

**FISCAL YEAR 2019-20 ANNUAL BUDGET
EXECUTIVE SUMMARY**

Honorable Mayor and City Council:

I am pleased to present to you the FY2019-2020 Budget. The budget document represents the program strategies and resources formulated by City staff during the budget preparation process.

Administration has continued to prepare an annual City budget that is not only fiscally conservative but continues to move the City forward to achieve the Goals and Objectives of the City Council. As the general economy improves State tax law holds down the taxable value of properties preventing the City's revenues from recovering at the same rate as the general economy. For the fourth year in a row, the City's millage rate will see another Headlee roll back due to uncapped properties increasing the City's Taxable Value faster than the rate of inflation. These factors may create unrealistic expectations on how fast the City can recover from the cuts that it has made to its budget in the last several years.

The City Manager and City Treasurer continue to evaluate additional cuts to address the City's budget shortfall. The current budget incorporates a \$182,359 shortfall between revenues and expenditures. The proposed ending fund balance for June 30, 2020 is \$1,429,909 which is 33% of expenditures.

The budget includes a 2% wage increase for this year in accordance with an approved union contract and wage and insurance re-openers. However, the City is currently in negotiations with three of the City's unions (Teamsters, Patrol and Command).

The budget also includes recent and projected changes to minimum wage. On March 29, 2019 minimum wage increased from \$9.25 to \$9.45 and assuming that the unemployment rate stays below 8.5%, minimum wage will increase to \$9.65 on January 1, 2020

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 2019-20 continue to be reflected in the preparation of this budget:

- **Council Issue #1 – Promoting Industrial and Commercial Growth.** City Council and Planning Commission recently completed the update to the Community Master Plan. The Council, EDC, TIFA and City Administration are working with Macomb County Planning and Economic Development to update

the TIFA Plan to refocus the EDC and TIFA on both infrastructure and marketing programs. 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. Council, Planning Commission and the EDC will work with the MEDC as the City progresses 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. This year the City will continue to focus on the development of the rest of the industrial property at the end of Skinner Drive.

- **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, and the TIFA has allocated \$100,000 in the "Other Projects" line item to continue to develop parking areas and \$80,000 in Streetscape that

may be used in part to install pedestrian bump-outs and other pedestrian safety tools. The City continues to replace deteriorated or lifted sidewalks to maintain pedestrian safety and the walkability of the community.

- **Council Issue #3 – Streetscape Implemented.** The Council and TIFA will be working to finalize the recommendations of the Streetscape Committee. Some of their recent accomplishments include new street furniture, a pedestrian bump-out, parking space painting, an across the road banner pole and flower pots. TIFA and administration are bidding out signage in the spring of 2019. A second across the road banner pole set is included in the FY2019/2020 budget. Administration is reviewing pedestrian safety tools including additional bump-outs and possible pedestrian signage and bollards.
- **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 through Route 1 of the Great Lake to Lake Trails.
- **Council Issue #5 – Orientation and Training for Members of Boards and Commissions.** The FY 2019-20 Budget includes appropriations for continued training and education for City Council, Planning Commission, TIFA and Board of Review. Administration will assist the City's boards and commissions in identifying and implementing

appropriate orientation and training programs.

- **Council Issue #6 – Code Enforcement.**

Administration intends to build on the progress made in recent years. The City Manager will continue to coordinate a team oriented approach to code enforcement through the Building, Planning and Police Departments. City Council will be reviewing additional ordinances for consideration of switching to civil infractions rather than misdemeanors. Due to the current Code Enforcement Officer being enrolled in the Macomb Public Service Academy, administration may need to recruit another code enforcement officer, possibly from Richmond Township.

- **Council Issue #7 – Technology.**

Administration completed the conversion to the BS&A financial software in FY 2017-18 and administration is continuing to find ways to do community outreach on the new services available. The FY2019-20 Budget includes funds for the annual maintenance of the City website. The City will continue to improve its social media presence. Administration is also reviewing city-wide technology expenses.

