



Item Number: 4

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: February 25, 2025

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Molly Clarin, Chief Financial Officer

FROM: Scott Saindon, Deputy Chief Financial Officer
Fiscal Services

SUBJECT: **Ordinance amending Section 1 of the Budget Ordinance 2024-23 for Fiscal Year 2025 (Amendment No. 7)**

1. Parks and Recreation Department – Nature Everywhere Seed Grant

The Parks and Recreation Department is requesting to recognize and appropriate a Nature Everywhere Seed Grant award in the amount of \$50,000 from the Children & Nature Network to build capacity for local strategies that connect children to nature more equitably. The funding will be used to develop a part-time temporary position that will focus on connections between GR Outside and Grand Rapids Public Schools. This grant will allow GR Outside and Grand Rapids Public Schools to further increase the number of opportunities available to scholars while continuing to address racial and socioeconomic disparities in access to nature and nature-based activities. The period of performance is from January 1, 2025 through June 30, 2026 and no local matching funds are required. The grant agreement was approved by the City Commission on January 28, 2025 (Proceeding No. 94282) (see Attachment A).

Approval would authorize an increase of \$50,000 in Estimated Revenue and Appropriations of the **Other Grants Fund (2730)** with no effect on Fund Balance.

2. Police Department – Forensic Data Extraction License Renewal

The Police Department is requesting to appropriate \$57,110 from Fund Balance of one of the federal forfeiture special revenue funds for the renewal of a forensic data extraction license, GrayKey, available through Magnet Forensics. The source of the accumulated fund balance is from previously seized property (see Attachment B).

Approval would authorize an increase of \$57,110 in Appropriations of the **Federal Forfeitures-Treasury Dept Fund (2623)** with a corresponding decrease in Fund Balance.

3. **Parks & Recreation Department – Right Place RAP 2.0 Grant for Canal Park**

The Parks and Recreation Department is requesting to recognize and appropriate a grant award in the amount of \$750,000 received from The Right Place and administered by the Michigan Economic Development Corporation (MEDC) for improvements at Canal Park. The Revitalization and Placemaking (RAP) 2.0 Program supports projects that enable population and tax revenue growth through rehabilitation of vacant and blighted buildings and historic structures, rehabilitation and development of vacant properties, and development of permanent place-based infrastructure associated with social zones and traditional downtowns, outdoor dining and place-based public spaces. This project aligns with Grand River restoration goals and is a part of a larger regional project to improve Grand River connectivity to trails, activation, and flood protection. Construction will begin in spring 2025, with project completion by summer 2026. Total project cost is estimated at \$9,880,000. Other funding sources include Parks Millage, Parks Bonds, and Monroe North Tax Increment Finance Authority. This grant was accepted by the City Commisison on the August 27, 2024 (Proceeding No. 93822) (see Attachment C).

Approval would authorize an increase of \$750,000 in Estimated Revenue and Appropriations of the **Parks – Capital Projects Fund (4080)** with no effect on Fund Balance.

4. **Parks & Recreation Department – Grand Rapids Children’s Fund**

The Parks & Recreation Department is requesting to transfer “Committed” fund balance in the amount of \$133,000 from the General Operating Fund to the Parks Operating Fund and the Other Grants Fund and appropriate it for expanded programming, equipment and supplies. The Grand Rapids Children’s Fund was created through the addition of an income tax checkbox on city income tax forms. Individuals who pay city income tax can donate a portion of their refund to the Children’s Fund each year, and the donations are reserved in the General Fund fund balance as “committed.” The current reserved fund balance amount is \$132,862 as of June 30, 2024. The Parks Department is requesting \$75,000 from the Children’s Fund for the GRow1000 Summer Youth Employment Program and \$58,000 for a variety of programming including GR Outside, the Youth Summer Baseball Program, and Free Summer Day Camp Program Support (see Attachment D).

Approval would authorize an increase of \$58,000 in Estimated Revenue and Appropriations of the **Parks Operating Fund (2080)** with no effect on Fund Balance. Approval would also authorize an increase of \$75,000 in Estimated Revenue and Appropriations of the **Other Grants Fund (2730)** with no effect on Fund Balance. Lastly, approval would authorize the increase in Appropriations, and subsequent transfer of, \$133,000 from the **General Fund – General Administration Department (1010)** with a corresponding decrease in Fund Balance.

