

## FISCAL YEAR 2020-21 ANNUAL BUDGET EXECUTIVE SUMMARY

### Honorable Mayor and City Council:

I am pleased to present to you the FY2020-2021 Budget. The budget document represents the program strategies and resources formulated by City staff during the budget preparation process.

### ADJUSTMENTS FOR COVID-19

This year administration and City Council were tasked with preparing a budget that attempts to take into account the ongoing impacts of the COVID-19 pandemic. Some of the impacts from COVID-19 may be short term, while other impacts may take time to develop, such as the impact on the housing market. Nonetheless, the City has attempted to incorporate these impacts on both the revenue and expenditure side of the budget

On the revenue side of the budget, the remaining quarter of the state shared revenues and Act 51 funds were reduced by 20%. In the proposed FY2020-2021 budget the total state shared revenues and Act 51 revenues have also been reduced by 20% for the entire fiscal year (July 1, 2020 – June 30, 2021). The City also turned a critical eye toward other revenues such as building, zoning and traffic fees/fines. These have all been reviewed and in some cases adjusted to reflect potential impacts as we attempt to determine what the new normal will be at the federal, state and local level.

One thing to keep in mind for the upcoming budget is that property tax revenues will not be affected for the FY2020-2021 budget. Property values are set based on the sales

studies from the previous 2 to 3 years. Although property sales in the upcoming year may be affected by COVID-19, our current property tax revenues for FY2020-2021 have already been set. As this is our largest single component of revenues, the effects of COVID-19 are somewhat flattened due to this.

On the expenditure side, administration began by reviewing the remaining expenditures in the FY2019-2020 budget to determine if initial year end projections for June 30, 2020 were realistic. In some cases the City Manager and City Treasurer have adjusted these year-end projections to account for the impact of the closure of non-essential businesses due to COVID-19.

Administration and City Council then reviewed departmental budgets from a conservative approach. Some large projects have been pushed off to future years. Some projects that impact operations have been left in the budget.

Programs such as the summer programming in the Recreation Fund, including the Community Pool and Camp Richmond, have been maintained in the FY2020-2021 budget as well as the projections for the FY2019-2020 budget. We now know that Camp Richmond and the Richmond Community Pool will not be operational for the summer of 2022. As a result, the Recreation Board, City Council and administration will review the budget to see if these funds can be reallocated elsewhere in the park.

Although changes have been made to account for potential impacts of COVID-19 on the proposed budget, administration

believes we have prepared 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.

### **GENERAL BUDGET OVERVIEW**

As the general economy improved prior to the COVID-19 outbreak, 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 \$313,995 shortfall between revenues and expenditures in the General Fund. The proposed ending fund balance for June 30, 2021 is \$1,235,028 which is 28% of expenditures. The estimated reduction of 20% for State shared revenues contributed to the budget shortfall by \$119,600. Without the reduction in state shared revenue the budget shortfall is \$194,395.

The budget includes a 2.5% wage increase for this year in accordance with the approved Teamster Contract. The Police and Communications union's either have wage re-openers or have contracts that are up for renewal on July 1<sup>st</sup>.

The budget also includes a projected changes to minimum wage from \$9.65 to \$9.87 scheduled to begin on January 1, 2021. However, this change may not take place due to the change being contingent upon the unemployment rate staying below 8.5%. If the unemployment rate is over

8.5%, the minimum wage will stay at \$9.65 on January 1, 2021

Although Administration would be more comfortable without a budget deficit, the City is still projected to have a fund balance of 28% of expenditures on June 30, 2021. This fund balance includes the changes that we have made to revenues and projected expenditures due to COVID-19.

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 2020-21 continue to be reflected in the preparation of this budget:

- **Council Issue #1 – Promoting Industrial and Commercial Growth.** Both the Community Master Plan and the TIFA 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. 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.

- **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 \$160,000 in the "Other Projects" line item and \$110,000 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.

Funds have also been earmarked in the TIFA Budget for engineering work on downtown parking areas with a particular emphasis on the parking directly behind the commercial buildings.

- **Council Issue #3 – Streetscape Implemented.** This past year Council and TIFA approved the installation of additional signage identified by the Streetscape committee as well as approving the second set of across the road banner poles.

