

MUNICIPAL BUDGET EXECUTIVE SUMMARY

**JULY 1, 2021 - JUNE 30, 2022
SOUTHFIELD, MICHIGAN**



City of Southfield

26000 Evergreen Rd. • P.O. Box 2055 • Southfield, MI 48037-2055 • www.cityofsouthfield.com

May 3, 2021

Honorable City Council
City of Southfield
Municipal Building
26000 Evergreen Road
Southfield, Michigan

RE: Recommended Budget for 2021-22 Fiscal Year

Dear Sirs & Mesdames:

Presented herewith, pursuant to Chapter VIII, Subsection 8.2 of the Charter of the City of Southfield, is the City Administrator's recommended municipal budget for the fiscal year beginning July 1, 2021.

The City continues to be resilient in the face of unprecedented challenges. The slow recovery from the Great Recession and restoration of our tax base, the City's primary source of funding for general operations, continue at a modest pace. Throughout the ongoing pandemic, we have remained Southfield Strong as we continue building a thriving and sustainable community. The proposed budget represents a modified return to more typical operations from the uncertainty of the past year. Although our core operations have continued to function, improvements to our service delivery model are ongoing as we remain committed to providing a high level of service to our residents and stakeholders. Capital projects that were delayed in the current year have been thoughtfully reassessed and included in the budget, as appropriate. The fundamental message of this proposed budget continues to be sustainability and responsible budgeting to maintain structural balance and live within our means.

The proposed budget is based on available revenues supplemented by a prudent draw on restricted fund balance for sanitation and Metro Act funds. There is no budgeted use of unrestricted fund balance in the General Fund. Total anticipated General Fund revenue of \$81,826,333 is largely supported by property taxes of \$54,292,348 which represent 66% of General Fund revenue. The tax base of \$2,651,178,080 represents growth of 1.4% over the current fiscal year. Revenue sharing from the State of Michigan, including Local Community Stabilization funds, are anticipated to generate \$8,467,797 or just over 10% of General Fund Revenues.

Honorable City Council
Recommended Budget for 2021-22 Fiscal Year
Page 2

General Fund expenditures are budgeted at \$81,826,333 driven by personnel costs of \$58,914,355 which represents 72% of General Fund expenditures. Capital Projects within the General Fund total \$2.7 million and include:

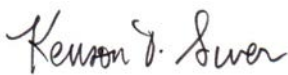
- \$600K for right-of-way improvements utilizing Metro Act funds
- \$650K for a new practical skills training center for the Fire department
- \$200K for a new storage facility for the Fire department
- \$350k for renovations and refinishing at all fire stations
- \$97K for security upgrades for the 46th District Court and Fire stations

Significant capital projects across funds include:

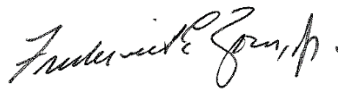
- \$2.2 million in the Library fund for building improvements, equipment, and media
- \$2.4 million in Local Street improvements
- \$16.3 million in Major Street improvements
- \$12.4 million in Water & Sewer infrastructure

The proposed 2021-2022 budget for all City funds anticipates balanced revenues & expenditures of \$185,816,809.

Respectfully submitted,



Kenson J. Siver, Ed. D.
Mayor



Frederick E. Zorn, Jr., CEcD
City Administrator



Austen T. Michaels, CPA
Director of Fiscal Services

Mayor
Dr. Kenson J. Siver

Council President
Linnie Taylor

City Clerk
Sherikia L. Hawkins

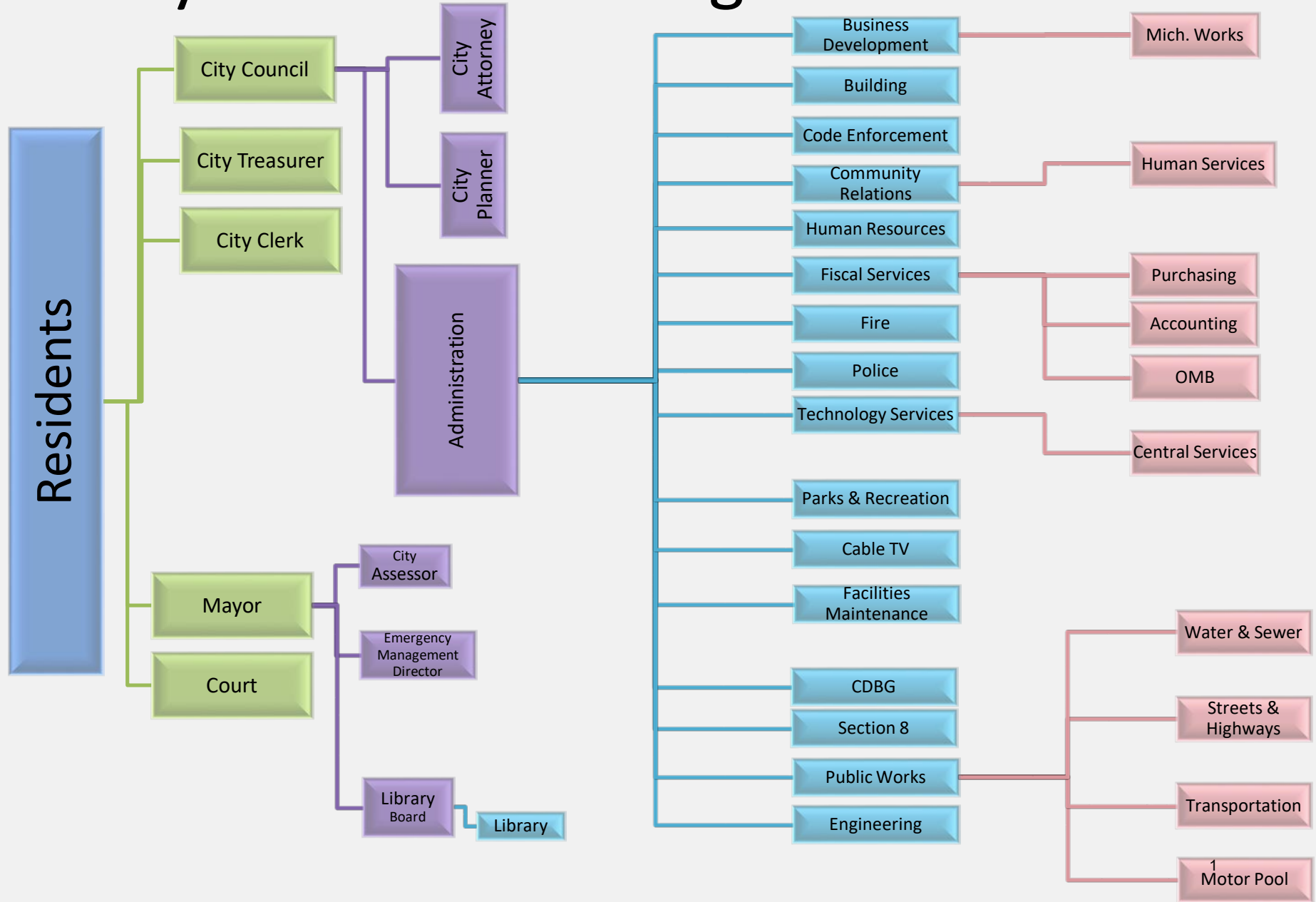
City Treasurer
Irv M. Lowenberg

City Council
Nancy L.M. Banks Daniel Brightwell Dr. Lloyd Crews Jason Hoskins Michael A. Mandelbaum

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City of Southfield Organization Chart



2021-2022 Recommended Budget

City of Southfield

| | Recommended Revenues |
|-------------------------------------|---------------------------------|
| GENERAL FUND: | |
| General Operating Levy | \$17,522,696 |
| Police & Fire Levy | 18,268,208 |
| Police & Fire Pension Levy | 15,967,250 |
| Publicity Levy | 49,842 |
| Tax Administration Fees & Penalties | 2,484,352 |
| Sales Tax Returns - Constitutional | 6,640,768 |
| Sales Tax Returns - Statutory | 1,052,779 |
| Local Community Stabilization | 1,100,000 |
| Cable Franchise Fees | 1,347,500 |
| Sanitation Charges | 2,748,000 |
| Building Revenues | 2,776,540 |
| Engineering Revenues | 1,165,768 |
| District Court Revenues | 3,341,522 |
| Reimbursements and other | 1,582,541 |
| Fees, Licenses & Permits | 3,152,725 |
| Investment Income | 750,000 |
| Interfund Reimbursements | 1,254,291 |
| Use of Restricted Fund Balance: | |
| Sanitation | 347,301 |
| Right-of-way/Metro Authority | 600,000 |
| TOTAL GENERAL FUND | \$82,152,083 |

| | |
|---------------------------------------|----------------------|
| CABLE TV FUND | \$836,702 |
| DONATIONS, MEM. TRUSTS & SPONSORSHIPS | 200,000 |
| DRUG LAW ENFORCEMENT FUND | 144,500 |
| FACILITIES MAINTENANCE FUND | 4,980,054 |
| LIBRARY FUND | 10,581,379 |
| LOCAL STREETS FUND | 6,373,529 |
| MAJOR STREETS FUND | 23,109,892 |
| MOTOR POOL FUND | 4,033,388 |
| PARKS & RECREATION FUND | 6,910,352 |
| WATER & SEWER FUND | 51,156,506 |
| TOTAL OUTSIDE FUNDS | \$108,326,302 |

| | |
|---------------------------------|--------------------|
| AUTO THEFT PREVENTION | \$138,498 |
| COMM. DEVELOPMENT BLOCK GRANT | 455,531 |
| MICHIGAN INDIGENT DEFENSE GRANT | 573,700 |
| MICHIGAN WORKS GRANTS | 1,900,000 * |
| SECTION 8 HOUSING GRANTS | 2,200,000 * |
| TOTAL GRANT FUNDS | \$5,267,729 |

| | |
|-------------------------|----------------------|
| TOTAL ALL FUNDS | \$195,746,114 |
| (DUPLICATING TRANSFERS) | (\$9,603,555) |

