

CITY OF DOWAGIAC

MEMO TO: Mayor Lyons and City Council Members

FROM: Kevin P. Anderson, City Manager

DATE: May 29, 2015

SUBJECT: Public Hearing and Resolution – FY 2014-15 Budget

A Truth in Taxation public hearing has been scheduled for the June 1, 2015 Council meeting on the proposed FY 2015-16 budget. Truth in Taxation does not apply to the City this year because the City is levying less than the maximum.

The City of Dowagiac, as a taxing unit, has complete authority to establish the number of mills to be levied from within its authorized millage rate.

A resolution to approve the FY 2015-16 Budget is also on the agenda after the public hearing has been held. A full copy of the budget is included for your review.

RECOMMENDATION

Hold the Truth in Taxation public hearing and approve the FY 2015-16 Budget as presented.

Support Documents:
Cover Memo-City Mgr.
Resolution

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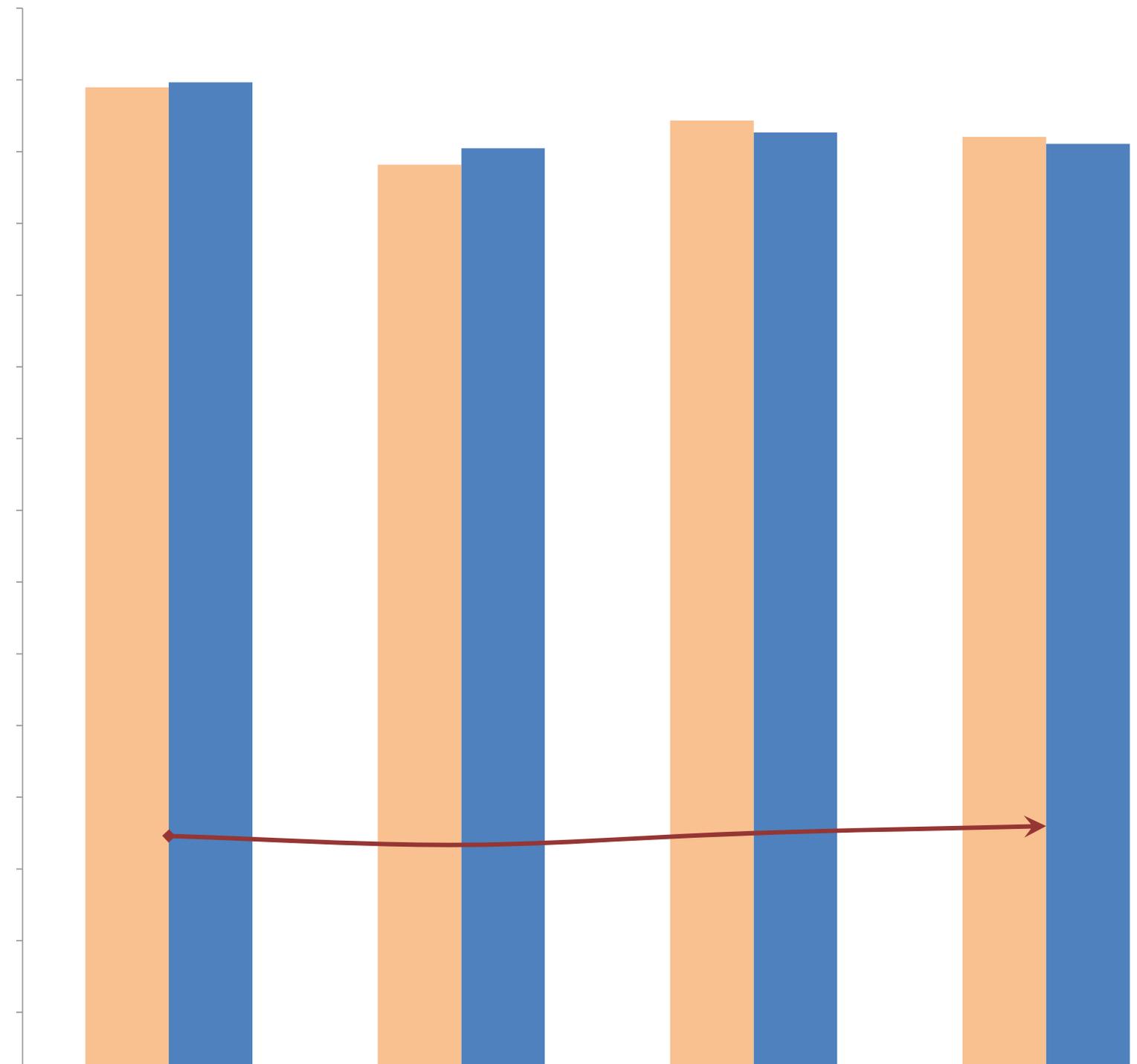
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General Fund accounts for resources traditionally associated with governments that are not required to be accounted for in another fund. In the City of Dowagiac the functions of the General Fund include Legislative, General Administration, Grounds, Police, Fire and Public Services activities not recorded in Special Revenue or Enterprise Funds. The General Fund is the designated fund for ad valorem property taxes. Other revenue sources for the General Fund are state-shared revenues and revenues from other funds. Detailed line item information is available after the itemized activity page.

GENERAL FUND

Revenue Expense Fund Balance



GENERAL FUND

ADDED REVENUES

COLLECTIONS	0	0	0	0
COLLECTIONS (CONSOLIDATED)	970	0	0	0
TAXES/ADMINISTRATIVE FEES	1,616,684	1,603,859	1,634,750	1,625,600
INTEREST/MISCELLANEOUS	5,708	5,970	4,800	5,000
CITY HALL OPERATIONAL OVERHEAD	74,633	74,688	74,700	75,200
LICENSES & PERMITS	59,086	59,972	59,230	59,300
COURTROOMS MAINTENANCE	37,230	30,831	37,000	37,000
CEMETERY	42,651	31,827	41,500	42,500
LOCAL REVENUE SHARING	4,709	25,253	35,000	38,000
STATE REVENUE SHARING	625,277	644,036	663,000	680,000
POLICE	369,573	96,855	121,900	123,300
MASS COUNTY DRUG ENFORCEMENT TEAM	0	245,896	302,000	291,000
SCHOOL CROSSING GUARD	1,857	1,880	2,000	2,000
FIRE	104,815	106,713	108,700	77,500
BUILDING/PLANNING/CUSTOMER SERVICE	76,663	94,836	75,300	89,000
PARKING LOTS/SIDEWALK/BIKE PATH	0	450	0	0
AIRPORT	53,316	65,981	55,700	68,200
MUSEUM	171,377	115,247	143,000	87,900
TRANSFERS	230,000	0	0	0
ESTIMATED REVENUES	3,474,549	3,204,294	3,358,580	3,301,500

EXPENDITURES

	68	(30)	10	0
MAYOR CITY COUNCIL	23,451	8,757	15,560	15,510
CITY MANAGER	100,532	60,912	66,175	59,590
COLLECTIONS	6,249	9,703	9,000	10,300
COLLECTIONS (CONSOLIDATED)	758	162	0	0
FINANCE	58,247	64,960	73,170	90,920
ASSESSOR	29,726	29,078	29,375	29,790
CITY ATTORNEY	6,332	5,260	15,000	15,000
CITY CLERK	50,434	46,962	50,990	26,350
MUNICIPAL BUILDING	142,942	136,720	213,100	114,100
COURTROOMS RECREATION FEES/MAINTENANCE	235,020	225,739	224,960	231,320
POLICE	1,106,908	1,103,879	1,136,235	1,229,880
MASS COUNTY DRUG ENFORCEMENT TEAM	228,607	239,445	300,210	291,890
PART-TIME POLICE	49,859	18,288	16,650	22,400
SCHOOL CROSSING GUARD	7,544	6,939	7,605	7,600
FIRE	524,047	521,208	589,850	579,690
BUILDING/PLANNING/CUSTOMER SERVICE	88,023	109,931	131,700	122,390
PARKING LOTS/SIDEWALKS	7,760	10,949	17,300	15,460
BOND PAYMENTS	117,619	121,587	120,000	120,000
AIRPORT	70,293	81,814	58,750	62,710
MUSEUM	530,135	102,124	102,915	99,680
CONTINGENCY	1,998	0	60,000	60,000
UNEMPLOYMENT REIMBURSEMENT	17,274	8,070	15,000	15,000
INSURANCE	14,161	3,935	16,800	34,450
TRANSFERS	73,725	345,354	47,000	23,000
APPROPRIATIONS	3,491,712	3,261,746	3,317,355	3,277,030

BALANCE ADJUSTMENTS

FUND BALANCE

865,032	833,809	875,034	899,504
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Dowagiac's General Fund revenue comes from a variety of sources, the largest of which comes from property taxes. Approximately 49 percent of all General Fund revenue comes from tax on real property, personal property and payment in lieu of taxes. Due to state legislation, the tax on real property remains quite steady each year. The General Fund revenue mix continues to rely on a combination of taxes and payment in lieu of taxes from all of the City's Enterprise Funds. Payment in lieu of taxes are budgeted in the amount of 12.63 percent of all General Fund revenues. State Shared Revenue are projected to increase for FY 2013-14 but the exact amount has yet to be determined by the State Legislature.

ADMINISTRATIVE FEES

Administrative Fees account for real and personal property tax revenues collected as well as Payments in Lieu of Taxes, the collection of penalties and interest for late payments and tax administration fees incurred.

INVESTMENTS/MISCELLANEOUS

Investments is the primary source of income in these accounts.

INTERFUND TRANSFER/OPERATIONAL OVERHEAD

In previous years this was titled Interfund Transfer. Now that labor costs are directly allocated to funds, this amount reflects the shared costs for copiers, utilities, etc. at City Hall that supports the operations of other funds.

LICENSES AND PERMITS

Licenses and Permits account for revenues received from local liquor licenses, cable TV franchise fees, dog licenses and City licenses, such as dog license sale permits.

RECREATION FEES/MAINTENANCE

Recreation Fees account primarily for revenues received for the use of various City parks. Revenue from park related grants are also included in these accounts.

FUNERAL SERVICES

Funeral Services account for the sale of cemetery lots, the collection of grave fees and tent rental during services, charges for caskets, and miscellaneous fees incurred for funeral services.

STATE REVENUE SHARING

Dowagiac receives revenue sharing payments from the State of Michigan. The Michigan Constitution allocates a portion of the state income tax to be distributed to local units on a per capita basis, using the last decennial census to determine population. The Legislature has also allocated an additional portion, known as the Statutory portion, of the sales tax to be distributed to the local units, in lieu of the income tax and business taxes no longer being collected.

ations are accounted for in this category as well as reimbursements from the Cass County Drug Enforcement Team for wage benefit costs to the City.

CROSSING GUARDS

ments received from the Dowagiac Union School District for their portion of the cost of wages for School Crossing Guards.

ue accounts for activities associated with Fire I and II Training class fees and for fire agreements between d surrounding townships.

G/PLANNING

lanning revenue accounts for activities associated with code enforcement, as well as permit fees incurred for building, electrical, plumbing permits and other fees.

revenue accounts for activities associated with federal and state grants, aviation fuel sales and rent/lease payments for hangar space

revenue accounts for activities associated with the museum, artifact revenue, fellowship income, book sales, membership fees, etc. This fund also is being reimbursed yearly by Southwestern Michigan College for their the cost of wages for the Museum

LLANCE ALLOCATION

earnings are proposed to be used, the amount being used will show up in this account.

single General Fund expenditures consist of wages and benefits. These wages support the following operations: City Council, City Manager's office, Elections, Municipal Building/General Services, Finance office, Assessing, City Clerk, City Treasurer, Grounds Maintenance, Police, Fire, Building Department, Planning and Development, Airport, Major and Local Streets, Parking Lots and the Museum. The City contracts for legal services, assessing, and accounting services. Other expenditures include charges for utilities, costs and repairs and maintenance of equipment and buildings. Other services and charges include several miscellaneous items including travel and training, subscriptions and memberships and publication. Transfers out include transfers to pay the General Fund share of debt payments and contributions to capital funds for building improvements.

GENERAL FUND – REVENUES AND EXPENDITURES – FUND 101

The General Fund accounts for revenues and expenditures that are not required to be accounted for in another fund. In the City of Dowagiac, the functions of the General Fund include Legislative, General Administration, Grounds Maintenance, Police, Fire, Planning and Development, and Public Service activities not recorded in Special Revenue or Enterprise Funds. The General Fund is the designated fund under Michigan law for ad valorem property taxes. Other revenue sources for the General Fund are state shared revenues, local government grants, transfers from other funds, fees and interest.

CITY COUNCIL – DEPARTMENT 101

The City Council and Council make policy decisions regarding city services and other governmental responsibilities of the city. Most policy decisions occur through the adoption of the annual budget, capital improvement projects and other ordinances and resolutions. The Council also:

- reviews and adopts policies that govern the health, safety and welfare of the City;
- directs the City Manager to oversee the day-to-day operations of the City;
- approves the annual budget and establishes utility rates;
- appoints members to various Advisory Boards and Commissions, Task Forces and Committees;
- appoints members to Dowagiac District Library Board and Cass-Van Buren Emergency Services Authority;
- negotiates and enters into agreements with other governments as needed.

When the City Council is elected to a four-year term, Council members are elected to four-year staggered terms from three wards.

