



THE CITY OF
BERKLEY

Proposed Budget
FY 17-18



BERKLEY
where you want to be

Budget Work Sessions May 8 – 10, 2017

Budget Work Session 2, May 9, 2017

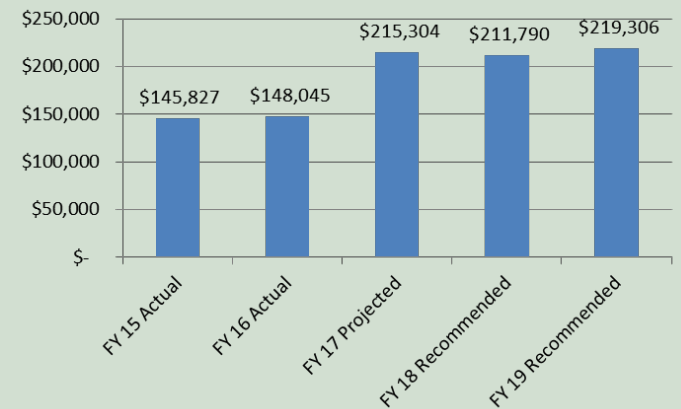


- City Clerk/Elections – 191
- Finance – 201
- Treasury - 215
- Building - 371
- Planning – 801
- Community Development 821 and 275
- Public Works (Major Streets 202, Local Streets 203, Solid Waste 226, W&S 592)
- Parks and Rec (Rec Revolving Fund 614, Senior Activities, 615)

City Clerk/Elections



- City Clerk/Elections (Dept 191)
- \$211,790 Total expenditures
- Retirement savings
- Contractual services – budgeting for 3 elections
- New election equipment in FY 17
- Computer software – new agenda and records management software
- Healthcare and retirement increases in FY 19



Finance



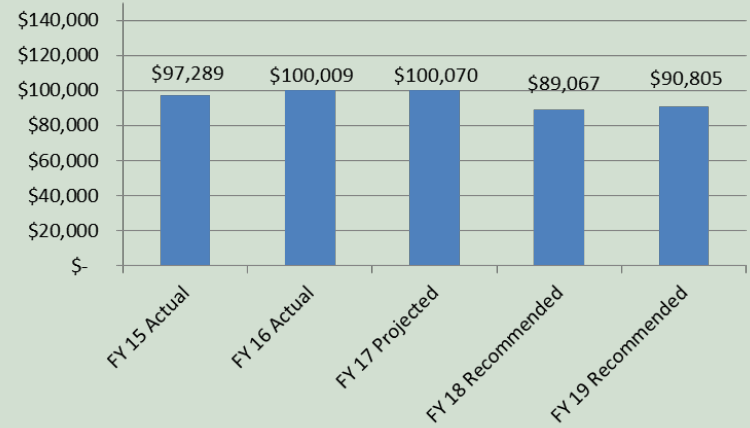
- Finance (Dept 201)
- \$464,334 Total expenditures
- 3 full time staff
- Consultant – GASB 67/68 requires actuarial valuation in relation to OPEB



Treasury



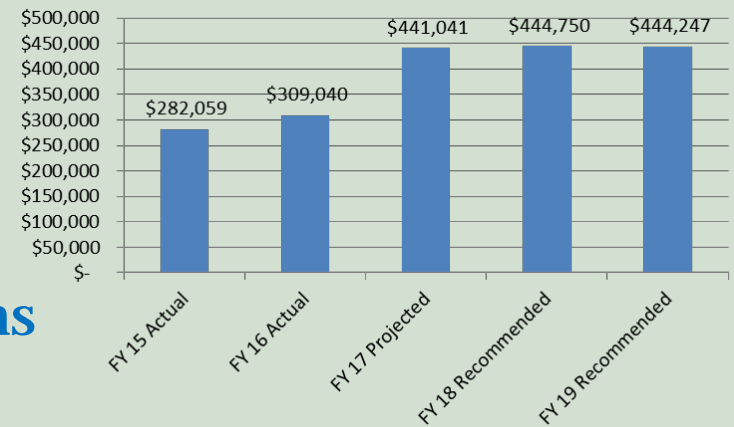
- Treasury (Dept 215)
- \$89,067 Total expenditures
- 1 full time and 1 part time staff
 - Redistribution of department staff produces a savings in department



