

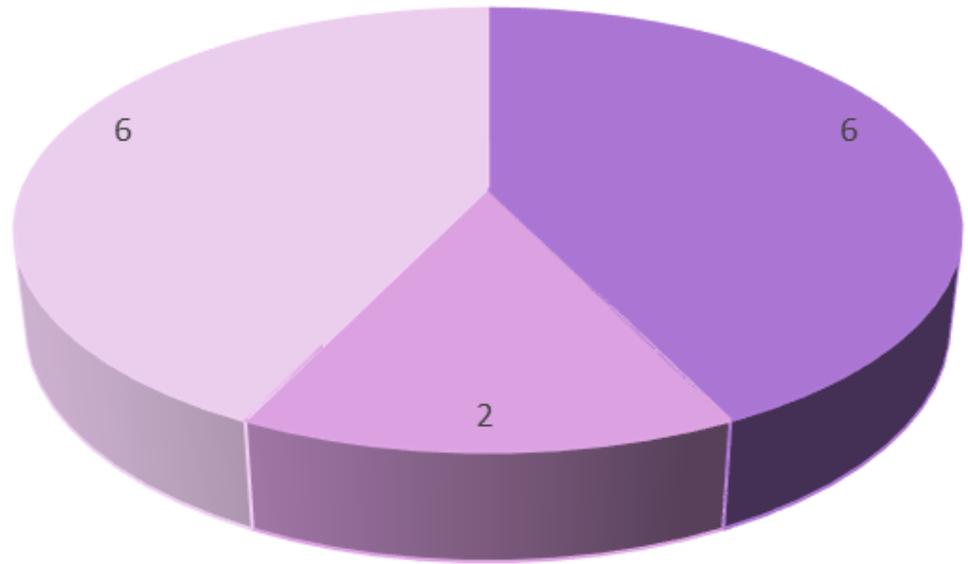


Motor Pool Fund & DDA/Main Street Fund

BUDGET WORKSHOP

FISCAL YEAR 2022-2023

City of Otsego Budget Workshop Progress (Out of 14 Funds)



■ Covered To Date
 ■ Current Workshop
 ■ Future Workshop

- General Fund
- Major Street Fund
- Local Street Fund
- Public Safety Fund
- Street & Bridge Fund
- Solid Waste & Recycling Fund
- Downtown Development Authority/Main Street
- Equipment Replacement Debt Service Fund
- Capital Projects Fund
- Equipment Replacement Fund
- Sewer Fund
- Water Fund
- DPW Motor Pool Fund
- Special Assessment Capital Project Fund

Motor Pool Fund

ESTIMATED REVENUES

EQUIPMENT RENTAL	\$ 215,000	
GAIN/LOSS ON SALE OF VEHICLES & EQUIPMENT	\$ 44,000	
FUEL REIMBURSEMENT	\$ 20,000	
<u>OTHER REVENUE</u>	<u>\$ 1,000</u>	
TOTAL ESTIMATED REVENUES		\$ 280,000

APPROPRIATIONS

MOTOR POOL OPERATIONS	\$ 232,980	
<u>CAPITAL OUTLAY</u>	<u>\$ 265,000</u>	
TOTAL APPROPRIATIONS		\$ 497,980

TRANSFERS IN & OTHER FINANCING SOURCES		\$ 0
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EXCESS (DEFICIENCY) OF REVENUES OVER APPROPRIATIONS		(\$ 217,980)
CASH BUDGET ADJUSTMENT TO CHANGE IN NET ASSETS*		
<u>CAPITAL OUTLAY PURCHASES BECOME ASSET(S)</u>	<u>\$ 265,000</u>	
NET ADJUSTMENT TO CHANGE IN NET ASSETS		\$ 265,000
CHANGE IN NET ASSETS		\$ 47,020
PROJECTED NET ASSETS JULY 1, 2022		\$ 873,375
PROJECTED NET ASSETS JUNE 30, 2023		\$ 920,395

End of Year Net Asset Test

Budgeted Operating Costs	\$232,980
Budgeted Gross Capital Assets	\$1,584,775
Net Asset Test Amount (45 days operating + 10% Gross Assets)	\$187,134.04
Sufficient Net Assets?	Yes
Sufficient Cash?	Yes
Actual Percentage of Operating:	153.02%
Actual Percentage of Net Assets Test:	22.50%

Motor Pool Fund 5 Year Projection

	Annual Increase	2022 2023	2023 2024	2024 2025	2025 2026	2026 2027	
Revenues							
Equipment Rental	2%	\$215,000	\$219,300	\$223,690	\$228,160	\$232,720	
Gain on Sale of Equipment	0%	\$44,000	\$4,532	\$21,855	\$5,136	\$19,809	
Other Revenue	2%	\$21,000	\$21,420	\$21,850	\$22,290	\$22,740	
Total Revenue		\$280,000	\$245,252	\$267,395	\$255,586	\$275,269	
Appropriations							
Equipment Pool Operations	5%	\$127,980	\$134,380	\$141,100	\$148,160	\$155,570	
Equipment Depreciation		\$105,000	\$131,500	\$136,032	\$157,887	\$163,022	
Total Operating		\$232,980	\$265,880	\$277,132	\$306,047	\$318,592	
Equipment Purchases							
12' Snow Pusher		\$16,500					
UTV (Gator) w/ cab		\$18,500					
End Loader		\$160,000					
Water Dept Truck		\$70,000					
One Ton Dump Truck			\$45,320				
Sewer Jet				\$79,568			
Loader/Backhoe				\$58,350			
Snow Plow Rehab				\$80,628			
Asphalt Hot Patcher					\$13,113		
Bucket Truck					\$38,245		
Generator to Replace 30KW						\$29,263	
New Snow Plow Truck						\$168,826	
Total Capital Improvements		\$265,000	\$45,320	\$218,546	\$51,358	\$198,089	
Net Assets							
Beginning of Year		\$797,775	\$844,795	\$824,167	\$814,430	\$763,969	
End of Year		\$844,795	\$824,167	\$814,430	\$763,969	\$720,645	
Cash							
Beginning of Year		\$469,490	\$356,510	\$422,062	\$329,811	\$385,878	Change
End of Year		\$356,510	\$422,062	\$329,811	\$385,878	\$307,488	-34.51%

