

VILLAGE OF LAKE ORION

Proposed Budget FY 2020-2021 Summary- Revised Covid-19 Reductions

FUND	BEGINNING FUND BALANCE	REVENUES	EXPENDITURES	NET	40/10/20	Expense
					ENDING FUND BALANCE	Percentage
General	622,968	1,865,828	1,865,828	-	622,968	33.4%
Public Works	106,184	513,400	513,400	-	106,184	20.7%
Major Streets	243,755	173,449	173,449	-	243,755	140.5%
Local Streets	63,641	127,434	127,434	-	63,641	49.9%
Police	127,604	880,249	880,249	-	127,604	14.5%
Parking	1	24,000	24,000	-	1	0.0%
DDA	262,250	721,429	721,429	-	262,250	36.4%
DDA Property Acquisition	200,375	34,340	0	34,340	234,715	
Capital Projects	2,398	34,510	34,510	-	2,398	
Water & Sewer	2,712,873	1,686,529	2,172,269	(485,740)	2,227,133	102.5%
Water Main Construction - 1	5,224,249	805,751	805,751	-	6,030,000	
Water Main Construction -2	0	1,194,249	1,194,249	-	1,194,249	
Cemetery Perpetual Care	296,406	37,000	7,000	30,000	326,406	
TOTALS:	9,862,704	8,098,168	8,519,568	(421,400)	11,441,304	

3,686,529

PROJECTED FOR FY 2019-20

Revised Covid-19 Reductions

FUND	BEGINNING FUND BALANCE	REVENUES	EXPENDITURES	NET	Ending Fund Balance	Expense
					Percentage	
General	622,968	1,828,082	1,828,082	-	622,968	34.1%
Public Works	106,184	530,400	530,400	-	106,184	20.0%
Major Streets	362,251	155,383	273,879	(118,496)	243,755	89.0%
Local Streets	76,818	120,917	134,094	(13,177)	63,641	47.5%
Police	127,604	873,944	873,944	-	127,604	14.6%
Parking	1	10,010	10,010	-	1	0.0%
DDA	352,249	1,259,480	1,349,479	(89,999)	262,250	19.4%
DDA Property Acquisition	165,285	35,090	0	35,090	200,375	100.0%
Capital Projects	7,908	135,000	140,510	(5,510)	2,398	1.7%
Water & Sewer	2,931,778	1,766,684	1,985,589	(218,905)	2,712,873	136.6%
Water Main Construction	2,224,249	3,000,000	3,000,000	-	5,224,249	174.1%
Cemetery Perpetual Care	286,406	17,000	7,000	10,000	296,406	4234.4%
TOTALS:	7,263,701	9,731,990	10,132,987	(400,997)	9,862,704	

ACTUAL FOR FY 2018-19

FUND	BEGINNING FUND BALANCE	REVENUES	EXPENDITURES	NET	Ending Fund Balance	Expense
					Percentage	
General	479,777	1,775,225	1,632,034	143,191	622,968	38.2%
Public Works	48,026	520,617	462,459	58,158	106,184	23.0%
Major Streets	351,364	208,704	197,817	10,887	362,251	183.1%
Local Streets	104,472	138,906	166,560	(27,654)	76,818	46.1%
Police	80,789	920,357	873,542	46,815	127,604	14.6%
Parking		4,344	4,343	1	1	0.0%
DDA	473,735	769,652	891,138	(121,486)	352,249	39.5%
DDA Property Acquisition	234,445	90	69250	(69,160)	165,285	100.0%
North Shore Bridge Debt Service	0	12,822	15,457	(2,635)	-2,635	-17.0%
Capital Projects	7,902	6	0	6	7,908	
Water & Sewer	2,667,311	1,844,342	1,579,875	264,467	2,931,778	185.6%
Water Main Construction	226,740	1,997,509	1,997,509	-	2,224,249	111.4%
Cemetery Perpetual Care	269,245	24,161	7,000	17,161	286,406	4091.5%
TOTALS:	4,943,806	8,216,735	7,896,984	319,751	7,261,066	