Building Department



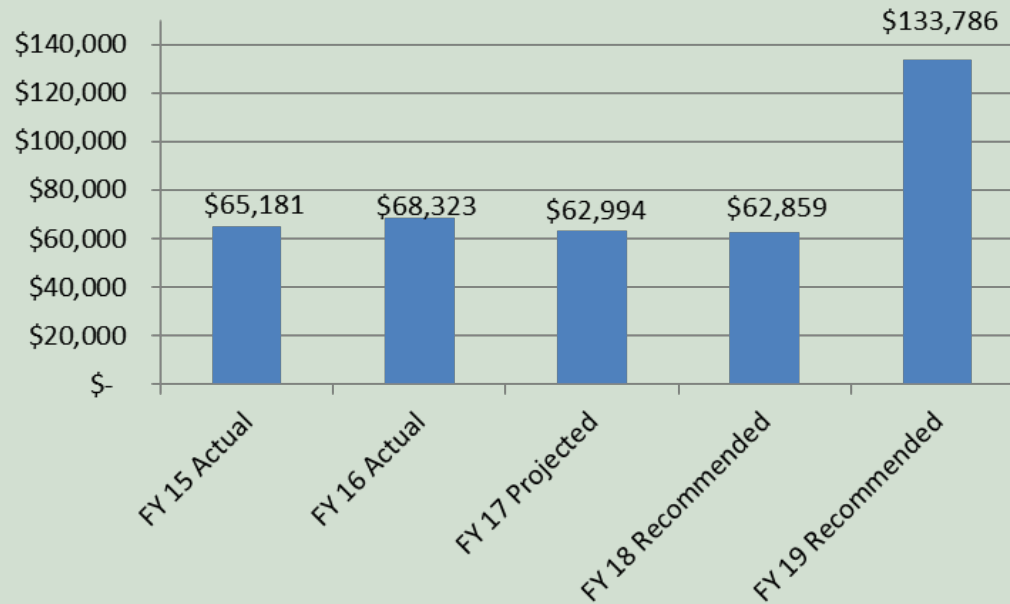
- Building Dept (Dept 371)
- \$444,750 Total expenditures
 - \$120,000 - Building inspections
 - \$156,000 - Contractual inspections
 - Increase in expenditures a direct correlation to increase in revenues
 - City has experienced an increase in new builds:
 - ✦ 26 in FY 2014
 - ✦ 32 in FY 15
 - ✦ 46 in FY 16



Planning



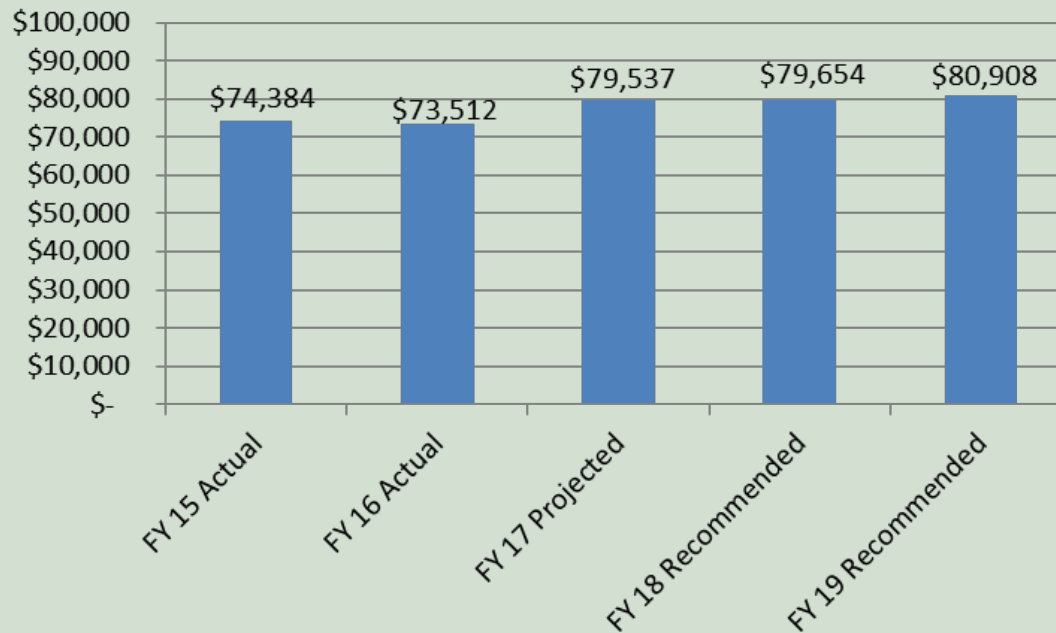
- Planning (Dept 801)
- Master Plan Update in FY 19



Community Development



- **Community Development (Dept 821)**
 - Code enforcement



Community Development Block Grant (CDBG)

