

CITY OF BERKLEY PROPOSED BUDGET 2014-2015



5th Safest City in Michigan!
Safewise.com has ranked the City of
Berkley 5th safest among
municipalities larger than 10,000
residents.

Appropriation Highlights for FY 2014-15



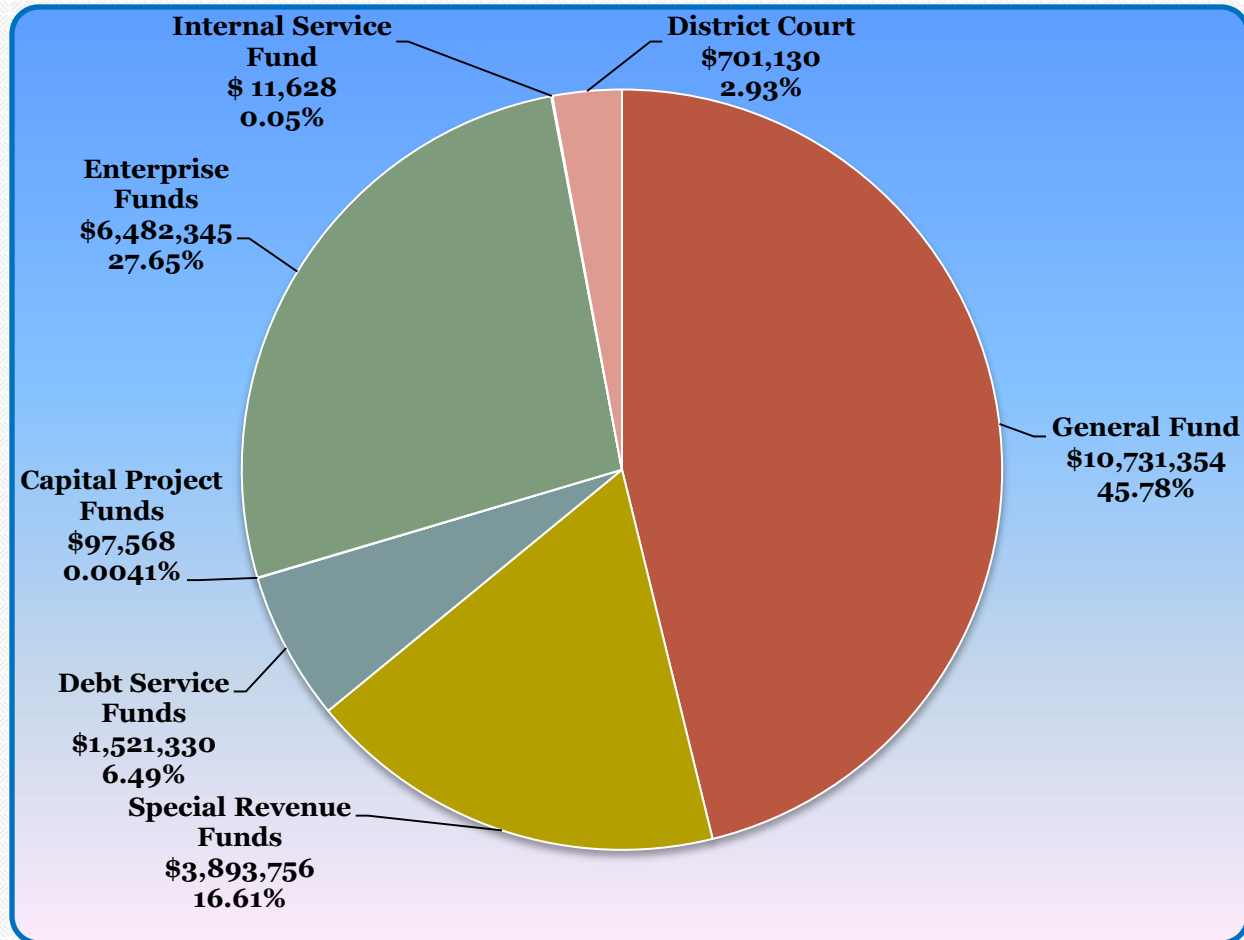
CERP & CIP Plans	
Replace Outdated Capital Equipment 2014/15	\$411,390
Seven Year Capital Equipment Replacement Plan	\$5,400,498
New Investment in City Infrastructure 2014/15	\$1,670,804
Seven Year Capital Improvement Plan	\$28,090,256

Personal Services – All Funds - \$7,820,721
72 Full Time Employees
93 Part Time Employees or 24.59 full time equivalents
1 Staff Contract Position
4 Independent Contractors in the Building Department

