



City of Rochester

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FYE 2027 FEBRUARY BUDGET WORKSHOP AGENDA

Requested Attendees:

City Council (Debbie Jones, Stuart Bikson, Jessica Clauser, Christian Hauser, Sara King, Nancy Salvia, Marilyn Trent)

City Staff (Nik Banda, Anthony Moggio, Megan Frahzo, George Rouhib Jr., Marcy Moriwaki, Nick Schaefer, Joellen Haines, Scott Demoff, Jason Warner)

Fire Department	Saturday, Feb 28, 2026	9 am
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February Workshop Goals for FYE 2027 Budget

- **January Workshop Follow-Up Items**
- **City Council Special Requests**
- **Infrastructure Discussion**
- **City Council Direction**

1. Meeting Kick-Off
2. January Workshop Follow-Up
3. City Council Special Requests
4. Infrastructure Discussion & Direction
5. Available Funding Sources
6. Budget Timeline
7. Optional – AI Questions & Answers

FYE 2027 February Workshop

SATURDAY, FEB 28, 2026

9 AM

ROCHESTER FIRE DEPARTMENT
LARGE TRAINING ROOM

277 E. SECOND ST.



Workshop Topics

- January Workshop Follow-Up Items
- Kiwanis Playground Options
- Infrastructure Plan
- City Council Items
- Lion's Park Ownership & Rentals
- Millage Rate Constraint
- Interactive Model
- Budget Timeline
- All Questions & Answers

2024/25 ACTUAL	2025/26 PROJECTED	2026/27 BUDGETING	2027/28 FORECASTED	2028/29 FORECASTED
Revenues:				
\$21,577,539	\$23,624,165	\$23,976,873	\$24,657,135	\$25,367,064
Expenditures:				
\$20,524,534	\$23,180,915	\$23,212,847	\$23,917,764	\$24,751,390
Balance:				
\$1,053,005	\$443,250	\$764,026	\$739,371	\$615,674

Discretionary General Fund Operating Budget Fiscal Year Ending (Projected)



Where you live.

Kiwani's
Playground
Replacement

Review Staff
Requested
Items

Police
Department /
City Hall Needs

Community
House
Direction

Snider Recreation

- BCI Burke - Option 1 - \$285,528
- BCI Burke - Option 2 - \$382,822
- ID Sculptures - \$444,200

Midstates Recreation

- EarthScapes - \$340,118
- EarthScapes - Revised Option - \$352,577
- Berliner - \$386,949

Play Environments Design

- Playcraft Systems - Option 1 - \$363,228
- Playcraft Systems - Option 2 - \$374,799

GameTime

GameTime - TBD



Snider Recreation
BCI Burke - Option 1 - \$285,528



Snider Recreation
BCI Burke - Option 2 - \$382,822



Snider Recreation
ID Sculptures - \$444,200



ID SCULPTURE
PLAY. CLIMB. EXPLORE.

Kiwanis Park
City of Rochester, MI
Age Group: 5-12

SCHEMATIC DESIGN
NOT FOR CONSTRUCTION

All IDS projects are designed to meet or exceed ASTM 1487. Please consult ASTM 1487 for required hazard warning and signage specifications. Not all equipment may be appropriate for all children. Supervision is required. ASTM compliant safety surfacing is required under and around all play equipment. The Americans with Disabilities Act (ADA) may require your play area to be accessible, please consult with an ADA professional to ensure compliance.

Date 1/21/2026

Sheet # A.01.1

Drawing Title
Perspective

Midstates Recreation
EarthScapes - \$340,118



Midstates Recreation
EarthScapes - Revised Option - \$352,577

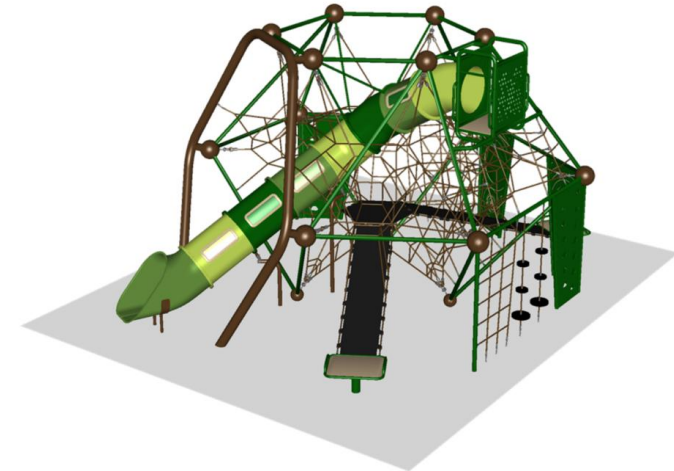
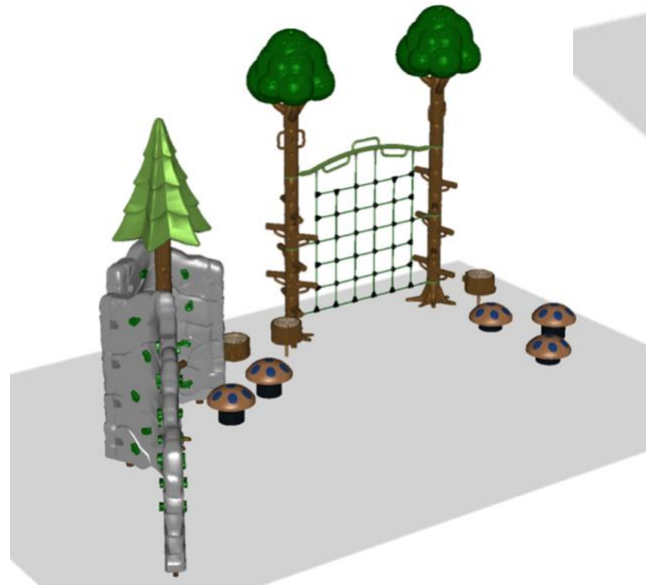


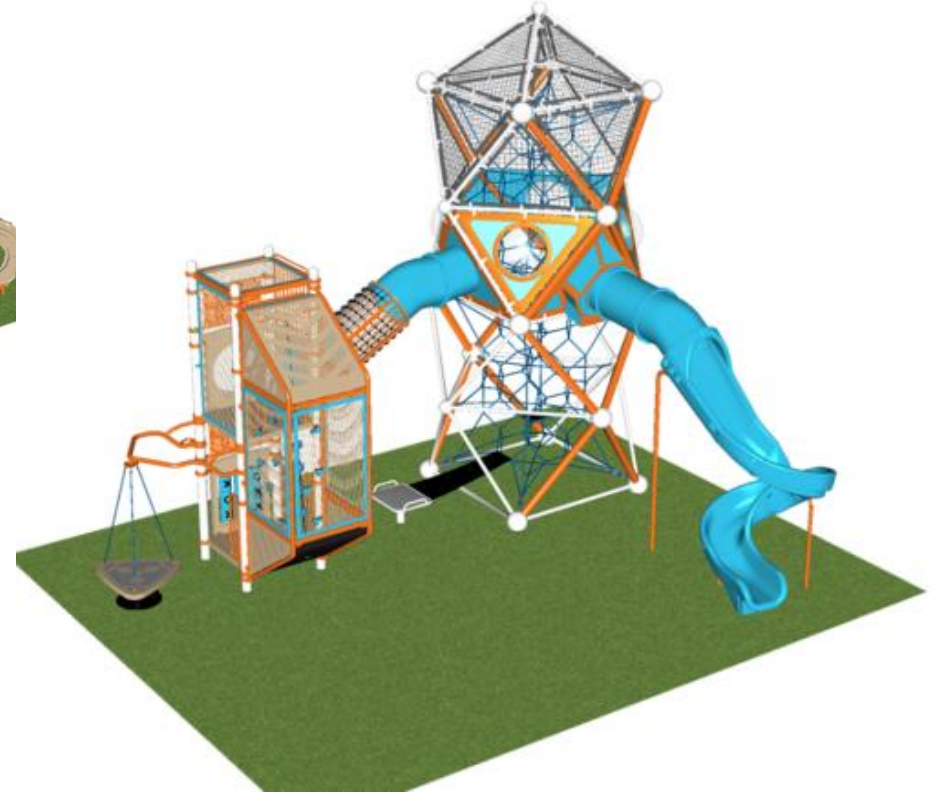
Municipal Park Kiwanis Area Playground - \$386,949

Midstates Recreation
Berliner - \$386,949

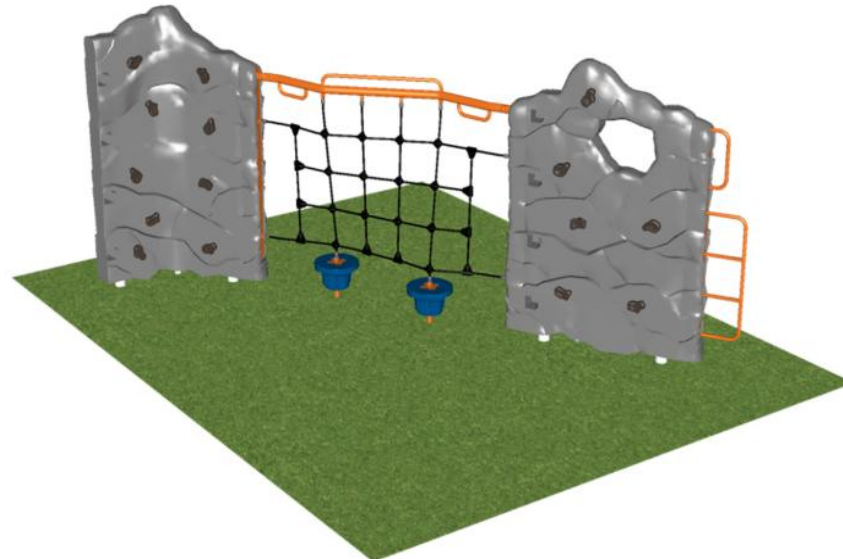


Play Environments Design
Playcraft Systems Option 1:
\$363,228





Play Environments Design
Playcraft Systems Option 2:
\$374,799



Gametime: TBD



New!

