

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



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

BA25-09**Other Grants Fund**

Previously Approved Resources	24,499,873.60
Other	298,671.00
From (To) Fund Balance	-
Total Amended Resources	<u>24,798,544.60</u>
Previously Approved Appropriations	<u>24,499,873.60</u>
Requested Changes	298,671.00
Total Amended Appropriations	<u><u>24,798,544.60</u></u>

Capital Improvement Fund

Previously Approved Resources	146,829,223.37
Other	11,212,956.00
From (To) Fund Balance	-
Total Amended Resources	<u>158,042,179.37</u>
Previously Approved Appropriations	<u>146,829,223.37</u>
Requested Changes	11,212,956.00
Total Amended Appropriations	<u><u>158,042,179.37</u></u>

Vital Streets - Major Fund

Previously Approved Resources	33,244,502.72
Other	-
From (To) Fund Balance	6,250,000.00
Total Amended Resources	<u>39,494,502.72</u>
Previously Approved Appropriations	<u>33,244,502.72</u>
Requested Changes	6,250,000.00
Total Amended Appropriations	<u><u>39,494,502.72</u></u>

CIB Series 2025 – Soccer Stadium Fund

Previously Approved Resources	-
Other	101,998,068.70
From (To) Fund Balance	-
Total Amended Resources	<u>101,998,068.70</u>
Previously Approved Appropriations	-
Requested Changes	101,998,068.70
Total Amended Appropriations	<u><u>101,998,068.70</u></u>

CIB Series 2025 – Amphitheater Fund

Previously Approved Resources	-
Other	27,900,813.30
From (To) Fund Balance	-
Total Amended Resources	<u>27,900,813.30</u>
Previously Approved Appropriations	-
Requested Changes	27,900,813.30
Total Amended Appropriations	<u><u>27,900,813.30</u></u>



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: June 10, 2025

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Scott Saindon, Fiscal Services Manager

FROM: Wayne Jernberg, Water System Manager
Water System

SUBJECT: **Budget Amendment in the amount not to exceed \$298,671 for the Water System and Environmental Services Department to expand and regionalize its Water Career Program**

In alignment with the City's Strategic Plan, Strategic Priority of Government Excellence, and Engaged and Connected Community, 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 Environmental Protection Agency (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.

Therefore, a budget amendment is needed to appropriate these funds to the accounting codes listed below.

<u>Sources/Appropriations</u>	<u>Project Description</u>	<u>Amount (From)/To</u>
2730-53607-50240000-EPA25-W23WCP0000	Water Career Program – Federal Other Agencies-Pass Thru	(\$298,671)
2730-53607-80110000-EPA25-W23WCP0000	Water Career Program – Contract Employees-Temporary Services	\$289,345
2730-53607-75200000-EPA25-W23WCP0000	Water Career Program – Supplies - General	\$9,326

Cc: Tai Verbrugee, Utility Financial Officer
James Ouzts, Environmental Services Manager



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: Tim Burkman, P.E., City Engineer

A handwritten signature in blue ink, appearing to be "TB".

SUBJECT: Request for Capital Improvement Fund Budget Amendment –
Construction of Fire Department Training Facility

On October 24, 2023 (Proceeding No. 93029), the City approved entering into Professional Services Agreement for preliminary design and design phase services with Williams Associates Architects, LTD. in connection with this project. On March 19, 2024 (Proceeding No. 93386), the City approved awarding a contract to Clark Construction Company, Inc. and authorizing expenditures in connection with this project. On May 7, 2024, the City accepted a grant from the State of Michigan in connection with this project. On December 3, 2024 (Proceeding No. 94139), the City approved an amendment to the Professional Services Agreement with Williams Associates Architects, LTD. in connection with this project. On March 25, 2025, The City approved an agreement with Clark Construction Company and authorizing expenditures in connection with this project.

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.

A Qualification Based Selection (QBS) process was used to solicit and evaluate respondents for the performance of Construction Management services. The evaluation team, consisting of City staff, selected Clark Construction Company, Inc. (Clark) as the highest-ranked, qualified firm from shortlisted respondents and on March 19, 2024 (Proceeding No. 93386) the City Commission approved a Professional Services Agreement for pre-construction services for Clark. Having completed those services, through Design Development with an estimated total project cost of \$46,000,000, they are now prepared to move into the first phase of bidding. The first portion will include two bid packages containing: pre-engineered metal buildings, concrete, steel, site utilities, and earthwork. After the subsequent bid packages are received, staff will return to the City Commission to approve and authorize additional expenditures covering the final guaranteed maximum price for the project.

This budget amendment recognizes an additional estimated revenue/expenditure reimbursement of \$11,212,956 for the Michigan Enhancement grant. Upon approval of this request, the total \$35 million grant will be appropriated. It is anticipated that the remainder of funding necessary for this project will be funded through future bond issuance.

Please include this request in your next budget amendment.