Calculations as of 06/30/2020

GL NUMBER	DESCRIPTION	2018-19 ACTIVITY	2019-20 AMENDED BUDGET	2019-20 ACTIVITY THRU 06/30/20	2019-20 PROJECTED ACTIVITY	2020-21 MGR APPROVED BUDGET	2020-21 COUNCIL ADOPTED BUDGET
Fund: 101 GENERAL FUND							
ESTIMATED REVENUES							
Dept 000 - REVENUE							
PROPERTY TAX REVENUE		1,065,272	1,150,681	1,116,755	1,149,570	1,198,643	1,176,643
OTHER REVENUE		19,682	46,583	16,168	21,964	46,583	46,583
STATE SHARED REV		283,898	283,821	281,818	245,439	227,616	227,616
CHARGES FOR SERVICES		197,978	198,561	196,152	200,409	205,248	205,248
INTEREST REV		8,332	4,000	5,188	5,000	4,000	4,000
APPROP FROM FUND BALANCE			48,966				
TRANSFERS IN		199,863	205,700	160,054	205,700	205,738	205,738
Totals for dept 000 - REVENUE		1,775,225	1,938,312	1,776,135	1,828,082	1,887,828	1,865,828
TOTAL ESTIMATED REVENUES							
		1,775,225	1,938,312	1,776,135	1,828,082	1,887,828	1,865,828
APPROPRIATIONS							
Dept 101 - VILLAGE COUNCIL							
SALARIES & FRINGE BENEFITS		2,304	2,571	1,184	2,691	2,821	2,821
OTHER SERVICES & CHARGES		106	450	145	350	350	350
Totals for dept 101 - VILLAGE COUNCIL		2,410	3,021	1,329	3,041	3,171	3,171
Dept 171 - VILLAGE MANAGER							
SALARIES & FRINGE BENEFITS		100,769	107,132	85,355	103,342	103,974	103,974
OTHER SERVICES & CHARGES		880	1,500	644	1,500	1,500	1,500
Totals for dept 171 - VILLAGE MANAGER		101,649	108,632	85,999	104,842	104,474	104,474
Dept 215 - VILLAGE CLERK							
SALARIES & FRINGE BENEFITS		76,425	79,508	65,086	79,027	81,245	81,245
OTHER SERVICES & CHARGES		8,913	10,200	6,426	10,200	10,200	10,200
UNK EXP				252			
Totals for dept 215 - VILLAGE CLERK		85,338	89,708	71,764	89,227	91,445	91,445
Dept 228 - DATA PROCESSING, INFO TECHNOLOGY							
OTHER SERVICES & CHARGES		20,833	26,000	18,806	26,000	26,000	26,000
Totals for dept 228 - DATA PROCESSING, INFO TECHNOLOGY		20,833	26,000	18,806	26,000	26,000	26,000
Dept 253 - VILLAGE TREASURER							
SALARIES & FRINGE BENEFITS		47,443	73,051	37,000	53,647	81,143	81,143
OTHER SERVICES & CHARGES		8,310	9,700	184	9,850	9,900	9,900
UNK EXP				3,039			
Totals for dept 253 - VILLAGE TREASURER		55,753	82,751	40,223	63,497	91,043	91,043
Dept 255 - COMMUNITY DEVELOPMENT							
OTHER SERVICES & CHARGES			33,483		2,964	33,483	33,483
Totals for dept 255 - COMMUNITY DEVELOPMENT			33,483		2,964	33,483	33,483
Dept 260 - GENERAL ACTIVITIES							
SALARIES & FRINGE BENEFITS		120,891	135,336	107,213	131,294	139,421	139,421
OTHER SERVICES & CHARGES		268,469	289,016	246,160	297,461	306,248	306,248
UNK EXP				3,561			
SUPPLIES		7,865	9,337	5,917	9,250	9,350	9,350
CAPITAL OUTLAY		22,002	25,000		25,000	25,000	3,000
Totals for dept 260 - GENERAL ACTIVITIES		419,227	458,689	362,851	463,005	480,019	458,019
Dept 721 - PLANNING AND ZONING							
SALARIES & FRINGE BENEFITS		452	538	237	538	538	538
OTHER SERVICES & CHARGES		41,228	66,475	43,385	68,475	42,975	42,975

