



# City of Rochester Hills

**FY 2017-19 Budget Workshop**  
**August 22, 2016**



# Components of 2017-2019 Budget



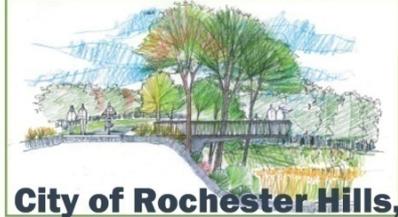
**City of Rochester Hills**  
**2016 - 2018 Budget**  
Adopted September 28,



Rochester Hills City Hall



**2017 - 2022 Capital Improvements**  
Adopted April 19, 2016



**City of Rochester Hills, Michigan**

**CITY OF ROCHESTER HILLS**



**SEVEN YEAR FINANCIAL PLAN**  
**For Fiscal Years 2017-2019**



*innovative by nature*

Rochester Hills City Council

Strategic Planning Technical Review  
Committee

Fiscal Year 2017 Goals and Objectives



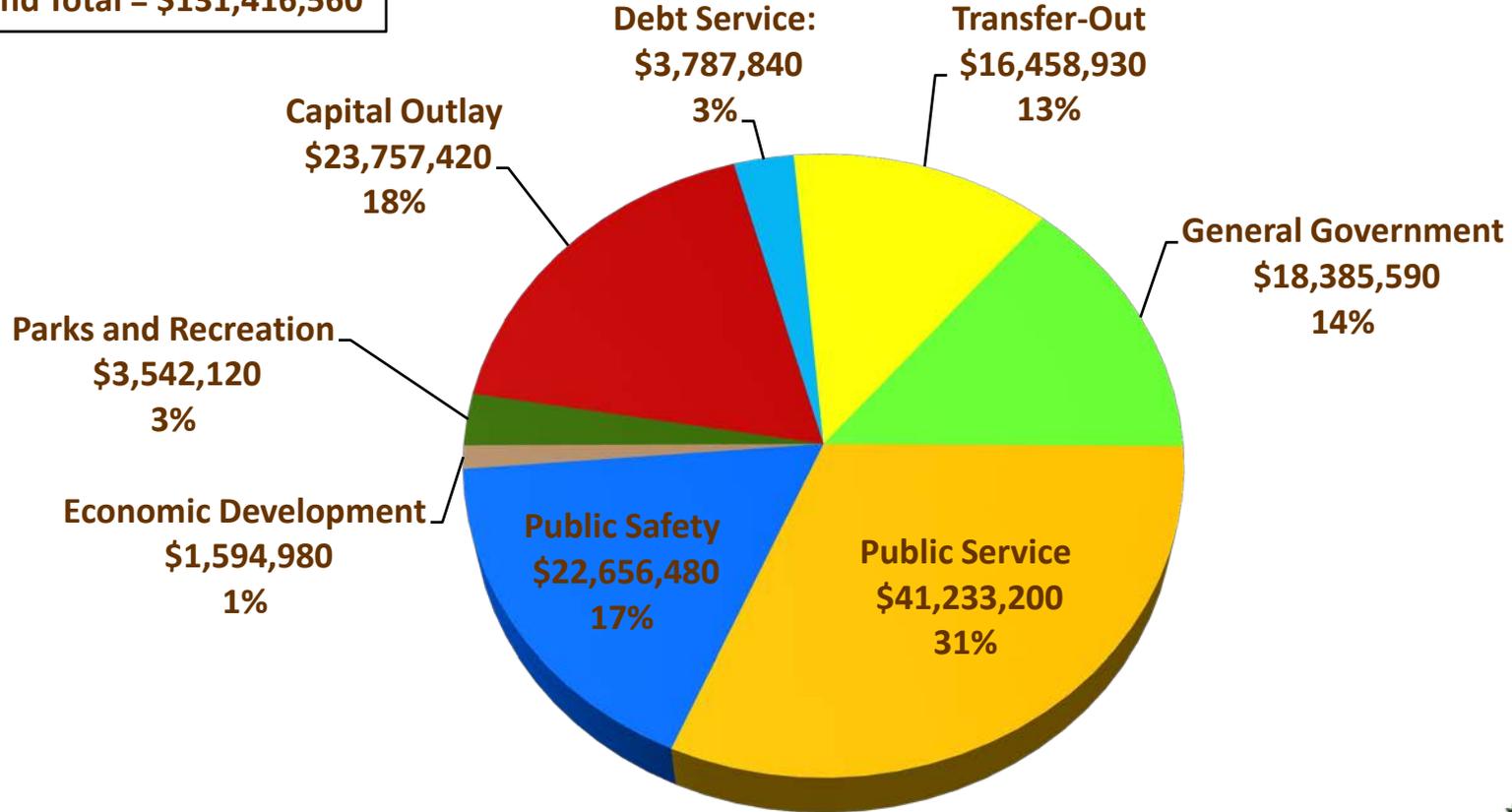
# 2017 Budget Overview

- Continuing to present a three-year budget
- Budgets presented based on Best Estimates and Projections for the future
- Conservatively estimate both revenues and expenditures
  - Ensure that the services proposed in budget can be delivered



