CITY OF THE VILLAGE OF DOUGLAS

ANNUAL BUDGET

FOR THE Fiscal Year Ending June 30, 2019

July 1, 2018

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July 1, 2018

Honorable Mayor Anderson and City Councilpersons:

As City Manager, it is my responsibility to submit a proposed budget for fiscal year (FY) 2018-2019 (July 1, 2018 to June 30, 2019) for the City of the Village of Douglas. The budget represents the efforts of the City Manager, City Officers, City Treasurer/Finance Director, and various boards and advisory commissions. This document is more than a set of financial figures; it represents the City's Vision, Missions and Action Plans as an organization whose purpose it is to provide the citizens of the City of the Village of Douglas with the best possible programs and services for the dollars appropriated.

The budget is divided into five (5) sections. The first is an overview of the history of the community and the organizational structure of the city. The second section explains the financial policies and budgeting procedures including goals and objectives. The third section is an overview of the financial data for the city as whole. The fourth section includes explanation of funds and departments along with their respective budgets. Finally the fifth section includes the Downtown Development Authority and the Kalamazoo Harbor Authority budgets as component units of the City.

The intent of this document is to provide the Mayor, City Council members and citizens with a user friendly document that provides a historical perspective of past plans and results, information regarding the nature of proposed activities, restrictions placed on the various funds and funding sources, as well as a clear picture of proposed revenues and expenditures for FY 2018-2019.

Over the past several years the staff continually works on expanding the information provided in the budget document. The expansion of the budget document is intended to allow the document to be used by citizens, management and the City Council as a road map to City activities and expected results. If you have any comments or questions regarding this document, or other City activities, please contact me.

Respectfully submitted,

William R. LeFevere

William LeFevere

City Manager

Community & Government

About Douglas

A very warm welcome is extended to everyone on behalf of the City Council and staff of the City of the Village of Douglas. The "Village," that became a City in 2004, is the home of 1,200 year-round residents who exemplify the motto "The Village of Friendliness since 1870."

Douglas is a vibrant and growing community reflecting a distinctive balance between established neighborhoods, schools, churches, and new and exciting businesses and residential developments. Our downtown is an eclectic, "pedestrian friendly" area where you will find an unparalleled mix of exceptional shopping, coffee, tea and homemade delicacy shops, and nationally award winning fine dining establishments. Douglas retailers are known for their high end quality home decor and gifts, clothing and accessories, antiques, fine art and handcrafted jewelry.

You are invited and encouraged to stroll and explore the unique shops and fine dining establishments, or simply take a relaxing walk along our beautiful Lake Michigan shoreline. Whether a summer Thursday evening "social," early autumn home tour or a storybook snowy street gleaming with festive holiday lights, there is always something to see and do in Douglas.

History

Douglas began as two communities separated by present day Center Street. Jonathan Wade platted Dudleyville, named for his brother Dudley Wade, on the south side of “Centre” in 1860. In 1861, William F. Dutcher platted the town of Douglas on the north side. Dutcher named it for his hometown on the Isle of Man in the Irish Sea. The original plat consisted of the area bounded by Union, Chestnut, Water and Centre Streets. The two towns were incorporated as the village of Douglas in 1870. Dutcher’s son Thomas, a prosperous lumber mill owner built a three-story commercial and residential structure downtown around 1867. The building, the town’s first Masonic hall burned in 1870.

Masons from Douglas, Fennville and Saugatuck chartered Dutcher Lodge, at the corner of Center and Union Streets, in 1867. The first floor of the Lodge was used for government and civic meetings while the Masons used the second floor. The building was doubled in size in 1902. This new section became known as the village hall. Douglas' fire truck was parked in the lower level until 1969.

Dutcher Lodge is a rare example of a Masonic Lodge still in use, now as the City Hall, a century after its construction.

Cityhood

In December 2004 Douglas residents voted to become The City of the Village of Douglas electing its first Mayor and six council members and adopting a Home Rule City governed by a City Charter.

Your Mayor and City Council are an active, elected body of government officials responsible for legislation and policy-making for the City. The Mayor and six Council members are devoted to:

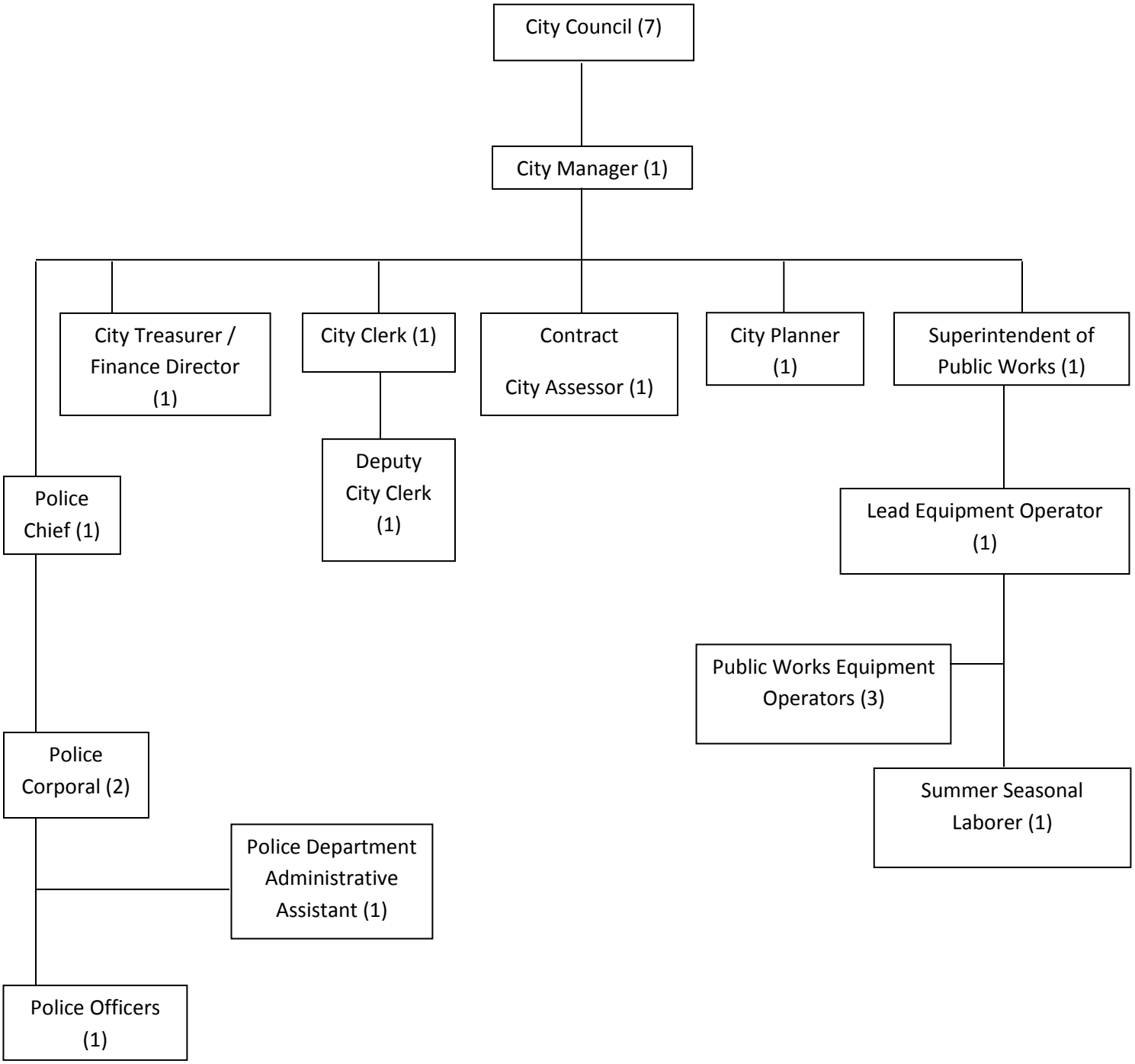
- Adopting City ordinances
- Appointing members to boards, committee and commissions
- Approving the City budget based on income generated by property taxes and other Income sources.

The Mayor has additional responsibilities as the official head of the City, conducting council meetings and representing the City at various government functions on a local, state and national basis.

Community Profile

U. S. Representative	6th District Fred Upton
State Senator	26th District Tonya Schuitmaker
State Representative	80th District Mary Whiteford
Allegan County Commissioner	Dean Kapenga
Allegan County Sheriff	Frank Baker
Area in Square Miles	1.8 Sq. Miles
Miles of Street	17 Miles
Population	1,248
Total 2018 SEV	$209,762,900
Total 2018 Taxable Value	$156,408,173
Number of Homes	941
Average Home Value	$358,100
2018 City Millage	13.0818
School District	Saugatuck Public Schools
Registered Voters	1,064
Full-time Employees	15

Organizational Chart



Personnel & Council Summary

City Council

Mayor: Linda Anderson	Term Ending: Nov. 2018
Mayor Pro Tem: Greg Harvath	Term Ending: Nov. 2019
Councilperson: Patricia Lion	Term Ending: Nov. 2018
Councilperson: Neal Seabert	Term Ending: Nov. 2018
Councilperson: Lisa Greenwood	Term Ending: Nov. 2019
Councilperson: Kathryn Mooradian	Term Ending: Nov. 2019
Councilperson: Aaron Miller	Term Ending: Nov. 2018

City Hall Staff

City Manager: William LeFevere	Started: April 2010
City Clerk / Human Resources Director: Jean Neve	Started: November 2004
City Treasurer/ Finance Director: David Carpenter	Started: February 2018
City Planner/ Economic Development: Lisa Imus	Started: September 2015
Deputy Clerk: Pam Aalderink	Started: July 2009
Contracted Assessor: Kelley Ziesemer	Started: May 2006

Police Department

Interim Police Chief: Steve Kent	Started: August 1986
Corporal: Mark Giles	Started: May 1992
Corporal: Lori Warsen	Started: July 2011
Police Officer: Tino Reyes	Started: July 1993
Police Dept. Admin. Assistant: Ashley Bell	Started: July 2015

Public Works

Superintendent: Max Rodgers	Started: April 2006
Lead Equipment Operator: Matt Vogel	Started: May 2013
Equipment Operator: Tim Giles	Started: July 2014
Equipment Operator: Luka Kaliterna	Started: September 2017
Equipment Operator: Steve Gras	Started: September 2017

General Demographic Statistics

People QuickFacts	Allegan County	Michigan
Population, 2010	111,408	9,883,640
Population, percent change, 2000 to 2010	5.4%	-0.6%
Population, 2000	105,665	9,938,444
Persons under 5 years, percent, 2010	6.7%	6.0%
Persons under 18 years, percent, 2010	26.2%	23.7%
Persons 65 years and over, percent, 2010	13.0%	13.8%
Female persons, percent, 2010	50.2%	50.9%
White persons, percent, 2010 (a)	92.9%	78.9%
Black persons, percent, 2010 (a)	1.2%	14.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.6%	0.6%
Asian persons, percent, 2010 (a)	0.6%	2.4%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	Z
Persons reporting two or more races, percent, 2010	1.9%	2.3%
Persons of Hispanic or Latino origin, percent, 2010 (b)	6.7%	4.4%
White persons not Hispanic, percent, 2010	89.7%	76.6%
Living in same house 1 year & over, 2005-2009	90.0%	85.4%
Foreign born persons, percent, 2005-2009	3.2%	6.0%
Language other than English spoken at home, pct age 5+, 2005-2009	6.3%	9.0%
High school graduates, percent of persons age 25+, 2005-2009	87.4%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2005-2009	19.7%	24.5%
Veterans, 2005-2009	8,972	751,248
Mean travel time to work (minutes), workers age 16+, 2005-2009	23.6	23.7
Housing units, 2010	49,426	4,532,233
Homeownership rate, 2005-2009	83.6%	74.6%
Housing units in multi-unit structures, percent, 2005-2009	8.9%	17.8%
Median value of owner-occupied housing units, 2005-2009	$149,600	$147,500
Households, 2005-2009	41,943	3,860,160
Persons per household, 2005-2009	2.65	2.53
Per capita money income in past 12 months (2009 dollars) 2005-2009	$23,270	$25,172
Median household income, 2009	$50,487	$45,254
Persons below poverty level, percent, 2009	11.5%	16.1%

Business QuickFacts	Allegan County	Michigan
Private nonfarm establishments, 2009	2,342	221,682
Private nonfarm employment, 2009	32,415	3,383,615
Private nonfarm employment, percent change 2000-2009	-10.4%	-16.9%
Nonemployer establishments, 2009	7,199	632,618
Total number of firms, 2007	10,312	816,972
Building permits, 2010	152	9,075
Federal spending, 2009	542,898	91,316,137

Geography QuickFacts	Allegan County	Michigan
Land area in square miles, 2010	825.23	56,538.90
Persons per square mile, 2010	135	174.8
FIPS Code	5	26
Metropolitan or Micropolitan Statistical Area	Allegan, MI Micro Area	

(a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.
FN: Footnote on this item for this area in place of data
NA: Not available
D: Suppressed to avoid disclosure of confidential information
X: Not applicable
S: Suppressed; does not meet publication standards
Z: Value greater than zero but less than half unit of measure shown
F: Fewer than 100 firms

Source: US Census Bureau State & County QuickFacts

Budgeting Policies & Procedures

A Reader's Guide to Budgeting

The budgeting and accounting policies of the City of the Village of Douglas conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The following are the significant budgetary policies followed by the City.

Uniform Budgeting Act

The City of the Village of Douglas is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act.

- Budgets must be adopted for the General Fund and Special Revenue Funds.
- The budgets must be balanced.
- The budgets must be amended when necessary.
- Debt cannot be entered into unless permitted by law.
- Expenditures cannot exceed budgeted appropriations.
- Expenditures cannot be made unless authorized in the budget.
- Public hearings must be held before the budget is adopted by City Council.

Basis of Budgeting

The adopted budget is prepared on a basis consistent with GAAP and modified accrual basis of accounting is used for all government fund types. Expenditures on long-term debt are recorded at the time liabilities are incurred and revenues are recorded when cash is received except when accruals of revenues are necessary to properly record the revenues in correct fiscal year.

The full accrual of accounting is utilized in the Enterprise Fund and capital outlay expenses are recorded as an expense for budgetary purposes instead of adjusting balance sheet accounts.

Fund Structure of Approved Budget

The Annual Budgets are adopted according to law under the Uniform Budgeting Act for General Fund and Special Revenue Funds. The Capital Improvement Fund and Enterprise Fund have prepared budgets for financial and project management purposes. The City Council reviews revenue/expenditure and budgetary reports on a monthly basis prepared by management.

Fund Accounting

The accounts of the City of the Village of Douglas are organized by funds and departments. Funds are established to segregate specific activities or objections of a government in accordance with special regulations, restrictions, or limitations for the monies in each fund. The various funds are grouped into generic fund types in three broad categories, Governmental Funds, Proprietary Funds and Fiduciary Funds. Governmental entities use Fund Accounting to segregate the allowable expenditures in conjunction with the revenue received. Each of the three broad fund categories have more specific fund types depending on the revenues or expenditures, below are the different types of funds:

Governmental Funds

General Fund: The General Fund contains the accounting of the ordinary actives of the City. The General Fund expenditures are financed mostly by general operating property tax revenues and some state shared revenues. The General Fund is usually the most commonly used fund and is where expenditures for City Hall, Police and Parks are found.

