



City of Berkley Proposed Budget FY 2015/2016



Appropriation Highlights for FY 2015-16



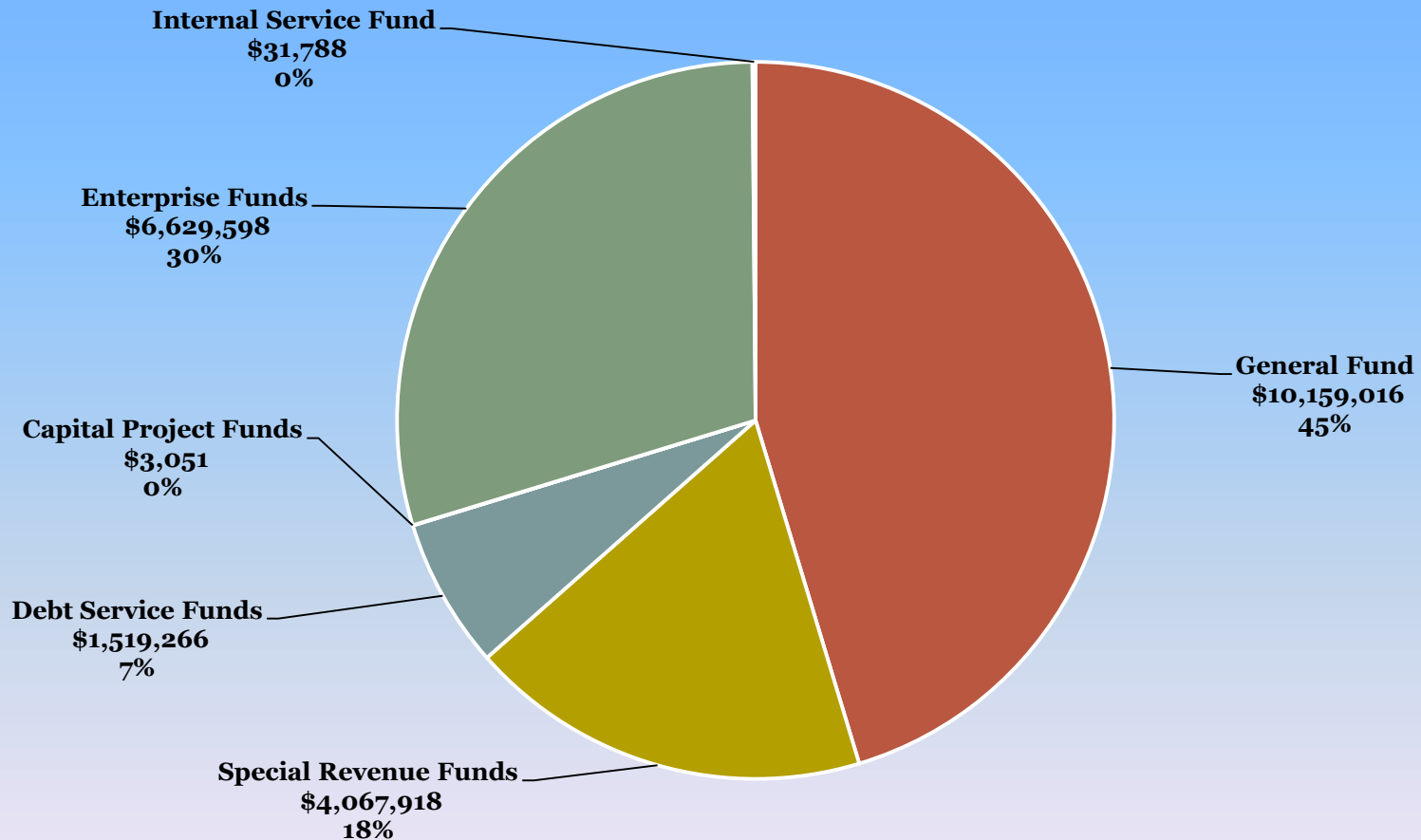
CERP & CIP Plans	
Replace Outdated Capital Equipment 2015/16	\$880,929
Seven Year Capital Equipment Replacement Plan	\$6,727,544
New Investment in City Infrastructure 2015/16	\$1,374,564
Seven Year Capital Improvement Plan	\$34,041,564

Personal Services – All Funds - \$7,305,435
66 Full Time Employees
96 Part Time Employees or 26.30 full time equivalents
1 Staff Contract Position
4 Independent Contractors in the Building Department

All Revenues by Fund Type



Recommended Budget 2015- 2016 - \$22,410,637

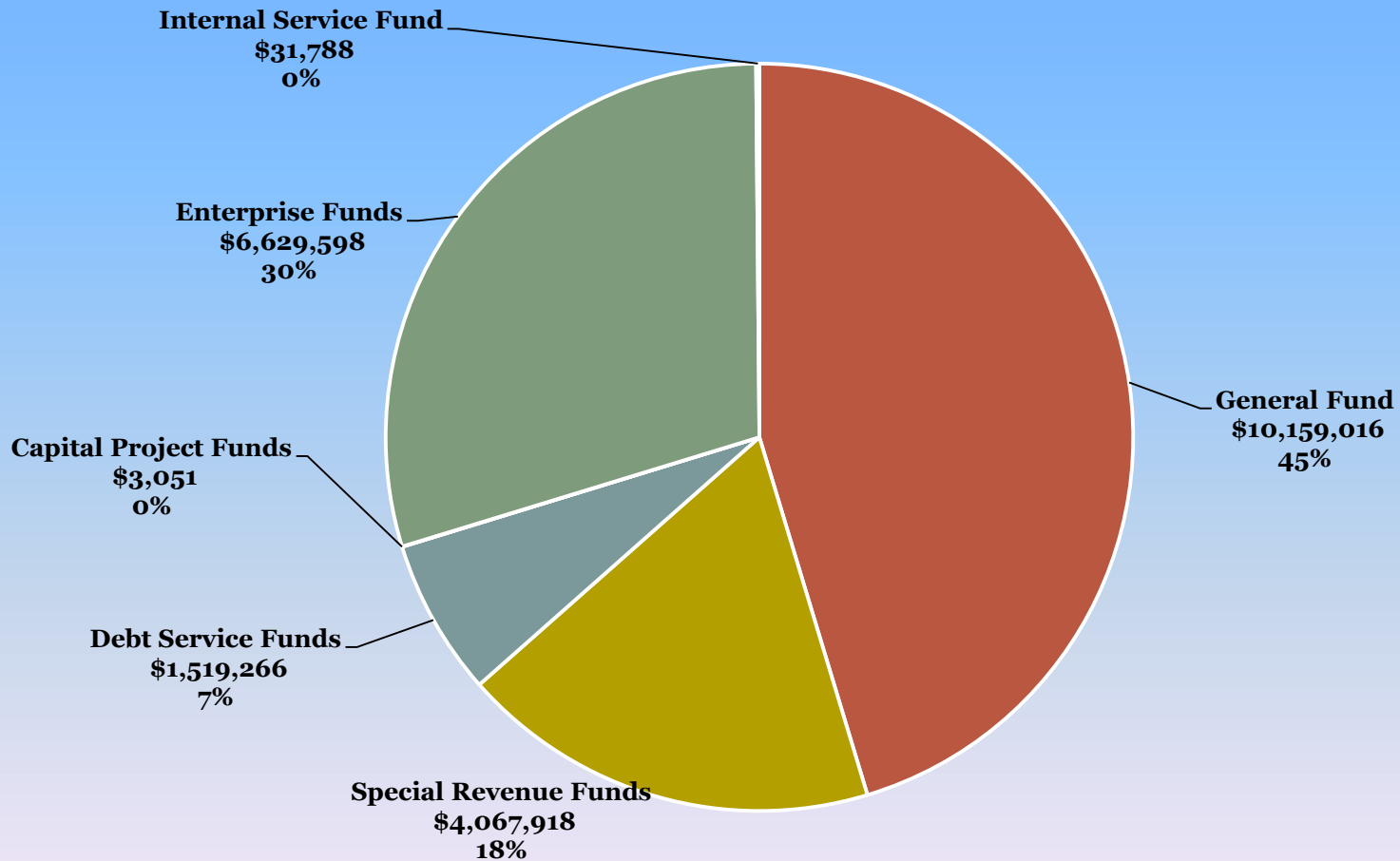


- All values include operating transfers-in

All Expenditures by Fund Type



Recommended Budget 2015-2016 - \$22,104,896



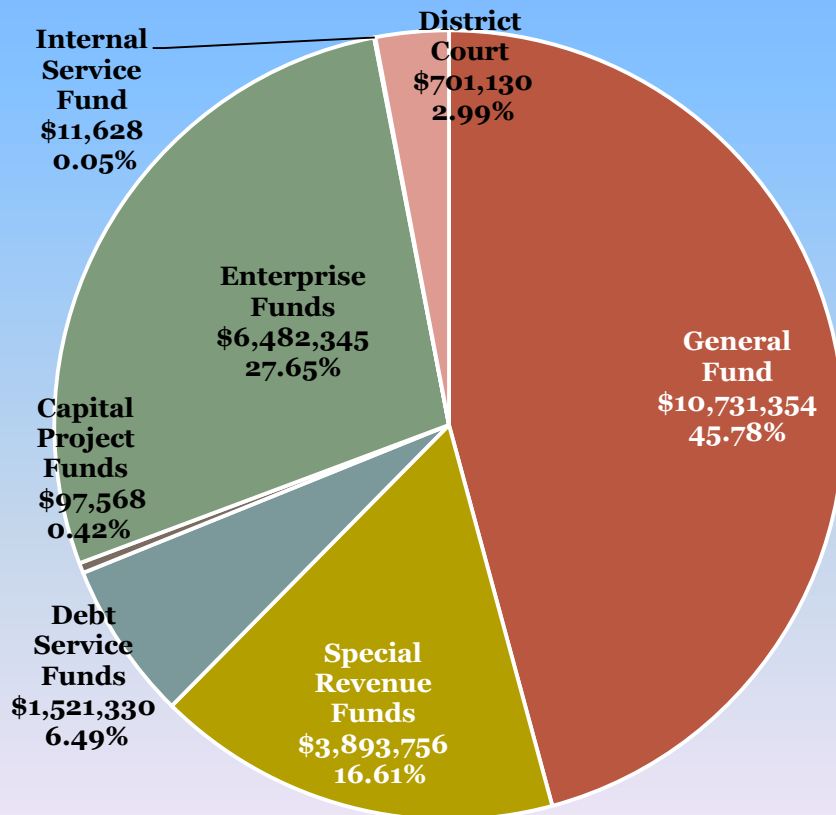
- All Values include operating transfers-out