CITY MANAGER – DEPARTMENT 172

The City Manager is responsible for day-to-day operations of all city services. The Manager implements the policies and directions of the City Council by working with and directing Department Heads and staff. The City Manager is also responsible for communication and coordination of services among residents, municipal officials, employees and other governmental and social agencies.

es within Elections are coordinated by the City Clerk who is responsible for all local, special, state, county and federal elections in the wards of Dowagiac. Maintaining the Qualified Voter File is also the responsibility of the City Clerk. Annual expenditures on activity are determined, in part, by the number of elections held each year.

IONS (CONSOLIDATED) – DEPARTMENT 192

ed elections, per state law, may be held in February, May (school), August and November. Annual expenditures for election e determined, in part, by the number of elections held each year.

E – DEPARTMENT 201

ce Department is responsible for developing and maintaining sound financial management information systems by developing d practices that preserve and protect the city's financial resources. The Finance Department provides the City Council and City tion with timely, accurate financial information to facilitate daily operations and decision making. The City Treasurer is an sition in the Finance Department. The City Treasurer is responsible for the custody of all public monies of the City. ly, the Treasurer shall oversee the billing and collection of City taxes.

R – DEPARTMENT 209

assessor has the responsibility for distributing the property tax burden in a fair and equitable manner, administering the Board of d maintaining ownership records for the City's real and personal property.

TORNEY – DEPARTMENT 210

contracts with a law firm to provide legal services to the City Council and other departments regarding municipal matters, which neral municipal matters and prosecuting attorney services for ordinance violations, traffic citations, etc.

ERK – DEPARTMENT 215

clerk coordinates all local, special, state, county and federal elections. Additionally, the City Clerk is the custodian of city recor ins a complete and permanent history of actions taken by the City Council while taking accurate minutes and indexing meetings l documents in a logical and systematical manner.

PAL BUILDING – DEPARTMENT 263

icipal Building Fund accounts for activities relating to the day-to-day business operations of the City including eaning and maintenance activities and utilities.

S DEPARTMENT – DEPARTMENT 265

ds Department accounts for the costs associated with the maintenance of city parks, the Central Business District, other properties within the City of Dowagiac. General upkeep as well as landscaping and restroom maintenance is n this activity. Operation and maintenance of Riverside Cemetery falls within this department. The expense of he cemetery is partially offset by the charges for services.

Department is responsible for promoting the health, safety and welfare of the citizens and businesses of the community in order to provide a high quality of life. Around the clock police coverage is provided to the City.

COUNTY DRUG ENFORCEMENT TEAM – DEPARTMENT 302

County Drug Enforcement Team is responsible for special drug enforcement activities throughout the City of Dowagiac and Cass County. The county-wide millage funds 100% of the activities of the CCDET. City of Dowagiac officers are assigned to this task force.

CROSSING GUARD – DEPARTMENT 316

The Crossing Guard program is cooperatively funded between the school district and the City to provide safety for elementary school children crossing specific intersections on their way to school.

FIRE DEPARTMENT – DEPARTMENT 336

The Fire Department is responsible for providing fire suppression services for residents and businesses of the City of Dowagiac. Additionally, the Fire Department is responsible for coordinating Emergency Management activities with the Cass County Emergency Management Director.

INSPECTION DEPARTMENT – DEPARTMENT 371

The Inspection Department provides for public protection, safety, health and well-being by performing all inspection and enforcement services necessary to ensure compliance with appropriate building, zoning and related codes. Responsibilities include all plan reviews, Code Enforcement Commission, Zoning Board of Appeals, Construction Board of Appeals and electrical, building, plumbing, and mechanical services for the city.

PARKING LOTS/SIDEWALKS – DEPARTMENT 448

The Parking Lots/Sidewalk area of the budget provides for maintenance and repair activities of parking lots and sidewalks in the city. In the 2013/2014 FYE there was a consolidation of the Sidewalk Fund (218) into GF, (Fund Balance of \$26,229).

AIRPORT DEPARTMENT – DEPARTMENT 537

The Airport Department provides for the operation of the Dowagiac Municipal Airport.

HISTORY MUSEUM DEPARTMENT – DEPARTMENT 804

The History Museum Department provides for the operation of the Dowagiac Area History Museum.

RESERVE FUND – DEPARTMENT 941

Reserve funds are provided to address unforeseen items that may arise without impacting service levels in other departments of the City.

an General Fund health insurance costs were accounted for in this department. Now that these costs are being directly allocated to the general funds, this fund will be eliminated in future budgets.

UNEMPLOYMENT INSURANCE – DEPARTMENT 953

This department self funds unemployment insurance.

OTHER DEPARTMENTS – DEPARTMENT 985

This department provides for the general funds portion of various expenses which occur in other funds.

and Local Street Funds account for the operations of street maintenance and capital improvements. Financing is provided from the City share of State collected gasoline and other vehicular taxes and from grants, per Public Act 51.

Fund accounts for the operations of park maintenance and capital improvements.

Waste Fund accounts for the revenues and expenses associated with the operation of the City's Compost site including the tax solely designated for this purpose. The current millage rate for this tax is 1.9750 mills with the rate expected to increase to _____ mills during the 2015 fiscal yearend.

Industrial/Economic Development Fund accounts for revenues and expenses associated with all Phases of the Industrial Park.

Development Finance Authority Fund accounts for revenues and expenditures associated with infrastructure improvements in the Industrial Park.

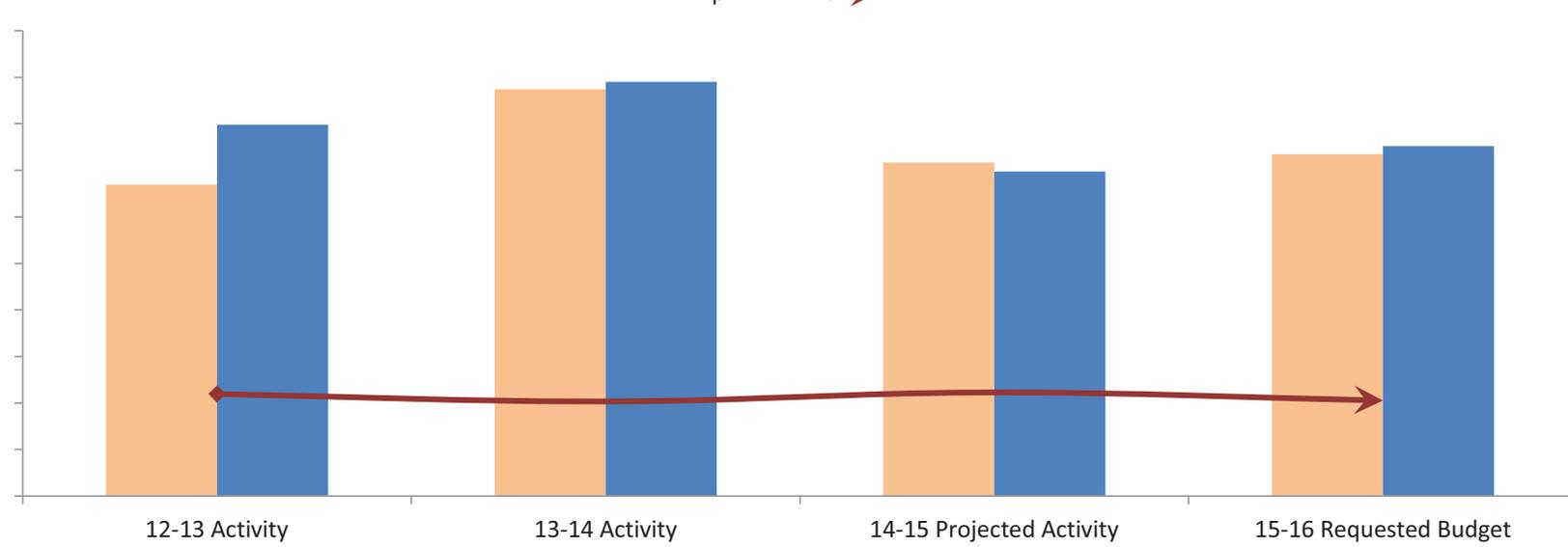
TIF Project Fund accounts for revenues and expenses associated with the Downtown Development Authority District.

Loan Payments Fund accounts for the revenues and expenses associated with the City's Design Review Incentive Program.

Downtown Rental Rehab Fund accounts for the revenues and expenses associated with the Downtown Rental Rehab Program.

Municipal Facilities/Improvements Fund accounts for the revenues and expenses associated with building improvements.

State and Federal Drug Forfeiture Funds account for property seized through appropriate court order.



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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MAJOR STREETS

REVENUES

STREET REVENUES	334,465	437,008	358,350	367,000
ESTIMATED REVENUES	334,465	437,008	358,350	367,000

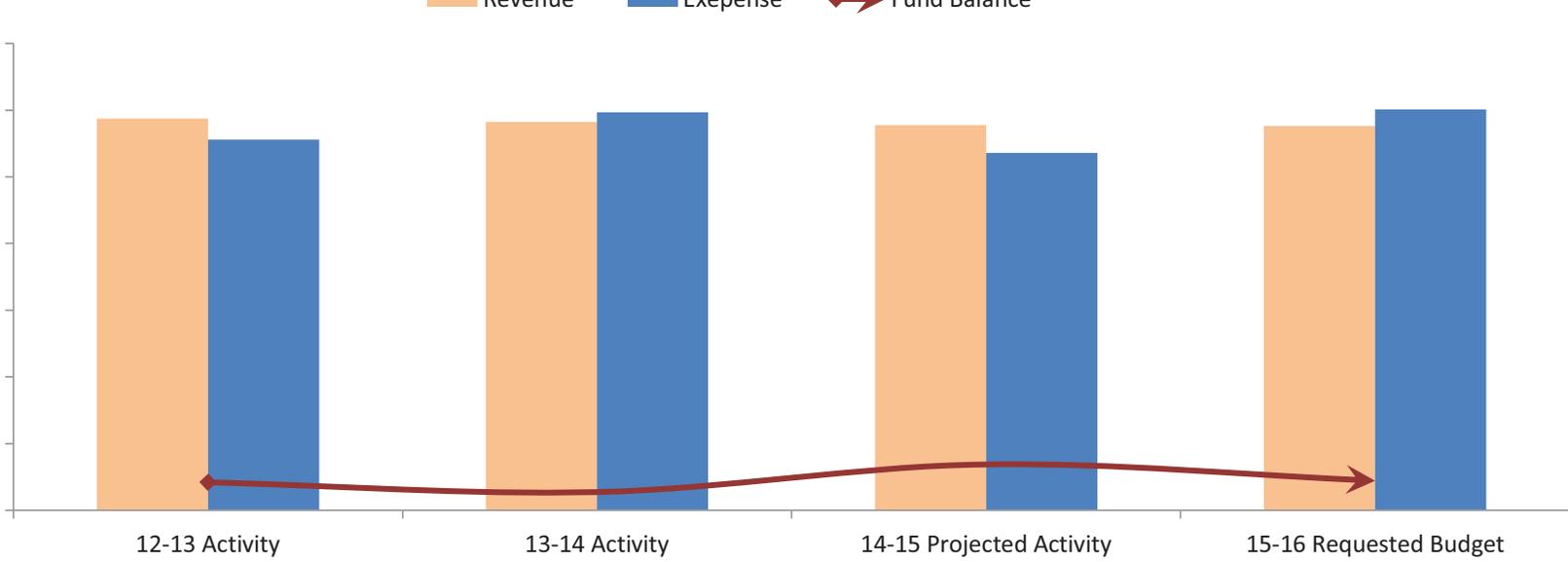
Revenues: The Major Streets Fund accounts for the revenues related to “major” streets within the City. The fund’s revenues include the State Act 51 gas and weight tax distributions and transfers from other funds.

EXPENDITURES

PARKING LOTS/SIDEWALKS/BIKE PATHS	19,161	127,973	5,000	0
PAVED STREET PRESERVATION	113,098	73,721	106,680	102,060
ROUTINE MAINT CURB/GUTTER	0	0	300	300
ROUTINE MAINT CATCH BASINS	8,190	3,103	5,730	5,150
ROUTINE MAINT BRIDGES	35,603	15,841	6,700	15,300
TRAFFIC SERVICES	19,481	16,469	21,000	21,500
SNOW & ICE	28,400	66,904	65,160	71,050
ADMINISTRATIVE	32,437	34,023	31,930	35,720
FUND TRANSFERS	123,475	69,161	64,000	78,000
MAINT OF STATE TRUNKLINE	18,833	37,933	42,000	46,750
APPROPRIATIONS	398,678	445,128	348,500	375,830

Expenditures: The Major Streets Fund accounts for the expenditures associated with the operations of street maintenance and capital projects. Financing is provided primarily from the City’s share of State collected gasoline and other vehicular taxes and from grants from the State Act 51. Act 51 allows for the transfer of funds to the Local Streets Fund.

