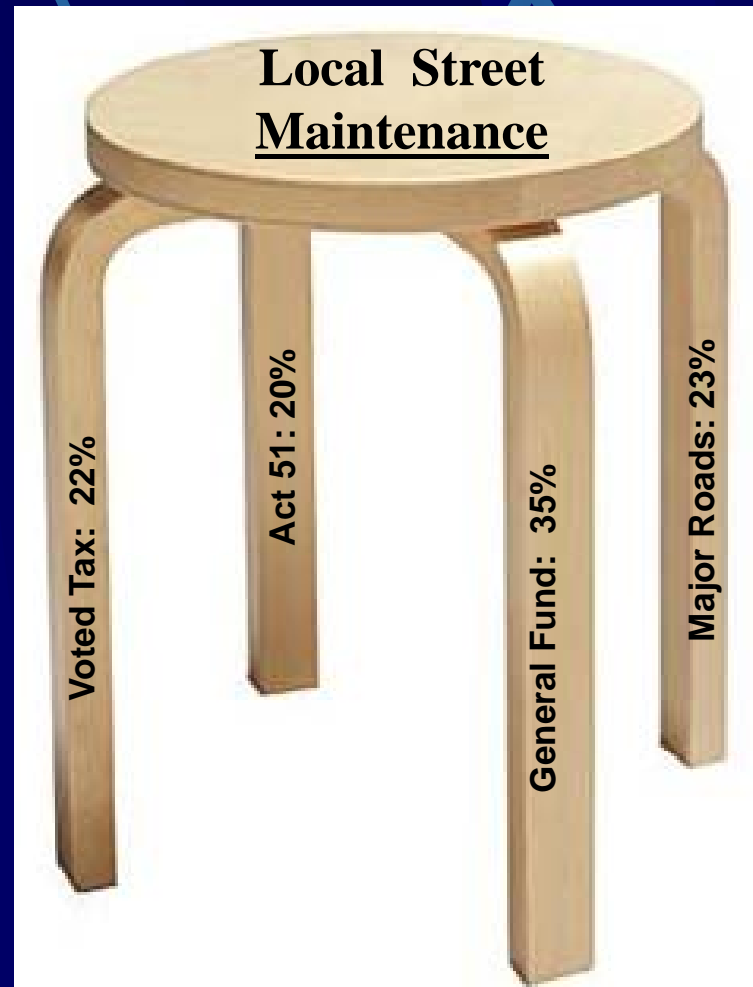


Local Street Fund



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Local Street Maintenance Funding Plan



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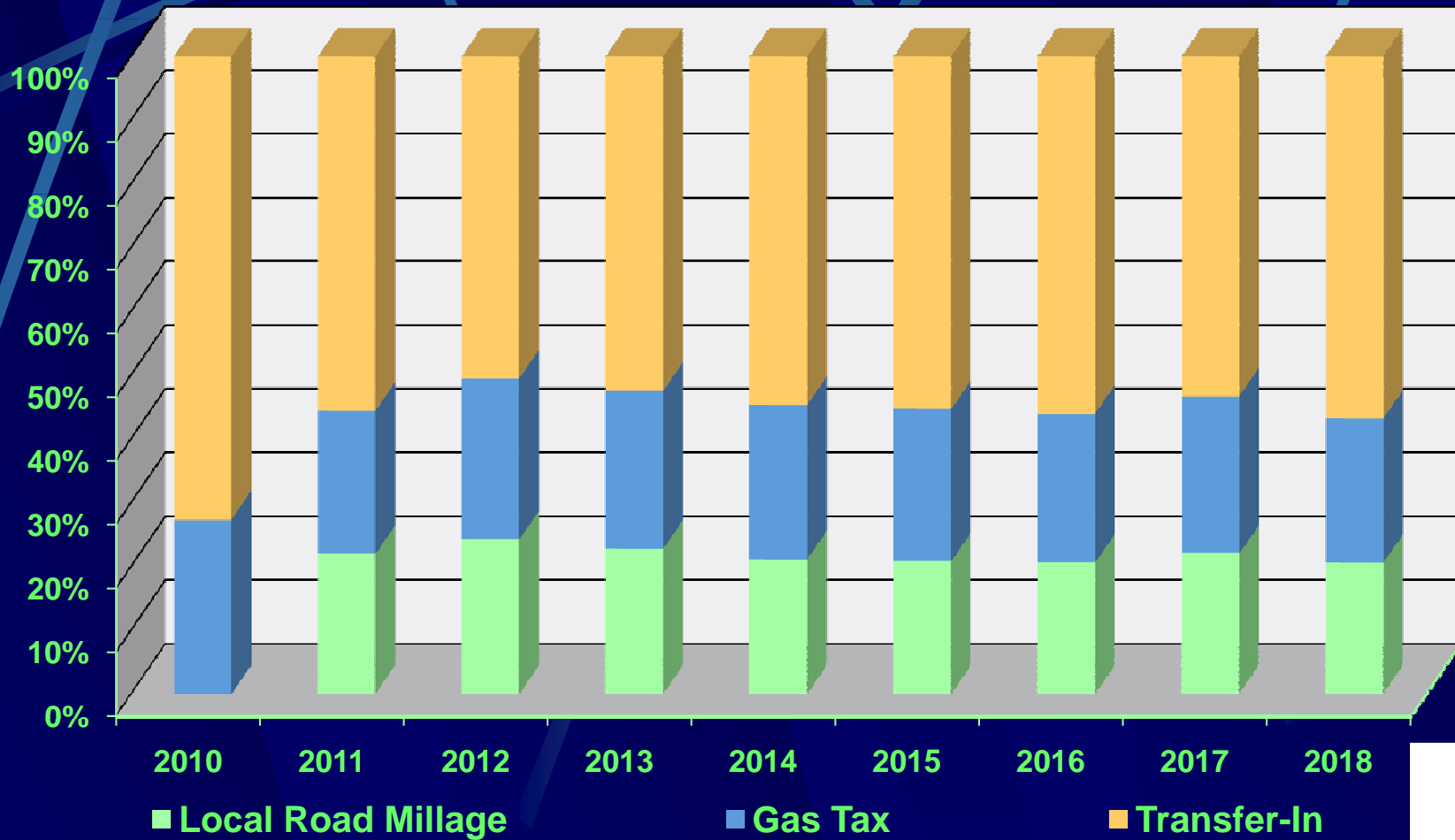
Local Street Maintenance (Only) Plan

