

WORK SESSION

TUESDAY, MARCH 31, 2015

6:00 p.m.

**THE CITY OF DEXTER
CITY COUNCIL**

Copeland Board Room- 7714 Ann Arbor Street

The purpose of this meeting is to set Council's Goals & Objectives for fiscal year 2015-2016 to provide staff with direction as the draft budget document is prepared.

1. Goals and Objectives- Review Documents
2. Review of Possible Ways the City Can Offer Support to the DDA for 3045 Broad
3. Use of General Fund Reserves
 - Determination of Facility Budget for 2015-2016
 - a.) Possible Use of \$288,000 in Restricted Facility Fund
4. Unfunded Liabilities
5. Discussion of 2015-2016 Millage Rates
6. Review Budget Process Schedule
 - Draft Manager Budget Distributed April 24, 2015
 - First Council Budget Meeting April 29, 2015
 - Second Council Budget Meeting May 6 or May 13, 2015
 - Final Budget Meeting (if necessary) May 27, 2015
 - 2015-2016 Budget Public Hearing June 8, 2015 (City Council Meeting)
 - Adopt 2015-2016 Budget June 22, 2015 (City Council Meeting)

This is a Special Council work session meeting; action will NOT be taken.

"This meeting is open to all members of the public under Michigan Open Meetings Act"

GOALS AND OBJECTIVES FOR FY 2015-2016

Established during Budget Planning Work Sessions

Good financial health is the cornerstone to all municipal operations, and the City of Dexter is committed to practicing sound financial management to ensure fiscal sustainability for current community members and for future generations.

GOAL: *To create an atmosphere of economic competitiveness for both residents and our business community.*

OBJECTIVE: Maintain a competitive tax rate in relation to similar communities within Washtenaw County in particular, and Southeast Michigan in general, by:

- Ensuring that the City millage rate meets the following standards:
 - Be in the lowest one-third of all city and City millage rates in southeast Michigan (Livingston, Jackson, Macomb, Monroe, Oakland, Washtenaw, and Wayne counties);
 - Be lower than the average millage rate for Washtenaw County (Ann Arbor, Barton Hills, Chelsea, Dexter, Manchester, Milan, Saline, and Ypsilanti).

OBJECTIVE: Maintain a strong, ongoing commitment to economic development by;

- Assisting the DDA in implementing its Development and TIF Plan by participating in the marketing and redevelopment efforts for 3045 Broad Street.
- Stimulating the local economy by ensuring that relevant bid opportunities are advertised to local companies.
- Updating Economic Development Strategy (i.e. Economic Enhancement Program).
- Conduct at least one business forums/summit in partnership with Ann Arbor Spark.
- Establish a partnership with Washtenaw Community College Workforce Development.

GOAL: *In order to foster fiscal sustainability, the City shall adhere to best practices recommended by various boards and organizations such as the Government Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA), and the Association of Public Treasurers of the United States and Canada (APT US&C), and shall follow the rules of Generally Accepted Accounting Principles (GAAP).*

OBJECTIVE: Seek the industry recognition of best practices by applying for and receiving awards for financial management excellence such as;

- The GFOA's Distinguished Budget Presentation Award.
- The GFOA's Certificate of Excellence in Financial Reporting.
- The APT US&C's Investment Policy Certification.

OBJECTIVE: Implement GASB pronouncements on or before their required implementation dates.

- For Fiscal Year 2014-2015 year end (audited in FY 15-16), GASB Statement No. 68, Accounting and Financial Reporting for Pensions, shall be implemented.

OBJECTIVE: Maintain a bond rating through Standard and Poor's Rating Service of at least A-.

GOAL: The City shall strive to use its limited resources wisely and to seek out sources of revenue beyond those provided by City property owners.

OBJECTIVE: Maintain a fund balance (reserves) for emergencies;

- 15% of annual operating revenue in the General Fund.
- 50% to 75% of operating expenditures in the enterprise funds.

OBJECTIVE: Recognizing that legacy costs, such as pensions and retiree health care, place a large burden on future generations if not properly addressed in the present, the City will strive to;

- Maintain the Municipal Employees Retirement System (MERS) defined benefit retirement plan at a level between 85% and 100% of funding, as determined by the MERS actuarial study.
- Set aside a minimum of \$95,000 per year for Other Post Retirement Benefits (retiree health care) until such time as there is an 80% funding as determined by an actuarial study.

OBJECTIVE: In order to gain the most value for limited dollars, the City shall;

- Seek a minimum of \$10,000 across the various funds and activities in outside resources such as grants and revenue sharing.
- Keep total health care within the State of Michigan's guidelines, which may require higher employee contributions.
- Meet the State of Michigan's requirements for collaboration under the Economic Vitality Incentive Program, to include areas such as fire protection, police protection, roads, parks, and other public infrastructure.

