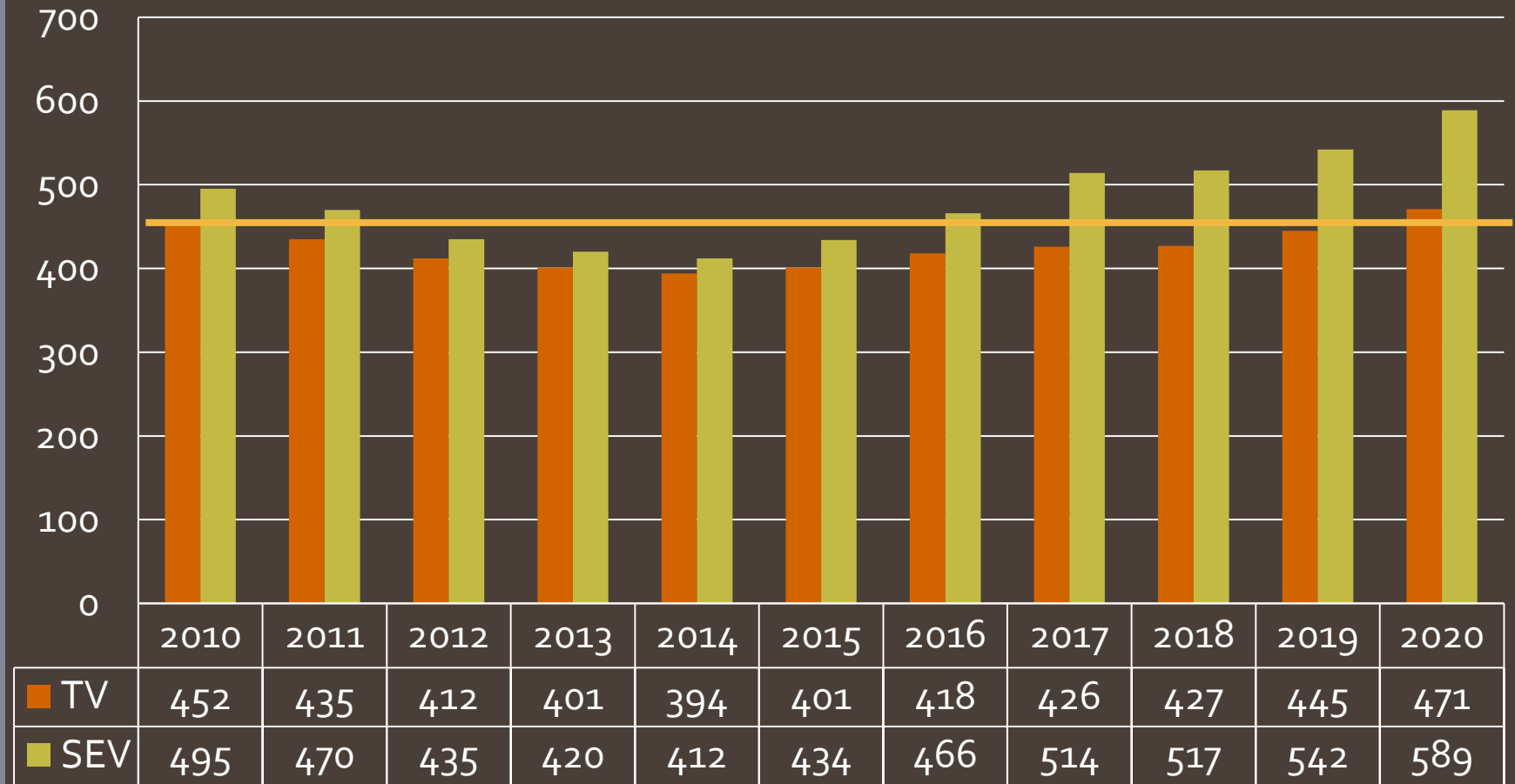
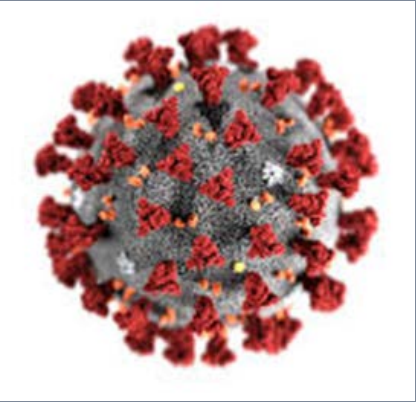


ANNUAL BUDGET PRESENTATION

CLOSING OUT YEAR ENDING JUNE 30, 2020



BUDGET PROCESS CONTEXT



- A FULL FISCAL YEAR IN THE SHADOW OF THE PANDEMIC
- THE FINANCIAL IMPACTS OF COVID-19 ARE STILL LARGELY UNKNOWN, BUT THIS IS WHAT WE HAVE CURRENTLY EXPERIENCED VS. WHAT WE THOUGHT WAS POSSIBLE LAST YEAR:
 - STATE REVENUE SHARING PERFORMED BETTER THAN EXPECTED
 - ACT 51 REVENUES CAME IN HIGHER THAN EXPECTED
 - PROPERTY VALUES GREW BY 4.63%
 - ECONOMIC DEVELOPMENT ACTIVITY REMAINED STEADY/STRONG
 - THE CITY HAS RECEIVED/WILL RECEIVE A TOTAL OF OVER \$1,000,000 IN COVID RELATED FUNDING SUPPORT (IN ADDITION TO OTHER GRANTS)

