

Southgate City Council Agenda

Council Chambers

Wednesday May 1, 2019

6:30pm **Work Study Session**

1. Arbor Day Poster Contest Winners
2. Officials Reports
3. Discussions regarding agenda items.

7:00 pm **Regular Meeting**

Pledge of Allegiance

Roll Call: Colovos, Farrah, George, Graziani, Rauch, Rollet, Zamecki.

Minutes:
1. Work Study Session Minutes dated April 17, 2019.
2. Regular City Council Meeting Minutes dated April 17, 2019.

Scheduled Persons in the Audience: Mrs. Anna Renaud

Consideration of Bids:

Scheduled Hearings:

1. Memo from ACA/Finance Director; Re: Public Hearing Mayor's 2019/20 Proposed Budget Page 5
2. Memo from ACA/Finance Director; Re: User Charge System for Southgate-Wyandotte
Drainage District Public Hearing Page 14
3. Memo from ACA/Finance Director; Re: Pubic Hearing Proposed Water/Sewer Rate Increase Page 18

Communications "A" –

1. Memo from ACA/Finance Director; Re: Southgate-Wyandotte Drainage Dist. User Charge Page 19
2. Memo from ACA/Finance Director; Re: Water, Sewer and Capital Rate Increase Page 20
3. Letter from Mayor; Re: Purchase of Business License Management Software Page 21
4. Letter from Mayor; Re: Bid Extension for Stainless Steel Clamps Page 29

Communications "B" – (Receive and File)

Ordinances:

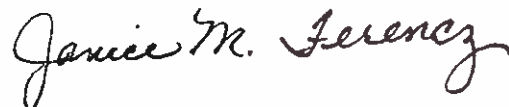
Old Business:

New Business:

Unscheduled Persons in the Audience:

Claims & Accounts: Warrant #1376 \$ 1,212,624.02

Adjournment:



Janice M. Ferencz, City Clerk

City Council

Work Study Session

April 17, 2019

An Informal Meeting of the Council of the City of Southgate was held on April 17, 2019 at 6:30 P.M. in the Council Chambers of the Municipal Building, 14400 Dix-Toledo Highway, Southgate, Michigan.

Present: Bill Colovos, Mark Farrah, John Graziani, Karen George, Phillip Rauch, Christopher Rollet, Dale Zamecki

Absent:

Also Present: Mayor Joseph G. Kuspa City Administrator Dustin Lent, Assistant City Administrator/Finance Director David Angileri, City Attorney Brandon Fournier, City Clerk Janice Ferencz, City Engineer John Hennessey, Public Safety Director Jeff Smith, Police Chief Brett Selby, Fire Chief Mike Sypula, Building Inspections Director Bob Casanova, Director of Public Services Bob Tarabula and Parks & Recreation Director Julie Goddard.

Mayor Kuspa presented the Arbor Day Proclamation.

Discussion took place on the following item scheduled for action at the regular meeting:

- Scheduled person Chuck VerBeest regarding speeders in his neighborhood
- Purchase of Solar Arrow Board
- Appointment to CASE Commission

This meeting ended at 6:48 pm.

City of Southgate Regular City Council Meeting April 17, 2019

A Regular Meeting of the Council of the City of Southgate was held in the Municipal Council Chambers, 14400 Dix-Toledo Highway, Southgate, Michigan on Wednesday, April 17, 2019 and was called to order at 7:00 PM by Council President John Graziani.

This meeting began with the Pledge of Allegiance, followed by roll call.

Present: Bill Colovos, Mark Farrah, Karen George, John Graziani, Phillip Rauch, Christopher Rollet, Dale Zamecki

Absent:

Also Present: Mayor Joseph G. Kuspa, City Administrator Dustin Lent, Assistant City Administrator/Finance Director David Angileri, City Brandon Fournier, City Engineer John Hennessey, City Clerk Janice Ferencz, Public Safety Director Jeff Smith, Police Chief Brett Selby, Fire Chief Mike Sypula, Building Inspections Director Bob Casanova, Director of Public Services Bob Tarabula and Parks & Recreation Director Julie Goddard.

Minutes:

Moved by Rauch, supported by Colovos, RESOLVED, that the minutes of the City Council Work Study Session dated April 3, 2019 be approved as presented. Carried unanimously.

Moved by Zamecki, supported by George, RESOLVED, that the minutes of the Regular City Council Meeting dated April 3, 2019 be approved as presented. Carried unanimously.

Communications "A":

1. Letter from Mayor; Re: Purchase of Solar Arrow Board, moved by Farrah, supported by George, RESOLVED that the Southgate City Council hereby waives the bid procedures and authorizes purchase of a Solar Arrow Board to Tapco Safe Travels (5100 West Brown Deer Road, Brown Deer, WI 53223) in the amount of \$5,128.57, which includes the freight cost of \$450. BE IT FURTHER RESOLVED THAT adequate funds are available in the Water & Sewer Fund to cover costs associated with this purchase.

Motion carried unanimously.

Communications B:

Moved by Rollet, supported by Rauch, RESOLVED that the Southgate City Council hereby receives and files the letter from the Mayor appointing Carol Wilkins, 15517 Susan, Southgate to the C.A.S.E. Commission for a term expiring December 2020.

Motion carried unanimously.

Regular City Council Meeting
April 17, 2019

Claims and Accounts:

Moved by Farrah, supported by George, RESOLVED, that Claims and Accounts be paid as outlined on Warrant # 1375 in the amount of \$2,315,716.67.

Motion carried unanimously.

Adjournment:

Moved by Rauch, supported by George, RESOLVED, that this Regular Meeting of the Southgate City Council be adjourned at 7:05 P.M. Carried unanimously.

