



City of Walker

2020/2021 Fiscal Year Budget

Walker City Commission
Public Hearing
June 8, 2020

The 2020/2021 Budget was prepared using:

- Priorities established by the Walker City Commission through Strategic Planning meetings.
- 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.

2020/2021 Budget Timeline:

Initial Draft of Proposed FY 2020-2021 Budget was submitted to and reviewed by the Walker Finance Committee on February 14, 2020

COVID - 19

Internal reworking of the February 14, 2020 Draft Budget resulting in a completely Revised Version of the Proposed FY 2020-2021 Budget.

Reviewed and Recommended by the Walker Finance Committee on May 8, 2020

2020/2021 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 and cost effective manner possible.
 - Revenues are based on our best understanding of the impacts of the COVID-19 pandemic and the Stay Home-Stay Safe Orders from the State of Michigan. Unfortunately the true impact of these events will not be fully understood for quite some time.
 - Expenditures have been trimmed back from our initial proposed FY 2020/2021 budget. Priorities, projects and equipment needs were re-evaluated and adjusted accordingly.
- NOTE: Due to the very fluid nature of current events and the effects that these events have on our main revenue sources, Walker staff will be ready to offer timely budget amendments as needed.

2020/2021 Budget Overview

➤ Revenues:

- Property Tax: The City's property tax millage rate remains at 1.336 mills (no change since 2000).
- Walker Income Tax: Walker's budgeted income tax collections will remain at \$12 million, which is the same amount as the FY 2019/2020 budget. By comparison, the actual income tax collections in FY 2018/19 = \$13.2 million.
- State Revenue Sharing and Act 51 Revenues from the State of Michigan: State revenue sources have been adjusted to reflect both internal estimates and the State's Revenue Projections from May 2020.

2020/2021 Budget Overview

➤ Expenditures:

- 2.0% COLA / years of service adjustments.
- Full year of previously approved Payroll/Benefits Specialist position.
- Full year of previously approved Fire Battalion Chief.
- Continued commitment of making additional Pension liability payments = \$150,000.
- Continued commitment of making additional set aside for OPEB liability = \$100,000.
- HVAC upgrades and renovations to Fire Stations #2 & #3 = \$118,000.
- Parking lot repairs for various City properties = \$75,000.
- Various park improvements = \$100,000.
- New Zamboni for WIFC = \$110,000 (will be paid out of existing WIFC Capital Reserves).

2020/2021 Budget Overview

- Expenditures:

- Major and Local road maintenance budget of \$800,000 for overlays.
 - \$400,000 for Major and \$400,000 for Local
- Multiple City-wide road construction projects = \$5,592,000.
 - Northridge West Connector = \$950,000
 - Walker Avenue Bridge Removal by Bissell = \$2,502,000
 - Kinney Avenue Improvements between Waldorf and Three Mile Road = \$1,700,000
 - Sunset Hills Overlay = \$440,000
 - NOTE: Walker will receive approximately \$3.3 million in grant revenue towards these projects.

2020/2021 Budget Overview

➤ Expenditures:

- Replacement of multiple vehicles and equipment for DPW, Police, Fire = \$766,300.
 - Cushman Utility Vehicle = \$20,000
 - Replacement Mower = \$9,000
 - Replacement Pick-up Truck = \$30,000
 - Single Axle Dump Truck = \$235,000
 - Trailer with Tilt Bed = \$8,000
 - Replacement One-Ton Dump Truck = \$40,000
 - Police Cruiser Replacements Including Equipment - 2 Chevy Tahoes - \$115,000 (we replace 2 each fiscal year)
 - In-Car Video System = \$75,000 (year 1 of 2)
 - 18 New AED Units (Citywide) = \$36,000
 - Chevy Tahoe for Fire Dept = \$45,000
 - Fire Turnout Gear - 20 Sets = \$70,000 (this will become an annual expenditure)
 - Fire Apparatus Computer Terminal Replacements = \$58,300
 - Replacement of SetCom Radios to 800mhz Radios - Citywide = \$25,000+

