

Ogden Dunes Budget & Finance Committee

Recommendations for 2022
Budget

Background

- Current State
- Baker Tilly Report

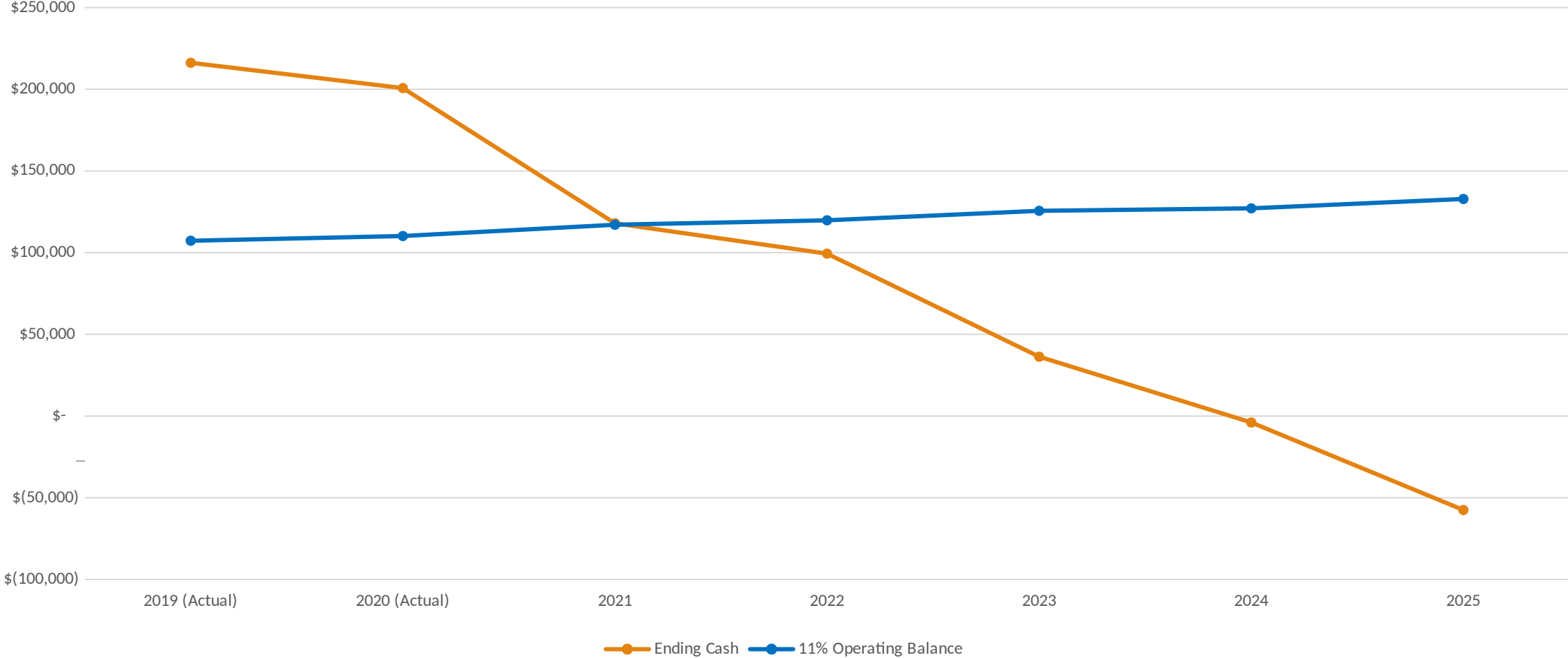
Recommendations

- Proposed Action Plan
- Key accounts

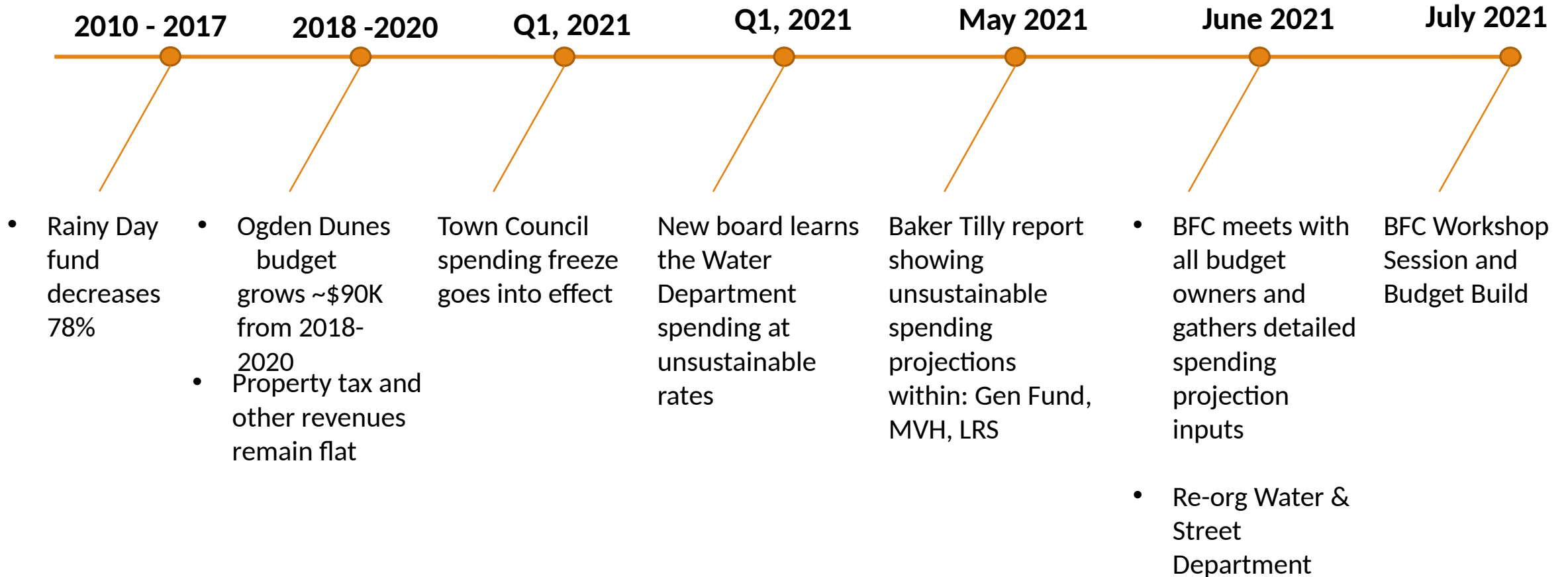
Appendix

Background

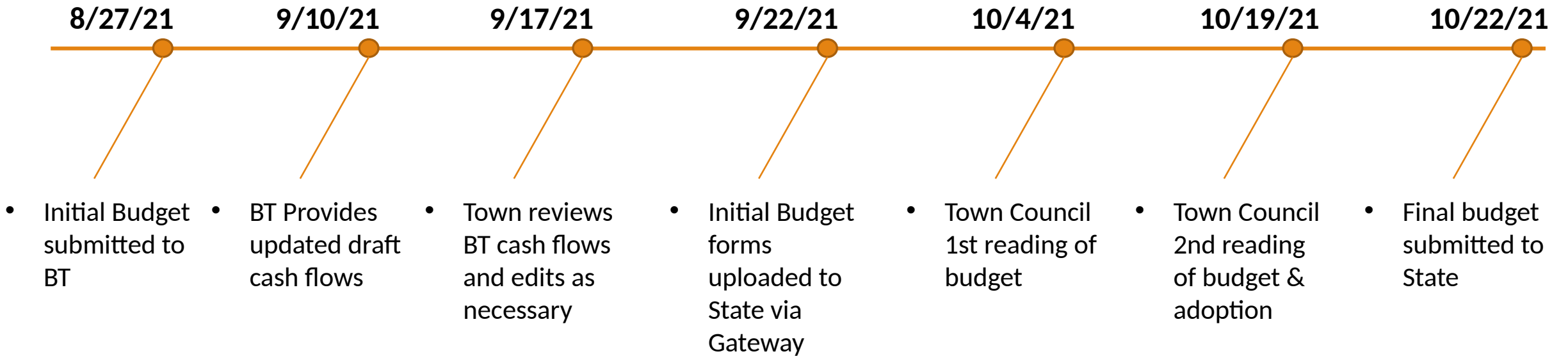
Key Accounts Actual & Projected Ending Cash (2019 -2025)



Current state / Timeline



Timeline (continued)



Current state – Baker Tilly Report Recap



Projected disbursements outpace projected receipts leading to negative fund balances for General Fund and Motor Vehicle Highway by 2025



Projected disbursements outpace projected receipts leading to steady decline in cash reserves for Local Road and Street by 2025



Water Utility is currently operating below recommended fund balances. Limited capital reserves

Recommendati ons

Budget Finance Committee Proposed Action Plan

Detailed Recommendations:

1. Cut General Fund Spending by 2.5% from 2020 levels, leading to ~ \$18,000 annual savings
2. Enact User Fee of not greater than \$95 per household annually to be allocated 50% to General Fund, 33.33% to MVH, and 16.67% to LRS
3. Optimize use of ARP funding ~\$230k within guidelines and in coordination with SWIF Grant
4. Maximize available grant funding by engaging a grant writer

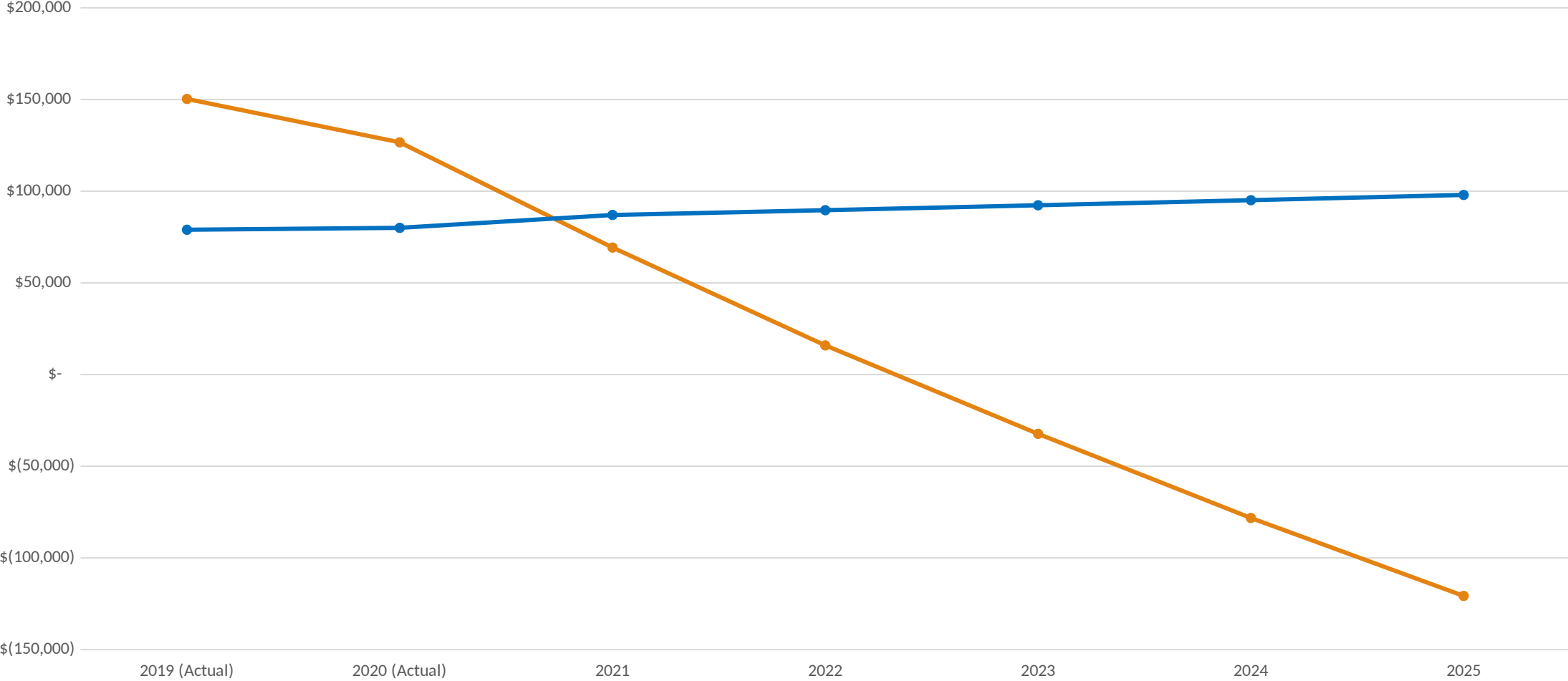
Budget Finance Committee Proposed Action Plan

Detailed Recommendations:

5. Pay for capital expenditures from non-operating (EDIT) funds
6. Water rate increase is inevitable. Recommend enacting rate increase based on information from Water Board and availability of grant funding
7. Go out for bid on / total review of insurance contracts: general, healthcare (small town pooling for plans)
8. Re-establish the CCD Rate to maximum rate in 2022 (to be collected in 2023)

