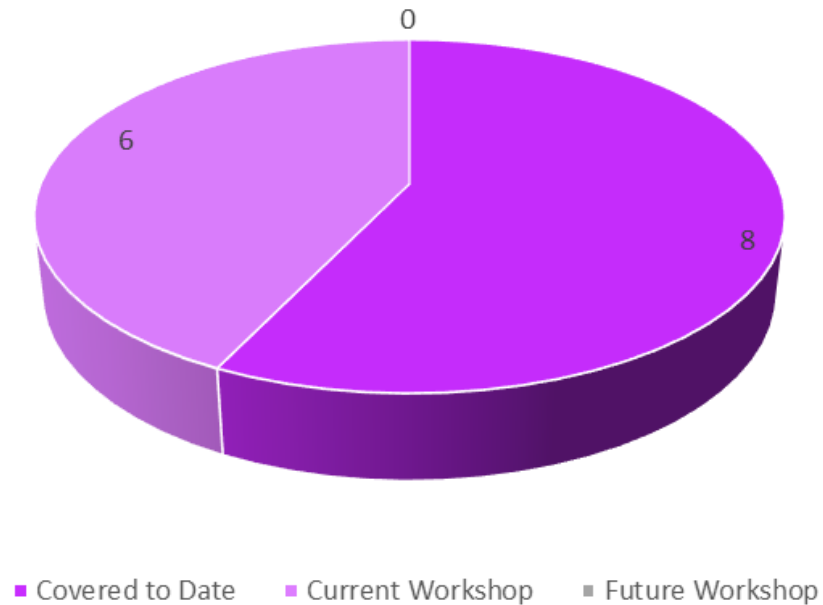


General, Public Safety, Solid Waste & Recycling, Capital Projects & Equipment Replacement Funds

BUDGET WORKSHOP

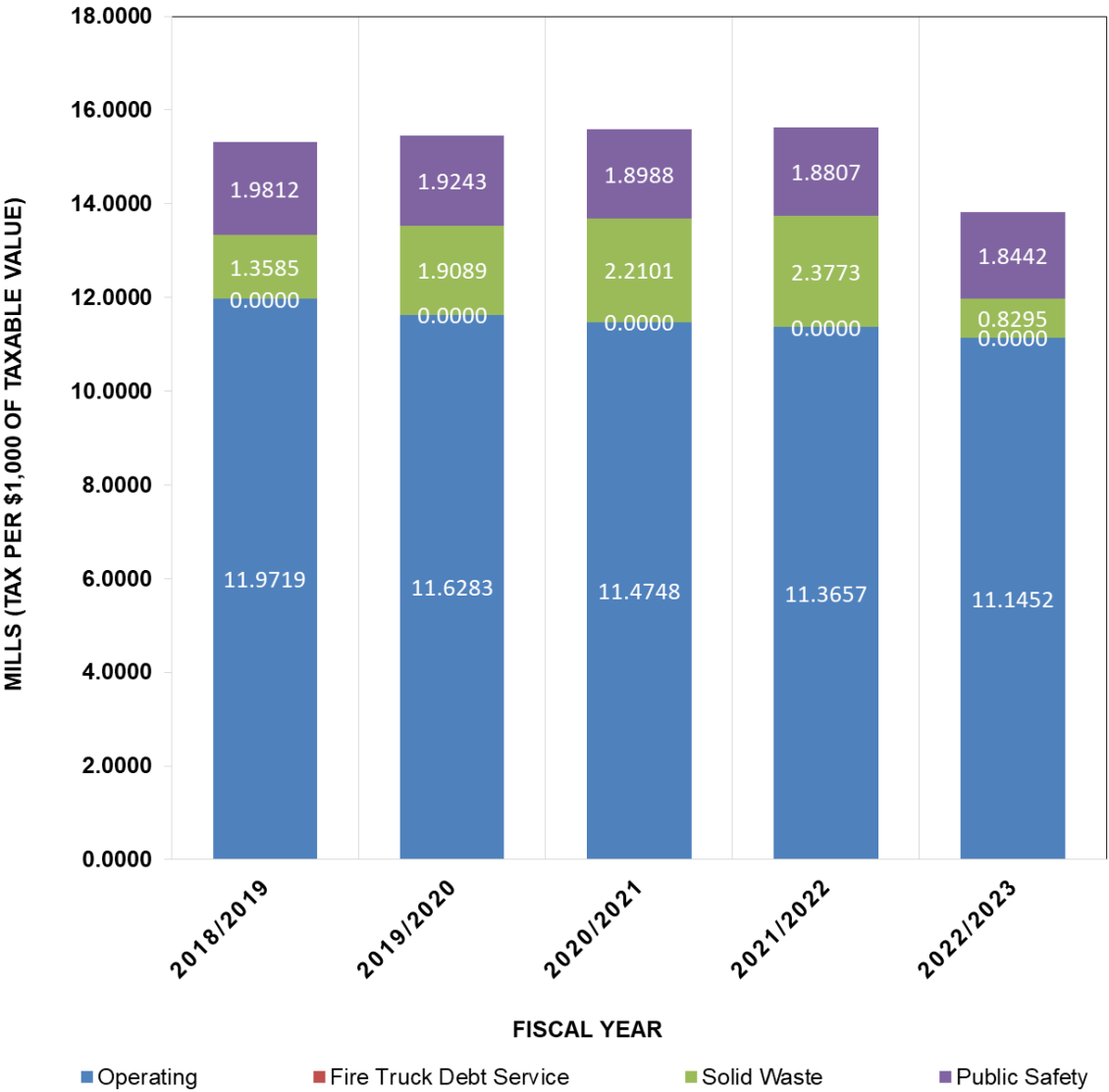
FISCAL YEAR 2022-2023

City of Otsego Budget Workshop Progress (out of 14 funds)

