



City of Walker

2022/2023 Fiscal Year Budget

Walker City Commission
Public Hearing
June 13, 2022

The 2022/2023 Budget was prepared using:

- Priorities established by the Walker City Commission.
- Open and honest communications between Department Heads, City Management and Finance, the Walker Finance Committee and the Walker City Commission.
- The experience and expertise of Walker staff and trusted consultants.
- Walker's Capital Improvement Plan (CIP), which is a 5-year plan to prioritize large expenditures such as vehicle replacements, equipment purchases and large building maintenance items.
- The State of Michigan's website for certain revenue projections:
 - State Revenue Sharing (portion of State sales tax)
 - Act 51 - Highway Revenue Sharing (portion of State gas tax)
- Other available relevant information.

2022/2023 Budget Overview

➤ General Principals of the Budget:

- Reflect the goals and priorities identified by the Walker City Commission.
- Continue to provide quality services and programs in the most efficient and cost-effective manner possible.
- Revenues are overall conservative in nature, yet reflect reasonable amounts based on our understanding of current trends on our different revenue sources.
- Expenditures are based on prioritizing the two principals listed above. Additionally, expenditures have increased from the prior fiscal year as the City addresses various projects and needs that were delayed because of the pandemic.

2022/2023 Budget Overview

➤ Revenues:

- Property Tax: The City's property tax millage rate remains at 1.336 mills (no change since 2000). The overall Taxable Value of properties in the City of Walker continues to increase as new construction remains strong in the City.
 - ❖ FY 2022/2023 budget = \$1,650,000

- Walker Income Tax: The pandemic continues to have an impact on this revenue source. Therefore, we have budgeted a conservative amount for FY 2022/2023.
 - ❖ FY 2022/2023 budget = \$11,500,000 (same as amended FY 2021/2022 budget)

- State Revenue Sharing and Act 51 Revenues from the State of Michigan: State revenue sources reflect the State's Revenue Projections from April 2022.
 - ❖ FY 2022/2023 budget - State Revenue Sharing = \$2,500,000 (General Fund).
 - ❖ FY 2022/2023 budget - Act 51 = \$3,915,000 (combined Major & Local Street Funds).

2022/2023 Budget Overview

➤ Revenues:

➤ American Rescue Plan Act of 2021 (ARPA)

- ARPA Funds are accounted for in a separate fund (Fund 285) - not the General Fund.
- Walker is scheduled to receive approximately \$2,600,000 in ARPA Funds.
 - \$1,300,000 was received in September 2021
 - The remaining \$1,300,000 will be received in September 2022
- The City Commission authorized using \$588,000 for physical security systems to be installed in all city buildings.
- Further discussion is necessary with the City Commission to prioritize various potential uses for the remaining ARPA funds.
- The City must obligate the ARPA funds by December 2024 and must spend the cash by December 2026.

2022/2023 Budget Overview

➤ Expenditures:

- 3.0% Cost of Living Adjustment (COLA).
- Various investments in city wide I.T. hardware, software, and security.
- Updated rental rates charged to city departments for vehicle/equipment usage.
- Fire extrication tools, building exhaust systems, turnout gear & SCBA washer = \$93,000.
- Continued commitment of making additional Pension liability payments = \$200,000.
- Various city building maintenance items that were delayed because of the pandemic.
- Parking lot repairs for various City properties = \$75,000.
- Back-up generator/switch gear for Public Safety Building = \$65,000.
- Roof improvements to Fire Station #2 = \$70,000.
- Parks and Recreation Master Plan = \$50,000.
- New fitness equipment for WIFC = \$20,000.

