

EATON RAPIDS



MAIN STREET

*Elevate the Rapids*

**CITY OF EATON RAPIDS DDA**

**PROPOSED BUDGET**

**For the Fiscal Year Ending June 30, 2022**



# **Eaton Rapids, MI DDA List of Principal Officials**



## **DDA BOARD**

**Jason Smith**

**Hon. Paul Malewski**

**Don McNabb**

**Dr. William DeFrance**

**Mike Carducci**

**Dan Babbitt**

**Dr. Kyle Booher**

**Dr. William Lindow**

**Mark McGee**

**Rachel Willey**

**Executive Director**

**Mayor**

**Chair**

**Vice-Chair**

**Secretary/Treasurer**



## **BUDGET HIGHLIGHTS**

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### *INTRODUCTION*

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In accordance with the Eaton Rapids DDA Bylaws, adopted in 2019 and amended in 2020, I submit to you for your consideration the annual budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022.

Section 9.1 of the DDA Bylaws requires that the Executive Director:

1. Be responsible for the preparation of plans and performance of the functions of the Authority.
2. The director shall supervise, and be responsible for the preparation of plans and performance of the functions of the Authority.
3. The director shall furnish the board with information or reports governing the operation of the Authority as the Board requires.

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### *TIMETABLE*

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With limited meetings available prior to the beginning of the fiscal year, the following schedule is proposed to ensure passage before the new fiscal year begins.

**MARCH 12** – Presentation of the Proposed Budget,

**APRIL 9** – DDA Board will present recommended changes.

**MAY 14** – Presentation of Draft Budget and open the 30-day public review.

**JUNE 11** – Adoption of the Budget.

**JULY 1** – Budget goes into effect.

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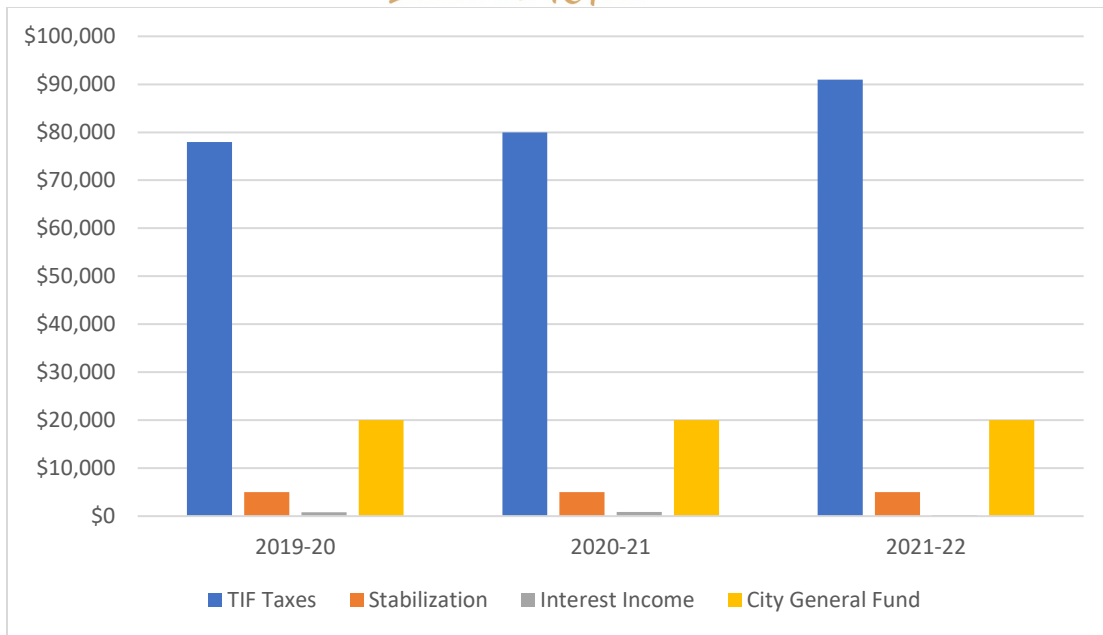
*FUND OVERVIEW*

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## **REVENUES**

- The projected fund balance for June 30, 2020 is \$147,332.36 or 76.4% of budgeted expenditures, before 2021 receivables. After anticipated receivables, the fund balance is 147% of budgeted expenditures, before expenses. Traditionally, fund balances are between 25 and 30 percent of the budgeted expenditures. Based upon this criterion, it is recommended that the DDA continue to deplete some of these funds through targeted programming as recommended by the Main Street Program.
- Total tax capture revenues are expected to increase 13% to \$91,000. As property values continue to rebound, paired with continued investment into the DDA's Façade Program, this capture rate is expected to continue to climb slowly. Nearly all other revenue categories are anticipated to remain comparable to previous years.
- Revenues generated from other categories are anticipated to remain the same.
- As with the 2020-2021 budget, this budget anticipates utilizing \$56,028.00 of DDA fund balance to compensate for increased expenditures for Main Street-related projects, increased budgets for programming, and other anticipated activities.
- The DDA's Budget for FY 2021-22 is balanced at \$192,678.00.

