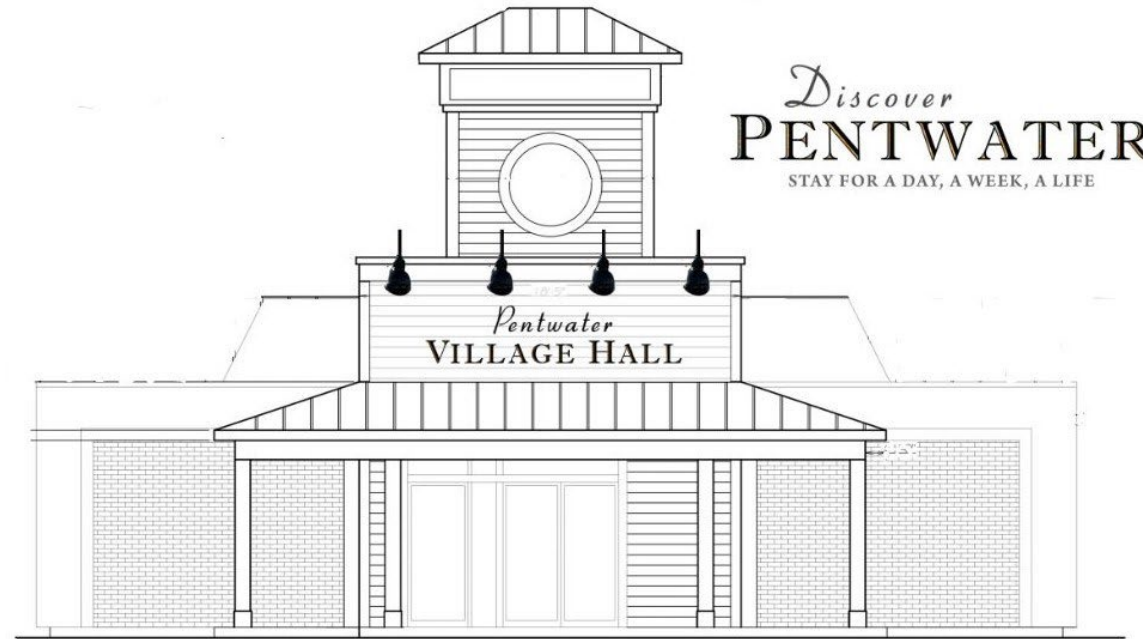


Village of Pentwater

2026-2027 Budget



Budget Process

The Village of Pentwater 2026-2027 Budget has been prepared with the objective of incorporating the newly adopted strategic plan and developing a financial plan that reflects the Village's mission.

The following presentation was designed to provide the Village Council and the public with a transparent view of the Village's financial condition and operating plans for fiscal 2026 – 2027.

The budgeting process has transpired over the past two months through a collaborative effort of the Village Manager and Clerk/Treasurer, with technical support from the Finance Committee Chair. It began with extensive research and scrutiny of the current and prior years' financial activity.

The Village Manager met with department heads for their input into ongoing departmental needs and to discuss future operational plans. In addition, much time and effort has been put forth into developing a Capital Improvement Plan (CIP) which addresses the Village's most urgent needs.

After consultation with Village staff the Village Manager prepared the detailed account level budget based on historical trends and knowledge of current operations. The draft budget was then shared with the Finance Committee on February 18th for review of content and presentation format.

Major Assumptions

REVENUE

- Tax was estimated based on a 2% increase in taxable value. The finalized 2026 taxable value from the Township Assessor will be incorporated into the budget in the first budget amendment.
- All grants and state funding were assumed to be consistent with prior years.
- Interest Income is based on existing fund balances and no major shift in market rates.
- Sewer and Water Sales Revenue was provided by Michigan Rural Water Association based on the approved sewer and water rates and estimated utilization.
- There are no rate increases planned for other services or rentals.

