

**City Council
Special Budget Meeting**

August 18, 2014

FY2015 - 17 Budget Presentations



The Budget Process



WHAT WE LEARNED FROM THE FORECAST

- 32% of **General Fund** revenue or 120% of **General Fund** tax revenue is transferred to other funds.
- **Local Street Fund** needs additional funding sources if it is wants to continue performing major subdivision road capital activity. General Fund is able to give some limited support in this area.
- **Fire Fund** is using all of its charter approved millage for operations and can no longer contribute to the Fire Apparatus (Capital) Fund or support any new operating cost.
- **Water Resource Fund** needs a future funding source to pay for the maintenance performed by Oakland County Water Resources if it is to survive beyond FY2018.



BUDGET OVERVIEW

FISCAL YEARS 2015, 2016, AND 2017



Budget Overview

- Continuing our innovative approach to budgeting by presenting a three year budget
- Budgets are based on our best estimates and projections for the future
- Budgets based on delivering quality services
- Revenues drive services
 - Conservatively estimate revenues to ensure services proposed in budget can be delivered



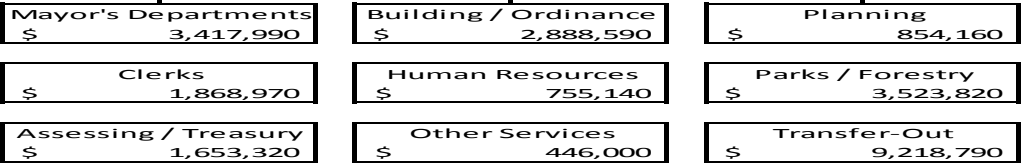
NEW ITEMS OR MAJOR CHANGES THAT APPEAR IN THE FY 2015 BUDGET

- The General Fund subsidy for Police Services is replaced with a Dedicated Police Millage
- Initial Funding of the Green Space Perpetual Care Trust
- Creation of a Museum Division within General Fund to better track Museum-related activity (formerly part of the Parks Department)
- Limitation of one of the City's OPEB obligation and the full funding of the remaining OPEB obligation



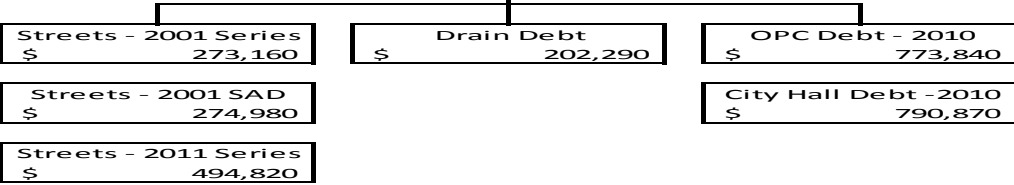
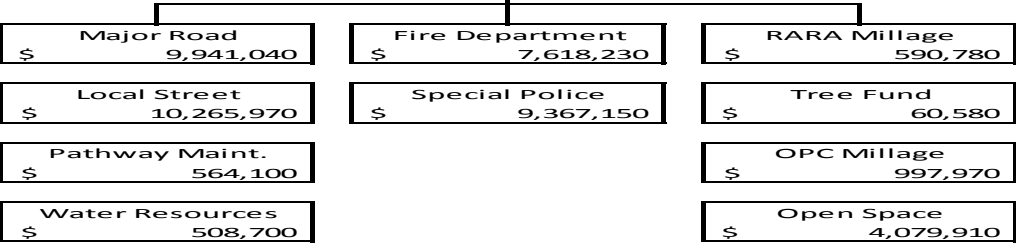
GRAND TOTAL CITY
\$ 143,085,530

