

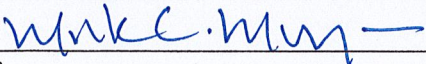
City, Village, and Township Revenue Sharing and County Incentive Program Certification

Issued under authority of 2023 Public Act 119. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for City, Village, and Township Revenue Sharing or County Incentive Program payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below:
 - a. Produced and made available to the public a Debt Service Report and a Projected Budget Report as required by 2023 Public Act 119.
 - b. Will include in any mailing of general information to its citizens, the internet website address or the physical location where all the documents are available for public viewing in the clerk's office.
 - c. Must use the public safety designated payments specifically for local public safety initiatives.
2. Submit to Treasury a Debt Service Report and a Projected Budget Report.

This certification, along with a Debt Service Report and a Projected Budget Report, **must be received by December 7, 2023**, (or the first day of a payment month) in order to qualify for that month's payment. Postmark dates will not be considered. For questions, call 517-335-7484.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Norton Shores		Local Unit County Name Muskegon	
Local Unit Code 612050		Contact E-Mail Address clyonnais@nortonshores.org	
Contact Name Christopher Lonnais	Contact Title Finance Director	Contact Telephone Number (231) 798-6805	Extension
Website Address, if reports are available online www.nortonshores.org		Current Fiscal Year End Date 6/30/2024	
PART 2: CERTIFICATION			
In accordance with 2023 Public Act 119, the undersigned hereby certifies to Treasury that the above mentioned local unit: <ol style="list-style-type: none">1. Produced a Debt Service Report and a Projected Budget Report;2. Will include in any mailing of general information to our citizens, the internet website address or the physical location where all the documents are available for public viewing in the clerk's office;3. Will use public safety designated payments for local public safety initiatives only;4. Attached the Debt Service Report and Projected Budget Report to this signed certification.			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Mark Meyers	
Title City Administrator		Date 09/21/2023	

Email the completed and signed form (including required attachments) to: TreasRevenueSharing@michigan.gov.

If you are unable to submit via email, fax to 517-335-3298 or mail the completed form and required attachments to:

Michigan Department of Treasury
Revenue Sharing and Grants Division
PO Box 30722
Lansing MI 48909



Internal Memo

September 21, 2023

TO: Department of Treasury, State of Michigan
FROM: Christopher M. Lyonnais, Finance Director
SUBJECT: CVTRS-CLFRF

The City of Norton Shores received \$3,562,331 in ARPA funding. This amount is fully obligated to be spent by 12/31/2023. City Council has obligated the following amounts on the following projects for the City of Norton Shores:

Robertson Research Institute - \$188,250
Mental Health Officer - \$90,000
COVID Leave - \$6,437.31
COVID Test Kits - \$2,700
Ross Park Pavilion/Overlook Deck - \$791,622
Lake Harbor Trail - \$2,000,000
Water Connections - \$25,000
Pickle Ball Courts – Ross Park - \$125,000

The remaining funds are a contingency for any overages for the larger construction items (Deck/Trail/Courts). If those funds have not been utilized, the remaining funds will be utilized as revenue replacement as allowable per ARPA guidelines.

A handwritten signature in black ink that reads "Christopher M. Lyonnais". The signature is written in a cursive, flowing style.

Christopher M. Lyonnais, Finance Director

Debt Service Report

Local Unit Name: City of Norton Shores
Local Unit Code: 61-2050
Current Fiscal Year End Date: 6/30/2024

Debt Name: Judgement Bonds 2018
Issuance Date: 9/24/2018
Issuance Amount: \$4,595,000
Debt Instrument (or Type): Annual Installment Plan
Repayment Source(s): Water Rates

Years Ending	Principal	Interest	Total
6/30/2020	\$ 290,000	\$ 202,691	\$ 492,691
6/30/2021	\$ 320,000	\$ 172,200	\$ 492,200
6/30/2022	\$ 330,000	\$ 159,400	\$ 489,400
6/30/2023	\$ 345,000	\$ 146,200	\$ 491,200
6/30/2024	\$ 360,000	\$ 125,200	\$ 485,200
6/30/2025	\$ 375,000	\$ 110,500	\$ 485,500
6/30/2026	\$ 390,000	\$ 95,200	\$ 485,200
6/30/2027	\$ 405,000	\$ 79,300	\$ 484,300
6/30/2028	\$ 420,000	\$ 62,800	\$ 482,800
6/30/2029	\$ 435,000	\$ 45,700	\$ 480,700
6/30/2030	\$ 455,000	\$ 27,900	\$ 482,900
6/30/2031	\$ 470,000	\$ 9,400	\$ 479,400
Totals	\$ 4,595,000	\$ 1,236,491	\$ 5,831,491

Commentary: Annual installment plan ends November 2030.