Calculations as of 06/30/2020

GL NUMBER	DESCRIPTION	2018-19 ACTIVITY	2019-20 AMENDED BUDGET	2019-20 ACTIVITY THRU 06/30/20	2019-20 PROJECTED ACTIVITY	2020-21 MGR APPROVED BUDGET	2020-21 COUNCIL ADOPTED BUDGET
Fund: 101 GENERAL FUND							
APPROPRIATIONS							
Dept 721 - PLANNING AND ZONING							
Totals for dept 721 - PLANNING AND ZONING		41,680	67,013	43,622	69,013	43,513	43,513
Dept 751 - PARKS AND RECREATION							
SALARIES & FRINGE BENEFITS		19,592	19,915	14,732	19,915	10,765	10,765
OTHER SERVICES & CHARGES		17,829	46,500	8,409	16,500	26,500	26,500
SUPPLIES		1,280	350	133	350	350	350
CAPITAL OUTLAY		10,770	20,000		20,000	29,000	29,000
Totals for dept 751 - PARKS AND RECREATION		49,471	86,765	23,274	56,765	66,615	66,615
Dept 851 - INSURANCE AND BONDS							
OTHER SERVICES & CHARGES		67,247	70,000	67,100	70,000	70,000	70,000
Totals for dept 851 - INSURANCE AND BONDS		67,247	70,000	67,100	70,000	70,000	70,000
Dept 880 - CONTRACT SERV - LEAGAL/ACCTING/ENGINEER							
OTHER SERVICES & CHARGES		33,426	38,250	22,044	38,250	40,600	40,600
Totals for dept 880 - CONTRACT SERV - LEAGAL/ACCT		33,426	38,250	22,044	38,250	40,600	40,600
Dept 964 - TRANSFERS OUT							
TRANSFERS OUT		755,030	874,000	595,317	841,478	837,465	837,465
Totals for dept 964 - TRANSFERS OUT		755,030	874,000	595,317	841,478	837,465	837,465
TOTAL APPROPRIATIONS		1,632,034	1,938,312	1,332,329	1,828,682	1,887,828	1,865,828
NET OF REVENUES/APPROPRIATIONS - FUND 101							
BEGINNING FUND BALANCE		143,191		443,806			
ENDING FUND BALANCE		479,777	622,971	622,971	622,971	622,971	622,971
Fund: 125 DEPT OF PUBLIC WORKS		622,968	622,971	1,066,777	622,971	622,971	622,971
ESTIMATED REVENUES							
Dept 000 - REVENUE							
OTHER REVENUE		3,437	2,000	1,023	2,000	2,000	2,000
CHARGES FOR SERVICES		139,569	139,200	102,617	141,200	136,200	136,200
INTEREST REV		611	200	1,603	200	200	200
TRANSFERS IN		377,000	387,000	290,250	387,000	375,000	375,000
Totals for dept 000 - REVENUE		520,617	528,400	395,493	530,400	513,400	513,400
TOTAL ESTIMATED REVENUES		520,617	528,400	395,493	530,400	513,400	513,400
APPROPRIATIONS							
Dept 276 - CEMETERY							
SALARIES & FRINGE BENEFITS		51,398	53,164	32,159	52,961	55,901	55,901
OTHER SERVICES & CHARGES		5,479	19,000	10,675	18,100	18,100	18,100
SUPPLIES		7,515	2,000	267	2,000	2,000	2,000
CAPITAL OUTLAY		2,800	5,000		2,000	2,000	2,000
Totals for dept 276 - CEMETERY		67,192	79,164	43,101	75,061	78,001	78,001
Dept 441 - DPW GENERAL							
SALARIES & FRINGE BENEFITS		293,068	293,196	261,458	284,980	303,699	303,699
OTHER SERVICES & CHARGES		74,215	99,400	64,867	105,350	83,436	83,436
UNK_EXP				9,545			
SUPPLIES		3,718	3,500	2,749	4,000	3,500	3,500
CAPITAL OUTLAY		6,000	15,512	2,350	30,256		