John Graziani
Council President

Janice M. Ferencz
City Clerk

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS


DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 24, 2019

RE: Public Hearing on the Mayor's 2019/20 Proposed Budget

Pursuant to the City Charter, a Public Hearing must be held to obtain comments from the public on the 2019/20 Proposed Budget.

Pursuant to the provision of the Public Act 5 of 1982, the City must also hold a Public Hearing in order to levy the Millage rate, which has been proposed in the Mayor's 2019/20 Budget and are before you tonight on State form L-4029. All proposed millages are within our Charter of statutory limitations and the City has complete authority to levy this Millage.

Notice was given to the City's official newspaper and a copy of the Proposed Budget has been available at the City Clerk's office for public inspection since March 26, 2019.

Final Council approval is scheduled for May 15, 2019

2019 Tax Rate Request (This form must be completed and submitted on or before September 30, 2019)
MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory. Penalty applies.

| | |
|---|---|
| County(ies) Where the Local Government Unit Levies Taxes Wayne | 2019 Taxable Value of ALL Properties in the Unit as of 5-28-19 703,933,464 |
| Local Government Unit Requesting Millage Levy City of Southgate | For LOCAL School Districts: 2019 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. |

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2019 tax roll.

| (1) Source | (2) Purpose of Millage | (3) Date of Election | (4) Original Millage Authorized by Election Charter, etc. | (5) ** 2018 Millage Rate Permanently Reduced by MCL 211.34d "Headlee" | (6) 2019 Current Year "Headlee" Millage Reduction Fraction | (7) 2019 Millage Rate Permanently Reduced by MCL 211.34d "Headlee" | (8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction | (9) Maximum Allowable Millage Levy * | (10) Millage Requested to be Levied July 1 | (11) Millage Requested to be Levied Dec. 1 | (12) Expiration Date of Millage Authorized |
|---------------|---------------------------|-------------------------|--|--|---|---|---|---|---|---|---|
| Charter | Oper | 1958 | 12.5 | 10.1366 | .9994 | 10.1305 | 1.00 | 10.1305 | 10.1305 | | na |
| 298/17 | Refuse | | 3.00 | 2.4326 | .9994 | 2.4311 | 1.00 | 2.4311 | 2.4311 | | na |
| 345/37 | P&F Retire | | as need | | 1.00 | 9.952 | 1.00 | 9.952 | 9.952 | | na |
| Library | Oper | 1994 | 1.00 | .9667 | .9994 | .9661 | 1.00 | .9661 | .8800 | | na |
| Roads | Con/Rec | 2015 | 1.9334 | 1.9334 | .9994 | 1.9322 | 1.00 | 1.9322 | 1.9322 | | 11/2021 |
| 359/25 | Advert | | .072 | | 1.00 | .072 | 1.00 | .072 | .072 | | na |
| Park/Rec | con/imp | 2017 | 1.00 | 1.00 | .9994 | .9994 | 1.00 | .9994 | .9994 | | 11/2022 |
| Judgement | EPA | | as need | | 1.00 | | 1.00 | .410 | | .410 | na |

| | | | |
|--------------------------------------|---|---|--------------------------|
| Prepared by David Angileri | Telephone Number 734-258-3017 | Title of Preparer Asst City Admin/Fin Dir | Date 4/24/2019 |
|--------------------------------------|---|---|--------------------------|

CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.121(3).

| | | | |
|---|-----------|-----------------------------------|--------------------------|
| <input checked="" type="checkbox"/> Clerk | Signature | Print Name Jan Ferencz | Date 4/24/2019 |
| <input type="checkbox"/> Secretary | | | |
| <input checked="" type="checkbox"/> Mayor | Signature | Print Name Joseph Kuspa | Date |
| <input type="checkbox"/> President | | | |

* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate and not larger than the rate in column 9.

IMPORTANT: See instructions on page 2 regarding where to find the millage rate used in column (5).

CITY OF SOUTHGATE
2019 - 2020 FISCAL YEAR BUDGET
MILLAGE RATE SUMMARY

| <u>CITY</u> | <u>15/16</u> | <u>16/17</u> | <u>17/18</u> | <u>18/19</u> | <u>19/20</u> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Operating | 10.1366 | 10.1366 | 10.1366 | 10.1366 | 10.1305 |
| Rubbish | 2.4326 | 2.4326 | 2.4326 | 2.4326 | 2.4311 |
| Act 345 Police & Fire Retirement | 7.4200 | 8.0260 | 10.5600 | 9.8500 | 9.9520 |
| Act 359 of 1925 | 0.074 | 0.0740 | 0.0740 | 0.0720 | 0.0720 |
| Parks & Rec 2017 | - | - | - | 1.00 | 0.9994 |
| Roads | 1.9334 | 1.9334 | 1.9334 | 1.9334 | 1.9322 |
| Library | 0.8800 | 0.8800 | 0.8800 | 0.8800 | 0.8800 |
| TOTAL CITY MILLAGE | 22.8766 | 23.4826 | 26.0166 | 26.3046 | 26.3972 |
| | | | | | |
| <u>COUNTY</u> | | | | | |
| Operating & Jail | 7.5761 | 7.5761 | 7.5761 | 7.5761 | 7.5761 |
| WC Parks | 0.2459 | 0.2459 | 0.2459 | 0.2459 | 0.2459 |
| Huron/Clinton | 0.2154 | 0.2154 | 0.2154 | 0.2154 | 0.2154 |
| ISD/S. ED. | 3.4643 | 3.4643 | 3.4643 | 3.4643 | 3.4643 |
| Community College | 2.4844 | 2.4844 | 2.4844 | 2.4844 | 2.4844 |
| EPA Levy | 1.3742 | 1.5260 | 1.3995 | 0.6410 | 0.4100 |
| W.C.T.A. | 0.5980 | 0.5980 | 0.5980 | 0.5980 | 0.5980 |
| TOTAL COUNTY MILLAGE | 15.9583 | 16.1101 | 15.9836 | 15.2251 | 14.9941 |
| | | | | | |
| <u>SCHOOL</u> | | | | | |
| Operating | 6.0000 | 6.0000 | 6.0000 | 6.0000 | 6.0000 |
| Debt Retirement | 5.1500 | 5.1500 | 5.1500 | 5.1500 | 5.1500 |
| | | | | | |
| TOTAL MILLAGE (SOUTHGATE) | 44.8349 | 45.5927 | 48.0002 | 47.5297 | 47.3913 |