A primary function of government is to provide our residents and businesses with the public infrastructure necessary for them to carry out their daily lives in peace and safety. This includes maintaining existing infrastructure, and creating new infrastructure as the needs of the government and our residents change.

GOAL: *To provide our residents and businesses with cost effective, safe, and efficient delivery of public utilities such as sewer services, water delivery and storm water management.*

OBJECTIVE: Seek out operating improvements that will allow the City to limit rate increases to 3% per year by Fiscal Year 2015-2016. This includes the following actions:

- Annually update the Utility Rate Study in house, with a formal update by the City's financial advisor every three years. A formal update shall be done in Fiscal Year 2015-2016.
- Explore funding opportunities for utility infrastructure improvements for 3045 Broad Street.
- Review and update the sewer and water ordinances to address rental units and ensure uniformity between the two ordinances.

OBJECTIVE: Ensure efficient delivery of public utility services by:

- Assessing the impact of food processing businesses on sewer operations.
- Pursuing the removal and relocation of the DTE Substation near 3045 Broad Street.
- Increasing the availability of and access to high speed internet in the Dexter Business and Research Park.

GOAL: *The City is committed to providing the necessary roads, sidewalks, pedestrian crosswalks, and bicycle lanes that our residents and businesses require in order to move themselves, their vehicles and products safely around the City.*

OBJECTIVE: Implement the Road Maintenance Plan that was developed for the City in 2014.

GOAL: *Public buildings provide a safe and productive environment for City employees to serve our residents and the businesses of the City, and it is a desire of the Council to provide these facilities for the public good.*

OBJECTIVE: Study opportunities for the financing of facilities for a City Hall and Council Chambers, Fire Station, and Sheriff Substation based on the Facilities Feasibility Study.

GOAL: *Parks provide residents and visitors with beautiful and functional surroundings in which to recreate and relax, and it is a City priority to maintain and protect these valuable public assets.*

OBJECTIVE: Review and update the Parks Master Plan, with updates to be done every five years, continuing the process started in Fiscal Year 2014-2015.

OBJECTIVE: Apply for STPU and TAP funding for Mill Creek Park Phase II.

GOAL: *It is a desire of the City to have a centralized mechanism for identifying and determining the feasibility of long-term projects of a wide variety types and uses.*

OBJECTIVE: Provide annual staff assistance to the Planning Commission in the creation of each year's Five Year Capital Improvement Plan, and use their findings in the annual budget process to identify projects that shall be funded in Fiscal Year 2015-2016.

One of the main reasons people choose to live and bring their business to a particular place is the quality of life that is found within a community. The health, happiness and well-being of a community can be greatly impacted by the choices that their government leaders make when deciding funding priorities.

GOAL: *To provide the community with opportunities to experience arts, culture, nature, recreation, area-grown and crafted food and goods, and gardening experiences.*

OBJECTIVE: Provide the Arts, Culture and Heritage Committee with the resources necessary to hold the Plein Air event and facilitate temporary art, as set out in the Arts Plan.

OBJECTIVE: Hold six special events at the Farmers Market.

OBJECTIVE: Provide space annually on City property for a Community Garden.

GOAL: *Public transportation is an important part of a community's quality of life, and it is the City's desire to facilitate opportunities for public transportation.*

OBJECTIVE: Contract with the WAVE to provide door-to-door services at a minimum of five days per week, and to maintain bus routes within the City of Dexter.

GOAL: *Recognizing that non-profit and community-based organizations provide valuable services to our residents, the City will help these organizations to the extent allowed by State Law.*

OBJECTIVE: Support the Dexter Senior Center and the Dexter Area Historical Society by providing an annual contribution of \$1,000 and \$250, respectively, to go towards services provided to Dexter residents.

The flow of information, from the government to the people and from the people to the government, is vital for a government to be able to understand and meet the needs of its citizens and businesses.

GOAL: *The City commits to providing mechanisms to share information with the public in a wide variety of platforms.*

OBJECTIVE: Use the following tools to communicate with the public:

- Hold a minimum of two community meetings each year to interact with the public on a variety of issues and topics relevant to the community of Dexter.
- Post a minimum of 24 news and information items per year on the City's website.
- Post a minimum of 48 news and information items per year on the City's Facebook Page.
- Provide an email update at least twice per month.
- Place one advertisement per year with Adams billboard to promote activities supported or sponsored by the City.
- Publish four newsletters per year.
- By the end of Fiscal Year 2014-2015, create a social media/website policy that addresses the City's website, Facebook page, and any future forms of communication such as YouTube, Twitter and Pinterest.

