

# Budget Presentations

August 15, 2011

City Council FY2012-14 Special  
Budget Meeting



# Budget Process Started with the Seven Year Forecast

Seven Year Financial Forecast Fiscal Years  
2012-2018

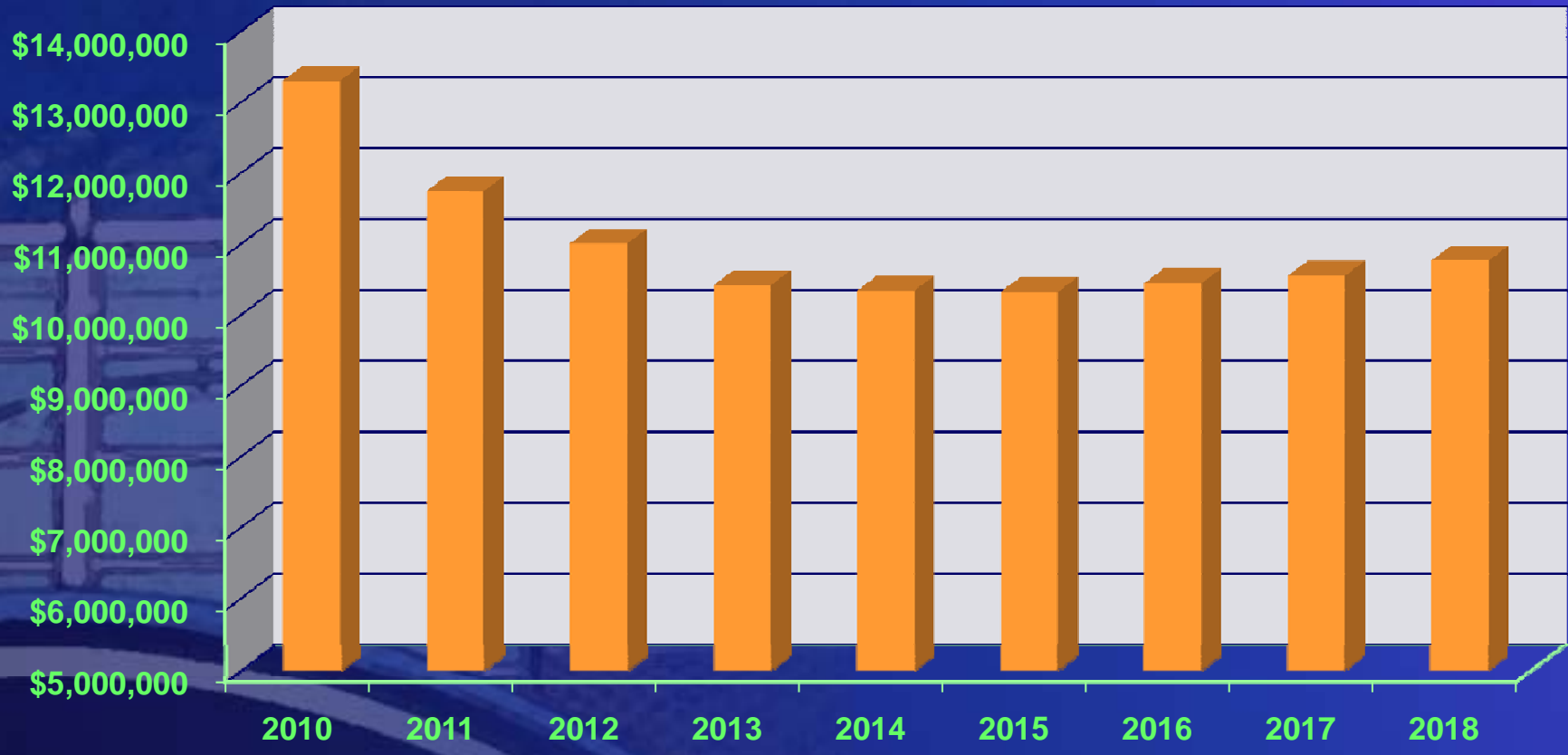


# What we learned from the Forecast

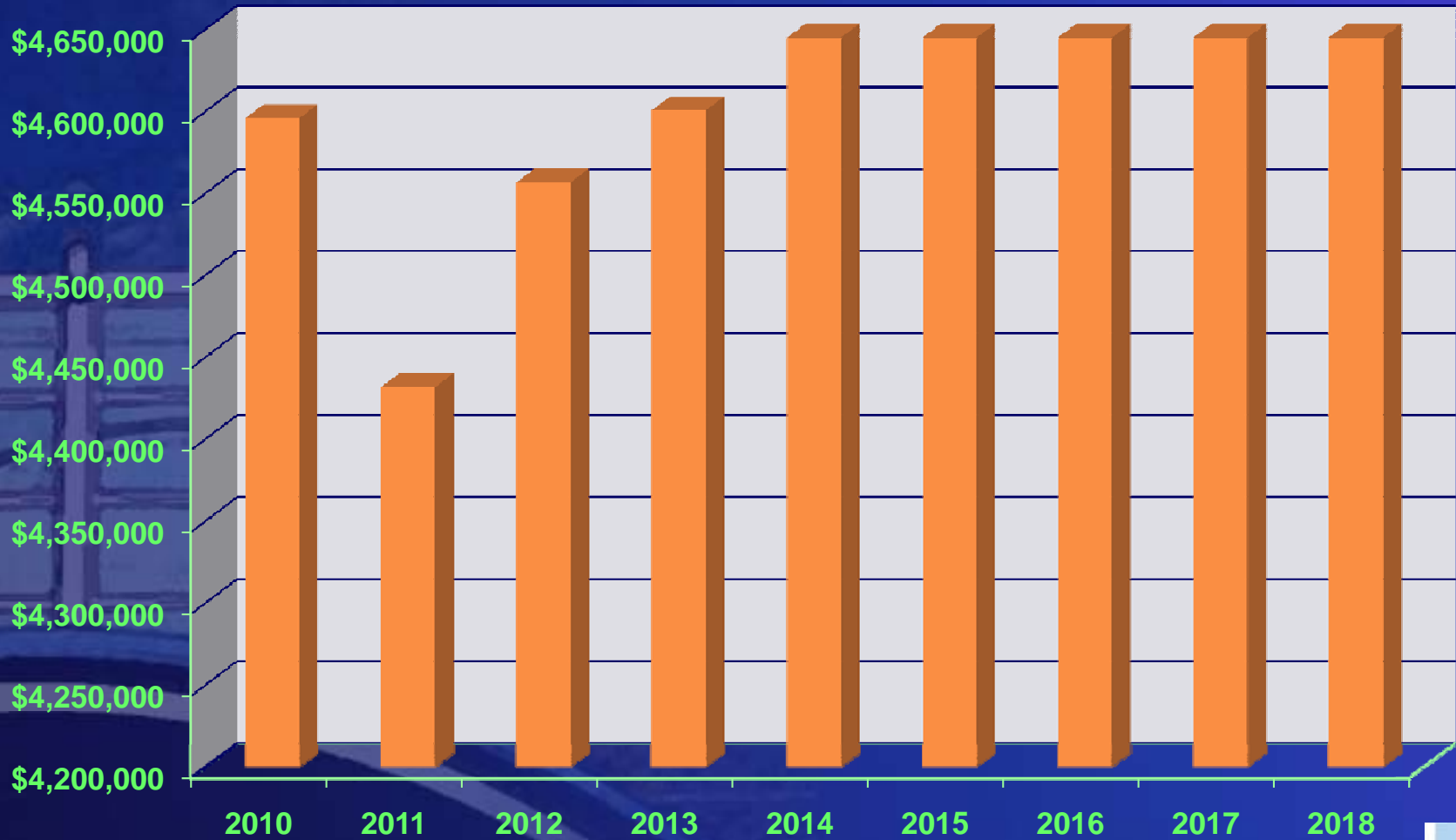
- 1/3 of **General Fund** is transferred to other funds. Those transfers are putting pressure on General Fund and the services it delivers.
- **Local Streets** needs additional funding sources if it is wants to perform any subdivision road reconstruction activity
- **Fire Fund's** expenditures will out pace their dedicated property tax revenues starting in FY 2014.
- **Police Millage I & II** expire in Tax Year 2013 and current Police Millage(s) only provide approximately 40% of the cost of police services. The remainder is mostly paid for by General Fund
- **Water Resource Fund** needs a funding source to pay for the maintenance costs
- There could be an **opportunity to repurpose expiring Millages** without affecting the overall City Millage Rate