CITY OF SOUTHGATE
2019 - 2020 FISCAL YEAR BUDGET
SCHEDULE OF "CITY" MILLAGES

| | FISCAL YEAR 18/19 | | FISCAL YEAR 19/20 | |
|-----------------------------|----------------------|---------------|----------------------|---------------|
| Estimated Taxable Valuation | \$ 682,463,462 | | \$ 703,933,464 | |
| | MILLAGE | AMOUNT | MILLAGE | AMOUNT |
| <u>General Fund Revenue</u> | | | | |
| General Operating | 10.1366 | 6,591,579 | 10.1305 | 6,796,156 |
| Rubbish | 2.4326 | 1,581,859 | 2.4311 | 1,630,955 |
| Act 345 Retirement | 9.8500 | 6,405,211 | 9.9520 | 6,657,773 |
| Act 359 of 1925 | 0.0720 | 46,820 | 0.0720 | 50,683 |
| Parks & Rec 2017 | 1.0000 | 682,463 | 0.9994 | 703,390 |
| Total General Fund | 23.4912 | \$ 15,307,932 | \$ 23.5850 | \$ 15,838,957 |
| <u>Other Funds Revenue</u> | | | | |
| Roads | 1.9334 | 1,257,242 | 1.9322 | 1,296,263 |
| Library | 0.8800 | 577,478 | 0.8800 | 595,843 |
| Total Other Funds | 2.8134 | \$ 1,834,720 | 2.8122 | 1,892,106 |
| TOTAL MILLAGE | 26.3046 | \$ 17,142,652 | 26.3972 | \$ 17,731,063 |
| ADMINISTRATIVE FEE | | \$ 435,000 | | \$ 450,000 |
| TOTAL LEVY | | \$ 17,577,652 | | \$ 18,181,063 |

PROPERTY VALUE HISTORY

| <u>Fiscal Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Total Taxable Value</u> | |
|--------------------|----------------------|--------------------------|----------------------------|-------------|
| 2010-11 | 751,476,183 | 38,155,976 | | 789,632,159 |
| 2011-12 | 686,972,462 | 37,282,264 | 91.7% | 724,254,726 |
| 2012-13 | 613,039,002 | 36,248,177 | 89.6% | 649,287,179 |
| 2013-14 | 603,478,747 | 42,322,480 | 99.5% | 645,801,227 |
| 2014-15 | 613,134,407 | 37,870,424 | 100.8% | 651,004,831 |
| 2015-16 | 621,659,938 | 37,392,525 | 101.2% | 659,052,463 |
| 2016-17 | 622,006,806 | 37,392,525 | 100.1% | 659,399,331 |
| 2017-18 | 626,168,503 | 36,868,400 | 100.6% | 663,036,903 |
| 2018-19 | 640,412,681 | 42,050,781 | 102.9% | 682,463,462 |
| 2019-20 | 663,190,634 | 40,742,830 | 103.1% | 703,933,464 |
| | | SEV | | |
| 2010-11 | 789,308,863 | 38,201,800 | | 827,510,663 |
| 2011-12 | 686,972,462 | 37,282,264 | | 724,254,726 |
| 2012-13 | 613,039,002 | 36,248,177 | | 649,287,179 |
| 2013-14 | 610,676,520 | 42,322,480 | | 652,999,000 |
| 2014-15 | 653,383,190 | 37,870,424 | | 691,253,614 |
| 2015-16 | 669,217,703 | 37,392,525 | | 706,610,228 |
| 2016-17 | 694,328,600 | 37,392,525 | | 731,721,125 |
| 2017-18 | 732,279,100 | 2 36,926,100 | | 769,205,200 |
| 2018-19 | 757,807,000 | 41,420,600 | | 799,227,600 |
| 2019-20 | 809,007,814 | 40,845,400 | | 849,853,214 |

CITY OF SOUTHGATE
2019 - 2020 FISCAL YEAR BUDGET
DEBT SERVICE SUMMARY

| BONDS | DATE ISSUED | OUTSTANDING DEBT AT: June 30, 2019 | CURRENT DEBT SERVICE | | REQUIREMENTS | | OUTSTANDING DEBT AT: June 30, 2020 | FINAL MATURITY DATES |
|----------------------------------|-------------|------------------------------------|----------------------|-------------------|---------------|--------------------|------------------------------------|----------------------|
| | | | PRINCIPAL | INTEREST | FEES | TOTAL | | |
| Building Authority | | | | | | | | |
| 1.927% Library After Refinance | 1995 | 375,000 | 90,000 | 10,350 | 225 | 100,575 | 285,000 | Apr-23 |
| 1.927% Ice Arena After Refinance | 2000 | 560,000 | 275,000 | 14,050 | 225 | 289,275 | 285,000 | Apr-21 |
| 2.600% TIFA (Sportplex) | 2002 | 4,235,000 | 555,000 | 110,110 | 225 | 665,335 | 3,680,000 | Apr-26 |
| TOTAL BONDS | | <u>\$ 5,170,000</u> | <u>\$ 920,000</u> | <u>\$ 134,510</u> | <u>\$ 675</u> | <u>\$1,055,185</u> | <u>\$ 4,250,000</u> | |
| INSTALLMENT LOANS | | | | | | | | |
| 4.98% HVAC | 2006 | 63,016 | 27,139 | 2,524 | - | 29,663 | 35,877 | Sep-21 |
| TOTAL LOANS | | <u>\$ 63,016</u> | <u>\$ 27,139</u> | <u>\$ 2,524</u> | <u>-</u> | <u>29,663</u> | <u>35,877</u> | |
| TOTAL DEBT SERVICE | | \$ 5,233,016 | \$ 947,139 | \$ 137,034 | \$ 675 | \$1,084,848 | \$ 4,285,877 | |
| 6/30/2003 | | 19,300,000 | | | | | | |

