

City of Rochester Hills

FINANCIAL OUTLOOK

March 10, 2008

Developed by the Fiscal Office

Introduction

- ❖ Forecast/Outlook was prepared as if City programs and practices continue as they exist today.

Introduction (Continued)

- ❖ The past six months – housing market values have continued to decline, causing outlooks to change
- ❖ When will the City's housing market recover?

(who knows?)

Assumptions Used

- ❖ No Headlee rollback projected
- ❖ Tax revenue is projected to fall from 2010 through 2013
- ❖ Assumes City's millage rate is not increased beyond 9.7060 (although permissible)
- ❖ State Shared Revenue is projected to remain stable

Assumptions Used (continued)

- ❖ Act 51 Revenue is projected to remain stable
- ❖ Building fee revenue projected to decline between 2010 and 2013
- ❖ Cable Franchise fees are projected to be \$100k and \$150k less for 2008 and 2009 respectively, then stabilize throughout the balance of the forecast

Assumptions Used (continued)

- ❖ Capital Projects from CIP are incorporated into the Forecast
- ❖ Healthcare is projected to increase 15% for 2009 and 10% each year thereafter

Assumptions Used (continued)

Total City taxable values projected:

- ❖ 2009 increase by 0.60%
- ❖ 2010 decrease by 4.5%
- ❖ 2011 decrease by 5.0%
- ❖ 2012 decrease by 5.0%
- ❖ 2013 decrease by 3.0% and
- ❖ 2014 stabilize

Property Tax Calculation	Actual 2006	2007 Adopted	2008 Projected	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
Headlee Rollback Percentage	99.41%	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Taxable Value Growth Rate	5.30%	5.88%	3.48%	0.60%	-4.50%	-5.00%	-5.00%	-3.00%	0.00%	1.00%	1.00%
PROPERTY VALUE - Taxable	\$ 3,214,649,540	\$ 3,401,482,400	\$ 3,521,848,730	\$ 3,542,000,000	\$ 3,382,610,000	\$ 3,213,479,500	\$ 3,052,805,525	\$ 2,961,221,350	\$ 2,961,221,350	\$ 2,990,833,573	\$ 3,020,741,900
PERSONAL PROPERTY - Taxable	\$ 187,326,370	\$ 209,536,560	\$ 205,537,880	\$ 204,000,000	\$ 198,900,000	\$ 193,927,500	\$ 189,079,313	\$ 184,352,330	\$ 179,743,521	\$ 175,249,933	\$ 170,868,685
Estimated Collection Rate	99.50%	98.25%	98.25%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
Estimated Value - 1.0000 Mill	\$ 5,364,965	\$ 3,545,954	\$ 3,662,157	\$ 3,671,000	\$ 3,399,850	\$ 3,339,350	\$ 3,177,047	\$ 3,032,662	\$ 3,075,146	\$ 3,102,752	\$ 3,127,773
PROPERTY TAX MILLAGE RATES											
OPERATING MILLAGE											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Charter Operating	3.2169	3.7220	3.8226	3.7090	3.7086	3.9132	3.9132	3.9132	3.9132	3.9132	3.9132
Fire Fund	1.9000	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000	1.8000
Special Police I	0.7895	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823
Special Police II	0.4300	0.4260	0.4260	0.4260	0.4260	0.4260	0.4260	0.4260	0.4260	0.4260	0.4260
Pathway Maintenance	0.1261	0.1353	0.1353	0.1358	0.1358	0.1358	0.1358	0.1358	0.1358	0.1358	0.1358
Public Improvement - Drains	0.3526	-	-	-	-	-	-	-	-	-	-
RARA - Operating	0.1586	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950
OPC - Transportation	0.0900	0.0891	0.0891	0.0891	0.0891	0.0891	0.0891	0.0891	0.0891	0.0891	0.0891
OPC - Operating	0.2426	0.2403	0.2403	0.2403	0.2403	0.2403	0.2403	0.2403	0.2403	0.2403	0.2403
Green Space / Natural Features	0.3000	0.2972	0.2972	0.2972	0.2972	0.2972	0.2972	0.2972	0.2972	0.2972	-
Library - Operating	0.7895	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823	0.7823
TOTAL OPERATING MILLAGE	8.3978	8.5200	8.6206	8.5070	8.5066	8.7112	8.7112	8.7112	8.7112	8.7112	8.4140
<i>General Millage (Max Levy)</i>	3.9492	3.9132	3.9132	3.9132	3.9132	3.9132	3.9132	3.9132	3.9132	3.9132	3.9132
<i>Fire Millage (Max Levy)</i>	1.9744	1.9564	1.9564	1.9564	1.9564	1.9564	1.9564	1.9564	1.9564	1.9564	1.9564
DEBT MILLAGE											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Recreation Bond I	-	-	-	-	-	-	-	-	-	-	-
Recreation Bond II	-	-	-	-	-	-	-	-	-	-	-
Drain Debt Fund	0.6474	0.6055	0.5612	0.5571	0.6001	0.5828	0.3947	0.3911	0.0932	0.0562	0.0561
Older Persons Building Debt	0.2158	0.2012	0.2001	0.2008	0.2197	0.2257	0.2470	0.2480	0.2574	0.2791	0.2676
Municipal Building Debt	-	-	-	-	-	-	-	-	-	-	-
Library II	-	-	-	-	-	-	-	-	-	-	-
GORB Series - 1993	-	-	-	-	-	-	-	-	-	-	-
GORB Series - 1998	0.0544	0.0501	0.0997	0.4411	0.3796	-	-	-	-	-	-
GORB Series - 2002	0.3527	0.3292	0.2244	-	-	-	-	-	-	-	-
TOTAL DEBT MILLAGE	1.2703	1.1860	1.0854	1.1990	1.1994	0.8084	0.6417	0.6391	0.3555	0.3354	0.3237
TOTAL MILLAGE RATE	9.6681	9.7060	9.7060	9.7060	9.7060	9.5196	9.3529	9.3503	9.0667	9.0466	8.7377
<i>Annual Millage Rate Change =></i>	0.30000	0.03790	-	-	-	(0.18639)	(0.16668)	(0.00264)	(0.28355)	(0.02019)	(0.30381)
<i>Accum. Millage Rate Change relative to 9.7060</i>						(0.18639)	(0.35307)	(0.35571)	(0.63926)	(0.65945)	(0.96326)
<i>Estimated Millage converted to dollars</i>			\$ -	\$ -	\$ -	(622,394)	\$ (1,121,725)	\$ (1,096,533)	\$ (1,967,734)	\$ (2,046,113)	\$ (3,028,501)

