

A photograph of a street scene in Oxford Park, featuring the Berkeley Theatre and various storefronts. The Berkeley Theatre has a tall, vertical sign that reads "BERKELEY" in white letters on a dark background. Below the sign, a marquee advertises "SUMMERFEST OUTDOOR MOVIE SERIES" and "OXFORD PARK". To the left of the theatre is a brick building with a sign for "LIFE AID PHARMACY". Further down the street, there are storefronts for "Capitol" and "FARMERS". Several cars are parked along the street, and there are trees and a clear blue sky in the background.

# Annual Budget Presentation

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*May 19, 2025*

Presented by:  
Crystal VanVleck, City Manager  
Amy Zurawski, Deputy Finance Director

[Click Here to Watch the Presentation  
Given by the City Manager and Deputy  
Finance Director](#)



# Setting the Stage

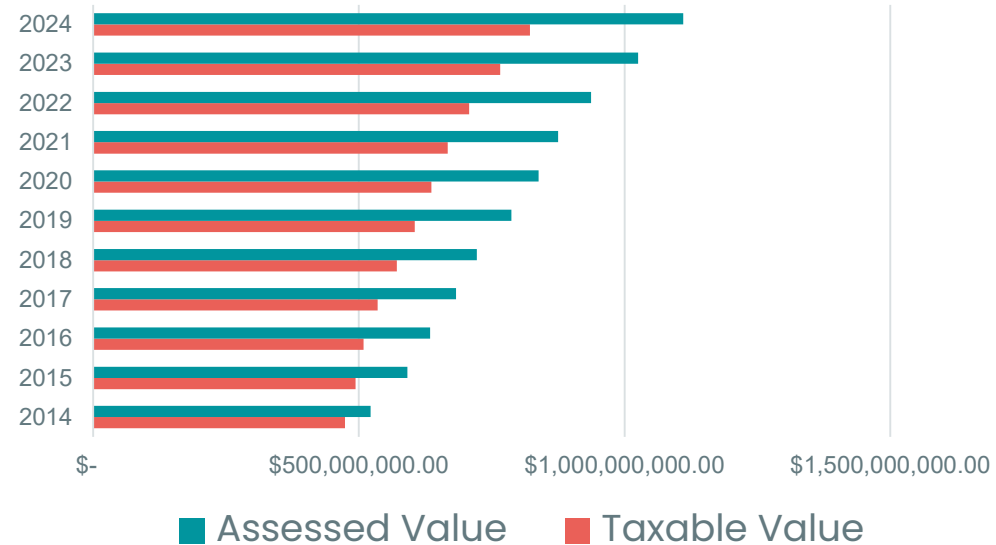
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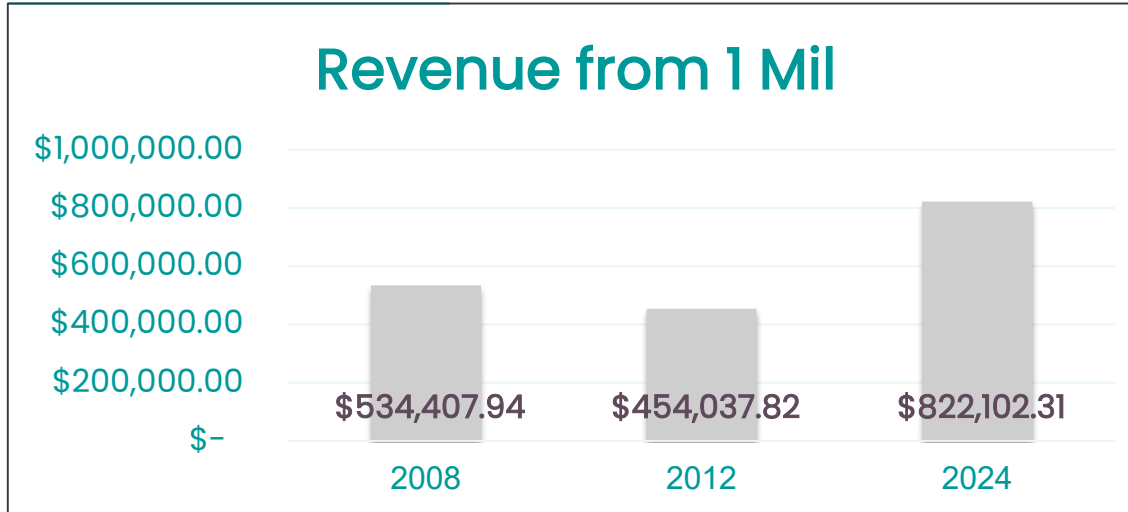
# 10 Year Trend – Taxable Value

