

City of Swartz Creek

AGENDA

**Special Council Meeting, Wednesday April 21, 2004 6:00 P.M.
City Hall 8083 Civic Drive, Swartz Creek Michigan 48473**

1. CALL TO ORDER:

2. INVOCATION AND PLEDGE OF ALLEGIANCE:

3. ROLL CALL:

4. REPORTS:

6A.	Proposed 2004-2005 Fiscal Budget	Pg. File
6B.	City Manager's Report	Pg. 2-5
6C.	Resolutions	Pg. 6
6D.	Charter Budgeting Process	Pg. 7-11
6E.	Proposed Building Rate Schedule	Pg. 12-13
6F.	Report, Chief of Police	Pg. 14-15
6G.	Report, DPS Director	Pg. 16-17
6H.	Report, Six Year Sewer Relining & Re-Hab Plan	Pg. 18-22
6I.	Report, Sewer Rate Increase	Pg. 23-24
6J.	Report, Treasurer, Investments	Pg. 25-26
6K.	Letter, GCMPC, CDBG Funding Reduction	Pg. 27-28

5. MEETING OPENED TO THE PUBLIC:

8A. General Public Comments

6. BUSINESS:

9A. Proposed 2004-2005 Fiscal Year Budget RESO. Pg. 6, File

7. MEETING OPENED TO THE PUBLIC:

11A. General Public Comments

8. REMARKS BY COUNCILMEMBER'S:

9. ADJOURNMENT

City of Swartz Creek
2004-2005 FY BUDGET PRESENTATION
Special Council Meeting, Wednesday April 21, 2004 6:00 P.M.

TO: Honorable Mayor, Mayor Pro-Tem & Council Members
FROM: PAUL BUECHE // City Manager
DATE: 21-April-2004

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OVERVIEW

I believe we will cross the line in the 2004-2005 fiscal year where we will now be spending reserve funds to maintain general services. This belief is qualified with what the state will do on reductions to local communities. I don't think we will breach this line by any huge number, but we need to closely monitor the final audit for the current fiscal year, as well as the 2004-2005 and 2005-2006 fiscal cycles. Having said this, I present a very conservative budget that absorbs revenue reductions and allows us to maintain the existing level of services. Following is a short comment for each fund that addresses the current status and projections for the 2004-2005 fiscal year:

101 General Fund: For the current year, this fund is looking good. If you look to the Fund Balance Report included with tonight's packet, you'll see that since 2001, we've added about \$296,000 to it, for an estimated June 30, 2004 total of \$1,254,000. These days are drawing to a close though, due to declining revenues, particularly from the state. To combat this in the 2004-2005 fiscal year budget, we've eliminated police overtime in the racetrack, recalculated the benefit packages for the union contracts, reduced projects to a bare minimum and continue to cut unnecessary smaller expenses. Notwithstanding whether or not we make any capitol purchases within the Fire Department, I've budgeted this fund about \$100,000 in deficit with the hope that we can have revenues meet expenses. Additionally, the building department can be self-sufficient. In other words, the fees collected can support expenses. It currently does not and is paid for by the general fund. We need to raise building permit fees to help compensate for revenue reductions.

202 & 203, Major & Local Streets: I'm not sure what's going on here. Although I have not seen or heard anything from the state or the MML regarding Act 51 Funds, the revenues this year are steadily declining. The argument can be made that gas and weight tax revenues are down based on the economy or rising fuel prices, but I'm not so sure it was any different last year, or the year before. Due to uncertainty, I've stopped all street projects, with the exception of the one we have in the T.I.P., being Bristol Road (which may be done this year). If the fund does finish well, we'll have the funds banked to do a couple of local streets next summer.

226 Garbage Fund: As is usual, this fund is healthy and continues to collect more than it spends. Last year, revenues exceeded expenses by about \$60,000. In previous years, the revenue exceeded expenses by between \$55,000 and \$78,000. We're still safe on it and I'd prefer to wait and review any levy reduction next year.

265 Drug Fund: This fund has a new facelift based on our placement of a police position in the FANG Unit. As you can see, it now has a full wage and benefit disbursement. As a brief explanation, a topped-out police officer with full benefit package and 150 hours of overtime (FANGS cap) costs \$70,000 per year. FANG will re-imburse us for half of this (\$35,000). Under a letter of understanding with the union, we will utilize part-time officers to fill the full-time officer's patrol slot at a cost of about \$20,000 per year, which in turn may produce a net savings of as much as \$15,000 per year.

350 City Hall Debt Fund: The cost of our "mortgage" payment, if you will, is about \$73,000 per year. All the funds, with the exception of Garbage and Motor Pool, contribute to it. Three years down, and seventeen more to go!

352 Water Transmission Debt Fund: As you recall, we are (and still will be) in a bit of trouble over this fund. We collect a levy, and accumulated an amount that exceeds 150% of the yearly debt retirement amount (about \$33,000 per year). We have about \$107,000 in fund balance today. Last June, we reduced the levy from 0.25 Mills to 0.0100, an amount calculated to zero out, in conjunction with the fund balance, when the sun sets on the debt in 2007. We will get another "nasty gram" from the state this year, and the next one or two.

355 Sewer Interceptor Debt Fund: Done. Paid off.

401 Capital Projects Fund: As you recall, we set this fund up to handle the construction of the City Hall Building, among some other projects. The fund has no revenue source other than what we may decide to transfer from General Fund. Individual projects have been sent to the appropriate fund. When the fund balance is depleted within this fund, it will be closed. For now, 401 has an estimated fund balance of just under \$200,000 with a projected fund balance of \$123,000 at the end of 2004-2005 fiscal year.

402 Fire Equipment Fund: This is a fund we set up in 2000 as an "accruable savings account", if you will. The intent is to allow some earmarked funding for major purchases within the Fire Department. On July 1, 2004, it is estimated that the fund will have a balance of \$80,500. The City's portion of the 800 MHZ radio's for the Fire Department is expected to be around \$31,000, due the 2004-2005 fiscal year. I've budgeted this fund to pay for the radios. When it happens, it'll leave a fund balance of just under \$70,000.

590 Water System Fund: It looks scary, but it's actually quite solvent. This fund is budgeted about \$73,000 in deficit, but the existing fund balance is just over one million. If we do spend the entirety (highly unlikely), then the fund balance at the end of the 2004-2005 fiscal year will be \$940,000. The last couple of years have seen revenues in excess of expenses. Couple this with the rate increases, and we now are building capital reserves to allow programs for repairing our existing system.

