



Pittsfield Charter Township

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Office of the Supervisor

MEMORANDUM

TO: Board of Trustees & Park Commission

FROM: Mandy Grewal, Ph.D., Supervisor

DATE: August 11, 2021

SUBJECT: FY 2022 Budget Discussion

The final outcome of the Public Safety millage will be determined on November 2nd. This timeline is just about a month shy of when Pittsfield Township, as a local municipality, is required to adopt its budget for the upcoming year. As such, I feel it is incumbent upon us to be prepared with various options for the FY 2022 General Fund along with the Park and Public Safety millage budgets.

To that end, we should begin public discussions on the same so we may begin outlining alternatives over the next few months. Specifically, the 2.95 Public Safety millage, if approved, will still require us to cut \$800,000 in General Fund expenditures. Where should these cuts come from?

Scenario A

(passage/voter approval of the 2.95 public safety millage in November)

1. There are three (3) Township taxes levied: General Fund; Parks; Public Safety. Organizing operations to align with these funding streams is important for full transparency as it relates to the use of taxpayer/public monies, based on public feedback from the May public safety millage election. To that end, we should consider separating parks operations, as outlined in the attached presentation, similar to public safety operations. Also, given that, since summer 2019, the Park Commission has conducted its communication with the Board of Trustees through resolutions and other public forums rather than through administrative and direct contact with the Supervisor and her staff (2009-2019), it is a good time to undertake this organizational separation for operational efficiencies as well. Rather than post, as suggested, for Director of Parks & Recreation wherein the Park Commission and Supervisor share supervisory authority, it is important to consider a structure wherein parks operations are managed through a clear line of authority so that we can ensure provision of quality park services to our community. As outlined currently, the position cannot be successful if they are pulled between two groups that don't communicate directly and regularly (for daily administrative coordination rather than periodic/ad-hoc legislative action) with each other. Creation of a separate Parks Department with its own Director of Parks who reports directly and solely to the Park Commission will set up this position/individual for success so they can focus, most importantly, on enhancing park services and amenities for Pittsfield
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Township residents. Within this scenario, the Director of Parks will report to the Park Commission with the BOT allocating a lump-sum transfer to the Park Millage budget similar to the allocation currently made to the Public Safety Millage budget. This will, additionally, provide for full transparency regarding use of public monies. Assuming no cuts or reduction in the current park operations, this will require a transfer of \$650,000 from General Fund to Park millage budget for FY 2022.

2. While the above-noted recommendation assists with enhanced transparency in use of public funds that may assist with future millage approvals/renewals, it does not move the needle at all on cost savings. To meet the mandate on that front, i.e., reducing administrative costs while providing for coordination and internal synergies, we need to undertake a significant step to revise the current organizational structure. To that end, and after input and consideration with/of our existing team, we might consider consolidating municipal services, recreation, and community development functions to create a single department of Economic and Community Development (emulating Washtenaw County) thereby requiring a single department head as opposed to three. This reorganization is projected to save a hefty \$180,000/year, per the calculations of the Finance Director. Among other things, this reorganization, relies on cross-training and cross-departmental sharing of administrative staff to reduce cost. It does so while leveraging the skills and interests of existing staff and, very importantly, does not require any employee layoffs.
3. Another cost-saving measure may be to rely on the American Rescue Plan monies to pay for high-cost capital improvement projects thereby removing the burden of the same from General Fund for FY 2022 by a very significant \$500,000.
4. Undertaking steps (2) and (3) along with reduction, by small percentages, for expenditures on local road maintenance and contingences will help us meet the projected \$800,000 in administrative cost reductions for FY 2022.
5. It should be noted that the position creations approved earlier this year, including in the IT department, are not included or budgeted for FY 2022. It should also be noted that moving forward, we will need to freeze new capital improvement projects, which require local match monies until such time as the Township's General Fund reaches a new, lower equilibrium.

Scenario B

(failure of the 2.95 public safety millage; continuation of the current 1.95 public safety millage levy):

1. All of the above + personnel layoffs across various departments.

This memo is intended to get us started on our public discussions regarding the budget. We will use input from these discussions to compile two draft budgets: scenario A with approval and; scenario B with failure of the 2.95 public safety millage. The applicable budget will be introduced for adoption in November following the public safety millage election.

