

CITY OF RICHMOND  
COUNTIES OF MACOMB AND ST. CLAIR  
STATE OF MICHIGAN

**FISCAL YEAR 2025-26 ANNUAL BUDGET EXECUTIVE SUMMARY**

**Honorable Mayor and City Council:**

I am pleased to present to you the FY2025-2026 Budget. The budget document represents the program strategies and resources formulated by City staff during the budget preparation process.

**GENERAL BUDGET OVERVIEW**

Property taxes remain the largest component of City revenues. The residential real estate market remained strong this year. Based on the rate of inflation (CPI) of 3.1%, the taxable values of residential properties under Proposal A will increase by that amount. This increase is dictated by Proposal A, which states that the taxable value will increase by 5% or the rate of inflation, whichever is less.

This year the City does not have a Headlee Rollback. The City's general operating millage will be 15.5039 mills.

The proposed FY2025/2026 budget incorporates a \$199,021 shortfall between revenues and expenditures in the General Fund. This shortfall is in part due to inflation, capital projects, vehicle purchases, equipment purchases and personnel costs.

The proposed ending fund balance for June 30, 2025 is \$1,133,716 which is 20.2% of expenditures as of as of June 30, 2026. The library donation has been accounted for separately, so as not to inflate the ending General Fund - Fund Balance.

The budget was developed utilizing a 2.5% wage increase for all personnel for FY2025-

2026. However, in contract negotiations, the City and Unions are discussing a 4.5% wage increase. The increase in cost to the General Fund of a 4.5% would be \$45,822 which would reduce the fund balance by that amount. The City is currently in negotiations with Patrol, Teamsters and Command.

The budget also includes some salary adjustments to our seasonal employees due to the new minimum wage of \$12.48 effective February 21, 2025 and \$13.29 effective February 21, 2026. This has increased the beginning wage of our summer Recreation staff that resulted in similar adjustments to returning staff wages. It also impacted the Reserve Officer wages. The City continues to experience difficulty in recruitment of new employees particularly in Police, which is common in the current market.

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 2025-26 continue to be reflected in the preparation of this budget:

- **Council Issue #1 – Promoting Industrial and Commercial Growth.** The TIFA Plan, Recreation Master Plan and Community Master Plan have 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.

The Recreation Master Plan has been approved by the DNR. Administration will be working with the City Council and Recreation Board to amend the plan to include the Roosevelt Civic Auditorium.

Last year the City Council approved a Social District for the North Business District. The Social District is intended to improve the retail atmosphere and enhance special events that occur within the district.

Funding for TIFA and EDC's façade improvement programs are continued in this budget under TIFA. The programs continue to be reviewed 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. The TIFA budget includes funding to expand the Aud parking lot into the property recently purchased to

the west of the current lot with a temporary millings parking area. The City continues to replace deteriorated or lifted sidewalks to maintain pedestrian safety and the walkability of the community.

MDOT has secured funding to install a roundabout at the intersection of County Line Road, Muttonville Lane and Gratiot Avenue. The design funds will become available in 2026.

Funds have been included in the Capital Improvements Department to purchase two additional radar signs.

- **Council Issue #3 – Streetscape Implemented.** TIFA is continuing to improve parking lots adjacent to the Main Street Businesses with the expansion of the Aud Parking Lot with an asphalt millings lot to the west.

Funding has been included in the TIFA budget to replace trees in the Granary Business District from Howard Street to Oak Street. The current street trees were installed in 2000 and have outgrown the streetscape environment. Funds have been allocated to develop a mural program.

- **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 TIFA 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 2025-26 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. Administration has been emailing orientation packets including relevant plans, budgets and bylaws to new board members. Funds are provided for City Council members to attend the MML Legislative Convention.

- **Council Issue #6 – Code Enforcement.** City Hall staff work with the Police Department on a team-oriented approach to code enforcement. The City Council Code Enforcement Committee has provided direction to administration on streamlining enforcement of several ordinances. These changes did result in some ordinance changes already. Other ordinance changes to switch additional penalties to civil infractions rather than misdemeanors are in the works. Funds have been included to pay for a reserve officer when needed to assist with code enforcement when needed.

- **Council Issue #7 – Technology.** The budget includes funding to begin to replace the computers in City Hall. The Recreation Department is now able to accept credit card payments and has the ability to begin online registration.

The FY2025-26 Budget includes funds for the annual maintenance of the City website through Civic Plus.

The City will continue to improve its social media presence. The Cable Coordinator recently began a bi-weekly Richmond news program. The Recreation Department recently created an Instagram account to help promote Aud programming.

