

2021-2023 Proposed Budget City Council Questions / Responses

Q: Can Hamlin Road Reconstruction be deferred to 2022 (\$4,080,00)?

A: The condition of Hamlin is such that there is no short term permanent repair, the ride quality is poor and we would be expending a lot of time, funding, and resources to maintain it for another year and the condition of Hamlin is not going to get better by deferring it another year. [Schneck]

Q: Can Butler Road Rehabilitation be deferred to 2022 (\$956,250)?

A: The condition of Butler is such that there is no short term permanent repair, the ride quality is poor and we would be expending a lot of time, funding, and resources to maintain it for another year and the condition of Butler is not going to get better by deferring it another year. [Schneck]

Q: Can Sewer Truck Dewatering/Disposal Pad be deferred to 2022 (\$259,000)?

A: Yes, we can function as we have in the past but would like to make sure it is in the 2022 budget. [Schneck]

Q: Can either the Tienken Manor or Grosse Pines Water Main Project be deferred to 2022 (\$2,466,750/\$3,158,938)?

A: These projects are funded by Water & Sewer (enterprise funds), there is available funding, and the projects are warranted through our selection criteria (age, size, material & maintenance expense). [Schneck]

Q: Can the Borden Park Office Relocation be deferred to 2022 (\$1,470,000)?

A: Yes we could continue to do minor band-aid repairs to current 50 year+ farm house serving as a park office for another year, however:

- There are significant elements of the building (HVAC, roofing, etc) which could fail, which may require investment in a building we do not plan to keep long-term
- There are issues about lack of public accessibility and not being in a suitable location for monitoring the park (our busiest and highest revenue park) which a new building would address
- We understand it is expensive, however costs for building these small buildings is going up every year when compared to inflation. It will be more expensive every year we wait [Elwert/Cope]

Q: What is the impact of reducing Local Street capital outlay by \$1,000,000? Total Local Street expense reduces from \$10,350,000 to \$9,350,000.

A: It would reduce the annual Local Street Rehabilitation program by (\$1M) from \$5M to \$4M, this would have the net impact to reduce the amount of funding needed from the General Fund to the Local Street Fund by (\$1M). The General Fund, in compliance with the Fund Balance Policy, would then transfer the additional \$1M previously directed to the Local Street Fund to the CIF for Citywide capital projects. [Snyder]

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Q: How much of the Facilities Fund (631) Other Revenue (\$1,546,370) is Innovation Hills contributions or donations?

A: The entire amount is related to Innovation Hills. [Snyder]

Q: The Mayor's Department (171) shows an Innovation Hills line item of \$500,000. Is that fund over and above the Facilities Fund Other Revenue line item?

A: This represents funds raised (or anticipated to be raised) by the Mayor's Office for Innovation Hills development which will then go into the Facilities Fund for the project. [Snyder]

Q: If we remove the 2.5% salary increase, what action is required for union contracts?

A: Each of the City's four (4) Union Contracts including #2491 AFSCME, #1917 Supervisors, #3472 Fire, and MAFF Part-Time Firefighters, would have to be renegotiated as FY 2021 represents the final year #3 of the current 3-Year Contract covering January 1, 2019 through December 31, 2021. [Snyder]

Q: The second to last paragraph on page xii where it says twice that income is expected to decrease significantly, but then have an increase seems odd. Can you explain this a little better?

A: The significant reduction in the revenue budget was in the current year (FY 2020) which the City has already amended down in the 2nd Quarter Budget Amendment due to the COVID-pandemic, with conservative increases from that lower level proposed in FY 2021 Budget. [Snyder]

Q: Can you better explain the claim on page xii-xiii that we have a structural surplus? The financials indicate that we are spending more than we are taking in because we have to take more than \$26 mil (see p30) from fund balance to meet our needs for the year, which is backed up by p. 32 where we are projecting on \$133 mil plus in revenue and on page 33 \$159 mil plus in expenditures. Are you just trying to say that even with us spending more than we are taking in, we are still sitting on more reserves/fund balance than required? Then it should be noted that even though overall fund balances are being decreased by \$9,266,380 (p40) that we are still sitting on \$53 mil plus in fund balances.

