

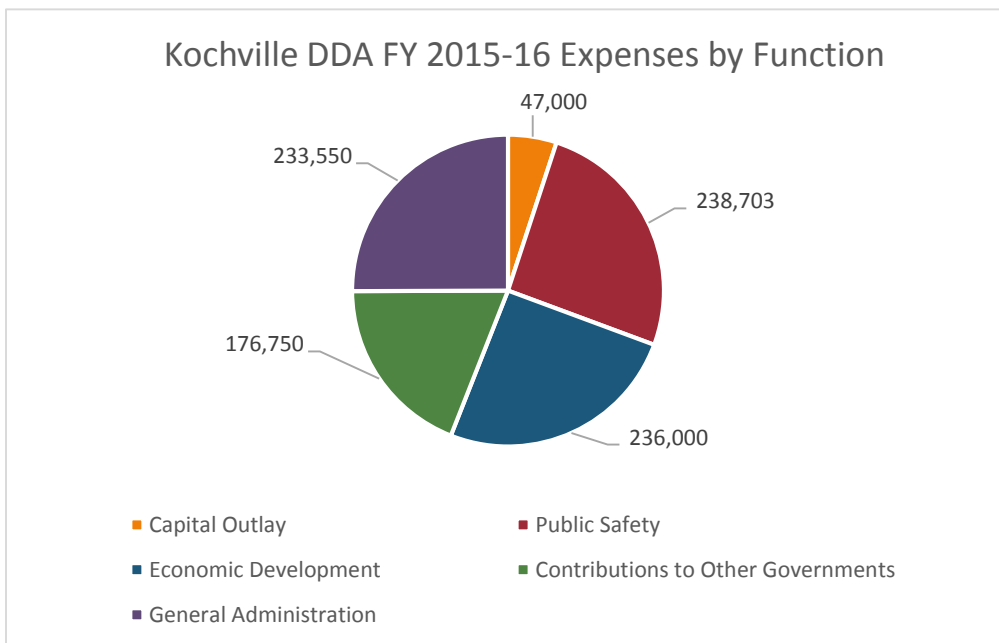
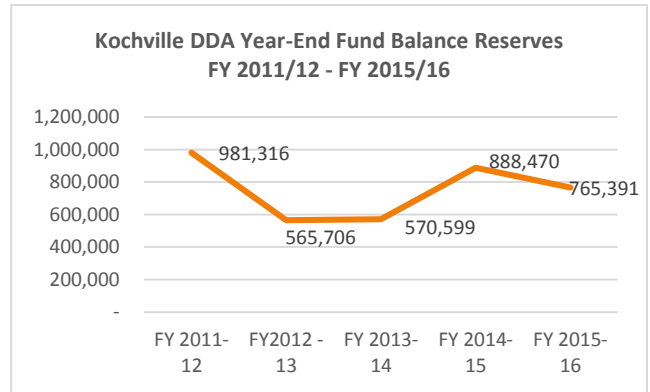


Kochville Township DDA FY 2015-16 Budget Proposal

SUMMARY

Enclosed is the proposed FY 2015-16 Kochville Township Downtown Development Authority (DDA) budget. The proposed budget includes total DDA revenues of \$811,924 (\$204,908 from the DDA's 2-mill property tax levy, \$554,516 from property tax capture, \$52,500 from other sources) and total expenses of \$932,003, with an estimated year-end (March 31, 2016) fund balance reserve of \$768,391, or 83.8-percent of estimated FY 2016-17 total expenses.

The DDA's budget consists of five departmental / functional categories: Capital Outlay – expenses for assets owned by the DDA with an expected lifespan of five years or more, and total expense of \$5,000 or more; Contributions to Other Governments – expenses borne by the DDA for assets ultimately owned by another governmental entity; Economic Development – efforts by the DDA to create economic growth that may include smaller asset investments, services, and other economic growth – focused expenditures; General Administration – general operational expenses of the Authority organization; and Public Safety – in the DDA's case, law enforcement provision within the DDA district, currently via contract with the Saginaw County Sheriff's Office.



1 CAPITAL OUTLAY

Total capital outlay expenses in FY 2015-16 are estimated at \$47,000 and include the construction of a gateway welcome sign on Bay Road, and a “joint projects” line item to assist with funding mutually-beneficial projects with Kochville Township within the DDA district.

