

# CITY OF BRIGHTON 2023-24 BUDGET

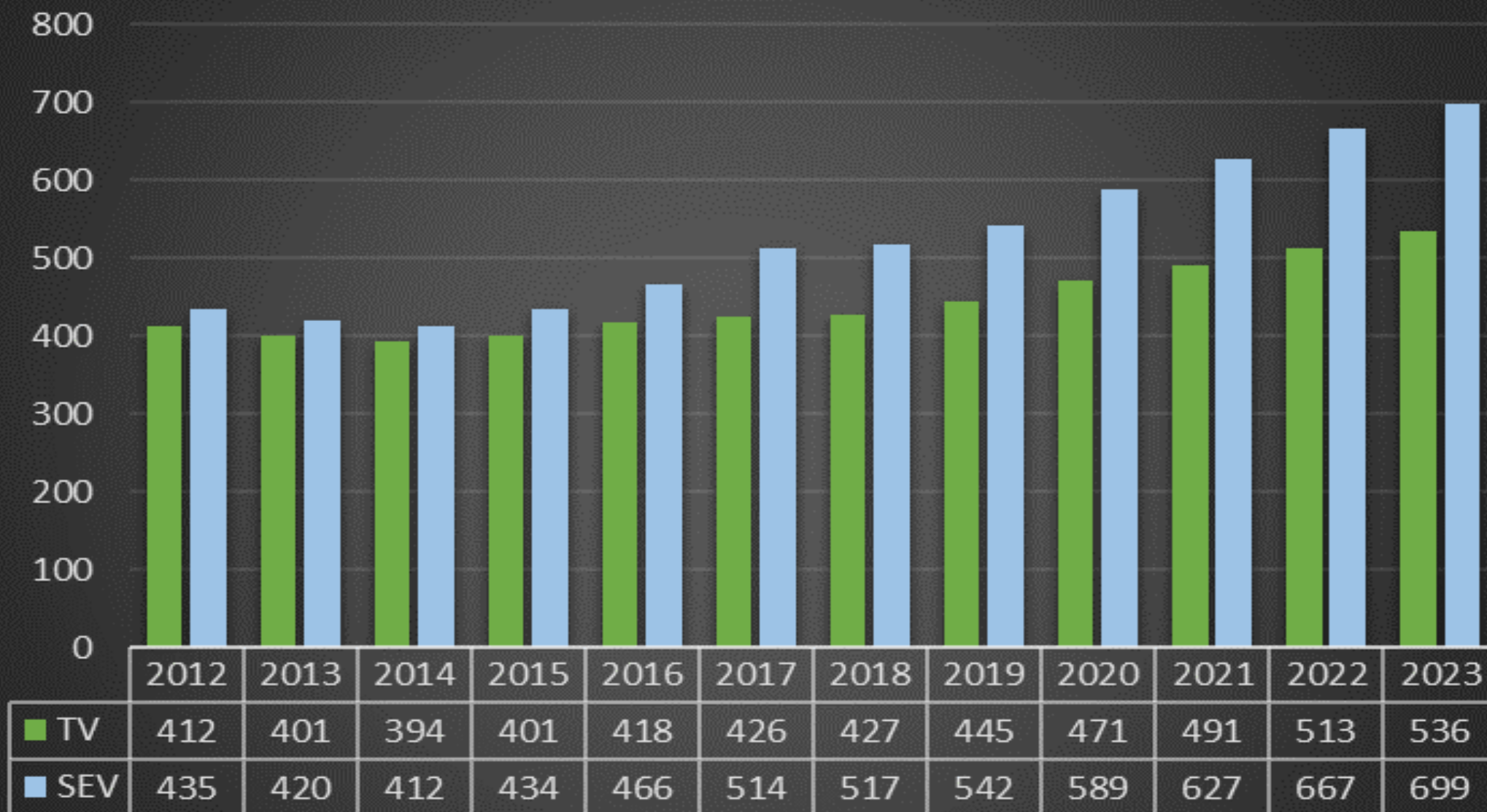
RECOMMENDED BUDGET

JULY 1, 2023 THROUGH JUNE 30, 2024





# CLOSING OUT YEAR ENDING JUNE 30, 2023





# Grant Opportunities 2022-23





- Grant Applications/Awards
  - MI Spark Grants (Still 2 Rounds of Funding) – For Pavilion Restrooms – 27 Letters of Support
  - Rep. Slotkin's Community Project Funding – Still in the review process.
    - Wastewater Treatment Plant -28 Letters of Support
    - Mill Pond Dam and Millrace – 27 Letters of Support
    - Tridge Maintenance & Repairs – 25 Letters of Support
    - Sidewalk Gap Program – 26 Letters of Support
  - SEMCOG TAP Grant - \$329,560 for Sidewalk Gap program
  - Recycling and Tree Grants
  - DWAM Grant \$218,000 – Awarded in prior year
  - Grand River \$1.8 Million – Awarded in prior year





# LOOKING BACK AT FISCAL YEAR 2022/2023

## GENERAL FUND PROJECTIONS

### 2022/2023 General Fund Projections

	Original Budget	Projection
Revenue	\$ 10,020,861	\$ 10,566,855
Expenditures	\$ 10,637,559	\$ 10,531,198
Use of Fund Balance	\$ (616,698)	\$ 35,657
Beginning Assigned and Unassigned Fund Balance (Audited*)	\$ 2,992,316	\$ 2,992,316
Ending Assigned and Unassigned Fund Balance	\$ 2,375,618	\$ 3,027,973
Assigned and Unassigned FB as a % of Op. Expenditures (**at Budget Adoption)	20%**	29%

# FISCAL PRESSURES STATUS

- FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE
- FISCAL PRESSURE II: UNDERFUNDED CAPITAL
- FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES



# FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE



## FISCAL YEAR 2022/2023

- ▶ COMPLETED NORTHWEST NEIGHBORHOODS
- ▶ STARTED GRAND RIVER
- ▶ STARTED SIDEWALK GAP PROGRAM DEVELOPMENT
- ▶ STARTED MAIN STREET STREETSCAPE PROJECT
- ▶ ENTERED INTO 3 YEAR SIDEWALK MAINTENANCE CONTRACT

# FISCAL PRESSURE II: UNDERFUNDED CAPITAL



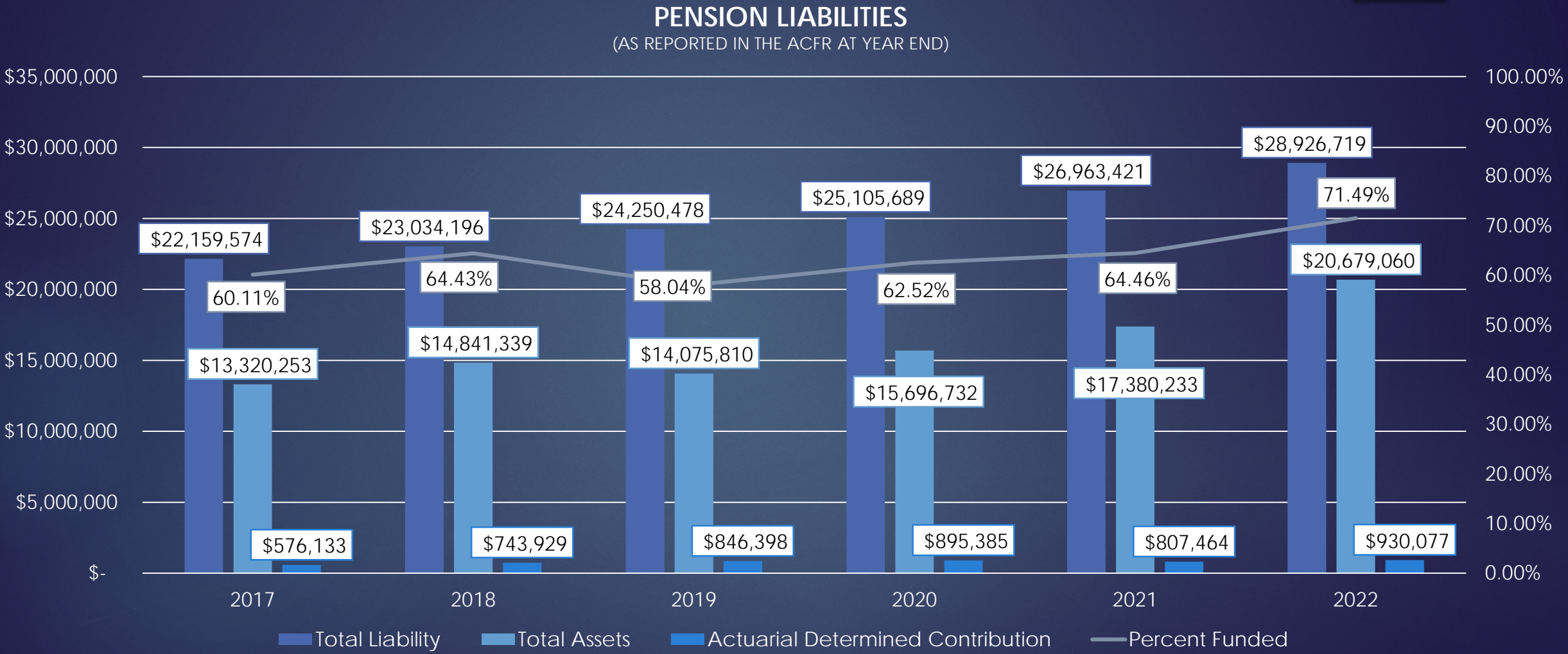
GENERAL  
FUND  
UTILITIES  
FUND

## FISCAL YEAR 2022/2023

- ▶ CAPITAL RESERVE FUND
  - ▶ THE “FIRST” MILL - \$475,000
  - ▶ FUNDING DEPRECIATION @ 10% - \$170,000
  - ▶ GENERAL FUND SUPPORT FOR SIDEWALK GAP -\$100,000
- ▶ UTILITY RESERVE FUND
  - ▶ PROGRESS HAS BEEN MADE
    - ▶ ACCUMULATED RESERVES USED FOR MAINSTREET WATERMAIN
    - ▶ BOND FUNDS , ARPA FUNDING, AND RATES
  - ▶ MORE WORK TO DO (THE SYSTEMS NEEDS ARE IMMENSE)
    - ▶ WASTEWATER TREATMENT PLANT