A: We use the term structural surplus when comparing annual operating revenues as compared to annual operating expenditures. Capital outlay is a non-operating expense, which is proposed at \$29M. When calculating a net structural surplus (or deficit), we compare the funds proposed from fund balance (or \$26M) in relation to the proposed funds for capital outlay (or \$29M). As there is more in capital outlay proposed than funding proposed from fund balance to fund those improvements, we are projecting a net structural operating surplus of +\$3M.

The City does have levels at or more in fund balance reserves than is required. For the majority of the City's Governmental Funds, the City's Fund Balance Policy prescribes the

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fund balance target range to be maintained. All funds are proposed to be maintained at the high-end of the target balance range through the 2021-2023 Budget Plan years. Any funding in excess of the fund balance target range is then transferred out to the respective capital fund to be used for capital projects / replacements.

You make an excellent point on the proposed Governmental Funds fund balance draw of \$9.2M in FY 2021 which would reduce the overall Governmental Fund balance to \$53M. It is helpful to keep this in context as overall Governmental Fund expenditures proposed for FY 2021 totals \$80M, which signals that the overall Governmental Funds will be at 66% Fund Balance coverage. A very comfortable and prudent level. [Snyder]

Q: Can you take a look at the figures on page 42? Something doesn't seem right with the net position beginning/ending calculations.

A: As opposed to Governmental Funds, the W&S Fund is an Enterprise Fund with a different set of Accounting standards. Governmental Funds bottom line is Fund Balance (or Cash & Investments) which is relatively straight-forward, complicating matters is that Enterprise Funds bottom line is Net Position which includes both Cash & Investments as well as net assets (which is the value of the assets in the ground less accumulated depreciation) and net liability.

To help clarify the W&S Funds Cash & Investment balances in a consistent manner as the Governmental Funds:

- W&S Operating Fund ending FY 2021 Cash & Investment balance = \$12M
- W&S Operating Fund FY 2021 proposed budget = \$36M
 - Approx. 32% reserve coverage
- W&S Capital Fund ending FY 2021 Cash Investment balance = \$27M

[Snyder]

Q: P 217 - 244 Water Resources Fund: Why are we transferring in \$545k when the fund balance is more than double expenses? Where is the transfer coming from?

A: This is the amount of funding from the General Fund to balance Water Resources revenues / expenditures so there is no net increase/draw from Water Resources Fund Balance in FY 2021.

Per the Governmental Fund Balance Policy, the Water Resources Fund shall be maintained at a minimum level of 25% of annual expenditures or $\$701K * 25\% = \$175K$ minimum balance.

With the Water Resources Fund Balance maintained at approx. \$1.8M, this fund is well above its minimum fund balance target. [Snyder]

Q: Tech Appendix p 7-8 - 102 - City Council

a. Should we be increasing the budgeted amounts for Employee: Pension Plan and Employers Social Security to better match the historical trend?

b. Should we be decreasing instead of increasing professional services to better match historical trend?

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c. What is going on with Deer Management that we are projecting a \$34k expense and nearly a 20% increase

- A:
- a. The budgeted amounts for City Council Pension & Social Security shall be monitored throughout the year and if needed can be amended.
 - b. Professional Services is proposed to increase for FY 2021 as a new photograph for City Council members will be needed next year. City Council cost center typically comes in less than budget for this line-item.
 - c. The \$34K includes both City Council Miscellaneous Expenses of \$7,500 which goes to help support the Youth Council as well as \$26,500 for Deer Management. It is anticipated that there may be more Changeable Message Boards requested by the DMAC for FY 2021. [Snyder]

Comment:

The general fund policy was an awesome plan that was put in place several years ago and since then the budgetary problems have been minimal. The budget book is a standalone item. Thank you for such a complete and comprehensive booklet. This a budget was very easy to read. This year it only took me 4 hours to read through both the budget and the technical appendix.

Q: An overall question. If we find that “covid-19/the pandemic” has impacted our bottom line could we make an across the board reduction in all of our capital improvement projects in 2021 by a percentage, for example 10%?

- A: Yes, that would be the plan for next year FY 2021, similar to how we responded this year (FY 2020) by reviewing our capital improvement projects and deferring some. Most likely it would not be an across the board reduction of XX% across all capital projects, rather the highest ranking priority projects (per the CIP rating criteria) would continue to move forward with lower ranking, less significant, or less time-sensitive projects being deferred until there is funding available.

