



**MUNICIPAL BUDGET  
EXECUTIVE SUMMARY**

**JULY 1, 2016 – JUNE 30, 2017  
SOUTHFIELD, MICHIGAN**

## **2016-17 RECOMMENDED BUDGET HIGHLIGHTS**

The fundamental message of the proposed budget is to budget cautiously and responsibly to maintain structural balance. The budget is driven exclusively by the revenues that are available and avoids reliance on fund balance draws from the General Fund. The proposed 2016-17 budget support the goals of the Mayor and City Council as identified in the December 4, 2015 Visioning Session and will support the following:

- Offer first rate public safety services;
- Provide outstanding cultural services in both our Library and Parks and Recreation Department;
- Continue improvements to rebuilding our infrastructure;
- Continue efforts to enhance future revenues by strengthening both our commercial and residential tax base.

### **Budget Assumptions**

- Growth in taxable values for property taxes is limited to the consumer price index, which is projected to increase by merely 0.3%
- Continuous monitoring of economic conditions at the local, state and federal level
- No use of fund balance for operations in the General Fund
- Projection for investment income increased based on cash available for investment, historical returns and anticipated investment income.
- State shared revenues per State of Michigan projections
- Vacancies will be funded and filled as necessary
- Projections for Building revenues are based on the fee schedule adopted by Council in November 2015
- All actuarial requirements to fund the pension systems are budgeted. Funding for retiree healthcare continues to be limited to "pay as you go"

### **Revenue Snapshot**

- Property taxes are 62% of revenue for the General Fund. The 2016-17 budget has been built on a taxable value (TV) of \$2,351,973,040. This represents a 0.3% decline from the 2015-16 taxable value of \$2,358,682,866.
- The millage rate decreased by 0.3685 mills, from 26.7585 mills for 2015-16 to 26.3900 mills for 2016-17. The reserves in the Drains at Large fund are being used to cover debt service payments to offset the reduction in the millage.
- State Revenue Sharing for 2016-17 saw a decline of less than 1% compared to the previous budget year. Constitutional and statutory revenue sharing payments from the State of Michigan are projected at \$5,690,284 and \$950,972, respectively and make up 10% of revenue for the General Fund.

### Expenditure Snapshot

	2016-17 Budget	2015-16 Budget	\$ Change	% Change
General Fund Total	67,872,121	67,398,751	473,370	0.7%
All Funds Total	183,661,307	176,733,423	6,927,884	3.9%

### Infrastructure Investments

Department	# of projects	Total Investment
Local Streets	8	\$ 15,960,000
Major Streets	9	7,755,000
Water and Sewer	15	25,903,000
	32	\$ 49,618,000

A comparison of full time employees for the City is as follows:

	Employee Count (Career Only)
2015-16 budgeted	549
2016-17 budgeted	563
Increase in budgeted employees employees	14

The City has a continued emphasis on community appearance and development. Part of the reasons for increase in staff include funding an additional code officer for Code Enforcement, funding three vacant positions in Buildings, and funding several positions in Public Works and Water and Sewer.

### Summary Statement

It appears that the City's tax base is nearing a stabilization point. However, preliminary projections of growth in taxable values are limited to less than one percent for 2017-18. As a result, the City must continue to be conservative and strategic in its spending. The City must also find the right balance to manage the unfunded pension and post-retirement healthcare liabilities and continue to provide high quality services to the community.

**FUND BALANCE CONSTRAINTS TO EQUALIZATION RESERVE**

Based on 2015 Comprehensive Annual Financial Report

<b><u>Fund</u></b>	<b><u>Amount</u></b>
General Fund	\$2,000,000
Library	\$ 350,000
Local Streets	\$ 154,200
Major Streets	\$ 16,000
Parks & Recreation	\$ 243,400

**2016-2017 PROPOSED INFRASTRUCTURE CAPITAL PROJECTS**

**LOCAL STREETS**

Greenfield Alley (San Rosa to north)	\$	60,000
Section 15 - Kingsley Estates Water Main & Paving	\$	5,500,000
Section 19 - Edgewood Hills Water Main & Paving	\$	1,000,000
Southfield Estates Safe Routes to School	\$	500,000
Section 28 - Water Main & Paving	\$	3,500,000
Section 34 - Phase II Water Main & Paving	\$	1,700,000
Section 35 - Phase I - West Magnolia Subdivision Water Main & Paving	\$	2,000,000
Section 35 - Phase II - Water Main & Paving	\$	1,700,000
Sub-total	\$	<u>15,960,000</u>

**MAJOR STREETS**

Bridge Street Bridge Monitoring	\$	5,000
Evergreen (12 Mile to 13 Mile)	\$	215,000
Evergreen (11 Mile to 12 Mile)	\$	215,000
9 Mile (Beech to Telegraph)	\$	1,400,000
Northland Drive (NB Northwestern Service Drive to Greenfield)	\$	2,000,000
Bell Road (11 Mile to 12 Mile)	\$	2,800,000
9 Mile Bridge Replacement over the Evans Branch	\$	500,000
Evergreen (9 Mile to NB Northwestern Service Drive)	\$	320,000
Mt. Vernon (Northwestern to Greenfield)	\$	300,000
Sub-total	\$	<u>7,755,000</u>

**WATER & SEWER**

9 Mile Road from Beech to Telegraph	\$	300,000
New and Replacement Meters	\$	45,000
Water & Sewer Main Lining & Replacement	\$	5,000,000
Bell Road from 11 Mile to 12 Mile	\$	2,300,000
Northland Drive from NB Northwestern Service Drive to Greenfield	\$	216,000
SCADA System	\$	200,000
Section 15 Northeast	\$	3,500,000
Section 19 Edgewood Hills	\$	1,000,000
Section 28 North Half	\$	4,600,000
Section 34 Phase II Water Main & Paving	\$	3,100,000
Section 35 Phase II Water Main & Paving	\$	2,000,000
Section 24 Area 3 & 25 & Area 9	\$	3,200,000
Sewer Vactor Replacement	\$	412,000
Water Department Air Compressor	\$	24,000
Water Department Equipment Trailer	\$	6,000
Sub-Total	\$	<u>25,903,000</u>
<b>CAPITAL PROGRAM GRAND TOTAL</b>	<b>\$</b>	<b>49,618,000</b>

## **2016-2017 STREETS & HIGHWAYS PROPOSED PROJECTS**

The Public Works Department will carefully manage the capital projects planned for the 2016-17 fiscal year.

### **LOCAL STREETS**

#### **Greenfield Alley (San Rosa to north) - \$60,000**

The proposed improvements will pave this gravel alley and provide positive storm drainage.

#### **Section 15 – Kingsley Estates Water Main and Paving - \$5,500,000**

The proposed improvements will replace water main and rehabilitate the asphalt on Ranchwood; replace water main and rehabilitate concrete in Kingsley Estates and; perform asphalt and concrete rehabilitation in Southfield Manor.

#### **Section 19 - Edgewood Hills Water Main & Paving - \$1,000,000**

The proposed improvements will replace the water main and rehabilitate the asphalt streets on Peekskill and Waycross.

#### **Southfield Estates Safe Routes to School - \$500,000**

The budgeted amount will pay for preparing the application and provide local match if the City is successful in securing the grant.

#### **Section 28 - Water Main & Paving - \$3,500,000**

The proposed improvements will replace the water main and rehabilitate the asphalt streets in the north half of Section 28 plus Bush and Helen.

#### **Section 34 - Phase II Water Main & Paving - \$1,700,000**

The proposed project will replace the water main and rehabilitate the asphalt streets on Prescott, Woodburn, Midway and Mada in the NE quarter of Section 34.

#### **Section 35 – Phase I – West Magnolia Subdivision Water Main & Paving - \$2,000,000**

The proposed improvements will replace the water main and rehabilitate the asphalt streets in Magnolia Subdivision west of Southfield Road.

#### **Section 35 – Phase II – Water Main & Paving - \$1,700,000**

The proposed improvements will replace the water main and rehabilitate the asphalt streets on Stahelin, Avon and Greenview roads.

**Total Proposed Local Streets Projects:**

**\$15,960,000**



**Water & Sewer Proposed Projects**  
**2016-2017**

The Water & Sewer Department has made every effort to keep rate increases to a minimum and still maintain the integrity and reliability of the system. The rate increases passed through to us from the controlling authorities was in excess of 7%. Our structured multi-year rating strategy, along with operating efficiencies, and careful capital project budgeting, results in a rate increase of 6.99% to our customers. The proposed rate will generate sufficient revenues to fund our operations, debt retirement and capital expenditures for the coming fiscal year.

**9 Mile Road from Beech to Telegraph - \$300,000**

Install sewer to provide sanitary sewer to our residents.

**New and Replacement Meters - \$45,000**

These meters are for new construction and replacement of damaged or defective meters throughout the system.

**Water and Sewer Main Lining and Replacement - \$5,000,000**

Re-Lining of water and sewer mains is a cost effective maintenance method when total reconstruction is either not economically feasible or not appropriate to address the problem at hand.

**Bell Road from 11 Mile to 12 Mile - \$2,300,000**

Replace old cast iron water mains. The water main replacement project will protect the new road from damage due to breaks.

