



# FREMONT Michigan

## “STATE OF THE CITY”

January 4, 2005

“NOW AND ALWAYS – A Fine City • A Great Community”

Eleven months ago, Governor Granholm laid out a 7-point plan to grow Michigan’s economy and create new jobs. The State set out to:

- 1) retain businesses already located here
- 2) attract new businesses and entrepreneurs
- 3) develop a 21st century workforce
- 4) create ‘cool’ cities
- 5) ensure quality educational opportunities
- 6) make health care more accessible and affordable
- 7) make Michigan a national leader in protecting its environment

It is amazing how similar the City of Fremont’s goals are to the Governor’s. The City set out to:

- 1) diversify and expand the local economy (including retention, attraction, Downtown enhancements, support local workforce development programs)
- 2) balance the needs of the existing infrastructure and new infrastructure
- 3) deliver superior service necessary to the City’s citizenry
- 4) nurture and promote pride in our homes and neighborhoods
- 5) enhance communication and cooperation within the community & regionally

### **Financial Condition**

- **FY 04/05 Budget**

- City Council adopted the FY 04/05 City Operating/Capital Budget last June. Even in these tough times, City was able to adopt a balance budget without increasing the tax levy, fees or other revenues and without any reductions in service levels or personnel.
- Total budget increased from \$6.5 million to \$7.2 million from last year (11.2% increase). General fund increased only 4.6%.
- Nearly \$2 million of total will go toward capital improvement projects.
- City’s 14-mill levy is lowest in the County. Compare to:

Newaygo	19.2
White Cloud	18.3
Hesperia	17.8
Grant	17.6
- City’s 14-mill levy represents only 23% of the total non-homestead tax levy for all taxing bodies of 60 mills. The remainder of the overall millage is levied by the Fremont Public Schools, State Education Tax, Newaygo County, NC-RESA & District Library.
- Status of State Revenue Sharing payments still unknown until the initial State Budget is proposed in early February. City has already received cuts to Fremont’s Rev. Sharing of nearly \$123,000 or 22.7% just since FY 00/01. That reduction has required that the City millage remain at 14 mills, rather than reducing it by about 1 mill. Rev. Sharing makes up about 12.4% of the City’s overall budget (was at 14.7% last year.)

- **Property Tax Base**

- Taxable value of the City’s tax base as of 12/31/03 rose a robust 6.4%, up nearly \$9 million over 12/31/02. Growth for 2004 roll likely much less.
- Gap between SEV and Taxable Value continues to increase each year due to Proposal A of ’94 (See the chart from the City Manager’s Budget Message on page 5.)

- Gap now @ \$23.2 million of untaxed value (16% reduction from SEV)
- If the current 14 mill levy were applied to the gap, the City could raise an additional \$325,000. If the overall revenues in the budget were to remain static (no increase), we could reduce the millage from 14 to about 12 mills, resulting in a 2-mill property tax savings to **ALL** properties.
- Fund Balances or Reserves
  - Fund Balance in all of the City's Funds decreased \$250,000 last FY (03/04).
  - Current FY 04/05 Budget projects a further drop of \$742,000 by year end.
  - Fund Balance in the General Fund (City's largest fund) will drop from 41% to 31 % of annual revenues.
  - Most financial advisors recommend maintaining fund balances around 25%.

## **Major Projects Completed in 2004:**

- City/Township Cooperation Agreement
  - Joint Committee has been working over the last several years to develop a broad policy that will govern where, how and when properties can receive access to all or a portion of City urban services.
  - Based on the concepts of the Urban Growth Boundary and Utility Service Areas adopted in the Joint Fremont Area Community Development & Growth Management Plan in 2001
  - Agreement adopted in October by all three governing bodies; became effective 12/30/04. Phase 1 of Agreement calls for the conditional transfer of 38.5 acres from Dayton & Sheridan Townships to the City (Wal-Mart Superstore, Smith property & two car dealerships.)
  - In return for transfer, City will provide tax-base sharing to two townships of 2 mills of property value for the next 10 years plus per capita revenue sharing for any residents who would be transfer into the City.
  - Phase 2 properties (Pekelville, DeWitt Ave., Country Lane & M-82 between McDonald's & Industrial Dr.) would come under City's jurisdiction when certain triggers are met (requests for utilities, services, etc.)
- Downtown Blueprints Program
  - City/Chamber/DDA successful in securing 1 of 11 State grants for this exciting project for our Downtown.
  - Program will provide assistance to a Process Committee to analyze the Downtown from a marketing standpoint and work to develop a market-driven economic development action plan for the area. National downtown consulting firm Hyett/Palma will coordinate the process in each community. An intense one-week session of the overall 5-month process is scheduled for the week of April 5, 2005 in Fremont.
- New City Website
  - Will go live in February
  - Totally re-designed website will premiere soon with these key features:
    - Access to entire City Code (ordinances) in a searchable database
    - All meeting minutes, agendas & other materials for City Council and other Boards & Commissions
    - Complete property assessment and tax records for each parcel in the City
    - Downloads of frequently used forms, requests, documents, etc.
    - Directory of all City staff, phone contacts & email addresses
    - Summaries of City services, rates, fees, participation requirements, etc.
    - City & community interactive calendar