DDA/Main Street Fund

ESTIMATED REVENUES

TAX INCREMENT FINANCING <i>(0% TIF Capture)</i>	\$	0	
STATE GRANTS	\$	0	
WORK PLAN REVENUES	\$	77,570	
DONATIONS/CONTRIBUTIONS	\$	300	
<u>OTHER REVENUE</u>	\$	<u>270</u>	
TOTAL ESTIMATED REVENUES			\$ 78,140

APPROPRIATIONS

DDA / MAIN STREET DISTRICT	\$	352,885	
<u>CAPITAL OUTLAY</u>	\$	<u>86,415</u>	
TOTAL APPROPRIATIONS			\$ 439,300

TRANSFERS IN & OTHER FINANCING SOURCES \$ 0

DDA/Main Street Fund

EXCESS (DEFICIENCY) OF REVENUES OVER APPROPRIATIONS		(\$ 361,160)
CASH BUDGET ADJUSTMENT TO CHANGE IN FUND BALANCE *		
INTERFUND LOAN (INCREASES A LIABILITY)	\$ 0	
<u>CAPITAL OUTLAY (BECOMES AN ASSET)</u>	<u>\$ 86,415</u>	
NET ADJUSTMENT TO CHANGE IN FUND BALANCE		\$ 86,415
CHANGE IN FUND BALANCE		(\$ 274,745)
PROJECTED FUND BALANCE (DEFICIT) JULY 1, 2022		\$1,882,050
PROJECTED FUND BALANCE (DEFICIT) JUNE 30, 2023		\$1,607,305

Projected DDA Cash Flow and Changes to Fund Balance

7/1/2021	EOY Cash & Investments:	\$382,899
	Plus current year net projected revenue to appropriations:	-\$158,045
	Add back current year depreciation + sale of bldg loss - a non-cash expense:	\$65,000
6/30/2022	Projected EOY Cash & Investments:	\$289,854
	Plus net budgeted revenues to appropriations:	-\$361,160
	Add back budgeted depreciation - a non-cash expense:	\$73,000
6/30/2023	Projected EOY Cash & Investments:	\$1,694
7/1/2021	Beginning of Year Net Assets	\$1,875,095
	Plus current year net projected revenue to appropriations:	-\$158,045
	Less current year loan revenue (increases a liability account)	\$0
	Add back current year loan principal payments (decreases a liability account):	\$0
	Add back current year capital improvement expense (becomes an asset):	\$165,000
6/30/2022	Projected EOY Net Assets:	\$1,882,050
	Plus net budgeted revenues to appropriations:	-\$361,160
	Less budgeted loan revenue (increases a liability account):	\$0
	Add back loan principal payments (decreases a liability account):	\$0
	Add back budgeted capital improvements:	\$86,415
6/30/2023	EOY Net Assets:	\$1,607,305

EOY Cash Test

7/1/2022 SOY Cash Projection:	\$289,854
New Operating Budget:	\$352,885
Sufficient Cash for 4 months until State Grant received:	Yes
Number of Months of Operating Budget:	9.9
7/1/2023 SOY Cash Projection:	\$1,694
New Operating Budget: (Current year + 5 percent)	\$370,529
Sufficient Cash for 4 months until State Grant received:	No
Number of Months of Operating Budget:	0.1

DDA/MS Key Points

- Formal Main Street program to end June 30, 2022.
- DDA/MS 7/1/22 cash balance to be expended over the year on work plans and district maintenance. At year end the DDA to be dissolved and net assets formally revert or transfer to the City of Otsego.
- Main Street Manager remains employed until September 30, 2022 to transition committees to the supervision of City Hall staff. Unemployment benefits are budgeted for up to 20 weeks.
- Remaining brick paver areas are replaced with stamped concrete (\$40,000) using DPW labor and Landscaping Supplies (account 880.201)
- Trees (\$2,500) and shrubs (\$2,500) in project areas evaluated and replaced if near the end of their 15-20 year life cycle (accounts 880.201 and 880.202)
- New covered lower maintenance trash receptacles (\$7,500) in the downtown area (880.203)
- Dumpster enclosures to be repaired (\$4,000) to last another 20 years, unless damaged.

DDA/MS Capital Improvements

This budget has \$86,415 available and \$161,900 identified in possible projects. Therefore, each of the projects will be evaluated after the fiscal year is underway and more accurate projections of available funds are available. These projects will be undertaken so as to exhaust available cash by June 30, 2023.

- City Hall Parking Lot Resurface \$85,000
- NE Parking Lot Resurface \$70,000
- VFW Parking Area \$ 6,900