GENERAL OBSERVATIONS— *review of the millage forecast*

- ❖ 2009 taxable value will only generate an additional \$9k per mill, 2010 taxable value may generate a decrease of \$161k per mill
- ❖ City's general millage rate may decline in 2009 and 2010 due to GO bond millage needed (assumes City's millage rate to remain at 9.7060)
- ❖ City may reach its Headlee limit in 2011 (assumes fire millage remains at 1.8 mills)
- ❖ 2011 may be the beginning of the total City millage rate reduction (assumes fire millage remains at 1.8 mills)

3/4/2008

101 - General Fund Revenue	2006 Actual	2007 Actual	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
EXCESS OF REVENUE OVER / (UNDER) EXPENDITURES	\$ 1,615,146	\$ 304,807	\$ (37,300)	\$ -	\$ -	\$ -	\$ (1,292,969)	\$ (2,872,659)	\$ (4,131,677)	\$ (5,304,251)	\$ (6,587,582)
BEGINNING FUND BALANCE	\$ 11,964,303	\$ 13,579,449	\$ 13,884,256	\$ 13,846,956	\$ 13,846,956	\$ 13,846,956	\$ 13,846,956	\$ 12,553,988	\$ 9,681,329	\$ 5,549,651	\$ 245,401
ENDING FUND BALANCE	\$ 13,579,449	\$ 13,884,256	\$ 13,846,956	\$ 13,846,956	\$ 13,846,956	\$ 13,846,956	\$ 12,553,988	\$ 9,681,329	\$ 5,549,651	\$ 245,401	\$ (6,342,182)
	59%	53%	51%	52%	53%	53%	46%	34%	19%	1%	-20%

