

FISCAL YEAR 2022-23 ANNUAL BUDGET EXECUTIVE SUMMARY

Honorable Mayor and City Council:

I am pleased to present to you the FY2022-2023 Budget. The budget document represents the program strategies and resources formulated by the City Council and City staff during the budget preparation process.

COVID-19

Although operations have almost returned to normal, the impact of COVID-19 on manufacturing and supply chain sectors of the economy will continue to have an effect on the upcoming budget through the potential availability of supplies/equipment and the cost of these materials.

Either due to COVID-19, unemployment compensation during the pandemic or other factors, the cost and availability of seasonal and part-time help continues to be impacted. This is particularly difficult for the Recreation Department.

The overall impact of COVID-19 on the City's revenues has been less than anticipated due to the influx of federal funding through the State and County. These grant funds coupled with lower expenditures due to events, programs and personnel costs being lower resulted in a stable City Fund Balance the last two years.

Property tax revenues are the largest component of revenues to the General Fund. The market has not only been stable, but values have risen faster in the last two years than prior years. This year the CPI caused the taxable value to increase by 3.3% the

highest increase since 2009. Many are projecting that next year's CPI will be over 5%. Some experts are concerned that this market is not sustainable and we could see a downturn ahead.

As part of our normal budget preparations, the City Treasurer and City Manager have met with Department Directors to review year end projections for the FY2021-2022 budget to help us estimate where we will end the current budget.

Administration and City Council then reviewed departmental budgets from a conservative approach. We have adjusted the year end projections provided by the Department Directors and in some cases, we have recommended changes in their proposed budgets.

AMERICAN RECOVERY ACT OF 2021

Under the American Recover Act of 2021, the City of Richmond should receive a substantial amount of funds. Current estimates have the City receiving \$612,206. We have already received half of this amount and will receive the other half in FY2022/2023.

A recent federal ruling stated that all communities can claim up to 10 million dollars in lost revenues due to COVID. This more than covers the funds being received by the City of Richmond, and expands the potential uses for these funds.

Rather than utilize the \$400,000 assigned in the City's Fund Balance for two new 9-1-1 consoles, City Council and administration

have budgeted \$400,000 of our ARPA funds in FY2022/2023 to purchase the consoles. This will leave roughly \$212,000 in ARPA funds that the City Council and administration will need to program prior to the end of 2024.

There are always water and sewer infrastructure needs as well as our meter replacement program that has not been addressed.

GENERAL BUDGET OVERVIEW

As the real estate market remained strong this year, the increase in property values in Richmond has once again required another Headlee roll back due to uncapped properties increasing the City’s taxable value faster than the rate of inflation. Specifics are defined under the Revenue section of this document.

The City Manager and City Treasurer continue to evaluate additional cuts to address the City’s budget shortfall. The current budget incorporates a \$378,640 shortfall between revenues and expenditures in the General Fund. The proposed ending fund balance for June 30, 2023 is \$2,115,857 which is 39.8% of expenditures.

This shortfall is larger than previous years, but does include a one-time capital contribution of \$230,000 toward the DPW Barn extension project. Without this project, the deficit is similar to the deficit included in previous year’s budgets.

The budget includes a 2.5% wage increase for this year in accordance with the Communications Contract. However, the Teamsters, Patrol and Command contracts are all open this year and with the current CPI and inflation numbers, unions have

been asking for higher percentages in negotiations.

Recent negotiations have included a 3.5% increase for Teamsters and Non-Affiliated Department Directors that will result in the need for a budget amendment in the FY2022/2023 Fiscal Year. Administration will bring the amendment forward once negotiations with other bargaining units have been completed.

The budget also includes some salary adjustments to our seasonal employees to keep pace with the market.

Although Council and Administration would be more comfortable without a budget deficit, the City is still projected to have a fund balance of 39.8% of expenditures on June 30, 2023.

The Council Goals and Objectives are incorporated with the departmental missions to formulate a comprehensive plan for providing high quality services to the citizens of Richmond in the most cost-effective manner possible. Following are some of the highlights of the budget:

CONSISTENCY WITH CITY MISSION AND GOALS

The City of Richmond's mission statement of “promoting a high quality of life for its residents by providing municipal services and addressing community issues in partnership with its citizens, businesses, and neighbors” is the guiding premise for the preparation of this budget document.