GENERAL FUND REVENUES

The FY 2019-20 Budget calls for a general operating ad valorem property tax levy of 16.2187 mills, of which an amount equal to 1.7 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 .093. This is the fourth year in a row that the City has had to reduce its millage rate due to the Headlee

Amendment. 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 \$8,098,291 to \$188,997,865 from this time last budget cycle (Source: March 2019 Board of Review). The Richmond Tax Increment Finance Authority will capture \$34,882,198 of the taxable value. One mill for general operating purposes is equal to \$154,488 after TIFA capture. (Last year one mill was equal to \$147,740) The City will realize \$2,505,593 in property tax revenues with a tax levy of 16.2187 mills, the proposed tax base sharing agreement would limit the TIFA capture by \$84,861 for a total tax revenue of \$2,590,455. An additional \$80,000 is budgeted for the 1% administration fee.

Residential property represents \$133,639,653 or 73% of the City's total taxable value an increase of \$6,448,557; commercial property represents \$39,030,873 or 20% an increase of \$746,111; industrial property represents \$5,935,439 or 3% an increase of \$327,523; and personal property represents \$10,391,900 or 4% an increase of \$576,100.

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 \$231,699,700 for FY 2019-20 (Source: March 2019 Board of Review), the value of property which can be taxed will be \$188,997,865. The FY2019-20 loss of tax revenue from Proposal "A", based on a 16.2187 mill tax levy, would be \$692,568.

Meanwhile, State revenue sharing from sales tax has decreased considerably from the FY 2001-02 Budget of \$684,707 to \$573,320 in FY 2019-20, a decrease from FY2001-02 of \$111,387 which would be the equivalent of just less than one general operating mill. State shared revenues have increased slightly this year. Sales tax revenue sharing fluctuates, sometimes dramatically, with changes in the economy, making it a very unstable revenue source. It must also be remembered that during the previous few years, the State legislature has eliminated the income tax, single business tax, and inventory tax revenue sharing payments to municipalities. It should be noted that the Michigan legislature continues to look at revenue sharing and has made changes to personal property tax that impact General Fund operating revenues.

Although property tax revenues have slightly increased from the previous year, the General Fund Budget still has a shortfall. 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 FY2018-19 by \$98,441 (18%). The budget calls for extending this agreement one additional year to limit the TIFA capture by \$84,861 in FY2019-20 (15%). The current General Fund Revenue line items include the limits on the TIFA capture.

The shortfall between revenues and expenditures in the City budget is \$182,359. The City's General Fund – fund balance is able to accommodate these purchases and the City will still end the fiscal year in sound financial shape.

The current proposed budget calls for a June 30, 2020, ending fund balance of \$1,429,909, which is 33% of total expenditures in the General Fund.

GENERAL FUND EXPENSES

CITY COUNCIL. The FY 2019-20 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 FY2019-2020 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. The last three years the City has partnered with Richmond Community Schools to allow the Cable Coordinator to teach two TV & Broadcast Media classes 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. This year's Cable budget includes the funds to purchase additional cameras for the studio in City Hall.

CITY MANAGER. The City Manager's budget includes funding for an assistant position. The budget includes an appropriation for the City Manager's membership in the Michigan Local Government Management Association and the Michigan Society of Planning.

ELECTIONS. The budget for elections provides the resources necessary to conduct the November 2019 City Council Election and the March 2020 Presidential Primary Election.

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. The Assessor's budget include funds (50%) to purchase a shared laptop computer with the City Treasurer. The laptop will improve the Assessor's ability to answer questions and provide information at the Board of Review.

LEGAL SERVICES. The cost for legal services has declined dramatically over the several years since we began tracking these expenses in one department from more than \$90,000 in FY 2000-01 to a proposed appropriation of \$26,500.

CITY CLERK. The budget provides for the City Clerk's and Secretary/Receptionist's salary and benefits. 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 has increased the reimbursement line item to \$10,000 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.

The Assessor's budget include the remaining funds (50%) to purchase a shared laptop computer with the City Treasurer. The laptop will improve the Treasurer's ability to answer questions and provide information at the Budget Meetings with the City Manager and Department Directors as well as the Budget Workshops with Council.

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.

As City Hall/Police Post is now 25 years old, some items have been identified by administration that need to be replaced. Funds have been included in the Buildings & Grounds CHPD Budget as well as other funds to cover new furniture for the community room (\$15,000), landscaping (\$5,000), entry doors to the pole barn (\$2,000), ceiling fans for the lobby to help with heating issues (\$1,700) and converting the parking lot lighting to LED (\$20,000).