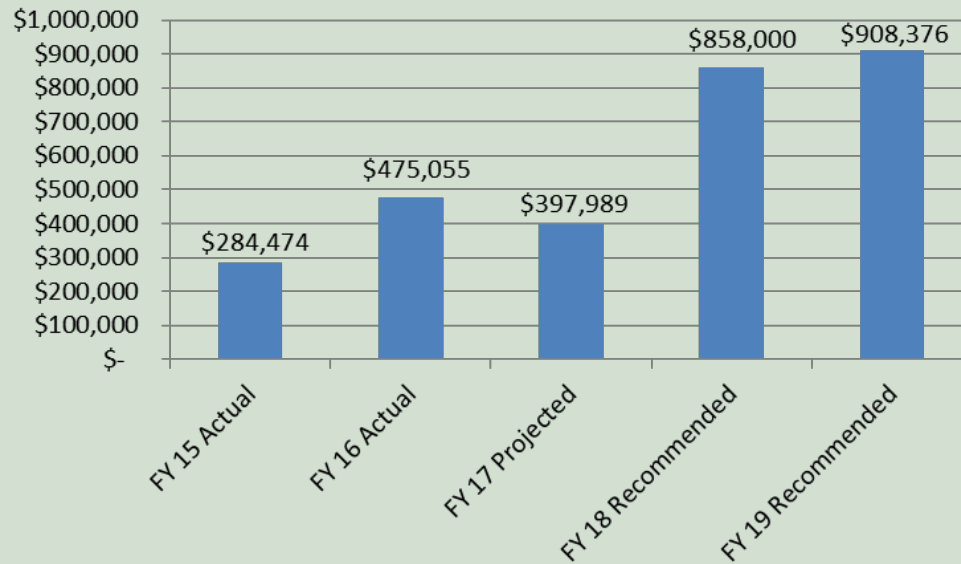


- City receives approximately \$30,000 from Oakland County.
- Funds used for:
 - ADA sidewalk compliance
 - Yard services
 - Large print books

Department of Public Works



- **Public Works (Dept 441)**
 - 1 Director, 1 Clerk, 1 Foreman, 9 DPW
 - Contra-expense for DPW direct allocation



Department of Public Works



- **Building Improvements**

- Fuel management system and automated gates - \$45,000
- Steel flagpole replacement - \$5,000
- Salt dome replacement - \$100,000 in FY 19

- **Equipment**

- Enclosed storage containers - \$6,000
- John Deere mower - \$20,000 FY 19
- Box snow plow for backhoes - \$8,000 FY 19
- Office copier/scanner - \$8,000 FY 19

Department of Public Works



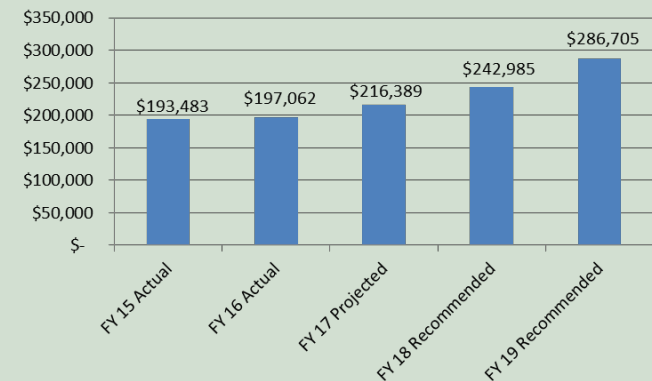
- **Vehicles**

- ¾ Ton pick up 4 WD with plow - \$40,000
- ¾ Ton pick up - \$40,000
- Dump truck with plow - \$250,000
- ¾ ton pick up - \$40,000 FY 19
- Dump truck with plow spreader - \$250,000 FY 19

Public Works Garage



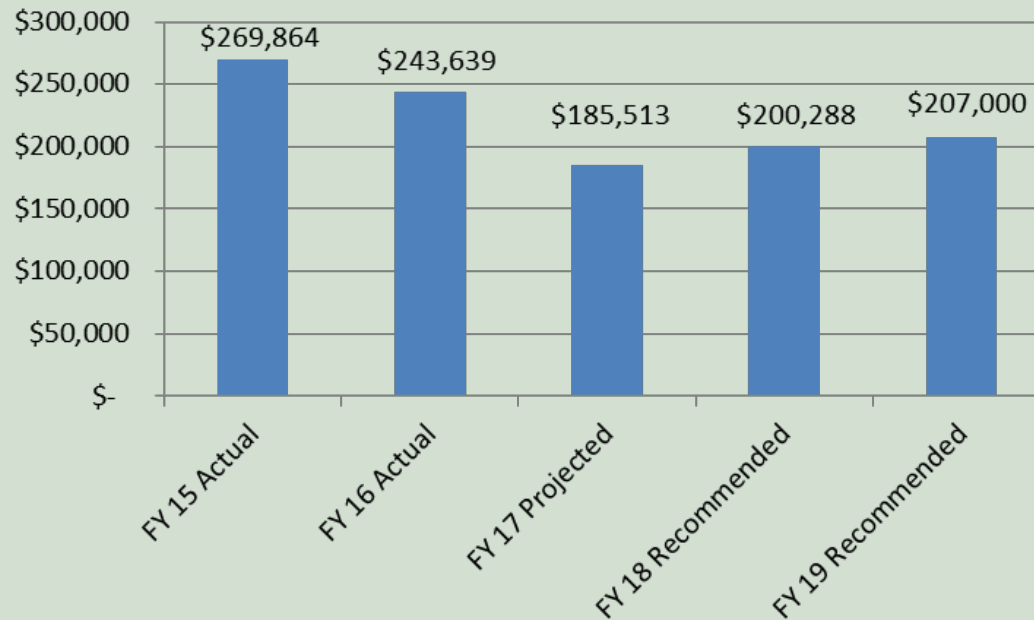
- **Public Works Garage (Dept 442)**
- **\$242,985 Total expenditures**
 - 1 full time mechanic
 - **Equipment**
 - ✦ Shop wash station south door - \$3,500
 - ✦ Hydraulic line crimping tool and supplies - \$18,000
 - ✦ Tire changer - \$6,000
 - ✦ Portable truck hoist - \$60,000 FY 19
 - ✦ Tire balancer - \$6,000 FY 19



