

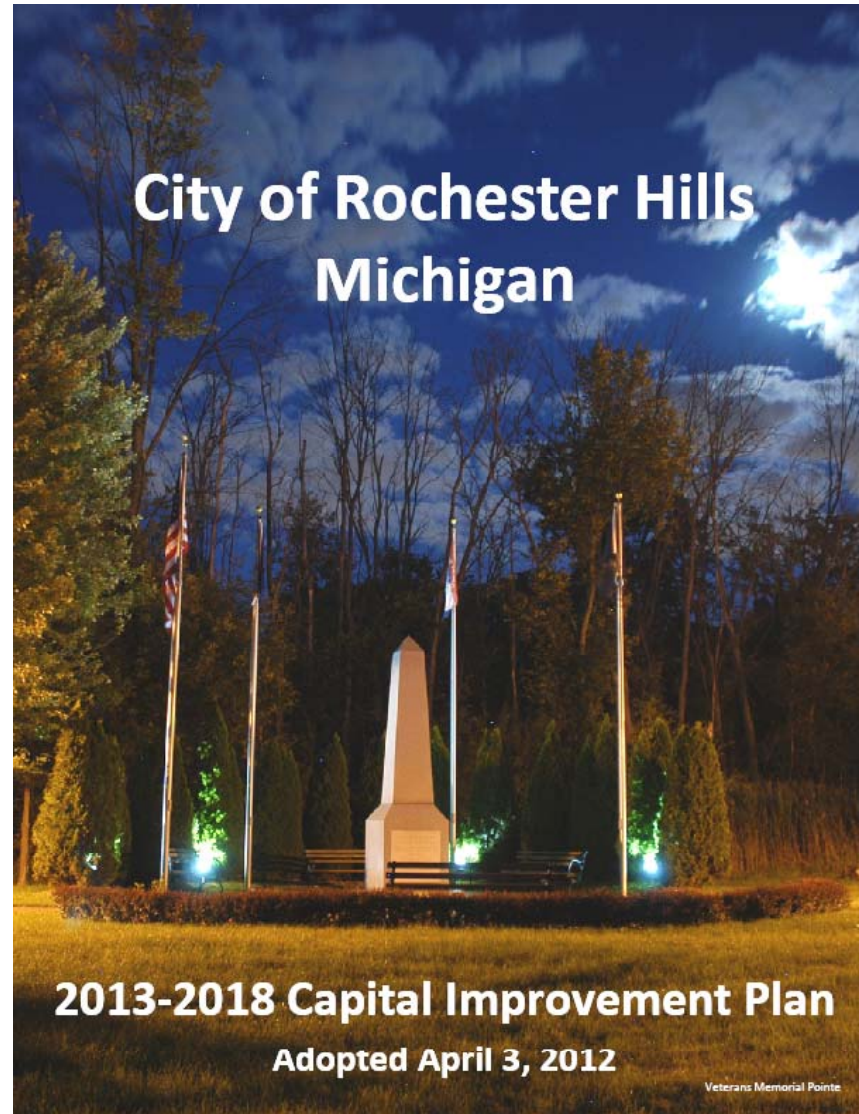
**City Council
Special Budget Meeting**

August 20, 2012

FY2013-15 Budget Presentations



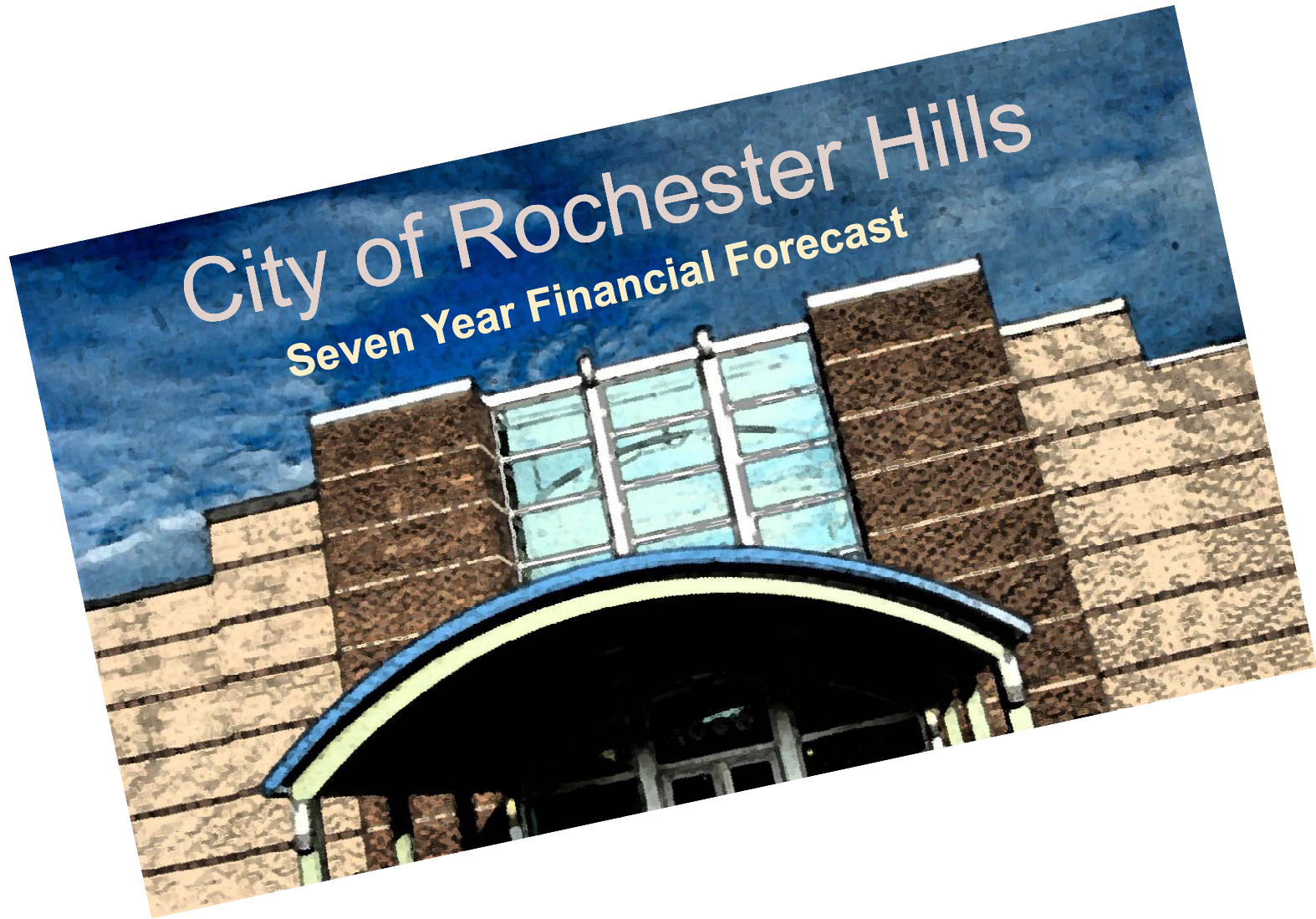
The Budget Process - Capital Improvement Plan



The Budget Process - City's Strategic Plan



The Budget Process – Financial Forecast



WHAT WE LEARNED FROM THE FORECAST

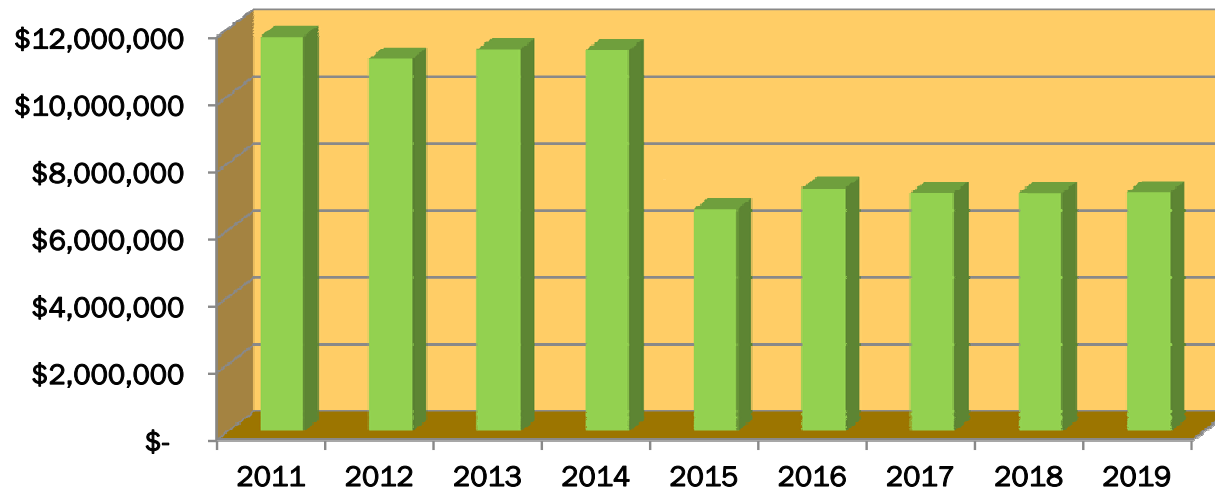
- 40% of all *General Fund* revenue or 90% of all *General Fund* tax revenue is transferred out to other funds
 - Puts pressure on the services it can deliver
- *Local Streets* needs additional funding sources if it is wants to perform any subdivision road reconstruction activity
- *Police Millage I & II* expire for FY2014
 - Provides about 50% of the cost of police services only
 - **General Fund** subsidizes the other 50%
- The *Water Resource Fund* runs out of fund balance in FY2018
- Opportunities to repurpose expiring millage(s) without increasing the overall City Millage Rate