2022/2023 Budget Overview

➤ Expenditures:

- Major and Local road maintenance budget of \$1,100,000 for overlays.
 - \$500,000 for Major and \$600,000 for Local
- Multiple City-wide road construction projects = \$1,300,000.
 - Kinney Avenue/Remembrance Intersection = \$470,000
 - This project may be funded using APRA money
 - Alpine Avenue Resurfacing from Hillside to Ann (Construction) = \$240,000
 - Bristol/Pannell Railroad Bridge (Design & Construction) = \$250,000 (final cost TBD)
 - Center/Weatherford Round-A-Bout (Design) = \$90,000
 - Kinney Avenue Reconstruction from Leonard to M45 (Design) = \$200,000
 - Sidewalk on Maplerow (Design) = \$50,000

2022/2023 Budget Overview

➤ Expenditures:

- Replacement of multiple vehicles and equipment for DPW, Police, Fire = \$1,074,000.
 - Single Axle Dump Truck with Swap Loader = \$280,000
 - DPW Pickup Trucks, Maintenance Van, Pool Car Replacements = \$181,000
 - Skid Steer with Brush Cutter & Stump Grinder Attachments = \$148,000
 - One Ton Dump Truck Replacement = \$48,000
 - Trailer Replacement = \$8,000
 - Air Compressor = \$25,000
 - Police Cruiser Replacements Including Equipment - 3 Chevy Tahoes - \$177,000
 - Fire Turnout Gear = \$42,000
 - Fire Dept Duty Vehicle Replacement = \$65,000
 - Fire Engine #3 - Repaint Cab & Chassis = \$100,000
 - Final Payment on Platform Truck = \$405,496
 - Increased Fuel Expense to Reflect Current Trend

- NOTE: The rental rates charged by the Capital Equipment Fund (Fund 206) to DPW, Police and Fire have been adjusted for the FY 2022/2023 budget.

2022/2023 Budget Overview

➤ Set Asides (saving for future “big ticket” items):

- Add \$100,000 to Facilities Sinking Fund for a total of \$510,000 at 06/30/2023.
- Add \$75,000 to OPEB Set Aside Fund for a total of \$457,000 at 06/30/2023.
- Add \$100,000 to Capital Equipment Fund Fire Truck Set Aside for a total of \$100,000 at 06/30/2023.
- Add \$ 50,000 to WIFC Capital Improvement Set Aside for a total of \$264,000 at 06/30/2023.

➤ Transfers From General Fund to Other Funds:

- \$ 750,000 to Major Street Fund for Operations and Projects.
- \$ 450,000 to Local Street Fund for Operations and Projects.
- \$ 350,000 to WIFC for Operations and Capital Reserve Set Aside.
- \$ 30,000 to 2009 SAD Bond Fund (Riverbend Water).

2022/2023 Budget Overview

➤ Bond and Debt Payments:

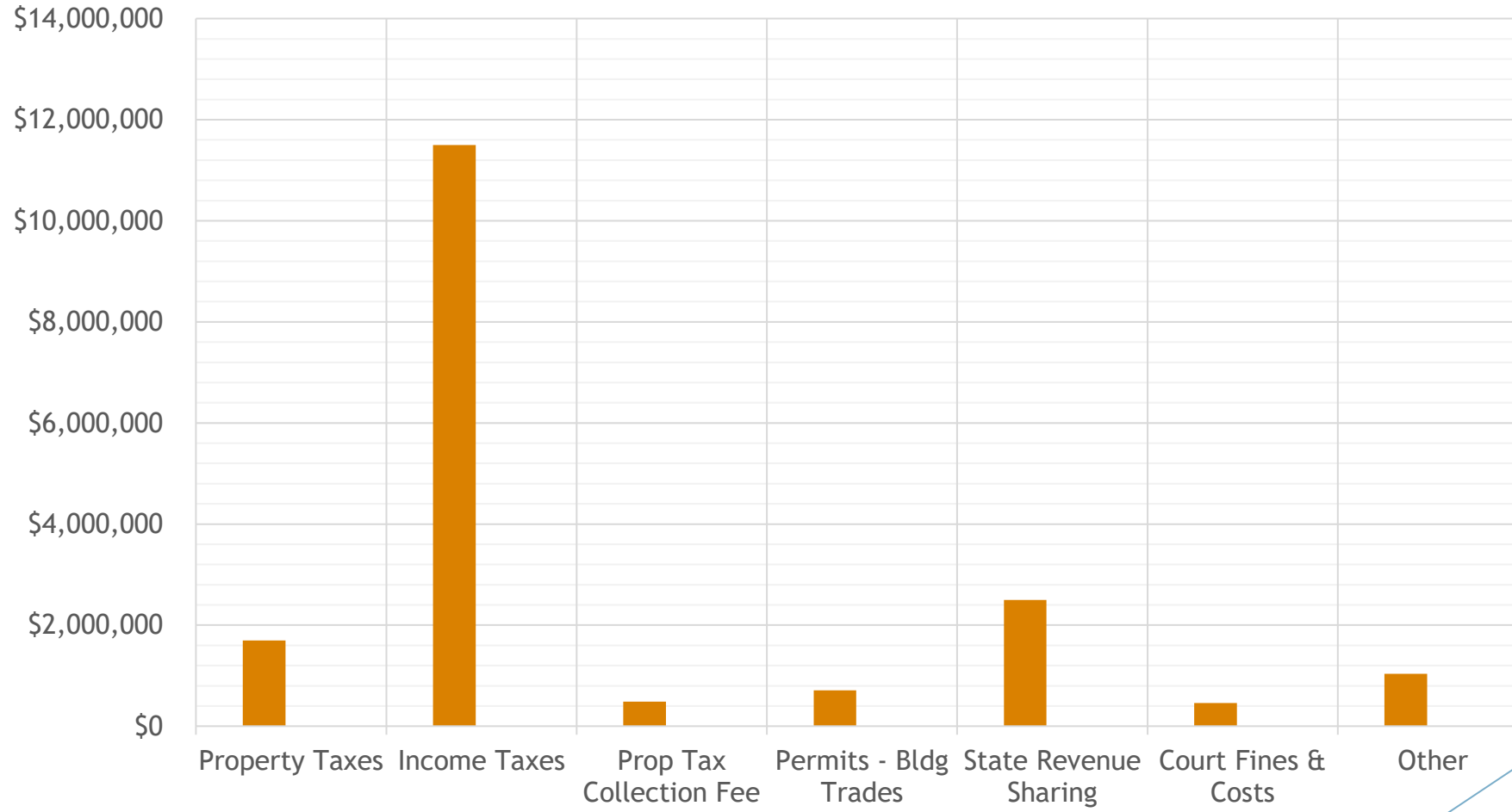
- No new bond debt is incurred.
- The General Fund and Major/Local Street Funds are currently bond debt free.
- The Capital Equip Fund has a 3-year IPA for the Fire Aerial Platform Truck = \$1,189,000.
 - FY 2022/23 Payment = \$405,496 (Final Payment)
- Walker DDA continues to make annual bond payments for Fire Station #2.
 - Remaining balance equals approximately \$185,000.
 - Bond will be paid in full in May 2023.
 - **NOTE:** DDA Bonds are paid with DDA captured property taxes (no impact on General Fund).
- The Riverbend Watermain bond has final payment due in October 2022.
 - Paid with special assessments collected from property owners within the district.
 - Remaining balance equals approximately \$47,000.
 - General Fund will help cover a cash timing shortage for FY 2022/2023 bond payment.

2022/2023 Budget - General Fund

- ▶ The General Fund is the main fund of the City.
- ▶ The Fund's purpose is to account for all activities that are not required to be recorded in a different fund.
- ▶ The Fund's main revenue sources are:
 - ▶ Walker Income Tax = 63%
 - ▶ State Shared Revenue (portion of Michigan sales tax) = 14%
 - ▶ Property Tax = 9%