## Property Taxes



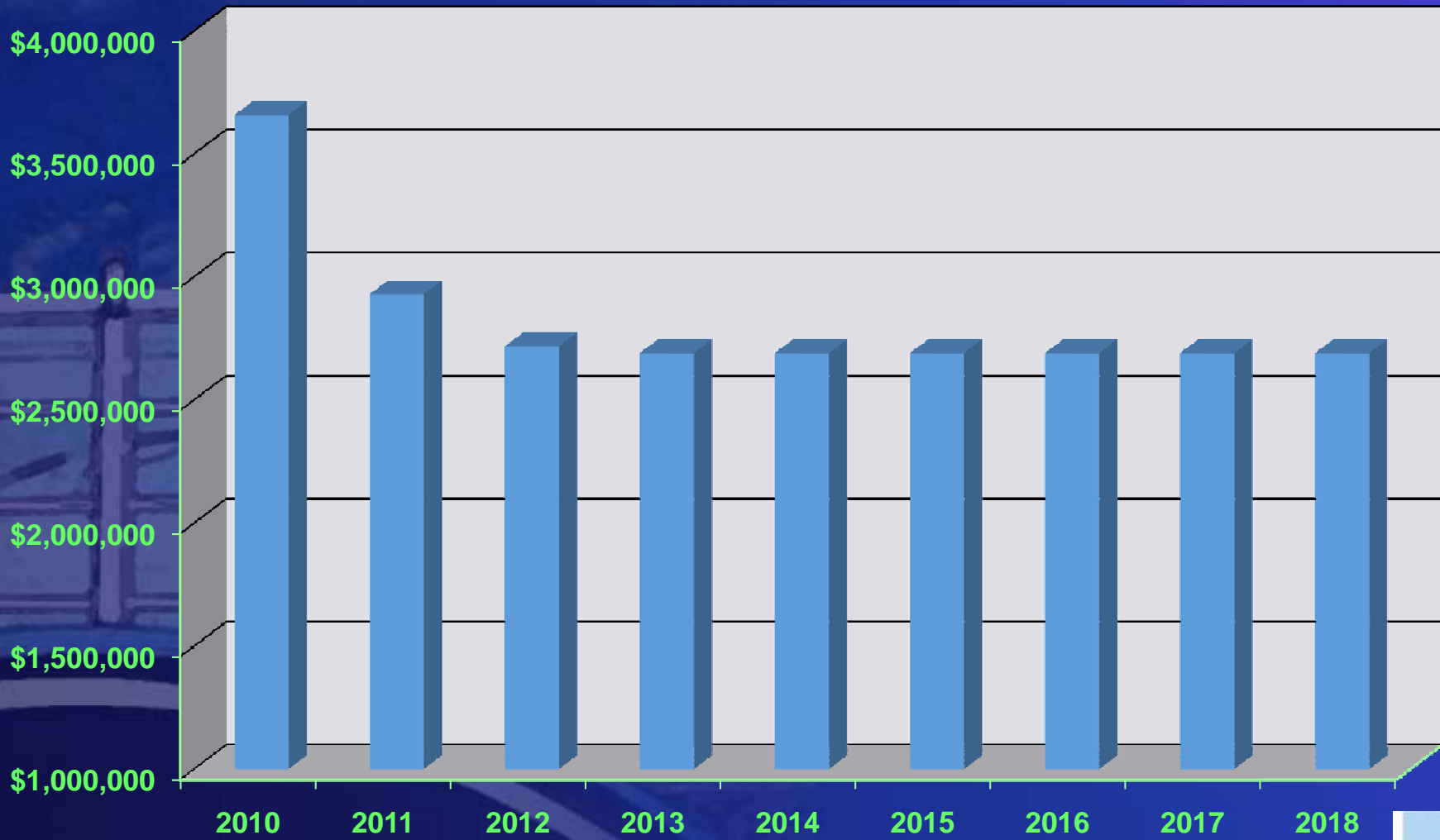
## State Shared Revenue