All Revenues by Fund Type



Recommended Budget 2014- 2015 - \$23,439,111

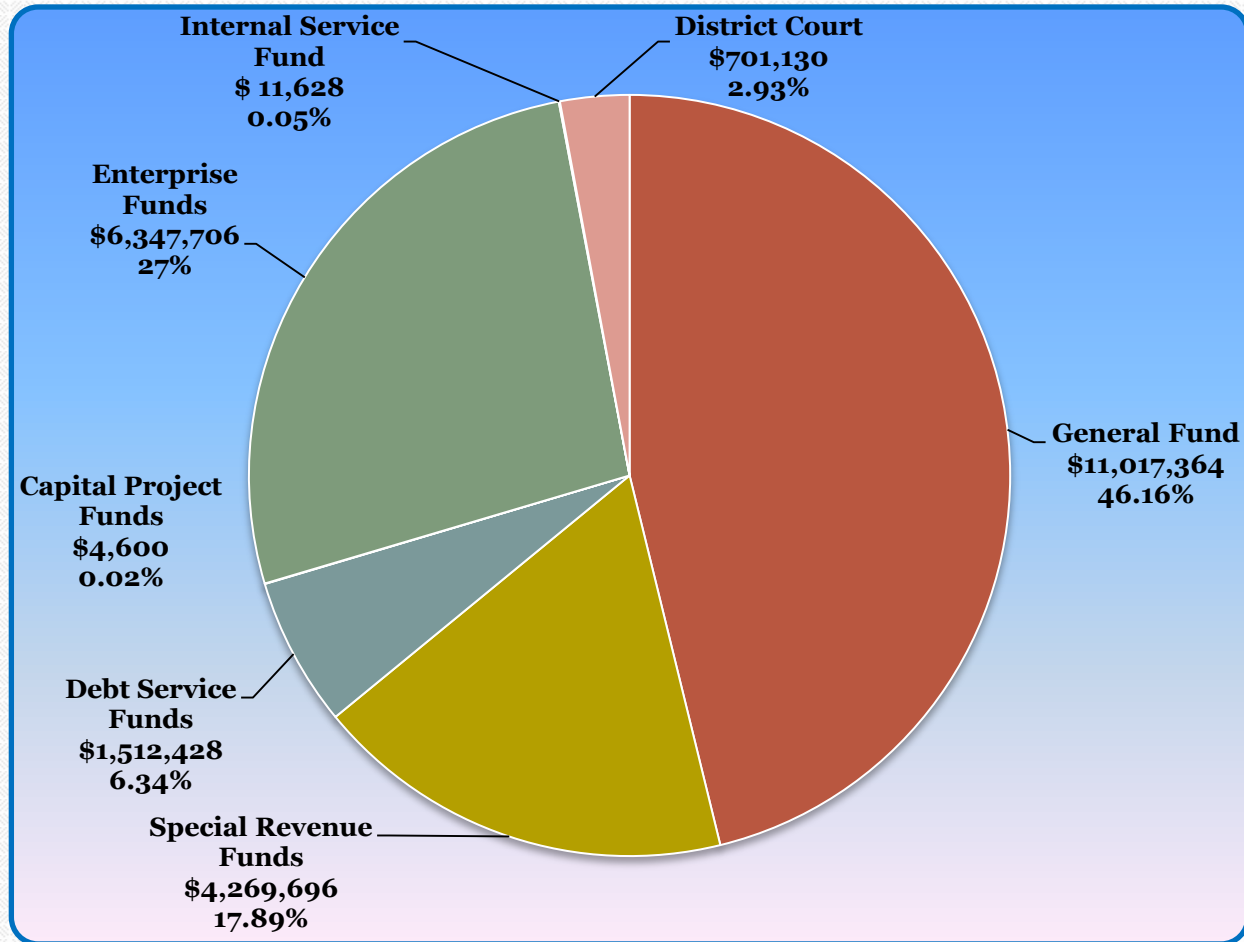


- All values include operating transfers-in

All Expenditures by Fund Type



Recommended Budget 2013-2014 - \$23,863,433

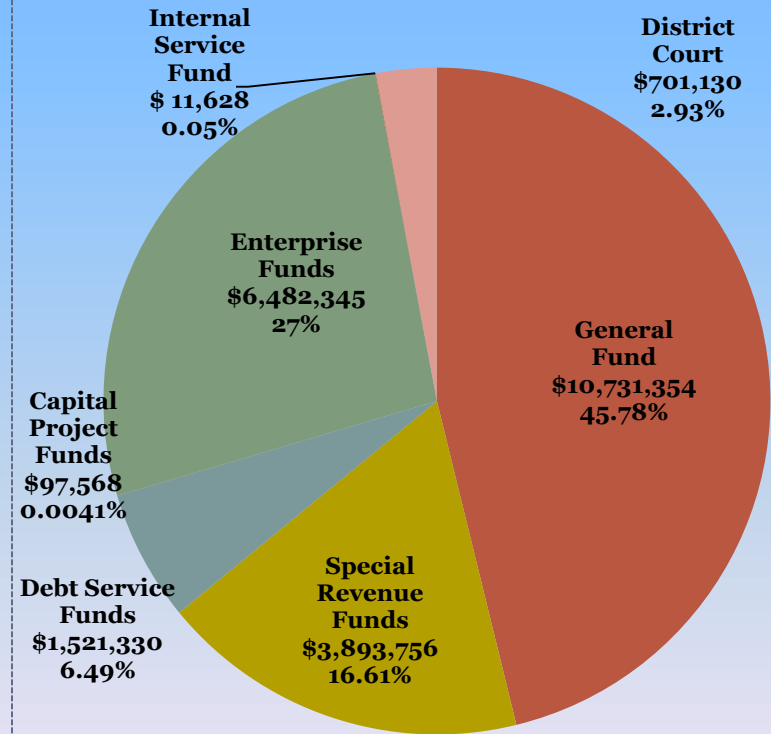
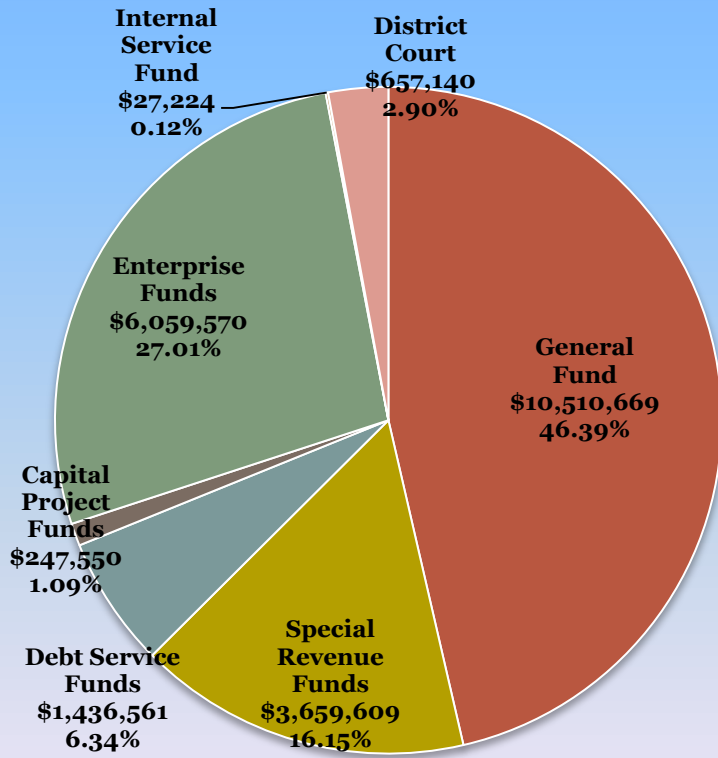


- All Values include operating transfers-out

All Revenues by Fund Type - Comparison

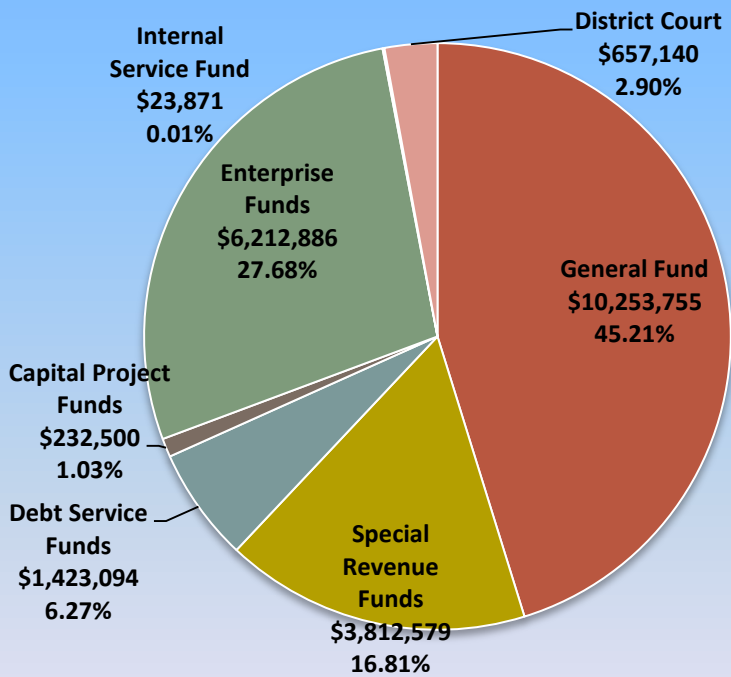
Recommended Budget
2013-2014 - \$22,598,323

Recommended Budget
2014-2015 - \$23,439,111

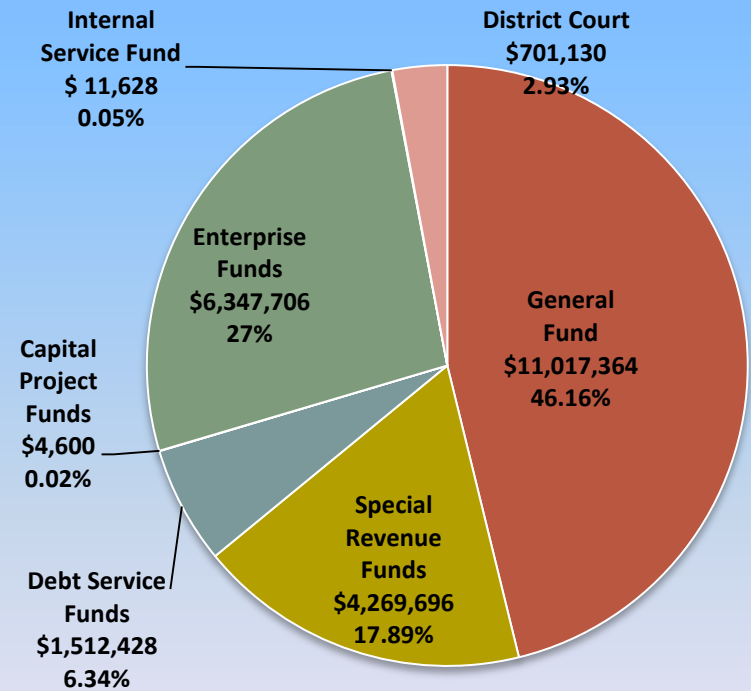


All Expenditures by Fund Type - Comparison

Recommended Budget
2013-2014 - \$22,615,825



Recommended Budget
2014-2015 - \$23,863,433



General Fund

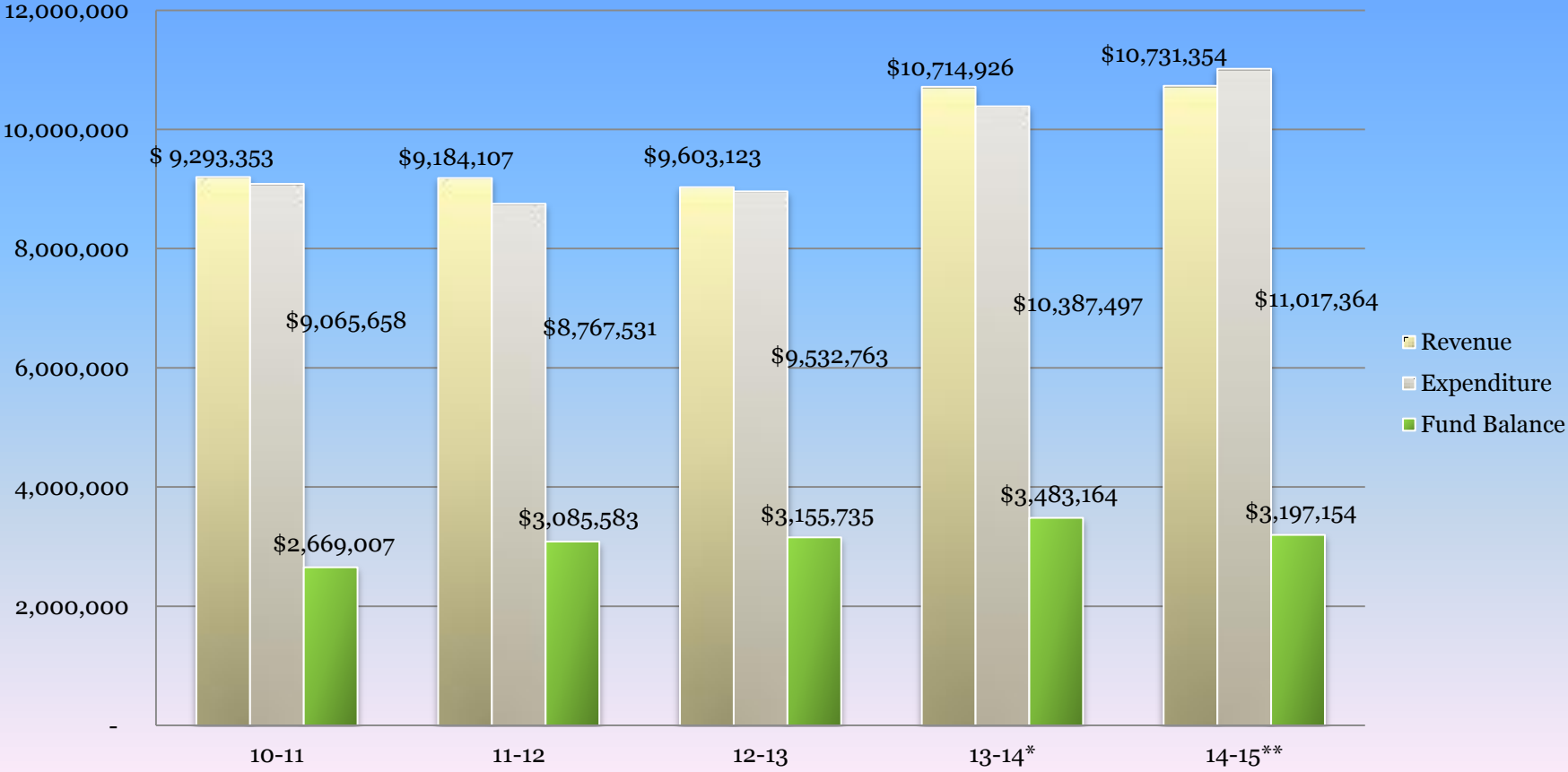


The Chief operating fund that accounts for all financial resources except those required to be accounted for in another fund.