Q: Could we change our priorities of which CIP projects that “covid-19/the pandemic” have an impact on? Such as prioritizing which projects get funded first? For example we could funded projects that involve State money as opposed to those coming all out of the Rochester Hills budget funds? The act 51 gasoline tax revenue maybe down for this year 2020, has that already been taken into account in the major road and in the local roads?

- A: Through the CIP process, each project is assigned a unique rating score based on a variety of criteria, higher scoring projects have a higher priority. With the reduction in revenue sources this year (FY 2020), the City has already deferred some projects that are of lower relative priority. If there is any outside funding associated with a particular project, typically those projects are kept in the Budget Plan to leverage the outside funding.

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Act 51 Gasoline Tax revenues have already been reduced in FY 2020 (as part of 2nd Quarter Budget Amendment in late July), moderate and conservative growth is anticipated in FY 2021+. [Snyder]

Q: For any equipment vehicle purchases (6 in the CIP) is there any chance that it would be more cost effective to outsourcing the job and not buy the equipment vehicle? Basically so we are not responsible for the equipment maintenance and then the personnel costs as well.

A: If contracted out, we would still incur costs with administration and oversight of the services which we do not have the capacity to do. Also, we have to prepare bid specifications, solicit through Purchasing, possibly go to City Council if expense is above ordinance thresholds, establish purchase orders, monitor budget, if service isn't provided in a timely & acceptable manner we have to address. [Schneck]

Q: On the major roads we have the traffic calming program for \$10,000 in the past year did we have that amount budgeted? How much of that 10 thousand was used in a match up for speed humps and another traffic calming devices with the homeowner associations? Why is this listed under major roads as well as local roads? Most of our HOA would be local roads wouldn't they?

A: These funds are a placeholder for HOA's that are desirous of having speed humps installed, a majority of the requests are for Local Roads but we do have a couple of installs on major roads (Cumberland, Lake Ridge). Traffic Calming Map: [Schneck]

<http://rochesterhills.maps.arcgis.com/apps/webappviewer/index.html?id=fc4a96ad31e6439cb e647f9a89f60e33>

Q: \$10 million is the estimated cost for the Avon / Dequindre / 23-Mile Rd project. Is this all our cost share with the Oakland county road commission (RCOC) or is that that the percentage costs?

A: The City's share of the approx. \$10M project is 7.5% with the project split between the Road Commission for Oakland County (RCOC), Macomb County Road Commission, Shelby Township, and the City of Rochester Hills. The majority of the costs are covered by the two (2) County Road Commissions (Oakland & Macomb). [Snyder/Schneck]

Q: On the bridge rehab program, how many bridges do we have in Rochester Hills? And is this looking at all of the bridges at the same time or is this just four of the bridges and there's a lot more to go?

A: Structure Inventory for MDOT are on a 2-year inspection cycle, with inspections recorded in the MiBRIDGE system. These were last inspected 11/28/18 and are part of the 2019 Bridge Maintenance project that started construction today.

1. Kings Cover over Paint Creek ID #8277
2. Rochdale Road over Sargent Creek ID #8279
3. Shagbark Road over Sargent Creek ID #8280

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4. Butler Road over Galloway Creek ID #13163

The Adams over Clinton River pedestrian bridge is recommended to be on a 1-year inspection cycle. This was last inspected on 12/19/18. This is also part of the 2019 Bridge Maintenance project that started construction today, once complete the inspection cycle can be re-evaluated.

There is a culvert on Auburn Road over Ferry Creek that is not part of the Structure Inventory for MDOT. It is recommended that this culvert be inspected every 2 years with the four other vehicular bridges listed above. This was last inspected 06/21/19.

The following pedestrian bridges and/boardwalks were last inspected 01/09/17 with follow-up inspections for the Paint Creek Trails on 04/14/17.