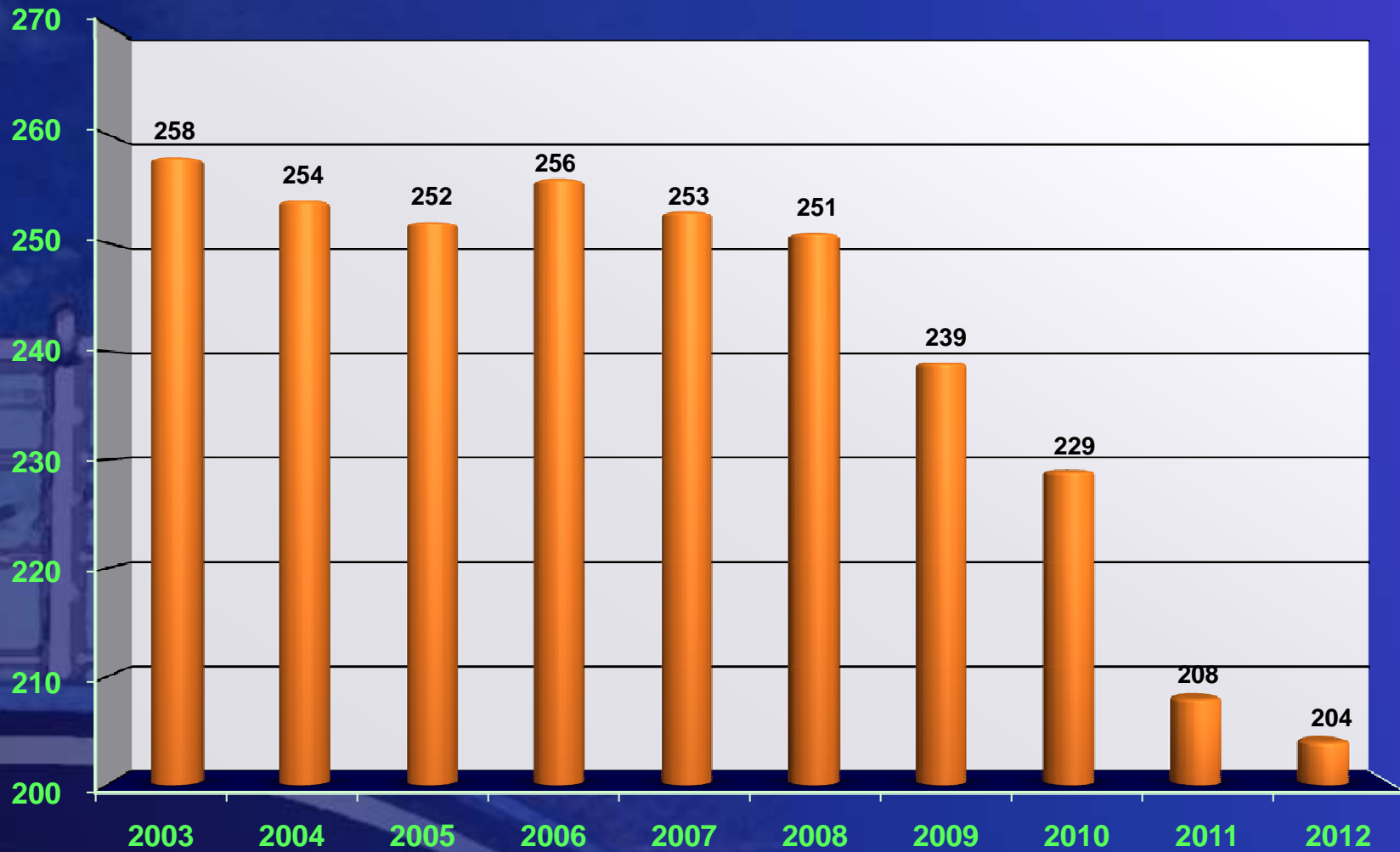
FY 2012 to 2018 includes adjustment due to 2010 Census



