

# **CITY OF ROCHESTER HILLS**



## **SEVEN YEAR FINANCIAL FORECAST**

**For Fiscal Years 2021 – 2027**

**Presented: July 27, 2020**



innovative *by* nature

July 27, 2020

We are pleased to present the Rochester Hills City Council with the City's Seven-Year Financial Forecast.

The City's Seven-Year Financial Forecast was developed to give City Council and the public a forward look at the City's financial picture. This forecast is intended to identify financial trends, issues, and opportunities to enable the City to **proactively** address issues rather than be forced into a **reactive** position.

The City's Seven-Year Forecast is built by projecting *current* service levels, programs, and policies through a set of conservative financial assumptions to envision the impact of service levels, programs, and policies into the future. The Seven-Year Forecast considers the City of Rochester Hills adopted Governmental Funds Fund Balance Policy and Capital Improvement Plan (CIP).

*The Seven-Year Financial Forecast is not intended to be a budget, a proposed spending plan, or a policy recommendation.*

As the name implies, this process is a forecast and is not a formal plan. The Seven-Year Financial Forecast is not intended to be a comprehensive plan for achieving City Council adopted objectives.

The Seven-Year Financial Forecast rather sets the stage for budget development, by aiding Department Directors, the Mayor, and City Council in establishing priorities and allocating the City's resources most appropriately. The forecast helps to project economic outcomes, their effects on the City's revenues, and the level of services and programs the City may be able to deliver within those forecasted revenue flows.

# **7-Year Forecast / Executive Summary**

## **101 – General Fund / Takeaway Points:**

- The General Fund (Charter Operating) millage is adjusted and set to maintain the bottom-line millage rate each year
- State-Shared revenues are currently projected to decrease due to COVID-19 by approx. (10%) in FY 2020 before recovering in FY 2021+
- Other City revenues are proposed to be very conservatively projected due to the uncertainty with COVID-19
- General Fund Balance in excess of 80% of annual expenditures will be transferred-out to the Capital Improvement Fund

## **420 – Capital Improvement Fund / Takeaway Points:**

- The mission of the Capital Improvement Fund is to provide a mechanism to fund certain projects identified in the Capital Improvement Plan (CIP)
- Revenues represent the structural surplus of the General Fund maintained at 80% of annual operating expenditures
- Capital Outlay costs include Citywide projects as included in the Adopted CIP

## **202 – Major Road Fund / Takeaway Points:**

- Act 51 revenues are currently projected to decrease due to COVID-19 by approx. (13%) in FY 2020 before recovering in FY 2021+
- Capital Outlay costs for 2020-2027 include Major Road projects as included in the CIP

## **203 – Local Street Fund / Takeaway Points:**

- Local Street I, II, & III renewal was approved by voters in November 2019 to be renewed into a single Local Street millage for 10-Years beginning in FY 2021 through FY 2030
- Act 51 revenues are currently projected to decrease due to COVID-19 by approx. (13%) in FY 2020 before recovering in FY 2021+
- The annual transfer from the General Fund will be in an amount to maintain the Local Street Fund Balance at 25% of annual expenditures
- Using the current forecast assumptions, the Local Street Fund is able to support an annual Local Street Rehabilitation program of \$5 million per year within existing Local Street revenue sources as well as support from the General Fund, Major Road Fund, and Capital Improvement Fund

## **206 – Fire Operating Fund / Takeaway Points:**

- The Fire millage is maintained at the existing levy of 2.7000 mill throughout this forecast model
- The annual transfer to the Fire Capital Fund will be in an amount to maintain the Fire Operating Fund Balance at 25% of annual operating expenditures

## **402 – Fire Capital Fund / Takeaway Points:**

- Revenues represent the structural surplus of the Fire Operating Fund maintained at 25% of annual operating expenditures

## **7-Year Forecast / Executive Summary**

- Capital Outlay costs for 2020-2027 include Fire Capital purchases as included in the CIP
- It is projected the existing Fire millage levy of 2.7000 mill will be adequate to contribute funding to the Fire Capital Fund (402) through FY 2030+

### **207 – Special Police Fund / Takeaway Points:**

- Special Police Millage II reduced (2019-2023) to set Special Police Fund Balance at 25% of annual operating expenditures
  - Moving forward, the Special Police Millage II will be set to maintain the Special Police Fund Balance at 25% of annual operating expenditures
- FY 2021-27 Long-Term Forecast assumes maintaining 60x OCSO Officers
- In FY 2020 the debt related to the OCSO Substation construction will be fully paid off

## July 2020 Financial Forecast Projections:

- **Taxable Value:**

FY 2021	4.20%	Actual
FY 2022	2.50%	Projected
FY 2023	2.50%	Projected
FY 2024-2027	2.50%	Projected

- The City is taking a conservative approach to projecting City Taxable Value growth into the future
  - *Taxable Values have increased an average of 3.72% per year the past 5-Years (2016-2020)*

- **Millage Rate:**

	Actual 2020	Estimated 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025	Estimated 2026	Estimated 2027
<b>OPERATING MILLAGE</b>								
Charter Operating	2.6582	2.7070	2.8730	2.8730	2.7687	2.7632	2.7939	2.7882
Local Street I	0.3418	1.0868	1.0868	1.0868	1.0868	1.0868	1.0868	1.0868
Local Street II	0.4683	-	-	-	-	-	-	-
Local Street III	0.2864	-	-	-	-	-	-	-
Fire Fund	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000
Special Police I	1.1655	1.1552	1.1552	1.1552	1.1552	1.1552	1.1552	1.1552
Special Police II	1.1640	1.1730	1.1730	1.1730	1.2773	1.2828	1.2885	1.2942
Pathway	0.1789	0.1773	0.1773	0.1773	0.1773	0.1773	0.1773	0.1773
RARA: Operating	0.1878	0.1861	0.1861	0.1861	0.1861	0.1861	0.1861	0.1861
OPC: Transportation	0.0963	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954
OPC: Operating	0.2316	0.2295	0.2295	0.2295	0.2295	0.2295	0.2295	0.2295
Library: Operating	0.7545	0.7478	0.7478	0.7478	0.7478	0.7478	0.7478	0.7478
<b>TOTAL OPERATING MILLAGE</b>	<b>10.2333</b>	<b>10.2581</b>	<b>10.4241</b>	<b>10.4241</b>	<b>10.4241</b>	<b>10.4241</b>	<b>10.4605</b>	<b>10.4605</b>

<b>DEBT MILLAGE</b>								
Drain Debt Fund	0.0372	0.0364	0.0364	0.0364	0.0364	0.0364	-	-
Older Persons Refunding: 2010 Series	0.1900	0.1660	-	-	-	-	-	-
<b>TOTAL DEBT MILLAGE</b>	<b>0.2272</b>	<b>0.2024</b>	<b>0.0364</b>	<b>0.0364</b>	<b>0.0364</b>	<b>0.0364</b>	<b>-</b>	<b>-</b>

<b>TOTAL MILLAGE RATE</b>	<b>10.4605</b>	<b>10.4605</b>	<b>10.4605</b>	<b>10.4605</b>	<b>10.4605</b>	<b>10.4605</b>	<b>10.4605</b>	<b>10.4605</b>
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- The bottom line City millage rate of 10.4605 is held consistent throughout the forecast period of 2021-2027
  - The General Fund (Charter Operating) millage is adjusted and set to maintain the bottom-line millage rate each year
  - Local Street I, II, & III renewal was approved by voters in November 2019 to be renewed into one (1) single Local Street millage for 10-Years beginning in FY 2021 through FY 2030
  - Older Person's Commission (OPC) Operating millage potential renewal & increase scheduled for the August 2020 Primary Election is not assumed in this forecast
    - If the OPC Operating millage is increased from 0.2295 to 0.3200 mill (or by +0.0905 mill) in August, the bottom line City millage rate would increase by +0.0905 mill or from 10.4605 to 10.5510

## July 2020 Financial Forecast Projections:

- Older Person’s Commission (OPC) Building Refunding Debt millage is set to expire after the debt issue for the OPC Building is fully retired in FY 2021

- **State Shared Revenue:**

FY 2020	-10.20%	Projected
FY 2021	2.00%	Projected
FY 2022	3.00%	Projected
FY 2023	3.00%	Projected
FY 2024-2027	2.00%	Projected

- State-shared revenue represents the share of sales tax distributed by the State of Michigan to the City of Rochester Hills
- Due to the COVID-19 pandemic, this revenue source is anticipated to be reduced in FY 2020 by approx. (10%) before recovering in FY 2021+
- The City is taking a conservative approach to projecting State Shared Revenue growth into the future
  - *Note: State-Shared Revenues have increased an average of 4.17% per year the past 5-Years (2015-2019)*

- **Act 51 Revenue:**

FY 2020	-13.20%	Projected
FY 2021	4.30%	Projected
FY 2022	5.00%	Projected
FY 2023	5.00%	Projected
FY 2024-2027	2.00%	Projected

- State of MI Gasoline tax (Act 51) represents the share of gasoline tax and vehicle registration fees distributed to local units
- Due to the COVID pandemic, this revenue source is anticipated to be reduced in FY 2020 by approx. (13%) before recovering in FY 2021+
- The City is taking a conservative approach to projecting Act 51 revenue growth into the future
  - *Note: Act 51 Revenues have increased an average of 11.7% per year the past 5-Years (2015-2019) due to an increase in the State Gasoline tax in FY 2017*

- **Interest Rates:**

FY 2021-2027	0.25%	Projected
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- The Federal Reserve Board has reduced the Federal Funds Rate to 0.00% - 0.25% due to the COVID pandemic
- The City is taking a conservative approach to projecting investment revenue into the future
  - *Note: As of 06/30/2020 the City’s average weighted yield returned 1.59%*

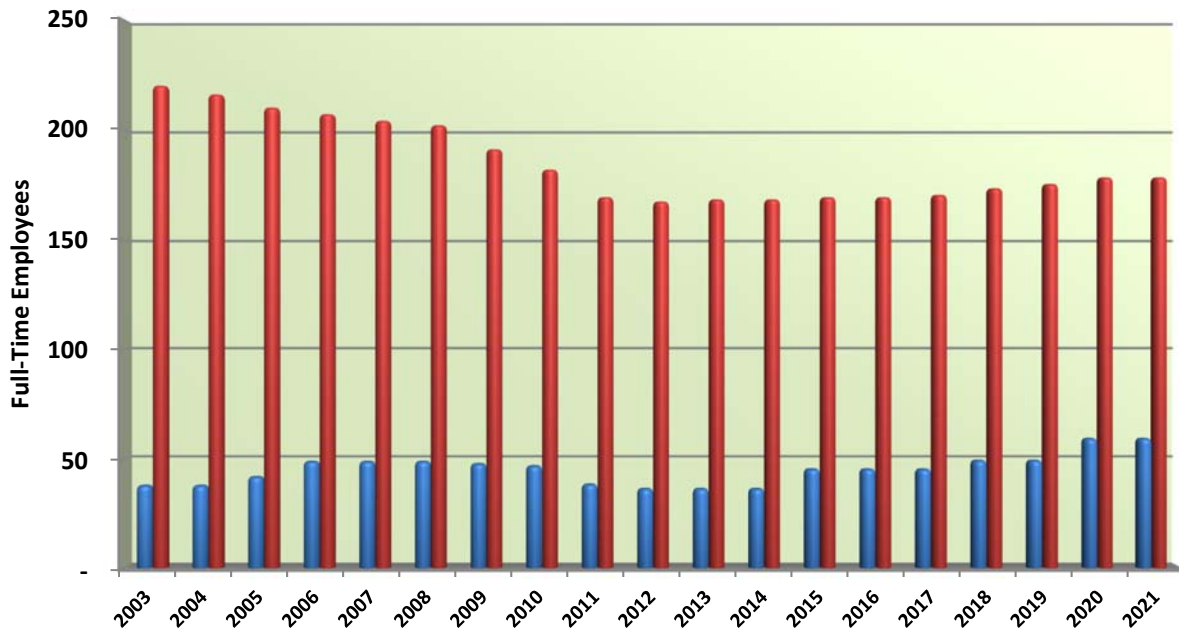
- **2020 Budget Information:**

- Updated with FY 2020 2<sup>nd</sup> Quarter Proposed Budget Amendment data to provide the most up-to-date forecast

## July 2020 Financial Forecast Projections:

- **Capital Projects:**
  - All capital projects were reviewed and updated with revised cost estimates based upon current market conditions as part of the FY 2021-2026 CIP process
- **Staffing Levels:**
  - 2021-2027 Long-Term Forecast projects no change in staffing levels

**Budgeted Full-Time Employees per Fiscal Year**



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
■ Fire Staff	38	38	42	49	49	49	48	47	38	36	36	36	45	45	45	49	49	59	59
■ All Other City Staff	220	216	210	207	204	202	191	182	170	168	169	169	170	170	171	174	176	179	179

- **Salary and Wages**

FY 2021-2027	2.50%	Projected
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- Consistent with existing Union contracts

- **Sheriff Contract**

FY 2021	2.91%	Per OCSO Contract
FY 2022-2027	3.00%	Projected

- Consistent with existing OCSO contract

- **Health Care**

FY 2021-2027	7.00%	Projected
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- Based on information provided by City's Healthcare broker

- **General Inflation**

FY 2021-2027	2.00%	Projected
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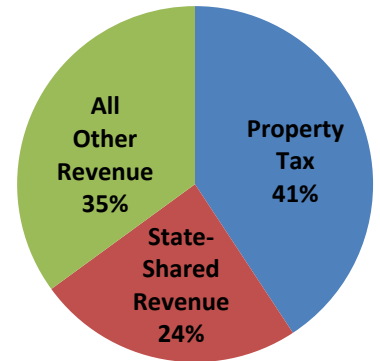
- Based on Federal Reserve Board inflation target

# (101) General Fund Forecast

## GENERAL FUND / REVENUES:

- For FY 2021, the primary sources of General Fund revenue are:
  - 41% = Property Tax
  - 24% = State-Shared Revenue
  - 35% = All Other Revenue
    - Charges for Services, License & Permits

