

Mayor's Message Proposed FY2012 Budget and Projected FY2013 and FY2014 Budget

Proposed 2012 Budget

Continues Multi-Year Approach

Three (3) year budget plan covering Fiscal Years 2012, 2013 and 2014.

Vision Statement

The community of choice for families and business



Mission Statement

To sustain the City of Rochester Hills as the premier community of choice to live, work and raise a family by enhancing our vibrant residential character complemented by an attractive business community.



Our Budget Goal

- Opportunities
 - To make the delivery of our services more efficient
 - To work with communities around us helping
 - To become more transparent to our residents.
- Our Proposal
 - A budget that lives within its Funding Sources

THE FY2012 PROPOSAL

Total millage rate of 9.7060, the same rate as FY 2011

THE LOWEST millage rates for Cities in Oakland County (with a population over 5,000)

No levy of the 1% administrative fee

This will leave approximately **\$1.1 million** in the pockets of our residents and business

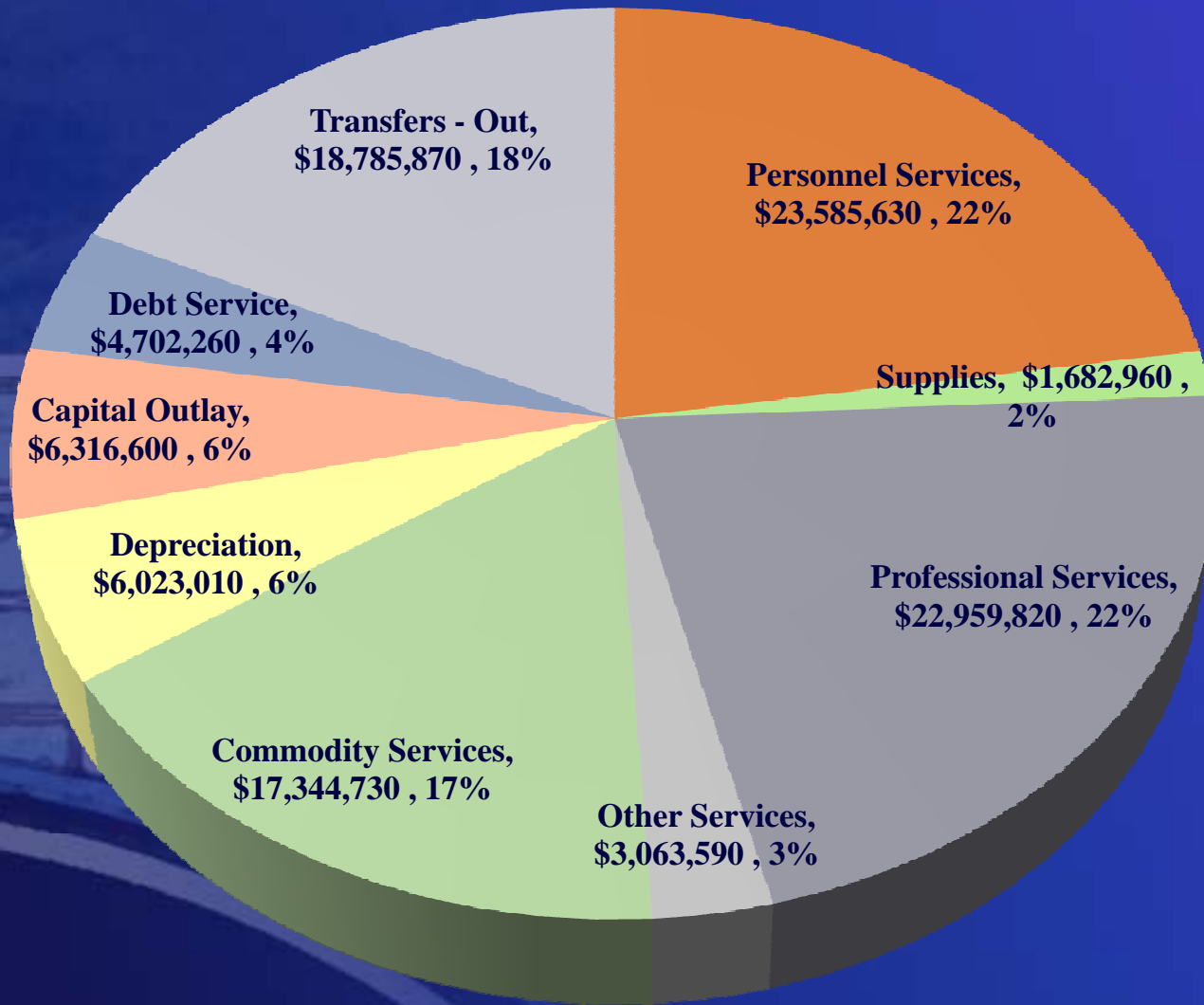
Total Expenditure Budget

City-wide expenditures, of \$104,464,470 , a decrease of 2.5% from the FY2011 Amended Budget.