591 Sanitary Sewer System: This fund needs to be fixed. It is simply paying the routine expense bills. It is budgeted \$215,000 expenses in excess of revenues. I've held off on any rate increases pending what the county intends to do on capacity charges. In addition, the Western Trunk Extension Phase II Project is knocking on our door and we'll need to

make some decisions soon. Additionally, we need funding to continue the TV and Relining repair program. We have fund balance to cover any deficit that may occur, but we cannot continue doing this.

661 Motor Pool Fund: This fund also has some minor problems with it. The current calculations for what each fund pay's to the motor pool need to be re-evaluated. It's worked out over the last couple of years as we had built a fund balance that was probably a bit excessive. Even today the fund balance needs to be reduced a bit. I've budgeted it with a deficit of about \$177,000. Less depreciation, I expect it to land at about \$40,000- \$50,000 actual deficit at the end of the 2004-2005 fiscal year.

PROJECTS & PURCHASES

Department of Public Services

✓ Replace Existing Arrow Board	\$4,500	Recommend Approval
✓ Replace 2-Yard Hot Patch	\$14,000	Recommend Approval
✓ Replace 4x4 Pick-Up	\$35,000	Recommend Approval
✓ Replace 2x4 Pick-Up	\$18,000	Recommend Denial
✓ Replace 5Yard Dump	\$120,000	Recommend Denial
✓ DPW Bldg, Replace Overhead Door	\$3,500	Recommend Denial
✓ DPW Bldg, Insulate Interior	\$6,000	Recommend Denial
✓ DPW Bldg, Install Radiant Heater	\$4,500	Recommend Denial
✓ DPW Yard, Const 40 x 40 Sto Bldg.	\$15,000	Recommend Denial
✓ Fire Dept. Install Radiant Heater	\$12,000	Recommend Denial
✓ Fire Dept. Replace Floor Drains	\$18,000	Recommend Approval
✓ Major Streets, Miller-Elms Joint Repair	\$118,000	Recommend Denial ¹
✓ Major Streets, Design Eng Bristol TIP	\$75,114	Recommend Approval
✓ Loc Streets, Resur Jennie Lane	\$85,000	Recommend Denial
✓ Water Dept, Replace 30 Hydrants	\$45,000	Recommend Approval
✓ Water Dept, Cont Radio X-Mit Meters	\$25,000	Recommend Approval
✓ Sewer Dept, Cont 6 Year Re-Hab	\$204,300	Recommend Approval
✓ Win Park, Tree Removals	\$10,000	Recommend Denial
✓ Win Park, Ball Fields Maint	\$2,000	Recommend Denial
✓ Elms Park, Rest Room Wall Repl	\$9,000	Recommend Denial
✓ Elms Park, Parking Area Lights	\$9,000	Recommend Denial
✓ Elms Park Ball Field Maint.	\$2,000	Recommend Denial

Police Department

✓ 2 Cars, 800 MHZ Radios, Misc Equip	\$75,000	Recommend Approval
✓ Lockers, Misc Equipment	\$3,500	Recommend Approval
✓ Radar's, Misc Motor Pool Equip	\$2,500	Recommend Approval

Clerk-City Hall

✓ Network Copier-Scanner	\$15,000	Recommend Approval
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¹ Bristol Road is in the TIP, probably for next summer. If we bid the Miller-Elms work with it, we'll get a much better price.

✓ Software Changes	\$15,000	Recommend Approval
Treasurer		
✓ Water-Shed, NPDES Fees	\$15,000	Recommend Approval
Building-Zoning		
✓ Re-Write Zoning Code	\$30,000	Recommend Approval
Community Promotions-DDA		
✓ Develop Streetscape, Mkt Plan	\$12,000	Recommend Approval
Fire Department		
✓ Ladder-Pumper Apparatus	\$275,000	Recommend Approval
✓ 20 Yr. 0.5 Mill Levy, Future Equip		Recommend Denial ²

2004 BUDGET SCHEDULE

April 21:	Special Council Meeting, Discussion, Set Public Hearing For Budget
May 10:	Public Hearing, Discussion
May 24:	Adopt Budget, Set Public Hearing For Truth in Taxation
June 14:	Truth in Taxation Hearing, Set Levy, Set 2004-2005 Meeting Schedule, Year End Fiscal Adjustments, Set City-Wide Fees and Charges for Services
June 30th:	Fiscal Year End

FIRE MILLAGE REQUEST & CAPITAL PURCHASE

In review, I recommend that we do not seek a millage for fire equipment at this time. We have, and today can afford to fund both operations and capital purchases within the Fire Department. We are in much better shape than many cities across the state, but we cannot ignore that we are slowly sinking. If the revenue sources continue to waver, we will be facing future cuts. The cuts would naturally be unilateral across the board, including Fire Department Operations as well as Police. It would be a shame to know that we can purchase apparatus, but have to slash the operating funds. Additionally, the millage will not guarantee purchases as future council's would have the power to levy or not. The real reason is that if the day comes that we cannot afford the Fire Department, than it's a sure bet that we will be unable to afford the Police Department also. It should be at this point that we head to the people and ask if they wish to fund Public Safety. Another point to consider is cost apportionment. Clearly the township will grow at a much faster rate than will the city. We have already passed the point wherein the benefit versus the cost is on a downward slippery slope. With only two parties involved with the contract, the benefit versus cost will continue to grow apart. The combination of services is certainly always cheaper, but the need to weigh other factors will continue to increase.

² See additional information within this report.

**City of Swartz Creek
RESOLUTIONS**

Special Council Meeting, Monday April 21, 2004 6:00 P.M.

Motion No. 040421-9A

SET PUBLIC HEARING, 2004-2005 BUDGET

Motion by Councilmember: _____

I Move the Swartz Creek City Council set a Public Hearing, to be held at the Regular Council Meeting of Monday, May 10, 2004 to hear public comments on the proposed 2004-2005 Fiscal Budget, and further, post a draft of said budget for public inspection and direct the City Clerk to make the necessary publications of such hearing.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Section 8.2. Budget procedure.