Debt Service Report

Local Unit Name: City of Norton Shores
Local Unit Code: 61-2050
Current Fiscal Year End Date: 6/30/2024

Debt Name: Capital Improvement - Police Garage Facility
Issuance Date: 5/1/2015
Issuance Amount: \$926,587
Debt Instrument (or Type): Installment Purchase
Repayment Source(s): Capital Improvement Fund

Years Ending	Principal	Interest	Total
6/30/2020	\$ 82,860	\$ 13,627	\$ 96,487
6/30/2021	\$ 84,990	\$ 11,497	\$ 96,487
6/30/2022	\$ 87,174	\$ 9,313	\$ 96,487
6/30/2023	\$ 89,414	7,073	96,487
6/30/2024	\$ 91,712	4,775	96,487
6/30/2025	\$ 94,069	2,418	96,487
Totals	\$ 530,219	\$ 48,703	\$ 578,922

Commentary: 10 year annual installment plan ends May 2025

Debt Service Report

Local Unit Name: City of Norton Shores
Local Unit Code: 61-2050
Current Fiscal Year End Date: 6/30/2024

Debt Name: Capital Improvement - Parks & Recreation Garage
Issuance Date: 10/31/2018
Issuance Amount: \$415,000
Debt Instrument (or Type): Act 99 Installment Plan
Repayment Source(s): Capital Improvement Fund

Years Ending	Principal	Interest	Total
6/30/2020	\$ 40,000	\$ 14,896	\$ 54,896
6/30/2021	\$ 40,000	\$ 13,328	\$ 53,328
6/30/2022	\$ 40,000	\$ 11,760	\$ 51,760
6/30/2023	\$ 40,000	\$ 10,192	\$ 50,192
6/30/2024	\$ 40,000	\$ 8,624	\$ 48,624
6/30/2025	\$ 45,000	7,056	52,056
6/30/2026	\$ 45,000	5,292	50,292
6/30/2027	\$ 45,000	3,528	48,528
6/30/2028	\$ 45,000	1,764	46,764
Totals	\$ 380,000	\$ 76,440	\$ 456,440

Commentary: 10 year annual installment plan ends June 2028

City of Norton Shores

GENERAL FUND

Revenue Summary	FY-2022 Actual	FY-2023 Adopted	FY-2023 Revised	FY-2024 Requested	FY-2024 Proposed	FY-2024 Adopted
Taxes						
Current Property Taxes	4,541,636	4,822,053	4,829,302	5,159,596	5,159,596	5,159,596
Local Stabilization Revenue	615,864	597,308	497,308	512,227	512,227	512,227
TIFA Pass Through	350,971	-	-	-	-	-
Senior Millage (Police Position)	122,765	145,000	93,326	96,126	96,126	96,126
Trailer Fees	4,865	4,000	5,000	5,000	5,000	5,000
Penalties and Interest	28,692	38,000	33,000	34,000	34,000	34,000
Property Tax Administration Fee	441,297	450,479	468,388	515,960	515,960	515,960
	6,106,090	6,056,840	5,926,324	6,322,909	6,322,909	6,322,909
Business Licenses and Permits						
Cable Television	502,692	495,000	488,705	505,000	505,000	505,000
Business Registrations	29,025	28,000	28,000	29,000	29,000	29,000
	531,717	523,000	516,705	534,000	534,000	534,000
Intergovernmental Revenues						
State and Federal Grants	90,931	125,000	82,547	313,000	313,000	313,000
State Revenue Sharing	2,811,273	2,677,857	2,957,300	3,164,311	3,164,311	3,164,311
	2,902,204	2,802,857	3,039,847	3,477,311	3,477,311	3,477,311
Charges for Services						
Administrative Reimbursement	1,632,338	1,751,835	1,751,835	1,804,390	1,804,390	1,804,390
Application Fees (Zoning)	11,709	10,500	13,000	12,500	12,500	12,500
Fire Protection Contracts	38,681	414,520	429,737	376,000	376,000	376,000
Recreation Services	25,028	16,000	16,000	16,000	16,000	16,000
Recreation Revenue Programs	72,816	71,000	89,000	75,000	75,000	75,000
Library Rent	96,288	105,000	98,000	99,000	99,000	99,000
Cemetery	43,377	42,500	42,500	45,000	45,000	45,000
Fire Services	15,290	17,500	10,000	15,000	15,000	15,000
Police Services	66,308	415,000	570,000	700,000	700,000	700,000
Miscellaneous Revenues	124,398	95,000	95,000	103,785	103,785	103,785
	2,126,233	2,938,855	3,115,072	3,246,675	3,246,675	3,246,675

