

Date: February 8, 2021

Subject: City of Brighton Management Team Letter of Reflection to the Community

Dear Community Member,

In 2016, Finance Director Gretchen Gomolka and I joined the City of Brighton. What we found was a City still struggling to recover from the 2008 recession with failing infrastructure, deteriorating and unreliable capital equipment, and burdensome pension and retiree health care costs. With changing financial assumptions on the horizon, the City's pension and retiree health care liabilities were only going to get larger. These were difficult operational and capital challenges no doubt, but challenges that we felt could be addressed through the dedication and creativity of a strong management team in collaboration with City Council and City stakeholders. Of all of these challenges, the City's infrastructure was in the most critical need of being addressed; however, all of these challenges were interconnected. In summary, the conditions of the City's physical assets were a reflective culmination of the City's fiscal struggles.

Capital investment was, and continues to be, a high priority not just to protect quality of life, but also to protect our operational ability to deliver services. The drought of investment between the mid-2000s and mid-2010s had a profound impact on the City. I will never forget the day before the first major snowstorm of the 2017/2018 season when three of the City's four plow trucks were out of service for repairs. I remember hoping the trucks would be back in service in time to meet the plowing and salting demands of our 30-mile public street network. When our new Public Services Director Marcel Goch joined our team, it became evident plow trucks were not the only pieces of equipment in need of attention. Despite having such a great need for equipment replacement, we found opportunities to streamline and downsize our fleet to reduce operational and maintenance costs.

Beyond our equipment fleet, and more visible to the community, was our poor quality and quickly deteriorating public streets infrastructure. Neighborhoods like the Northwest Neighborhoods had been waiting for investment for nearly 20 years. Seeking a better perspective on the extent of the challenge, we completed a comprehensive pavement conditions assessment. We learned in early 2017, approximately two-thirds of the City's public streets network was in poor to failing condition and projected to continue getting worse without significant investment. This projection proved true as numerous streets fell from fair condition to poor condition over the next couple of years.

With a clear understanding of the City's fiscal and infrastructure challenges and needs, Finance Director Gomolka and I embarked on a journey with City Council towards sustaining infrastructure investment and long-term financial sustainability. The entire management team was a part of these efforts bringing forth meaningful ideas that led to early progress. Efforts were bolstered in late 2018 with the creation of City Council's Fiscal Realities Task Force, which followed an unsuccessful ballot proposal for the full restoration of the City's Charter authorized levy. This millage increase would have helped support investment in our public streets and related infrastructure. Following a thorough review of the City's fiscal challenges, the task force identified a structural deficit in excess of \$2 million and offered up the following recommendations:

- Reduce the costs of services, through service reductions, staff re-organization and reduction through attrition, and the restructuring of retirement benefits.