CITY OF SOUTHGATE
2019 - 2020 FISCAL YEAR BUDGET
GENERAL FUND "ESTIMATED REVENUES" (FUND 101)

| | FY 17/18 ACTUALS | FY 18/19 12/31/2018 | FY 18/19 BUDGET | FY 18/19 ESTIMATE | DEPT REQ FY 19/20 | MAYORS RECOMM |
|---------|---------------------|------------------------|--------------------|----------------------|----------------------|-------------------|
| 403-000 | Current Taxes | | | | | |
| 403-001 | | | | | | |
| 403-002 | | | | | | |
| 403-003 | | | | | | |
| 403-004 | | | | | | |
| 403-005 | | | | | | |
| 403-494 | | | | | | |
| 403-495 | | | | | | |
| 424-000 | | | | | | |
| 444-000 | | | | | | |
| 445-000 | | | | | | |
| | <u>15,679,940</u> | <u>14,555,940</u> | <u>16,334,048</u> | <u>15,992,511</u> | <u>16,917,892</u> | <u>16,918,833</u> |
| 451-000 | | | | | | |
| 476-000 | | | | | | |
| 477-000 | | | | | | |
| 478-000 | | | | | | |
| 479-000 | | | | | | |
| 481-000 | | | | | | |
| | <u>658,644</u> | <u>428,873</u> | <u>632,200</u> | <u>706,768</u> | <u>639,500</u> | <u>658,500</u> |
| 529-001 | | | | | | |
| 529-003 | | | | | | |
| 529-011 | | | | | | |
| 539-000 | | | | | | |
| 540-000 | | | | | | |
| 541-000 | | | | | | |
| 544-000 | | | | | | |
| 545-000 | | | | | | |
| 573-000 | | | | | | |
| 576-000 | | | | | | |
| 576-001 | | | | | | |
| 578-000 | | | | | | |
| 582-000 | | | | | | |
| | <u>3,653,712</u> | <u>1,292,851</u> | <u>3,353,775</u> | <u>3,545,379</u> | <u>3,535,115</u> | <u>3,535,115</u> |
| 612-000 | | | | | | |
| 612-001 | | | | | | |
| 612-002 | | | | | | |
| 613-000 | | | | | | |
| 613-001 | | | | | | |
| 613-002 | | | | | | |
| 614-000 | | | | | | |
| 620-000 | | | | | | |
| 629-000 | | | | | | |
| 630-000 | | | | | | |
| 632-000 | | | | | | |
| 638-000 | | | | | | |
| 639-000 | | | | | | |
| 640-000 | | | | | | |
| 641-000 | | | | | | |
| | <u>617,345</u> | <u>305,901</u> | <u>661,500</u> | <u>664,834</u> | <u>628,600</u> | <u>635,100</u> |

CITY OF SOUTHGATE
2019 - 2020 FISCAL YEAR BUDGET
GENERAL FUND "ESTIMATED REVENUES" (FUND 101)

| | FY 17/18 ACTUALS | FY 18/19 12/31/2018 | FY 18/19 BUDGET | FY 18/19 ESTIMATE | DEPT REQ FY 19/20 | MAYORS RECOMM |
|------------------------------------|---------------------|------------------------|--------------------|----------------------|----------------------|-------------------|
| 656-000 Court fines & fees | 1,236,178 | 572,918 | 1,240,000 | 1,323,000 | 1,400,000 | 1,475,000 |
| 656-003 Drug Case Management | 429 | | | | | |
| 656-004 Drunk-Driving Caseflow | 8,295 | - | 6,000 | 7,000 | 7,000 | 7,500 |
| 656-005 Work Program | 47,430 | 18,533 | 51,000 | 53,000 | 53,000 | 55,000 |
| 656-006 vetrans court | 7,591 | 2,991 | 1,500 | 3,000 | 3,000 | 5,000 |
| 662-000 Penalties | | | | | | |
| 663-000 vetrans court grant | 80,506 | 12,978 | 110,000 | 130,000 | 130,000 | 130,000 |
| | <u>1,380,429</u> | <u>607,420</u> | <u>1,408,500</u> | <u>1,516,000</u> | <u>1,593,000</u> | <u>1,672,500</u> |
| 664-000 Interest on Deposits | 69,108 | 53,911 | 46,000 | 91,000 | 90,000 | 90,000 |
| 667-000 Rent Rapid Response | | | 6,300 | - | - | - |
| 668-000 Rents & Royalties | 674,652 | 112,556 | 730,000 | 679,000 | 680,000 | 680,000 |
| 668-001 Rent from School Board | 42,109 | 21,055 | 42,109 | 42,109 | 3,509 | 3,509 |
| | <u>785,869</u> | <u>187,522</u> | <u>824,409</u> | <u>812,109</u> | <u>773,509</u> | <u>773,509</u> |
| 671-000 Other revenue | 13,901 | 4,665 | 10,000 | 10,541 | 10,000 | 10,000 |
| 673-000 Sale of City Property | 571 | 2,000 | 5,000 | 2,500 | 2,000 | 2,000 |
| 680-000 Processing Fee Deq W/S | 51,135 | 36,865 | 50,000 | 55,000 | 50,000 | 51,000 |
| 696-000 SEMIA Revenue | 55,000 | - | 55,000 | 50,000 | - | - |
| | <u>120,607</u> | <u>43,530</u> | <u>120,000</u> | <u>118,041</u> | <u>62,000</u> | <u>63,000</u> |
| 699-202 Trans in from Major str | 264,237 | 84,710 | 255,000 | 268,000 | 266,000 | 270,000 |
| 699-203 Trans in from Local str | 298,149 | 125,843 | 350,000 | 306,000 | 302,000 | 305,500 |
| 699-271 Trans in from Library Fund | 35,000 | - | 35,000 | 35,000 | 35,000 | 35,000 |
| 699-494 Trans in from DDA | 40,000 | - | 40,000 | 40,000 | 40,000 | 40,000 |
| 699-495 Trans in from TIFA | 35,000 | - | 35,000 | 35,000 | 35,000 | 35,000 |
| 699-591 Trans in from Water Fund | 553,379 | - | 553,379 | 553,379 | 553,379 | 553,379 |
| 699-745 Trans in from Federal Drug | | | | | | |
| | <u>1,225,765</u> | <u>210,553</u> | <u>1,268,379</u> | <u>1,237,379</u> | <u>1,231,379</u> | <u>1,238,879</u> |
| TOTAL GENERAL FUND REVENUE | 24,122,311 | 17,632,690 | 24,602,811 | 24,593,021 | 25,380,995 | 25,495,436 |