Special Revenue Funds: Special Revenue funds are used to account for the proceeds of earmarked revenue from financing activities requiring separate accounting because of legal or regulatory requirements. The City's Special Revenue Funds are Major Street Fund, Local Street Fund, Schultz Park Launch Ramp Fund and the Water & Sewer Revolving Fund. The Major and Local Street Funds are the Cities largest special revenue funds. The City receives

monies from the State from gasoline tax collected. The City receives their amounts based on a state formula that divides the gas tax monies between state road projects, counties and local municipalities. The formula can be found on page 55 in the Special Revenue fund section

Debt Service Funds: Debt service funds are used to account for the annual payment of principal and interest concerning long-term debt other than the debt payable from the operations of an enterprise fund. The City does not use a Debt Service Fund and records principal and interest payments for the City Hall loan and Blue Star Bridge Rehabilitation Project in the General Fund. The City records the principal and interest in this manner because the City does not levy a millage for its debt and covers the expenditures as part of operating expenditures.

Capital Projects Fund: Capital Projects Funds are used to account for the development of capital facilities and projects. The City had a Capital Project Fund which was the Blue Star Bridge Capital Project Fund. The City used a Capital Project Fund for this fund because the City bonded for the revenue to complete this project. Since the City received monies for a specific project, the City used a Capital Project Fund to account for the project.

Permanent Funds: Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings and not principal may be used to support government programs. The City does not have any Permanent Funds.

Proprietary Funds

Enterprise Funds: Enterprise Funds are funds that are accounted for on a full accrual basis of accounting and are used for business-type activities. The City does not have any Enterprise Funds because typically cities account for their water and sewer operations out of an Enterprise Fund. The Kalamazoo Lake Sewer & Water Authority (KLSWA) operates the sewer and water activity for the Tri-Community area and the City records Douglas only revenue from KLSWA in a special revenue fund to be spent on future water and sewer infrastructure repairs and improvement.

Internal Service Funds: The City has one Internal Service Fund and that is the Equipment Rental Fund. The Equipment Rental Fund is financed by rental charges to the General Fund, Major Street Fund and Local Street Fund for the use of equipment by the Public Works Department. The rental charges are used to finance the purchase of equipment for the Public Works Department and the rates used are provided by the Michigan Department of Transportation.

Fiduciary Funds

Trust and Agency Funds: Trust and Agency Funds are used to account for the assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments or other funds. The City does not have any Trust and Agency Funds.

Pensions Trust Funds: Pension Trust Funds are used to report the resources required to be held for the members and beneficiaries of defined benefit pension plans, defined contribution plans and other post-employment benefits. The City does not have a Pension Trust Fund because Michigan Employers Retirement System (MERS) accounts and records necessary information and resources. Pension information accounted for by MERS is displayed in City's Annual Financial Statements.

Investment Funds: Investment Funds are funds whose legal purpose is to hold separate governments' pool of investments. The City does not have an Investment Fund.

Private-purpose Trust Funds: Private-purpose Trust Funds are used report trust arrangements not reported in other trust funds, which has limited provisions to the monies held in the fund. The City does not have a Private-purpose Trust Fund.

Budgeting Procedures

The annual budget covers a twelve month period beginning July 1st and ending June 30th. The budget is an ongoing process that includes phases of development, adoption, implementation and oversight throughout the year.

Several goals are associated with the preparation and development of the City's annual budget document. First, the budget is a policy document. The budget should help foster comprehensive community problem solving and policy making. Second, the budget is a financial plan and management tool. The document should help staff in monitoring revenue and expenditures and in evaluating the effectiveness of City programs and services. Third, the budget serves as an important reference document. It should provide the City Council, staff and the public with extensive information on the nature and scope of municipal operations and services.

Strategic Planning Process

The City Council holds multiple workshop meetings throughout the year with the City Manager and department heads to discuss and develop both long and short-term goals and objectives. These workshop meetings give the City Manager and department heads a guidance and understanding of the goals the City Council would like to have completed and in a general order.

Budget Review and Analysis

All department heads meet with the City Treasurer for review and evaluation of their respective budgets. The objective of this phase is to:

- Ensure that the intent of all budget requests are understood
- Gain greater understanding of departmental objectives and standards of performance and operations for the upcoming fiscal year.
- Determine how proposed departmental projects and programs are related to the goals and objectives set by Council.
- Balance the needs of each department to the total City needs.

Analysis in this phase include analysis of levels of service, evaluation of historical expenditure trends, projection of inflationary increases, and review of departmental operations.

Building the Proposed Budget

The City Treasurer and City Assessor work towards reasonable estimates of property tax income based on projections and reasonable estimates of property tax values. Property tax revenues generally account for about two-thirds of the City's Revenue.

The Treasurer meets with the different department heads to determine the costs of proposed projects and operating expenditures. The Treasurer then meets with the City Manager to review the budget as a whole and bring a proposed budget to City Council.

The proposed budget is then prepared for Council to review. Workshop sessions are held with the City Council to ensure that the proposed budget is in alignment with the Council's goals and objectives, as well as their vision for the City. The Treasurer adjusts the budget as directed by the City Council and makes a recommended budget document for adoption.

City Council Adoption

After completion of the budget workshop sessions, the proposed budget is published on the City's website and public hearings are held for the budget and the City's millage rate. After completion of the public hearings, the City Treasurer would make any adjustments as necessary under the direction of the City Council. The budget is then adopted at the next scheduled City Council meeting.

Budget Amendment Process

After the budget is adopted, the primary responsibility for managing the budget falls to individual departments and the Treasurer reviews expenditures on a monthly basis. Management is given flexibility to each department of exceeding a line item within a department if it can be compensated for within the same department. Budget amendments that require transfers from fund balance or other departments require approval by the City Council.

Overview of Financial Data

Revenue

Property Taxes

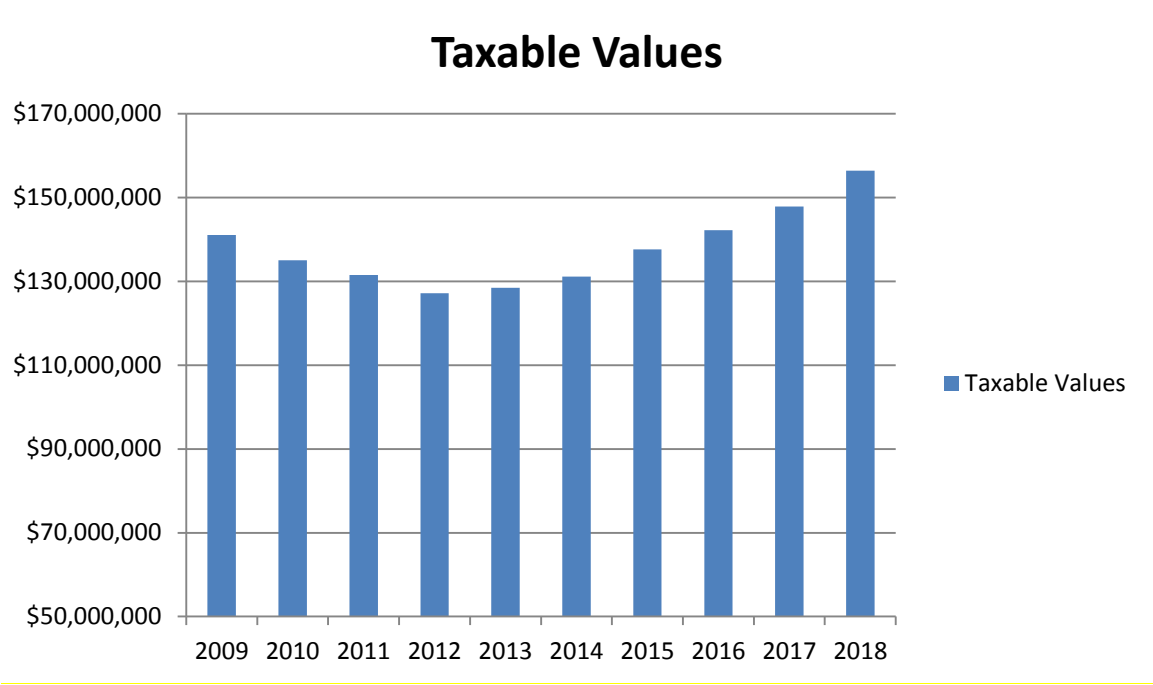
Property taxes are the largest source of revenue for the City accounting for about two-thirds of the City's entire Revenue. This revenue is dependent upon two variables – taxable value and millage rates. The taxable value is determined by the City Assessor and the millage rate is set by the City Council. The formula to determine total property tax revenue is as follows:

$$\text{Taxes} = \frac{\text{Taxable Value} \times \text{Millage Rate}}{1000}$$

The City Assessor maintains two values for every parcel, both real and personal property within the City. The first value is the State Equalized Value, known as the SEV, which is 50% of the true market value of the property. The second value is the taxable value, which came into existence as a result of 1994's Proposal A, the property tax reform law. The taxable value of real property cannot increase higher than the rate of inflation or 5%, whichever is lower, and cannot be higher than the SEV of property.

This formula remains in place until a property is sold at which time the property becomes "uncapped" and changes to match the SEV. The limitations on increases then begin anew from the "uncapped" rate.

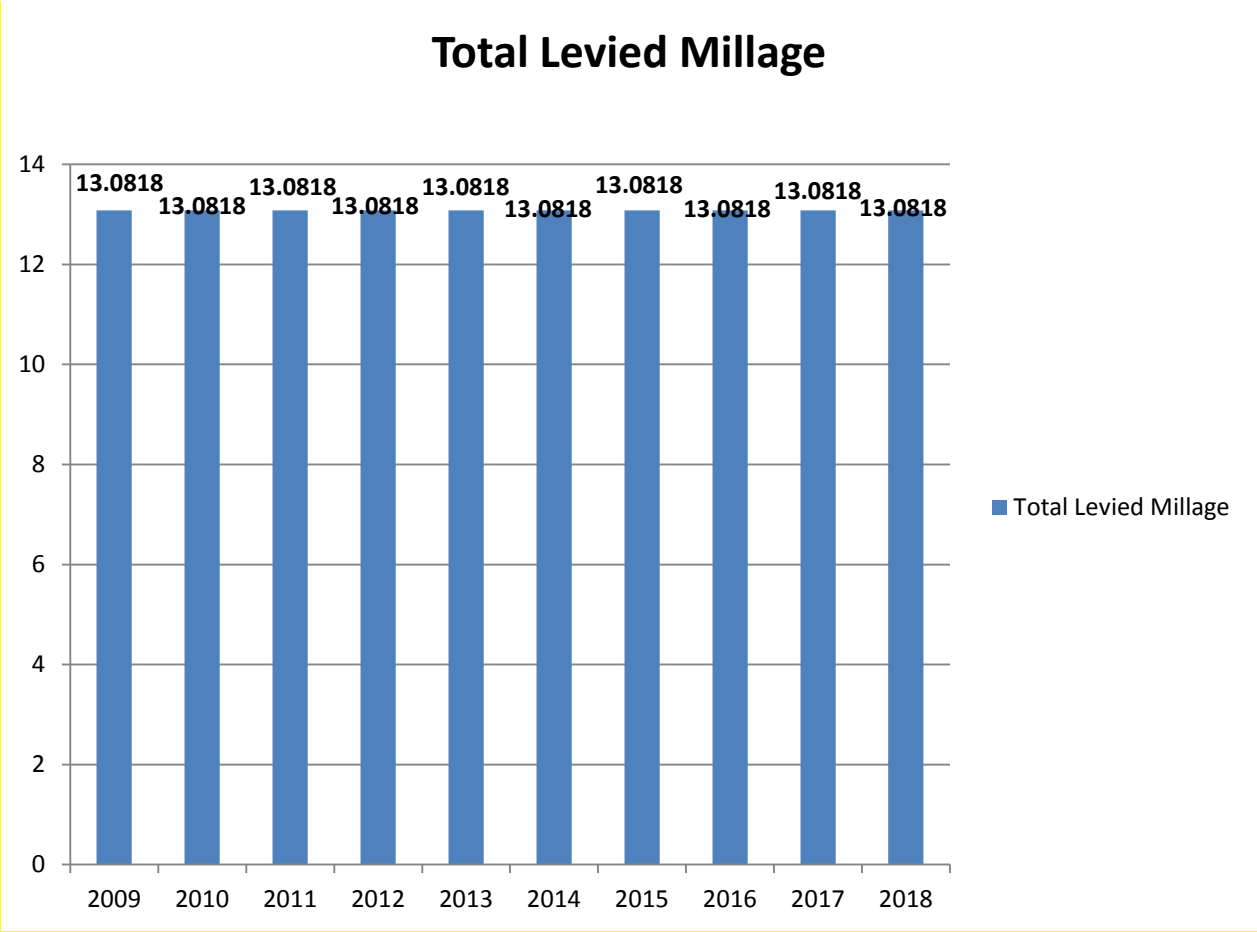
In the 2018 tax year, the inflation rate for assessment purposes is 2.1%. Additionally, 2013 was the first year the taxable value increases after three consecutive years that the City has seen a decrease in overall taxable value due to the housing and economic downturns. For 2018 the City's Taxable Value increased for the sixth consecutive year from $147,848,874 to $156,408,173. Over the past year the City saw increases in taxable value from an increase in new development and the residential housing market values increasing.



The Headlee Amendment of 1978 has an effect on millage rates by limiting the growth of property tax revenue from existing property. It accomplishes this by reducing the millage rates proportionally by the amount that market changes exceed the increase in the Consumer Price Index.

Each year, the Allegan County Equalization Department provides the City with a Headlee Reduction Factor. If this factor is below 1.0, then the maximum millage rate from the previous year needs to be reduced. If the factor is greater than 1.0, the law does not allow the maximum millage to be increased, so it will remain the same as the previous year.

The City Council has chosen to not levy the maximum millage rate in order to keep taxes as low as possible. The City has held a consistent millage rate since becoming a city in 2004 even though the City could levy a significantly higher millage rate.



Other Sources of Revenue

While property taxes are the major source of revenue for the City (67% of General Fund Revenues), there are other sources the City relies upon during the year.

