

AGENDA

SPECIAL BUDGET MEETING OF THE COUNCIL OF THE CITY OF SOUTHFIELD TO BE HELD IN THE COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING, 26000 EVERGREEN ROAD, SOUTHFIELD, MICHIGAN, ON MONDAY, JUNE 19, 2017 AT 5:30 P.M., LOCAL TIME, PURSUANT TO SECTION 4.3 OF THE CITY CHARTER.

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

APPOINTMENTS

MINUTES

CONSENT AGENDA

CONSENT AGENDA ITEMS FOR DISCUSSION

PUBLIC HEARINGS

- A. 2017-2018 City of Southfield Budget Adoption

SITE PLANS

COMMUNICATIONS

- A. Request for Recognition – Pamela Gerald

COUNCIL

MAYOR

ADMINISTRATION

ATTORNEY

CLERK, TREASURER, PLANNER, ASSESSOR, ENGINEER

SCHEDULE

ORDINANCES

June 19, 2017

Honorable Mayor and Council
Municipal Building
Southfield, Michigan

Re: 2017-18 City of Southfield Budget Adoption

Dear Sirs and Mesdames:

Background: At a special meeting of City Council scheduled for June 19, 2017 at 5:30 p.m., the proposed City budget will be presented in its final form. This proceeding will be in a public hearing format. Reflecting the City's commitment to meaningful public information and transparency in government, a presentation by Administration will present the budget which will be introduced at the special meeting. It will be shown a number of times on Cable 15 and will be available for neighborhood associations, the media and other interested parties. The proposed budget was reviewed at length by the Mayor and City Council at the May 9 and 16, 2017 Committee-of-the-Whole meetings.

Fiscal Impact: The final proposed total General Fund budget, at \$70,393,180 remains unchanged since May 16, 2017. This reflects an increase of \$2,521,059 or 3.7% from the previous year's total. The total includes a draw from Fund balance reserves in the amount of \$360,658. The total budget for all funds for 2017-18 is \$165,242,587 reflects a decrease of \$18,418,720 or 10% primarily attributable to an approximate 50% decrease in infrastructure projects. The proposed budget includes 14 capital projects totaling \$24,750,313.

Goals Impacted: All City strategic goals are impacted by the proposed budget.



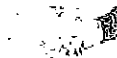
Alive City to Enjoy and Have Fun



Quality Development and Redevelopment



Financially Sound and Sustainable City Government



Southfield - One Community, One City



Preferred Place to Make Home

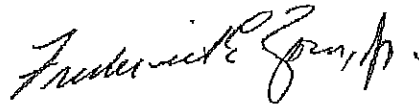


Top Quality City Services



Recommendation: The City Council approves the 2017-18 Budget Adoption Resolution herein provided. Consistent with the financial policies of the City, strongly endorsed and supported by your Honorable body, this proposed budget was developed in the broader context of a longer range financial plan. The dedicated leadership of all City elected officials and their concern for the continued progress of the community is respectfully acknowledged and deeply appreciated.

Respectfully submitted,

A handwritten signature in black ink, reading "Frederick E. Zorn, Jr." in a cursive style.

Frederick E. Zorn, Jr., CEcD
City Administrator

2017-2018 BUDGET ADOPTION RESOLUTION

WHEREAS: City Council has reviewed the recommended 2017-2018 budget and determined that the appropriation of funds and service levels provided properly meet the needs of the community and are aligned with the City's strategic goals;

NOW, THEREFORE, BE IT RESOLVED: That the 2017-2018 budget be adopted, as provided in the budget resolution, totaling \$165,242,587.