GOAL: *Volunteerism is vital to help the City achieve its goals, and it is important that our volunteers feel needed and appreciated.*

OBJECTIVE: By the end of Fiscal Year 2014-2015, develop a citizen recognition guideline to provide a mechanism for rewarding and thanking volunteers and others who help to make the City a desirable place to live, work and play.

GOAL: *Communication with neighboring communities and other governmental and quasi-governmental organizations is important to facilitating regional and inter-local cooperation.*

OBJECTIVE: Participate in regional boards, commissions and joint endeavors to foster cooperation and ensure that Dexter's interests are taken into consideration when regional decisions are being made.

A government is only as good as the people/employees involved, and investment in employees is an important part of creating an organization that responds best to the people that it serves.

GOAL: *It is important to support employee and general public safety in the delivery of all public services, and encourage that services are provided in as safe a manner as possible.*

OBJECTIVE: Develop a Comprehensive Health & Safety Program and fund ongoing annual safety training onsite and offsite for employees.

- GOAL:** *It is important to have a workforce well educated in their job duties, and to provide for the availability of that training.*
- OBJECTIVE:** Each employee should have the opportunity to attend one out-of-house training session, if desired, to enhance their job performance.
- OBJECTIVE:** Disseminate through staff meetings or written documents the City's commitment to excellent customer service, to include the following:
- All customers are to be treated in a friendly and respectful manner.
 - Staff is responsible for gathering follow-up contact information, if necessary, so that the appropriate employee or official can follow-up with the person initiating the contact.
 - Customers will be directed to the appropriate employee or official in an expeditious manner.
 - Customer concerns will be responded to as soon as possible, and no later than 24 hours after the initial contact.
- OBJECTIVE:** Accepting the status quo can lead to performance stagnation, so management will conduct staff meetings at least quarterly to discuss ways that overall performance can be improved.
- GOAL:** *In order to adequately perform their jobs, employees must have the necessary tools and equipment available.*

Public safety is one of the most important services that a government can provide. Beyond the basics of police and fire protection, public safety also encompasses emergency and disaster management, traffic and pedestrian safety, and general cleanliness.

- GOAL:** *As the 2012 tornado proved, emergency and disaster preparedness is important, both for City employees and for its residents and businesses. The City commits to providing the means for training and distribution of safety materials.*
- OBJECTIVE:** Dexter's Emergency Action Guidelines will be disseminated to employees, residents and businesses in the following manner:
- Employees will have annual in-house training.
 - Dexter-specific information will be distributed annually through at least one of the mass communication methods commonly used by the City.
- GOAL:** *Police and fire services shall be provided in an efficient and responsive manner, and in the most economically viable manner.*
- OBJECTIVE:** Continue to participate in the Washtenaw County Police Services Steering Committee to ensure that police services are both economical and efficient.
- OBJECTIVE:** Continue negotiations with surrounding townships on further consolidation and regionalization of fire services.

- Maintain presence on the board of the Dexter Area Fire Department, and receive quarterly reports to Council on financial and operational matters.

GOAL: *Traffic patterns and enforcement shall be conducive to overall public safety.*

OBJECTIVE: The RadarSign shall be used on a minimum of twelve different local roads throughout the fiscal year.

GOAL: *Public infrastructure cleanliness needs to be managed in a manner that promotes not only aesthetics but also public safety.*

OBJECTIVE: The Department of Public Works shall perform the following functions:

- Clean all downtown sidewalks and pedestrian paths to remove loose impediments at least monthly.
- Sweep City streets in accordance with the set maintenance plan.
- Pick up brush, leaves, and Christmas trees in accordance with the set maintenance plan.
- Remove trash from downtown receptacles in accordance with the set maintenance plan.

The City recognizes that the environment is important to our residents and businesses, and that government plays a vital role not only as stewards of the environment, but also as educators.

GOAL: *Addressing sources of water pollution is important to the overall quality of life within the City.*

OBJECTIVE: The City shall address the sources of water pollution in the following manner:

- Educational materials about the use of fertilizers with phosphorous, use of rain barrels and rain gardens, and other relevant environmental information shall be distributed annually through at least one of the mass communication methods commonly used by the City

OBJECTIVE: In order to reduce the use of paper and other resources associated with the creation of Council packets, research electronic packets for Council and other boards and commissions.

Governments often create plans, documents, and goals and objectives to help guide decision makers in the creation of public policy and the expense of public funds. It is important that these documents be reviewed regularly to make sure that they are still relevant to current situations and future needs.

GOAL: *The City staff, commissions, and elected officials need to review City plans and documents to ensure both familiarity with them and their relevance to planning and policy.*

OBJECTIVE: The City staff, commissions, and/or elected officials shall review all or part of the following documents at least once per year:

- The Master Plan and Capital Improvement Plan to aid in policy and budget decisions.
- The Park and Recreation Master Plan and Tree Management Plan as a guide to decisions affecting the parks, recreation and community forestry activities and budget decisions.
- The Downtown Development Plan and Economic Development Strategy as guides for economic and development activities within the plan area.
- The budgetary goals and objectives to plan out activities for the current and future budget years.

