

Village of Elberta Council Resolution and Multiple Year Deficit Elimination Plan:

WHEREAS the Village of Elberta's General Fund had a \$572,834 deficit fund balance on March 1, 2016; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury;

NOW THEREFORE, IT IS RESOLVED that the Elberta Village Council adopts the following as the Village of Elberta General Fund Deficit Elimination Plan:

	FY2017	FY2018	FY2019	FY2020	FY2021
Fund Balance (Deficit) 1-Mar	\$ (572,834)	\$ (453,107)	\$ (389,270)	\$ (330,330)	\$ (259,469)
Revenue					
Property Taxes	\$ 73,762	\$ 75,237	\$ 76,742	\$ 78,277	\$ 79,842
State Sources	\$ 43,352	\$ 43,000	\$ 44,000	\$ 45,000	\$ 46,000
Licenses & Permits	\$ 3,300	\$ 3,465	\$ 3,638	\$ 3,820	\$ 4,011
Charges for Services	\$ 50,145	\$ 50,145	\$ 50,145	\$ 50,145	\$ 50,145
Interest & Rents	\$ 107,900	\$ 111,137	\$ 114,471	\$ 117,905	\$ 121,442
Other Revenue	\$ 7,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Sale of Property	\$ 56,225			\$ -	\$ -
Total Revenue	\$ 341,684	\$ 285,484	\$ 291,496	\$ 297,647	\$ 303,941
Expenditures					
Salaries and Wages	\$ 65,628	\$ 70,550	\$ 75,841	\$ 81,529	\$ 87,644
Buildings & Grounds	\$ 71,134	\$ 74,691	\$ 78,425	\$ 65,000	\$ 68,250
Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ 32,800	\$ 27,800	\$ 29,190	\$ 30,650	\$ 32,182
Supplies	\$ 15,945	\$ 16,423	\$ 16,916	\$ 17,424	\$ 17,946
Other Services	\$ 6,750	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183
Capital Outlay	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Other Expense	\$ 25,700	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 221,957	\$ 221,647	\$ 232,556	\$ 226,785	\$ 238,205
Fund Balance (Deficit) 28-Feb	\$ (453,107)	\$ (389,270)	\$ (330,330)	\$ (259,469)	\$ (193,733)

BE IT FURTHER RESOLVED that the Elberta Village Clerk submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

Adopted and approved this 19th day of May 2016.



Village Clerk

Village of Elberta Deficit Elimination Plan FY2017 (Year 1) - Monthly Breakdown

	FY2017	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
	Budget	Actuals	Actuals	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Fund Balance (Deficit) 3/1/16	\$ (572,834)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue													
Property Taxes	\$ 73,762	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 50,000		\$ 8,500	\$ -	\$ -	\$ -	\$ -
State Sources	\$ 43,352	\$ -	\$ 6,251	\$ -	\$ 7,000	\$ -	\$ 7,000	\$ -	\$ 7,500	\$ -	\$ 7,000	\$ -	\$ 7,000
Licenses & Permits	\$ 3,300	\$ 1,100	\$ 1,690	\$ 120	\$ 135	\$ 135	\$ 90	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	\$ 50,145	\$ -	\$ -	\$ 10,500	\$ -	\$ 150	\$ 12,500	\$ -	\$ 70	\$ 16,500		\$ -	\$ 10,358
Interest & Rents	\$ 107,900	\$ 1,479	\$ 13,467	\$ 5,800	\$ 13,800	\$ 22,000	\$ 22,000	\$ 17,600	\$ 2,500	\$ 3,000	\$ 2,500	\$ 2,000	\$ 1,500
Other Revenue	\$ 7,000	\$ 4,018	\$ 24	\$ 165	\$ 50	\$ 2,000	\$ 36	\$ 120	\$ 35	\$ 35	\$ 35	\$ 35	\$ 34
Sale of Property	\$ 56,225		\$ 56,225			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 341,684	\$ 6,597	\$ 77,657	\$ 16,585	\$ 20,985	\$ 39,285	\$ 91,626	\$ 17,810	\$ 18,605	\$ 19,535	\$ 9,535	\$ 2,035	\$ 18,892
	\$ -												
Expenditures	\$ -												
Salaries and Wages	\$ 65,628	\$ 4,451	\$ 4,400	\$ 4,800	\$ 4,500	\$ 6,000	\$ 4,500	\$ 4,500	\$ 5,200	\$ 6,500	\$ 4,500	\$ 4,500	\$ 6,500
Buildings & Grounds	\$ 71,134	\$ 4,071	\$ 5,148	\$ 4,000	\$ 9,000	\$ 14,500	\$ 16,000	\$ 7,700	\$ 7,100	\$ 1,250	\$ 1,040	\$ 960	\$ 359
Public Safety	\$ -												
Contractual Services	\$ 32,800	\$ 436	\$ 216	\$ 6,750	\$ 8,728	\$ 2,400	\$ 2,400	\$ 2,400	\$ 3,000	\$ 2,010	\$ 850	\$ 850	\$ 1,708
Supplies	\$ 15,945	\$ 1,007	\$ 576	\$ 1,600	\$ 1,586	\$ 1,750	\$ 2,100	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,050	\$ 1,050	\$ 1,050
Other Services	\$ 6,750	\$ -	\$ 43	\$ 2,100		\$ -	\$ 2,100	\$ -		\$ 2,100	\$ -	\$ -	\$ 400
Capital Outlay	\$ 4,000	\$ 154	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 850	\$ -	\$ -
Other Expense	\$ 25,700		\$ 295		\$ 4,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 3,500	\$ -	\$ -		\$ -
Total Expenditures	\$ 221,957	\$ 10,118	\$ 10,678	\$ 19,250	\$ 28,814	\$ 30,650	\$ 34,100	\$ 21,800	\$ 21,000	\$ 13,060	\$ 8,290	\$ 7,360	\$ 10,017
Fund Balance (Deficit) 2/28/17	\$(453,107)												