→The following graphs are a look at the General Fund's proposed 2022/2023 budget

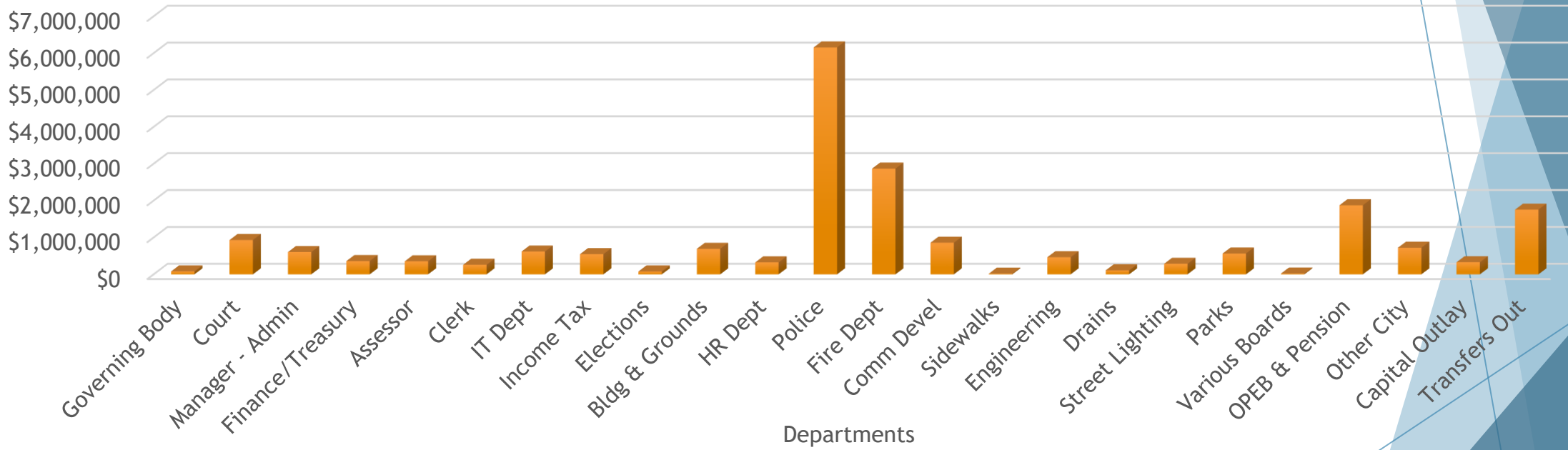
General Fund (Fund 101)
Fiscal Year 2022/2023 Budgeted Revenues
Total Budgeted Revenues = \$18,386,855



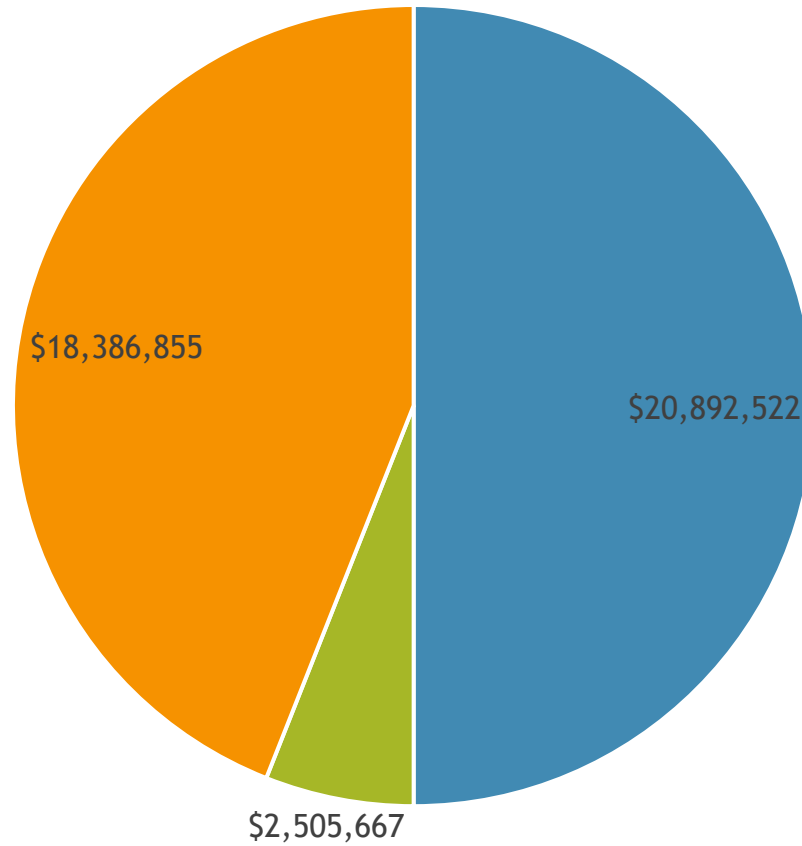
General Fund (Fund 101)

