

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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for the year ended June 30, 2022  
**SOUTHFIELD, MICHIGAN**



## INTRODUCTORY SECTION



# **City of Southfield, Michigan**

## **Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2022**

**Fiscal Services**

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# City of Southfield

26000 Evergreen Rd. • P.O. Box 2055 • Southfield, MI 48037-2055 • [www.cityofsouthfield.com](http://www.cityofsouthfield.com)

December 22, 2022

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

RE: 2021-22 Annual Comprehensive Financial Report or ACFR 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, 2022, 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**  
Vacant

**City Treasurer**  
Irv M. Lowenberg

**City Council**

Nancy L.M. Banks

Daniel Brightwell

Dr. Lloyd C. Crews

Myron Frasier

Jason Hoskins

Michael "Ari" 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 successful community that has helped to provide a solid foundation for the City's long-term



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### **Letter of Transmittal**

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 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

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### **Letter of Transmittal**

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 \$60,006. 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 almost 39% 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 52% of the City's long-term liabilities. The SERS pension plan is 65.3% funded, the Fire and Police pension plan is 64.4% funded, and the Retiree Health Care Trust Fund is funded at 68.2%. 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 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;

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- 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.

### **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 seven 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](http://www.cityofsouthfield.com). The City also launched Southfield Solutions, a digital application so the public can report complaints as well as a special hotline at (248) 796-4000 for residents to directly report any potholes or other road issues.

#### Over \$227 Million invested in Southfield's infrastructure from 2015-2022

The City of Southfield has applied for and received more than \$227 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; 2021 = \$28.2 million; and 2022 = \$18.0 million.

#### Shiawassee Road Rehabilitation from Inkster Road to 8 Mile Road

- The road was pulverized and overlayed with 5" of new asphalt west of Beech Road in addition to concrete slab replacement east of Beech Road as well as installation of a continuous 8' wide path on south side from Inkster Road to Beech Road.
- The project also included a 5' wide concrete sidewalk gap-fill on the north side near 8 Mile Road comprising a \$2.87 million investment with \$1.07 million in federal funds and \$1.8 million from the Southfield Streets Improvement Bond.

#### Berg Road Rehabilitation from 8 Mile Road to Simmons Road

- This project included various asphalt rehabilitation fixes and some areas of asphalt reconstruction as well as installation of a new 5' wide concrete sidewalk on the west side from 10 Mile Road north 1,257' to meet the existing sidewalk.
- Preventative maintenance work on the Berg Road bridge over the Evans Branch of the Rouge River just north of 8 Mile Road was also completed.
- The total project investment was \$5.51 million comprised of \$3.62 million in federal funds, \$55,200 in state funds and \$1.83 million from the Southfield Streets Improvement Bond.

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#### **Northwestern Service Drive Rehabilitation from Telegraph Road to Bell Road**

- This project included installation of 2" of aggregate as a separation layer over milled asphalt and concrete pavement that was then topped with 5" of new asphalt as well as new curbs with edge drain.
- The total project investment was \$3.30 million comprised of \$1.72 million in federal funds, \$195,473 in Oakland County Local Road Improvement Program funds and \$1.38 million from the Southfield Streets Improvement Bond.

#### **Tanglewood Subdivision Paving and Water Main Improvements**

- This project was driven primarily by road needs in addition to any block that needed total reconstruction also had the water main replaced.
- Roads not requiring total reconstruction received concrete patching or full depth asphalt replacement.
- A new water main installed on San Quentin from Shagbark to Aberdeen completed a water main loop and improved redundancy.
- The total project investment was \$6.29 million comprised of \$3.27 million from the Southfield Streets Improvement Bond and \$3.02 million from the Water & Sewer Bond.

#### **Pedestrian and Transit Stop Amenities**

As part of the City's continuing efforts to improve accessible pedestrian pathways, placemaking and promote alternative modes of transportation, numerous new pedestrian and transit stop amenities were installed throughout the City at priority locations. In April 2022, bench and trash receptacles were installed at 13 new sites throughout the City. Locations for these pedestrian and transit stop amenities are selected based on a priority map that is continuously updated as improvement projects are completed.

#### **New Pathways**

As conduits for pedestrians and connections to vital services, non-motorized assets are some of the most important resources in any community. The cost of building and maintaining these facilities, their importance to society, and the investment made by the community all place a high level of responsibility to plan, build, and maintain these assets efficiently and effectively.

According to Smart Growth America, "Complete Streets are streets for everyone." They are designed and operated to prioritize safety, comfort, and access to destinations for all people who use the street, especially older adults, people living with disabilities, people who cannot afford or do not have access to a car, and historically underrepresented communities. Complete Streets make it easy to cross the street, walk to shops, jobs, and schools, bicycle to work, and move actively with assistive devices. There is no one design for a Complete Street because each one is unique and responds to community context. A complete street may include sidewalks, bike lanes (or wide paved shoulders), shared-use pathways (typically 8-10 ft. wide for use by pedestrians and cyclists), special bus lanes, comfortable and accessible public transportation stops, frequent and safe crossing opportunities, median islands, accessible pedestrian signals, curb extensions, narrower travel lanes, roundabouts, and more. During many recent community surveys and feedback, residents continue to request more "walkability and connectivity throughout the City" and "Placemaking" were among the top three priorities.



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Since 2011, the City has installed over 6.3 miles of bike lanes and 22 miles of new pathways, including an additional 5 linear miles in 2021 and 2022. In the last FY, the Southfield City Centre trail has been expanded by more than one mile for a current total length of 8.75 linear miles.

In February 2022, the City Council authorized approximately \$375,000 for construction of a ½ mile segment of shared-use (8-10 foot wide) pathway on SB (M-39) service drive, from 9 Mile Road to Cornell, which was completed in November 2022. The project also includes an east-west bike route, with sharrows, along Cornell connecting the pathway to the Magnolia Community Center and the future Northland development. Additionally, shared-use (8-10 foot wide) pathways on the south side of 9 Mile Road (Prescott to Lahser) are in the design engineering phases.

#### **Nine Mile Corridor**

The Nine Mile Corridor Plan is a year-long project that began in the summer of 2022 and is intended to identify a preferred non-motorized treatment for Nine Mile Road, stretching from I-75 in Hazel Park to I-275 in Farmington Hills. The project came about through a series of meetings with the City Managers from each of the six cities along the corridor: Hazel Park, Ferndale, Oak Park, Southfield, Farmington, and Farmington Hills, to discuss the opportunity for shared recreation assets within Southern Oakland County. Nine Mile Road connects each of these communities with each other, is a locally owned roadway, and is nearby to several parks, recreation facilities, neighborhoods, and business districts, making it a perfect corridor to enhance from a non-motorized transportation standpoint.

A community survey was conducted from October 17, 2022 to November 28, 2022 that included 727 total responses. Most current users visit destinations along Nine Mile by car (92.45%), but 32.3% of respondents also travel by bike; 7.4% walk and 2.1% use public transport. 57.1% of respondents stated that they would use the corridor if non-motorized pathways were provided. When asked “what improvements would encourage you to walk and bike more?”, the top five responses included: “Places to sit and rest with shade” (48.8%); “Protected Bike Lanes” (47%); “Landscaping and street trees” (46.2%); “Wider sidewalks” (42.6%) and “More public parks and public spaces” (42.5%).

In February 2022, the City Council authorized approximately \$319,000 for construction of a ½ mile segment of shared-use (8-10 ft. wide) pathway on the south side of 9 Mile, adjacent to Bauervic Woods Park, from Evergreen Road to Prescott, which was completed in November 2022.

#### **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.

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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 (LTU) have worked closely together to launch a new Michigan SmartZone called Southfield Centrepolis. As Southfield is the 12<sup>th</sup> 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.

#### **Centrepolis Accelerator**

The Centrepolis 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.

With plans to not only create an entrepreneurial center, but also a cultural environment, Centrepolis has incorporated community-friendly amenities like new dining establishments and stores, 10-foot wide pathways, miles of roadway improvements, way finding signage, storm water

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management, and further development of the Pebble Creek Park. The Southfield SmartZone also incorporates the Mark Plaza building at 21411-21415 Civic Center Drive and will 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.

#### **Micro Makers Evolution Lab**

Southfield, along with the other largest cities in Michigan, is still addressing the negative effects of largely empty office buildings as workers work remotely — with no predictable end date for the COVID pandemic. The effects of the pandemic have been far-reaching in all industries, but it seems clear that Covid-19 has fundamentally changed the way business is conducted. Many workers have left their traditional offices to seek to build their own businesses.

Southfield Business Development identified a need to provide greater support to emerging small business owners and created a pilot program, Southfield Evolution Lab. The Evolution Lab leverages our success with Centrepolis Accelerator at Lawrence Technological University. Tapping into the Experts in Residents to provide clear and direct support guides the evolution of the underserved Southfield entrepreneurs into a robust community through education, resources and mentorship.

Southfield City Council approved the initial commitment of \$150,000 at the November 8, 2021, Regular City Council Meeting. These dollars served as a match New Economy Initiative's Inclusive Small Business Network Fund creating a dynamic initiative that truly supports small micro maker businesses, 1-50 employees, located in Southfield and Wayne County that classify as undeserved businesses (managed by people of color, women, veterans, people with disabilities) or located in distressed communities.

The Micro Makers Evolution Lab provides impactful business and technical assistance to small businesses (1-4 employees), specifically makers of physical products and small manufacturers of goods located in the City of Southfield and Wayne County. Seasoned veteran experts offer product development services to help launch new products; manufacturing operational efficiency and scaling for existing products as well as marketing, sales support, intellectual property (patents, trademarks, copyrights), forgivable grants & loans and fund-raising assistance to help companies grow their top line revenues.

Centrepolis staff has developed a comprehensive funding program that is able to leverage the investment to match with other loan and equity funding partners to bring additional capital to our clients. Centrepolis will provide up to \$10,000 zero equity, noninterest loans to support business and technical milestones of select underserved micro maker businesses. Micro Makers Evolution Lab is open to qualified startups, established small businesses, inventors, and product developers.

#### **Micro Makers Evolution Lab & Centrepolis Accelerator Measurements of Success**

In just the past 10 months, the Micro Makers Evolution Lab has already received over 100 inquiries, held over 250 client meetings, served 32 Southfield clients with 11 receiving funding of more than \$630,000 in total commitments. Since its inception, the Centrepolis Accelerator has worked with over 375 companies, created over 360 new jobs, over 150 products commercialized which has resulted in \$80 million in revenue/new investment.

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#### **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.

#### **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



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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.

### **FY2021-22 NEW BUSINESS DEVELOPMENT**

#### Electrical Components International, Inc.

Electrical Components International, Inc. is a global leader in manufacturing electrical wire harnesses, electrical components, and subassemblies for a variety of industries including home appliances, transportation, construction, agricultural equipment and more. Founded in 1953, the company is headquartered in St. Louis, Missouri with locations across the globe.

ECI continues to grow and plans to expand its automotive wire harness market as the industry shifts toward electric and connected vehicles. The company opened a global research and development office in the city of Southfield where it houses executive leadership staff and engineering operations.

ECI will invest up to \$1,300,000 in investment of which \$800,000 is in information technology, furniture and fixtures within the 10,400 square feet at One Towne Square. Electrical Components International, Inc. will create 57 high-wage jobs. This project is supported by a \$760,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over a competing site in Dallas. They continue to hire young talent and will work with Southfield Michigan Works to create opportunities for Southfield residents.

#### WirelessCar

WirelessCar is one of the world's leading innovators of digital vehicle services, connecting cars, ecosystems, business flows and fleets opened an office in Southfield's City Centre District. The headquarters opened in 2021 and will be a permanent space for 40 employees, situated on the top floor of the Oakland Commons building in Southfield. The company has data operations span more than 8 million connected cars worldwide in more than 85 countries with the goal of delivering vehicle services to 100 million or more cars by 2025. This expanded facility will allow the company to continue its rapid growth and plans to double its headcount in the U.S. over the next 18-24 months. The company wanted to be near regional automotive companies, including all the top OEMs.

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#### Savormetrics

Savormetrics, a Canadian-based Ag-Tech Startup chose to launch their first location to launch a R&D & Sales Operation in the Centrepolis Accelerator within the Southfield City Centre District due to the C3 Accelerator Program on the campus of Lawrence Tech University. They plan to create 115 jobs in engineering, sales and business development in the next 3-5 years. Southfield, Michigan was selected over competing sites because of the market size, business & industry partners, talent and local support and resources provided. The Detroit Regional Partnership will provide regional market data intelligence on talent availability, costs & skills, agriculture, tech ecosystem, business climate, and operational costs. Additionally, they will be provided with access to our local ecosystem partners including the Centrepolis Accelerator, MDARD, universities and talent providers.

#### FCR

FCR, an Oregon-based BPO firm expanded a new work from home model to Romulus and Southfield, as its first locations in Michigan. Michigan was selected over competing sites in the Northeast United States for the diversity and large tech talent base available. Expanded and grew team from originally a pilot of 10-15 people to over 318 employees within a 5-month period. Southfield's Oakland County Michigan Works engaged local talent partners on finding language support for bilingual talent, connections to requirement events, and other needed resources.

#### Enterprise Rent-a-Car

A new automobile and truck leasing & rental office was approved at the northwest corner of Telegraph Road and Gardner Street. The total value of the development is expected to be approximately \$2,000,000.

#### Southfield Storage Facility

This project includes demolition of an antiquated office building and construction of a four-story Storage Facility with first-floor retail (approximately 123,774 square feet). The total value of the redevelopment is expected to be approximately \$6,000,000.

#### Former Star Theater Adaptive Reuse

The Southfield theater, which cost an estimated \$40 million to build, opened for business in June 1997 with much pomp and circumstance, and was the flagship of the Star Theatre chain. Designed after the grand movie palaces of the 1920s, the 185,000-square-foot, 6,000-seat multiplex was the first theater in the area to feature all-stadium seating, and was the first and largest theater complex in the nation to feature THX-certified sound in all its auditoriums. The theater, located at 25333 W. 12 Mile Road, has been closed since 2020 when AMC temporarily shut down all of its theaters due to the pandemic. The Southfield theater, however, did not re-open due to an expired lease. Triumph Church, which has six locations across Detroit, Flint, Southfield, and Northville Township, has submitted plans to purchase the theater. Interior and exterior modifications to convert the existing Star Theater to a religious institution for Triumph Church. The total value of the redevelopment is expected to be approximately \$2.5 million.

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#### **Office Conversion**

Rezoning Request to establish an Overlay Development District for 11.175 acres of land for the construction of a mixed-use development on property located at 27400 Northwestern Highway. The total value of the redevelopment is expected to be approximately \$5.5 million.

