



Communication to the City Commission

TO: City Commission

COPY:

FROM: Martin Colburn, City Manager

MEMO DATE: June 2, 2022

SUBJECT: Fiscal Year 2022/2023 Budgets

EXECUTIVE SUMMARY:

At the May 2, 2022, Regular Meeting, the City Commission first received the proposed budgets for the City, Traverse City Light and Power and the Downtown Development Authority. Those budgets were subsequently discussed in detail on May 9, 2022, Study Session, May 16, 2022 Public Hearing and May 23, 2022 Study Session. As a result of the discussions the following items were updated in the proposed budget:

- An additional \$150,000 contribution to the E. Front Mill & Fill from fund 243 (County Road Millage Fund) and an additional \$150,000 from TIF 97.
- An increase in contingencies of \$60,000 to provide for possible additional wages as a result of the ACT compensation study
- An additional appropriation from the General Fund of \$150,000 for the Grandview Parkway Tart Trail design and an additional \$150,000 from TIF 97.
- An additional \$75,000 added to the Planning Department budget for master plan (the budget as presented had \$89,000 for this, bring the total budgeted for 22-23 to \$164,000, with the remainder of the \$175,000 cost projected to be spent in the current year).
- \$360,000 added to contingencies to fund 3 firefighter positions requested.
- \$57,000 added to contingencies to fund the Mobility and Bike action plan
- Increased Fire OT by \$30,000
- Removed \$10,000 General Fund transfer to the Coast Guard Fund
- Increased General Fund Contribution to Capital Projects Fund by \$20,000 for volleyball courts
- The budget resolutions provide the appropriation for the following positions: One Social Worker for Police Department; One Community Policing Officer; moving one Administrative Assistant for the Oakwood Cemetery from part-time to full-time.

- Additionally, the budget resolutions provide the appropriation for the following positions, which will not be filled until such time as authorized by the City Commission: The second Assistant City Manager; the Utilities Engineer in the Department of Municipal Utilities; and the three firefighter positions.

Included is a memo from Downtown Development Authority CEO Jean Derenzy outlining the DDA's budget with the strategies of the City Commission.

Lastly, per the City Charter, the City Commission shall establish the City Manager's per-transaction spending authority annually by resolution when adopting the budget. My recommendation is to set the spending authority at the maximum of 0.1% of the budgeted operational expenses of the General Fund for 2022-2023 (which is the equivalent of \$21,600) the rationale for the maximum is due to inflation effecting costs.

The City Charter requires that the budgets be adopted at the first regular meeting in June, which is Monday night. Attached are various resolutions, which need to be adopted individually and in the order presented. The budget documents can be found on the City's [website](#).

RECOMMENDATION:

I recommend the following motions, which need to be adopted separately:

1. That the Resolution Waiving 1/2 of Traverse City Property Tax Administration Fee for Fiscal Year 2022-2023, be adopted.
2. That the Resolution Certifying Tax Levy for Downtown Development Authority for Fiscal Year 2022-2023, be adopted. (5 affirmative votes required)
3. That the Resolution Adopting the Downtown Development Authority Budget for Fiscal Year 2022-2023, be adopted. (5 affirmative votes required)
4. That the Resolution Certifying Tax Levy for the City of Traverse City for Fiscal Year 2022-2023, be adopted. (5 affirmative votes required)
5. That the Resolution Certifying Tax Levy for Act 345 Police and Fire Pension System for Fiscal Year 2022-2023, be adopted. (5 affirmative votes required)
6. That the Resolution Adopting the Traverse City Light and Power Budget for Fiscal Year 2022-2023 Including the Capital Improvement Plan, be adopted. (5 affirmative votes required)
7. That the Resolution Adopting the City of Traverse City Fiscal Year 2022-2023 Comprehensive Annual Budget Report, be adopted. (5 affirmative votes required)

8. That the Resolution Adopting the City of Traverse City Fiscal Year 2022-2023 Capital Improvements Plan and Capital Projects Fund, be adopted. (5 affirmative votes required)

9. That the Resolution to Establish the City Manager's Per-Transaction Spending Authority Pursuant to City Charter Section 40, be adopted. (5 affirmative votes required)

10. That the Resolution Establishing Water Rates, Water Service Charges and Sewer Rates, be adopted. (5 affirmative votes required)