

AGENDA

SPECIAL BUDGET MEETING OF THE COUNCIL OF THE CITY OF SOUTHFIELD TO BE HELD IN THE COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING, 26000 EVERGREEN ROAD, SOUTHFIELD, MICHIGAN, ON MONDAY, JUNE 25, 2012, AT 6:30 P.M., EASTERN DAYLIGHT SAVINGS TIME, PURSUANT TO SECTION 4.3 OF THE CITY CHARTER.

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

APPOINTMENTS

MINUTES

COMMUNICATIONS

CONSENT AGENDA (Any item on the Consent Agenda will be removed for discussion upon the request of a Council Member, the Mayor, or a member of the public.)

CONSENT AGENDA ITEMS FOR DISCUSSION

PUBLIC HEARINGS

- A. 2012-2013 City Budget Adoption

SITE PLANS

1. COUNCIL

2. MAYOR

3. ADMINISTRATION

4. ATTORNEY

5. CLERK, TREASURER, PLANNER, ASSESSOR, ENGINEER

6. SCHEDULE

7. ORDINANCES

June 25, 2012

Honorable Mayor and Council
Municipal Building
Southfield, Michigan

Re: 2012-13 City of Southfield Budget Adoption

Background: At a special meeting of City Council scheduled for June 25, 2012 at 6:30 p.m., the proposed City budget will be presented in its final form. This proceeding will be in a public hearing format. Reflecting the City's commitment to meaningful public information and transparency in government, award winning City Cable 15 has produced a video summary of the budget which will be introduced at the special meeting. It will be shown a number of times on Cable 15 and will be available for neighborhood associations, the media, and other interested parties.

The proposed budget was reviewed at length by the Mayor and City Council at the May 21, 2012 Committee-of-the-Whole meeting. There are no substantive changes in this final proposed budget, affecting daily core services, from the recommended budget that was presented to Council on May 21, 2012.

Fiscal Impact: The final proposed total General Fund budget, at \$66,667,136, remains unchanged since May 21. This reflects a decrease of \$1,713,756 or 2.5% from the previous year's total. No fund balance reserves are utilized for General Fund operations; realizing a key long-term financial planning goal.

The total budget at \$146.16 million is essentially flat to last year, and is down \$588,000 when adjusting for new additional federal grant funding for our Neighborhood Stabilization Program. The final Community Development Block Grant figure will include \$70,397 in CDBG revolving fund dollars. This increases the CDBG total from the preliminary amount of \$444,814 to the final amount of \$515,211.

Goals Impacted: All City strategic goals are impacted by the proposed budget.



Financially Sound and Sustainable City Government



Top Quality City Services



Quality Development and Redevelopment



Preferred Place to Make Home



Southfield - One Community, One City



Alive City to Enjoy and Have Fun

Recommendation: That City Council approves the 2012-13 Budget Adoption Resolution herein provided. Consistent with the financial policies of the City, strongly endorsed and supported by your Honorable body, this proposed budget was developed in the broader context of a longer range five-year financial plan. We look forward to reviewing the newly updated plan, through 2016-17, as soon as City Council's schedule will allow.

The dedicated leadership of all City elected officials and their concern for the continued progress of the community is respectfully acknowledged and deeply appreciated.

Respectfully submitted,

James G. Scharret
City Administrator

2012-13 BUDGET ADOPTION RESOLUTION

WHEREAS: City Council has reviewed the recommended 2012-13 budget and determined that the appropriation of funds and service levels provided properly meet the needs of the community and are aligned with the City's strategic goals;

NOW, THEREFORE, BE IT RESOLVED: That the 2012-13 budget be adopted, as provided in the budget resolution, totaling \$146,158,547.

2012 - 2013 Budget Resolution

Moved By: Councilperson Sylvia Jordan
Supported By: Councilperson Myron Frasier

Date: June 25, 2012

BE IT RESOLVED: Consistent with the Uniform Budgeting and Accounting Act, expenditure authority is hereby appropriated to the following budgetary centers for the fiscal year commencing July 1, 2012 and ending June 30, 2013:

GENERAL FUND:

Administration.....	\$ 487,978
City Clerk	872,032
City Council.....	166,454
Community Relations	514,714
Court - State 46th District.....	3,535,048
Administrative Services Group	11,818,782
Human Services.....	348,593
Law	956,653
Mayor's Office.....	199,046
Public Safety Group.....	39,326,517
Community Development Administration	1,180,909
Building	1,592,816
Planning	504,394
Streets & Highways.....	109,590
Transportation.....	445,718
Engineering	668,421
Sanitation	3,232,832
Treasurer's Office	706,639
TOTAL GENERAL FUND.....	66,667,136