VistaSkyWay™ 3
#103307 \$164,990
ASTM Use Zone: 20.7' x 36.5'
ASTM Fall Height: 12'8"
Recommended Ages: 5 to 12 years



New!

VistaSkyWay™ 1
#103295 \$89,990
ASTM Use Zone: 25.1' x 53.8'
ASTM Fall Height: 10'5"
Recommended Ages: 5 to 12 years



New!

VistaSkyWay™ 2
#103303 \$119,900
ASTM Use Zone: 25.7' x 60.22'
ASTM Fall Height: 10'2"
Recommended Ages: 5 to 12 years

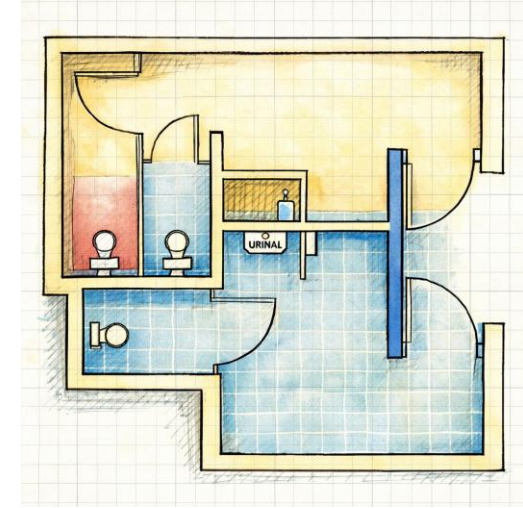
Learn the Ropes!

VistaRope® is GameTime's collection of rope-based play activities. Built with our durable WeaveTech® cabling system, these nets come in a variety of shapes and sizes to encourage thrill-seekers to climb up, down, and all around with friends and family. Choose from traditional net configurations or themed experiences like VistaSkyWay™, which integrates climbers and wheelchair-accessible transfer platforms connected to SureGrip™ pathways — perfect for children who prefer to crawl or scoot through the structure.

Lion's Shelter (Skating Shelter) Bathroom Improvements - \$37,000

Convert to ADA Compliant

- Commitment to concession stand for events
- Addition of food and beverage items



Halbach Field Bathroom Improvements - \$20,000

RARA

- Commitment to concession stand for events
- Addition of food and beverage items



Cemetery Columbarium - \$40,000



PAGE 1 / 4

SDR 48-Niche Columbarium - Double sided - doors with the rosettes

Each front & backside on 24 Niche, 4 Rows & 6 Columns

Overall Setting Size - 92.5"x29"x66.5"

Except doors, All Pcs Glued with Stainless steel Rod.

- Sira Gray, polished
- Jet Black Doors, Polished

SDR 48-Niche Columbarium - Double sided - doors with the rosettes							
S.No	Item	Length in inches	Width in inches	Height in inches	Quantity/Set	Material	Finishing
1	Doors	13.5	0.5	13.5	48	Jet Black	Visible Side Polished
2	Side Plates-1	3	27	57.5	2	Sira Gray	Visible Side Polished
2	Side Plates-2	2.5	27	57.5	2	Jet Black	Visible Side Polished
4	Top & Bottom Plate	81	27	2.5	2	Jet Black	Visible Side Polished
5	Middle Plate	79.5	2	52.5	1	Sira Gray	Visible Side Polished
6	Shelf Plates	81	12	1.5	6	Sira Gray	Visible Side Polished
7	Vertical Supports	1.5	12	12	40	Sira Gray	Visible Side Polished
8	Top plate	92.5	29	3	1	Sira Gray	Visible Side Polished
9	Base	92.5	29	6	1	Sira Gray	Visible Side Polished
				Total Pcs.	103		
				Rosettes	70		

Note: All Doors - Opened by Rosettes

09-04-2025 REV - 0

Well Station 2 - Pump Cleaning & Rebuild - \$89,000



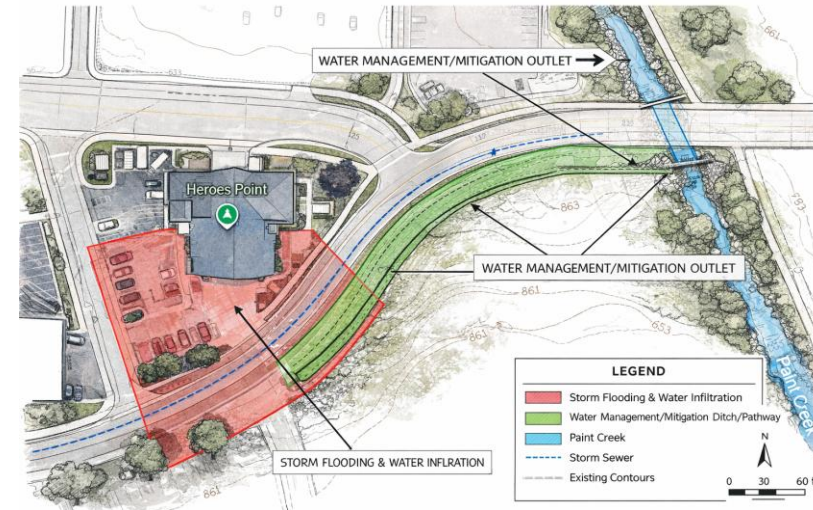
Fire Station Kitchen - \$60,000

Upgrades to Aged & Failing Assets



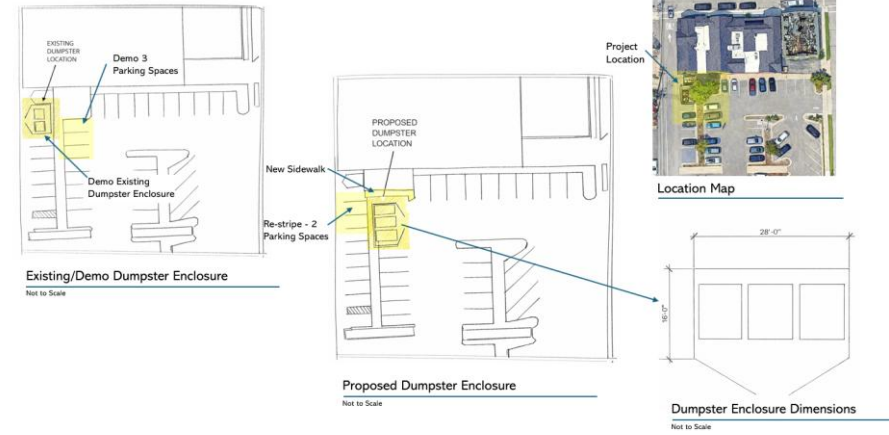
Fire Station Flooding Mitigation - \$100,000

Protection & Preservation of Assets



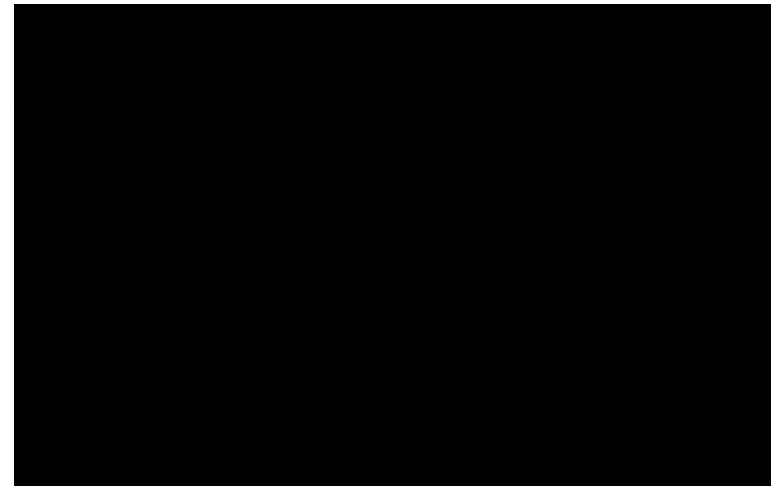
Parking Lot Repairs – Lot 14 - \$562,498

