

# Budget Presentations

August 16, 2010

City Council 2011-13 Special  
Budget Meeting

# Budget Process Started with the Five Year Forecast



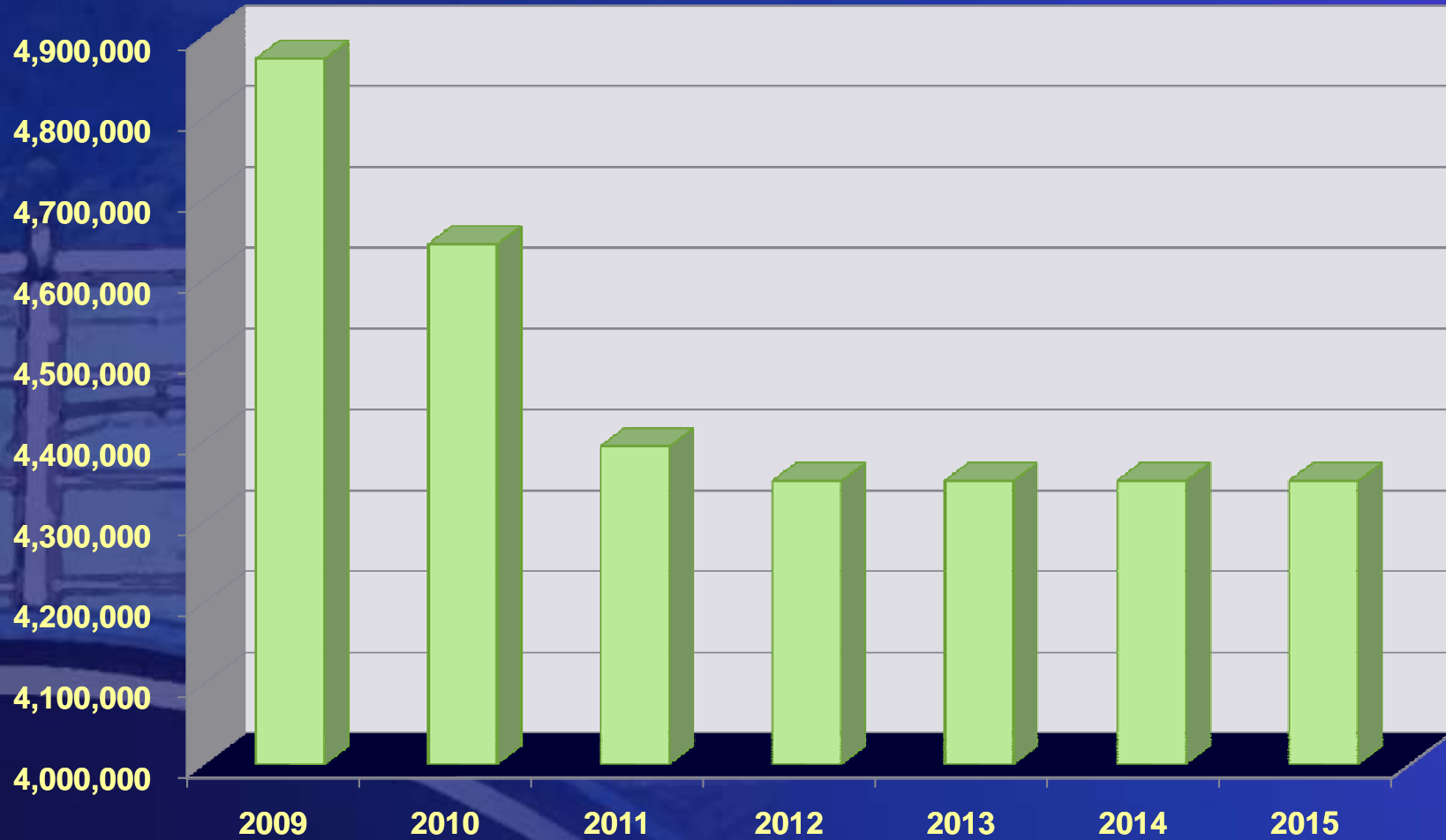
# What the Forecast Told Us

## Accumulated Loss of Taxable Value

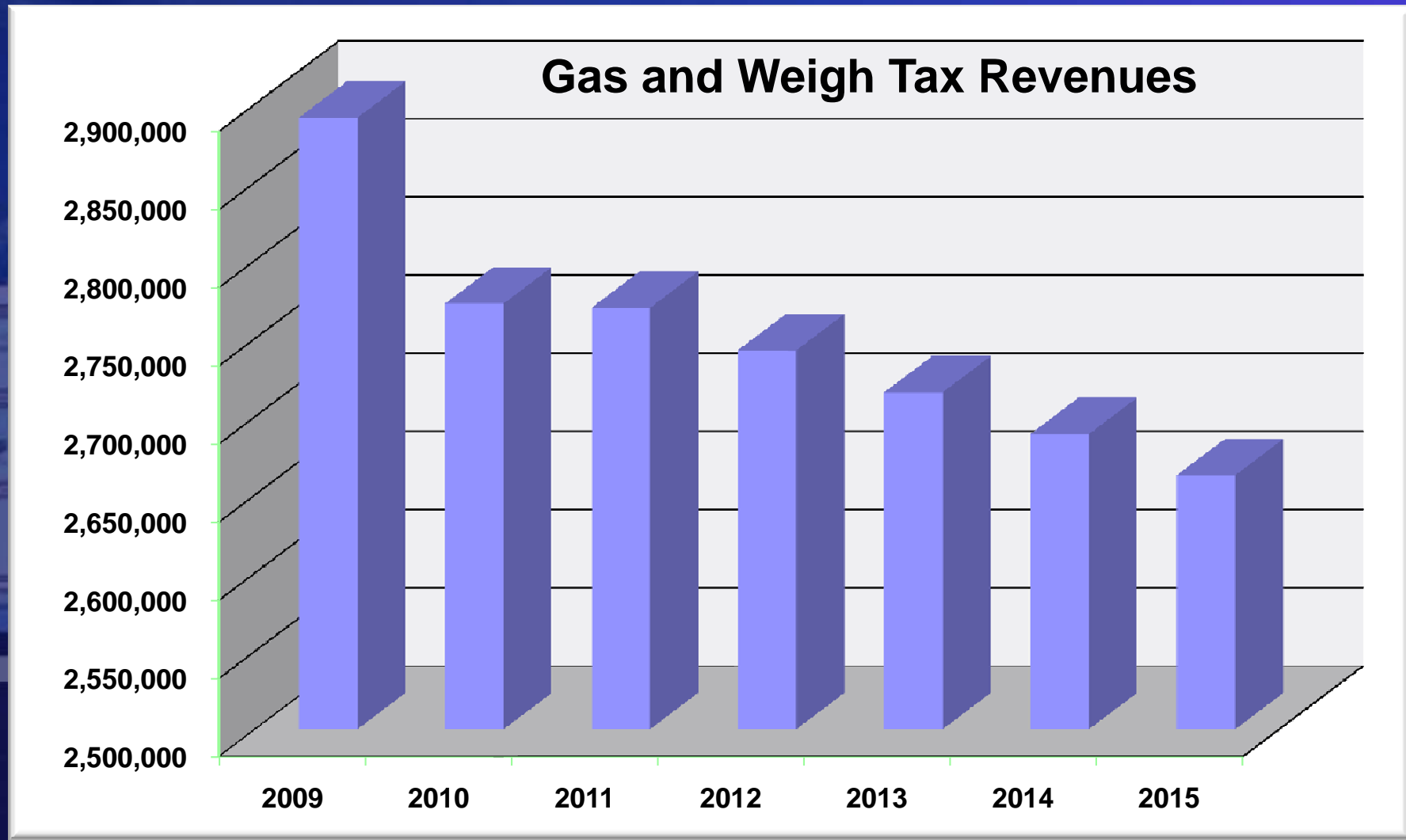


# What the Forecast Told Us

## State Revenue Sharing

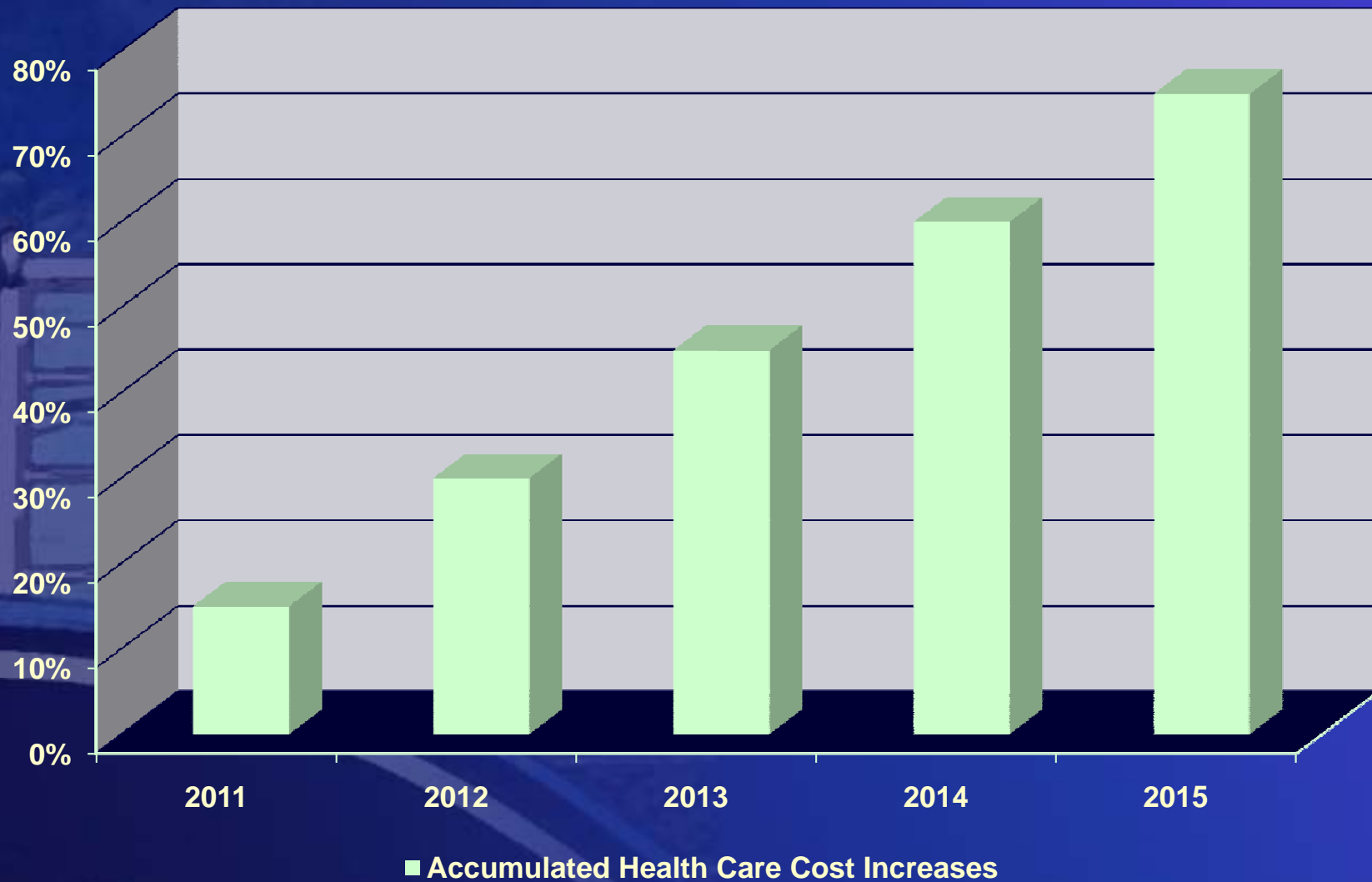


# What the Forecast Told Us



# What the Forecast Told Us

## Accumulated Health Care Cost Increases



# What did the Forecast Tell Us

## Revenues

Continuing to go down

Only about midway through the revenue down turn cycle

## Expenditure

Health Care costs are estimated to increase

Little ability to control that increase

# Budget Overview

## Fiscal Years 2011, 2012 and 2013

**GRAND TOTAL CITY**  
\$ 101,330,190

**GENERAL FUND**  
\$ 20,789,800

|                                      |                                      |                                  |
|--------------------------------------|--------------------------------------|----------------------------------|
| Mayor's Departments<br>\$ 2,939,340  | Building / Ordinance<br>\$ 2,495,300 | Planning<br>\$ 753,790           |
| Clerks<br>\$ 1,808,770               | Human Resources<br>\$ 584,960        | Parks / Forestry<br>\$ 3,038,200 |
| Assessing / Treasury<br>\$ 1,760,980 | Other Services<br>\$ 620,480         | Transfer-Out<br>\$ 6,787,980     |

