

City of Walker

2023/2024 Fiscal Year Budget

Walker City Commission
Public Hearing
June 12, 2023

The 2023/2024 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.

2023/2024 Budget Overview

- General Principles 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, valuable, 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.
 - Expenditures have increased from the prior fiscal year as the City addresses various projects and needs that were previously delayed, as well as projects that are now designed and ready to be constructed.

2023/2024 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 2023/2024 budget = \$1,800,000 (actual in FY 2022/23 = \$1,729,000)
- Walker Income Tax: Walker income tax collections appear to have normalized after the negative impacts caused by the pandemic.
 - ❖ FY 2023/2024 budget = \$13,500,000 (same as amended FY 2022/2023 budget)
- State Revenue Sharing and Act 51 Revenues from the State of Michigan: State revenue sources reflect the State's Revenue Projections from April 2023.
 - ❖ FY 2023/2024 budget - State Revenue Sharing = \$2,700,000 (General Fund).
 - ❖ FY 2023/2024 budget - Act 51 = \$4,135,000 (combined Major & Local Street Funds).

2023/2024 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 received approximately \$2,613,000 in ARPA Funds.
 - The City Commission authorized using \$780,000 of APRA Funds for physical security systems to be installed in all city buildings, including parks and Standale Trail Tunnel.
 - The City has signed a purchase agreement in the amount of \$1,489,892 for the purchase of a new Ladder Truck for the Fire Department, which will be paid using ARPA Funds.
 - The remaining APRA Funds are intended to be directed towards the purchase of a new Command Vehicle for the Police Department.
 - The City must obligate the ARPA funds by December 2024 and must spend the cash by December 2026.

2023/2024 Budget Overview

➤ Expenditures:

- 2.5% Cost of Living Adjustment (COLA).
- Staffing additions include 3 police positions and 1 administrative position for Engineering Dept.
- Various investments in Citywide I.T. hardware, software, and security.
 - Includes \$175,000 for Citywide computer & monitor updates.
 - Includes \$40,000 for new website software.
- Continued commitment of making additional Pension liability payments = \$200,000.
- Replace various Axon cameras in Police Dept = \$36,000.
- Alpine Creek drain repairs = \$45,000.
- Various Citywide building maintenance repairs and improvements = \$120,000.
- Fire Station #2 exhaust system upgrade = \$13,000.
- Landscaping improvements at City Hall complex = \$125,000.
- HVAC upgrades - Citywide = \$200,000.
- Parking lot repairs for various City properties = \$85,000.
- City signage improvements = \$75,000.
- DDA streetlight replacement project = \$2,000,000.

2023/2024 Budget Overview

➤ Expenditures:

- Repair “upper 2 soccer fields” north of City complex = \$300,000.
- Park improvements as determined by Mobility/Infrastructure Committee = \$200,000.
- Munters Unit rebuild and upgrade for WIFC ice arena = \$180,000.
- Sound system upgrade for WIFC ice arena = \$23,600.
- Partial replacement of WIFC ice rink glass = \$15,000.
- New fitness equipment for WIFC = \$20,000.
- Replace aerobic room flooring at WIFC = \$50,000.

2023/2024 Budget Overview

➤ Expenditures:

- Major and Local road maintenance budget of \$1,100,000 for overlays.
 - \$500,000 for Major (includes south Alpine Ave) and \$600,000 for Local
- Multiple Citywide road construction projects = \$4,025,000.
 - Kinney Avenue/Remembrance Intersection = \$480,000
 - Bristol/Pannell Railroad Bridge = \$775,000
 - \$2,475,000 construction less \$1,700,000 grant
 - Center/Weatherford Round-A-Bout = \$925,000
 - \$1,803,000 construction less \$878,000 grant
 - Kinney Avenue Reconstruction from Leonard to M45 = \$1,800,000
 - \$3,150,000 construction less \$1,350,000 grant
 - Traffic Signal Replacement - West River/North Park (Design) = \$45,000

2023/2024 Budget Overview

➤ Expenditures:

- Replacement of multiple vehicles and equipment for DPW, Police, Fire = \$1,335,000.
 - Single Axle Dump Truck with Swap Loader = \$315,000
 - Tandem Axle Dump Truck with Swap Loader = \$390,000
 - Front End Loader Replacement = \$180,000
 - Mower Replacement (Industrial Multi Blade Mower) = \$70,000
 - Chipper Repair and Refurbish = \$20,000
 - Police Cruiser Replacements Including Equipment - 3 Chevy Tahoes - \$175,000
 - Non-ARPA Funded Portion of Police Command Vehicle = \$150,000
 - Fire Turnout Gear = \$35,000
- NOTE: The rental rates charged by the Capital Equipment Fund (Fund 206) to DPW, Police and Fire have been adjusted for the FY 2023/2024 budget.

