

BUDGET WORKSHOP

TUESDAY, MAY 7, 2019

5:30 PM

A budget workshop of the Council for the City of Grosse Pointe Park was held on Tuesday, May 7, 2019, and opened with the Pledge of Allegiance to the Flag.

The following were present: Councilmembers Clark, Read, Chouinard, Robson, Detwiler, and Grano, and Mayor Denner

Also present: Dale Krajniak, City Manager, and Jane M. Blahut, Finance Director/Clerk, and Nick Sizeland, Assistant Manager

BUDGET OVERVIEW

City Manager summarized the general fund budget stating that tax values increased by 2.4% increasing tax revenue from \$6,250,953 to \$6,399,293. The 2019 taxable value is \$616,727,728, representing a \$26,086,368 increase in value.

The tax rates are as follows:

	<u>2018</u>	<u>2019</u>
Operating	\$11.2089	\$11.0654
Rubbish	1.6594	1.6381
Road Millage	1.7500	1.0000
Public Safety Millage	2.7195	2.6846
Communications	.0850	.0812
Bond debt	<u>1.0040</u>	<u>.9400</u>
Total	\$18.4268	\$17.4093

The overall tax rate was reduced by \$1.01 per \$1,000 of taxable value. He also noted the sewer separation debt has been paid off and the special assessment that has been included on the winter tax has been eliminated.

City Manager stated the majority of the budget is public safety and parks/recreation. He noted staff levels have remained the same.

Included in the fringe benefit accounts, health insurance increased \$240,000. The pension annual required contribution was reduced by approximately \$200,000 due to the plan design modifications through contract negotiations. In fiscal year 2019 an additional \$400,000 was paid in to the MERS surplus fund. For fiscal year 2020, the annual required payment was reduced and an additional \$200,000 is included in the budget and will be directed in to the surplus fund.

Workers compensation increased \$80,000 due to the public safety injuries incurred during the year.

City Manager stated within the major and local street funds, there is \$600,000 allocated within each fund for road resurfacing.

City Manager noted Included below are the capital improvements scheduled for fiscal year 2020

Masonry restoration for the garage at Patterson Park	\$	10,750
Staircase to Lavin's Center Deck		10,000
Floating Docks – Kayaks		10,000
Kayak Racks		7,500
Park & Rec grills/chairs		10,000
25 ton press – public works		4,000
Doors at Lift Station		10,000
In car videos		19,100
Computers – IT		18,295
IT Right Annual Contract		17,000
Equipment Computer System		16,892
Equipment – lawn and garden		2,500
BSA Software		5,400
Lease – postage		2,000
Lease – xerox		9,000
Fitness Center Equipment Lease		20,000
Cabinet sandblaster		1,600
ICP Tabulator/8 cases & 1 printer (voting)		6,000
Vehicles public safety		63,000
Public Safety Extrication Equipment		21,000
Patrol Vehicle Equipment		16,000
Fire Turnout Gear		19,900
Installment Purchase Principal		82,181
Interest		42,000
Parking Improvements		36,000
MDI – HVAC Update Park & Rec		5,000
Landscape – Consulting Storage		55,375
Website – Revize		15,500
Camera at the Lindell Lodge		1,150
Tompkins Center Chairs		9,600
Commercial stove at Tompkins Center		10,000
Wallpaper Lavin's Center		15,000
Electric Charging		25,000

City Manager stated Great Lakes Water Authority has increased rates approximately \$97,090. The administration recommends the increase be passed on through flow rates. The current rate is \$3.64 per 100 cubic feet (700 gallons of water) and the proposed rate is \$3.80

Within the water bill, the recycling charge of \$4.24 is assessed on each water bill. The city expends \$10,000 more in recycling fees than billed to the homeowner. The administration recommends the flat rate recycling charge of \$4.24 be increased to \$4.64 per water billing cycle in order to collect what is paid out.

City Manager stated the marina rates have been increased by 1%. The revenue is reduced due to the vacant wells within the marina.