Fiscal Year 2022/2023 Budgeted Expenditures

Total Budgeted Expenditures = \$20,892,522



General Fund (Fund 101)
Budgeted Revenue, Expenditures & Use of Fund Balance
Fiscal Year 2022/2023



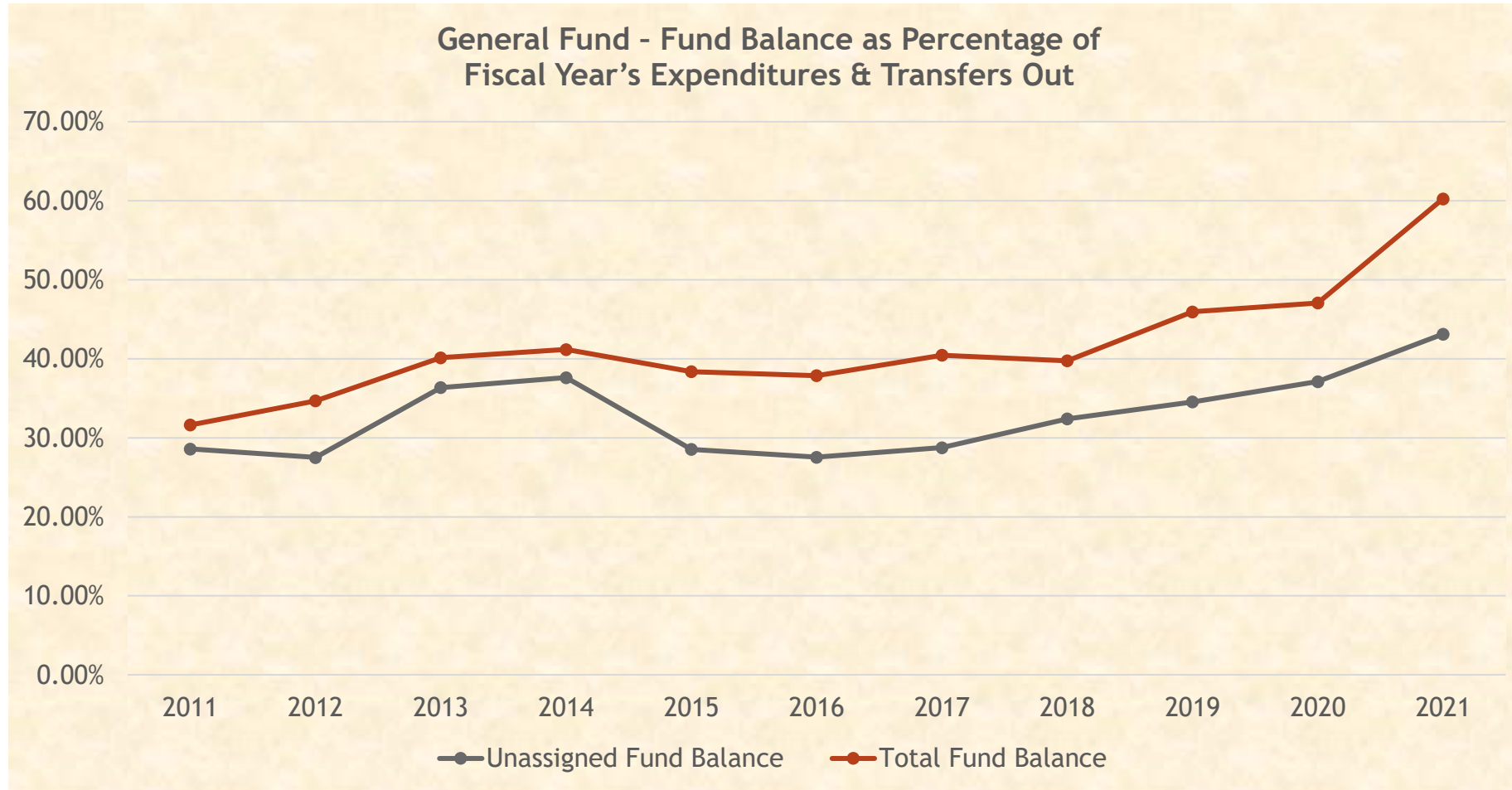
- Budgeted Expenditures
- Use of Fund Balance
- Budgeted Revenues

