

CALL TO ORDER:

Mayor Pro-Tem Hunsaker called the Regular City Council Meeting to order at 6:09 p.m. He led the pledge of allegiance.

ROLL CALL:

Council Members Present: Denise Donohue, Dave Hunsaker, Trevor VanDyke, and Jennifer Whitman

Excused: Matthew Cooper and Mark Kellogg

STAFF:

Daniel Coss, Lisa Grysen, and Bruce Ferguson,

AUDIENCE:

Mayor Leeming

AGENDA:

Motion by VanDyke, seconded by Donohue and carried by unanimous vote of the Finance Committee that **the agenda be approved as presented.**

APPROVAL OF MINUTES:

Motion by VanDyke, seconded by Whitman and carried by unanimous vote of the Finance Committee **to approve the minutes from the March 20, 2023, Finance Committee Meeting as presented.**

PUBLIC COMMENT:

None

NEW BUSINESS:

1. Review of the Fiscal Year 2023-2024 Budget for all City Funds:

In accordance with Article 12 of the City Charter, the Finance Committee was provided with the City Administrator's Proposed Budget for Fiscal Year 2023-2024 for the City of DeWitt. This budget document recommends a work program and financial plan for operating the City of DeWitt from July 1, 2023, to June 30, 2024. I would like to thank the staff for their effort and diligence in helping to present a fiscally constrained budget while preserving the services the residents of the City of DeWitt have come to expect.

The following narrative provides a brief outline of key elements comprising the proposed City budget for the upcoming fiscal year:

GENERAL FUND

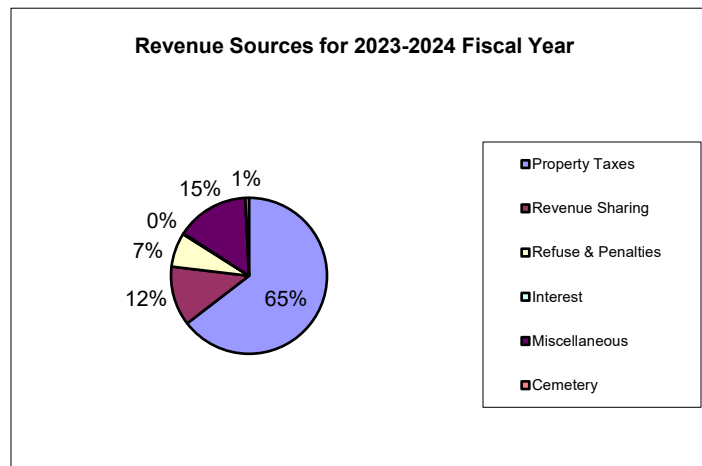
Revenues: The FY23-24 General Fund Budget has proposed continuing the current millage rate of 13.00 mills. Total revenues for the General Fund for Fiscal Year 2023-24 are expected to be \$3,754,306; a slight decrease of \$77,600 from the Fiscal Year 2022-23 Original Budget, which is attributed to removing the \$130,000 anticipated MNRTF Grant. Total revenues are expected to increase by approximately \$81,535 from FY22-23

The largest source of revenue continues to be property taxes. The FY 23-24 General Fund budget proposes total property tax revenues of \$2,452,600, which is an increase of \$52,800 from FY22-23.

The second largest source of revenue for the General Fund is State Shared Revenue. The budget estimates that the city will receive \$465,175 in revenue sharing for FY 23-24. Michigan Department of Treasury has the State of Michigan FY24 revenue estimates of \$523,052.00.

The Federal Covid Stimulus funding is not accounted for in the budget, which totals \$505,636. The funding has been received and Council has indicated spending 50% on the East Dill Drive Sewer Extension, 25% on playground equipment replacement, and 25% on street resurfacing.

The General Fund presented represents a balanced budget with an anticipated draw of \$93,640 from the General Fund Fund Balance at the end of the Fiscal Year.



Expenditures: Total General Fund expenditures for FY23-24 are budgeted at \$3,847,946. This is a slight increase of \$20,051.00 FY22-23 Original Budget.

Some points of interest in the General Fund are:

Council: The council budget is being proposed at \$32,940.00, which is being held flat from FY22-23.

Administrator: The administrator budget covers the City Administrator, Administrative Assistant. The proposed budget is \$272,203 a \$21,220 increase from FY22-23 due to wage increases.

Election: This is one of those categories that fluctuate as the number of elections can vary from year to year. The department budget has four (4) elections budgeted during the FY23-24 year. The budget for Elections decreased by \$436.00 from FY22-23.

Assessor: Normal operating costs for contracting Assessing are budgeted for a slight increase. The City signed a new contract with the City of Grand Ledge, effective April 1, 2021, that provided a four-year rate guarantee, which expires on March 31, 2025. Overall, the Assessing budget is increasing by \$1,340.00.

Clerk/Treasurer: The Clerk/Treasurer budget covers the Clerk/Treasurer and Administrative Specialist. The proposed budget is \$193,349.00, which is a decrease of \$9,577.

