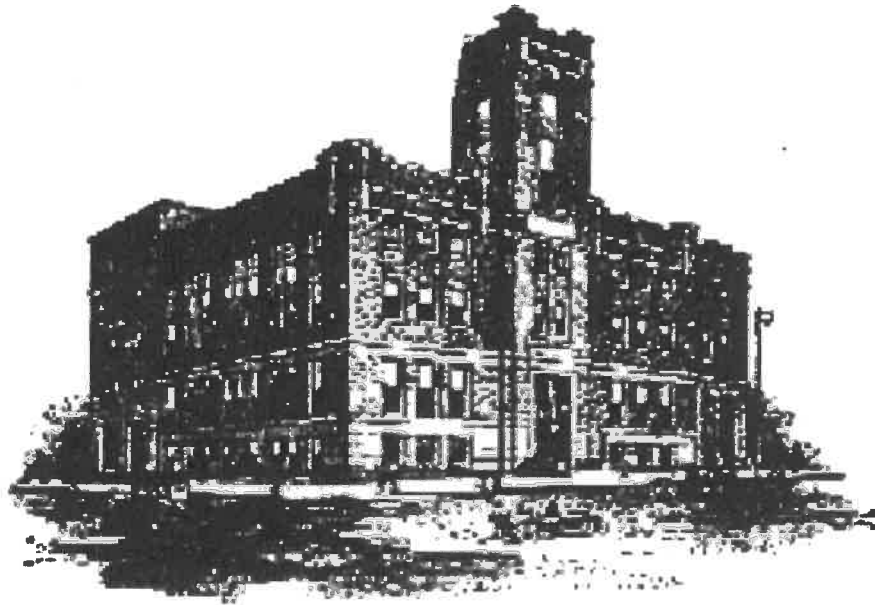


City of Crystal Falls



Proposed 2022-2023 Budget

Submitted on July 15, 2022

TO: CRYSTAL FALLS CITY COUNCIL

FROM: GERARD VALESANO, CITY MANAGER

DATE: JULY 15, 2022

SUBJECT: CITY OF CRYSTAL FALLS BUDGET MESSAGE AND SUPPORTING BUDGET FOR OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023

As required by the Charter for the City of Crystal Falls, I hereby submit to you for your review and comment the proposed budget for the City beginning October 1, 2022 through September 30, 2023.

As with previous proposed city budgets, this year's budget is once again submitted in a "line item" format. Revenue and expense detail are given for each fund as well as activity within the departments of each fund. At the end of each fund is a summary of the revenue and expense for that fund. Also included are the capital plans for the Public Works, Police, Electric, and Administration Offices. At the back of this document are pages from the audit regarding long term debt. Both the capital plans and the long-term debt are included in the body of the audit in the appropriate funds.

Throughout all the funds, four common factors were used:

1. A 5.7% wage increase for all fulltime employees as well as the City Manager and Clerk/Treasurer: Contract language for all fulltime employees' states: Employee's wage scale for subsequent years shall be adjusted by a 2.5% wage increase or the Midwest COLA for the previous fiscal year, whichever is greatest.

Per employee negotiations in April 2021, the City entered into a four-year agreement with all fulltime employees. Effective: October 1, 2021 to September 30, 2025.

2. A 10% increase in health insurance costs:

Hospitalization insurance is one of the most uncertain costs at this time. After speaking with Paradigm, the City's health insurance agency, the City Manager and the Clerk/Treasurer were advised that health insurance costs would rise approximately 10% during the 2022-2023 fiscal year. This figure was used in the calculation of insurance costs for this budget.

3. Using historical data to predict future revenues and expenditures:

While creating this budget for the City of Crystal Falls, I used the experience and knowledge of City Clerk/Treasurer Tara Peltoma, the data available from previous fiscal years, and the numbers from the current year, to build the estimates when hard data wasn't available. For instance, the revenues for the electric fund are always difficult to forecast as it is almost impossible to know how much electricity will be used in any given year by consumers. However, after going over data from previous years, I am comfortable with the revenue and estimated projections presented in this document. However, these numbers are always subject to change and fluctuation and need to be closely monitored throughout the year. Quarterly budget amendments will be important. Finally, as I've tried to stress to employees, this budget is a plan and not a "set in stone" requirement.

Opportunities arise, equipment breaks down, and we need to be able to adjust quickly when the unexpected happens.

4. Michigan Department of Treasury informed the City of its underfunded status per PA 202 of 2017. Major contributing factor was poor performance with the invested money at MERS (Municipal Employees Retirement System). Per Public Act 202 governmental entities must be funded at a minimum of 60%. The City dropped to 58% in 2021. At the June, 2021 Council meeting, the Council approved an application for waiver of a deficit reduction plan which included \$5,000 per month additional defined benefit surplus payment. In June, 2022, the City's funding status is at 61% funded.

GENERAL COMMENTS:

This proposed budget was built in a manner befitting a "team-oriented" approach. Throughout the year, department heads discuss with the City Manager and City Clerk/Treasurer expense items in order to build this budget. We will continue to begin the budget process in February, actively utilizing the input of department heads, Clerk/Treasurer, the auditor, and City Manager. The process begins with the City Manager requesting from department heads a list of their goals for the upcoming budget year. It is critically important that the City Manager and Department Heads take an informed, active role in the creation of the annual budget in order to help us actively plan for the City's future. After receiving goals from Department Heads, we work to find common goals to help us build a budget that moves the City of Crystal Falls forward each year. It is of critical importance that we, as a community and as a team, work together to help actively shape the future of our community.

In this budget, you will notice that it is built somewhat conservatively. The forecast for real property tax collection has increased slightly, though not to the desired point. Overall healthcare costs continue to rise and will do so for the foreseeable future. What we do today directly affects Crystal Falls tomorrow.

City of Crystal Falls Elected Officials

Michael McCarthy – Mayor

Maria Peterson – Mayor Pro Tem

Lori Willman – Council Member

Chris Nocerini – Council Member

Nathaniel Kudwa – Council Member

City of Crystal Falls Full-Time Staff

Administration

Gerard Valesano, City Manager

Tara Peltoma, City Clerk/ Treasurer

Utility Billing

Tammy Hendrickson, Billing Clerk

Department of Public Works

Kelly Stankewicz, Foreman

Rod Nylund, Equipment Operator/Mechanic

Tim Wheeler, Equipment Operator/Sexton

Tommy Peltoma, Equipment Operator

Police Department

Tim Bean, Chief of Police

Dia Flemming, Police Officer

Electrical Department

David Graff, Electrical Supervisor

Dan Graff, Foreman

Robert Fabbri, Journeyman Lineman

Steven Fabbri, Journeyman Lineman

City Auditor

Karl Ahonen, CPA. Makala, Pollock & Ahonen, PLLC

Assessing Department

Patti Roell, Assessor

City Attorney

Daryl R. Waters

Budget Summary 2022-2023

FUND	REVENUES	EXPENDITURES	Notes
General	\$ 1,759,292	\$ 1,548,310	Includes transfer of \$250,000 from Electric Fund
Major Street	\$ 318,000	\$ 174,500	No Major Street projects planned for FY 2022-2023
Local Street	\$ 103,500	\$ 46,204	No Local Street projects planned for FY 2022-2023
Golf	\$ 6,000	\$ 200	Land Contract agreement
Electric	\$ 2,759,958	\$ 2,699,287	Includes \$250,000 transfer to General Fund
Sewer	\$ 9,104,644	\$ 8,256,250	\$30.88 per month to \$44.00 as set by Rural Development for sewer system upgrade
Water	\$ 659,600	\$ 496,830	2% Rate Increase
Retiree Healthcare	\$ 295	\$ 168,700	\$7,500 per month contribution to MERS Retiree Health Care Savings Account per PA 202
Electric Reserve and Continge	\$ 51,500	\$ -	Bond requirement is met and the City continues to contribute
Perpetual Care	\$ 4,600	\$ 600	Adding to Fund Balance
Total Budget	\$ 14,767,389	\$ 13,390,881	

GENERAL FUND

Estimated General Fund expenditures for FY 2022-2023 are \$1,548,310.

Estimated General Fund revenues are \$1,759,292. The tax revenue is projected to increase slightly in FY 2022-2023 due a small increase in General Fund tax capture.