5. 61st District Court – National Criminal History Improvement Program Grant

The 61st District Court has received a grant from the National Criminal History Improvement Program (NCHIP) in the amount of \$15,495 to improve the quality and accessibility of criminal history record information. This grant is Administered by the Michigan State Police (MSP) and funded by the U.S. Department of Justice, Office of Justice Programs. These funds will be used to purchase and implement a Live Scan fingerprint system and related accessories. Currently, the Court does not have in-house fingerprint capabilities. Acquiring this equipment will allow the Court to provide on-site fingerprinting for defendants in an efficient manner, improve record accuracy, and streamline court processes. There is no local match requirement for this grant (see Attachment E).

Approval would authorize an increase of \$15,495 in Estimated Revenue and Appropriations of the **61st District Court Grants Fund (7401)** with no effect on Retained Earnings.

6. Public Library– Asset Management Request

The Public Library is requesting to appropriate capital fund balance in the amount of \$90,000 in order to complete the installation of new bottle filler stations at all of their locations. After gathering more information on this project, the needs and projected costs were determined to be greater than originally anticipated in their FY2025 capital fund budget. Approval of this request will allow the library to complete this project in the second half of FY2025 as scheduled (see Attachment F).

Approval would authorize an increase of \$90,000 in Appropriations of the **Public Library Grants and Projects Fund (2711)** with a corresponding decrease in Fund Balance.

7. Engineering Department – Facilities and Equipment at the Fire Training Center

The Engineering Department is requesting to transfer and appropriate General Operating Fund Fund Balance in the amount of \$1,475,000 to the Fire Training Center project in the Capital Improvement Fund. On November 12, 2024 (Proceeding No. 94053), the City accepted a grant in the amount of \$1,475,000 from the U.S. Economic Development Administration's Public Works and Economic Adjustment Assistance Program in connection with the Fire Training Center project. This project consists of the construction of a pre-engineered burn building, related site work, and two pieces of equipment for the Fire Training Center project at 850 Pannell. The total project cost is \$2,950,000 with a 50 percent match requirement. As such, the federal portion of the award is \$1,475,000 and the required local match is \$1,475,000. This budget amendment will appropriate the required local match by utilizing General Fund dollars. It is anticipated that this will be reimbursed with future bond issuance (see

Attachment G).

Approval would authorize an increase of \$1,475,000 in Estimated Revenue and Appropriations of the **Capital Improvement Fund (4010)** with no effect on Fund Balance. It would further authorize the increase in Appropriations, and subsequent transfer of, \$1,475,000 from the **General Fund – General Administration Department (1010)** with a corresponding decrease in Fund Balance.

8. Engineering Department – Refrigeration System Improvements at Belknap Park Griff's Icehouse

The Engineering Department is requesting to transfer estimated revenue (bond proceeds) and appropriation in the amount of \$1,412,582.53 from the Street Lighting Department (ELC) to the Engineering Department within the CIB Series – Street Lighting & Chiller Fund. On July 16, 2024 (Proceeding No. 93680), the City Commission authorized the sale of bonds for an amount not to exceed \$24 million to provide new bond funds to pay all or a portion of the costs for Hockey Arena Improvements, ELC Improvements, and Park Improvements. At the time of the sale of bonds, an estimated amount of \$4,000,000 was included and appropriated for the Hockey Arena Improvements. City Staff regularly reviews the projects currently planned to be funded with Capital Improvement Series 2024 bonds and has determined the Griff's Icehouse project has now exceeded the original estimate while at the same time the ELC Improvements projects are projecting lower than originally planned. It is necessary at this time to shift funds within this bond series between departments. This movement will have no impact on the debt service for these projects (see Attachment H).

Approval would authorize an increase of \$1,412,582.53 in Estimated Revenue and Appropriations of the **CIB Series 2024 – Street Lighting & Chiller Fund – Engineering Department (4018)** and a decrease of \$1,412,582.53 in Estimated Revenue and Appropriations of the **CIB Series 2024 – Street Lighting & Chiller Fund – Street Lighting Department (4018)** with no effect on Fund Balance.