### GENERAL FUND REVENUES

The FY 2025-26 Budget calls for a general operating ad valorem property tax levy of 15.5039 mills, of which an amount equal to 1.17 mills will be placed in the Municipal Street Fund for street improvements. This year the City’s millage rate did not have a Headlee Millage Rollback. Under Proposal A, the City’s taxable value increased by the inflation rate of 3.1%. 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 \$16,450,928 to \$269,355,494 (Source: March 2024 Board of Review). The Richmond Tax Increment Finance Authority will capture \$48,025,435 of the taxable value. One mill for general operating purposes is equal to \$221,330 after TIFA capture. (Last year one mill was equal to \$206,736.) The City will realize \$3,431,479 in property tax revenues with a tax levy of 15.5039. An additional \$115,000 is budgeted for the 1% administration fee.

Residential property represents \$187,581,859 or 75% of the City’s total taxable value an increase of \$16,472,790; commercial property represents \$45,089,611 or 18% an increase of \$2,175,007; industrial property represents \$6,669,096 or 2% an increase of \$452,513; and personal property represents \$11,656,900 or 5% an increase of \$1,982,300.

The shortfall between revenues and expenditures in the City budget is \$199,021. The ending fund balance is projected to be \$1,133,716 which is 20.2% of expenditures as of as of June 30, 2026.

## GENERAL FUND EXPENSES

**CITY COUNCIL.** The FY 2025-26 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, and Richmond Area Chamber of Commerce. The Budget also provides funds in FY2025-2026 for Council members to attend training sessions and committee meetings put on by these organizations. Funds are included for the open house. The printing and publishing provided for in this department publishes the City Calendar.

**CABLE TELEVISION SERVICES.** As residents cancel their cable TV service through Comcast, the City's revenues from the Cable franchise fees continue to decline. The City only receives franchise fees for cable TV services, not internet or phone provided by Comcast.

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 six 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 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 1,500 subscribers. The budget includes funding (\$7,000) for equipment upgrades including a new Computer Workstation and a mini PC for City Council and mobile productions.

**CITY MANAGER.** The City Manager's budget includes salary and benefits for the City Manager and a 30 hour a week administrative assistant position. The assistant helps with projects, website updates and works with other departments as assigned. The budget includes an appropriation for the City Manager's membership in the Michigan Local Government Management Association.

**ELECTIONS.** The budget for elections shows a reduction in expenses due to last year's budget incorporating the Presidential election. The FY2025-2026 budget includes funding for the November City Council and School Bond Election and mailing the AV applications and ballots for the elections.

**ASSESSING.** The budget provides for the contract with Assessment Administration Services, L.L.C. to provide assessing services for the City. The budget also includes an appropriation for annual software support for the Equalizer assessing administration software and the ArcView software along with funds for an outside vendor to mail assessment notices.

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

**CITY CLERK.** The budget provides for the City Clerk's salary and benefits. The Clerk's wages and benefits are split between the General, Water, Sewer and TIFA 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, with the remaining percentages allocated to the Major Streets, Local Streets, Water, Sewer and TIFA Funds. Funds are also budgeted in this department for the Secretary/Receptionist and Payroll Assistant positions, The Secretary/Receptionist's salary and benefits are split between General, Water, Sewer and Cemetery Funds. The Treasurer's budget includes the contract for audit services.

**BUILDINGS AND GROUNDS CHPD.** This budget includes funds to maintain the City Offices including City Hall (CH) and Police Department (PD). If a line item is specific to one side it is given a designation of CH or PD to designate which department is charging to that line item.

The budget includes appropriations for general maintenance services performed by the DPW along with 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 have been budgeted to replace the tables in the Community Room, Council Budget Area and Police Conference Room with flip top tables for easier meeting set up.

**POLICE.** 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. The Patrol and Command contracts expire on June 30, 2025.

Funds have been allocated for one additional candidate from the reserve officers to attend the Police Academy through the Macomb Public Safety Institute should there be a suitable candidate.

The Equipment Acquisition account includes funds to replace two in-vehicle thermal printers and the purchase of additional tasers. This year's budget does not include funds to replace a Police Vehicle as all vehicles are serviceable. The FY2026/2027 budget will begin the vehicle replacement rotation.

**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.

**CODE ENFORCEMENT.** Funds are budgeted to allow for a reserve officer to assist with code enforcement when needed. The City will continue to handle code enforcement functions primarily through the Police Department, however, the City Clerk, Building Clerk and Administrative Assistant will assist with the 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.

**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.

**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 2025-26 budget includes funding to purchase two additional radar signs. It also includes funding to cover the City's half of the

cost to install sidewalks in Orchard Meadows to connect gaps in the sidewalk.

**REFUSE COLLECTION AND**

**DISPOSAL.** The City's will begin the second year of a five-year contract (July 2024 – June 2029) with Priority Waste, LLC. The contract calls for a monthly collection fee of \$18.98 with a \$5.00 administrative fee for a total of \$232.76 to be placed on tax bills.

**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 provides direction to Council and administration on projects such as the Social District and events such as the Christmas Cash Program and Community Tree Lighting. The EDC has been researching how other communities provide for murals.

**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 (\$65,247) from the Richmond Township Library Millage. This is the second year of the five-year millage renewal.

