

**BUDGET FOOTNOTES**  
**FY 11/12 OPERATING / CAPITAL BUDGET**

**General Fund-101**

<b><u>Item</u></b>	<b><u>Page</u></b>	
1	1	<p>There was a \$8,000,000 (-4.75%) decrease in the overall Taxable Values of the ad valorem tax roll to \$123,417,489 this past year. There was a \$30 million decrease in taxable value from the roll following the City’s establishment of the Agricultural Renaissance Zone for Gerber-Nestle in 2009. Unfortunately, new development in the City has somewhat frozen, so the City’s General Fund budget is starting to feel the market stress. <b><u>With that being said, the City will continue to levy 14 mills for the twelfth straight year.</u></b> Even though the Charter permits the City of Fremont to levy up to 20 mills, taxpayers still have the lowest city-millage rate for cities in Newaygo County.</p> <p>The original ad valorem tax revenue estimate of \$1,727,845 was furthered reduced by the tax captures from both the DDA (\$204,782) and the LDFA (\$14,059) and PA 425 revenue sharing agreements with Dayton &amp; Sheridan Townships (\$17,000.) The increased capture of General Fund tax revenue became necessary because of the loss of “capturability” of the school operating millages due to the State of Michigan’s “Proposal A.”</p> <p>IFT property taxes have been decreasing due to IFT certificates expiring, from which the taxable property values held at 50% on the IFT tax roll will be added to the ad valorem tax roll at 100%. Most of the City’s IFT certificates have an exemption status for 12 years.</p>
2	1	<p>This line item accounts for property tax payments received from parcels transferring to the City’s jurisdiction under the December 2004 “P.A. 425 Conditional Transfer Agreement” with Dayton &amp; Sheridan Townships. Parcels in the 1<sup>st</sup> Phase of the transfer included the new Wal-Mart Superstore, the eastern building of the 48<sup>th</sup> St. Complex (Sears) and both auto dealerships. Several Phase 2 parcels have now transferred into Phase 1 and have or will soon receive City water, sewer &amp; other services (see map of 425 Agr. parcels in Appendix P.) Also, see Footnote #34 for details of the township payout &amp; cooperative reserve account.</p>
3	1	<p>The current franchise fee for Comcast to lease the City’s street ROW’s to provide cable TV to its customers is based on 5% of gross revenues.</p>
4	1	<p>The State of Michigan is planning to continue reducing and eventually eliminating the Statutory portion of local government Revenue Sharing by more than any increase in the Constitutional portion in the sharing formula. Sales tax receipts are expected to be down again this year.</p>
5	1	<p>The economy has remained stagnant causing interest rates to drop to an average of 1.5% on short-term investments, while the City’s cash accounts earn approximately ½%.</p>
6	1	<p>Annual land &amp; t-hangar building rents at the Fremont Municipal Airport should continue at \$20,000/yr. There may be some additional revenue from the former Gerber Hangar and City Maintenance Hangar.</p>
7	1	<p><u>FY 11/12</u>: The City will apply for a <u>\$300,000</u> grant from the FACF’s Econ. Dev. Enhancement Funds established to stimulate development in the City.</p>