General Fund: Yearly Comparison



General Fund Revenues, Expenditures, Transfers & Fund Balance



General Fund

2013/14 Projected Fund Balance



Audited beginning fund balance 13/14:		\$3,155,746
Total Inflows – 2013/14:	\$10,714,915	
Total Outflows – 2013/14:	<u>(\$10,387,497)</u>	
Estimated revenues over expenses 2013/14:		<u>\$327,418</u>
Estimated ending fund balance 13/14:		\$3,483,164
Breakdown of Fund Balance 13/14:		
Assigned to Programs:		\$319,711
Unassigned to Programs:		<u>\$3,163,453</u>
Estimated ending fund balance 13/14:		\$3,483,164

General Fund Estimated: 2014/15

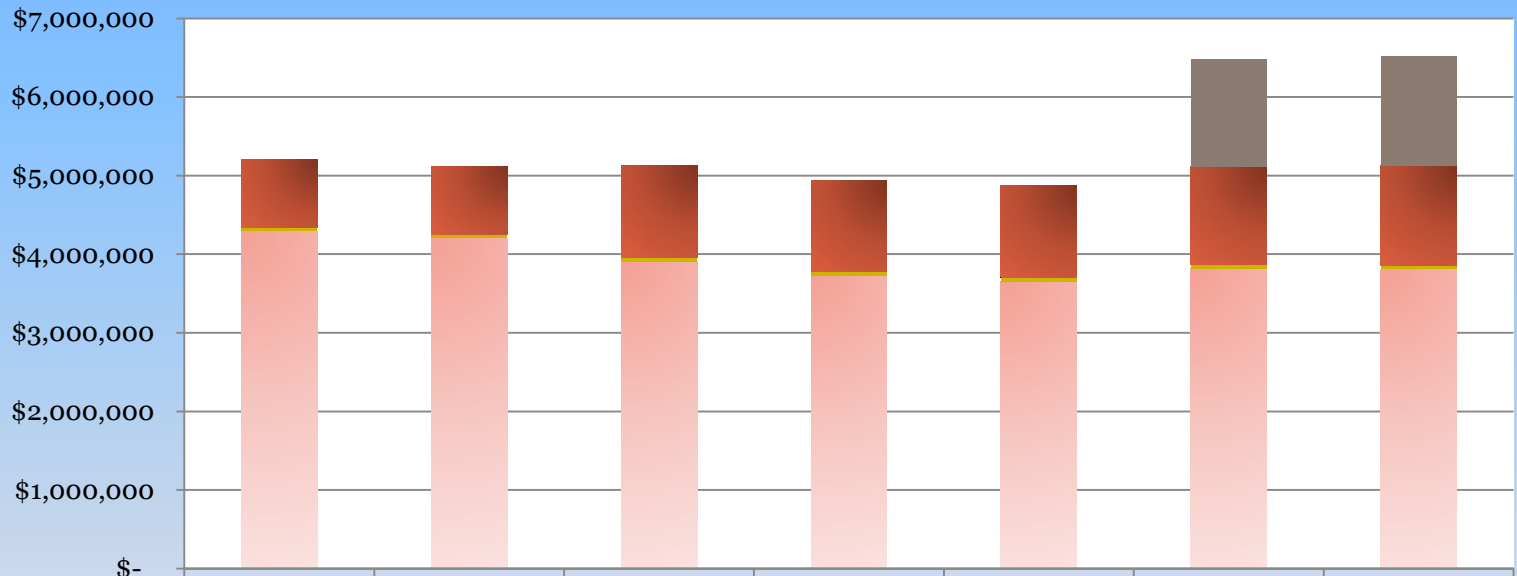


Fund Balance Analysis:		
Total Estimated Beginning Fund Balance - July 1, 2014:		\$3,483,164
Estimated Decrease of Fund Balance in 2014/15: 2014/15 Fund Balance Available to Defray Future Operations	(\$286,010)	
Estimated Ending Fund Balance Combined – June 30, 2015:		\$3,197,154
Estimated Fund Balance Restricted Reserves 6/30/2015:		
Inventory/Prepaid	\$221,200	
Library	\$32,053	
Public Safety Pension System Levy	\$15,251	
Public Safety PA 302 Fund Match – Training	\$12,000	
Public Safety Lids for Kids/Fire Open House	\$22,191	
Public Safety Honor Guard	\$733	
Community Promotions	\$32,638	
Long-Term Receivables	\$0	
Total Restricted Reserves for the Ending Fund Balance 2014/15		\$ 336,066
Estimated Undesignated Reserve 2014/15		<u>\$2,861,088</u>
Fund Balance – General Fund at June 30, 2015		\$3,197,154

General Fund Property Tax Revenue



General Fund Property Tax Revenue



	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14*	2014/2015**
■ General Voted	\$-	\$-	\$-	\$-	\$-	\$1,361,787	\$1,393,438
■ Public Safety Pension	\$861,467	\$863,124	\$1,178,951	\$1,156,994	\$1,173,747	\$1,245,859	\$1,263,341
■ Community Promotion	\$49,129	\$48,421	\$48,651	\$48,819	\$48,859	\$48,919	\$49,157
■ General Operating	\$4,294,086	\$4,202,656	\$3,906,684	\$3,728,592	\$3,649,430	\$3,815,792	\$3,810,032

*Projected **Recommended

Personal Property Taxes



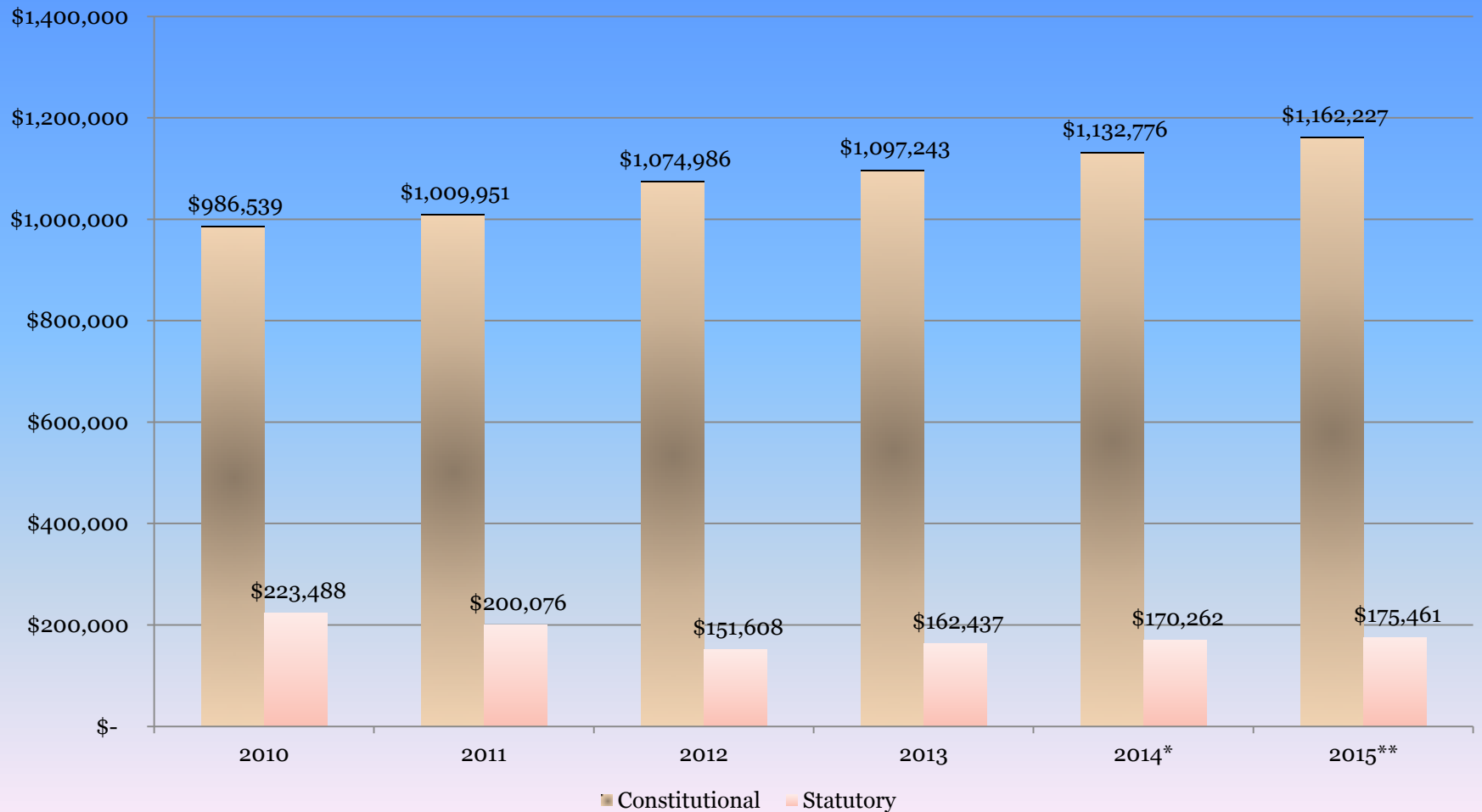
Personal Property Tax Analysis:

July 2013 Taxable Value	\$14,900,060
July 2014 Taxable Value	\$11,907,130
(Loss) in Taxable Value	(\$2,992,930)
Est. Loss in Tax Revenue – City Only	(\$52,512)

Notes:

- Potential additional \$1,022,250 loss of PPTV in 14/15.
- Est. additional City revenue loss of \$17,935 in 14/15.
- August 2014, vote to permanently eliminate PPT.
 - Replace debt losses first.
 - Replace balance of losses second if funds available.
 - Gains in PPTV will wipe out loss reimbursement.
 - Issue when City's will be reimbursed.