2017-2018 Budget Resolution

Moved By: Councilperson Donald Fracassi
Supported By: Councilperson Daniel Brightwell

June 19, 2017

BE IT RESOLVED: Consistent with the Uniform Budgeting and Accounting Act, expenditure authority is hereby appropriated to the following budgetary centers for the fiscal year commencing July 1, 2017 and ending June 30, 2018:

GENERAL FUND:

Administration	\$ 610,902
City Clerk	1,180,677
City Council.....	181,854
Community Relations	631,329
Court - State 46th District.....	3,556,210
Administrative Services Group	11,665,250
Law	857,221
Mayor's Office	216,198
Public Safety Group.....	41,820,002
Community Development Administration	1,642,578
Building	2,161,974
Planning	685,693
Streets & Highways.....	116,151
Transportation.....	516,871
Engineering	765,464
Sanitation	2,999,628
Treasurer's Office	785,178
TOTAL GENERAL FUND.....	70,393,180
FACILITIES MAINTENANCE FUND	4,493,326
MOTOR POOL FUND	3,941,883
CABLE TELEVISION FUND.....	1,098,881
PARKS AND RECREATION FUND	7,243,682
LIBRARY FUND	7,613,326
D.P.S. HIGHWAY FUNDS:	
Major Street Fund.....	18,476,592
Local Street Fund.....	9,764,479
WATER AND SEWER FUND.....	48,424,828
DRUG LAW ENFORCEMENT FUND	25,000
DONATIONS, MEMORIAL TRUSTS & SPONSORSHIPS	200,000
SECTION 8 HOUSING GRANTS FUND	2,201,546
COMMUNITY DEVELOPMENT BLOCK GRANT FUND	451,118
MICHIGAN WORKS GRANTS FUND	2,300,000
AUTO THEFT GRANT.....	310,140

AND BE IT FURTHER RESOLVED: That the revenues for the 2017-18 fiscal year are estimated as follows:

GENERAL FUND:

General Operating Tax Levy - 6.6094 mills.....	\$15,881,274
Police & Fire Levy – 6.8906 mills.....	16,556,950
Police & Fire Pension Levy – 4.5249 mills.....	10,850,494
Tax Administration Fees, Interest & Penalties.....	2,162,923
State Revenues.....	6,630,817
Engineering and Building Department Revenues.....	2,931,834
Court Revenues.....	3,694,914
Reimbursements.....	2,169,231
Sanitation Fees.....	2,733,617
Other Fees, Permits, Licenses, and Charges.....	4,855,026
Investment Income.....	700,000
Interfund Reimbursements.....	865,442
Transfer from Committed Fund Balance.....	94,647
Sanitation Fund Balance.....	<u>266,011</u>

TOTAL GENERAL FUND..... 70,393,180

FACILITIES MAINTENANCE FUND..... 4,493,326

MOTOR POOL FUND..... 3,941,883

CABLE TELEVISION FUND..... 1,098,881

PARKS AND RECREATION FUND:

Parks & Recreation Tax Levy - 1.7500 mills.....	4,204,955
Investment Income.....	50,000
Program & Other Revenues (arena, pool, & other sources).....	<u>2,988,727</u>

TOTAL PARKS AND RECREATION FUND..... 7,243,682

LIBRARY FUND:

Library Tax Levy -2.8000 mills.....	6,727,928
Investment Income.....	80,962
Fines, Fees, State Aid, Contributions and Other Sources.....	686,624
Contractual Income.....	<u>117,812</u>

TOTAL LIBRARY FUND..... 7,613,326

D.P.S. HIGHWAY FUNDS:

Gas & Weight Tax Returns.....	6,812,472
Residential Street Maintenance Levy – 1.0000 mills.....	2,402,831
Public Act 298 - .2207 mills.....	530,305
Interest Income.....	12,656
Dust Control, Department Sales, & Other Income.....	6,297,044
Interfund Transfer.....	<u>12,185,763</u>

TOTAL HIGHWAY FUNDS	28,241,071
 D.P.S. WATER AND SEWER FUND:	
Water Sales	12,860,756
Sewer Charges - Evergreen & SEOC	21,000,682
Interest Income	42,188
Service & Meter Installations	48,750
Penalties, Debt Service, Interest & Other Revenue	<u>14,472,452</u>
TOTAL WATER & SEWER FUNDS	48,424,828
DRUG LAW ENFORCEMENT FUND	25,000
DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000
SECTION 8 HOUSING GRANTS FUND	2,201,546
COMMUNITY DEVELOPMENT BLOCK GRANT FUND	451,118
MICHIGAN WORKS GRANTS FUND	2,300,000
AUTO THEFT GRANT.....	310,140
 AND BE IT FURTHER RESOLVED: That the fund balances for the 2017-18 fiscal year are estimated as follows:	
GENERAL FUND	\$29,716,912
FACILITIES MAINTENANCE FUND	919,895
MOTOR POOL FUND	7,553,917
CABLE TELEVISION FUND.....	915,131
PARKS AND RECREATION FUND	4,373,928
LIBRARY FUND	7,730,146
 D.P.S. HIGHWAY FUNDS:	
Major Street Fund.....	2,343,492
Local Street Fund.....	3,954,835
TOTAL WATER & SEWER FUNDS	6,298,326
D.P.S. WATER AND SEWER FUND	8,269,268
DRUG LAW ENFORCEMENT FUND	386,926