All Revenues by Fund Type - Comparison



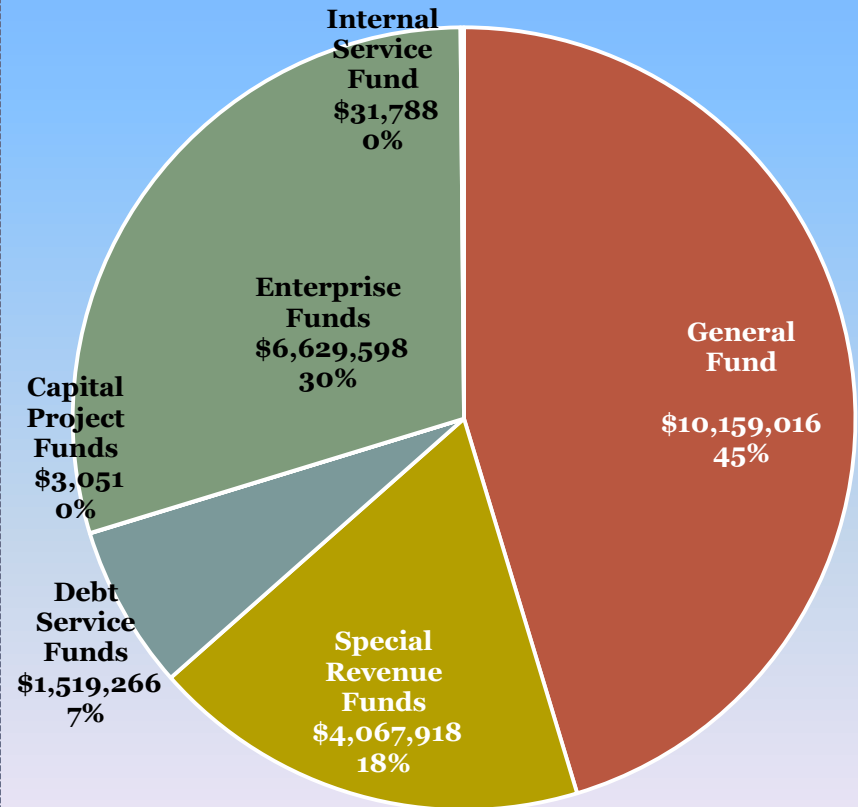
Recommended Budget

2014-2015 - \$23,439,111



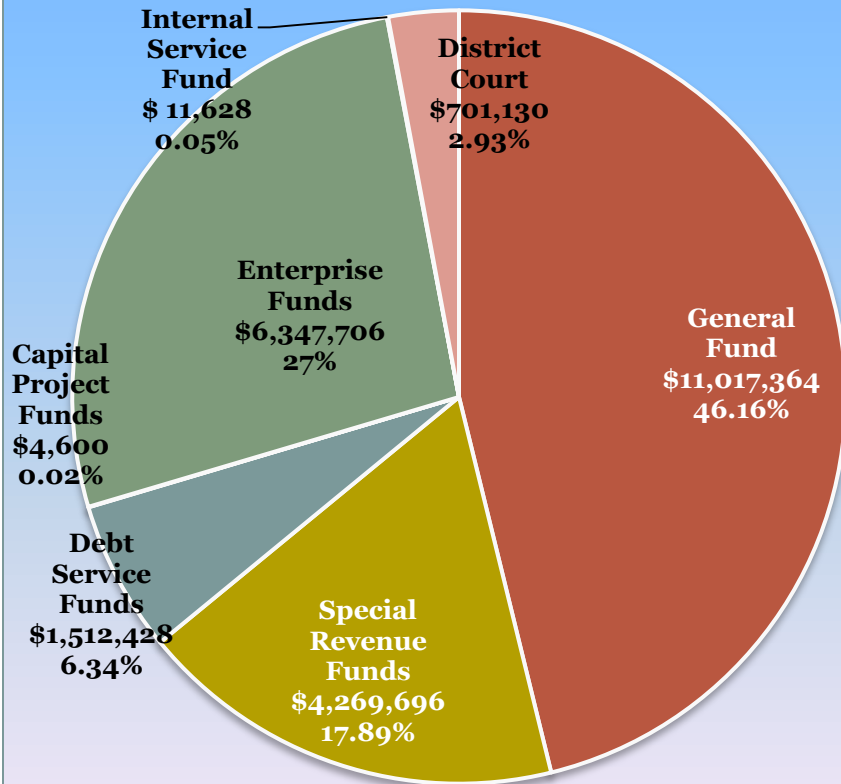
Recommended Budget

2015-2016 - \$22,410,637

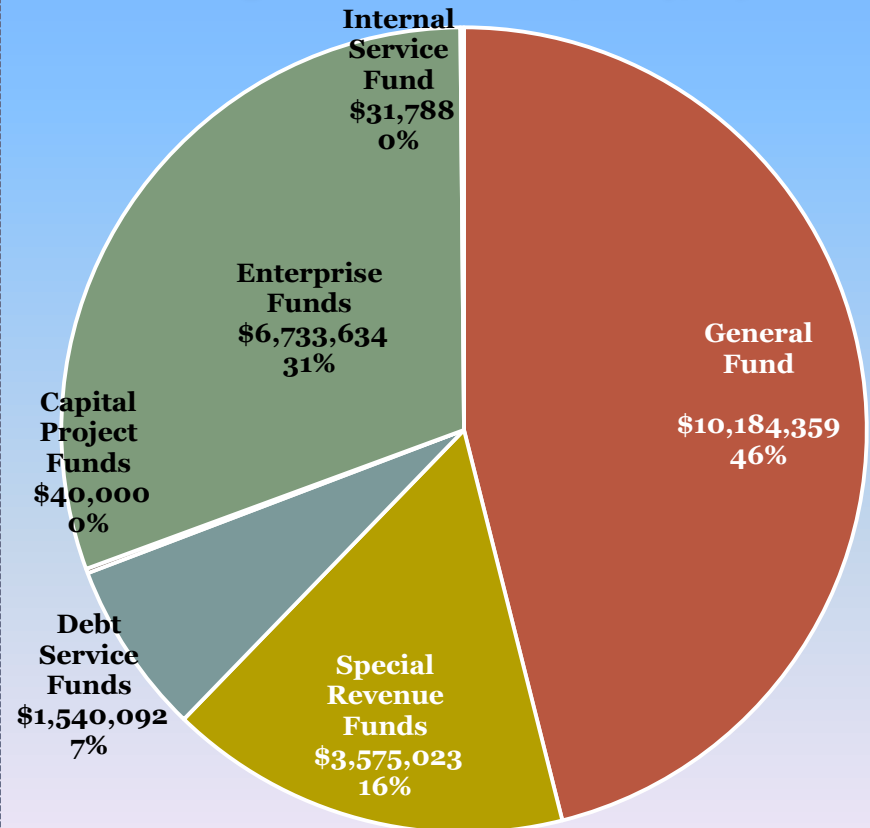


All Expenditures by Fund Type - Comparison

Recommended Budget
2014-2015 - \$23,864,552



Recommended Budget
2015-2016 - \$22,104,896

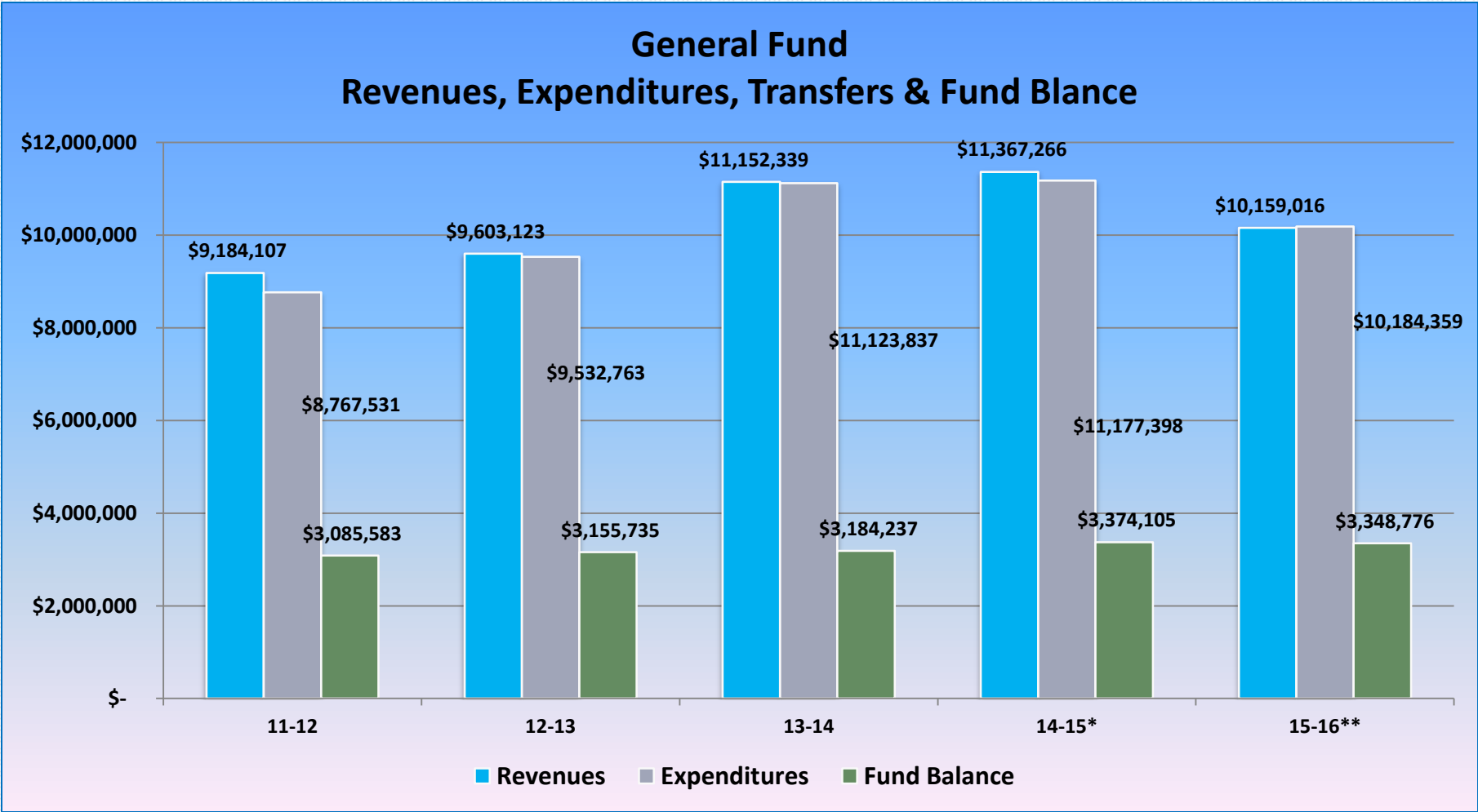


General Fund



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

2014/15 Projected Fund Balance



Audited beginning fund balance 14/15:		\$3,184,237
Total Projected Inflows – 2014/15:	\$11,367,266	
Total Projected Outflows – 2014/15:	<u>(\$11,177,398)</u>	
Estimated revenues over expenses 2014/15:		<u>\$189,868</u>
Estimated ending fund balance 14/15:		\$3,374,105
Breakdown of Fund Balance 14/15:		
Assigned to Programs:		\$415,729
Unassigned to Programs:		<u>\$2,958,376</u>
Estimated ending fund balance 14/15:		\$3,374,105

General Fund Estimated: 2015/16

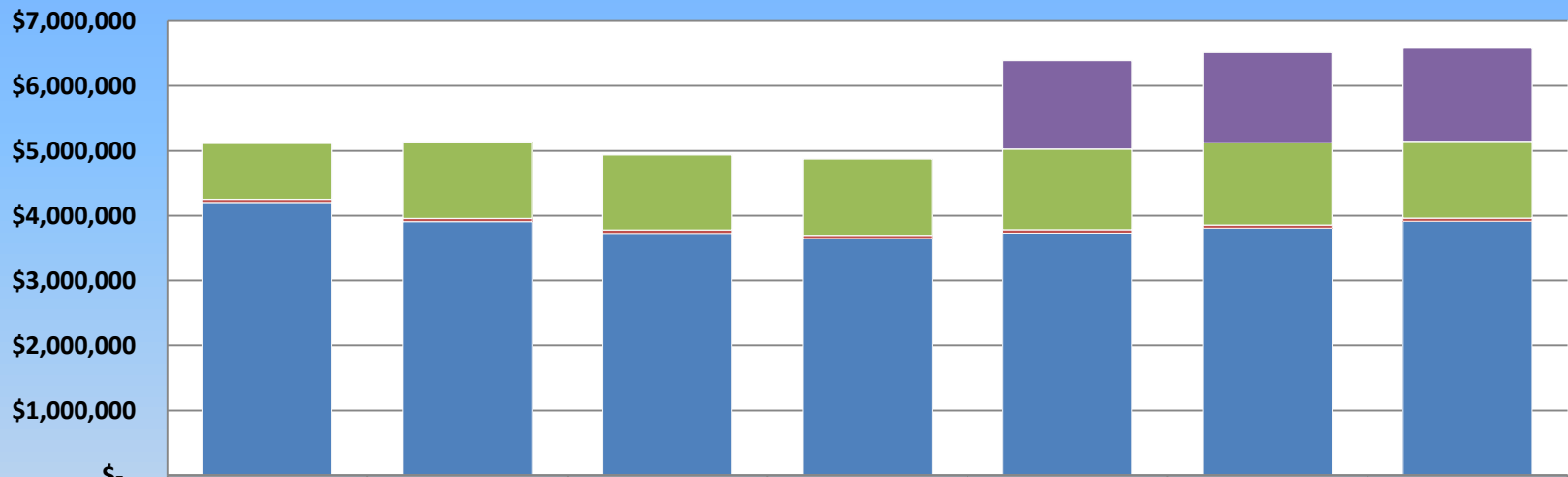


Fund Balance Analysis:		
Total Estimated Beginning Fund Balance - July 1, 2015:		\$3,374,105
Estimated Decrease of Fund Balance in 2015/16:		
2015/16 Fund Balance Available to Defray Future Operations	(\$25,343)	
Estimated Ending Fund Balance Combined – June 30, 2016:		\$3,348,776