#### **COMPANIES REINVESTING IN SOUTHFIELD FY2021-22**

Numerous companies large and small reinvested in Southfield in FY 2021-22 with new lease agreements, renewals or expansions, including: EdgeConnex, 21107 Lahser Road; Real Estate One, 26261 Evergreen Road; Audacy, 26455-26475 American Drive; Crum & Forster, 26600 Telegraph Road; ABC Group Sales & Engineering, 25900 W. 11 Mile Road; Mortgage Center, 26555 Evergreen Road; Applied Science, Inc., 21455 Melrose Avenue; Estate Financial, 18000 W. 9 Mile Road; Doner Advertising, 400 Galleria Office Center; AT&T Services, Inc., 1000 Town Center; Prize Logic, Two Towne Square; Bucharest Grill, 23661 Telegraph Road; Walgreens, 28901 Greenfield Road; Lumen, 19675 W. Ten Mile Road; BarPellam, 27777 Franklin Road; The Home DME, 21540 W. 11 Mile Road; Nations Mortgage, 25925 Telegraph Road; TS Tech Americas, 21455 Melrose Avenue; Lake Lazer Eye Center, 25811 W. 12 Mile Road; Khansa Group, LLC, 24151 Telegraph Road; United States Council for Automotive Center, 3000 Town Center; B Gallerie, 21455 Melrose Avenue; Citi Trends, 29782-29952 Southfield Road; Bethany Christian Services, 18000 W. 9 Mile Road; Proud Moments MSO, 23800 W. 10 Mile Road; Mortgage Express, 100 Galleria Office Center; Ottenwess Law, PLC, 3000 Town Center; Configit Inc., 27777 Franklin Road; United Mortgage Lending, 300 Galleria Office Center; Salon Plaza, 29728-29764 Southfield Road; D'Bo's Daiquiris, 28565-28595 Northwestern Highway; and Nucor, 4000 Town Center.

#### **FY2021-22 NEW RESIDENTIAL CONSTRUCTION, ADAPTIVE REUSE & REDEVELOPMENT**

##### **Westland Duplexes**

The construction of a 2,388 square feet residential duplex was approved on Westland within a single family district to provide affordable in-fill housing on vacant lots. The total value of the development is expected to be approximately \$450,000.

##### **The John Grace Revitalization Plan**

The John Grace Revitalization Plan was adopted by City Council, which is a sub area to the City of Southfield Comprehensive Master Plan, for the future needs of Southfield seniors including active living and housing options. The former John Grace school was a Rezoning Request to Create a Residential Unit Development District to rezone 4.62 acres of land from R-1, Single Family to Residential Unit Development District (RUDD) for the property located at 21030 Indian Street on the east side of Indian between West Eight Mile Road and Shiawassee. The total value of the redevelopment is expected to be approximately \$17.5 million.

##### **John Grace School Redevelopment into Senior Housing**

The former John Grace School and Community Center, located at 2130 Indian Street, is being considered for adaptive re-use for affordable senior housing. The City, in cooperation with the Planning Department and Planning Commission, is looking at the feasibility of renovating the historic building, reconfiguring the site, and making public improvements near the subject property.

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In early 2022, the City began considering rezoning the property as a Residential Unit Development District (RUDD).

The RUDD option amendment to the zoning ordinance was adopted on May 30, 2019, with the aim to spur innovative redevelopment of historic buildings; the John Grace site is one of several that had been designated as possible future RUDD sites within the city. John Grace Arms, a multifamily development proposal by Lockwood Companies, is now in the preliminary review process and, if approved, would provide 60 affordable housing units in addition to a 0.62-acre public park and indoor community space available for reservation.

Providing appropriate senior housing options is increasingly important as the general population ages. Fewer financial resources are available to older residents, as such, they need affordable options that are safe, attractive, and stimulating. Many older adults live in established neighborhoods, and some find their financial resources strained over time, leaving them to struggle to maintain their homes, or worse, to heat them or pay their mortgage at all. Seen as a transition from the single-family neighborhoods to the north into the more intensely developed areas along Eight Mile Road and Grand River Avenue to the south, the improvements are likely to activate continued investment from the City, businesses, and neighbors.

#### **The Alcove**

Utilizing the Overlay Development District (ODD) zoning tool, the former Hawthorn Suites was converted into 144 total units of market-rate multi-family style housing units in 18 buildings with community center, pool, outdoor patios and dog park. The total value of the redevelopment is expected to be approximately \$2,500,000.

#### **Arbor Lofts**

The Arbor Lofts project was a three-phase redevelopment project that converted the former 114,000-square-foot, four-story Civic Plaza office building into a new residential and retail community in 2013. The top three floors were converted into 57 loft apartments with a total of 171 rooms. The first floor has been converted into mixed-use space, including a common gym and lounge area, and other business and personal service type uses. Phase Two will include new construction of 16-24 two-bedroom micro-units (450-900 square feet) within row-houses along Civic Center Drive and existing carports converted to 6 additional units. Phase 3: includes 24-72 two-bedroom micro-units (450-900 square feet) of multi-family units located to the northern portion of the site with a new dog park.

#### **Mixed Use Corridor District (MUCD)**

Many of Southfield's "Mile" roads (i.e., Nine, Ten, and Twelve-Mile Roads), especially in the eastern portion of the city, contain antiquated office uses on shallow-depth lots. It is the intent of the City to create an innovative and flexible zoning overlay district to encourage adaptive reuse and higher mixed-use redevelopment on these underutilized properties. The intent of this district is to create a Mixed Use Corridor District (MUCD) regulations for the purposes of: encouraging the use of land in accordance with its character and adaptability; to act as a buffer between adjoining non-residential and residential areas, and to ensure that new development is compatible in use, scale, and design with the transitional function of the District; permit moderate-density, multiple-family residential

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uses, along with small-scale commercial uses and mixed-use developments that will primarily serve the day-to-day needs of residents in nearby neighborhoods and residential complexes; and encourages innovation in land use planning; providing enhanced housing, employment, walkability, traffic circulation and recreational opportunities for the residents of Southfield; ensuring compatibility of design and use between neighboring properties; and encouraging development that is consistent with Sustainable Southfield 2.0, as amended. The MUCD was adopted by the City of Southfield on July 25, 2022.

#### **Mapletree Apartments**

The construction of a new four-unit townhome building located at 28545 Franklin Road was nearing completion in FY2021-22. The total value of the development is expected to be approximately \$410,000.

#### **Assisted Living & Memory Care Facility**

Conversion of the existing 5-story hotel located at 26620 Franklin Road to an assisted living and memory care facility has been approved. The total value of the redevelopment is expected to be approximately \$1.75 Million.

#### **The Middlepointe (formerly 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 8.14 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 Redevelopment Project (formerly known as “EverCentre”) located directly across from City Hall in the Southfield City Centre.

In 2021, Middlepointe was approved for an Overlay Development District for this multi-phased mixed-use development which may include retail, restaurant, office, residential and pocket parks. The Middlepointe project consists of construction of new workforce housing and mixed-use development. This project will complete the site demolition left unfinished from the previous three-building office-complex and fill and repair the grade issues left currently present on site. The new development project consists of construction of a walkable, high-density mixed-use development. A mix of 4 to 6 story residential and retail buildings will be constructed on the western side of the site along Central Park Boulevard, with a multi-story parking deck, and integrated, high-density, ground level parking beneath one of the residential structures. In total, the project includes 275 residential units (240,000square feet), a 448-space multi-story parking deck, 20,000 square feet of retail/commercial flex space with associated parking, and pocket-parks, public gathering, and green space. The apartments will include amenities such as community areas, pool, fitness center, business center, pet spa, parking garage, keyless entry, package room, storage, bike share and more. Residents will have direct access to City Centre shops and restaurants.

The project is mixed-use and fits into the City of Southfield's redevelopment ready community plans for a walkable community. The city has made significant investments in improving walkability within the City Centre, especially along the Evergreen Road corridor, together local businesses, universities, residences, and parks. This project significantly increases the Southfield City Centre's

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mixed-use presence, while providing amenities and services to residents and visitors all within walking distance. This project is a lynchpin that will bind all the other efforts to date.

The project is located at the northwest corner of Evergreen Road and Civic Center Drive, Southfield's version of "Main Street & Main Street" in the commercial corridor of Evergreen Road in the heart of Southfield's developing City Centre district. It is adjacent to the City's Municipal Campus, Southfield Public Library, Evergreen Hills Golf Course, Sports Arena and ice rink, recreational and park center (east of the project), connected by a pedestrian crossing. New mixed-use residential development is also located directly west of the project location.

The Southfield Town Center office complex and the 33-story, 216-unit, 5000 Town Center residential high-rise along with 250 Brownstone Townhomes are to the south of the project. This development will complement the numerous other mixed-use, retail, corporate offices and parks that have been developed in the City Centre over the past five years.

The project fits within the City's Master Plan and is part of the City's area-wide planning effort and integrated into its redevelopment ready community plans. Workforce housing is in high demand, especially in the City Centre area. Southfield has a large corporate footprint, and the current dated housing stock does not provide options which include modern design or amenities found in surrounding communities. This is critical to ensure Southfield can attract and retain residents in the workforce. More now than ever the current workforce is seeking housing options that are in proximity of their jobs, including everyday services and amenities within walking distance. The Middlepointe Development checks all these boxes and will serve the current demand for workforce housing. The development also has space allocated for co-working space to accommodate the trend of remote workspaces.

The City of Southfield has been actively supporting this development effort in the City Centre with the following projects. The Middlepointe development will provide a diverse mix of tenants that will create jobs and provide both entry-level positions and upper tier positions in the medical field. Furthermore, the development of this key site will attract new business and residents to the City, while spurring further development of nearby properties. This development will also act as a retention mechanism for companies who currently call the Southfield City Centre home.

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. The total value of the development is expected to be between \$80,000,000- \$250,000,000.

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#### **NORTHLAND CITY CENTER MIXED-USE REDEVELOPMENT PROJECT**

On January 19, 2021, the City Council approved and applied the Overlay Development District (ODD) for the re-envisioned “Northland City Center,” mixed-use development on approximately 105 acres by Contour Companies of Bloomfield Hills, Michigan.

The City of Southfield sold the majority of the former Northland Center for \$11,093,000 to Contour Companies 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.

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.

Contour continues to make substantial progress attracting new tenants such as Costco Business Center and Imagine Theaters to the mixed-use development. Demolition began in the summer of 2021 and the first phase of development began, which includes a mixed-use development consisting of up to 1292 apartment units, 218 loft residences, and 144,522 square feet of commercial space along Greenfield Road, renovations to the former mall (approx. 750,000 square feet i.e., Hudson Market Place, Health, Wellness and Fitness, and Cinemas.)

Phase II will have mixed-use commercial space; 84 townhouses and 192 apartments; health, wellness and fitness; recreational facilities; hotels; senior living; medical and general office; water tower restoration; pump house renovation and related uses within the Northland Overlay Development District.

As part of the Northland Redevelopment, Costco has announced that it will be the location of its new B2B Center facility. The Costco Business Center, which will be the first of its kind in the State of Michigan, was approved in the fall of 2022. The site of the center will be located on the southwest portion of the property. Costco anticipates to build a 160,000 square foot facility to service clients interested in purchasing business items for their operation. It is anticipated 100 new jobs will be created. While the transaction has yet to close, Costco anticipates a year end closing to acquire the property from Contour Development.

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

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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.

#### **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, ensuring that spaces blend seamlessly into their surroundings. Contour Companies' mission is to provide residents with an at-home feeling, for comfortable and idyllic living.

#### **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).

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 Advisory Board FY2021-22 Capital Projects**

The public realm is defined as the publicly owned places and spaces that belong to and are accessible by everyone. These can include municipal streets and rights-of-way (ROW), lanes, squares, plazas, sidewalks, trails, parks, open spaces, waterfronts, public transit systems, conservation areas, and civic buildings and institutions. Since 2016, the City of Southfield, in partnership with the Southfield City Centre District Board, has made a concerted effort to improve placemaking in the public realm, especially in the Southfield City Centre. Placemaking



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improvements include, but are not limited to: wider sidewalks and shared-use pathways (8 to 10 ft wide); pedestrian respite stations (benches and trash receptacles); art installations; wayfinding and interpretive signage; bike-share and bike repair stations, bird and bat houses; improved transit stops (including bus stop pads, key-walks, benches, trash receptacles, bike racks and bus shelters), and dog stations (dog waste and dog treats).

### **COMMUNITY ENGAGEMENT, PLANNING & SUSTAINABILITY**

#### Sustainable Southfield 2.0, Comprehensive Master Plan 2023-2028

*Sustainable Southfield 2.0, Comprehensive Master Plan 2023-2028* is the City of Southfield's comprehensive plan for the future. Sometimes referred to as the "Master Plan," this document is used to guide future development, programs, and policies to help make our city match residents' vision for the future. The plan gives guidance to the City Council, departments, agencies, boards and commissions, and staff as they make decisions that impact the public – with every new building, street, or program, the question is asked "Does this align with the community's vision?"

*Overwhelmingly, residents' vision for the future of Southfield is one rooted in resiliency, equity, and collective support for one another. Residents want a community where everyone has access to high quality recreation, entertainment and amenities, housing, and jobs – a city where everyone thrives.*

The *Sustainable Southfield 2.0* Plan asked Southfield residents about the challenges they face today and what they want to see change in the next ten to twenty years. Over 1,000 residents participated in the creation of the Plan by providing their feedback through the public survey, at homeowners' association meetings, and at City Council and Planning Commission meetings. After receiving this feedback, over a dozen City departments collaborated to create the draft Plan, which was then distributed for public review. Members of the public, board and commission officials, neighboring cities, and Oakland County all reviewed the Plan over the course of two months and returned their comments to the City, which then shaped the final Plan. From start to finish, it took almost two years to create the final Sustainable Southfield 2.0 Plan.

*Sustainable Southfield 2.0* combined the public's feedback with information about the existing conditions in the city and upcoming trends to identify the opportunities and challenges that the community will soon face. The Plan covers a wide range of topics – from roads to housing, from schools to workforce development, and from trees to waste management – to try to get a complete picture of the future. Overall, the Plan directs the city toward a resilient future where the community can survive, adapt, and grow no matter the pressures we face – pandemics, climate change, and everything else the next twenty years will bring. In total, *Sustainable Southfield 2.0* includes 113 clear objectives for the future to help make progress toward the community's goals. These objectives can all be found in "Chapter 10: Implementation."

The Plan also includes innumerable recommendations and insights that will help guide the city forward – these are scattered throughout the document but can generally be found under the "Key Findings" section in each chapter. Chapters 1 and 2 provide a background on Southfield today, while Chapters 3 through 9 address specific topics and Chapter 10 gathers the entire Plan together. The anticipated adoption of the plan by City Council is December 12, 2022.

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### **FY2021-22 City of Southfield Sustainability Projects**

The Planning Department began the hiring process for a Sustainability Planner in January 2022. This position is the first of its kind for the City of Southfield. By March 2022, the position was filled. Many of the Sustainability Planner's responsibilities include, but are not limited to, launching public education campaigns, creating, and monitoring sustainability metrics, identifying resiliency strategies, pursuing grant funding opportunities, and enhancing existing green infrastructure, woodland, and other sustainability-related plans.

The City of Southfield was chosen to be part of the 2022 ICLEI Sustainability Planning Cohort. This cohort is geared towards assisting communities in developing sustainability and climate action plans that best fit their respective priorities and unique environmental, economic, and social characteristics. There was a total of ten ICLEI cohort sessions that began in March 2022 and concluded in November 2022. Select municipalities from across the United States were gathered in these virtual cohort sessions to learn from guest speakers, ICLEI staff, and each other.

In conjunction with the ICLEI learning resources, the City of Southfield Sustainability Team has been working on better public education materials related to sustainability topics. New banners, handouts, and flyers have been created to promote sustainability topics and given to residents and City Staff throughout various City events.

Ongoing efforts throughout the remainder of the year will focus on the creation of the City's Sustainability Action Plan (SAP) and recruiting external advisors to assist with the content development of the SAP. These external members are known as the Community Advisory Board (CAB) are specifically recruited by the Sustainability Team to provide content, data, and resources to be incorporated into the SAP.

### **Consolidation & Contamination Risk Reduction (C2R2) Grant**

The City of Southfield applied for and received a \$1,104,421 C2R2 (Consolidation and Contamination Risk Reduction) Grant through the Michigan Department of Environment, Great Lakes and Energy (EGLE) to install new water services in homes that are not connected to the City's water system in the San Marino Subdivision located near 12 Mile & Inkster Road. The C2R2 grant will connect 99 properties to the City's water system.

