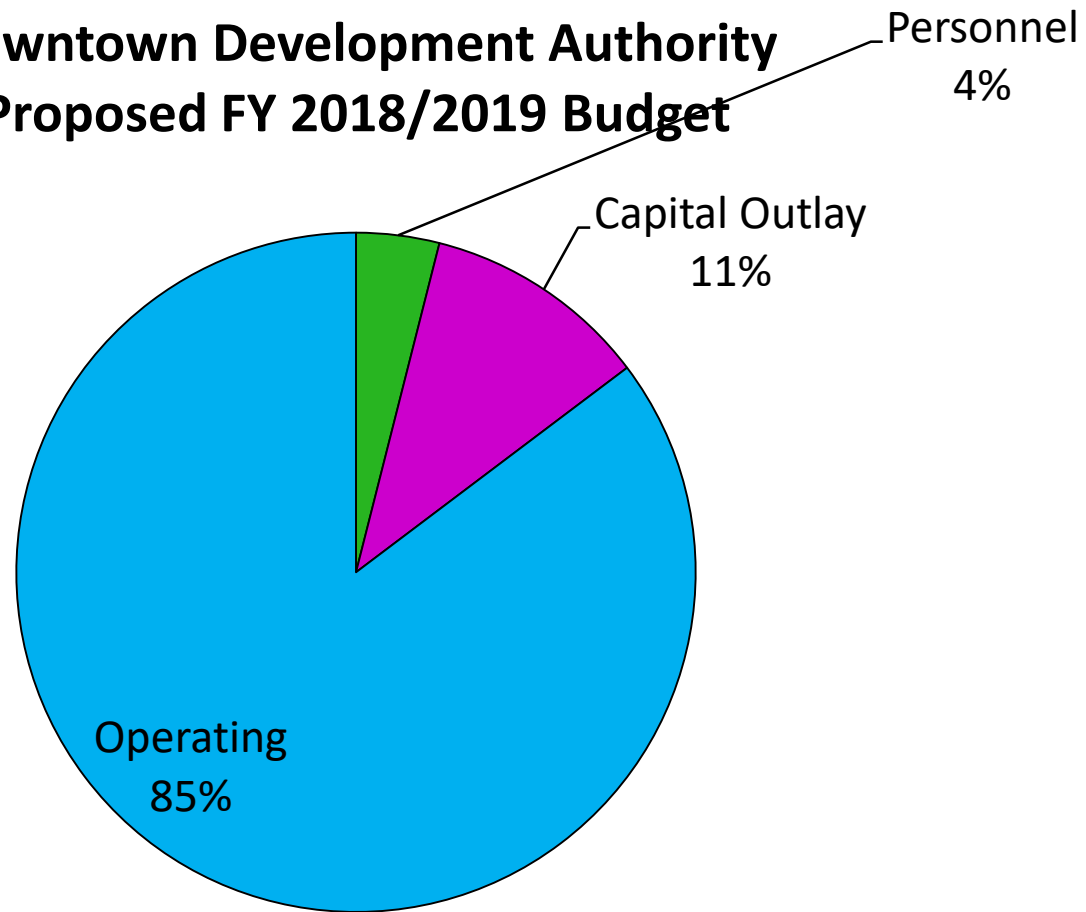
BUDGETED REVENUES- DDA

- TIF Revenue---\$85,000
- GRB Rent---\$29,725
- Interest Revenue---\$700
- Misc.---\$500
 - TOTAL INCOME: \$115,925
- *Use of Fund Balance*----\$70,000*
- **TOTAL REVENUE: \$185,925**

* Assumes carry forward of Library Grant.

Cost Breakdown By Fund (Cont.)

Downtown Development Authority Proposed FY 2018/2019 Budget



394- DDA ITEMS

- Begin Street Sign Replacement Program in DDA District- \$15,000
 - Will begin with new design and cost estimates. May be a multiyear project. It is intended to be village-wide but we are starting in downtown area because that is where a bulk of the signs will be concentrated. GF and Streets will be doing other areas in subsequent years.
- Parking Lot Lights at W. Water Street Lot near Bare's- \$5,000
 - New Pole, new LED Lights and electrical work to be done by mix of contractor and Village staff.
- Continuation of Library Grant- Moving Forward \$70,000.
 - Will see some expenses in the current year so it won't move completely forward but we do not have a full list of current expenses.
 - Will be adjusted down next year once the current year closes.
 - We are keeping track internally to ensure compliance with the \$70,000 limit. What is not expended this year will move forward.

BUDGETED REVENUES- Industrial Park

- TIF Revenue---\$55,000
- Sprint Rent---\$11,904
- Interest Revenue---\$2,500
 - TOTAL INCOME: \$69,404

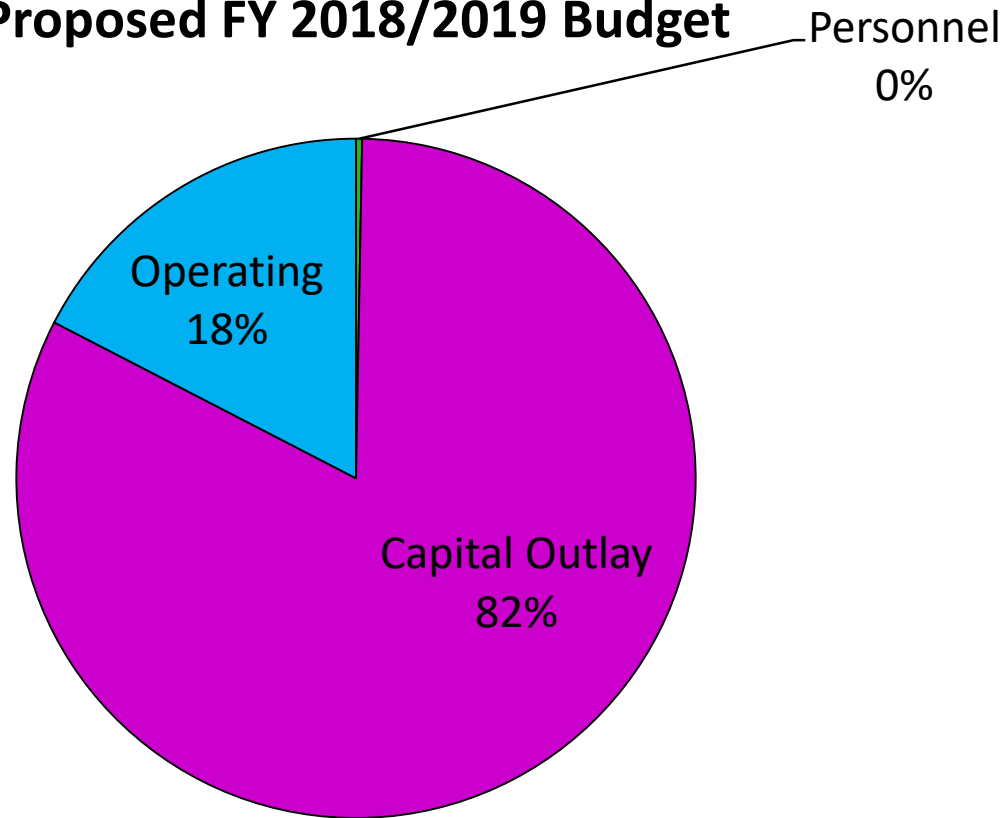
- *Use of Fund Balance*----\$671,789**

- **TOTAL REVENUE: \$741,193**

** Associated with Industrial Park Improvement Projects

Cost Breakdown By Fund (Cont.)