Model Updated May 10, 2011									
	2010	2011	2012	2013	2014	2015	2016	2017	2018
203 - Local Street Fund	Actual	1st Qtr B/A	Projected	Projected	Projected	Estimated	Estimated	Estimated	Estimated
City Taxes	\$ -	\$1,113,110	\$1,043,490	\$ 991,320	\$ 941,780	\$ 941,780	\$ 951,190	\$ 960,700	\$ 979,900
Licenses & Permits	12,622	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Intergovernmental Revenue	1,156,183	1,138,030	1,087,050	1,076,180	1,076,180	1,076,180	1,076,180	1,076,180	1,076,180
Interfund Charges	-	-	-	-	-	-	-	-	-
Service Charges	11,702	97,550	97,550	97,550	97,550	97,550	97,550	97,550	97,550
Fines & Forfeitures	-	-	-	-	-	-	-	-	-
Investment Earnings	18,742	41,580	38,230	55,100	71,970	105,200	105,090	105,090	105,090
Other Revenue	27,349	19,890	17,910	16,330	15,060	10,220	10,000	10,000	10,000
Transfer-In	3,070,640	2,819,860	2,173,030	2,280,730	2,430,870	2,496,940	2,577,870	2,320,930	2,700,040
203 - Local Street Fund	\$4,297,238	\$5,240,020	\$4,467,260	\$4,527,210	\$4,643,410	\$4,737,870	\$4,827,880	\$4,580,450	\$4,978,760
203 - Local Street Fund									
Personnel Services	\$ 1,277,256	\$ 1,540,740	\$ 1,578,830	\$ 1,608,030	\$ 1,640,800	\$ 1,690,460	\$ 1,743,820	\$ 1,801,290	\$ 1,863,230
Operating Supplies	307,492	372,970	372,970	372,970	376,710	380,480	384,300	388,150	392,030
Professional Services	190,720	297,550	287,550	297,550	290,420	301,570	294,380	305,650	298,390
Interfund Charges	1,395,094	1,670,450	1,680,970	1,683,590	1,701,750	1,720,140	1,738,750	1,757,570	1,776,580
Other Expenses	1,029	1,800	1,800	1,800	1,820	1,840	1,860	1,880	1,900
Capital Outlay	(4,210)	806,230	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Transfer Out	509,338	550,280	545,140	563,270	631,910	643,380	664,770	325,910	-
203 - Local Street Fund	\$ 3,676,719	\$ 5,240,020	\$ 4,467,260	\$ 4,527,210	\$ 4,643,410	\$ 4,737,870	\$ 4,827,880	\$ 4,580,450	\$ 4,332,130

Local Street's Dependence on Other Funds

Model Updated May 10, 2011	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	1st Qtr B/A	Projected	Projected	Projected	Estimated	Estimated	Estimated	Estimated
Transfer In - General Fund	\$2,670,280	\$1,675,450	\$ 979,970	\$1,077,470	\$1,225,370	\$1,257,180	\$1,517,660	\$1,439,820	\$1,859,190
Transfer In - Major Roads	400,360	1,144,410	1,193,060	1,203,260	1,205,500	1,239,760	1,060,210	881,110	840,850
Transfer In - Public Road Millage	-	-	-	-	-	-	-	-	-
Transfer In - 337 Bond Fund	-	-	-	-	-	-	-	-	-
Transfer In - Capital Improve. Fund	-	-	-	-	-	-	-	-	-
Transfer In	\$3,070,640	\$2,819,860	\$2,173,030	\$2,280,730	\$2,430,870	\$2,496,940	\$2,577,870	\$2,320,930	\$2,700,040

Local Streets Funding



Local Street Fund

Important Take Away

- The fund does not receive enough Act 51 (Gas Tax) funding to cover its maintenance costs.
- The only dedicated funding sources for Local Streets is Act 51 funding and the recently voter approved Local Street millage.
- There is no funding source available for the reconstruction of subdivision (Local) streets.



Falling Tax Values Affects All Millage Based Funds



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Fire Fund



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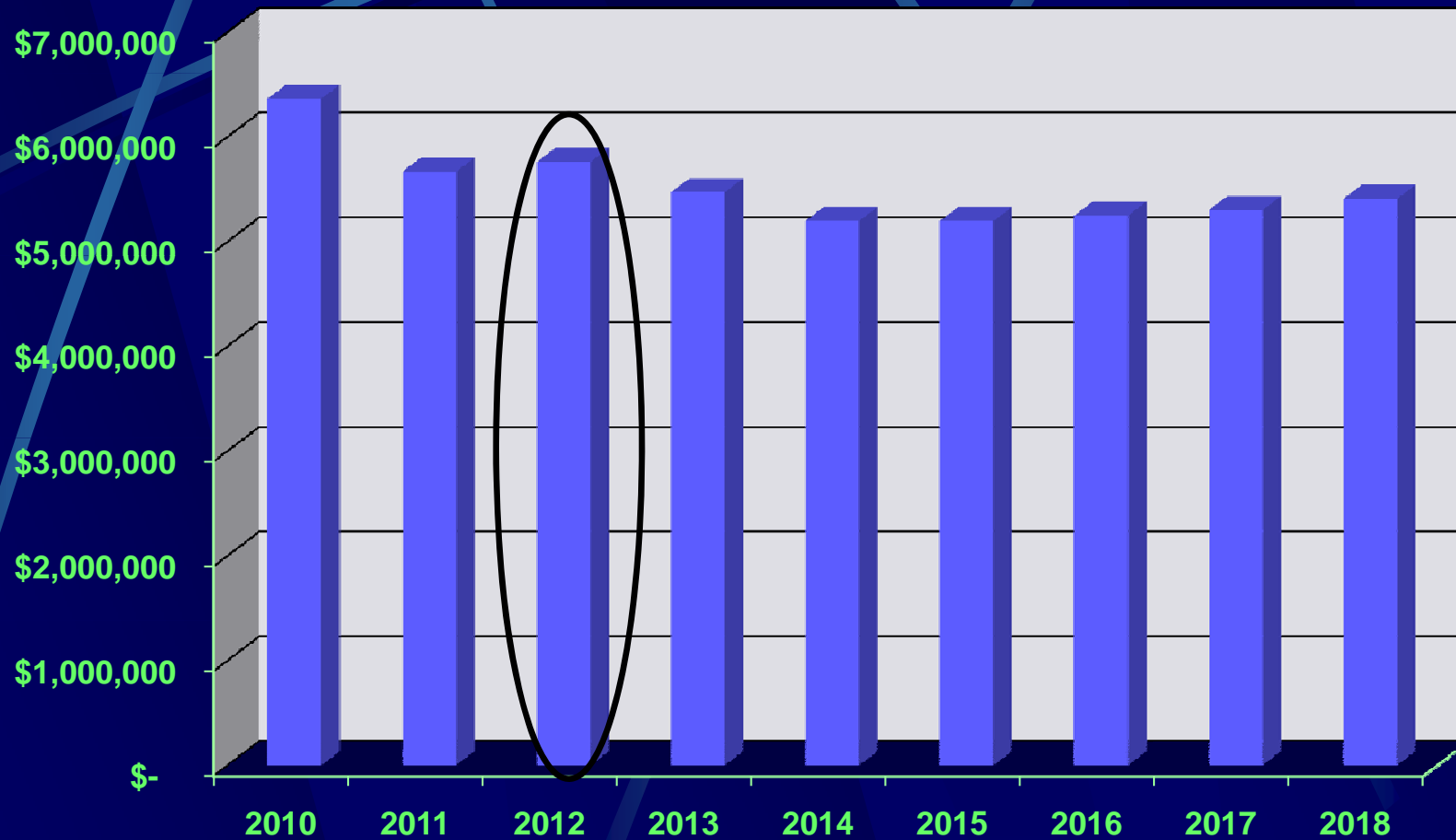
Fire Fund