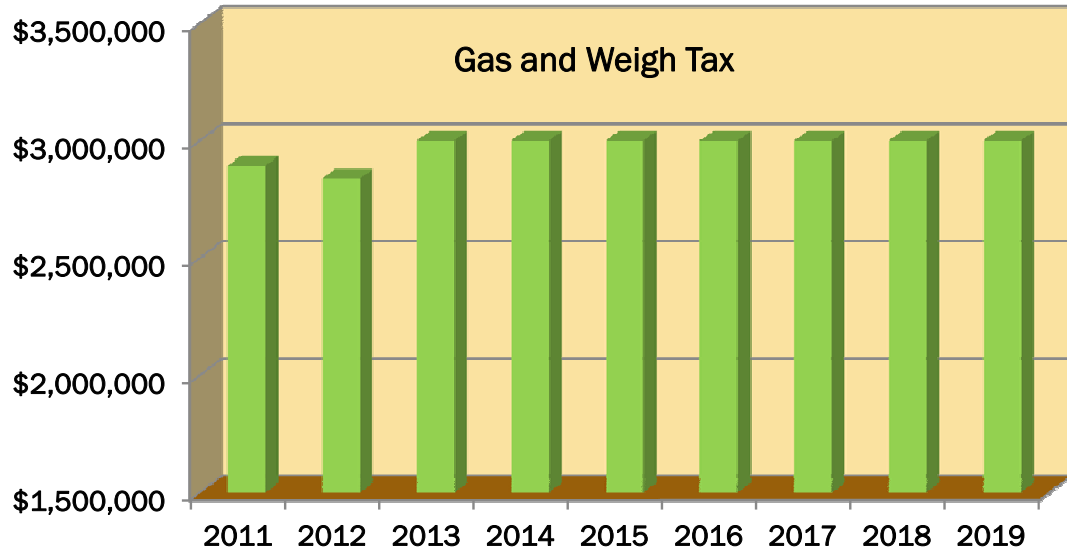
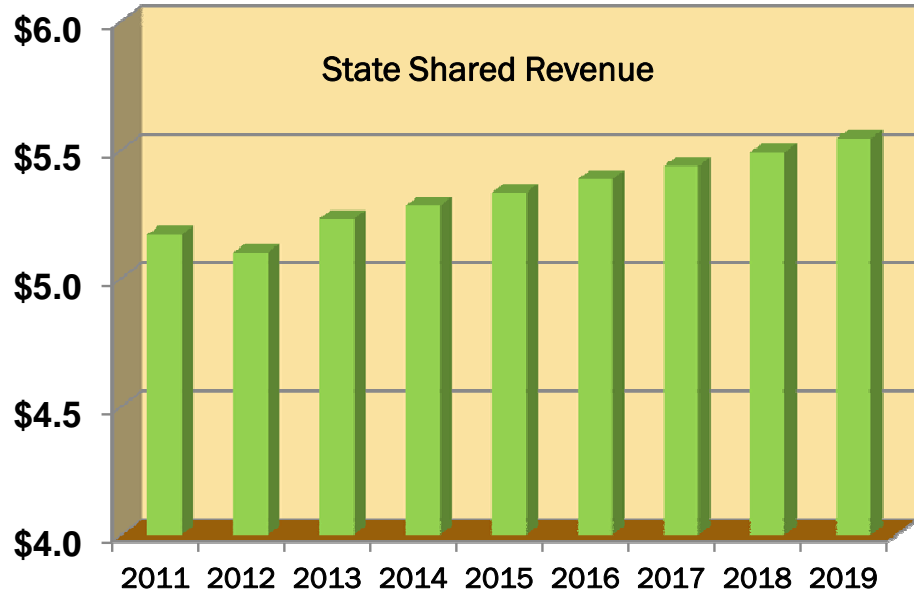
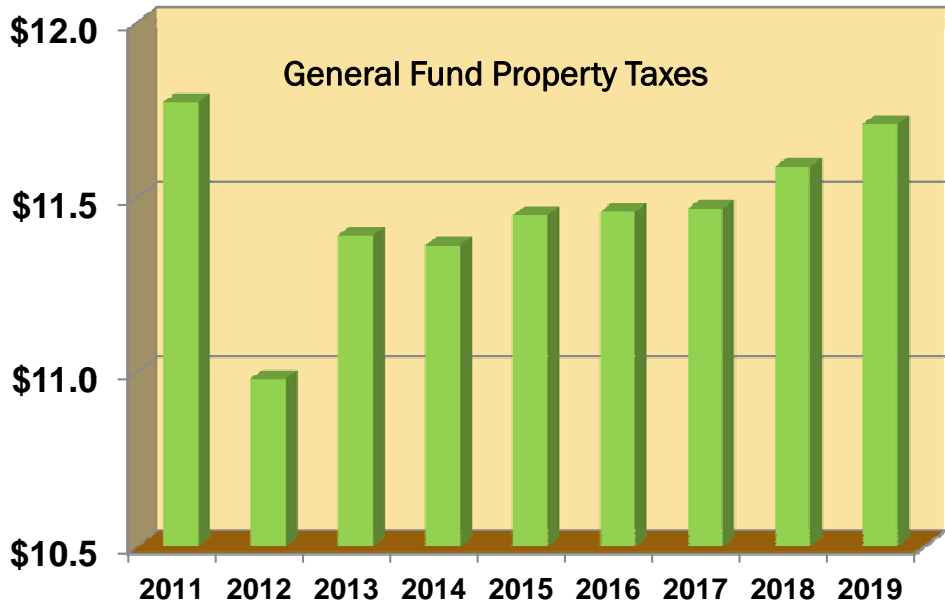
POST AUGUST ELECTION