TOTAL REVENUES **\$186,142,559**

| | Recommended Expenditures |
|---------------------------|-------------------------------------|
| GENERAL FUND: | |
| Administration | \$696,828 |
| Assessing | 1,178,639 |
| Building | 2,575,020 |
| Business Development | 396,308 |
| Central Services | 899,889 |
| City Attorney | 1,050,678 |
| Clerk | 1,140,207 |
| Code Enforcement | 1,423,664 |
| Community Relations | 791,554 |
| Council | 202,684 |
| Court - 46th District | 3,662,525 |
| Emergency Preparedness | 197,035 |
| Engineering | 1,497,823 |
| Fire | 20,722,344 |
| Fiscal Services | 2,976,960 |
| Human Resources | 1,417,654 |
| Mayor's Office | 128,348 |
| Planning | 1,532,125 |
| Police | 27,352,992 |
| Sanitation | 3,095,301 |
| Streets & Highways | 761,923 |
| Support Services | 4,665,716 |
| Technology Services | 2,339,504 |
| Transportation | 555,553 |
| Treasurer | 890,809 |
| TOTAL GENERAL FUND | \$82,152,083 |

| | |
|---------------------------------------|----------------------|
| CABLE TV FUND | \$836,702 |
| DONATIONS, MEM. TRUSTS & SPONSORSHIPS | 200,000 |
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TOTAL EXPENDITURES **\$186,142,559**

* Estimates Pending Awards

2020-2021 Recommended Budget

City of Southfield

| | Recommended Revenues | | Recommended Expenditures |
|---------------------------------------|---------------------------------|---------------------------------------|-------------------------------------|
| GENERAL FUND: | | GENERAL FUND: | |
| General Operating Levy | \$17,280,783 | Administration | \$691,270 |
| Police & Fire Levy | 18,016,002 | Assessing | 1,249,464 |
| Police & Fire Pension Levy | 14,922,696 | Building | 2,687,092 |
| Tax Administration Fees & Penalties | 2,413,003 | Business Development | 413,776 |
| Sales Tax Returns - Constitutional | 5,463,140 | Central Services | 802,454 |
| Sales Tax Returns - Statutory | 1,057,941 | City Attorney | 847,640 |
| Local Community Stabilization | 1,000,000 | Clerk | 1,160,900 |
| Cable Franchise Fees | 1,375,000 | Code Enforcement | 1,547,303 |
| Sanitation Charges | 2,748,000 | Community Relations | 735,888 |
| Building Revenues | 2,946,300 | Council | 198,980 |
| Engineering Revenues | 1,201,310 | Court - 46th District | 3,647,728 |
| District Court Revenues | 3,567,557 | Emergency Preparedness | 110,373 |
| Reimbursements and other | 1,641,231 | Engineering | 1,631,615 |
| Fees, Licenses & Permits | 3,304,409 | Fire | 18,881,045 |
| Investment Income | 500,000 | Fiscal Services | 2,827,634 |
| Interfund Reimbursements | 919,331 | Human Resources | 1,404,559 |
| | | Mayor's Office | 78,912 |
| | | Planning | 798,285 |
| | | Police | 27,449,558 |
| | | Sanitation | 2,669,966 |
| | | Streets & Highways | 459,725 |
| | | Support Services | 4,884,735 |
| | | Technology Services | 2,221,181 |
| | | Transportation | 515,998 |
| | | Treasurer | 873,165 |
| | | | |
| TOTAL GENERAL FUND | \$78,356,703 | TOTAL GENERAL FUND | \$78,789,246 |
| | | | |
| CABLE TV FUND | \$1,091,158 | CABLE TV FUND | \$1,091,158 |
| DONATIONS, MEM. TRUSTS & SPONSORSHIPS | 200,000 | DONATIONS, MEM. TRUSTS & SPONSORSHIPS | 200,000 |
| DRUG LAW ENFORCEMENT FUND | 200,360 | DRUG LAW ENFORCEMENT FUND | 200,360 |
| FACILITIES MAINTENANCE FUND | 4,893,153 | FACILITIES MAINTENANCE FUND | 4,893,153 |
| LIBRARY FUND | 7,965,587 | LIBRARY FUND | 7,965,587 |
| LOCAL STREETS FUND | 10,402,129 | LOCAL STREETS FUND | 10,402,129 |
| MAJOR STREETS FUND | 15,077,758 | MAJOR STREETS FUND | 15,077,758 |
| MOTOR POOL FUND | 4,007,115 | MOTOR POOL FUND | 4,007,115 |
| PARKS & RECREATION FUND | 6,353,556 | PARKS & RECREATION FUND | 6,353,556 |
| WATER & SEWER FUND | 51,679,690 | WATER & SEWER FUND | 51,679,690 |
| TOTAL OUTSIDE FUNDS | \$101,870,506 | TOTAL OUTSIDE FUNDS | \$101,870,506 |
| | | | |
| AUTO THEFT PREVENTION | \$178,732 | AUTO THEFT GRANT | \$178,732 |
| COMM. DEVELOPMENT BLOCK GRANT | 486,568 | COMM. DEVELOPMENT BLOCK GRANT | 486,568 |
| MICHIGAN INDIGENT DEFENSE GRANT | 600,500 | MICHIGAN INDIGENT DEFENSE GRANT | 600,500 |
| MICHIGAN WORKS GRANTS | 1,911,557 | MICHIGAN WORKS GRANTS | 1,911,557 |
| SECTION 8 HOUSING GRANTS | 2,248,546 | SECTION 8 HOUSING GRANTS | 2,248,546 |
| TOTAL GRANT FUNDS | \$5,425,903 | TOTAL GRANT FUNDS | \$5,425,903 |
| | | | |
| TOTAL ALL FUNDS | \$185,653,112 | TOTAL ALL FUNDS | \$186,085,655 |
| (DUPLICATING TRANSFERS) | (\$9,870,739) | (DUPLICATING TRANSFERS) | (\$9,870,739) |
| | | | |
| TOTAL REVENUES | \$175,782,373 | TOTAL EXPENDITURES | \$176,214,916 |

RECOMMENDED BUDGET HIGHLIGHTS

The fundamental message of this recommended budget continues to be sustainability and responsible budgeting to maintain structural balance and live within our means. The proposed budget is based on available revenues supplemented by a prudent draw on restricted fund balance for sanitation and Metro Act funds. There is no budgeted use of unrestricted fund balance in the General Fund.

Budgetary Response to Coronavirus Pandemic

The City continues to be resilient in the face of unprecedented challenges. The recommended budget represents a modified return to more typical operations from the uncertainty of the past year. Although our core operations have continued to function, improvements to our service delivery model are ongoing as we remain committed to providing a high level of service to our residents and stakeholders. Capital projects that were delayed in the current year have been thoughtfully reassessed and included in the budget, as appropriate.