2023/2024 Budget Overview

- Set Asides (saving for future “big ticket” items):
 - Add \$50,000 to Facilities Sinking Fund for a total of \$570,000 at 06/30/2024.
 - Add \$75,000 to OPEB Set Aside Fund for a total of \$550,000 at 06/30/2024.
 - Add \$200,000 to Capital Equipment Fund Fire Truck Set Aside for a total of \$200,000 at 06/30/2024.
 - Add \$ 50,000 to WIFC Capital Improvement Set Aside for a total of \$319,000 at 06/30/2024.
- Transfers From General Fund to Other Funds:
 - \$ 850,000 to Major Street Fund for Operations and Projects.
 - \$ 550,000 to Local Street Fund for Operations and Projects.
 - \$1,300,000 to Capital Equipment Fund for Capital Purchases and Set Aside.
 - \$ 350,000 to WIFC for Operations and Capital Reserve Set Aside.

2023/2024 Budget Overview

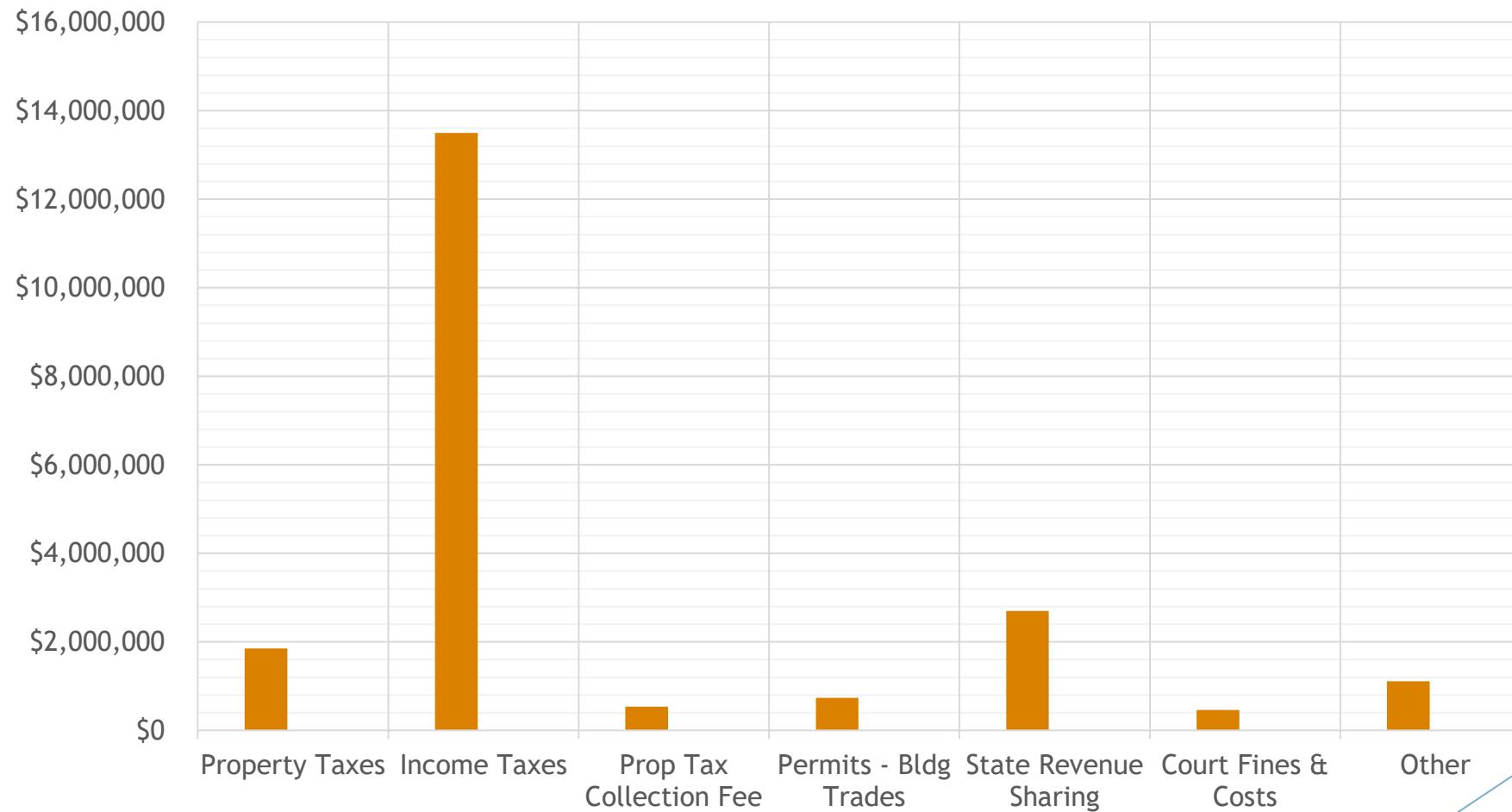
- Bond and Debt Payments:
 - No new bond debt is incurred in the 2023/2024 Budget.
 - All City Funds and DDA related Funds are currently bond debt free.
 - The General Fund has installment payments totaling \$79,076 owed to City of Grand Rapids for Grand River floodwall and embankment improvements completed in 2014.
 - The Capital Equipment Fund has no active loans related to equipment purchases.
 - The Riverbend Watermain bond has been paid in full.