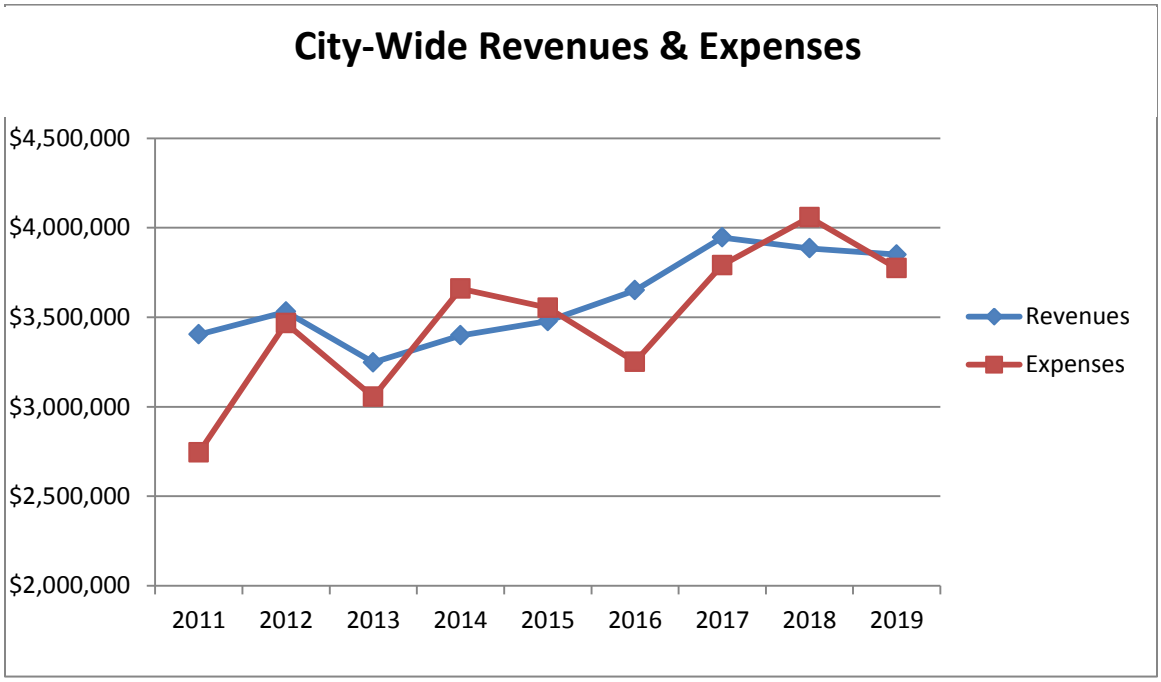
Revenues received from the State of Michigan are a very important source of revenue for the City. State shared revenue estimates, which are determined by a formula based upon population and type of local government (i.e. city, village, township), can be found at the Michigan Department of Treasury's website at www.Michigan.gov/treasury. Street funds come to the City from the Michigan Department of Transportation and they are based upon formulas prescribed by Public Act 51 which is included in this budget document on page 49.

Additionally, the City charges residents and other customers for charges for services such as permits, planning fees, business licenses and boat launch passes. Fines are collected from traffic and parking violations and ordinance enforcement.

Expenditures

There are several broad categories of expenditures that can be compared across funds. These are as follows:

- Contracted services such as lawyers, auditors, engineers, assessing and other professional services as needed
- Personnel Costs, which include wages, salaries, payroll taxes, pension contributions, health, dental, life and disability insurance and annual police officers sick time pay outs.
- Operating costs such as printing, postage, maintenance and repairs, utilities, office supplies, dues, publications, uniforms and anything else related to general operations that are not covered under another category.
- Capital improvements, which are items that will last over multiple years. These may include computers, vehicles, equipment and infrastructure improvements.
- Debt Service is the payments that are made on bonds and loans issued by the City.
- Transfers out are operating transfers between funds such as transfers out of the General Fund to the Major and Local Street Funds.



In the 2013-2014 fiscal year, the City budgeted for capital expenditures of land purchase and a law suit settlement to be paid from fund balance bringing the City's expenditures above revenues for the year. In 2014-2015 the City budgeted for the purchase of a new snow plow truck as part of the City's 5 year capital equipment plan for the Public Works Department. These purchases brought the City's budgeted expenditures above the budgeted revenues.

For the 2016-2017 fiscal year the City of Douglas budgeted for the construction of a dog park at Schultz Park, the development of a trailhead and parking lot with a place for the historic root beer barrel, finishing the Master Plan and Waterfront Area Plan and hiring a consultant for the Harbor Authority.

For the 2017-2018 fiscal year the City of Douglas budgeted for the construction of the Beach to Bayou pedestrian trail, engineering costs related to the SAW Grant for the storm sewer inventory and mapping system, building phase one of the Wade's Bayou Marina, ordinance revisions and implementing form based code. The SAW Grant is 90% reimbursable from the State of Michigan.

For the 2018-2019 fiscal year, the City of Douglas budgeted for the engineering costs related to the completion of the SAW Grant (90% reimbursable from the State of Michigan) for the storm sewer inventory and mapping system, building phase two of the Wade's Bayou Marina. And the purchase of a new snow plow truck as part of the City's 5 year capital equipment plan for the Public Works Department.

Budget Summary
All Funds
FY 2018-2019

		Amended/Estimated Budget 17/18	Adopted Budget 18/19	% Incr./ (Decr.) Amended/Estimated 17/18>18/19
	GENERAL FUND			
	Legislative	$ 16,125	$ 19,050	18.14%
	Manager	$ 156,935	$ 170,170	8.43%
	Assessing	$ 55,106	$ 54,825	-0.51%
	Election	$ 10,650	$ 6,100	-42.72%
	Attorney	$ 21,618	$ 30,000	38.77%
	Auditor	$ 8,900	$ 11,500	29.21%
	Clerk/Treasurer	$ 319,700	$ 335,219	4.85%
	Building & Grounds	$ 160,840	$ 314,781	95.71%
	Police	$ 1,086,675	$ 555,371	-48.89%
	Planning & Zoning	$ 272,265	$ 266,288	-2.20%
	Street & Right of Way	$ 435,248	$ 613,746	41.01%
	Parks & Recreation	$ 305,450	$ 293,631	-3.87%
	Insurance Bonds	$ 27,500	$ 15,000	-45.45%
	Community Promotions	$ 5,000	$ 5,000	0.00%
	Debt Service	$ 70,165	$ 70,089	-0.11%
	Transfers Out	$ 292,750	$ 270,500	-7.60%
	TOTAL GENERAL FUND	$ 3,244,927	$ 3,031,270	-6.58%
	Less: Transfers Out	$ (292,750)	$ (270,500)	
**	TOTAL EXPENDITURES	$ 2,952,177	$ 2,760,770	-6.48%
	Revenue/Transfers In	$ 3,197,784	$ 3,031,270	-5.21%
	Less: Transfers In	$ (8,890)	$ (9,520)	7.09%
**	TOTAL REVENUES	$ 3,188,894	$ 3,021,750	-5.24%
	Surplus/(Deficit)	$ (47,143)	$ -	
	Beginning Fund Balance - July 1	$ 1,997,332	$ 1,950,189	
	Projected Fund Balance - June 30	$ 1,950,189	$ 1,950,189	
	MAJOR STREET FUND EXPENSES	$ 921,023	$ 235,951	-74.38%
	Revenue/Transfers In	$ 561,184	$ 287,000	-48.86%
	Surplus/(Deficit)	$ (359,839)	$ 51,049	
	Beginning Fund Balance - July 1	$ 513,103	$ 153,264	
	Projected Fund Balance - June 30	$ 153,264	$ 204,313	

	Amended/Estimated Budget 17/18	Adopted Budget 18/19	% Incr./ (Decr.) Amended/Estimated 17/18>18/19
LOCAL STREET FUND EXPENSES	$ 190,735	$ 189,093	-0.86%
Revenue/Transfer In	$ 207,500	$ 206,000	-0.72%
Surplus/(Deficit)	$ 16,765	$ 16,907	
Beginning Fund Balance - July 1	$ 330,209	$ 346,974	
Projected Fund Balance - June 30	$ 346,974	$ 363,881	
DDA FUND EXPENSES	$ 40,420	$ 44,170	9.28%
Revenue/Transfer In	$ 40,870	$ 47,950	17.32%
Surplus/(Deficit)	$ 450	$ 3,780	
Beginning Fund Balance - July 1	$ 74,194	$ 74,644	
Projected Fund Balance - June 30	$ 74,644	$ 78,424	
HARBOR AUTH. FUND EXPENSES	$ 15,400	$ 1,000	-93.51%
Revenue/Transfer In	$ 15,400	$ 1,000	-93.51%
Surplus/(Deficit)	$ -	$ -	
Beginning Fund Balance - July 1	$ 7,611	$ 7,611	
Projected Fund Balance - June 30	$ 7,611	$ 7,611	
SCHULTZ PARK FUND EXPENSES	$ 16,230	$ 10,167	-37.36%
Revenue/Transfer In	$ 18,300	$ 15,100	-17.49%
Surplus/(Deficit)	$ 2,070	$ 4,933	
Beginning Fund Balance - July 1	$ 54,272	$ 56,342	
Projected Fund Balance - June 30	$ 56,342	$ 61,275	
WATER & SEWER FUND EXPENSES	$ 30,000	$ -	-100.00%
Revenue/Transfers In	$ 75,250	$ 45,250	-39.87%
Surplus/(Deficit)	$ 45,250	$ 45,250	
Beginning Fund Balance - July 1	$ 501,626	$ 546,876	
Projected Fund Balance - June 30	$ 546,876	$ 592,126	

	Amended/Estimated Budget 17/18	Adopted Budget 18/19	% Incr./ (Decr.) Amended/Estimated 17/18>18/19
EQUIP. RENTAL FUND EXPENSES	$ 135,000	$ 262,000	94.07%
Revenue/Transfers In	$ 167,500	$ 216,500	29.25%
Surplus/(Deficit)	$ 32,500	$ (45,500)	
Beginning Fund Balance - July 1	$ 436,362	$ 468,862	
Projected Fund Balance - June 30	$ 468,862	$ 423,362	
TOTAL EXPENDITURES ALL FUNDS	$ 4,593,735	$ 3,773,651	-17.85%
TOTAL REVENUES ALL FUNDS	$ 4,283,788	$ 3,850,070	-10.12%
SURPLUS/(DECIFIT) ALL FUNDS	$ (309,947)	$ 76,419	
BEGINNING FUND BALANCE - JULY 1	$ 3,914,709	$ 3,604,762	
PROJECTED FUND BALANCE - JUNE 30	$ 3,604,762	$ 3,681,181	

The Budget Summary Report displays the previous year's budget from the fund level at all funds except the General Fund which displays expenditures at the department level. Also this report shows percentage increases or decreases from the current year's budget and the estimated totals for the current year against the proposed budget for next year.

Rainy Day Funds

Fund Balance Background

Governments organize their accounting system on a *fund* basis. A fund is a separate set of accounting records, segregated for the purpose of carrying out an activity. A fund is established for accountability purposes to demonstrate the financial resources are being used for only permitted purposes.

A fund will have *balance sheet* accounts consisting of *assets, liabilities and fund balance*, as well as a series of *revenue and expenditure* accounts. A fund balance is created or increased when fund revenues exceed fund expenditures for a fiscal period. The difference between the fund's assets and liabilities equals the fund balance.

A common misconception is that fund balance is a cash account and therefore corresponds to the City's bank balance. The fund balance calculation includes assets such as cash and receivables as well as liabilities such as payables. In addition, a portion of the fund balance may be committed by Council to specific projects.

Other funds such as Special Revenue Funds and Debt Service Funds are required to be segregated in separate funds since there are restrictions to uses of balances in these funds. The General Fund encompasses the City's activities not required to be segregated in separate funds, and the fund balance available can be used in any manner as directed by the City Council. For this reason, the following discussion is limited only to the General Fund's fund balance.

How Large of a Fund Balance?

Determination of an appropriate fund balance is a critical factor in financial planning and the budget process. There is a fine distinction between retaining enough to meet the financial needs of the City and not accumulating too large a balance without having a specific purpose for doing so.

A community with an appropriate fund balance can:

- Provide a fund or reserve to meet emergency expenditures;
- Provide cash to finance expenditures from the beginning of the budget year until all revenues are collected;
- Demonstrate financial stability and therefore preserve or enhance its bond rating, thereby lowering debt issuance costs;
- Avoid short term borrowing and associated interest costs.

As a part of the budget process, fund balance will be treated as one of the following:

- Retained as the community's "rainy day" fund for future needs; or
- Used to fund expenditures for the next fiscal period

There are five different items that constitute the City's General Fund Balance in accordance with GASB 54:

- Nonspendable fund balance – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)

- Restricted fund balance – Amounts that can be spent only for specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and dedicated millages.
- Committed fund balance – Amounts constrained to specific purposes by a government itself using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

- Assigned fund balance – Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at minimum, intended to be used for the purpose of the fund.

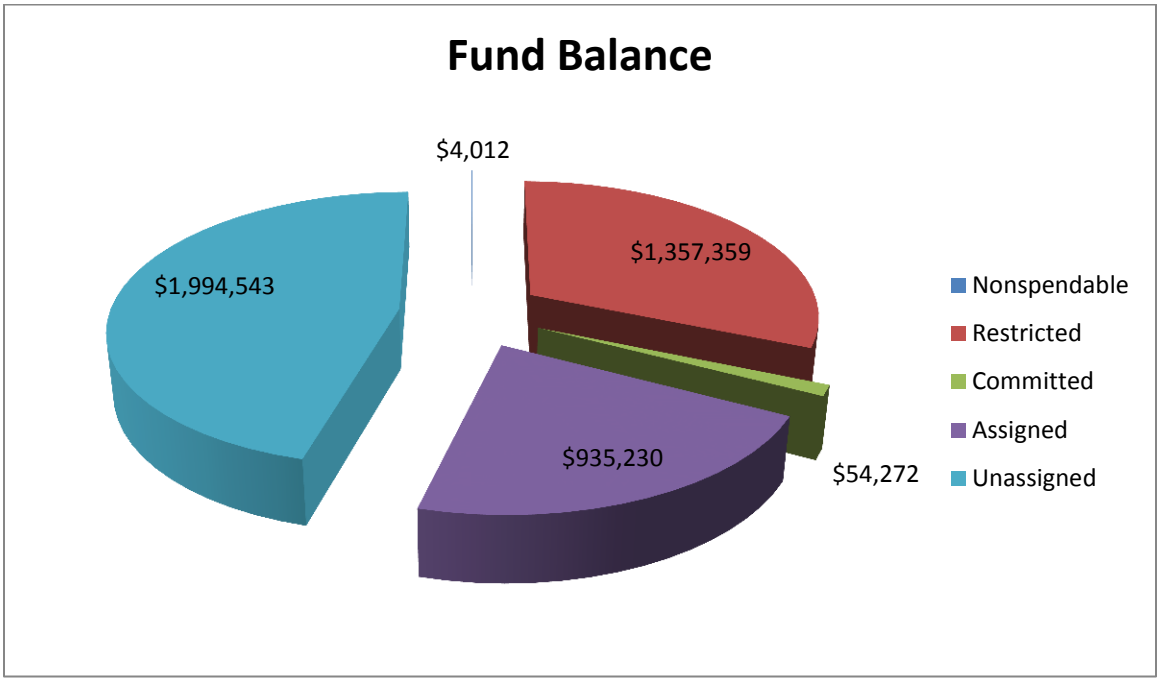
- Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

City of the Village of Douglas Fund Balance Policy

The City of the Village of Douglas's policy is to keep a minimum of 25% of General Fund operating expenditures in the General Fund fund balance as adopted by City Council. The Government Finance Officers Association (GFOA) recommends a minimum reserve of 15% in fund balance. Additional fund balance may, at times, be designated by City council for specific purposes such as capital projects.

The City of the Village of Douglas Audited Fund Balance

As of 6/30/2017



Non-spendable is prepaid expenses that are not recorded as expenses until the next fiscal year.

Restricted is the fund balances for funds like Major and Local Street Funds in which the monies are restricted to certain expenditures like roads.