Tax Year	Taxable Value	Assessed Value	TV as % of Assessed
2014	\$ 473,817,278.00	\$ 521,957,503.00	90.78%
2015	\$ 494,027,840.00	\$ 591,165,960.00	83.57%
2016	\$ 508,946,490.00	\$ 634,050,220.00	80.27%
2017	\$ 535,721,820.00	\$ 683,000,240.00	78.44%
2018	\$ 571,391,430.00	\$ 722,186,870.00	79.12%
2019	\$ 605,258,850.00	\$ 787,139,440.00	76.89%
2020	\$ 636,482,900.00	\$ 838,198,290.00	75.93%
2021	\$ 667,528,410.00	\$ 875,290,290.00	76.26%
2022	\$ 707,328,110.00	\$ 937,291,860.00	75.47%
2023	\$ 766,329,150.00	\$ 1,025,479,280.00	74.73%
2024	\$ 822,102,310.00	\$ 1,110,145,970.00	74.05%

Taxable Value Vs. Assessed Value



# Millage Rollbacks

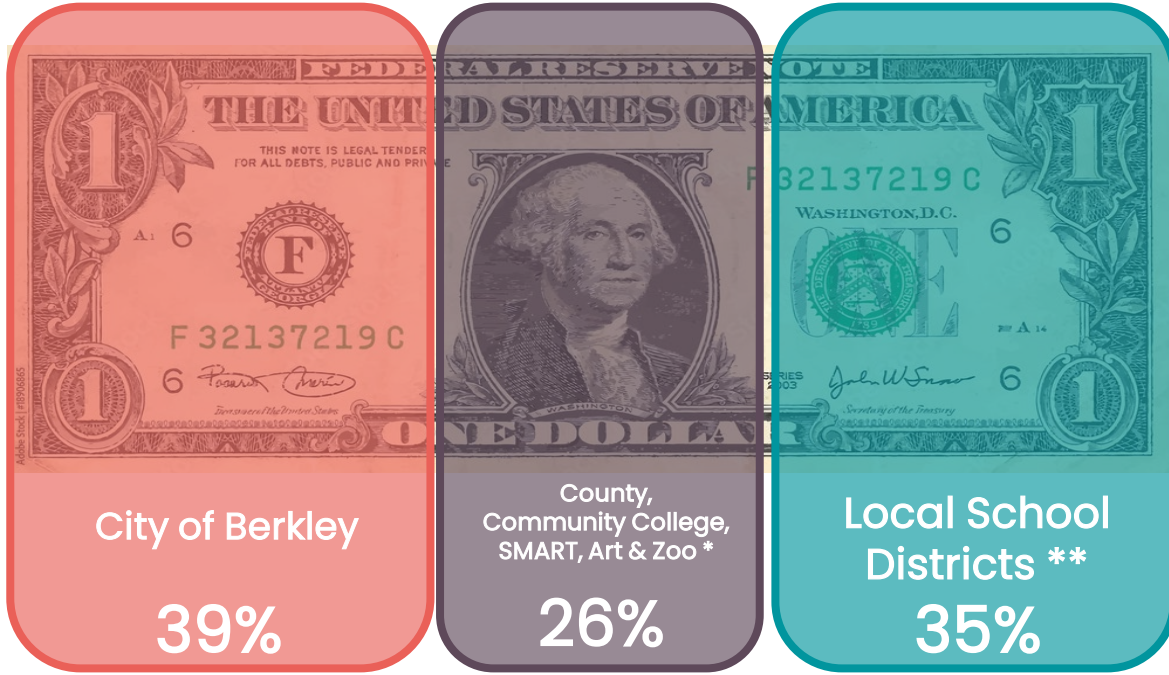


Millages Subject to Headlee Reductions	Original Intended Amount	FY 25-26 Projected Millage Rates	Total Reduction	% Reduction
Operating	10.0000	7.7468	2.2532	22.53%
Public Safety	3.0000	1.5748	1.4252	47.51%
Sanitation	3.0000	1.5748	1.4252	47.51%
Infrastructure	2.0000	1.8473	0.1527	7.64%
<b>Total</b>	<b>18.0000</b>	<b>12.7437</b>	<b>5.2563</b>	<b>29.20%</b>