City Of Norton Shores

GENERAL FUND

Revenue Summary	FY-2022 Actual	FY-2023 Adopted	FY-2023 Revised	FY-2024 Requested	FY-2024 Proposed	FY-2024 Adopted
Fines						
Fines and Forfeitures	37,998	32,000	38,000	38,000	38,000	38,000
Parking Violations	2,920	2,200	2,200	2,500	2,500	2,500
Ordinance Violations	24,369	6,750	6,750	7,000	7,000	7,000
	65,287	40,950	46,950	47,500	47,500	47,500
Other						
Investment Income	(11,764)	100,000	(25,000)	50,000	50,000	50,000
Refunds	28,800	9,500	28,000	30,000	30,000	30,000
	17,036	109,500	3,000	80,000	80,000	80,000
TOTAL REVENUE	11,748,567	12,472,002	12,647,898	13,708,395	13,708,395	13,708,395
Expenditure Classification						
Appropriation Expenditures	11,933,430	12,514,656	12,664,940	13,826,752	13,565,752	13,565,752
TOTAL EXPENDITURES	11,933,430	12,514,656	12,664,940	13,826,752	13,565,752	13,565,752
REVENUES OVER (UNDER) EXPENDITURES	192,074	(42,654)	(17,042)	(118,358)	142,643	142,643
BEGINNING FUND BALANCE	3,337,803	3,245,150	3,529,877	3,512,835	3,512,835	3,512,835
ENDING UNASSIGNED FUND BALANCE	3,529,877	3,310,845	3,512,835	3,394,477	3,655,478	3,655,478

GENERAL FUND - EXPENDITURE SUMMARY

Revenue Classifications	FY-2022 Actual	FY-2023 Adopted	FY-2023 Revised	FY-2024 Requested	FY-2024 Proposed	FY-2024 Adopted
General Fund						
Public Safety						
Law Enforcement	4,590,264	4,854,461	4,941,508	5,318,411	5,318,411	5,318,411
Fire Protection	2,758,273	2,928,632	3,124,338	3,787,113	3,526,112	3,526,112
	7,348,537	7,783,093	8,065,846	9,105,524	8,844,523	8,844,523
Public Works						
Community Services	26,308	30,243	7,670	10,462	10,462	10,462
Transportation	444,010	476,370	479,900	529,800	529,800	529,800
Maintenance	326,900	391,366	363,661	405,581	405,581	405,581
	797,218	897,979	851,231	945,843	945,843	945,843
Public Representation	37,173	42,350	40,824	46,297	46,297	46,297
	37,173	42,350	40,824	46,297	46,297	46,297
Administration	566,528	585,099	668,961	695,930	695,930	695,930
	566,528	585,099	668,961	695,930	695,930	695,930
Staff Services						
Finance	866,966	940,260	887,358	929,647	929,647	929,647
Administrative Services	1,626,246	1,376,782	1,317,571	1,398,096	1,398,096	1,398,096
Cultural and Recreational	690,762	889,093	833,148	705,416	705,416	705,416
	3,183,974	3,206,135	3,038,078	3,033,159	3,033,159	3,033,159
TOTAL EXPENDITURES	11,933,430	12,514,656	12,664,940	13,826,752	13,565,752	13,565,752



**NORTON
SHORES**
IT'S IN OUR NATURE.

4814 Henry Street
Norton Shores, MI 49441

www.nortonshores.org
www.nortonshoresliving.com

April 17, 2023

The Honorable Gary Nelund, Mayor
Norton Shores City Council Members
City of Norton Shores
4814 Henry Street
Norton Shores, MI 49441

Honorable Mayor and City Council Members:

I am pleased to present the proposed Fiscal Year 2024 budget for the City of Norton Shores.