Industrial Park LDFA Proposed FY 2018/2019 Budget



395- INDUSTRIAL PARK ITEMS

- Begin Industrial Park Improvement Project
 - \$89,100 for engineering
 - \$610,000 for construction
 - Mill and Fill for Entrepreneur Drive to cul-de-sac
 - Re-engineer, reconstruct cul-de-sac for accommodating big rigs
 - Construct/Reconstruct Martin Dr. from Entrepreneur along west portion and, south portion to the eastern edge of the Humpula property
 - LDFA District Expires 12/31/2018-
 - Must research property tax implications
 - Parcel Ownership implications
 - Easement and Lease implications

BUDGETED REVENUES- Sewer

- Charges For Service--\$155,290
- Penalties--\$3,000
- Interest Revenue---\$1,800
- SAW Grant---\$220,000
 - TOTAL INCOME: \$380,090

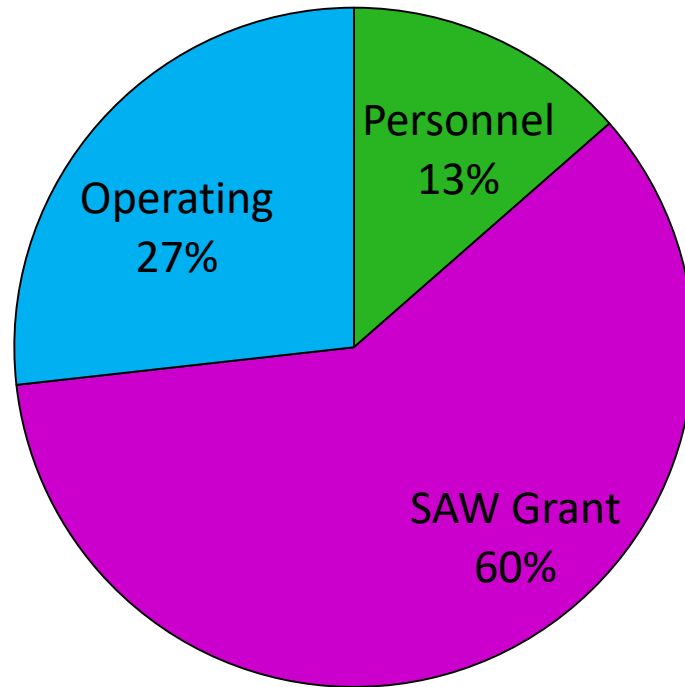
- *Use of Fund Balance*----\$22,000***

- **TOTAL REVENUE: \$402,090**

*** 10% Match for SAW Grant

Cost Breakdown By Fund (Cont.)

Sewer Fund Proposed FY 2018/2019 Budget



590- SEWER FUND ITEMS

- Continuation of SAW Grant
 - Budgeting \$220,000 in grant revenue and a 10% match of \$22,000
 - Total expected activity for SAW is \$242,000
 - We are in year 2 of the 3 year grant
 - Asset Management Plan which results from this project will guide capital improvements moving forward

BUDGETED REVENUES- Water

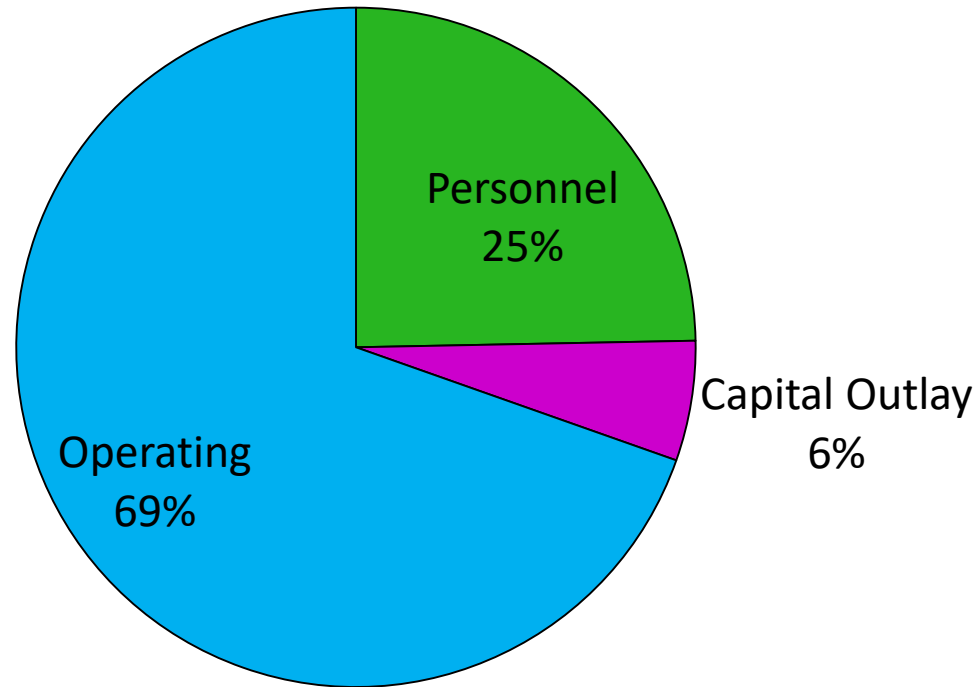
- Charges For Service-IN---\$396,556
- Charges For Service- OUT---\$95,634
- Penalties--\$6,000
- Interest Revenue---\$1,200
- Hydrant Rental---\$154****
- SAW Grant---\$220,000
 - TOTAL INCOME: \$380,090

- *Use of Fund Balance*----\$22,000
- **TOTAL REVENUE: \$402,090**

**** GF Transfer for Hydrant Rentals---Proposed to be reduced from \$15,400 to \$1 per hydrant....Resolution will proposed at later date.

Cost Breakdown By Fund (Cont.)