EXPENSE

- Staffing expense includes wage increases of 4% and an increase of 16% in health care cost
- Debt Service costs reflect the scheduled payments and interest rates
- Repair and maintenance incorporates the CIP to the extent possible along with other routine maintenance cost.
- Professional Fees reflect the existing contracted rates for externally purchased services.
- Utility expense is based on historical usage with appropriate increases for Village of Pentwater utilities.
- Changes to the 2026-2027 operating plan include:
 - An additional DPW staff member. The cost of adding one additional person will be offset by a reduction in the professional fees paid for cleaning and lawn services.
 - A part-time staff member has been added to the Park Place budget to restore the oversight function for planning, scheduling, client relations, building management, and cleaning

Types of Village Funds

➤ **Governmental Funds**

- General
 - General Fund
- Special Revenue
 - Major Streets
 - Local Streets
 - Debt Service Fund
 - Downtown Development Authority
 - Park Place

➤ **Proprietary Funds**

- Internal Service
 - Motor Pool
- Enterprise Funds
 - Marina Fund
 - Village Sewer Fund
 - Village Water Fund

➤ **Fiduciary Funds**

- OPEB Trust Fund
- MERS Fund

2026-2027 Proposed Budget Summary by Fund

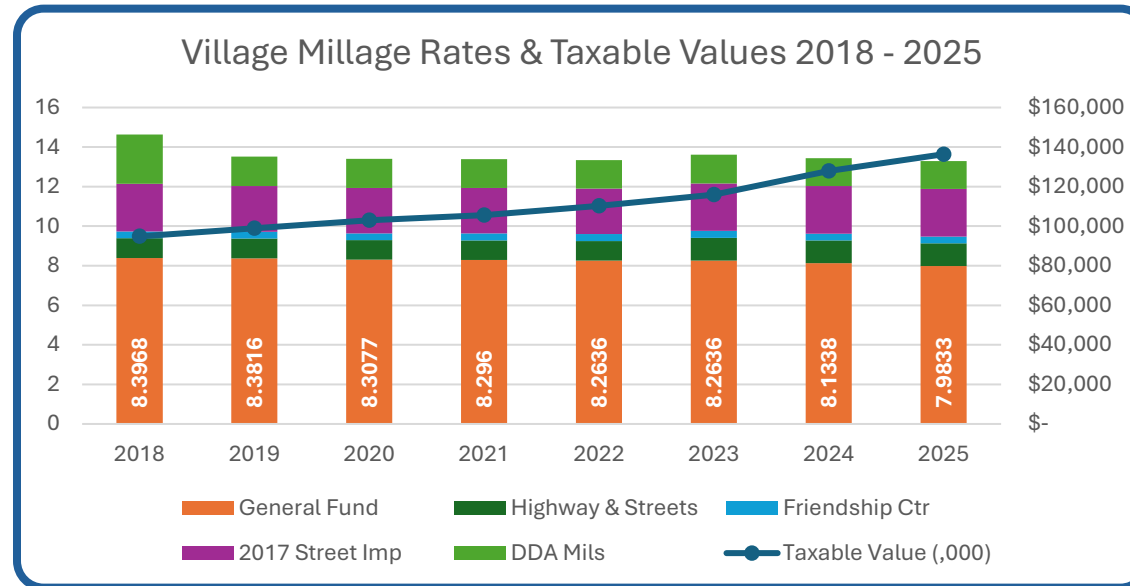
Fund #	Fund Name	Revenue	Expense	Net Change in Funds
101	General Fund	\$1,733,200	\$ 1,733,200	\$ -
202	Major Street Fund	204,500	195,900	8,600
203	Local Street Fund	99,000	99,000	-
204	Municipal Street Fund	152,000	137,425	14,575
248	DDA	37,600	37,600	-
280	Park Place	62,500	62,500	-
301	Debt Service	314,500	251,850	62,650
590	Village Sewer	920,760	920,760	-
591	Water Fund	757,000	757,000	-
594	Marina	114,050	114,050	-
661	Motor Pool	164,000	125,500	38,500
Total All Funds		\$4,559,110	\$ 4,434,785	\$ 124,325