As I thought about how to introduce this year's budget a quote from Charles Dickens', *A Tale of Two Cities*, kept popping into my head, "It was the best of times, it was the worst of times...". Although, the story has much deeper meaning than the context I'll use it speaks to good times and bad times simultaneously and that is what we are currently experiencing in today's economy. On the good side, things are hopeful as we come out of the COVID 19 pandemic (ARP funds, EGLE grants and improved property values) but at the same time we are experiencing unprecedented challenges. The bad includes continued high inflation, supply chain delays and labor shortages. As during the Great Recession and the pandemic our organization is resilient and will take advantage of positive opportunities while managing the negative challenges to create a stronger community. Looking ahead, economists seem to agree that the United States is headed for a recession. However, local economists believe West Michigan's experience will involve a shallower and shorter-lived downturn in the economy compared to other areas of Michigan and the U.S.

INTRODUCTION

Fiscal Year 2024 will experience a 12.67% increase in property value. Last year the increase was 7.73%; this year taxable values will rise 6.98%. Further, the Proposal A tax cap factor is 5%, the statutory cap, as inflation was even higher than last year. Increased values are due to both a near record year in new construction value and continued solid increase in values of existing properties, particularly residential even with a slight softening in sales prices. Services in the next fiscal year will be maintained at their current levels. The property tax millage is proposed at the current overall rate of 10.95 mills.

REVENUES AND MILLAGE RATE

General Fund revenues are anticipated to increase \$336,450 for Fiscal Year 2024. This *excludes* a pass through from a Tax Increment Finance Authority (TIFA) which had been done in five of the past six years. State shared revenues are expected to increase \$207,011. The mix of revenues in the General Fund remain similar to Fiscal Year 2023 with the most significant being property taxes at 46% (0% change), State revenue sharing at 23% (0% change) and charges for services at 24% (1% decrease). Other revenue sources include fees, licenses, permits, investment income and refunds, fines and Federal and State grants.

Constitutional State shared revenue is predicted to increase 16% based on Michigan State Department of Treasury estimates. In addition, statutory revenue sharing through the City, Village and Township Revenue Sharing (CVTRS) program is estimated at \$106,305.

General Fund and Capital Improvement Fund limits remain at maximums established by City Charter. A breakdown of the overall proposed millage rate is as follows:

FUND	MILLAGE RATE FISCAL YEAR 2024
General	5.0
Capital Improvement	2.0
Solid Waste	.70
Street Improvement	1.50
Public Safety	1.75
TOTAL	10.95

DEPARTMENT HIGHLIGHTS

ADMINISTRATION, ADMINISTRATIVE SERVICES AND FINANCE DEPARTMENTS

Again this year, recent and impending Election law changes are challenging the Clerk's Office staff with additional responsibilities and work load. Absentee ballot voting continues to grow based on previous legislative changes and the pandemic. In November 2022 Michigan voters approved the addition of nine days of early in-person voting. The new requirement, which takes effect in early 2024, will tax existing staff and poll workers. While we had used independent contractors to help with increased absentee ballot processing, the Fiscal Year 2024 budget proposes to add a part-time clerical position in lieu of using independent contractors to assist with elections as availability for independent contractors is harder to guarantee. This change is budget neutral.

Administrative Services' staff is busy managing personnel with ongoing recruitment and selection. The City experienced turnover of nine full-time employees and there are a dozen employees currently, or nearly eligible, to retire. Therefore, this trend will continue into Fiscal Year 2024. In Fiscal Year 2023 fifteen full-time positions were filled by hire or promotion.

Also, the reorganization of the Planning and Zoning Division into Administrative Services alongside the Building Division has worked out well with improved communication and cooperation among divisions. This has proven to be a positive move.

The Fiscal Year 2023 budget included a wage and classification study for the Management, Professional, Technical and Clerical (MPTC) group. The study has been completed and recommends a 3.76% general increase to all pay grades. Implementation of the study is included in the Fiscal Year 2024 budget.

Again, managing unfunded liabilities continues to be a focus in Fiscal Year 2024. For the tenth consecutive year staff is proposing additional funding above the pension's Annual Required Contribution (ARC). Further, staff proposes to pay toward OPEB (i.e., retiree health insurance) into the trust fund. Specific dollar amounts will be outlined later in this message.