State Revenue Sharing

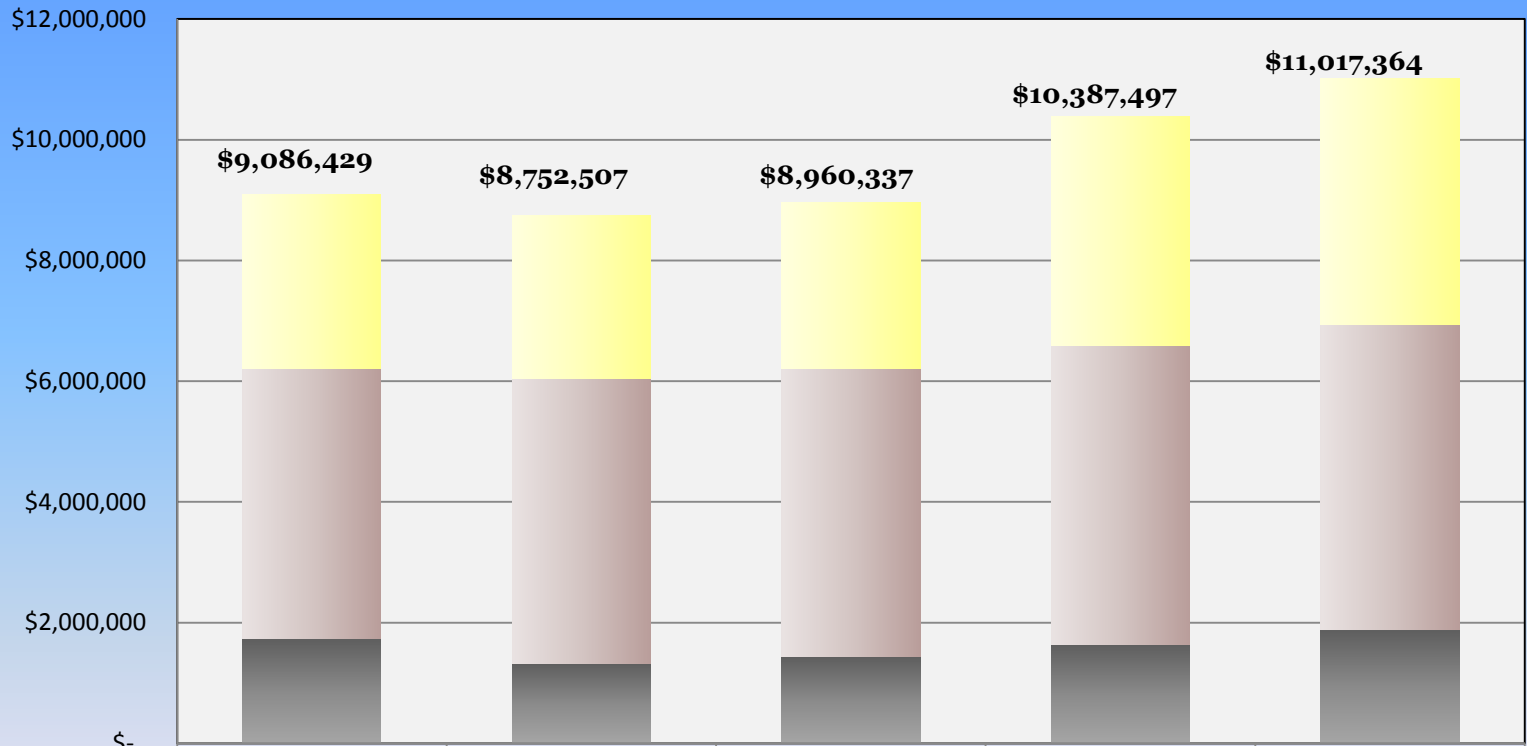


*Projected **Recommended

General Fund Expenditures – Detail



General Fund Expenditures



	2011	2012	2013	2014*	2015**
Operating Expenditures	\$2,881,505	\$2,711,848	\$2,748,149	\$3,790,362	\$4,072,943
Salaries & Other Benefits	\$4,470,067	\$4,710,564	\$4,774,588	\$4,954,602	\$5,062,015
Health/Life Care Benefits	\$1,734,857	\$1,330,095	\$1,437,600	\$1,642,533	\$1,882,406

***Projected **Recommended**

\$3.00 Mill Levy Distribution



General Fund Analysis:		
Revenue Generated		\$1,393,438
<u>Expenses/Transfers Out:</u>		
Major Streets – Roads	\$532,500	
Local Streets – Roads	\$150,000	
Solid Waste Fund	\$67,600	
Capital Improvements – Gen. Fund	\$200,000	
Equipment	\$52,000	
Continue Rec. Position	\$51,000	
Health Care / Operations	\$268,138	
Continued Additional GASB 45 Contribution	\$72,200	
Total Expenses / Transfers Out		\$1,393,438
To Fund Balance		\$0

(Tax rate rolled back to \$2.9913 / th., tax value)

Public Safety



Replace Two Patrol Vehicles
\$64,000

Parks and Recreation



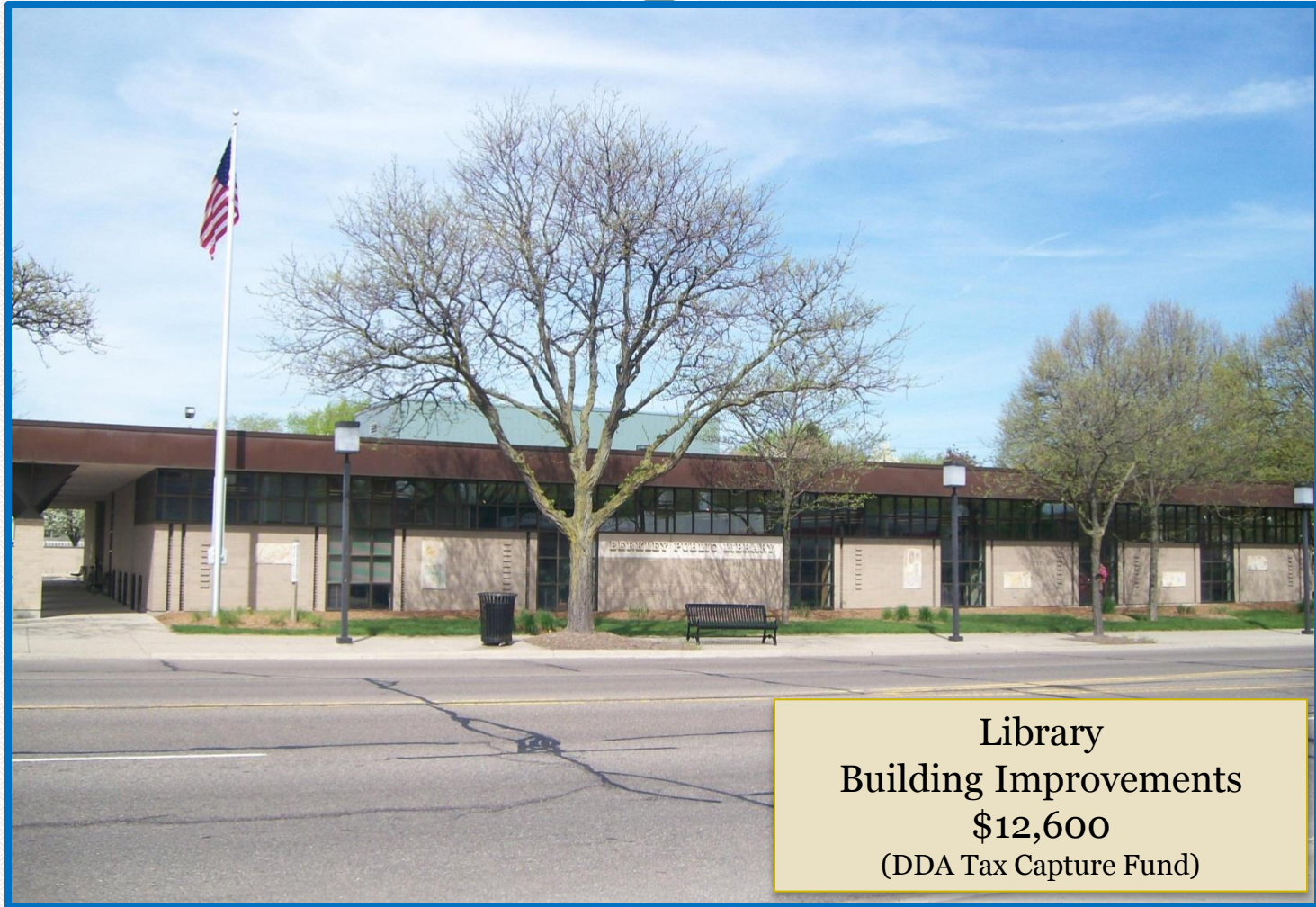
Improvements at
Jaycee &
Lazenby,
\$45,000
(CDBG/Rec. Funds)



Arena Repairs
\$87,000
Arena Fund



Berkley Public Library



Communications



Fiber Optic Cable - \$75,000

Other Post Employment Benefit Contributions (GASB 45)



Fiscal Year	Actuarial Annual Est. Liability (ARC)	Interest Expense On Balance	City Contribution All Funds (Cash)	Pay as you Go Retiree Health Care	Cumulative Liability
08/09	\$2,084,252	\$0	(\$1,005,251)	(\$976,282)	\$102,719
09/10	\$2,114,221	\$7,704	(\$452,626)	(\$1,032,989)	\$739,029
10/11	\$2,148,744	\$55,426	(\$123,600)	(\$1,279,310)	\$1,540,289
11/12	\$1,867,490	\$107,820	(\$133,600)	(\$983,170)	\$2,398,829
12/13	\$1,490,763+	\$167,918	(\$134,000)	(\$1,090,176)	\$2,833,334
13/14	\$1,802,766	\$198,333*	(\$231,200)	(\$1,078,274)*	\$3,524,959*
14/15	New Study Required	\$246,747*	(\$231,200)	(\$1,283,938)*	Unknown
Total Contributions			\$2,080,277	(08/09 – 13/14)	
Trust Account Value - 3/31/2014			\$3,173,262	(17.9% Funded)	
Trust Account Value – 6/30/2009			\$1,035,664	(5.9% Funded)	