2023/2024 Budget - General Fund

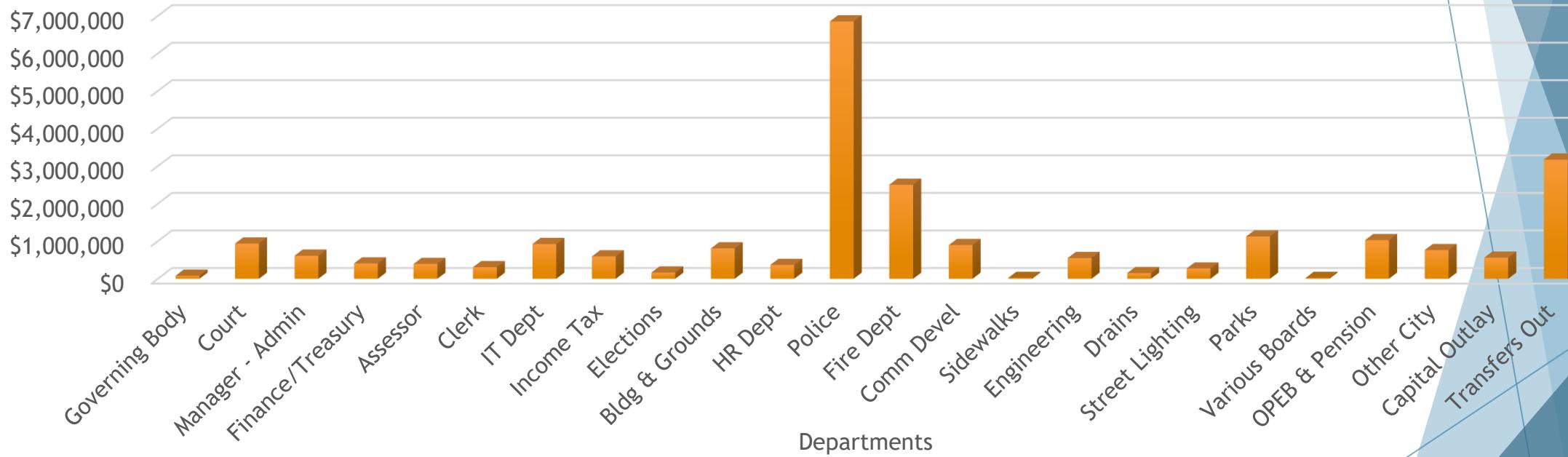
- ▶ The General Fund is the main fund of the City.
- ▶ The Fund's purpose is to account for all activities that are not required to be recorded in a different fund.
- ▶ The Fund's main revenue sources are:
 - ▶ Walker Income Tax = 65%
 - ▶ State Shared Revenue (portion of Michigan sales tax) = 13%
 - ▶ Property Tax = 9%