2026-2027 Proposed Budget Revenue Sources by Fund

	Property Taxes	Enterprise Service Fees	State Rev & Grants	Service & Admin Fees	Rental Income	Interest Income	Donations	Total
101 General Fund (1)	\$1,123,500	\$ -	\$ 123,100	\$ 297,400	\$114,700	\$ 67,500	\$ 7,000	\$1,733,200
202 Major Street Fund	-	-	197,000	-	-	7,500	-	204,500
203 Local Street Fund	-	-	90,000	5,000	-	4,000	-	99,000
204 Municipal Street Fund (2)	150,000	-	-	-	-	2,000	-	152,000
248 DDA (3)	30,000	-	-	5,000	-	1,600	1,000	37,600
280 Park Place (4)	47,000	-	-	-	5,500	2,500	7,500	62,500
301 Debt Service (5)	312,000	-	-	-	-	2,500	-	314,500
590 Village Sewer	-	913,260	-	-	-	7,500	-	920,760
591 Water Fund	-	717,000	-	-	-	40,000	-	757,000
594 Marina	-	109,050	-	-	-	5,000	-	114,050
661 Motor Pool	-	-	-	-	161,500	2,500	-	164,000
Total All Funds	\$1,662,500	\$ 1,739,310	\$ 410,100	\$ 307,400	\$281,700	\$142,600	\$ 15,500	\$4,559,110
<i>% of Total Funds</i>	<i>36.5%</i>	<i>38.2%</i>	<i>9.0%</i>	<i>6.7%</i>	<i>6.2%</i>	<i>3.1%</i>	<i>0.3%</i>	<i>100.0%</i>

* (#) indicate the millage associated with the specific fund - millage rates on following page

Tax Millage Overview



	2018	2019	2020	2021	2022	2023	2024	2025
Taxable Value	\$ 94,848,514	\$ 99,024,927	\$ 103,062,874	\$ 105,592,792	\$ 110,303,071	\$ 115,984,120	\$ 127,933,111	\$ 136,392,761
Millage Rates:								
General Fund (1)	8.3968	8.3816	8.3077	8.2960	8.2636	8.2636	8.1338	7.9833
Highway & Streets (2)	1.0000	0.9982	0.9894	0.9880	0.9841	1.1500	1.1500	1.1500
Friendship Ctr (3)	0.3430	0.3433	0.3403	0.3495	0.3481	0.3481	0.3426	0.3435
2016 Bond (5)	2.4000	2.3000	2.3000	2.3000	2.3000	2.4000	2.4000	2.4000
Total Village Mills	12.1398	12.0231	11.9374	11.9335	11.8958	12.1617	12.0264	11.8768
DDA Mills (3)	2.5021	1.5021	1.4734	1.4493	1.4423	1.4493	1.4188	1.4188
Total Mills in DDA	14.6419	13.5252	13.4108	13.3828	13.3381	13.6110	13.4452	13.2956

2026-2027 Proposed Budget Expense by Category by Fund

	Wages & Benefits	Debt Service	Repair & Maint	Professional Fees	Utilities	Supplies	Rental Expense	Other Admin Expense	Total
101 General Fund	\$ 959,900	\$ 55,700	\$ 23,000	\$ 393,100	\$ 81,300	\$ 79,800	\$ 71,500	\$ 68,900	\$1,733,200
202 Major Street Fund	42,400	-	110,000	10,500	-	6,500	24,000	2,500	195,900
203 Local Street Fund	37,200	-	30,600	10,000	-	5,200	15,000	1,000	99,000
204 Municipal Street Fund	-	136,425	-	-	-	-	-	1,000	137,425
248 DDA	-	-	-	3,200	1,600	3,900	-	28,900	37,600
280 Park Place	30,500	-	10,000	2,000	8,000	4,000	1,000	7,000	62,500
301 Debt Service	-	251,750	-	-	-	-	-	100	251,850
590 Village Sewer	99,000	230,000	196,560	234,000	85,000	54,000	11,000	11,200	920,760
591 Water Fund	149,500	133,000	366,650	36,000	38,500	16,000	7,500	9,850	757,000
594 Marina	70,000	-	10,000	5,000	11,000	5,000	1,500	11,550	114,050
661 Motor Pool	7,100	6,250	51,000	500	-	34,000	2,500	24,150	125,500
Total All Funds	\$1,395,600	\$ 813,125	\$ 797,810	\$ 694,300	\$225,400	\$208,400	\$134,000	\$ 166,150	\$4,434,785
<i>% of Total Funds</i>	<i>31.5%</i>	<i>18.3%</i>	<i>18.0%</i>	<i>15.7%</i>	<i>5.1%</i>	<i>4.7%</i>	<i>3.0%</i>	<i>3.7%</i>	<i>100.0%</i>