- FY 10/11: The City received \$180,480 from FACF Economic Development Fund to match the \$900,000 State MDOT grant used for street enhancements.
- 8      1      FY 11/12: Represents a \$200,000 transfer from the Improvement Fund to help cover new Street construction projects.
- FY 10/11: Represents a \$150,000 transfer from the Equipment Fund, to payback the General Fund for an original transfer to help establish the Equipment Fund in 1998.
- 9      2      Salary splits: City Manager (70% of salary); Account Clerk I (25%); Account Clerk II (20%). (Also, see Salary Distribution table in Appendix G.)
- 10     2      \$27,800 for contracted part-time assessing services, \$4,000 for assessing software maintenance agreements and \$1,000 for other miscellaneous fees.
- 11     2      Attorney fees based on City Attorney retainer (\$15,000) and anticipated court/attorney costs related to increased code enforcement, bankruptcies and MI Tax Tribunal filings.
- 12     2      Salary splits: City Clerk (60%); Account Clerk II (Margie) (50%); Account Clerk I (Vicci) (40%). (Also, see Salary Distribution table in Appendix G.)
- 13     2      Auditing services to cover general auditing & new GASB compliances (\$11,000), Accounting Software upgrades (\$3,000) and other miscellaneous professional services (\$4,000.)
- 14     3      Salary splits: Treasurer (60% of salary); Account Clerk II (30%); Account Clerk I (25%). (Also, see Salary Distribution table in Appendix G.)
- 15     3      \$1,500 for floor care; \$500 for Fire Alarm System maintenance/testing; \$1,500 for elevator maintenance, testing and annual permit; \$11,200 for annual computer network consulting and software upgrades; and \$5,300 for Internet services.
- 16     3      Includes \$2,500 phone maintenance agreement; \$12,500 HVAC System maintenance agreement; and balance for miscellaneous repair and maintenance costs for the City Hall/Police/Fire Complex.
- 17     3      FY 10/11: The City acquired a wooded residential lot with garage in Sheridan Township, which borders the northwestern wooded area of Fremont Lake Park Campground.
- 18     3      FY 09/10: Repaired rear (south) side of city-owned building @ 10 W. Main St. in the Downtown. Following this necessary repair, the Building will be marketed for resale to encourage further economic development downtown.
- 19     4      Police Dept. replacement of three bullet-proof vests (\$1,500); upgrade records management system as a county-wide coordinated installation of E-ticket/E-crash (\$2,000); and general annual operating supplies (\$9,000.)
- 20     4      Runs increased 13.4% in 2007, decreased 2.4% in 2008, decreased 5.1% in 2009 and increased 6.6% in 2010. The County Fire Chiefs Association and municipal run fire departments in the county requested the implementation of a 1-2-3 priority system, which should decrease the amount of calls the First Responder units in the county respond to. First Responders will only respond to priority 1 calls.
- 21     4      FY 11/12: Fire Department purchase/replacement of seven (7) sets of Turn

Out gear (\$12,600); six (6) new pagers (\$2,700); a Rescue-Saw 14" (\$1,900); and annual general operating supplies (\$10,000.)

FY 10/11: FD purchase/replacement of six (6) mobile radios to stay compatible with the narrow banding law set by the FCC (\$4,518). Newaygo County has applied for grant funding to help cover some of the replacement costs for all departments in the County. Line item also includes annual general operating supplies (\$8,000).

FY 09/10: FD purchase of new Thermal Imager Camera (\$14,500); Automatic External Defibrillator (\$2,500); Computer/printer (\$3,000); Copy machine (\$2,500); and general annual operating supplies (\$8,000.)

- 22      4      Planning & Zoning services are handled by the Director of Neighborhood & Economic Development (NED.) The salary shown reflects 50% of NED position, whereas 25% of NED position is charged to G.F. Dept. 727 (Community & Economic Develop.) and 25% to the DDA Operating Fd-248.
- 23      4      Represents ongoing work with LSL Planning to develop a joint zoning ordinance between the City and Dayton & Sheridan Townships. The City's Zoning Ordinance rewrite to implement a "Smart Growth Code" was recently completed, supporting the Fremont Community Joint Comprehensive Development & Growth Management Plan.
- 24      4      This Department budget reflects the changes that were necessary for the establishment of the Fremont Community Joint Planning Commission FCJPC created by the City of Fremont, Sheridan Charter Township and Dayton Township. The City's pro-rata contribution (51%) of the needed local government funds for the FCJPC budget are transferred to the FCJPC Fund-268, which the City maintains on behalf of the participating jurisdictions. There was no transfer budgeted this year, because of left over fund balance.
- 25      5      FY 11/12: Annual sidewalk replacement program (\$10,000) and additional sidewalk installations to fill in gaps along existing streets is planned for the next few years. The City will apply for State grants through the "Safe Routes to Schools" program to construct new sidewalk along Gerber Ave., between Maple & Pine Streets and along Pine St., between Lake Dr & Mechanic Ave.  
FY 10/11: The City installed new sections along Division Ave, between Daisybrook and Pathfinder School, and along Weaver Ave., between Elm & 44<sup>th</sup> Street.
- 26      5      On occasion, the City purchases additional 18-gallon recycling bins, whereas residents are offered an additional bin if needed. Bins often disappear following residents moving.
- 27      5      The refuse collection & disposal contract w/ Allied Waste Services was renewed April 1, 2011, for a term ending March 31, 2015. There was an initial 4% increase requested from Allied (\$142,000), so the 65-gallon rate will increase to \$9.30 per month and the 95-gallon rate will increase to \$10.90 per month.