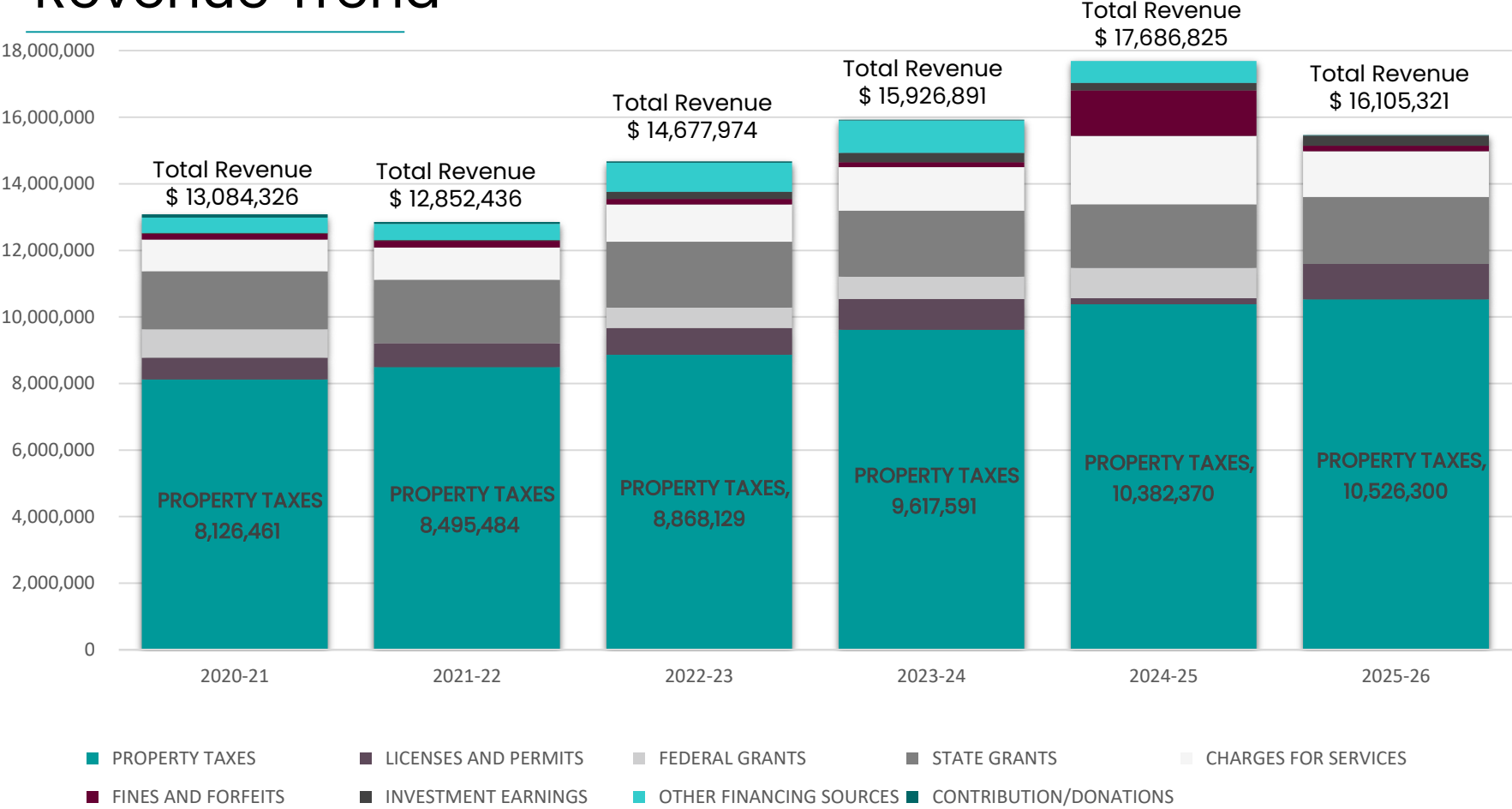
# Millage Rollbacks

Tax Year	Taxable Value	Original Intended Millage Revenue			Headlee Adjusted Millage Revenue			Lost Revenue			
		Operating	Solid Waste	Infrastructure	Operating	Solid Waste	Infrastructure	Operating	Solid Waste	Infrastructure	Total
2015	473,817,278	4,738,173	1,421,452	0	2,937,004	894,188	0	(1,801,169)	(527,264)	0	(2,328,433)
2016	494,027,840	4,940,278	1,482,084	0	3,007,444	918,497	0	(1,932,835)	(563,587)	0	(2,496,421)
2017	508,946,490	5,089,465	1,526,839	0	3,021,412	929,285	0	(2,068,053)	(597,554)	0	(2,665,607)
2018	535,721,820	5,357,218	1,607,165	0	3,111,633	953,906	0	(2,245,585)	(653,259)	0	(2,898,844)
2019	571,391,430	5,713,914	1,714,174	1,142,783	3,254,417	995,421	1,142,783	(2,459,497)	(718,753)	0	(3,178,251)
2020	605,258,850	6,052,589	1,815,777	1,210,518	3,381,763	1,033,964	1,187,034	(2,670,826)	(781,813)	(23,484)	(3,476,123)
2021	636,482,900	6,364,829	1,909,449	1,272,966	3,481,180	1,066,618	1,224,529	(2,883,649)	(842,831)	(48,436)	(3,774,916)
2022	667,528,410	6,675,284	2,002,585	1,335,057	3,587,765	1,095,014	1,257,156	(3,087,519)	(907,572)	(77,901)	(4,072,991)
2023	707,328,110	7,073,281	2,121,984	1,414,656	3,801,676	1,140,213	1,309,052	(3,271,605)	(981,771)	(105,604)	(4,358,980)
2024	822,102,310	8,221,023	2,466,307	1,644,205	4,377,448	1,312,897	1,521,465	(3,843,575)	(1,153,410)	(122,740)	(5,119,724)
2025	862,698,250	8,626,983	2,588,095	1,725,397	4,529,683	1,358,577	1,593,662	(4,097,299)	(1,229,518)	(131,734)	(5,458,551)
Cumulative Lost Revenue								(30,361,612)	(8,957,331)	(509,899)	(39,828,842)