REVENUES/APPROPRIATIONS - FUND 202	(64,213)	(8,120)	9,850	(8,830)
ENDING FUND BALANCE	173,979	109,766	101,646	111,496
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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LOCAL STREETS

REVENUES

STREET REVENUES	293,789	291,104	288,600	288,100
ESTIMATED REVENUES	293,789	291,104	288,600	288,100

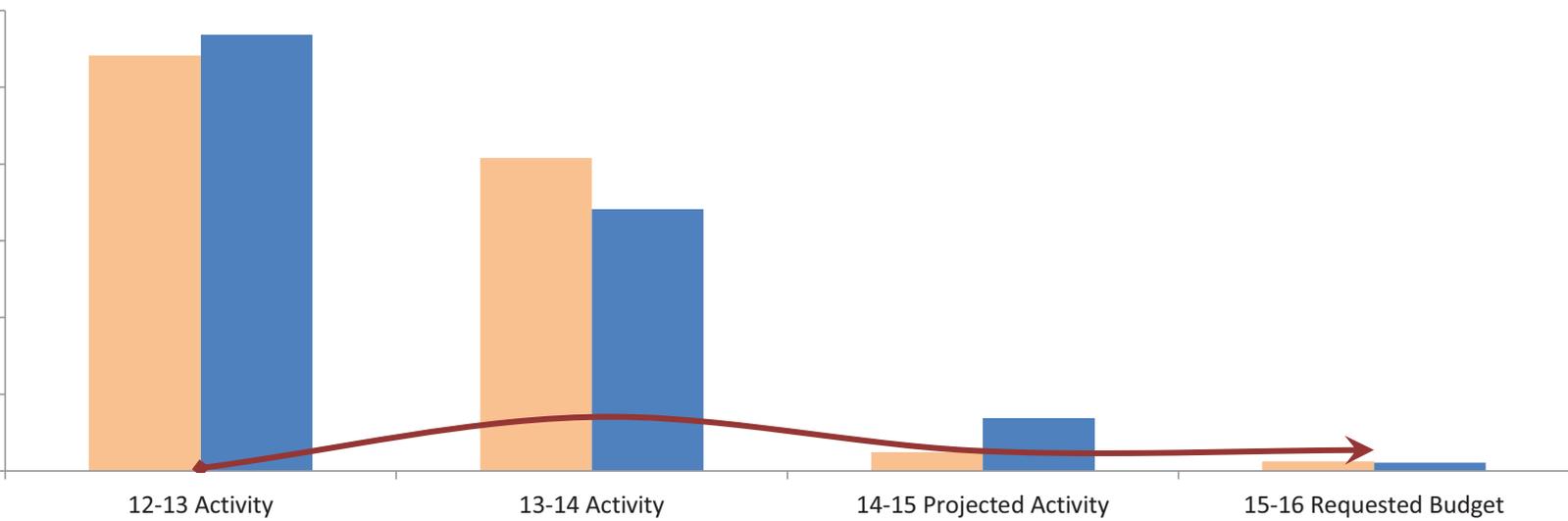
Revenues: The Local Streets Fund accounts for the revenues related to “local” streets within the City. The fund’s revenues consist of State Act 51 gas and weight tax distributions and transfers from the Major Streets Fund.

EXPENDITURES

PAVED STREET PRESERVATION	162,266	137,017	124,900	152,700
ROUTINE MAINT UNPAVED STREET	761	495	1,810	1,100
ROUTINE MAINT ALLEY	3,399	5,877	4,290	5,000
ROUTINE MAINT CURB/GUTTER	351	0	500	500
ROUTINE MAINT CATCH BASINS	28,379	19,489	25,860	19,200
ROUTINE MAINT BRIDGES	0	0	200	200
TRAFFIC SERVICES	5,691	5,716	5,100	5,950
SNOW & ICE	42,018	93,882	72,140	77,250
ADMINISTRATIVE	34,966	35,978	33,030	38,500
APPROPRIATIONS	277,831	298,454	267,830	300,400

Expenditures: The Local Streets Fund accounts for the expenditures associated with the operations of street maintenance and capital projects. Financing is provided primarily from the City share of State collected gasoline and other vehicular taxes and from grants, State Act 51, as well as transfers from various City funds.

REVENUES/APPROPRIATIONS - FUND 203	15,958	(7,350)	20,770	(12,300)
ENDING FUND BALANCE	5,078	21,036	13,686	34,456
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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PARKS

REVENUES

INFRASTRUCTURE	270,651	204,043	12,250	6,250
ESTIMATED REVENUES	270,651	204,043	12,250	6,250

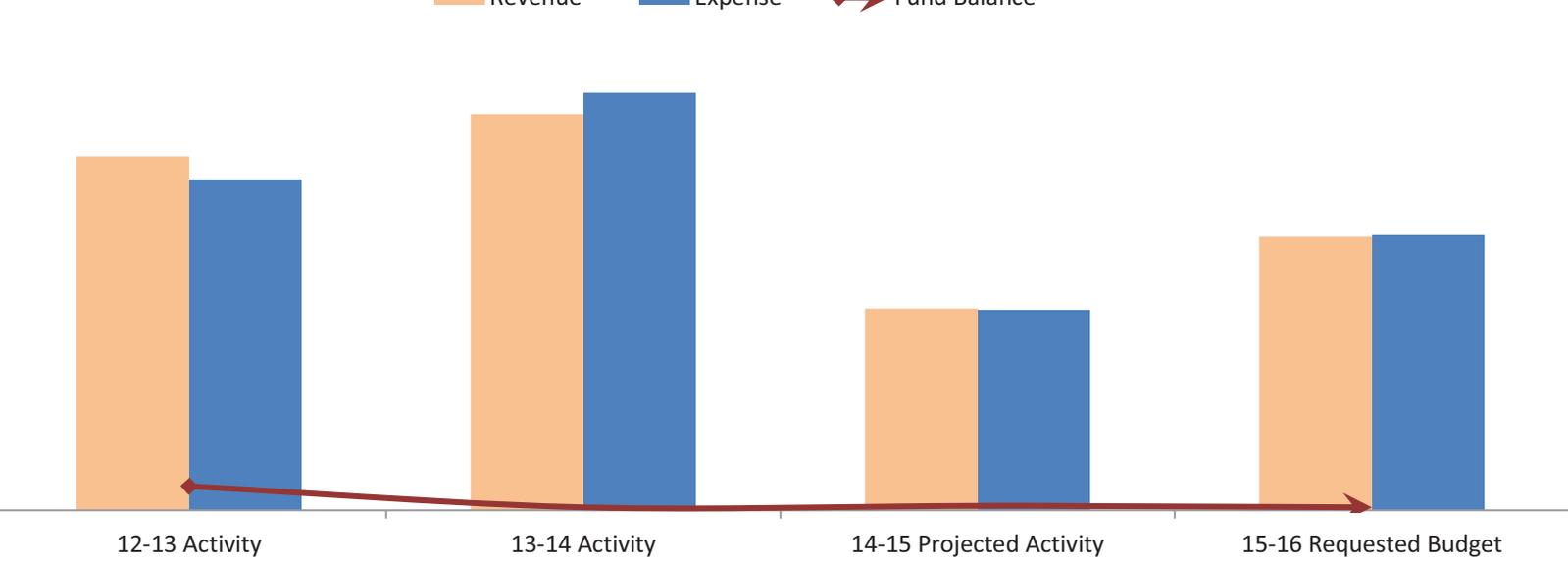
Revenues: The Parks Fund accounts for revenues related to grants, interest earned on reserves, and Park donations as well as from various City funds.

EXPENDITURES

INFRASTRUCTURE	284,235	170,713	34,500	5,500
APPROPRIATIONS	284,235	170,713	34,500	5,500

Expenditures: The Parks Fund accounts for the expenditures associated with contractual and professional services rendered, site maintenance and improvements as well as miscellaneous and capital items.

REVENUES/APPROPRIATIONS - FUND 208	(13,584)	33,330	(22,250)	750
CLOSING FUND BALANCE	15,503	1,919	35,249	12,999
OPENING FUND BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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SOLID WASTE

REVENUES				
REFUSE REMOVAL	356,018	398,781	203,000	275,400
ESTIMATED REVENUES	356,018	398,781	203,000	275,400

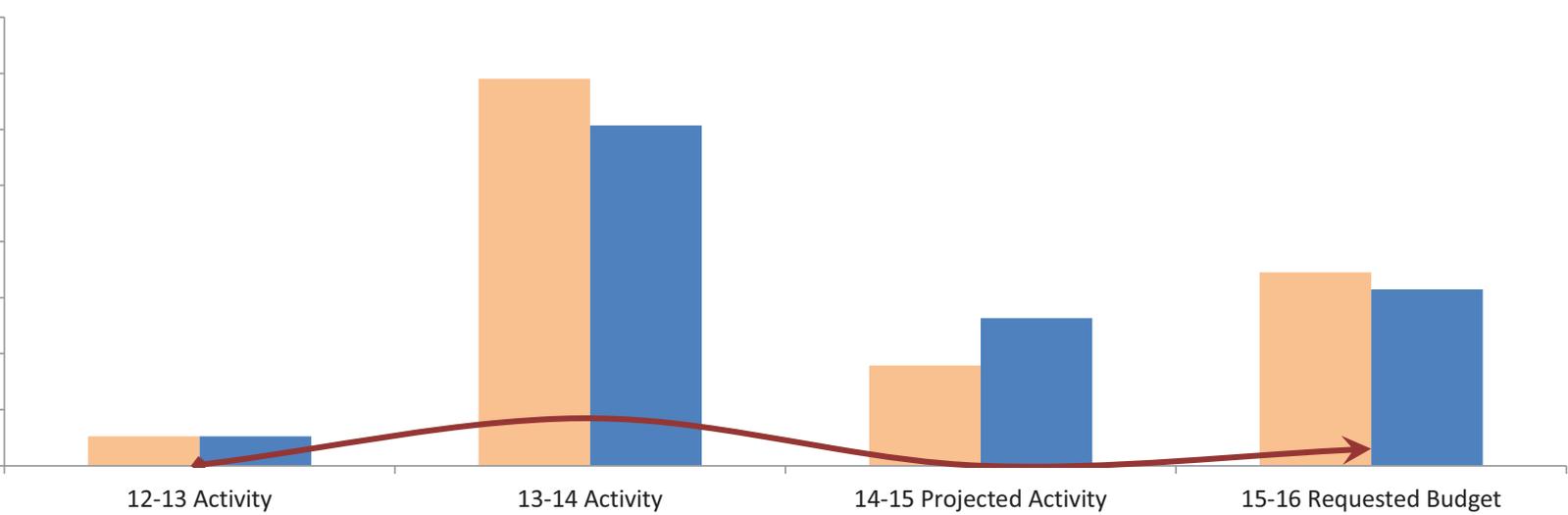
Revenues: The Solid Waste Fund accounts for the revenues received from the tax levy that is solely designated for this purpose. The current millage rate for this tax is 1.9750 mills, with an expected increase to 2.6000 mills.

EXPENDITURES				
REFUSE REMOVAL	333,296	420,066	201,560	276,850
APPROPRIATIONS	333,296	420,066	201,560	276,850

Expenditures: The Solid Waste Fund accounts for the expenditures related to the operation and administrative costs, as well as fringe benefits associated with the operation of the compost site.

REVENUES/APPROPRIATIONS - FUND 226	22,722	(21,285)	1,440	(1,450)
ENDING FUND BALANCE	1,569	24,291	3,006	4,446
ENDING BALANCE ADJUSTMENTS	0	0	0	0

Revenue Expense Fund Balance



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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INDUSTRIAL/ECONOMIC DEVELOPMENT

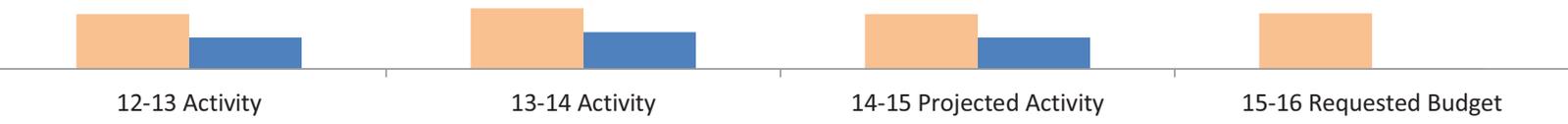
REVENUES				
ECONOMIC DEVELOPMENT	105,000	1,380,800	357,000	690,500
ESTIMATED REVENUES	105,000	1,380,800	357,000	690,500

Revenues: The Industrial/Economic Development Fund accounts for the revenues received from grants, interest earned, loans and transfers from other City funds.

EXPENDITURES				
ECONOMIC DEVELOPMENT	104,619	1,214,721	526,480	629,850
APPROPRIATIONS	104,619	1,214,721	526,480	629,850

Expenditures: The Industrial/Economic Development Fund accounts for the expenditures associated with Debt Service payments on bonds of the Industrial Park, Debt Service on Phase II of the Industrial Park and miscellaneous operational costs related to industrial and economic development.

REVENUES/APPROPRIATIONS - FUND 240	381	166,079	(169,480)	60,650
ENDING FUND BALANCE	2,934	3,315	169,394	(86)
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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LDFA PROJECT

REVENUES

ECONOMIC DEVELOPMENT-INDUSTRIAL	60,979	67,590	61,000	62,000
ESTIMATED REVENUES	60,979	67,590	61,000	62,000

Revenues: The Local Development Finance Authority (LDFA) Fund accounts for the revenues received through Tax Increment capture in the Industrial Park. Under this Development and Tax Increment Plan, the public infrastructure needed to support growth in the Industrial Park will be financed from the tax base resulting from industrial plants constructed in the district.

