

# City of Berkley

## Proposed Budget

### FY 2016/2017



**BERKLEY**  
where you want to be

**KIDS SPOOKTACULAR  
CARNIVAL OCT 26 \$3  
COMMUNITY CENTER**



# Appropriation Highlights for FY 2016-17



| <b>CERP &amp; CIP Plans</b>                   |              |
|---|--------------|
| Replace Outdated Capital Equipment 2016/17    | \$1,173,769  |
| Seven Year Capital Equipment Replacement Plan | \$6,485,564  |
| New Investment in City Infrastructure 2016/17 | \$2,419,216  |
| Seven Year Capital Improvement Plan           | \$44,507,100 |

## **Personal Services – All Funds - \$7,830,366**

66 Full Time Employees

95 Part Time Employees or 26.06 full time equivalents

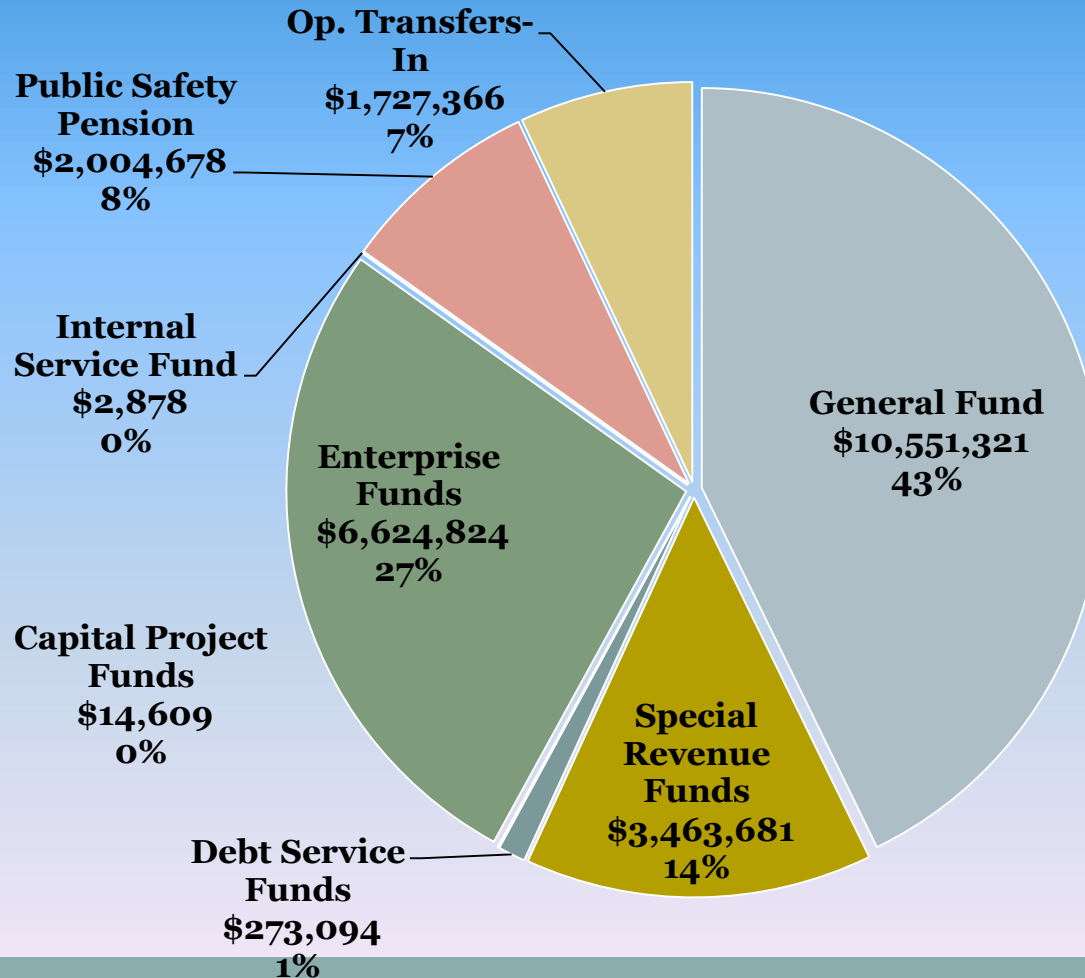
1 Staff Contract Position

5 Independent Contractors in the Building Department

# All Revenues by Fund Type



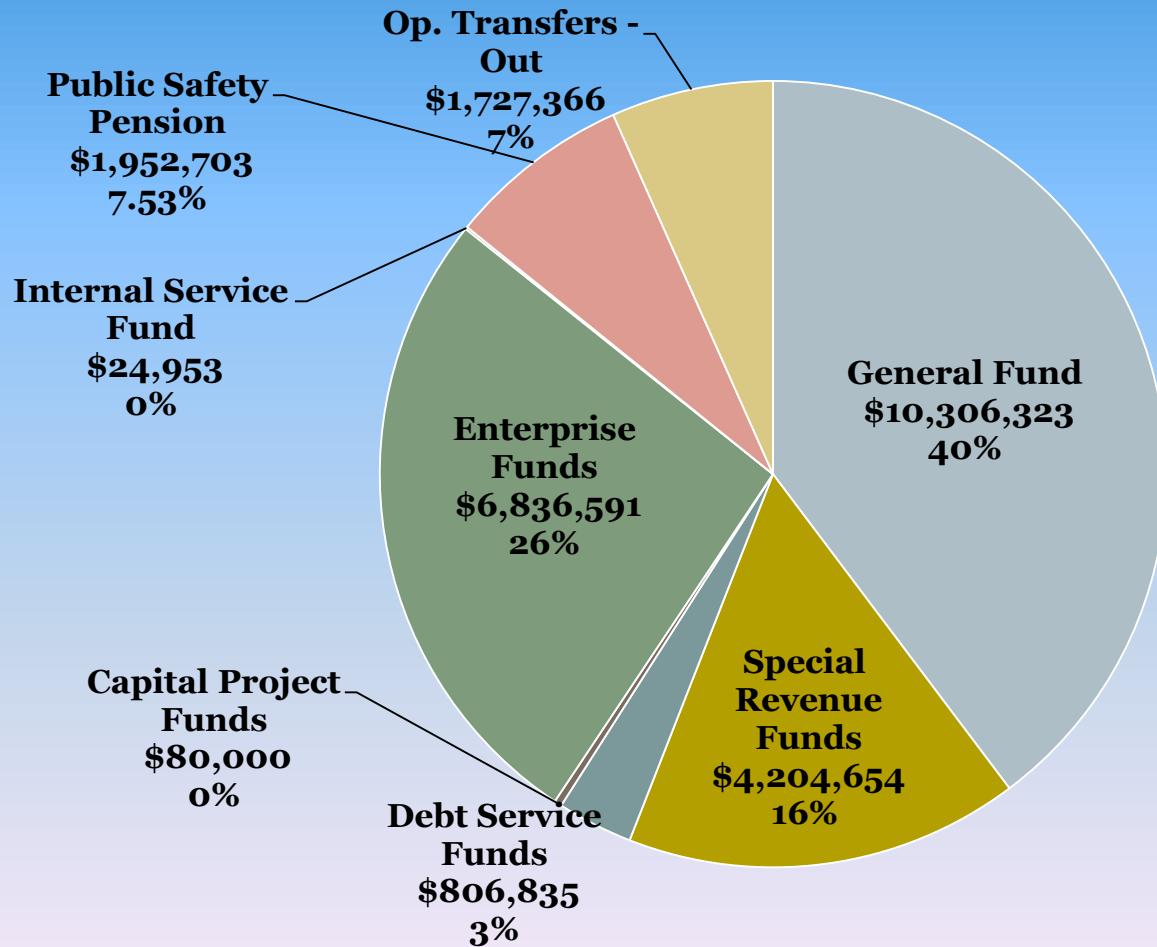
**Recommended Budget 2016- 2017 - \$24,662,451**



# All Expenditures by Fund Type



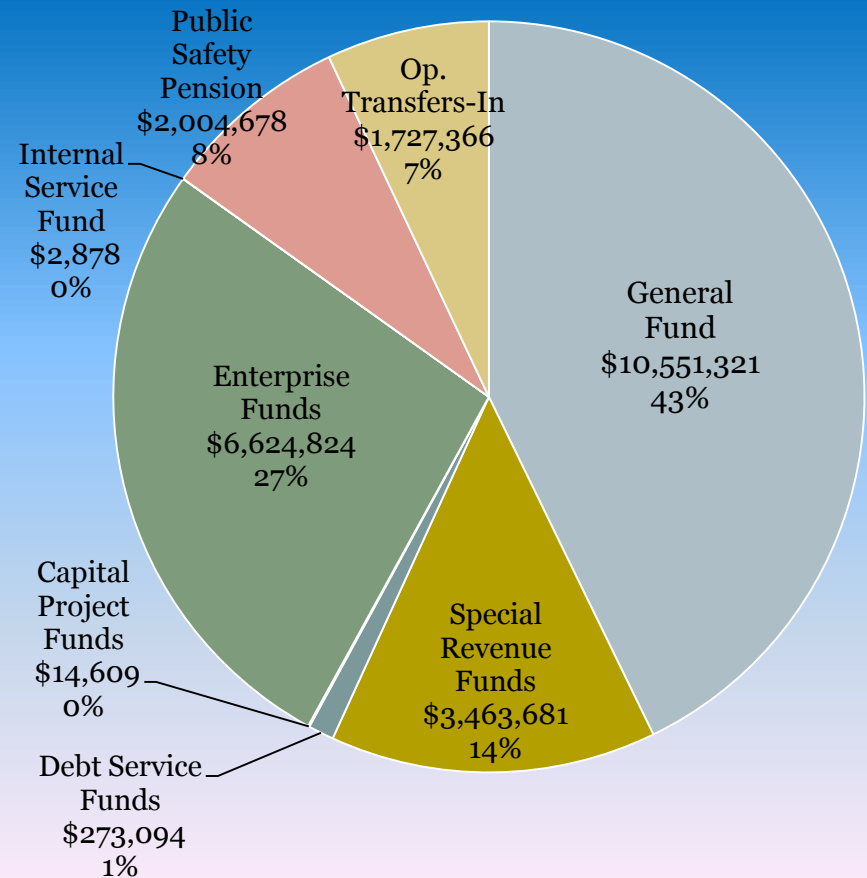
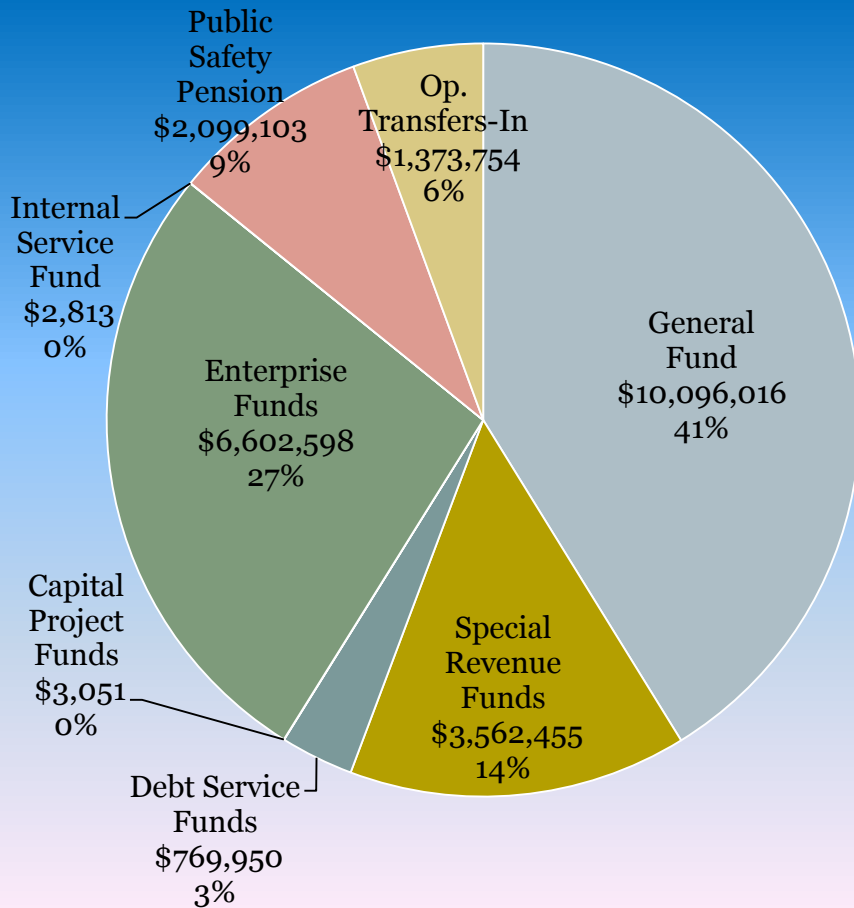
## Recommended Budget 2016-2017 - \$25,939,425



