

City of Beaverton Resolution for Deficit Elimination Plan

Resolution Number 2020-1

WHEREAS the City of Beaverton’s major Street’s Fund has a \$73,543 deficit fund balance, the Hydroelectric Fund has a deficit unrestricted net position of \$273,318 and the Sewer Fund has a deficit unrestricted fund balance of \$81,281 on June 30, 2019; and

WHEREAS 1971 PA 140 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 City of Beaverton’s Council adopts the following as the City of Beaverton’s Deficit Elimination Plan:

	582	582		590	590
	Enterprise Funds	Enterprise Funds		Enterprise Funds	Enterprise Funds
	Hydroelectric	Hydroelectric		Sewer	Sewer
	Fund	Fund		Fund	Fund
	2020	2021		2020	2021
Operating revenues			Operating revenues		
Charges for services	\$ 200,000	\$ 200,000	Charges for services	\$ 252,746	\$ 281,812
Total operating revenues	200,000	200,000	Total operating revenues	252,746	281,812
Operating expenses			Operating expenses		
Salaries and wages	-	-	Salaries and wages	93,961	96,780
Payroll taxes	-	-	Payroll taxes	5,000	5,150
Employee benefits	-	-	Employee benefits	28,078	28,920
Supplies	4,000	4,120	Supplies	2,100	2,163
Telephone	2,000	2,060	Telephone	2,585	2,663
Utilities	1,800	1,854	Utilities	21,000	21,630
Repair and maintenance	5,000	5,150	Repair and maintenance	15,000	15,450
Contracted services	3,000	3,090	Contracted services	2,100	2,163
Miscellaneous	14,909	15,356	Equipment rental	10,000	10,300
Depreciation	100,000	97,000	Miscellaneous	17,595	18,123
Total operating expenses	130,709	128,630	Project cost	1,089,000	7,500
Operating loss	69,291	71,370	Depreciation	65,000	63,050
Nonoperating revenues (expenses)			Total operating expenses	1,351,419	273,892
Interest earnings	30	30	Operating loss	(1,098,673)	7,920
Interest expense	(47,250)	(47,250)	Nonoperating revenues (expenses)		
Net nonoperating revenues (expenses)	(47,220)	(47,220)	Federal contributions	829,000	-
Loss before contributions and transfers	22,071	24,150	Reimbursing bonds	72,500	-
Transfers in	-	-	Interest earnings	25	25
Transfers out	(48,190)	-	Interest expense	(21,050)	21,050
Total capital contributions and transfers	(48,190)	-	Tap fees	4,500	-
Changes in net position	(26,119)	24,150	Net nonoperating revenues (expenses)	884,975	21,075
Total net position - beginning	347,574	321,455	Loss before contributions and transfers	(213,698)	28,995
Total net position - ending	\$ 321,455	\$ 345,605	Changes in net position	(213,698)	28,995
Unrestricted Net position (deficit)	(73,318)	32,432	Total net position - beginning	873,210	659,512
			Total net position - ending	\$ 659,512	\$ 688,507
			Unrestricted Net position (deficit)	(8,781)	20,214

	202
	Major Streets
	Fund
	2020
Operating revenues	
Property Taxes	30,150
State Grants	914,490
Total operating revenues	944,640
Operating expenses	
Salaries and wages	35,442
Payroll taxes	3,500
Employee benefits	9,837
Supplies	6,000
Telephone	1,000
Utilities	200
Repair and maintenance	5,000
Contracted services	15,000
Equipment rental	6,300
Miscellaneous	3,200
Project cost	610,000
Total operating expenses	695,479
Operating loss	249,161
Nonoperating revenues (expenses)	
Bond proceeds	260,000
Net nonoperating revenues (expenses)	260,000
Loss before contributions and transfers	509,161
Transfers in	-
Transfers out	-
Total capital contributions and transfers	-
Changes in net position	509,161
Total net position - beginning	(73,543)
Total net position - ending	\$ 435,618

BE IT FURTHER RESOLVED that the City of Beaverton City Council approves the increase in Sewer Fund revenues (Sewer Revenue 590-000-662.000) in accordance with the Sewer Study findings. The City approved the first two years of the rate increases with plans to approve the remaining 3 years of rate increases each year going forward.

BE IT FURTHER RESOLVED that the City of Beaverton City Manager and/or clerk submits the Deficit Elimination Plan in its entirety to the Michigan Department of Treasury for Certification.

Certified by:

City Clerk