



City of East Grand Rapids  
Regular City Commission Meeting  
Agenda

**May 2, 2016 – 6:00 p.m.**  
(EGR Community Center – 750 Lakeside Drive)

Note: A budget work session will take place following the regular meeting to review the proposed Capital Improvement Plan (CIP).

1. Call to Order and Pledge of Allegiance.
2. Public Comment by persons in attendance.
3. Report of Mayor and City Commissioners.

Consent Agenda – Approval Requested

4. Receipt of communications.
5. Minutes of the regular meeting held April 18, 2016 (approval requested).
6. Report of Finance Committee on disbursement of funds: payroll disbursements of \$203,752.87; county and school disbursements of \$-0-, and total remaining disbursements of \$349,865.00 (approval requested).
7. Request to set dates for public hearings regarding the proposed budget and the placement of delinquent accounts on the tax roll (enclosed – approval requested).
8. Resolution approving budget amendments for the quarter ended March 31, 2016 (approval requested).
9. Quarterly financial reports for the period ended March 31, 2016 (no action requested).
10. Permission to send equipment to auction (approval requested).
11. Contract for asphalt patching and restoration of water leak sites (approval requested).

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*The City will provide reasonable auxiliary aids for individuals requiring them for effective communication in programs and services of the City. Notice must be made to the City five (5) days prior to the program or service requesting the specific auxiliary aid.*

PROCEEDINGS OF THE CITY COMMISSION  
CITY OF EAST GRAND RAPIDS

**Regular Meeting Held April 18, 2016**

Mayor Seibold called the meeting to order at 6:00 p.m. in the City Commission Chambers at the East Grand Rapids Community Center and led the audience in the Pledge of Allegiance.

Present: Commissioners Dills, Duncan, Hamrick, Miller, Skaggs, Zagel and Mayor Seibold

Absent: None

Also Present: City Attorney Huff; City Manager Donovan; Assistant City Manager LaFave; Public Safety Director Herald; Finance Director Mushong; Zoning Administrator Faasse; City Clerk Brower; Communications Specialist Greenleaf

2016-38. No public comment was received.

2016-39. Commissioners Dills, Miller and Hamrick thanked staff members for all of their work on the presentation materials and publicity efforts for the water-sewer rate information sessions held last week.

Commissioner Zagel reminded everyone to observe safety rules when launching and operating boats on Reeds Lake and other waterways. He noted that a separate kayak launch is available behind the public safety building.

Mayor Seibold also thanked the staff members involved in publicizing and presenting the information regarding the proposed water-sewer rate increase.

2016-40. A zoning variance hearing was held regarding the request of Michael Bosscher of 524 Gladstone to allow the construction of a detached garage with a rear yard setback of 1.0' instead of the required 3.0.'

Zoning Administrator Faasse explained the request to build a new garage with the same rear yard setback as a garage that has been demolished. The new garage will meet the side yard setback.

Michael Bosscher, 524 Gladstone, explained the difficulty with maneuvering vehicles and the desire to place the garage closer to the rear lot line to allow a few extra feet of space. He reported he had spoken with almost all the neighbors and all had supported their request.

Mayor Seibold opened a public hearing. The following people were present to express their opinions:

- Don Markham, 540 Gladstone Supported the request as a good solution to a very challenging situation.

The following communications were received at City Hall concerning this variance request:

- Stephanie & John Eckley, 533 Gladstone In Favor.  
- Dave & Melinda Hollis, 520 Gladstone In Favor.

No other public comment was received. Mayor Seibold closed the public hearing.

2016-40-A. Dills-Miller. That the request of Michael Bosscher of 524 Gladstone to allow the construction of a detached garage with a rear yard setback of 1.0' instead of the required 3.0' be approved.

Commissioner Miller agreed the proposed location of the garage would make a difficult situation easier. He thanked the applicants for moving the garage farther from the side lot line than the old garage was.

Commissioner Dills stated this situation was different than others considered recently as there was no room to maneuver vehicles with the layout of the home on the lot.

Yeas: Dills, Duncan, Hamrick, Miller, Skaggs, Zigel and Seibold – 7  
Nays: -0-

2016-41. Resolution setting water/sewer rates for FY 2016-17.

Finance Director Mushong and Assistant City Manager LaFave showed various charts and answered questions from city commissioners regarding the life expectancy and the cost of repairing and maintaining the underground infrastructure of the water-sewer system. Mr. LaFave noted that while it was often possible to re-line sewer pipes when they cracked, water mains have to be fixed or replaced immediately because of the water pressure and to avoid the infiltration of contaminants into the drinking water. Replacing and repairing water mains is much more extensive and expensive. City Manager Donovan explained the city analyzes information each year to plan for needed work based on age, life expectancy, repairs completed and the need for other road resurfacing.

The City Commission also discussed the issue of lead water services from the city's mains to individual homes and possible mandates or funding to replace these services in the future. City Manager Donovan stated that since none of the city's water or sewer mains contain lead, the city's plans to replace infrastructure under its streets can move forward and be adjusted at a later time if necessary.

2016-41-A. Zigel-Dills. That a resolution setting water/sewer rates for FY 2016-17 be adopted as set forth in Exhibit "A" attached hereto.

Commissioner Zigel stated that updating the city's infrastructure was this generation's issue to deal with and thanked the staff for providing so much information and analysis for the commission to make an informed decision.

Commissioner Miller felt addressing the situation by raising rates to provided needed funding was the right thing to do and the right time to begin. He noted the city had been very up front with residents and asked for input with public input sessions and publicity over the last several weeks.

Commissioner Hamrick agreed and gave her support for the new rates.

Commissioner Skaggs stated he was still not convinced there was a demonstrated problem with the infrastructure or the current schedule of replacement. He favored waiting at least a year until the televising project is done and to see what the State of Michigan will be requiring or providing for the replacement of lead services. He did not feel the public had been informed enough about the increase in rates, especially given the tax increase last year for the street and sidewalk millage.

