

2015-2016 BUDGET





City of Bloomfield Hills
FY 2015-2016
Budget

Commission

Michael J. Dul, Mayor
Stuart D. Sherr, Mayor Pro-Tem
Patricia A. Hardy, Commissioner
Sarah McClure, Commissioner
Michael Coakley, Commissioner

City Manager

Jay W. Cravens

Clerk

Amy L. Burton

Finance Director/Treasurer

Karen K. Ruddy

Director of Public Safety

David S. Hendrickson

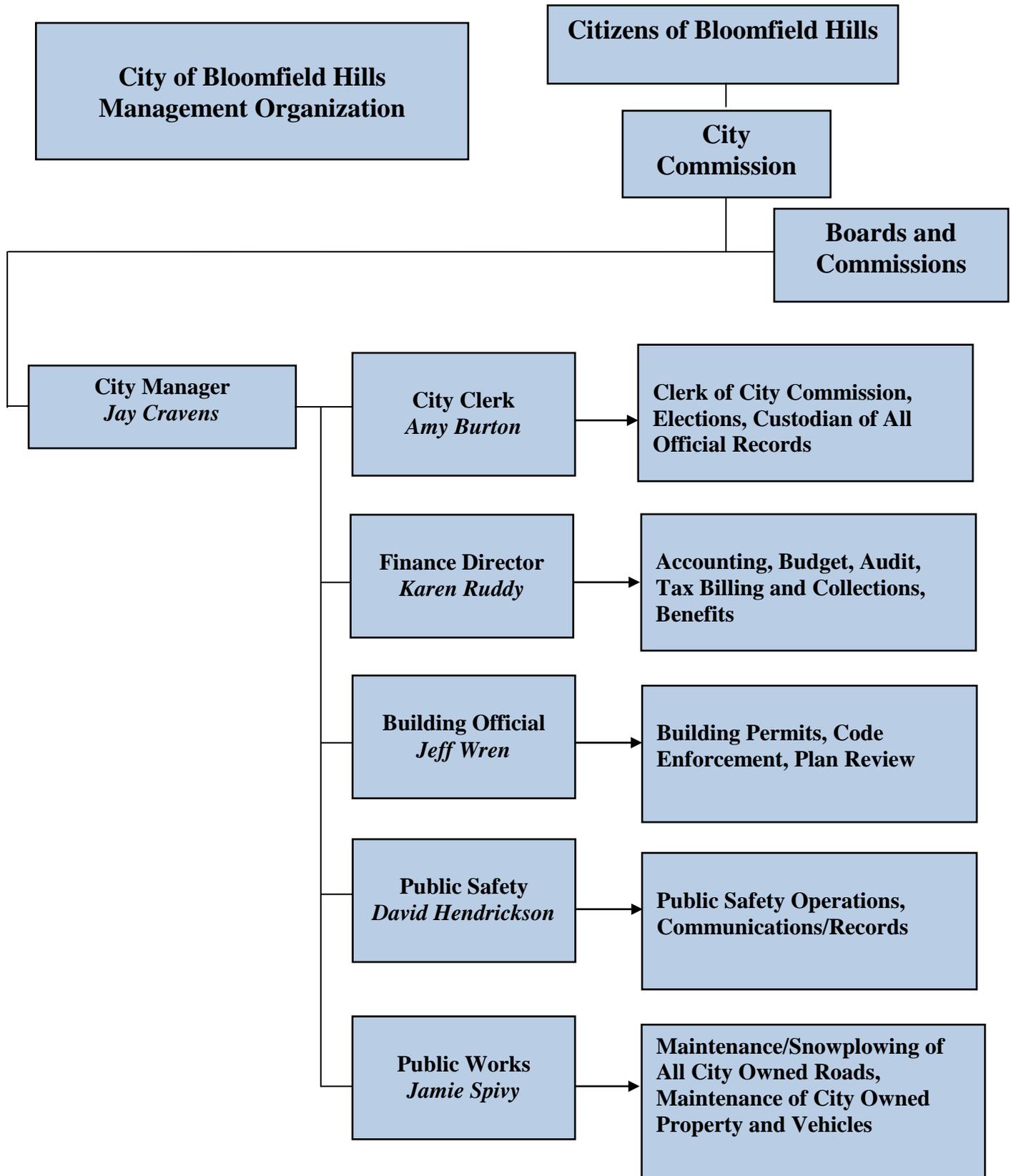
Building Official

Jeff Wren

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City of Bloomfield Hills
Organizational Chart



Message from the Finance Director

The 2015-2016 (2016) General Fund budgeted revenue was \$9,415,248 compared with 2014-2015 (2015) budgeted revenue of \$24,896,635. The large difference between years is due to a pension bond issuance in 2015 for \$15,860,000. General Fund expenditures were also much greater in 2015, due to payment in full of the unfunded pension liability; which was financed with the pension bond proceeds.

The payment of the unfunded pension liability by issuance of bonds was approved because of a potential savings of \$12 million dollars over the next twenty years, and also to remove the volatility of yearly expenses; which can fluctuate if actuarial assumptions are not accurate.

When analyzing prior year budget to this budget, a better comparison eliminates the debt and pension expense. After elimination of the debt proceeds and the unfunded pension expense, the 2016 revenues and expenses were greater than 2015 by approximately \$460,000. The increase in revenue was due primarily to an increase in property tax. The increase in expense was due to a larger transfer out of the General Fund to cover the pension bond yearly principal and interest. It should be noted the large transfer was offset by smaller pension expenses. Also in 2016, revenues were greater than expenses by \$186,000, which will add to the unrestricted fund balance. However, fund balance will only increase by \$146,000 because \$40,000 of prior years' fund balance, restricted for building activities, was utilized.

The tax millage was increased by .75 mills last year (2015) in order to fund the reconstruction of Vaughan and South Cranbrook roads. 2016 is the second year of this three year millage increase. The City also issued bonds to replace water and sewer infrastructure which is directly under Yarboro, Joyce, Vaughan and South Cranbrook roads so that the work could be done at the same time the roads were being reconstructed. The costs to reconstruct Vaughan and South Cranbrook were bid as one project to save construction costs. The bond issue was originally estimated to be \$4.2 million, but with the savings in construction costs the bonds were issued at \$3.3 million. The debt payments will begin in 2016 and are being funded with a fixed capital charge through water billings.

Over the past five years, while revenues have decreased and expenses have continued to rise, it has been a challenge to continue to provide the highest level of service while also improving our roads. After many years of declining property values, property tax revenue is finally beginning to increase. This budget is not only balanced, but shows expenditures well below revenue; increasing the fund balance. The hard work and commitment of the Commission and the staff has continued to keep this community one to be proud of. Finally, I would like to take this opportunity to thank Mayor Michael Dul, Commissioners Patricia Hardy, Sarah McClure, Stuart Sherr and Michael Coakley, City Manager Jay Cravens, City Clerk Amy Burton, Chief David Hendrickson and the entire administrative staff for all of their help and support during this budget process. They were all essential to the process.

Karen K. Ruddy, Finance Director/Treasurer

Budget Overview

City of Bloomfield Hills

Established in 1932, Bloomfield Hills is a predominately residential community with expansive lots and unique architecture. Situated in Oakland County, the City is approximately four square miles of rolling hills, trees, and water. Although the City has a population of only 3,869, it is ranked as one of the top five wealthiest cities in the United States that consists of over 1,000 households.

Fund Structure

The City of Bloomfield Hills maintains accounts for 10 funds including a fund that brings the City of Bloomfield Hills in compliance with GASB 34. There are six types of funds: General Fund, Special Revenue Funds, Debt Service Funds, Enterprise Funds, Capital Projects Funds and Trust and Agency Funds.

General Fund - The General Fund is the City's primary operating fund. The General Fund is a government fund that generates revenues to cover general operational expenses and is accounted for on the modified accrual basis. Modified accrual basis of accounting is a blend of both cash and full accrual. Revenue is recognized when it is considered available and measurable, while expenses are recognized when the liability has occurred.

Special Revenue Funds

Major Road Fund and Local Road Fund - The Major and Local Road Funds account for resources of state and weight tax revenues that are restricted for use on major or local roads. These funds account for expenditures associated with the maintenance and improvements of City roads.

General Obligation Debt Service Fund - The Debt Service Fund accounts for the actual costs of interest and principal on general obligation debt issued by the City of Bloomfield Hills.

Water and Sewer Fund - The Water and Sewer Fund accounts for the results of operations that provide water and sewer services to citizens that are financed by user charges. This fund is an Enterprise Fund which operates like a business entity.

Capital Projects Funds

Capital Improvement Fund – The Capital Improvement Fund was new in 2015-2016 and accounts for capital purchases, such as, computers, building improvements, vehicles and equipment; which in the past were accounted for in the General Fund.

Road Construction Fund - The Road Construction Fund accounts for major road repair and road replacement projects.

Trust and Agency Fund - The Trust and Agency Fund accounts for building bonds, escrows, etc., that are held by the City until required work is performed or used to pay vendors related to building projects. This fund has no revenue or expense recorded, so no budget is required or prepared.

Tax Collection Fund - The Tax Collection Fund accounts for the yearly property tax receipts collected, and tax distributions made by the City. This fund has no revenue or expense recorded, so no budget is required or prepared.

GASB 34 Fund - The GASB 34 Fund converts governmental fund statements to full accrual accounting, in accordance with Governmental Accounting Standards Board Statement 34; no budget is required or prepared for this fund.

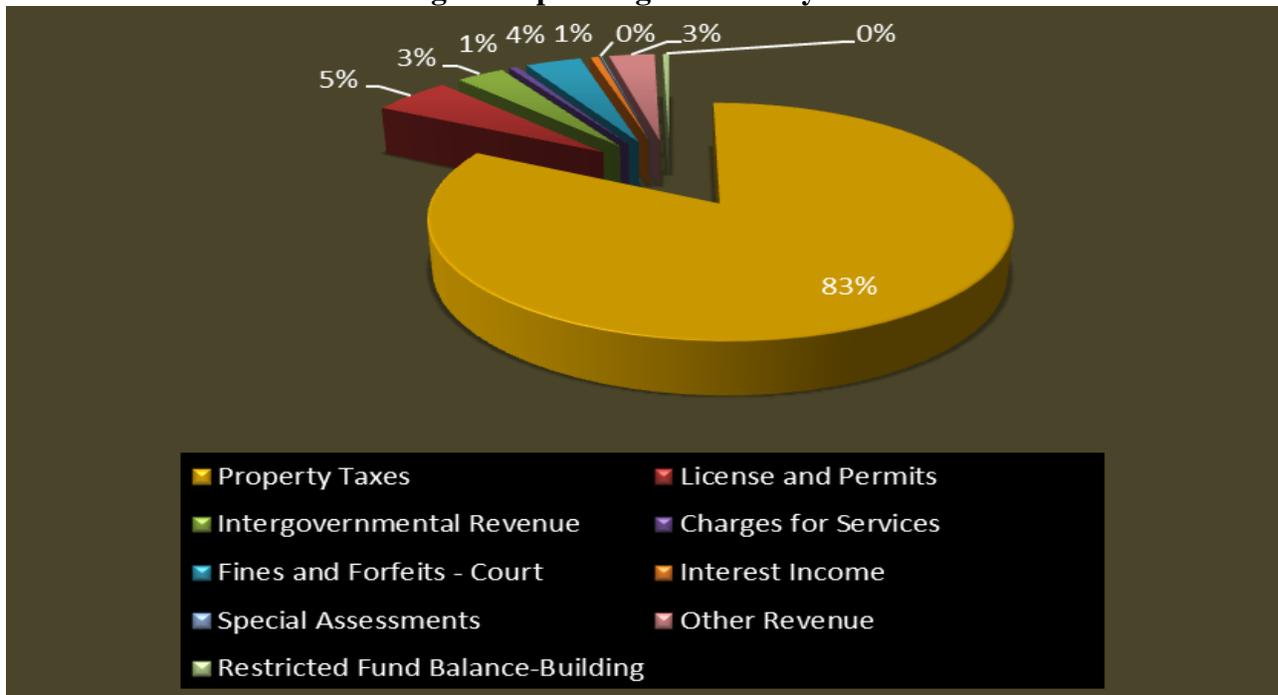
General Fund Overview

Revenue

General Fund 2016 budgeted operating revenue is \$9,415,248 compared with 2015 budgeted revenue of \$24,896,635. 2015 budgeted revenue includes \$15,860,000 in pension bond proceeds to pay-off the MERS unfunded accrued liability. If the bond proceeds are removed from the 2015 budgeted revenue, there is an increase from 2015 to 2016 of approximately \$461,000. The increase is due primarily from an increase in property tax revenue; which increased by over six percent. Property tax is the largest revenue source for the General Fund and makes up 82% of total operating revenue. The 2016 budget utilized \$40,840 of restricted (construction code) fund balance from the building department's prior years' accumulated revenues over expenses. Any accumulated fund balance restricted due to building department activity can only be used to fund building department subsequent years' expense over revenues. However, the use of restricted construction code fund balance offsets a budgeted increase in General Fund fund balance of \$186,066; which nets to an increase in fund balance for 2016 of \$145,226.

The City is able to levy 14.5930 mills without voter approval. However, only 10.60 of general operating mills are levied; 9.50 mills are allocated to the General Fund for operating and 1.10 mills are allocated to the Road Construction Fund. The allocation to road construction was increased by .75 mills in 2015. The City plans to continue to collect the additional .75 mills for road improvements through 2017. The additional revenue was needed for the reconstruction of Vaughn and S. Cranbrook roads. In August of 2014 voters authorized the City to collect up to .39 mills per year over the next six years for Baldwin Library services. However, a Headlee tax rollback was required which permanently reduced the tax millage from .3900 to .3866 mills.

General Fund – Budgeted Operating Revenue by Source as a % of Total



State Revenue Sharing

State revenue sharing is a local unit’s share of state sales tax and in the past it was made up of both constitutional and statutory payments. In 2012 the State of Michigan replaced statutory revenue sharing with EVIP (Economic Vitality Incentive Program). The City no longer qualifies for the EVIP portion of revenue sharing.