# All Revenues by Fund Type - Comparison

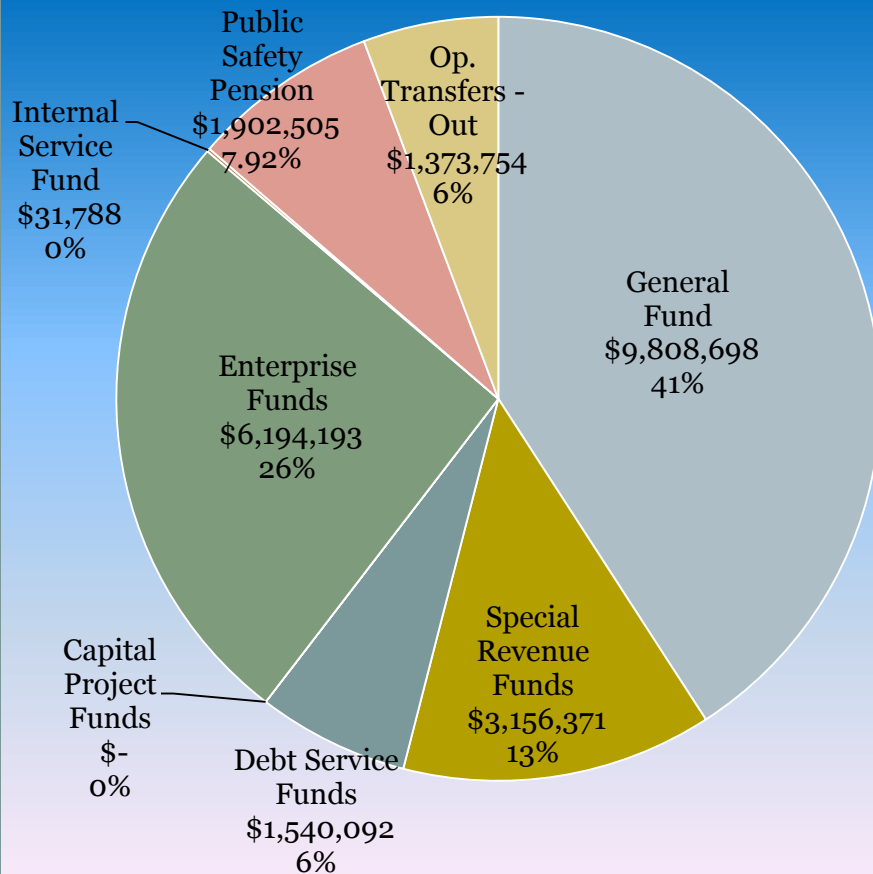
Recommended Budget  
2015-2016 - \$24,509,740