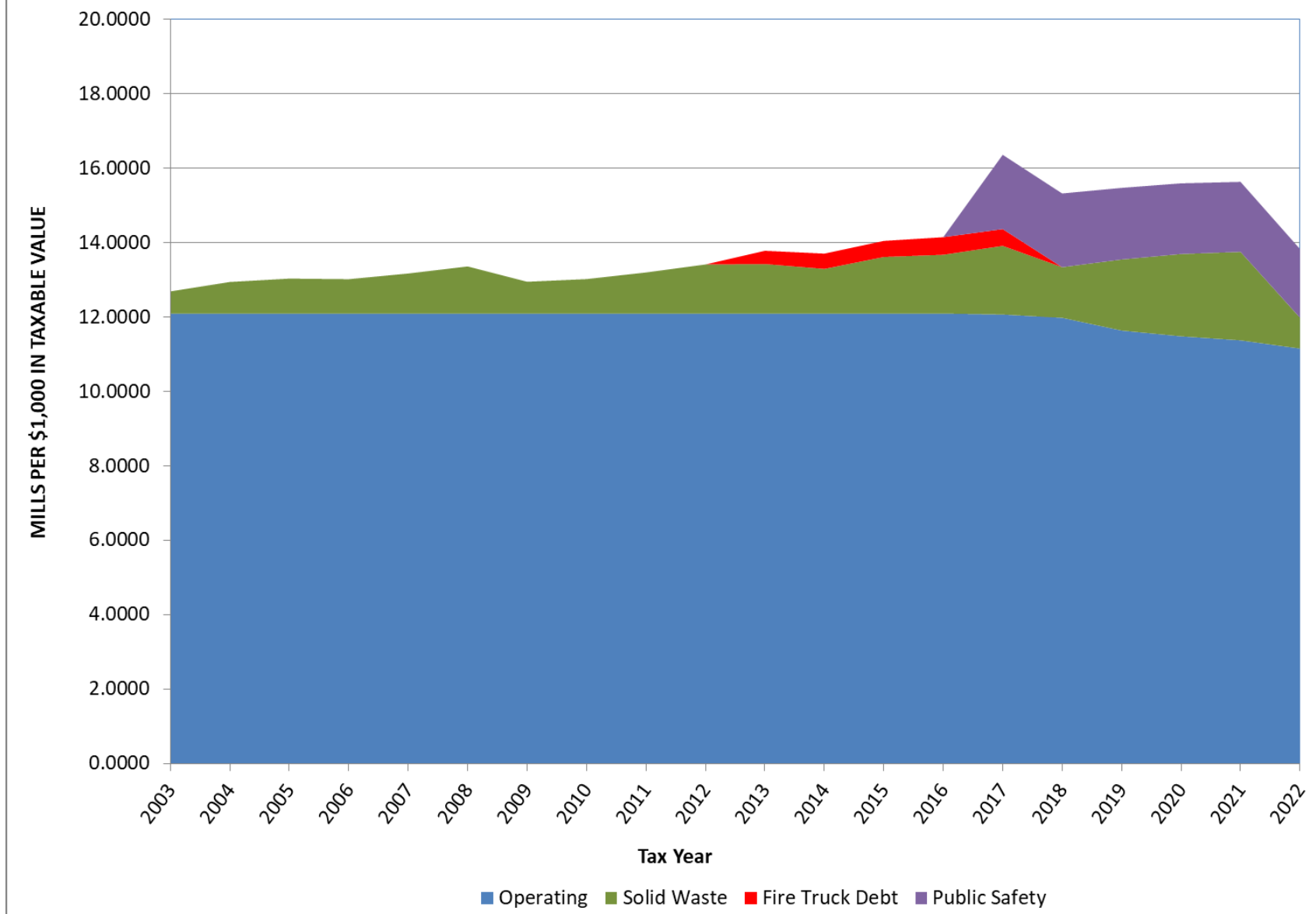


General Fund - 101
Major Street Fund - 202
Local Street Fund - 203
Public Safety Fund - 205
Street & Bridge Fund - 211
Solid waste & Recycling Fund - 225
Downtown Development Authority/Main Street - 248
Equipment Replacement Debt Service Fund - 302
Capital Projects Fund - 401
Equipment Replacement Fund - 402
Sewer Fund - 590
Water Fund - 591
DPW Motor Pool - 661
Special Assessment Capital Project Fund - 805

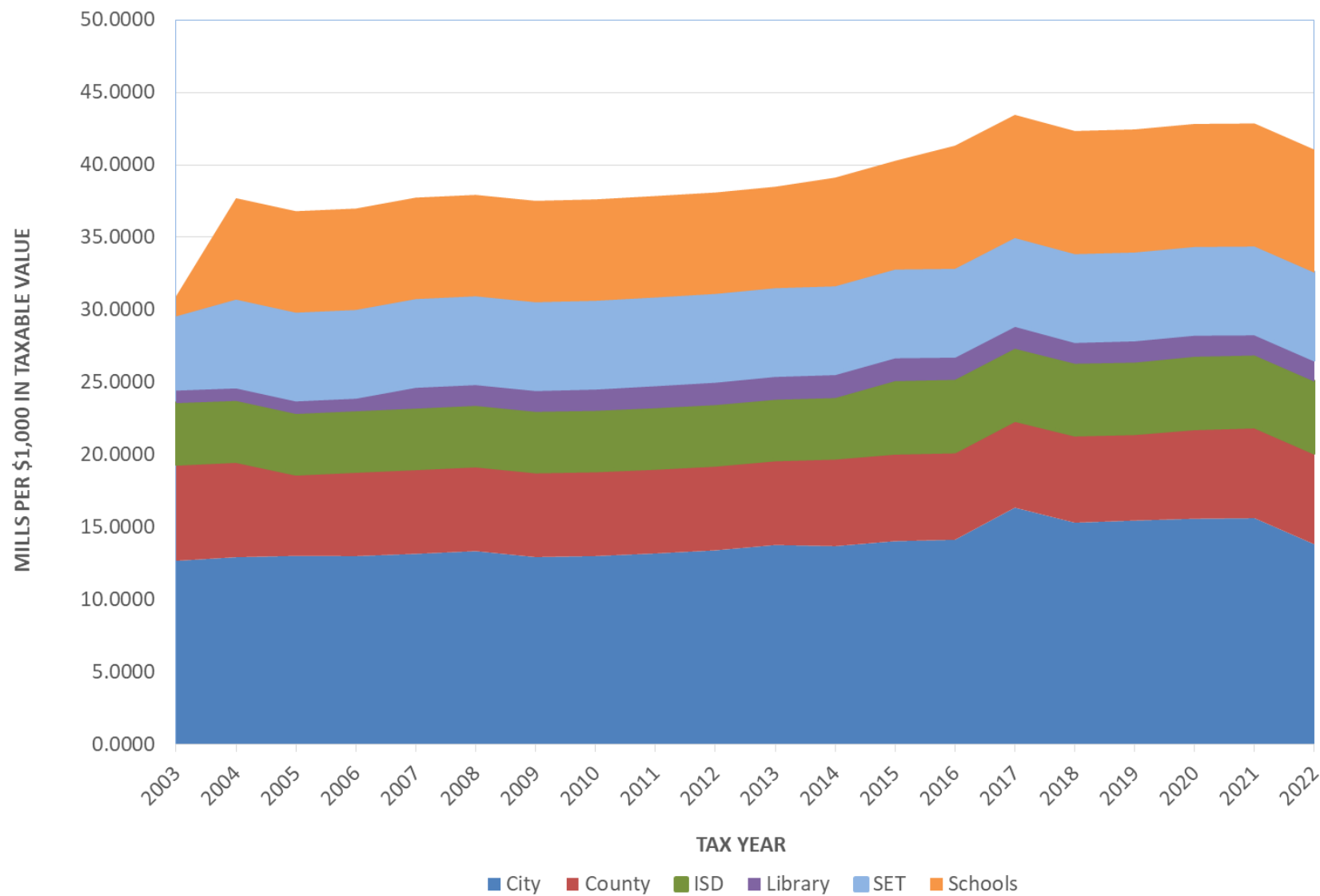
CITY OF OTSEGO
FIVE YEAR MILLAGE HISTORY