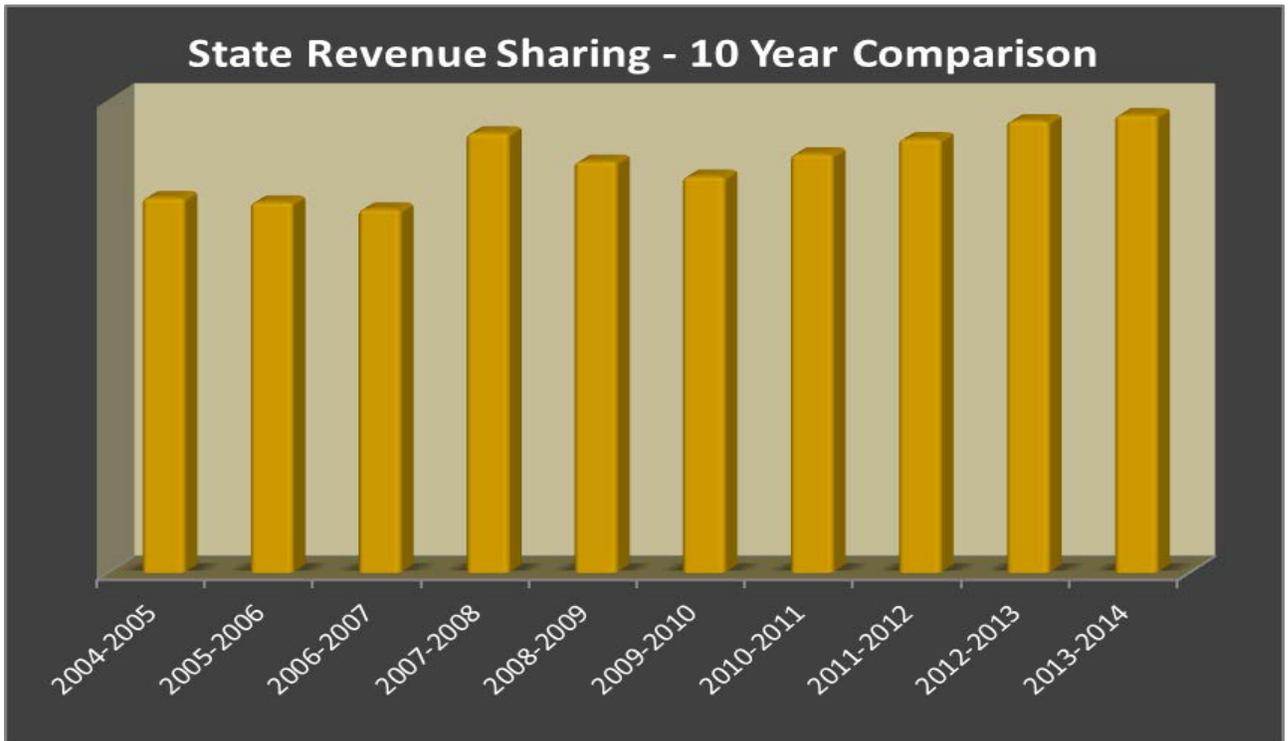
Constitutional

The constitutional portion of state revenue sharing is based on a formula using population times the state distribution rate. Constitutional revenue sharing is set by law and cannot be taken away without a change to the state constitution. However, this amount can vary based on the amount of sales tax collected each year. The State of Michigan has announced a 3% increase in constitutional revenue sharing in 2015. Therefore, the 2016 budget reflects that increase.

EVIP

Public Act 63 of 2011 introduced EVIP (Economic Vitality Incentive Program) which replaced statutory revenue sharing. Not all municipalities were eligible to receive the statutory replacement; including Bloomfield Hills. In the graph below you can see a decrease in year 2009-2010 from 2008-2009, representing the City’s loss of revenue due to the EVIP disqualification.

The graph below depicts a comparison of the City’s revenue sharing payments for years 2005 through 2014.



Expenditures

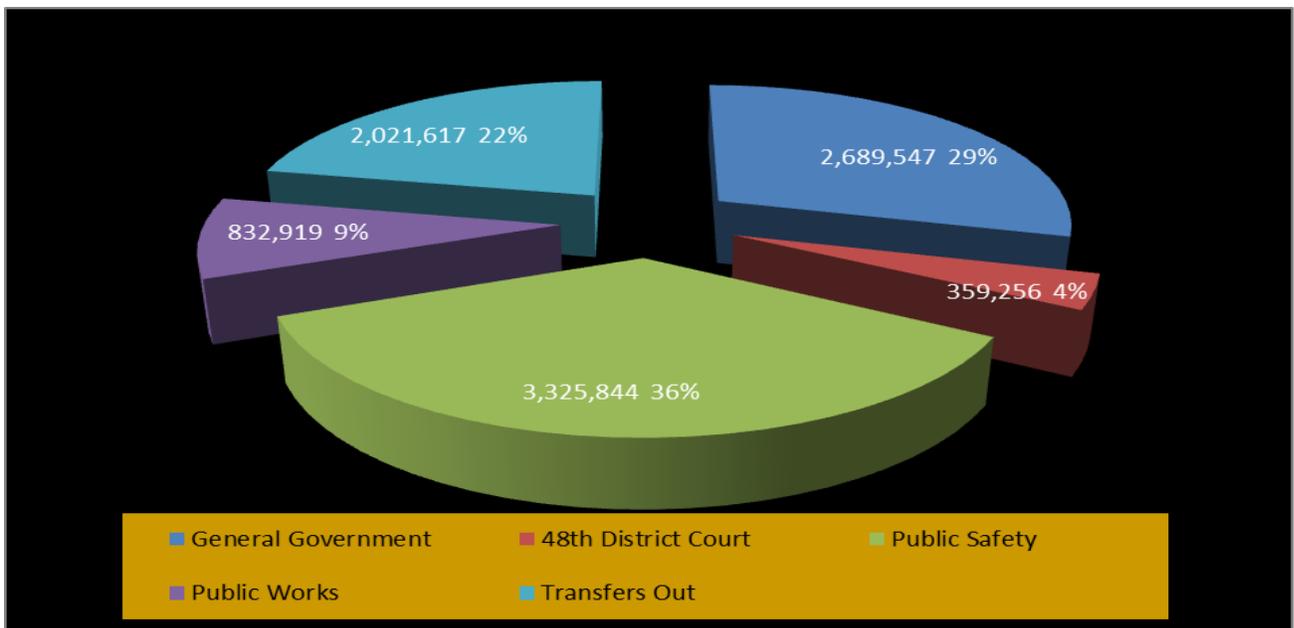
The General Fund expenditure budget for 2016 is \$9,415,812, compared with 2015 budgeted expenditures of \$24,896,635; a decrease of \$15,480,823. The large decrease is due to payment of the City's unfunded pension liability and bond issuance cost in 2015. The liability and issuance costs were paid using pension bond proceeds.

The payment of the unfunded pension liability was a one-time large expense. Therefore for analysis purposes, if pension liability expenses from 2015 are excluded, the 2016 budget is greater by \$464,100. This increase is a combination of both increases and reductions in various expenses. General Fund transfers increased by \$1,131,486 to cover principal and interest for the 2015 pension bonding, and for a transfer of \$200,000 to the newly created Capital Improvement Fund. However, the \$200,000 transfer for capital improvements is a different accounting treatment for prior year capital purchases that were made from the General Fund. Decrease in pension expense in the administrative, public safety and public works departments; offset the increase in Transfers-Out.

Although, the unfunded pension liability has been paid off, the City still has yearly normal costs; which are calculated by MERS (Municipal Employees' Retirement System) actuaries. The normal cost is the portion of pension benefits paid upon retirement, but earned by active employees each year.

The public safety department is the largest cost to the city. As seen in the graph below, public safety makes up 36% of the total General Fund budget. However, when the pension bonds were issued in 2015, the unfunded liability expense shifted from individual departments to a transfer from General Fund to the Debt Obligation Fund. Therefore, if the unfunded pension liability had not been paid off, the public safety department's expense compared to the total General Fund expenditures would be much larger.

General Fund – Budgeted Expenditures by Function as a Percentage of Total Expense Budget



**GENERAL FUND
2015-2016 FINANCIAL SUMMARY**

Estimated Revenue Sources

Property Taxes	\$ 7,786,180
License and Permits	508,300
Intergovernmental Revenue	309,452
Charges for Services	51,500
Fines and Forfeits - Court	359,256
Interest Income	57,200
Special Assessments	7,360
Other Revenue	295,160
Other Finance Sources-Fund Balance Building	<u>40,840</u>

Total Budgeted Revenue Sources **\$ 9,415,248**

Estimated Expenditures

Commission	\$ 600
48 th District Court	359,256
City Manager	157,650
City Attorney	175,100
Assessing	49,234
City Clerk	121,905
Treasury	168,128
General Admin	1,115,941
Building/Grounds	192,055
Public Safety	3,325,844
Building/Planning	417,840
Public Works	784,919
Engineering	48,000
Library	291,093
Transfers Out	2,021,617
Other Finance Uses-Fund Balance	<u>186,066</u>

Total Budgeted Expenditures **\$ 9,415,248**

Budgeted Net Revenue (Expenditures) **\$ -**

Estimated Fund Balance

Fund Balance at June 30, 2014 (Audited)	\$ 4,625,290
Estimated Change in Fund Balance at June 30, 2015	<u>265,700</u>
Estimated Fund Balance at June 30, 2015	\$ 4,890,990
Estimated Change in Fund Balance at June 30, 2016	<u>145,226</u>
Estimated Fund Balance at June 30, 2016	\$ 5,036,216

GENERAL FUND REVENUE



GENERAL FUND – REVENUE

REVENUE BY SOURCE	2014 Actual	2015 Budget	2016 Proposed Budget
<u>PROPERTY TAXES</u>			
PROPERTY TAXES - OPERATING	\$ 6,826,414	\$ 6,982,140	\$ 7,433,955
MTT REVENUE	2,251		
LIBRARY MILLAGE	280,362	285,957	299,225
PROPERTY TAXES - DELQ PPT	4,134		
PENALTY & INTEREST - TAXES	56,125	53,000	53,000
<u>LICENSES & PERMITS</u>			
CONTRACTOR REGISTRATION	12,085	9,000	9,000
BUILDING PERMITS	423,005	230,000	230,000
PERMIT APPLICATION FEE-ALL BL	46,475	43,000	43,000
VACANT HOME REGISTRATION FEE			
ELECTRICAL PERMITS	71,803	70,000	40,000
PLUMBING PERMITS	34,689	60,000	20,000
MECHANICAL PERMITS	32,340	69,000	30,000
IN-HOME SALE PERMITS	450	1,000	500
W.W. DREAM CRUISE SPECIAL PER	5,850	5,000	5,000
DOG LICENSE FEES	810	900	800
CABLE TV FRANCHISE FEES	132,958	129,000	130,000
<u>INTERGOVERNMENTAL REVENUE</u>			
CRIMINAL JUSTICE TRAINING 302	4,590	4,000	4,000
PUB SAFETY 911 TRAINING FUND	5,951	3,200	3,200
GRANT	2,472		
LIQUOR LICENSE REBATE	5,268	5,200	5,200
STATE REVENUE SHARING	290,232	288,400	297,052
<u>CHARGES FOR SERVICES</u>			
PLANNING COMMISSION FEES	9,500	5,000	5,000
CHARGES FOR SERVICES	6,519	1,000	1,000
CHARGES FOR SERV-PUBLIC SAFET	12,040	2,500	2,500
ZBA REVIEW FEES	7,000	4,500	6,000
PUBLIC SAFETY-COST RECOVERY	6,165	2,000	5,000
PUBLIC SAFETY-OVERTIME REIMB	1,138		1,000
FIRE MARSHALL	27,980	22,000	25,000
RIGHT-OF-WAY FEE		4,900	6,000
<u>FINES & FORFEITS</u>			
48TH DISTRICT CT-FINES & FEES	331,097	314,000	359,256
<u>INTEREST INCOME</u>			
	57,416	42,207	57,200
<u>SPECIAL ASSESSMENTS</u>			
	17,690	7,360	7,360
<u>OTHER REVENUE</u>			
PEG FRANCHISE FEES	70,975	73,000	70,975
OTHER REVENUE	28,045	21,200	10,000
FIRE SUPPRESSION & ALARM PERM	7,538	5,000	5,000
SALE OF ASSETS	4,865	12,000	5,000
DPW EQUIP&LABOR REIMB	230,638	170,200	160,185
RETIREE DRUG SUBSIDY	19,084		
REFUNDS & REBATES	47,873	101,159	44,000
PUBLIC SAFETY GIFT CONTRIBS.	2,650		
OTHER FINANCING SOURCES - BOND PROC		15,860,000	
OTHER FINANCING SOURCES - DEBT PROC	92,712	9,812	
OTHER FINANCING SOURCES – FUND BAL			40,840
TOTAL REVENUE & OTHER SOURCES	\$ 9,219,189	\$ 24,896,635	\$ 9,415,248

GENERAL FUND APPROPRIATIONS



GENERAL INFORMATION - APPROPRIATIONS

KEY ASSUMPTIONS

↻ WAGE INCREASES	2%
↻ HEALTH INSURANCE BASED ON ILLUSTRATIVE RATES	
↻ DEFINED CONTRIBUTION – NORMAL COST	\$ 275,820
↻ PENSION BONDS PRINCIPAL & INTEREST	\$1,151,382
↻ GENERAL OPERATING INCREASES	Based on 2 year history
↻ UTILITY \FUEL INCREASES	5%

SUMMARY OF FTE'S (Full-Time Equivalents) - GENERAL FUND

Department	2016 Full-Time	2016 Part-Time	2016 Total FTE's	2015 Total FTE's
Commission	0	5	.05	.05
City Manager	1	0	1.00	1.00
Clerk	2	0	2.00	1.80
Treasury	2	1	2.60	2.60
Public Safety	27	3	28.00	29.00
Building	1	2	2.25	2.25
DPW	5	0	5.00	5.00
Total	38	11	40.90	41.70