General Fund (Fund 101)
Fund Balance as Percentage of Fiscal Year's Expenditures & Transfers Out
Based on Proposed 2022/2023 Budget

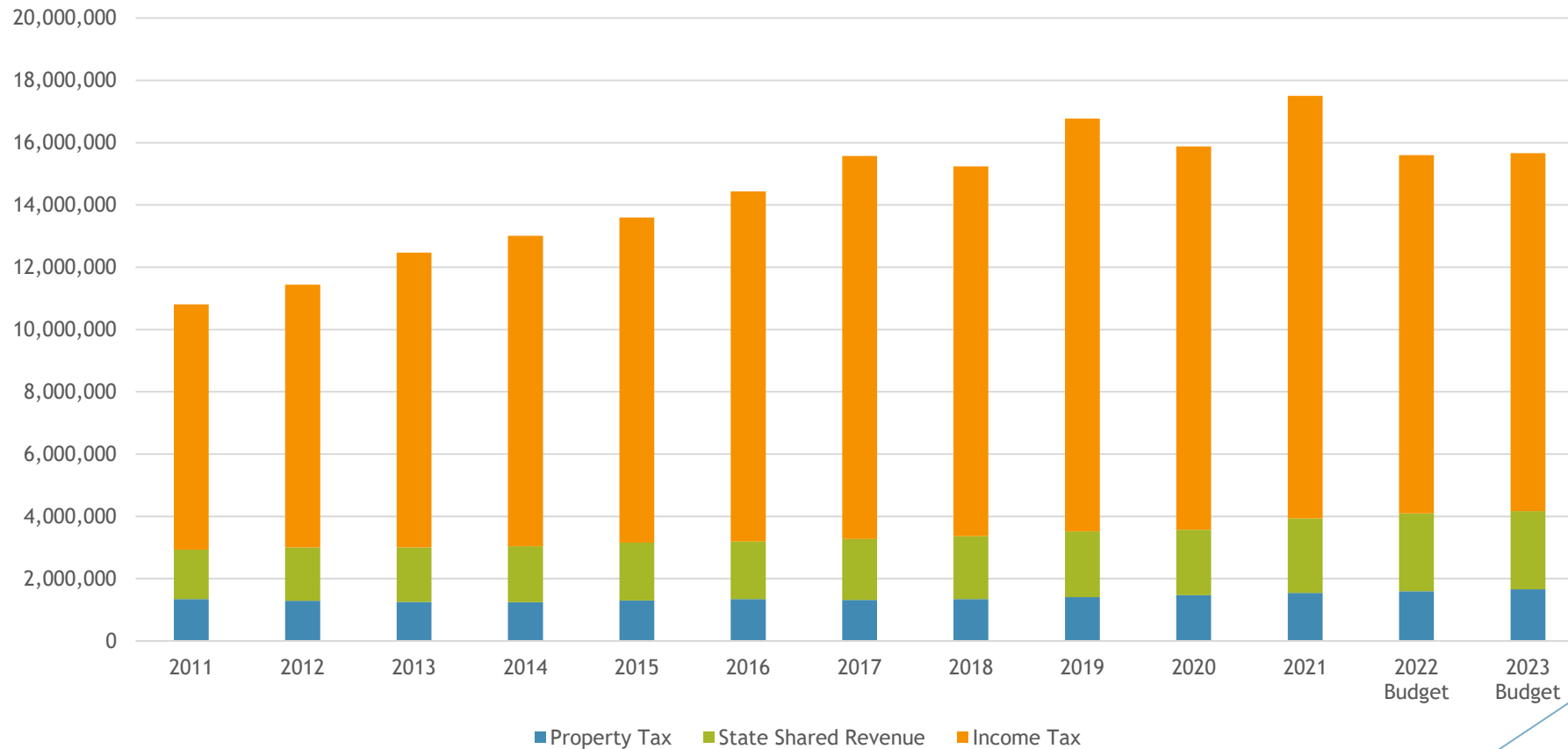
June 30, 2021 Audited Fund Balance - Unassigned	\$ 8,095,984
Fiscal Year 2021/2022 Budgeted Transfer from Fund Equity	(1,417,642)
June 30, 2022 Projected Fund Balance - Unassigned	\$ 6,678,342
Fiscal Year 2022/2023 Budgeted Transfer from Fund Equity	(2,505,667)
June 30, 2023 Projected Fund Balance - Unassigned	\$ 4,172,675
Fiscal Year 2022/2023 Budgeted Expenditures	\$ 20,892,522
% of Unassigned Fund Balance to Expenditures at 06/30/2023 (***) - PROJECTED	19.97%