Committed is the fund balance for the Schultz Park Fund because when accepting the grant monies the council agreed to keep all boat launch monies received from patrons to go back into the Schultz Park Launch Ramp facilities.

Assigned is for such expenditures like the land purchase and law suit settlement, which City management for sees necessary expenditures but no action is taken by the City Council to commit these monies.

Unassigned are the monies left over after the above categories. This is generally the General Fund fund balance after restricted, committed and assigned fund balances have been designated.

General Fund

The General Fund is the main operational fund for the City. It contains all of the activities of the City that are not required to be accounted for in another fund, such as special revenue or enterprise funds. The main sources of revenue for the General Fund are property taxes, police department reimbursement from City of Saugatuck, State shared revenue and County road millage. Expenditures that occur from this fund are for administrative activities, community development, parks and recreation, public safety and public works.

Departments

Legislative (101)

The residents of the City of the Village of Douglas elect seven council members to two-year terms. Three terms end odd years and four terms end even years. After the residents elect their council members, the council then elects a Mayor and Mayor Pro Tem to preside over the City Council. The Council has the power to adopt laws, ordinances, and resolutions, adopt a budget, levy taxes, and set policies. The Council appoints the City Manager who is accountable for all administrative functions that are not directed by the charter, ordinances or state law.

Expenditures in this department include City Council member's wages, training, newspaper publishing and supplies.

Manager (170)

The City Manager strives to effectively serve the City Council and the public through responsible administration of all City affairs. The Manager demonstrates and promotes a high standard of ethics, professionalism and integrity throughout the city's organization.

The City Manager fosters open and complete communications, actively seeks out and incorporates citizen involvement and participation, and achieves outstanding results through partnerships with other service providers in both the public and private sectors. The City Manager demonstrates through words, actions and policies a commitment to treat all colleagues and citizens with respect and dignity.

Expenditures in this department include City Manager's wages, benefits, training funds, supplies and association dues.

Assessor (180)

The City Assessor keeps the records of all property located within the City. The Assessor computes and analyzes the property values of all parcels based on sales studies and relevant state laws in correlation with the Allegan County Equalization department. The City of the Village of Douglas contracts this position because the City is smaller in size and does not require a full-time assessor.

Expenditures in this department include contracted assessing services, board of review member wages, software and website fees for the online tax and assessing system, supplies, and postage and printing costs.

Elections (191)

The City elections are overseen by the City Clerk in accordance with federal, state, county and local laws. The Clerk administers elections for federal, state, county, city and school elections ranging from representatives, laws and millage proposals. Also, the City Clerk maintains voter registration records within the City and maintains all City records.

Expenditures in this department include election worker's wages, publishing of notices, voter identification cards, ballots and other election supply costs. The State of Michigan is awarding grants for new voting machines and 5 years of maintenance of the machine.

Attorney (210)

The City contracts attorney services from several law firms to represent and guide the City and its staff to ensure the City operates and moves in a law-biding manner for the good of the public. The attorneys help the City Council and staff with issues including but not limited to union negotiations, employee issues, planning and zoning regulations and guidance on legal issues that arise.

Auditor (214)

The City contracts with an accounting firm to perform an annual audit on the City's financial statements and report to the City Council their findings. The audit consists of determining the accuracy of the City's financial statements, internal controls and financial policies. The City contracted with Siegfried & Crandall and this will be the 1st year of a 3 year contract.

Clerk/Treasurer (260)

The City Clerk holds many responsibilities including maintaining all city records, administering city elections, publishing public notices and manage human resources for City employees.

The City Treasurer is responsible for billing, collecting and disbursing property taxes, maintain accurate financial records, create and administer the City's annual budget and help financially direct the City in accordance with city polices and state laws and as directed by the City Council.

Expenditures in this department include City Clerk, Deputy Clerk and City Treasurer wages and benefits, software and website fees, training, postage, association dues and supplies.

Buildings & Grounds (265)

The Buildings and Grounds department accounts for all expenditures relating to the buildings owned and operated by the City.

Expenditures include repairs and maintenance, utilities and payroll costs of public works employees for time spent working in, on or for the City's buildings.

Police (301)

The Police department operates with a Police Chief, Sergeant, three full-time officers and multiple part-time police officers. The Douglas Police department serves the City of Douglas.

All expenditures that are related to the Police department building are expensed in this account instead of the Buildings and Grounds department.

Expenditures in this department include all officer wages and benefits, training costs, officer's equipment, prosecuting attorney, liability insurance, utilities, police vehicle repairs and gasoline.

Planning & Zoning (401)

The Planning and Zoning department is also referred to as Community Development. The City Planner works closely with the Planning Commission and the Zoning Board of Appeals and is responsible for directing and managing the physical development of the City in a manner that emphasizes quality, livability and sustainability. The City Planner uses guidance from the City Council, the Master Plan and Tri-Community Master Plan for the decision making process regarding the development of the City.

Expenditures in this department include City Planner contractual costs, Planning Commission and Zoning Board of Appeals wages, contracted attorney, engineering and building inspector costs, supplies and software fees. The City has budgeted money for an ordinance revision and initiating form based code.

General Streets & Right of Way (463)

The General Streets and Right of Way department operates under the management of the Public Works department and is responsible for the brush and leaf pickup, snow plowing and salting of roads, sidewalks and parking lots, repairing and maintaining roads and sidewalks and the maintenance and beautification of the downtown.

Expenditures in this department include public works wages and benefits, supplies, sidewalk plowing, street lights, utilities, landscaping services and road and sidewalk maintenance and repairs. Also, the City budgeted for new trash cans and the local share of the storm sewer SAW Grant.

Parks & Recreation (751)

The Parks and Recreation department operates under the management of the Public Works department. This department is responsible for the maintenance and upkeep of all of the City's parks including Beery Field, Douglas Beach, Veteran's park, Schultz Park (not including the boat launch), Union St. boat launch and Wade's Bayou.

Expenditures in this department include public works wages and benefits, landscaping services, utilities, City park maintenance, and supplies.

This year the City has budgeted for Saugatuck Cemetery landscaping costs, playground equipment and phase one of the City's Wade's Bayou Marina Plan.

Insurance & Bonds (850)

The Insurance and Bonds department accounts for the expenditures related to the City's general liability insurance provided through the Michigan Municipal League (MML).

Community Promotions (880)

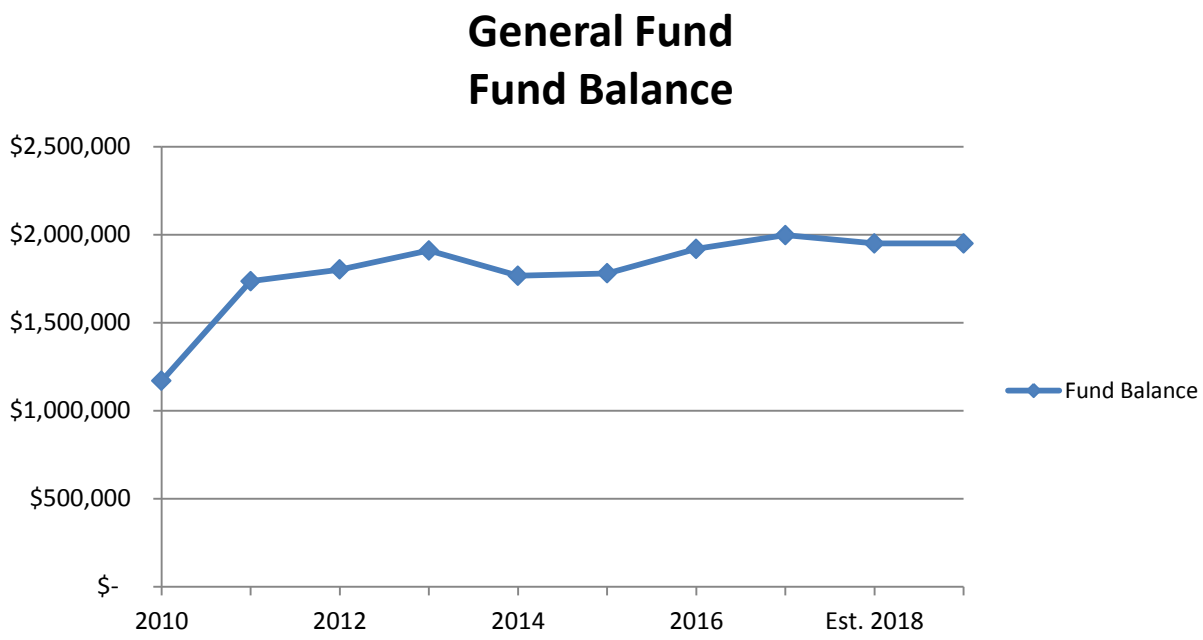
Community Promotions account for expenditures pertaining to local organizations to support the community in promoting all that different events around the City and Tri-community area. These local organizations and events include the Douglas Dutchers, and the Firework Fund.

Debt Service (915)

The Debt Service department accounts for expenditures off the City's debt. The City's debt includes the loan for City Hall and the Capital Improvement Bond for the Blue Star Bridge Rehabilitation Project.

Transfers Out (966)

Transfers out are transfers of monies from one fund to another to cover operating expenditures because the fund cannot cover operating expenditures from its revenues. The General Fund transfers monies to the Major and Local Street Funds because the ACT 51 monies received from the State of Michigan only cover about one-third of these funds operating costs. Also, the City transfers monies to the Harbor Authority.

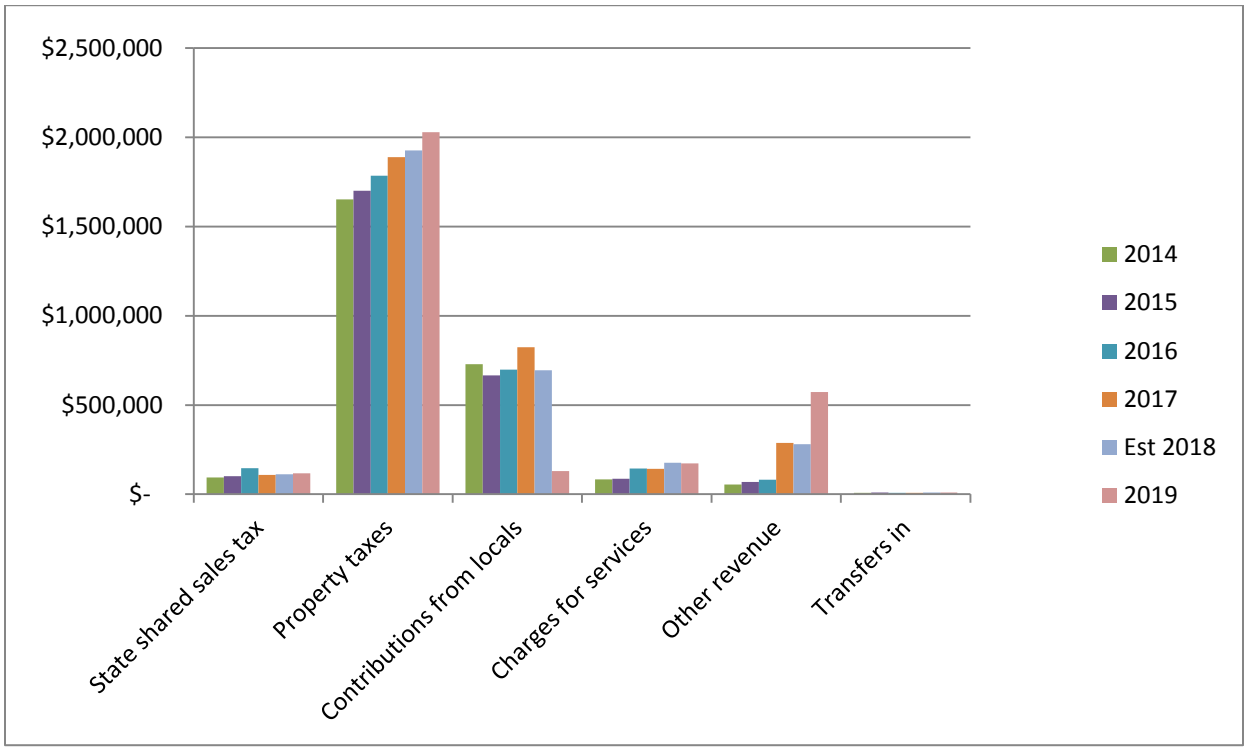


City of the Village of Douglas Fund Balance Policy

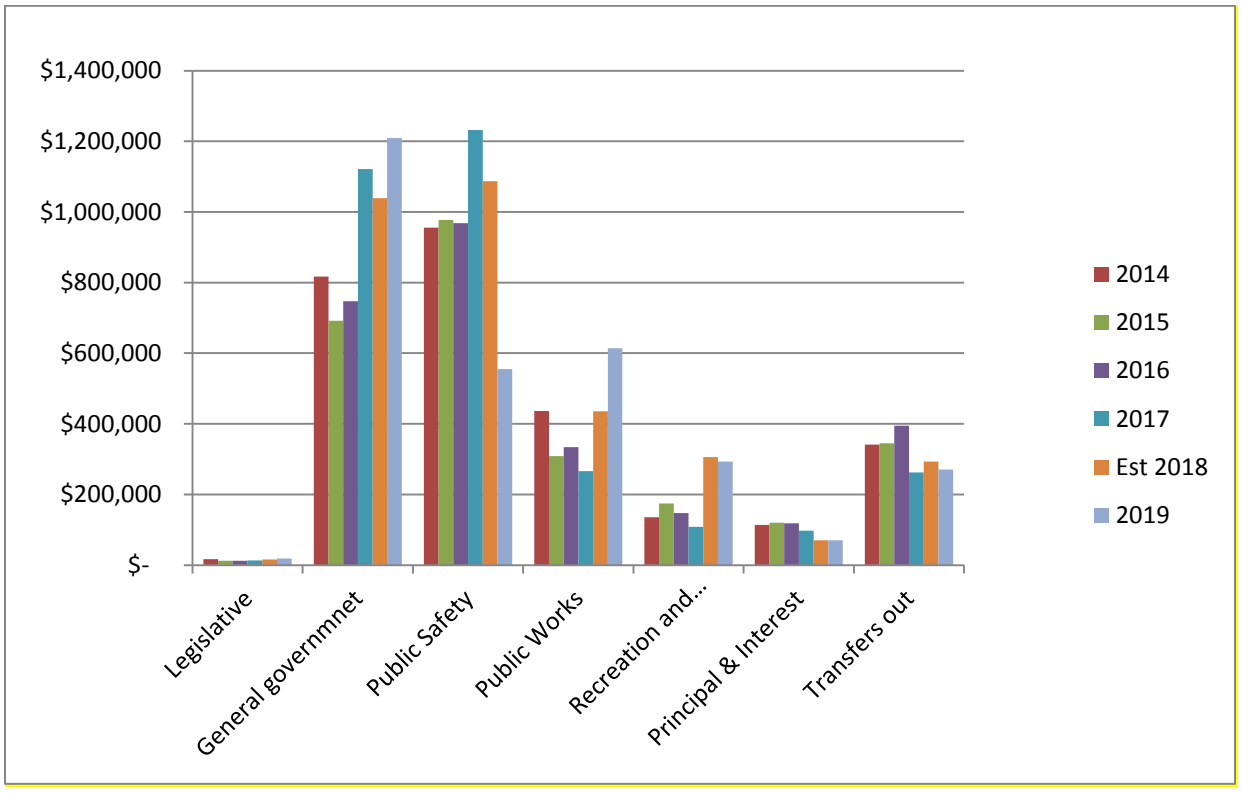
The City of the Village of Douglas's policy is to keep a minimum of 25% of General Fund operating expenditures in the General Fund fund balance as adopted by City Council. The Government Finance Officers Association (GFOA) recommends a minimum reserve of 15% in fund balance. Additional fund balance may, at times, be designated by City council for specific purposes such as capital projects.

