



BOYNE CITY
CITY COMMISSION
Work Session
Parkside Room
319 N. Lake Street
Monday, March 2, 2020 at 3:00 p.m.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. HEARING CITIZENS COMMENTS (on non-agenda items; 5 minute limit)
4. Meeting with financial consultant Andy Campbell of Baker-Tilly regarding Water/Wastewater and marina
5. ADJOURN

Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance: Cindy Grice, City Clerk/Treasurer, 319 North Lake Street, Boyne City, MI 49712; phone (231) 582-0334



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CITY OF BOYNE CITY (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF NET POSITION

	As of			
	<u>4/30/2016</u>	<u>4/30/2017</u>	<u>4/30/2018</u>	<u>4/30/2019</u>
	(----- Per Audit -----)			
Assets				
Current assets:				
Cash and Investments	\$2,016,841	\$2,464,416	\$2,901,281	\$3,397,001
Due from other governmental units	-	-	-	33,627
Accounts receivable	277,614	269,113	375,958	302,073
Inventories	-	3,906	1,929	4,238
Prepaid Items	2,019	2,509	2,648	2,797
Note receivable	13,856	7,074	-	-
Total current assets	<u>2,310,330</u>	<u>2,747,018</u>	<u>3,281,816</u>	<u>3,739,736</u>
Noncurrent assts:				
Restricted cash - bond reserve	460,809	418,809	375,809	331,809
Restricted cash - bond interest	48,961	44,499	39,930	35,255
Depreciable capital assets, net of depreciation	9,663,500	9,357,202	9,050,904	8,749,348
Total noncurrent assets	<u>10,173,270</u>	<u>9,820,510</u>	<u>9,466,643</u>	<u>9,116,412</u>
 Total Assets	 <u>\$12,483,600</u>	 <u>\$12,567,528</u>	 <u>\$12,748,459</u>	 <u>\$12,856,148</u>
 Deferred Outflows of Resources				
Pension	<u>44,176</u>	<u>14,987</u>	<u>14,985</u>	<u>40,265</u>
 Liabilities				
Current liabilities:				
Accounts payable	\$5,291	\$8,825	\$37,584	\$5,139
Payroll liabilities	2,341	1,984	3,595	4,434
Current portion of compensated absences	-	2,668	2,653	2,619
Customer deposits	10,699	10,849	10,324	10,399
Accrued interest	8,160	7,100	6,655	5,876
Current potion of long-term debt	420,000	430,000	440,000	450,000
Total current liabilities	<u>446,491</u>	<u>461,426</u>	<u>500,811</u>	<u>478,467</u>
Noncurrent liabilities:				
Long-term debt	4,188,091	3,758,091	3,318,091	2,868,091
Compensated absences	4,522	2,272	2,260	2,230
Net pension liability	158,447	122,895	170,108	125,139
Total noncurrent liabilities	<u>4,351,060</u>	<u>3,883,258</u>	<u>3,490,459</u>	<u>2,995,460</u>
 Total Liabilities	 <u>4,797,551</u>	 <u>4,344,684</u>	 <u>3,991,270</u>	 <u>3,473,927</u>
 Deferred Inflows of Resources				
Pension	<u>-</u>	<u>22,054</u>	<u>12,668</u>	<u>-</u>
 Net Position				
Net investment in capital assets	5,055,409	5,169,111	5,292,813	5,431,257
Restricted for debt service	509,770	463,308	415,739	367,064
Unrestricted	<u>2,165,046</u>	<u>2,583,358</u>	<u>3,050,954</u>	<u>3,624,165</u>
 Total Net Position	 <u>7,730,225</u>	 <u>8,215,777</u>	 <u>8,759,506</u>	 <u>9,422,486</u>
 Total Liabilities and Net Position	 <u>\$12,527,776</u>	 <u>\$12,560,461</u>	 <u>\$12,750,776</u>	 <u>\$12,896,413</u>

CITY OF BOYNE CITY (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended			
	<u>4/30/2016</u>	<u>4/30/2017</u>	<u>4/30/2018</u>	<u>4/30/2019</u>
	(----- Per Audit -----)			
Operating Revenues				
Charges for services	\$1,121,090	\$1,122,454	\$1,352,783	\$1,167,619
Operating Expenses				
Contractual services	49,300	64,310	162,551	44,349
Personal	179,096	186,907	232,583	111,518
Supplies	37,739	38,841	50,667	50,645
Utilities	119,792	122,379	126,336	128,643
Repairs and maintenance	61,032	50,273	69,238	66,999
Subtotal	<u>446,959</u>	<u>462,710</u>	<u>641,375</u>	<u>402,154</u>
Depreciation	<u>306,894</u>	<u>306,298</u>	<u>306,298</u>	<u>301,556</u>
Total operating expense	<u>753,853</u>	<u>769,008</u>	<u>947,673</u>	<u>703,710</u>
Net operating income (loss)	<u>367,237</u>	<u>353,446</u>	<u>405,110</u>	<u>463,909</u>
Non-Operating Revenue (Expenses)				
Interest income	1,292	3,670	1,401	1,144
Grants	-	-	-	365,333
Debt service charges	225,736	225,296	225,764	226,139
Interest expense	(105,908)	(96,860)	(88,546)	(90,918)
Operating grant expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(302,627)</u>
Total non-operating revenues (expenses)	<u>121,120</u>	<u>132,106</u>	<u>138,619</u>	<u>199,071</u>
Change In Net Position	488,357	485,552	543,729	662,980
Net Position - Beginning of year	<u>7,241,868</u>	<u>7,730,225</u>	<u>8,215,777</u>	<u>8,759,506</u>
Net Position - End of year	<u>\$7,730,225</u>	<u>\$8,215,777</u>	<u>\$8,759,506</u>	<u>\$9,422,486</u>