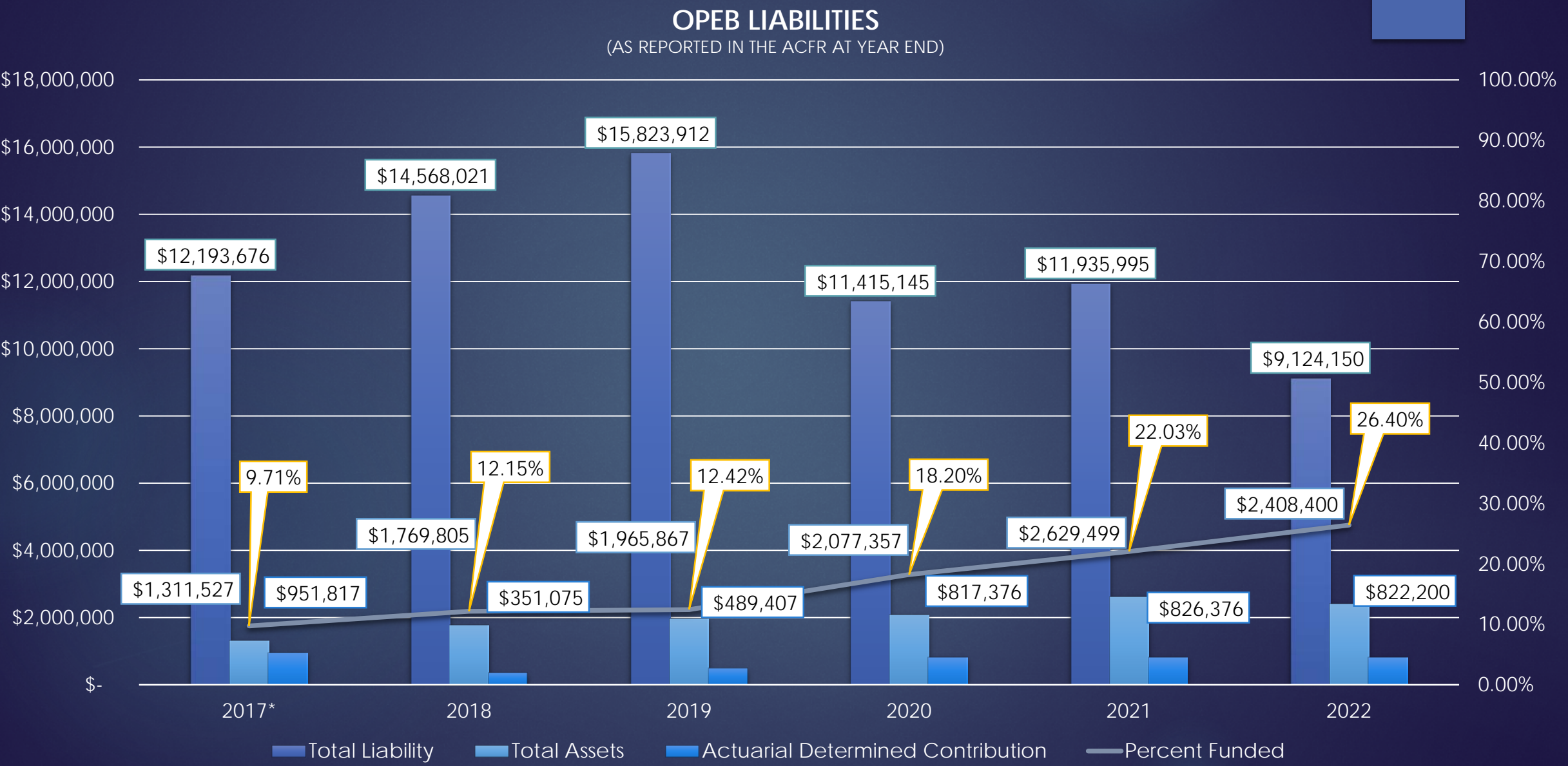


# FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES





# FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES





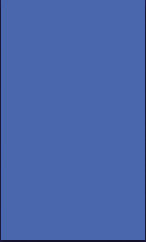


# FISCAL YEAR 2023/2024

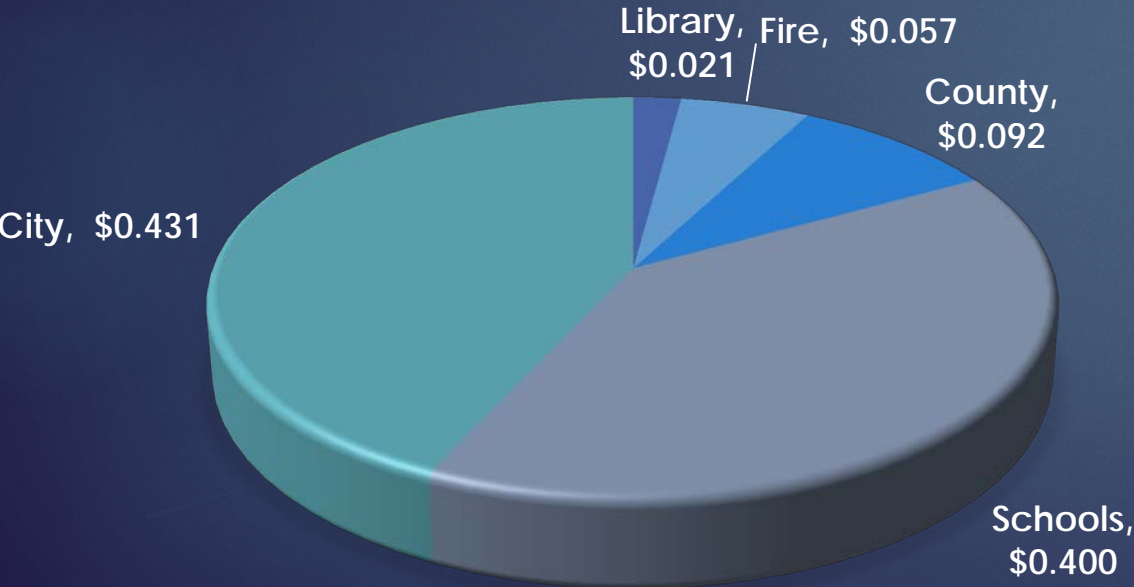
RECOMMENDED BUDGET



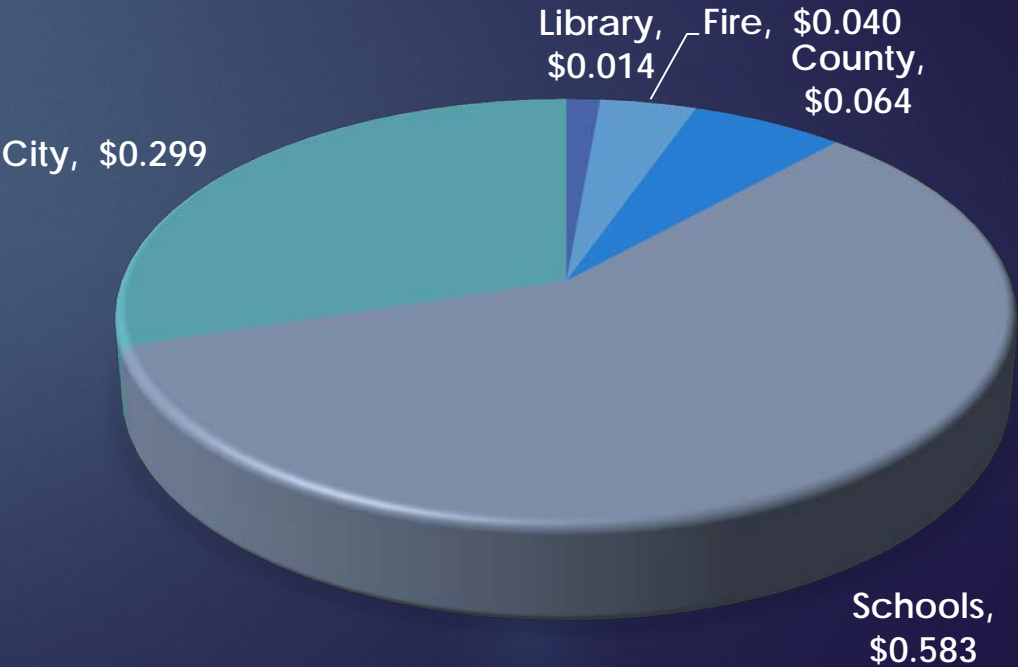
# TAX DOLLAR DISTRIBUTION – BASED ON 2022 LEVY



## RESIDENTIAL TAX DOLLAR DISTRIBUTION



## COMMERCIAL TAX DOLLAR DISTRIBUTION





# FISCAL YEAR 2023/2024: BUDGET CONTEXT

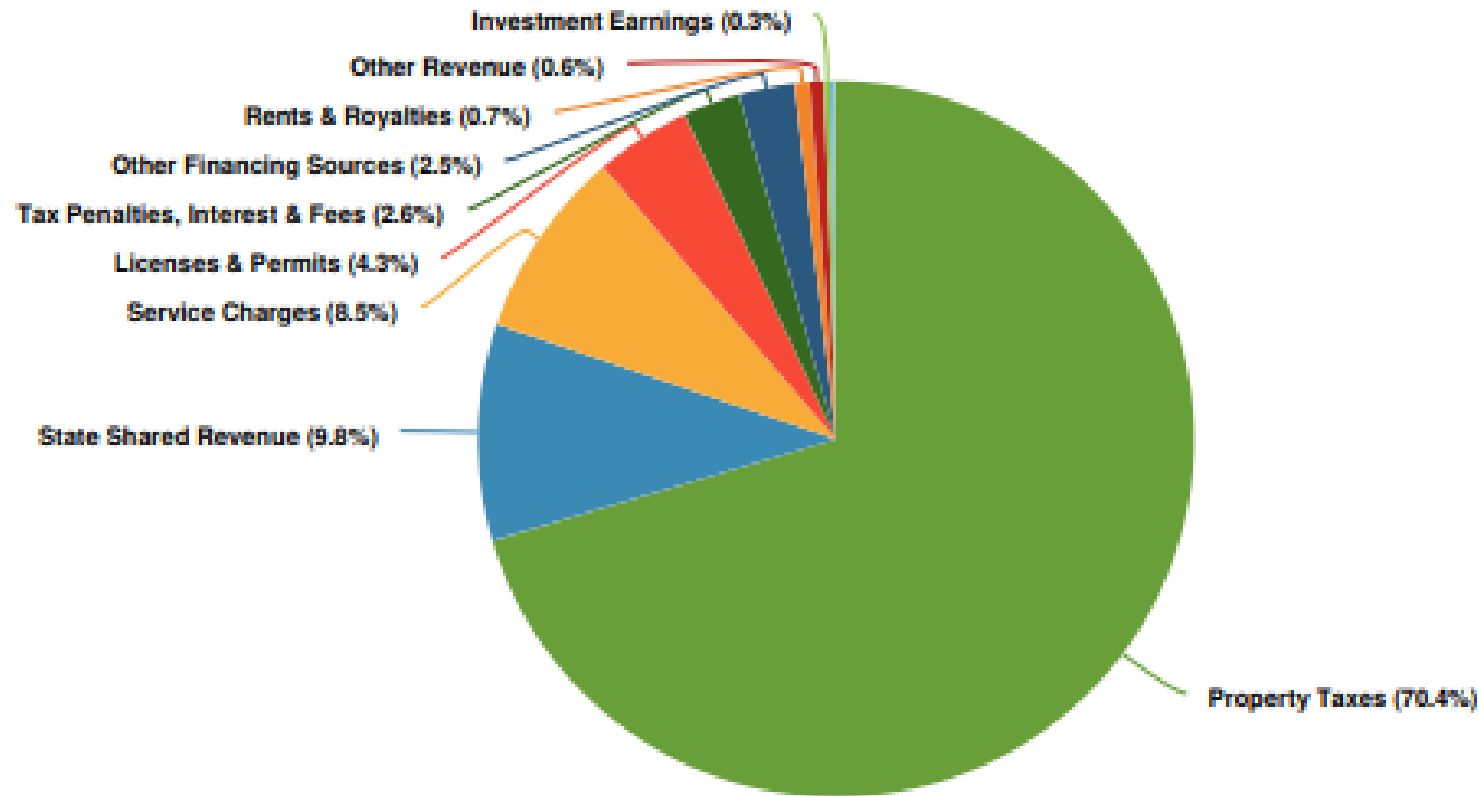
- ▶ PROPERTY VALUES
  - ▶ REAL PROPERTY INCREASED BY 5.78%
  - ▶ PERSONAL PROPERTY INCREASED BY 2.86%
  - ▶ INDUSTRIAL FACILITIES TAX DECREASED BY 6.8%
- ▶ REVENUE SHARING GROWTH - BUDGET INCREASED BY \$50,000
- ▶ ACT 51 REVENUE GROWTH – BUDGET INCREASED BY \$25,000
- ▶ STATE & FEDERAL GRANTS – CONTINUE SEEKING GRANT FUNDING – (NOT IN BUDGET)
- ▶ ECONOMIC DEVELOPMENT ACTIVITY - STALLED PROJECTS HAVE STARTED UP
  - ▶ INFLATION IN COSTS WILL LIKELY INCREASE FASTER THAN REVENUE
- ▶ 2023-2024 NO HEADLEE REDUCTION (PROJECTED)
  - ▶ 2022/2023 NO HEADLEE REDUCTION
  - ▶ 2021/2022 HEADLEE REDUCTION FRACTION - .9840
  - ▶ 2020/2021 HEADLEE REDUCTION FRACTION - .9834
  - ▶ 2019/2020 HEADLEE REDUCTION FRACTION - .9996