Public Works Programs



- Streetlighting (Dept 446)
 - DTE Energy



Major Street

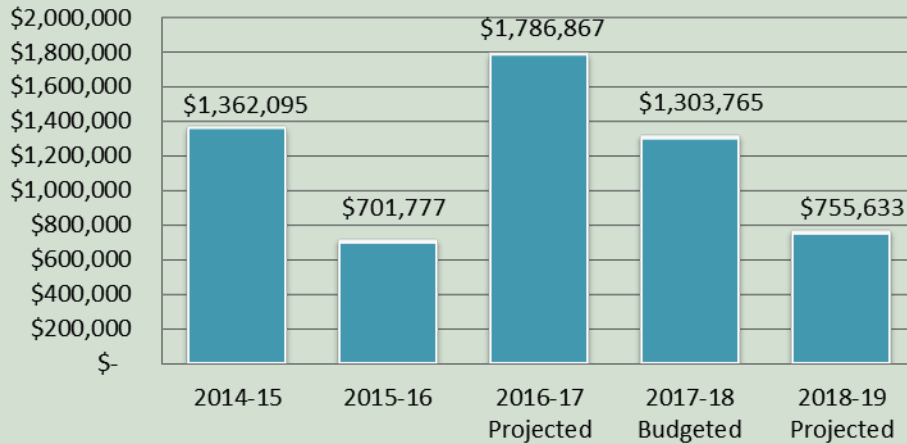


- **15.63 Miles of major streets**
- **Revenues**
 - \$884,010 or 91% Act 51 funds
 - \$40,000 or 4% Metro Act (Right of Way funds)
- **Expenditures**
 - Harvard Reconstruction – Complete by October 2017
 - ✦ \$150,000 Engineering and \$400,000 Construction in FY 18
 - Removal of Street Administration Costs (with exception of audit fees)
 - Continued transfer to Local Streets. Max transfer allowed 50% of Act 51 monies