ECONOMIC DEVELOPMENT

New construction for the year ending June 30, 2022 was exceptional. The City experienced a near record new construction value of almost \$59 million. That is close to the \$65 million achieved in 1999. Manufacturing growth is continuing with site plan approval for Honeycrisp Ventures to construct a 150,000 square foot building on North Gateway Boulevard in the Norton Industrial Center and LaColombe Coffee Roasters planning its' fourth expansion. Also, a site plan was received for a new Soils and Structures facility on a Grand Haven Road property the City sold to West Wind Construction. Looking forward, attracting and retaining manufacturers will only be challenged by availability of industrial land. The demand continues to be high.

In the commercial sector, new restaurants including King Crab and Chipotle have opened. Also, a site plan was approved for a new Fire House Subs on Henry Street at the old Clark gas station site. Also, retailers from the enclosed mall in Fruitport Township have moved or opened additional stores in Lakeshore Marketplace and near Kohl's including Bath and Body Works, GNC and Maurice's. Also, the new Camp Bow Wow facility is now operating at the former Hob Nob restaurant location. Site plans for two new credit unions have been approved as well and, while Goobers Bakery closed, Sprinkles Donuts is emerging in its place.

Although residential growth is slow there are a number of new developments in the works. There are eleven residential developments totaling 780 housing units that have received site plan approval. One of those includes Mona Shores Flats, the 120-unit apartment community to be constructed in Eastowne of Norton Shores, formerly owned by the City. Also notable is the single-family residential community, Atwater Springs, that has grown from 42 units to 86 units. Overall new construction value totaled over \$26 million at the end of March 2023 which is \$12.9 million less than FY 2023 but \$9.8 million more than FY 2022.

TAX INCREMENT FINANCE AUTHORITY

As Council will recall staff proposed a multi-year plan for projects in the TIFA district prior to its expiration in December of 2025. The Fiscal Year 2024 budget reflects that plan and significant projects. They include road, water and sewer infrastructure projects and upgrades to the Public Works garage as well as to Fire Station 3 and purchase of police patrol vehicles.

Infrastructure improvements involve resurfacing Sternberg Road between Grand Haven Road and Harvey Street, replacing sanitary sewer pumps and constructing a watermain loop. Improvements to the Public Works garage include converting lightbulbs to LED technology (carryover from FY 2023), applying an epoxy coating to the truck room floor and design work for a new cold storage building to service the Water and Sewer Division. Improvements to Fire Station 3 include replacement of the broken access gate, replacing carpet and replacing epoxy coating on floor surfaces. Therefore, the budget does not include a pass through from the TIFA fund to the General and other funds and taxing jurisdictions.

PARKS AND RECREATION DIVISION

The Parks and Recreation Division is running smoothly under the Administrative Services Department. Hiring two full-time employees in lieu of using contractors in Fiscal Year 2023 has been successful as we attracted two candidates with significant park experience. A number of park improvements are also underway including the redevelopment of the Ross Park Pavilion and addition of an overlook deck which should be completed by the start of the summer season. The project will require moving nine holes of the disc golf course to Hidden Cove Park. This will greatly enhance the use of that park which will also see the addition of a new attraction, foot golf. The construction of two pickle ball courts is proposed in the Fiscal Year 2024 budget, as well, to be constructed with ARP funds. Also, the second phase of park signage is planned with new signs being installed at Black Lake Park, Chapman Veurink Park, Hess Park, Hidden Cove Park and one additional sign at Ross Park.

The budget includes a collaborative effort with Spring Lake Township to conduct a re-study of Little Black Lake water quality. This study will be done by the Annis Water Resource Institute of GVSU and cost shared between the two communities. The City was recently awarded a \$3,785 grant from the James Hannah and Mary H. Murphy land fund of the Community Foundation of Muskegon County which will pay for half of the City's share.

Lastly, the second phase of Hemlock Woolly Adelgid (HWA) treatment of infested trees in Lake Harbor Park will be completed in Fiscal Year 2024. This work will be covered by a grant from the Muskegon Conservation District.