Village of Elberta Deficit Elimination Plan FY2018 (Year 2) - Monthly Breakdown

	FY2018	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
		Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Fund Balance (Deficit) 3/1/17	\$(453,107)												
Revenue													
Property Taxes	\$ 75,237	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 40,755		\$ 8,500	\$ -	\$ -	\$ -	\$ -
State Sources	\$ 43,000	\$ -	\$ 6,330	\$ -	\$ 8,202	\$ -	\$ 6,868	\$ -	\$ 7,250	\$ -	\$ 7,250	\$ -	\$ 7,100
Licenses & Permits	\$ 3,465	\$ 40	\$ 175	\$ 2,800	\$ 135	\$ 135	\$ 90	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	\$ 50,145	\$ -	\$ -	\$ 10,750	\$ -	\$ -	\$ 1,500	\$ 16,500		\$ 11,000		\$ -	\$ 10,358
Interest & Rents	\$ 111,137	\$ 5	\$ 1,448	\$ 4	\$ 50,000	\$ 12,000	\$ 8,000	\$ 6	\$ 1,089	\$ 900	\$ 4	\$ 1,296	\$ 1,248
Other Revenue	\$ 2,500	\$ 35	\$ 50	\$ 35	\$ 50	\$ 2,000	\$ 36	\$ 120	\$ 35	\$ 35	\$ 35	\$ 35	\$ 34
Total Revenue	\$ 285,484	\$ 80	\$ 8,003	\$ 13,589	\$ 58,387	\$ 40,135	\$ 57,249	\$ 16,716	\$ 16,874	\$ 11,935	\$ 7,289	\$ 1,331	\$ 18,740
\$ -													
Expenditures	\$ -												
Salaries and Wages	\$ 70,550	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879	\$ 5,879
Buildings & Grounds	\$ 74,691	\$ 350	\$ 500	\$ 4,500	\$ 14,900	\$ 14,900	\$ 14,900	\$ 13,500	\$ 6,750	\$ 1,250	\$ 1,150	\$ 960	\$ 850
Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ 27,800	\$ 850	\$ 1,000	\$ 862	\$ 8,728	\$ 4,228	\$ 3,430	\$ 1,450	\$ 2,000	\$ 2,010	\$ 850	\$ 850	\$ 1,708
Supplies	\$ 16,423	\$ 29	\$ 1,124	\$ 392	\$ 1,586	\$ 976	\$ 502	\$ 1,969	\$ 1,969	\$ 1,969	\$ 1,969	\$ 1,969	\$ 1,969
Other Services	\$ 3,183	\$ -		\$ -	\$ 1,643	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ 340
Capital Outlay	\$ 4,000	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Other Expense	\$ 25,000	\$ 19	\$ 57	\$ -	\$ 2,000	\$ 6,000	\$ 8,000	\$ 8,000	\$ 500	\$ 200	\$ 125	\$ 125	\$ 119
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 221,647	\$ 7,127	\$ 8,560	\$ 11,633	\$ 34,735	\$ 31,983	\$ 32,711	\$ 30,799	\$ 18,298	\$ 11,308	\$ 9,973	\$ 9,783	\$ 10,865
Fund Balance (Deficit) 2/28/18	\$(389,270)												

Notes & Commentary

FY2017 (current year). The Village has been working under DEPs for the past two year and has successfully reduced the General Fund deficit by \$99,481 to date. In FY2016 this Fundbalance improvement includes both the absorption of the Village Park Fund deficit of \$34K, and the retirement of \$40K of attorney fee liabilities incurred in 2013-2014. The Village acknowledges that DEP should reflect a maximum of a 5 year pay-off. However, given the size of the deficit and the need to maintain the existing Village buildings and parks, the Council has made the conscious decision to extend the deficit paydown by appropriating significant funds to perform necessary repairs to extend the useful life of the Village-owned properties.

Public Safety Expense. In November 2014 the residents voted for a Township millage to cover the Fire Department and EMT services, so the final Village payment for the fire protection and EMT contract was made in April 2015. Starting in Village FY2017 all significant public safety services have become shared services with other municipalities and are paid for by the residents through Township property taxes.

Sale of Municipal Property. The Village listed the former library building at 704 Frankfort Ave, Elberta with a realtor in March 2016 and completed a private sale of the property on April 8, 2016 in accordance with Chapter VII, Section 4 of 1895 P.A. 3. (GLV). The budget amendment reflecting the proceeds of the sale is pending at the time of this DEP creation, however, the proceeds are reflected in the DEP.

Supporting Information. Two copies of the current Village Revenue/Expense report are attached showing the original budget, amended budget, and actual YTD amounts for the current fiscal year. One copy is sorted by Account Classification to align with the DEP, the other copy has the same information sorted by Department and may be easier to review. Additional supporting information is available upon request including copies of all budget amendments.