Model Updated May 10, 2011									
	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	1st Qtr B/A	Projected	Projected	Projected	Estimated	Estimated	Estimated	Estimated
206 - Fire Operating Fund									
City Taxes	\$ 6,364,938	\$ 5,667,820	\$ 5,759,010	\$ 5,471,090	\$ 5,197,530	\$ 5,197,530	\$ 5,249,480	\$ 5,301,970	\$ 5,407,950
Licenses & Permits	6,250	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-
Interfund Charges	45,000	-	-	-	-	-	-	-	-
Service Charges	1,449,595	1,279,050	1,528,250	1,527,250	1,527,250	1,542,710	1,558,340	1,574,130	1,590,090
Fines & Forfeitures	14,038	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Investment Earnings	28,414	37,300	55,160	85,960	113,120	162,420	154,650	144,550	132,630
Other Revenue	18,504	2,000	2,000	2,000	2,000	1,500	1,500	1,500	1,500
Transfer-In	2,510	2,120	2,450	2,450	2,450	2,450	2,450	2,450	2,450
206 - Fire Operating Fund	\$ 7,929,248	\$ 7,001,290	\$ 7,359,870	\$ 7,101,750	\$ 6,855,350	\$ 6,919,610	\$ 6,979,420	\$ 7,037,600	\$ 7,147,620
206 - Fire Operating Fund									
Personnel Services	\$ 5,332,573	\$ 4,935,880	\$ 4,994,720	\$ 5,044,840	\$ 5,102,160	\$ 5,189,260	\$ 5,307,170	\$ 5,432,600	\$ 5,566,280
Operating Supplies	104,719	106,070	92,050	88,050	88,050	88,950	89,850	90,760	91,670
Professional Services	251,230	341,900	327,190	325,010	325,010	328,280	331,570	334,890	338,250
Interfund Charges	1,458,129	1,506,310	1,500,310	1,499,310	1,499,310	1,514,310	1,529,440	1,544,730	1,560,160
Other Expenses	65,306	78,130	66,130	61,330	61,330	61,950	62,570	63,190	63,820
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Transfer Out	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
206 - Fire Operating Fund	\$ 7,233,557	\$ 6,989,890	\$ 7,002,000	\$ 7,040,140	\$ 7,097,460	\$ 7,204,350	\$ 7,342,200	\$ 7,487,770	\$ 7,641,780
	\$ 695,691	\$ 11,400	\$ 357,870	\$ 61,610	\$ (242,110)	\$ (284,740)	\$ (362,780)	\$ (450,170)	\$ (494,160)

Note: In FY 2012 Fire Fund Millage is raised from its current rate of 1.80 to its Headlee Max of 1.9564. The City millage rate remains at 9.7060. The increase generates approximately \$460,000.