CITY OF BOYNE CITY (MICHIGAN) SEWER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended			Test Year	Multiplier	
	4/30/2018	4/30/2019	4/30/2020			
	-----Per Client-----					
Expenditures						
Dept 590 - Sewer Operating Expenses						
590-590-705.000	Salaries/Wages	\$88,823	\$104,786	\$109,266	\$109,266	3.00%
590-590-709.000	Overtime	10,258	9,000	9,000	9,000	3.00%
590-590-711.000	Safety Equipment	1,104	750	750	750	2.00%
590-590-712.000	Insurance: Life & AD&D	286	200	200	200	3.00%
590-590-713.000	Insurance: Medical	26,877	26,879	26,164	26,164	3.00%
590-590-714.000	Social Security	8,418	8,246	8,588	8,588	3.00%
590-590-715.000	Pension	79,586	30,000	30,000	52,500	3.00%
590-590-716.000	Unemployment Compensation	5	10	11	11	3.00%
590-590-719.000	Vacation/Sick Time	11,533	10,000	10,000	10,000	3.00%
590-590-726.000	Supplies - Lab	6,909	5,000	6,000	6,000	2.00%
590-590-727.000	Supplies - General	9,784	7,500	7,500	7,500	2.00%
590-590-730.000	Repairs/Maintenance	64,410	60,000	60,000	60,000	2.00%
590-590-731.000	Postage	1,553	1,600	1,600	1,600	2.00%
590-590-735.000	Gas & Oil	2,441	4,000	4,000	4,000	2.00%
590-590-740.000	Telephone/Utilities	122,342	130,000	130,000	130,000	2.00%
590-590-745.000	Chemicals	33,974	35,000	35,000	35,000	2.00%
590-590-750.000	Administrative Service Fees	30,000	30,000	30,000	30,000	2.00%
590-590-802.000	Legal Fees	(1,575)	1,000	1,000	1,000	2.00%
590-590-808.000	Accounting/Audit Fees	-	1,000	1,000	1,000	2.00%
590-590-809.000	Environmental Service Fees	9,052	10,000	11,000	11,000	2.00%
590-590-818.000	Engineering	2,430	40,000	40,000	40,000	2.00%
590-590-819.000	SRF	-	500	500	500	1.00%
590-590-860.000	Motor Pool	4,834	10,000	7,000	7,000	2.00%
590-590-861.000	Vehicle Expense	4,828	2,500	3,000	3,000	2.00%
590-590-870.000	Education/Travel/Membership	2,670	3,000	3,000	3,000	2.00%
590-590-900.000	Publishing	-	250	250	250	2.00%
590-590-910.000	Insurance: Liability/Equipment	4,927	9,000	9,000	9,000	3.00%
590-590-911.000	Workers Compensation	2,775	2,700	2,700	2,700	3.00%
590-590-968.000	Depreciation Expense	-	-	- [1]	-	0.00%
590-590-970.000	Capital Outlay	-	-	- [2]	-	0.00%
590-590-971.000	SAW Grant Expenditures	83,168	257,418	171,187	-	0.00%
590-590-981.000	Sewer Line Construction	2,000	-	494,000	-	0.00%
590-590-988.000	Force Main/Boyne USA/Lexamar	25,716	-	-	-	0.00%
590-590-990.000	SRF Principal	-	-	- [3]	-	0.00%
590-590-991.000	SRF Interest	-	-	- [3]	-	0.00%
	Total Sewer Operating Expenses	\$639,128	\$800,339	\$1,211,716	\$569,029	

[1] Depreciation Expense is removed from this report as this report is done on the cash basis.

[2] Capital Outlay is removed from this section of the report. This item is discussed later in the report.

[3] Principal and Interest on debt are removed from this section of the report. These items are discussed later in the report.

CITY OF BOYNE CITY (MICHIGAN) SEWER FUND

**SCHEDULE OF AMORTIZATION OF \$3,318,091 PRINCIPAL AMOUNT OUTSTANDING
OF SEWAGE DISPOSAL SYSTEM SRF REVENUE BONDS, SERIES 2004**

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service			Fiscal Year Total
			Principal	Interest	Total	
			-----In Dollars-----			
10/01/19	\$3,318,091			35,254.73	\$35,254.73	
04/01/20	3,318,091	2.125	\$450,000	35,254.73	485,254.73	\$520,509.46
10/01/20	2,868,091			30,473.48	30,473.48	
04/01/21	2,868,091	2.125	460,000	30,473.48	490,473.48	520,946.96
10/01/21	2,408,091			25,585.98	25,585.98	
04/01/22	2,408,091	2.125	470,000	25,585.98	495,585.98	521,171.96
10/01/22	1,938,091			20,592.23	20,592.23	
04/01/23	1,938,091	2.125	475,000	20,592.23	495,592.23	516,184.46
10/01/23	1,463,091			15,545.35	15,545.35	
04/01/24	1,463,091	2.125	485,000	15,545.35	500,545.35	516,090.70
10/01/24	978,091			10,392.22	10,392.22	
04/01/25	978,091	2.125	500,000	10,392.22	510,392.22	520,784.44
10/01/25	478,091			5,079.72	5,079.72	
04/01/26	478,091	2.125	478,091	5,079.72	483,170.72	488,250.44
	Totals		<u>\$3,318,091</u>	<u>\$285,847.42</u>	<u>\$3,603,938.42</u>	<u>\$3,603,938.42</u>

Note: Boyne Mountain reimburses the sewer fund for 43.5% of the Series 2004 Revenue Bonds (FYE 2018 Audit).