The City recently also incorporated commercial refuse/dumpster pickup in the 4-block downtown area, which is collected through the quarterly utility billing program. The City contracted with Allied Waste at a negotiated rate, of which has been estimated at \$12,000 per year.

The City will continue contracting with Cart-Right, LLC of Fremont for the

curbside pickup of residential recyclable materials (\$45,000). The monthly recycling program fee will increase to \$2.44.

The City also contracts for a 20-yard roll-off dumpster to handle the City's operational needs (\$6,000.)

- 28      5      Represents annual cost of Airport Manager contract and refuse services at the airport.
- 29      5      Includes \$7,000 annual support for the City's membership in the nonprofit Newaygo County Economic Development Office, Inc. (NCEDO); and \$500 to support the Fremont Community Leadership Council meetings held at Gerber.
- 30      6      The City discontinued transferring funds toward Fremont Public School's Community/School Recreation program, whereas the School eliminated the Comm. Rec. Director position and the City has dramatically increased Park enhancement projects throughout the City over the last couple years.
- 31      6      The City introduced an employee health insurance opt-out program in 2007, whereas the City saves approximately 60% of premium costs by sharing the remaining 40% with employees who opt-out.
- 32      6      Healthcare costs continue to rise, whereas Priority Health proposed a rate increase of 15% at the same benefit levels, with employees paying a \$30 co-pay for office visits and a \$15-generic/\$50-name brand co-pay for prescriptions.
- To reduce the proposed increase to 5.4%, the City adjusted the employee deductible to \$1000/2000. In doing so, the office co-pay decreased to \$20 and the prescription deductible of \$200 was eliminated. Dental insurance premiums also increased 4.25%.
- 33      6      The City's municipal liability insurance rates through the MML Liability and Property Pool decreased 6.75%, after remaining unchanged for two fiscal years and decreasing 12% last year.
- 34      6      Transfer out to townships of 2 mills of shared property tax revenues (\$16,990) collected on parcels located with the P.A. 425 Agreement areas within Dayton & Sheridan Townships. Per the Agreement, this 2 mills of tax sharing is limited to 10 years from the time a parcel transfers to the City's jurisdiction. Also, transfer of ½ of 1 mill (\$4,000) collected from the above township parcels to a restricted account (est. \$25,700 balance 6/30/11) to be reserved for future cooperative projects or activities between the City and Dayton & Sheridan Townships. The townships will also be reserving ½ mill of their 2 mills for a like account. (See Appendix P for a map of the 425 Agreement Parcels and Appendix Q for a summary of the parcel values and tax receipts for the 425 Agreement.)
- 35      6      Community Promotions entail a variety of items: Yahaba Friendship City Program Administration (\$3,000); Mayor Exchange for comparable City (\$2,000); City Beat Newsletters (\$7,500); Employee Recognition Dinner (\$1,000); Chamber of Commerce Annual Community Profile (\$1,000) and new community map (\$500); Christmas Lighting Fund (\$1,000); Hike & Bike Program (\$1,500); and other miscellaneous items (\$3,500.)
- 36      6      FY 10/11: Nestle/Gerber Products filed MI Tax Tribunal appeals again, challenging their 2010 valuations, even though the City had recently established a \$30,000,000 Renaissance Zone in 2009 for their Fremont Plant.