FACILITIES MAINTENANCE FUND	4,953,254
MOTOR POOL FUND	3,842,377
CABLE TELEVISION FUND.....	1,108,381
PARKS AND RECREATION FUND	6,980,556
LIBRARY FUND	7,844,049
D.P.S. HIGHWAY FUNDS:	
Major Street Fund.....	7,810,387
Local Street Fund.....	7,172,542
WATER AND SEWER FUND.....	45,795,560
DRUG LAW ENFORCEMENT FUND	426,319
DONATIONS, MEMORIAL TRUSTS & SPONSORSHIPS	200,000
SECTION 8 HOUSING GRANTS FUND	2,203,989
COMMUNITY DEVELOPMENT BLOCK GRANT FUND	515,211
NEIGHBORHOOD STABILIZATION PROGRAM FUND.....	1,389,500
MICHIGAN WORKS GRANTS FUND	3,300,000
AUTO THEFT GRANT.....	291,340

AND BE IT FURTHER RESOLVED: That the revenues for the 2012-13 fiscal year are estimated as follows:

GENERAL FUND:

General Operating Tax Levy - 6.6094 mills	\$15,416,090
Police & Fire Levy – 6.8906 mills.....	16,071,974
Police & Fire Pension Levy – 3.9424 mills	9,195,448
Tax Administration Fees, Interest & Penalties	2,145,294
State Shared Revenues.....	5,348,830
Engineering and Building Department Revenues.....	1,820,421
Court Revenues.....	4,252,172
Reimbursements	1,534,395
Sanitation Fees.....	3,232,832
Other Fees, Permits, Licenses, and Charges.....	4,177,817
Investment Income.....	200,000
Interfund Reimbursements.....	811,277
Fund Balance Appropriated	<u>2,460,586</u>
TOTAL GENERAL FUND	66,667,136

FACILITIES MAINTENANCE FUND..... 4,953,254

MOTOR POOL FUND 3,842,377

CABLE TELEVISION FUND..... 1,108,381

PARKS AND RECREATION FUND:

Parks & Recreation Tax Levy - 1.7500 mills	4,081,786
Investment Income.....	25,313
Program & Other Revenues (arena, pool, & other sources)	<u>2,873,457</u>
TOTAL PARKS AND RECREATION FUND.....	6,980,556

LIBRARY FUND:

Library Tax Levy -2.8000 mills.....	6,530,858
Investment Income.....	98,438
Fines, Fees, State Aid, Contributions and Other Sources	1,066,383
Contractual Income.....	<u>148,370</u>
TOTAL LIBRARY FUND	7,844,049

D.P.S HIGHWAY FUNDS:

Gas & Weight Tax Returns.....	4,862,028
Residential Street Maintenance Levy – 1.0000 mills	2,332,449
Public Acts 298 - .2207 mills.....	514,771
Interest Income	12,656
Dust Control, Department Sales, & Other Income	1,289,973
Interfund Transfer	<u>5,971,052</u>
TOTAL HIGHWAY FUNDS.....	14,982,929

D.P.S. WATER AND SEWER FUND:

Water Sales	12,421,563
Sewer Charges - Evergreen & SEOC	19,662,328
Interest Income	42,188
Service & Meter Installations	82,500
Penalties, Debt Service, Interest & Other Revenue	<u>13,586,981</u>
 TOTAL WATER & SEWER FUNDS.....	 45,795,560
 DRUG LAW ENFORCEMENT FUND	 426,319
 DONATIONS, MEM. TRUSTS & SPONSORSHIPS	 200,000
 SECTION 8 HOUSING GRANTS FUND	 2,203,989
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND	 515,211
 NEIGHBORHOOD STABILIZATION PROGRAM FUND.....	 1,389,500
 MICHIGAN WORKS GRANTS FUND	 3,300,000
 AUTO THEFT GRANT.....	 291,340

AND BE IT FURTHER RESOLVED: That under Section 2.7 of Chapter 17 of Title II of the Ordinance Code of the City of Southfield, the Council does hereby determine that the annual service charge for the fiscal year commencing on July 1, 2012 and ending June 30, 2013 shall be \$186.23 per annum per residential unit for the collection and disposal of garbage and rubbish. Further, that the City Clerk certify to the City Assessor the service charge of \$186.23 per annum per residential unit, which charge shall be collected and returned in the same manner as other municipal taxes are certified, assessed, collected and returned; and

BE IT FURTHER RESOLVED: That under Sections 2.153 and 2.154 of Chapter 20 and Section 2.171 of Chapter 21 of Title II of the Ordinance Code of the City of Southfield, the Council does hereby determine that the combined water and sewer rate is herewith established at, and all bills rendered on or after July 1, 2012, shall be computed on \$80.93 per Mcf of consumption; such combined rate being comprised of \$22.02 per Mcf for water service, \$36.04 per Mcf for sewer service; and \$22.87 for water and sewer system capital improvements; in addition to revised meter and industrial waste control charges as outlined in the attached schedule; and that a 15% administrative fee shall be added to delinquent water and sewer charges that are entered upon the tax roll pursuant to Sections 2.155 and 2.177 of the City Code; and