CITY OF BOYNE CITY (MICHIGAN) SEWER FUND

CASH FLOW ANALYSIS - NO EXTENSIONS

	2019/20		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26		2026/27
		Increases Per Year							Increases Per Year	
Assumptions										
Meter equivalents billed - inside city	2,250		2,250	2,250	2,250	2,250	2,250	2,250		2,250
Ready-to-serve charge - inside city - quarter	\$33.00	1.00%	\$33.33	\$33.66	\$34.00	\$34.34	\$34.68	\$35.03	0.00%	\$35.03
Billable flow (1,000 gal) - inside city	178,493		178,493	178,493	178,493	178,493	178,493	178,493		178,493
Usage charge - per 1,000 gal - inside city	\$4.73	1.00%	\$4.78	\$4.83	\$4.87	\$4.92	\$4.97	\$5.02	0.00%	\$5.02
Meter equivalents billed - outside city	80		80	80	80	80	80	80		80
Ready-to-serve charge - outside city - quarter	\$49.50		\$50.00	\$50.49	\$51.00	\$51.51	\$52.02	\$52.55		\$52.55
Billable flow (1,000 gal) - outside city	546		546	546	546	546	546	546		546
Usage charge - per 1,000 gal - outside city	\$7.10		\$7.17	\$7.24	\$7.31	\$7.38	\$7.46	\$7.53		\$7.53
Sewer only customers	16		16	16	16	16	16	16		16
Sewer only charge	\$88.46	1.00%	\$89.34	\$90.24	\$91.14	\$92.05	\$92.97	\$93.90	0.00%	\$93.90
Additional units	133		133	133	133	133	133	133		133
Additional unit charge - quarter	\$6.00	1.00%	\$6.06	\$6.12	\$6.18	\$6.24	\$6.31	\$6.37	0.00%	\$6.37
<i>Typical homeowner's bill - inside city (assumes 13,500 gal/quarter)</i>	<i>\$96.86</i>		<i>\$97.82</i>	<i>\$98.80</i>	<i>\$99.79</i>	<i>\$100.79</i>	<i>\$101.80</i>	<i>\$102.81</i>		<i>\$102.81</i>
Revenues										
Rates & charges										
Ready-to-serve charge - inside city	\$297,059		\$300,029	\$303,029	\$306,060	\$309,120	\$312,211	\$315,334		\$315,334
Usage charge - inside city	844,272		852,715	861,242	869,854	878,553	887,338	896,212		896,212
Ready-to-serve charge - outside city	15,848		16,008	16,165	16,328	16,491	16,654	16,824		16,824
Usage charge - outside city	3,877		3,915	3,953	3,991	4,029	4,073	4,111		4,111
Sewer only charge	5,661		5,718	5,775	5,833	5,891	5,950	6,010		6,010
Additional unit charge	3,192		3,224	3,256	3,289	3,322	3,355	3,388		3,388
Total rates & charges revenue	1,169,908		1,181,608	1,193,420	1,205,355	1,217,407	1,229,582	1,241,879		1,241,879
Boyne Mountain debt service reimbursement	226,422		226,612	226,710	224,540	224,499	226,541	212,389		-
Other	13,700		13,700	13,700	13,700	13,700	13,700	13,700		13,700
Total revenues	1,396,330		1,408,220	1,420,130	1,429,895	1,441,906	1,456,124	1,454,268		1,241,879
Less: Total operating expenditures	(569,029)		(582,679)	(596,670)	(611,011)	(625,711)	(640,780)	(603,539)		(617,793)
Net operating revenue	827,301		825,541	823,460	818,884	816,195	815,344	850,729		624,086
Less: Current debt service payments	(520,509)		(520,947)	(521,172)	(516,184)	(516,091)	(520,784)	(488,250)		-
Estimated cash-funded capital improvements	(187,330)		(388,000)	(387,000)	(2,194,000)	(100,000)	(362,000)	(15,000)		(15,000)
Estimated cash-funded sewer extension costs	-		-	-	-	-	-	-		-
Net cash flow	\$119,461		(\$83,406)	(\$84,712)	(\$1,891,300)	\$200,104	(\$67,441)	\$347,478		\$609,086
<i>Cash & investments</i>	<i>\$3,397,001</i>	<i>\$3,516,462</i>	<i>\$3,433,057</i>	<i>\$3,348,345</i>	<i>\$1,457,044</i>	<i>\$1,637,148</i>	<i>\$1,589,708</i>	<i>\$1,937,186</i>		<i>\$2,546,271</i>