Estimated Fund Balance Restricted Reserves 6/30/2016:		
	Inventory/Prepaid	\$298,272
	Library	\$56,425
	Public Safety Pension System Levy	\$5,249
	Public Safety PA 302 Fund Match – Training	\$12,000
	Public Safety Lids for Kids/Fire Open House	\$14,156
	Public Safety Honor Guard	\$5,761
	Community Promotions	\$33,032
	Long-Term Receivables	\$8,767
Total Restricted Reserves for the Ending Fund Balance 2015/16		\$ 433,662
Estimated Undesignated Reserve 2015/16		<u>\$2,915,114</u>
Fund Balance – General Fund at June 30, 2016		\$3,348,776

General Fund Property Tax Revenue



City of Berkley General Fund Property Tax Revenue



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15*	2015/16**
Total Revenue	\$5,114,201	\$5,134,286	\$4,934,405	\$4,873,606	\$6,388,741	\$6,513,940	\$6,579,083

General Voted	\$-	\$-	\$-	\$-	\$1,361,787	\$1,393,013	\$1,431,411
Public Safety Pension	\$863,124	\$1,178,951	\$1,156,994	\$1,173,747	\$1,245,317	\$1,262,943	\$1,184,661
Community Promotion	\$48,421	\$48,651	\$48,819	\$48,859	\$48,896	\$49,095	\$49,156
General Operating	\$4,202,656	\$3,906,684	\$3,728,592	\$3,651,000	\$3,732,741	\$3,808,889	\$3,913,855

■ General Operating
 ■ Community Promotion
 ■ Public Safety Pension
 ■ General Voted

*Projected **Recommended

Personal Property Taxes



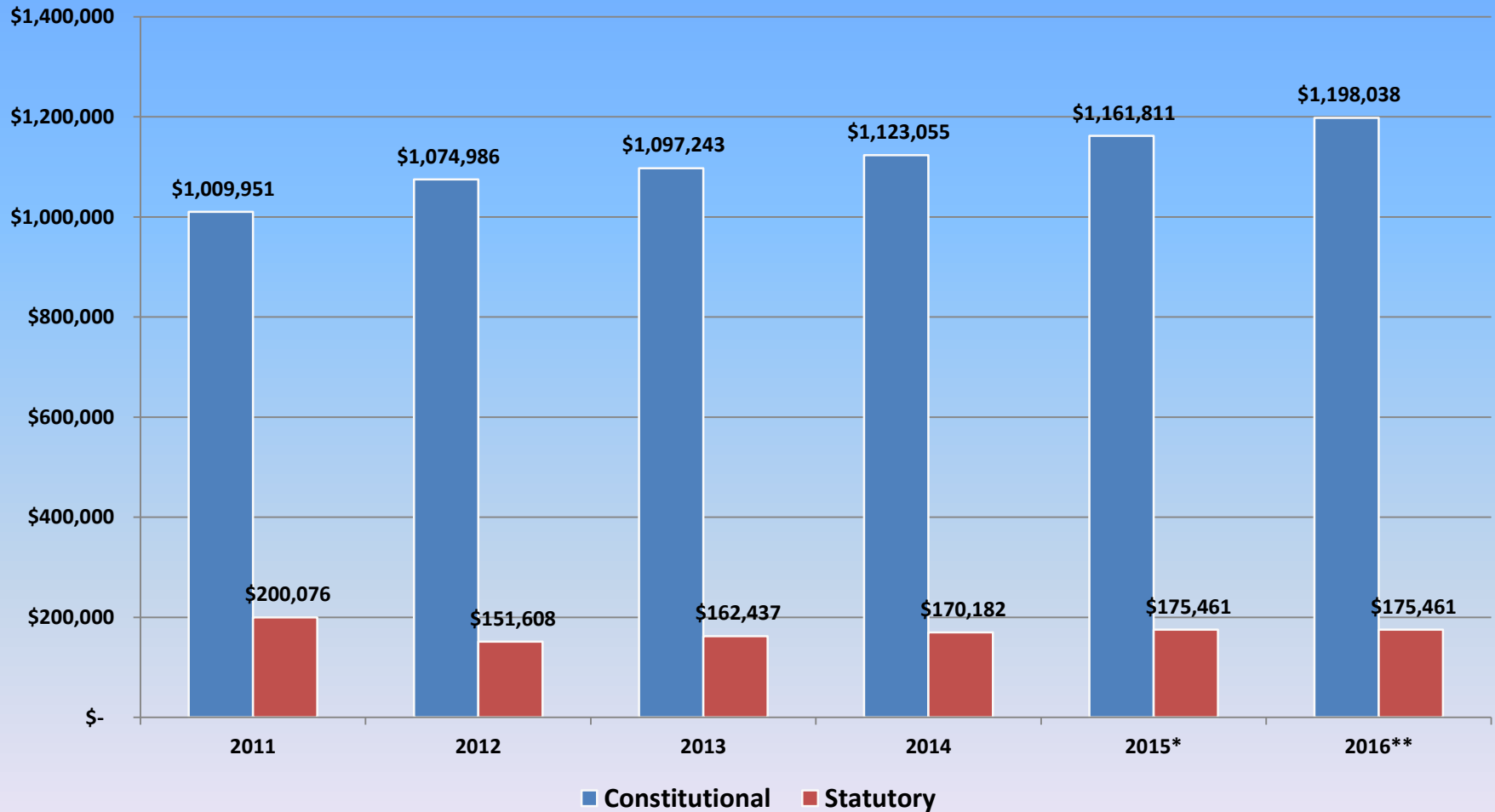
Personal Property Tax Analysis:

July 2013 Taxable Value	\$14,900,060
July 2014 Taxable Value	\$11,907,130
July 2015 Taxable Value	\$12,626,360
Est. Increase - Tax Revenue – City Only	\$12,212

Notes:

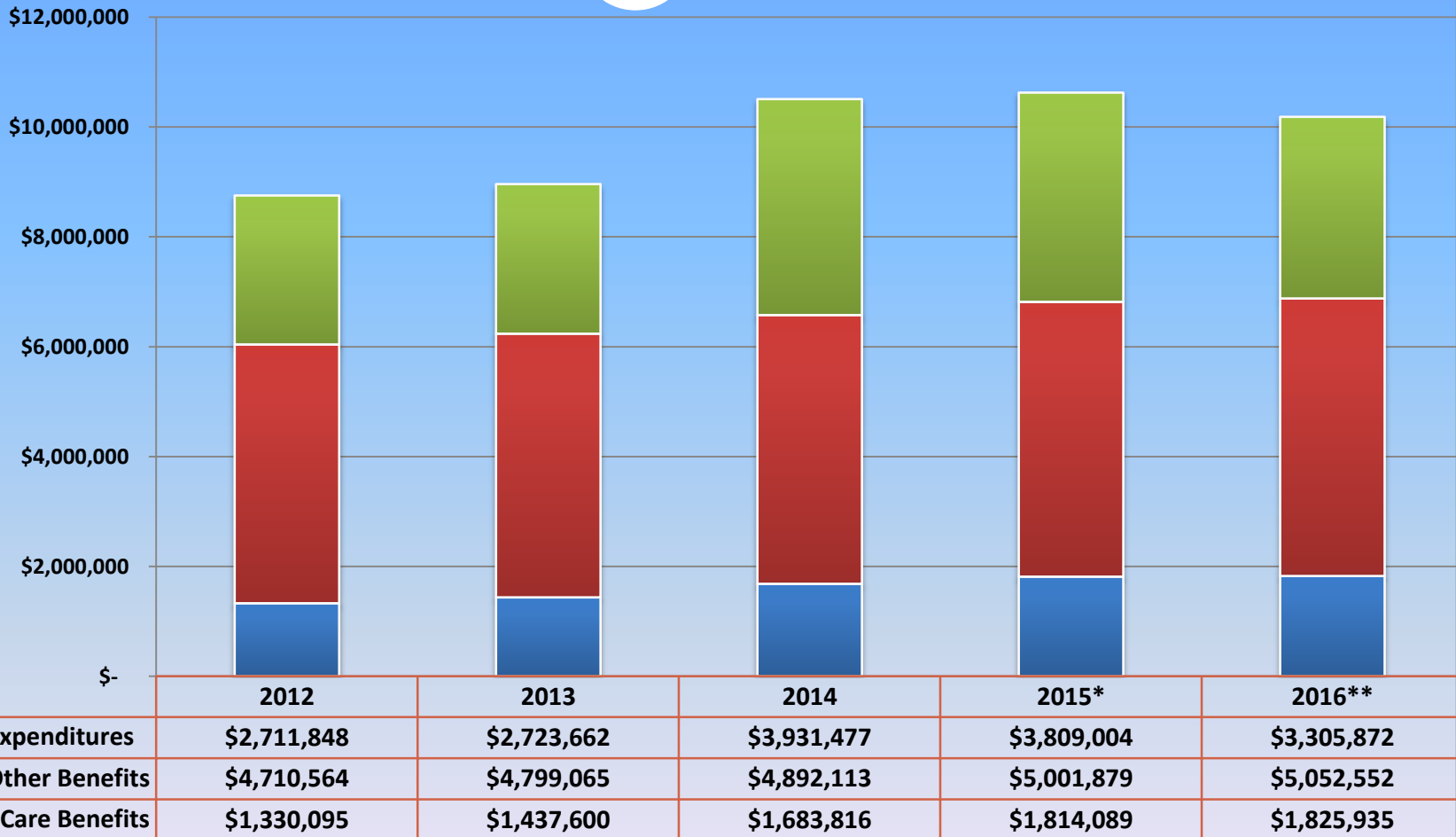
- The State of Michigan is having a hard time calculating.
- PPT is confusing to the business community.
- We are getting reimbursed for debt & Operating losses for 2015 in October 2015.
(City & DDA)
- We expect, but do not budget any PPT reimbursement for 2015/16.

State Revenue Sharing



*Projected **Recommended

General Fund Expenditures – Detail



*Projected **Recommended

\$3.00 Mill Levy Distribution



General Fund Analysis:		
Revenue Generated		\$1,431,411
<u>Expenses/Transfers Out:</u>		
Major Streets – Roads	\$100,000	
Local Streets – Roads	\$200,000	
Solid Waste Fund	\$50,000	
Capital Improvements – Gen. Fund	\$276,500	
Equipment	\$200,675	
Continue Rec. Position	\$52,135	
Health Care / Operations	\$527,101	
Continued Additional GASB 45 Contribution	\$25,000	
Total Expenses / Transfers Out		\$1,431,411
To Fund Balance		\$0

(Tax rate rolled back to \$2.9470 / th., tax value)

Public Safety



Replace Two Patrol Vehicles
\$64,000
General Fund

Parks and Recreation



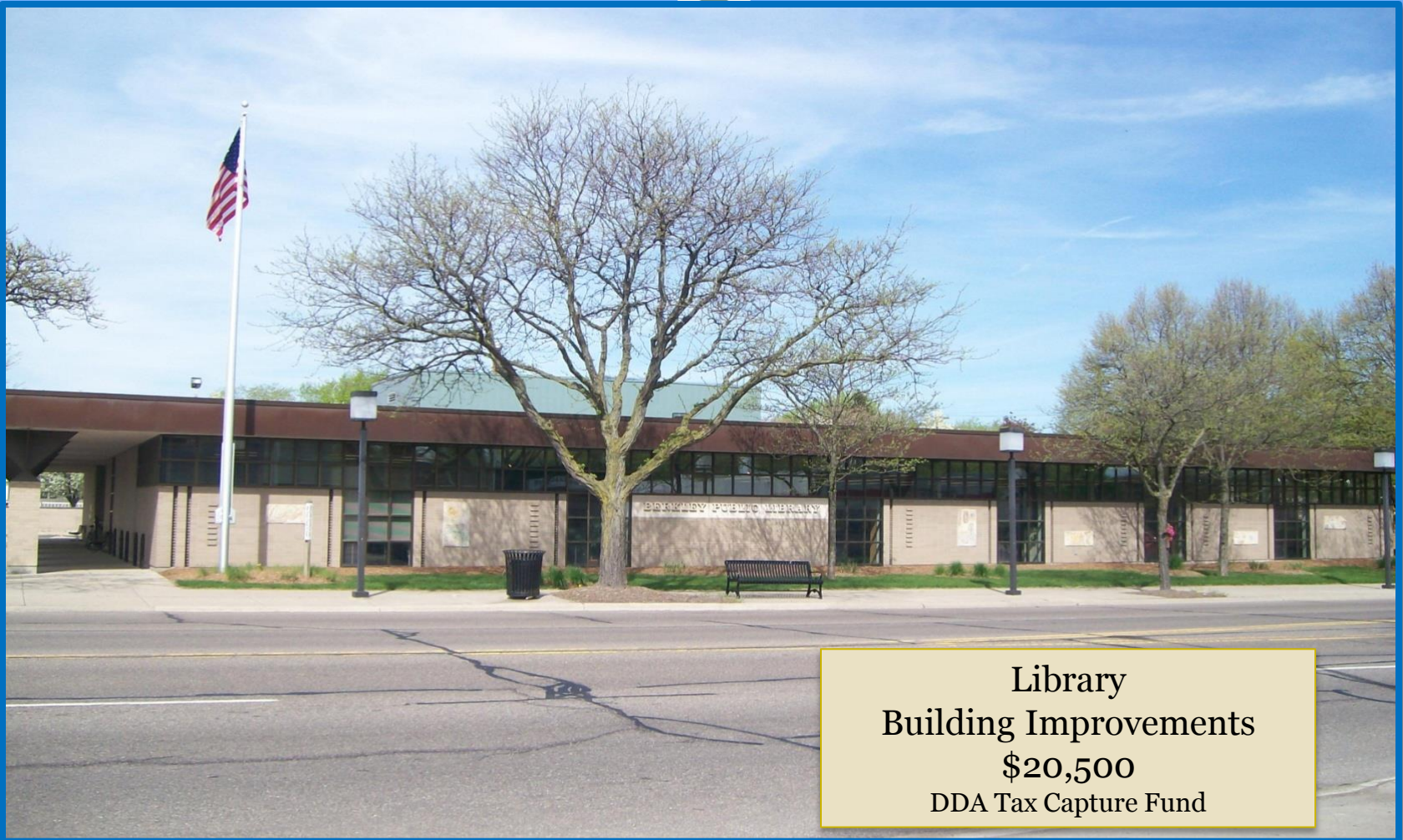
**Community
Center
Improvements**
\$58,464
Recreation Revolving