Budget Assumptions

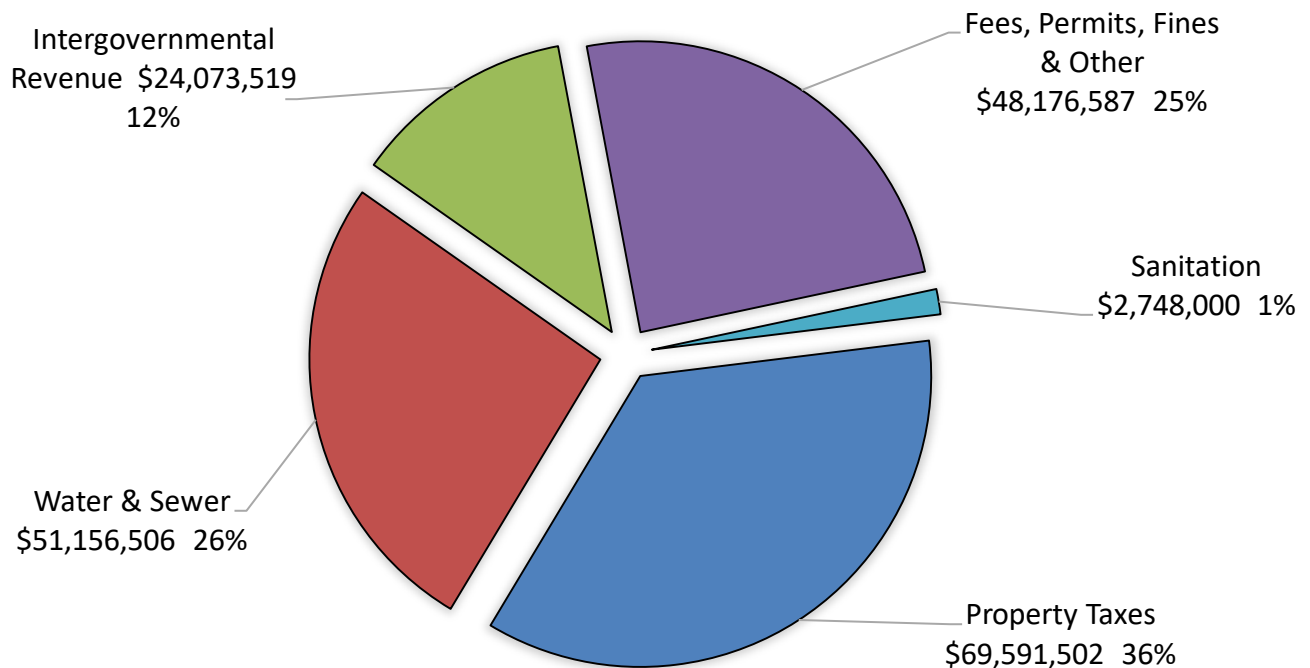
- Continued but modest growth in taxable property values are limited by State statute
- State shared revenues are based on State of Michigan projections
- Building revenue projections are based on Council approved fee schedule
- District Court revenues and expenses continue to decline with reduced caseload
- Contributions to the City's pension plans are budgeted at the actuarially determined amounts
- Contributions for retiree healthcare continue to be limited to the "pay as you go" basis of funding
- Budgeted staffing vacancies will be filled as necessary

RECOMMENDED BUDGET HIGHLIGHTS (cont.)

Revenue Snapshot

- Property taxes represent 66% of General Fund Revenues. Projected taxable value, excluding capture districts, is \$2,606,715,860 which represents a 1.36% increase over the 2020-21 projection
- The millage rate increased by 0.3349 mills comprised of an increase of 0.3152 for Police & Fire Pension, a decrease of 0.0003 for Public Act 59, and an increase of 0.0200 for the Road Bond levy. The resultant levy is 28.1272 mills
- State shared revenues increased by approximately 12.6% compared to the prior budget year. Constitutional and statutory revenue payments from the State of Michigan are projected at \$6,640,768 and \$1,052,779, respectively and represent 9.4% of the General Fund revenues
- Combined General fund revenues are proposed at approximately \$82.2 million, a 4.8% increase over 2020-21
- Total revenues of all funds are proposed at approximately \$196 million, a 5.4% increase from 2020-2021

ALL FUNDS REVENUE



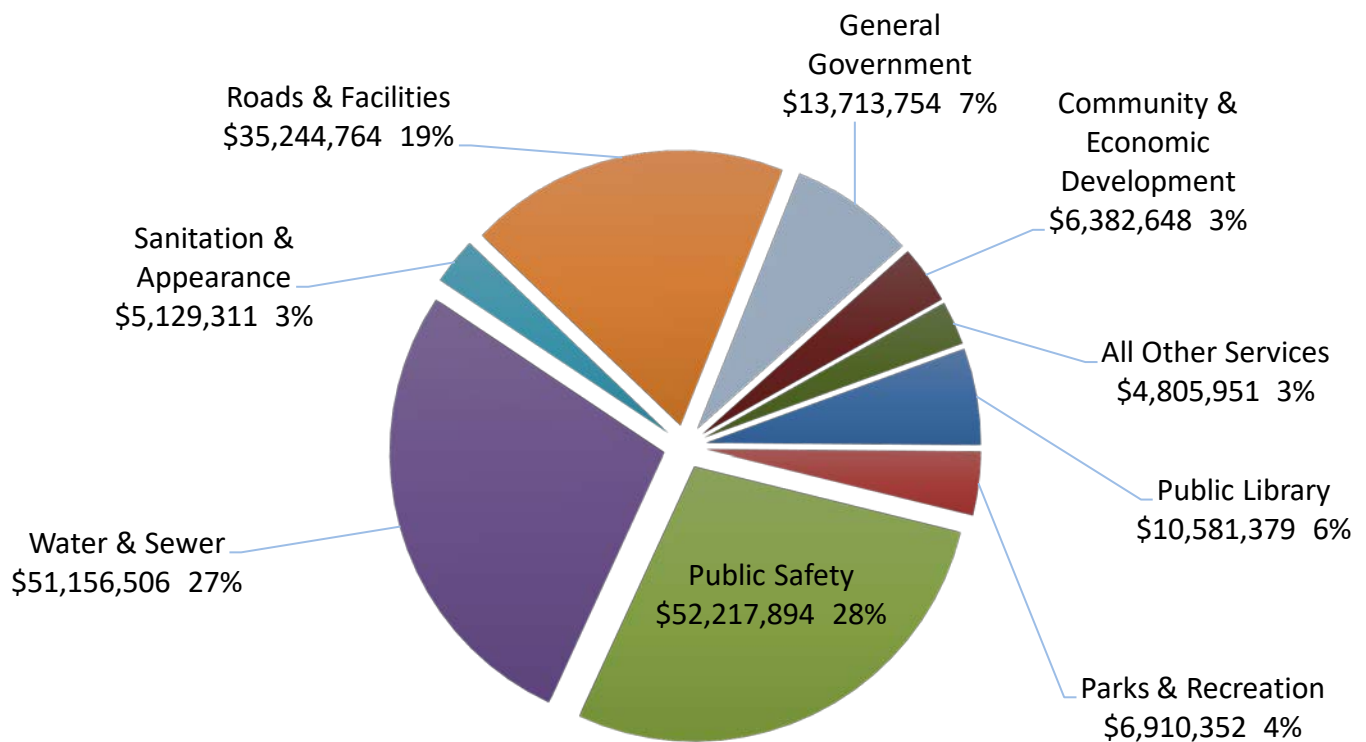
Total Revenues = \$195,746,114

RECOMMENDED BUDGET HIGHLIGHTS (cont.)

Expenditure Snapshot

- At \$48.1 million, Police and Fire services continue to be the largest General Fund expenditure, making up approximately 59% of all General Fund expenditures, an increase of \$1.7 million over the prior year
- The proposed budget includes approximately \$13.7 million for general government expenditures. These costs comprise approximately 17% of the General Fund expenditures and include administration, elected officials, fiscal services, technology services, legal, human resources, and community relations
- General Fund expenditures are proposed at approximately \$82.2 million, a 4.8% increase from 2020-21
- Total expenditures of all funds are proposed at approximately \$196 million, a 5.4% increase from 2020-21

ALL FUNDS EXPENSES



Total Expenditures = \$195,746,114

RECOMMENDED BUDGET HIGHLIGHTS (cont.)

- Proposed infrastructure Investments total approximately \$31.1 million and will leverage approximately \$3.0 million of outside funding. The below table presents a comparison of proposed and current year projects

Comparison of Proposed and current year projects

| <u>Department</u> | 2020-2021 | | 2021-2022 | |
|--------------------------|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
| | <u># of Projects</u> | <u>Total Investment</u> | <u># of Projects</u> | <u>Total Investment</u> |
| Local Streets | 2 | \$5,240,000 | 3 | \$2,400,000 |
| Major Streets | 3 | 7,600,690 | 6 | 16,303,150 |
| Water & Sewer | 5 | 13,260,000 | 4 | 12,350,000 |
| | 10 | <u>\$26,100,690</u> | 13 | <u>\$31,053,150</u> |

Comparison of budgeted career employees

| <u>Budget Year</u> | <u>Employee Count (Career Only)</u> | <u>Change Over Prior Year</u> |
|---------------------------|--|--|
| 2019-20 | 596 | 24 |
| 2020-21 | 619 | 23 |
| 2021-22 | 601 | -12 |

Summary Statement

The slow recovery from the Great Recession and restoration of our tax base, the City's primary source of funding for general operations, continue at a modest pace. Fiscal 2018 was the start of the recovery but still represents a loss of approximately \$1.3 Billion in taxable value as compared to 2009. The cumulative loss since 2009 is conservatively estimated at upwards of \$100 million. However, due to the limits imposed by proposal A, the growth in taxable value will not attain 2009 levels for several years into the future. Additionally, the ultimate impact of the pandemic on property values and other sources of funding for operations has not yet been realized. Throughout the ongoing pandemic, we have remained Southfield Strong and fiscally responsible as we continue building a thriving and sustainable community. The proposed budget represents a modified return to more typical operations from the uncertainty of the past year. The City continues a conservative approach with regards to spending with strong emphasis on providing high-quality services, maintaining community appearance, and encouraging economic development vital to the City's long-term goals.