CITY OF BOYNE CITY (MICHIGAN) SEWER FUND

CASH FLOW ANALYSIS - SEWER EXTENSIONS

	2019/20	Increases Per Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Increases Per Year	2026/27
Assumptions										
Meter equivalents billed - inside city [1]	2,250		2,250	2,258	2,258	2,258	2,264	2,264		2,276
Ready-to-serve charge - inside city - quarter	\$33.00	1.00%	\$33.33	\$33.66	\$34.00	\$34.34	\$34.68	\$35.03	0.00%	\$35.03
Billable flow (1,000 gal) - inside city [1]	178,493		178,493	178,529	178,529	178,529	178,556	178,556		178,610
Usage charge - per 1,000 gal - inside city	\$4.73	1.00%	\$4.78	\$4.83	\$4.87	\$4.92	\$4.97	\$5.02	0.00%	\$5.02
Meter equivalents billed - outside city	80		80	80	80	80	80	80		80
Ready-to-serve charge - outside city - quarter	\$49.50		\$50.00	\$50.49	\$51.00	\$51.51	\$52.02	\$52.55		\$52.55
Billable flow (1,000 gal) - outside city	546		546	546	546	546	546	546		546
Usage charge - per 1,000 gal - outside city	\$7.10		\$7.17	\$7.24	\$7.31	\$7.38	\$7.46	\$7.53		\$7.53
Sewer only customers	16		16	16	16	16	16	16		16
Sewer only charge	\$88.46	1.00%	\$89.34	\$90.24	\$91.14	\$92.05	\$92.97	\$93.90	0.00%	\$93.90
Additional units	133		133	133	133	133	133	133		133
Additional unit charge - quarter	\$6.00	1.00%	\$6.06	\$6.12	\$6.18	\$6.24	\$6.31	\$6.37	0.00%	\$6.37
<i>Typical homeowner's bill - inside city (assumes 13,500 gal/quarter)</i>	<i>\$96.86</i>		<i>\$97.82</i>	<i>\$98.80</i>	<i>\$99.79</i>	<i>\$100.79</i>	<i>\$101.80</i>	<i>\$102.81</i>		<i>\$102.81</i>
Revenues										
Rates & charges										
Ready-to-serve charge - inside city	\$297,059		\$300,029	\$304,107	\$307,148	\$310,219	\$314,154	\$317,295		\$318,977
Usage charge - inside city	844,272		852,715	861,415	870,030	878,730	887,651	896,528		896,799
Ready-to-serve charge - outside city	15,848		16,008	16,165	16,328	16,491	16,654	16,824		16,824
Usage charge - outside city	3,877		3,915	3,953	3,991	4,029	4,073	4,111		4,111
Sewer only charge	5,661		5,718	5,775	5,833	5,891	5,950	6,010		6,010
Additional unit charge	3,192		3,224	3,256	3,289	3,322	3,355	3,388		3,388
Total rates & charges revenue	1,169,908		1,181,608	1,194,671	1,206,618	1,218,683	1,231,838	1,244,157		1,246,109
Boyne Mountain debt service reimbursement	226,422		226,612	226,710	224,540	224,499	226,541	212,389		-
Other	13,700		13,700	13,700	13,700	13,700	13,700	13,700		13,700
Total revenues	1,396,330		1,408,220	1,421,381	1,431,158	1,443,182	1,458,379	1,456,546		1,246,109
Less: Total operating expenditures	(569,029)		(582,679)	(596,670)	(611,011)	(625,711)	(640,780)	(603,539)		(617,793)
Net operating revenue	827,301		825,541	824,711	820,147	817,471	817,599	853,007		628,316
Less: Current debt service payments	(520,509)		(520,947)	(521,172)	(516,184)	(516,091)	(520,784)	(488,250)		-
Estimated cash-funded capital improvements	(187,330)		(388,000)	(387,000)	(2,194,000)	(100,000)	(362,000)	(15,000)		(15,000)
Estimated cash-funded sewer extension costs	-		(195,600)	-	-	(136,200)	-	(304,300)		-
Net cash flow	\$119,461		(\$279,006)	(\$83,461)	(\$1,890,037)	\$65,180	(\$65,185)	\$45,456		\$613,316
<i>Cash & investments</i>	<i>\$3,397,001</i>	<i>\$3,516,462</i>	<i>\$3,237,457</i>	<i>\$3,153,996</i>	<i>\$1,263,959</i>	<i>\$1,329,139</i>	<i>\$1,263,954</i>	<i>\$1,309,410</i>		<i>\$1,922,726</i>

[1] Estimated increase in meter equivalents and billable flow from sewer extension projects assumed to begin the year after construction.

