

**MEMO**

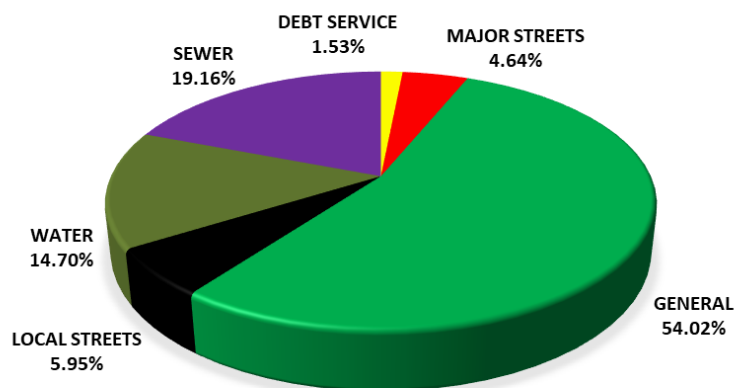
**FR:** Sheryl L. Mitchell, City Administrator  
**TO:** Mayor and Council Members  
**DA:** May 20, 2019  
**RE:** FISCAL YEAR 2019/2020 BUDGET – PUBLIC HEARING

**FY 2019-2020 PROPOSED**

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

FUND	FY 2019/1920 REVENUES	FY 2019/2020 EXPENDITURES	FUND BALANCE IMPACT	ENDING FUND BALANCE
General Operating Fund	\$4,373,361	\$4,373,133	\$ 227	\$ 1,722,146
Major Streets	\$ 386,386	\$ 375,573	\$ 10,813	\$ 268,983
Local Streets	\$ 510,070	\$ 481,941	\$ 28,129	\$ 69,186
Water	\$ 857,359	\$ 1,189,611	(\$ 332,252)	\$ 7,447,435
Sewer	\$1,550,470	\$ 1,550,598	(\$ 128)	
Debt Service		\$ 124,002		
Capital Acquisitions	\$ 113,350	\$ 112,950	\$ 400	\$ 25,678
<b>TOTAL ALL OPERATING FUNDS</b>	<b>\$7,790,996</b>	<b>\$ 8,101,170</b>		
DDA	\$ 158,237	\$ 200,686		\$1,329,994
<b>TOTAL ALL FUNDS</b>	<b>\$7,949,233</b>	<b>\$ 8,408,494</b>		