Recommended Budget  
2016-2017 - \$24,662,451

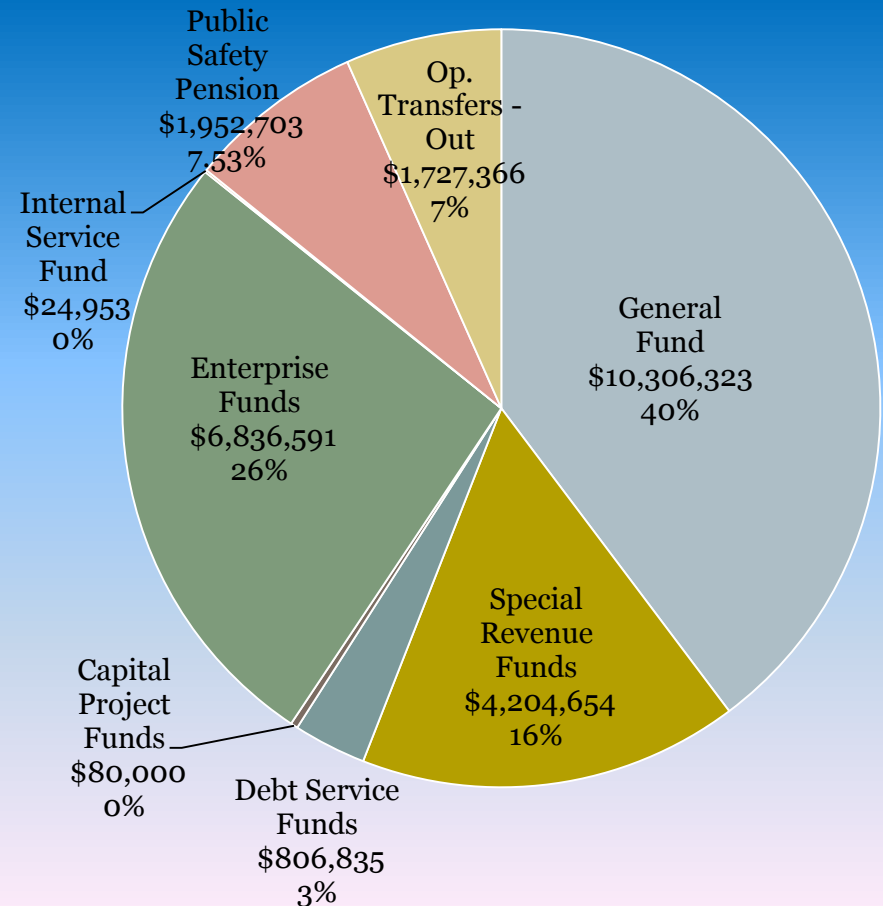


# All Expenditures by Fund Type - Comparison

Recommended Budget  
2015-2016 - \$24,007,400



Recommended Budget  
2016-2017 - \$25,939,425

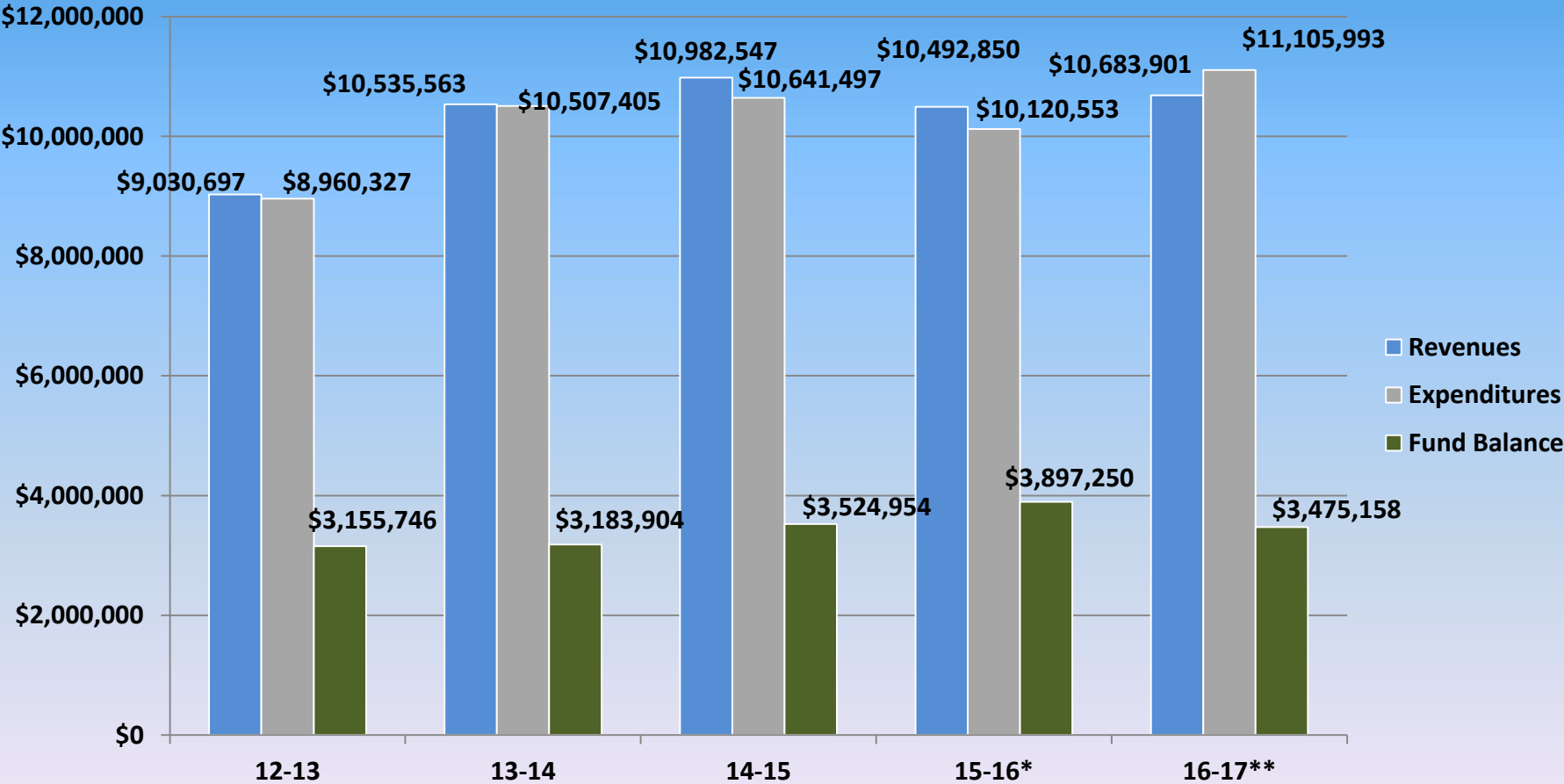


# General Fund



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

# General Fund: Yearly Comparison



Revenues & Expenses include Operating Transfers



# General Fund

## 2015/16 Projected Ending Fund Balance



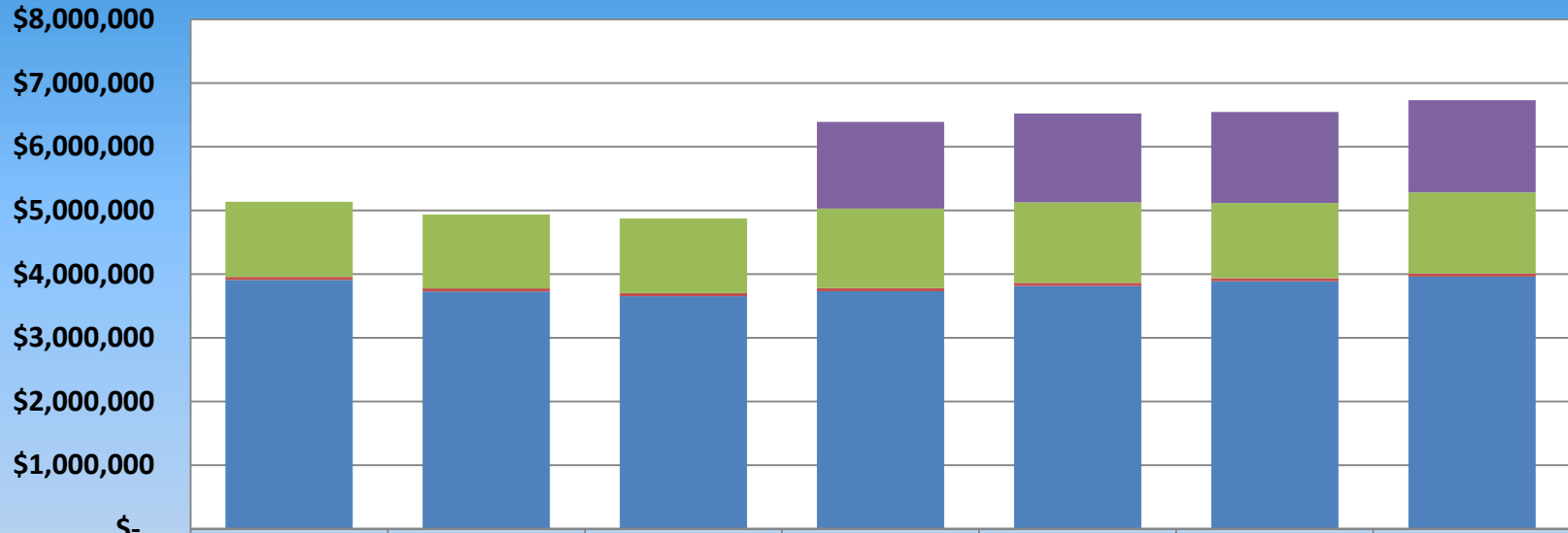
|  |                       |                    |
|--|-----------------------|--------------------|
| <b>Audited beginning fund balance 15/16:</b> |                       | <b>\$3,524,954</b> |
| Total Projected Inflows – 2015/16:           | \$10,492,850          |                    |
| Total Projected Outflows – 2015/16:          | <u>(\$10,120,553)</u> |                    |
| Estimated revenues over expenses 2015/16:    |                       | <u>\$372,297</u>   |
| Estimated ending fund balance 15/16:         |                       | <b>\$3,897,251</b> |
| <b>Breakdown of Fund Balance 15/16:</b>      |                       |                    |
| Assigned to Programs:                        |                       | \$448,165          |
| Unassigned to Programs:                      |                       | <u>\$3,449,086</u> |
| <b>Estimated ending fund balance 15/16:</b>  |                       | <b>\$3,897,251</b> |

# General Fund Estimated: 2016/17



| <b>Fund Balance Analysis:</b>  |             |                    |
|--|-------------|--------------------|
| <b>Total Estimated Beginning Fund Balance - July 1, 2016:</b>  |             | \$3,897,251        |
| Estimated Decrease of Fund Balance in 2016/17:<br>2015/16 Fund Balance Available to Defray Future Operations | (\$422,092) |                    |
| <b>Estimated Ending Fund Balance Combined – June 30, 2017:</b>   |             | \$3,475,158        |
| <b>Estimated Fund Balance Restricted Reserves 6/30/2017:</b>   |             |                    |
| Inventory/Prepaid  | \$300,369   |                    |
| Library  | \$31,114    |                    |
| Public Safety Pension System Levy  | \$10,138    |                    |
| Public Safety PA 302 Fund Match – Training   | \$12,000    |                    |
| Public Safety Lids for Kids/Fire Open House  | \$25,595    |                    |
| Public Safety Honor Guard  | \$10,452    |                    |
| Community Promotions   | \$64,100    |                    |
| <b>Total Restricted Reserves for the Ending Fund Balance 2016/17</b>   |             | \$ 453,768         |
| Estimated Undesignated Reserve 2016/17   |             | <u>\$3,021,390</u> |
| <b>Fund Balance – General Fund at June 30, 2017</b>  |             | <b>\$3,475,158</b> |

# General Fund Property Tax Revenue

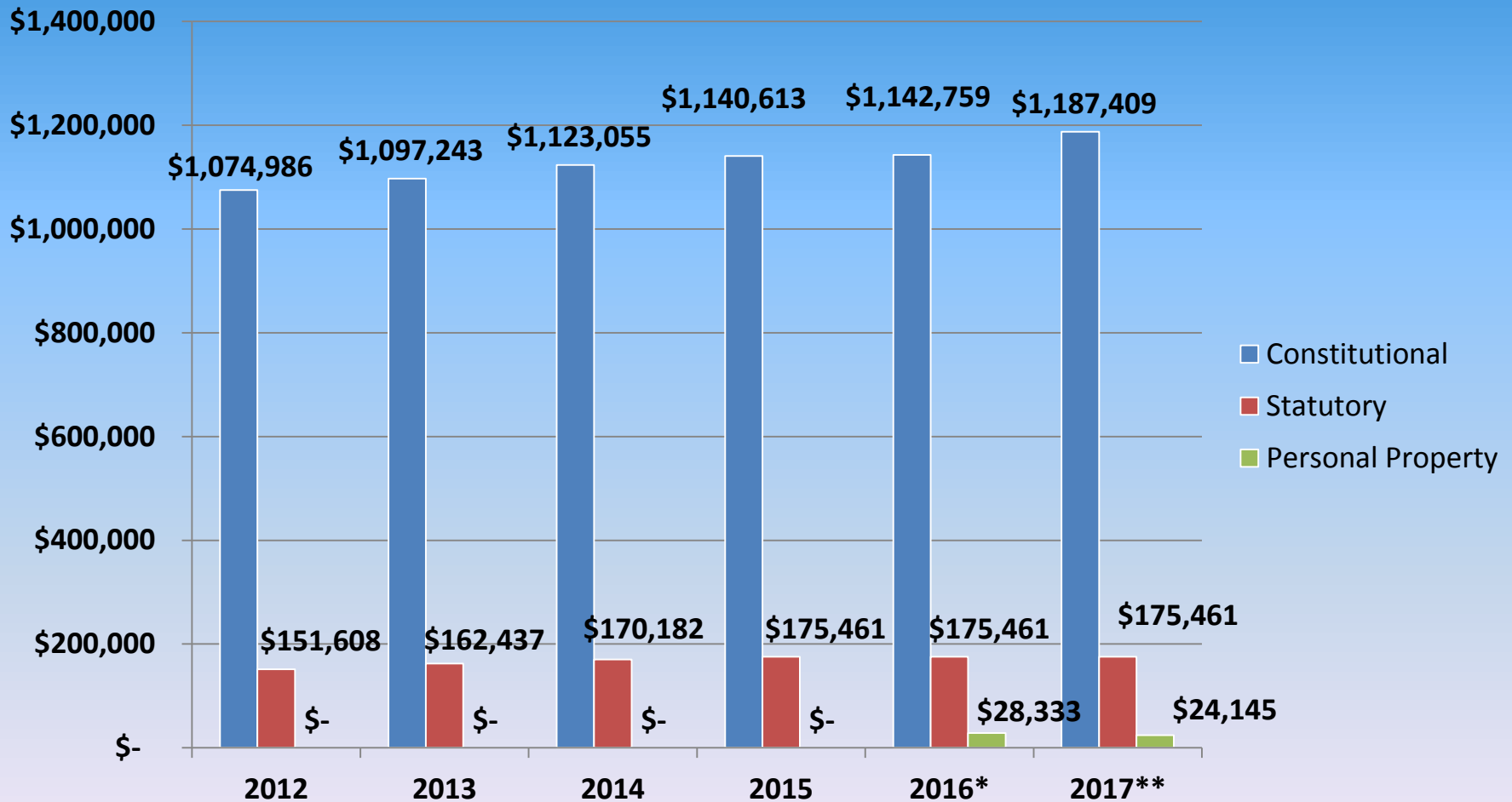


|                              | 2010/11     | 2011/12     | 2012/13     | 2013/14     | 2014/15     | 2015/16*    | 2016/2017** |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Voted</b>         | \$-         | \$-         | \$-         | \$1,361,787 | \$1,393,013 | \$1,428,940 | \$1,448,680 |
| <b>Public Safety Pension</b> | \$1,178,951 | \$1,156,994 | \$1,173,747 | \$1,245,860 | \$1,262,629 | \$1,178,738 | \$1,273,664 |
| <b>Community Promotion</b>   | \$48,651    | \$48,819    | \$48,859    | \$48,919    | \$49,096    | \$48,910    | \$49,176    |
| <b>General Operating</b>     | \$3,906,684 | \$3,728,592 | \$3,651,000 | \$3,732,175 | \$3,813,902 | \$3,889,600 | \$3,961,037 |