FY 2022-2023 estimated Revenue Sharing payments are projected to be similar to FY 2021-2022 according to information provided on the State of Michigan Treasury website. American Rescue Plan Act (ARPA) funds the City received was in the sum of \$143,341.01. This funding is to be used for infrastructure maintenance and upgrades. An upgraded cemetery office/winter storage facility and new phone and security camaras at City Hall implemented using these funds.

At the June Council meeting the City passed Act 33 of 1951 which uses a separate millage that is to be used for Police and/or Fire Protection. With this millage, the City is able to drop 1.5 mills from its general operating milage (\$37.246.00. Just shy of half fire protection expenses) and set Act 33 mills at 2.75. This eliminates nearly \$40,000.00 from General expenses. That, along with \$112,906.88 from marihuana excise tax income from two retail establishments will allow for the addition of a fulltime police officer.

Revenues pertaining to cemetery services are predicted to be somewhat similar to the previous year's budget. This is an uncertain area to budget and with the continued partnerships from the surrounding Townships, the City should be able to sustain our level of excellence when it comes to cemetery maintenance. Although the fees are high in comparison to other municipal cemeteries, we continue to believe that we have regained control over the expenditures and are charging realistic fees for these services. Also, changes with personnel at the cemetery continue to show a substantial reduction in costs.

During the summer of 2022, Runkle Lake Campground operated under a lease agreement with a private entity. This will be a savings to the General Fund as Runkle Lake Campground is expensive to operate with fulltime personal maintaining the grounds and doing general upkeep. Electrical upgrades have been added to much needed areas of the campground as well.

There will be no expenses for the Golf Course this fiscal year. As per the sale agreement, the City will receive a \$6,000.00 payment in November, 2022.

Lastly, new businesses in both, Business District -1 and Industrial zoned areas of Crystal Falls will bring an increase in revenue to the City's General Fund.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

		2020-21	2021-22	2022-23
		ACTIVITY	ACTIVITY	REQUESTED
ESTIMATED REVENUES				
101-000.000-403.000	CURRENT REAL PROPERTY TAXES	459,587	471,268	492,925
101-000.000-404.000	FIRE PROTECTION TAXES	36,101	37,031	71,344
101-000.000-423.000	PAYMENT IN LIEU OF TAXES	6,630	5,488	6,800
101-000.000-447.000	ADMINISTRATION FEE-TAXES	5,334	1,003	5,500
101-000.000-450.000	BEVERAGE LICENSES	1,980	413	3,000
101-000.000-451.000	BUSINESS LICENSE AND PERMIT	30,000	133,207	130,000
101-000.000-477.000	OTHER LICENSES & PERMITS	1,050	775	900
101-000.000-503.000	POLICE GRANTS / ENBRIDGE	7,500		
101-000.000-528.000	REVENUE SHARING CONTRIBUTIONS	204,917	199,666	318,923
101-000.000-528.001	OTHER FEDERAL GRANTS (ARPA)		143,341	
101-000.000-539.000	STATE GRANTS	145,002		
101-000.000-573.000	LOCAL COMMUNITY STABILIZATION SHARE /	16,181	16,788	17,000
101-000.000-628.000	GRASS CUTTING/BLIGHT CLEAN UP	1,244	421	1,000
101-000.000-629.000	TRASH REMOVAL	71,591	62,344	83,000
101-000.000-630.000	RECYCLING FEES	8,167	6,826	9,000
101-000.000-631.000	GRAVE OPENINGS	41,100	27,150	29,000
101-000.000-632.000	CEMTERY AGREEMENTS	11,871	11,275	12,000
101-000.000-635.000	MISCELLANEOUS SERVICES		75	100
101-000.000-638.000	CHAPEL AND STORAGE - CEMETERY		100	100
101-000.000-643.000	SALE OF CEMETERY LOTS	11,850	6,350	8,000
101-000.000-644.000	GAS & OIL	16,860	22,572	30,000
101-000.000-653.000	PARK-CAMPING FEES	34,651	2,321	
101-000.000-655.000	FORFEITURES/PENALTIES	875	810	850
101-000.000-656.000	POLICE FINES & REVENUE	504	610	700
101-000.000-656.301	POLICE TRAINING REVENUES	250	500	500
101-000.000-664.000	INTEREST ON BONDS, CDS & LAND	29,841	23,956	38,000
101-000.000-667.000	WATER TANK RENTAL INCOME	47,367	39,668	52,000
101-000.000-668.000	RENTS AND ROYALTIES	115,286	139,388	170,000
101-000.000-669.000	FIRE HALL RENTAL	11,400	7,600	11,400
101-000.000-670.000	MISC. REVENUE	221	130	150
101-000.000-670.001	SPECIAL EVENT REVENUE	1,340	(2,261)	2,000
101-000.000-671.000	PUBLIC WORKS SALES		423	500
101-000.000-673.000	SALE OF FIXED ASSEST-LAND	57,934	5,897	6,000
101-000.000-675.000	SALE OF FIXED ASSETS-EQUIPMENT	3,000		
101-000.000-677.000	REIMBURSEMENTS	8,184	923	8,000
101-000.000-678.000	DONATIONS		500	
101-000.000-691.251	TRANSFER FROM TIF FUND	16,749		
101-000.000-691.582	TRANSFER FROM ELECTRIC FUND	325,000	218,643	250,000
101-000.000-691.732	TRANSFER FROM PERPETUAL CARE			600
TOTAL ESTIMATED REVENUES		1,729,567	1,584,701	1,759,292
APPROPRIATIONS				
101-101.000-702.000	SALARIES & WAGES	7,200	5,600	7,500
101-101.000-707.000	SOCIAL SECURITY	551	428	560
101-171.000-702.000	SALARIES & WAGES	2,400	2,000	2,700
101-171.000-707.000	SOCIAL SECURITY	184	153	190
101-171.000-741.001	MISCELLANEOUS	85		85
101-171.000-958.000	DUES & SUBSCRIPTIONS		85	85
101-172.000-702.000	SALARIES & WAGES	35,083	22,902	38,000
101-172.000-707.000	SOCIAL SECURITY	2,867	1,890	2,907
101-172.000-714.000	EMPLOYEE BENEFITS	21,215	9,854	20,000
101-172.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE	2,400	1,800	1,500
101-191.000-702.000	SALARIES & WAGES	1,180	77	1,200
101-191.000-707.000	SOCIAL SECURITY	33	2	50
101-191.000-714.000	EMPLOYEE BENEFITS	126		
101-191.000-741.000	MATERIALS	569	2,302	2,500
101-191.000-804.000	CONTRACTS & SERVICES	491		500
101-191.000-805.000	TRAINING/SAFETY	898		900
101-202.000-702.000	SALARIES & WAGES	1,658	907	1,500