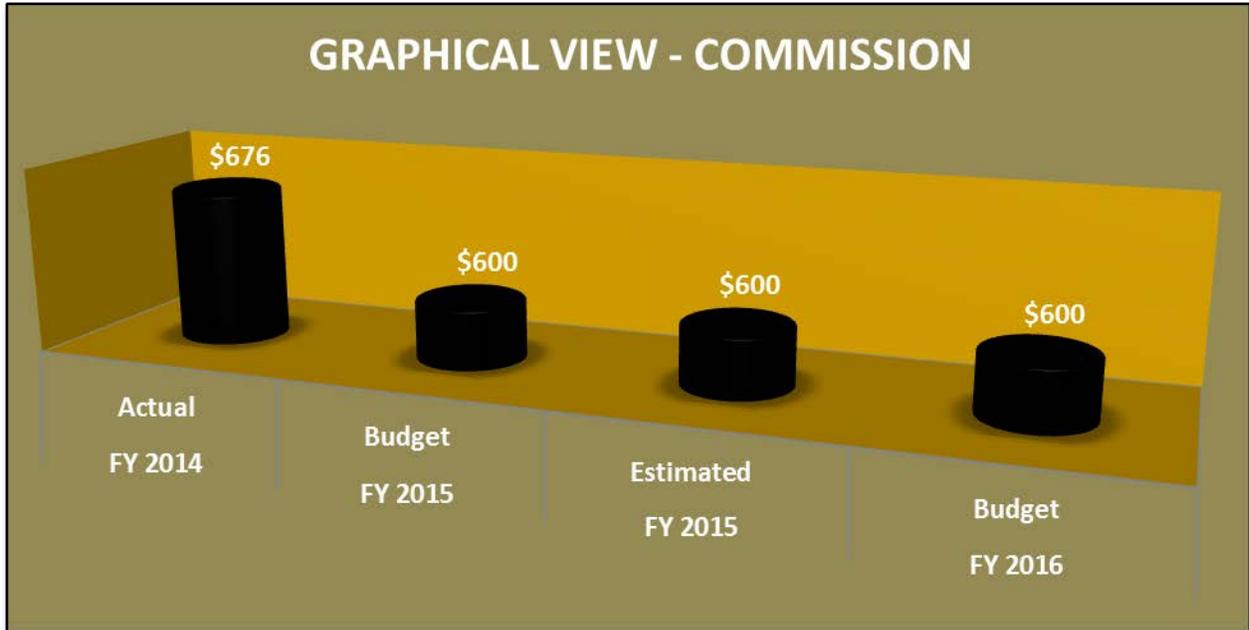
Note: FTE's are shown above by department assignment, not by allocation to other departments/funds

DEPARTMENT APPROPRIATIONS

Commission

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT

STAFF RESPONSIBLE: FINANCE DIRECTOR



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
Financial Summary	Actual	Budget	Estimated	Proposed Budget
Personnel Services	\$ 300	\$ 300	\$ 300	\$ 300
Operating Costs	376	300	300	300
Total	\$ 676	\$ 600	\$ 600	\$ 600
Personnel/FTE Data	Actual	Budget	Actual	Budget
Part Time Elected Positions	5	5	5	5
Total Positions	5	5	5	5
Full Time Equivalents	0.05	0.05	0.05	0.05

Commissioners

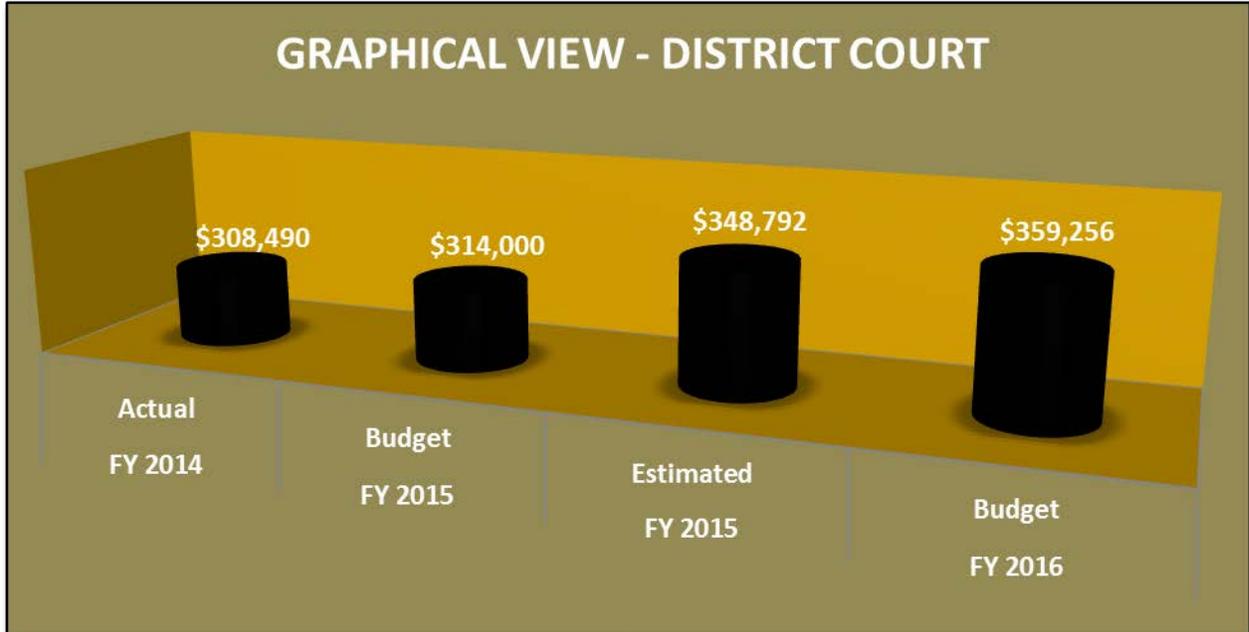
- ↺ Elected for 2 year terms in odd election years
- ↺ Enact legislation and policies
- ↺ Approve budget
- ↺ Assist residents

Changes in Budget

- No change from 2015 budget

DEPARTMENT APPROPRIATIONS
48th District Court

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -
Operating Costs	308,490	314,000	348,792	359,256
Total	\$ 308,490	\$ 314,000	\$ 348,792	\$ 359,256

Personnel/FTE Data	Actual	Budget	Actual	Budget
Total Positions	0	0	0	0
Full Time Equivalents	0.0	0.0	0.0	0.0

48th District Court Department

- ↗ Contractual services with the 48th District Court to provide an independent third branch of government
- ↗ Services include arraignments, misdemeanors, small claim cases, search warrants, civil law suits, felony pleas, landlord-tenant disputes, civil infractions, and preliminary examinations

Changes in Budget

- 14% increase over 2015 budget
- A revenue item for court payments offset this expense which nets to zero
- Expenses are based on a budget created by the 48th District Court

DEPARTMENT APPROPRIATIONS
City Manager

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
 STAFF RESPONSIBLE: CITY MANAGER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Personnel Services	\$ 143,464	\$ 148,817	\$ 148,816	\$ 151,440
Operating Costs	4,706	4,960	4,960	6,210
Total	\$ 148,170	\$ 153,777	\$ 153,776	\$ 157,650

Personnel/FTE Data	Actual	Budget	Actual	Budget
Full Time Positions:				
City Manager	1	1	1	1
Total Positions	1	1	1	1
Full Time Equivalents	1.0	1.0	1.0	1.0

City Manager's Department

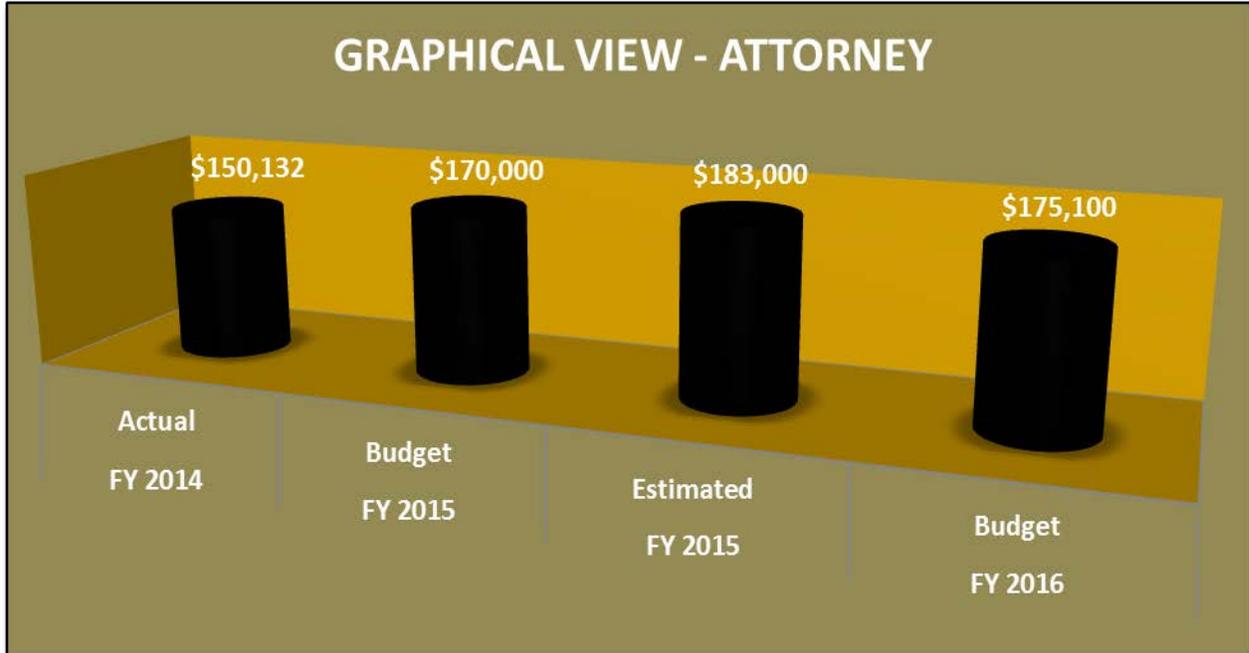
- ↗ Directs and coordinates the operations of the City's departments and staff
- ↗ Manages, supervises, and coordinates overall long range planning, strategic plans, public improvements and general municipal
- ↗ Represents management in labor relations and approves contracts and agreements on behalf of the City
- ↗ Coordinates City operations with other governmental agencies to increase efficiency and maximize availability of services

Changes in Budget

- 3% increase from 2015 budget
- Increase due to reallocation of office supply expense from General Admin department
- In 2014 City Manager's salary and benefits were allocated as follows: City Manager 80%, Building 5% and Sewer and Water Fund (5%)

DEPARTMENT APPROPRIATIONS
City Attorney

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
Financial Summary	Actual	Budget	Estimated	Proposed Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -
Operating Costs	150,132	170,000	183,000	175,100
Total	\$ 150,132	\$ 170,000	\$ 183,000	\$ 175,100
Personnel Services				
Personnel/FTE Data	Actual	Budget	Actual	Budget
Total Positions	-	-	-	-
Full Time Equivalents	-	-	-	-

City Attorney's Department

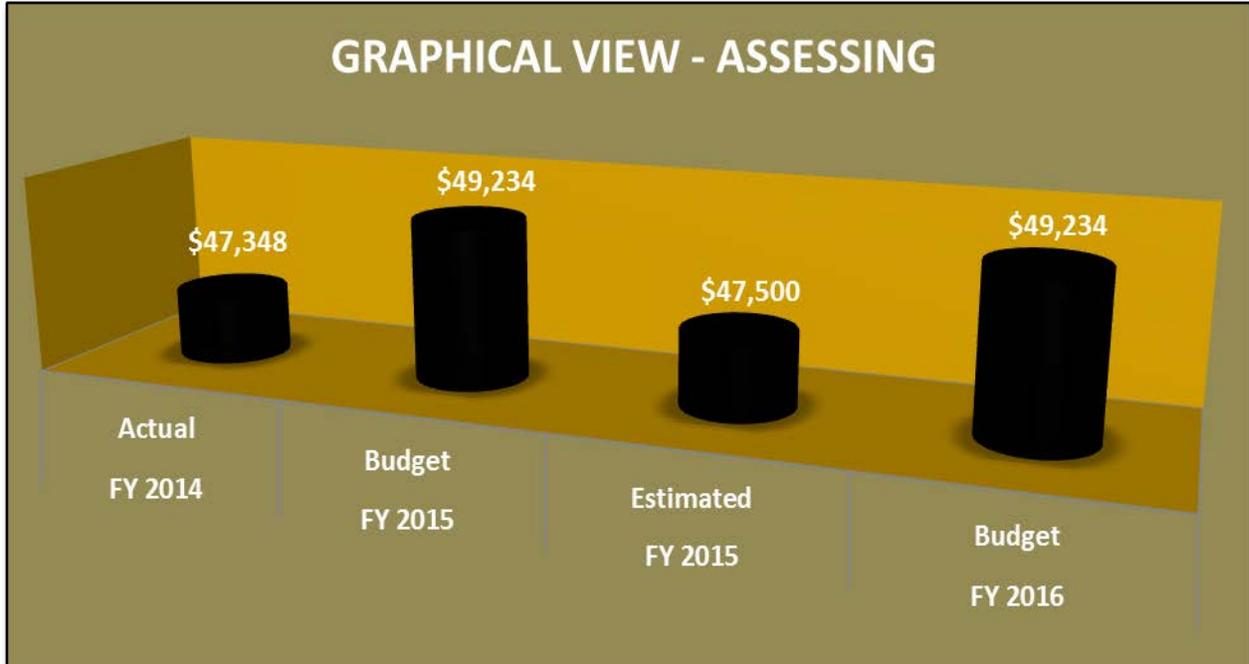
- ☛ Contracted by City to advise on legal issues including labor negotiations