- 37      6/9      Transfers out to the DDA Fund-248 for the 6<sup>th</sup> year for a contribution to the Downtown Façade Renovation Program (\$30,000.) The City had contributed \$40,000/yr in prior years, but General Fund revenues are dramatically decreasing.
- 38      6/9/12      Transfers out to the Capital Projects Fund-490:  
FY 11/12:
- General Fund contribution (\$190,000) to the street construction projects planned for this fiscal year.
  - Fremont Lake Park Campground expansion project with T&C Path extension to boat launch/fishing peer area (\$110,000.)
- FY 10/11:
- Fremont Municipal Airport (FMA) local match for construction & inspection costs for pavement marking, drain culvert repair, rehab t-hangar & install credit card system for fuel farm (\$8,500 of \$340,000 project.)
- FY 09/10:
- Fremont Municipal Airport (FMA) Construction & inspection costs for Perimeter fence (\$3,750 of \$164,000 project.)
  - (\$5,000) Police Pistol account transfer as local match to outdoor shooting range enhancements. The NC Sheriff's Dept has agreed to contribute the other 50%.
  - General Fund match (\$165,000) to the required local match of the MDOT Econ Dev Grant for street construction.

**Major Street Fund-202**

- 39      7/8      The State has again estimated little if any increase in Motor Fuel Tax (MFT) funds available for the P.A. 51 funding formula distributed between MDOT, county road commissions and cities & villages. This is mostly due to slumping fuel sales because of rising fuel prices & more fuel-efficient vehicles. It is also due, however, to the significant raids on the MI Transportation Fund to cover more & more costs of other State Departments to cover the State's General Fund.
- 40      7      The City annually crushes concrete and sells the resulting aggregate to local contractors and residents. This recycling/sales resource pays for itself and allows the City to keep enough product for City street projects, thus further lowering our raw material costs. In fact, we have not purchased virgin gravel for street projects since we began crushing operations in 1994.
- 41      7      MDOT increased the City's maintenance budget to \$59,500 in FY 10/11, to cover the consistently increasing winter maintenance costs experienced over the last few harsh winters.
- 42      7/8      Transfers the maximum 25% (\$56,250) of P.A. 51 Major Street revenues to the Local Street Fund-203 for much-needed local road projects. Under the Act 51 funding distribution formula, Local Streets receive significantly less per road mile than do Major Streets. Yet, the City has significantly more Local Streets (18.5 miles) than we do Major Streets (10.5 miles.)
- 43      7/12      FY 11/12: Transfer out (\$204,250) to Capital Projects Fund-490 for:

- Street milling / resurfacing of Darling Ave. (Main to Elm) (\$45,000);
- Street reconstruction: Cedar Street extension (Division – Gerber) (\$159,250.) The Water/Sewer Funds will pay a portion of this project because of the need for new main lines under the street.

FY 10/11: Transfer out (\$288,000) to Capital Projects Fund-490 for:

- Street milling / resurfacing: Oak St. (Lake Dr – Connie Ave) (\$110,000); and Division Ave. (Sheridan – Pine St) (\$60,000);
- Street reconstruction: Division Ave. (Weaver – Daisybrook School) (\$42,000 of \$160,000 is assessable)

FY 09/10: Transfer out (\$436,000) to Capital Projects Fund-490 for:

- Street milling / resurfacing: Stone Rd. (Main – 44<sup>th</sup> St.) (\$55,000 of \$150,000 total), with MDOT grant funding \$95,000.
- Finish construction of Elm St. (Weaver-Division) \$122,000
- Major St Fund match (\$249,000) to MDOT Econ Dev Grant (\$915,000) for new construction of Market St (State – 44<sup>th</sup> St) and reconstruction of 44<sup>th</sup> St (Market – Stone)(Valley-Weaver) & Weaver (Dayton – RR tracks) and milling/ resurfacing of Weaver (RR tracks – 44<sup>th</sup> St) & 44<sup>th</sup> St (Stone – Valley)

### **Local Street Fund- 203**

44        8        State METRO Act right-of-way (ROW) rental fees for telecommunication companies, such as AT&T (formerly SBC) These funds are at-risk due to the hotly debated issue with local CATV franchising & private use of locally-owned ROW's at both the Federal & State governmental levels.

45        6/8       Transfers in (\$50,000) from General Fund to provide a local match for the Local street reconstruction projects identified in the footnote below.