Fire Fund Revenues

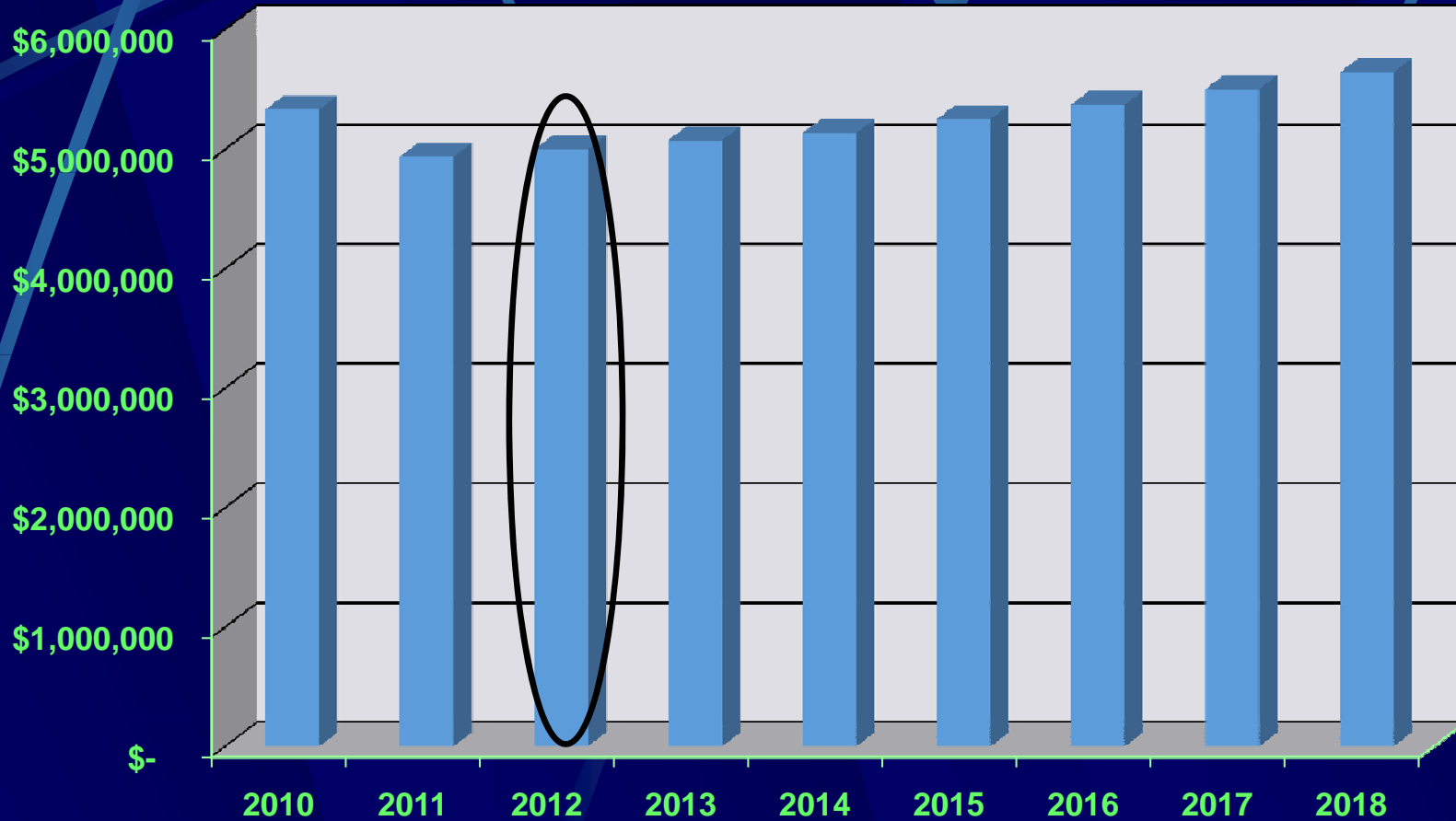
City Taxes



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Fire Fund Expenses

Personnel Services



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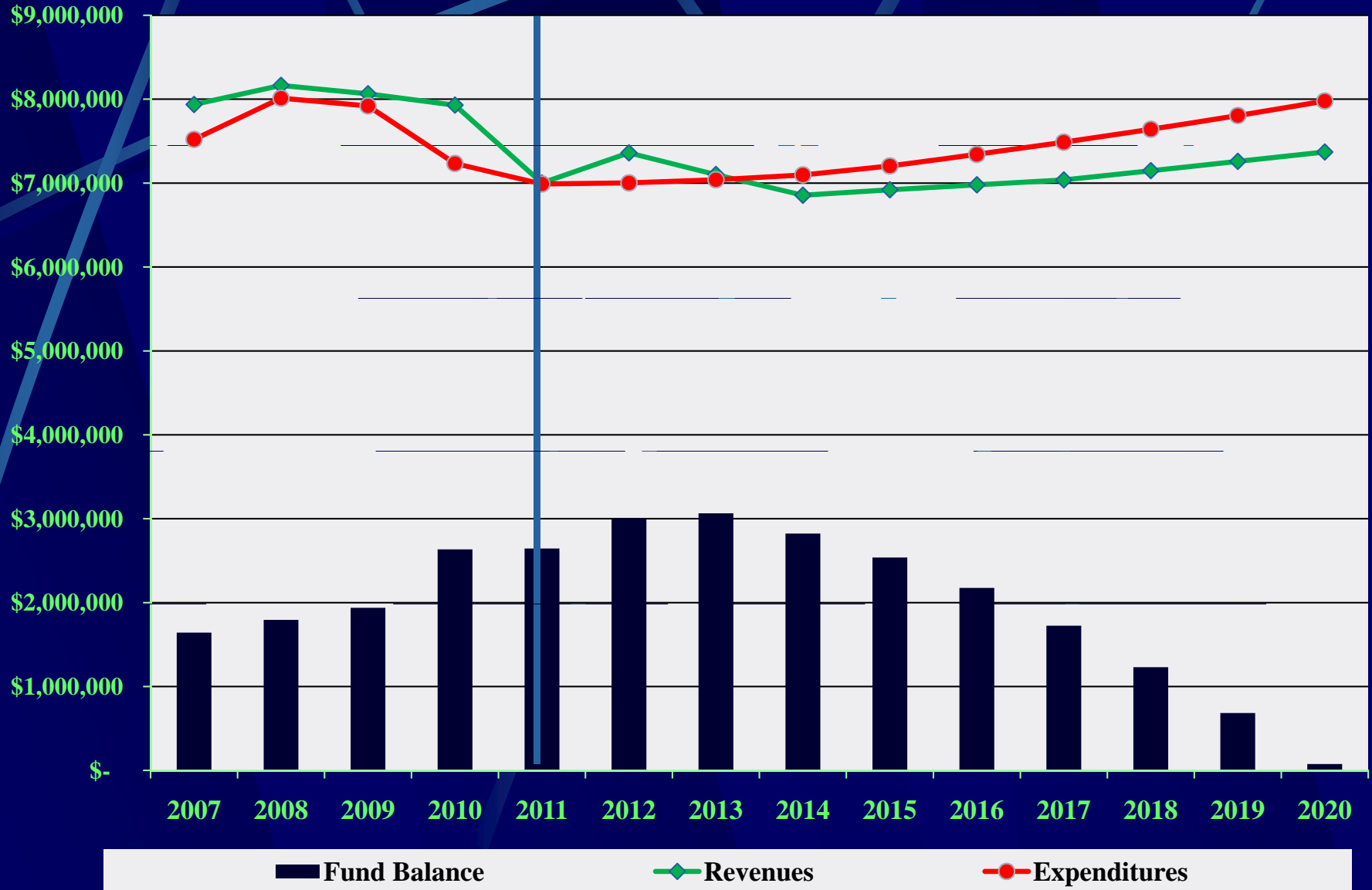
Fire Fund