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

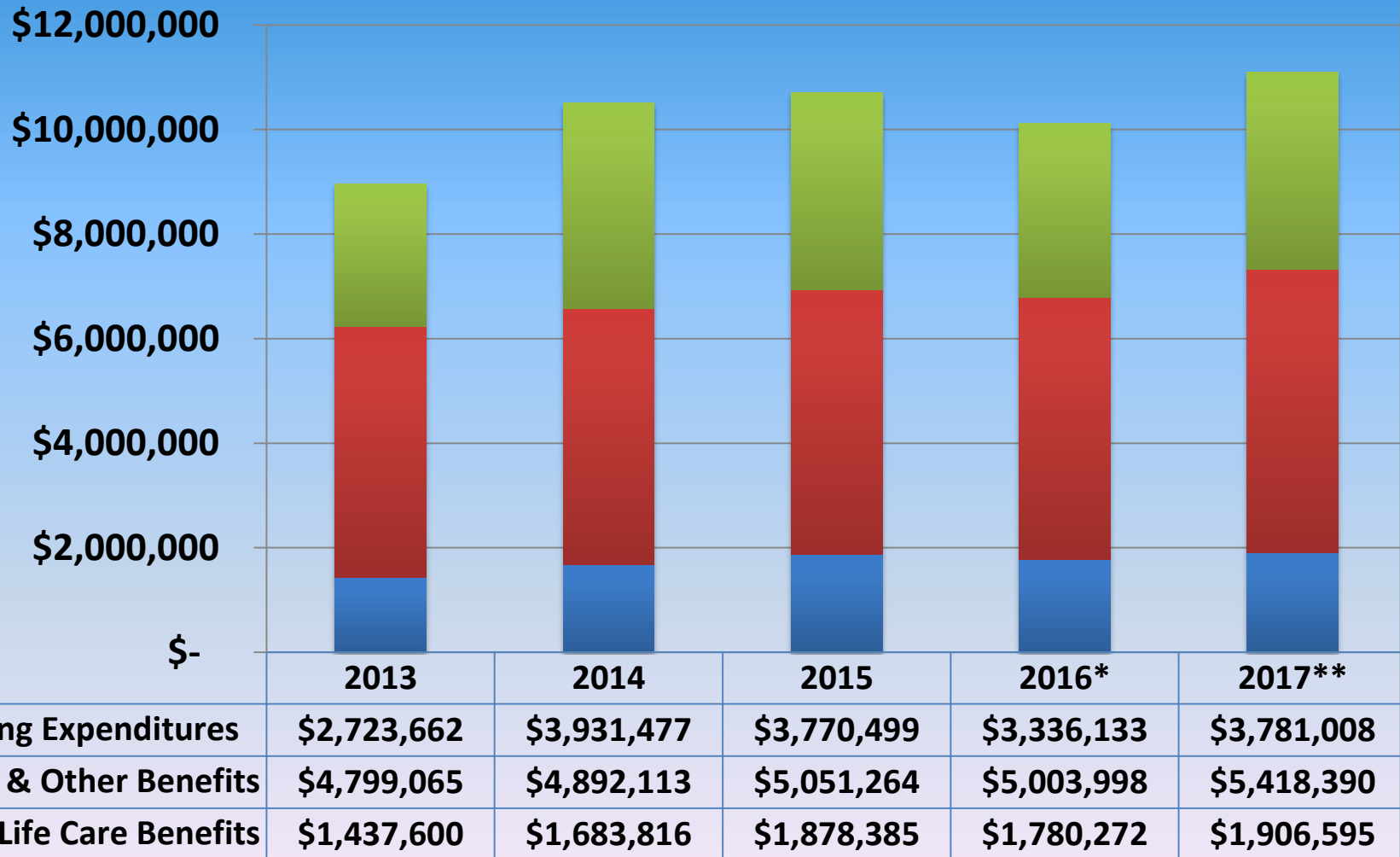
\*Projected \*\*Recommended

# State Revenue Sharing



\*Projected \*\*Recommended - 2016 PPT is for a two year period

# General Fund Expenditures – Detail



\*Projected \*\*Recommended

# \$3.00 Mill Levy Distribution



| <b>General Fund Analysis:</b>             |           |                    |
|---|-----------|--------------------|
| Revenue Generated                         |           | \$1,448,680        |
| <u>Expenses/Transfers Out:</u>            |           |                    |
| Major Streets – Roads                     | \$550,000 |                    |
| Local Streets – Roads                     | \$100,000 |                    |
| Solid Waste Fund                          | \$50,000  |                    |
| General Fund – Operations                 | \$284,000 |                    |
| Sidewalk Special Assessment               | \$80,000  |                    |
| Park Improvements                         | \$67,000  |                    |
| DPW/Public Safety/Legal                   | \$110,480 |                    |
| Continued Additional GASB 45 Contribution | \$207,200 |                    |
| <b>Total Expenses / Transfers Out</b>     |           | <b>\$1,448,680</b> |
| To Fund Balance                           |           | \$0                |

(Tax rate rolled back to \$2.8941 / th., tax value)

# Public Safety



Replace Two Patrol Vehicles  
\$81,500  
General Fund

# Public Safety



Public Safety  
Dispatch Equipment  
State Mandated  
\$95,000



# Parks and Recreation



## **Community Park**

\$15,000  
General/Rec.  
Revolve

## **Community Center Improvements**

\$24,000  
General Fund



## **Oxford Open Space - Drainage**

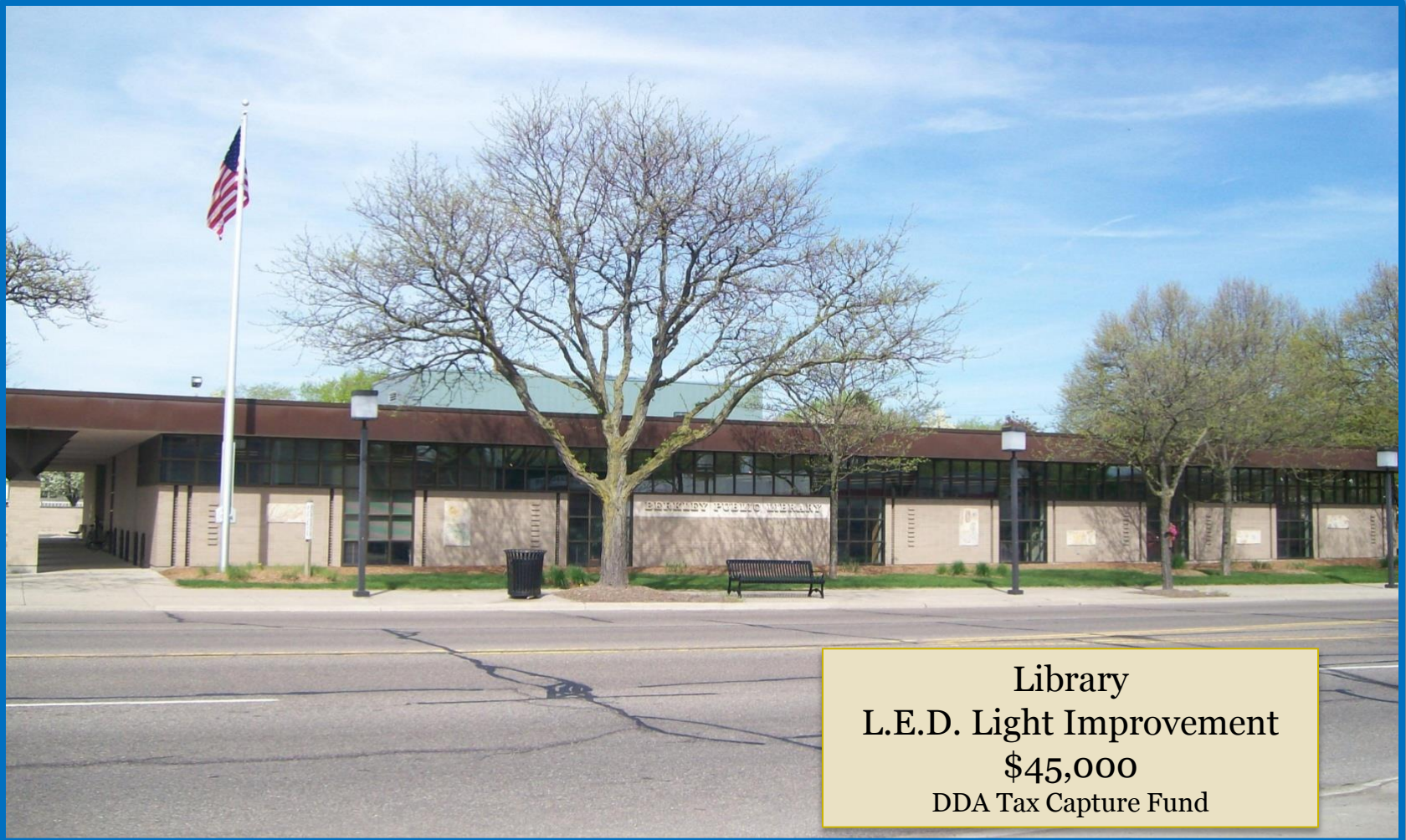
\$45,000  
General/Rec. Revolve

## **Merchants Park**

\$45,000  
General Fund



# Berkley Public Library



**Library**  
**L.E.D. Light Improvement**  
**\$45,000**  
**DDA Tax Capture Fund**

# Public Works



**NEW**  
**Brush Chipper**  
**\$60,000**



**NEW**  
**4 Ton Asphalt Recycler**  
**Hot Box Trailer w/lights**  
**\$35,000**

## 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 |
|---------------------------------|---------------------------------------|-----------------------------|------------------------------------|-----------------------------------|----------------------|
| 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                           | \$167,918                   | (\$231,200)                        | (\$1,211,000)                     | \$3,152,643          |
| 14/15                           | \$2,603,419                           | (\$97,135)                  | (\$231,200)                        | (\$1,373,430)                     | \$4,054,297          |
| 15/16                           | \$2,531,410                           | \$222,986                   | (\$241,200)                        | (\$1,202,526)*                    | \$5,364,967*         |
| 16/17                           | \$2,512,485                           | \$295,073*                  | (\$241,200)                        | (\$1,250,959)*                    | \$6,680,366*         |
| Total Contributions             |                                       |                             | \$2,793,877                        | (08/09 – 16/17)                   |                      |
| Trust Account Value - 6/30/2015 |                                       |                             | \$3,615,852                        | (14.2% Funded)                    |                      |
| Trust Account Value – 6/30/2014 |                                       |                             | \$3,274,621                        | (12.9% Funded)                    |                      |