**SPECIAL REVENUE**  
\$ 29,919,070

|                                   |                                 |                             |
|-----------------------------------|---------------------------------|-----------------------------|
| Major Road<br>\$ 6,532,160        | Fire Department<br>\$ 6,989,890 | Perpetual Care<br>\$ -      |
| Local Street<br>\$ 4,358,790      | Special Police<br>\$ 8,772,090  | RARA Millage<br>\$ 612,330  |
| Pathway Maintenance<br>\$ 587,560 |                                 | Tree Fund<br>\$ 74,000      |
| Water Resources<br>\$ 886,180     |                                 | OPC Millage<br>\$ 1,034,340 |
|                                   |                                 | Green Space<br>\$ 71,730    |

**DEBT SERVICE**  
\$ 4,422,520

|                                     |                                  |                                 |
|-------------------------------------|----------------------------------|---------------------------------|
| Streets - 2001 Series<br>\$ 260,770 | Streets - 2001 SAD<br>\$ 235,800 | Drain Debt<br>\$ 2,007,150      |
| Streets - 2002 Series<br>\$ 472,490 |                                  | Municipal Debt I<br>\$ 408,880  |
|                                     |                                  | OPC Debt - 2010<br>\$ 714,850   |
|                                     |                                  | Municipal Debt II<br>\$ 322,580 |

**CAPITAL FUNDS**  
\$ 960,000

|                            |                                    |                             |
|----------------------------|------------------------------------|-----------------------------|
| Fire Capital<br>\$ 470,000 | Pathway Construction<br>\$ 490,000 | Capital Improvement<br>\$ - |
|----------------------------|------------------------------------|-----------------------------|

**ENTERPRISE**  
\$ 34,229,500

|                                |                             |                        |
|--------------------------------|-----------------------------|------------------------|
| W&S Operating<br>\$ 29,400,500 | W&S Capital<br>\$ 4,586,860 | W&S Debt<br>\$ 242,140 |
|--------------------------------|-----------------------------|------------------------|

**INTERNAL SERVICE**  
\$ 10,377,230

|                            |                     |                       |
|----------------------------|---------------------|-----------------------|
| Facilities<br>\$ 4,526,380 | MIS<br>\$ 1,816,380 | Fleet<br>\$ 3,418,470 |
| Insurance<br>\$ 616,000    |                     |                       |

**COMPONENT UNITS**  
\$ 516,120

|                    |                    |                         |
|--------------------|--------------------|-------------------------|
| Brownfield<br>\$ - | LDFA<br>\$ 316,340 | SmartZone<br>\$ 199,110 |
|                    | EDC<br>\$ 670      |                         |

**TRUST FUND**  
\$ 115,950

|                                   |
|-----------------------------------|
| Retiree Health Care<br>\$ 115,950 |
|-----------------------------------|

# Budget Overview

- We have expanded our multi-year budget to three years with the submittal of the FY 2011 budget and have included 2012 and 2013 projected budgets
- Budgets are based on our Best Estimates and Projections for the future
- We were faced with the challenge of delivering quality services with reduced revenue sources
- We made adjustments in the budget to not only get us through FY 2011 but also addressed revenue short falls and increasing health care costs in FY 2012 and FY 2013
- 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 i.e. *we are living within our means*

# Budget Overview

- We have estimated that citywide revenues, for FY 2011, will go down by 8.9% and we have reduced our expenditures by 11.8%
- For FY 2011 the Proposed Budget sets the City millage rate at 9.7060, making us one of the lowest millage rates of Cities in Oakland County with populations over 5,000

# Major Adjustments Made in the 2011-2013 Budget



Reduced Full Time staff by an additional 21 positions a 9.2% reduction from FY 2010 (18.8% reduction since 2006)



Contracted Sheriff Deputies were reduced by 3 in 2011, 1 in 2012 and 1 in 2013 in an attempt to keep General Fund's subsidy to manageable increases to the Special Police Fund



The Local Road Fund was shifted into a repair and maintenance (R & M) mode with no major reconstruction planned in FY2011, 2012 or 2013



The Capital Improvement Fund (CIF) Transfer to the Local Road Fund was put on hold based on the concept that limited CIF funds should be used for capital projects not routine maintenance

# Major Adjustments Made in the 2011-2013 Budget



The FY2011, 2012 and 2013 budget now reflect the full effect of the shift from City provided Fire Dispatch to County Contracted Dispatch services.



All capital related projects were closely examined for a City commitment or where the City could leverage its own funds with Federal, State or County funds.