Water Fund Proposed FY 2018/2019 Budget



591- WATER FUND ITEMS

- Continuation of Water Asset Management Plan
 - Preliminary Plan was submitted to the MDEQ in December, waiting to hear feedback on our plan approach.
 - We expect water rates from the City of Saginaw to increase by at least 2%. This means the Water Authority will raise their rates and that we may need to increase our rates. We are expecting an increase of about 5% based on previous increases from the City.
 - This may result in the adjustment of water and sewer rates however, Council adjusted rates in 2016 to account for the potential for planned capital improvements in the future. In addition, as part of our asset management plan, we will be completing a rate study which will determine a course of action for the trajectory of our rates as we move forward in capital programming.
 - The City is currently working on a water rate study for their system and does not have a projected rate in place for FY 2019

BUDGETED REVENUES- Equipment

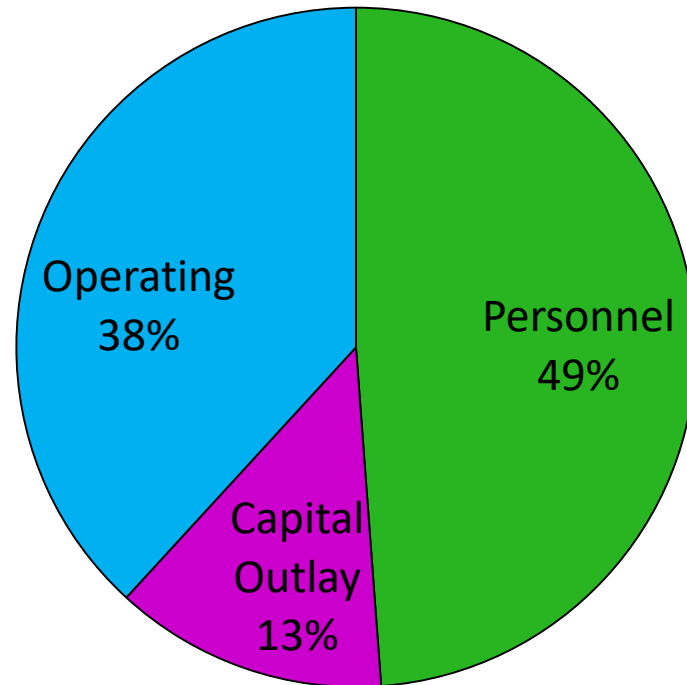
- Internal Service Charge---\$132,744
- Penalties--\$6,000
- Interest Revenue---\$1,107
- SAW Grant---\$20,000
 - TOTAL INCOME: \$133,851

- *Use of Fund Balance*----\$20,000*****
- **TOTAL REVENUE: \$153,851**

***** No vehicles or large equipment are scheduled to be purchased. However, we will be purchasing three flood pumps for flood control.

Cost Breakdown By Fund (Cont.)

Equipment Fund Proposed FY 2018/2019 Budget

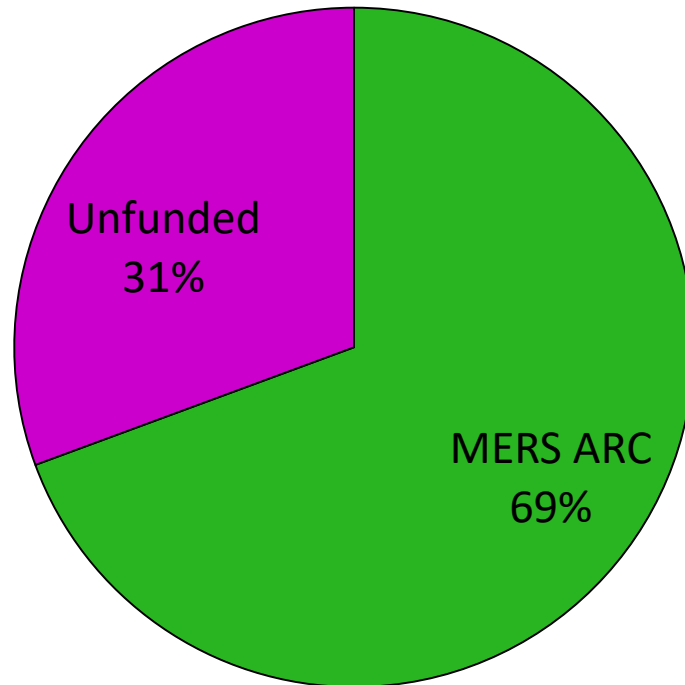


661- EQUIPMENT FUND ITEMS

- There are no large equipment purchases this year however we do have a pretty very important purchase scheduled
 - Three flood pumps need to be replaced- \$20,000
 - Remainder is maintenance and personnel costs

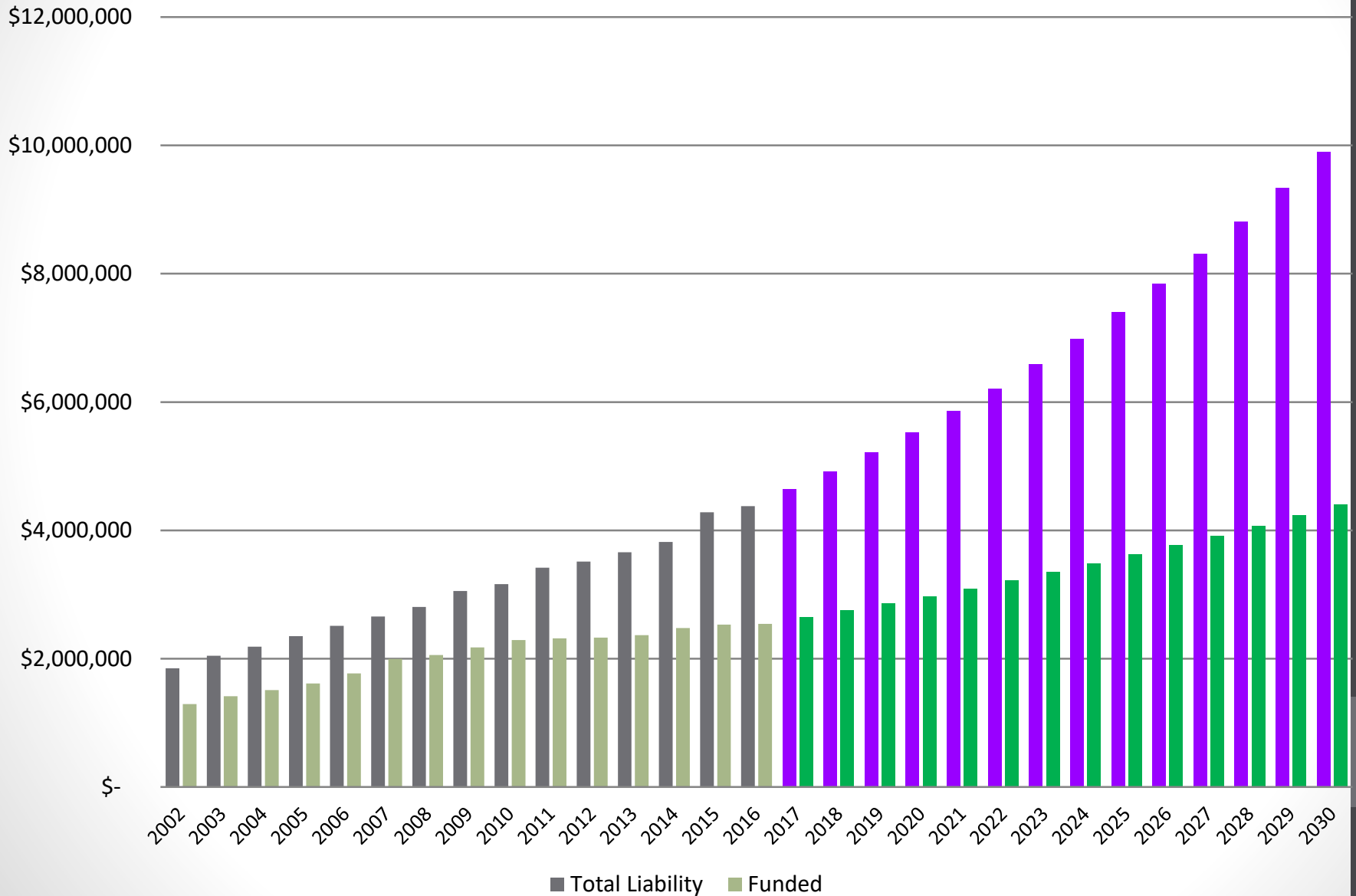
Cost Breakdown By Fund (Cont.)