Several goals established by the City Council for FY 2022-23 continue to be reflected in the preparation of this budget:

- **Council Issue #1 – Promoting Industrial and Commercial Growth.** Both the Community Master Plan, TIFA Plan and Recreation Master Plan have recently been updated. Funds are allocated in TIFA to cover a portion of the City Administration Staff’s salary and benefits that work within the TIFA Fund.

Administration will continue to work to develop ways to streamline permit processing and formulate creative financing plans for industrial and commercial development, redevelopment, and business retention. The MEDC’s Redevelopment Ready Communities (RRC) program will assist Administration in reviewing City processes and ordinances. They have revamped the RRC program to provide an “Essentials” level endorsement recommended for communities with traditional downtowns such as Richmond. The Council, Planning Commission and the EDC recently received a presentation from our MEDC contact that will help the City progress through the RRC program.

Funding for TIFA and EDC's façade improvement programs are continued in this budget under TIFA. The programs continue to be altered by the EDC and TIFA to improve them and operate with lower funding levels.

- **Council Issue #2 – Traffic Congestion and accessibility on Main Street.** Traffic congestion and parking on Main Street are being addressed through several projects. The City has implemented several portions of the Master Transportation and Streetscape Plans. Council has identified maintaining parking along Main Street and providing adequate off-street

parking for downtown businesses as a priority. TIFA has allocated \$100,000 in the “Streetscape” line item to pay for the engineering on the various municipal parking lots in the North Business District. The City continues to replace deteriorated or lifted sidewalks to maintain pedestrian safety and the walkability of the community.

The new Chief of Police has expressed interest in investigating the potential for pedestrian improvements in our downtown through signage and potential ordinance changes that would come before the City Council.

- **Council Issue #3 – Streetscape Implemented.** This past year TIFA installed downtown lighting from the light poles to the front facades of the buildings. We anticipate there will be a phase two of the Downtown Lighting project once property owners see the impact of phase one.

Based on a partial estimate (\$347,000) from DTE to place the utilities underground, TIFA directed administration to move forward with the north end parking lot projects leaving the utilities above ground. The first step is to work with Tetra Tech to complete the engineering for the parking lots in the FY2022-2023 TIFA budget.

Now that The Aud is owned by the City, administration will be looking at potential improvements at the Aud that enhance the Streetscape.

- **Council Issue #4 – Rails-to-Trails Funding, Maintenance, Use, and Development.** The City is working with St. Clair County and the Trail Conservancy to develop plans to connect Richmond with the St. Clair County trail

system. This link will be a part of the Trail Conservancy's effort to connect Lake Michigan with Lake Huron by way of Route 1 of the Great Lake to Lake Trails. Funds are included in the budget to cover our maintenance costs as a member of the Macomb Orchard Trail Commission.

- **Council Issue #5 – Orientation and Training for Members of Boards and Commissions.** The FY 2022-23 Budget includes appropriations for continued training and education for City Council, Planning Commission, TIFA and Board of Review. As directed by City Council, instead of canceling meetings when there is a lack of agenda items, administration has increased in-house training and attention to ordinance reviews. Part of the RRC Essentials work will be the creation of orientation packets for each Board. This year, two members of City Council attended the MML Legislative Convention. Funds are provided in the Council's budget to continue this if there is interest.
- **Council Issue #6 – Code Enforcement.** Administration intends to build on the progress made in recent years. The City Clerk will coordinate a team-oriented approach to code enforcement through the Building, Planning and Police Departments. Once the new City Clerk gets through these first elections, she will become involved in code enforcement. City Council has reviewed additional ordinances for consideration of switching to civil infractions rather than misdemeanors. Administration plans on working with the City Attorney to get these before Council soon. Funds have been included to pay for a reserve officer when needed to assist with code enforcement.

- **Council Issue #7 – Technology.** In previous budgets, administration was able to utilize grant funds to replace the City Hall computer server and firewall. In FY2022-2023, This budget includes the use of \$400,000 of the ARPA funds to improve technology at our 9-1-1 dispatch.

