



Item Number: 1

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: January 28, 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. 6)**

1. Clerk Department – Election Reimbursement from the State of Michigan

The Clerk Department is requesting to recognize and appropriate a reimbursement in the amount of \$89,269.96 from Kent County as a pass-through from the State of Michigan for the wages paid to Election Inspectors for Early Voting and for Early Voting supplies for the August and November 2024 Elections. This budget adjustment accounts for the City's Expenditures for conducting the election that are associated with the reimbursement (see Attachment A).

Approval would authorize an increase of \$89,269.96 in Estimated Revenue and Appropriations of the **General Operating Fund – Clerk Department (1010)** with no effect on Fund Balance.

2. Police Department – Continuation of OHSP Grant Award

The Police Department is requesting to recognize and appropriate an overtime reimbursement grant award in the amount of \$37,773.82 from the Office of Highway Safety Planning (OHSP) for "Kent County DUI, Seat Belt, and Speed Overtime Traffic Enforcement." This grant, in the amount of \$175,330.70 is a federal pass-through grant administered by the City of Wyoming Police Department for the grant period of October 1, 2024, through September 30, 2025. It is awarded to participating agencies for overtime wages and fringe benefits spent on traffic stops, arrests, transporting and lodging of arrested subjects, report writing, serving as "zone spotters", and participating in saturation patrols. This grant was accepted by the City Commission on November 12, 2024 (Proceeding No. 94054). This budget amendment request would recognize the grant revenue and establish the necessary appropriations. No local match is required (see Attachment B).

Approval would authorize an increase of \$37,773.82 in Estimated Revenue and Appropriations of the ***Police Grants Fund (2731)*** with no effect on Fund Balance.

3. Office of Sustainability – Energy Efficiency and Conservation Block Grant

The Office of Sustainability is requesting to recognize and appropriate an award totaling \$235,280 from the United States Department of Energy through the Energy Efficiency and Conservation Block Grant Program (EECBG) to complete energy audits on municipal buildings. This request is to appropriate the funds to the grant code so spending can begin. The grant was accepted by the City Commission on August 13, 2024 (Proceeding No. 93779). There is no local match requirement for this grant (see Attachment C).

Approval would also authorize an increase of \$235,280 in Estimated Revenue and Appropriations of the ***Other Grants Fund – Executive Office Department (2730)*** with no effect on Fund Balance.

4. 61st District Court – Eviction Diversion Initiative Grant Additional Award

The 61st District Court is requesting to recognize and appropriate an additional funding award in the amount of \$102,607 for the Eviction Diversion Initiative Grant (D22EDIG) from the National Center for State Courts. This additional funding increases the total grant amount from \$307,851 (appropriated on 6/21/2022 – Proceeding No. 91820) to \$410,458, allowing us to maintain continuity of services through the end of May 2025. These funds will significantly contribute to the program's financial sustainability and the successful execution of its objectives. By recognizing and appropriating these additional resources, we can maintain essential services through the end of May 2025. The funding will be allocated across salaries, benefits, and other necessary expenditures, ensuring the continued operation of the grant program without interruption. This budget amendment request would recognize the grant revenue and establish the necessary appropriations. This request will have no effect on fund balance of the 61st District Court and no local match is required (see Attachment D).

Approval would authorize an increase of \$102,607 in Estimated Revenue and Appropriations of the ***61st District Court Grants Fund (7401)*** with no effect on Retained Earnings.

5. Fiscal Services Department – ARPA Funding for Construction of the Public Works Facility (1500 Scribner Ave)

The Fiscal Services Department is requesting to recognize and appropriate \$350.00 of City ARPA funding for construction of the Public Works facility located on Scribner Avenue. The City has obligated the remainder of the funds received through the American Rescue Plan Act. Another ARPA funded activity's (Fairfax Software) final contract came in \$350 under the amount initially requested, therefore, a reallocation of those savings to the Scribner project is requested. This project has been determined eligible for American Rescue Plan Act (ARPA) dollars

and the requested budget amendment in the Capital Improvement Fund will provide the recognition of ARPA funds for the project (see Attachment E).

Approval would authorize an increase of \$350.00 in Estimated Revenue and Appropriations of the **Capital Improvement Fund (4010)** with no effect on Fund Balance.