LOOKING BACK AT FISCAL YEAR 2020/2021

HIGHLIGHTS

- BEGAN MOVE TO CLEARGOV FORMAT FOR THE CAPITAL IMPROVEMENT PLAN (CIP), THE BUDGET DOCUMENT, AND PROJECT COMMUNICATIONS.
- MAINTAINED THE CITY'S AA+ BOND RATING DESPITE ECONOMIC PRESSURES OUTSIDE OF THE CITY'S CONTROL.
- SUCCESSFULLY UPDATED NUMEROUS OUTDATED ORDINANCES TO MEET TODAY'S NEEDS OF PROPERTY AND BUSINESS OWNERS.
- COMPLETED THE ALPINE, THIRD, FAIRWAY TRAILS, AND RICKETT ROAD PHASE I PROJECTS UNDER BUDGET.
- SUCCESSFULLY OBTAINED GRANT FUNDING (\$375,000) TO SUPPORT RICKETT ROAD PHASE II.
- MADE SIGNIFICANT PROGRESS ON THE FEDERALLY REQUIRED SIGN REPLACEMENT PROGRAM.
- COMPLETED THE SMOOTH TRANSITION OF GENOA TOWNSHIP WATER AND SEWER BILLING AND RELATED MAINTENANCE BACK TO THE CITY.
- DEVELOPED AND LAUNCHED THE CITY'S FATS, RAGS, OILS, AND GREASE (FROG) PROGRAM.
- CONTINUED EXPANDED MAINTENANCE OF CITY STREETS, SIDEWALKS, AND TREES.
- BEGAN DIGITIZING COMMUNITY DEVELOPMENT AND POLICE FILES FOR DOCUMENT RETENTION.
- THE SUCCESSFUL EXECUTION OF THE 2020 PRESIDENTIAL ELECTION CYCLE THROUGH COVID AND A SIGNIFICANT INCREASE IN ABSENTEE VOTING.

LOOKING
BACK AT
FISCAL YEAR

2020/2021

GENERAL FUND
PROJECTIONS

2020/2021 General Fund Projections

	Original Budget	Projection
Revenue	\$9,336,905	\$9,650,632
Expenditures	\$9,426,584	\$9,274,507
Use of Fund Balance	\$(99,679)	\$276,125
Beginning Assigned and Unassigned Fund Balance (Audited*)	\$2,545,824	\$2,545,824
Ending Assigned and Unassigned Fund Balance	\$2,108,671	\$2,826,493
Assigned and Unassigned FB as % of Op. Expenditures (**at Budget Adoption)	22%**	30%

FISCAL PRESSURES STATUS

- FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE
- FISCAL PRESSURE II: UNDERFUNDED CAPITAL
- FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES



FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE

FISCAL YEAR 2020/2021

- COMPLETED RICKETT ROAD PHASE I
- COMPLETED ATF REHAB
- COMPLETED ENGINEERING AND BID RICKETT PHASE II (SPRING 21' START)
- COMPLETED ENGINEERING AND BID NORTHWEST NEIGHBORHOODS (SPRING 21' PHASE I START)
- SELECT MAINTAINANCE PERFORMANCE
 - 7,000 SQ FT OF SIDEWALK REPLACED
 - 1,100 LINER FEET OF TRIMMING