Below is a graphical summary of major revenue categories from FY 2019-20 to Proposed FY 2021-22.



## EXPENDITURES

- Salaries are expected to increase by 1% due to the annual review scheduled for July 10, 2021 for the Executive Director. This increase could change based upon the outcome of the review and discretion of the DDA Board. Social Security and retirement contributions, as a percentage of the director’s salary remain consistent, but the outlay is increased due to the projected increase in salary.
- Enrichment programming remains at \$5,000 due to programming dollars being allocated into their proper funds and earmarked specifically for those purposes.
- Contracted Cleaning of Sidewalks will remain at \$10,000 as the contract is anticipated to continue.
- The Façade Improvement Program budget is reduced to \$15,000. The Main Street Program, and the goals of the DDA Board encourage more façade improvements; however, the entirety of the funding is not used from year to year. As such, it will be recommended to have fewer, larger dollar, and higher competitive grants awarded.
- \$15,000 is earmarked for Community Promotions, which will be positioned for advertising and promotion of the downtown.



- The Farmer's Market is earmarked for \$300. This is for advertising and promotion of the market. With major materials purchased last year, this fund is reduced from \$1,000.
- Business recruitment is earmarked for \$10,000 in 2021-22, to account for the requested funding to support a \$10,000 business startup grant.
- Pettit Parking Lot lease expenses are reduced to \$0. The lease expired on November 10, 2020. The DDA and City were not able to agree to terms for a new lease agreement, nor purchase the lot.
- Membership & Dues and Training funding have each increased to \$1,500. The Main Street Program encourages continuous training for the director and board members. This allows for registration and other associated fees for attendance.
- Education and Training, despite being unused in 2019-2020 (mostly due to COVID-19), will remain at \$1,000.
- The Capital Outlay fund returns to \$0 for 2021-22. With the sale of Red Ribbon Hall, there is no need to fund a roof repair.
- Bond payments will reduce from \$53,656 to \$51,632 per the repayment schedule. The outstanding balance on the bond is over \$400,000; and has 9 years of repayment left.
- \$6,500 has been earmarked for transfer to the Quality of Life fund. This amount is earmarked for \$1,500 for Sports, Movies in the Park, and other programming that would normally fall under the scope of the DDA, due to its use of or involvement near the downtown. The remaining \$5,000 is earmarked specifically for the amphitheater project that creates ADA-compliant space on the lawn, and encourages more participation in the downtown and parks area.
- The \$4,000 earmarked for the Fourth of July event remains unchanged.



## **SUMMARY**

The DDA continues to be a vital, viable asset for the city. With Eaton Rapids firmly entrenched into the Main Street Program and Redevelopment Ready Communities program, the downtown is primed for continued revitalization. We continue to receive high-quality services from the MEDC, providing us with useful tools that continue our momentum forward.

I am pleased to present these budget highlights to you, and look forward to reviewing the budget with you.

Respectfully Submitted,

Jason Smith

Executive Director

**ATTACHMENT A**

**REVENUE SUMMARY FOR FY 2021/22**

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GL NUMBER	DESCRIPTION	2020-21 AMENDED BUDGET	2020-21 ACTIVITY THRU 06/30/21	2021-22 REQUESTED BUDGET
248.253.40500	TIF TAXES	80,000.00	66,037.57	91,000.00
248.253.43000	STATE OF MICHIGAN STABILIZATION	5,000.00	5,320.60	5,000.00
248.253.66400	INTEREST INCOME	900.00	198.10	200.00
248.253.69400	MISCELLANEOUS REVENUE	27,500.00	29,187.00	20,000.00
248.253.69402	FARM MARKET		480.00	450.00
248.931.69903	TRANSFER FROM GENERAL FUND	20,000.00		20,000.00
248.999.69990	USE OF FUND BALANCE			55,028.00
<b>TOTAL ESTIMATED REVENUES</b>		<b>133,400.00</b>	<b>101,223.27</b>	<b>191,678.00</b>