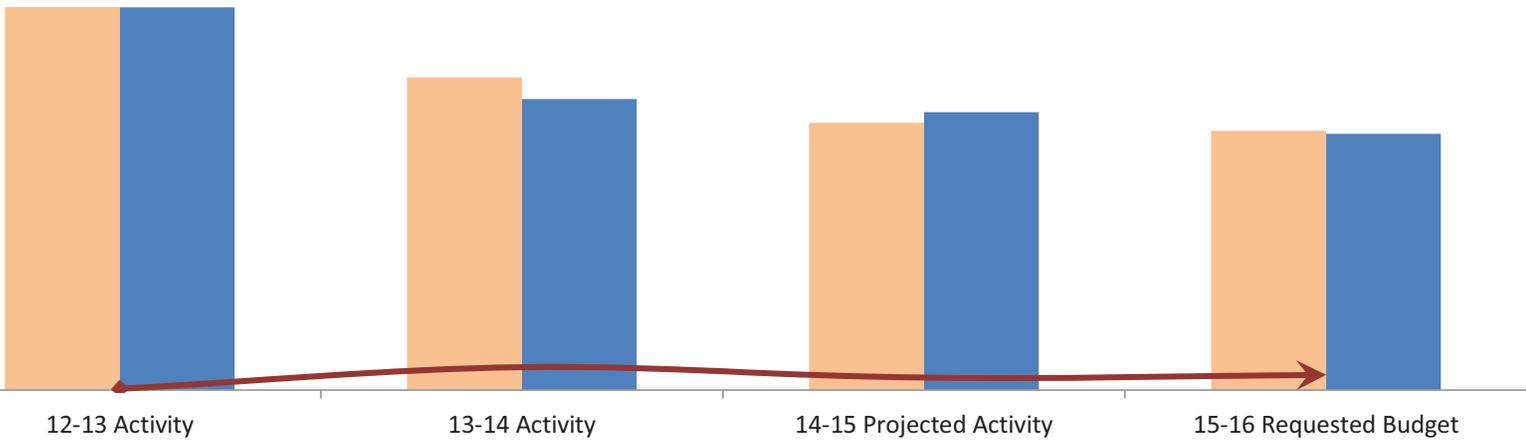
EXPENDITURES

ECONOMIC DEVELOPMENT-INDUSTRIAL	35,006	41,057	35,010	410
APPROPRIATIONS	35,006	41,057	35,010	410

Debt Service: The Local Development Finance Authority (LDFA) Fund accounts for the expenditures associated with Debt Service on Electric Fund Loan (7/9/01 \$190,000 @ 3.75% over 11 years with payments of \$2000/yr beginning 7/9/04, \$3000/yr on 4/9/07/9/06 and \$34,599 on each July 10th through 7/10/15).

REVENUES/APPROPRIATIONS - FUND 243	25,973	26,533	25,990	61,590
ENDING FUND BALANCE	325,371	351,344	377,877	403,867
ENDING BALANCE ADJUSTMENTS	0	0	0	0

Revenue Expense Fund Balance



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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DDA TIF PROJECT

REVENUES

ECONOMIC DEVELOPMENT	126,165	102,971	88,000	85,300
ESTIMATED REVENUES	126,165	102,971	88,000	85,300

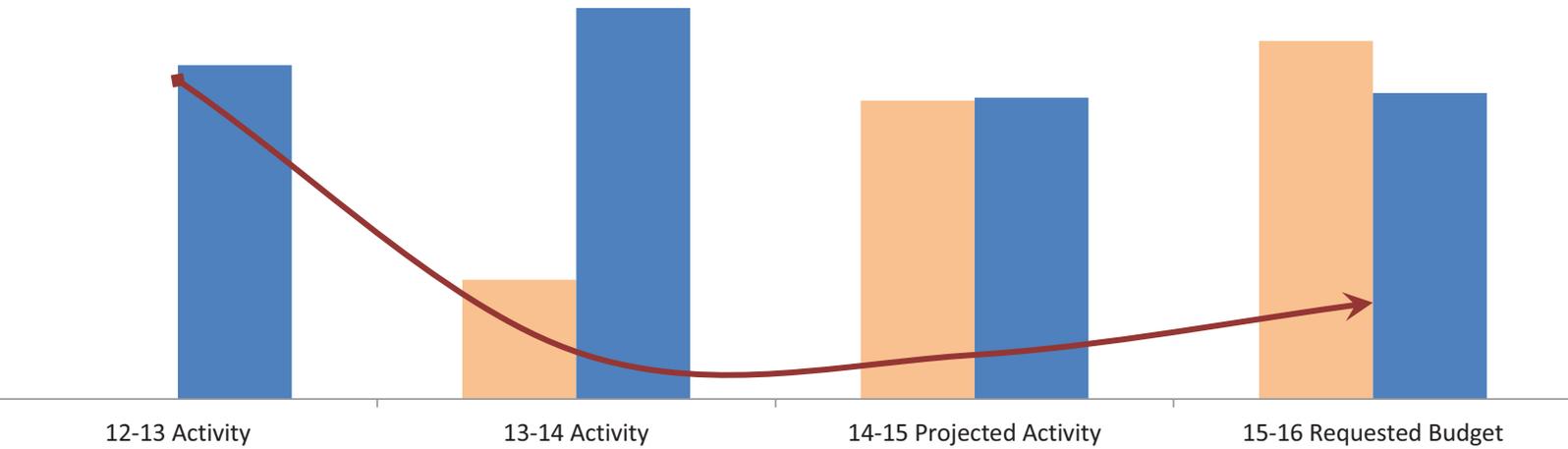
Revenues: The Downtown Development Authority (DDA) TIF Fund accounts for the tax revenues received through Tax Financing capture in the DDA District. Under this Development and Tax Increment Plan, the public infrastructure needed to support economic growth in the Central Business District will be financed from a portion of the tax base in the district. Additional revenues are received from interest earned, transfer from electric utility, and grants.

EXPENDITURES

ECONOMIC DEVELOPMENT	125,957	95,814	91,490	84,360
APPROPRIATIONS	125,957	95,814	91,490	84,360

Expenses: The Downtown Development Authority (DDA) TIF Fund accounts for expenditures associated with administrative and operating costs, as well as Debt Service payments to Electric Fund through 2013.

REVENUES/APPROPRIATIONS - FUND 245	208	7,157	(3,490)	940
STARTING FUND BALANCE	248	456	7,613	4,123
ENDING FUND BALANCE	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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REHAB LOAN PAYMENTS

REVENUES

REDEVELOPMENT & HOUSING	0	4,000	10,000	12,000
ESTIMATED REVENUES	0	4,000	10,000	12,000

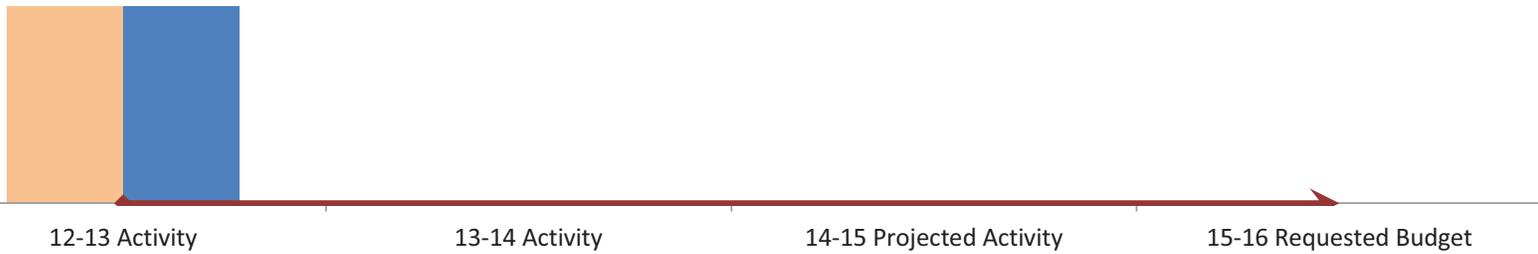
Revenues: The Rehab Loan Payments Fund accounts for revenue received on revolving loan payments made to the fund from low interest loans approved to eligible homeowners for rehabilitation work on their homes. Loan funds originate from federal grants and the proceeds of this fund.

EXPENDITURES

REDEVELOPMENT & HOUSING	11,193	13,097	10,100	10,250
APPROPRIATIONS	11,193	13,097	10,100	10,250

Expenditures: The Rehab Loan Payments Fund accounts for expenditures related to the Design Review Incentive Program, operational and administrative costs.

REVENUES/APPROPRIATIONS - FUND 252	(11,193)	(9,097)	(100)	1,750
CLOSING FUND BALANCE	21,875	10,682	1,585	1,485
OPENING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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RENTAL REHAB

REVENUES

DEVELOPMENT & HOUSING	32,450	0	0	0
ESTIMATED REVENUES	32,450	0	0	0

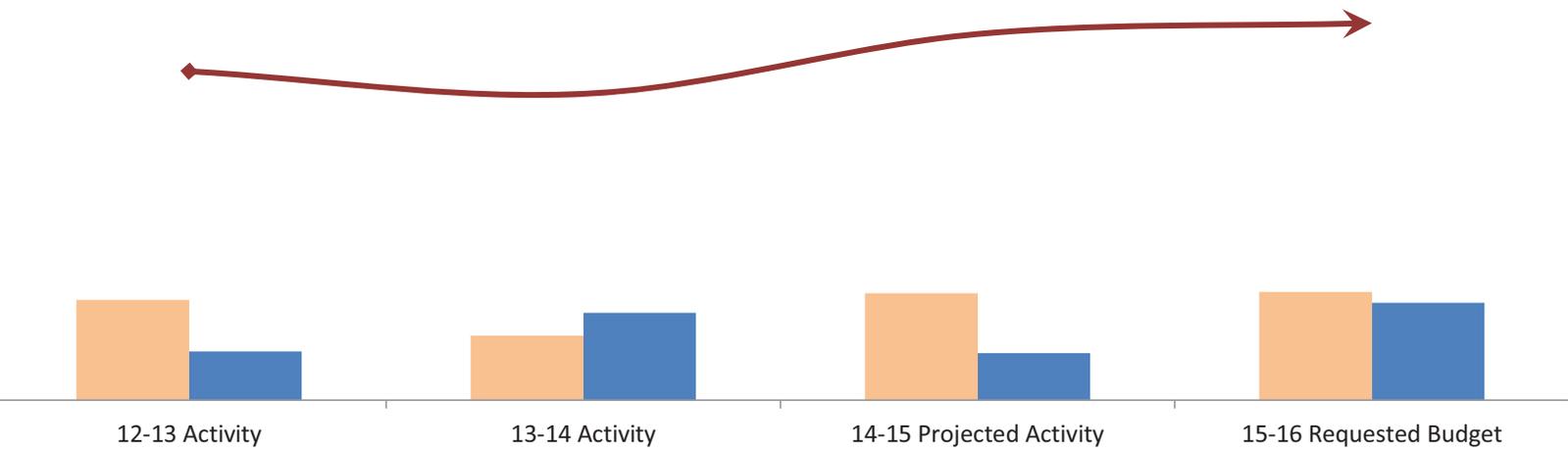
Revenues: The Rental Rehab Fund accounts for revenue received from state MSHDA grants and the owner’s share of costs to in the program. Grant funds are to be used to rehab rental units in the downtown area. These are non-Federal funds, at least its must be rented to low to moderate income households during a 5-year affordability period. Owners are responsible for 25% maximum grant eligible project of \$25,000.

APPROPRIATIONS

DEVELOPMENT & HOUSING	32,450	0	0	0
APPROPRIATIONS	32,450	0	0	0

Expenditures: The Rental Rehab Fund accounts for expenditures related to the contractual/professional costs incurred for oversight of the payments for construction costs in the rehab of downtown rental units.

REVENUES/APPROPRIATIONS - FUND 255	0	0	0	0
ENDING FUND BALANCE	0	0	0	0
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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MUNICIPAL FACILITIES/IMPROVEMENTS

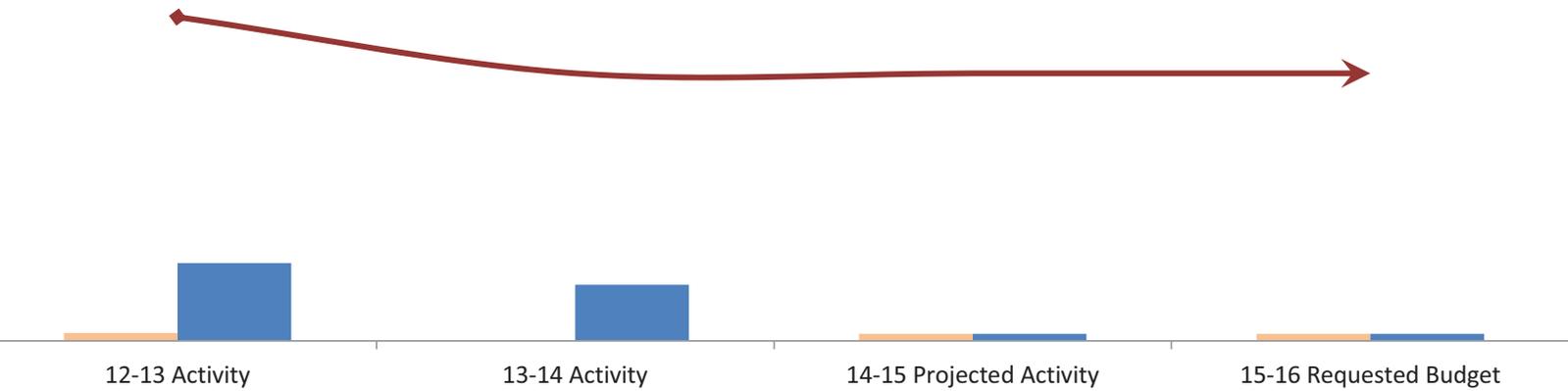
DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
ADDED REVENUES				
BUILDING IMPROVEMENTS	50,649	32,631	53,800	54,500
ESTIMATED REVENUES	50,649	32,631	53,800	54,500

Revenues: The Municipal Facilities/Improvements Fund accounts for the revenue received from grants, interest earned, rental and repayments and transfers from other City funds.

DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
ADDED EXPENDITURES				
BUILDING IMPROVEMENTS	23,723	43,145	22,810	48,050
ADMINISTRATIVE	859	864	860	1,000
APPROPRIATIONS	24,582	44,009	23,670	49,050

Expenditures: The Municipal Facilities/Improvements Fund accounts for the expenditures associated with administrative costs and various operational costs related to building overhead and improvements.

REVENUES/APPROPRIATIONS - FUND 265	26,067	(11,378)	30,130	5,450
ENDING FUND BALANCE	139,588	165,655	154,277	184,407
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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CITY DRUG FORFEITURE

REVENUES

DRUG ENFORCEMENT	552	0	500	500
ESTIMATED REVENUES	552	0	500	500

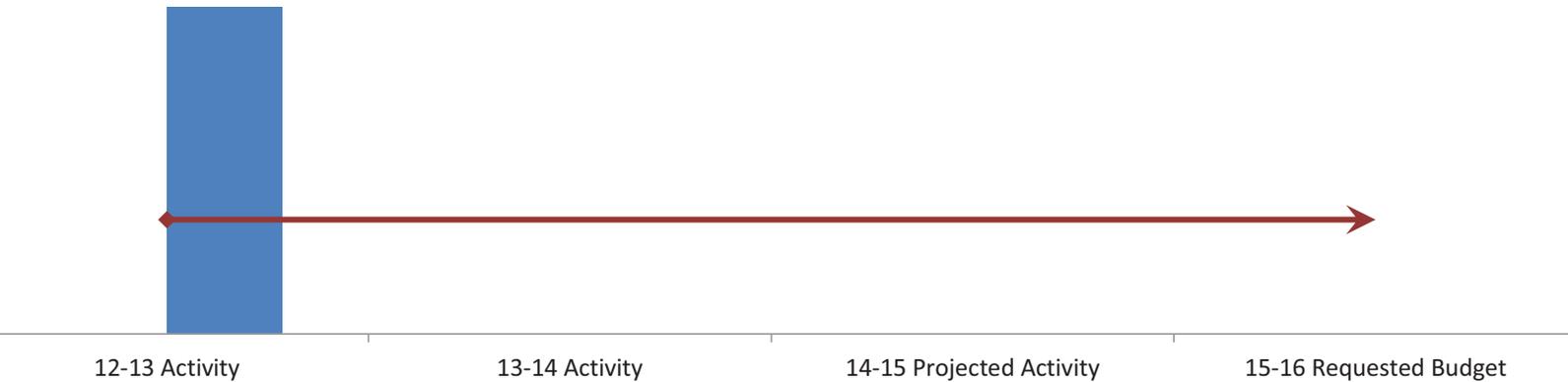
Revenues: If revenues are received through appropriate court orders for property seized during drug related arrests, budget items will be made to use funds according to applicable uses within the enabling legislation.

EXPENDITURES

DRUG ENFORCEMENT	5,226	3,787	500	500
APPROPRIATIONS	5,226	3,787	500	500

Expenditures: Are reported as they are incurred. Typical expenses include equipment for the police department.

REVENUES/APPROPRIATIONS - FUND 266	(4,674)	(3,787)	0	0
ENDING FUND BALANCE	26,457	21,783	17,996	17,996
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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FEDERAL DRUG FORFEITURE

ESTIMATED REVENUES	0	0	0	0
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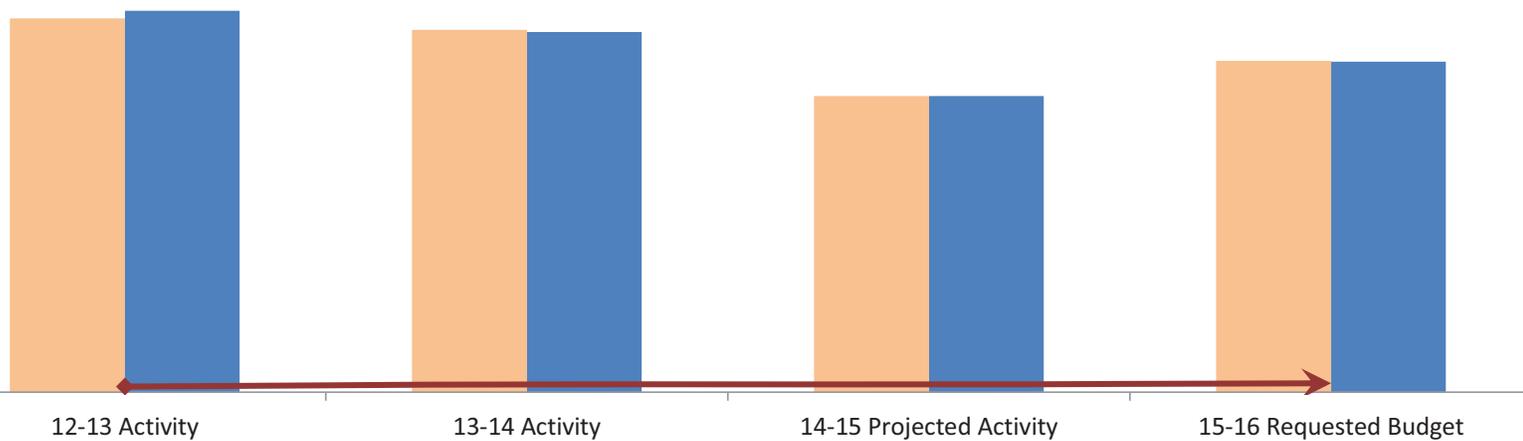
Revenues: If revenues are received through appropriate court orders for property seized during drug related arrests, budget items will be made to use funds according to applicable uses within the enabling legislation.

APPROPRIATIONS	729	0	0	0
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Expenses: Are reported as they are incurred. Typical expenses include equipment for the police department.

REVENUES/APPROPRIATIONS - FUND 268	(729)	0	0	0
CARRYING FUND BALANCE	984	255	255	255
CARRYING FUND BALANCE ADJUSTMENTS	0	0	0	0

l Projects fund encompasses many projects around the town including local paving.



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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CAPITAL PROJECTS FUND

REVENUES

INFRASTRUCTURE ACTIVITIES	164,016	159,002	130,000	145,500
ESTIMATED REVENUES	164,016	159,002	130,000	145,500

Revenues: The Capital Projects Fund accounts for revenue received from payments-in-lieu-of-taxes earmarked for capital projects for wireless antenna lease space on water towers.

EXPENDITURES

INFRASTRUCTURE ACTIVITIES	167,411	158,055	130,000	145,000
ECONOMIC DEVELOPMENT	0	0	0	0
APPROPRIATIONS	167,411	158,055	130,000	145,000

Expenditures: The Capital Projects Fund accounts for expenditures related to construction expenses on capital projects.

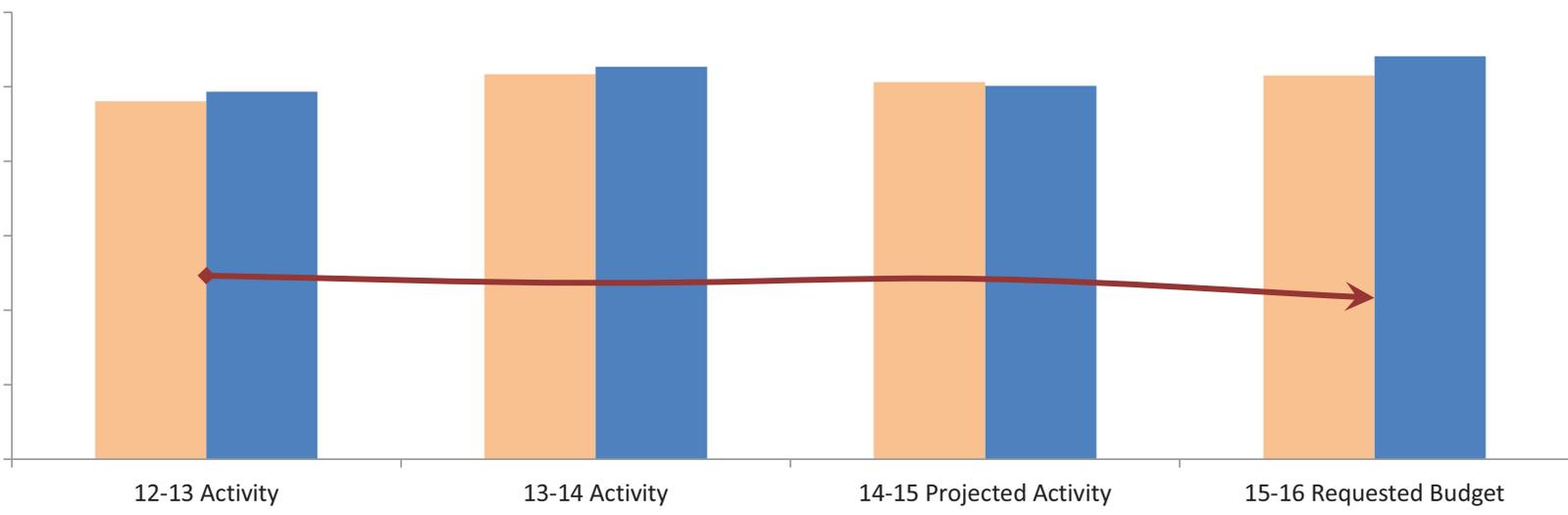
REVENUES/APPROPRIATIONS - FUND 499	(3,395)	947	0	500
ENDING FUND BALANCE	5,937	2,542	3,489	3,489
ENDING BALANCE ADJUSTMENTS	0	0	0	0

ic Utility is a municipal utility serving the City of Dowagiac. The City does not generate electricity. The City purchases electricity from Indiana Michigan Power through a cooperative formed with other municipal electric utilities. Activities to provide such services accounted for in these funds include, but are not limited to administration, operations, maintenance and on.

de Transit provides public transportation to residents of the City and portions of the surrounding townships. The majority of comes from State and Federal grants, as well as a local millage and fares paid to ride.

Utility is a municipal sewer service provider to the City of Dowagiac and surrounding communities. The City owns and treatment plant, lift stations and the collection system located with the city limits. Activities necessary to provide such services for in these funds include, but are not limited to administration, operations, maintenance and construction. Additionally, the City with an adjoining township to maintain their lift stations and distribution system.

Utility is a municipal supplier of water to the city. The City owns and operates a water filtration plant, two water towers, one and the distribution system located within the City limits. Activities necessary to provide such services accounted for in these ade, but are not limited to administration, operations, maintenance and construction.



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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ELECTRIC UTILITY

REVENUES

OPERATING & NON-OPERATING INCOME	7,206,766	7,750,525	7,594,500	7,727,500
ESTIMATED REVENUES	7,206,766	7,750,525	7,594,500	7,727,500

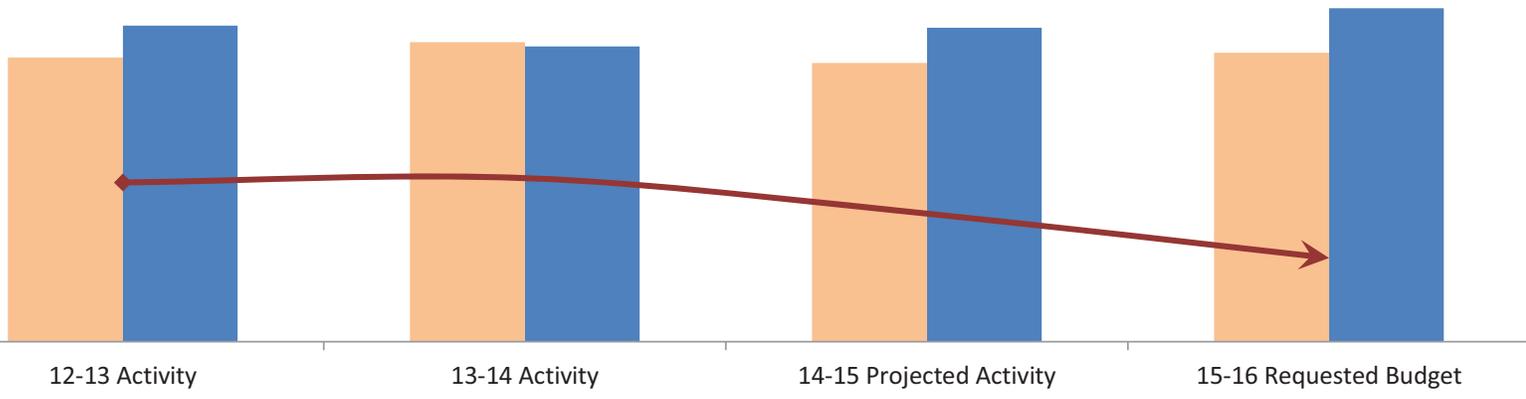
Revenues: The Electric Utility Fund accounts for the revenue received from the sale of electricity, investment interest, and governmental loan payments.