As discussed at the joint meeting between the City Council and TIFA, the priority this year is to come up with an engineering plans for improvements to the two existing municipal parking lots in the North Business District. These plans will include a review of utilities within the parking areas and improvements that would go up to and include rear entrances to the buildings. Administration has also included funds to review the private parking lots on the east side of Main Street between Monroe and Park Streets. The deliverable for this work will be engineered plans to present to all businesses adjoining the parking lots, to then include the projects in the FY2021/2022 budget with some level of contribution from the businesses.

- **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 2020-21 Budget includes appropriations for continued training and education for City Council, Planning Commission, TIFA and Board of Review. Administration was developing a potential workshop just prior to the COVID-19 outbreak with a professor from the MSU Extension office. Once social distancing is relaxed, we will try to set this up again.
- **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.
- **Council Issue #7 – Technology.** In FY2020-2021, 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 FY2021-22 Budget includes funds for the annual maintenance of the City website. The City will continue to improve its social media presence. This year’s budget includes funds to switch City Hall to Windows 10. Many of the City Hall computers are so old, they cannot be upgraded.

**GENERAL FUND REVENUES**

The FY 2020-21 Budget calls for a general operating ad valorem property tax levy of 16.0873 mills, of which an amount equal to

1.63 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 0.1314. This is the fifth 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 \$5,637,306 to \$195,007,462 from this time last budget cycle (Source: March 2020 Board of Review). The Richmond Tax Increment Finance Authority will capture \$35,960,320 of the taxable value. One mill for general operating purposes is equal to \$159,047 after TIFA capture. (Last year one mill was equal to \$158,672) The City will realize \$2,558,639 in property tax revenues with a tax levy of 16.0873 mills, the proposed tax base sharing agreement would limit the TIFA capture by \$86,776 for a total tax revenue of \$2,645,415. An additional \$82,000 is budgeted for the 1% administration fee.

Residential property represents \$139,899,027 or 72% of the City’s total taxable value an increase of \$6,259,374; commercial property represents \$39,984,514 or 21% an increase of \$686,559; industrial property represents \$6,168,421 or 3% an increase of \$174,673; and personal property represents \$8,955,500 or 5% a decrease of \$1,483,300.

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 \$244,291,700 for FY 2020-21 (Source: March 2020 Board of Review), the

value of property which can be taxed will be \$195,007,462. The FY 2020-21 loss of tax revenue from Proposal “A”, based on a 16.0873 mill tax levy, would be \$792,850.

Prior to COVID-19, State revenue sharing from sales tax, was projected to be just \$86,707 less than our all-time high number from FY2001-02, showing that the economy was getting closer to the pre-recession levels. However, administration has reduced the projected number by 20% for the next fiscal year due to the impact of COVID-19. This has reduced the projected revenue sharing number this year by \$119,000.

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 FY2019-20 by \$98,441 (15%). Although City Council and TIFA have discussed lowering this percentage each year; due to the impact of COVID-19, the budget calls for extending this agreement another year and continuing to limit the TIFA capture by \$86,776 in FY2020-21 (15%). 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 \$313,995. The current proposed budget calls for a June 30, 2021, ending fund balance of \$1,235,028, which is 28% of total expenditures in the General Fund.

**GENERAL FUND EXPENSES**

**CITY COUNCIL.** The FY 2020-21 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 FY2020-2021 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 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. This year's Cable budget includes the funds to improve the studio set pieces.

**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 August 2020 Primary Election and a November 2020 Presidential 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.

**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 \$26,000.

**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 budgeted \$10,000 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.

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 the replacement of outdated fitness equipment (\$3,000) and funds to cover the Pole Barn Roof replacement (\$9,750). The equipment acquisition account also has funds (\$12,000) to cover upgrades to computers for Windows 10 compliance. Some of the computers at City all are obsolete and cannot be upgraded.

**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 third of three Ford Taurus vehicles to be replaced. Funds were kept in the budget to hire one additional full time officer that was originally approved in last year's budget.

**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 a portion of the funds necessary to upgrade electrical service and drainage improvements in the DPW yard. The Streets, Water, Sewer and TIFA funds will also cover a portion of the upgrades. These improvements are necessary for a potential DPW Barn project. Although the barn project is not contained in this fiscal year, it is planned for the FY2021-2022 budget. These improvements to the DPW yard this year will not hinder anything should the barn project be delayed. This will allow us to review the impact of COVID-19 before moving forward with the barn project next year.