21 E. Church St.
Lake Orion, MI 48362



248-693-8391 ext. 101
www.lakeorion.org
youngj@lakeorion.org

May 7, 2020

President Van Portfliet and Village Council Members

PROPOSED BUDGET FY 2020-21

The Proposed FY 2020-21 budget is presented as prescribed in the Village Charter to be presented at the first regular meeting of April- which due to the Pandemic Emergency is a special meeting.

The total proposed budget for FY 21 is \$8,501,568 for all funds including the DDA as shown on the attached summary page is a reduction from the current FY 20 budget which was proposed at \$8.8+ million.

The Pandemic Emergency economic turndown resulted in revising estimates for the current year and proposed budget. The attached budget proposed for adoption reflects the Village Council motion to reduce the property tax rates by 1.9% to offset the Headlee Taxable Value increase for 2019. This tax rate reduction will keep the dollar amount of Village taxes at the amount as last year for properties with no change in ownership or improvements. In addition, the loss of revenues from State Sales Tax and Gas & Weight Tax and Water and Sewer funds are the major impacts that are reflected in this proposed budget. The estimated State Sales tax reductions total \$120,000 (43%), State Gas Tax reductions of \$155,000 (52%) and Water and Sewer reductions of \$360,000 (20%) for a grand total estimated loss of \$635,000 (27%).

The COVID-19 pandemic revenue loss impact is estimated for the current year, FY 19-20, at \$250,000 and for the proposed budget, FY 20-21, at \$385,000 for a total estimated revenue loss of \$635,000. Revenues estimates for State Shared Funds- Sales tax and Gas & Weight Tax as well as Water and Sewer funds range down to as low at 75% of the pre COVID-19 amounts at this time. Charts for the estimated impact of the economic downturn for these funds are included in the proposed budget. The actual economic impact will be monitored as the economy grows over the next several months for future budget revisions.

The budget includes continuation of the \$6,030,000 water main replacement project with the first construction phase expected to be completed this summer. The next phase of the water main replacement project estimated at \$1,615,000 is budgeted for \$1,194,249 for FY 21 is pending approval by the Village Council and DWRF loan funding. We have submitted the next phase for consideration of State and Federal Infrastructure COVID-19 stimulus funding.

The General Fund proposed FY 20 budget is \$1,887,828 which is a decrease of \$50,000 (2.6%) over the current amended budget. The General Fund includes \$107,000 contingency for capital outlay and improvements.

The proposed FY 2020-21 budget reduces the current tax rate millage for the General Fund of 10.1136 mills and the Police Fund of 2.9885 mills from a total 13.1021 mills to a total 12.8532 mills, which is an offset to the Headlee CPI taxable value limit is 1.9% increase. For 2020, the total taxable value increased by \$8,846,080, 6.5%, to a total of \$144,779,090. The total property tax revenues are estimated at \$1,870,000 for the proposed FY 21 budget an increase of \$70,000 (4.8%) which reflects in part the continued new residential and commercial investment development. The net General Fund Property tax revenue at 9.9214 millage rate is estimated at \$1,144,000 (60% of the total General fund budget) of which transfers to the Police Department of \$390,000 (33.5%) and the Public Works Fund of \$370,000 (31.7%) results in a balance of \$384,000 (34.8%) to support the General Fund activities and capital projects. The Police 2.9317 millage, including the Headlee override of .2041 millage rate, is estimated at \$328,000. The DDA capture

taxable value amount is

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\$28,420,460 or 20% of the total taxable value. The DDA property tax capture of the General fund is estimated at \$292,000, 46% of the total capture estimated at \$620,000 including the Township, County, and other taxing jurisdiction shown as a separate exhibit.