FISCAL PRESSURE II: UNDERFUNDED CAPITAL

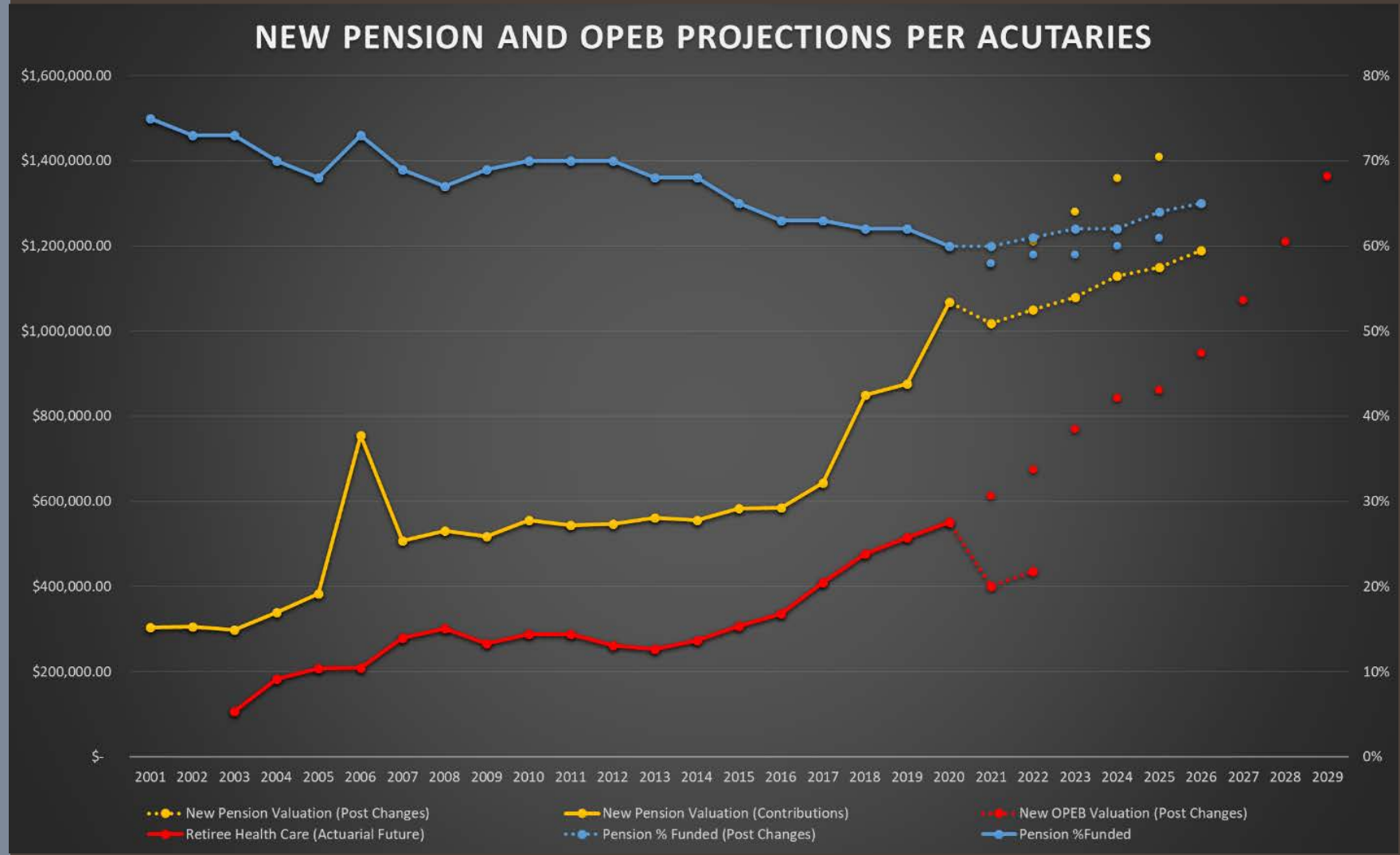
- GENERAL FUND
- UTILITIES FUND

FISCAL YEAR 2020/2021

- CAPITAL RESERVE FUND
 - THE "FIRST" MILL
 - FUNDING DEPRECIATION @ 10%
- UTILITY RESERVE FUND
 - MORE WORK TO DO

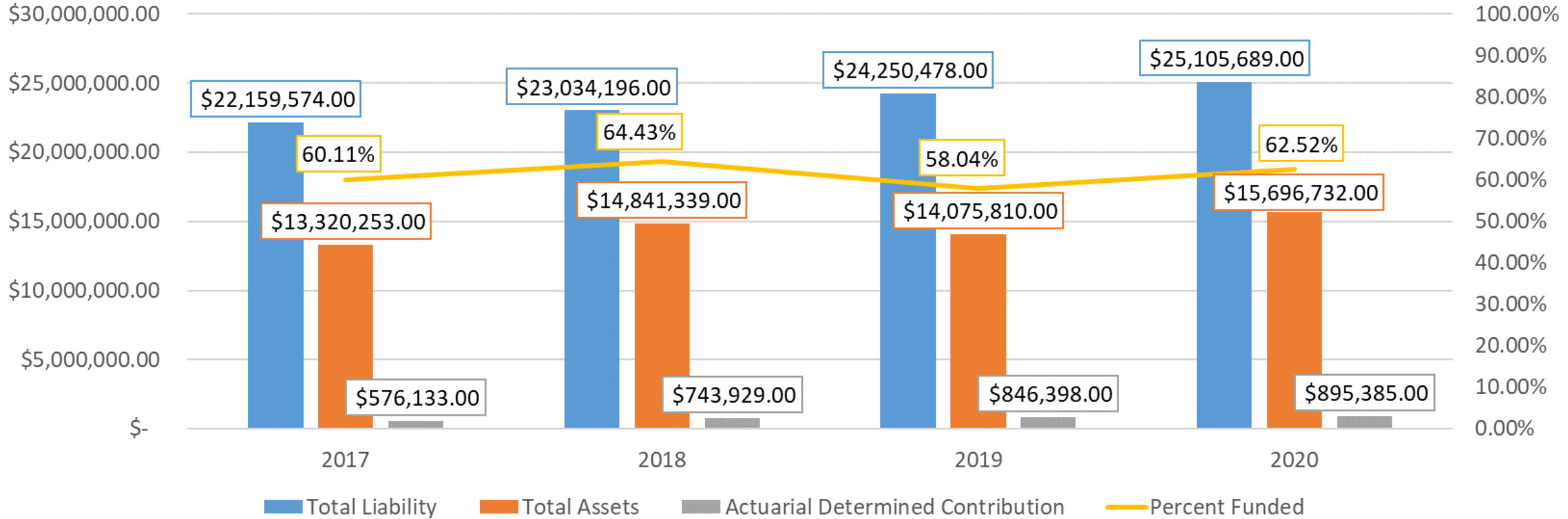


FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES (WHERE WE ARE)



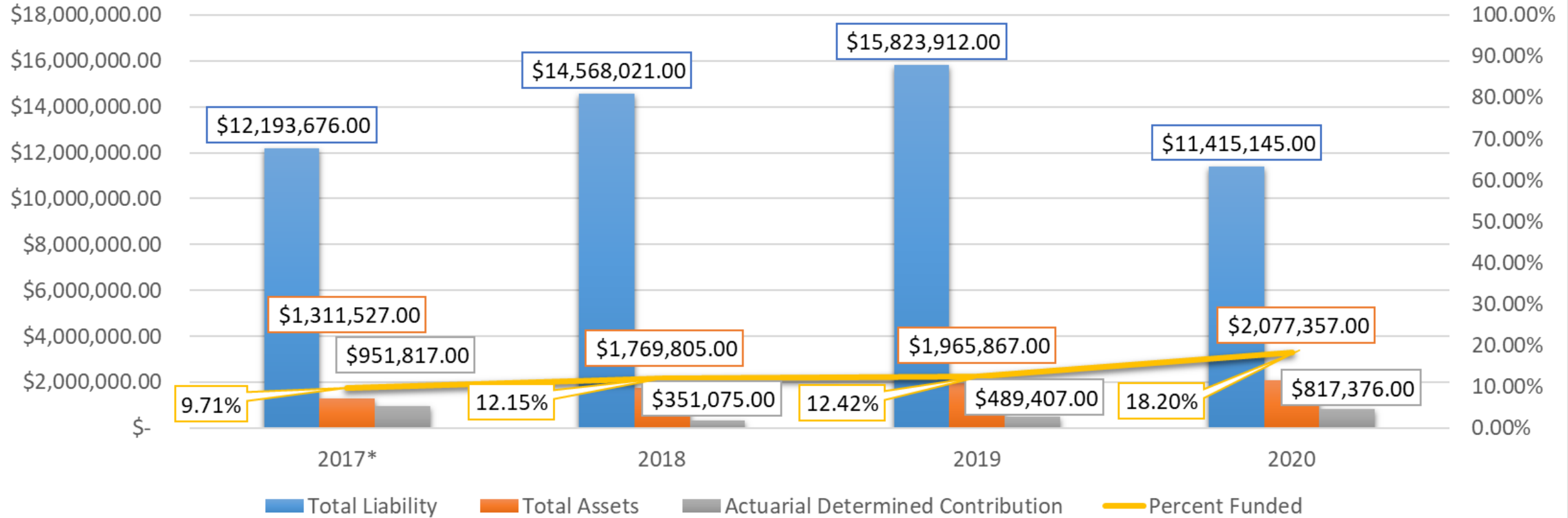
PENSION LIABILITIES

(AS REPORTED IN THE CAFR AT YEAR END)



OPEB LIABILITIES

(AS REPORTED IN THE CAFR AT YEAR END)