2020/2021 Budget Overview

- Set Asides (saving for future “big ticket” items):
 - Add \$ 25,000 to Facilities Sinking Fund for a total of \$427,000 at 06/30/2021.
 - Add \$100,000 to OPEB Set Aside Fund for a total of \$480,000 at 06/30/2021.
 - Add \$ 50,000 to WIFC Capital Improvement Set Aside for a total of \$200,000 at 06/30/2021.
- Transfers From General Fund to Other Funds:
 - \$1,150,000 to Major Street Fund for Operations and Projects.
 - \$ 350,000 to Local Street Fund for Operations and Projects.
 - \$ 200,000 to WIFC for Operations and Capital Reserve Set Aside.
 - \$ 25,000 to Facilities Sinking Fund.
 - \$ 100,000 to OPEB Set Aside Fund.

2020/2021 Budget Overview

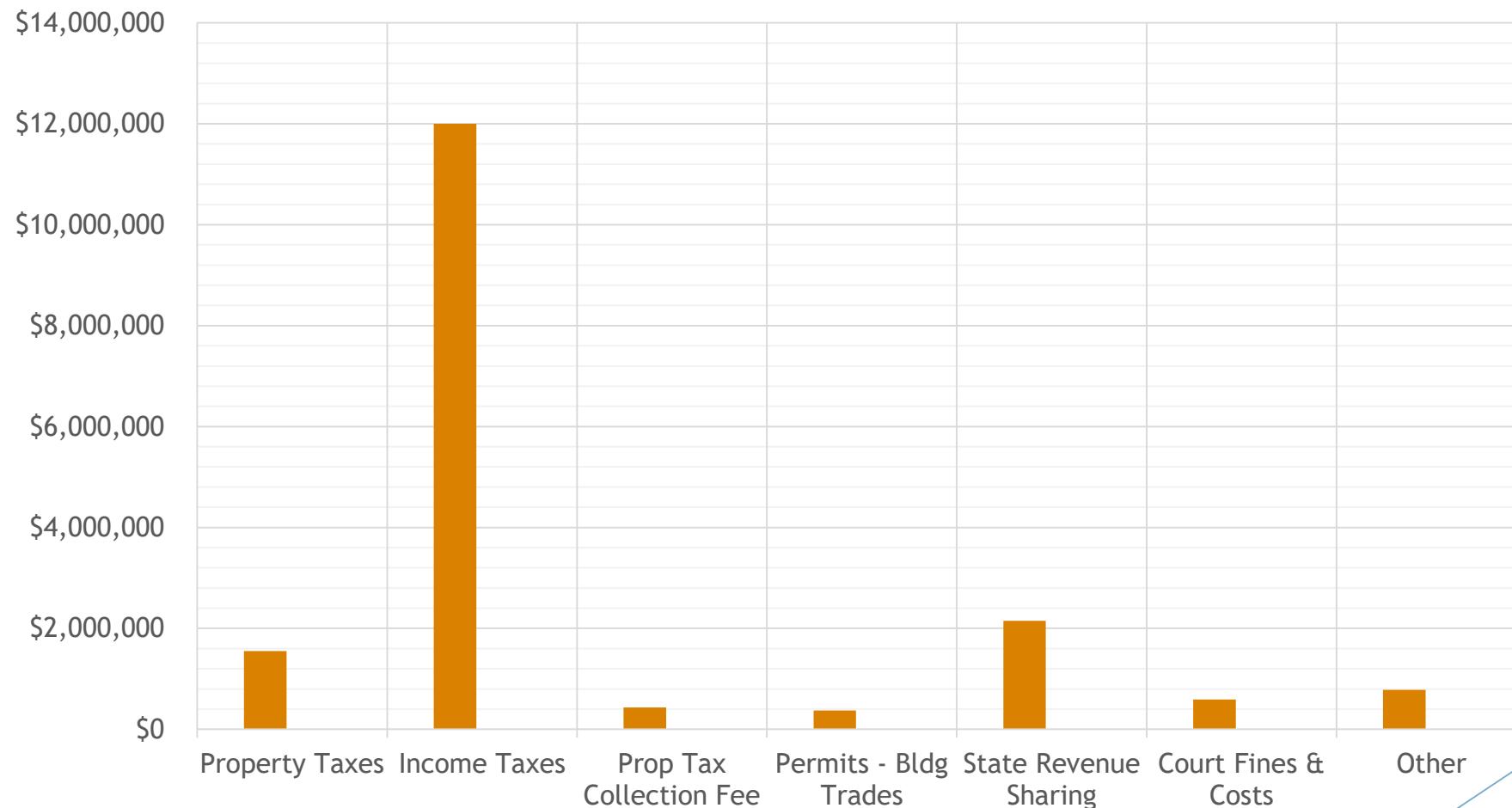
- Bond and Debt Payments:
 - No new bond debt is incurred.
 - The General Fund and Major/Local Street Funds are currently bond debt free.
 - The Capital Equipment has a 3 year IPA for the Fire Aerial Platform Truck = \$1,189,000
 - FY 2020/21 Payment = \$404,977
 - Walker DDA continues to make annual bond payments for Fire Station #2
 - Remaining balance equals approximately \$558,500.
 - 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 is payable through May 2023
 - Paid with special assessments collected from property owners within the district.
 - Remaining balance equals approximately \$188,400.