- In FY2015, it is estimated that ~~40%~~ **27%** of all *General Fund* revenue or ~~90%~~ **84%** of all *General Fund* tax revenue is transferred to other funds
- In FY2015, *Police Millage I & II* will start their next 10 ten year life and the **General Fund** subsidy will be replaced by **Police Millage III**

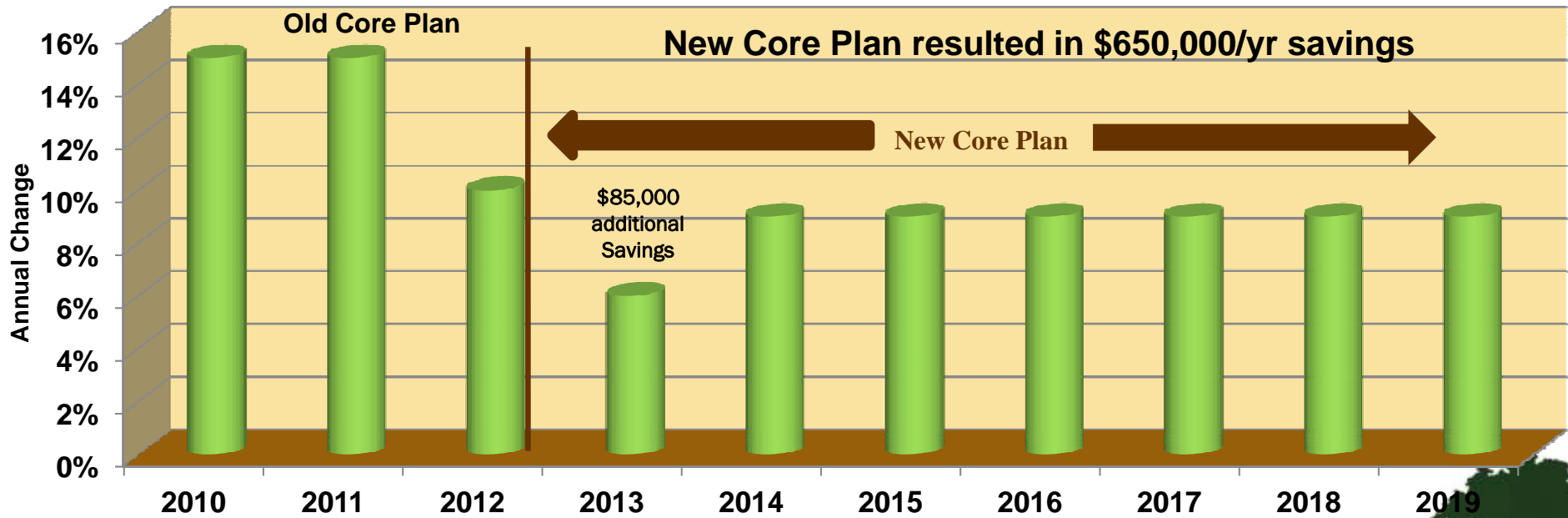
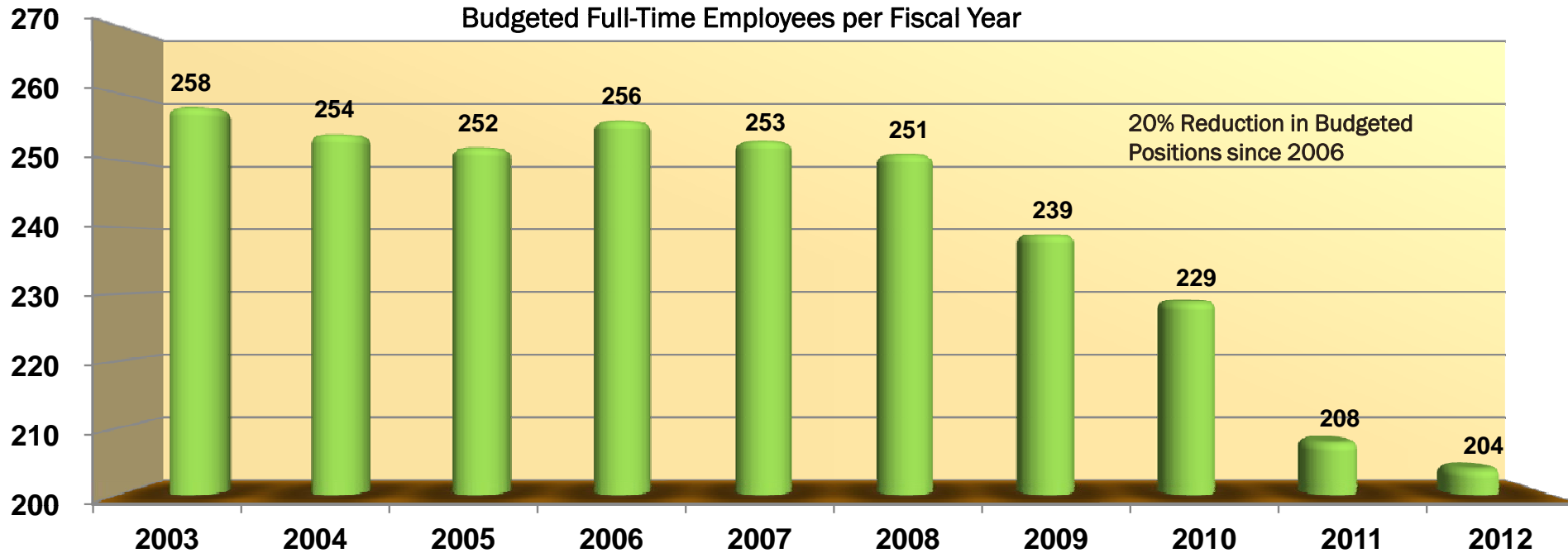
General Fund Tax Revenue



WHAT WE LEARNED FROM THE FORECAST



WHAT WE LEARNED FROM THE FORECAST



OVERALL CONCLUSION FROM THE FORECAST

Revenues

- Bottom of declining taxable values
- Increased state shared revenue
- Increased building activity with building permits up

Expenditures

- New core health care plan
 - Providing savings over prior core plan
 - history of lower annual premium increases
- Matching expenses to revenue has positioned us to meet the future



BUDGET OVERVIEW

FISCAL YEARS 2013, 2014 AND 2015



BUDGET OVERVIEW

- Multi-year approach to budgeting
- Budgets are based on our Best Estimates
- Budgets based on delivering quality services
 - Match expenditure budget against our revenues sources
 - Revenues drive services
 - Conservatively estimate revenues
 - Ensure services proposed in budget
- Adjustments made in FY2011 continue to help us