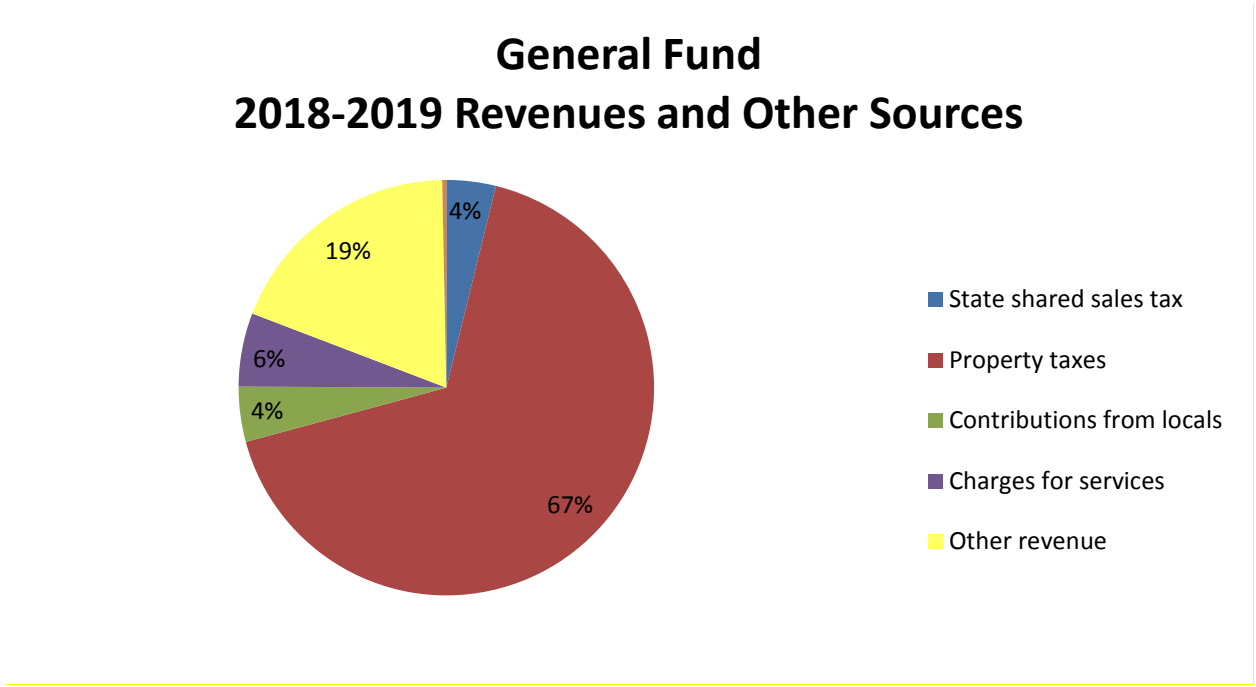
In 2010, the City developed a plan to take half of the annual additions to the City's General Fund fund balance at the end of the year and make supplemental payments to the City's pension fund to reduce the unfunded liability with Michigan Employee's Retirement System (MERS). The City has reduced their annual pension costs by $20,000 with development of this plan.

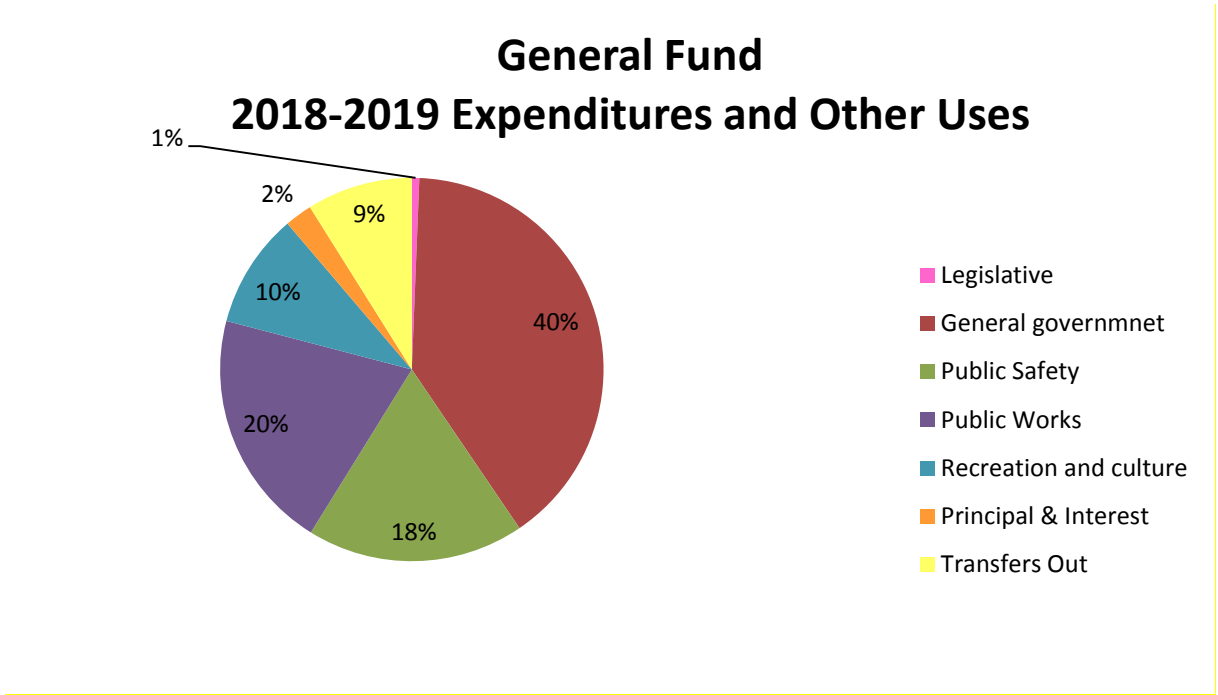
General Fund Revenues



General Fund Expenditures




General Fund
2018-2019 Revenues and Other Sources
4%
19%
6%
4%
67%
State shared sales tax
Property taxes
Contributions from locals
Charges for services
Other revenue


General Fund
2018-2019 Expenditures and Other Uses
1%
2%
9%
10%
40%
20%
18%
Legislative
General governmnet
Public Safety
Public Works
Recreation and culture
Principal & Interest
Transfers Out

GL NUMBER	DESCRIPTION	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
Dept 000.000				
ESTIMATED REVENUES				
101-000.000-402.000	CURRENT REAL PROPERTY TAX	1,919,000	1,919,000	2,029,400
101-000.000-424.000	MOBILE HOME TAX	500	500	500
101-000.000-446.000	INTEREST & PENALTIES: DELQ TAX	4,000	4,000	3,000
101-000.000-447.000	TAX COLLECTION FEES	73,500	73,500	75,000
101-000.000-450.000	BUSINESS LICENSE FEES	1,500	1,500	1,500
101-000.000-451.000	CATV FRANCHISE FEES	13,000	13,000	13,000
101-000.000-452.000	METRO ACT	5,000	6,660	5,000
101-000.000-478.000	BUILDING FEES	65,000	80,338	80,000
101-000.000-478.001	ROAD CUT FEES	100	100	100
101-000.000-478.002	PLANNING & ZONING FEES	4,000	4,000	5,000
101-000.000-478.003	RENTAL INSPECTION FEE	3,000	3,000	3,000
101-000.000-480.000	DPW- RESIDENT SERVICES	250	250	250
101-000.000-545.000	LAW ENFORCEMENT TRAINING	1,000	1,000	1,000
101-000.000-547.000	GRANTS: HWYS & STREETS(CO.)	130,000	149,794	135,000
101-000.000-573.000	LOCAL COMMUNITY STABILIZATION SHARE	0	34,865	35,000
101-000.000-574.000	STATE REVENUE: SALES TAX	120,000	120,000	109,000
101-000.000-579.000	STATE REVENUE: LIQUOR LICENSE	6,000	6,000	7,500
101-000.000-603.000	POLICE ADMINISTRATION FEE	20,000	20,000	0
101-000.000-656.000	ORDINANCE FINES - POLICE	7,000	7,000	7,000
101-000.000-656.001	ORDINANCE FINES - CIVIC	1,000	1,000	1,000
101-000.000-657.000	SAUGATUCK REIMB FOR POLICE	528,250	528,250	0
101-000.000-657.001	SAUGATUCK REIMBURSE SEASONAL	16,250	16,250	0
101-000.000-664.000	INTEREST INCOME	10,000	18,500	25,000
101-000.000-667.001	WADE'S BAYOU PARK RENTAL	1,500	1,500	2,000
101-000.000-675.000	OTHER REVENUE	5,000	5,000	5,000
101-000.000-675.002	OTHER REV - ELECTION REIMBUR	0	0	0
101-000.000-675.025	ROOTBEER BARREL STAVES	0	0	0
101-000.000-679.001	REIMBURSE FROM STATE	138,000	138,000	265,000
101-000.000-680.001	AWARD-SAUGATUCK TOWNSHIP	15,000	15,000	0
101-000.000-682.000	INSURANCE REIMBURSEMENTS	2,500	12,387	5,000
101-000.000-687.000	UNION ST RAMP	8,500	8,500	8,500
101-000.000-693.000	GAIN ON SALE OF DEPRECIABLE FIXED ASSETS	0	0	200,000
101-000.000-698.225	FROM DDA FUND-PROJECT REPAY	4,390	4,390	5,020
101-000.000-698.509	FROM SCHULTZ PARK-HARBOR	2,500	2,500	2,500
101-000.000-699.509	FROM SCHULTZ PARK-ADMIN OVERHE	2,000	2,000	2,000
TOTAL ESTIMATED REVENUES		3,107,740	3,197,784	3,031,270

GL NUMBER	DESCRIPTION	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
APPROPRIATIONS				
Dept 101.000 - LEGISLATIVE				
101-101.000-703.000	WAGES	8,400	8,400	8,500
101-101.000-722.000	WORKERS COMPENSATION	25	25	50
101-101.000-725.000	TRAINING FUNDS	1,000	1,000	2,000
101-101.000-725.002	MISCELLANEOUS TRAVEL EXPENSES	650	650	2,000
101-101.000-740.000	SUPPLIES	500	500	750
101-101.000-740.005	SUPPLIES - RECEPTIONS	500	500	500
101-101.000-861.000	MILEAGE REIMBURSEMENT	350	350	500
101-101.000-862.000	RECORDING CLERK	200	200	200
101-101.000-864.000	POSTAGE	0	0	50
101-101.000-900.000	PRINTING & PUBLISHING	2,500	2,500	2,500
101-101.000-908.000	DUES/FEES/PUBLICATIONS	1,000	1,000	1,000
101-101.000-955.000	COUNCIL EXPENSE	1,000	1,000	1,000
Totals for dept 101.000-LEGISLATIVE		16,125	16,125	19,050
Dept 170.000 - MANAGER				
101-170.000-702.000	SALARIES	84,000	84,000	88,270
101-170.000-719.000	INSURANCE BENEFITS	28,700	28,700	30,600
101-170.000-720.000	PAYROLL TAXES	6,750	6,750	7,104
101-170.000-721.000	MERS BENEFITS	9,960	9,960	10,592
101-170.000-721.001	457 CONTRIBUTION	16,600	16,600	17,654
101-170.000-722.000	WORKERS COMPENSATION	175	175	200
101-170.000-725.000	TRAINING FUNDS	1,250	1,250	1,500
101-170.000-725.002	MISCELLANEOUS TRAVEL EXPENSES	1,250	1,250	1,500
101-170.000-740.000	SUPPLIES	500	500	500
101-170.000-802.006	EMPLOYMENT SCREENING	0	0	2,000
101-170.000-851.000	TELEPHONE	1,200	1,200	1,200
101-170.000-861.000	MILEAGE REIMBURSEMENT	4,800	4,800	4,800
101-170.000-863.000	MEETINGS	1,000	1,000	1,000
101-170.000-900.000	PRINTING & PUBLISHING	0	0	500
101-170.000-908.000	DUES/FEES/PUBLICATIONS	750	750	750
101-170.000-910.000	RELOCATION EXPENSES	0	0	2,000
Totals for dept 170.000-MANAGER		156,935	156,935	170,170
Dept 180.000 - ASSESSING				
101-180.000-740.000	SUPPLIES	1,750	1,750	500
101-180.000-802.000	CONTRACTUAL	800	800	800
101-180.000-802.005	WEB SITE- BS&A	1,000	1,000	1,000

GL NUMBER	DESCRIPTION	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
101-180.000-803.000	CONTRACTUAL CONSULTANT	48,456	48,456	49,425
101-180.000-807.000	BOARD OF REVIEW	1,000	1,000	1,000
101-180.000-864.000	POSTAGE	1,000	1,000	1,000
101-180.000-900.000	PRINTING & PUBLISHING	1,100	1,100	1,100
Totals for dept 180.000-ASSESSING		55,106	55,106	54,825
Dept 191.000 - ELECTION				
101-191.000-703.000	WAGES	3,700	3,700	3,000
101-191.000-726.000	EXPENSES	1,500	1,500	1,000
101-191.000-740.000	SUPPLIES	3,700	3,700	1,000
101-191.000-802.000	CONTRACTUAL	1,150	1,150	500
101-191.000-864.000	POSTAGE	100	100	100
101-191.000-900.000	PRINTING & PUBLISHING	500	500	500
Totals for dept 191.000-ELECTION		10,650	10,650	6,100
Dept 210.000 - ATTORNEY				
101-210.000-801.000	CONTRACTUAL ATTORNEY	30,000	21,618	30,000
Totals for dept 210.000-ATTORNEY		30,000	21,618	30,000
Dept 214.000 - AUDITOR				
101-214.000-802.000	CONTRACTUAL	8,900	8,900	9,000
101-214.000-803.000	CONTRACTUAL CONSULTANT	0	0	2,500
Totals for dept 214.000-AUDITOR		8,900	8,900	11,500
Dept 260.000 - CLERK/TREASURER				
101-260.000-702.000	SALARIES	169,000	169,000	171,129
101-260.000-719.000	INSURANCE BENEFITS	63,500	63,500	77,885
101-260.000-720.000	PAYROLL TAXES	14,500	14,500	14,500
101-260.000-721.000	MERS BENEFITS	28,750	28,750	27,300
101-260.000-722.000	WORKERS COMPENSATION	350	350	400
101-260.000-725.000	TRAINING FUNDS	1,500	1,500	1,500
101-260.000-725.002	MISCELLANEOUS TRAVEL EXPENSES	2,500	2,500	2,000
101-260.000-740.000	SUPPLIES	4,000	4,000	3,000
101-260.000-802.000	CONTRACTUAL	14,000	14,000	10,000
101-260.000-802.005	WEB SITE- BS&A	2,000	2,000	1,000
101-260.000-802.009	CONTRACTUAL FINANCIAL CONSULT	0	0	0
101-260.000-806.006	WEBSITE-CITY	2,500	2,500	1,555
101-260.000-851.000	TELEPHONE	1,000	1,000	1,200
101-260.000-861.000	MILEAGE REIMBURSEMENT	750	750	750
101-260.000-864.000	POSTAGE	3,500	3,500	3,500
101-260.000-900.000	PRINTING & PUBLISHING	5,000	5,000	5,000