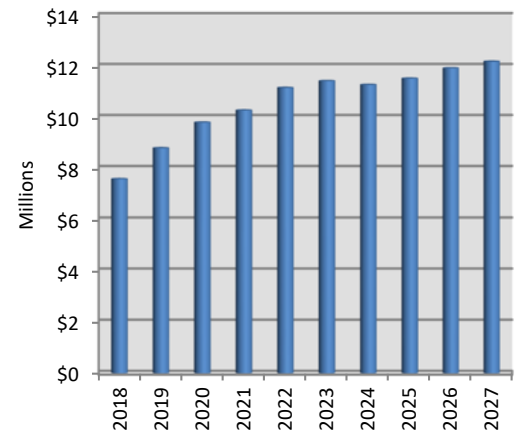
**General Fund:  
FY 2021 Revenue Sources**



## **General Fund / Property Tax Revenue:**

- The General Fund (Charter Operating) millage is adjusted and set to maintain the bottom-line millage rate each year

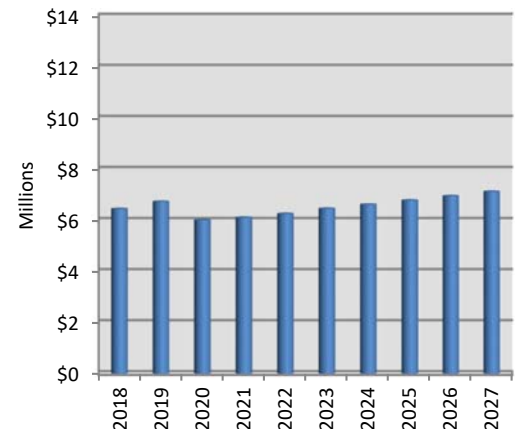
**General Fund:  
Property Tax Trend**



## **General Fund / State Shared Revenue:**

- State-Shared revenues are projected to decrease due to COVID by approx. (10%) in FY 2020 before recovering in FY 2021+
  - FY 2021 = +2.0% projected
  - FY 2022 = +3.0% projected
  - FY 2023 = +3.0% projected
  - FY 2024+ = +2.0% projected

**General Fund:  
State Shared Revenue Trend**

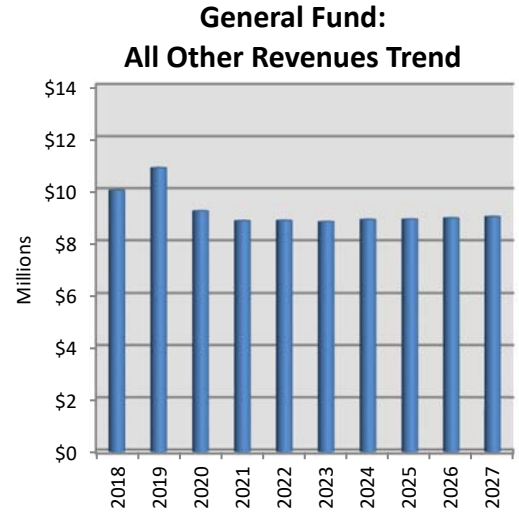




# (101) General Fund Forecast

## General Fund / Other Revenues:

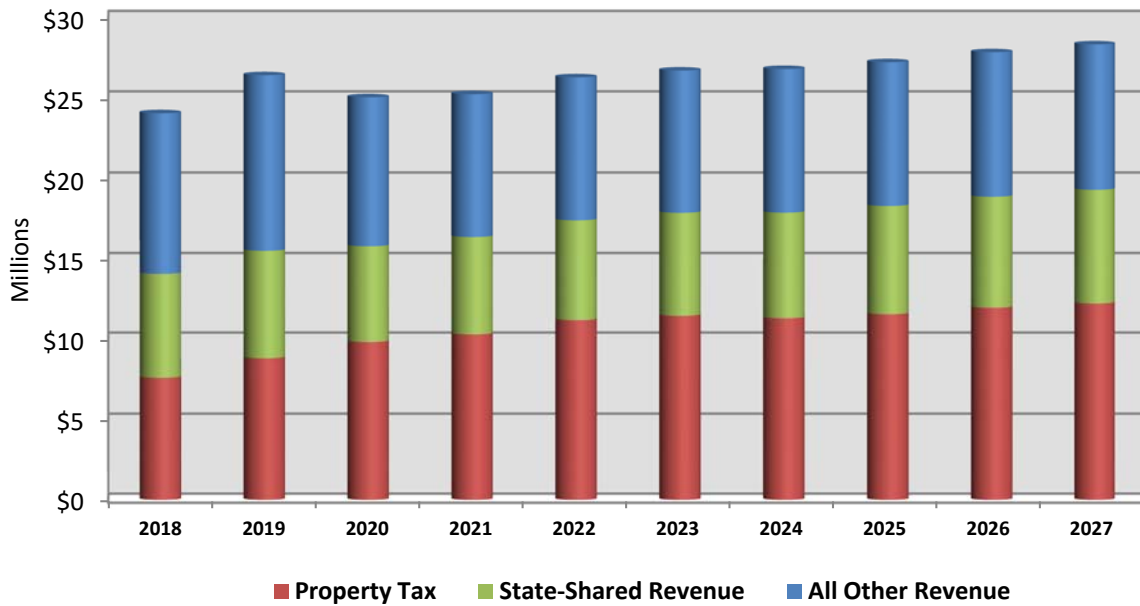
- Various Charges for Services, License & Permits, etc...
  - Examples: Building, Ordinance, Clerks, Planning, Parks Department, Investment Earnings, etc...
  - Other City revenues are proposed to be very conservatively projected due to the uncertainty with COVID-19



## General Fund / Revenue Summary:

- General Fund revenues are fairly balanced between Property Tax, State-Shared Revenue, and All Other Revenue
- The General Fund (Charter Operating) millage is adjusted and set to maintain the bottom-line millage rate each year
- State-Shared revenues are projected to decrease due to COVID by approx. (10%) in FY 2020 before recovering in FY 2021+
- Other City revenues are proposed to be very conservatively projected due to the uncertainty with COVID-19

## General Fund: Total Revenue Trend

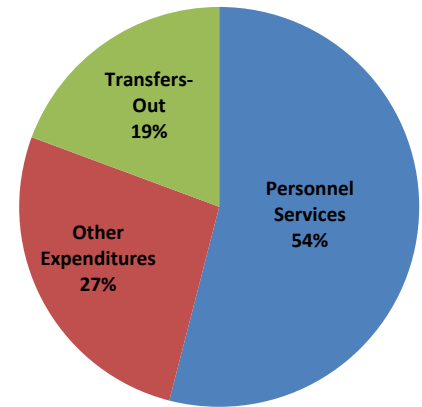


# (101) General Fund Forecast

## GENERAL FUND / EXPENDITURES:

- For FY 2021, the primary sources of General Fund expenditures are:
  - 54% = Personnel Services
  - 27% = Other Expenditures
    - Supplies, Services, Interfund Charges, Memberships, etc...
  - 19% = Transfers-Out to other funds
    - *Includes transfer to the Capital Improvement Fund (420) to set the General Fund Balance at 80% of annual expenditures*

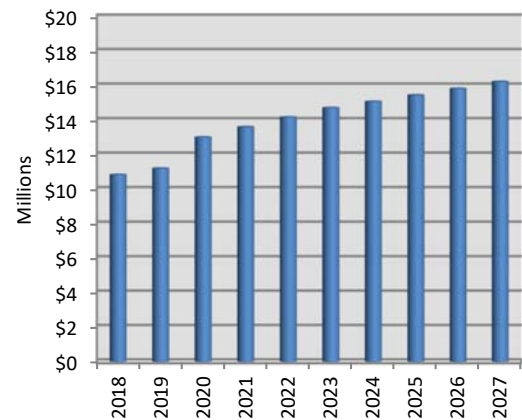
**General Fund:  
FY 2021 Expenditure Sources**



## **General Fund / Personnel Services:**

- Salary and Wages are projected to increase 2.5% per year
  - *The increase in trend from 2018-19 to 2020 is due to actual personnel expenditures routinely coming in under budget due to some level of salary lapse (vacant positions) each year*

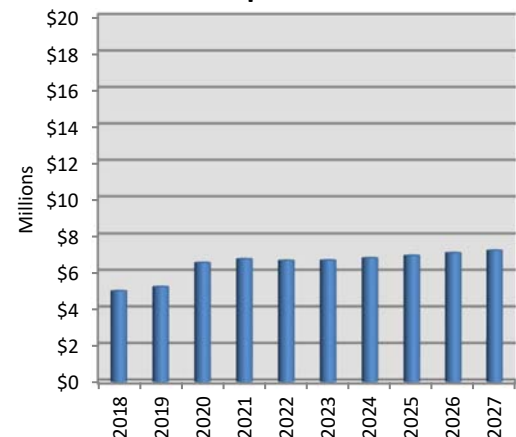
**General Fund:  
Personnel Services Trend**



## **General Fund / Other Expenditures:**

- Supplies, Materials, Professional & Contractual Services, Interfund Charges (Facilities & MIS), Printing & Publishing, etc...
- Other expenditures are projected to increase from 0% to +2% per year
  - *The increase in trend from 2018-19 to 2020 is due to actual operating expenditures routinely coming in under budget each year*

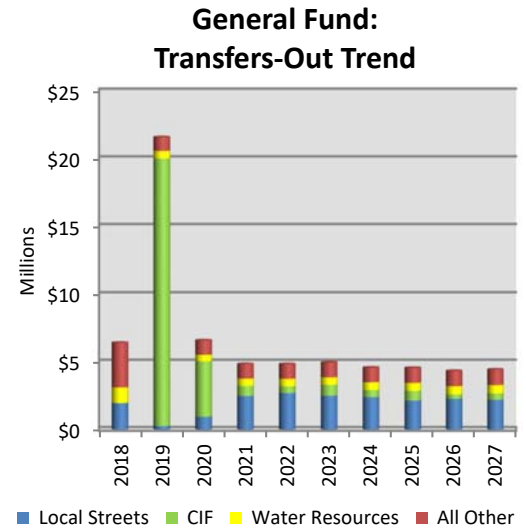
**General Fund:  
Other Expenditures Trend**



# (101) General Fund Forecast

## General Fund / Transfers-Out:

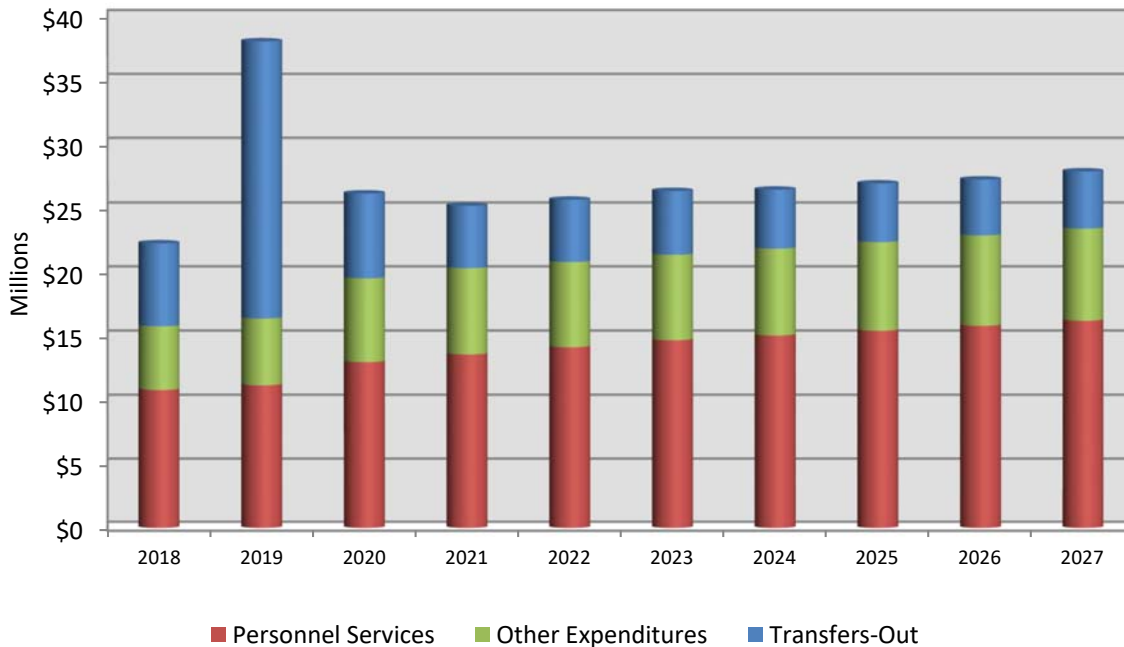
- FY 2019 includes the Transfer-Out to the Capital Improvement Fund (420) to set the General Fund Balance at 80% of annual expenditures
  - General Fund Balance in excess of 80% of annual expenditures will be annually transferred-out to the Capital Improvement Fund
- The annual transfer from the General Fund will be in an amount to maintain the Local Street Fund Balance at 25% of annual expenditures
- The annual transfer from the General Fund will be in an amount to balance the Water Resources Fund



## General Fund / Expenditure Summary:

- FY 2019 includes the Transfer-Out to the Capital Improvement Fund (420) to set the General Fund Balance at 80% of annual expenditures
  - General Fund Balance in excess of 80% of annual expenditures will be annually transferred-out to the Capital Improvement Fund

