

WELCOME

Welcome to the 2012 -2013 Village of Almont Budget Companion. As a governmental entity, we continually strive to provide a transparent and responsive government and are pleased to present this document to you. This report contains information relevant to the Village's 2012 – 2013 annual operating budget. It is our hope that our residents will find this information useful. Questions concerning this guide may be directed to the Village Manager or Clerk/Treasurer at (810) 798-8528.

Village President – Steve Schneider

Village President Pro-Tem – Tim Dyke

Council Member – Rick Lauer

Council Member – Dave Love

Council Member – Gary Peltier

Council Member – Rick Tobias

Council Member – Tom Umphenour

SUMMARY 2012 – 2013 VILLAGE FUNDS OVERVIEW

This page highlights the current mill rates and utility rates being levied or charged for each relevant Village activity or fund [as of June 2012] and the approved rates for the upcoming 2012 – 2013 fiscal year [which runs from July 1, 2012 to June 30, 2013]:

	<u>Current Rate</u>	<u>Approved Rate</u>
General Operating Mill Rate	13.567 mills	13.567 mills
Water Construction Debt Mill Rate	1.755 mills	1.755 mills
DWRF Water Tower Debt Mill Rate	2.580 mills	2.480 mills
TOTAL MILLS LEVIED	17.902 MILLS	17.802 MILLS

Current SSO Rate:	\$2.52 per 1,000 gallons
Approved SSO Rate:	\$1.75 per 1,000 gallons

Current Sewer Rate:	\$25.00 Fixed and \$7.23 per 1,000 gallons
Approved Sewer Rate:	\$27.00 Fixed and \$7.95 per 1,000 gallons

Current Water Rate:	\$25.00 Fixed and \$4.75 per 1,000 gallons
Approved Water Rate:	\$30.00 Fixed and \$5.25 per 1,000 gallons

The approved utility rate increases represent an increase of 4.90% for the average system user that consumes 17,500 inside gallons on a quarterly basis.

SUMMARY 2012 – 2013 GENERAL FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$80,000
Projected 2012 – 2013 Revenues	\$1,486,179
Projected 2012 – 2013 Expenditures	\$1,454,260
Projected Receipt from Water Fund	\$10,000
Projected 2012 – 2013 Operating Surplus	\$41,919
Projected 2012 – 2013 Fiscal Year Ending Balance	\$121,919

Executive Overview

The Almont Village Council has implemented several financially sound changes that have contributed to improving the fiscal viability of the Village general fund.

The 2012 – 2013 Budget will result in the residual fund balance increasing by approximately 52.39% for a 2012 – 2013 fiscal year ending balance of \$121,919.

The current goal of Village administrative staff is to prudently manage fiscal resources so that a fund balance between \$250,000 and \$300,000 exists at the end of each of the 2015 – 2016 fiscal year.

This goal is in keeping with commonly accepting municipal management practices that emphasize the need to maintain a residual fund balance equivalent to between two and three months of operating expenses.

GENERAL FUND REVENUES

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Real Property Tax	\$663,000	\$645,215	Improved Analytical Capability
Personal Property Tax	\$26,448	\$40,440	Improved Analytical Capability
Park Budget Contribution	\$5,875	\$9,105	Additional Projects Planned
Contribution From Equipment Fund	\$44,156	\$0	Previous Amount was used to Fund One Early Retirement
Refunds & Reimbursements	\$56,823	\$29,500	Previous Amount Included Bond Reimbursements
Refunds & Reimbursements TNU	\$70,000	\$0	Federal Grant Term Ended
Estimated Carry-Over	\$60,000	\$80,000	Strategic Fiscal Management by Council and Staff

ADDITIONAL BUDGET NOTES

1. Previous property tax collection analysis methods did not accurately measure the extent to which personal property taxes account for property taxes collected by the Village. A new analysis method reveals that personal property taxes actually account for 5.89% of all property taxes collected by the Village.
2. The annual charge per household for garbage collection for the 2011 -2012 fiscal year was \$164.88. The approved annual charge per household for garbage collection for the 2012 – 2013 fiscal year is \$169.68.