GL NUMBER	DESCRIPTION	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
Dept 265.000 - BUILDING & GROUNDS				
101-265.000-703.000	WAGES	12,100	18,350	23,923
101-265.000-719.000	INSURANCE BENEFITS	4,900	6,600	10,396
101-265.000-720.000	PAYROLL TAXES	1,025	1,625	2,006
101-265.000-721.000	MERS BENEFITS	1,900	3,700	2,756
101-265.000-722.000	WORKERS COMPENSATION	450	450	500
101-265.000-740.000	SUPPLIES	4,000	4,000	4,000
101-265.000-802.000	CONTRACTUAL	10,000	11,650	10,000
101-265.000-851.000	TELEPHONE	4,000	4,000	4,000
101-265.000-922.000	UTILITIES	14,000	14,000	12,000
101-265.000-930.000	REPAIRS & MAINTENANCE: GENERAL	5,000	5,000	5,000
101-265.000-941.001	EQUIPMENT RENT-EQUIPMENT FUND	7,500	35,000	35,000
101-265.000-942.000	LEASE- COPIER	4,000	4,000	5,000
101-265.000-960.000	MISCELLANEOUS	0	0	200
101-265.000-979.000	CAPITAL OUTLAY	0	52,465	200,000
Totals for dept 265.000-BUILDINGS & GROUNDS		68,875	160,840	314,781
Dept 301.000 - POLICE				
101-301.000-702.000	SALARIES	68,100	68,700	69,361
101-301.000-703.000	WAGES	368,000	376,500	162,874
101-301.000-704.000	WAGES - PARTTIME	40,000	72,000	30,000
101-301.000-705.000	WAGES - OVERTIME	40,000	57,500	17,305
101-301.000-706.001	WAGES-SAUGATUCK/3RD CAR	10,000	10,000	0
101-301.000-706.002	WAGES-SAUGATUCK/OVAL BEACH	5,000	5,000	0
101-301.000-709.000	WAGES - OFFICE	42,500	42,500	42,986
101-301.000-713.000	HOLIDAY/SICK PAY REIMB	31,000	46,000	14,390
101-301.000-719.000	INSURANCE BENEFITS	154,000	133,000	67,414
101-301.000-720.000	PAYROLL TAXES	45,000	56,500	23,160
101-301.000-721.000	MERS BENEFITS	57,000	74,200	37,681
101-301.000-722.000	WORKERS COMPENSATION	10,000	10,000	5,000
101-301.000-725.000	TRAINING FUNDS	2,000	0	1,000
101-301.000-725.001	TRAINING FUNDS - ACT 302	2,000	2,000	1,000
101-301.000-725.002	MISCELLANEOUS TRAVEL EXPENSES	250	250	250
101-301.000-740.000	SUPPLIES	5,000	5,000	2,500
101-301.000-750.000	UNIFORMS	4,500	4,500	2,250
101-301.000-750.001	UNIFORMS - SAUGATUCK	750	1,975	0

GL NUMBER	DESCRIPTION	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
101-301.000-801.000	CONTRACTUAL ATTORNEY	5,000	10,500	5,000
101-301.000-801.003	CONTRACTUAL ATTORNEY PROSECUTE	15,000	8,000	5,000
101-301.000-802.000	CONTRACTUAL	7,500	7,500	6,500
101-301.000-810.001	ATTORNEY-GENERAL MATTERS	0	750	750
101-301.000-851.000	TELEPHONE	5,000	5,000	3,500
101-301.000-860.000	GAS & OIL	20,000	23,500	10,000
101-301.000-861.000	MILEAGE REIMBURSEMENT	100	100	100
101-301.000-864.000	POSTAGE	400	400	200
101-301.000-900.000	PRINTING & PUBLISHING	250	250	250
101-301.000-908.000	DUES/FEES/PUBLICATIONS	200	200	200
101-301.000-913.000	INSURANCE (LIABILITY/AUTO)	27,500	25,700	15,000
101-301.000-922.000	UTILITIES	11,000	7,000	7,500
101-301.000-930.000	REPAIRS & MAINTENANCE: GENERAL	2,500	2,500	3,000
101-301.000-930.004	VEHICLE MAINTENANCE & REPAIRS	16,000	16,000	10,000
101-301.000-942.000	LEASE- COPIER	2,200	3,650	3,600
101-301.000-960.000	MISCELLANEOUS	0	2,500	100
101-301.000-977.000	EQUIPMENT	7,500	7,500	7,500
101-301.000-979.005	VECHICLE PURCHASE-NON-LEASE	35,000	0	0
Totals for dept 301.000-POLICE		1,040,250	1,086,675	555,371
Dept 401.000 - PLANNING & ZONING				
101-401.000-702.000	SALARIES	61,000	61,000	62,144
101-401.000-703.000	WAGES	4,000	4,000	4,000
101-401.000-719.000	INSURANCE BENEFITS	15,250	15,250	16,709
101-401.000-720.000	PAYROLL TAXES	5,100	5,100	5,105
101-401.000-721.000	MERS BENEFITS	10,800	10,800	11,180
101-401.000-722.000	WORKERS COMPENSATION	115	115	150
101-401.000-725.000	TRAINING FUNDS	1,000	1,000	1,000
101-401.000-725.002	MISCELLANEOUS TRAVEL EXPENSES	600	600	600
101-401.000-740.000	SUPPLIES	500	500	750
101-401.000-801.000	CONTRACTUAL ATTORNEY	20,000	20,000	20,000
101-401.000-802.000	CONTRACTUAL	16,500	16,500	15,000
101-401.000-802.005	WEB SITE- BS&A	750	750	750
101-401.000-803.000	CONTRACTUAL CONSULTANT	45,000	0	45,000
101-401.000-804.000	CONTRACTUAL BUILDING INSPECTIO	60,000	77,000	65,000
101-401.000-806.000	CONTRACTUAL ENGINEERING	30,000	51,000	10,000
101-401.000-861.000	MILEAGE REIMBURSEMENT	250	250	500
101-401.000-862.000	RECORDING CLERK	1,600	1,600	1,600
101-401.000-864.000	POSTAGE	50	50	50

GL NUMBER	DESCRIPTION	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
101-401.000-900.000	PRINTING & PUBLISHING	750	750	750
101-401.000-908.000	DUES/FEES/PUBLICATIONS	750	750	750
101-401.000-977.000	EQUIPMENT	250	250	250
101-401.000-977.005	COMPUTER SOFTWARE	5,000	5,000	5,000
Totals for dept 401.000-PLANNING & ZONING		279,265	272,265	266,288
Dept 463.000 - GENERAL STREETS & R.O.W.				
101-463.000-703.000	WAGES	73,000	91,300	83,730
101-463.000-706.000	WAGES - SEASONAL	500	500	500
101-463.000-719.000	INSURANCE BENEFITS	32,500	39,150	36,386
101-463.000-720.000	PAYROLL TAXES	6,300	8,000	7,020
101-463.000-721.000	MERS BENEFITS	11,000	12,500	9,647
101-463.000-722.000	WORKERS COMPENSATION	2,600	2,600	2,500
101-463.000-740.000	SUPPLIES	4,500	7,900	7,000
101-463.000-740.002	EXTERIOR SUPPLIES	1,000	1,000	1,000
101-463.000-740.003	BANNERS	10,000	10,000	3,000
101-463.000-740.004	BENCHES	1,000	1,000	1,000
101-463.000-741.000	PLANTING MATERIALS	2,500	2,500	2,500
101-463.000-750.000	UNIFORMS	2,750	2,750	2,750
101-463.000-802.000	CONTRACTUAL	10,000	10,000	10,000
101-463.000-802.002	CONTRACTUAL-SIDEWALK PLOWING	10,000	5,700	10,000
101-463.000-802.003	CONTRACTUAL- REFUSE	3,500	3,500	3,500
101-463.000-802.007	LANDSCAPING SERVICES	3,500	3,500	3,500
101-463.000-802.010	CONTRACTUAL FORESTRY	25,000	10,000	20,000
101-463.000-806.000	CONTRACTUAL ENGINEERING	2,000	2,000	15,000
101-463.000-851.000	TELEPHONE	2,500	4,325	4,500
101-463.000-861.000	MILEAGE REIMBURSEMENT	150	150	150
101-463.000-900.000	PRINTING & PUBLISHING	300	300	300
101-463.000-908.000	DUES/FEES/PUBLICATIONS	500	500	500
101-463.000-922.000	UTILITIES	7,500	7,500	7,500
101-463.000-925.000	STREET LIGHTS	22,000	22,000	22,500
101-463.000-930.000	REPAIRS & MAINTENANCE: GENERAL	0	0	100
101-463.000-941.001	EQUIPMENT RENT-EQUIPMENT FUND	42,500	70,000	50,000
101-463.000-979.000	CAPITAL OUTLAY	175,500	75,500	271,000
101-463.000-979.011	CAPITAL OUTLAY-DRAINS	35,100	41,073	38,163
Totals for dept 401.000-GENERAL STREETS & R.O.W.		487,700	435,248	613,746
Dept 751.000 - PARKS & RECREATION				
101-751.000-703.000	WAGES	24,500	35,000	23,923
101-751.000-706.000	WAGES - SEASONAL	5,000	5,000	5,000
101-751.000-713.000	HOLIDAY/SICK PAY REIMB	0	500	500
101-751.000-719.000	INSURANCE BENEFITS	10,000	13,400	10,396
101-751.000-720.000	PAYROLL TAXES	2,500	3,200	2,006

GL NUMBER	DESCRIPTION	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
101-751.000-721.000	MERS BENEFITS	3,700	5,900	2,756
101-751.000-722.000	WORKERS COMPENSATION	600	600	600
101-751.000-740.000	SUPPLIES	10,000	10,000	10,000
101-751.000-741.000	PLANTING MATERIALS	600	600	600
101-751.000-802.000	CONTRACTUAL	6,500	6,500	6,500
101-751.000-802.007	LANDSCAPING SERVICES	7,000	7,000	7,000
101-751.000-809.000	SAUGATUCK TWP CEMETERY MAINT	7,500	7,500	7,500
101-751.000-900.000	PRINTING & PUBLISHING	750	750	750
101-751.000-922.000	UTILITIES	13,000	13,000	13,000
101-751.000-929.000	UNION REPAIRS & MAINTENANCE	2,000	2,000	2,000
101-751.000-930.000	REPAIRS & MAINTENANCE: GENERAL	1,000	2,000	1,000
101-751.000-941.001	EQUIPMENT RENT-EQUIPMENT FUND	16,000	32,000	16,000
101-751.000-977.000	EQUIPMENT	500	500	500
101-751.000-979.000	CAPITAL OUTLAY	185,000	160,000	183,600
Totals for dept 751.000-PARKS & RECREATION		296,150	305,450	293,631
Dept 850.000 - INSURANCE & BONDS				
101-850.000-958.000	MISCELLANEOUS	27,500	27,500	15,000
Totals for dept 850.000-INSURANCE & BONDS		27,500	27,500	15,000
Dept 880.000 - COMMUNITY PROMOTIONS				
101-880.000-960.000	MISCELLANEOUS	5,000	5,000	5,000
Totals for dept 880.000-COMMUNITY PROMOTIONS		5,000	5,000	5,000
Dept 915.000 - DEBT SERVICE				
101-915.000-991.000	PRINCIPAL	65,600	65,600	65,530
101-915.000-995.000	INTEREST	3,650	3,650	3,646
101-915.000-995.001	CAPITAL IMPROV. BOND INTEREST	915	915	913
Totals for dept 915.000-DEBT SERVICE		70,165	70,165	70,089
Dept 966.000 - TRANSFERS OUT				
101-966.000-999.202	TRANSFER TO MAJOR STREET	140,000	140,000	132,500
101-966.000-999.203	TRANSFER TO LOCAL STREET	145,000	145,000	137,500
101-966.000-999.244	HARBOR AUTHORITY	7,700	7,700	500
101-966.000-999.410	BLUE STAR BRIDGE FUND	50	50	0
Totals for dept 966.000-TRANSFERS OUT		292,700	292,750	270,500
ESTIMATED REVENUES - FUND 101		3,107,740	3,197,784	3,031,270
APPROPRIATIONS - FUND 101		3,160,421	3,244,927	3,031,270
NET OF REVENUES/APPROPRIATIONS - FUND 101		(52,681)	(47,143)	0