**EXPENDITURES - ALL FUNDS - FY 2019-2020**



**EXPENDITURES - ALL FUNDS  
FY 19-20**

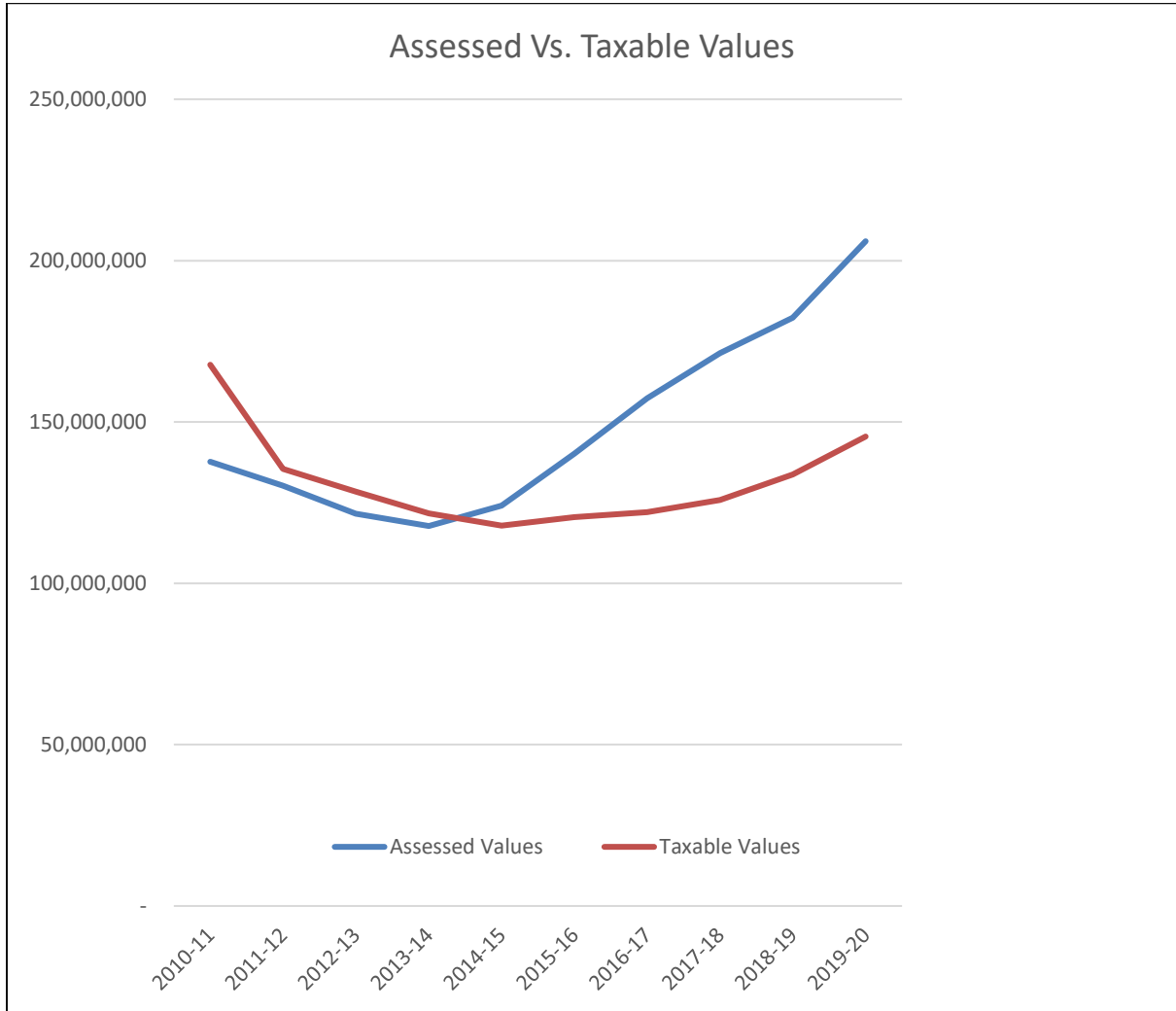
FUND	BUDGETED
DEBT SERVICE	124,002
MAJOR STREETS	375,573
GENERAL	4,373,133
LOCAL STREETS	481,941
WATER	1,189,611
SEWER	1,550,598
<b>TOTAL</b>	<b>8,094,858</b>

# TAXABLE VALUE

## PROJECTIONS FOR F.Y. 2019-20

Based on the figures submitted from the Oakland County Equalization Department the total increase in the taxable value for all categories is 8.767%. The figures listed represent the post-Board of Review figures. For Budget calculations I have used a taxable value of \$145,439,540.000

TV TYPE	2018	2019	% INC.
RESIDENTIAL	106,367,420	112,218,000	5.500%
COMMERCIAL	23,098,470	28,450,920	23.172%
PERSONAL	4,250,410	4,770,620	12.239%
TOTAL	133,716,300	145,439,540	8.767%



## 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
- Taxable value is \$145,439.

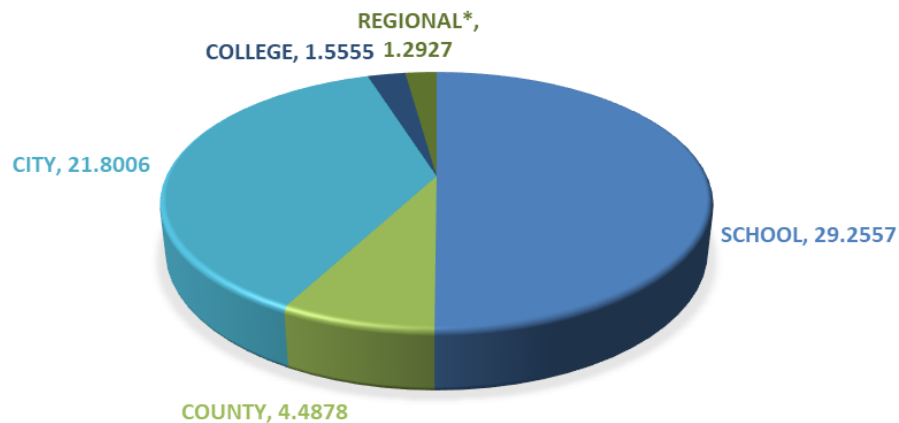
Maximum Millage Rate					
FY	General Operating	Refuse	MRF	Taxable Value	Cost to City
2012	20.0000	3.0000	1.0000	\$ 128,411.81	N/A
2013	20.0000	3.0000	1.0000	\$ 121,626.47	N/A
2014	20.0000	3.0000	1.0000	\$ 117,882.63	N/A
2015	20.0000	3.0000	1.0000	\$ 120,560.08	N/A
2016	19.8320	2.9748	0.9916	\$ 122,069.08	\$ 23,583.75
2017	19.7269	2.9590	0.9947	\$ 125,854.28	\$ 39,527.81
2018	18.9571	2.8435	0.9801	\$ 133,716.30	\$ 160,379.33
2019	18.5172	2.7775	0.9768	\$ 145,439.54	\$ 248,013.57