MERS Retirement Fund (NEW)
Proposed FY 2018/2019 Budget



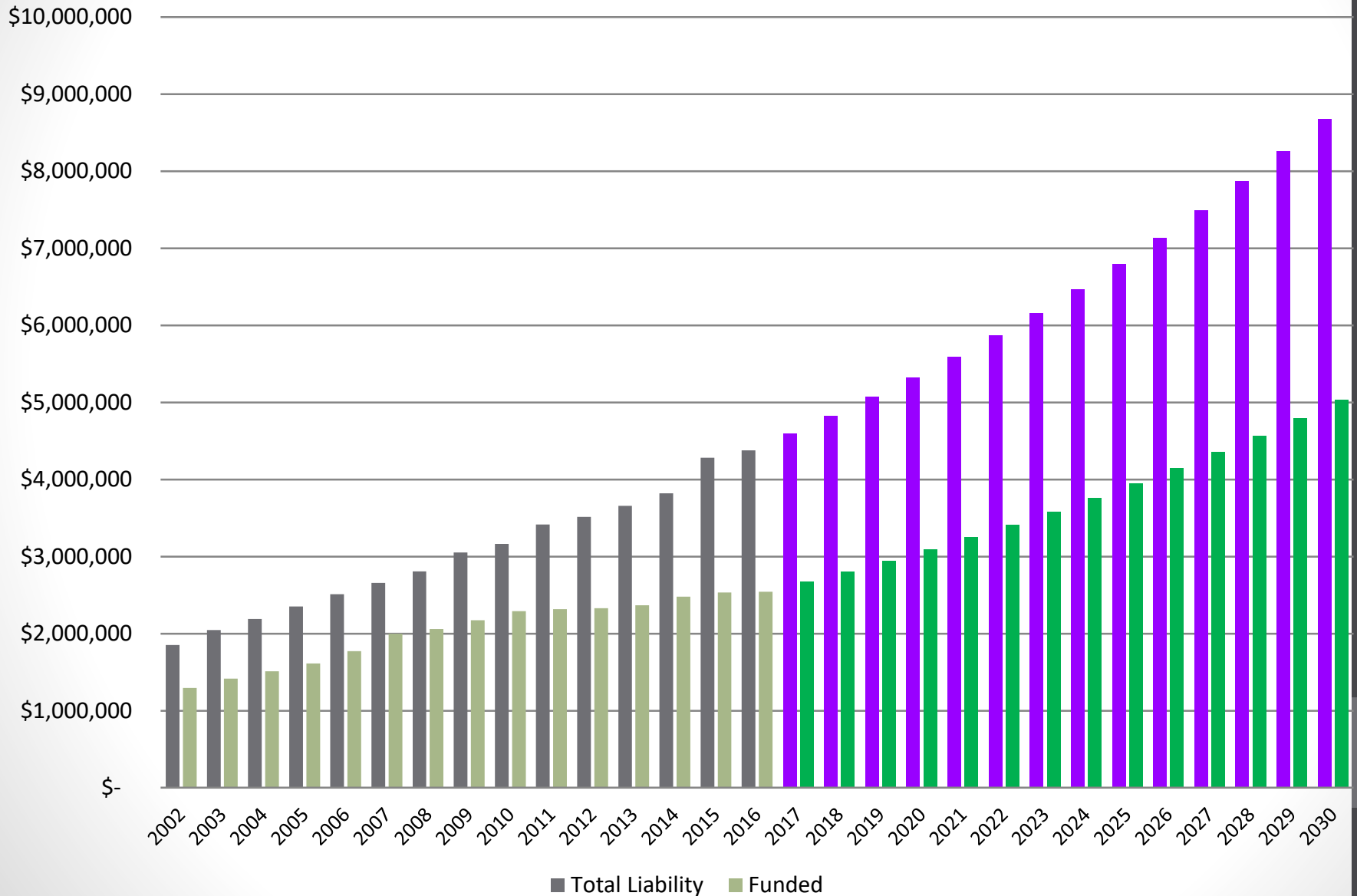
MERS Pension Liability 2002-2030

(Doing Nothing)

