

HMC Treasurer Briefing

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Briefing Contents

- Proposed FY 2003/2004 Budget
- Current Bank Balance
- Water System Upgrade Costs

Budget Briefing Items

- Budget Summary
- Expenses
- Income Sources

Budget Summary

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• Expenses	\$449,905	\$475,550	\$25,645
• Income (\$5 Ferry Fee)			
– User Fee	120,000	105,000	-15,000
– Other	13,500	6,000	-7,500
– Assessment (\$1,036/member)	316,405	364,550	48,145
• Income (Proposed \$6 Ferry Fee)			
– User Fee	120,000	125,000	5,000
– Other	13,500	6,000	-7,500
– Assessment (\$979/member)	316,405	344,550	28,145

Total Expenses

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• Ferry	\$283,754	\$315,100	\$31,346
• Roads	12,010	15,200	3,190
• Parks	8,892	9,050	158
• Docks	9,000	9,100	100
• Water	16,620	16,150	-470
• Administration	119,629	110,950	-8,679
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• Total	\$449,905	\$475,550	\$25,645

Ferry Expenses

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• Dry Dock	\$20,000	\$35,000	\$15,000
– New transmissions, replacement of prop shaft, and hidden corrosion increased cost by \$25,000.			
• Insurance	\$38,850	\$43,500	\$4,650
– Increase of deductible by \$22,500 resulted in premium savings of \$5,350.			
• Wages	\$144,975	\$150,800	\$5,825
– 2% COLA plus scheduled merit raises.			

Ferry Expenses (cont'd)

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• Medical/Life	\$12,000	\$17,100	\$5,100
– New premiums will be received in September.			
• Other	\$67,929	\$68,700	\$771
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• Total	\$283,754	\$315,100	\$31,346

Roads Expenses

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• Work & Repairs	\$7,200	\$10,500	\$3,300
– Additional funds for upgrading deteriorated road sections.			
• Other	\$4,810	\$4,700	-\$110
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• Total	\$12,010	\$15,200	\$3,190

Administration Expenses

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• Legal	\$24,180	\$14,100	-\$10,080
– Insurance/Legal reserve fund goal achieved.			
• Wages	\$41,301	\$41,600	\$299
– New Office Manager at lower wage and pension benefits. 2% COLA for Island Manager			
• Other	\$54,148	\$55,250	\$1,102
• Total	\$119,629	\$110,950	-\$8,679

Income (\$5.00 Ferry Fee)

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• User Fees	\$120,000	\$105,000	-\$15,000
– User fees overestimated last year.			
• Interest	\$3,000	\$1,000	-\$2,000
– Interest rates are at historic lows.			
• Delinquent Payments	\$7,500	\$2,000	-\$5,500
– Fewer delinquent accounts			
• Miscellaneous Income	\$3,000	\$3,000	0
• Assessment Income	\$316,405	\$364,550	\$48,145
• Total Income	\$449,905	\$475,550	\$25,645
• Single Assessment	\$896	\$1,036	\$140

Income (Proposed \$6.00 Ferry Fee)

	<u>2002-2003</u>	<u>2003-2004</u>	<u>Increase</u>
• User Fees	\$120,000	\$125,000	\$5,000
– User fees overestimated last year.			
• Interest	\$3,000	\$1,000	-\$2,000
– Interest rates are at historic lows.			
• Delinquent Payments	\$7,500	\$2,000	-\$5,500
– Fewer delinquent accounts			
• Miscellaneous Income	\$3,000	\$3,000	0
• Assessment Income	\$316,405	\$364,550	\$28,145
• Total Income	\$449,905	\$475,550	\$25,645
• Single Assessment	\$896	\$979	\$83

Bank Balance

(June 10, 2003)

• Operating Funds	
– General	\$97,159
– Surplus	3,893
• Reserves	
– CD	1,034
– Docks/Dolphins	77,016
– Dry Dock	11,022
– Legal/Insurance	18,693
– Roads	7,888
– Water	<u>58,610</u>
• Total	\$275,315

Water System Upgrade

Cost Estimates

Cost Estimates from Water Study

- Hydrants Along Maple
 - Total Cost: \$224,000
 - Cost per Single Assessment: \$636
- Total System Upgrade
 - Total Cost: \$2.1M
 - Cost per Single Assessment: \$6,000

Financing Estimates (\$2.1M Total)

- 30 Year Loan @ 5%
 - \$136,600 HMC payment/year
 - \$390/year per single assessment
- 30 Year Loan @ 8%
 - \$186,500 HMC payment/year
 - \$530/year per single assessment
- 10 Year Pay as We Build
 - \$210,000 HMC payment/year
 - \$600/year per single assessment

Questions on Water Upgrade

- Should we move ahead on hydrant upgrade as a separate phase?
- What types of financing plans are available for this kind of project?
- Will the financing plan be practical for the HMC office to administer?
- Should future members be required to pay a share of the upgrade costs?