\* Value Estimated

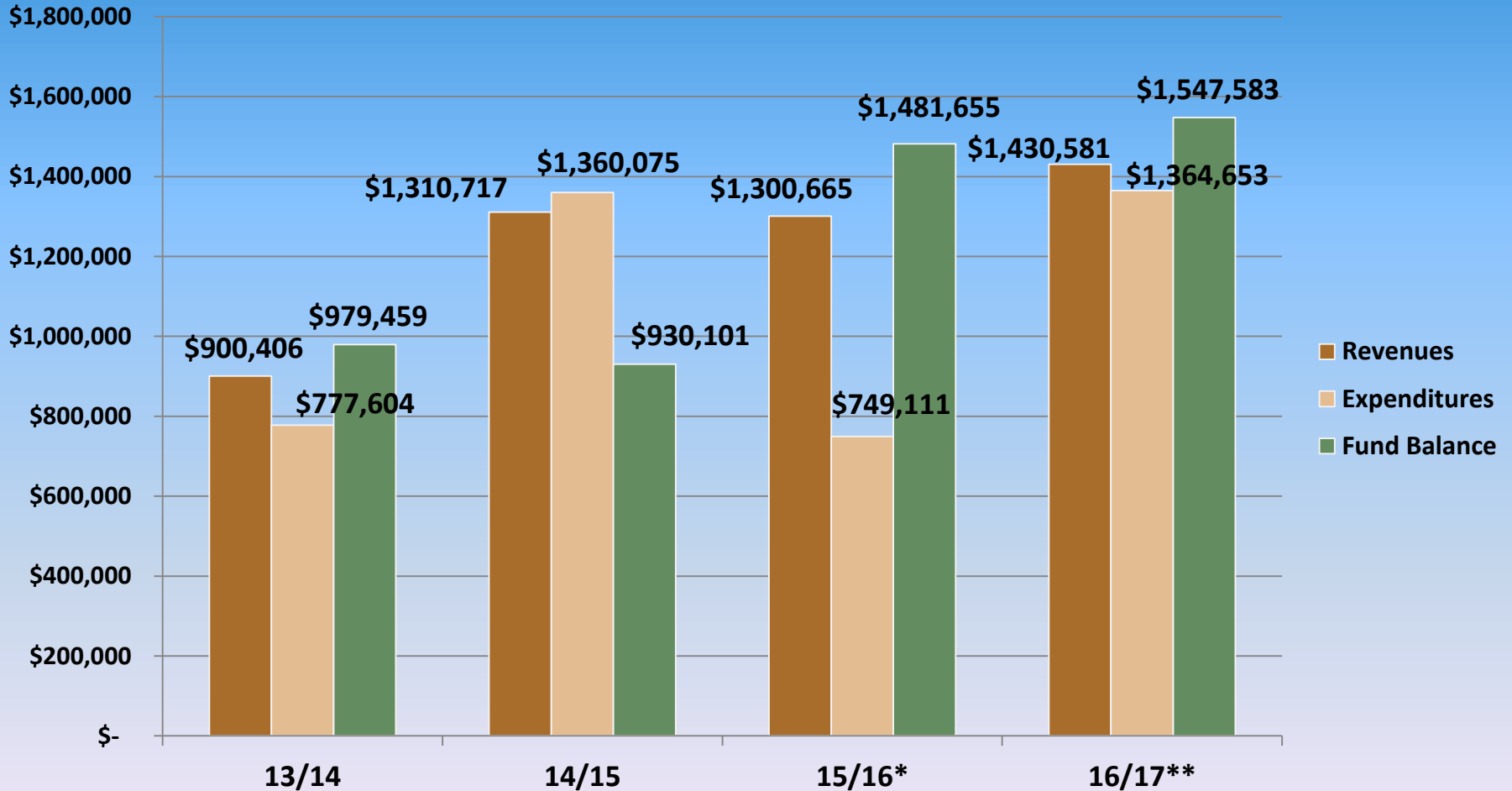
# Special Revenue Funds



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

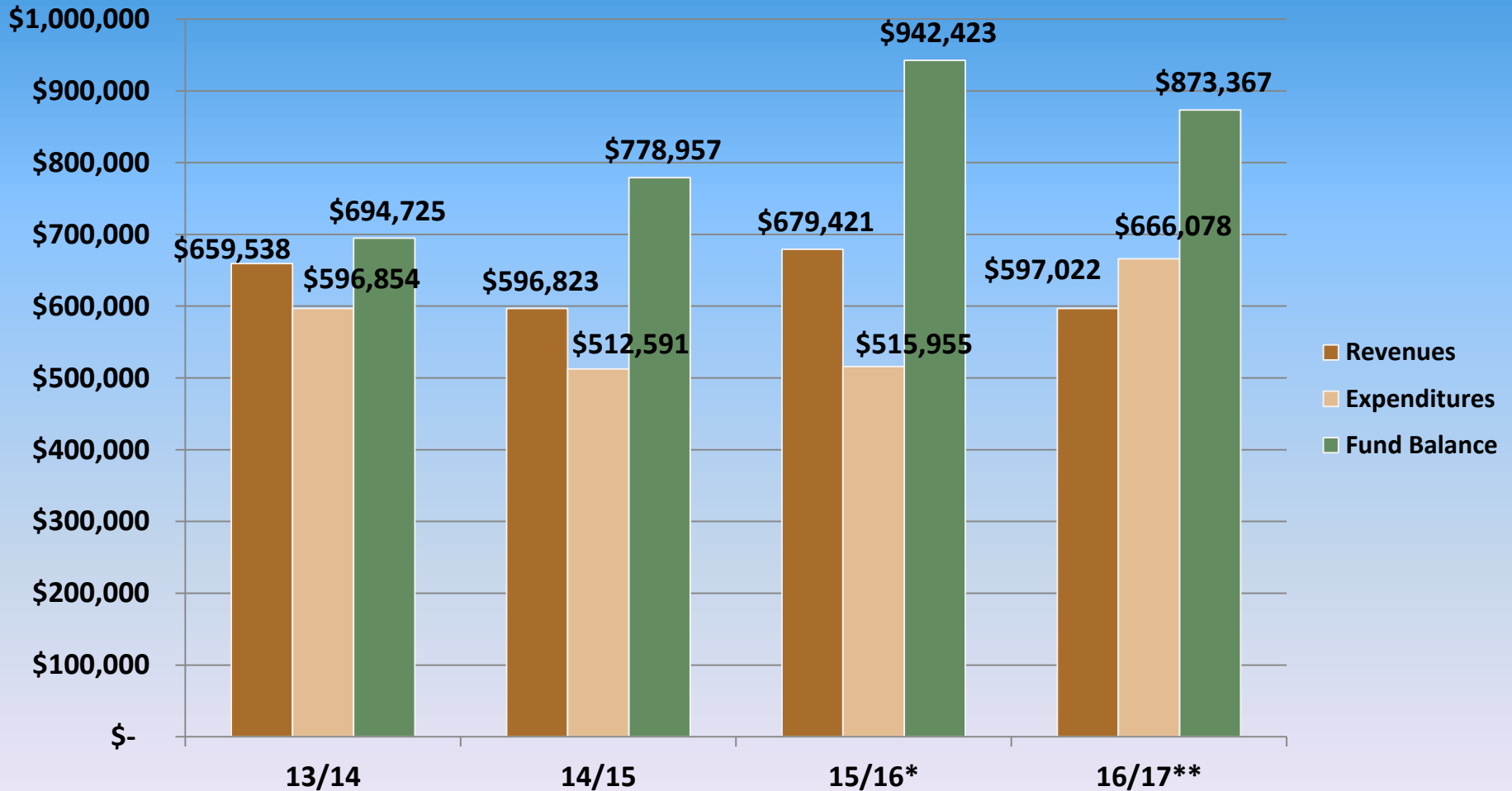
- Major & Local Streets
- Solid Waste
- CDBG
- Drug Forfeiture
- Recreation Revolving
- Senior Recreation Programs
- DDA\* & DDA-TIF\*

# Major Streets



\*Projected \*\*Recommended

# Local Streets



\*Projected \*\*Recommended

# Major & Local Street Expenditures



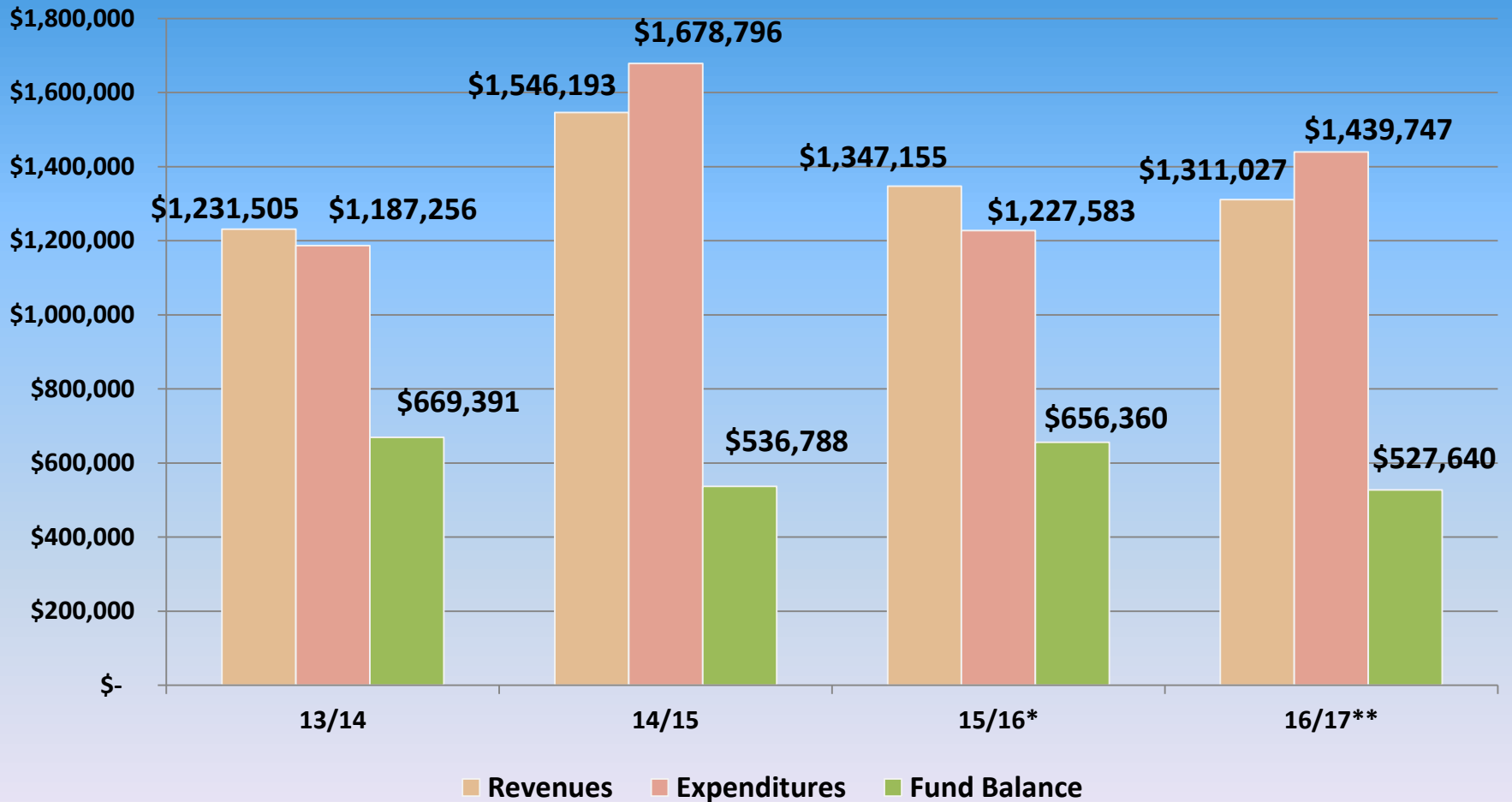
**Major: \$1,364,653**

**Local: \$666,078**

|   |             |
|---|-------------|
|   |             |
| Street Maintenance, Catch Basin, Street Sweeping      | \$1,143,522 |
| Tree Maintenance & Replacement                        | \$196,177   |
| Maintenance & Replacement of Signs & Pavement marking | \$170,951   |
| Winter Maintenance                                    | \$219,856   |
| Boulevard & Facility Ground Maintenance               | \$76,834    |
| Administration  | \$66,391    |
| Major Street support to Local Street                  | \$157,000   |