Commissioner Duncan stated her support for the new rates although she felt the whole process was a bit rushed. She agreed this was the time to be proactive and address the issues before us and not wait any longer.

Mayor Seibold stated that while public communication and input were certainly important, it was the city commission's job to analyze the budgetary needs of the city, including the water-sewer fund. She felt that not taking action now would make things more expensive and disruptive to residents later on. She felt it was unconscionable to deny the issue exists and wait to begin addressing the needs.

Commissioner Dills stated the city commission is elected to make budget and tax decisions on behalf of the electorate and he supported the increase in rates because he felt it was necessary to begin improvements.

Yeas: Dills, Duncan, Hamrick, Miller, Zigel and Seibold – 6  
Nays: Skaggs – 1

2016-42. Hamrick-Miller. To approve the consent agenda as follows:

2016-42-A. To approve the minutes of the rescheduled regular meeting held March 28, 2016.

- 2016-42-B. Report of Finance Committee on disbursement of funds: payroll disbursements of \$408,140.34; county and school disbursements of \$-0-, and total remaining disbursements of \$183,339.44.
- 2016-42-C. A contract with Spurt Industries of Zeeland through December 31, 2016 for disposal of yard waste at a rate of \$3.45 per cubic yard with 2,000 cubic yards disposed at no charge.
- 2016-42-D. A three-year contract with Pluene Service Company of Grand Rapids in the amount of \$7,632 per year for preventative maintenance of the Community Center cooling system.
- 2016-42-E. A contract with Hoffman Bothers of Battle Creek in the amount of \$340,356 for the replacement of a water main on Lake Drive between Conlon and the Breton/Lakeside intersection.

Yeas: Dills, Duncan, Hamrick, Miller, Skaggs, Zagel and Seibold – 7

Nays: -0-

- 2016-43. Finance Director Mushong provided an overview of the upcoming budget process, including financial trends, an update on current assessments and revenues, and the impact of the water rate increase. She also explained the impact of the low inflation rate and the required Headlee rollback on the anticipated millage rate.

The meeting adjourned at 7:26 p.m., subject to the call of the Mayor until May 2, 2016.

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Karen K. Brower, City Clerk

Attachments: A – Resolution setting water/sewer rates for FY 2016-17

Attachments listed above are available for inspection at the office of the City Clerk.

**RESOLUTION ADOPTING WATER/SEWER RATES**

WHEREAS Section 2.83 and 2.83-1 of the City Code provides that the City Commission shall by resolution establish a consumption rate and readiness-to-serve charge for water and sewer service.

BE IT RESOLVED that for the period from July 1, 2016 through June 30, 2017 water and sewer rates shall be as follows:

Residential		Non-Residential	
<b>READINESS-TO-SERVE:</b>		<b>READINESS-TO-SERVE:</b>	
<u>Average Monthly Consumption</u>	<u>Readiness-to-Serve Monthly Charge</u>	<u>Meter Size</u>	<u>Readiness-to-Serve Monthly Charge</u>
0 - 7,000	\$36.00	3/4"	36.00
7,001 and up	\$36.00 + \$3.00 per thousand gallons of usage over 7,000	1"	48.00
		1-1/4"	75.00
		1-1/2"	108.00
		2"	192.00
Multi-units	\$36.00 plus \$10 per unit	3"	432.00
		4"	765.00
		6"	2,304.00
	<u>Yard Meters Flat Fee:</u>		
	\$25.20 per month (plus usage)	500,000 and up (gallons per month)	Add \$3.00 per thousand gallons of usage over 500,000
	<u>Sewer Only Flat Fee:</u>		
	\$32.50 per month (no usage charge)		
<b>COMMODITY:</b>		<b>COMMODITY:</b>	
WATER:	\$2.70 per 1,000 gallons	WATER:	\$2.70 per 1,000 gallons
SEWER:	\$3.10 per 1,000 gallons	SEWER:	\$3.10 per 1,000 gallons

Adopted by the East Grand Rapids City Commission at their regular meeting on April 18, 2016.

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Karen K. Brower, City Clerk



# CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE • EAST GRAND RAPIDS, MICHIGAN 49506

BRIAN DONOVAN  
CITY MANAGER

## MEMORANDUM

TO: Mayor and City Commissioners  
 FROM: Brian Donovan, City Manager  
 DATE: April 22, 2016

RE: Public Hearings for FY 2016-17 Budget Recommendations

Action Requested: That the City Commission establish June 6, 2016 as the date to hold public hearings for the budget and for delinquent accounts, and to hold a special meeting to adopt the budget.

Background: By state law, a public hearing must be held on the proposed budget. It is recommended that the City Commission establish the City Commission meeting on June 6, 2016 as the hearing date.

The FY 2016-17 budget is tentatively scheduled to be adopted at a special meeting to be convened after the public hearing on June 6.

Delinquent accounts are mostly water/sewer bills that have been delinquent over the past year. In addition, there may be some false alarm charges and yard clean-up fees. Every year in June, all delinquent accounts are placed on the tax roll so that they will be included on the July 1<sup>st</sup> property tax bill. These charges then become a lien against the property (similar to property taxes). The City Commission needs to hold a separate public hearing in order to allow testimony from those who want to dispute their bills. Following the hearing, the Commission then makes any modifications deemed necessary and adopts the final delinquent account list.

BD/kb/9130  
Attachment



# CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE • EAST GRAND RAPIDS, MICHIGAN 49506

KAREN MUSHONG  
FINANCE DIRECTOR

## MEMORANDUM

TO: Mayor and City Commissioners  
FROM: Karen Mushong, Finance Director  
DATE: March 21, 2016

RE: FY 2015-16 Budget Amendments

Action Requested: That the City Commission approve the resolution amending the FY 2015-16 budget for the quarter ending March 31, 2016.

Background: Uniform Budgeting and Accounting Act of 1968 stipulates local units of government shall not incur expenditures in excess of the amount appropriated by the governing body. It also states a review should be performed on budgeted versus actual expenditures, and if necessary, budget amendments are to be prepared to cover any deficiencies.