	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	Actual	1st Qtr B/A	Projected	Projected	Projected	Estimated	Estimated	Estimated	Estimated
	\$ 695,691	\$ 11,400	\$ 357,870	\$ 61,610	\$ (242,110)	\$ (284,740)	\$ (362,780)	\$ (450,170)	\$ (494,160)
BEGINNING FUND BALANCE	\$ 1,938,318	\$ 2,634,009	\$ 2,645,409	\$ 3,003,279	\$ 3,064,889	\$ 2,822,779	\$ 2,538,039	\$ 2,175,259	\$ 1,725,089
ENDING FUND BALANCE	\$ 2,634,009	\$ 2,645,409	\$ 3,003,279	\$ 3,064,889	\$ 2,822,779	\$ 2,538,039	\$ 2,175,259	\$ 1,725,089	\$ 1,230,929



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Fire Fund



Fire Fund

Important Take Away

- For FY2012, millage rate needs to be at Headlee limit to be able to fund operating costs
- Headlee limit and other revenue sources do not cover operating costs in FY2014 and out.
- The Operating Fund Balance will not meet the City's Fund Balance Policy if operating expenses are not reduced and/or additional revenues are not found starting in FY 2017 and beyond.



Special Police Fund



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Special Police Fund

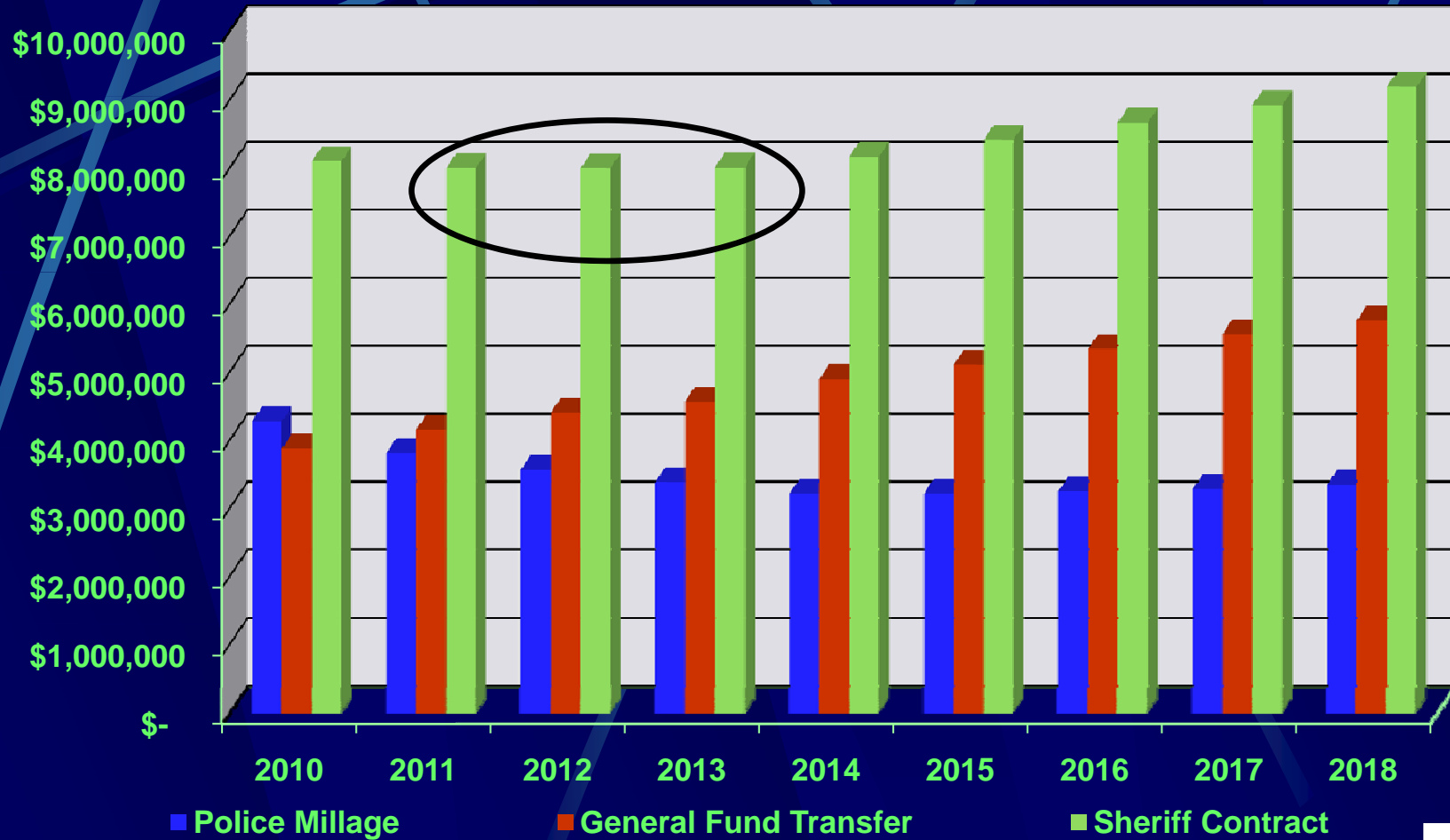
Model Updated May 10, 2011									
	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	1st Qtr B/A	Projected	Projected	Projected	Estimated	Estimated	Estimated	Estimated
207 - Police Service Fund									
City Taxes	\$ 4,272,196	\$ 3,804,490	\$ 3,556,860	\$ 3,379,020	\$ 3,210,150	\$ 3,210,150	\$ 3,242,230	\$ 3,274,640	\$ 3,340,110
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	270,402	273,860	278,720	283,670	288,720	296,450	304,420	312,620	321,070
Interfund Charges	-	-	-	-	-	-	-	-	-
Service Charges	192,634	156,500	158,100	160,300	162,540	165,960	169,480	173,110	176,850
Fines & Forfeitures	404,822	393,000	393,000	393,000	393,000	393,000	393,000	393,000	393,000
Investment Earnings	16,418	17,070	23,370	33,720	43,280	64,920	65,400	65,880	66,860
Other Revenue	5,085	-	-	-	-	-	-	-	-
Transfer-In	3,869,040	4,146,820	4,397,860	4,561,610	4,893,130	5,101,440	5,330,830	5,553,830	5,751,080
207 - Police Service Fund	\$ 9,030,598	\$ 8,791,740	\$ 8,807,910	\$ 8,811,320	\$ 8,990,820	\$ 9,231,920	\$ 9,505,360	\$ 9,773,080	\$ 10,048,970
207 - Police Service Fund									
Personnel Services	\$ 186,454	\$ 205,230	\$ 208,230	\$ 210,530	\$ 212,750	\$ 217,520	\$ 222,600	\$ 228,010	\$ 233,780
Operating Supplies	9,944	17,500	17,500	17,500	17,680	17,860	18,040	18,220	18,400
Professional Services	8,092,942	7,991,590	7,988,200	8,002,530	8,162,550	8,407,370	8,659,530	8,919,250	9,186,760
Interfund Charges	188,164	214,830	214,830	214,830	216,000	219,160	221,350	223,570	225,810
Other Expenses	23,816	21,310	21,310	18,090	18,270	18,450	18,630	18,820	19,010
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Transfer Out	349,600	341,280	357,840	347,840	362,580	351,560	365,210	365,210	365,210
207 - Police Service Fund	\$ 8,850,920	\$ 8,791,740	\$ 8,807,910	\$ 8,811,320	\$ 8,990,820	\$ 9,231,920	\$ 9,505,360	\$ 9,773,080	\$ 10,048,970