101 - General Fund Expenditures	2006 Actual	2007 Actual	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
990 - Transfer Out											
999202 Transfer Out - Major Roads	\$ 1,672,391	353,748.83	\$ 366,220	\$ 367,108	\$ 350,988	\$ 333,926	\$ 317,705	\$ 308,266	\$ 307,815	\$ 310,276	\$ 312,778
999203 Transfer Out - Local Streets	1,717,480	3,429,300.00	5,060,370	3,695,559	1,846,916	688,855	-	-	-	-	-
999207 Transfer Out - Special Police	2,648,400	2,663,470.00	3,273,550	3,870,645	4,542,330	5,252,750	6,006,413	6,684,334	7,309,654	7,909,702	8,572,074
999226 Transfer Out - Solid Waste	-	-	-	-	-	-	-	-	-	-	-
999232 Transfer Out - Tree Fund	-	-	-	-	-	-	-	-	-	-	-
999244 Transfer Out - Drain Mtnt Fund/Drain Dept	-	386,160.00	508,610	585,043	623,588	673,269	791,277	824,787	849,262	874,767	901,376
999332 Transfer Out - Local Road Bond - 1987	-	-	-	-	-	-	-	-	-	-	-
999334 Transfer Out - Local Road Bond - 1988	-	-	-	-	-	-	-	-	-	-	-
999335 Transfer Out - Local Road Bond - 1989	-	-	-	-	-	-	-	-	-	-	-
999370 Transfer Out - Municipal Bldg. Debt	679,610	667,580.00	-	-	-	-	-	-	-	-	-
999420 Transfer Out - Capital Improve. Fund	910,670	954,750.00	429,200	367,108	350,988	333,926	317,705	308,266	307,815	310,276	312,778
999512 Transfer Out - Building Authority	-	-	-	-	-	-	-	-	-	-	-
999631 Transfer Out - Facilities (Common Area)	508,090	399,290.00	456,880	466,018	475,338	484,845	494,542	504,432	514,521	524,812	535,308
999631 Transfer Out - Facilities (Projects)	-	-	-	-	-	-	-	-	-	-	-
999661 Transfer Out - Fleet Fund	-	-	-	-	-	-	-	-	-	-	-
999848 Transfer Out - L.D.F.A.	98,915	-	-	-	-	-	-	-	-	-	-
999893 Transfer Out - E.D.C.	-	-	-	-	-	-	-	-	-	-	-
999999 Transfer Out - Supple Retiree Health Trust	-	-	-	-	-	-	-	-	-	-	-
TRANSFER OUT	\$ 8,235,566	8,854,298.83	\$ 10,096,830	\$ 9,351,480	\$ 8,190,148	\$ 7,767,571	\$ 7,927,640	\$ 8,630,086	\$ 9,289,065	\$ 9,929,833	\$ 10,634,314

GENERAL FUND

- ❖ No use of fund balance until 2012, structural deficit each year after
- ❖ Current transfers out are not sustainable

GENERAL FUND (Continued)

- ❖ Local Street Fund transfers decline between 2008 and 2011 to \$0 in 2012
- ❖ Transfers Out to Police Fund equals \$3.3 M in 2008 and increases to \$7.9 M by 2015

