

CITY OF ALBION
Office of the City Manager
Sheryl L. Mitchell

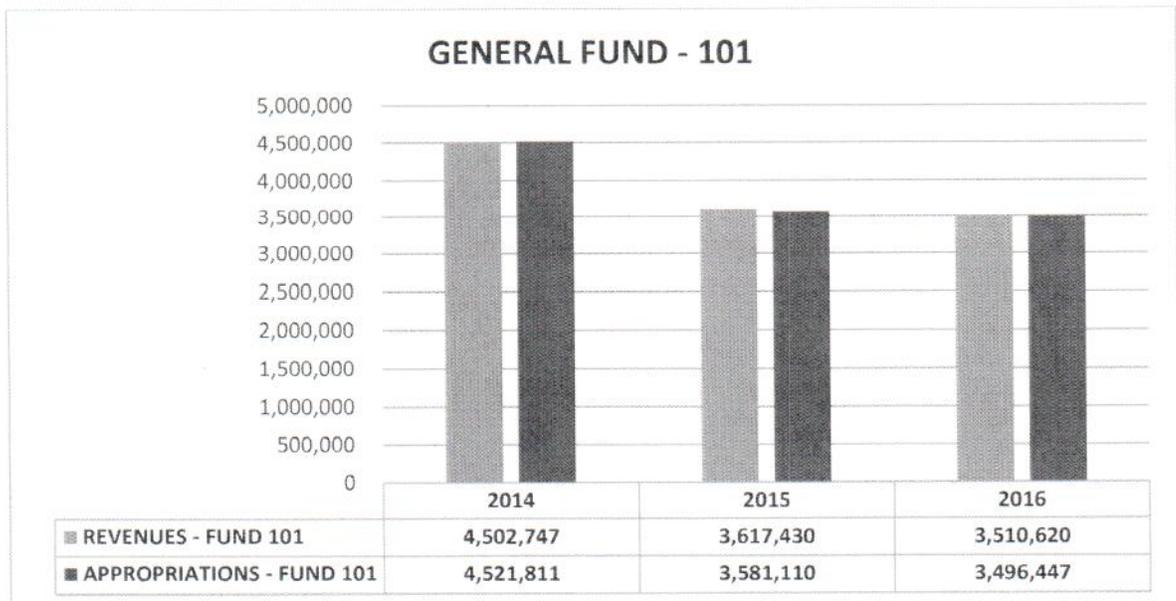
112 West Cass Street ♦ Albion, MI 49224
 517.629.7172 ♦ smitchell@cityofalbionmi.gov

MEMO

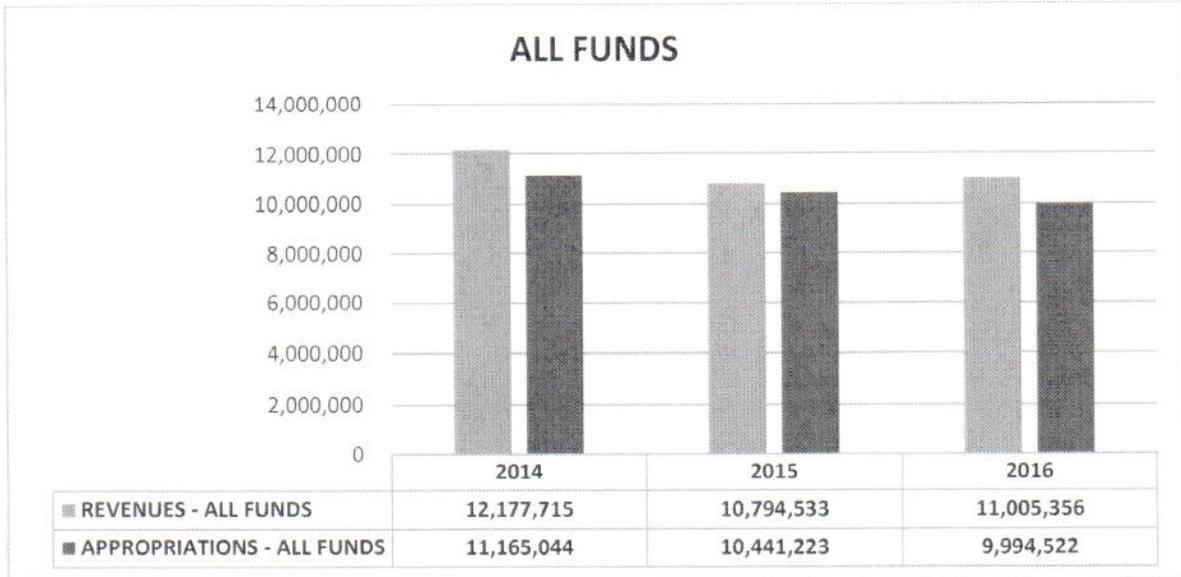
TO: Honorable Mayor, City Council, and Citizens of Albion
FR: Sheryl L. Mitchell, City Manager
DA: December 21, 2015
RE: Fiscal Year 2016 Budget