## General Fund: Total Expenditure Trend

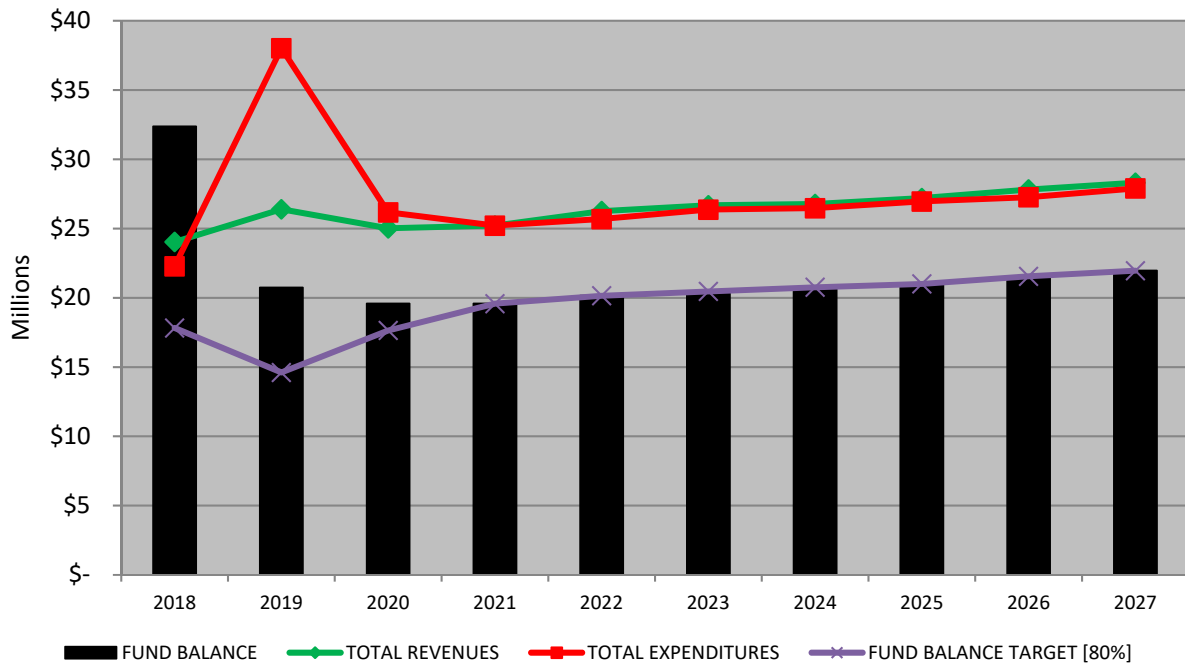


# (101) General Fund Forecast

## General Fund / Revenue, Expenditures, and Changes in Fund Balance:

- The General Fund (Charter Operating) millage is adjusted and set to maintain the bottom-line millage rate each year
- State-Shared revenues are projected to decrease due to COVID by approx. (10%) in FY 2020 before recovering in FY 2021+
- Other City revenues are proposed to be very conservatively projected due to the uncertainty with COVID-19
- The decrease in fund balance in FY 2019 is due to Transfer-Out to the Capital Improvement Fund (420) to set the General Fund Balance at 80% of annual expenditures
  - General Fund Balance in excess of 80% of annual expenditures will be annually transferred-out to the Capital Improvement Fund

**General Fund: Revenue / Expenditure / Fund Balance**



## General Fund / Takeaway Points:

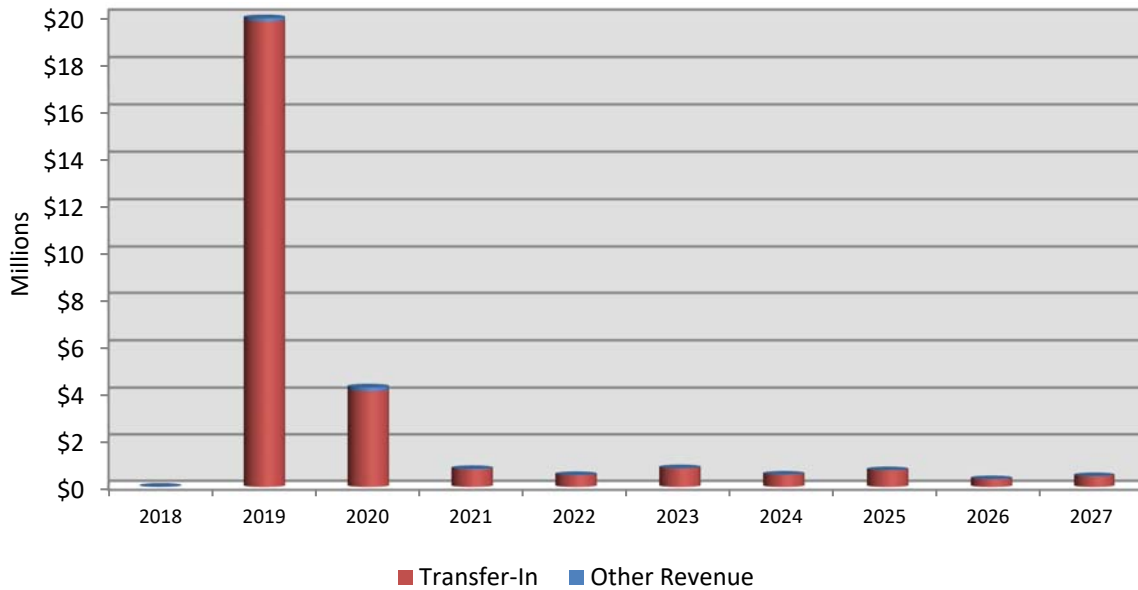
- The General Fund (Charter Operating) millage is adjusted and set to maintain the bottom-line millage rate each year
- State-Shared revenues are projected to decrease due to COVID by approx. (10%) in FY 2020 before recovering in FY 2021+
- Other City revenues are proposed to be very conservatively projected due to the uncertainty with COVID-19
- The annual transfer from the General Fund will be in an amount to maintain the Local Street Fund Balance at 25% of annual expenditures
- General Fund Balance in excess of 80% of annual expenditures will be annually transferred-out to the Capital Improvement Fund

# (420) Capital Improvement Fund Forecast

## Capital Improvement Fund / Revenue Summary:

- The increase in Transfer-In Revenues in FY 2019 is to set the General Fund (101) at 80% of annual operating expenditures
  - General Fund Balance in excess of 80% of annual expenditures will be annually transferred-out to the Capital Improvement Fund

## Capital Improvement Fund: Total Revenue Trend

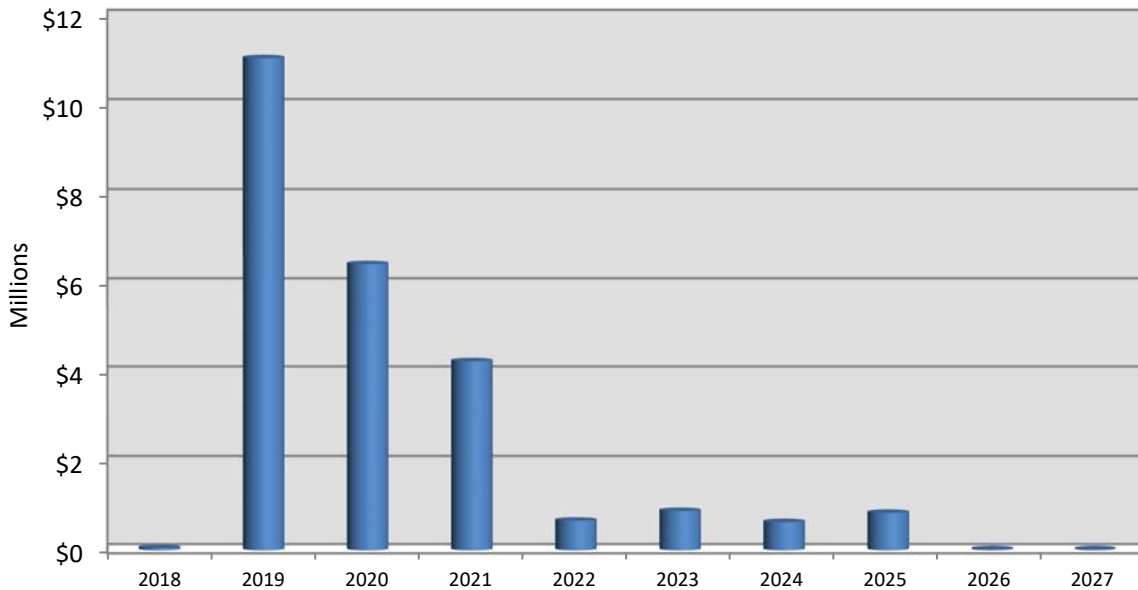


# (420) Capital Improvement Fund Forecast

## Capital Improvement Fund / Expenditure Summary:

- Capital Outlay costs for 2020-2027 include projects as included in the City’s annual Capital Improvement Plan (CIP):
  - 2019 Actual:
    - \$7.5M = Auburn Road Corridor
    - \$0.9M = Innovation Hills
    - \$0.8M = Local Street projects / School Road Paving
    - \$0.6M = Various Facility & Other Improvement projects
  - 2020 Budget:
    - \$3.3M = Museum Dairy Barn Roof Replacement
    - \$1.2M = Local Street SAD projects / Bolinger & Michelson
    - \$1.1M = Innovation Hills
    - \$0.9M = Various Facility & Other Improvement projects
  - 2021 Projected:
    - \$1.9M = Innovation Hills
    - \$1.5M = Borden Park Office Relocation
    - \$0.8M = Various Facility & Other Improvement projects
  - 2022 Projected:
    - \$0.6M = Various Facility & Other Improvement projects
  - 2023 Projected:
    - \$0.5M = Innovation Hills
    - \$0.4M = Various Facility & Other Improvement projects

## Capital Improvement Fund: Total Expenditure Trend

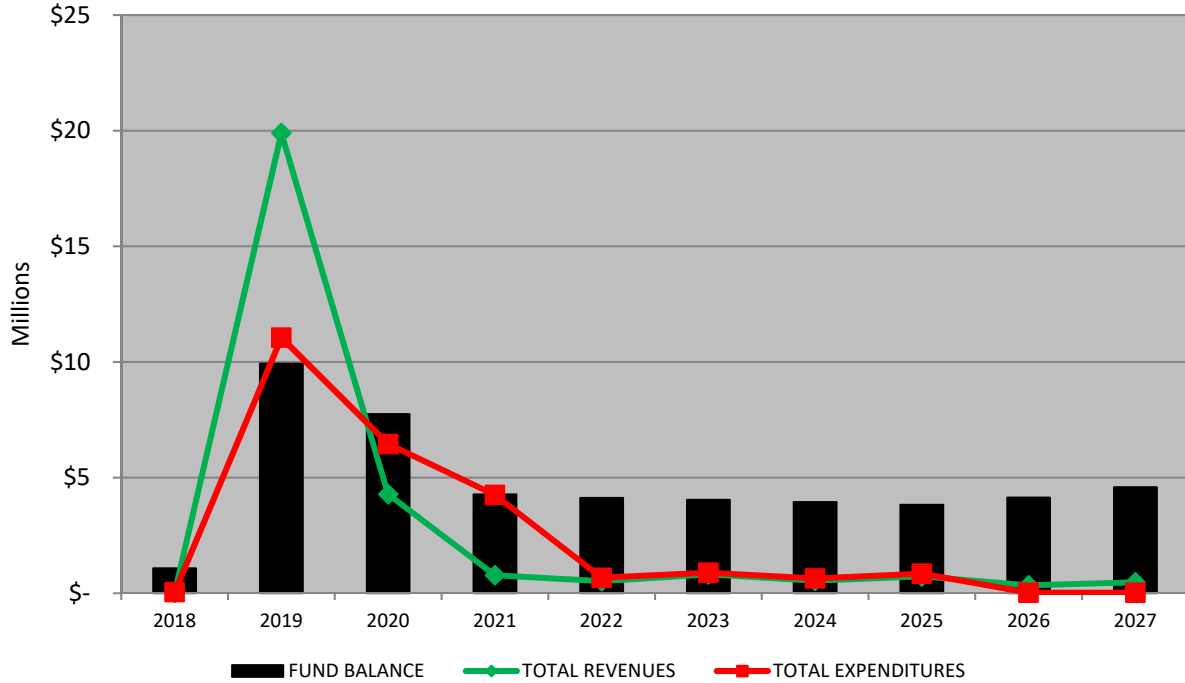


## (420) Capital Improvement Fund Forecast

### Capital Improvement Fund / Revenue, Expenditures, Changes in Fund Balance:

- The increase in Revenues in FY 2019 is to set the General Fund (101) at 80% of annual operating expenditures
  - Moving forward, any General Fund Balance in excess of 80% of annual expenditures will be transferred-out to the Capital Improvement Fund
- Capital Outlay costs for 2020-2027 include projects as included in the City’s annual Capital Improvement Plan (CIP)

### Capital Improvement Fund: Rev / Exp / Fund Balance



### Capital Improvement Fund / Takeaway Points:

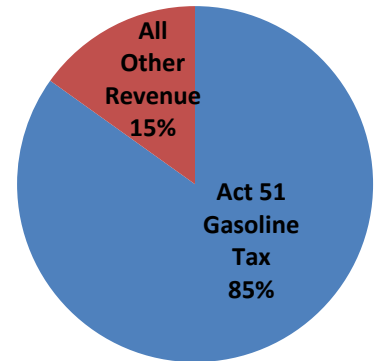
- The mission of the Capital Improvement Fund is to provide a mechanism to fund certain projects identified in the Capital Improvement Plan (CIP)
- Revenues represent the annual structural surplus of the General Fund maintained at 80% of operating expenditures
- Capital Outlay costs include projects as included in the Adopted CIP

# (202) Major Road Fund Forecast

## MAJOR ROAD FUND / REVENUES:

- For FY 2021, the primary sources of Major Road Fund revenue are:
  - 85% = Act 51 Gasoline Tax
  - 15% = All Other Revenue