Upgrades to Aged & Failing Assets



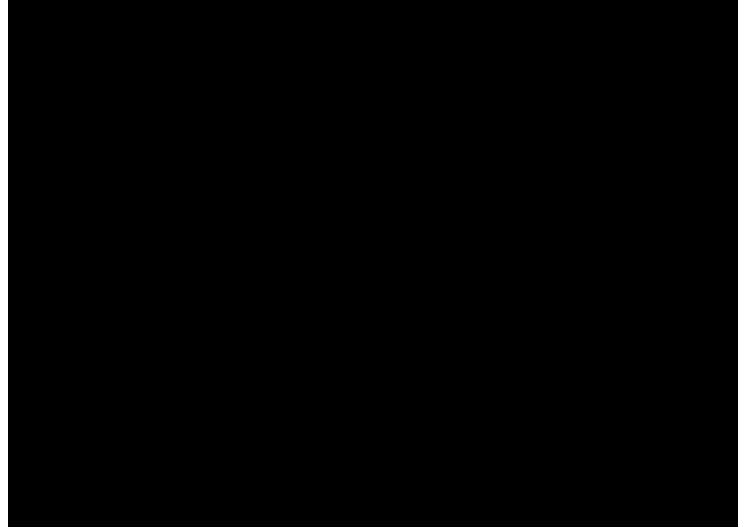
Road Repairs – Great Oaks Sub - \$550,000 (Local Roads)

Upgrades to Aged & Failing Assets



Road Repairs – Runyon Road - \$370,000 (Major Roads) * Runyon/Dequindre Turn Lane - \$254,793 (Tri-Party)

Upgrades to Aged & Failing Assets



Road Work – Lighted Crosswalk on Runyon Road - \$20,000 (Only Possible with HOA Commitment to Sidewalk Repair / Replace)

Stony Creek Ridge HOA Request



Example



Business Registration

Code Compliance (Blight)

Rental Registration Program

Vacant Building Registration
Program

Alarm Registration



City Manager requesting
\$50,000 per year, on-going.

Pay Off Short-Term Loans

Pay Off Vehicle Loans \$ 453,935

Fire Ambulance – Alpha	\$	155,619
Fire Ambulance – Bravo	\$	132,144
DPW Freightliner -	\$	166,172

One-time Usage of FYE 2025
Fund Balance Surplus: Reduce
Short-Term Loans

1. Life Safety & Code Compliance Risk

- ADA space limitations
- Fire alarm & fire suppression deficiencies
- Access control limitations
- Public / employee separation challenges
- Dispatch security exposure
- Aging infrastructure systems

Impact: Increased liability, compliance exposure, and safety risk.

2. Operational Inefficiencies

- Inadequate dispatch circulation
- No dedicated roll-call / briefing space
- Locker room limitations
- Insufficient storage
- Community room constraints

Impact: Reduced efficiency, compromised workflow, and constrained service delivery.

3. Aging Building Systems

- Elevator nearing major capital need
- Windows
- Fire alarm replacement
- FF&E deterioration

Estimated 10-Year Capital Need: ~\$1M–\$1.5M
(Does not include structural reconfiguration)

Impact: Rising O&M costs and recurring capital reinvestment.

City Hall is operational,
but constrained.
Investment decisions determine
whether we preserve, extend, or
replace its functional life.



What This Option Includes:

Limited, Targeted Improvements Only

Estimated Investment: ~\$70,000

- Booking area flooring & paint refresh
- Replacement tactical lockers
- Dispatch security hardening (ballistic glazing, walls, door upgrades)

What This Option Does

- ✓ Improves immediate appearance
- ✓ Provides incremental security upgrades
- ✓ Addresses limited interior wear issues

What This Option Does NOT Do

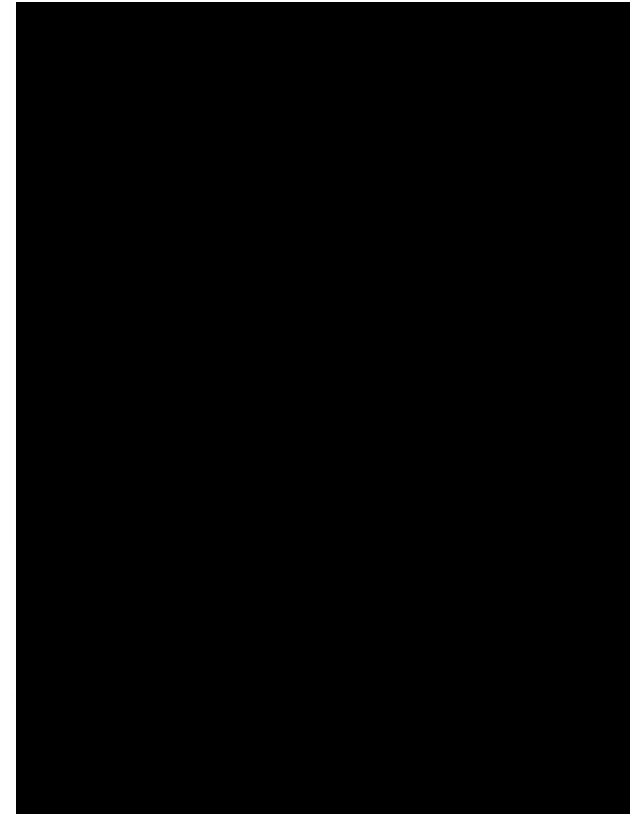
- ✗ Does not solve ADA space limitations
- ✗ Does not address structural space constraints
- ✗ Does not resolve workflow inefficiencies
- ✗ Does not modernize building systems
- ✗ Does not reduce long-term capital exposure

Remaining Capital Exposure

Separate future needs still estimated at:

~\$1M – \$1.5M over next 10 years

(Elevator, fire alarm, windows, suppression, infrastructure)



This option preserves current operations but defers structural and long-term solutions.

First Floor Alterations (~650 SF)

~ \$153 - \$214 per SF = \$183,000 - \$256,000

Hard construction (building only)

\$110-\$155 per SF → \$132,000-\$187,000

Soft Costs

A/E, Engineering, AV/IT, Commissioning ~15-25%

Owner Contingency/Escalation ~10-20%

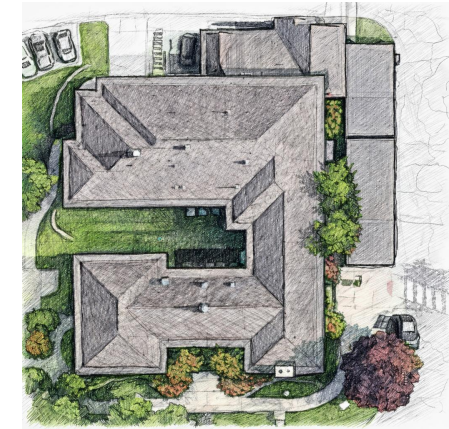
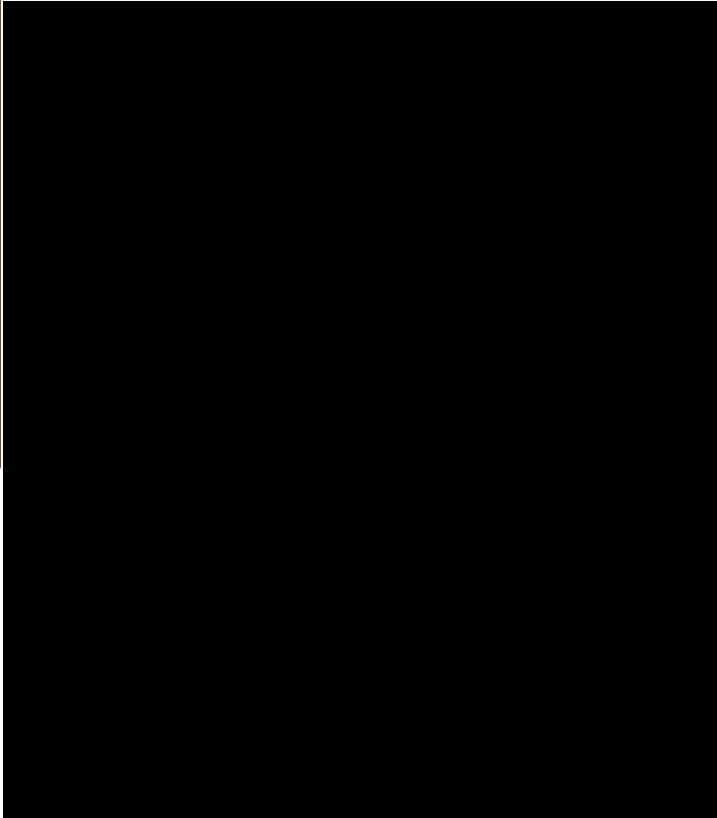
Estimated Cost: \$256,000

What This Option Accomplishes

- ✓ Enhanced public/employee separation
- ✓ Improved security and workflow
- ✓ Modernized entry experience

What This Option Does NOT Accomplish

- ✗ No additional square footage added
- ✗ Does not address broader City Hall constraints



This option addresses immediate security and operational concerns within the existing building footprint while deferring larger structural or expansion decisions.