**Northland Drive from NB Northwestern Service Drive to Greenfield Rd - \$216,000**

Install sewer for properties on the Northland site.

**SCADA System - \$200,000**

Replace obsolete SCADA System.

**Section 15 Northeast - \$3,500,000**

Replace old cast iron water main. This will protect the new road from damage due to breaks.

**Section 19 Edgewood Hills - \$1,000,000**

Replace old cast iron water main. This will protect the new road from damage due to breaks.

**Section 28 North Half - \$4,600,000**

Replace old cast iron water main. This will protect the new road from damage due to breaks.

**Section 34 Phase II Water Main & Paving - \$3,100,000**

Replace old cast iron water main. This will protect the new road from damage due to breaks.

**Section 35 Phase II Water Main & Paving - \$2,000,000**

Replace old cast iron water main. This will protect the new road from damage due to breaks.

**Section 24 Area 3 & 25 & Area 9 - \$3,200,000**

Replace old cast iron water main. Install new sanitary sewer. Install sanitary lift station. This will replace failing water main, separate storm and sanitary sewers, & protect sewer back-up.

**Sewer Vactor Replacement - \$412,000**

Replace old Vactor due to age and hours

**Water Department Air Compressor - \$24,000**

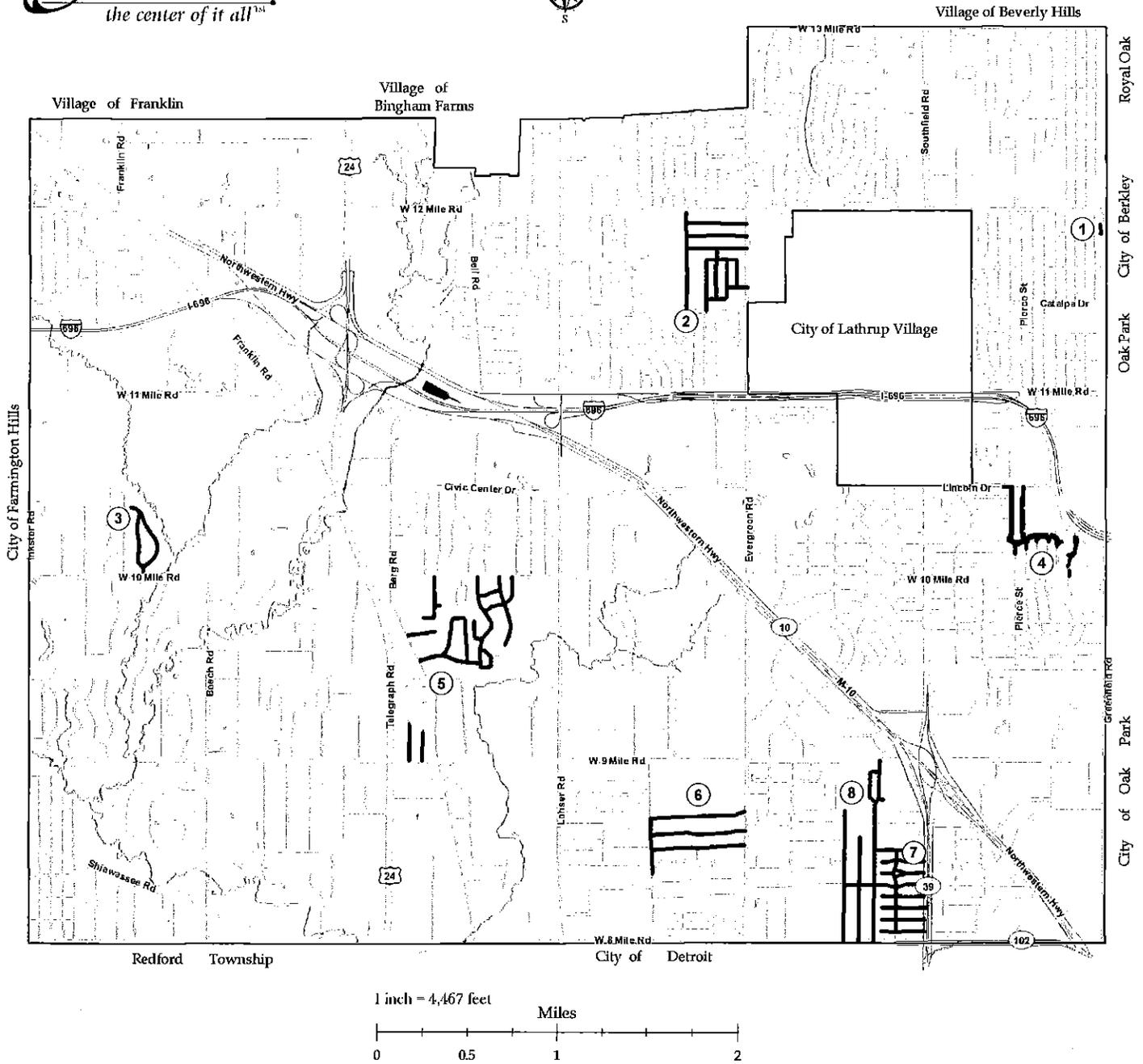
Replace towable air compressor due to age, rust and dependability issues.

**Water Department Equipment Trailer - \$6,000**

Replace old equipment trailer due to age, rust, and structure issues.

Sub-total        \$25,903,000

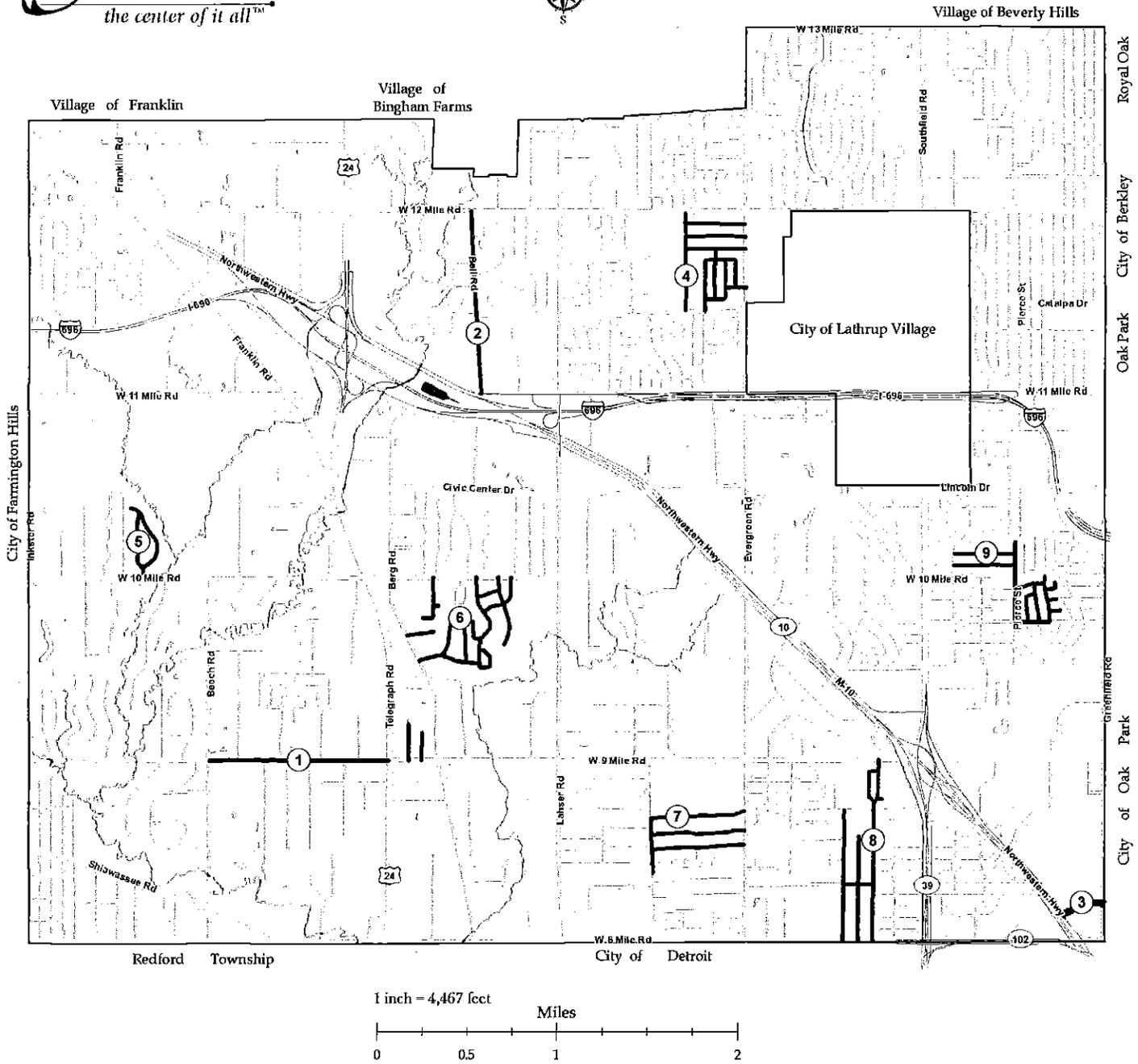
# Local Streets



- 1 - Greenfield Alley
- 2 - Sec. 15 - Kingsley Estates Water Main & Paving
- 3 - Sec. 19 - Edgewood Hills Water Main & Paving
- 4 - Southfield Estates Safe Routes to School
- 5 - Sec. 28 - Water Main & Paving
- 6 - Sec. 34 - Phase II Water Main & Paving
- 7 - Sec. 35 - Phase I - West Magnolia Subdivision Water Main & Paving
- 8 - Sec. 35 - Phase II - Water Main & Paving