# Solid Waste



\*Projected \*\*Recommended

# Solid Waste Expenditure



DPW  
1989 Rear Loader Replacement  
\$120,000

# Solid Waste Revenues



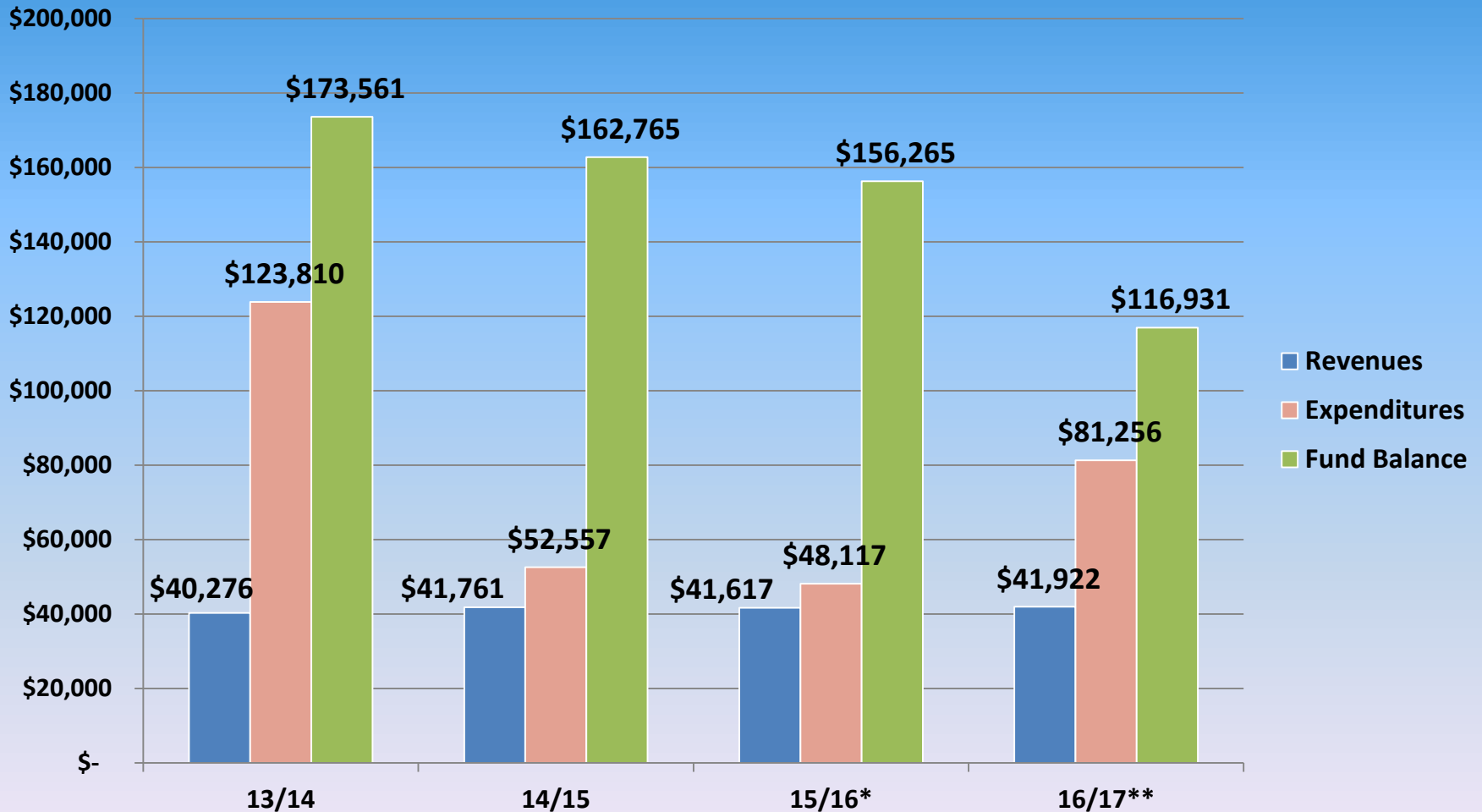
## Solid Waste Charges for Services: \$ 249,500

- \* Increase 06-07 residential disposal fee on the water bill
  - \$35.00/year/resident dwelling (\$4.80/Year Increase) (\$30.20 current)
  - \$8.75/qtr./resident dwelling (\$1.20/qtr. increase) (\$7.55 current)
  - Includes rubbish pickup & disposal along with leaf pickup
  - Increase pays for single stream recycling at SOCRRA
- \* Increase commercial dumpster fees 16% to match resident increase

| 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 to \$28.00  | \$48.00 to \$55.00   | \$72.00 to \$84.00   |
| Polycart Per Cart | Not Available                             | \$24.00 to \$28.00  | \$48.00 to \$55.00   | \$72.00 to \$84.00   |
| 2cy Dumpster      | \$12.00 to \$14.00                        | \$24.00 to \$28.00  | \$48.00 to \$55.00   | \$72.00 to \$84.00   |
| 4cy Dumpster      | \$24.00 to \$28.00                        | \$48.00 to \$55.00  | \$72.00 to \$84.00   | \$96.00 to \$111.00  |
| 6cy Dumpster      | Not Available                             | \$72.00 to \$84.00  | \$144.00 to \$167.00 | \$216.00 to \$250.00 |
| 8cy Dumpster      | Not Available                             | \$96.00 to \$111.00 | \$192.00 to \$223.00 | \$288.00 to \$334.00 |

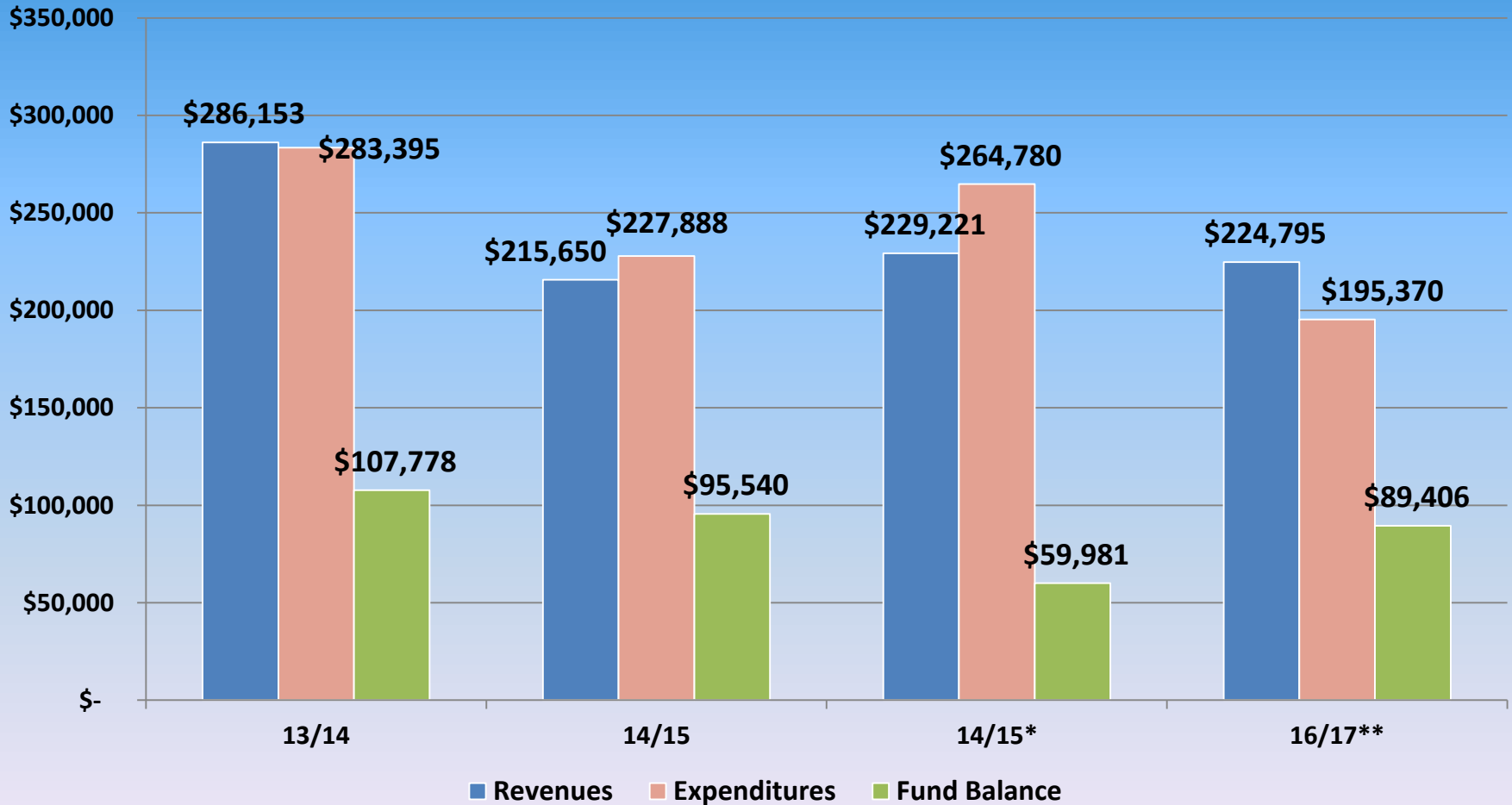
- \* Estimated first year revenue increase \$34,700