All of these changes represent the *proposed* budget numbers for FY 2015-16 as shown in detail in the FY 2016-17 budget document. Historically, these amendments would be approved at the second meeting in June before the close of the fiscal year. However, in keeping with the Uniform Budgeting and Accounting Act, this timing posed an operational issue when it came to not incurring expenditures in the excess of the amount appropriated by the governing body. By adopting these amendments earlier, we can complete these proposed items while keeping with the Uniform Budgeting and Accounting Act.

The following is an explanation of the major amendments; however, all of these can be shown in greater detail as outlined in the FY 2016/17 budget document:

General Fund – In the General Fund, the planned use of unrestricted fund balance has been reduced to \$10,000. This will change the projected ending unrestricted fund balance to \$2,833,893 or 25.86% of budgeted expenditures. The FY 2015/16 original budget was approved with a planned ending unrestricted fund balance of 25.09% of budgeted expenditures.

In the General Fund, there are many smaller adjustments throughout the budget as shown by department on the attached summaries. Some of the notable adjustments include the following:

- Reduction of \$40,000 to the expected amount of State shared revenue
- Recodification of City Code expenditure of \$15,000 moved to FY 2016-17
- Reduction of \$28,700 in expected attorney costs
- Additional overtime in Public Safety of \$40,000 due to long-term medical leaves in department
- Drug seizure capital expenditures of \$80,000 moved to FY 2016-17
- Lake treatment increase of \$44,000 due to moving the major lake treatment from FY 2016-17 into the current year
- In Parks and Recreation, there are various changes in programs, resulting in changes to budgeted revenues and expenditures.

<b>General Info</b>	<b>City Manager</b>	<b>Engineering</b>	<b>Assessor</b>	<b>Parks &amp; Recreation</b>	<b>Public Safety</b>	<b>Streets &amp; Utilities</b>
949-2110	949-2110	940-4817	940-4818	949-1750	949-7010	940-4870
fax 940-4884	fax 940-4884	fax 940-4884	fax 940-4884	fax 831-6144	fax 940-4829	fax 940-4872

Major and Local Street Fund – Due to some overall savings in street expenditures (most notably due to a light winter and a two vacant positions), the amount of the General Fund transfers were adjusted accordingly to leave the Major Street Fund to break even and to use less fund balance than expected in the Local Street Fund. The projected ending unrestricted fund balance at June 30, 2016 in the Major and Local Street Fund is \$561,900 and \$455,200, respectively.

Other Funds – Although there were various smaller adjustments made to estimates in the various funds/departments, there are not additional individual items to report.

These amendments were reviewed by the Finance Committee and were found to be in order.

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Brian Donovan, City Manager

RESOLUTION 2015-\_\_\_\_\_  
RESOLUTION AMENDING FY 2015-2016 FISCAL YEAR BUDGET

The following resolution was offered by Commissioner\_\_\_\_\_, and supported by Commissioner \_\_\_\_\_;

- WHEREAS, it is necessary to amend the appropriations of the City's budget by making the proper adjustments and transfers where necessary; and
- WHEREAS, that various funds may require a change in appropriations due to a change in unanticipated costs incurred; and
- WHEREAS, departments have reviewed their budget and are proposing the adjustments to be made; and
- WHEREAS, the City Manager has reviewed the amendments and is recommending that the adjustments be made; and
- WHEREAS, the Commission may adopt general funds\* and special revenue funds\* for FY 2015-2016 by departmental appropriation subtotal as presented in attached information; and
- WHEREAS, the Commission may adopt the non-general funds and non-special revenue funds for FY 2015-2016 by fund total;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of East Grand Rapids that the budget be amended as follows:

		Amended Budget	Proposed Amendments	Proposed Budget
GENERAL FUND*	Revenues	10,971,300	(20,800)	10,950,500
	Expenditures	<u>11,081,300</u>	<u>(120,800)</u>	<u>10,960,500</u>
	Fund Balance Change	<u>(110,000)</u>	<u>100,000</u>	<u>(10,000)</u>
MAJOR STREET*	Revenues	993,100	(47,500)	945,600
	Expenditures	<u>993,100</u>	<u>(47,500)</u>	<u>945,600</u>
	Fund Balance Change	<u>-</u>	<u>-</u>	<u>-</u>
LOCAL STREET*	Revenues	1,316,100	34,400	1,350,500
	Expenditures	<u>1,579,300</u>	<u>(55,100)</u>	<u>1,524,200</u>
	Fund Balance Change	<u>(263,200)</u>	<u>89,500</u>	<u>(173,700)</u>
MUNICIPAL STREET*	Revenues	1,304,600	43,700	1,348,300
	Expenditures	<u>1,304,600</u>	<u>43,700</u>	<u>1,348,300</u>
	Fund Balance Change	<u>-</u>	<u>-</u>	<u>-</u>
REEDS LAKE TRAIL AND CULVERT CAPITAL PROJ FUND	Revenues	538,300	(7,300)	531,000
	Expenditures	<u>920,000</u>	<u>(7,300)</u>	<u>912,700</u>
	Fund Balance Change	<u>(381,700)</u>	<u>-</u>	<u>(381,700)</u>
WATER AND SEWER	Revenues	3,769,000	1,200	3,770,200
	Expenditures	<u>4,394,900</u>	<u>(42,600)</u>	<u>4,352,300</u>
	Fund Balance Change	<u>(625,900)</u>	<u>43,800</u>	<u>(582,100)</u>
HEALTH CARE	Revenues	1,655,000	46,400	1,701,400
	Expenditures	<u>1,655,000</u>	<u>(3,600)</u>	<u>1,651,400</u>
	Fund Balance Change	<u>-</u>	<u>50,000</u>	<u>50,000</u>
MERF	Revenues	728,800	12,500	741,300
	Expenditures	<u>1,140,200</u>	<u>(7,600)</u>	<u>1,132,600</u>
	Fund Balance Change	<u>(411,400)</u>	<u>20,100</u>	<u>(391,300)</u>
OPEB TRUST FUND	Revenues	170,000	(45,000)	125,000
	Expenditures	<u>120,000</u>	<u>(45,000)</u>	<u>75,000</u>
	Fund Balance Change	<u>50,000</u>	<u>-</u>	<u>50,000</u>

AYES:  
NAYS:  
ABSENT:

I, Karen Brower, the duly appointed Clerk of the City of East Grand Rapids, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City of East Grand Rapids at a Regular Meeting held \_\_\_\_\_, in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of Michigan, 1976, as amended, the minutes of the meeting were kept and will be or have been made available as required by said Act.