# Water and Sewer



- 1 - 9 Mile Rd from Beech to Telegraph
- 2 - Bell Rd from 11 Mile to 12 Mile
- 3 - Northland Dr from NB Northwestern SD to Greenfield
- 4 - Section 15 Northeast
- 5 - Section 19 Edgewood Hills
- 6 - Section 28 North Half
- 7 - Section 34 Phase II Water Main & Paving
- 8 - Section 35 Phase II Water Main & Paving
- 9 - Section 24 Area 3 & 25 & Area 9

- Not Shown on Map*
- New Replacement Meters
  - Water and Sewer Main Lining and Replacement
  - SCADA System
  - Sewer Vector Replacement
  - Water Department Air Compressor
  - Water Department Equipment Trailer

**MAYOR'S BUDGET MESSAGE**

**MAYOR'S OFFICE**

May 9, 2016

Honorable Southfield City Council  
Southfield City Hall  
Southfield, Michigan

**RE: Presentation of the Fiscal Year 2016-2017 City Budget to City Council**

Dear Sirs & Mesdames:

Transmitted herewith is the City Administrator's recommended budget for the 2016-17 fiscal year, pursuant to Chapter VIII, Subsection 8.2 of the Charter of the City of Southfield.

I have reviewed the recommended budget and am satisfied that it is sufficient to maintain quality services for the coming year. However, it should be noted that General Fund revenues are relatively flat because taxable values declined slightly and state shared revenues remained virtually at the same level. More specifically, General Fund revenues are only projected to increase by \$473,370 for the coming year – from \$67.39 million in 2015-16 to \$67.87 million in 2016-17.

Of importance to City Council, this budget funds the target areas that we have agreed upon for the fiscal year ahead. We will continue to support major road and infrastructure projects with the monies contained in the Local Street Fund, Major Street Fund, and Water & Sewer Fund. An additional Code Enforcement Officer will be added, effective July 1<sup>st</sup>, to increase enforcement and oversight of the perpetual maintenance agreements the city has with commercial properties. Three additional staff will be hired in the building department to restore vacant positions and so that proper oversight and enforcement may be exercised for the rental home inspection and

registration programs. The impact of the Neighborhood Enterprise Zones is not known but will be market driven.

And finally, our target goals for redevelopment and business retention and attraction will be fully supported with Tax Base Initiative and other reserves. Top priorities for the year ahead are Northland, the City Centre, and the Smart Zone.

Since November 2015, a great deal of progress has been made on our target goals and I expect to see continued progress during the 2016-2017 fiscal year. We are hopeful that volunteer initiatives will supplement funding for things like the Chore Program and human service needs and partnerships with Habitat for Humanity, South Oakland Shelter, Rebuilding Together, and other organizations will help us fund new programs such as the Neighborhood Reinvestment Initiative.

I look forward to continuing our team efforts as work to maintain the "Southfield Standard" and improve our city.

Respectfully submitted:



Kenson J. Siver  
Mayor

**CITY ADMINISTRATOR'S BUDGET MESSAGE**

April 1, 2016

Honorable Mayor Kenson J. Siver  
City of Southfield  
Municipal Building  
26000 Evergreen Road  
Southfield, Michigan

**RE: Recommended Budget for 2016-17 Fiscal Year**

Dear Mayor Siver:

Presented herewith, pursuant to Section 8.2 of the Southfield City Charter, is the City Administrator's recommended municipal budget for the fiscal year beginning July 1, 2016.

This proposed budget for 2016-17 is built on a tax base of \$2,351,973,040, which is 1.3% less than the preliminary tax base projections provided by the City's Assessor and 0.3% less than the tax base for 2015-16. The fundamental message of the proposed budget is to budget cautiously and responsibly to maintain structural balance and live within our means. This budget is driven exclusively by the revenues that are available and not reliance on fund balance draws from the General Fund. The economic recovery in Southeastern Michigan has not directly impacted municipal governments that rely primarily on property tax revenues to fund operations and programs due to limitations of the Headlee Amendment and Proposal A. Inflationary pressures, particularly in the health care arena, continue to be a major concern.

The total anticipated General Fund Revenue will be \$67,872,121.

- The anticipated tax base will generate a total of \$44,170,510 (65.1%) for the City's General Fund as follows:
  - General Operations – \$15,545,131 from the General operating levy of 6.6094 mills at \$2,351,973,040;
  - Police and Fire – \$16,206,505 from the Police and Fire levy of 6.8906 mills at \$2,351,973,040;
  - Police and Fire Pension – \$10,281,415 from the Police and Fire Pension Levy of 4.3714 mills at \$2,351,973,040;
  - Tax Administration Fees and Penalties amount to \$2,137,459;

- Revenue Sharing from the State of Michigan will generate \$6,641,256 (9.8%) for the City's General Fund, of which \$5,690,284 is Constitutional Revenue Sharing and \$950,972 is Statutory Revenue Sharing;
- Other revenues totaling \$17,060,355 provide the remaining 25.1% of the City's General Fund Budget.

General Fund expenditures are budgeted at \$67,872,121 with Public Safety (Police, Fire and Emergency Management) totaling \$40,197,697 or 59.2% of the proposed expenditures. The City maintains a strong commitment to Public Safety, providing a 2.3% increase in budgeted expenditures from fiscal year 2015-16.

The proposed 2016-17 budget for all funds anticipates revenues of \$183,661,307 and expenditures for all funds of \$183,661,307. While most of the City's funds have structurally balanced budgets, Parks and Recreation and the Library continue to struggle to gain structural balance by planning fund balance draws to balance operations.

The proposed 2016-17 budget has been built with revenue projections that are realistic, including cautious assumptions as to tax base projections. No use of fund balance for General Fund operations is included in the proposed budget.

The proposed 2016-17 budget incorporates all actuarial funding requirements to fund the pension systems. However, funding for retiree healthcare costs has been limited "to pay as you go" and do not provide for a strategic reduction of the liability.

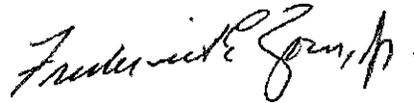
The proposed 2016-17 budget support the goals of Mayor and City Council as identified in the December 4, 2015 Visioning Session. The budget will support the City's efforts to: offer first rate public safety services; provide outstanding cultural services in both our Library Department and Parks and Recreation Department; continue improvements to rebuilding our infrastructure; and continue efforts to enhance future revenues by strengthening both our commercial and residential tax base.

In particular, the budget will support efforts to: redevelop both the former Northland Mall site as well as the northwest corner of Evergreen and Civic Center; implement the proposed activities of the Southfield SMART Zone which include the relocation of the Michigan Works Career Center and the development of a business incubator; improve enforcement of the City's rental, vacant and other housing related ordinances; and implement two new housing initiatives, the Neighborhood Enterprise Zone and the Residential Tax Foreclosure Acquisition Rehabilitation Program.

It appears that the City's tax base is nearing a stabilization point. With the stabilization of the City's tax base, the City should continue its review of all tasks and functions performed by all departments of the City's review the manpower required to complete said task and functions and the development of department organization charts. Therefore, as we complete the budget process for fiscal year 2016-17, the Administration will begin the task of developing multi-year budget forecasts for the following areas: General Fund; Parks and Recreation; Library; Major Streets; Local Streets; Water and Sewer; Cable; Motor Pool; and Facilities Maintenance.

The governing body of this City has consistently stood on principle, rather than choosing the lesser path of expediency in the conduct of Southfield's fiscal affairs. Throughout these unprecedented tough times, the Mayor and City Council have confronted the realities, resisted the tendency to go along and get along, and insisted on funding capital projects even though it often required sacrifice at the operating level for departments. This long-range, multi-year approach will and has enabled the City to develop a more sustainable budgeting process which addresses our staffing, facility and equipment, and long-term capital needs of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frederick E. Zorn, Jr.", written in a cursive style.