POLICE DEPARTMENT

As mentioned previously, a number of employees are eligible to retire. This is most evident in the Police Department where six individuals could retire in the next twelve months. A challenge all area police departments are experiencing is availability of talent. We have been fortunate to attract new police officers largely through our cadet program. Criminal justice majors enjoy working in Norton Shores and our police department is typically an agency of choice. However, like other departments, we are forced to pay them during their academy training and, also, pay the academy tuition. Fortunately, the State has a new grant program that we have been able to take advantage of in at least one case to cover these additional costs. Also, we have great talent in the department and are able to promote people to leadership positions.

Much has been made in recent years of our special services and the Department's ability to obtain grants to help fund programs like the collaborative Safe Seniors Task Force and Justice for Women Task Force. The City's participation in those programs will continue in Fiscal Year

2024. Also, the Department has been successful in implementing mental health initiatives both internal to the organization and external with the public. The most recent enhancement is a grant funded clinician through HealthWest. This individual will be embedded in the Police Department working face to face with our detectives to provide improved service in this emerging area of focus.

FIRE DEPARTMENT

The proposed Fiscal Year 2024 budget includes the addition of three full-time firefighters through the Staffing for Adequate Fire and Emergency Response (SAFER) grant program from the Federal Emergency Management Agency (FEMA). City Council will recall the staffing study that was conducted in 2021 which recommended twelve additional full-time firefighter positions. The study suggested phasing in those positions over a four-year period hiring three each year. Three were added in Fiscal Year 2021 with a .40 mill increase in the Public Safety levy but none last year as the budget could not financially support them without a tax increase. Therefore, six positions were requested by Fire Chief Bob Gagnon for Fiscal Year 2024. Grants were not submitted for six positions because of uncertainty in financial sustainability once the grants run out. The grants would fund the positions for three years. The filling of these positions is conditioned upon receiving the grants.

In last year's budget message, I stated that the Muskegon County Airport Rescue and Fire Fighting (ARFF) Agreement as well as the Law Enforcement Agreement were in jeopardy. Staff has recently been negotiating new agreements for public safety services as Sky West has ended service at the airport and Southwest, taking its place, does not require the current level of service provided. During this period two fire fighter positions have remained vacant because their funding may end. Proposed agreements will be forthcoming to the City Council in the near future and I am hopeful that the two vacancies can be filled soon.

PUBLIC WORKS DEPARTMENT

The following is a list of significant infrastructure projects listed by fund:

CAPITAL IMPROVEMENT FUND

- Leon Street Sidewalk, Lincoln Park to Plainfield
- Leon Street Sidewalk, Castle to Southwood
- Ellis Road Cemetery (partial funding)

MAJOR STREET FUND

- Forest Park Road, Phase III, Lake Point to Henry - reconstruction (partial funding w/ MRF match, Water and Sewer Funds)
- Getty Street — Road Diet Study

MUNICIPAL ROAD FUND

Hot-in-Place/Mill and Fill Resurfacing

- North Brookside Drive, Henry to Cul-de-Sac
- South Brookside Drive, Henry to Cul-de-Sac
- Leif Street, Lawnel to Lincoln
- Lawnel Ave., Leon to Lincoln
- Lawnel Avenue, McCracken to Leon
- Wendover/Quainton, Wellesley to Wellesley
- Wendover Blvd., Wellesley to Highgate
- Brookridge Drive, Henry to Churchill

Reconstruction (Local Street)

- Vulcan Street, Sherman to Broadway

Reconstruction (Major Street Match)

- Forest Park Road, Phase III, Lake Point to Henry Street

TIFA-FUNDED WORK

Hot-in-Place/Mill and Fill Resurfacing

- Sternberg Road, Grand Haven to Harvey

Reconstruction

- Grand Haven Road/Sternberg Road Intersection Improvements

Water Main

- GMED site water loop, Grand Haven Road

PERPETUAL CARE FUND

- Ellis Road Cemetery (partial funding)

SEWER FUND

- Forest Park Road, Harbor Point to Henry — sewer repairs (partial funding)
- Sheffield Street, Summit to S. of Lincoln — sewer replacement, Lift Station Reduction/Replacement
- Fairfield Street, Summit to S. of Lincoln — sewer replacement, Lift Station Reduction/Replacement
- Treeline Drive Pump Station — pump replacement
- Grand Haven Road Pump Station — pump replacement