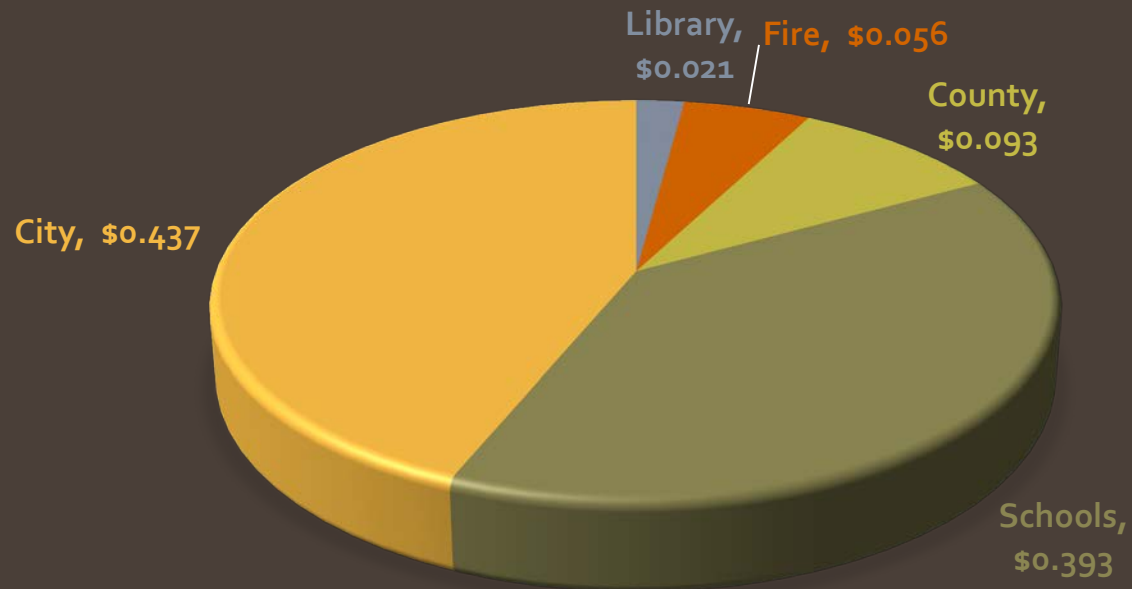
FISCAL YEAR

2021/2022

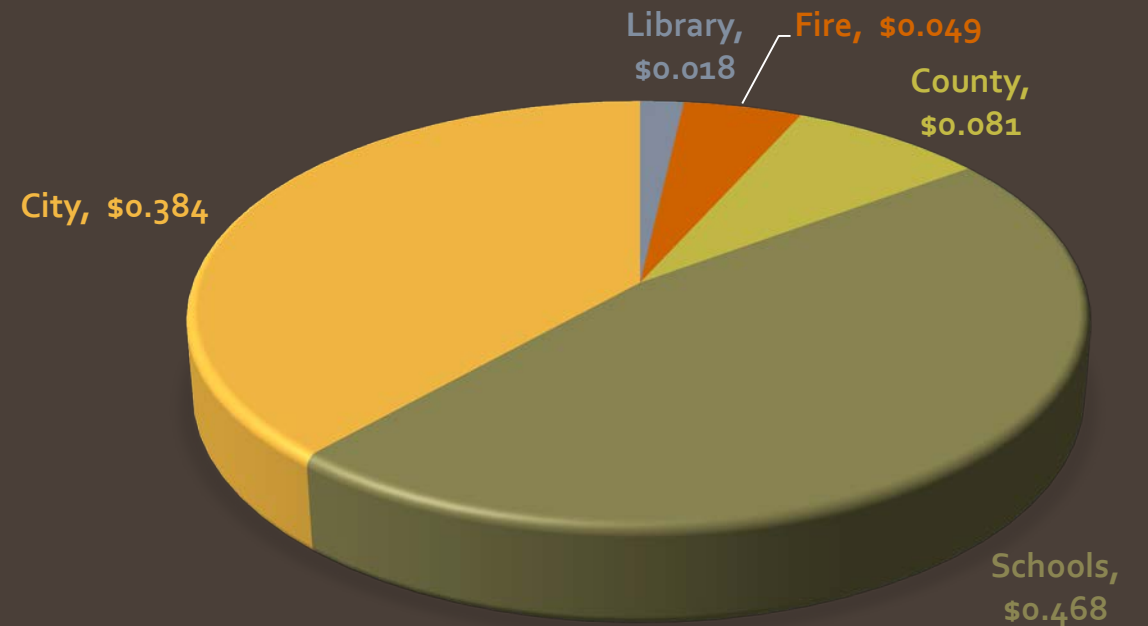
RECOMMENDED BUDGET

TAX DOLLAR DISTRIBUTION

RESIDENTIAL TAX DOLLAR DISTRIBUTION



COMMERCIAL TAX DOLLAR DISTRIBUTION



FISCAL YEAR 2020/2021 RECOMMENDED BUDGET CONTEXT

- COVID-19 REVENUE IMPACTS...MAYBE...MINIMIZED BY OTHER FACTORS
 - OVERALL PROPERTY VALUE GROWTH – 4.63% (ESTIMATED)
 - REVENUE SHARING GROWTH
 - ACT 51 REVENUE GROWTH
 - FEDERAL FUNDS
 - ECONOMIC DEVELOPMENT
- COVID-19 EXPENDITURE IMPACTS...MAYBE
 - INCREASED MTT LEGAL/APPRaisal FEES BUDGET
 - INCREASED MTT REFUND BUDGET
- HEADLEE REDUCTION FRACTION - .9840 (ESTIMATED)
- CITY MILLAGES TO BE REDUCED BY 1.6%
 - **14.7692** – Operating (15.0093) **(\$113,261)**
 - **0.3673** – Police Capital (.3733) **(\$3,108)**
 - **2.4192** – Streets (2.4585) **(\$20,468)**
 - **17.5557** – Total (17.8411) **(\$136,837)**
- 2020/2021 HEADLEE REDUCTION FRACTION - .9834
- 2019/2020 HEADLEE REDUCTION FRACTION - .9996

FISCAL YEAR 2020/2021 RECOMMENDED BUDGET CONTEXT

AMERICAN RESCUE PLAN ACT

- **ESTIMATED \$750,000 ALLOCATION**
 - TO RESPOND TO THE PANDEMIC OR ITS NEGATIVE ECONOMIC IMPACTS, INCLUDING ASSISTANCE TO HOUSEHOLDS, SMALL BUSINESSES, AND NONPROFITS, OR AID TO IMPACTED INDUSTRIES SUCH AS TOURISM, TRAVEL, AND HOSPITALITY.
 - FOR PREMIUM PAY TO ELIGIBLE WORKERS PERFORMING ESSENTIAL WORK (AS DETERMINED BY EACH RECIPIENT GOVERNMENT) DURING THE PANDEMIC, PROVIDING UP TO \$13 PER HOUR ABOVE REGULAR WAGES.
 - FOR THE PROVISION OF GOVERNMENT SERVICES TO THE EXTENT OF THE REDUCTION IN REVENUE DUE TO THE PANDEMIC (RELATIVE TO REVENUES COLLECTED IN THE MOST RECENT FULL FISCAL YEAR PRIOR TO THE EMERGENCY).
 - TO MAKE NECESSARY INVESTMENTS IN WATER, SEWER, OR BROADBAND INFRASTRUCTURE.
 - THE LANGUAGE EXPLICITLY PROHIBITS
 - FUNDS FROM: OFFSETTING, EITHER DIRECTLY OR INDIRECTLY, A TAX CUT MADE SINCE MARCH 3, 2021.
 - BEING DEPOSITED INTO A PENSION FUND.
- FUNDS MUST BE SPENT BY DECEMBER 31, 2024
- SPECIFIC DETAIL STILL TO COME
- FINAL DOLLAR AMOUNT LIKELY TO CHANGE