BUDGET OVERVIEW - CITYWIDE

- Revenues of \$105,628,470 / increase of 1.0%
- \$4 million proposed from fund balance
 - Due to primarily to capital projects and debt funds
- Expenditures of \$109,685,430 / increase of 1.6%
 - \$8.8 million in capital projects
- No Headlee roll back of the City's millage rate
- Not levying the 1% administrative fee
 - Leaves over \$1.1 million in the pockets of our residents and business



GRAND TOTAL CITY
\$ 109,685,430

GENERAL FUND
\$ 24,186,650

Mayor's Departments
\$ 2,986,180

Building / Ordinance
\$ 2,617,090

Planning
\$ 746,130

Clerks
\$ 1,750,640

Human Resources
\$ 594,400

Parks / Forestry
\$ 3,186,320

Assessing / Treasury
\$ 1,661,290

Other Services
\$ 557,980

Transfer-Out
\$ 10,086,620

SPECIAL REVENUE
\$ 33,074,350

DEBT SERVICE
\$ 3,704,210

Major Road
\$ 6,147,680

Fire Department
\$ 7,323,310

Perpetual Care
\$ -

Streets - 2001 Series
\$ 269,070

Drain Debt
\$ 1,253,390

OPC Debt - 2010
\$ 747,370

Local Street
\$ 7,633,090

Special Police
\$ 9,284,540

RARA Millage
\$ 569,680

Streets - 2001 SAD
\$ 245,030

City Hall Debt - 2010
\$ 740,330

Pathway Maintenance
\$ 543,790

Tree Fund
\$ 54,000

Streets - 2011 Series
\$ 449,020

Water Resources
\$ 522,100

OPC Millage
\$ 962,330

Open Space
\$ 33,830

CAPITAL FUNDS
\$ 707,480

ENTERPRISE
\$ 36,545,470

Fire Capital
\$ 50,000

Pathway Construction
\$ 531,260

Capital Improvement
\$ 126,220

W&S Operating
\$ 31,341,910

W&S Capital
\$ 4,563,140

W&S Debt
\$ 640,420

INTERNAL SERVICE
\$ 10,856,160

COMPONENT UNITS
\$ 491,420

Facilities
\$ 5,038,940

MIS
\$ 1,749,850

Fleet
\$ 3,701,370

Brownfield
\$ -

LDFA
\$ 490,750

SmartZone
\$ -

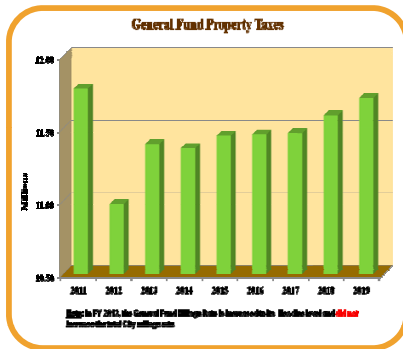
Insurance
\$ 366,000

EDC
\$ 670

TRUST FUND
\$ 119,690

Retiree Health Care
\$ 119,690

BUDGET OVERVIEW



Revenue Growth

- State shared revenue
- Charge of services
- Building permits

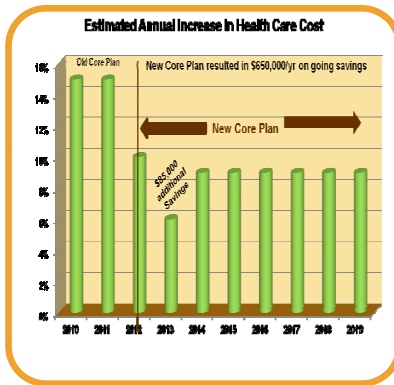


General Fund is able to provide \$3 million (\$1 million more than FY2012) towards rehabilitation / reconstruction funding for Local Streets

Major Road Fund will begin to phase out of its transfer to the Local Street Fund for maintenance activities

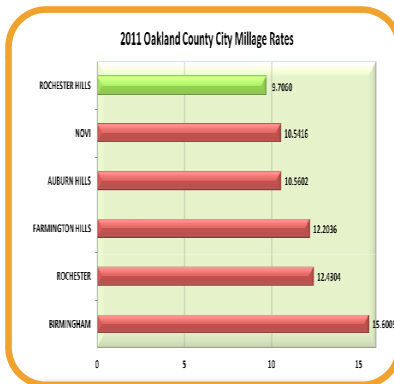


BUDGET OVERVIEW



New core health care plan is providing savings for FY2013

Annual premium lower than projected providing additional savings



The City's proposed tax rate for FY2013 is 9.7060 the same rate as FY2012

Lowest of all cities in Oakland County