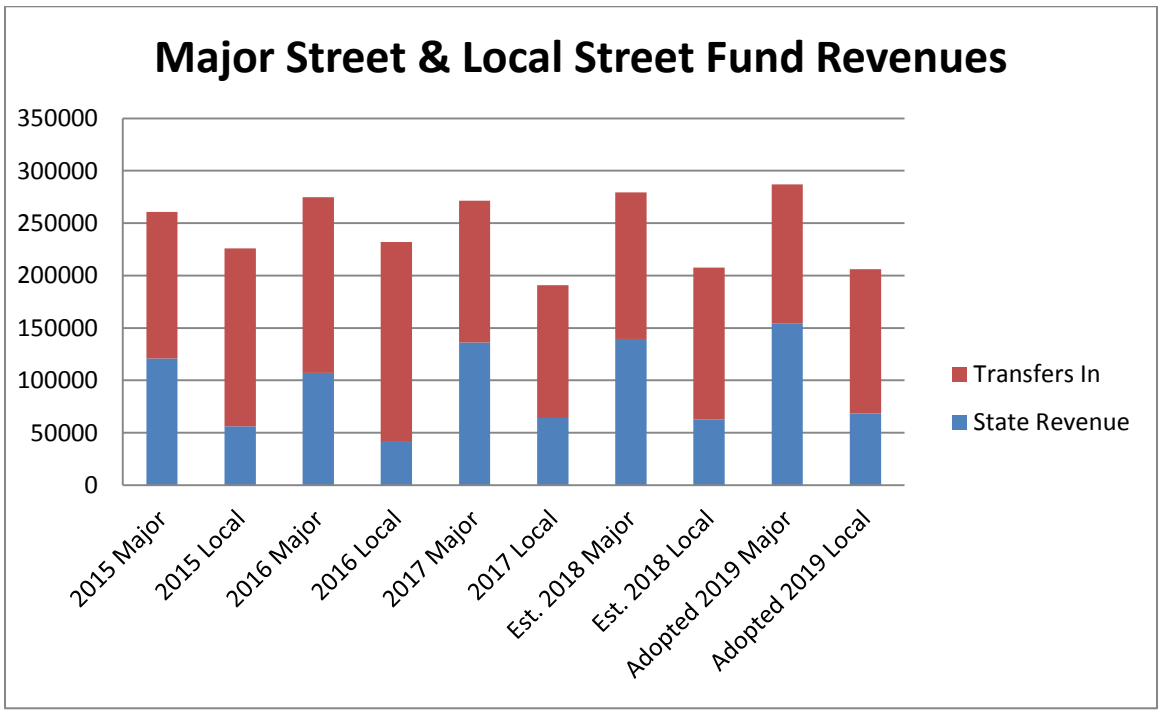
Special Revenue Funds

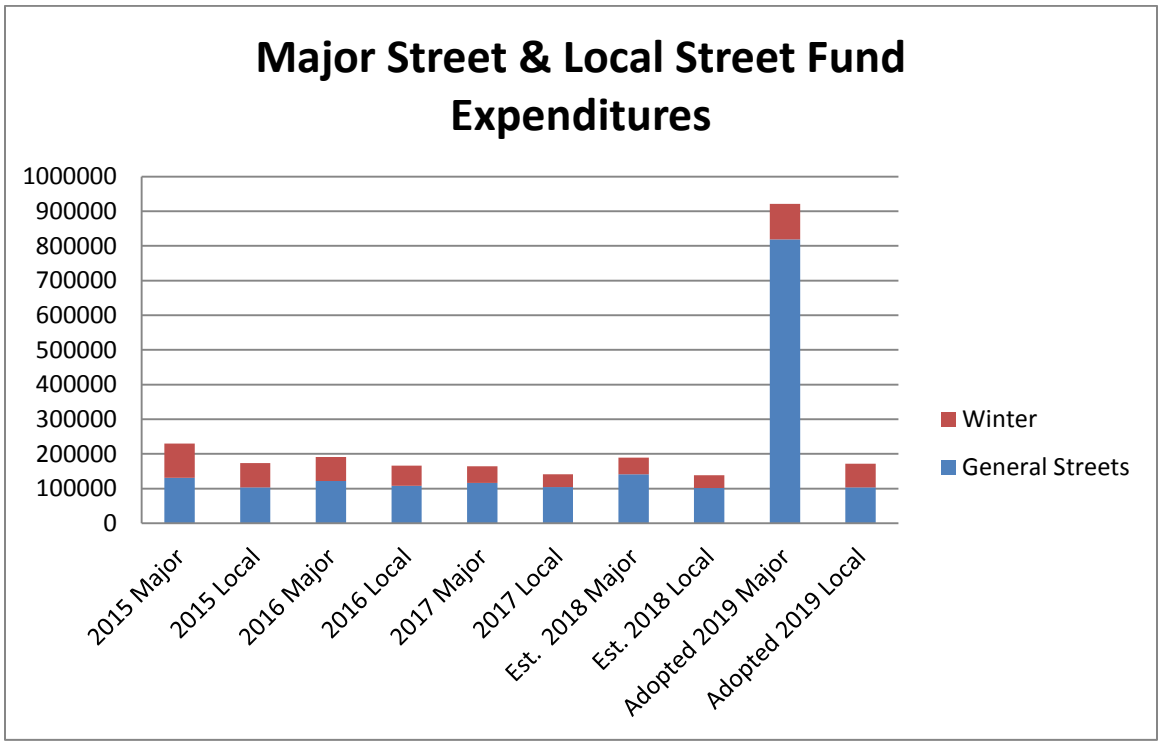
Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures made for specific purposes. The City's special revenue funds are:

- Major Street Fund (202)
- Local Street Fund (203)
- Schultz Park Launch Ramp Fund (509)
- Water & Sewer Fund (650)

The Major Street Fund and the Local Street Fund receive revenue from the state through Public Act 51 which uses a formula to share gas and weight taxes to governmental entities at the state, county and local levels. The revenue received from Act 51 only covers about one-third of the operating costs in each of these two funds. The rest of the expenditures are covered by a transfer from the General Fund. These two funds account for the repairs and maintenance of the city streets and sidewalks including snowplowing.

During the 2015-2016 Fiscal Year the City contracted with Prein & Newhoff to conduct a PASER (Pavement Surface Evaluation and Rating) Study of all the City's streets. All the of the City's road information was then uploaded into the RoadSoft program. The program predicts deterioration and determines the correct fix and timing of fixes to ensure the most effective use of the City's tax dollars on street asset management.


Major Street & Local Street Fund Revenues
350000
300000
250000
200000
150000
100000
50000
0
2015 Major
2015 Local
2016 Major
2016 Local
2017 Major
2017 Local
Est. 2018 Major
Est. 2018 Local
Adopted 2019 Major
Adopted 2019 Local
Transfers In
State Revenue


Major Street & Local Street Fund Expenditures
1000000
900000
800000
700000
600000
500000
400000
300000
200000
100000
0
2015 Major
2015 Local
2016 Major
2016 Local
2017 Major
2017 Local
Est. 2018 Major
Est. 2018 Local
Adopted 2019 Major
Adopted 2019 Local
Winter
General Streets

Fund 202 - MAJOR STREET FUND		2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
GL NUMBER	DESCRIPTION			
Dept 000.000				
EST REVENUES				
202-000.000-546.000	STATE GRANT: ACT 51	122,000	122,000	137,000
202-000.000-546.001	SNOW REMOVAL	17,500	17,500	17,500
202-000.000-699.101	TRANSFER IN - GENERAL FUND	140,000	140,000	132,500
TOTAL ESTIMATED REVENUES		279,500	279,500	287,000
Dept 463.000 - GENERAL STREETS & ROW				
APPROPRIATIONS				
202-463.000-703.000	WAGES	46,500	36,500	45,500
202-463.000-706.000	WAGES - SEASONAL	300	300	300
202-463.000-719.000	INSURANCE BENEFITS	19,000	13,000	19,753
202-463.000-720.000	PAYROLL TAXES	3,900	3,900	3,811
202-463.000-721.000	MERS BENEFITS	7,000	7,000	5,237
202-463.000-722.000	WORKERS COMPENSATION	2,600	2,600	2,600
202-463.000-727.000	TRAFFIC SIGNS & SERVICES	1,500	1,500	1,500
202-463.000-740.000	SUPPLIES	3,000	4,000	3,299
202-463.000-802.000	CONTRACTUAL	2,500	45,837	2,500
202-463.000-806.000	CONTRACTUAL ENGINEERING	1,000	53,116	10,000
202-463.000-930.000	REPAIRS & MAINTENANCE: GENERAL	300,000	631,000	40,000
202-463.000-941.001	EQUIPMENT RENT-EQUIPMENT FUND	20,000	20,000	16,000
TOTAL APPROPRIATIONS		407,300	818,753	150,500
Dept 464.000 - GENERAL STREETS WINTER & ROW				
APPROPRIATIONS				
202-464.000-703.000	WAGES	24,400	19,400	12,000
202-464.000-719.000	INSURANCE BENEFITS	10,000	7,000	5,200
202-464.000-720.000	PAYROLL TAXES	2,050	2,050	1,003
202-464.000-721.000	MERS BENEFITS	3,650	3,650	1,378
202-464.000-722.000	WORKERS COMPENSATION	870	870	870
202-464.000-740.001	SNOW AND ICE REMOVAL SUPPLIES	10,000	5,500	10,000
202-464.000-802.002	CONTRACTUAL-SIDEWALK PLOWING	15,000	24,100	15,000
202-464.000-941.001	EQUIPMENT RENT-EQUIPMENT FUND	30,000	39,700	40,000
TOTAL APPROPRIATIONS		95,970	102,270	85,451
ESTIMATED REVENUES - FUND 202		279,500	279,500	287,000
APPROPRIATIONS - FUND 202		503,270	503,270	235,951
NET OF REVENUES/APPROPRIATIONS - FUND 202		(223,770)	(223,770)	51,049

Fund 203 - LOCAL STREETS FUND		2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2018-19 ADOPTED BUDGET
GL NUMBER	DESCRIPTION			
Dept 000.000				
EST REVENUES				
203-000.000-546.000	STATE GRANT: ACT 51	50,000	50,000	56,000
203-000.000-546.001	SNOW REMOVAL	12,500	12,500	12,500
203-000.000-699.203	TRANSFER IN-GENERAL FUND	145,000	145,000	137,500
TOTAL ESTIMATED REVENUES		207,500	207,500	206,000
Dept 463.000 - GENERAL STREETS & ROW				
APPROPRIATIONS				
203-463.000-703.000	WAGES	41,500	41,500	41,000
203-463.000-706.000	WAGES - SEASONAL	500	500	500
203-463.000-719.000	INSURANCE BENEFITS	17,000	17,000	17,674
203-463.000-720.000	PAYROLL TAXES	3,500	3,500	3,410
203-463.000-721.000	MERS BENEFITS	6,200	6,200	4,686
203-463.000-722.000	WORKERS COMPENSATION	2,100	2,100	2,100
203-463.000-727.000	TRAFFIC SIGNS & SERVICES	400	400	400
203-463.000-740.000	SUPPLIES	1,000	1,000	1,000
203-463.000-802.000	CONTRACTUAL			500
203-463.000-806.000	CONTRACTUAL ENGINEERING	1,000	1,000	5,000
203-463.000-930.000	REPAIRS & MAINTENANCE: GENERAL	10,000	10,000	45,000
203-463.000-941.001	EQUIPMENT RENT-EQUIPMENT FUND	20,000	20,000	20,000
TOTAL APPROPRIATIONS		103,200	103,200	141,270
Dept 464.000 - GENERAL STREETS WINTER & ROW				
APPROPRIATIONS				
203-464.000-703.000	WAGES	19,500	19,500	7,200
203-464.000-719.000	INSURANCE BENEFITS	8,000	8,000	3,119
203-464.000-720.000	PAYROLL TAXES	1,700	1,700	602
203-464.000-721.000	MERS BENEFITS	3,000	3,000	827
203-464.000-722.000	WORKERS COMPENSATION	775	775	775
203-464.000-740.000	SUPPLIES	300	300	300
203-464.000-740.001	SNOW AND ICE REMOVAL SUPPLIES	10,000	10,000	10,000
203-464.000-941.001	EQUIPMENT RENT-EQUIPMENT FUND	25,000	25,000	25,000
TOTAL APPROPRIATIONS		68,275	68,275	47,823
ESTIMATED REVENUES - FUND 203		207,500	207,500	206,000
APPROPRIATIONS - FUND 203		171,475	171,475	189,093
NET OF REVENUES/APPROPRIATIONS - FUND 203		36,025	36,025	16,907

CITY AND VILLAGE ESTIMATED AVERAGE UNIT VALUES
FOR THE PERIOD OF 10/2018 - 9/2019
ERFD Revenue Estimate of 02/07/2018 including $150 million income tax increase
Includes Local Road Program

$550,090,495
NET DISTRIBUTION
CITIES AND VILLAGES

$412,567,872
75% TO MAJOR STREETS

$247,540,723 / 5,091,876 = $48.61
60% ON POPULATION / POPULATION AS OF 12/31/17 = PER CAPITA

$165,027,149 / 11,796.608 = $13,989
40% ON MILEAGE / E.M.M. MILEAGE AS OF 12/31/17 = PER MILE

$137,522,624
25% TO LOCAL STREETS

$82,513,574 / 5,091,876 = $16.20
60% ON POPULATION / POPULATION AS OF 12/31/17 = PER CAPITA

$55,009,050 / 14,914.75 = $3,688
40% ON MILEAGE / LOCAL MILEAGE AS OF 12/31/17 = PER MILE

POPULATION FACTORS (PF) FOR CITIES AND VILLAGES

1.0 for population of 2,000 or less.
1.1 for population from 2,001 to 10,000.
1.2 for population from 10,001 to 20,000.
1.3 for population from 20,001 to 30,000.
1.4 for population from 30,001 to 40,000.
1.5 for population from 40,001 to 50,000.
1.6 for population from 50,001 to 65,000.
1.7 for population from 65,001 to 80,000.
1.8 for population from 80,001 to 95,000.
1.9 for population from 95,001 to 160,000.
2.0 for population from 160,001 to 320,000.
Over 320,000, 2.1 plus 0.1 for each 160,000 increment over 320,000.

* NOTE: 25,000 and over receive monies for trunkline.

ESTIMATING FORMAT

FACTOR	UNITS		PF		UNIT VALUE		SHARE
MAJOR STREETS: POPULATION	1,232			x	$48.61	=	$59,893
MAJOR MILES	5.50	x	1.0	x	$13,989	=	$76,942
* 2 x TRUNKLINE MILES		x		x	$13,989	=	$0
LOCAL STREETS: POPULATION	1,232			x	$16.20	=	$19,964
LOCAL MILES	10.57			x	$3,688	=	$38,985
					TOTAL SHARE		$195,784

Schultz Park Launch Ramp Fund (509)

The Schultz Park Launch Ramp Fund receives revenue from the launch fees and requires the revenues to be spent on the repairs and maintenance of the launch ramp and its facilities. The City of Douglas received a grant for the launch ramp which requires the city to account for the monies received in a special revenue fund. The grant also states that the ramp fees need to be the same for residents and non-residents. This is why there is no season pass for this ramp like the Union St. Boat Launch.

Water and Sewer Revolving Fund (650)

The Water and Sewer Fund collects revenue from connection fees for water and sewer connections and pays for repairs on the city's water and sewer system. The City of the Village of Douglas collaborates with the Kalamazoo Lake Sewer & Water Authority to administer the day to day activities of the sewer and water system.

Fund 509 - SCHULTZ PARK LAUNCH RAMP		2017-18	2017-18	2018-19
		ORIGINAL	AMENDED	ADOPTED
GL NUMBER	DESCRIPTION	BUDGET	BUDGET	BUDGET
Dept 000.000				
EST REVENUES				
509-000.000-476.000	LAUNCH FEES	12,000	12,000	15,000
509-000.000-664.000	INTEREST INCOME	300	300	100
TOTAL ESTIMATED REVENUES		12,300	12,300	15,100
Dept 750.000 - LAUNCH RAMPS				
APPROPRIATIONS				
509-750.000-703.000	WAGES	2,500	2,500	2,500
509-750.000-719.000	INSURANCE BENEFITS	1,000	1,000	1,040
509-750.000-720.000	PAYROLL TAXES	210	210	201
509-750.000-721.000	MERS BENEFITS	370	370	276
509-750.000-922.000	UTILITIES	600	600	600
509-750.000-930.000	REPAIRS & MAINTENANCE: GENERAL	250	250	250
509-750.000-961.000	MISCELLANEOUS	800	800	800
TOTAL APPROPRIATIONS		5,730	5,730	5,667
Dept 966.000 - TRANSFERS OUT				
509-966.000-999.101	TRANSFER TO GEN FUND-ADMIN OVH	2,000	2,000	2,000
509-966.000-999.102	TRANSFER OUT-GENERAL FUND PARKS	2,500	2,500	2,500
TOTAL APPROPRIATIONS		4,500	4,500	4,500
ESTIMATED REVENUES - FUND 509		12,300	12,300	15,100
APPROPRIATIONS - FUND 509		10,230	10,230	10,167
NET OF REVENUES/APPROPRIATIONS - FUND 509		2,070	2,070	4,933

Fund 650 - WATER & SEWER FUND		2017-18	2017-18	2018-19
		ORIGINAL	AMENDED	ADOPTED
GL NUMBER	DESCRIPTION	BUDGET	BUDGET	BUDGET
Dept 000.000				
ESTIMATED REVENUES				
650-000.000-601.000	CONNECTION FEES, SEWER	25,000	25,000	25,000
650-000.000-602.000	CONNECTION FEES, WATER	20,000	20,000	20,000
650-000.000-664.000	INTEREST INCOME	250	250	250
TOTAL ESTIMATED REVENUES		45,250	45,250	45,250
APPROPRIATIONS				
650-000.000-806.000	CONTRACTUAL ENGINEERING			
TOTAL APPROPRIATIONS				
NET OF REVENUES/APPROPRIATIONS - 000.000 -		45,250	45,250	45,250
ESTIMATED REVENUES - FUND 650		45,250	45,250	45,250
APPROPRIATIONS - FUND 650				
NET OF REVENUES/APPROPRIATIONS - FUND 650		45,250	45,250	45,250

Other Funds

Internal Service Funds

Equipment Rental Fund (660)

The City uses the Equipment Rental Fund to charge rent to the different Public Works Departments for time using equipment in the different locations throughout the city. The City purchases new equipment and vehicles through this fund and plans for equipment purchases with a five year Capital & Equipment Purchasing Plan. The Equipment Rental Fund expenses repairs, maintenance, depreciation and gas for the vehicles and equipment purchased from this fund.

