



OFFICE OF THE CITY MANAGER

8140 Main Street • Dexter, Michigan 48130-1092 • (734) 426-8303 • Fax (734) 426-5614

Memorandum

To: Mayor Keough and City Council
From: Courtney Nicholls, City Manager
Re: 2017-2018 Budget Updates and Draft 2018-2019 Future Projected Budget
Date: May 11, 2017

Provided for Council's review is an updated copy of the draft 2017-2018 budget and the draft 2018-2019 future projected budget.

New memos have been added to each section to outline the changes in the 2017-2018 budget and to provide comments on the 2018-2019 budgets. The model has also been updated.

Updates to Existing Expenses Impacting General Fund, Major/Local/Municipal Streets, Water and Sewer in the 2018-2019 Budget.

A 5% increase was used for health care and a 2% increase was used for wages (per union contract).

Memorandum

To: Mayor Keough and City Council
From: Courtney Nicholls, City Manager
Re: General Fund
Date: May 11, 2017

General Fund Revenue

Per Council's discussion at the May 3, 2017 work session, the 0.6581 mills previously needed for the GO Bond have been added to the General Fund. This generated \$136,300 in revenue for 2017-2018.

General Fund Expense

Changes/Updates to 2017-2018:

- The election equipment will not be ready for purchase until August 2017, so funds have been moved from the projected 2016-2017 budget to the 2017-2018 budget.
- The Dexter Lion's will consider assisting with funding the signage at Lion's Park at their May meeting.

Notes on 2018-2019 Expenses:

- Included are the signage for First Street Park, landscape plan for behind 8140 Main and replacement of lights in the landscaping beds downtown
- DAFD increase was assumed to be 5%
- Sheriff's increase is 1.5%

Revenue over Expense in 2017-2018

Revenue over expense in the draft budget is \$140,900; \$136,300 of that amount is generated from the 0.6581 mills.

Memorandum

To: Mayor Keough and City Council
From: Courtney Nicholls, City Manager
Re: Street Funds
Date: May 11, 2017

Public Parking Funds

At the May 3, 2017 work session Council discussed the public parking fund. The actual language from the ordinance is as follows:

Section 5.09 VILLAGE COMMERCIAL (VC) DISTRICT PARKING

City Commercial (VC) District Parking may be either on-site private parking as outlined in Section 5.03 or the property owner may participate in the voluntary public parking program to satisfy all or part of the parking requirements of this ordinance. The Public Parking Program has the same parking requirement by usage per Section 5.03, but may be met by contributing \$2500 for each required space to the voluntary "Public Parking Fund", or such other amount as the City Council may establish by resolution.

Historically the required contributions to the Public Parking Fund were held in General Fund. Prior to this fiscal year, there were no funds being held because they were used for the Central St/Ann Arbor St project. When the funds were used for this project in 2014 they were transferred from General Fund to Major Streets.

This year the City received a contribution from the 8080 Grand project in the amount of \$12,500. These funds were placed in a DDA account. After the conversation with Council at the May 3, 2017 work session, staff is recommending that these funds be held in the Municipal Street Fund. They could then be transferred to either Major or Local Streets as needed. If Council is supportive of this course of action budget amendments will be proposed to move the funds from DDA to Municipal Streets.

Road Fund Revenue / Expense

The SAW Grant revenue and expenditures for the storm water portion of the grant are now shown in Municipal Streets. The revenue and expenditures are spread over fiscal year 2017-2018 and 2018-2019.

Notes on 2018-2019 Expenses:

- The major project for 2018-2019 is the reconstruction of Central Street from Third to Fifth.
- A \$70,000 sidewalk project is shown; no local street project is shown due to the Central Street project. It is possible that a local street project could be programmed if the cost for Central is lower than estimated.

An updated copy of the street fund summary spreadsheet is provided to show the overall impact of the revenue and expenditures on the four road budgets.



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Memorandum

To: Mayor Keough and City Council
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Re: Other Funds
Date: May 11, 2017

The City has various minor funds that are included together in this tab. Updates are provided below.

Equipment Replacement Fund

The leaf equipment was delivered sooner than expected so the payment will need to be made in fiscal year 2016-2017. The 2017-2018 budget includes the purchase of a new broom for the Kubota. The major expense expected in 2018-2019 is a replacement chipper.



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Memorandum

To: Mayor Keough and City Council
From: Courtney Nicholls, City Manager
Re: Sewer Fund
Date: May 11, 2017

Sewer Fund Revenue

The sewer bill revenue projection has been updated to show the actual billing data for March and April.

The Grandview Commons tap fee estimate has been updated in the 2018-2019 budget and model to show that there will be 57 REUs (76 units minus a 19 unit credit) attributable to this project.

Sewer Expenses

The SAW Grant revenue and expenditures for the wastewater portion of the grant are now shown in the Sewer Fund. The revenue and expenditures are spread over fiscal year 2017-2018 and 2018-2019.

2017-2018: It is anticipated that there will be sewer work completed as part of the Hudson St project. \$35,000 has been added as an estimate until the bids for the project are received.

2018-2019: \$100,000 was included for a capital project. The use of this will be determined after completion of the headworks study.



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Memorandum

To: Mayor Keough and City Council
From: Courtney Nicholls, City Manager
Re: Water Fund
Date: May 11, 2017

Water Revenue

The water bill revenue projection has been updated to include the actual billing data for March and April.

The Grandview Commons tap fee estimate has been updated in the 2018-2019 budget and model to show that there will be 57 REUs (76 units minus a 19 unit credit) attributable to this project.

Water Expense

2017-2018: It is anticipated that there will be water work completed as part of the Hudson St project. \$10,000 has been added as an estimate until the bids for the project are received.

2018-2019: The priority is expected to be \$50,000 for replacement of the media in the third filter and \$35,000 to put variable frequency drives on the four Ryan Drive wells.