BE IT FURTHER RESOLVED: That funding for capital projects placed under the superintending control of the Southfield Building Authority by City Council shall be approved in the aggregate, allowing for transfer of funding between projects by the Building Authority within the total allocation approved by Council; and that the 2012-13 Southfield Downtown Development Authority budget, in the amount of \$1,067,436, is hereby approved by the City Council, pursuant to Section 28 of PA 1975, No. 197, subject to the express requirement and condition that any sale, conveyance, or other disposition of real property owned by or titled in the name of the Southfield DDA shall require review and approval by the Southfield City Council prior to any such sale, conveyance, or other disposition thereof.

BE IT FURTHER RESOLVED: That the following property tax revenue and tax rates be authorized and that the City Treasurer is ordered to levy such funds and rates and collect and deposit to the various specific uses and funds as required by ordinance or resolution; and that the City Treasurer is hereby authorized to impose a 1% property tax administration fee for all property taxes due, and a late penalty charge when applicable, in conformance with Section 44 of Public Act 503 of 1982; and

2012-13 BUDGET
PROPERTY TAX REVENUES AND RATES

<u>OPERATING</u>	<u>Revenue</u>	<u>Rate*</u>
General Operations	15,416,090	6.6094
Police & Fire	16,071,974	6.8906
Police & Fire Pension	9,195,448	3.9424
Residential Street Maintenance	2,332,449	1.0000
Parks & Recreation	4,081,786	1.7500
Library	6,530,858	2.8000
Public Acts 298/59	<u>564,686</u>	<u>0.2421</u>
TOTAL OPERATING	54,193,291	23.2345
County Drains at Large	1,136,602	0.4873
Local Development Finance Authority I	653,309	**
Local Development Finance Authority III	346,929	**
DDA/Tax Increment Finance Authority	213,259	**
Smart Zone	135,572	**
Brownfield Redevelopment Authority	214,619	**
Renaissance Zone (Tool and Die)	<u>10,725</u>	<u>**</u>
GRAND TOTAL	56,904,307	23.7218
Taxable Valuation (TV)	2,332,449,206	
TV Captured by LDFA I	27,540,454	
TV Captured by LDFA III	14,624,912	
TV Captured by DDA/TIF	8,989,988	
TV Captured by Smart Zone	5,715,091	
TV Captured by Brownfield Redevelopment Authority	9,047,340	
TV Captured by Renaissance Zone (Tool & Die)	<u>452,111</u>	
TOTAL TV	2,398,819,102	

*Mills per \$1,000 of TV

**Total millage of 23.7218 applied to taxable value of LDFA and other special authorities.

2012-2013
Schedule of Meter Charges
And
Industrial Waste Control Surcharges

1. Meter Charge (Per Month)

5/8".....\$ 1.31	3".....\$ 13.37
3/4"..... 1.48	4"..... 18.96
1"..... 1.82	6"..... 24.07
1 1/2"..... 3.09	8"..... 24.07
2"..... 3.91	10"..... 25.12

2. Industrial Waste Control Surcharge (Per Month)

5/8".....\$ 8.46	3".....\$ 122.67
3/4"..... 12.69	4"..... 169.20
1"..... 21.15	6"..... 253.80
1 1/2"..... 46.53	8"..... 423.00
2"..... 67.68	10"..... 592.00

BE IT FURTHER RESOLVED: That the City Administrator is hereby authorized to make budgetary transfers within the appropriations centers established through this budget, to take any and all steps necessary to allow for completion of the annual audit by December 31, to provide for continuity of the current risk management and insurance program, and to administratively adjust contracts for road and other capital projects up to a maximum of 20% when such adjustments result from circumstances unforeseen at the time of bidding, as long as such adjustments would not exceed the approved total for that particular capital account, and subject to the requirement that all such adjustments be reported to Council on a periodic basis. Further, that the City Administrator is hereby authorized to release bidding documents for those capital items, projects, and recurring commodities expressly authorized in this budget, for public review by the Council following receipt of bids; that authorization is hereby given for acquisition of Library books and subscription services of a continuing and sole vendor nature within the Library appropriation adopted in this budget; that approval and authorization are hereby given for the Mayor and City Clerk to execute contracts for the entertainment events within the appropriations adopted in this budget; that approval is hereby given for the continued use of Dell brand computers, servers, storage area network, and other related equipment as the City's standard computing platform as previously authorized by Council Resolution #2001.351 of November 26, 2001; and that approval is hereby given for the routine maintenance and software licensing necessary for the continuing functionality of the City's existing computerized business systems and for the use of various professional repair and maintenance services involving electrical, electromechanical and control equipment located in City facilities, in conjunction with Chapter 8, Section 1.279 (2) and (4) of the Southfield Code of Ordinances; and

BE IT FURTHER RESOLVED: That the 2012-13 budget shall be automatically amended (a) on July 1 to reappropriate encumbrances outstanding and capital project reserves at June 30, 2012, and (b) to transfer any approved salary adjustments during the fiscal year for which sufficient funds are provided in the Support Services appropriation.

