

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

for the year ended June 30, 2021
SOUTHFIELD, MICHIGAN



INTRODUCTORY SECTION

City of Southfield, Michigan

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2021

Fiscal Services

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City of Southfield

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

December 20, 2021

Honorable Mayor, Members of City Council
and Residents of the City of Southfield
Municipal Building
Southfield, Michigan

RE: 2020-21 ANNUAL COMPREHENSIVE FINANCIAL REPORT LETTER OF TRANSMITTAL

Dear Sirs and Mesdames:

The Annual Comprehensive Financial Report of the City of Southfield, Michigan, for the fiscal year ended June 30, 2021, is submitted herewith, in accordance with provisions of the Southfield City Charter and the laws of the State of Michigan. This report, prepared by the City's Fiscal Services staff, represents the official report of the City's financial operations and condition to the City's residents, elected officials, investment firms, rating agencies and other interested parties. Responsibility for the accuracy, completeness and fairness of the financial data herein, including all disclosures, rests with the City. The annual audit of the City of Southfield financial statements was conducted by the independent accounting firm of Plante & Moran, PLLC.

This report also includes a separate section on Component Units, as required by Statement Number 61 of the Government Accounting Standards Board (GASB). Component units are included because of the significance of their operational or financial relationships with the City. The component unit columns in the combined financial statements include the financial data of the City's eight component units. These units are reported in a separate column to emphasize that they are legally separate from the City. They include the Economic Development Corporation, the Brownfield Re-development Authority, the Joint-Local Development Finance Authority, the Downtown Development Authority, the Tax Increment Finance Authority, the Local Development Finance Authority, the Section 8 Housing Commission, and the Southfield Growth Corporation. Descriptions of each component unit appear in Note 1.

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section, which is un-audited, includes this letter of transmittal, an organizational chart and a list of the City of Southfield's principal elected and appointed officials. The financial section, which is audited, includes the Management Discussion and Analysis, basic financial statements and the combining and individual fund statements and schedules. The statistical section, which is un-audited, includes selected financial and demographic information, generally presented on a multi-year basis.

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

Myron Frasier

Jason Hoskins

Michael A. Mandelbaum

City of Southfield

Letter of Transmittal

The enclosed data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of various funds of the City. This letter should be read in conjunction with the Management's Discussion and Analysis. Included are disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The City of Southfield is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, Audits of State and Local Governments. The single audit report includes an independent auditor review and comments on internal controls, legal/regulatory compliance, and any findings of questioned costs.

CITY OF SOUTHFIELD, MICHIGAN: MUNICIPAL OVERVIEW

The City of Southfield is comprised of over 26 square miles of abundant natural beauty, well-maintained homes and neighborhoods and majestic skyscrapers. Southfield offers a complete living community, featuring a nationally recognized public school system, several private and parochial schools and numerous colleges and universities. Conveniently located in Oakland County, Southfield is not only the *Center of It All™* geographically, but also the business center of southeast Michigan. With a daytime population nearing 175,000, over 27 million square feet of office space, and over seven million square feet of retail and industrial space, Southfield is truly Michigan's business center. In fact, Southfield boasts more office space than the central business districts of Cleveland, Cincinnati, Detroit, Indianapolis or Kansas City. Approximately 10,000 businesses call Southfield home, including over 100 "Fortune 500" companies spanning several industries. An impressive 98 percent of the City is accessible to high-speed fiber optics, broadband and satellite services with several backbones traversing the community. Over the years, Southfield has steadily grown to be one of the premier business and residential addresses in Michigan—a center of commerce nestled among quaint, tree-lined neighborhoods.

Intersected by I-696, U.S. 10, U.S. 24, M-39, M-10 and many other major highways, Southfield is centrally located for convenient access to businesses, their customers and suppliers. Its central location places Southfield just 20 minutes away from almost anywhere in metro Detroit, including Metropolitan Airport, downtown Detroit, and the international borders of Canada. The City of Southfield remains an important international business community with approximately 25 percent of all Oakland County's businesses and international firms and nearly half of all its Japanese firms. Southfield is also proud to be home to more than 76,000 residents and a wide variety of housing options, from single-family homes and condominiums to townhomes and apartments. Residents, businesses and visitors alike come to Southfield for its central location, great recreational opportunities and easy access to all of southeastern Michigan. It is no coincidence that the City of Southfield was named one of the nation's most livable metro-area suburbs by Forbes magazine for its large commercial district, affordable housing, quality schools and safe neighborhoods.

Southfield's modern infrastructure, diverse mix of residential and business cultures, focus on beautification and appearance, and excellent City services have created a statewide model of a

City of Southfield

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successful community that has helped to provide a solid foundation for the City's long-term sustainability. City leaders continue to maintain a constant focus on providing quality city services while doing so with unprecedented reductions in property tax revenues, state shared revenues and state road funding (Act 51) as a result of the great recession and a struggling state economy. Despite these major challenges, the City of Southfield stands ready to serve as a leader in the economic comeback of this region and the State of Michigan.

Southfield's large business community dates back to the mid 1950's. Corporations seeking spacious suburban offices were attracted to Southfield, and within a half-decade, dozens of high-profile firms called Southfield home. Growth was spurred by the nation's first regional shopping center, Northland Center, which opened in Southfield in 1954. City leaders showed considerable foresight over the years in creating some high-visibility business community along major roadways, with neighborhoods strategically tucked into adjacent acreage and subdivisions.

Southfield is operated under a Council/Administrator form of government. The seven-member City Council is elected at two-year intervals on a non-partisan ballot; the three highest vote-getters receive four-year terms and the fourth serves a two-year term. The Council President, who presides over meetings, is elected by Council colleagues. Special Council committees review and make policy recommendations on finance, zoning, transportation, state legislation, appointments and other key issues.

The Mayor, elected to a four-year term on a non-partisan ballot, has veto power over Council actions but does not vote on legislative matters. A two-thirds Council majority vote is needed to override a Mayoral veto. The Mayor also appoints the City Attorney, City Assessor, City Planner and Emergency Management Director, with appointment confirmation by City Council. Also elected to four-year terms, the City Clerk and City Treasurer serve in full-time capacities. The City Administrator, appointed by and reporting directly to City Council, serves as chief administrative officer and oversees daily operations and policy implementation.

The City's elected officials hold memberships and often play a leadership role in a wide range of professional organizations, including the National League of Cities, Michigan Municipal League, United States Conference of Mayors, Municipal Clerks' Association, Municipal Treasurers' Association, and the Government Finance Officers' Association. Management also holds leadership positions or participates in numerous professional organizations, including the International City/County Management Association, Michigan Government Finance Officers' Association, American Public Works Association, International Code Council, Building Owners and Managers' Association, National Association of Telecommunication Officers and Advisors, Public Relations Society of America, and the City-County Communications & Marketing Association.

Southfield is served by many long-tenured elected officials and administrative staff. City Council members average more than ten years of service while the Mayor, City Treasurer and City Clerk typically average even longer terms. The average tenure of the City's management groups is more

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than 20 years, providing stability and proven leadership for City operations. Within the group, many hold advanced academic degrees, numerous professional designations and professional certifications in their respective fields. In addition, many have earned special recognition through election to state or national association offices, as instructors for professional seminars, or as guest lecturers at universities.

The City's Exempt Service Staff consists of management group employees selected by authorized elected or appointed officials. These positions are executive level, in general, and not part of the civil service system. The Mayor and Council utilize the annual budget process to review salary ranges for exempt personnel. Other City employment classifications are reviewed either through collective bargaining or the Civil Service Commission.

ECONOMIC PROFILE

The City of Southfield is home to six colleges, universities and technical schools, including Lawrence Technological University, Oakland Community College, Central Michigan University, Spring Arbor University, Sienna Heights University, and Specs Howard School of Broadcast Arts. Residents of Southfield and surrounding communities have a wide array of skilled trades and higher educational opportunities.

The City of Southfield ranks in the top three in terms of the population base in Oakland County. The U.S. Census Bureau identified 72,689 residents in Southfield in the July 2019 census estimate, making the City of Southfield one of the top three most populous cities in Oakland County. The median household income of our residents is \$55,705. Personal income in the City has risen in recent years, which is an indication of a healthy economy. Of the total population, it is estimated that 38% have a bachelor's degree or higher, which will help in stabilizing unemployment in the community.

For the City, the economic outlook continues to be guarded. Cost pressures, particularly in the healthcare and pension area, continue to challenge the City's finances. Pensions, retiree healthcare and other post-employment benefits made up 49% of the City's long-term liabilities. The SERS pension plan is 75.6% funded, the Fire and Police pension plan is 75.5% funded, and the Retiree Health Care Trust Fund is funded at 56.5%. While property values have steadily begun to rise, property taxable values are still nowhere near the pre-recession values. As a result, revenue growth for the General Fund will remain limited over the next several years due to the limitations of Proposal A, the Headlee Amendment and the City's inability to expand revenue beyond the rate of inflation. The City is levying at its maximum millage levels allowable by charter.

The City Council and City Administrator are committed to strategies designed to ensure the long-term fiscal health of the City. The budget serves as the foundation for the City's financial planning and control. As part of the budget process, management prepares an annual budget for the General Fund and all other funds and presents it to City Council for adoption. Overall, the City's current budget

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emphasizes cost containment and maintenance of existing service levels. Therefore, the City commits to the following:

- Ensure long-term financial sustainability by spending within our means and delivering services in a cost-effective and efficient manner;
- Establish and maintain reserves at appropriate levels, limiting reliance on one-time revenues and fund balance draws; and
- Plan for improvements to facilities and infrastructure and manage the City's infrastructure and capital assets to maximize long-term community benefit. The City will adopt a capital improvement plan annually to ensure that the City's infrastructure needs are identified and budgeted over at least a five-year period.

City of Southfield maintains strong AA Bond Rating

The City of Southfield's AA bond rating was reaffirmed by Standard & Poor's, placing the City among the top rated governmental agencies in Michigan. The new rating comes with the City's \$21.6 million Streets Improvement Bonds sale on December 10, 2020 which will provide funding for citywide infrastructure repairs and improvements.

In preparing to sell the bonds, the City requested a Standard & Poor's Rating Service evaluation of the City of Southfield's credit quality. Standard & Poor's reaffirmed the City's strong underlying bond ratings of "AA."

The 'AA' rating reflects S&P's assessment of the general creditworthiness of the city, including the following factors:

- Strong economy, with access to a broad and diverse metropolitan statistical area;
- Strong management, with good financial policies and practices under our financial management assessment methodology;
- Adequate budgetary performance, with operating results that we expect could deteriorate in the near term relative to fiscal 2019, which closed with operating surpluses in the general fund and at the total governmental fund level;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 25% of operating expenditures;
- Very strong liquidity, with total government available cash at 56.4% of total governmental fund expenditures and 5.6x governmental debt service, and access to external liquidity we consider strong;
- Very weak debt and contingent liability position, with debt service carrying charges at 10.1% of expenditures and net direct debt that is 138.4% of total governmental fund revenue, and a large pension and other postemployment benefit (OPEB) obligation and the lack of a plan to sufficiently address the obligation, but rapid amortization, with 77.1% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

City of Southfield

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Moreover, S&P indicated that Southfield's economy remains strong as the city continues to rebound from the last recession, diversify, and exhibit tax base growth. The bond sale received significant interest with firms from across the U.S. bidding. S&P also analyzed the city's environmental, social, and governance risks relative to its economy, management, financial measures, and debt and liability profile, and determined that all are in line with their view of the sector standard.

In addition to city staff, the bond sale was facilitated by the financial advising firm, Public Financial Management, LLC, transfer agent Huntington National Bank and the law firm serving as bond counsel, Miller, Canfield, Paddock and Stone, P.L.C.

INFRASTRUCTURE & CAPITAL IMPROVEMENT CAMPAIGNS

The City of Southfield makes every effort to maintain and repair all roads within the City's jurisdiction in a timely manner. Thanks in part to the passage of the \$99 million Southfield Streets Improvement Bond, the City of Southfield has lead nearly every community in Oakland County in active road construction projects the past five years. A detailed overview of all construction projects taking place throughout the city as well as construction updates is provided on the City's website at www.cityofsouthfield.com. The City also launched a special hotline at (248) 796-4000 for residents to directly report any potholes or other road issues.

Over \$209 Million invested in Southfield's infrastructure from 2015-2021

The City of Southfield has applied for and received more than \$200 million in annual funding for Southfield streets and infrastructure improvements from local, county, state and federal sources as follows: 2015 = \$34.7 million; 2016 = \$26.7 million; 2017 = \$36 million; 2018 = \$29 million; 2019 = \$28.6 million; 2020 = \$26.6 million; and 2021 = \$28.2 million.

12 Mile Road Reconstruction between Lahser & Evergreen Roads

The City of Southfield, in partnership with the Road Commission for Oakland County (RCOC), reconstructed and repaved 12 Mile Road between Lahser Road and Evergreen Road. Project improvements included:

- Side street and driveway approach reconstruction;
- Storm sewer and water main improvements;
- Upgrading of pedestrian crosswalks to comply with the Americans with Disabilities Act (ADA)
- Traffic signal upgrades;
- New traffic signs and pavement markings;
- The addition of a right-turn lane for northbound Lahser turning onto eastbound 12 Mile; and
- Minor concrete repairs at the Evergreen/12 Mile intersection.

The project cost \$5.7 million, with seventy-six percent paid for with federal road funds. The remainder of the costs were shared by RCOC, the City of Southfield and Oakland County through the Tri-Party Program.

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9 Mile Road Rehabilitation – Evergreen Road to NB Northwestern Service Drive

Nine Mile Road from Evergreen Road to northbound Northwestern Service Drive was improved last fiscal year with asphalt rehabilitation and concrete slab repairs, including sidewalk ramp upgrades, pedestrian signal improvements at the southbound Northwestern Service Drive and minor traffic signal improvements. Additional road rehabilitation improvements included:

- Various pavement fixes including; asphalt mill & fill, concrete patches, and segments of concrete reconstruction;
- Pedestrian signal & ramp improvements at SB Northwestern Service Drive;
- Minor traffic signal improvements at Evergreen Road and at NB Northwestern Service Drive; and
- Short (70') sidewalk gap-fill on the north side of 9 Mile, east of Laura Lane.

The \$3 million investment was comprised of \$1.7 million in federal funds and \$1.3 million from the Southfield Streets Improvement Bond.

Beech Road Rehabilitation – 8 Mile Road to 10 Mile Road

The Beech Road Rehabilitation Project included complete asphalt rehabilitation along Beech Road, including sidewalk ramp upgrades, intermittent curb and gutter placement and traffic signal upgrade at the 9 Mile intersection. The project also included heavy maintenance for the Beech Road bridge between 9 - 10 Mile Roads. Additional road rehabilitation improvements included:

- Various pavement fixes included asphalt mill & fill, asphalt pulverizing with overlay, underlying concrete patches, curb repairs, and segments of asphalt reconstruction;
- Pedestrian ADA improvements at all intersections;
- Beech Road Bridge improvements included epoxy overlay of bridge deck, steel beam repairs and repainting and scour countermeasures.

The \$4.9 million investment was comprised of \$2.1 million in federal funds (Surface Transportation Program, Highway Improvement Program and Bridge funds) and \$2.8 million from the Southfield Streets Improvement Bond.

Section 24 Area 4 - Southfield Village Estates and Sherfield Place Sanitary Sewer Replacement

The Section 24 Area 4 - Southfield Village Estates and Sherfield Place [Sanitary Sewer Replacement](#) Project began in June of 2019 and is expected to be completed in October 2021. The project is being constructed in stages to reduce the impact on residents. The \$13.2 million investment was funded by the Water and Sewer Capital Improvements Bond project, including sewer separation, water main replacement, and road reconstruction. Additional project highlights:

- Roads will be completely reconstructed in concrete, with new approaches for each home;
- Water mains will be replaced throughout the project;
- Combined sewers will be separated and sanitary flow will be directed to the new pump station at 10 Mile and Pierce;
- Storm leads will be left for each home to connect sump pump lines; and
- Sidewalk ramps will be upgraded to meet the Americans with Disabilities Act guidelines.

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Lake Ravines Water Main and Paving Improvements Project

Lake Ravines road work included asphalt reconstruction and rehabilitation followed by subdivision-wide water main replacement. The project began in June of 2020 and will be completed in October 2021. Additional project improvements included complete water main replacement, improvements to stormwater outfalls and Consumers Energy replaced all gas mains in the subdivision. Funding for the \$5 million investment came from the City's Water Bond and the Street Improvement Bond.

Section 25 – Area 7 & 8 Water Main and Sanitary Sewer Replacement Project

The City of Southfield, in partnership with the Road Commission for Oakland County (RCOC), contracted Pamar Enterprises for sanitary sewer installation in Section 25 – 10 Mile Road/Pierce Avenue intersection located between Southfield and Greenfield Roads. The \$5.6 million investment, funded by the Water & Sewer Bond Fund, began in June of 2021 and will be completed in November 2021. Project improvements included complete water main replacement and separation of sanitary flow from storm water flow as well as new sanitary pipe installation on some streets followed by reconstruction of streets in concrete, including approaches. Separation of these flows greatly reduces the risk of basement back-ups due to surcharging public sewers during large rain events.

Section 25 – Area 10 Sewer Upgrade & Improvement Project

The \$6.5 million project to upgrade and improve Section 25 – Area 10 combined sewers, funded by the City's Water & Sewer Bond, began in May of 2020 and is expected to be completed by October 2021. Additional project improvements included:

- Concrete road reconstruction with new approaches for each home;
- Complete area water main replacement;
- Combined sewers were separated and sanitary flow was directed to the new pump station at 10 Mile & Pierce;
- Storm leads were made available for each home to connect sump pump lines; and
- Sidewalk ramps were upgraded to meet the American Disabilities Act (ADA) guidelines.

Section 35 – Water Main Replacement Phase II

The second phase of the \$4.6 million Section 35 – Water Main Replacement Project, funded by the Water & Sewer Bond Fund and the City's Road Bond Fund, began in July of 2021 and is expected to be completed by November 2021. The project included:

- Water main replacement including upgrading 6" mains to 8" mains;
- Small amounts of storm sewer installations;
- Rehabilitation of asphalt streets by pulverizing existing asphalt and topping with 4" of a new asphalt road surface; and
- Approaches replaced when impacted by construction.

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ECONOMIC DEVELOPMENT

The City of Southfield signed an official cooperation agreement with the Michigan Economic Development Corporation (MEDC) designed to encourage collaboration, promote economic development and create jobs. The agreement formalizes an already existing partnership between Southfield and the MEDC that ensures collaboration in implementing economic development strategies designed to promote economic growth and to maintain a high quality of life within the region.

The Southfield Brownfield Redevelopment Authority provides major tools and incentives for businesses to revitalize “brownfields,” which are environmentally contaminated or functionally obsolete properties. These tools include tax increment financing and small business tax credits to potential developers of brownfield properties. The ability to offer brownfield redevelopment incentives enables Southfield to entice new development to areas that may otherwise be overlooked due to the additional costs of redevelopment.

CENTREPOLIS DISTRICT & ACCELERATOR

To encourage an even greater business boom in Southfield, the City of Southfield and Lawrence Technological University have worked closely together to launch a new Michigan SmartZone called Southfield Centrepolis. As Southfield is the 15th largest city in Michigan, and considered Michigan's business center with more than 100 Fortune 500 companies and 10,000 businesses, some are considering its growth and initiatives parallel to the rebirth of Detroit. The City believes this new SmartZone is the region's next step towards success and that the entire SmartZone program will inspire and assist with the growth of neighboring businesses around the state.

This Southfield SmartZone was in the works beginning in 2003, when a Joint LDFA with the city of Troy created the Automation Alley SmartZone, with both a Troy and a Southfield campus. In 2015, the Joint LDFA Automation Alley SmartZone pursued a 15-year extension to the amendment and an expansion of the Southfield LDFA. As a subset of Automation Alley, Centrepolis became recognized as the latest SmartZone in the [Michigan SmartZone network](#), which connects universities, industries, research organizations, government branches, and other community institutions to stimulate the growth of technology-based businesses and jobs. The \$3.6 million Southfield Centrepolis SmartZone space is located adjacent to LTU's Southfield campus—along I-696, Inkster and 11 Mile—and spans across five acres. Centrepolis not only creates an educational arena where start-up businesses and aspiring entrepreneurs can learn how to take their ideas to the next level, while also creating more retail, business, and residential opportunities in the heart of Southfield.

The new SmartZone is home to more than 400 businesses and over 4,000 employees with a focus on the areas of professional, scientific and technological services; finance and insurance; administrative and support; and healthcare.

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With plans to not only create an entrepreneurial center, but also a cultural environment, Centrepolis will incorporate community-friendly amenities like new dining establishments and stores, 10-foot wide pathways, roadway improvements, way finding signage, storm water management, and further development of Pebble Creek Park. The Southfield SmartZone will incorporate the Mark Plaza building at 21411-21415 Civic Center Drive and continue to develop over the next 15 years through funding and support from the state of Michigan, Oakland County, Lawrence Technological University, Automation Alley and the City of Southfield.

Centrepolis Accelerator 'Cleantech' Businesses Program

The Centrepolis Accelerator at Lawrence Technological University launched a new program called the C³ Accelerator for green technology companies working in the cleantech, climatech, and circular economy industries.

The new accelerator, funded in part by the Michigan Department of Environment, Great Lakes, and Energy (EGLE), New Economy Initiative (NEI) and the Wells Fargo Innovation Incubator (IN²), will offer a total pool of \$275,000 in funding including grants, no equity interest-free investments, and services to support product development and scaling of cleantech, climatech, and circular economy technologies. In general, these technologies have a positive impact to energy efficiency, generate renewable energy, reduce greenhouse gas emissions, replace non-renewable materials, preserve clean water, and promote recycling, upcycling, and the circular economy.

Accelerator services include free or discounted product design, engineering, prototyping, testing, and validation, along with pilot and demonstration project cost sharing, assistance from experts-in-residence, design for manufacturability assessments, and supply chain development support. The Accelerator will also offer assistance in applying for federal grants and connections to universities, national laboratories, customers, strategic partners and investors.

C³ is a growth stage accelerator focused on proven technologies that need help with customer adoptions for specific applications and scaling. Individual grants will range from \$5,000 to \$10,000 per client. Equity free, zero-interest \$15,000 investments will also be available, with a success fee added if a product achieves market success. Thanks to funding provided by EGLE, NEI and IN², a portion of these investments will be dedicated to support ventures led by women, people of color, veterans, and other underrepresented entrepreneurs.

Funding partners in the accelerator include LTU, the city of Southfield, the U.S. Department of Energy's Energy Program for Innovation Clusters (EPIC) Prize, EGLE, NEI, and the Wells Fargo Innovation Incubator (IN²). Many organizations are supporting this program, specifically to encourage participation of underrepresented entrepreneurs including Bunker Labs, Clean Energy Trust, Michigan Women Forward, Michigan Economic Development Corporation, Michigan Innovative Energy Business Council, and the Women in Cleantech and Sustainability.

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The Centrepolis Accelerator at Lawrence Technological University is accelerating the growth of Michigan’s cleantech, advanced manufacturing, innovative hardware entrepreneurs and small manufacturers by providing access to funding, experts and key business and product development resources. Visit centrepolisaccelerator.com.

Lawrence Technological University is a private university founded in 1932 that offers nearly 100 programs through the doctoral level in its Colleges of Architecture and Design, Arts and Sciences, Business and Information Technology, and Engineering. PayScale lists Lawrence Tech among the nation’s top 11 percent of universities for the salaries of its graduates, and *U.S. News and World Report* lists it in the top tier of best Midwestern universities. Students benefit from small class sizes and a real-world, hands-on, “theory and practice” education with an emphasis on leadership. Activities on Lawrence Tech’s 107-acre campus include more than 60 student organizations and NAIA varsity sports.

Centrepolis Accelerator metrics achieved for MEDC Gatekeeper & NEI from October 1, 2020 – September 30, 2021:

- Number of new start-up companies created = 19;
- Number of total companies served = 217;
- Number of new jobs created = 178.5 FTE;
- Total follow on funding/new cap = \$11,359,367; and
- Contracted services to Michigan suppliers = \$13,496,459.

Redevelopment Ready Communities (RRC) Certification

The City of Southfield was again awarded the [Redevelopment Ready Communities](#) (RRC) certification from the Michigan Economic Development Corporation for establishing a solid foundation to attract private investment and further build on municipality assets.

The City of Southfield joins eight other Michigan communities that have qualified as “thoroughly prepared” when it comes to planning and zoning, along with other key features that remove traditional barriers and promote opportunities for prospective investors. Other certified RRC’s include Allegan, Boyne City, Eastpointe, Lathrup Village, Roseville, Ypsilanti, Muskegon and Marshall.

As a RRC participant, the City of Southfield received a comprehensive assessment that measures current community and economic development practices compared to RRC best practice standards. Further, the program evaluates and certifies communities that integrate transparency, predictability and efficiency into economic development practices. Certification status provides a compelling sign that a community has removed development barriers and streamlined processes to be more competitive and attractive to investors.

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Michigan's Business Center

More than 350 high-technology, information-technology, and telecommunications firms have a corporate presence in Southfield. An impressive 98 percent of the City is accessible to high-speed fiber optics, broadband and satellite services with several backbones traversing the community. Major telecommunications firms appreciate Southfield's extensive infrastructure, access to a footprint of citywide fiber optics and central location. More than 40 telecommunications firms are represented in Southfield, including 123.net, AT&T, Verizon, Sprint, Comcast, LDMI, Level 3 Communications, and MCI. More than 90 software development companies also have a presence in Southfield, including the industry's largest: IBM, Microsoft, UGS Corp., Sun Microsystems, Cisco Systems, and many others.

Other key high-tech industries represented in Southfield include major electronic media and satellite facilities such as Hughes Network Systems, LLC, national affiliates of ABC, CBS, FOX, the CW Television Network, Detroit Fox Sports Network and Infinity Broadcasting, parent company of five metro-area radio stations. Healthcare and life science-based businesses also abound in Southfield, including Blue Care Network, Ascension Providence Hospital, Housey Pharmaceuticals, Lumigen and several others.

Some of the world's leading research and development firms are also based in Southfield, including Lear Corporation (world headquarters), Denso International (North American headquarters), BASF, GE, Honda Research and Development America, Eaton Corporation, Sverdrup Technologies, Autoliv, ThyssenKrupp, and many others.

Business Catalyst Portal helps companies to succeed in Southfield

Southfield Business Development launched the Business Catalyst web portal as a new online resource that provides entrepreneurs and small businesses access to information about the local economy, customers and competition. View the Business Catalyst portal at: <https://southfield.ecdev.org>.

The interactive toolbox features a wide variety of market data that is easily accessible, clear and up-to-date. Entrepreneurs can access all the information they need for effective business decision-making, including: business climate, industry trends, customers, competition, local opportunities, zoning controls, workforce and available properties.

The new web tools were developed by technology firm, Localintel. A Calgary-based tech startup, Localintel harnesses the potential of big data to help communities promote their strengths, share market intelligence and support local business growth. Localintel was recently awarded the 2017 Innovation Alley Award from the Smart Cities Council.

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SOUTHFIELD FY2020-21 NEW BUSINESS DEVELOPMENT

First Call Resolution (FCR) expands to Southfield

FCR, LLC one of the premier providers of customer experience and business process solutions, announced it would expand its contact center operations to Southfield in October of 2020. The expansion brings the potential for hundreds of new career opportunities to the community.

The expansion is part of FCR's ongoing effort to bring opportunities and jobs to diverse communities across the United States. "We are very excited to expand our operations further into Michigan," said FCR President and Founder Matthew Achak. "Since we announced our move into Southfield, we've had substantial interest from both our clients and the local communities to push further and faster into the region." He added, "The City of Southfield fits perfectly into our business model of offering customer service and technical support careers to those living in smaller communities. While Southfield is larger in population than our current locations, in many ways, it is similar to our communities in Oregon and Montana. It's full of hard-working people looking for new opportunities and career paths into the startup and tech sectors."

The new career opportunities offered in Southfield are largely Work from Home customer service and technical support positions. Employees are provided with all the necessary equipment to operate in a remote environment and they can complete their training remotely as well. Once completing their training, the new employees will answer calls, emails, chat sessions, and more for several high-profile clients FCR currently services.

As the country continues to address systemic racism and racial injustice, FCR's focus on expanding into more diverse communities across the country is part of its effort to improve diversity, equity, and inclusion within the workplace.

Southfield Mayor Dr. Kenson Siver said, "The City of Southfield is delighted to partner with progressive and forward-thinking companies like FCR. We welcome companies who want to bring new career opportunities to our region." He added, "Southfield is a diverse community with hard-working and talented people who are looking for an entrance into the tech and customer service sectors of the economy. FCR is offering a unique opportunity in those fields. The fact they are offering Work from Home positions also presents added flexibility and safety during the COVID-19 pandemic."

In addition to entry-level positions, the company will also provide leadership and management opportunities for select Southfield residents. FCR is currently recruiting to support some of its largest and fastest-growing clients who are expanding their business. The company hopes to hire between 100 and 200 new colleagues in the Southfield area this year.

About FCR

Headquartered in Eugene, Oregon, with domestic customer experience centers across the U.S. and international locations in Mexico and Poland, FCR has built a new class of high-quality customer

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experience and business process outsourcing solutions. The company provides a wide range of omnichannel customer experience and business process solutions to industries that include high tech, startups, e-commerce, gaming, healthcare, retail, travel and hospitality, and various economic sectors. Founded in 2005, FCR (First Call Resolution, LLC) currently supports more than 80 clients and employs over 2,000 colleagues across nine customer experience centers in the United States. FCR is changing the face of the CX industry, one call, email, instant message, text, and video conference at a time. To learn more about the company, visit www.gofcr.com for further information.

New Seoul Market

The new Seoul Market redevelopment project located at 27522 Northwestern Highway (formerly Copper Canyon) includes the rehabilitation of a vacant 9,440-square-foot brewery into a high-end Asian culinary marketplace. The project will add 5,025 square feet of floor space, facility upgrades, outdoor seating, and landscaping improvements. This redevelopment is estimated to create 100 temporary construction jobs and 51 full-time equivalent jobs upon completion. The New Seoul Market represents a private investment of approximately \$6.3 million into the redevelopment of this property.

Easy Online Solutions

Easy Online Solutions, a web hosting and internet infrastructure services, including dedicated servers, co-location, managed hosting support, cloud computing, cloud storage, and global internet connectivity recently relocated their operations to Southfield. The company “owns” their own cloud and this will be Midwest’s first actual cloud services provider that owns its infrastructure. Easy Online Solutions Ltd will invest up to \$22,000,000 in information technology, furniture and fixtures, with the balance in leasehold improvements within the 16,491 square feet at 21671 Melrose Avenue. Easy Online Solutions Ltd currently has 16 employees on payroll and employ an additional 25 full-time independent contractors throughout their global operation. It is planned to hire up to an additional 40 employees over the term of the agreement.

COMPANIES REINVESTING IN SOUTHFIELD FY2020-21

Doner Advertising

Doner is an 83-year-old advertising agency that has been headquartered in Southfield since 1989. The company currently employs over 300 full and part time staff members out of their Southfield headquarters, with plans to expand in coming years. Doner recently invested \$12 million in technology, furniture and fixtures, and leasehold improvements in their current location. Approximately \$9 million will be in technology, furniture and fixtures. They are proposing to renovate 68,000 square feet at 400 Galleria with an option for additional space, retaining over 300 employees. The company also recently provided their services on a gratis basis to the City of Southfield to produce the City’s introduction video for the 72nd annual All-America City Awards national presentation in June.

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IAC Automotive

IAC is global leader in automotive components and systems serving all major multinational Original Equipment Manufacturers (OEM). Currently, IAC operates from 60 unique locations in 17 countries with approximately 18,000 employees. IAC's proposed new regional headquarters is anticipated to support the relocation and retention of approximately 165 full-time employees within the City of Southfield. These positions include engineering, sales, administrative and the executive team for IAC. IAC will occupy 31,826 square feet located at 27777 Franklin. The project will include \$600,000 in tenant improvements and IAC intends to invest up to \$1.5 million in furniture and technology for the space.

Arbor Town II LLC

Arbor Town II LLC will invest over \$13 million to build 66 apartments at 20300 Civic Center Drive, adding new housing options to the Southfield City Centre District.

The EverCentre Vision

The EverCentre Vision Study found that the proposed Southfield City Centre EverCentre development can presently support up to 183,700 square feet of additional retail and restaurant development, generating as much as \$52.7 million in new sales. By 2021, a small but steady growth in the residential base and increases in household income will grow the trade area's retail demand to potentially capturing \$58.5 million in consumer expenditure. The demand could partially be absorbed by existing businesses and/or with the opening of 35 – 50 new restaurants and stores.

EverCentre Redevelopment Project

Middlepointe Investment Group, LLC is under contract with the City of Southfield to construct a mixed-use development as envisioned by the City for the 8.15 acres parcel located at 26111 Evergreen Road, 20100 Civic Center Drive and 26011 Evergreen Road. Middlepointe purchased the property for \$2.5 million from the City for the EverCentre Redevelopment Project located directly across from City Hall in the Southfield City Centre.

In October 2009, the City Council approved a Brownfield Plan for the former property owners (SOP-Park Place, LLC). The Brownfield Plan permitted the previous owners the opportunity to demolish four vacant 40-year-old office buildings with the goal of developing a mixed-use downtown district. The proposed Brownfield Plan as adopted by Council was envisioned to be a catalyst project creating a more traditional downtown environment. In late 2013 after four years of unsuccessful marketing activity for the proposed Brownfield development, the owners began to market the site as four separate developments all with drive-thrus. This became the catalyst for the City to pursue the acquisition. In May of 2015 the City acquired the subject property, and upon acquisition the City developed the EverCentre Redevelopment Plan.

The City has twice unsuccessfully solicited requests for proposals to sell and develop a centrally located, pedestrian-friendly mixed-use development in the heart of the Southfield City Centre district

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to help attract and retain professionals, to create and maintain a “sense of place” and to spur economic development.

The Middlepointe Investment Group, LLC is an investment group with a proven track record working in Southfield and has successfully developed a two-story mixed-use project. Middlepointe is committed to the proposed vision as conceptualized by the City to create a development that meets the City’s needs. City leadership and elected officials are committed to working with the developer to expedite review and permitting processes and pursue available incentives.

The City of Southfield worked with consultants Hamilton Anderson to evaluate a range of development uses consistent with Southfield’s *Sustainable Southfield* Master Plan, City Centre District vision, local zoning, long range plans and key stakeholder input. The City of Southfield is uniquely situated to support new development in this area due to several distinctive characteristics and market demand. However, the City is also open to developer’s proposals that may not directly align with the original vision for the property.

The vision for Southfield City Centre is to build on Southfield’s high-profile business climate by adding a walkable, mixed-use destination for shopping, dining, entertainment and new residents. The Southfield City Centre is at a crucial turning point in suburban redevelopment. Still a district largely dominated by auto-oriented development populated by office parks and strip commercial plazas, the City now seeks to redefine its economic growth strategy in keeping with current market trends and demands. With the proper redevelopment of this site, Southfield City Centre will become a catalytic district representing the future for metro Detroit — a walkable urban place within a suburban community that combines the aspirations of this high-profile business climate with a commitment to walkability, community and sense of place.

NORTHLAND CITY CENTER PROJECT MOVES FORWARD WITH DYNAMIC MIXED-USE REDEVELOPMENT

The City of Southfield sold the majority of the former Northland Center for \$11,093,000 to Contour Companies of Bloomfield Hills following the Michigan Economic Development Corporation’s (MEDC) approval of a \$26M Michigan Strategic Fund (MSF) investment on July 27, 2021.

Contour Companies (Northland City Center, LLC) have proposed a true dynamic mixed-use redevelopment including apartments at various rental rates, retail and restaurants, office and green space that very closely mirrors the City’s original vision for the Northland redevelopment based upon residents’ collective input.

“We are thrilled to be moving the Northland redevelopment project further closer to fruition,” commented Southfield Mayor Dr. Ken Siver. “Contour Companies vision for this property closely aligns with the City’s and we are confident that they will exceed all expectations. We are collectively grateful to the State of Michigan for the economic development incentives that will help to make it a

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reality. I believe that this dynamic and forward-thinking mixed-use redevelopment will be a major economic driver for the entire State of Michigan and serve as a model for other communities across the country.”

Contour plans to save the original five retail pads from the former mall as well as the underground tunnels and Hudson's building. Previous purchase offers and other developer interest in the property have all stipulated that demolition occur at city expense; however, this sale is based on Contour assuming the cost of demolishing the JC Penney's building, later mall additions and the 1974 enclosure of the free-standing structures. The company has already completed extensive work on its redevelopment plans which includes the adaptive re-use of the former Hudson's Department Store, the underground tunnels and the original (1954) retail pads.

“The City purchased Northland because we wanted to control the destiny of this very strategic and historic property,” added Northland Steering Committee Chair/Councilman Dr. Lloyd C. Crews. “This redevelopment will create jobs and opportunities for our residents and provide our community with something that we can all enjoy and be proud of for years to come.”

The City of Southfield purchased the shuttered Northland Center mall at Eight Mile Road and the Lodge Freeway, located in the City's Downtown Development Authority (DDA) District, from the court-ordered receiver in December of 2015 for \$2.4 million with plans to remediate, demolish and sell the property to a qualified developer. The environmental assessment, asbestos abatement and remediation for most of the mall has already been completed in addition to the demolition of the former Target and Firestone buildings.

The overall project is expected to generate a total capital investment of \$402.5 million, ultimately supporting the creation of the 500 new, full-time equivalent jobs, and will revitalize an underutilized site into high-quality commercial space and housing. The project will improve density and walkability in the area and is expected to serve as a catalyst for future development.

The City of Southfield Brownfield Redevelopment Authority received MSF approval of \$26 million on July 27 in state tax capture for the alleviation of brownfield conditions at the site. In addition, the city of Southfield is contributing the local portion of the work plan valued at \$35.4 million. The project is at a priority redevelopment site for the city of Southfield, which is making a total commitment of approximately \$49.3 million in direct support to the project. This consists of predevelopment activities totaling \$22.8 million which includes previously completed eligible activities totaling \$4.1 million. The city has also agreed to provide future funding for eligible activities completed by the developer estimated at approximately \$20.1 million and \$2.3 million in future city eligible activity costs. The city of Southfield is certified with MEDC's Redevelopment Ready Communities (RRC) program.

“The redevelopment of Northland will transform the property into a lively new urban center while respecting and reinforcing the history of the site, as well as its unique Mid-Century Modern design.”

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said Contour Companies CEO David Dedvukaj. “The project consists of two phases: A 1,339-unit mixed-use apartment community that will provide comfortable and dynamic work-force housing in 14, five-story buildings. Six of these buildings will have a commercial component on the ground floor facing Greenfield Road. The massive J.L. Hudson Co. store, once the largest branch department store in the world, will be returned to use as the Hudson City Market, a vibrant food-and-specialty home furnishings marketplace, filled with dining and entertainment options. The marketplace will be developed in the spirit of the highly successful Ponce City Market in Atlanta. Phase II, located along Northwestern Highway and on J. L. Hudson Drive, will compliment and complete the development’s sense of community by incorporating more mixed-use residential buildings, townhomes fronting on a landscaped green space complete with a pond and other amenities. The landmark power plant will become a community clubhouse and the familiar Northland water tower will also remain in place.”

The Southfield City Council approved a master plan for the 114-acre redevelopment that is a conceptional, market driven blueprint that outlines the standards and vision for developers of the former mall property. Planning consultants OHM Advisors and Hubbell, Roth & Clark (HRC) conducted a thorough technical analysis of the site, examination of the existing buildings/structures, an assessment of environmental factors, and a market analysis to determine the best possible development potential for the former mall.

This closing follows the recent sale of five acres to Ascension Health for an expansion of the Providence Hospital campus. With the sales to Ascension and Contour, the City expects to ultimately be made whole on all of the funds invested in Northland redevelopment project.

About the former Northland Center and past, present and future Southfield

When Northland Center opened in March 1954, it was the largest shopping mall in the world, twenty years later, in 1974, the mall was enclosed. Northland led the way for Southfield to become a major commercial, business and residential center in metropolitan Detroit. At the time of the original center’s completion, Southfield’s population was only 25,000. Fifteen years later, the population had more than doubled to 69,000, and today the city boasts over 73,000 residents and a daytime population reaching 175,000. Alongside the contribution to population growth, the Center helped foster enormous office expansion. Today, Southfield boasts more than 27 million square feet of office space, making it one of Michigan’s leading business centers.

About Contour Companies

Based in Bloomfield Hills, Michigan, Contour Companies is all things real estate. From commercial and residential developments to multi-family revitalizations, the Contour stamp is designed with complete attention to detail, insuring that spaces blend seamlessly into their surroundings. Contour Companies’ mission is to provide residents with an at-home feeling, for comfortable and idyllic living.

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Why Northland Center is important to the City of Southfield:

- Located just north of 8 Mile Road, on the border between Detroit and Southfield, it is the important southern entryway into Southfield from Michigan's largest city.
- It is adjacent to the Lodge Freeway (M-10), which goes northwest from downtown Detroit through Southfield to West Bloomfield, six miles north of the Detroit/Southfield border.
- The Lodge connects with two other major expressways, the Southfield Freeway and I-696 a few miles north of Northland Center.
- About 140,000 vehicles pass the site daily on the Lodge.
- Northland Center is located just south of City's marquee cluster of five golden skyscrapers known as the "Golden Triangle" that form the contemporary Southfield Town Center office complex with the Westin Hotel and conference center.
- If the site is not demolished and re-developed into a revitalized mixed-use site, it could become an eyesore that brings down property values for homes and businesses throughout Southfield.

Background on Northland Center:

- Northland Center was the largest shopping mall in the world when it opened in March 1954. The mall was enclosed 20 years later in 1974.
- Northland led the way for Southfield to become a major commercial, business and residential center in metropolitan Detroit.
 - When the original center was completed, Southfield's population was only 25,000. Fifteen years later, the population had grown to 69,000, which is about what it is today (76,000).
 - In addition to its population growth, the Center helped foster enormous office expansion. Today, Southfield boasts more than 27 million square feet of office space, making it one of Michigan's leading business centers.
- Over the past decade, due to a struggling economy and an aging facility, many Northland Center stores closed. In August of 2014, the mall went into receivership and in March of 2015 the remaining stores were closed.
- Alongside the contribution to population growth, the Center helped foster enormous office expansion.

SOUTHFIELD CITY CENTRE DISTRICT

The Southfield City Centre district is the roughly triangular area defined by Evergreen Road, Interstate-696 and the Lodge Freeway (M-10). The district's boundary extends outward from this triangle in two places to include Southfield's Municipal Campus and [Lawrence Technological University](#) (a new national study of the value of a college education placed Lawrence Technological University fourth in Michigan and in the top seven percent of 4,500 colleges surveyed by the U.S. Department of Education for its 2019 College Scorecard).

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Originally created in 1992, the Special Assessment District provides for the operation, maintenance, promotional and development activities within the Southfield City Centre District, including developing pedestrian amenities and facilitating economic development.

The Southfield City Centre area has 13,000 office workers and five universities and colleges. The entire City of Southfield is home to more than one hundred Fortune 500 companies. Businesses and residents are attracted to Southfield because of its central location, great public services, and easy access to freeways.

Southfield City Centre Trail expansion completed

The City of Southfield and Lawrence Technological University (LTU) held a virtual ceremonial groundbreaking last March for the Southfield City Centre Trail shared-use pathway expansion. The groundbreaking marked the beginning of construction work on 0.6 linear miles of pathway expansion. After nearly two years in the planning stages, the Southfield City Centre Trail was expanded in two phases throughout the spring and summer.

The first phase included more than a half mile of shared-use path construction along southbound Northwestern Highway between Civic Center Drive and W. 10 Mile Road adjacent to the LTU campus. The new path connects the Southfield City Centre and LTU with a 10-foot wide shared-use path built to standards set forth by the American Association of State Highway and Transportation Officials Guide for the Development of Bicycle Facilities. Portions of the trail include a 14-foot pathway with decorative fence adjacent to the Evans Drain.

The path now connects LTU to the existing Southfield City Centre Trail to provide safe non-motorized access for students, faculty and staff to the many amenities in the City Centre, including shops, restaurants and year-round events.

"We are delighted that this new pathway will enhance access between Lawrence Technological University and the many offices, restaurants, recreational and municipal facilities, and other amenities in the Southfield City Centre," said Virinder K. Moudgil, Ph.D., president and CEO of Lawrence Technological University. "The easier it is for all portions of our community to interact with each other, the more that all of our constituencies benefit. Creating that sense of place and interaction is a positive step for all concerned."

The new path was funded in part through a Transportation Alternatives Program (TAP) grant, allocated by the Southeast Michigan Council of Governments (SEMCOG). The balance of funding was shared between the Southfield City Centre and LTU. The construction cost of the project was \$847,687, to which the TAP grant contributed \$455,378. Additional costs for engineering, design, contract inspection, management and administration fees were paid by LTU.

This first stage of the project brings the Southfield City Centre trail closer to the 7.75-mile fully connected pathway system that will provide access to heart-healthy activity and social connection

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within the City Centre. Planned wayfinding signage, tree installation and other pedestrian enhancements will be added when the construction is complete, and LTU has committed to routine yearly maintenance of the pathway, boardwalk and bridge for the design life of the project.

“As a city that was principally developed in the mid-20th century, Southfield was designed around the automobile. Today, we are working to soften the impact of the automobile in numerous ways with zoning changes, reduction in parking lot requirements, placemaking and walkability,” said Southfield Mayor Dr. Kenson Siver. “We have made great strides in making Southfield a more pedestrian-friendly community. The new pathway is the latest addition to miles and miles of new and wider sidewalks that have been installed in recent years in Southfield.”

The project was mostly completed in the summer of 2020, with an additional phase that will construct a pathway from Evergreen Road south to 9 Mile Road will be completed soon. The consulting engineer on the project was OHM Advisors and DiPonio Contracting is serving as the prime contractor with Al’s Asphalt as the subcontractor.

CITY OF SOUTHFIELD COVID-19 RESPONSE

The City of Southfield continues to take every possible preventative step and proactive measure to curb the spread of Covid in an effort to keep the community safe. After several public municipal campus closures, City of Southfield offices began a phased re-opening to the public with limited access in June 2020 with the lifting of the Governor’s Executive Stay-at-Home Order.

Throughout the public municipal campus closures, all essential public safety and public works services and departments continued to function as normal. Residents were also still able to conduct most city business online and through City Hall’s main drop box 24/7 as well as via phone during the City Hall regular business hours, Monday-Friday from 8 a.m.- 5 p.m.

Since the beginning of the pandemic, the City of Southfield has implemented numerous new public safety protocols, procedures and social distancing barriers, including safe social distancing floor stickers installed throughout all public areas as well as floor tape directing foot traffic and interaction. Safety glass partitions have been installed in all public buildings throughout the Donald F. Fracassi Municipal Campus to reduce exposure and contact while providing a safer customer service interaction for both residents and city staff.

“The health, safety and welfare of the community is of the utmost importance,” added City Administrator Fred Zorn. “We have taken every measure available to help ensure the safety of both the public and staff, including more than \$350,000 in facility upgrades and improvements designed to provide that level of protection. Moreover, every City department has prepared and activated Resumption of In-Person Service and Continuity of Operations Plans (COOPs) which have been integrated into the City’s overall COVID-19 Response and Operations Resumption Plan.”

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As part of the new guidelines, all individuals are required to wear face masks and to self-screen for COVID-19 symptoms (fever, cough, shortness of breath) before entering any city office or facility. If anyone is symptomatic, they are prohibited from entering city buildings. Vented face masks are prohibited.

The City of Southfield's first priority is always the health, safety and welfare of our residents, businesses, visitors and employees. With the first confirmed case of the COVID-19 coronavirus in Oakland County, the City of Southfield remains committed to keeping our community safe and informed while working closely with local, county, state, and federal partners to help prevent the spread of COVID-19 coronavirus. Precautions today will help to prevent new infections tomorrow.

The City of Southfield is taking all possible precautionary steps to proactively prevent the further spread of COVID-19 coronavirus throughout the city and the Southfield Municipal Campus. City Administration has implemented an Infectious Disease Outbreak (or Potential Outbreak) and Extenuating Circumstances Policy which outlines all procedures and guidelines to help prevent and/or limit the transmission of communicable diseases in the workplace.

In the event of an outbreak or potential for an outbreak of an infectious disease or Infectious Disease Emergency (“IDE”), the City Administrator may declare a Health and Safety Workplace Cautionary Period. Department Heads and Elected Officials shall monitor and coordinate actions and implement measures which safeguard the safety of their employees and the public with whom they interact in the workplace; while maintaining City operations in an effective and efficient manner. Such measures may include, but are not limited to, designating certain positions as critical, essential, or non-essential/non-critical. During an IDE, City Departments may implement plans to adjust their operations to ensure adequate resources are available to provide critical processes.

City Council and Other Public Meetings

Due to the State of Emergency declared due to COVID-19, the Southfield City Council has continued to meet virtually via WebEx teleconference. Residents can listen to the council meeting live on City Cable 15 and through the City's website at <https://bit.ly/Cable15>. Residents may also call in at +1-415-655-0001 US Toll to make public comment.

Public meetings of the city council and city boards and commissions will continue to be conducted virtually until further notice. The City Council agendas and meeting schedule are available on the city's website at www.cityofsouthfield.com.

Ascension Michigan Southfield Community Vaccine Clinic

Ascension Michigan, in partnership with the City of Southfield, launched a Southfield Community Vaccine Clinic in the Southfield Pavilion located at the Southfield Municipal Campus. Residents were able to easily register online for vaccine appointments at <https://ascensionhealth.inquicker.com/vaccine>. Walk-in appointments were also accepted after the first few weeks of operation.

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Southfield COVID-19 Vaccine Hotline

The City of Southfield also launched a COVID Vaccine Hotline at (248) 796-4529 to assist seniors and other residents without Internet access to register for eligible vaccination appointments. Staff from the City's Human Services Department registered callers for Ascension Michigan's Southfield Community Vaccine Clinic or Oakland County's "Save Your Spot" for COVID vaccinations. Callers were simply required to leave their name and telephone number and staff returned calls as received to get more information to register residents for the first available vaccine appointment for which they are eligible. The hotline continues to operate 7 days-a-week, 24-hours; however, staff return calls Monday – Friday from 8 a.m. – 5 p.m.

COVID-19 Restaurant Relief Programs

The City of Southfield received approximately \$172,000 to distribute to qualifying restaurants to assist with COVID-related expenses based on grant criteria and fund availability. Applications were ranked based on a first-come, first-served basis during the open application timeframe of March 1-31, 2021. Grant applications were reviewed by a committee comprised of the City's Business & Economic Development Director, Finance Director, Downtown Development Director and Code Enforcement Director with disbursement of funds on April 16, 2021.

The Restaurant Technology & PPE Reimbursement Program was a grant based initiative available to qualifying restaurants, bars & cafes within the City of Southfield. The purpose of this program was to reimburse eligible businesses for: 1) technology products or software purchased to support dine-in restaurants, bars & cafes impacted by COVID-19 and related public health orders; and 2) products, supplies and services purchased to assist in operating safely and in re-opening, when allowed. This was a companion grant with the Restaurant Weatherization Program. The maximum total reimbursement for both the Weatherization and Technology & PPE for a single business was \$10,000.