→The following graphs are a look at the General Fund's proposed 2023/2024 budget

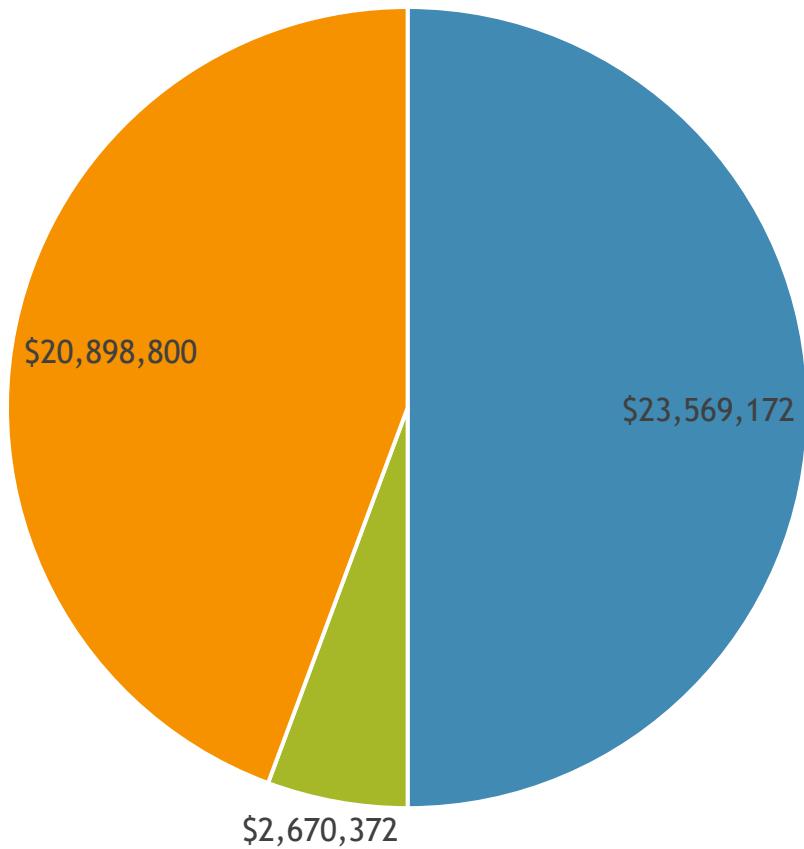
General Fund (Fund 101)
Fiscal Year 2023/2024 Budgeted Revenues
Total Budgeted Revenues = \$20,898,800



General Fund (Fund 101)
Fiscal Year 2023/2024 Budgeted Expenditures
Total Budgeted Expenditures = \$23,569,172



General Fund (Fund 101)
Budgeted Revenue, Expenditures & Use of Fund Balance
Fiscal Year 2023/2024