The State Shared revenues of the General Fund estimates pre COVID-19 were projected to increase by almost \$9,000 (3.0%) for a total of \$291,488. However the proposed FY 21 budget estimate is reduced by \$72,872 , 25%, to \$218,616.

The fund balance of the General Fund is estimated to remain at \$622,968 or 33 of the FY 21 proposed budget. Fund balances of the other special revenue fund, DPW, Police, Major and Local Streets are proposed to remain at projected levels as well.

The DDA Board recommended a balanced budget is also included in the Proposed FY 21 Budget which adjustments were made for the COVID-19 impact.

The Water and Sewer Fund reflect reductions in revenues based on the estimated impact of COVID-19. Offsetting the decrease is sales/revenues four year annual rate increase approved in 2016 that for July 1, 2020 the volume of flow rates for Sewer increase 3.9% and Water 12.1%. Also affecting the net income of the water system was water rate increase of 14% that went into effect in June of last year as Orion Township which the 4 year rate increase of the Village was estimated at 3%. The Water system expenses reflect the increase from the Water Main Improvement debt service of \$365,000 . The sanitary Sewer system expenses reflect the WRC (Water Resources Commission) sewer system operation and capital increase of \$70,000 for the current year and an additional increase of \$100,000 for FY'21. The WRC increases include upgrading the SCADA system with a \$300,000 five year and \$100,000 to design plans to upgrade the sixteen lift stations estimated at \$6 million to be replaced in the future.

The Water & Sewer Funds projected budget estimate for the current year FY '20 is loss of \$218,000 and FY '21 is a loss of \$485,000. The retained earnings / fund balance of the Water & Sewer Fund was \$2.9 million going into the current year and is estimated to be \$2.2 million at the end of the proposed FY ' 21 budget. A review of the water and sewer rates based on the operating and capital improvements being planned will be addressed during the upcoming year.

The proposed budget was prepared with three year projections estimating the cost impact of the Police and AFSCME union three year contracts which expire June 30, 2020. Contract negotiations with the two unions are to begin this spring and be completed before the expiration date.

A five-year capital improvement plan is to be submitted by June.

Thank you to the Village Council and Village Staff for preparing and deliberating this budget in light of the unknown impact of the COVID-19 emergency.