*** Walker's Fund Balance Policy requires this amount to be a minimum of 15%

General Fund (Fund 101)
History of Fund Balance as Percentage of Fiscal Year's Expenditures & Transfers Out
Fiscal Years Ending June 30, 2011 through June 30, 2021
Actual Amounts Taken from Annual Audit Reports



Summary of Walker's Three Main Revenue Sources for FYE 2011 - 2023



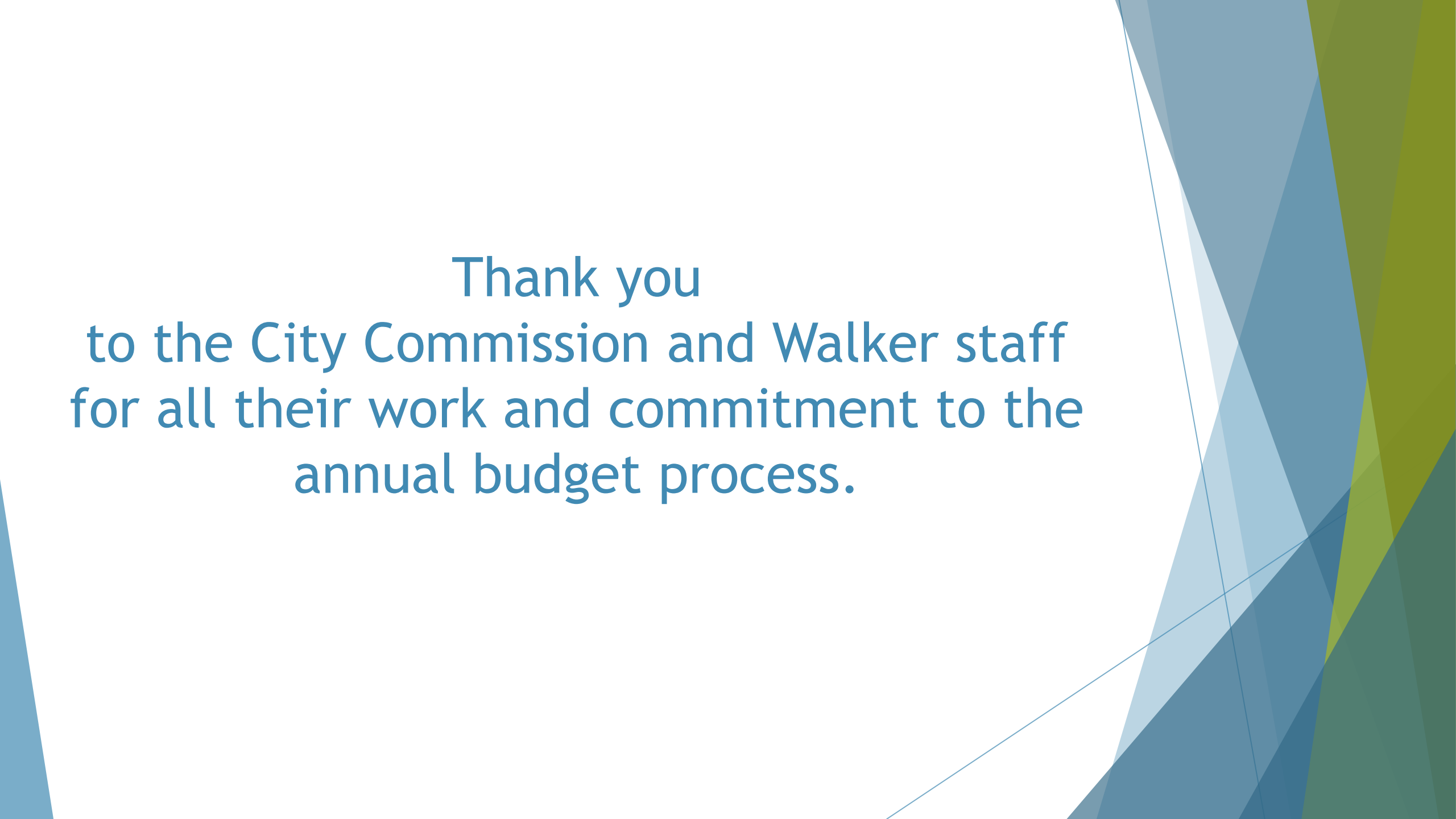
2022/2023 Budget - Other City Funds

- ▶ Fund 120 (Building Facilities Set Aside Fund) - For future projects.
- ▶ Fund 140 (OPEB Set Aside Fund) - For future Other Post Employee Benefits.
- ▶ Fund 130 (Metro Honor Guard) - For Kent County Metro Honor Guard Unit activities.
- ▶ Fund 131 & 132 (Employee Sponsored Benevolent Funds) - General & Police respectively.
- ▶ Fund 202 (Major Street Fund) - Accounts for Act 51 revenues (gas tax) from State of Michigan for major road activities.
- ▶ Fund 203 (Local Street Fund) - Accounts for Act 51 revenues (gas tax) from State of Michigan for local road activities.
- ▶ Fund 206 (Capital Equipment Fund) - This fund owns the city's vehicles/equipment and receives rental fees (revenue) from other city funds.
- ▶ Fund 262 (Special Vice Fund) - Drug forfeiture and drunk driving money.
- ▶ Fund 285 (American Rescue Plan Act Fund) - Accounts for use of APRA funds received.
- ▶ Funds 450-454 (Brownfield Redevelopment Funds) - Brownfield Projects.
