



Memorandum

TO: Penny Hill, Interim City Manager

FROM: Kristine Bosley, Director of Human Resources

DATE: 04/17/2023

SUBJECT: 2023/2024 Budget Staffing Requests

Every year, Department Heads review the needs of their departments. Each request has been reviewed through the lens of the City Commission’s goals and objectives for consideration. The City Manager provides a preapproval on requests and those approvals are presented in the draft budget. The City Commissioners have the opportunity to provide comments and/or changes prior to finalizing the budget on these requests.

There were numerous requests for changes for the upcoming 2023/2024 fiscal year. When reviewing the requests, the City Manager takes into consideration, longevity of the need, financial sustainability, external resources and facility semantics. This memo will provide you the total list of new position requests by each department.

Department	Position Title	Unit
Asset Management	Asset Management/GIS Analyst I	ACT Group
City Clerk’s Department	Licensing and Elections Generalist	GME-CT
Human Resource Department	Recruiter/HR Specialist	ACT Group
Parks and Recreation Division	Urban Forestry Specialist	GME
Planning Department	Deputy Planning Director	ACT Group
Municipal Utilities	Engineering Technician	ACT Group
Streets Division	(2) Storm Water Specialist/ Equipment Operator	GME

The draft budget presented to the City Commission reflects the preapproved requests for final City Commission approval. The new positions in the presented draft budget is the Licensing and Elections Generalist, Recruiter/HR Specialist, Urban Forestry Specialist, and Deputy Planning Director. Provided below is a brief summary of these requests. For the requests that have not be included into the draft budget, if the City Commissioner would like Department Heads to present their request at a meeting, we would be happy to arrange it.

City Clerk's Office addition of the Licensing and Elections Generalist. Benjamin Marentette expressed clearly how elections have evolved over the last decade. Specifically the amount of absentee ballots that is processed through the Clerk's office which has increased 200-250%. With the additional layers of scrutiny, and pressure associated with elections, it is imperative to have the staff in place who are highly knowledgeable about election laws and processes. There is an additional 600-1200 hours associated with absentee ballots per election. The generalist will also be responsible for varying degrees of work surrounding 30 licensing categories, which includes but not limited to mobile food vendors, liquor license registrations, and special events. Over the last ten years, the hours spent on licensing has increased to approximately 1605 hours, which does not include initial cannabis applications. The addition of the Licensing and Elections Generalist is recommended and presented in the draft budget.

The Human Resource Department is comprised of two individuals. Historically recruitment for City positions have been relatively effortless, turnover has been low and qualified candidates flooded the department with applications. In 2018 and 2019, the HR Department has collectively posted 30 job postings. In the last two years, there have been over 70 job postings and with upcoming retirements, we are facing unprecedented number of vacancies. Less than 5 years ago, filling positions would take less than 2 months, in the last two years, positions are vacant 6-12 months. There are currently 165 full-time positions, with an additional 65-97 part-time/seasonal/temporary positions. As of today, there are 10 vacant positions. There are currently 18 employees who are eligible for retirement, and additional 9 more potential retirements in the next 12 months and a staggering 51 eligible retirements in the next 5 years. This represents a third of our current staff. The recruiter will be working with each department establishing a recruitment plan, identifying professional associations to recruit from, building relationships with academy instructors, and colleges/universities. The recruiter, in collaboration with the City's Communications Manager, will be responsible in building the City brand through increase social media presence. The addition of the Recruiter/HR Specialist is recommended and presented in the draft budget.

The Parks and Recreation Division staff is responsible for 34 parks, 7 bathrooms, 12 miles of trails, 13 sidewalks and bridges, and 22 parking lots year round. This also includes the maintenance of beaches, center islands, irrigation systems and more.