6. Police Department– MCOLES Funding for Mandatory In-Service Training

The Police Department is requesting to recognize and appropriate an anticipated reimbursement in the amount of \$265,000 from the State of Michigan for the purpose of funding mandatory in-service training. On January 31, 2023, Public Act 1 of 2023 (PA1) appropriated funds to support the implementation of required annual in-service training standards for all licensed law enforcement officers. The Michigan Commission on Law Enforcement Standards (MCOLES) Continuing Professional Education (CPE) will distribute \$1,000 per full-time equivalent for the calendar year 2025. The funds must be used to pay for law enforcement training of sworn officers through required courses approved by MCOLES (see Attachment F).

Approval would authorize an increase of \$265,000 in Estimated Revenue and Appropriations of the **Police Grants Fund (2731)** with no effect on Fund Balance.

7. Office of Oversight and Public Accountability – Grant Award for Civilian Violence Prevention Efforts

The Oversight and Public Accountability (OPA) Department is requesting to recognize and appropriate a grant award in the amount of \$550,000 from the W.K. Kellogg Foundation to expand capacity to create programming and civilian violence prevention efforts. The W.K Kellogg Foundation grant will support 24 months of expenses for the Office of Oversight and Public Accountability to hire a new Administrative Services Officer II – Violence Prevention Officer. This grant award was accepted by the City Commission on December 3, 2024 (Proceeding No. 94126). If this grant is not renewed nor additional funding secured to sustain the positions after the grant term, the positions will be removed from the City's personnel roster. There is no local match requirement for this grant (see Attachment G).

Approval would authorize the addition of one (1) Administrative Services Officer II position (APA, Title 626, Range 18) to the permanent personnel roster of the **Other Grants Fund (2730)**.

Approval would authorize an increase of \$550,000 in Estimated Revenue and Appropriations of the **Other Grants Fund (2730)** with no effect on Fund Balance.

8. Parks and Recreation Department – Parks Capital Appropriations

The Parks and Recreation Department is requesting to recognize and appropriate a contribution in the amount of \$50,000 received from the Mitten Foundation to advance the playground project at Richmond Park. Additionally, the department is

requesting to appropriate and transfer \$771,000 from the Parks & Recreation Fund to their Capital Projects Fund for three priority projects including park sign development, Richmond Park parking lot improvements, and pool painting and caulking. This amount is comprised of \$300,000 that was not previously appropriated through the FY2025 budget process but part of the annual millage set-aside for capital investment and \$471,000 appropriated for bond interest and principal repayment that can be redirected to projects due to the timing of the bond issuance. Lastly, \$80,000 is being reallocated from the Huff and Aberdeen improvement projects (see Attachment H).

Approval would authorize an increase of \$821,000 in Estimated Revenue and Appropriations of the **Parks – Capital Projects Fund (4080)** with no effect on Fund Balance. Approval would also authorize an increase of \$771,000 in Appropriations of the **Parks & Recreation Fund (2080)** with a corresponding decrease in Fund Balance.

9. Our Community's Children Department – OCC Programs

The Our Community's Children (OCC) Department is requesting to recognize and appropriate a grant award from the Grand Rapids Community Foundation totaling \$174,821. The award supports a second year of integration of T2C Studio services with the Challenge Scholars program. Acceptance of the 15-month grant (October 1, 2024 through December 31, 2025) was approved by City Commission on November 12, 2024 (Proceeding No. 94055). OCC is also requesting to recognize and appropriate annual contributions totaling \$52,066 from higher education partners for general support of the To College Through College initiative. Finally, OCC is requesting to recognize and appropriate revenue in the amount of \$444,754 for the 2025 GRow1000 Youth Employment Initiative. Revenue represents a combination of the anticipated donations, employer contributions and remaining unobligated appropriation from the 2024 season. This initiative provides six-week employment opportunities for youth ages 15 to 24. No local match is required for any of the aforementioned grants and there will be no impact on fund balance within the Other Grants Fund (see Attachment I).

Approval would authorize an increase of \$671,641 in Estimated Revenue and Appropriations of the **Other Grants Fund (2730)** with no effect on Fund Balance.