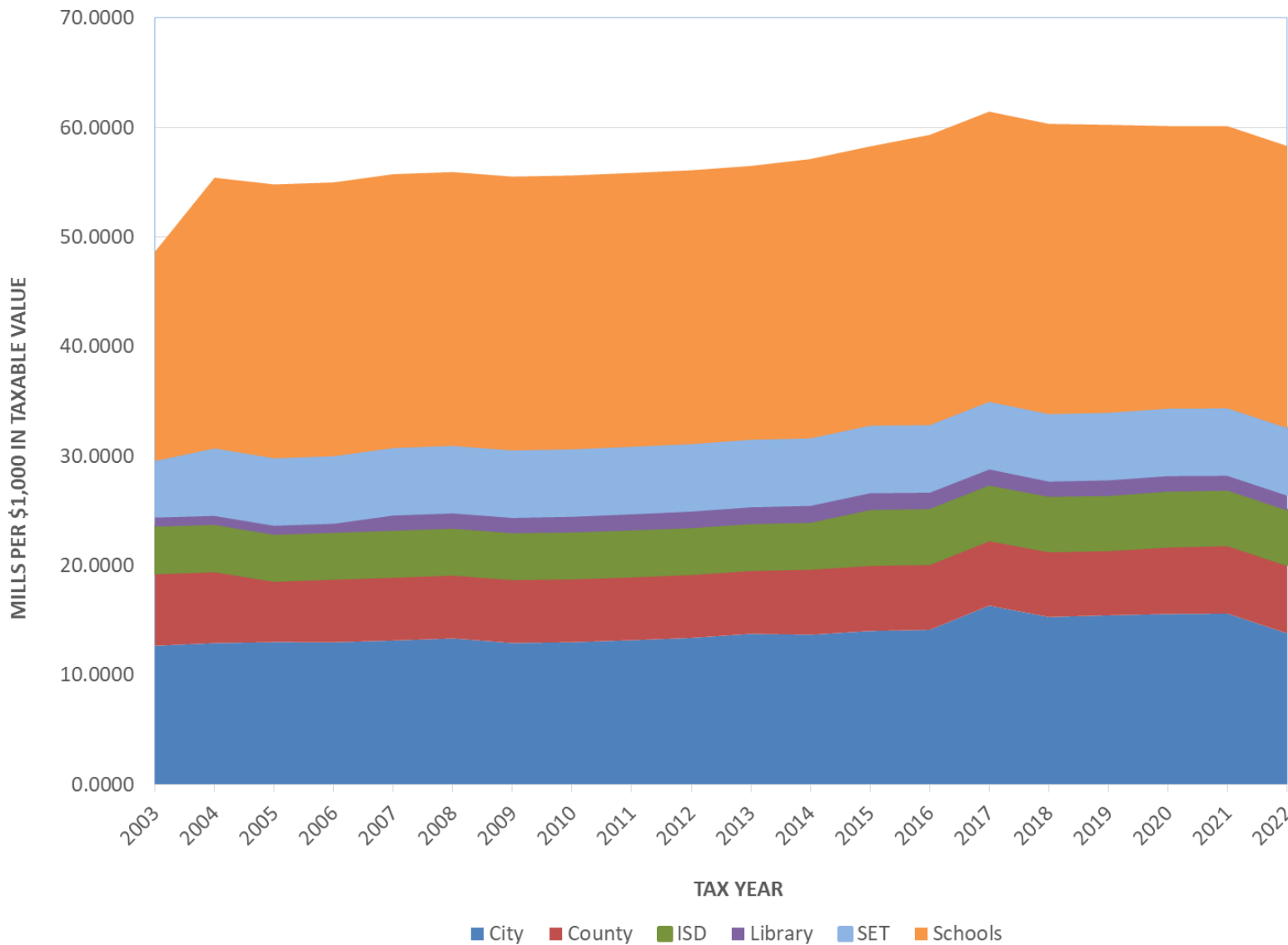
CITY OF OTSEGO MILLAGE HISTORY



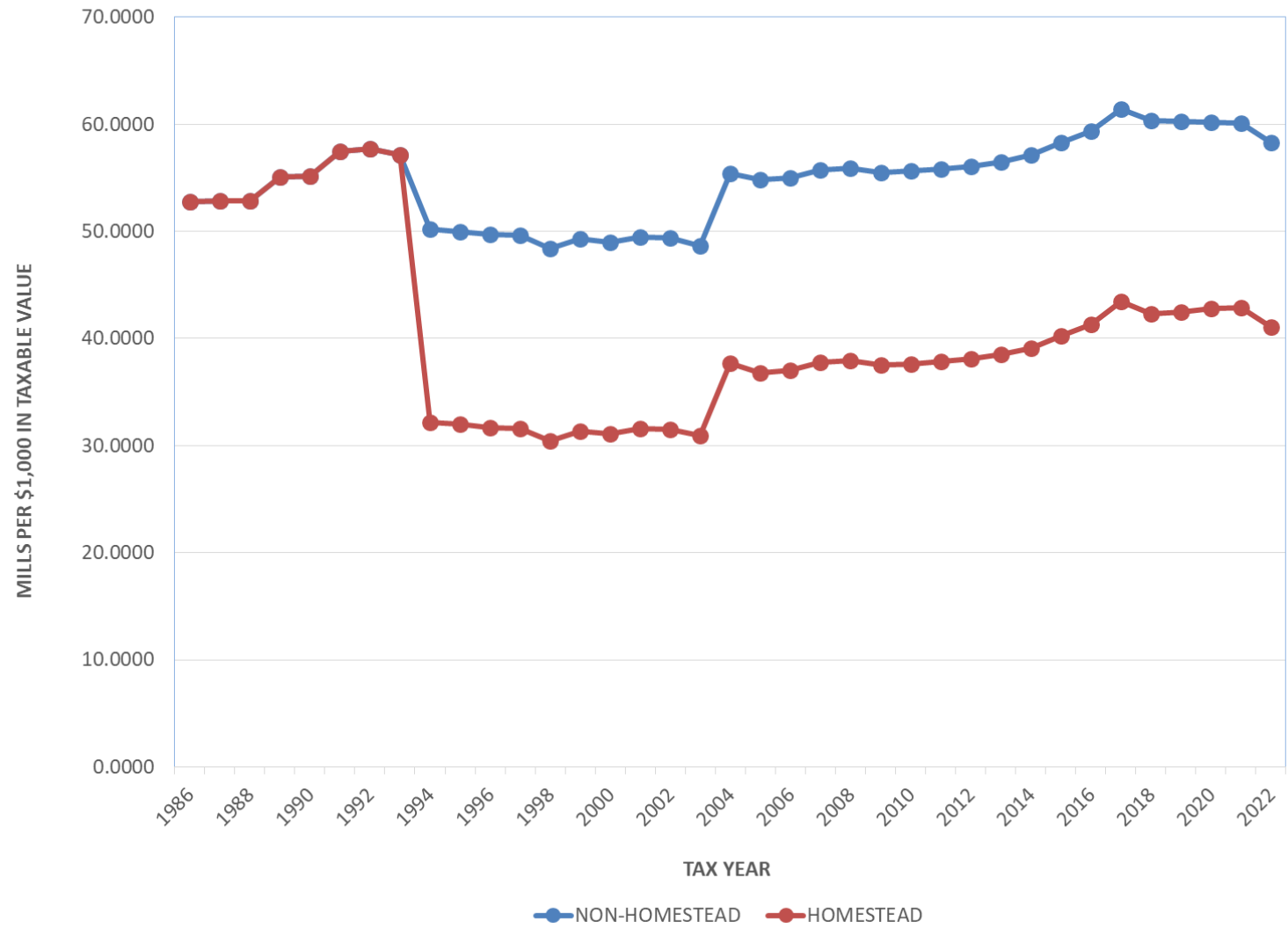
CITY OF OTSEGO TOTAL HOMESTEAD MILLAGE HISTORY



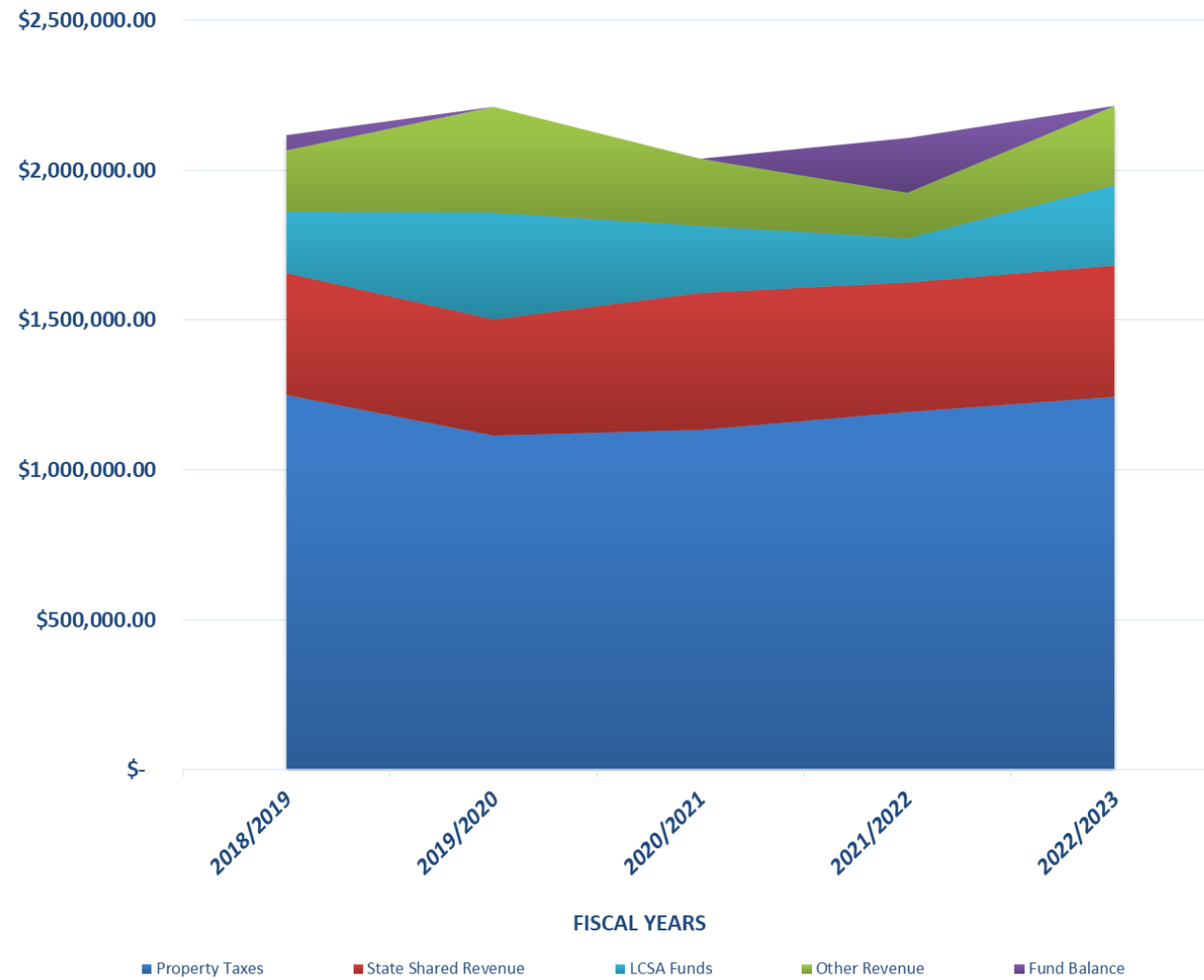
CITY OF OTSEGO TOTAL NON-HOMESTEAD MILLAGE HISTORY



CITY OF OTSEGO TOTAL MILLAGE HISTORY



GENERAL FUND SOURCES TREND FOR PAST FIVE FISCAL YEARS



General Fund

Many activities commonly associated with government are provided by this fund, primarily supported by “general” property tax revenues.

- General Administration, Zoning, Code Enforcement
- Parks & Recreation
- Downtown Maintenance
- Property Tax Assessment & Collection
- Elections
- Economic Development