General Fund -101

General Fund Actual & Projected Ending Cash (2019 -2025) – Current State



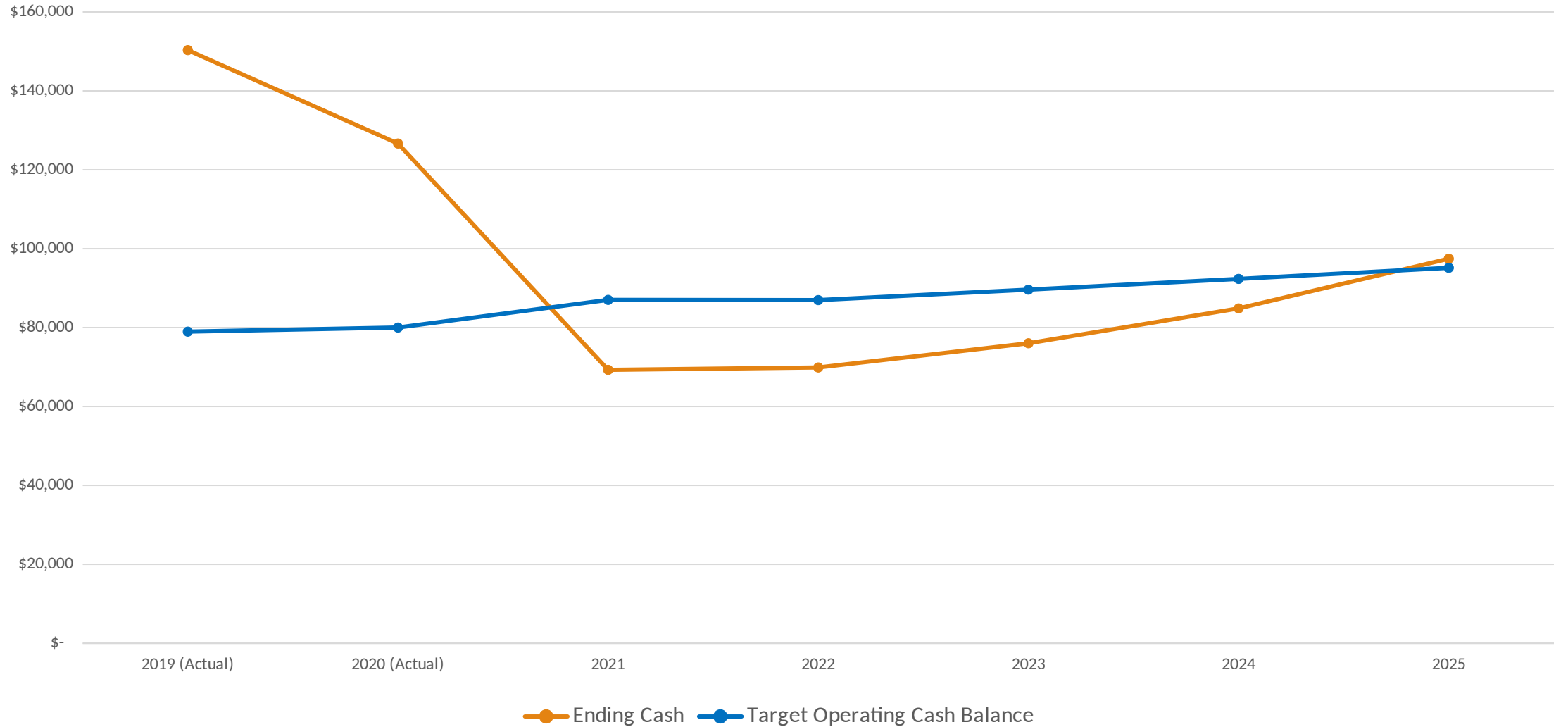
Ending Cash Target Operating Cash Balance

General Fund

1. Cut General Fund Spending by 2.5% from 2020 levels, leading to ~ \$16,000 annual savings
2. Enact User Fee of not greater than \$95 per household annually to be allocated **50% to General Fund** *, 33.33% to MVH, and 16.67% to LRS