- ▶ Fund 494 (DDA Fund) - Walker Downtown Development Authority.
- ▶ Fund 495 (DDA Streetscape) - Streetscape Special Assessment for Standale area.
- ▶ Fund 510 (WIFC Fund) - Walker Ice and Fitness Center.
- ▶ Fund 810 (Revolving Fund) - Originally used to finance water/sewer improvement costs.
- ▶ Fund 853 (2009 SAD Debt) - Watermain Special Assessments for Riverbend area.

2022/2023 Budget Resolution

- ▶ Overall, the City has 27 different funds.
- ▶ The “Resolution to Adopt City of Walker Fiscal Year 2022-2023 Budget” that you will be considering tonight contains the budgets for all the Funds that require formal approval per State regulations.
- ▶ Total 2022/2023 Budgeted Expenditures per the Resolution = \$27,815,795

General Fund	\$20,892,522
Set Aside Funds (Bldg Facilities & OPEB)	\$176,250
Metro Honor Guard Fund	\$3,600
Employee Sponsored Benevolent Funds	\$1,175
Major Street Fund	\$3,704,062
Local Street Fund	\$1,414,713
Special Vice Investigation Fund	\$10,000
American Rescue Plan Act (ARPA)	\$1,200
Walker Ice & Fitness Center Fund	\$1,385,803
Downtown Development Authority Fund	\$226,470
TOTAL	\$27,815,795



Thank you
to the City Commission and Walker staff
for all their work and commitment to the
annual budget process.

2022/2023 Budget

- ▶ Questions?
- ▶ Clarifications?
- ▶ Comments?
- ▶ Discussion?

Thank you