



Pamela Colestock – *Mayor*
William Steele – *Mayor Pro Tem*
Deb Malewski – *Council Member*
Rick Loftus – *Council Member*
Ken Nicholas – *Council Member*

Yvonne Ridge – *City Manager*
Larry Joe Weeks – *Police Chief*
Roger McNutt – *Fire Chief*
LeRoy Hummel – *Building Official*
Rob Pierce – *Public Works/Utilities Director*
Genny Allen – *Treasurer/Finance Director*
Robin Webb – *City Clerk*
Corey Cagle – *Director of Parks, Recreation and Events*
Lisa Barna – *Community and Economic Development Specialist*
Randy Jewell – *City Assessor*
Cullen Harkness – *City Attorney*

**CITY OF EATON RAPIDS
WORK SESSION AGENDA**

August 26, 2024
5:00 pm
200 S. Main Street

This meeting will be streamed live for viewing only at:

<https://us06web.zoom.us/j/85394331944>

Meeting ID: 853 9433 1944

Please note all public comments must be made in person.

Call to Order

Public Comments

Unfinished and Special Business

New Business

- 1. Cash Reserve Policy and PILOT study Professional Services Agreement- Utility Financial Solutions, LLC.**
- 2. Financial Report FY 23/24 Update**

Public Comments

Closed Session under MCL 15.268(e) of the Open Meetings Act, to consider a matter of Attorney Client privilege.

Closed Session under MCL 15.628(c) of the Open Meetings Act, for annual personnel evaluation.

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Adjourn



MEETING DATE: AUGUST 26, 2024

CITY MANAGER

To: Mayor and City Council

Work Session

From: Yvonne Ridge, City Manager

Regular Meeting

Submitted: August 13, 2024

Subject: Cash Reserve Policy & PILOT Study

SUMMARY

The Michigan Public Power Agency (MPPA) does a financial review of its members each year. The purpose of the review is to incorporate publicly available metrics utilized by the three major Credit Rating agencies to achieve and maintain the highest possible bond ratings for MPPA projects. The last Report Card the City of Eaton Rapids received was a score of 70% "Good Performance".

Scoring%	
A 85-100	Excellent Performance
B 70-84	Good Performance
C 60-69	Average Performance
D 50-59	Under Performance

MPPA suggested updating the Cash Reserve Policy and implementing a PILOT program to boost our performance. The current Cash Reserve Policy is insufficient and requires revision. PILOT/Internal Transfers facilitate the movement of funds to the general fund, ensuring consistent, predictable transfers. The City must establish an approved methodology for this process to ensure efficiency and transparency. By updating the Cash Reserve Policy and adopting a structured PILOT program, the City can improve financial stability and operational effectiveness.

STAFF RECOMMENDATION/MOTION

Adopt Resolution 2024-31 to approve Professional Services Agreement with Utility Financial Solutions to update the City Electric Fund Cash Reserve Policy and implement a PILOT program in the amount of \$11,500.00.

LIST OF SUPPORTING DOCUMENTS

Utility Financial Solutions Professional Services Agreement
Resolution 2024-31

CITY OF EATON RAPIDS
Financial Statement for Year to Date
Draft Fiscal Year End - 6/30/2024

