

Attachment 4

FY2020 Parks & Recreation Budget

Facilities CIP Fund



 City of East Lansing 
CAPITAL IMPROVEMENT FUND

City of East Lansing

CAPITAL IMPROVEMENT FUND

Revenues, Expenditures, & Changes in Fund Balance

	FY2018	FY2019	FY2020
<u>Revenues & Financing Sources:</u>	<u>Actual</u>	<u>Amended Budget</u>	<u>Budget Request</u>
Intergovernmental Revenue:			
Avondale Square CDBG Grant	\$ 114,788	\$ 274,920	\$ 274,230
Avondale Square Brownfield Reimbursement	87,232	96,520	90,115
Wilson Rd State Capital Grant	1,253,000	-	-
Facility Improvements State Grant	29,890	8,240	25,000
Charges for Services - Wilson Rd	1,910,611	5,116,520	-
Other Misc Revenue - Property Demo Lot Sales	29,000	-	-
Other Financing Sources:			
Transfer from General Fund - Avondale Square	-	99,010	91,260
Transfer from General Fund - Facility Imp.	395,000	141,000	170,500
Transfer from Income Tax Fund - Facility Imp.	-	-	25,000
Reappropriated Equity - Wilson Rd	-	228,865	-
Reappropriated Equity - Facility Improvements	-	111,560	-
Total Revenues & Financing Sources	3,819,521	6,076,635	676,105
<u>Expenditures & Financing Sources:</u>			
Personnel Services - Wilson Rd	3,032	35,000	-
Operating Costs			
Wilson Rd	1,910,611	5,310,385	-
Avondale Square	24	-	-
Property Demolition	22,158	-	-
Facility Improvements	-	3,500	-
Capital Outlay - Facility Improvements	775,684	257,300	220,500
Debt Service - Avondale Square	308,888	470,450	455,605
Total Expenditures & Financing Sources	3,020,397	6,076,635	676,105
Operating Surplus (Deficit)	\$ 799,124	\$ -	\$ -
<u>Statement of Fund Balance:</u>			
Fund Balance as of June 30, 2018 <i>(per audited financial statements)</i>			\$ 1,463,002
Anticipated Operating Surplus (Deficit) for year ended June 30, 2019			<u>(1,362,975)</u>
Estimated Available Fund Balance as of June 30, 2019			100,027
Anticipated Operating Surplus (Deficit) for year ended June 30, 2020			-
Estimated Available Fund Balance as of June 30, 2020			<u>\$ 100,027</u>
FY2020 Estimated Fund Balance as a Percentage of Operating Expenditures			14.8%

CAPITAL IMPROVEMENT FUND

Estimated Revenues & Expenditures

EXPLANATORY INFORMATION

In FY2018, the City was awarded approximately \$2.5 million through a Michigan Department of Transportation (MDOT) grant to assist MSU in redevelopment of Wilson Road, from 544 feet east of Bogue Street to Hagadorn Road. The total construction cost is expected to be \$7.6 million with MSU financing the difference of \$5.1 million. The City will record the full construction cost in this fund with offsetting revenue from the grant and MSU. In recognition of the City's administrative time to manage this pass-through grant and construction activity, MSU will reimburse up to \$50,000 of staff cost. The grant was partially received in FY2018 and MSU is advancing monies as needed to pay the contractor. It is anticipated this project will be near complete at the end of FY2019.

The Avondale Square project is complete with all lots sold and single family homes in place. The City funded debt was refinanced in FY2019, but the savings are not sufficient to address the ongoing shortfall. The FY2019 deficit is estimated to be \$99,010, and will be subsidized by a transfer from the General Fund. FY2020 operating deficit is projected to decline to \$91,260 and continue at that annual amount for the duration of the bond (FY2035). The project will see a slight decrease in TIF revenue for FY2020, down to \$90,115. The decline is attributable to the 5 mill reduction due to the income tax. The Section 108 loan debt is being repaid with CDBG revenue. In FY2019, a supplemental payment of \$114,000 was made, and a supplemental payment of \$167,510 is proposed for FY2020.

In FY2018, the City demolished 631 Lexington, a vacant single-family house that was designated a dangerous building. The costs have been placed as a lien on the property and hopefully will be recovered through tax or mortgage foreclosure, or alternatively at the time of a traditional sale. The City is not budgeting any demolition funds for FY2020; currently there are no other properties proceeding through the dangerous building process.

Facility improvements completed or expected to be completed in FY2019 include replacement of the freight elevator in City Hall to comply with current codes and standards; phase I upgrades to the sound and lighting system in the East Lansing Hannah Community Center theatre (partially funded via a grant from the Michigan Council for the Arts and Cultural Affairs); replacement of the roofs, eaves and soffits of the Orchard Street Pump House; and, replacement of the concrete stairs outside the gymnasium emergency exit at the Hannah Community Center. In addition, the overhead door closures were replaced at Fire Station #1 and the engineering and design was completed to repair the ceiling of the Hannah swim pool mechanical chase.

FY2020 facility improvements focus on emergency repairs or replacements. A facility condition assessment of East Lansing City Hall identified nearly \$620,000 in critical plumbing, mechanical, and electrical system repair needs. One of the highest priority items, upgrade the fire alarm system to meet code (\$100,500), is included in the FY2020 budget request. Also included is \$70,000 to replace the overhead doors at Fire Station #1. The doors are extremely heavy making them slow to lift and difficult to keep in working order. The overhead door closures were replaced in FY2019 in preparation for new doors. Additionally, \$50,000 for phase II of the upgrades to the sound and lighting system in the Hannah theatre is included as a capital improvement. This phase will be funded by a \$25,000 grant with the remaining balance supported by a transfer from the Income Tax Fund.

Many other items were also deemed high priority items, however due to budget constraints are being postponed. If additional funds become available, the following items would be recommended for completion:

- \$126,000 to replace the boiler plant at City Hall.
- \$77,000 to repair the ceiling of the Hannah swim pool mechanical chase. Due to the corrosive environment, the damage to the concrete ceiling continues to increase, as does the cost of the repair. This project has become a critical repair.
- \$65,000 to replace the roof, eaves and soffits of the Valley Court Park Stage Building (formerly the BWL building). The Stage Building was relocated into Valley Court Park in 2008. No investment has been made in the structure since that time and it is degrading quickly.
- \$20,000 to replace the windows of the Orchard Street Pump House.