GENERAL FUND EXPENSES

GOVERNING BODY CATEGORY

ITEMIZED WAGES

The following individuals receive the following amounts of annual compensation from the Governing Body budget category:

Village President Steve Schneider	\$840
President Pro-Tem Tim Dyke	\$600
Councilmember Rick Lauer	\$600
Councilmember Dave Love	\$600
Councilmember Gary Peltier	\$600
Councilmember Rick Tobias	\$600
Councilmember Thomas Umphenour	\$600

TOTAL	\$4,440
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ADDITIONAL BUDGET NOTES

1. The previous budget amount for legal notices within the Governing Body category was an insufficient amount. In order to ensure enough funds are available to pay for unplanned notices and publications, the line item amount was increased to \$3,750.

GENERAL FUND EXPENSES

ADMINISTRATIVE/MANAGER CATEGORY

ITEMIZED WAGES

The following individuals receive the following amounts of annual compensation from the Administrative/Manager budget category:

Village Manager Oliver Turner	\$50,000
Deputy C/T (33%)	\$13,500
TOTAL	\$63,500

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Full-Time	\$56,900	\$63,000	Increases Included in Revised Village Manager Contract
Pension	\$2,200	\$4,200	Increases Included in Revised Village Manager Contract
Health Savings Contributions	N/A	\$8,200	New Line Item Due to Change in Health Care Plan
Legal Fees	\$7,500	\$12,000	Increased to Prepare for Unexpected Encumbrances
Education & Training	\$400	\$3,000	Includes a Request to Receive Zoning Admin. Training
Vehicle Allowance/ Mileage	\$100	\$1,200	Additional Required Trips to Flint for NMDC

ADDITIONAL BUDGET NOTES

1. Dues and membership fees include costs for the International City/County Manager Association (ICMA), the Michigan Local Government Management Association (MLGMA), and the Association of Certified Fraud Examiners.
2. Education and training costs include expenses for two MLGMA conferences, MML conferences (the Village Manager currently serves as secretary for MML Region 5), zoning administrator training, and various MML training events.

GENERAL FUND EXPENSES

CLERK CATEGORY

ITEMIZED WAGES

The following individuals receive the following amounts of annual compensation from the Clerk budget category:

Clerk/Treasurer Kimberly Keesler	\$41,000
Deputy C/T (34%)	\$13,450
AP/Billing Clerk (35%)	\$13,900
TOTAL	\$68,350

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Full-Time	\$85,000	\$70,000	Reduced as a Result of Personnel Transition
Salaries Over-Time	\$300	\$1,000	Increased for Employees to Conduct Extra Analytical Work
Pension	\$7,000	\$3,500	Reduced as a Result of Personnel Transition
Hospital Insurance	\$16,000	\$8,400	Reduced as a Result of Personnel Transition
Health Savings Contributions	N/A	\$4,300	New Line Item Due to Change in Health Care Plan
Education & Training	\$50	\$2,000	The New Clerk/Treasurer will be Highly Active
Mileage	\$300	\$1,000	The New Clerk/Treasurer will be Highly Active

ADDITIONAL BUDGET NOTES

1. The Village recently appointed a new Clerk/Treasurer who will become very active in representing the Village at relevant professional events.

GENERAL FUND EXPENSES CENTRAL MUNICIPAL CATEGORY

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Garbage Collection	\$110,898	\$115,000	Anticipated Increases in Collection Charges
Municipal Debt Fund	\$21,074	\$0	Debt Incurred for Building Expansion Paid in Full
Contingencies	\$114,161	\$10,000	Reduced to Reflect Fund Equity Figures

EXPLANATION OF NEW LINE ITEMS

Several line items were added to the budget to more effectively plan for recurring expenses. These expenses include the Next Michigan Development Corporation initiative, costs for the Village's unemployment policy, costs related to the servicing and upkeep of copiers and toners, costs for elections, and costs associated with upgrading Village phones and computers (technology infrastructure).