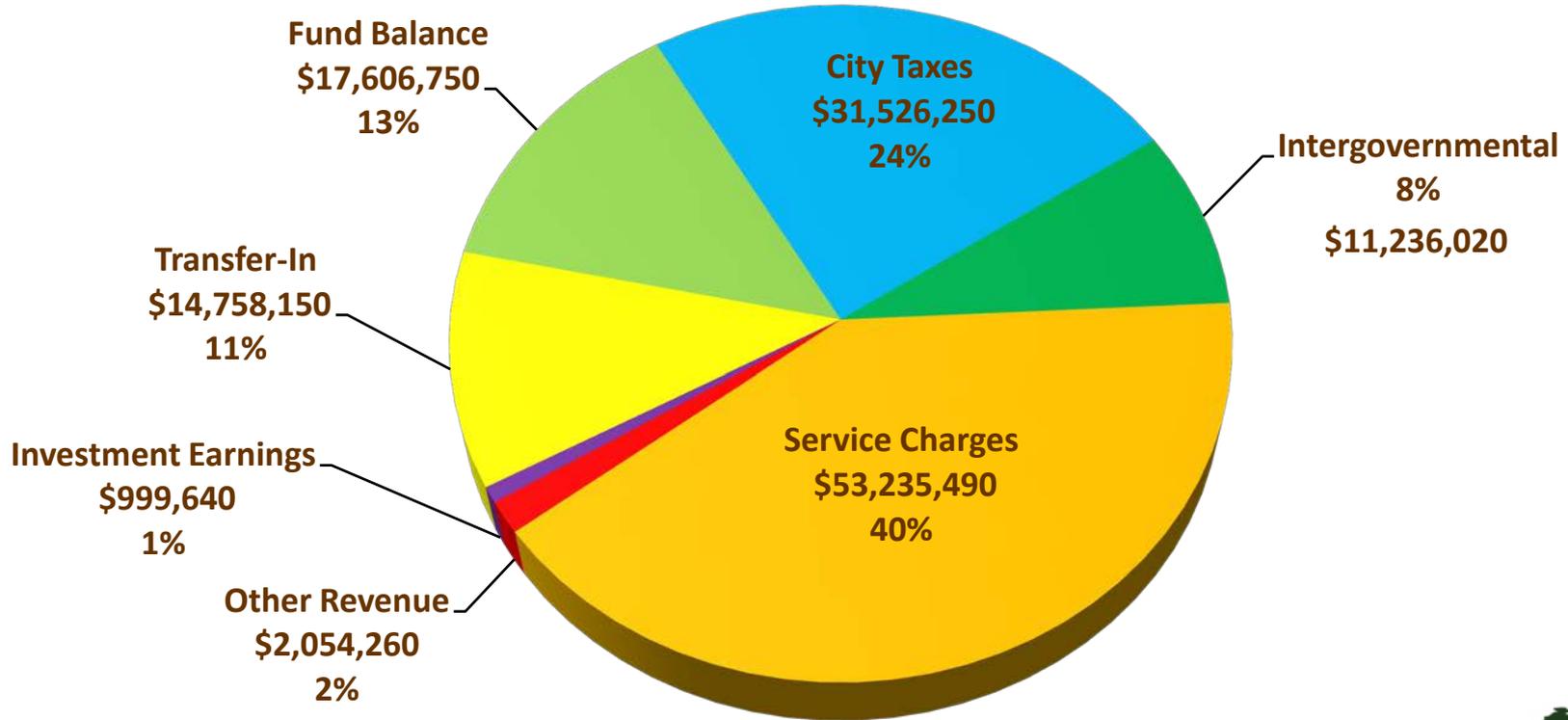
# 2017 Budget Overview / Expenditures

Grand Total = \$131,416,560



# 2017 Budget Overview / Revenues

Grand Total = \$131,416,560



# Seven-Year Forecast Takeaway / 2017 Budget

- **General Fund / Takeaway:**
  - **No use of Fund Balance projected except for Park projects**
- **General Fund / 2017 Proposed Budget:**
  - **No use of Fund Balance projected except for Park projects**



# Seven-Year Forecast Takeaway / 2017 Budget

General Fund	2016 Budget
Total Revenue	\$ 21,167,350
Total Expenditure	\$ 25,195,240
<b>To / (From) Fund Balance</b>	<b>\$ (4,027,890)</b>
Fire Station #4	\$ 4,500,000
PK-05H: Borden Park / Office Relocation	-
PK-05J: Borden Park / Maintenance Yard	-
PK-13: Riverbend Park Development	70,000
PK-03F: Museum / Equipment Barn	-
PK-06A: Paint Creek Trail Resurfacing	-
Bloomer Park Fitness Station	-
<b>Total Projects</b>	<b>\$ 4,570,000</b>
Beginning Fund Balance	\$ 28,931,214
<b>Ending Fund Balance</b>	<b>\$ 24,903,324</b>

2017 Proposed	2018 Projected	2019 Projected
\$ 21,746,280	\$ 22,016,650	\$ 22,021,980
\$ 23,396,280	\$ 23,153,650	\$ 22,966,980
<b>\$ (1,650,000)</b>	<b>\$ (1,137,000)</b>	<b>\$ (945,000)</b>
\$ -	\$ -	\$ -
<b>254,000</b>	-	-
<b>360,000</b>	-	-
<b>1,036,000</b>	700,000	945,000
-	375,000	-
