

2019-2020 Budget

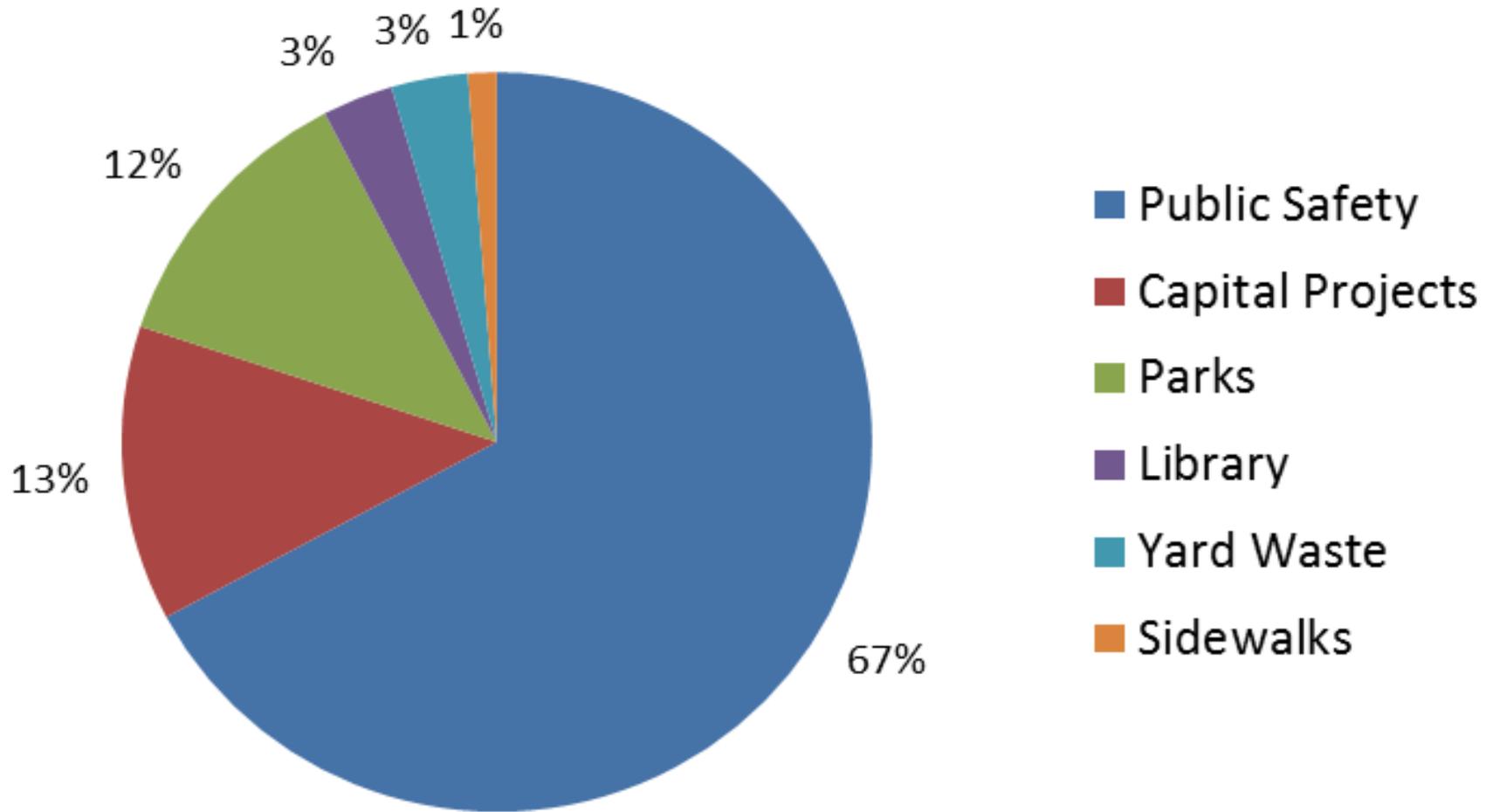
Budget Public Hearing May 6, 2019

Property Tax Millage Rates

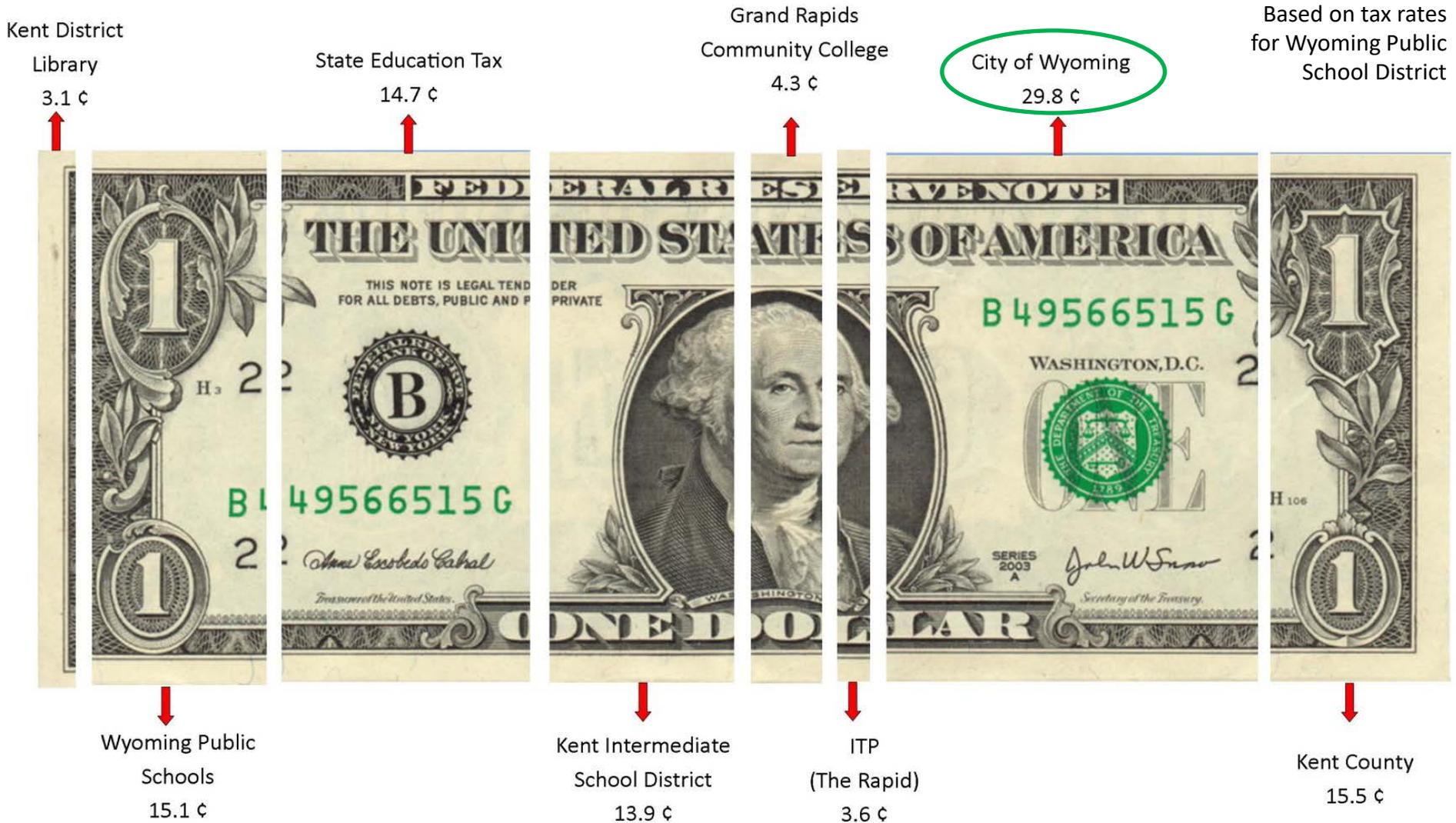
	Actual						Final
	2014	2015	2016	2017	2018	2019	2020
General Operations	4.6695	4.6695	4.6695	4.6695	4.8938	4.8938	4.8938
Fire Services	0.7500	0.7500	0.7500	0.7500	0.7487	0.7487	0.7487
Police Services	1.2500	1.2500	1.2500	1.2500	1.2478	1.2478	1.2478
Parks & Recreation	1.5000	1.5000	1.5000	1.5000	1.4973	1.4973	1.4973
Sidewalks	0.2000	0.2000	0.2000	0.2000	0.1996	0.1496	0.1496
Yard Waste	0.3500	0.3500	0.3500	0.3500	0.3500	0.4000	0.4000
Library Maintenance	0.1000	0.1000	0.3700	0.3700			
Library Debt Service	0.2700	0.2700					
Library Ops/Parks Capital					0.3693	0.3693	0.3693
Capital Projects	1.5678	1.5678	1.5678	1.5678	1.5650	1.5650	1.5650
Public Safety	1.0000	1.2500	1.2500	1.2500	1.2477	1.2477	1.2477
Total Mills	<u>11.6573</u>	<u>11.9073</u>	<u>11.9073</u>	<u>11.9073</u>	<u>12.1192</u>	<u>12.1192</u>	<u>12.1192</u>
	Authorized*	Headlee Limit		Levied		Available	
Charter-Aggregate	11.0900	10.5215		10.4715		0.0500	
Charter-Public Safety	1.2500	1.2477		1.2477		-	
State-Yard Waste	3.0000	2.7839		0.4000		2.3839	
Total Tax Rate	<u>15.3400</u>	<u>14.5531</u>		<u>12.1192</u>		<u>2.4339</u>	