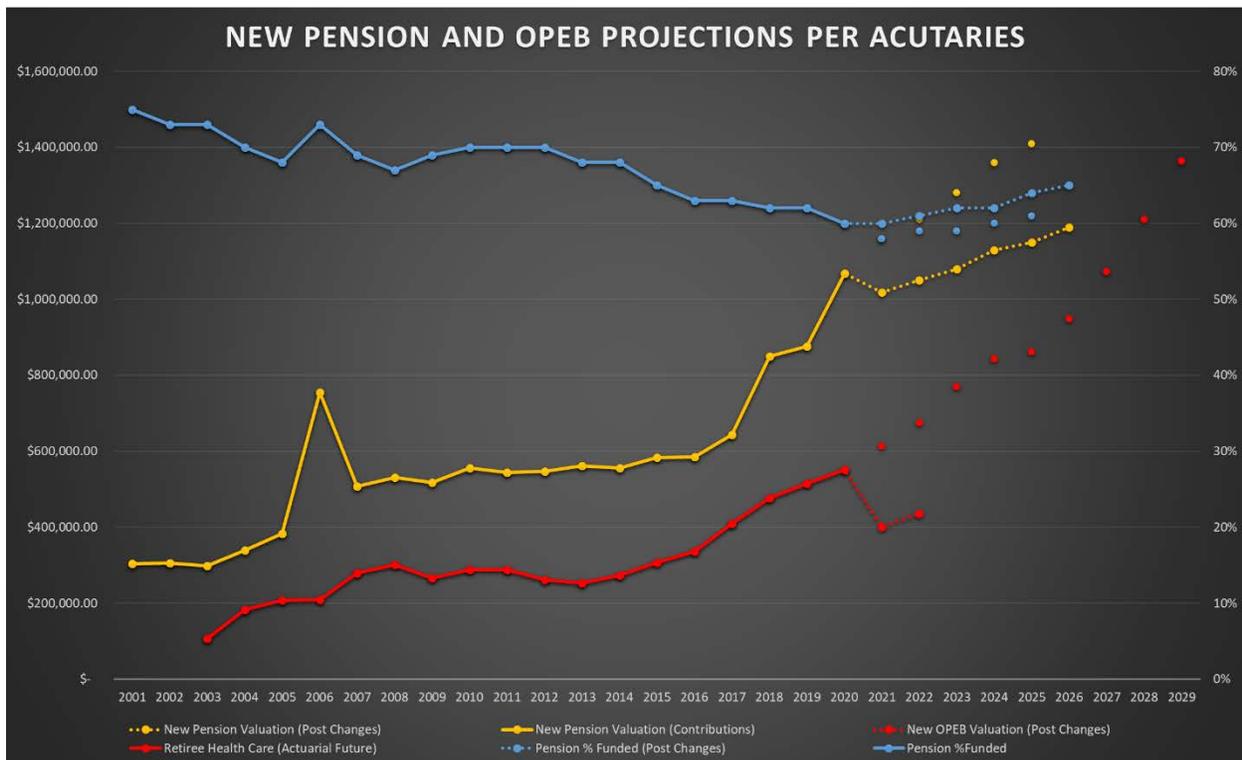
- Seek opportunities to bolster revenues through economic development, financial contributions from the Downtown Development Authority towards services provided within the downtown and related administrative costs, and other opportunities where possible.
- Seek a partial restoration (2.5 mills) versus the previously attempted full restoration (4.3466 mills) of the City’s Charter authorized levy to help fund investments in public streets.

It has been over two years since these recommendations were made and we are proud to say that City Council, in collaboration with the City’s Management Team and Staff, has made significant progress on all of the above recommendations. The City’s voters played a key role in this progress by approving the partial restoration of the City’s millage and the hard work of our team and City Council got us the rest of the way there. Due to these collective efforts, the City has entered into an era of renewed investment that culminated in City Council’s recent authorization to issue Capital Improvement Bonds in the amount of \$17.5 million. You will be able to find additional information on the 2021 Bond Program at the City’s website [www.brightoncity.org](http://www.brightoncity.org) this spring.

For the benefit of the City’s stakeholders, a partial summary, of the City’s financial and capital progress is offered below. Our team would like to emphasize that this is only a small representation of all that has been accomplished through the collaboration of City Council, the City’s Management Team and Staff, and the City’s taxpayers.

