City of Manistee

Treasurer's Office

MANAGER'S OFFICE
JUN 10 2015
CITY OF MANISTEE

Memo to: Ben Bifoss, Interim City Manager

From: Edward Bradford, CFO EB

Re: 2015-1 Budget Amendments

Date: June 9, 2015

The City of Manistee is required by State law to ensure that actual expenditures do not exceed budgeted amounts. I have attached a proposed budget amendment for the 2014-2015 fiscal year that makes the necessary budget adjustments to comply with the statutory requirement.

Over the course of a fiscal year, unanticipated events and unbudgeted expenditures occur. Typical examples include things such as excess overtime, harsh winter weather, unanticipated equipment or infrastructure repairs, or projects that span multiple fiscal years. Savings can also occur thru things like loss of employees, insurance premium renewals and departments exercising restraint.

On the revenue side, positive or negative variances can also occur, whether thru mid-year state budget cuts, the sale of assets, timing differences on receipt of funds or other unexpected revenue. Both revenue and expenditures variances impact the year end results; however, ***only increased expenditures must be explicitly authorized thru a budget amendment.***

Council has been made aware of potential variances thru the quarterly financial updates, annual budget process and regular staff communications. They have also approved expenditures that were not originally budgeted thru their approvals of various projects and items throughout the course of the year.

In previous years, even though budget amendments were adopted, the annual audit has sometimes identified a number of small departmental over-expenditures. In preparing budget amendment 2015-1, I have attempted to project what final year-end expenditures will be and adjust the budget accordingly to avoid the over-expenditures. However, projecting final year-end amounts is always a difficult task, and inevitably there are a few departments where we are slightly off.

I have also included an estimate of where each fund will come in at year-end on both the revenue and expense side. Although not necessary to comply with State requirements, this is useful information to present. Keep in mind, though, that these are only projections based on the best information available at the time they were prepared.

City of Manistee

Budget Amendment 2015-1

GENERAL FUND	COUNCIL APPROVED	2015-1 AMENDMENT	AMENDED BUDGET	YEAR-END PROJECTION		COMMENTS
101 - GENERAL FUND						
Total Revenue	$ 6,003,338		$ 6,003,338	$ 151,200	$ 6,154,538	*Reimbursements, ALS transport, utility service fee, less use of reserves*
Total Expense	$ 6,003,338	***$ 223,500***	$ 6,226,838		$ 6,154,538	
100 - General Government	$ 400,146	***$ 9,000***	$ 409,146	$ 9,000	$ 409,146	***Ren Park loan, bank charges and 66 Clay St. demolition offset by other savings***
100 - General Government Debt	$ 761,983		$ 761,983		$ 761,983	
101 - Legislative	$ 47,867		$ 47,867	$ (7,000)	$ 40,867	
172 - Manager	$ 214,549	***$ 112,500***	$ 327,049	$ 112,500	$ 327,049	***Manager separation agreement***
215 - Clerk	$ 199,054		$ 199,054	$ (6,500)	$ 192,554	
253 - Finance	$ 200,052		$ 200,052		$ 200,052	
257 - Assessor	$ 119,862	***$ 7,000***	$ 126,862	$ 7,000	$ 126,862	***Assessor seperation agreement offset by other savings***
265 - Municipal Buildings	$ 118,850		$ 118,850	$ (3,500)	$ 115,350	
266 - Attorney	$ 80,000	***$ 60,000***	$ 140,000	$ 60,000	$ 140,000	***Large number of tax appeals, FOIA-OMA work***
285 - Engineer	$ 12,000		$ 12,000		$ 12,000	
290 - Boards and Commissions	$ 13,230		$ 13,230	$ (2,800)	$ 10,430	
301 - Police	$ 1,040,161	***$ 6,000***	$ 1,046,161	$ 6,000	$ 1,046,161	***Part-time prior to Det\Sgt replacement, OT (reimbursed) offset by other savings***
336 - Fire	$ 936,781		$ 936,781	$ (3,000)	$ 933,781	
441 - Public Works	$ 1,125,399	***$ 7,000***	$ 1,132,399	$ 7,000	$ 1,132,399	***Traffic control for movie (reimbursed), various other variances***
748 - Community Development	$ 217,089		$ 217,089	$ (49,500)	$ 167,589	*Did not replace building inspector position*
751 - Parks and Recreation	$ 339,297	***$ 22,000***	$ 361,297	$ 22,000	$ 361,297	***Rebuild vandalized bathrooms (partially insurance reimbursed prior fiscal year)***
801 - Appropriations	$ 177,018		$ 177,018		$ 177,018	
ENTERPRISE FUNDS						
573 - WATER & SEWER FUND						
Total Revenue	$ 4,156,039		$ 4,156,039	$ 65,000	$ 4,221,039	
Total Expenses	$ 2,336,344		$ 2,336,344	$ 85,000	$ 2,421,344	
Total Capital & Debt	$ 5,390,149		$ 5,390,149	$ (3,440,000)	$ 1,950,149	
General	$ 521,692	***$ 108,000***	$ 629,692	$ 108,000	$ 629,692	***Lawsuit settlement***
Administration	$ 403,912		$ 403,912		$ 403,912	
Water	$ 513,858	***$ 100,000***	$ 613,858	$ 100,000	$ 613,858	***OT, freezeups, run water***
WWTP	$ 738,688		$ 738,688	$ (106,000)	$ 632,688	*Departmental cost containment, defer some items*
Sewer	$ 158,194		$ 158,194	$ (17,000)	$ 141,194	*Departmental cost containment*
Debt Service	$ 1,793,149	***$ 60,000***	$ 1,853,149	$ 60,000	$ 1,853,149	***Bond issuance expense (originally budgeted under capital outlay)***
Capital Outlay	$ 3,597,000		$ 3,597,000	$ (3,500,000)	$ 97,000	*Timing of projects*
594 - MUNICIPAL MARINA FUND						
Total Revenue	$ 245,550		$ 245,550	$ (51,000)	$ 194,550	*Lower fuel and dockage sales*
Total Expense	$ 209,780		$ 209,780	$ (32,000)	$ 177,780	*Lower fuel, labor and various other costs*
Total Capital & Debt	$ 37,927		$ 37,927		$ 37,927	
Debt Service	$ 37,927		$ 37,927		$ 37,927	
Capital Outlay	$ -		$ -		$ -	