**CITY OF EAST GRAND RAPIDS**  
BY: \_\_\_\_\_  
Karen K. Brower, City Clerk

# CITY OF EAST GRAND RAPIDS

## GENERAL FUND PROPOSED AMENDMENTS

	<b>Amended Budget</b>	<b>Proposed Amendments</b>	<b>Proposed Budget</b>
<b><u>REVENUES</u></b>			
CITY TAXES & PENALTIES	\$ 8,050,000	\$ -	\$ 8,050,000
LICENSES AND PERMITS	65,000	-	65,000
INTERGOVERNMENTAL PROGRAMS	992,600	(39,900)	952,700
CHARGES FOR CURRENT SERVICES	458,800	8,900	467,700
RECREATION REVENUE	1,176,200	(27,200)	1,149,000
FINES & FORFEITS	40,000	-	40,000
INTEREST AND RENTS	15,000	5,000	20,000
OTHER REVENUES	133,700	32,000	165,700
OTHER REVENUES - LIBRARY	40,000	400	40,400
<b>TOTAL REVENUES</b>	<b><u>10,971,300</u></b>	<b><u>(20,800)</u></b>	<b><u>10,950,500</u></b>
<b>TRANSFERS</b>			
TRANSFERS FROM OTHER FUNDS	-	-	-
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b><u>\$ 10,971,300</u></b>	<b><u>\$ (20,800)</u></b>	<b><u>\$ 10,950,500</u></b>

# CITY OF EAST GRAND RAPIDS

## GENERAL FUND PROPOSED AMENDMENTS

	Amended Budget	Proposed Amendments	Proposed Budget
<b><u>EXPENDITURES</u></b>			
<b>GENERAL GOVERNMENT</b>			
CITY COMMISSION	\$ 31,300	\$ (2,000)	\$ 29,300
CITY MANAGER	344,100	(16,300)	327,800
CITY ATTORNEY	264,700	(28,700)	236,000
ELECTIONS	16,800	(4,300)	12,500
ASSESSOR	128,000	700	128,700
FINANCE	642,800	5,800	648,600
GENERAL ADMIN	277,000	(14,500)	262,500
<b>TOTAL GENERAL GOVERNMENT</b>	<b><u>1,704,700</u></b>	<b><u>(59,300)</u></b>	<b><u>1,645,400</u></b>
<b>PUBLIC SAFETY</b>			
PUBLIC SAFETY	\$ 4,696,500	\$ 33,500	\$ 4,730,000
STATE PROGRAMS	5,500	-	5,500
DRUG SEIZURE	88,700	(80,000)	8,700
<b>TOTAL PUBLIC SAFETY</b>	<b><u>4,790,700</u></b>	<b><u>(46,500)</u></b>	<b><u>4,744,200</u></b>
<b>CITY SERVICES</b>			
CITY BUILDINGS	\$ 758,100	\$ (5,700)	\$ 752,400
ZONING ADMINISTRATION	126,400	(7,100)	119,300
STREET LIGHTING	112,800	-	112,800
WEALTH STREETScape MAINT	105,600	(16,300)	89,300
WASTE COLLECTION	407,800	(4,000)	403,800
LAKE RESTORATION	17,000	44,000	61,000
TREE MAINTENANCE	138,700	(6,700)	132,000
<b>TOTAL CITY SERVICES</b>	<b><u>1,666,400</u></b>	<b><u>4,200</u></b>	<b><u>1,670,600</u></b>
<b>RECREATION</b>			
RECREATION	\$ 738,600	\$ 1,300	\$ 739,900
POOL PROGRAMS	261,400	(35,000)	226,400
SPECIAL EVENTS	153,800	(24,700)	129,100
RECREATION PROGRAMMING	97,300	9,500	106,800
GROUNDS MAINTENANCE	340,100	6,100	346,200
RECREATION SPORTS	183,900	41,600	225,500
MIDDLE SCHOOL SPORTS	62,000	(7,800)	54,200
AQUATIC CLUB (WAVES)	82,400	(10,200)	72,200
<b>TOTAL PARKS &amp; RECREATION</b>	<b><u>1,919,500</u></b>	<b><u>(19,200)</u></b>	<b><u>1,900,300</u></b>
<b>TOTAL EXPENDITURES</b>	<b><u>10,081,300</u></b>	<b><u>(120,800)</u></b>	<b><u>9,960,500</u></b>
<b>TRANSFERS</b>			
TRANSFERS TO OTHER FUNDS	1,000,000	-	1,000,000
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b><u>\$ 11,081,300</u></b>	<b><u>\$ (120,800)</u></b>	<b><u>\$ 10,960,500</u></b>