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

The City Council and Public Library Board hired AEW to provide the feasibility and costs for an addition to the Library and potential interior renovations. These services will be paid through the Minchella memorial funds.

**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 \$185,236 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 2038.

**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 40% of the equipment rental revenue this year

The **Street Improvement Fund** provides a set-aside that combined with the TIFA contribution is equal to 1.17 mills 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 \$600,000 annually to complete. Due to the previous downturn in the economy, the City never reached \$600,000. 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 2025-2026 Major Street budget includes \$126,000 to mill & overlay Gratiot from Main St to County Line. \$100,000 in TIP Grant funds were received for the project. The Major Street budget also includes \$394,000 to construct the Howard Street storm sewer outlet at Division & the CN RR tracks.

**LOCAL STREETS.** There are no major projects scheduled for the Local Street budget this year

**FIRE.** The Fire Department is operated utilizing volunteer firefighters. The proposed budget includes funding to pay firefighters \$20.00 per run. The budget includes funding to increase member pay for meetings, truck checks and training attended from \$5 to \$10. It also includes \$5 for any member including trainees who entering run reports into the system. The Budget includes funds to increase the RVFD Officers' pay to \$30 per run. Funds are included to send members to the Fire Department Instructors Conference (FDIC) in Indianapolis.

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

The FY2025/2026 budget includes funds to purchase turnout gear to continue ensuring that the members of the department have up to date gear. Funding is also included for the purchase of four (4) new radios. Funds have been allocated to pay for a "Chief's Radio" that has been purchased by the department for the Chief to carry.

The budget also includes \$110,000 to replace Squad 1 (2009) with a new Rescue 1. The purchase of this vehicle will come out of the equipment replacement fund rather than the General Fund to lessen this year's budget on the General Fund – Fund Balance.

FY2025/2026 will be the second year of a five-year Fire Contract with the Casco, Columbus and Richmond Townships. 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.** The current FY2025-2026 budget includes \$25,000 to install a temporary millings parking lot on the additional property at the Aud; \$38,000 to replace the Aud floor, \$30,000 to replace the Fire Hall garage doors; and \$100,00 to light Diamond C in the RLL complex.

The TIFA Budget also includes \$50,000 for tree replacement and brick paver work to replace/remove trees within the Granary Business District that have outgrown the street environment. Funding is provided to do maintenance on the downtown string lighting.

The TIFA fund balance is projected to be \$505,459 as of June 30, 2026.

**COMMUNITY DEVELOPMENT BLOCK GRANT.** Recently, Macomb County changed the administration of the County's

CDBG funds to allow for competitive applications from communities for the bricks and mortar allocations. The City's application for a FY2025/2026 project was moved forward to FY2024/2025 at the request of the County.

Our Public Service allocation will go to help pay a portion of the Senior Services Coordinator's wages (\$1,775) and to provide funds to Care House (\$900), Interfaith Volunteer Caregivers (\$265), MCREST (\$990), Turning Point (\$1,000).

**WWTP EQUIPMENT REPLACEMENT.**

The FY 2025-2026 WWTP Equipment Replacement budget includes \$180,000 to replace the Raw Sewage pumps, \$1,000,000 for construction of a Sludge Screw Press, and \$150,000 to rebuild the final clarifiers.

**DPW VEHICLE & EQUIPMENT REPLACEMENT.**

The FY 2025-2026 DPW Vehicle and Equipment Replacement budget includes a transfer in of 40% of the equipment rental revenues.

**SANITARY SEWER CONTRIBUTING CAPITAL.** There are no capital projects scheduled for the Sewer budget this year.

**WATER CONTRIBUTING CAPITAL** The FY 2025-2026 capital projects will be completed without transfers from the Water Contributing Capital budget.

**RECREATION.** The budget includes appropriations for a full-time Recreation Director, Recreation Programmer and Pool Director; along with seasonal recreation staff 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 the City Manager, City Treasurer

and Recreation Director reviewed the wages for part-time and summer staff positions within the Recreation Department to adjust for the new minimum wage laws.

The Recreation Fund is made up of the following “Departments” within the fund: 1) Parks and Recreation, 2) Community Center; 3) Swimming Pool and 4) Aud.

Funding (\$32,000) is included to replace the roof on the Community Center. Funds have been included to replace the backboards at the pool.

The City is researching costs and potential funding opportunities to replace the Tutkazanum after our DNR grant was denied.

**SANITARY SEWER.** There are no capital projects scheduled for the Sewer budget this year. The FY 2025-2026 budget includes a

decrease in the summer sewer discount from 15% to 10%.

**WATER.** The FY 2025-2026 Water budget includes a 3% increase to the commodity charge (water rate). The FY 2025-2026 Water Capital budget includes \$50,000 for roof replacement and general maintenance of the well house buildings.

### SUMMARY

The FY 2025-26 Budget is formulated conservatively with the top priority being establishing sound fiscal planning for operations and capital needs.

Sincerely,

Jon Moore, City Manager  
June 12, 2025