



A HERITAGE OF GOOD LIVING

# CITY COUNCIL

CITY OF LATHRUP VILLAGE

27400 Southfield Road, Lathrup Village, Michigan 48076

## BUDGET STUDY SESSION AGENDA

**MONDAY, MAY 13, 2018**

Conference Room – Second Floor

**5:30 p.m. The Meeting Place**

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### AGENDA ITEMS

- A. **Call to Order** by Mayor Garrett
- B. **Discussion Items**
  - A. Discussion – City Administrator – 1 Year Evaluation
  - B. Discussion - 2019/2020 City Administrator Goals
  - C. Discussion – Fiscal Year 2019/2020 Budget
- C. **Mayor and Council Comments**
- D. **Public Comments**
- E. **Adjourn**

**MEMO**

**FR:** Sheryl L. Mitchell, City Administrator  
**TO:** Mayor and Council Members  
**DA:** May 13, 2019  
**RE:** **FISCAL YEAR 2019/2020 BUDGET - STUDY SESSION**

**FY 2019-2020 PROJECTED**

The complete proposed SUMMARY OF REVENUES and EXPENDITURES is summarized as follows:

<b>FUND</b>	<b>FY 2019/1920 REVENUES</b>	<b>FY 2019/2020 EXPENDITURES</b>	<b>FUND BALANCE IMPACT</b>
General Operating Fund	\$4,373,361	\$4,373,133	\$ 227
Major Streets	\$ 386,386	\$ 228,935	\$ 157,451
Local Streets	\$ 403,433	\$ 521,941	(\$118,509)
Water	\$ 857,359	\$ 1,189,611	(\$332,252)
Sewer	\$1,550,470	\$ 1,550,598	(\$ 128)
Debt Service		\$ 124,002	
Capital Acquisitions	\$ 113,350	\$ 112,950	Transfer from GF
<b>TOTAL ALL OPERATING FUNDS</b>	<b>\$7,684,359</b>	<b>\$ 8,101,170</b>	

**MILLAGE RATE**

- ) The FY19/20 millage rate is projected at 21.2947
- ) This is a decrease of 0.5059 mills from FY 18/19: 21.8006

**GENERAL FUND / GOVERNMENT OPERATIONS**

- ) Projecting a net increase in General Fund revenues and expenses of \$323,362

**WATER & SEWER**

- ) Water Main Capital Improvement Program is \$500,000. This year's project is on Santa Barbara, which is anticipated to begin this fall and span more than 1 fiscal year.
- ) Water rate increase of 1.5% and Sewer Rate increase of 0.783%. The combined rate would be \$122.31 [Water: \$39.97 and Sewer: \$82.34] (from \$121.08 in FY 18/19)
- ) Sewer Rate includes contracting with Oakland County Water Resources Commissioner for the operation and maintenance of the Sanitary Retention Tank.
- ) Rates reflect contracting with Oakland County Water Resource Commission for the operation of the Sanitary Retention Tank:

<b>Period</b>	<b>Start up (salary &amp; materials)</b>	<b>Operations &amp; Maintenance</b>	<b>Reserve Fund-Capital / Equip</b>	<b>TOTAL</b>
Year 1	\$25,000	\$50,000	\$25,000	<b>\$100,000</b>
Year 2	-	\$50,000	\$25,000	<b>\$ 75,000</b>

## **MAJOR & LOCAL STREETS**

- ) Street Projects are budgeted at \$318,737 for FY 19/20 Eleven Mile Resurfacing Project
- ) Act 51 increase of \$73,172 for Major Streets and \$24,391 for Local Streets
- ) Act 51 revenues projected at \$514,648 (Local: \$128,662 and Major: \$385,986)
- ) Last year, \$90,000 was budgeted in Local Roads for the purchase of a dump truck for DPS
- ) For FY 19/20 \$80,000 is budgeted to outfit the truck.