* Millage Authorized by Election, Charter, etc.

Breakdown of City Tax



Where does my tax dollar go?



Business Assistance

	<u>Value</u>	<u>Impact</u>
IFTs	\$ 29,860,533	\$ 361,886
Brownfields	\$ 4,942,185	59,895
PILOTS	\$ 3,765,465	21,129
	\$ 34,802,718	\$ 442,911

Revenue Impact by Fund

- | | | | |
|----------------|-----------|--------------------|----------|
| • General Fund | \$297,413 | • Yard Waste | \$14,720 |
| • Parks | \$54,721 | • Library | \$13,497 |
| • Sidewalks | \$5,366 | • Capital Projects | \$57,195 |

Summary of Personnel Changes

- Planning – Addition of Planner I position*
- Fire – Addition of Fire Inspector*
- Fire – Addition of Fire Fighter*
- Police – Addition of 2 Police Officers*
- Police – Increase to Cadet hours and wages*
- Manager’s Office – Addition of Office Specialist I*
- Manager’s Office – Addition of Communications/Special Events*
- Manager’s Office – Assistant City Mgr to Deputy City Mgr*
- Assessing – Part-Time to Full-Time Office Specialist I*
- Public Works – Addition of Engineering Technician
- Public Works – Replacement of Office Manager with Civil Engineer
- Senior Center – Part-Time to Full-Time Office Specialist I
- Clean Water Plant – Elimination of Asset Mgmt Coordinator position
 - Grant funded and grant funding has ended