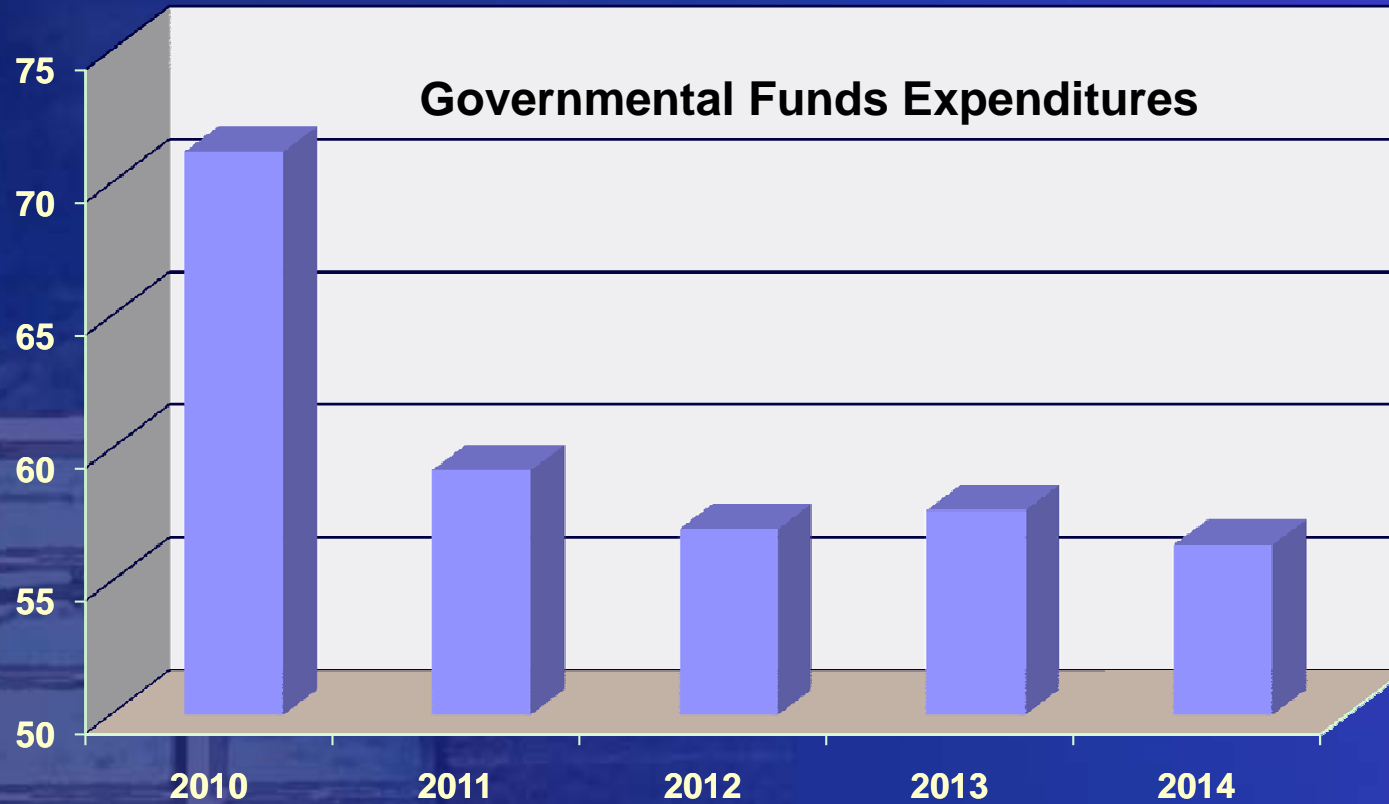
Reductions in

- Supply Costs
- Professional Services, and
- Capital Projects

Proposed Expenditures



Governmental Funds - Expenditures



Expenditures: Governmental Funds		
Fiscal Year	Millions	% Change
2010 Actual	\$ 71.2	
2011 Amended Budget	\$ 59.2	-16.8%
2012 Proposed Budget	\$ 57.0	-3.7%