# CITY OF EAST GRAND RAPIDS

## MAJOR STREET FUND PROPOSED AMENDMENTS

	Amended Budget	Proposed Amendments	Proposed Budget
<b><u>REVENUES</u></b>			
INTERGOVERNMENT PROGRAMS	536,000	-	536,000
MISCELLANEOUS REVENUE	500	-	500
INTEREST AND RENTS	1,500	900	2,400
TRANSFERS IN	455,100	(48,400)	406,700
	\$ 993,100	\$ (47,500)	\$ 945,600
<b>TOTAL REVNUES</b>	<b>\$ 993,100</b>	<b>\$ (47,500)</b>	<b>\$ 945,600</b>
<b><u>EXPENDITURES</u></b>			
ENGINEERING	64,800	(15,200)	49,600
STREET CONSTRUCTION	49,000	6,000	55,000
ROUTINE MAINTENANCE	175,900	10,800	186,700
TRAFFIC SERVICES	120,600	(3,300)	117,300
WINTER MAINTENANCE	232,300	(31,200)	201,100
STREET ADMINISTRATION	90,500	(14,600)	75,900
DEBT SERVICE	260,000	-	260,000
	\$ 993,100	\$ (47,500)	\$ 945,600
<b>TOTAL EXPENDITURES</b>	<b>\$ 993,100</b>	<b>\$ (47,500)</b>	<b>\$ 945,600</b>
 NET CHANGE IN FUND BALANCE	 -	 -	 -

# CITY OF EAST GRAND RAPIDS

## LOCAL STREET FUND PROPOSED AMENDMENTS

	Amended Budget	Proposed Amendments	Proposed Budget
<b><u>REVENUES</u></b>			
PROPERTY TAX REVENUE	-	-	-
INTERGOVERNMENT PROGRAMS	222,300	-	222,300
MISCELLANEOUS REVENUE	-	-	-
INTEREST AND RENTS	1,000	600	1,600
TRANSFERS IN	1,092,800	33,800	1,126,600
<b>TOTAL REVENUES</b>	<b><u>\$ 1,316,100</u></b>	<b><u>\$ 34,400</u></b>	<b><u>\$ 1,350,500</u></b>
<b><u>EXPENDITURES</u></b>			
ENGINEERING	62,100	(15,000)	47,100
STREET CONSTRUCTION	970,600	28,700	999,300
ROUTINE MAINTENANCE	218,200	(18,200)	200,000
TRAFFIC SERVICES	21,100	5,700	26,800
WINTER MAINTENANCE	217,800	(39,700)	178,100
STREET ADMINISTRATION	89,500	(16,600)	72,900
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 1,579,300</u></b>	<b><u>\$ (55,100)</u></b>	<b><u>\$ 1,524,200</u></b>
 NET CHANGE IN FUND BALANCE	 (263,200)	 89,500	 (173,700)

# CITY OF EAST GRAND RAPIDS

## MUNICIPAL STREET FUND PROPOSED AMENDMENTS

	Amended Budget	Proposed Amendments	Proposed Budget
<b><u>REVENUES</u></b>			
PROPERTY TAX REVENUE	1,225,900	400	1,226,300
TRANSFERS IN	78,700	43,300	122,000
<b>TOTAL REVENUES</b>	<b>\$ 1,304,600</b>	<b>\$ 43,700</b>	<b>\$ 1,348,300</b>
<b><u>EXPENDITURES</u></b>			
STREET CONSTRUCTION	-	-	- *
SIDEWALKS	200,000	25,000	225,000
STORM DRAIN IMPROVEMENTS	134,000	(10,000)	124,000
STREET LIGHTING	-	-	-
TRANSFERS OUT	970,600	28,700	999,300 *
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,304,600</b>	<b>\$ 43,700</b>	<b>\$ 1,348,300</b>
 NET CHANGE IN FUND BALANCE	-	-	-

\* - Street construction activity will be recorded and paid out of this fund. However, at the end of the fiscal year, allowable expenditures will be transferred to the Major or Local Street Fund in order to be accounted for the year-end Act 51 report.



# CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE • EAST GRAND RAPIDS, MICHIGAN 49506

KAREN MUSHONG  
FINANCE DIRECTOR

## MEMORANDUM

TO: Mayor and City Commissioners  
 FROM: Karen Mushong, Finance Director/Treasurer  
 DATE: April 22, 2016

RE: Financial Reports Quarter Ended March 31, 2016

The following report represents results for the quarter ended March 31, 2016. A formal closing is not made each quarter; however timing has been considered to account for nine months of activity for the results below. The proposed budget column represents the budget after accounting for the amendments to be approved on May 2, 2016.

## **GENERAL FUND**

Revenues for the quarter ended March 31, 2016 totaled \$9,897,890, which is 90.4% of the \$10,950,500 proposed amended budget for the fiscal year. Property tax revenue totaled \$7,994,809 or 99.3% collected of the original tax roll.

Revenues:	Original Budget	Proposed Budget	Actual	Percent of Budget
Taxes	8,050,000	8,050,000	7,994,809	99.3%
Licenses and permits	65,000	65,000	42,485	65.4%
Intergovernmental revenue	971,400	952,700	622,483	65.3%
Charges for services	451,000	467,700	274,284	58.6%
Recreation revenue	1,171,800	1,149,000	749,082	65.2%
Fines and forfeits	40,000	40,000	31,599	79.0%
Interest and rents	15,000	20,000	14,745	73.7%
Other revenue	131,700	165,700	138,085	83.3%
Library revenue	40,000	40,400	30,319	75.0%
<b>Total</b>	<b>10,935,900</b>	<b>10,950,500</b>	<b>9,897,890</b>	<b>90.4%</b>

## GENERAL FUND (CONTINUED)

Expenditures for the quarter ended March 31, 2016 totaled \$7,907,424 or 72.1% of the proposed amended budget of \$10,960,500.

Expenditures:	Original Budget	Proposed Budget	Actual	Percent of Budget
General government	1,709,700	1,645,400	1,140,660	69.3%
Public safety	4,771,900	4,744,200	3,424,645	72.2%
City Services	1,622,600	1,670,600	1,080,241	64.7%
Recreation	1,911,700	1,900,300	1,261,879	66.4%
Transfers Out	1,000,000	1,000,000	1,000,000	100.0%
Total	11,015,900	10,960,500	7,907,424	72.1%

## MAJOR STREET FUND

Revenues in the Major Street Fund were as expected for the quarter ending March 31, 2016.