Administration is reviewing the potential to place credit card processors at the Police, Library and Recreation Departments either through the BS&A financial software or other vendors. The FY2022-23 Budget includes funds for the annual maintenance of the City website. The City will continue to improve its social media presence. Recently, the City Manager formed a committee to come up with a computer usage policy for Council's consideration. We anticipate having this to Council by the middle of the fiscal year.

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GENERAL FUND REVENUES

The FY 2022-23 Budget calls for a general operating ad valorem property tax levy of 15.6637 mills, of which an amount equal to 1.48 mills will be placed in the Municipal Street Fund for street improvements. The City’s millage rate is lower due to a Headlee Millage Rollback of 0.208. The City continues to see a reduction in its millage rate due to the Headlee Amendment which requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation. The City will also continue to levy a 1% administration fee on all tax collections as permitted by State law.

The City’s taxable value has increased this year by \$12,645,968 to \$215,424,839 from this time last budget cycle (Source: March 2022 Board of Review). The Richmond Tax

Increment Finance Authority will capture \$40,095,279 of the taxable value. One mill for general operating purposes is equal to \$175,330 after TIFA capture. (Last year one mill was equal to \$167,261.) The City will realize \$2,746,310 in property tax revenues with a tax levy of 15.6637 mills, the proposed tax base sharing agreement would limit the TIFA capture by \$86,046 for a total tax revenue of \$2,832,356. An additional \$93,900 is budgeted for the 1% administration fee.

Residential property represents \$156,924,191 or 77% of the City’s total taxable value an increase of \$10,306,505; commercial property represents \$40,784,170 or 17% a decrease of \$464,545; industrial property represents \$6,016,418 or 3% a decrease of \$178,105; and personal property represents \$9,392,200 or 3% an increase of \$778,000. The decrease in values for the Commercial and Industrial properties is a result of the recent Commercial Rehabilitation and Industrial Facilities (IFT) exemptions that were granted in 2022. Although personal property values have increased for 2022, the value of personal property that will qualify for the Small Business Exemption will increase from \$80,000 to \$180,000 in 2023. This could have an impact on personal property values in 2023.

Proposal “A” enacted by a vote of the people in 1994 and effective beginning in 1995 continues to erode municipal revenues. As Council is aware, Proposal “A” established the concept of *taxable value* as the means for determining tax assessments and capped annual assessment increases at 5% or the rate of inflation, whichever is less. While the State Equalized Value (SEV) of the City is \$271,682,800 for FY 2022-23 (Source: March 2022 Board of Review), the value of property which can be taxed will be \$215,424,839. The FY 2022-23 loss of tax revenue from Proposal “A”,

based on a 15.6637 mill tax levy, would be \$881,207.

Due to previous budget shortfalls, administration worked with Miller Canfield to obtain a legal opinion and tax base sharing agreement with the TIFA that allowed the City to limit the TIFA capture in FY2021-22 by \$67,648 (12%). This year administration is proposing that we extend the agreement another year and lower the TIFA capture by \$86,047 in FY2022-23 (10%). The increase in the dollar value reflects a larger increase in the TIFA District values versus the overall City values. The current General Fund Revenue line items include the proposed limits on the TIFA capture.

The shortfall between revenues and expenditures in the City budget is \$381,640. The current proposed budget calls for a June 30, 2023, ending fund balance of \$2,115,857, which is 39.8% of total expenditures in the General Fund.

GENERAL FUND EXPENSES

CITY COUNCIL. The FY 2022-23 Budget provides for compensation for the Mayor at \$60.00 per regular meeting attended and for councilors at \$50.00 per regular meeting attended. The budget provides for continued membership in the Michigan Municipal League, Michigan Municipal League Legal Defense Fund, Southeast Michigan Council of Governments, Traffic Safety Association of Macomb County, and Richmond Area Chamber of Commerce. The Budget also provides funds in FY2022-2023 for Council members to attend training sessions and committee meetings put on by these organizations. The printing and publishing provided for in this department puts out the City Calendar.

CABLE TELEVISION SERVICES. The budget includes an appropriation to provide for Cable TV production through a full-time coordinator and part-time programming assistant at 15 hours per week. The last four years the City has partnered with Richmond Community Schools to allow the Cable Coordinator to teach the TV & Broadcast Media class at the High School level.