In addition, line items were added to account for other planned expenses. These include costs for receiving actuarial valuations (analytical services), making improvements to the meeting and conference room, and repaying monies that were previously borrowed from the equipment fund in order to finance an early retirement purchase agreement. Finally, a line item for bank fees was added to serve as an internal control.

DDA CAPTURE AND PAYMENT

The Village provided prompt and timely payment to the DDA during the 2011 – 2012 fiscal year and has appropriated \$90,500 to pay the DDA during the 2012 – 2013 fiscal year. This amount increased by approximately \$900 as a result of increased property values within the DDA boundaries.

MUNICIPAL BUILDING DEBT FUND

The Village made its final payment on the debt that was incurred in order to expand the Municipal Building during the 2011 – 2012 fiscal year.

GENERAL FUND EXPENSES

PUBLIC SAFETY CATEGORY

ITEMIZED WAGES

The following individuals receive the following amounts of annual compensation from the Public Safety budget category:

Chief of Police Patrick Nael	\$54,000
Sergeant	\$52,089
Officer	\$49,184
Officer	\$49,184
Officer	\$49,184
Officer	\$49,184
Officer	\$49,184
Deputy C/T (33%)	\$13,000

The budget category also supports the following wage-related expenses:

Shift Differential Payments	\$1,350
Additional Hours Expenses	\$16,500

TOTAL	\$382,859
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EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Full-Time	\$424,000	\$383,000	Reduced Costs Due to Early Retirement Agreement
Salaries Part-time	\$45,500	\$28,000	Reduced As a Result of Officer Returning to Staff
Salaries Over-Time	\$28,000	\$23,000	Reduced As a Result of Officer Returning to Staff
Hospital Insurance	\$93,000	\$76,500	Reduced Costs Due to Early Retirement Agreement
Pension	\$30,000	\$26,000	Reduced Costs Due to Early Retirement Agreement
Health Savings Contributions	N/A	\$24,000	New Line Item Due to Change in Health Care Plan
In Lieu of Sick & Longevity	\$8,770	\$10,000	Two Officers Have Reached Milestone Anniversary Dates

GENERAL FUND EXPENSES PUBLIC SAFETY CATEGORY (CONTINUED)

ADDITIONAL BUDGET NOTES

1. An early retirement purchase agreement completed in July of 2011 has obtained significant savings for the Village of Almont during the 2012 – 2013 budget year, with an anticipated decrease of at least \$61,000 in public safety costs.
2. An officer that had been working in a different capacity that was funded through a federal grant has now returned to the Village office on a full-time basis and will be used in a manner that helps to reduce part-time staffing costs and overtime costs.

GENERAL FUND EXPENSES PUBLIC WORKS CATEGORY

ITEMIZED WAGES

The following individuals receive the following amounts of annual compensation from the Public Works budget category (**note:** all DPW employees receive 40% of their wages from this budget category):

DPW Superintendent Bryan Treat	\$21,874
Senior Equipment Operator	\$16,873
Equipment Operator	\$16,249

The budget category also supports the following wage-related expenses:

Cashing Out of Comp Hours	\$5,500
Temporary Assignment Costs	\$1,000

TOTAL	\$61,496
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EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Full-Time	\$73,954	\$60,000	Improved Projecting and Cost Accounting Capability
Salaries Part-time	\$13,000	\$8,500	Improved Projecting and Cost Accounting Capability
Hospital Insurance	\$30,399	\$24,000	Reduced Costs Due to Village Changing Health Care Plans
Health Savings Contributions	N/A	\$8,000	New Line Item Due to Change in Health Care Plan
In Lieu of Sick & Longevity	\$4,205	\$3,500	Improved Projecting and Cost Accounting Capability

ADDITIONAL BUDGET NOTES

The buildings line item contains expenses for painting the DPW buildings (\$3,400) and replacing the heater in the main DPW garage (\$2,000).