The City received three proposals with the low bid from D'Angelo Brothers, Inc. of Farmington Hills, Michigan, through the Oakland County Water Resources Commission in the amount of \$547,741.91. Work includes all of the construction costs, preliminary engineering and construction engineering.

Pursuant to Ordinance No. 902, Article II, Chapter 20, Section 2.153 (3) a front footage fee is charged to property owners when installing a new water service; however, the City has agreed to waive the current per property charge. The City's typical front footage fee of \$13.50 per foot of road frontage is not reimbursable by the grant. The City has been granted a lien on the subdivision well property if the property is ever sold by the subdivision with proceeds used to pay the front footage cost.

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### **Residential Water Wells Voluntary Testing Pilot Program**

The City of Southfield prioritizes efforts towards water safety and sustainability initiatives that keep residents and infrastructure safe. There are currently 319 active residential water wells within the city of Southfield. Once the 99 wells at San Marino are connected, there will still be 220 potentially active wells throughout the city of which there is no data regarding the quality of drinking water provided. To address this, City Council has approved the establishment of a 6-month Residential Water Wells Voluntary Testing Pilot Program to ensure that all well water is safe for human and animal consumption. The scope of testing will include: bacteria, heavy metals, petroleum products and other possible contaminants. The pilot program is slated to begin on April 1, 2022 and run through September 30, 2022. In addition to testing, the City will contract with water quality experts to evaluate the test data. This information may provide staff with enough supplementary data to secure additional funds from the State of Michigan Department of Environment, Great Lakes and Energy (EGLE). Contaminated well issues are typically resolved through loans or interest-free deferred loans to income-eligible homeowners through the City's Water Department. The total cost of the program is expected to be \$60,000 if all 220 wells are tested.

### **Southfield City Council recognizes March 22 as World Water Day**

World Water Day is recognized on March 22 every year. It is an annual United Nations Observance, started in 1993, that celebrates water and raises awareness of the 2 billion people currently living without access to safe water. A core focus of World Water Day is to inspire action towards Sustainable Development Goal (SDG) 6: water and sanitation for all by 2030.

This annual observance by the United Nations aims to inspire action for water and sanitation for all by 2030 and raise awareness of the 2 billion people around the world that currently do not have access to safe water. Previous annual topics such as Valuing Water (2021) and Water and Climate Change (2020) have brought about an appreciation for this natural resource vital for life on Earth.

The Southfield City Council has formally recognized March 22 as World Water Day in Southfield – communicating our understanding of the importance and role that fresh water plays in our community and around the world.

### **City of Southfield Wildlife Advisory Commission Wildlife**

The Wildlife Advisory Commission was established in June 2020 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.

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;

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- 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.

#### **City of Southfield enacts ordinance prohibiting feeding deer**

The City of Southfield amended Chapter 113, Animals, of Title IX, Police Regulations, of the Code of the City of Southfield by adding a new section, Sec. 9.90, Feeding Deer Prohibited, Ordinance No. 1748, which was enacted by City Council on March 7, 2021. Combined with other wildlife management strategies and recommendations from the City of Southfield's Wildlife Advisory Commission, the purpose of the feeding ban ordinance is to eliminate deer attraction, aiming to reduce the depredation impacts on residents and to assure the safety of the traveling public on city streets.

Ordinance No. 1748 addresses recreational feeding and high deer populations that can result in the destruction of residential landscaping and gardens, as well as pose a threat to public safety by increasing deer and automotive accidents. Per the ordinance, no person shall place or permit any grain, fruit, vegetables, nuts, hay, or other edible materials less than five feet above the ground surface, unless these items are screened or protected in a manner that prevent deer from feeding on them. Prior to the issuance of a citation for violation, the city will first issue a written warning giving notice of the penalties as stated in Section 9.88 that could be imposed if the violator fails to cease and desist feeding deer.

Exceptions to the prohibition include veterinarians, city/county animal control officers, parks maintenance staff, county, state, or federal game officials that are within their duties, have a deer in their custody, or a deer under their management. Persons feeding domestic animals or wild birds with properly maintained feeding containers or devices, the use of straw-related material for landscape purposes, or the use of plant material for decorative seasonal or holiday purposes between September 1 and December 31 are also included as exceptions to Ordinance No. 1748.

#### **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.

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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 been 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 needed to create an account in the new system in order to continue reporting service request issues.

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](http://www.cityofsouthfield.com).

### **NEIGHBORHOODS, HOUSING & CURB APPEAL**

Southfield residents have 69 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 2021-22 fiscal year, six entranceway projects were funded to improve neighborhood entranceway signs and landscaping based on a dollar-to-dollar match. Additionally, over 150 individual homeowners, neighborhood and condo associations, and public buildings were recognized for outstanding overall appearance and landscaping from nearly 300 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.

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#### Southfield Parks & Garden Club (SP&GC)

The Southfield Parks and Garden Club is a 501(c)(3) non-profit organization that works to keep Southfield beautiful. The club is grassroots, 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 15<sup>th</sup> annual Southfield Garden Walk last summer throughout several of the finest gardens in the Southfield to showcase the beauty of the city.

#### Rebuilding Together Southeast Michigan Volunteer Improvement Event

The City of Southfield, in partnership with Rebuilding Together Southeast Michigan and Eaton Corporation, hosted a Rebuilding Volunteer event at Seminole Park (Seminole Street, north of Shiawassee Road) and at 21816 Negaunee Street on June 8 and June 9.

Eaton offers philanthropic opportunities through their "Annual Days of Caring" and provided 57 employee volunteers to improve Seminole Park and various homes in Southfield. The park rehabilitation volunteer tasks included woodchip installation, tree maintenance, fence, and playground area rejuvenation. The resident improvement project consisted of exterior and interior volunteer work such as landscaping, power washing, painting, plumbing, door repair, as well as a refrigerator replacement, courtesy of Eaton.

Rebuilding Together is a premier nonprofit community revitalization organization that makes essential restorations to help neighbors stay safe in their homes. With the mission to repair homes, revitalize communities and rebuild lives, Rebuilding Together is positioned to execute housing plans that address the needs of each community. The organization unites with corporate and community partners and supplies 100,000 volunteers to complete 10,000 rebuild projects nationwide each year. Rebuilding Together believes in five core values: community, teamwork, diversity, innovation, and mission.

Eaton Corporation was founded in 1911 and serves customers in over 170 countries. As an intelligent power management company that employs 85,000 people worldwide, Eaton has been listed on the NYSE close to a century and has reported revenues of \$19.6 billion in 2021. The firm is dedicated to improving the quality of life with power management technologies that protect the environment through global growth trends of electrification and digitalization. Eaton accelerates the planet's transition to renewable energy and focuses on the success of its partnerships. The company recently won a Silver Communicator Award for its Global Inclusion and Diversity Transparency report.

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#### **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 6<sup>th</sup> annual Rock the Block program in the South Evergreen area September 29 and October 1.

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. 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 1,000 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](http://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 6, 13, 20 and December 4 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 330 volunteers helped to clear over 150 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

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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.

### **DIVERSITY, EQUITY AND INCLUSION (DEI) PROGRAMS, POLICIES & INITIATIVES**

City of Southfield residents, business owners & employees, and City staff represent a truly diverse community from a wide variety of different cultural backgrounds, perspectives, and social identities. Equity, Inclusion & Diversity play a critical role in supporting the mission of the City to provide high quality services and support to all of these stakeholders. Leveraging the benefits of Equity, Inclusion & Diversity can enhance the City's competitive advantage allowing the City to comprehensively execute our goals and objectives.

The City of Southfield has long been an integrated, diverse community and workforce; however, the City has strongly recommitted to this important and ongoing cause of civil rights, inclusion and justice for all. In a show of solidarity and support for the Black Lives Matter (BLM) movement, the City of Southfield installed new *Black Lives Matter* and *Southfield Strong* banners along Evergreen Road between 10 and 11 Mile Roads. More importantly, the banner installation followed the implementation of several new city policies, joint resolutions and peaceful protests all intended to support equality and justice.

The City of Southfield was hit hard by the double shock waves of the COVID-19 pandemic and the international outcry in the wake of George Floyd's murder. In light of these most recent national tragedies, the City of Southfield collectively called for justice and police reforms that protect people of color.

#### **Our Sorrow and Determination for a More Equal and Just Society" Joint Resolution**

The Southfield City Council & Mayor adopted the "Our Sorrow and Determination for a More Equal and Just Society" Joint Resolution to join in the call by former President Obama to do everything in our power "to recognize and root out the tragic, painful, maddening effects of systemic racism." Southfield elected officials have also continued to support training for our police officers as well as departmental policies and practices that de-escalate tense situations and avoid the use of deadly force.

#### **Duty to Intervene Policy**

In response to the murder of Mr. Floyd, the Southfield Police Department revised its 'Use of Force' policy under the direction of Chief of Police Elvin Barren. The policy amendment



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entitled Duty to Intervene requires every sworn employee present at any scene to stop another sworn employee when force is being inappropriately applied or is no longer required. This is an important step in addressing and correcting any implicit or lingering bias in community policing.

#### **Diversity, Equity and Inclusion (DEI) and Operations Training Manager**

In early summer of 2020, Council leadership and the Administration engaged in multiple conversations regarding the creation of an office of diversity and inclusion and associated staff position. After a thorough search and candidate review, the newly-created position of Diversity, Equity and Inclusion (DEI) & Operations Training Manager was filled on December 6, 2021.

This position will oversee the development and implementation of programs and services that promote diversity & inclusion by means of monitoring City diversity and provide support through training and understanding. D&I officers are leaders by example who empower stakeholders without micromanaging them. This position is challenged to simultaneously administer many large and small-scale training programs, and to ensure that City staff are treated in a fair and equitable manner, with due regard for constantly changing legal/legislative directives. Some of the many other DEI Manager responsibilities include:

- Provide strategic leadership in the areas of diversity, inclusion and equity. Cultivate a supportive and inclusive work environment for all our employees.
- Conduct research and provide the strategic framework through which recommendations on diversity and inclusion issues can be developed.
- Implement, monitor progress, and recommend adjustments relating to the Strategic Plan for Diversity and Inclusion.
- Collaborate with staff and departments to develop training that encompasses the inclusion of race, gender, ethnicity, class, religion and their intersections.
- Mitigate diversity-based disputes and accusations of discrimination against the City or other employees.
- Creation as well as implementation of inclusion plans such as events, minority and protected class inclusion programs and cross-cultural workshops. Occasionally produce diversity material, promoting inclusiveness and ensuring continued compliance with government regulations.
- Actively research new training sessions, and best practices that address common workplace challenges in regarding cultural awareness of racial micro-aggressions, identity, social difference, and inequality, and how to incorporate these techniques into the workplace.
- Provide important working partnerships with other departments such as administration, legal, community relations and HR.
- Develop and chair a Staff Diversity Committee; support and develop staff leadership in matters related to diversity, inclusion and equity.
- Develop tools, techniques, and training programs ensuring that diversity and inclusion awareness training classes are tailored to the needs of the City.
- Train managers on how to manage, evaluate and retain diverse employees.
- Act as a mentor to underrepresented groups and make sure all voices are heard.
- Organize trainings and/or work with the Southfield Spirit Committee to boost all employees' communication abilities and team spirit.

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- Ensure compliance with state or country regulations on diversity and equity.
- Perform specialized functions related to administration of the City's Workforce Diversity Plan, provide statistical reports.
- May need to mitigate diversity-based disputes and accusations of discrimination against the City or other employees.
- Participate with the County Diversity Council.

The Office of Diversity, Equity and Inclusion has already held numerous in-person and virtual training sessions from explicit & implicit bias training, workplace bullying, emotional intelligence and harassment & discrimination. The Office has also established new recruitment strategies and formed both the DEI Leadership Group and the DEI Advisory Group.

#### DEI Leadership Group

The Leadership Group will serve as the DEI strategic partner to the DEI Training & Operations Manager. The primary focus will be on organizational strategy and alignment of the DEI principles, practices and accountability.

#### Diversity Advisory Group

A diverse group of employees led by the DEI and Training Operations Manager, who will meet regularly to support and champion DEI initiatives on behalf of the City of Southfield, for engagement of all employees. The Diversity Advisory Group will promote a shared understanding of DEI and a mutual respect for all staff of the COS. This will include but is not limited to participation in *all COS DEI trainings, participation as co-facilitator's in forum's, DEI discussions, Networking, and Mentoring programs.*

#### Southfield Celebrates Juneteenth

The City of Southfield, in partnership with Pearls of Service Foundation (PSF) and Alpha Kappa Alpha Sorority (AKA), Inc.® - Pi Tau Omega Chapter, Southfield Public Library, Southfield Parks & Recreation and Southfield Historical Society, sponsored several commemorative events and activities for the City's 2022 Juneteenth Celebration. This celebration of African American history and culture kicked-off with a ceremonial raising of the Juneteenth flag on June 15 at the circle drive in front of City Hall.

Juneteenth is a federal holiday in the United States commemorating the emancipation of enslaved African Americans. It is also often observed for celebrating African American culture. Originating in Galveston, Texas, it has been celebrated annually on June 19 in various parts of the United States since 1865.

#### **Southfield Public Library & Friends of the Library Juneteenth Programs – June 15-17**

The Friends of the Southfield Public Library sponsored a special Juneteenth Jazz and Blues concert at the Southfield Public Library on June 15. This free outdoor concert featured African American artist DeAnna Victoria performing various genres of African American music including traditional songs such as "Swing Low, Sweet Chariot" and "Lift Every Voice and Sing" in honor of Juneteenth. The Library BookShelf was also open offering gently used books for sale as well as various vendors featuring local African American owned businesses.

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On June 16, the Southfield Public Library hosted *A Timeline in Dance* featuring Body Rhythm Dance Theatre Youth Troupe. The group presented several dances through the years showing how dance is a relevant part of black history. The Library also featured special Juneteenth book displays throughout the building in addition to hosting author and educator Jean Alicia Elster on Friday, June 17 with *How It Happens: Collecting Oral Histories* where she shared the importance of oral histories in the creation of her family-based historical fiction trilogy. Ms. Elster will describe the basics of obtaining compelling oral histories and lead participants in a hands-on exercise. Books were also available for sale and signing.

#### **Mayor's Juneteenth Walk – Saturday, June 18**

Mayor Dr. Ken Siver hosted a Mayor's Juneteenth Walk on June 18 beginning at the Southfield Municipal Campus front circle for an invigorating 2.5 mile walk to the Red Pole Park and back to City Hall.

#### **Southfield Parks & Recreation Juneteenth Celebration – Saturday, June 18**

On Saturday, June 18, Southfield Parks & Recreation sponsored a special Juneteenth celebration beginning at noon on the Municipal Campus front lawn. P&R and the Southfield Public Library also hosted a Children's Story Time with Librarian Miss Shari followed by a special appearance from Black Cowboy L.C. Caldwell and the Tuskegee Airmen. The Southfield Historical Society presented videos of community stakeholders reading quotations from Sojourner Truth to Barack Obama. Juneteenth reenactors and presenters (including Harriet Tubman, Marian Anderson, Sojourner Truth and Malcolm X) followed by a drumming workshop with Mahindi Masai. Dancers from Legacy Dance Studio also graced the stage followed by award-winning ensemble Larry Lee & Back in the Day. Oakland County P&R was on site with bounce houses with water features, a rock wall and large games in addition to food available for purchase from a variety of food trucks. Southfield P&R also offered a Juneteenth flag bead bracelet making craft and other fun activities for youth and the Pearls of Service Foundation hosted a family gameboard section reminiscent of family cookouts.