-	50,000	-
-	12,000	-
<b>\$ 1,650,000</b>	<b>\$ 1,137,000</b>	<b>\$ 945,000</b>
\$ 24,903,324	\$ 23,253,324	\$ 22,116,324
<b>\$ 23,253,324</b>	<b>\$ 22,116,324</b>	<b>\$ 21,171,324</b>



# Seven-Year Forecast Takeaway / 2017 Budget

- **Major Road Fund / Takeaway:**
  - It is projected for the Major Road fund balance levels to increase into the future
- **Major Road Fund / 2017 Proposed Budget:**
  - It is projected for the Major Road fund balance levels to increase into the future



# Seven-Year Forecast Takeaway / 2017 Budget

Major Road Fund	2016 Budget
Total Revenue	\$ 4,577,320
Total Expenditure	\$ 7,590,800
<b>To / (From) Fund Balance</b>	<b>\$ (3,013,480)</b>
Major Road Operations	\$ 2,237,350
Major Road Capital	5,353,450
<b>Total Major Road Expenditure</b>	<b>\$ 7,590,800</b>
Beginning Fund Balance	\$ 7,846,620
<b>Ending Fund Balance</b>	<b>\$ 4,833,140</b>

2017 Proposed
\$ 4,201,220
\$ 4,982,640
<b>\$ (781,420)</b>
\$ 2,137,190
<b>2,845,450</b>
<b>\$ 4,982,640</b>
\$ 4,833,140
<b>\$ 4,051,720</b>

2018 Projected	2019 Projected
\$ 4,307,610	\$ 4,661,220
\$ 3,306,400	\$ 4,038,530
<b>\$ 1,001,210</b>	<b>\$ 622,690</b>
\$ 2,301,400	\$ 2,186,780
1,005,000	1,851,750
<b>\$ 3,306,400</b>	<b>\$ 4,038,530</b>
\$ 4,051,720	\$ 5,052,930
<b>\$ 5,052,930</b>	<b>\$ 5,675,620</b>