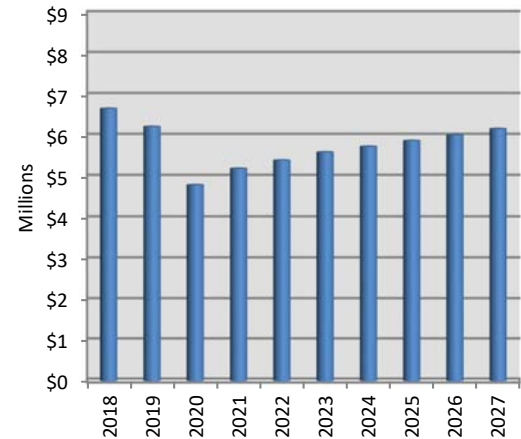
**Major Road Fund:  
FY 2021 Revenue Sources**



## Major Road / Act 51 Gasoline Tax Revenue:

- Act 51 revenues are projected to decrease due to COVID by approx. (13%) in FY 2020 before recovering in FY 2021+
  - FY 2021 = +4.3% projected
  - FY 2022 = +5.0% projected
  - FY 2023 = +5.0% projected
  - FY 2024+ = +2.0% projected

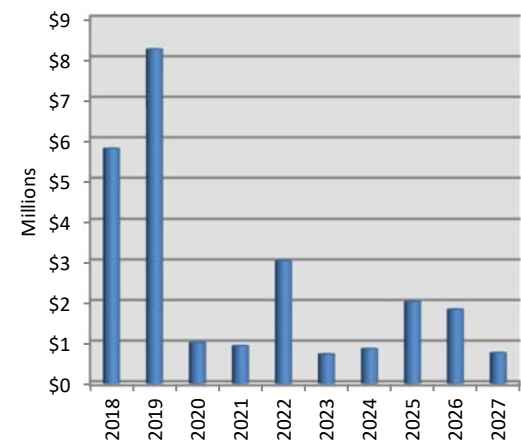
**Major Road Fund:  
Act 51 Gasoline Tax Trend**



## Major Road / Other Revenues:

- 2018:
  - \$2.0M from LDFA for Hamlin Road
  - \$1.7M from State of MI for South Blvd & Livernois
  - \$1.2M from MDOT for Auburn Rd jurisdiction change
  - \$0.8M from Auburn Hills & RCOC for Hamlin Road
- 2019:
  - \$3.6M from State of MI for of Livernois
  - \$2.1M from CIF (420) and Tree Fund (232) for Auburn Corridor Project
    - Sidewalks, Storm Sewer, Parking Lots
  - \$1.6M from Auburn Hills & RCOC for Hamlin Road
  - \$0.6M from State of MI for Auburn Corridor Project
- 2022:
  - \$2.3M from LDFA for Waterview Reconstruction

**Major Road Fund:  
All Other Revenue Trend**



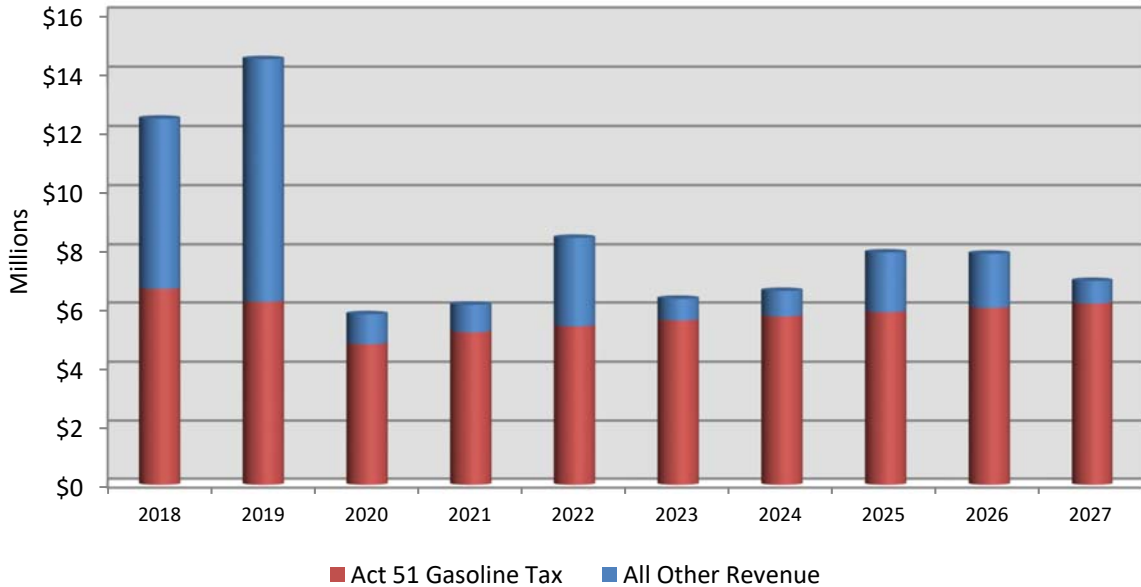


## (202) Major Road Fund Forecast

### Major Road / Revenue Summary:

- Act 51 revenues are projected to decrease due to COVID by approx. (13%) in FY 2020 before recovering in FY 2021+
- The City continually works with other road agencies to leverage Major Road funding in order to construct needed improvements and rehabilitations to the City's Major Road network

### Major Road Fund: Total Revenue Trend

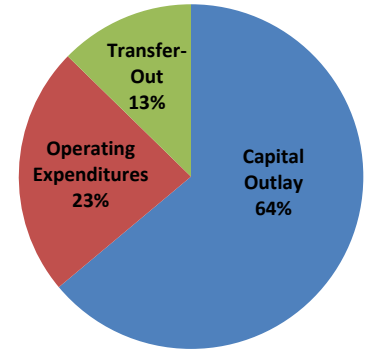


# (202) Major Road Fund Forecast

## MAJOR ROAD FUND / EXPENDITURES:

- For FY 2021, the primary sources of Major Road Fund expenditures are:
  - 23% = Operating Expenditures
  - 64% = Capital Outlay
    - *This proportion will vary significantly based upon the level of capital outlay scheduled in a particular Fiscal Year*
  - 13% = Transfer-Out
    - *Per Act 51 requirements, a community may transfer up to 50% of Major Road Act 51 monies to the Local Street Fund*
    - *The Major Road Fund transfers 25% of Act 51 monies to the Local Street Fund*

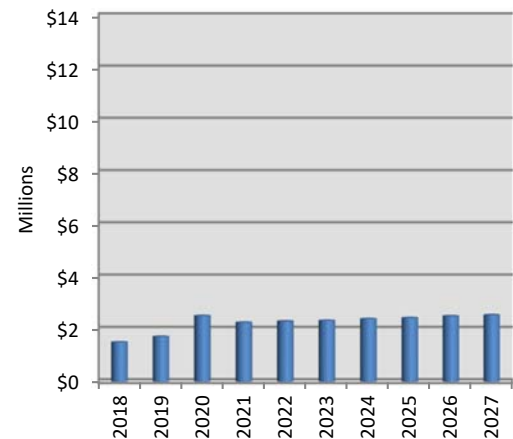
**Major Road Fund:  
FY 2021 Expenditure Sources**



## Major Road Fund / Operating Expenditures:

- Personnel, Materials, Supplies, Services, Interfund Charges (Fleet), Memberships, etc...
- Operating expenditures are projected to increase 2.0% per year
- The increase in trend from 2018-2019 to 2020+ is due to actual Major Road operating expenditures routinely coming in under budget

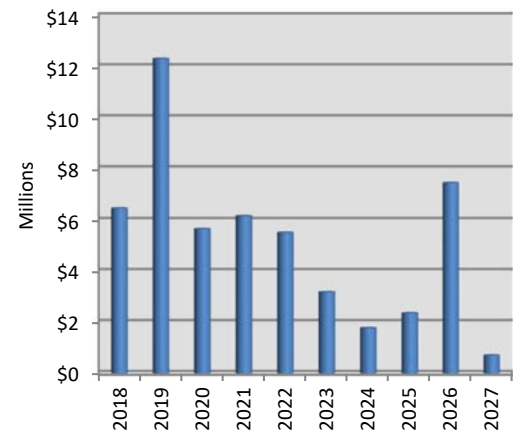
**Major Road Fund:  
Operating Expenditure Trend**



## Major Road Fund / Capital Outlay:

- Capital Outlay costs for 2020-2027 include Major Road projects as included in the Adopted CIP
  - 2018 = Hamlin [Adams - E City Limits]
  - 2019 = Auburn Corridor, Livernois [Avon-Walton]
  - 2020 = Auburn Corridor, John R [Avon-Bloomer] Harding, Austin, Dequindre
  - 2021 = Hamlin [Adams-Crooks], Butler, Avon / Dequindre / 23-Mile
  - 2022 = Waterview (LDFA Funded), Old Perch, Auburn [Rochester-Culbertson]
  - 2023 = Avon Industrial, Barclay Circle
  - 2026 = Adams Widening [Hamlin-Walton]
- The City continually works with other road agencies to leverage Major Road funding in order to construct needed improvements and rehabilitations to the City's Major Road network

**Major Road Fund:  
Capital Outlay Trend**

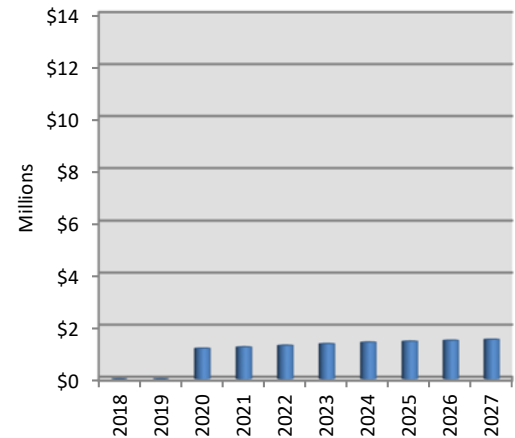


## (202) Major Road Fund Forecast

### Major Road Fund / Transfer-Out:

- Per Act 51 requirements, a community can transfer up to 50% of Major Road Act 51 monies to the Local Street Fund
- Beginning in FY 2020, the Major Road Fund began to transfer 25% of Act 51 monies to the Local Street Fund

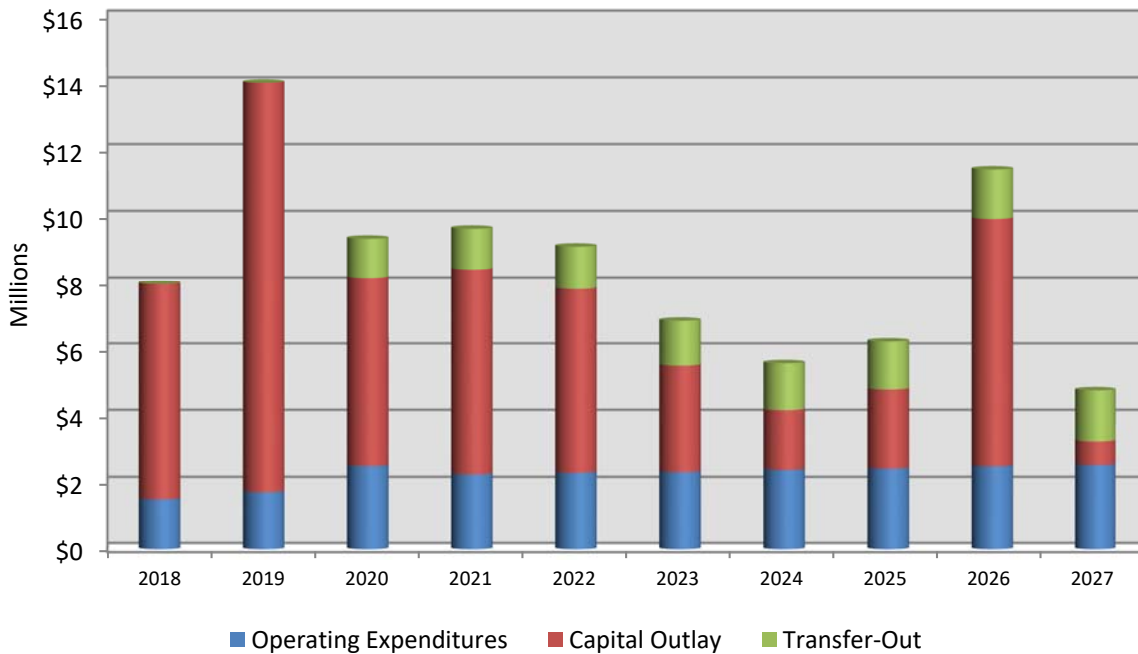
**Major Road Fund:  
Transfer-Out Expenditure Trend**



### Major Road Fund / Expenditure Summary:

- Capital Outlay costs for 2020-2027 include Major Road projects as included in the CIP
- Beginning in FY 2020, the Major Road Fund began to transfer 25% of Act 51 monies to the Local Street Fund

**Major Road Fund: Total Expenditure Trend**

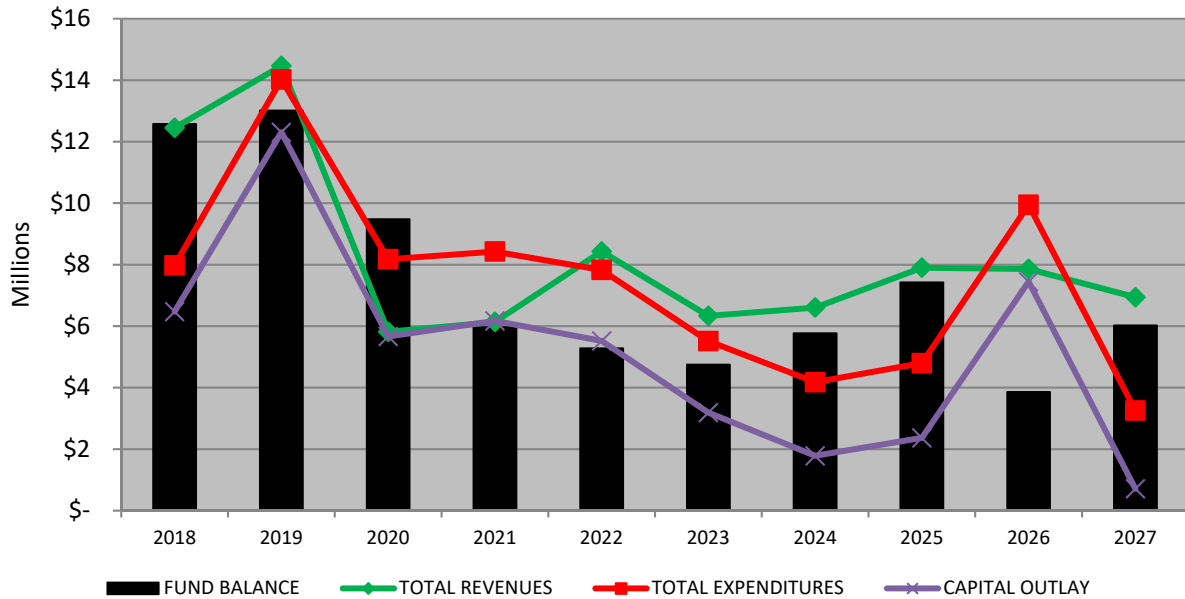


## (202) Major Road Fund Forecast

### Major Road Fund / Revenue, Expenditures, and Changes in Fund Balance:

- Act 51 revenues are projected to decrease due to COVID by approx. (13%) in FY 2020 before recovering in FY 2021+
- Other Revenues increased in 2018-2019 due to sources of outside funding for several Major Road projects
- Capital Outlay costs for 2020-2027 include Major Road projects as included in the CIP