Frederick E. Zorn, Jr., CEcD  
City Administrator

**BUDGET AND MILLAGE SUMMARY**

# 2016-2017 Recommended Budget

## City of Southfield

	<u>Recommended Revenues</u>		<u>Recommended Expenditures</u>
GENERAL FUND:		GENERAL FUND:	
General Operating Levy	15,545,131	Administration	537,676
Police & Fire Levy	16,206,505	Fiscal Services/OMB	1,077,042
Police & Fire Pension Levy	10,281,415	Accounting	695,894
Tax Administration Fees & Penalties	2,137,459	Purchasing	299,707
Sales Tax Returns - Constitutional	5,690,284	Technology Services	2,107,329
Sales Tax Returns - Statutory	950,972	Assessing	816,178
Liquor Licenses	47,500	Central Services	753,678
Sanitation Charges	2,793,502	Support Services	4,924,031
Building Revenues	1,641,630	Human Resources	975,627
Engineering Revenues	720,618	Clerk	1,024,817
District Court Revenues	4,136,472	Council	188,659
Reimbursements	2,077,489	Community Relations	742,973
Fees, Licenses & Permits	4,442,826	Court - 46th District	3,636,550
Investment Income	400,000	Human Services	0
Interfund Reimbursements	800,318	Law	828,470
		Mayor's Office	200,507
		Public Safety*	40,197,679
Transfer from Committed Fund Balance:		Community Dev. Administration**	1,615,153
Equalization Reserve		Building	1,890,701
		Planning	566,030
		Streets & Highways	84,669
		Transportation	455,271
		Engineering	720,618
		Sanitation	2,793,502
		Treasurer	739,360
<b>TOTAL GENERAL FUND</b>	<b>67,872,121</b>	<b>TOTAL GENERAL FUND</b>	<b>67,872,121</b>
FACILITIES MAINTENANCE FUND	4,753,326	FACILITIES MAINTENANCE FUND	4,753,326
MOTOR POOL FUND	4,218,533	MOTOR POOL FUND	4,218,533
CABLE TV FUND	1,098,881	CABLE TV FUND	1,098,881
PARKS & REC FUND	6,838,516	PARKS & REC FUND	6,838,516
LIBRARY FUND	7,279,920	LIBRARY FUND	7,279,920
MAJOR STREET FUND	12,891,205	MAJOR STREET FUND	12,891,205
LOCAL STREET FUND	20,385,168	LOCAL STREET FUND	20,385,168
WATER & SEWER FUND	65,043,092	WATER & SEWER FUND	65,043,092
DRUG LAW ENFORCEMENT FUND	25,000	DRUG LAW ENFORCEMENT FUND	25,000
DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000	DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000
(DUPLICATING TRANSFERS)	(12,198,889)	(DUPLICATING TRANSFERS)	(12,198,889)
MUNICIPAL SUBTOTAL	178,406,873	MUNICIPAL SUBTOTAL	178,406,873
COMM. DEVELOPMENT BLOCK GRANT	451,118	COMM. DEVELOPMENT BLOCK GRANT	451,118
SECTION 8 HOUSING GRANTS	2,201,546	SECTION 8 HOUSING GRANTS	2,201,546
MICHIGAN WORKS GRANTS	2,300,000	MICHIGAN WORKS GRANTS	2,300,000
AUTO THEFT GRANT	301,770	AUTO THEFT GRANT	301,770
TOTAL GRANT FUNDS	5,254,434	TOTAL GRANT FUNDS	5,254,434
<b>TOTAL ALL OPERATING FUNDS</b>	<b>183,661,307</b>	<b>TOTAL ALL OPERATING FUNDS</b>	<b>183,661,307</b>
DEBT SERVICE	-	DEBT SERVICE	-
<b>TOTAL REVENUES</b>	<b>183,661,307</b>	<b>TOTAL EXPENDITURES</b>	<b>183,661,307</b>

(Current Year Budget Figures for Reference)

## 2015-2016 Budget City of Southfield

	<u>Approved Revenues</u>		<u>Approved Expenditures</u>
GENERAL FUND:		GENERAL FUND:	
General Operating Levy	15,589,479	Administration	611,399
Police & Fire Levy	16,252,740	Fiscal Services/OMB	302,757
Police & Fire Pension Levy	10,268,182	Accounting	622,245
Tax Administration Fees & Penalties	2,097,770	Purchasing	300,364
Sales Tax Returns - Constitutional	5,741,220	Technology Services	2,019,321
Sales Tax Returns - Statutory	950,972	Assessing	749,335
Liquor Licenses	47,500	Central Services	1,451,380
Sanitation Charges	3,329,137	Support Services	5,586,722
Building Revenues	1,200,000	Human Resources	815,144
Engineering Revenues	710,618	Clerk	1,049,629
District Court Revenues	4,286,072	Council	173,454
Reimbursements	1,440,996	Community Relations	470,312
Fees, Licenses & Permits	4,476,426	Court - 46th District	3,449,581
Investment Income	200,000	Human Services	299,464
Interfund Reimbursements	807,639	Law	924,734
Transfer from Committed Fund Balance		Mayor's Office	201,934
		Public Safety	39,285,348
		Community Dev. Administration	1,502,616
		Building	1,761,638
		Planning	534,053
		Streets & Highways	84,669
		Transportation	455,271
		Engineering	710,618
		Sanitation	3,329,137
		Treasurer	707,626
<b>TOTAL GENERAL FUND</b>	<u>67,398,751</u>	<b>TOTAL GENERAL FUND</b>	<u>67,398,751</u>
FACILITIES MAINTENANCE FUND	5,882,950	FACILITIES MAINTENANCE FUND	5,882,950
MOTOR POOL FUND	3,943,533	MOTOR POOL FUND	3,943,533
CABLE TV FUND	1,311,883	CABLE TV FUND	1,311,883
PARKS & REC FUND	6,931,196	PARKS & REC FUND	6,931,196
LIBRARY FUND	7,210,166	LIBRARY FUND	7,210,166
MAJOR STREET FUND	14,707,082	MAJOR STREET FUND	14,707,082
LOCAL STREET FUND	12,746,094	LOCAL STREET FUND	12,746,094
WATER & SEWER FUND	62,455,878	WATER & SEWER FUND	62,455,878
DRUG LAW ENFORCEMENT FUND	420,685	DRUG LAW ENFORCEMENT FUND	420,685
DONATIONS, MEM. TRUSTS & SPONSORSHIPS (DUPLICATING TRANSFERS)	200,000 (11,913,287)	DONATIONS, MEM. TRUSTS & SPONSORSHIPS (DUPLICATING TRANSFERS)	200,000 (11,913,287)
<b>MUNICIPAL SUBTOTAL</b>	<u>171,294,931</u>	<b>MUNICIPAL SUBTOTAL</b>	<u>171,294,931</u>
COMM. DEVELOPMENT BLOCK GRANT	424,081	COMM. DEVELOPMENT BLOCK GRANT	424,081
SECTION 8 HOUSING GRANTS	2,203,989	SECTION 8 HOUSING GRANTS	2,203,989
MICHIGAN WORKS GRANTS	2,500,000	MICHIGAN WORKS GRANTS	2,500,000
AUTO THEFT GRANT	310,422	AUTO THEFT GRANT	310,422
<b>TOTAL GRANT FUNDS</b>	<u>5,438,492</u>	<b>TOTAL GRANT FUNDS</b>	<u>5,438,492</u>
<b>TOTAL ALL OPERATING FUNDS</b>	176,733,423	<b>TOTAL ALL OPERATING FUNDS</b>	176,733,423
DEBT SERVICE	-	DEBT SERVICE	-
<b>TOTAL REVENUES</b>	<u>176,733,423</u>	<b>TOTAL EXPENDITURES</b>	<u>176,733,423</u>

**2016-2017 RECOMMENDED BUDGET**  
**PROPERTY TAX REVENUES AND RATES**

	<u>Revenue</u>	<u>Rate*</u>
General Operations	15,545,131	6.6094
Police & Fire	16,206,505	6.8906
Police & Fire Pension	10,281,415	4.3714
Residential Street Maintenance	2,351,973	1.0000
Parks & Recreation	4,115,953	1.7500
Library	6,585,525	2.8000
Public Act 298	519,080	0.2207
Public Act 59	49,854	0.0212
Total Operating	55,655,436	23.6633
County Drains at Large	345,034	0.1467
UTGO Road Bond	6,068,090	2.5800
Local Development Finance Authority (LDFA) I	501,786	**
Local Development Finance Authority III	319,083	**
DDA/Tax Increment Finance	-	**
Smart Zone	147,548	**
Brownfield Redevelopment Authority	291,408	**
Renaissance Zone (Tool and Die)	16,538	**
Grand Total	63,344,923	26.3900
Taxable Valuation (TV)	2,351,973,040	
TV Captured by LDFA I	19,014,250	
TV Captured by LDFA III	12,091,055	
TV Captured by DDA/TIF	-	
TV Captured by Smart Zone	5,591,050	
TV Captured by Brownfield Redevelopment Authority	11,042,350	
TV Captured by Renaissance Zone (Tool & Die)	626,690	
Total TV	2,400,338,435	

\*Mills per \$1,000 of TV

\*\*Total millage of 26.3900 applied to taxable value of LDFA and other special authorities.