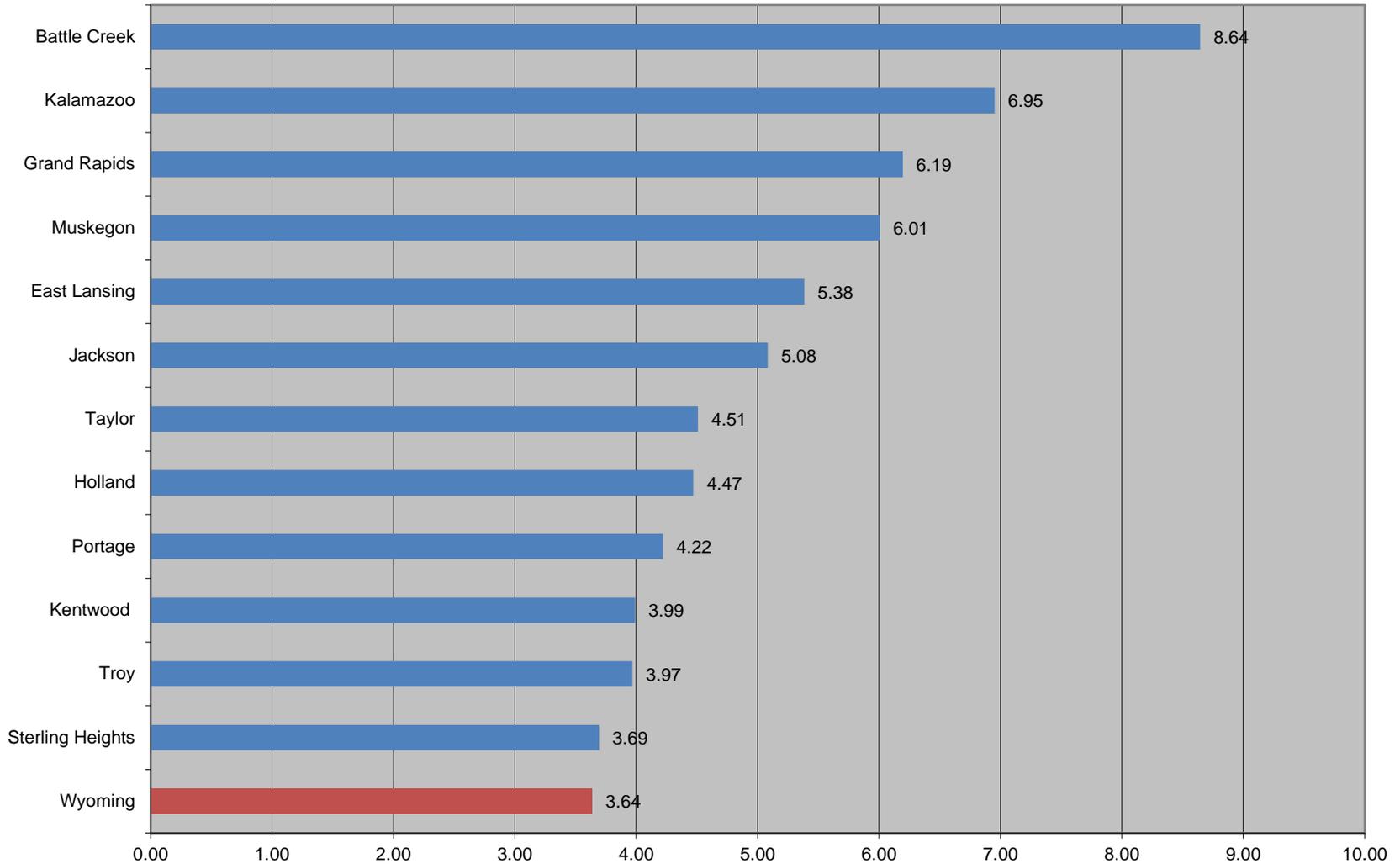
2019 Budget: **346 FTE**

2020 Budget: **354 FTE**

* Indicates General Fund impact

Comparable Staffing per 1,000 Residents

(Personnel per 1,000 residents, excluding utilities)



2020 Summary of Funds Included in Budget

	Estimated Beginning Fund Balance	Revenues and Other Sources	Expenditures and Other Uses	Excess (Deficiency)	Fund Balance End of Year
General Fund	\$ 10,931,598	\$ 34,227,477	\$ 35,335,819	\$ (1,108,342)	\$ 9,823,256
Major Streets	3,230,944	7,070,000	8,425,970	(1,355,970)	1,874,974
Local Streets	369,467	2,060,000	2,030,301	29,699	399,166
Public Safety	-	2,808,270	2,808,270	-	-
Fire	-	1,649,960	1,649,960	-	-
Police	-	2,750,550	2,750,550	-	-
Parks & Recreation	48,234	3,981,027	3,953,332	27,695	75,929
Sidewalk Snow Removal	274,269	335,920	446,751	(110,831)	163,438
Solid Waste Disposal	519,095	904,365	987,296	(82,931)	436,164
Building Inspections	924,064	1,603,651	1,584,086	19,565	943,629
Community Dev. Block Grant	-	762,707	762,707	-	-
Indigent Defense	136,395	-	-	-	136,395
Drug Law Enforcement	56,336	-	45,000	(45,000)	11,336
Capital Improvement	1,442,780	3,496,082	4,716,019	(1,219,937)	222,843
Library Maintenance	1,057,039	886,580	527,751	358,829	1,415,868
Sewer Total	15,509,493	19,192,150	22,730,272	(3,538,122)	11,971,371
Water Total	12,606,252	22,827,130	26,642,424	(3,815,294)	8,790,958
Motor Pool Total	4,664,378	5,823,810	5,166,862	656,948	5,321,326
Total	<u>\$ 51,770,344</u>	<u>\$ 110,379,679</u>	<u>\$ 120,563,370</u>	<u>\$ (10,183,691)</u>	<u>\$ 41,586,653</u>

Insurance, Pension, OPEB, and Capital Projects Revolving Funds

Self Insurance Funds:

General Liability	\$ 1,677,987	\$ 560,780	\$ 543,921	\$ 16,859	\$ 1,694,846
Fleet Insurance	524,320	155,243	139,869	15,374	539,694
Property Insurance	1,785,647	87,329	258,673	(171,344)	1,614,303
Life Insurance	12,134	32,121	29,520	2,601	14,735
Worker's Compensation	2,619,992	722,000	708,351	13,649	2,633,641
Health Insurance	4,033,104	9,945,503	10,176,617	(231,114)	3,801,990
Dental Insurance	572,256	505,994	716,191	(210,197)	362,059
Self Insurance Sub-Total	<u>11,225,440</u>	<u>12,008,970</u>	<u>12,573,142</u>	<u>(564,172)</u>	<u>10,661,268</u>
Pension Fund	180,006,722	16,439,521	12,390,320	4,049,201	184,055,923
OPEB Fund	43,651,966	6,659,000	3,046,600	3,612,400	47,264,366
Capital Projects Revolving	2,115,470	28,432	190,932	(162,500)	1,952,970
Total	<u>\$ 236,999,598</u>	<u>\$ 35,135,923</u>	<u>\$ 28,200,994</u>	<u>\$ 6,934,929</u>	<u>\$ 243,934,527</u>

General Fund – 2020 Budget

	2019 Adopted Budget	2019 Amended Budget	2019 Estimated Amount	2020 Proposed
Revenue				
Taxes	\$ 11,671,394	\$ 11,671,394	\$ 11,881,583	\$ 12,546,666
Licenses and Permits	1,295,000	1,295,000	1,109,000	1,050,000
Federal Grants	-	334,962	251,168	-
State Grants	6,855,849	6,958,724	7,271,282	7,376,848
Contributions from Local Units	268,073	437,684	384,073	283,680
Charges for Service	3,671,200	3,671,200	3,674,039	3,609,923
Fines and Forfeitures	1,700,000	1,700,000	1,700,000	1,700,000
Interest and Rentals	75,770	75,770	277,646	292,280
Other Revenues	83,900	99,107	175,058	134,300
Other Financing Sources	6,985,068	6,985,068	6,829,858	7,233,780
Revenue Totals	<u>32,606,254</u>	<u>33,228,909</u>	<u>33,553,707</u>	<u>34,227,477</u>
Expenditures				
Personnel Services	24,737,845	25,185,066	24,292,458	26,801,610
Supplies	597,911	614,211	605,876	623,751
Other Services and Charges	7,208,096	7,689,802	7,350,887	7,245,958
Capital Outlay	184,400	573,203	567,774	664,500
Transfers Out	-	-	-	-
Expenditure Totals	<u>32,728,252</u>	<u>34,062,281</u>	<u>32,816,995</u>	<u>35,335,819</u>

General Fund – 2020 Budget

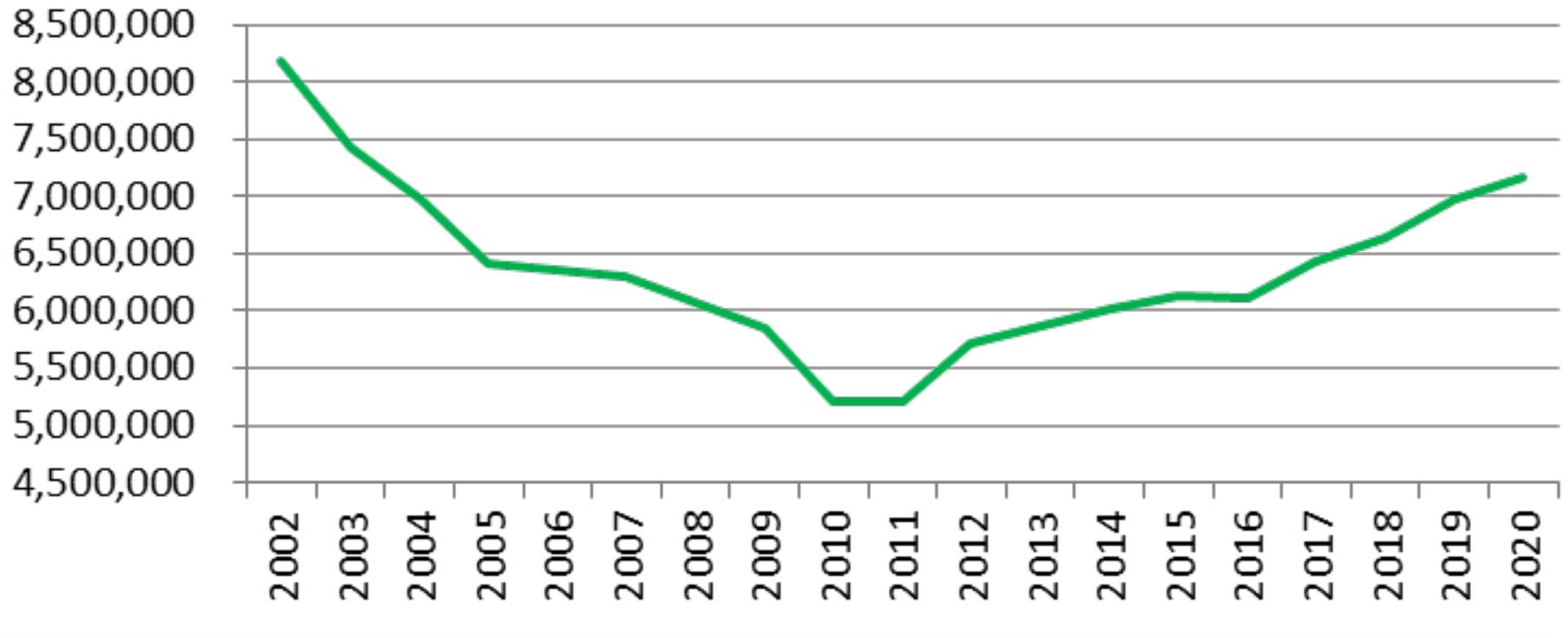
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Revenue Totals	32,606,254	33,228,909	33,553,707	34,227,477
Expenditure Totals	<u>32,728,252</u>	<u>34,062,281</u>	<u>32,816,995</u>	<u>35,335,819</u>
Change in Fund Balance	(121,998)	(833,372)	736,712	(1,108,342)
Fund Balance, Beginning	10,194,886	10,194,886	10,194,886	10,931,598
Fund Balance, Ending	\$ 10,072,888	\$ 9,361,514	\$ 10,931,598 33.3%	\$ 9,823,256 27.8%