The cable budget also includes \$1,500 to reimburse the Cable Commission for a portion of their cable bills. The City continues to broadcast programming on Comcast Cable Channel 6 and our YouTube Channel RichmondTV12. The YouTube Channel has over 1,000 subscribers. The budget includes a new camera, tripod and case.

CITY MANAGER. The City Manager's budget includes an increase in funding for the recent salary adjustment made to the City Manager's salary and an increase in hours for the assistant position from 24 hours per week to 30 hours per week. The assistant is improving the City Manager's output as far as new releases and website posts. She has also been instrumental on follow through of projects like the Downtown Lighting. The budget includes an appropriation for the City Manager's membership in the Michigan Local Government Management Association. Funds were also included to replace the City Manager's chair.

ELECTIONS. The budget for elections has been increased to account for an August Primary and November Gubernatorial election and mailing the AV applications for the elections.

ASSESSING. The budget provides for the salary and wages for the Assessor. Due to budget restrictions the Building Clerk assists

in measuring houses. The budget also includes an appropriation for annual software support for the Equalizer assessing administration software and the ArcView software.

LEGAL SERVICES. The cost for legal services has remained stable for several years.

CITY CLERK. The budget provides for the City Clerk's and Secretary/Receptionist's salary and benefits. The wages and benefits will likely change with the retirement of the City Clerk and the retirement of the Secretary/receptionist on July 29th. The Clerk's wages and benefits are split between the General, Water, Sewer and TIFA Funds. The Secretary/Receptionist's salary and benefits are split between General, Water, Sewer and Cemetery Funds. Appropriations are also provided for contractual services for printing of ordinance supplements to the City Code; printing and publishing for legal notices; memberships in the Macomb County Clerks Association, International Institute of Municipal Clerks, and the Michigan Association of Municipal Clerks.

BOARD OF REVIEW. This year Administration budgeted \$5,500 in the reimbursement line item to account for property owners potentially petitioning the Michigan Tax Tribunal.

CITY TREASURER. The General Fund Budget provides for a portion of the salary and benefits of the Treasurer and Deputy positions, with the remaining percentages allocated to the Major Streets, Local Streets, Water, Sewer and TIFA Funds. The Treasurer's budget includes the contract for audit services.

BUILDINGS AND GROUNDS CHPD. Beginning in FY2015-2016, administration developed a new combined department to

cover the consolidated City Hall and Police Post. Similar line items were combined into common line items that cover both the City Hall (CH) and Police Department (PD). Line items that were not similar were given a designation of CH or PD to designate which department is charging to that line item.

The budget includes appropriations for wages and benefits for DPW maintenance services and wages and benefits for part-time janitorial services at the building; building equipment maintenance to continue the annual inspection and servicing of the heating/cooling system; building maintenance contracts such as lawn maintenance, snow removal, and mechanical systems and fire suppression system annual inspections.

Contractual services for City Hall's computer maintenance, engineering, high speed internet and website domain and hosting services; office equipment maintenance for the postage scale and scale software, mailing machine, computers, and copier; equipment rental for the postage meter and post office box.

Funds have been budgeted in Sewer, Water and TIFA to cover a percentage of the above costs related to the City Hall portion of the building.

Funds are included to complete the renovations to the employee wellness room, purchase a new copier/printer and install a new drive up drop box.

POLICE. This year's budget was put together by the City Manager and City Treasurer in consultation with the outgoing Chief and assistance of the Acting Chief. The budgets are essentially a carry-over from previous years budgets; some of the line items were adjusted to account for

annual increases in cost of equipment or services. We have had time since, to review the budget with the new Chief of Police/Public Safety Coordinator.

The wage and benefits accounts include appropriations to continue the following programs: (1) traffic patrol coverage; (2) community policing; (3) code enforcement activities; and (4) special event police coverage. Funds have been included for the replacement the last of the 2015 SUV Police Interceptors. If the Public Safety Academy runs another part-time academy, funds are allocated for one additional candidate from the reserve officers to attend the academy.

During the budget workshop, the City Council also approved \$3,000 toward an upgrade to expand the service that we purchase from CORE to include the “electronic daily log”.

TRAFFIC AND SAFETY. The budget includes appropriations for wages and benefits to provide crossing guards at key street intersections for school children.