2013 Projected Budget	\$ 57.7	1.2%
2014 Projected Budget	\$ 56.4	-2.3%

Personnel Costs

Survey said 9 out of 10 residents impressed by their professionalism and conduct

Actively moved to bring personnel costs in line with available funding.

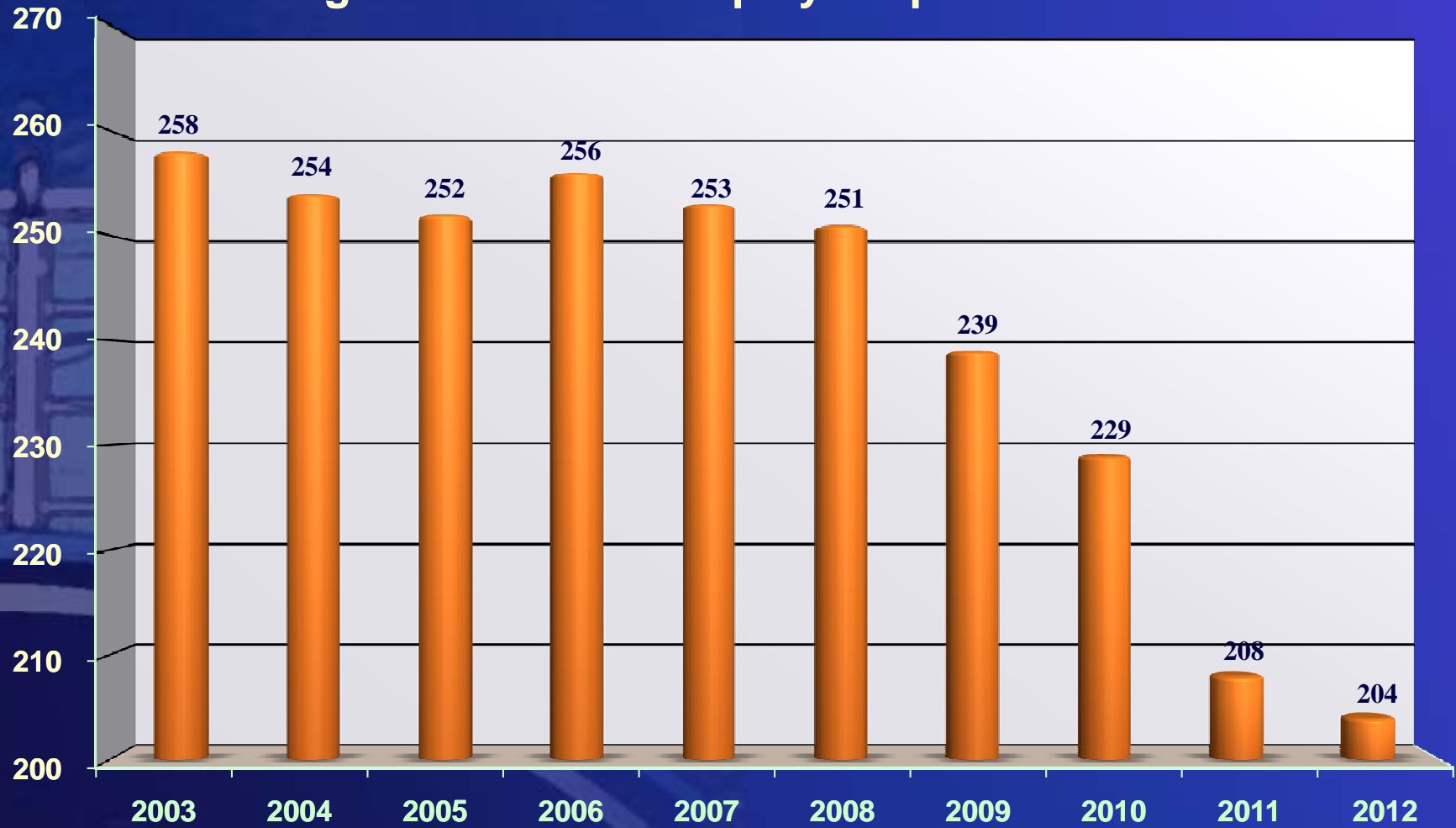
Deep cuts in FY2011 helped us in the proposed FY 2012 budget