Changes in Budget

- 3% increase over 2015 budget
- Includes estimated costs of contract negotiations for Dispatch, Public Safety and Command contracts which all expire June of 2016

DEPARTMENT APPROPRIATIONS
Assessing

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -
Operating Costs	47,348	49,234	47,500	49,234
Total	\$ 47,348	\$ 49,234	\$ 47,500	\$ 49,234

Personnel/FTE Data	Actual	Budget	Actual	Budget
Total Positions	-	-	-	-
Full Time Equivalents	-	-	-	-

Assessing Department

- ↻ Assessing services contracted with Oakland County
- ↻ Valuation of real and personal property
- ↻ Assists with Board of Review
- ↻ Personal Property tax return printing, and tax software yearly fees

Changes in Budget

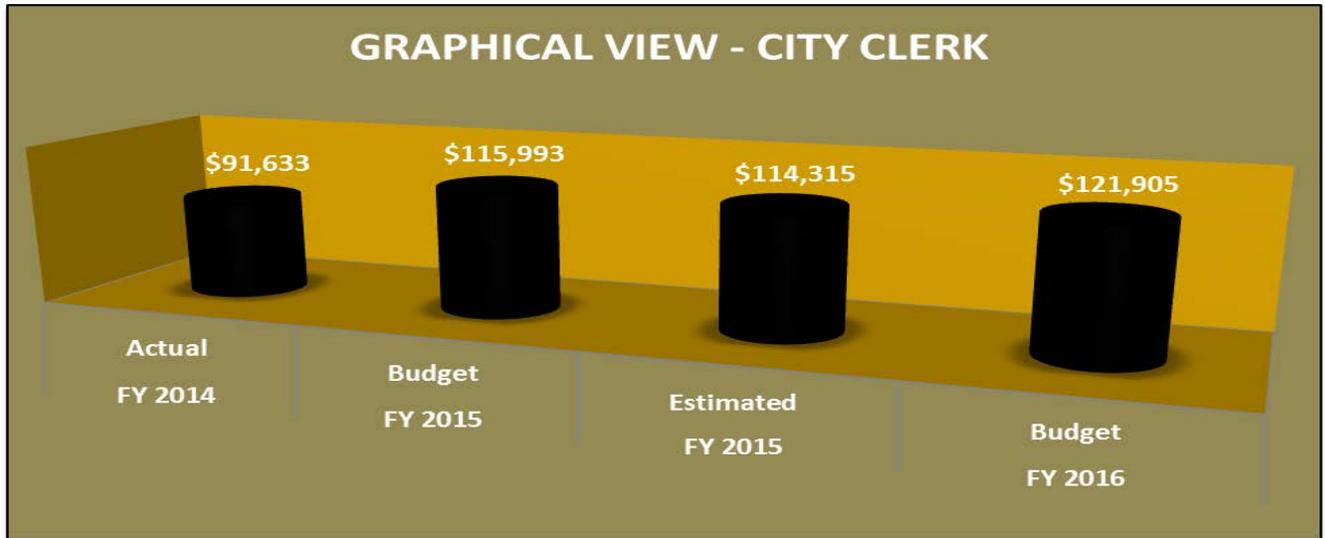
- No increase over 2015 budget
- This budget includes drain assessment expense

DEPARTMENT APPROPRIATIONS

City Clerk

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT

STAFF RESPONSIBLE: CITY CLERK



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
Financial Summary	Actual	Budget	Estimated	Proposed Budget
Personnel Services	\$ 80,269	\$ 93,128	\$ 92,770	\$ 96,810
Operating Costs	11,364	22,865	21,545	25,095
Total	\$ 91,633	\$ 115,993	\$ 114,315	\$ 121,905
Personnel/FTE Data	Actual	Budget	Actual	Budget
Full Time Positions:				
City Clerk	1	1	1	2
Part Time Positions:				
Clerk Assistant	0	1	1	0
Total Positions	1	2	2	2
Full Time Equivalents	1.0	1.8	1.8	2.0

City Clerk's Department

- ↗ Clerk to the City Commission, Planning Commission and Zoning Board or Appeals
- ↗ Custodian of all official city records
- ↗ Administers all local, school, state and federal elections and maintains Qualified Voter File
- ↗ Administrator of city website
- ↗ Freedom of Information Act Coordinator

Changes in Budget

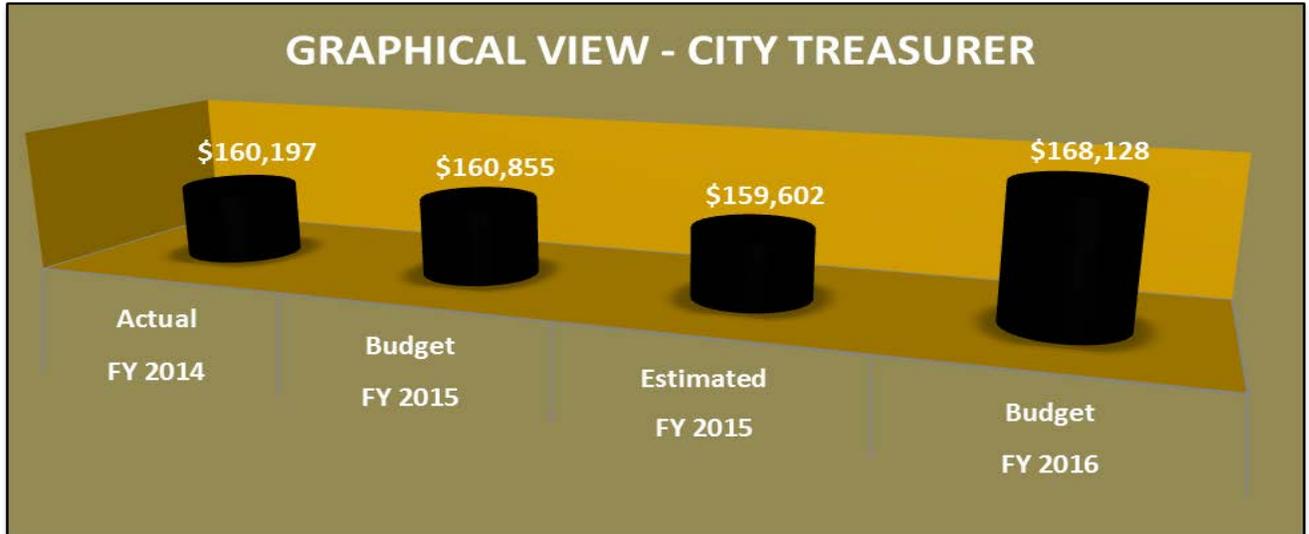
- 5% increase over 2015 budget
- Increase for 2016 mainly due re-allocating office supplies from General Administration, and expenses for possible May election. The Clerk's budget will fluctuate yearly due to the number of required elections
- Wage and benefits allocations: **Clerk Dept.**-Clerk 85%, Clerk Assistant 15% **Building Dept.**-Clerk 15%, Clerk Assistant 85%

DEPARTMENT APPROPRIATIONS

City Treasurer

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT

STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
Financial Summary	Actual	Budget	Estimated	Proposed Budget
Personnel Services	\$ 157,699	\$ 158,743	\$ 157,490	\$ 160,525
Operating Costs	2,498	2,112	2,112	7,603
Total	\$ 160,197	\$ 160,855	\$ 159,602	\$ 168,128
Personnel/FTE Data	Actual	Budget	Actual	Budget
Full Time Positions:				
Finance Dir/Treasurer	1	1	1	1
Accounting Clerk	1	1	1	1
Part Time Positions:				
Finance Clerk	1	1	1	1
Total Positions	3	3	3	3
Full Time Equivalents	2.6	2.6	2.6	2.6

City Treasurer's Department

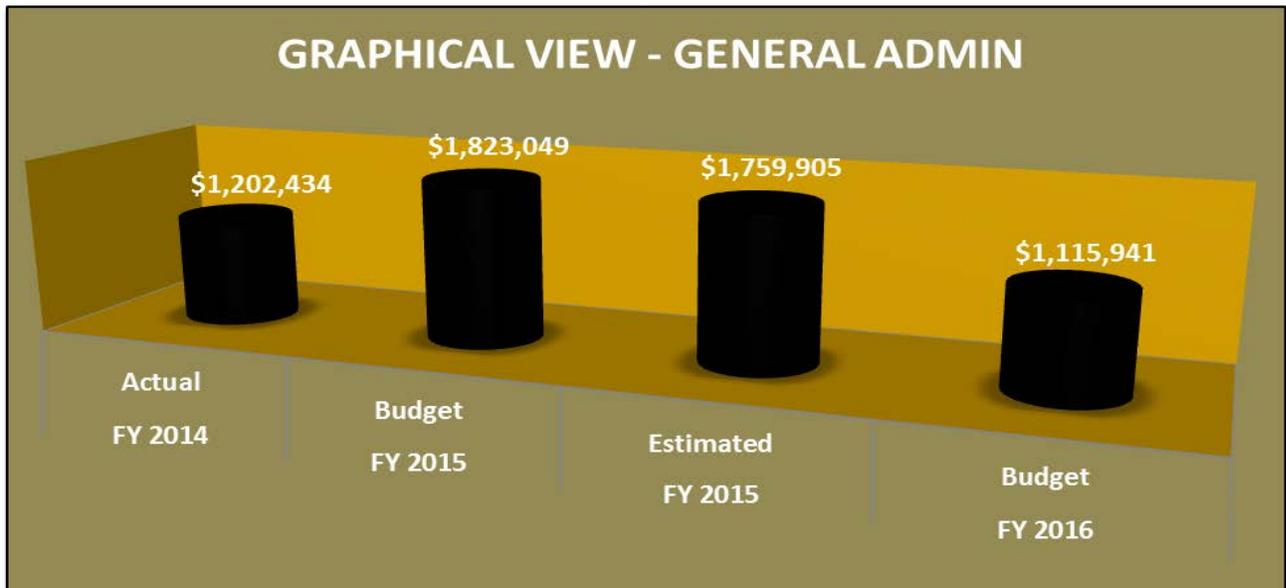
- ↻ Financial administration, budget preparation and oversight
- ↻ Annual financial statement audit and maintaining proper internal controls
- ↻ Supervises accounts payable, accounts receivable and payroll functions
- ↻ Tax roll maintenance, tax billing, revenue collection and tax settlement with the county

Expenditure Information

- 5% increase over 2015 budget
- Increase mainly due to re-allocating office supplies from General Admin department to various administrative departments and to provide mileage reimbursement for Treasury staff
- Wage and benefit allocations: **Treasury**-Finance Director 75%, Accounting Clerk 65%; **Building**-Finance Director 15%, Accounting Clerk 30%, Finance Clerk 10%; **Water and Sewer Fund**-Finance Director 10%, Accounting Clerk 5%

General Administration

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
 STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Personnel Services	\$ 949,369	\$ 1,379,436	\$ 1,379,640	\$ 821,484
Operating Costs	253,065	443,613	380,265	294,457
Total	\$ 1,202,434	\$ 1,823,049	\$ 1,759,905	\$ 1,115,941

Personnel/FTE Data	Actual	Budget	Actual	Budget
Total Positions	-	-	-	-
Full-Time Equivalents	-	-	-	-

General Administration Department

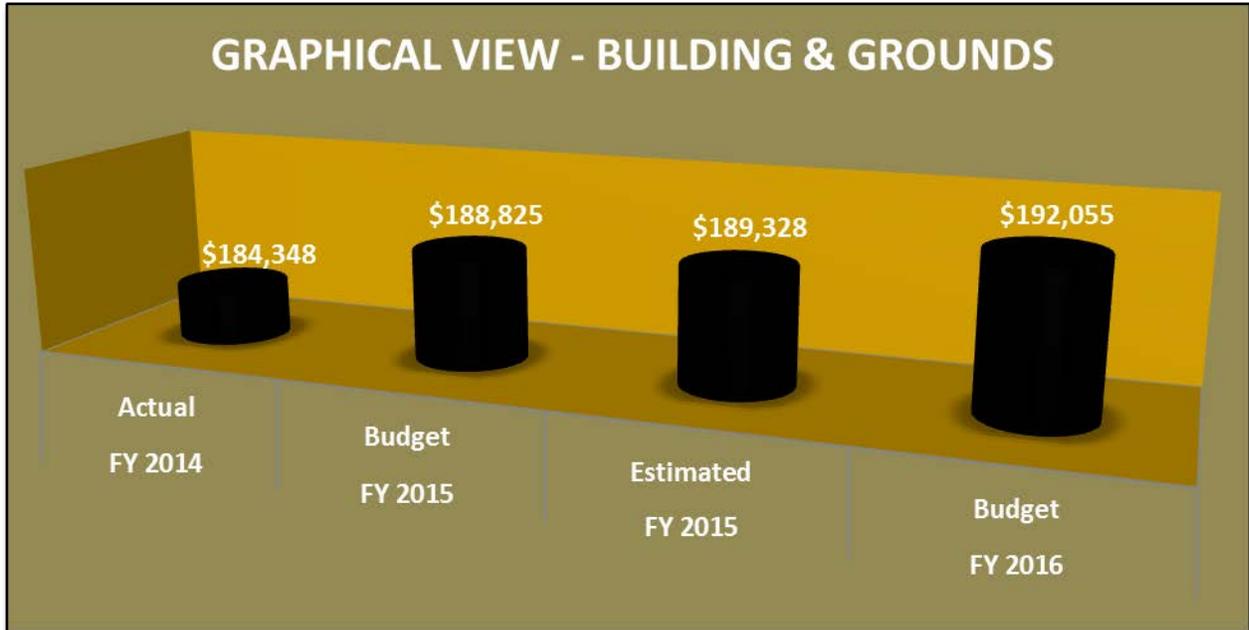
- Accounts for expenses that are not allocated between City Manager, City Clerk, Treasurer, and Building departments and retiree healthcare and pension costs.