**CITY OF SOUTHFIELD
MUNICIPAL BUDGET
EXECUTIVE SUMMARY
2021-2022**

BUDGET COMPARISON - ALL FUNDS

| <u>FUND</u> | <u>20-21 APPROVED BUDGET</u> | <u>21-22 RECOMM. BUDGET</u> | <u>% CHANGE</u> |
|--|---|--|----------------------------|
| General Fund | \$78,356,703 | \$82,152,083 | 4.8% |
| Cable TV Fund | 1,091,158 | 836,702 | -23.3% |
| Donations, Mem.Trusts and Sponsorships | 200,000 | 200,000 | - |
| Drug Law Enforcement Fund | 200,360 | 144,500 | -27.9% |
| Facilities Maintenance Fund | 4,893,153 | 4,980,054 | 1.8% |
| Library Fund | 7,965,587 | 10,581,379 | 32.8% |
| Local Street Fund | 10,402,129 | 6,373,529 | -38.7% |
| Major Street Fund | 15,077,758 | 23,109,892 | 53.3% |
| Motor Pool Fund | 4,007,115 | 4,033,388 | 0.7% |
| Parks and Recreation Fund | 6,353,556 | 6,910,352 | 8.8% |
| Water and Sewer Fund | 51,679,690 | 51,156,506 | -1.0% |
| Auto Theft Grant | 178,732 | 138,498 | -22.5% |
| Community Development Block Grant | 486,568 | 455,531 | -6.4% |
| Michigan Indigent Defense Grant | 600,500 | 573,700 | -4.5% |
| Michigan Works Grants | 1,911,557 | 1,900,000 * | -0.6% |
| Section 8 Housing Grants | 2,248,546 | 2,200,000 * | - |
| Total Operating funds | <u>185,653,112</u> | <u>195,746,114</u> | <u>5.4%</u> |
| (Less Duplicating Transfers) | <u>(9,870,739)</u> | <u>(9,603,555)</u> | <u>-2.7%</u> |
| TOTAL BUDGET | <u><u>\$175,782,373</u></u> | <u><u>\$186,142,559</u></u> | <u><u>5.9%</u></u> |

**CITY OF SOUTHFIELD
MUNICIPAL BUDGET
EXECUTIVE SUMMARY
2021-2022**

INFRASTRUCTURE CAPITAL PROJECTS

LOCAL STREETS

| | | |
|-----------------------|----|-----------|
| Section 35, Phase II | \$ | 2,000,000 |
| Lockdale Pump Station | | 300,000 |
| Greentrees | | 100,000 |
| Sub-total | \$ | 2,400,000 |

MAJOR STREETS

| | | |
|--|----|------------|
| Berg (8 Mile to Simmons) | \$ | 5,200,000 |
| NB Northwestern Service Dr (Bell to Telegraph) | | 4,000,000 |
| Beech Road (8Mile to 10 Mile) | | 2,858,611 |
| Shiawasee (Inkster to 8 Mile) | | 2,500,000 |
| 9 Mile (Evergreen to Northwestern) | | 1,294,539 |
| 12 Mile (Lahser to Evergreen) | | 450,000 |
| Sub-total | \$ | 16,303,150 |

WATER & SEWER

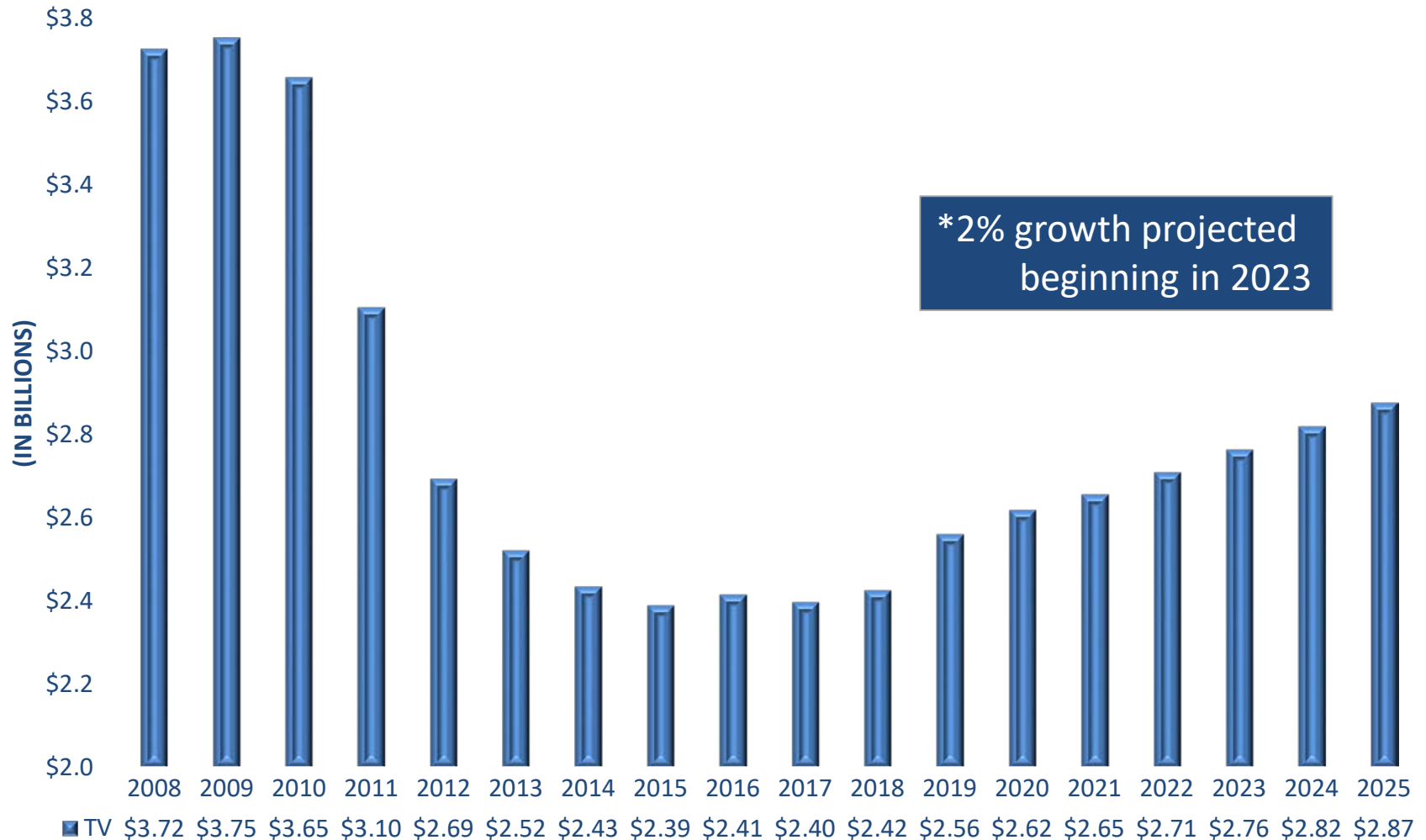
| | | |
|-------------------------------|----|------------|
| Section 25 Areas 7 & 8 | \$ | 5,950,000 |
| Section 35, Phase II | | 3,600,000 |
| Greentrees | | 2,000,000 |
| 12 Mile (Lahser to Evergreen) | | 800,000 |
| Sub-Total | \$ | 12,350,000 |