**Oxford Open
Space Design**
\$10,000
General Fund
Lazenby Park
\$28,600
Recreation Revolving



Berkley Public Library



Library
Building Improvements
\$20,500
DDA Tax Capture Fund

Communications



All City Buildings
Complete the Fiber Optic
Cable Project - \$25,000
General Fund/Communications

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
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	\$1,563,176+	\$198,333	(\$231,200)	(\$1,211,000)	\$3,152,643
14/15	\$2,603,419	\$173,395*	(\$231,200)	(\$1,335,471)*	\$4,362,786*
15/16	\$2,531,410	\$239,953*	(\$231,200)	(\$1,337,568)*	\$5,565,381*
Total Contributions			\$2,542,677	(08/09 – 15/16)	
Trust Account Value - 6/30/2014			\$3,258,861	(11.8% Funded)	
Trust Account Value – 6/30/2013			\$2,627,898	(9.4% Funded)	

* Value Estimated + Adjusted

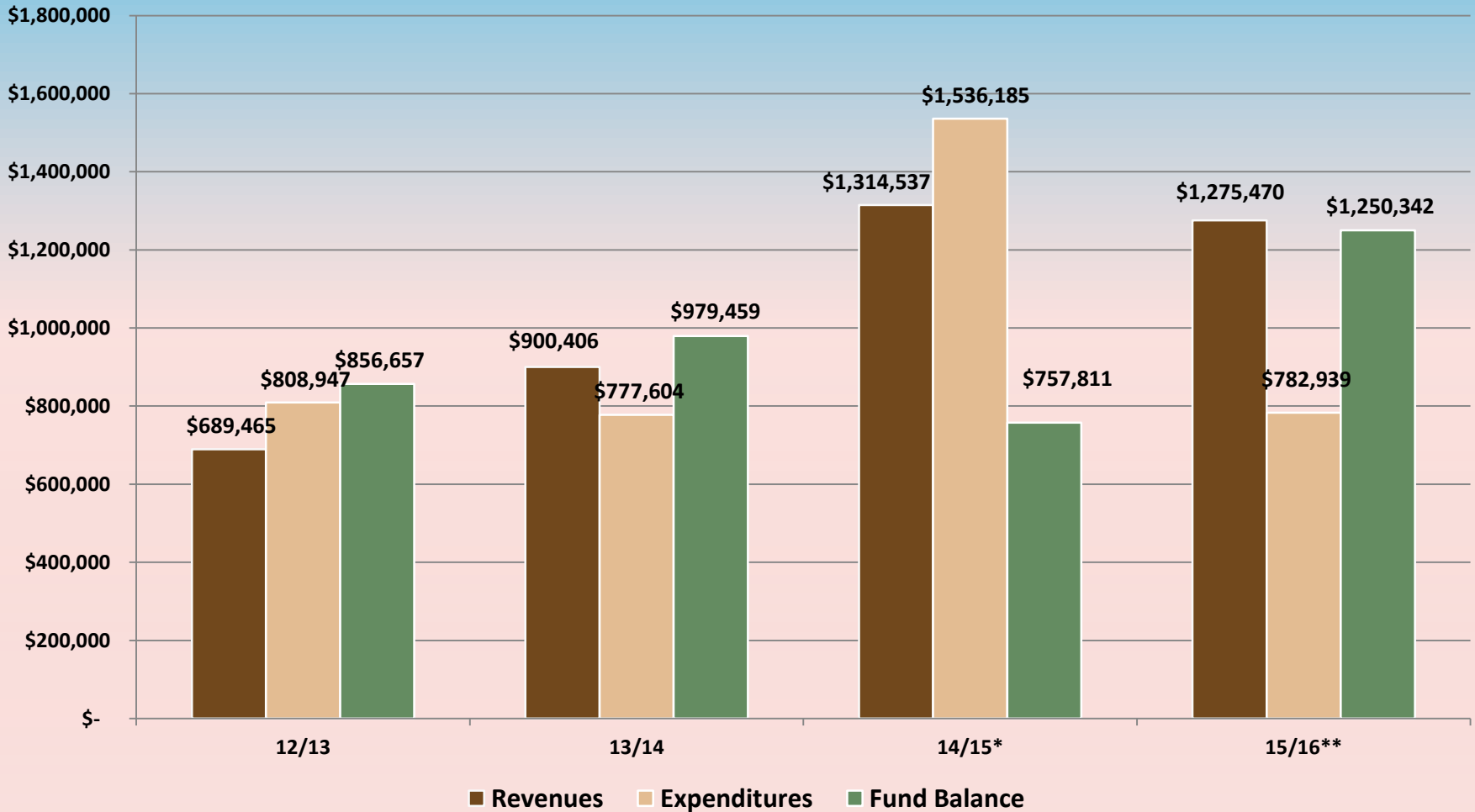
Special Revenue Funds



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

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

Major Streets

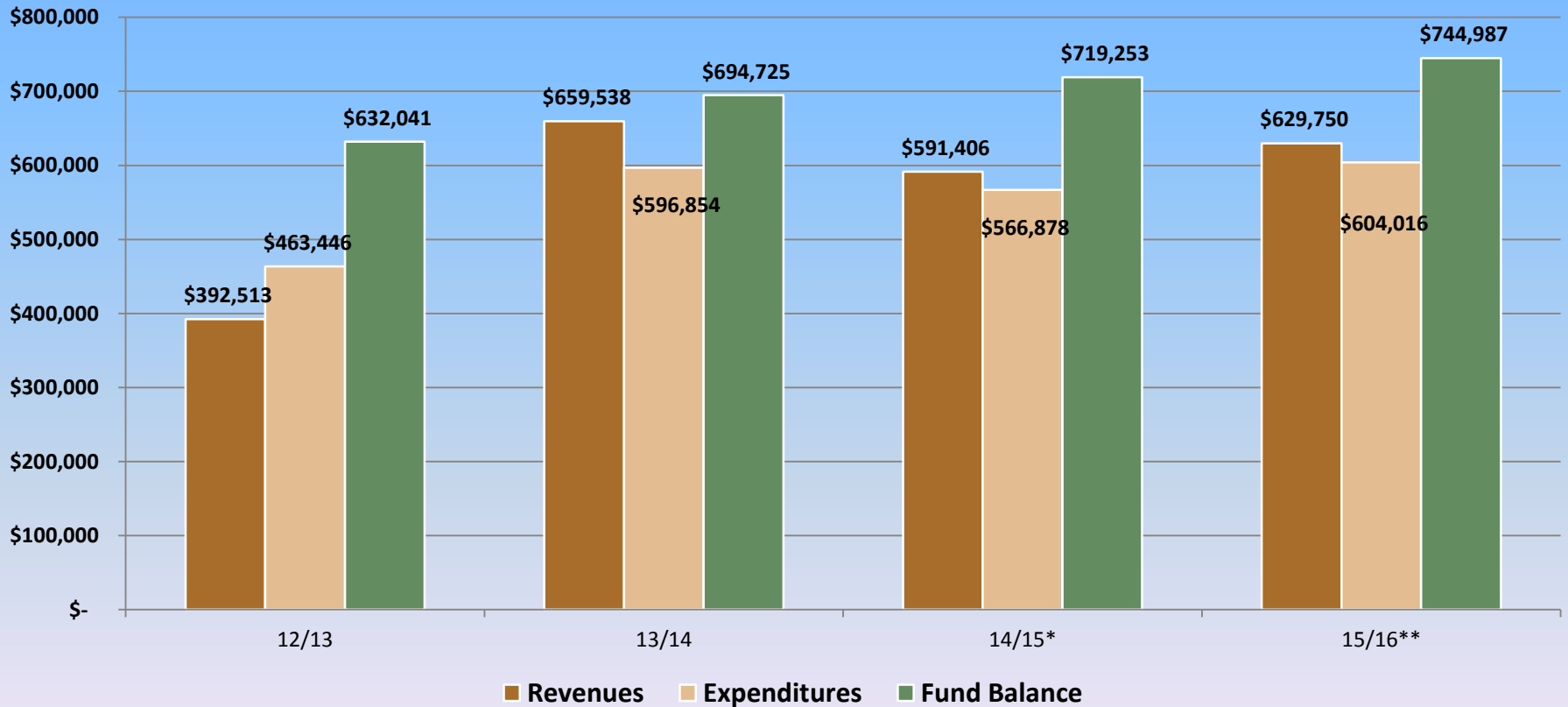


*Projected **Recommended

Local Streets



Local Streets
Revenue, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Major & Local Street Expenditures