GENERAL FUND
\$ 24,626,780



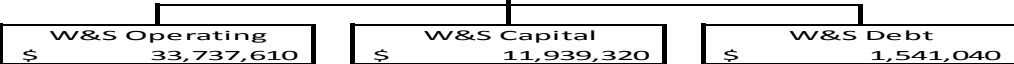
SPECIAL REVENUE
\$ 43,994,430

DEBT SERVICE
\$ 2,809,960



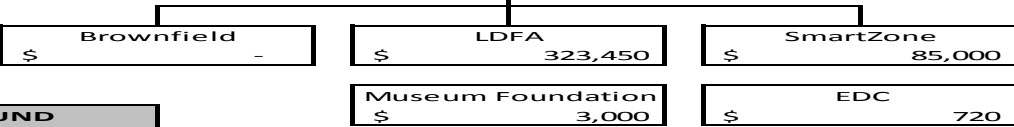
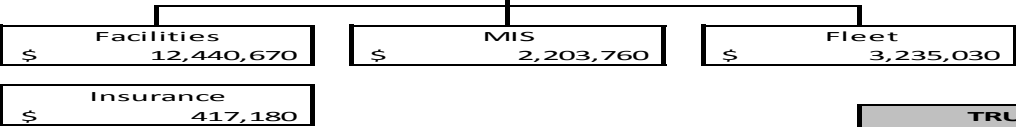
CAPITAL FUNDS
\$ 5,590,190

ENTERPRISE
\$ 47,217,970

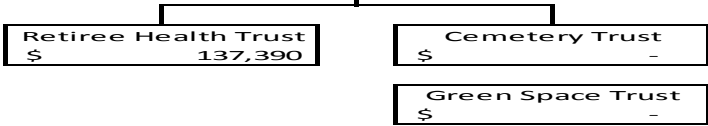


INTERNAL SERVICE
\$ 18,296,640

COMPONENT UNITS
\$ 412,170



TRUST FUND
\$ 137,390

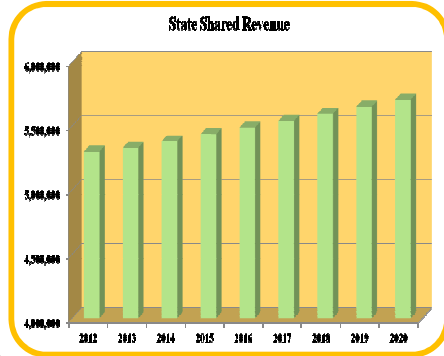


BUDGET OVERVIEW

- Citywide revenues of \$115,873,820, a 2.7% increase from the current 2014 Amended Budget, and proposes the use of \$27,211,710 from fund balance (to cover \$32.0 million in capital related projects)
- Citywide expenditures of \$143,085,530, an increase of 13% from the current 2014 Amended Budget. Most of the increase is attributable to capital projects totaling \$32 million
- FY 2015 Proposed Budget sets the City millage rate at 9.7060 the same rate as FY 2014. This rate again puts us at the lowest millage rate of cities with over 5,000 population in Oakland County, and
- We are not proposing to levy the 1% administrative fee (as 81% of the Cities in Oakland County do)
 - Leaves over \$1.1 million in the pockets of our residents and businesses



BUDGET OVERVIEW



Improving revenue growth

- Property tax revenues
- State shared revenue
- Charge of services
- Building permits



General Fund is able to provide almost \$6 million in support for Local Streets and \$5.4 million of that support is for reconstruction activities

FY 2015 is the last year of Major Road’s contribution to the Local Street Fund to help support their maintenance activities



BUDGET OVERVIEW



Initial funding of the newly created Green Space Perpetual Care Trust

Annual earnings from the trust will help pay for stewardship activities on Green Space and Natural Feature properties owned by the City



The renovation of City Fire Stations #1,2,3,and 5 and the reconstruction of Fire Station #4.