Since 2006, the City has reduced its full time staff by 20.3%.

FY2012 budget Proposes 204 full-time positions putting us below 1998 staffing levels.

Personnel Costs

Budgeted Full-Time Employees per Fiscal Year



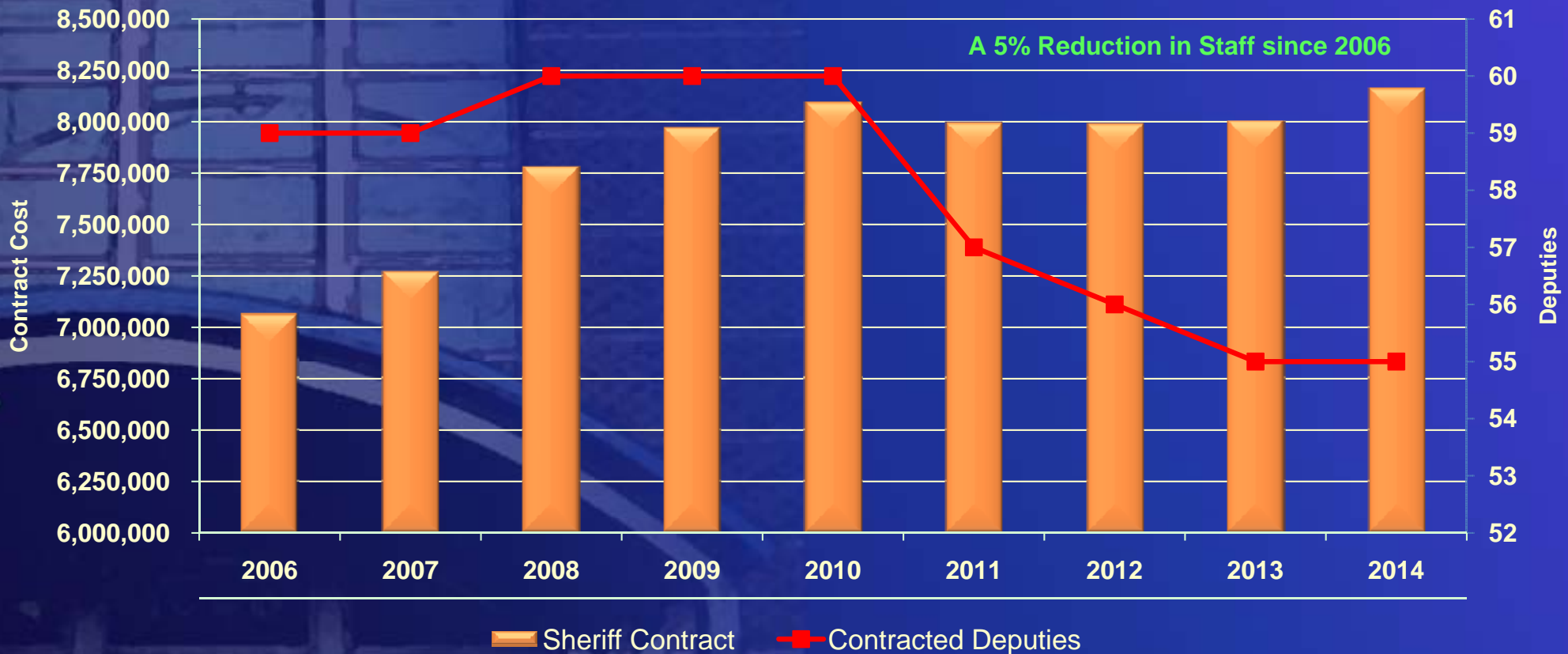
Oakland County Sheriff's

To help offset:

- Falling taxable value, and
- An anticipated 3.0% to 8.0% rate increase

Proposed reduction of one (1) Deputy II position in FY2012

Sheriff Contract Costs



Capital Projects

\$6.3 Million proposed for Capital Improvements in FY2012

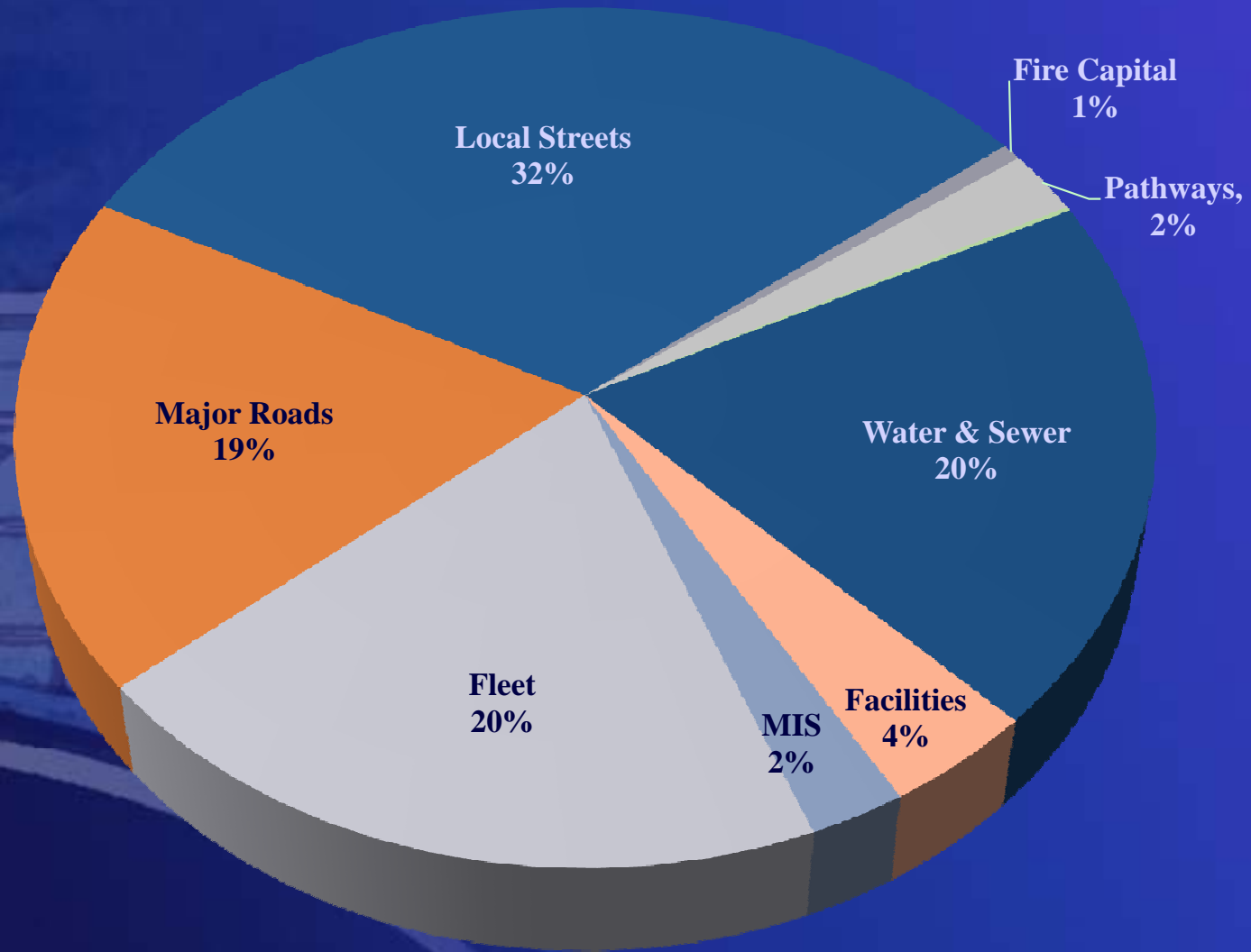
Resident survey top two identified problems