10. Engineering Department – Michigan Enhancement Grant for Construction of Fire Department Training Facility

The Engineering Department is requesting to recognize and appropriate an estimated grant revenue/expenditure reimbursement in the amount of \$1,082,571 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) and October 22, 2024 (Proceeding No. 94032), the City Commission approved budget amendments

recognizing and appropriating a total of \$11,335,628 amongst these three projects from the Michigan Enhancement Grant. Upon approval of this current request, a total of \$12,418,199 of the total \$35 million will be appropriated. The training facility project consists of consolidating various training facilities and operations from across the city into a single fire training campus consisting of multiple elements (see Attachment J).

Approval would authorize an increase of \$1,082,571 in Estimated Revenue and Appropriations of the **Capital Improvement Fund (4010)** with no effect on Fund Balance.

11. Engineering Department – 1500 Scribner Project Grant Award

The Engineering Department is requesting to recognize and appropriate an estimated grant revenue/expenditure reimbursement of \$1,000,000 from the State of Michigan Department of Labor and Economic Opportunity (LEO) to support the administration of election activities in connection with the 1500 Scribner project. The City was awarded this grant for municipal facilities infrastructure that supports the administration of elections activities including, but not limited to, secure storage, operations, processing and training. These funds will support the replacement of the City Clerk's space at 201 Market Avenue, which was sold to make way for the amphitheater project. The grant will contribute to demolition, renovation, and/or new construction costs associated with the project, such as the Clerk's office and storage area, conference space, restrooms, atrium, loading dock, and parking. This grant was accepted by the City Commission on December 17, 2024 (Proceeding No. 94177) and no local match is required. This is the second State of Michigan grant for election activities in Grand Rapids (see Attachment K).

Approval would authorize an increase of \$1,000,000 in Estimated Revenue and Appropriations of the **Capital Improvement Fund (4010)** with no effect on Fund Balance.

12. Fiscal Services Department – Debt Service Payments and New Bond Issues

The Fiscal Services Department is requesting to appropriate debt service payments in the amount of \$5,255,517 as well as recognize and appropriate new bond proceeds and the estimated interest revenue (earned on the bond proceeds) in the amount of \$24,539,668.15. Additionally, the department is requesting to appropriate and transfer \$2,685,761 from various funds to provide reimbursement for three department's allocation of the Scribner debt service. The City issued \$72,770,000 in bonds for Scribner and the Amphitheater which closed on June 11, 2024 (Proceeding No. 93590). The debt service for the Amphitheater portion of the bonds will be paid by the Capital Reserve Fund and reimbursed to the City by the DDA. The Scribner portion of the debt service will be paid by Capital Reserve, and a portion will be reimbursed by the Refuse, Streets, and Fleet funds. The City also issued \$20,740,000 in bonds for Parks, ELC, and the Chiller at Griff's Ice House which closed on September 17, 2024 (Proceeding No. 93869). This request sets

up the budget to pay the debt service from the Capital Reserve Fund for the ELC and Chiller portion of the bonds. Lastly, the City issued \$21,970,000 in bonds for the Amphitheater parking garage which closed on December 11, 2024 (Proceeding No. 93976). This request will set 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, will be budgeted in the upcoming fiscal plan for 2026 (see Attachment L).

Approval would authorize an increase of \$4,136,436 in Estimated Revenue and \$5,255,517 in Appropriations of the **Capital Reserve Fund (4011)** with a corresponding reduction of \$1,119,081 in Fund Balance.

Approval would also authorize an increase of \$24,539,668.15 in Estimated Revenue and Appropriations of the **CIB Series – Amphitheater Garage Fund (4019)** with no effect on Fund Balance.

Lastly, approval would authorize an increase of \$629,053 in Appropriations of the **Refuse Collection Fund (2260)**; an increase of \$1,084,695 in Appropriations of the **Major Streets Fund (2020)**; and an increase of \$972,013 in Appropriations of the **Motor Equipment – Capital Fund (6611)** with corresponding decreases in each Fund Balance or Retained Earnings.

CONTINGENT BALANCE:

If the Commission approves Budget Ordinance Amendment #25-6 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:	
	(0.00)
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
DEPARTMENT OF LAW