CITY OF BOYNE CITY (MICHIGAN) WATER FUND

COMPARATIVE STATEMENT OF NET POSITION

	As of			
	<u>4/30/2016</u>	<u>4/30/2017</u>	<u>4/30/2018</u>	<u>4/30/2019</u>
	(----- Per Audit -----)			
Assets				
Current assets:				
Cash and Investments	\$616,580	\$839,329	\$1,060,469	\$1,002,662
Due from other governmental units	-	-	-	-
Accounts receivable	142,529	144,054	141,663	152,013
Inventories	43,630	24,321	20,518	21,128
Prepaid Items	757	941	993	1,049
Note receivable	-	-	-	-
Total current assets	<u>803,496</u>	<u>1,008,645</u>	<u>1,223,643</u>	<u>1,176,852</u>
Noncurrent assets:				
Restricted cash - bond reserve	72,500	63,000	53,000	43,000
Restricted cash - bond interest	9,063	7,875	6,625	5,375
Depreciable capital assets, net of depreciation	2,142,242	1,897,360	1,689,562	1,776,432
Total noncurrent assets	<u>2,223,805</u>	<u>1,968,235</u>	<u>1,749,187</u>	<u>1,824,807</u>
Total Assets	<u><u>\$3,027,301</u></u>	<u><u>\$2,976,880</u></u>	<u><u>\$2,972,830</u></u>	<u><u>\$3,001,659</u></u>
Deferred Outflows of Resources				
Pension	<u>42,501</u>	<u>14,765</u>	<u>14,776</u>	<u>40,297</u>
Liabilities				
Current liabilities:				
Accounts payable	\$3,004	\$5,551	\$6,243	\$835
Payroll liabilities	2,228	2,752	3,259	4,269
Current portion of compensated absences	-	2,668	2,971	3,946
Customer deposits	5,155	5,230	4,705	4,705
Accrued interest	1,510	1,375	1,104	896
Current portion of long-term debt	95,000	100,000	100,000	105,000
Total current liabilities	<u>106,897</u>	<u>117,576</u>	<u>118,282</u>	<u>119,651</u>
Noncurrent liabilities:				
Long-term debt	630,000	530,000	430,000	325,000
Compensated absences	17,250	2,272	2,530	3,361
Net pension liability	152,441	121,078	167,730	125,237
Total noncurrent liabilities	<u>799,691</u>	<u>653,350</u>	<u>600,260</u>	<u>453,598</u>
Total Liabilities	<u>906,588</u>	<u>770,926</u>	<u>718,542</u>	<u>573,249</u>
Deferred Inflows of Resources				
Pension	<u>-</u>	<u>21,728</u>	<u>12,491</u>	<u>-</u>
Net Position				
Net investment in capital assets	1,417,242	1,267,360	1,159,562	1,346,432
Restricted for debt service	81,563	70,875	59,625	48,375
Unrestricted	664,409	860,756	1,037,386	1,073,900
Total Net Position	<u>2,163,214</u>	<u>2,198,991</u>	<u>2,256,573</u>	<u>2,468,707</u>
Total Liabilities and Net Position	<u><u>\$3,069,802</u></u>	<u><u>\$2,969,917</u></u>	<u><u>\$2,975,115</u></u>	<u><u>\$3,041,956</u></u>

CITY OF BOYNE CITY (MICHIGAN) WATER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended			
	4/30/2016	4/30/2017	4/30/2018	4/30/2019
	(----- Per Audit -----)			
Operating Revenues				
Charges for services	\$668,684	\$678,387	\$696,370	\$765,260
Operating Expenses				
Contractual services	53,455	43,420	63,709	43,758
Personal	207,428	184,140	221,785	116,117
Supplies	46,217	44,344	42,288	44,909
Utilities	56,821	64,670	56,769	58,024
Repairs and maintenance	39,999	43,164	30,966	85,145
Subtotal	403,920	379,738	415,517	347,953
Depreciation	248,029	244,882	207,798	193,806
Total operating expense	651,949	624,620	623,315	541,759
Net operating income (loss)	16,735	53,767	73,055	223,501
Non-Operating Revenue (Expenses)				
Interest expense	(20,302)	(17,990)	(15,473)	(11,367)
Total non-operating revenues (expenses)	(20,302)	(17,990)	(15,473)	(11,367)
Change In Net Position	(3,567)	35,777	57,582	212,134
Net Position - Beginning of year	2,166,781	2,163,214	2,198,991	2,256,573
Net Position - End of year	\$2,163,214	\$2,198,991	\$2,256,573	\$2,468,707

CITY OF BOYNE CITY (MICHIGAN) WATER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended			Test Year	Multiplier	
	4/30/2018	4/30/2019	4/30/2020			
	(------Per Client-----)					
Expenditures						
Dept 592 - Water Operating Expenses						
592-592-705.000	Salaries/Wages	\$84,230	\$104,786	\$109,266	\$109,266	3.00%
592-592-709.000	Overtime	13,551	16,000	16,000	16,000	3.00%
592-592-711.000	Safety Equipment	280	1,000	1,000	1,000	2.00%
592-592-712.000	Insurance: Life & AD&D	289	400	200	200	3.00%
592-592-713.000	Insurance: Medical	25,462	26,879	26,164	26,164	3.00%
592-592-714.000	Social Security	7,779	8,246	8,588	8,588	3.00%
592-592-715.000	Pension	78,577	30,000	30,000	52,500	3.00%
592-592-716.000	Unemployment Compensation	5	11	11	11	3.00%
592-592-719.000	Vacation/Sick Time	4,481	10,000	10,000	10,000	3.00%
592-592-727.000	Supplies - General	19,624	20,000	20,000	20,000	2.00%
592-592-728.000	Meters/Materials	16,365	25,000	25,000	25,000	2.00%
592-592-730.000	Repairs/Maintenance	30,966	65,000	55,000	55,000	2.00%
592-592-731.000	Postage	1,513	1,600	1,600	1,600	2.00%
592-592-735.000	Gas & Oil	4,419	7,000	7,000	7,000	2.00%
592-592-740.000	Telephone/Utilities	50,814	45,000	50,000	50,000	2.00%
592-592-745.000	Chemicals	6,299	9,000	12,000	12,000	2.00%
592-592-750.000	Administrative Service Fees	30,000	30,000	30,000	30,000	2.00%
592-592-808.000	Accounting/Audit Fees	-	-	1,500	1,500	2.00%
592-592-809.000	Environmental Service Fees	1,670	8,500	9,000	9,000	2.00%
592-592-818.000	Engineering	22,928	5,000	15,000	15,000	2.00%
592-592-860.000	Motor Pool	1,596	2,500	2,500	2,500	2.00%
592-592-861.000	Vehicle Maintenance	5,811	3,000	4,000	4,000	2.00%
592-592-870.000	Training/Travel/Membership	4,257	3,000	3,000	3,000	2.00%
592-592-900.000	Publishing	23	1,400	1,400	1,400	2.00%
592-592-910.000	Insurance: Liability/Equipment	1,704	3,400	3,800	3,800	3.00%
592-592-911.000	Workers Compensation	2,313	2,500	2,500	2,500	3.00%
592-592-968.000	Depreciation Expense	-	-	- [1]	-	0.00%
592-592-970.000	Capital Outlay	-	-	- [2]	-	0.00%
592-592-981.000	Water Line Construction	-	271,506	-	-	0.00%
592-592-990.000	DWRF Principal	-	-	- [3]	-	0.00%
592-592-990.100	Water Line Extension Principal	-	-	- [3]	-	0.00%
590-592-991.000	DWRF Interest	-	-	- [3]	-	0.00%
590-592-991.100	Water Line Extension Interest	-	-	- [3]	-	0.00%
	Total Water Operating Expenses	\$414,956	\$700,728	\$444,529	\$467,029	