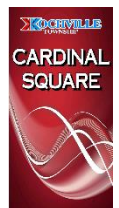


2 CONTRIBUTIONS TO OTHER GOVERNMENTS

The DDA spends a significant share of its resources improving other governments’ assets within the DDA district area. Examples of such projects include road improvements, utility investments, parkland improvements, and traffic signalization enhancements. DDA contributions to other governments in FY 2015-16 are estimated at \$236,000, and would include: revenue sharing of \$45,000 with Kochville Township; \$21,000 toward debt service for Kochville Road improvements; \$80,000 toward the installation of decorative traffic signal poles at the Fashion Square Boulevard / Tittabawassee Road interchange; and \$90,000 in matching funds toward land acquisition if a grant request is funded.

3 ECONOMIC DEVELOPMENT

Much of the DDA’s regular work falls under the economic development classification, which includes, among other things: work and purchases for decorative banner and flag displays; landscape maintenance expenses; sculpture and decoration displays; installation of Christmas and holiday decorations; maintenance, repairs and electricity for 260+ decorative streetlights within the district; community promotions expenses inclusive of the Cardinal Square farmers market and the Christmas in Kochville events; and matching improvement grants for DDA businesses. Total DDA economic development expenses in FY 2015-16 are estimated at \$176,750.



4 GENERAL ADMINISTRATION

General operations of the DDA are often covered under the general administration category of the budget. General administration includes: employee expenses, including wages and benefits; legal and consulting costs; audit and accounting expenses; marketing; tax tribunal refunds; insurance; office supplies; and a number of other related items. DDA general administration expenses for FY 2015-16 are an estimated \$233,550.

5 PUBLIC SAFETY

In 2010, the Kochville DDA entered into a revenue sharing agreement with Saginaw County in which the Saginaw County Sheriff’s Office would begin providing two full-time sheriff deputies to patrol the Kochville DDA district. Now well into its fourth year, this service provides a tremendous boost of confidence to the DDA district. Total DDA public safety expenses for FY 2015-16 are an estimated \$238,703.



LONG-TERM OUTLOOK / CONCLUSION

Kochville Township's Downtown Development Authority will continue for the foreseeable future to drive many of the visual and functional improvements within the DDA district. Much of this work, however, will depend upon stability of the DDA's revenue streams, particularly tax capture within the original DDA district as established in 1989. In addition, adjustments to property valuations in recent years, coupled with substantial changes to the collection of personal property taxes, will likely reduce operating revenues to the DDA by a significant amount going forward.

The DDA has adopted a working policy of maintaining a relatively high fund balance reserve, preferably \$500,000, which should provide a strong funding cushion should any significant structural changes occur. Maintaining this fund balance reserve could be challenging by FY 2018-19 if the Authority is aggressive in addressing infrastructure or other expensive improvements to the district; however, the DDA will continue to budget conservatively and in a long-term manner to provide immediate and future value for stakeholders of the Kochville DDA district.

Kochville DDA
Proposed Budget
For the Year Ending March 31, 2016
With amendments for the year ending March 31, 2015

	Final 2012-2013	Amended 2013-2014	Amended 2014-15	Proposed 2015-16
Beginning/ Estimated Fund balance	\$ 1,008,080	\$ 565,706	727,640	888,470
Revenues				
Investment Income	1,700	1,000	448	1,000
Property taxes	760,717	728,803	799,424	761,424
Other revenue	12,416	43,730	53,820	49,500
Total Revenue	<u>774,833</u>	<u>773,533</u>	<u>853,692</u>	<u>811,924</u>
Amount available	<u>\$ 1,782,913</u>	<u>\$ 1,339,239</u>	<u>1,581,332</u>	<u>1,700,393</u>
Expenditures				
Capital Outlay	47,901	29,000	16,000	50,000
Public safety	225,000	225,000	231,750	238,703
Contributions to other Govern.	524,187	95,000	65,852	236,000
Economic Development	154,272	167,725	160,543	176,750
General Government Administration	305,898	254,915	218,588	233,550
Total Expenditures	<u>1,257,258</u>	<u>771,640</u>	<u>692,732</u>	<u>935,003</u>
Estimated Excess revenues over expenditures	(482,425)	1,893	160,960	(123,079)
Ending Estimated/ Fund Balance	<u>\$ 525,655</u>	<u>\$ 567,599</u>	<u>888,600</u>	<u>765,391</u>