WATER FUND

- Forest Park Road, Harbor Point to Henry — water main replacement (partial funding)
- Bonneville Drive, Mona Shores Middle School — water main loop
- Sheffield Street, Summit to S. of Lincoln — water main replacement
- Fairfield Street, Summit to S. of Lincoln — water main replacement
- Sandybrook Court, Airport North — new water main
- Norton Avenue, Norton south to easement — water main loop
- Vulcan Water Main, Sherman to Broadway – Replacement and upsizing (Developer match)

EGLE-PFAS GRANTS

- Petrie Avenue/Wilson Avenue, Grand Haven Rd to airport loop — new water main
- Seng Road, Hile Rd to Eugene — new water main
- Kunz Street, Hile Rd to Eugene — new water main
- Sunnyridge Road Extension, south of Eugene Avenue — new water main
- Aue Road, Miller Rd to east end — new water main
- Keller Drive, Hile Rd to Randall Rd. — new water main

BUILDING AND GROUNDS DIVISION – CEMETERY

The new Ellis Road Cemetery is currently under construction. Plots are currently for sale and the Fiscal Year 2024 budget provides for purchase of additional equipment to support the new facility and help with its transport to and from the original cemetery. Specific equipment can be found in the Capital Improvement Program section.

Also, to support the additional workload of the new cemetery the Fiscal Year 2024 budget includes funding for a part-time seasonal position. Work would entail cleanup and maintenance of the cemetery from early spring to late fall and cost approximately \$18,474.

STREETS AND DRAINAGE DIVISION

The Fiscal Year 2024 budget provides for the addition of a full-time Mechanic's Helper position in the Streets and Drainage Division. This position has remained vacant and not been budgeted for many years. However, the Division is requesting the position to: 1) provide continuity as the Mechanic's Supervisor and a full time Mechanic are eligible to retire; and 2) assist with building maintenance duties at the Public Works garage. Funding for the position would come from various public works enterprise funds and not the General Fund. The cost of the position is \$67,794.

WATER AND SEWER DIVISION

In Fiscal Year 2022 the City was awarded \$3.2 million from EGLE to construct new watermain and hook up residences with PFAS contamination in wells surrounding the Muskegon County Airport. As City Council is aware, we were also fortunate this fiscal year to be awarded another \$5 million in grant money from EGLE, doubling the amount of homes to be hooked up

from 80 – 170. Due to supply chain issues and the 8 to 18-month lead time necessary to obtain ductile iron pipe and fittings, the project will continue into Fiscal Year 2024 and 2025.

Also, Water and Sewer Division staff recently proposed rate adjustments to account for depreciation and increased operating costs. It appears that City Council has settled on a rate formula. However, I believe it's a best management practice to periodically have a professional consultant take an objective look at enterprise fund operations and, therefore, the Fiscal Year 2024 budget provides funding for a water and sewer rate study. The study will take a long-term look at our operations, confirm this most recent proposed rate adjustment and help to plan for the future to ensure that our water and sewer services are of the highest quality and sustainable for our customers.

EQUIPMENT REPLACEMENT PROGRAM

The proposed Fiscal Year 2024 budget recommends the replacement of several pieces of large to mid-size equipment through the Equipment Revolving Fund. Notable pieces include:

- Dump Truck (carryover from FY23)
- Arial Lift Truck (carryover from FY23)
- Pickup Truck (2)
- Plow Truck

Carryover items are due to supply chain issues. Further, as City Council will recall, we recently implemented a deficit reduction plan for this internal service fund. Rental rates have been increased to improve cash flow. However, it will take some time to build up cash reserves. Therefore, two patrol vehicles scheduled for replacement are proposed to be funded through the TIFA Fund. This expenditure is allowed under the TIFA Plan and is similar in nature to some of our fire vehicle purchases from the TIFA Fund.

CAPITAL IMPROVEMENT PROGRAM

The proposed Fiscal Year 2024 budget contains the complete listing of projects; however, several notable projects are highlighted below:

Police Department

- | | |
|---|-----------|
| • Cellular Response Console | \$ 4,775 |
| • Rifle-rated Ballistic Shield | \$ 7,500 |
| • Intersection Camera | \$ 87,200 |
| • Heating & Cooling Improvement | \$ 17,500 |
| • Desk & Equipment – Mental Health Team | \$ 5,000 |
| • Less Lethal Equipment - Replacement | \$ 10,845 |