Revenues:	Original Budget	Proposed Budget	Actual	Percent of Budget
State Funding	536,000	536,000	408,583	76.2%
Transfers In	404,500	406,700	397,200	97.7%
Other	2,000	2,900	1,902	65.6%
Total	942,500	945,600	807,685	85.4%

Expenditures in the Major Street Fund were as expected for the quarter ending March 31, 2016.

Expenditures	Original Budget	Proposed Budget	Actual	Percent of Budget
City Engineering	64,800	49,600	22,149	44.7%
Street Construction	-	55,000	54,430	99.0%
Routine Maintenance	212,900	186,700	99,406	53.2%
Traffic Services	86,700	117,300	59,095	50.4%
Winter Maintenance	227,600	201,100	145,078	72.1%
Street Administration	90,500	75,900	36,399	48.0%
Debt Service	260,000	260,000	260,405	100.2%
Total	942,500	945,600	676,963	71.6%

## LOCAL STREET FUND

Revenues in the Local Street Fund were as expected for the quarter ending March 31, 2016. The amount of transfers in represents \$127,300 of funds from the General Fund and \$999,291 of completed projects from the Municipal Street Fund. The Municipal Street Fund was created to account for the street and sidewalk millage funds and for the activity of street construction related to those funds. Projects that are completed and allowable under Act 51 PA 1951, as amended, are transferred back into the Major/Local Streets for Act 51 reporting purposes.

Revenues:	Original Budget	Proposed Budget	Actual	Percent of Budget
City Taxes & Penalties	1,171,000	-	-	-
State Funding	222,300	222,300	201,835	90.8%
Transfers In	151,500	1,126,600	1,126,591	100.0%
Other	1,000	1,600	1,622	101.4%
Total	1,545,800	1,350,500	1,330,048	98.5%

Expenditures in the Local Street Fund were as expected for the quarter ending March 31, 2016 based on the timing of the activities in this fund.

Expenditures	Original Budget	Proposed Budget	Actual	Percent of Budget
City Engineering	62,100	47,100	19,785	42.0%
Street Construction	896,000	999,300	999,291	100.0%
Routine Maintenance	397,500	200,000	118,108	59.1%
Traffic Services	12,600	26,800	17,914	66.8%
Winter Maintenance	213,100	178,100	135,171	75.9%
Street Administration	89,500	72,900	32,100	44.0%
Total	1,670,800	1,524,200	1,322,369	86.8%

## MUNICIPAL STREET FUND

Revenues in the Municipal Street Fund were as expected for the quarter ending March 31, 2016.

Revenues:	Original Budget	Proposed Budget	Actual	Percent of Budget
City Taxes & Penalties	-	1,226,300	1,218,839	99.4%
Interest & Rents	-	-	99	100.0%
Transfers In	-	122,000	122,000	100.0%
Total	-	1,348,300	1,340,938	99.5%

Expenditures in the Municipal Street Fund were as expected for the quarter ending March 31, 2016. A transfer out of \$999,291 represents completed streets projects. Projects that are completed and allowable under Act 51 PA 1951, as amended, are transferred back into the Major/Local Streets for Act 51 reporting purposes.

Expenditures	Original Budget	Proposed Budget	Actual	Percent of Budget
Sidewalks	-	225,000	90,468	40.2%
Public Purpose Drains	-	124,000	107,245	86.5%
Transfers Out (Street Construction)	-	999,300	999,291	100.0%
Total	-	1,348,300	1,197,004	88.8%

## WATER AND SEWER FUND

Revenues for the quarter ended March 31, 2016 total \$2,538,320 which is 67.3% of the \$3,770,200 proposed amended budget for the fiscal year.

Revenues:	Original Budget	Proposed Budget	Actual	Percent of Budget
Charges for services:				
Water Readiness	1,860,000	1,860,000	1,350,634	72.6%
Metered Water	965,000	965,000	644,859	66.8%
Sewage Disposal	725,000	725,000	473,417	65.3%
Other	8,000	8,000	19,078	238.5%
Federal Funding	-	150,000	-	0.0%
Fines and forfeits	60,000	60,000	48,700	81.2%
Investment Earnings	1,000	2,200	1,632	74.2%
Total	3,619,000	3,770,200	2,538,320	67.3%

Expenses for the quarter ended March 31, 2016 totaled \$3,159,909 or 72.6% of the proposed amended amount of \$4,352,300. Supply and usage charges through March 31, 2016 were as expected when considering the activity in the corresponding revenue and for a back bill from Grand Rapids for water usage from previous years.

Expenses:	Original Budget	Proposed Budget	Actual	Percent of Budget
Supply and usage charges				
Water	900,000	1,000,000	721,774	72.2%
Sewer	700,000	600,000	385,474	64.2%
Operating expenses	2,119,700	2,282,800	1,699,989	74.5%
Depreciation	467,000	467,000	350,250	75.0%
Interest	2,500	2,500	2,422	96.9%
Total	4,189,200	4,352,300	3,159,909	72.6%

## HEALTH INSURANCE FUND

Health care charges (revenue) to the other funds for the year totaled \$1,130,020 (66.4% of proposed amended amount) while expenses totaled \$1,075,524 (65.1% of proposed amended amount) for health care expenses as of March 31, 2016. Not included in the above expenditures are outstanding claims incurred but not yet reported.

## MOTOR EQUIPMENT REPLACEMENT FUND (MERF)

Auto expense charges (revenue) to the other funds for the year totaled \$475,699 (64.2% of proposed amended amount) while expenses totaled \$748,857 (66.1% of proposed amended amount) as of March 31, 2016.