**\$10,491,207** **\$470,346**  
(4.69% vs. prior year)

## Revenues by Source

Projected 2024 Revenues by Source



FISCAL YEAR  
2023/2024  
RECOMMENDED  
BUDGET

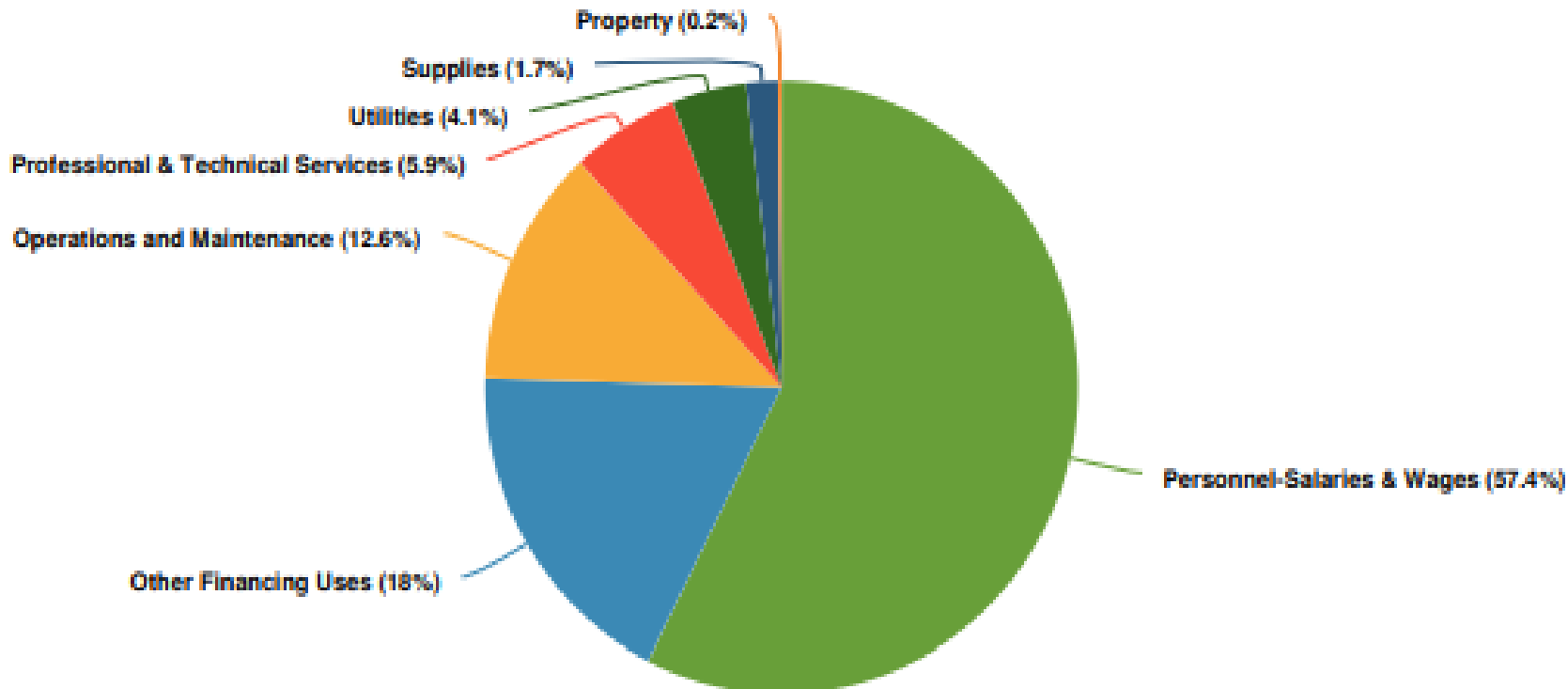
GENERAL FUND  
SUMMARY (REVENUES)



**\$11,103,411** **\$465,852**  
(4.38% vs. prior year)

## Expenditures by Expense Type

Budgeted Expenditures by Expense Type



FISCAL YEAR  
2023/2024  
RECOMMENDED  
BUDGET

GENERAL FUND  
SUMMARY  
(EXPENDITURES)



# ADDRESSING FISCAL PRESSURES: FISCAL YEAR 2023/2024

- FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE
- FISCAL PRESSURE II: UNDERFUNDED CAPITAL
- FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES



# FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE



- ▶ MAIN STREET STREETSCAPE
- ▶ GRAND RIVER PHASE II
- ▶ SIDEWALK GAP PROGRAM
  - ▶ \$329,560 IN SEMCOG TAP GRANTS
  - ▶ \$400,000 IN BOND FUNDING
- ▶ THREE YEAR SIDEWALK MAINTENANCE CONTRACT



# FISCAL PRESSURE II: UNDERFUNDED CAPITAL

## List of 2023-24 Capital Expenditures

### Capital Improvement Fund - Funded through Capital Reserve and 2021 Bond Funds

#### Administration (IT & Misc.)

Computer Replacements and Other Misc Iter	\$ 40,000
Microsoft 365	\$ 20,000
	<u>\$ 60,000</u>

#### Facilities

Hyne Street Parking Lot Compactors	\$ 57,500
DPW Storage Building Roof Replacement	\$ 50,000
DPW Storage Building Garage Conversion	\$ 40,000
Columbarium for Fairview Cemetery	\$ 30,000
DPW Office Building Improvements	\$ 125,000
Parking Lot Maintenance Program	\$ 75,000
Parking Lot Brick Replacement	\$ 20,000
	<u>\$ 397,500</u>

#### Vehicles

Plow Dump Truck	\$ 80,000
Turf Mower Replacement at Cemetery	\$ 15,000
Portable Hoist for DPW	\$ 40,000
Portable Power Washer Replacement	\$ 12,000
Litter Vacuum Replacement	\$ 60,000
Sign Making Equipment Upgrade	\$ 20,000
DPW Pick Up Truck Replacement Program	\$ 65,000
Mobile Light Station	\$ 10,000
	<u>\$ 302,000</u>



# FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES



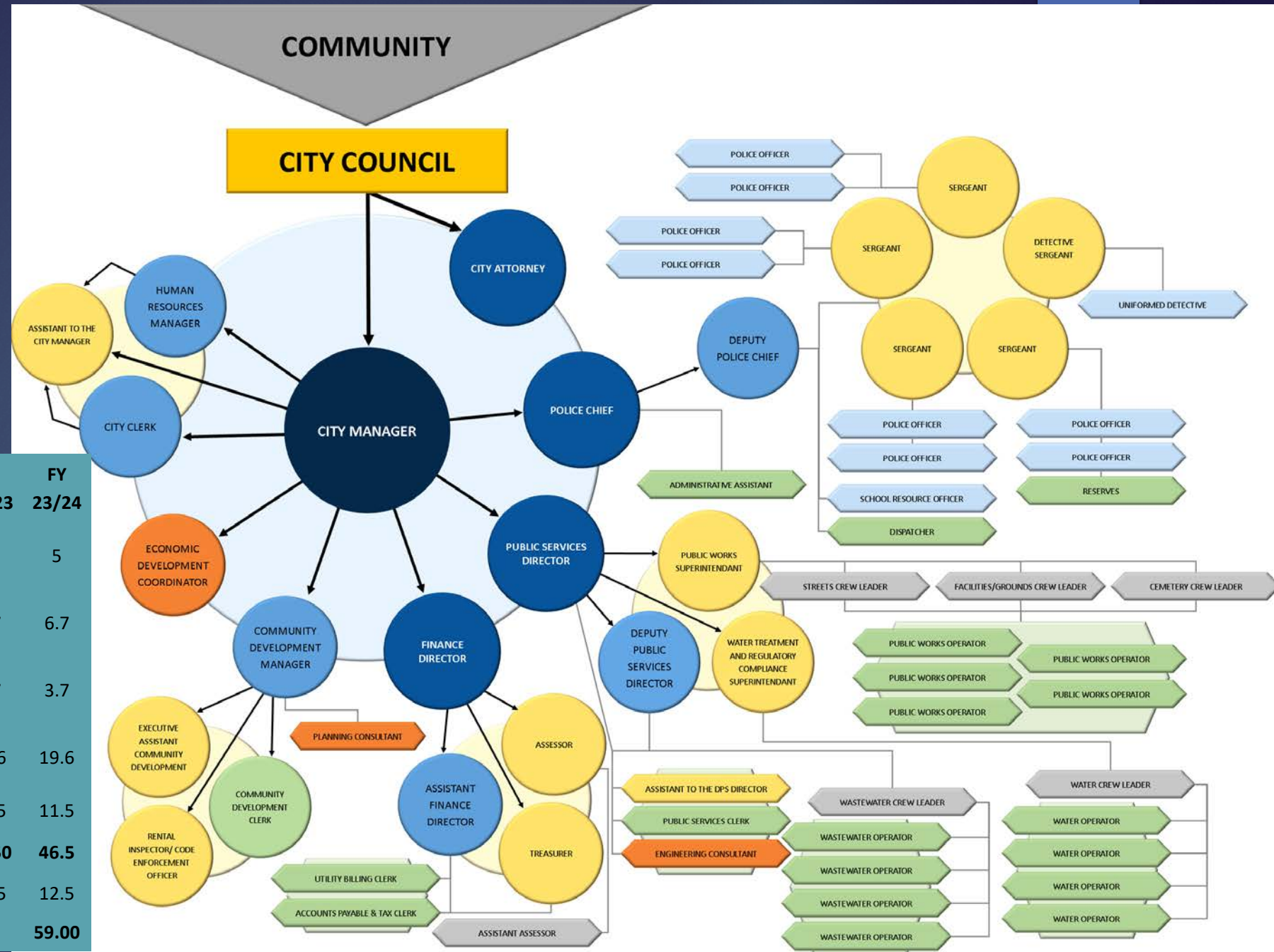
## CONTINUED UNFUNDED LIABILITY REDUCTION

