



Item Number: 2

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: June 10, 2025

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Molly Clarin, Chief Financial Officer

FROM: Scott Saindon, Acting Chief Financial Officer
Fiscal Services

SUBJECT: Ordinance amending Section 1 of the Budget Ordinance 2024-23
for Fiscal Year 2025 (Amendment No. 9)

1. Water Department – Water Career Program Grant Award

The Water Department is requesting to recognize and appropriate a grant award in the amount of \$298,671 from the U.S. Environmental Protection Agency (EPA) to expand and regionalize its Water Career Program. The City has collaborated with Grand Rapids Community College (GRCC) and Bay College since 2021 to develop and implement the Water Career Program. The program aims to address labor shortage and aging workforce issues, which have been and continue to be a common trend among public water and wastewater utilities nationwide. Building on the program's success, the EPA invited GRCC to submit a second grant proposal to expand and regionalize it. As a result, the EPA awarded \$1 million to GRCC, Bay College, the City of Grand Rapids, the City of Holland, the City of Wyoming, the City of Muskegon Heights, and Plainfield Charter Township. As a sub-recipient, the City is eligible to receive up to \$298,671 for all allowable costs incurred during the grant period from January 2025 to July 2027. This budget amendment request would recognize the grant revenue and establish the necessary appropriations. The City Commission accepted this grant on March 25, 2025 (Proceeding No. 94463) and there is no local match required (see Attachment A).

Approval would authorize an increase of \$298,671 in Estimated Revenue and Appropriations of the **Other Grants Fund (2730)** with no effect on Fund Balance.

2. Engineering Department – Michigan Enhancement Grant for Fire Department Training Facility

The Engineering Department is requesting to recognize and appropriate an estimated grant revenue/expenditure reimbursement in the amount of \$11,212,956

from the Michigan Enhancement Grant for construction of the Fire Department Training Facility. This represents a portion of the \$35 million Michigan Enhancement Grant accepted by the City Commission on May 7, 2024 (Proceeding No. 93508) to construct both the Kendall and Division Fire Stations as well as a Fire Training Center. On May 21, 2024 (Proceeding No. 93579), October 22, 2024 (Proceeding No. 94032), January 28, 2025 (Proceeding No. 94300), and May 13, 2025 (Proceeding No. 94608) the City Commission approved budget amendments recognizing and appropriating a total of \$23,787,044 amongst these three projects from the Michigan Enhancement Grant. Upon approval of this request, the entire \$35 million grant will be appropriated. It is anticipated that the remainder of the funding necessary for this project will be funded through a future bond issuance. The total estimated project cost is \$46 million, and the first phase of bidding is now prepared to move forward. This project consists of a new Fire Training Facility, to be located at 850 Pannell Street, which will consolidate a training facility and fire operations from across the City onto a single campus (see Attachment B).

Approval would authorize an increase of \$11,212,956 in Estimated Revenue and Appropriations of the **Capital Improvement Fund (4010)** with no effect on Fund Balance.

3. Engineering Department – Vital Streets Capital Fund

The Engineering Department is requesting to appropriate and transfer Vital Streets fund balance in the amount of \$6,250,000 from Vital Streets Operating Fund to the Vital Streets Capital Fund. The Vital Streets Operating Fund is largely funded through income tax continuation revenues. This request is to transfer a portion of this income tax revenue to the Vital Streets Capital Fund Infrastructure Investment Project account to provide multi-year appropriation authority for projects that span more than one fiscal year. Budget requests will be approved prior to any expenditure of funds (see Attachment C).

Approval would authorize the increase of \$6,250,000 in Appropriations of the **Vital Streets - Major Fund (2040)** with a corresponding transfer and decrease in Fund Balance. It would further authorize an increase in Estimated Revenue and Appropriations of the **Vital Streets Capital - Non-Bond Fund (4090)** with no effect on Fund Balance.

4. Fiscal Services Department – New Bond Issues for Soccer Stadium and Amphitheater

The Fiscal Services Department is requesting to recognize and appropriate new bond proceeds/premium and the estimated interest revenue (earned on the bond proceeds) in the amount of \$129,898,882. Debt service on the new bonds will be paid from revenues of Kent County's Lodging Excise Tax (LET) transmitted to the city as per a memorandum of understanding. The tax was raised to 8% from 5% in January 2025 and is expected to cover annual debt service costs. The City issued \$122,270,000 in bonds for the Amway Soccer Stadium and the Acrisure

Amphitheater which closed on May 21, 2025 (Proceeding No. 94415). The premium on the bonds was \$5,728,882 and it is estimated that the bonds will earn interest revenue of approximately \$1.9 million. The debt service for these bonds will be paid by the Capital Reserve Fund and reimbursed to the City by revenues from Kent County's LET. This request sets up the budget to allow the spending of the bond proceeds for bond issuance costs as well as construction costs. The related debt service payments do not begin during the current fiscal year, and therefore, a budget amendment will be brought forward in early FY2026 (see Attachment D).

Approval would also authorize an increase of \$101,998,068.70 in Estimated Revenue and Appropriations of the ***CIB Series 2025 – Soccer Stadium Fund (4020)*** with no effect on Fund Balance.

Approval would also authorize an increase of \$27,900,813.30 in Estimated Revenue and Appropriations of the ***CIB Series 2025 – Amphitheater Fund (4021)*** with no effect on Fund Balance.

CONTINGENT BALANCE:

If the Commission approves Budget Ordinance Amendment #25-9 there will be a balance of \$0.00 remaining in the General Operating Fund's Contingent Account.

Beginning Contingent Balance	\$	0.00
Changes requested:		(0.00)
Ending Contingent Balance	\$	<u>0.00</u>

Your FISCAL COMMITTEE recommends the adoption of the following amendment to the Budget Ordinance for Fiscal Year ending June 30, 2025.

ORDINANCE NO. 2025-__

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That the following constitutes amended additions to the designated line items of Section 1 of Ordinance 2024-23, the Budget of the City of Grand Rapids for Fiscal Year 2025, as amended.

CORRECT IN FORM

DEPARTMENT OF LAW