- Fremont Municipal Airport
  - North/South Runway extended approx. 600' out to full 6,500' including taxiway and lights. Now meets safety criteria for class of design aircraft.
    - Wetland mitigation project on portion of City-owned 20-acre parcel off Green Ave. near Lordon Lake accepted as final by MDOT & MDEQ
    - 60<sup>th</sup> Street vacated with construction of cul-de-sac at Airport entrance; 56<sup>th</sup> Street reconstructed
    - Relocated phone, natural gas and power lines
    - Acquired several parcels of land in runway safety zones (both fee simple & avigation easements)
  - East/West Runway pulverized & resurfaced
  - Airpark development has first new private hangar under construction and about 85% complete
  - Negotiating with Novartis to acquire former Gerber Products Co. hangar & fuel facilities
  
- Stoneycreek Subdivision Phase 2
  - Improvements for Phase 2 completed: extension of Michigan Ave. to north, including curb/gutter, asphalt, water, sanitary sewer, storm sewer & other underground utilities
  - Still to do: streetlights (Phase 2 only) and sidewalks and parkway trees (both Phases 1 & 2)
  - Several new homes already under construction and/or occupied in Phase #2
  - Addition of 12 lots in #2 and 11 lots in #3 (Phase 3 not yet constructed, but has preliminary plat approval)
  - Final completion of Phase #3 in 2005 if sale of lots in #2 proceeds as planned
  
- Town & Country Non-Motorized Path
  - Overall project will construct over 22 miles of path network in and around the community, Fremont Lake, chain of lakes, etc.
  - Construction completed on 1<sup>st</sup> phase with connections between Daisy Brook & Pathfinder Schools and Branstrom Park, along with the path along Lake Drive between Oak St. & Fremont Lake Park.
  - Nearly \$50,000 has been raised privately to cover a portion of Phase 1a costs and for the continuing design of future segments.
  - General corridor for Phase 1b route has been approved by the 3 jurisdictions (west from Lake Dr. thru Industrial Park to Green Ave.; north to signal @ Industrial Dr. & M-82); design to begin this spring on that section. Construction funding for this Phase to come primarily from state & federal grants.
  
- Fremont Lake Park Improvements
  - Irrigation system installed in newly sodded areas adjacent to new beach retaining wall, Swirl, Rotary playground & sand volleyball court.
  - Old northern vehicular bridge over Darling Creek removed as a part of the connection of the Sheridan Twp. sewer to the City's lift station in the campground (cooperative venture w/ Sheridan)
  - This spring will see the replacement of the southern vehicular bridge over Darling Creek with a somewhat wider native fieldstone arched bridge.
  
- Branstrom Park Improvements
  - Resurfaced entire stretch of Branstrom Drive from Park entrance to multi-purpose court plus all three parking areas near ballfield.

- Other City Capital Improvement Projects:
  - Installation of a cured-in-place-pipe (CIPP) lining of 1900' of 8" sanitary sewer lines along:
    - Southwoods Ave. (Main to Pine)
    - Oak St. (Southwoods to Iroquois)
    - Alley north of Dayton St. (between Weaver & Mechanic Avenues)
  - Milling & resurfacing completed of the following streets:
    - Southwoods (Main to Pine)
    - Hillcrest (from churches north to Lewis Lane)
    - Lewis Lane, Clubview Dr., Vista Lane and Juniper Lane
  - Reconstruction of Hillcrest from Cherry north to churches & Hillcrest Condos (curb, gutter, asphalt, storm sewer & sidewalk).
  - Installation of watermain along M-82 between Wal-Mart Superstore east driveway & DeWitt Ave.
  - Milling & resurfacing of Main Street downtown (between Mechanic and Merchant Avenues) completed by MDOT contractor in 3 days.
  - Working w/ MDOT & Twps. to address M-82 Trunkline concerns on west end from DeWitt Ave. west to Industrial Drive over the Maat Drain. Also looking at section of M-82 (S. Stewart) from Cedar St. south past 56<sup>th</sup> St. for a possible 3-lane section w/ curb & gutter & center turn lane. MDOT funding for either of these improvements not expected until 2006.
- Future Traffic Improvements
  - Forum being planned for Monday, January 31<sup>st</sup> to present results of City's Origin & Destination Traffic Study released last fall by consultants from Mead & Hunt.
  - Forum will look @ overall traffic patterns, areas of concern and review possible traffic & transportation solutions.
  - City Council appointed a Stakeholders Committee to review the overall O & D Report, identify traffic concerns & issues, offer possible remedies & provide feedback on solutions identified in the 2001 Joint Master Plan. Committee has met three times and may have one final meeting following the Forum. Will report back to City Council on its findings and recommendations.

**CITY OF FREMONT**  
**The Effects of "Proposal A"**  
**Assessed vs. Taxable Value**  
 Ad Valorem Roll Only  
 (Includes Both Real & Personal Property)