#### **Pearls of Service Foundation / AKA Juneteenth Family Day Virtual Program – June 19**

Pearls of Service Foundation and the AKA's held a Juneteenth Webinar celebrating Juneteenth and its incorporation into our society on June 19 at [www.akasouthfield.org](http://www.akasouthfield.org).

#### **Curtis Lewis "Justice 4 All" exhibition on display at Southfield Public Library through June**

Local artist Curtis Lewis' new mural titled "Breathless" was also on display at the Southfield Public Library throughout the month of June. The mural highlights George Floyd in addition to 75 other fatal victims of violence as well as 36 civil rights pioneers and leaders. The mural is 4'x5' oil and acrylic on canvas and has been two years in the making. The work is part of a three-piece collection titled "Justice 4 All" that is also on display at the Library. The other artworks include a 2'x3' painting of Anne Frank titled "Heartbeat in the Attic" that celebrates Jewish American Heritage Month as well as a 2'x3' painting of Ukrainian President Volodymyr Zelensky titled "Let My People Go."

#### **John Osler original oil painting exhibition on display in city hall main lobby until July**

Mayor Ken Siver and the Southfield Public Arts Commission partnered with local artist John Osler to present an exhibition of his work in the city hall main lobby through July of 2022. The exhibition kicked off with a special artist reception to celebrate Black History Month on February 25. The

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exhibition, featuring 27 original John Osler oil paintings celebrating African Americans, was on display Monday – Friday from 8 a.m. – 5 p.m. All of the original artwork was also offered for sale to the public.

#### 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 Southfield Parks & Recreation Department hosted the 'Southfield Celebrates Black History Month 2022 Kick-off Event' on February 5 in the Southfield Pavilion. This free event featured the Black History 101 Mobile Museum, a lecture by its founder Dr. Khalid el-Hakim, a Black-owned Business Marketplace and much more.

The Black History 101 Mobile Museum is an award-winning collection of over 7,000 original artifacts of Black memorabilia dating from the trans-Atlantic slave trade era to hip-hop culture. There is wide range of topics reflected in the rare objects on display including the trans-Atlantic slave trade, Jim Crow, Black leaders/organizations, Civil Rights, Black Power, Sports, and Entertainment. Museum founder Dr. Khalid el-Hakim, who has been called the "Schomburg of the Hip-Hop generation" because of his passionate commitment to collect and present these artifacts to the public via a non-traditional museum, will fascinate the audience with his lecture adding a voice and dimension to the pieces on display.

#### **Walk Through History Front Lawn Display and Black History Activity Bags & T-Shirts**

The City of Southfield also presented numerous other 'Southfield Celebrates Black History Month' programs, events and activities to remember the contributions and celebrate the history of African-Americans. The *Walk Through History* display featured informational signs describing some well-known and lesser known influential African Americans throughout Southfield and world history that was on display along the walking path on the front lawn of the Municipal Campus from February 1-28, 2022.

Parks & Recreation also offered *Black History Month Activity Bags* containing activity sheets, stickers, themed coloring sheets, crayons, crafts as well as *Celebrate Black History Month T-Shirts* available for sale.

#### **Additional 2022 Black History Month Events**

Southfield's Black History Month Celebration continued on February 12 in the Southfield Pavilion with *Conversations & Cocktails*, a special program acknowledging and celebrating the contributions of African Americans to society and the world with some of metro Detroit's most notable poets and drummers.

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**Black History Month Movie Night**, featuring the 2019 documentary *The Black Godfather* took place on February 18. The film, directed by Reginald Hudlin, follows the life of music executive, entrepreneur and film producer Clarence Avant, as told by those who worked and lived with him.

**The Secret Society of Twisted Story Tellers®** returned to the Southfield Pavilion to close out Black History Month on February 25 with a special performance entitled *Cancel Culture* hosted by Satori Shakoor.

#### 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 17 beginning at Hope United Methodist Church. The 2022 theme was *Knowledge, Wisdom & Understanding Leads to Freedom, Justice & Equity*. 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 2022 MLK Community Service Award and the MLK Youth Service Awards.

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.

### **AWARDS & ACCOLADES**

#### 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 June 6, 2022. The City of Southfield made the Top 50 List by Verizon for "The Best Small Cities to Start a Small Business" for the third consecutive year, moving up to #36 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.

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#### 2022 American Public Works Association Project of the Year Award

The City of Southfield won the 2022 Project of the Year Award from the Michigan Chapter of the American Public Works Association (APWA) for the Tamarack Creek Stream & Wetland Restoration Project. The award was presented at the APWA Annual Conference (Great Lakes Expo) on May 26. Southfield's entry was also forwarded to the national APWA office for competition at that national level.

The city of Southfield partnered with the Alliance of Rouge Communities (ARC) and the Great Lakes Restoration Initiative (GLRI) to restore Tamarack Creek Stream & Wetland. Grant funds totaling \$2,718,183 were provided by GLRI through the Environmental Protection Agency (EPA) for design and implementation of the project to rejuvenate the wetland and stream to manage invasive species, as well as to provide habitat for fish and wildlife.

The Rouge River watershed is considered a designated Area of Concern (AOC) under the Great Lakes Water Quality Agreement (GLWQA). It has three Beneficial Use Impairments (BUIs) associated with fish and wildlife habitat:

- Degraded Fish and Wildlife Populations;
- Degradation of Benthos; and
- Loss of Fish and Wildlife Habitat.

In March 2016, the Rouge River Advisory Council (RRAC) and the Public Advisory Council (PAC) for the Rouge AOC approved a list of projects to remove the Rouge AOC habitat BUIs and selected Tamarack Creek Stream & Wetland Restoration Project for completion. As a tributary of Evans Creek and the main branch of the Rouge River, the Tamarack Creek Stream & Wetland Restoration Project will make a significant impact on the removal of three BUIs and will tackle these concerning habitat impairments by increasing fish and wildlife productivity.

The large quantities of uncontrolled storm-water runoff drainage have resulted in bank erosion and sedimentation of instream habitat. Increased volume of drainage water in such an urbanized area destabilizes vital substrates that are important for fish and other habitat. The restoration plans aim to help improve hydrology and in-stream flows by allowing water from the wetland to drain slower into Tamarack Creek. Native trees were planted for additional habitat value and woody debris structures were installed to stabilize the banks and stream bed.

The project will help construct habitat structures to allow for species diversity and improve water quality within the Rouge River watershed. Finalization of the Tamarack Creek Stream & Wetland Restoration Project will provide:

- 20 constructed habitat structures;
- 2 acres of restored wetland;
- 1,000 feet of restored floodplain; and
- 1,800 feet of restored stream.

The project won in the category of Environment \$1 Million to \$5 Million with the assistance of the contractor Anglin Civil and the consultants Environmental Consulting & Technology, Inc.

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### **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 – both increasing 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.

### 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 mosaic tile “Tapestry of a Community”, which was designed by Dr. Hubert Massey, was completed in June of 2022. In October 2020, more than 20 people braved a cold winter-like day to participate in a community-wide event to assemble the first two of six panels of the art installation that tells the story of the City of Southfield and Lawrence Technological University (LTU) that were informed by two virtual town-hall meetings held earlier in the project.

The panels are located along the Southfield City Centre Trail on south-bound NW service drive adjacent to LTU. The project was funded by the Southfield City Centre, the Southfield Public Arts Commission, the City of Southfield and LTU.

### Southfield City Hall Main Lobby Quarterly Art Exhibitions

Beginning in December of 2021, the Southfield Public Art Commission began a series of new public art exhibitions at the Southfield Municipal Campus. The Arts Commission curates a new exhibit of local artists' work quarterly for display in the main lobby of Southfield City Hall. Each exhibition features a special Artist Reception Opening Night and all of the works exhibited are also offered for sale to the public.

### 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

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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.

#### Detroit Institute of Arts' Inside|Out outdoor art exhibit returned to Southfield

The City of Southfield was again selected to take part in the Detroit Institute of Arts' (DIA) Inside|Out outdoor art exhibition. Now in its 13<sup>th</sup> year, Inside|Out brings framed reproductions of masterpieces from the DIA's collection to the streets and parks of the metro area – pleasantly surprising and delighting residents of the participating communities. The exhibition was on display from May 11 until mid-November featuring seven high-quality reproductions located throughout the Donald F. Fracassi Municipal Campus.

Detailed maps outlining the location of each reproduction were available in City Hall, in the current issue of *Southfield Living* city newsletter, or downloaded from the City's website.

The City of Southfield's 2022 reproductions included:

- *Bookshop: Hebrew Books, Holy Day Books* by Ben Shahn located at Civic Center Park Pavilion;
- *Hard Ball III* by Robert Moskowitz at the Southfield Sports Arena;
- *Interior of St. Peter's, Rome* by Giovanni Paolo Panini at the 46th District Court;
- *The Palms Parade Crowd* by Russ Marshall at the Police Memorial Garden;
- *Cotopaxi* by Frederic Edwin Church at the Southfield Parks & Recreation Building;
- *Rounded Flower Bed* by Claude Monet at the Veterans' Memorial Garden; and
- *Untitled* by Edouard Duval-Carrié at the Southfield Public Library.

As a diverse community with a majority of African American residents, the City of Southfield specifically requested works created by or featuring people of color as well as other artists that reflect Southfield's rich religious and racial backgrounds. The Detroit Institute of Arts was very



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accommodating of this request by providing two such reproductions of very prominent artworks, including:

- Haitian artist Edouard Duval Carrié's work *Untitled* that were featured at the Southfield Public Library. Edouard Duval Carrié is a contemporary artist and curator based in Miami, Florida that was born and raised in Haiti. His famous work *Untitled* depicts a black navy admiral fiercely leading his ship down hostile waters.
- Jewish artist Ben Shahn's Bookshop: Hebrew Books, Holy Day Books that will be featured at the Civic Center Park Pavilion. Ben Shahn was an American artist that was best known for his works of social realism, his left-wing political views, and his series of inspiring lectures.

The DIA also worked with Southfield Community Relations and the Southfield Public Library to offer several educational opportunities and other fun activities in conjunction with the program.

Inside|Out was sponsored through the John S. and James L. Knight Foundation's Random Acts of Culture Grant for the purpose of weaving the arts into the fabric of communities to inspire the people who live there.

#### Southfield Photo Prize

The City of Southfield sponsored the 6<sup>th</sup> 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.

Well over 200 entries were received for the 2022 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](http://www.cityofsouthfield.com)) for judging by the public from July 3 – September 2. 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 2023 calendar. The other finalists may also be featured in the calendar and other city marketing materials.

## **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. The Northland redevelopment has been progressing rapidly with the demolition of the former JCPenney, auto service center on Greenfield Road and the former Police mini station. Construction of a 6-story mixed use development containing first floor retail tenants and 5 floors of residential units is progressing with expected occupancy in mid-2023. The department issued 201 certificates of occupancy for new businesses for the fiscal year with \$307,519,368.00 in commercial improvements and \$30,903,315.00 in residential construction. The Building Department has instituted online permitting and payments for mechanical permits and residential roofing, gutters, siding and

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window replacements, expediting permit issuance. Online submittal of all construction projects, review and permit issuance is projected for mid-2023. The department currently has a staff of 14 full-time employees and 4 part-time employees available to serve the public daily. Two plan examiners are available daily for questions from developers, architects, engineers, and homeowners. The Building Department issued 4,853 construction permits and performed 12,903 inspections for fiscal year 2021-2022.

#### **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 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.

#### **Southfield Septic Evaluation Program**

The City of Southfield requires a thorough evaluation of private septic systems by a licensed evaluator every three years. In 2016, the City was estimated to have over 2,000 private-owned septic systems. Code Enforcement is pleased to report the number of private-owned septic systems has decreased to 990.

A well-maintained and fully functional septic system removes pollutants and protects the environment. Insufficiently treated sewage from septic systems can cause groundwater contamination, which can spread disease in humans and animals. An evaluation of a septic system is needed to protect the environment and property values. City leadership recognizes that although septic maintenance is an individual property owner's responsibility, failure to properly maintain systems could result in a public health concern. Code Enforcement's septic evaluation program ensures the health, safety, and welfare of the public while protecting property values.

There are approximately 1,000 homes in the city that currently have septic systems. City and state ordinances require that septic systems must be inspected every three years. If a septic system fails,

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it creates a health and environmental hazard and greatly devalues the worth of a property. Replacement costs of septic systems vary depending on the area's water table, the topography of the lot and composition of soil. In many cases, it is often cheaper or comparable cost to connect to the city sanitary sewer. The City of Southfield also offers financial assistance to property owners wishing to disconnect from a septic system and connect to the City's sewer system. If property owner's septic system fails inspection or they simply desire to connect the City can provide financial assistance to connect. In the Fall of 2011, Southfield broadened the loan program to include financial assistance for Water installations to property owners wishing to convert from Well Water. In the following summer, the sewer and water service loans were revised and unified.

There are now four Sewer/Water Connection Loan Programs: The Tap/Permit Loan, The Contractor Loan, The Water Service Connection Loan, and The Southfield Home Improvement/Well and Septic Loan (also known as SHIP/WaS).

In order to tap into Southfield's sewer line, property owners must first secure a Tap Permit.

- The Tap/Permit fee is a maximum of \$5,000 per property.
- The Tap/Permit Connection Loan offers financial assistance to cover the cost of the permit. The Contractor Loan offers homeowners financial assistance to cover the cost of sewer installation.

Both loans are payable over 18 years: the first three years allows for interest only payments with the remaining balance at 3% interest per year.

- The SHIP/WaS Loan is a 0% interest loan program for income-qualified homeowners. Funded by the Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program, a SHIP/WaS loan can cover the cost of a Tap/Permit, Sewer Connection by contractor, and/or Water Service. The total cost of installation is covered at 0% interest and is due only by legal transfer of ownership of the property.

City Administration approved the allowance of SHIP loans to cover the cost of septic evaluations for homeowners who meet the income guidelines. The cost of an evaluation by a licensed professional can range from \$260 to \$420.

From April 2016 to December 2018, the City mailed approximately 1,150 notices to homeowners requesting a written evaluation of their septic system. In the interim, 131 homeowners were granted loans to connect to the sewer system. Over the course of one year (2018-2019), over 130 properties connected to the sewer system. Some of these properties connected prior to receiving notices from the City. Property connections were funded by property owners, the City's 3% loan option, or the SHIP/WaS Loan option.

### **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

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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 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.

#### New Water Billing System

The City of Southfield Water & Sewer Department migrated to a new water billing system in November of 2021.

#### **FY2021-22 Water & Sewer Services Overview**

Users/Consumers:	19,290 Water and Sewer combined; 67 Sewer only and 956 Water only.
Use & Consumption:	405,358,900 cubic feet purchased
System Capacity:	30 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.

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### **FY2021-22 Street Facilities Overview**

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 2,408 Detroit Edison owned and 2 City owned.

### **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 FY2021-22, 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.

#### Brownfield Redevelopment Interlocal Agreement

The DDA has entered into an agreement with Southfield's Brownfield Redevelopment Authority to transfer 85% of Contour's Development tax collection for the purpose of reimbursing the company or eligible activities. The DDA will retain 15% of the collection for operations.