From time to time, Council and Staff identify items that are not practical to have as a current objective, but that are desirable to keep in the public consciousness.

Policy Area: *Public Infrastructure*

GOAL: The City is committed to providing the necessary roads, sidewalks, pedestrian crosswalks, and bicycle lanes that our residents and businesses require in order to move themselves, their vehicles and products safely around the City.

OBJECTIVE: Gather regional support for a new railroad viaduct on the City's western entrance.

OBJECTIVE: Research walkability scoring and develop a plan to improve the City's walkability score.

OBJECTIVE: Create storm water plan, also addressing funding.

Policy Area: *Quality of Life*

GOAL: Recognizing that non-profit and community-based organizations provide valuable services to our residents, the City will help these organizations to the extent allowed by State Law.

OBJECTIVE: Develop a system to recognize people and organizations that help with donations of goods and services that used in areas like the beautification of the City, and to encourage the support of community-based groups.

Policy Area: *Flow of Information*

GOAL: The City commits to providing mechanisms to share information with the public in a wide variety of platforms.

OBJECTIVE: Develop and adopt a formal Public Participation Plan to enhance the flow of information between government and the people.

	2014-2015 Objective	2014-2015 Result	2015-2016 Action
FISCAL SUSTAINABILITY			
Tax Rate Competitiveness	Be in lowest 1/3 in SE Michigan	36th out of 117 (1/3 is 39)	Maintain same objective
	Be lower than Washtenaw Average	Average is 17.1508, Dexter is 14.0562	Maintain same objective
Commitment to Economic Development	Assist with 3045 Broad redevelopment	Staff assistance is ongoing	Continue economic development assistance. Break out infrastructure needs into separate objective.
	Advertise bids to local companies	Bids requests are placed on website	Maintain same objective
	Obtain Redevelopment Ready Communities Certification	Process is ongoing	Remove per Council vote at 3/23/15 meeting.
	Updating Economic Development Strategy	Introduced as project in 2014-2019 CIP	Continues as project in 2015-2020 CIP
	Quarterly business forums with Spark	2 business summits in 2014	Staff currently working with SPARK on business summit in late spring/early summer 2015
	Data collection on businesses	Discussion started with SPARK to acquire salesforce CRM software.	Staff continues to work with SPARK
	Establishing partnerships to give businesses access to talent	Staff assistance is ongoing	Staff goal to develop relationship with WCC Workforce Development
	Regional business attraction	Re-established membership with SPARK	Continued membership with SPARK
Financial Best Practices	GFOA Distinguished Budget Award	Award received	Maintain same objective
	GFOA Certificate of Excellence in Financial Reporting	CAFR template is substantially complete. Will be used for FY 14-15	Maintain same objective
	APT US&C Investment Policy Certification	Received in 2006. Annual recertification is not required	Maintain same objective
	Implement GASB 68	Implementation scheduled for FY 2014-2015 year end	Keep objective for FY 15-16 since audit isn't performed until that time frame.
	Maintain Bond Rating of at least A-	2011 Bond Rating was AA-	Maintain same objective
Use of Limited Resources	Fundbalance of at least 15% of revenue	FY 14-15 budget is 48.5%	Maintain same objective
	Reserves of 50% - 75% of operating expenditures in enterprise funds	FY 14-15 budget is 50% for sewer and 46% for water	Maintain same objective
	MERS defined benefit at least 85%	12/31/2013 was 83%. Additional \$74,000 contributed in FY 14-15, above additional monthly amount	Maintain same objective
	\$95,000 contribution for OPEB	\$132,000 contributed in FY 14-15	Maintain same objective