# Seven-Year Forecast Takeaway / 2017 Budget

- **Special Police Fund / Forecast:**
  - 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 Fund / 2017 Proposed Budget :**
  - 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



# Seven-Year Forecast Takeaway / 2017 Budget

Special Police Fund	2016 Budget	2017 Proposed	2018 Projected	2019 Projected
Total Revenue	\$ 9,638,170	\$ 9,643,940	\$ 9,930,460	\$ 10,194,770
Total Expenditure	\$ 9,638,170	\$ 9,643,940	\$ 9,930,460	\$ 10,194,770
To / (From) Fund Balance	\$ -	\$ -	\$ -	\$ -
<i>Police Millage I</i>	1.2073	1.1954	1.1954	1.1954
<i>Police Millage II</i>	1.6036	1.5633	1.5981	1.6309
<b>Total Police Millage</b>	<b>2.8109</b>	<b>2.7587</b>	<b>2.7935</b>	<b>2.8263</b>
Beginning Fund Balance	\$ 1,866,815	\$ 1,866,815	\$ 1,866,815	\$ 1,866,815
<b>Ending Fund Balance</b>	<b>\$ 1,866,815</b>	<b>\$ 1,866,815</b>	<b>\$ 1,866,815</b>	<b>\$ 1,866,815</b>



# Seven-Year Forecast Takeaway / 2017 Budget

- **Water Resources Fund / Forecast:**
  - It is currently projected that the Water Resources Fund will require additional funding after FY 2019
- **Water Resources Fund / 2017 Proposed Budget:**
  - Provide a General Fund transfer to balance Water Resources Fund
    - Approximately \$450,000 per year



# Seven-Year Forecast Takeaway / 2017 Budget

Water Resources Fund	2016 Budget	2017 Proposed	2018 Projected	2019 Projected
Total Revenue	\$ 1,046,100	\$ 567,200	\$ 572,300	\$ 577,610
Total Expenditure	\$ 1,541,520	\$ 567,200	\$ 572,300	\$ 577,610
<b>To / (From) Fund Balance</b>	<b>\$ (495,420)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<i>Water Resources Revenues</i>	\$ 78,690	\$ 115,830	\$ 123,560	\$ 131,290
<i>SAW Grant Revenue</i>	967,410	-	-	-
<i>Transfer-In</i>	-	451,370	448,740	446,320
<b>Total Revenue</b>	<b>\$ 1,046,100</b>	<b>\$ 567,200</b>	<b>\$ 572,300</b>	<b>\$ 577,610</b>
Beginning Fund Balance	\$ 2,041,318	\$ 1,545,898	\$ 1,545,898	\$ 1,545,898
<b>Ending Fund Balance</b>	<b>\$ 1,545,898</b>	<b>\$ 1,545,898</b>	<b>\$ 1,545,898</b>	<b>\$ 1,545,898</b>



# Seven-Year Forecast Takeaway / 2017 Budget

- **Local Street Fund / Forecast:**
  - Using the current forecast assumptions, the Local Street Fund appears able to support an annual Local Street Rehabilitation program of \$5 million per year
- **Local Street Fund / 2017 Proposed Budget :**
  - FY 2017 = \$5.8 million
    - Includes funding for SAD (x2)
      - \$1.1M from Fund Balance