CITY OF SOUTHGATE
2019 - 2020 FISCAL YEAR BUDGET
GENERAL FUND
EXPENDITURE SUMMARY

| DEPT # | DEPARTMENT | 2018-2019 | | 2019-2020 | | |
|---------------------------|--------------------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|
| | | FY 17/18 ACTUALS | FY 18/19 12/31/2018 BUDGET | FY 18/19 ESTIMATE | DEPT REQ FY 19/20 | MAYORS RECOMM |
| 101 | City Council | \$ 38,107 | \$ 19,054 | \$ 38,508 | \$ 39,008 | \$ 39,008 |
| 136 | District Court | \$ 1,098,139 | \$ 515,389 | \$ 1,089,053 | \$ 1,211,445 | \$ 1,197,605 |
| 171 | Executive | \$ 234,464 | \$ 114,639 | \$ 231,802 | \$ 243,482 | \$ 240,482 |
| 191 | Elections | \$ 26,455 | \$ 31,803 | \$ 36,530 | \$ 62,505 | \$ 61,405 |
| 209 | Assessor | \$ 175,917 | \$ 77,277 | \$ 189,200 | \$ 184,200 | \$ 184,200 |
| 210 | Attorney | \$ 145,500 | \$ 85,416 | \$ 151,500 | \$ 151,500 | \$ 151,500 |
| 215 | City Clerk | \$ 150,977 | \$ 80,428 | \$ 162,453 | \$ 164,109 | \$ 164,109 |
| 220 | Municipal Emp Civil Serv | \$ 1,604 | \$ 300 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| 221 | Police & Fire Civil Serv | \$ 11,809 | \$ 3,025 | \$ 4,000 | \$ 9,000 | \$ 9,000 |
| 223 | Finance | \$ 412,021 | \$ 221,042 | \$ 439,148 | \$ 425,721 | \$ 425,721 |
| 253 | Treasurer | \$ 210,470 | \$ 106,318 | \$ 226,362 | \$ 234,407 | \$ 234,407 |
| 299 | General Government | \$ 3,560,595 | \$ 2,943,976 | \$ 3,630,758 | \$ 3,607,561 | \$ 3,597,561 |
| 301 | Police | \$ 7,169,516 | \$ 4,749,734 | \$ 7,630,907 | \$ 8,079,859 | \$ 7,964,757 |
| 336 | Fire | \$ 4,357,638 | \$ 3,606,767 | \$ 4,990,918 | \$ 4,635,079 | \$ 4,621,460 |
| 371 | Building | \$ 381,722 | \$ 201,924 | \$ 427,823 | \$ 472,972 | \$ 468,972 |
| 400 | Planning Commission | \$ 13,899 | \$ 11,441 | \$ 22,000 | \$ 22,000 | \$ 20,000 |
| 426 | Police Reserves | \$ 2,714 | \$ 1,480 | \$ 2,500 | \$ 5,240 | \$ 2,700 |
| 441 | DPS | \$ 1,939,222 | \$ 839,395 | \$ 1,877,635 | \$ 2,006,125 | \$ 1,928,904 |
| 442 | City Garage | \$ 529,123 | \$ 269,359 | \$ 579,663 | \$ 583,277 | \$ 577,277 |
| 528 | Sanitation | \$ 1,468,546 | \$ 643,469 | \$ 1,510,669 | \$ 1,544,379 | \$ 1,537,613 |
| 672 | Senior Citizens Center | \$ 61,673 | \$ 41,581 | \$ 93,556 | \$ 93,442 | \$ 93,442 |
| 751 | Recreation | \$ 650,618 | \$ 511,934 | \$ 1,292,593 | \$ 1,304,771 | \$ 1,298,734 |
| 803 | Historical Museum | \$ 1,968 | \$ 381 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| 805 | Civic Center | \$ - | \$ - | \$ - | \$ - | \$ - |
| 965 | Transfers Out | \$ 696,865 | \$ - | \$ 713,975 | \$ 673,275 | \$ 673,275 |
| TOTAL GENERAL FUND | | \$ 23,339,562 | \$ 15,076,132 | \$ 25,344,553 | \$ 25,756,357 | \$ 25,495,132 |