Major Street

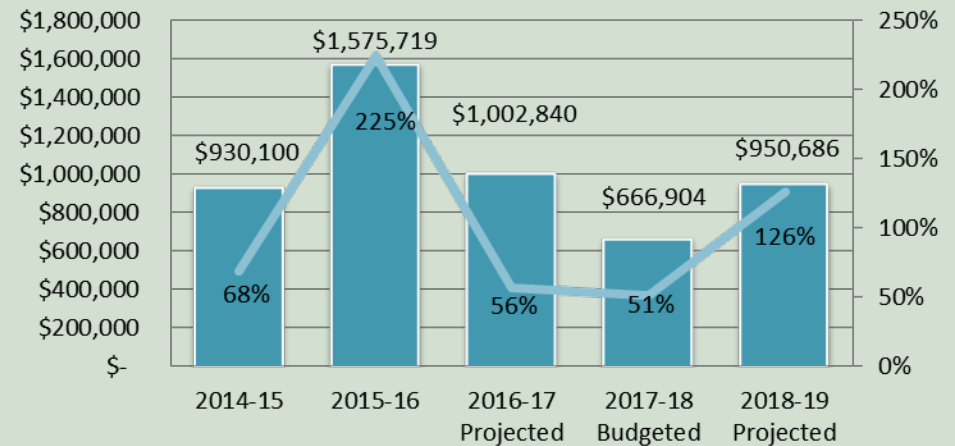


Major Street Expenditures



Expenditures are cyclical based projects

Major Street Fund Balance



Local Street

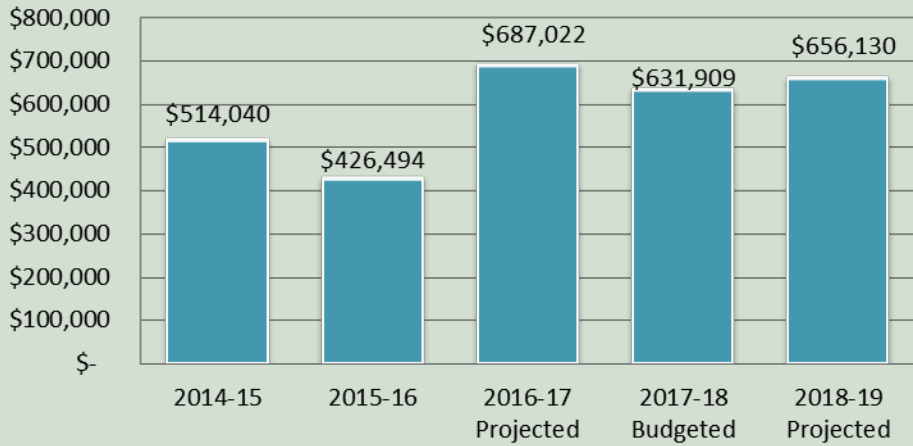


- **35.95 miles of local streets**
- **Revenues**
 - \$335,310 or 67.2% Act 51 funds
 - \$150,000 or 30% Transfer from Major Street
- **Expenditures**
 - \$38,200 or 23% increase in Street Tree Maintenance
 - Removal of Street Administration Costs (with exception of audit fees)

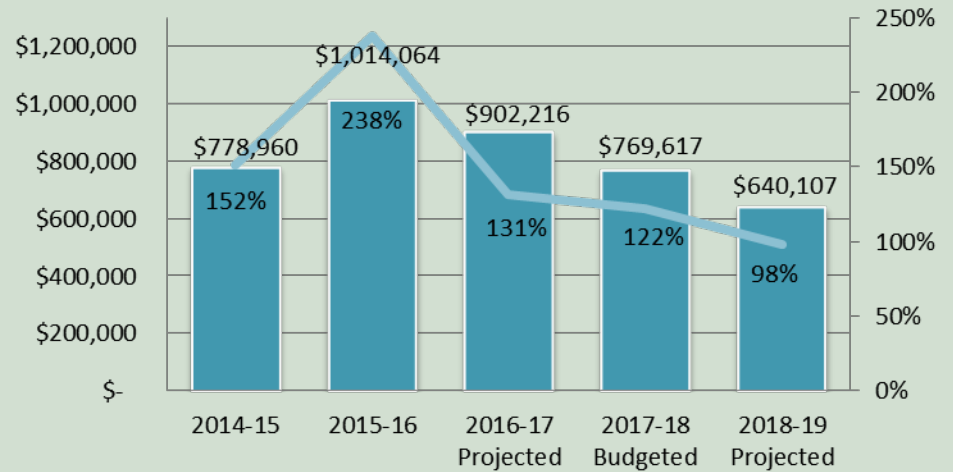
Local Street



Local Street Expenditures



Local Street Fund Balance



Solid Waste



- **Revenues**

- \$939,608 or 71.9% Property taxes
- \$353,760 or 27% Charges for Services
 - ✦ Increase in residential quarterly charge from \$8.75 to \$10.75
 - ✦ Rates remained steady at \$7.55 from FY 2006-2016
 - ✦ FY 19, budgeting for an elimination of yard waste stickers
- Elimination of transfer in from General Fund

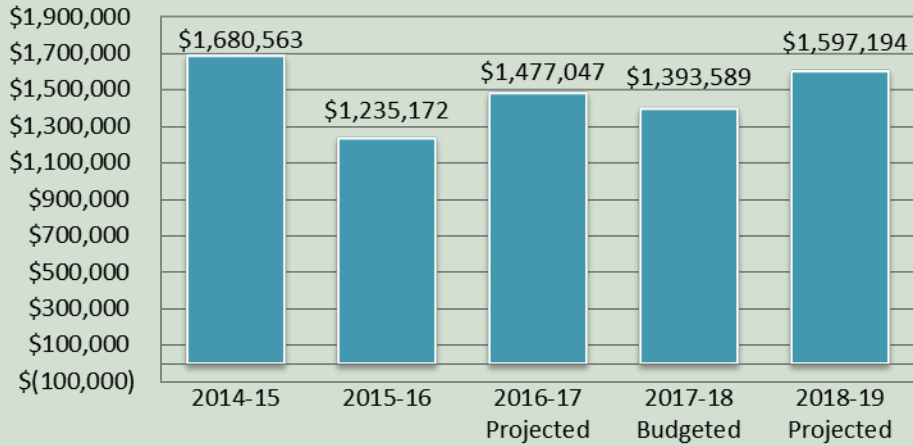
- **Expenditures**

- 2.7% increase in SOCRA expenditures
 - ✦ \$1,075,200 FY 2018 or 77% of total fund expenditures
- Remaining costs: DPW labor, garbage bins, equipment rental, vehicle maintenance.
- Rear load garbage truck - \$170,000 FY 19