Additions

~ \$450 – \$850 per SF = \$2.02M – \$3.82M

Hard construction (building only)

\$400–\$500 per SF → \$1.8M–\$2.25M for 4,500 SF

Soft Costs

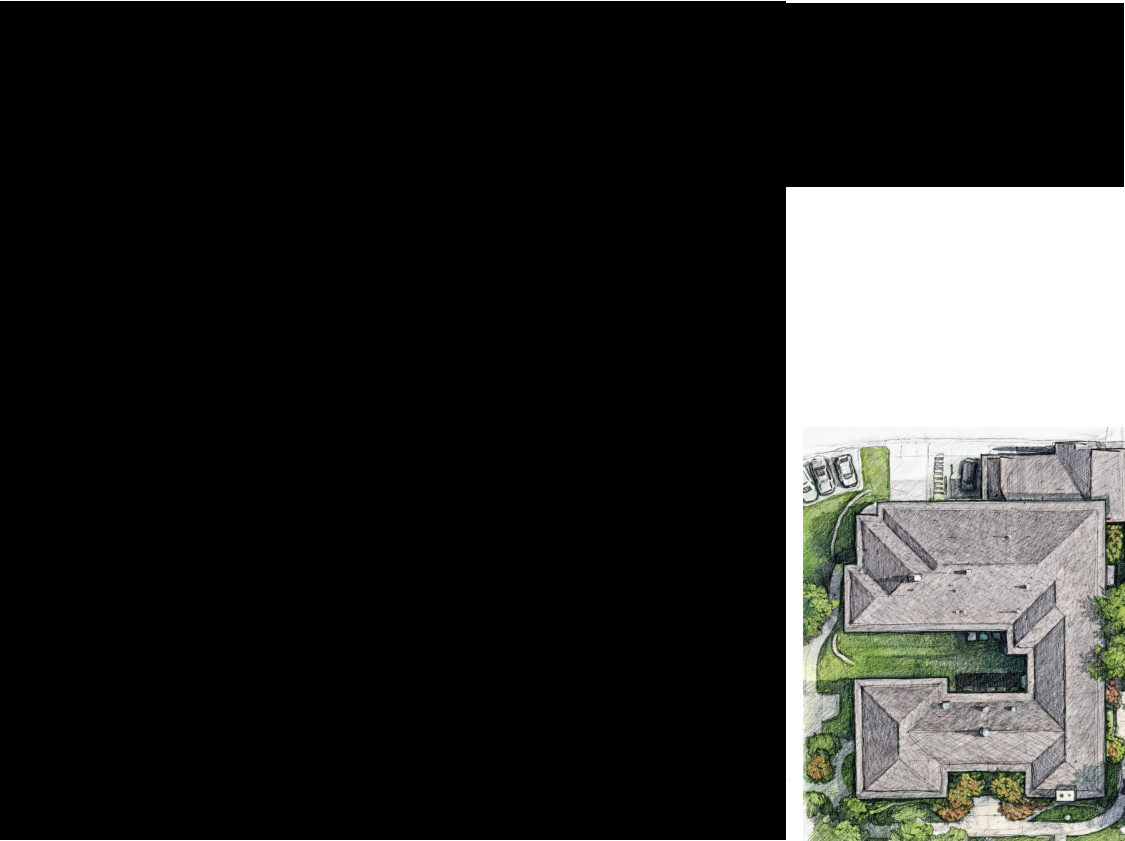
A/E, Engineering, AV/IT, Commissioning ~15-25%

Site/Civil ~5-20%

Owner Contingency/Escalation ~10-20%

FF&E / IT / Security Systems ~\$50K - \$150K

Total Estimated Costs: \$2,025,000 - \$ 3,825,000



What This Option Accomplishes

- ✓ Increases total building capacity
- ✓ Reduces departmental crowding
- ✓ Provides purpose-built space for Police operations
- ✓ Improves long-term functionality without full replacement
- ✓ Extends facility life beyond 15 years

What This Option Does NOT Accomplish

- ✗ Does not fully modernize entire facility systems
- ✗ Still relies on portions of original structure
- ✗ Higher upfront investment than interior reconfiguration

This option moves beyond reconfiguration and adds capacity, positioning City Hall for longer-term operational stability without committing to full new construction.

New Construction (23,000 SF City Hall Building)

~ \$600 – \$1000 per SF = **\$13.8M – \$23M**

New Construction (13,000 SF Police Building)

~ \$600 – \$1000 per SF = **\$7.8M – \$13M**

Hard construction (building only)

\$500–\$600 per SF → \$11.5M–\$19.8M for 23,000 SF

Hard construction (building only)

\$500–\$600 per SF → \$6.5M–\$7.8M for 13,000 SF

Soft Costs

A/E, Engineering, AV/IT, Commissioning ~12-18%

Site/Civil ~8-20%

Owner Contingency/Escalation ~10-20%

FF&E / IT / Security Systems ~400K - \$1.5M

What It Solves

- ✓ All ADA and code limitations
- ✓ All space and workflow constraints
- ✓ Long-term infrastructure replacement
- ✓ 30–40+ year lifecycle horizon

Considerations

- Significant bonding commitment
- Material impact on long-term debt capacity
- Multi-year planning and construction timeline
- Highest capital exposure of all options



This option represents the maximum investment scenario and establishes the upper boundary of potential facility costs.

Community House Project – Cost Evolution

2021
Concept Budget
\$1.02M
(ROM ±30–50%)

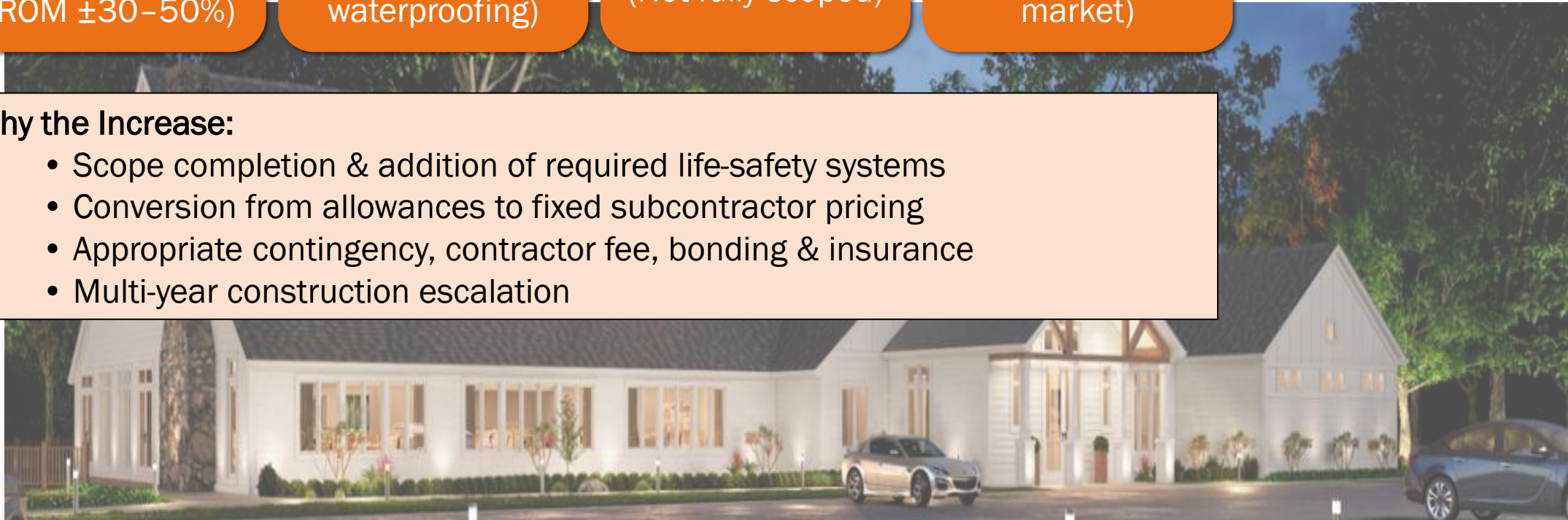
2022 Bid
\$2.845M
(Excluded
waterproofing)

2023 Estimate
\$2.733M
(Not fully scoped)

2025 Final Bid
\$4.719M
(Fully bid, current
market)

Why the Increase:

- Scope completion & addition of required life-safety systems
- Conversion from allowances to fixed subcontractor pricing
- Appropriate contingency, contractor fee, bonding & insurance
- Multi-year construction escalation



Option 1: Maintain Status Quo

Time Horizon: 0–5 Years

Investment Level: Minimal

Focus

- Address emergency repairs only
- Maintain current layout and systems

What It Does

- Preserves General Fund capacity short-term
- Limited improvements at Community House

What It Does NOT Do

- City Hall ADA, space, security, and infrastructure needs remain
- Future City Hall investment still required

Primary Risk:

- Escalating maintenance, compliance exposure, & high future costs
- City Hall issues not addressed

Option 2: Short-Term Improvements

Time Horizon: 0–5 Years

Investment Level: Low–Moderate

Focus

- Targeted safety and security upgrades
- Limited reconfiguration
- System improvements

What It Does

- Larger investment in Community House
- Improves life-safety and security
- Reduces immediate operational pressure

What It Does NOT Do

- No structural solution for City Hall

Primary Risk: Improves Community House but does not solve City Hall

Option 3: Mid-Term Modernization

Time Horizon: 5–15 Years

Investment Level: Moderate

Focus

- Phased renovations
- Mechanical/electrical upgrades
- Expanded or reconfigured space

What It Does

- Addresses Both Facilities
- Extends useful life of both Community House & City Hall

What It Does NOT Do

- Fully future-proof for 30–40 years

Primary Risk: Continued reliance on original structure

Option 4: Full Replacement

Time Horizon: 20–40 Years

Investment Level: Significant

Focus

New construction or major build-out Purpose-built, code-compliant facilities

What It Does

Solves ADA, space, and security issues
Reduces lifecycle maintenance
Provides long-term operational stability

Primary Risk: High upfront capital commitment

The core decision is not whether investment is needed — but the scale and timing of that investment.