BUDGET 2018/2019

| | Revenues | Expenditures |
|-------------------------------|-----------------|-----------------|
| 202 Major Street | \$ 1,939,971.00 | \$ 1,879,993.00 |
| 203 Local Street | \$ 1,228,043.00 | \$ 1,114,000.00 |
| 204 Municipal Street | \$ 1,348,482.00 | \$ 1,103,000.00 |
| 211 Southgate/Wyandotte | \$ 1,248,000.00 | \$ 3,000,000.00 |
| 245 Water & Sewer Improvement | \$ 550,000.00 | \$ 250,000.00 |
| 246 Court Public Improvement | \$ 157,000.00 | \$ 190,000.00 |
| 248 CDBG | \$ 20,000.00 | \$ 153,000.00 |
| 271 Library | \$ 646,351.00 | \$ 629,836.00 |
| 305 Building Authority | \$ 1,055,185.00 | \$ 1,055,185.00 |
| 494 DDA | \$ 212,100.00 | \$ 228,890.00 |
| 495 TIFA | \$ 718,467.00 | \$ 706,335.00 |
| 584 Golf | \$ 284,900.00 | \$ 311,850.00 |
| 591 Water and Sewer | \$ 7,712,000.00 | \$ 9,498,509.00 |
| 677 Workers Comp | \$ 120,000.00 | \$ 240,000.00 |
| 734 Severance Reserve | \$ 240,000.00 | \$ 205,000.00 |

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI


PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

City of Southgate

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 22, 2019

RE: User charge System for Southgate-Wyandotte Drainage District Public Hearing

This Communication provides information regarding the user charge system in place for the operating and maintenance as well as Capital Improvement charges of the Southgate-Wyandotte Drainage District.

In 1975, the City of Southgate agreed to implement a user charge system as a condition of an EPA grant award in the amount of \$40,793,250 to construct improvements to the District. Upon completion of such construction in 1980 the Wayne County Drainage Board utilized excess construction funds (monies approved and levied for original construction) for the purpose of operating and maintaining the system – the approximate amount of excess funds used for this purpose over the past years is eight (8) million dollars.

The Wayne County Drainage Board has approved a final order of apportionment of the costs of the operating, maintaining and replacing facilities of the Southgate-Wyandotte Drainage District, as follows:

| | |
|-------------------|---------|
| City of Southgate | 42.708% |
| City of Wyandotte | 50.322% |
| State of Michigan | 1.804% |
| County of Wayne | 5.166% |

The Board will be approving an annual budget of O/M costs for fiscal year October 1, 2017 to September 30, 2018 in the amount of \$1,708,319 and for September 30, 2019 in the amount of \$1,617,379. Therefore, based on our apportionment percentage, the City's annual cost is \$690,750 for this current fiscal year. In addition, modernization and automation of the retention treatment facilities along with the Barberrly Relief Sewer are estimated at over \$23M (Southgate's portion equal to about \$9,822,840). The project will be funded by fund balance, by an additional levy in fiscal year 2019/2020. The additional levy for 2019/2020 is \$774,642. Therefore, I recommend a total 2019/2020 levy of \$2,392,021.

The staff has computed a charge to benefiting property owners within the District based upon size of parcel (acreage) as well as land use (whether residential, commercial or industrial see exhibit A). Approximately 60% of the geographic area of the City is included in the District.

Boundaries are as follows:

North: Brest Avenue
South: Pennsylvania
East: Fort Street
West: Generally comprised by the area
Commencing with McCann (on South side)
To Eureka to Reeck to I-75.

There are over 8,000 parcels identified in this district. For your information, the user charge (average) for a typical residential parcel of property, assuming a 40' x 120' or 50' x 120' lot is about \$58.00 or \$70.00 respectively.

Included within the user charge system are institutional owners such as schools and churches, as well as private property owners. These institutions will also be required to pay a user charge.

EXHIBIT A - USER CHARGE FORMULA

For each parcel of land within the Southgate-Wyandotte Drainage District, the following formula will be applied to determine the annual user charge to be assigned to each parcel so situated.

1. Each Southgate parcel within the Southgate-Wyandotte Drainage District will be assigned to one of the following eight use categories:

1. Residential

- a. R1=0 to .359 acres
- b. R2=.360 to .750 acres
- c. R3=Over .750 acres

2. Churches
3. Commercial
4. Industrial
5. Schools
6. Municipal Complex
7. Streets & Alleys
8. Undeveloped (any user class)

2. Each of the eight categories has been assigned a runoff co-efficient as follows:

1. A. .503
- b. .314
- c. .258

2. .517
3. .802
4. .635
5. .351
6. .330
7. .612
8. .200

3. Each Southgate parcel in the Southgate-Wyandotte Drainage District will be assigned a figure, which represents the actual acreage of each parcel.