101-202.000-702.716	MEDICAL OPT OUT	1,041	10,926	
101-202.000-703.000	ANNUAL LEAVE	491	4,450	
101-202.000-704.000	SICK LEAVE	32	679	
101-202.000-707.000	SOCIAL SECURITY	4,363	3,034	3,100
101-202.000-708.000	PENSION PLAN	4,637	27,609	
101-202.000-709.000	HOLIDAY PAY		724	
101-202.000-714.000	EMPLOYEE BENEFITS	32,105	9,747	37,000
101-202.000-716.000	HOSPITALIZATION INSURANCE	207	1,004	
101-202.000-727.000	SUPPLIES	1,646	3,743	4,000
101-202.000-728.000	POSTAGE & FREIGHT	1,540	65	1,000
101-202.000-741.000	MATERIALS	1,139	1,462	1,600
101-202.000-759.000	RESALE ITEMS GARBAGE BAGS			1,000
101-202.000-804.000	CONTRACTS & SERVICES	32,829	8,512	15,000
101-202.000-805.000	TRAINING/SAFETY	1,561	1,636	2,000
101-202.000-851.000	TELEPHONE	2,317	1,503	3,000
101-202.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE	1,849	3,032	500
101-202.000-900.000	PUBLISHING & ADVERTISING	1,248	889	1,000
101-202.000-911.000	COMPENSATION INSURANCE	(13,514)	66	
101-202.000-914.000	GENERAL INSURANCE	13,514	2,298	2,500
101-202.000-957.000	BONUSES	250	250	
101-202.000-958.000	DUES & SUBSCRIPTIONS	3,658	3,911	4,000
101-202.000-971.000	CAPITAL OUTLAY-LAND	41,907		
101-202.000-977.000	EQUIPMENT	1,964		2,000
101-203.000-802.000	PROFESSIONAL SERVICES	4,200	7,749	8,000
101-209.000-702.000	SALARIES & WAGES	16,855	9,939	14,000
101-209.000-707.000	SOCIAL SECURITY	1,289	760	1,000
101-209.000-741.000	MATERIALS		150	200
101-209.000-804.000	CONTRACTS & SERVICES		258	500
101-209.000-805.000	TRAINING/SAFETY		1,704	1,800
101-209.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE		601	700
101-210.000-802.000	PROFESSIONAL SERVICES	3,550	2,437	3,000
101-215.000-702.000	SALARIES & WAGES	15,805	11,547	18,600
101-215.000-707.000	SOCIAL SECURITY	1,203	877	1,420
101-215.000-714.000	EMPLOYEE BENEFITS	8,928	5,222	9,000
101-215.000-805.000	TRAINING/SAFETY	500	764	1,000
101-215.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE		861	500
101-215.000-958.000	DUES & SUBSCRIPTIONS	260	260	300
101-247.000-702.000	SALARIES & WAGES	500	650	1,000
101-247.000-707.000	SOCIAL SECURITY	38	50	76
101-247.000-728.000	POSTAGE & FREIGHT			400
101-247.000-802.000	PROFESSIONAL SERVICES			350
101-247.000-805.000	TRAINING/SAFETY			40
101-247.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE			120
101-247.000-900.000	PUBLISHING & ADVERTISING	172	225	300
101-253.000-702.000	SALARIES & WAGES	15,804	11,547	16,700
101-253.000-707.000	SOCIAL SECURITY	1,203	877	1,200
101-253.000-714.000	EMPLOYEE BENEFITS	8,928	5,222	9,500
101-253.000-805.000	TRAINING/SAFETY	394	325	500
101-253.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE			500
101-253.000-958.000	DUES & SUBSCRIPTIONS	75	75	100
101-265.000-702.000	SALARIES & WAGES	12,679	23,562	8,000
101-265.000-707.000	SOCIAL SECURITY	958	1,797	612
101-265.000-714.000	EMPLOYEE BENEFITS	9,866	846	4,000
101-265.000-787.000	JANITORIAL SUPPLIES	6,960	3,047	5,000
101-265.000-804.000	CONTRACTS & SERVICES	345	2,292	3,000
101-265.000-810.000	GARBAGE DISPOSAL	556	505	700
101-265.000-911.000	COMPENSATION INSURANCE	(901)	106	
101-265.000-914.000	GENERAL INSURANCE	901	460	750
101-265.000-921.000	HEATING	6,083	9,597	10,000
101-265.000-922.000	UTILITIES	8,613	6,732	9,000
101-265.000-932.000	BUILDING MAINTENANCE & REPAIR	3,970	16,255	2,500
101-265.001-804.000	CONTRACTS & SERVICES	4,125	4,604	5,000
101-265.002-991.000	DEBT PAYMENT	9,570	12,758	12,758
101-265.002-998.000	INTEREST EXPENSE	3,443		7,459
101-265.003-922.000	UTILITIES - OTHER CITY BUILDINGS	167	123	200
101-269.000-923.000	STREET LIGHTING	62,384	47,091	60,000
101-276.000-702.000	SALARIES & WAGES	36,116	24,323	37,000
101-276.000-702.005	BUILDING MAINTENANCE		34	40,000
101-276.000-707.000	SOCIAL SECURITY	2,809	1,890	2,830

101-276.000-709.000	HOLIDAY PAY	900	417	1,000
101-276.000-714.000	EMPLOYEE BENEFITS	10,628	5,368	10,000
101-276.000-727.000	SUPPLIES			100
101-276.000-741.000	MATERIALS	1,830	864	2,000
101-276.000-804.000	CONTRACTS & SERVICES	63	122	200
101-276.000-805.000	TRAINING/SAFETY		24	25
101-276.000-810.000	GARBAGE DISPOSAL	373	916	1,000
101-276.000-865.000	GAS & OIL	1,096	621	1,400
101-276.000-911.000	COMPENSATION INSURANCE	(1,802)	31	
101-276.000-914.000	GENERAL INSURANCE	1,802	2,298	2,600
101-276.000-922.000	UTILITIES	1,489	846	1,500
101-276.000-931.000	EQUIPMENT RENT & REPAIR	1,377	1,556	2,500
101-276.000-977.000	EQUIPMENT	3,584		
101-301.000-702.000	SALARIES & WAGES	70,633	58,232	112,673
101-301.000-702.716	MEDICAL OPT OUT			7,300
101-301.000-703.000	ANNUAL LEAVE	5,236	5,141	6,000
101-301.000-704.000	SICK LEAVE	2,950	3,124	4,000
101-301.000-707.000	SOCIAL SECURITY	6,092	5,218	9,400
101-301.000-708.000	PENSION PLAN	77,682	65,001	95,536
101-301.000-709.000	HOLIDAY PAY	2,041	2,758	2,750
101-301.000-714.000	EMPLOYEE BENEFITS	26	4	
101-301.000-716.000	HOSPITALIZATION INSURANCE	18,952	20,919	24,000
101-301.000-727.000	SUPPLIES	3		100
101-301.000-728.000	POSTAGE & FREIGHT	231	116	200
101-301.000-741.000	MATERIALS	1,319	1,073	2,000
101-301.000-772.000	UNIFORMS	1,918	1,304	1,500
101-301.000-804.000	CONTRACTS & SERVICES	1,124	642	1,500
101-301.000-805.000	TRAINING/SAFETY	578	671	1,000
101-301.000-851.000	TELEPHONE	848	540	500
101-301.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE	88	373	500
101-301.000-865.000	GAS & OIL	1,755	2,297	4,000
101-301.000-900.000	PUBLISHING & ADVERTISING	129		
101-301.000-911.000	COMPENSATION INSURANCE	357	(1,973)	2,850
101-301.000-914.000	GENERAL INSURANCE	2,703	6,433	7,000
101-301.000-936.000	VEHICLE REPAIR & MAINTENANCE	612		500
101-301.000-958.000	DUES & SUBSCRIPTIONS	798	3,486	1,000
101-301.000-977.000	EQUIPMENT	1,470	50,969	2,000
101-336.000-708.000	PENSION PLAN	7,656	16,301	8,000
101-336.000-716.001	RETIRES HEALTH INSURANCE	33	250	250
101-336.000-804.000	CONTRACTS & SERVICES	76,874	39,307	80,000
101-441.000-702.000	SALARIES & WAGES	54,495	37,529	50,000
101-441.000-702.003	EQUIPMENT REPAIR		33	50
101-441.000-702.716	MEDICAL OPT OUT	364	3,800	
101-441.000-703.000	ANNUAL LEAVE	132	4,080	
101-441.000-704.000	SICK LEAVE		2,495	
101-441.000-707.000	SOCIAL SECURITY	6,988	5,567	3,825
101-441.000-708.000	PENSION PLAN	9,185	51,318	
101-441.000-709.000	HOLIDAY PAY		1,025	
101-441.000-714.000	EMPLOYEE BENEFITS	84,771	13,195	87,000
101-441.000-716.000	HOSPITALIZATION INSURANCE	614	18,389	
101-441.000-716.001	RETIRES HEALTH INSURANCE		69	
101-441.000-727.000	SUPPLIES	49	13	
101-441.000-728.000	POSTAGE & FREIGHT	355	300	500
101-441.000-741.000	MATERIALS	13,757	7,148	9,000
101-441.000-758.000	TOOLS	38		
101-441.000-804.000	CONTRACTS & SERVICES	1,808	3,617	5,000
101-441.000-805.000	TRAINING/SAFETY	694	590	700
101-441.000-851.000	TELEPHONE	730	501	600
101-441.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE		66	150
101-441.000-865.000	GAS & OIL	8,217	14,486	18,000
101-441.000-866.000	GAS & OIL FROM DEALERS	19,952	29,325	36,000
101-441.000-867.000	STORAGE TANKS	1,163		1,200
101-441.000-868.000	BULK PURCHASES	5,242	26,338	27,000
101-441.000-911.000	COMPENSATION INSURANCE	(6,307)	256	
101-441.000-914.000	GENERAL INSURANCE	6,307	11,028	12,000
101-441.000-921.000	HEATING	6,083	7,573	8,500
101-441.000-922.000	UTILITIES	1,832	1,440	2,000
101-441.000-931.000	EQUIPMENT RENT & REPAIR	54,239	9,049	15,000
101-441.000-932.000	BUILDING MAINTENANCE & REPAIR	80		5,000