In FY 2011 we went from 60 Officers to 57.

In FY2012 we are planning on going from 57 to 56 officers

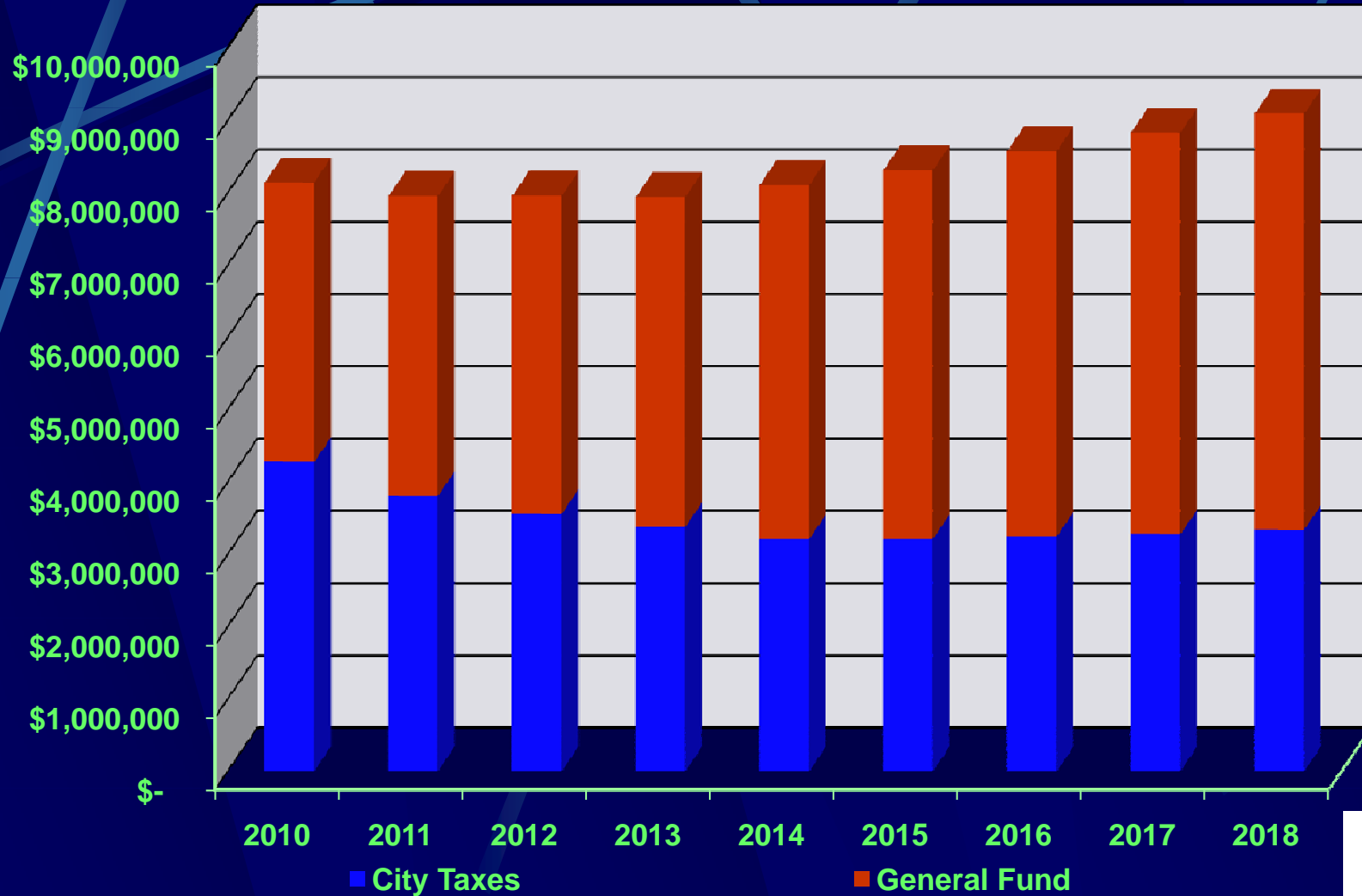
In FY2013 we are planning on going from 56 officers to 55 officers