- **Traffic congestion, and**
- **Local street maintenance and reconstruction**

\$2.0 million to the Local Street Fund for reconstruction in 2012 or 32% of citywide capital budget

A majority of the proposed Capital Improvement budget will be for Road Improvement projects

Capital Projects



Proposed Revenues

Proposed FY2012 Budget

- City-wide Revenues Reduced (0.4%)

Falling Property and Gas (ACT 51) Taxes

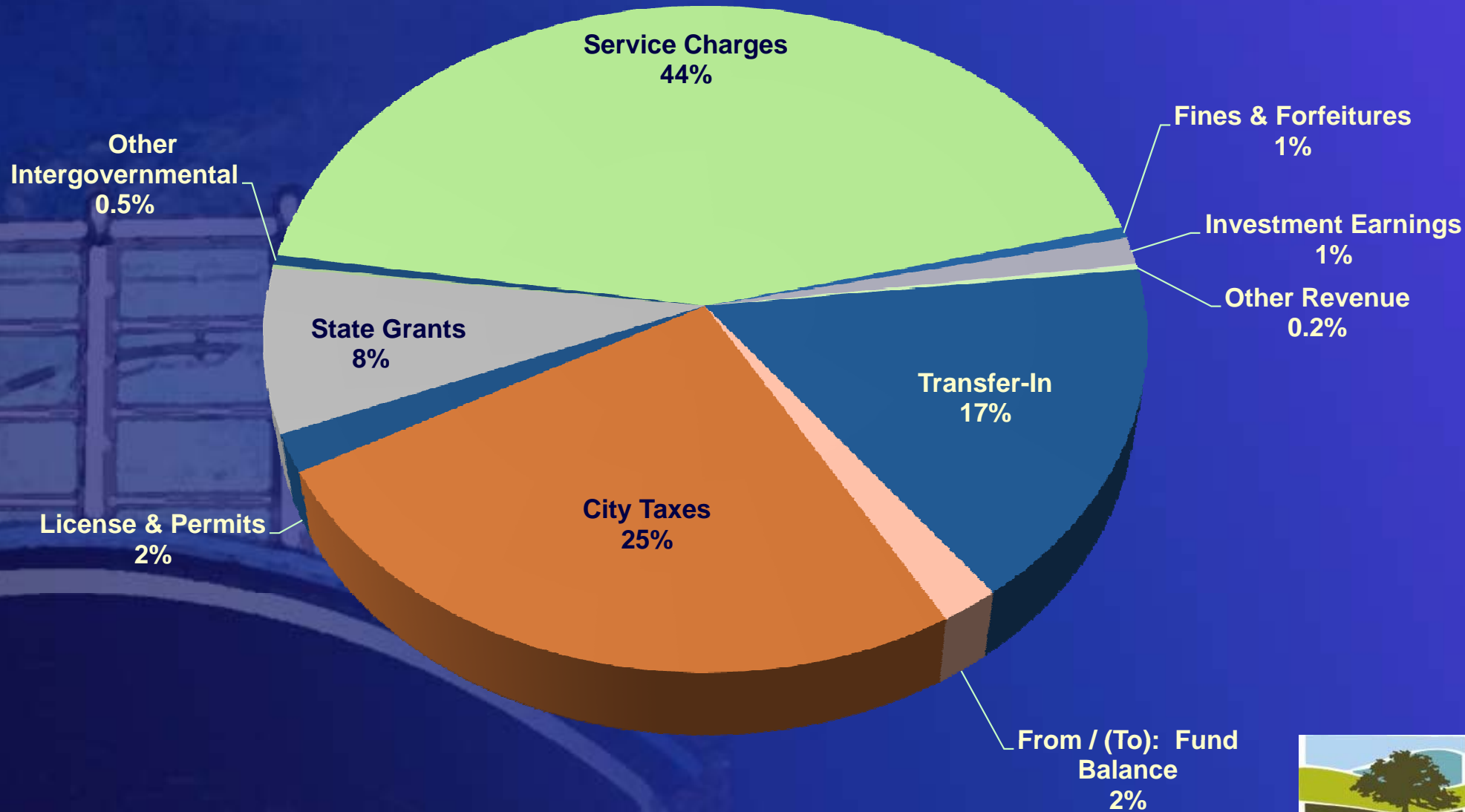
Improving State Revenue Sharing (“worst to first” 2010 census effort), and Charge for Services