EXPENDITURES

GENERATION FACILITIES	4,559,513	4,632,368	4,785,000	4,835,000
DISTRIBUTION/COLLECTION	722,891	575,295	756,780	756,990
ADMINISTRATIVE	1,868,112	2,390,989	1,602,545	2,130,560
BOND PAYMENTS	53,871	53,631	54,000	54,000
ENERGY OPTIMIZATION PROGRAM	130,104	149,112	164,130	164,280
ECONOMIC DEVELOPMENT	61,883	97,617	150,090	166,790
APPROPRIATIONS	7,396,374	7,899,012	7,512,545	8,107,620

Expenditures: The Electric Utility Fund accounts for the expenditures related to purchased power, remediation costs for oil recovery (0.0051.2), administrative and operational expenses, transfers to other funds, debt service, payment-in-lieu-of taxes, and professional services and miscellaneous economic development expenses.

REVENUES/APPROPRIATIONS - FUND 582	(189,608)	(148,487)	81,955	(380,120)
ENDING FUND BALANCE	3,887,274	3,697,666	3,549,179	3,631,134
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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DIAL-A-RIDE TRANSPORTATION

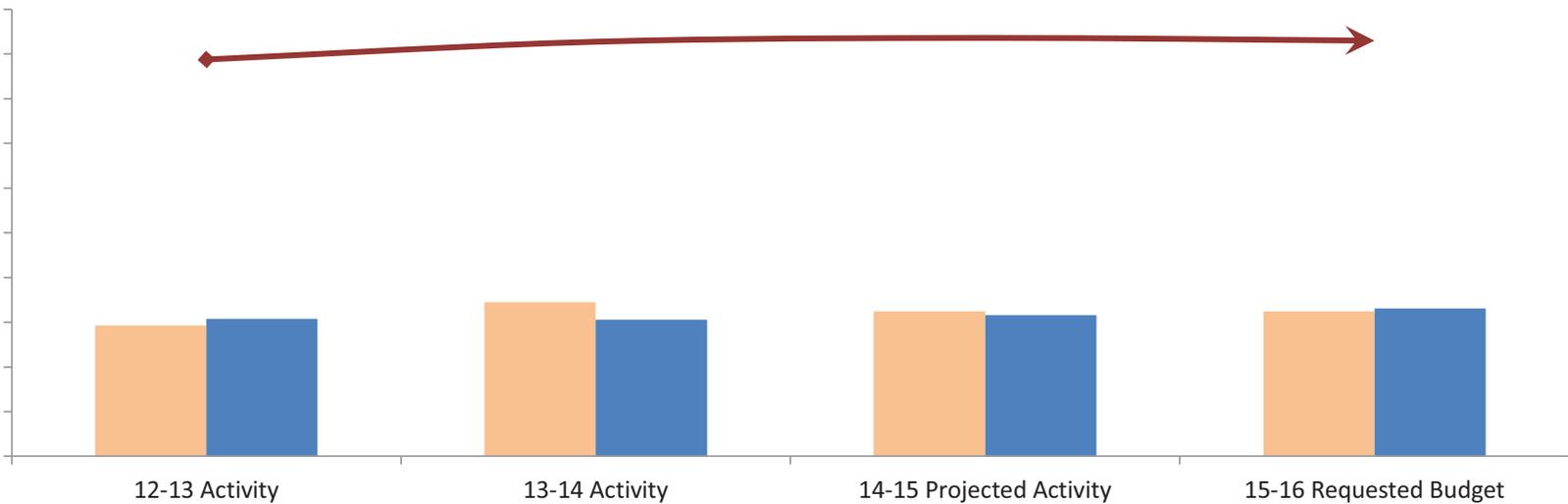
ESTIMATED REVENUES	187,059	197,104	183,330	190,150
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Revenues: The Dial-a-Ride Transportation Fund accounts for the revenue received from the tax levy that is solely designated for this purpose. The current millage rate for this tax is .55 mills. Other revenue sources include Federal and State operating assistance, and public transportation provided to residents of the city as well as to a portion of the surrounding townships. In 2015/2016 service was contracted using Cass County Transportation.

APPROPRIATIONS	207,901	194,221	206,727	219,350
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Expenses: The Dial-A-Ride Transportation Fund accounts for the expenditures associated with administrative costs, utilities, supplies, rent for office and garage space, and operations and maintenance costs.

REVENUES/APPROPRIATIONS - FUND 588	(20,842)	2,883	(23,397)	(29,200)
ENDING FUND BALANCE	125,730	104,814	107,697	84,300
ENDING BALANCE ADJUSTMENTS	(74)	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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SEWER UTILITY

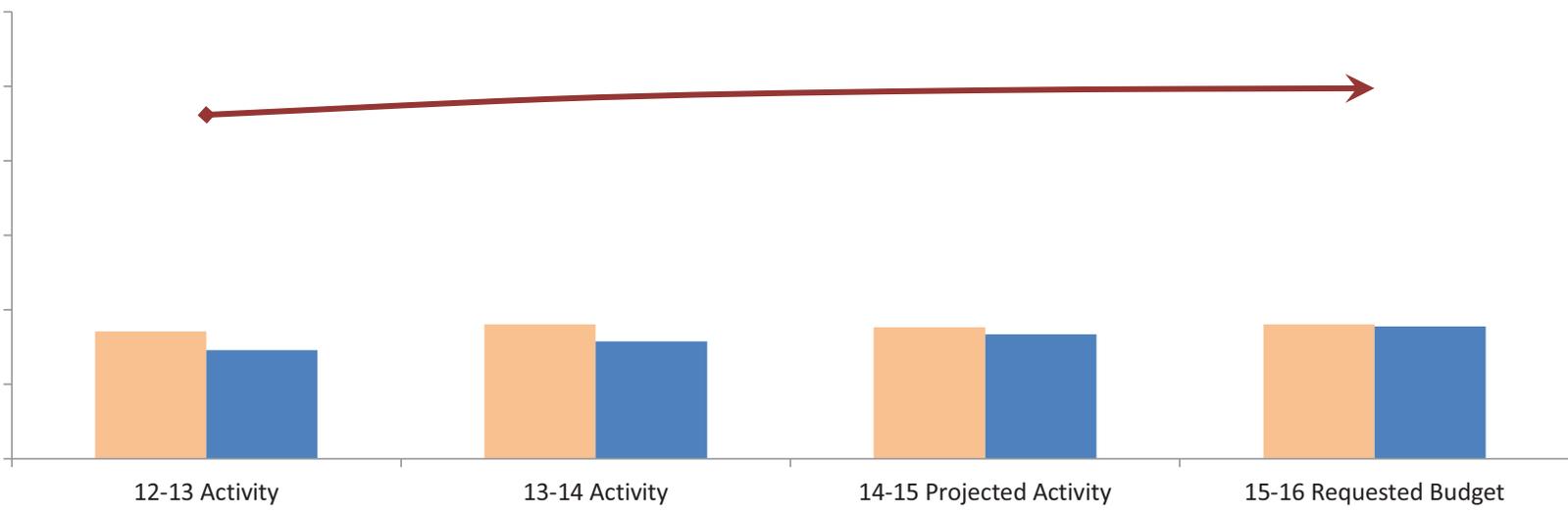
ESTIMATED REVENUES	1,462,942	1,724,666	1,620,950	1,620,900
TRANSFERS	45,515	44,889	29,500	48,000
AUA	5,000	33,968	30,000	30,000
OPERATING & NON-OPERATING INCOME	1,412,427	1,645,809	1,561,450	1,542,900

Revenues: The Sewer Utility Fund accounts for revenue received from Industrial Pretreatment surcharges as required by the Water Pollution Control Act; billing, monitoring and O&M fees assessed to Silver Creek Township for sanitary sewer collection; transfers from other funds; and other operational revenues. In August of 2013 the City entered into a management contract A.

APPROPRIATIONS	1,537,358	1,526,181	1,578,305	1,651,640
GRANT	0	0	0	0
COLLECTION SLAUA	64,080	52,732	65,580	67,530
COLLECTION INDIAN LAKE	25,901	32,525	32,600	27,850
AUA	1,313	19,643	23,340	25,990
BOND PAYMENTS	37,827	34,278	35,500	35,500
ADMINISTRATIVE	340,801	276,280	282,295	292,150
METER READ/SERVICE	18,627	18,956	21,920	23,100
WASTEWATER TREATMENT	750,004	822,622	781,810	834,290
DISTRIBUTION/COLLECTION	298,805	269,145	335,260	345,230

Expenditures: The Sewer Utility Fund accounts for expenditures associated with collection, wastewater treatment, meter reading/service administrative expenses related to maintenance and operation of the utility.

REVENUES/APPROPRIATIONS - FUND 590	(74,416)	198,485	42,645	(30,740)
ENDING FUND BALANCE	4,513,037	4,438,719	4,637,204	4,679,849
BEGINNING BALANCE ADJUSTMENTS	98	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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WATER UTILITY

REVENUES

OPERATING & NON-OPERATING INCOME	690,572	711,798	706,050	718,250
CASS COUNTY WATER SYSTEM	165,017	191,118	177,500	184,500
ESTIMATED REVENUES	855,589	902,916	883,550	902,750

Revenues: The Water Fund accounts for revenue received from water utility sales, service fees, and lease payments for wireless space on the water towers, as well as revenue from the Cass County Water System.

EXPENDITURES

DISTRIBUTION/COLLECTION	297,588	327,386	317,390	356,960
WATER TREATMENT	62,479	72,432	81,000	83,000
ADMINISTRATIVE	236,664	240,971	258,855	283,090
BOND PAYMENTS	16,516	15,124	20,500	20,000
CASS COUNTY WATER SYSTEM	115,454	130,359	157,900	146,100
APPROPRIATIONS	728,701	786,272	835,645	889,150

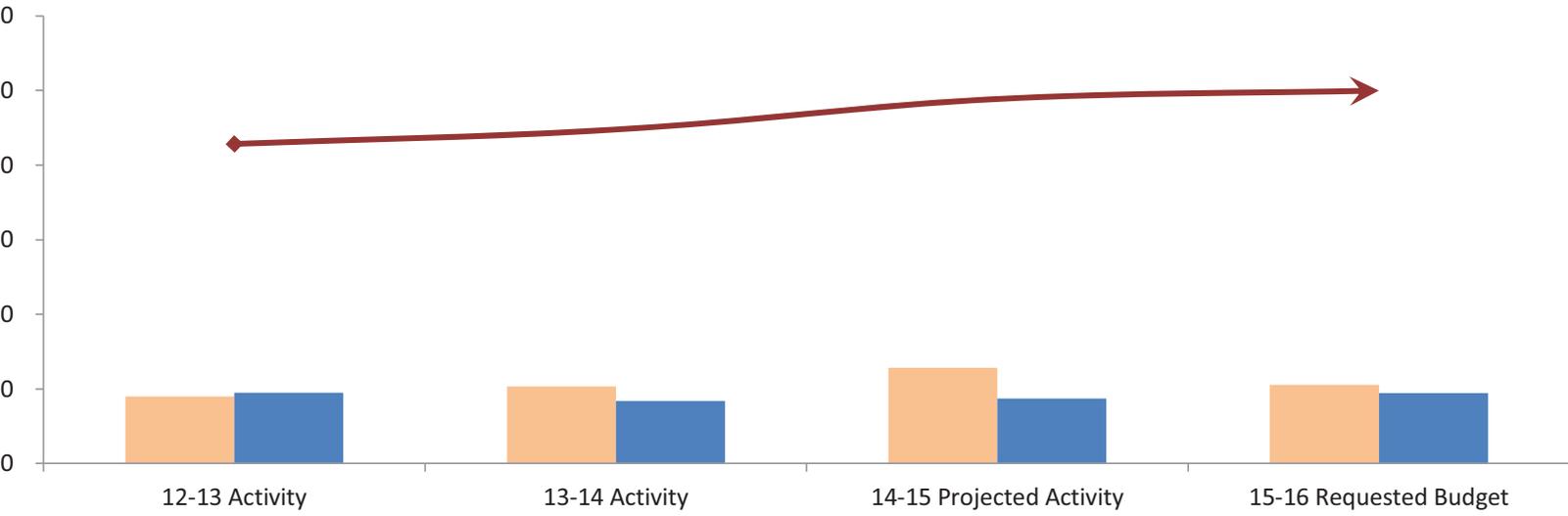
Expenditures: The Water Fund accounts for expenditures associated with distribution, water treatment, and administrative expenses maintenance and operation of the utility.

REVENUES/APPROPRIATIONS - FUND 591	126,888	116,644	47,905	13,600
ENDING FUND BALANCE	2,180,860	2,307,820	2,424,467	2,472,372
ENDING BALANCE ADJUSTMENTS	72	3	0	0

Pool Fund accounts for the costs of purchasing, maintaining and operating vehicles and other equipment used by various City departments. Costs are billed to the user departments based on rental rates that are adjusted annually. Replacement costs are also billed to other departments based on usage.