Where you live.



Option 1 Maintain Status Quo:
Building Maintenance – Excluding Addition
\$151 per SF = \$2,245,430

Funding Sources

LEO Grant \$0

Bond \$1,000,000

General Fund \$1,245,430

Option 2 Short-Term Improvements:
Addition – Excluding Basement
\$248 per SF = \$3,690,819

Funding Sources

LEO Grant \$2,000,000

Bond \$1,000,000

General Fund \$690,819

Option 3 Mid-Term Modernization:
Addition – Including Basement
\$249 per SF = \$4,783,848

Funding Sources

LEO Grant \$2,000,000

Bond \$1,000,000

General Fund \$1,783,848

What This Investment Includes

~1,900 SF Basement Build-Out

- Public seating area
- Modular dais configuration
- Audio / Visual integration
- Electrical upgrades
- Code-compliant assembly space

Planning-Level Investment Estimate

Total Project Range:

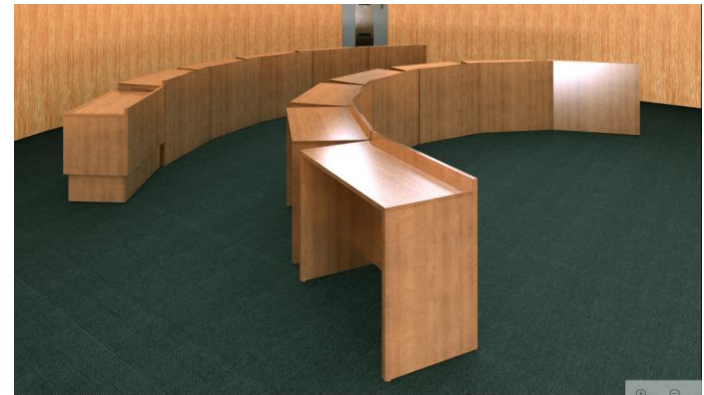
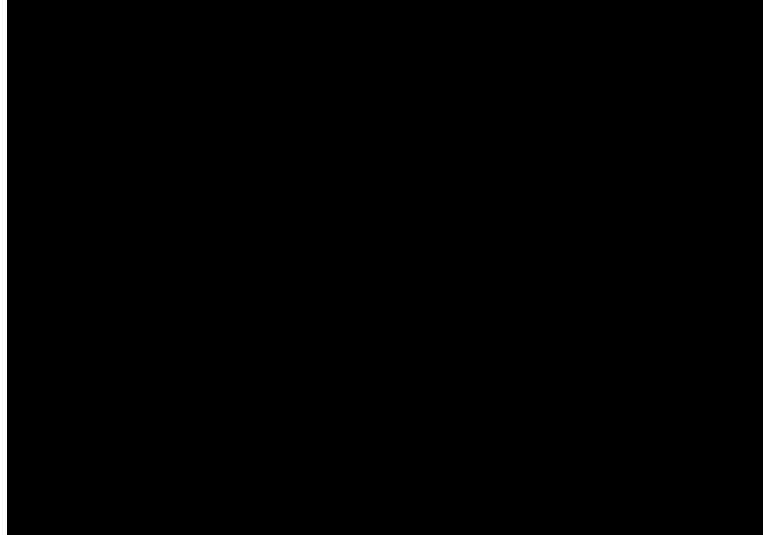
\$137,000 – \$230,000

What This Option Accomplishes

- ✓ Establishes a purpose-designed meeting space
- ✓ Improves meeting functionality and flexibility
- ✓ Utilizes existing building footprint
- ✓ Defers need for new construction

What This Option Does NOT Accomplish

- ✗ Does not address broader City Hall operational constraints
- ✗ Does not eliminate long-term facility decisions
- ✗ Still relies on existing building systems



This option enhances public meeting space within existing facilities while extending useful life at a moderate investment level.

**All cost figures presented are conceptual planning-level estimates only; final pricing will depend on clearly defined scope, detailed design, and market conditions at the time of bidding.*

** Drawings and images are for conceptual purposes only. Not To Scale.*

Second Floor/Partial First Floor Alterations (~3,200 SF)

~ \$104 – \$173 per SF = \$333K – \$555K

Hard construction (building only)
\$70-\$110 per SF → \$224K-\$352K

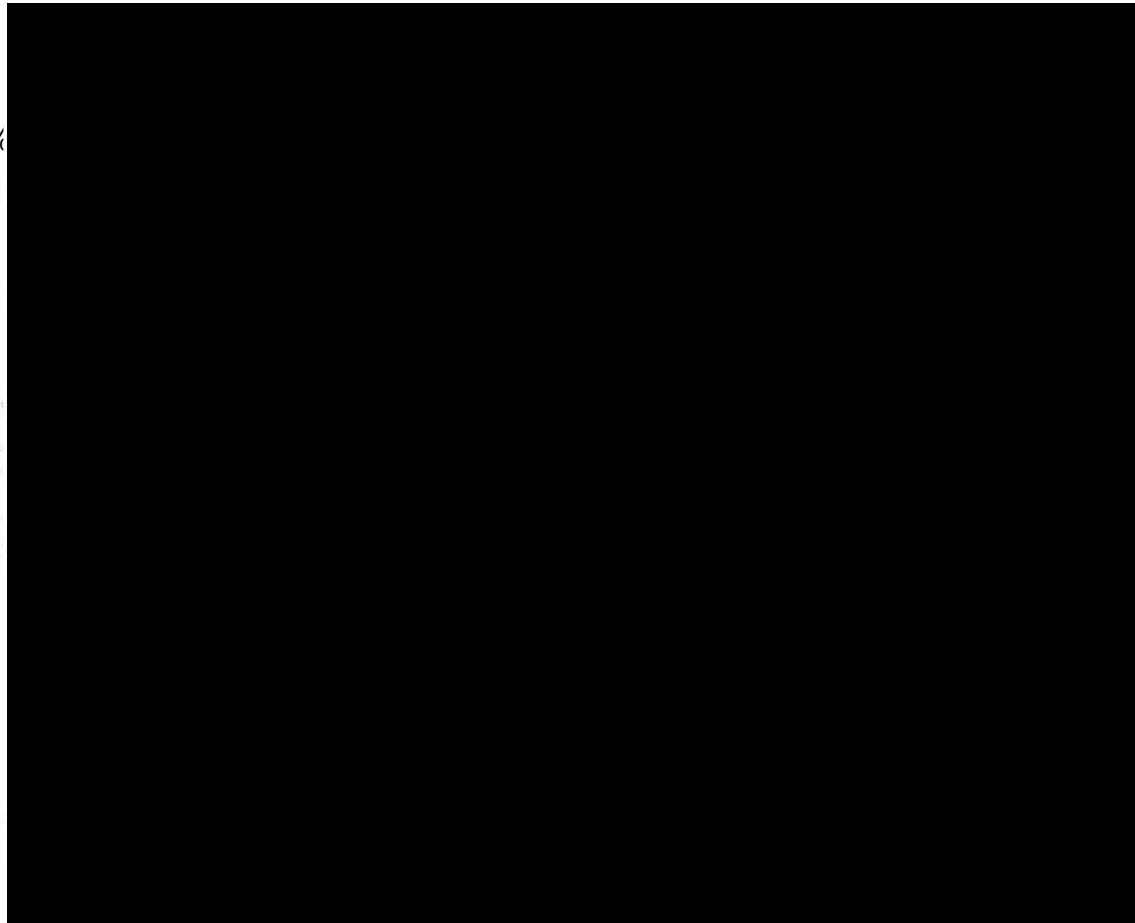
Soft Costs
A/E, Engineering, AV/IT, Comm. ~12-18%
Owner Contingency/Escalation ~10-20%

FF&E \$45K – \$75K

Scope:

- Alteration to council chambers for front office
- Alterations to 2nd floor for administration
- Space accommodations for Police Dept

This option improves how City Hall functions within its existing footprint – extending usability without major expansion.