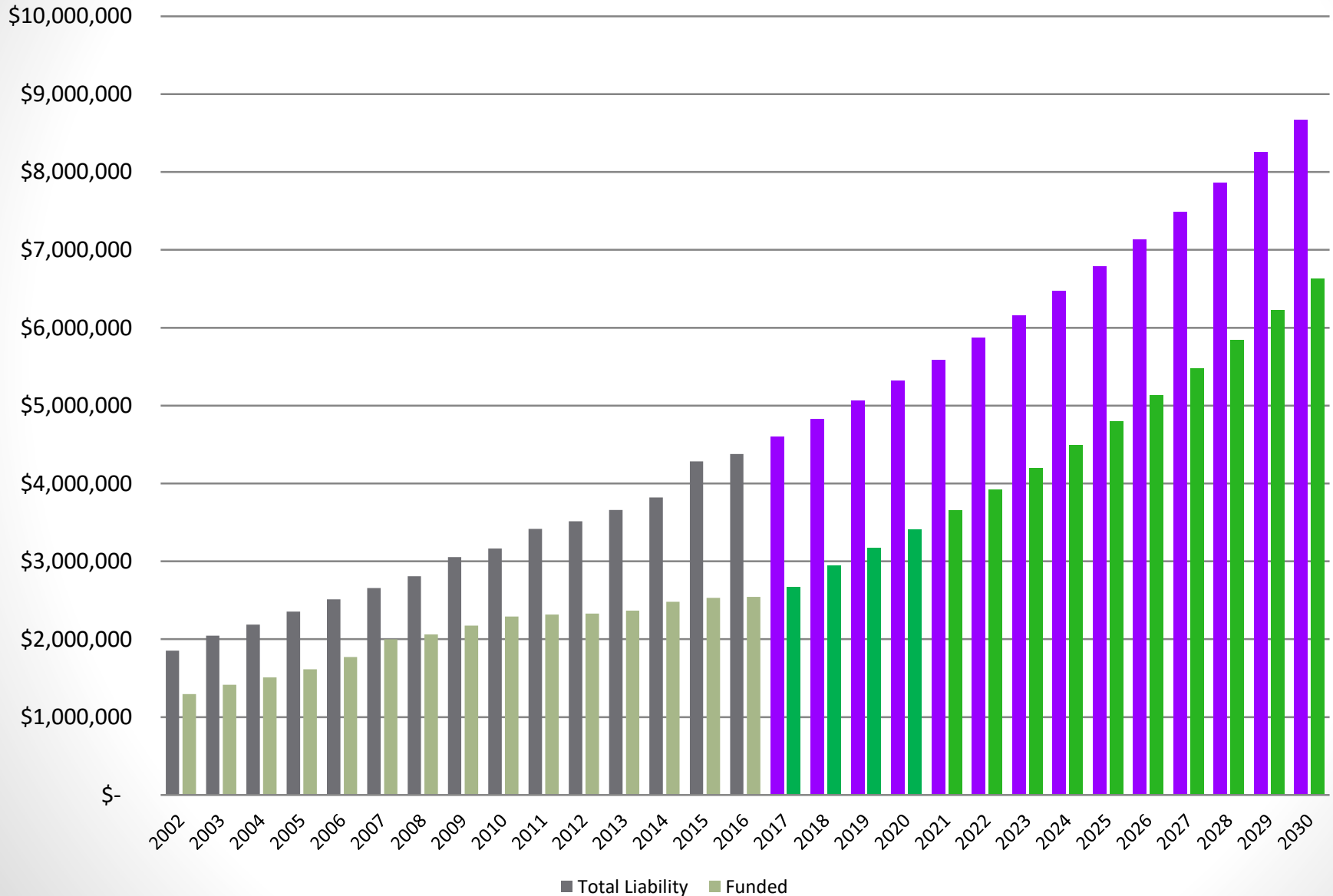


MERS Pension Liability 2002-2030

(Doing Nothing 5%)



MERS Pension Liability 2002-2030 (with Additional Contributions)



MERS PENSION FUND (NEW)

- Accounting for Retirement Costs
 - Breaks out ARC and Payments toward Unfunded Liability
 - Created new fund which record activity for payments toward MERS for both the Annual Required Contribution and additional contributions which are applied the unfunded portion of the pension system. The ARC this year is expected to be \$181,197, our additional contribution will be \$80,000.
 - Funding comes from all funds that have personnel costs and that house costs associated with retirees
 - General Fund
 - Streets
 - Water
 - Sewer
 - Equipment

BUDGETED REVENUES- MERS

- INTERNAL SERVICE CHARGES
 - GF Charge---\$164,553
 - Major Streets---\$13,060
 - Local Streets---\$13,060
 - Sewer---\$18,284
 - Water---\$36,568
 - Equipment---\$15,672
 - **TOTAL INCOME: \$261,197**

OPEB FUND (NEW)

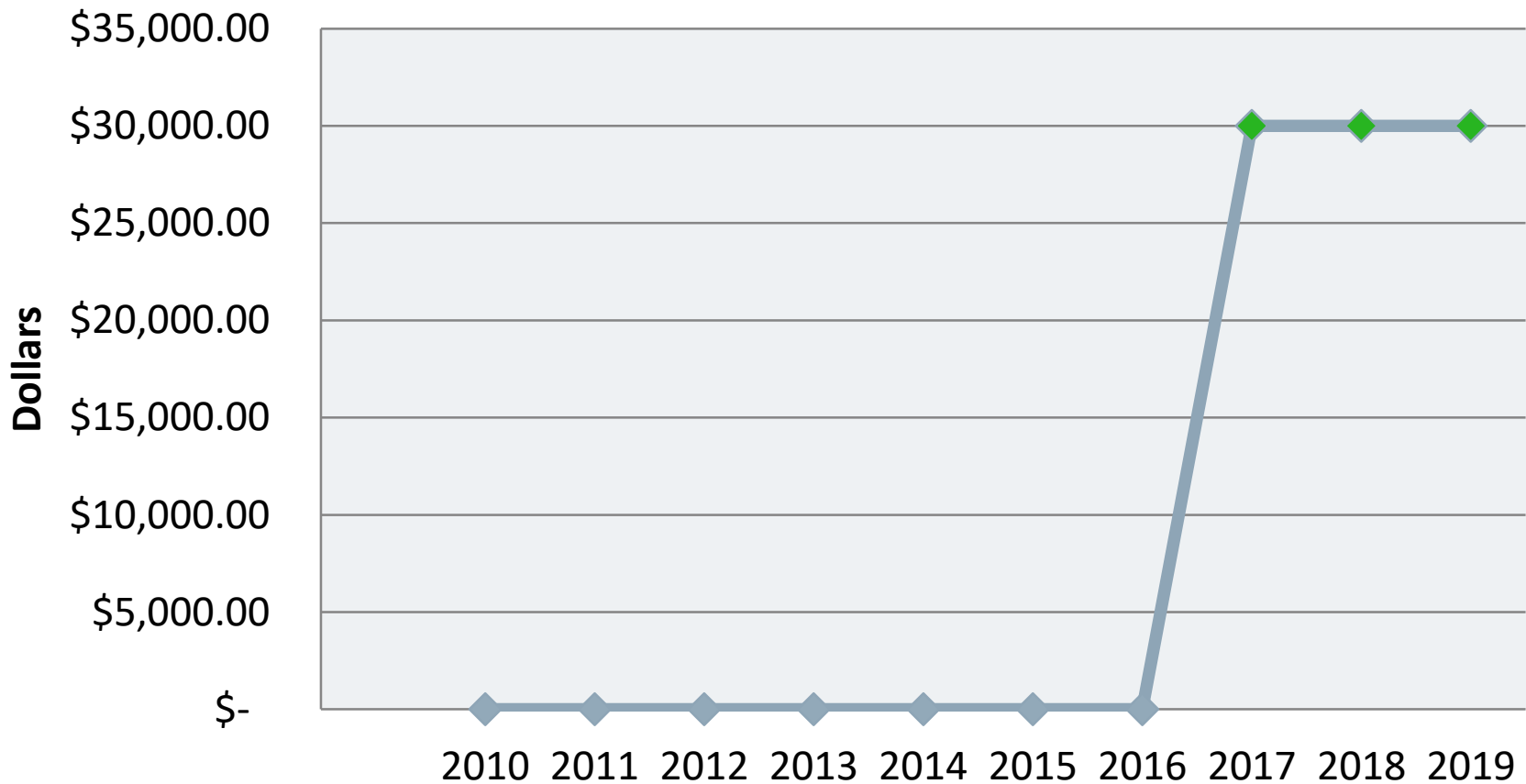
- Other Post Employment Benefits
 - Essentially RETIREE HEALTHCARE
 - Created new which puts aside \$30,000 per year to put towards unfunded OPEB liability.
 - Funding comes from all funds that have personnel costs and that house costs associated with retirees
 - General Fund
 - Streets
 - Water
 - Sewer
 - Equipment