46        8/12       FY 11/12: Transfer out (\$205,000) to Capital Projects Fund-490 for:

- Street milling / resurfacing: Iroquis Ave. (Oak to Apache) (\$70,000); and Hillcrest Ave. (Main to Cherry) (\$45,000)
- Street reconstruction: Pine St. (Gerber – Lake) (\$30,000); and Butterfield & Gardern (\$60,000.) The Water/Sewer Funds will pay for the majority of these projects because of the need for new main lines.

FY10/11: Transfers out (\$55,500) to Capital Projects Fund-490 for the projects listed below:

- Street Milling & Resurfacing Projects (\$50,000):
  - Oak St. (Lake Dr – Connie Ave) (\$15,000)
  - Branstrom Drive & Parking Lots (\$15,000)
  - Pine St. (Gerber – Sullivan Ave) (\$20,000)
- Street Reconstruction Projects:
  - Weaver St/Osborn (44<sup>th</sup> – N. 520') (\$5,500 of \$24,500)

FY09/10: Transferred out (\$563,500) to Capital Projects Fund-490 for the projects listed below:

- Street Milling & Resurfacing Projects (\$260,000):
  - Ramshorn Dr (Darling – N. City limits) (\$175,000)
  - Gerber Ave (Main – Middle School entrance) (\$85,000)

- Street Reconstruction Projects (\$303,500):
  - Finish Elm Street (Stewart – Hillcrest) (\$180,000)
  - Cherry St. (Decker – Hillcrest Ave.) (\$56,500 + \$5,000 design) as part of watermain replacement project.
  - Decker Ave. (Dayton – Cherry St.) (\$56,500 + \$5,000 design) as part of a watermain replacement project.

**Downtown Development Authority (DDA)**  
**Operating Fund-248**

- 47      9      In December of 2006, the City sold \$1.7 million of Capital Improvement Bonds to finance the first phase of reconstruction of the downtown parking lots and alleys, erection of a new way-finding signage system and the provision of environmental enhancement and recreational opportunities in the Fremont Industrial Park (FIP). Debt service on the bonds is financed through TIF captures through the DDA and LDFA.
- This line item includes the DDA’s FY 11/12 portion, \$133,730 or 88.2% of the coming year’s debt service costs of \$151,630 on the bonds (also see Footnote # 55 and the Debt Service Schedule in Appendix N of the Budget.)
- This line item also now includes additional TIF captures (\$199,870) to:
- Pay for the DDA District Maintenance Dept. costs (\$91,500.)
  - Cover the public-benefit (1/3 or \$8,370) of the overall annual cost of \$25,100 for downtown parking maintenance. The remaining private-benefit (2/3’s or \$16,730) will be special assessed to the property owners within the revised DT Parking Assessment District (also see Footnote #51)
  - SE DT parking lot alley & sidewalk repaving/reconstruction (\$100,000)
- 48      9      The City of Fremont again has been awarded \$158,700 [\$15,844 - administration fees; \$142,856 for Rehab projects (\$35,000 per unit - 3 units altogether); and \$2,856 for soft costs] by MSHDA to implement the third round of the Fremont Rental Rehabilitation Program. With a \$136,000 required private match, the project totals \$294,700 (\$278,856 on rehab and \$15,844 on administration of the program.)
- FY 10/11: Last year’s Rental Rehab program of \$232,400 rolled into this fiscal year.
- 49      9      FY 10/11: USDA Rural Development awarded the City of Fremont \$60,000 to improve the Southeast Downtown Parking Lot. USDA Rural Development also awarded the City through Stimulus money, a \$90,000 grant to establish the DDA Revolving Loan Fund. This Loan Program operates as a separate account to be used by the DDA for downtown property owners who wish to participate in the Fremont Facade Improvement Program; loans have been provided to Downtown business owners at 1% for the owner’s match.
- 50      9      Represents an annual grant of \$14,000 to be requested from the Fremont Downtown Beautification Fund endowment at the FACF for DDA maintenance. The DPW crew has assumed additional operation and maintenance, including an extensive banner program, more parking, landscaping & irrigation, flowers, etc. The remaining maintenance costs will be covered by additional TIF capture of levies from the City, Newwaygo