101-441.000-936.000	VEHICLE REPAIR & MAINTENANCE	8,242	9,123	10,000
101-441.000-957.000	BONUSES	750	1,250	
101-441.000-958.000	DUES & SUBSCRIPTIONS	967	1,422	1,500
101-441.000-977.000	EQUIPMENT		23,212	60,000
101-441.000-991.000	DEBT PAYMENT	29,871		
101-441.000-998.000	INTEREST EXPENSE	5,391	1,501	3,500
101-441.442-702.000	SALARIES & WAGES			1,000
101-441.442-707.000	SOCIAL SECURITY			80
101-691.000-702.000	SALARIES & WAGES	15,685	13,932	
101-691.000-707.000	SOCIAL SECURITY	1,194	1,027	
101-691.000-714.000	EMPLOYEE BENEFITS	3,510	6,482	500
101-691.000-741.000	MATERIALS	1,623	1,871	
101-691.000-742.000	LICENSES	234	126	
101-691.000-804.000	CONTRACTS & SERVICES	170,874	529	
101-691.000-810.000	GARBAGE DISPOSAL	1,659		
101-691.000-865.000	GAS & OIL	409	21	
101-691.000-900.000	PUBLISHING & ADVERTISING		113	
101-691.000-911.000	COMPENSATION INSURANCE	(1,351)	(119)	
101-691.000-914.000	GENERAL INSURANCE	1,351	1,838	2,000
101-691.000-922.000	UTILITIES	7,407	2,502	360
101-691.000-931.000	EQUIPMENT RENT & REPAIR	761	268	
101-691.000-958.000	DUES & SUBSCRIPTIONS	126	50	
101-691.001-702.000	SALARIES & WAGES	2,902	1,801	2,000
101-691.001-707.000	SOCIAL SECURITY	221	137	153
101-691.001-714.000	EMPLOYEE BENEFITS	661	639	1,000
101-691.001-741.000	MATERIALS	941	137	1,000
101-691.001-865.000	GAS & OIL	473	191	400
101-691.002-702.000	SALARIES & WAGES	1,789	1,215	1,800
101-691.002-707.000	SOCIAL SECURITY	136	92	138
101-691.002-714.000	EMPLOYEE BENEFITS	661	557	1,000
101-691.002-741.000	MATERIALS	761	65	1,000
101-691.002-865.000	GAS & OIL	473	191	450
101-717.000-702.000	SALARIES & WAGES	6,530	3,259	7,500
101-717.000-707.000	SOCIAL SECURITY	499	249	573
101-717.000-714.000	EMPLOYEE BENEFITS	786	416	1,000
101-717.000-741.000	MATERIALS	1,742	788	1,800
101-717.000-865.000	GAS & OIL	473	191	450
101-717.000-931.000	EQUIPMENT RENT & REPAIR	155	41	150
101-717.000-977.000	EQUIPMENT	1,000	1,440	
101-856.000-702.000	SALARIES & WAGES	19,933	9,924	20,000
101-856.000-707.000	SOCIAL SECURITY	1,501	750	1,530
101-856.000-714.000	EMPLOYEE BENEFITS	14,355	2,545	15,000
101-856.000-741.000	MATERIALS	1,356	276	750
101-856.000-804.000	CONTRACTS & SERVICES	214		2,000
101-856.000-810.000	GARBAGE DISPOSAL	77,765	58,172	70,000
101-856.000-881.000	CONTRIBUTIONS	4,407	4,407	6,500
101-856.000-900.000	PUBLISHING & ADVERTISING	125		150
101-856.000-900.250	WEB SITE EXPENSES	502	346	550
101-856.000-931.000	EQUIPMENT RENT & REPAIR	10,398	3,401	5,000
101-856.000-977.000	EQUIPMENT		1,440	
101-856.001-702.000	SALARIES & WAGES- BLIGHT	777	4	1,000
101-856.001-707.000	SOCIAL SECURITY	59		75
101-856.001-714.000	EMPLOYEE BENEFITS	574	21	500
101-856.001-931.000	EQUIPMENT RENT & REPAIR	578		
101-965.000-965.602	TRANSFER TO RETIREES INS FUND	180,800	140,748	190,000
TOTAL APPROPRIATIONS		1,616,308	1,193,416	1,548,310
NET OF REVENUES/APPROPRIATIONS - FUND 101		113,259	391,285	210,982
BEGINNING FUND BALANCE		768,718	881,976	1,273,261
ENDING FUND BALANCE		881,977	1,273,261	1,484,643

MAJOR STREET FUND – 202

These funds provide for the maintenance of all Major Streets in the City. The City of Crystal Falls has 7.02 miles of Major Streets as indicated in the Michigan Department of Transportation Major Street System. A critical element of this fund is snow plowing during the winter months.

This fund is also responsible for repairing and improving major streets within the City of Crystal Falls. \$117,302.00 was spent on Major Street repaving in 2022. A street sweeper was also purchased during 2022. There are no major expenses planned for fiscal year 2022-2023. Please note that just because funds are budgeted, these funds do not necessarily have to be expended.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
202-000.000-547.000	MAINTENANCE - HIGHWAY	47,461	71,256	75,000
202-000.000-576.000	SNOW PAYMENT	32,007	54,256	55,000
202-000.000-578.000	ACT 51 REVENUE	196,540	158,978	185,000
202-000.000-578.002	METRO TRANSIT FUNDS	3,647	2,814	3,000
TOTAL ESTIMATED REVENUES		279,655	287,304	318,000
APPROPRIATIONS				
202-202.000-702.000	SALARIES & WAGES	3,195	2,295	3,750
202-202.000-707.000	SOCIAL SECURITY	244	175	290
202-202.000-714.000	EMPLOYEE BENEFITS	1,807	1,035	1,800
202-202.000-911.000	COMPENSATION INSURANCE			1,600
202-203.000-802.000	PROFESSIONAL SERVICES	800	1,476	
202-443.000-804.000	CONTRACTS & SERVICES		5,175	
202-463.000-702.000	SALARIES & WAGES	4,311	1,995	5,500
202-463.000-707.000	SOCIAL SECURITY	324	151	420
202-463.000-714.000	EMPLOYEE BENEFITS	3,248	975	3,000
202-463.000-776.000	MAINTENANCE MATERIALS	1,060	1,132	1,500
202-463.000-931.000	EQUIPMENT RENT & REPAIR	1,590	1,686	2,000
202-463.002-702.000	SALARIES & WAGES	678	307	500
202-463.002-707.000	SOCIAL SECURITY	50	23	380
202-463.002-714.000	EMPLOYEE BENEFITS	625	169	250
202-463.002-931.000	EQUIPMENT RENT & REPAIR	392	166	400
202-463.069-702.000	SALARIES & WAGES	267	668	500
202-463.069-707.000	SOCIAL SECURITY	20	51	380
202-463.069-714.000	EMPLOYEE BENEFITS	261	357	350
202-463.069-931.000	EQUIPMENT RENT & REPAIR	127	388	400
202-466.000-702.000	SALARIES & WAGES	6,410	8,390	7,000
202-466.000-707.000	SOCIAL SECURITY	484	637	540
202-466.000-714.000	EMPLOYEE BENEFITS	4,499	3,900	3,000
202-466.000-931.000	EQUIPMENT RENT & REPAIR	9,226	20,368	1,000
202-466.002-702.000	SALARIES & WAGES	262	320	500
202-466.002-707.000	SOCIAL SECURITY	20	24	38
202-466.002-714.000	EMPLOYEE BENEFITS	236	185	200
202-466.002-931.000	EQUIPMENT RENT & REPAIR	990	969	1,000
202-466.069-702.000	SALARIES & WAGES	239	97	200
202-466.069-707.000	SOCIAL SECURITY	18	7	15
202-466.069-714.000	EMPLOYEE BENEFITS	195	75	100
202-466.069-931.000	EQUIPMENT RENT & REPAIR	573	512	600
202-468.000-702.000	SALARIES & WAGES	11,445	5,278	6,000
202-468.000-707.000	SOCIAL SECURITY	857	402	459
202-468.000-714.000	EMPLOYEE BENEFITS	9,448	3,022	3,500
202-468.000-931.000	EQUIPMENT RENT & REPAIR	3,783	1,830	2,000
202-468.069-702.000	SALARIES & WAGES		15	
202-468.069-707.000	SOCIAL SECURITY		1	
202-469.000-702.000	SALARIES & WAGES	2,478	1,062	1,500
202-469.000-707.000	SOCIAL SECURITY	187	81	115
202-469.000-714.000	EMPLOYEE BENEFITS	2,615	562	1,300
202-469.000-931.000	EQUIPMENT RENT & REPAIR	1,236	236	1,000
202-469.002-702.000	SALARIES & WAGES	322	120	300
202-469.002-707.000	SOCIAL SECURITY	24	9	23