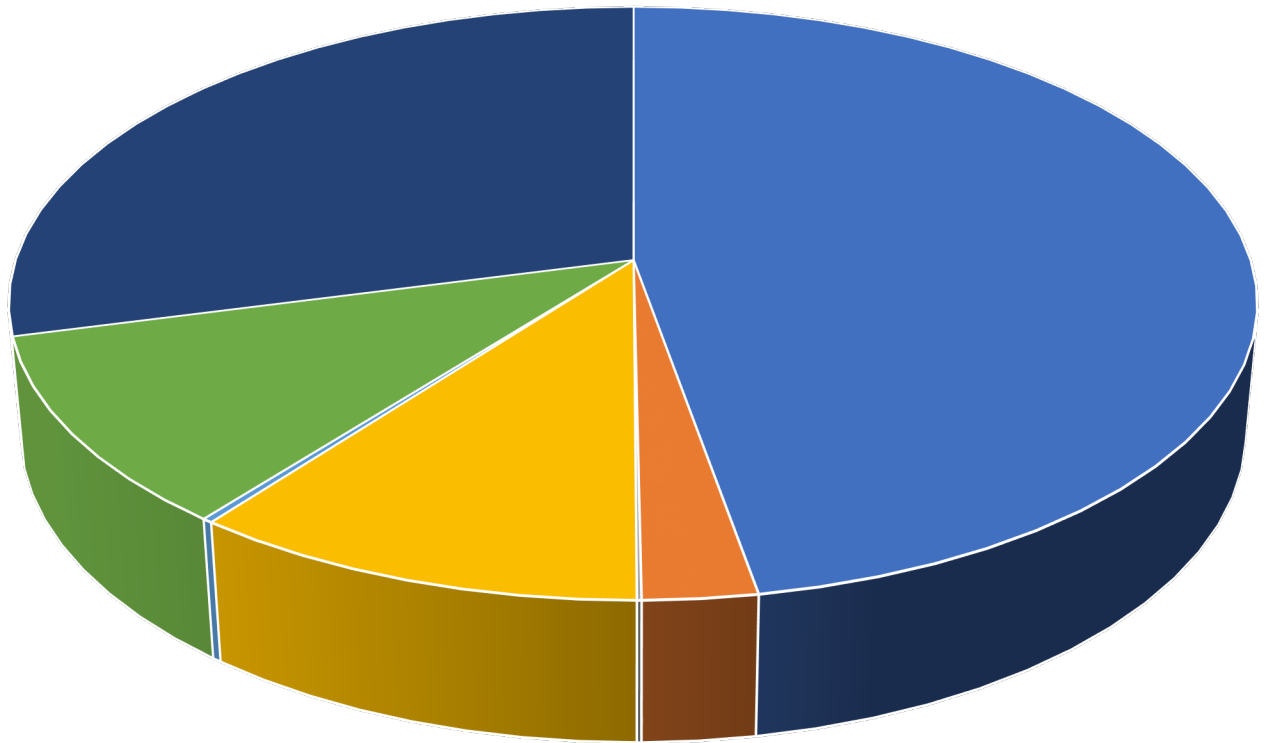


**ATTACHMENT B**

**EXPENSE SUMMARY FOR FY 2020/21**

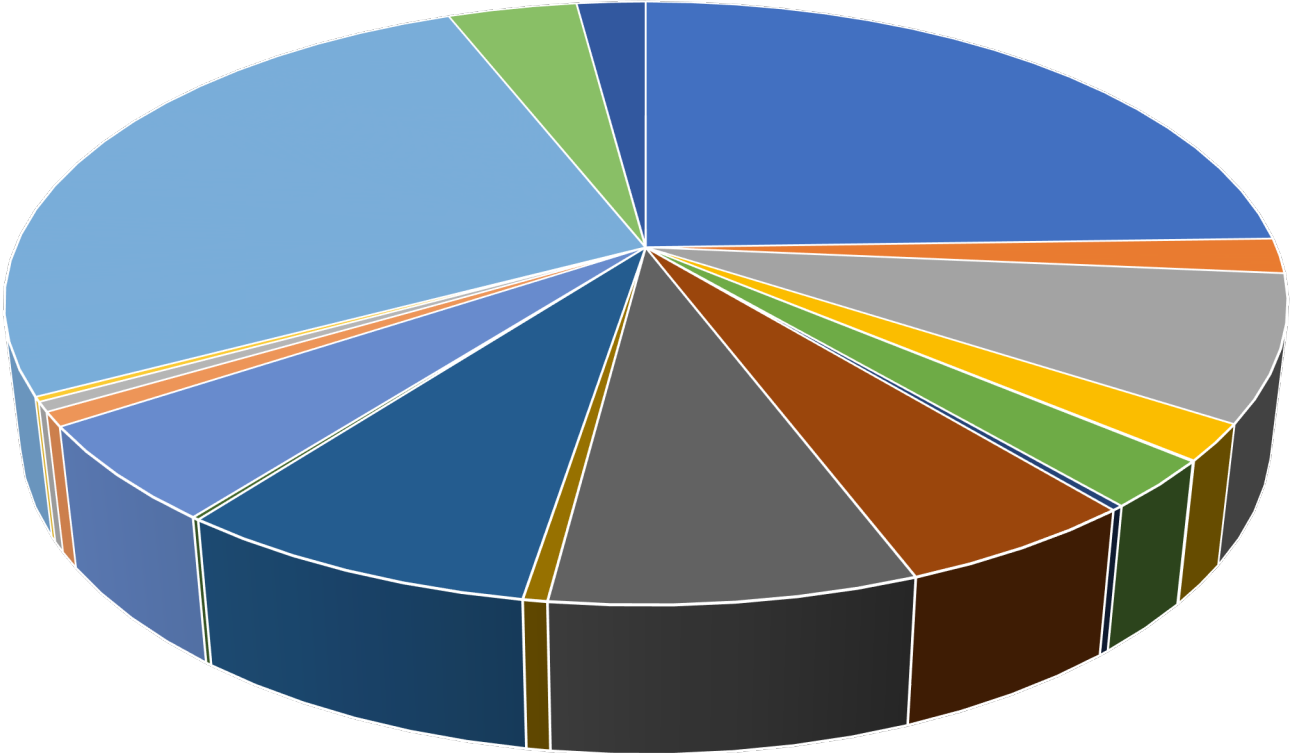
GL NUMBER	DESCRIPTION	2020-21 AMENDED BUDGET	2020-21 ACTIVITY THRU 06/30/21	2021-22 REQUESTED BUDGET
248.803.71000	SALARY & WAGES	45,000.00	29,705.45	47,250.00
248.803.71500	SOCIAL SECURITY	3,445.00	2,218.24	3,616.00
248.803.71600	HOSPITALIZATION	15,000.00	8,404.27	15,000.00
248.803.71700	LIFE INSURANCE		55.02	
248.803.71800	RETIREMENT FUND CONTRIBUTION	3,600.00	3,466.53	3,780.00
248.803.73000	OFFICE SUPPLIES	100.00	130.74	100.00
248.803.74400	OTHER SUPPLIES		55.89	
248.803.74404	ENRICHMENT PROGRAMMING	5,000.00	2,136.68	5,000.00
248.803.80200	ATTORNEY LEGAL FEES	500.00		500.00
248.803.81500	CONTRACTED CLEARING OF SIDEWALKS		10,000.00	10,000.00
248.803.83000	FACADE IMPROVE PROGRAM	20,000.00	12,000.00	15,000.00
248.803.85200	TELEPHONE	1,000.00	685.25	1,000.00
248.803.86000	TRANSPORTATION	100.00		
248.803.88500	COMMUNITY PROMOTIONS			15,000.00
248.803.92100	PUBLIC UTILITIES	3,600.00	1,590.63	
248.803.93500	FARM MARKET		949.85	300.00
248.803.94500	PARKING LOT LEASE	1,200.00	2,000.00	
248.803.95600	BUSINESS RECRUITMENT			10,000.00