Changes in Budget

- 39% decrease from 2015 budget
- 2016 budget personnel services decreased because the defined benefit unfunded liability costs which were paid in full in 2015 using proceeds from a pension bond issuance. Unless actuarial assumptions on which costs are estimated are not reliable in coming years this department will no longer have defined benefit costs. However, even though the costs were eliminated in this department, the bond principal and interest expense will need to be paid yearly. These expenses are accounted for under transfers out of General Fund to the General Obligation Debt Fund
- 2015 operating costs were higher because the issuance costs for the pension bond issue were accounted for in this department

DEPARTMENT APPROPRIATIONS
Buildings and Grounds

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
 STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Financial Summary				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Operating Costs	184,348	188,825	189,328	192,055
Total	\$ 184,348	\$ 188,825	\$ 189,328	\$ 192,055
Personnel/FTE Data	Actual	Budget	Actual	Budget
Total Positions	-	-	-	-
Full-Time Equivalents	-	-	-	-

Buildings and Grounds Department

- ↗ Repair and Maintenance on municipal buildings and grounds
- ↗ Includes cleaning and supplies, utilities costs, building repairs and ground

Changes in Budget

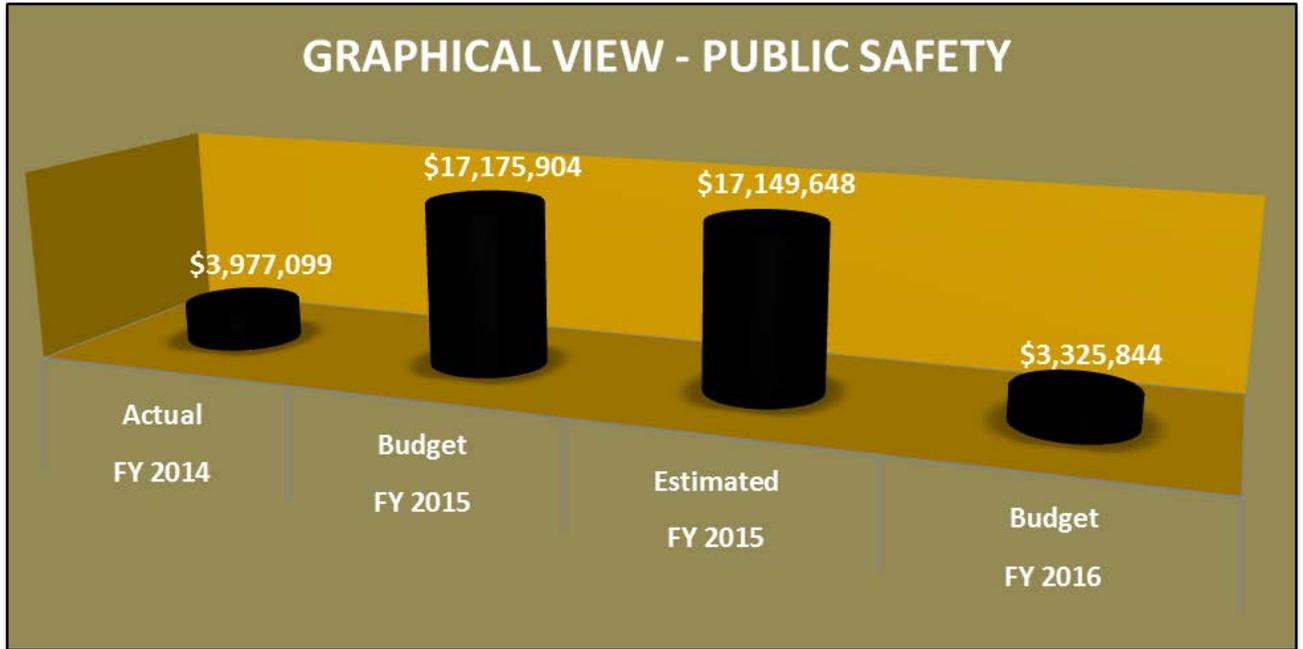
- ↗ 2% increase over 2015 budget
- ↗ The majority of the increase is for the estimated increase for utilities

DEPARTMENT APPROPRIATIONS

Public Safety

FUND/FUNCTION: GENERAL/PUBLIC SAFETY

STAFF RESPONSIBLE: PUBLIC SAFETY DIRECTOR



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Personnel Services	\$ 3,607,951	\$ 16,791,049	\$ 16,763,066	\$ 2,933,665
Operating Costs	369,148	384,855	386,582	392,179
Total	\$ 3,977,099	\$ 17,175,904	\$ 17,149,648	\$ 3,325,844

Personnel/FTE Data	Actual	Budget	Actual	Budget
Full Time Positions:				
Chief/Director	1	1	1	1
Lieutenants	4	4	4	4
Sergeants	3	3	3	3
Public Safety Officers	17	17	17	16
Dispatchers	3	3	3	3
Total Full Time	28	28	28	27
Part Time Positions:				
Dispatchers	3	3	3	3
Total Part Time	3	3	3	3
Total Positions	31	31	31	30
Full Time Equivalents	29.00	29.00	29.00	28.00

DEPARTMENT APPROPRIATIONS - CONTINUED

Public Safety

Public Safety Department

- ↗ Crime Prevention
- ↗ Fire Prevention
- ↗ Protect life and property
- ↗ Preserve peace, order and safety
- ↗ Law and ordinance enforcement
- ↗ Safeguard constitutional guarantees of all citizens
- ↗ Investigate problems and incidents and present evidence for prosecution of offenders

Changes in Budget

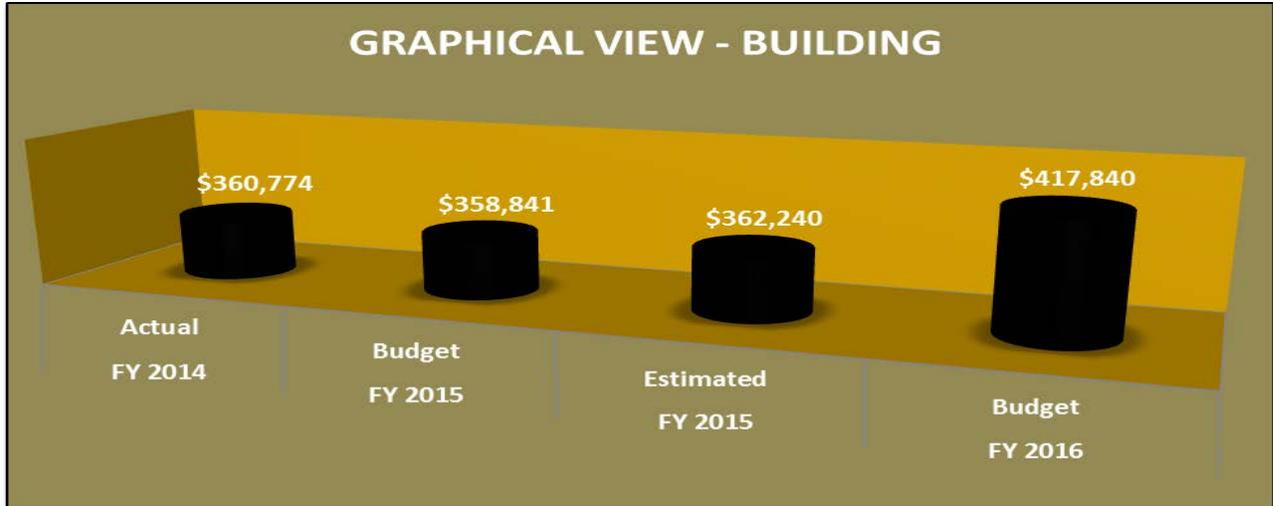
- 80% decrease from 2015 budget
- The 2016 budget decreased because the defined benefit pension unfunded liability was paid in full in 2015 with proceeds from a bond issue. If actuarial assumptions used to estimate pension costs are accurate this department's defined benefit costs will be greatly reduced since the expense will be made up of only current normal costs. However, even though the costs were reduced in this department, the bond principal and interest expense will need to be paid yearly. These expenses are accounted for under transfers out of General Fund to the General Obligation Debt Fund
- Also, in 2015 one command officer retired, and one public safety officer took a medical retirement. This caused the department to be down by two officers. While, the command unit was made whole with promotions, one public safety officer was hired which decreased public safety officers from 17 FTE's to 16 FTE's on 2016

DEPARTMENT APPROPRIATIONS

Building

FUND/FUNCTION: GENERAL/PUBLIC SAFETY

STAFF RESPONSIBLE: BUILDING OFFICIAL



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Personnel Services	\$ 221,651	\$ 252,277	\$ 252,146	\$ 285,541
Operating Costs	139,123	106,564	110,094	132,299
Total	\$ 360,774	\$ 358,841	\$ 362,240	\$ 417,840
Personnel/FTE Data:	Actual	Budget	Estimated	Budget
Full Time Positions:				
Building Inspector	1	1	1	1
Part Time Positions				
Building Assistant	1	1	1	1
Code Compliance	1	1	1	1
Total Positions	3	3	3	3
Full-Time Equivalents	2.25	2.25	2.25	2.25

Building Department

- ↗ Issues building, electrical, plumbing, mechanical, sign and zoning permits
- ↗ Performs inspections to ensure code compliance
- ↗ Ordinance enforcement

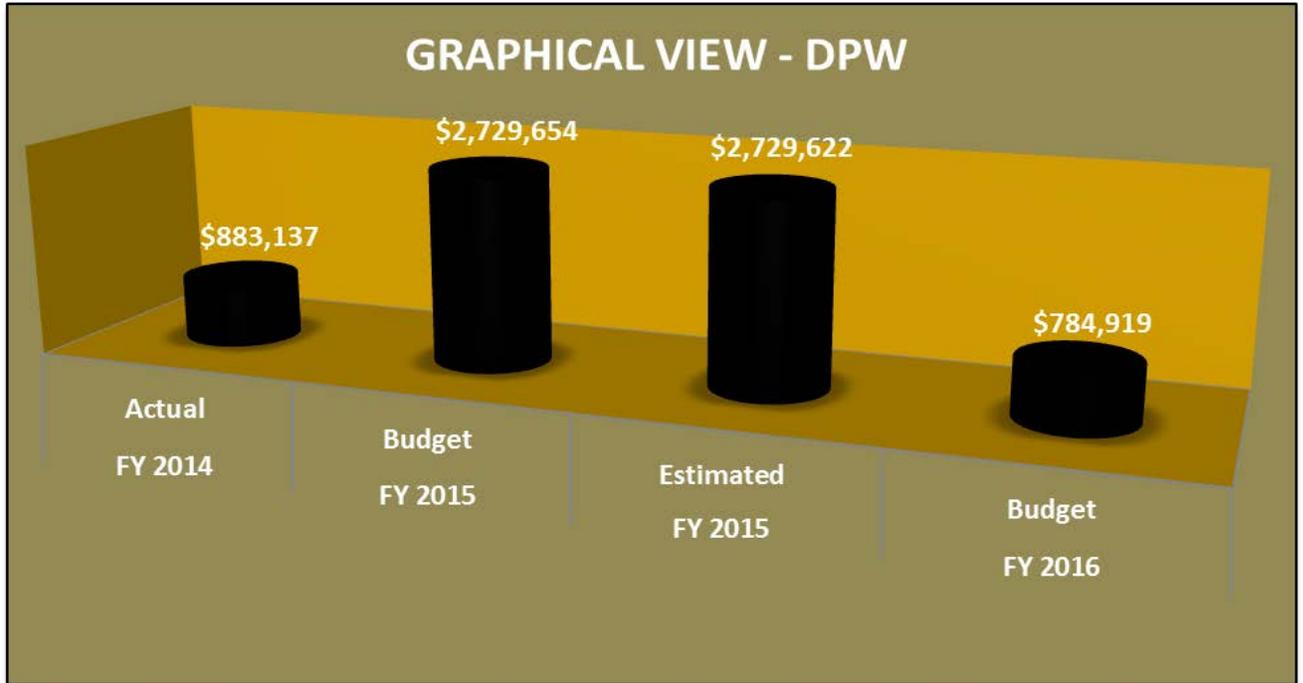
Changes in Budget

- 16% increase from the 2015 budget
- Increase mainly due to larger allocation wages from other departments, two employee now on City health insurance, reallocation office supplies from General Admin department, and 50% allocation of codification expenses from Clerk Budget
- Any excess of expenses over building related revenue will be taken from fund balance that has been restricted to building activity
- Wage allocations to Building are as follows: City Manager 5%, City Clerk 15%, Clerk Assistant 85%, Finance Director 15%, Finance Clerk 5% and Accounting Clerk 30%

DEPARTMENT APPROPRIATIONS
Department of Public Works

FUND/FUNCTION: GENERAL/PUBLIC WORKS

STAFF RESPONSIBLE: CITY MANAGER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014	FY 2015	FY 2015	FY 2016
	Actual	Budget	Estimated	Proposed Budget
Personnel Services	\$ 533,417	\$ 2,406,696	\$ 2,400,291	\$ 431,443
Operating Costs	349,720	322,958	329,330	353,477
Total	\$ 883,137	\$ 2,729,654	\$ 2,729,622	\$ 784,919

Personnel/FTE Data	Actual	Budget	Actual	Budget
Full Time Positions:	5	5	5	5
Total Positions	5	5	5	5
Full Time Equivalents	5.0	5.0	5.0	5.0