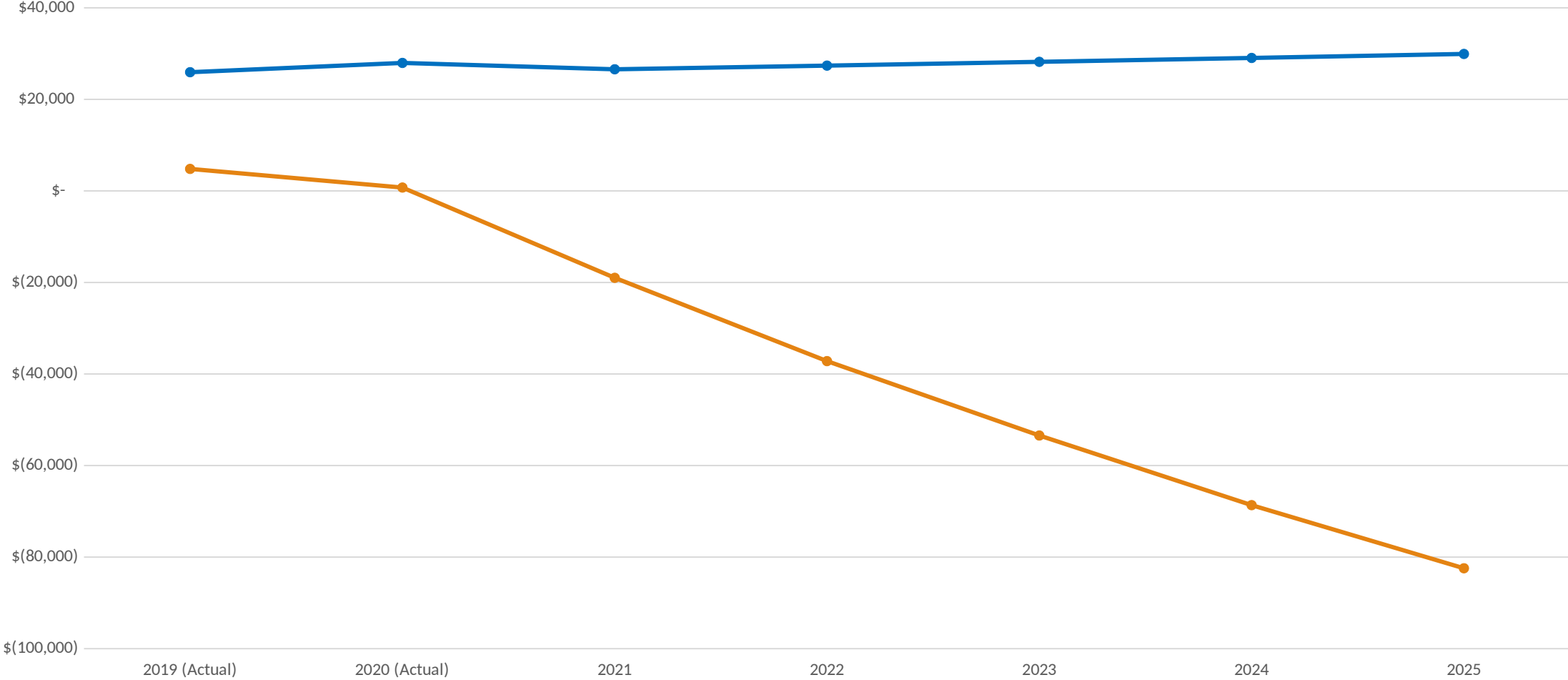
* ~\$30,000 of additional inflows to fund