1. Butler Road Boardwalk over pond on the south side of road.
2. Butler Road Boardwalk over Galloway Creek
3. Hamlin Road over the Clinton River
4. Clinton River Train over an adjacent stream
5. Clinton River Trail over a portion of the Clinton River
6. Avon Road over wetlands
7. Clinton River Trail over the Clinton River
8. Rochester Road over the stream north of Tienken Road
9. Paint Creek Trail #1 over Paint Creek
10. Paint Creek Trail #2 over Paint Creek
11. Paint Creek Trail #3 over Paint Creek [Schneck]

Q: In the school zone rapid flashing beacon there's \$50,000 budgeted. How many school zones will get a flashing beacon?

A: The first install will be this year at West Middle School but the goal & objective is to have them installed at all school locations that are not located at a traffic signal (mid-block crossings). [Schneck]

Q: What is the gas fire prop for the training tower for the fire department?

A: This line-item is for installation of a gas-fired burn prop into our existing Training Tower at Fire Station 1. This prop would be used to simulate actual fire conditions in a safe and effective manner. Interior fire training props deliver the realism sought in an advanced fire training program and fire events that can be used in addition to the fire training tower to provide the most advanced fire training simulation currently available. Having a gas-fired prop in the training tower would allow members to train on duty, eliminate OT costs, and provide the ability to train in live fire conditions more often. The prop provides decreased carcinogen production compared to Class A materials (pallets and hay). Several safety controls include temperature control, the ability to instantly "shut off" the fire, and the ability to rapidly vent the area. [Canto]

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Q: Why do we need a sewer truck dewatering slash disposal pad? Why can't we just dump the contents in the landfill? Why do we have to drain it here first and put it into the sewer system? Would this be cheaper to outsource?

A: On unplanned occasions, we have to utilize our vactor truck to collect fluids and/or solids that cannot be easily disposed of. We first drain the fluids into a sanitary manhole at the DPS & then transport the solids to the Mt. Clemens Waste Water Treatment Plant. The proposed disposal pad would eliminate our trips to Mt. Clemens. Outsourcing isn't an option as we are responding to unplanned events, sanitary sewer blockages, water service line repairs, water main breaks and hydro-excavation. [Schneck]

Q: At Bloomer Park, the water hookup was determined to be unsafe for drinking water, is that also the water that is available in the park at drinking fountains? Will the city hookup run also to the drinking fountains in the park so they are not unsafe to drink?

A: All other water at Bloomer Park is hooked up to City water and is safe to consume. A decision was made many years ago not to hook up the Bloomer Office to City water due to cost concerns. [Elwert]

Q: For the upgrade to the computer network systems, what windows platform are we currently on?

A: We are currently on a mix of Windows Server 2012R2, Windows Server 2016 and Windows Server 2019 on the servers and Windows 10 Pro on the desktops [Krajewski]

Q: For the compact loader, do we currently have one that is being replaced? Or is this a new item that is being proposed? Is there any chance that instead of buying a compact loader for \$60,000 we could outsource that to a secondary company for a cheaper amount?

A: We currently do not own a compact loader (neither does DPS), it is new. This loader is small enough to work in gardens and tighter landscaping spaces and is expected to last at least 10 years. This type of equipment has limited availability to rent, and if available must be picked up and dropped off. Our weekly and monthly projects are often weather dependent, which makes renting a challenge even if one is available. [Elwert]

Q: In the special police fund will we be able to increase our police officers by one or two if the need arises in the next year or two?

A: Yes, there is the ability to increase the number of officers if the need arises in the next few years.

Keep in mind that the additional cost of the officers would increase the amount of Special Police millage levy needed to fund the additional positions, this increase in the Special Police levy would have an equal and offsetting reduction in the General Levy. There is a Resolution of Intent approved by the Rochester Hills City Council that any change in the Special Police millage have an equal and offsetting change in the General Levy to keep the

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City's bottom line millage the same, thus avoiding any tax increase to City taxpayers. [Snyder]

Q: It looks like in 2021 the debt service on the Oakland County Sheriff's Office substation will be completed, also the Rochester Hills City Hall building debt service will also be complete in 2021, as well the building for the OPC. How will that affect our budget next year in 2021?

A: The debt service on the OCSO Substation will be complete this year (FY 2020), the impact on the Special Police Budget is those debt service costs are not needed to be included in the FY 2021 Special Police millage levy.

