



2023-24 Budget Amendments

June 17, 2024

The Honorable Mayor North and
Members of the City Council:

Attached please find the recommended City budget amendment for all funds for the year ending June 30, 2024.

Michigan's Uniform Budgeting and Accounting Act, as amended by P.A 621 of 1978, requires subsequent amendments to the original adopted budget (General Appropriations Resolutions) for any function that exceeds its budget's appropriation.

General Fund Highlights

As I'm sure you are aware, interest rates have been significantly higher in the past two years than they were for the better part of the previous 15 years. In FY2023, interest income in the General Fund was approximately \$57,000. For FY2024, the City appropriately and conservatively budgeted \$0 for interest income with the expectation that any received would be a bonus. The attached amendment includes an increase to interest income of \$180,000. While we are not making a prediction, it is possible, perhaps probable, that interest rates will begin to decrease over this next year. For FY2025, the City has again budgeted \$0 for interest income. The actual revenue should provide additional coverage in the event other revenues fail to meet expectations or when unexpected expenditures invariably occur.

For expenditures, the General Fund amendments are a collection of "clean up" adjustments. In total, the amendment reduces General Fund expenditures by \$61,500. The individual department adjustments are a combination of reductions for unspent expenditures such as the update to the master plan that was postponed until FY2025 and some modest overages such as higher than expected equipment rental in the Building & Grounds department.

Altogether, the amendment to General Fund decreases the currently planned reduction to fund balance by \$241,500 (\$180,000 more revenue plus \$61,500 less expenditures). Absent the purchase of 415 Wiley, the General Fund would have achieved a significant surplus for the year.

Other Funds

The only fund with an amendment that reduces fund balance or net position is the Water and Sewer Fund. The original budgeted increase to the capital charge was more significant than what the City actually implemented. Some of this is just a timing issue. In addition, the potholing and lead service inventory projects funded by the DWAM grant will not be completed before June 30, 2024 and thus a portion of the reimbursement the City will receive from the State of Michigan will be pushed to FY2025.

In all other funds, this proposed budget amendment increases fund balance or net position as a result of spending less than budgeted.

We anticipate this is the final amendment to be presented to the Council for this fiscal year.

Recommended Motion:

I move to amend the City of the Village of Douglas 2023-2024 fiscal year budget to cover the anticipated activity for each of the funds in the attached summary of amendments.

Respectfully submitted,

Approved,

Your Plante Moran accounting team

Brian Camiller, CPA
Monika Fontaine, CPA



Lisa Nocerini
City Manager

The following are the proposed budget amendments by fund:

Fund	Proposed Amendment to Revenues	Proposed Amendment to Expenditures	Proposed Net Revenues Over/(Under) Expenditures
General Fund (101)	\$ 180,000 <i>increase</i>	\$ (61,500) <i>decrease</i>	\$ 241,500 Increase to fund balance
Major Streets (202)	\$ (10,500) <i>decrease</i>	\$ (45,500) <i>decrease</i>	\$ 35,000 Increase to fund balance
Local Streets (203)	\$ 13,500 <i>increase</i>	\$ (18,800) <i>decrease</i>	\$ 32,300 Increase to fund balance
Schultz Park Launch Ramp (213)	\$ - <i>no change</i>	\$ - <i>no change</i>	\$ -
Brownfield Redevelopment Authority (243)	\$ 4,715 <i>increase</i>	\$ (39,785) <i>decrease</i>	\$ 44,500 Increase to fund balance
Kalamazoo Harbor Authority (245)	\$ (14,000) <i>decrease</i>	\$ (15,000) <i>decrease</i>	\$ 1,000 Increase to fund balance
Downtown Development Authority (248)	\$ 15,500 <i>increase</i>	\$ - <i>no change</i>	\$ 15,500 Increase to net position
Blue Star Corridor Improvement (403)	\$ 15,900 <i>increase</i>	\$ - <i>no change</i>	\$ 15,900 Increase to fund balance
Water & Sewer Fund (450)	\$ (190,000) <i>decrease</i>	\$ 17,800 <i>increase</i>	\$ (207,800) Decrease to net position
Municipal Building Fund (470)	\$ - <i>no change</i>	\$ - <i>no change</i>	\$ -
Douglas Marina (594)	\$ 3,300 <i>increase</i>	\$ (30,000) <i>decrease</i>	\$ 33,300 Increase to fund balance
Equipment Rental Fund (660)	\$ - <i>no change</i>	\$ (15,000) <i>decrease</i>	\$ 15,000 Increase to net position