202-469.002-714.000	EMPLOYEE BENEFITS	265	52	100
202-469.002-931.000	EQUIPMENT RENT & REPAIR	100	44	50
202-469.069-702.000	SALARIES & WAGES	256	137	300
202-469.069-707.000	SOCIAL SECURITY	19	10	23
202-469.069-714.000	EMPLOYEE BENEFITS	200	52	75
202-469.069-931.000	EQUIPMENT RENT & REPAIR	87	44	100
202-470.000-702.000	SALARIES & WAGES	768	477	900
202-470.000-707.000	SOCIAL SECURITY	59	37	69
202-470.000-714.000	EMPLOYEE BENEFITS		57	100
202-470.000-776.000	MAINTENANCE MATERIALS	802	256	750
202-470.002-702.206	DEER REMOVAL	460	104	400
202-470.002-707.000	SOCIAL SECURITY	35	8	30
202-470.002-714.000	EMPLOYEE BENEFITS		27	50
202-470.002-931.000	EQUIPMENT RENT & REPAIR		155	200
202-470.069-702.000	SALARIES & WAGES	211	15	200
202-470.069-702.206	DEER REMOVAL	54	101	150
202-470.069-707.000	SOCIAL SECURITY	20	9	27
202-470.069-714.000	EMPLOYEE BENEFITS	21	39	100
202-470.069-931.000	EQUIPMENT RENT & REPAIR	116	232	300
202-473.000-804.000	CONTRACTS & SERVICES	928		1,000
202-475.000-702.000	SALARIES & WAGES	437	554	700
202-475.000-707.000	SOCIAL SECURITY	33	42	54
202-475.000-714.000	EMPLOYEE BENEFITS	418	146	200
202-475.000-741.000	MATERIALS		6,197	2,500
202-475.000-931.000	EQUIPMENT RENT & REPAIR	114		100
202-475.002-702.000	SALARIES & WAGES			200
202-475.002-707.000	SOCIAL SECURITY			16
202-475.002-714.000	EMPLOYEE BENEFITS			100
202-478.000-702.000	SALARIES & WAGES	13,035	16,751	20,000
202-478.000-707.000	SOCIAL SECURITY	979	1,268	1,530
202-478.000-714.000	EMPLOYEE BENEFITS	11,991	8,931	10,000
202-478.000-931.000	EQUIPMENT RENT & REPAIR	17,444	32,305	30,000
202-478.002-702.000	SALARIES & WAGES	2,436	3,696	4,000
202-478.002-707.000	SOCIAL SECURITY	183	281	306
202-478.002-714.000	EMPLOYEE BENEFITS	2,100	1,917	2,200
202-478.002-931.000	EQUIPMENT RENT & REPAIR	8,274	13,172	12,000
202-478.069-702.000	SALARIES & WAGES	2,206	3,640	3,500
202-478.069-707.000	SOCIAL SECURITY	166	276	268
202-478.069-714.000	EMPLOYEE BENEFITS	1,984	1,966	2,500
202-478.069-931.000	EQUIPMENT RENT & REPAIR	8,721	14,387	12,500
202-493.069-702.000	SALARIES & WAGES	1,638	2,917	2,500
202-493.069-707.000	SOCIAL SECURITY	123	221	192
202-493.069-714.000	EMPLOYEE BENEFITS	1,575	1,593	1,800
202-493.069-931.000	EQUIPMENT RENT & REPAIR	6,199	10,529	9,000
TOTAL APPROPRIATIONS		159,003	188,971	174,500
NET OF REVENUES/APPROPRIATIONS - FUND 202		120,652	98,333	143,500
BEGINNING FUND BALANCE		273,011	388,596	486,929
FUND BALANCE ADJUSTMENTS		(5,072)		
ENDING FUND BALANCE		388,591	486,929	630,429

LOCAL STREET FUND – 203

This fund covers all the local streets maintained by the City, there are 14.79 miles of local streets in the City of Crystal Falls per the Michigan Department of Transportation Local Street System map.

There are twice as many miles of local streets in our City as major streets and the challenge to maintain is large because the funding for local streets is significantly less than that for major streets. The public works department continues to monitor these streets and repairs are made as needed. As with the Major Street Fund, \$279,316.00 was spent on resurfacing Local Streets during 2022. A portion for the new street sweeper is split between Local and Major Street Funds. Please note that just because funds are budgeted, these funds do not necessarily have to be expended.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
203-000.000-578.000	ACT 51 REVENUE	90,742	72,760	90,000
203-000.000-578.002	METRO TRANSIT FUNDS	1,684	1,288	1,500
203-000.000-578.003	TAXES - ROAD MILLAGE	12,042	12,329	12,000
TOTAL ESTIMATED REVENUES		104,468	86,377	103,500
APPROPRIATIONS				
203-202.000-702.000	SALARIES & WAGES	2,520	2,021	3,000
203-202.000-707.000	SOCIAL SECURITY	192	154	230
203-202.000-714.000	EMPLOYEE BENEFITS	1,425	1,035	1,500
203-203.000-802.000	PROFESSIONAL SERVICES	400	738	850
203-463.000-702.000	SALARIES & WAGES	1,397	1,002	1,500
203-463.000-707.000	SOCIAL SECURITY	105	77	115
203-463.000-714.000	EMPLOYEE BENEFITS	1,048	440	1,000
203-463.000-776.000	MAINTENANCE MATERIALS	1,060	1,132	2,500
203-463.000-931.000	EQUIPMENT RENT & REPAIR	100	279	400
203-466.000-702.000	SALARIES & WAGES	3,189	2,833	3,500
203-466.000-707.000	SOCIAL SECURITY	240	214	268
203-466.000-714.000	EMPLOYEE BENEFITS	2,665	1,350	2,800
203-466.000-931.000	EQUIPMENT RENT & REPAIR	5,789	4,730	5,000
203-468.000-702.000	SALARIES & WAGES	788	107	300
203-468.000-707.000	SOCIAL SECURITY	60	8	23
203-468.000-714.000	EMPLOYEE BENEFITS	651	104	250
203-468.000-931.000	EQUIPMENT RENT & REPAIR	37		
203-469.000-702.000	SALARIES & WAGES	1,294	145	500
203-469.000-707.000	SOCIAL SECURITY	97	11	39
203-469.000-714.000	EMPLOYEE BENEFITS	1,270	66	400
203-469.000-931.000	EQUIPMENT RENT & REPAIR	286	16	200
203-470.000-702.000	SALARIES & WAGES	555	5	250
203-470.000-707.000	SOCIAL SECURITY	42		20
203-470.000-714.000	EMPLOYEE BENEFITS		28	100
203-478.000-702.000	SALARIES & WAGES	3,813	5,988	6,000
203-478.000-707.000	SOCIAL SECURITY	287	454	459
203-478.000-714.000	EMPLOYEE BENEFITS	3,429	3,265	3,000
203-478.000-931.000	EQUIPMENT RENT & REPAIR	8,363	14,316	12,000
TOTAL APPROPRIATIONS		41,102	40,518	46,204
NET OF REVENUES/APPROPRIATIONS - FUND 203		63,366	45,859	57,296
BEGINNING FUND BALANCE		234,105	303,148	349,007
FUND BALANCE ADJUSTMENTS		5,680		
ENDING FUND BALANCE		303,151	349,007	406,303

GOLF FUND – 270

With the sale of the Municipal Golf Course this past in November of 2019, there will be no expense to the City for fiscal year 2022-2023. The sale is structured on a land contract with a \$6000 installment to be paid in November, 2022.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
270-000.000-674.000	SALE OF FIXED ASSETS-BUILDINGS		6,000	6,000
TOTAL ESTIMATED REVENUES			6,000	6,000
APPROPRIATIONS				
270-697.000-802.000	PROFESSIONAL SERVICES	100	185	200
270-697.000-914.000	GENERAL INSURANCE		1,838	
TOTAL APPROPRIATIONS			2,023	200
NET OF REVENUES/APPROPRIATIONS - FUND 270		(100)	3,977	5,800
BEGINNING FUND BALANCE		98	119,875	123,852
FUND BALANCE ADJUSTMENTS		119,877		
ENDING FUND BALANCE		119,875	123,852	129,652

ELECTRIC FUND – 582

The Electric Fund is the largest enterprise fund that the City has and continues to support the General Fund and others as required. The projected necessary transfer to the General Fund for this budget year is \$250,000.00. The expected revenues for the Electric Fund in 2022-2023 are \$2,759,958 which are estimated based on revenues from the current budget year and calculate out to a full twelve-month forecast. Expenditures for this fund in 2022-2023 are \$2,669,287.