Attached is the Fiscal Year 2016 Budget recommendation for your consideration. The budget was prepared in accordance with the City of Albion’s Charter and Code of Ordinances and the Uniform Budgeting and Accounting Act for Local Units of Government, Public Act 2 of 1968, as amended.

The Fiscal Year General Fund Estimated Revenues and Appropriations are balanced, with estimated Revenues of \$3,510,620 and Appropriations of \$3,496,447.



The total budget for all funds is \$11,005,356 in Revenues and \$9,994,522 in Appropriations.



This memo will provide an overview of the process, underlying assumptions, and proposed changes.

Mission, Core Values, Guiding Goals, and Objectives

The Mayor and City Council met in 2014 and 2015 to discuss and update the strategic direction for the City of Albion. The City’s Mission Statement guides the goals, objectives, and prioritized results achieved as part of the budgetary process, as stated below:

The City of Albion is committed to serving all its residents in a fair, timely and equitable manner. The City of Albion will operate its programs and services in such a way that its citizens receive the absolute, maximum benefit for each tax dollar they contribute. The City of Albion will do all in its power to create a community environment that attracts and retains business, industry, investment and jobs to the Albion area. Employees, supervisors, managers and officials of the City of Albion pledge to act in the best interest of the citizens of Albion as determined by their elected representatives, and ask in return for the respect due their hard work and dedication. The City of Albion, proud of its past and hopeful for its future, embraces innovation and a renewed entrepreneurial spirit to ensure residents and citizens the highest quality of life possible.

Core Values. The City of Albion has identified six core values:

- **Integrity** – We will carry out the people’s work in an honest, trustworthy, and ethical manner.
- **Transparency** - We will carry out the people’s work in the open and will ensure that the most accurate and relevant information possible is available to council, staff, and citizens alike.

- **Accountability** – We will carry out the people’s work with the understanding that everyone must answer to someone and with this understanding will endeavor to create a “culture of questioning” where ideas, policies, and performance are honestly appraised in light of our common goals.
- **Communication** – We will carry out the people’s work with the understanding that the plain, prompt, and professional dissemination of information is crucial in enabling citizens to fully participate in the democratic process.
- **Education** - We will carry out the people’s work with the understanding that in order to do so we ourselves must constantly increase our knowledge and enhance our skills as both efforts relate to crafting sound municipal policy.
- **Collaboration** – We will carry out the people’s work in a way that recognizes the need for beneficial partnerships while simultaneously recognizing the primary importance of continuing the tradition of municipal self-determination (i.e. home rule).

Guiding Goals. For the past few years, the City of Albion has faced many challenges. However, the opportunities for growth and prosperity are tremendous. Overall, the current City administration has identified the following guiding goals:

- Achieve **long-term fiscal sustainability**
- Provide a government structure and framework that supports **economic vitality, job growth, quality of life, and innovation**
- Provide essential community services through planning, prioritization, and **community partnerships**
- Open and transparent **communications** with internal and external stakeholders
- Encourage employees to work as a **team** and who are committed to providing the **highest quality services**, supported through professional growth and development.