	2014-2015 Objective	2014-2015 Result	2015-2016 Action
FISCAL SUSTAINABILITY			
Use of Limited Resources (continued)	Seek a minimum of \$10,000 in grants	Total applied in FY 14-15: \$13,165. Received as of 3/6/15: \$6,165	Maintain same objective
	Total healthcare costs within State limit	The City met the requirements for the renewal at 5/1/2014	Maintain same objective
	Meet State collaboration requirements	Collaborate with WCRC (B2B), DAFD, Sheriff	Maintain same objective
PUBLIC INFRASTRUCTURE			
Public Utilities	Formal utility rate study update in FY 14-15	Not yet commissioned for this fiscal year	Move to FY 15-16 if not completed in FY 14-15.
	Review sewer and water ordinances to update rental properties and ensure uniformity between the two ordinances		Suggest adding for FY 15-16 (suggested by Marie)
	Inspect at least 1/7th of the sewer collection system		Remove - difficult to measure
	Study opportunities for excess capacity allocation		Remove - difficult to measure
	Assess impact of food processing businesses on sewer processing		Added for FY 15-16 - March 7th goal setting workshop
	Explore funding for utility infrastructure improvements for 3045 Broad		Added for FY 15-16 - March 7th goal setting workshop
	Removal of DTE Substation near 3045 Broad		Added for FY 15-16 - March 7th goal setting workshop
	Increase availability and access to high-speed internet in DBRP		Consider adding for FY 15-16 April 1st as new goal (suggested by Michelle)
Streets and Sidewalks	Develop Road Maintenance Plan	Developed for FY 14-15	Continue implementation
Public Buildings	Facilities feasibility study	Completed FY 14-15	Remove - Completed
	Study financing opportunities for facilities, including DDA		Added for FY 15-16
Parks	Start process to create Mill Creek Park Phase II		Remove - premature
	Review and update Parks Master Plan	Process started FY 14-15 but will not be complete until FY 15-16	Maintain same objective
	Apply for STPU and TAP funding for Mill Creek Park Phase II		Added for FY 15-16 - March 7th goal setting workshop - should this be a future goal?
Capital Improvement Plan	Provide staff assistance for CIP and use in budgeting process	Performed as part of budgeting process	Could remove as it is covered under the review goal.

	2014-2015 Objective	2014-2015 Result	2015-2016 Action
QUALITY OF LIFE			
Arts, food and gardening	Support Plein Air and temporary art	Plein Art successful in 2014, no temporary art	Change measurement to number of artists instead of "successful" and split out temporary art into its own item.
	Hold six Farmers Market events and increase attendance by 10%	6 events were held. Attendance is difficult to track.	Maintain events measurement. Remove attendance measurement. Maybe add measurement for number of vendors.
	Community Garden	2014 Community Garden was successful	Maintain same objective - add number of plots rented as a measurement
Public Transportation	WAVE five days a week	WAVE operates M-F	Maintain same objective
Recognizing community-based organizations	Support Dexter Senior Center and Historical Society	Budgeted for FY 14-15, with payments to be made at year end	Maintain same objective
FLOW OF INFORMATION			
Communicate with public	2 community meetings per year	Town hall meetings held on cityhood, facilities, and 3045 Broad (2)	Maintain same objective
	Minimum of 24 news items on both website and Facebook	43 news items on website, 62 items on Facebook, as of March 6th	Measurement should be increased to more closely reflect actual, as the FY 14-15 numbers were estimated. Break out into separate items and measure Facebook by average likes.
	Email update twice per month Advertise on Adams Billboard	Email updates were regularly sent. Farmers Market was advertised.	Maintain same objective Maintain same objective
	4 newsletters per year	Three published in calendar year 2014. None yet in 2015	As more information is disseminated electronically, should measurement be lowered?
	Social media/website policy	Website Committee has not met on this topic	Change to have staff take lead rather than committee?
Cityhood	Educate people on cityhood	Cityhood achieved	Remove - Completed
Recognize volunteers	Develop citizen recognition guideline	Guideline not developed. Move to FY 15-16	Maintain same objective
Communicate with neighboring communities and other organizations	Participate in regional boards, commissions and joint endeavors	Staff and Council participate in SEMCOG, WAVE, WATS, DAFD, MML, MMTA, MEDC etc	Maintain same objective

	2014-2015 Objective	2014-2015 Result	2015-2016 Action
INVEST IN EMPLOYEES			
Employee safety	Develop a health and safety program	Program not developed. Move to FY 15-16	Maintain same objective
Educated workforce	Employees have opportunity to attend one out of house training	Training offered in sewer, water, Microsoft Office programs, as well as professional seminars	Maintain same objective
Customer service training	Provide in-house customer service training to employees	Formal training not held.	Change to require dissemination through staff meetings or written documents rather than formal training.
Staff meetings	Hold at least quarterly	New manager has had two all-staff meetings in six months	Maintain same objective
Tools and Equipment	Hardware and software maintenance plan	A technician from IT Right reviewed existing equipment and software with Staff 3/25/15. Plan will be completed by fiscal year end.	Remove - complete.
	Asset management system	Research not performed. Move to FY 15-16	Maintain same objective
	Work-flow software	BS&A Work Order software is in implementation phase. Training will be complete by fiscal year end.	Remove - complete.
PUBLIC SAFETY			
Disaster preparedness	Disseminate Emergency Action Guidelines	Not achieved. Move to FY 15-16	Maintain same objective
Police and fire services	Participate in Washtenaw County Police Services Steering Committee	Council member attends meetings	Maintain same objective
	Continue negotiations to consolidate fire services	Negotiations have stalled.	Maintain or remove?
	Maintain presence on DAFD board and receive quarterly reports	Two City representatives sit on DAFD Board. Quarterly reports have been received	Maintain same objective
Walk safely	Meet with school on Safe Routes to School and timing of road and sidewalk projects	Safe Routes project scheduled to be done summer 2015.	Remove - complete.
Traffic enforcement	RadarSign used on a minimum of twelve different roads	RadarSign has been broken.	Unsure of status of sign.
Cleanliness	Clean sidewalks and paths monthly	All necessary maintenance was performed.	Maintain same objective
	Sweep streets in accordance with maintenance plan	All necessary maintenance was performed.	Maintain same objective