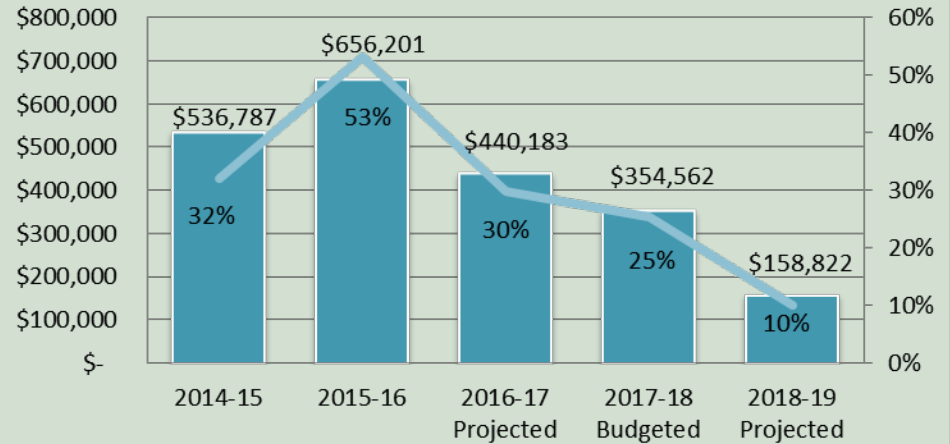
Solid Waste



Solid Waste Fund Expenditures



Solid Waste Fund Fund Balance



Enterprise Funds – Water & Sewer



- **W&S fund provides 27.3% of all City revenues**
 - Consumption charge – based on actual water usage, \$3,487,800 or 52.6%
 - Ready to service charge – based on meter size, \$625,900 or 9.4%
 - Storm water charge – proportional spread of debt and drain commission storm water charge, \$2,255,780 or 34.1%
 - Non-residential user charge – commercial/industrial pass through charge \$57,000 or 0.9%
 - Other (late fees, investment income, equipment rental, state grants), 3%

Enterprise Funds – Water & Sewer



- **Expenses**

- Bulk water SOCWA, \$905,000 or 11.7% (SOCWA's fees increased 2.3%)
- Bulk sewage OCWRC, \$1,041,000 or 13.5% (OCWRC fees est increase 4.8%)
- Storm flow, \$1,063,016 or 21.7% (Est fee increase 1.64%)
- Salaries and fringes, \$1,063,016 or 13.8%
 - ✦ DPW direct allocation
 - ✦ New position, mechanic, 100% to W&S
 - ✦ Internal services – labor, includes General Fund supporting services allocation (i.e. Treasury, Finance, City Manger, DPW director and foreman)

Enterprise – Water & Sewer



- Contractual services. FY 17, engineering costs charged here, in FY 18 and 19, costs move to Engineer line (821-000)
- Depreciation not budgeted
- Construction and engineering costs (Harvard), \$1,338,000 or 17.3%
- Building improvements
 - ✦ Roof repairs - \$8,000
 - ✦ HVAC and conference room conversion \$60,000 – FY 19
- Vehicle and equipment purchases, \$539,000 or 7.0%
 - ✦ Front end loader - \$200,000
 - ✦ Mini excavator with attachments - \$100,000
 - ✦ Escape hybrid (\$35,000), 1 ton dump truck (\$50,000), 1 ton 4WD (\$65,000) – FY 19
- Sewer lining program, \$300,000 or 3.9%
- Debt service (principal and interest), \$533,770 or 6.9%

Enterprise Funds – Water & Sewer



- Plante & Moran performed W&S rate study in FY 17
 - Recommended reworking the rate structure to best charge the users of the system for their share of the costs (per-unit cost vs. fixed charges)
 - Factors in a capital component of \$2.2 million each year (includes equipment and infrastructure costs)
 - ✦ Infrastructure capital assumes a waster and sewer only component to a “Harvard like” project each year.
 - SOCWA water costs increased 2.3% in FY 2013
 - OCWRC sewer costs increased 4.8%
 - Storm sewer increased 1.6%
 - Other expenses – rate of inflation 1.86%