Fire Department

- | | |
|---|-----------|
| • Pneumatic Lifting Kit - Replacement | \$ 10,650 |
| • Vehicle Stabilization Kit/Equipment - Replacement | \$ 24,600 |

- Thermal Imagers – Replacement (2) \$ 16,000
- Media Processing Laptop \$ 5,540

Parks & Recreation Division

- Sprinkler Repair - Lake Harbor Park; Ross Park \$ 8,000
- Hidden Cove Park Disc Golf Relocation/Foot Golf \$ 3,000
- New Signage (Black Lake, Chapman, Hess, Hidden Cove, Ross) \$ 13,600
- Ross Park – Parking Lot Improvements \$ 12,000
- Pickleball Courts \$ 150,000

Public Works Department

- Lake Harbor Park Trail \$2,048,760
- Holiday Lights – Henry St. Bridge (Replace ½) \$ 12,000
- Trailer – Cemetery (Perpetual Care) \$ 15,000
- 4x4 Tractor w/Bucket & Mower – Cemetery (Perpetual Care) \$ 27,000
- Basement Bathroom Remodel– City Hall \$ 9,000
- Camera & Electronic Key System – Cemetery (Perpetual Care) and Parks & Recreation Buildings \$ 24,000

Staff Services

- Early Voting Bags (9) \$ 1,800
- Printer for AVCB & Early Voting Center - Replacement \$ 1,500
- Early Voting Tabulator (2) \$ 20,000
- Ballot Drop Box & Camera – 2nd site \$ 3,000
- Computer Replacement – City Planner \$ 1,200
- Computer Server Replacement (4) \$ 97,000

The current assigned Capital Improvement Fund balance is estimated to be \$847,578 and the unassigned balance to be \$487,319 at the end of Fiscal Year 2024. The proposed budget will add \$108,000 to unassigned fund balance.

MANAGING UNFUNDED ACCRUED LIABILITIES

The proposed Fiscal Year 2024 budget will use \$325,000 above the ARC to improve the pension funding level with \$100,000 coming from the General Fund and \$225,000 from non-governmental funds. Again, this would be the tenth consecutive year of funding above the pension ARC. In addition, the budget proposes to spend \$175,000 additional toward OPEB funding with \$100,000 coming from the General Fund and \$75,000 from non-governmental funds.

Also of note, the State of Michigan has a new grant program to help fund pensions that are below 60% funded to get to that amount. Based on the 2022 actuarial, our pension is funded at 54%. Staff is currently engaged in the grant application process and City Council can look forward to authorizing an application by the June 15, 2023 deadline.

AMERICAN RESCUE PLAN ACT FUNDING

As Council is aware, Norton Shores received \$3.54 million in American Rescue Plan funding. Since that time, City Council designated approximately \$3 million toward park improvements including the Ross Park Pavilion and overlook deck, as well as, the Lake Harbor Trail off-street pathway. Again, the pavilion is under construction and should be ready to enjoy by the summer season and engineering is currently underway for the Lake Harbor Trail.

Looking forward, the Capital Improvement Program includes construction of two pickle ball courts, as mentioned previously, using ARP funds. There is approximately \$325,000 of ARP funds that have not yet been earmarked that could be used for contingencies or for enhancing the Lake Harbor Trail which was previously suggested by Council members.

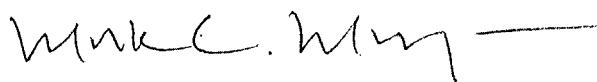
FINAL NOTES

The proposed Fiscal Year 2024 General Fund Budget is a balanced budget. It includes adding \$142,643 to unassigned fund balance. The current fund balance is \$3,152,943 or 23% of annual expenditures. This will help replenish the \$184,862 used in fund balance in Fiscal Year 2022.

I would like to thank the Mayor and City Council for their continued support and direction regarding spending priorities. I would also like to thank the executive staff including Public Works Director Jim Murphy, Administrative Services Director/Assistant to the City Administrator Anthony Chandler, Finance Director Chris Lyonnais, Fire Chief Bob Gagnon and Police Chief Jon Gale and their respective staffs for their thoughtful and thorough preparation of departmental budget requests.

I look forward to reviewing the proposed Fiscal Year 2024 Budget with the City Council during the April 25, 2023 work session. In the meantime, please contact me with any questions or comments that you may have.

Respectfully submitted,



Mark C. Meyers
City Administrator

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