## Cash and Investments by Fund Quarter Ended March 31, 2016

	Interest Rate	Special Revenue				Debt Service		Capital Projects		Enterprise	Internal Service		OPEB	TOTAL
		General	Major Street	Local Street	Municipal Street	Wealthy Pool	Streetscape	Trail and Culvert	Special Assessments	Water and Sewer	MERF	Health Insurance		
		101/701/099	202	203	204	305	372	473	810	592	692	677	736	
<b>CHECKING ACCOUNTS</b>														
Huntington Bank	0.000%	\$ 1,504,488	\$ 224,338	\$ 147,287	\$ 143,935	\$ 1,386	\$ -	\$ 8,267	\$ 9,596	\$ 227,577	\$ 87,493	\$ 94,323	\$ -	\$ 2,448,689
Debit Card Account	0.000%	4,989	-	-	-	-	-	-	-	-	-	-	-	4,989
<b>Total Checking Accounts</b>		<b>\$ 1,509,477</b>	<b>\$ 224,338</b>	<b>\$ 147,287</b>	<b>\$ 143,935</b>	<b>\$ 1,386</b>	<b>\$ -</b>	<b>\$ 8,267</b>	<b>\$ 9,596</b>	<b>\$ 227,577</b>	<b>\$ 87,493</b>	<b>\$ 94,323</b>	<b>\$ -</b>	<b>\$ 2,453,678</b>
<b>INVESTMENTS</b>														
Kent County Investment Pool	0.443%	\$ 2,485,547	\$ 405,231	\$ 459,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,840	\$ 661,953	\$ 504,089	\$ -	\$ 4,944,981
Certificates of Deposit:														
First Community Bank	0.600%	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
First National Bank of America	1.195%	252,266	-	-	-	-	-	-	-	-	-	-	-	252,266
First National Bank of Michigan	0.750%	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Flagstar Bank	0.800%	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Talmer Bank and Trust	0.750%	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
<b>Total CDs:</b>		<b>1,252,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,252,266</b>
Investment with Trustee	Variable	-	-	-	-	-	-	-	-	-	-	-	1,208,100	1,208,100
<b>Total Investments</b>		<b>\$ 3,737,813</b>	<b>\$ 405,231</b>	<b>\$ 459,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 428,840</b>	<b>\$ 661,953</b>	<b>\$ 504,089</b>	<b>\$ 1,208,100</b>	<b>\$ 7,405,347</b>
<b>Total Checking and Investments</b>		<b>\$ 5,247,290</b>	<b>\$ 629,569</b>	<b>\$ 606,609</b>	<b>\$ 143,935</b>	<b>\$ 1,386</b>	<b>\$ -</b>	<b>\$ 8,267</b>	<b>\$ 9,596</b>	<b>\$ 656,417</b>	<b>\$ 749,445</b>	<b>\$ 598,412</b>	<b>\$ 1,208,100</b>	<b>\$ 9,859,025</b>



# CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE-EAST GRAND RAPIDS, MICHIGAN 49506

DOUG LA FAVE  
ASSISTANT CITY MANAGER

## MEMORANDUM

TO: Honorable Mayor and City Commissioners  
FROM: Doug La Fave, Assistant City Manager  
DATE: 4/18/2016  
  
RE: FY 2015-2016 Equipment Auction

### Action Requested:

That the City Commission authorize the sale of equipment (attached) and associated expenses with Orbitbid.com.

### Background:

The Department of Public Works Mechanics have reviewed the vehicle and equipment inventory and items that have been replaced in the current fiscal year, are obsolete, or have been maintained beyond useful life are recommended to be sold at auction. Proceeds from the sale will be returned to the equipment fund (MERF).

The Department is recommending that the sale of assets be handled through Orbitbid.com via an online auction. Costs associated with the auction are a 10% commission from the total sales, a charge of \$1,320 for on-site set up and management of the sale, as well as a marketing fee of \$700 to promote the auction.

The auction process normally takes a week. The auction will be held online with the equipment shown at the Department of Public Works Complex at 2310 Reeds Lake Blvd the week of June 6. Online auctions are typically set up on Mondays, the auction on Tuesdays and processing payments, paperwork and pick up are handled throughout the remainder of the week. The auction of equipment will be completed before the end of the fiscal year.

Orbitbid.com has successfully worked with the City of East Grand Rapids in the past to sell vehicles and equipment.

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Brian Donovan, City Manager



# CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE-EAST GRAND RAPIDS, MICHIGAN 49506

## FY 2015-2016 Equipment Auction List

Auction Fiscal Year	Equip. #	Description	Year	Age	Miles	Hours
2015-2016	121	Packer-Cab and Chassis	2009	7	21,585.00	3560
2015-2016	187	Dodge Truck w/ lift bucket	1998	18	30,223.00	4650
2015-2016	292	Police-Ford Crown Victoria	2010	6	109,724.00	
2015-2016	293	Police-Ford Crown Victoria	2011	5	117,969.00	
2015-2016	519	Salt Spreader Henderson Salt	1998	18		
2015-2016	D269	Chevy S-10	1994	22	93,522.00	
2015-2016		Concrete Saw (Saw devil CSP3)	2000	16		
2015-2016		Main Locator	N/A			
2015-2016		Back Blade from Pickup	N/A			
2015-2016		Tool boxes	N/A			
2015-2016		Black File Cabinet	N/A			
2015-2016		Rigid tools	N/A			
2015-2016		Old sewer cameras	N/A			
2015-2016		Plastic Brine Tank	N/A			
2015-2016	583	Tink(bucket) MI Cat	2009	7		



# CITY OF EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE-EAST GRAND RAPIDS, MICHIGAN 49506

DOUG LA FAVE  
ASSISTANT CITY MANAGER

## MEMORANDUM

TO: Honorable Mayor and City Commissioners  
FROM: Doug La Fave, Assistant City Manager  
DATE: 4/21/2016

RE: Water Leak Patches/Street Repair

Action Requested: That the City Commission award water leak patch and street repair restoration paving to A-1 Asphalt, of Wayland, MI in an amount not to exceed \$11,000 (which includes contingency).