### **FY 2021-22 New Developments**

- 15990 W. Nine Mile, LLC has acquired a 7,900-square-foot two-story facility on 9 Mile Road east of Greenfield Road. The building will operate as a pediatric office for those in need. Nine Mille, LLC is affiliated with Providence Hospital located directly across from 15990 W. Nine Mile Road.
- Luxe Ballroom, formally located in Farmington Hills, Michigan has moved its operations to Cornerstone Development located at 2385 Greenfield Road. Luxe will occupy 4,300 square feet and operate as an event center for baby and bridal showers as well as similar events.

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- Through provisions of Public Act 501, 2006 the DDA may issue new public on-premises liquor licenses to enhance the quality of life for their residents and visitors to the community. To obtain a license, operators must meet guidelines established by the Michigan Liquor Control Commission.

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 \$65 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.

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 sixth appearance on the list. Providence was also one of only 24 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 leading fire departments in the region due to the commitment and dedication of its members. Southfield's entire team is committed to providing the highest quality life-safety and emergency services available. In recent years, the fire

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service has been charged with providing emergency medical services, water rescue, hazardous materials response, and 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 endures increasing run volume**

The Southfield Fire Department is the busiest fire department in Oakland County in both fire and medical runs. In FY2020-21, the department responded to a total of 1,919 structure and/or property fires and 12,700 medical calls. In 2021, the department's average emergency response per day was 50 calls. In 2022, the department is on track to respond to 16,000+ emergency calls.

The Southfield Fire Department is comprised of 103 highly trained men and women ready to respond to emergencies from five (5) fire stations strategically located throughout the City of Southfield, Michigan. The public 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 education, and CPR and first aid training. The department is a customer service-oriented organization dedicated to preserving the lives and property of Southfield citizens and visitors.

In FY2021-22, 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 (.5%) of 1,887 rated Michigan communities and the top four percent (4%) 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 leading edge of technologies with our integrated computer aided dispatch (CAD) system, real time data analysis and new personnel management software system, Aladtec. The department provides full time fire protection, emergency medical services (EMS), hazardous material and specialized technical rescue (Ropes, Trench, Confined Space & Structure Collapse) services. SFD is a member of the Oakway Mutual Aid Group, which is comprised of eleven (11) fire departments in Oakland County. The Oakway Mutual Aid Group provides coordinated cross-boundary emergency assistance when called upon.

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The Southfield Fire Department has taken a preemptive approach to working with community members and business associates to empower them to contact the fire department for 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:

- Southfield Public Schools and A&T High School Fire Academy.
- Partnership with Hatzalah (Jewish based first responders) Organization.
- Public and private First Aid, CPR, and AED certification.
- Public, homebound, and vulnerable citizens Covid Testing.
- Public Vaccine Clinic that includes flu and covid vaccines.
- Partners in public education for Anti-Drug Coalition.
- Partners in public education for Narcan Training.
- Partners in public education for Anti-Assailant Coalition.
- Host of Job Fairs for veterans, public, and senior citizens.
- Host Senior Safety events for the senior citizens and caretakers.
- Public Open House for Fire Prevention, EMS, and Fire Safety.
- Partnership with Providence Hospital for awareness and prevention of breast cancer during the month of October.
- Public support of Autism Awareness in the month of April.
- Free child seat installation; and
- Free smoke and carbon monoxide detector program.
- Public support for men's health "Movember" in November.
- Participate in neighborhood events.
- Participate in place of worship events.
- Participate in the Anti-Defamation League events.
- Participate and host Domestic Violence Awareness events.

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 January of 2019, the department has hired 31 new firefighters, giving the department a 27% personnel update with the median age of 24 years old and makes up 45% of firefighters with a minimum of five years of fire service. This creates resiliency with personnel balance of those in early stages of their career and experience from senior firefighters. The diversity among the newly hired firefighters is an example of a commitment the department made. The Southfield Fire department is successfully adapting to the difficult and challenging task of hiring personnel that faces fire departments nationally.

The Southfield Fire Department's adaptability and flexibility is what will keep the department one that continues to lead.



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### **Southfield Police Department**

The City of Southfield Police Department is an essential part of the Public Safety Group. The department, based out of the Donald F. Fracassi Municipal Campus, provides a variety of quality services. The Patrol Division is staffed by over 80 uniformed officers assigned to road patrol. The Investigations Division includes a Crime Lab, Detectives and Evidence Technicians. Specialized assignments consist of School Resource Officers, Community Relations Unit, Traffic Safety Bureau, Canine Unit, Animal Control Unit, Tactical Crime Suppression Unit, and the Special Weapons and Tactics (SWAT) Team. The 9-1-1 Emergency Communications Center is also part of the police department.

The Southfield Police Department is continually striving to maintain the highest level of commitment, dedication, and service to the residents of Southfield and its visitors. Southfield Police Department officers endeavor to ensure the department remains exceptional and deserving of the trust and confidence of the community through community-oriented policing, continual comprehensive training, and selection & retention of quality personnel who will best represent the police profession.

### **Current Direction of the Southfield Police Department**

The Southfield Police Department (SPD) has adopted the Community Harms - Directed Policing Model. Many police agencies measure success through reductions in violent crime and property crime. Under the Community Harms – Directed Policing Model, violent and property crimes will remain a top priority of the SPD. However, community input regarding harms affecting quality of life concerns are compiled and addressed with a sense of urgency.

This approach ensures that the department is being creative at implementing strategies to address community concerns related to behavioral health, environmental issues, substance abuse, traffic accidents, and matters involving our youth. This model provides the Southfield Police Department a framework to strategically allocate resources appropriately. The model is fluid, allowing it to address changes in community harms over time.

The Southfield Police Department is always looking to improve and enhance the services provided to residents and visitors of the City of Southfield. Through collaborations with the Chief's Citizens Advisory Board, the law enforcement community, and other stakeholders we were able to prioritize the following in 2022:

### **Mental Health**

The Southfield Police Department has adopted the International Association of Chiefs of Police (I.A.C.P.) "One Mind Initiative". The One Mind Campaign seeks to ensure successful interactions between law enforcement and individuals with mental health conditions. The initiative focuses on uniting local communities, public safety organizations, and mental health organizations so that the three become "of one mind."

### **One Mind Campaign Practices Include:**

1. Establishing a clearly defined and sustainable partnership with one or more community health organizations. We currently partner with Oakland Community Health Network, Common Ground,

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Southfield Human Services, Providence Hospital, Beaumont Hospital, and Department of Veterans Affairs.

2. Develop and implement a model policy addressing law enforcement response to individuals with mental health conditions. We have added a Crisis Intervention Team (C.I.T.) section to our existing policy on Mental Illness.

3. Train and certify 100 percent of sworn officers (and selected non-sworn staff, such as dispatchers) in mental health awareness courses by: a) Providing Mental Health First Aid training (or equivalent) to 100 percent of officers (and selected non-sworn staff); and b), providing CIT or equivalent crisis response training to a minimum of 20 percent of sworn officers (and selected non-sworn staff).

The Southfield Police Department currently incorporate mental health training in their annual 40-hour block of instruction which all sworn members are required to attend. New officers who recently graduated from the Police Academy have already had a block of this instruction as an academy requirement. I.A.C.P. requires that at least 20 percent of sworn officers are trained in C.I.T. or its equivalent. In addition, all sworn officers receive training in mental health awareness, and the department has exceeded the minimum 20 percent requirement for sworn C.I.T. trained officers. These officers attend a one-week long, intense training which assists us in further understanding and better handling mental health calls. To ensure all bases are covered, the department also has officers who are further trained in Youth Mental Health as well as Crisis Negotiators who are assigned to the Police S.W.A.T. Team.

Southfield Police C.I.T. Officers are dispatched whenever a mental health call is received. Not only do C.I.T. trained officers respond, but they also follow-up after any incidents to check on the well-being of the individual who they were sent to assist, and if applicable, their family members. Currently, there are over 600 Police Departments who are following these guidelines. By following the I.A.C.P.'s One Mind Initiative, the Southfield Police Department is keeping up with the national best practice of handling mental health calls in our community, adding another layer of knowledge of mental health for officers, and adding a stronger safety net for sworn officers as well.

### **Youth Engagement**

The Southfield Police Department understands that we cannot stand by and wait for our youth to bring the conversation to us, rather it is imperative that we take it to them. Therefore, members of our department have partnered with community groups to initiate conversations with our youth about conflict resolution, pathways to success, and the importance of having a plan.

The Southfield Public School District has invited the Southfield Police Department to participate in March is Reading Month. Members had the opportunity to read to the scholars of today to help prepare them for the success of tomorrow. This partnership highlights the importance of childhood literacy.

At the beginning of the 2022/23 school year, the police department assigned a fourth School Resource Officer (SRO) to the Southfield Public School District. The SROs are responsible for

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creating informative presentations for students and providing safety and crime prevention in our schools. In addition, the Community Policing Unit contributes to youth engagement by conducting a variety of relevant initiatives directed at our youth.

#### **Community Engagement**

A police department is only successful if it has the trust of the community it serves. That trust is established and maintained through genuine partnerships and engagement with the community. The Southfield Police Department honors and values the relationship we have with our community and seeks to further it by the continued participation in the following the initiatives:

- Annual Block Club Parties
- Hope not Handcuffs
- Gun Lock Give Away
- Badges and Books
- Read to a Scholar – March is Reading Month
- Walk to Raise Awareness of Domestic Violence
- Breast Cancer Awareness
- Trunk or Treat
- Holiday Sleigh of Giving
- Shop with a Hero
- Youth Engagement Activities

#### **Gun Safety**

The Southfield Police Department has made a commitment to gun safety. It is all too common that we hear children coming into possession of firearms and injuring themselves, oftentimes fatally. It is with this in mind that several times throughout the year members of the department speak with parents and children about the dangers of firearms, responsible gun ownership, and firearm safety. During these events, free gun locks are given away to members of the community and remain available at the police department's front desk, also free of charge.

To further our commitment and stance on Gun Safety the Southfield Police Department (SPD) partnered with the Oakland County Board of Commissioners and several local law enforcement agencies on October 22, 2022, to host a Gun Buyback. The event was held simultaneously at four locations throughout Oakland County. SPD's collection site was at 16200 W. Twelve Mile Road Southfield, MI 48076 (St. David's Episcopal Church). Each participating law enforcement agency was given \$5,000 in gift cards to give to community members in exchange for guns: Handguns (\$100), Long guns (\$200), and Assault rifles (\$300).

The program was a tremendous success as each location ran out of gift cards within the first hour of the pre-scheduled four-hour event. The total number of guns collected at all four sites was 308, with the Southfield site accounting for 117.

#### **Leveraging Technology to Combat Crime**

The advancement of technology has created an avenue towards greater crime reduction and suspect apprehension. Police departments choosing to incorporate this trend have instituted a

## **City of Southfield**

### **Letter of Transmittal**

variety of strategies to leverage technology. The department's two most recent technological acquisitions are License Plate Readers (LPRs) and Unmanned Aircraft Systems (Drones).

#### **License Plate Readers (LPRs)**

In collaboration with multiple agencies throughout Southeast Michigan we have obtained Flock Safety Camera – License Plate Readers. The high-quality cameras are affixed to existing light poles and can capture images of vehicles and their license plates (speeds up to 100 m.p.h.) day or night. Our department currently has LPRs strategically placed throughout the city with plans of expanding the program in the near future. The investigative benefits of the system include detection and identification of the following:

- Stolen vehicles
- Missing person (Amber Alerts)
- Wanted persons
- Sex offenders
- Terrorists
- Personal Protection Orders

The system also allows for participating agencies equipped with the technology to share the data amongst one other.

#### **Drones**

In efforts to increase safety for our citizens and officers during police operations we have added five Drones to our department. The Drone Unit is comprised of (17) operators (2 Sergeants, 15 Officers) who all have a Remote Pilot Certification through the Federal Aviation Administration (FAA). The implementation of Drones provides our agency with several of the following advantages:

- Search and Rescue
- Accident Reconstruction and Evidence Gathering
- Disaster Response
- Crowd Control and Major Event Planning (Overwatch)
- Other uses, such as Hostage Negotiations, K9 back-up, etc.

The Southfield Police Department understands the value in leveraging technology and will continue to enhance our technology as useful developments becomes available.

- Police Departments accomplishments (2017-2022)
- Fully deployed Body Worn Cameras
- Use of Force policy is in alignment with National Best Practices in Policing
- Developed a Domestic Violence Prevention Strategy
- Instituted an Awards Ceremony for the Police Department
- Began annual recognition of Breast Cancer Awareness and Domestic Violence Awareness
- Established a Traffic Safety Bureau
- Established a Drone Unit
- Strategically deployed License Plate Readers (LPRs) throughout city

# **City of Southfield**

## **Letter of Transmittal**

### **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.

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 all ages at parks and facilities throughout the City. As interest has steadily increased in outdoor activities and areas and using the 2022-2026 Parks & Recreation Master Plan as a blueprint, the Department is committed to investing in our outdoor spaces.

Projects began in the spring with work at both Miller and Simms parks. Improvements to Miller Park include a walking path with benches, four new pickleball courts, three basketball half courts with the ability to play a full court game. Simms Park received one new tennis court with pickleball lines, two half courts for basketball along with a walking path and the planting of 13 new trees. Site lines and safety at Bauervic Woods Park were improved with the removal of brush and trees in front of the park. This work along with the newly installed bike path along Nine Mile Road have improved accessibility into the park.

## **City of Southfield**

### **Letter of Transmittal**

While financial investment in our spaces and programs is important, so too is the personal investment of time and energy. The Community Gardens at the Mary Thompson Farm saw a productive and successful season due to attention and care of the Parks & Recreation staff. All available garden plots were reserved, and participation was enthusiastic. The Department partnered with Royal Bee Honey to house two beehives on site and work together to provide informational programming to garden participants and residents in the future.

Playgrounds at Civic Center Park, along with Freeway and Bedford Woods parks are undergoing renovation. These three parks represent the first stage in the department's plan to replace all 12 playgrounds throughout Southfield. Investment in our parks has also come with assistance from the business community. In June, Eaton Corporation selected Seminole Park as one of the sites for their "Annual Days of Caring" program. Volunteers from the company spent two days at the park clearing brush, spreading woodchips in the playlot area, painting and staining the fence and giving benches and playground equipment a new coat of paint.

Thanks to a \$600,000 grant from the Michigan Economic Development Corporation, an investment of \$1.2 million is being made at Carpenter Lake Nature Preserve to improve the parking lot and accessibility, along with the addition of a year-round restroom building and shelter appropriate for small nature programs. Improvements throughout the Civic Center Park, located on the Municipal Campus, include the playground replacement, and renovation of the tennis court complex which includes seven courts, four of which are lighted. The tennis court improvements come at a time when interest in our tennis lesson program have increased from 111 participants in 2019 to 345 in 2022.

Investments are also being made in our facilities as program participation increases. New flooring was installed at the Arts & Activities Building to accommodate the increase in our youth dance program in partnership with the Impulse Dance Academy.

The Southfield Sports Arena was equipped with new accessible entry doors to assist players with transporting their equipment easily in and out of the facility. Investment at the Arena continued with the installation of new scoreboards, kickplates, skates and skate helpers.

The Evergreen Hills Golf Course added a new fleet of 32 golf carts, painted the pro shop interior and made improvements to the cart paths and individual holes on the course to ensure safer and more efficient play. Improvements to the course have assisted in the steady increase in rounds played per year. Over the past four years (2019-2022) Evergreen Hills Golf Course has enjoyed a 10% increase in rounds played each year, from 19,950 to 30,340. Revenue has increased from \$377,325 in 2019 to \$631,800 in 2022.

The Parks Services Building parking lot underwent renovation to replace the old pavement, improve drainage, and accommodate a new rinse pad to spray down equipment and vehicles before storing in the building. Improvements were also made to the outdoor storage bays.