## **STAFFING**

- ) What has been recommended by Council to eliminate the Code Enforcement duties from the McKenna and hire a part-time Code Enforcement staff person.
- ) For new code enforcement position, part-time Salaries & Wages is increased \$27,664.
- ) Staffing – reflects instituting the MML Salary Study recommendations and adding a component for successful performance evaluations and step increases for administrative staff.
- ) Creation of 1 Full-time Officer Position in the Police Department. The start date was adjusted to Jan. 2020, the salary & fringe benefits have been updated to reflect this change.
- ) An error was corrected for the Police Fringe Benefit calculation, as the formula did not include the MERS retirement contribution.
- ) Contractual – Lathrup Services contract reflects a 4% increase (\$13,075) and the addition of a staff person (\$56,000)

## **CAPITAL IMPROVEMENTS**

- ) Capital Improvements \$112,950 (reduced from initial \$131,125):

<b>FY 2019-20</b>			
<b>ACCOUNT/FUND</b>	<b>EXPENDITURE</b>	<b>COST</b>	<b>Initial Amount</b>
Administration	Computer Server	7,500	
Administration	2 or 3 computers	5,000	
Administration	LVTV Portable Cameras	15,000	
Administration	Community Room - Kitchen Upgrade	7,500	
Administration	Generator - City Hall	10,000	\$15,000
Administration	City Hall - 2nd Floor Carpet	5,000	
Administration	BS&E - Software	5,000	
Public Safety	Tasers (multi-year purchase)	4,450	16,500
Public Safety	Power DMS (Training) Software	5,000	6,125
Public Safety	Speed Radar Unit	2,500	
Public Safety	2 Office Computers	2,500	
Public Safety	3 AED / Defibrillator Units	4,500	
Public Safety	Noptics - Infrared Heat Reading	4,000	
Recreation	Wood Chips - Park	15,000	
Recreation	SMART van - match	20,000	

**CITY OF LATHRUP VILLAGE  
SUMMARY OF REVENUES BY FUND AND SOURCE  
FY 2019-20**

<b>FUND/ACTIVITY</b>	<b>ACTUAL FY 17-18</b>	<b>BUDGETED FY18-19</b>	<b>ESTIMATED FY 18-19</b>	<b>ACTUAL 2/28/2019</b>	<b>PROJECTED FY 19-20</b>	<b>INCREASE (DECREASE)</b>
GENERAL FUND						
BEGINNING FUND BALANCE	1,397,794	1,467,326	1,467,326	1,467,326	1,721,919	254,593
TAXES:						
General Operating	2,363,065	2,438,092	2,438,092	2,327,062	2,693,123	255,031
Public Safety	-	-	-	-	-	-
Refuse Collection	354,614	365,705	365,705	350,404	403,957	38,252
Library	-	-	-	-	-	-
Streets	-	-	-	-	-	-
Administrative Fee	74,430	75,000	75,000	73,127	75,000	-
Tax Penalties	34,308	38,500	38,500	10,176	38,500	-
Total - Taxes	2,826,417	2,917,297	2,917,297	2,760,769	3,210,580	293,283
STATE SHARED REVENUE	384,909	389,269	389,269	273,493	416,425	27,156
FEDERAL AND STATE GRANTS	-	-	-	-	-	-
OTHER REVENUE	692,127	745,756	706,551	460,431	746,356	600
TRANSFER - OTHER FUNDS	-	-	-	-	-	-
<b>Total Resources Available</b>	<b>5,301,247</b>	<b>5,519,648</b>	<b>5,480,443</b>	<b>4,962,020</b>	<b>6,095,280</b>	575,632
REVENUES NEEDED	3,903,453	4,052,322	4,013,117	3,494,694	4,373,361	321,039
EXPENDITURES	3,833,918	4,049,771	3,758,524	2,652,096	4,373,133	323,362
OPERATING TRANSFERS OUT						-
FUND BALANCE NEEDED	69,535	2,551	254,593	842,598	227	(2,324)
ENDING FUND BALANCE	1,467,326	1,469,877	1,721,919		1,722,146	
MAJOR STREETS	295,607	313,214	313,214	204,097	386,386	73,172
LOCAL STREETS	314,191	317,047	317,047	296,577	403,433	86,386
WATER	773,237	860,233	860,233	494,983	857,359	(2,874)
SEWER	1,385,084	1,584,934	1,584,934	965,064	1,550,470	(34,464)
CAPITAL ACQUISITIONS	83,500	94,100	-	95,240	113,350	19,250
<b>Total - All Operating Funds</b>	<b>6,755,072</b>	<b>7,221,850</b>	<b>7,088,545</b>	<b>5,550,655</b>	<b>7,684,359</b>	<b>462,509</b>