GENERAL FUND EXPENSES

PUBLIC WORKS/LIFT STATION CATEGORY

ITEMIZED WAGES

The following individuals receive the following amounts of compensation from the Public Works/Lift Station budget category (**note:** all DPW employees receive 13% of their wages from this budget category):

DPW Superintendent Bryan Treat	\$7,109
Senior Equipment Operator	\$5,484
Equipment Operator	\$5,281
TOTAL	\$17,874

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Part-Time DPW	\$0	\$2,500	Improved Projecting and Cost Accounting Capability
Hospital Insurance	\$7,000	\$4,000	Improved Projecting and Cost Accounting Capability
Health Savings Contributions	N/A	\$2,000	New Line Item Due to Change in Health Care Plan
In Lieu of Sick & Longevity	\$2,155	\$1,000	Improved Projecting and Cost Accounting Capability
Sewer Backup Claims	\$12,000	\$7,000	Adjusted to Prepare for Equivalent Number of Claims
Replace/Repair	\$0	\$5,000	Budgeted to Serve as Back-Up for Sewer Fund Expenses

ADDITIONAL BUDGET NOTES

Pursuant to a previous act of Village Council, the expenses within this category are slowly being transferred to the sewer fund so that the water and sewer systems can be fully self-supporting and will not need to rely on general fund subsidization. Between the 2011 – 2012 fiscal year and the 2012 – 2013 fiscal year 50% of the previous expenditures within this category will have been transferred to the sewer fund.

GENERAL FUND EXPENSES PARKS AND RECREATION CATEGORY

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Maintenance & Service	\$6,000	\$8,000	Adjusted to Reflect Historical Expenses
Playground Equipment	\$0	\$2,000	Restored Funding for Possible Equipment Replacement

GENERAL FUND EXPENSES PLANNING & ZONING CATEGORY

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Maintenance & Service	\$4,000	\$13,000	Reference Budget Notes Below

ADDITIONAL BUDGET NOTES

The maintenance and service line item includes expenses for completing the Village master plan (\$3,550), updating the Village's zoning map (\$2,000), updating the Village's sanitary sewer maps (\$3,500), and updating the Village's storm sewer maps (\$3,000).

SUMMARY 2012 – 2013 MAJOR STREETS FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$60,000
Projected 2012 – 2013 Revenues	\$114,700
Projected 2012 – 2013 Expenditures	\$109,020
Projected 2012 – 2013 Operating Surplus	\$5,680
Projected 2012 – 2013 Fiscal Year Ending Balance	\$65,680

Executive Overview

The major streets fund collects a vast majority of its funding through Act 51 funds. The 2012 – 2013 budget for major streets focuses on general operating costs and does not include an abundance of major capital improvement projects for the two following reasons:

1. The need to transfer additional funds to the local street fund to pay for expenses related to the Cherry Street Bridge project.
2. The beginning of a major evaluation of major and local streets that will be conducted in order to help prepare for future infrastructure projects.

As noted, a comprehensive evaluation will be conducted during the 2012 – 2013 budget year in regards to future infrastructure needs. It should also be noted that any major sidewalk repairs or paving projects could be drawn from the residual fund balance or from the small operating surplus projected for the major streets fund during the 2012 – 2013 fiscal year.

Alternatively, any significant capital improvements projects on the major streets system could be funded by transferring a smaller amount of major streets funds to the local streets fund and allowing the local streets fund to rely more heavily upon its residual fund balance.