Computer Replacement Fund provides computer and software support for City operations. Revenues for the fund come from services provided to other City funds. The Computer Replacement Fund accounts for the costs of purchasing and maintaining computer equipment for the City. Costs for computer services are billed to the user departments based on rental rates adjusted annually.

Revenue Expense Fund Balance



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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MOTOR POOL/EQUIPMENT

REVENUES

INTERNAL REPAIR/MAINTENANCE	450,231	515,069	639,700	527,125
ESTIMATED REVENUES	450,231	515,069	639,700	527,125

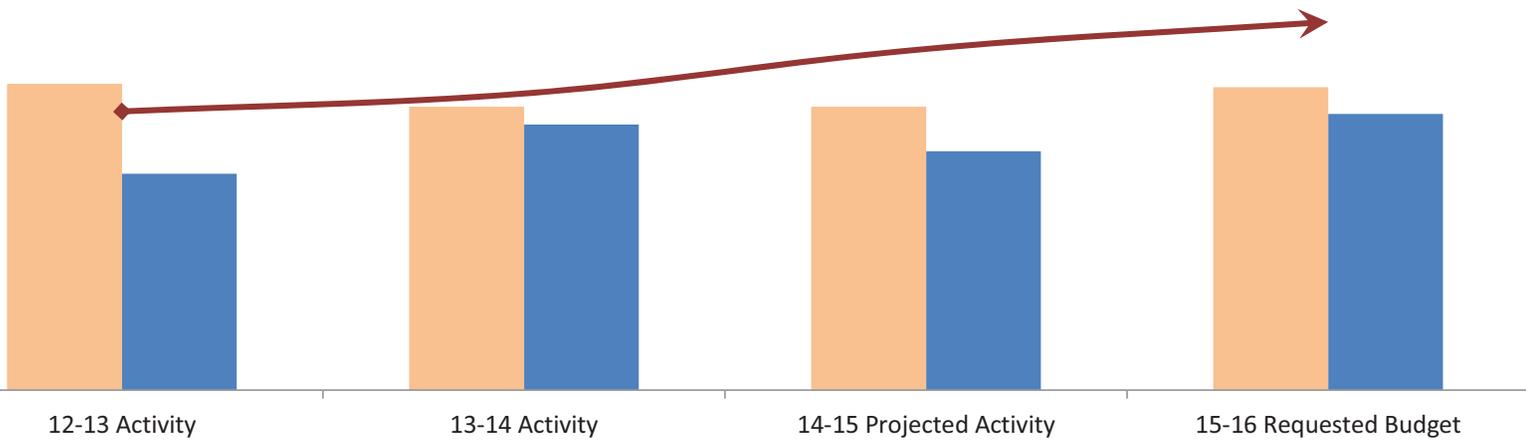
Revenues: The Motor Pool Fund accounts for revenue received from interest, equipment rental charges for use of City equipment by Major and Local Streets Funds as required by MDOT, trade-in allowances on vehicles/equipment scheduled for sale, and retained earnings.

EXPENDITURES

INTERNAL REPAIR/MAINTENANCE	473,232	419,248	433,900	471,250
APPROPRIATIONS	473,232	419,248	433,900	471,250

Expenses: The Motor Pool Fund accounts for expenditures associated with repair, maintenance and operational expenses related to City vehicles and equipment.

REVENUES/APPROPRIATIONS - FUND 661	(23,001)	95,821	205,800	55,875
ENDING FUND BALANCE	2,164,874	2,141,873	2,237,694	2,443,494
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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COMPUTER REPLACEMENT FUND

REVENUES

INTERNAL REPAIR/MAINTENANCE	134,385	124,364	124,500	133,000
ESTIMATED REVENUES	134,385	124,364	124,500	133,000

Revenues: The Computer Replacement Fund accounts for revenue received from equipment rental charges for use of computer by other City departments. The amount of revenue also includes funding future capital purchases based on useful life of current assets.

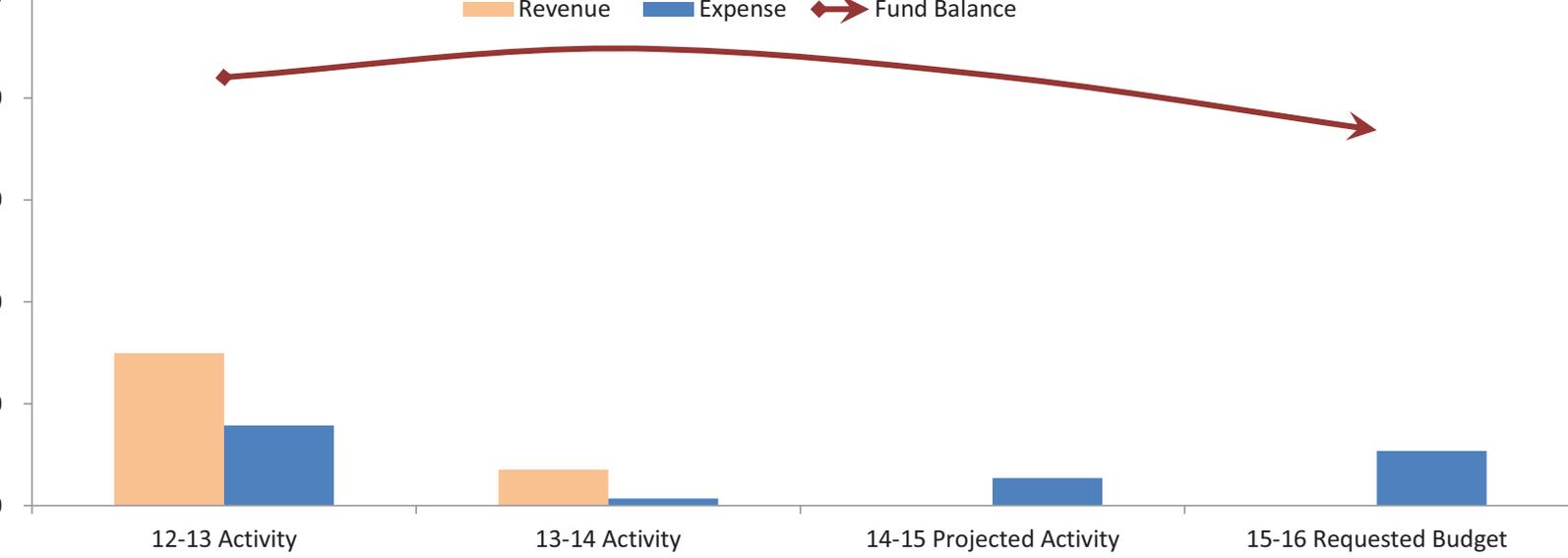
EXPENDITURES

INTERNAL REPAIR/MAINTENANCE	94,939	116,557	104,840	121,220
APPROPRIATIONS	94,939	116,557	104,840	121,220

Expenditures: The Computer Replacement Fund accounts for expenditures associated with administrative, maintenance and operational related to computer services and equipment for the City.

REVENUES/APPROPRIATIONS - FUND 662	39,446	7,807	19,660	11,780
CLOSING FUND BALANCE	82,913	122,359	130,166	149,827
OPENING FUND BALANCE ADJUSTMENTS	0	0	1	2

Insurance Fund accounts for the cost of the City self-insured portions of employee health insurance and liability self insurance. Insurance Funds are administered by a third-party providers that makes direct payment to health care providers, and other companies. Revenue to the fund is provided by charges to the various funds and activities.



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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HEALTH/DENTAL SELF-INSURANCE FUND

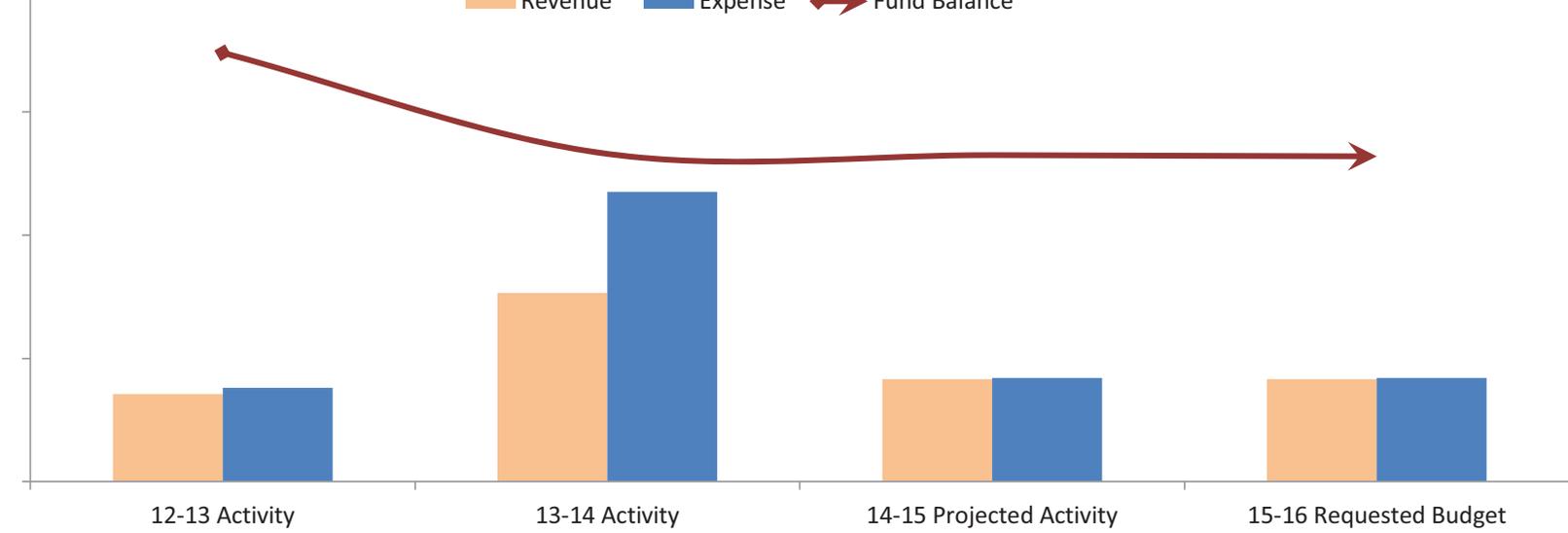
REVENUES				
HEALTH INSURANCE	74,751	17,778	200	200
ESTIMATED REVENUES	74,751	17,778	200	200

Revenues: Interest; a portion of this account has been placed into a CD to earn better interest rates.

APPROPRIATIONS				
HEALTH INSURANCE	39,299	3,595	13,500	27,000
APPROPRIATIONS	39,299	3,595	13,500	27,000

Adjustments: The plan for this account is to retain fund balance for the time being with the recent health care changes. A portion of the fund balance is now being paid to MERS on the UAL, this began in March of 2015. The plan is to continue to fund a portion of the UAL by making adjustments from this account.

REVENUES/APPROPRIATIONS - FUND 677	35,452	14,183	(13,300)	(26,800)
ENDING FUND BALANCE	174,751	210,203	224,386	211,086
FUND BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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SELF INSURANCE

REVENUES

INSURANCE	35,601	76,577	41,500	41,500
ESTIMATED REVENUES	35,601	76,577	41,500	41,500

Revenues: The Self Insurance Fund accounts for revenue received from transfers from the majority of operational funds. The amount reflects funding for the self insurance plan administered by MMRMA. The City began recording the retention fund in the audit and applicable accounts were given a fund balance adjustment to establish the account balance. Other sources of revenue include investment earnings and insurance recoveries .

EXPENDITURES

INSURANCE	38,096	117,587	42,000	42,000
APPROPRIATIONS	38,096	117,587	42,000	42,000

Adjustments: The Self Insurance Fund accounts for insurance claims as they arise.