City of the Village of Douglas
Fiscal Year 2024 Budget Amendment Summary (BA-1)

		Current Amended Budget	Proposed Budget Amendment	Proposed Amended Budget
General Fund (101) Combined with Marina Fund (594) for financial statement purposes				
Revenue: Positive/ (Negative) Change				
Dept 000	Interest Income		180,000	
Total Revenues		3,579,094	180,000	\$ 3,759,094
Expenditures: (Positive)/ Negative Change				
Dept 215 - CLERK	Printing & Publishing		(2,500)	
Dept 265 - BUILDING & GROUNDS	Wages, insurance, equipment rent, capital outlay		34,500	
Dept 266 - CONTRACTUAL ATTORNEY	Attorney services		(20,000)	
Dept 301 - POLICE	Contractual attorney, vehicle maintenance & repair		4,250	
Dept 463 - GENERAL STREETS	Capital outlay		(74,500)	
Dept 701 - PLANNING & ZONING	Contractual services, engineering		(30,600)	
Dept 751 - PARKS & RECREATION	Wages, insurance, contractual services, capital outlay		31,350	
Dept 802 - COMMUNITY PROMOTIONS	Hazardous waste budgeted but did not occur		(4,000)	
Total Expenditures		4,830,485	(61,500)	4,768,985
Net Revenues and Expenditures		(1,251,391)	241,500	(1,009,891)
Beginning Fund Balance at July 1, 2023		2,227,464		2,227,464
Projected Ending Fund Balance at June 30, 2024		<u>\$ 976,073</u>		<u>\$ 1,217,573</u>
Major Streets (202)				
Revenue: Positive/ (Negative) Change				
Dept 000	Snow Removal		(22,500)	
Dept 000	Grants: Highways and Streets (County)		12,000	
Total Revenues		\$ 340,100	(10,500)	\$ 329,600
Expenditures Positive/ (Negative) Change				
Dept 463 - GENERAL STREETS & ROW	Repairs & Maintenance, capital outlay		(27,000)	
Dept 364 - GENERAL STREETS WINTER	Sidewalk plowing		(18,500)	
Total Expenditures		391,215	(45,500)	345,715
Net Revenues and Expenditures		(51,115)	35,000	(16,115)
Beginning Fund Balance at July 1, 2023		211,424		211,424
Projected Ending Fund Balance at June 30, 2024		<u>\$ 160,309</u>		<u>\$ 195,309</u>
Local Streets (203)				
Revenue: Positive/ (Negative) Change				
Dept 000	Snow Removal		(3,500)	
Dept 000	Grants: Highways and Streets (County)		17,000	
Total Revenues		\$ 272,950	13,500	\$ 286,450
Expenditures Positive/ (Negative) Change				
Dept 463 - GENERAL STREETS & ROW	Capital outlay		(9,000)	
Dept 364 - GENERAL STREETS WINTER	Sidewalk plowing		(9,800)	
Total Expenditures		341,804	(18,800)	323,004
Net Revenues and Expenditures		(68,854)	32,300	(36,554)
Beginning Fund Balance at July 1, 2023		172,688		172,688
Projected Ending Fund Balance at June 30, 2024		<u>\$ 103,834</u>		<u>\$ 136,134</u>

City of the Village of Douglas
Fiscal Year 2024 Budget Amendment Summary (BA-1)

	Current Amended Budget	Proposed Budget Amendment	Proposed Amended Budget
Schultz Park Launch Ramp (213)			
Revenue: Positive/ (Negative) Change			
Dept 000		-	
Total Revenues	\$ 25,100	-	\$ 25,100
Expenditures Positive/ (Negative) Change			
Total Expenditures	28,050	-	28,050
Net Revenues and Expenditures	(2,950)	-	(2,950)
Beginning Fund Balance at July 1, 2023	123,873		123,873
Projected Ending Fund Balance at June 30, 2024	\$ 120,923		\$ 120,923

Brownfield Redevelopment Authority (243)			
Revenue: Positive/ (Negative) Change			
Dept 000 DPA Grant		4,715	
Total Revenues	\$ 164,294	4,715	\$ 169,009
Expenditures Positive/ (Negative) Change			
Dept 000 Blight removal	170,000	(39,785)	
Total Expenditures	170,000	(39,785)	130,215
Net Revenues and Expenditures	(5,706)	44,500	38,794

Note: Fund Balance is not reported since the Brownfield Redevelopment Authority is a component unit (full-accrual) activity.