Special Police Fund



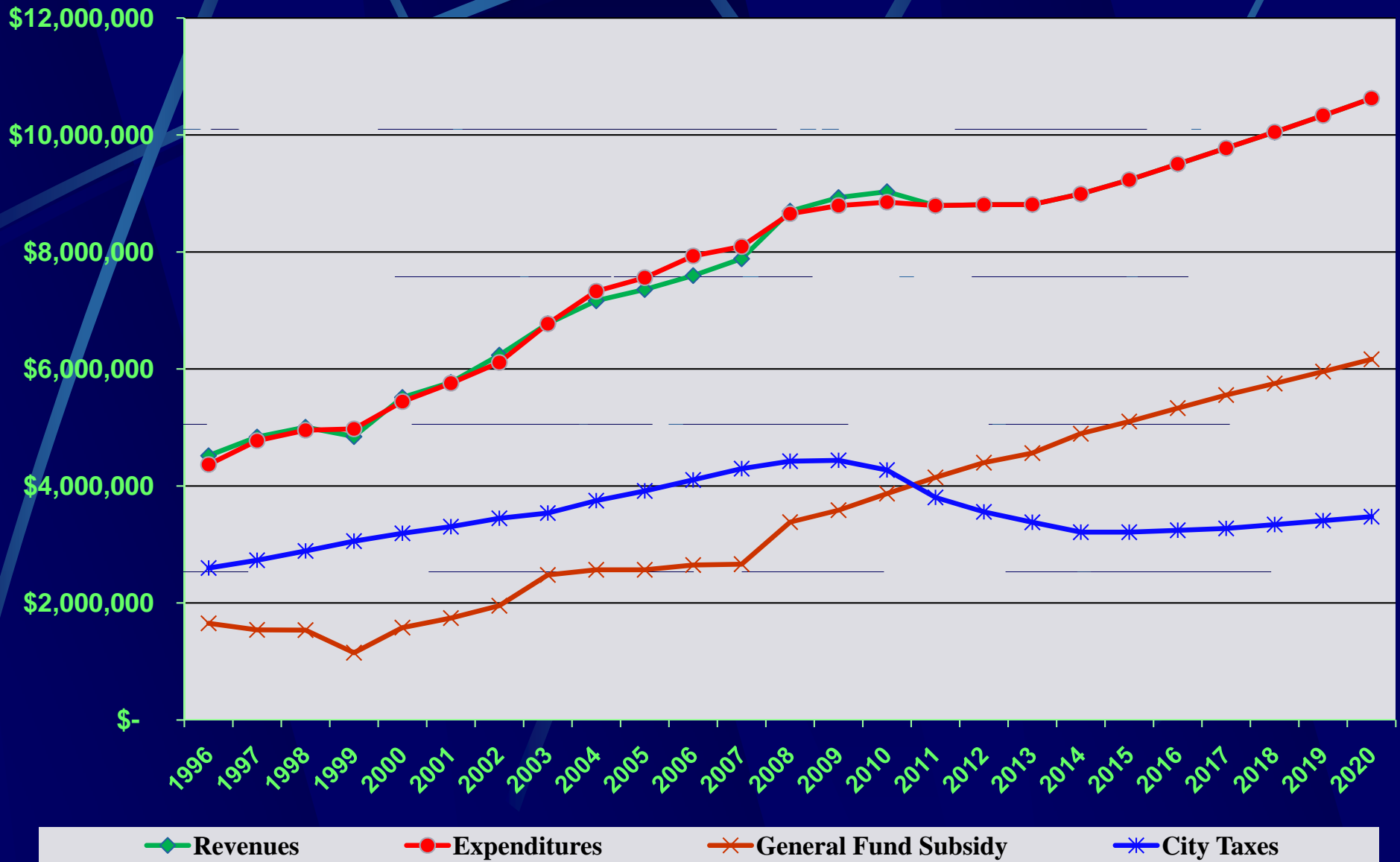
In FY 2011 we went from 60 Officers to 57.
 In FY2012 we are planning on going from 57 to 56 officers
 In FY2013 we are planning on going from 56 officers to 55 officers

Special Police Fund



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Special Police Fund



Special Police Fund

Important Take Away

- Current Millages (I & II) will expire in tax year 2013. Forecast assumes renewal at current levels.
- In FY 2011 we went from 60 Officers to 57.
- In FY2012 we are planning on going from 57 to 56 officers
- In FY2013 we are planning on going from 56 officers to 55 officers
- Sheriff Contract Pricing Adjusts each Year which puts pressure on General Fund.