Department of Public Works Department

- ↗ Road Maintenance for snow plowing and tree damage
- ↗ Mowing of vacant lots

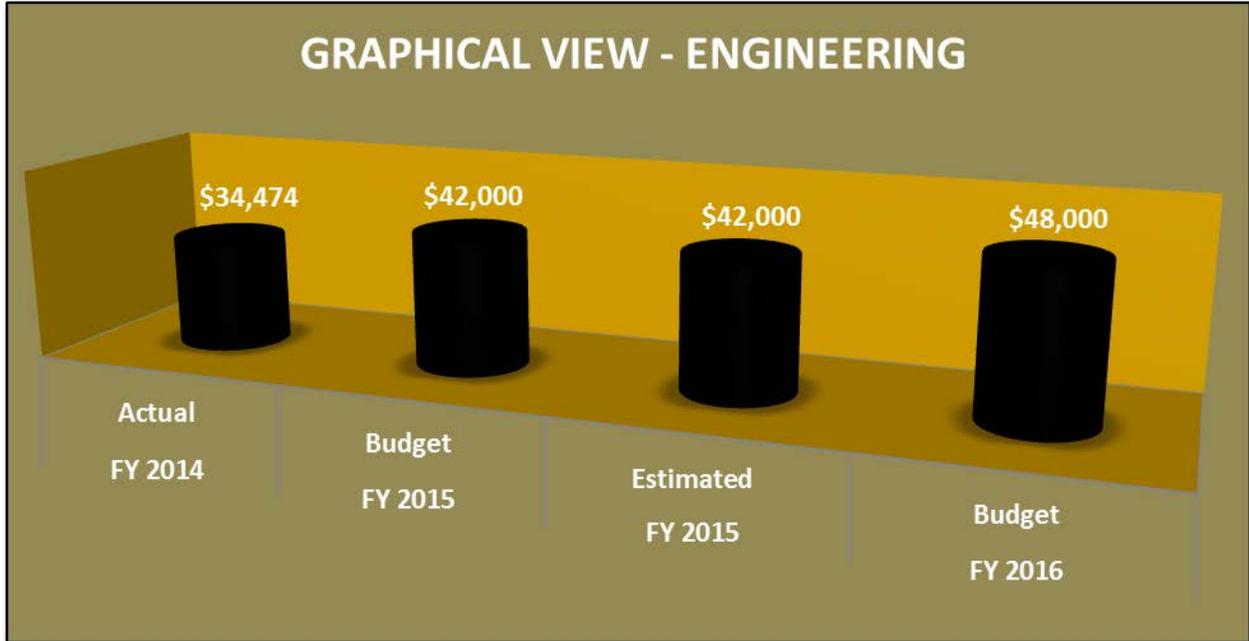
Changes in Budget

- 71% decrease from the 2015 budget
- 2016 decrease in personnel services due mainly to payment of the defined benefit unfunded accrued liability in 2015 using proceeds from a bond issuance. Principal and interest for the pension bonds are accounted for under transfers out of the General Fund to the General Obligation Debt Fund

DEPARTMENT APPROPRIATIONS
Engineering

FUND/FUNCTION: GENERAL/PUBLIC WORKS

STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Financial Summary				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Operating Costs	34,474	42,000	42,000	48,000
Total	\$ 34,474	\$ 42,000	\$ 42,000	\$ 48,000
Personnel/FTE Data	Actual	Budget	Actual	Budget
Total Positions	-	-	-	-
Full Time Equivalents	-	-	-	-

Engineering Department

- ↗ Engineering for the City contracted with Hubbell, Roth and Clark engineering firm
- ↗ Consults with City on road and water/sewer issues
- ↗ Obtains estimates and bids for road and water/sewer projects

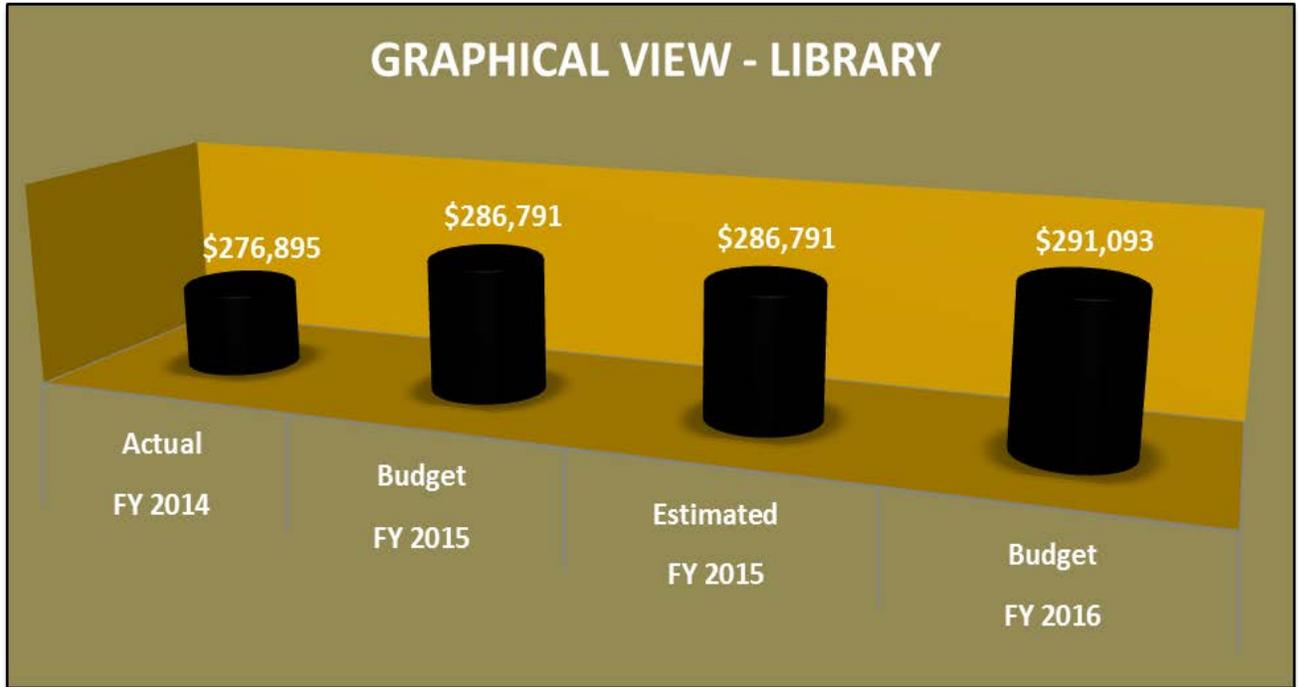
Changes in Budget

- 14% increase from the 2015 budget
- 2016 costs include an estimate for right of way reviews. This expense will be offset by right of way revenue

DEPARTMENT APPROPRIATIONS

Library

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
 STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -
Operating Costs	276,895	286,791	286,791	291,093
Total	\$ 276,895	\$ 286,791	\$ 286,791	\$ 291,093

Personnel/FTE Data	Actual	Budget	Actual	Budget
Total Positions	-	-	-	-
Full-Time Equivalents	-	-	-	-

Library Department

- ↗ Contract with Baldwin Library for library services
- ↗ Voters approved millage to pay for library use; 2015 tax levy is .6899 mills
- ↗ November 2014 voters approved renewal of millage for six additional years

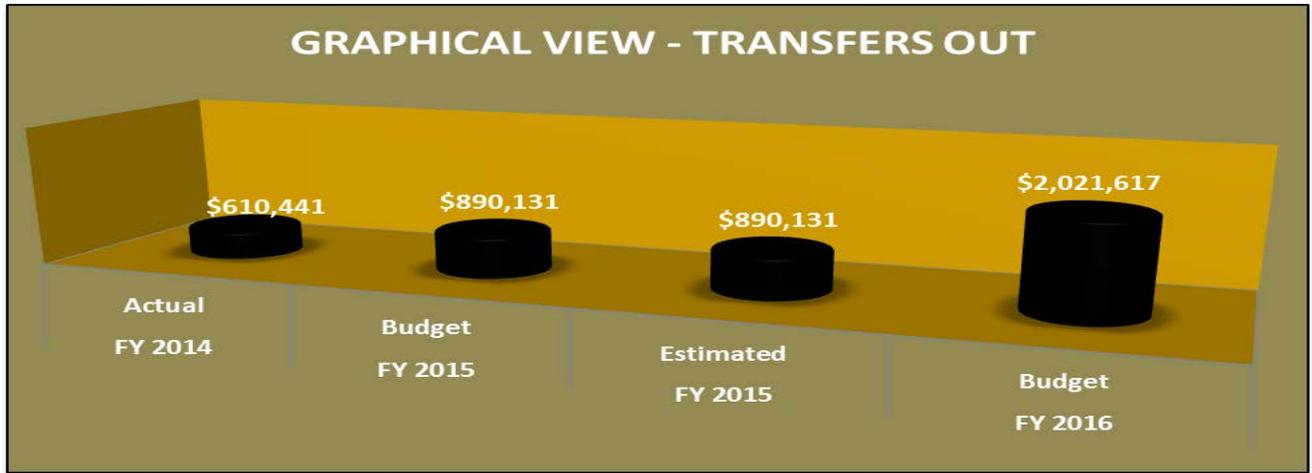
Changes in Budget

- 2% increase over 2015 budget
- 2016 increase is due to estimated CPI increase which are part of the library contract

DEPARTMENT APPROPRIATIONS

Transfers Out

FUND/FUNCTION: GENERAL/GENERAL GOVERNMENT
 STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
<u>Financial Summary</u>	Actual	Budget	Estimated	Proposed Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -
Operating Costs	610,441	890,131	890,131	2,021,617
Total	\$ 610,441	\$ 890,131	\$ 890,131	\$ 2,021,617
<u>Personnel/FTE Data</u>	Actual	Budget	Actual	Budget
Total Positions	-	-	-	-
Full-Time Equivalents	-	-	-	-

Transfers Out

- ↻ Transfers from the General Fund to other Funds are accounted for here.
- ↻ Transfers include:
 - Capital Equipment Fund Transfer - \$200,000
 - General Obligation Debt Fund Transfer - \$1,821,617
- ↻ General Obligation Debt Fund accounts for payment of three bond issues; 2007 roads, 2010 roads, and 2014 pension liability.

Changes in Budget

- 127% increase over 2015 budget
- The increase in 2016 is due:
 - The new Capital Equipment Fund transfer which moves the purchases of equipment, computers and vehicles from the General Fund to the Capital Improvement Fund
 - Principal and interest on the defined benefit pension bonds that were issued to pay off the unfunded liability for the defined contribution retirement plan through MERS
- Debt payments will vary from year to year. Amortization schedules can be found on pages 40 and 41

MAJOR ROADS FUND



MAJOR ROADS FUND
2015-2016 FINANCIAL SUMMARY

Estimated Revenue Sources

State Gas & Weight Tax	\$ 204,852	
Metro Act Revenue	3,500	
Financing Sources-Fund Balance	<u>18,259</u>	
 Total Budgeted Revenue Sources		 \$ 226,611

Estimated Expenditures

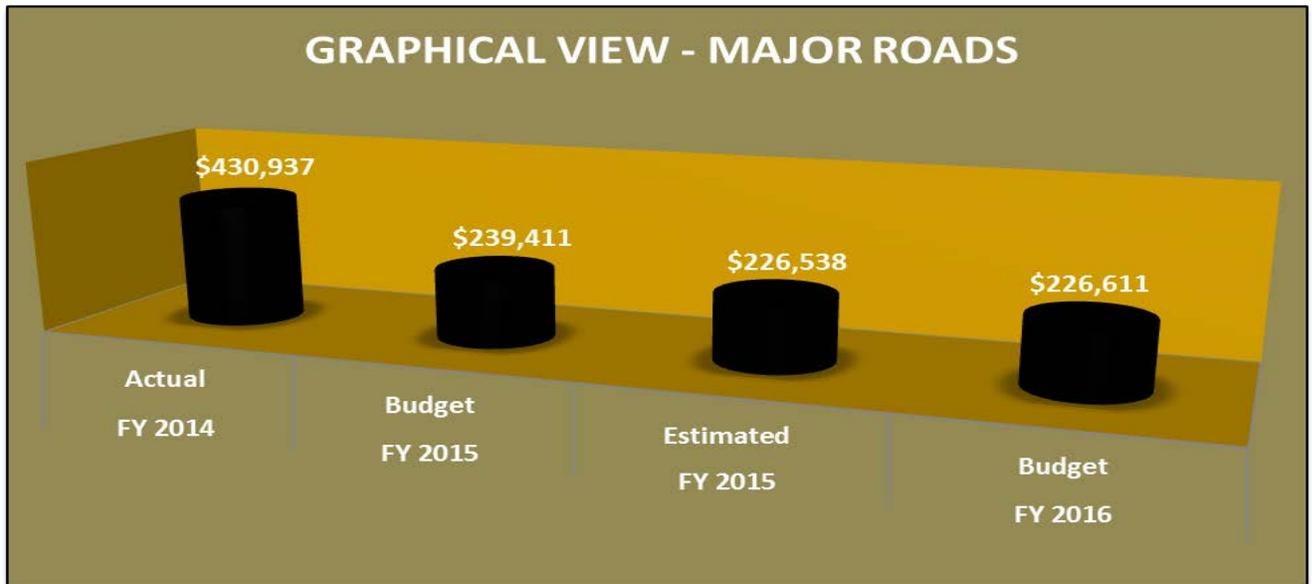
Routine Maintenance	\$ 27,800	
Traffic Services	18,000	
Winter Maintenance	55,900	
Admin & Engineering	22,485	
Transfer to Local Roads Fund	<u>102,426</u>	
 Total Budgeted Expenditures		 <u>\$ 226,611</u>
 Budgeted Net Revenue (Expenditures)		 \$ -0-

Estimated Fund Balance

Fund Balance at June 30, 2014 (Audited)	\$ 69,464	
Estimated Change in Fund Balance at June 30, 2015	<u>(18,186)</u>	
Fund Balance at June 30, 2015	\$ 51,278	
Estimated Change in Fund Balance at June 30, 2016	<u>(18,259)</u>	
Estimated Fund Balance at June 30, 2016		\$ 33,019

Major Roads Fund

FUND/FUNCTION: MAJOR ROADS/PUBLIC WORKS
 STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
Financial Summary	Actual	Budget	Estimated	Proposed Budget
Operating Costs	\$ 430,937	\$ 239,411	\$ 226,538	\$ 226,611
Total	\$ 430,937	\$ 239,411	\$ 226,538	\$ 226,611