Continued Conservative Approach to Revenues

Rochester Hills Leading the way

NO General Fund fund balance to pay for Operating Expenses

Proposed Revenues



2011 ACCOMPLISHMENTS

The city was awarded an AAA bond rating by Standard & Poor's and Fitch Ratings, the highest rating possible.

The city was recognized by GFOA winning our first Popular Annual Financial Report Award for the City's 2009 Citizen Financial Summary Report.

Over \$3.6 million in Major Road improvements are underway throughout the City including:

Crooks Road @ M-59 Interchange, Citywide Concrete Slab Replacement, Walton Boulevard (Adams Rd – E City Limit), Adams Road (South Blvd – Auburn), M-59 (W City Limits – Crooks), Rain Tree Drive Rehabilitation & Pathway Construction

The City attracted 27 new companies, 23 of which are in the LDFA district. This created 1,283 new jobs. In addition, seven companies and 559 jobs were retained in 2010.

Through June 2011, 9 companies and over 350 new have come to Rochester Hills. Two companies and over 35 new jobs have been retained.

False Alarms calls are decreasing. Even though this means less revenue from fines, it also is freeing up more time and resources that can be used elsewhere proving the program is working.

2011 ACCOMPLISHMENTS

In September of 2010, the Rochester Hills Museum took over operations of the Stoney Creek School House and through successful fundraising, the School House will have improved ADA access in 2011 with no share of the cost from the City.

The employee's Safety Committee, and their work-place safety improvements, has continued to show a reduction in worker's compensation insurance premiums, saving the City approximately \$33,000 in additional savings in 2011 to the previous savings of \$160,000 over the past 2-years.

Utilizing a COPS grant, in the amount of \$305,000, Radar Speed Displays were placed within school zones to increase traffic safety for school children

The City entered into an innovative inter-local agreement with Shelby Township to share building department services.

The City is receiving \$17,000/year for renting the EEC building to CRWC in a fantastic new public/private partnership.

And frankly, the list goes on and on.



Conclusion

Our Proposed FY2012 budget

- City-wide revenues down by 0.4%
- City-wide expenditures down by 2.5%

Living within our means

96% of our residents are satisfied with their decision to live here in Rochester Hills.

We now invite the Council's full participation in final FY 2012 Proposed

Budget Workshops

August 15th and 29th Starting at
5:30 pm

The Proposed Budget Plan is available
on the City's Web Site, at City Hall
(Clerk's Office and in the Reference
room), at the Library and OPC