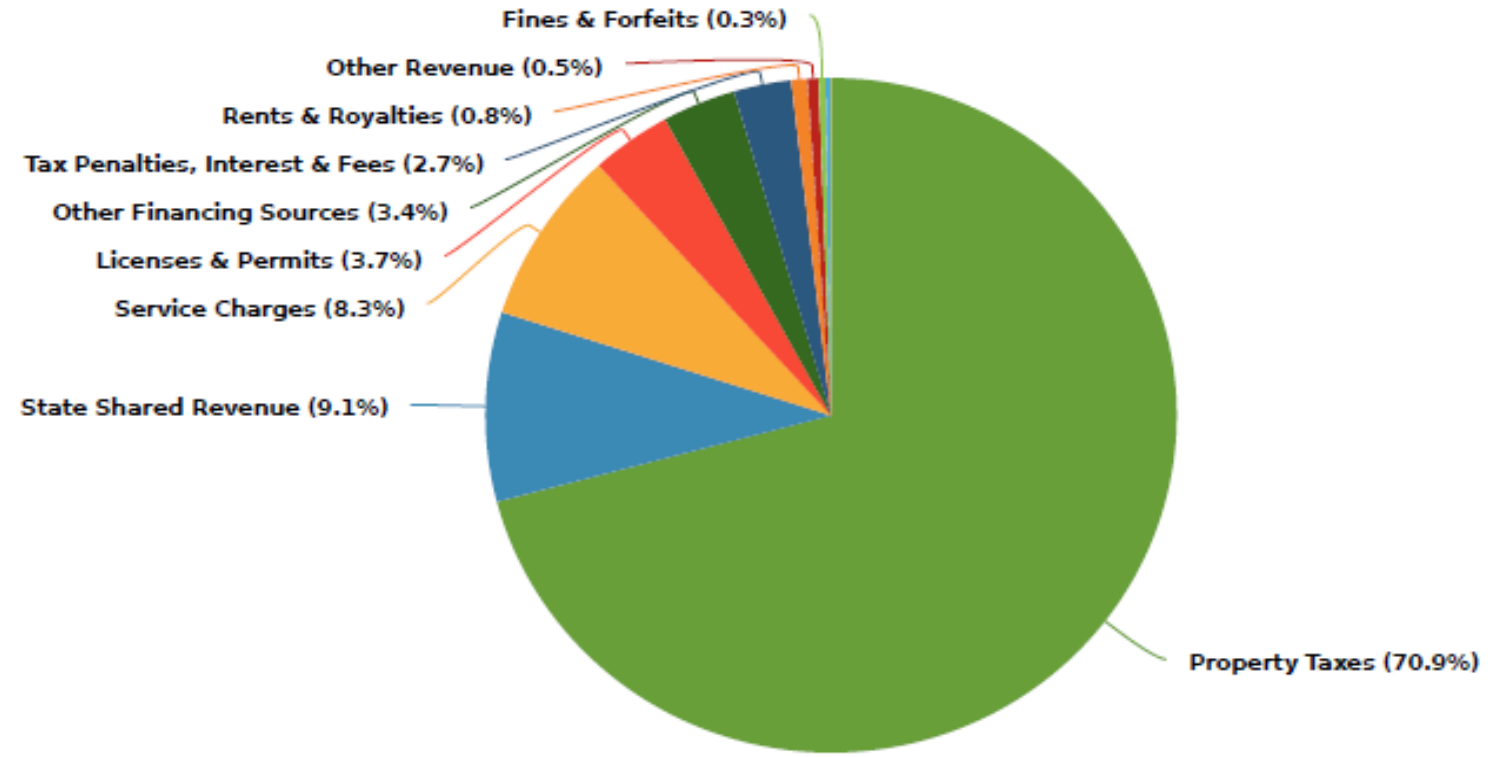
FISCAL YEAR
2021/2022
RECOMMENDED
BUDGET

GENERAL FUND
SUMMARY
(REVENUES)

\$9,650,430 **\$313,525**
(3.36% vs. prior year)