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. Funds have been included for the purchase of one new patrol vehicle (SUV). This is the second of three Ford Taurus vehicles to be replaced. Funds were added by the City Council to possibly hire one full time officer. There are some potential retirements in the next fiscal year, and Council felt it would be beneficial to hire one full time officer at this time. Administration would then track the additional benefit of this hire for further discussion.

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 for a part-time code enforcement officer. The City will continue to handle code enforcement functions primarily through the Police Department, however, the City Manager'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 part-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 funds for new remote door openers and a portion of the funds necessary to replace the remaining chain link fence along Beebe and Water Streets with black vinyl coated chain link. The Streets, Water, Sewer and TIFA funds will cover a portion of the fence.

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 2019-20 budget includes an appropriation of \$10,000 to potentially install new lights on Diane Lane and Richwood Lane on the portions of those streets that currently do not have street lights.

As part of the budget process, \$47,549 was added to the budget to purchase an age appropriate play structure for Beebe Street Park.

REFUSE COLLECTION AND DISPOSAL. In 2016, the City awarded a new five year contract extension to Waste Management, Inc. The current contract expires June 30, 2021. However, last year the City approved a \$0.50 recycling surcharge that allowed the City the option of ending the contract on June 30, 2020. The FY 2019-20 expected charge for waste collection, yard waste collection, and curbside recycling services will be \$16.86 per household per month plus the \$0.50 recycling surcharge. Property owners pay the fee with their summer taxes together with a \$5.00 annual administration fee for a total annual fee of \$207.32.

EMERGENCY MEDICAL SERVICES. EMS services are provided through a contract with Richmond-Lenox EMS (RLEMS). In the past, the City of Richmond pays a stipend to help offset the costs of service to residents. For the last three years, RLEMS maintained the City's contribution to EMS services at \$12,000. Instead of paying EMS the \$12,000, this amount was transferred from the General Fund to the Sewer Fund to pay back the expense of extending the sewer to

accommodate the new EMS facility built in 2016/2017. This year, the remaining \$1,285 will be transferred to the Sewer Fund. 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 contract with RLEMS.

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

The EDC created a Marketing and Promotions Committee that are becoming active in events such as this year's Christmas Cash Program at the Community Tree Lighting. They are also developing additional business brochures to enhance the Richmond Business Directory.

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 (\$50,000) from the new Richmond Township Library Millage. Council, the Library Board and Administration are working to restore funding levels and service hours. New service hours will begin September 2019.

The budget includes increases for library book purchases and other types of media, as well as an increase in the programming budget and operating supplies.

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 potential payment to Lenox Township for the Muttonville Urban Cooperation Act Agreement. Although the City is currently negotiating an extension of the agreement that expired last September, administration has used the terms of the old agreement to budget \$145,282 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 proposed agreement extension would extend the term to 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 **Recreation and Cemetery Funds** also receive transfers from the City's General Fund to allow for operations.

The **DPW Equipment Replacement Fund** continues to receive a transfer in from the General Fund of 30% of the equipment rental revenue this year. The equipment rental transfer prior to the economic downturn was 35% will be reinstated as the economy improves.

The **Street Improvement Fund** provides a set-aside that combined with the TIFA contribution is equal to 1.7 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 \$355,000 annually to complete. Due to a recent downturn in the economy, the City has not reached \$355,000. TIFA and the General Fund will transfer a combined \$260,000 this year.

OTHER FUNDS

MAJOR STREETS. The FY 2019-2020 Major Street budget includes funding for maintenance of the major streets within the City. This year's budget also includes a transfer of \$200,000, an increase from \$100,000 transferred last year. The increase is due to the number of local street projects scheduled for FY 2019-2020. Funds are allocated for crack sealing major streets and extending the concrete apron in front of the new salt bin.

LOCAL STREETS. The FY 2019-2020 Local Street budget includes \$400,000 to reconstruct 31 Mile Road, \$307,000 to reconstruct Madison Street and \$91,000 to mill and overlay Pierce Street from Main to Karen. Funds are allocated for crack sealing local streets and extending the concrete apron in front of the new salt bin.