INFRASTRUCTURE CAPITAL PROJECTS GRAND TOTAL

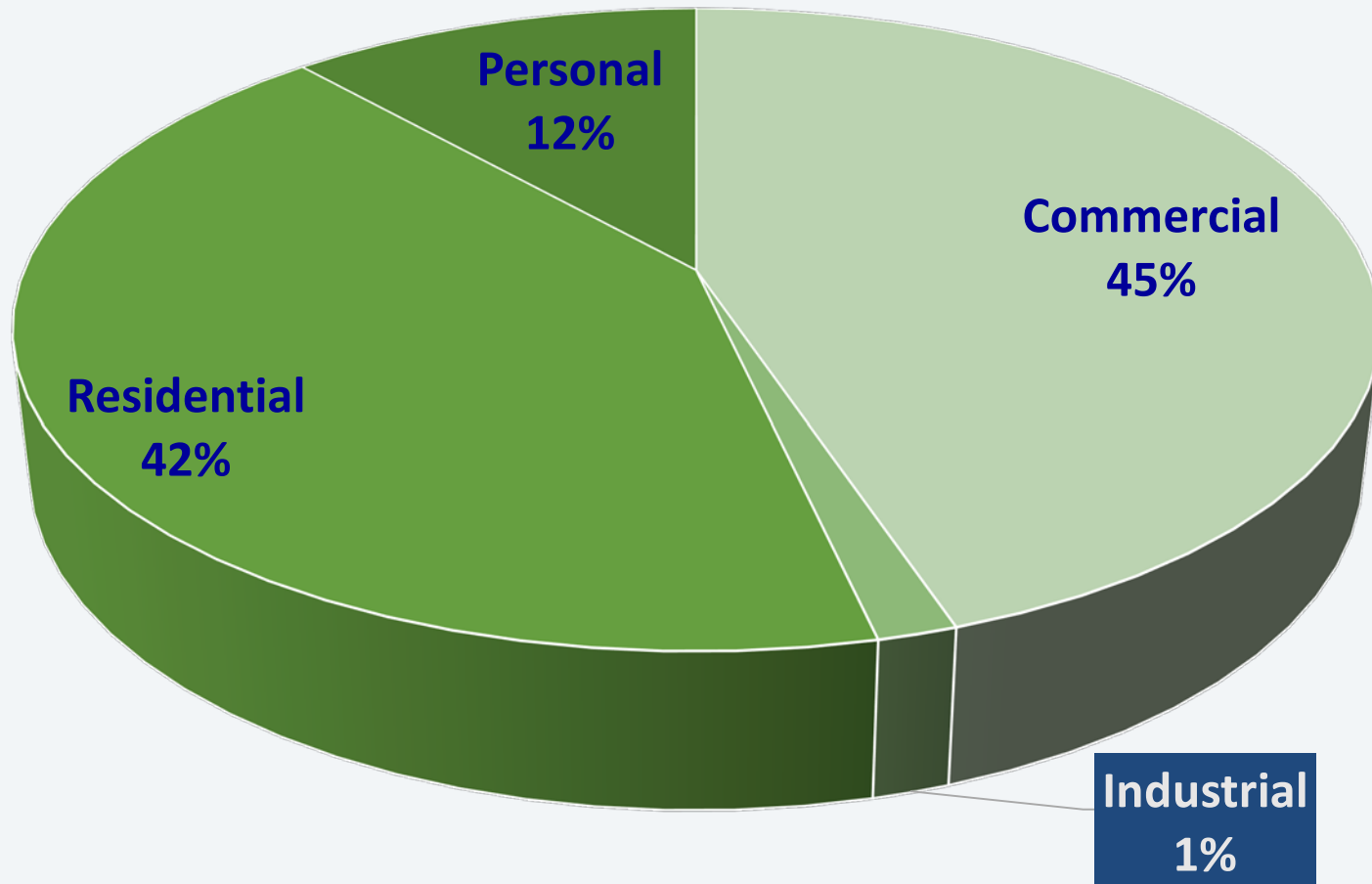
\$ 31,053,150

Taxable Property Values

2008-2025*



Composition of Taxable Value



TAX RATE COMPARATIVE

| | <u>2020-21</u> | <u>2021-22</u> | <u>Increase / (Decrease)</u> |
|--------------------------------|---------------------|-----------------------|----------------------------------|
| Operating: | | | |
| General Operations | 6.6094 | 6.6094 | - |
| Public Safety | 6.8906 | 6.8906 | - |
| Police & Fire Pension | 5.7075 | 6.0227 | 0.3152 |
| Residential Street Maintenance | 1.0000 | 1.0000 | - |
| Parks & Recreation | 1.7500 | 1.7500 | - |
| Library | 2.8000 | 2.8000 | - |
| Public Act 298 | 0.2207 | 0.2207 | - |
| Public Act 59 | 0.0191 | 0.0188 | (0.0003) |
| Total Operating | <u>24.9973</u> | <u>25.3122</u> | <u>0.3149</u> |
| Debt Service: | | | |
| County Drains At Large | 0.2150 | 0.2150 | - |
| UTGO Road Bond | <u>2.5800</u> | <u>2.6000</u> | <u>-</u> |
| Total Levy | <u>27.7923</u> | <u>28.1272</u> | <u>0.3349</u> |
| <u>Tax Levy</u> | <u>Mills</u> | <u>Revenue</u> | |

2021-2022 RECOMMENDED BUDGET
PROPERTY TAX REVENUES AND RATES

| | <u>Revenue</u> | <u>Rate*</u> |
|---|----------------------|----------------|
| General Operations | 17,522,696 | 6.6094 |
| Police & Fire | 18,268,208 | 6.8906 |
| Police & Fire Pension | 15,967,250 | 6.0227 |
| Residential Street Maintenance | 2,651,178 | 1.0000 |
| Parks & Recreation | 4,639,562 | 1.7500 |
| Library | 7,423,299 | 2.8000 |
| Public Act 298 | 585,115 | 0.2207 |
| Public Act 59 | 49,842 | 0.0188 |
| Total Operating | <u>67,107,150</u> | <u>25.3122</u> |
| County Drains at Large | 570,003 | 0.2150 |
| UTGO Road Bond | 6,893,063 | 2.6000 |
| Local Development Finance Authority III | - | ** |
| Smart Zone | 268,397 | ** |
| Brownfield Redevelopment Authority | 964,276 | ** |
| Renaissance Zone (Tool and Die) | 17,925 | ** |
| Grand Total | <u>75,820,814</u> | <u>28.1272</u> |
| Taxable Valuation (TV) | 2,651,178,080 | |
| Less: | | |
| Captured by LDFA III | - | |
| Captured by DDA/TIF | - | |
| Captured by Smart Zone | 9,542,250 | |
| Captured by Brownfield Redevelopment Authority | 34,282,690 | |
| Captured by Renaissance Zone (Tool & Die) | 637,280 | |
| Total Taxable Value excluding Capture Districts | <u>2,606,715,860</u> | |

*Mills per \$1,000 of TV

**Total millage of 25.2123 (total reduced by UTGO road bond millage) applied to taxable value of LDFA and other special authorities.

TAX REVENUE FACTORS

| | |
|------------------------------------|-------------------------|
| 21-22 TAX BASE FOR CITY OPERATIONS | \$2,651,178,080 |
| 20-21 TAX BASE FOR CITY OPERATIONS | \$2,614,576,600 |
| A difference of: | \$36,601,480 or 1.4% |

CHANGE IN TAX REVENUES FOR CITY OPERATIONS

| | <u>20-21</u> | <u>21-22</u> | <u>\$ / %</u> | | |
|------------------------------|---------------------|---------------------|--------------------------|---|-------|
| | | | <u>Difference</u> | | |
| GENERAL FUND: | | | | | |
| General Operating | \$17,280,783 | \$17,522,696 | 241,913 | / | 1.4% |
| Police & Fire | 18,016,002 | 18,268,208 | 252,206 | / | 1.4% |
| Police & Fire Pension | 14,922,696 | 15,967,250 | 1,044,554 | / | 7.0% |
| Publicity (PA59)* | 49,938 | 49,842 | (96) | / | -0.2% |
| Total General Fund Operating | 50,269,419 | 51,807,996 | 1,538,577 | / | 3.1% |
| ROADSIDE APPEARANCE (PA298) | 577,037 | 585,115 | 8,078 | / | 1.4% |
| RESIDENTIAL STREETS | 2,614,577 | 2,651,178 | 36,601 | / | 1.4% |
| PARKS & RECREATION | 4,575,509 | 4,639,562 | 64,053 | / | 1.4% |
| LIBRARY | 7,320,814 | 7,423,299 | 102,485 | / | 1.4% |
| Total Operating | 65,357,356 | 67,107,150 | 1,749,794 | / | 2.7% |

*PA 59 was first levied in 2012-13. It allows for up to \$50,000 annually for business attraction programs.

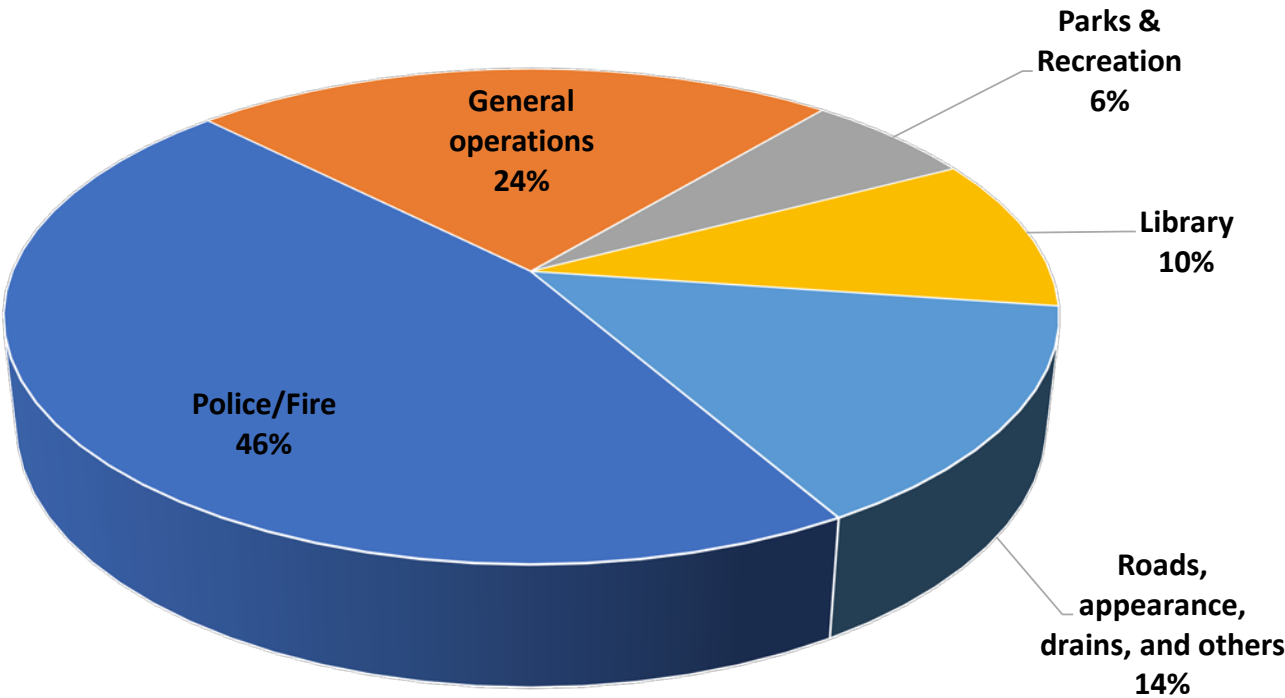
**CITY OF SOUTHFIELD
MUNICIPAL BUDGET
EXECUTIVE SUMMARY
2021-2022**

SERVICES PROVIDED FOR PROPERTY TAX DOLLARS

Figures are based on a Southfield home with a market value of \$200,000 and a taxable value of \$100,000.