The debt service on Rochester Hills City Hall will be complete in FY 2021. Starting in FY 2022 this will help to reduce the amount of Interfund-Facilities charges to the various City Hall cost centers as their Interfund charges currently include the cost of the debt service as a component. Please note that the FY 2022+ Interfund-Facilities charges in the proposed 2021-2023 Budget do not yet incorporate the reduction that is anticipated once the debt service is complete. These amounts should come down as part of next year's 2022-2024 Budget Plan.

The OPC Building Debt will be complete in FY 2021, the final millage levy to pay the last of the debt service and close the fund is proposed at 0.1660 mill. This may be an item for City Council or the Public Safety and Infrastructure Technical Review Committee to discuss. [Snyder]

Q: For the Mayor's office I see the funding was the highest in 2018, which was a stellar year you acquired over \$2,000,000. It would be nice to see a running total at the bottom so we can really see how spectacular The Mayor is!

A: We can incorporate that suggestion for the Final 2021-2023 Budget Plan Book. [Snyder]

Q: For the elections division it looks like your personnel doubled for 2020 I assume that's due to COVID-19.

A: The reason for the higher numbers of Elections Personnel costs in FY 2020 as compared to FY 2021+ is due to three (3) elections in FY 2020 compared to two (2) elections in FY 2021-2023. [Snyder]

Q: For the Clerk's Office I see you had professional services increase of 56% due to a proposed document management system scanning and hosting beginning in 2021 is that going to make it easier to handle FOIA requests or elections?

A: The proposed document management scanning and hosting service will make a lot of processes more efficient, more transparent, and more accessible. As your question recognizes, FOIA will be one of the areas positively impacted. We receive approximately 350 - 400 FOIA's every year. A very high percentage of these FOIA's are requesting information that would easily be accessible to the requester once we scan our documents in - documents like plot plans, drawings, etc. Currently, we have hundreds of boxes that

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are stored offsite. We not only pay for the storage of these boxes, but we also have to pay fees every time that we need to retrieve boxes and then return them back to storage. Additionally, our onsite storage is an issue. Our cabinets are full and overflowing. The accessibility factor is not only a benefit for the public, but also for the City; fewer staff hours will have to be spent searching and examining files. Once the documents are scanned in, we will easily be able to search by topics, names, parcel identification numbers, as well as many other fields. What may take hours to find now, could be located in minutes. We will experience direct cost savings in document storage, retrieval, and distribution. This will have a ripple effect throughout all areas of the business from operations to customer service. We are behind on this, many communities have been doing this for years. As a community that prides itself on innovation and accessibility, we need to move forward with this technology. [Barton]

Q: I see a new grounds maintenance cost center in the Parks Department was set up. Why was that needed? If the new Grounds Department is taking care of all the lawn cutting it all the parks why are we still outsourcing the maintenance of our grass cutting for City Hall and our fire departments? Could they not be done underneath this new grounds maintenance division?

A: It is needed because the City has transferred landscaping responsibilities City-wide to this unit and added significant workload and operations planning. We are requesting this to:

- 1) Recognize that City Landscaping is a function that needs specialized knowledge comparable to a specialized building function
- 2) Improve the City garden esthetic around the area for a reasonable cost and
- 3) Reduce the overall management burden in the Parks Division.

Our first step is to focus on vegetation, and the second step is to focus on mowing.

The grounds unit is no longer focusing on parks only, but City wide landscaping, including Eddington Boulevard, Auburn Rd Corridor, significant Innovation Hills landscaping, City-wide roundabouts (including two more coming near Yates), City Hall gardens and bushes, etc. Both Innovation Hills and Auburn Rd Corridor come off their vegetation maintenance contracts soon and will require significant support. We have added 1,000s of pieces of vegetation over the last few years - all require planning, planting, trimming, watering, weeding, controlling invasive vegetation, and fall cleanup.

Current mowing responsibilities for this unit include park properties, with the future possibility to manage the mowing function City-wide (we have been reviewing this with Facilities and DPS for about a year). In some cases for customer rentals and sports field usage it is more effective to mow with professional staff, but in other cases in the parks and around the City it may be more efficient to mow with a contractor. Long term our desire is to analyze all City mowing (including parks) and determine needed levels of service to elevate City landscape appearance (gardens, roundabouts) and keep costs

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consistent. There is a significant advantage to the City to have someone manage contractor mowing services that speaks their language. [Elwert]

Q: For the deer management committee I received a study that had been performed. They showed that everybody in Rochester Hills really does like the deer and were not really interested in culling them. They recommended increase our signs, so it's good to see that the DMAC budget was increased. The signs give that deer management committee some more funding to actually supply some more signs. My question is did we request that study to be done or was the study just done by the group as they were interested in the deer management here in Rochester Hills?