General Fund Actual & Projected Ending Cash (2019 -2025) - After Recommendations



Motor Vehicle Highway Operating -201

MVH Operating Fund Actual & Projected Ending Cash (2019 -2025) – Current State



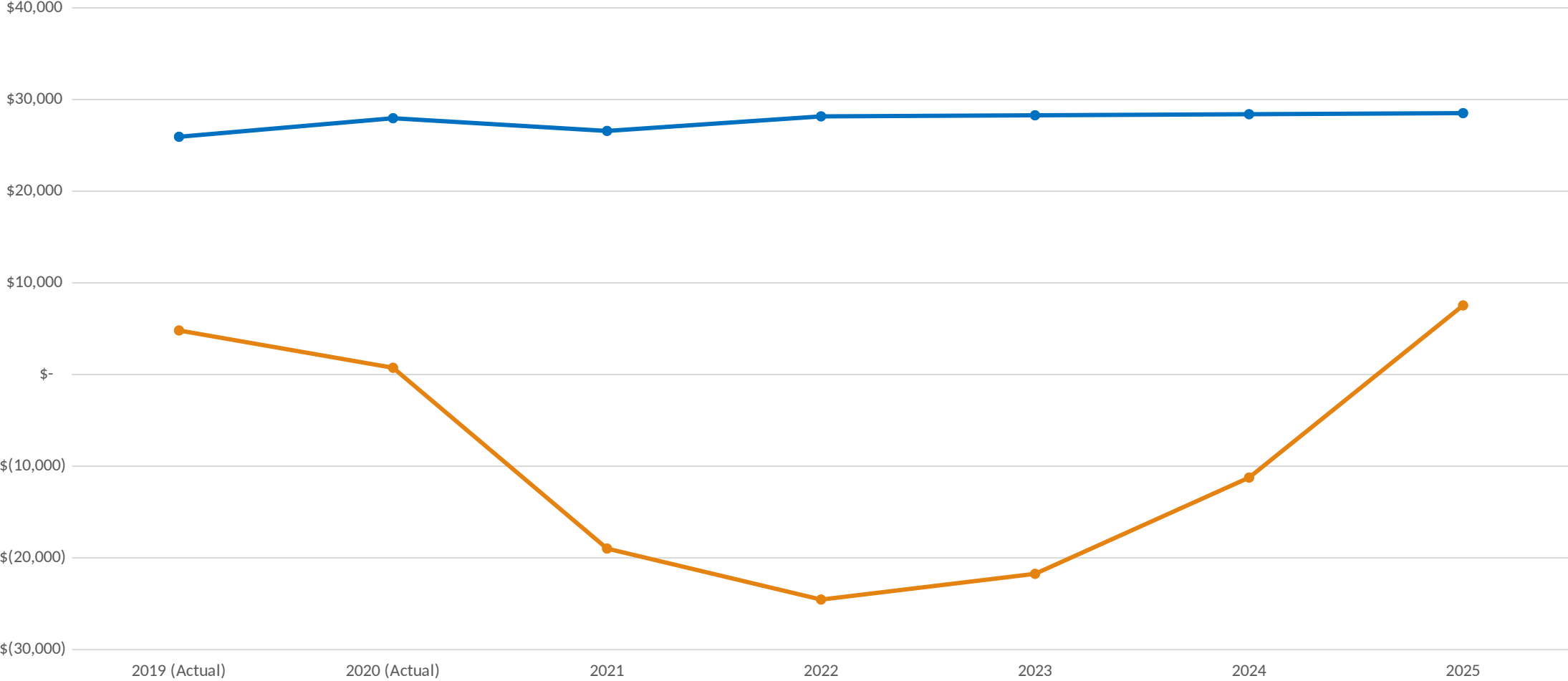
Ending Cash Target Operating Cash Balance

Motor Vehicle Highway

2. Enact User Fee of not greater than \$95 per household annually to be allocated 50% to General Fund, **33.33% to MVH***, and 16.67% to LRS

* ~\$20,000 of additional inflows to fund

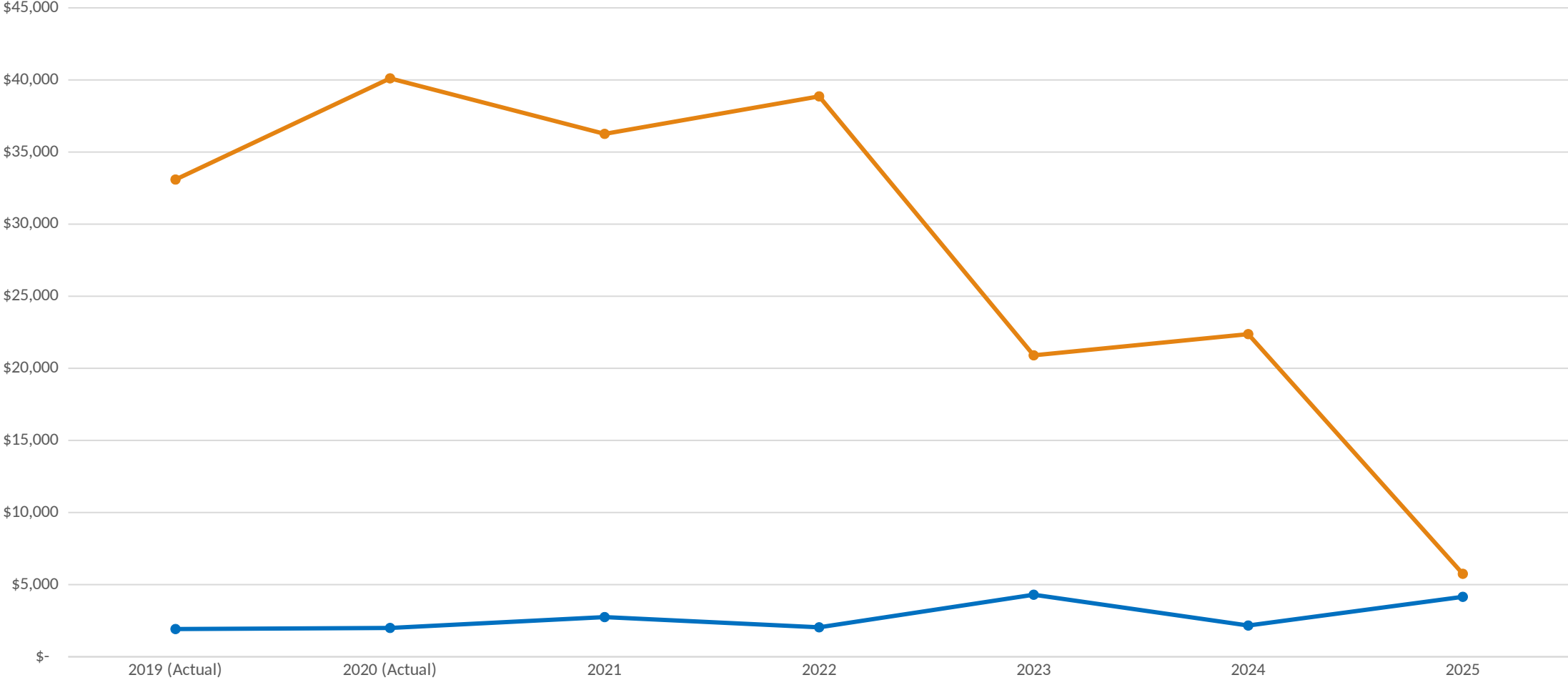
MVH Operating Fund Actual & Projected Ending Cash (2019 -2025) - After Recommendations