### Major Road Fund: Revenue / Expenditure / Fund Balance



### Major Road Fund / Takeaway Points:

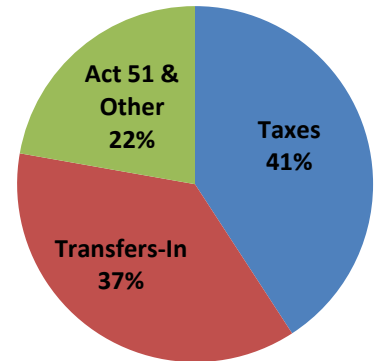
- Act 51 revenues are projected to decrease due to COVID by approx. (13%) in FY 2020 before recovering in FY 2021+
- Other Revenues increased in 2018-2019 due to sources of outside funding for several Major Road projects
- Capital Outlay costs for 2020-2027 include Major Road projects as included in the CIP

## (203) Local Street Fund Forecast

### LOCAL STREET FUND / REVENUES:

- For FY 2021, the primary sources of Local Street Fund revenue are:
  - 41% = Property Taxes
    - Local Street I, II, III
  - 22% = Act 51 & Other Revenue
  - 37% = Transfers-In

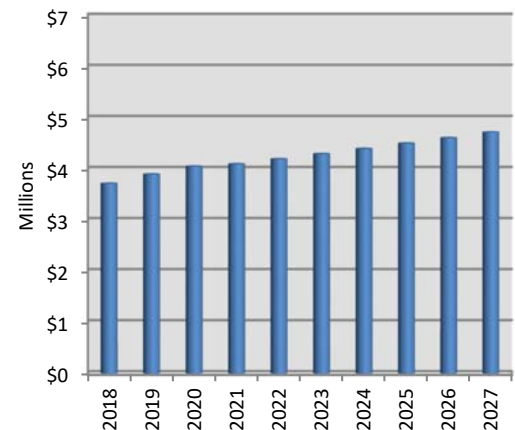
**Local Street Fund:  
FY 2021 Revenue Sources**



### Local Street Fund / Property Taxes:

- Local Street I, II, & III renewal was approved by voters in November 2019 to be renewed into one (1) single Local Street millage for 10-Years beginning in FY 2021 through FY 2030

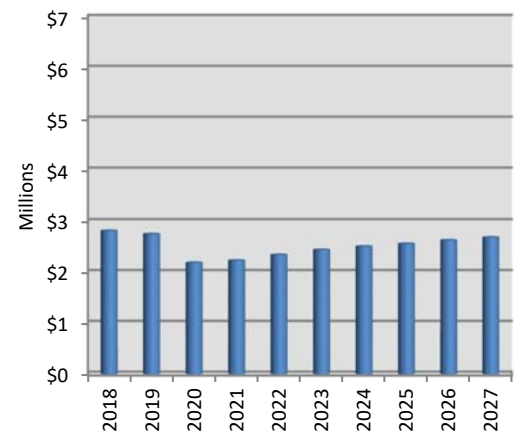
**Local Street Fund:  
Property Tax Trend**



### Local Street Fund / Act 51 & Other Revenue:

- Act 51 revenues are projected to decrease due to COVID by approx. (13%) in FY 2020 before recovering in FY 2021+
  - FY 2021 = +4.3% projected
  - FY 2022 = +5.0% projected
  - FY 2023 = +5.0% projected
  - FY 2024+ = +2.0% projected

**Local Street Fund:  
Other Revenue Trend**

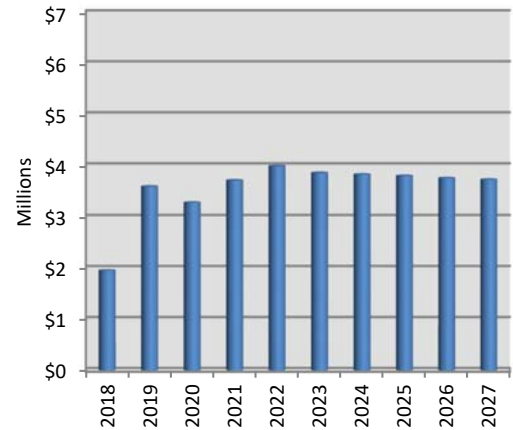


## (203) Local Street Fund Forecast

### Local Street Fund / Transfers-In:

- The annual transfer from the General Fund will be in an amount to maintain the Local Street Fund Balance at 25% of annual expenditures
- Beginning in FY 2020, the Major Road Fund began to transfer 25% of Act 51 monies to the Local Street Fund
  - This reduces the amount of funding required from the General Fund to balance the Local Street Fund

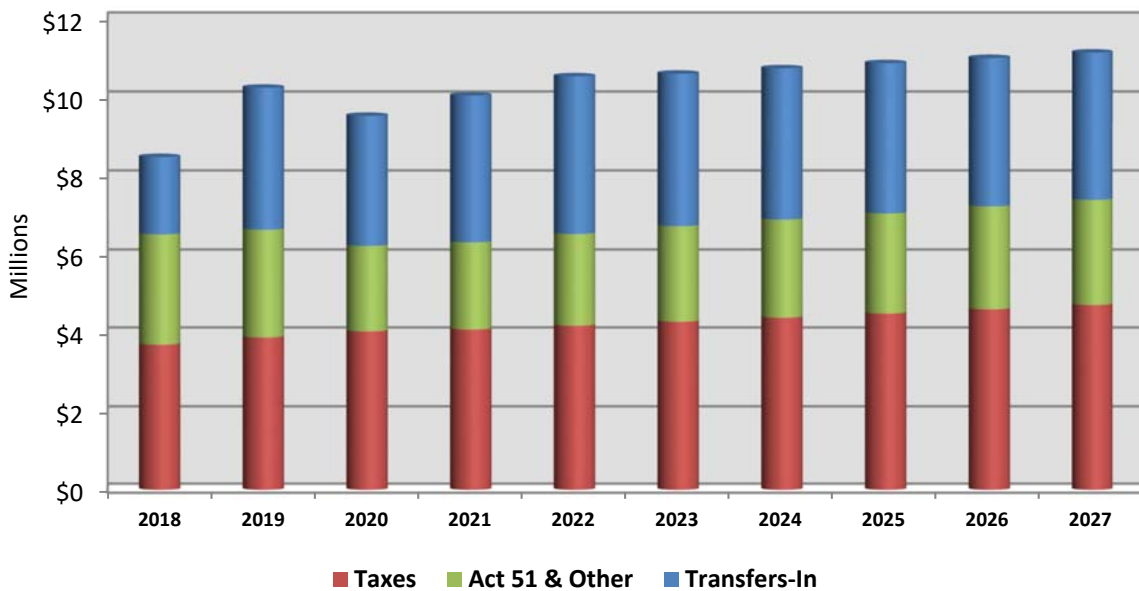
**Local Street Fund:  
Transfers-In Trend**



### Local Street Fund / Revenue Summary:

- Local Street Fund revenues are balanced between Property Tax, Act 51 Revenue, and Transfers-In from the General Fund and Major Road Fund
- Local Street I, II, & III renewal was approved by voters in November 2019 to be renewed into one (1) single Local Street millage for 10-Years beginning in FY 2021 through FY 2030
- Act 51 revenues are projected to decrease due to COVID by approx. (13%) in FY 2020 before recovering in FY 2021+
- The annual transfer-in from the General Fund will be in an amount to maintain the Local Street Fund Balance at 25% of annual expenditures

**Local Street Fund: Total Revenue Trend**

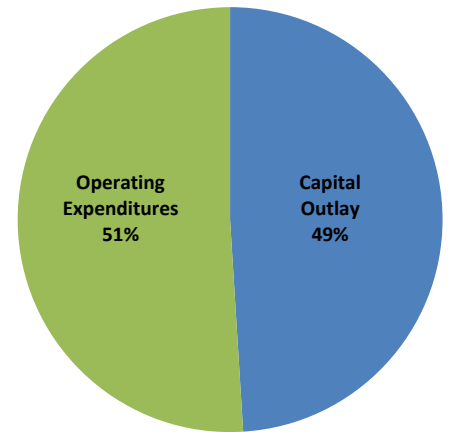


# (203) Local Street Fund Forecast

## LOCAL STREET FUND / EXPENDITURES:

- For FY 2021, the primary sources of Local Street Fund expenditures are:
  - 49% = Operating Expenditures
  - 51% = Capital Outlay

**Local Street Fund:  
FY 2021 Expenditure Sources**



## Local Street Fund / Operating Expenditures:

- Personnel, Materials, Supplies, Services, Interfund Charges (Fleet), Memberships, etc...
- Operating expenditures are projected to increase 2.0% per year
- The increase in trend from 2018-2019 to 2020+ is due to actual Local Street operating expenditures routinely coming in under budget

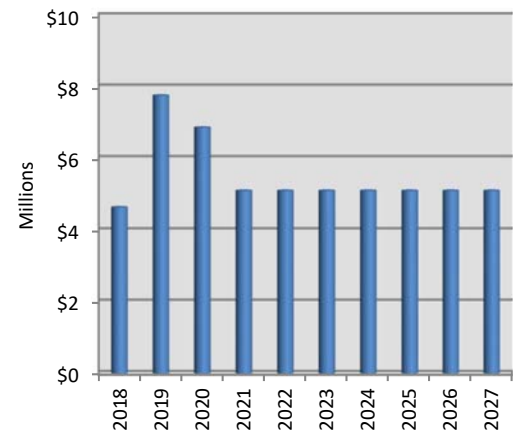
**Local Street Fund:  
Operating Expenditure Trend**



## Local Street Fund / Capital Outlay:

- The increase in FY 2019-20 is due to additional Local Street construction projects included as part of the CIP
  - 2019 = Auburn Road Corridor & School Road
  - 2020 = SAD projects
- Using the current forecast assumptions, the Local Street Fund is able to support an annual Local Street Rehabilitation program of \$5 million per year within existing Local Street revenue sources as well as support from the General Fund, Major Road Fund, and Capital Improvement Fund

**Local Street Fund:  
Capital Outlay Trend**

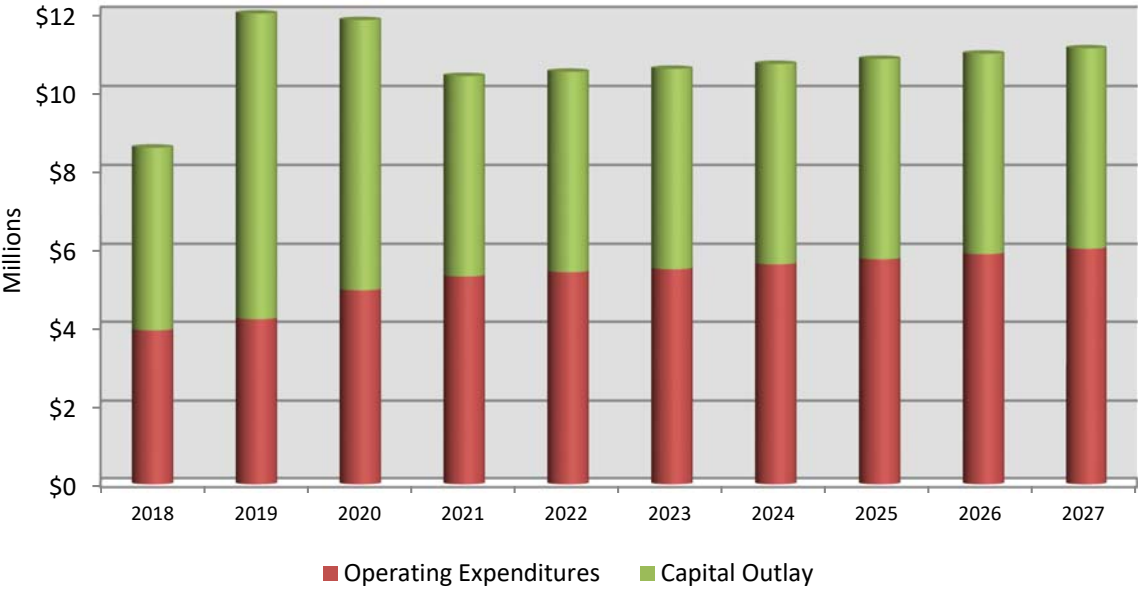


# (203) Local Street Fund Forecast

## Local Street Fund / Expenditure Summary:

- The increase in Operating Expenses from 2018-2019 to 2020+ is due to actual Local Street operating expenditures routinely coming in under budget
- The increase in Capital Outlay in FY 2019-2020 is due to additional Local Street construction projects included as part of the CIP
- Using the current forecast assumptions, the Local Street Fund is able to support an annual Local Street Rehabilitation program of \$5 million per year within existing Local Street revenue sources as well as support from the General Fund, Major Road Fund, and Capital Improvement Fund