AYES: Fracassi, Frasier, Jordan, Lantz, Moss, and Siver.

NAYS: None.

ABSENT: None.

I, Nancy L. M. Banks, the duly elected and qualified Clerk of the City of Southfield, Oakland County, Michigan, do hereby certify that the foregoing resolution was adopted by Council at a Special Meeting held June 25, 2012 pursuant to Section 8.4 of the City Charter.

Date: _____

Nancy L. M. Banks, City Clerk

2012-2013 Recommended Budget

City of Southfield

	<u>Recommended Revenues</u>		<u>Recommended Expenditures</u>
GENERAL FUND:		GENERAL FUND:	
General Operating Levy	15,416,090	Administration	487,978
Police & Fire Levy	16,071,974	Fiscal Services/OMB	184,867
Police & Fire Pension Levy	9,195,448	Accounting	521,855
Tax Administration Fees & Penalties	2,145,294	Purchasing	243,721
Sales Tax Returns - Constitutional	4,479,648	Technology Services	1,674,998
Sales Tax Returns - Statutory	821,682	Assessing	673,293
Liquor Licenses	47,500	Central Services	1,510,726
Sanitation Charges	3,232,832	Support Services	6,289,959
Building Revenues	1,152,000	Human Resources	719,363
Engineering Revenues	668,421	Clerk	872,032
District Court Revenues	4,252,172	Council	166,454
Reimbursements	1,534,395	Community Relations	514,714
Fees, Licenses & Permits	4,177,817	Court - 46th District	3,535,048
Investment Income	200,000	Human Services	348,593
Interfund Reimbursements	811,277	Law	956,653
Transfer from Committed Fund Balance:		Mayor's Office	199,046
Equalization Reserve	2,460,586	Public Safety	39,326,517
		Community Dev. Administration	1,180,909
		Building	1,592,816
		Planning	504,394
		Streets & Highways	109,590
		Transportation	445,718
		Engineering	668,421
		Sanitation	3,232,832
		Treasurer	706,639
		TOTAL GENERAL FUND	66,667,136
TOTAL GENERAL FUND	66,667,136		
FACILITIES MAINTENANCE FUND	4,953,254	FACILITIES MAINTENANCE FUND	4,953,254
MOTOR POOL FUND	3,842,377	MOTOR POOL FUND	3,842,377
CABLE TV FUND	1,108,381	CABLE TV FUND	1,108,381
PARKS & REC FUND	6,980,556	PARKS & REC FUND	6,980,556
LIBRARY FUND	7,844,049	LIBRARY FUND	7,844,049
MAJOR STREET FUND	7,810,387	MAJOR STREET FUND	7,810,387
LOCAL STREET FUND	7,172,542	LOCAL STREET FUND	7,172,542
WATER & SEWER FUND	45,795,560	WATER & SEWER FUND	45,795,560
DRUG LAW ENFORCEMENT FUND	426,319	DRUG LAW ENFORCEMENT FUND	426,319
DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000	DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000
(DUPLICATING TRANSFERS)	(14,342,054)	(DUPLICATING TRANSFERS)	(14,342,054)
MUNICIPAL SUBTOTAL	<u>138,458,507</u>	MUNICIPAL SUBTOTAL	<u>138,458,507</u>
COMM. DEVELOPMENT BLOCK GRANT	515,211	COMM. DEVELOPMENT BLOCK GRANT	515,211
N.S.P.*	1,389,500	N.S.P.*	1,389,500
SECTION 8 HOUSING GRANTS	2,203,989	SECTION 8 HOUSING GRANTS	2,203,989
MICHIGAN WORKS GRANTS	3,300,000	MICHIGAN WORKS GRANTS	3,300,000
AUTO THEFT GRANT	291,340	AUTO THEFT GRANT	291,340
TOTAL GRANT FUNDS	<u>7,700,040</u>	TOTAL GRANT FUNDS	<u>7,700,040</u>
TOTAL ALL OPERATING FUNDS	146,158,547	TOTAL ALL OPERATING FUNDS	146,158,547
DEBT SERVICE	-	DEBT SERVICE	-
TOTAL REVENUES	146,158,547	TOTAL EXPENDITURES	146,158,547

*Neighborhood Stabilization Program