The Restaurant Weatherization Program was a grant-based initiative available to qualifying restaurants, bars & cafes within the City of Southfield. The purpose of this program was to reimburse eligible businesses for products purchased to create outdoor dining environments. The intention was to support eligible businesses during the extended COVID 19 shutdowns and to create options for future winter outdoor dining. This was a companion grant with the Restaurant Technology & PPE Program. The maximum total reimbursement for both the Weatherization and Technology & PPE for a single business was \$10,000.

City of Southfield COVID-19 Memorial & Visual Tribute

The City of Southfield installed memorial flags as a tribute to residents who lost their lives to COVID-19 on the front lawn of the Southfield Municipal Campus from May 10-28, 2021 in addition to a candlelight vigil that took place on May 11.

"With so many Southfield lives lost to COVID-19, we felt it was vitally important to pay tribute to these cherished friends and family members," commented Mayor Dr. Ken Siver. "We hope that this

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memorial tribute provides some comfort to the many families who have lost loved ones as we remember these individuals and share how they inspired us and contributed to our community.”

The City of Southfield invited residents to honor lost loved ones by submitting their names, a brief bio and a photo to be included in an online memorial at www.cityofsouthfield.com/covid19communitymemorial as well as at the candlelight vigil. To date, 359 Southfield residents have succumbed due to the COVID-19 virus.

2020 CENSUS: SOUTHFIELD STAND UP & BE COUNTED!

The City of Southfield formed a 2020 Census Complete Count Committee comprised of city staff and community stakeholders to ensure that every Southfield resident is counted. The United States Census is mandated by the Constitution to count the populations of states and territories every ten years. Census data is the basis for apportionment of the House of Representatives. It also guides federal assistance, particularly for grants supporting infrastructure and the social safety net.

Southfield residents initially received their 2020 Census invitations in the mail in March. This mailing included all of the information that every resident needed to respond to the Census online, by phone or in the mail. The deadline to respond to the 2020 Census was extended until September 30 due to Covid-19.

City of Southfield and Oakland County partnered to hold several Census 2020 response events

The City of Southfield, in partnership with Oakland County, the Southfield Non-Profit Housing Corporation and Area Agency on Aging 1-B, hosted four community events to increase resident responses to the 2020 Census as follows:

- Tuesday, September 8 from 2-4 p.m. – Ice cream social at River Park Place, 24300 Civic Center Drive;
- Friday, September 11 from 5-8:30 p.m. – Beans & Cornbread food truck at Carnegie Park Apartments, 11 Mile Road just east of Inkster Road (26598 E. Carnegie Park);
- Friday, September 18 from 5-8:30 p.m. – Beans & Cornbread food truck at Village Club of Franklin Apartments, 27465 Franklin Road; and
- Saturday, September 26 from 11 a.m. - 3 p.m. – Beans & Cornbread restaurant, 29508 Northwestern Highway.

All of the events were free and open to anyone who had not yet responded to the 2020 Census. All events were planned for outdoors and face masks and social distancing was required.

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City of Southfield 2020 Census Sunday

The City of Southfield, in partnership with Oakland County and Urban Unity Detroit, also sponsored *2020 Census Sunday* on Sunday, September 20 from 2-5:30 p.m. at North Park Place, 16300 & 16400 North Park Drive on the front drive, an area that was experiencing a low response rate.

2020 Census Staff were on hand to help residents to complete their census in as little as four minutes. The event also included raffle prizes and giveaways, a live DJ and a voucher for free food from the Beans & Cornbread food truck (with each completed census) to encourage attendance and participation.

“We are on the final push for the 2020 Census response,” commented Mayor Dr. Kenson Siver. “It is vitally important that every Southfield resident completes the 2020 Census as federal funds, grants and support to states, counties and communities are based on population totals. We need every Southfielder to respond because everyone counts in Southfield!”

AWARDS & ACCOLADES

Southfield selected as 2021 All-America City Awards (AAC) national finalist

The City of Southfield was selected as a national finalist for the 2021 All-America City Awards (AAC) sponsored by the National Civic League. The 20 national finalists represented the diversity of American communities from the largest cities to the smallest towns, from east to west and north to south. The award, given to ten communities each year since 1949, celebrates and recognizes villages, towns, cities, counties, tribes and regions that engage residents in innovative, inclusive and effective efforts to tackle critical challenges.

The National Civic League's President, Doug Linkhart explains the importance of using inclusive civic engagement: "This year's finalist communities have managed the compounding difficulties of the past year, all while building equity and resilience. Their accomplishments are a testament to what can be achieved when government, residents, businesses and other stakeholders collaborate."

The year's theme was *“Building Equitable and Resilient Communities.”* As such, the 2021 awards recognized communities that have worked to improve equity and resilience. Equity is the fabric that allows communities to achieve broad-based economic prosperity and other goals. Resilience enables communities to face challenging times by not only preserving what makes their community great but adapting and growing stronger. Both qualities depend on inclusive civic engagement.

The National Civic League has recognized and celebrated the best in American civic innovation with the prestigious All-America City Award for over 72 consecutive years. The Award, bestowed annually on 10 communities recognizes the work of communities in using inclusive civic engagement to address critical issues and create stronger connections among residents, businesses and nonprofit and government leaders.

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The 2021 All-America City Awards were held virtually, June 7-9, 2021. The City of Southfield competed against the other finalist communities for the title of All-America City; however, did not prevail as one of the ten winners for 2021.

Verizon “The Best Small Cities to Start a Small Business”

Go.Verizon.com announced the release of its second annual “Best Small Cities for Small Businesses” report on April 29, 2019. The City of Southfield made the Top 50 List by Verizon for “The Best Small Cities to Start a Small Business” for the second consecutive year, moving up ten spots from last year to #28 in the nation. Go.Verizon gathered data from nearly 300 cities (as defined by the U.S. Census) across the country, focusing on certain factors that would categorize them as “small” without dipping below the mark to “town”. These elements also indicated the financial and tax climates of each city and an overview of its education and demographics. Verizon based their ranking off six key metrics, including: education level of the local workforce; in-city commute times; income per capita; broadband access; availability of SBA loans; and overall tax friendliness.

Centrepolis Accelerator awarded Wells Fargo NREL IN² Diversity, Equity, & Inclusion Program Grant
Centrepolis Accelerator was recently selected for a Channel Partner Award from the Wells Fargo Innovation Incubator (IN²) and National Renewable Energy Laboratory (NREL) for Diversity, Equity, and Inclusion.

As one of four winners of the IN² Channel Partner Award nationwide, Centrepolis Accelerator received \$100,000 to invest and provide free and discounted research and development services for entrepreneurs located in underinvested neighborhoods of Detroit, Hamtramck, Pontiac, Southfield, Jackson, and Flint, to expand its geographic reach.

The network of 63 nationwide IN² Channel Partners include cleantech and agtech business incubators, accelerators, universities and industry experts. Of those who submitted applications for the Channel Partner Award, 50 percent applied for the Diversity, Equity and Inclusion-focused category. The four winners, including Centrepolis Accelerator, were selected by a roundtable of IN², NREL and Wells Fargo representatives and were evaluated on their support of Black, African American, Latino, Asian American, American Indian, Alaska Native and women entrepreneurs in clean technology divisions.

“We are very appreciative of the investment provided by EGLE, NEI and IN², a portion of these investments will be dedicated to support ventures led by women, people of color, veterans, and other underrepresented entrepreneurs,” commented Southfield Mayor Ken Siver.

Of the awarded funding, \$75,000 will be used to match EGLE, Herrick Foundation and New Economy Initiative funded investments which helps support the C³ Accelerator program in product development and scaling of Cleantech, Climatech and Circular Economy technologies with a focus to serve underrepresented entrepreneurs.

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The C³ Accelerator is focused on identifying the best in class cleantech, climatech and circular economy technologies, no matter where they reside in the world, and finding pathways for these promising innovations into Michigan to support our state's goals for reducing emissions, improving energy efficiency and recycling rates. The ultimate aim is for companies to come here to Michigan to manufacture their products as well as demonstrate and scale their technologies with local partners.

The Centropolis Accelerator, housed in Lawrence Technological University's Enterprise Center in Southfield, is 6,300 square feet of state-of-the-art business assistance for physical product developers and manufacturing companies, a unique niche among accelerators in the Detroit area. Clients include manufacturing startups and existing companies looking to move up to the next level in product innovation. Services include access to office space, co-working space, workshops, mentors, business planning services, and laboratories and equipment for digital product design and prototyping, as well as virtual reality and mixed reality labs.

Southfield's Red Pole Park wins ASLA General Design Merit Award

The City of Southfield's Red Pole Park public art installation, located in the Southfield City Centre, won a General Design Merit Award from the Michigan Chapter of the American Association for Landscape Architects (ASLA) in a virtual awards ceremony on October 23, 2020.

The General Design Merit Award was presented by ASLA President Wendy Miller to Landscape Architects Mijung Ko, ASLA, PLA, LEED GA and Mark Hieber, ASLA, LEED AP, Principal at [HED](#), a national architecture and engineering firm with a local office in Southfield. HED was retained by the [Southfield City Centre](#) to design the first phase of a shared use pathway system and this environmental art feature as a centerpiece for community engagement.

"This design award is a nod toward the power of landscape, in all its forms, to enhance the positive perception of 'Place,'" said Mark Hieber. "It is the result of a broad vision by the City of Southfield and its planning department to advance Southfield toward a more walkable and bikeable city." Mr. Hieber also recognized the partnership with the [City of Southfield](#) and Director of Planning, Terry Croad, AICP, ASLA, also a member of the Michigan Chapter of ASLA.

Red Pole Park is the first installation in a series of outdoor "rooms" or art installations along the Northwestern Highway Shared-Use Pathway and Greenway. A total of 65 poles have been installed, each towering approximately 35 feet above the ground and weighing 800-1,000 pounds. Eighteen inch tall stumps were installed and dots were painted along the pathway following the grid pattern of the poles. The various heights of the poles represent Southfield's history, present goals, accomplishments and future growth. An additional 1,000 feet of pathway was also added to the existing pathway extending it north to Lahser Road.

The Northwestern Highway Shared-Use Pathway and Greenway was created by converting an "old goat path" into a bike-walk accessible greenway to join a growing network of trails and sidewalks throughout Southfield. The pathway currently runs between Civic Center Drive and Corporate Drive. The ten-foot-wide shared-use pathway will include over 2.5 miles of paved surface area for bikers,

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walkers and runners once completed as well as extensive landscaping and other pedestrian amenities, filling in a key gap in the City's pathway system.

The City of Southfield and the MEDC successfully raised over \$55,000 to create Red Pole Park. The campaign surpassed its crowdfunding goal of \$50,000 by August 4, 2017—earning the project a \$50,000 matching grant with funds made possible by MEDC's Public Spaces Community Places program. Additional funds were provided by the Southfield City Centre and city of Southfield's Metro Act funds.

[Public Spaces Community Places](#) is a collaborative effort of the MEDC, MSHDA, the Michigan Municipal League, and Patronicity where local residents can use crowdfunding to be part of the development of strategic projects in their communities and be backed with a matching grant from MEDC.

The award is significant in that it was adjudicated by the Iowa Chapter of ASLA, rather than by a local panel. The jury said, "The creative solution and innovative approach to using existing utility infrastructure not only pushed the design further but worked within the limited budget.

Consisting of 65 red poles, each 35-feet tall, the installation intersects the extra-wide shared-use path at a segment of the Southfield City Centre Trail visible to the vehicles that traverse the Lodge Freeway each day. Red Pole Park represents the past, present and future of civic mindfulness in Southfield, with special historical recognition for past generations and founders of Southfield, as well as the growth and development of civic leaders yet to come.

At night, the tallest of the poles are lit with twinkling blue lights, which signal safe harbor, much like Michigan's many beautiful and historic lighthouses. Walkers, runners and cyclists on the Trail can interact with the poles, which are home among native wildflowers, trees and unique birdhouses.

"We felt that we needed something bold and exciting to get people's attention and it has done that and more," said Terry Croad during the awards ceremony. "It was the first piece of a 2.25-mile trail that has continued to be expanded along M-10 the Lodge through the city of Southfield. We want to congratulate HED for their partnership with the city on this project that has been a catalyst to a number of redevelopments along this corridor including a new North American headquarters for Clariance Technologies, a convention center, two new hotels and expansion at Lawrence Tech University."

City of Southfield Police Chief Barren and Detective Gray receive Domestic Violence Prevention Awards

Southfield Police Chief Elvin Barren and Detective Indasha Gray received 2020 Domestic Violence Prevention Awards from the Oakland County Coordinating Council Against Domestic Violence for their collective efforts in protecting survivors of domestic violence while raising awareness and providing public education about the issue.

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Under Chief Barren's leadership, the Southfield Police Department developed a comprehensive new plan to address and reduce domestic violence in the city of Southfield, including creation of a community partnership task force, high risk response team and through highly visible public education, outreach and engagement. The City of Southfield, Southfield Police & Fire Departments, 46th District Court, Haven Oakland, Southfield Domestic Violence Group and the Dr. Martin Luther King Task Force partnered together to host the "2020 Walk to Raise Awareness of Domestic Violence" on October 4, 2020. The event kicked-off with a press conference to announce Chief Barren's new strategy to address and reduce the impact and occurrence of domestic violence.

"We are fully in support of Chief Barren's efforts to raise awareness about the societal problem of domestic violence and we congratulate him on his initiatives to address this issue locally," commented Mayor Dr. Kenson Siver.

The Oakland County Coordinating Council Against Domestic Violence was formed to sustain a community response to domestic violence. Members include judges, prosecutors, law enforcement officers, legislators, social service providers, educators, health care professionals, clergy members, business people and other members of the community.

HAVEN is an Oakland County-based nonprofit organization that offers comprehensive programs for victims of domestic violence and sexual assault. It provides shelter, counseling, advocacy and educational programming to almost 30,000 people annually. HAVEN has helped domestic violence and sexual assault victims and their families escape abuse and create safer lives for over 40 years. The work daily to empower survivors to heal, and engage all individuals and communities to address and prevent sexual assault and intimate partner violence.

[City of Southfield ranked as the top city in the U.S. for black women to flourish financially by MoneyGeek.com](#)

MoneyGeek ranked 200 cities with populations greater than 65,000 from the best to the worst for Black women. The ranking includes analysis of income, poverty rate, homeownership, educational attainment, and health insurance gaps between Black women and the entire population nationally and locally. The size of the local Black population and the cost of crime in the area was included in the ranking to reflect the presence of Black community and safety, respectively. The City of Southfield and New Rochelle, a New York City suburb, ranked highest in the analysis.

[Southfield's Kimmie Horne Jazz Festival wins National Civic League's 2021 All-America City Awards Cultural Entertainment Showcase](#)

The City of Southfield's Kimmie Horne Jazz Festival entry for the National Civic League's 72nd annual All-America City Awards (AAC) won the national Cultural Entertainment Showcase.

As one of 20 nationwide finalists for the 2021 All-America City Awards, the City of Southfield was eligible to submit three entries for the Showcase. Finalist communities presented the best in local

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and national talent, including Grammy-award winners and best-selling artists. The Kimmie Horne Jazz Festival won with most overall online votes out of the 60 total entries nationwide.

The 20 AAC national finalists represented the diversity of American communities from the largest cities to the smallest towns, from east to west and north to south. The award, given to 10 communities each year since 1949, celebrates and recognizes villages, towns, cities, counties, tribes and regions that engage residents in innovative, inclusive and effective efforts to tackle critical challenges.

The City of Southfield competed virtually against the other finalist communities for the title of All-America City. While Southfield was not victorious in its bid, the City remains honored to be selected as a national finalist among other world-class cities.

Kimmie Horne is an internationally renowned vocalist, performer and recording artist. A descendant of legendary songstress and actress Lena Horne and singer/songwriter Cleveland Horne of the *Fantastic Four*, Kimmie has left her musical mark around the world from Detroit to Tokyo. Kimmie launched the Kimmie Horne Jazz Festival in 2016 and has worked tirelessly to grow the festival each year, hoping to one day expand the festival internationally.

PUBLIC ART

In recent years, the City of Southfield has embarked upon an ambitious plan to bring more public art and other outdoor attractions to the city. Numerous studies have shown that public artwork can not only aesthetically improve and inspire communities, but can also serve as real economic drivers – increasing both the quality of life. Public art is meant to be seen, but more so experienced, as a work of art can help stimulate and provide perspective no matter what the subject at hand.

The Southfield Public Arts Commission identified a permanent home for the *Boy and Bear* sculpture at the Southfield Public Library. The Library receives thousands of visitors per week, and Marshall Fredericks would have been pleased to know his work will continue reaching so many people each day. The Southfield Public Arts Commission launched the ‘Free the Bear’ development campaign to raise funds for the art from the former Northland Center. The campaign included both a public crowd funding component as well as corporate underwriting. The Mayor’s Office and the Southfield Public Arts Commission have raised over \$700,000 to repay the loan and has continued to raise additional funds to restore and place the art throughout Southfield. Moreover, every contribution received helped to establish a permanent fund for youth art programming, support for local artists, and expanded cultural opportunities in the City of Southfield.

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Recent Public Art Installations

The City of Southfield and the Southfield Public Arts Commission hosted a reception to dedicate several newly placed sculptures as well as a special unveiling of a former Northland piece at the Southfield Public Library last September.

The new sculptures dedicated included a refurbished Moby Dick that was installed in the fountain of the Southfield Public Library; Arthur Kraft's Peacock sculpture that now graces the Library circle drive; Sorel Etrog's The Prophet that was installed in the Police Memorial Garden; and Andreas Drenters' Pioneer Family II at Mary Thompson Farm, among others. The unveiling showcased the restored miniature Mackinaw Bridge model that was on display in the only surviving outdoor plaza after the 1974 enclosure of Northland.

All of the new sculptures dedicated, with the exception of Pioneer Family II, originated from the former Northland Mall collection that was acquired by the City with the purchase of the shuttered mall. No tax dollars have been used for the art acquisitions, restoration and placement of the works.

Moby Dick, created by American sculptor Joseph Anthony McDonnell, was commissioned by the J.L. Hudson Company for Northland Mall in 1966. This 1,100-pound bronze sculpture and fountain graced a courtyard in the center of the mall until 2015 when the mall closed. The city of Southfield took possession of the 18-piece Northland art collection, including Moby Dick, in 2015. The collection was purchased for \$500,000 through a city-arranged, low interest loan. More recently, a new initiative was launched to restore the fountain that is located on the front lawn of the Southfield Public Library which has not been operable for the past decade. In addition to fundraising for the restoration of the Northland art, funds were also raised to reconfigure and repair the fountain. Moby Dick now fittingly graces the fountain as a centerpiece that sprays water in a smaller, more manageable configuration with extensive new landscaping, lighting and walkways recently completed. Many corporate and individual donors made this project possible, including: Barton Malow, Guardian Alarm, Judith Sims, Janine Pixley, Southfield Parks & Garden Club, Mayor Kenson Siver, Belfor, Friedman Real Estate, United Jewish Foundation, Farbman Real Estate, Robert Johncox, Torch of Wisdom Foundation, Mike Shango, Miller Legacy Trust, and Forrest Page. The goal of this campaign was to raise \$200,000 in addition to several in-kind donations.

City of Southfield dedicates new Peace Poles at Southfield Municipal Campus

The City of Southfield held a dedication ceremony for the new Peace Poles installation on November 6, 2020 in the City Hall front circle drive. The event included remarks from Councilman Dr. Lloyd Crews, City Administrator Fred Zorn, invocation by Rev. Dr. Carlyle Fielding Stewart III of Empowerment Church, a musical accompaniment of *Peace on Earth* performed and a benediction by Rabbi Aaron Starr of Congregation Shaarey Zedek.

The new Peace Poles installation is part of an initiative started by the May Peace Prevail on Earth International™, a global not-for-profit charity that develops and promotes peace activities for communities and youth. May Peace Prevail on Earth is a nonsectarian organization dedicated to

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promoting global peace through the universal message and prayer, May Peace Prevail on Earth. The Organization is member supported in both its activities as well as its funds. The organization is headquartered in New York with executive offices in San Francisco, Tokyo and Munich; however, the May Peace Prevail on Earth movement is spread throughout the world by the tireless grassroots efforts of the individual members.

The foundation's primary mission is to plant Peace Monuments around the world. Along with their affiliates Peace Pals International™ and the Goi Peace Organization of Japan, they also conduct an annual international art contest for children and tour of the artwork, an annual essay contest for youth, and international youth conference webinars. Partner organizations are all members of the United Nations Economic and Social Council.

"Now more than ever before, we must all come together in a spirit of peace, love, mutual respect and understanding," commented Councilman Dr. Lloyd C. Crews. "In Southfield, we value every person from every culture, religion, race and background and these new Peace Poles exemplify that in a way that I hope resonates with every resident and visitor. It is our collective prayer for peace not only in Southfield, but throughout the entire world."

The Organization believes that global peace can only be achieved when each person attains inner peace and people of every country affirm their commitment to peace. It is therefore important that local citizens worldwide make their own efforts for peace, according to the customs and culture of the region. In this spirit, Peace Representatives are appointed to take the initiative in promoting the Organization's activities locally, while maintaining close contact with headquarters. Peace Representatives are also encouraged to network with other Peace Representatives on both national and international levels to exchange information and coordinate efforts for global peace.

According to research by the World Travel & Tourism Council (WTTC), countries with a more open and sustainable tourism and hospitality sector tend to be more peaceful. A sustainable and open tourism and hospitality sector brings about a higher level of positive peace through personal attitudes, institutions, and societies. This also promotes expanded social and economic investments that enhance sustainable growth in local communities.

The City of Southfield is the first City in the U.S. to receive this award. The community of Zihuatanejo, Guerrero, Mexico, the city of Southfield's sister city, was the first to receive the Annual Amig@s de la Paz Sustainable Tourism Award for programs that were modeled after Southfield. Zihuatanejo, or Ixtapa-Zihuatanejo, is the fourth-largest city in the Mexican state of Guerrero. Politically the city belongs to the municipality of Zihuatanejo de Azueta in the western part of Guerrero, but both are commonly referred to as Zihuatanejo.

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Northland Public Art Acquisition

The City of Southfield purchased the public art that was located at Northland Center for \$500,000 in April 2015 as a loan from the City that has been recouped by the 'Free the Bear' fundraising campaign. Of this amount, \$300,000 was provided by the Miller Legacy Trust Fund. The acquisition included the iconic The Boy and Bear sculpture by the late Marshall Fredericks that had been on display at Northland since the mall's opening in 1954. Fredericks was one of six artists commissioned by J.L. Hudson to design the sculpture for Northland Center in Southfield, Michigan. At the time it opened in 1954, Northland was the country's largest shopping center as well as the first regional shopping center. The Boy and Bear was installed in the vestibule of the Southfield Public Library in May of 2016 followed by the installation of the famed Walter Kraft Peacock in the front circle of the library in September of 2018. All of the other art acquired from Northland has been safely removed with plans to install the remaining pieces throughout the city.

Southfield Public Arts Commission

The Southfield Arts Commission was established in 2015 to advise the City Council on matters affecting public art in the city. The goal of this commission is to create a stimulating environment that reflects and enhances the City's heritage, diversity and character through public artworks integrated in the architecture, infrastructure and landscape.

Friends of the Southfield Public Arts

Friends of Southfield Public Arts is a recognized tax exempt 501 (c) (3) non-profit organization that works with the Southfield Arts Commission and the city of Southfield to maintain, strengthen and increase public art throughout Southfield.

Southfield Photo Prize

The City of Southfield sponsored the 5th annual Southfield Photo Prize last summer to showcase the natural and architectural beauty throughout the city while also creating an exciting public art exhibition. Due to the success of the competition, the program was expanded from 20 to 25 finalists.

Almost 200 entries were received for the 2021 Southfield Photo Prize competition. Submissions were initially reviewed by the Total Living Commission that selected the top 25 entries that were eligible for public voting. The finalists were enlarged and displayed outside on city hall and the parks & recreation building for public viewing. The community was encouraged to visit all the entries and to vote on their favorite installation. Photo finalists were also posted on a special Southfield Photo Prize section of the City's Web site (www.cityofsouthfield.com) for judging by the public from June 9 – August 29. The winners were announced at an awards ceremony in September and the photo that received the most overall votes will be featured in the City's 2022 calendar. The other finalists may also be featured in the calendar and other city marketing materials.

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COMMUNITY ENGAGEMENT, NEIGHBORHOODS, HOUSING & CURB APPEAL

City of Southfield 2026 Comprehensive Master Plan

The City of Southfield is in the process of updating the 2026 Comprehensive Master Plan, a document created to establish goals and guidelines to manage the community's redevelopment and growth. The Plan is updated every five years, following the Michigan Planning Enabling Act (Act 33 of 2008, as amended), for a review to determine whether to amend or adopt a new Plan.

The City of Southfield's updated Master Plan will state policies and recommendations for the physical development of the City in addition to providing background information for elected officials and administration to use while making planning decisions pertaining to the future development. As a first-tier community, neither fully urban nor completely suburban, Southfield needs a master plan that will blend the new with the old. A public participation program will incorporate ideas from those who know Southfield best—the residents and business community.

The City encouraged Southfield residents to participate in an 8-week public input survey process to provide an opportunity to respond to a series of questions pertaining to a wide range of topics that will affect the future of the community. Surveys were available for participants to complete weekly starting February 1 through March 26, 2021 online at publicinput.com/sustainablesouthfield2026.

City of Southfield Beech Woods Park Master Plan

The City of Southfield recently solicited residents' input on the new Beech Woods Park Master Plan Project. Due to the COVID-19 pandemic, all sessions were held virtually beginning the week of March 1, 2021.

The City of Southfield is in the process of developing a new Master Plan for Beech Woods Park to reimagine underused spaces within the park and provide improved recreation opportunities for Southfield residents. Once the plan is finalized, it will guide short-term investment into long-term park improvements.

The community meetings provided more information about the project while gathering residents' input for the future development of Beech Woods Park. Meetings were held virtually during the weeks of March 1 and March 8 on Google Hangouts in addition to call-in options available for those without Internet access.

City of Southfield Wildlife Advisory Commission Wildlife & Related Habitat Restoration Survey

The Southfield City Council approved the establishment of a Wildlife Advisory Commission to ensure the safety, health and welfare of the residents and visitors to the City of Southfield as well as the many wild animals that live within Southfield's borders.

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The Wildlife Commission's mission is to develop and propose a wildlife program and other recommendations to City Council as proper wildlife management requires a multidisciplinary and inter-governmental approach involving residents.

The Commission is currently working to develop a wildlife program within the city that:

- Actively seeks and receives input from residents and others with concerns regarding wildlife in the City of Southfield;
- Works collaboratively with individuals of all points of view regarding wildlife in the City of Southfield;
- Works collaboratively with wildlife commissions or similar organizations in nearby communities regarding wildlife in or near the City of Southfield; and
- Works collaboratively with the Michigan Department of Natural Resources (DNR) and other county, state and federal entities responsible for wildlife management regarding wildlife in or near the City of Southfield.

The Wildlife Advisory Commission developed a *Wildlife & Related Habitat Restoration Survey* to obtain anonymous information that can be used to statistically analyze responses and results to reach objectively based conclusions. The Commission will also use the survey results as a basis for discussions and for potential recommendations to the Southfield City Council.

Southfield Solutions Resident Reporting Tool

The City of Southfield partnered with QScend Technologies to launch the enhanced Southfield Solutions platform that allows residents to directly report quality-of-life issues and request city services all from the convenience of their smart phone, tablet or computer. The City officially transitioned from the previous application vendor SeeClickFix to take advantage of a significant cost savings combined with improved system capabilities and functionality.

With the free Southfield Solutions mobile app and web tools, Southfield residents and businesses can provide City of Southfield staff with pictures, specific descriptions, geo-locating and more — valuable information needed to resolve an issue efficiently. In addition, the Southfield Solutions platform provides Southfield officials with a centralized issue management system to manage issues from the initial report to resolution — engaging the community throughout the process.

After reviewing several possible vendors, the City of Southfield ultimately selected QAlert because it provides unlimited staff user licenses, GPS-based geographic assignments and the ability to incorporate the City of Southfield's branding. The system is very easy for the community to use, allowing residents to quickly create an account and view a history of requests they have submitted and the status of each. Additionally, with QAlert the complaint goes directly to city staff tablets in the field and the City's rubbish and recycling vendor GFL will pay for half the annual cost of the system. Previous SeeClickFix users will need to create an account in the new system in order to continue reporting service request issues.

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The Southfield Solutions mobile app is available for free download on Android at: <https://play.google.com/store/apps/details?id=com.qscend.report2gov.southfieldsolutions> and iPhone at: <https://apps.apple.com/us/app/southfield-solutions/id1500931950>. In addition to the mobile apps, citizens can send reports directly to the City of Southfield website at www.cityofsouthfield.com.

NEIGHBORHOODS, HOUSING & CURB APPEAL

Southfield residents have 71 homeowners' associations and 55 condominium associations representing their collective interests. The community offers over 17,000 single-family homes and nearly 17,000 multi-family apartments and townhouses. Within Southfield's 26.7 square miles, residential zoning comprises 64 percent of land use, yet 65 percent of the community's tax revenues are generated from business properties. Though considered nearly fully developed, Southfield continues to evolve to meet the ever-changing needs of the community.

Beautification efforts are further strengthened through the Neighborhood Entranceway Marker Program administered through the City's Neighborhood and Information Center, a division of the Community Relations Department. In the 2020-21 fiscal year, ten entranceway projects were funded to improve neighborhood entranceway signs and landscaping based on a dollar-to-dollar match. Additionally, over 160 individual homeowners, neighborhood and condo associations, and public buildings were recognized for outstanding overall appearance and landscaping from almost 270 nominations through the City's annual Community Pride Awards program. The program was expanded to include several new categories including 'Businesses–Small', 'Businesses–Large' and 'Well-Manicured/Maintained Residential Properties' which is geared for homeowners that maintain curb appeal on a budget. The Southfield Parks & Garden Club, a grassroots effort led by volunteers, assisted with the judging in addition to working on several other beautification projects throughout the year.

Southfield Parks & Garden Club

The Southfield Parks and Garden Club is a 501(c)(3) non-profit organization that works to keep Southfield beautiful. The club is a grass-roots, city-wide organization whose members assist with various curb appeal initiatives to beautify yards, neighborhoods, parks and other public spaces throughout Southfield. The club also operates a community farm at Emmanuel Lutheran Church that grows and harvests fresh, organic produce that is donated to Forgotten Harvest for those in need. All proceeds from the garden walk ticket sales will support the club's charitable outreach efforts.

The Southfield Parks & Garden Club also hosted the 14th annual Southfield Garden Walk last summer throughout several of the finest gardens in the Southfield Gardens to showcase the beauty of the city.

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Historic Mary Thompson Farmhouse Restoration

The City of Southfield completed a restoration project of the Mary Thompson Farmhouse located at 25630 Evergreen Road to preserve and protect this historic property.

The Mary Thompson farmhouse, built in 1840 and purchased by the Thompson family in 1874, was the home of Mary Thompson, a Southfield teacher and community advocate. In 1958, Mary along with her brother James sold 166 acres of their property, at one half its value, to the City for use as a Civic Center. Before she passed away in 1967, she willed \$100,00 in cash to the City, from which only the interest can be used to maintain her home. The farmhouse, as well as the farm, remains as a tribute to her community and family, and is currently maintained as a community museum.

In October 2020, the City posted bids for the restoration project and awarded BTS Construction of Shelby Township, Michigan the contract to repair the Mary Thompson farmhouse at a total cost of \$38,482.50. This project includes, but is not limited to, exterior wall coverings, gutter system removal and installation of HardiePlank® Refinished lap siding.

The most recent project is just one of many restoration and renovation projects the City has accomplished through the years in maintaining the home, as well as the farm, to its original and historic state. Many of these projects included structural repairs to the walls and roof, an ADA accessible ramp addition, a central heating system installation, as well as a new barn with ADA compliant restrooms and storage for the Southfield Community Garden program for local seniors.

No tax dollars are being used to preserve the farmhouse and farm. All funding for the Mary Thompson farmhouse renovation project is provided by donations to the Mary Thompson Trust.

Habitat for Humanity's Rock the Block Program

Habitat for Humanity of Oakland County, in partnership with the City of Southfield's Neighborhood Services, sponsored the 5th annual Rock the Block program in the South Evergreen area September 30 and October 2.

Habitat Oakland County's Rock the Block (RTB) program combines homeowners in targeted areas, Habitat volunteers, community sponsors and home preservation projects into high-energy community revitalization projects. Under the guidance of Habitat Oakland County's construction staff, community sponsors and volunteers complete exterior home repairs, weatherization and cleanup activities such as porch staining, house/porch painting, gutter cleaning, yard clean-up and landscaping. Habitat Oakland County invites corporate and community partners to join this movement in neighborhood revitalization and work along-side existing supporters including the City of Southfield, Consumers Energy, and volunteer and sponsor groups.

Habitat Oakland County hosts two to three Rock the Block events each year. These events generally involve 12-15 simultaneous projects taking place over a two-day period in a focus neighborhood. This year, the program has been expanded to include two different focus areas in the city of Southfield.

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Projects were approved on a first-come, first-served basis. Interested residents in those focus areas were encouraged to submit an application before the program was full.

Since 1995, Habitat Oakland volunteers, staff and donors have served over 855 individuals and families through housing and education programs across Oakland County. HFHOC is dedicated to providing safe and affordable housing in Oakland County by building and renovating homes, which are then purchased with an affordable mortgage by qualified low and moderate-income homebuyers in need. Habitat for Humanity is a catalyst for individual and community transformation. To learn more, visit habitatoakland.org.

Mayor Siver's Big Rake Initiative

Mayor Dr. Kenson Siver, in partnership with Lowe's Home Improvement and Home Depot of Southfield, hosted The Big Rake on Saturdays, November 7, 14, 21 and December 5 throughout Southfield. The Big Rake is an effort to help elderly or disabled Southfield residents with fall lawn maintenance. Volunteers were recruited to help rake and bag leaves for those residents that are unable to do so. Lowe's Home Improvement and Home Depot donated the paper yard waste bags for use at the events. In total, more than 350 volunteers helped to clear over 120 yards over the course of the four work days.

AARP Age Friendly Community Designation

The City of Southfield was officially designated as an Age-Friendly Community by the AARP Network of Age-Friendly States & Communities for creating an action plan for being more age-friendly under the criteria established by AARP and the World Health Organization. Southfield Human Services and the Commission on Senior Adults (COSA) hosted an AARP Age Friendly Community kickoff event in May of 2016 followed by the application in June. The event served as the official launch of the city's campaign which included an overview of the plans for the City of Southfield to be designated an AARP Age Friendly Community. Designation as an AARP Age Friendly Community shows that a community's elected leadership has made the commitment to actively work toward making their city a great place to live for people of all ages. Membership requires a multi-step process of improvement, including conducting a community survey and creating an action plan. In the midst of the pandemic, COSA still continues to meet to redefine its goals, move the plan forward and to continue to be of service to the community.

The Commission on Senior Adults (COSA) was created to present recommendations and information to the Mayor and City Council based on investigation and study of the needs, concerns and problems of senior adults living in Southfield. COSA works closely with city departments and local agencies that serve the senior adult community. COSA also monitors state and federal legislation and serves as an educational link to services and resources designed to support our senior community.

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Southfield Community Coalition

The Southfield Community Coalition was established in 2015 as a non-profit organization comprised of neighborhood and condominium associations and residents citywide. The purpose of the Coalition is to strengthen existing associations throughout the city through information sharing on best practices and other resources. Additionally, the Coalition aims to unify Southfield by strengthening existing associations and helping to organize those neighborhoods without active associations. The Coalition is also a resource and advocate for all other Southfield residents, whether they rent or own a home, apartment or condo in the city.

The City of Southfield Neighborhood & Information Center (a division of Community Relations) and the Total Living Commission coordinated the creation of the new Southfield Community Coalition which continues to grow. The City reestablished the former Southfield Homeowner's Coalition, which was renamed to the Southfield Community Coalition, to reflect the broader scope and inclusion of renters.

The Southfield Community Coalition has been successful in gaining new HOA and condo associations members throughout the past fiscal year. Additionally, they have held several very informative workshops and other public meetings designed to grow and strengthen homeowner and condo associations throughout the city. By sharing common concerns and best practices for successful associations, sponsoring forums on topics of community interest and increasing communication among associations, the Coalition is a resource and advocate for all Southfield residents, whether they rent or own a home, apartment or condo in the city.

BUILDING, FACILITIES, CODE ENFORCEMENT & PUBLIC WORKS

Building Department

The Building Department continues to review and inspect all new construction, renovation and alteration permits for commercial and residential properties. Renovations of residential and commercial buildings have been extremely high, and permit activity has been strong throughout the past fiscal year. The Building Department practices Oakland County's One Stop Ready program, making sure Southfield customers understand permitting procedures and the department is moving toward online permitting and payments in the next fiscal year. The department currently has a staff of 19 full-time employees and two part-time employees available to serve the public daily. Two plan examiners are also now available daily for questions from developers, architects, engineers and homeowners. The Building Department is in the process of inspecting over 14,000 multi-family apartment units over the next four years. In addition, approximately 1,100 single family rental properties are inspected annually. Both programs are in place to ensure occupant safety, building safety and property maintenance.

City Launches New Online Permit Application System

The Southfield Building Department launched the BS&A online permit application system to help streamline the permit application process. Residents and contractors can now apply and pay for all

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permits and schedule inspections (with few exceptions) right from the comfort of their home or office at <https://bsaonline.com/?uid=272>. BS&A Online also offers users other useful tools such as residential, rental property and other record searches as well as the ability to make additional online payments including property taxes and special assessments.

BS&A Software provides a tightly integrated system of software products designed specifically for municipalities that demand leading-edge, feature-rich solutions at a value price. With over 2,000 municipality customers, they are one of the leading local government software solutions providers.

Code Enforcement

In addition to canvassing the City, code enforcement officers regularly meet with residents at neighborhood association meetings where they offer general guidance on code-related matters and further strengthen the rapport between the city and neighborhoods. The department also coordinates the A.C.T.I.O.N. (Active Citizens Together in Our Neighborhoods) where members of neighborhood associations help to maintain appearance standards throughout their area. Association officers mail a postcard to homeowners with obvious code violations to inform them of the issue and how to correct it. The program has proven very successful in many neighborhoods and the department plans to further promote it throughout Southfield.

Eyes on Southfield Community Appearance Program

The City of Southfield launched the “Eyes on Southfield” program to enable residents to notify the City with ease when a code or blight issue is observed. Residents may simply call (248) 796-EYES (3937) 24 hours-a-day, seven days-a-week to report code issues or violations. With an increased focus on curb appeal, the Southfield Code Enforcement Department will respond to most complaints within a 24- to 48-hour time period. Code Enforcement Officers canvass the City seven days-a-week to monitor the condition of Southfield homes and neighborhoods. In addition, the City relies on the “eyes and ears” of the entire community to report any obvious or extreme code violations. When a violation exists, code officers will inform the resident or business of the issue and educate them how to correct it. If another violation occurs at the same property, the home or business owner will be issued a civil infraction and must appear in court.

Public Works

Curb appeal is important in maintaining the City’s image, character and infrastructure as well. Public Works strives to ensure the City’s streets, sidewalks, neighborhoods and business districts remain safe, clean and appealing. Steps include the continuation of programs for ice and snow removal, mowing and sweeping of three county roads: Lahser, 10 Mile and 12 Mile Roads; an extra sweep through residential streets; increased right-of-way, cemetery and park mowing; and cleaning of ramps and side slopes during freeway road closures. The Public Works Department also works with neighborhood associations to assist with the maintenance of neighborhood entranceways.

The City of Southfield makes every effort to maintain and repair all roads within the City's jurisdiction in a timely manner. Due to the severity of weather last winter, the City increased the number of crews

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that were actively repairing potholes to four crews that worked twelve-hour shifts to repair potholes throughout the city on a priority basis. In a typical winter, two four-person crews generally use approximately 350 tons of cold patch in repairing pot holes. Last winter, the City went through more than 480 tons of cold patch. Southfield also established a special hotline (248-796-4000) to report potholes.

The Streets and Highway Division of Public Works is responsible for maintaining 246 miles of road within the City. The Division handles all street cleaning; snow and ice removal; tree trimming; street signs; right-of-way mowing; and open drain and storm sewer repair. The Division also performs both targeted and generalized pavement repair as part of the City's Pothole Patrol program.

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

The City of Southfield Downtown Development Authority was established in 1988 to reverse the trend of declining property values and conditions in southeastern Southfield. The DDA is an active member of the City's [Business Development Team](#) as well as the [Southfield Area Chamber of Commerce](#). The Southfield Downtown Development Authority consists of a 13-member Board of Directors and is staffed by two full-time employees. The DDA acts as a catalyst in the development and redevelopment of the district. Major stakeholders in the district, such as Providence Hospital and Oakland Community College, offer the potential for growth.

In FY 2020-21, the Southfield DDA continued to move the district forward with new developments, the completion of long-term projects and an emphasis on healthcare, retail and higher education. Two of the biggest challenges the Southfield DDA has been faced with in recent years has been the redevelopment of vacant buildings and unused land. Significant improvements have been made in this area with the demolition of two large buildings that have been empty for a long period of time, including a former Ramada Inn and the former North Park Plaza building, both located off Nine Mile Road near the Lodge Freeway. Both properties were purchased by Oakland Community College, which has a thriving campus within the Southfield DDA. The college is best known for its array of healthcare classes available only at that campus. The DDA was the catalyst for the beginning of these efforts.

The Southfield DDA also has been a leading advocate for the completion of several infrastructure projects within its borders, including major road construction efforts, such as a complete overhaul of the southbound lanes of Greenfield Road between Eight and Nine Mile Roads and the relocation of the Northland Bus Transit Center. The DDA has also continued to work with the thriving St. John Providence Hospital campus, which has invested more than \$60 million in facility upgrades. Another healthcare initiative the DDA has been involved with is the development of a possible Wellness Center. The DDA and other stakeholders are presently in the first phase of a study to determine the viability of such a center in the district and its potential to accelerate further activity in the area.

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Also in the district, St. John's Providence Hospital, is now part of Ascension, the largest Catholic health system in the world and the largest non-profit health system in the United States with facilities in 23 states and the District of Columbia. Ascension Providence Hospital-Southfield is a full-service hospital with 24/7 emergency care, a Level II Trauma Center, and a Primary Stroke Center that delivers advanced surgical care for serious and life-threatening injuries and illnesses. Ascension's Providence Hospital continues to be a world-class healthcare institution, again ranked as one of the nation's top 15 major teaching hospitals by Thomson Reuters, one of the country's leading sources of health care information and research. Thomson Reuters recognizes hospitals that achieve or exceed national benchmark scores for hospital-wide performance. Providence was the only hospital in Michigan to be selected in the Major Teaching Hospital category of Thomson's 100 Top Hospital's list, marking Providence's fifth appearance on the list. Providence was also one of only 23 hospitals in the country to be named a winner of a Thomson's Everest Award. The award honors an elite special group of national award winners who have reached the highest level of accomplishment on the national Balanced Scorecard and have the fastest rates of long-term improvement.

PUBLIC SAFETY

Southfield remains safe and secure as a result of the dedicated, highly trained and well-equipped members of the City's award-winning police, fire and emergency management departments. Southfield's public safety personnel are committed to providing residents with the best possible service, protection and prevention through ongoing training for staff and staying current with the needs of the community. Residents have the opportunity to assist in keeping their community safe and secure through Neighborhood Watch and community policing projects. Emergency Management volunteers provide a variety of services during weather-related and other hazardous conditions and by assisting with parking enforcement during community events.

Southfield Fire Department

The Southfield Fire Department continues to be one of the premier fire departments in the region due to the commitment and devotion to duty of its members. Southfield's entire team is dedicated to providing the highest quality life-safety and emergency services available. In recent years, the fire service has been charged with providing emergency medical services, water rescue, hazardous materials response, all aspects of technical rescue, along with a large increase in emergency calls and non-emergency activities such as inspections, public education, and CPR training for the community. The Southfield Fire Department has, in all cases, succeeded in implementing programs to answer these challenges while at the same time remaining focused on its core mission of protecting life and property. Training fire department personnel to meet these challenges continues to be a high priority.

Fire Department continues to experience high run volume

The Southfield Fire Department is the busiest fire department in Oakland County in fire and medical runs. In FY2020-21, the department responded to a total of 1919 structure and/or property fires and

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12,423 medical calls. In 2020, the department's average emergency response per day was 40 calls. In 2021, the department is on track to respond to 15,000+ emergency calls.

The Southfield Fire Department is comprised of 97 highly trained men and women ready to respond to emergencies from five fire stations strategically located throughout the City of Southfield, Michigan. The services provided by the Southfield Fire Department include: fire prevention, fire suppression, basic and advanced life support, high-angle rescue, trench collapse rescue, building collapse rescue, confined space rescue, hazardous materials response, public fire education, and CPR and first aid training. The department is a customer service organization dedicated to preserving the lives and property of Southfield citizens and visitors.

In FY2020-21, the Southfield Fire Department maintained a Class 2 rating in the latest Public Protection Classification (PPC) program sponsored by the Insurance Services Office (ISO). Southfield previously held a Class 3 rating. With this coveted rating, Southfield joins just four other cities in Michigan with a Class 2 rating. The new rating places Southfield in the top 0.5 percent of 1,887 rated Michigan communities and the top four percent of the entire nation.

ISO's Public Protection Classification (PPC) program helps to establish fire insurance premiums for residential and commercial properties by analyzing relevant data using a Fire Suppression Rating Schedule. Classifications are assigned from 1 to 10, with Class 1 representing exemplary public protection and Class 10 indicating that a municipality's fire protection program doesn't meet minimum standards. The Class 2 rating for Southfield's Fire Department may lower insurance rates for property owners in both Southfield and Lathrup Village, where the Department also provides full fire and EMS service.

The Southfield Fire Department remains on the cutting edge of technologies with our integrated computer aided dispatch system, real time data analysis and new personnel management software system, Aladtec. The department provides full time fire protection, E.M.S., Hazardous material and specialized technical rescue (Ropes, Trench, Confined Space & Structure Collapse) services. SFD is a member of the Oakway Mutual Aid Group, which means that the department participates with nine other fire departments to provide coordinated cross-boundary emergency assistance when called upon.

The Southfield Fire Department is also proactive in working with community and business members to empower them to be of assistance in case of emergencies, thereby extending our reach and finding ways to reduce loss of life, injury and property damage and loss. For more than 30 years, the department has created and maintained community outreach and in-reach programs to educate the residents of Southfield with the following programs:

- Public and private education for Homeland Security "Stop the Bleed" program;
- Public and private education for Homeland Security "You Are Help Until Help Arrives" program;
- Partnership with Hatzalah (Jewish based first responders) Organization;

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- Public and private First Aid, CPR and AED certification;
- Partners in public education for Anti-Drug Coalition;
- Partners in public education for Anti-Assailant Coalition;
- National WeatherFest host for NOAA, National Weather Service, Homeland Security;
- Host of Job Fairs for veterans, public and senior citizens;
- Public Open House for Fire Prevention, EMS and Fire Safety – with free flu shots;
- Partnership with Providence Hospital for awareness and prevention of breast cancer during the month of October;
- Free child seat installation; and
- Free smoke detector program.

The Southfield Fire Department has taken a leadership role in the Yellow Rose program which focuses on issues of stress, mental health and First Responder suicides, by hosting symposiums to educate fire personnel and family members on the importance of awareness.

Since October of 2017, the department has hired 25 new firefighters, giving the department a 27% personnel update with the median age of 24 years old while retaining 73% of firefighters with a minimum of five years of fire service. This creates an ideal personnel balance of youth and experience that allows the department to continue to operate optimally and efficiently with an eye towards positive growth in terms of service to the residents and business partners of Southfield.

Southfield Police Department

The Southfield Police Department believes in the dignity and worth of all people – providing fair and equal enforcement of the law for all. The department is committed to a professional approach to law enforcement and supporting the needs of our community. The Southfield Police Department works to gain the trust and confidence of the community through community-oriented policing, continual comprehensive training, transparency and by selection and retention of quality personnel who will best represent the police profession.

The Southfield Police Department provides a full range of quality public safety services which include marked and unmarked patrol units, a well-trained Investigative staff, and outstanding Crime Prevention services. The department has been honored for the Outstanding Service Award by the Michigan Chapter of Mothers Against Drunk Driving, the Outstanding Crime Prevention Award by the Michigan Crime Prevention Association, and by the Michigan Association of Chiefs of Police for its outstanding community policing programs.

Southfield Police Officers are supported by the latest technology and equipment available. Computers are installed in all marked patrol units to provide faster access to vital information about suspects, victims and addresses in and around the city of Southfield. The radio system represents an important improvement in the speed and efficiency of the department's communication technology. Further, the Police Department has instituted a FAX Network for local businesses and private police. This system is designated to share crime prevention and other information with the private sector in a timely manner. The department has installed a computerized arrest photo system, fingerprint

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system, computer aided dispatch and records management system. The Southfield Police Department is continuously adding new technology and crime fighting strategies to their existing police concepts to remain a leader in law enforcement and policing.

The Southfield Police Department has taken a progressive approach to transparency by making crime data available to the public through numerous channels. The Southfield Police Department is live on CrimeMapping.com. Any person with access to the Internet can map out and analyze recent crime activity in their neighborhood. CrimeMapping.com also offers free Crime Alerts which help keep the community well informed by distributing incident reports via e-mail to anyone that subscribes to the system. Southfield residents can now stay up-to-date regarding what's happening near their home, work or children's school.

Southfield Police FY2020-21 Incident Numbers

The City of Southfield saw a reduction in all three categories reported. The most significant reduction was in the larceny-theft of motor vehicle parts/accessories category.

- Violent Crimes:
 - 2017 through 2018 – 161 reported
 - 2018 through 2019 – 133 reported
 - 2019 through 2020 – 202 reported
 - 2020 through 2021 – 382 reported

- Property Crimes:
 - 2017 through 2018 – 2177 reported
 - 2018 through 2019 – 1800 reported
 - 2019 through 2020 – 1138 reported
 - 2020 through 2021 – 1656 reported

- Traffic Crashes:
 - 2017 through 2018 – 3785 reported
 - 2018 through 2019 – 3473 reported
 - 2019 through 2020 – 2876 reported
 - 2020 through 2021 – 2036 reported

New Police Programs & Initiatives

As Southfield's seventh Chief of Police, Chief Elvin Barren has remained a highly visible and effective leader in the community, launching a number of new initiatives in FY2020-21 including a Domestic Violence Task Force.

Police Chief Barren also amended the Police Department's Use of Force Policy to add "Duty to Intervene" provision which states that any sworn officer must intervene if witnessing another sworn officer using excessive force or continuing to employ force after subject is subdued. Officers will be held accountable for excessive use of force or for failing to intervene should excessive force occur.

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2020 Walk to Raise Awareness of Domestic Violence

The City of Southfield, Southfield Police & Fire Departments, 46th District Court, Haven Oakland, Southfield Domestic Violence Group and the Dr. Martin Luther King Task Force hosted the “2020 Walk to Raise Awareness of Domestic Violence” on Sunday, October 4 beginning at the Southfield Municipal Campus. The event is generously sponsored by 411 Therapy.