As a Tree City USA, the Parks and Rec Division maintains over 15,000 City owned trees. Recently the City Commission allocated \$200,000 of ARPA funds toward tree planting efforts. According to Parks and Rec Superintendent, Michelle Hunt, the Urban Forestry Specialist would focus on the proactive urban forestry management, with prioritizing the tree maintenance zones and invest in efforts to support the long term health of the City's tree canopy. The specialist will focus on planting efforts on soft vegetative stabilization to enhance sensitive areas of the shoreline. Vegetative management is a critical element to habitat and public enjoyment throughout the parks, center islands, along the shoreline, and in planters throughout town. The addition of the Urban Forestry Specialist is recommended and presented in the draft budget.

Planning Director Shawn Winter submitted a request for a new position of Deputy Planning Director in the department. The position would allow for a second professional planner on staff to meet the ever increasing demands in the City. For example, the department has recently been asked to provide representation on the Northwest Regional Airport Authority (NRAA) and the Traverse Transportation Collaboration Initiative Metropolitan Planning Organization (TTCI MPO) Technical Committee. These meetings combined with existing committee, board, neighborhood associations, and commission obligations conflict with one another leaving no representation to protect the City's best interest.

Mr. Winter stated, the City is also at an exciting point with the near completion of the Master Plan and Mobility Action Plan. Once adopted, the process of implementation will follow ensuring the plan lives as opposed to sitting on a shelf. This will require additional personnel to address the increased workload. It is intended that through the implementation of the plans, the new position will help to further improve and coordinate the City's Capital Improvements Plan process, working to improve efficiency, better design solutions, and strengthen fiscal responsibility. In addition to helping lead community engagement activities, economic development strategies, grant coordination, and day to day department responsibilities, the Deputy Planner Director will also serve as the City's Sustainability Coordinator. This position will provide a point of contact to lead and strengthen the City's sustainability and resiliency initiatives. The addition of the Deputy Planner is recommended and presented in the draft budget.

MEMORANDUM

April 26, 2023

TO: City Commission

COPY: Penny Hill – Interim City Manager, Benajmin Marentette - City Clerk,
Jahna Robinson – Interim Treasurer/Finance Director

FROM: Brian Postma – City Financial Analyst

SUBJECT: Fiscal Year End 6/30/2024 Budget – Supplemental information

In conjunction with the initial draft of the fiscal year end June 30, 2024 budget document being presented to the City Commission as required on May 1st 2023, we would like to provide supplemental information for the City Commission's review.

The following documents include:

An analysis of differences between the Fiscal Year End 6/30/2023 budgeted amounts and projected year end 6/30/2023 amounts for General Operating Fund revenues and expenditures.

An analysis of the General Operating Fund's available Fund Balance based on current projections and FYE 2024 budget amounts.

An analysis of the currently planned uses of the Coronavirus Fiscal Recovery (ARPA) Funds.

**CITY OF TRAVERSE CITY
GENERAL OPERATING FUND
ANALYSIS OF FISCAL YEAR END 6/30/2023
BUDGETED ACTIVITY VS. PROJECTED ACTUAL ACTIVITY**

REVENUES AND TRANSFER IN

	2022-23 BUDGET	2022-23 PROJECTED ACTIVITY	23 PROJECTED VS. 23 BUDGET	
TOTAL REVENUES AND TRANSFERS IN	\$ 20,359,600	\$ 21,194,400	\$ 834,800	Total Projected Revenue Exceeds Initial Budget

Key Line Item Differences:

There are over 60 individual revenue line items in the General Operating Budget, some where projections exceed the budget and other where projections fell below budgeted amounts. Some