General Fund – 5x5

	FYE Estimate 2019	Budget 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Beginning Reserves	10,194,886	10,931,598	9,823,256	8,559,182	7,281,306	5,984,712
Revenues	33,553,707	34,227,477	35,033,956	35,854,208	36,697,632	37,564,440
Expenses	32,816,995	35,335,819	36,298,030	37,132,084	37,994,225	38,881,333
Surplus or (Deficit)	736,712	(1,108,342)	(1,264,074)	(1,277,876)	(1,296,593)	(1,316,893)
Ending Fund Balance	10,931,598	9,823,256	8,559,182	7,281,306	5,984,712	4,667,819
Fund Balance as % of Expenditures	33.3%	27.8%	23.6%	19.6%	15.8%	12.0%

Includes \$500,000 in capital outlay for 2021-2024
Includes additional \$285,000 in OPEB funding for 2021-2024

State Revenue Sharing



Increase from 2010 to 2020

37.6% or \$1,957,320

Still \$1,011,202 less than 2002

General Fund – Highlights

• Council – Community Survey	\$20,000
• Council – Council Chambers A/V Update	\$75,000
• Court – Garage Roof Replacement	\$75,000
• City Manager – Office Reconfiguration	\$11,385
• IT – Computer Infrastructure Equipment	\$50,000
• IT – Software Upgrade (Microsoft Office 365)	\$46,536
• Police – Pistol Range Target System Update	\$50,000
• Police – Decision Making Simulator	\$50,000
• Fire – Training Center Pavement Replacement	\$300,000
• Fire - Security Card Access Readers (4 Stations)	\$40,000
• Fire – Overhead Doors (2) at 36 th St Station	\$14,500
• Fire – Turnout Gear Rack at Gezon Station	<u>\$10,000</u>
TOTAL	\$742,421

Future General Fund Concerns

- **OPEB (Retiree Health Insurance) Costs**
 - FY 2020 annual recommended contribution \$2,500,000
 - Over \$312,000 being transferred from insurance funds
 - Over \$24,600,000 in unfunded liability remains
- **State Revenue Sharing/PPT Reimbursements**
 - Funding remains uncertain for the future

Other Fund Highlights

Drug Forfeiture Fund:

- Exterior Vest/Equipment Carriers \$ 40,000
- Electronic Investigation Tools \$ 5,000

Motor Pool Fund:

- 14 Replacement Vehicles \$1,028,500
- Equipment and Building Capital \$ 249,460

Library/Parks Capital Fund:

- HVAC Replacement/Compressor \$ 36,500

Parks & Recreation – Highlights

- Computer Upgrades \$9,720
- Tree Planting \$10,000
- Senior Center HVAC \$10,000
- Buck Creek Nature Preserve Parking \$35,000
- Kelloggsville Park Fencing \$10,000
- Lemery Park Restroom Remodel \$20,000
- Palmer Park Restroom Remodel \$18,000
- Gezon Park Planning Costs \$150,000