Not later than the first day of February of each year, each officer, department, and board of the city shall submit to the City Manager an itemized estimate of its expected income and expenditures during the next fiscal year for the department or activities under its control. The City Manager shall compile such information and list the same upon a budget proposal form. He shall review such budget requests, and in a column parallel to and adjacent to that containing such budget requests, shall enter his budgetary recommendations for each item requested by the several officers and departments, with such additions thereto and deletions therefrom as he shall deem proper. Not later than the first meeting of the Council in April of each year, he shall submit to the Council a recommended budget for the next fiscal year which, considering any anticipated unexpended balance or deficit at the end of the current fiscal year, is within the tax limit and other anticipated revenue of the city. In addition to the foregoing information, such recommended budget shall include therein at least the following information:

- (1) The detailed estimates of the City Manager, with supporting explanation, of proposed expenditures for each office, department, and board of the city, with a comparison of the actual appropriations for corresponding items for the last preceding fiscal year, in full, and the appropriations for the current fiscal year, together with the expenditures for such year to January first, and estimated expenditures for the balance of the current fiscal year;
- (2) Statements of the bonded and other indebtedness of the city, showing the debt redemption and interest requirements, the debt authorized and unissued, and the condition of sinking funds, if any;
- (3) Detailed estimates of all anticipated revenues of the city from sources other than taxes, with a comparative statement of the amounts established for and actually received from each of the same or similar sources for the last preceding fiscal year in full, for the current fiscal year to January first, and

estimated revenues therefrom for the balance of the current fiscal year;

- (4) A statement of the estimated accumulated cash and unencumbered balances, or deficits, at the end of the current fiscal year;
- (5) An estimate of the amount of money to be raised from taxes to be levied, from delinquent taxes, and the amount to be raised from bond issues which, together with available unappropriated funds and any revenues from other sources, will be necessary to meet the proposed expenditures.

Section 8.3. Public inspection of budget proposal.

The budget proposal of the City Manager, together with his recommendations and its supporting schedules and information shall be available for public inspection in the office of the Clerk.

Section 8.4. Budget hearing.

A public hearing on the budget proposal shall be held not less than one week before its final adoption, at such time as the Council shall direct. Notice of the public hearing shall be published by the Clerk at least one week in advance thereof.

Section 8.5. Adoption of budget.

(a) At a regular meeting held not later than the third Monday in May of each year, the Council shall, by resolution, adopt a budget for the ensuing fiscal year and make an appropriation of the money needed therefor. Such resolution shall designate the sum to be raised by taxation for the general purposes of the city and for the payments of principal and interest on its indebtedness. Failure to adopt such resolution within the time herein set shall not invalidate either the budget or the tax levy therefor.

(b) A copy of the appropriations for each fiscal year, certified by the Clerk, shall be furnished to the Finance Officer within ten days after the date of the adoption of the budget resolution.

(c) In the event that the Council shall not adopt a budget for any fiscal year by the first Monday in June preceding the commencement of such fis-

cal year, the budget proposal for that year, as presented to the Council by the City Manager, in accordance with the provisions of this chapter, shall be deemed to be the budget for that fiscal year, and there shall be an appropriation therefor, without the necessity of Council action.

State law reference—Mandatory that Charter provide for an annual appropriation, MCL 117.3(h), MSA 5.2073(h).

Section 8.6. Budget control.

(a) Except for purposes which are to be financed by the issuance of bonds or by special assessments, no money shall be drawn from the treasury of the city, except in accordance with an appropriation for such purpose, nor shall any obligation for the expenditure of money be incurred without an appropriation covering all payments which will be due under such obligation during the fiscal year. The Council, upon the written recommendation of the City Manager and by the affirmative vote of not less than five of its members, may appropriate unappropriated funds or transfer any unencumbered appropriation balance, including the contingent account of the general fund of the city, or any portion thereof, from any budget item or account, department, or agency to another.

(b) Expenditures shall not be charged directly to any contingent or general account. Instead, the necessary amount of the appropriation from such account shall be transferred to the appropriate budget item or account and the expenditure then charged thereto.

(c) During each month, the City Manager shall submit to the Council data showing the relation between the estimated and actual revenues and expenditures to the end of the preceding month; and, if it shall appear that the revenues are less than anticipated, the Council may, by resolution, reduce appropriations, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the revenues.

(d) Within thirty days following the end of each fiscal year, the City Manager shall file with the Council a schedule of all encumbrances upon the budget appropriations existing at the end of the fiscal year, with his recommendations thereon, and the Council shall provide for the payment of

such thereof as constitute valid claims against the city from corresponding budget items from the then current fiscal year.

Section 8.7. Special accounts.

(a) The Council may, by ordinance, establish and maintain accounts for accumulating moneys to be used for acquiring, extending, altering, constructing, or repairing public improvements and for the purchase of equipment of any type, in each case either for a specific item or items or for future unspecified public improvements or equipment, or both.

(b) Appropriations to such accounts may be made by the Council either in the annual appropriation resolution or, from time to time during the fiscal year, from available funds, from whatever source derived, which are not required for other appropriations or obligations of the city. Such accounts shall be continuing accounts and the balances therein at the end of each fiscal year shall remain a part thereof.

(c) Moneys which are accumulated for the purpose of public improvements, as set forth in subsection (a) hereof, shall be used only at the direction of the Council, and only for the purpose provided in the original ordinance establishing such account, unless their use for some other municipal purpose be authorized by a majority vote of the electors of the city who vote on the proposition to amend such ordinance to provide for a change in the use of the moneys in such account. After the purpose of any such account has been fulfilled, any balance remaining therein may be transferred by the Council to any other special account or to the general fund of the city.

(d) Moneys which are accumulated for the purpose of purchasing equipment, as set forth in subsection (a) hereof, shall be expended only for the purpose provided in the ordinance establishing any such account, or as such ordinance may be amended from time to time, and, when no longer required for such purpose, such moneys or any part thereof, may be transferred to the general fund by a resolution adopted by the affirmative vote of not less than five members of the Council.

Section 8.8. Withdrawal of city moneys.

(a) Unless otherwise provided by law or by ordinance, all moneys drawn from the treasury shall be drawn pursuant to the authority and appropriation of the Council. The Council, where necessary to expedite operating procedures, may authorize, in writing, other officers and employees of the city to make minor disbursements from petty cash accounts, which disbursements shall be accounted for and shall be audited by the Finance Officer.

(b) Checks or warrants for the disbursement of city funds shall be signed by the Finance Officer and countersigned by the Treasurer.

(c) Checks may be issued prior to authorization by the Council for such purposes and up to such amounts as the Council shall provide by ordinance.

Section 8.9. Notice to city for claim for injuries.