MAJOR STREETS EXPENSES

ITEMIZED WAGES

The following individuals receive the following amounts of compensation from the Major Streets Fund (**note:** all DPW employees receive 7.5% of their wages from this budget category):

DPW Superintendent Bryan Treat	\$4,101
Senior Equipment Operator	\$3,047
Equipment Operator	\$3,164
TOTAL	\$10,312

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Part-Time DPW	\$0	\$1,400	Improved Projecting and Cost Accounting Capability
Health Savings Contributions	N/A	\$1,125	New Line Item Due to Change in Health Care Plan
Street Paving Projects	\$7,000	\$1,000	No Major Paving Projects Currently Planned
Sidewalks & Curbs	\$16,000	\$1,000	No Major Sidewalk Repairs on Major Streets Planned
Contributions to Local Streets	\$30,000	\$40,000	Additional Funds Transferred to Pay for Cherry Street Bridge

SUMMARY 2012 – 2013

LOCAL STREETS FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$120,000
Projected 2012 – 2013 Revenues	\$87,300
Projected 2012 – 2013 Expenditures	\$86,770
Projected 2012 – 2013 Operating Surplus	\$530
Projected 2012 – 2013 Fiscal Year Ending Balance	\$120,530

Executive Overview

The local streets fund collects a vast majority of its funding through Act 51 funds and from the major streets fund. The 2012 – 2013 budget for local streets focuses on general operating costs and does not include an abundance of major capital improvement projects for the two following reasons:

1. The need to pay for expenses related to the Cherry Street Bridge project.
2. The current evaluation being conducted of major and local streets that will help to properly prepare for future infrastructure projects.

LOCAL STREETS EXPENSES

ITEMIZED WAGES

The following individuals receive the following amounts of compensation from the Local Streets Fund (**note:** all DPW employees receive 7.5% of their wages from this budget category):

DPW Superintendent Bryan Treat	\$4,101
Senior Equipment Operator	\$3,047
Equipment Operator	\$3,164
TOTAL	\$10,312

EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Part-Time DPW	\$0	\$1,400	Improved Projecting and Cost Accounting Capability
Health Savings Contributions	N/A	\$1,125	New Line Item Due to Change in Health Care Plan
Street Paving Projects	\$30,000	\$1,000	No Major Paving Projects Currently Planned

ADDITIONAL BUDGET NOTES

Please refer to the additional budget notes in the Major Streets section for information related to both the major and local street funds.

SUMMARY 2012 – 2013

WATER SYSTEM IMPROVEMENT DEBT FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$27,500
Projected 2012 – 2013 Revenues	\$88,731
Projected 2012 – 2013 Expenditures	\$87,265
Projected 2012 – 2013 Surplus Funds	\$1,466
Projected 2012 – 2013 Fiscal Year Ending Balance	\$28,966

Executive Overview

The 2011 – 2012 budget utilized a rate of 1.755 mills in order to generate enough revenue to pay for the costs associated with the water system improvement project that was undertaken within the Village in 1996. The 2012 – 2013 budget proposes that this rate remains the same, at 1.755 mills.

SUMMARY 2012 – 2013 WWTP IMPROVEMENT DEBT FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$77,014
Projected 2012 – 2013 Revenues	\$97,125
Projected 2012 – 2013 Expenditures	\$127,969
Projected 2012 – 2013 Operating Deficit (Planned)	-\$30,875
Projected 2012 – 2013 Fiscal Year Ending Balance	\$46,139

Executive Overview

The 2012 – 2013 Budget proposes a reduction in the SSO rate from \$2.52 to \$1.75.

This reduction is possible due to the recent refunding of the WWTP Improvement project bonds that were used to finance the completion of this project in 2002. This bond refunding allowed a significant fund balance to accumulate that can be used to defray the costs of infrastructure projects that are being proposed for the WWTP and would be financed through higher sewer rates. While this reduction leans heavily upon the fund balance in order to offset the impact of the sewer rate increases on system users, it is being planned prudently.