A: On the deer study, in discussions with the owner of the Company who did the study, Ed Sarpolus, he stated that the study was done pro-bono through his non-profit on a topic he has been following State-wide and is interested in. He also stated it is sometimes a way to drum up business. When asked, he said a study like that usually costs between \$10-15k. The City did not contract this study, nor were we aware of it prior to receiving. [Elwert]

Q: Last year all of the travel budgets were increased, substantially. This year, because not a lot of people were traveling for conferences or for classes what happened to that money? Did it get rolled over to next year?

A: This year (FY 2020) all travel budgets Citywide will all be well below budget. As part of the FY 2020 4th Quarter Budget Amendment the Fiscal Division will review each line-item to amend closer to year-end actual amounts, and the FY 2020 travel (and a majority of the other line-items City wide) will be reduced.

At the end of the year those funds will flow into their funds respective fund balances. It is not anticipated that any of the funds (at least for travel) will need to be “rolled over” into FY 2021 as FY 2021 is already proposed at ‘normal’ levels.

Basically the only funds that will be “rolled into” fund balance at the end of FY 2020 that we anticipate requesting to be “rolled over” to FY 2021 are for projects budgeted this year (FY 2020) and not fully completed. For example the Dairy Barn Roof Reconstruction which will get started this year, but will not be complete until next year. [Snyder]

Q: For the Police Department I see there is a 213% increase in the charge for services for extra police protection, what was that in relation to? Is there enough funding in the police to increase the number of police officers by 1 or 2 officers, if needed in the coming years?

A: The FY 2020 Extra Police Protection revenue budget was reduced significantly in the 2nd Quarter Budget Amendment due to COVID as there are less Police Protection mini-contracts being requested for local businesses and the Meadowbrook Amphitheatre. Yes, there is the ability to increase the number of officers if the need arises in the next few years.

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Keep in mind that the additional cost of the officers would increase the amount of Special Police millage levy needed to fund the additional positions, this increase in the Special Police levy would have an equal and offsetting reduction in the General Levy. There is a Resolution of Intent approved by the Rochester Hills City Council that any change in the Special Police millage have an equal and offsetting change in the General Levy to keep the City's bottom line millage the same, thus avoiding any tax increase to City taxpayers. [Snyder]

Q: Question on this joint project with RCOC. What part of this project are we responsible for? I know we are moving some water infrastructure, but as far as the roadway, what is our responsibility?

A: I will break the corridor up into the following two segments:

Phase 1: This would include the roundabout at Dequindre/Avon (west intersection) and bridge replacement.

Phase 2: Restoration of the roadway during the GLWA water main replacement project which could include widening Avon to three lanes (from RCOC project eastward), constructing a roundabout at Avon/23 Mile Road, pedestrian improvements etc.

For Phase 1, RCOC has obtained federal funding for both the intersection and bridge replacement work. RCOC has agreed to pay the match on the federal funds. The City would be responsible for necessary city utility relocation/upgrades, lighting and any desired landscaping for the project.

For phase 2, costs have not been determined for the potential road improvements and any funding splits between the participating parties (GLWA/RCOC/R. Hills). I suspect this will become more clear over the next 4-6 months. [Schneck/RCOC]

Q: Has any HOA ever taken us up on our offer and installed speed humps or other speed calming devices?

A: These funds are a placeholder for HOA's that are desirous of having speed humps installed, a majority of the requests are for Local Roads but we do have a couple of installs on major roads (Cumberland, Lake Ridge). Traffic Calming Map: [Schneck]

<http://rochesterhills.maps.arcgis.com/apps/webappviewer/index.html?id=fc4a96ad31e6439cb e647f9a89f60e33>

Q: What is to become of the current Borden Park office (the house) when this project is complete?