- Prepayment of Annual Billing – higher interest in MERS than in a savings account
- Additional Pension Contributions
  - General fund +\$121,786 (Recommended)
  - Utilities Fund +\$28,214 (Recommended)



# STAFFING

FULL TIME EQUIVALENTS	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
ADMINISTRATIVE SERVICES	4	5	5	5	5
FINANCE DEPARTMENT	7	7	7	6.7	6.7
COMMUNITY DEVELOPMENT	3.7	3.7	3.7	3.7	3.7
POLICE DEPARTMENT	18.6	18.6	19.6	19.6	19.6
PUBLIC WORKS	10.5	10.5	11.5	11.5	11.5
<b>GEN. FUND TOTAL</b>	<b>43.80</b>	<b>44.80</b>	<b>46.80</b>	<b>46.50</b>	<b>46.5</b>
UTILITIES	10.5	11.5	11.5	12.5	12.5
<b>TOTAL</b>	<b>54.30</b>	<b>56.30</b>	<b>58.3</b>	<b>59</b>	<b>59.00</b>





Includes:

Additional Principal  
Payment on Unfunded  
Pension Liabilities = \$121,786

Transfer to DDA for  
Streetscape = \$680,000

3.0% COLA for All  
Employees.

New Manager/  
Management  
Team Building

## General Fund Six Year Financial Forecast

	FY 2022-23 <u>Adopted</u>	FY 2022-23 <u>Projection</u>	FY 2023-24 <u>Proposed</u>	FY 2024-25 <u>Forecast</u>	FY 2025-26 <u>Forecast</u>	FY 2026-27 <u>Forecast</u>	FY 2027-28 <u>Forecast</u>	FY 2028-29 <u>Forecast</u>
Revenue	10,020,861	10,566,855	10,491,207	10,547,831	10,729,375	10,926,611	11,138,689	11,366,124
Expenditures	<u>10,637,559</u>	<u>10,531,198</u>	<u>11,103,408</u>	<u>10,118,337</u>	<u>10,462,702</u>	<u>10,770,796</u>	<u>10,757,042</u>	<u>10,902,149</u>
Change in Fund Balance	(616,698)	35,657	(612,201)	429,494	266,673	155,815	381,647	463,975
Add: Beginning Assigned and Unassigned Fund Balance	2,341,310	2,992,316	3,027,973	2,415,772	2,845,266	3,111,939	3,267,754	3,649,401
Ending Assigned and Unassigned Fund Balance	<u>1,724,612</u>	<u>3,027,973</u>	<u>2,415,772</u>	<u>2,845,266</u>	<u>3,111,939</u>	<u>3,267,754</u>	<u>3,649,401</u>	<u>4,113,376</u>
Minimum Target Assigned/Unassigned Fund Balance (15%):	<u>1,271,731</u>	<u>1,407,084</u>	<u>1,334,323</u>	<u>1,376,517</u>	<u>1,464,419</u>	<u>1,482,592</u>	<u>1,504,321</u>	<u>1,523,744</u>
Assigned & Unassigned Fund Balance Over/(Under) Minimum Target Fund Balance	452,881	1,620,889	1,081,449	1,468,748	1,647,520	1,785,162	2,145,080	2,589,632
Unassigned FB as a % of Oper. Expend.	20%	32%	27%	31%	32%	33%	36%	40%





# FISCAL YEAR 2023/2024

RECOMMENDED UTILITY RATES

# UTILITIES FUND

## PROPOSED 2023/2024 UTILITY RATES

	FY 22/23	FY 23/24
Water per 1,000 Gallons	\$6.00	\$6.48
Sewer per 1,000 Gallons	\$6.86	\$7.55
Admin Bi-Monthly*	\$10.82	\$9.82
Debt Service 3/4 inch Bi-Monthly	\$24.60	\$23.42
Connection Fee Per REU		
Sewer	\$7,198	\$7,198
Water	\$2,802	\$2,802
Total	\$10,000	\$10,000



# ESTIMATED UTILITY BILL IMPACTS

	FY 2022-23 UNIT CHRG.	FY 2023-24 UNIT CHRG.	\$ VARIANCE	% VARIANCE	FY 2022-23 Bi-monthly Charge	FY 2023-24 Bi-monthly Charge	\$ VARIANCE	% VARIANCE
User Fees Based on 6,000 gallons								
Sewer -								
Commodity/1,000 gal.	\$6.86	\$7.55	\$0.69	10.1%	\$41.16	\$45.30	\$4.14	10.1%
Administration/Meter/Mo.	\$5.41	\$4.91	(\$0.50)	-9.3%	\$10.81	\$9.81	(\$1.00)	-9.3%
Debt/3/4" Meter/Mo.	\$12.30	\$11.71	(\$0.59)	-4.8%	\$24.60	\$23.42	(\$1.18)	-4.8%
Total	\$24.57	\$24.17	(\$0.40)		\$76.57	\$78.53	\$1.96	2.6%
Water -								
Commodity/1,000 gal.	\$6.00	\$6.48	\$0.48	8.0%	\$36.00	\$38.88	\$2.88	8.0%
Debt/1,000 gal.	\$0.00	\$0.00	\$0.00	0.0%	0%	\$0.00	\$0.00	0.0%
Total	\$6.00	\$6.48	\$0.48	8.0%	\$36.00	\$38.88	\$2.88	8.0%
TOTAL SEWER AND WATER BASED ON 6,000 GALLONS					\$112.57	\$117.41	\$4.84	4.3%