2020/2021 Budget - General Fund

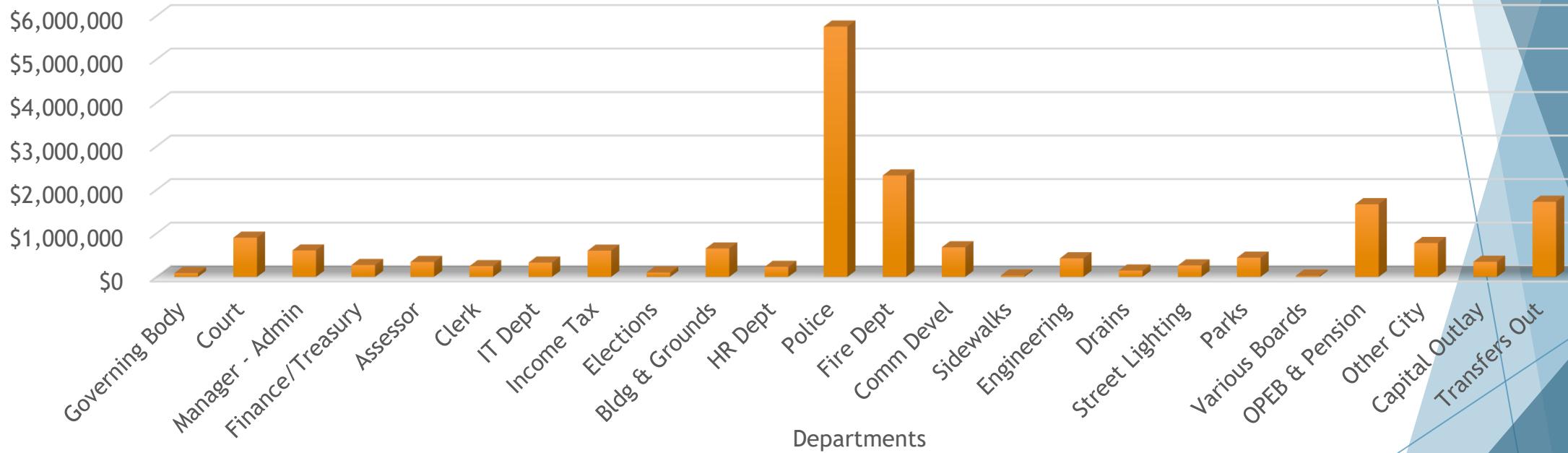
- ▶ The General Fund is the main fund of the City.
- ▶ The Fund's purpose is to account for all activities that are not required to be in a different fund.
- ▶ The Fund's main revenue sources are:
 - ▶ Walker Income Tax = 67%
 - ▶ State Shared Revenue (portion of Michigan sales tax) = 12%
 - ▶ Property Tax = 9%