3/4/2008

202 - Major Road Fund	2006 Actual	2007 Actual	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
City Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-	-	-
State Shared Revenue	3,115,257	3,332,203.94	6,163,150	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
Service Charges	212,419	212,945.82	225,750	225,950	226,154	226,362	226,574	226,791	227,012	227,237	227,467
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	873,326	984,190.88	702,000	664,122	556,552	494,597	402,027	288,924	229,506	-	-
Other Revenue	130,307	187,012.75	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Transfer-In	1,672,391	353,748.83	366,220	367,108	350,988	333,926	317,705	308,266	307,815	310,276	312,778
Major Road Fund - Revenues	\$ 6,003,700	\$ 6,070,101.92	\$ 7,479,120	\$ 4,379,180	\$ 4,256,694	\$ 4,176,876	\$ 4,068,306	\$ 3,945,981	\$ 3,886,332	\$ 3,659,513	\$ 3,662,244
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ 1,617,378	\$ 1,662,369	\$ (3,482,400)	\$ (2,689,250)	\$ (1,549,119)	\$ (2,314,023)	\$ (2,827,573)	\$ (1,485,446)	\$ (8,351,485)	\$ 648,056	\$ 585,028
BEGINNING FUND BALANCE	\$ 16,805,709	\$ 18,423,087	\$ 20,083,456	\$ 16,603,056	\$ 13,913,806	\$ 12,364,687	\$ 10,050,664	\$ 7,223,091	\$ 5,737,645	\$ (2,613,840)	\$ (1,965,783)
ENDING FUND BALANCE	\$ 18,423,087	\$ 20,085,456	\$ 16,603,056	\$ 13,913,806	\$ 12,364,687	\$ 10,050,664	\$ 7,223,091	\$ 5,737,645	\$ (2,613,840)	\$ (1,965,783)	\$ (1,380,755)
Personnel Services	\$ 618,721	\$ 643,690	\$ 779,360	\$ 809,224	\$ 836,958	\$ 866,141	\$ 896,894	\$ 929,342	\$ 963,619	\$ 999,872	\$ 1,038,262
Operating Supplies	55,687	103,050	141,280	142,693	144,120	145,561	147,017	148,487	149,972	151,471	152,986
Professional Services	977,980	898,032	1,345,030	1,350,668	1,373,823	1,397,403	1,421,415	1,445,867	1,470,770	1,496,130	1,521,956
Other Expenses	12,551	7,788	2,550	2,576	2,601	2,627	2,654	2,680	2,707	2,734	2,761
Capital Outlay	2,721,383	1,724,874	8,693,300	4,763,260	3,447,311	4,079,167	4,427,900	2,905,050	9,650,750	361,250	361,250
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	30,300	-	-	-	-	-	-	-	-	-
GRAND TOTAL - MR Fund Expenditures	\$ 4,386,322	\$ 3,407,733	\$ 10,961,520	\$ 7,068,431	\$ 5,804,813	\$ 6,490,898	\$ 6,895,879	\$ 5,431,426	\$ 12,237,817	\$ 3,011,457	\$ 3,077,216

MAJOR ROAD FUND

- ❖ Use of substantial fund balance (by design) through 2013 based on adopting *all* of the Major Road CIP projects. Fund balance decreases into negative between 2014 and 2019, emerging into the positive thereafter
- ❖ Assumes 0.1000 mill transfer from General Fund continues

3/4/2008

203 - Local Road Fund	2006 Actual	2007 Actual	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
City Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	10,867	7,680.00	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
State Shared Revenue	1,225,401	1,223,455.25	1,249,520	1,249,520	1,249,520	1,249,520	1,209,520	1,209,520	1,209,520	1,209,520	1,209,520
Service Charges	39,043	30,345.30	42,900	42,900	42,900	42,900	42,900	42,900	42,900	42,900	42,900
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	131,297	155,764.40	88,350	67,726	66,974	41,973	5,478	4,931	4,438	3,994	3,594
Other Revenue	62,087	26,976.48	27,020	24,318	21,886	19,698	17,728	15,955	14,360	12,924	11,631
Transfer-In	1,717,480	3,429,300.00	5,060,370	3,695,559	1,989,369	688,855	-	-	-	-	-
General Fund - Revenues (w/o Fund Balance)	\$ 3,186,176	4,873,521.43	\$ 6,478,160	\$ 5,090,023	\$ 3,380,649	\$ 2,052,946	\$ 1,285,626	\$ 1,283,306	\$ 1,281,217	\$ 1,279,337	\$ 1,277,646
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ 785,195	\$ (1,433,616)	\$ -	\$ -	\$ (608,114)	\$ (2,051,799)	\$ (2,928,629)	\$ (3,066,948)	\$ (3,256,214)	\$ (3,393,796)	\$ (3,532,928)
BEGINNING FUND BALANCE	\$ 2,153,691	\$ 2,938,886	\$ 1,505,270	\$ 1,505,270	\$ 1,505,270	\$ 897,156	\$ (1,154,643)	\$ (4,083,272)	\$ (7,150,220)	\$ (10,406,433)	\$ (13,800,229)
ENDING FUND BALANCE	\$ 2,938,886	\$ 1,505,270	\$ 1,505,270	\$ 1,505,270	\$ 897,156	\$ (1,154,643)	\$ (4,083,272)	\$ (7,150,220)	\$ (10,406,433)	\$ (13,800,229)	\$ (17,333,157)
Personnel Services	\$ 829,590	\$ 1,306,916	\$ 1,405,070	\$ 1,464,945	\$ 1,517,162	\$ 1,572,270	\$ 1,630,500	\$ 1,692,103	\$ 1,757,356	\$ 1,826,560	\$ 1,900,046
Operating Supplies	159,128	272,472	305,400	308,454	311,539	314,654	317,800	320,978	324,188	327,430	330,704
Professional Services	780,265	1,339,562	1,668,470	1,694,450	1,726,027	1,758,212	1,791,018	1,824,456	1,858,539	1,893,279	1,928,691
Other Expenses	8,047	1,170	1,800	1,818	1,836	1,855	1,873	1,892	1,911	1,930	1,949
Capital Outlay	283,140	3,011,938	2,801,290	1,235,256	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	340,810	375,080	296,130	385,100	432,200	457,754	473,064	510,824	595,437	623,934	649,183
203 - Local Road Fund - Expenses	\$ 2,400,980	\$ 6,307,138	\$ 6,478,160	\$ 5,090,023	\$ 3,988,763	\$ 4,104,745	\$ 4,214,255	\$ 4,350,253	\$ 4,537,431	\$ 4,673,133	\$ 4,810,573