# Seven-Year Forecast Takeaway / 2017 Budget

Local Street Fund	2016 Budget	2017 Proposed	2018 Projected	2019 Projected
Total Revenue	\$ 8,798,360	\$ 9,437,590	\$ 9,710,400	\$ 9,682,200
Total Expenditure	\$ 11,119,360	\$ 10,537,540	\$ 9,710,400	\$ 9,682,200
<b>To / (From) Fund Balance</b>	<b>\$ (2,321,000)</b>	<b>\$ (1,099,950)</b>	<b>\$ -</b>	<b>\$ -</b>
"2016" From Fund Balance	\$ 1,500,000	\$ -	\$ -	\$ -
Hickory Lawn / Norton Lawn: SAD	821,000	-	-	-
Kingview: SAD	-	833,000	-	-
Bolinger: SAD	-	266,950	-	-
<b>Total From Fund Balance</b>	<b>\$ 2,321,000</b>	<b>\$ 1,099,950</b>	<b>\$ -</b>	<b>\$ -</b>
Local Street Operations	\$ 4,376,160	\$ 4,395,530	\$ 4,468,230	\$ 4,514,060
Local Street Capital (Non-SAD)	5,090,000	4,727,270	5,242,170	5,168,140
Local Street Capital (SAD)	1,021,000	1,099,950	-	-
Local Street Debt Service	632,200	314,790	-	-
<b>Total Local Street Expenditure</b>	<b>\$ 11,119,360</b>	<b>\$ 10,537,540</b>	<b>\$ 9,710,400</b>	<b>\$ 9,682,200</b>
Beginning Fund Balance	\$ 7,749,004	\$ 5,428,004	\$ 4,328,054	\$ 4,328,054
<b>Ending Fund Balance</b>	<b>\$ 5,428,004</b>	<b>\$ 4,328,054</b>	<b>\$ 4,328,054</b>	<b>\$ 4,328,054</b>

# Seven-Year Forecast Takeaway / 2017 Budget

- **Fire Operating & Capital Fund / Forecast:**
  - It is projected that by FY 2022, the existing Fire millage levy of 2.7000 mill will not be adequate to fully fund annual operations or capital replacement
- **Fire Operating & Capital Fund / 2017 Proposed Budget:**
  - Refer the issue of Long-Term Fire Funding to Public Safety & Infrastructure Committee for recommendation
  - Continue levy at 2.7000 mill for FY 2017



# Seven-Year Forecast Takeaway / 2017 Budget

Fire Department Operating Fund	2016 Budget	2017 Proposed	2018 Projected	2019 Projected
Total Revenue	\$ 10,113,740	\$ 10,379,960	\$ 10,553,250	\$ 10,708,080
Total Expenditure	\$ 10,113,740	\$ 10,379,960	\$ 10,553,250	\$ 10,708,080
<b>To / (From) Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<i>Fire Operations</i>	\$ 9,694,110	\$ 10,160,100	\$ 10,409,880	\$ 10,569,000
<i>Transfer-Out to Fire Capital Fund</i>	\$ 419,630	219,860	143,370	139,080
<b>Total Expenditure</b>	<b>\$ 10,113,740</b>	<b>\$ 10,379,960</b>	<b>\$ 10,553,250</b>	<b>\$ 10,708,080</b>
Beginning Fund Balance	\$ 4,540,858	\$ 4,540,858	\$ 4,540,858	\$ 4,540,858
<b>Ending Fund Balance</b>	<b>\$ 4,540,858</b>	<b>\$ 4,540,858</b>	<b>\$ 4,540,858</b>	<b>\$ 4,540,858</b>



# Other Significant Items / 2017 Budget

- **One (1) New Position Proposed for FY 2017**
  - **Supervisor of Facilities**
    - **Responsibilities:**
      - **\$55 million in City assets**
        - **22 buildings / 46 parcels**
      - **\$5 million annual operating budget**
        - **Seven (7) Facilities Full-Time employees**
          - **One (1) Part-Time employee**
        - **Monitoring over 100 different service contracts**
        - **Coordinating and management of capital construction projects**
      - **Ensuring that the recent investments made in the community will be maintained appropriately**



# General Fund

- 171 / Mayor's Department
- 201 / Accounting Division
- 210 / Legal Services
- 271 / Media Division
- 279 / Building Authority
- 315 / Crossing Guards
- 448 / Street Lighting
- 666 / CDBG
- 758 / Community Garden
- 760 / Community Events
- 990 / General Fund – Transfer Out

# Other Funds

- 331 / Water Resources Debt Fund
- 369 / OPC Building Debt Fund
- 393 / City Hall Building Debt Fund
- 394 / Local Street Debt Fund
- 420 / Capital Improvement Fund
- 677 / Insurance Fund
- 736 / Retiree Healthcare Trust Fund
- 752 / Cemetery Perpetual Care Trust Fund
- 761 / Green Space Perpetual Care Trust Fund



# Proud of our Many Achievements



13<sup>th</sup> Year

Debt Policy Award



**Thank You**