* Value Estimated + Adjusted

Special Revenue Funds



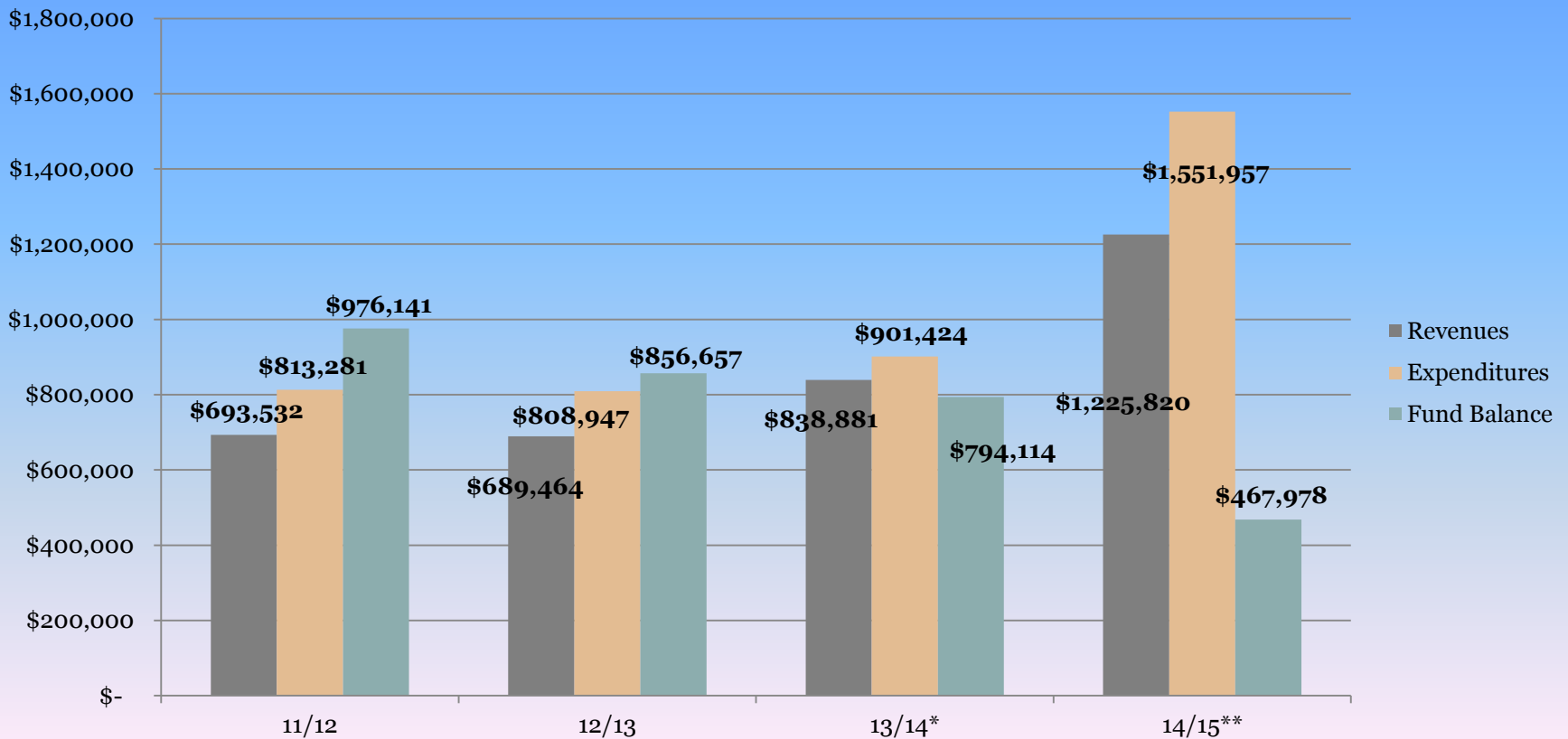
Special revenues that are legally restricted to expenditures for specific purposes.

- Major & Local Streets
- Solid Waste
- CDBG
- Drug Forfeiture
- Recreation Revolving
- Senior Programs
- DDA & DDA-TIF

Major Streets



Major Streets Revenues, Expenditures, Transfers, & Fund Balance

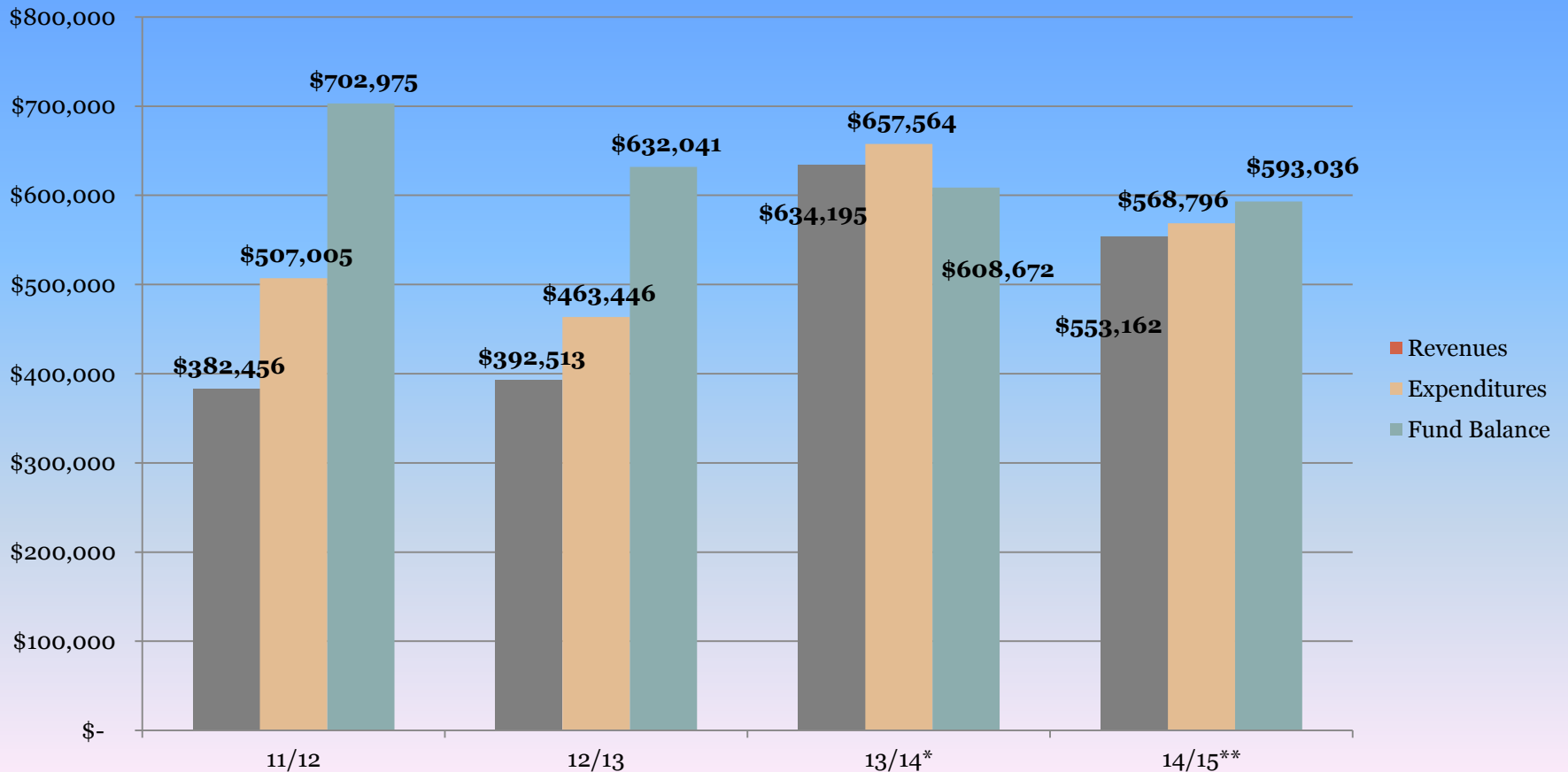


*Projected **Recommended

Local Streets



Local Streets Revenue, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Major & Local Street Expenditures



Major: \$ 1,551,957

Local: \$568,797

Street Maintenance, Catch Basin, Street Sweeping	\$597,937
Coolidge 12 Mile to Webster	\$800,000
Tree Maintenance & Replacement	\$151,674
Maintenance & Replacement of Signs & Pavement marking	\$111,868
Winter Maintenance	\$156,777
Boulevard & Facility Ground Maintenance	\$76,922
Administration	\$68,484
Major Street support to Local Street	\$157,092