- *Police and Fire Protection were moved to the Public Safety Fund in Fiscal Year 2017-2018, but are still substantially supported by general operating tax dollars.*
- *Solid Waste Removal & Recycling Services were moved to the Solid Waste and Recycling Fund in Fiscal Year 2019-2020, a special revenue fund.*

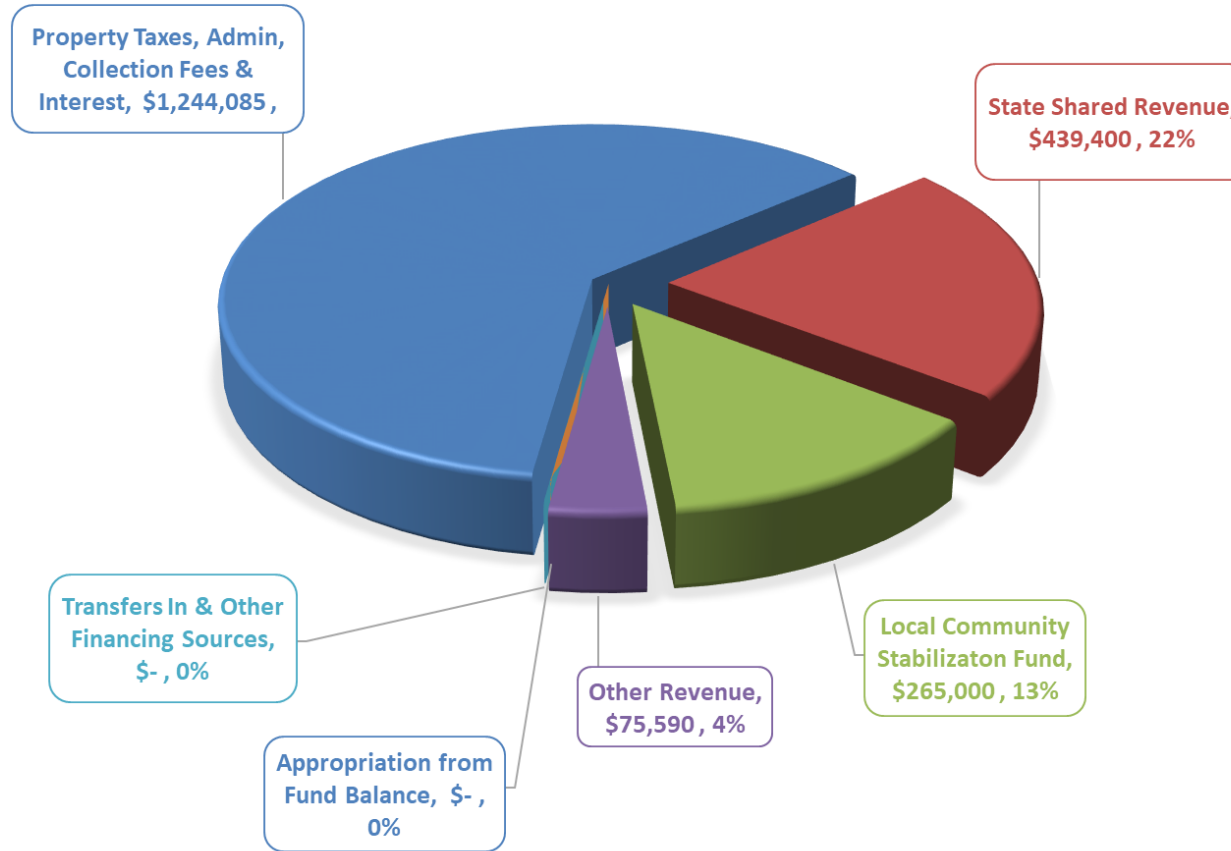
Summary of Proposed Revenues

PROPERTY TAXES (TAX, ADMIN, PENALTY & INTEREST)	\$ 1,244,085	
LOCAL COMMUNITY STABILIZATION FUND	\$ 265,000	
STATE SHARED REVENUE	\$ 439,400	
<u>OTHER REVENUE</u>	<u>\$ 75,590</u>	
TOTAL ESTIMATED REVENUES		\$2,024,075

Other Revenue is comprised of several sources:

- Cable Television Franchise Fees
- Charges for City labor & materials
- Investment Interest