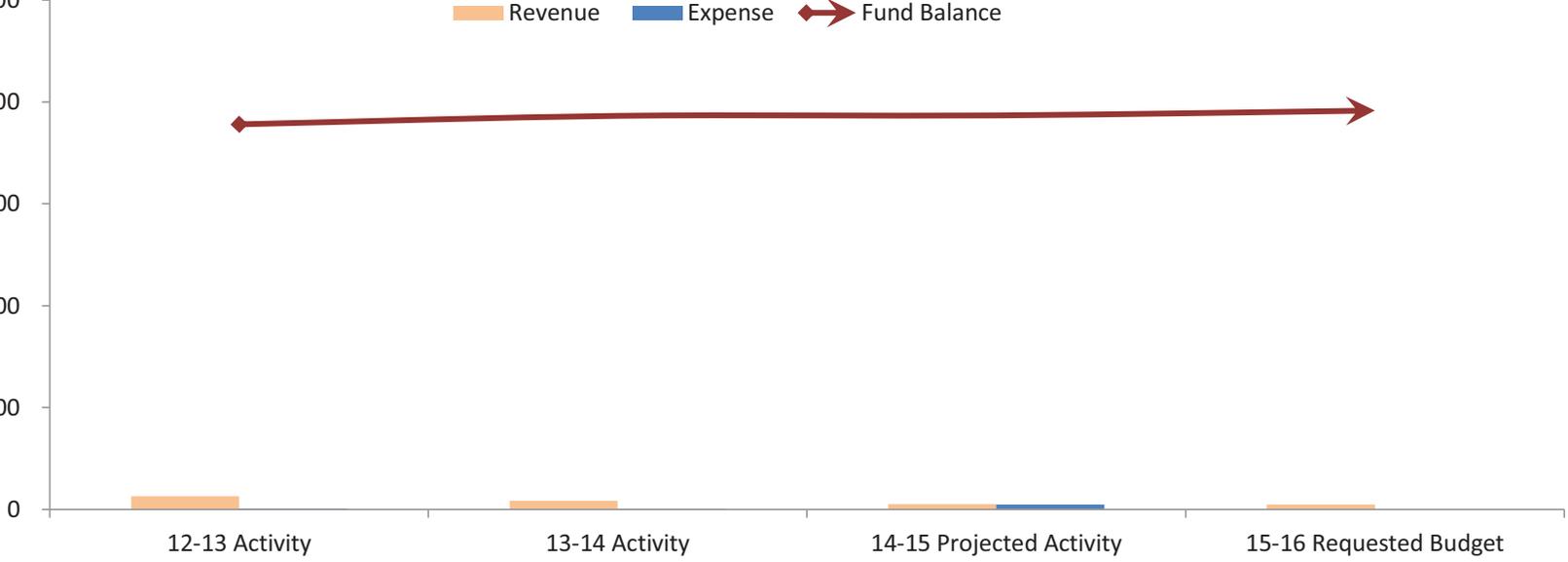
REVENUES/APPROPRIATIONS - FUND 677	(2,495)	(41,010)	(500)	(500)
ENDING FUND BALANCE	176,424	173,929	132,919	132,419
ENDING BALANCE ADJUSTMENTS		0	0	0

ery Trust Fund accounts for the revenue received when burial plots are sold. The principal in this fund must be maintained intact. The interest earnings in this fund are being accumulated to provide for the upkeep of the cemetery after all plots have been

e Health Insurance Fund accounts for retiree contributions to health insurance premiums and transfers from other funds.

e Art Non Reverting trust fund was established to record donations received for public art. The monies received can only be used for the long-term care and maintenance of public art, and any interest earned must remain in the fund.

Revenue Expense Fund Balance



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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CEMETERY TRUST

ADDED REVENUES				
CEMETERY	31,985	21,108	12,500	12,000
ESTIMATED REVENUES	31,985	21,108	12,500	12,000

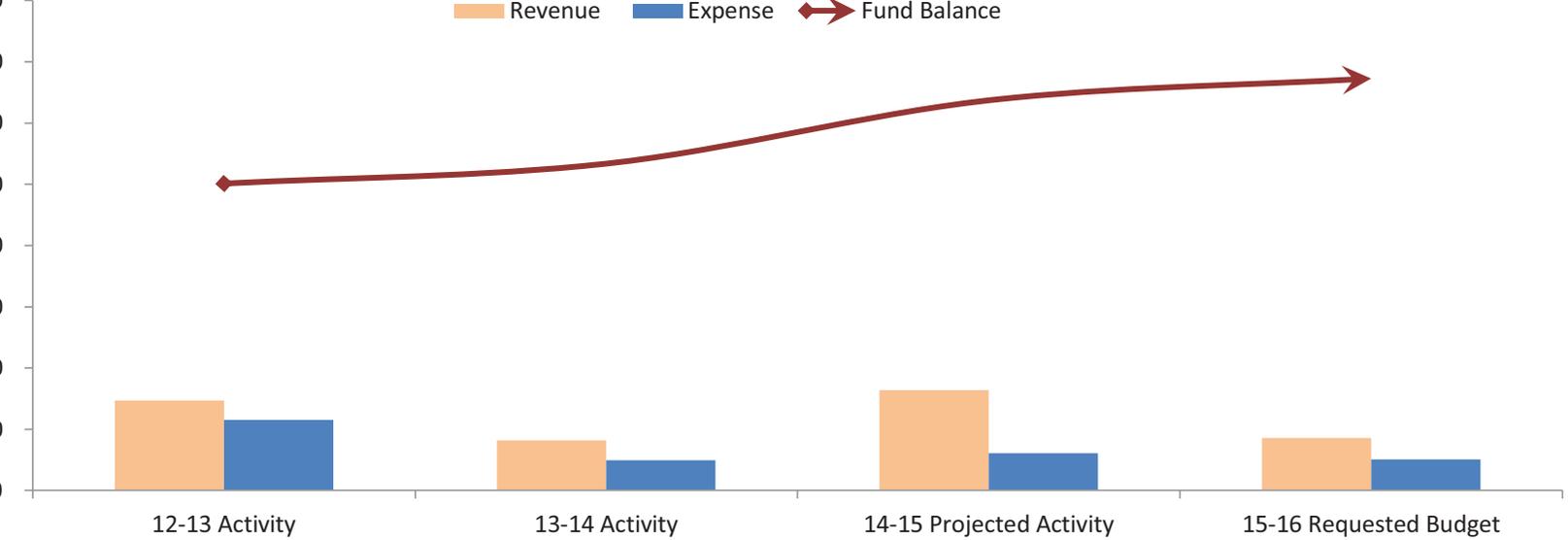
Revenues: Income is generated in the form of perpetual care fees and interest paid from the Electric Fund. The loan principal repayment from the Electric fund will end in the 2015 Fiscal Year.

EXPENSES				
CEMETERY	1,372	240	11,500	0
APPROPRIATIONS	1,372	240	11,500	0

Expenses: Miscellaneous minor repairs and maintenance expenses.

REVENUES/APPROPRIATIONS - FUND 711	30,613	20,868	1,000	12,000
ENDING FUND BALANCE	914,288	944,901	965,769	966,769
ENDING BALANCE ADJUSTMENTS	0	0	0	0

Revenue Expense Fund Balance



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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RETIREE HEALTH INSURANCE

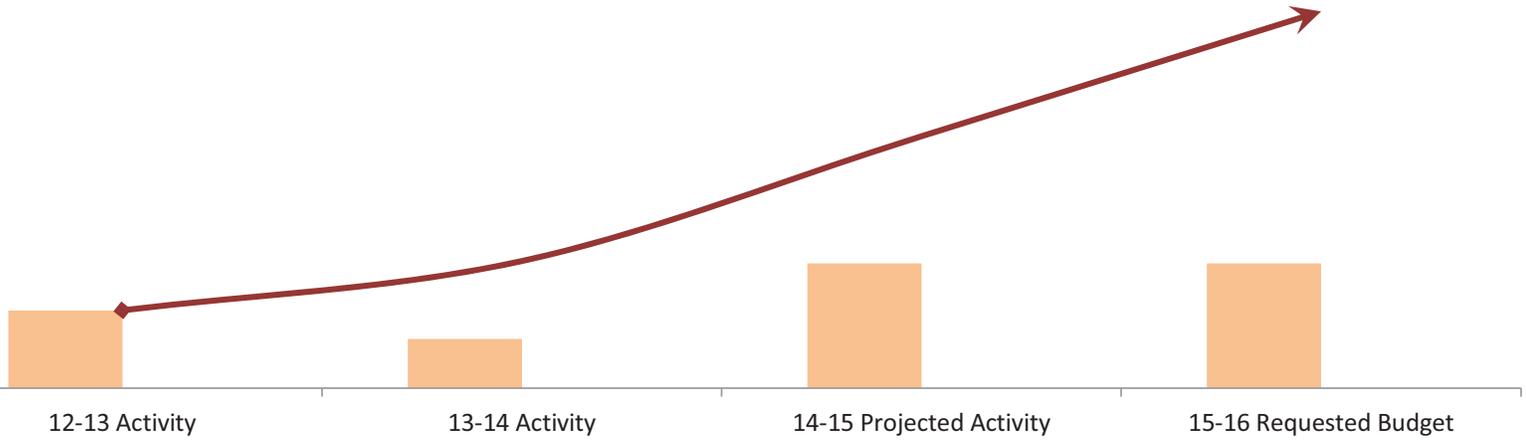
ESTIMATED REVENUES				
RETIREE INSURANCE	146,707	81,730	164,000	86,000
ESTIMATED REVENUES	146,707	81,730	164,000	86,000

Revenues: Revenue is composed of interest income, retiree contributions, and employer contributions based on the City's postemployment hospitalization insurance plan.

EXPENSES				
RETIREE INSURANCE	115,048	49,282	60,550	50,500
EXPENSES	115,048	49,282	60,550	50,500

Expenses: Expenses of the City's postemployment hospitalization insurance plan. They are recorded as they incur.

REVENUES/APPROPRIATIONS - FUND 733	31,659	32,448	103,450	35,500
ENDING FUND BALANCE	469,536	501,195	533,643	637,093
ENDING BALANCE ADJUSTMENTS	0	0	0	0



DESCRIPTION	2012-13 ACTIVITY	2013-14 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 REQUESTED BUDGET
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PUBLIC ARTS NON-REVERTING TRUST FUND

REVENUES				
PUBLIC ART	1,250	790	2,000	2,000
ESTIMATED REVENUES	1,250	790	2,000	2,000

Revenues: Designated Donations.

APPROPRIATIONS	0	0	0	0
PUBLIC ART	0	0	0	0

Expenditures: Long-term care and maintenance of public art.

REVENUES/APPROPRIATIONS - FUND 733	1,250	790	2,000	2,000
ENDING FUND BALANCE	0	1,250	2,040	4,040
STARTING BALANCE ADJUSTMENTS	0	0	0	0

D REVENUES - ALL FUNDS	15,856,549	17,694,851	16,187,810	16,531,675
ATIONS - ALL FUNDS	15,925,245	17,278,842	15,786,507	16,734,760
G BALANCE ADJUSTMENTS	171	26,232	0	0
VENUES/APPROPRIATIONS - ALL FUNDS	(68,696)	416,009	401,303	(203,085)

CITY OF DOWAGIAC
MEMO

TO: Mayor Lyons and City Council Members

FROM: Kevin P. Anderson, City Manager

DATE: May 8, 2015

RE: FY 2015-16 Budget

Attached you will find the City Manager's recommended budget for the Fiscal Year 2015-16, which will begin October 1, 2015. The budget is presented by fund and you will see comparison years from two prior fiscal years, the current year's projected budget, and the recommended budget.

A public hearing is scheduled for June 1, 2015 and Council will be asked to consider adopting the budget on the same night.

General Budget Topics:

The revenue streams are expected to improve slightly. Although we will not have confirmation prior to deadlines to adopt a budget, constitutional State Shared Revenues are expected to rise slightly due to increases in state sales tax revenues, but legacy business tax credits will slow the growth of revenues available to municipalities for the next 4-7 years. Taxable valuation of real property within the City of Dowagiac will remain relatively constant.

In spite of this relatively positive news regarding revenue sources, the challenge that continues is to assess how services are delivered to the community and find new ways to deliver the service because revenues remain significantly lower than several years ago. Investment in infrastructure needs to continue and the current budget does allow for capital projects for roads and utilities at similar levels to the previous year.

The largest challenge for next year continues to be the Solid Waste Fund. It has become clear that, in spite of other cuts within solid waste, the current revenue stream will not support the monitoring obligations for the Nubour landfill any longer and the millage to support those increased costs is included in this budget.

Finally, the cost of purchased power is increasing so a small electric rate increase will be necessary to maintain current service levels. Also, sewer rates will be analyzed during the fiscal year so that improvements to the system can be continued.

General Fund

Michigan's overall economy has shown some improvement and sales tax revenues have increased. This means that the constitutional shared revenue will increase slightly, which will help with the inflationary cost from vendors. The outlook for General Fund revenues is for revenues to continue to remain at current levels or increase slightly, at least in the short-term.

The biggest revenue expenditure continues to be public safety (i.e. police and fire). Also within public safety is CCDET, which is a partnership with the Cass County Sheriff's Department to combat drug trafficking in and around Cass County. The City receives reimbursement from the County for direct costs in support of this program. The City also contracts with portions of Pokagon Township, Southwestern Michigan College, and the Pokagon Band for fire protection services. Over the past several years the Motor Pool Fund has been adequate to fund vehicle replacement programs throughout the City's operating funds.

Special Revenue Funds

The special revenue funds have a wide variety of operations, including major and local streets, sidewalk replacement, solid waste, LDFA and TIF projects, the MSHDA rental rehab program, and the municipal facilities improvement funds. The special revenue funds cover a wide variety of single purpose operations of the city.

Enterprise Funds

Combined enterprise funds are the largest revenues and expenditures for the City. The enterprise funds consist of the electric, water, sewer, as well as the DART operations. Costs to operate the wastewater treatment plant are shared with the Village of Cassopolis, Sister Lakes and Indian Lake utilities. Revenues and expenditures in these funds have stabilized. A significant Wastewater Treatment Plant capital project has been approved and construction will take place during FY 2015-16.

DART is the Dial-A-Ride Transit System that is available in and around the city limits with the bulk of the funding for this operation coming from State and Federal funds. However, there have been reductions in those levels of funding over the past several years and this fund operates at a deficit. The city is now contracting with Cass County Transit for many of the transportations services.

Trust and Agency Funds

These funds include the health/drug self insurance program, the cemetery trust fund, retiree health insurance and the fire insurance escrow fund. State law stipulates that interest from the Cemetery Perpetual Care Fund can be used to pay for ongoing upkeep of Riverside Cemetery. Additionally, all trust and agency funds are non-reverting funds, which means that balances in any of these funds carry forward from one year to the next to assure that funds are available when needed.

It is my hope that this budget document becomes an effective communication tool for the elected officials, management and citizens of the City of Dowagiac.