BOARD OF TRUSTEE'S WORKING SESSION

August 11, 2021

General Fund 2020 Budget Cuts

Department	(Decreases)	Pct.
Legislative Board	(985)	-1%
Supervisor Dept.	(5,015)	-3%
Finance Dept.	(17,350)	-5%
Assessing Dept.	(54,900)	-10%
Clerk Dept.	(31,950)	-8%
Community Development Srvs Dept.	(44,100)	-11%
Professional Srvs Dept	(58,060)	-20%
Treasurer Dept.	(7,900)	-2%
Information Technology Dept.	(49,500)	-10%
Buildings & Grounds	(34,300)	-10%
Human Resources Dept.	(42,707)	-11%
Property Maint. Inspectors Dept.	(62,234)	-37%
Metro Authority	(15,000)	-100%
Highways & Streets	(265,075)	-22%
Street Lighting	(25,000)	-6%
Municipal Srvs Dept	(38,500)	-5%
Parks & Recreation Dept.	(163,155)	-12%
Historical Society	(6,580)	-34%
Insurances	(35,000)	-28%
Contingencies	(99,052)	-50%
Total 2020 Cuts	<u>(1,056,363)</u>	<u>-13%</u>

**Pittsfield Charter Township
Parks
2022 Budget Request**

Description	2022 Requested
Salaries	144,948
Wages	238,660
Per Diem Pay	12,000
Overtime Pay	13,000
Fringe Benefits	204,142
Uniform Expenses	5,050
Office Expenses	500
Communications	4,000
Meetings & Transportation	200
Insurance	25,000
Memberships & Dues	500
Schooling/Seminars/Conferences	2,000
Parks Appropriations:	650,000

General Fund Transfer to Parks Millage

Pittsfield Charter Township
Economic Community Development
(Community Development, Municipal Services & Recreation)
2022 Budget Request

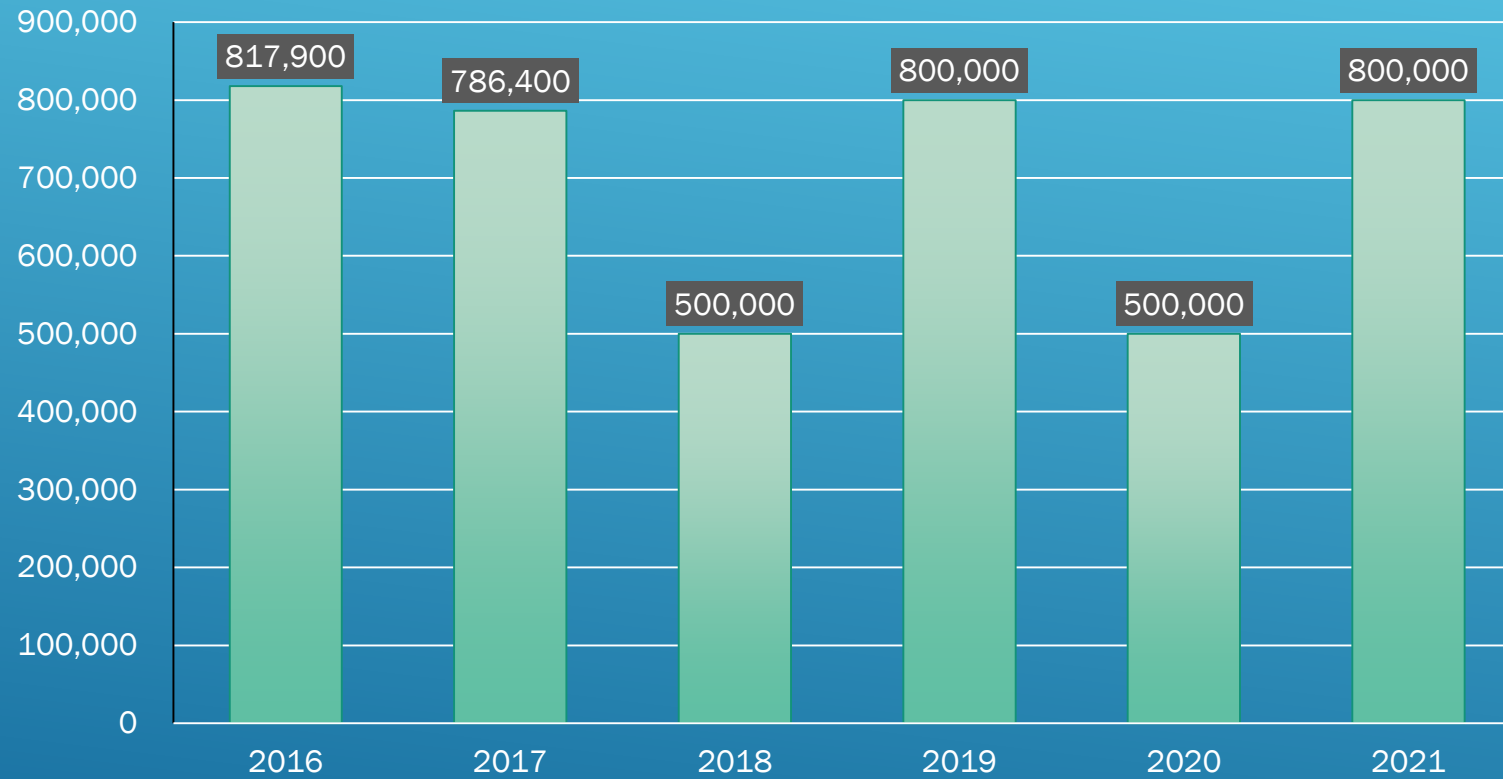
Description	2022 Requested
Salaries & Wages	618,002
Fringe Benefits	292,192
Operation Expenses	43,850
Professional & Contractual Services	302,000
Communications	5,500
Meetings & Transportation	1,250
Insurance & Utilities	20,000
Printing & Publishing	33,000
Community Engagement	25,000
Memberships & Dues	5,540
Other	2,930
Schooling/Seminars/Conferences	6,000
Capital Expenditures	10,000