## 2015-16 Tax Rate Compared To 2016-17

	<u>2015-16</u>	<u>2016-17</u>	<u>Increase / (Decrease) Compared to 2015-16</u>
<b>Operating:</b>			
General Operations	6.6094	6.6094	-
Public Safety	6.8906	6.8906	-
Police & Fire Pension	4.3971	4.3714	(0.0257)
Residential Street Maintenance	1.0000	1.0000	-
Parks & Recreation	1.7500	1.7500	-
Library	2.8000	2.8000	-
Public Act 298	0.2207	0.2207	-
Public Act 59	0.0234	0.0212	(0.0022)
Total Operating	23.6912	23.6633	(0.0279)
<b>Debt Service:</b>			
County Drains At Large	0.4873	0.1467	(0.3406)
UTGO Road Bond	2.5800	2.5800	-
Total Levy	26.7585	26.3900	(0.3685)

# MILLAGE HISTORY

OPERATING	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
General Operations	6.9566	6.9566	6.9566	6.9006	6.8284	6.6453	6.6094	6.6094	6.6094	6.6094	6.6094
Public Safety	2.9814	2.9814	2.9814	2.9574	2.9264	2.8479	2.8325	2.8325	2.8325	2.8325	2.8325
Police / Fire Pension	1.6991	1.8109	1.8223	1.7256	1.3820	1.3495	1.2910	1.3063	1.4583	1.6017	1.7096
Res. Street Maint.	.9938	.9938	.9938	.9858	.9754	.9492	.9440	.9440	.9440	.9440	.9440
R-O-W Appearance	.4644	.4761	.4761	.4548	.4551	.5083	.5348	.4401	.4913	.4227	.4227
Parks & Recreation	1.7392	1.7392	1.7392	1.7252	1.7072	1.6614	1.6524	1.6524	1.6524	1.6524	1.6524
Library	.9498	.9938	.9938	.9858	1.3054	2.1048	2.0934	2.0934	2.0934	2.0934	2.0934
Total Operating	15.7843	15.9518	15.9632	15.7352	15.5799	16.0664	15.9575	15.8781	16.0813	16.1561	16.2640
Debt Service	.6338	.5103	.4989	.4921	.4679	.3804	.3065	.2748	.2615	.0277	-
Drains-at-Large	-	-	-	-	-	-	-	-	-	.1590	.0788
<b>TOTAL</b>	<b>16.4181</b>	<b>16.4621</b>	<b>16.4621</b>	<b>16.2273</b>	<b>16.0478</b>	<b>16.4468</b>	<b>16.2640</b>	<b>16.1529</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>
OPERATING	06-07	07-08	08-09	09-10	10-11	11-12+	12-13	13-14	14-15	15-16	16-17
General Operations	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094
Public Safety	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325
Police / Fire Pension	1.6772	1.7672	1.6889	1.7000	1.8788	3.0004	3.9424	4.7197	4.4500	4.3971	4.3714
Res. Street Maint.	.9440	.9440	.9440	.9440	.9440	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
R-O-W Appearance	.3361	.2539	.3322	.3370	.1582	.2207	.2207	.2207	.2207	.2207	.2207
Parks & Recreation	1.6524	1.6524	1.6524	1.6524	1.6524	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500
Library	2.0934	2.0934	2.0934	2.0934	2.0934	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Public Act 59	-	-	-	-	-	-	0.0214	0.0234	0.0234	0.0234	0.0212
Total Operating	16.1450	16.1528	16.1528	16.1687	16.1687	22.2711	23.2345	24.0138	23.7441	23.6912	23.6633
Debt Service	-	-	-	-	-	-	-	-	-	-	-
UTGO Road Bond	-	-	-	-	-	-	-	-	-	2.5800	2.5800
Drains-at-Large	.1978	.1900	.1900	.1741	.1741	.3591	.4873	.4873	.4873	.4873	.1467
<b>TOTAL</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>22.6302</b>	<b>23.7218</b>	<b>24.5011</b>	<b>24.2314</b>	<b>26.7585</b>	<b>26.3900</b>

\*Millage Election 5/3/11 approving 4.9183 additional mills

**A. PROPERTY TAX REVENUES - SERVICES PROVIDED**

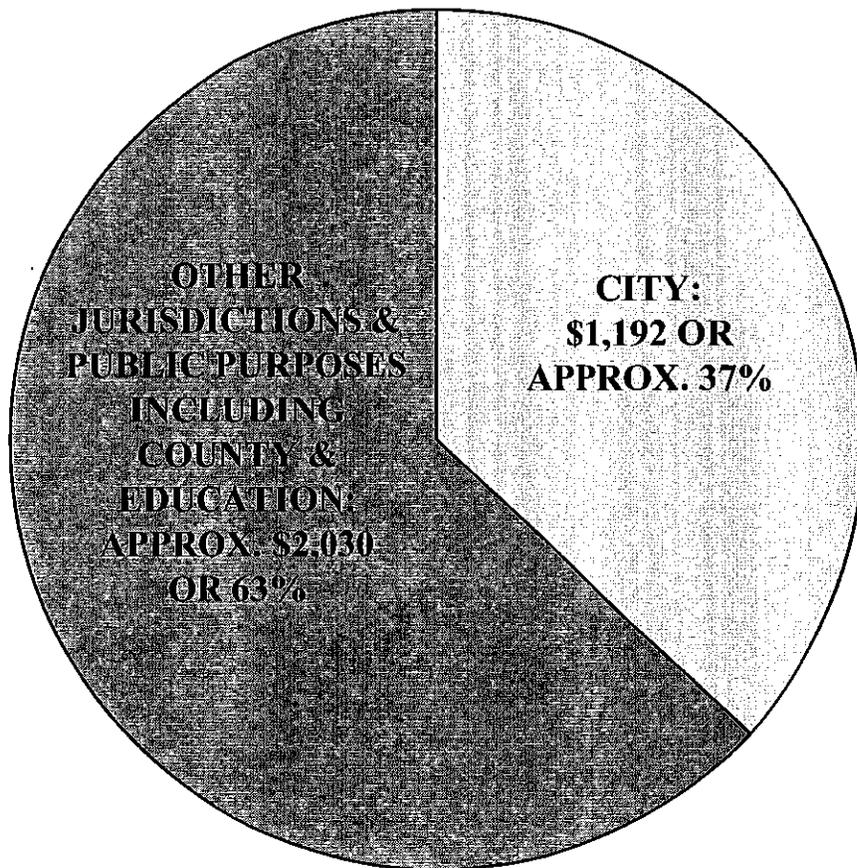


**2016-2017**  
**SERVICES PROVIDED**  
**FOR CITY PROPERTY TAX DOLLARS**

<u>MAJOR SERVICES</u>	<u>CITY TAXES/YEAR*</u>
POLICE, FIRE, & EMS	854
PARKS & RECREATION	88
ROADS, APPEARANCE, DRAINS & OTHER	110
LIBRARY	<u>140</u>
<b>TOTAL CITY PROPERTY TAX</b>	<b>\$ 1,192</b>

\* For ease of calculation, figures are based on a Southfield home with a market value of \$100,000 and a taxable value of \$50,000.

**PROPERTY TAX DOLLAR DISTRIBUTION  
(\$100,000 HOME, TAXABLE VALUE OF \$50,000)**



**B. OVERVIEW - REVENUES AND EXPENDITURES**

BUDGET COMPARISONS  
GENERAL FUND REVENUES

	<u>15-16</u> <u>APPROVED</u> <u>BUDGET</u>	<u>16-17</u> <u>RECOMM.</u> <u>BUDGET</u>	<u>%</u> <u>CHANGE</u>
General Operating Levy	15,589,479	15,545,131	-0.3
Police & Fire Levy	16,252,740	16,206,505	-0.3
Police & Fire Pension Levy	10,268,182	10,281,415	0.1
Tax Administration Fees & Penalties	2,097,770	2,137,459	1.9
Sales Tax Returns - Constitutional	5,741,220	5,690,284	-0.9
Sales Tax Returns - Statutory	950,972	950,972	-
Liquor Licenses	47,500	47,500	-
Sanitation Charges	3,329,137	2,793,502	-16.1 <sup>1</sup>
Building Department Revenues	1,200,000	1,641,630	36.8 <sup>2</sup>
Engineering Revenues	710,618	720,618	1.4
District Court Revenues	4,286,072	4,136,472	-3.5
Reimbursements	1,440,996	2,077,489	44.2 <sup>3</sup>
Fees, Licenses, and Permits	4,476,426	4,442,826	-0.8
Investment Income	200,000	400,000	100.0 <sup>4</sup>
Interfund Reimbursements	<u>807,639</u>	<u>800,318</u>	<u>-1.0</u>
Total Revenues Exclusive of Fund Balance	67,398,751	67,872,121	
Transfer From Committed Fund Balance:			
Equalization Reserve	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total From General Fund</b>	<b><u>67,398,751</u></b>	<b><u>67,872,121</u></b>	<b><u>0.7</u></b>

GENERAL FUND REVENUES FOOTNOTES

- 1) New contractor selected for residential and municipal site solid waste and recycling services.
- 2) Adoption of new rates for building permit fees in November 2015.
- 3) Personal property reimbursement for the small taxpayer exemption loss.
- 4) Increased based on cash available for investment, historical returns and anticipated investment income.