The City shall not be liable in damages for injury to person or property by reason of negligence of the city, its officers or employees, or by reason of any defective highway, public work, public service improvement, or facility of the city, or by reason of any obstruction, ice, snow, or other encumbrance thereon [thereon], unless, within sixty days after such injury occurred, the person damaged or his representative causes a written notice to be served upon an officer of the city upon whom process may be served by law. Such notice shall state that such person intends to hold the city liable for such damages, and shall set forth substantially the time and place of the injury, the manner in which it occurred, the nature of the act or defect complained of, the extent of the injury so far as known, and the names and addresses of witnesses known to the claimant. No person shall bring action against the city for damages to person or property arising out of any of the reasons or circumstances aforesaid, unless brought within the period prescribed by law, nor unless he has first presented to the Clerk a claim in writing and under oath, setting forth specifically the nature and extent of the injury and the amount of damages claimed. The Clerk shall present such claim to the Council for action. It shall be a sufficient bar to any action upon any such claim that the notice of injury and the claim in writing under

oath, required by this section, were not filed within the time and in the manner herein provided.

State law reference—City liability for injury on public ways, MCL 691.1401 et seq., MSA 3.996(101) et seq.

Section 8.10. Municipal borrowing power.

(a) Subject to the applicable provisions of law, the city may borrow money for any purpose within the scope of its powers or which may be permitted by law, and may issue bonds or other evidence of indebtedness therefor. Such bonds or other evidences of indebtedness shall include, but not be limited to, the following types:

- (1) General obligation bonds, the principal and interest of which are payable from taxes levied upon the taxable real and personal property in the city and for the payment of which the full faith and credit of the city are pledged, upon authority of a three-fifths vote of the constitutionally qualified electors of the city voting thereon;
- (2) Special assessment bonds which are issued in anticipation of the payment of special assessments for the purpose of defraying the cost of any one or more public improvements, which bonds shall be either solely or obligation of the special assessment district, or both an obligation of the special assessment district and a general obligation of the city as the Council may determine;
- (3) Revenue bonds, as authorized by law, which are secured only by the revenues from a public improvement and do not constitute a general obligation of the city;
- (4) Mortgage bonds, as authorized by law, for the acquiring, owning, purchasing, constructing, improving, or operating of any public utility which the city is authorized by law to finance in this manner;
- (5) Bonds issued in anticipation of future payments from the Motor Vehicle Highway Fund or any other fund of the State which the city may be permitted by law to pledge for the payment of the principal and interest thereof;

- (6) Water main extension bonds, in an amount not to exceed one percent of the assessed valuation of all real and personal property in the city, for the payment of which the full faith and credit of the city are pledged for the refunding from time to time of moneys advanced or paid on special assessments imposed for water main extensions as buildings are connected with such extensions, which bonds shall be payable in not more than thirty years, with interest thereon at a rate which shall not exceed six per cent per annum;
- (7) Tax anticipation notes, which may be issued in anticipation of the collection of taxes in or during the current or next succeeding fiscal years of the city or any other years permitted by law, in the manner and subject to any limitations provided by law;
- (8) Calamity bonds, issued in case of fire, flood, or other calamity for the relief of the inhabitants of the city and for the preservation of municipal property, in a sum not to exceed three-eighths of one percent of the assessed value of the real and personal property in the city, which shall become due in not more than five years.
- (b) All collections on special assessment rolls or on any combination of such rolls shall be set apart in a separate fund and shall be used for the purpose for which levied, and for the payment of the principal of and interest on bonds issued in anticipation of such special assessments. As to such of said bonds as are also a general obligation of the city, if there is any deficiency in any special assessment fund to meet the payment of the principal or interest to be paid therefrom, moneys shall be advanced from the general funds of the city to meet such deficiency, and shall be placed in the general funds when the special assessment fund shall be sufficient therefor.
- (c) Each bond or other evidence of indebtedness shall contain on its face a statement specifying the purpose for which the same is issued, and the proceeds thereof shall not be used for any other purpose, except that, whenever the proceeds of any bond issue, or a part thereof, remain unexpended and unencumbered for the purpose for

which said bond issue was made, the Council may, by the concurring vote of not less than five members, authorize the use of such unexpended and unencumbered funds:

- (1) For the retirement of such bond issue, or
- (2) If such bond issue has been fully retired, then for the retirement of other bonds or obligations of the city provided for by this section: Provided, that in the case of special assessment bonds, such funds shall be refunded to the owners of property against which special assessments therefor were made, pro rata according to payments made toward the total cost of the improvement for which the bonds were issued, and
- (3) If there be no other bonded indebtedness, other than for special assessment bonds, then for such other purposes as may be permitted by law, subject to the proviso in paragraph (2) above.

(d) No bond or other evidence of indebtedness, regardless of type or purpose, shall bear interest at a rate exceeding that fixed by law.

(e) All bonds and other evidences of indebtedness shall be signed by the Mayor and countersigned by the Clerk, under the seal of the city. Interest coupons may be executed with the facsimile signatures of the Mayor and Clerk. A complete and detailed record of all bonds and other evidences of indebtedness shall be kept by the Finance Officer. Upon the payment of any bond or other evidence of indebtedness, the same shall be marked "Cancelled" or otherwise defaced by the Finance Officer to indicate payment.

State law references—City authority to borrow money on the credit of the city and issue bonds therefor, MCL 117.4a(1), MSA 5.2074(1); city authority to borrow money and issue bonds therefor in anticipation of the payment of special assessments, MCL 117.4a(2), MSA 5.2074(2); municipal finance act, MCL 131.1 et seq., MSA 5.3188(1) et seq.

Section 8.11. Limitations upon borrowing power.

(a) The net bonded indebtedness incurred for all public purposes shall not at any time exceed ten per cent of the assessed value of all the real and personal property in the city: Provided, that in computing such net bonded indebtedness, there

shall be excluded money borrowed under the provisions of Section 8.10(a), clauses (2) to (7), inclusive, of this chapter. The resources of the sinking fund pledged for the retirement of any outstanding bonds shall also be deducted from the amount of the bonded indebtedness.

(b) No bonds shall be sold to obtain funds for any purpose, other than that for which they were specifically authorized, and if such bonds are not sold within three years after authorization such authorization shall be null and void.

State law reference—Limitations on net bonded indebtedness incurred for all public purposes, MCL 117.4a(1), MSA 5.2074(1).

Section 8.12. Depositories.

The Council shall designate depositories for city funds in accordance with law, and shall provide for the regular deposit of all city moneys.

State law references—Designation of depositories, MCL 129.12, MSA 3.752; deposit of public moneys, MCL 211.43b, MSA 7.86.

Section 8.13. Independent audit.

An independent audit shall be made of all accounts of the city government at the close of each fiscal year, and shall be completed within ninety days thereafter. Special independent audits may be made at any time that the Council may designate. All such audits shall be made to the Council by a Certified Public Accountant designated by it. Each audit and reports supplemental thereto shall be made public in the manner that the Council determines and copies thereof shall be placed in the office of the Clerk, and the Swartz Creek Library.