→The following graphs are a look at the General Fund's proposed 2020/2021 budget

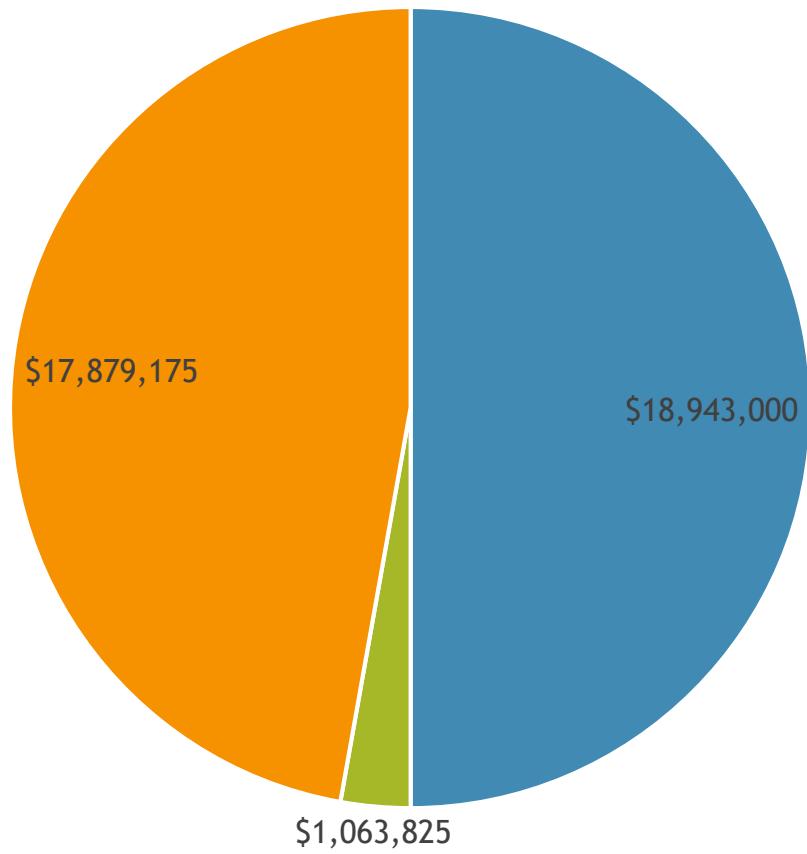
General Fund (Fund 101)
Fiscal Year 2020/2021 Budgeted Revenues
Total Budgeted Revenues = \$17,879,175



General Fund (Fund 101)
Fiscal Year 2020/2021 Budgeted Expenditures
Total Budgeted Expenditures = \$18,943,000



General Fund (Fund 101)
Budgeted Revenue, Expenditures & Use of Fund Balance
Fiscal Year 2020/2021



- 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 2020/2021 Budget

| | |
|--|---------------|
| June 30, 2019 Audited Fund Balance - Unassigned | \$ 6,287,049 |
| Fiscal Year 2019/2020 Budgeted Transfer from Fund Equity | (1,532,420) |
| June 30, 2020 Projected Fund Balance - Unassigned | \$ 4,754,629 |
| Fiscal Year 2020/2021 Budgeted Transfer from Fund Equity | (1,063,825) |
| % of Unassigned Fund Balance to Expenditures at 06/30/2021 (***) - PROJECTED | \$ 3,690,804 |
| | |
| Fiscal Year 2020/2021 Budgeted Expenditures | \$ 18,943,000 |
| | |
| % of Unassigned Fund Balance to Expenditures at 06/30/2021 (***) - PROJECTED | 19.48% |