Two walk timeframes were available for participants to choose from: 11 a.m. – 1 p.m. & 2 – 4 p.m. in an effort to reduce the number of participants gathering and to provide appropriate space for social distancing. The first 125 people to register in each time slot received a free walker’s package mailed to their home, which included a walk t-shirt, wrist band and face mask. The approximately 2½ mile walk began and ended on the front lawn of the Southfield Municipal Campus. The event kicked-off with a press conference prior to both scheduled events to announce the City’s new strategy to address and reduce the impact and occurrence of domestic violence.

Southfield partners with Oakland County Animal Shelter to provide improved service to community

In a continuing effort to improve service delivery and efficiency for the Southfield community and due to several ongoing issues with Almost Home Animal Rescue, the city of Southfield opted to discontinue the organization’s operation of the City’s animal shelter. The Southfield Police Department continues to be responsible for all animal-related issues and complaints occurring within the city of Southfield. On November 29, 2019, Almost Home vacated the Southfield Animal Shelter located at 25503 Clara Lane and is no longer associated with the City. Almost Home staff made arrangements for the boarding of all the remaining animals in their care, and there are currently no animals at the Southfield Animal Shelter.

The City of Southfield submitted an application to the State of Michigan to resume operations at the City’s animal shelter facility. The City is also currently in the process of hiring an additional animal control officer and the shelter is being prepared for future use by the Southfield Police Department. In the interim, all strays or vicious animals are being taken to Oakland County Animal Shelter located at 1200 N. Telegraph Road in Pontiac.

Almost Home Animal Rescue had served as the City of Southfield’s official animal shelter since 2006. Throughout that time, the organization repeatedly failed to adhere to the terms of the contract with the city of Southfield. As such, the city of Southfield officially notified the organization of its intent to sever the relationship in June of 2019.

Southfield recently completed extensive renovations to retrofit the City’s animal shelter facility to better suit the needs of the community. In an ongoing effort to provide residents with a modern and efficient animal shelter, the city of Southfield invested over \$300,000 last summer to upgrade and improve the facility. Renovations included a complete overhaul of the kennel area as well as upgrades to the main office. Each kennel now includes privacy walls on each side along with doors leading to a covered and fenced outdoor area. With this new improvement, dogs can go in and out of their kennels independently without leashes. The kennel area also received a brand-new epoxy floor,

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sanitary drains and freshly painted walls. Upgrades to the main office included a new floor, paint and drywall. In addition to the interior improvements, the facility received new sidewalks, outdoor dog runs and fencing. The outdoor area is also now equipped with concrete and sanitary drains for easy cleanup.

Badges & Books

The Southfield Police Department, in partnership with Kroger, the Southfield Public Library and Friends of the Southfield Library, expanded the popular Badges & Books on select Thursdays May through September from 4-6 p.m. in the Kroger parking lot located at 23675 Greenfield Road.

The Department added a second location for the program at the Kroger located at 19855 12 Mile Road.

The events were hosted in the Police Mobile Command Unit where children, infants through young adults, had the opportunity to come aboard and select a free book donated by the Southfield Public Library and Friends of the Southfield Public Library. Officers also provided tours of the mobile command unit and its many features.

Southfield Emergency Management

In addition to all Michigan counties, the City of Southfield is one of only approximately 20 cities in the State of Michigan that provides its residents with a dedicated Emergency Management Program (EMP). The Southfield EMP is the lead local governmental agency concerned with planning and preparing Southfield for potential disasters before they occur and to coordinate efforts during actual disaster responses. Southfield EMP also actively maintains a ‘Volunteer Program’ consisting of up to 40 uniformed, trained and equipped persons available to enhance public safety in the community. The City benefits from a dedicated Emergency Management Operations Command Center complete with “back-up” generator power in case of a power outage during a natural or man-made emergency. Additionally, the Southfield Amateur Radio Service (SARS) is available for emergency communications should conventional channels fail.

CULTURE & RECREATION

Southfield’s recreational opportunities are as diverse as its population: from the busiest movie theater complex in the country to world-class arts and entertainment programs and events. With more than 800 acres of park land, a public golf course, miles of nature and fitness trails, and numerous other recreational activities for all ages and interests – Southfield truly has something for everyone! Southfield’s many great restaurants offer the best in Asian, Italian, African-American, Middle Eastern, Jewish and continental cuisine.

Many arts and cultural programs are offered through the City's [Parks & Recreation Department](#) and [Southfield Public Library](#). Park West Gallery provides some of the finest exhibitions of art in Michigan, including displays by renowned artists, like Erte, Picasso, Miro, Dali and Rembrandt in addition to auctions online and on cruises ships around the world.

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The City also offers sand volleyball and tennis courts; a historical museum; ice and sports arena; an outdoor swimming pool with extensive children's features; and numerous baseball diamonds and soccer fields.

Southfield Parks & Recreation

The City's Parks & Recreation Department provides numerous recreation programs for both residents and business people of all ages and interests at facilities throughout the City. The Parks and Recreation Department continues to offer innovative new programs and community partnerships to provide a wide range of recreation opportunities.

Southfield's many parks remain extremely popular throughout the entire year, traditionally hosting a wide range of athletic competitions and events such as little league games, adult softball, tennis and sand volleyball leagues and soccer games. Thousands of residents and visitors enjoyed the Southfield Sports Arena pool from June through August, while many more visited the Sports Arena to participate in hockey games and practices, ice skating lessons and general ice skating from September through March. Golf also continues to be very popular at Evergreen Hills Golf Course, as well as the driving range at Beech Woods. The department also coordinates the popular Eat to the Beat and Burgh Historical Park concert series each summer.

The City of Southfield also invested more than \$2.5 million to extensively renovate and modernize the Beech Woods Recreation Center, located at 22200 Beech Road, over the last several years. These improvements have made the recreation center ADA compliant and include modern updates that greatly enhance the facility. Improvements for the recreation center included a new elevator, renovated office space and lobby, new gymnasium flooring, updated locker rooms and an expanded wellness center. Beech Woods Recreation Center is the home of the southeast Michigan Jr. wheelchair basketball program—making the new elevator a welcome addition.

Southfield Public Library

The Southfield Public Library continues to serve the community by providing unparalleled services, resources, programs and numerous public meeting spaces. The Southfield Public Library is a state-of-the-art facility that traditionally receives more than 2,100 visitors daily. During these difficult economic times, the Library has grown in importance as a source of information and entertainment for families who increasingly find themselves with limited resources. The Southfield Public Library's many amenities include two computer labs; a sophisticated computer network with hundreds of data drops and Wi-Fi (Wireless Internet) access; numerous meeting rooms; two auditoriums; 16 group study rooms; three outdoor terraces; fireplaces on each level; and stunning architectural and interior design. The Southfield Public Library also offers several computer classes monthly, ranging from Computer Fundamentals to Microsoft Office software training for people at all levels of computer literacy. Additionally, the Library recently completed the renovation of the youth room, added new early literacy computer stations, and expanded shelving in the picture book collection and young adult areas.

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The Southfield Public Library continues to offer residents innovative programming, including the Genealogy Lock-In which allowed participants uninterrupted access to the library's genealogical resources as well as the assistance of Library staff. The Library's annual Battle of the Books programs continue to be very popular, with almost 200 students from 10 different schools and numerous coaches participating. The Library launched a kids' discovery area on the youth floor as a place for children to learn through interactive play as well as the Sleep Under Storytimes which are all ages storytimes in the evenings. The very popular WeatherFest brought together 10 partner organizations including the National Weather Service and WDIV, over 700 students on field trips and an additional 1,000 other attendees to learn how to be prepared for severe weather. Several other library programs such as the Jazz & Blues series, Poetry, Pages & Scribes and the Local Author Book Fairs also continue to be very popular.

Southfield Celebrates Black History Month

The City of Southfield annually celebrates Black History Month with a number of city programs, events and activities to recognize the important contributions of African Americans. The City of Southfield Parks & Recreation Department presented 'Southfield Celebrates Black History Month' to remember the contributions and celebrate the history of African-Americans. The month-long celebration included *Moonlight Movie Night*, a free drive-in movie featuring the 2019 drama *Just Mercy* on February 20 and the return, virtually, of The Secret Society of Twisted Story Tellers® on February 26. Southfield residents and visitors were also invited to enjoy the outdoor *Walk Through History* display February 1 – March 1 along the walking path on the front lawn of the Southfield Municipal Campus. *Walk Through History* featured influential African Americans throughout Southfield and world history.

The Southfield Parks & Recreation Department hosted *Conversations & Cocktails* spoken word and music program as part of the Southfield Celebrates Black History Month 2021 programs on February 19. *Conversations & Cocktails* celebrated the contributions of African Americans to society and the world with some of metro Detroit's most notable poets and drummers.

Southfield MLK Task Force Driving for Justice Parade and Virtual Program

The City of Southfield and the Dr. Martin Luther King, Jr. Task Force hosted the Driving for Justice Peace Parade followed by a Virtual Commemorative Program on January 18 beginning at Hope United Methodist Church. The 2021 theme was *Justice Now: Injustice anywhere is a threat to justice everywhere*. Due to the COVID-19 pandemic, the parade and virtual program were held in lieu of the peace walk.

The Virtual Commemorative Program followed at 1 p.m. cablecast by Southfield City Cable 15 (Comcast channel 15, AT&T channel 99 and Cable 15's YouTube and Facebook Live) in addition to being aired live through the City's website at <https://bit.ly/Cable15>. The program included the presentation of the 2021 MLK Community Service Award and the MLK Youth Service Awards.

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The MLK Task Force also hosted a MLK Day of Service food giveaway following the Parade that provided free food for the community due to the continued strain on financial resources for many families. The food giveaway was sponsored in partnership with Gleaners, Beans & Cornbread and other organizations that provided food for those in need on a first-come, first-served basis.

Southfield was the first city in the state of Michigan to hold a Dr. King peace walk or march. The first Dr. Martin Luther King, Jr. Peace Walk took place on January 20, 1986, commemorating the first national observance of Dr. King's birthday. The walk continues to grow in size and scope each year, with year-long educational and community outreach activities.

Diverse Community & International City

Southfield remains a model of multiculturalism as the home to large concentrations of African-American, Armenian, Chaldean (Catholic Iraqi), Jewish, Korean and Russian Orthodox residents. Southfield is one of the most diverse communities in Michigan and perhaps the Midwest. Its large international business population, including significant numbers of Asian, Middle Eastern, African and European businesses, helps position it as a cosmopolitan center. Japanese businesses are prominent in the community, over 50 in total, including the North American headquarters of Denso International, Toyota Industries, Panasonic Automotive Electronics, Mitsubishi International and Mitsui & Co., among others. Southfield is also the corporate home of Wagon Engineering, an English-based division of Wagon Automotive; as well as Autoliv Electronics America, a Swedish corporation; and ThyssenKrupp, a German steel conglomerate.

Southfield's many diverse cultures are supported by educational institutions, chambers of commerce, foreign trade offices and others, including: Language Center International; American Academy of International Education; Dr. Martin Luther King, Jr. Task Force Committee; Focus on American and Arab Interests & Relations; French American Chamber of Commerce; Michigan Hispanic Chamber of Commerce; Philippine American Community; Korea Trade Center; Japan Business Society of Detroit and Trade Commission of Mexico. Southfield's elected leadership is equally diverse and helps assure Southfield remains a nationally-recognized multicultural model.

An international city bustling with people from a rich array of cultural, ethnic and religious backgrounds, Southfield's most recognizable landmarks include the gold-domed St. John's Armenian Church and the striking Congregation Shaarey Zedek, among the most beautiful examples of religious architecture in Michigan. The distinctive gold and black towers of the Southfield Town Center, Southfield's signature landmark, are home to many of the international firms in the community. Experiencing this multicultural environment makes youth and adults alike more at ease in the global village of the 21st Century, knowledgeable about cultures, customs and traditions worldwide, while promoting harmony and understanding among people of all backgrounds and heritages.

Southfield's modern infrastructure, diverse mix of residential and business cultures, focus on beautification and appearance and excellent City services have created a statewide model of a successful community that has helped to provide a solid foundation for the City's continued long-

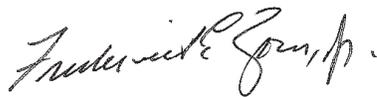
City of Southfield

Letter of Transmittal

term sustainability. Through careful strategic planning, City Council and Administration have adhered to the City's budget plan while developing a road map to ensure the City's long-term financial future. City leaders continue to maintain a constant focus on providing quality city services while doing so with reduced revenues and unprecedented declines in property values, state shared revenues and state road funding (Act 51). Despite these major challenges, the City of Southfield stands ready to serve as a leader in the economic comeback of this region and the State of Michigan.

The information and analysis presented in the following pages reflect the City's commitment to high standards of financial reporting and to Southfield's future vitality. Appreciation is extended to the elected officials, department heads and other employees responsible for contributing to the City's sound financial position. Southfield is blessed with individuals who appreciate and respect principles of fiscal restraint and propriety, enabling the City to successfully address economic challenges. In particular, we acknowledge the special efforts of the fiscal services employees who contributed to the development of this report. The continuing support of Southfield's elected officials, who remain committed to fiscal integrity and financial leadership, is particularly appreciated.

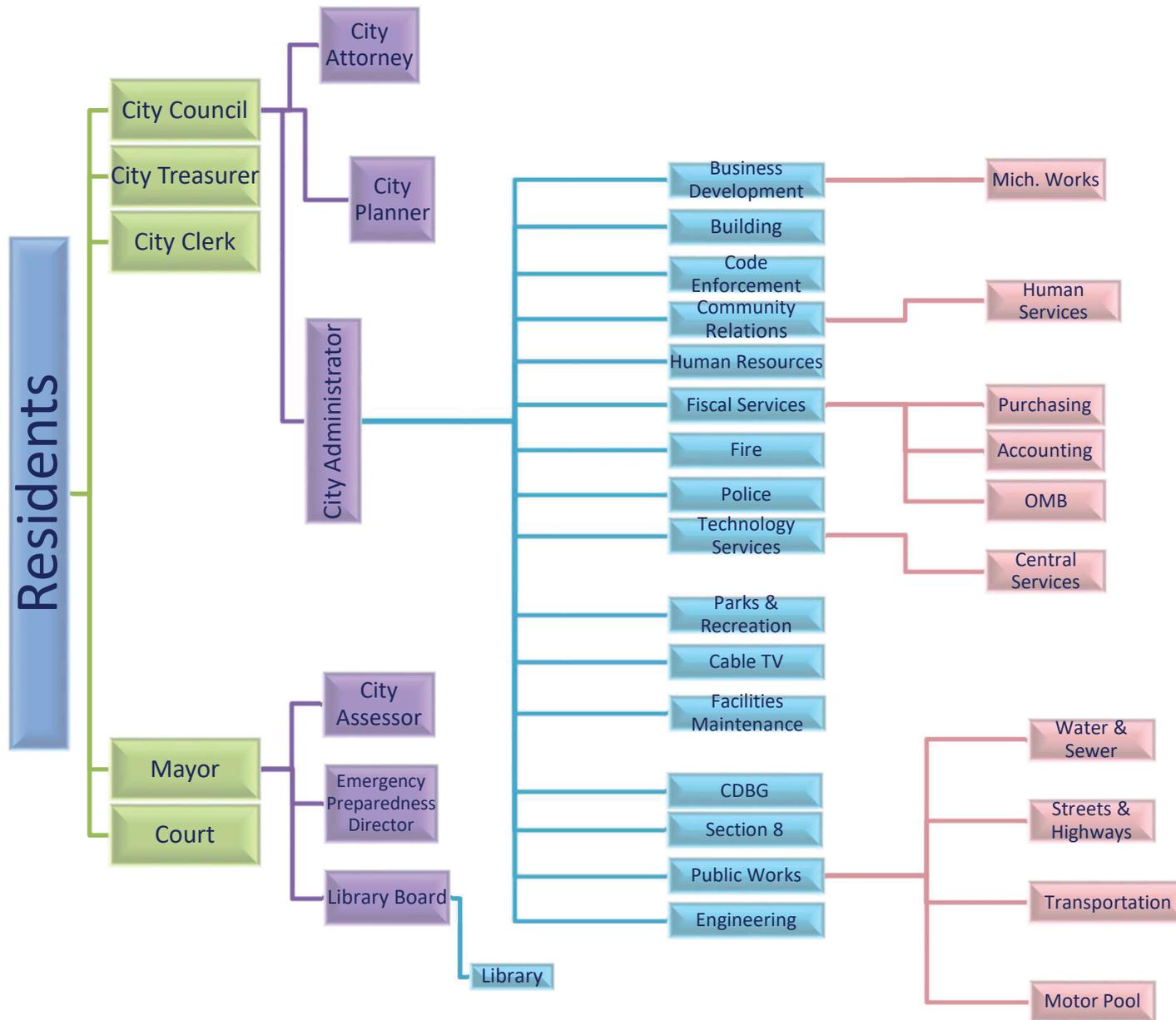
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frederick E. Zorn, Jr.", written in a cursive style.

Frederick E. Zorn, Jr., CECD
City Administrator

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City of Southfield Organization Chart



CITY OF SOUTHFIELD, MICHIGAN

June 30, 2021

-MAYOR-

Kenson J. Siver

-CITY COUNCIL-

Linnie Taylor, President

Nancy L.M. Banks

Daniel Brightwell

Dr. Lloyd Crews

Myron Frasier

Jason Hoskins

Michael Ari Mandelbaum

-CITY CLERK-

Sherikia L. Hawkins

-CITY TREASURER-

Irv M. Lowenberg

-CITY ADMINISTRATOR-

Fred E. Zorn, Jr.



FINANCIAL SECTION

Independent Auditor's Report

To the Mayor and City Council
City of Southfield, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Southfield, Michigan (the "City") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City of Southfield, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Southfield, Michigan as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 17 to the financial statements, during the year ended June 30, 2021, the City adopted the provisions of Governmental Accounting Standards Board No. 84, *Fiduciary Activities*, which provides guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

To the Mayor and City Council
City of Southfield, Michigan

As explained in Note 3, the financial statements include investments valued at approximately \$166,000,000 (36 percent of net assets of the pension and other postemployment benefits trust funds) at June 30, 2021, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by investment managers, general partners, financial advisors, and other means.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Southfield, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021 on our consideration of the City of Southfield, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Southfield, Michigan's internal control over financial reporting and compliance.



December 20, 2021

City of Southfield

Management's Discussion and Analysis

The following is a discussion and analysis of the City of Southfield's (the City's) financial performance, providing an overview of the activities for the fiscal year ending June 30, 2021. This analysis should be read in conjunction with the transmittal letter, beginning on page 1 of this report, and with the City's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the City consists of the following components: 1) An Introductory Section which includes the Transmittal Letter; 2) A Financial Section which includes the Auditor's Report, the Management Discussion and Analysis, the Basic Financial Statements (Government-Wide financial statements, Fund financial statements, Notes to the Financial Statements), Required Supplementary Information such as a budget to actual comparison for the General Fund, additional non-required information including Combining financial statements for all Non-Major Governmental funds and Proprietary funds; and 3) A Statistical Section.

Government-Wide Financial Statements

The set of basic financial statements includes the Statement of Net Position and the Statement of Activities, which report information about the City as a whole, and about its activities. These statements help the reader to determine if the City of Southfield, in its entirety, is better or worse off as a result of this fiscal year's activities. These statements, which include all non-fiduciary assets and liabilities, are reported on the accrual basis of accounting, similar to a private business. This means revenues are accounted for when they are earned and expenses are accounted for when an obligation is incurred; regardless of when the actual cash is received or disbursed.

The Statement of Net Position presents the City's assets and liabilities, recording the difference between the two as "net position". Over time, increases or decreases in net position measure whether the City's financial position is improving or declining.

The Statement of Activities presents information showing the City's net position change during fiscal year 2021. All changes in net position are reported based on the period during which the underlying events giving rise to the change occurred, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

Both statements report the following activities:

Governmental Activities - Taxes, charges for services, and intergovernmental revenue primarily fund these services. Most of the City's departments and operations are reported under these activities.

Business-Type Activities - These activities operate like private-sector businesses. The City's Water and sewer fund charges fees to recover the cost of the services provided.

City of Southfield

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Discretely Presented Component Units - Component units are legally separate organizations for which the City Council appoints a majority of the organization's policy board and there is a degree of financial accountability to the City. Eight discretely presented component units are included: the Local development finance authority, the Tax increment finance authority, the Economic development corporation, the Downtown development authority, the Brownfield re-development authority, Joint-local development finance authority, Section 8 housing commission and the Southfield growth corporation.

As stated previously, the government-wide statements report on an accrual basis of accounting. However, the governmental funds report on a modified accrual basis. Under modified accrual accounting, revenues are recognized when they are available to pay obligations of the fiscal period, expenditures are recognized when they are due.

Because of the different basis of accounting between the fund statements (described below) and the government-wide statements the City presents reconciliations between the two statement types. The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

Capital assets used in government activities and depreciation expense are not reported on the government fund financial statements, however depreciation expense is reported on the government-wide statements. Capital outlay spending results as capital assets on the government-wide statements and are reported as expenditures on the governmental fund financial statements.

Internal service funds are reported as governmental activities on the government-wide statements, but are reported as proprietary funds on the fund financial statements.

Long-term contingencies, such as reserves for sick and annual leave (compensated absences, etc.), appear as liabilities on the government-wide statements; however, they will not appear on the fund statements unless current resources are used to pay a specific obligation. Bond and loan proceeds are reported as liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund financial statements.

In addition, it should be noted that the government-wide financial statements include the net value of the City's assets such as land, buildings, furniture and fixtures. These values are not included in the fund financial statements.

Fund Financial Statements

The fund financial statements provide information on the City's significant funds - as a whole. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

City of Southfield

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

A fund is a fiscal and accounting entity with a self-balancing set of accounts that is used to keep track of specific sources of funding and spending for a particular purpose. Funds are also utilized to track specific operations; these include the internal services funds (e.g., Motor pool, Equipment revolving, etc.) as well as the Water and sewer enterprise fund.

The basic financial statements only report major funds separately as defined by the Government Accounting Standards Board (GASB). All other funds are classified as non-major funds. Detailed information on non-major funds can be found in other sections of this report.

The City's funds are divided into three categories - governmental, proprietary, and fiduciary - and use different accounting approaches:

Governmental Funds – Basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year, and how the balances left at year-end are available for spending on future services. Consequently, the Governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance programs. These funds are reported using the modified accrual basis of accounting as described above. Because this basis of accounting differs from the government-wide statements, additional information is provided reconciling the governmental fund statements to the government-wide statements. Governmental funds include the General Fund, as well as Special revenue funds, Capital projects funds and Debt service funds.

Proprietary Funds – Funds with a focus on operating income and cost recovery are reported in proprietary funds. Proprietary funds use the accrual basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. Enterprise funds report activities that provide supplies and services to the general public. The Water and sewer fund is the City's only enterprise fund. Internal service funds report activities that provide supplies and service to the City's other operations. Internal service funds, such as the Motor pool fund, are reported as governmental activities on the government-wide statements.

Fiduciary Funds – The City acts as a trustee or fiduciary for its employee pension plans. It is also responsible for other assets that, because of trust arrangements, can only be used for the trust beneficiaries. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension, other post-employment benefits and agency, are reported using the accrual basis of accounting. The government-wide statements exclude the fiduciary fund activities and balances because these assets are not available to fund current operations.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements.

City of Southfield

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Required Supplementary Information

Following the basic financial statements is additional Required Supplementary Information (RSI) which further explains and supports the information in the financial statements. RSI includes a budgetary comparison schedule for the General Fund, the major governmental funds as well as pension trend data. Additional footnotes detailing the schedules is also included.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds as well as budgetary schedules for the non-major special revenue funds. These funds are added together, by fund type, and are presented in single columns in the basic financial statements, but are not reported individually, as are the major funds, on the government-wide statements.

FINANCIAL ANALYSIS

Government-Wide:

- Net position (excluding component units) increased by \$46.9 million from \$120.8 million to \$167.7 million.
- Governmental activities net position increased by \$35.4 million to \$40.9 million.
- Business-type activities net position increased by \$11.5 million to \$126.8 million.

Fund Level:

- At the close of the fiscal year, the City's governmental funds reported combined ending fund balance of \$145.0 million, with \$15.6 million being non-spendable, \$60.6 million being restricted, \$39.2 million being committed for specific purposes and \$29.6 million being allocated between assigned or unassigned.
- The fiscal year 2021 governmental funds combined ending fund balance reflects an increase of \$28.0 million from the prior fiscal year. This combined increase is made up of an increase in the General Fund ending balance of \$10.1 million, an increase in the Major Streets ending fund balance of \$0.6 million and an increase in the Road Bond Construction ending fund balance of \$13.0 million. The rest of the change is spread out amongst the various other governmental funds.
- The increase in the General Fund balance was primarily due to an approximate \$10.2 million increase in overall revenues to \$89.4 million while controlling the increase in overall expenditures to approximately \$79.8 million. The increase in the Major Streets fund was primarily due to a \$0.2 million increase in State funding and charges for services offset by reduced expenditures for ongoing road reconstruction projects. The increase in the Road Bond Construction fund is primarily due to the issuance of \$21.6 million in bonds and a premium on bond issuance of \$1.8 million offset by transfers to other funds for road construction projects of \$10.1 million.

City of Southfield

Management's Discussion and Analysis

FINANCIAL ANALYSIS (continued)

Capital and Long-term Debt Activities:

- The City's statutorily authorized debt limit excluding revenue, emergency and special assessment bonds is \$376.6 million. The City is \$243.2 million below this authorized debt limit.

As previously stated, the City's combined net position increased by \$46.9 million over the course of this fiscal year's operations. The net position of the governmental activities increased in the amount of \$35.4 million; the net position of the business-type activities increased by \$11.5 million.

The following is a condensed Statement of Net Position for the period ending June 30, 2021:

	Net Position					
	June 30, 2021					
	(in millions of dollars)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 199.0	\$ 158.3	\$ 77.7	\$ 85.2	\$ 276.7	\$ 243.5
Capital assets	173.2	172.9	132.6	121.0	305.8	293.9
Other long term assets	1.4	1.4			1.4	1.4
Total assets	373.6	332.6	210.3	206.2	583.9	538.8
Deferred outflows	19.2	53.3	0.7	1.5	19.9	54.8
LIABILITIES						
Current liabilities	18.4	6.2	3.4	8.7	21.8	14.9
Other liabilities	291.0	354.2	79.2	83.1	370.2	437.3
Total liabilities	309.4	360.4	82.6	91.8	392.0	452.2
Deferred Inflow	42.5	20.0	1.6	0.6	44.1	20.6
NET POSITION						
Net investment in capital assets	104.9	106.0	101.1	100.7	206.0	206.7
Restricted	38.9	34.3			38.9	34.3
Unrestricted	(102.9)	(134.8)	25.7	14.6	(77.2)	(120.2)
Total Net Position	\$ 40.9	\$ 5.5	\$ 126.8	\$ 115.3	\$ 167.7	\$ 120.8

City of Southfield

Management's Discussion and Analysis

FINANCIAL ANALYSIS (continued)

The following is a condensed representation of financial information using the government-wide statement of activities and reflects the changes in the City's net position during the fiscal year:

Changes in Net Position for the fiscal year ending June 30, 2021 (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues						
Charges for services	\$ 17.6	\$ 17.8	\$ 48.6	\$ 47.9	\$ 66.2	\$ 65.7
Grants and contributions	22.1	12.9			22.1	12.9
General revenues						
Property taxes	75.8	71.8			75.8	71.8
Unrestricted state shared	10.0	9.0			10.0	9.0
Unrestricted investment earnings (loss)	1.6	5.3	0.4	2.0	2.0	7.3
Other	2.8	4.0			2.8	4.0
Total revenues	<u>129.9</u>	<u>120.8</u>	<u>49.0</u>	<u>49.9</u>	<u>178.9</u>	<u>170.7</u>
EXPENSES						
General government	13.8	9.7			13.8	9.7
Public safety	44.6	53.8			44.6	53.8
Highway and streets	14.3	14.0			14.3	14.0
Public services	2.3	2.7			2.3	2.7
Sanitation	2.8	2.4			2.8	2.4
Community improvement	0.9	0.5			0.9	0.5
Social services	2.0	1.3			2.0	1.3
Culture and recreation	10.9	11.6			10.9	11.6
Water and sewer			37.5	36.4	37.5	36.4
Interest on long term debt	2.9	2.9			2.9	2.9
Total expenses	<u>94.5</u>	<u>98.9</u>	<u>37.5</u>	<u>36.4</u>	<u>132.0</u>	<u>135.3</u>
Excess (deficiency)	35.4	21.9	11.5	13.5	46.9	35.4
Increase (decrease) in net position	35.4	21.9	11.5	13.5	46.9	35.4
Beginning net position	5.5	(16.4)	115.3	101.8	120.8	85.4
Ending net position	<u>\$ 40.9</u>	<u>\$ 5.5</u>	<u>\$ 126.8</u>	<u>\$ 115.3</u>	<u>\$ 167.7</u>	<u>\$ 120.8</u>

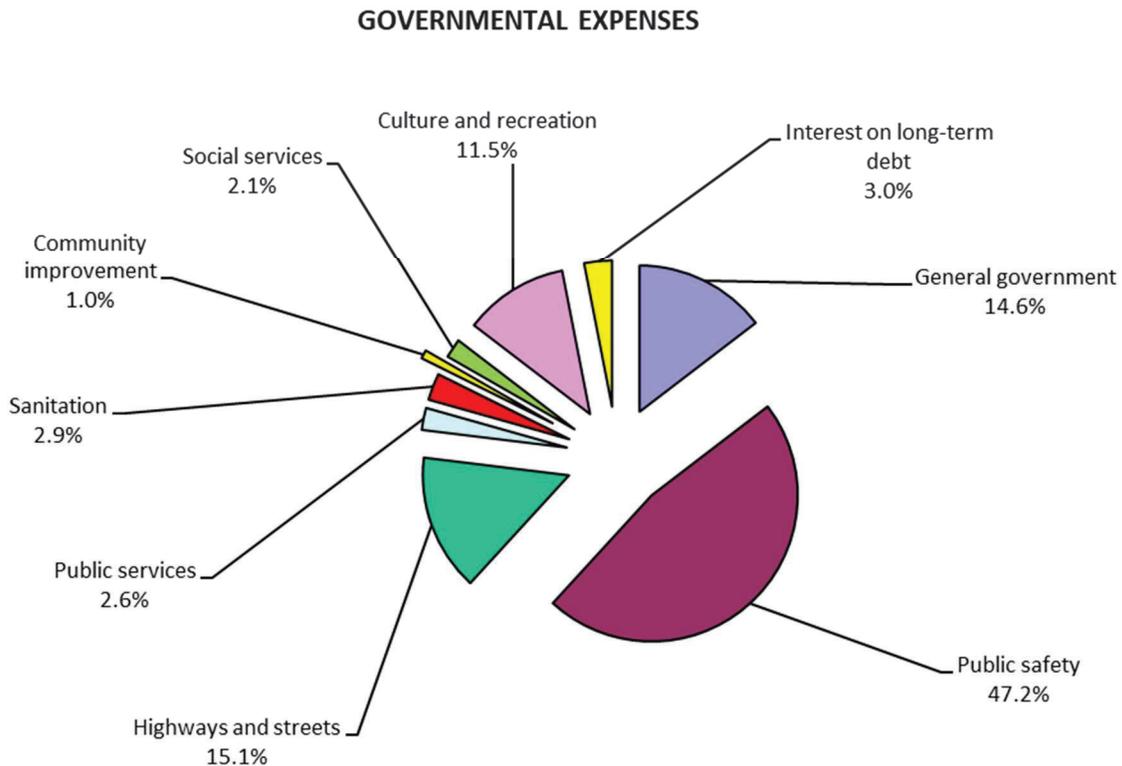
City of Southfield

Management’s Discussion and Analysis

FINANCIAL ANALYSIS (continued)

The result of 2021 fiscal year’s governmental activity was an increase of \$35.4 million and an ending net position balance of \$40.9 million. Of this total, \$104.9 million is the net investment in capital assets, \$38.9 million is reported as restricted, meaning these assets are legally committed for a specific purpose through statute or by another authority outside the government. The balance of \$(102.9) million is listed as unrestricted, having no legal commitment.

The following chart depicts expenses of the governmental activities for the fiscal year:



Governmental activity expenses for the fiscal year decreased by \$4.4 million. Public safety continues to be the largest governmental activity, expending \$44.6 million of the governmental activities total expenses of \$94.5 million. Although this category decreased by \$9.2 million it comprises 47.2% of total governmental expenses, a decrease over the prior year. Highway and streets increased by \$0.3 million making it the second largest governmental activity with \$14.3 million, expending 15.1% of governmental expenses. General government is the third largest governmental activity with a total expense of \$13.8 million, expending 14.6% of total governmental expenses. This activity increased by \$4.1 million. Culture and recreation is the fourth largest governmental activity with \$10.9 million, expending 11.5% of governmental expenses. This category decreased by \$0.7 million. These four categories comprised 88.4% of total governmental activity expenses.

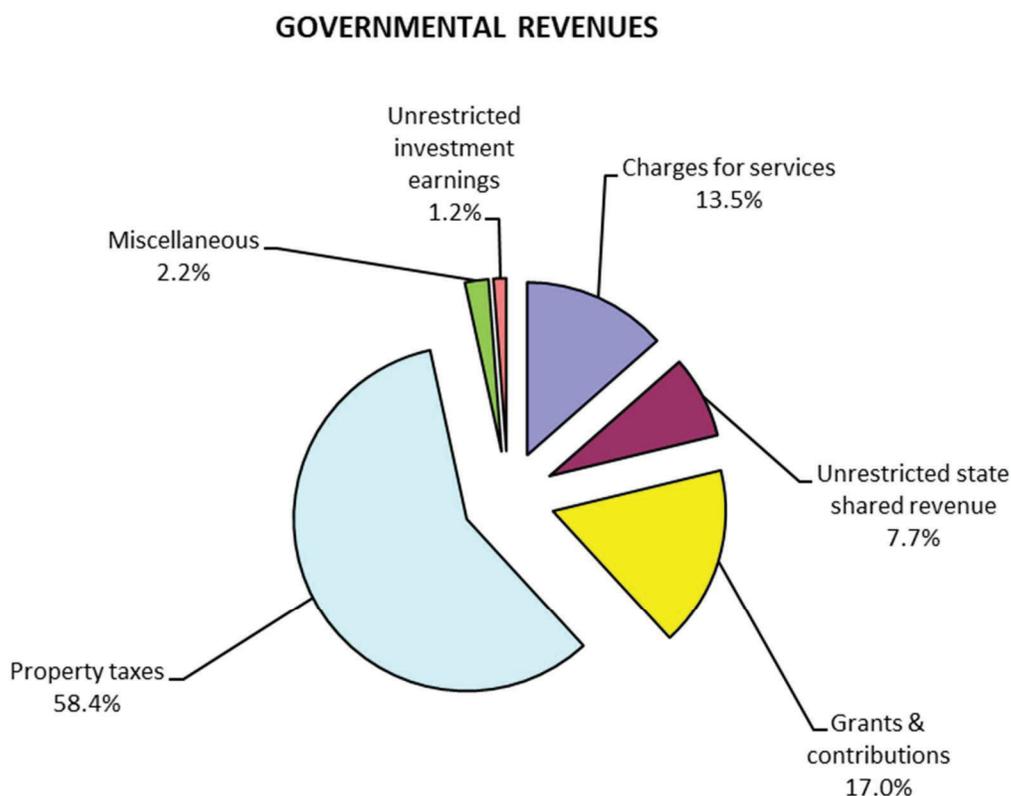
City of Southfield

Management's Discussion and Analysis

FINANCIAL ANALYSIS (continued)

In total, governmental revenue had a net increase in fiscal year 2021 of \$9.1 million. Property tax revenue is the largest source of support for the governmental activities. The City's millage rate is 27.7923 mills. Property tax revenue generated \$75.8 million in 2021, an increase of \$4.0 million. It represented 58.4% of all available sources of revenue. Grants and contributions comprise the second largest source of governmental activity revenue at \$22.1 million. It represented 17.0% of all available sources of revenue for governmental activities. This source increased by \$9.2 million. Charges for services are the third largest source of governmental activity revenue at \$17.6 million. It represented 13.5% of all available sources of revenue of governmental activities. This source decreased by \$0.2 million. Unrestricted state shared revenues, which are constitutionally and statutorily provided by the State of Michigan, represented 7.7% increasing \$1.0 million to \$10.0 million. Over 96.6% of the governmental activities are supported by these four revenue sources.

The following chart depicts revenues of the governmental activities for the fiscal year:



City of Southfield

Management's Discussion and Analysis

FINANCIAL ANALYSIS (continued)

Business-Type Activities:

The net position for business-type activities increased by \$11.5 million during fiscal year 2021. Overall, charges for services increased from 2020 by \$0.7 million and operating expenses increased by \$1.1 million.

Of the total \$126.8 million of net position in the business type activities, \$25.7 million is reported as unrestricted.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

General Fund

The General Fund is the central operating fund of the City of Southfield. Unless otherwise required by statute, contractual agreement or policy, all revenues and expenditures are recorded in the General Fund. As of June 30, 2021, the General Fund reported a fund balance of \$72.0 million. This amount is an increase of \$10.1 million from the prior June 30. Of the total fund balance, \$12.4 million is non-spendable, \$2.1 million is restricted, \$38.9 million is committed and \$18.6 million is allocated between assigned or unassigned.

General Fund Budgetary Highlights:

The General Fund revenue budget was amended from the originally adopted budget by approximately \$1.2 million to a final budget amount of \$78.8 million. General Fund revenue totaled \$89.4 million. State shared revenue exceeded conservative budget projections of \$6.3 million by \$3.9 million resulting in actual revenue of \$10.3 million reported. Federal grants related to the coronavirus pandemic contributed to a total of \$7.2 million in revenue on a budget of \$100 thousand.

The General Fund expenditure budget was increased for several purposes during fiscal year 2021 including prior year encumbrances of \$11.8 million, primarily for the redevelopment of Northland, to a final budget of \$90.7 million. Actual expenditures for fiscal year 2021 were \$79.8 million which was \$10.9 million under budget.

In summary, the fiscal year 2021 final amended budget anticipated using \$12.9 million of prior year's fund balance. The actual net change in fund balance was an increase of \$10.1 million.

Major Streets

The Major Streets fund is used to report activity relating to major road and rights of way in the City of Southfield. As of June 30, 2021, the Major Streets fund reported a fund balance of \$2.2 million. This amount is a slight increase of \$0.6 million from the prior June 30. The fund balance is classified as restricted.

City of Southfield

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS (continued)

Major Streets Budgetary Highlights:

The Major Streets revenue budget was amended by approximately \$3,500 from the originally adopted budget of \$7.5 million. Actual Major Streets revenue totaled \$7.8 million.

The Major Streets fund expenditure budget was increased for encumbrances in the amount of \$0.9 million for a final budget of \$15.2 million. Actual expenditures for fiscal year 2021 were \$15.0 million which was \$0.2 million under budget. Most of these expenditures related to road construction which is being funded by bond proceeds through a transfer from the Road Bond Construction Fund.

In summary, the fiscal year 2021 final amended budget anticipated using \$92.7 thousand of prior year's fund balance. The actual net change in fund balance was an increase of \$0.6 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – At the end of fiscal year 2021, the City of Southfield and its component units had invested \$306.0 million, net of accumulated depreciation, in a broad range of capital assets. This reflects an increase of \$14.4 million from 2019. Refer to Note 6 for additional capital asset information.

Long Term Debt – At the end of fiscal year 2021, the City of Southfield had \$91.8 million and \$70.7 million in bonds outstanding in the governmental and business-type activities, respectively. This reflects a combined increase of \$11.6 million from 2020. A more detailed depiction of the City's long-term debt obligations is presented in Note 7 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Bond Ratings – The City's unlimited and limited tax general obligation bond rating from Standard and Poor's is AA. This rating was reaffirmed on November 16, 2020.

ECONOMIC OUTLOOK

In March 2020, U.S. and global economies reacted negatively in response to worldwide concerns due to the economic impacts of COVID-19. These trends, including a potential economic downturn, and any potential resulting direct and indirect negative impact to the City cannot be determined but may have a material prospective impact to the City's operations and cash flows. The long-term impact on the City's future operating costs, revenue, and recovery from emergency funding or state funding cannot be estimated. The City holds significant investments that are subject to the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. Apart from the adjustment to market for land held for resale, as described in Note 1.C. to the financial statements, no impairments were recorded as of the statement of net position/governmental funds

City of Southfield

Management's Discussion and Analysis

ECONOMIC OUTLOOK (continued)

balance sheet date, as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. The City will continue to monitor the overall impact of the Coronavirus pandemic on the economy.

The United States, State of Michigan and the City of Southfield economies continue to recover from the 2008-2009 recession, generally regarded as the most severe economic contraction in more than 70 years. Property taxable values remain well below their pre-recession peaks and could likely take almost twenty years or more to recover, impacting the growth of property tax revenue. Property taxes are the primary source of unrestricted revenue for the City. While property values in the City have been trending upward, property tax growth is limited to the rate of inflation or 5% as a result of the Headlee Amendment and Proposal A. The Coronavirus pandemic could have a negative impact on future property values.

The Coronavirus pandemic has had a significant negative impact on employment across the nation but we have seen recoveries over the past year. In the City of Southfield, unemployment has typically followed the state and county trends but has been slightly higher than the county. As of September 2021, unemployment in Oakland County was 2.2 percent, a drastic recovery from the 8.0 percent experienced in September 2020. The economic development plan in the City includes strategies to address unemployment of its residents.

Despite the pandemic, there has been improvement in the economic outlook that should positively impact the City's fiscal stability. Overall, the City's current and most recent budgets emphasize cost containment and, when feasible, maintenance of existing service levels. Since the economic recovery has been at a slow pace and with the pandemic continuing to hamper recovery efforts, the City will continue to be conservative in its fiscal and spending policies. The goal is to ensure expenditures stay in line with anticipated revenue sources.

The City was allocated approximately \$9.8 million under the American Rescue Plan Act and received fifty percent or approximately \$4.9 million during the year. The funds received are included as a liability, unearned revenue, on the government-wide statement of net position and will be used in future periods to support public health, address the negative economic impacts of the pandemic, replace lost revenue, and to provide investment in infrastructure as allowable under the terms of the act. The City remains committed to the health, safety, and welfare of our community stakeholders.

CONTACTING THE CITY'S FISCAL SERVICES DIVISION

This financial report is designed to provide our residential and corporate taxpayers, investors, creditors, and any other interested parties with a general overview of the City's accountability for the financial resources under its purview and to demonstrate the City's commitment to proper standards of financial reporting. If there are questions about this report, or further information is needed, please contact the City of Southfield Fiscal Services Group, at (248) 796-5260.

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**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

City of Southfield
Government-Wide Statement of Net Position
June 30, 2021

	Primary Government			Governmental
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents (Note 3)	\$ 96,289,366	\$ 18,435,945	\$ 114,725,311	\$ 7,283,106
Investments (Note 3)	45,860,285	950,618	46,810,903	8,642,070
Receivables, net (Note 5)	14,909,069	18,269,327	33,178,396	169,415
Special assessments	712,186		712,186	
Property investments			-	15,000
Prepays and other assets	1,665,309		1,665,309	123,820
Due from primary government			-	32,283
Due from component units	100,784		100,784	
Due from other governmental units	417,025		417,025	
Land held for resale (Note 1)	11,250,000		11,250,000	
Inventory	741,258	181,779	923,037	
Restricted assets: (Note 4)				
Cash and cash equivalents	20,624,275	39,825,250	60,449,525	
Investments	6,471,556		6,471,556	
Receivables, net (Note 5)	6,469		6,469	
Long-term advances to component units (Note 8)	1,401,387		1,401,387	
Capital assets: (Note 6)				
Non-depreciable	38,581,289	41,354,224	79,935,513	
Depreciable-net	134,606,036	91,243,460	225,849,496	139,160
Total assets	<u>373,636,294</u>	<u>210,260,603</u>	<u>583,896,897</u>	<u>16,404,854</u>
Deferred Outflows of Resources				
Deferred charges on refunding	351,600		351,600	
Related to Pensions (Note 11)	17,645,943	667,922	18,313,865	26,509
Related to OPEB (Note 12)	1,232,548		1,232,548	
LIABILITIES				
Accounts payable and other current liabilities	12,360,118	3,071,635	15,431,753	109,553
Interest payable	683,590	354,186	1,037,776	
Due to primary government			-	100,784
Due to component units	32,283		32,283	
Unearned revenue (Note 5)	5,340,421		5,340,421	65,157
Noncurrent liabilities:				
Payable from restricted assets	2,363,067	905,263	3,268,330	
General insurance & workers' compensation accrual (Note 9)	2,955,473		2,955,473	
Due to other governmental units		172,936	172,936	1,443,783
Long-term advances from primary government (Note 8)			-	1,401,387
Due within one year (Note 7)	12,720,257	3,225,673	15,945,930	4,842
Due in more than one year (Note 7)	87,466,346	67,491,934	154,958,280	8,550
Net pension liability (Note 11)	109,389,908	4,107,909	113,497,817	163,051
Net OPEB liability (Note 12)	76,068,845	3,230,438	79,299,283	
Total liabilities	<u>309,380,308</u>	<u>82,559,974</u>	<u>391,940,282</u>	<u>3,297,107</u>
Deferred Inflows of Resources				
Related to Pensions (Note 11)	32,911,743	1,317,276	34,229,019	52,284
Related to OPEB (Note 12)	9,584,098	256,906	9,841,004	
NET POSITION				
Net investment in capital assets	104,932,317	101,069,180	206,001,497	139,160
Restricted:				
Right-of-way funds/ metro authority and sanitation	2,147,042		2,147,042	
Highways and streets	14,018,255		14,018,255	
Cable PEG fees	430,506		430,506	
Culture and recreation	15,871,373		15,871,373	
Community improvement	1,516,129		1,516,129	182,635
Social services	86,652		86,652	
Grants (other)	148,288		148,288	
Public safety	1,417,102		1,417,102	
Debt service	2,166,359		2,166,359	
Capital projects	1,199,118		1,199,118	
Unrestricted	(102,942,905)	25,725,189	(77,217,716)	12,760,177
Total net position	<u>\$ 40,990,236</u>	<u>\$ 126,794,369</u>	<u>\$ 167,784,605</u>	<u>\$ 13,081,972</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Government-Wide Statement of Activities

For the Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Governmental Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Functions/programs								
Primary government:								
Governmental activities:								
General government	\$ 13,786,966	\$ 1,943,438	\$ 3,314,625	\$ 1,131	\$ (8,527,772)		\$ (8,527,772)	
Public safety	44,574,357	9,836,810	5,549,197		(29,188,350)		(29,188,350)	
Highways and streets	14,302,042		9,366,010		(4,936,032)		(4,936,032)	
Public services	2,282,250	558,213	2,000		(1,722,037)		(1,722,037)	
Sanitation	2,766,569	2,537,834			(228,735)		(228,735)	
Community improvement	920,214	552,647	818,261		450,694		450,694	
Social services	1,955,217		2,137,349		182,132		182,132	
Culture and recreation	10,933,960	2,155,774	662,742	284,000	(7,831,444)		(7,831,444)	
Interest on long-term debt	2,865,310				(2,865,310)		(2,865,310)	
Total governmental activities	<u>94,386,885</u>	<u>17,584,716</u>	<u>21,850,184</u>	<u>285,131</u>	<u>(54,666,854)</u>		<u>(54,666,854)</u>	
Business-type activities:								
Water and sewer	37,543,838	48,636,991				\$ 11,093,153	11,093,153	
Total primary government	<u>\$ 131,930,723</u>	<u>\$ 66,221,707</u>	<u>\$ 21,850,184</u>	<u>\$ 285,131</u>			<u>(43,573,701)</u>	
Component units activities:								
Governmental	<u>\$ 3,798,819</u>	<u>\$ -</u>	<u>\$ 1,526,489</u>	<u>\$ -</u>				<u>\$ (2,272,330)</u>
General revenues:								
Property taxes					75,802,671		75,802,671	2,852,418
Unrestricted state shared revenues					10,048,984		10,048,984	
Unrestricted investment earnings					1,994,197	670,309	2,664,506	261,625
Unrestricted investment losses, fair value					(499,501)	(282,094)	(781,595)	(112,840)
Miscellaneous					2,812,537	25,322	2,837,859	42,047
Total general revenues and transfers					<u>90,158,888</u>	<u>413,537</u>	<u>90,572,425</u>	<u>3,043,250</u>
Change in net position					35,492,034	11,506,690	46,998,724	770,920
Net position - beginning					5,498,202	115,287,679	120,785,881	12,311,052
Net position - ending					<u>\$ 40,990,236</u>	<u>\$ 126,794,369</u>	<u>\$ 167,784,605</u>	<u>\$ 13,081,972</u>

The notes to the financial statements are an integral part of this statement.



GOVERNMENTAL FUNDS

City of Southfield
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds			Non-Major Funds	
	General	Major Streets	Road Bond Construction	Other Governmental	Total Governmental
ASSETS					
Cash and cash equivalents (Note 3)	\$ 48,750,217	\$ 968,945		\$ 33,199,713	\$ 82,918,875
Investments (Note 3)	21,749,637	176,891		14,371,878	36,298,406
Receivables, net (Note 5)	3,633,367	1,165,222		1,003,132	5,801,721
Special assessments				712,186	712,186
Prepays	820,291	13,440		33,972	867,703
Due from other funds (Note 8)	233,461	8,500		37,204	279,165
Due from component units	36,296			54,473	90,769
Due from other governmental units				417,025	417,025
Land held for resale (Note 1)	11,250,000				11,250,000
Inventories	401,427				401,427
Advances to other funds				1,667,359	1,667,359
Advances to component units				1,401,387	1,401,387
Restricted assets: (Note 4)					
Cash and cash equivalents			\$ 18,564,598	37,130	18,601,728
Investments			6,471,556		6,471,556
Receivables, net (Note 5)			6,469		6,469
Total assets	\$ 86,874,696	\$ 2,332,998	\$ 25,042,623	\$ 52,935,459	\$ 167,185,776
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,237,850	\$ 123,750	\$ 1,935,440	\$ 1,026,978	\$ 4,324,018
Accrued payroll	2,130,131			315,717	2,445,848
Due to other funds (Note 8)				948,953	948,953
Due to component units	2,753				2,753
Deposits and escrow	5,482,368				5,482,368
Other short-term liabilities	387,423	846		53,652	441,921
Unearned revenue (Note 5)	4,909,778			430,643	5,340,421
Advances from local improvement revolving fund (Note 8)				1,667,359	1,667,359
Total liabilities	14,150,303	124,596	1,935,440	4,443,302	20,653,641
Deferred inflows of resources - unavailable (Note 5)	692,743	-	-	765,855	1,458,598
Fund balances: (Note 14)					
Non-spendable	12,471,718	13,440		3,102,718	15,587,876
Restricted	2,147,042	2,194,962	23,107,183	33,189,940	60,639,127
Committed	38,871,302			371,230	39,242,532
Assigned	670,281			11,062,414	11,732,695
Unassigned	17,871,307				17,871,307
Total fund balances	72,031,650	2,208,402	23,107,183	47,726,302	145,073,537
Total liabilities, deferred inflows and fund balances	\$ 86,874,696	\$ 2,332,998	\$ 25,042,623	\$ 52,935,459	\$ 167,185,776

The notes to the financial statements are an integral part of this statement.