BUDGETED REVENUES- OPEB

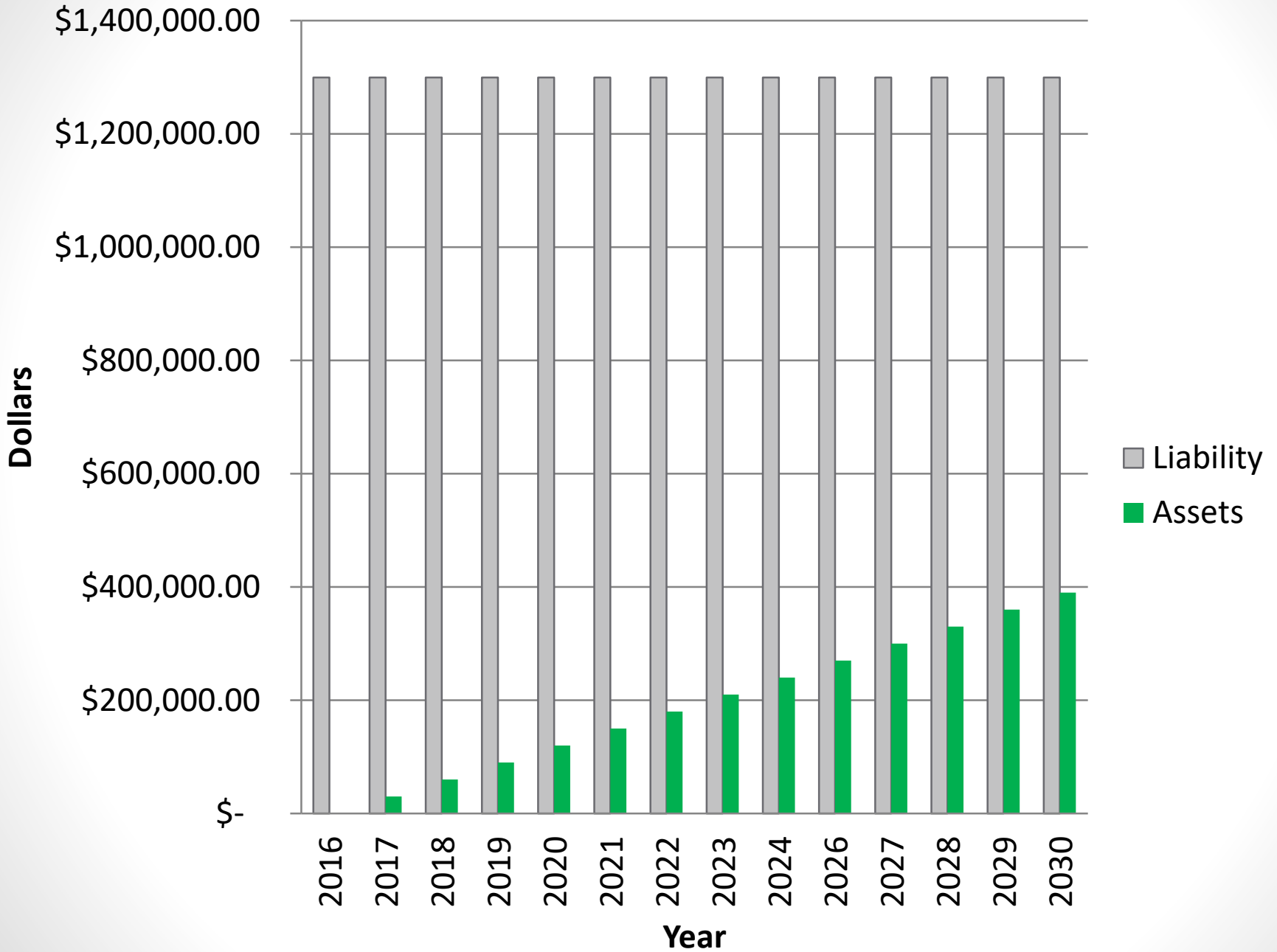
- INTERNAL SERVICE CHARGES
 - GF Charge---\$8,572
 - Major Streets---\$6,570
 - Local Streets---\$2,000
 - Sewer---\$4,286
 - Water---\$4,286
 - Equipment---\$4,286
 - **TOTAL INCOME: \$30,000**

Cost Breakdown By Fund (Cont.)