Example Proposed Second Floorplan



Example Office Floorplan

- What This Option Accomplishes**
- ✓ Improves departmental layout and efficiency
 - ✓ Enhances internal circulation and workflow
 - ✓ Provides better space allocation for Police operations
 - ✓ Extends useful life of existing facility

- What This Option Does NOT Accomplish**
- ✗ Does not expand total building square footage
 - ✗ Does not fully eliminate long-term space limitations
 - ✗ Does not replace major aging infrastructure systems



Strategic Plan Cost Comparisons (Community House, Police Department/City Hall)

Short Term Strategy (0-5 Year Horizon)

City Hall Alterations (PD Dispatch / Lobby)
\$256,000

Community House (Excluding Basement)
\$690,819
or
Community House (Maintenance Only)
\$1,245,430

Total Estimated Costs
\$946,819 or \$1,501,430

Mid-Term Strategy (5-15 Year Horizon) Option 1

Community House (Including Basement)
\$ 1,783,848

Community House (Basement Build-Out)
\$137,000 - \$230,000

City Hall Alterations (Second Floor/Partial First Floor)
\$333,000 - \$555,000

Total Estimated Costs
\$2,253,848 - \$2,568,848

Long Term Strategy (20-40 Year Horizon)

New Construction (23,000 SF City Hall Building)
\$13,800,000 - \$23,000,000

New Construction (13,000 SF Police Building)
\$7,800,000 - \$13,000,000

Mid-Term Strategy (5-15 Year Horizon) Option 2

City Hall Building Addition(s)
\$2,025,000 - \$3,825,000

Council Special Items of Interest

- City Council Pay for Committee Meetings Request, ~ \$33,000
- Residential Food Waste Compost, ~\$8,940 - \$17,820
[Click to Launch](#)
- HOA Agreement Consolidation, ~\$10,000
- Council Persons Additional, External Training, ~\$10,000
- Additional Kiwani's Playground Spend, ~\$TBD

Estimated Cost \$61,940 - \$70,820

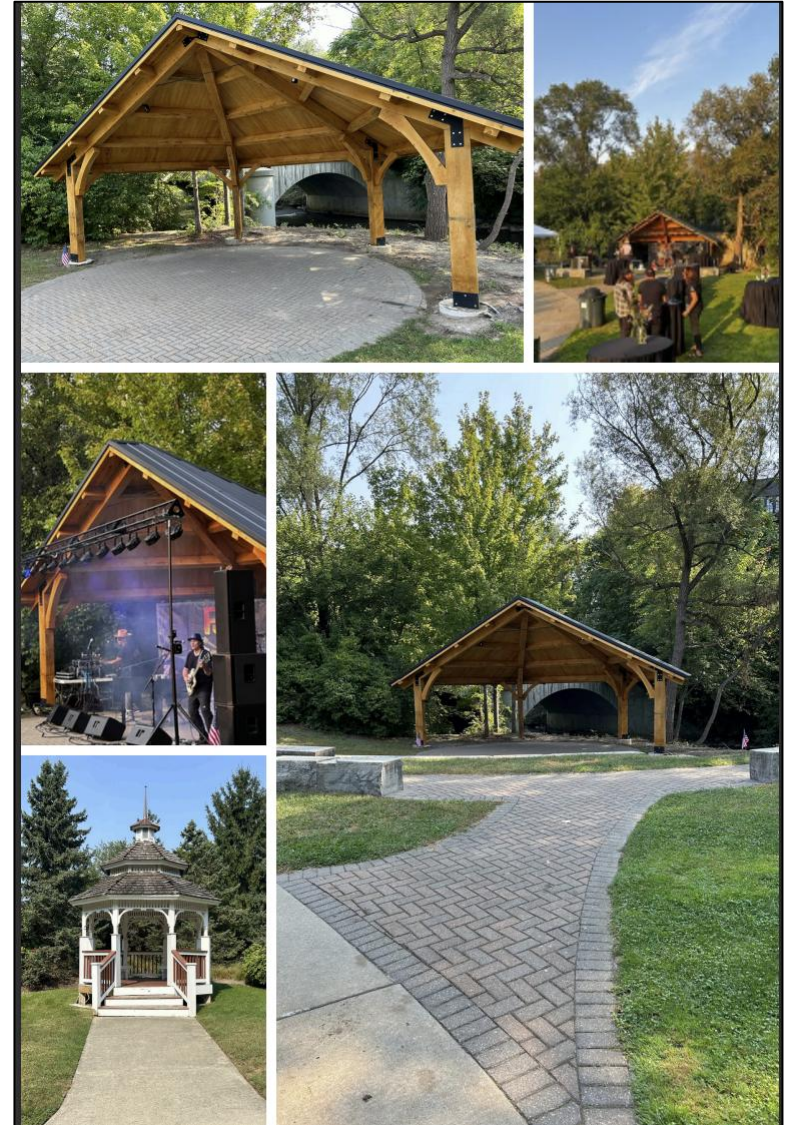


Lion's Park Ownership & Rentals

- DDA is current owner of parcel including bandshell and gazebo.
- DDA plans to give ownership of parcel to City.
- Administration needs direction regarding accepting ownership, rental direction, & alcohol usage.

Staff Recommendation:

- Accept Property Transfer
- No Alcohol Permitted, Per City Ordinance
- Accept Reservations at Current Fee (\$150 - Residents, \$200 - Non-Residents)



Millage Rate Constraints

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Millage	12.5364	12.5364	12.5364	12.5364	12.5364	12.5364	12.5364	12.5364	12.5364	12.5364
% Reduction		98.7%	99.0%	99.0%	99.0%	98.7%	99.6%	100.0%	99.5%	98.4%
Fictional Millage	12.5364	12.3789	12.2576	12.1370	12.0181	11.8610	11.8111	11.8111	11.7472	11.5628
Reduced Millage	0.0000	0.1575	0.2788	0.3994	0.5183	0.6754	0.7253	0.7253	0.7892	0.9736
Taxable Value	947,693,190	976,123,986	1,005,407,705	1,035,569,936	1,066,637,035	1,098,636,146	1,131,595,230	1,165,543,087	1,200,509,379	1,236,524,661
Reduced \$	-	153,700	280,315	413,563	552,839	742,050	820,779	845,402	947,432	1,203,909
Estimated Annual Loss		153,700	126,615	133,249	139,276	189,211	78,729	24,623	102,030	256,477