Ending Cash Target Operating Cash Balance

Local Road & Street Operating -202

LRS Fund Actual & Projected Ending Cash (2019 -2025) – Current State



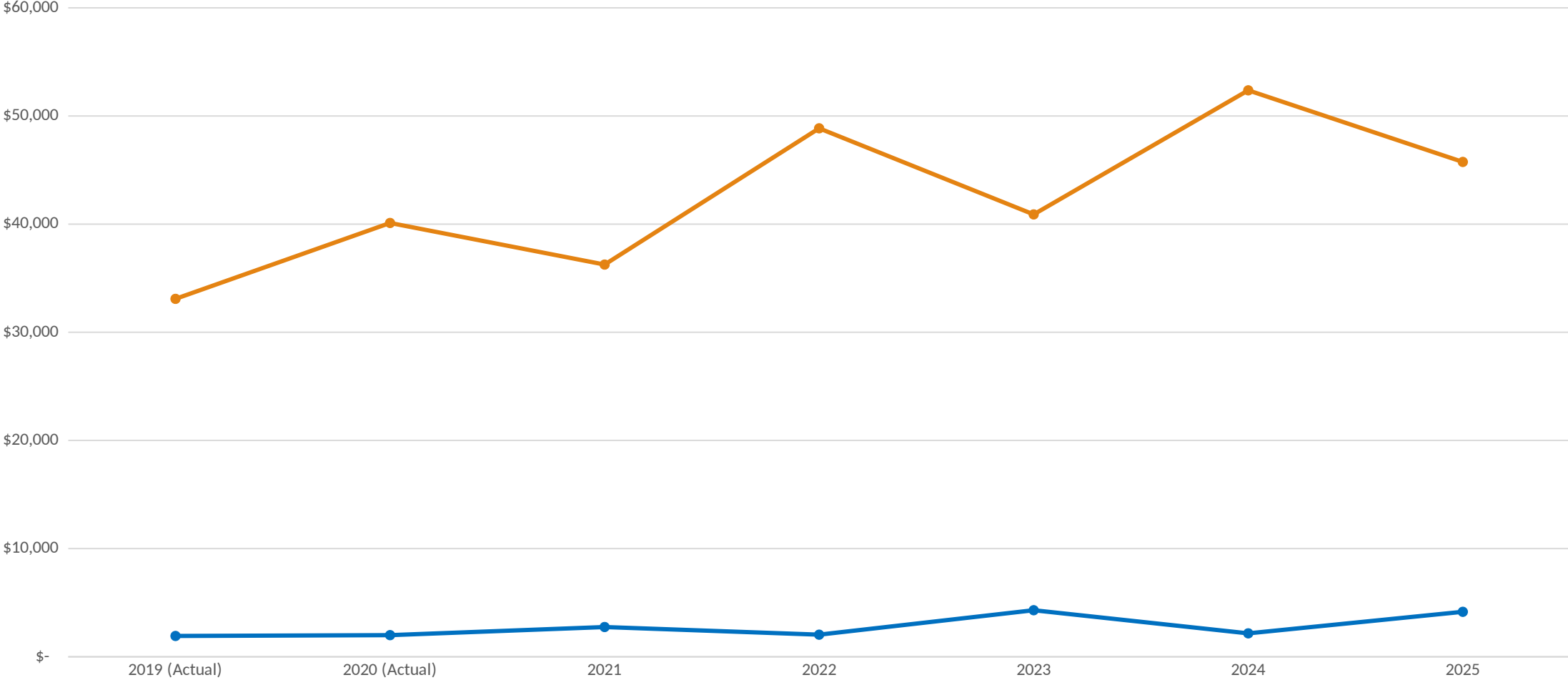
Ending Cash Target Operating Cash Balance