Revenues by Source

Projected 2022 Revenues by Source



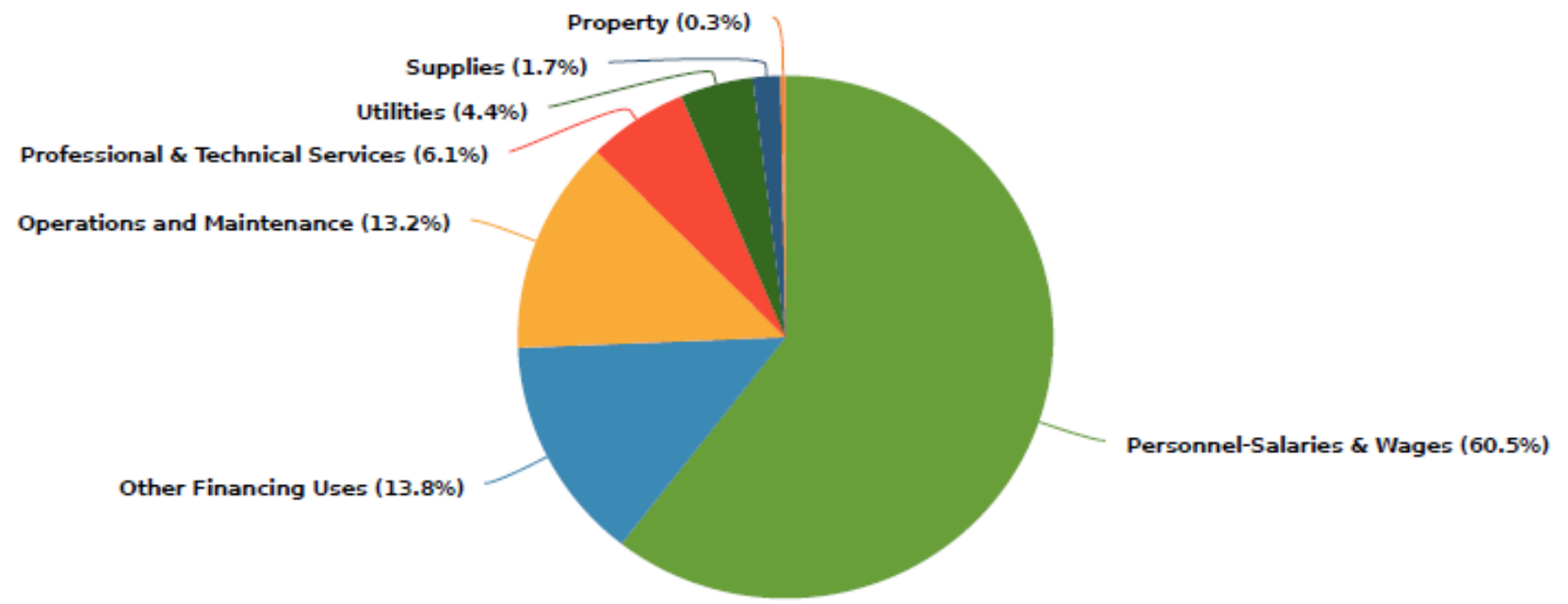
FISCAL YEAR
2021/2022
RECOMMENDED
BUDGET

GENERAL FUND
SUMMARY
(EXPENDITURES)

\$9,572,658 **\$136,073**
(1.44% vs. prior year)

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



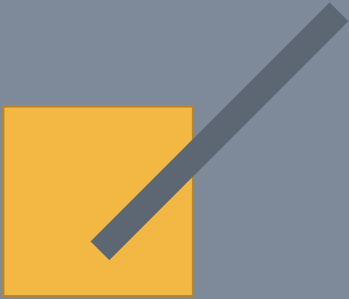
ADDRESSING FISCAL PRESSURES: FISCAL YEAR 2021/2022

- FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE
- FISCAL PRESSURE II: UNDERFUNDED CAPITAL
- FISCAL PRESSURE III: PENSION AND OPEB LIABILITIES



FISCAL PRESSURE I: STREETS AND RELATED INFRASTRUCTURE

- 2021 CAPITAL IMPROVEMENT BOND PROJECTS
 - NORTHWEST NEIGHBORHOODS PHASE II
 - GRAND RIVER PHASE II & GRAND RIVER STUB STREETS
 - SIDEWALK GAP PROGRAM PHASE I
- DESIGN ENGINEERING FOR TBD NEIGHBORHOODS STREETS PROJECT (DATA BASED TOP 3 CANDIDATES PRESENTED IN SUMMER/FALL)



FISCAL PRESSURE II: UNDERFUNDED CAPITAL

- GENERAL FUND
- UTILITIES FUND

RECOMMENDED POLICY TWEAKS

- ADD "MAINTENANCE OF CAPITAL ASSETS"
- ADD "RELATED DEBT SERVICE"

FISCAL YEAR 2021/2022

- CAPITAL RESERVE FUND FULLY FUNDED
 - THE "FIRST" MILL
 - FUNDING DEPRECIATION @ 10%
 - PORTION OF ANNUAL DDA CONTRIBUTION

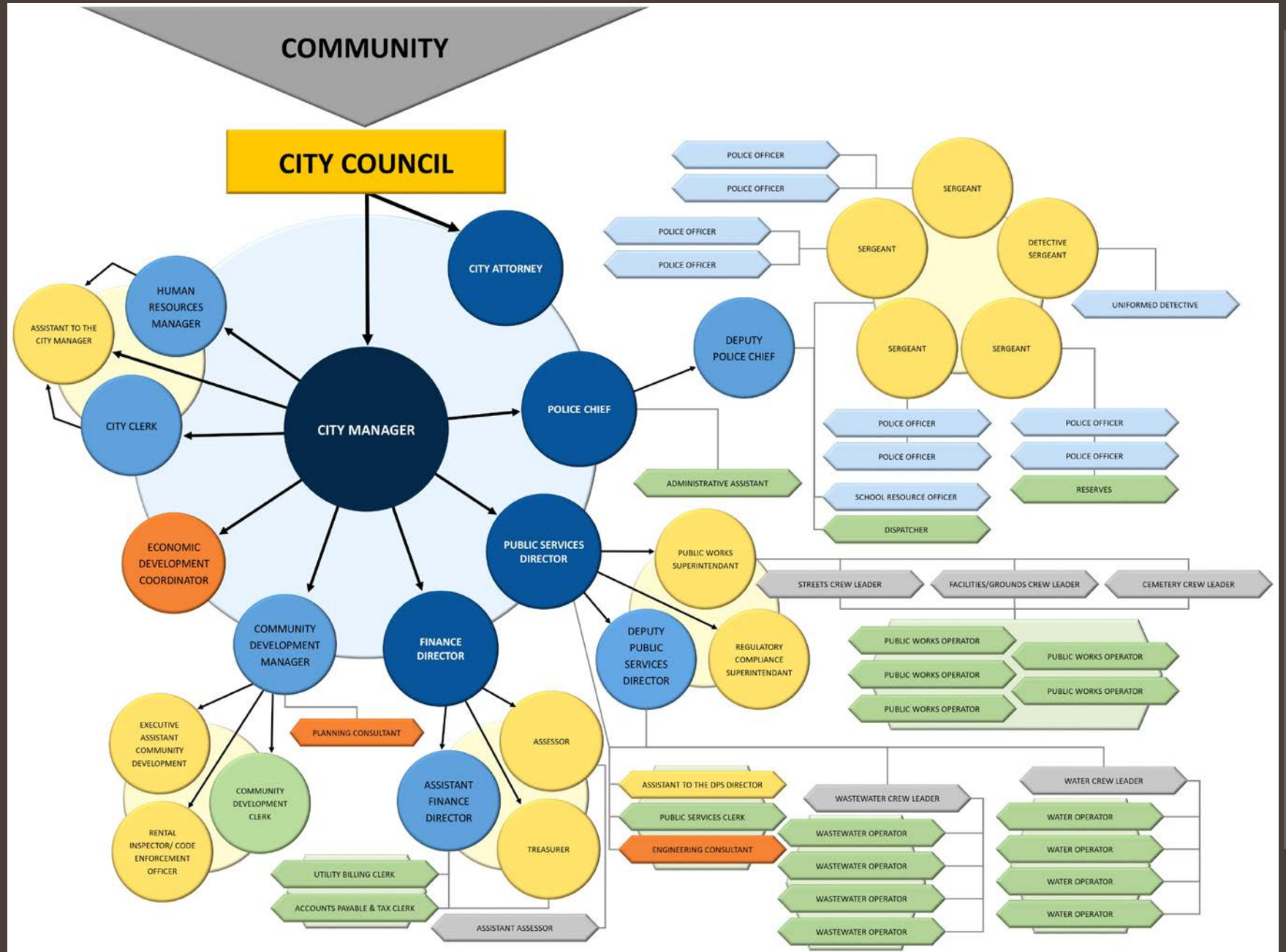
ADMINISTRATION (IT & MISC.)			\$32,300
Computers	-	\$12,300	
Software Upgrades Office 360/Adobe	-	\$20,000	
FACILITIES			\$57,800
DPW Security Cameras	10 - 15 Years	\$8,000	
DPW Garage	40 - 50 Years	\$40,000	
HVAC Community Center	15 - 20 Years	\$9,800	
VEHICLES AND EQUIPMENT			\$363,000
Backhoe Refurbishment	15+ Years	\$12,000	
Street Sweeper	15+ Years	\$300,000	
10 Ft Snow Pusher	15+ Years	\$6,000	
Chipper Box	15+ Years	\$10,000	
Loader Cab Replacement	15+ Years	\$30,000	
Plow Blades	3 - 7 Years	\$5,000	
DOWNTOWN CAPITAL & MAINTENANCE			\$70,000
Downtown Parking Lots	-	\$70,000	
TOTAL			\$523,100