Council & Department Projects/Asks FYE 2027

SWOT Tie-In Codes	Project / Ask	Project / Ask	Estimated Amount	Fund	Notes	SWOT Alignment (Codes)	Risk if Unfunded
S2; S6; O8	Council Decision	Community House, Option 3 \$4,783,848	\$1,783,848	Grant, General & Bond	\$2 million LEO Grant, \$1 million from Bond 372, \$1,783,848 from GF	S2 – Desirable Community ; S6 – Family Friendly ; O8 – Community Connections / Regional Partnerships	Reduced community engagement and quality-of-life amenities.
	Council Request	City Council Pay for Committee Meetings	\$30,000	General	Annually		
		HOA Agreement Compilation	\$10,000	General			
		Food Waste Recycling	\$15,000	General	Annually		
		Additional, External Training	\$10,000	General	Annually		
S5; S2; O4; W3; T1	DPW	New Full-Time Parks Person (wage & benefits)	\$75,000	General	Annually	S5 – Parks / Recreational Opportunities; S2 – Desirable Community; O4 – Improve Recreation; W3 – Succession Planning; T1 – Infrastructure & City Asset Maintenance Funding	Deferred park maintenance, higher long-term asset costs, and reduced recreation capacity.
S5; S6; O4	Warner	Skating Shelter	\$37,000	General	Remove Architectural Barriers	S5 – Parks / Recreational Opportunities; S6 – Family Friendly ; O4 – Improve Recreation	Reduced seasonal recreation options and lower family-friendly amenity quality.
S5; S6; O4		Halback Field Bathrooms (also for Skate Park)	\$20,000	General	Paint, Tile, Partitions	S5 – Parks / Recreational Opportunities; S6 – Family Friendly ; O4 – Improve Recreation	Reduced seasonal recreation options and lower family-friendly amenity quality.
S1; W1; T1		Well 2	\$89,000	W & S	Required	S1 – Public Services; W1 – Infrastructure & Facilities; T1 – Infrastructure & City Asset Maintenance Funding	Water system reliability risk and higher emergency repair costs.
S5; S2; O4; T1		Park Project	\$400,000	General	Kiwani's Re-Do, Safety Concern	S5 – Parks / Recreational Opportunities; S2 – Desirable Community; O4 – Improve Recreation; T1 – Infrastructure & City Asset Maintenance Funding	Increased safety concerns & reduced resident recreation satisfaction.
S3; W4; T1		Parking Lots	\$562,498	Parking	Lot 14	S3 – Vibrant Downtown; W4 – Appropriate Parking Fees; T1 – Infrastructure & City Asset Maintenance Funding	Parking condition/capacity issues impacting downtown access and business activity.
S1; S2; T4; O1	City Manager	Code Enforcement (Wages + Benefits)	\$50,000	General	Annually	S1 – Public Services; S2 – Desirable Community ; T4 – Code Enforcement Standards; O1 – Staffing & Succession Planning	Backlogs and inconsistent enforcement affecting neighborhood conditions and expectations.
S4; O2; O3		City Planner (Wages + Benefits)	\$120,000	General	Annually	S4 – Financial & General Administration; O2 – Tax Base; O3 – South Street & New Corridors	Missed development opportunities and slower tax base diversification.
S1; O7; T6	PD	Camera Monitoring Software		General	Annually	S1 – Public Services; O7 – Technology; T6 – Cybersecurity Risks	Will perpetuate identified technology gaps, limiting situational awareness and efficiency while placing increased strain on limited staff resources and public safety operations.
S1; W1; T1		Building Improvements		General	\$70K if not addressed in Community House/City Hall Plan	S1 – Public Services; W1 – Infrastructure & Facilities; T1 – Infrastructure & City Asset Maintenance Funding	Facility degradation impacting operations and staff readiness.
O1; W3; S1		Police Cadet Program (hire one part time cadet)	\$44,000	General	Annually	O1 – Staffing & Succession Planning; W3 – Succession Planning; S1 – Public Services	Weaker recruitment pipeline and increased staffing pressure over time.
S1; O7; S2		Flock Cameras and annual subscription	\$28,000	General	Annually	S1 – Public Services; O7 – Technology; S2 – Desirable Community	Reduced crime prevention and investigative capability; potential quality-of-life impacts.
S4; T5	Finance	Pay Off Vehicle Loans	\$453,935	General	Previously discussed	S4 – Financial & General Administration, T5 – Financial Sustainability	Failure to pay off vehicle loans will continue unnecessary interest costs, reduce financial flexibility, and limit the City's ability to reallocate resources toward higher-priority operational and capital needs.
S4; T1		Shift FYE 25 Surplus to Roads	\$350,000	General	Previously discussed	S4 – Financial & General Administration, T1 – Infrastructure & City Asset Maintenance Funding	Failure to apply surplus funds to roads will increase deferred maintenance and drive higher future repair costs.
REQUIRED		Accessibility Requirement for Website & Documents		General	Annually	Required	Required
S2; S1	Clerk/Cemetery	Collambarium additions(2) and installation	\$40,000	Cemetery		S2 – Desirable Community; S1 – Public Services	Limited cemetery service capacity and resident dissatisfaction.
S1; W1; T1	Fire Department	Flooding Issue	\$100,000	General		S1 – Public Services; W1 – Infrastructure & Facilities; T1 – Infrastructure & City Asset Maintenance Funding	Facility damage and operational disruption affecting emergency response readiness.
S1; S3; W1		Kitchen Remodel Phase 1 (food service license)	\$60,000	General		S1 – Public Services; S3 – Vibrant Downtown; W1 – Infrastructure & Facilities	Ongoing facility inefficiencies affecting staff readiness and morale.

Interactive Model

Current Estimate as of 12/31/25

		<u>Discretionary</u>					
		<u>General Fund</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Parking Fund</u>	<u>DDA</u>	<u>Water & Sewer</u>
FYE 2026	Est Ending Fund Balance	12,810,127	1,391,112	937,152	1,224,920	496,181	8,476,174
FYE 2027	Ending Fund Balance	9,488,370	1,159,595	518,837	445,937	73,026	7,563,414
FYE 2028	Ending Fund Balance	9,705,741	637,581	(230,853)	356,469	511,032	4,254,530
FYE 2029	Ending Fund Balance	9,799,415	99,908	(967,288)	264,319	859,180	4,112,379
	Fund Balance Minimum	6,065,000	50,000	1,000,000	100,000	-	3,680,000
	Over / (Under) Minimum	<u>3,734,415</u>	<u>49,908</u>	<u>(1,967,288)</u>	<u>164,319</u>	<u>859,180</u>	<u>432,379</u>

FUND BALANCE GROUP		Updated Fund Balance Policy	2024-25 FINAL End Fund Balance
Discretionary General	General Fund	5,330,000	10,575,759
	Capital Projects	40,000	156,152
	Facilities & Grounds	85,000	722,592
	Revolving Equipment	510,000	769,127
	Healthcare	100,000	143,247
	Discretionary General Subtotal	6,065,000	12,366,877
Restricted for Roads	Major Roads	50,000	2,016,551
	Local Roads	1,000,000	2,000,635
	Roads Subtotal *	1,050,000	4,017,186
Restricted for Water & Sewer	Water & Sewer Capital	2,130,000	4,800,842
	Water & Sewer Operating	1,550,000	3,580,037
	Water & Sewer Subtotal	3,680,000	8,380,879
Restricted for Parking	Auto Parking Fund	100,000	1,288,913
	Auto Parking Subtotal	100,000	1,288,913

2025-26 PROJECTED End Fund Balance	2026-27 PROPOSED End Fund Balance	2027-28 PROPOSED End Fund Balance	2028-29 PROPOSED End Fund Balance
11,577,871	12,313,995	13,056,624	13,756,153
156,267	162,193	168,297	174,583
502,364	502,364	502,364	502,366
446,452	405,968	332,271	175,863
127,173	189,633	253,968	320,233
12,810,127	13,574,153	14,313,524	14,929,198
1,391,112	884,526	362,512	(175,161)
937,152	1,468,837	2,019,147	2,582,712
2,328,264	2,353,363	2,381,659	2,407,551
5,110,905	4,458,688	1,324,091	1,361,457
3,365,269	3,193,726	3,019,439	2,839,922
8,476,174	7,652,414	4,343,530	4,201,379
1,224,920	1,153,435	1,063,967	971,817
1,224,920	1,153,435	1,063,967	971,817


as of 12/31/2025

Long Range Fund Balance Projections



Where you live.

Budget Timeline



City of Rochester
 400 Sixth Street
 Rochester, MI 48307
 P: (248) 651-9061
 F: (248) 651-2624
 www.rochestermi.org

MULTI-YEAR BUDGET SCHEDULE
 Fiscal Year End (FYE) 2027

The following budget Calendar is a schedule, providing target dates for the various procedural aspects of the formulation, preparation, and finalization of the FYE 2027 budget.

Q1	Q2	Q3	Q4
7/1 - 9/30	10/1 - 12/31	1/1 - 3/31	4/1 - 1st June Meeting
Polices, Dept Goals & Objectives, SWOT Analysis, Master Fee Schedule, Quarterly Report	Infrastructure, Facilities, PAC Goals & Objectives Meeting, Staffing Review, Quarterly Report	Budget Workshop, Board, Commissions Asks, Project Scoring, SDA & PID/SDA, Quarterly Report, Set Public Hearing, Proposed Budget	SDA & PID Council Presentation, Finalize Budget Book, Public Hearing & Budget Presentation

Q1	July 30 - August 10, 2025	Internal Review of Master Fee Schedule
	August - September 2025	Staff Pre-Budget Prep Work
	Friday, September 5, 2025	Budget & Finance Committee Meeting, 9 am
	Tuesday, September 16, 2025	Internal G&O Review
Q2	September 2025	Policy Review, G&O Review, SWOT Prep, Prep Quarterly Report (Q1) for Council
	Thursday, October 2, 2025	Budget & Finance Committee Meeting, 8 am
	Tuesday, October 7, 2025	Staff Budget Discussion #1 with Internal SWOT Discussion, 10 am (Staff Meeting)
	Monday, October 28, 2025	Master Fee Schedule Presentation to City Council, 7 pm
Q3	Tuesday, November 11, 2025	Staff Budget Discussion #2 Internal SWOT Ranking, 10 am (Staff Meeting)
	Friday, November 14, 2025	Budget & Finance Committee Meeting, 8 am
	Friday, December 5, 2025	Budget & Finance Committee Meeting, 8 am
	Monday, December 8, 2025	SWOT Ranking Special (Pre City Council) Meeting, 4 pm/ maybe after City Council Meeting
	Thursday, December 11, 2025	Asset Committee (Infrastructure & Facilities) Goals & Objectives Finalized
	Tuesday, December 16, 2025	Staff Budget Discussion #3 & Prep, 10 am
December 2025	Staffing Review, Master Fee Schedule Updates, Prep Quarterly Report (Q2) to Council	

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Monday, January 13, 2026	Staff Budget Discussion #4 & Prep, 10 am	
Tuesday, January 20, 2026	Staff Budget Discussion #5 & Prep, 10 am	
Friday, January 23, 2026	Budget & Finance Committee Meeting, 8 am	
Saturday, Jan 24, 2026	Budget Workshop with Council, 9 am	
Thursday, February 5, 2026	Projects & Budget Requests due from Staff, Boards, Commissions	
Wednesday, February 11, 2026	DDA & PSD Goals & Objectives Finalized	
Q3	Friday, February 20, 2026	Budget & Finance Committee Meeting, 8 am
	Saturday, February 28, 2026	Budget Workshop with Council, 9 am
Friday, March 6, 2026	Budget & Finance Committee Meeting, 8 am	
Saturday, March 7, 2026	Budget Workshop with Council (if needed)	
Monday, March 9, 2026	DDA Budget Presentation to City Council for Adoption	
Monday, March 23, 2026	Set Public Hearing for Budget by Council, Submit the Notices of Public Hearing for 4/27 to Rochester Post	
Wednesday, March 25, 2026	Staff Finalizing Proposed Budget	
March 2026	Prep Quarterly Report (Q3) to Council	
Q4	April 6-9, 2026	Finalize Manager's Memo, copy/collection/assembly Proposed Budget
	Friday, April 10, 2026	Budget & Finance Committee Meeting, 9 am
	Monday, April 27, 2026	City Public Hearing & Budget Presentation to City Council for Adoption

KEY

- Items in BLACK: On Schedule
- Items in GRAY: Through-Completed
- Items in RED: Updated
- Items Involving ALL Council
- Temporary Schedule

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Artificial Intelligence (AI) – Questions & Answers



How Is AI Currently Used by the City?