City of Southfield
Reconciliation of the Balance Sheet -
Governmental Funds to the Government-Wide
Statement of Net Position
June 30, 2021

Fund balance for governmental activities	\$ 145,073,537
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	165,461,877
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	1,458,598
Deferred outflows from the difference between expected and actual experience of the pension plan and changes in actuarial assumptions are not reported in the funds	17,108,049
Deferred outflows from the difference between projected and actual investment earnings of other post employment benefits (OPEB) plan are not reported in the funds	1,232,548
Accrued interest payable on governmental debt is recorded in the statement of activities	(683,590)
Deferred charges on bond refunding are amortized over the related bond terms and are not reported in the funds	351,600
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(91,750,921)
Compensated absences	(8,003,863)
Michigan tax tribunal liability is not reported in the funds	(133,805)
Net pension liabilities are not due and payable in the current period and are not reported in the funds	(106,081,701)
OPEB liabilities are not reported in funds	(73,855,192)
Deferred inflows from the difference between projected and actual investment earnings of the total pension plan are not reported in the funds	(31,850,906)
Deferred inflows from the difference between expected and actual experience, changes in actuarial assumptions and differences between projected and actual investment earnings of the total OPEB plan are not reported in the funds	(9,408,054)
Internal service funds are used by management to charge the costs of maintaining facilities equipment and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>32,072,059</u>
Government-wide net position of governmental activities	<u>\$ 40,990,236</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2021

	Major Funds			Non-Major Funds	
	General	Major Streets	Road Bond Construction	Other Governmental	Total Governmental
REVENUES					
Property taxes	\$ 52,796,890	\$ 284,523	\$	\$ 22,721,259	\$ 75,802,672
Special assessments				741,902	741,902
Charges for services	3,874,733			1,382,325	5,257,058
Sanitation	2,537,834				2,537,834
Licenses and permits	3,950,460				3,950,460
Fines and forfeitures	3,018,505				3,018,505
Federal forfeitures				21,892	21,892
Cable franchise fees	1,357,083			773,448	2,130,531
Intergovernmental:					
Federal	7,200,965			3,459,988	10,660,953
State	10,267,121	7,110,913		2,827,728	20,205,762
Other	1,220,339	124,486			1,344,825
Contributions and donations				445,721	445,721
Investment earnings	1,076,680	30,985	239,038	647,494	1,994,197
Change in fair value of investments	(244,821)	(4,787)	(28,843)	(221,050)	(499,501)
Other	2,356,588	285,494		699,725	3,341,807
Total revenues	89,412,377	7,831,614	210,195	33,500,432	130,954,618
EXPENDITURES					
Current:					
General government	12,041,294		3,057	22,973	12,067,324
Public safety	56,699,956			451,453	57,151,409
Highways and streets		5,960,566	254,633	3,408,757	9,623,956
Public services	2,442,910				2,442,910
Sanitation	2,766,569				2,766,569
Community improvement				920,214	920,214
Social services				2,529,400	2,529,400
Culture and recreation				10,537,315	10,537,315
Insurance and bonds	886,035				886,035
Support services	4,451,941				4,451,941
Other				1,460,527	1,460,527
Capital outlay	108,698	7,867,327		3,199,667	11,175,692
Debt service:					
Principal retirement	350,000	1,080,000		7,026,842	8,456,842
Interest and fiscal charges	22,339	96,782		2,497,628	2,616,749
Total expenditures	79,769,742	15,004,675	257,690	32,054,776	127,086,883
Excess (deficiency) of revenues over (under) expenditures	9,642,635	(7,173,061)	(47,495)	1,445,656	3,867,735
OTHER FINANCING SOURCES (USES)					
Transfers in		7,780,057		3,054,833	10,834,890
Par amount of long-term debt (Note 8)			21,605,000		21,605,000
Insurance recovery	847,500				847,500
Premium on bond issuance			1,810,024		1,810,024
Transfers out	(380,523)		(10,364,117)	(106,280)	(10,850,920)
Total other financing sources (uses)	466,977	7,780,057	13,050,907	2,948,553	24,246,494
Net change in fund balances	10,109,612	606,996	13,003,412	4,394,209	28,114,229
Fund balances - beginning	61,922,038	1,601,406	10,103,771	43,332,093	116,959,308
Fund balances - ending	\$ 72,031,650	\$ 2,208,402	\$ 23,107,183	\$ 47,726,302	\$ 145,073,537

City of Southfield

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the Year Ended June 30, 2021

Net change in fund balances – total governmental funds	\$ 28,114,229
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however in the statement of activities, these costs are allocated over the estimated useful lives as depreciation:	
Capital outlay and donated assets	10,961,126
Depreciation expense	(10,735,035)
Net book value of assets disposed of	(30,271)
Revenue is recorded in the statement of activities when earned; it is not reported in the the funds until collected or collectable within 60 days of year end and revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(899,605)
Change in accrued interest payable on long-term debt is not reported as expenditures in governmental funds	(242,185)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The amount of expenditures for accumulated compensated absences is reported here.	1,026,104
Change in Michigan tax tribunal contingency is not reported as expenditures in governmental funds	(123,701)
Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Long-term debt for capital assets is a reduction of net position however, a reduction of the debt increases net position. This is the amount of principal paid on long-term debt.	(13,148,158)
The change of the deferred charges on bond refunding balance is not reported as expenditures in governmental funds	(39,067)
Some employee costs do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Pension	(794,419)
OPEB	18,708,365
Proceeds from long-term debt including premium are reported as revenue in the governmental funds	(1,810,024)
The change of premium on bond refunding is not reported as expenditures in governmental funds	618,005
Current year's amortization for discounts payable is not reported as expenditures in governmental funds	(6,373)
Internal Service funds are used by management to charge the costs of certain activities, such as motor pool, and equipment replacement, to individual funds. The net activity of the internal service funds is reported with governmental activities.	3,893,043
Change in net position government-wide statement of governmental activities	\$ <u>35,492,034</u>

The notes to the financial statements are an integral part of this statement.



PROPRIETARY FUNDS

City of Southfield
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities <u>Enterprise Fund</u> <u>Water and Sewer</u>	Associated Governmental <u>Internal</u> <u>Service Funds</u>
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 18,435,945	\$ 13,370,491
Investments (Note 3)	950,618	9,561,879
Receivables, net (Note 5)	18,269,327	9,107,348
Prepays and other assets		797,606
Due from other funds (Note 8)		696,038
Due from component units		10,015
Inventory	<u>181,779</u>	<u>339,831</u>
Total current assets	<u>37,837,669</u>	<u>33,883,208</u>
Noncurrent assets:		
Restricted assets: (Note 4)		
Cash and cash equivalents	39,825,250	2,022,547
Capital assets: (Note 6)		
Construction in progress	41,354,224	
Infrastructure	200,889,420	
Equipment and intangibles	3,565,345	28,281,225
Less accumulated depreciation	<u>(113,211,305)</u>	<u>(20,555,777)</u>
Net capital assets	<u>132,597,684</u>	<u>7,725,448</u>
Total noncurrent assets	<u>172,422,934</u>	<u>9,747,995</u>
Total assets	<u>210,260,603</u>	<u>43,631,203</u>
Deferred Outflows of Resources		
Related to Pensions	667,922	537,894
LIABILITIES		
Current liabilities:		
Accounts payable	2,929,971	945,957
Accrued payroll	141,664	655,446
Interest payable	354,186	
Provision for medical claims		427,627
Due to other funds (Note 8)		26,250
Due to component units		29,530
Accrued compensated absences-due within 1 year (Note 7)	191,060	132,475
Revenue bonds payable (Note 7)	<u>3,034,613</u>	
Total current liabilities	<u>6,651,494</u>	<u>2,217,285</u>
Noncurrent liabilities:		
Payable from restricted assets	905,263	
General insurance & workers' compensation accrual		2,955,473
Accrued compensated absences-due more 1 year (Note 7)	78,056	165,539
Due to other governmental units	172,936	
Net pension liability (Note 11)	4,107,909	3,308,207
Net OPEB liability (Note 12)	3,230,438	2,213,653
Bonds payable (Note 7)	<u>67,413,878</u>	
Total noncurrent liabilities	<u>75,908,480</u>	<u>8,642,872</u>
Total liabilities	<u>82,559,974</u>	<u>10,860,157</u>
Deferred Inflows of Resources		
Related to Pensions	1,317,276	1,060,837
Related to OPEB	256,906	176,044
NET POSITION		
Net investment in capital assets	101,069,180	7,725,448
Unrestricted	25,725,189	24,346,611
Total net position	<u>\$ 126,794,369</u>	<u>\$ 32,072,059</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2021

	Business-type Activities <u>Enterprise Fund</u> <u>Water and Sewer</u>	Associated Governmental <u>Internal</u> <u>Service Funds</u>
OPERATING REVENUES		
Charges for consumption and service:		
Water and sewage charges	\$ 48,176,434	
Charges to other funds		\$ 19,349,957
Installation charges	91,410	
Interest and penalties	369,147	
Other	25,322	834,134
Total operating revenues	<u>48,662,313</u>	<u>20,184,091</u>
OPERATING EXPENSES		
Administration	2,698,952	2,891,636
Health care		6,879,864
Equipment and facility operation		4,369,153
Water purchases	7,278,048	
Transmission and distribution	18,545,804	
Service installation and meter reading	1,310,164	
Depreciation	5,663,945	1,718,075
Other		590,961
Total operating expenses	<u>35,496,913</u>	<u>16,449,689</u>
Operating income	13,165,400	3,734,402
NONOPERATING REVENUES (EXPENSES)		
Gain on disposition of assets		3,800
Interest expense	(2,046,925)	
Investment earnings	670,309	295,550
Change in fair value of investments	(282,094)	(152,930)
Other		(3,809)
Total nonoperating revenues	<u>(1,658,710)</u>	<u>142,611</u>
Income before transfers	11,506,690	3,877,013
Transfers in		16,030
Total net position - beginning	<u>115,287,679</u>	<u>28,179,016</u>
Total net position - ending	<u>\$ 126,794,369</u>	<u>\$ 32,072,059</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities <u>Enterprise Fund</u> <u>Water and Sewer</u>	Associated Governmental <u>Internal</u> <u>Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from users	\$ 48,046,651	\$ 13,051,694
Cash paid to employees	(3,458,296)	(3,413,528)
Cash paid to suppliers	(30,780,422)	(10,754,272)
Payments made on interfunds		(444,133)
Net cash provided by (used in) operating activities	<u>13,807,933</u>	<u>(1,560,239)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in		<u>16,030</u>
Net cash provided by noncapital and related financing activities	<u>-</u>	<u>16,030</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of property equipment & adjustments, net of proceeds	(25,977)	(1,834,290)
Interest	(2,046,925)	
System improvements	(17,238,288)	
Payments of revenue bonds	(3,032,985)	
Net cash used in capital and related financing activities	<u>(22,344,175)</u>	<u>(1,834,290)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net of proceeds	(64,198)	(645,741)
Investment earnings	<u>382,709</u>	<u>142,620</u>
Net cash provided by (used in) investing activities	<u>318,511</u>	<u>(503,121)</u>
Net decrease in cash, cash equivalents	(8,217,731)	(3,881,620)
Cash, cash equivalents, beginning of year	<u>66,478,926</u>	<u>19,274,658</u>
Cash, cash equivalents, end of year	<u>\$ 58,261,195</u>	<u>\$ 15,393,038</u>
Balance sheet reconciliation of cash & cash equivalents		
Cash, cash equivalents	\$ 18,435,945	\$ 13,370,491
Restricted cash, cash equivalents	<u>39,825,250</u>	<u>2,022,547</u>
Total cash, cash equivalents	<u>\$ 58,261,195</u>	<u>\$ 15,393,038</u>
Reconciliation of operating income to net cash provided		
by operating activities:		
Operating income	\$ 13,165,400	\$ 3,734,402
Adjustments to reconcile operating income to net cash provided by		
(used in) operating activities:		
Depreciation	5,663,945	1,718,075
Receivables	(589,441)	(8,350,820)
Prepays and other assets	4,604	1,218,423
Inventory	(30,825)	141,491
Deferred outflow	851,088	822,828
Accounts payable	(5,285,259)	706,963
Accrued liability	(17,015)	
Deposits	(6,000)	
Accrued payroll, including compensated absences		
due in less than one year	10,901	577,992
General insurance & workers' compensation accrual		127,672
Accrued compensated absences	(27,635)	(25,602)
Net pension liability	(1,721,739)	(567,607)
Net OPEB liability	(82,412)	(1,956,453)
Interfunds		(433,838)
Deferred inflow	<u>967,058</u>	<u>726,235</u>
Net cash provided by (used in) operating activities	<u>\$ 13,807,933</u>	<u>\$ (1,560,239)</u>

The notes to the financial statements are an integral part of this statement.

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FIDUCIARY FUNDS



**DISCRETELY PRESENTED
COMPONENT UNITS**

City of Southfield
Statement of Net Position
Discretely Presented Component Units
June 30, 2021

	Economic Development Corporation	Brownfield Re-development Authority	Joint-Local Development Finance Authority	Downtown Development Authority	Tax Increment Finance Authority	Local Development Finance Authority	Section 8 Housing Commission	Southfield Growth Corporation	Totals
ASSETS									
Cash and cash equivalents (Note 3)	\$ 19,392	\$ 2,130,986	\$ 787,572	\$ 1,049,823	\$ 1,504,258	\$ 1,543,896	\$ 24,372	\$ 222,807	\$ 7,283,106
Investments (Note 3)			120,354		4,971,626	3,550,090			8,642,070
Receivables, net (Note 5)	10	5,391	126,518	29,112	1,224	7,160			169,415
Property investments								15,000	15,000
Prepays							123,820		123,820
Due from primary government				5,138			24,392	2,753	32,283
Total current assets	19,402	2,136,377	1,034,444	1,084,073	6,477,108	5,101,146	172,584	240,560	16,265,694
Capital assets, depreciable-net (Note 6)				139,160					139,160
Total assets	19,402	2,136,377	1,034,444	1,223,233	6,477,108	5,101,146	172,584	240,560	16,404,854
Deferred Outflows of Resources									
Related to Pensions							26,509		26,509
LIABILITIES									
Accounts payable and other current liabilities			25,433	48,083			32,585	3,452	109,553
Due to primary government				5,349			40,962	54,473	100,784
Unearned revenue							65,157		65,157
Noncurrent liabilities:									
Due to other governmental units					1,443,783				1,443,783
Long-term advances from primary government (Note 8)						1,401,387			1,401,387
Due within one year				4,842					4,842
Due in more than one year (Note 7)				8,550					8,550
Net pension liability (Note 11)							163,051		163,051
Total non-current liabilities	-	-	-	13,392	-	-	163,051	-	176,443
Total liabilities	-	-	25,433	66,824	1,443,783	1,401,387	301,755	57,925	3,297,107
Deferred Inflows of Resources									
Related to Pensions							52,284		52,284
NET POSITION									
Net investment in capital assets				139,160					139,160
Restricted								182,635	182,635
Unrestricted	19,402	2,136,377	1,009,011	1,017,249	5,033,325	3,699,759	(154,946)		12,760,177
Total net position	\$ 19,402	\$ 2,136,377	\$ 1,009,011	\$ 1,156,409	\$ 5,033,325	\$ 3,699,759	\$ (154,946)	\$ 182,635	\$ 13,081,972

The notes to the financial statements are an integral part of this statement.

City of Southfield
Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2021

	Net (Expense) Revenue and Changes in Net Position										
	Expenses	Operating Grants and Contributions	Economic Development Corporation	Brownfield Re-development Authority	Joint-Local Development Finance Authority	Downtown Development Authority	Tax Increment Finance Authority	Local Development Finance Authority	Section 8 Housing Commission	Southfield Growth Corporation	Totals
Brownfield re-development authority											
Community improvement	\$ 887,966			\$ (887,966)							(887,966)
Joint-local development finance authority											
Community improvement	258,566				\$ (258,566)						(258,566)
Downtown development authority											
Community improvement	202,036				\$ (202,036)						(202,036)
Tax increment finance authority											
Community improvement	934					\$ (934)					(934)
Local development finance authority											
Community improvement	(974)						\$ 974				974
Section 8 housing commission											
Social services	1,674,861	\$ 1,526,335						\$ (148,526)			(148,526)
Southfield growth corporation											
Community improvement	<u>775,430</u>	<u>154</u>								\$ (775,276)	<u>(775,276)</u>
Total component units	<u>\$ 3,798,819</u>	<u>\$ 1,526,489</u>									<u>(2,272,330)</u>
General revenues:											
Property taxes				1,830,896	826,630	194,892					2,852,418
Unrestricted investment earnings	\$	176	32,517	4,554	9,877	122,563	91,706	141	91		261,625
Unrestricted change in fair value of investments		(14)	(9,094)	(694)	(2,893)	(57,679)	(42,466)				(112,840)
Miscellaneous						42,047					42,047
Total general revenues		<u>162</u>	<u>1,854,319</u>	<u>830,490</u>	<u>243,923</u>	<u>64,884</u>	<u>49,240</u>	<u>141</u>	<u>91</u>		<u>3,043,250</u>
Change in net position		162	966,353	571,924	41,887	63,950	50,214	(148,385)	(775,185)		770,920
Net position - beginning		<u>19,240</u>	<u>1,170,024</u>	<u>437,087</u>	<u>1,114,522</u>	<u>4,969,375</u>	<u>3,649,545</u>	<u>(6,561)</u>	<u>957,820</u>		<u>12,311,052</u>
Net position - ending	\$	<u>19,402</u>	<u>2,136,377</u>	<u>1,009,011</u>	<u>1,156,409</u>	<u>5,033,325</u>	<u>3,699,759</u>	<u>(154,946)</u>	<u>182,635</u>	\$	<u>13,081,972</u>

The notes to the financial statements are an integral part of this statement.



**NOTES TO THE
FINANCIAL STATEMENTS**

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Southfield, Michigan (the “City”) was incorporated on April 28, 1958 under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a council/administrator form of government and provides the following services as authorized by its charter: public safety, public works, culture, recreation, community development and general administrative services. The component units discussed below are included in the City’s financial reporting entity because of the significance of their operational or financial relationships with the City. In accordance with generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. The criteria established by the Governmental Accounting Standards Board (GASB) for determining the reporting entity includes financial accountability and whether the financial statements would be misleading if data were not included.

Component Units

The financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Data from these units are segregated from the primary government in the combined financial statements. Each blended and discretely presented component unit’s financial information has been included based upon a June 30 year-end.

Blended Component Units – Blended component units are legally separate entities from the City, but provide exclusive benefit to the primary government, so data from these units are combined with the data of the City (primary government) and presented as governmental fund types.

The City of Southfield Building Authority board consists of 5 members appointed by City Council and the City Administrator, thereby appointing a voting majority. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to issue bonds to finance major capital construction by the City.

The City of Southfield Library Building Authority board consists of 4 members appointed by City Council, thereby appointing a voting majority. In addition, the repayment of the City of Southfield Library Building Authority’s bonds is financed through an operating millage for library operations.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity

Discretely Presented Component Units – Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable or their relations with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. These component units are reported in a separate column to emphasize that they are legally separate from the City. The following component units are included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organization:

Economic Development Corporation (EDC): The EDC was formed in February of 1980, in accordance with the State of Michigan Public Act 338 of 1974, for the purpose of stimulating economic activity in the City of Southfield. Industrial projects ultimately approved by the Economic Development Corporation are financed through the sale of Industrial Revenue bonds. In addition, the EDC offers loans and participates in other economic development and rehabilitation programs.

Brownfield Re-development Authority: The Brownfield Redevelopment Authority is a corporate public body created by the State of Michigan under Public Act 381 of 1996, consisting of the serving members of the Local Development Financing Authority (LDFA). Its purpose is to promote the revitalization of environmentally distressed, blighted and functionally obsolete properties through the use of tax increment financing.

Joint-Local Development Finance Authority (Joint-LDFA):

The Joint-LDFA was created under Public Act 248 of 2000, an amendment to the Local Development Finance Authority Act created under Michigan Public Act 281 of 1986. The Joint-LDFA is a joint authority with the City of Troy in which each city prepared its own development and financing plan by creating a Certified Technology Park, also known as a SmartZone or Smart Park, whose primary purpose is to develop and finance public improvements to promote growth and economic development. This purpose is accomplished by the Authority designing a development district and analyzing the property to determine the initial assessed value. Any new or additional assessed value is declared "captured assessed value." Most local and ½ of school property taxes collected thereon are transferred to the Authority as "tax increment revenues" and used to finance the development plan.

Downtown Development Authority (DDA): The DDA has a 13-member board, all appointed by the Mayor, committed to the economic development of the designated downtown district in and around the Northland Center. This Authority was formed under Public Act 1975, No. 197 and is funded through a 2-mill tax levy on all real and personal property within the district and a tax increment financing plan.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity

Tax Increment Financing Authority (TIFA): The TIFA was organized pursuant to the State of Michigan Public Act 450 of 1980. Its primary purpose is to finance and develop public improvements to promote growth and increase property tax valuation. Any new or additional assessed value in the development district is declared "captured assessed value." The property taxes collected thereon are transferred to the TIFA as "tax increment revenues" and used to finance the development plan.

Local Development Finance Authority (LDFA): The LDFA was organized on September 25, 1989 pursuant to the State of Michigan Public Act 281 of 1986. The LDFA is similar to the TIFA, but is restricted to industrial and manufacturing areas. The primary purpose of the LDFA is to finance and develop public improvements to promote growth and increase property tax valuation. This purpose is accomplished by the Authority designing a development district and analyzing the property to determine the initial assessed value. Any new or additional assessed value, whether from new construction or increased market value, is declared "captured assessed value." The property taxes collected thereon are transferred to the LDFA as "tax increment revenues" and used to finance the development plan.

The City assesses, collects and distributes property taxes for several school districts, including the Southfield Public Schools. These districts are not included in these financial statements because they are entities with independently elected Boards of Education who establish their own millage rates and are responsible for all financial control, including budgeting and operating surpluses and deficits.

Section 8 Housing Commission:

The Southfield Housing Commission, whose activities are reported in the Section 8 Housing Fund, was incorporated pursuant to the Housing Facilities Act 19 of 1933. The Southfield Housing Commission consists of five (5) members appointed by the City Administrator for five-year terms. The Southfield Housing Commission is responsible for providing quality housing for the elderly and low-income families through the Housing and Urban Development's Housing Choice Voucher Program Section 8, public funding program.

Southfield Growth Corporation:

The Southfield Growth Corporation, whose activities are recorded in the Neighborhood Stabilization Program (NSP), is governed by a 5 member board including the City Administrator, City Attorney, Purchasing Agent, Director of Planning and Housing Program Specialist. The first three members are appointed by the City Council, the Director of Planning is appointed by the Mayor and confirmed by the City Council and the Housing Program Specialist reports to the Deputy City Administrator, thereby appointing a voting majority. Pursuant to the Housing Economic Relief Act (HERA) of 2008, federal grant funds are used to allow the City to purchase foreclosed or abandoned homes to rehabilitate, resell, or redevelop in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The NSP also provides financial assistance to qualifying families for acquisition of foreclosed and vacant properties.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity

Fiduciary Component Units – Fiduciary component units are entities that are legally separate from the City, but for which the City is financially accountable. These component units are reported as Fiduciary Funds.

The Southfield Employee Retirement System

The Southfield Employee Retirement System is governed by a 7-member board that includes 3 members that serve on the Civil Service Commission, 2 members elected by the active employee members, 1 member elected by the retired employee members, and 1 member appointed by the Mayor with confirmation by City Council. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

The Fire and Police Retirement System

The Fire and Police Retirement System is governed by a 5-member board that includes 2 members elected from the ranks of the Police and Fire departments (one each), 2 members appointed by City Council, and the City Treasurer serves as an ex-officio member. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected within 60 days after year end to pay liabilities of the current period. Significant revenues susceptible to accrual include reimbursement grants, state shared revenues and charges for services.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on long-term debt which is recognized when due and paid.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available, spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

All proprietary funds and the retirement trust funds are accounted for on a cost of services or “economic resources” measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary and retirement trust funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

The statement of net position and the statement of activities display information about the City as a whole. The statements include all funds of the primary government and its component units, except for its fiduciary funds. Those funds are reported in the statements of fiduciary net position and changes in fiduciary net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The City's net position is reported in the following three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.
- Restricted net position results when constraints are placed on the use of net position by either creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., legislative/constitutional provisions or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major governmental funds and major enterprise fund are reported as separate columns in the fund financial statements.

Governmental funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. The City reports the following major governmental funds:

- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The Major Streets Fund is Michigan's Act 51 of 1933, as amended, allocates gas and weight taxes to build and maintain roads. Snow removal and traffic control are also supported by this funding source. Additional funds are provided through Public Act 298 of 1917 for all Major streets mowing, litter pick-up, street sweeping and catch basin cleaning on all roads throughout the City.
- The Road Bond Construction fund is used to account for proceeds used for construction of City roads.

Proprietary funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues relates to charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. These include enterprise funds and internal service funds.

The enterprise fund is used to account for (1) operations that are financed and operated in a manner similar to business enterprises where the costs (including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges, and (2) operations where the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The City reports the following major proprietary fund:

- The Water and Sewer fund accounts for the purchase of water from the Southeastern Oakland County Water Authority and the installation and maintenance of meters and mains throughout the City. Sewer disposal charges to customers pay for treatment of sewerage and fund installation and maintenance of sanitary sewers in the Evergreen area (west of Southfield Road) and of combined sanitary and storm sewers on the "SEOCSDS" area (east of Southfield Road). The City has contracted with Oakland County for indirect repayment of bonds issued for sewers.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. These funds include Health Care, Facilities Maintenance, Motor Pool, Equipment Revolving, and Insurance Risk Retention.

Additionally, the City reports the following fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources used to finance projects or activities as required by law or contractual agreement. These funds include Local Streets, Parks & Recreation, Cable, Block Grant, Michigan Indigent Defense, Drug Law Enforcement, Grants, Library, Michigan Works, Auto Theft, and Donations, Memorial Trusts & Sponsorships.
- Debt service funds are used to account for the accumulation of resources and the payment of loan principal and interest from governmental resources. The City's debt service funds account for the payment of interest and principal on long-term bonded debt for Road Bond debt and Drains-at-Large. The City has contracted with Oakland County for indirect repayment of bonds issued for sewers and drains.
- Capital projects funds account for resources used for the acquisition or major renovation of capital facilities. Disbursements from these funds are primarily for property acquisition and the construction of permanent public improvements. The major financing sources are bond proceeds, transfers from other City funds, internal loans and grants. These funds include City of Southfield Library Building Authority Construction, Capital Improvement, City of Southfield Building Authority Construction, Local Improvement Revolving, and Special Assessment Construction.
- Fiduciary funds include Retirement Trust funds held by the City in a trustee capacity and custodial funds that are not held in trust but meet certain reporting criteria. Trust funds include Pension Trusts and Retiree Health Care Benefits Plan and Trust. Custodial funds used to account for property taxes that are held for the benefit of other governmental units that are not part of the reporting entity and district court funds held for the benefit of other governmental units and/or individuals for which the City does not have administrative involvement.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

There are no major component units.

C. Assets, Liabilities, Deferred Outflows, Inflows of Resources and Fund Balance

(a) Deposits and Investments: The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value or estimated fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of other investments is based on periodic appraisals as well as the judgement of independent advisors and management. Investments that do not have an established market value are reported at estimated fair value as determined by the plan's management. Investments and certificates of deposit are purchased with pooled cash and are generally held to maturity. Interest is allocated on the basis of time-and-dollar weighted participation in each pool.

(b) Receivables and Payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term receivables and payables resulting from such transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet. Any residual balances between the government activities and business-type activities are reported in the government-wide financial statements as "internal balances". All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewer fund. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a reservation of fund balance.

(c) Inventory, Prepaid Items, and Land Held for Resale: Inventory is stated at a first-in, first-out cost method and are accounted for using the purchasing method except for certain items used in the governmental and proprietary funds such as sign shop inventory which are accounted for on the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Land held for resale is reported at the lower of cost or market based on a periodic appraisal of the property by a certified real estate appraiser. In periods in which an appraisal is not obtained, the extent to which changes in the real estate market have affected the value since the last appraisal are used to adjust the reported value accordingly. During the current year, the City recorded an impairment of land held for resale in the amount of \$1.2 million. This is being reported in the General government expenditures within the General fund.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows, Inflows of Resources and Fund Balance

(d) Restricted assets: Restricted assets consist of deposits being held by third parties and are legally required to be used for specific purposes, including construction and maintenance of roads, drains, debt service of drains, and for self-insurance claim payments.

(e) Capital Assets: Capital assets which include property and equipment are stated at historical cost or, if donated, estimated fair market value at date of donation. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries, employee benefits and bond interest costs. Certain governmental improvements, including roads, bridges, storm sewers and sidewalks are capitalized as infrastructure. Drain usage rights are capitalized assets relating to City drains that are maintained by Oakland County.

Depreciation is recorded for property and equipment using the straight-line method over the estimated useful lives of the related assets. Assets are depreciated on an individual basis for equipment and buildings.

The estimated useful lives are:

Land improvements	10-50 years
Buildings and improvements	10-50 years
Infrastructure	5-50 years
Intangibles	3-20 years
Drain usage rights	25-50 years
Equipment	2-50 years

Depreciation of property and equipment contributed by entities independent of the City (such as construction contractors) is charged to fund operations.

Capital assets are reported in the government-wide statements at historical cost. Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment and all other tangible or intangible assets that are used in operations and have initial useful lives beyond a single reporting period and cost over \$5,000. Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets.

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net position. Capital assets that are not being depreciated, such as land, are reported separately.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows, Inflows of Resources and Fund Balance

Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the asset.

(f) Interfund balances: Outstanding balances between funds are reported as “due to/due from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

(g) Deferred outflows/inflows of resources: In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One of the deferred outflows is the deferred charge on a bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third items report deferred outflows in the government-wide statement of net position and proprietary statement of net position is related to pensions and other post-employment benefits (OPEB). These amounts are deferred and amortized over the expected remaining service lives of all active and inactive employees who are provided with pensions and OPEB, with the exception of the net difference between expected and actual investment earnings which are amortized over five years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow of resources related to unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from: special assessments, grants, and other miscellaneous sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflows of resources related to pensions and OPEB are reported in the government-wide statement of net position and proprietary statement of net position. These amounts are deferred and amortized over the expected remaining service lives of all active and inactive employees who are provided with pensions and OPEB, with the exception of the net difference between expected and actual investment earnings which are amortized over five years.

Unearned Revenue: Similar to deferred inflows, the City will sometimes report amounts for unearned revenue which represents the acquisition of net position for which revenue recognition criteria have not yet been met. Amounts received that apply to a future period(s) and so will not be recognized as revenue until that time are reported as a liability.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows, Inflows of Resources and Fund Balance

(h) Compensated absences: The City recognizes expenditures and liabilities in governmental funds for the accrued vacation and sick pay as it comes due for payment (when the time is taken off or an employee terminates). The remaining amount of the unpaid vacation and sick pay liability has been recognized in the statement of net position as non-current liabilities. The proprietary funds accrue all unpaid vacation and sick pay as it is earned and has been accrued therein in its entirety.

(i) Long-term debt and other obligations: In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures. The general fund and debt service funds are generally used to liquidate governmental long-term debt.

(j) Pension and other post-employment benefit (OPEB) costs:

Pension - The City offers pension benefits to retirees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other post-employment benefit costs - The City offers retiree healthcare benefits to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows, Inflows of Resources and Fund Balance

(k) Fund Balances: In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that have externally imposed constraints and are legally restricted by outside parties, constitutional provisions or enabling legislation for use of a specific purpose.
- Committed – Amounts that have been committed for specific purposes by formal action of a government’s highest level of decision-making authority (i.e. City Council). The City Council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- Assigned – Amounts that are intended by City Council to be used for specific purposes, but are not restricted or committed.
- Unassigned – Residual amounts available for use at the discretion of City Council and Management in the General Fund and negative amounts in other governmental funds.

In addition, special revenue funds are only allowed to be reported if they are used to account for activities that are substantially funded by a specific external revenue source that is restricted or committed for a specific purpose.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Southfield

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows, Inflows of Resources and Fund Balance

The City Council has formally adopted a fund balance policy intended to maintain General Fund unassigned fund balance of 20% of the City's General Fund annual operating expenditures. GFOA guidelines recommend maintaining an unrestricted balance between 15 – 20% of annual expenditures.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

(l) Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

(m) Cash Flows – The City presents Statements of Cash Flows for all proprietary fund types. These statements, which have been prepared utilizing the direct method, analyze the net increase or decrease in cash and cash equivalents by source. For the purposes of the Statement of Cash Flows, the City considers cash equivalents to be all highly liquid investments with a maturity of three months or less from the date of acquisition.

(n) Encumbrances – Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting (under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation) is utilized in the governmental funds. The encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. The amount of encumbrances for governmental funds outstanding at June 30, 2021 is \$9,569,405.

City of Southfield

Notes to the Financial Statements

2. COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

The preparation of the budget begins in October with the establishment of written goals and parameters through the City Administrator's Office and the distribution of budget instructions by the Office of Management and Budget. The remaining steps and deadlines are strictly outlined in the City Charter:

- On or before March 1 – Each department head must submit a departmental budget to the City Administrator.
- On or before April 1- the Administrator shall submit the budget to the Mayor.
- On or before the first regular Council meeting in May - the Mayor shall submit the budget to Council.
- Not later than the third week in June - the Council shall adopt a budget by an affirmative vote of at least five members, at a Special Budget Meeting called for such purposes.
- The City's fiscal year begins July 1.
- The public is kept well informed throughout the budget process through the issuance of press releases, availability of budget documents at both the City Clerk's Office and Southfield Public Library at various stages in the formulation process, and creation of a budget summary videotape which plays periodically on the City's cable television station. Citizens are encouraged to actively participate in all public hearings.
- The individual department head is authorized to transfer budgeted amounts within the respective appropriation unit (e.g., Treasurer's Office), unless the transfer involves personnel or capital line items, in which case, the approval of the Director of Fiscal Services or the City Administrator is also required. However, any revisions that alter an appropriation unit's total budget must be approved by City Council. Such budget adjustments took place, as authorized by the City Council, for the year ended June 30, 2021, and the budgetary data reflects the effect of those amendments.
- Unencumbered appropriations for the fiscal year lapse every June 30. Council may re-appropriate any amount at its discretion.
- Budgets are legally adopted on an activity basis for the General and Special Revenue Funds. These budgets are presented on the same basis of accounting as used for actual results. They are adopted by Council on a non-GAAP basis. A schedule reconciling the adopted budget to the presented budget is disclosed in the RSI section. Capital Projects and Debt Service funds are approved by City Council on a project length basis, with annual expenditures included within Governmental Fund appropriation units. Budgets and actual comparisons are not reported in the financial statements for those funds where no annual budgets are prepared.

City of Southfield

Notes to the Financial Statements

2. COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budgetary Data

- The following non-major governmental funds require an annual budget:

Local streets	Drug law enforcement
Parks and recreation	Grants
Cable television	Library
Block grant	Michigan works grants
Michigan indigent defense	Auto theft grant
	Donations, memorial trusts & sponsorships

B. Budget Variances

During the year, the City incurred both positive and negative revenue/other financing sources variances compared to amounts budgeted. The significant variances are as follows:

	Unaudited Budget	Actual	Variance Positive (Negative)
General Fund			
Revenues:			
Intergovernmental:			
Federal	\$ 98,923	\$ 7,200,965	\$ 7,102,042
State	6,336,346	10,267,121	3,930,775
Expenditures:			
Public Safety:			
Police	23,170,961	24,124,641	(953,680)
Fire	18,905,328	22,095,506	(3,190,178)
Public Services:			
Sanitation	2,670,173	2,766,569	(96,396)
Road service administration	2,523,470	1,240,758	1,282,712
Other:			
Support Services	14,659,902	4,451,941	10,207,961

Intergovernmental - Federal and State: This positive variance is attributable to unanticipated grant funding related to the coronavirus pandemic, primarily CARES Act funding received by the City. Additionally, anticipated state shared revenue was conservatively budgeted due to an expected decline in state revenue.

Police, Fire, and Civilian Support Services: This variance is attributable to personnel costs exceeding anticipated costs due to the increased demand and constrained resources directly related to the novel coronavirus pandemic.

City of Southfield

Notes to the Financial Statements

2. COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budget Variances

Road Service Administration: This positive variance is attributable to the revised activity-based costing and proper allocation to the outside funds driving the costs. City administration will be reviewing and making appropriate adjustments to future budget years to reflect this more accurate methodology.

Sanitation: This variance is attributable to increased personnel costs related to brush chipping and increased household hazardous waste disposal.

Support Services: This positive variance relates to the carry-forward of funds planned for use with the Northland Mall redevelopment project. Approximately \$11.3 million was brought forward from prior years' budget.

	Unaudited Budget	Actual	Variance Positive (Negative)
Major Streets Fund			
Revenues:			
Other	\$ 35,000	\$ 285,494	\$ 250,494

Other revenues: This positive variance is attributable to interfund revenues received from the Parks & Recreation fund for the maintenance of City Parks.

	Unaudited Budget	Actual	Variance Positive (Negative)
Local Streets Fund			
Expenditures:			
Road maintenance	\$ 2,806,575	\$ 2,201,019	\$ 605,556

Road maintenance: This positive variance is attributable to the revised activity-based costing and proper allocation to the outside funds driving the costs. City administration will be reviewing and making appropriate adjustments to future budget years to reflect this more accurate methodology.

	Unaudited Budget	Actual	Variance Positive (Negative)
Michigan Indigent Defense			
Revenues:			
Intergovernmental - State	\$ 517,718	\$ 187,018	\$ (330,700)
Expenditures:			
46th District Court	600,500	269,800	330,700

State revenue and 46th District Court expenditures: Budgeted revenue is based on contractual funding from the MIDC and recognized as expenditures are incurred. Court operations have been limited by the pandemic resulting in expenditures and related revenues below expectations.

City of Southfield

Notes to the Financial Statements

2. COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budget Variances

	Unaudited Budget	Actual	Variance Positive (Negative)
Library			
Revenues:			
Intergovernmental - Federal	\$ -	\$ 539,294	\$ 539,294
Expenditures:			
Administration	1,986,284	1,845,990	140,294
Adult reference	1,307,458	1,198,727	108,731
Children's division	779,695	557,716	221,979
Support services	951,875	764,351	187,524
Technology division	955,718	653,428	302,290
Total expenditures	5,981,030	5,020,212	960,818

Intergovernmental-Federal: This positive variance is attributable to unanticipated grant funding related to the coronavirus pandemic, primarily CARES Act funding received by the City.

Administration, Adult reference, Children's division, Support services, Technology division: This variance is primarily attributable to reduced personnel costs due to unfilled positions, closures and limited in-person operations as a result of the pandemic.

3. DEPOSITS AND INVESTMENTS

Michigan Compiled Laws section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The City is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

The Pension and other post-employment benefits trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles.

The City has designated 25 financial institutions for the deposit of its funds. The investment policy adopted by the council in accordance with Public Act 196 of 1997 is in accordance with statutory authority; however, the City employs a more conservative investment policy and invests only in the highest rated commercial paper. The City participates only with qualified banks and primary investment firms that adhere to the specific guidelines established by industry practice for repurchase agreements. Guidelines require that securities underlying repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreement.

The Southfield Employees Retirement System (SERS) designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 is in accordance with statutory authority. Various professional investment managers are contracted to assist in the managing of this fund's assets.

The City's Fire and Police Retirement System (FPRS) designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 is in accordance with statutory authority. Various professional investment managers are contracted to assist in the managing of this fund's assets.

The Southfield Retiree Health Care Benefits Plan & Trust System (RHC) designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 is in accordance with statutory authority. Various professional investment managers are contracted to assist in the managing of this fund's assets.

The City, pension funds, and other post-employment benefits trust funds' cash and investments are subject to several types of risk, which are examined in more detail on the following page.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

Custodial credit risk of bank deposits:

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

City – The City's investment policy requires all investment transactions be conducted on a delivery versus payment basis. All securities, evidenced by a safekeeping receipt, shall be held by a third-party custodian. At year end, the City had bank deposits (certificates of deposits, checking, and savings accounts) totaling \$27,682,469, of which \$26,182,469 were uninsured and uncollateralized. Included in the total deposits at year-end are component unit assets with a book balance of approximately \$6.5 million. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

SERS – The SERS investment policy does not have a deposit policy for custodial credit risk. At year end, the SERS had no bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized.

FPRS – The FPRS investment policy does not have a deposit policy for custodial credit risk. At year end, the FPRS had no bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized.

RHC – The RHC investment policy does not have a deposit policy for custodial credit risk. At year end, the RHC had no bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

Interest rate risk:

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates.

At year end, the weighted average maturities of investments are as follows:

City – The City’s investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with an original maturity of 180 days or less.

Investments:	Fair Market Value	Weighted Average Maturity
Municipal bonds	\$ 66,769,951	4.81 years
Oakland County LGIP Pooled	151,698,668	0.51 years
Michigan Class Investment Pool	163,487	0.20 years

SERS – The SERS investment policy does not restrict investment maturities.

Investments:	Fair Market Value	Weighted Average Maturity
US Government Obligations	\$ 5,297,805	7.04 years
Mortgage Backed Securities	460,823	15.54 years
Collateralized Mortgage Obligations	263	1.04 years
Asset Backed Securities	170,191	12.50 years
Corporate Bonds	2,436,259	7.22 years
Open End Mutual Funds	5,615,804	9.05 years

FPRS – The FPRS investment policy does not restrict investment maturities.

Investments:	Fair Market Value	Weighted Average Maturity
Funds - corporate bonds	\$ 83,339	Not Available
Other fixed income	28,016,636	Not Available

RHC – The RHC investment policy does not restrict investment maturities.

Investments:	Fair Market Value	Weighted Average Maturity
Natixis Loomis Sayles Inv Gr - Y	\$ 16,128,848	7.30 years
JP Morgan Strategic Income Opportunities Fund-I	7,420,326	1.45 years

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

SERS – At year end, the weighted average maturities of securities lending investments are as follows:

Investments:	Fair Market Value	Weighted Average Maturity
Collateral Pool	\$ 4,386,903	Not Available

FPRS – At year end, the weighted average maturities of securities lending investments are as follows:

Investments:	Fair Market Value	Weighted Average Maturity
Collateral Pool	\$ 9,427,766	0.19 years

Credit risk:

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations.

As of year-end, the credit quality ratings of debt securities and pooled investments (other than the U.S. government) are as follows:

City – The City has no investment policy that would further limit its investment choices.

Investments:	Fair Value	Rating	Rating Organization
Municipal bonds	\$ 6,132,241	AAA	S&P
Municipal bonds	10,990,532	AA+	S&P
Municipal bonds	25,874,814	AA	S&P
Municipal bonds	11,695,372	AA-	S&P
Municipal bonds	571,098	A+	S&P
Municipal bonds	398,755	A	S&P
Municipal bonds	11,107,139	NR	S&P
Local Governmental Investment Pool	151,698,668	Not rated	N/A
Michigan Class Investment Pool	163,487	AAAm	S&P

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

SERS – The SERS has no investment policy that would further limit its investment choices.

Investments:	Fair Value	Rating	Rating Organization
Corporate bonds	\$ 1,197,425	Baa1 and below	Moody's
Corporate bonds	99,323	Aa2	Moody's
Corporate bonds	155,293	Aa3	Moody's
Corporate bonds	220,531	A1	Moody's
Corporate bonds	205,688	A2	Moody's
Corporate bonds	457,651	A3	Moody's
Corporate bonds	100,348	NR	Moody's
Collateralized mortgage obligations	263	NR	N/A
Mortgage backed securities	460,823	NR	N/A
U.S. treasury notes and bonds	199,988	NR	Moody's
U.S. treasury notes and bonds	5,097,817	Aaa	Moody's
Asset backed securities	170,191	Baa1 and below	Moody's
Mutual funds	2,381,245	AAA	S&P
Mutual funds	46,585	AA	S&P
Mutual funds	32,866	A	S&P
Mutual funds	3,089,377	BBB	S&P
Mutual funds	65,731	BB	S&P

FPRS – The FPRS has no investment policy that would further limit its investment choices.

Investments:	Fair Value	Rating	Rating Organization
Funds - Corporate bonds	\$ 83,335	Not available	N/A

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

RHC – The RHC has no investment policy that would further limit its investment choices.

Investments:	Fair Value	Rating	Rating Organization
Loomis Sayles Inv Gr - Y (12.4%)	\$ 1,790,302	US Treasury's - AAA	Moody's
Loomis Sayles Inv Gr - Y (6.3%)	1,080,633	Aaa	Moody's
Loomis Sayles Inv Gr - Y (4.4%)	1,209,664	Aa	Moody's
Loomis Sayles Inv Gr - Y (18.2%)	2,338,683	A	Moody's
Loomis Sayles Inv Gr - Y (44.9%)	6,741,859	Baa	Moody's
Loomis Sayles Inv Gr - Y (5.6%)	1,161,277	Ba	Moody's
Loomis Sayles Inv Gr - Y (.9%)	258,062	B	Moody's
Loomis Sayles Inv Gr - Y (0.1%)	32,258	Caa or Lower	Moody's
Loomis Sayles Inv Gr - Y (3.8%)	758,056	Not Rated	Moody's
Loomis Sayles Inv Gr - Y (3.4%)	758,056	Cash	Moody's
JP Morgan Strategic Income Opportunities Fund-I (41.2%)	2,975,551	AAA	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (3.6%)	1,142,730	AA	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (15.6%)	1,521,167	A	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (10.9%)	445,220	BBB	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (5.9%)	333,914	BB	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (8.5%)	356,176	B	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (8.7%)	645,568	CCC & Lower/Other	Moody's/S&P/Fitch's

As of year-end, the credit quality ratings of securities lending are as follows:

SERS –

Investments:	Fair Value	Rating	Rating Organization
Collateral Pool	\$ 4,386,903	Not available	N/A

FPRS –

Investments:	Fair Value	Rating	Rating Organization
Collateral Pool	\$ 9,427,766	Not available	N/A

Of the total investment disclosures for City accounts, approximately \$8.6 million relate to discretely presented governmental component units which were combined with the City's investment account balance for purposes of this disclosure.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

Concentration of credit risk:

City –

Investments:	Fair Market Value	%
Municipal bonds	\$ 66,769,951	27.11

SERS –

Investments:	Fair Market Value	%
AEW Core Property Trust	\$ 6,538,489	5.06
LSV Asset Management	11,418,782	8.84

FPRS –

Investments:	Fair Market Value	%
NHIT	\$ 28,016,636	12.69
NANTUCKET	13,164,754	5.96

RHC – The RHC places no limit on the amount they may invest in any one issuer. There is no concentration of credit risk to disclose.

Foreign currency risk:

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U. S. dollar value, as a result of changes in foreign currency exchange rates.

City – The City does not have any securities subject to foreign currency risk.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

The following securities are subject to foreign currency risk:

SERS – The SERS does not have any securities subject to foreign currency risk.

FPRS – The FPRS does not restrict the amount of the investments in foreign currency.

Security	Foreign Currency	Fair Value
Cash & Equivalents *	Australian dollars	\$ 814,097
Equities	Australian dollars	2,576,374
Equities	Canadian dollars	1,543,441
Fixed Income	Canadian dollars	83,083
Cash & Equivalents	Canadian dollars	213,704
Equities	Euro	4,151,939
Equities	British pound sterling	22,445,280
Cash & Equivalents *	British pound sterling	254,751
Fixed Income	New Zealand dollar	23

* Values include pending foreign exchange sales/purchases

RHC – The RHC does not have any securities subject to foreign currency risk.

Securities lending arrangements:

SERS – As permitted by state statutes and under the provisions of a securities lending authorization agreement, the SERS lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The SERS's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned securities. During the year ended June 30, 2021, only United States currency was received as collateral.

The SERS did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers.

The SERS and the borrower maintain the right to terminate all securities lending transactions on demand. On June 30, 2021, the SERS had no credit risk exposure to borrowers. The collateral held and the fair market value of underlying securities on loan for the SERS as of June 30, 2021 was \$4,386,903 and \$4,281,771, respectively.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

FPRS – As permitted by state statutes and under the provisions of a securities lending authorization agreement, the FPRS lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The FPRS's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned securities. During the year ended June 30, 2021, only United States currency was received as collateral. The cash collateral is invested in a pool by Northern Trust on behalf of the FPRS.

The FPRS did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank.

The FPRS and the borrower maintain the right to terminate all securities lending transactions on demand. On June 30, 2021, the FPRS had no credit risk exposure to borrowers. The collateral held and the fair market value of underlying securities on loan for the FPRS as of June 30, 2021 was \$12,048,602 and \$11,736,965, respectively.