Major Street Fund Coolidge 12 Mile to Webster



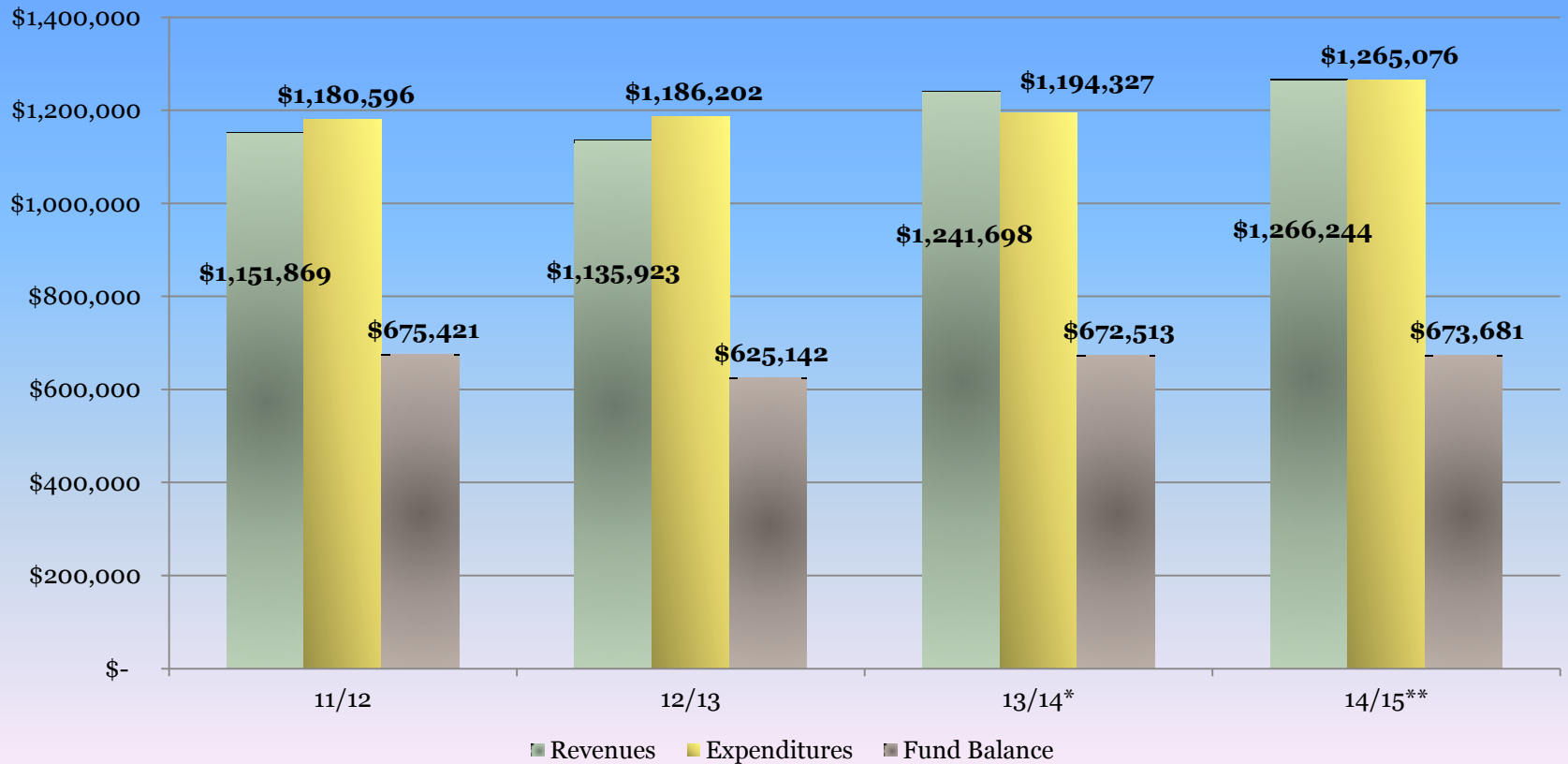
REQUESTED APPROPRIATION \$800,000



Solid Waste



Solid Waste Revenues, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Solid Waste Expenditures



Solid Waste: \$ 1,265,076

- Maintain 06-07 residential disposal fee on the water bill for the 8th FY
 - \$30.20/year per resident dwelling or,
 - \$7.55/quarter per resident dwelling
 - Includes rubbish pickup & disposal along with leaf pickup

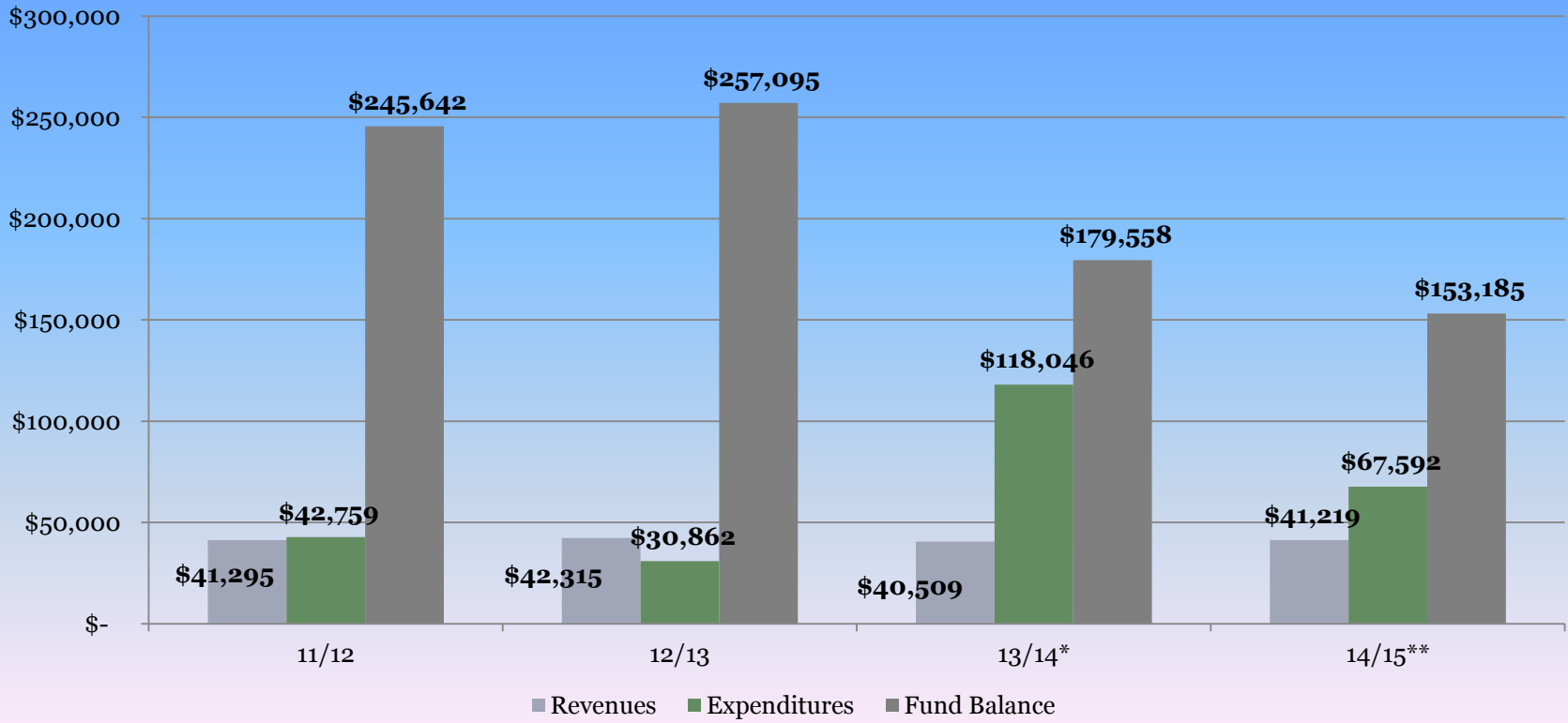
• *Proposed* - monthly commercial dwelling/business dumpster disposal fees:

Type of Container	Monthly Charge for a pickup and disposal:			
	Bi-Weekly	Weekly	Twice Weekly	Three Times Weekly
Trash Bag(s)	Not Available	\$24.00	\$48.00	\$72.00
Polycart Per Cart	Not Available	\$24.00	\$48.00	\$72.00
2cy Dumpster	\$12.00	\$24.00	\$48.00	\$72.00
4cy Dumpster	\$24.00	\$48.00	\$72.00	\$96.00
6cy Dumpster	Not Available	\$72.00	\$144.00	\$216.00
8cy Dumpster	Not Available	\$96.00	\$192.00	\$288.00

DDA – Ad Valorem



**DDA Ad Valorem Fund
Revenues, Expenditures, Transfers, & Fund Balances**

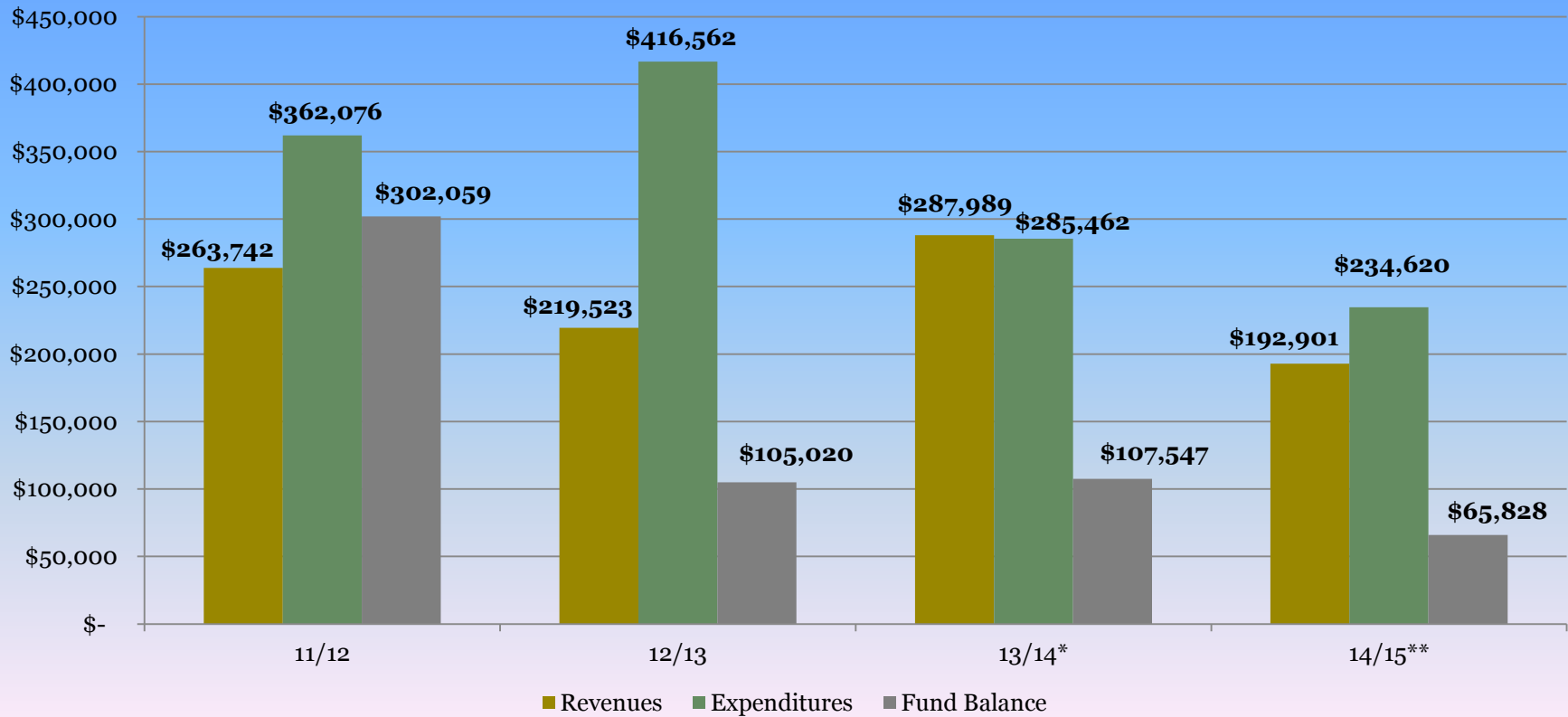


*Projected **Recommended

DDA – TIF Capture



DDA TIF Capture Fund Revenues, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Downtown Development Authority Expenditures