Section 8.14. Annual report.

The City Manager shall prepare an annual report of the affairs of the city, after completion of the annual audit. The report shall include condensed financial statements showing the results of all city operations, including statements for each public utility owned or operated by the city. Copies of such report shall be made available for public inspection and distribution at the office of the Clerk and by such other method as the Council may determine.

CHAPTER 9. TAXATION*

Section 9.1. Power to tax—Tax limit.

The city shall have the power to assess taxes and to lay and collect rents, tolls, and excises. During the first five years of the existence of the city, the annual general ad valorem tax levy for municipal purposes shall not exceed one-half of one per cent (5 mills) of the assessed value of all real and personal property in the city as determined by the City's Assessor and Board of Review, or one-quarter of one per cent (2½ mills) of such assessed value, as equalized by the State of Michigan, as required by law, whichever basis of limitation will result in the lesser taxation upon the taxable property in the city. Thereafter, the levy shall not exceed one per cent of the said assessed value as determined by the City's Assessor and Board of Review, or one-half of one per cent (5 mills) of such value as equalized by the State of Michigan, as required by law, whichever basis of limitation will result in the lesser taxation upon the taxable property in the city, unless the proposition to approve an increase above the tax rate so limited is first approved by the electors of the city. No such increase shall cause the total tax rate to exceed two per cent of the assessed value of all real and personal property in the city.

State law reference—Mandatory that Charter provide for annually levying and collecting taxes, MCL 117.3(g), MSA 5.2073(g).

Section 9.2. Subjects of taxation—Tax procedure.

(a) The subjects of ad valorem taxation for municipal purposes shall be the same as for state, county, and school purposes under the general law.

(b) Except as otherwise provided by this chapter, city taxes shall be assessed, levied, and collected in the manner provided by law.

State law references—Mandatory that Charter provide that subject of taxation for municipal purposes shall be the same as for state, county and school purposes under general law, MCL 117.3(f), MSA 5.2073(f); property subject to taxation, MCL 211.1 et seq., MSA 7.1 et seq.

***State law reference**—General property tax act, MCL 211.1 et seq., MSA 7.1 et seq.

Tentative Building Fees for Swartz Creek

Type of Permit

Fee Schedule

Subdivision Review

Preliminary Subdivision Review-Tentative	\$300 plus \$5.35 per lot
Preliminary Subdivision Review- Final	\$160 plus \$2.70 per lot
Final Plat Review	\$160 plus \$1.00 per lot

Site Plan Review

Multiple-Family	\$300 plus \$5.35 per lot
Cluster Housing Development	\$315 plus \$5.35 per unit
Mobile Home Park	\$530 plus \$3.75 per unit
Commercial Development	\$415 plus \$43.00 per acre/fraction
Industrial Development	\$390 plus \$43.00 per acre/fraction
Office Development	\$300 plus \$43.00 per acre/fraction
Institutional	\$315 plus \$48.00 per acre/fraction
Public uses/semi-public uses	\$315 plus \$43.00 per acre/fraction
Planned Unit Development/Mixed Use	Review of plans, consultation with City officials and applicant, and other work related to request for PDD; Consultant shall be paid at an hourly rate as specified in section 7.B.
Special Approval or Conditional Use	\$295 plus \$5.35per acre/fraction

Revisions

For subdivisions, condominium or site plan revision (For each submission of a revised plan or plan resubmitted within 90 days)	½ of original review fee.
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Rezoning Review

\$310 plus \$5.35 per acre/fraction

Lot Split Review

\$194 plus \$27.00 per lot resulting

Variance Review

\$200 per variance reviewed (Was \$164.00)

Right-of-way Vacation Review

\$188 plus \$54.00 per abutting lot

Public or Private Road Plan Reviews

\$380 per mile/fraction-\$135 min

Meetings with Applicants

Hourly rate for formal consultant meeting (Was \$97.00)

Condominium Projects Extra

\$160 extra for each review included under Michigan Condominium Act, as amended, for master deed review.

Wetlands and Woodlands

Based on hourly rates

Home Occupation

\$95.00 (Was \$75.00)

Building Permits

New Construction

\$50.00 for first \$1,000 value
\$5.00 per \$1,000 thereafter
(Was \$10.00for first \$5,000 value
\$2.00 for addition \$1,000)

Inspection

\$50.00 (Was \$35.00)

All of the following are new fees:

Swimming Pools

\$50.00 above ground
\$100.00 in ground

Storm Sewer Connection

\$45.00 plus any additional costs

Sidewalk, curb cut, etc

\$25.00

Sign Permit

Based on Construction Value

Structure Movement \$95.00
Demolitions \$95.00

Misc. Building Construction Costs

Residential Construction	\$85.00 per sq ft
Decks	\$10.00 per sq ft
Attached Garage	\$20.00 per sq ft
Detached Garage/pole barn	\$10.00 per sq ft

**Note that any and all excess costs incurred by the City, internally or through outside consultants, in any amount that surpasses said site plan review fee for technical review of site plans including, but not limited to: site plan construction or engineering, planning, transportation, landscaping, and storm water management shall be paid, in full, by the appropriate applicants.*

***Note that the applicant is responsible for any and all required publication costs resulting from request. These costs are in addition to the relevant fees.*

Revised April 19, 2004

Draft

City of Swartz Creek

Department of Police

Chief Rick C. Clolinger

8100-A Civic Drive

Swartz Creek, Michigan 48473

Phone: (810)-635-4401

Fax: (810)-635-3728

April 19, 2004,

TO: Paul Bueche, City Manager

FROM: Rick Clolinger, Chief of Police

RE: The 2004-2005 Proposed Budget

Dear City Manager,

Attached is the proposed 2004-2005 budget for anticipated expenditures within the police department. The majority of line items within this budget are cross over transfers with a few reductions of some line items. The below listed line items will have increases with explanations.

Under line item 101-301-702 wages, a small increase reflects the contractual increase in wages of full time employees as well as the increase of the part-time police officers within the department. It also reflects a \$70,000 transfer to the 265 Drug Enforcement Fund which will pay for the officer who will be sent to the FANG Unit, which also reflects a maximum of 150 hours of overtime. 50% of those funds will be returned from the Byrne Memorial Grant and returned to line item 101-301-627, charges for services. These funds will cover the cost of the use of part-time police officers to fill in the schedule time of the full-time employee who has gone to FANG.