Investment in our outdoor spaces and facilities has also led the Department to make difficult decisions concerning our aging facilities. In late winter, the decision to close the 50+ year old Sports

## **City of Southfield**

### **Letter of Transmittal**

Arena Pool was made. Given the age of the pool's mechanics and filter system as well as the structural integrity, the pool was no longer safe to operate. The 2022 Master Plan for the Department showed residents desire for an indoor pool facility as well as a splash pad.

Department and City Administration, along with City Council embarked on a series of tours of area pool facilities to view the types of features available and hear about any maintenance and programming concerns. In the meantime, the City of Southfield and the City of Oak Park worked together to form an intergovernmental agreement allowing Southfield residents to use the Oak Park Aquatic Facility at resident rates.

Participation in our special events and concerts rose sharply in 2022. The Department returned to large-scale indoor programming with the return of in-person events like the "Southfield Celebrates Black History Month" month-long program. Our "Summer in the City" outdoor concert series on the front lawn of the Municipal Campus averaged over 2,000 attendees each week while our family holiday program Boo Bash inside the Southfield Pavilion was sold out and then some with over 600 participants.

The Senior Services division cautiously welcomed the return of day trips to nearby casinos, restaurants, museums and more. Participation has been enthusiastic with many trips and monthly luncheons and more filling quickly. Senior Services has worked hard to expand accessibility to the Transportation of Southfield Seniors program which uses lift-equipped vans and busses to transport residents age 50+ to medical appointments, banking visits, shopping, and other appointments. The program recently partnered with neighboring community Lathrup Village to provide these same services to their residents at the same time keeping our financial goals intact.

The Department has embarked on a branding initiative in the past year to provide consistency and recognition throughout our staff, facilities, and parks. This project has included a new logo as well as signage and furnishings in our parks and facilities.

#### **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 2,000 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.

# City of Southfield

## Letter of Transmittal

### **Southfield Public Library restores and expands hours of operation**

The Southfield Public Library expanded their hours of operation beginning on June 1, 2022. The Library's new hours of operation will be Monday – Thursday from 10 a.m. - 8 p.m.; Friday – Saturday from 10 a.m. - 5 p.m.; and on Sunday (September - May only) from 1 - 5 p.m.

As part of their new hours, the Southfield Public Library highlighted three interesting and fun aspects about the Library each day throughout the month of June, such as various online services, exhibits, programs and building features. The month of June also traditionally marks the beginning of several summer reading programs and other activities for all ages.

Fiscal year 2021-2022 was a year of rebuilding and growth for the Southfield Public Library. In addition to fully restoring all in-person services, programs and resources, the Library expanded and enhanced our offerings to better serve the changing needs of our community. Some highlights of 2021-2022 include:

- Extended open service hours to their highest number in 10 years, and reinstated evening service four nights a week, also for the first time in 10 years. The Library once again offers service seven days a week.
- More than doubled circulation, checking out almost 200,000 items to our patrons.
- Issued almost 1,700 new library cards.
- Reduced patron wait time for new materials and holds by more than 50%.
- Expanded the range of Library WiFi into the parking lot and outdoor spaces, with 24/7 access.
- Introduced new child literacy programs: 1,000 Books Before Kindergarten, Text2Talk, Sensable and We Read 2-3. Added VOX books which enable children to listen to an audio recording directly from a printed book.
- Introduced Brainfuse, a free online tutoring and homework help program for early elementary through high school.
- Continued to provide a robust collection of virtual programming for adults and children, including cooking, self-care, reading recommendations, book discussions, and crafts.
- Debuted AskSPL, allowing patrons to ask questions via chat or text.
- Started providing Mobile Printing.
- Obtained Raspberry Pis, Chrome Books, MacBook Air laptops and Hotspots for patron use, utilizing Federal Grants.
- Obtained indoor and outdoor programming equipment through a consortium grant to improve both in-person and virtual programming.
- Refurbished the landscaping and hardscaping on the Patio and Children's Garden, providing more space for outdoor programming and enjoyment.
- Opened private study rooms for videoconferencing and tele-appointments.
- Tripled the number of downloadable materials available to check out. This includes ebooks, audiobooks, movies.

The Southfield Public Library is located on the Donald F. Fracassi Municipal Campus at 26300 Evergreen Road. The Library serves the communities of Southfield and Lathrup Village with a book



## **City of Southfield**

### **Letter of Transmittal**

collection of over 250,000 volumes in addition to numerous print magazines and newspapers subscriptions. The Library also offers a large collection of audio books, DVDs, videocassettes, music CDs, electronic books, and downloadable audio books in addition to over 120 public computers and wireless access throughout the building. The Southfield Public Library also hosts numerous educational and informational programs such as story times, Jazz & Blues @ Your Library, Humanities group, book discussions and more special programs. Additionally, the library features four different exhibit areas with rotating exhibits and a Small Business Start Up Center provides resources for businesses and non-profits.

### **YOUTH PROGRAMS & INITIATIVES**

Southfield's youth continue to be a top priority, with several new programs and initiatives aimed at reaching and assisting this vitally important segment of the community. The City of Southfield and related organizations already offer a number of programs, classes, activities and facilities devoted to youth such as an active chapter of My Brother's Keeper national initiative began by former President Obama as well as the Southfield Dr. King's Task Force's MLK Youth Community Service Award, Southfield Youth Assistance and the Southfield 'field Zone Youth Center.

#### **Teen Mental Wellness Community Forum & Essay Contest**

The city of Southfield, in partnership with the Optimist Club of Southfield-Lathrup Village and Metro Detroit Youth Clubs, presented a Teen Mental Wellness Community Forum on May 1, 2022 at the Metro Detroit Youth Clubs Field Zone located on the Southfield Municipal Campus.

As a part of the forum, the Optimist Club also sponsored a high school student essay contest with the topic *"Why is making time for the things that I am passionate about good for my mental wellness."* The essay contest was open to all Southfield and Lathrup Village high school students under the age of 19 who are not enrolled as a degree seeking student of a post-secondary institution.

The Teen Mental Wellness Community Forum featured a conversation with City of Lathrup Village Mayor Mykale (Kelly) Garrett and Angela Moore, the Junior Optimist International (JOI) 2020 Convention Keynote Speaker. Essays were read by Orator Jolyna Chiangong, a University High School Academy Graduate Class of 2017, First Place 2017 Oratorical Contest Winner Club Level, and First Place 2017 Oratorical Area IV Contest Winner. Inspired from the student essay submissions, Legacy Dance Studio of Southfield, LLC also performed an artistic expression of the things teens are passionate about.

Numerous mental healthcare professionals and other exhibitors were present, including Assma Khatib, Seema Shlebah, and Mona Makki from the Arab Community Center for Economic and Social Services (ACCESS), Patrice Lee, author/speaker and chief bully/suicide prevention advocate from the metro Detroit area, and IT Figures, LLC, an organization that inspires and empowers youth by utilizing action figures and sharing stories of influential minorities.

The Optimist Club of Southfield-Lathrup Village is made up of local volunteers and community leaders and has serviced the communities of Southfield and Lathrup Village since May 8, 1979. With

## **City of Southfield**

### **Letter of Transmittal**

the motto “Friend of Youth” and a vision to provide hope and positive vision to bring out the best in the community, particularly local youth, the Club promotes special programs and activities throughout the year.

Founded in 1958, the Metro Detroit Youth Clubs serves over 2,200 Club members in locations throughout metro Detroit and is dedicated to empowering youth to reach their full potential through safe, accessible, and inclusive experiences that open doors to a bright future. In 2011, the Southfield community partnered with Metro Detroit Youth Clubs and established the Metro Detroit Youth Clubs Field Zone, creating safe and enriching experiences for youth grades 6 through 12 in the Southfield community.

#### **LTU Summer Camp: Introduction to Landscape Architecture**

In the summer of 2022, the City of Southfield Planning Department facilitated and partnered with the Diversity, Equity and Inclusion subcommittee of the Michigan Chapter of the American Society of Landscape Architects (ASLA) and Lawrence Technological University (LTU) to host an Introduction to Landscape Architecture Summer Camp for high school students. The goal of the three-day camp was to expose a diverse population of high school students to the field of Landscape Architecture. Student participants attended from 7 various high schools located in southeast Michigan and were grouped into two teams to work together on the concept design of a hypothetical teen park component located at Carpenter Lake Nature Preserve in Southfield.

Overall, the camp aimed to advance diversity, equity and inclusion within the landscape architecture field. Twelve design professionals, including from the Southfield Planning Department, volunteered their time to guide the students.

Throughout the three days, students had the opportunity to learn from industry experts by attending presentations, visiting project sites for design inspiration, and creating a conceptual design with hands-on tools. The camp concluded with the students presenting their final design concepts to their peers and instructors. The overall experience was extremely successful, and the City hopes to continue conducting summer camps in the future.

### **PROGRESSIVE, DIVERSE & 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.

## **City of Southfield**

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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 21<sup>st</sup> 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-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.

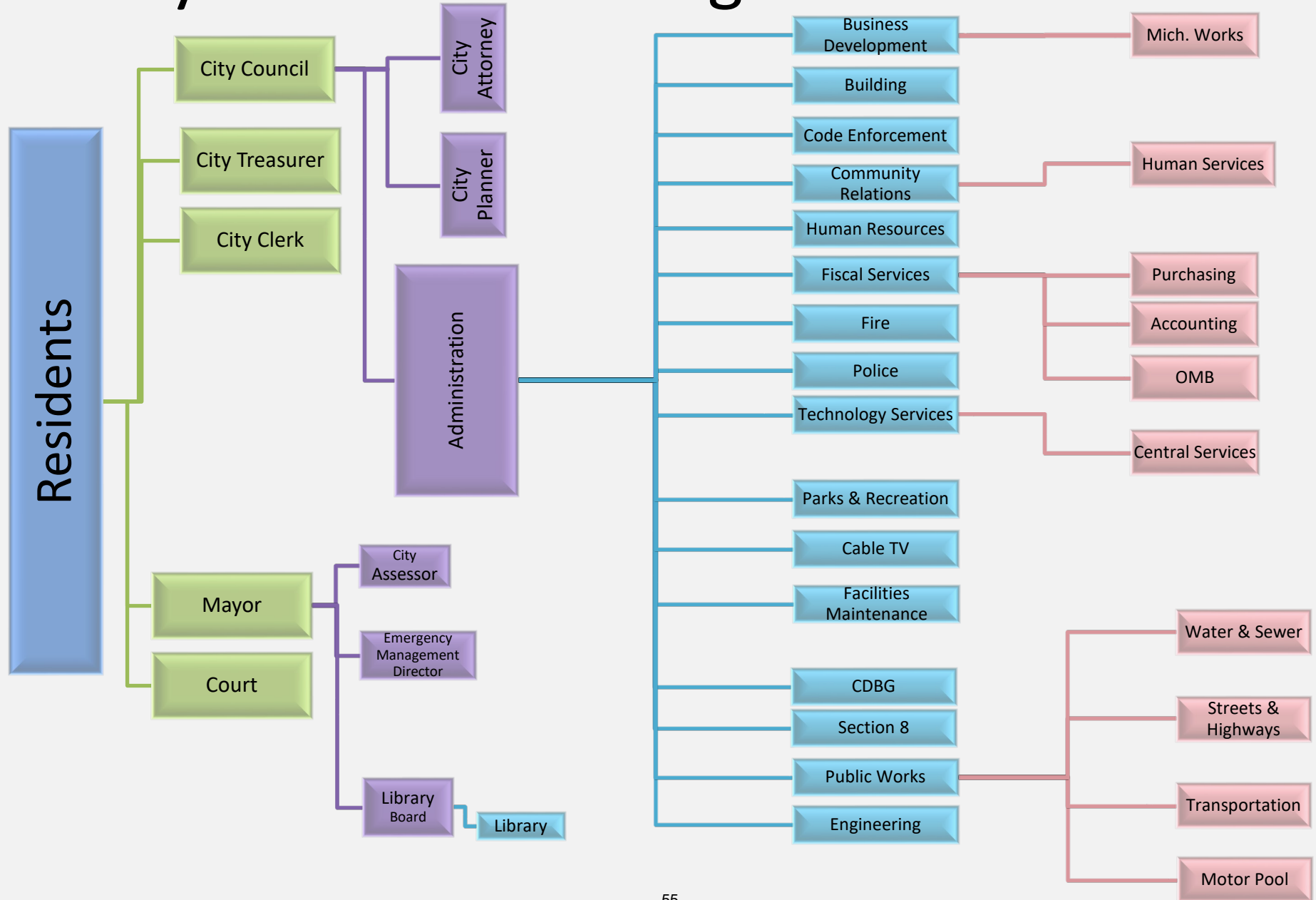
Respectfully submitted,



Frederick E. Zorn, Jr., CEcD  
City Administrator

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# City of Southfield Organization Chart



# **CITY OF SOUTHFIELD, MICHIGAN**

**June 30, 2022**

**-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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the 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, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2022 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As explained in Note 3, the financial statements include investments valued at approximately \$163,000,000 (40 percent of net assets of the pension and other postemployment benefits trust funds) at June 30, 2022, 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Mayor and City Council  
City of Southfield, Michigan

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 is the responsibility of management and, 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.

To the Mayor and City Council  
City of Southfield, Michigan

### ***Supplemental Information***

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

### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 on our consideration of the City'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 solely 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 effectiveness of the City's 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's internal control over financial reporting and compliance.

*Plante & Moreau, PLLC*

December 22, 2022

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# 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, 2022. 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 2022. 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 as well as pension trend data. Additional footnotes detailing the schedules are 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 \$19.0 million from \$167.8 million to \$186.8 million.
- Governmental activities net position increased by \$7.7 million to \$48.7 million.
- Business-type activities net position increased by \$11.3 million to \$138.1 million.

#### Fund Level:

- At the close of the fiscal year, the City's governmental funds reported combined ending fund balance of \$130.9 million, with \$4.0 million being non-spendable, \$56.5 million being restricted, \$38.4 million being committed for specific purposes and \$32.0 million being allocated between assigned or unassigned.
- The fiscal year 2022 governmental funds combined ending fund balance reflects a decrease of \$14.1 million from the prior fiscal year. This combined decrease is made up of a decrease in the General Fund ending balance of \$13.2 million, with the rest of the change spread out amongst the various other governmental funds.
- The decrease in the General Fund balance was primarily due to approximately \$10.6 million in transfers out to other funds, including \$9.5 million in proceeds from the sale of Northland to the Local Improvement Revolving Fund. The decrease also includes approximately \$3.0 million in accrued wages related to collective bargaining agreements settled subsequent to year end.

# 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 \$398.7 million. The City is \$276.2 million below this authorized debt limit.

As previously stated, the City's combined net position increased by \$19.0 million over the course of this fiscal year's operations. The net position of the governmental activities increased in the amount of \$7.7 million; the net position of the business-type activities increased by \$11.3 million.