# Where Are My Tax Dollars Going?

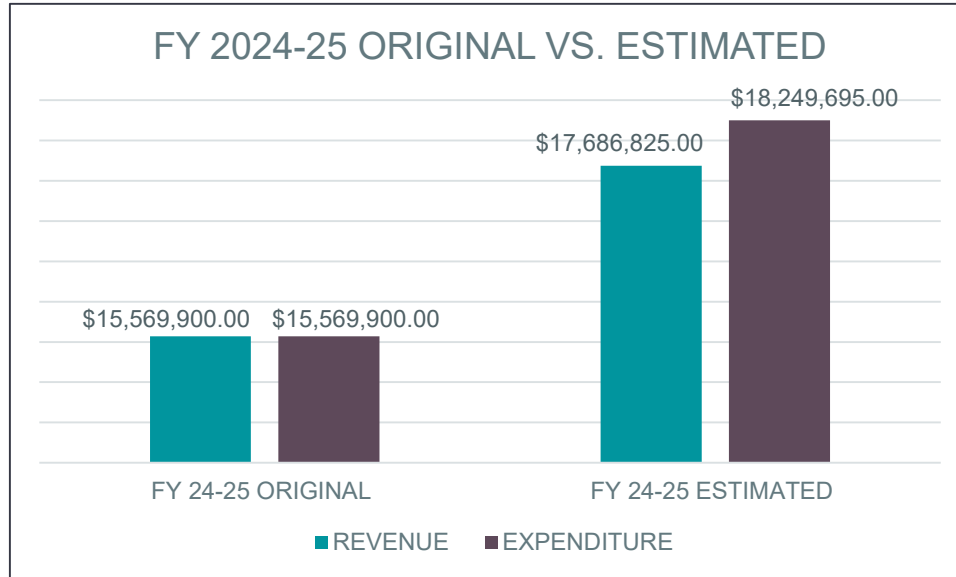


# Revenue Trend





# 24/25 OVERVIEW – GENERAL FUND



## REVENUE – Main Drivers:

- Movement of the HVAC grant (\$1.4 million)
- \$500,000 in property tax revenue

## EXPENDITURES – Main Drivers:

- HVAC
- Amendments made throughout the year
- \$315,000 investment into Public Improvement Fund

**\$4,538,214 Fund Balance (28%)**

# Pension Commitments: Past 5 Years

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Public Safety Pension Plan	Total Liability	Total Assets	Actuarial Determined Contribution	Percent Funded
2024	32,338,316	21,842,581	1,232,358	67.54%
2023	28,760,185	20,337,007	1,143,410	70.71%
2022	27,799,518	19,072,555	1,167,348	68.61%
2021	27,041,507	23,079,740	1,090,661	85.35%
2020	26,407,843	18,772,193	1,013,557	71.09%

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MERS of MI	Total Liability	Total Assets	Actuarial Determined Contribution	Percent Funded
2024	N/A	N/A	1,108,140	N/A
2023	24,855,450	13,978,510	1,150,332	56.24%
2022	24,416,767	11,982,166	1,390,129	49.07%
2021	23,731,336	13,646,250	1,119,653	57.50%
2020	22,487,966	12,311,940	960,613	54.75%

# OPEB Commitments: Past 5 Years

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OPEB	Total Liability	Total Assets	Actuarial Determined Contribution	Percent Funded
2024	14,462,282	7,920,244	708,807	54.76%
2023	14,359,955	7,192,453	675,568	50.09%
2022	14,258,100	6,680,695	685,635	46.86%
2021	17,953,275	7,272,274	1,068,849	40.51%
2020	17,755,925	5,528,578	1,074,788	31.14%

# Fiscal Year 2025/2026

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RECOMMENDED BUDGET



# Guide – Strategic Framework

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Organizational  
Effectiveness