BUDGET COMPARISONS  
GENERAL FUND EXPENDITURES

	<u>15-16</u> <u>ADOPTED</u> <u>BUDGET</u>	<u>16-17</u> <u>RECOMM.</u> <u>BUDGET</u>	<u>%</u>	
Administration	611,399	537,676	-12.1%	1
Fiscal Services / OMB	302,757	1,077,042	255.7%	2
Accounting	622,245	695,894	11.8%	3
Purchasing	300,364	299,707	-0.2%	
Technology Services	2,019,321	2,107,329	4.4%	
Assessing	749,335	816,178	8.9%	
Central Services	1,451,380	753,678	-48.1%	2
Support Services	5,586,722	4,924,031	-11.9%	4
Human Resources	815,144	975,627	19.7%	5
Clerk	1,049,629	1,024,817	-2.4%	
Council	173,454	188,659	8.8%	
Community Relations	470,312	742,973	58.0%	6
46th District Court	3,449,581	3,636,550	5.4%	
Human Services	299,464	-	-100.0%	6
Law	924,734	828,470	-10.4%	7
Mayor	201,934	200,507	-0.7%	
Emergency Management	34,808	38,809	11.5%	
Police	24,181,846	24,881,846	2.9%	
Fire	15,068,694	15,277,024	1.4%	
Community Development Administration	1,502,616	1,615,153	7.5%	
Building	1,761,638	1,890,701	7.3%	
Planning	534,053	566,030	6.0%	
Streets and Highways	84,669	84,669	-	
Transportation	455,271	455,271	-	
Engineering	710,618	720,618	1.4%	
Sanitation	3,329,137	2,793,502	-16.1%	8
Treasurer	707,626	739,360	4.5%	
<b>Total General Fund</b>	<u><u>67,398,751</u></u>	<u><u>67,872,121</u></u>	0.7%	

## GENERAL FUND EXPENDITURES FOOTNOTES

- 1) Reduction in budgeted fringe costs as a result of hiring a Tier 2 employee as the Deputy City Administrator.
- 2) Moved Risk Management activities out of Central Services and into Fiscal Services/OMB. There is corresponding a reduction in the budget for Central Services.
- 3) Funding of the Payroll Specialist position.
- 4) Reduction in the amount allocated for contingency compared to 2015-16.
- 5) Funding of the Deputy Human Resource Director position, as well as increases in fringe rates.
- 6) Human Services was consolidated with Community Relations.
- 7) Elimination of an administrative assistant position.
- 8) The City selected a new contractor for residential and municipal site solid waste and recycling services.

**BUDGET COMPARISONS**  
**ALL FUNDS**

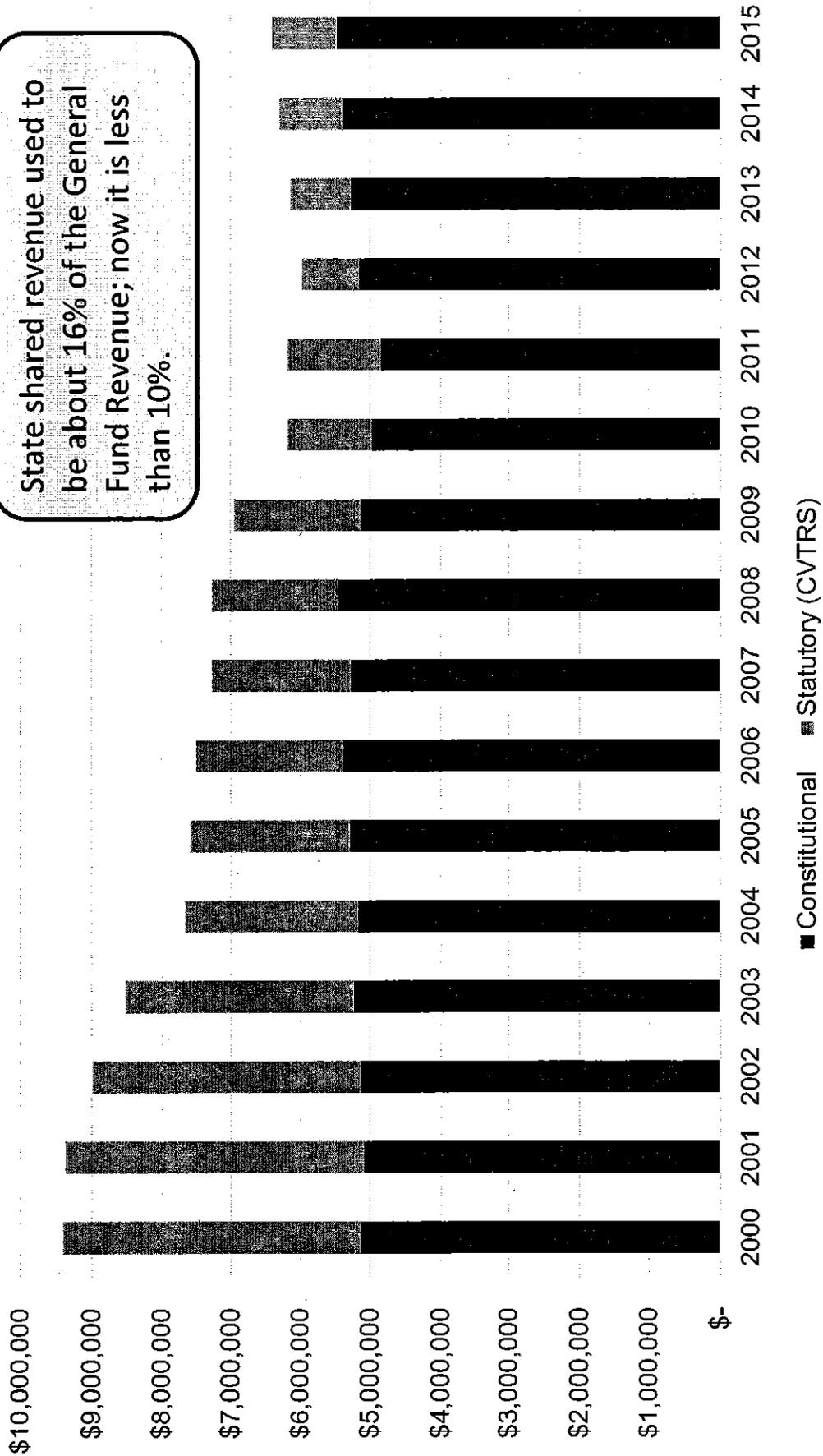
<b><u>FUND</u></b>	<b>15-16 ADOPTED BUDGET</b>	<b>16-17 RECOMM. BUDGET</b>	<b>% CHANGE</b>
General Fund	\$67,398,751	\$67,872,121	0.7%
Facilities Maintenance Fund	5,882,950	4,753,326	-19.2% <sup>1</sup>
Motor Pool Fund	3,943,533	4,218,533	7.0%
Cable TV Fund	1,311,883	1,098,881	-16.2% <sup>2</sup>
Parks and Recreation Fund	6,931,196	6,838,516	-1.3%
Library Fund	7,210,166	7,279,920	1.0%
Major Street Fund	14,707,082	12,891,205	-12.3% <sup>3</sup>
Local Street Fund	12,746,094	20,385,168	59.9% <sup>4</sup>
Water and Sewer Fund	62,455,878	65,043,092	4.1%
Drug Law Enforcement Fund	420,685	25,000	-94.1% <sup>5</sup>
Donations, Mem.Trusts and Sponsorships (Less Duplicating Transfers)	200,000 (11,913,287)	200,000 (12,198,889)	0.0% 2.4%
Municipal Subtotal	171,294,931	178,406,873	4.2%
Community Development Block Grant	424,081	451,118	6.4%
Section 8 Housing Grants	2,203,989	2,201,546	-0.1%
Michigan Works Grants	2,500,000	2,300,000	-8.0%
Auto Theft Grant	310,422	301,770	-2.8%
<b>Total Budget</b>	<b><u>\$176,733,423</u></b>	<b><u>\$183,661,307</u></b>	<b>3.9%</b>

## ALL FUNDS FOOTNOTES

- 1) There are no new planned capital projects.
- 2) Unrestricted franchise revenue moved to the General Fund.
- 3) Reduction in salt purchases, supplies, and planned infrastructure improvements.
- 4) Increase in planned infrastructure improvements.
- 6) A moratorium had been placed on federal forfeiture payments to local law enforcement agencies at the time of budget preparation.

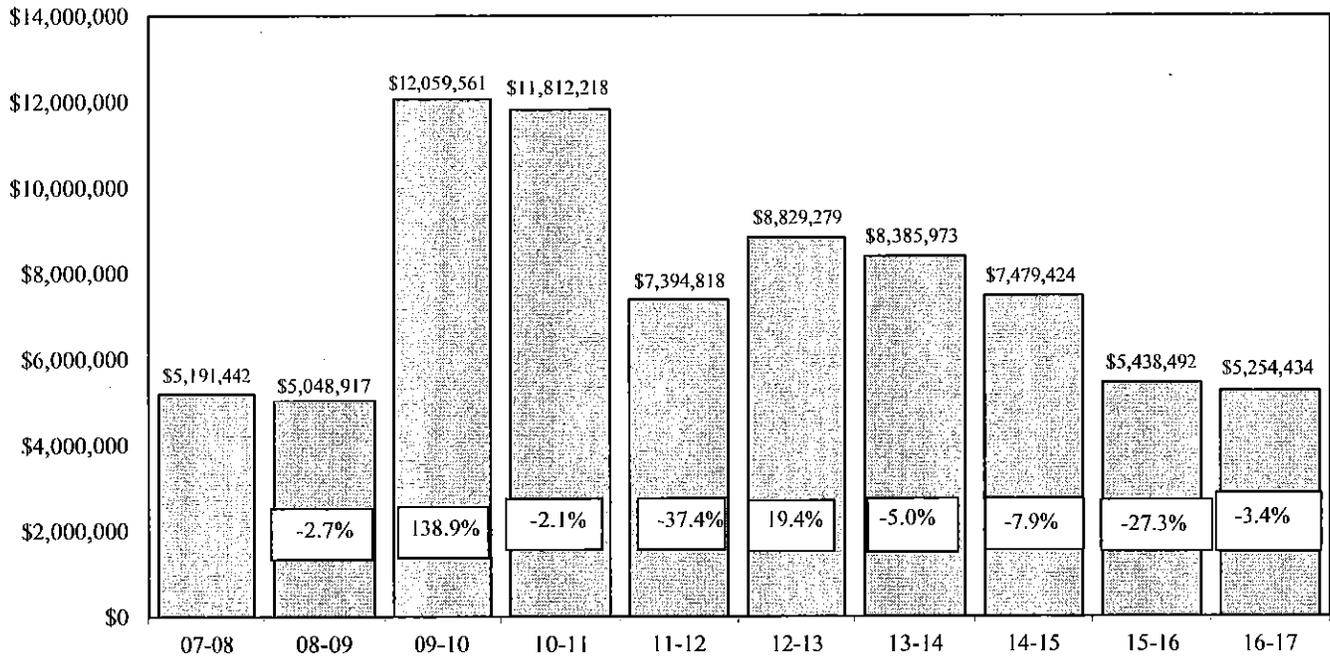
# State Shared Revenue is the City's Second Largest Revenue Source