## MILLAGE RATES ALL TAXING UNITS 2018

MILLAGE TYPE	AUTHORIZED MAXIMUM	18-19 HEADLEE MAXIMUM	19-20 HEADLEE MAXIMUM
General Operating	20.0000	18.9571	18.5172
Refuse	3.0000	2.8435	2.7775
Debt Service	N/A	N/A	N/A
<b>TOTALS</b>	<b>23.0000</b>	<b>21.8006</b>	<b>21.2947</b>

TAXING UNIT	MILLAGE RATE	%
SCHOOL	29.2557	50.10%
COUNTY	4.4878	7.69%
CITY	21.8006	37.33%
COLLEGE	1.5555	2.66%
REGIONAL*	1.2927	2.21%
<b>TOTAL</b>	<b>58.3923</b>	<b>1.0000</b>

### MILLAGE RATES - ALL TAXING UNITS



## GENERAL FUND / GOVERNMENT OPERATIONS

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

## GENERAL FUND REVENUES

FY 16-17

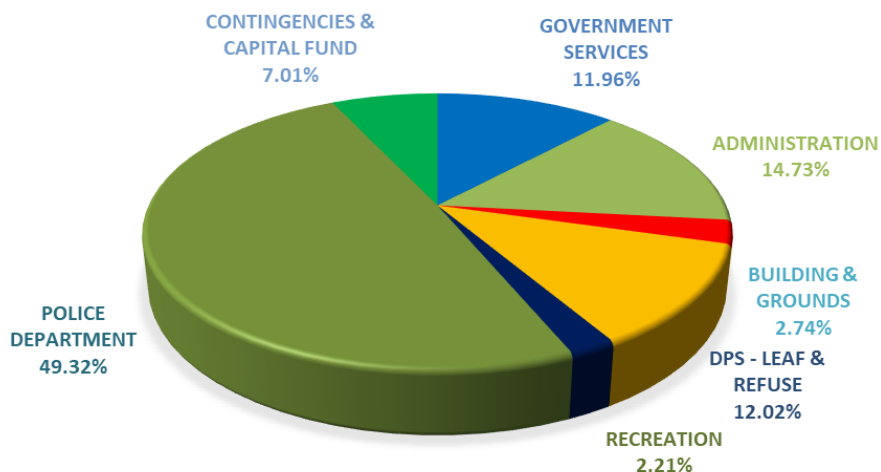
REVENUE CATEGORY	\$ AMOUNT	%
TAXES	3,210,580	73.41%
STATE SHARED	416,425	9.52%
OTHER	746,356	17.07%
TOTAL	4,373,361	1.0000

## G.F. EXPENDITURES - FY 18-19 TO FY 19-20

FY 2018-2019 TO FY 2019-2020

DEPARTMENT	FY 18-19	FY 19-20
GOVERNMENT SERVICES	449,211	523,179
ADMINISTRATION	572,824	644,007
BUILDING & GROUNDS	114,928	119,928
DPS - LEAF & REFUSE COLLECTION	494,836	525,749
RECREATION	121,816	96,463
POLICE DEPARTMENT	2,056,636	2,157,045
CONTINGENCIES & CAPITAL FUND	239,520	306,762
<b>Total - General Fund</b>	<b>4,049,771</b>	<b>4,373,133</b>

## GENERAL FUND EXPENDITURES BY DEPARTMENT



## **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>

### **WATER RATE REVIEW**

<b>WATER</b>	<b>DETROIT</b>	<b>SOCWA</b>	<b>CITY</b>	<b>CAPITAL</b>	<b>TOTAL</b>
WATER RATE - 18-19	0.00	15.67	15.50	8.21	39.38
WATER RATE - 19-20	0.00	15.67	15.80	8.50	39.97
INC./(DEC.) IN \$	0.00	0.00	0.30	0.29	0.59
INC./(DEC.) IN %	#DIV/0!	0.00%	1.94%	3.53%	1.50%