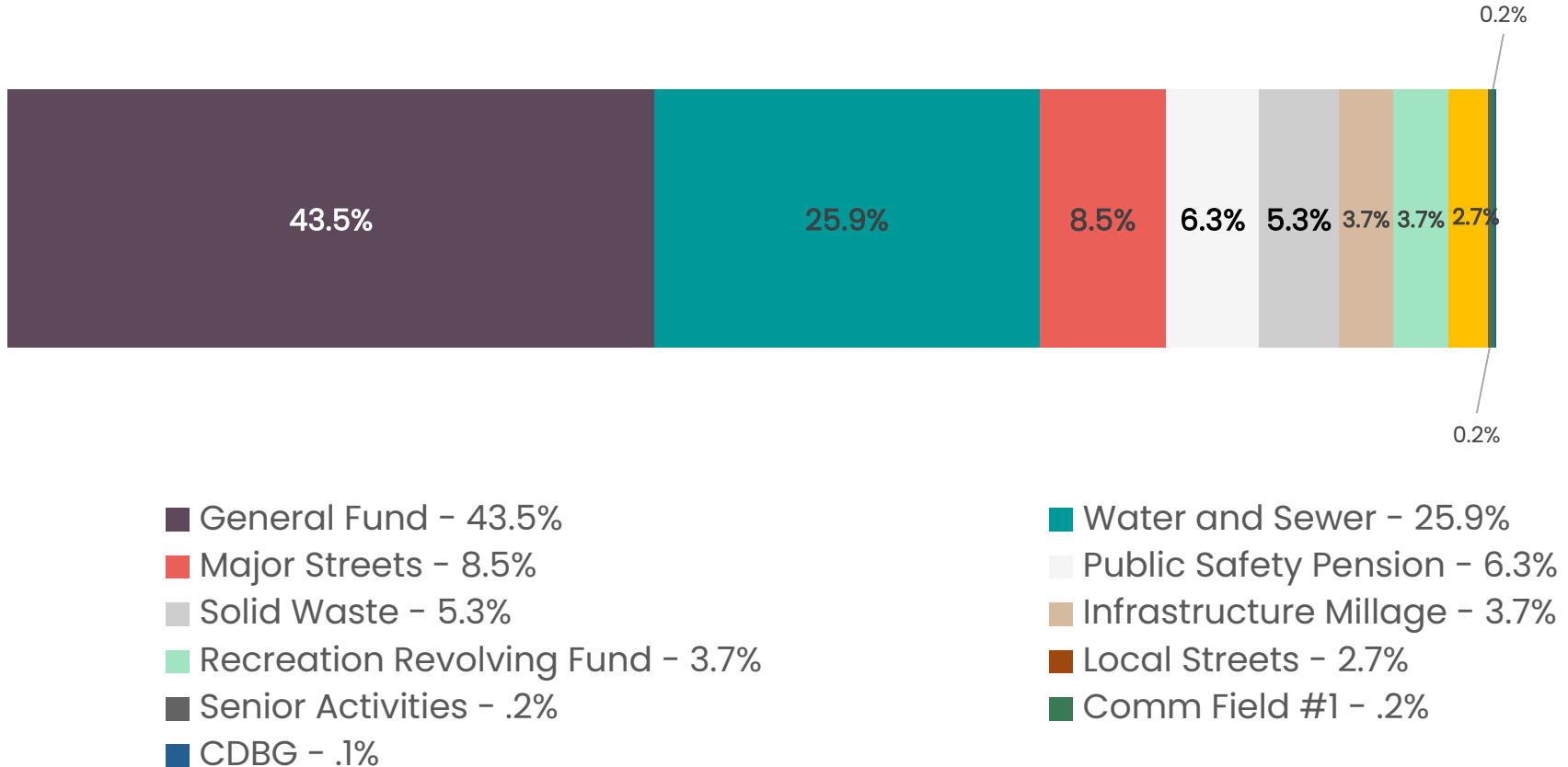
Economic  
Sustainability

Community  
Assets

Open  
Communications

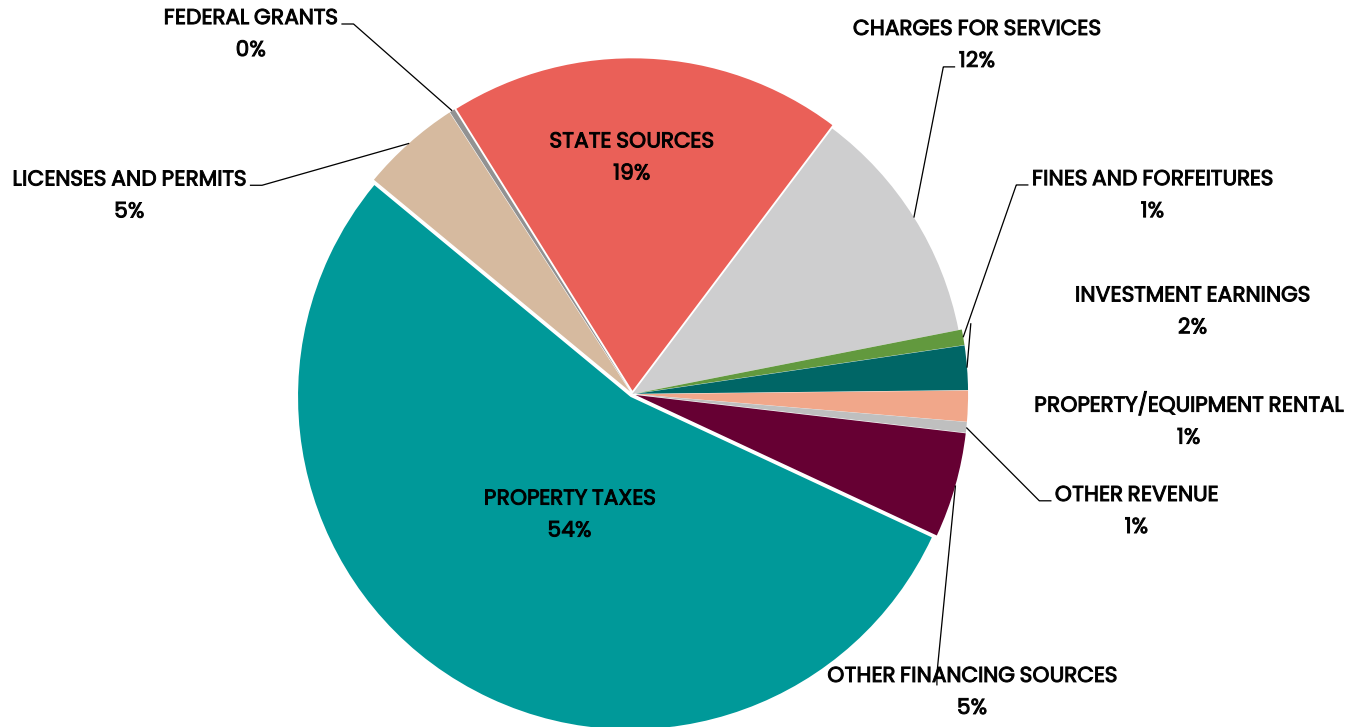
Fiscal Stewardship

# Total Expenditures by Fund



# General Fund – Revenue by Source

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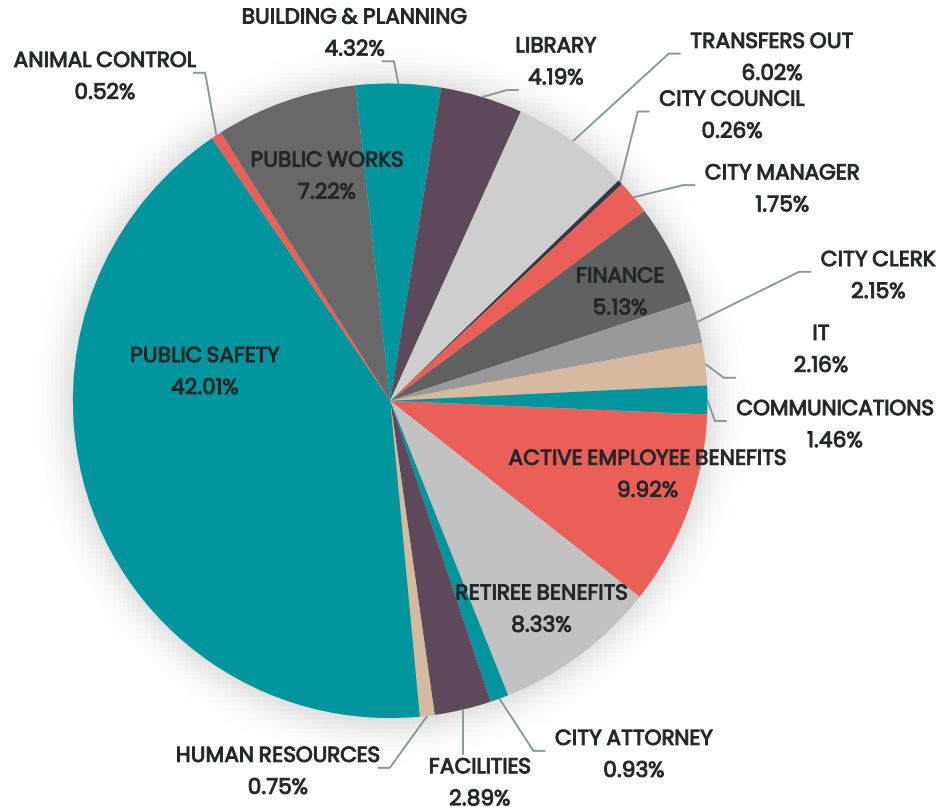
# Budget Content: Revenues

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- Property tax increase of 4% (capped by Headlee)
- State revenue sharing increase of 2.5% (State of MI sales tax collection estimate)
- Marihuana revenue sharing: \$300,000 (5 licenses in total, up three licenses from 2024/25)



# General Fund – Expenditures by Department



# Budget Content: Expenditures

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- Healthcare costs continue to rise – assuming 6% increase
- Citywide department was eliminated from the General Fund → all expenses were re-appropriated to other departments based on type of activity
- Human Resources department was created → moved relevant line items from CM & Finance budgets
- Last year we created a new Facilities Dept. in General Fund → additional alignment of facilities related costs to align with expenditures overseen by our Facilities Manager
- Operating costs increased from 1-10% based on current trends and high inflation rate
- General Fund revenues equal expenditures → all non-operating funds will be transferred to Public Improvement Fund for capital needs.