Kochville DDA
Proposed FY 2015-16 Budget
With Amendments for FY 2014-15

	2013-14 Amendments	Adopted 2014-15	2014-15 Amendments	Variance (Amendment)	Proposed 2015-16
Beginning/Estimated Fund balance	\$ 565,706	727,640	727,640	\$ -	888,470
Revenues					
Delinq. Real & Person Prop Tax	2,000	200	200	\$ -	2,000
Insurance proceeds	6,475	6,980	6,980	\$ -	5,000
Contributions	5,000	-	-	\$ -	-
Fees	2,955	-	5,840	\$ 5,840	5,000
Investment Income			670		1,000
Misc Income	1,000	1,118	448	\$ (670)	500
Twp Manager / DDA Director Cor	27,300	39,000	39,000	\$ -	39,000
Tax collection DDA 80 and 81	201,880	204,908	204,908	\$ (0)	204,908
Tax Collection TIFA Recap				\$ -	-
TIFA Summer	366,921	432,114	432,114	\$ -	392,114
TIFA Winter	160,002	162,402	162,402	\$ -	162,402
Total Revenue	773,533	846,722	852,562	5,840	811,924
Amount available	1,339,239	1,574,362	1,580,202	5,840	1,700,393
Expenditures					
Capital Outlay					
Christmas ornaments	4,000	3,000	-	(3,000)	3,000
Gateway - contractual	-	23,000	-	(23,000)	20,000
Gateway - engineering	5,000	4,000	11,000	7,000	2,000
Joint projects	20,000	25,000	5,000	(20,000)	25,000
Decorative Street lighting/Tittab	-			-	
Decorative Street Lights - Pierc	-			-	
Kross roads park light	-			-	
Total Capital Outlay	29,000	55,000	16,000	(39,000)	50,000

	2013-14 Amendments	Adopted 2014-15	2014-15 Amendments	Variance (Amendment)	Proposed 2015-16
Public safety	225,000	261,750	231,750	(30,000)	238,703
Contributions to other Govern.					
30% of Kochville Road debt ser	20,000	20,000	20,852	852	21,000
Walking path additions	-	-	-	-	-
Pierce road project -design	-	-	-	-	-
Revenue sharing-Kochville twp	45,000	45,000	45,000	-	45,000
Decorative streetlights - Pierce	30,000	-	-	-	-
Fashion Square Blvd Ext to Kochville Rd	-	-	-	-	-
Krossroads Park land acquisition	-	-	-	-	90,000
Traffic signal poles - FSB/Tittabawassee	-	80,000	-	(80,000)	80,000
Traffic signal poles-Bay/Tittabawassee	-	-	-	-	-
Total Cont's to Other Govt's	95,000	145,000	65,852	(79,149)	236,000
Economic Development					
Banners & Flags	12,000	10,000	15,000	5,000	15,000
Christmas ornaments install/un	10,000	10,000	12,000	2,000	12,000
Christmas ornaments supplies	3,000	2,000	2,200	200	3,000
Christmas ornaments rental	4,950	2,500	2,744	244	2,750
Community promotion	23,000	19,000	28,000	9,000	25,000
Lawn main and Landscaping	23,000	23,000	25,000	2,000	25,000
Matching Improvement grants	10,000	10,000	5,000	(5,000)	10,000
Miss Dig	5,000	6,000	5,000	(1,000)	5,000
Repairs and maintenance	1,000	5,000	1,000	(4,000)	5,000
Sidewalk construction	2,500	10,000	-	(10,000)	5,000
Street Lighting main	35,000	25,000	25,000	-	30,000
Public art displays	21,275	20,000	18,089	(1,911)	20,000
Tree maintenance	-	2,500	-	(2,500)	1,000
Utilities	17,000	17,510	17,510	-	18,000
Total Economic Developmen	167,725	162,510	156,543	(5,967)	176,750