State shared revenue used to be about 16% of the General Fund Revenue; now it is less than 10%.



# 10 YEAR COMPARISON

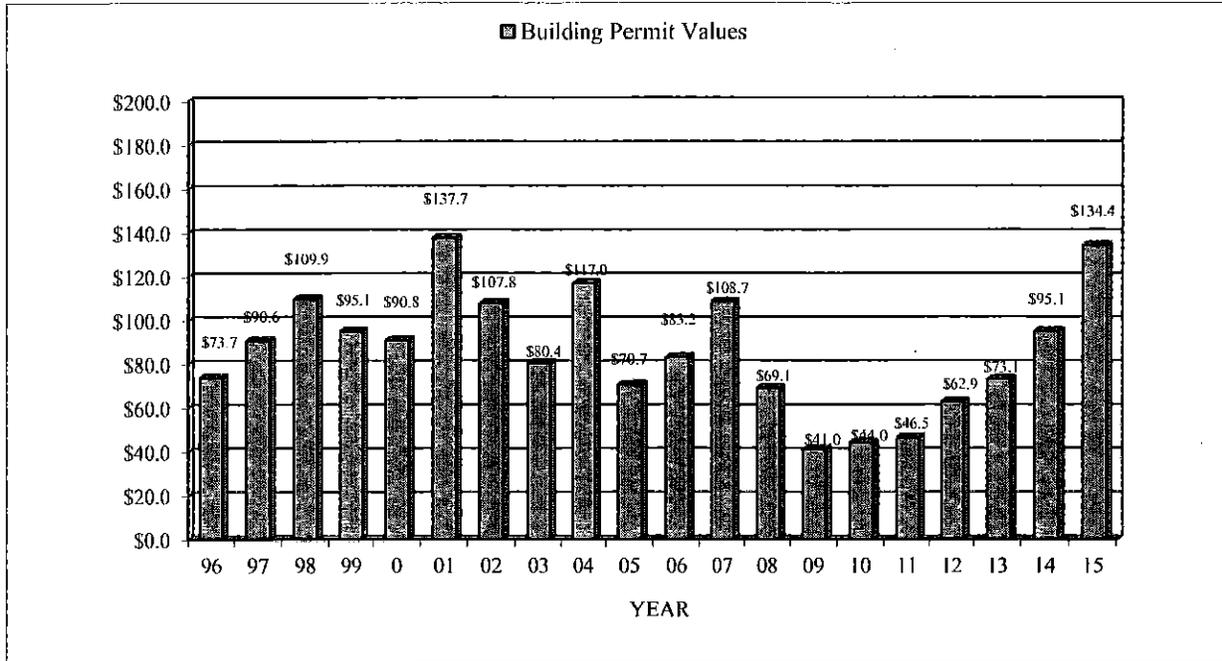
## MAJOR GRANT REVENUES



Program (NSP) dollars and substantial increase in employment grants reflected in 2009-10 and 2010-11. 2012-13 and 2013-14 data include the Staffing for Adequate Fire and Emergency Response (SAFER) grant.

Grants have declined from 2014-15 due to the pending close out of the Neighborhood Stabilization Program (NSP) and non-renewal of the SAFER grant.

## GROWTH AND PROPERTY VALUATION TRENDS\*

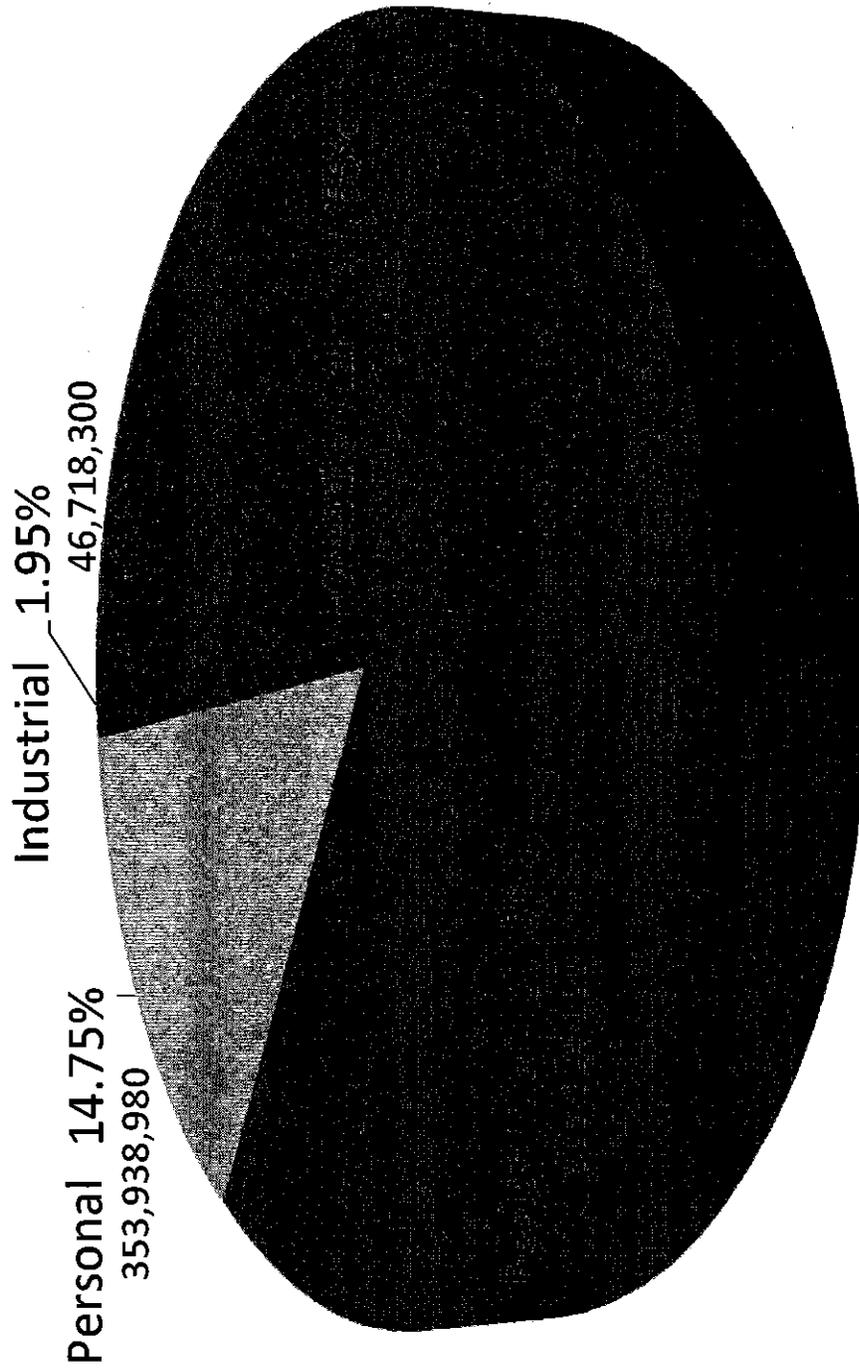


## TAXABLE VALUE (TV)

<u>YEAR</u>	<u>RESIDENTIAL</u>	<u>ALL OTHER</u>	<u>TOTAL TV MILLIONS</u>	<u>% CHANGE</u>
1996-97	37.7	62.3	2,425	3.7
1997-98	37.9	62.1	2,514	3.7
1998-99	36.7	63.3	2,708	7.7
1999-00	37.2	62.8	2,826	4.4
2000-01	37.7	62.3	2,930	3.7
2001-02	38.5	61.5	3,079	5.1
2002-03	39.3	60.7	3,231	4.9
2003-04	41.0	59.0	3,268	1.1
2004-05	41.9	58.1	3,387	3.6
2005-06	43.0	57.0	3,482	2.8
2006-07	43.8	56.2	3,605	3.5
2007-08	44.6	55.4	3,726	3.4
2008-09	44.6	55.4	3,753	0.7
2009-10	42.6	57.4	3,656	(2.6)
2010-11	37.6	62.4	3,105	(15.1)
2011-12	35.3	64.7	2,695	(13.2)
2012-13	35.1	64.9	2,399	(11.0)
2013-14	35.7	64.3	2,195	(8.5)
2014-15	36.6	63.4	2,257	2.8
2015-16	36.7	63.3	2,358	4.5
2016-17	37.7	62.3	2,351	(0.3) estimate