**CITY OF LATHRUP VILLAGE  
SUMMARY OF EXPENDITURES BY FUND AND SOURCE  
FY 2019-20**

<b>DEPARTMENT</b>	<b>ACTUAL FY 17-18</b>	<b>BUDGETED FY18-19</b>	<b>ESTIMATED FY 18-19</b>	<b>ACTUAL 2/28/2019</b>	<b>PROJECTED FY 19-20</b>	<b>INCREASE (DECREASE)</b>
GOVERNMENT SERVICES	487,870	449,211	542,026	339,051	524,579	75,368
ADMINISTRATION	507,673	572,824	575,018	402,538	644,007	71,183
BUILDING AND GROUNDS	105,288	114,928	124,928	73,077	119,928	5,000
POLICE DEPARTMENT	1,945,955	2,056,636	2,003,896	1,275,636	2,156,045	99,409
DPS- LEAF & REFUSE COLLECTION	455,982	494,836	184,736	284,067	525,749	30,913
RECREATION	105,381	121,816	88,400	38,206	96,063	(25,753)
CONTINGENCIES & CAPITAL FUND	225,769	239,520	239,520	239,520	306,762	67,242
<b>Total - General Fund</b>	<b>3,833,918</b>	<b>4,049,771</b>	<b>3,758,524</b>	<b>2,652,096</b>	<b>4,373,133</b>	<b>323,362</b>
MAJOR STREETS FUND	373,288	214,917	212,430	142,847	228,935	14,018
LOCAL STREETS FUND	391,236	518,235	560,011	391,728	521,941	3,706
WATER FUND	908,233	1,124,341	1,126,052	585,196	1,189,611	65,270
SEWER FUND	1,091,465	1,462,637	1,384,312	739,295	1,550,598	87,961
DEBT SERVICE FUND	125,467	122,297	122,297	122,297	124,002	1,705
CAPITAL ACQUISITIONS	83,500	94,100	97,874	63,699	112,950	18,850
<b>Total Expenditures - All Funds</b>	<b>6,807,107</b>	<b>7,586,298</b>	<b>7,261,499</b>	<b>4,697,158</b>	<b>8,101,170</b>	<b>514,872</b>

### MILLAGE RATE BREAKDOWN AND RESULTING REVENUES - 19-20

MILLAGE TYPE	AUTHORIZED MAXIMUM	18-19 HEADLEE MAXIMUM	19-20 HEADLEE MAXIMUM	F.Y. 18-19	F.Y. 19-20	REVENUE PRODUCED	REVENUE NEEDED	DIFFERENCE
General Operating	19.0000	17.9571	17.5172	16.8264	16.1846	2,353,872	2,353,645	227
General Op Sewer				0.0000	0.0000	0	0	0
General Surplus				0.0000	0.0000	0	0	0
Streets				1.1307	1.3326	193,812	193,812	0
<b>Total</b>	<b>19.0000</b>	<b>17.9571</b>	<b>17.5172</b>	<b>17.9571</b>	<b>17.5172</b>	<b>2,547,684</b>	<b>2,547,458</b>	<b>226</b>
Refuse	3.0000	2.8435	2.7775	2.8435	2.7775	403,957	366,500	37,457
Library	1.0000	1.0000	1.0000	1.0000	1.0000	145,439	145,439	0
Debt Service	N/A	N/A	N/A	0.0000	0.0000	0	0	0
<b>TOTALS</b>	<b>23.0000</b>	<b>21.8006</b>	<b>21.2947</b>	<b>21.8006</b>	<b>21.2947</b>	<b>3,097,080</b>	<b>3,059,395</b>	<b>37,685</b>

18.5172

### MILLAGE RATE BREAKDOWN AND RESULTING REVENUES - 19-20

MILLAGE TYPE	AUTHORIZED MAXIMUM	18-19 HEADLEE MAXIMUM	19-20 HEADLEE MAXIMUM	F.Y. 18-19	F.Y. 19-20	REVENUE PRODUCED	REVENUE NEEDED	DIFFERENCE
General Operating	20.0000	18.9571	18.5172	18.9571	18.5172	2,693,123	2,692,897	226
Refuse	3.0000	2.8435	2.7775	2.8435	2.7775	403,957	366,500	37,457
Debt Service	N/A	N/A	N/A	0.0000	0.0000	0	0	0
<b>TOTALS</b>	<b>23.0000</b>	<b>21.8006</b>	<b>21.2947</b>	<b>21.8006</b>	<b>21.2947</b>	<b>3,097,080</b>	<b>3,059,396</b>	<b>37,683</b>

Taxable Value Calculation:

\$ 145,439