Community Strengths. The Mayor and City Council identified that the City of Albion has many strengths and assets, including:

- | | |
|---|--|
| • The people | • Parks |
| • Revitalization of downtown | • Collaborative community partnerships |
| • Replacing sidewalks | • Government Services |
| • Safe community – outstanding police/fire services | • Balanced Budget / Fund Balance |

Objectives. The Mayor and City Council identified the strategic objectives and desired outcomes for the City of Albion to achieve economic health, a sustainable infrastructure, high quality neighborhoods/housing, a vibrant community atmosphere, high government performance, and for maintaining a safe community. These priorities were then evaluated based on their degree of urgency and importance. The following were identified as areas of primary focus based on this evaluation:

- **Infrastructure** (funding for roads, water mains/sewer, water tower, sidewalks)
- **Blight removal** (abandoned houses, demolitions, code enforcement, sale of vacant lots)
- **Economic vitality** (jobs, economic development, new businesses downtown)
- **Vibrant neighborhoods** (neighborhood associations, affordable quality housing)
- **Government effectiveness** (cross training, delinquent tax collection, collaborations, innovations and use of technology, placemaking)

Budget Development

Government budgeting is the process to determine and prioritize the use of resources that provide services, programs, and resources to the citizens. This budget is a plan for the accomplishment of programs related to the identified objectives and goals.

The primary sources of funding for the City of Albion includes: income tax, property tax, charges for services, permit and application fees, and special revenue funds, such as dedicated millages and grants.

Budget Policy and Procedures.

Budgeting policy and procedures are delineated in the City of Albion's Code of Ordinances. The City Manager is required to present to the council a budget recommendation for the next fiscal year of the City and an analysis of the anticipated income and expenditures of the City during the next fiscal year, together with comparative figures showing the estimated corresponding amounts for the current year and comparisons with the previous year. The proposed expenditures in the budget proposal are not to exceed the expected revenues of the City. Unencumbered funds remaining at the end of the current fiscal year may be reallocated for purposes set forth in the budget proposal.

The budget process consists of six (6) primary phases:

Phase 1 – Development of Budget Preparation Materials – This first phase begins with the Finance Director working with the operating departments to develop the preliminary General Fund revenue estimates. These revenue estimates include reviewing historical revenue patterns, analyzing economic information, including the consumer price index, land sales, and construction activity, and reviewing property value information provided by the City's Assessor and Calhoun County's Equalization. This information is communicated to the City Manager.

These estimated revenues are the foundation for the development of the fiscal year budget for the upcoming year. The City Manager communicates these budget parameters during budget orientation sessions with the department directors.

The Finance Director develops materials for the departments to use in requesting their budget for the upcoming fiscal year. This information includes historical expenditure information and annualized salary/fringe benefit forecasts, which provides the departments with a rational and fact-based basis for budget projections.

Phase 2 – Department Budget Requests – The departments develop and submit their budget allocation requests to the Finance Director. The request identifies maintenance of the current program and operations and may include inflation adjustments, capital outlays, or other known

increases in allocations in order to maintain current program levels. In addition, departments may request adjustments in allocations based on any new, modified, or eliminated programs, new requirements, or other substantial changes in their operations.

Phase 3 – City Manager’s Recommended Budget – The City Manager meets with the Finance Director and Department heads for clarifications and modifications of requests. The Human Resources Coordinator provides updated analysis of the projected costs for salaries and fringe benefits. The City Manager’s recommended budget is presented to the Mayor and City Council in a line-item budget document. The City of Albion’s Charter and Code of Ordinances and the Uniform Budgeting and Accounting Act for Local Units of Government, Public Act 2 of 1968, as amended, requires that the recommended budget is balanced, with revenues at least equaling expenditures. A detailed review of the recommended budget is conducted over the course of several weeks through scheduled City Council Budget Study Sessions (Appendix A).

Phase 4 – Public Hearing - The council is required to direct that a public hearing on the budget proposal be held not less than one week before its final adoption. The public hearing is scheduled for December 7, 2015. A notice of the public hearing was published in a newspaper by the clerk at least one week prior to the date of hearing (Appendix B). A copy of the proposed budget being available for viewing by the public in the City Clerk’s office. In addition, in order to increase access and support transparency, the use of technology has been expanded in disseminating the budget and receiving public comment. The City of Albion’s budget may be viewed online via Munetrix (www.munetrix.com) and the City’s website (www.cityofalbionmi.gov). Public comments will also be solicited through social media (electronic newsletter and FaceBook). Comments from the public and elected officials are heard and taken into consideration before the final adoption of the budget.