\*Projections, including an allowance for appeals

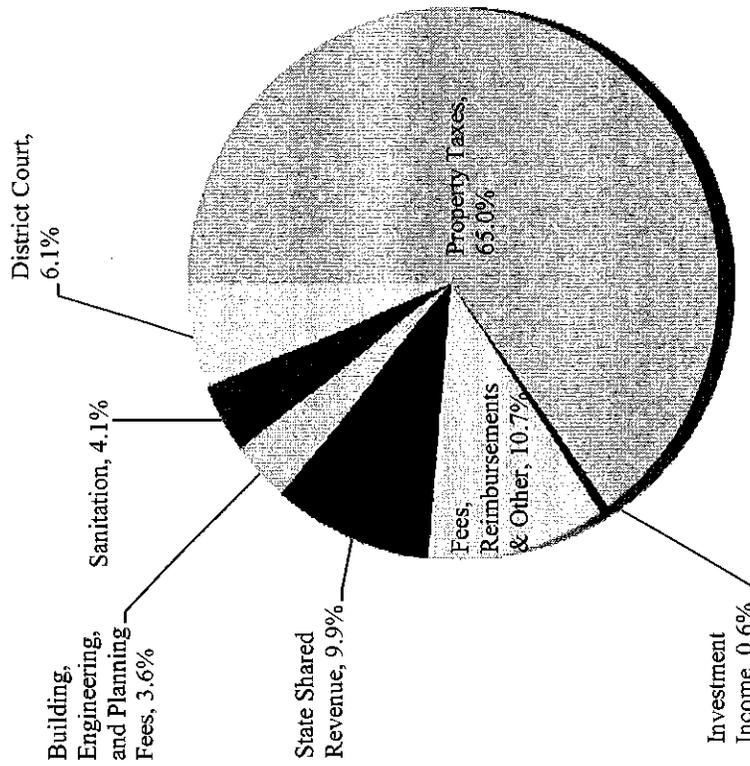
# COMPOSITION OF TAXABLE VALUE



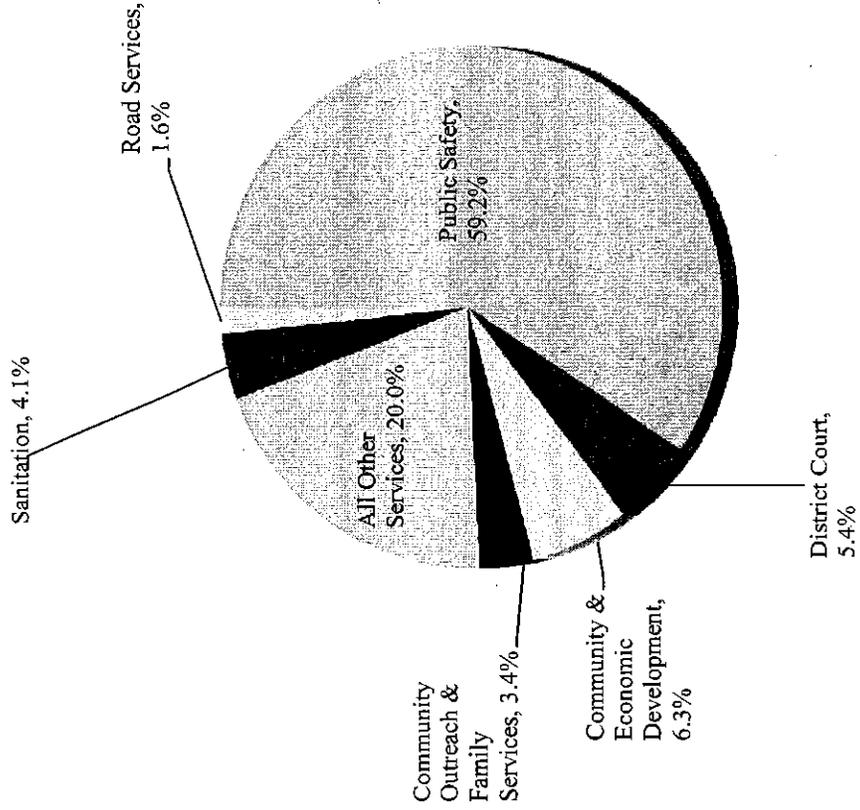
Total Taxable Value 2,400,338,435 (As Reported to STC)  
Total Taxable Value Less Capture Districts 2,351,973,040

# GENERAL FUND

## REVENUES

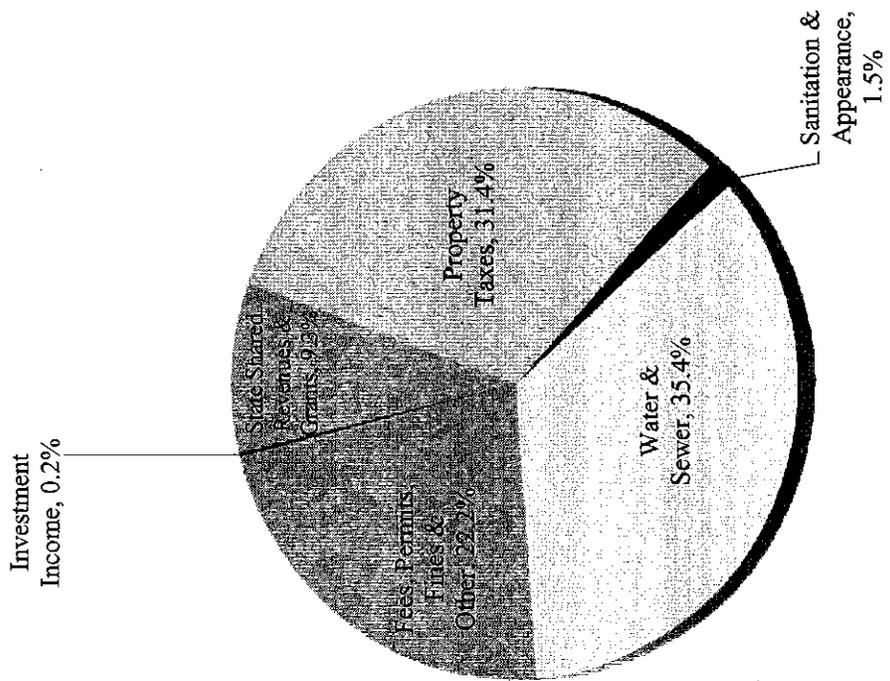


## EXPENDITURES

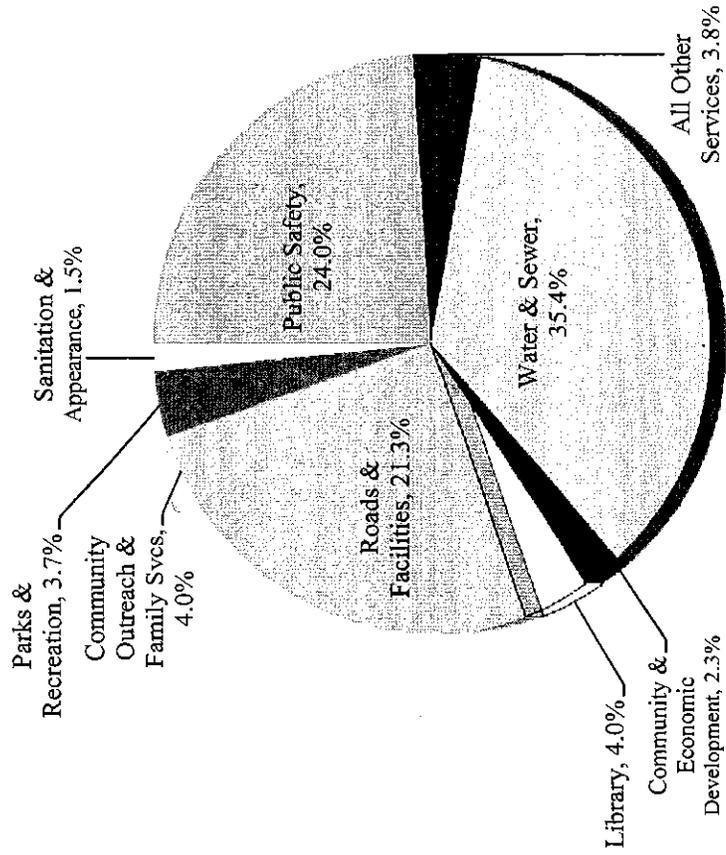


# ALL FUNDS

## REVENUES



## EXPENDITURES



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**PROCESS**

**May 13 & 16 COUNCIL BUDGET STUDY SESSIONS**

**June 20 BUDGET ADOPTION (SPECIAL MEETING)**

**July 1 NEW FISCAL YEAR BEGINS**