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

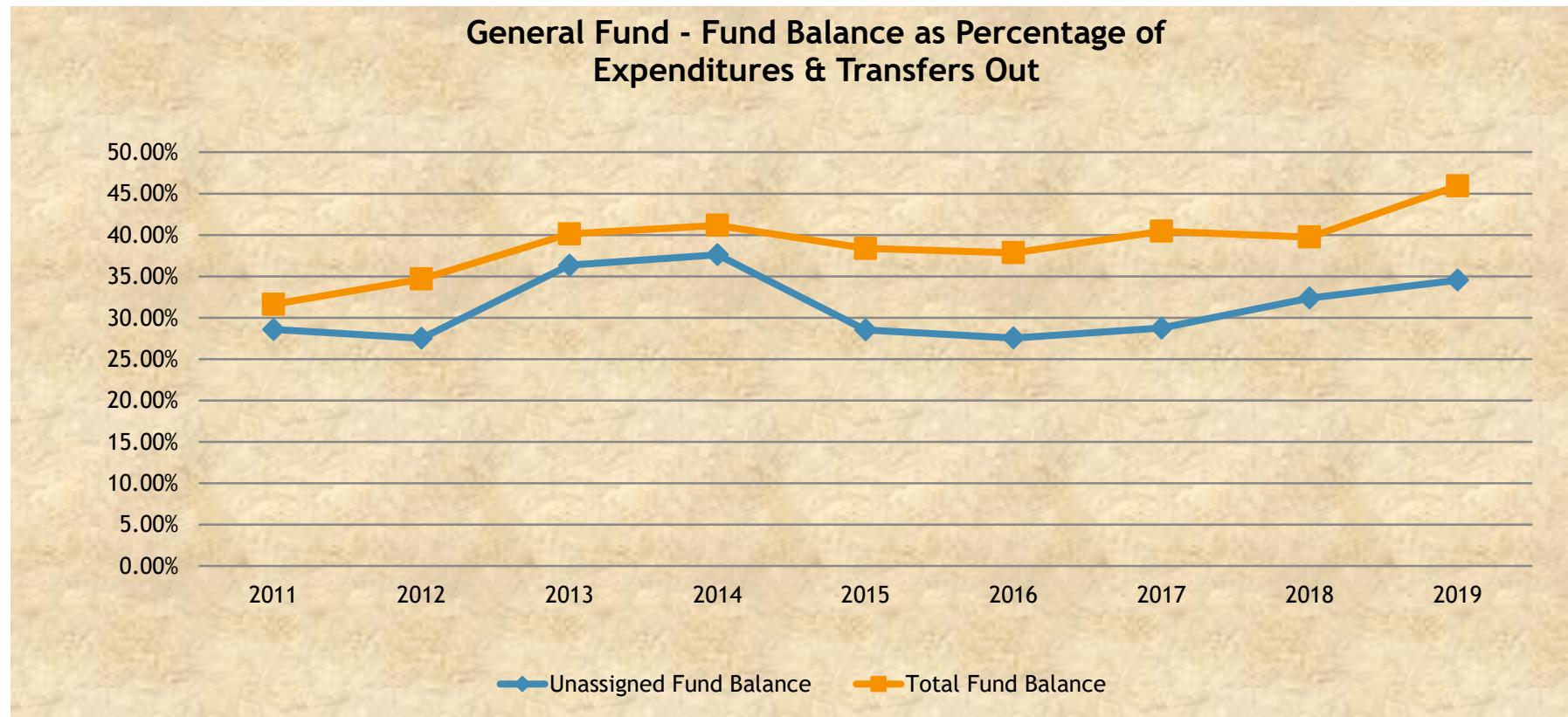
NOTE: The 19.48% is AFTER taking out the various set asides

General Fund (Fund 101)