Phase 5 – Budget Adoption – Following the Budget Study Sessions and Public Hearing, the Mayor and City Council considers any amendments and takes action by resolution at the regularly scheduled Council Meeting on December 21, 2015, to adopt the Fiscal Year 2016 Budget Appropriation and Millage Levy:

- **General Operating Levy** of 11.9736 mills for General Fund Operations
- **Street Improvements** of 3.0 mills (the fifth year of a 5-year voter approved tax)
- **City Solid Waste** of 3.0 mills (under Public Act 298 of 1917, as amended)
- **City Water Debt Service** of 1.52 mills
- **City Recreation Fund** of 1.5 mills (the third year of a 3-year voter approved tax)

In addition, the Mayor and City Council may take action by resolution to amend the Fiscal Year 2015 budget, based on current revenue and expenditure projections. The Fiscal Year 2016 Budget goes into effect on January 1, 2016.

Phase 6 – Budget Amendments – The budget is a both a plan and a living document, which may require adjustments in order to address the changing demands for services during the fiscal year, as well as changes in resources through increases/decreases in revenues. The City of Albion’s Code of Ordinances provides that the City Manager may authorize unencumbered

FISCAL YEAR 2016 BUDGET

The Fiscal Year 2016 Budget was developed to support the Mission Statement, Guiding Goals, and Strategic Objectives for the City of Albion.

The Fiscal Year 2016 General Fund Estimated Revenues and Appropriations are balanced, with estimated Revenues of \$3,510,620 and Appropriations of \$3,496,447. The total budget for all funds is \$11,005,356 in Revenues and \$9,994,522 in Appropriations, are summarized below.

<u>Fund</u>	<u>Revenues</u>	<u>Appropriations</u>
General Fund	\$ 3,510,620	\$ 3,496,447
Special Revenue Funds	\$ 2,118,454	\$ 322,528
Debt Service Funds	\$ 468,909	\$ 464,457
Enterprise Funds	\$ 2,755,770	\$ 3,084,844
Internal Service Fund	\$ 273,026	\$ 302,205
Other Funds	\$ 644,717	\$ 601,984
Trust Funds	\$ 1,233,860	\$ 99,475
TOTAL ALL FUNDS	\$11,005,356	\$ 9,994,522

Budget Presentation

For easier comparisons, the compiled Fiscal Year 2016 budget book is maintaining the same sections as last year:

- Section 1: City Manager's Budget Memo
- Section 2: Finance & Position Schedules
- Section 3: Debt Schedules
- Section 4: Fund Summaries
- Section 5: General Fund
- Section 6: Major & Local Street
- Section 7: Special Revenue Funds
- Section 8: Enterprise
- Section 9: Internal Service
- Section 10: EDC & DDA
- Section 11: Trusts

Budget Tables

The budget for each department/fund identifies the Revenues, Appropriations, and Net of Revenues/Appropriations. New for this year is information for each fund on the Fund Balance as a percent of the budgeted appropriations. The columns for each budget includes the following information (as column headings):

- a. FY 2014 Activity
- b. FY 2015 Original Budget
- c. FY 2015 Activity (through December 2015)
- d. FY 2015 Amended Budget (Recommended)
- e. FY 2016 Requested Budget (from the department)
- f. FY 2016 City Manager Recommended Budget
- g. FY 2016 Council Approved Budget (subject to any adopted amendments)