<u>Sources/Appropriations</u>	<u>Project Description</u>	<u>Amount (From)/To</u>
4010-336-9000-5762-24063- 401024063G	Michigan Enhancement Grant	(\$11,212,956)
4010-336-9000-9880-24063- 401024063G	Fire Training Facility	\$11,212,956

If you have any questions, please advise. Thank you for your assistance in this matter.

cc:	Kate Berens	Scott Saindon	Tricia Chapman
	Brad Brown	Nicolas Salazar	Lorrie Freeman
	Otniel Kish		

P:\CD25\Budget\FC Fire Training Facility-Mi Enhancement Grant amdmt-A
#23054

SUMMARY OF ESTIMATED COSTS

for

Construction of Fire Department Training Facility at 850 Pannell Street NW

Project Funding Source(s)

	<u>Currently Approved</u>	<u>Budget Request(s)</u>	<u>Revised Project Estimate</u>
Capital Improvement Fund	\$3,396,089	\$23,460,803	\$26,856,892
Total Project Sources	<u>\$3,396,089</u>	<u>\$23,460,803</u>	<u>\$26,856,892</u>

Breakdown of Project Uses

Agreement for Construction Management Services	\$20,678,692
Testing	109,600
Administration	207,883
Previously Authorized Services by (P&N)	<u>20,000</u>
Sub-Total	21,016,175
Contingencies	<u>2,444,628</u>
Prior Authorizations (Proceeding No. 93029, 93386, and 94139)	<u>\$3,396,089</u>
Total Project Uses	<u>\$26,856,892</u>




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: Tim Burkman, P.E., City Engineer 

SUBJECT: Request for Vital Streets Capital Fund Budget Amendment – Vital Streets Capital Fund

On August 12, 2014, the City approved a budget amendment which provided new funds and subfunds within the City's accounting structure in order to provide accountability and transparency in alignment with the Vital Streets Oversight Committee Investment Guidelines. As part of this structure, new Vital Streets Operating and Capital Funds were established. The Vital Streets Operating Fund is largely funded through income tax continuation revenues. This request is to transfer a portion of these income tax revenues 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.

Please include this request in your next budget amendment.

<u>Sources/Appropriations</u>	<u>Project Description</u>	<u>Amount (From)/To</u>
Fund 2040 Fund Balance	Fund Balance	(\$6,250,000)
2040-44901-99530000	Transfer Out	\$6,250,000
4090-44909-69930000-15298-409015298	Transfer In	(\$6,250,000)
4090-44909-99530000-15298-409015298	Vital Streets Capital Fund Infrastructure Investment Project	\$6,250,000

If you have any questions, please advise. Thank you for your assistance in this matter.

cc: Kate Berens Scott Saindon Nicolas Salazar
Lorrie Freeman Otniel Kish



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: Tricia Chapman
Administrative Services Officer II

SUBJECT: **Request for Capital Improvement Fund Budget Amendment – Soccer Stadium and Amphitheater Bonds**

On March 11, 2025 (Proceeding No. 94415), the City Commission authorized the sale of bonds for an amount not to exceed \$128 million for the Soccer Stadium Project and the Amphitheater Project. On May 21, 2025, the City closed on \$122,270,000 of capital improvement bonds for the Soccer Stadium and Amphitheater projects. The bonds sold at a premium in the amount of \$5,728,882. This financing was undertaken to provide new bond funds to pay all or a portion of the costs for construction of a soccer stadium as well as work necessary for the completion of the amphitheater. Proceeds from the Bonds will also be used to pay costs associated with the issuance of the Bonds. The Bonds are secured by the limited full faith and credit of the City. The annual debt service will be paid to the City by the Kent County Lodging Excise Tax Fund. Following voter approval, the Lodging Excise Tax was raised to 8% from 5% in January 2025 for the Soccer Stadium and Amphitheater Projects as well as other future transformational projects.

New bond project funds have been established within the City's accounting structure. The proceeds will be spent on projects in the respective bond funds directly. These capital funds are required to provide multi-year appropriation authority for projects that span more than one fiscal year and to demonstrate compliance with certain IRS regulations associated with tax-exempt debt. This request is to appropriate the proceeds in the applicable capital projects.

Additional information regarding the Soccer Stadium and Amphitheater bond issuance is provided in a separate "Report of Bond Sale" included on the June 10, 2025, Fiscal Committee agenda.

The accounting codes to process this amendment request are as follows:

<u>Sources/Appropriations</u>	<u>Project Description</u>	<u>Amount (From)/To</u>
4020-44709-69810000-402025116B	Bond Proceeds	(\$95,355,119.00)
4020-44709-69710000-402025116B	Bond Premium	(4,498,068.70)
4020-44709-98800000-402025116B	Soccer Stadium	99,853,187.70
4020-44709-69810000-4020251160	Bond Proceeds	(644,881.00)

4020-44709-66510000-4020251160	Estimated Interest Earned	(1,500,000.00)
4020-44709-83200000-4020251160	Cost of Issuance	644,881.00
4020-44709-98800000-4020251160	Soccer Stadium	1,500,000.00
4021-44709-69810000-402125117B	Bond Proceeds	(\$26,093,531.00)
4021-44709-69710000-402125117B	Bond Premium	(1,230,813.30)
4021-44709-98800000-402125117B	Amphitheater	27,324,344.30
4021-44709-69810000-4021251170	Bond Proceeds	(176,469.00)
4021-44709-66510000-4021251170	Estimated Interest Earned	(400,000.00)
4021-44709-83200000-4021251170	Cost of Issuance	176,469.00
4021-44709-98800000-4021251170	Amphitheater	400,000.00

Please include this request in your next budget amendment. If you have any questions, please advise. Thank you for your assistance in this matter.

cc: Scott Saindon Lorrie Freeman Erica Bills Jacob Carter Kate Berens