OTHER BUDGET HIGHLIGHTS - STAFFING

- DETECTIVE TO DETECTIVE SERGEANT (INCLUDED)
- UNIFORMED DETECTIVE (INCLUDED)
- PART-TIME COMMUNICATIONS/ELECTIONS ASSISTANT
(NOT INCLUDED)

STAFFING 21/22

FULL TIME EQUIVALENTS	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
ADMINISTRATIVE SERVICES	5	4.25	4	4.75	4.75
FINANCE DEPARTMENT	7	7	7	7	7
COMMUNITY DEVELOPMENT	4	3.7	3.7	3.7	3.7
POLICE DEPARTMENT	19.6	19.6	18.6	18.6	19.6
PUBLIC WORKS	11	11.75	10.5	10.5	10.5
GEN. FUND TOTAL	46.60	46.30	43.80	44.80	44.80
UTILITIES	11	11	10.5	11.5	11.5
TOTAL	57.60	57.30	54.30	56.05	57.05



CITY OF BRIGHTON
 GENERAL FUND SUMMARY
 SIX YEAR FINANCIAL FORECAST (as of March 28, 2021)

	FY 2020-21 <u>Adopted</u>	FY 2020-21 <u>Projected</u>	21-22 <u>Proposed</u>	22-23 <u>Forecast</u>	23-24 <u>Forecast</u>	24-25 <u>Forecast</u>	25-26 <u>Forecast</u>	26-27 <u>Forecast</u>
Revenue	9,336,905	9,650,632	9,650,430	9,858,197	10,026,398	10,200,002	10,387,819	10,580,048
Expenditures	9,436,584	9,374,507	9,572,658	9,867,064	10,115,926	10,356,814	10,639,696	10,631,802
Change in Fund Balance	(99,679)	276,125	77,772	(8,867)	(89,528)	(156,812)	(251,877)	(51,754)
Add: Beginning Assigned and Unassigned Fund Balance	2,966,427	2,866,748	2,866,748	2,944,520	2,935,653	2,846,125	2,689,314	2,437,436
Ending Assigned and Unassigned Fund Balance *	<u>2,866,748</u>	<u>3,142,873</u>	<u>2,944,520</u>	<u>2,935,653</u>	<u>2,846,125</u>	<u>2,689,314</u>	<u>2,437,436</u>	<u>2,385,683</u>
Minimum Target Unassigned Fund Balance (15%):	<u>1,237,067</u>	<u>1,237,067</u>	<u>1,268,354</u>	<u>1,305,422</u>	<u>1,338,981</u>	<u>1,376,233</u>	<u>1,416,417</u>	<u>1,453,999</u>
Unassigned Fund Balance Over/(Under) Minimum Target Fund Balance	1,629,681	1,905,806	1,676,166	1,630,231	1,507,145	1,313,081	1,021,019	931,684
Unassigned FB as a % of Oper. Expend.	35%	38%	35%	34%	32%	29%	26%	25%

* Ending Assigned and Unassigned Fund Balances include Non-Spendable Fund Balance for Prepaid Expenses and Carryover Purchase Orders

OPTIONS AVAILABLE DUE TO STRONG FUND BALANCE - INVEST \$500,000

1. FUND ADDITIONAL CONTRIBUTION TO PENSION FUND
2. TRANSFER ADDITIONAL FUNDS TO MAJOR/LOCAL STREETS FUNDS
3. TRANSFER ADDITIONAL FUNDS TO CAPITAL RESERVE FOR FUTURE CAPITAL

FISCAL YEAR
 2021/2022
 RECOMMENDED
 BUDGET

SIX YEAR FORECAST

OTHER
BUDGET
CONSIDERATIONS
NOT INCLUDED IN
RECOMMENDATION

- EMPLOYEE RECOGNITION PROGRAM
 - RECOGNIZE EMPLOYEES WHO GO ABOVE AND BEYOND
 - RECOGNIZE EMPLOYEE MILESTONES
- EMPLOYEE WELLNESS PROGRAM
 - DEVELOP PROGRAMS AND INITIATIVES TO SUPPORT EMPLOYEE/RETIREE HEALTH & WELLNESS
 - MAY HELP HEALTH INSURANCE RATES
- DOCUMENT IMAGING
 - REDUCED BUDGET/ SCOPE OF WORK
 - ADDITIONAL DOCUMENT IMAGING
- INCREASED LIGHTING NEAR HIGH SCHOOL
 - NEED CLEARER COUNCIL DIRECTION/SCOPE TO ASSEMBLE COSTS
- MAIN STREET/OTHER LIGHTED CROSSWALK SIGNS
 - COST INFORMATION WILL BE AVAILABLE FOR BUDGET WORKSHOPS