Major & Local Streets – Highlights

- Over \$6,300,000 dedicated to resurfacing
- 44th Street & Byron Center Ave, right turn lane
- 54th Street, Meijer access
- Continuation of durapatching and crack sealing

Capital Improvement Fund– Highlights

- Storm sewer improvements of \$540,000 for Jackson Park and Melvin St
- Water main replacements of \$3,000,000

Sewer Fund – Highlights

- Sliplining \$ 800,000
- Main replacement-56th & Division \$ 300,000
- AMI meter replacements \$ 350,000
- Upgrade to cake pump \$ 20,000
- Old blower building roof \$ 90,000
- Ultraviolet disinfection \$4,000,000

Water Fund – Highlights

- AMI meter replacements \$ 350,000
 - Burlingame tanks/equipment \$5,000,000
 - Hook tank inspection/painting \$ 550,000
 - NTF filter pipe gallery renovation \$ 200,000
 - Gezon parking lot \$ 70,000
 - Ion Chromatography System \$ 50,000
 - Multiple smaller equipment items \$ 130,000
-

Large Projects coming, currently in engineering phase:

- FY 2022: 3rd Pipeline pipe line from Holland – Phase 1
 - FY 2024: 2nd Lake Michigan intake pipe line

Payment In Lieu of Taxes

Sewer \$253,390

Water \$ 55,827

Total to General Fund \$309,217

Residential Impact (5/8" Meter)