CITY OF ALBION

MANAGEMENT TEAM

Sheryl Mitchell

City Manager

Thomas Mead

Treasurer/Finance Director

Scott Kipp

Chief of Public Safety

Jim Lenardson

Director of Public Services

Harry Longon

Deputy Director, Public Services

John Tracy

Planning & Building Director

Jill Domingo

City Clerk

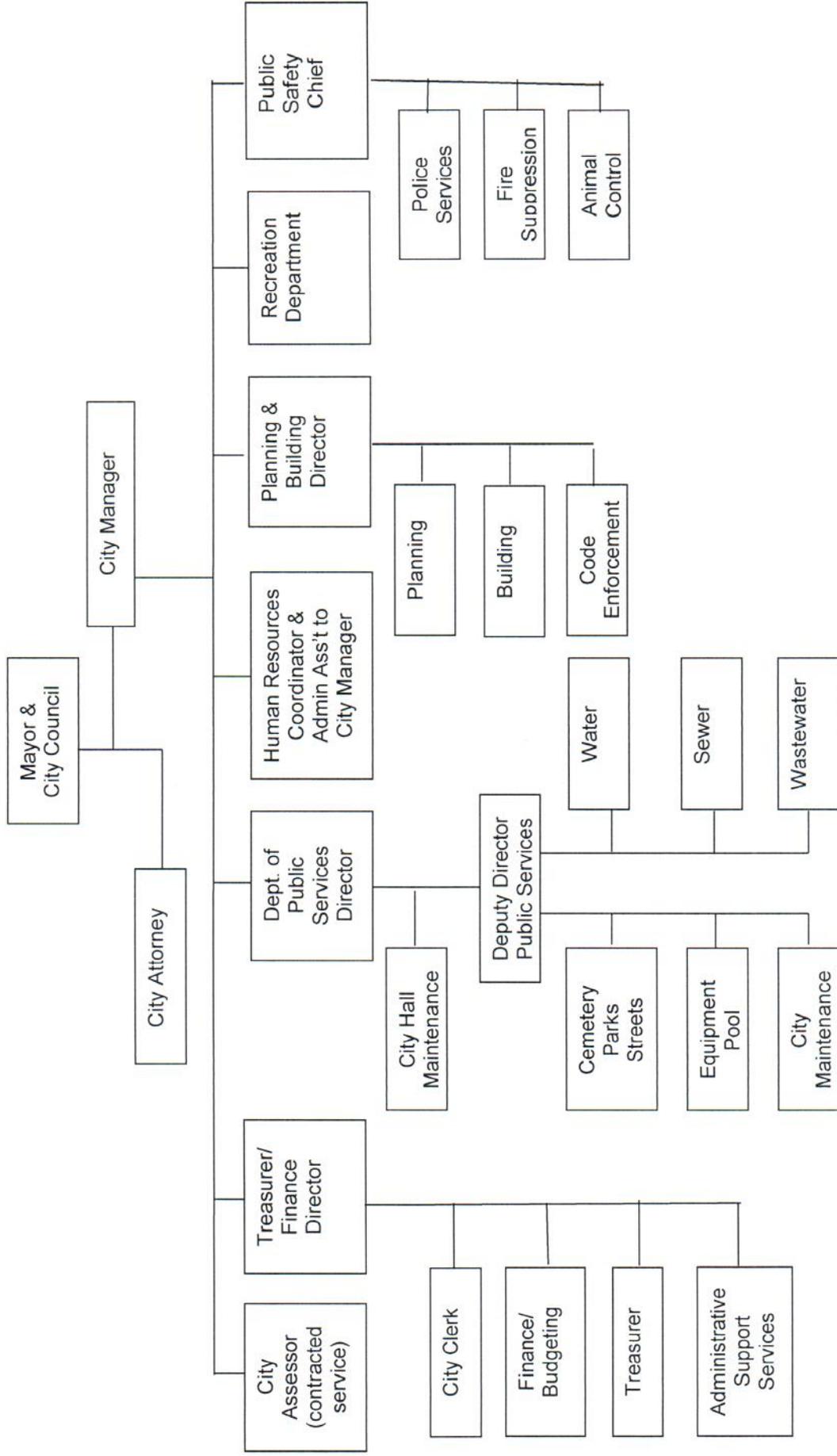
Larry Williams

Recreation

Tamara Lane

Recreation

CITY OF ALBION DEPARTMENTAL ORGANIZATIONAL CHART - 2016



**NOTICE OF PUBLIC HEARING
CITY OF ALBION, MI
DECEMBER 7, 2015**

The City Council of the City of Albion will hold a Public Hearing on the proposed FY 2016 Annual Municipal Operating Budget for all funds of the City as recommended by the City Manager at the City Council meeting on Monday, December 7, 2015 at 7:00 p.m. in the Council Chamber in the William L. Rieger Building (City Hall, 112 West Cass Street, Albion, Michigan). **The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.**