DONATIONS, MEM. TRUSTS & SPONSORSHIPS	1,415,508
SECTION 8 HOUSING GRANTS FUND	232,325
COMMUNITY DEVELOPMENT BLOCK GRANT FUND	231,687
MICHIGAN WORKS GRANTS FUND	156,907
AUTO THEFT GRANT.....	9,717

AND BE IT FURTHER RESOLVED: That under Section 2.7 of Chapter 17 of Title II of the Ordinance Code of the City of Southfield, the Council does hereby determine that the annual service charge for the fiscal year commencing on July 1, 2017 and ending June 30, 2018 shall be \$157.68 per annum per residential unit for the collection and disposal of garbage and rubbish. Further, that the City Clerk certify to the City Assessor the service charge of \$157.68 per annum per residential unit, which charge shall be collected and returned in the same manner as other municipal taxes are certified, assessed, collected and returned; and

BE IT FURTHER RESOLVED: That under Sections 2.153 and 2.154 of Chapter 20 and Section 2.171 of Chapter 21 of Title II of the Ordinance Code of the City of Southfield, the Council does hereby determine that the combined water and sewer rate is herewith established at, and all bills rendered on or after July 1, 2017, shall be computed on \$101.62 per Mcf of consumption; such combined rate being comprised of \$28.04 per Mcf for water service, \$46.14 per Mcf for sewer service; and \$27.44 for water and sewer system capital improvements; in addition to revised meter and industrial waste control charges as outlined in the attached schedule; and that a 15% administrative fee shall be added to delinquent water and sewer charges that are entered upon the tax roll pursuant to Sections 2.155 and 2.177 of the City Code; and

BE IT FURTHER RESOLVED: That funding for capital projects placed under the superintending control of the Southfield Building Authority by City Council shall be approved in the aggregate, allowing for transfer of funding between projects by the Building Authority within the total allocation approved by Council; and that the 2017-18 Southfield Downtown Development Authority budget, in the amount of \$355,221 is hereby approved by the City Council, pursuant to Section 28 of PA 1975, No. 197, subject to the express requirement and condition that any sale, conveyance, or other disposition of real property owned by or titled in the name of the Southfield DDA shall require review and approval by the Southfield City Council prior to any such sale, conveyance, or other disposition thereof.

BE IT FURTHER RESOLVED: That the City Administrator is hereby authorized to continue the nominal retirement recognition program for retiring City employees with individual recognition values not to exceed \$150 for up to 20 years of service and \$250 for 20 or more years of service, plus \$75 employee recognition costs, and nominal, reasonable expenditures for the provision of coffee and tea in the various city departments such that coffee and tea will be readily available for meetings involving guests from outside the municipal complex or involving interdepartmental City staff.

BE IT FURTHER RESOLVED: That the following property tax revenue and tax rates be authorized and that the City Treasurer is ordered to levy such funds and rates and collect and deposit to the various specific uses and funds as required by ordinance or resolution; and that the City Treasurer is hereby authorized to impose a 1% property tax administration fee for all property taxes due, and a late penalty charge when applicable, in conformance with Section 44 of Public Act 503 of 1982; and