**Local Street Fund: Total Expenditure Trend**



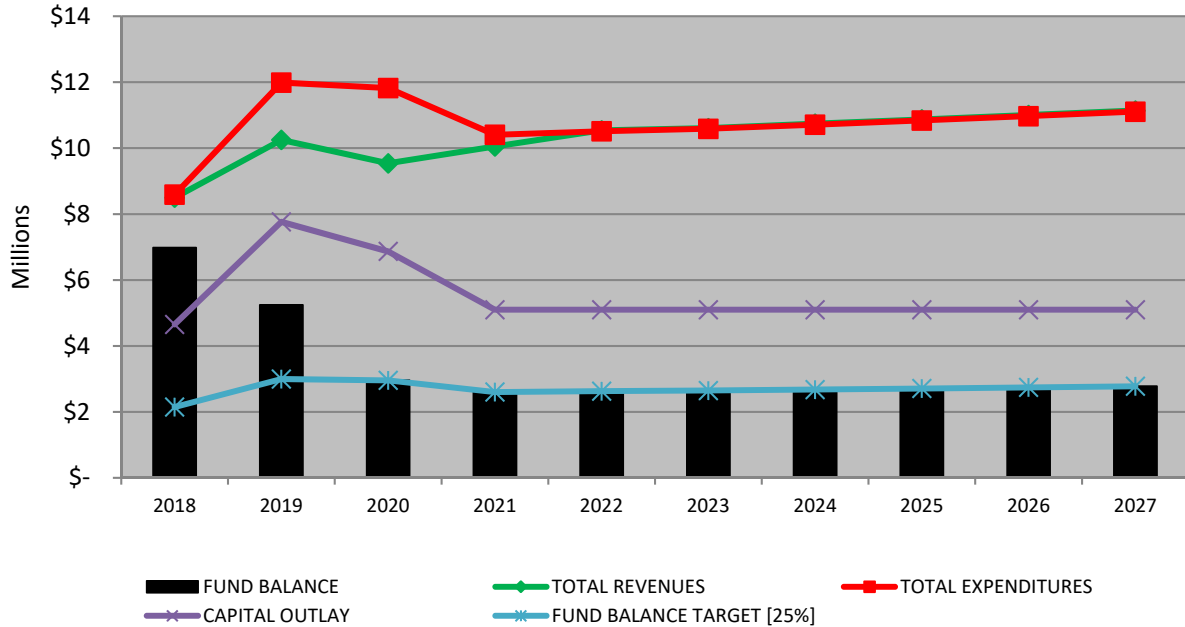


## (203) Local Street Fund Forecast

### Local Street Fund / Revenue, Expenditures, and Changes in Fund Balance:

- Transfers-In revenue decreased in FY 2019-2020 to set Local Street Fund Balance at 25% of annual expenditures
  - The annual transfer-in from the General Fund will be in an amount to maintain the Local Street Fund Balance at 25% of annual expenditures

### Local Street Fund: Revenue / Expenditure / Fund Balance



### Local Street Fund / Takeaway Points:

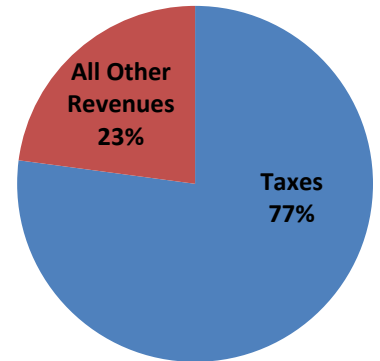
- Local Street I, II, & III renewal was approved by voters in November 2019 to be renewed into one (1) single Local Street millage for 10-Years beginning in FY 2021 through FY 2030
- Act 51 revenues are projected to decrease due to COVID by approx. (13%) in FY 2020 before recovering in FY 2021+
- The annual transfer-in from the General Fund will be in an amount to maintain the Local Street Fund Balance at 25% of annual expenditures
- Using the current forecast assumptions, the Local Street Fund is able to support an annual Local Street Rehabilitation program of \$5 million per year within existing Local Street revenue sources as well as support from the General Fund, Major Road Fund, and Capital Improvement Fund

# (206) Fire Operating Fund Forecast

## FIRE OPERATING FUND / REVENUES:

- For FY 2021, the primary sources of Fire Operating Fund revenue are:
  - 77% = Property Taxes
  - 23% = All Other Revenues

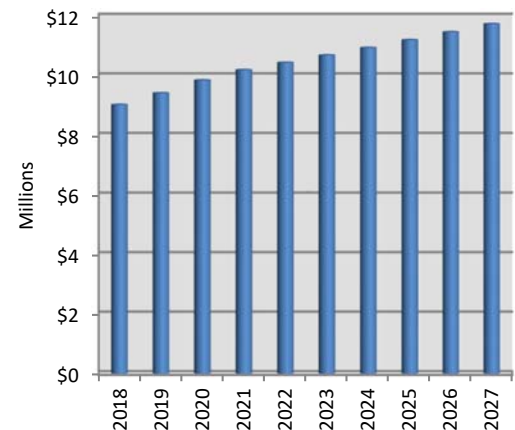
**Fire Fund:  
FY 2021 Revenue Sources**



## Fire Operating Fund / Property Taxes:

- The Fire millage level is maintained at the existing levy of 2.7000 mill throughout this forecast model

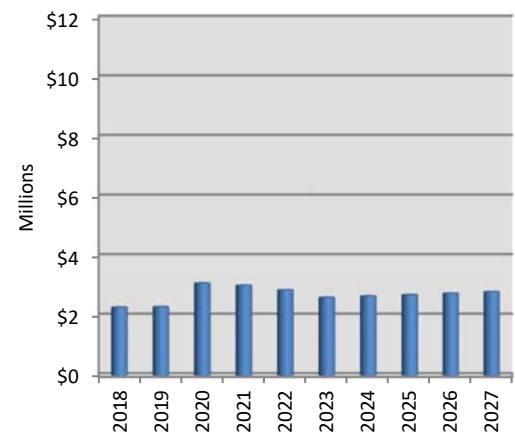
**Fire Fund:  
Property Tax Trend**



## Fire Operating Fund / Other Revenues:

- The primary source of Other Revenue is EMS Charges for Service
- FY 2020-2022 includes funding from the SAFER Grant for the hiring of eight (8) additional Firefighters
- Other revenues are projected to increase from 0.0% to 2.5% per year

**Fire Fund:  
Other Revenue Trend**

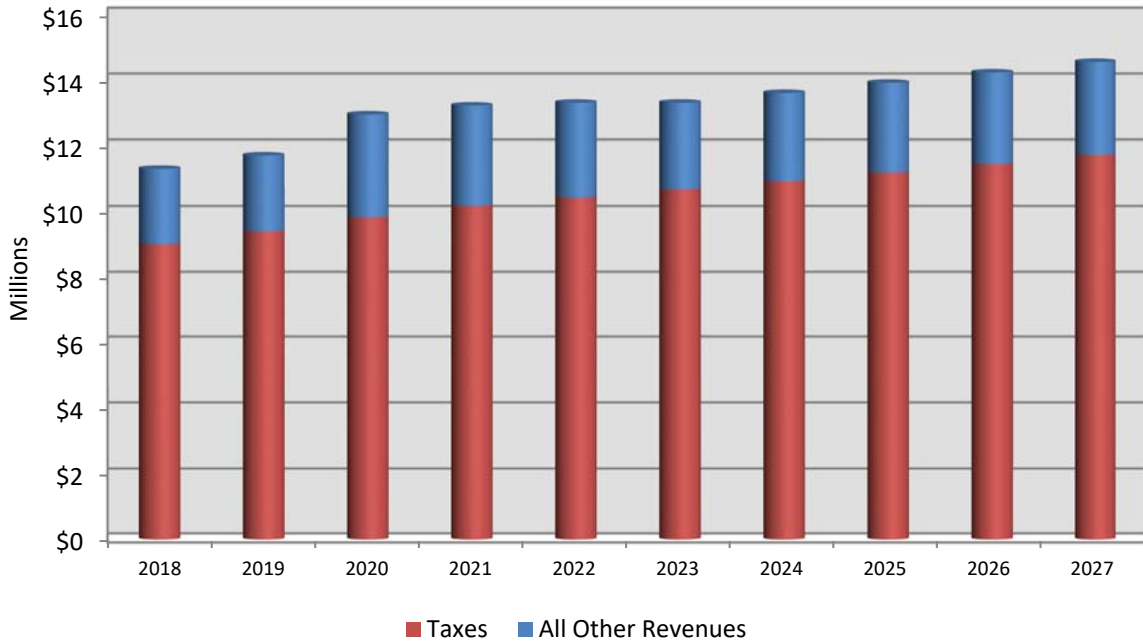


## (206) Fire Operating Fund Forecast

### Fire Operating Fund / Revenue Summary:

- The Fire millage level is maintained at the existing levy of 2.7000 mill throughout this forecast model
- FY 2020-2022 Other Revenue includes funding from the SAFER Grant for the hiring of eight (8) additional Firefighters

### Fire Fund: Total Revenue Trend

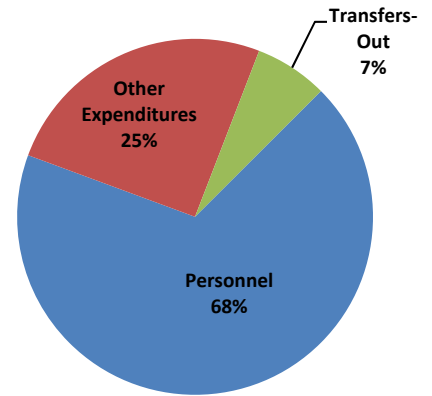


# (206) Fire Operating Fund Forecast

## FIRE OPERATING FUND / EXPENDITURES:

- For FY 2021, the primary sources of Fire Operating expenditures are:
  - 68% = Personnel
  - 25% = Other Expenditures
  - 7% = Transfer-Out
    - Includes the Transfer to the Fire Capital Fund (402) to set the Fire Operating Fund Balance at 25% of annual expenditures

**Fire Fund:  
FY 2021 Expenditure Sources**



## Fire Operating Fund / Personnel Services:

- Salary and Wages are projected to increase 2.5% per year
  - *The increase from 2018-19 to 2020 is due to 8x Firefighter-EMT positions and 2x Fire Inspector positions added in FY 2020*
  - *Also due to actual personnel expenditures routinely coming in under budget due to some level of salary lapse (vacant positions) each year*

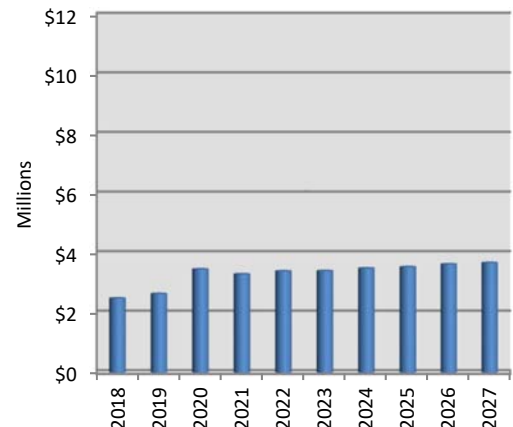
**Fire Operating Fund:  
Personnel Trend**



## Fire Operating Fund / Other Expenditures:

- Supplies, Services, Interfund Charges (including Fleet & Facilities), Memberships, etc...
- In FY 2020 Supplies increased due to COVID PPE
  - *Reimbursement submitted & pending*
- Other expenditures are projected to increase 2.0% per year

**Fire Operating Fund:  
All Other Expenditure Trend**

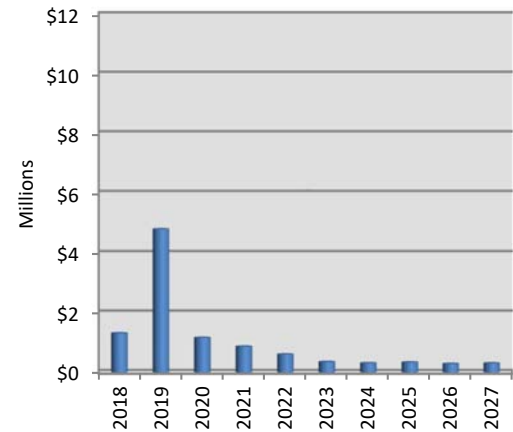


## (206) Fire Operating Fund Forecast

### Fire Operating Fund / Transfer-Out:

- The increase in Transfers-Out in FY 2019 is to set the Fire Operating Fund at 25% of annual operating expenditures by transferring funds out to the Fire Capital Fund (402)
  - The annual transfer-out to the Fire Capital Fund will be in an amount to maintain the Fire Operating Fund Balance at 25% of annual operating expenditures

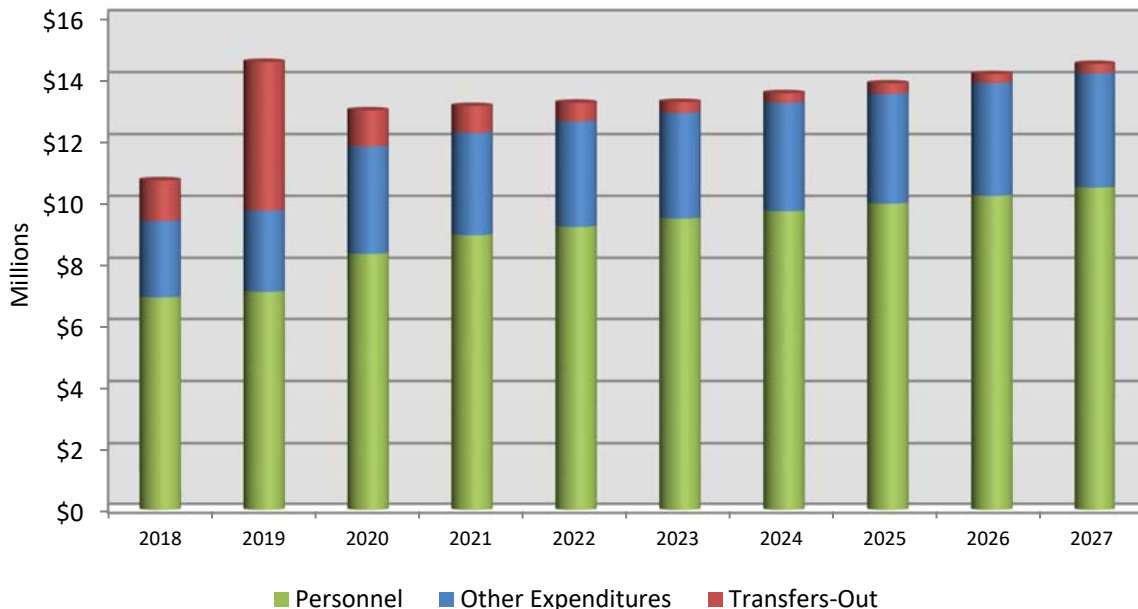
**Fire Operating Fund:  
Transfer-Out Trend**