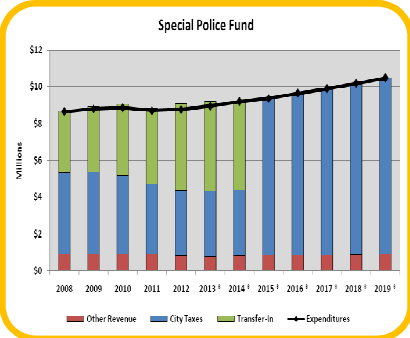


BUDGET OVERVIEW



Retiree implicit rate subsidy health care program ends and no new contributions are required

Retiree supplemental health care benefit obligation is fully funded and no new contributions are required in FY 2015



General Fund's subsidy for police services ends as new police service millage starts

City's total millage rate remains the same as General Fund's millage rate is lowered to offset the new Police Service millage applied



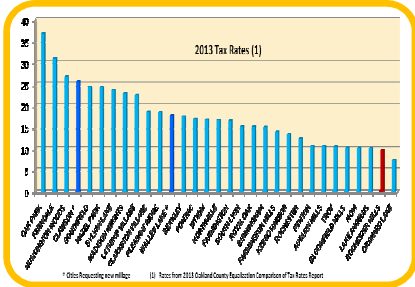
BUDGET OVERVIEW



Museum Division is separated out of the Parks Department budget to form their own cost center in order to provide better tracking of Museum related activities

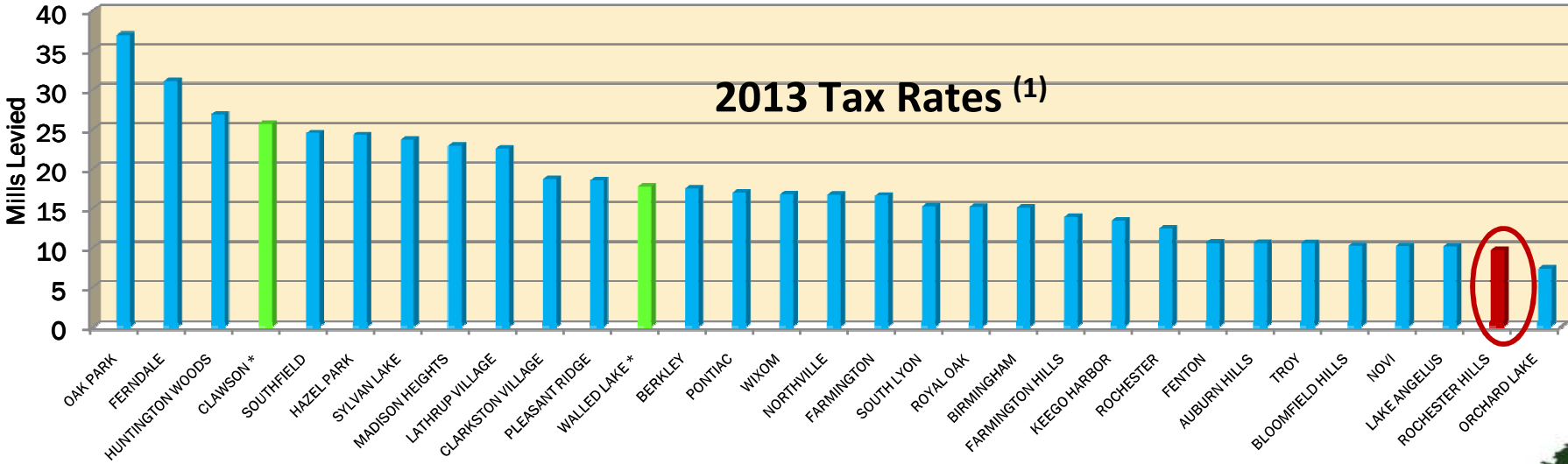


BUDGET OVERVIEW



The City's proposed tax rate for FY 2015 is 9.7060 the same rate as FY2014.

Lowest of cities with populations over 5,000 in Oakland County.



* Cities Requesting new millage

(1) - Rates from 2013 Oakland County Equalization Comparison of Tax Rates Report