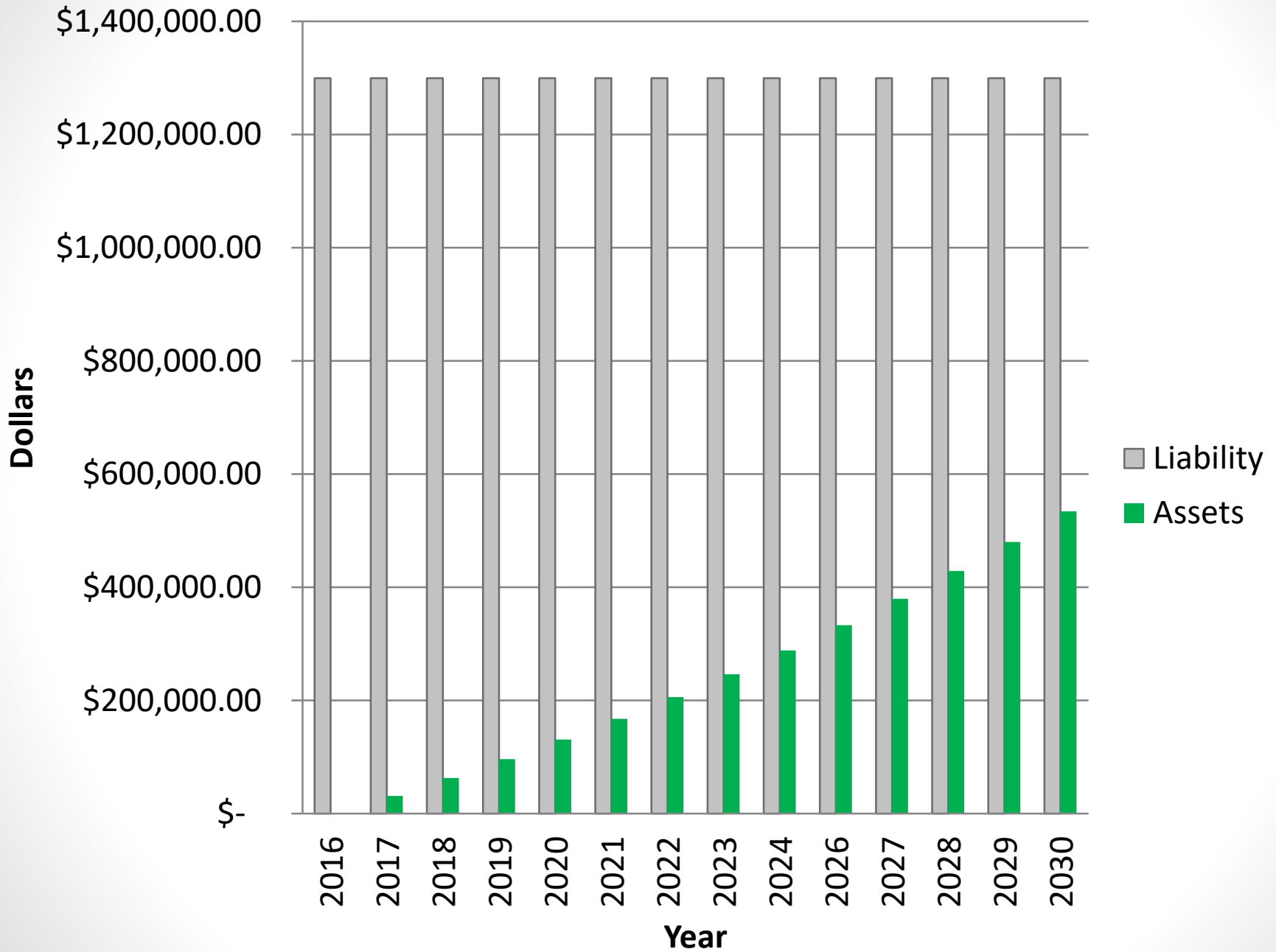
OPEB Fund
Proposed FY 2018/2019 Budget



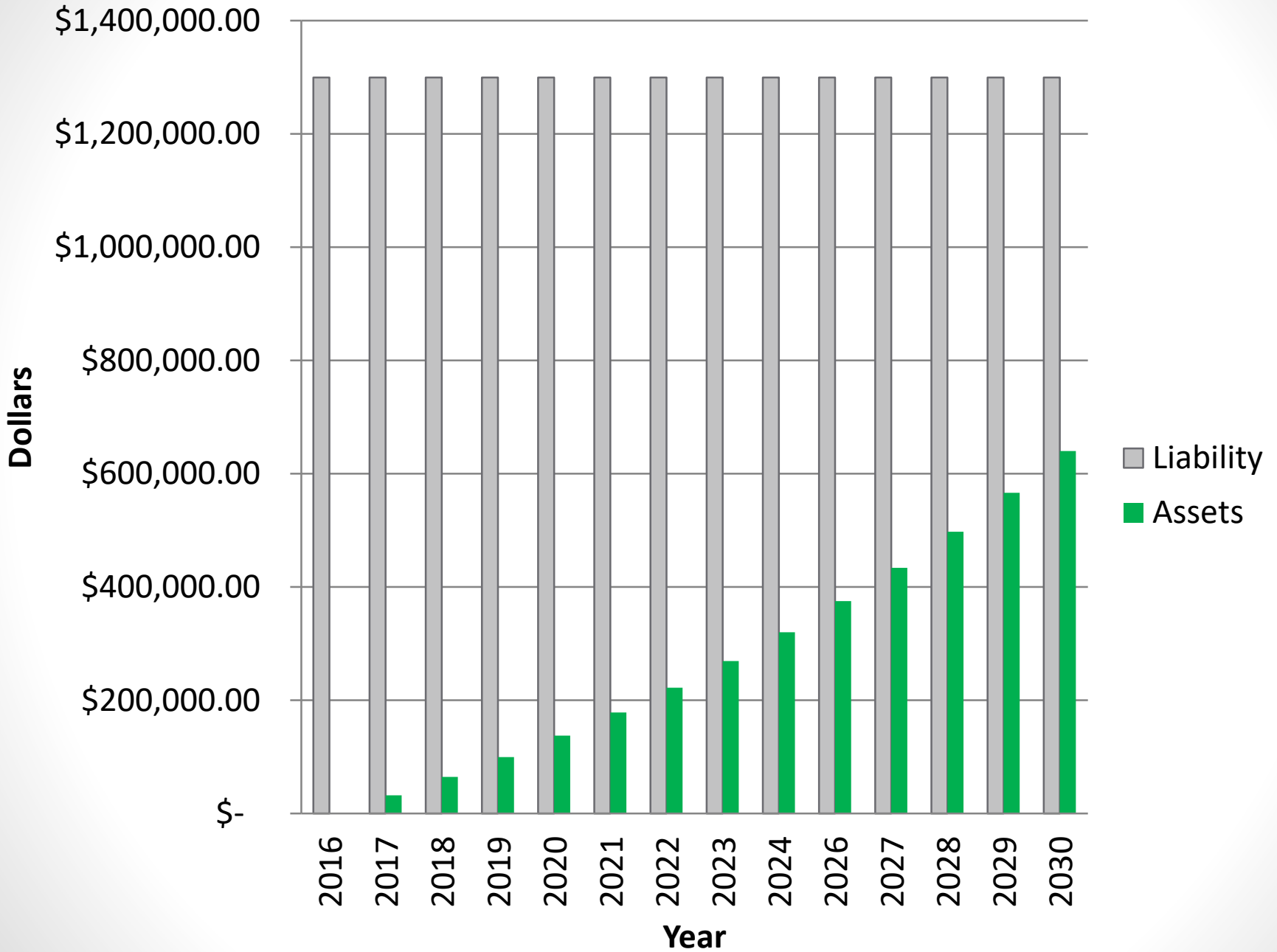
OPEB- No Trust



OPEB-Trust Fund 5%

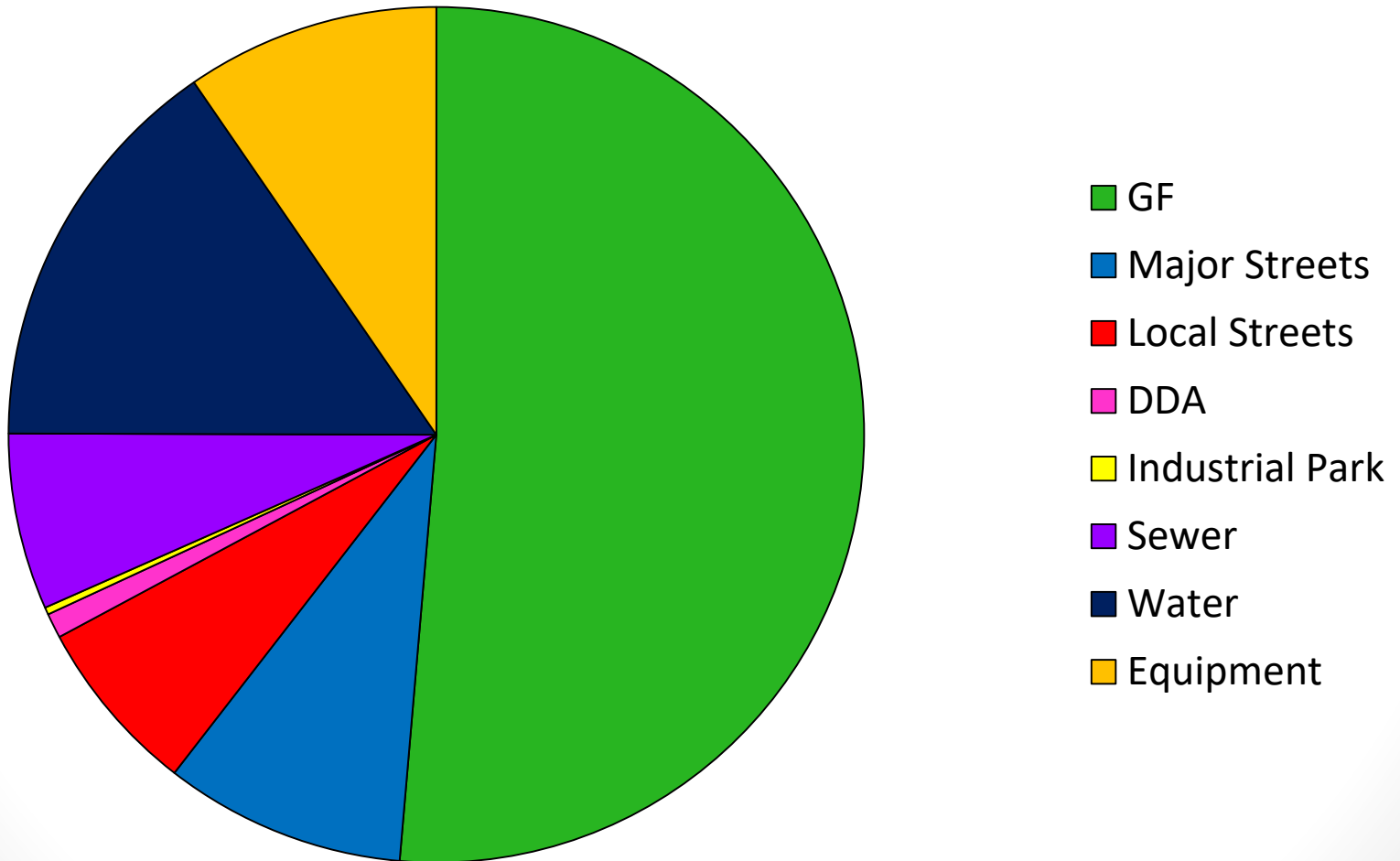


OPEB- Trust Fund 7.75%



Personnel Costs By fund

FY 2018/2019 Proposed Budget



PERSONNEL % OF REVENUE BY FUND

- General Fund – 38%
- Major Streets – 36%
- Local Streets– 52%
- Street Millage -- 0%
- Boat Works Grant Fund –0%
- DDA – 4%
- Industrial Park LDFA –0%
- Sewer -- 13%
- Water – 24%
- *Equipment – 49%
- *MERS – 100%
- *OPEB – 100%

* Internal Services

FUND BALANCE BY FUND

	2017	* 2018	*2019
• General Fund –	\$651,751	\$531,751	\$524,251