DDA – Ad Valorem:

\$ 67,592

DDA – TIF Capture:

\$ 234,620

DDA Ad Valorem (814)

• DDA Events	\$ 34,015
• Street Maintenance	\$ 30,000
• Operations	\$3,577

DDA TIF Capture (815)

• Building Improvements	\$12,600
• Annual Debt Payment	\$205,020
• Tax Tribunal Expenses	\$17,000

Debt Service Funds

General long-term debt – principal and interest

	14/15 Payment	# of years remaining
DDA Streetscape/Intersection	\$ 205,020	1
George Kuhn Drainage Bonds	\$ 538,150	7-14
Major and Local Street Bonds	\$ 398,344	1
11 Mile Road Project Bonds	\$ 237,407	6
12 Mile Road Project Bonds	\$ 133,507	1

Years remaining after the 2014/15 payment

Capital Project Funds



Financial resources used for the acquisition or construction of major capital

Public Improvement Funds



- **DISTRICT COURT – BUILDING FUND:**

Security radios - \$3,600
Firearms for security - \$1,600

- **PUBLIC IMPROVEMENT FUND:**

No Activity 2014/15

Enterprise Funds



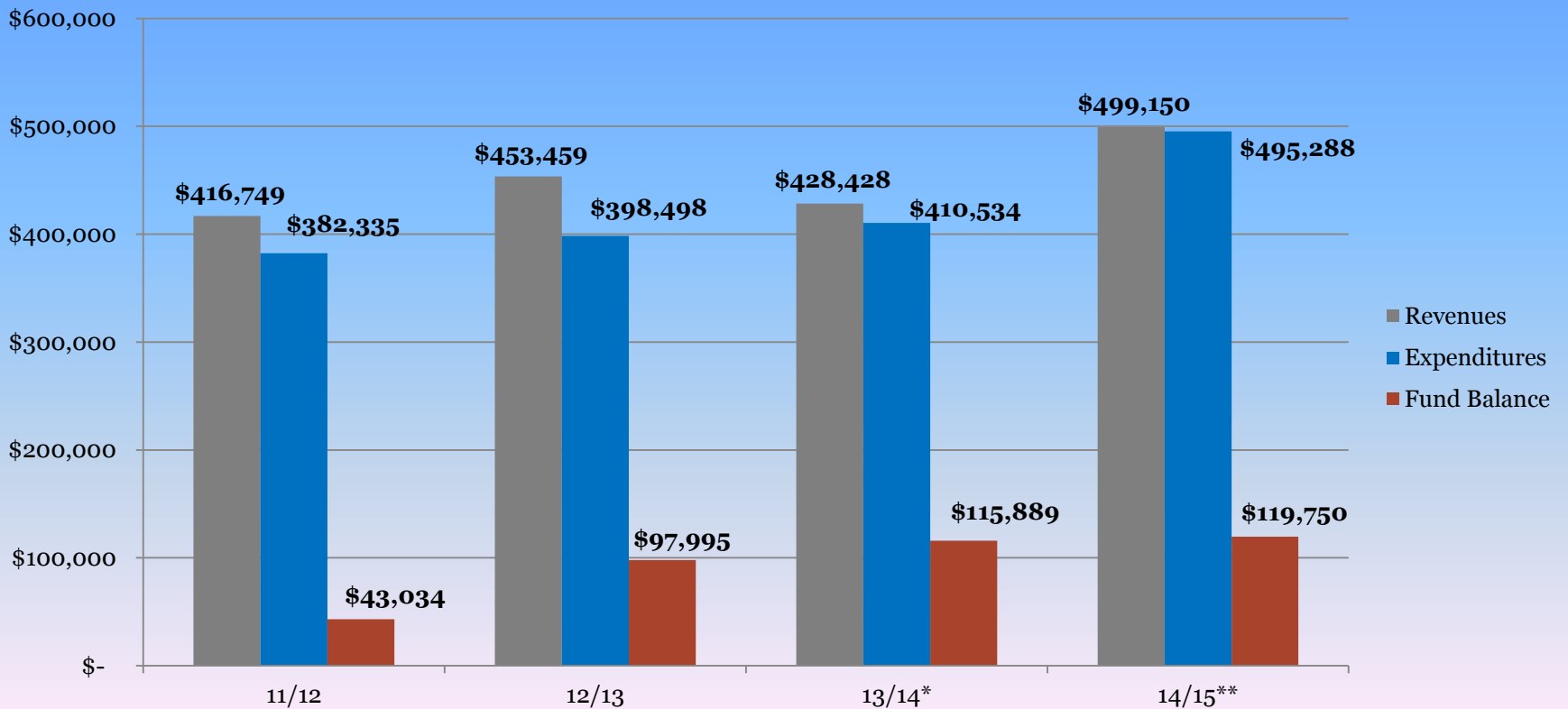
Operations where the costs of providing goods or services is financed or recovered through user fees

- Arena
- Water & Sewer

Arena



Arena Fund Revenues, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Arena



Total Arena Revenues: \$ 499,150

- **Rental Fees - \$ 372,750 (all programs)**

- PRIME: between \$230 per hour
- NON PRIME: \$190 per hour
- Spring Season Anticipated \$28,500 – six weeks - \$180/hour

- **Other Revenues - \$ 46,400**

- Concession Rental \$2,800
- Pro Shop Lease \$1,200
- Room Rental – Hockey \$15,700
- Studio Space Rental \$9,600
- Other Revenues \$17,100

- **Operating Transfer In - \$ 80,000**

- \$55,000 from 614
- \$25,000 from 101

Arena Expenditures

**Total Arena Expenditures:
\$495,288**

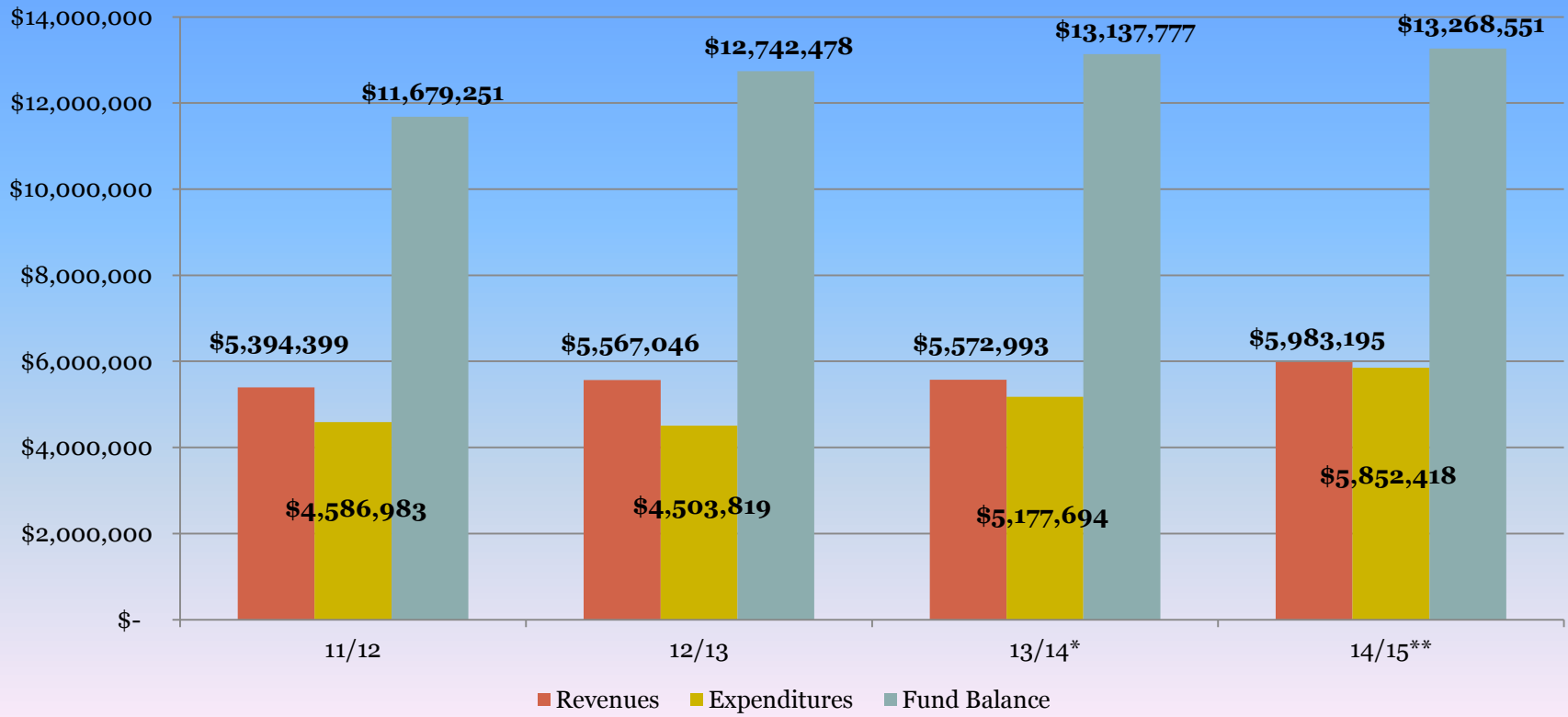
- Salary and Fringe Benefits - \$153,051
- Utility Costs - \$120,300
- Capital Improvements - \$87,000
- Operating Costs - \$134,937



Water & Sewer



Water & Sewer Fund Revenues, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Wholesale Water & Sewer Charges



Wholesale Water/Sanitary Charge: \$1,650,122

• WHOLESALE WATER RATES:

Detroit Water & Sewer Department	4.0% increase
SOCWA Pass Thru	4.0% increase
Net Wholesale	4.0% increase
Total Estimated Bulk Water Estimated Cost	\$772,670

• WHOLESALE SANITARY SEWER RATES:

Detroit Water & Sewer Department	5.9% increase*
Oakland County Water Resource Commission	5.9% increase
Net Wholesale	5.9% increase
Total Estimated Bulk Sanitary Estimated Cost	\$877,451+

+ = City notified of amount due on 5/7/2014 by OCWRC.