[1] Depreciation Expense is removed from this report as this report is done on the cash basis.

[2] Capital Outlay is removed from this section of the report. This item is discussed later in the report.

[3] Principal and Interest on debt are removed from this section of the report. These items are discussed later in the report.

CITY OF BOYNE CITY (MICHIGAN) WATER FUND

**SCHEDULE OF AMORTIZATION OF \$430,000 PRINCIPAL AMOUNT OUTSTANDING
OF 2003 DWRF WATER REVENUE BONDS**

Payment Date	Principal Balance (In Dollars)	Interest Rate (%)	Debt Service			Fiscal Year Total
			Principal	Interest	Total	
-----In Dollars-----						
10/01/19	\$430,000			\$5,375.00	\$5,375.00	
04/01/20	430,000	2.50	\$105,000	5,375.00	110,375.00	\$115,750.00
10/01/20	325,000			4,062.50	4,062.50	
04/01/21	325,000	2.50	105,000	4,062.50	109,062.50	113,125.00
10/01/21	220,000			2,750.00	2,750.00	
04/01/22	220,000	2.50	110,000	2,750.00	112,750.00	115,500.00
10/01/22	110,000			1,375.00	1,375.00	
04/01/23	110,000	2.50	110,000	1,375.00	111,375.00	112,750.00
Totals			<u>\$430,000</u>	<u>\$21,750.00</u>	<u>\$457,125.00</u>	<u>\$457,125.00</u>