### Fire Operating Fund / Expenditure Summary

- The increase in Personnel from 2018-19 to 2020 is due to 8x Firefighter-EMT positions and 2x Fire Inspector positions added in FY 2020
  - Also due to actual personnel expenditures routinely coming in under budget due to some level of salary lapse (vacant positions) each year
- In FY 2020 Other Expenditures increased due to COVID PPE
  - Reimbursement submitted & pending
- The increase in Transfers-Out in FY 2019 is to set the Fire Operating Fund at 25% of annual operating expenditures
  - The annual transfer-out to the Fire Capital Fund will be in an amount to maintain the Fire Operating Fund Balance at 25% of annual operating expenditures

**Fire Fund: Total Expenditure Trend**

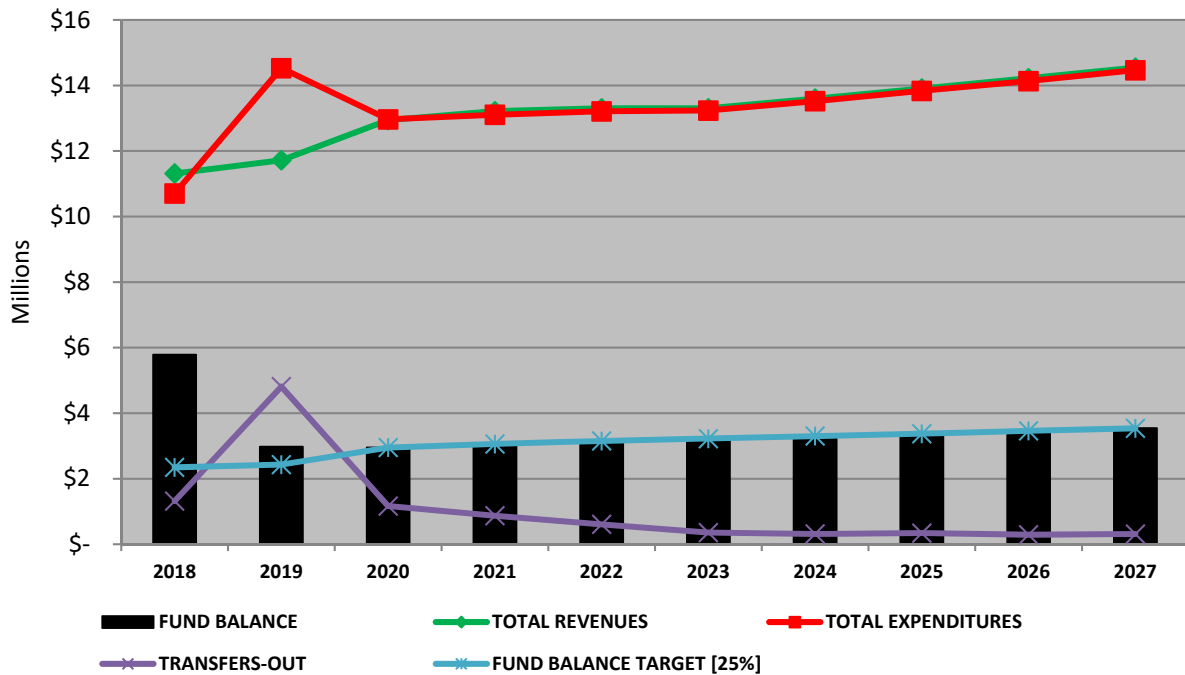


## (206) Fire Operating Fund Forecast

### Fire Operating Fund / Revenue, Expenditures, Changes in Fund Balance:

- The Fire millage level is maintained at the existing levy of 2.7000 mill throughout this forecast model
- FY 2020-2022 Revenue includes funding from the FEMA SAFER Grant for the hiring of eight (8) additional Firefighters
- The increase in Transfers-Out in FY 2019 is to set the Fire Operating Fund at 25% of annual operating expenditures by transferring funds out to the Fire Capital Fund (402)
  - The annual transfer-out to the Fire Capital Fund will be in an amount to maintain the Fire Operating Fund Balance at 25% of annual operating expenditures

### Fire Operating Fund: Revenue / Expenditure / Fund Balance



### Fire Operating Fund / Takeaway Points:

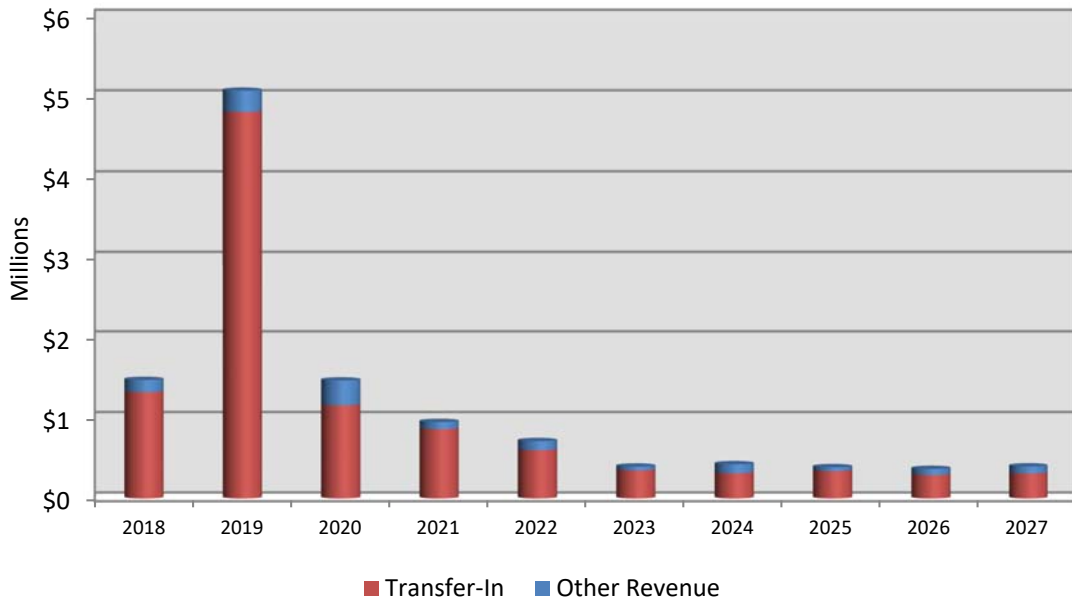
- The Fire millage level is maintained at the existing levy of 2.7000 mill throughout this forecast model
- The annual transfer-out to the Fire Capital Fund will be in an amount to maintain the Fire Operating Fund Balance at 25% of annual operating expenditures
- It is projected the existing Fire millage levy of 2.7000 mill will be adequate to contribute funding to the Fire Capital Fund (402) through FY 2030+

## (402) Fire Capital Fund Forecast

### Fire Capital Fund / Revenue Summary:

- The increase in Transfers-In Revenues in FY 2019 is to set the Fire Operating Fund (206) at 25% of annual operating expenditures
  - The annual transfer-out to the Fire Capital Fund will be in an amount to maintain the Fire Operating Fund Balance at 25% of annual operating expenditures

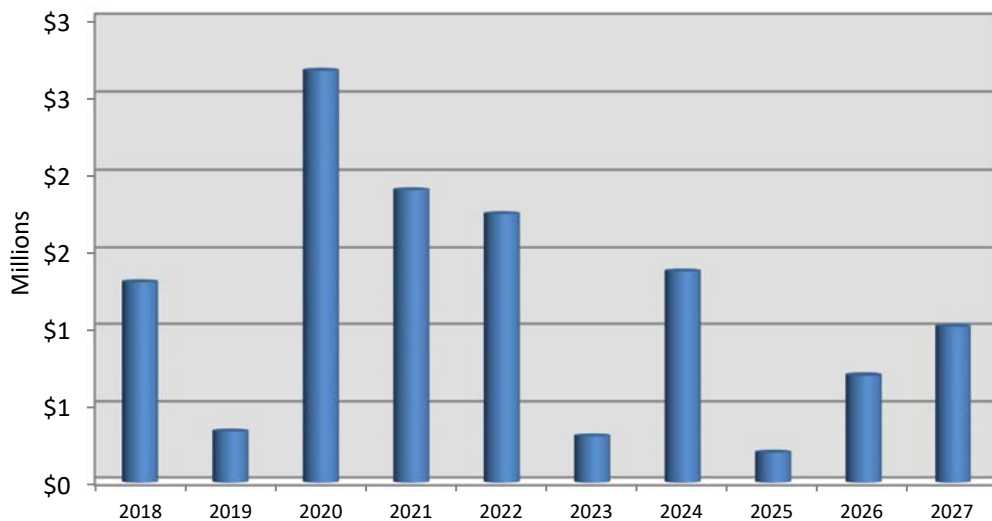
### Fire Capital Fund: Total Revenue Trend



### Fire Capital Fund / Expenditure Summary:

- Capital Outlay costs for 2020-2027 include Fire Capital purchases as included in the CIP

### Fire Capital Fund: Total Expenditure Trend

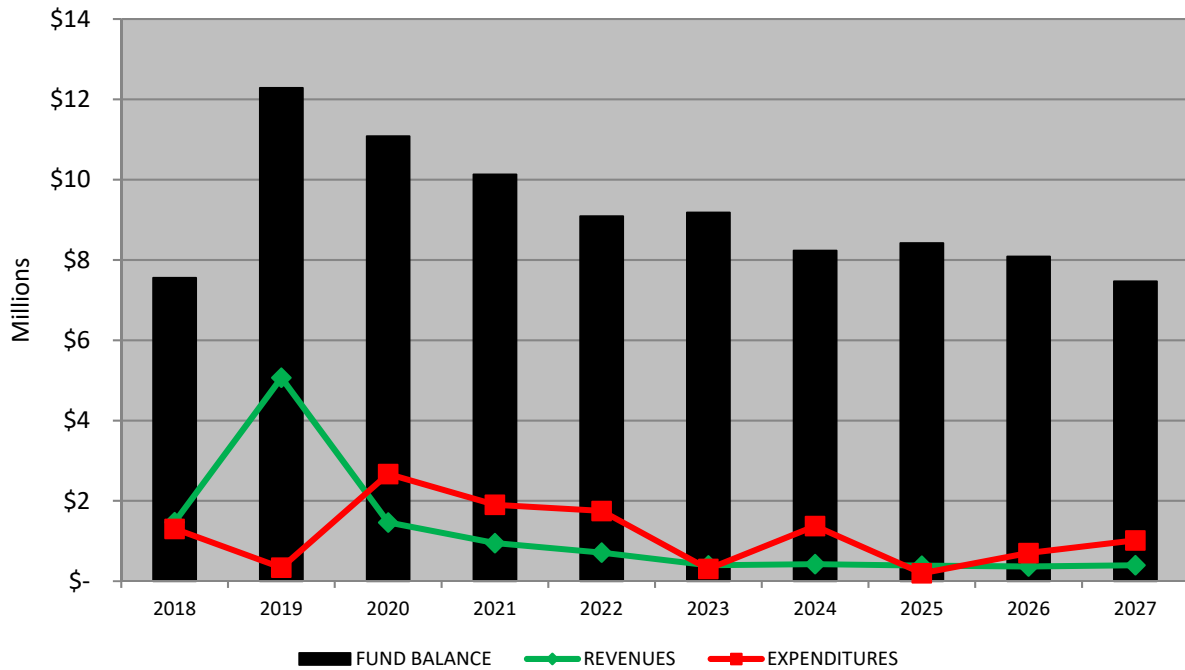


## (402) Fire Capital Fund Forecast

### Fire Capital Fund / Revenue, Expenditures, Changes in Fund Balance:

- The increase in Transfers-In Revenues in FY 2019 is to set the Fire Operating Fund (206) at 25% of annual operating expenditures
  - The annual transfer-out to the Fire Capital Fund will be in an amount to maintain the Fire Operating Fund Balance at 25% of annual operating expenditures
- Capital Outlay costs for 2020-2027 include Fire Capital purchases as included in the CIP

### Fire Capital Fund: Revenue / Expenditure / Fund Balance



### Fire Capital Fund / Takeaway Points:

- Capital Outlay costs for 2020-2027 include all Fire Capital (with updated project budgets) as included in the CIP
- It is projected the existing Fire millage levy of 2.7000 mill will be adequate to contribute funding to the Fire Capital Fund (402) through FY 2030+

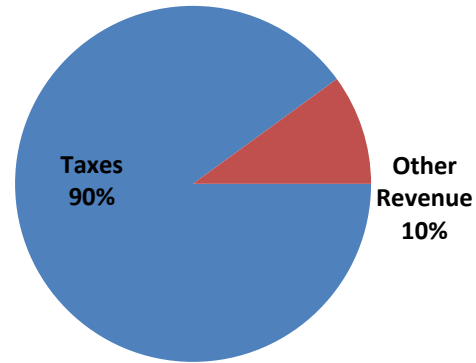


# (207) Special Police Fund Forecast

## SPECIAL POLICE FUND / REVENUES:

- For FY 2021, the primary sources of Special Police Fund revenue are:
  - 90% = Property Taxes
  - 10% = Other Revenues