* = Convert to a fixed sanitary charge 7/1/2014. City will pay \$893,253 2014/15.

Water/Sewer City Operating Expenses



City Operating Expenses	\$2,024,419
SAW Grant	\$200,714*
City System Operating	\$1,055,079
Sewer Relining	\$200,000*
Non-Resident User Charges	\$86,626
Depreciation	\$325,000
Water Meter Replacements	\$65,000
Concrete Repair	\$45,000
Lead Service Replacements	\$20,000
Hydrant Replacements	\$27,000
* = Not included in the rate calculations	

Storm Water Utility Charge/Revenue



Storm Water Utility Charge	\$2,716,029
Southeast Oakland County Drain Commission Pass Thru Charge:	\$2,177,879
	3.0% increase
George Kuhn Drain Debt Service Pass Thru Charge:	\$538,150
	0% increase/decrease
For each of the 8,762 equivalent resident units @ \$62.14 x 4	2.9% Increase

- This charge allocates the cost of storm flows on the basis of the size of the property and relative degree of previous and impervious surface conditions to all customers.
- This charge also includes Berkley's share of the cost upgrading the Twelve Town Drain Complex to meet State & Federal environmental requirements.

Retail Customer Revenues



Retail Customer Consumption Revenues			\$1,819,500
	<u>Current</u>	<u>Proposed</u>	<u>Proposed Increase</u>
Water Service	\$1.64	\$1.71	4.3%
Sewer Service	\$1.79	\$1.87	4.5%
Total per 100 cubic ft	\$3.43	\$3.58	4.4%

All new Water/Sewer rates effective the billing of July 1, 2014

Water Service Fixed Charge Revenues

(Ready to Serve)



Proposed: \$1,420,245

Amount represents a base charge to all 6,820 metered customers on a quarterly basis to cover fixed system expenses.

Rate increase of 1.5%

Size	Amount	Rate per Quarter	
		Current	Proposed
.75"	6,632	\$47.87	\$48.59
1.00"	96	\$79.78	\$80.98
1.50"	41	\$159.55	\$161.94
2.00"	39	\$255.26	\$259.09
3.00"	8	\$558.39	\$566.77
4.00"	4	\$929.38	\$943.32

Billing Revenues



Proposed: \$84,022

- This is a fixed charge for each water bill to cover the cost of reading meters, preparing water bills, and maintaining water payment records.
- $6,820 \text{ accounts} \times \$3.08 \times 4(\text{quarters})(1.7\% \text{ decline})$

Water & Sewer Other Revenues



Water & Sewer Other Revenues: \$394,926

Estimated Late Fees	\$111,096
Estimated Investment Earnings @ 0.50%	\$6,100
Equipment Rentals	\$50,000
Sundry, Medicare Part D & Other Reimbursements	\$22,730
Other Revenues	\$4,000
SAW Grant Revenues	\$201,000*

*Not included in the Rate calculation

Non Residential Flow



Detroit Water/Sewer Pass Through: \$86,626

<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>
.75"	\$39.84	\$40.68
1.00"	\$66.39	\$67.80
1.50"	\$146.04	\$149.16
2.00"	\$212.40	\$216.96
3.00"	\$384.99	\$393.24
4.00"	\$531.00	\$542.40

Proposed Percent Cost Increase



Household Consumption & Rate Increase Calculation					
	2013/14	2014/15	Increase/ (Decrease)	City Percent Increase/(Decrease)	Wholesale Percent Increase/(Decrease)
Water Service/100 Cubic Feet	\$1.64	\$1.71	\$0.7	0.043	4.0%
Sewer Service/100 Cubic Feet	1.79	1.87	0.08	0.045	5.9%*
Total Consumption	\$3.43	\$3.58	\$0.15	0.044	
Yearly Consumption in 4,000 cubic feet per quarter or (40)	40.00	40.00			
Consumption Cost	\$137.20	\$143.20	\$6.00	0.043	
Ready to Serve 5/8 Meter	47.87	48.59	0.72	0.055	
Storm Water Rates	60.38	62.14	1.76	(0.038)	3.00%
Billing Charge	3.14	3.08	(0.06)	(0.082)	
Quarterly Billing Charge	\$248.59	\$257.01	\$8.42	0.022	
Total Quarters	4	4	4		
Annual Billing Charge	\$994.36	\$1,028.04	\$33.68	0.022	

*- Notified of wholesale charges on 5/7/2014.

SOCWA Communities Water Study



Community Rate Analysis		
	<u>Community</u>	Average Cost 4,000 cubic feet 5/8" Meter <u>2013/14</u>
1	Pleasant Ridge	\$503.84
2	Royal Oak	\$422.25
3	Huntington Woods	\$401.20
4	Lathrup Village	\$390.53
5	Birmingham	\$385.00
6	Clawson	\$354.70
7	Southfield	\$341.38
8	Beverly Hills	\$294.32
9	Berkley (Proposed)	\$257.01
	Berkley 2013/14	\$248.59
10	Bingham Farms	\$165.33

Utility Bill: Solid Waste



	Current	Proposed
Residential Refuse Service Fee/Quarter	\$7.55	no change
8 th Consecutive Year at the same rate of \$7.55.		

Internal Service Fund



Goods or services provided by one department or agency to other departments or agencies of the governmental unit.

Leave Benefit Accruals:

Recommended 2014/15	Projected 2013/14	Actual 2012/13	Actual 2011/12
\$ 11,627	\$ 48,230	\$ 21,416	\$ 145,377

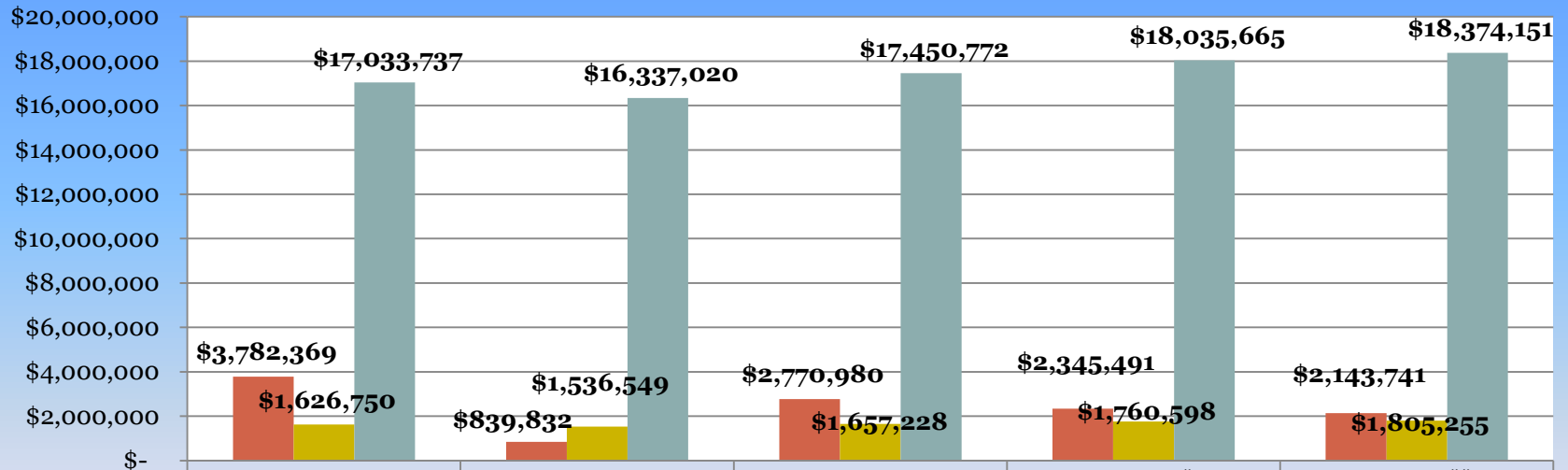
District Court Expenditures



Fund 265 – 45A/44 District Court		\$701,130
Fund 266 – Berkley Building Fund		\$4,600
	<u>265 Fund</u>	<u>266 Fund</u>
2014/15 Recommended	\$701,130	\$4,600
2013/14 Projected	\$630,890	\$5,585
2012/13 Actual	\$580,153	\$0
2011/12 Actual	\$550,939	\$0

Public Safety Pension

Public Safety Pension



	2010-11	2011-12	2012-13	2013-14*	2014-15**
■ Revenues	\$3,782,369	\$839,832	\$2,770,980	\$2,345,491	\$2,143,741
■ Expenditures	\$1,626,750	\$1,536,549	\$1,657,228	\$1,760,598	\$1,805,255
■ Retained Earnings	\$17,033,737	\$16,337,020	\$17,450,772	\$18,035,665	\$18,374,151