SUMMARY 2012 – 2013 DWRF WATER TOWER DEBT FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$37,736
Projected 2012 – 2013 Revenues	\$122,202
Projected 2012 – 2013 Expenditures	\$122,673
Projected 2012 – 2013 Operating Deficit (Planned)	-\$471
Projected 2012 – 2013 Fiscal Year Ending Balance	\$37,265

Executive Overview

The 2012 – 2013 Budget proposes a reduction in the DWRF water tower mill rate from 2.58 to 2.48 mills.

This reduction is being proposed in order to ensure that the fund balance does not accumulate too many funds. At the same time, the amount of revenues collected through this mill rate will be sufficient to meet the bond payment obligations related to the water tower project.

SUMMARY 2012 – 2013 SEWER FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$78,000
Projected 2012 – 2013 Revenues	\$562,612
Projected 2012 – 2013 Expenditures	\$561,312
Projected 2012 – 2013 Operating Surplus	\$1,300
Projected 2012 – 2013 Fiscal Year Ending Balance	\$79,300

Executive Overview

The 2012 – 2013 Budget proposes that the sewer rate be increased from a flat rate charge of \$25.00 per quarter and a consumption charge of \$7.23 per 1,000 gallons to a flat rate charge of \$27.00 per quarter and a consumption charge of \$7.95 per 1,000 gallons.

The request for this increase stems from three major infrastructure projects that will be undertaken during the 2012 – 2013 budget year:

1. The upgrade of the East St. Clair lift station project and the alarm system used on all sanitary sewer system lift stations.
2. The proposed upgrade of the tertiary treatment system, a critical element of the WWTP that must be replaced in order for the plant to continue to meet DEQ standards.
3. The proposed repair of the WWTP roof, which is in deteriorating condition and is currently estimated to cost about \$40,000 to replace and repair.

SEWER FUND EXPENSES

ITEMIZED WAGES

The following individuals receive the following amounts of compensation from the Sewer Fund:

WWTP Superintendent Mark Farley	\$54,829
WWTP Operator – C License	\$41,767
WWTP Operator – C License	\$41,767
Sewer Billing Clerk (20%)	\$7,896

The budget category also supports the following wage-related expenses:

Cashing Out of Comp Hours	\$8,000
Temporary Assignment Costs	\$2,130

TOTAL	\$154,723
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EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries Full-Time	\$149,000	\$155,000	Improved Projecting and Cost Accounting Capability
Salaries Part-time	\$3,000	\$2,500	Retained Due to Expected Employee Absence
Health Savings Contributions	N/A	\$19,500	New Line Item Due to Change in Health Care Plan
Maintenance Contract	\$50,000	\$42,500	Changed to Reflect Reduction in Anticipated Needs
Sewer System – Capital Projects	\$10,000	\$2,000	Reduced Due to Other Planned Capital Projects and Past Use
East St. Clair Upgrade Project – Bonds	N/A	\$19,000	Costs Associated with Repayment of ESC Bonds
Tertiary Treatment System	N/A	\$37,500	Critical Component for WWTP that must be Replaced
Roof Repairs	N/A	\$32,000	Proposed Repairs to WWTP Roof
Contingencies	\$68,610	\$0	Zeroed Out to Reflect Fund Equity Figures
Rate Adjustment – Diminished Collection	N/A	\$3,500	Added to Reflect the Fact Rate Adjustments Only Apply to Three Out of the Four Quarters

SUMMARY 2012 – 2013 WATER FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$22,854
Projected 2012 – 2013 Revenues	\$456,601
Repayment to General Fund	\$10,000
Projected 2012 – 2013 Expenditures	\$415,805
Projected 2012 – 2013 Operating Surplus	\$8,000
Projected 2012 – 2013 Fiscal Year Ending Balance	\$30,854

Executive Overview

The 2012 – 2013 budget proposes that the water rate be increased from a flat rate charge of \$25.00 per quarter and a consumption charge of \$4.75 per 1,000 gallons to a flat rate charge of \$30.00 per quarter and a consumption charge of \$5.25 per 1,000 gallons.