\$2.74 per quarter

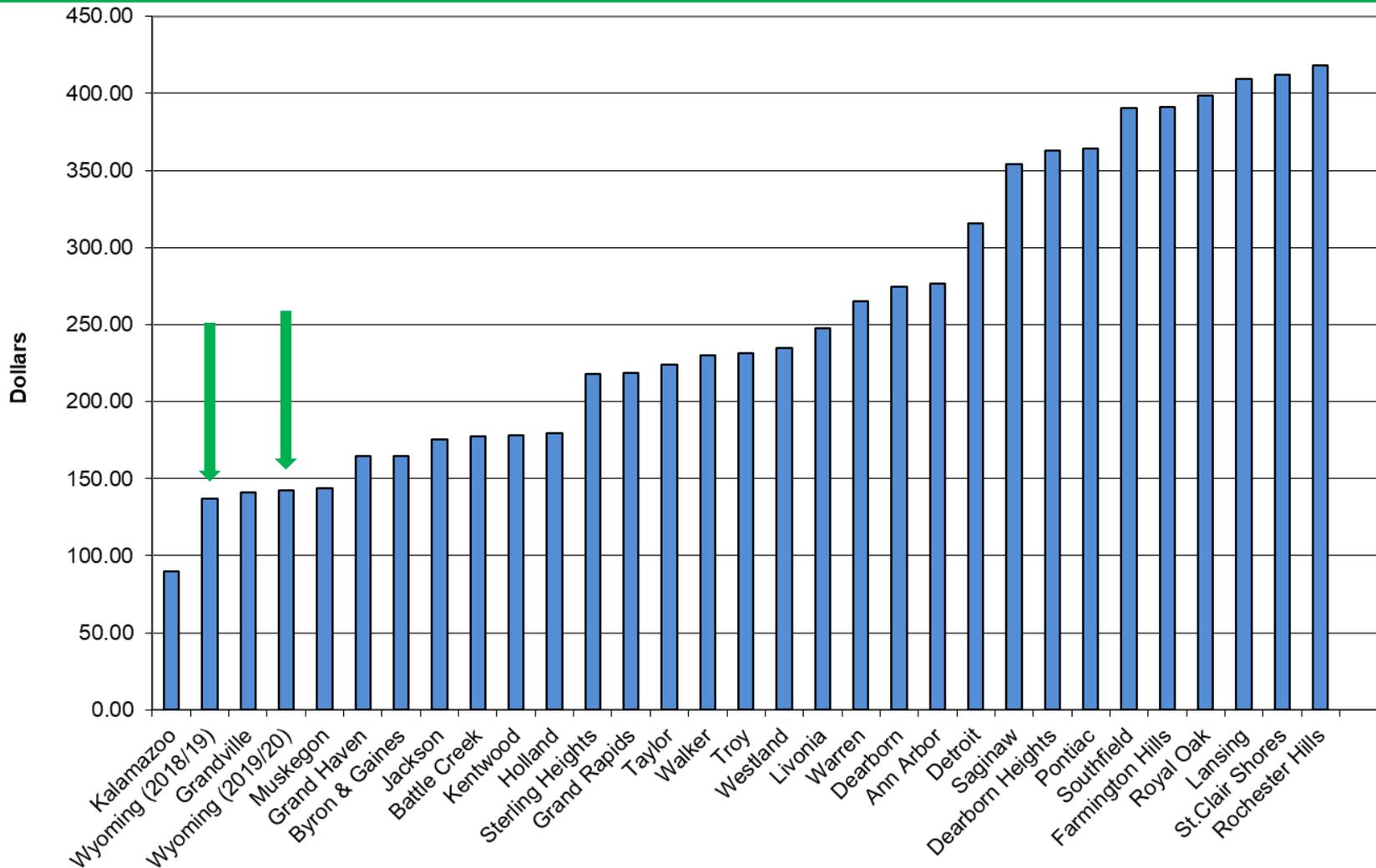
\$10.96 per year

Sewer & Water Rate Changes

<u>Fiscal Year</u>	<u>Ready to Serve</u>	<u>per HCF</u>	<u>Ave. Winter Quarter Bill</u>	<u>Ave. Non-Winter Quarter Bill</u>
Water FY 2019	\$23.31	\$1.22	\$44	\$65
Water FY 2020	23.66	1.35	47	70
Sewer FY 2019	17.43	2.94	68	75
Sewer FY 2020	17.69	2.94	68	76
Quarterly Total FY 2019			\$112	\$141
Quarterly Total FY 2020			\$115	\$146

Overall Impact of 3.4%

Average Residential Non-Winter Quarterly Water & Sewer Bill



City Response

- **Organizational Changes**

- Contract Dispatch to Kent County
- GVRBA
- Administrative consolidation savings
 - Community Services
 - Public Safety
 - HR/Purchasing
 - Public Works/Utilities
- Train Public Works, Parks and Utilities Staff as Firefighters
- Addition of AEDs to patrol cars
- Reduced work week
 - Staff savings
 - Facility cost savings

- **Services Eliminated**

- Print Shop
- Various Police and Fire Special Assignment Teams
- City Property Administration
- Various Planning Functions

- **Employment Changes**

- Employee contributions to health care \$1,000,000+ annually
- Health care co-pay increases
- Closing of Retiree Health Care Plan
- Closing of Defined Benefit Pension Plan
 - Increased contributions for pension
- Consolidation of job classifications
- Increased number of steps in pay system
- Layoffs
- Retirement incentives
- Retiree health care buyout
- Medicare Advantage Prescription Drug program for retirees

Success

Community, Safety, Stewardship

- No millage increase
- Annual OPEB contributions
- Yearly asset management obligations met, with plans to meet future obligations
- Lead water service issues addressed and being confirmed
- PFAS levels nearly non-detectable
- Building construction levels trending up
- New development on the increase
- General government expenditures down 12.1% in last 10 years
- 57% reduction in per capita debt
- Debt service as a percentage of noncapital expenses reduced from 9.7% in 2009 to 1.3% in 2018

Challenges

- **Property Tax Revenue:** Up only 5.1% since 2009 - less than 0.5% per year
- **Police Department:** Over 60% of time is spent reacting to calls for service, lack of traffic enforcement, call complexity and time has increased
 - Arrests = 23%↓
 - Parking Violations = 43%↓
 - Traffic Violations = 56%↓
- **Fire Department activity:**
 - Fire Calls = 21%↑
 - Medical calls = 52%↑
 - Fire inspections = 33%↓
- **Parks Department:** Capital funds are non-existent
- **HR/Finance Depts:** FMLA, HIPPA, ADA, pension reporting, Act 51 reporting, Affordable Care Act, Paid Medical Leave, PA 152, EVIP, Social Security Privacy Act, Right to Work, FOIA, records retention, etc.
- **Utilities:**
 - Water Consumption = 10%↑
 - Water mains = 17%↑

Next Steps

May 13 Work Session

- FINAL BUDGET PRESENTED
- COMPONENT/RELATED UNITS
 - Downtown Development Authority (DDA)
 - Brownfield Redevelopment Authority
 - Greater Wyoming Community Resource Alliance
 - Grand Valley Regional Biosolids Authority (GVRBA)

May 20 Regular Meeting

- FINAL BUDGET APPROVAL
 - DDA & GVRBA budgets
 - Street and Utility Capital Improvement Program