CITY OF BOYNE CITY (MICHIGAN) WATER FUND

CASH FLOW ANALYSIS

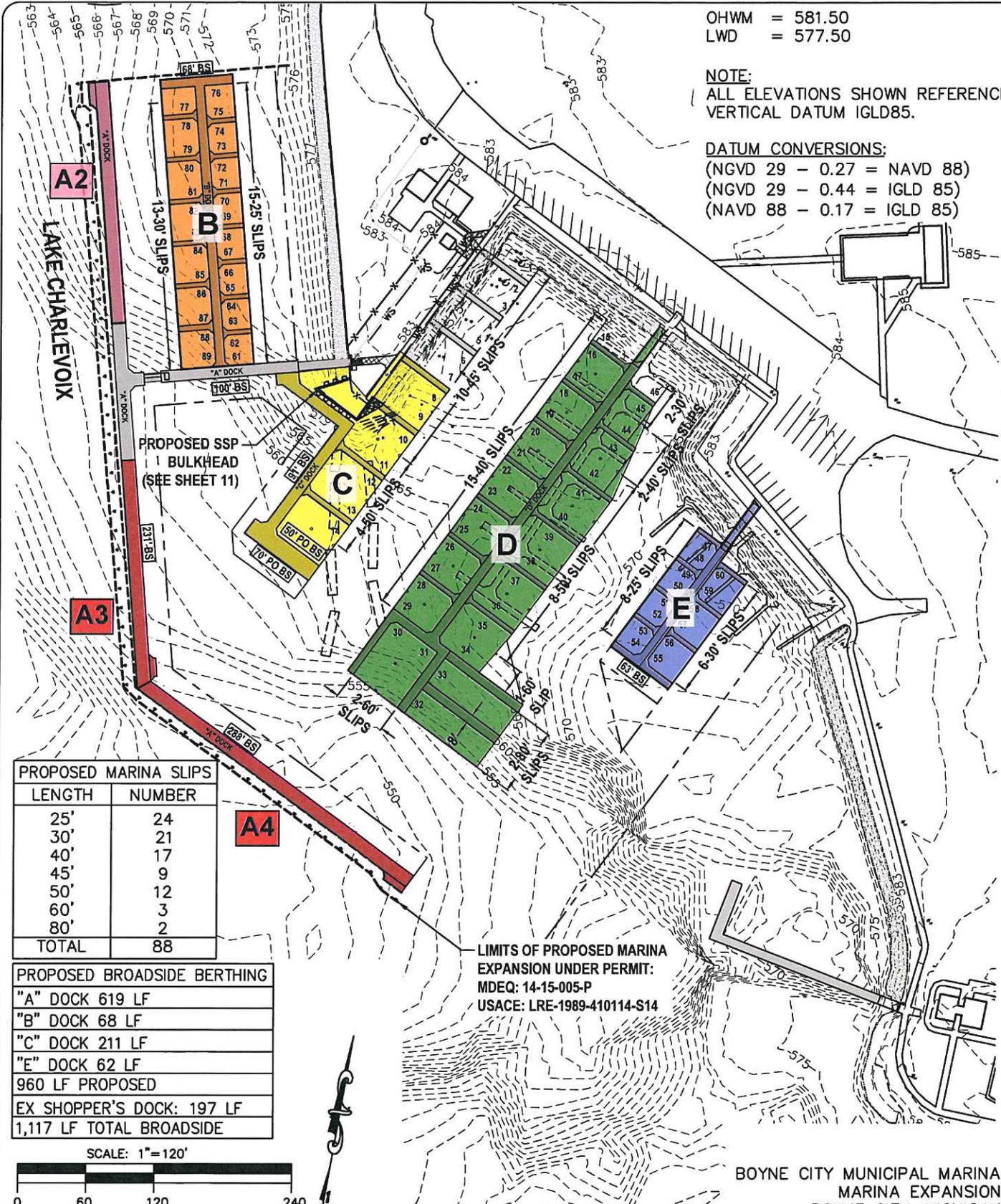
	2019/20		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		Increases										
		Per Year										
Assumptions												
Meter equivalents billed	2,274		2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274
Ready-to-serve charge (quarterly)	\$32.75	1.00%	\$33.08	\$33.41	\$33.74	\$34.08	\$34.42	\$34.76	\$35.11	\$35.46	\$35.82	\$36.18
Number of sprinkler base	141		\$141.00	141	141	141	141	141	141	141	141	141
Sprinkler meter fee (annually)	\$70.62	1.00%	\$71.33	\$72.04	\$72.76	\$73.49	\$74.22	\$74.96	\$75.71	\$76.47	\$77.24	\$78.01
Billable flow (annually) (in 1,000 gals)	126,700		126,700	126,700	126,700	126,700	126,700	126,700	126,700	126,700	126,700	126,700
User fee rate (per 1,000 gals)	\$2.78	1.00%	\$2.81	\$2.84	\$2.86	\$2.89	\$2.92	\$2.95	\$2.98	\$3.01	\$3.04	\$3.07
Additional units	65		65	65	65	65	65	65	65	65	65	65
Additional unit fee (quarterly)	\$7.00	1.00%	\$7.07	\$7.14	\$7.21	\$7.28	\$7.36	\$7.43	\$7.50	\$7.58	\$7.66	\$7.73
Typical homeowner's quarterly bill (assumes 13,500 gal/quarter)	\$70.28		\$70.98	\$71.69	\$72.41	\$73.13	\$73.86	\$74.60	\$75.35	\$76.10	\$76.86	\$77.63
Revenues												
Ready-to-serve charge	\$297,866		\$300,844	\$303,853	\$306,891	\$309,960	\$313,060	\$316,190	\$319,352	\$322,546	\$325,771	\$329,029
Sprinkler meter charge	9,957		10,057	10,158	10,259	10,362	10,465	10,570	10,676	10,782	10,890	10,999
Usage charge	352,226		355,748	359,306	362,899	366,528	370,193	373,895	377,634	381,410	385,224	389,077
Additional unit charge	1,820		1,838	1,857	1,875	1,894	1,913	1,932	1,951	1,971	1,991	2,010
Other	39,500		39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500
Total revenues	701,369		707,988	714,673	721,424	728,244	735,131	742,087	749,113	756,209	763,376	770,615
Less: Total operating expenditures	(467,029)		(478,660)	(490,592)	(502,834)	(515,393)	(477,417)	(489,112)	(501,105)	(513,404)	(526,017)	(538,954)
Net operating revenue	234,340		229,328	224,081	218,591	212,851	257,714	252,976	248,009	242,806	237,359	231,662
Less: Current debt service payments	(115,750)		(113,125)	(115,500)	(112,750)	-	-	-	-	-	-	-
Estimated cash funded capital improvements	(322,630)		(100,000)	(100,000)	(80,000)	(100,000)	(150,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Net cash flow	(\$204,040)		\$16,203	\$8,581	\$25,841	\$112,851	\$107,714	\$152,976	\$148,009	\$142,806	\$137,359	\$131,662
Cash & investments	\$1,002,662	\$798,622	\$814,825	\$823,406	\$849,246	\$962,097	\$1,069,811	\$1,222,787	\$1,370,796	\$1,513,601	\$1,650,960	\$1,782,622

71

OHWM = 581.50
 LWD = 577.50

NOTE:
 ALL ELEVATIONS SHOWN REFERENCE
 VERTICAL DATUM IGLD85.