difference discussion

TAXES-CURRENT-REAL ESTATE	\$ 12,775,200	\$ 12,960,000	\$ 184,800	The projected activity includes adjustments and is based on the final tax settlement.
CITY FEE - COMPONENT UNITS (TCLP)	1,871,000	2,109,000	238,000	The City fee is based on TCLP & Fiber revenues both of which were slightly higher than the initial budget.
ANNUAL MARIJUANA LICENSE	65,000	170,200	105,200	The 22/23 projected amount includes recreational use license fees which were not included in the initial budget.
FRANCHISE FEES	242,000	230,000	(12,000)	Charter franchise fees declining as cable customer base declines.
OTHER FEDERAL GRANTS	-	62,200	62,200	The projected amount corresponds to the General Fund Share of the Coronavirus Fiscal Recovery employee appreciation payments.
REVENUE SHARING-SALES/USE TAX	1,704,600	1,903,300	198,700	Actual sales tax distributions have been much higher than the original state projections.
AMBULANCE	17,000	60,000	43,000	This is a reflection of both an underestimate when preparing the 22/23 budget and a continued increase in the number of Ambulance runs being handled by the Fire Department.
INTEREST & DIVIDEND EARNINGS	27,000	75,000	48,000	The interest rates available for investments that can be held by the City have improved as well as interest being received on City held cash deposits (checking and savings accounts).

CITY OF TRAVERSE CITY
GENERAL OPERATING FUND
ANALYSIS OF FISCAL YEAR END 6/30/2023
BUDGETED ACTIVITY VS. PROJECTED ACTUAL ACTIVITY

EXPENDITURES & TRANSFERS OUT

	2022-23 BUDGET	2022-23 PROJECTED ACTIVITY	23 PROJECTED VS. 23 BUDGET	
TOTAL EXPENDITURES AND TRANSFERS OUT	\$ 21,675,200	\$ 20,452,900	\$ (1,222,300)	Total projected expenditures LESS than Initial Budget

Key Line Item Differences:

There are over 360 individual expenditure line items in the General Operating Budget, some where projections exceed the budget and other where projections are below budgeted amounts. Some of the key differences are reviewed below.

				difference discussion
SALARIES AND WAGES - Human Resources	169,000	150,900	(18,100)	HR director position open during the portions of the year.
SALARIES AND WAGES - Cemetery	194,900	162,900	(32,000)	Less part time staff used, staff allocations corrected near year end.
SALARIES AND WAGES - Police	2,501,800	2,380,000	(121,800)	Retirements and open positions throughout the year .
SALARIES AND WAGES - Streets Admin	421,400	340,000	(81,400)	Wages allocated to other funds during the year have exceeded initial estimate.
SALARIES AND WAGES - Parks and Rec	719,800	670,000	(49,800)	Periodic staff openings as well as wage allocations exceeding initial estimate.
EMPLOYEE HEALTH INSURANCE - all depts.	1,278,300	1,177,800	(100,500)	A combination of staff openings and slightly lower rate increase than budgeted.
OPERATION SUPPLIES - all depts.	358,800	318,600	(40,200)	public safety departments and engineering much lower than budget - availability of supplies has been an issue.
PROFESSIONAL/CONTRACTUAL - all depts.	1,017,500	794,900	(222,600)	The Master plan contract timeline has been extended compared to original budget. Less tax tribunal related professional fees than budgeted. Police fye 23 budget amount overestimated. Budgeted Housing Study and Green Rate programs had limited actual activity.
PROFESSIONAL DEVELOPMENT - all depts.	207,700	152,500	(55,200)	Nearly every department is projected to be under budget. Most professional development continued to be online during 23 versus physical attendance. Staff shortages also affected time available for professional development.
Transfer out - Local Street	706,200	663,000	(43,200)	The Amount required to balance local street fund is projected to be less than original budgeted amount. State provided funding for local streets has increased.
Facilities evaluation	150,000	-	(150,000)	This study is planned to be combined with The County study for fye 24.
Fire EMS Transport Study	100,000	3,000	(97,000)	most work done to date has been in house vs. contracted services.
Contingencies	497,000	57,000	(440,000)	Contingency set asides for 3 additional firefighters were not used (unable to fill positions to date) Contingency for potential ACT wage changes was not used as wage study has not been presented to date.