Fair Value Measurement:

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

The City has the following recurring fair value measurements as of June 30:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

City –

	<u>Balance at June 30, 2021</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level				
Debt Securities				
Government/Municipal bonds	\$ 66,769,951		\$ 66,769,951	
Total debt securities	66,769,951	\$ -	66,769,951	\$ -
Total investments by fair value level	\$ 66,769,951	\$ -	\$ 66,769,951	\$ -
Investments measured at the net asset value (NAV)				
Local government investment pool	\$ 151,698,668			
Michigan Class Investment Pool		163,487		
Total investments measured at the NAV	\$ 151,862,155			
 Grand total	 \$ 218,632,106			

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

SERS –

	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Treasury securities	\$ 5,297,805		\$ 5,297,805	
Mutual fund - fixed income	5,615,804		5,615,804	
Mortgage backed securities	460,823		460,823	
Asset-backed securities	170,191		170,191	
Corporate bonds	2,436,259		2,436,259	
Other debt	263		263	
Total debt securities	13,981,145	\$ -	13,981,145	\$ -
Equity securities				
Money market fund	3,895,218		3,895,218	
Common and preferred stock	34,890,720	34,890,720		
ADR	6,686,406	6,686,406		
Real estate investment trust	896,544	896,544		
Foreign Stock	4,267,119	4,267,119		
Total equity securities	50,636,007	46,740,789	3,895,218	-
Total investments by fair value level	\$ 64,617,152	\$ 46,740,789	\$ 17,876,363	\$ -

Investments measured at the net asset value (NAV)

Local government investment pool	
Partnerships	
Closely held equity fund	
Hedge Funds - Fund of funds	\$ 6,219,013
Collective investment funds	40,852,340
Real estate investment trust	17,412,059
Total investments measured at the NAV	\$ 64,483,412
 Grand total	 \$ 129,100,564

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

FPRS –

	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
Corporate bonds	\$ 83,339	\$ 83,339		
Total debt securities	<u>83,339</u>	<u>83,339</u>	\$ -	\$ -
Equity securities				
Money market fund	4,159,388		4,159,388	
Mutual fund - Equities	47,456,841	47,456,841		
Mutual fund - real estate	141,489		141,489	
Common and preferred stock	89,278,460	89,200,121	78,339	
Other equity	<u>2,306</u>	<u>2,306</u>		
Total equity securities	<u>141,038,484</u>	<u>136,659,268</u>	<u>4,379,216</u>	<u>-</u>
Total investments by fair value level	<u>\$ 141,121,823</u>	<u>\$ 136,742,607</u>	<u>\$ 4,379,216</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Multi-Strategy Hedge Funds	\$	19,304,851		
Hedge Equity		2,226,058		
Collective investment fund		28,016,636		
Real estate investment trust		<u>27,860,044</u>		
Total investments measured at the NAV	<u>\$</u>	<u>77,407,589</u>		
 Grand total	 <u>\$</u>	 <u>218,529,412</u>		

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

RHC –

	<u>Balance at June 30, 2021</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level				
Debt Securities				
Mutual fund - fixed income	\$ 23,549,175	\$ 23,549,175		
Total debt securities	23,549,175	23,549,175	-	-
Equity securities				
Money market fund	8,741,749		8,741,749	
Mutual fund - Equities	27,664,439	27,664,439		
Common stock	26,039,869	26,039,869		
ADR	350,452	350,452		
Real estate investment trusts	1,070,109	1,070,109		
Foreign stock	1,330,922	1,330,922		
Total equity securities	65,197,540	56,455,791	8,741,749	-
Partnerships	458,953	458,953		
Total investments by fair value level	\$ 89,205,668	\$ 80,463,919	\$ 8,741,749	\$ -
Investments measured at the net asset value (NAV)				
Private Equity	\$	8,899,371		
Infrastructure		1,207,608		
Hedge funds - Fund of funds		7,616,355		
Real estate investment trust		6,022,551		
Total investments measured at the NAV	\$	23,745,885		
 Grand total	 \$	 <u>112,951,553</u>		

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of municipal, corporate, and agency bonds, U.S. Treasury securities, mortgage and asset-backed securities, private placement debt, ADR's, mutual funds and other debt securities at June 30 was determined primarily based on level 2 inputs. The City estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies at where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended June 30, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

City –

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Local government investment pool	\$ 151,698,668	\$ -	No restrictions	None
Michigan Class Investment Pool	163,487	-	No restrictions	None
Total investments measured at the NAV	\$ 151,862,155	\$ -		

SERS –

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Hedge funds - Fund of funds	\$ 6,219,013		Quarterly	95 Days
Collective investment fund	40,852,340		Daily to Monthly	None to 15 Days
Real estate investment trust	17,412,059	\$ 3,688,535	None - Quarterly	None - 95 Days
Total investments measured at the NAV	\$ 64,483,412	\$ 3,688,535		

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

FPRS –

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Multi-Strategy Hedge Funds	\$ 19,304,851		Quarterly - Semi Annual	95 Days - 180 Days
Hedge funds - Fund of funds	2,226,058	\$ 3,300,000	None	None
Collective investment fund	28,016,636		Daily	None
Real estate investment trust	27,860,044	5,330,840	None-Quarterly	None - 90 Days
Total investments measured at the NAV	\$ 77,407,589	\$ 8,630,840		

RHC –

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Private Equity	\$ 8,899,371	\$ 2,173,694	None	None
Infrastructure	1,207,608	564,340	None	None
Hedge funds - Fund of funds	7,616,355	-	None - Quarterly	None - 100 Days
Real estate investment trust	6,022,551	4,314,924	None	None
Total investments measured at the NAV	\$ 23,745,885	\$ 7,052,958		

The Oakland County Local Government Investment Pool (LGIP) is not registered with the SEC and does not issue a separate report. The pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized costs. Accordingly, the investment is reported at fair value. The fair value of the position in the pool is not the same as the value of the pool shares because the pool redeems shares at \$1 per share regardless of current fair value.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The hedge funds class includes the following:

Multi-Strategy Fund of Hedge Funds. These assets invest in global stocks, global bonds, and other global securities. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the investments.

City of Southfield

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS (continued)

Multi-strategy hedge funds. This type invests in 3 funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this type includes investments in global stocks, global fixed income, currencies and commodities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

The collective investment fund class includes the following:

Commingled Fund. These assets invest in publicly traded domestic equities, international equities, or bonds. All of the underlying securities within these commingled funds carry a level 1 or 2 valuation.

The real estate investment trusts class includes the following:

Real Estate/Other Close-Ended funds. These assets invest primarily in commercial real estate or global timberlands. The fair values of the investments have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be fully liquidated over the next 1 to 8 years.

Real estate funds. This type includes 7 real estate funds that invest primarily in U.S. commercial real estate debt and equity. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 8 years. 100 percent of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. Approximately 59% of the assets are able to be liquidated via a quarterly redemption queue. The balance of the assets will be liquidated as underlying properties are sold or the investee fund's management approves of the buyer before the sale of the investments can be completed.

The private equity funds include actively manages its investments in portfolios by allocating capital among portfolios and subscribing into and redeeming out of investment portfolios. The portfolio may utilize a variety of financial instruments in their trading strategies and invest in U.S. and non- U.S. securities, including equities and equity-related securities, debt securities, options, warrants, ABS, private placements, foreign currency contracts, swap contracts and other derivatives and generally carry their investments at fair value.

City of Southfield

Notes to the Financial Statements

4. RESTRICTED ASSETS

The following is the detail of the governmental activities (includes associated governmental funds) and business-type restricted assets at year end:

Governmental funds (with associated governmental funds):

Capital Projects:

Unspent bond proceeds	\$ 25,036,154
Funds held by Oakland County drain commissioner to be used for construction and maintenance of drains	<u>37,130</u>
Total governmental funds	<u>25,073,284</u>

Internal Service:

Funds on deposit held by the insurance carrier related to workers' comp and general insurance accruals	<u>2,022,547</u>
Total governmental funds (with associated governmental funds)	<u>27,095,831</u>

Business-type activities:

Unspent bond proceeds	\$ <u>39,825,250</u>
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Total restricted assets	\$ <u>66,921,081</u>
--------------------------------	-----------------------------

5. DEFERRED INFLOWS AND RECEIVABLES

At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue are as follows:

	Governmental Funds
Unavailable	
Public safety	\$ 692,743
Special assessments	<u>765,855</u>
Total deferred inflow of resources - unavailable	<u>\$ 1,458,598</u>
Unearned	
Indigent defense	\$ 430,643
Federal grant-ARP	<u>4,909,778</u>
Total unearned	<u>\$ 5,340,421</u>

City of Southfield

Notes to the Financial Statements

5. DEFERRED INFLOWS AND RECEIVABLES (continued)

The major components of receivables reported on the Balance Sheet and Statement of Net Position at year end were as follows:

	Accrued interest	Accounts	Accrued revenue	Allowance for uncollectable taxes	Delinquent taxes	Total
Governmental activities:						
General fund	\$ 18,804	\$ 214,891	\$ 3,322,836	\$ (362,982)	\$ 439,818	\$ 3,633,367
Major streets	439	-	1,164,321	(2,214)	2,676	1,165,222
Road Construction			6,469			6,469
Other non-major funds	14,427	72,391	882,781	(162,137)	195,670	1,003,132
Total governmental funds	33,670	287,282	5,376,407	(527,333)	638,164	5,808,190
Associated governmental activities:						
Internal service funds	7,148	9,099,173 *	1,027			9,107,348
Total governmental activities	\$ 40,818	\$ 9,386,455	\$ 5,377,434	\$ (527,333)	\$ 638,164	\$ 14,915,538
Component units:						
Economic development corporation	\$ 10					\$ 10
Brownfield re-development authority	1,156				\$ 4,235	5,391
Joint-local development finance authority	412				126,106	126,518
Downtown development authority	519				28,593	29,112
Tax increment finance authority	1,224					1,224
Local development finance authority	1,054				6,106	7,160
Total component units-governmental	\$ 4,375	\$ -	\$ -	\$ -	\$ 165,040	\$ 169,415
Business-type activities:						
Water and sewer fund	\$ 25,045	\$ 18,243,594	\$ 688			\$ 18,269,327

* Due from Retiree Health Care Benefits Plan & Trust

The only receivable not expected to be collected within one year is the delinquent taxes.

6. CAPITAL ASSETS

Construction and Other Significant Commitments

At year end, the City's commitments with contractors are as follows:

	Commitments
Street construction	\$ 8,176,206
Equipment	1,410,867
Water system improvements	20,708,395
	<u>\$ 30,295,468</u>

City of Southfield

Notes to the Financial Statements

6. CAPITAL ASSETS (continued)

A summary of governmental property and equipment at year end were as follows:

	Balance July 1, 2020	Additions	Disposals & Reduction to CIP	Balance June 30, 2021
GOVERNMENTAL ACTIVITIES				
General				
Capital assets, not being depreciated:				
Land	\$ 11,252,797	\$ -	\$ 7,500	\$ 11,245,297
Construction in progress	20,461,676	10,367,350	3,493,034	27,335,992
Total capital assets not being depreciated	<u>31,714,473</u>	<u>10,367,350</u>	<u>3,500,534</u>	<u>38,581,289</u>
Capital assets, being depreciated				
Land improvements	27,653,773	6,845	-	27,660,618
Building and improvements	77,291,956	104,090	97,403	77,298,643
Infrastructure	191,636,337	3,905,002	-	195,541,339
Intangibles	2,158,604	-	38,618	2,119,986
Drain usage rights	11,794,970	-	-	11,794,970
Equipment	8,555,908	70,873	1,162,486	7,464,295
Total capital assets being depreciated	<u>319,091,548</u>	<u>4,086,810</u>	<u>1,298,507</u>	<u>321,879,851</u>
Less accumulated depreciation:				
Land improvements	19,058,859	976,332	-	20,035,191
Building and improvements	48,058,488	2,267,756	89,074	50,237,170
Infrastructure	100,652,428	6,757,904	-	107,410,332
Intangibles	1,757,266	90,654	30,060	1,817,860
Drain usage rights	8,353,201	462,810	-	8,816,011
Equipment	7,659,722	179,579	1,156,602	6,682,699
Total accumulated depreciation	<u>185,539,964</u>	<u>10,735,035</u>	<u>(a) 1,275,736</u>	<u>194,999,263</u>
Total general capital assets being depreciated, net	<u>133,551,584</u>	<u>(6,648,225)</u>	<u>22,771</u>	<u>126,880,588</u>
Internal Service				
Capital assets, being depreciated				
Intangibles	334,039	-	-	334,039
Equipment	28,468,058	1,835,171	2,356,043	27,947,186
Total capital assets being depreciated	<u>28,802,097</u>	<u>1,835,171</u>	<u>2,356,043</u>	<u>28,281,225</u>
Less accumulated depreciation:				
Intangibles	266,584	18,633	-	285,217
Equipment	20,926,271	1,699,441	2,355,152	20,270,560
Total accumulated depreciation	<u>21,192,855</u>	<u>1,718,074</u>	<u>2,355,152</u>	<u>20,555,777</u>
Total internal service capital assets being depreciated, net	<u>7,609,242</u>	<u>117,097</u>	<u>891</u>	<u>7,725,448</u>
Governmental activity capital assets depreciable, net	<u>\$ 141,160,826</u>	<u>\$ (6,531,128)</u>	<u>\$ 23,662</u>	<u>\$ 134,606,036</u>

(a) Depreciation expense, net was charged to governmental activities as follows:

General government	\$ 423,305
Public safety	403,769
Highways and streets	6,757,904
Public services	622,834
Culture and recreation	2,527,223
Total	<u>\$ 10,735,035</u>

City of Southfield

Notes to the Financial Statements

6. CAPITAL ASSETS (continued)

A summary of business-type property and equipment at year end were as follows:

	Balance July 1, 2020	Additions	Disposals & Reduction to CIP	Balance June 30, 2021
Water and Sewer Fund				
Capital assets, not being depreciated:				
Construction in progress	\$ 25,060,872	\$ 17,238,288	\$ 944,936	\$ 41,354,224
Capital assets, being depreciated:				
Infrastructure	199,944,484	944,936		200,889,420
Intangibles	1,507,498			1,507,498
Equipment	2,039,345	25,976	7,474	2,057,847
Total water and sewer fund	<u>203,491,327</u>	<u>970,912</u>	<u>7,474</u>	<u>204,454,765</u>
Less accumulated depreciation:				
Infrastructure	104,853,881	5,441,323		110,295,204
Intangibles	1,193,524	71,505		1,265,029
Equipment	1,507,429	151,117	7,474	1,651,072
Total accumulated depreciation	<u>107,554,834</u>	<u>5,663,945</u>	<u>7,474</u>	<u>113,211,305</u>
Total capital assets, being depreciated	95,936,493	(4,693,033)	-	91,243,460
Total capital assets	<u>\$ 120,997,365</u>	<u>\$ 12,545,255</u>	<u>\$ 944,936</u>	<u>\$ 132,597,684</u>

A summary of discretely presented component unit property and equipment at year end were as follows:

	Balance July 1, 2020	Additions	Disposals & Reduction to CIP	Balance June 30, 2021
Downtown Development Authority				
Capital assets, being depreciated				
Land improvement	\$ 265,066	\$ -	\$ -	\$ 265,066
Less: accumulated depreciation	112,653	13,253	-	125,906
Total capital assets, being depreciated	<u>\$ 152,413</u>	<u>\$ (13,253)</u>	<u>\$ -</u>	<u>\$ 139,160</u>

City of Southfield

Notes to the Financial Statements

7. LONG-TERM DEBT AND OTHER OBLIGATIONS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and infrastructure. General obligation bonds have been issued for both the governmental and business-type activities. For purposes of this exhibit, the portion of debt due within a year is included in the total.

	1-Jul-20	Additions	Deductions	30-Jun-21	Due - 1 Year	Due - More 1 Year
GOVERNMENTAL ACTIVITIES						
Direct borrowings and direct placements						
* 1.625% to 5.375 % Drains-at-large,						
City's share of county debt	\$ 2,649,540		671,842	1,977,698	689,463	1,288,235
2.17% Michigan transportation fund bonds limited tax refunding	4,460,000		1,080,000	3,380,000	1,105,000	2,275,000
	1,430,000		350,000	1,080,000	355,000	725,000
Other debt						
3.0% to 5.0% Library building authority refunding bonds	16,035,000		1,360,000	14,675,000	1,425,000	13,250,000
2.0 to 4.0% -2015 Street Improvement bond UTGO	19,245,000		3,975,000	15,270,000	3,990,000	11,280,000
3.0 to 4.0% -2018 Street Improvement bond UTGO	29,585,000		1,020,000	28,565,000	875,000	27,690,000
2.0 to 4.0% -2020 Street Improvement bond UTGO		21,605,000		21,605,000	200,000	21,405,000
Deferred amounts:						
Unamortized bond premiums	4,007,159	1,810,024	618,005	5,199,178		5,199,178
Unamortized bond discounts	(7,328)	6,373		(955)		(955)
Total governmental debt	<u>77,404,371</u>	<u>23,421,397</u>	<u>9,074,847</u>	<u>91,750,921</u>	<u>8,639,463</u>	<u>83,111,458</u>
Other long-term obligations						
Compensated absences	9,029,967	1,816,853	2,842,957	8,003,863	3,948,319	4,055,544
Michigan tax tribunal contingency	10,104	123,701		133,805		133,805
ASSOCIATED GOVERNMENTAL ACTIVITIES						
Compensated absences	342,221	105,369	149,576	298,014	132,475	165,539
Total governmental long-term debt	<u>\$ 86,786,663</u>	<u>25,467,320</u>	<u>12,067,380</u>	<u>100,186,603</u>	<u>12,720,257</u>	<u>87,466,346</u>
BUSINESS-TYPE ACTIVITIES						
Direct borrowings and direct placements						
State of Michigan water supply and sewage disposal bonds series 1999 2.25 to 2.5%	\$ 2,311,741		1,565,000	746,741	746,741	
Evergreen & Farmington Sewage Disposal System Capital Improvement bonds, series 2018A 2.5 to 3.125%	3,182,374		201,443	2,980,931	207,872	2,773,059
Other debt						
2019 Water and Sewer Capital Improvement bonds 3 to 3.125%	66,640,000		1,195,000	65,445,000	2,080,000	63,365,000
Deferred amounts:						
Unamortized bond premiums	1,347,361		71,541	1,275,820		1,275,820
Other long-term obligations						
Compensated absences	348,115	124,366	203,366	269,115	191,060	78,055
Total business-type long-term debt	<u>\$ 73,829,591</u>	<u>124,366</u>	<u>3,236,350</u>	<u>70,717,607</u>	<u>3,225,673</u>	<u>67,491,934</u>
GOVERNMENTAL COMPONENT UNITS ACTIVITIES						
Other long-term obligations						
Long-term advances	\$ 1,401,387			1,401,387		1,401,387
Compensated absences	36,968	2,500	26,076	13,392	4,842	8,550
Total governmental component units long-term debt	<u>\$ 1,438,355</u>	<u>2,500</u>	<u>26,076</u>	<u>1,414,779</u>	<u>4,842</u>	<u>1,409,937</u>
Total debt	<u>\$ 162,054,609</u>	<u>25,594,186</u>	<u>15,329,806</u>	<u>172,318,989</u>	<u>15,950,772</u>	<u>156,368,217</u>

* A portion of the deductions are recorded in the Local streets fund

City of Southfield

Notes to the Financial Statements

7. LONG-TERM DEBT AND OTHER OBLIGATIONS (continued)

The annual requirements (excluding the other long-term obligations) on bonded debt to pay principal and to pay interest on debt outstanding at year end (in thousands of dollars) are:

	Governmental activities					
	Direct Borrowings and Direct Placements			Other Debt		
	Prin.	Int.	Total	Prin.	Int.	Total
2022	\$ 2,149	\$ 73	\$ 2,222	\$ 6,490	\$ 2,211	\$ 8,701
2023	2,065	49	2,114	6,815	1,724	8,539
2024	2,003	25	2,028	7,230	1,535	8,765
2025	47		47	7,470	1,485	8,955
2026	48		48	7,915	1,203	9,118
2027	43		43	8,380	920	9,300
2028	43		43	8,750	645	9,395
2029	37		37	9,175	356	9,531
2030				9,605		9,605
2031				8,285		8,285
	<u>\$ 6,435</u>	<u>\$ 147</u>	<u>\$ 6,582</u>	<u>\$ 80,115</u>	<u>\$ 10,079</u>	<u>\$ 90,194</u>

	Business-type Water and sewer					
	Direct Borrowings and Direct Placements			Other Debt		
	Prin.	Int.	Total	Prin.	Int.	Total
2022	\$ 955	\$ 154	\$ 1,109	\$ 2,080	\$ 1,975	\$ 4,055
2023	214	127	341	2,910	1,912	4,822
2024	221	118	339	3,000	1,825	4,825
2025	227	109	336	3,090	1,735	4,825
2026	234	100	334	3,180	1,642	4,822
2027	242	90	332	3,275	1,547	4,822
2028	249	80	329	3,375	1,449	4,824
2029	257	57	314	3,475	1,348	4,823
2030	268	44	312	3,580	1,243	4,823
2031	276	30	306	3,690	1,136	4,826
2032	287	16	303	3,800	1,025	4,825
2033	298		298	3,915	911	4,826
2034				4,030	794	4,824
2035				4,150	673	4,823
2036				4,275	548	4,823
2037				4,405	420	4,825
2038				4,535	288	4,823
2039				4,680	146	4,826
	<u>\$ 3,728</u>	<u>\$ 925</u>	<u>\$ 4,653</u>	<u>\$ 65,445</u>	<u>\$ 20,617</u>	<u>\$ 86,062</u>

City of Southfield

Notes to the Financial Statements

7. LONG-TERM DEBT AND OTHER OBLIGATIONS (continued)

The City has pledged its full faith and credit for the bonded indebtedness of the City of Southfield Building Authority and Southfield Library Building Authority.

The Economic Development Corporation (EDC) has issued revenue bonds collateralized by a promissory note from certain commercial enterprises receiving the proceeds of the bonds. Since the EDC has assigned its interest in the notes receivable to the trustees of the revenue bonds, and since the revenue bonds are not an obligation of the City, the revenue bonds and related notes receivable have not been reflected in the combined financial statements of the City.

The contractual obligations to the State and County within the Business-type activities in the previous exhibit is the result of the State of Michigan’s issuance of bonds on the City’s behalf. The City has pledged substantially all revenue of the water and sewer fund, net of operating expenses, to repay the above water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water and sewer mains to include the west side of the City and the reconstruction of a portion of the Evergreen and Farmington sewage disposal system. The bonds are payable solely from the net revenues of the water and sewer system. The remaining principal and interest to be paid on the bonds is \$4,653,000. During the current year, net operating income of the system, was \$13,165,400 compared to the annual debt requirement of approximately \$1,891,000.

Additional significant obligations entered into by the City subsequent to year-end are summarized in Note 16.

8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances related to the governmental and associated governmental funds at year end are as follows:

	Payable Fund		Total receivable by fund
	Non-major governmental funds	Internal service funds	
Receivable Fund			
General fund	\$ 233,461		\$ 233,461
Major streets	8,500		8,500
Non-major governmental funds	10,954	\$ 26,250	37,204
Total governmental activities	252,915	26,250	279,165
Associated governmental activities:			
Internal service funds	696,038		696,038
Total receivable fund	\$ 948,953	\$ 26,250	\$ 975,203

City of Southfield

Notes to the Financial Statements

8. INTERFUND BALANCES AND TRANSFERS (continued)

Interfund receivable and payable balances related to the discretely presented component units at year end are as follows:

Receivable Fund	Payable Fund					Total receivable by fund
	General fund	Health Care	Downtown development authority	Section 8 housing commission	Southfield growth corporation	
General fund			\$ 5,349	\$ 30,947		\$ 36,296
Downtown development authority		\$ 5,138				5,138
Section 8 housing commission		24,392				24,392
Southfield growth corporation	\$ 2,753					2,753
Non-major governmental funds					\$ 54,473	54,473
Total governmental activities	2,753	29,530	5,349	30,947	54,473	123,052
Associated governmental activities:						
Internal service funds				10,015		10,015
Total receivable fund	\$ 2,753	\$ 29,530	\$ 5,349	\$ 40,962	\$ 54,473	\$ 133,067

The above interfund balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. All interfund balances are expected to be collected within one year.

Interfund transfer revenues and expenditures related to the governmental and associated governmental funds at year end are as follows:

Transfers Out:	Major streets	Non-major governmental funds	Internal service	Total transfers out
Governmental activities:				
General fund		\$ 374,808	\$ 5,715	\$ 380,523
Road construction	\$ 7,780,057	2,584,060		10,364,117
Other non-major funds		95,965	10,315	106,280
Total governmental activities and transfers in	\$ 7,780,057	\$ 3,054,833	\$ 16,030	\$ 10,850,920

For the most part, interfund transfers occur during the normal course of operations to fund capital projects.

In some cases, dedicated millage revenues are recorded in individual special revenue funds and are used by other funds for debt payments.

City of Southfield

Notes to the Financial Statements

8. INTERFUND BALANCES AND TRANSFERS (continued)

Advances by the Local improvement revolving fund to other primary government funds and component units are as follows:

PRIMARY GOVERNMENT

Non-major governmental	Purpose	
Capital improvement	Carpenter lake restoration	\$ 289,968
Special assessment construction	Bridge & Hill Top street	<u>1,377,391</u>
Total non-major governmental		
and primary government		<u>\$ 1,667,359</u>

DISCRETELY PRESENTED COMPONENT UNITS

Local development finance authority	Bridge street bridge	<u>\$ 1,401,387</u>
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9. COMMITMENTS AND CONTINGENCIES

Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City participates in the Michigan Municipal Risk Management Authority (MMRMA) risk pool for claims relating to bodily injury, personal injury, property damage to property of others and City owned property, public officials and law enforcement liability, and statutory Michigan "no fault" for owned automobiles. The City is self-insured for a majority of its healthcare costs up to \$250,000 per occurrence and for workers' compensation claims up to \$600,000 per occurrence. Settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The MMRMA program is approved and regulated by the Michigan Insurance Bureau and provides coverage of \$15 million per occurrence, with the first \$250,000 self-insured retention being the responsibility of the City for all liability claims. For property damage claim coverage, the MMRMA provides combined property coverage of \$186 million.

City's self-insured retention responsibility:

Coverage	Deductible	City's Self Insured Retention	Limits of Coverage per Occurrence
Liability	N/A	\$250,000 per occurrence	\$15,000,000
Vehicle Physical Damage	\$1,000 per vehicle	\$15,000 per vehicle, \$30,000 per occurrence	\$1,500,000
Fire/EMS Replacement Cost	\$1,000 per occurrence	N/A	\$5,000,000
Property and Crime	\$2,500 per occurrence	N/A	\$10,000 - 50,000,000
Sewage System Outflow	N/A	\$500,000 per occurrence	\$1,000,000

The City estimates the liability for workers' compensation and general property and liability claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. The estimates are recorded in the Insurance risk retention fund.

City of Southfield

Notes to the Financial Statements

9. COMMITMENTS AND CONTINGENCIES (continued)

Changes in the estimated liability for workers' compensation and general property and liability claims for the past two fiscal years were as follows:

	2021	2020
Estimated liability - beginning of year	\$ 2,827,801	\$ 2,233,975
Estimated claims incurred, including reinsurance premiums and changes in estimates	2,683,182	4,464,852
Claim and insurance premium payments and reinsurance recoveries	<u>(2,555,510)</u>	<u>(3,871,026)</u>
Estimated liability - end of year	<u>\$ 2,955,473</u>	<u>\$ 2,827,801</u>

The City estimates that claims incurred but not reported for self-insured medical plan totaled \$933,954 at year end. This liability is recorded as part of the general and medical claims' liability at year end, less the year-end settlement of amounts overpaid during the fiscal year of \$506,327 for a net liability of \$427,627.

Litigation

The City is a defendant to various claims, legal actions and complaints arising in the ordinary course of business. The City denies the allegations and plans a vigorous defense. In the opinion of legal counsel, all such matters as indicated above are adequately covered by insurance, or if not so covered, are without merit or of such kind, or involve such amounts that an unfavorable disposition would not have a material effect on the financial position of the City.

In October 2020, a \$50 million lawsuit was filed against the City alleging civil rights violations by Southfield Emergency Medical Services paramedics based on its handling of an incident that occurred in August 2020. Limited discovery has taken place, disposition motions have been filed, and a Court decision is pending as to whether the case can move forward. The City continues to defend it vigorously. Based on the information available to date, management does not believe they are able to predict the likelihood of an unfavorable outcome at this time; however, to the extent that an unfavorable outcome does occur, management believes it will be primarily covered within the MMRMA per occurrence limit of \$15M and that any loss to the City will be minimal. These events have no direct impact to the City's financial statements as of and for the year ended June 30, 2021 as issued. The City has not identified any other significant claims, legal actions and complaints arising in the ordinary course of business.

City of Southfield

Notes to the Financial Statements

9. COMMITMENTS AND CONTINGENCIES (continued)

Tax Appeals to the Michigan Tax Tribunal

The City has several outstanding property tax assessment appeals totaling \$16,936,440 in taxable value to the Michigan Tax Tribunal. The City estimates the full contested amount in tax dollars to be \$470,842 for the governmental funds, exclusive of interest and penalties. However, based on management's analysis in conjunction with their third-party attorney and City Assessor, the City believes the true potential loss to be approximately \$182,000. The City considers tax appeals similar to other claims and judgments and accordingly any adjustments are reported at the time the Michigan Tax Tribunal issues its ruling.

10. PROPERTY TAXES AND ABATEMENTS

Property taxes are levied each July 1 on the taxable value of property, as equalized by the State of Michigan at 50% of estimated market value as of the preceding December 31 and subject to the tax limitations prescribed by state law. The state equalized valuation of real and personal property located in the City, based on the December 31, 2020 valuation, was \$3,626,537,490 and the unadjusted taxable value was \$2,621,420,310. The City's operating tax rate is 6.6094 which is the charter limit reduced by the Headlee Amendment. With the newly voted millage and the other previously authorized millage, including those for special operations, pensions and debt retirements, the total tax rate for the City is 27.7923 (excluding the DDA millage). The sum of these rates generated \$73,978,894 in property tax revenues reported on the financial statements net of interest, penalties, and administrative fees.

In 1994, Proposal A/Public Act 415 was approved by Michigan voters. It requires that annual increases in the taxable value of individual properties that remain in the same ownership be limited to the lesser of five percent or the rate of inflation. Properties are adjusted to market value for purposes of property taxation only at the time of sale or transfer. Utilizing a 2020 rate of inflation cap of 1.4%, the City of Southfield's 2018-19 State Equalized Evaluation (SEV) of \$3,626,537,490 was capped at a Taxable Assessed Valuation (TAV) of \$2,621,420,310.

Taxes are due July 1 and December 1 (the lien dates) and are collectible through August 31 and February 14, respectively (the collection dates), without penalty. The tax levy is based on a December 31 assessment date. After February 28, all taxes are declared delinquent. Delinquent property taxes are turned over to the County Treasurer who assumes responsibility for their collection and, at the same time, reimburses the City for the total amount of delinquent real property taxes.

Abatements

The City offers property tax incentives to promote economic activity, increase and retain employment, and provide incentives for investment in property that increase the tax base of the City. The more significant property tax abatements, as defined by GASB 77, Tax Abatement Disclosures that occurred during fiscal year 2021 are as follows.

City of Southfield

Notes to the Financial Statements

10. PROPERTY TAXES AND ABATEMENTS (continued)

The City receives reduced property tax revenue as a result of Industrial Facilities Tax exemptions (PA 198 of 1974). Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 10 years. For the fiscal year ended June 30, 2021, the City abated \$168,198 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

The Brownfield Redevelopment Authority, a discretely presented component unit, uses Brownfield Redevelopment Agreements under PA 381 of 1996 to capture property taxes within the Brownfield area and then uses those captures to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the City's tax revenue is reduced as this revenue is captured by the Brownfield. For the fiscal year ended June 30, 2021, the Brownfield captured approximately \$1,312,500 of city taxes, in addition to captures from other taxing jurisdictions. Additionally, this captured Brownfield revenue must, by agreement, be used in part to reimburse developers. Due to the restricted nature of these agreements, the Brownfield essentially must pass on related tax dollars to the developers and, for the purpose of this pronouncement, reimbursed approximately \$1,299,700 to developers during the year.

The City uses the New Personal Property Exemption to enter into agreements with businesses located within a specific district in the City, as provided in PA 328 of 1998. Under the program, the City grants reductions of 100 percent of property tax bill for real property for up to 10 years. As a condition of receiving the New Personal Property Exemption, the business agrees to operate the facility for which the certificate is granted for the term of the certificate plus an additional term after the date of expiration of the certificate equal to one year of business residency per abated year. If a business vacates or fails to operate the facility for which the certificate is granted, then it shall be liable for repayment of any property tax savings benefiting the business due to the existence of the certificate, beginning with the initial effective year of the certificate. For the fiscal year ended June 30, 2021, the City abated approximately \$645,900 of taxes under this program.

11. PENSION TRUSTS

A. Pension Plan description

Plan description –

The City of Southfield provides a monthly retirement benefit to all permanent full-time employees that meet the eligibility requirements, including age and years of service. The benefits are provided through the General Employees' Pension Plan, a single employer plan, administered by the Southfield Employees' Retirement System (SERS); and Southfield Fire & Police Retirement Plan, a single employer plan, administered by the Fire & Police Retirement System (FPRS). The financial statements of the pension systems are included in these financial statements as pension and other employee benefit trust funds (fiduciary funds).

City of Southfield

Notes to the Financial Statements

11. PENSION TRUSTS (continued)

A. Pension Plan description

Management of the SERS Plan is vested in the Pension Board, which consists of seven members—two elected by plan members, one elected by the retired members, three appointed by the City Council, and one appointed by the Mayor. There is also one Alternative Member, who serves as an alternate only to the three members appointed by City Council. Management of the FPRS Plan is vested in the Pension Board, which consists of five members—two elected by plan members, two appointed by the City Council, and the Treasurer.

Benefits provided –

The Plans provide retirement, disability, and death benefits. The SERS Regular retirement benefits are calculated as 2.5% of the employee’s final average compensation (using the highest three consecutive years of the last five) times the employee’s years of service. To be eligible, employees must have a combined number of years of service plus age equaling 82, or an age of 65 with 5 years of service. The FPRS regular retirement benefits are calculated as 2.5% to 2.8% of the highest 3 to 5-year average in the last 10 years, times the years of service up to 25 years. Employees are eligible after 20 years of service regardless of age. Both plans also include non-duty disability benefits and disability retirement benefits, in limited situations. An employee who leaves City service may withdraw his or her contributions, plus any accumulated interest. In fiscal year 2000, the FPRS provided an ad hoc post-retirement benefit increase.

Benefit terms are generally established and amended by authority of the city council and in the case of FPRS, by Public act 345 of 1937. Specific benefit provisions are generally subject to negotiations with the affected unions. Police and fire employees benefit terms may be subject to binding arbitration in certain circumstances.

Employees covered by benefit terms –

The following members were covered by the benefit terms:

	SERS	FPRS
Date of member count	6/30/2020	6/30/2020
Inactive plan members or beneficiaries currently receiving benefits	363	381
Inactive plan members entitled to but not yet receiving benefits	45	2
Active employees	304	221
Total	712	604

City of Southfield

Notes to the Financial Statements

11. PENSION TRUSTS (continued)

A. Pension Plan description

Contributions –

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The City hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on amounts agreed upon by City Council and in union contracts. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended June 30, 2021, the average active employee contribution rate was 6.11 percent of pay for SERS and 3.27 percent for FPRS. The City's average contribution rate was 27.45 percent of pay for SERS and 40.55 percent for FPRS. These rates were actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Plan from the City were \$4,538,379 and \$8,853,911 for SERS and FPRS, respectively, for the year ended June 30, 2021.

B. Net Pension Liability of the City

The June 30, 2021 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the current date (June 30, 2021) for both plans. The net pension liability was as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, which used update procedures to roll forward the estimated liability to June 30, 2021.

Changes in the net pension liability during the measurement year were as follows for the SERS plan:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 169,536,468	\$ 105,964,642	\$ 63,571,826
Service cost	2,012,113		2,012,113
Interest on total pension liability	11,507,176		11,507,176
Changes of benefit terms	(77,131)		(77,131)
Experience differences	98,339		98,339
Changes of assumptions	1,679,916		1,679,916
Investment earnings		31,219,769	(31,219,769)
Contributions - employer		4,538,379	(4,538,379)
Contributions - employee		1,040,024	(1,040,024)
Benefit payments, including refunds	(12,308,598)	(12,308,598)	-
Administrative costs		(71,621)	71,621
Net changes	2,911,815	24,417,953	(21,506,138)
Balance at June 30, 2021	\$ <u>172,448,283</u>	\$ <u>130,382,595</u>	\$ <u>42,065,688</u>

The Plan's fiduciary net position represents 76% of the total pension liability.

City of Southfield

Notes to the Financial Statements

11. PENSION TRUSTS (continued)

B. Net Pension Liability of the City

Changes in the net pension liability during the measurement year were as follows for the FPRS plan:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 285,139,154	\$ 179,070,290	\$ 106,068,864
Service cost	2,278,896		2,278,896
Interest on total pension liability	19,273,195		19,273,195
Changes of benefit terms	(19,714)		(19,714)
Experience differences	(195,429)		(195,429)
Changes of assumptions	7,746,683		7,746,683
Investment earnings (loss)		54,239,821	(54,239,821)
Contributions - employer		8,853,911	(8,853,911)
Contributions - employee		678,115	(678,115)
Benefit payments, including refunds	(21,894,500)	(21,894,500)	-
Administrative costs		(214,532)	214,532
Net changes	7,189,131	41,662,815	(34,473,684)
Balance at June 30, 2021	<u>\$ 292,328,285</u>	<u>\$ 220,733,105</u>	<u>\$ 71,595,180</u>

The Plan's fiduciary net position represents 76% of the total pension liability.

Changes in the net pension liability during the measurement year were as follows for all plans:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 454,675,622	\$ 285,034,932	\$ 169,640,690
Service cost	4,291,009		4,291,009
Interest on total pension liability	30,780,371		30,780,371
Changes of benefit terms	(96,845)		(96,845)
Experience differences	(97,090)		(97,090)
Changes of assumptions	9,426,599		9,426,599
Investment earnings (loss)		85,459,590	(85,459,590)
Contributions - employer		13,392,290	(13,392,290)
Contributions - employee		1,718,139	(1,718,139)
Benefit payments, including refunds	(34,203,098)	(34,203,098)	-
Administrative costs		(286,153)	286,153
Net changes	10,100,946	66,080,768	(55,979,822)
Balance at June 30, 2021	<u>464,776,568</u>	<u>\$ 351,115,700</u>	<u>\$ 113,660,868</u>

City of Southfield

Notes to the Financial Statements

11. PENSION TRUSTS (continued)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Total Pension Liability includes component units, \$163,051. Total Primary Government Net Pension Liability is \$113,497,820 for the year ended June 30, 2021. The City recognized pension expense of \$14,228,688 from all plans.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,696,881	\$ (397,900)
Changes in assumptions	16,643,493	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(33,883,403)</u>
Total	<u>\$ 18,340,374</u>	<u>\$ (34,281,303)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30	Amount
2022	\$ 2,331,021
2023	727,897
2024	(5,865,713)
2025	(13,134,134)
2026	-

City of Southfield

Notes to the Financial Statements

11. PENSION TRUSTS (continued)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Actuarial assumptions –

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	SERS	FPRS
Inflation	2.25 percent	2.75 percent
Salary increases (including inflation)	2.75 to 5.75 percent	3.0 to 12.75 percent
Investment rate of return (net of investment expenses)	7.0 percent	6.75 percent
Mortality rates	Pub-2010 Mortality Tables, with adjustments to more closely reflect our experience study	Pub-2010 Mortality Tables, with adjustments to more closely reflect our experience study

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for SERS and FPRS covering the five-year period ended June 30, 2020.

Changes in Assumptions

The Board adopted changes in the actuarial assumptions as recommended by the experience study:

- Retirement rates were decreased for members eligible for the Rule of 82 condition and the pattern of rates for early retirement was changed
- Turnover rates were decreased for the first three years of employment and increased thereafter
- Disability rates were increased for most ages
- Wage inflation assumption lowered from 3.0% to 2.75%
- Final average compensation load on the retirement decrement liabilities for Tier 1 active members was increased from 3.0% to 4.0%
- Fixed percent of payroll load to fund administrative expenses was modified to be based on the prior year’s administrative expenses as a percent of payroll contribution made by the City
- Rates of mortality were updated to the most recently published national “general” mortality tables; the Pub-2010 amount-weighted General mortality tables, including the use of the MP-2020 projection scale

Changes in Benefit Terms

2021 – Member contributions increased by 1.0% for all groups except for ACS and Management effective July 1, 2021

City of Southfield

Notes to the Financial Statements

11. PENSION TRUSTS (continued)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Discount rate –

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plan’s fiduciary net position to make all projected future benefit payments of current active and inactive employees:

	SERS	FPRS
Assumed investment rate of return	7.0 percent	6.75 percent
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure TPL	7.0 percent	6.75 percent

Investment rate of return –

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

SERS	Target Allocation	Long-term expected real rate of return
Domestic equity	48.00%	5.71%
International equity	15.50%	6.71%
Domestic bonds	20.00%	0.71%
International bonds	2.00%	1.71%
Real estate	6.00%	2.71%
Alternative assets	8.50%	4.50%

During the year, the long-term rate of return and discount rate were 7.0 percent.

City of Southfield

Notes to the Financial Statements

11. PENSION TRUSTS (continued)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

FPRS	Target Allocation	Long-term expected real rate of return
Domestic equity	34.00%	5.70%
International equity	16.00%	6.60%
Domestic bonds	20.00%	1.60%
International bonds	0.00%	0.00%
Real estate	14.00%	5.40%
Alternative assets	16.00%	6.80%

During the year, the long-term rate of return and discount rate were reduced to 6.75 percent.

For the year ended June 30, 2021, the annual money-weighted rate of return on pension investments, net of pension plan investment expense was 30.30 and 30.06 percent for SERS and FPRS, respectively.

Sensitivity of the net pension liability to changes in the discount rate –

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% decrease	Current discount rate	1% increase
Net Pension Liability for SERS	\$60,104,279	\$42,065,688	\$26,739,640
Net Pension Liability for FPRS	\$101,547,461	\$71,595,180	\$46,843,698

Pension plan fiduciary net position –

The pension plans’ fiduciary net position has been determined on the same basis used by the pension plan. The Plans use the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Deferred Retirement Option Program –

The City’s FPRS plan offers certain employees the ability to continue services and be paid a salary after they are retirement eligible and freeze their retirement benefits; this program credits the employee for benefit payments that would have been paid, and pays them out with interest of either 4% or 2% depending on union after the employee has fully retired (discontinued providing employee services to the City). At June 30, 2021, the Plan has \$9,843,328 accumulated in DROP accounts.

City of Southfield

Notes to the Financial Statements

12. OTHER POST-EMPLOYMENT BENEFITS

Plan Description: The City provides retiree health care benefits to eligible employees and their spouses through the Retiree Health Care Benefits Plan and Trust (the “Trust”) under Section 115 of the Internal Revenue Code of 1986 as amended, a single-employer postemployment benefit plan. The City includes pre-Medicare retirees and their spouses in its insured healthcare plan. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. This healthcare benefit plan is closed to new hires. Employees hired subsequent to the plan closing date (which varied by collective bargaining agreement) are enrolled into an individual retiree health savings account. The benefits are provided under the collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions.

Plan Administration: The City of Southfield, Michigan administers the City of Southfield Retiree Health Care Plan (the “Plan”), a single-employer defined benefit other postemployment benefits (OPEB) plan that is used to provide postemployment benefits other than pensions for most full-time employees of the City upon retirement.

Management of the Plan is vested with the Retiree Health Care Benefits Plan and Trust Board of Trustees, which consists of 11 members – four elected by plan members, three members that serve on the Administrative Civil Service Commission, two appointed representatives that serve on the Board of Trustees of the City of Southfield Fire and Police Retirement System, and the City Treasurer and City Administrator, who serve as ex-officio members.

Benefits Provided – The Plan provides healthcare and prescription drug benefits for retirees and their dependents. Benefits are primarily provided through the City’s self-insurance program, with a small portion being covered by a third-party insurer.

Employees Covered by Benefit Terms: At June 30, 2019 (the valuation date for which the Net OPEB Liability as of June 30, 2021 was determined), plan membership consisted of the following:

	OPEB
Inactive plan members or beneficiaries currently receiving benefits	626
Inactive plan members entitled to but not yet receiving benefits	31
Active employees	289
Total	946

Contributions – Contribution rates are established by the collective bargaining units. For the year ended June 30, 2021, the City contributed \$11,014,550 to the Plan. Active Fire and Police plan members are required to contribute 2% of covered payroll to the Plan. Active Police plan members who entered in the DROP program prior to June 16, 2014 are required to contribute an additional 2% of covered pay (4% total). Those eligible to DROP after June 16, 2014 will contribute an additional 3% (5% total) to the Plan upon entering DROP. DROP is closed to Police Command hired after March 1, 2014 unless they were previously Police and Police/Command who DROP on or after June 16, 2014 accrue interest at the rate of 2% rather than 4%.

Non-union employees, AFSCME 329, AFSCME 3636, TPOAM employees, and active PST and PSS employees must contribute 2% of covered pay to the Plan.

City of Southfield

Notes to the Financial Statements

12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability

The Trust has chosen to use June 30, 2021 as its measurement date for the net OPEB liability. The June 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2021 measurement date. The June 30, 2021 OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, which used update procedures to roll forward the estimated liability to June 30, 2021.

Changes in the net OPEB liability during the measurement year for the SERS plan on the following page were:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 66,673,444	\$ 23,491,371	\$ 43,182,073
Service cost	580,890		580,890
Interest on total OPEB liability	4,565,990		4,565,990
Changes to benefit terms	-		-
Experience differences	(681,409)		(681,409)
Changes of assumptions	-		-
Investment earnings		6,812,521	(6,812,521)
Contributions - employer		4,577,609	(4,577,609)
Contributions - employee		177,501	(177,501)
Benefit payments, including refunds	(3,470,914)	(3,470,914)	-
Administrative costs		(10,688)	10,688
Other		(657,067)	657,067
Net changes	994,557	7,428,962	(6,434,405)
Balance at June 30, 2021	\$ <u>67,668,001</u>	\$ <u>30,920,333</u>	\$ <u>36,747,668</u>

The Plan's fiduciary net position represents 45.7% of the total OPEB liability.

City of Southfield

Notes to the Financial Statements

12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in the net OPEB liability during the measurement year were as follows for the FPRS plan:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 112,170,001	\$ 54,813,195	\$ 57,356,806
Service cost	1,300,317		1,300,317
Interest on total OPEB liability	7,724,300		7,724,300
Changes to benefit terms	-		-
Experience differences	(1,549,534)		(1,549,534)
Changes of assumptions	-		-
Investment earnings		15,971,702	(15,971,702)
Contributions - employer		6,436,941	(6,436,941)
Contributions - employee		329,147	(329,147)
Benefit payments, including refunds	(4,946,029)	(4,946,029)	-
Administrative costs		(17,320)	17,320
Other		(440,196)	440,196
Net changes	2,529,054	17,334,245	(14,805,191)
Balance at June 30, 2021	\$ <u>114,699,055</u>	\$ <u>72,147,440</u>	\$ <u>42,551,615</u>

The Plan's fiduciary net position represents 62.9% of the total OPEB liability.

Changes in the net OPEB liability during the measurement year were as follows for all plans:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 178,843,445	\$ 78,304,566	\$ 100,538,879
Service cost	1,881,207		1,881,207
Interest on total OPEB liability	12,290,290		12,290,290
Changes to benefit terms	-		-
Experience differences	(2,230,943)		(2,230,943)
Changes of assumptions	-		-
Investment earnings		22,784,223	(22,784,223)
Contributions - employer		11,014,550	(11,014,550)
Contributions - employee		506,648	(506,648)
Benefit payments, including refunds	(8,416,943)	(8,416,943)	-
Administrative costs		(28,008)	28,008
Other		(1,097,263)	1,097,263
Net changes	3,523,611	24,763,207	(21,239,596)
Balance at June 30, 2021	\$ <u>182,367,056</u>	\$ <u>103,067,773</u>	\$ <u>79,299,283</u>

The Plan's fiduciary net position represents 56.5% of the total OPEB liability.

City of Southfield

Notes to the Financial Statements

12. OTHER POST-EMPLOYMENT BENEFITS (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the Trust reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,232,548	\$ (1,247,583)
Changes in assumptions	-	(343,491)
Net difference between projected and actual earnings on OPEB plan investments	-	(8,249,930)
Total	<u>\$ 1,232,548</u>	<u>\$ (9,841,004)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30	Amount
2022	\$ (1,688,756)
2023	(1,515,967)
2024	(1,957,004)
2025	(3,446,729)
2026	-

Actuarial Assumption

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019. The valuation used the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent	
Healthcare cost trend rate	6.5 to 10.0 percent	Gradually decreasing to an ultimate rate of 3.5 percent in year 10
Salary increases	3.0 percent to 8.25 percent Including inflation	
Investment rate of return	5.5 percent	Net of OPEB plan investment expense, including inflation

- The excise tax (Cadillac tax) load was removed as it was repealed from the Affordable Care Act

City of Southfield

Notes to the Financial Statements

12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Mortality rates were based on the following:

Healthy Pre-Retirement: The RPH-2014 Employee Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale. A base year of 2006 with future mortality improvements assumed each year using scale MP-2015. For Fire and Police, 50% of deaths-in-service are assumed to be duty related.

Healthy Post-Retirement: The RPH-2014 Healthy Annuitant Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale. A base year of 2006 with future mortality improvements assumed each year using scale MP-2015.

Disability Retirement: The RPH-2014 Disabled Mortality Table, extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale. A base year of 2006 with future mortality improvements assumed each year using scale MP-2015.

The actuarial assumptions used as part of the roll forward procedures were based on the results of actuarial experience studies for SERS and FPRS covering the five-year period ended June 30, 2020.

Changes in Assumptions

The Board adopted changes in the actuarial assumptions as recommended by the experience study:

- Retirement rates were decreased for members eligible for the Rule of 82 condition and the pattern of rates for early retirement was changed
- Turnover rates were decreased for the first three years of employment and increased thereafter
- Disability rates were increased for most ages
- Wage inflation assumption lowered from 3.0% to 2.75%
- Final average compensation load on the retirement decrement liabilities for Tier 1 active members was increased from 3.0% to 4.0%
- Fixed percent of payroll load to fund administrative expenses was modified to be based on the prior year's administrative expenses as a percent of payroll contribution made by the City
- Rates of mortality were updated to the most recently published national "general" mortality tables; the Pub-2010 amount-weighted General mortality tables, including the use of the MP-2020 projection scale

Changes in Benefit Terms

Member contributions increased by 1.0% for all groups except for ACS and Management effective July 1, 2021

City of Southfield

Notes to the Financial Statements

12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Discount Rate: Changes in the total OPEB liability include benefit and assumptions changes, and the difference between actual and expected experience.

As shown below, the discount rate used to measure the OPEB liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the OPEB plan’s fiduciary net position to make all projected future benefit payments of current active and inactive employees:

Assumed investment rate of return	7.0 percent
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes
Discount rate used to measure TOL	7.0 percent

OPEB Plan Investments

Investment Policy: The Plan’s policy regarding the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. The following was the board’s adopted asset allocation policy as of June 30, 2021:

Asset class	Target Allocation	Long-term expected real rate of return
US Equities	30.0%	6.1%
International Equities	10.0%	5.0%
Emerging Markets Equities	5.0%	6.6%
Fixed Income	25.0%	1.6%
Equity Hedge Assets	10.0%	4.4%
Private Equity	10.0%	6.7%
Real Assets	2.0%	3.6%
Private Real Estate	8.0%	5.5%

The long term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2021 for each major asset class are included in the target asset allocation summarized in the above table.

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB investments, net of OPEB plan investment expense was 28.62 percent.

City of Southfield

Notes to the Financial Statements

12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability, calculated using the discount rate of 7.0 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% decrease	Current discount rate	1% increase
	6.00%	7.00%	8.00%
Net OPEB Liability	\$99,543,014	\$79,299,282	\$62,240,885

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability, calculated using the healthcare cost trend rate of 9.0 percent, decreasing to 3.0 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (8.0 percent, decreasing to 2.0 percent) or 1 percentage point higher (10.0 percent, decreasing to 4.0 percent) than the current rate:

	1% decrease	Cost trend rate	1% increase
	8.0%, decreasing to 2.0%	9.0%, decreasing to 3.0%	10.0%, decreasing to 4.0%
Net OPEB Liability	\$60,143,899	\$79,299,282	\$102,066,668

13. DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Loans are permitted from this plan, subject to guidelines established by the employer. The City does not make contributions to this plan.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

In accordance with GASB Statement No. 32, *Accounting and financial reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City has removed the plans' assets from the financial statements.