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	COUNCIL APPROVED	2015-1 AMENDMENT	AMENDED BUDGET	YEAR-END PROJECTION		COMMENTS
508 - BOAT LAUNCH FUND						
Total Revenue	$ 30,025		$ 30,025	$ 4,000	$ 34,025	
Total Expense	$ 10,682		$ 10,682		$ 10,682	
Total Capital & Debt	$ 14,536		$ 14,536		$ 14,536	
Debt Service	$ 14,536		$ 14,536		$ 14,536	
Capital Outlay	$ -		$ -		$ -	
296 - RAMSDELL THEATRE FUND						
Total Revenue	$ 451,195		$ 451,195	$ (49,000)	$ 402,195	*Lower donation, grant and rental income*
Total Expense	$ 252,473		$ 252,473	$ (47,000)	$ 205,473	*Reduced labor, supplies, maintenance and capital outlays*
Total Capital & Debt	$ 198,830		$ 198,830		$ 198,830	
Debt Service	$ 178,830		$ 178,830		$ 178,830	
Capital Outlay	$ 20,000		$ 20,000	$ (10,000)	$ 10,000	
SPECIAL REVENUE FUNDS						
202 - MAJOR STREET FUND						
Revenue	$ 685,100		$ 685,100	$ (86,000)	$ 599,100	*12th street work deferred, general fund labor & equip*
Expense	$ 716,288		$ 716,288	$ (120,000)	$ 596,288	*12th street work defererred, general fund labor & equip, various other*
203 - LOCAL STREET FUND						
Revenue	$ 222,728		$ 222,728	$ 70,000	$ 292,728	*General fund labor & equip*
Expense	$ 230,148	***$ 60,000***	$ 290,148	$ 60,000	$ 290,148	***Winter costs, general fund labor & equip***
204 - CITY STREET FUND						
Revenue	$ 33,143		$ 33,143	$ -	$ 33,143	
Expense	$ 47,500		$ 47,500	$ (13,000)	$ 34,500	*Tree contractor defaulted, to be rebid in fall*
226 - REFUSE FUND						
Revenue	$ 418,273		$ 418,273		$ 418,273	
Expense	$ 467,907		$ 467,907	$ (2,500)	$ 465,407	
249 - BUILDING INSPECTOR						
Revenue	$ 15,020		$ 15,020	$ (6,500)	$ 8,520	*Transferred responsibility to State of Michigan*
Expense	$ 18,885		$ 18,885	$ (4,700)	$ 14,185	*Transferred responsibility to State of Michigan, closed fund*
275 - GRANT MANAGEMENT FUND						
Revenue	$ 103,000		$ 103,000	$ (45,000)	$ 58,000	*Timing of grant proceeds*
Expense	$ 157,419		$ 157,419	$ (130,000)	$ 27,419	*Timing of grant expenditures*

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	COUNCIL APPROVED COUNCIL APPROVED	2015-1 AMENDMENT	AMENDED BUDGET	YEAR-END PROJECTION		COMMENTS
CAPITAL PROJECT FUNDS						
430 - CAPITAL IMPROVEMENT FUND						
Revenue	$ 358,743		$ 358,743		$ 358,743	
Expense	$ 345,827		$ 345,827	$ (28,500)	$ 317,327	*Timing of projects*
490 - RENAISSANCE PARK						
Revenue	$ 6,015		$ 6,015	$ (390)	$ 5,625	
Expense	$ 5,616		$ 5,616		$ 5,616	
PERMANENT FUNDS						
245 - OIL & GAS FUND						
Revenue	$ 635,000		$ 635,000	$ (325,000)	$ 310,000	*Sluggish market performance and lower royalties due to due to price of oil*
Expense	$ 407,743	***$ 3,000***	$ 410,743	$ 3,000	$ 410,743	***Investment advisor fees***
INTERNAL SERVICE FUNDS						
661 - MOTOR POOL FUND						
Revenue	$ 320,400		$ 320,400	$ (5,000)	$ 315,400	
Expense	$ 331,177		$ 331,177	$ (72,000)	$ 259,177	*Motor pool revisions and timing of purchases*