2026-2027 Proposed Budget Revenue and Expense: General Fund

Sources of Revenue		
Tax Revenue	\$ 1,123,500	65%
Garbage Collection Fee	180,000	10%
Grants & State Shared Revenue	123,100	7%
Tower Leases	85,000	5%
Interest Income	67,500	4%
Short Term Rental Fees	61,500	4%
Charter Metro Act Money	29,400	2%
Launch Ramp Fees	12,000	1%
Recreation Program	10,100	1%
Penalties & Fines	9,100	1%
Zoning Permits & Fees	6,000	0%
Fish Cleaning Station	2,000	0%
All Other Sources	24,000	1%
Total Revenue	\$ 1,733,200	100%

Expense by Department		
171 Village Elected Officials	\$ 88,800	5%
172 Village Manager	138,690	8%
215 Village Clerk/Treasurer	149,600	9%
265 Village Hall	251,900	15%
301 Police	393,760	23%
420 Planning & Zoning	89,700	5%
441 DPW	229,450	13%
448 Street Lighting	30,000	2%
528 Sanitation Services	195,500	11%
749 Community Promotion	9,050	1%
751 Recreation K-6	15,850	1%
754 Fish Cleaning Station	16,100	1%
756 Parks & Recreation	124,800	7%
Total Expense	\$1,733,200	100%

2026-2027 Proposed Budget

Revenue and Expense: Major Streets and Local Streets Funds

Major Streets (5.31 Miles)

Revenue

Act 51 - Gas & Weight Tax	\$	132,000
Mileage Trnsf-Hancock St.		65,000
Bank Interest Earned		7,500
Total Revenue		204,500

Expense

Routine Maintenance		155,200
Winter Maintenance		37,700
Administration Streets		3,000
Total Expense		195,900

Revenue to Fund Balance

(Excess Revenue over Expense)	\$	8,600
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Local Streets (12.14 Miles)

Revenue

Act 51 - Gas & Weight Tax	\$	90,000
Sidewalk Repair Reimbursement		5,000
Bank Interest Earned		4,000
Total Revenue		99,000

Expense

Routine Maintenance		72,000
Winter Maintenance		24,000
Administration Streets		3,000
Total Expense		99,000

Revenue to Fund Balance

(Excess Revenue over Expense)	\$	-
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2026-2027 Proposed Budget

Revenue and Expense: Sewer & Water Funds

	Village Sewer	Village Water
Revenue		
Sales - Village	\$ 885,260	\$ 703,000
Sales - Twp Wholesale	20,000	
Fees & Fines	8,000	14,000
Bank Interest Earned	7,500	40,000
Total Revenue	920,760	757,000
Expense		
Pumping & Distribution	172,500	439,150
Treatment Plant	443,760	111,500
Administration	304,500	206,350
Total Expense	920,760	757,000
Revenue to Fund Balance		
(Excess Revenue over Expense)	\$ -	\$ -

Capital Improvement Plan Summary

2026 - 2031

	Sewer	Water	Streets	DPW/Other	Total
Identified CIP					
2026-2027	2,447,000	302,500	154,000	264,500	3,168,000
2027-2028	4,498,000	212,500	427,000	334,000	5,471,500
2028-2029	132,500	338,000	796,000	475,000	1,741,500
2029-2030	4,105,000	885,000	270,000	155,500	5,415,500
2030-2031	254,500	141,500	348,000	463,000	1,207,000
5 Year Total	11,437,000	1,879,500	1,995,000	1,692,000	17,003,500
2026-2027 CIP:					
Identified Need	2,447,000	302,500	154,000	264,500	3,168,000
Funded in 26-27 Budget	197,000	302,500	154,000	-	653,500
Unfunded 26-27 CIP	2,250,000	-	-	264,500	2,514,500
Cummulative Unmet CIP	11,240,000	1,577,000	1,841,000	1,692,000	16,350,000