City of Southfield

Notes to the Financial Statements

14. FUND BALANCE CONTSTRAINTS

The detail of the various components of fund balance is as follows:

	Major funds			Non-major funds
	General fund	Major Streets	Road Bond Construction	Other governmental
Non-spendable				
Prepays	\$ 820,291	\$ 13,440		\$ 33,972
Inventory	401,427			
Long-term receivable				3,068,746
Land held for resale	11,250,000			
Restricted for:				
Right-of-way funds/metro authority	1,566,355			
Sanitation reserve	580,687			
Major streets		2,194,962		
Local streets				11,809,853
Parks and recreation				5,447,593
Cable PEG fees				430,506
Block grant				323,136
Drug law enforcement				623,022
Grants				148,288
Library				10,389,808
Michigan works grants				86,652
Auto theft grant				101,337
Donations, memorial trusts & sponsorships				427,138
Road bond debt				1,556,349
Drains-at-large debt				610,010
Road bond construction			\$ 23,107,183	
Capital improvement construction				533,933
Special assessment construction				702,315
Committed to:				
Specific programs (General)				
Dispatch improvements	1,157,456			
Emergency cleanup	781,594			
Equalization reserve	2,000,000			
Local improvement revolving - Northland	13,932,252			
Building infrastructure reserve	16,500,000			
Tax base initiatives reserve	3,000,000			
Wage adjustment	1,500,000			
Donations, memorial trusts & sponsorships				371,230
Assigned to:				
* Encumbrances	470,281			
Subsequent years' expenditures	200,000			
Library building authority				50,010
Capital improvement construction				6,591,587
Local improvement revolving				2,703,744
Special assessment construction				1,717,073
Unassigned				
General fund	17,871,307			
	<u>\$ 72,031,650</u>	<u>\$ 2,208,402</u>	<u>\$ 23,107,183</u>	<u>\$ 47,726,302</u>

* General fund encumbrances relate to computer and other contractual & professional services and operating supplies.

City of Southfield

Notes to the Financial Statements

15. JOINT VENTURE

Southeastern Oakland County Water Authority

The City is a member of the Southeastern Oakland County Water Authority, which provides a water supply system serving 11-member municipalities in Oakland County. The City appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2021, the City expensed \$7,278,068 of payments made to the Authority. The City has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Water Authority's operations are financially independent of the City. The City is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Southeastern Oakland County Water Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

16. SUBSEQUENT EVENTS

Northland Center

Subsequent to year-end, the City sold the majority (97.2 acres) of the 114-acre former Northland Center to a real estate development company ("the Company") resulting in net proceeds to the City of \$9,500,000. The total sales price of \$11,093,000 includes commissions and fees of approximately \$549,000 and approximately \$1,044,000 held in escrow for the City to buy back easements and rights of way for the benefit of the public on the property. As of June 30, 2021, the property was still reported on the City's balance sheet as "land held for sale" within the General Fund.

In connection with the sale to the Company, the City entered into a Brownfield Reimbursement Agreement between the City of Southfield Brownfield Redevelopment Authority (BRDA) and the Developer, whose interest in the property was assigned by the Company. Under the terms of the agreement, the City intends to advance to the BRDA up to \$20,099,641 to directly pay for certain Developer eligible activities, including \$4,100,000 incurred by the City for eligible activities prior to the sale and approximately \$6,900,000 of eligible water and sewer activities, for which advances will be made directly from the Water and Sewer Fund. Remaining funds will be advanced to the BRDA from the General Fund. Amounts directly paid will be reimbursed from allowed capture of future increased property tax revenues for state and local taxing authorities.

Evergreen-Farmington Sanitary Drain Drainage District

Subsequent to year-end, the City entered into an agreement with the Drainage Board for the Evergreen Farmington Sanitary Drain Drainage District to allow for issuance of bonds to finance increasing outlet capacity as part of a corrective action plan submitted to the State of Michigan on behalf of the fifteen Oakland County municipalities served by the Evergreen-Farmington Sewage Disposal System. Total estimated costs of the project are \$72.7 million, of which the City of Southfield will be responsible for 38.17% or approximately \$27.75 million.

City of Southfield

Notes to the Financial Statements

17. REPORTING CHANGE – CHANGE IN ACCOUNTING PRINCIPLE

During the current year, the City adopted GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, certain activity that used to be reported as agency funds within the fiduciary fund schedules, no longer meets the definition of a fiduciary activity and is now reported primarily within the general fund. Funds previously reported as agency funds that meet the definition of fiduciary activities are now reported as custodial funds and custodial funds now present additions and deductions.

18. UPCOMING REPORTING CHANGES

In June 2017, the GASB issued Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, Postponement of the Effective Date of Certain Authoritative Guidance.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the City's financial statements for the June 30, 2021 fiscal year but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

City of Southfield

Notes to the Financial Statements

18. UPCOMING REPORTING CHANGES (continued)

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In June 2020, the Governmental Accounting Standards Board issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or another employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the City's financial statements for the year ending June 30, 2022.



**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Southfield
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2021

	Unaudited Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 52,199,941	52,632,484	\$ 52,796,890	\$ 164,406
Charges for services	3,284,310	3,391,407	3,874,733	483,326
Sanitation	2,748,000	2,748,000	2,537,834	(210,166)
Licenses and permits	3,324,646	3,324,646	3,950,460	625,814
Fines and forfeitures	3,415,035	3,415,035	3,018,505	(396,530)
Cable franchise fees	1,375,000	1,375,000	1,357,083	(17,917)
Intergovernmental:				
Federal	98,923	98,923	7,200,965	7,102,042
State	6,336,346	6,336,346	10,267,121	3,930,775
Other	922,609	1,561,680	1,220,339	(341,341)
Investment earnings	500,000	500,000	1,076,680	576,680
Change in fair value of investments			(244,821)	(244,821)
Other	3,347,050	3,382,459	2,356,588	(1,025,871)
Total revenues	<u>77,551,860</u>	<u>78,765,980</u>	<u>89,412,377</u>	<u>10,646,397</u>
EXPENDITURES				
General government:				
Council	198,980	198,980	163,673	35,307
Mayor	78,912	205,852	146,579	59,273
Clerk's	1,160,900	1,608,565	1,567,588	40,977
Treasurer's	873,165	874,771	831,491	43,280
Administration	691,270	692,306	662,643	29,663
Fiscal services	2,975,638	3,387,091	3,365,440	21,651
Legal	847,640	847,640	847,607	33
Human resources	1,404,559	1,395,559	1,187,343	208,216
Technology & central services	3,023,635	3,590,603	2,620,183	970,420
Community relations	735,888	735,888	648,747	87,141
Total general government	<u>11,990,587</u>	<u>13,537,255</u>	<u>12,041,294</u>	<u>1,495,961</u>
Public Safety:				
Police	23,154,238	23,170,961	24,124,641	(953,680)
Fire	18,791,745	18,905,328	22,095,506	(3,190,178)
Building and safety engineering	4,231,897	4,273,002	3,379,133	893,869
46th Michigan district court	3,634,231	3,646,835	3,100,996	545,839
Civilian support services	4,075,569	4,127,625	3,999,680	127,945
Total public safety	<u>53,887,680</u>	<u>54,123,751</u>	<u>56,699,956</u>	<u>(2,576,205)</u>
Public Services:				
Planning	798,285	942,464	791,973	150,491
Community development	413,776	598,456	410,179	188,277
Sanitation	2,669,966	2,670,173	2,766,569	(96,396)
Road service administration	2,551,334	2,523,470	1,240,758	1,282,712
Total public services	<u>6,433,361</u>	<u>6,734,563</u>	<u>5,209,479</u>	<u>1,525,084</u>
Other:				
Insurance and bonds	1,101,460	1,103,917	886,035	217,882
Support services	3,522,310	14,659,902	4,451,941	10,207,961
Total other	<u>4,623,770</u>	<u>15,763,819</u>	<u>5,337,976</u>	<u>10,425,843</u>
Capital outlay	35,051	206,868	108,698	98,170
Debt service:				
Principal retirement	350,000	350,000	350,000	-
Interest and fiscal charges	22,339	22,339	22,339	-
Total debt	<u>372,339</u>	<u>372,339</u>	<u>372,339</u>	<u>-</u>
Total expenditures	<u>77,342,788</u>	<u>90,738,595</u>	<u>79,769,742</u>	<u>10,968,853</u>
Excess (deficiency) of revenues over (under) expenditures	209,072	(11,972,615)	9,642,635	21,615,250
OTHER FINANCING SOURCES (USES) (Note 8)				
Insurance recovery			847,500	847,500
Transfers out	(209,072)	(903,397)	(380,523)	522,874
Total other financing sources (uses)	<u>(209,072)</u>	<u>(903,397)</u>	<u>466,977</u>	<u>1,370,374</u>
Net change in fund balances	-	(12,876,012)	10,109,612	22,985,624
Fund balances - beginning	61,922,038	61,922,038	61,922,038	-
Fund balances - ending	<u>\$ 61,922,038</u>	<u>\$ 49,046,026</u>	<u>\$ 72,031,650</u>	<u>\$ 22,985,624</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2021

	Unaudited Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 296,555	\$ 300,059	\$ 284,523	\$ (15,536)
Intergovernmental:				
State	7,029,009	7,029,009	7,110,913	81,904
Other	103,000	103,000	124,486	21,486
Investment earnings	10,000	10,000	30,985	20,985
Change in fair value of investments			(4,787)	(4,787)
Other	35,000	35,000	285,494	250,494
Total revenues	<u>7,473,564</u>	<u>7,477,068</u>	<u>7,831,614</u>	<u>354,546</u>
EXPENDITURES				
Highways and streets:				
Administration	399,060	399,060	356,539	42,521
Road maintenance	2,616,792	2,616,792	2,613,744	3,048
Traffic services	787,260	787,260	782,294	4,966
Snow removal	739,206	739,206	734,360	4,846
Appearance	1,336,837	1,530,813	1,473,629	57,184
Total highways and streets	<u>5,879,155</u>	<u>6,073,131</u>	<u>5,960,566</u>	<u>112,565</u>
Capital outlay	7,982,354	7,884,600	7,867,327	17,273
Debt service:				
Principal	1,114,916	1,114,916	1,080,000	34,916
Interest and fiscal charges	97,829	97,829	96,782	1,047
Total expenditures	<u>15,074,254</u>	<u>15,170,476</u>	<u>15,004,675</u>	<u>165,801</u>
Deficiency of revenues under expenditures	(7,600,690)	(7,693,408)	(7,173,061)	520,347
OTHER FINANCING SOURCES				
Transfers in	<u>7,600,690</u>	<u>7,600,690</u>	<u>7,780,057</u>	<u>179,367</u>
Net change in fund balances		(92,718)	606,996	699,714
Fund balances - beginning	<u>1,601,406</u>	<u>1,601,406</u>	<u>1,601,406</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,601,406</u>	<u>\$ 1,508,688</u>	<u>\$ 2,208,402</u>	<u>\$ 699,714</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield
Required Supplementary Information
Schedule of City of Southfield Contributions
Last Ten Fiscal Years

Southfield Employee Retirement System pension benefits

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 4,538,379	\$ 3,755,353	\$ 3,623,322	\$ 3,668,687	\$ 2,727,775	\$ 2,866,029	\$ 3,233,204	\$ 3,108,024	\$ 2,498,235	\$ 2,677,559
Contributions in relation to the actuarially determined contribution	<u>4,538,379</u>	<u>3,755,353</u>	<u>3,623,322</u>	<u>3,668,687</u>	<u>2,727,775</u>	<u>2,866,029</u>	<u>3,233,204</u>	<u>3,108,024</u>	<u>2,498,235</u>	<u>2,677,559</u>
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,025,535	\$ 15,059,719	\$ 14,716,566	\$ 13,548,441	\$ 13,340,553	\$ 13,407,323	\$ 13,455,647	\$ 14,054,199	\$ 15,400,000	\$ 16,800,000
Contribution as a Percentage of Covered Payroll	28.32%	24.94%	24.62%	27.08%	20.45%	21.38%	24.03%	22.11%	16.22%	15.94%

Actuarial valuation information relative to the determination of contributions:

Valuation date: Actuarially determined contribution amounts for fiscal year 2021 are calculated based upon results of the June 30, 2020 actuarial valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level percentage, Closed
Remaining amortization period	27 years for the June 30, 2019 valuation
Asset valuation method	5- year smoothed market
Price Inflation	2.25%
Investment rate of return	7.00% (net of investment and administrative expenses)
Salary increases	3.00% to 6.00% including 3.00% wage inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Post-Retirement: RP-2014 Healthy Annuitant Generational Mortality Tables with blue collar adjustments and extended via cubic spline. Pre-Retirement: RP-2014 Employee Generational Mortality Tables with blue collar adjustments and extended via cubic spline. Post-Retirement Disabled: RP-2014 Disabled Mortality Tables extended via cubic spline. All tables are adjusted backwards to 2006 with the MP-2014 scale. A base year of 2006 is utilized with future mortality improvements assumed each year using scale MP-2015.
Other information	Effective with the June 30, 2019 funding valuation, the rate of investment return was lowered from 7.50% to 7.00%. The new assumption was also reflected in the development of the Total Pension Liability as of June 30, 2020.

City of Southfield
Required Supplementary Information
Schedule of City of Southfield Contributions
Last Ten Fiscal Years
(continued)

Fire and Police Retirement System pension benefits

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 8,853,911	\$ 7,060,402	\$ 7,009,077	\$ 6,638,423	\$ 6,241,527	\$ 5,664,576	\$ 5,933,162	\$ 5,256,046	\$ 5,107,319	\$ 4,004,031
Contributions in relation to the actuarially determined contribution	<u>8,853,911</u>	<u>7,060,402</u>	<u>7,009,077</u>	<u>6,638,423</u>	<u>6,241,527</u>	<u>5,664,576</u>	<u>5,933,162</u>	<u>5,256,046</u>	<u>5,107,319</u>	<u>4,004,031</u>
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 19,025,223	\$ 18,552,867	\$ 18,595,691	\$ 18,904,937	\$ 18,741,427	\$ 18,610,174	\$ 18,452,501	\$ 18,819,454	\$ 19,000,000	\$ 19,700,000
Contribution as a Percentage of Covered Payroll	46.54%	38.06%	37.69%	35.11%	33.30%	30.44%	32.15%	27.93%	26.88%	20.33%

Actuarial valuation information relative to the determination of contributions:

Valuation date: 6/30/20 Actuarially determined contribution rates are calculated as of June 30, each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry-Age Normal
Amortization method Level Percent, Closed
Remaining amortization period 27 Years for the June 30, 2020 valuation
Asset valuation method 5-year smoothed market
Investment rate of return 7.00% (net of investment and administrative expenses)
Inflation 3.25% wage inflation; no explicit price inflation assumption is used in this valuation
Salary increases 3.25% to 8.25% including wage inflation
Retirement age Experience-based table of rates that are specific to the type of eligibility condition.
Mortality Healthy retirees: RP-2014 Blue Collar Healthy Annuitant mortality tables with fully-generational projected mortality improvement based on the MP-2015 2-dimensional improvement scale.
Disabled retirees:RP-2014 Disabled Annuitant mortality tables with fully-generational projected mortality improvement based on the MP-2015 2-dimensional improvement scale.
Employees: RP-2014 Blue Collar Employees mortality tables with fully-generational projected mortality improvement based on the MP-2015 2-dimensional improvement scale

City of Southfield
Required Supplementary Information
Schedule of City of Southfield Contributions
Last Ten Fiscal Years
(continued)

Other Post-Employment Benefits Retiree Health Care Benefits Plan & Trust

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 12,103,692	\$ 19,835,915	\$ 20,058,979	\$ 17,857,831	\$ 18,026,227	\$ 16,850,343	\$ 16,950,396	\$ 16,194,040	\$ 16,194,040	\$ 12,215,080
Contributions in relation to the actuarially determined contribution	<u>11,014,550</u>	<u>12,371,933</u>	<u>10,722,115</u>	<u>8,751,955</u>	<u>8,378,689</u>	<u>8,322,260</u>	<u>7,715,534</u>	<u>7,171,029</u>	<u>6,676,976</u>	<u>12,374,897</u>
Contribution deficiency	\$ 1,089,142	\$ 7,463,982	\$ 9,336,864	\$ 9,105,876	\$ 9,647,538	\$ 8,528,083	\$ 9,234,862	\$ 9,023,011	\$ 9,517,064	\$ (159,817)
Covered Employee Payroll	\$ 21,038,404	\$ 22,442,064	\$ 27,456,584	\$ 27,456,584	\$ 30,668,765	\$ 30,668,765	\$ 32,925,193	\$ 32,925,193	\$ 37,100,980	\$ 37,100,980
Contribution as a Percentage of Covered Employee Payroll	52.35%	55.13%	39.05%	31.88%	27.32%	27.14%	23.43%	21.78%	18.00%	33.35%

Actuarial valuation information relative to the determination of contributions:

Valuation date: 6/30/19 Actuarially determined contribution rates are calculated as of June 30 of odd number years, which is 24 months prior to the beginning of the fiscal year biennium in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	22 Years
Asset valuation method	Market Value
Investment rate of return	5.50% (net of expenses, including inflation)
Inflation	2.50%
Salary increases	3.00% to 8.25% including wage inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Post Retirement: RPH-2014 Blue Collar Health Annuitant Mortality Table for males and females, adjusted backward to 2006 with MP-2014. The provision for future mortality improvement is the fully generational projection table MP-2015, beginning in 2006. Disabled Retirement: RPH-2014 Disabled Mortality Table for males and females is used, adjusted backward to 2006 with MP-2014. The provision for future mortality improvement is the fully generational projection table MP-2015, beginning in 2006. Pre-Retirement: RPH-2014 Blue Collar Employee Mortality Table for males and females is used, adjusted backward to 2006 with MP-2014. The provision for future mortality improvement is the fully generational projection table MP-2015, beginning in 2006.
Health care trend rates	Trend starting at 8.25% and gradually decreasing to an ultimate trend rate of 3.50%
Aging Factor	The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health cost.
Expenses	Investments and administrative expenses are net of the investment returns.
Other information	None

City of Southfield
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Southfield Employee Retirement System pension benefits							
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 2,012,113	\$ 1,693,209	\$ 1,679,389	\$ 1,567,183	\$ 1,576,471	\$ 1,587,719	\$ 1,630,427	\$ 1,716,931
Interest	11,507,176	11,508,838	11,267,476	11,229,219	11,070,056	10,797,824	10,698,458	10,496,636
Changes in benefit terms	(77,131)	(86,700)					(29,546)	
Differences between expected and actual experience	98,339	1,908,975	2,091,982	(835,066)	386,982	(1,241,195)	(1,085,186)	
Changes in assumptions	1,679,916	7,787,551				12,032,895		
Benefit payments, including refunds	(12,308,598)	(11,759,957)	(11,895,234)	(11,119,463)	(10,693,898)	(10,393,455)	(9,507,989)	(9,787,091)
Net change in total pension liability	<u>2,911,815</u>	<u>11,051,916</u>	<u>3,143,613</u>	<u>841,873</u>	<u>2,339,611</u>	<u>12,783,788</u>	<u>1,706,164</u>	<u>2,426,476</u>
Total pension liability – beginning of year	<u>169,536,468</u>	<u>158,484,552</u>	<u>155,340,939</u>	<u>154,499,066</u>	<u>152,159,455</u>	<u>139,375,667</u>	<u>137,669,503</u>	<u>135,243,027</u>
Total pension liability – end of year	<u>\$ 172,448,283</u>	<u>\$ 169,536,468</u>	<u>\$ 158,484,552</u>	<u>\$ 155,340,939</u>	<u>\$ 154,499,066</u>	<u>\$ 152,159,455</u>	<u>\$ 139,375,667</u>	<u>\$ 137,669,503</u>
Plan fiduciary net position								
Contributions – employer	\$ 4,538,379	\$ 3,755,353	\$ 3,623,322	\$ 3,668,687	\$ 2,727,775	\$ 2,866,029	\$ 3,233,204	\$ 3,108,024
Contributions – member	1,040,024	822,698	772,659	729,155	720,834	689,397	711,807	717,449
Net investment income	31,219,769	690,641	4,555,080	9,449,992	14,825,665	(3,280,426)	2,770,284	19,846,251
Benefit payments, including refunds	(12,308,598)	(11,759,957)	(11,895,234)	(11,119,463)	(10,693,898)	(10,393,455)	(9,507,989)	(9,787,091)
Other—Pension plan administrative expense	(71,620)	(78,022)	(61,018)	(33,827)	(60,693)	(166,074)	(141,901)	(121,077)
Other		397,851	(31,268)		148,506			
Net change in plan fiduciary net position	<u>24,417,954</u>	<u>(6,171,436)</u>	<u>(3,036,459)</u>	<u>2,694,544</u>	<u>7,668,189</u>	<u>(10,284,529)</u>	<u>(2,934,595)</u>	<u>13,763,556</u>
Plan fiduciary net position – beginning of year	<u>105,964,641</u>	<u>112,136,077</u>	<u>115,172,536</u>	<u>112,477,992</u>	<u>104,809,803</u>	<u>115,094,332</u>	<u>118,028,927</u>	<u>104,265,371</u>
Plan fiduciary net position – end of year	<u>\$ 130,382,595</u>	<u>\$ 105,964,641</u>	<u>\$ 112,136,077</u>	<u>\$ 115,172,536</u>	<u>\$ 112,477,992</u>	<u>\$ 104,809,803</u>	<u>\$ 115,094,332</u>	<u>\$ 118,028,927</u>
City's net pension liability - ending	<u>\$ 42,065,688</u>	<u>\$ 63,571,827</u>	<u>\$ 46,348,475</u>	<u>\$ 40,168,403</u>	<u>\$ 42,021,074</u>	<u>\$ 47,349,652</u>	<u>\$ 24,281,335</u>	<u>\$ 19,640,576</u>
Plan fiduciary net position as a % of total pension liability	<u>75.61%</u>	<u>62.50%</u>	<u>70.76%</u>	<u>74.14%</u>	<u>72.80%</u>	<u>68.88%</u>	<u>82.58%</u>	<u>85.73%</u>
Covered payroll	<u>\$ 16,025,535</u>	<u>\$ 15,059,719</u>	<u>\$ 14,716,566</u>	<u>\$ 13,548,441</u>	<u>\$ 13,340,553</u>	<u>\$ 13,407,323</u>	<u>\$ 13,455,647</u>	<u>\$ 14,054,199</u>
City's net pension liability as a % of covered payroll	<u>262.49%</u>	<u>422.13%</u>	<u>314.94%</u>	<u>296.48%</u>	<u>314.99%</u>	<u>353.16%</u>	<u>180.45%</u>	<u>139.75%</u>

GASB Statement No. 67 was implemented for the fiscal year ended June 30, 2014 and does not require retroactive implementation. Data will be added each of the succeeding years until 10 years of such information is available.

City of Southfield

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios

Last Ten Fiscal Years

(continued)

	Fire and Police Retirement System pension benefits							
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 2,278,896	\$ 2,641,811	\$ 2,602,465	\$ 2,640,321	\$ 2,701,757	\$ 2,804,586	\$ 2,803,893	\$ 2,967,577
Interest	19,273,195	19,647,416	19,331,013	18,828,204	18,445,532	17,913,693	17,512,901	17,120,568
Changes of benefit terms	(19,714)		102,244					
Differences between expected and actual experience	(195,429)	(558,290)	2,075,076	4,577,169	1,787,826	1,243,252	781,324	
Changes in assumptions	7,746,683	12,397,937				9,830,854		
Benefit payments, including refunds	<u>(21,894,500)</u>	<u>(19,268,715)</u>	<u>(20,554,811)</u>	<u>(18,090,480)</u>	<u>(17,513,738)</u>	<u>(16,376,212)</u>	<u>(15,477,676)</u>	<u>(14,410,229)</u>
Net change in total pension liability	<u>7,189,131</u>	<u>14,860,159</u>	<u>3,555,987</u>	<u>7,955,214</u>	<u>5,421,377</u>	<u>15,416,173</u>	<u>5,620,442</u>	<u>5,677,916</u>
Total pension liability – beginning of year	<u>285,139,154</u>	<u>270,278,995</u>	<u>266,723,008</u>	<u>258,767,794</u>	<u>253,346,417</u>	<u>237,930,244</u>	<u>232,309,802</u>	<u>226,631,886</u>
Total pension liability – end of year	<u>\$ 292,328,285</u>	<u>\$ 285,139,154</u>	<u>\$ 270,278,995</u>	<u>\$ 266,723,008</u>	<u>\$ 258,767,794</u>	<u>\$ 253,346,417</u>	<u>\$ 237,930,244</u>	<u>\$ 232,309,802</u>
Plan fiduciary net position								
Contributions – employer	\$ 8,853,911	\$ 7,060,402	\$ 7,009,077	\$ 6,638,423	\$ 6,241,527	\$ 5,664,576	\$ 5,933,162	\$ 5,256,046
Contributions – member	678,115	610,417	506,015	453,274	457,293	444,861	466,794	475,435
Net investment income (loss)	54,239,821	(3,394,354)	7,720,973	13,854,087	20,166,668	2,221,494	3,099,104	30,545,333
Benefit payments, including refunds	(21,894,500)	(19,268,715)	(20,554,811)	(18,090,480)	(17,513,738)	(16,376,212)	(15,477,676)	(14,410,229)
Other—Pension plan administrative expense	(125,574)	(183,978)	(218,587)	(307,479)	(155,064)	(431,274)	(403,477)	(342,022)
Other	<u>(88,958)</u>	<u></u>	<u>(32)</u>	<u>(1,659)</u>	<u></u>	<u></u>	<u></u>	<u></u>
Net change in plan fiduciary net position	<u>41,662,815</u>	<u>(15,176,228)</u>	<u>(5,537,365)</u>	<u>2,546,166</u>	<u>9,196,686</u>	<u>(8,476,555)</u>	<u>(6,382,093)</u>	<u>21,524,563</u>
Plan fiduciary net position – beginning of year	<u>179,070,290</u>	<u>194,246,518</u>	<u>199,783,883</u>	<u>197,237,717</u>	<u>188,041,031</u>	<u>196,517,586</u>	<u>202,899,679</u>	<u>181,375,116</u>
Plan fiduciary net position – end of year	<u>\$ 220,733,105</u>	<u>\$ 179,070,290</u>	<u>\$ 194,246,518</u>	<u>\$ 199,783,883</u>	<u>\$ 197,237,717</u>	<u>\$ 188,041,031</u>	<u>\$ 196,517,586</u>	<u>\$ 202,899,679</u>
City's net pension liability - ending	<u>\$ 71,595,180</u>	<u>\$ 106,068,864</u>	<u>\$ 76,032,477</u>	<u>\$ 66,939,125</u>	<u>\$ 61,530,077</u>	<u>\$ 65,305,386</u>	<u>\$ 41,412,658</u>	<u>\$ 29,410,123</u>
Plan fiduciary net position as a % of total pension liability	<u>75.51%</u>	<u>62.80%</u>	<u>71.87%</u>	<u>74.90%</u>	<u>76.22%</u>	<u>74.22%</u>	<u>82.59%</u>	<u>87.34%</u>
Covered payroll	<u>\$ 19,025,223</u>	<u>\$ 18,552,867</u>	<u>\$ 18,595,691</u>	<u>\$ 18,904,937</u>	<u>\$ 18,741,427</u>	<u>\$ 18,610,174</u>	<u>\$ 18,452,501</u>	<u>\$ 18,819,454</u>
City's net pension liability as a % of covered payroll	<u>376.32%</u>	<u>571.71%</u>	<u>408.87%</u>	<u>354.08%</u>	<u>328.31%</u>	<u>350.91%</u>	<u>224.43%</u>	<u>156.28%</u>

GASB Statement No. 67 was implemented for the fiscal year ended June 30, 2014 and does not require retroactive implementation. Data will be added each of the succeeding years until 10 years of such information is available.

City of Southfield

Required Supplementary Information

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Last Ten Fiscal Years

Other Post-Employment Benefits Retiree Health Care Benefits Plan & Trust

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 1,881,207	\$ 2,007,468	\$ 4,977,185	\$ 5,202,468	\$ 7,193,640
Interest	12,290,290	11,716,079	14,521,503	13,838,363	12,501,905
Change of benefit terms			(128,610,260)		
Differences between expected and actual experience	(2,230,943)	6,068,727	79,224	32,261,718	
Changes in assumptions		(3,783,419)	(69,294,419)	(19,904,841)	(39,136,829)
Benefit payments, including refunds	(8,416,943)	(7,068,465)	(12,150,509)	(10,231,956)	(8,744,194)
Net change in total OPEB liability	<u>3,523,611</u>	<u>8,940,390</u>	<u>(190,477,276)</u>	<u>21,165,752</u>	<u>(28,185,478)</u>
Total OPEB liability – beginning of year	<u>178,843,445</u>	<u>169,903,055</u>	<u>360,380,331</u>	<u>339,214,579</u>	<u>367,400,057</u>
Total OPEB liability – end of year	<u>\$ 182,367,056</u>	<u>\$ 178,843,445</u>	<u>\$ 169,903,055</u>	<u>\$ 360,380,331</u>	<u>\$ 339,214,579</u>
Plan fiduciary net position					
Contributions – employer	\$ 11,014,550	\$ 12,371,933	\$ 10,722,115	\$ 8,751,955	\$ 8,378,689
Contributions – member	506,648	517,430	541,859	592,825	666,218
Net investment income	22,784,223	(2,054,036)	2,549,251	4,963,952	7,021,541
Benefit payments, including refunds	(8,416,943)	(7,068,465)	(12,150,509)	(10,231,956)	(8,744,194)
Other—Pension plan administrative expense	(28,008)	(25,554)	(2,436)	(22,677)	(10,404)
Other	(1,097,263)	790,824	2	(82,202)	42,822
Net change in plan fiduciary net position	<u>24,763,207</u>	<u>4,532,132</u>	<u>1,660,282</u>	<u>3,971,897</u>	<u>7,354,672</u>
Plan fiduciary net position – beginning of year	<u>78,304,566</u>	<u>73,772,434</u>	<u>72,112,152</u>	<u>68,140,255</u>	<u>60,785,583</u>
Plan fiduciary net position – end of year	<u>\$ 103,067,773</u>	<u>\$ 78,304,566</u>	<u>\$ 73,772,434</u>	<u>\$ 72,112,152</u>	<u>\$ 68,140,255</u>
City's net OPEB liability - ending	<u>\$ 79,299,283</u>	<u>\$ 100,538,879</u>	<u>\$ 96,130,621</u>	<u>\$ 288,268,179</u>	<u>\$ 271,074,324</u>
Plan fiduciary net position as a % of total OPEB liability	<u>56.52%</u>	<u>43.78%</u>	<u>43.42%</u>	<u>20.01%</u>	<u>20.09%</u>
Covered employee payroll	<u>\$ 21,038,404</u>	<u>\$ 22,442,064</u>	<u>\$ 27,456,584</u>	<u>\$ 27,456,584</u>	<u>\$ 30,668,765</u>
City's net OPEB liability as a % of covered employee payroll	<u>376.93%</u>	<u>447.99%</u>	<u>350.12%</u>	<u>1049.91%</u>	<u>883.88%</u>

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and does not require retroactive implementation. Data will be added each of the succeeding years until 10 years of such information is available.

City of Southfield

Required Supplementary Information

Schedule of Investment Returns

Last Ten Fiscal Years

Southfield Employee Retirement System pension benefits

Annual money-weighted rate of return, net of investment expense

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
30.30%	0.18%	4.17%	7.82%	15.53%	-3.04%	1.12%	26.98%	18.39%	0.33%

Fire and Police Retirement System pension benefits

Annual money-weighted rate of return, net of investment expense

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
30.06%	-1.46%	3.75%	7.18%	11.06%	1.06%	1.25%	16.74%	9.08%	-3.43%

City of Southfield
Required Supplementary Information
Schedule of Investment Returns
Last Ten Fiscal Years
 (continued)

Other Post-Employment Benefits Retiree Health Care Benefits Plan & Trust

Annual money-weighted rate of return, net of investment expense

2021	2020	2019	2018	2017
28.62%	-2.62%	3.75%	7.43%	6.31%

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and does not require retroactive implementation.

Data will be added each of the succeeding years until 10 years of such information is available.

City of Southfield

Required Supplementary Information

Schedule of the Adopted Budget to Final Presentation Reconciliation - Unaudited

While the City does not adopt budgets in accordance with GAAP, the Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual presented in this ACFR have been modified to meet GAAP standards. The following note reconciles the City's adopted budget, as approved annually by the City Council on a non-GAAP basis, with these schedules which are presented in the ACFR on a GAAP basis. The major modifications are derived from transfers, expenditure reimbursements and fund balance draws being budgeted as revenues and expenditures.

MAJOR FUNDS

	General Fund		Major Streets	
	Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$ 77,924,160	\$ 77,924,160	\$ 15,074,254	\$ 15,074,254
Transfers	-	(209,072)	(7,600,690)	-
Reimbursements	(372,300)	(372,300)	-	-
Original (as presented)	<u>77,551,860</u>	<u>77,342,788</u>	<u>7,473,564</u>	<u>15,074,254</u>
Approved encumbrances	-	11,820,548	-	92,718
Council adjustments	1,214,120	1,575,259	3,504	3,504
Final (as presented)	<u>\$ 78,765,980</u>	<u>\$ 90,738,595</u>	<u>\$ 7,477,068</u>	<u>\$ 15,170,476</u>

NON-MAJOR FUNDS

	Local Streets		Parks and Recreation	
	Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$ 10,368,365	\$ 10,368,365	\$ 6,300,130	\$ 6,300,130
Transfers	(5,240,000)	-	(100,000)	-
Approved encumbrances	-	110,676	-	2,365
Council adjustments	33,764	33,764	106,852	177,993
Final (as presented)	<u>\$ 5,162,129</u>	<u>\$ 10,512,805</u>	<u>\$ 6,306,982</u>	<u>\$ 6,480,488</u>

City of Southfield

Required Supplementary Information

Schedule of the Adopted Budget to Final Presentation Reconciliation - Unaudited

(continued)

NON-MAJOR FUNDS

	Cable Television		Block Grant	
	Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$ 1,091,158	\$ 1,091,158	\$ 486,568	\$ 486,568
Fund balance draws	(303,758)	-	-	-
Approved encumbrances	-	3,630	-	-
Council adjustments	-	-	666,647	666,647
Final (as presented)	<u>\$ 787,400</u>	<u>\$ 1,094,788</u>	<u>\$ 1,153,215</u>	<u>\$ 1,153,215</u>
	Michigan Indigent Defense		Drug Law Enforcement	
	Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$ 600,500	\$ 600,500	\$ 200,360	\$ 200,360
Transfers	(82,782)	-	-	-
Fund balance draws	-	-	(200,360)	-
Council adjustments	-	-	-	51,751
Final (as presented)	<u>\$ 517,718</u>	<u>\$ 600,500</u>	<u>\$ -</u>	<u>\$ 252,111</u>
	Grants		Library	
	Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$ 27,000	\$ 27,000	\$ 7,965,587	\$ 7,965,587
Fund balance draws	-	-	(270,355)	-
Council adjustments	-	-	85,482	142,862
Final (as presented)	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 7,780,714</u>	<u>\$ 8,108,449</u>
	Michigan Works Grants		Auto Theft Grant	
	Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$ 1,911,557	\$ 1,911,557	\$ 178,732	\$ 178,732
Transfers	-	-	(89,366)	-
Council adjustments	367,219	367,219	-	-
Final (as presented)	<u>\$ 2,278,776</u>	<u>\$ 2,278,776</u>	<u>\$ 89,366</u>	<u>\$ 178,732</u>
	Donations, Memorial Trusts & Sponsorships			
	Approved Revenues	Approved Expenditures		
Council adopted budget	\$ 200,000	\$ 200,000		
Transfers	-	(10,315)		
Council adjustments	666,787	666,787		
Final (as presented)	<u>\$ 866,787</u>	<u>\$ 856,472</u>		

City of Southfield

Notes to the Required Supplementary Information

SERS

Changes in Assumptions

2021 – the Board adopted actuarial assumptions recommended by an experience study covering the period of July 1, 2015 through June 30, 2020:

- Retirement rates were decreased for members eligible for the Rule of 82 condition and the pattern of rates for early retirement was changed
- Turnover rates were decreased for the first three years of employment and increased thereafter
- Disability rates were increased for most ages
- Wage inflation assumption lowered from 3.0% to 2.75%
- Final average compensation load on the retirement decrement liabilities for Tier 1 active members was increased from 3.0% to 4.0%
- Fixed percent of payroll load to fund administrative expenses was modified to be based on the prior year's administrative expenses as a percent of payroll contribution made by the City
- Rates of mortality were updated to the most recently published national "general" mortality tables; the Pub-2010 amount-weighted General mortality tables, including the use of the MP-2020 projection scale

2020 – The Board lowered the investment return assumption from 7.5% to 7.0%

2016 – The Board adopted actuarial assumptions recommended by an experience study covering period of July 1, 2010 through June 30, 2015:

- Long-term rate of investment return lowered to 7.5%
- Wage inflation assumption lowered to 3.0%
- 1.0% of payroll was added to the normal cost to explicitly fund administrative expenses
- Merit and seniority wage increases were lowered
- Retirement rates were increased for the Rule of 82 retirement eligibility pattern
- Mortality rates were updated to a version of the RP-2014 Blue Collar mortality table
- Amortization period lengthened to 30 years

Changes in Benefit Terms

2021 – Member contributions increased by 1.0% for all groups except for ACS and Management effective July 1, 2021

2020 – Member contributions increased by 1.0% for all groups effective June 29, 2020

City of Southfield

Notes to the Required Supplementary Information

FPRS

Changes in Assumptions

2021 – the Board adopted actuarial assumptions recommended by an experience study covering the period of July 1, 2015 through June 30, 2020:

- Retirement rates were decreased for members eligible for the Rule of 82 condition and the pattern of rates for early retirement was changed
- Turnover rates were decreased for the first three years of employment and increased thereafter
- Disability rates were increased for most ages
- Wage inflation assumption lowered from 3.0% to 2.75%
- Final average compensation load on the retirement decrement liabilities for Tier 1 active members was increased from 3.0% to 4.0%
- Fixed percent of payroll load to fund administrative expenses was modified to be based on the prior year's administrative expenses as a percent of payroll contribution made by the City
- Rates of mortality were updated to the most recently published national "general" mortality tables; the Pub-2010 amount-weighted General mortality tables, including the use of the MP-2020 projection scale

2020 – The Board adopted an investment return assumption of 7.0%, and increased the City's contribution rate by 5.0% of payroll

2016 – The Board adopted actuarial assumptions recommended by an experience study covering period of July 1, 2010 through June 30, 2015:

- Long-term rate of investment return lowered to 7.5%
- Wage inflation assumption lowered to 3.25%
- Mortality rates were updated to a version of the RP-2014 Blue Collar mortality table
- Revised retirement rates
- Administrative expense contribution increased to 2.0% of payroll
- Amortization period lengthened to 30 years

Changes in Benefit Terms

2021 – Member contributions increased by 1.0% for all groups effective July 1, 2021

2019 – Benefit changes implemented between July 1, 2017 and June 30, 2018:

- Extension of DROP participation from 5 to 6 years for Police
- Re-open the DROP to Police Patrol Officers hired after June 16, 2014
- Maximum pension benefit cannot exceed bas wages at retirement or DROP for Police Patrol Officers
- Increase employee contributions by 1.0% beginning July 1, 2019 and another 1.0% beginning June 29, 2020 for Police Patrol and Police Command Officers

City of Southfield

Notes to the Required Supplementary Information

OPEB

Changes in Assumptions

2020

- Lowered the amortization period to 22 years beginning July 1, 2020
- Health care trend assumption reset to 8.25% trending down to 3.5% over 10 years
- Repeal of the “Cadillac Tax”, a tax provision from the Affordable Care Act

2018

- Updated actuarial assumptions to be consistent with those adopted by SERS and FPRS
- Health care trend assumption reset to 9.0% grading down to 3.0% over 10 years
- 7.0% load was applied to the health care liabilities to approximate the cost for future excise tax (Cadillac Tax)

2016

- Health care trend assumption reset to 9.0% grading down to 4.0% over 10 years
- 5.0% load was applied to the health care liabilities to approximate the cost for future excise tax (Cadillac Tax)

2019

- Self-insured BCBSM PPO plans for Medicare eligible retirees were replaced with BCBSM Medicare Advantage plans for medical and Humana Employee Group Waiver Program for prescriptions, offering similar coverage at reduced premium costs and resulted in a significant decrease in the liabilities
- The premium the retiree pays for SPOA, SPCOA, and PST members increased

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NON-MAJOR GOVERNMENTAL FUNDS

City of Southfield
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and cash equivalents	\$ 22,167,832	\$ 2,050,139	\$ 8,981,742	\$ 33,199,713
Investments	9,060,573	123,425	5,187,880	14,371,878
Receivables, net (Note 5)	970,579	12,132	20,421	1,003,132
Special assessments			712,186	712,186
Prepays	33,972			33,972
Due from other funds (Note 8)	37,204			37,204
Due from component units	54,473			54,473
Due from other governmental units	417,025			417,025
Advances to other funds			1,667,359	1,667,359
Advances to component units			1,401,387	1,401,387
Restricted assets: (Note 4)				
Cash and cash equivalents			37,130	37,130
Total assets	<u>\$ 32,741,658</u>	<u>\$ 2,185,696</u>	<u>\$ 18,008,105</u>	<u>\$ 52,935,459</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 770,796		\$ 256,182	\$ 1,026,978
Accrued payroll	315,717			315,717
Due to other funds (Note 8)	941,622		7,331	948,953
Other short-term liabilities	34,315	\$ 19,337		53,652
Unearned revenue	430,643			430,643
Advances from local improvement revolving fund (Note 8)			1,667,359	1,667,359
Total liabilities	<u>2,493,093</u>	<u>19,337</u>	<u>1,930,872</u>	<u>4,443,302</u>
Deferred inflows of resources - unavailable (Note 5)	<u>56,030</u>	<u>-</u>	<u>709,825</u>	<u>765,855</u>
Fund balance: (Note 14)				
Non-spendable	33,972		3,068,746	3,102,718
Restricted	29,787,333	2,166,359	1,236,248	33,189,940
Committed	371,230			371,230
Assigned			11,062,414	11,062,414
Total fund balances	<u>30,192,535</u>	<u>2,166,359</u>	<u>15,367,408</u>	<u>47,726,302</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 32,741,658</u>	<u>\$ 2,185,696</u>	<u>\$ 18,008,105</u>	<u>\$ 52,935,459</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES				
Property taxes	\$ 15,138,535	\$ 7,582,724		\$ 22,721,259
Special assessments	23,509		\$ 718,393	741,902
Charges for services	1,382,325			1,382,325
Federal forfeitures	21,892			21,892
Cable franchise fees	773,448			773,448
Intergovernmental:				
Federal	3,459,988			3,459,988
State	2,827,728			2,827,728
Contributions and donations	444,590		1,131	445,721
Investment earnings	418,148	54,046	175,300	647,494
Change in fair value of investments	(136,707)	(5,918)	(78,425)	(221,050)
Other	341,825	16,030	341,870	699,725
Total revenues	<u>24,695,281</u>	<u>7,646,882</u>	<u>1,158,269</u>	<u>33,500,432</u>
EXPENDITURES				
Current:				
General government	22,973			22,973
Public safety	451,453			451,453
Highways and streets	3,408,757			3,408,757
Community improvement	920,214			920,214
Social services	2,529,400			2,529,400
Culture and recreation	10,537,315			10,537,315
Other		9,907	1,450,620	1,460,527
Capital outlay	3,199,667			3,199,667
Debt service:				
Principal retirement	1,459,865	5,566,977		7,026,842
Interest and fiscal charges	689,451	1,808,177		2,497,628
Total expenditures	<u>23,219,095</u>	<u>7,385,061</u>	<u>1,450,620</u>	<u>32,054,776</u>
Excess (deficiency) of revenues over (under) expenditures	1,476,186	261,821	(292,351)	1,445,656
OTHER FINANCING SOURCES (USES) (Note 8)				
Transfers in	2,958,868		95,965	3,054,833
Transfers out	(106,280)			(106,280)
Total other financing sources (uses)	<u>2,852,588</u>	<u>-</u>	<u>95,965</u>	<u>2,948,553</u>
Net change in fund balances	4,328,774	261,821	(196,386)	4,394,209
Fund balances - beginning	25,863,761	1,904,538	15,563,794	43,332,093
Fund balances - ending	<u>\$ 30,192,535</u>	<u>\$ 2,166,359</u>	<u>\$ 15,367,408</u>	<u>\$ 47,726,302</u>

The notes to the financial statements are an integral part of this statement.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These funds account for the proceeds of specific revenue sources used to finance projects or activities as required by law or contractual agreement. The following funds are currently established:

LOCAL STREETS: Michigan's Act 51 of 1933, as amended, allocates gas and weight taxes to build and maintain roads, roadsides, and storm sewers. Snow removal and traffic control are also supported by this funding source. Local streets, which primarily service the residential community, are maintained by the City through a one-mill City tax levy for residential street maintenance and to a lesser degree by Act 51 funding. Additional funds are provided through Public Act 298 of 1917 for all local streets mowing, litter pick-up, street sweeping and catch basin cleaning on all roads throughout the City.

PARKS AND RECREATION

Specific property taxes, grants and user fees are used to operate the ice arena, swimming pool, and activities at parks, playgrounds and other facilities. Golf course activities, which include the Evergreen Hills Golf Course and Pro Shop, Beech Woods Golf Course, Pro Shop and Driving Range, are included in the Parks & Recreation Fund.

CABLE TELEVISION

The Cable Television Fund was established to account for fees received under provisions of the cable television franchise agreement. These fees are used for local programming and certain other purposes.

BLOCK GRANT

Under the Housing and Community Development Act of 1974, as amended, federal grants are targeted for neighborhood beautification, improvement and revitalization and other community improvements; these activities benefit low and moderate income persons in targeted areas as defined by the Department of Housing and Urban Development (HUD).

MICHIGAN INDIGENT DEFENSE

The Michigan Indigent Defense Commission (MIDC) was created by legislation in 2013 after an advisory commission recommended improvements to the state's legal system. The MIDC works to ensure the state's public defense system is fair, cost-effective and constitutional while simultaneously protecting public safety and accountability. The Grant was established to provide funding to assist with the Compliance Plan and Cost Analysis approved by the MIDC for the provision of indigent criminal defense services through the Standards approved by LARA on May 22, 2017, and the process described in the Michigan Indigent Defense Act, as amended effective 12/23/18 by Public Act 214 of 2018.

DRUG LAW ENFORCEMENT

The Drug Law Enforcement fund was established pursuant to Public Act 135 of 1985. As provided by Article 7 of this Act, property associated with controlled substances may be seized and the proceeds from its sale used to enhance law enforcement related to controlled substances.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (continued)

GRANTS

This fund accounts for individual grants received from Federal, State or other sources.

LIBRARY

Specific property taxes, grants, user fees, state aide and related revenues are used to purchase books and computers, and to operate programs in the Civic Center.

MICHIGAN WORKS GRANTS

The Michigan Works Grants are funded by the Michigan Department of Career Development and the Oakland County Workforce Board and are administered by the Southfield Career Center.

AUTO THEFT GRANT

The Auto Theft Grant fund is a State funded program designed to assist local governments in auto theft investigation and prevention.

DONATIONS, MEMORIAL TRUSTS & SPONSORSHIPS

This fund accounts for endowments, restricted donations and contributions in memory of City employees and City residents.

City of Southfield

Combining Balance Sheet

Non-major Governmental Funds - Special Revenue Funds

June 30, 2021

	Local Streets	Parks and Recreation	Cable Television	Block Grant	Michigan Indigent Defense	Drug Law Enforcement	Grants	Library	Michigan Works Grants	Auto Theft Grant	Donations, Memorial Trusts & Sponsorships	Total
ASSETS												
Cash and cash equivalents	\$ 11,454,218	\$ 4,938,685	\$ 113,723	\$ 597,086	\$ 463,581	\$ 637,999	\$ 121,310	\$ 2,509,922	\$ 399,988	\$ 108,324	\$ 822,996	\$ 22,167,832
Investments	320,247	752,601	152,175					7,835,550				9,060,573
Receivables, net	359,492	48,438	187,767	80,262		317	56,090	237,829			384	970,579
Prepays		2,076	4,319					27,577				33,972
Due from other funds		878		35,428				898				37,204
Due from component units				20,005			34,468					54,473
Due from other governmental units									417,025			417,025
Total assets	\$ 12,133,957	\$ 5,742,678	\$ 457,984	\$ 732,781	\$ 463,581	\$ 638,316	\$ 211,868	\$ 10,611,776	\$ 817,013	\$ 108,324	\$ 823,380	\$ 32,741,658
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 316,557	\$ 173,692	\$ 3,524	\$ 48,620	\$ 32,938	\$ 9,703	\$ 7,550	\$ 88,832	\$ 66,063		\$ 23,317	\$ 770,796
Accrued payroll		108,400	19,635	11,756		5,591		89,206	74,142	6,987		315,717
Due to other funds	502			349,269					590,156		1,695	941,622
Other short-term liabilities	7,045	10,917						16,353				34,315
Unearned revenue					430,643							430,643
Total liabilities	324,104	293,009	23,159	409,645	463,581	15,294	7,550	194,391	730,361	6,987	25,012	2,493,093
Deferred inflows of resources												
- unavailable	-	-	-	-	-	-	56,030	-	-	-	-	56,030
Fund balance:												
Non-spendable		2,076	4,319					27,577				33,972
Restricted	11,809,853	5,447,593	430,506	323,136		623,022	148,288	10,389,808	86,652	101,337	427,138	29,787,333
Committed											371,230	371,230
Total fund balances	11,809,853	5,449,669	434,825	323,136	-	623,022	148,288	10,417,385	86,652	101,337	798,368	30,192,535
Total liabilities, deferred inflows and fund balances	\$ 12,133,957	\$ 5,742,678	\$ 457,984	\$ 732,781	\$ 463,581	\$ 638,316	\$ 211,868	\$ 10,611,776	\$ 817,013	\$ 108,324	\$ 823,380	\$ 32,741,658

The notes to the financial statements are an integral part of this statement.