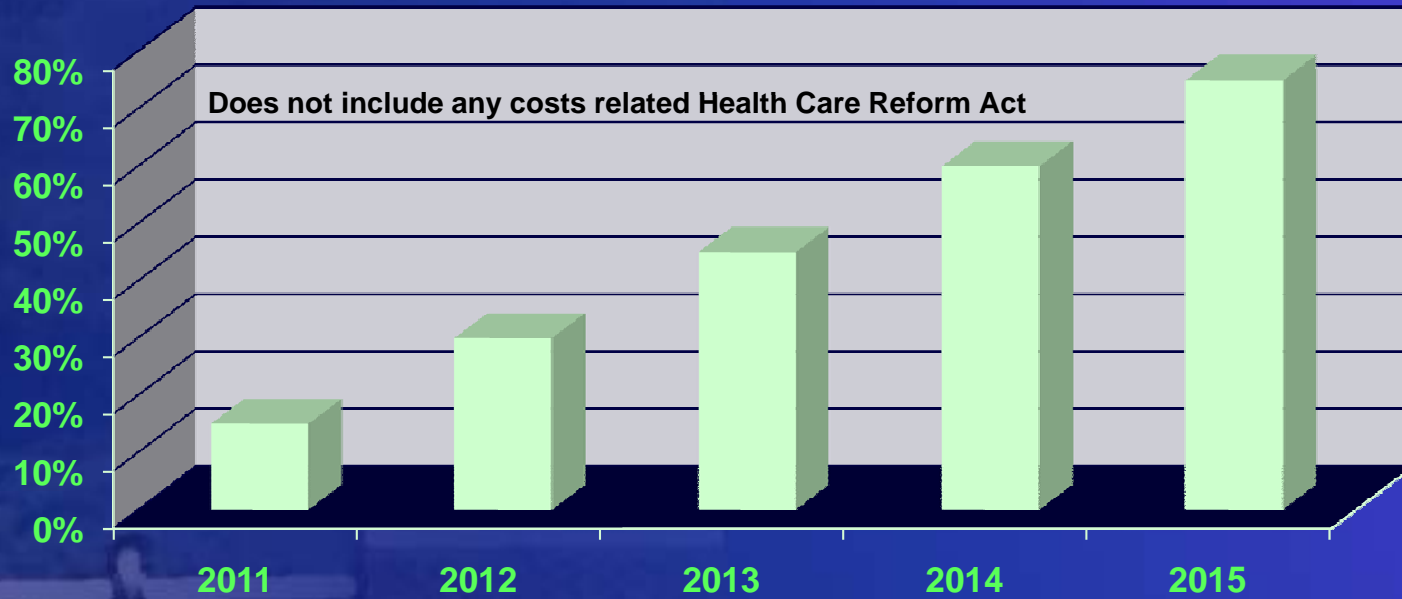
## Gas & Weight Tax



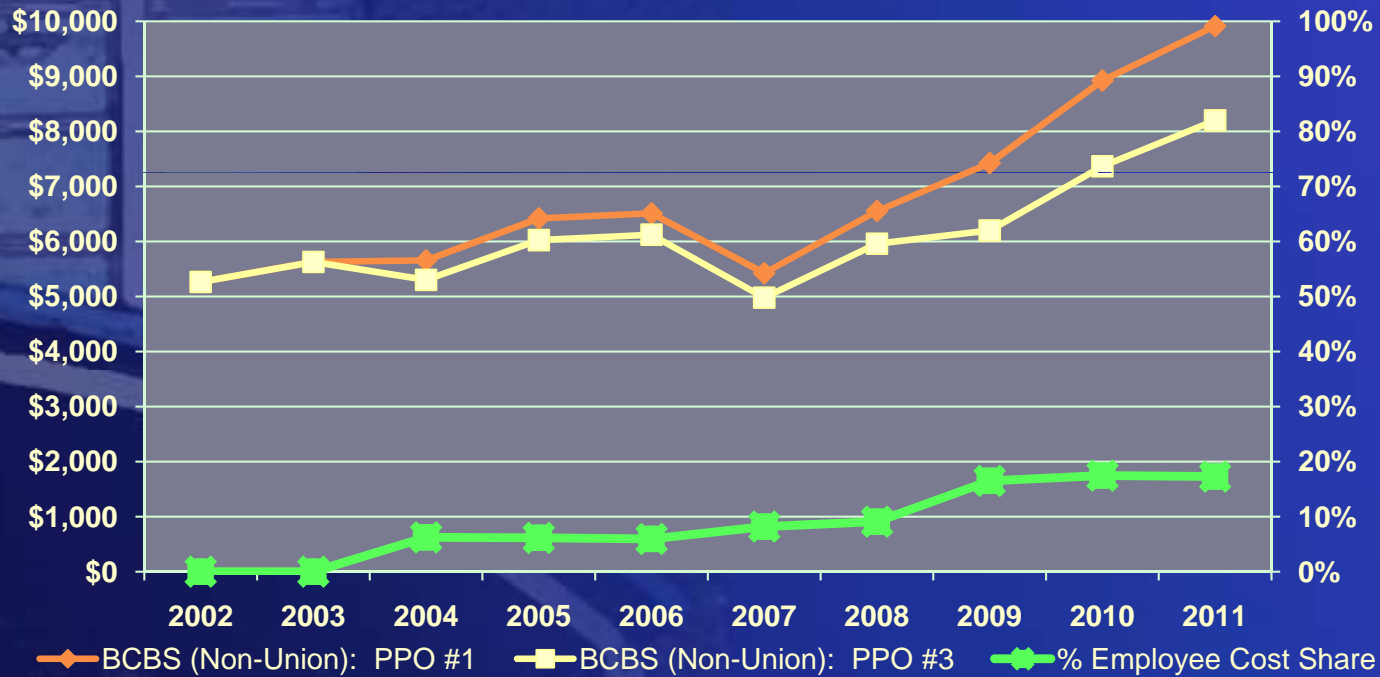
### Budgeted Full-Time Employees per Fiscal Year



### Accumulated Health Care Cost Increases



### Single: BCBS PPO #1 vs. PPO #3 Costs





# Public Opinion Survey

- **96% of our residents are satisfied with their decision to live here in Rochester Hills, our highest rating ever**
- **Generally satisfied with Public Safety provided by the City**
- **Want more effort to relieve traffic congestion and more activity on street maintenance and reconstruction**
- **9 out of 10 residents impressed by the professionalism and conduct of city staff**