	2014-2015 Objective	2014-2015 Result	2015-2016 Action
PUBLIC SAFETY			
Cleanliness (continued)	Pick up brush, leaves and Christmas trees in accordance with maintenance plan	All necessary maintenance was performed.	Maintain same objective
	Remove trash downtown in accordance with maintenance plan	All necessary maintenance was performed.	Maintain same objective
ENVIRONMENT			
Water pollution	Education materials annual distributed	Will comply by end of fiscal year	Maintain same objective
Electronic packets	Investigate electronic packets for Council and other boards and commissions		Added for FY 15-16 - March 7th goal setting workshop
REVIEW DOCUMENTS			
Review plans and documents	Review Master Plan and CIP annually	CIP updated by Planning Commission	Maintain same objective
	Review Park & Recreation Plan and Tree Plan annually	Park & Recreation Plan is being updated	Maintain same objective
	Review DDA plan and Economic Development Strategy		Maintain same objective
	Goals and Objectives annually	FY 15-16 goals being developed	Maintain same objective
FUTURE ITEMS			
Public Infrastructure	Regional support for new railroad viaduct		From FY 14-15 goal setting session
	Research walkability scoring	The walk score for locations in and around downtown range from 42-52	From FY 14-15 goal setting session. May need to modify goal to "improve walkability score" in various sections of the City (suggested by Michelle)
	Create stormwater plan and funding plan		Added for FY 17-18 - March 7th goal setting workshop
Quality of Life	Develop plan to recognize organizations involved in beautification		From FY 14-15 goal setting session
Flow of Information	Develop a formal Public Participation Plan		From FY 14-15 goal setting session

CITY OF DEXTER

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MEMO

To: Mayor Keough and Council Members
From: Courtney Nicholls, City Manager
Date: March 27, 2015
Re: Draft of Possible Ways the City Can Offer Support to the DDA for 3045 Broad

At the last Goal Setting meeting Council discussed possible ways that the City could offer support to the 3045 Broad Street property development. The purpose of the discussion was to determine what areas the City could assist with and to communicate the list to the Downtown Development Authority. Below are options broken down by City fund.

Water/Sewer Options

The sanitary sewer upgrades necessary along Grand are estimated at \$333,154.80. If 75 units are developed on the site, \$375,000 in tap fees would be collected.

The water main improvements necessary along Grand are estimated at \$79,740. If 75 units are developed on the site \$225,000 in tap fees would be collected.

If these two options are selected, the timing of the work would need to be carefully determined. Neither the water nor sewer fund could afford the significant loss of reserves, without a clear timeline on when the tap fees would be received. Reserve balance in each account are approximately \$300,000 in water and \$500,000 in sewer.

General Fund Options

Over the past two weeks staff has been working with Tom Colis of Miller Canfield on the proper way to handle the land swap between the City and DTE for removal of the substation. Tax exempt bond proceeds were used to purchase the property at 7651 Dan Hoey, which means that we will need to refund the bond to pay off the part that is attributable to the land that we will be swapping. At this time, it is estimated that we would need to pay off approximately \$100,000. This will create a savings in the annual debt service payment due to the paying down of principal and the reduction in the interest rate. More detailed information on the bond payoff will be provided by Miller Canfield and Umbaugh & Associates.

The current estimate from DTE to remove the substation at 3045 Broad is \$362,500. Council could opt to fund a portion of this, or loan the DDA a portion of this to move the project forward. If a developer is selected, it is possible that Community Development Block Grant Funding could be available to offset all or a portion of these costs.

The current general fund reserve balance is \$440,000.

Street Fund Options

The current estimate for the relocation of Broad Street is \$374,764.20. The relocation of the roadway could be paid for with City street funds.

Expectations of DDA

The City is anticipating that the DDA will continue to repay the General Fund for the purchase of the two homes on Forest. The total price for the houses was \$164,000. The first payment was made last year for \$20,000. The second is budgeted in FY 14-15 for \$20,000 which leaves \$124,000 remaining for future fiscal years.