Enterprise Funds – Water & Sewer



Quarterly Billing	Current Rate FY 2017	Proposed Rate FY 2018
Water service - consumption	\$1.97	\$3.55
Sewer service – consumption	\$2.09	\$3.76
Ready to service (.75 meter)	\$53.31	\$21.32
Storm service – fixed ERU per qtr	\$63.42	\$65.32
Billing charge per qtr	\$3.11	\$0.00

Average users will see a 8.6% increase in FY 2018

Enterprise Funds – Water & Sewer



Quarterly Billing	Current Rate FY 2017	Proposed Rate FY 2018
Water service - consumption	\$29.55	\$53.19
Sewer service – consumption	\$31.35	\$56.43
Ready to service (.75 meter)	\$53.31	\$21.32
Storm service – fixed ERU per qtr	\$63.42	\$65.32
Billing charge per qtr	\$3.11	\$0.00
Total	\$180.74	\$196.26

Average residential customer consumers 1500 cubic feet per quarter with a .75” meter

Enterprise Funds – Water & Sewer



	Community	Quarterly Charge 7/1/2016	2016/17 Rank
1.	Royal Oak	\$532.55	(1)
2.	Huntington Woods	\$499.00	(2)
3.	Lathrup Village	\$476.39	(3)
4.	Clawson	\$448.48	(4)
5.	Birmingham	\$425.08	(5)
6.	Southfield	\$406.80	(6)
7.	Pleasant Ridge	\$397.81	(7)
8.	Berkley (Proposed)	\$378.97	(8)
9.	Beverly Hills	\$370.00	(9)
10.	Berkley 2016/17	\$282.24	(9)
11.	Bingham Farms	\$197.77	(10)

Totals above are based on an average SOCWA usage of 4,000 cubic feet per quarter

Recreation Revolving



- **General Fund “administrative” costs moved to Recreation Revolving Fund**
 - Parks and Recreation director, office assistants, maintenance staff
 - Community Center building and equipment maintenance (i.e. supplies, utilities, custodial services)
 - Vehicle and liability insurance
- **Big picture view of the cost of the entire Parks and Recreation Department**
- **Administration costs \$556,487 or 43% of FY 2018 expenditures**

Recreation Revolving



- **Revenues**

- Program Charges \$494,000 or 43.8%
- Transfers In \$420,000 or 37.3%
- State Grant \$180,000 or 16%

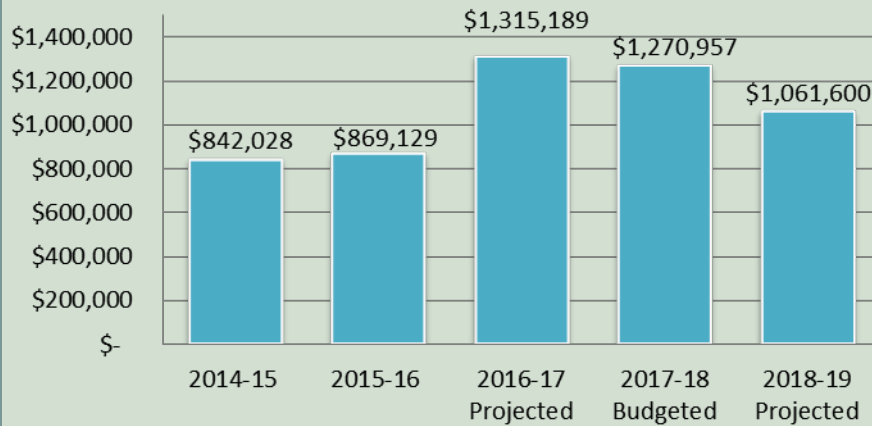
- **Expenditures**

- Administrative Department \$556,487 or 43%
- Miscellaneous Programs \$383,835 or 30%
 - ✦ \$310,000 CIP (Oxford Park restroom facilities, splash pad)
 - ✦ \$70,000 playground equipment, \$40,000 walking trails – FY 19
- Youth Camp \$156,031 or 12%
- Dream Cruise \$118,712 or 9%
 - ✦ \$50,000 purchase barricades