# Capital

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# Capital Funds Overview

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## Revenue

- Small increase in Act 51 funding (MI State Sales tax revenue)
- No change in solid waste rates for 25/26
- Created a new Public Improvement Fund

## Expenditure

- Major & Local Streets Funds invest all available funds into street operations and repaving roads
- Infrastructure Fund subsidizes both roads and unfunded lead service line replacement mandate

# Revenues into Capital

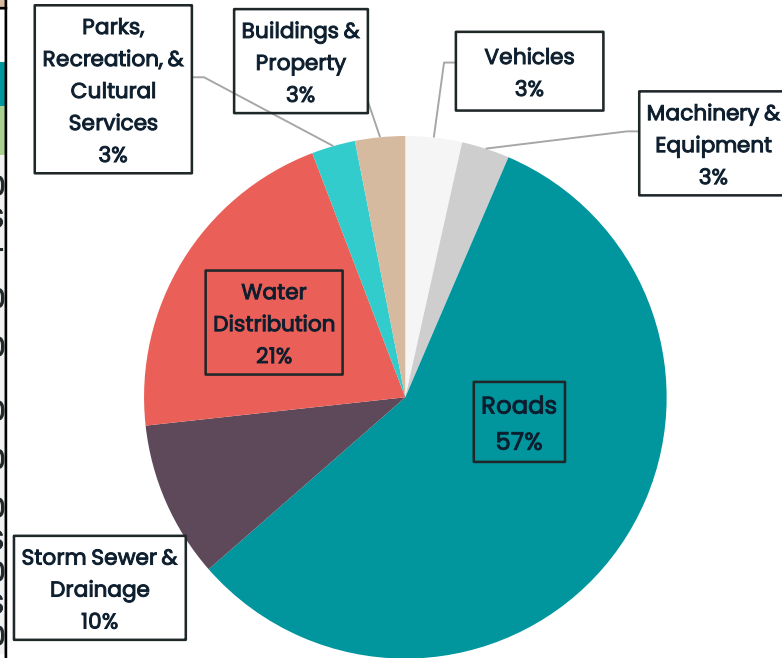
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Infrastructure Fund	Mills	Revenue
2020	1.9612	1,163,870
2021	1.9239	1,199,464
2022	1.8833	1,228,653
2023	1.8507	1,278,488
2024	1.8507	1,361,268
2025	1.8334	1,421,000

*\*Note: Voters approved 2.0000 mills in Nov. 2018*

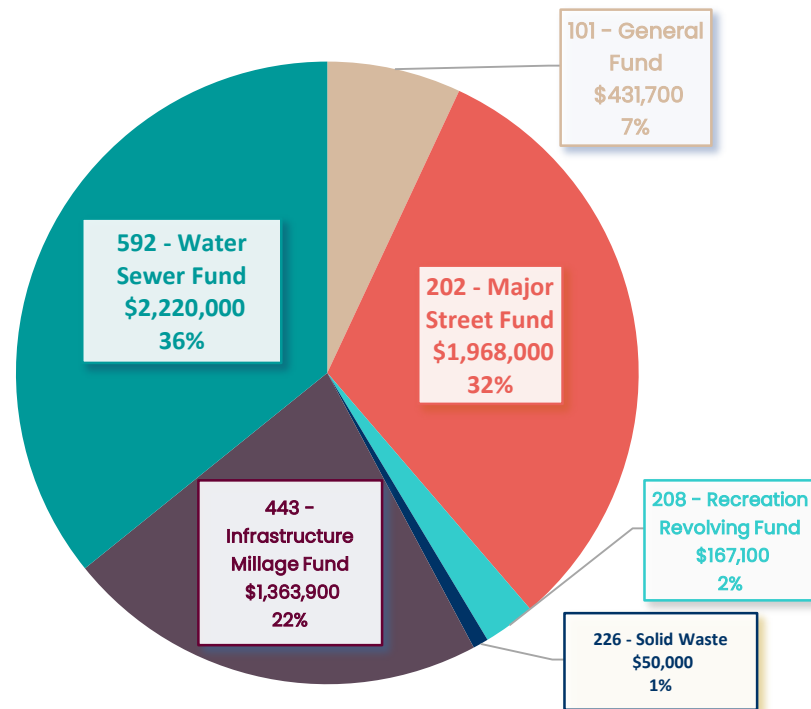
# CIP Overview FY 25/26 ( TYPE )

FY 2025-26 CAPITAL IMPROVEMENTS BY TYPE				
	Budget		Projected	
By Capital Outlay Type	FY 2025-26	FY 2026-27	FY 2027-28	
Vehicles	\$ 216,000	\$ 935,000	\$ 1,151,000	
	\$	\$	\$	
Technology	16,000	-	-	
Machinery & Equipment	\$ 183,500	\$ 557,000	\$ 207,000	
Roads	\$ 3,531,900	\$ 3,531,900	\$ 3,200,000	
	\$	\$	\$	
Sidewalks & Pathways	-	\$ 400,000	\$ 400,000	
Storm Sewer & Drainage	\$ 600,000	\$ 600,000	\$ 600,000	
Water Distribution	\$ 1,295,000	\$ 1,335,000	\$ 1,335,000	
Parks, Recreation, & Cultural Services	\$ 167,100	\$ 120,000	\$ 60,000	
	\$	\$	\$	
Buildings & Property	191,200	140,000	75,000	
Grand Total	\$ 6,200,700	\$ 7,618,900	\$ 7,028,000	