	FY 2022-23 UNIT CHRG.	FY 2023-24 UNIT CHRG.	\$ VARIANCE	% VARIANCE	FY 2022-23 Bi-monthly Charge	FY 2023-24 Bi-monthly Charge	\$ VARIANCE	% VARIANCE
User Fees Based on 8,000 gallons								
Sewer -								
Commodity/1,000 gal.	\$6.86	\$7.55	\$0.69	10.1%	\$54.88	\$60.40	\$5.52	10.1%
Administration/Meter/Mo.	\$5.41	\$4.91	(\$0.50)	-9.3%	\$10.81	\$9.81	(\$1.00)	-9.3%
Debt/3/4" Meter/Mo.	\$12.30	\$11.71	(\$0.59)	-4.8%	\$24.60	\$23.42	(\$1.18)	-4.8%
Total	\$24.57	\$24.17	(\$0.40)	-1.6%	\$90.29	\$93.63	\$3.34	3.7%
Water -								
Commodity/1,000 gal.	\$6.00	\$6.48	\$0.48	8.0%	\$48.00	\$51.84	\$3.84	8.0%
Debt/1,000 gal.	\$0.00	\$0.00	\$0.00	0.0%	0%	\$0.00	\$0.00	0.0%
Total	\$6.00	\$6.48	\$0.48	8.0%	\$48.00	\$51.84	\$3.84	8.0%
TOTAL SEWER AND WATER BASED ON 8,000 GALLONS					\$138.29	\$145.47	\$7.18	5.2%

	FY 2022-23 UNIT CHRG.	FY 2023-24 UNIT CHRG.	\$ VARIANCE	% VARIANCE	FY 2022-23 Bi-monthly Charge	FY 2023-24 Bi-monthly Charge	VARIANCE	VARIANCE
User Fees Based on 10,000 gallons								
Sewer -								
Commodity/1,000 gal.	\$6.86	\$7.55	\$0.69	10.1%	\$68.60	\$75.50	\$6.90	10.1%
Administration/Meter/Mo.	\$5.41	\$4.91	(\$0.50)	-9.3%	\$10.81	\$9.81	(\$1.00)	-9.3%
Debt/3/4" Meter/Mo.	\$12.30	\$11.71	(\$0.59)	-4.8%	\$24.60	\$23.42	(\$1.18)	-4.8%
Total	\$24.57	\$24.17	(\$0.40)	-1.6%	\$104.01	\$108.73	\$4.72	4.5%
Water -								
Commodity/1,000 gal.	\$6.00	\$6.48	\$0.48	8.0%	\$60.00	\$64.80	\$4.80	8.0%
Debt/1,000 gal.	\$0.00	\$0.00	\$0.00	0.0%	0%	\$0.00	\$0.00	0.0%
Total	\$6.00	\$6.48	\$0.48	8.0%	\$60.00	\$64.80	\$4.80	8.0%
TOTAL SEWER AND WATER BASED ON 10,000 GALLONS					\$164.01	\$173.53	\$9.52	5.8%

# FISCAL PRESSURE I & II: INFRASTRUCTURE AND UNDERFUNDED CAPITAL



## FISCAL YEAR 2023/2024

Water Total	\$1,387,000
Grand River & Side Streets	\$ 124,000
Replacement Entrance Sign at Challis Plant	\$ 20,000
Northstar Water Tower Fencing Installation	\$ 25,000
Well & Pump Repairs Challis & Pierce	\$ 53,000
Upgrade Transformer at Challis Plant	\$ 15,000
Pierce St Plant Permanent Closure	\$ 100,000
Replace Chlorine Booster Pumps at Challis Plant	\$ 15,000
Water SCADA System Upgrades	\$ 600,000
Northstar Booster Station Refurbishment	\$ 60,000
On Site Generators at Summit and Nelson St	\$ 100,000
Fire Hydrant Replacement Program	\$ 100,000
Valve Turner and Trailer Vacuum Truck	\$ 110,000
Pickup Truck	\$ 65,000



# FISCAL PRESSURE I & II: INFRASTRUCTURE AND UNDERFUNDED CAPITAL

FISCAL YEAR 2023/2024



Wastewater Total		\$1,651,822
Rehab Screw Pumps	\$	200,000
Rebuild Centrifuge Pumps	\$	30,000
Refurb Sludge Mixers	\$	60,000
Replace Flow Meters at Plant	\$	30,000
New Computer Workstations and Misc	\$	671
Rebuild Grit Pump at Plant	\$	25,000
Roof Replacement at Plant	\$	400,000
Sand Bed Improvements at Plant	\$	100,000
Empty and Clean Biosolids Tank at Plant	\$	10,000
Rebuild pumps at 3rd St. Lift Station	\$	30,000
Rehabilitation of Pine Creek Lift Stations	\$	470,000
Wastewater SCADA Upgrades	\$	600,000
Replace MTS at Oakridge Meadows Lift Station	\$	10,000
Replace Entrance Sign at Plant	\$	20,000
Parking Lot Improvements at Plant	\$	240,000





1,000 Gallons City Water  
= \$6.48 (8% increase over Prior Year)

EQUIVALENT COSTS FOR OTHER LIQUIDS  
AND % INCREASE OVER PRIOR YEAR

- ▶ Meijer Distilled Water = \$1,190
  - ▶ (1.19 per gallon – 19.19% increase)
- ▶ Dasani bottled Water = \$1,985
  - ▶ (6.29 per 24 bottle pack – 26% increase)
- ▶ Mountain Dew = \$5,595
  - ▶ (12.59 per 24 can pack – 26% increase)
- ▶ Starbucks Grande Café Latte = \$38,800
  - ▶ (4.85 per 16 oz – 32.9% increase)





# FISCAL YEAR 2023/2024: RECOMMENDED BUDGET

## NEXT STEPS

- ▶ MOTION TO SET BUDGET PUBLIC HEARING
  - ▶ THURSDAY, MAY 4, 2023
- ▶ BUDGET WORKSESSIONS
  - ▶ APRIL 12, 2023
  - ▶ APRIL 13, 2023
  - ▶ APRIL 14, 2023 (If Needed)