COMMUNICATIONS. The budget includes funds for the three full time and several part-time communications officers. The Fire Fund reimburses the General Fund for 10% of the costs of communications services to cover the cost of dispatching the Fire Department. The budget includes \$400,000 for the replacement of the two new 9-1-1 consoles. The General Fund Revenues show \$400,000 from ARPA funds to offset the purchase.

CODE ENFORCEMENT. Funds are budgeted for a part-time code enforcement officer. The City will continue to handle code enforcement functions primarily through the Police Department, however, the City Clerk’s office will coordinate a team approach to code enforcement. The City

handles most code complaints through civil infractions instead of misdemeanors.

BUILDING DEPARTMENT. The City employs a full-time Building Clerk and a part-time Building Official and contracts with others for electrical, mechanical, and plumbing inspection services.

PLANNING. The budget reflects the salary and benefit costs for the full-time Planning and Zoning Administrator position. Fifteen percent of the Planner's salary and benefit costs will be provided through TIFA. The budget also provides for the continuation of in-house training programs for the Planning Commission.

BOARD OF ZONING APPEALS. The budget does not provide for any expenditures. The BZA did meet last year and may more frequently in coming years due to development increasing. Any training will be covered out of other budgets.

EMERGENCY PREPAREDNESS. The City Manager currently serves as Emergency Management Coordinator with the City Planner and Police Chief as back up. Macomb County Emergency Management has updated the City’s Plan. Due to our population size, the City falls underneath the County Plan. Funds have been budgeted to provide for maintenance on the four sirens.

PUBLIC SERVICE DIRECTOR. The budget provides for 52.5% of the Public Service Director’s salary and benefits, with the remaining percentages allocated to the Major Streets, Local Streets, Water, and Sewer Funds. The budget also includes resources for 2.78% of the cost of a full-time secretarial position for the department, with the remaining percentages allocated to the

Major Streets, Local Streets, Water, and Sewer Funds.

PUBLIC WORKS. The budget provides for portions of the wages and benefits of public works personnel which are attributable to General Fund functions that cannot be properly allocated to other funds. The percentages allocated to General Fund and the other funds are based upon historical data trends for each position. The budget also includes appropriations for continuation of the tree maintenance programs, city clock maintenance, and equipment maintenance. Funds are allocated to maintain existing trees within the right-of-way.

The budget includes a portion (\$230,000) of the funds necessary to extend the DPW building. The Streets, Water, Sewer and TIFA funds will also cover a portion of the upgrades.

STREET LIGHTING. The budget includes appropriations for the continuation of the general street lighting program. The TIFA Fund covers the lighting costs of the ornamental street lights that have been installed from Howard Street north to Park Street. The ornamental lights were installed by TIFA to provide an aesthetic improvement in our downtown districts. These lights are closer together and at a higher rate than the average street lights normally installed by the City.

CAPITAL IMPROVEMENTS. The FY 2022-23 budget includes an appropriation of \$15,000 to potentially install street lighting on Richwood Lane.

REFUSE COLLECTION AND DISPOSAL. This is the second year of a three-year contract with Waste Management expires June 30, 2024.

EMERGENCY MEDICAL SERVICES.

EMS services are provided through a contract with Richmond-Lenox EMS (RLEMS). In the past, the City of Richmond paid a stipend to help offset the costs of service to residents. Currently, RLEMS is not requesting any payment from the City for EMS services.

COMMUNITY TRANSIT. Community Transit services for senior citizens and the handicapped are provided through Suburban Mobility Authority for Regional Transportation (SMART) bus credit funds provided by the SMART millage to communities within urban counties. The City of Richmond provides these services through a contract with RLEMS.

ECONOMIC DEVELOPMENT. The budget does not provide for allocations for the EDC. The City working with Macomb County Planning and Economic Development Department updated the TIFA Plan. Marketing and economic development activities are funded out of the TIFA.

The EDC created a Marketing and Promotions Committee that became active in events such as the Christmas Cash Program and Community Tree Lighting. This year the committee is looking to build upon the success of the Christmas Tree Lighting and Santa Parade two years ago.

LOIS WAGNER MEMORIAL LIBRARY.