City of Traverse City
General Operating Fund # 101

Fund Balance Projection/Additional Analysis - Based on 6/30/24 Budget

Total Projected Fund Balance at 6/30/2024	\$ 7,028,600
Estimated Nonspendable items - Inventory, and Prepaid Items	(500,000)
Assigned - Subsequent years (24/25) budgeted deficit if any	<u>-</u>
Total General Operating Fund Unassigned Fund Balance	<u>\$ 6,528,600</u>
Budgeted 6/30/2024 total expenditures and transfers	\$ 23,768,600
Unassigned Fund Balance as a % of budgeted 23/24 expenditures and transfers	27%
Fund balance required to achieve commission required 20% maximum	<u>4,753,720</u>
Potential additional fund balance available for current or subsequent budgets	<u>\$ 1,774,880</u>

City of Traverse City
Coronavirus Fiscal Recovery Award Summary
(American Rescue Plan Act)

Total Award \$ 1,653,886.25

Projected Uses

FYE 6/30/2023

Employee Appreciation	\$ 102,332.25
Senior Center Construction	500,000.00
Jubilee house grant match	20,000.00
Grant Writing (estimate)	10,000.00

FYE 6/30/2024

Tree Program	66,200.00
Gender Neutral fire station restrooms	150,000.00
Jubilee house - 2nd year	20,000.00
Grant writing (estimate)	65,000.00
Sanitary sewer Inflow & Infiltration	250,000.00

FYE 6/30/2025

Tree Program	133,800.00
Award Balance uses to be determined	<u>336,554.00</u>
	<u><u>\$ 1,653,886.25</u></u>

Memorandum

The City of Traverse City
Engineering Department



TO: Penny Hill, Interim City Manager

FROM: Timothy J. Lodge, City Engineer

DATE: April 28, 2023

SUBJECT: Capital Projects Update

Following is a brief, high level update of the general fund Capital Projects that are included in the proposed budget. We anticipate a more detailed briefing to the City Manager and City Commission during the budget process and prior to the adoption of the budget.

Building Facilities

We have collaborated with Grand Traverse County on a Facility Condition Assessment and Future Use Study for the Governmental Center, Law Enforcement Center, Front Street Offices, Fire Station #1, Fire Station #2, Opera House, Carnegie and the DPS facilities. The report is anticipated to be available this fall. The Report findings will shape the investments needed to ensure the functional longevity of these facilities. We have included funds to continue this effort for a portion of the more than 60 city facilities in the proposed budget. We have also included funds to develop a plan on how to move our facility inventory towards a net zero carbon footprint in the proposed budget.

We are in process of completing the construction bid documents for the Senior Center and expect bids to be received in time to start construction in the fall with an anticipated completion date of October 2024. We are processing the funding agreement with MEDC for the \$7,000,000 of state funds to be used for the project.

Capital Infrastructure

The budget includes significant investment into infrastructure projects. We will invest in pavement preservation for Eastern Avenue between M-37 and the Low Service Water Pump Station near Birchwood, Maple Street between 6th Street and Griffin Street, 12th Street between Division Street and Union Street and Railroad Avenue between Station Street and Woodmere Avenue. The work on Eastern Avenue will include adding facilities for non-motorized users between M-37 and Milliken Drive.

Capital Projects Update

April 28, 2023

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The budget includes replacing the composite concrete and asphalt pavement in Veterans Drive between 14th Street and 16th Street (Bay Hill Drive) using funds from MDOT's Small Urban Program. We have applied for additional funding from MDOT's Category F Grant fund for the remaining portion of Veteran's Drive to the City Limits and will be asking for additional funding for this remaining portion of Veterans Drive as the region transitions to a Metropolitan Planning Organization (MPO) designation in 2024.

As previously discussed, MDOT delayed their reconstruction project for the Grandview Parkway/Front Street (US-31/) to 2024. We have included completing gap infill sidewalk on Anderson to meet the sidewalk being built on Garfield Avenue as part of MDOT's Grandview Parkway project. Also, we have included funding to reconfigure Barlow Street in conjunction with the MDOT project and the Senior Center to move the street end away from the shoreline of the Bay.

We have budgeted to prepare a Street Improvement Plan to follow the recommendations of the Mobility Plan and Master Plan currently being prepared to complement our street condition assessment and update our 2017 Stormwater Management Plan.