



City of Fraser

CENTENNIAL COMMUNITY

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February 28, 2019

City Council
33000 Garfield Rd
Fraser, MI 48026

Re: Fiscal Year 2019-2020 Recommended Budget

Dear City Council,

Background:

Section 8.2. - Budget procedures.

The Council shall designate one of the administrative officers of the city as Budget Officer. Each board, commission, officer and department head shall submit his recommended budget with supporting explanation for the next fiscal year to the Budget Officer on or before March 15 in each year.

The Budget Officer shall prepare and submit to the Council, on or before the first regular meeting in April of each year, a budget document covering the next fiscal year tabulating the recommendations of the several department heads and officials.

Budget Document Outline:

I have received from each department head a recommended budget for the 2019-2020 Fiscal Year and compiled the data into a budget document.

The columns in order represent the following information:

- 1) General Ledger Account Number
- 2) Description of the General Ledger Account Number in accordance with the uniform chart of accounts
- 3) 2017-2018 Fiscal Year Activity
- 4) 2018-2019 Activity of Revenues and Expenditures through February 28, 2019
- 5) 2018-2019 Original Budget adopted May 10, 2018
- 6) 2018-2019 Amended Budget adopted December 13, 2018
- 7) 2019-2020 Recommended Budget "Budget Document" including the recommended department budgets as submitted by the department heads
- 6) The comparison amount change from the 2018-2019 Amended Budget to the 2019-2020 Recommended Budget
- 7) The comparison percentage (%) change from the 2018-2019 Amended Budget to the 2019-2020 Recommended Budget

Financial Assumptions:

The budget document has been prepared using an incremental approach with several main assumptions:

- 1) Property Tax Revenues will increase by 2.4%
- 2) Full-time staffing will increase by 2 employees (Senior Activity Center and Ambulance)
- 3) Department Head salary adjustments within the December 2018 MML Comparison Salary Survey
- 4) Debt principal and interest are recorded to the debt schedules
- 5) Pension expense has been recorded within the General Fund at the actuarially computed employer contribution in the amount of \$2,641,312
- 6) Retiree healthcare has been recorded at the estimated claims and premiums paid by retirees in the amount of \$1,913,823 not the actuarially computed employer contribution in the amount of \$4,345,400

- 7) Capital Improvements for LED Lighting, City Hall Public Safety Driveway Approach and Fort Fraser have been budgeted
- 8) Resurfacing of Masonic at 20% construction cost match in the amount of \$188,523 and construction engineering, observation and testing in the amount of \$135,050
- 9) Senior Housing has been increased by \$157,849 for building improvements
- 10) City Hall Building Bond Millage has been reduced from 1.3200 Mills to 0.2500 Mills equivalent to a 1.0700 Mill reduction due to the final bond payment on October 1, 2019
- 11) Street Debt Bond Millage has been reduced from 2.2600 Mills to 1.8000 Mills equivalent to a 0.4600 Mill reduction due to the final bond payment on October 1, 2020
- 12) Water Commodity Rates have been increased from \$4.06 to \$4.72 per unit an increase of 16.09% pursuant to the Plante Moran rate schedule
- 13) Sewer Commodity Rates have been increased from \$10.14 to \$10.29 per unit an increase of 1.45% pursuant to the Plante Moran rate schedule

Very truly yours,

Timothy Matthew Sadowski

Timothy Matthew Sadowski
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