The library budget provides allocations for salaries, wages, and benefits for a full-time Library Director, Children's Programmer, and Library Technician; and part-time Library Clerk, Systems Manager and substitute library workers. The budget also provides funding for the continued membership in the Suburban Library Cooperative of Macomb, including utilization of the cooperative's SIRSI/Dynix cataloging system.

This year's budget includes revenues (\$54,000) from the Richmond Township Library Millage. Council, the Library Board and Administration restored some funding levels and service hours in 2019.

The budget provides allocations for book purchases, other types of media, programming and operating supplies.

The budget does not include major improvements to the Library at this time based on the space needs study. Administration will continue to work this year with the City Council and Library Board to determine our course of action based on the study.

During the budget workshop, the City Council addressed concerns raised by the Library Director and Public Library Board to consider looking at the building upgrades in the FY2023/24 budget. If other projects are not able to be done this year, Council could review moving the library renovations forward.

CONTINGENCY. The budget provides an allocation for General Fund contingencies in the amount of \$5,000 in accordance with the provisions of the City Charter.

DEBT SERVICE. The only General Fund debt obligation is the payment to Lenox Township for the Muttonville Mutual Detachment and Annexation Forbearance Agreement. The City and Township negotiated an extension of the agreement in 2019. The agreement calls for a payment of \$154,404 for this year.

The City pays 3.6 mils annually in September to Lenox Township under the agreement based upon the current taxable value of the properties in the Muttonville

district. The new agreement calls for these payments to continue through 2029.

TRANSFERS OUT. The **Fire Department** is funded through contracts with the townships of Casco, Columbus, and Richmond as well as a City contribution. The budget reflects the City's share of the contribution toward operating and equipment replacement costs. Under the contracts, the operating expenses of the Fire Department cannot increase by more than 10% annually.

The **Cemetery Fund** receives a transfer from the City's General Fund to allow for operations.

The **Recreation Fund** receives a transfer from the City's General Fund to allow for operations.

The **DPW Equipment Replacement Fund** will receive a transfer in from the General Fund of 35% of the equipment rental revenue this year.

The **Street Improvement Fund** provides a set-aside that combined with the TIFA contribution is equal to 1.48 mils of the general operating tax levy to provide a perpetual street improvement program. Currently, a 20-year capital plan for street improvements is in place which requires \$355,000 annually to complete. Due to the previous downturn in the economy, the City never reached \$355,000. However, the City has found ways to continue the street program.

Several factors contributed to the success of the street improvement program. TIFA and the General Fund will transfer a combined \$260,000 this year. The Public Service Director with the approval of the City Council has an MDOT approved Asset

Management Program, that allows Richmond to transfer any percentage of our Act 51 Funds to local streets.

OTHER FUNDS

MAJOR STREETS. The FY 2022-2023 Major Street budget includes \$100,000 to construct a storm sewer outlet for Howard Street.

LOCAL STREETS. The FY 2022-2023 Local Street budget includes \$202,000 to reconstruct Diane Lane and \$809,000 to reconstruct Stone Street.

FIRE. The Fire Department is operated utilizing volunteer firefighters and a volunteer chief who are paid \$18.00 per run. This year's budget includes an increase in Salary and benefit line items due to allowing trainees to fill out run reports.

The budget also includes appropriations for medical screening of all Fire Department personnel, boots, extrication suits, SCBA fit test screenings as required by MIOSHA; funds to provide for truck maintenance; ladder and hose testing/maintenance, and training.

Due to supply chain issues in part, the Department was not able to complete the replacement of all members turnout gear as budgeted in the current budget and authorized by the City Council. The FY2022/2023 budget includes funds to purchase five (5) sets of turnout gear to complete the outfitting of all members of the department with up to date gear. Administration will then work with the RVFD to make sure that each year we budget for the replacement of those sets that are at "end of life" status.

We are entering the fourth year of a five-year Fire Contract with the Townships. The third and fourth years of the contract call for a \$14,000 contribution to the Equipment Replacement Fund. The budget includes a transfer out to the General Fund to reimburse the City for 10% of dispatching costs.

CEMETERY. The Cemetery budget provides for the seasonal part-time help for cemetery maintenance.

MAUSOLEUM. The Mausoleum budget provides for operation and maintenance of the Mausoleum.