2017-2018 BUDGET
PROPERTY TAX REVENUES AND RATES

<u>OPERATING</u>	<u>Revenue</u>	<u>Rate*</u>
General Operations	15,881,274	6.6094
Police & Fire	16,556,950	6.8906
Police & Fire Pension	10,850,494	4.5249
Residential Street Maintenance	2,402,831	1.0000
Parks & Recreation	4,204,955	1.7500
Library	6,727,928	2.8000
Public Act 298	530,305	0.2207
Public Act 59	<u>49,979</u>	<u>0.0208</u>
TOTAL OPERATING	57,204,717	23.8164
County Drains at Large	64,156	0.0267
UTGO Road Bond	6,199,305	2.5800
Local Development Finance Authority I	456,682	**
Local Development Finance Authority III	23,810	
Smart Zone	144,223	**
Brownfield Redevelopment Authority	388,000	**
Renaissance Zone (Tool and Die)	<u>16,053</u>	<u>**</u>
GRAND TOTAL	64,496,945	26.4231
Taxable Valuation (TV)	2,402,831,432	
TV Captured by LDFA I	17,283,440	
TV Captured by LDFA III	901,115	
TV Captured by Smart Zone	5,458,227	
TV Captured by Brownfield Redevelopment Authority	14,684,120	
TV Captured by Renaissance Zone (Tool & Die)	<u>607,530</u>	
TOTAL TV	2,441,765,864	

*Mills per \$1,000 of TV

**Total millage of 26.4231 applied to taxable value of LDFA and other special authorities.

2017-2018
Schedule of Meter Charges
And
Industrial Waste Control Surcharges

1. Meter Charge (Per Month)

5/8".....\$ 2.12	3".....\$ 15.56
3/4"..... 2.12	4"..... 20.38
1"..... 2.46	6"..... 29.95
1 1/2"..... 3.78	8"..... 29.95
2"..... 5.23	10"..... 29.95

2. Industrial Waste Control Surcharge (Per Month)

5/8".....\$ 9.31	3".....\$ 135.02
3/4"..... 13.97	4"..... 186.23
1"..... 23.28	6"..... 279.34
1 1/2"..... 51.22	8"..... 455.78
2"..... 74.49	10"..... 638.09

BE IT FURTHER RESOLVED: That the City Administrator is hereby authorized to make budgetary transfers within the appropriations centers established through this budget, to take any and all steps necessary to allow for completion of the annual audit by December 31, to provide for continuity of the current risk management and insurance program, and to administratively adjust contracts for road and other capital projects up to a maximum of 20% when such adjustments result from circumstances unforeseen at the time of bidding, as long as such adjustments would not exceed the approved total for that particular capital account, and subject to the requirement that all such adjustments be reported to Council on a periodic basis. Further, that the City Administrator is hereby authorized to release bidding documents for those capital items, projects, and recurring commodities expressly authorized in this budget, for public review by the Council following receipt of bids; that authorization is hereby given for acquisition of Library books and subscription services of a continuing and sole vendor nature within the Library appropriation adopted in this budget; that approval and authorization are hereby given for the Mayor and City Clerk to execute contracts for the entertainment events within the appropriations adopted in this budget; that approval is hereby given for the continued use of Dell brand computers, servers, storage area network, and other related equipment as the City's standard computing platform as previously authorized by Council Resolution #2001.351 of November 26, 2001; and that approval is hereby given for the routine maintenance and software licensing necessary for the continuing functionality of the City's existing computerized business systems and for the use of various professional repair and maintenance services involving electrical, electromechanical and control equipment located in City facilities, in conjunction with Chapter 8, Section 1.279 (2) and (4) of the Southfield Code of Ordinances; and

BE IT FURTHER RESOLVED: That the 2017-18 budget shall be automatically amended (a) on July 1 to reappropriate encumbrances outstanding and capital project reserves at June 30, 2017, and (b) to transfer any approved salary adjustments during the fiscal year for which sufficient funds are provided in the Support Services appropriation.