Major: \$ 782,939

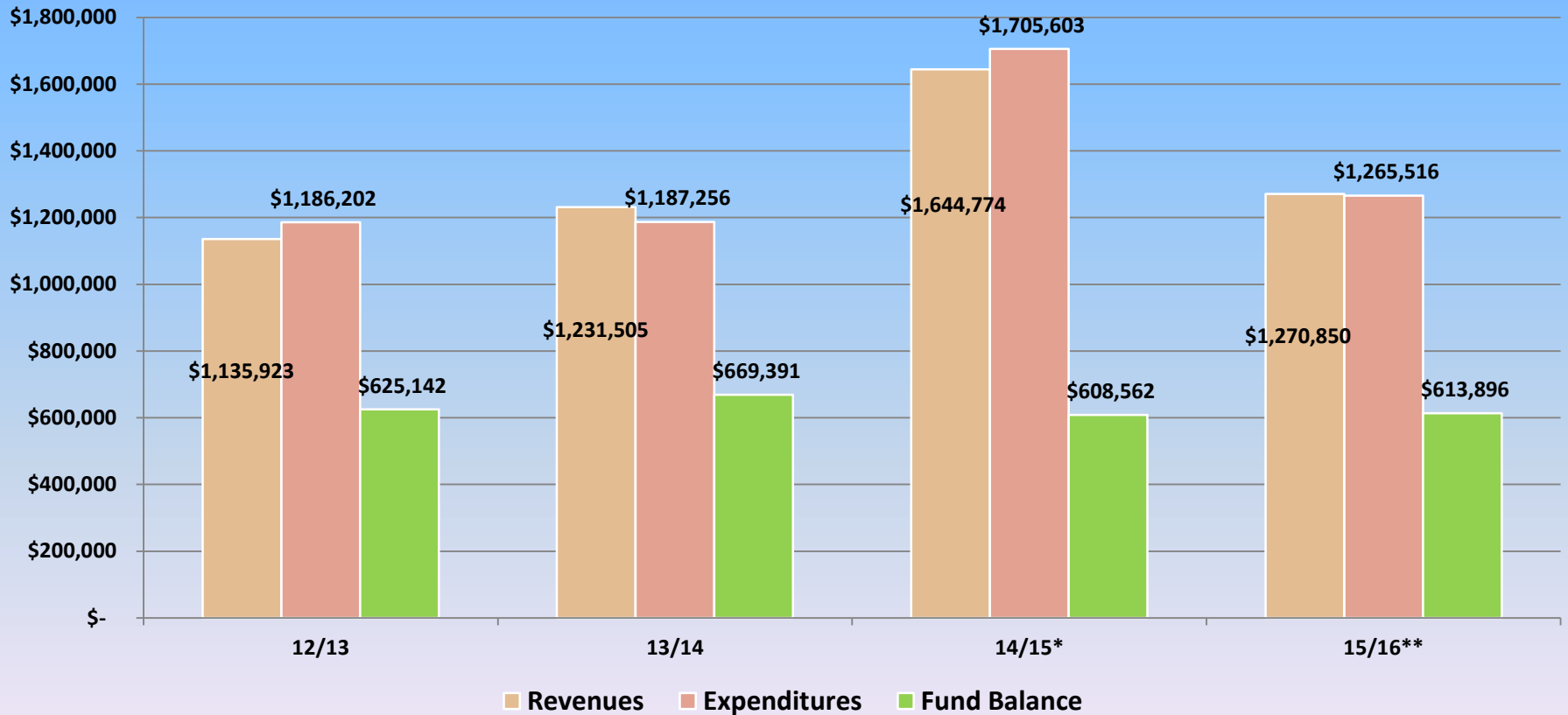
Local: \$604,016

Street Maintenance, Catch Basin, Street Sweeping	\$563,549
Tree Maintenance & Replacement	\$184,622
Maintenance & Replacement of Signs & Pavement marking	\$109,750
Winter Maintenance	\$225,398
Boulevard & Facility Ground Maintenance	\$77,553
Administration	\$68,899
Major Street support to Local Street	\$156,417

Solid Waste



Solid Waste Revenues, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Solid Waste Expenditures



Solid Waste: \$ 1,265,516

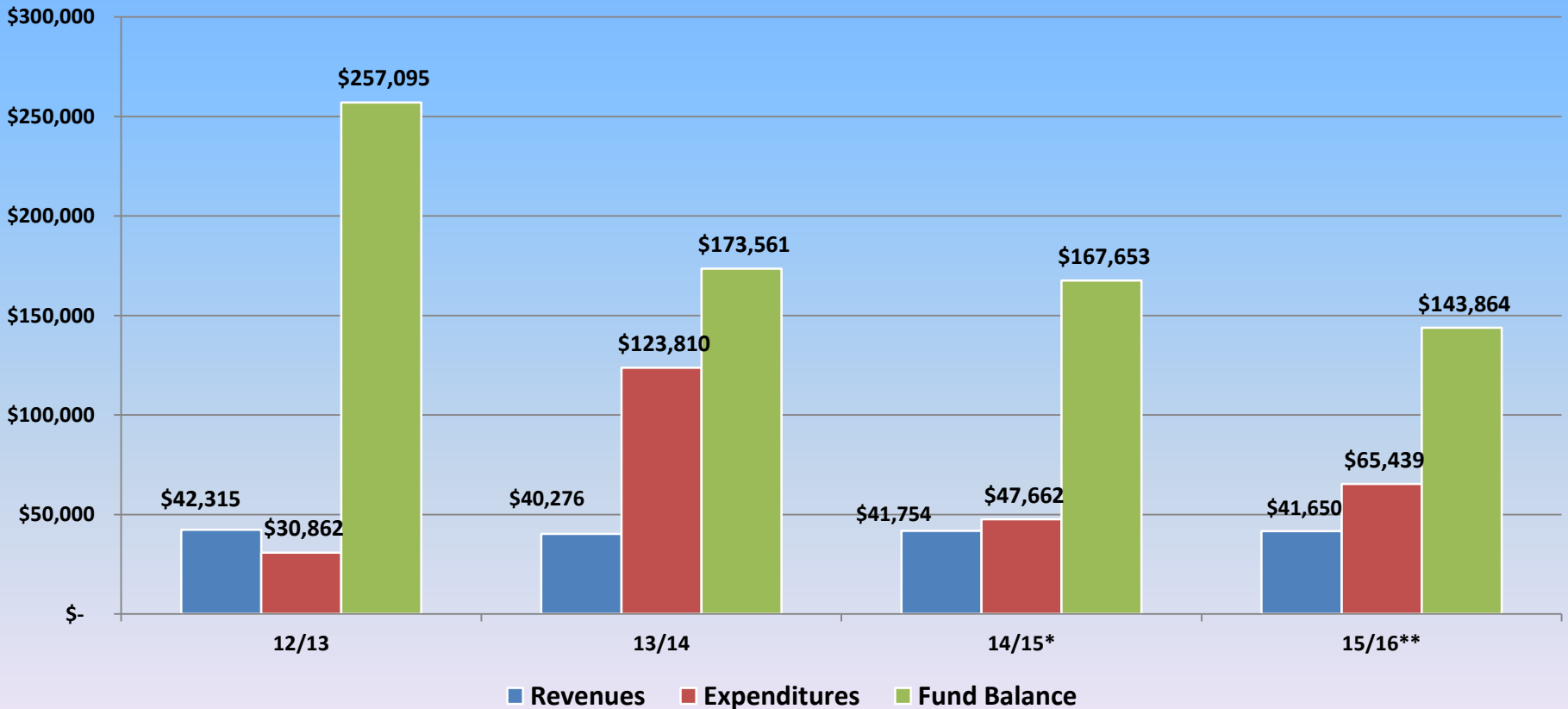
- Maintain 06-07 residential disposal fee on the water bill for the 9th FY
 - \$30.20/year per resident dwelling or,
 - \$7.55/quarter per resident dwelling
 - Includes rubbish pickup & disposal along with leaf pickup
- Maintain - monthly commercial dwelling/business dumpster disposal fees:

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

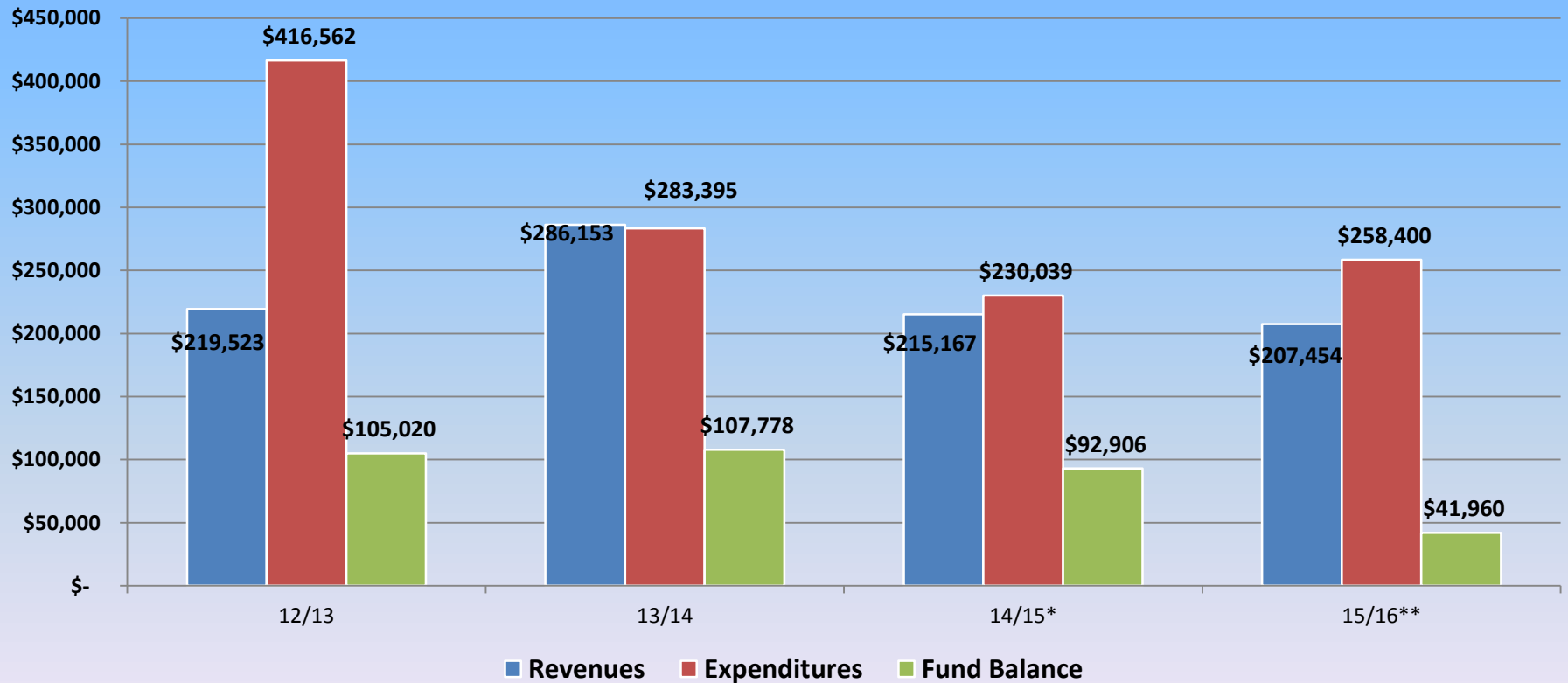


*Projected **Recommended

DDA – TIF Capture



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



*Projected **Recommended

Downtown Development Authority Expenditures



DDA – Ad Valorem:

\$ 65,439

DDA – TIF Capture:

\$ 258,400

DDA Ad Valorem (814)	
• DDA Events	\$ 40,299
• Street Maintenance	\$ 21,000
• Operations	\$4,140
• DDA Plan is set to expire 2020/21	

DDA TIF Capture (815)	
• Capital Improvements	\$45,500
• Annual Debt Payment	\$210,400
• Tax Tribunal Expenses	\$2,500
• Last Debt Payment is FY 2015/16	

Debt Service Funds

General long-term debt – principal and interest

	15/16 Payment	# of years remaining
DDA Streetscape/Intersection	\$ 210,400	0
George Kuhn Drainage Bonds	\$ 538,916	6-13
Major and Local Street Bonds	\$ 383,063	0
11 Mile Road Project Bonds	\$ 254,788	5
12 Mile Road Project Bonds	\$ 152,925	0

Years remaining after the 2015/16 payment

Capital Project Funds



Financial resources used for the acquisition or construction of major capital

Public Improvement Funds



Fund:

BUILDING – 266

Transfer to General Fund – Architect Design –
City Hall

\$40,000

PUBLIC IMPROVEMENT FUND - 401

No activity for FY 2015/16

Enterprise Funds



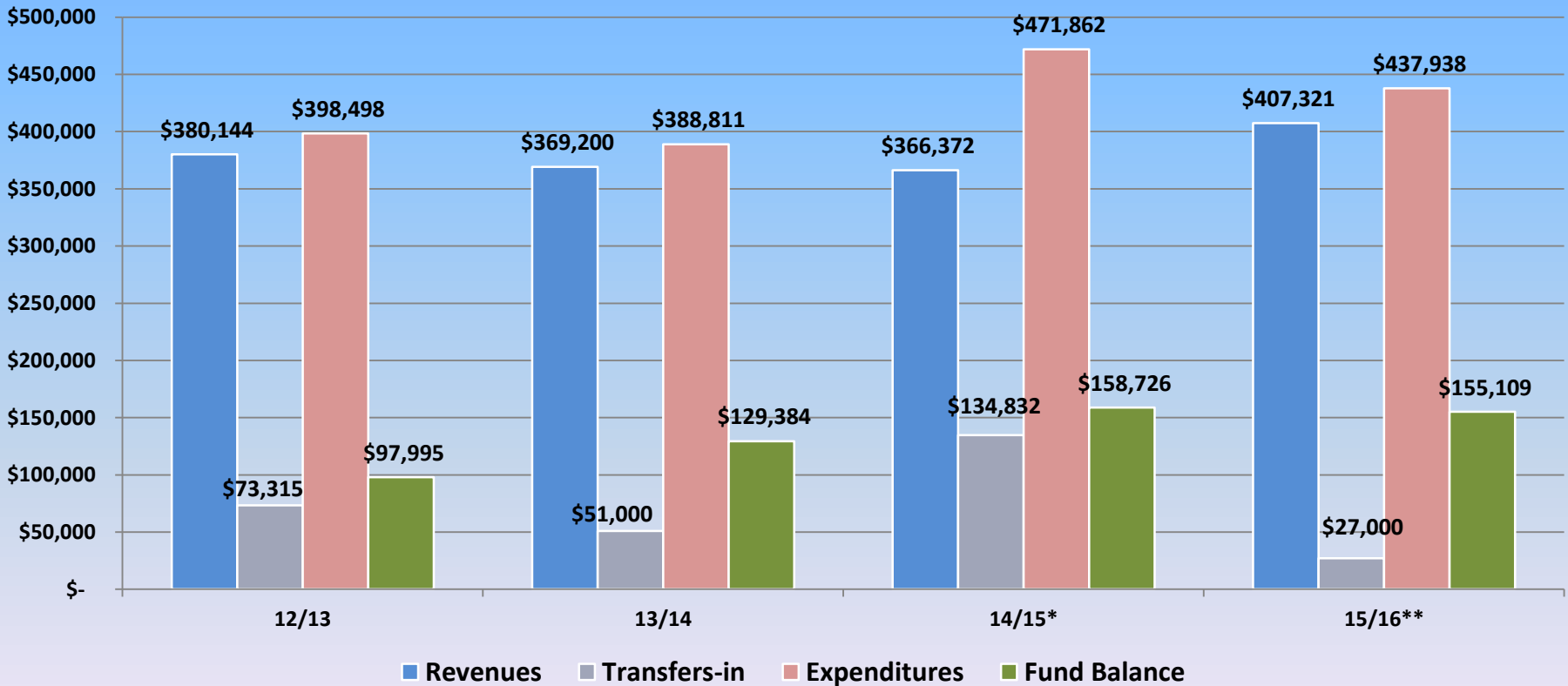
Operations where the costs of providing goods or services is financed or recovered through user fees

- Arena
- Water & Sewer

Arena



Arena Fund Revenues, Expenditures, Transfers, & Fund Balance



*Projected **Recommended

Arena



Total Arena Revenues: \$ 434,321

• **Rental Fees - \$ 371,720 (all programs)**

- PRIME: between \$240 per hour
- NON PRIME: \$200 per hour
- Spring Season Anticipated \$28,800 – six weeks - \$200/hour

• **Other Revenues - \$ 35,601**

- Concession Sales \$15,000
- Pro Shop Lease \$1,200
- Room Rental – All Activity \$15,000
- Advertising Revenue \$2,000
- Other Revenues \$2,401

• **Operating Transfer In - \$ 27,000**

- \$27,000 from 614

Arena Expenditures

**Total Arena Expenditures:
\$437,938**

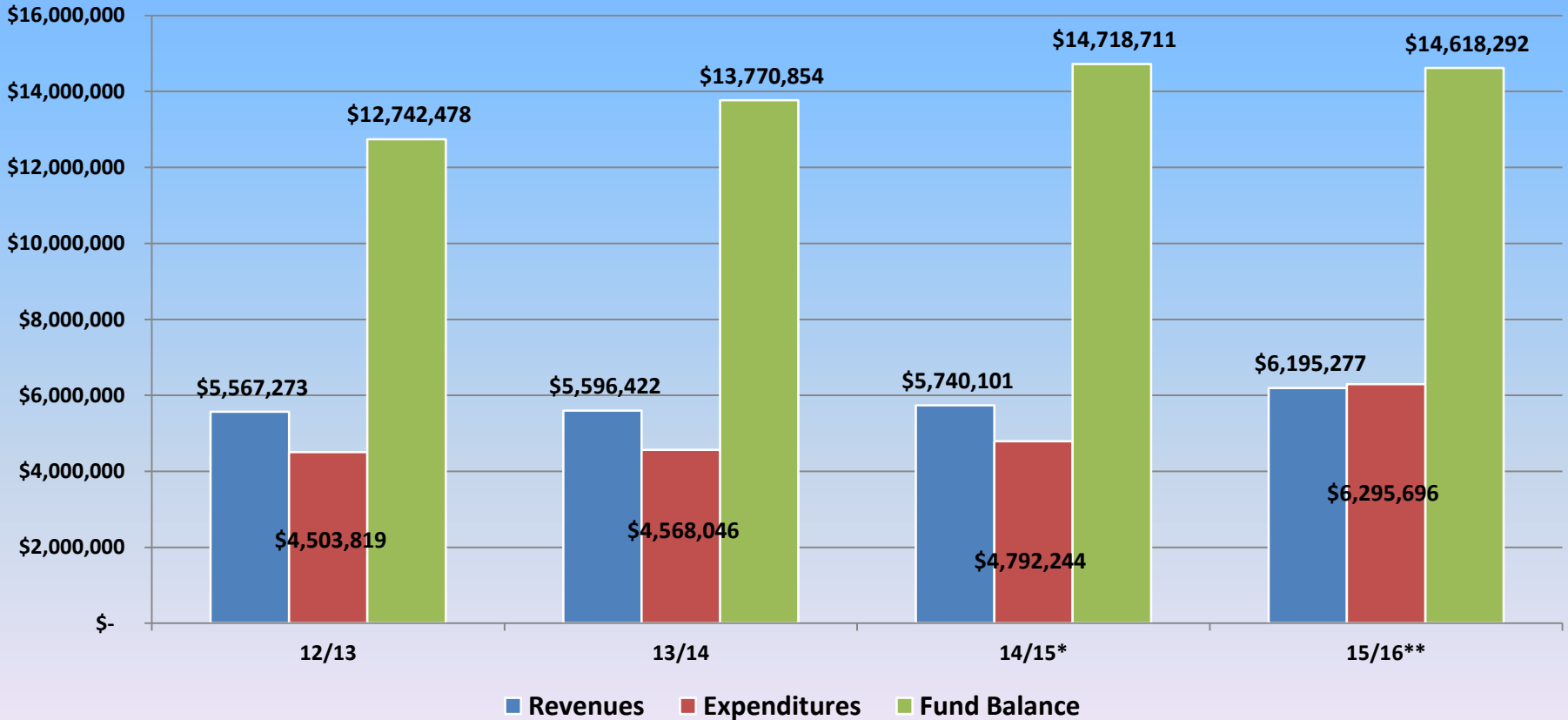
- Salary and Fringe Benefits - \$161,563
- Utility Costs - \$120,000
- Concession Operation - \$13,580
- Skating Contractors - \$5,025
- Operating Costs - \$137,770