LOCAL STREET FUND

- ❖ No capital projects after 2009 are funded
- ❖ Transfer from General Fund declines between 2008 and 2011. Transfer from General Fund is \$0 in 2012 and each year thereafter
- ❖ Operating budget – structural deficit begins in 2010 with a negative fund balance in 2011 and beyond (Revenue \$1.2M verses Operating costs \$4M)

3/4/2008

206 - Fire Department Fund	2006 Actual	2007 Actual	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ 55,275	\$ 412,806	\$ 207,720	\$ 200,847	\$ (318,137)	\$ (885,766)	\$ (1,472,653)	\$ (1,948,337)	\$ (2,241,875)	\$ (2,497,371)	\$ (2,767,613)
BEGINNING FUND BALANCE	\$ 1,172,238	\$ 1,227,513	\$ 1,640,319	\$ 1,848,039	\$ 2,048,887	\$ 1,730,750	\$ 844,983	\$ (627,670)	\$ (2,576,007)	\$ (4,817,881)	\$ (7,315,252)
ENDING FUND BALANCE	\$ 1,227,513	\$ 1,640,319	\$ 1,848,039	\$ 2,048,887	\$ 1,730,750	\$ 844,983	\$ (627,670)	\$ (2,576,007)	\$ (4,817,881)	\$ (7,315,252)	\$ (10,082,865)
Taxes	\$ 6,391,561	\$ 6,399,690	\$ 6,604,780	\$ 6,620,844	\$ 6,330,684	\$ 6,023,566	\$ 5,731,585	\$ 5,561,692	\$ 5,553,562	\$ 5,597,871	\$ 5,642,901
License & Permits	12,175	9,425	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Federal & State Grants	13,511	7,972	4,500	-	-	-	-	-	-	-	-
Interfund Charges	50,000	50,000	77,720	78,497	79,290	80,099	80,923	81,765	82,623	83,498	84,391
Charges for Services	1,049,550	1,213,002	1,137,900	1,138,958	1,140,037	1,141,138	1,142,261	1,143,406	1,144,574	1,145,765	1,146,981
Fines & Forfeitures	26,980	30,016	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Interest Earnings	206,980	222,060	210,000	73,922	81,955	69,230	33,799	-	-	-	-
Other Revenue	17,318	1,797	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer-In	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL - FIRE REVENUES	\$ 7,768,075	\$ 7,933,961	\$ 8,058,400	\$ 7,935,721	\$ 7,655,466	\$ 7,337,532	\$ 7,012,068	\$ 6,810,362	\$ 6,804,259	\$ 6,850,635	\$ 6,897,773
Personnel Services	\$ 4,331,836	\$ 4,873,768	\$ 5,495,610	\$ 5,701,228	\$ 5,897,310	\$ 6,103,352	\$ 6,320,090	\$ 6,548,328	\$ 6,788,940	\$ 7,042,882	\$ 7,311,198
Operating Supplies	119,211	165,172	160,650	162,257	163,879	165,518	167,173	168,845	170,533	172,239	173,961
Professional Services	1,477,770	1,742,748	1,789,220	1,809,365	1,849,770	1,891,158	1,933,555	1,976,984	2,021,472	2,067,045	2,113,729
Other Expenses	35,292	35,026	78,100	62,024	62,644	63,271	63,903	64,543	65,188	65,840	66,498
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	1,748,690	704,440	327,100	-	-	-	-	-	-	-	-
GRAND TOTAL - FIRE EXPENDITURES	\$ 7,712,800	\$ 7,521,155	\$ 7,850,680	\$ 7,734,873	\$ 7,973,603	\$ 8,223,299	\$ 8,484,722	\$ 8,758,699	\$ 9,046,133	\$ 9,348,005	\$ 9,665,385