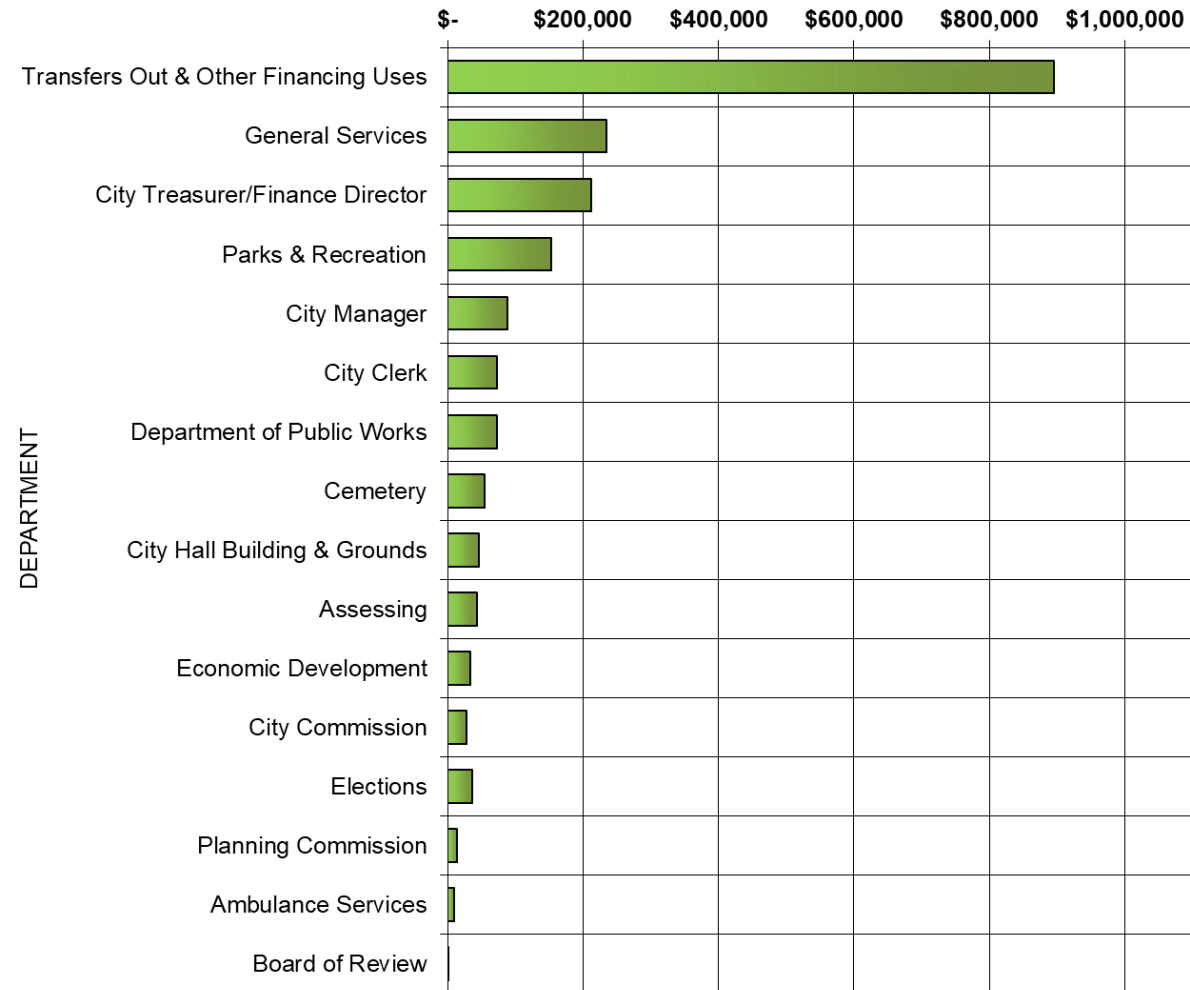
CITY OF OTSEGO GENERAL FUND SOURCES OF FUNDS PROJECTION



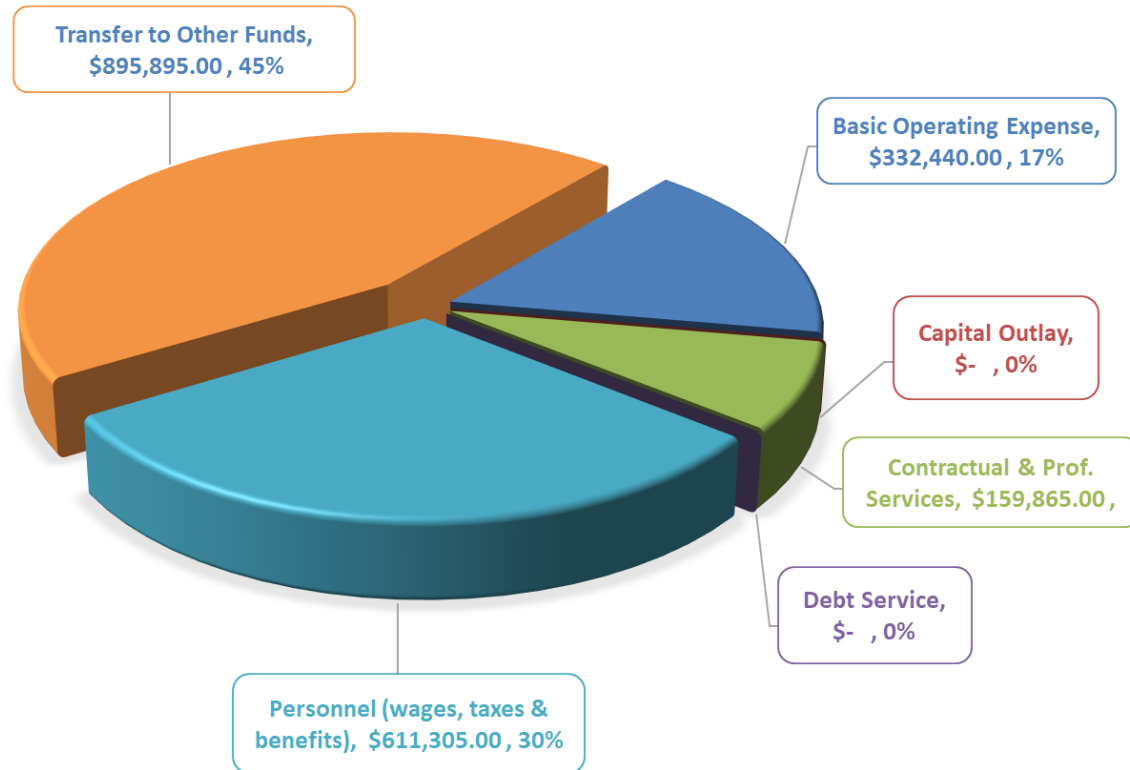
Summary of Proposed Expenditures

CITY COMMISSION	\$ 28,310	
CITY MANAGER	\$ 89,200	
CITY CLERK	\$ 73,655	
BOARD OF REVIEW	\$ 1,540	
CITY TREASURER/FINANCE DIRECTOR	\$ 211,595	
ASSESSING	\$ 43,255	
ELECTIONS	\$ 36,665	
CITY HALL BUILDING & GROUNDS	\$ 46,335	
DEPARTMENT OF PUBLIC WORKS	\$ 73,330	
GENERAL SERVICES	\$ 235,360	
CEMETERY SERVICES	\$ 54,535	
AMBULANCE SERVICES	\$ 9,500	
PLANNING COMMISSION	\$ 13,550	
ECONOMIC DEVELOPMENT	\$ 33,245	
PARKS & RECREATION	\$ 153,535	
<u>TRANSFERS OUT & FINANCING USES</u>	<u>\$ 895,895</u>	
TOTAL APPROPRIATIONS		\$ 1,999,505