# CIP Overview FY 25/26 ( FUND )

FY 2025-26 CAPITAL IMPROVEMENTS BY FUND				
	Budget	Projected		
By Fund	FY 2025-26	FY 2026-27	FY 2027-28	
101 - General Fund	\$ 431,700	\$ 494,000	\$ 448,000	
202 - Major Street Fund	\$ 1,968,000	\$ 220,000	\$ 140,000	
208 - Recreation Revolving Fund	\$ 167,100	\$ 120,000	\$ 60,000	
226 - Solid Waste	\$ 50,000	\$ 60,000	\$ -	
443 - Infrastructure Millage Fund	\$ 1,363,900	\$ 2,439,100	\$ 1,611,000	
445 - Public Improvements Fund	\$ -	\$ 300,000	\$ 800,000	
592 - Water Sewer Fund	\$ 2,220,000	\$ 3,585,800	\$ 3,569,000	
809 - Sidewalks	\$ -	\$ 400,000	\$ 400,000	
Grand Total	\$ 6,200,700	\$ 7,618,900	\$ 7,028,000	



# Capital Expenditures – FY 25/26

- Expenditures use operating funds in General Fund (property taxes, state revenue sharing, charges for services)
- Special Revenue/Capital Improvement Funds use state grants, property taxes, and user fees
- Enterprise Fund uses water and sewer fees collected for all capital items

General Fund	Major Street & Infrastructure Fund	Recreation Revolving Fund	Solid Waste	Water & Sewer Fund
Access Control Cameras	Bacon Ave Water Main & Paving Project	Comm 1 Concession Stand	Brush Chipper	Annual sewer line replacement & road paving project
Library Study Rooms		Community Center Bathrooms		Annual Water Meter Replacements
3 Vehicles: <ul style="list-style-type: none"><li>• 2 Public Safety</li><li>• 1 City Hall</li></ul>				¾ Ton Pickup Truck
Equipment – <ul style="list-style-type: none"><li>• Mower</li><li>• Trailer</li><li>• Arrowboard</li></ul>				Neptune R900 Gateway System



# Investments

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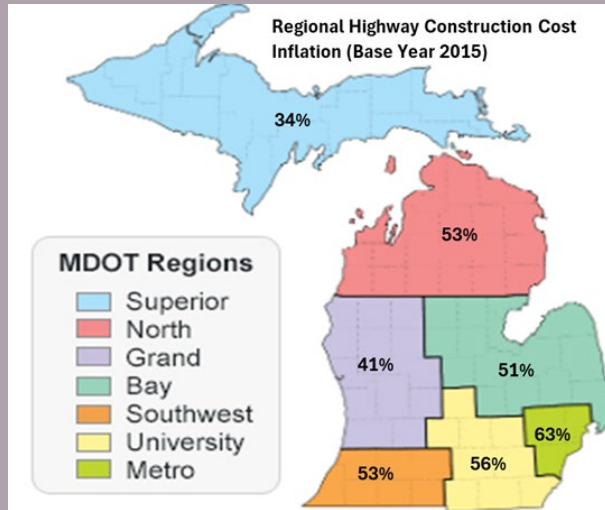
- ½ mile of water main replacement per year
  - Road projects done in conjunction with larger water main project
- Sewer Lining: \$600,000 annually
  - To structurally line several sections of combined sewer system: more cost-effective and less intrusive than physical excavation
  - 50% of system has been lined over 20+ years
- Current rate of water main and road replacement: ~100 years before every pipe and road segment has been replaced

# State of our Utilities

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- 300 lead service line replacements to date
  - Includes discovery + replacement costs
  - Verification process will continue until all services are confirmed (ongoing for 20+ years)
  - ~1,500 services left for replacement (contingent upon continued verification work)
  - Michigan deadline is 2040, Federal deadline is 2034 (may ultimately be adopted)
- Lead Service Replacement: \$1M a year
  - Unfunded Mandate: Cost limits ability to address other critical needs due to finances and labor
  - Continue to pursue other avenues for funding, but support typically goes to overburdened communities

# Expenditure Context



- The Michigan Highway Construction Cost Index estimates that construction costs in MI have increased by 49% since 2015, and 26.4% since 2020 (prior to 2020 MDOT traditionally assumed a 4% increase annually).
- The increase has been even more severe in the Metro Detroit area – which saw a 63% increase since 2015

# Water & Sewer Rate Change

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- No change in fixed rates, variable rates increased by 10% as planned during the 2023-24 budget process
- Overall increase of 2.94% (fixed + variable costs on each billing)

Residential Rates (excluding stormwater)	FY 2025	FY 2026	% Change
Water Service (variable)	5.3	5.83	10.00%
Sewer Service (variable)	5.93	6.52	9.95%
Ready to Serve Water (fixed)	13.74	13.74	0.00%
Ready to Serve Sewer (Fixed)	13.19	13.19	0.00%
Total	38.16	39.28	2.94%

# Cost of Water



# CONCLUSION: REACHING OUR GOALS

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# THANK YOU

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