FISCAL YEAR

2021/2022

RECOMMENDED UTILITY RATES

UTILITIES FUND

FY 2021/2022 RECOMMENDATIONS

- STEPS TO IMPROVE FUND STATUS & CIP OUTLOOK
 - INCREASE RATES
 - INVESTIGATE "MOTHBALLING" THE PIERCE STREET PLANT
 - CONDUCT STUDY OF WASTEWATER TREATMENT PLANT NEEDS AND PROCESSES
 - WORK TOWARDS IMPLEMENTATION OF BEST PRACTICES
 - **BOLSTER CAPITAL RESERVE FUND**
 - INVESTIGATE OPERATING RESERVE FUND
 - INVESTIGATE RATE STABILIZATION FUND
 - INVESTIGATE READY TO SERVE FEE

• PROPOSED FY 21/22 RATES

	FY 20/21	FY 21/22
Water per 1,000 Gallons	4.96	5.45
Sewer per 1,000 Gallons	5.20	6.24
Admin Bi-Monthly*	9.19	9.64
Debt Service 3/4 inch Bi-Monthly	29.10	24.87
Connection Fee Per REU		
Sewer	\$7,198	\$7,198
Water	\$2,802	\$2,802
Total	\$10,000	\$10,000

ESTIMATED UTILITY BILL IMPACTS

	FY 2020-21 UNIT CHRGE.	FY 2021-22 UNIT CHRGE.	\$ VARIANCE	% VARIANCE	FY 2020-21 Bi-monthly Charge	FY 2021-22 Bi-monthly Charge	\$ VARIANCE	% VARIANCE
User Fees Based on 6,000 gallons								
Sewer -								
Commodity/1,000 gal.	\$5.20	\$6.24	\$1.04	20.0%	\$31.20	\$37.44	\$6.24	20.0%
Administration/Meter/Mo.	\$4.60	\$4.82	\$0.23	4.9%	\$9.19	\$9.64	\$0.45	4.9%
Debt/3/4" Meter/Mo.	\$14.55	\$12.44	(\$2.12)	-14.5%	\$29.10	\$24.87	(\$4.23)	-14.5%
Total	\$24.35	\$23.50	(\$0.85)	-3.5%	\$69.49	\$71.95	\$2.46	3.5%
Water -								
Commodity/1,000 gal.	\$4.96	\$5.45	\$0.49	9.9%	\$29.76	\$32.70	\$2.94	9.9%
Debt/1,000 gal.	\$0.00	\$0.00	\$0.00	0.0%	0%	\$0.00	\$0.00	0.0%
Total	\$4.96	\$5.45	\$0.49	9.9%	\$29.76	\$32.70	\$2.94	9.9%
TOTAL SEWER AND WATER BASED ON 6,000 GALLONS					\$99.25	\$104.65	\$5.40	5.4%

	\$7,198.00 UNIT CHRGE.	\$7,198.00 UNIT CHRGE.	\$ VARIANCE	% VARIANCE	\$0.00 Bi-monthly Charge	\$0.00 Bi-monthly Charge	\$ VARIANCE	% VARIANCE
User Fees Based on 8,000 gallons								
Sewer -								
Commodity/1,000 gal.	\$5.20	\$6.24	\$1.04	20.0%	\$41.60	\$49.92	\$8.32	20.0%
Administration/Meter/Mo.	\$4.60	\$4.82	\$0.23	4.9%	\$9.19	\$9.64	\$0.45	4.9%
Debt/3/4" Meter/Mo.	\$14.55	\$12.44	(\$2.12)	-14.5%	\$29.10	\$24.87	(\$4.23)	-14.5%
Total	\$24.35	\$23.50	(\$0.85)	-3.5%	\$79.89	\$84.43	\$4.54	5.7%
Water -								
Commodity/1,000 gal.	\$4.96	\$5.45	\$0.49	9.9%	\$39.68	\$43.60	\$3.92	9.9%
Debt/1,000 gal.	\$0.00	\$0.00	\$0.00	0.0%	0%	\$0.00	\$0.00	0.0%
Total	\$4.96	\$5.45	\$0.49	9.9%	\$39.68	\$43.60	\$3.92	9.9%
TOTAL SEWER AND WATER BASED ON 8,000 GALLONS					\$119.57	\$128.03	\$8.46	7.1%

	\$0.00 UNIT CHRGE.	\$0.00 UNIT CHRGE.	\$ VARIANCE	% VARIANCE	Bi-monthly Charge	Bi-monthly Charge	VARIANCE	VARIANCE
User Fees Based on 10,000 gallons								
Sewer -								
Commodity/1,000 gal.	\$5.20	\$6.24	\$1.04	20.0%	\$52.00	\$62.40	\$10.40	20.0%
Administration/Meter/Mo.	\$4.60	\$4.82	\$0.23	4.9%	\$9.19	\$9.64	\$0.45	4.9%
Debt/3/4" Meter/Mo.	\$14.55	\$12.44	(\$2.12)	-14.5%	\$29.10	\$24.87	(\$4.23)	-14.5%
Total	\$24.35	\$23.50	(\$0.85)	-3.5%	\$90.29	\$96.91	\$6.62	7.3%
Water -								
Commodity/1,000 gal.	\$4.96	\$5.45	\$0.49	9.9%	\$49.60	\$54.50	\$4.90	9.9%
Debt/1,000 gal.	\$0.00	\$0.00	\$0.00	0.0%	0%	\$0.00	\$0.00	0.0%
Total	\$4.96	\$5.45	\$0.49	9.9%	\$49.60	\$54.50	\$4.90	9.9%
TOTAL SEWER AND WATER BASED ON 10,000 GALLONS					\$139.89	\$151.41	\$11.52	8.2%

FISCAL YEAR
2021/2022
RECOMMENDED
BUDGET

NEXT STEPS

- MOTION TO SET BUDGET PUBLIC HEARING
 - THURSDAY, MAY 6, 2020
- BUDGET WORKSESSIONS
 - APRIL 13, 2020
 - APRIL 14, 2020
 - APRIL 22, 2020