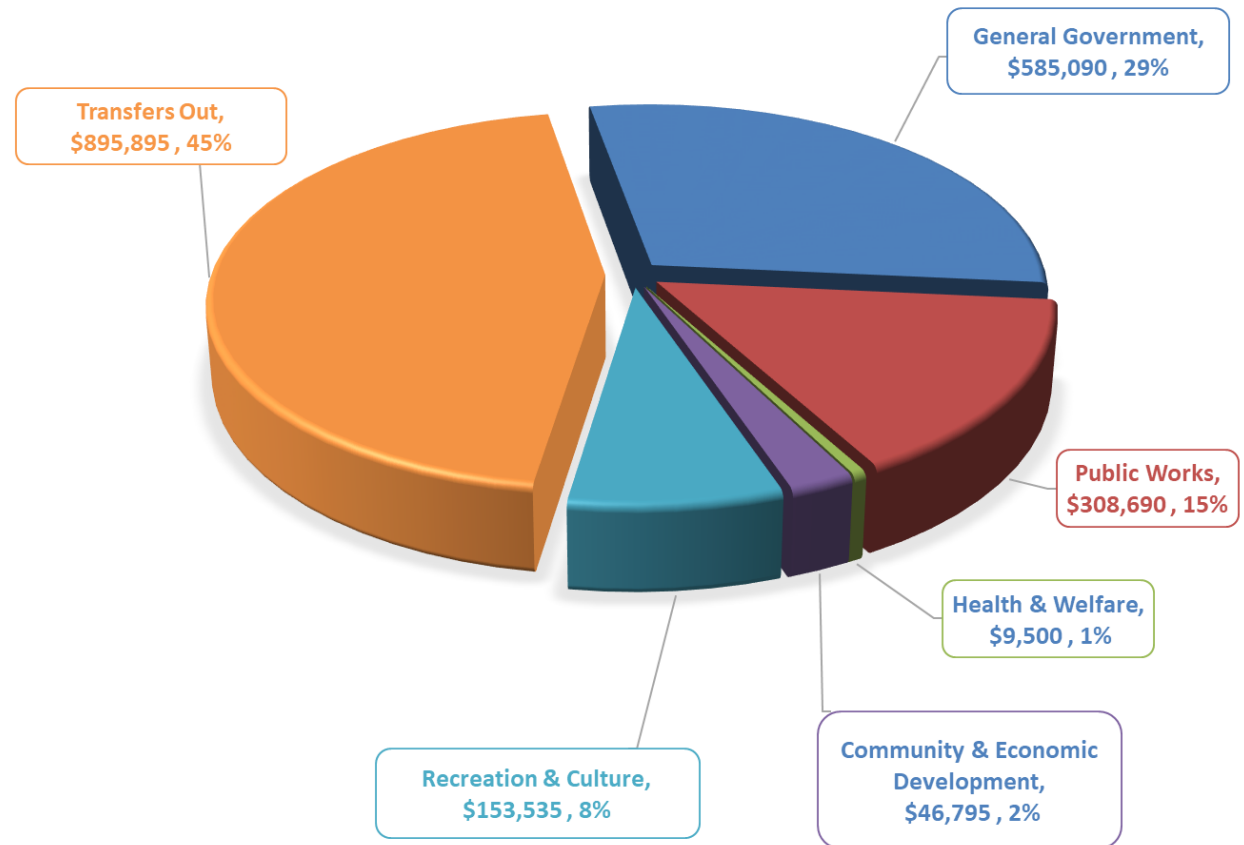
GENERAL FUND APPROPRIATIONS BY ACTIVITY



APPROPRIATIONS BY CLASSIFICATION



GENERAL FUND APPROPRIATIONS BY FUNCTION



Revenue to Expenditure Summary

NET CHANGES IN FUND BALANCES	\$ 24,570
PROJECTED BEGINNING FUND BALANCES	\$ 534,705
PROJECTED ENDING FUND BALANCES	\$ 559,275

End of Year Fund Balance Test

06/30/23	End of Year Unassigned Fund Balance:	\$ 559,275
	Operating Budget & Transfers Out:	\$1,999,505
	Fund Balance as a Percentage of Uses:	28.0%
	Does test equal or exceed 16.7% (2 months):	Yes
06/30/22	<i>Projected Unassigned Fund Balance:</i>	<i>\$ 534,705</i>
	<i>Projected Expenditures & Transfers Out:</i>	<i>\$2,052,130</i>
	<i>Fund Balance as a Percentage of Uses:</i>	<i>26.1%</i>
	<i>Does test equal or exceed 16.7% (2 months):</i>	<i>Yes</i>
06/30/21	<i>Unassigned Fund Balance:</i>	<i>\$ 719,161</i>
	<i>Expenditures & Transfers Out:</i>	<i>\$2,138,495</i>
	<i>Fund Balance as a Percentage of Uses:</i>	<i>33.6%</i>
	<i>Does test equal or exceed 16.7% (2 months):</i>	<i>Yes</i>

Public Safety Fund

Funded by a maximum 2 mill levy approved by voters August 2, 2016 for a period of ten years, beginning with the 2017 Tax Year. The millage was immediately reduced by the Headlee Amendment and the maximum allowable this year is 1.8442 mills.

The following four activities comprise the Public Safety Fund:

- Police Department
- Fire Department
- Building Inspection Department
- Transfers Out (for future public safety related capital purchases)

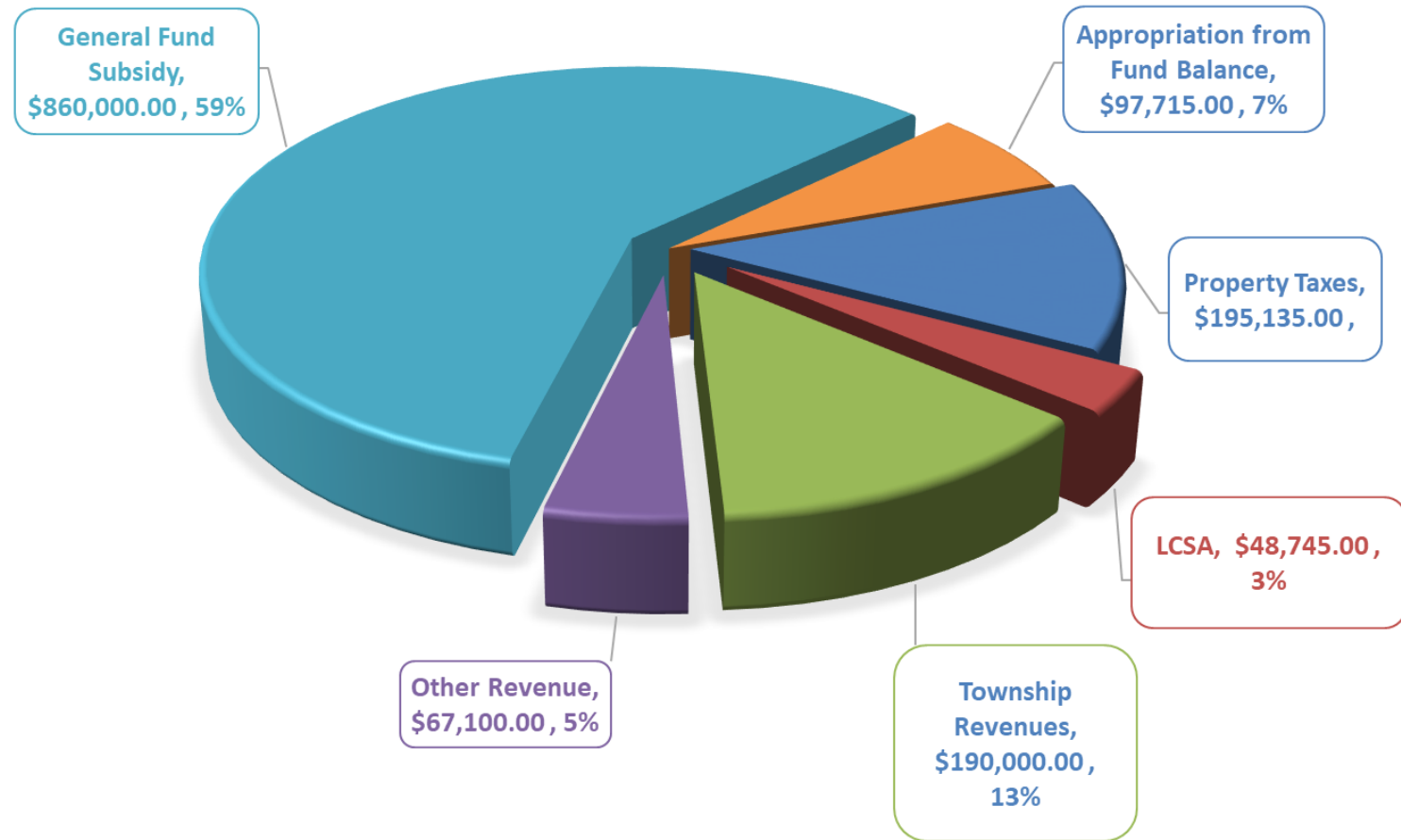
Summary of Proposed Revenues

PROPERTY TAXES & INTEREST	\$ 195,135	
LOCAL COMMUNITY STABILIZATION AUTHORITY	\$ 43,945	
BUILDING, ELECTRICAL & MECHANICAL PERMITS	\$ 33,000	
REVENUES FROM TOWNSHIP	\$ 190,000	
OTHER REVENUE	\$ 38,900	
<u>TRANSFERS IN & OTHER FINANCING SOURCES</u>	<u>\$ 860,000</u>	
TOTAL ESTIMATED REVENUES		\$1,360,980