The following is a condensed Statement of Net Position for the period ending June 30, 2022:

<b>Net Position</b> <b>June 30, 2022</b> (in millions of dollars)						
	<b>Governmental</b> <b>Activities</b>		<b>Business-Type</b> <b>Activities</b>		<b>Total Primary</b> <b>Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>						
Current and other assets	\$ 193.9	\$ 199.0	\$ 74.7	\$ 77.7	\$ 268.6	\$ 276.7
Capital assets	169.4	173.2	142.0	132.6	311.4	305.8
Other long term assets	1.4	1.4			1.4	1.4
Total assets	<u>364.7</u>	<u>373.6</u>	<u>216.7</u>	<u>210.3</u>	<u>581.4</u>	<u>583.9</u>
Deferred outflows	33.3	19.2	0.9	0.7	34.2	19.9
<b>LIABILITIES</b>						
Current liabilities	26.7	18.4	4.0	3.4	30.7	21.8
Other liabilities	<u>300.9</u>	<u>291.0</u>	<u>74.8</u>	<u>79.2</u>	<u>375.7</u>	<u>370.2</u>
Total liabilities	<u>327.6</u>	<u>309.4</u>	<u>78.8</u>	<u>82.6</u>	<u>406.4</u>	<u>392.0</u>
Deferred Inflow	21.7	42.4	0.7	1.6	22.4	44.0
<b>NET POSITION</b>						
Net investment in capital assets	104.8	104.9	103.5	101.1	208.3	206.0
Restricted	42.1	39.0			42.1	39.0
Unrestricted	<u>(98.2)</u>	<u>(102.9)</u>	<u>34.6</u>	<u>25.7</u>	<u>(63.6)</u>	<u>(77.2)</u>
Total Net Position	<u>\$ 48.7</u>	<u>\$ 41.0</u>	<u>\$ 138.1</u>	<u>\$ 126.8</u>	<u>\$ 186.8</u>	<u>\$ 167.8</u>



# 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:

<b>Changes in Net Position</b> <b>for the fiscal year ending June 30, 2022</b> (in millions of dollars)							
	Governmental Activities		Business-Type Activities		Total Primary Government		
	2022	2021	2022	2021	2022	2021	
<b>REVENUES</b>							
Program revenues							
Charges for services	\$ 17.4	\$ 17.6	\$ 49.1	\$ 48.6	\$ 66.5	\$ 66.2	
Grants and contributions	15.9	22.1	2.6		18.5	22.1	
General revenues							
Property taxes	77.0	75.8			77.0	75.8	
Unrestricted state shared	11.2	10.0			11.2	10.0	
Unrestricted investment earnings (loss)	(6.1)	1.6	(1.3)	0.4	(7.4)	2.0	
Other	4.6	2.8			4.6	2.8	
<b>Total revenues</b>	<u>120.0</u>	<u>129.9</u>	<u>50.4</u>	<u>49.0</u>	<u>170.4</u>	<u>178.9</u>	
<b>EXPENSES</b>							
		OPEB Recovery		OPEB Recovery			
General government	24.4	\$ (4.0)	13.8		20.4	13.8	
Public safety	70.7	(17.7)	44.6		53.0	44.6	
Highway and streets	15.9	(0.8)	14.3		15.1	14.3	
Public services	3.3	(0.9)	2.3		2.4	2.3	
Sanitation	3.1		2.7		3.1	2.8	
Community improvement	0.8		0.9		0.8	0.9	
Social services	2.7	(0.8)	2.0		1.9	2.0	
Culture and recreation	14.8	(2.0)	10.9		12.8	10.9	
Water and sewer			40.5	\$ (1.4)	39.1	37.5	
Interest on long term debt	2.8		2.9		2.8	2.9	
<b>Total expenses</b>	<u>138.5</u>	<u>(26.2)</u>	<u>94.4</u>	<u>(1.4)</u>	<u>151.4</u>	<u>132.0</u>	
Excess (deficiency)	7.7		11.3		19.0	46.9	
<b>Increase (decrease) in net position</b>	<u>7.7</u>	<u>35.5</u>	<u>11.3</u>	<u>11.5</u>	<u>19.0</u>	<u>46.9</u>	
Beginning net position	41.0	5.5	126.8	115.3	167.8	120.8	
Ending net position	<u>\$ 48.7</u>	<u>\$ 41.0</u>	<u>\$ 138.1</u>	<u>\$ 126.8</u>	<u>\$ 186.8</u>	<u>\$ 167.8</u>	

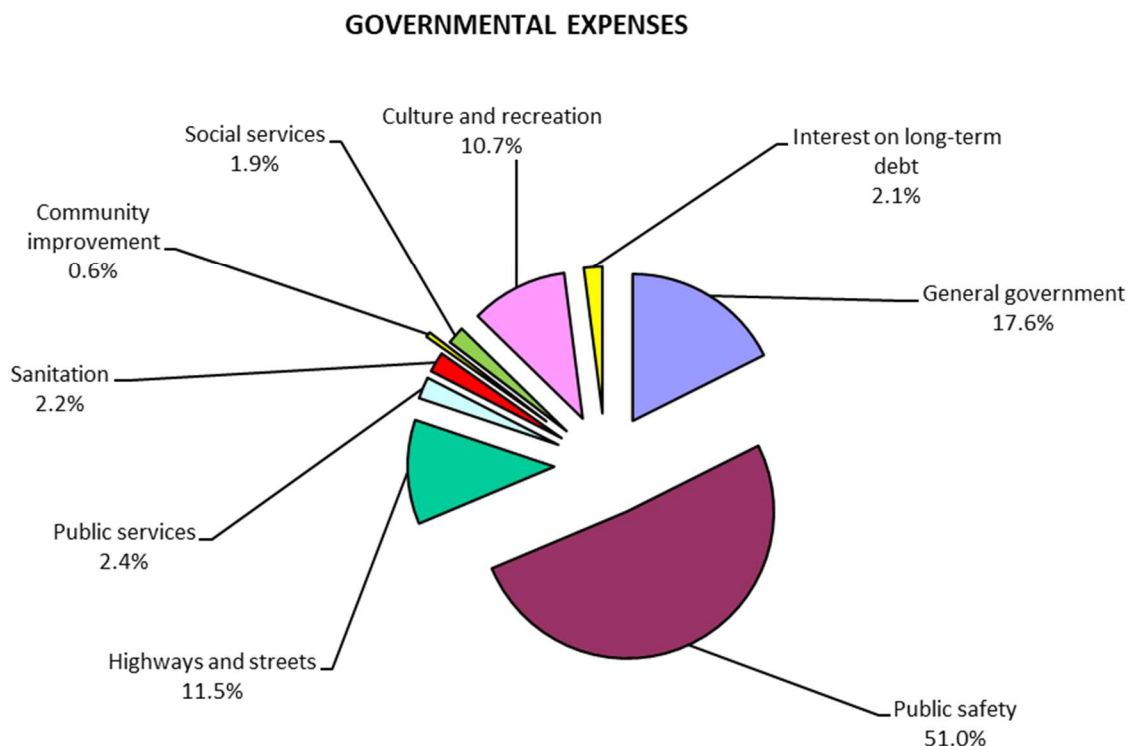
# City of Southfield

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS (continued)

The result of 2022 fiscal year's governmental activity was an increase of \$7.7 million and an ending net position balance of \$48.7 million. Of this total, \$104.8 million is the net investment in capital assets, \$42.1 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 \$(98.2) million is listed as unrestricted, having no legal commitment.

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



Excluding the OPEB recovery, governmental activity expenses for the fiscal year increased by \$44.1 million primarily due to pension and OPEB expenses. Public safety continues to be the largest governmental activity, expending \$70.7 million of the governmental activities total expenses of \$138.5 million. This category increased by \$26.1 million and comprises 51.0% of total governmental expenses, an increase over the prior year. General government is the second largest governmental activity with a total expense of \$24.4 million, expending 17.6% of total governmental expenses. This activity increased by \$10.6 million. Highway and streets increased by \$1.6 million making it the third largest governmental activity with \$15.9 million, expending 11.5% of governmental expenses. Culture and recreation is the fourth largest governmental activity with \$14.8 million, expending 10.7% of governmental expenses. This category increased by \$3.9 million. These four categories comprised 90.8% of total governmental activity expenses.

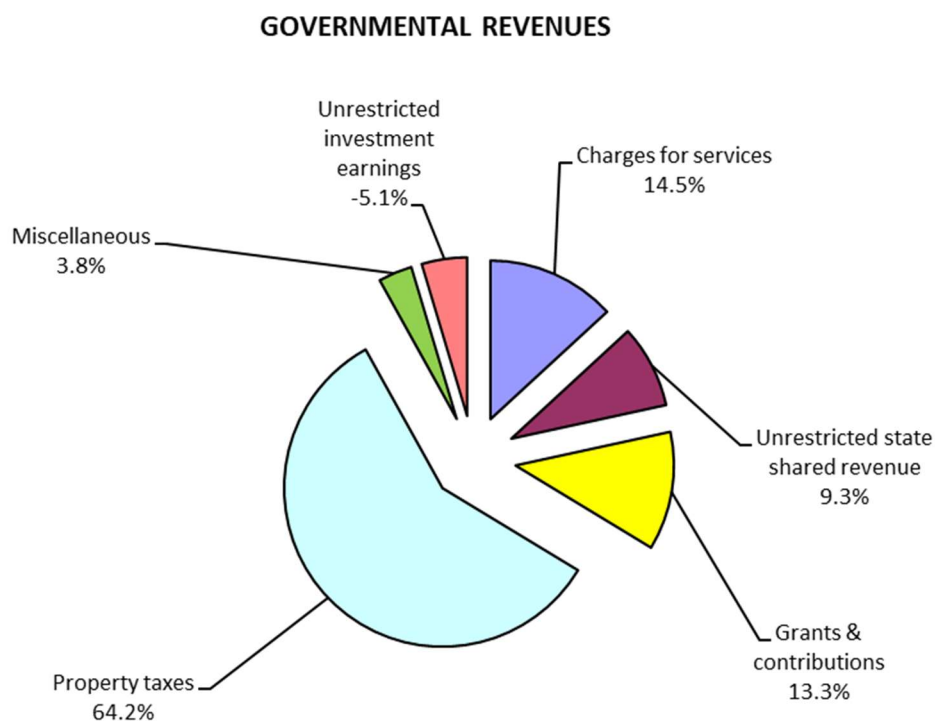
# City of Southfield

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS (continued)

In total, governmental revenue had a net decrease in fiscal year 2022 of \$9.9 million. Property tax revenue is the largest source of support for the governmental activities. The City's millage rate is 28.1272 mills. Property tax revenue generated \$77.0 million in 2022, an increase of \$1.2 million. It represented 64.2% of all available sources of revenue. Charges for services are the second largest source of governmental activity revenue at \$17.4 million. It represented 14.5% of all available sources of revenue of governmental activities. This source decreased by \$0.2 million. Grants and contributions comprise the third largest source of governmental activity revenue at \$15.9 million. It represented 13.3% of all available sources of revenue for governmental activities. This source decreased by \$6.2 million. Unrestricted state shared revenues, which are constitutionally and statutorily provided by the State of Michigan, represented 9.3% increasing \$1.2 million to \$11.2 million. Governmental revenues were reduced by a significant \$6.1 million fair value investment loss.

The following chart depicts revenues of the governmental activities for the fiscal year. Investment earnings of \$1.9 million are offset by fair value losses of \$8.0 million, resulting in a net negative unrestricted investment earnings.



# City of Southfield

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS (continued)

#### **Business-Type Activities:**

The net position for business-type activities increased by \$11.3 million during fiscal year 2022. Overall, charges for services increased from 2021 by \$0.5 million, grants and contributions added \$2.6 million to revenue and operating expenses increased by \$3.0 million.

Of the total \$138.1 million of net position in the business type activities, \$34.3 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, 2022, the General Fund reported a fund balance of \$58.8 million. This amount is a decrease of \$13.2 million from the prior June 30. Of the total fund balance, \$1.1 million is non-spendable, \$2.0 million is restricted, \$38.0 million is committed and \$17.7 million is allocated between assigned or unassigned.

#### General Fund Budgetary Highlights:

The General Fund revenue budget was not amended from the originally adopted budget of \$80.6 million. General Fund revenue totaled \$80.7 million despite a \$4 million loss due to the change in fair value of investments. State of Michigan revenue exceeded conservative budget projections of \$9.3 million by \$1.5 million resulting in actual revenue of \$11.5 million reported. Federal grants related to the coronavirus pandemic contributed to a total of \$1.2 million in revenue on a budget of \$100 thousand.

The General Fund expenditure budget was increased for several purposes during fiscal year 2022 including prior year encumbrances to a final budget of \$83.7 million. Actual expenditures for fiscal year 2022 were \$83.4 million which was \$370 thousand under budget.

In summary, the fiscal year 2022 final amended budget anticipated using \$13.8 million of prior year's fund balance. The actual net change in fund balance was a decrease of \$13.2 million.

# City of Southfield

## Management's Discussion and Analysis

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

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – At the end of fiscal year 2022, the City of Southfield and its component units had invested \$312.0 million, net of accumulated depreciation, in a broad range of capital assets. This reflects an increase of \$5.5 million from 2021. Refer to Note 6 for additional capital asset information.

Long Term Debt – At the end of fiscal year 2022, the City of Southfield had \$82.3 million and \$67.6 million in bonds outstanding in the governmental and business-type activities, respectively. This reflects a combined decrease of \$12.6 million from 2021. 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 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.

# City of Southfield

## **Management's Discussion and Analysis**

### **ECONOMIC OUTLOOK (continued)**

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 2022, unemployment in Oakland County was 2.5 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 has committed approximately \$4.3 million. The unspent 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, 2022

	Primary Government			Governmental
	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents (Note 3)	\$ 47,140,201	\$ 11,604,403	\$ 58,744,604	\$ 9,402,960
Investments (Note 3)	98,485,992	16,114,722	114,600,714	8,406,746
Receivables, net (Note 5)	24,009,400	17,333,183	41,342,583	141,554
Special assessments	566,253		566,253	
Property investments			-	15,000
Prepays and other assets	3,082,730		3,082,730	
Due from primary government			-	131
Due from component units	44,329		44,329	
Due from other governmental units	137,072		137,072	
Inventory	856,627	164,552	1,021,179	
Restricted assets: (Note 4)				
Cash and cash equivalents	12,560,507	29,504,257	42,064,764	
Investments	7,034,924		7,034,924	
Receivables, net (Note 5)	23,065		23,065	
Long-term advances to component units (Note 8)	1,401,387		1,401,387	
Capital assets: (Note 6)				
Amortized leased assets				26,419
Non-depreciable	23,573,125	16,493,472	40,066,597	
Depreciable-net	145,785,742	125,534,008	271,319,750	125,907
Total assets	364,701,354	216,748,597	581,449,951	18,118,717
<b>Deferred Outflows of Resources</b>				
Deferred charges on refunding	312,533		312,533	
Related to Pensions (Note 11)	25,236,303	714,200	25,950,503	33,913
Related to OPEB (Note 12)	7,792,144	167,133	7,959,277	
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	17,175,641	3,644,694	20,820,335	1,737,268
Interest payable	433,415	337,820	771,235	
Due to primary government			-	44,329
Due to component units	131		131	
Unearned revenue (Note 5)	9,091,690		9,091,690	
Noncurrent liabilities:				
Payable from restricted assets	587,287	363,919	951,206	
General insurance & workers' compensation accrual (Note 9)	2,335,574		2,335,574	
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)	13,306,077	3,296,740	16,602,817	29,069
Due in more than one year (Note 7)	78,532,940	64,263,085	142,796,025	45,548
Net pension liability (Note 11)	160,766,170	5,212,990	165,979,160	247,537
Net OPEB liability (Note 12)	45,346,350	1,555,620	46,901,970	
Total liabilities	327,575,275	78,847,804	406,423,079	4,948,921
<b>Deferred Inflows of Resources</b>				
Related to Leases (Note 15)	1,665,767		1,665,767	
Related to Pensions (Note 11)	194,757		194,757	
Related to OPEB (Note 12)	19,906,710	663,578	20,570,288	
<b>NET POSITION</b>				
Net investment in capital assets	104,782,910	103,825,482	208,608,392	124,728
Restricted:				
Right-of-way funds/				
metro authority and sanitation	2,014,641		2,014,641	
Highways and streets	16,168,913		16,168,913	
Cable PEG fees	263,541		263,541	
Culture and recreation	16,768,392		16,768,392	
Community improvement	1,267,527		1,267,527	364,152
Social services	84,326		84,326	
Grants (other)	202,660		202,660	
Public safety	984,924		984,924	
Debt service	1,913,873		1,913,873	
Capital projects	874,113		874,113	
Claims	1,601,890		1,601,890	
Unrestricted	(98,227,885)	34,293,066	(63,934,819)	12,714,829
Total net position	\$ 48,699,825	\$ 138,118,548	\$ 186,818,373	\$ 13,203,709