The proposed budget for 2022-2023 is one that has been built to sustain our high level of service to our customers. There may be one large capital purchase budgeted for the fiscal year 2022-2023. Aerial bucket truck #7 to replace the existing 2007 aerial truck. Availability of this truck will determine a purchase date.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
582-000.000-639.000	INSTALLATION & CONNECT CHARGES	48,228	33,633	40,000
582-000.000-642.000	ELECTRIC RESIDENTIAL	1,272,963	971,496	1,349,341
582-000.000-646.000	ENERGY OPTIMIZATION CHARGES	28,167	21,640	38,000
582-000.000-646.001	OPT IN PA 202	17,632	12,600	22,394
582-000.000-647.502	ELECTRIC COMMERCIAL	536,313	464,596	568,492
582-000.000-647.503	ELECTRIC LARGE POWER	125,367	69,548	143,489
582-000.000-647.506	ELECTRIC GOV/SCHOOL	415,181	318,934	440,092
582-000.000-647.507	ELECTRIC STREET LIGHTS	74,219	56,158	78,672
582-000.000-648.000	SHOP SALES	175	275	250
582-000.000-655.000	FORFEITURES/PENALTIES	17,721	15,450	18,785
582-000.000-664.000	INTEREST ON BONDS, CDS & LAND	6,227	2,825	6,500
582-000.000-668.000	RENTS AND ROYALTIES	27,463	31,863	45,463
582-000.000-670.000	MISC. REVENUE	779		500
582-000.000-677.000	REIMBURSEMENTS	7,825	9,648	8,000
582-000.000-696.000	OVER/SHORT	(53)	(10)	(20)
TOTAL ESTIMATED REVENUES		2,578,207	2,008,656	2,759,958
APPROPRIATIONS				
582-000.000-673.002	SALES CAPITAL EQUIPMENT		(31,253)	
582-202.000-702.000	SALARIES & WAGES	46,940	38,979	49,652
582-202.000-707.000	SOCIAL SECURITY	3,633	2,979	3,795
582-202.000-714.000	EMPLOYEE BENEFITS	27,209	6,351	28,760
582-202.000-957.000	BONUSES	500	500	
582-202.000-971.000	CAPITAL OUTLAY-LAND		51,459	
582-203.000-802.000	PROFESSIONAL SERVICES	2,500	4,613	6,000
582-538.000-702.000	SALARIES & WAGES	41,407	28,654	43,768
582-538.000-702.716	MEDICAL OPT OUT	347	4,778	
582-538.000-702.750	REPAIR COMMERCIAL CIRCUIT	170,825	118,457	180,562
582-538.000-702.751	METERS	3,001	217	500
582-538.000-703.000	ANNUAL LEAVE	711	8,080	
582-538.000-704.000	SICK LEAVE		9,230	
582-538.000-707.000	SOCIAL SECURITY	19,868	13,854	7,146
582-538.000-708.000	PENSION PLAN	13,216	89,812	
582-538.000-709.000	HOLIDAY PAY		5,656	
582-538.000-714.000	EMPLOYEE BENEFITS	264,406	53,759	279,477
582-538.000-716.000	HOSPITALIZATION INSURANCE	306	28,134	
582-538.000-727.000	SUPPLIES	778	826	1,700
582-538.000-728.000	POSTAGE & FREIGHT	2,644	2,556	3,000
582-538.000-741.000	MATERIALS	66,973	95,867	80,000
582-538.000-741.044	ENERGY CONSERVATION	750	750	750
582-538.000-741.045	WPPI/COMMUNITY RELATIONS	(3,452)	(139)	5,000
582-538.000-756.000	FOR RESALE	969,158	808,303	1,210,000
582-538.000-758.000	TOOLS	937	416	500
582-538.000-804.000	CONTRACTS & SERVICES	117,686	115,275	130,000
582-538.000-805.000	TRAINING/SAFETY	4,615	2,836	500
582-538.000-810.000	GARBAGE DISPOSAL	461	505	800
582-538.000-851.000	TELEPHONE	772	521	800
582-538.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE	154	176	300
582-538.000-865.000	GAS & OIL	4,855	5,359	9,000
582-538.000-870.000	RETURNED ITEM FEE		8	12

582-538.000-872.000	CREDIT CARD FEES	7,296	6,273	12,000
582-538.000-911.000	COMPENSATION INSURANCE	(15,316)	(368)	3,000
582-538.000-914.000	GENERAL INSURANCE	15,316	16,542	18,197
582-538.000-921.000	HEATING	6,083	9,597	10,000
582-538.000-923.000	STREET LIGHTING		22,109	1,000
582-538.000-923.001	METER TOWER FOUR LAKES DR	255	231	350
582-538.000-931.000	EQUIPMENT RENT & REPAIR	6,941	4,336	7,000
582-538.000-936.000	VEHICLE REPAIR & MAINTENANCE	24,847	5,584	8,000
582-538.000-938.000	OFFICE RENT	6,000	4,500	24,000
582-538.000-957.000	BONUSES	1,000	1,000	
582-538.000-958.000	DUES & SUBSCRIPTIONS	4,904	4,964	5,000
582-538.000-977.000	EQUIPMENT		165,267	
582-538.000-980.000	DEPRECIATION EXPENSE	91,059	91,059	91,059
582-538.000-998.000	INTEREST EXPENSE	225		
582-539.000-702.000	SALARIES & WAGES	35,246	23,859	38,255
582-539.000-707.000	SOCIAL SECURITY	2,670	1,805	2,927
582-539.000-714.000	EMPLOYEE BENEFITS	28,616	15,619	31,477
582-539.000-727.000	SUPPLIES		24	100
582-539.000-728.000	POSTAGE & FREIGHT		39	50
582-539.000-741.000	MATERIALS	5,330	2,732	5,500
582-539.000-804.000	CONTRACTS & SERVICES	3,875	4,309	
582-539.000-852.000	RADIOS	74	79	100
582-539.000-865.000	GAS & OIL	711		1,000
582-539.000-922.000	UTILITIES	11,634	7,803	13,000
582-539.000-931.000	EQUIPMENT RENT & REPAIR	18		250
582-539.000-932.000	BUILDING MAINTENANCE & REPAIR		7,145	
582-539.000-994.000	BOND ADMINISTRATIVE FEES	250		
582-965.000-965.101	TRANSFER TO GENERAL FUND	325,000	218,643	250,000
582-965.000-965.602	TRANSFER TO RETIREES INS FUND	58,245	43,530	85,000
582-965.000-965.702	TRANSFER TO ELECTRIC RESERVE	50,000	50,000	50,000
TOTAL APPROPRIATIONS		2,431,479	2,174,199	2,699,287
NET OF REVENUES/APPROPRIATIONS - FUND 582		146,728	(165,543)	60,671
BEGINNING FUND BALANCE		1,181,917	1,566,136	1,400,593
FUND BALANCE ADJUSTMENTS		237,491		
ENDING FUND BALANCE		1,566,136	1,400,593	1,461,264

SEWER FUND – 590

The City of Crystal Falls has demonstrated that major work will need to be performed during this fiscal year to ensure that waste disposal remains efficient and effective. In order to afford ongoing maintenance, operations, and repair of the sewer system, user fees should be adjusted yearly. Between August 2002 and October 2018 there were no increases added to City Sewer customers. This budget assumes a monthly increase from \$30.88 to \$44.00 per month, which will be instated once the Rural Development mandates are put into place.

In a letter dated July 3, 2019, Rural Development had anticipated to provide \$7,100,000 in loan funds and \$1,400,000 in grant funds for needed repairs and upgrades to the City's Main Lift Station, Force Main, and Lagoon Systems.