A: It will be demoed. [Elwert]

Q: The City Hall debt and the Sheriff Substation debt are scheduled to be completed this year. What will become of the funds we are currently putting toward this debt? I

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assume this will just go back to the general fund, these budget items will be eliminated and reallocated toward other projects

A: The debt service on the OCSO Substation will be complete this year (FY 2020), the impact on the Special Police Budget is those debt service costs are not needed to be included in the FY 2021 Special Police millage levy. [Snyder]

Q: I know what our fund balance policy says about the Capital Improvement Fund, but do you have kind of a number in your head where you like to ideally see this fund balance?

A: At the present there is not a set policy as to what the CIF minimum balance should be. I have tried to ensure that at no point does the CIF balance ever drop below \$2M. To maintain that level of reserves at minimum we can continually adjust the project schedule in future years so that the proposed project schedule does not reduce the CIF balance below that amount. If the funds are not available, the projects do not receive funding. [Snyder]

Q: RARA the building rental revenue was reduced from \$120k to \$89k. Was this due to COVID-19 causing rentals of all facilities to be reduced for 2020?

A: As of now we do not have an end in sight to the limitation of us reopening our facilities due to executive orders closing all fitness, community, and recreation centers. Our budget reflects anticipated reopening later in 2021, impacting the overall revenue earning. This is also reflected in future years but will be adjusted as we receive more information from MDHHS [Jewell]

Q: I see the fees for the dance were projected at \$725,000 for 2020 and then they're only proposed to be less than half that amount \$240,000. Is that because of COVID or is there other issues? And I see the membership fees are also cutting almost half again is that due to COVID? It appears that the pandemic made a significant impact on your revenues for 2020.

A: We are currently anticipating about \$1 million in revenue loss. Our dance program functions in the dance studio. We changed the program format to accommodate the 2020 participants by offering over 100 zoom classes per week and to finish the 30 week program. Participants also had their recital video recorded individually and then edited together for the final video. After evaluation and discussion with our participants and families, that format is not sustainable and our staff and participants are not interested in being paid for or paying for that type of program. That being said, being closed for ingress/egress/and the public does not allow us to offer a traditional program of 30 weeks from September - June. We are planning on doing as much programming as possible outside and plan on moving our sport court from the gymnasiums to the parking lot this fall but we are severely limited by the seasons for outdoor programming here in Michigan as it relates to Dance. The budget projection and future cuts reflect that.

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We have many programs that rely heavily on our indoor space at 480/500 or Rochester Community Schools. Our access to the use of those facilities for programming has dramatically affected our budget. RCS has told us that they do not anticipate us being able to utilize their space indoor or outdoor for the foreseeable future limiting our offering to the community exponentially. We are looking at utilizing private facilities but many of these are our competitors and it will affect our pricing along with timing of previous programs. The high revenue season for the fitness center is October - February and our budget reflects us not being able to open our doors at this time. [Jewell]

Q: Moving forward what are your plans to implementing safe distancing and mask usage (or other PPE) to allow continued activities?

A: Each new program that we offer has a specific procedure they follow to stay in accordance with our guidelines. The plan is fluid as information changes and executive orders change. Our plan is based off of recommendations from the National High School Athletic Association, National Alliance for Youth Sports, American Camp Association, LARA, MDHHS, CDC, and in accordance with Executive Orders. It can be found here:

http://www.rararecreation.org/Portals/Rara/RARA%20ExposurePreventionPreparednessandResponsePlan_1.pdf [Jewell]

Q: OPC the millage renewal and increase passed in the August election will help out the revenue stream for the next several years. I see the expenses for 2020 are listed at \$42K which is down about \$200K. How were you able to effectively reduce your costs during this pandemic?

A: This question appears to focus on the capital budget. As stated in the Transmittal Letter, the OPC Board and Administration has made a conscious choice to not engage in capital projects for FY 2021.

The \$42K appearing in the budget covers usual annual maintenance of the building and the grounds. We have been able to do this because of the excellent maintenance schedule our facilities staff implements. Also, we made a number of long-term improvements to the facility over the past several years – including several this year while the facility has been closed. There are still long-term capital needs (please see the capital plan on page #19 of the budget document) – particularly in the out-years. Plans call to reserve as much of the new revenue stream as possible in order to cover those costs in out years. [Soave]

Q: Moving forward what are your plans to implementing safe distancing and mask usage (or other PPE) to allow continued activities?