### **SEWER RATE REVIEW**

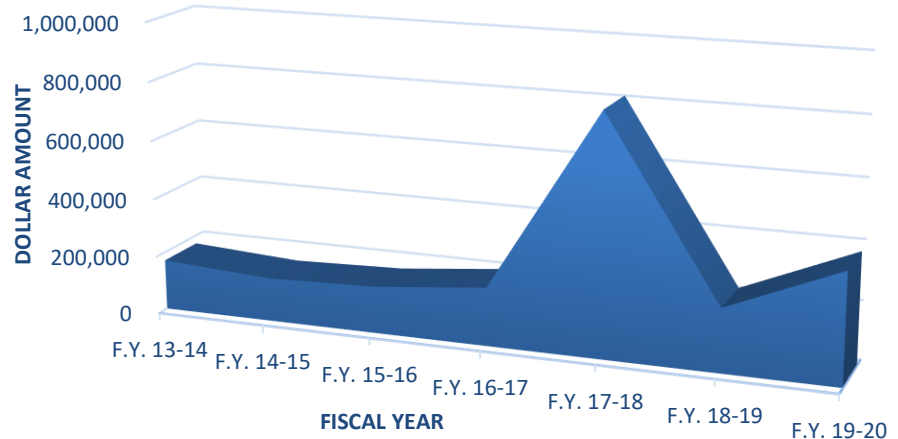
<b>CALCULATION FORMULA</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>\$ INC.</b>	<b>% INC.</b>
DETROIT/EVERGREEN FARM.	55.01	55.60	0.59	1.07%
LOOK BACK ADJUSTMENT	0.00	0.00	0.00	0.00%
EXCESS FLOW CHARGE	0.00	0.00	0.00	0.00%
OPERATIONS & MAINTENANCE	12.75	12.80	0.05	0.39%
DEBT SERVICE	7.69	7.69	0.00	0.00%
CITY	6.25	6.25	0.00	0.00%
<b>TOTAL</b>	81.70	<b>82.34</b>	<b>0.64</b>	<b>0.783%</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
- There is a transfer from Major Roads to Local Roads of \$173,694
- For FY 19/20 \$80,000 is budgeted to outfit the truck – divided between major and local road funds

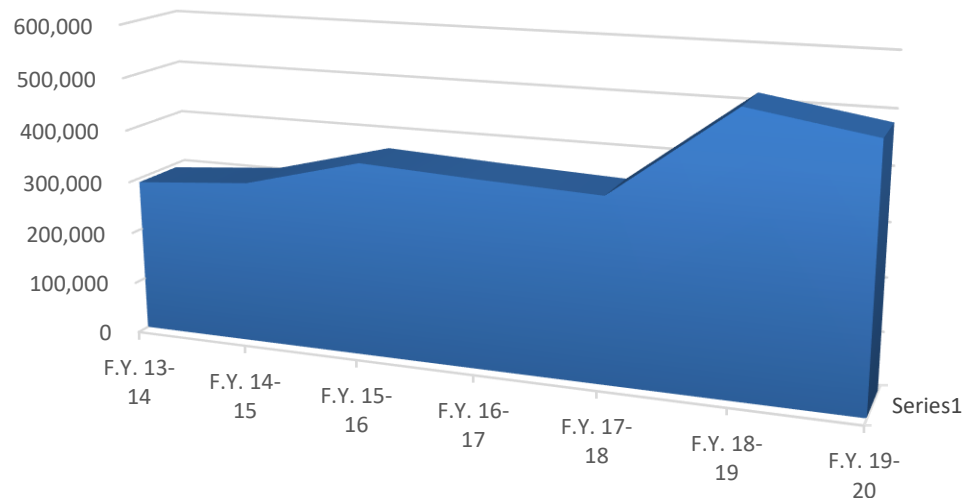
### MAJOR STREETS EXPENDITURES HISTORICAL COMPARISON

FISCAL YEAR	AMOUNT
F.Y. 13-14	171,775
F.Y. 14-15	148,500
F.Y. 15-16	159,676
F.Y. 16-17	197,572
F.Y. 17-18	812,787
F.Y. 18-19	214,917
F.Y. 19-20	375,573



### LOCAL STREETS EXPENDITURES HISTORICAL COMPARISON

FISCAL YEAR	AMOUNT
F.Y. 13-14	292,435
F.Y. 14-15	309,911
F.Y. 15-16	366,835
F.Y. 16-17	355,521
F.Y. 17-18	346,140
F.Y. 18-19	518,235
F.Y. 19-20	481,941



## **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.
- 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	