	<u>2013-14 Amendments</u>	<u>Adopted 2014-15</u>	2014-15 Amendments	Variance (Amendment)	Proposed 2015-16
General Government Administration					
Bank service charges	100	200	100	(100)	100
Board expense	300		20	20	100
Conference	4,000	4,000	1,000	(3,000)	3,000
Contracted services-intern	-	-	2,000	2,000	500
Dues and Subscriptions	3,000	3,500	3,000	(500)	2,000
Internet	1,000	1,000	200	(800)	1,000
Legal Notices	500	-	1,500	1,500	1,000
Liability Insurance	4,200	5,000	4,355	(645)	4,400
Marketing	11,000	11,000	14,000	3,000	15,000
Miscellaneous	100	100	100	-	100
Office Supplies	3,500	3,000	2,500	(500)	3,000
Postage and Delivery	2,500	3,000	1,000	(2,000)	2,500
Printing & Publications	1,500	5,000	2,500	(2,500)	2,500
My pay fees	1,000	1,000	1,000	-	1,000
Audit Accounting	6,500	7,750	7,750	-	8,000
Consulting (mostly Spicer fees	15,000	20,000	30,000	10,000	25,000
Legal Fees	50,000	30,000	45,000	15,000	35,000
Rent	13,500	-		-	-
Salary/Benefits Director	64,995	68,250	68,250	-	75,000
Salary intern	6,000	5,000	5,000	-	5,000
Payroll taxes	5,000	5,355	5,604	249	6,120
Storage	3,000	2,000	2,000	-	2,000
Tax tribunal	50,000	35,000	20,000	(15,000)	35,000
Telephone	780	780	780	-	780
Travel & Ent	6,500	6,000	3,000	(3,000)	4,000
W/C insurance	440	450	429	(21)	450
Web Site Development/Internet	500	500	500	-	1,000

	2013-14 Amendments	Adopted 2014-15	2014-15 Amendments	Variance (Amendment)	Proposed 2015-16
Personal Property Tax Loss (2014)		25,000	-		-
Total General Government A	254,915	242,885	221,588	(21,297)	233,550
Total Expenditures	771,640	867,145	691,732	(175,413)	935,003
Estimated Excess revenues over expenditure	1,893	(20,423)	160,830	181,253	(123,079)
				-	
Ending Estimated/ Fund Balance	\$ 567,599	\$ 707,217	888,470	\$ 181,253	765,391

	FY 2011-12	FY2012 -13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017	FY 2018	FY 2019	FY 2020
Uniforms	169	24								
Wages	129,340	138,112								
Supplies	3,061	100								
Total Public Safety	195,177	210,369	225,000	231,750	238,703	245,864	253,239	260,837	268,662	276,722
Contributions to other Govern.										
30% of Kochville Road debt service	20,187	20,022	20,000	20,852	21,000	21,000	21,000	21,000	21,000	21,000
Legal Fees - Bay Rd Sewer Extension	2,208		-							
Revenue sharing-Kochville Twp	90,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
FSB Extension to Kochville Rd					-	180,000	180,000	180,000		
FSB Extension to Liberty Rd										500,000
Traffic signal poles - Bay/Tittabawassee	-	68,780	-							
Traffic signal poles - FSB / Tittabawassee					80,000					
Land Acquisition at Krossroads Park					90,000					
Pierce Road	7,379	362,624	-	-	-	-	-	-	-	-
Decorative streetlights - Pierce Road			30,000							
Tharaldson / FSB Safety Improvements								100,000	100,000	
Walking path extension (joint project)	51,000	12,500	-							
Other	-									
Total Contributions to other Govern.	170,774	508,926	95,000	65,852	236,000	246,000	246,000	346,000	166,000	566,000
Economic Development										
Banners & Flags	23,434	11,972	12,000	15,000	15,000	10,000	10,000	10,000	10,000	10,000
Christmas ornaments install/uninstall		11,565	10,000	12,000	12,000	10,000	10,000	10,000	10,000	10,000
Christmas ornaments supplies		5,979	3,000	2,200	3,000	2,000	2,000	2,000	2,000	2,000
Christmas decorations - rental		4,950	4,950	2,744	2,750	2,500	2,500	2,500	2,500	2,500
Community Promotion		9,089	23,000	28,000	25,000	19,000	19,000	19,000	19,000	19,000
Gateway posts - contractual		1,400	-							
Gateway posts - engineering		1,845	-							
Krossroads Park light (joint project)		4,589	-							
Lawn maintenance & landscaping	19,333	22,947	23,000	25,000	25,000	26,250	27,563	28,941	30,388	31,907
Matching improvement grant projects	2,916	2,160	10,000	5,000	10,000	15,000	15,000	15,000	15,000	15,000
Misc other services		395	-							
Miss Dig tickets	2,768	4,180	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000
Operation and maintenance fees	63		-							
Repairs and maintenance	7,940	950	1,000	1,000	5,000	5,000	5,000	5,000	5,000	5,000
Sidewalk construction			2,500	-	5,000					
Stormwater Study of DDA District						20,000				
Street lighting induction retrofit	45,858		-							
Street Lighting maintenance	16,354	44,743	35,000	25,000	30,000	25,000	25,000	25,000	25,000	25,000
Tittabawassee overhead elec line burial	12,824		-							
Public art displays		10,122	21,275	18,089	20,000	20,000	20,000	20,000	20,000	20,000
Tree maintenance		3,500	-		1,000	1,000	1,000	1,000	1,000	1,000
Utilities	21,158	16,777	17,000	17,510	18,000	18,540	19,096	19,669	20,259	20,867
Total Economic Development	152,648	157,163	167,725	156,543	176,750	180,290	162,159	164,110	166,147	168,274
General Government Administration										
Bank service charges	52	35	100	100	100	200	200	200	200	200
Board Expense		178	300	20	100					
Conference	921	1,207	3,000	1,000	3,000	5,000	5,000	5,000	5,000	5,000
Contracted Services - Intern		3,082		2,000	500					