| City Services Provided: | Millage Rate | Annual Property Taxes |
|---------------------------------------|---------------------|----------------------------------|
| Police/Fire | 12.9133 | \$ 1,291 |
| General operations | 6.6094 | 661 |
| Parks & Recreation | 1.7500 | 175 |
| Library | 2.8000 | 280 |
| Roads, appearance, drains, and others | 4.0545 | 405 |
| Total City services | 28.1272 | \$ 2,813 |

PROPERTY TAX DOLLARS DISTRIBUTION



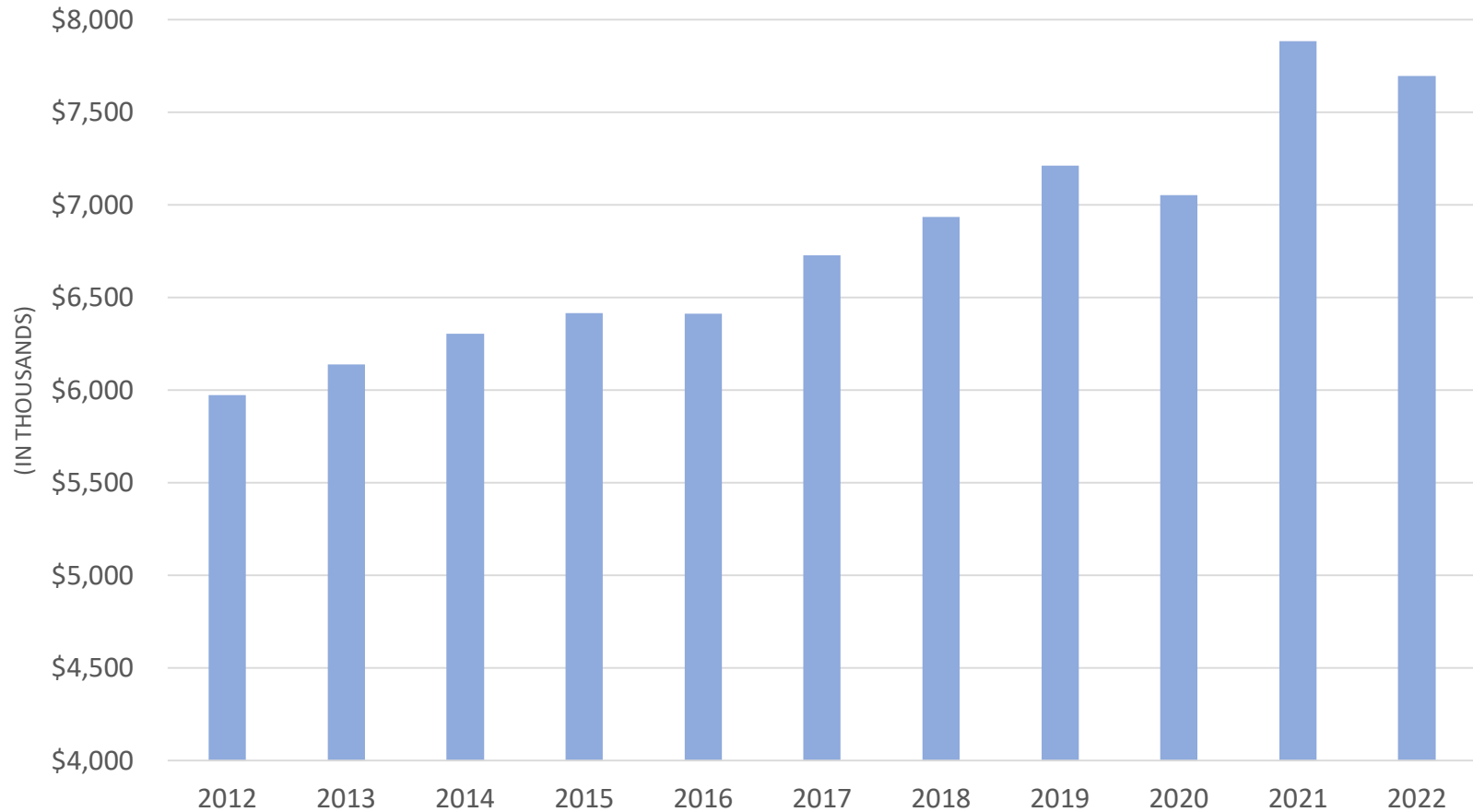
**CITY OF SOUTHFIELD
MUNICIPAL BUDGET
EXECUTIVE SUMMARY
2021-2022**

MILLAGE HISTORY

| OPERATING | 00-01 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Operations | 6.6453 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 |
| Public Safety | 2.8479 | 2.8325 | 2.8325 | 2.8325 | 2.8325 | 2.8325 | 2.8325 | 2.8325 | 2.8325 | 2.8325 | 2.8325 |
| Police / Fire Pension | 1.3495 | 1.2910 | 1.3063 | 1.4583 | 1.6017 | 1.7096 | 1.6772 | 1.7672 | 1.6889 | 1.7000 | 1.8788 |
| Res. Street Maint. | .9492 | .9440 | .9440 | .9440 | .9440 | .9440 | .9440 | .9440 | .9440 | .9440 | .9440 |
| R-O-W Appearance | .5083 | .5348 | .4401 | .4913 | .4227 | .4227 | .3361 | .2539 | .3322 | .3370 | .1582 |
| Parks & Recreation | 1.6614 | 1.6524 | 1.6524 | 1.6524 | 1.6524 | 1.6524 | 1.6524 | 1.6524 | 1.6524 | 1.6524 | 1.6524 |
| Library | <u>2.1048</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> | <u>2.0934</u> |
| Public Act 59 | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating | 16.0664 | 15.9575 | 15.8781 | 16.0813 | 16.1561 | 16.2640 | 16.2640 | 16.1450 | 16.1528 | 16.1687 | 16.1687 |
| Debt Service | .3804 | .3065 | .2748 | .2615 | .0277 | - | - | - | - | - | - |
| UTGO Road Bond | - | - | - | - | - | - | - | - | - | - | - |
| Drains-at-Large | - | - | - | - | .1590 | .0788 | .1978 | .1900 | .1900 | .1741 | .1741 |
| TOTAL | 16.4468 | 16.2640 | 16.1529 | 16.3428 | 16.3428 | 16.3428 | 16.4618 | 16.3350 | 16.3428 | 16.3428 | 16.3428 |
| OPERATING | 11-12* | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 |
| General Operations | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 | 6.6094 |
| Public Safety | 6.8906 | 6.8906 | 6.8906 | 6.8906 | 6.8906 | 6.8906 | 6.8906 | 6.8906 | 6.8906 | 6.8906 | 6.8906 |
| Police / Fire Pension | 3.0004 | 3.9424 | 4.7197 | 4.4500 | 4.3971 | 4.3714 | 4.5249 | 5.0552 | 5.7423 | 5.7075 | 6.0227 |
| Res. Street Maint. | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| R-O-W Appearance | .2207 | .2207 | .2207 | .2207 | .2207 | .2207 | .2207 | .2207 | .2207 | .2207 | .2207 |
| Parks & Recreation | 1.7500 | 1.7500 | 1.7500 | 1.7500 | 1.7500 | 1.7500 | 1.7500 | 1.7500 | 1.7500 | 1.7500 | 1.7500 |
| Library | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 |
| Public Act 59 | - | 0.0214 | 0.0234 | 0.0234 | <u>0.0234</u> | <u>0.0212</u> | <u>0.0208</u> | <u>0.0203</u> | <u>0.0195</u> | <u>0.0191</u> | <u>0.0188</u> |
| Total Operating | 22.2711 | 23.2345 | 24.0138 | 23.7441 | 23.6912 | 23.6633 | 23.8164 | 24.3462 | 25.0325 | 24.9973 | 25.3122 |
| Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| UTGO Road Bond | - | - | - | - | 2.5800 | 2.5800 | 2.5800 | 2.5800 | 2.5800 | 2.5800 | 2.6000 |
| Drains-at-Large | .3591 | .4873 | .4873 | .4873 | .4873 | .1467 | .0267 | .1467 | .2150 | .2150 | .2150 |
| TOTAL | 22.6302 | 23.7218 | 24.5011 | 24.2314 | 26.7585 | 26.3900 | 26.4231 | 27.0729 | 27.8275 | 27.7923 | 28.1272 |