Other Revenue is comprised of:

- Liquor Licenses
- Police Department Permits
- State Training Grants (Act 302)
- Police Department Services
- Fire Department Services
- Police Fines

CITY OF OTSEGO PUBLIC SAFETY FUND REVENUE PROJECTION



Summary of Proposed Expenditures

POLICE DEPARTMENT	\$ 946,900	
FIRE DEPARTMENT	\$ 408,520	
BUILDING INSPECTION DEPARTMENT	\$ 36,905	
<u>TRANSFERS OUT & OTHER FINANCING USES</u>	<u>\$ 66,370</u>	
TOTAL APPROPRIATIONS		\$1,458,695

Revenue to Expenditure Summary

NET CHANGES IN FUND BALANCES (\$ 97,715)

PROJECTED BEGINNING FUND BALANCES

FUND BALANCE - RESTRICTED	\$ 347,800	
FUND BALANCE RESTRICTED – PD 302 TRAINING	\$ 350	
FUND BALANCE RESTRICTED - BUILDING AUTHORITY	\$ 0	
<u>FUND BALANCE RESTRICTED - DRUG ENFORCEMENT</u>	<u>\$ 0</u>	
TOTAL PROJECTED BEGINNING FUND BALANCES		\$ 348,150

PROJECTED ENDING FUND BALANCES

FUND BALANCE - RESTRICTED	\$ 250,335	
FUND BALANCE RESTRICTED – PD 302 TRAINING	\$ 100	
FUND BALANCE RESTRICTED - BUILDING AUTHORITY	\$ 0	
<u>FUND BALANCE RESTRICTED - DRUG ENFORCEMENT</u>	<u>\$ 0</u>	
TOTAL PROJECTED BEGINNING FUND BALANCES		\$ 250,435

End of Year Fund Balance Test

End of Year Unassigned Fund Balance:	\$ 250,335
Operating Budget (does not include transfers out):	\$1,392,325
Ending Fund Balance/Operating Budget:	18.0%
Does test equal or exceed 16.7% (2 months):	Yes

End of Year Projected Cash:	\$ 143,917
Ending Cash/Operating Budget	10.34%
Does test equal or exceed 16.7% (2 months):	No

Solid Waste and Recycling Fund

A special revenue fund supported by the recycle surcharge of \$25 for each household and a dedicated millage. A solid waste reduction millage of up to 3.0000 mills is allowed by MCL123.261. The Headlee Amendment has reduced the maximum to 2.7263 mills and the anticipated actual levy for 2022 is .8295 mills.

Summary of Proposed Revenues

PROPERTY TAXES & INTEREST	\$	89,195	
LOCAL COMMUNITY STABILIZATION AUTHORITY	\$	48,565	
COUNTY RECYCLE SURCHARGE REIMBURSEMENT	\$	30,000	
OTHER REVENUE	\$	24,050	
<u>TRANSFERS IN & OTHER FINANCING SOURCES</u>	<u>\$</u>	<u>0</u>	
TOTAL ESTIMATED REVENUES			\$ 191,810

Other Revenue is comprised of:

- Transfer Station Receipts
- Sale of recycled scrap metals and oils.
- Investment Interest

Summary of Proposed Expenditures

RECYCLING SERVICES	\$ 176,400	
RUBBISH COLLECTION & DISPOSAL SERVICES	\$ 98,025	
<u>TRANSFERS OUT & OTHER FINANCING USES</u>	<u>\$ 38,925</u>	
TOTAL APPROPRIATIONS		\$ 313,350

Revenue to Expenditure Summary

NET CHANGES IN FUND BALANCES	(\$ 121,540)
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PROJECTED BEGINNING FUND BALANCES	\$ 271,840
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PROJECTED ENDING FUND BALANCES	\$ 150,300
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End of Year Fund Balance Test

Operating Budget (does not include transfers out):	\$274,425
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Net Asset Test Amount (16.7% / 2 months operating)	\$45,829
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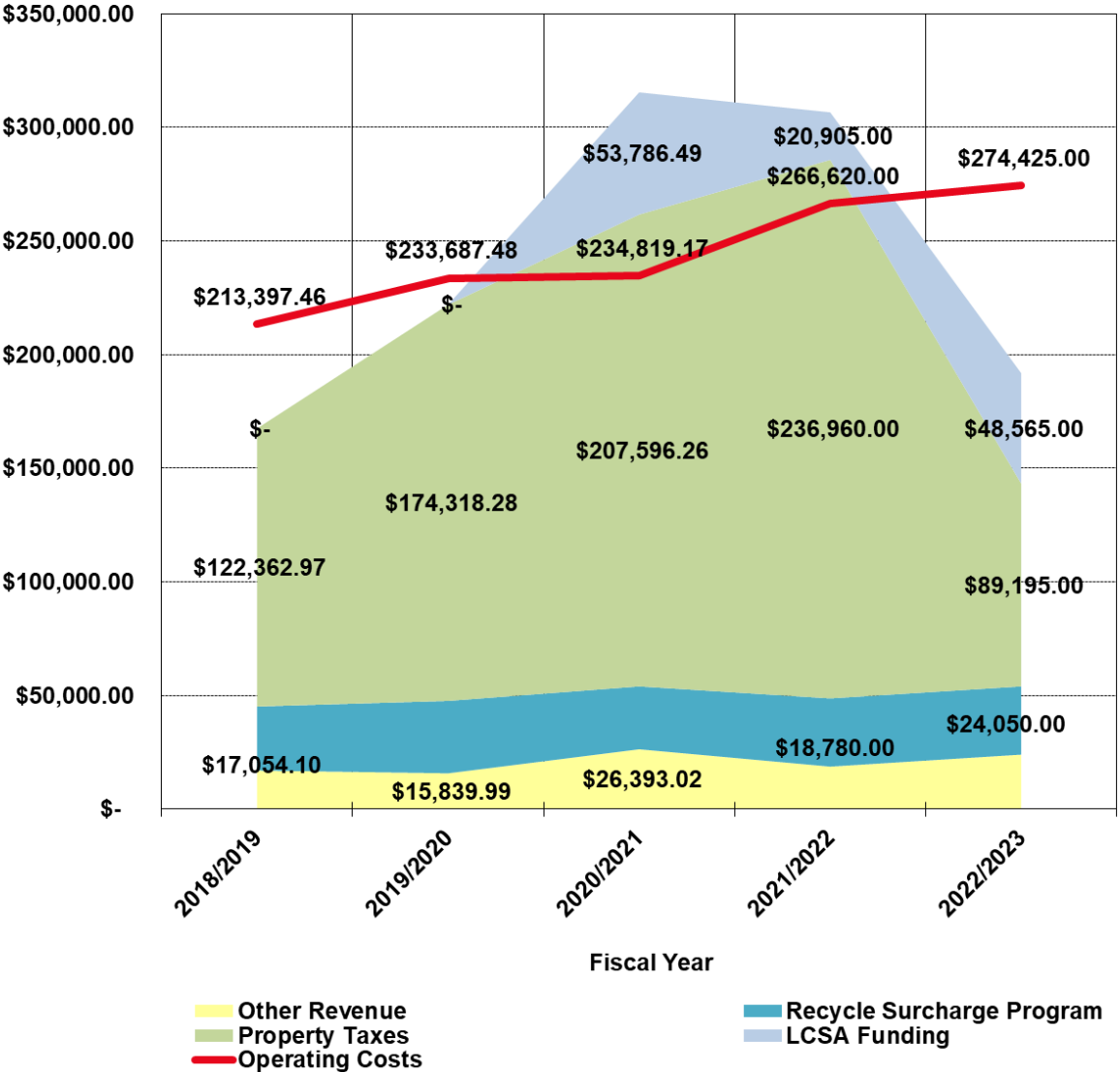
Sufficient Fund Balance?	Yes
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Actual Percentage of Operating:	54.77%
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Sufficient EOY Cash?	Yes
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Actual Percentage of Operating:	56.37%
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RECYCLING & SOLID WASTE REDUCTION OPERATING
EXPENDITURES COMPARED TO REVENUES



Capital Projects Fund

This governmental fund focusses on capital improvements and repairs to existing land improvements and buildings owned by the City of Otsego but not related to the Major and Local Street Funds, Water Fund or Sewer Fund. Annual amounts are transferred in according to a depreciation schedules for capital assets over \$5,000 each.