Increased expenditures out of line item 101-301-750 totaling the amount of \$3,500 which will cover the purchase of three different items: 1. A foot operated impulse bag sealer at the cost of \$550. The bag sealer is used to heat seal evidence that has to be kept and maintained in the property room. 2. A pouch laminator at the cost of \$250. This will allow us to laminate documents, charts, maps, posters and etc. 3. \$2,500 for fifteen new lockers for employees in their locker rooms as the ones we currently use are desperately in need of replacement.

Line item 661-301-750, a new item, has a proposed expenditure of \$2,500 under the Motor Pool Fund. These proposed expenses will cover the following three items: 1. A rear radar antenna at a cost of \$500. This will complete our fleet of three marked police units having rear radar antennas for clocking vehicles coming toward as well as going away from the police units. 2. The replacement of flash lights in the patrol units at the cost of \$300. This is an update of the current flash lights which are placed in chargers in the police units. 3. Three Prostraint prisoner restraint systems and safety seat which is a self contained unit that replaces the rear seat of the vehicle. The Prostraint costs \$400 each and I would like to purchase three of them for a total cost of \$1,200. These seats are

made of a hard plastic and are made to restrain prisoners as well as cleaning the rear seat for any bodily fluids left behind by transported prisoners.

Line item 661-301-976 has an increased expenditure amount of \$75,000. It is proposed to purchase the following three items: 1. A Patriot low current controlled light bar for a fully marked police unit at the cost of \$1,400. This will bring all three light bars on our marked units up to date. 2. Cover the cost of the 800 megahertz radio systems at an approximate cost to the City of \$32,000. 3. Cover the cost of two new police cars at the cost of approximately \$40,800. I have attempted to get by at the police department by purchasing one car a year, however, approximately every three to four years two vehicles need to be purchased to keep the vehicles updated and safe for employees to operate. The last time more than one vehicle was purchased at the police department was 2000.

This gives an over view of the additional expenditures out of this proposed budget; all other line items will carry across from the 2003-2004 budget.

Should you need additional information, please feel free to call.

Respectfully Submitted,



Rick Clinger, Chief of Police

Fy 2005 Equipment Budget for DPS

661-795

EQUIPMENT:	PRICE:
Replace Arrow Board Trailer	\$4,500.00
Replace Two Yard Hot Patcher W/Arrow Strip	\$14,000.00
Replace 4x4 Pickup	\$30,000.00
Replace 2x4 Pickup	\$18,000.00
Replace Five Yard Dump Truck W/Underbody Blade	\$120,000.00
<i>Total</i>	<i>\$186,500.00</i>

410 Account Projects

DPS BUILDING AND GROUNDS	
Overhead Door for Storage Area	\$3,500.00
Spray Insulation in Storage Area	\$6,000.00
New Radiant Heater	\$4,500.00
40x 40 Storage Building	\$15,000.00
<i>Total</i>	<i>\$29,000.00</i>

FIRE HALL	
Change Heating System to Radiant Heater	\$12,000.00
Exhaust Fan	\$500.00
Replace Floor Drains	\$18,000.00
<i>Total</i>	<i>\$30,500.00</i>

MAJOR STREET	
Miller Road Concrete Joint Repair	\$118,000.00

LOCAL STREET	
Jenny Lane Mill and Resurface	\$85,000.00

WATER DEPARTMENT

Replace Thrity (30) Fire Hydrants	\$45,000.00
Continued Radio Transmitter Installation	\$25,000.00
<i>Total</i>	<i>\$70,000.00</i>

SEWER DEPARTMENT

Reline West Side of Seymour	\$100,000.00
Begin Five (5) Year Plan	\$104,300.00
<i>Total</i>	<i>\$204,300.00</i>

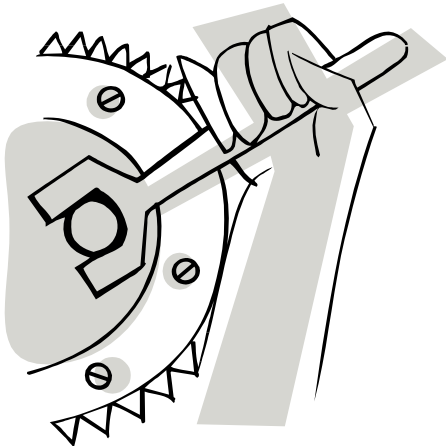
Six-Year Master Plan for the Swartz Creek Sewer System

The City of Swartz Creek, in an effort to maintain and improve the sanitary sewer system for the current and future needs of its residents, recognizes the need for the proactive improvement of the physical infrastructure of the system. As such the City has created the Five-Year Master Plan to outline the delivery of such services in conjunction with a tentative increase in sewer fees.

The overall goal of the plan is to methodically inspect existing sewer lines that are suspected of being in disrepair and replace them or upgrade accordingly. To do so will require incremental steps of inspection, evaluation, and restoration. As such, the first step shall be to inspect suspicious lines by “TV-ing” them. This is a process by which professionals run a video surveillance through sewer lines and check for roots, breakage, alligators, etc. After this procedure is completed, an assessment shall determine the required renovations for said sewer lines. Renovations that add life to the system shall be completed the following year and may include: relining of sewer lines, reconstruction of collector basins, or even line replacement.

Taking place simultaneously with the repairs that are expected in year two shall be another round of inspections on a different part of the system. These second round of inspections shall prepare the City for the renovations that may be required to undertake in year three. The renovations in year three shall also be accompanied by another round of inspections. This process shall be repeated as stated as long as funds permit or until such maintenance and replacement of the sewer system is no longer necessary.

Specifics for the inspection and replacement program and their estimated costs are as follows for the first five years of the program.