The request for this increase stems from several factors, including:

1. The imperative need to enhance the residual fund balance; infrastructure will continue to age and repairs and replacements will increase in frequency.
2. A roughly 8.5% increase levied by the Detroit Water and Sewerage District upon the fixed costs of water purchased by the Village.
3. The need to perform preventative maintenance on the water tower.
4. The need to repay the general fund \$10,000 from past accumulated amounts owed.

WATER FUND EXPENSES

ITEMIZED WAGES

The following individuals receive the following amounts of compensation from the Water Fund (**note:** all DPW employees receive 20% of their compensation from this fund):

DPW Superintendent Bryan Treat	\$10,937
Senior Equipment Operator	\$8,437
Equipment Operator	\$8,125
Water Billing Clerk (45%)	\$17,136

The budget category also supports the following wage-related expenses:

Cashing Out of Comp Hours	\$4,500
Temporary Assignment Costs	\$1,500

TOTAL	\$50,635
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EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Health Savings Contributions	N/A	\$5,400	New Line Item Due to Change in Health Care Plan
Audit Fees	\$2,300	\$1,025	Reduced Fees for Auditing Water Fund
Water Tower	\$2,250	\$4,000	Planned Water Tower Tank Cleaning
Detroit Water Purchase	\$215,000	\$232,000	Anticipated 8.5% Increase Levied by DWSD
Air Adv. Generator	N/A	\$2,500	Purchase of Generator For Back-Up Use at Tower

SUMMARY 2012 – 2013

EQUIPMENT FUND OVERVIEW

Projected 2012 – 2013 Fiscal Year Carry-Over	\$105,000
Projected 2012 – 2013 Revenues	\$112,700
Projected 2012 – 2013 Expenditures	\$112,325
Projected 2012 – 2013 Operating Surplus	\$375
Projected 2012 – 2013 Fiscal Year Ending Balance	\$105,375

Executive Overview

The equipment fund will be able to meet its expected expenditures during the 2012 – 2013 budget year effectively, provided that the equipment rental rates that are estimated to be deposited into the equipment fund are fully contributed. The total fund balance of the equipment fund has decreased within the past fiscal year due to the following reasons:

1. Monies within the fund were used to finance an early retirement agreement.
2. A large portion of monies were used to purchase a new dump truck.
3. Fewer equipment rental charges were deposited into the revenue portion of the fund because there was less usage during the warmer winter months.

EQUIPMENT FUND EXPENSES

ITEMIZED WAGES

The following individuals receive the following amounts of compensation from the Equipment Fund (**note:** all DPW employees receive 12% of their compensation from this fund):

DPW Superintendent Bryan Treat	\$6,562
Senior Equipment Operator	\$4,875
Equipment Operator	\$5,061

The budget category also supports the following wage-related expenses:

Cashing Out of Comp Hours	\$800
Temporary Assignment Costs	\$200

TOTAL	\$17,498
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EXPLANATION OF SIGNIFICANT CHANGES

Line Item	2011 – 2012 Budget	2012 – 2013 Budget	Explanation for Change
Salaries – Part-time	N/A	\$1,700	Improved Projecting and Cost Accounting Capability
Health Savings Contributions	N/A	\$1,700	New Line Item Due to Change in Health Care Plan
Capital Expenditures	\$115,000	\$0	No Planned Purchases During 2012 – 2013 Fiscal Year
Dump Truck	N/A	\$9,250	Repayment of Loan Funds for Dump Truck Purchase
Contingencies	\$62,338	\$0	Zeroed Out to Reflect Band in Fund Equity Figures
General Fund Contrib.	\$39,500	\$0	No Need to Transfer Funds
Contingencies	\$62,338	\$0	Zeroed Out to Reflect Fund Equity Figures