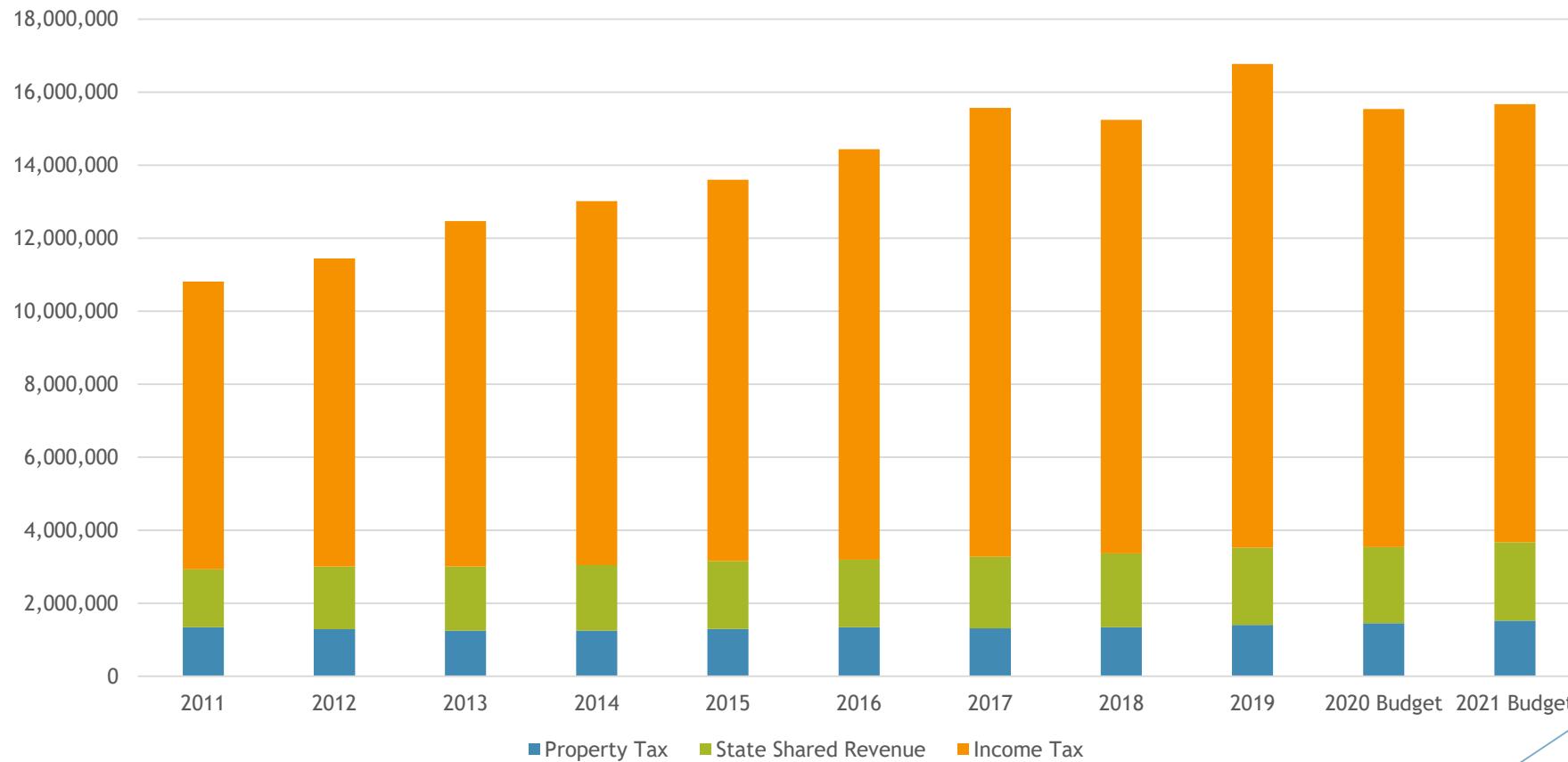
History of Fund Balance as Percentage of Fiscal Year's Expenditures & Transfers Out