Internal Service Funds are proprietary funds and are accounted for with a full accrual basis which follows FASB (Financial Accounting Standards Board) standards instead of GASB (Governmental Accounting Standards Board). Internal Service Funds are to be accounted for differently than the General Fund and Special Revenue Funds because their economic factors are different meaning they activities should be accounted for like a standard for-profit business and not a governmental entity.

For the 2017-2018 fiscal budget the City has budgeted $60,000 for a street sweeper and $35,000 for a new tractor with mower. As part of the five year capital equipment plan the City budgeted reserving $40,000 in 2015-2016, $40,000 in 2016-2017 and $30,000 in 2017-2018 for the purchase of this new plow truck in the fiscal year 2018-2019.

Fund 660 - EQUIPMENT RENTAL FUND		2017-18	2017-18	2018-19
		ORIGINAL	AMENDED	ADOPTED
GL NUMBER	DESCRIPTION	BUDGET	BUDGET	BUDGET
Dept 000.000				
ESTIMATED REVENUES				
660-000.000-664.000	INTEREST INCOME	1,500	1,500	1,500
660-000.000-673.000	SALE OF EQUIPMENT	2,000	2,000	15,000
660-000.000-679.000	REIMBUR: MAJ & LOC ST-EQ RENT	95,000	95,000	100,000
660-000.000-679.101	EQUIP REINBURSE-GENERAL FUND	66,000	66,000	100,000
TOTAL ESTIMATED REVENUES		164,500	164,500	216,500
Dept 902.000 - DPW EQUIPMENT PURCHASES				
APPROPRIATIONS				
660-902.000-979.000	CAPITAL OUTLAY	100,000	100,000	230,000
TOTAL APPROPRIATIONS		100,000	100,000	230,000
Dept 903.000 - EQUIP. REPAIRS & MAINTENANCE				
APPROPRIATIONS				
660-903.000-860.000	GAS & OIL	16,000	16,000	16,000
660-903.000-930.004	VEHICLE MAINTENANCE & REPAIRS	16,000	16,000	16,000
TOTAL APPROPRIATIONS		32,000	32,000	32,000
ESTIMATED REVENUES - FUND 660		164,500	164,500	216,500
APPROPRIATIONS - FUND 660		132,000	132,000	262,000
NET OF REVENUES/APPROPRIATIONS - FUND 660		32,500	32,500	(45,500)

DPW Equipment needs 2018 - 2020

	Items	Cost	Reserve	Replaces
		2018-19		
Intl Workstar 7400	Dump Truck (Diesel) Scraper & Salter	$ 40,000	$ 150,000	2008 Int Workstar with Snow Plow Equip
	1 Ton with dump box	$ 40,000		2008 Ford F350 Dump box and plow
	Man Lift 50' Used	$ 16,000		
	Salt box stortage wagons	$ 8,000		
	10' snow scraper box	$ 6,000		
	Two post auto lift	$ 5,000		
	Storage Racks	$ 5,000		
		$ 120,000		
		2019-20		
Intl Workstar 7400	Dump Truck (Diesel) Scraper & Salter	$ 40,000	$ 40,000	
	Wheel Loader	$ 65,000		2009 Volvo Wheeloader
	2020 GMC ½ ton PICK UP	$ 20,000		2008 GMC ½ ton PICK UP
		$ 125,000		
		2020-21		
Intl Workstar 7400	Dump Truck (Diesel) Scraper & Salter	$ 40,000	$ 40,000	
	eXmark Zero-turn mower	$ 10,000		2014 eXmark Zero-turn mower
	2-Ton Asphalt Reycler	$ 10,500		2013 Falcon 1-Ton Asphalt Reycler
	ODB Leaf Collector	$ 50,000		2015 ODB Leaf Collector
		$ 110,500		

Component Units

Downtown Development Authority (225)

The Downtown Development Authority (DDA) is charged with developing the Douglas Downtown. The DDA captures a portion of property taxes to accomplish the goals and projects set forth in the Tax Increment Financing (TIF) Plan, which was established at the creation of DDA. The DDA board is comprised of the Mayor of Douglas and up to eight members appointed by the City council. The DDA budgeted half the costs for a speaker system for Downtown Douglas, the other half is budgeted for in the General Fund.

Harbor Authority (244)

The Harbor Authority is a joint venture between the City of the Village of Douglas and the City of Saugatuck. The Harbor Authority Fund accounts for all of the revenue and expenditures for the Harbor Authority including grants received and monies spent on engineering studies and this year the Harbor Authority has budgeted for hiring a consultant.

Fund 225 - DDA FUND		2017-18	2017-18	2018-19
		ORIGINAL	AMENDED	ADOPTED
GL NUMBER	DESCRIPTION	BUDGET	BUDGET	BUDGET
Dept 000.000				
ESTIMATED REVENUES				
225-000.000-417.000	TAX INCREMENT RECAPTURE	21,970	21,970	25,100
225-000.000-450.001	DOWNTOWN MERCHANT CONTRIBUTI	1,000	1,000	2,500
225-000.000-588.002	SOCIALS DONATIONS	11,000	11,000	9,000
225-000.000-634.001	HALLOWEEN SALES	6,500	6,500	7,000
225-000.000-634.002	DDA SMARTPHONE APP	50	50	1,000
225-000.000-642.004	HOLIDAY HOME TOUR TICKET SALES			3,000
225-000.000-664.000	INTEREST INCOME	350	350	350
TOTAL ESTIMATED REVENUES		40,870	40,870	47,950
Dept 728.000 - DOWNTOWN DEVELOPMENT AUTHORITY				
APPROPRIATIONS				
225-728.000-725.000	TRAINING FUNDS			1,000
225-728.000-725.003	DDA ADMINISTRATION	7,800	7,800	7,800
225-728.000-725.005	MI MAIN STREET TRAVEL	1,500	1,500	
225-728.000-726.002	SOCIALS	8,600	8,600	6,000
225-728.000-726.005	WEBSITE	200	200	200
225-728.000-726.006	PROMOTIONS/MARKETING			1,500
225-728.000-726.020	PROMOTIONS/EVENTS			1,000
225-728.000-726.021	PROMOTIONS/ MERCHANTS	3,780	3,780	5,000
225-728.000-731.000	HALLOWEEN EVENTS	6,500	6,500	7,000
225-728.000-732.000	HOLIDAY PREVIEW/ LIGHT EVENT	750	750	2,250
225-728.000-742.000	DDA SMARTPHONE APP	1,100	1,100	1,100
225-728.000-802.001	CONTRACTUAL-PLANNING STUDY			1,000
225-728.000-802.100	BUSINESS INCENTIVE PROGRAM	5,000	5,000	5,000
225-728.000-900.000	PRINTING & PUBLISHING	500	500	
225-728.000-908.000	DUES/FEES/PUBLICATIONS	300	300	300
TOTAL APPROPRIATIONS		36,030	36,030	39,150
Dept 966.000 - TRANSFERS OUT				
APPROPRIATIONS				
225-966.000-999.101	TRANSFER TO GEN FUND-ADMIN OVH	4,390	4,390	5,020
TOTAL APPROPRIATIONS		4,390	4,390	5,020
ESTIMATED REVENUES - FUND 225		40,870	40,870	47,950
APPROPRIATIONS - FUND 225		40,420	40,420	44,170
NET OF REVENUES/APPROPRIATIONS - FUND 225		450	450	3,780

Fund 244 - HARBOR AUTHORITY		2017-18	2017-18	2018-19
		ORIGINAL	AMENDED	ADOPTED
GL NUMBER	DESCRIPTION	BUDGET	BUDGET	BUDGET
Dept 000.000				
ESTIMATED REVENUES				
244-000.000-657.244	SAUGATUCK CONTRIBUTION HARBOR	7,700	7,700	500
244-000.000-699.244	TRANSFER IN FROM GF	7,700	7,700	500
TOTAL ESTIMATED REVENUES		15,400	15,400	1,000
Dept 790.000 - HARBOR				
APPROPRIATIONS				
244-790.000-740.000	SUPPLIES			
244-790.000-803.000	CONTRACTUAL CONSULTANT	14,400	14,400	
244-790.000-806.000	CONTRACTUAL ENGINEERING			
244-790.000-862.000	RECORDING CLERK	1,000	1,000	1,000
TOTAL APPROPRIATIONS		15,400	15,400	1,000
ESTIMATED REVENUES - FUND 244		15,400	15,400	1,000
APPROPRIATIONS - FUND 244		15,400	15,400	1,000
NET OF REVENUES/APPROPRIATIONS - FUND 244		0	0	0

Glossary of Budget and Finance Terms

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, this budget glossary has been included in the document.

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and Interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Cost center within a fund or department to which specific expenses are to be collected.

Ad Valorem: According to value. "A method of taxation using the value of the thing taxed to determine the amount of tax. Taxes can be either "ad valorem" or "specific". Example: A tax of $5.00 per $1,000.00 of value per house is "ad valorem". A tax of $5.00 per house (irrespective of value) is specific.

Appropriation: An authorization made the City Council, which permits officials to incur obligations against, and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Valuation: The estimated value placed upon real and personal property by the City's Assessor for the determination of property taxes. Assessed value is required to be at least 50% of the true cash value.

Assets: Property owned by the City, which has monetary value.

Audit: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal controls and is intended to ascertain whether financial statements fairly present financial positions and results of operations. The audit tests whether transactions have been legally performed; Identifies areas of possible improvements in accounting practices and procedures; Ascertains whether transactions have been recorded accurately and consistently; and Ascertains the stewardship of officials responsible for governmental resources.

Bond (Debt Instrument): A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at the specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital improvements.

Budget (Operating): A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). Also, the term is sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

Budget Calendar: The schedule of key dates or milestones that the City follows in preparation and adoption of the budget.

Budgetary Control: The level at which expenditures cannot legally exceed the appropriated amounts.

Budgeted Funds: Funds that are planned for certain uses. The budget document that is submitted for Council approval is composed of budgeted funds.

Budget Message (City Manager's): A general discussion of the proposed budget document presented in writing as a supplement to the budget document. The budget message explains principle budget issues against background of financial experience in recent years.

CAFR: Abbreviation for Comprehensive Annual Financial Report. This is prepared at the end of the fiscal year.

Capital Outlay: A disbursement of money which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than $3,000 and have a useful life of more than one year.

CIP: Abbreviation for Capital Improvement Plan.

Contingency: An estimated amount of funds needed for deficiency or emergency purposes. An annual appropriation to cover short falls in revenue and/or underestimation of expenditures. Under Michigan law, to be used, contingencies must be moved to the specific appropriation line by a budget amendment.

Contractual Services: Items of expenditures from services that the City receives from an outside company. Attorney services, engineering services and landscaping services are examples of contractual services.

CPI: Abbreviation for Consumer Price Index.

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Department: An administrative division of the City. Departments are the main groupings with the budget, for example City Manager, Planning & Zoning and Parks & Recreation.

Depreciation: A noncash expense that reduces the value of an asset as a result of wear and tear, age or obsolescence. Most assets lose their value over time and must be replaced at the end of their useful life.

Downtown Development Authority (DDA): Created by Public act 197 of 1975 to promote revitalization and development of existing business districts.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

Expenditure: The cost of goods delivered and services rendered, whether paid or unpaid.

Fiscal Year: A 12 month period to which the annual operating budget applies and at the end of which the City determines its financial position as a result of its operations. The fiscal year for the City of the Village of Douglas is July 1 – June 30.

Fund: An independent accounting entity established to account for the assets, liabilities, revenues and expenditures for specific activities. Examples include the General Fund for day-to-day activities, Major Street Funds for activities relating to major streets, etc.

Fund Balance: The excess of an entity's assets over liabilities. A negative fund balance is often called a deficit.

GAAP: Abbreviation for Generally Accepted Accounting Principles.

GASB: The Governmental Accounting Standards Board, which provides direction in accounting and reporting requirements for units of government.

General Fund: The largest fund within the City, the General Fund accounts for most of the day to day operations of the government, such as police protections, finance, public works,

parks and general administration. The main source of Revenue for the General Fund is the City's operating millage.

General obligation Bonds: When the City pledges its full faith and credit to the repayment of the bonds that it issues, those bonds are called general obligation (GO) bonds. Issuance of these bonds require an election and they are usually repaid by an ad valorem property tax levy.

GFOA: Abbreviation for governmental Finance Officers Association.

GIS: Abbreviation for Geographic Information System.

Internal Service Fund: A fund used to account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis.

Liabilities: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

Long Term Debt: Debt with a maturity of more than one year.

Maturities: The date on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

MERS: The Michigan Municipal Employees Retirement System is a multi-employer statewide public employee retirement plan created to provide retirement, survivor and disability benefits to local government employees.

Millage: A rate of taxation expressed as mills per dollar.

Modified Accrual Basis of Accounting: Basis of accounting to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for non-matured interest on general long-term debt and certain similar obligations which should be recognized when due.

Per Capita Basis: Per unit population.

Personnel Services: The expenditures within the budget that relate to personnel such as salaries and fringe benefits.

Revenue: An addition to the assets of a fund which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without corresponding increase in any other liability or decrease in assets, and does not represent a contribution of fund capital in an enterprise fund.

State Equalized Value (SEV): The assess valuation of property in the City, as determined by the City Assessor and then reviewed and adjusted, if necessary, by the County and the State, to assure that it equals 50% of market value as required by State law.

Special Assessments: Assessments levied on tax bills that are used to fund capital projects that benefit a limited number of properties. The assessments are usually used to repay bonds.

Special Revenue Fund: The fund used to account for the proceeds of specific revenue sources used to finance projects or activities such as the Special Events Fund.

Taxable Value: This is a value used as a base for levying property taxes. It was established by a state constitutional amendment. Taxable values may only be increased by 5% or the rate of inflation, whichever is lower. When property changes ownership, the value returns to 50% of the true cash value equal to the SEV.

Transfers In/Out: A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

Trust and Agency Funds: these funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments or other funds.