Year One: FY2004-2005

Manholes	Service	Price
122-120	Joint Seal/Cleaning	\$3,993
120-119	CIPP Lining 300;	\$15,375
119-118	Joint Seal/Lining 200'	\$12,454
118-92	Lining 203'	\$10,404
92-91	Lining 188'	\$9,635
91-47	Seal 35 Joints	\$1,794
47-46	Lining and Joint Seal	\$6,406
46-45	Lining 268'	\$8,866
45-32	Seal 103 Joints	\$5,279
32-33	Seal 25 Joints	\$4,869
33-34	Seal 69 Joints & Connection	\$3,792
34-35	Seal 68 Joints and Connection	\$3,741
Projected Total Spending		\$86,607
With 10% Contingency		\$95,268

Year Two: FY2005-2006

Partial repairs of assessed lines from previous year. \$63,000

Manholes	Service	Price
44-43	Liner	\$5,250
	Grout	\$200
43-41	Liner	\$15,550
40-39	Grout (Excavation? 5141 & 5137)	\$4,000
38-37	Liner	\$4,500
	Grout	\$3,950
37-36	Liner	\$14,150
	Grout	\$400
36-35	Grout	\$1,750
53-52	Grout	\$5,000
51-45	Liner	\$2,500
	Grout	\$5,750
Projected Total Spending		\$63,000
With 10% Contingency and Excavation of \$35,000		\$107,800

Year Three: FY2006-2007

TV Inspections *\$17,000*

Winchester Village

<u>Manholes</u>	<u>Line Diameter</u>	<u>Length of Line</u>
H-I	8"	300'
I-J	8"	300'
J-K	8"	140'
K-25	8"	82'
25-24	15"	142'
24-18	15"	121'
217C-217B	8"	91'
217B-217A	8"	161'
217A-218	18"	330'
217A-217	18"	224'
217-216	18"	429'
216-12	18"	313'
12-10	24"	384'
10-8	24"	453'
8-7	24"	484'
7-6	24"	486'
6-5	24"	486'
5-4	24"	372'
4-3	24"	371'
3-2	24"	370'
2-1	24"	422'
1-A	8"	99'
1-203	8"	140'
Total		6700'

Continued repairs of assessed lines from previous year. *\$57,710*

<u>Manholes</u>	<u>Service</u>	<u>Price</u>
50-49	Liner	\$3,750
	Grout	\$4,850
32-31	Grout	\$3,405
31-30	Grout	\$3,665
30-29	Liner	\$2,750
	Grout	\$3,850
29-28	Grout	\$4,065
28-27	Grout	\$2,875
27-26	Grout	\$4,550
17-16	Liner	\$5,750
	Grout	\$5,550
16-15	Grout	\$5,500
	Liner	\$6,750
14-13	Grout	\$400

Projected Total Spending **\$74,710**
With 10% Contingency **\$82,181**

Year Four: FY2007-2008

<i>TV Inspections</i>		<i>\$17,000</i>
Winchester Village		
Manholes	Line Diameter	Length of Line
126A-126	8"	241'
126-143	8"	222'
143-142	8"	250'
142-141	8"	274'
141-140	8"	299'
140-139	8"	214'
139-144	8"	353'
144-145	8"	310'
145-146	8"	316'
146-149	8"	99'
149-150	8"	219'
146-147	8"	210'
147-147A	8"	142'
147A-148	8"	232'

Fairchild Street

12" line in five segments to total 1,509 feet.

Miller Road

12" line in two segments to Fairchild Street to total 1,880 feet.

Total 6770'

Repair of assessed lines from year two. *\$80,000*

Projected Total Spending **\$97,000**
With 10% Contingency **\$106,700**

Year Five: FY2008-2009

TV Inspections *\$7,000*

Mclain Street

8" line in five segments to total 1,349 feet.

School Street and Miller West

8" line in six segments to total 2,119 feet.

Total 3,468'

Repair of assessed lines from year three. *\$70,000*

Projected Total Spending **\$77,000**
With 10% Contingency **\$84,700**

Year Six: FY2009-2010

TV Inspections *\$9,200*

Birchcrest

8" line in nine segments to total 1,506 feet.

Valleyview to Oakview

8" line in five segments to total 982 feet.

Worcester

Manholes	Line Diameter	Length of Line
31-131	8"	136'
131-132	8"	258'
132-133	8"	275'
133-134	8"	260'
157-158	8"	332'
158-159	8"	128'
159-160	8"	246'
160-161	8"	212'
161-162	8"	80'
Total		4595'

Repair of assessed lines from year four. *\$35,000*

Projected Total Spending **\$44,200**

With 10% Contingency **\$48,620**

Five Year Total with Contingency **\$417,577**

Five Year Average **\$69,596**

City of Swartz Creek

Sewer Maintenance Rate

The City of Swartz Creek staff hereby recommends a user fee increase for sewer services. This fee increase shall serve to compensate for a current operating loss, provide for modest capital improvements and maintenance, and compensate the general fund for administrative hours devoted to the sewer enterprise fund. As such, this short study shall demonstrate the financial need of the sewer fund and estimate a new rate that shall accommodate said need accordingly.

It is imperative that the sewer fund increase fees to accommodate an operating loss of about \$34,385 observed in fiscal year 2003. This loss is a general operating loss that is not the result of any specific activity but is instead a result of accumulated expenditures exceeding all revenues. Since the bulk of sewer operations are in the form of payments to the County, it is difficult to cut services in other areas, especially during a time in which increased efforts towards renovation are sought. As such, a rate increase is recommended to compensate for this operating loss.

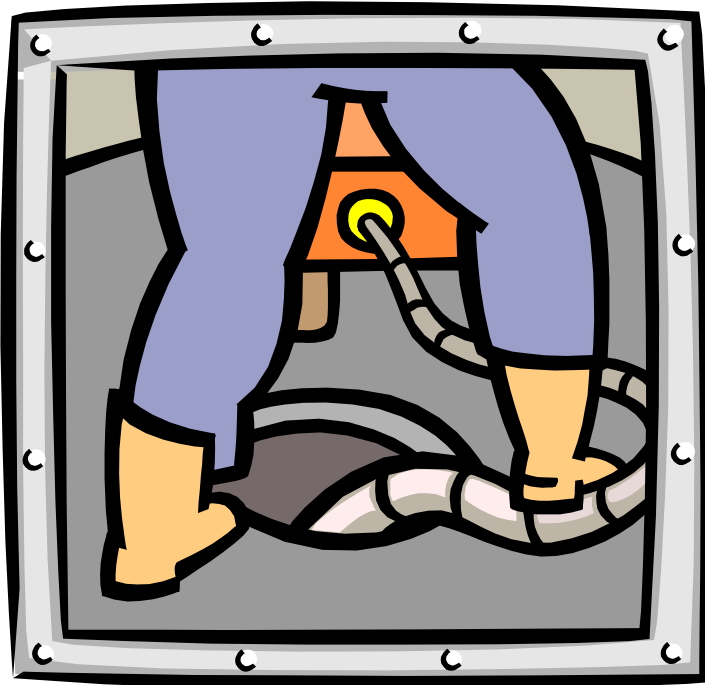
Recently, the City of Swartz Creek has created a six-year plan for renovating existing sewer lines (See Attached). This plan has been designed with the intention of repairing the system to add life to the sewer lines and eliminate negative effects of aging such as clogged lines and infiltration. It is expected that improvements shall lessen flow by curbing infiltration and improve customer satisfaction and liability by eliminating backups. These improvements are necessary do to the increases in backups that are costing the City money in damage replacement costs and because of the increased costs that are expected to be paid for excessive wet-weather infiltration to the County of Genesee.