TAX INCREMENT FINANCE

AUTHORITY. In recent years, the City and TIFA have worked together on a tax base sharing agreement to limit the TIFA capture and assist the General Fund. This year's budget continues to limit the TIFA capture by 10% or \$86,046 in FY2022-2023.

Once again funds are allocated for streetscape improvements for engineering on the north end parking lots, equipment acquisition to maintain our Christmas Decorations and façade programs.

This budget includes \$230,000 for TIFA's share of the DPW barn and \$235,000 toward the construction of a barn/pavilion on the festival grounds. The RAGODF indicated that they could pay for a portion (\$64,000) of the total cost (\$300,000) of the building this year. The Festival would enter into an agreement to make annual payments (\$8,000) until they have paid for half of the building (\$150,000). This would be approximately 10.63 years, beginning in October 2024. TIFA will have a proposed fund balance of \$165,894 at the end of FY2022-2023.

COMMUNITY DEVELOPMENT BLOCK GRANT. Recently, Macomb County has changed the administration of the County's CDBG funds to allow for competitive applications from communities for the bricks and mortar allocations. Last year the City was awarded funds to improve the main entry doors of the Senior/Community Center with automatic door openers. This year, the city will be submitting a grant application to install these door openers at the Lois Wagner Memorial Library. Our Public Service allocation will go to help pay a portion of the Senior Services Coordinator's wages and to provide funds to Turning Point (\$1,000), CARE House (\$1,200), Interfaith Volunteer Care Givers (\$148), MCREST (\$792), and Maggie's Wigs 4 Kids (\$1,000).

WWTP EQUIPMENT REPLACEMENT. The FY 2022-2023 WWTP Equipment Replacement budget includes \$50,000 to replace the South Oxidation ditch rotor blades, \$50,000 to replace the Final Clarifier Effluent Weirs, and \$50,000 for engineering of a sludge screw press.

DPW VEHICLE & EQUIPMENT REPLACEMENT. The FY 2022-2023 DPW Vehicle and Equipment Replacement budget includes \$3,000 to replace the manlift cage and \$3,000 to replace the DPW utility trailer. The budget includes a transfer in of 35% of the equipment rental revenues.

SANITARY SEWER CONTRIBUTING CAPITAL. The FY 2022-2023 Sanitary Sewer Contributing Capital budget includes a transfer of \$50,000 for sewer repairs to Stone Street, \$140,000 to replace a portion of S-41 Alley sewer, and \$50,000 towards a meter replacement program.

WATER CONTRIBUTING CAPITAL The FY 2022-2023 Water Contributing Capital budget includes a transfer of \$494,000 to

replace the water main on Stone Street and \$8,000 towards a meter replacement program.

RECREATION. The budget includes appropriations for a part-time Recreation Department salaries and wages. The budget also includes appropriations for the community center, park property and equipment maintenance, summer programs, and swimming pool operations, staffing, and maintenance. This year adjustments were made to the lifeguard, WSI and Assistant Director positions in the pool.

Funds are included to replace the tile floor in the Community Center and for an \$18,000 climbing structure. Funds are included in the budget for a climbing structure (\$18,000).

The Council and administration discussed forming a committee to review splash pad locations and types of operation.

The City Manager and City Treasurer formulated a budget for the Aud. This includes operating funds and a part time Recreation Programmer position to oversee the programming of the Aud. As the Recreation Board and City Council make decisions on The Aud, this budget man need to be adjusted.

SANITARY SEWER. The FY 2022-2023 Sewer budget includes a \$3.00 increase to the ready-to-serve fee for sewer. It also includes \$230,422 in debt service, \$50,000 for sewer repairs to Stone Street, \$140,000 to replace a portion of S-41 Alley sewer, and \$50,000 towards a meter replacement program.

WATER. The FY 2022-2023 Water budget includes a \$3.00 increase to the ready-to-serve fee for water. It also includes

\$494,000 for water main replacement on Stone Street, \$42,000 for a permanent generator at the Water Tower (Grant), and \$50,000 towards a meter replacement program.

SUMMARY

The FY 2022-23 Budget is formulated conservatively with the top priority being

establishing sound fiscal planning for operations and capital needs. In light of the lingering impacts of COVID-19 and future capital improvement needs, the City continues to be conservative in planning its revenues and expenditures.

Sincerely,

Jon Moore, City Manager
June 13, 2022