- County and the Fremont Area District Library within the DDA District.
- 51      9      Special assessments are being levied within the re-established Downtown Parking Maintenance District. Total maintenance budget for FY 11/12 is \$25,100. Based on the previous DT Parking S.A. program, 2/3's of the cost (\$16,730) will be assessable annually to private property owners within a defined S.A. district and 1/3 of the cost (\$8,370) will be covered by taxes captured from the City, County & District Library by the DDA & LDFA.
- 52      9      Represents another year (6th) of the Façade Renovation Program rehab grant program (\$30,000) funded by a General Fund transfer. The City had contributed \$40,000/yr in prior years, but General Fund revenues are dramatically decreasing.
- 53      9      Supply costs typically cover landscaping supplies and purchase of flowers throughout the entire DDA District, but predominantly in the Downtown area.
- 54      9      Debt Payments (\$133,730) are 88.2% of Capital Improvement Bond annual debt service (LDFA Fund pays remaining \$17,900 or 11.8 %.)
- 55      9      FY 11/12: Transfer \$100,000 to the Capital Projects Fund for the SE DT Parking lot alley & sidewalk renovations and \$15,000 for the Market Pavilion screening project. Fremont Rotary is coordinating the fundraising of 2/3<sup>rd</sup>s of the project (\$10,000.)
- FY 10/11: Transferred DDA funds (\$30,000) to cover remaining portion of Coop streetscape project and (\$507,263) State & Fed Grants, General Fd and DDA capture funds for NW DT Parking Lot project.
- 56           “Intentionally left blank”

**Local Development Finance Authority (LDFA)**  
**Operating Fund-298**

- 57      10      Tax revenues will continue to be captured for debt payments on the 2006 Capital Improvement Bonds used to fund various projects, including installation of entryway signs & landscaping (3 locations); additional Town & Country Pathway; and wetland & wildlife habitat enhancements around Outlot A of the Fremont Industrial Park (FIP).
- This year's capture of \$22,900 TIF capture is broken down as follows:
- \$17,900 LDFA portion of debt service and fees on 06' Capital Improvement Bonds
  - \$5,000 for LDFA's share of administrative costs
- 58      10      The City sold approximately 20 acres of FIP property for the development of a methane digester facility, which is expected to be in operation in 2011.
- 59      10      The LDFA has accumulated a fund balance from the sale of lots in the Industrial Park, funds that can be used to help marketing and enhancement of the Park.
- 60      10      Plant additional evergreens along the perimeter of the Industrial Park for green space screening.
- 61      10      The LDFA Fund has a fund balance due to the continued sale of lots in the FIP and transfers \$5,000 of TIF capture funds annually to the General Fund,

to cover LDFA administrative costs, staffing, audit, accounting, tax collection, etc. The LDFA finished reimbursing the General Fund (FY 09/10) for covering previous years' TIF capture shortages & other non-reimbursed expenses in previous years.

- 62      10      Industrial Park (LDFA) construction projects used up an estimated 11.8% of the 2006 Bond project funds (11.8% x \$1,650,000) received from the 2006 Capital Improvement Bond sale (see Appendix N.) This transfer represents that portion of the bond principle and interest due FY 11/12.
- 63      10      FY 09/10: Transferred \$35,000 to the Capital Projects Fund-490 for Town & Country "Trail Head" parking area along Locust and Outlot C.

**Capital Improvement Bond**  
**Debt Retirement Fund-389**

In December of 2006, the City sold \$1.7 million of Capital Improvement Bonds to finance the first phase of reconstruction of the downtown parking lots and alleys, erection of a new way-finding signage system and the provision of environmental enhancement and recreational opportunities in the Fremont Industrial Park (FIP). All of the net proceeds of the '06 Bonds (\$1,674,500) are shown in the Capital Projects Fund-490. Construction began in Downtown in mid-winter of 2007 & was completed June 2008. Work in the Fremont Industrial Park was completed June 2009.