Kalamazoo Harbor Authority (245)			
Revenue: Positive/ (Negative) Change			
Dept 000 Contributions		(14,000)	
Total Revenues	\$ 14,000	(14,000)	\$ -
Expenditures Positive/ (Negative) Change			
Dept 745 - HARBOR Navigational lighting project did not occur	15,000	(15,000)	
Total Expenditures	15,000	(15,000)	-
Net Revenues and Expenditures	(1,000)	1,000	-

Note: Fund Balance is not reported since the Kalamazoo Harbor Authority is a component unit (full-accrual) activity.

City of the Village of Douglas
Fiscal Year 2024 Budget Amendment Summary (BA-1)

	Current Amended Budget	Proposed Budget Amendment	Proposed Amended Budget
Downtown Development Authority (248)			
Revenue: Positive/ (Negative) Change			
Dept 000 DDA Grant Award		15,500	
Total Revenues	\$ 50,264	15,500	\$ 65,764
Expenditures Positive/ (Negative) Change			
Total Expenditures	103,800	-	103,800
Net Revenues and Expenditures	(53,536)	15,500	(38,036)

Note: Fund Balance is not reported since the Downtown Development Authority is a component unit (full-accrual) activity.

Blue Star Corridor Improvement Fund (403)			
Revenue: Positive/ (Negative) Change			
Dept 000 Marihuana retailers excise tax		15,900	
Total Revenues	\$ 103,000	15,900	\$ 118,900
Expenditures Positive/ (Negative) Change			
Total Expenditures	62,500	-	62,500
Net Revenues and Expenditures	40,500	15,900	56,400
Beginning Fund Balance at July 1, 2023	130,322		130,322
Projected Ending Fund Balance at June 30, 2024	<u>\$ 170,822</u>		<u>\$ 186,722</u>

Water and Sewer Fund (450)			
Revenue: Positive/ (Negative) Change			
Dept 000 Capital charge		(90,000)	
Dept 000 DWAM Grant reimbursement		(100,000)	
Total Revenues	\$ 548,978	(190,000)	\$ 358,978
Expenditures Positive/ (Negative) Change			
Dept 536 - WATER SYSTEM Wages, insurance, equipment rent	454,068	17,800	
Total Expenditures	454,068	17,800	471,868
Net Revenues and Expenditures	94,910	(207,800)	(112,890)
Beginning Fund Balance at July 1, 2023	116,251		116,251
Projected Ending Fund Balance at June 30, 2024	<u>\$ 211,161</u>		<u>\$ 3,361</u>

Building Fund (470)			
Revenue: Positive/ (Negative) Change			
Dept 000			
Total Revenues	\$ 1,512,298	-	\$ 1,512,298
Expenditures Positive/ (Negative) Change			
Total Expenditures	1,512,298	-	1,512,298
Net Revenues and Expenditures	-	-	-
Beginning Fund Balance at July 1, 2023	-		-
Projected Ending Fund Balance at June 30, 2024	<u>\$ -</u>		<u>\$ -</u>

City of the Village of Douglas
Fiscal Year 2024 Budget Amendment Summary (BA-1)

	Current Amended Budget	Proposed Budget Amendment	Proposed Amended Budget
Douglas Marina (594) Combined with General Fund (101) for financial statement purposes			
Revenue: Positive/ (Negative) Change			
Dept 000.00 Seasonal slip fees		3,300	
Total Revenues	\$ 135,087	3,300	\$ 138,387
Expenditures Positive/ (Negative) Change			
Dept 597 - DOUGLAS MARINA Marina demolition, capital outlay		(30,000)	
Total Expenditures	150,850	(30,000)	120,850
Net Revenues and Expenditures	(15,763)	33,300	17,537
Beginning Fund Balance at July 1, 2023	40,356		40,356
Projected Ending Fund Balance at June 30, 2024	\$ 24,593		\$ 57,893
Equipment Rental Fund (660)			
Revenue: Positive/ (Negative) Change			
Dept 000			
Total Revenues	\$ 223,836	-	\$ 223,836
Expenditures Positive/ (Negative) Change			
Dept 903 - EQUIPMENT REPAIRS & MAIN Gas & oil, vehicle maintenance		(15,000)	
Total Expenditures	245,600	(15,000)	230,600
Net Revenues and Expenditures	(21,764)	15,000	(6,764)
Beginning Fund Balance at July 1, 2023	1,079,613		1,079,613
Projected Ending Fund Balance at June 30, 2024	\$ 1,057,849		\$ 1,072,849