Major Roads Fund

- ↻ This Fund accounts for the routine and winter maintenance of major roads in the City
- ↻ The City of Bloomfield Hills has 8.83 miles of major roads and 24.81 miles of local roads
- ↻ Since the City has more local roads than major roads, the state allows 50% of gas and weight tax revenue to be transferred from the Major Roads Fund to the Local Roads Fund
- ↻ The Major Roads Fund also reimburses the General Fund for DPW wage and equipment costs relating to winter and routine maintenance and through a 10% transfer of gas and weight tax revenue

Changes in Budget

- 5% decrease from the 2015 budget
- The decrease in budget is caused from the inability to transfer the entire DPW wage and equipment reimbursement. If the entire reimbursement was made it would cause a deficit in this fund. In the past this fund had a fund balance surplus that had built up. However, for many years transfers were made from Major Roads to the Road Construction Fund; which depleted the fund balance. Therefore, the DPW reimbursement for wage and equipment will remain lower than actual until the fund balance grows

LOCAL ROADS FUND



LOCAL ROADS FUND

2015-2016 FINANCIAL SUMMARY

Estimated Revenue Sources

State Gas & Weight Tax	\$	97,418
Transfer In – Major Street Fund		99,525
Metro Act Revenue		10,500
Financing Sources-Fund Balance		<u>4,799</u>
 Total Budgeted Revenue Sources	 \$	 212,242

Estimated Expenditures

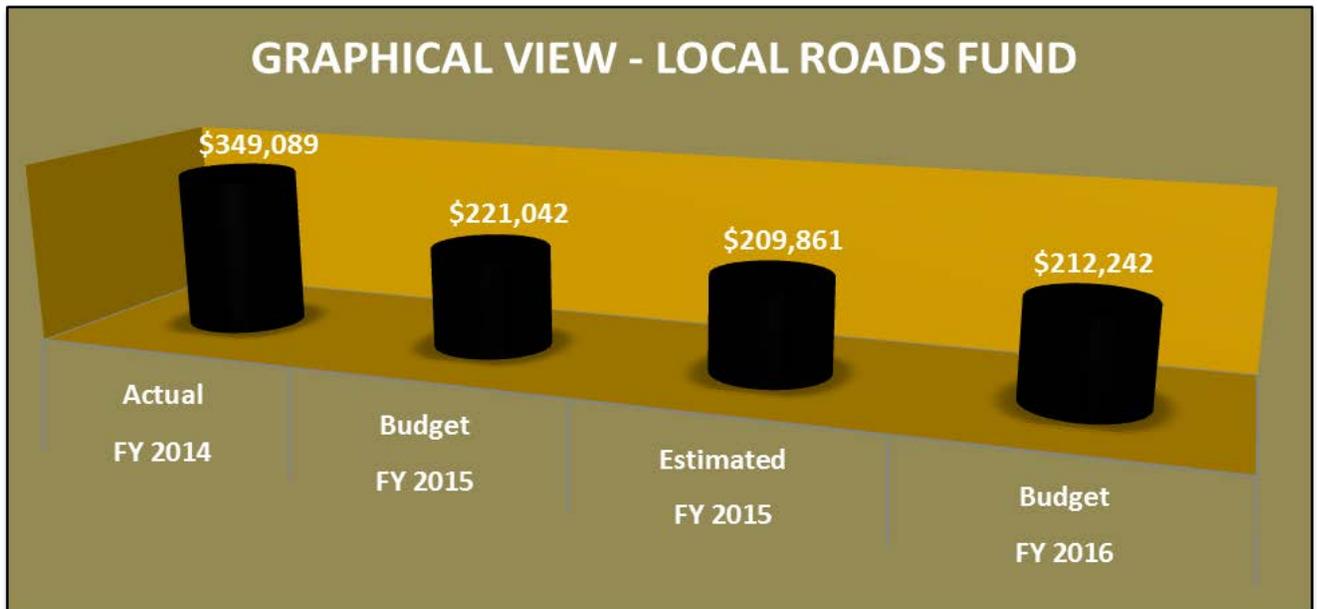
Construction Phase I	\$	2,500
Routine Maintenance		106,000
Traffic Services		5,000
Winter Maintenance		84,000
Admin & Engineering		<u>14,742</u>
 Total Budgeted Expenditures	 \$	 <u>212,242</u>
 Budgeted Net Revenue (Expenditures)	 \$	 -0-

Estimated Fund Balance

Fund Balance at June 30, 2013 (Audited)	\$	31,307
Estimated Change in Fund Balance at June 30, 2014		<u>(2,417)</u>
Fund Balance at June 30, 2014	\$	28,890
Estimated Change in Fund Balance at June 30, 2015		<u>(4,799)</u>
Estimated Fund Balance at June 30, 2015	\$	24,091

Local Roads Fund

FUND/FUNCTION: LOCAL ROADS/PUBLIC WORKS
 STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
Financial Summary	Actual	Budget	Estimated	Proposed Budget
Operating Costs	\$ 349,089	\$ 221,042	\$ 209,861	\$ 212,242
Total	\$ 349,089	\$ 221,042	\$ 209,861	\$ 212,242

Local Roads Fund

- ↗ This Fund accounts for the routine and winter maintenance of city local roads
- ↗ The City of Bloomfield Hills has 8.83 miles of major roads and 24.81 miles of local roads
- ↗ Since the City has more local roads than major roads, the state allows 50% of gas and weight tax revenue to be transferred from the Major Road Fund to the Local Road Fund
- ↗ The Local Roads Fund reimburses the General Fund for DPW wage and equipment costs relating to winter and routine maintenance and through a 10% transfer of gas and weight tax revenue

Changes in Budget

- 4% decrease from the 2015 budget
- The decrease in budget is primarily due to a reduction in salt expense
- Costs are drastically lower from 2014 due to a reduction in DPW wage and equipment reimbursement to the General Fund. In the past this fund had a fund balance surplus that had built up. However for many years, transfers were made from Local Roads to the Road Construction Fund; which depleted the fund balance. Therefore, the DPW reimbursement for wage and equipment will remain lower than actual until the fund balance grows

GENERAL OBLIGATION DEBT FUND



GENERAL OBLIGATION DEBT FUND
2015-2016 FINANCIAL SUMMARY

Estimated Revenue Sources

Transfer In – General Fund	\$ 1,821,617	
Other Financing Sources-Fund Balance	<u> -</u>	
 Total Budgeted Revenue Sources		 \$ 1,821,617

Estimated Expenditures

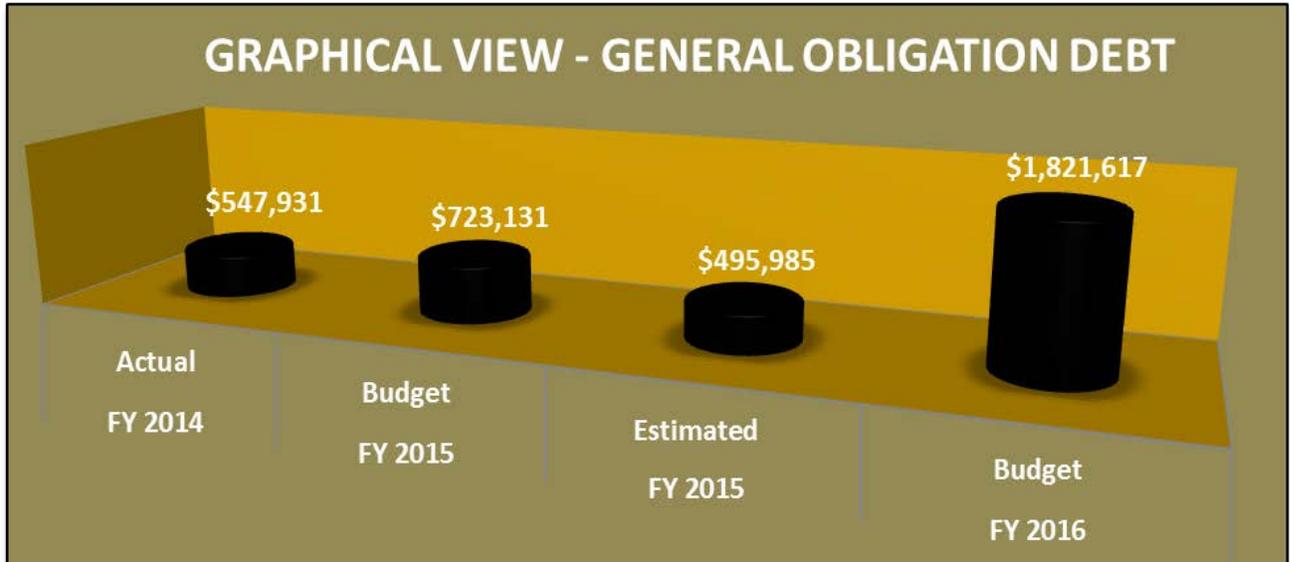
Principal – 2007 Roads	\$ 300,000	
Principal – 2010 Roads	200,000	
Principal – 2014 Pension	665,000	
Interest – 2007 Roads	58,375	
Interest – 2010 Roads	110,375	
Interest – 2014 Pension	486,382	
Bond Fees	<u> 1,485</u>	
 Total Budgeted Expenditures		 <u>\$ 1,821,617</u>
 Budgeted Net Revenue (Expenditures)		 \$ -0-

Estimated Fund Balance

Fund Balance at June 30, 2014 (Audited)	\$ 163
Estimated Change in Fund Balance at June 30, 2015	<u> -</u>
Fund Balance at June 30, 2015	\$ 163
Estimated Change in Fund Balance at June 30, 2016	<u> -</u>
Estimated Fund Balance at June 30, 2016	\$ 163

General Obligation Debt Fund

FUND/FUNCTION: GENERAL OBLIGATION DEBT/PAYMENT OF DEBT
 STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014	FY 2015	FY 2015	FY 2016
	Actual	Budget	Estimated	Proposed Budget
Operating Costs	\$ 547,931	\$ 723,131	\$ 495,985	\$ 1,821,617
Total	\$ 547,931	\$ 723,131	\$ 495,985	\$ 1,821,617

General Obligation Debt Fund

- ↻ This Fund accounts for the yearly debt principal and interest payments on road bonds
- ↻ 2007 Road Bonds
 - 2016 principal and interest \$358,375
 - 2017-2019 total principal and interest outstanding \$1,329,188
- ↻ 2010 Road Bonds
 - 2016 principal and interest \$313,625
 - 2016-2025 total principal and interest outstanding \$3,990,813
- ↻ 2014 Pension Liability Bonds
 - 2016 principal and interest \$1,151,382
 - 2016-2034 total principal and interest outstanding \$20,702,690

Changes in Budget

- 152% increase over the 2015 budget
- New for 2016 is the transfer to cover pension bond costs that were issued to pay off the unfunded liability for the defined benefit retirement plan through MERS. This Fund's budget will vary year to year due to debt schedules; which are shown on the following pages

DEBT OBLIGATION SCHEDULE

2007 Road Bonds

Fiscal Year	Principal	Rate	Interest	Total
2007/08	-	0.00%	112,177.08	112,177.08
2008/09	-	0.00%	122,375.00	122,375.00
2009/10	200,000	4.00%	118,375.00	318,375.00
2010/11	200,000	4.00%	110,375.00	310,375.00
2011/12	250,000	4.00%	101,375.00	351,375.00
2012/13	250,000	4.00%	91,375.00	341,375.00
2013/14	250,000	4.00%	81,375.00	331,375.00
2014/15	300,000	4.00%	70,375.00	370,375.00
2015/16	300,000	4.00%	58,375.00	358,375.00
2016/17	350,000	5.25%	43,187.50	393,187.50
2017/18	400,000	3.75%	26,500.00	426,500.00
2018/19	500,000	3.80%	9,500.00	509,500.00
	3,000,000		945,364.58	3,945,364.58

2010 Road Bonds

Fiscal Year	Principal	Rate	Interest	Total
2010/11	-	0.00%	125,651.04	125,651.04
2011/12	100,000	2.00%	119,625.00	219,625.00
2012/13	100,000	2.00%	117,625.00	217,625.00
2013/14	100,000	2.00%	115,625.00	215,625.00
2014/15	100,000	2.00%	113,625.00	213,625.00
2015/16	200,000	2.25%	110,375.00	310,375.00
2016/17	200,000	2.25%	105,875.00	305,875.00
2017/18	300,000	2.50%	99,875.00	399,875.00
2018/19	300,000	2.875%	91,812.50	391,812.50
2019/20	300,000	3.00%	83,000.00	383,000.00
2020/21	400,000	3.125%	72,250.00	472,250.00
2021/22	400,000	3.375%	59,250.00	459,250.00
2022/23	500,000	3.50%	43,750.00	543,750.00
2023/24	500,000	3.50%	26,250.00	526,250.00
2024/25	500,000	3.50%	8,750.00	508,750.00
	4,000,000		1,293,338.54	5,293,338.54

Debt Schedules continued on next page

2014 Pension Bonds

Fiscal Year	Principal	Rate	Interest	Total
2014/15	-	0.00%	138,185.07	138,185.07
2015/16	665,000	0.40%	486,382.00	1,151,382.00
2016/17	670,000	0.80%	482,372.00	1,152,372.00
2017/18	675,000	1.27%	475,405.75	1,150,405.75
2018/19	685,000	1.70%	465,297.00	1,150,297.00
2019/20	695,000	2.02%	452,455.00	1,147,455.00
2020/21	715,000	2.37%	436,962.75	1,151,962.75
2021/22	730,000	2.60%	419,000.00	1,149,000.00
2022/23	750,000	2.83%	398,897.50	1,148,897.50
2023/24	775,000	3.03%	376,543.75	1,151,543.75
2024/25	800,000	3.20%	352,002.50	1,152,002.50
2025/26	825,000	3.40%	325,177.50	1,150,177.50
2026/27	855,000	3.55%	295,976.25	1,150,976.25
2027/28	885,000	4.00%	263,100.00	1,148,100.00
2028/29	925,000	4.00%	226,900.00	1,151,900.00
2029/30	960,000	4.00%	189,200.00	1,149,200.00
2030/31	1,000,000	4.00%	150,000.00	1,150,000.00
2031/32	1,040,000	4.00%	109,200.00	1,149,200.00
2032/33	1,085,000	4.00%	66,700.00	1,151,700.00
2033-34	1,125,000	4.00%	22,500.00	1,147,500.00
	15,860,000		6,132,257.07	21,992,257.07