Fiscal Years Ending June 30, 2011 through June 30, 2019

Actual Amounts Taken from Annual Audit Reports



Summary of Walker's Three Main Revenue Sources for FYE 2011 - 2021



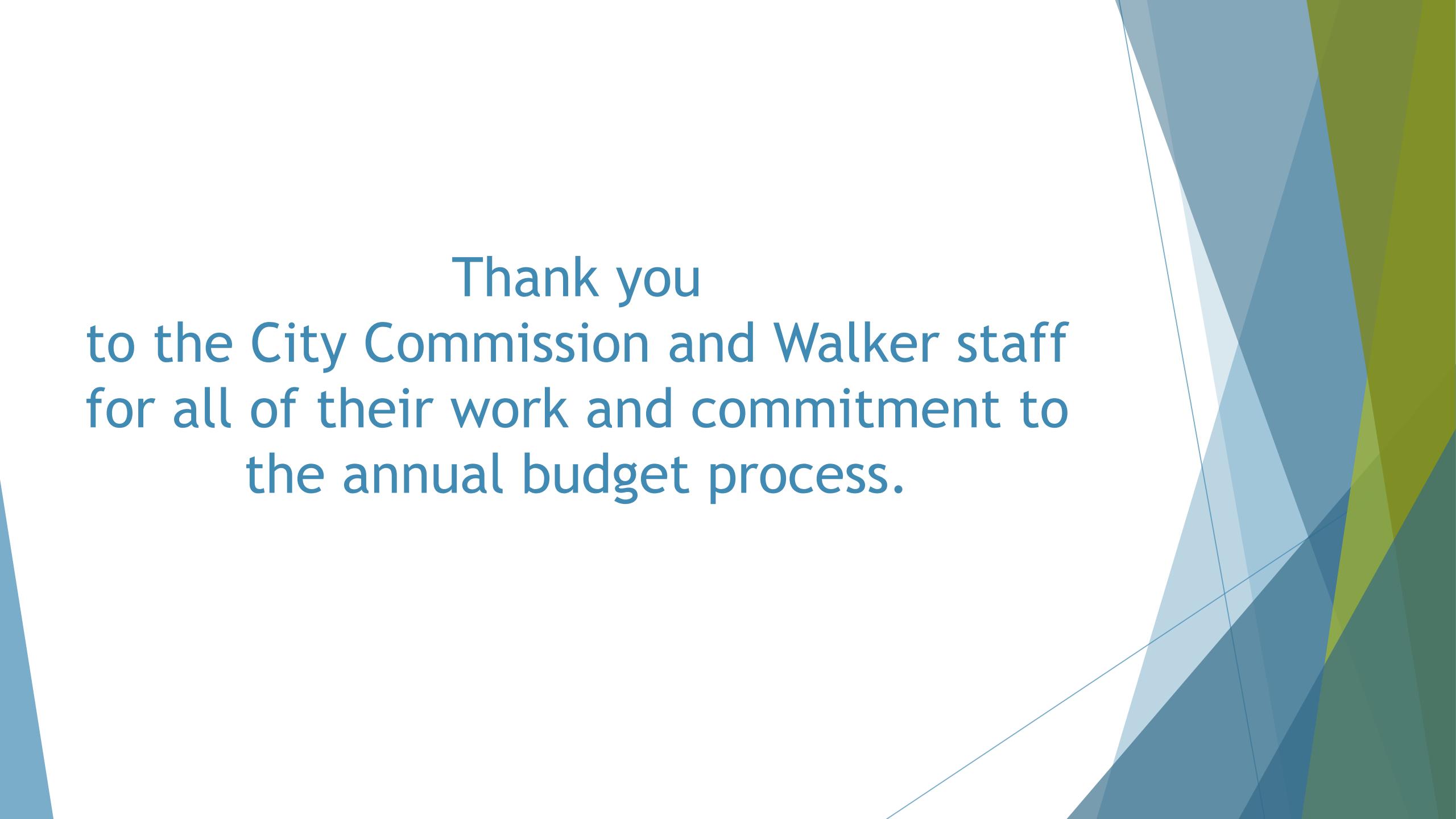
2020/2021 Budget - Other City Funds

- ▶ 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 260 (MIDC Fund) - Grant monies received to provide indigent defense attorney services at the Walker division of the 59th District Court per State guidelines.
- ▶ Fund 262 (Special Vice Fund) - Drug forfeiture and drunk driving money.
- ▶ Funds 450-454 (Brownfield Redevelopment Funds) - Brownfield Projects.
- ▶ Fund 494 (DDA Fund) - Walker Downtown Development Authority.
- ▶ Fund 496 (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.

2020/2021 Budget Resolution

- ▶ Overall, the City has 23 different funds.
- ▶ The “Resolution to Adopt City of Walker Fiscal Year 2020-2021 Budget” that you will be considering tonight contains the budgets for all the Funds that require formal approval per State regulations.
- ▶ Total 2020/2021 Budgeted Expenditures per the Resolution = \$29,602,702

| General Fund | \$18,943,000 |
|-------------------------------------|---------------------|
| Major Street Fund | \$7,659,720 |
| Local Street Fund | \$1,172,289 |
| MIDC Compliance Fund | \$71,650 |
| Special Vice Investigation Fund | \$22,800 |
| Walker Ice & Fitness Center Fund | \$1,437,485 |
| Downtown Development Authority Fund | \$295,758 |
| TOTAL | \$29,602,702 |



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

2020/2021 Budget

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

Thank you