Northport/Leelanau Township

Utilities Authority

Draft
Budget

March 1, 2024 - February 28, 2025

Village and Township
Debt Services Collected Summary

FY 3/1/24 - 2/28/25

Revenue

Debt Service Collection for the Township- $30,832
Debt Service Collection for the Village - $179,568

- Debt service is $86 per quarter in the Village and $82 per quarter in the Township per REU
- The final bond payments for the municipal sewer system project will be completed in the spring of 2028.

Revenue

FY 3/1/24 - 2/28/25

Sources	Proposed
Advancements	
Village Loan-	107,000
Township	0
Hook up Application Fees	600
O&M Fees	677,684
Late Charge/Penalty	5,200
Grants	?
Reimbursements	0
Ordinary Financial Activity	0
Sewer System Damage Cost Recovery	600
Refunds	0
Miscellaneous Revenue	0
Total:	$791,084

Assumptions

- The NLTUA Board has approved a significant update to the Operating & Maintenance (O&M) charges. Following the comprehensive rate study conducted by Utility Financial Solutions, LLC in 2023, the Board decided on an 8% increase in the O&M charges. This adjustment raises the rate from $256 to $276.48 per quarter for each Residential Equivalent Unit (REU). This increase is a strategic move to ensure that the CIP is sustained over the next four years.
- O&M are billed quarterly
- Quarterly O&M charge is for service provided during the previous quarter (3 months)
- Biosolids disposal expected to take place in spring 2026 at an estimated cost of $45,000.
- The last Biosolids haul was completed in the fall of 2021, the total cost was $31,000
- 2 new connections for the Village, and 1new connection for the Township are projected to come on line in FY 2020-21 according to Bendzinski schedule dated 5/30/2007
- Properties with structures that have plumbing will be charged O&M and debt service whether or not they are connected to sewer system
- Hook up application fee is $200 for processing, record keeping and observation of hook up.

Expenditures

Administration: FY 3/1/24 – 2/28/25

	Proposed
Salary	32,000
Employer's Social Security	1,984
Employee's Medicare	464
Workman's Comp	900
Pension	0
Health Insurance	0
Office Supplies	350
Operating Supplies	800
Postage	2000
Capital Outlay	0
Contractual Services	4,700
Legal Services	2,000
CPA Services	8,000
*Loan Payment with 2% interest with the Village	78,540
Education & Training	250
Telephone	0
Mileage	100
Printing & Publishing	500
Insurance & Bonds	14,600
Utilities/Electricity	0
Repair & Maintenance	0
Permits	0
Miscellaneous	0
Bank Service Charges	0
Equipment	0
Rent	0
Total	$147,188

*Loan payment with 2% interest with the Village is for a loan of $325,050.25

- Loan for North Shore collection system main replacement-$135,050.25
- Loan from Village of Northport to support CIP-$190,000

Expenditures

System Operation & Maintenance – FY 3/1/24 – 2/28/25

	Proposed Treatment	Collection
Wages	0	0
Overtime	0	0
Social Security	0	0
Workman's Comp	0	0
Pension	0	0
Health Insurance	0	0
Operating Supplies	4,500	10,000
Education & Training	0	0
Utilities/Gas	150	450
Utilities/Water	1,500	0
Telephone/Internet	3,000	2,700
Utilities/Electricity	62,000	13,000
Contractual Services	190,132	21,000
Capital Improvement Projects	45,500	194,597
Repair, Replace & Maintenance		0
Miscellaneous	0	0
Permits	7,500	0
Equipment Rental	0	0
Equipment	0	0
Total	$314,282	$241,747

Assumptions

- The Treatment Operating Supplies expense is for the purchase of ferric chloride
- The Collection Operating Supplies expense is for the purchase of Calcium Nitrate.
- The Collection Operating Supplies expense is for the purchase of Carbon.

Budget Detail

FY 3/1/24 – 2/28/25

		Operation & Maintenance	
	Administration	Treatment	Collection
Contractual Services/Repairs, Replace Maintenance			
SAW Grant Work			
Capital Improvements			
Computer system support	4,700		
Engineering			
Generator maintenance		2,500	1,000
Mowing and Snow Removal		1,500	
WWTF & Collection System repairs			5,000
Operation, Maintenance and Callouts		186,132	15,000
Total:	$4,700	$190,132	$21,000

Contractual Services Explanation

Administration:

- NLTUA accounting software annual fees for Fund Balance-$4,700

Treatment Plant:

Operations and Maintenance Agreement (OMI) $14,952.67 per month $179,432

Additional repairs outlined in 2024- Estimate Repair Expenses Jacobs $10,700

- Reject pump-$1,700
- Conduit Replacement, Fine Screed unit-$3,000
- Treatment Plant repairs-$2,000
- Generator maintenance-$2,500
- Mowing and Snow Removal (if needed)-$1,500

Collection System:

OMI Bills for any additional services over 300 hours $15,000

Additional repairs outlined in 2024- Estimate Repair Expenses Jacobs $6,000

- Conduit Replacement at 7th Street Lift Station-$5,000
- Generator maintenance-$1,000

The Northport/Leelanau Township Utilities Authority is committed to maintaining its infrastructure. For the fiscal year 2024-25, a comprehensive Capital Improvement Plan has been developed to address crucial needs to our Treatment Plant and Collection System. Recognizing the financial challenges, the Village of Northport has proactively sought external funding through a grant application on behalf of the NLTUA.

Grant Application for Financial Assistance:

Purpose: To supplement funding for the CIP program over the next four years.
Grant Applied: Financial Distressed Cities, Villages and Townships (FDCVT)
Submission Date: December 8, 2023.
Amount Requested: $504,387
Local Match 10%: $50,000
Minimal Funding requested: $368,887

Detailed CIP Projects Included in grant application

- Sludge Handling Evaluation (Engineer)- $8,500
- Ferric Chloride Room Upgrades- $24,000
- Main Lift Station to Plant Force main cleaning and modifications- $157,000
- Main Lift Station Wet Well Re-lining- $43,000
- Manhole Cleaning/Re-lining -$27,597 in 2024-25 budget out of $110,387
- Fine Screen Auger Replacement- $8,500
- (MBBR) Tank Roof-$7,000
- Residential Grinder Pump system upgrades-$30,000
- Corrosion Control Upgrades-$66,000
- Northport Point Road Generator-$50,000

Total- $504,387
Local Match 10%- $50,000 **Grant** 90%-$454,387

Budget Allocation for 2024-25 Capital Improvement Projects (CIP) as per the 2023 Utility Financial Solutions (UFS) Rate Study.

- Main Lift Station to Plant Force main cleaning- $107,000
- Ferric Chloride Room Equipment upgrades-$20,000
- Replace Recycle Pump #1- $14,500
- Main Lift Station Wet Well Re-lining-$43,000
- Manhole Cleaning-$27,597
- Purchase Landi Mixer for Treatment Plant-$17,000

Total- $229,097

Total Expenses-$703,217
Total Revenues-$791,084