A: The OPC Board adopted a detailed plan and new code of conduct, developed by the OPC Administration, listed all the steps taken and required to open the facility safely. Regarding the facility, it has been thoroughly cleaned and bio-fogged; Plexiglas shields have been put in place in areas where the clients/public and staff interface

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(reception desks, cashier's windows, dining room serving line, etc.) and new social distancing signs are in place. [Soave]

Q: Can we get a total amount for some of the line items? I would like to know the total by line item for the following accounts: 710000, 801000, 807000, 850000, 860000, 900000.

A: 710000 / Employee: Pension Plan

- 2020 Current Budget = \$2,821,040
- 2021 Proposed Budget = \$3,202,110 / +14%
 - Reason for the increase is due to a contractual increase in the City's contribution to employee pension accounts in FY 2021 due to the 2019-2021 Union Contracts

801000 / Professional Services

- 2020 Current Budget = \$2,413,120
- 2021 Proposed Budget = \$2,534,170 / +5%
 - Increase is primarily due to proposed Document Imaging project starting in FY 2021

807000 / Contractual Services

- 2020 Current Budget = \$3,197,060
- 2021 Proposed Budget = \$2,938,230 / (8%)
 - Decrease is primarily due to LDFA contractual services

850000 / Memberships & Dues

- 2020 Current Budget = \$181,610
- 2021 Proposed Budget = \$183,710 / +1%
 - Increase primarily due to Building Department license renewals (3-Year cycle)

860000 / Travel & Seminars

- 2020 Current Budget = \$304,550
- 2021 Proposed Budget = \$311,550 / +2%
 - Increase primarily due to Fire training

900000 / Printing & Publishing

- 2020 Current Budget = \$149,080
- 2021 Proposed Budget = \$145,230 / (3%)
 - Decrease primarily due to two (2) elections planned for FY 2021 as there are three (3) in FY 2020 [Snyder]

Q: Pg 46 - 2021 and 2022 are exactly the same for revenues. No changes?

A: This was an accidental error in our formula. This chart has been updated in the Proposed Budget Plan Book on the City website. [Snyder]

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Q: Pg 81 - why is the 2021 property tax assumption 4.2% in 2021 and 2.4 for all other years?

A: The 4.2% is based upon the actual Taxable Value of the City as of Dec. 31, 2019 which is the basis for the millage funding on the December 2020 tax levy for FY 2021. The City is assured to receive this funding for next year's budget.

The 2.4% is the City's conservative estimate of the growth of the overall City tax base over the next several years. FYI: The past 3-years the City's taxable value has increased by 4.4% on average.

The actual taxable value for FY 2022 will be more closely known after the Assessing Department completes the Dec. 31, 2020 taxable value process in the Spring of 2021. [Snyder]

Q: P228 - OPC Building Refunding - how do the debt service numbers compare to the millage number in the forecast doc page 70?

A: The 0.1660 millage levy for FY 2021 represents the final millage amount required [or \$632,150] to service the final OPC Building Debt payment in FY 2021 and close the debt service fund. As the debt will be completely paid off in FY 2021, there is no OPC Building Debt millage required in FY 2022+. [Snyder]

Q: How many millages renew in 2026?

A: 1. City Pathway Millage
2. RARA Operating Milage
3. OPC Transportation Millage [Snyder]

Q: Where do I find the water fund balance?

A: As opposed to Governmental Funds, the W&S Fund is an Enterprise Fund with a different set of Accounting standards. Governmental Fund's bottom line is Fund Balance (or Cash & Investments) which is relatively straight-forward, complicating matters is that Enterprise Funds bottom line is Net Position which includes both Cash & Investments as well as net assets (which is the value of the assets in the ground less accumulated depreciation) and net liability.

To help clarify the W&S Funds Cash & Investment balances in a consistent manner as the Governmental Funds:

- W&S Operating Fund ending FY 2021 Cash & Investment balance = \$12M
 - W&S Operating Fund FY 2021 proposed budget = \$36M
 - Approx. 32% reserve coverage
 - W&S Capital Fund ending FY 2021 Cash Investment balance = \$27M
- [Snyder]