• Major Streets –	\$155,801	\$101,551	\$81,551
• Local Streets/St. Millage	\$199,451	\$105,201	\$168,480
• Boat Works Grant Fund	\$215,206	\$210,306	\$110,906
• DDA	\$365,733	\$365,733	\$295,733
• Industrial Park LDFA	\$771,789	\$651,789	\$0
• Sewer	\$614,806	\$584,806	\$562,806
• Water	\$975,590	\$930,590	\$930,590
• Equipment	\$378,381	\$178,381	\$158,381
• *MERS –	\$0	\$0	\$0
• **OPEB –	\$0	\$60,000	\$90,000

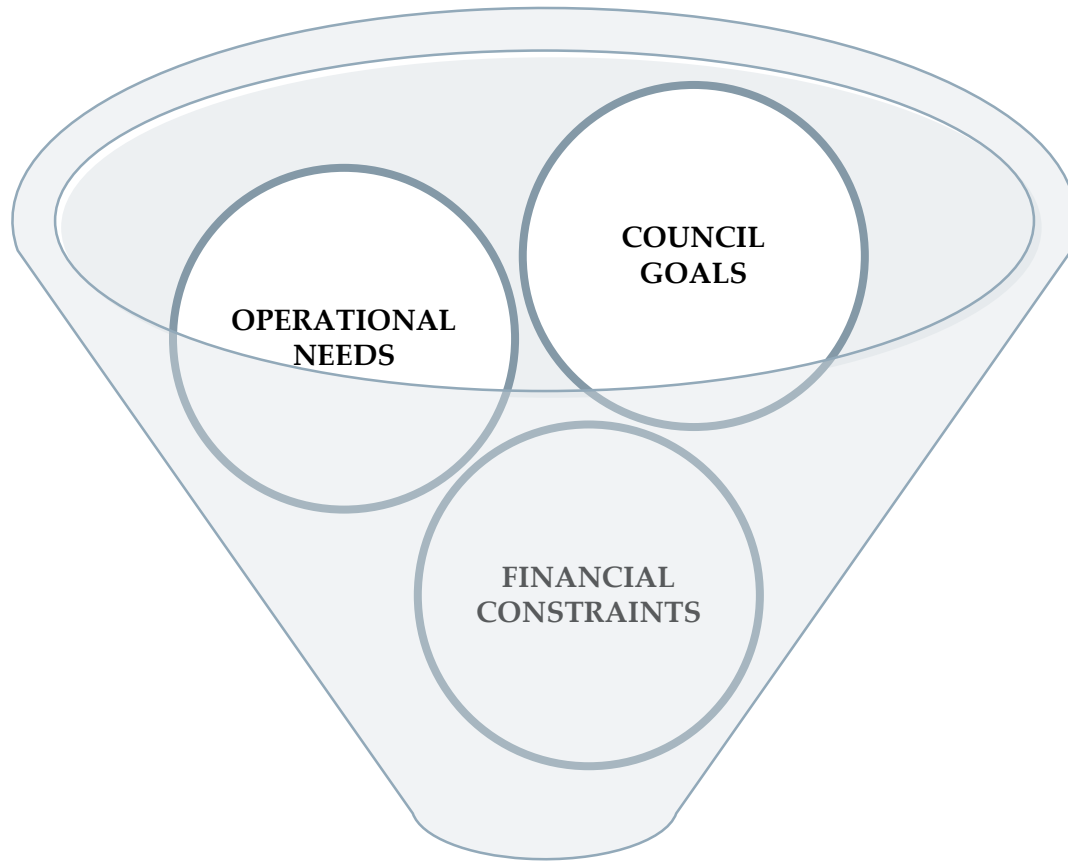
* 2017 is audited FB. This assumes we are using all FB budgeted

* **New Fund**

* **Expected to transfer previous years' \$60,000 approved allocation with 2018 audit.**

How We Get To a Budget





Proposed Budget

QUESTIONS