Fund 101 - GENERAL FUND	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
Revenues			
TAXES	\$1,076,913.00	\$1,157,722.85	\$80,809.85
INTERGOVERNMENTAL	\$854,792.00	\$1,024,296.21	\$169,504.21
CHARGES FOR SERVICES	\$948,297.00	\$963,713.81	\$15,416.81
INTEREST	\$2,000.00	\$2,115.36	\$115.36
OTHER	\$40,100.00	\$45,346.85	\$5,246.85
TRANSFERS IN	\$10,000.00	\$10,000.00	\$0.00
USE OF RESERVES	\$0.00	\$0.00	\$0.00
TOTAL REVENUES	\$ 2,932,102	\$ 3,203,195	109.25%
DEPARTMENT			
Dept 101 - CITY COUNCIL	\$54,323.00	\$39,084.54	(\$15,238.46)
Dept 172 - CITY MANAGER	\$80,379.00	\$62,576.60	(\$17,802.40)
Dept 215 - CITY CLERK	\$74,884.00	\$68,579.38	(\$6,304.62)
Dept 247 - BOARD OF REVIEW	\$1,000.00	\$995.03	(\$4.97)
Dept 253 - CITY TREASURER	\$235,122.00	\$235,088.91	(\$33.09)
Dept 257 - CITY ASSESSOR	\$41,400.00	\$41,335.83	(\$64.17)
Dept 262 - ELECTIONS	\$27,298.00	\$14,536.53	(\$12,761.47)
Dept 265 - BUILDING & GROUNDS	\$36,000.00	\$35,857.62	(\$142.38)
Dept 276 - CEMETERY	\$132,195.00	\$127,159.72	(\$5,035.28)
Dept 299 - COMMUNITY AND ECONOMIC DEVELOPMENT	\$41,847.00	\$34,645.78	(\$7,201.22)
Dept 301 - POLICE DEPARTMENT	\$1,350,124.00	\$1,232,689.61	(\$117,434.39)
Dept 336 - FIRE DEPARTMENT	\$306,197.00	\$245,985.03	(\$60,211.97)
Dept 371 - BUILDING DEPARTMENT	\$4,994.00	\$4,898.25	(\$95.75)
Dept 441 - PUBLIC WORKS	\$560,893.00	\$470,224.81	(\$90,668.19)
Dept 445 - STORM SEWERS	\$8,198.00	\$3,358.50	(\$4,839.50)
Dept 651 - AMBULANCE	\$36,291.00	\$21,981.00	(\$14,310.00)
Dept 721 - PLANNING COMMISSION	\$3,500.00	\$1,240.00	(\$2,260.00)
Dept 722 - ZONING BOARD OF APPEALS	\$850.00	\$162.85	(\$687.15)
Dept 790 - LIBRARY	\$7,524.00	\$0.00	(\$7,524.00)
Dept 901 - CAPITAL OUTLAY	\$170,000.00	\$62,270.64	(\$107,729.36)
Dept 999 - FUND BALANCE (TRANSFERS OUT)	\$230,713.00	\$230,713.00	\$0.00
TOTAL EXPENDITURES	\$ 3,403,732	\$ 2,933,384	86.18%
NET OF REVENUES/EXPENDITURES	\$ (471,630)	\$ 269,811	
Beginning Fund Balance		\$2,287,848.00	
Ending Fund Balance		\$2,557,659.45	

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Fund 150 - CEMETERY PERPETUAL CARE FUND	2023-2024	2023-2024	VARIANCE
	BUDGET	YTD ACTIVITY	
TOTAL REVENUES	\$5,000.00	\$5,000.00	\$0.00
TOTAL EXPENDITURES	\$10,000.00	\$10,000.00	\$0.00
NET OF REVENUES/EXPENDITURES	(\$5,000.00)	(\$5,000.00)	
Beginning Fund Balance		\$68,453.00	
Ending Fund Balance		\$63,453.00	

Fund 202 - MAJOR STREET FUND	2023-2024	2023-2024	VARIANCE
	BUDGET	YTD ACTIVITY	
TOTAL REVENUES	\$531,500.00	\$565,482.70	\$33,982.70
TOTAL EXPENDITURES	\$219,250.81	\$187,121.18	(\$32,129.63)
NET OF REVENUES/EXPENDITURES	\$312,249.19	\$378,361.52	
Beginning Fund Balance		\$1,222,817.00	
Ending Fund Balance		\$1,601,178.52	

Fund 203 - LOCAL STREET FUND	2023-2024	2023-2024	VARIANCE
	BUDGET	YTD ACTIVITY	
TOTAL REVENUES	\$187,500.00	\$197,581.00	\$10,081.00
TOTAL EXPENDITURES	\$187,500.00	\$57,928.00	(\$129,572.00)
NET OF REVENUES/EXPENDITURES	\$0.00	\$139,653.00	
Beginning Fund Balance		\$729,243.00	
Ending Fund Balance		\$868,896.00	

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Fund 204 - COUNTY ROAD FUND	2023-2024	2023-2024	VARIANCE
	BUDGET	YTD ACTIVITY	
TOTAL REVENUES	\$167,000.00	\$167,142.00	\$142.00
TOTAL EXPENDITURES	\$181,298.00	\$181,297.50	(\$0.50)
NET OF REVENUES/EXPENDITURES	(\$14,298.00)	(\$14,155.50)	
Beginning Fund Balance		\$216,922.00	
Ending Fund Balance		\$202,766.50	

Fund 207 - ACT 302 FUND	2023-2024	2023-2024	VARIANCE
	BUDGET	YTD ACTIVITY	
TOTAL REVENUES	\$1,330.00	\$2,658.52	\$1,328.52
TOTAL EXPENDITURES	\$1,330.00	\$0.00	(\$1,330.00)
NET OF REVENUES/EXPENDITURES	\$0.00	\$2,658.52	
Beginning Fund Balance		\$24,141.00	
Ending Fund Balance		\$26,799.52	