**Special Police Fund:  
FY 2021 Revenue Sources**



## Special Police Fund / Property Taxes:

- The General Fund levy is offset by the corresponding amount of Special Police II millage each year so that there is no net increase to the bottom line millage rate as a result
- Special Police Millage II reduced (2019-2023) to set Special Police Fund Balance at 25% of annual operating expenditures by 2023
- Moving forward, the Special Police Millage II will be set to maintain the Special Police Fund Balance at 25% of annual operating expenditures

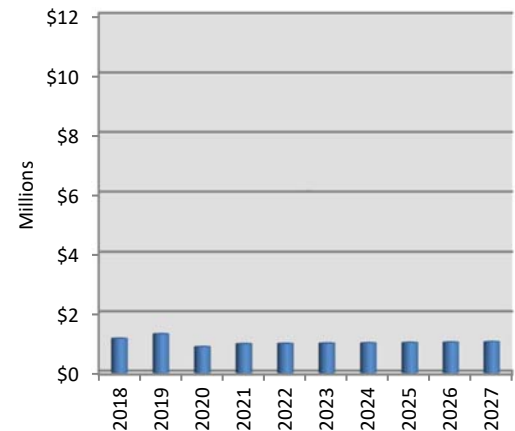
**Special Police Fund:  
Property Tax Trend**



## Special Police Fund / Other Revenues:

- Includes Fines, District Court Fees, Charges for Service, etc...
- Other revenues are projected to increase from 0.0% to 3.0% per year

**Special Police Fund:  
Other Revenue Trend**

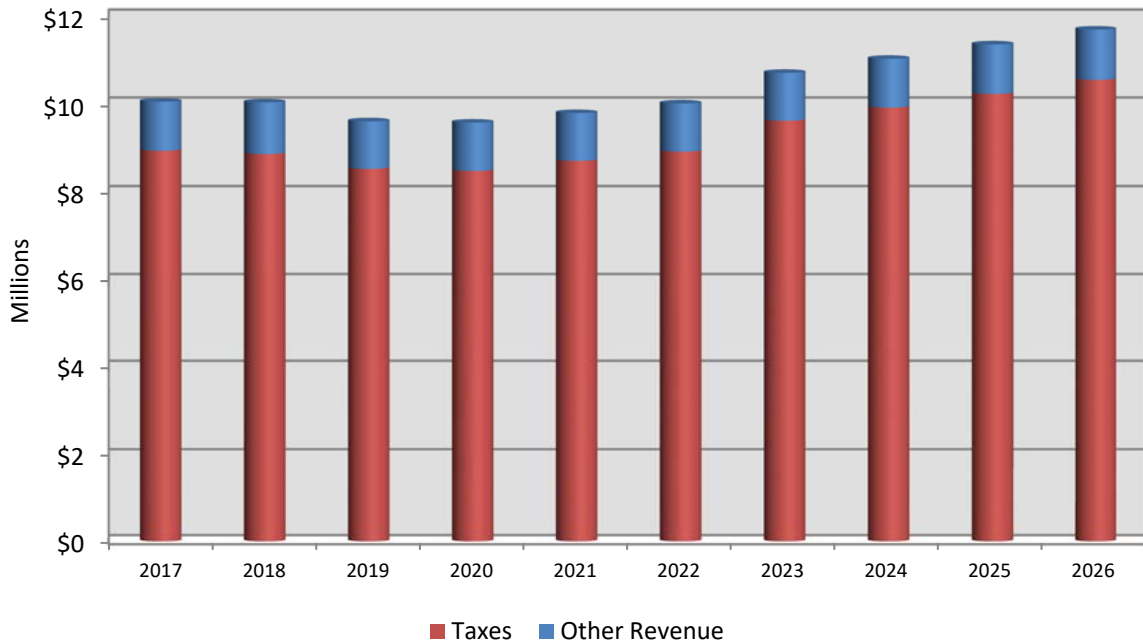


## (207) Special Police Fund Forecast

### Special Police Fund / Revenue Summary:

- The General Fund levy is decreased by the corresponding amount of Special Police II millage each year so that there is no net increase to the bottom line millage rate as a result
- Special Police Millage II reduced (2019-2023) to set Special Police Fund Balance at 25% of annual operating expenditures by 2023
- Moving forward, the Special Police Millage II will be set to maintain the Special Police Fund Balance at 25% of annual operating expenditures

### Special Police Fund: Total Revenue Trend

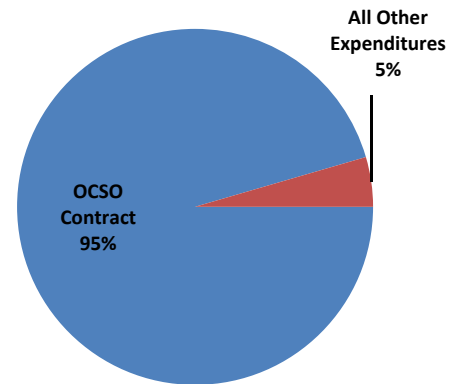


# (207) Special Police Fund Forecast

## SPECIAL POLICE FUND / EXPENDITURES:

- For FY 2021, the primary sources of Special Police Fund expenditures are:
  - 95% = OCSO Contract
  - 5% = All Other Expenditures

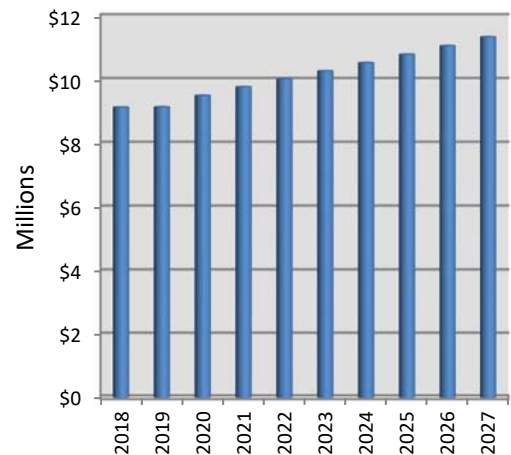
**Special Police Fund:  
FY 2021 Expenditure Sources**



## Special Police Fund / OCSO Contract:

- FY 2021-27 Long-Term Forecast assumes maintaining 60x OCSO Officers
  - FY 2021 = +2.91% (per OCSO contract)
  - FY 2022-27 = +3.00% per year

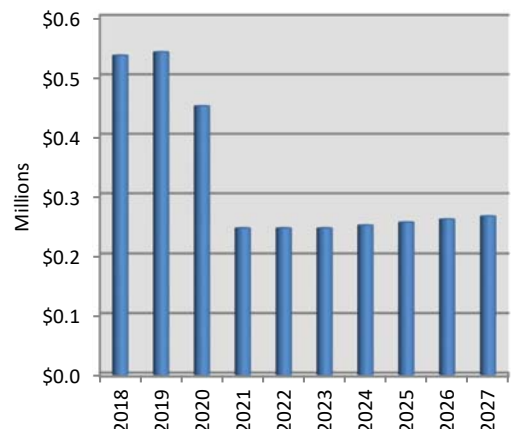
**Special Police Fund:  
OCSO Contract Trend**



## Special Police Fund / Other Expenditures:

- Supplies, Services, Interfund Charges (including Facilities), Memberships, Debt Service, etc...
- The decrease in Other Expenditures from FY 2020 to FY 2021 is a result of the debt related to the new OCSO Substation construction being paid off
- In FY 2020 the debt related to the OCSO Substation construction will be fully paid off

**Special Police Fund:  
All Other Expenditure Trend**

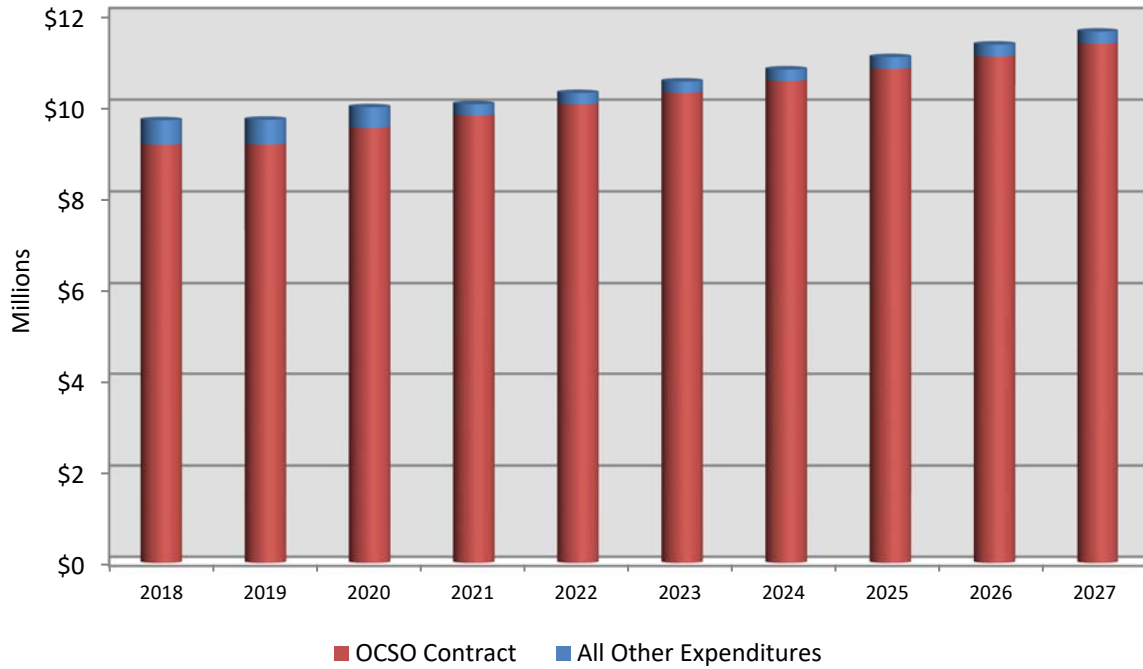


## (207) Special Police Fund Forecast

### Special Police Fund / Expenditure Summary:

- FY 2021-27 Long-Term Forecast assumes maintaining 60x OCSO Officers
- In FY 2020 the debt related to the OCSO Substation construction will be fully paid off

### Special Police Fund: Total Expenditure Trend

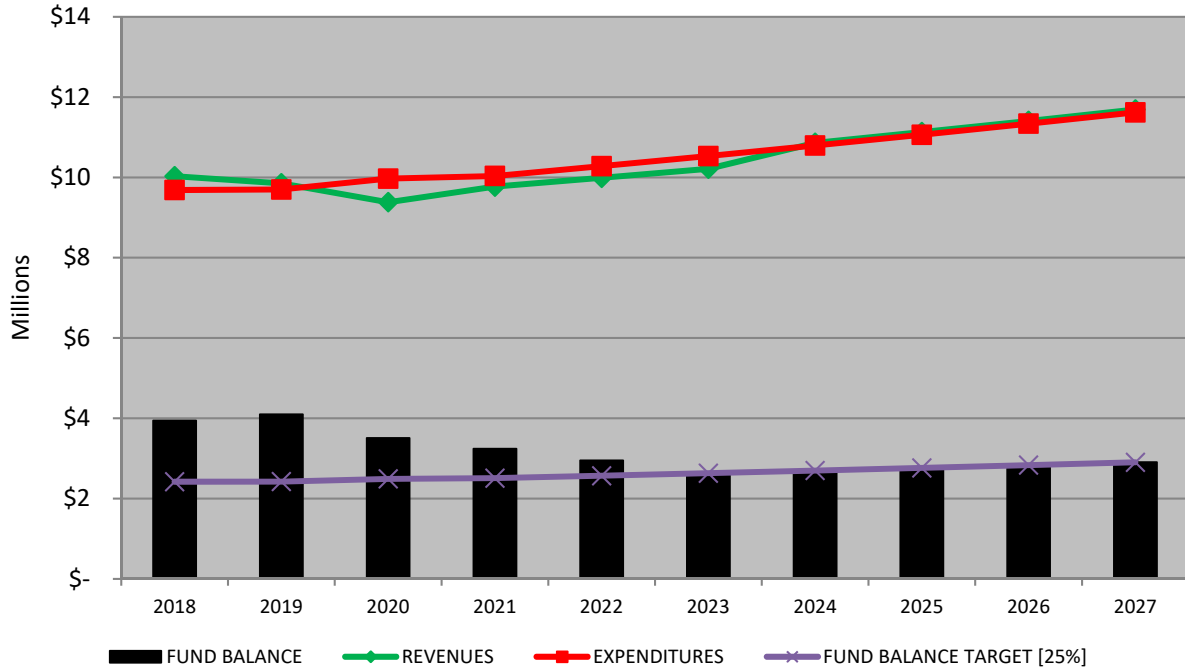


## (207) Special Police Fund Forecast

### Special Police Fund / Revenue, Expenditures, Changes in Fund Balance:

- Special Police Millage II reduced (2019-2023) to set Special Police Fund Balance at 25% of annual operating expenditures by 2023
  - Moving forward, the Special Police Millage II will be set to maintain the Special Police Fund Balance at 25% of annual operating expenditures
- FY 2021-27 Long-Term Forecast assumes maintaining 60x OCSO Officers
- In FY 2020 the debt related to the OCSO Substation construction will be fully paid off

### Special Police Fund: Revenue / Expenditure / Fund Balance



### Special Police Fund / Takeaway Points:

- Special Police Millage II reduced (2019-2023) to set Special Police Fund Balance at 25% of annual operating expenditures
  - Moving forward, the Special Police Millage II will be set to maintain the Special Police Fund Balance at 25% of annual operating expenditures
- FY 2021-27 Long-Term Forecast assumes maintaining 60x OCSO Officers
- In FY 2020 the debt related to the OCSO Substation construction will be fully paid off