

VILLAGE OF ELBERTA, MICHIGAN
COUNTY OF BENZIE

Resolution # _____ - _____

**Adoption of Revised Deficit Elimination Plan
October 27, 2014**

WHEREAS, the Village of Elberta, Michigan was notified in October 2013 by the State of Michigan Department of Treasury that the deficits in its General Fund needed to be eliminated within five years through a ***Deficit Elimination Plan***; and

WHEREAS, the Village of Elberta determined that it also had deficits in its Parks and Water Funds, respectively, and decided to also resolve those deficits along with the General Fund deficit; and

WHEREAS, the Village Council of the Elberta conducted a community workshop to consider and prioritize cost reductions and revenue enhancement measures, and has further sought advice and worked with Michigan Department of Treasury staff to formulate prior drafts of its ***Deficit Elimination Plan***; and

WHEREAS, the Village of Elberta had previously submitted drafts of its ***Deficit Elimination Plan*** for the General, Fund Parks Fund and Water Fund, respectively, for Michigan Department of Treasury consideration in February of 2014 and May of 2014; and

WHEREAS, the Village of Elberta has worked diligently to thoroughly assess its financial matters, has already made substantial reductions in its operational costs including personnel, service reductions to its citizens and having already responded to Treasury inquiries as to alternative plans; and

WHEREAS, the Village of Elberta has reviewed its water rates through an independent study performed by the Michigan Rural Water Association, has adopted the findings of that study to adequately fund current operational and future capital needs, and in August 2014 adopted the rates recommended within that study including substantial increases to Village water customers over the next five years; and

WHEREAS, the Village of Elberta has incorporated FY 2013-14 audit information into this latest revision of its ***Deficit Elimination Plan***, which reflects unusual, one-time expenses that occurred during the fiscal year due to litigation and other pressing matters that the Village needed to address within FY 2013-14.

NOW, THEREFORE BE IT RESOLVED THAT the Village Council of the Village of Elberta hereby approves the attached ***Deficit Elimination Plan*** for its General Fund, Parks fund and Water Funds, respectively, as attached to this resolution. Summarized, these plans involve operating cost reductions, personnel reductions, tax and fee increases, and other actions necessary for the Village of Elberta to eliminate the identified deficits within the specified five-year time frame.

BE IT FURTHER RESOLVED that a 1.5 mill tax levy is being proposed to Gilmore Township voters (which includes Village of Elberta residents), and should that millage levy be approved on November 4, 2014, that approximately \$20,000 per year funding for contracted Fire Department operations will no longer be necessary to be appropriated from the Village's general fund. This will thereby result in those moneys to be utilized for reducing its General Fund deficit.

BE IT FURTHER RESOLVED that should such proposed Fire millage not be approved by voters, the Village will then propose a 2-mill levy to its voters, in such time so as to be effective for fiscal years 2015-16 through 2018-19 (four years), raising an estimated \$66,200. This is shown in the attached plan.

BE IT FURTHER RESOLVED that the Village will take the further actions necessary, as stated within the attached plan to eliminate the deficits in its General Fund, Parks Fund and Water Fund, in the steps as stated from FY 2014-15 through FY 2018-19.

BE IT FURTHER RESOLVED THAT the Village Council authorizes _____ to file an application to the Michigan Department of Treasury's **Financially Distressed Cities, Villages and Townships** grant program for any programs that may provide assistance to the Village of Elberta to meet the program criteria.

BE IT FURTHER RESOLVED that this resolution, the **Deficit Elimination Plan**, and other related documents shall be transmitted to the State of Michigan Department of Treasury for its consideration and approval as soon as practicably possible after the Elberta Village Council's approval.

Motion by: _____ Seconded by: _____

Vote: Gattrell _____ Manville, R _____
Holmes _____ Rommell _____
Jenks _____