Excess revenues over expenses are not available for transfer to the General Fund due to the existence of Federal debt in this fund. The Sewer Fund has two outstanding bonds – a 2017 Sewer Utility System Revenue Bond and a 2009 Sewer Utility Junior Lien Revenue Bond. For the 2017 bond (which has a scheduled payoff date of 2036), the total debt service is \$2,501,716.40, with payments of \$64,669.55 in interest and \$114,000.00 in principal due in this fiscal year. For the 2009 bond (which has a scheduled pay-off date of 2030), \$3,059.56 in interest is due during this fiscal year as well as \$15,000 in principal. The total debt service remaining on the 2009 bond is \$107,382. The total debt service for both bonds is \$196,729.11.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
590-000.000-539.000	STATE GRANTS			1,447,000
590-000.000-647.000	SERVICE CHARGES	361,379	284,706	592,944
590-000.000-655.000	FORFEITURES/PENALTIES	3,660	2,780	3,700
590-000.000-664.000	INTEREST ON BONDS, CDS & LAND	2,949	1,494	3,000
590-000.000-690.000	OTHER FINANCING SOURCES			7,058,000
TOTAL ESTIMATED REVENUES		367,988	288,980	9,104,644
APPROPRIATIONS				
590-202.000-702.000	SALARIES & WAGES	10,458	7,514	12,000
590-202.000-707.000	SOCIAL SECURITY	792	569	918
590-202.000-714.000	EMPLOYEE BENEFITS	6,082	3,390	8,000
590-203.000-802.000	PROFESSIONAL SERVICES	1,000	1,845	2,000
590-536.000-804.000	CONTRACTS & SERVICES		70,000	7,500,000
590-548.000-702.000	SALARIES & WAGES	19,700	16,731	25,000
590-548.000-707.000	SOCIAL SECURITY	1,496	1,285	1,913
590-548.000-714.000	EMPLOYEE BENEFITS	2,934	9,241	11,200
590-548.000-728.000	POSTAGE & FREIGHT			250
590-548.000-741.000	MATERIALS	560	732	1,000
590-548.000-795.000	LAGOONS	1,464	1,708	5,000
590-548.000-802.000	PROFESSIONAL SERVICES	2,049	207	2,500
590-548.000-804.000	CONTRACTS & SERVICES	859	642	1,000
590-548.000-805.000	TRAINING/SAFETY			1,000
590-548.000-851.000	TELEPHONE	373	234	500
590-548.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE	74		200
590-548.000-900.000	PUBLISHING & ADVERTISING		416	1,000
590-548.000-911.000	COMPENSATION INSURANCE	63	(639)	1,000
590-548.000-914.000	GENERAL INSURANCE	1,351	919	1,200
590-548.000-921.000	HEATING	1,372	3,178	4,000
590-548.000-922.000	UTILITIES	5,036	3,989	6,500
590-548.000-931.000	EQUIPMENT RENT & REPAIR	1,614	2,712	4,000
590-548.000-938.000	OFFICE RENT			6,000
590-548.000-958.000	DUES & SUBSCRIPTIONS	929	4,058	5,000
590-548.000-977.000	EQUIPMENT		1,440	
590-548.000-980.000	DEPRECIATION EXPENSE	135,596	135,596	135,596
590-548.000-988.000	INTEREST EXPENSE	71,471	34,505	199,500
590-548.000-991.000	DEBT PAYMENT		15,000	246,000
590-548.000-994.000	BOND ADMINISTRATIVE FEES	500	500	1,000
TOTAL APPROPRIATIONS		265,773	315,772	8,183,277
NET OF REVENUES/APPROPRIATIONS - FUND 590		102,215	(26,792)	921,367
BEGINNING FUND BALANCE		516,614	876,609	849,817
FUND BALANCE ADJUSTMENTS		257,780		
ENDING FUND BALANCE		876,609	849,817	1,771,184

WATER FUND – 591

As can be viewed from the budget below, this fund has struggled in recent years, fluctuating up and down based on sales and repairs needed to the system. As with the Sewer Fund, this fund's service fees should be reviewed and adjusted, on average, between 2% to 4% each year in order to keep up with the rising costs of the purchasing of water, existing debt service, necessary repairs, and equipment. This budget assumes a 2% increase for this fiscal year in user fee. Also, because of the lead issues in the state of Michigan, the City needs to prepare for additional costs in the near future for upgrades to our water system.

The Water Fund has two bonds that require payment of principal and interest in 2017-2018 – the first is a 2010 Water Utility System Revenue Bond A, which has an amortization end date in 2050. Interest payments for this bond in FY 2022-2023 are \$26,375. Principal payment for this bond during FY 2021-2022 is \$25,000.00 The balance for Bond A is \$1,030,000. The second bond, a 2010 Water Utility System Revenue Bond B has interest payments due of \$80,225 in FY 2022-2023 with a principal payment due of \$78,000.00. The balance for this bond is \$3,131,000.

The City's water fund has rebounded quite well after locating and repairing leaks.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
591-000.000-636.000	FREEZE PLATE	750	360	400
591-000.000-638.000	WATER THAW		200	200
591-000.000-639.000	INSTALLATION & CONNECT CHARGES	1,550	1,150	1,200
591-000.000-647.000	SERVICE CHARGES	636,315	466,928	650,000
591-000.000-655.000	FORFEITURES/PENALTIES	5,643	3,808	5,000
591-000.000-664.000	INTEREST ON BONDS, CDS & LAND	2,343	2,191	2,800
TOTAL ESTIMATED REVENUES		646,601	474,637	659,600
 APPROPRIATIONS				
591-202.000-702.000	SALARIES & WAGES	8,613	6,752	9,200
591-202.000-707.000	SOCIAL SECURITY	652	511	704
591-202.000-714.000	EMPLOYEE BENEFITS	5,039	3,390	5,200
591-556.000-702.000	SALARIES & WAGES	35,742	29,627	38,000
591-556.000-707.000	SOCIAL SECURITY	2,699	2,252	2,907
591-556.000-714.000	EMPLOYEE BENEFITS	30,215	16,994	31,000
591-556.000-728.000	POSTAGE & FREIGHT	228		200
591-556.000-741.000	MATERIALS	5,530	2,760	3,000
591-556.000-802.000	PROFESSIONAL SERVICES	1,000	1,845	2,000
591-556.000-804.000	CONTRACTS & SERVICES	14,940	7,883	10,000
591-556.000-805.000	TRAINING/SAFETY	455	3,400	3,400
591-556.000-861.000	TRAVEL EXPENSE/CAR ALLOWANCE	180	792	500
591-556.000-866.001	WATER FOR RESALE	119,268	88,630	121,000
591-556.000-900.000	PUBLISHING & ADVERTISING	486		
591-556.000-911.000	COMPENSATION INSURANCE	536	(522)	
591-556.000-914.000	GENERAL INSURANCE	1,802	2,298	2,500
591-556.000-922.000	UTILITIES	1,278	930	1,500
591-556.000-931.000	EQUIPMENT RENT & REPAIR	1,912	3,939	2,500
591-556.000-938.000	OFFICE RENT			6,000
591-556.000-958.000	DUES & SUBSCRIPTIONS	5,839	2,268	6,500
591-556.000-980.000	DEPRECIATION EXPENSE	144,119	144,119	144,119
591-556.000-988.000	INTEREST EXPENSE	110,720	68,050	106,600
TOTAL APPROPRIATIONS		491,253	385,918	496,830
 NET OF REVENUES/APPROPRIATIONS - FUND 591		 155,348	 88,719	 162,770
BEGINNING FUND BALANCE		(115,977)	30,985	119,704
FUND BALANCE ADJUSTMENTS		(8,386)		
ENDING FUND BALANCE		30,985	119,704	282,474

RETIREE INSURANCE FUND – 602

The Retiree Insurance fund was developed, on advice from the auditor, to help track the retiree insurance costs to the City. This fund is supported by transfers from the General Fund and the Electric Fund.

The General Fund transfer of \$190,000 covers retirees from Administration, Police, Fire, and the Public Works departments. The Electric Fund transfer of \$85,000 covers retirees from the Electric Department.

The costs for insurance premiums, payments in lieu of insurance (buy-outs), Medicare Rebates, and prescription drug reimbursements are all accounted for in this fund.

