



CITY OF GROSSE POINTE WOODS

Office of the Treasurer/Comptroller

4A

Memorandum

RECEIVED

JUN 30 2017

DATE: July 17, 2017

TO: Mayor Novitke and City Council

FROM: Cathrene Behrens, Treasurer/Comptroller

SUBJECT: Proposed winter tax levy for pro-rata share of Milk River Drain facility expenditures and other C.S.O. drain improvements

CITY OF GROSSE PTE. WOODS

The Wayne County Department of Public Services is currently in the process of compiling the 2017-2018 budget for the Milk River Intercounty Drain Drainage. The budget is scheduled to go before the board for consideration and approval during the month of September 2017. The City of Grosse Pointe Woods currently levies a millage to collect for our Pro-Rata share of the operations and maintenance expense at the drain facility, an administrative fee, and for the repayment of annual bonded debt repayment in the combined sewer/storm drain system

The drainage district is currently split between five municipalities which include: the City of Grosse Pointe Woods, Harper Woods, St. Clair Shores, Wayne County and the State of Michigan. The percentage splits on annual expenses are detailed in the table below:

Community	Operations & Maintenance	Debt
City of Grosse Pointe Woods	60.50%	51.28%
Harper Woods	35.11%	45.11%
St. Clair Shores	0.42%	0.31%
Wayne County	1.67%	1.21%
State of Michigan	2.30%	2.87%

In 2016-2017 the Operations and Maintenance budget was \$2,619,934, whereby Grosse Pointe Woods would be responsible for \$1,585,061 at 60.50%. The Drainage budget has historically seen annual increases of 7% over previous fiscal years which the attached budget document reflects.

In 2016 the Wayne County Drain obtained a State Revolving Fund Loan through the Michigan Finance Authority to fund a \$37,000,000 project for the Grosse Gratiot Drain District. The City of Grosse Pointe Woods is responsible for 51.28% of the annual debt payment. The first interest payment of \$10,289 is due in Fiscal Year 2017-2018; the City's portion \$5,276. The first principal payment on this debt issue is not due until the City's fiscal year 2019-2020; the City's estimated portion being \$727,632. We can only estimate these payments at this time based upon the nature of State Revolving Fund loans whereby as each drawn down on funds is made, the interest payments due are affected which changes the annual debt payment.

The 2016 audited fund balance in the Grosse Gratiot-Milk River Drain Fund for the City is currently \$1,457,342. As a result of this funds healthy fund balance, staff is recommending that the following millage rate being approved for the 2017 winter tax bill:

	Millage	Amount
Milk River Drain Operations	2.5850	\$1,704,678
Milk River Drain (SRF) Debt	0.0000	0
Administration	0.0220	14,508
Total	2.6070	\$1,719,186

The attached resolution has been prepared pursuant to financial budgetary information available at this time. Should a significant budgetary change be presented to staff by the Milk River Drain Board, a millage adjustment will be presented to the Council at that time.

Department Certification:



Cathrene Behrens
Treasurer/Comptroller

APPROVED FOR COUNCIL CONSIDERATION:

Bruce J. Smith
City Administrator Signature

City of Grosse Pointe Woods
Budget Revenue Analysis - GROSSE GRATIOT DRAIN
FY 17 - 18

										642,334,766	660,245,108	660,245,108	659,449,995
	<i>Revised 7/5/2017</i>			782,426,719	699,266,846	617,175,882	604,800,000	601,100,000	601,100,000	633,674,000	Taxable Val	Taxable Val	Taxable Val
acct	Account Name	FY 07-08 Audited	FY 08-09 Audited	FY 09-10 Audited	FY 10-11 Audited	FY 11-12 Audited	FY 12-13 Audited	FY 13-14 Audited	FY 14-15 Actual	FY 15-16 Actual	FY 16-17		FY 17 - 17
											Adopted	Thru 2/28/2017	Proposed
				3.8020	3.8020	4.4685	4.5281		2.7340	4.1509	4.1509	4.1509	2.6070
365.000	GG Drain Fund												
365000402000	Operating Levy	174,018	-	2,962,782	2,651,129	2,753,485	2,720,733	2,706,194	1,685,314	2,666,267	2,703,066	2,529,178	1,719,186
365000402001	MTT Tax Refund	-	(32,550)	(2,473)	10,988	(17,661)	28,174	(1,898)	-	(90,000)	-	-	-
365000402100	DELQ TAX				7,433		-				-	-	-
365000665000	Interest Earnings	-	-	-	-	-	-	-	-	-	-	-	-
365000697000	Trf Prior Yr Reserve	-	-	409,282	589,954	155,705							
365000703000	Trf Wayne CntyTxFund	3,479,741	3,220,893										
	Total GG Drain Fund	3,653,759	3,188,344	3,369,591	3,259,503	2,891,530	2,748,907	2,704,296	1,685,314	2,576,267	2,703,066	2,529,178	1,719,186