*Millage Election 5/3/11 approving 4.9183 additional mills

State Shared Revenue

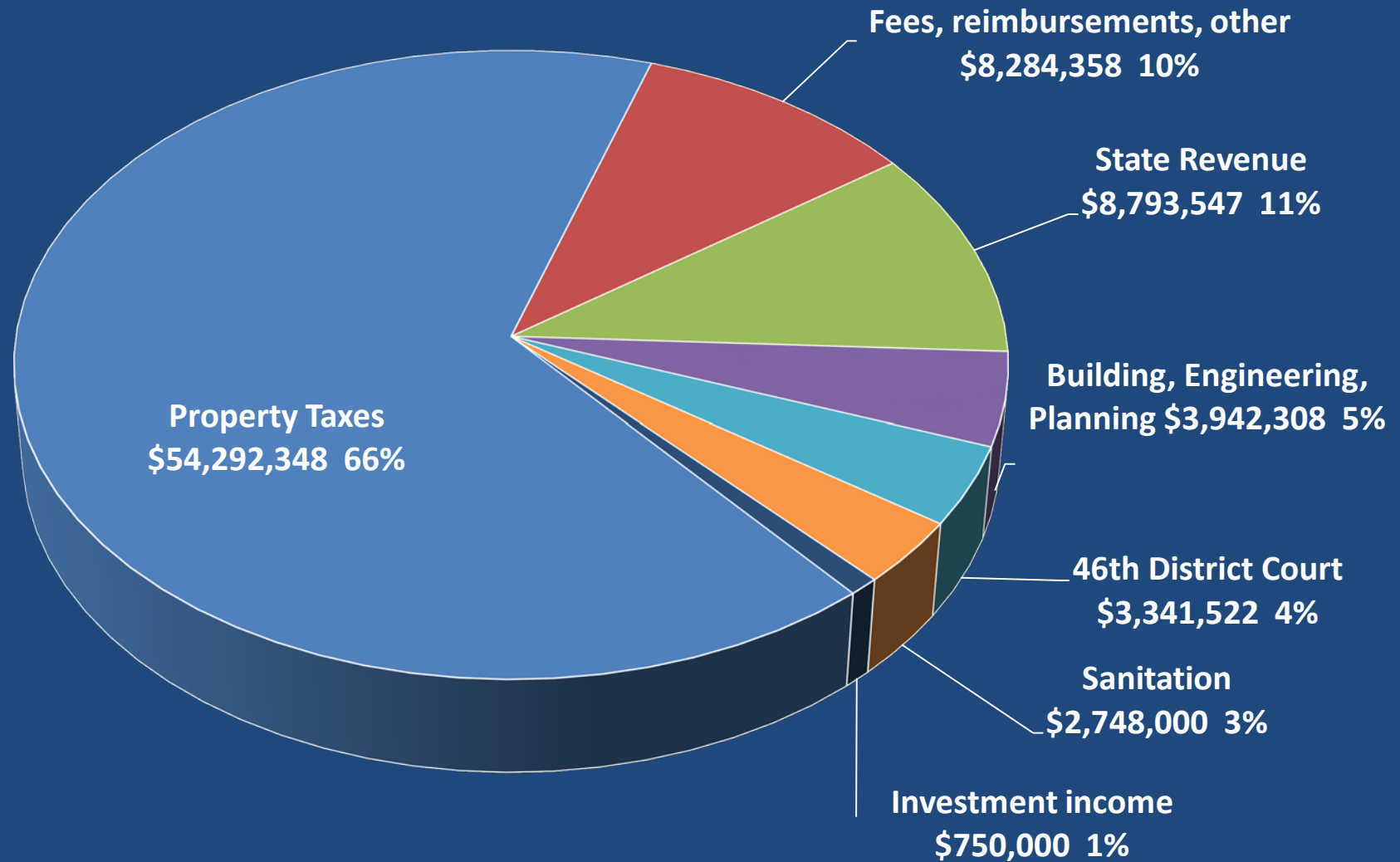


**CITY OF SOUTHFIELD
MUNICIPAL BUDGET
EXECUTIVE SUMMARY
2021-2022**

BUDGET COMPARISON - GENERAL FUND REVENUES

| | 20-21 APPROVED BUDGET | 21-22 RECOMM. BUDGET | % CHANGE |
|--|--------------------------------------|-------------------------------------|---------------------|
| General Operating Levy | \$ 17,280,783 | \$ 17,522,696 | 1.4% |
| Police & Fire Levy | 18,016,002 | 18,268,208 | 1.4% |
| Police & Fire Pension Levy | 14,922,696 | 15,967,250 | 7.0% |
| Publicity Levy | 49,938 | 49,842 | 0.0% |
| Tax Administration Fees & Penalties | 2,413,003 | 2,484,352 | 3.0% |
| Sales Tax Returns - Constitutional | 5,463,140 | 6,640,768 | 21.6% |
| Sales Tax Returns - Statutory | 1,057,941 | 1,052,779 | -0.5% |
| Local Community Stabilization | 1,000,000 | 1,100,000 | 10.0% |
| Cable Franchise Fees | 1,375,000 | 1,347,500 | -2.0% |
| Sanitation Charges | 2,748,000 | 2,748,000 | 0.0% |
| Building Department Revenues | 2,946,300 | 2,776,540 | -5.8% |
| Engineering Revenues | 1,201,310 | 1,165,768 | -3.0% |
| District Court Revenues | 3,567,557 | 3,341,522 | -6.3% |
| Reimbursements | 1,591,293 | 1,582,541 | -0.5% |
| Fees, Licenses, and Permits | 3,304,409 | 3,152,725 | -4.6% |
| Investment Income | 500,000 | 750,000 | 50.0% |
| Interfund Reimbursements | 919,331 | 1,254,291 | 36.4% |
| Total Revenues Exclusive of Fund Balance | 78,356,703 | 81,204,782 | |
| Use of Restricted Fund Balance: | | | |
| Sanitation: | | 347,301 | |
| Right-of-way/Metro Authority: | | 600,000 | |
| Total General Fund | \$ 78,356,703 | \$ 82,152,083 | 4.8% |

