2020 Fire and Police Pension Millage Informational Meeting

Election day March 10, 2020
Introductions

- Mayor Bob Paul
- Mayor Pro Tem Joe Rozell
- Commissioner Jeff Jenks
- Commissioner Jules Olsman
- Commissioner Michelle Elder
- Nick Gruber, Budget Committee Chair
- Amy Sullivan, City Manager
- Tim Rowland, Finance Director
- Cheryl Gregory, Rowe Professional Services
- Jaymes Vettraino, Vettraino Consulting
City’s Financial Outlook

• City taken steps to reduce costs
• Pension for new hires is defined contribution
• Retiree health insurance for new hires eliminated
• Full-time position at the Recreation Center replaced with a part-time position
• Employee health insurance benefits modified
• Aging infrastructure needs to be addressed
• Currently levying the charter maximum millage
• State unlikely to provide any financial resources
• MML SaveMICHCity is a campaign to educate Michigan residents, decision makers, and businesses about how municipalities are funded in our state and why the current system does not work for our communities.
Revenue Sharing

Change in Municipal Revenues From State Sources

50th
Long Range Budget & Planning Committee

- City budget is balanced and City has a very good bond rating
- Commission concerned that the long-term projections to maintain current level of services is not sustainable given fiscal constraints
- City Commission appointed residents to ad-hoc budget committee in 2018
- Committee asked to review the city’s long-term financial health
- Also charged with making a recommendation on a long-term plan to reconstruct the remaining roads and fund the last phase of sewer repairs
Long Range Budget & Planning Committee Recommendations

- Library – consider alternative revenue sources through dedicated millage

- Recreation – conduct fee study to determine true cost of providing programs and set rates accordingly

- City Hall – study IT operations for possible efficiencies and create more robust online presence

- Public Safety & Public Works – continue to look for opportunities to share costs of service delivery
Recommended Sewer Improvement Plan

• The total project cost is estimated at $14.9 million

• City pulls from several revenue sources including fees collected as a part of resident water bills and the issuance of voter approved bonds

• Additional funds still required to complete the remaining work

• This spring, a 20-year capital improvement bond will be sold
Recommended Sewer Improvement Plan

• The bond payment will be paid back through a separate Sewer Bond Repayment Fee that will be added to water bills starting in April.

• The rate for the separate fee is $2.35 per unit of water (1 unit = 100 cubic feet) in 2020.

• Average increase of $48/quarter.
Recommended Road Improvement Plan

• City had the roads rated based on condition

• 45% of interior roads considered in “poor” condition

• Committee reviewed several scenarios to improve overall condition of roads with consultants

• New road plan requires dedicated source of revenue
Questions?

• Any questions on the Long Term Budget & Planning Committee recommendations?