# DDA – Ad Valorem



\*Projected \*\*Recommended

# DDA – TIF Capture



\*Projected \*\*Recommended

# Downtown Development Authority Expenditures

## DDA – Ad Valorem:

**\$ 81,256**

| DDA Ad Valorem<br>(814)             |           |
|-------------------------------------|-----------|
| • DDA Events                        | \$ 77,111 |
| • Operations                        | \$ 4,145  |
|                                     |           |
|                                     |           |
|                                     |           |
|                                     |           |
|                                     |           |
| • DDA Plan is set to expire 2039/40 |           |

## DDA – TIF Capture:

**\$ 195,370**

| DDA TIF Capture<br>(815)     |           |
|------------------------------|-----------|
| • Capital Improvements       | \$106,500 |
| • Robina Demonstration       | \$ 22,000 |
| • Street Maintenance         | \$ 14,370 |
| • DDA Manager                | \$ 50,000 |
| • Tax Tribunal Costs         | \$ 2,500  |
|                              |           |
| • Debt is paid off – 2015/16 |           |

# Debt Service Funds



## General long-term debt – principal and interest

|                            | 16/17<br>Payment | # of years<br>remaining |
|----------------------------|------------------|-------------------------|
| George Kuhn Drainage Bonds | \$ 535,391       | 5-12                    |
| 11 Mile Road Project Bonds | \$ 271,444       | 4                       |
|                            |                  |                         |

Years remaining after the 2016/17 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 –<br>City Hall | \$103,500 |
|--|-----------|

### **SIDEWALK FUND – 470**

Engineering expenses for sidewalk special assessment - \$80,000  
12 Mile Tyler to Greenfield

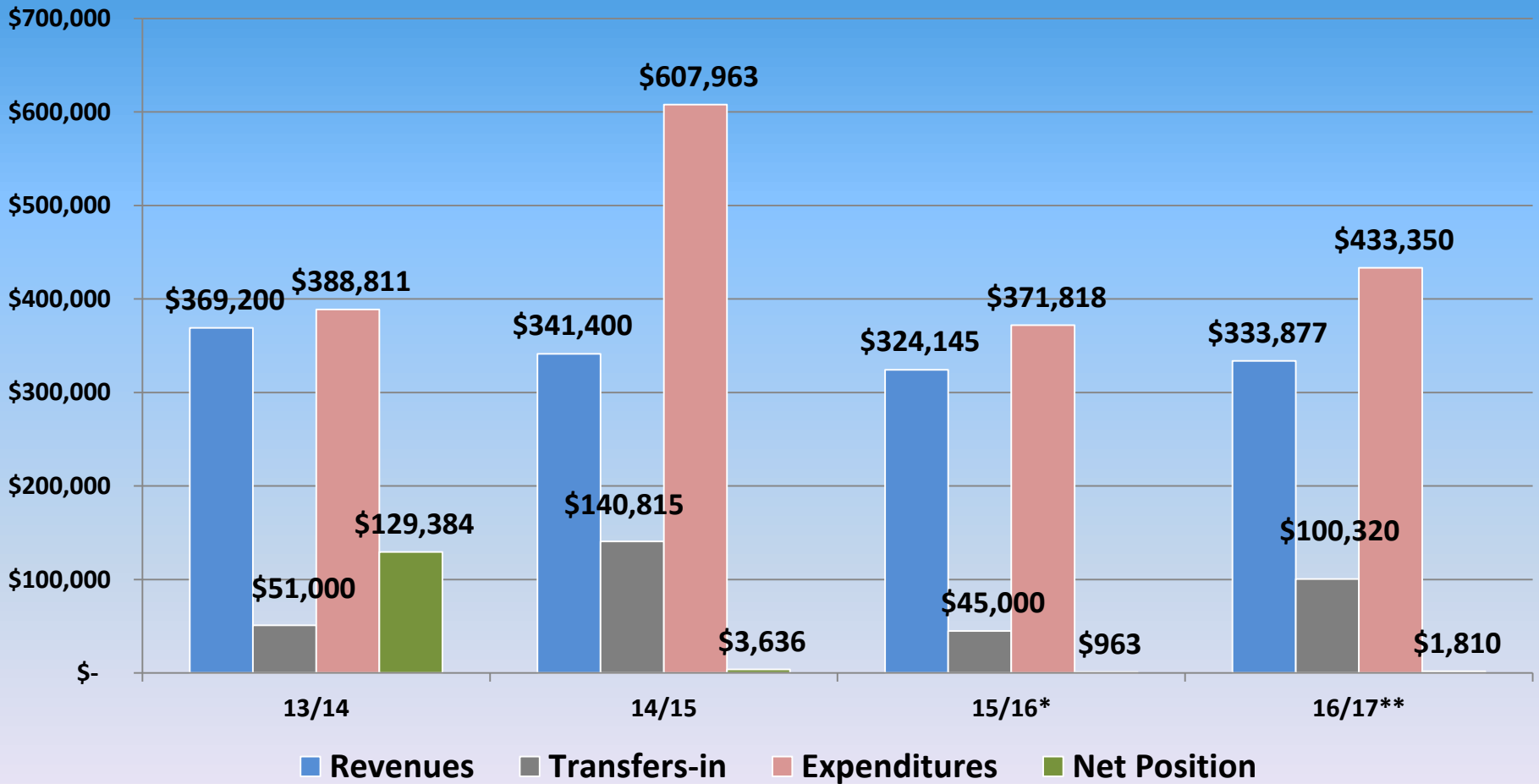
# Enterprise Funds



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

- Arena
- Water & Sewer

# Arena



\$607,963 includes one-time pension charge of \$215,159

\*Projected \*\*Recommended

# Arena



**Total Arena Revenues: \$ 434,197**

• **Rental Fees - \$ 306,595 (all programs)**

- PRIME: between \$240 per hour
- NON PRIME: \$200 per hour
- Spring Season Anticipated \$28,000 – six weeks - \$200/hour

• **Other Revenues - \$ 27,282**

- Concession Sales \$11,000
- Reimbursements \$2,025
- Room Rental – All Activity \$13,000
- Advertising Revenue \$800
- Investment Earnings \$457

• **Operating Transfer In - \$ 100,320**

- 100% from Recreation Revolving Fund

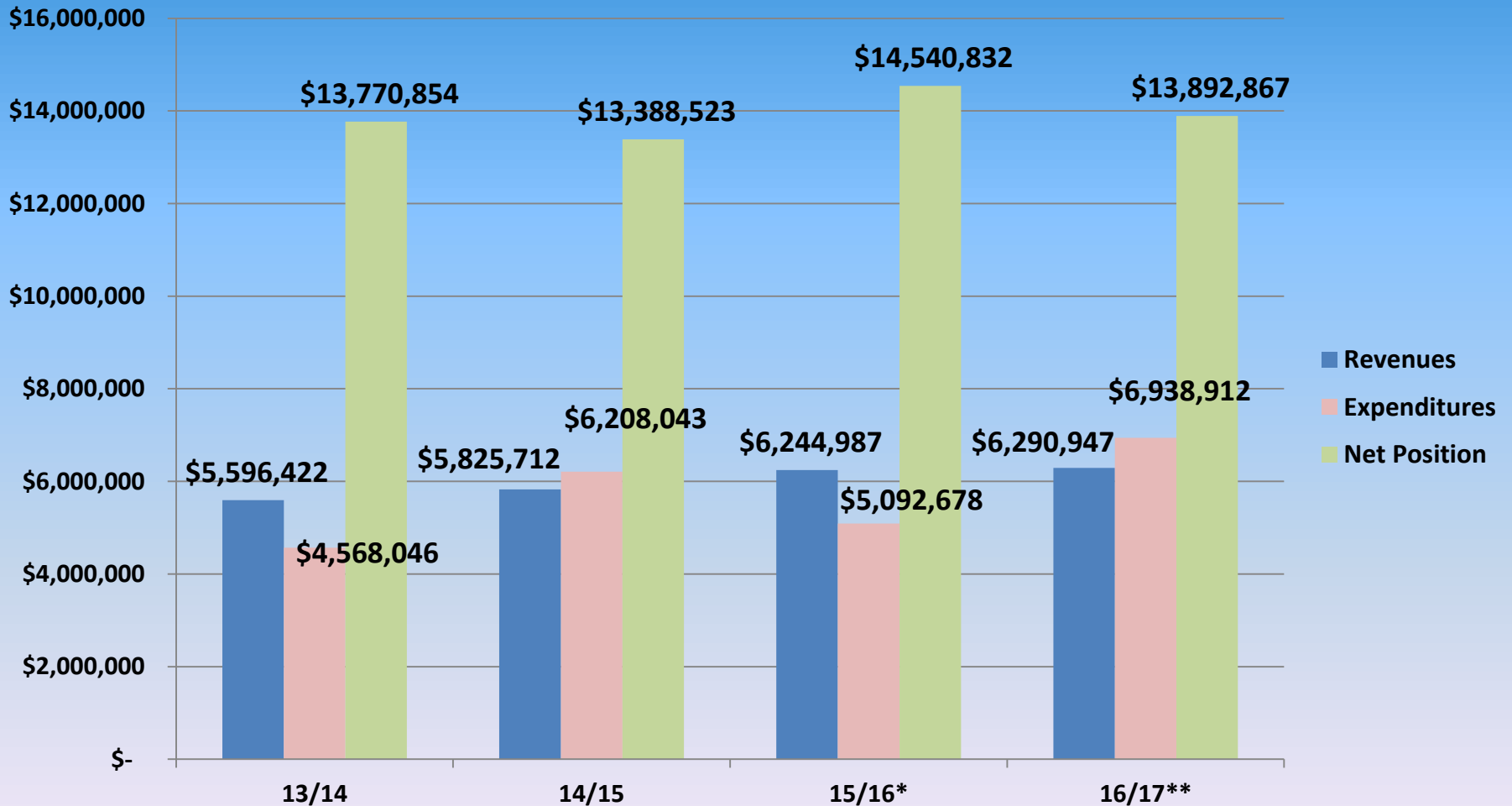
# Arena Expenditures

**Total Arena Expenditures:  
\$433,350**

- Salary & Fringe Benefits - \$151,769
- Utility Costs - \$120,000
- Concession Operation - \$10,459
- Skating Contractors - \$5,200
- Operating Costs - \$145,922



# Water & Sewer



\$6,208,043 includes one time pension charge of \$1,333,629

\*Projected \*\*Recommended

# Wholesale Water & Sewer Charges



## Wholesale Water/Sanitary Charge: \$1,768,964

• **WHOLESALE WATER RATES:**

|   |               |
|---|---------------|
| Great Lakes Water Authority/SOCWA Water | 2.0% increase |
|---|---------------|

|                                 |           |
|---------------------------------|-----------|
| Total Estimated Bulk Water Cost | \$804,856 |
|---------------------------------|-----------|