Fund 208 - PARK/RECREATION FUND	2023-2024	2023-2024	VARIANCE
	BUDGET	YTD ACTIVITY	
TOTAL REVENUES	\$337,367.00	\$371,797.39	\$34,430.39
TOTAL EXPENDITURES	\$310,874.00	\$310,872.23	(\$1.77)
NET OF REVENUES/EXPENDITURES	\$26,493.00	\$60,925.16	
Beginning Fund Balance		\$55,223.00	
Ending Fund Balance		\$116,148.16	

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Fund 218 - RENTAL INSPECTION PROGRAM	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$2,500.00	\$37,850.00	\$35,350.00
TOTAL EXPENDITURES	\$28,491.00	\$16,538.55	(\$11,952.45)
NET OF REVENUES/EXPENDITURES	(\$25,991.00)	\$21,311.45	
Beginning Fund Balance		\$45,721.00	
Ending Fund Balance		\$67,032.45	

Fund 220 - CURB GRANT	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$7,000.00	\$7,000.00	\$0.00
TOTAL EXPENDITURES	\$7,000.00	\$4,988.75	(\$2,011.25)
NET OF REVENUES/EXPENDITURES	\$0.00	\$2,011.25	
Beginning Fund Balance		\$0.00	
Ending Fund Balance		\$2,011.25	

Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$95,940.00	\$98,469.00	\$2,529.00
TOTAL EXPENDITURES	\$149,517.00	\$109,209.20	(\$40,307.80)
NET OF REVENUES/EXPENDITURES	(\$53,577.00)	(\$10,740.20)	
Beginning Fund Balance		\$53,772.00	
Ending Fund Balance		\$43,031.80	

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Fund 249 - BUILDING INSPECTION FUND	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$114,813.00	\$154,678.93	\$39,865.93
TOTAL EXPENDITURES	\$180,465.00	\$138,599.22	(\$41,865.78)
NET OF REVENUES/EXPENDITURES	(\$65,652.00)	\$16,079.71	
Beginning Fund Balance		\$77,125.00	
Ending Fund Balance		\$93,204.71	

Fund 280 - INDUSTRIAL PARK FUND	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$256,594.00	\$110,108.60	(\$146,485.40)
TOTAL EXPENDITURES	\$348,357.00	\$290,863.89	(\$57,493.11)
NET OF REVENUES/EXPENDITURES	(\$91,763.00)	(\$180,755.29)	
Beginning Fund Balance		\$1,358,437.00	
Ending Fund Balance		\$1,177,681.71	

Fund 301 - GENERAL DEBT SERVICE (VOTED BONDS)	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$585,324.00	\$648,022.31	\$62,698.31
TOTAL EXPENDITURES	\$585,324.00	\$567,661.94	(\$17,662.06)
NET OF REVENUES/EXPENDITURES	\$0.00	\$80,360.37	
Beginning Fund Balance		\$1,061,192.00	
Ending Fund Balance		\$1,141,552.37	

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Fund 598 - ELECTRIC UTILITIES	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$12,158,350.00	\$10,064,643.83	(\$2,093,706.17)
TOTAL EXPENDITURES	\$11,236,052.18	\$9,448,030.52	(\$1,788,021.66)
NET OF REVENUES/EXPENDITURES	\$922,297.82	\$616,613.31	
Beginning Fund Balance		\$11,988,093.00	
Ending Fund Balance		\$12,604,706.31	

Fund 590 - SEWER	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$1,296,383.00	\$1,694,196.60	\$397,813.60
TOTAL EXPENDITURES	\$648,495.87	\$1,202,258.80	\$553,762.93
NET OF REVENUES/EXPENDITURES	\$647,887.13	\$491,937.80	
Beginning Fund Balance		\$1,925,281.00	
Ending Fund Balance		\$2,417,218.80	

Fund 591 - WATER	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$908,000.00	\$1,014,907.34	\$106,907.34
TOTAL EXPENDITURES	\$966,170.35	\$779,088.43	(\$187,081.92)
NET OF REVENUES/EXPENDITURES	(\$58,170.35)	\$235,818.91	
Beginning Fund Balance		\$1,465,130.00	
Ending Fund Balance		\$1,700,948.91	

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Fund 611 - MOTOR POOL FUND	2023-2024	2023-2024	
	BUDGET	YTD ACTIVITY	VARIANCE
TOTAL REVENUES	\$164,000.00	\$477,552.00	\$313,552.00
TOTAL EXPENDITURES	\$186,000.00	\$495,054.68	\$309,054.68
NET OF REVENUES/EXPENDITURES	(\$22,000.00)	(\$17,502.68)	
Beginning Fund Balance		\$717,196.00	
Ending Fund Balance		\$699,693.32	