	Financial Progress	Investment in Streets
Fiscal Year 2016/2017	<ul style="list-style-type: none"> <li>• New DDA Contribution to Maintenance, Operations, and Projects</li> <li>• Staffing Reorganization</li> <li>• Misc. Savings</li> </ul>	<ul style="list-style-type: none"> <li>• Brighton Interior Drive (DDA w/Grant Support)</li> </ul>
Fiscal Year 2017/2018	<ul style="list-style-type: none"> <li>• DDA Contribution to Maintenance, Operations, and Projects</li> <li>• Staffing Reorganization</li> <li>• Misc. Savings</li> </ul>	<ul style="list-style-type: none"> <li>• Grand River Phase I - I96 to Ore Creek (DDA w/Grant Support)</li> </ul>
Fiscal Year 2018/2019	<ul style="list-style-type: none"> <li>• DDA Contribution to Maintenance, Operations, and Projects</li> <li>• Eliminated Pool Vehicle Lease</li> <li>• Misc. Savings</li> </ul>	<ul style="list-style-type: none"> <li>• Challis Road (LCRC/DDA w/ Grant Support)</li> <li>• Second Street (DDA)</li> </ul>
Fiscal Year 2019/2020	<ul style="list-style-type: none"> <li>• DDA Contribution to Maintenance, Operations, and Projects</li> <li>• Pension and Benefits Restructuring</li> <li>• Misc. Savings</li> <li>• Created Capital Reserve Fund and Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Rickett Road Phase I (City)</li> <li>• Alpine, Third Street, Fairway Trails (City)</li> </ul>
Fiscal Year 2020/2021	<ul style="list-style-type: none"> <li>• DDA Contribution to Maintenance, Operations, and Projects</li> <li>• Misc. Staff Savings</li> <li>• Misc. Savings</li> </ul>	<ul style="list-style-type: none"> <li>• Northwest Neighborhoods Phase I (City)</li> </ul>
Fiscal Year 2021/2022	<ul style="list-style-type: none"> <li>• DDA Contribution to Maintenance, Operations, and Projects</li> </ul>	<ul style="list-style-type: none"> <li>• Northwest Neighborhoods Phase II (City)</li> <li>• Rickett Road Phase II (City w/Grant Support)</li> <li>• Grand River Phase II – Ore Creek to St Paul and North Street to City Limits (City w/Grant Support)</li> <li>• Beaver, Liberty, Flint, Spencer, and Dutcher to East Street (City)</li> </ul>
Fiscal Year 2022/2023	<ul style="list-style-type: none"> <li>• DDA Contribution to Maintenance, Operations, and Projects</li> </ul>	<ul style="list-style-type: none"> <li>• Northwest Neighborhoods Phase III (City)</li> </ul>
Fiscal Year 2023/2024	<ul style="list-style-type: none"> <li>• DDA Contribution to Maintenance, Operations, and Projects</li> </ul>	<ul style="list-style-type: none"> <li>• Main Street Streetscape/Grand River Phase III – St Paul to North Street (DDA w/Possible Grant Support)</li> </ul>

Achieving this financial progress was not always easy, especially when it came to restructuring the City's pension and retiree health care benefits. Through collaboration and extensive negotiations with Staff, and our four collective bargaining units, meaningful restructuring was accomplished. All told, our employees delivered concessions with long-lasting effects that reduced the City's unfunded liabilities by over \$5.2 million and reduced annual costs by an estimated \$290,000. The biggest accomplishment from this team's perspective was avoiding the costly (financial and relational) arbitration process. While staff was very concerned about how these concessions would affect them and their families in retirement, ultimately they realized the City's fiscal realities. They understood that doing nothing would have had significant implications on the health of the community and the organization. For this sacrifice, we are extremely thankful.



As City Manager for the last five years and a City Resident for the last 16+ years, I am especially proud of these accomplishments, as is my team. The City's financial outlook is strong, but more work is to be done. This was recently affirmed by the City's most recent credit rating report from Standard & Poor's. Although the City remains at an AA+, there was substantial financial progress and strong indicators supporting an increased rating to AAA. City staff will continue to work with City Council on the factors within our control to bolster our case for the coveted AAA rating. Our strong financial outlook also delivered an exceptionally low interest rate on our 2021 Capital Improvement Bonds, which will save our taxpayers nearly \$650,000 in debt service over the next 15 years.

On behalf of the City of Brighton's Management Team, we are pleased to have been able to collaborate with City Council on numerous successes over the last five years. Moreover, we are pleased to share with you the realities, in summary, of our five-year journey toward sustained infrastructure investment and financial sustainability. It is rewarding to see these efforts manifest in the City's financial outlooks and through the vast improvements to the City's infrastructure and capital equipment; however, there is

more to come and more to do. Getting to this point was a challenge and required substantial effort by a lean and dedicated team of professionals. With 2020 now behind us, along with five years of collaboration with City Council and City Stakeholders, we offer a thank you. Thank you for the opportunity to serve and thank you for the opportunity to have a positive impact on the lives of our residents, businesses, and visitors.

Yours in Service,

A handwritten signature in black ink, appearing to read 'Nate Geinzer', with a long horizontal flourish extending to the right.

[Nate Geinzer](#), City Manager, along with,

[Gretchen Gomolka](#), Finance Director

[Rob Bradford](#), Chief of Police

[Tara Brown](#), City Clerk

[Mike Caruso](#), Community Development Manager

[Marcel Goch](#), Director of Public Services

[Michelle Miller](#), Human Resources Manager

[Henry Outlaw](#), Assistant to the City Manager