AI is used as a **support tool**, not a decision-maker.



Below is a summary of how the project evolved and why the numbers changed including the Wing Construction \$1.02M 2021 budget, the \$2.845M 2022 bid, and the \$2.733M 2023 FRS estimate.

Project Cost Progression

2021 – Conceptual Design-Build Budget

Wing Construction Budget: **\$1,020,000**

This was an early conceptual number prepared before full scope definition. Major building systems, code requirements, and detailed quantities were not yet developed.

2022 – Wing Construction Bid

Bid Total: **\$2,845,000**

This reflected developed drawings and subcontractor pricing.

Important: This bid did not include additional waterproofing, meaning the true cost to fully complete the work would have been higher.

The increase from \$1.02M to \$2.845M reflects the transition from a conceptual budget to an actual construction bid during a period of significant post-pandemic cost escalation.

2023 – FRS Construction Estimate

Estimate Total: **\$2,733,037**

This figure:

- Excluded full-building fire suppression and associated carpentry
- Did not include complete soft costs
- Carried allowances and conceptual quantities
- Included only a 7% contingency
- Reflected estimate-level pricing, not subcontractor bids

This was a budgeting estimate and did not represent a fully bid, comprehensive construction cost.

2025 – FRS Final Bid

Construction Total: **\$4,719,000**

This bid includes:

- Full-building fire suppression (~\$255,000 added scope) + carpentry
- Finalized structural and building envelope requirements
- Better defined mechanical, electrical, and plumbing systems (design/build)
- 10% construction contingency
- Construction management staffing
- Insurance, bonding, and contractor fee
- Two additional years of construction market escalation

Increase from 2023 estimate: **\$1,985,963 (approximately 73%)**

Understanding Estimate Accuracy by Phase

Construction cost estimates vary in accuracy depending on the stage of design. Industry standards generally recognize:

- **Rough Order of Magnitude (early concept): ±30% to ±50%**
- **Conceptual/Schematic Design: ±20% to ±30%**
- **Design Development: ±10% to ±20%**
- **Bid Documents (100% complete drawings): ±5% to ±10%**

It is important to distinguish between estimates and bids in the project history:

- The **2021 \$1.02M figure** was a conceptual/Rough Order of Magnitude budget.
- The **2022 \$2.845M figure was an actual bid**, based on developed drawings and subcontractor pricing, although it still excluded waterproofing scope.
- The **2023 \$2.733M figure was an estimate**, not a bid, and excluded major building systems.
- The **2025 \$4.7M figure is a fully bid, subcontractor-backed number** based on completed drawings and current market conditions.

Earlier-phase estimates are planning tools and are not guarantees of final construction cost. Only competitive bids reflect actual market pricing for the defined scope at a given time.

Conclusion

The \$4.7M bid represents the true cost to deliver a complete, code-compliant, and coordinated project under current market conditions. The difference between earlier figures and today's bid reflects scope completion, addition of required systems, conversion of allowances to fixed pricing, appropriate contingency, contractor risk allocation, and multi-year construction escalation.

Current project scope includes removal of the basement from the project. Preliminary analysis indicates this modification could reduce construction costs by approximately \$1.1 million. The revised scope will need to be formally bid. Removing the basement reduces structural, excavation, foundation, and associated system costs.

A maintenance-only approach has also been evaluated at approximately \$2.2 million. This option would address select immediate repairs and life-safety concerns and would comprehensively resolve structural, envelope, and system-wide deficiencies. It would extend the usable life of certain components but would not expand programming capabilities.

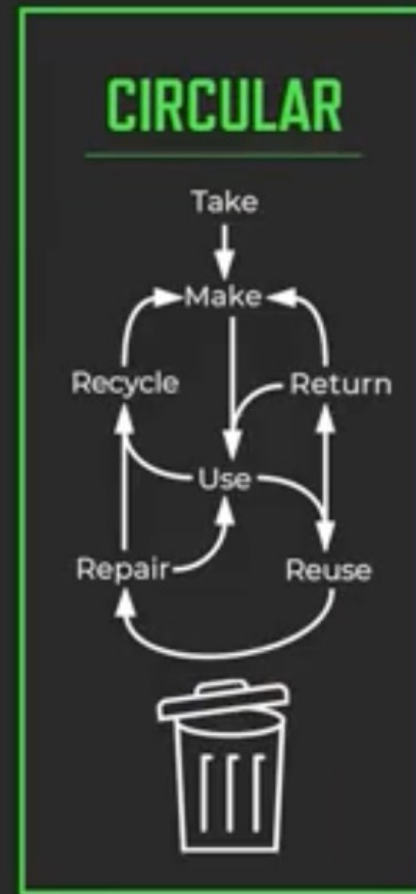
Reducing the maintenance-only project cost further would require removing or scaling back interconnected building systems. Because building components function as integrated systems (structural, envelope, fire suppression, mechanical, electrical), reductions in one area directly affect performance in others. Deferring or downsizing systems increases the risk of premature failure, code non-compliance, and unplanned emergency capital expenditures that are typically more costly than planned construction.

The current bid reflects the cost to properly complete the project in a manner that supports long-term reliability, safety, and responsible capital planning.



**SUSTAINABILE
ROCHESTER
COMMITTEE
PROPOSAL**

- The State of Michigan is transitioning from a linear take-make-waste economy to a circular economy.



Michigan will Run out of Landfill Space in 21 Years

Scale of the problem

- Food is the single most disposed material in Michigan landfills.
- Cut food waste by 50% (from 2005 levels) by 2030
- 45% Recycling rate by 2030
- Nationally and in Michigan, 30–40% of food is wasted.
- Economic opportunity
- Recovering recyclable and compostable materials could generate up to \$825 million annually and create thousands of jobs.

Goals & Objectives:

Establish a Sustainability Committee to create momentum for the City of Rochester through collaboration, education, and tangible actions.

Initial Objective:

The committee will begin with small, achievable steps.

1. COMPOSTING FOOD WASTE

VENDOR: My Green MI

LOCATION: Farmer's Market
or DPW Pilot Composting Program (6–12 months)

(3) 64 Gallon Bins:

\$310.00 Collection (Weekly) (Drivers replace liners)

- \$60.00 Bin Washing

TOTAL: \$370 per week

BUDGET ASK: \$8,880–\$17,760 + \$60 one-time delivery fee

COMPOSTING FAQ's

ODOR CONTROL: Add paper products in the bins – paper towels, napkins shredded news paper

COLLECTION FREQUENCY: Weekly – If popular, you can add more pickups.

RESIDENT DROPOFF: Anytime

2. RECYCLING

- Website recycling information with more in-depth information
- Explore working with Priority Waste to learn what they offer and how it could help reduce costs

3. PROMOTE & EDUCATE

- Composting in Rochester
- Make Food Not Waste Events
- Methane Gas – Food waste is the most predominant material in landfills
- Use outreach to explain compost benefits: landfill diversion, soil health
- Host workshops, offer compost-bin kits, partner with libraries, schools
- Align with Earth Week, community festivals
- Promote **home composting** workshops—drawing on Michigan EGLE guidelines

4. Explore Michigan Municipal League Green Communities Challenge

- Explore registering Rochester with the [MI Green Communities Challenge](#)
- Use their **point-based framework** to track wins like:
 - Public education
 - Waste reduction efforts
 - Green infrastructure and land use
- Tap into funding and recognition opportunities
- This gives structure, momentum, and credibility to the efforts

5. POLICY & ADVISORY

- Advocate for sustainability best practices and standards
- Look at coding and zoning ordinances
- Stormwater sustainability
- Recycling review (research cost savings of recycling with our current waste contractor, Priority Waste)

➤ **Composition of the Committee**

Initial Objective:

The committee will begin with small, achievable steps.

- **Meet monthly with committee updates to the council**
- 7-9 Members
- Two-year term length

Composition of the Committee

- Councilmember, Marilyn Trent
- Mayor Pro Tem, Stuart Bikson
- Jason Warner –Project Manager , City of Rochester
- Sailor Mayes – Resident
- Dinosaur Hill Nature Preserve representative, Ellen Witz
- Rochester Schools Green Schools Student Representatives
- 2-3 additional Rochester residents