To assist in the City's Retiree Health Care expenses, the City has its monthly contribution at \$7,500.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
602-000.000-664.000	INTEREST ON BONDS, CDS & LAND	78,529	(6,784)	20,000
602-000.000-691.101	TRANSFER FROM OTHER FUNDS	180,817	140,748	190,000
602-000.000-691.582	TRANSFER FROM ELECTRIC FUND	58,245	43,530	85,000
TOTAL ESTIMATED REVENUES		317,591	177,494	295,000
 APPROPRIATIONS				
602-202.000-716.001	RETIREEES HEALTH INSURANCE - ADMIN	18,887	8,100	17,000
602-202.000-717.001	PAYMENT IN LIEU OF INSURANCE - ADMIN	7,700	6,300	8,400
602-202.000-718.001	MEDICARE REIMBURSEMENT - ADMIN	1,149	1,155	2,000
602-301.000-716.001	RETIREEES HEALTH INSURANCE - POLICE	4,415	4,760	7,500
602-336.000-716.001	RETIREEES HEALTH INSURANCE - FIRE	21,484	19,403	23,000
602-441.000-716.001	RETIREEES HEALTH INSURANCE - PUBLIC WOF	80,511	72,082	92,000
602-441.000-718.001	MEDICARE REIMBURSEMENT - PUBLIC WORL	1,519	1,155	1,800
602-538.000-716.001	RETIREEES HEALTH INSURANCE - ELECTRIC	13,245	11,280	17,000
TOTAL APPROPRIATIONS		148,910	124,235	168,700
NET OF REVENUES/APPROPRIATIONS - FUND 602		168,681	53,259	126,300
BEGINNING FUND BALANCE		348,022	516,153	569,412
FUND BALANCE ADJUSTMENTS		(552)		
ENDING FUND BALANCE		516,151	569,412	695,712

ELECTRIC RESERVE AND CONTINGENCY FUND – 702

The Electric Reserve and Contingency Fund is used to capture profits from the Electric Fund to be used to make improvements to the Dam, Power Plant, and other electrical infrastructure needs. This fund was depleted in 2013 with the repairs made to the power plant and is in the process of being built up again. The City Charter dictates the amount to be contributed to this fund annually to be 10% of the electric utility's net earnings each fiscal year, but not less than \$10,000 per year until the fund reaches a total of \$250,000. Currently, that balance will be estimated at \$457,886. We will continue to add larger contributions as budgeting allows. The total transfer from the Electric Fund to the Electric Reserve Fund in FY 2022-2023 is scheduled to be \$50,000.00.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
702-000.000-664.000	INTEREST ON BONDS, CDS & LAND	1,312	1,081	1,500
702-000.000-691.582	TRANSFER FROM ELECTRIC FUND	50,000	50,000	50,000
TOTAL ESTIMATED REVENUES		51,312	51,081	51,500
NET OF REVENUES/APPROPRIATIONS - FUND 702		51,312	51,081	51,500
BEGINNING FUND BALANCE		303,993	355,305	406,386
ENDING FUND BALANCE		355,305	406,386	457,886

PERPETUAL CARE FUND – 732

This fund captures perpetual care revenues from the sale of cemetery lots and reserves this money for future care of Evergreen Memorial Cemetery in the event that it becomes impossible to maintain. The principal amount of funds is not available for general use by the City. However, investment income is available for general use. The City has been accumulating Perpetual Care Revenues since 1998 per an audit recommendation.

07/15/2022

BUDGET REPORT FOR CRYSTAL FALLS CITY
Calculations as of 06/30/2022

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ACTIVITY THRU 06/30/22	2022-23 REQUESTED BUDGET
ESTIMATED REVENUES				
732-000.000-633.000	ONGOING LOT MAINTENANCE	5,550	2,658	4,000
732-000.000-664.000	INTEREST ON BONDS, CDS & LAND	816	338	600
TOTAL ESTIMATED REVENUES		6,366	2,996	4,600
 APPROPRIATIONS				
732-965.000-965.101	TRANSFER TO GENERAL FUND			600
TOTAL APPROPRIATIONS				600
 NET OF REVENUES/APPROPRIATIONS - FUND 732		6,366	2,996	4,000
BEGINNING FUND BALANCE		57,433	63,799	66,795
ENDING FUND BALANCE		63,799	66,795	70,795

Summary of Long Term Debt

Payment Schedules	2022-2023			Balance	Date Paid off
	Yearly Principal Payments	Yearly Interest Payments			
Crystal View Parking Lot	\$ 6,000.00	\$ 6,502.50	\$	150,000.00	11/1/2035
Sewer Bond 2017	\$ 114,000.00	\$ 64,669.55	\$	2,501,716.40	9/1/2036
Sewer Jr. Lien Bond 2009	\$ 15,000.00	\$ 3,059.56	\$	107,382.00	4/1/2030
Water Bond 2010A	\$ 25,000.00	\$ 26,375.00	\$	1,030,000.00	6/1/2050
Water Bond 2010B	\$ 78,000.00	\$ 80,225.00	\$	3,131,000.00	6/1/2050
Sewer RRI		\$ 28,000.00			
Water RRI		\$ 30,916.00			
2019 Peterbilt	\$ 31,718.84	\$ 840.61	\$	8,827.22	12/19/2023
#15 Loader - Lease		\$ 22,000.00			
Totals		\$ 262,588.22	\$	6,928,925.62	

**CITY OF CRYSTAL FALLS
5 YEAR CAPITAL EQUIPMENT PLAN
FISCAL YEARS 2022-2026**

DESCRIPTION	2022	2023	2024	2025	2026
PUBLIC WORKS DEPARTMENT:					
#42 Public Works Foreman Pickup	\$ 30,000				
#32 PLOW TRUCK (DEFERRED PMT- 5 YEARS)	\$ 35,000	\$ 9,000			
#24 Swinger		\$ 35,000			
#30 International Plow Truck (5 Years)			\$ 40,000	\$ 40,000	\$ 40,000
#19 Street Sweeper					
#38 2000 Chevy Truck			\$ 40,000		
#33 2005 International Truck				\$ 220,000	
#27 Loader(DEFERRED PMT - 5 YEARS)			\$ 28,000	\$ 28,000	\$ 28,000
#15 LOADER (DEFERRED PMT - 5 YEARS)	\$ 22,000	\$ 22,000	\$ 22,000		
DEPARTMENT TOTALS:	\$ 87,000	\$ 66,000	\$ 130,000	\$ 288,000	\$ 68,000

DESCRIPTION	2022	2023	2024	2025	2026
POLICE DEPARTMENT:					
BULLET PROOF VESTS	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
#51 (2022) POLICE VEHICLE (including grant monies)					\$ -
AMMUNITION		\$ 1,000		\$ 1,000	\$ -
DEPARTMENT TOTALS:	\$ 1,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000

DESCRIPTION	2022	2023	2024	2025	2026
ELECTRIC DEPARTMENT:					
#10 (1993) CHIPPER(2 YEARS)					
TRENCHER TRAILER					
WELDER				\$ 50,000	
BRUSH HOG				\$ 10,000	
INTERNATIONAL AUGER TRUCK			\$ 80,000	\$ 80,000	\$ 80,000
#7 SMALL BUCKET TRUCK(5 YEARS)	\$ 100,000	\$ 100,000			
#6 (2000) INTL 4700 W/BUCKET					
DEPARTMENT TOTALS:	\$ 100,000	\$ 100,000	\$ 80,000	\$ 140,000	\$ 80,000

DESCRIPTION	2022	2023	2024	2025	2026
ADMINISTRATION OFFICES:					
COLOR COPIER (LEASE AGREEMENT)	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700
COMPUTER FOR OFFICE	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
DEPARTMENT TOTALS:	\$2,700	\$ 4,700	\$ 4,700	\$ 4,700	\$ 4,700

DESCRIPTION - TOTALS	2022	2023	2024	2025	2026
PUBLIC WORKS:	\$ 87,000	\$ 66,000	\$ 130,000	\$ 288,000	\$ 68,000
POLICE:	\$ 1,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000
ELECTRIC:	\$ 100,000	\$ 100,000	\$ 80,000	\$ 140,000	\$ 80,000
ADMINISTRATIVE OFFICES:	\$ 2,700	\$ 4,700	\$ 4,700	\$ 4,700	\$ 4,700
TOTAL FOR EACH FISCAL YEAR:	\$ 190,700	\$ 171,700	\$ 215,700	\$ 434,700	\$ 153,700