CITY OF GROSSE POINTE WOODS
BUDGET WORKSHEET - GROSSE GRATIOT DRAIN
FY 2017-18

ACCOUNT NO.	ACCOUNT NAME	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17		FY 17-18	
		ACTUAL AMOUNT	BUDGET AMOUNT	7/1/2016 - 2/28/2017 ACTUAL	DEPT REQUESTED								
GENERAL EXPENDITURES													
365445818000	CONTR-O&M MILK RIVER	990,971	1,027,996	1,165,717	1,327,802	1,367,905	1,408,037	1,439,036	1,575,846	1,560,854	1,187,012	1,688,288	1,688,288
355445840000	PRIOR YR TAX REFUNDS	-	-	-	-	-	-	-	-	90,000	-	-	-
365445991000	MILK RIVER - PRINCIPAL	1,092,022	1,119,247	1,152,522	1,185,797	1,173,754	-	-	-	-	-	-	-
365445992000	MILK RIVER - INTEREST	132,873	102,219	72,597	43,949	14,676	-	-	-	1,038,332	-	10,289	10,289
365445992200	SRF Pre-Funding 5446-01	-	-	-	-	-	828,847	226,874	102,960	-	19,195	-	-
	DEPARTMENT TOTAL	2,215,866	2,249,461	2,390,836	2,557,547	2,556,335	2,236,885	1,665,910	1,678,806	2,689,186	1,206,207	1,698,577	1,698,577
TRANSFERS & OVERHEAD													
365482999101	TRF TO GENERAL	125,000	295,000	305,000	120,000	120,000	-	-	-	-	-	-	-
365482999203	TRF TO LOCAL STREET	550,000	550,000	550,000	200,000	-	-	-	-	-	-	-	-
365482999592	TRF TO WATER/SEWER	250,000	250,000	-	-	-	-	-	-	-	-	-	-
365482999650	TRF TO MIS	10,000	10,000	-	-	-	-	-	-	-	-	-	-
	DEPARTMENT TOTAL	935,000	1,105,000	855,000	320,000	120,000	-	-	-	-	-	-	-
DEBT SERVICE - OTHER													
365993757000	OPERATING SUPPLIES	-	-	-	-	-	-	-	-	-	-	-	-
365993818000	CONTRACTUAL SERVICES	12,450	2,976	5,000	5,236	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
365993914000	INSURANCE	12,153	12,153	8,666	8,747	8,732	8,701	8,596	8,735	8,880	8,708	8,880	8,880
	DEPARTMENT TOTAL	24,603	15,129	13,666	13,983	13,732	13,701	13,596	13,735	13,880	13,708	13,880	13,880
	GRAND TOTAL MILK RIVER DRAIN EXPENSE	3,175,469	3,369,590	3,259,503	2,891,530	2,690,067	2,250,586	1,679,506	1,692,541	2,703,066	1,219,915	1,712,457	1,712,457

CITY OF GROSSE POINTE WOODS

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CERTIFIED RESOLUTION

Motion by _____, seconded by _____, regarding **2017 Milk River Drain Levy**, that the Council adopt the following resolution:

Whereas: the Mayor and City Council directs that the millage levy consisting of 2.6070 mills be established for the operational and maintenance costs related to the Milk River Drain pumping facility for administration, replacement and maintenance of the City of Grosse Pointe Woods sanitary sewer/drain system, and SRF debt payments, and

Whereas: that the Drain/Milk River Debt millage be levied upon such assessments as certified by the Assessor of the City of Grosse Pointe Woods, and

Whereas: that the following amounts be collected from the assessments levied as follows:

	Millage	Amount (rounded)
Milk River Drain Operations	2.5850	\$1,704,678
Milk River Drain Bonded Debt	0.0000	0
Transfers	0.0000	0
Administration	0.0229	14,508
Total	2.6070	\$1,719,186

It is further resolved that the City Clerk certify the Milk River Drain Debt Levy to the Wayne County Board of Supervisors for spreading the 2.6070 mills as Milk River Drain Debt Levy upon the 2017-18 Grosse Pointe Woods tax roll.

Motion carried by the following vote:

Yes:

No:

Absent:

CERTIFICATION

I, Lisa Kay Hathaway, City Clerk of the City of Grosse Pointe Woods, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Council on September 18, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be, or have been, made available as required by said Act.

Lisa Kay Hathaway
City Clerk
July 17, 2017