This fund focuses on:

- Repair, replacement or new acquisition of General Fund capital assets
 - (City Hall, Department of Public Works, Parks)
- Repair, replacement or new acquisition of Public Safety Fund capital assets
 - (Police & Fire Departments)
- Repair, replacement or new acquisition of Solid Waste & Recycling Fund capital assets
 - (Recycling and Transfer Station Departments)

Summary of Proposed Revenues

ESTIMATED REVENUES

OTHER REVENUE	\$ 200	
<u>TRANSFERS IN & OTHER FINANCING SOURCES</u>	<u>\$ 53,590</u>	
TOTAL REVENUE		\$ 53,790

Transfers In is comprised of:

- Transfer from General Fund of \$26,870
- Transfer from Public Safety Fund of \$17,795
- Transfer from Solid Waste & Recycling Fund of \$8,925

Summary of Proposed Expenditures

CAPITAL OUTLAY	\$ 51,190	
<u>TRANSFERS OUT & OTHER FINANCING USES</u>	<u>\$ 0</u>	
TOTAL APPROPRIATIONS		\$ 51,190

Capital Outlay is comprised of:

- \$15,000 to repair the Dept. of Public Works Drive
- \$15,000 to repair the wood play structure at Brookside Park.
- \$21,190 to replace the Police Dept. HVAC equipment.

Revenue to Expenditure Summary

NET CHANGES IN FUND BALANCES	\$ 2,600
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PROJECTED BEGINNING FUND BALANCES

COMMITTED FUND BALANCE – GENERAL FUND ASSETS	\$ 251,447	
COMMITTED FUND BALANCE – PUBLIC SAFETY ASSETS	\$ 59,078	
<u>COMMITTED FUND BALANCE – SOLID WASTE/RECYCLING</u>	<u>\$ 12,504</u>	
TOTAL PROJECTED BEGINNING FUND BALANCES		\$ 323,029

PROJECTED ENDING FUND BALANCES

COMMITTED FUND BALANCE – GENERAL FUND ASSETS	\$ 248,470	
COMMITTED FUND BALANCE – PUBLIC SAFETY ASSETS	\$ 55,717	
<u>COMMITTED FUND BALANCE – SOLID WASTE/RECYCLING</u>	<u>\$ 21,442</u>	
TOTAL PROJECTED ENDING FUND BALANCES		\$ 325,629

		Fiscal Year				
	Planned Capital	2022	2023	2024	2025	2026
Fund	Expenditure	2023	2024	2025	2026	2027
Capital Project Fund						
	DPW Parking Lot & Drive Repair	\$15,000				
	Brookside Park Wood Play Structure Repair	\$15,000				
	Police Dept. HVAC	\$21,190				
	Northside Park Fencing		\$5,150			
	Police Dept. Generator		\$13,120			
	Brookside Park Metal Play Structure		\$61,800			
	Brookside Park Parking Lot & Drive			\$21,220		
	Police Department Roof			\$28,000		
	Northside Park Small Pavilion Rehab/Replacement				5765	
	Police Department Carpet				\$16,885	
	Memorial Park Parking Lot & Drive Resurface				\$32,780	
	Memorial Park Large Consession Buiding				\$187,055	
	Brookside Park Fencing					\$5,630
	Northside Park Wood Play Structure Replacement					\$168,825
	Total	\$51,190	\$80,070	\$49,220	\$242,485	\$174,455

Equipment Replacement Fund

This fund focuses on accumulating capital to purchase and/or replace equipment as necessary for General Fund, Public Safety Fund and Solid Waste and Recycling Fund activities. Annual amounts are transferred in according to a depreciation schedule of equipment items over \$5,000 each.

This fund will accumulate capital for the purchase of:

- General Fund equipment for City Hall and the Department of Public Works which include office equipment, computers, furnishings, tools and shop equipment such as air compressors and hoists.
- Public Safety Fund equipment for the Police and Fire Department which also include office equipment, computers, furnishings and specialized equipment for those departments.
- Public Safety vehicles and fire fighting apparatus.
- Solid Waste & Recycling Fund equipment such as the compactor.

Summary of Proposed Revenues

OTHER REVENUE	\$	150	
<u>TRANSFERS IN & OTHER FINANCING SOURCES</u>	<u>\$</u>	<u>87,600</u>	
TOTAL REVENUE			\$ 87,750

Transfers In is comprised of:

- Transfer from General Fund of \$9,025
- Transfer from Public Safety Fund of \$48,575
- Transfer from Solid Waste & Recycling Fund of \$30,000.

Summary of Proposed Expenditures

<u>CAPITAL OUTLAY</u>	<u>\$ 55,000</u>	
TOTAL APPROPRIATIONS		\$ 55,000

- Capital Improvements is comprised of:
- Police Department patrol vehicle - \$ 55,000

Revenue to Expenditure Summary

NET CHANGES IN FUND BALANCES	\$ 32,750
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PROJECTED BEGINNING FUND BALANCES

COMMITTED FUND BALANCE – GENERAL FUND ASSETS	\$ 4,929	
COMMITTED FUND BALANCE – PUBLIC SAFETY ASSETS	\$ 255,938	
<u>COMMITTED FUND BALANCE – SOLID WASTE/RECYCLING</u>	<u>\$ 1,877</u>	
TOTAL PROJECTED BEGINNING FUND BALANCES		\$ 262,744

PROJECTED ENDING FUND BALANCES

COMMITTED FUND BALANCE – GENERAL FUND ASSETS	\$ 13,961	
COMMITTED FUND BALANCE – PUBLIC SAFETY ASSETS	\$ 249,640	
<u>COMMITTED FUND BALANCE – SOLID WASTE/RECYCLING</u>	<u>\$ 31,893</u>	
TOTAL PROJECTED ENDING FUND BALANCES		\$ 295,494

		Fiscal Year				
	Planned Capital	2022	2023	2024	2025	2026
Fund	Expenditure	2023	2024	2025	2026	2027
Equipment Replacement Fund						
	Police Dept. Patrol Vehicle	\$55,000				
	Fire Dept. Heavy Rescue Unit		\$150,000			
	Police Dept. Patrol Vehicle		\$56,650			
	Transfer Station Refuse Compactor		\$25,000			
	Fire Dept. Work Truck		\$24,000			
	Fire Dept. Command Car		\$12,000			
	Police Dept. Copier/Printer		\$11,670			
	Fire Dept. Industrial Washer		\$8,450			
	Police Dept. Patrol Vehicle			\$58,350		
	Fire Dept. Decontamination Shelter			\$18,575		
	Fire Dept. Hurst Transformer Unit			\$8,960		
	Police Dept. Telephone System			\$8,740		
	Fire Dept. JL-AC-SI Power Unit 220 Volt			\$7,650		
	Police Patrol Vehicle				\$60,000	
	City Hall Copier				\$9,000	
	City Hall Telephone System				\$8,000	
	Police Dept. Detective Vehicle					\$33,200
	Total	\$55,000	\$287,770	\$102,275	\$77,000	\$33,200