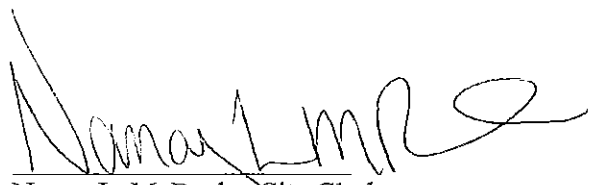
AYES: Daniel Brightwell, Lloyd Crews, Donald Fracassi, Myron Frasier, Michael Mandelbaum, and Tawnya Morris

NAYS: None

ABSENT: Joan Seymour

I, Nancy L. M. Banks, the duly elected and qualified City Clerk of the City of Southfield, Oakland County, Michigan, do hereby certify that the foregoing resolution was adopted by The Southfield City Council at a Special Meeting held on Monday, June 19, 2017, at 5:30 p.m. in the Council Chambers of the Municipal Building, 26000 Evergreen Road, Southfield, Michigan, pursuant to Section 8.4 of the City Charter.

Date: June 20, 2017


Nancy L. M. Banks, City Clerk

2017-2018 Budget

City of Southfield

	<u>Approved Revenues</u>		<u>Approved Expenditures</u>
GENERAL FUND:		GENERAL FUND:	
General Operating Levy	15,881,274	Administration	610,902
Police & Fire Levy	16,556,950	Fiscal Services/OMB	1,209,393
Police & Fire Pension Levy	10,850,494	Accounting	874,516
Tax Administration Fees & Penalties	2,162,923	Purchasing	370,514
Sales Tax Returns - Constitutional	5,632,345	Technology Services	2,576,043
Sales Tax Returns - Statutory	950,972	Assessing	843,583
Liquor Licenses	47,500	Central Services	753,588
Sanitation Charges	2,733,617	Support Services	4,043,619
Building Revenues	2,200,000	Human Resources	993,994
Engineering Revenues	731,834	Clerk	1,180,677
District Court Revenues	3,694,914	Council	181,854
Reimbursements	2,169,231	Community Relations	631,329
Fees, Licenses & Permits	4,855,026	Court - 46th District	3,556,210
Investment Income	700,000	Law	857,221
Interfund Reimbursements	865,442	Mayor's Office	216,198
		Public Safety	41,820,002
Transfer from Committed Fund Balance	94,647	Community Dev. Administration	1,642,578
Sanitation Fund Balance	266,011	Building	2,161,974
		Planning	685,693
		Streets & Highways	116,151
		Transportation	516,871
		Engineering	765,464
		Sanitation	2,999,628
		Treasurer	785,178
TOTAL GENERAL FUND	70,393,180	TOTAL GENERAL FUND	70,393,180
FACILITIES MAINTENANCE FUND	4,493,326	FACILITIES MAINTENANCE FUND	4,493,326
MOTOR POOL FUND	3,941,883	MOTOR POOL FUND	3,941,883
CABLE TV FUND	1,098,881	CABLE TV FUND	1,098,881
PARKS & REC FUND	7,243,682	PARKS & REC FUND	7,243,682
LIBRARY FUND	7,613,326	LIBRARY FUND	7,613,326
MAJOR STREET FUND	18,476,592	MAJOR STREET FUND	18,476,592
LOCAL STREET FUND	9,764,479	LOCAL STREET FUND	9,764,479
WATER & SEWER FUND	48,424,828	WATER & SEWER FUND	48,424,828
DRUG LAW ENFORCEMENT FUND	25,000	DRUG LAW ENFORCEMENT FUND	25,000
DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000	DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000
(DUPLICATING TRANSFERS)	(11,695,394)	(DUPLICATING TRANSFERS)	(11,695,394)
MUNICIPAL SUBTOTAL	159,979,783	MUNICIPAL SUBTOTAL	159,979,783
COMM. DEVELOPMENT BLOCK GRANT	451,118	COMM. DEVELOPMENT BLOCK GRANT	451,118
SECTION 8 HOUSING GRANTS	2,201,546	SECTION 8 HOUSING GRANTS	2,201,546
MICHIGAN WORKS GRANTS	2,300,000	MICHIGAN WORKS GRANTS	2,300,000
AUTO THEFT GRANT	310,140	AUTO THEFT GRANT	310,140
TOTAL GRANT FUNDS	5,262,804	TOTAL GRANT FUNDS	5,262,804
TOTAL ALL OPERATING FUNDS	165,242,587	TOTAL ALL OPERATING FUNDS	165,242,587
DEBT SERVICE	-	DEBT SERVICE	-
TOTAL REVENUES	165,242,587	TOTAL EXPENDITURES	165,242,587