FIRE OPERATING FUND

- ❖ EMS collections remain constant at \$1.0M
- ❖ Tax revenue declines (if 1.8 mill levy continues)
- ❖ Structural deficit begins in 2010 with a negative fund balance in 2012 and beyond
- ❖ Transfers Out to Fire Capital Fund stop after 2008

3/4/2008

206 - Fire Department Fund	2006 Actual	2007 Actual	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ 55,275	\$ 412,806	\$ 207,720	\$ 200,847	\$ (318,137)	\$ (885,766)	\$ (1,472,653)	\$ (1,948,337)	\$ (2,241,875)	\$ (2,497,371)	\$ (2,767,613)
BEGINNING FUND BALANCE	\$ 1,172,238	\$ 1,227,513	\$ 1,640,319	\$ 1,848,039	\$ 2,048,887	\$ 1,730,750	\$ 844,983	\$ (627,670)	\$ (2,576,007)	\$ (4,817,881)	\$ (7,315,252)
ENDING FUND BALANCE	\$ 1,227,513	\$ 1,640,319	\$ 1,848,039	\$ 2,048,887	\$ 1,730,750	\$ 844,983	\$ (627,670)	\$ (2,576,007)	\$ (4,817,881)	\$ (7,315,252)	\$ (10,082,865)
Taxes	\$ 6,391,561	\$ 6,399,690	\$ 6,604,780	\$ 6,620,844	\$ 6,330,684	\$ 6,023,566	\$ 5,731,585	\$ 5,561,692	\$ 5,553,562	\$ 5,597,871	\$ 5,642,901
License & Permits	12,175	9,425	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Federal & State Grants	13,511	7,972	4,500	-	-	-	-	-	-	-	-
Interfund Charges	50,000	50,000	77,720	78,497	79,290	80,099	80,923	81,765	82,623	83,498	84,391
Charges for Services	1,049,550	1,213,002	1,137,900	1,138,958	1,140,037	1,141,138	1,142,261	1,143,406	1,144,574	1,145,765	1,146,981
Fines & Forfeitures	26,980	30,016	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Interest Earnings	206,980	222,060	210,000	73,922	81,955	69,230	33,799	-	-	-	-
Other Revenue	17,318	1,797	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer-In	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL - FIRE REVENUES	\$ 7,768,075	\$ 7,933,961	\$ 8,058,400	\$ 7,935,721	\$ 7,655,466	\$ 7,337,532	\$ 7,012,068	\$ 6,810,362	\$ 6,804,259	\$ 6,850,635	\$ 6,897,773
Personnel Services	\$ 4,331,836	\$ 4,873,768	\$ 5,495,610	\$ 5,701,228	\$ 5,897,310	\$ 6,103,352	\$ 6,320,090	\$ 6,548,328	\$ 6,788,940	\$ 7,042,882	\$ 7,311,198
Operating Supplies	119,211	165,172	160,650	162,257	163,879	165,518	167,173	168,845	170,533	172,239	173,961
Professional Services	1,477,770	1,742,748	1,789,220	1,809,365	1,849,770	1,891,158	1,933,555	1,976,984	2,021,472	2,067,045	2,113,729
Other Expenses	35,292	35,026	78,100	62,024	62,644	63,271	63,903	64,543	65,188	65,840	66,498
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	1,748,690	704,440	327,100	-	-	-	-	-	-	-	-
GRAND TOTAL - FIRE EXPENDITURES	\$ 7,712,800	\$ 7,521,155	\$ 7,850,680	\$ 7,734,873	\$ 7,973,603	\$ 8,223,299	\$ 8,484,722	\$ 8,758,699	\$ 9,046,133	\$ 9,348,005	\$ 9,665,385

SPECIAL POLICE FUND

- ❖ Transfers In from General Fund equal \$3.3M in 2008 and increases to \$7.9M by 2015 (General Fund has a structural deficit)
 - ❖ (Its assumed that the two dedicated voted millages are renewed after 2014)