**Village of Dexter
Cash Accounts**

General Ledger Name	Bank & Account Name	Purpose	Balance 12/31/14	Status of Cash
General Fund				
Cash	TCF & PNC Pooled	General operating	\$ 622,896.23	Unrestricted
Building Reserve Account	TCF Pooled	Reserved for future building project	\$ 53,186.98	Restricted
Arts, Culture & Heritage	TCF Pooled	Reserved for Arts, Culture & Heritage	\$ 5,909.98	Restricted
Voluntary Public Parking	TCF Pooled	Reserved for parking activities	\$ -	Restricted
Property Tax Checking	TCF Property Tax Checking	Used to distribute taxes and make refunds	\$ 5,345.50	Unrestricted
Cash Savings	TCF Bank	General operating	\$ 150,968.66	Unrestricted
Property Tax Savings	TCF Property Tax Savings	Clearing account for undistributed tax collections	\$ 29,509.74	Unrestricted
Chelsea Bank CD	Chelsea Bank	General operating	\$ 257,369.88	Unrestricted
Petty Cash	Office	Small cash purchases	\$ 100.00	Unrestricted
Bank of Holland CD	Multi-Bank Securities	General Operating	\$ 100,000.00	Unrestricted
Traverse City State Bank	Multi-Bank Securities	General Operating	\$ 249,000.00	Unrestricted
Isabella Bank CD	Multi-Bank Securities	Reserved for future building project	\$ 235,000.00	Restricted
Bank of N. Michigan-Petoskey	Multi-Bank Securities	General Operating	\$ 200,000.00	Unrestricted
MBIA Class	MBIA Class	General operating	\$ 250,582.10	Unrestricted
Subtotal Unrestricted			\$ 1,865,772.11	
Subtotal Restricted			\$ 294,096.96	
Total General Fund			\$ 2,159,869.07	

Major Streets Fund

Cash	TCF Pooled	General operating for major streets activities	\$ 3,540.04	Unrestricted
Subtotal Unrestricted			\$ 3,540.04	
Total Major Streets Fund			\$ 3,540.04	

*These funds come from the State in the form of Act 51 payments and transfers from Municipal Streets.

Local Streets Fund

Cash	TCF Pooled	General operating for major streets activities	\$ 16,094.74	Unrestricted
Metro Act Account (Pooled)	TCF Pooled	Reserved for right of way activities	\$ 724.92	Restricted
Subtotal Unrestricted			\$ 16,094.74	
Subtotal Restricted			\$ 724.92	
Total Local Streets Fund			\$ 16,819.66	

*These funds come from the State in the form of Act 51 payments and transfers from Municipal Streets.

Municipal Streets Fund

Cash	TCF Pooled	Available for transfer to Major & Local Streets	\$ 352,290.21	Unrestricted
Property Tax Savings	TCF Property Tax Savings	Available for transfer to Major & Local Streets	\$ 1,532.85	Unrestricted
Subtotal Unrestricted			\$ 353,823.06	
Subtotal Restricted			\$ -	
Total Municipal Streets Fund			\$ 353,823.06	

**Village of Dexter
Cash Accounts**

General Ledger Name	Bank & Account Name	Purpose	Balance 12/31/14	Status of Cash
Solid Waste Fund				
Cash	TCF Pooled	Available for Solid Waste activities	\$ 17,873.48	Unrestricted
Subtotal Unrestricted			\$ -	
Subtotal Restricted			\$ 17,873.48	
Total Solid Waste Fund			\$ 17,873.48	
Tree Replacement Fund				
Cash	TCF Pooled	Restricted for Trees	\$ 2,662.48	Restricted
Restricted Tree Replacement	PNC Bank	Restricted for trees	\$ 23,532.68	Restricted
Multi-Bank CD	Multi-Bank Securities	Restricted for trees	\$ 125,000.00	Restricted
Subtotal Unrestricted			\$ -	
Subtotal Restricted			\$ 151,195.16	
Total Tree Replacement Fund			\$ 151,195.16	
Debt Service Fund - Voted				
Cash	TCF Pooled	Tax collections for GO Bond payments	\$ 12,753.81	Restricted
Property Tax Savings	TCF Property Tax Savings	Tax collections for GO Bond payments	\$ 140,328.79	Restricted
Subtotal Unrestricted			\$ -	
Subtotal Restricted			\$ 153,082.60	
Total Debt Service - Voted Fund			\$ 153,082.60	
Debt Service Fund - Non-Voted				
Cash	TCF Pooled	Restricted for Street projects & bond payments	\$ 156,172.25	Restricted
Subtotal Unrestricted			\$ -	
Subtotal Restricted			\$ 156,172.25	
Total Debt Service - Non Voted Fund			\$ 156,172.25	
Equipment Replacement Fund				
Cash	TCF Pooled	Reserved for vehicle expenses including capital p	\$ 72,895.76	Restricted
Subtotal Restricted			\$ 72,895.76	
Total Equipment Replacement Fund			\$ 72,895.76	
Sewer Enterprise Fund				
Cash	TCF Pooled	Sewer operating	\$ 60,418.64	Unrestricted
Sewer Tap Fees Account	TCF Sewer & Water	Sewer tap-in fees	\$ 98,776.35	Unrestricted
Sewer Tap Fees Account	PNC Bank	Sewer tap-in fees	\$ 290,268.18	Unrestricted
Property Tax Savings	TCF Property Tax Savings	Tax collections for delinquent utilities	\$ 3,958.71	Unrestricted
Sewer Tap Fees Account	Michigan Class Sewer/Water	Sewer tap-in fees	\$ 85,371.09	Unrestricted
Subtotal Unrestricted			\$ 538,792.97	
Subtotal Restricted			\$ -	
Total Sewer Enterprise Fund			\$ 538,792.97	