Water & Sewer



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



*Projected **Recommended

Wholesale Water & Sewer Charges



Wholesale Water/Sanitary Charge: \$1,743,849

• **WHOLESALE WATER RATES:**

Detroit/SOCWA Water	14.0% increase
---------------------	----------------

Total Estimated Bulk Water Estimated Cost	\$825,791
---	-----------

• **WHOLESALE SANITARY SEWER RATES:**

Oakland County Water Resource Commission	2.6% increase fixed basis or 9.5% increase on a variable basis
--	--

Total Estimated Bulk Sanitary Estimated Cost	\$918,058
--	-----------

Water/Sewer City Operating Expenses



City Operating Expenses	\$2,384,378
SAW Grant	\$280,714+
City System Operating	\$1,162,191
Depreciation	\$340,000
Sewer Relining	\$250,000*
Vehicle/Equipment Replacement	\$166,250*
Non-Resident User Charges	\$53,823
Water Meter Replacements	\$40,000
Concrete Repair	\$45,000
Lead Service Replacements	\$20,000
Hydrant Replacements	\$26,400

*= 100% of cost is not included in the rate calculations

+\$252,000 is not in the rate calculations

Water/Sewer Equipment Replacement



Replace 1996 Rubber Tire Backhoe

\$150,000

Replace 2004 Street Sweeper

\$215,000

General Fund/Water-Sewer

Storm Water Utility Charge/Revenue



Storm Water Utility Charge	\$2,167,469
Southeast Oakland County Drain Commission Pass Thru Charge:	\$1,628,553
	.2% increase
George Kuhn Drain Debt Service Pass Thru Charge:	\$538,916
	0% increase/decrease
For each of the 8,636 equivalent resident units @ \$62.74 x 4	0.9% 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			\$1,966,874
	<u>Current</u>	<u>Proposed</u>	<u>Proposed Increase</u>
Water Service	\$1.71	\$1.93	13.0%
Sewer Service	\$1.87	\$2.04	9.0%
Total per 100 cubic ft	\$3.58	\$3.97	10.89%

All new Water/Sewer rates effective the billing of July 1, 2015

Water Service Fixed Charge Revenues

(Ready to Serve)



Proposed: \$1,477,650

Amount represents a base charge to all 6,832 metered customers on a quarterly basis to cover fixed system expenses.

Rate increase of 4.0%

Size	Amount	Rate per Quarter	
		Current	Proposed
.75"	6,629	\$48.59	\$50.53
1.00"	96	\$80.98	\$84.22
1.50"	41	\$161.94	\$168.42
2.00"	39	\$259.09	\$269.45
3.00"	8	\$566.77	\$589.44
4.00"	4	\$943.32	\$981.05

Billing Revenues



Proposed: \$80,630

- This is a fixed charge for each water bill to cover the cost of reading meters, preparing water bills, and maintaining water payment records.
- 6,832 accounts x \$2.95 x 4(quarters) (6.1% decline)

Water & Sewer Other Revenues



Water & Sewer Other Revenues: \$448,831

Estimated Late Fees	\$112,925
Estimated Investment Earnings @ 0.50%	\$8,526
Equipment Rentals	\$60,780
Sundry, Medicare Part D & Other Reimbursements	\$14,600
SAW Grant Revenues	\$252,000*

*Not included in the Rate calculation

Non Residential Flow



Detroit Water/Sewer Pass Through: \$53,823

<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>
.75"	\$40.68	\$24.75
1.00"	\$67.80	\$41.25
1.50"	\$149.16	\$90.75
2.00"	\$216.96	\$132.00
3.00"	\$393.24	\$239.25
4.00"	\$542.40	\$330.30

Proposed Percent Cost Increase



Household Consumption & Rate Increase Calculation					
	2014/15	2015/16	Increase/ (Decrease)	City Percent Increase/(Decrease)	Wholesale Percent Increase/(Decrease)
Water Service/100 Cubic Feet	\$1.71	\$1.93	\$0.22	0.13	14.0%
Sewer Service/100 Cubic Feet	1.87	2.04	0.17	0.09	9.5% Variable*
Total Consumption	\$3.58	\$3.97	\$0.39	0.1089	
Yearly Consumption in 4,000 cubic feet per quarter or (40)	40.00	40.00			
Consumption Cost	\$143.20	\$158.80	\$15.60	0.1089	
Ready to Serve 5/8 Meter	48.59	50.53	1.94	0.03999	
Storm Water Rates	62.14	62.74	0.60	0.00965	0.3%
Billing Charge	3.08	2.95	(0.13)	(0.0422)	
Quarterly Billing Charge	\$257.01	\$275.02	\$18.01	0.0701	
Total Quarters	4	4	4		
Annual Billing Charge	\$1,028.04	\$1,100.08	\$72.04	0.0701	
*- 2.6% Fixed Cost Increase					

SOCWA Communities Water Study



Community Rate Analysis

	<u>Community</u>	Average Cost 4,000 cubic feet 5/8" Meter 7/1/14
1	Pleasant Ridge	\$503.84 (1)
2	Lathrup Village	\$446.77 (4)
3	Clawson	\$446.60 (6)
4	Royal Oak	\$434.77 (2)
5	Huntington Woods	\$411.96 (3)
6	Birmingham	\$392.48 (5)
7	Southfield	\$362.82 (7)
8	Beverly Hills	\$284.68 (8)
9	Berkley (Proposed)	\$275.02 (9)
	Berkley 2014/15	\$257.01 (9)
10	Bingham Farms	\$166.53 (10)

Utility Bill: Solid Waste



	Current	Proposed
Residential Refuse Service Fee/Quarter	\$7.55	no change
9 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 2015/16	Projected 2014/15	Actual 2013/14	Actual 2012/13
\$ 31,788	\$ 9,540	\$ 208,403	\$ 21,417

District Court Revenues/Expenditures

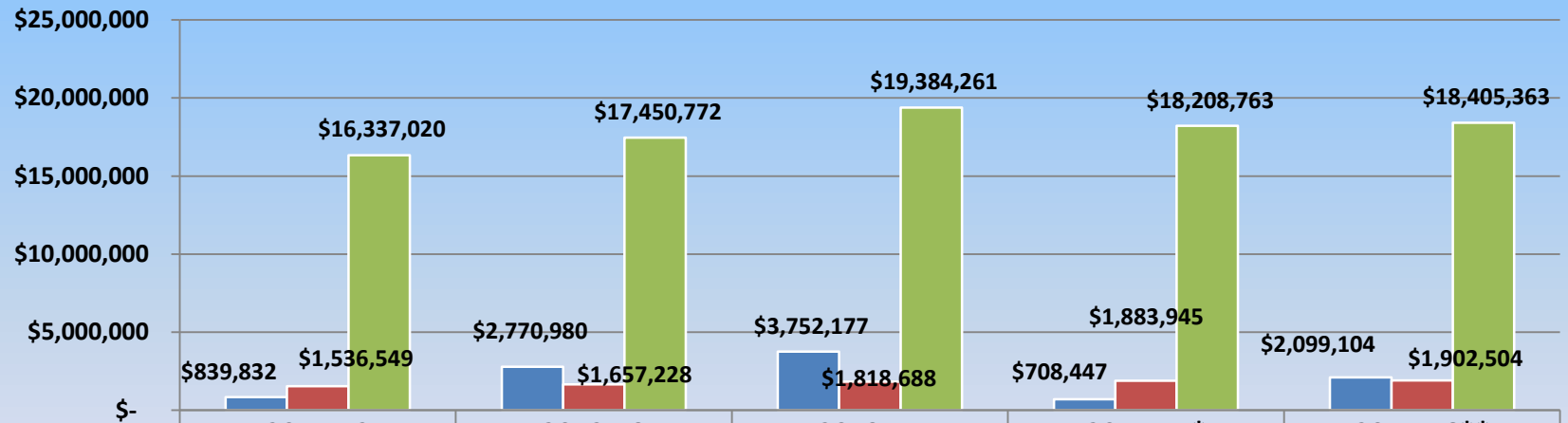


Fund 265 – 44 District Court	Revenue	Expense
	<u>265 Fund</u>	<u>265 Fund</u>
2015/16 Recommended	\$250,000	\$0
2014/15 Projected		\$552,426
2013/14 Actual		\$620,331
2012/13 Actual		\$580,153

Public Safety Pension



Public Safety Pension



	2011-12	2012-13	2013-14	2014-15*	2015-16**
■ Revenues	\$839,832	\$2,770,980	\$3,752,177	\$708,447	\$2,099,104
■ Expenditures	\$1,536,549	\$1,657,228	\$1,818,688	\$1,883,945	\$1,902,504
■ Retained Earnings	\$16,337,020	\$17,450,772	\$19,384,261	\$18,208,763	\$18,405,363