City of Southfield

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-major Governmental Funds - Special Revenue Funds

For the Year Ended June 30, 2021

	Local Streets	Parks and Recreation	Cable Television	Block Grant	Michigan Indigent Defense	Drug Law Enforcement	Grants	Library	Michigan Works Grants	Auto Theft Grant	Donations, Memorial Trusts & Sponsorships	Total
REVENUES												
Property taxes	\$ 2,979,021	\$ 4,677,894						\$ 7,481,620				\$ 15,138,535
Special assessments							\$ 23,509					23,509
Charges for services		1,060,851						321,474				1,382,325
Federal forfeitures						\$ 21,892						21,892
Cable PEG programming			\$ 773,448									773,448
Intergovernmental:												
Federal		7,695		\$ 818,260				539,294	\$ 2,094,739			3,459,988
State	2,130,611	329,000			\$ 187,018			65,753	42,611	\$ 72,735		2,827,728
Contributions and donations		15									\$ 444,575	444,590
Investment earnings	120,525	66,503	4,097			6,151	1,042	212,477			7,353	418,148
Change in fair value of investments	(29,814)	(13,417)	(2,630)			(2,944)	(280)	(85,458)			(2,164)	(136,707)
Other	73,094	92,473	100	166,158			1,855	7,041			1,104	341,825
Total revenues	5,273,437	6,221,014	775,015	984,418	187,018	25,099	26,126	8,542,201	2,137,350	72,735	450,868	24,695,281
EXPENDITURES												
Current:												
General government											22,973	22,973
Public safety					269,800	38,003				142,809	841	451,453
Highways and streets	3,408,757											3,408,757
Community improvement				897,380			22,834					920,214
Social services									2,175,892		353,508	2,529,400
Culture and recreation		4,580,072	921,031					5,020,212			16,000	10,537,315
Capital outlay	2,899,059	190,264				26,125		38,769			45,450	3,199,667
Debt service:												
Principal retirement	99,865							1,360,000				1,459,865
Interest and fiscal charges	7,378	5,873						676,200				689,451
Total expenditures	6,415,059	4,776,209	921,031	897,380	269,800	64,128	22,834	7,095,181	2,175,892	142,809	438,772	23,219,095
Excess (deficiency) of revenues over (under) expenditures	(1,141,622)	1,444,805	(146,016)	87,038	(82,782)	(39,029)	3,292	1,447,020	(38,542)	(70,074)	12,096	1,476,186
OTHER FINANCING SOURCES (USES)												
Transfers in	2,584,060	220,533			82,782					71,493		2,958,868
Transfers out		(95,965)									(10,315)	(106,280)
Total other financing sources (uses)	2,584,060	124,568	-	-	82,782	-	-	-	-	71,493	(10,315)	2,852,588
Net change in fund balances	1,442,438	1,569,373	(146,016)	87,038	-	(39,029)	3,292	1,447,020	(38,542)	1,419	1,781	4,328,774
Fund balances - beginning	10,367,415	3,880,296	580,841	236,098	-	662,051	144,996	8,970,365	125,194	99,918	796,587	25,863,761
Fund balances - ending	\$ 11,809,853	\$ 5,449,669	\$ 434,825	\$ 323,136	\$ -	\$ 623,022	\$ 148,288	\$ 10,417,385	\$ 86,652	\$ 101,337	\$ 798,368	\$ 30,192,535

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 2,891,555	\$ 2,979,021	\$ 87,466
Intergovernmental:			
State	2,099,574	2,130,611	31,037
Investment earnings	166,000	120,525	(45,475)
Change in fair value of investments		(29,814)	(29,814)
Other	5,000	73,094	68,094
Total revenues	<u>5,162,129</u>	<u>5,273,437</u>	<u>111,308</u>
EXPENDITURES			
Highways and streets:			
Administration	628,280	297,288	330,992
Road maintenance	2,806,575	2,201,019	605,556
Traffic services	313,680	106,286	207,394
Snow removal	554,350	357,899	196,451
Appearance	827,353	446,265	381,088
Total highways and streets	<u>5,130,238</u>	<u>3,408,757</u>	<u>1,721,481</u>
Capital outlay	5,268,770	2,899,059	2,369,711
Debt service:			
Principal retirement	99,865	99,865	-
Interest and fiscal charges	13,932	7,378	6,554
Total expenditures	<u>10,512,805</u>	<u>6,415,059</u>	<u>4,097,746</u>
Excess (deficiency) of revenues over (under) expenditures	(5,350,676)	(1,141,622)	4,209,054
OTHER FINANCING SOURCES			
Transfers in	<u>5,240,000</u>	<u>2,584,060</u>	<u>(2,655,940)</u>
Net change in fund balances	(110,676)	1,442,438	1,553,114
Fund balance - beginning	<u>10,367,415</u>	<u>10,367,415</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,256,739</u>	<u>\$ 11,809,853</u>	<u>\$ 1,553,114</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Parks and Recreation Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 4,628,935	\$ 4,677,894	\$ 48,959
Charges for services	1,311,012	1,060,851	(250,161)
Intergovernmental:			
Federal		7,695	7,695
State	180,000	329,000	149,000
Contributions	20,000	15	(19,985)
Investment earnings	75,000	66,503	(8,497)
Change in fair value of investments		(13,417)	(13,417)
Other	92,035	92,473	438
Total revenues	<u>6,306,982</u>	<u>6,221,014</u>	<u>(85,968)</u>
EXPENDITURES			
Culture and recreation:			
Administration	2,263,100	1,708,349	554,751
Recreation division	814,224	239,774	574,450
Cultural arts division	50,406	14,078	36,328
Senior center division	261,076	110,268	150,808
Operations & facilities division	2,317,467	1,991,255	326,212
Golf	547,809	516,348	31,461
Total culture and recreation	<u>6,254,082</u>	<u>4,580,072</u>	<u>1,674,010</u>
Capital outlay	220,533	190,264	30,269
Debt service:			
Interest and fiscal charges	5,873	5,873	-
Total expenditures	<u>6,480,488</u>	<u>4,776,209</u>	<u>1,704,279</u>
Excess (deficiency) of revenues over (under) expenditures	(173,506)	1,444,805	1,618,311
OTHER FINANCING SOURCES (USES)			
Transfers in	320,533	220,533	(100,000)
Transfers out	(95,965)	(95,965)	-
Total other financing sources (uses)	<u>224,568</u>	<u>124,568</u>	<u>(100,000)</u>
Net change in fund balances	51,062	1,569,373	1,518,311
Fund balance - beginning	<u>3,880,296</u>	<u>3,880,296</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,931,358</u>	<u>\$ 5,449,669</u>	<u>\$ 1,518,311</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Cable Television Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Cable PEG programming	\$ 784,400	\$ 773,448	\$ (10,952)
Investment earnings	3,000	4,097	1,097
Change in fair value of investments		(2,630)	(2,630)
Other		100	100
Total revenues	<u>787,400</u>	<u>775,015</u>	<u>(12,385)</u>
EXPENDITURES			
Culture and recreation	1,087,288	921,031	166,257
Capital outlay	7,500		7,500
Total expenditures	<u>1,094,788</u>	<u>921,031</u>	<u>173,757</u>
Net change in fund balances	(307,388)	(146,016)	161,372
Fund balance - beginning	<u>580,841</u>	<u>580,841</u>	<u>-</u>
Fund balance - ending	<u>\$ 273,453</u>	<u>\$ 434,825</u>	<u>\$ 161,372</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Block Grant Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental:			
Federal	\$ 1,103,215	\$ 818,260	\$ (284,955)
Other	50,000	166,158	116,158
Total revenues	<u>1,153,215</u>	<u>984,418</u>	<u>(168,797)</u>
EXPENDITURES			
Community improvement	<u>1,153,215</u>	<u>897,380</u>	<u>255,835</u>
Net change in fund balances	-	87,038	87,038
Fund balance - beginning	<u>236,098</u>	<u>236,098</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 236,098</u></u>	<u><u>\$ 323,136</u></u>	<u><u>\$ 87,038</u></u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances Final Budget and Actual - Michigan Indigent Defense For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental:			
State	\$ 517,718	\$ 187,018	\$ (330,700)
EXPENDITURES			
46th District Court	600,500	269,800	330,700
Excess (deficiency) of revenues over (under) expenditures	(82,782)	(82,782)	-
OTHER FINANCING SOURCES			
Transfers in	82,782	82,782	-
Net change in fund balances	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Drug Law Enforcement Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Federal forfeitures		\$ 21,892	\$ 21,892
Investment earnings		6,151	6,151
Change in fair value of investments		(2,944)	(2,944)
Total revenues	\$ -	25,099	25,099
EXPENDITURES			
Public safety	150,360	38,003	112,357
Capital outlay	101,751	26,125	75,626
Total expenditures	252,111	64,128	187,983
Net change in fund balances	(252,111)	(39,029)	213,082
Fund balance - beginning	662,051	662,051	-
Fund balance - ending	\$ <u>409,940</u>	\$ <u>623,022</u>	\$ <u>213,082</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Grants Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Special assessments	\$ 25,000	\$ 23,509	\$ (1,491)
Investment earnings	2,000	1,042	(958)
Change in fair value of investments		(280)	(280)
Other		1,855	1,855
Total revenues	<u>27,000</u>	<u>26,126</u>	<u>(874)</u>
EXPENDITURES			
Community improvement	<u>27,000</u>	<u>22,834</u>	<u>4,166</u>
Net change in fund balances	-	3,292	3,292
Fund balance - beginning	<u>144,996</u>	<u>144,996</u>	<u>-</u>
Fund balance - ending	<u>\$ 144,996</u>	<u>\$ 148,288</u>	<u>\$ 3,292</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Library Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 7,320,814	\$ 7,481,620	\$ 160,806
Charges for services	324,900	321,474	(3,426)
Intergovernmental:			
Federal		539,294	539,294
State	50,000	65,753	15,753
Investment earnings	85,000	212,477	127,477
Change in fair value of investments		(85,458)	(85,458)
Other		7,041	7,041
Total revenues	<u>7,780,714</u>	<u>8,542,201</u>	<u>761,487</u>
EXPENDITURES			
Culture and recreation:			
Administration	1,986,284	1,845,990	140,294
Adult reference	1,307,458	1,198,727	108,731
Children's division	779,695	557,716	221,979
Support services	951,875	764,351	187,524
Technology division	955,718	653,428	302,290
Total culture and recreation	<u>5,981,030</u>	<u>5,020,212</u>	<u>960,818</u>
Capital outlay	91,219	38,769	52,450
Debt service:			
Principal	1,360,000	1,360,000	-
Interest and fiscal charges	676,200	676,200	-
Total expenditures	<u>8,108,449</u>	<u>7,095,181</u>	<u>1,013,268</u>
Net change in fund balances	(327,735)	1,447,020	1,774,755
Fund balance - beginning	<u>8,970,365</u>	<u>8,970,365</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 8,642,630</u></u>	<u><u>\$ 10,417,385</u></u>	<u><u>\$ 1,774,755</u></u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances Final Budget and Actual - Michigan Works Grants Fund For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental:			
Federal	\$ 2,278,776	\$ 2,094,739	\$ (184,037)
State		42,611	42,611
Total revenues	<u>2,278,776</u>	<u>2,137,350</u>	<u>(141,426)</u>
 EXPENDITURES			
Social services	<u>2,278,776</u>	<u>2,175,892</u>	<u>102,884</u>
 Net change in fund balances	-	(38,542)	(38,542)
 Fund balance - beginning	<u>125,194</u>	<u>125,194</u>	<u>-</u>
 Fund balance - ending	<u>\$ 125,194</u>	<u>\$ 86,652</u>	<u>\$ (38,542)</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Final Budget and Actual - Auto Theft Grant Fund

For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental:			
State	\$ 89,366	\$ 72,735	\$ (16,631)
EXPENDITURES			
Public safety	178,732	142,809	35,923
Deficiency of revenues under expenditures	(89,366)	(70,074)	19,292
OTHER FINANCING SOURCES			
Transfers in	89,366	71,493	(17,873)
Net change in fund balances	-	1,419	1,419
Fund balances - beginning	99,918	99,918	-
Fund balances - ending	\$ 99,918	\$ 101,337	\$ 1,419

The notes to the financial statements are an integral part of this statement.

City of Southfield

Schedule of Revenues, Expenditures, and Changes in Fund Balances Final Budget and Actual - Donations, Memorial Trusts & Sponsorships For the Year Ended June 30, 2021

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Contributions	\$ 841,787	\$ 444,575	\$ (397,212)
Investment earnings		7,353	7,353
Change in fair value of investments		(2,164)	(2,164)
Other	25,000	1,104	(23,896)
Total revenues	<u>866,787</u>	<u>450,868</u>	<u>(415,919)</u>
EXPENDITURES			
General government	30,032	22,973	7,059
Public safety	1,000	841	159
Social services	809,440	353,508	455,932
Culture and recreation	16,000	16,000	-
Total expenditures	<u>856,472</u>	<u>393,322</u>	<u>463,150</u>
Capital outlay		45,450	(45,450)
Excess (deficiency) of revenues over (under) expenditures	10,315	12,096	1,781
OTHER FINANCING USES			
Transfers out	<u>(10,315)</u>	<u>(10,315)</u>	<u>-</u>
Net change in fund balances	-	1,781	1,781
Fund balances - beginning	<u>796,587</u>	<u>796,587</u>	<u>-</u>
Fund balances - ending	<u>\$ 796,587</u>	<u>\$ 798,368</u>	<u>\$ 1,781</u>

The notes to the financial statements are an integral part of this statement.

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NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

This fund accounts for the payment of interest and principal on long-term bonded debt. The City has contracted with Oakland County for indirect repayment of bonds issued for sewers and drains.

ROAD BOND DEBT

Voter approved tax levy recording the repayment of debt service for bonds sold for the purpose of repairing Major and Local Streets.

DRAINS-AT-LARGE

An at-large assessment is levied upon all property to cover debt service for drains and storm sewers built in the City by Oakland County.

City of Southfield
Combining Balance Sheet
Non-major Governmental Funds
Debt Service Funds
June 30, 2021

	Road Bond Debt	Drains-at- Large	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,561,816	\$ 488,323	\$ 2,050,139
Investments	1,058	122,367	123,425
Receivables, net	10,984	1,148	12,132
Total assets	<u>\$ 1,573,858</u>	<u>\$ 611,838</u>	<u>\$ 2,185,696</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Other short-term liabilities	\$ <u>17,509</u>	\$ <u>1,828</u>	\$ <u>19,337</u>
Fund balance:			
Restricted for debt service	<u>1,556,349</u>	<u>610,010</u>	<u>2,166,359</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,573,858</u>	<u>\$ 611,838</u>	<u>\$ 2,185,696</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-major Governmental Funds Debt Service Funds For the Year Ended June 30, 2021

	Road Bond Debt	Drains-at- Large	Total
REVENUES			
Property taxes	\$ 6,998,666	\$ 584,058	\$ 7,582,724
Investment earnings	47,862	6,184	54,046
Change in fair value of investments	(3,257)	(2,661)	(5,918)
Other	14,537	1,493	16,030
Total revenues	<u>7,057,808</u>	<u>589,074</u>	<u>7,646,882</u>
EXPENDITURES			
Other	3,131	6,776	9,907
Debt service:			
Principal retirement	4,995,000	571,977	5,566,977
Interest and fiscal charges	1,751,975	56,202	1,808,177
Total expenditures	<u>6,750,106</u>	<u>634,955</u>	<u>7,385,061</u>
Net change in fund balances	307,702	(45,881)	261,821
Fund balances - beginning	1,248,647	655,891	1,904,538
Fund balances - ending	<u>\$ 1,556,349</u>	<u>\$ 610,010</u>	<u>\$ 2,166,359</u>

The notes to the financial statements are an integral part of this statement.

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NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

These funds account for resources used for the acquisition or major renovation of capital facilities. Disbursements from these funds are primarily for property acquisition and the construction of permanent public improvements. The major financing sources are bond proceeds, transfers from other City funds, internal loans and grants.

ROAD BOND CONSTRUCTION FUND

This fund is used to account for proceeds used for construction of City roads.

LIBRARY BUILDING AUTHORITY CONSTRUCTION

The Southfield Library Building Authority was incorporated June 14, 1999 under the provisions of Act 31, Public Acts of 1948, to purchase or construct, furnish, equip and maintain a Southfield public library building. As provided in Act 31, the Library Building Authority may also issue negotiable bonds to be repaid through rental payments of the Library to the City.

CAPITAL IMPROVEMENTS

The Capital improvements fund is the basic capital project fund of the City, accounting for all major projects not specifically segregated by bond ordinance or under the superintending control of the Building Authority.

BUILDING AUTHORITY CONSTRUCTION

The Southfield Building Authority was incorporated October 16, 1962 under the provisions of Act 31, Public Acts of 1948, to purchase or construct facilities for use by the City. Building Authority bonds are issued to finance large-scale projects, while internal financing is used to fund other construction projects.

LOCAL IMPROVEMENT REVOLVING

This fund was established to provide a means for the internal financing of public improvements, which could include the purchase and sale of property where appropriate. Most monies loaned to other funds are to be repaid with interest.

SPECIAL ASSESSMENT CONSTRUCTION

This fund accounts for the construction phase of local improvements which benefit specific property owners and are ultimately financed through special assessments. Special assessments collected by this fund are used to pay internal loans borrowed for specific local improvements which benefit property owners.

City of Southfield
Combining Balance Sheet
Non-major Governmental Funds
Capital Project Funds
June 30, 2021

	Library Building Authority Construction	Capital Improvement	Building Authority Construction	Local Improvement Revolving	Special Assessment Construction	Total
ASSETS						
Cash and cash equivalents	\$ 49,985	\$ 2,260,213	\$ 7,331	\$ 2,631,359	\$ 4,032,854	\$ 8,981,742
Investments		5,116,906		70,974		5,187,880
Receivables, net	25	1,396		1,411	17,589	20,421
Special assessments					712,186	712,186
Advances to other funds				1,667,359		1,667,359
Advances to component units				1,401,387		1,401,387
Restricted assets:						
Cash and cash equivalents		37,130				37,130
Total assets	<u>\$ 50,010</u>	<u>\$ 7,415,645</u>	<u>\$ 7,331</u>	<u>\$ 5,772,490</u>	<u>\$ 4,762,629</u>	<u>\$ 18,008,105</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable		157			256,025	256,182
Due to other funds			7,331			7,331
Advances from local improvement revolving		289,968			1,377,391	1,667,359
Total liabilities	<u>-</u>	<u>290,125</u>	<u>7,331</u>	<u>-</u>	<u>1,633,416</u>	<u>1,930,872</u>
Deferred inflows of resources - unavailable	-	-	-	-	709,825	709,825
Fund balances:						
Non-spendable				3,068,746		3,068,746
Restricted		533,933			702,315	1,236,248
Assigned	50,010	6,591,587		2,703,744	1,717,073	11,062,414
Unassigned						
Total fund balances	<u>50,010</u>	<u>7,125,520</u>	<u>-</u>	<u>5,772,490</u>	<u>2,419,388</u>	<u>15,367,408</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 50,010</u>	<u>\$ 7,415,645</u>	<u>\$ 7,331</u>	<u>\$ 5,772,490</u>	<u>\$ 4,762,629</u>	<u>\$ 18,008,105</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-major Governmental Funds

Capital Project Funds

For the Year Ended June 30, 2021

	Library Building Authority Construction	Capital Improvement	Building Authority Construction	Local Improvement Revolving	Special Assessment Construction	Total
REVENUES						
Special assessments					\$ 718,393	\$ 718,393
Contributions and donations		\$ 86			1,045	1,131
Investment earnings	\$ 464	129,608		\$ 23,269	21,959	175,300
Change in fair value of investments	(117)	(65,087)		(5,517)	(7,704)	(78,425)
Other		72,048		242,271	27,551	341,870
Total revenues	<u>347</u>	<u>136,655</u>	\$ -	<u>260,023</u>	<u>761,244</u>	<u>1,158,269</u>
EXPENDITURES						
Construction and other costs	<u>16</u>	<u>740,176</u>	-	<u>743</u>	<u>709,685</u>	<u>1,450,620</u>
Excess (deficiency) of revenues over (under) expenditures	331	(603,521)	-	259,280	51,559	(292,351)
OTHER FINANCING SOURCES						
Transfers in		95,965				95,965
Net change in fund balances	331	(507,556)	-	259,280	51,559	(196,386)
Fund balances - beginning	49,679	7,633,076	-	5,513,210	2,367,829	15,563,794
Fund balances - ending	<u>\$ 50,010</u>	<u>\$ 7,125,520</u>	<u>\$ -</u>	<u>\$ 5,772,490</u>	<u>\$ 2,419,388</u>	<u>\$ 15,367,408</u>

The notes to the financial statements are an integral part of this statement.

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INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

These funds are cost control centers that operate on a full accrual basis to account for the financing of specific equipment and services provided to other City operations based on user charges.

HEALTH CARE

This fund accounts for the payment of health benefits for all active City employees.

FACILITIES MAINTENANCE

This fund accounts for the ongoing maintenance of the City's physical plant, as well as construction projects carried out by in-house staff. Annual pro-rated maintenance charges and non-recurring special project billings are collected from operating departments in support of this fund's activities.

MOTOR POOL

This fund acquires and maintains vehicles and equipment, including heavy construction & maintenance items and police & fire vehicles.

EQUIPMENT REVOLVING

This fund acquires and maintains office equipment for all operations and provides for replacement of fire equipment, parks and recreation equipment and library equipment.

INSURANCE RISK RETENTION

This fund is utilized to account for retroactive premium adjustments, as a provision for claims in excess of the City's insurance coverage, and for loss prevention and risk management initiatives.

City of Southfield
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Health Care	Facilities Maintenance	Motor Pool	Equipment Revolving	Insurance Risk Retention	Total
ASSETS						
Current assets:						
Cash and cash equivalents (Note 3)	\$ 3,452,464	\$ 2,159,010	\$ 6,482,039	\$ 722,566	\$ 554,412	\$ 13,370,491
Investments (Note 3)		1,331,559	4,279,272	2,113,500	1,837,548	9,561,879
Receivables, net (Note 5)	9,100,333	2,241	3,676	581	517	9,107,348
Prepays and other assets	790,871		6,735			797,606
Due from other funds (Note 8)	446,030	243,839	6,169			696,038
Due from component units		10,015				10,015
Inventory			339,831			339,831
Total current assets	<u>13,789,698</u>	<u>3,746,664</u>	<u>11,117,722</u>	<u>2,836,647</u>	<u>2,392,477</u>	<u>33,883,208</u>
Noncurrent assets:						
Restricted cash and cash equivalents (Note 4)					2,022,547	2,022,547
Capital assets: (Note 6)						
Equipment and intangibles		447,898	15,423,076	12,410,251		28,281,225
Less accumulated depreciation		(363,344)	(12,329,605)	(7,862,828)		(20,555,777)
Net capital assets	-	84,554	3,093,471	4,547,423	-	7,725,448
Total noncurrent assets	-	84,554	3,093,471	4,547,423	2,022,547	9,747,995
Total assets	<u>13,789,698</u>	<u>3,831,218</u>	<u>14,211,193</u>	<u>7,384,070</u>	<u>4,415,024</u>	<u>43,631,203</u>
Deferred Outflows of Resources						
Related to Pensions		290,150	247,744			537,894
LIABILITIES						
Current liabilities:						
Accounts payable	166,734	621,540	154,764	2,919		945,957
Accrued payroll	553,970	56,432	45,044			655,446
Provision for medical claims					427,627	427,627
Due to other funds (Note 8)	26,250					26,250
Due to component units	29,530					29,530
Accrued compensated absences- due within 1 year (Note 7)		56,989	75,486			132,475
Total current liabilities	<u>776,484</u>	<u>734,961</u>	<u>275,294</u>	<u>2,919</u>	<u>427,627</u>	<u>2,217,285</u>
Noncurrent liabilities:						
General insurance & workers' compensation accrual					2,955,473	2,955,473
Accrued compensated absences- due more 1 year (Note 7)		71,932	93,607			165,539
Net pension liability (Note 11)		1,784,511	1,523,696			3,308,207
Net OPEB liability (Note 12)		1,694,762	518,891			2,213,653
Total noncurrent liabilities	-	3,551,205	2,136,194	-	2,955,473	8,642,872
Total liabilities	<u>776,484</u>	<u>4,286,166</u>	<u>2,411,488</u>	<u>2,919</u>	<u>3,383,100</u>	<u>10,860,157</u>
Deferred Inflows of Resources						
Related to Pensions		572,236	488,601			1,060,837
Related to OPEB		134,779	41,265			176,044
NET POSITION						
Net investment in capital assets		84,554	3,093,471	4,547,423		7,725,448
Unrestricted	13,013,214	(956,367)	8,424,112	2,833,728	1,031,924	24,346,611
Total net position (deficit)	<u>\$ 13,013,214</u>	<u>\$ (871,813)</u>	<u>\$ 11,517,583</u>	<u>\$ 7,381,151</u>	<u>\$ 1,031,924</u>	<u>\$ 32,072,059</u>

The notes to the financial statements are an integral part of this statement.

City of Southfield

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the Year Ended June 30, 2021

	Health Care	Facilities Maintenance	Motor Pool	Equipment Revolving	Insurance Risk Retention	Total
OPERATING REVENUES						
Charges for consumption and service:						
Charges to other funds	\$ 9,475,717	\$ 4,895,781	\$ 4,978,459			\$ 19,349,957
Other		1,640		832,494		834,134
Total operating revenues	9,475,717	4,897,421	4,978,459	832,494	\$ -	20,184,091
OPERATING EXPENSES						
Administration		1,256,153	28,347	23,493	1,583,643	2,891,636
Health Care	6,879,864					6,879,864
Equipment and facility operation:						
Equipment maintenance			1,596,555	73,379		1,669,934
Communications			396,225			396,225
Maintenance		1,201,710				1,201,710
Custodial		1,101,284				1,101,284
Depreciation		18,243	805,921	893,911		1,718,075
Other	97,930				493,031	590,961
Total operating expenses	6,977,794	3,577,390	2,827,048	990,783	2,076,674	16,449,689
Operating income (loss)	2,497,923	1,320,031	2,151,411	(158,289)	(2,076,674)	3,734,402
NONOPERATING REVENUES (EXPENSES)						
Gain on disposition of assets			3,800			3,800
Investment earnings	45,376	31,548	127,217	44,959	46,450	295,550
Change in fair value of investments	(34,926)	(13,804)	(60,455)	(21,253)	(22,492)	(152,930)
Other	(1,647)		(1,540)	(243)	(379)	(3,809)
Total nonoperating revenues (expenses)	8,803	17,744	69,022	23,463	23,579	142,611
Transfers in		16,030				16,030
Change in net position	2,506,726	1,353,805	2,220,433	(134,826)	(2,053,095)	3,893,043
Total net position - beginning	10,506,488	(2,225,618)	9,297,150	7,515,977	3,085,019	28,179,016
Total net position (deficit) - ending	\$ 13,013,214	\$ (871,813)	\$ 11,517,583	\$ 7,381,151	\$ 1,031,924	\$ 32,072,059

The notes to the financial statements are an integral part of this statement.

City of Southfield
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Health Care	Facilities Maintenance	Motor Pool	Equipment Revolving	Insurance Risk Retention	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from users	\$ 1,095,623	\$ 4,892,928	\$ 4,987,756	\$ 839,077	\$ 1,236,310	\$ 13,051,694
Cash received from (paid to) employees	553,970	(1,787,458)	(1,967,098)		(212,942)	(3,413,528)
Cash paid to suppliers	(6,891,749)	(1,894,748)	(550,620)	(108,722)	(1,308,433)	(10,754,272)
Payments made on interfunds	(440,949)	(294)	(2,890)			(444,133)
Net cash provided by (used in) operating activities	<u>(5,683,105)</u>	<u>1,210,428</u>	<u>2,467,148</u>	<u>730,355</u>	<u>(285,065)</u>	<u>(1,560,239)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in		16,030				16,030
Net cash provided by noncapital and related financing activities	-	<u>16,030</u>	-	-	-	<u>16,030</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of property equipment & adjustments, net of proceeds	(1,647)	(27,919)	(1,617,969)	(186,376)	(379)	(1,834,290)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments, net of proceeds		(89,924)	(288,991)	(142,731)	(124,095)	(645,741)
Investment earnings	10,450	17,744	66,762	23,706	23,958	142,620
Net cash provided by (used in) investing activities	<u>10,450</u>	<u>(72,180)</u>	<u>(222,229)</u>	<u>(119,025)</u>	<u>(100,137)</u>	<u>(503,121)</u>
Net increase (decrease) in cash, cash equivalents	(5,674,302)	1,126,359	626,950	424,954	(385,581)	(3,881,620)
Cash, cash equivalents, beginning of year	9,126,766	1,032,651	5,855,089	297,612	2,962,540	19,274,658
Cash, cash equivalents, end of year	<u>\$ 3,452,464</u>	<u>\$ 2,159,010</u>	<u>\$ 6,482,039</u>	<u>\$ 722,566</u>	<u>\$ 2,576,959</u>	<u>\$ 15,393,038</u>
Balance sheet reconciliation of cash & cash equivalents						
Cash, cash equivalents	\$ 3,452,464	\$ 2,159,010	\$ 6,482,039	\$ 722,566	\$ 554,412	\$ 13,370,491
Restricted cash, cash equivalents					2,022,547	2,022,547
Total cash, cash equivalents	<u>\$ 3,452,464</u>	<u>\$ 2,159,010</u>	<u>\$ 6,482,039</u>	<u>\$ 722,566</u>	<u>\$ 2,576,959</u>	<u>\$ 15,393,038</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 2,497,923	\$ 1,320,031	\$ 2,151,411	\$ (158,289)	\$ (2,076,674)	\$ 3,734,402
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation		18,243	805,921	893,911		1,718,075
Receivables	(8,362,446)	(4,493)	6,293	6,583	3,243	(8,350,820)
Prepays and other assets	(17,648)		3,004		1,233,067	1,218,423
Inventory			141,491			141,491
Deferred outflow		423,321	399,507			822,828
Accounts payable	75,750	192,291	23,145	(11,850)	427,627	706,963
Accrued payroll, including compensated absences due in less than one year	553,970	25,023	(1,001)			577,992
General insurance & workers' compensation accrual					127,672	127,672
Accrued compensated absences		(2,081)	(23,521)			(25,602)
Net pension liability		(249,123)	(318,484)			(567,607)
Net OPEB liability		(865,225)	(1,091,228)			(1,956,453)
Interfunds	(430,654)	(294)	(2,890)			(433,838)
Deferred inflow		352,735	373,500			726,235
Net cash provided by (used in) operating activities	<u>\$ (5,683,105)</u>	<u>\$ 1,210,428</u>	<u>\$ 2,467,148</u>	<u>\$ 730,355</u>	<u>\$ (285,065)</u>	<u>\$ (1,560,239)</u>

The notes to the financial statements are an integral part of this statement.



RETIREMENT TRUSTS FUNDS

FIDUCIARY FUNDS-

RETIREMENT TRUSTS

PENSION TRUST

These funds account for employee and employer pension contributions, accumulated assets, administrative expenses, investment income and payments to beneficiaries. The funds include the Southfield Employee Retirement System and the Fire & Police Retirement System.

RETIREE HEALTH CARE BENEFITS PLAN & TRUST

The fund accounts for employer post retirement health care contributions, accumulated assets, administrative expenses and investment income. Payments for beneficiaries are not anticipated until the reserves for post retirement health care benefits have been depleted in the pension trusts.

City of Southfield

Combining Statement of Fiduciary Net Position

Pension and Other Post-Employment Benefits Trust Funds

June 30, 2021

	Pension		Other Post-	Totals
	Southfield Employee Retirement System	Fire & Police Retirement System	Employment Benefits Retiree Health Care Benefits Plan & Trust	
ASSETS				
Cash and cash equivalents	\$ 250	\$ 2,120,080	\$ 295,092	\$ 2,415,422
Investments:				
Debt securities	13,674,825	28,186,221	23,549,175	65,410,221
Equity securities	107,048,808	178,156,569	75,850,370	361,055,747
Short-term investments	5,098,080	4,159,388	8,741,749	17,999,217
Other investments	3,332,759	8,113,481	4,810,259	16,256,499
Total investments	129,154,472	218,615,659	112,951,553	460,721,684
Cash and investments held as collateral for securities lending:				
Repurchase agreements		4,374,847		4,374,847
Certificates of deposit		1,220,523		1,220,523
Variable rate certificates of deposit		1,261,489		1,261,489
Time deposits		2,515,748		2,515,748
Commercial paper		1,483,183		1,483,183
Asset backed commercial paper		761,472		761,472
Sweep vehicles		387,965		387,965
Municipal variable bonds		43,375		43,375
Non-cash collateral	4,282,950			4,282,950
Total securities lending	4,282,950	12,048,602	-	16,331,552
Receivables, net	551,944	483	575,389	1,127,816
Prepaid	982,363			982,363
Total assets	134,971,979	232,784,824	113,822,034	481,578,837
LIABILITIES				
Accounts payable and accrued payroll	306,434	3,118	1,605,056	1,914,608
Due to other governmental units			9,149,204	9,149,204
Obligations under securities lending agreements	4,282,950	12,048,602		16,331,552
Total liabilities	4,589,384	12,051,720	10,754,260	27,395,364
NET POSITION				
Restricted for pension benefits	130,382,595	220,733,104		351,115,699
Restricted for post-retirement health care benefits			103,067,774	103,067,774
Total net position	\$ 130,382,595	\$ 220,733,104	\$ 103,067,774	\$ 454,183,473

The notes to the financial statements are an integral part of this statement.

City of Southfield

Combining Statement of Changes in Fiduciary Net Position Pension and Other Post-Employment Benefits Trust Funds For the Year Ended June 30, 2021

	Pension		Other Post-Employment Benefits	
	Southfield Employee Retirement System	Fire & Police Retirement System	Retiree Health Care Benefits Plan & Trust	Totals
ADDITIONS				
Contributions:				
Plan members	\$ 1,040,024	\$ 678,115	\$ 506,648	\$ 2,224,787
Employer	4,538,379	8,853,911	11,014,550	24,406,840
Total contributions	5,578,403	9,532,026	11,521,198	26,631,627
Investment activity:				
Net increase in fair value of investments	28,420,782	51,496,967	20,730,213	100,647,962
Investment earnings	196,098	3,758,982	16,656	3,971,736
Dividends	1,548,058	3,660	2,408,350	3,960,068
Other	1,631,778			1,631,778
Total investment activity	31,796,716	55,259,609	23,155,219	110,211,544
Less investment expense:	576,947	1,019,790	399,004	1,995,741
Net investment activity	31,219,769	54,239,819	22,756,215	108,215,803
Total additions, net	36,798,172	63,771,845	34,277,413	134,847,430
DEDUCTIONS				
Benefits	12,143,893	21,876,889		34,020,782
Health care expense		28,362	8,363,481	8,391,843
Administrative expense	236,326	202,664	53,463	492,453
Total deductions	12,380,219	22,107,915	8,416,944	42,905,078
Net increase	24,417,953	41,663,930	25,860,469	91,942,352
Net position - beginning	105,964,642	179,069,174	77,207,305	362,241,121
Net position - ending	\$ 130,382,595	\$ 220,733,104	\$ 103,067,774	\$ 454,183,473

The notes to the financial statements are an integral part of this statement.

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CUSTODIAL FUNDS

FIDUCIARY FUNDS-

CUSTODIAL

46TH DISTRICT COURT

This fund is for the activity of adjoining municipalities served by the 46th District Court of the State of Michigan. The City acts as district control unit for the 46th District Court.

TAX COLLECTION

This fund is a clearing-account for tax collections paid out to other taxing authorities.

City of Southfield
Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds		
	46th District Court	Tax Collection	Totals
ASSETS			
Cash and cash equivalents	\$ 630,074	\$ 2,666,546	\$ 3,296,620
Total assets	<u>\$ 630,074</u>	<u>\$ 2,666,546</u>	<u>\$ 3,296,620</u>
LIABILITIES			
Due to other governmental units	\$ 630,074	\$ 2,666,546	\$ 3,296,620
Total liabilities	<u>\$ 630,074</u>	<u>\$ 2,666,546</u>	<u>\$ 3,296,620</u>
NET POSITION			
Organizations and other governments	\$ -	\$ -	\$ -
Total net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

City of Southfield
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds		
	46th District Court	Tax Collection	Totals
ADDITIONS			
Property tax collections		\$ 179,828,054	\$ 179,828,054
Other additions		294,177	294,177
District court collections	\$ 1,528,315		1,528,315
Total additions	1,528,315	180,122,231	181,650,546
DEDUCTIONS			
Tax distributions to other governments		180,122,231	180,122,231
Other deductions	13,315		13,315
District court disbursements	1,515,000		1,515,000
Total deductions	1,528,315	180,122,231	181,650,546
Net increase (decrease)	-	-	-
Net position - beginning	-	-	-
Net position - ending	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

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STATISTICAL SECTION

City of Southfield, Michigan

Statistical Section

June 30, 2021

This part of the City of Southfield's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	202
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	207
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	213
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	216
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	224
Continuing Disclosure Information contained herein complies with Rule 15c2-12, a federal regulation promulgated by the Securities and Exchange Commission, designed to improve disclosure practices in the municipal bond market.	228

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

City of Southfield, Michigan

Net Position By Component Last Ten Fiscal Years (in dollars)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 **</u>	<u>2017</u>	<u>2016</u>	<u>2015 *</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities										
Net investment in capital assets	104,932,317	106,002,496	102,881,393	101,005,048	95,674,999	95,813,554	44,661,333	88,692,768	91,559,223	93,389,840
Restricted	39,000,824	34,328,438	28,547,110	25,206,114	30,065,371	29,819,410	70,089,972	26,288,768	24,842,971	27,527,622
Unrestricted	(102,942,905)	(134,832,732)	(147,836,530)	(288,325,900)	(81,334,926)	(63,833,162)	(39,862,697)	12,855,588	19,470,703	36,362,533
Total governmental activities net position	40,990,236	5,498,202	(16,408,027)	(162,114,738)	44,405,444	61,799,802	74,888,608	127,837,124	135,872,897	157,279,995
Business-type activities										
Net investment in capital assets	101,069,180	100,649,117	97,382,754	98,951,625	93,842,676	74,685,935	61,656,052	48,161,029	45,424,573	42,942,563
Unrestricted	25,725,189	14,638,562	4,373,370	(7,121,199)	2,667,324	21,124,042	31,870,522	43,057,372	42,737,431	40,881,674
Total business-type activities net position	126,794,369	115,287,679	101,756,124	91,830,426	96,510,000	95,809,977	93,526,574	91,218,401	88,162,004	83,824,237
Primary government										
Net investment in capital assets	206,001,497	206,651,613	200,264,147	199,956,673	189,517,675	170,499,489	106,317,385	136,853,797	136,983,796	136,332,403
Restricted	39,000,824	34,328,438	28,547,110	25,206,114	30,065,371	29,819,410	70,089,972	26,288,768	24,842,971	27,527,622
Unrestricted	(77,217,716)	(120,194,170)	(143,463,160)	(295,447,099)	(78,667,602)	(42,709,120)	(7,992,175)	55,912,960	62,208,134	77,244,207
Total primary government net position	167,784,605	120,785,881	85,348,097	(70,284,312)	140,915,444	157,609,779	168,415,182	219,055,525	224,034,901	241,104,232

Notes:

* Net position calculation adjusted to reflect retroactive implementation of GASB 68

** Net position calculation adjusted to reflect retroactive implementation of GASB 75

City of Southfield, Michigan

Changes In Net Position Last Ten Fiscal Years (in dollars)

	2021	2020	2019*	2018	2017	2016	2015	2014	2013	2012
Expenses net of Recovery										
Governmental activities:										
General government	13,786,966	9,629,269	(8,953,254)	15,004,501	17,939,038	16,465,647	15,685,934	19,238,783	13,516,403	14,231,933
Public safety	44,574,357	53,831,555	(32,897,550)	68,115,664	65,696,598	63,045,761	50,953,807	49,905,628	49,874,106	41,684,855
Highway and streets	14,302,042	13,994,310	6,714,621	14,584,864	12,249,162	12,120,677	10,654,646	10,899,272	10,002,530	9,785,950
Public services	2,282,250	2,724,970	52,177	2,970,380	2,656,844	1,565,891	1,492,616	1,505,322	1,469,968	1,388,114
Sanitation	2,766,569	2,422,125	2,698,219	2,549,858	2,782,468	3,088,287	3,248,297	2,946,305	2,999,397	3,146,562
Community improvement	920,214	497,972	452,328	535,271	571,835	435,655	547,084	503,364	378,392	754,452
Social services	1,955,217	1,318,493	(1,209,965)	2,482,797	2,026,666	2,848,395	2,257,567	2,151,982	2,608,788	4,802,279
Culture and recreation	10,933,960	11,628,765	1,493,428	12,812,976	17,861,783	16,362,176	14,989,869	15,421,345	14,833,808	15,413,138
Interest on long-term debt	2,865,310	2,873,894	3,226,692	2,176,109	2,393,324	2,789,226	2,211,125	1,846,460	2,228,416	2,246,976
Total governmental activities expenses	94,386,885	98,921,353	(28,423,304)	121,232,420	124,177,718	118,721,715	102,040,945	104,418,461	97,911,808	93,454,259
Business-type activities:										
Water and sewer	37,543,838	36,447,544	38,883,241	41,557,721	42,158,425	39,297,717	35,239,077	35,004,942	32,946,783	31,348,426
Total primary government expenses	131,930,723	135,368,897	10,459,937	162,790,141	166,336,143	158,019,432	137,280,022	139,423,403	130,858,591	124,802,685
Program revenues										
Charges for services:										
General government	1,943,438	1,916,497	1,997,640	3,355,275	2,041,601	2,201,021	1,144,013	1,377,779	1,923,492	1,157,454
Public safety	9,836,810	9,319,685	9,921,251	9,613,579	9,629,419	9,150,364	9,675,824	8,385,676	8,352,338	8,432,922
Highways and streets				1,300,000						
Public services	558,213	579,514	558,912	1,315,538	666,814	1,245,286	706,405	482,508	605,056	745,171
Sanitation	2,537,834	2,756,650	3,010,400	2,675,041	2,523,464	3,179,966	3,070,248	3,070,933	3,161,928	3,135,091
Community improvement	552,647	604,846	541,309	1,987,860	376,099	376,099	363,381	210,232	149,078	322,502
Culture and recreation	2,155,774	2,640,774	4,442,256	3,160,789	3,467,265	3,671,531	4,306,858	4,278,961	4,184,976	4,174,246
Operating grants and contributions	21,850,184	12,440,344	13,173,234	13,436,067	12,019,411	8,869,321	9,474,674	11,106,575	9,725,082	13,024,964
Capital grants and contributions	285,131	448,293	1,491	114,250		2,075			332,053	74,886
Total governmental activities program revenues	39,720,031	30,706,603	33,105,184	35,511,848	32,335,834	28,695,663	28,741,403	28,912,664	28,434,003	31,067,236
Business-type activities:										
Charges for services:										
Water and sewer	48,636,991	47,946,663	48,380,692	44,183,759	42,818,241	41,074,852	37,888,336	36,671,976	38,241,205	38,002,545
Capital grants and contributions								3,345	121,440	161,652
Total business-type activities program revenues	48,636,991	47,946,663	48,380,692	44,183,759	42,818,241	41,074,852	37,888,336	36,675,321	38,362,645	38,164,197
Total primary government program revenues	88,357,022	78,653,266	81,485,876	79,695,607	75,154,075	69,770,515	66,629,739	65,587,985	66,796,648	69,231,433
Net (Expense)/Revenue										
Governmental activities	(54,666,854)	(68,214,750)	61,528,488	(85,720,572)	(91,841,884)	(90,026,052)	(73,299,542)	(75,505,797)	(69,477,805)	(62,387,023)
Business-type activities	11,093,153	11,499,119	9,497,451	2,626,038	659,816	1,777,135	2,649,259	1,670,379	5,415,862	6,815,771
Total primary government net expense	(43,573,701)	(56,715,631)	71,025,939	(83,094,534)	(91,182,068)	(88,248,917)	(70,650,283)	(73,835,418)	(64,061,943)	(55,571,252)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	75,802,671	71,804,044	68,477,196	64,459,301	64,457,071	65,040,960	58,038,889	59,325,483	59,510,906	60,710,702
Unrestricted state shared revenues	10,048,984	9,035,536	8,452,935	8,130,949	7,632,236	6,580,135	6,464,147	6,351,775	6,184,435	6,016,116
Unrestricted investment earnings	1,994,197	3,131,986	2,991,644	1,114,275	1,136,782	2,446,327	1,132,298	989,671	301,515	627,531
Unrestricted investment earnings, fair value	(499,501)	2,118,270	1,092,860	705,968	(832,153)					
Miscellaneous	2,812,537	4,031,143	3,163,588	540,828	2,053,590	2,869,824	2,509,393	1,066,395	628,512	1,870,282
Transfers								(263,300)	986,505	57,386
Total governmental activities	90,158,888	90,120,979	84,178,223	74,951,321	74,447,526	76,937,246	68,144,727	67,470,024	67,611,873	69,282,017
Business-type activities:										
Unrestricted investment earnings (loss)	670,309	1,555,296	183,820	47,455	73,846	431,341	744,480	914,669	(112,248)	395,840
Unrestricted investment earnings (loss), fair value	(282,094)	466,955	18,391	(44,854)	(83,433)					
Miscellaneous	25,322	10,185	226,033	18,496	49,794	74,930	73,228	208,049	20,658	235,690
Transfers								263,300	(986,505)	(57,386)
Total business-type activities	413,537	2,032,436	428,244	21,097	40,207	506,271	817,708	1,386,018	(1,078,095)	574,144
Total primary government	90,572,425	92,153,415	84,606,467	74,972,418	74,487,733	77,443,517	68,962,435	68,856,042	66,533,778	69,856,161
Change in Net Position										
Governmental activities	35,492,034	21,906,229	145,706,711	(10,769,251)	(17,394,358)	(13,088,806)	(5,154,815)	(8,035,773)	(1,865,932)	6,894,994
Business-type activities	11,506,690	13,531,555	9,925,695	2,647,135	700,023	2,283,406	3,466,967	3,056,397	4,337,767	7,389,915
Total primary government	46,998,724	35,437,784	155,632,406	(8,122,116)	(16,694,335)	(10,805,400)	(1,687,848)	(4,979,376)	2,471,835	14,284,909

Notes:

*FY19 Includes recovery expenses: General Government (22,133,391), Public Safety (94,679,246), Highways and Streets (6,105,843), Public Services (3,079,569), Social Services (3,440,898), Culture and Recreation (13,325,488), Water and Sewer (4,434,501)

City of Southfield, Michigan

Fund Balances, Governmental Funds Last Ten Fiscal Years (in dollars)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund										
Non-spendable	12,471,718	14,700,181	15,409,414	13,302,124	8,622,061	6,475,886	4,221,267	943,657	1,126,971	1,087,648
Restricted	2,147,042	2,198,702	1,602,557	1,000,439	690,567	737,229	281,160	1,274,069	1,682,768	1,520,237
Committed	38,871,302	28,800,447	23,517,350	19,542,663	11,325,571	15,735,820	13,465,937	10,647,485	9,380,385	6,365,392
Assigned	670,281	463,577	777,519	348,733	12,848,733	224,063	121,944	586,969	2,366,529	2,565,093
Unassigned	17,871,307	15,759,131	15,476,115	14,890,551	12,455,795	8,210,574	7,760,254	7,826,124	1,932,931	1,574,840
Total general fund	<u>72,031,650</u>	<u>61,922,038</u>	<u>56,782,955</u>	<u>49,084,510</u>	<u>45,942,727</u>	<u>31,383,572</u>	<u>25,850,562</u>	<u>21,278,304</u>	<u>16,489,584</u>	<u>13,113,210</u>
Major streets ****										
Non-spendable	13,440									
Restricted	2,194,962	1,601,406	1,695,252	232,120	479,741	1,221,210				
Total major street fund	<u>2,208,402</u>	<u>1,601,406</u>	<u>1,695,252</u>	<u>232,120</u>	<u>479,741</u>	<u>1,221,210</u>				
Local streets **										
Restricted					7,934,388			1,985,106	3,635,875	
Total local streets					<u>7,934,388</u>			<u>1,985,106</u>	<u>3,890,526</u>	
Cable Television ****										
Non-spendable					17,937	11,610				
Restricted					332,075	657,161				
Committed					564,846	571,173				
Total cable television					<u>914,858</u>	<u>1,239,944</u>				
Road Bond Construction ***										
Restricted	23,107,183		22,459,083	35,661,458	7,553,533	23,145,796	43,064,130			
Total road bond construction	<u>23,107,183</u>		<u>22,459,083</u>	<u>35,661,458</u>	<u>7,553,533</u>	<u>23,145,796</u>	<u>43,064,130</u>			
Capital Improvement **										
Restricted										665,137
Assigned										635,242
Total capital improvement										<u>1,300,379</u>
Special assessment construction ****										
Restricted				248,221	273,029	383,163				
Committed					376,130	330,378				
Assigned				991,706	295,117	445,974				
Total special assessment construction				<u>1,239,927</u>	<u>944,276</u>	<u>1,159,515</u>				
Other Governmental Funds										
Non-spendable	3,102,718	3,255,794	3,518,810	71,434	61,236	61,460	111,969	249,055	100,832	112,180
Restricted	33,189,940	38,707,496	24,470,214	22,627,824	15,022,875	23,489,423	22,178,484	21,436,016	17,767,970	18,171,039
Committed	371,230	359,949	866,053	920,433	443,879	857,837	4,417,821	5,057,228	3,817,656	3,396,257
Assigned	11,062,414	11,112,625	10,100,836	6,468,652	7,869,903	7,238,921	5,879,087	3,849,932	3,610,924	1,534,454
Unassigned	-	-	(42,079)					(162,584)	(140,715)	(706,268)
Total other governmental funds	<u>47,726,302</u>	<u>53,435,864</u>	<u>38,913,834</u>	<u>30,088,343</u>	<u>23,397,893</u>	<u>31,647,641</u>	<u>32,587,361</u>	<u>30,429,647</u>	<u>25,156,667</u>	<u>22,507,662</u>

Notes:

Fund balance classifications were changed as a result of the implementation of GASB 54 for 6/30/11.

