

CITY OF FLUSHING

MEMORANDUM

Date: May 10, 2021

To: Mayor Karlichek and Flushing City Council Members

From: Clarence E. Goodlein, City Manager

Subject: **Proposed FY 2021/2022 Operating Budget and Capital Improvement Plan**

This memorandum is intended as my transmittal of the proposed FY2021/2022 Operating Budget and Capital Improvement Plan for the City of Flushing. This proposed budget has been prepared in accordance with Article VII of the Charter of the City of Flushing and satisfies the Charter requirements as it is presented to you. Please familiarize yourselves with the budget in preparation for our future discussions that will culminate in a Public Hearing and adoption of the FY2021/2022 Operating Budget and Capital Improvement Program on May 10, 2021.

This budget is the product of a collaborative effort and considerable work by each Department Head, the City Clerk, and the City Treasurer. It demonstrates their commitment to continuing the City's history of providing excellent service and leveraging revenue and expenses to provide the greatest benefit to City residents and businesses.

City Administration looks forward to its discussions with City Council concerning the proposed budget and collaborating to create a FY 2021/2022 City budget that provides the greatest benefit to the City's residents, businesses, and visitors.

Fiscal Year 2021/2022 Budget Highlights

- ❖ The budgeted General Fund Revenue is expected to be 10.5675 mills and the Capital Improvement Revenue is expected to be 2.0 mills.
- ❖ Payments of statutory state-shared revenue are projected to increase 2.5%.
- ❖ A new position of Assistant City Manager/City Clerk is proposed to facilitate reorganization of City Administration and to provide for needed redundancy and security.
- ❖ Noteworthy capital improvement funding will include renovation of waste-water treatment plant processes valued at \$5.387M and funded from assistance of the United States Department of Agriculture – Rural Development and the beginning of renovation of the north and south parking lots downtown as well as the north alleyway.

- ❖ Funding from the Michigan Department of Transportation as well as from the City will provide for the reconstruction of Seymour Road east from the railroad tracks to Emily.
- ❖ Grant applications for renovation of North Seymour Road and North Cherry Street will be submitted to the Michigan Department of Transportation's Traffic Economic Development Fund.
- ❖ The average funded ratio of retiree pensions across all work unit is approximately 51% and the City's plan to reach 60% by 2028 has been approved by the Michigan Department of Treasury. This plan provides for continued enrollment of new employees in defined-contribution type pensions and the basis for consideration of different mechanisms to address the City's unfunded pension liabilities. Beginning 07/01/2021, the City's monthly premium is expected to be \$78,324.
- ❖ The proposed solid-waste-collection fee of \$269/year, for most users, is a \$20.00 or 8.0% increase from the current fiscal year and provides for increases due to additional contract costs as well as anticipated fuel surcharges from the City's vendor.