General Fund Revenues 2021-2022

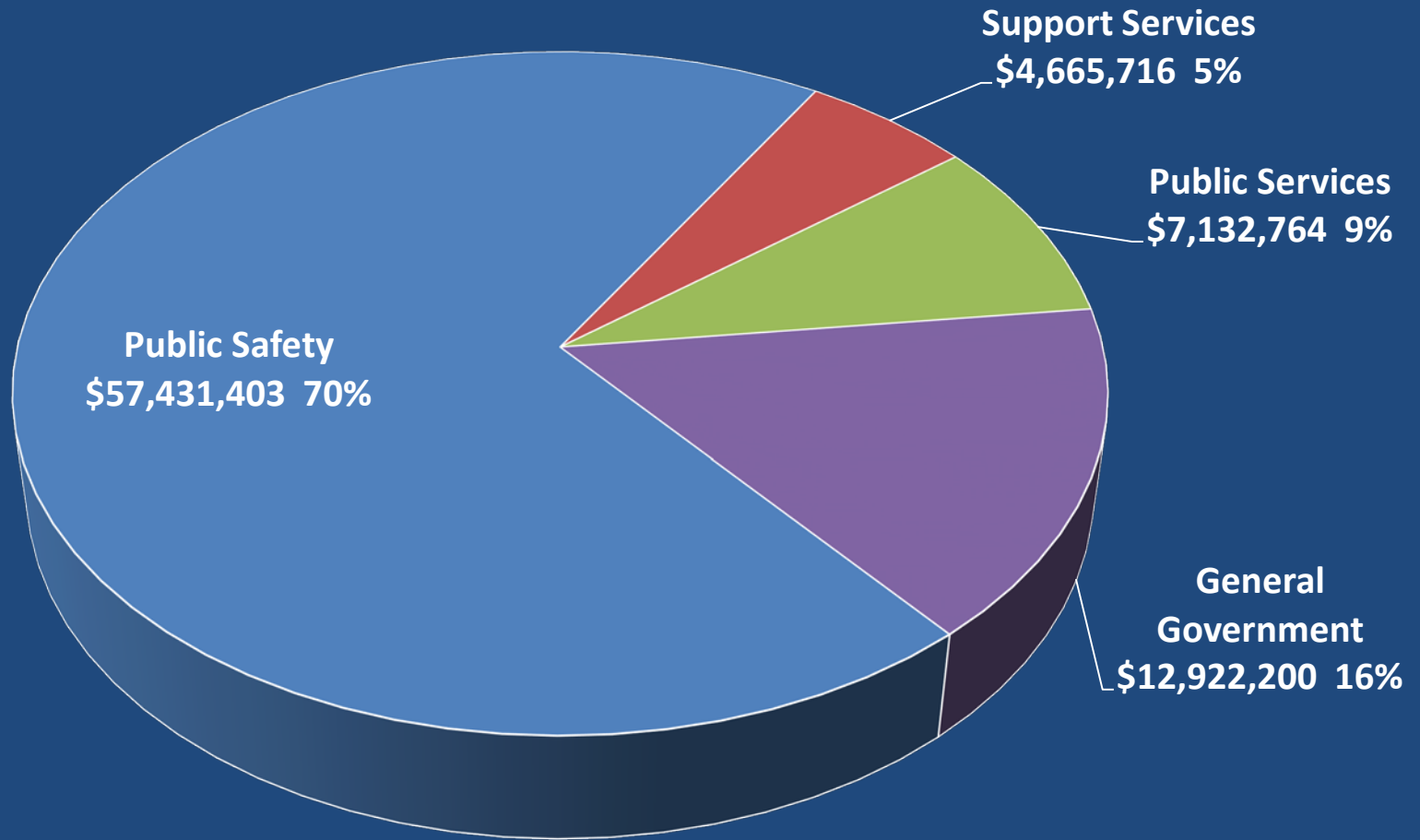


**CITY OF SOUTHFIELD
MUNICIPAL BUDGET
EXECUTIVE SUMMARY
2021-2022**

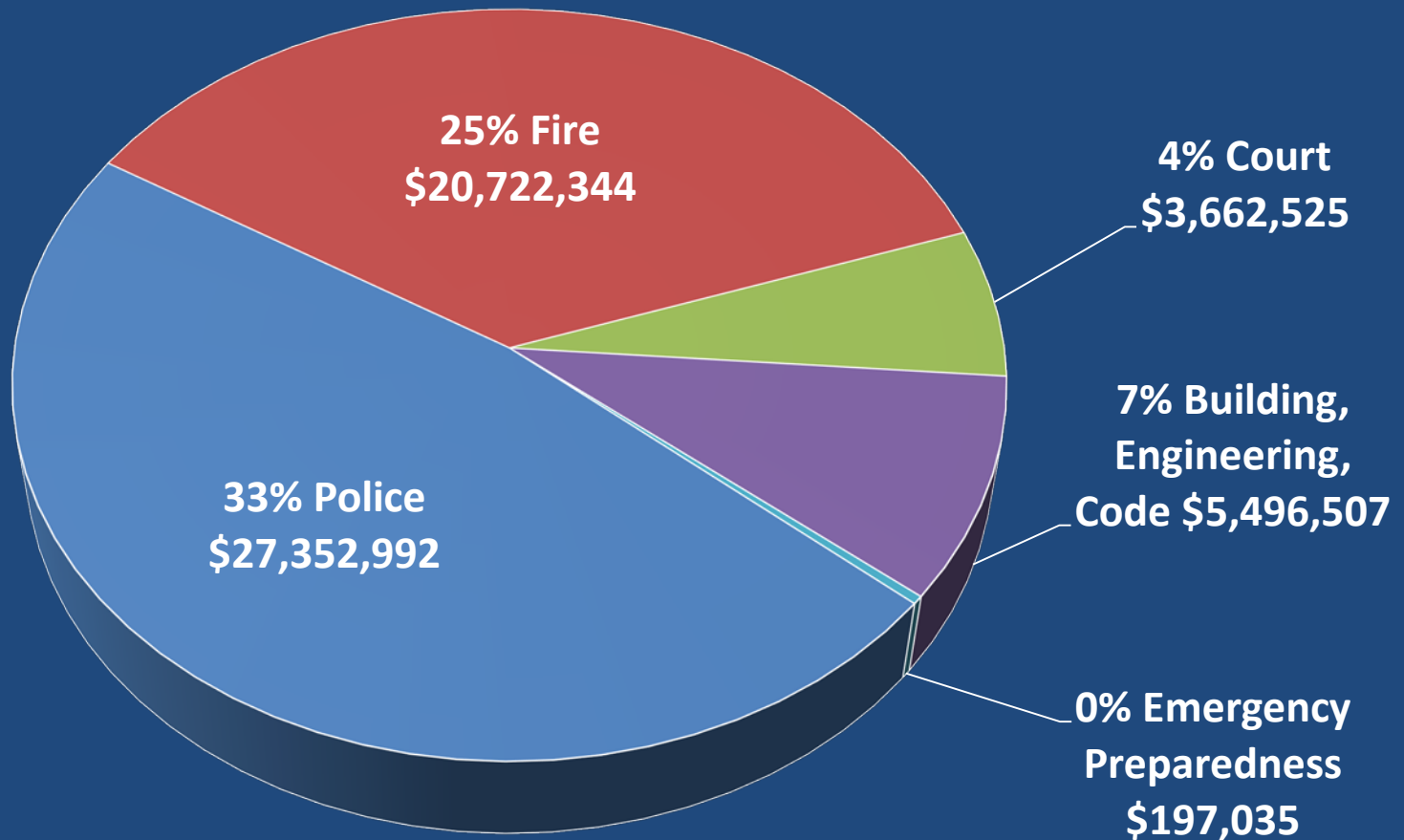
BUDGET COMPARISON - GENERAL FUND EXPENDITURES

| | 20-21 APPROVED BUDGET | 21-22 RECOMM. BUDGET | % CHANGE |
|---------------------------|--------------------------------------|-------------------------------------|---------------------|
| Administration | \$ 691,270 | \$ 696,828 | 0.8% |
| Assessing | 1,249,464 | 1,178,639 | -5.7% |
| Building | 2,687,092 | 2,575,020 | -4.2% |
| Business Development | 413,776 | 396,308 | -4.2% |
| Central Services | 802,454 | 899,889 | 12.1% |
| City Attorney | 847,640 | 1,050,678 | 24.0% |
| Clerk | 1,160,900 | 1,140,207 | -1.8% |
| Code Enforcement | 1,547,303 | 1,423,664 | -8.0% |
| Community Relations | 735,888 | 791,554 | 7.6% |
| Council | 198,980 | 202,684 | 1.9% |
| Court - 46th District | 3,647,728 | 3,662,525 | 0.4% |
| Emergency Preparedness | 110,373 | 197,035 | 78.5% |
| Engineering | 1,631,615 | 1,497,823 | -8.2% |
| Fire | 18,881,045 | 20,722,344 | 9.8% |
| Fiscal Services | 2,827,634 | 2,976,960 | 5.3% |
| Human Resources | 1,404,559 | 1,417,654 | 0.9% |
| Mayor's Office | 128,912 | 128,348 | -0.4% |
| Planning | 798,285 | 1,532,125 | 91.9% |
| Police | 27,449,558 | 27,352,992 | -0.4% |
| Sanitation | 2,669,966 | 3,095,301 | 15.9% |
| Streets and Highways | 459,725 | 761,923 | 65.7% |
| Support Services | 4,402,192 | 4,665,716 | 6.0% |
| Technology Services | 2,221,181 | 2,339,504 | 5.3% |
| Transportation | 515,998 | 555,553 | 7.7% |
| Treasurer | 873,165 | 890,809 | 2.0% |
| Total General Fund | <u>\$78,356,703</u> | <u>\$82,152,083</u> | <u>4.8%</u> |

General Fund Expenditures 2021-2022



Public Safety Percent of General Fund Expenditures 2021-2022



Percentages shown are in relation to total General Fund expenditures

CITY OF SOUTHFIELD

MUNICIPAL BUDGET

EXECUTIVE SUMMARY

2021-2022

GENERAL FUND - FUND BALANCE CONSTRAINTS

Fund balance classifications comprise a hierarchy based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported. The various classifications reported in the General Fund are defined and detailed below.

Non-spendable fund balance includes inventory, prepaid expenditures, and land held for resale.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (City Council).

Assigned fund balance is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

| Fund Balance Classification | Amount |
|---|---------------------|
| Non-spendable | \$14,700,181 |
| Restricted for right-of-way (Metro Act) | 1,389,280 |
| Sanitation reserve | 809,422 |
| Committed to specific programs: | |
| Dispatch improvements | \$1,102,877 |
| Emergency cleanup | 764,594 |
| Equalization reserve | 1,000,000 |
| Local improvement revolving - Northland | 12,932,976 |
| Building infrastructure reserve | 8,500,000 |
| Tax base initiatives reserve | 3,000,000 |
| Wage adjustments | 1,500,000 |
| Total Committed | \$28,800,447 |
| Assigned: | |
| Encumbrances | \$463,577 |
| Unassigned | \$15,759,131 |
| Total Fund Balance - June 30, 2020 * | \$61,922,038 |

* 2019-2020 Comprehensive Annual Financial Report