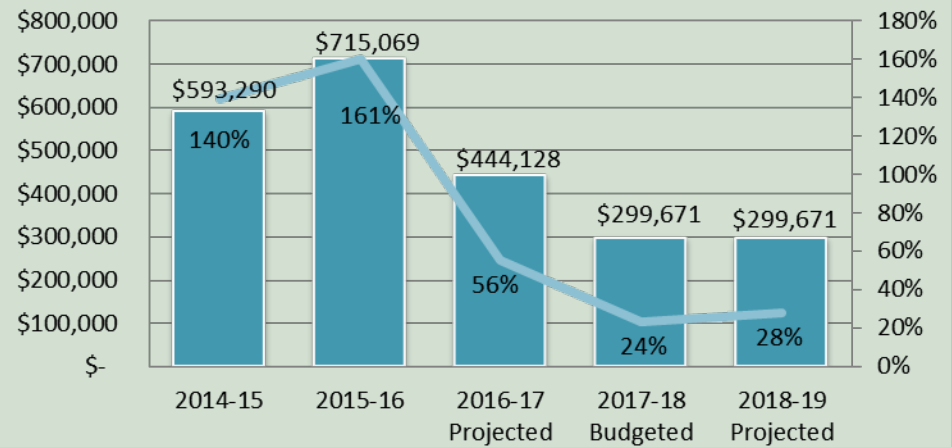
Recreation Revolving



General Fund Parks and Rec Department and Recreation Revolving Fund Expenditures



Recreation Revolving Fund Fund Balance



Senior Activities

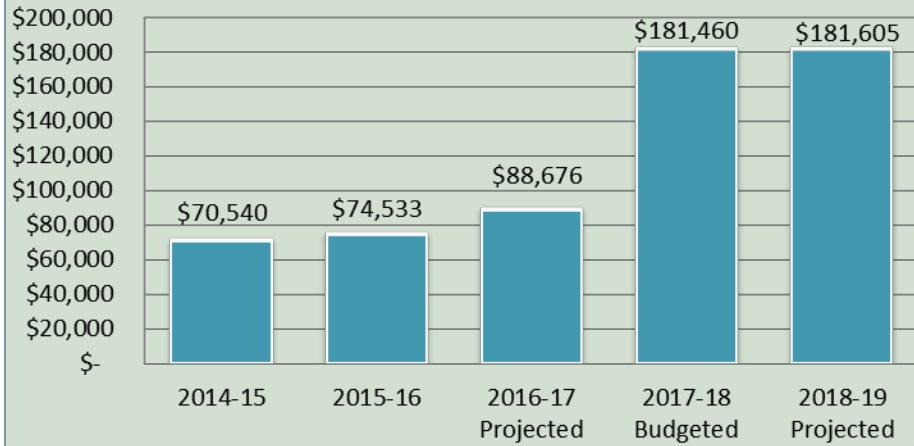


- **Revenue**
 - \$52,820 or \$56.7 Contributions/Donations (SMART, Beaumont)
 - \$22,880 or 24.5% Grant Revenue (Smart)
 - \$16,200 or 17.4% Senior Charges for Services
- **Expenditures**
 - Similar to prior years
 - Operating transfer out – Rec Revolving Fund \$100,000
 - ✦ Cover cost of past years administration costs (i.e. P&R director, office assistants, maintenance staff, building and equipment maintenance, supplies, utilities, custodial services)

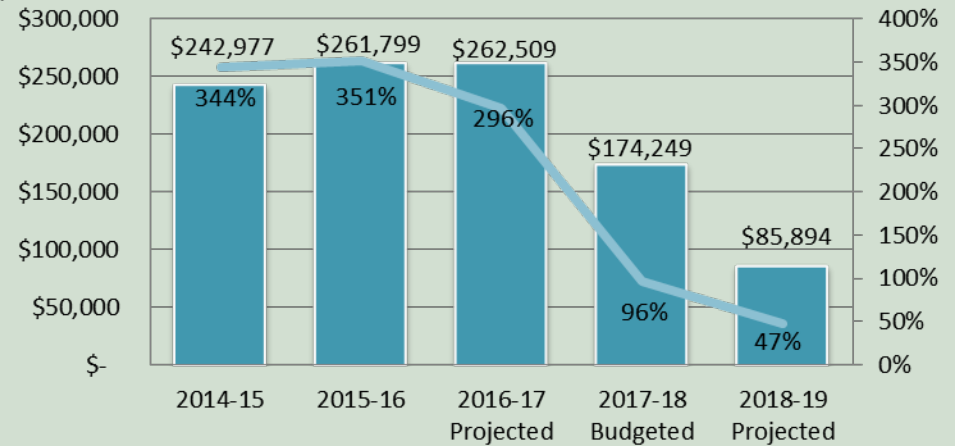
Senior Activities



Senior Activities Fund Expenditures



Senior Activities Fund Fund Balance



Enterprise Funds – Ice Arena Fund



- Anticipated closure end of August 2017
- Utilities and part time staff cost approximately \$10,600 per month to operating the arena
 - Utilities from October 2016-March 2017, average \$7,700 per month
 - Part time staffing costs October 2016 – March 2017, average \$2,900 per month
- Additional annual costs; building maintenance, building general liability, custodial costs

Debt Service Fund



- **11 Mile Road Debt**
 - \$1,050,000 Debt Outstanding as of 6/30/2017
 - FY 2018 payment:
 - ✦ \$225,000 Principal \$37,500 Interest
 - Matures 2021
 - Voter approved levy