K. Joseph Young
Manager

04/06/2020 REVENUE AND EXPENDITURE REPORT FOR VILLAGE OF LAKE ORION
 PERIOD ENDING 04/30/2020

State Shared Revenues Covid-19 Estimated

GL NUMBER GENERAL FUND	DESCRIPTION	2019-20		YTD ACTUAL 05/31/2020	BUDGET	% BUDGT	Balance		FY 20		FY 21		Calendar Year Totals Percent			
		AMENDED BUDGET	BALANCE				Revised	Projection of Budget	Initial Budget	Revised Estimate of Initial						
101-000-574-000	State Shared Revenue- General Fund	\$ 274,821	\$ 129,818	\$ 145,003	\$ 129,818	47.2%	(46,504)	228,317	63%	(46,504)	291,488	(72,872)	218,616	73%	(119,976)	-43%
<p>State Funds</p> <p>202-000-546-000 State Gas W/ Tax - Act 51 - Major Street Fund</p>																
203-000-546-000	State Gas W/ Tax - Act 51 - Local Street Fund	205,453	85,420	120,033	85,420	41.6%	(50,420)	155,033	75%	(50,420)	230,909	(52,758)	178,149	76%	(153,634)	-52%
<p>Subtotal State Gas W/ Tax Act 51 Funds</p>																
		205,453	85,420	120,033	85,420	41.6%	(50,420)	155,033	75%	(50,420)	230,909	(52,758)	178,149	76%	(153,634)	-52%
		88,903	36,886	51,912	36,886	41.6%	(70,893)	68,412	72%	(70,893)	99,812	(24,978)	74,834	75%	(153,634)	-52%
		294,356	122,306	171,945	122,306	41.6%	(170,893)	213,450	76%	(70,893)	330,721	(62,728)	248,183	75%	(153,634)	-52%
	Grand Totals - State Shared Funds- ALL FUNDS	\$ 569,177	\$ 252,224	\$ 316,953	\$ 252,224	44.1%	\$ (117,410)	\$ 451,767	79%	\$ (117,410)	\$ 622,199	\$ (155,608)	\$ 466,799	75%		
<p>Water and Sewer Funds</p> <p>593-000-645-000 Water Usage Charges</p>																
	12.2% flow rate increase July 1, 2020 + 3% base	\$ 950,000	\$ 233,114	\$ 716,886	\$ 233,114	24.5%	(61,733)	\$ 888,267	94%	(61,733)	900,000	(37,033)	862,977	96%		
	593-000-645-000 Sewer Usage Charges	875,000	246,933	638,062	246,933	28.2%	(70,893)	804,817	92%	(70,893)	950,000	(192,149)	757,852	80%		
	3.9% flow rate increase July 1, 2020 + 3% base															
	Total Water and Sewer Usage Charges	\$ 1,825,000	\$ 480,047	\$ 1,354,948	\$ 480,047	26.3%	(132,626)	\$ 1,692,884	93%	(132,626)	1,850,000	(229,182)	1,620,818	88%	(981,487)	-20%
	Grand Total State Shared Funds, Water & Sewer Usage Funds	\$ 2,394,177	\$ 732,271	\$ 1,661,906	\$ 732,271	30.6%	(249,524)	2,144,651	90%	(249,524)	2,472,199	(384,971)	2,087,428	84%	(634,497)	-27%
	Grand Total Covid-19 Estimated Impact March 2020 to June 2021														\$ (634,497)	-27%

Village of Lake Orion

State Shared Revenues

Formula based on collections, tax rates and population

	Population	FY	State Amount		Change:		Covid 19 Projection	Reduction:	
			Amount	Amount	Per cent	Amount		Per cent	
	2.39%	3,044	SEMCOG Est						
		CV 21	\$ 218,616	\$ (72,872)	-25.0%				
Estimate	2,973*	21	\$ 291,488	\$ 8,545	3.0%	218,616	(72,872)	-25.0%	
		CV 20	\$ 235,865	\$ (47,078)	-16.6%				
Estimate	2,973	20	282,943	8,097	2.9%	235,865	(47,078)	-16.6%	
Actual	2,973	19	274,846	10,927	4.1%				
	2,973	18	263,919	8,734	3.4%				
	2,973	17	255,185	13,043	5.4%				
	2,973	16	242,142	(216)	-0.1%				
	2,973	15	242,358	3,973	1.7%				
	2,973	14	238,385	5,813	2.5%				
	2,973	13	232,572	19,083	8.9%				
	2,973	12	213,489	12,916	6.4%				
	2,973	11	200,573	7,944	4.1%				
9.50%	2,715	10	192,629	(23,954)	-11.1%				
	2,715	9	216,583	(10,729)	-4.7%				
	2,715	8	227,312	-	0.0%				
	2,715	7	227,312	(6,977)	-3.0%				
	2,715	6	234,289	(2,636)	-1.1%				
	2,715	5	236,925	(2,611)	-1.1%				
	2,715	4	239,536	(26,985)	-10.1%				
	2,715	3	266,521	(14,703)	-5.2%				
	2,715	2	281,224	(38,706)	-12.1%				
-11.19%	2,715	1	319,930	(8,315)	-2.5%				
	3,057	2000	328,245	24,314	8.0%				
	3,057	1999	303,931	2,170	0.7%				
	3,057	1998	301,761	-					

State Shared Revenues (sales tax)