Local Road & Street

2. Enact User Fee of not greater than \$95 per household annually to be allocated 50% to General Fund, 33.33% to MVH, and **16.67% to LRS***

* ~\$10,000 of additional inflows to fund

LRS Fund Actual & Projected Ending Cash (2019 -2025) - After Recommendations

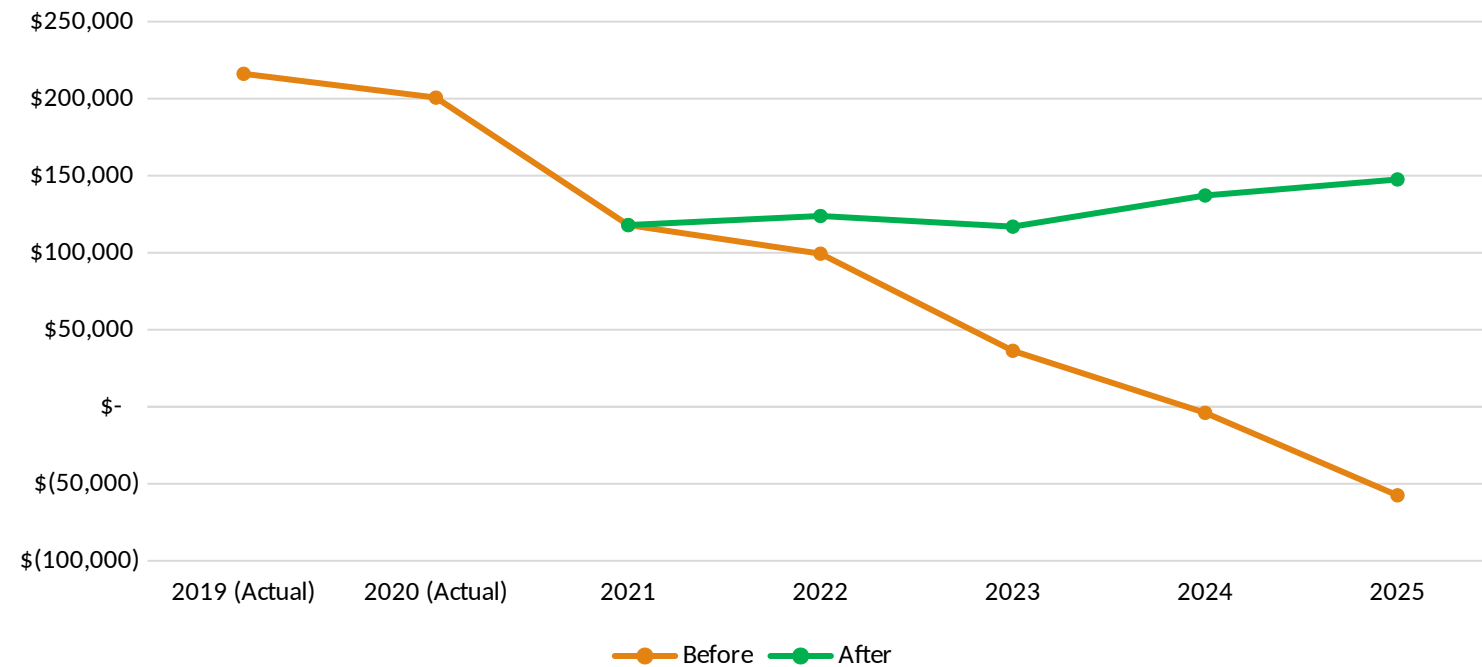


Ending Cash Target Operating Cash Balance

- 1.) 2.5% Gen Fund Spending Cut
- 2.) Enact User Fee \leq \$95
- 3.) Optimize ARP Funding use
- 4.) Engage Grant Writer

- 5.) Use Healthier EDIT fund for CAPEX
- 6.) Approve Water Board Rate Increase
- 7.) Take contracts out to bid
- 8.) Re-Establish Max CCD rate

Key Accounts Actual & Projected Ending Cash (2019 -2025)



Appendix



Changing the Trajectory - Building for a stronger 2022+

Ogden Dunes is a gem in the Dunes. A community with much to offer for generations to come.

Let's ensure we have the financial and sound operating principles in place to be able to do that successfully.