The downtown portion of the bond project includes parking area expansions, retaining wall replacement, perimeter screening/landscaping, alley resurfacing, parking lot & alley lighting, extension of decorative lighting along the perimeter streets (Merchant, Dayton & Division) and construction of the Fremont Market Place Pavilion, which will house the relocated Farmers' Market. Debt service on the new bonds will be financed through TIF captures through the DDA and LDFA. This line item includes the DDA's FY 11/12 portion, \$133,730 or 88.2% of the coming year's debt service costs of \$151,630 on the bonds (also see Footnote #47 & #54.) (See Debt Service Schedule in Appendix N of FY 11/12 Budget).

**Capital Projects Fund-490**

- 64      11      FY 11/12: Includes an estimated \$180,500 from the MDNR Trust Fund for expansion of Fremont Lake Park Campground.
- FY 10/11: Includes State/Federal grant for the Fremont Municipal Airport (FMA) capital project (\$331,500), which is administered by MDOT's Bureau of Aviation with the City paying the 2.5% local match (\$8,500)
- FY 09/10: Includes State/Federal grant for the Fremont Municipal Airport (FMA) capital project (\$146,250), which is administered by MDOT's Bureau of Aviation with the City paying the 2.5% local match (\$3,750); and an estimated \$915,600 from an MDOT Economic Development Category A grant for new construction of Market St (State – 44<sup>th</sup> St) and reconstruction of 44<sup>th</sup> St. (Market – Weaver) and Weaver Ave. (44<sup>th</sup> – Dayton St.)
- 65      11      Transfers funds from Fund-490 Fund Balance from unspent amounts transferred for projects that have rolled in to the new fiscal year.
- 66      11/18      FY 10/11: Assessable portions of the Division Ave. street, curb & gutter,

storm sewer and sidewalk construction project (\$39,225), financed by the Special Assessment Capital Project Fund-805 with special assessment payments returning to that Fund.

- 67 11 FY 10/11: The Fremont Municipal Airport Projects included:
- Pavement Marking (\$70,000)
  - Rehabilitate Taxi-lanes & Drain Culvert under N/S Runway (\$260,000)
  - Install new Credit Card reader for fuel tank system (\$10,000)
- 68 12 Reflects in-kind labor of DPW employees on continued tree clearing/trimming & placement of signs and benches along the Town & Country Path.
- 69 12/13/15 The City was awarded an \$180,500 grant from the MDNR Trust Fund for expansion of Fremont Lake Park Campground. The total project is estimated at \$361,000 and includes 30 additional new full-service campground sites on the city-owned Davis property immediately north of the existing campground. The sites will have new water extensions (\$75,000) and sanitary sewer (\$75,000.) It will include paved walkways (T&C Path extensions), 12 new primitive campsites and a restroom area as well.
- 70 12 The City has planned to construct a new section of the Town & Country Path, which is an extension of the existing Path (\$21,200) in Fremont Lake Park, along the west side of the creek (from Bridge north to existing Path) and westward to the beach. The City will also apply for grant funding, to construct a pavilion to cover the multipurpose ice rink in Branstrom Park (\$90,000.)

***Sanitary Sewer System Enterprise Fund-590***

- 71 13 Sewer Fund revenues declined dramatically after Gerber Product’s Research & Pilot Plant wastewater lines were diverted from the City’s sanitary sewer system to Gerber’s treatment facility located in Dayton Township. Additional lines within the plant have more recently been diverted as well.
- The City also gives residents an opportunity to purchase & install a second water meter for any irrigation systems or outdoor water spigots. Thus, allowing residents to not be charged for sewer on water applied to their lawns and not entering the sanitary sewer system. With many residents and businesses installing irrigation meters, sewer revenues have continued to decrease.
- For the above reasons the City has implemented an increase in sanitary sewer rates for the first time in over 15 years. A moderate 5% increase in the residential rates and the implementation of a new rate based on meter sizes. Rates have been the same for all meter sizes in the past, but studies show that higher-end users create the most strain on the system, so higher rates for those users is justified.
- 72 13/18 Per City policy, installation of new (not replacement) sewer lines is 100% assessable to the abutting property owners.
- FY 10/11: the City constructed a new section of street on Market Ave. (State St. – 44<sup>th</sup> St.) and the new sewer is assessable (\$23,181.)
- FY 09/10: the City constructed a new section of street on West Main Street and the new sewer is assessable (\$41,838.)
- 73 13 The City is budgeting \$200,000 per year over the next three years, to “Slip-line” sections of sanitary sewer main lines. Slip-lining coats the inner lining of

sewer mains that have cracks in them and prolongs the usefulness of the lines an additional 40-50 years, a process much less expensive than replacement.