• **WHOLESALE SANITARY SEWER RATES:**

|  |  |
|--|--|
| Oakland County Water Resource Commission | 5.1% increase fixed basis or 9.9% increase on a variable basis |
|--|--|

|                                    |           |
|------------------------------------|-----------|
| Total Estimated Bulk Sanitary Cost | \$964,108 |
|------------------------------------|-----------|

# Water/Sewer City Operating Expenses



|  |                    |
|--|--------------------|
| <b>City Operating Expenses</b>           | <b>\$2,979,168</b> |
| SAW Grant                                | \$233,116*         |
| Construction – Harvard                   | \$349,819*         |
| Sewer Relining                           | \$250,000*         |
| Vehicle Replacement – Vactor             | \$320,000*         |
| City System Operating                    | \$1,199,422        |
| Depreciation                             | \$400,000          |
| Non-Resident User Charges                | \$55,310           |
| Water Meter Replacements                 | \$44,000           |
| Concrete Repair                          | \$50,000           |
| Lead Service Replacements (Main to Curb) | \$52,500           |
| Hydrant Replacements                     | \$25,000           |

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



# Water/Sewer Equipment Replacement



Replacement  
2007 Vactor  
\$320,000

# Storm Water Utility Charge/Revenue



|   |                      |
|---|----------------------|
| <b>Storm Water Utility Charge</b>                             | <b>\$2,190,781</b>   |
| Southeast Oakland County Drain Commission Pass Thru Charge:   | \$1,655,389          |
|   | 1.6% increase        |
| George Kuhn Drain Debt Service Pass Thru Charge:              | \$535,392            |
|   | 0% increase/decrease |
| For each of the 8,636 equivalent resident units @ \$63.42 x 4 | 1.0% 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



| <b>Retail Customer Consumption Revenues</b> |                |                 | <b>\$1,937,989</b>       |
|---|----------------|-----------------|--------------------------|
|   | <u>Current</u> | <u>Proposed</u> | <u>Proposed Increase</u> |
| Water Service                               | \$1.93         | \$1.97          | 2.0%                     |
| Sewer Service                               | \$2.04         | \$2.09          | 2.5%                     |
| Total per 100 cubic ft                      | \$3.97         | \$4.06          | 2.25%                    |

All new Water/Sewer rates effective the billing of July 1, 2016

# Water Service Fixed Charge Revenues

(Ready to Serve)



**Proposed: \$1,563,725**

Amount represents a base charge to all 6,838 metered customers on a quarterly basis to cover fixed system expenses.

Rate increase of 5.5%

| Size  | Amount | Rate per Quarter |            |
|-------|--------|------------------|------------|
|       |        | Current          | Proposed   |
| .75"  | 6,619  | \$50.53          | \$53.31    |
| 1.00" | 141    | \$84.22          | \$88.85    |
| 1.50" | 37     | \$168.42         | \$177.68   |
| 2.00" | 36     | \$269.45         | \$284.27   |
| 3.00" | 8      | \$589.44         | \$621.86   |
| 4.00" | 4      | \$991.05         | \$1,035.01 |

# Billing Revenues



**Proposed: \$85,019**

- This is a fixed charge for each water bill to cover the cost of reading meters, preparing water bills, and maintaining water payment records.
- 6,838 accounts x \$3.11 x 4(quarters) (5.4% increase)

# Water & Sewer Other Revenues



## Water & Sewer Other Revenues: \$458,122

|  |            |
|--|------------|
| Estimated Late Fees                            | \$117,363  |
| Estimated Investment Earnings @ 0.50%          | \$10,266   |
| Equipment Rentals                              | \$52,721   |
| Sundry, Medicare Part D & Other Reimbursements | \$31,116   |
| Roll Delinquent Water to Tax Roll              | \$13,540   |
| SAW Grant                                      | \$233,116* |

\*Not included in the Rate calculation

# Non Residential Flow



## Great Lakes Water Authority/Sewer Pass Through: \$55,310

| <u>Meter Size</u> | <u>Current</u> | <u>Proposed</u> |
|-------------------|----------------|-----------------|
| .75"              | \$24.75        | \$25.44         |
| 1.00"             | \$41.25        | \$42.39         |
| 1.50"             | \$90.75        | \$93.24         |
| 2.00"             | \$132.00       | \$135.60        |
| 3.00"             | \$239.25       | \$245.79        |
| 4.00"             | \$330.30       | \$339.00        |

# Proposed Percent / Cost Increase



## Household Consumption & Rate Increase Calculation

|   | 2015/16    | 2016/17    | Increase/<br>(Decrease) | City Percent<br>Increase/(Decrease) | Wholesale Percent<br>Increase/(Decrease) |
|---|------------|------------|-------------------------|-------------------------------------|--|
| Water Service/100 Cubic Feet                                  | \$1.93     | \$1.97     | \$0.04                  | 0.0207                              | 2.0%                                     |
| Sewer Service/100 Cubic Feet                                  | 2.04       | 2.09       | 0.05                    | 0.0245                              | 9.9% Variable*                           |
| Total Consumption   | \$3.97     | \$4.06     | \$0.09                  | 0.0226                              |  |
| Yearly Consumption in 4,000<br>cubic feet per quarter or (40) | 40.00      | 40.00      |                         |                                     |  |
| Consumption Cost  | \$158.80   | \$162.40   | \$3.60                  | 0.0227                              |  |
| Ready to Serve 5/8 Meter                                      | 50.53      | 53.31      | 2.78                    | 0.0550                              |  |
| Storm Water Rates   | 62.74      | 63.42      | 0.68                    | 0.0108                              | 1.6%                                     |
| Billing Charge  | 2.95       | 3.11       | 0.16                    | 0.0542                              |  |
| Quarterly Billing Charge                                      | \$275.02   | \$282.24   | \$7.22                  | 0.026                               |  |
| Total Quarters  | 4          | 4          | 4                       |                                     |  |
| Annual Billing Charge   | \$1,100.08 | \$1,128.96 | \$28.88                 | 0.026                               |  |

\*- 5.1% Fixed Cost Increase



# SOCWA Communities Water Study



## Community Rate Analysis

|    | <u>Community</u>   | Average Cost<br>4,000 cubic feet<br>5/8" Meter<br>7/1/15 |
|----|--------------------|--|
| 1  | Royal Oak          | \$515.30 (4)   |
| 2  | Clawson            | \$493.20 (3)   |
| 3  | Lathrup Village    | \$476.87 (2)   |
| 4  | Huntington Woods   | \$475.00 (5)   |
| 5  | Pleasant Ridge     | \$448.80 (1)   |
| 6  | Birmingham         | \$396.68 (6)   |
| 7  | Southfield         | \$380.40 (7)   |
| 8  | Beverly Hills      | \$370.00 (8)   |
| 9  | Berkley (Proposed) | \$282.24 (9)   |
|    | Berkley 2015/16    | \$275.02 (9)   |
| 10 | Bingham Farms      | \$182.01 (10)  |

# Utility Bill: Residential Solid Waste



|   | <b>Current</b> | <b>Proposed</b> |
|---|----------------|-----------------|
| Residential Refuse Service Fee/Quarter                          | \$7.55         | \$8.75          |
| Increase is for the conversion to single stream recycle system. |                |                 |
| Current Rate was at \$7.55 for a minimum of 10 years.           |                |                 |

# Internal Service Fund

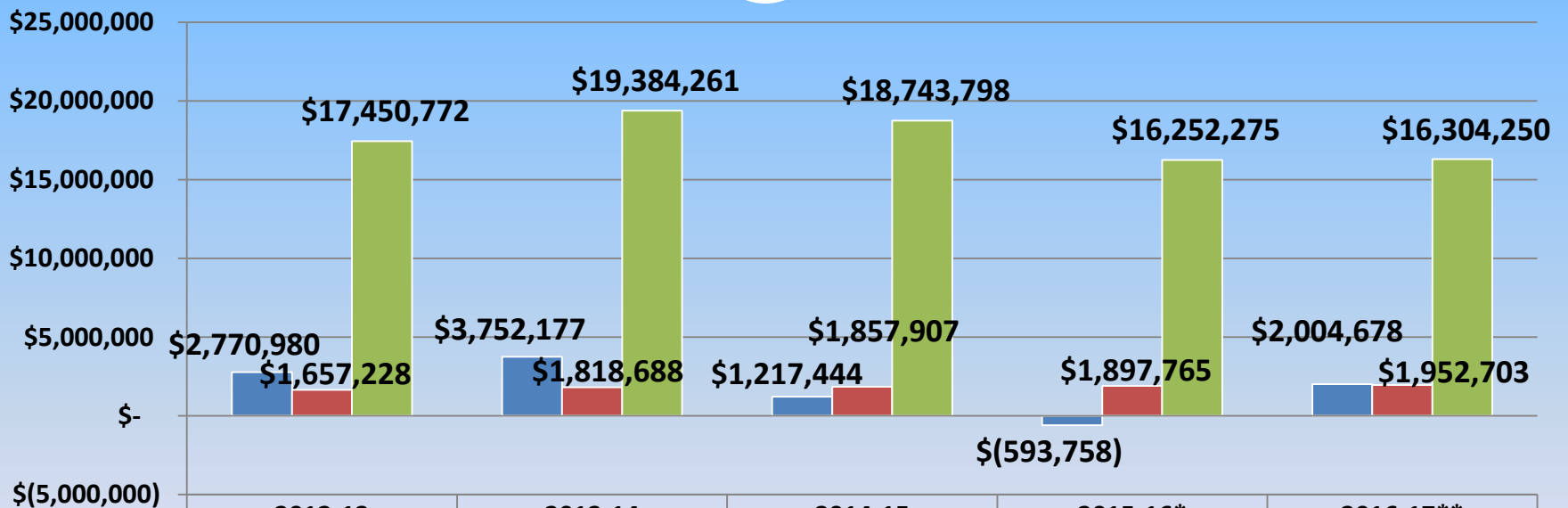


Goods or services provided by one department or agency to other departments or agencies of the governmental unit.

## Leave Benefit Accruals:

| Recommended<br>2016/17 | Projected<br>2015/16 | Actual<br>2014/15 | Actual<br>2013/14 |
|------------------------|----------------------|-------------------|-------------------|
| \$ 24,953              | \$ 143,981           | \$ 51,447         | \$ 208,403        |

# Public Safety Pension



|                | 2012-13      | 2013-14      | 2014-15      | 2015-16*     | 2016-17**    |
|----------------|--------------|--------------|--------------|--------------|--------------|
| ■ Revenues     | \$2,770,980  | \$3,752,177  | \$1,217,444  | \$(593,758)  | \$2,004,678  |
| ■ Expenditures | \$1,657,228  | \$1,818,688  | \$1,857,907  | \$1,897,765  | \$1,952,703  |
| ■ Net Position | \$17,450,772 | \$19,384,261 | \$18,743,798 | \$16,252,275 | \$16,304,250 |