EDC Appropriations: 1,365,264

Combine Savings

\$180,000

Local Roads Paving Budgets 2016-2021



2022 Proposed \$450,000

American Rescue Plan Act

\$4,073,805

Expected Allocation

2021 - \$ 2,036,902.50

2022 - \$ 2,036,902.50

SUGGESTED EXPENDITURES MEET CATEGORY #3 AND #4 (REVENUE LOSS & INVESTMENT IN INFRASTRUCTURE)

DIRECTLY PROVIDE SERVICES OR AID TO CITIZENS

2021 (about \$500,000):

Pedestrian Street Lighting Project \$50,000

Streetlighting Project-Washington Heights, \$160,000

Mast Arm Infrastructure-Textile & Maple \$294,460

2022:

Michigan Avenue Sewer Project - \$2,500,000

Suggested: Land/Green Space Preservation - \$1,003,805

Allocate remainder \$70,000 to Parks Budget for park improvements (Lillie South Park damage estimated under \$30,000, which leaves an additional \$40,000 to allocate for Parks)

Proposed FY 2022 Budget Cuts for Expenditures

Deducted Expenditures

Capital Expenditures - \$200,000 (American Rescue Plan; previous slide)

Contingencies - \$125,000 (Cut)

Local Roads Paving - \$350,000 (\$450,000 for expending in FY22)

Combine Dept (ECD) - \$180,000 (Savings)

TOTAL: \$855,000

Proposed FY 2022 Budget Increases for Revenues

Added Revenue

Building Dept. Admin Fee + \$50,000

Utilities Dept. Admin Fee + \$50,000

TOTAL: \$100,000

**Pittsfield Charter Township
General Fund Expenditures
2022 Budget Year**

	<u>2020 Actual</u>	<u>2021 Amended</u>	<u>2022 Request</u>	<u>Pct. Change</u>
<u>EXPENDITURES - General Fund</u>				
Departments	5,869,160	6,426,308	5,991,119	-6.77%
Drains-at-Large	170,005	212,000	140,000	-33.96%
Township Roads & Maintenance	125,931	870,000	520,000	-40.23%
Street Lighting	358,630	382,000	410,000	7.33%
Transportation	521,408	650,000	650,000	0.00%
Capital Outlay	274,932	200,000	-	-100.00%
Debt Service	428,250	436,112	438,712	0.60%
Transfer Out-Public Safety Fund	6,000,000	6,000,000	6,000,000	0.00%
Transfer Out-Parks Fund - Payment	-	250,000	250,000	0.00%
Transfer Out - Parks Fund-Operations	-	-	650,000	100.00%
Transfer Out-MI East Central Drain	57,876	59,400	58,400	-1.68%
Transfer Out-Other CI Projects	570,989	300,000	-	-100.00%
Contingencies	75,000	200,000	75,000	-62.50%
	<u>14,452,181</u>	<u>15,985,820</u>	<u>15,183,231</u>	<u>-5.02%</u>

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