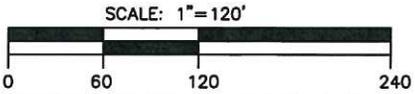
DATUM CONVERSIONS:
 (NGVD 29 - 0.27 = NAVD 88)
 (NGVD 29 - 0.44 = IGLD 85)
 (NAVD 88 - 0.17 = IGLD 85)



PROPOSED MARINA SLIPS	
LENGTH	NUMBER
25'	24
30'	21
40'	17
45'	9
50'	12
60'	3
80'	2
TOTAL	88

PROPOSED BROADSIDE BERTHING	
"A" DOCK	619 LF
"B" DOCK	68 LF
"C" DOCK	211 LF
"E" DOCK	62 LF
960 LF PROPOSED	
EX SHOPPER'S DOCK:	197 LF
1,117 LF TOTAL BROADSIDE	

LIMITS OF PROPOSED MARINA
 EXPANSION UNDER PERMIT:
 MDEQ: 14-15-005-P
 USACE: LRE-1989-410114-S14



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PREPARED FOR:
**BOYNE CITY MUNICIPAL MARINA
 MARINA EXPANSION
 PROPOSED SLIP COUNTS**

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SCALE: 1"=120'
 JOB #: 17-0886
 SHEET 7 OF 14

O:\Projects\2017\17-0886 F. Grant Moore Marina Expansion - Phase I\CAD\CivilDrawings\17-0886 MARINA EXPANSION_PHASE II PERMIT.dwg, PROP COUNTS 8-5x11, 4/12/2019 11:06:42 PM, ddombos, 1:1

City of Boyne City

Estimated Marina Financing Options - \$500,000 Grant Per Option

Assumptions:

	2015	2016	2017	2018	2019	Average
Charges for Services	\$161,160	\$147,601	\$159,986	\$213,772	\$165,348	\$169,573
Less: Recreation and Culture Excess	(105,749)	(146,784)	(114,086)	(143,611)	(154,509)	(132,948)
	<u>\$55,411</u>	<u>\$817</u>	<u>\$45,900</u>	<u>\$70,161</u>	<u>\$10,839</u>	<u>\$36,626</u>

	Option 1 B Dock & A2		Option 2 D/E Docks & A3/A4		Option 3 D/E/C Docks & A3/A4			
	15-Year Bond Issue		30-Year Bond Issue		25-Year Bond Issue		30-Year Bond Issue	
Borrowing Length								
Estimated Additional Annual Revenue [1]	\$72,179		\$130,480		\$130,480		\$166,178	
Estimated Total Cost [1]	\$1,503,000		\$3,303,000		\$3,303,000		\$4,213,000	
Estimated Costs of Issuance [2]	27,000		110,000		110,000		150,000	
Less: Grant Assumed [3]	(500,000)		(500,000)		(500,000)		(500,000)	
Borrowing Amount	<u>\$1,030,000</u>		<u>\$2,913,000</u>		<u>\$2,913,000</u>		<u>\$3,863,000</u>	
Interest Rate Estimate	Conservative	Aggressive	Conservative	Aggressive	Conservative	Aggressive	Conservative	Aggressive
Annual Debt Service	2.875%	2.000%	3.125%	2.500%	3.125%	2.500%	3.125%	2.500%
Estimated Excess Current Cash Flow Needed	85,000	80,000	151,000	140,000	170,000	159,000	200,000	185,000
Outside Fund Contribution Needed? [4]	13,000	8,000	21,000	10,000	40,000	29,000	34,000	19,000
	No	No	No	No	Yes	Yes	Yes	No

[1] Per engineers.

[2] Estimated costs of issuance includes financial advisor, bond attorney, underwriter (if necessary), rating (if necessary) and other ancillary fees.

[3] Per client. \$500,000 assumed for each option until final grant is known.

[4] Based on average excess cash flow realized over past five years, after Option 1 funded at conservative rate.

City of Boyne City

Estimated Marina Financing Options - \$250,000 Grant Per Option

Assumptions:

	2015	2016	2017	2018	2019	Average
Charges for Services	\$161,160	\$147,601	\$159,986	\$213,772	\$165,348	\$169,573
Less: Recreation and Culture	(105,749)	(146,784)	(114,086)	(143,611)	(154,509)	(132,948)
Excess	\$55,411	\$817	\$45,900	\$70,161	\$10,839	\$36,626

	Option 1 B Dock & A2		Option 2 D/E Docks & A3/A4		Option 3 D/E/C Docks & A3/A4			
Borrowing Length	15-Year Bond Issue		30-Year Bond Issue		25-Year Bond Issue		30-Year Bond Issue	
Estimated Additional Annual Revenue [1]	\$72,179		\$130,480		\$130,480		\$166,178	
Estimated Total Cost [1]	\$1,503,000		\$3,303,000		\$3,303,000		\$4,213,000	
Estimated Costs of Issuance [2]	30,000		120,000		120,000		160,000	
Less: Grant Assumed [3]	(250,000)		(250,000)		(250,000)		(250,000)	
Borrowing Amount	\$1,283,000		\$3,173,000		\$3,173,000		\$4,123,000	
Interest Rate Estimate	Conservative 2.875%	Aggressive 2.000%	Conservative 3.125%	Aggressive 2.500%	Conservative 3.125%	Aggressive 2.500%	Conservative 3.125%	Aggressive 2.500%
Annual Debt Service	107,000	100,000	165,000	152,000	186,000	173,000	214,000	197,000
Estimated Excess Current Cash Flow Needed	35,000	28,000	35,000	22,000	56,000	43,000	48,000	31,000
Outside Fund Contribution Needed? [4]	No	No	Yes	Yes	Yes	Yes	Yes	Yes

[1] Per engineers.

[2] Estimated costs of issuance includes financial advisor, bond attorney, underwriter (if necessary), rating (if necessary) and other ancillary fees.

[3] Per client. \$250,000 assumed for each option until final grant is known.

[4] Based on average excess cash flow realized over past five years, after Option 1 funded at conservative rate.