4. The acreage for each parcel will be multiplied by the runoff co-efficient assigned to that parcel's category.
5. The product of the acreage multiplied by the runoff co-efficient shall be the impervious acreage per parcel in the Southgate-Wyandotte Drainage District.
6. Areas in the Southgate-Wyandotte Drainage District with storm water runoff which flows elsewhere than Pump Station No. 5 or the Pine Street Pump Station, will be given a 95% reduction in the total impervious acreage assigned to that parcel.
7. The annual operation and maintenance along with Capital costs assigned to the Southgate-Wyandotte Drainage District by Wayne County.
8. The annual operation and maintenance will multiplied by 42.708% plus the cost of Capital Improvements to determine the total Southgate share of the Southgate-Wyandotte District costs.
9. The total Southgate share of the Southgate-Wyandotte Drainage District costs will be divided by the total impervious acreage in the Southgate portion of the Southgate-Wyandotte Drainage District to yield a unit cost per impervious acre.
10. The impervious acreage for each Southgate parcel in the Southgate-Wyandotte Drainage District will be multiplied by the product of the calculation in #9 hereinabove.
11. The result of the product derived from #10 hereinabove shall be the annual fee charged to each Southgate parcel in the Southgate-Wyandotte Drainage District.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS


DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 22, 2019

RE: Proposed Water/Sewer Rate Increase

Attached is the proposed Water and Sewer rate increase as discussed with you during the budget study sessions. The proposed Water Rate is \$29.72 with \$3.19 increase per 1,000 cubic feet. The proposed Sewer Rate is \$31.43 with \$1.50 increase per 1,000 cubic feet. The proposed Capital Rate is \$8.00 with no increase per 1,000 cubic feet.

At the conclusion of this evening's public hearing the Administration is requesting the City Council adopt a resolution establishing the new Water rate at \$29.72 per 1,000 cubic feet. And the new Sewer rate at \$31.43 per 1,000 cubic feet. The yearly increase for the average home in Southgate is approximately \$45.00 per year or about \$7.50 per billing cycle.

Should you have any questions please contact me at 734-258-3017.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



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CHRISTOPHER P. ROLLET

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 22, 2019

RE: Southgate-Wyandotte Drainage District User Charge

Under a separate transmittal, you have previously held the Public Hearing for the Southgate-Wyandotte Drainage District regarding the 2019/2020 special assessments.

It is recommended that City Council adopt a resolution, which approves the 2019/2020 fiscal year apportionment for the City of Southgate in the amount of \$2,392,021.00.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

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CHRISTOPHER P. ROLLET

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 22, 2019

RE: Water, Sewer and Capital Rate Increase

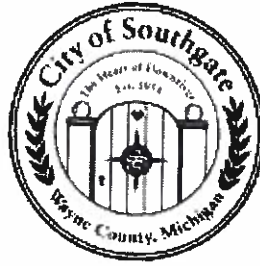
Under a separate transmittal, you have previously held the Public Hearing for the Water, Sewer and Capital Rate Increase for fiscal year 2019/2020.

It is recommended that City Council adopt a resolution establishing the new Water Rate at \$29.72 per 1,000 cubic feet and the new Sewer Rate at \$31.43 per 1,000 cubic feet for fiscal year 2019/2020.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

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Treasurer



City of Southgate

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CHRISTOPHER P. ROLLET

April 25, 2019

To the Honorable
City Council
Southgate, Michigan 48195

Re: Purchase of Business License Management Software and Training

Ladies and Gentlemen:

The attached proposal for the purchase of Business License Management Software and Training has been reviewed by the Assistant City Administrator/Finance Director and the Deputy Finance Director and I concur with their recommendation to award this purchase to BS&A of Bath, Michigan in the amount of \$12,685.00. The City currently uses BS&A software for most non-public safety functions, therefore this purchase would tie in all departments.

Funds are available in the Building Department Escrow fund for this purchase.

Your concurrence would be greatly appreciated.

Sincerely,



Joseph G. Kuspa
Mayor

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

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BILL COLOVOS


DALE W. ZANECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 18, 2019

RE: Recommendation for Purchase of Business License Management Software and Training

I have reviewed the above with the Asst. Finance Director and concur with her recommendation to award this purchase to BS&A of, Bath, Michigan in the amount of \$12,685.00. The City has money available through the Building Dept. Escrow funds for this purchase. The City currently uses BS&A software for most of its nonpublic safety functions and these additional modules would tie in with them (Finance Accounts Payable, Payroll, Treasurer, DPS/Water Billing and Assessor/Tax Accounts along with Bldg. and Ordinance).

Proposal for Software and Services, Presented to...
City of Southgate, Wayne County MI

January 29, 2019

Quoted by: Steve Rennell



Thank you for the opportunity to quote our software and services.

At BS&A, we are focused on delivering unparalleled service, solutions, support, and customer satisfaction. You'll see this in our literature, but it's not just a marketing strategy... it's a mindset deeply embedded in our DNA. Our goal is to provide such remarkable customer service that our customers feel compelled to remark about it.

*We are extremely proud of the many long-term customer relationships we have built. Our success is directly correlated with putting the customer first and consistently choosing to **listen**. Delivering unparalleled customer service is the foundation of our company.*

Cost Summary

Applications and Annual Service Fee prices based on an approximate parcel count of 12,447. Software is licensed for use only by municipality identified on the cover page. If used for additional entities or agencies, please contact BS&A for appropriate pricing. Prices subject to change if the actual count is significantly different than the estimated count.

Applications

Community Development

| | |
|-----------------------|----------------|
| Business License .NET | \$6,250 |
|-----------------------|----------------|

Data Conversions/Database Setup

| | |
|--|----------------|
| Import business names and addresses from BS&A Building Department. | \$1,500 |
|--|----------------|

Project Management and Implementation Planning

Services include:

- Analyzing customer processes to ensure all critical components are addressed.
- Creating and managing the project schedule in accordance with the customer's existing processes and needs.
- Planning and scheduling training around any planned process changes included in the project plan.
- Modifying the project schedule as needed to accommodate any changes to the scope and requirements of the project that are discovered.
- Providing a central contact between the customer's project leaders, developers, trainers, IT staff, conversion staff, and other resources required throughout the transition period.
- Installing the software and providing IT consultation for network, server, and workstation configuration and requirements.
- Reviewing and addressing the specifications for needed customizations to meet customer needs (when applicable).