Water Resources Fund

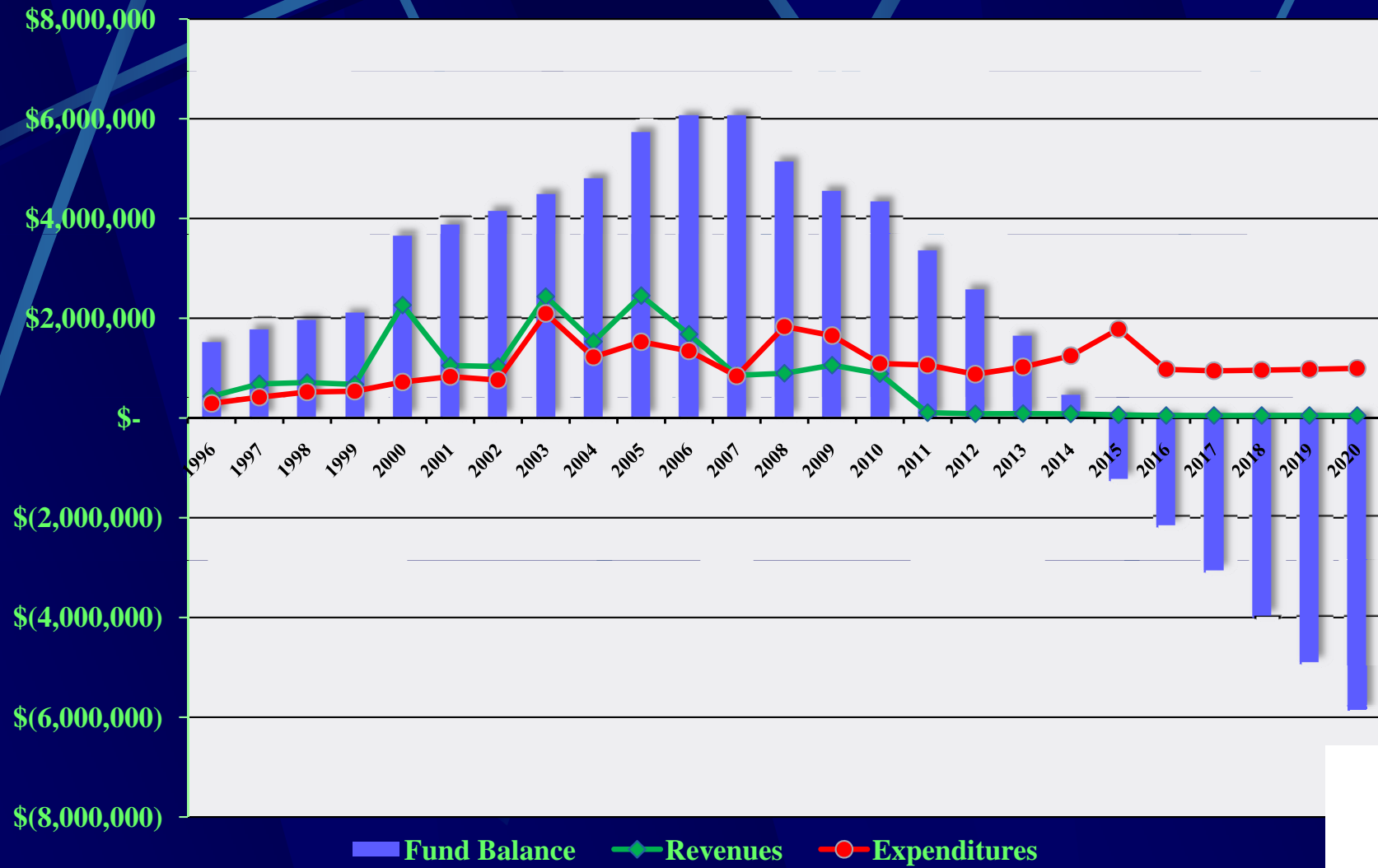


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Water Resources Fund

Model Updated May 10, 2011									
	2010 Actual	2011 1st Qtr B/A	2012 Projected	2013 Projected	2014 Projected	2015 Estimated	2016 Estimated	2017 Estimated	2018 Estimated
244 - Water Resources Fund									
City Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	135,000	-	-	-	-	-	-	-
Interfund Charges	-	-	-	-	-	-	-	-	-
Service Charges	19,803	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700
Fines & Forfeitures	-	-	-	-	-	-	-	-	-
Investment Earnings	(11,940)	30,550	33,620	38,500	32,620	13,960	-	-	-
Other Revenue	23,098	15,700	15,700	15,700	15,700	15,700	15,700	15,700	15,700
Transfer-In	856,660	-	-	-	-	-	-	-	-
244 - Water Resources Fund	\$ 887,622	\$ 214,950	\$ 83,020	\$ 87,900	\$ 82,020	\$ 63,360	\$ 49,400	\$ 49,400	\$ 49,400
244 - Water Resources Fund									
Personnel Services	\$ 393,793	\$ 316,030	\$ 322,470	\$ 327,460	\$ 333,790	\$ 342,560	\$ 351,960	\$ 362,020	\$ 372,840
Operating Supplies	16,618	23,700	23,700	23,700	23,940	24,180	24,420	24,660	24,910
Professional Services	48,181	135,420	120,420	120,420	121,630	122,850	124,080	125,320	126,590
Interfund Charges	245,565	257,130	257,490	257,870	260,630	263,440	266,270	269,150	272,050
Other Expenses	145,273	153,900	153,900	153,900	155,440	156,990	158,560	160,150	161,750
Capital Outlay	241,346	285,000	-	140,000	352,500	870,000	50,000	5,361	-
Debt Service	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-
244 - Water Resources Fund	\$ 1,090,775	\$ 1,171,180	\$ 877,980	\$ 1,023,350	\$ 1,247,930	\$ 1,780,020	\$ 975,290	\$ 946,661	\$ 958,140
EXCESS OF REVENUE OVER									
(UNDER) EXPENDITURES	\$ (203,153)	\$ (956,230)	\$ (794,960)	\$ (935,450)	\$ (1,165,910)	\$ (1,716,660)	\$ (925,890)	\$ (897,261)	\$ (908,740)
BEGINNING FUND BALANCE	\$ 4,520,952	\$ 4,317,799	\$ 3,361,569	\$ 2,566,609	\$ 1,631,159	\$ 465,249	\$ (1,251,411)	\$ (2,177,301)	\$ (3,074,562)
ENDING FUND BALANCE	\$ 4,317,799	\$ 3,361,569	\$ 2,566,609	\$ 1,631,159	\$ 465,249	\$ (1,251,411)	\$ (2,177,301)	\$ (3,074,562)	\$ (3,983,302)

Water Resources Fund



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Water Resource Fund

Important Take Away

- Has no funding sources. Department needs to develop a long range plan for the matching of expenses to revenues and/or funding sources.
- Must make fund balance last as long as possible to pay for maintenance costs related to the City's drain system.
- Many of the City's drains were constructed under Chapter 20 of the Michigan Drain Code which obligates the City to pay Oakland County Water Resources for maintenance related work. Which limits the City's ability to contain costs.



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Millage Opportunities

Drain Debt

- Over the next couple years several of our Drain Debt Millages will be expiring.
- It may be an opportunity to ask voters if they would like to repurpose those expiring millages for Roads, Fire, Police or Water Resources (for drain maintenance)

DEBT MILLAGE	2011	2012	2013	2014	Total
Drain Debt Fund	0.6018	0.4066	0.4052	0.0835	
Difference		0.1952		0.3217	0.5169



Millage Opportunities Continued

Green Space

- Tax year 2014 for FY2015, will be the last year Green Space millage can be spread.
- It may be an opportunity to ask voters if they would like to repurpose that expiring millage for Roads, Fire, Police or Water Resources (for drain maintenance)

OPERATING MILLAGE	2011	2012	2013	2014	2015	2016	2017	2018
Green Space / Natural Features	0.2972	0.2972	0.2972	0.2972	0.2972	-	-	-



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Critical Factors to Focus on

- 1/3 of **General Fund** is transferred to other funds. Those transfers are putting pressure on General Fund and the services it delivers.
- **Local Streets** needs additional funding sources if it is wants to perform any subdivision road reconstruction activity
- **Fire Fund** needs expenditure reductions and/or new revenues starting in FY2014 and beyond.
- **Police Millage I & II** expire in Tax Year 2013 and current Police Millage(s) only provide about 40% of the cost of police services. The remainder is paid for by General Fund
- **Water Resource Fund** needs a future funding source to pay for the maintenance performed by Oakland County Water Resources
- There could be an opportunity to repurpose expiring Millages without affecting the overall City Millage Rate



Positive Factors to Remember

- With Council's support we have been able to manage during the worse of the economic storm
- Working together we have been able to use the fiscal forecast to move toward a multi-year approach to budgeting and to become pro-active and not re-active



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Q & A



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