402 - Fire Capital Fund	2006 Actual	2007 Actual	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ 2,061,974	\$ 465,274	\$ (880,780)	\$ (313,656)	\$ 3,559	\$ (1,005,331)	\$ 63,543	\$ (511,245)	\$ (18,868)	\$ (1,693,343)	\$ (724,359)
BEGINNING FUND BALANCE	\$ 5,918,327	\$ 7,980,301	\$ 8,445,575	\$ 7,564,795	\$ 7,251,139	\$ 7,254,697	\$ 6,249,366	\$ 6,312,909	\$ 5,801,664	\$ 5,782,796	\$ 4,089,452
ENDING FUND BALANCE	\$ 7,980,301	\$ 8,445,575	\$ 7,564,795	\$ 7,251,139	\$ 7,254,697	\$ 6,249,366	\$ 6,312,909	\$ 5,801,664	\$ 5,782,796	\$ 4,089,452	\$ 3,365,094

Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Supplies	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	64,026	506,697	1,567,880	616,248	286,487	1,295,519	186,431	763,762	250,934	1,924,655	887,937
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	207,000	20,000	-	-	-	-	-	-	-	-
402 - Fire Capital Fund - Expenditure	\$ 64,026	\$ 713,697	\$ 1,587,880	\$ 616,248	\$ 286,487	\$ 1,295,519	\$ 186,431	\$ 763,762	\$ 250,934	\$ 1,924,655	\$ 887,937

FIRE CAPITAL FUND

- ❖ Healthy in the short to mid-term. Beyond 10 years short-fall begins
- ❖ Transfer In from Fire Operating Fund will stop in 2009 as operating budget may utilize the entire millage

403 - Pathway Construction Fund	2006 Actual	2007 Amended	2008 Adopted	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated	2014 Estimated	2015 Estimated	2016 Estimated
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ 157,170	\$ 192,184	\$ (1,098,360)	\$ (948,101)	\$ (632,406)	\$ (1,337,380)	\$ (985,155)	\$ (47,074)	\$ (55,556)	\$ (64,297)	\$ (73,311)
BEGINNING FUND BALANCE	\$ 2,312,626	\$ 2,469,796	\$ 2,661,979	\$ 1,563,619	\$ 615,518	\$ (16,887)	\$ (1,354,268)	\$ (2,339,423)	\$ (2,386,497)	\$ (2,442,053)	\$ (2,506,350)
ENDING FUND BALANCE	\$ 2,469,796	\$ 2,661,979	\$ 1,563,619	\$ 615,518	\$ (16,887)	\$ (1,354,268)	\$ (2,339,423)	\$ (2,386,497)	\$ (2,442,053)	\$ (2,506,350)	\$ (2,579,660)

Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Supplies	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	215,550	571,131	1,578,280	1,425,900	1,010,750	1,652,500	1,263,000	300,000	300,000	300,000	300,000
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-
403 - Pathway Construction Fund - Expenditure	\$ 215,550	\$ 571,131	\$ 1,578,280	\$ 1,425,900	\$ 1,010,750	\$ 1,652,500	\$ 1,263,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000

PATHWAY CONSTRUCTION FUND

- ❖ 2011 is projected to have negative fund balance due to large expenditures for Capital Projects totaling \$6.9 million from 2008 through 2012

CAPITAL IMPROVEMENT FUND

- ❖ Continues to grow (transfer from General Fund was reduced to 0.1000 mill in 2008 from 0.2500)
- ❖ Typically used to fund new Capital projects that don't have "replacement monies" accumulated in the Internal Service Funds

CAPITAL IMPROVEMENT FUND (continued)

- ❖ \$3.6 million undesignated fund balance and forecasted to grow by approximately \$300k annually

DEBT FUNDS

- ❖ Dept payments are funded prior to other City programs
- ❖ All obligations are forecasted to be met

WATER & SEWER FUNDS (excluded from outlook)

- ❖ Fund is self-sufficient
- ❖ Technical Rate Committee will present its July 2008 *rates* recommendation to Council in May

INTERNAL SERVICE FUNDS

- ❖ Facilities Fund – Approx. \$9M in “fund balance”
- ❖ MIS Fund – Approx. \$3.2M in “fund balance” and future replacement is adequately funded
- ❖ Fleet Fund – Approx. \$5.5M in “fund balance” and future replacement is adequately funded

Additional Discussion