**Village of Dexter
Cash Accounts**

General Ledger Name	Bank & Account Name	Purpose	Balance 12/31/14	Status of Cash
Water Enterprise Fund				
Cash	TCF Pooled	Water operating	\$ 3,438.79	Unrestricted
Water Tap Fees Account	TCF Sewer & Water	Water tap-in fees	\$ 27,982.76	Unrestricted
Water Tap Fees Account	PNC Bank	Water tap-in fees	\$ 30,036.28	Unrestricted
Property Tax Savings	TCF Property Tax Savings	Tax collections for delinquent utilities	\$ 2,310.60	Unrestricted
Bank of Ann Arbor CD	Bank of Ann Arbor	Water tap-in fees	\$ 259,992.85	Unrestricted
Water Tap Fees Account	Michigan Class Sewer/Water	Water tap-in fees	\$ -	Unrestricted
Subtotal Unrestricted			\$ 323,761.28	
Subtotal Restricted			\$ -	
Total Water Enterprise Fund			\$ 323,761.28	
Trust & Agency Fund				
Performance Guarantees	TCF Performance Guarantees	Escrows for development bonds such as tree bonds	\$ 26,166.20	Restricted
Site Plan Review	TCF Pooled	Escrows for payment of development related fees	\$ 213,947.40	Restricted
Tree Escrow	TCF Pooled	Escrows for Tree Replacement	\$ -	Restricted
Subtotal Unrestricted			\$ -	
Subtotal Restricted			\$ 240,113.60	
Total Trust & Agency Fund			\$ 240,113.60	
Retiree Health Care Fund				
Cash	Mers	Funds reserved for OPEB	\$ 613,798.40	Restricted
Subtotal Unrestricted			\$ -	
Subtotal Restricted			\$ 613,798.40	
Total Trust & Agency Fund			\$ 613,798.40	
*Balance as of September 30, 2014				
Payroll Fund				
Cash	TCF Payroll	Funds reserved for payment of accrued benefits	\$ 4,155.80	Restricted
Subtotal Unrestricted			\$ -	
Subtotal Restricted			\$ 4,155.80	
Total Trust & Agency Fund			\$ 4,155.80	
Total Unrestricted			\$ 3,101,784.20	
Total Restricted			\$ 1,704,108.93	
Grand Total Cash			\$ 4,805,893.13	

Summary of General Funds Available for Non-Operational Use

General Fund Unrestricted	\$ 1,865,772.11
15% Fundbalance (based on revenue budget)	\$ (397,290.00)
Expected revenue (based on budget)	\$ 408,234.11
Expected expenditures (based on budget)	\$ (1,445,026.60)
Outstanding accounts receivable/payable	\$ 8,369.40
Available Unrestricted	\$ 440,059.02
Restricted for Streets	\$ 530,355.01
Restricted for Equipment	\$ 72,895.76
Restricted for Facilities	\$ 288,186.98
Restricted for Public Parking	\$ -
Restricted for Arts, Culture & Heritage	\$ 5,909.98
Restricted for Trees	\$ 151,195.16

Retiree Benefit Funding

	Actuarial Valuation	Funded Amount	Unfunded Amount	Funded Percentage
Health Care (2014 valuation)	\$2,175,035.46	\$756,358.13	\$1,418,677.33	35%
Pension (2013 valuation)	\$3,444,340.00	\$2,850,594.00	\$593,746.00	83%
Combined Health Care/Pension	\$5,619,375.46	\$3,606,952.13	\$2,012,423.33	64%
MERS Contributions in 2014-2015				
Required	\$61,152.00			
Additional	\$58,148.00			
Estimated Employee Contribution	\$27,000.00			
Use of 2013-2014 Reserves	\$75,000.00			
Total	\$221,300.00			
OPEB Contributions in 2014-2015				
Annual	\$95,000.00			
Use of 2013-2014 Reserves	\$37,500.00			
Total	\$132,500.00			