	FY 2011-12	FY2012 -13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017	FY 2018	FY 2019	FY 2020
Dues and Subscriptions	3,038	3,546	3,000	3,000	2,000	3,500	3,500	3,500	3,500	3,500
Internet		955	1,000	200	1,000	1,000	1,000	1,000	1,000	1,000
Legal Notices	169	78	500	1,500	1,000					
Liability Insurance	8,005	4,085	4,200	4,355	4,400	5,000	5,000	5,000	5,000	5,000
Marketing	3,933	10,702	9,000	14,000	15,000	15,000	15,000	15,000	15,000	15,000
Miscellaneous	139	551	100	100	100	100	100	100	100	100
Office Supplies	4,476	3,605	3,500	2,500	3,000	3,000	3,000	3,000	3,000	3,000
Postage and Delivery	349	1,113	2,500	1,000	2,500	3,000	3,000	3,000	3,000	3,000
Printing & Publications	-	1,211	1,500	2,500	2,500	5,000	5,000	5,000	5,000	5,000
My pay fees	869	890	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Audit Accounting	8,723	6,646	6,500	7,750	8,000	9,000	9,000	9,000	9,000	9,000
Consulting (mostly Spicer fees)	34,193	14,999	15,000	30,000	25,000	25,000	25,000	25,000	25,000	25,000
Legal Fees	134,270	43,993	50,000	45,000	35,000	30,000	30,000	30,000	30,000	30,000
Office rent	5,938	13,674	13,500	-	-	-	-	-	-	-
Salary & Benefits - Director (inc retirement)	52,002	56,612	64,995	68,250	75,000	76,875	78,797	80,767	82,786	84,856
Salary - Intern		4,464	6,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Payroll taxes	3,978	4,672	5,000	5,604	6,120	6,273	6,430	6,591	6,755	6,924
Storage	2,114	1,002	3,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Tax tribunal	33,006	117,741	50,000	20,000	35,000	10,000	10,000	10,000	10,000	10,000
Travel & Ent	2,998	5,516	6,500	3,000	4,000	6,000	6,000	6,000	6,000	6,000
Telephone	640	868	780	780	780	600	600	600	600	600
W/C Insurance		864	440	429	450	460	470	480	490	500
Web Site Development/Internet fees	161	589	500	500	1,000	2,500	500	500	500	500
Total General Government Admin	299,972	302,878	251,915	221,588	233,550	215,508	215,597	217,737	219,931	222,180
Total Expenditures	1,074,921	1,218,036	768,640	691,732	932,003	912,662	901,995	1,013,684	845,740	1,258,175
Estimated Excess revenues over expenditures	(152,385)	(442,374)	4,893	160,830	(120,079)	(96,346)	(85,680)	(185,806)	(17,862)	(418,562)
Ending Estimated/ Fund Balance	981,316	565,706	570,599	888,470	768,391	672,045	586,365	400,559	382,697	(35,865)