Building and Grounds: A variety of activities are funded from the Building and Grounds budget. Major expenses from this budget include payment to Granger Disposal for the refuse and recycling contract (\$328,380); transferring of funds to the Street Fund for street improvements (\$70,000); street lights (\$86,286), legal fees (\$40,000) and Bond Payment (\$140,000). The overall budget increased by \$56,695.00 from FY22-23.

Police Department: Total expenditures for the Police Department are anticipated at \$1,021,448, which is an increase of \$35,267 from the FY22-23 Original Budget. The increases are mainly due to wage increases and an increased hourly rate for PTE staff. The cumulative four-year average for part-time officers remains consistent at 2,400 hours per year. On July 1, 2022, the hourly rate for part-time officers increased to \$20.60.

Fire Department: The City's payment to the DeWitt Area Emergency Services Authority for FY23-24 will be \$217,000.00. This is an increase of \$14,000.00 FY22-23 Original Budget. The Authority presented its annual budget at a previous City Council meeting and indicated additional funds being used to cover increased hours for the Chief and Capital Improvement for equipment purchases. In addition to the payment to DAESA, \$1,000 is included in the Fire Department budget for the repair and maintenance of the building, which is owned by the city.

Planning: The Planning budget for FY23-24 is \$4,750, which is a decrease of \$8,000 due to less activity at the Planning Commission by our planning consultant.

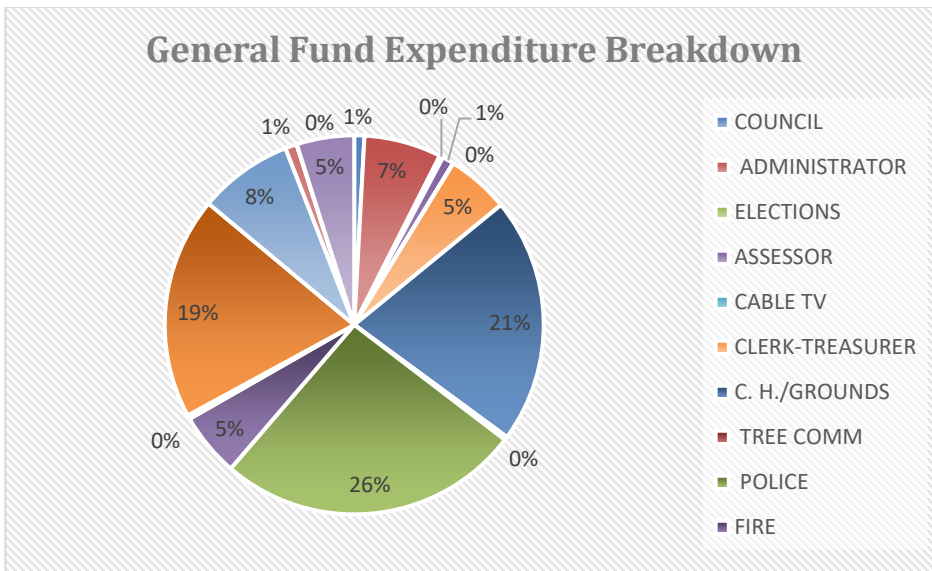
Public Services: The DPS proposed budget is \$793,587 which is an increase of \$71,414 from the FY22-23 Original Budget. The budget includes funds for an increase in part-time staff for leaf collection, \$50,000 for engineering/architecture services, and increased pension costs.

The Parks Facilities: FY23-24 operating budget is \$171,713 a decrease of \$134,292 from the FY22-23 Original Budget total. The FY23-24 Budget does include the City match for an LWCF Grant Application and the replacement of playground equipment at McGuire Park. The FY22-23 budget included the MNRTF grant match and a portion of Riverside/Sports Park improvements.

Recreation: The Recreation budget contains funds for paying the DeWitt Area Recreation Authority for providing recreation programming to City residents. The amount to be paid to DARA is estimated since they operate on a January 1st fiscal year. The DARA payment is proposed to be \$37,546.00, which is a slight increase from FY22-23. The actual costs are based in part on programming numbers, which reflect the number of City participants. The DARA budget is directly impacted by registration numbers, which are expected to increase from 2023 and will have a positive impact on DARA's operating budget.

Retiree Benefits: The retiree benefit budget is proposed to be \$183,129.00. The budget includes an annual payment of \$25,000 to the Retiree Health Care Trust Fund and a \$150,000 additional payment to the MERS Pension System. These payments are above and beyond the required City contribution to eliminate the City’s long-term unfunded liability. Coverage of the current City retirees and the OPEB audit are the remaining costs.

Fund Balance: Per previous budget years, the Council and Administration have shared the mutual goal of maintaining a minimum of 25% of a given Fiscal Year’s expenditures in the General Fund fund balance. Under the proposed budget the Fund Balance would be 44.45%, including transfers.