9. Engineering Department – Vital Streets: Allocation of Additional State Funding

The Engineering Department is requesting to appropriate \$510,793.55 from the Major Streets Fund Balance to allocate additional funding previously received from the State of Michigan to both Vital Streets and the Streets Capital Fund. The Vital Streets framework ("framework") included the City's commitment of Gas & Weight Tax revenue in the amount of \$3,483,608 (the "Maintenance of Effort" or MOE) as well as state funding of \$6,000,000 once full participation was attained. Any amounts received above the committed MOE and full state participation is to be split per the Vital Streets guidelines which states "any increase in State payments for street repair and maintenance will be allocated between capital investment and operations." The framework allocates any increase received 24.7% to capital investment and the remaining 75.3% to operations. Additionally, 25% of the operations allocation is to be transferred to the Streets Capital Fund for future

capital investments. Within the Major Streets Fund, this budget request will appropriate \$285,743.55 to the Vital Streets unit and \$225,050 to the operations unit for subsequent transfer to the Streets Capital Fund. In FY2025, additional Rotomill/Resurfacing projects will utilize the increase in Major Streets (Vital Streets) funds. Additional projects in the Streets Capital fund will be determined as part of future capital budgeting processes (see Attachment I).

Approval would authorize an increase of \$225,050 in Estimated Revenue and Appropriations of the ***Streets-Capital Projects Fund (4050)*** with no effect on Fund Balance. It would further authorize an increase of \$510,793.55 in Appropriations of the ***Major Streets Fund (2020)*** with a corresponding decrease in Fund Balance.

10. **Fiscal Services Department – Extension of Cloud Services with CGI, Inc.**

The Fiscal Services Department is requesting a General Fund appropriation from fund balance in the amount of \$1,630,000 for the purpose of funding expenditures in FY2025 associated with the Oracle Implementation Project. The City of Grand Rapids and CGI, Inc. contract for A360 cloud services support is due to expire in March 2025. With the extension of the Oracle Fusion implementation go-live date to April 1, 2025, the City requires support from CGI for an additional six (6) months for a production environment. In negotiations, the City also secured read-only access to reporting and data through December 2026 (see Attachment J).

Approval would authorize an increase of \$1,630,000 in Estimated Revenue and Appropriations of the ***Financial Management System Fund (6820)*** with no effect on Fund Balance. It would further authorize the increase in Appropriations, and subsequent transfer of, \$1,630,000 from the ***General Fund – Fiscal Services Department (1010)*** with a corresponding decrease in Fund Balance.

11. **Police Department – Equipment Purchase from Federal Forfeitures**

The Police Department (GRPD) is requesting to appropriate fund balance in the amount of \$6,931 from the MET-Department of Justice Federal Forfeitures Fund to pay for equipment from Pro-Tech Sales. GRPD is the fiduciary to Michigan State Police's Metropolitan Enforcement Team (MET) until the fund balance is spent down (see Attachment K).

Approval would authorize an increase of \$6,931 in Appropriations of the ***MET-Dept of Justice Fund (2624)*** with a corresponding decrease in Fund Balance.

12. **Engineering Department – Butterworth Landfill Solar Array**

The Engineering Department is requesting to transfer and appropriate General Operating Fund Fund Balance in the amount of \$66,700 to the Butterworth Landfill Solar Array project in the Capital Improvement Fund. On February 25, a resolution awarding design phase services to Geotech, Inc. and authorizing expenditures in connection with the above project will be presented to the City Commission for consideration and approval. The City is seeking to secure design

services for two megawatts of behind-the-meter solar that will serve the City's Primary Circuit, assistance with applicable Inflation Reduction Act (IRA) tax credits and grant requirements, and issuance and evaluation of the bid package to contract with a developer to complete design, construction and operation of the solar array. The goal is to have the site partially, if not completely, operational in 2026. A request for proposals (RFP) was issued September 20, 2024 and proposals were received on October 11, 2024. Two consultant teams were interviewed, and the selection committee recommends award to Geotech, Inc. (Geotech). This budget amendment will appropriate the design phase services by utilizing General Fund dollars (see Attachment L).

Approval would authorize an increase of \$66,700 in Estimated Revenue and Appropriations of the **Capital Improvement Fund (4010)** with no effect on Fund Balance. It would further authorize the increase in Appropriations, and subsequent transfer of, \$66,700 from the **General Fund – General Administration Department (1010)** with a corresponding decrease in Fund Balance.

CONTINGENT BALANCE:

If the Commission approves Budget Ordinance Amendment #25-7 there will be a balance of \$1,500,000 remaining in the General Operating Fund's Contingent Account.

Beginning Contingent Balance	\$ 1,500,000.00
Changes requested:	<u>(0.00)</u>
Ending Contingent Balance	<u>\$ 1,500,000.00</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

CITY ATTORNEY