Background: Each spring when local asphalt plants start producing the appropriate asphalt mixes for the construction season the City has DPW staff and/or a contractor repave water leak patches from water main breaks/leaks from the winter season. City DPW crews will repave smaller patches but larger patches are contracted out because certain equipment, that the City does not own, like a larger paver, larger roller, etc. are required to achieve the desired results. In addition to the water leak patch paving, a section of the east bound lane of Lake Drive adjacent to Plymouth was included as the overall rating condition of the street is in fair condition with the exception of the southern portion of this east bound stretch.

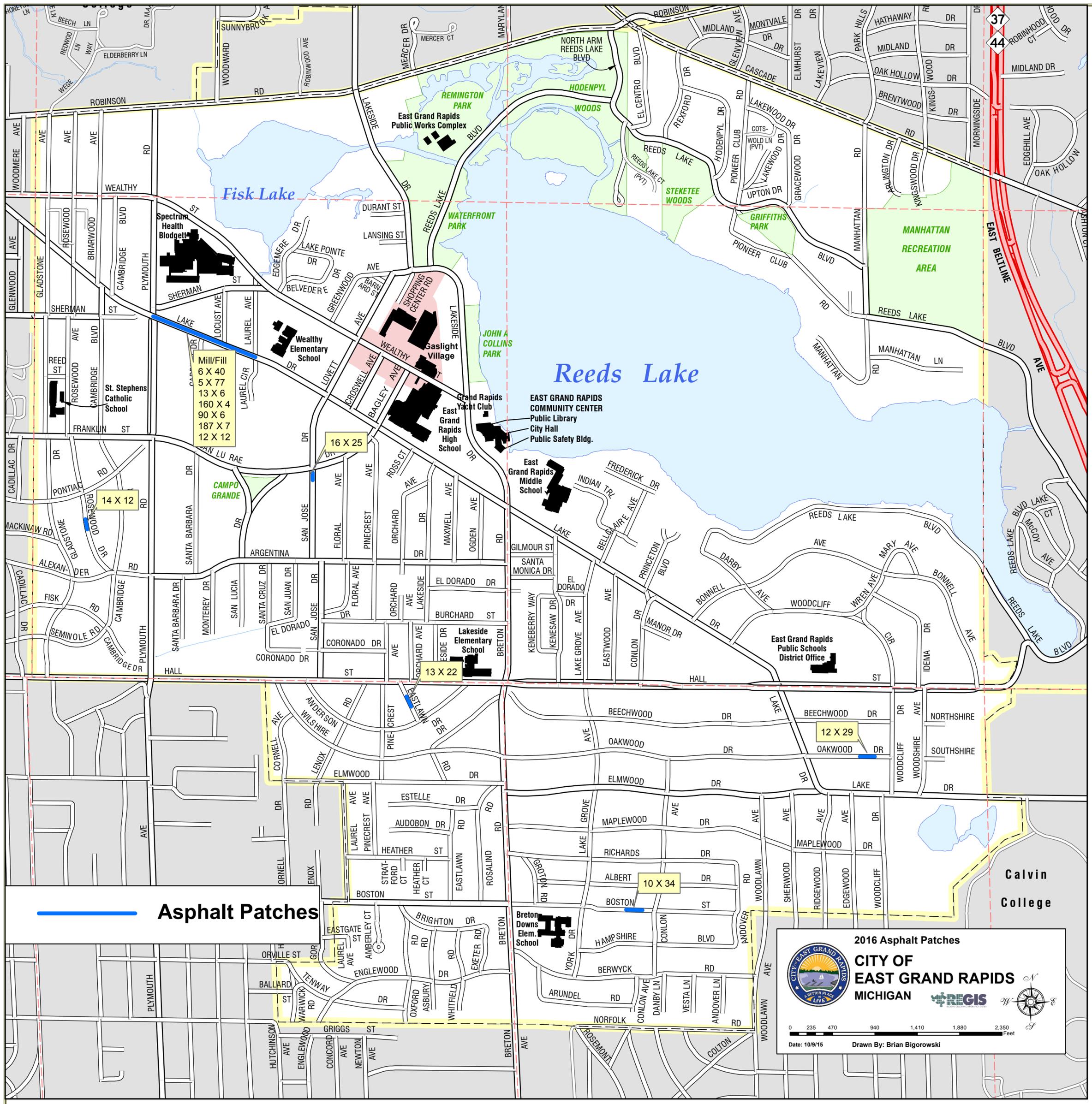
Proposals were submitted as follows:

A-1 Asphalt:	\$10,601
Michigan Paving and Materials Co:	\$28,683.57
Superior Asphalt:	\$19,915

Brian Bigorowski, from Engineering, went over the submittal from the low proposal to make sure that the submittal was accurate. The City has had satisfactory work completed by A-1 Asphalt in the past.

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Brian Donovan, City Manager



**Asphalt Patches**

Mill/Fill  
 6 X 40  
 5 X 77  
 13 X 6  
 160 X 4  
 90 X 6  
 187 X 7  
 12 X 12

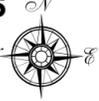
16 X 25

14 X 12

13 X 22

12 X 29

10 X 34

2016 Asphalt Patches  
**CITY OF EAST GRAND RAPIDS MICHIGAN**  
  
  
  
 0 235 470 940 1,410 1,880 2,350 Feet  
 Date: 10/9/15 Drawn By: Brian Bigorowski



CITY OF  
EAST GRAND RAPIDS

750 LAKESIDE DRIVE SE • EAST GRAND RAPIDS, MICHIGAN 49506

BRIAN DONOVAN  
CITY MANAGER

**MEMORANDUM**

TO: Mayor and City Commissioners  
FROM: Brian Donovan, City Manager  
DATE: April 26, 2016

RE: Capital Improvement Plan (CIP) Worksession: May 2, 2016

There will be a worksession following the City Commission meeting on Monday, May 2<sup>nd</sup> to review the Capital Improvement Plan for FY 2016-17 to FY 2018-19. Please bring your Capital Improvement Plan book with you (blue cover).

The worksession will be held in Room 105 off the lower level lobby. A light dinner will be served at the worksession.

BD/kb/9131