The proposed FY 2016 budget includes the levy of a general operating millage of 11.9736 mills for General Fund Operations; and the first year levy of a voter approved 3 year renewal in the property tax rate of 1.5 mills for Recreation; and the first year levy of a voter approved 5 year renewal in the property tax rate of 3.0 mills for Street Improvements. Also to be levied is 3.0 mills for Solid Waste and 1.52 mills for Water Debt. Copies of the proposed budget are available for inspection by the public during regular business hours in the City Clerk's office, 112 West Cass Street, Albion, Michigan and at the Albion District Library, 501 South Superior Street, Albion, Michigan.

Jill Domingo
City Clerk

[Publication note: The sentence at the end of the first paragraph must be published in 11 point boldface type, per MCL 141.412)

City of Albion 2015 Budget Session Dates:

6:30 p.m. Mayor's Office-Albion City Hall

Monday, October 12, 2015

Fund	Dept. Code	Department
GENERAL FUND:		
101	000	REVENUES
101	101	CITY COUNCIL
101	172	CITY MANAGER
101	209	ASSESSING
101	210	ATTORNEY
101	215	CITY CLERK
101	226	HUMAN RESOURCES
101	260	FINANCE/TREASURER
101	265	MUNICIPAL BUILDING
101	276	CEMETERY
101	345	PUBLIC SAFETY
101	422	CODE ENFORCEMENT
101	442	CITY MAINTENANCE
101	444	TREE TRIMMING
101	447	ENGINEERING
101	526	EPA LANDFILL
101	775	PARKS
101	778	HOLLAND PARK TRANSFORMATION PROJECT
101	895	GENERAL APPROPRIATIONS

Monday, October 26, 2015

Fund	Department
226	SOLID WASTE
590	SEWER
591	WATER
711	CEMETERY TRUST

Monday, November 9, 2015

Fund	Department
202	MAJOR STREETS
203	LOCAL STREETS
450	STREET IMPROVEMENTS
452	MDOT STREET RECONSTRUCTION
737	RETIREE HEALTH CARE

Thursday, November 19, 2015

Fund	Department
250	COMMUNITY BLOCK GRANTS
363	ENERGY/425/GENERATOR BONDS
364	GO BOND FOR WATER PROJECTS
367	SIDEWALK PROGRAM FUND
374	DPW BUILDING DEBT
661	EQUIPMENT POOL

Monday, November 23, 2015

Fund	Department
208	RECREATION FUND
248	DDA
275	ALBION BUILDING AUTHORITY
277	MAPLE GROVE APARTMENTS
369	ALBION BUILDING AUTHORITY BONDS
735	ALBION TRUST

Monday, November 30, 2015

Fund	Department
244	ECONOMIC DEVELOPMENT
246	BUSINESS INCUBATOR
247	TIFA
265	DRUG LAW ENFORCEMENT
296	REVOLVING LOAN
732	PUBLIC SAFETY PENSION TRUST

THURSDAY, DECEMBER 3, 2015

BUDGET WRAP UP

Monday, December 7, 2015 7:00 P.M.

PUBLIC HEARING

Monday, December 21, 2015 7:00 P.M.

ADOPTION OF 2016 BUDGET

City Services

1. Police & Fire
 - a) Personal Protection Order (PPO) Coordinator (provided by SAFE PLACE)
 - b) Animal Control
2. Streets – Maintenance & Construction
3. Utilities – Water, Sewer & Storm Sewer
4. Leaf Pick-up
5. Tree Trimming (Forestry)
6. Tree Dump
7. Park Maintenance
8. Sidewalk Program
9. Elections
10. Assessing
11. Cemetery
12. Recreation Programs
13. Human Resources
14. City Attorney
15. Facilities Maintenance
16. Building Inspection
17. Code Enforcement
19. City Planning/Zoning
19. Geographical Information System (GIS)
20. Community Promotion
21. Liability & Property Insurance
22. Street Lighting
23. Economic Development Corporation (EDC)
24. Downtown Development Authority (DDA)
25. Albion Building Authority (ABA) – Maple Grove
26. Recycling Center