- Budgeted Expenditures
- Use of Fund Balance
- Budgeted Revenues

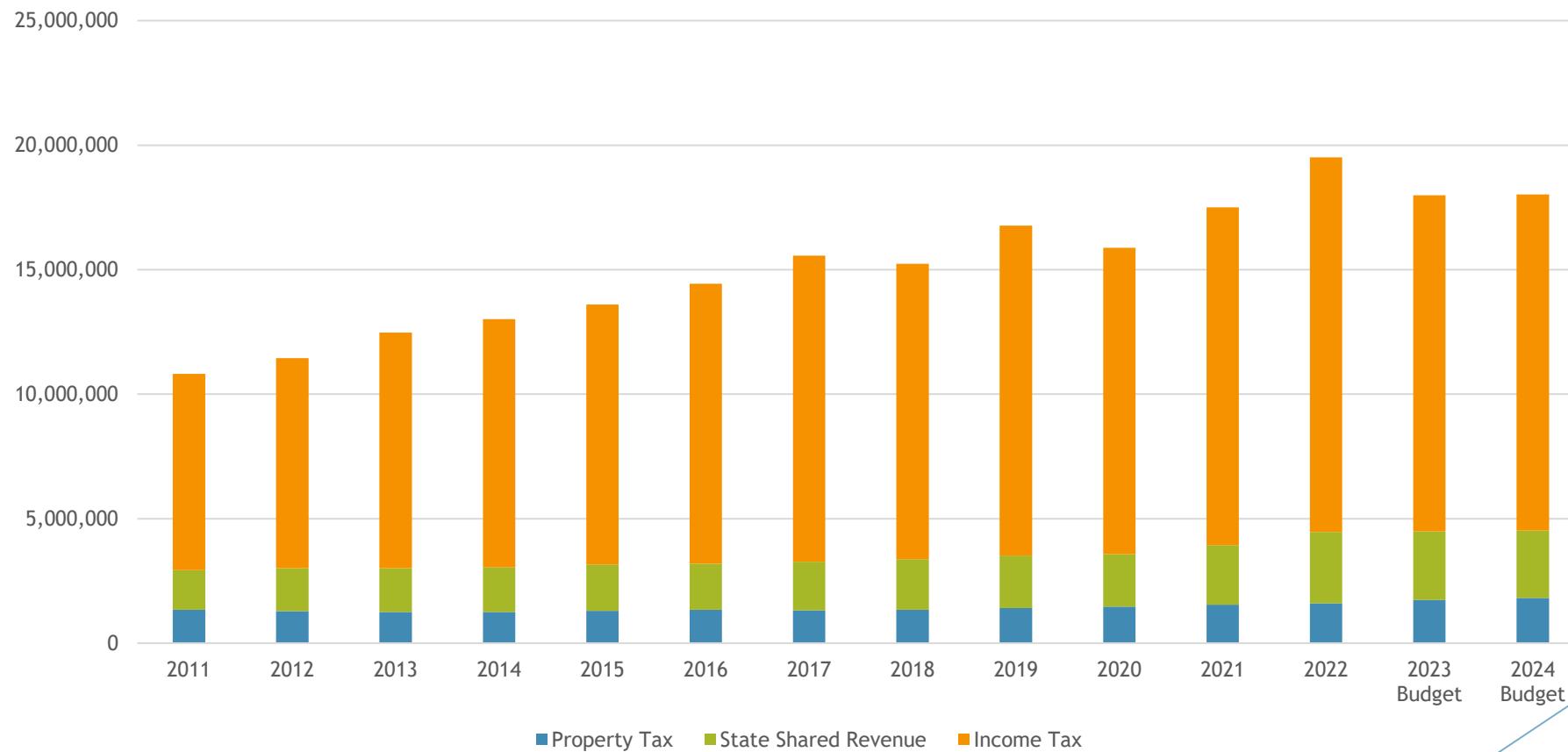
General Fund (Fund 101)

Unassigned Fund Balance as Percentage of Fiscal Year's Expenditures & Transfers Out Based on Proposed 2023/2024 Budget

June 30, 2022 Audited Fund Balance - Unassigned	\$ 11,894,360
Fiscal Year 2022/2023 Budgeted Revenues Over (Under) Expenditures	(1,474,758)
June 30, 2023 Projected Fund Balance - Unassigned	\$ 10,419,602
Fiscal Year 2023/2024 Budgeted Revenues Over (Under) Expenditures	(2,670,372)
June 30, 2024 Projected Fund Balance - Unassigned	\$ 7,749,230
Fiscal Year 2023/2024 Budgeted Expenditures	\$ 23,569,172
% of Unassigned Fund Balance to Expenditures at 06/30/2024 (***) - PROJECTED	32.88%

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

Summary of Walker's Three Main Revenue Sources for FYE 2011 - 2024



2023/2024 Budget - Other City Funds

- ▶ Fund 120 (Building Facilities Set Aside Fund) - For future building related 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 284 (Opioid Settlement Fund) - Opioid settlement monies from class action suit.
- ▶ 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.

2023/2024 Budget Resolution

- ▶ Overall, the City has 27 different funds.
- ▶ The “Resolution to Adopt City of Walker Fiscal Year 2023-2024 Budget” that you will be considering tonight contains the budgets for all the Funds that require formal approval per State regulations.
- ▶ Total 2023/2024 Budgeted Expenditures per the Resolution = \$41,487,602

General Fund	\$23,569,172
Set Aside Funds (Bldg Facilities & OPEB)	\$150,500
Metro Honor Guard Fund	\$3,600
Employee Sponsored Benevolent Funds	\$1,500
Major Street Fund	\$10,440,349
Local Street Fund	\$1,448,325
American Rescue Plan Act Fund (ARPA)	\$1,820,000
Walker Ice & Fitness Center Fund	\$1,798,299
Downtown Development Authority Fund	\$2,097,307
DDA Streetscape Maintenance Fund	\$158,550
TOTAL	\$41,487,602

Thank you
to the City Commission,
the City Finance Committee,
and City staff members
for all their work and commitment
to the annual budget process.

2023/2024 Budget

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

Thank you