STREET FUNDS

Major Street Fund:

Revenues: Revenues for the Major Street fund come from the State of Michigan and are allocated based on a formula that includes; population (4,775) and miles of major streets (6.43). Revenues for FY23-24 are anticipated to be 389,200. Each category has a factor assigned and as revenue estimates come into the State they adjust the revenue estimates accordingly. Revenue estimates are posted on the Treasury website for Gas Tax Revenues. The Fund Balance is healthy at \$385,033.00.

Expenditures: The expenditures fluctuate as the street improvement projects may or may not take place on a “Major” street in a given year. The next project for the Major Street will be in FY25-26 for the East Main Street resurfacing.

Local Street Fund:

Revenues: Revenues are anticipated to be approximately \$357,500. Funds transferred to Local Streets from the General Fund and Major Streets are proposed to total \$175,000 and Gas Tax Revenue is estimated at \$180,000; for resurfacing and crack sealing. If approved, the Local Street’s Fund Balance would increase slightly by \$334.00. The remaining Fund Balance totals \$207,524 for the Local Streets Fund

Expenditures: Based on the comments from the Five-Year Budget Model, the Five-Year Transportation Plan will be implemented and the following streets are scheduled for resurfacing; West Dill, West Webb, Cedarwood, and Looking Glass Glen. Construction funds budgeted for the proposed street resurfacing, including design/construction engineering total \$273,000.00.

WATER AND SEWER FUND

Revenues: The largest source of revenue for the Water/Sewer Fund is sewer services. Based on ownership and flow rates at SCCMUA, quarterly sewer rates are proposed to increase two percent (2%) to 74.00 per REU. New construction is anticipated to generate approximately \$37,000.00 in hook-up fees. Total revenues are expected to increase by \$13,361, to \$751,617.00 for FY23-24

Expenditures: Operating expenditures are budgeted at \$1,485,055. The increase is due to allocating \$790,000 to the East Dill Drive sanitary sewer extension. Aside from the sewer extension project, the largest expense for the Water/Sewer Fund will continue to be SCCMUA expenses, which are projected at \$393,253.00 and do not include funds for the City's portion of the debt payment for the SRF project. Payment to SCCMUA covers the cost of treating the sanitary sewer generated in the city and the operation and maintenance of the City's sanitary sewer collection system. The Capital Outlay/Sewer line item contains \$15,000 for sanitary sewer repairs as recommended and prioritized in the SAW Grant.

The Fund Balance continues to remain healthy in the Water and Sewer Fund, approximately \$2.8 million. The City currently has approximately \$445,000 in Lift Station reserves with SCCMUA and approximately \$110,000 for treatment plant operations. The goal has been to continue to carry a healthy enough fund balance in the Water and Sewer Fund so that the City could offset any major capital expenses at SCCMUA.

MOTOR POOL FUND

Revenues: Motor Pool Fund revenues come in the form of rental income from other City funds that utilize the equipment owned by the Motor Pool Fund. Total revenues are estimated at \$278,331.00 remaining flat from FY22-23. The motor pool account is in a position to cover the proposed equipment purchases and has a balance of \$357,445.00 in retained earnings to assist with future equipment purchases.

Expenditures: Motor Pool Fund expenses are anticipated to be \$382,452.00 for FY23-24, which is an increase of \$24,042. This year the budget proposes the replacement of a large plow truck for

the DPW and a patrol vehicle in the Police Department. Other regular operating expenses contained in this budget have been adjusted to cover increases in labor and fuel. Traditionally, capital outlay expenses for the Motor Pool Fund are cyclical, which has an overall impact on the amount of Retained Earnings that the Motor Pool Fund carries.

GENERAL COMMENTS

User Fees/Rates: Quarterly sanitary sewer fees are proposed to increase by two-percent (2%) from \$72.54 to \$74.00. (Finance Committee made the recommendation to increase the quarterly fee to \$76.17 due to the large project that will be done at SCCMUA).

Proposed Refuse/Sewer Rates:

Refuse - \$48.28 (3.0%) Sanitary Sewer - \$74.00 (2%).

Finance Committee made the recommendation to increase the quarterly fee to \$76.17 (5% increase) due to the large project that will be done at SCCMUA).

Total Bill (after reccomdation) = \$124.45 – 4 % increase

Current Refuse/Sewer Rates:

Refuse - \$46.87 Sanitary Sewer - \$72.54

Total Bill = \$119.41

Wages: The proposed budget includes a 3.0% wage adjustment for all full-time union and non-union employees.

Debt: The current City debt during FY23-24 (including principal and interest) totals \$3,046,418.00. Of this amount, approximately \$132,000 in principal and interest will be paid during this fiscal year. The City has a total per capita debt of approximately \$637.86 for FY23-24. The City's debt load is due to the bonding for the construction of a new city hall. The Debt Schedule is contained in the budget book and highlights the next ten (10) years of required debt payments.

ADJOURNMENT:

Motion by Whitman, seconded by VanDyke and carried by unanimous vote of the Council that **the meeting be adjourned at 7:26 p.m.**

Respectfully submitted,

Lisa M. Grysen
City Clerk-Treasurer

David Hunsaker
Mayor Pro-Tem