The six-year plan is set up in such a manner that it will provide for systematic detection and elimination of sewer line and collector problems throughout the Winchester Village and surrounding area. It is also the intent of the City to continue with this systematic renovation throughout the City over time. The structure of the plan is set up such that the estimated costs are distributed unevenly in the first years of the program. The plan was set up "top heavy" in order to balance the known costs in the early years with the unknown and likely higher costs of the remainder of the plan. (The low estimates of the last years of the plan are likely to become high costs as the true nature of the problem is detected, the program expands into other areas of the City, and prices for contractual services go up).

The expected expenditures of the five-year plan vary between years but average approximately \$70,000 fiscally and total about \$417,500 for the span of the plan. The intent of the plan, however, is to repair and improve the system by continuing to pursue projects totaling approximately \$100,000 per fiscal year (as illustrated in the first couple years of the plan). To cover these costs, the City shall need to increase its fees for sewer transportation by the estimated \$100,000.

In addition to operating loss and capital improvements, it has been recognized that many of the City staff members allocate time and resources to handling the sewer accounts and operations. Such activities include but are not limited to: utility billing, accounting, data entry, customer service, and planning. It has been determined that a reasonable fraction of employees wages should be allocated to the sewer fund to compensate for such services. The staff does not have concrete data to justify specific time and resource allocations at this time, but a reasonable calculation has been determined based on staff recommendations from the Financial Director, the Director of Public Services, and the City Manager. This estimate in monetary terms is approximately \$40,000 per fiscal year. As such, an additional \$40,000 must be budgeted for wages and compensation in the sewer enterprise fund.

As such, the City must generate an additional \$175,000 in sewer revenue from usage. As a percentage of the current revenue of approximately \$636,020 per year, this amount is translated to a 27.5% increase in the unit price for the City sewer service. Therefore, the City administration feels that an increase from the quarterly price of **\$44.25** per unit should increase to **\$56.41** (about \$4.05 per month) per unit to cover the costs of the six-year capital improvement plan.



MBS SEC.

DATE MATURES	MARKET VALUE	QUANTITY	PURCHASE INVESTMENT PRICE NAME	INT FREQ	INTEREST	TERM (DAYS)
4/12/2004	97,446.00	97,000.00	101.950 BANK HOLLAND MICH	AP O	5.107%	NEG CD
8/2/2004	101,515.00	100,000.00	101.400 MERCANTILE BK WEST MI DTD 8/1/01	F AU	5.000%	
8/31/2004	98,480.00	97,000.00	101.338 BYRON CTR ST MK MI DTD 8/31/01	F AU	4.550%	365
9/28/2004	96,485.00	95,000.00	100.800 FIRST NATL BK AMER EAST DTD 9/28/01	MR S	4.300%	365
11/8/2004	100,487.00	99,000.00	100.000 STATE BANK CALEDONIA MI DTD 11/7/01	MY N	3.900%	365
8/1/2005	101,283.00	97,000.00	101.950 GRAND BK GRAND RAPIDS MI DTD 8/1/01	F AU	5.250%	
8/17/2005	104,325.00	100,000.00	101.800 COMM SHORES BK MUSKEGON 8/17/01	F AU	5.100%	
8/31/2006	103,401.00	97,000.00	101.625 MICH HERITAGE BK NOVI DTD 8/31/01	MR S	5.100%	365
9/5/2006	103,428.00	97,000.00	101.609 KEY BK NATL ASSN OHIO DTD 9/5/01	MR S	5.100%	365
9/6/2006	103,196.00	97,000.00	101.170 INDEP BK W MI ROCKFORD DTD 9/6/01	MR S	5.000%	365
10/3/2006	102,818.00	97,000.00	101.780 BK NORTHN MI PETOSKEY MI DTD 9/6/01	AP O	4.800%	365
CD TOTALS	1,112,864.00	1,073,000.00				



COMMUNITY DEVELOPMENT PROGRAM

Room 223 1101 Beach Street
Phone (810) 257-3010

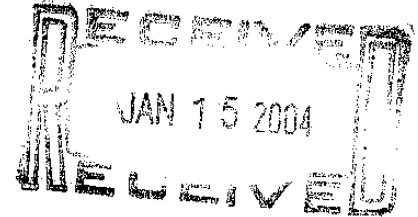
Flint, Michigan 48502-1470
FAX (810) 257-3185

Chapin W. Cook
Director-Coordinator

Thomas G. Goergen
Assistant Director

January 13, 2004

MEMORANDUM



TO: Mary Jo Clark, Clerk
City of Swartz Creek

FROM: Flint S. Nesmith, Principal Planner
Community Development and Housing

SUBJECT: 2004 CDBG Funding Reduction

P. J. S.

We have recently been informed by the Department of Housing and Urban Development that Genesee County is expected to receive a reduction in Community Development Block Grant funds in 2004. Based on the new estimates for 2004 Program Year allocation the City of Swartz Creek is expected to receive \$45,837. Attached is the proposed allocation to each of your projects based on the percentages that were provided during the application process.

Should you have any questions, please call Mr. Brandon Dunn or Ms. Christine Kiesling of my staff.

Attachments

cc: Tom O'Brien, Zoning Administrator

FN:CK:bo
K:\cd\cdplan\2004 funding reduction



An Equal Opportunity Organization

Equal Housing Opportunity



04-13

CITY OF SWARTZ CREEK - SENIOR CENTER OPERATIONS

The City proposes to help fund the operations of the Senior Center located at 8095 Civic Drive including:

1. Salary of the Director
2. Salary of the Assistant
3. Purchase supplies and equipment

This project will be funded with \$2,291.83 from the City of Swartz Creek, \$2,674.92 from Gaines Township, \$5,118.02 from Mundy Township, 1,848.88 from Clayton Township, and \$100 from the Village of Gaines of 2004 CDBG funds. Project total is \$12,033.65.

04-14

CITY OF SWARTZ CREEK – SIDEWALK IMPROVEMENTS

The City proposes make improvements to the sidewalk on Miller Road, from Morrish Road west to Fortino Drive on the north side and from Morrish Road west to Hayes Street on the south side. Improvements will include replacing sidewalk, including handicapped accessibility where necessary, street lighting, waste receptacles, benches and plantings.

This project will be funded with \$38,961.05 of 2004 CDBG funds.