# Budget Overview

## Fiscal Years 2012, 2013, and 2014



**GRAND TOTAL CITY**  
\$ 104,464,470

**GENERAL FUND**  
\$ 22,839,890

Mayor's Departments  
\$ 2,898,530

Building / Ordinance  
\$ 2,590,770

Planning  
\$ 756,840

Clerks  
\$ 1,773,360

Human Resources  
\$ 588,370

Parks / Forestry  
\$ 3,135,050

Assessing / Treasury  
\$ 1,700,280

Other Services  
\$ 613,250

Transfer-Out  
\$ 8,783,440

**SPECIAL REVENUE**  
\$ 30,046,500

**DEBT SERVICE**  
\$ 3,779,930

Major Road  
\$ 4,629,580

Fire Department  
\$ 6,987,250

Perpetual Care  
\$ -

Streets - 2001 Series  
\$ 252,570

Drain Debt  
\$ 1,314,370

OPC Debt - 2010  
\$ 739,740

Local Street  
\$ 6,617,830

Special Police  
\$ 8,963,770

RARA Millage  
\$ 574,020

Streets - 2002 Series  
\$ 458,490

Municipal Debt II  
\$ 761,130

Pathway Maintenance  
\$ 551,320

Tree Fund  
\$ 52,410

Streets - 2001 SAD  
\$ 253,630

Drain Maintenance  
\$ 626,400

OPC Millage  
\$ 969,640

Open Space  
\$ 74,280

**CAPITAL FUNDS**  
\$ 347,410

**ENTERPRISE**  
\$ 35,942,670

Fire Capital  
\$ 50,000

Pathway Construction  
\$ 150,720

Capital Improvement  
\$ 146,690

W&S Operating  
\$ 29,986,890

W&S Capital  
\$ 5,130,570

W&S Debt  
\$ 825,210

**INTERNAL SERVICE**  
\$ 11,014,020

**COMPONENT UNITS**  
\$ 371,230

Facilities  
\$ 4,813,530

MIS  
\$ 1,812,490

Fleet  
\$ 3,922,000

Brownfield  
\$ -

LDFA  
\$ 289,820

SmartZone  
\$ 80,740

Insurance  
\$ 466,000

**TRUST FUND**  
\$ 122,820

EDC  
\$ 670

Retiree Health Care  
\$ 122,820

# Budget Overview

- Continued our three year approach to budgeting
- Budgets are based on our Best Estimates and Projections for the future
- Expenditure budget was structured to fit the revenue sources
- The big adjustments made in FY 2011 are helping us meet service needs in the FY 2012 budget, especially in the area of personnel
- ***We are living within our means.*** Revenues drive services. We have taken a conservative approach to estimating our revenues to ensure that the services we are proposing are within our revenue resources

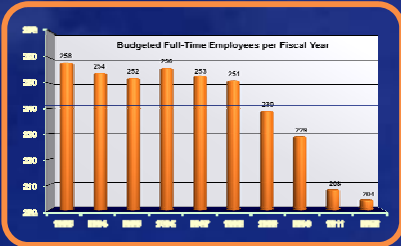


# Budget Overview

- We have estimated that citywide revenues, for FY 2012, will go down by 0.4% and we have reduced our expenditures by 2.5%
- The FY 2012 Budget sets the City millage rate at **9.7060**, making us **THE LOWEST** millage rate of Cities in Oakland County with populations over 5,000 and the thirteenth year that our rate has not increased without a vote of the people.
- We are **not** proposing levying the 1.0% administrative fee for the City's assessing and tax collection services. **Leaving approximately \$1.1 million in the pockets of our residents and business.**



# Key Points in the Budget Plan



Reduced Full Time staff by an additional 4 positions, A 2% reduction from FY 2011 (20.3% reduction since 2006).



Contracted Sheriff Deputies are proposed to be reduced by 1 in 2012 and 1 in 2013 in an attempt to keep the General Fund's increasing subsidy to the Special Police Fund manageable. Since 2006, the number of contracted officers is down by 5%



We are proposing funding for the Local Street maintenance budget with four funding sources allowed General Fund to make a limited contribution for reconstruction efforts on Local Streets.



We are proposing a General Fund 0.1000 mill transfer to Water Resources Fund to provide for approximately 50% of its maintenance needs as that fund looks for a longer term funding/cost reduction solution.

# Key Points in the Budget Plan



The FY 2012 budget does reflect increases in several key revenue areas such as State Shared Revenue, Building related permit fees, Park entrance fees and ambulance transportation fees.



The City's energy related costs are down by 14% in FY 2012 reflecting the City's efforts from the 25% in 2 year program and EECBG related energy improvements.



The City's property, casualty and liability insurance costs are down providing savings in all budgets.



No General Fund fund balance is being proposed to be used to pay for operational costs.