CAPITAL IMPROVEMENT FUND



**CAPITAL IMPROVEMENT FUND
2015-2016 FINANCIAL SUMMARY**

Estimated Revenue Sources

Transfer from General Fund	\$ 200,000	
Total Budgeted Revenue Sources		\$ 200,000

Estimated Expenditures

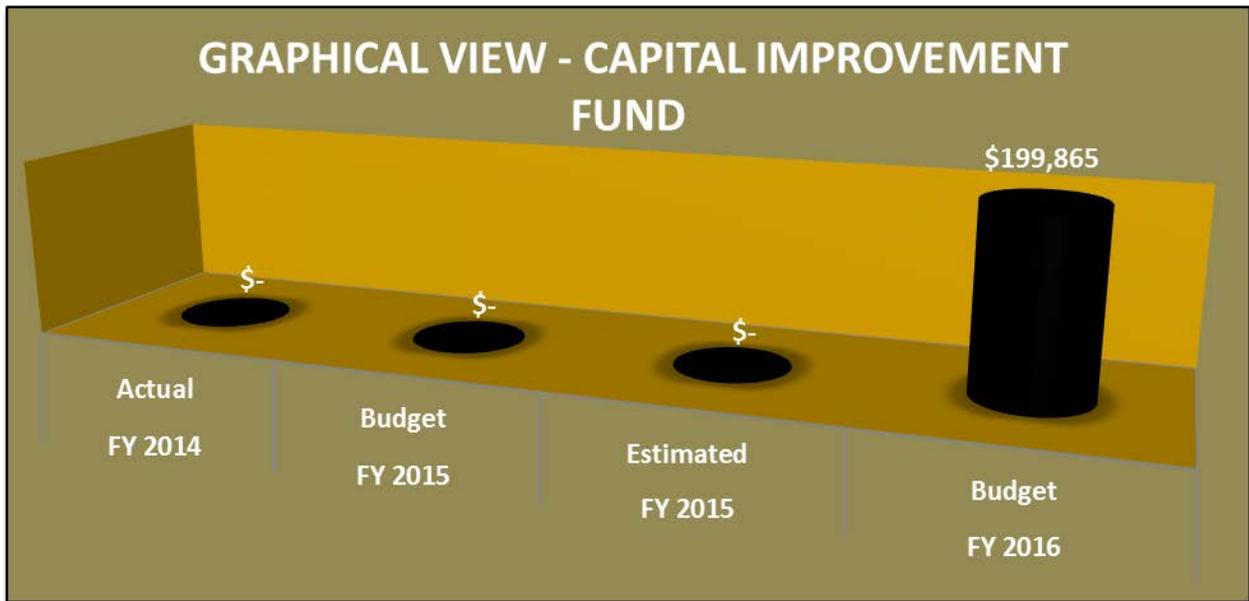
Capital Improvements	\$ 199,865	
Other Financing Uses – Fund Balance	<u>135</u>	
Total Budgeted Expenditures		\$ <u>200,000</u>
Budgeted Net Revenue (Expenditures)		\$ -0-

Estimated Fund Balance

Fund Balance at June 30, 2014 (Audited)	\$ -0-
Estimated Change in Fund Balance at June 30, 2015	<u>-0-</u>
Fund Balance at June 30, 2015	\$ -0-
Estimated Change in Fund Balance at June 30, 2016	<u>135</u>
Estimated Fund Balance at June 30, 2016	\$ 135

Capital Improvement Fund

FUND/FUNCTION: CAPITAL IMPROVEMENTS/CAPITAL IMPROVEMENTS
 STAFF RESPONSIBLE: CITY MANAGER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Operating Costs	\$ -	\$ -	\$ -	\$ 199,865
Total	\$ -	\$ -	\$ -	\$ 199,865

Capital Improvement Fund

- ↻ This Fund was established in 2015-2016 to account for purchase of capital building improvements, equipment, furniture, computers and vehicles
- ↻ In years past these purchases were made within the General fund. However, a \$200,000 transfer will be made yearly to this fund in an attempt to save now for future large expenditures such as fire equipment
- ↻ The yearly transfer is not considered restricted funds and any fund balance can be transferred back to the General Fund with approval of the City Commission
- ↻ 2016 capital purchases are as follows:
 - Leasehold Improvements - \$35,000
 - Equipment/Furniture - \$67,365
 - Computers - \$62,500
 - Vehicles - \$35,000

Changes in Budget

- This is the first year that this fund was established

ROAD CONSTRUCTION FUND



ROAD CONSTRUCTION FUND 2015-2016 FINANCIAL SUMMARY

Estimated Revenue Sources

Property Taxes	\$ 674,274	
Total Budgeted Revenue Sources		\$ 674,274

Estimated Expenditures

Construction/Engineering	\$ 556,950	
Other Financing Uses – Fund Balance	<u>117,324</u>	
Total Budgeted Expenditures		<u>\$ 674,274</u>
Budgeted Net Revenue (Expenditures)		\$ -0-

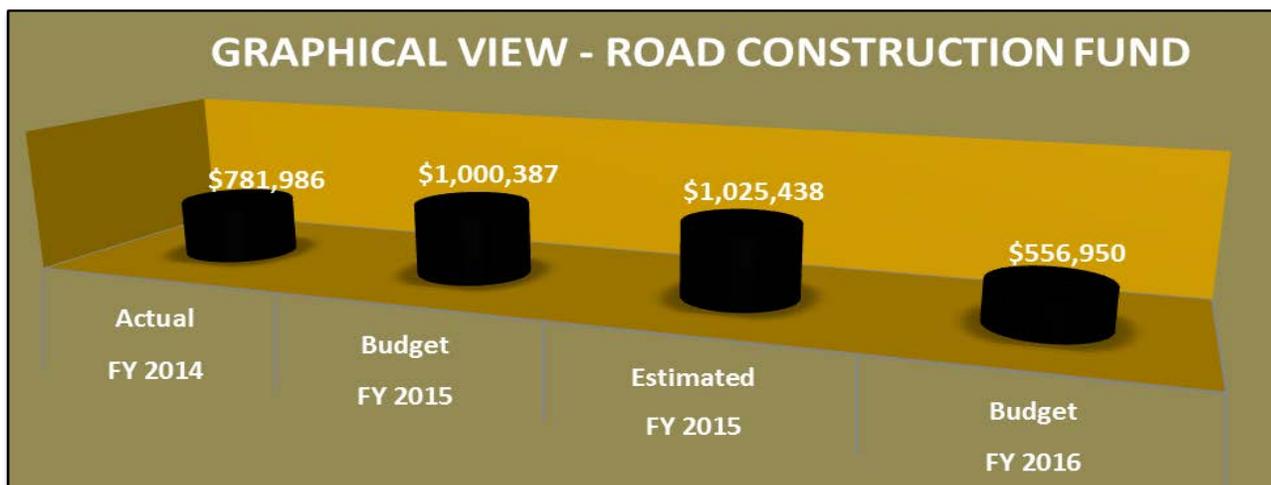
Estimated Fund Balance

Fund Balance at June 30, 2014 (Audited)		\$ 51,650
Estimated Change in Fund Balance at June 30, 2015		<u>(51,511)</u>
Fund Balance at June 30, 2015		\$ 139
Estimated Change in Fund Balance at June 30, 2016		<u>117,324</u>
Estimated Fund Balance at June 30, 2016		\$ 117,463

Road Construction Fund

FUND/FUNCTION: ROAD CONSTRUCTION/PUBLIC WORKS

STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

Financial Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Operating Costs	\$ 781,986	\$ 1,000,387	\$ 1,025,438	\$ 556,950
Total	\$ 781,986	\$ 1,000,387	\$ 1,025,438	\$ 556,950

Road Construction Fund

- ↗ This Fund was established in 2007 to account for significant repairs and replacement of City roads
- ↗ Road projects are funded utilizing any of the following funding sources
 - Property tax millage designated for road construction projects
 - Transfers from the General Fund
 - Transfers from Major Roads and/or Local Roads Funds
- ↗ When Water and Sewer lines are replaced during major road construction, those funds are taken from our Water and Sewer Fund.

Changes in Budget

- 44% decrease from the 2015 budget
- The 2015 budget included improvements to Yarboro/Joyce roads, and the cost of reconstruction to Vaughan road.
- The City increased the tax millage in 2014-2015 by .75 mills for three years to cover the cost of the construction. Because of the difference in timing between the three year collection and the timeline of the road construction, the General Fund advanced \$167,000 to the Road Construction Fund in 2015 and the millage allocation was reduced to the Road Construction Fund in 2016 by the \$167,000
- Vaughn and South Cranbrook road construction was bid out as one project; saving approximately \$500,000. Construction will begin in late 2014-2015. Early construction projections show Vaughan road completed by the end of 2015; and South Cranbrook completed by end of October 2015

ENTERPRISE FUND



SEWER AND WATER FUND 2015-2016 FINANCIAL SUMMARY

Estimated Revenue Sources

Sale of Water	\$ 1,800,000	
Sewage disposal Charges	1,200,000	
Investment Income	17,000	
Capital/Connection Revenue	1,326,167	
Other Revenue	<u>92,000</u>	
 Total Budgeted Revenue Sources		 \$ 4,435,167

Estimated Expenditures

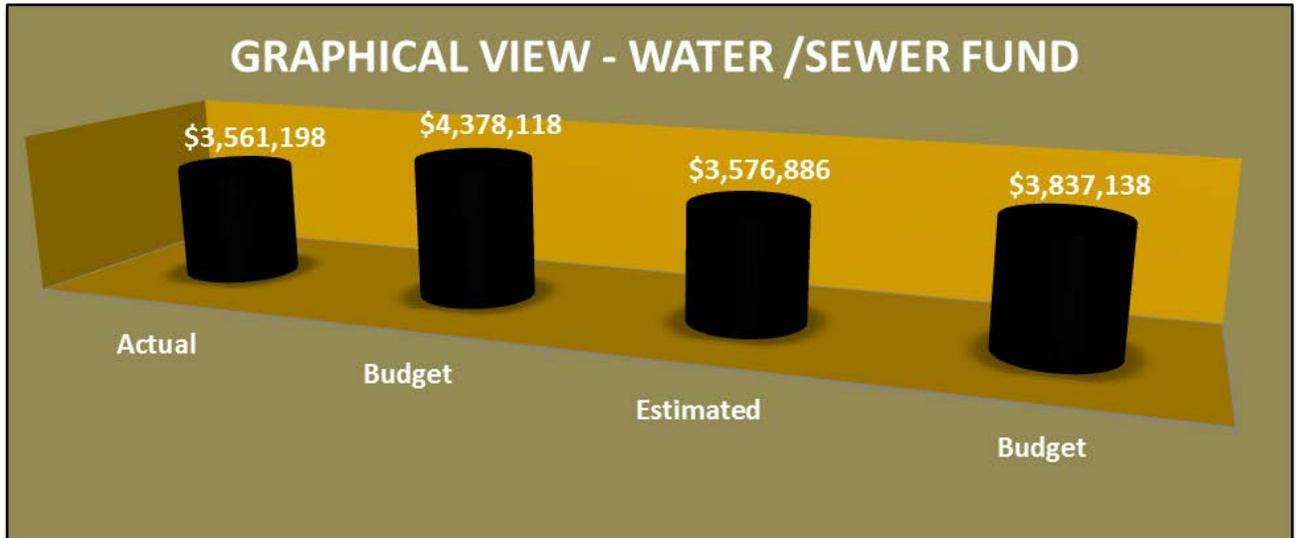
Cost of Water	\$ 1,400,000	
Cost of Sewage Treatment	930,000	
Billing & Administrative	709,390	
Operation & Maintenance	177,347	
Interest Expense	87,000	
Depreciation	<u>533,401</u>	
 Total Budgeted Expenditures		 <u>\$ 3,837,138</u>
 Budgeted Net Revenue (Expenditures)		 \$ 598,029

Estimated Fund Balance

Unrestricted Net Position at June 30, 2014 (Audited)	\$ 4,464,676
Est Change in Unrestricted Net Position at June 30, 2015	<u>334,576</u>
Unrestricted Net Position at June 30, 2015	\$ 4,799,252
Est Change in Unrestricted Net Position at June 30, 2016	<u>598,029</u>
Est Unrestricted Net Position at June 30, 2016	\$ 5,397,281

DEPARTMENT APPROPRIATIONS
Sewer and Water Fund

FUND/FUNCTION: SEWER AND WATER/PUBLIC WORKS
STAFF RESPONSIBLE: FINANCE DIRECTOR/TREASURER



FINANCIAL & PERSONNEL SUMMARY

	FY 2014	FY 2015	FY 2015	FY 2016
Financial Summary	Actual	Budget	Estimated	Proposed Budget
Personnel Services	\$ 23,343	\$ 22,668	\$ 22,734	\$ 23,357
Operating Costs	3,537,856	4,355,450	3,554,152	3,813,782
Total	\$ 3,561,198	\$ 4,378,118	\$ 3,576,886	\$ 3,837,138

Sewer and Water Fund

- ↗ Enterprise Fund which operates like a regular business
- ↗ Water and sewage disposal services are purchased from Oakland County
- ↗ Fund receives allocations for employee wage and benefits as well as overhead

Changes in Budget

- 12% decrease from 2015 budget
- Decreases in the 2016 budget include:
 - Decreased cost of short term corrective action engineering due to scope of necessary work
 - Bond issuance costs were budgeted in 2015 for the Vaughan/S. Cranbrook road projects which included replacement of water and sewer lines directly under the road.
 - Oakland County operational costs and disposal charges budgeted too high in 2015; reduced in 2016
- The above decreases were offset by an increase in depreciation to account for depreciation of Joyce/Yarboro and Vaughan road improvements

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