FIRE. The Fire Department is operated utilizing volunteer firefighters and a volunteer chief who are paid \$18.00 per run. The budget also includes appropriations for medical screening of all Fire Department personnel, boots, replacement of damaged turn-out gear; extrication suits, SCBA fit test screenings as required by MIOSHA; funds to provide for truck maintenance; ladder and hose testing/maintenance, and training. This year's Small Tools and Equipment line item includes funding to purchase two new SCBAs with packs and masks for Ladder-2 and five replacement SCBAs. The budget includes funding for a new Fire Software System (Emergency Reporting) as the Department's current software system (Fire Tools) does provide for the reporting of medical calls to the State. The State is now requiring this of departments.

The proposed Fire Contracts with the Townships increase the Equipment Replacement Fund contributions made by each community from \$12,000 to \$12,500. The budget includes a transfer out to the General Fund to reimburse the City for 10% of dispatching costs.

CEMETERY. The FY 2019-2020 Cemetery budget provides for the seasonal part-time help for cemetery maintenance. The budget includes \$11,000 to update the Chapel including a new roof, siding and interior improvements.

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. Last year in FY2018-19 the capture was reduced to 18%

or \$98,441. This year's budget continues to decrease the limit on the TIFA capture to 15% or \$84,861 in FY2019-2020.

Once again funds are allocated for streetscape improvements, property acquisition/parking development and façade programs. TIFA will have a proposed fund balance of \$400,199 at the end of FY2019-2020.

COMMUNITY DEVELOPMENT BLOCK GRANT. Recently, Macomb County has changed the administration of the County's CDBG funds back to an annual allocation. Council approved using a majority of the funds to improve the main entry doors of City Hall with automatic door openers. Fifteen percent of the City's allocation will help pay a portion of the Senior Services Coordinator's wages and to provide funds to Turning Point (\$500), Macomb County Warming Center (\$300) and Care House (\$600).

WWTP EQUIPMENT REPLACEMENT. The FY 2019-2020 WWTP Equipment Replacement budget includes \$100,000 to install a grit classifier and cyclone, \$10,000 gate actuator, \$10,000 for boiler repairs and \$20,625 to convert the WWTP to LED lighting.

DPW VEHICLE & EQUIPMENT REPLACEMENT. The FY 2019-2020 DPW Vehicle and Equipment Replacement budget includes \$10,000 toward the purchase of a pick-up truck for the Recreation Department. It also includes funds to purchase a new mower and a blade for the gator. The budget includes a transfer in of 30% of the equipment rental revenues.

SANITARY SEWER CONTRIBUTING CAPITAL. The FY 2019-2020 Sanitary Sewer Contributing Capital budget has no

transfers this year as there are no sewer –projects scheduled.

WATER CONTRIBUTING CAPITAL The FY 2019-2020 budget includes a \$333,000 transfer to fund water improvements on South Forest and Armada Ridge Road for improvements to the lines servicing non-residents in this area. Prior to approving the projects, administration will present City Council with financing options to spread the cost to those non-resident customers.

RECREATION. The budget includes appropriations for Recreation Department salaries and wages. The Recreation Director position was restructured to a part-time Recreation Director working solely for the Recreation Department. The budget also includes appropriations for the community center, park property and equipment maintenance, Camp Richmond, and swimming pool operations, staffing, and maintenance. This year adjustments were made to the top positions in the pool and adjustments to account for the increase in minimum wage.

The budget includes funding for replace the large door going into the pump room at the pool (\$3,547), computers for the Community Center, Cameras and a portion of a Recreation Department pick-up (\$20,000).

SANITARY SEWER. The budget also includes \$235,848 in debt service and \$25,000 for manhole installations. These manhole improvements were identified through the work done under the SAW Grant. The budget does not include any increases in sewer fees.

WATER. The FY 2019-2020 Water budget includes a 3% increase to the usage fee for water. It also includes \$333,000 for the to

fund water improvements on South Forest and Armada Ridge Road for improvements to the lines servicing non-residents in this area.

The FY 2019-20 Budget is formulated conservatively with the top priority being establishing sound fiscal planning for operations and capital needs in a time of financial constraints.

SUMMARY

Sincerely,

Jon Moore, City Manager

June 10, 2019