248.803.95700	MEMBERSHIP & DUES	1,000.00	1,430.00	1,500.00
248.803.95800	EDUCATION & TRAINING	1,000.00		1,000.00
248.803.95900	MISCELLANEOUS EXPENSE		1,668.89	
248.901.97101	CAPITAL OUTLAY	60,000.00		
248.906.99500	PAYING AGENT FEES	250.00	500.00	500.00
248.906.99800	CAP IMPROVE INTEREST/PRINCIPAL	53,656.00	9,328.00	51,632.00
248.999.99907	TRANSFER TO PARKS & REC	7,500.00		6,500.00
248.999.99917	TRANSFER TO FOURTH OF JULY FUND	4,000.00	4,000.00	4,000.00
<b>TOTAL APPROPRIATIONS</b>		<b>225,951.00</b>	<b>90,325.44</b>	<b>191,678.00</b>

Revenues



- TIF TAXES
- STATE OF MICHIGAN STABILIZATION
- INTEREST INCOME
- MISCELLANEOUS REVENUE
- FARM MARKET
- TRANSFER FROM GENERAL FUND
- USE OF FUND BALANCE

Expenses



- SALARY & WAGES
- SOCIAL SECURITY
- HOSPITALIZATION
- RETIREMENT FUND CONTRIBUTION
- OFFICE SUPPLIES
- ENRICHMENT PROGRAMMING
- ATTORNEY LEGAL FEES
- CONTRACTED CLEARING OF SIDEWALKS
- FACADE IMPROVE PROGRAM
- TELEPHONE
- COMMUNITY PROMOTIONS
- FARM MARKET
- BUSINESS RECRUITMENT
- MEMBERSHIP & DUES
- EDUCATION & TRAINING
- PAYING AGENT FEES
- CAP IMPROVE INTEREST/PRINCIPAL
- TRANSFER TO PARKS & REC
- TRANSFER TO FOURTH OF JULY FUND