- 74      13      Sanitary sewer main line replacement during the NW Downtown alley reconstruction project. (\$100,000)

### *Water System Enterprise Fund-591*

In past years, the City has been able to fund street projects with General & Street Fund monies, whereas the Water Fund generally only paid for materials on various construction projects. The City has now changed policy to have the Water & Sewer Funds pay for projects that are initiated for the purpose of replacing main utility lines that are in disrepair. In doing so, the City had to adjust water rates for the first time in over 15 years. A moderate 5% increase in the residential rates and the implementation of a new rate based on meter sizes. Rates have been the same for all meter sizes in the past, but studies show that higher-end users create the most strain on the system, so higher rates for those users is justified.

- 75      15      Per City policy, installation of new (not replacement) water lines is 100% assessable to the abutting property owners.

FY 10/11: the City constructed a new section of street on Market Ave. (State St. – 44<sup>th</sup> St.) and the new water is assessable (\$21,762.)

FY 09/10: the City constructed a new section of street on West Main Street and the new water is assessable (\$36,944.)

- 76      15      Engineering services for waterline replacement projects.

- 77      15      **Replacements of Existing Watermains:** (\$225,000):

FY 11/12:

- Pine St (Gerber – Lake Dr) (\$110,000)
- Butterfield & Garden (\$115,000)

FY 10/11:

- Division Ave (Division - Pine) \$34,000
- Division Ave (Cedar - Apache) \$90,000
- Cemetery/Apache (Division - Stewart) \$125,000
- Mechanic Av. (from Elm & N 250') \$10,000
- Merchant Av. (between Elm & Cherry) \$13,500

- 78      15      **New Watermain Installations:** Install new watermains along Cedar (\$155,000), Sullivan (\$64,000) and Woodrow (\$180,000) in coordination with the Cedar St. & Sullivan Ave. street extensions.

- 79      15      Installed a Backup Generator for the Daisybrook area wells (\$100,000)

- 80      16      Rehabilitate one well each year (\$20,000) and other repairs that may become necessary (\$15,000.)

**Equipment & Motor Pool**  
**Internal Service Fund-661**

81	17	Motor Pool purchases will include:	
		• Replace Dump Truck (#17)	30,000
		• Replace pickup truck (#2)	30,000
		• Replace pickup truck (#10)	30,000
		• Purchase Cemetery lawn mower	<u>11,000</u>
		<b>Total Motor Pool Capital Expenditures</b>	<b>\$ 101,000</b>

**Parks Trust Fund-702**

82 17 This Fund tracks the receipt & use of grants from two City Trust Funds held at the Fremont Area Community Foundation (FACF). The City has traditionally received an annual allocation from the Branstrom/Arboretum Parks Trust Fund for operation and maintenance of the two parks. This annual amount is generally equal to 5% of the Fund's investment earnings over the previous 16 quarters. The City may also request additional individual grants for specific projects at these two park facilities.

The DDA now receives and uses an annual allocation from the Fremont Beautification Trust Fund.

**Local Improvement Fund -805**

83 18 Transfers out to various funds to initially finance the "private-benefit" portion of new (not replacement) capital improvement projects. These transfers are levied as special assessments on the benefiting property owners. Payments of both principal & interest on the front-loaded loans are then paid back to this Fund to allow for a revolving fund to address future capital financing needs.

FY 10/11, the following transfers were made:

- DDA Fund: \$15,930: Downtown Parking Maintenance (see footnote #51)
- Capital Projects Fund: \$39,225: Division Ave. (Weaver – Daisybrook School) curb & gutter)
- Sewer Fund: \$23,181: Market Ave. (State – 44<sup>th</sup> St)
- Water Fund: \$21,762: Market Ave. (State – 44<sup>th</sup> St)