** Local Street Fund major fund years 2012-2013, 2017, Capital Improvement Fund major fund year 2012

*** Road Bond Construction major fund years 2015-2019, 2021

**** Major Street Fund major fund years 2016-2021, Cable Television Fund major fund years 2016-2017, Special Assessment Construction major fund years 2016-2018

City of Southfield, Michigan

Changes In Fund Balances, Governmental Funds Last Ten Fiscal Years (in dollars)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	75,802,672	72,241,184	68,492,600	64,830,466	63,910,955	64,893,949	58,299,529	59,427,443	59,318,129	60,710,702
Special assessments	741,902	959,441	731,373	1,147,885	471,232	376,100	363,379	210,234	337,955	322,503
Program earnings										46,432
Charges for services	5,257,058	5,676,021	7,230,614	8,952,924	6,040,334	6,672,822	5,726,183	5,553,689	5,855,958	5,805,936
Sanitation	2,537,834	2,756,650	3,010,400	2,675,041	2,523,464	3,179,966	3,070,248	3,070,933	3,161,928	3,135,091
Licenses and permits	3,950,460	2,849,931	3,822,998	4,073,723	3,769,054	2,695,547	3,626,811	2,465,614	2,062,659	2,133,162
Fines and forfeitures	3,018,505	2,989,270	3,310,671	3,170,861	3,541,331	4,305,908	4,579,780	4,550,607	4,562,075	4,940,172
Federal forfeitures	21,892	263,798	87,475	189,393	132,371	63,471	15,640	27,631	60,531	
Cable franchise fees	2,130,531	2,164,340	2,296,217	2,342,413	2,483,796	2,630,954	1,910,925	1,907,580	1,550,192	1,630,516
Intergovernmental:										
Federal	10,660,953	2,438,642	2,564,070	2,419,284	3,970,295	2,033,805	2,464,286	4,000,451	3,566,630	6,530,716
State	20,205,762	18,431,094	17,874,186	17,771,346	13,092,069	12,378,566	12,026,566	12,058,538	11,515,990	11,120,784
Other	1,344,825	866,660	1,016,835	2,213,780	790,374	844,810	1,301,666	725,760	771,331	1,253,776
Contributions and donations	445,721	92,088	154,357	345,608	280,980	648,277	120,600	442,991	80,855	164,257
Net investment earnings	1,994,197	3,131,982	2,991,634	1,350,889	1,137,292	2,493,770	1,132,298	989,664	301,516	627,531
Net investment earnings, fair value	(499,501)	2,118,271	1,092,860	345,161	(832,147)					
Other	3,341,807	3,030,934	2,962,384	835,602	1,725,482	2,441,090	2,556,041	1,255,103	628,518	1,695,658
Total revenues	130,954,618	120,010,306	117,638,674	112,664,376	103,036,882	105,659,035	97,193,412	96,686,238	93,774,267	100,117,236
Expenditures										
General government	12,067,324	10,847,078	9,444,651	9,193,826	9,357,206	8,846,432	7,970,532	7,631,283	8,118,011	8,704,424
Public safety	57,151,409	54,901,909	50,955,888	49,209,620	48,745,629	46,348,737	44,094,992	44,843,468	43,909,381	44,213,881
Highways and streets	9,623,956	9,640,613	8,476,984	8,150,738	7,489,049	5,871,047	6,173,142	6,205,694	5,841,206	6,294,730
Public services	2,442,910	2,326,352	1,651,681	2,457,165	1,402,491	901,302	692,765	677,969	609,558	696,105
Sanitation	2,766,569	2,422,125	2,698,219	2,549,858	2,782,468	3,088,287	3,248,297	2,946,305	2,999,397	3,146,562
Community improvement	920,214	497,972	452,328	535,271	571,835	435,655	547,084	503,364	378,392	755,660
Social services	2,529,400	1,743,486	1,968,330	1,773,621	1,597,920	1,728,259	1,871,601	2,047,022	2,435,970	4,556,490
Culture and recreation	10,537,315	11,323,683	12,894,471	11,916,827	11,963,738	11,911,344	12,024,450	12,017,523	11,980,291	13,202,079
Insurance and bonds	886,035	621,584	678,225	127,107	132,930	76,853	56,250	49,951	529,432	529,578
Support services	4,451,941	3,435,918	2,661,157	2,681,503	5,282,452	4,932,507	5,120,037	4,724,481	5,678,180	4,998,157
Other	1,460,527	1,213,433	177,158	4,088	42,615	46,975	575,505	468,123	387,455	556,950
Capital outlay	11,175,692	13,747,920	17,160,673	17,233,853	19,172,508	24,746,624	8,622,672	3,219,766	3,912,443	3,273,984
Debt service										
Principal retirement	8,456,842	8,195,773	7,903,033	8,348,847	8,042,594	7,229,538	2,944,647	2,707,625	2,335,790	2,352,075
Interest and fiscal charges	2,616,749	2,900,979	3,083,030	2,199,927	2,437,034	2,882,536	1,996,487	1,924,616	2,201,538	2,258,317
Total expenditures	127,086,883	123,818,825	120,205,828	116,382,251	119,020,469	119,046,096	95,938,461	89,967,190	91,317,044	95,538,992
Excess of revenues over (under) expenditures	3,867,735	(3,808,519)	(2,567,154)	(3,717,875)	(15,983,587)	(13,387,061)	1,254,951	6,719,048	2,457,223	4,578,244
Other Financing Sources (Uses)										
Sale of capital assets										174,627
Transfers in	10,834,890	13,671,772	15,386,341	11,540,412	29,664,407	27,084,718	8,493,780	3,932,251	4,552,193	3,923,927
Insurance proceeds	847,500	916,703								
Proceeds on long-term debt	21,605,000			30,885,000			73,275,000		3,430,000	
Premium on bond issuance	1,810,024			1,971,817			4,064,034			
Bond issuance cost									(42,139)	
Transfers out	(10,850,920)	(13,671,772)	(14,214,681)	(11,540,412)	(16,311,082)	(25,402,029)	(8,008,665)	(2,574,705)	(2,985,552)	(3,206,778)
Payment to escrow fund for refunding							(29,284,999)		(3,387,861)	
Total other financing sources (uses)	24,246,494	916,703	1,171,660	32,856,817	13,353,325	1,682,689	48,539,150	1,357,546	1,566,641	891,776
Net change in fund balances	28,114,229	(2,891,816)	(1,395,494)	29,138,942	(2,630,262)	(11,704,372)	49,794,101	8,076,594	4,023,864	5,470,020

City Of Southfield, Michigan

General Fund Balance Compared To Annual Expenditures Last Ten Fiscal Years

Fiscal Year Ending June 30	Unassigned Fund Balance	Annual Expenditures	Balance As Percent Of Expenditures	
2021	\$ 17,871,307	\$ 79,769,742	22.4	%
2020	15,759,131	74,507,728	21.2	
2019	15,476,115	68,237,177	22.7	
2018	14,890,551	66,527,171	22.4	
2017	12,455,795	66,726,729	18.7	
2016	8,210,574	64,129,257	12.8	
2015	7,760,254	61,331,202	12.7	
2014	7,826,124	61,004,444	12.8	
2013	1,932,931	62,397,410	3.1	
2012	1,574,840	62,374,108	2.5	

City of Southfield, Michigan

General Governmental Tax Revenue By Source Last Ten Fiscal Years

Fiscal Year Ending June 30	Governmental Funds						
	Major Funds		Non-Major Funds				
	General Fund	Major Streets	Special Revenue			Debt Service	
			Local Streets	Parks & Recreation	Library	Drains-at-Large	Capital
2021	19.4473	0.0560	0.9440	1.7500	2.8000	0.2150	2.5800
2020	19.4825	0.0560	0.9440	1.7500	2.8000	0.2150	2.5800
2019	18.7960	0.0560	0.9440	1.7500	2.8000	0.1467	-
2018	18.0452	0.0560	0.9440	1.7500	2.8000	0.0267	-
2017	17.8926	0.1148	0.1059	1.7500	2.8000	0.1467	-
2016	17.9205	0.1148	1.1059	1.7500	2.8000	0.4873	-
2015	17.9730	0.1148	1.1059	1.7500	2.8000	0.4873	-
2014	18.2431	0.1148	1.1059	1.7500	2.8000	0.4873	-
2013	17.4638	0.1148	1.1059	1.7500	2.8000	0.4873	-
2012	16.5004	0.1324	1.0883	1.7500	2.8000	0.3591	-

City Of Southfield, Michigan

Property Tax Levies and Collections Last Ten Fiscal Years

<u>Fiscal Year Ending June 30</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Of Levy Collected</u>	<u>Delinquent Real Tax Reimburse</u>	<u>Delinquent Personal Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Tax Collect. To Tax Levy</u>	<u>Out-standing Delinq. Personal Taxes</u>	<u>Percent of Delinq. Taxes To Tax Levy</u>
2021	\$ 72,159,393	\$ 68,899,457	95.5 %	\$ 2,897,673	\$ 162,821	\$ 71,959,951	99.7 %	\$ 199,443	0.3 %
2020	70,432,977	67,206,955	95.4	2,958,397	49,431	70,214,783	99.7	218,194	0.3
2019	66,833,066	63,753,403	95.4	2,789,983	47,206	66,590,592	99.6	232,611	0.3
2018	63,537,132	60,631,367	95.4	2,623,779	40,152	63,295,298	99.6	239,665	0.4
2017	62,437,580	59,523,884	95.3	2,605,735	39,326	62,168,945	99.6	268,293	0.4
2016	63,538,323	60,383,675	95.0	2,784,743	29,222	63,197,640	99.5	287,178	0.5
2015	57,054,765	53,923,027	94.5	2,911,453	41,203	56,875,683	99.7	230,646	0.4
2014	57,440,691	54,652,864	95.1	2,725,509	41,405	57,419,778	100.0	263,855	0.5
2013	58,239,005	54,583,381	93.7	3,321,912	71,291	57,976,584	99.5	261,021	0.4
2012	58,366,953	54,778,491	93.9	3,207,968	47,337	58,033,796	99.4	333,157	0.6

City Of Southfield, Michigan

Largest Taxpayers Last Ten Fiscal Years

2021 Rank	Taxpayer	2021 Taxable Value	Percentage of Total	2011 Rank	Taxpayer	2011 Taxable Value	Percentage
1	SL TOWN ETAL	\$ 79,351,810	0.0299 %	1	BRE Southfield (SL Town)	\$ 99,513,160	0.0318 %
2	REDICO	46,880,750	0.0176	2	Verizon Wireless	48,931,510	0.0157
3	HARTMAN & TYNER	38,422,170	0.0145	3	Galleria Properties	43,764,960	0.0140
4	DTE ELECTRIC COMPANY	31,259,910	0.0118	4	First Center Southfield	33,119,690	0.0106
5	SOUTHFIELD-GALLERIA OWNER, LLC	26,178,820	0.0098	5	Allied Phase One Venture	31,299,620	0.0100
6	GOLDOLLER REAL ESTATE INVEST.	23,442,300	0.0088	6	Ramco Gershenson Properties	29,183,130	0.0093
7	RAMCO GERSHENSON PROPERTIES	23,199,820	0.0087	7	LEAR CORP	25,743,450	0.0082
8	VERIZON WIRELESS	22,698,650	0.0085	8	Denso International America	22,961,360	0.0073
9	FINSILVER FRIEDMAN DEV CO	21,019,340	0.0079	9	American Ctr Acquisition	22,626,350	0.0072
10	AT&T SERVICES	18,628,910	0.0070	10	BASF Corp	21,489,940	0.0069
		Total taxable value 2020 --> \$ 2,657,993,690				3,125,919,170	<-- Total taxable value 2011

City Of Southfield, Michigan

Assessed Value (AV) Of Taxable Property Last Ten Fiscal Years

State Equalized Valuation (SEV) (1) / Taxable Valuation (TV) (2)

FY Ending June 30	Real Property(AV)	Personal Property(AV)	Total Property(SEV)	TV	Increase/ (Decrease)
2021	\$ 3,457,250,770	\$ 308,749,720	\$ 3,766,000,490	\$ 2,657,993,690	0.8 %
2020	3,296,513,860	330,023,630	3,626,537,490	2,636,536,530	2.8
2019	3,071,690,050	325,912,740	3,397,602,790	2,562,758,500	3.0
2018	2,761,567,080	340,937,260	3,102,504,340	2,485,025,360	2.3
2017	2,639,081,480	360,598,950	2,999,680,430	2,427,593,700	1.1
2016	2,481,509,745	353,938,980	2,835,448,725	2,400,338,435	(0.7)
2015	2,364,896,300	374,246,720	2,739,143,020	2,417,356,855	1.0
2014	2,241,104,571	364,732,760	2,605,837,331	2,391,992,576	(1.9)
2013	2,220,124,940	378,198,940	2,598,323,880	2,437,203,620	(3.5)
2012	2,289,025,280	377,756,530	2,666,781,810	2,522,981,550	(6.8)

Notes:

(1) In accordance with the 1970 State of Michigan Constitution, SEV is 50% of appraised or estimated fair market value.

(2) On March 15, 1994, Michigan voters approved changes in the property tax system which affects municipal budgets by placing a cap on taxable value (TV) that is used to compute property tax revenues. Under the changes, effective with the 1995-96 fiscal year, real property assessed value (AV) continues to be adjusted to reflect fair market value, while the taxable value adjustment is limited to the lesser of 5% or the rate of inflation provided the property remained in the same ownership. Upon a property transfer, the cap is removed the following year, increasing the taxable value to the same level as the assessed value, thus established a new base for the again capped taxable value. Previously, real property was adjusted to market value for tax purposes on an annual basis and was not subject to a per parcel limitation or cap. Prior to the 1995-96 fiscal year, all assessed value was taxable. Now, and in the future, some growth in assessed value will not be taxable. The traditional terminology of "State Equalized Value" (SEV) still exists. However, since SEV no longer represents the tax revenue producing power of a municipality, the term "taxable value" is now the fiscally relevant terminology.

Source: City of Southfield, Assessing Department.

City of Southfield, Michigan

Property Tax Rates (Per \$1,000 of Taxable Assessed Value)

Fiscal Year Ending June 30	General Fund				Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total All Rates
	Operating	Public Safety Expansion	PA 59 of 2012	Fire & Police Retirement	Parks & Rec.	Library	Street Maint.	Public Act 298 of 1917	Drains-At-Large	UTGO Road Bond	
2021	6.609	6.891	0.019	6.023	1.750	2.800	1.000	0.221	0.215	2.600	28.127
2020	6.609	6.891	0.020	5.742	1.750	2.800	1.000	0.221	0.215	2.580	27.828
2019	6.609	6.891	0.020	5.055	1.750	2.800	1.000	0.221	0.147	2.580	27.073
2018	6.609	6.891	0.020	4.525	1.750	2.800	1.000	0.221	0.027	2.580	26.423
2017	6.609	6.891	0.021	4.371	1.750	2.800	1.000	0.221	0.147	2.580	26.390
2016	6.609	6.891	0.023	4.397	1.750	2.800	1.000	0.221	0.487	2.580	26.759
2015	6.609	6.891	0.023	4.450	1.750	2.800	1.000	0.221	0.487		24.231
2014	6.609	6.891	0.023	4.720	1.750	2.800	1.000	0.221	0.487		24.501
2013	6.609	6.891	0.021	3.942	1.750	2.800	1.000	0.221	0.487		23.722
2012	6.609	6.891		3.000	1.750	2.800	1.000	0.221	0.359		22.630

ALL OVERLAPPING GOVERNMENTS

Fiscal Year Ending June 30	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total City	Southfield Public School * *	Oakland County Intermediate	Oakland County Operating Levy + +	Oakland County Community College	Total *	City % of Total	Birmingham Public School +	Oak Park Public School +
2021	19.542	5.771	0.215	2.600	28.127	24.111	3.228	5.838	1.518	62.823	44.8 %	16.762	14.976
2020	19.262	5.771	0.215	2.580	27.828	23.938	3.254	5.768	1.530	62.317	44.7 %	16.976	14.977
2019	18.575	5.771	0.147	2.580	27.073	25.987	3.281	5.333	1.543	63.217	42.8	17.443	14.999
2018	18.045	5.771	0.027	2.580	26.423	25.987	3.308	5.771	1.556	63.045	41.9	18.073	15.000
2017	17.893	5.771	0.147	2.580	26.390	25.987	3.340	5.785	1.571	63.072	41.8	17.395	15.459
2016	17.921	5.771	0.487	2.580	26.759	25.987	3.363	6.230	1.582	63.920	41.9	18.627	15.500
2015	17.973	5.771	0.487		24.231	27.077	3.369	4.646	1.584	60.908	39.8	19.224	15.500
2014	18.243	5.771	0.487		24.501	26.487	3.369	5.536	1.584	61.477	39.9	19.983	16.500
2013	17.464	5.771	0.487		23.722	26.487	3.369	5.536	1.584	60.698	39.1	19.460	16.500
2012	16.500	5.771	0.359		22.630	26.487	3.369	5.336	1.584	59.406	38.1	19.024	15.000

Notes:

- * Southfield Public Schools are used in the example because their portion of taxable assessed valuation is the largest in the City. Comparative rates are presented for Birmingham and Oak Park Schools.
 - ** Rate includes 6 mills for state education.
 - + Homestead rate used.
 - + + Includes Suburban Mobility Authority Regional Transportation (S.M.A.R.T) tax, Zoo Authority, and Art Institute.
- Source: Southfield Treasurer's Office

City Of Southfield, Michigan

History of Constitutional Tax Rate Rollback Factors Required Under Proposal E (The "Headlee" Amendment) Ratified November 7, 1978

Fiscal Year Ending June 30	Preceding Year's TAV	-	Losses	X	CPI	=	TAV Ceiling	-	Actual TAV	-	New TAV	=	Adjusted TAV	Ratio (1)	Rollback Factor (2)
2021	\$ 2,562,758,500	\$	48,599,034		1.014	\$	2,549,357,699	\$	2,621,420,310	\$	81,244,052	\$	2,540,176,258	1.0036	0.9951
2020	2,485,025,360		40,014,124		1.024		2,503,691,506		2,562,758,500		81,560,431		2,481,198,069	1.0091	0.9878
2019	2,427,593,700		57,488,128		1.024		2,426,988,106		2,485,025,360		98,101,263		2,386,924,097	1.0168	0.9794
2018	2,400,338,435		43,625,861		1.021		2,406,203,538		2,427,593,700		80,801,282		2,346,792,418	1.0253	0.9910
2017	2,417,356,855		45,983,621		1.009		2,392,715,593		2,400,338,435		81,765,852		2,318,572,583	1.0171	0.9440
2016	2,391,992,576		66,018,984		1.016		2,363,189,169		2,417,356,855		94,215,581		2,323,141,274	1.0172	0.9440
2015	2,437,203,620		52,195,164		1.016		2,423,168,591		2,391,992,576		75,432,640		2,316,559,936	1.0460	0.9440
2014	2,523,872,910		43,020,605		1.024		2,540,392,760		2,437,203,620		87,681,220		2,349,522,400	1.0812	0.9440
2013	2,695,302,360		65,017,432		1.027		2,701,302,621		2,523,872,910		90,161,072		2,433,711,838	1.1100	0.9440
2012	3,105,202,030		65,378,124		1.017		3,091,500,912		2,695,302,360		70,430,130		2,624,872,230	1.1778	0.9440

Notes:

- (1) Ratio of TAV ceiling to adjusted TAV.
- (2) The rollback factor is intended to provide local taxing units with a tax revenue ceiling, equal to 1978 authorized millage rates times 1978 assessments increased only by the official Consumer Price Index (CPI) index plus new construction. Any excess property tax authority above this ceiling is "rolled back" through application of a millage reduction fraction. The 1978 base millage reduction fraction was 1.000, which becomes the upper limit for future factors. As a compound millage reduction factor, the factor for one year is the product of the rollback factor of the previous year multiplied by the ratio of inflated taxable assessed value (TAV) divided by adjusted TAV of the current year. The inflated TAV for any year is calculated by multiplying the TAV of the previous year by the consumer price index for that year. This is compared to the adjusted TAV or the actual TAV for that year less net new construction (additions minus losses).

Source: Assessing Department Data

City Of Southfield, Michigan

Computation of Direct and Overlapping Debt at June 30, 2021

		<u>Principal Amount Outstanding</u>	<u>Debt Principal Per Capita (1) (Pop. 76,618)</u>	\$	<u>% Of State Equalized Value 3,766,000,490</u>
DIRECT AND INDIRECT DEBT					
<u>Direct Debt</u>					
General Obligation Bonds-Unlimited Tax	\$	15,270,000			
General Obligation Bonds-Unlimited Tax		28,565,000			
General Obligation Bonds-Unlimited Tax		21,605,000			
General Obligation Bonds-Limited Tax-Refunding		1,080,000			
Building Authority Bonds		14,675,000			
Water & Sewer Revenue Bonds		746,741			
General Obligation -Limited Tax		2,980,931			
Water and Sewer Capital - Limited Tax		65,445,000			
Michigan Transportation Fund Bonds		3,380,000			
Direct Debt		153,747,672	\$	2,006.68	4.08 %
<u>Indirect Debt</u>					
Oakland County Contractual Obligations:					
Drains-At-Large	\$	1,977,698			
Indirect Debt		1,977,698		25.81	0.05
Gross Debt		155,725,369		2,032.49	4.14
<u>OVERLAPPING DEBT (2)</u>					
Southfield School District	94.16 %	\$ 49,805,932			
Oak Park School District	17.32	665,008			
Birmingham School District	1.84	3,925,916			
Oakland County at Large	4.16	11,685,728			
Oakland County Intermediate School District	4.17	1,791,849			
Total Overlapping Debt		67,874,433		885.88	1.80
		\$ 223,599,802	\$	2,918.37	5.94 %

Notes:

(1) Estimated 2020 census data from the U.S. Census Bureau.

(2) Overlapping debt figures as of 6/30/2018 supplied by the Michigan Advisory Council, Detroit, Michigan.

City Of Southfield, Michigan

Statement of Legal Debt Margin June 30, 2021

	Debt Margin Calculation			Statutory
	Gross Indebtedness	Statutory (1) Deductions	Net Indebtedness	Limit
State Equalized Value at 12/31/20				100% \$ 3,766,000,490
Debt Subject to Statutory Limitation				
General Obligation Bonds-Unlimited Tax	\$ 15,270,000		\$ 15,270,000	
General Obligation Bonds-Unlimited Tax	28,565,000		28,565,000	
General Obligation -Limited Tax	2,980,931		2,980,931	
Water and Sewer Capital - Limited Tax	65,445,000		65,445,000	
General Obligation Bonds-Limited Tax-Refunding	1,080,000		1,080,000	
Building Authority Bonds	14,675,000		14,675,000	
Oakland County Contractual Obligations-Drains	1,977,698		1,977,698	
Restricted Indebtedness	129,993,628		129,993,628	10% 376,600,049
Michigan Transportation Fund Bond	3,380,000		3,380,000	
Emergency Bonds				3.75% 14,122,502
Special Assessment Bonds				12% 451,920,059
Total	133,373,628		\$ 133,373,628	\$ 842,642,610
State of Michigan Water Supply and Sewage Disposal Revenue Bonds Series to 6/30/02 1998B (LTGO) 2.50% 1999 (LTGO) 2.50%	746,741			
Total Water and Sewage Disposal Revenue Bonds		\$ 746,741		
Gross City Debt		\$ 134,120,369		

Notes:

(1) Deductions are allowed for restricted bond and interest redemption deposits held by fiscal agents.

City Of Southfield, Michigan

Ratio of Net General Debt To Taxable Value and Net Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year Ending June 30	Population ⁽²⁾	Taxable Value	Bonded Debt ⁽¹⁾	Less Funds	Net	Ratio Of	Net
				Available In Debt		Net Bonded Debt To Taxable Value	
				Service Funds	Bonded Debt		
2021	76,618 \$	2,657,993,690 \$	133,373,628 \$	2,166,359 \$	131,207,269	4.94 %	\$ 1,712
2020	73,158	2,636,536,530	143,226,914	1,869,797	141,357,117	5.36	1,932
2019	73,158	2,562,758,500	151,975,138	1,863,903	150,111,235	5.86	2,052
2018	73,208	2,427,593,700	62,290,784	5,044,574	57,246,210	2.36	782
2017	71,739	2,400,338,435	66,949,631	2,331,571	64,618,060	2.69	901
2016	71,739	2,417,356,855	74,992,225	2,530,317	72,461,908	3.00	1,010
2015	71,739	2,391,992,576	82,221,763	1,464,207	80,757,556	3.38	1,126
2014	71,739	2,437,203,620	40,386,411	1,073,226	39,313,185	1.61	548
2013	71,739	2,522,981,550	43,094,036	550,347	42,543,689	1.69	593
2012	71,739	2,695,302,360	45,429,826		45,429,826	1.69	633

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures Last Ten Fiscal Years

Fiscal Year Ending June 30	Debt Service Requirements			Total General Expenditures ⁽³⁾	Ratio Of Debt Service To Expenditures
	Principal	Interest	Total		
2021	\$ 8,456,842	\$ 2,616,749	\$ 11,073,591	\$ 123,500,641	8.97 %
2020	8,195,773	2,900,979	11,096,752	121,040,078	9.17
2019	7,384,851	1,967,506	9,352,357	115,357,528	8.11
2018	8,348,847	2,199,927	10,548,774	124,720,432	8.46
2017	8,042,594	2,383,095	10,425,689	114,361,278	9.12
2016	7,229,538	2,734,021	9,963,559	114,758,571	8.68
2015	2,944,647	1,332,524	4,277,171	99,669,163	4.29
2014	2,707,625	1,770,415	4,478,040	92,877,415	4.82
2013	2,335,790 ⁽⁴⁾	2,051,732	4,387,522	94,468,782	4.64
2012	2,352,075	2,063,617	4,415,692	98,871,731	4.47

Notes:

- (1) Excludes water revenue bonds
- (2) 2010 Census data from U.S. Census Bureau.
- (3) Includes general, special revenue, capital, and component units.
- (4) Excludes refunding

City Of Southfield, Michigan

Demographic Statistics Last Ten Fiscal Years

Fiscal Year Ending Jun 30	Population (1)	Per Capita Income (2)(5)	Median Age (2)(5)	School Enrollment (3)	Unemployment Rate Percentage (4)		Retail Sales (000) (2)(6)
2021	76,618	\$ 33,104	42.9	5,579	5.2	%	*
2020	72,789	33,104	43.5	5,450	20.3		*
2019	73,158	28,096	42.5	5,618	4.9		*
2018	73,208	29,361	42.5	6,228	4.8		*
2017	71,739	29,045	42.5	9,584	4.2		*
2016	71,739	28,788	41.6	9,429	6.6		*
2015	71,739	26,944	42.1	9,429	10.3		*
2014	71,739	28,635	42.3	9,429	10.3		*
2013	71,739	28,850	42.0	9,429	11.1	\$	2,165,700
2012	71,739	28,692	42.4	9,191	11.2		*

Notes:

- (1) Census.gov Data Estimates City of Southfield MI
 - (2) Survey of Buying Power: Sales and Marketing Management; New York, N.Y.
 - (3) National Center Education Statistics - Southfield School District
 - (4) Michigan Labor Market Information (State of Michigan, DLEG) formerly known as MI Empl Sec Comm/2010 City-Data.com
 - (5) Home Facts.com - City of Southfield Unemployment rate report
 - (6) Business demographics from combination of U.S. Census, American Community Surveys, www.BiggestUsCities.com
- * Information not available

City Of Southfield, Michigan

Principal Employers Last Ten Calendar Years

Rank	Taxpayer 2020	2021 Employees	Percentage of Total	Rank	Taxpayer 2010	2012 Employees	Percentage of Total
1	St. John Providence Hospital	4,000	3.26 %	1	St. John Providence Hospital	3,600	3.13 %
2	Credit Acceptance Corporation	3,026	2.47	2	Lear Corporation	1,450	1.26
3	Beaumont Health	3,000	2.45	3	Blue Care Network	1,000	0.87
4	DENSO	2,229	1.82	4	Federal Mogul	1,000	0.87
5	Lear	1,250	1.02	5	DENSO	850	0.74
6	Tenneco	1,198	0.98	6	Metropolitan Life Insurance	675	0.59
7	Blue Care Network	1,000	0.82	7	COMAU	650	0.57
8	Veoneer 850	850	0.69	8	Comcast	650	0.57
9	R1	800	0.65	9	Credit Acceptance Corporation	600	0.52
10	Doner	700	0.57	10	International Automotive Component:	600	0.52

Southeast Michigan Council of Governments estimate of jobs in 2020 for City of Southfield --> **122,673**

City Of Southfield, Michigan

Construction And Property Value Last Ten Calendar Years

Annual Construction By Category

--- Commercial & Industrial---

----- Multi-Family -----

---- Single Family ----

<u>Calendar Year</u>	<u>Number Of Units</u>	<u>Value</u>	<u>Number Of Units</u>	<u>Value</u>	<u>Number Of Units</u>	<u>Value</u>
2021	4	\$ 24,442,159	26	\$ 4,423,601	23	\$ 4,348,352
2020	2	9,259,724	0	-	11	3,561,621
2019	5	20,775,883	0	-	19	7,268,077
2018	5	34,241,847	50	9,285,568	7	1,818,009
2017	15	31,099,574	12	54,088,085	5	1,372,481
2016	1	1,257,402			12	3,591,449
2015	5	21,435,020			7	2,123,858
2014	6	6,740,662			0	-
2013	3	1,675,000			1	214,560
2012	6	3,583,500			1	20,000

Property S.E.V. By Category

	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>
2021	\$ 1,493,002,430	\$ 50,115,840	\$ 1,914,132,500
2020	1,483,857,480	48,695,470	1,763,960,910
2019	1,449,605,920	51,147,270	1,570,936,860
2018	1,300,355,590	53,732,990	1,284,992,900
2017	1,269,247,250	52,421,390	1,159,841,105
2016	1,287,316,130	50,353,100	1,027,227,070
2015	1,277,553,525	50,930,480	912,620,566
2014	1,294,577,850	52,971,310	872,575,780
2013	1,345,088,070	57,254,790	886,682,420
2012	1,447,107,940	63,315,040	956,500,110

Notes:

Source: City of Southfield Building and Assessing Departments

City of Southfield, Michigan

Economic and Statistical History June 30, 2021

AREA

26.7 square miles (since incorporation)

POPULATION

U.S. CENSUS	1990		2000		2010	
<u>Age Distrib.</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
24 and under	22,101	29.2%	23,089	29.5%	20,857	29.1%
25 through 64	40,777	53.8%	43,319	55.3%	38,731	54.0%
65 and older	12,850	17.0%	11,888	15.2%	12,151	16.9%
Total Persons	75,728	100.0%	78,296	100.0%	71,739	100.0%

<u>Income Distrib.</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
\$ 5,000 and under	1,097	3.4%	-	-	-	-
5,000 - 9,999	1,774	5.5%	2,242	6.6%	2,680	8.5%
10,000 - 14,999	1,951	6.1%	1,412	4.2%	2,018	6.4%
15,000 - 24,999	3,988	12.4%	3,495	10.3%	3,941	12.5%
25,000 and over	23,331	72.6%	26,822	78.9%	22,888	72.6%
Total Households	32,141	100.0%	33,971	100.0%	31,527	100.0%

BUILDING CONSTRUCTION

<u>Year</u>	<u>Building</u>	<u>Mechanical</u>	<u>Value</u>
	<u>Permits</u>	<u>Permits</u>	
2021	1575	3665	\$ 142,553,156
2020	1798	3646	84,380,713
2019	1935	4153	138,573,560
2018	1904	5023	154,881,718
2017	1083	5782	156,214,594
2016	1500	1912	182,287,712
2015	1341	2334	134,296,693
2014	1482	2917	95,052,712
2013	1017	3063	69,344,365
2012	994	3116	56,599,910

Economic and Statistical History (continued)

WATER & SEWER SERVICES

Users/Consumers:	21,107 Water and Sewer combined; 177 Sewer only and 738 Water only.
Use & Consumption:	459,953,853 cubic feet purchased
System Capacity:	34 million gallons per day (MGD)
Distribution System:	Southeastern Oakland County Water Authority consisting of 11 communities. Ten are active with their own systems.
Water Mains:	381.90 miles
Fire Hydrants:	4,771
Sewer Mains:	237.50 miles sanitary; 284.09 miles storm; 42.94 miles combined.

STREET FACILITIES

Streets:	Total 246.40 miles, with 64.71 miles on the Major Street System and 181.69 miles on the Local Street System. Less than 5 miles remain unpaved.
Alleys:	Total under five miles.
Sidewalks:	Total 201.29 miles including twelve miles of paved bike paths.
Street Lights:	Total 2,221 Detroit Edison owned and 190 City owned.

PUBLIC SAFETY

Public Safety is organized for efficiency into three areas of overall administration and communications (PSA), police and fire.

Vehicles	Police	1 st Line/ Fire Reserve
Cars	49	6/0
Trucks	0	8/3
Life Support	0	5/3
Vans, 4WD, etc.	50	10/2**
Total	99*	29/8

*The Police count does not include vehicles that are waiting to be prepped at DPW Motorpool.

**Fire count includes Mack Parade Truck in 'etc category.

Facilities: One main Public Safety, Building, Housing, Police, and Civilian Support Services, as well as a 36-cell lock up facility operated by Wackenhut.

POLICE PROTECTION

The Southfield Police Department uses CLEMIS CLEAR program from Oakland County CLEMIS for reporting incidents and calls for service.

Under this system crime is reported using Michigan Incident Crime Reporting (MICR) guidelines:
Index Crimes: Includes eight offenses: murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and arson. Chosen because of their seriousness and frequency of occurrence to serve as indicators of crime.

Economic and Statistical History (continued)

POLICE PROTECTION (continued)

Non-Index Crimes: All reported criminal offenses of negligent manslaughter, non-aggravated assault, forgery & counterfeiting, fraud, embezzlement, stolen property, vandalism, weapons, prostitution & common law vice, sex offenses, narcotic laws, gambling, offenses against family & children, driving under the influence, liquor laws, disorderly conduct and all other crimes not listed here or in index crimes.

Murder (Homicide) - The willful killing of one human being by another. Deaths caused by negligence, attempts to kill, assaults to kill, suicides, accidental deaths, and justifiable homicides are excluded from this category.

Rape - The carnal knowledge of a person, forcibly and against his/her will, or where the victim is incapable of giving consent because of his/her temporary or permanent mental or physical incapacity. Assault to rape and attempted rapes are included in this classification. Other types of sexual penetration are not included.

Robbery- Robbery is the taking or attempting to take anything of value from the care, custody, or control of a person or persons by force or threat of force or violence and/or putting the victim in fear.

Aggravated Assault - An unlawful attack by one person upon another for the purpose of inflicting severe or aggravated bodily injury. This type of assault is usually accompanied by the use of a weapon or by means likely to produce death or great bodily harm.

Burglary - The unlawful entry of a structure to commit a felony or a theft. Breaking and entering into motor vehicles is not included in this classification, it is included in larceny.

Larceny - The unlawful taking, carrying, leading, or riding away of property from the possession or constructive possession of another.

Motor Vehicle Theft- The theft or attempted theft of a self-propelled vehicle that runs on land and not on rails. "Joy riding" is included in this classification. Carjacking is not included in this classification; it is classified as a robber

Arson - The willful or malicious burning or attempt to burn, with or without intent to defraud a dwelling, public building, motor vehicle, aircraft or personal property of another.

Law Violations:	Index Crimes-	1,640
	Non-Index Crimes-	2,693

Traffic Violations: 9,528

Incidents Handled: 53,324

Economic and Statistical History (continued)

POLICE PROTECTION (continued)

Year	Murder	Rape	Robbery	Aggravated Assault	Burglary	Larceny	Motor Vehicle Theft	Arson	Index Crimes	Non-Index Crimes	Total Crimes
2020	3	36	36	178	176	778	341	7	1,555	2,291	3,846

FIRE PROTECTION

Alarms Answered: 14,227 runs
Medical Emergency: 12,054 runs
Fire Runs: 2,173 runs

PARKS & RECREATION

The Southfield Parks and Recreation Department is responsible for 775 acres of parks, nature preserves and open space, and historic properties at 33 sites within the City. There are numerous ball fields, tennis and handball courts, picnic areas and shelters as well as soccer fields, play lots, and sand volleyball courts located throughout the City for residents' enjoyment. The Department is also responsible for numerous historical properties including the Burgh Historical Park, the Miller Barn at Inglenook Park, the Historic Code House, and the Mary Thompson Farm. The Burgh Historical Park includes period gardens with fountains and a gazebo and six historic buildings which bustle with activities from concerts and weddings to a variety of other family and community events. The Mary Thompson Farm features a restored 19th century farm house which is home to the Southfield Historical Society. The Senior Gardens at the Mary Thompson Farm provides plots to over 100 enthusiastic gardeners who offer tours to school and scouting groups.

The Department offers numerous recreation programs at facilities which include: 1 nine-hole golf course - Evergreen Hills Golf Course, as well as the Beech Woods Driving Range and Heated Tee facility for year round play; the Southfield Sports Arena with its 50 meter outdoor swimming pool, complete with water slide, climbing wall, and kiddie pool with water features, as well as a regulation NHL indoor ice surface; Beech Woods Recreation Center features over 17,000 square feet of gymnasium space. The Center has the capability to run three collegiate basketball games simultaneously, in addition to four volleyball courts or three tennis or pickleball courts and a complete wellness/fitness center. Outdoor activities consist of tennis courts, volleyball courts, an accessible playground and pavilion within the park. We have various outdoor Pavilions that can be used for family reunions, birthday parties and many other special events. We offer a full menu of senior services and the TOSS transportation program which we partner with SMART. The Department is also responsible for the Parks and Recreation Building and Southfield Pavilion.

Southfield Parks and Recreation offers many programs for disabled athletes. The Civic Center Park is home to the first Miracle Field in the state; a custom synthetic turf and handicapped accessible dugouts, restrooms, and drinking fountains. The Beech Woods Recreation Center is proud to be the home of the Motor City Wheelz Wheelchair Basketball team.

Economic and Statistical History (continued)

PARKS & RECREATION (continued)

In addition to day-to-day programming for all Southfield residents, the Parks and Recreation Department is focused on providing quality, fun special events for families, including the *Daddy Daughter Dinner & Dance*, *EGGS'travaganza*, *Family Fun & Safety Night* (in partnership with the Southfield Police and Fire Departments), and *Boo Bash*. Quality entertainment is offered year-round with a variety of concert series including the popular free outdoor concerts held throughout the summer at the Burgh Historical Park Gazebo, *Eat to the Beat* noontime series at City Centre and the summer concert series on the front lawn. In 2019, we launched a month-long series of events celebrating Black History Month. The Department has received many national awards for excellence in recreational programming, as well as for beautification and environmental maintenance and programming.

LIBRARY

2020-2021 was a year of tremendous challenge and change for the Southfield Public Library. After the state mandated closure of three months, we re-opened the Library in a limited capacity in Summer 2020.

Our drive-up window allowed patrons to pick up and return materials in a completely contactless manner, and we opened a socially distanced computer lab for residents in our Meeting Room. Reference and Reader's Advisory service was provided via phone and email, so librarians could provide research and book recommendations. We tripled our downloadable collection of books, movies, and magazines. All programming was virtual throughout most of the year, and we entertained and educated patrons of all ages with new programs. The Library established two new services: "Book a Librarian" for interactive virtual research assistance, and "Tech Help" for personalized virtual computer assistance and classes.

Our lower numbers for circulation are due to book ordering and heavily used inter-library loans being suspended by their providers for many months due to the pandemic. Due to limited resources and access points, Southfield Public Library, like many libraries, had to restrict borrowing to residents for a period. Much of our circulation comes from reciprocal borrowing with other libraries, which was not available.

Throughout two more closures, one for quarantine and the other for the state mandated "pause", as well as on-going capacity restrictions, the Library continued to provide the above services while preparing to re-open the entire building to our patrons. By the end of the fiscal year, we had safely opened all three floors to the public, successfully provided in-person Summer programming for all ages by refurbishing our outdoor spaces, and returned to reciprocal borrowing and offering service to patrons from neighboring communities.

The Library looks forward to fiscal year 2022 as we work to return to normal hours and full services. We will also retain all the virtual services and electronic resources we developed in response to the building closures, to provide an even richer Library experience for our patrons.

City of Southfield, Michigan

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Election Data (1)</u>										
Registered voters	64,491	57,926	61,065	60,015	60,775	59,648	61,739	60,747	60,451	58,328
Absentee voters	35,930	6,328	11,805	5,220	13,308	5,309	8,375	5,240	14,020	4,683
Percent voting	72.30	17.62	59.64	18.84	71.02	21.27	49.08	18.67	72.67	16.05
<u>District Court</u>										
Number of Court Cases	30,567	33,778	41,638	38,022	40,917	47,118	52,209	54,354	57,305	54,155
<u>Police (2) (#)</u>										
Offenses-Group A (3)					4,929	4,547	5,081	5,081	5,434	5,574
Offenses-Group B (4)					992	1,253	1,414	1,414	1,216	1,743
Index Crimes (5)	2,251	1,640	1,738	2,208						
Non-Index Crimes (6)	3,815	2,693	3,193	3,219						
Traffic Violations	4,786	9,528	7,359	5,740	8,566	10,367	13,469	13,469	10,054	12,366
Incidents Handled	44,012	53,324	51,551	52,321	51,637	54,185	50,193	50,193	49,933	53,876
<u>Fire</u>										
Medical Emergencies (7)	12,054	12,653	12,950	12,116	12,116	12,155	11,295	11,114	11,538	10,410
Fire Runs (8)	2,173	2,150	1,894	2,139	2,139	1,977	2,072	1,620	1,978	1,772
<u>Library</u>										
Circulation	85,521	235,996	328,829	441,040	348,543	386,275	383,549	445,316	496,851	644,380
Collection Volume	227,736	241,033	255,940	312,308	259,344	315,318	297,916	291,728	291,168	288,949

Notes:

- (1) All election data is for the prior calendar year.
- (2) Southfield Police Department uses NET RMS program from Oakland County CLEMIS for reporting incidents and calls for service. Under this system crime is reported using Michigan Incident Crime Reporting (MICR) guidelines
- (#) Starting 2015 data collected is for prior calendar year
- (3) Group A offenses include murder, manslaughter, rape, robbery, aggravated assault, breaking and entering, larceny, auto theft, arson, kidnapping/abduction, forgery, fraud (data collected 2009-2017)
- (4) Group B offenses include fraud, non-forcible sexual, non-violent family, drunk driving, liquor law violations, obstruction, disorderly conduct, arrestable traffic (data collected 2009-2017)
- (5) Index Crimes includes murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and arson.
- (6) Non-Index Crimes include all reported criminal offenses of negligent manslaughter, non-aggravated assault, forgery & counterfeiting, fraud, embezzlement, stolen property, vandalism, weapons, prostitution & common law vice, sex offenses, narcotic laws, gambling, offenses against family & children, driving under the influence, liquor laws, disorderly conduct and all other crimes not listed here or in index crimes.
- (7) Medical Emergency Incident Type included in this category per CFIRS reporting: Rescue & Emergency Medical Service Incidents; Service Call (only including Assist Invalid); Good Intent Call (only including Ems: Dispatched & Cancelled En Route)
- (8) Fire Incident Type included in this category per CFIRS reporting: Fire; Overpressure Rupture, Explosion, Overheat - no fire; Hazardous Conditions (No fire); Service Call (not including Assist Invalid); Good Intent Call (not including Ems: Dispatched & Cancelled En Route); False Alarm & False Call; Severe Weather & Natural Disaster; Special incident type

Source: City of Southfield

Source: Michigan Incident Crime Reporting (MICR)

City of Southfield, Michigan

Capital Asset Statistics By Function/Program Last Ten Fiscal Years

Function/Program	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	
<u>Fire</u>											
Stations	5	5	5	5	5	5	5	5	5	5	J Deneau 12/15/21
Vehicles	37	36	33	33	34	34	34	34	34	41	
<u>Police</u>											
Stations	1	1	2	2	2	3	3	3	3	3	
Vehicles	99	98	98	97	93	92	92	94	94	95	K Kaufman 9/13/21
<u>Streets</u>											
Miles on major street system	70.58	70.58	64.71	64.71	64.71	64.71	64.71	64.71	64.71	64.71	C Eady 9/13/21
Total miles of streets	250.00	250.00	246.40	246.40	246.40	246.40	246.40	246.40	246.40	246.40	
Miles of unpaved	less than 5										
Miles of alleyways	less than 5										
Miles of sidewalks	319.32	319.32	201.29	201.29	201.29	201.29	201.29	201.29	201.29	201.29	
Miles of paved bike paths	15	15	12	12	12	12	10	10	10	10	
<u>Street Lights</u>											
Detroit Edison owned	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	C Eady 9/13/21
City owned	190	190	190	190	190	190	190	190	190	190	
<u>Water</u>											
Annual distribution in million cubic feet	459,953,863	407,965,383	428,745,898	454,021,390	438,810,160	455,849,664	446,876,200	456,744,655	484,436,900	510,329,700	C.Eady 10/9/21
Miles of watermains	381.9	381.9	375.5	375.5	375.50	375.50	375.32	375.32	375.32	375.32	
Number of hydrants	4,771	4,217	4,206	4,178	4,178	4,165	4,838	4,048	4,038	4,038	
<u>Sewers</u>											
Miles sanitary	239	239	237.5	237.5	237.50	237.50	237.23	237.23	237.23	237.23	C.Eady 10/9/21
Miles storm	284.09	284.09	284.09	284.09	284.09	284.09	284.09	284.09	284.09	284.09	
Miles combined	42.94	46.16	42.94	42.94	42.94	42.94	42.94	42.94	42.94	42.94	
<u>Parks and Recreation</u>											
Number of developed parks	20	20	20	20	20	20	20	20	20	20	K Kapchonick 9/22/20
Acres of public parks	775	775	775	775	775	775	775	775	775	775	
Number of tennis courts	13	13	13	12	18	16	16	16	16	16	
Outdoor education center/farm	1										
9-hole golf courses	1	1	2	2	2	2	2	2	2	2	
Ice arenas	1	1	1	1	1	1	1	1	1	1	
Pools	1	1	1	1	1	1	1	1	1	1	

Notes:

Source: City of Southfield

City of Southfield, Michigan

Authorized Full-Time Positions

Last Ten Fiscal Years

Department	2021	2020	2019	2018 ⁽¹⁾	2017	2016	2015	2014	2013	2012
Accounting ⁽⁴⁾		7.00	10.00	9.00	5.50	6.50	6.00	4.50	5.50	5.50
Administration	4.00	4.00	5.00	5.00	3.00	3.00	2.00	2.00	3.00	3.00
Assessing	8.00	9.50	8.50	8.50	6.50	7.65	7.65	7.65	7.00	7.00
Building	20.00	22.00	21.40	20.90	9.90	14.40	15.40	15.40	16.40	17.50
Cable TV	4.00	7.00	9.00	9.00	7.50	5.50	6.00	6.50	5.50	5.50
Central Services	3.00	3.00	2.50	2.50	2.50	4.00	4.00	4.00	4.00	4.00
City Clerk	8.00	7.00	9.00	10.00	7.00	6.00	6.00	6.00	7.00	7.00
City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Community Develop. Admin.	14.00	22.00	22.00	23.50	21.25	7.00	8.00	8.00	8.00	8.00
Community Develop. Block Grant ⁽²⁾	0.75	2.75	2.25	2.25						
Community Relations ⁽³⁾	6.00	5.00	5.00	5.00	6.00	3.00	3.00	3.00	4.00	5.00
District Court	40.25	37.98	40.75	38.75	36.75	33.75	36.25	36.25	38.25	37.50
Downtown Development Authority ⁽²⁾	2.00	3.00	2.00	2.00						
Emergency Management	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Engineering	8.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Facilities Maintenance	33.00	31.45	33.00	27.00	30.00	33.00	33.00	33.00	26.00	31.00
Fire	100.00	100.00	103.00	92.00	88.00	90.00	94.00	94.00	93.00	101.00
Fiscal Services/OMB ⁽⁴⁾	13.00	4.00	6.50	4.50	2.50	2.00	1.00	1.00	2.00	2.00
Human Resources	9.00	9.00	7.50	7.50	6.50	6.50	6.50	6.50	6.00	6.50
Human Services ⁽³⁾						3.50	3.50	3.50	4.00	3.00
Legal	6.00	6.00	6.00	6.00	6.00	7.00	6.75	6.75	7.50	7.50
Library	61.88	50.75	50.75	50.75	46.75	46.75	46.75	46.75	54.25	50.00
Mayor	1.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50	2.50
Motor Pool	13.00	13.00	15.50	14.50	7.00	8.50	9.50	9.50	12.25	13.25
Parks and Recreation	91.55	85.30	85.30	85.30	75.30	78.30	79.30	79.30	81.05	80.90
Planning	5.00	5.00	5.50	5.50	5.50	4.50	4.50	4.50	4.50	4.00
Police	173.13	182.05	184.66	182.16	158.66	154.66	158.66	158.66	169.16	172.66
Public Works Admin.										1.50
Purchasing ⁽⁴⁾		3.00	3.00	3.00	1.00	1.00	1.50	1.00	2.00	2.50
Section 8 ⁽²⁾	1.00	4.00	1.50	1.50						
Streets And Highways	39.95	41.20	40.00	38.00	33.00	29.50	25.50	25.50	25.00	25.00
Support Services ⁽²⁾			0.50	0.50						
Technology Services	10.75	11.75	13.25	12.00	8.00	8.50	8.50	8.50	9.00	9.00
Transportation	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.00	3.00
Treasurer	8.00	8.00	11.00	10.00	8.00	7.00	6.50	6.50	7.50	7.50
Water And Sewer	29.45	30.30	35.00	35.00	23.00	28.00	24.00	24.00	17.00	17.00
Totals	726.70	736.53	760.86	732.11	625.61	619.51	623.76	622.26	637.86	653.31

Notes:

⁽¹⁾ Prior to 2018, position count was configured using Employees on Staff totals

⁽²⁾ Prior to 2018, this department was not included in the count

⁽³⁾ As of 2017, Human Services was moved to Community Relations

⁽⁴⁾ In fiscal year 2021 Accounting and Purchasing merged into Fiscal Services

Source: City of Southfield Office of Management & Budget

City of Southfield, Michigan

**Management Group Personnel
Salary Schedule June, 2021**

<p>Grade L, \$57,906- \$78,347 Attorney I</p>
<p>Grade M, \$62,745 - \$84,895 Attorney II Manager, Human Resources - Operations</p>
<p>Grade N, \$68,232 - \$92,313 Attorney III Deputy City Assessor Deputy City Clerk Deputy City Librarian Deputy City Planner Deputy City Treasurer Labor Relations Director Purchasing Agent</p>
<p>Grade O, \$73,140 - \$98,951 Director of Community Relations</p>
<p>Grade P, \$81,860 - \$110,749 Attorney IV Building Official Bus & Econ Development Director City Assessor City Engineer Code Enforcement/Comm App Dir Deputy Human Resources Director</p>
<p>Grade Q, \$85,763 - \$116,034 City Librarian Dep Director of Fiscal Services/City Controller Dep Director of Fiscal Services Director of Parks & Recreation Director of Technology Services</p>
<p>Grade R, \$90,275 - \$122,138 Building Official City Planner Director of Human Resources</p>
<p>Grade S, \$96,813 - \$130,988 Deputy City Attorney Director of Fiscal Services Director of Public Works Fire Chief Police Chief</p>
<p>Grade T, \$101,406 - \$137,199 Deputy City Administrator</p>

Notes:

Source: City of Southfield, Human Resources/Payroll

City of Southfield, Michigan

State Shared Revenues Last Ten Fiscal Years

<u>Fiscal Year Ending June 30</u>	<u>State Shared Revenue</u>
2021	\$ 8,053,620
2020	7,052,491
2019	7,209,925
2018	6,934,690
2017	6,726,478
2016	6,411,745
2015	6,416,997
2014	6,304,301
2013	6,138,572
2012	5,973,225

Gas and Weight Taxes Last Ten Fiscal Years

<u>Fiscal Year Ending June 30</u>	<u>Type of Street</u>		<u>Total Gas and Weight Tax (Act 51) Receipts</u>
	<u>Major Road</u>	<u>Local Road</u>	
2021	\$ 7,110,913	\$ 2,130,611	\$ 9,241,524
2020	6,463,779	1,936,732	\$ 8,400,511
2019	6,186,862	1,854,424	8,041,285
2018	7,147,880	2,157,660	9,305,540
2017	3,903,308	1,170,612	5,073,920
2016	4,208,737	1,261,884	5,470,621
2015	3,995,734	1,197,306	5,193,040
2014	3,914,898	1,172,520	5,087,418
2013	3,799,468	1,136,566	4,936,034
2012	3,782,991	1,132,407	4,915,398

Notes:

Source: City of Southfield

City of Southfield, Michigan Labor Agreements

Name	Expiration Date	Number of employees covered
American Federation of State, County and Municipal Employees (AFSCME) Public Works and Parks & Recreation	6/30/2022	68
AFSCME Supervisors	6/30/2022	29
Technical, Professional, and Office Worker Association TPOAM	6/30/2022	117
Southfield Fire Fighters Association SFFA	6/30/2018 *	89
Southfield Police Officers Association SPOA	6/30/2022	91
Michigan Association of Police (MAP) Public Safety Communication Supervisors	6/30/2022	4
Police Officers Association of Michigan POAM	6/30/2022	8
Southfield Police Command Officers' Association SPCOA	6/30/2022	23
Southfield Deputy Chiefs Association SPDC	6/30/2022	2
Administrative Civil Service ACS		27
Management Group		22

Notes:

*Contract expired

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