\$825

Implementation and Training

- \$1,100/day
- Days quoted are estimates; you are billed for actual days used

Services include:

- Setting up users and user security rights for each application
- Performing final process and procedure review
- Configuring custom settings in each application to fit the needs of the customer
- Setting up application integration and workflow methods
- Onsite verification of converted data for balancing and auditing purposes
- Training and Go-Live

| | | |
|------------------------------------|-----------------|-------------------------|
| Software Setup | Days: 1 | \$1,100 |
| Community Development Applications | Days: 2 | \$2,200 |
| | Total: 3 | Subtotal \$3,300 |



Cost Totals

Not including Annual Service Fees

| | |
|--|-----------------|
| Applications | \$6,250 |
| Data Conversions/Database Setup | \$1,500 |
| Project Management and Implementation Planning | \$825 |
| Implementation and Training | \$3,300 |
| Total Proposed | \$11,875 |
| <i>Travel Expenses</i> | <i>\$810</i> |

Payment Schedule

- 1st Payment: **\$2,325** to be invoiced upon execution of this agreement.
- 2nd Payment: **\$6,250** to be invoiced at start of training.
- 3rd Payment: **\$4,110** to be invoiced upon completion of training.



Additional Information

Program Customization

BS&A strives to provide a flexible solution that can be tailored to each municipality's needs. However, in some cases, custom work may be required. Typical examples include:

- custom payment import/lock box import
- custom OCR scan-line
- custom journal export to an outside accounting system
- custom reports

If you require any custom work, please let us know so that we can better understand the scope of your request and include that in a separate proposal.



Acceptance

Signature constitutes...

1. An order for products and services as quoted
Quoted prices do not include Program Customization, training beyond the estimated number of days, or recommended Bank Reconciliation Consultation
2. Agreement with the proposed Annual Service Fees
3. Acceptance of BS&A's hardware recommendations required to efficiently run the .NET applications

Signature

Date

BS&A PLEDGE. We offer a one-year, risk-reversal pledge on our software. If, up to a year after installation, you are not happy with our software and service, you can return our software for a full refund.

Returning Accepted Proposal to BS&A

Please return the entire proposal, with signature/date (this page) and contact information (next page) filled out, by any of these methods:

Mail: BS&A Software
14965 Abbey Lane
Bath, MI 48808

Fax: (517) 641-8960

Email: srennell@bsasoftware.com

Once your proposal is received, a BS&A representative will contact you to begin the scheduling process.



Contact Information

If any mailing addresses are PO Boxes, please also provide a Street Address for UPS/Overnight mail.

If additional contacts need to be submitted, please make a copy of this page.

Key Contact for Implementation and Project Management

Name _____ Title _____

Phone/Fax _____ Email _____

Mailing Address _____

City, State, Zip _____

IT Contact

Name _____ Title _____

Phone/Fax _____ Email _____

Mailing Address _____

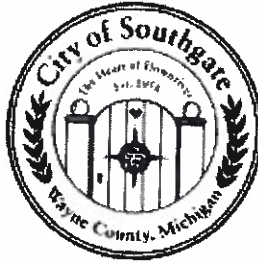
City, State, Zip _____



JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
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City of Southgate

- CITY COUNCIL -

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PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

April 26, 2019

To the Honorable
City Council
Southgate, Michigan 48195

Re: Bid for Stainless Steel Clamps

Ladies and Gentlemen:

It is recommended by the DPS Director and I concur, that the contract for Stainless Steel Clamps be extended with Michigan Pipe and Valve as they have extended their pricing for one year.

Adequate funds are available in the Water and Sewer Fund for this purpose.

Your favorable consideration of this matter is requested.

Sincerely,



Joseph G. Kuspa
Mayor

JGK/law

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

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Council President

MARK FARRAH

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DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director

DATE: April 26, 2019

RE: Recommendation for Stainless Steel Clamps

I have reviewed the above with the DPS Director and concur with his recommendation for a bid extension to our current vendor, Michigan Pipe and Valve, Jackson, MI.

Adequate funds are available in the Water and Sewer Fund for this purpose.

From the Desk of:
Robert Tarabula
Director, D.P.S.
April 26, 2019



To: David Angileri
Finance Director

Re: Bid Extension Recommendation for Stainless Steel Clamps

I respectfully request to extend the bid for Stainless Steel Clamps to **Michigan Pipe and Valve, 3604 Page Ave., Jackson, MI 49203** until March 1, 2020.

They are the current contractor for the Downriver Consortium and they have extended their pricing until March 1, 2020. I believe this to be in the best interest of the Downriver Consortium as they have always provided excellent service.

If you have any questions, please contact me.

RT/sb

(D/Bids-A: Bid extension: DCC Stainless Steel Clamps)



Michigan Pipe & Valve

3604 Page Ave.
Jackson, Michigan 49203
Phone: 517-764-9151 Fax: 517-764-9155

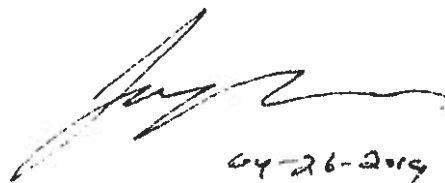
April 26th, 2019

To Whom it may concern:

Michigan Pipe and Valve Jackson will extend 2018/2019 HB 17 18-33 repair clamp pricing for The City of Southgate Michigan and all other communities in the DCC Cooperative until March 01, 2020.

If you have any questions or concerns, please feel free to contact me.

JEREMY RICHMOND
MICHIGAN PIPE & VALVE JACKSON
JRM@MICHIGANPIPE.COM
517-764-9151
517-764-9155 (FAX)



04-26-2019