**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 2020-21 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.

**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. Based on reviews of bid prices that other communities are getting currently, administration is recommending continuing with Waste Management through 2021. The FY 2020-21 expected charge for waste collection, yard waste collection, and curbside recycling services will be \$17.36 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 \$219.32.

**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. 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 this year's Christmas Cash Program at the Community Tree Lighting. This year the committee is looking to build

upon the success of last year's Christmas Tree Lighting and Santa Parade. 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 (\$51,000) 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.

**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 \$146,307 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 **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 30% of the equipment rental revenue this year. A potential increase to 35% has been put on hold due to potential revenue impacts of COVID-19.

The **Street Improvement Fund** provides a set-aside that combined with the TIFA contribution is equal to 1.63 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. The Public Service Director through the Macomb County Federal Aid Committee has also received 80% federal funding for streets such as Division Road and Ridge Street.

## **OTHER FUNDS**

**MAJOR STREETS.** The FY 2020-2021 Major Street budget includes \$43,000 to mill and overlay Ridge Street (matching funds) and \$142,000 to overlay Howard Street. This year's budget also includes a transfer of \$100,000 to the local street fund. Funds are allocated for crack sealing major streets.

**LOCAL STREETS.** The FY 2020-2021 Local Street budget includes \$200,000 to reconstruct Seymour Street. Funds are allocated for crack sealing local streets.

**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 has been increased by \$4,000 and includes funding to purchase two new SCBAs with packs and six replacement SCBAs and rebuilt pack bottles among other items. The budget also calls for an increase of \$1,000 to the Community Promotions line item.

We are entering the second year of a five year Fire Contract with the Townships. The first two years of the contract call for a \$12,500 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 FY 2020-2021 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. Last year in FY2019-20 the capture was reduced to 15% or \$98,441. Due to COVID-19, this year's budget continues to limit the TIFA capture by 15% or \$86,776 in FY2020-2021.

Once again funds are allocated for streetscape improvements, property acquisition/parking development and façade programs. TIFA will have a proposed fund balance of \$367,206 at the end of FY2020-2021.

### **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. Council approved using a majority of last year's funds to improve the main entry doors of City Hall with automatic door openers. This year, the city will be submitting a grant application to install these door openers at

the Community Center. 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 (\$1,500), CARE House (\$600) and Interfaith Volunteer Care Givers (\$168).

**WWTP EQUIPMENT REPLACEMENT.**

The FY 2020-2021 WWTP Equipment Replacement budget includes \$100,000 to install a grit classifier and cyclone, \$150,000 to replace sludge screw pumps, and \$75,000 for electrical panel upgrades to the oxidation ditch and final clarifiers.

**DPW VEHICLE & EQUIPMENT REPLACEMENT.**

The FY 2020-2021 DPW Vehicle and Equipment Replacement budget includes \$14,000 to replace the dump box on the F350 and \$35,000 to purchase a wood chipper and box enclosure. The budget includes a transfer in of 30% of the equipment rental revenues.

**SANITARY SEWER CONTRIBUTING CAPITAL.**

The FY 2020-2021 Sanitary Sewer Contributing Capital budget includes a transfer of \$100,000 towards the purchase of a new Combination Sewer Cleaner truck.

**WATER CONTRIBUTING CAPITAL** The FY 2020-2021 budget has no transfers this year as there are no water projects scheduled.

**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.

Funds are included to repair/replace the center poles that hold up the fence between the skate park and full court basketball court. These poles have heaved over time. Funds are included to purchase 12 lounge chairs for the pool and to purchase 20 replacement folding chairs at the Community Center. Some of the folding chairs need to be replaced due to age and wear.

**SANITARY SEWER.** The FY2020-2021 Sewer budget includes a \$2.25 increase to the ready-to-serve fee for sewer. It also includes \$242,202 in debt service and \$340,000 for the purchase of a new Combination Sewer Cleaner truck.

**WATER.** The FY 2020-2021 Water budget includes a \$2.25 increase to the ready-to-serve fee for water. It also includes \$30,000 to install security fencing at Well #14 (33 Mile & Lowe Plank).

**SUMMARY**

The FY 2020-21 Budget is formulated conservatively with the top priority being establishing sound fiscal planning for operations and capital needs in a time of financial constraints. In light of the possible impacts of COVID-19 on the budget, the City must continue to be conservative in planning its revenues and expenditures.

Sincerely,

Jon Moore, City Manager  
June 8, 2020