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, 2022**

	Program Revenues					Net (Expense) Revenue and Changes in Net Position			
	Expenses	OPEB Recovery (Note12)	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Governmental
						Governmental Activities	Business-type Activities	Total	Component Units
Functions/programs									
Primary government:									
Governmental activities:									
General government	\$ 24,415,197	\$ (4,052,066)	\$ 1,916,702	\$ 1,064,377	\$ 3,223	\$ (17,378,829)		\$ (17,378,829)	
Public safety	70,695,388	(17,675,570)	9,155,986	1,349,925		(42,513,907)		(42,513,907)	
Highways and streets	15,865,437	(855,207)		10,195,417		(4,814,813)		(4,814,813)	
Public services	3,255,580	(940,028)	480,161	500		(1,834,891)		(1,834,891)	
Sanitation	3,100,839		2,705,463			(395,376)		(395,376)	
Community improvement	834,209		766,129	574,612		506,532		506,532	
Social services	2,709,748	(770,054)		2,348,782		409,088		409,088	
Culture and recreation	14,827,563	(1,986,499)	2,378,659	64,581	300,000	(10,097,824)		(10,097,824)	
Interest on long-term debt	2,804,302					(2,804,302)		(2,804,302)	
Total governmental activities	<u>138,508,263</u>	<u>(26,279,424)</u>	<u>17,403,100</u>	<u>15,598,194</u>	<u>303,223</u>	<u>(78,924,322)</u>		<u>(78,924,322)</u>	
Business-type activities:									
Water and sewer	40,465,156	(1,435,279)	49,076,476	-	2,587,481		\$ 12,634,080	12,634,080	
Total primary government	<u>\$ 178,973,419</u>	<u>\$ (27,714,703)</u>	<u>\$ 66,479,576</u>	<u>\$ 15,598,194</u>	<u>\$ 2,890,704</u>			<u>(66,290,242)</u>	
Component units activities:									
Governmental	<u>\$ 11,050,273</u>	<u>\$ -</u>	<u>\$ 438,009</u>	<u>\$ 9,488,956</u>	<u>\$ -</u>				<u>\$ (1,123,308)</u>
General revenues:									
Property taxes						76,958,796		76,958,796	2,350,183
Unrestricted state shared revenues						11,240,978		11,240,978	
Unrestricted investment earnings						1,873,517	298,280	2,171,797	268,563
Unrestricted investment losses, fair value						(8,056,473)	(1,608,181)	(9,664,654)	(1,434,493)
Miscellaneous						4,617,093		4,617,093	60,792
Total general revenues and transfers						<u>86,633,911</u>	<u>(1,309,901)</u>	<u>85,324,010</u>	<u>1,245,045</u>
Change in net position						7,709,589	11,324,179	19,033,768	121,737
Net position - beginning						40,990,236	126,794,369	167,784,605	13,081,972
Net position - ending						<u>\$ 48,699,825</u>	<u>\$ 138,118,548</u>	<u>\$ 186,818,373</u>	<u>\$ 13,203,709</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, 2022

	Major Funds		Non-Major Funds			
	General		Other Governmental	Total Governmental		
<b>ASSETS</b>						
Cash and cash equivalents <b>(Note 3)</b>	\$	15,164,169	\$	27,290,992	\$	42,455,161
Investments <b>(Note 3)</b>		57,122,638		27,103,942		84,226,580
Receivables, net <b>(Note 5)</b>		5,228,254		2,518,149		7,746,403
Special assessments				566,253		566,253
Prepays		762,037		47,033		809,070
Due from other funds <b>(Note 8)</b>		4,253,259		934		4,254,193
Due from component units		37,373				37,373
Due from other governmental units				126,849		126,849
Inventories		383,538				383,538
Advances to other funds				1,377,391		1,377,391
Advances to component units				1,401,387		1,401,387
Restricted assets: <b>(Note 4)</b>						
Cash and cash equivalents				10,958,617		10,958,617
Investments				7,034,924		7,034,924
Receivables, net <b>(Note 5)</b>				23,065		23,065
<b>Total assets</b>	\$	82,951,268	\$	78,449,536	\$	161,400,804
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$	875,759	\$	3,017,745	\$	3,893,504
Accrued payroll		5,657,511		360,601		6,018,112
Due to other funds <b>(Note 8)</b>		120,117		417,087		537,204
Deposits and escrow		6,307,717				6,307,717
Other short-term liabilities		222,471		39,543		262,014
Unearned revenue <b>(Note 5)</b>		8,810,897		280,793		9,091,690
Advances from local improvement revolving fund <b>(Note 8)</b>				1,377,391		1,377,391
<b>Total liabilities</b>		21,994,472		5,493,160		27,487,632
Deferred inflows of resources -						
Leases <b>(Note 15)</b>		1,475,534		190,233		1,665,767
Unavailable <b>(Note 5)</b>		652,432		746,187		1,398,619
<b>Fund balances: (Note 14)</b>						
Non-spendable		1,145,575		2,825,811		3,971,386
Restricted		2,014,641		54,511,936		56,526,577
Committed		37,962,517		455,657		38,418,174
Assigned		1,631,653		14,226,552		15,858,205
Unassigned		16,074,444				16,074,444
<b>Total fund balances</b>		58,828,830		72,019,956		130,848,786
<b>Total liabilities, deferred inflows and fund balances</b>	\$	82,951,268	\$	78,449,536	\$	161,400,804

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, 2022**

Fund balance for governmental activities	\$ 130,848,786
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.	161,657,468
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	1,398,619
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	24,571,645
Deferred outflows from the difference between projected and actual investment earnings of other post employment benefits (OPEB) plan are not reported in the funds	7,652,901
Accrued interest payable on governmental debt is recorded in the statement of activities	(433,415)
Deferred charges on bond refunding are amortized over the related bond terms and are not reported in the funds	312,533
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(82,317,809)
Compensated absences	(9,183,837)
Michigan tax tribunal liability is not reported in the funds	(64,883)
Net pension liabilities are not due and payable in the current period and are not reported in the funds	(155,914,782)
OPEB liabilities are not reported in funds	(44,050,310)
Deferred inflows from the difference between projected and actual investment earnings of the total pension plan are not reported in the funds	(194,757)
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	(19,353,863)
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	33,771,529
Government-wide net position of governmental activities	\$ <u>48,699,825</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, 2022

	Major Funds		Non-Major Funds	
	General		Other Governmental	Total Governmental
<b>REVENUES</b>				
Property taxes	\$ 53,446,960	\$ 24,170,105	\$ 77,617,065	
Special assessments		785,794	785,794	
Charges for services	3,993,965	1,852,078	5,846,043	
Sanitation	2,705,463		2,705,463	
Licenses and permits	3,467,130		3,467,130	
Fines and forfeitures	2,527,790		2,527,790	
Federal forfeitures		500	500	
Cable franchise fees	1,279,938	681,641	1,961,579	
Intergovernmental:				
Federal	1,164,696	2,927,756	4,092,452	
State	11,464,887	10,717,273	22,182,160	
Other	732,383	300,000	1,032,383	
Contributions and donations		346,637	346,637	
Investment earnings	1,052,600	820,921	1,873,521	
Change in fair value of investments	(4,044,409)	(4,012,064)	(8,056,473)	
Other	2,970,898	645,465	3,616,363	
Total revenues	80,762,301	39,236,106	119,998,407	
<b>EXPENDITURES</b>				
Current:				
General government	11,704,147	24,167	11,728,314	
Public safety	60,531,152	585,917	61,117,069	
Highways and streets		9,155,077	9,155,077	
Public services	2,757,491	12,175	2,769,666	
Sanitation	3,100,839		3,100,839	
Community improvement		834,209	834,209	
Social services		2,554,170	2,554,170	
Culture and recreation		12,543,150	12,543,150	
Insurance and bonds	1,145,186		1,145,186	
Support services	3,518,709		3,518,709	
Other		7,760,214	7,760,214	
Capital outlay	243,074	6,104,239	6,347,313	
Debt service:				
Principal retirement	355,000	8,240,718	8,595,718	
Interest and fiscal charges	16,065	3,037,455	3,053,520	
Total expenditures	83,371,663	50,851,491	134,223,154	
Deficiency of revenues under expenditures	(2,609,362)	(11,615,385)	(14,224,747)	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		15,538,650	15,538,650	
Transfers out	(10,593,458)	(4,945,192)	(15,538,650)	
Total other financing sources (uses)	(10,593,458)	10,593,458	-	
Net change in fund balances	(13,202,820)	(1,021,927)	(14,224,747)	
Fund balances - beginning	72,031,650	73,041,883	145,073,533	
<b>Fund balances - ending</b>	<u>\$ 58,828,830</u>	<u>\$ 72,019,956</u>	<u>\$ 130,848,786</u>	

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

## 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, 2022

Net change in fund balances – total governmental funds	\$ (14,224,747)
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	6,757,456
Depreciation expense	(10,561,867)
Net book value of assets disposed of	
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	(59,982)
Change in accrued interest payable on long-term debt is not reported as expenditures in governmental funds	250,175
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.	(1,179,974)
Change in Michigan tax tribunal contingency is not reported as expenditures in governmental funds	68,922
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.	8,754,303
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	(10,713,333)
OPEB	26,279,424
The change of premium on bond refunding is not reported as expenditures in governmental funds	679,764
Current year's amortization for discounts payable is not reported as expenditures in governmental funds	(955)
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.	1,699,470
Change in net position government-wide statement of governmental activities	\$ <u>7,709,589</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, 2022**

	Business-type Activities Enterprise Fund Water and Sewer	Associated Governmental Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents <b>(Note 3)</b>	\$ 11,604,403	\$ 4,685,040
Investments <b>(Note 3)</b>	16,114,722	14,259,412
Receivables, net <b>(Note 5)</b>	17,333,183	16,262,997
Prepays and other assets		2,273,660
Due from other funds <b>(Note 8)</b>		480,818
Due from component units		6,956
Due from governmental units		10,223
Inventory	164,552	473,089
Total current assets	45,216,860	38,452,195
Noncurrent assets:		
Restricted assets: <b>(Note 4)</b>		
Cash and cash equivalents	29,504,257	1,601,890
Capital assets: <b>(Note 6)</b>		
Construction in progress	16,493,472	
Infrastructure	241,281,759	
Equipment and intangibles	3,805,183	29,699,978
Less accumulated depreciation	(119,552,934)	(21,998,579)
Net capital assets	142,027,480	7,701,399
Total noncurrent assets	171,531,737	9,303,289
Total assets	216,748,597	47,755,484
<b>Deferred Outflows of Resources</b>		
Related to Pensions	714,200	664,658
Related to OPEB	167,133	139,243
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	3,525,958	1,056,834
Accrued payroll	118,736	224,747
Interest payable	337,820	
Due to other funds <b>(Note 8)</b>		4,197,807
Due to component units		131
Accrued compensated absences-due within 1 year <b>(Note 7)</b>	172,439	123,268
Revenue bonds payable <b>(Note 7)</b>	3,124,301	
Total current liabilities	7,279,254	5,602,787
Noncurrent liabilities:		
Payable from restricted assets	363,919	
General insurance & workers' compensation accrual		2,335,574
Accrued compensated absences-due more 1 year <b>(Note 7)</b>	45,050	149,220
Due to other governmental units	172,936	
Net pension liability <b>(Note 11)</b>	5,212,990	4,851,388
Net OPEB liability <b>(Note 12)</b>	1,555,620	1,296,040
Bonds payable <b>(Note 7)</b>	64,218,035	
Total noncurrent liabilities	71,568,550	8,632,222
Total liabilities	78,847,804	14,235,009
<b>Deferred Inflows of Resources</b>		
Related to OPEB	663,578	552,847
<b>NET POSITION</b>		
Net investment in capital assets	103,825,482	7,701,399
Restricted for claims		1,601,890
Unrestricted	34,293,066	24,468,240
Total net position	\$ 138,118,548	\$ 33,771,529

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, 2022

	Business-type Activities Enterprise Fund Water and Sewer	Associated Governmental Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for consumption and service:		
Water and sewage charges	\$ 48,551,470	
Charges to other funds		\$ 20,173,036
Installation charges	72,531	
Interest and penalties	416,396	
Other	36,079	2,799,495
Total operating revenues	<u>49,076,476</u>	<u>22,972,531</u>
<b>OPERATING EXPENSES</b>		
Administration	1,631,117	1,812,844
OPEB recovery	(1,435,279)	(680,053)
Health care		10,194,916
Equipment and facility operation		6,579,733
Water purchases	7,252,240	
Transmission and distribution	21,552,473	
Service installation and meter reading	1,709,906	
Depreciation	6,341,629	1,900,504
Other		441,693
Total operating expenses	<u>37,052,086</u>	<u>20,249,637</u>
Operating income	12,024,390	2,722,894
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental		5,000
Interest expense	(1,977,791)	
Investment earnings	298,280	294,115
Change in fair value of investments	(1,608,181)	(1,498,632)
Other		176,093
Total nonoperating revenues	<u>(3,287,692)</u>	<u>(1,023,424)</u>
Income before contributions	8,736,698	1,699,470
Capital contributions	<u>2,587,481</u>	
Change in net position	11,324,179	1,699,470
Total net position - beginning	<u>126,794,369</u>	<u>32,072,059</u>
<b>Total net position - ending</b>	<u>\$ 138,118,548</u>	<u>\$ 33,771,529</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, 2022**

	Business-type Activities Enterprise Fund Water and Sewer	Associated Governmental Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from users	\$ 50,053,537	\$ 14,333,664
Cash paid to employees	(1,597,415)	(3,273,047)
Cash paid to suppliers	(30,843,072)	(16,956,090)
Cash received on interfunds		4,386,777
Net cash provided by (used in) operating activities	<u>17,613,050</u>	<u>(1,508,696)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of property equipment & adjustments, net of proceeds	(239,838)	(1,700,364)
Interest	(1,977,791)	
System improvements	(12,944,107)	
Payments of revenue bonds	(3,106,154)	
Net cash used in capital and related financing activities	<u>(18,267,890)</u>	<u>(1,700,364)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments, net of proceeds	(15,164,104)	(4,697,533)
Investment loss	(1,333,591)	(1,199,515)
Net cash used in investing activities	<u>(16,497,695)</u>	<u>(5,897,048)</u>
Net decrease in cash, cash equivalents	(17,152,535)	(9,106,108)
Cash, cash equivalents, beginning of year	58,261,195	15,393,038
Cash, cash equivalents, end of year	<u>\$ 41,108,660</u>	<u>\$ 6,286,930</u>
<b>Balance sheet reconciliation of cash &amp; cash equivalents</b>		
Cash, cash equivalents	\$ 11,963,811	\$ 4,685,040
Restricted cash, cash equivalents	29,144,849	1,601,890
Total cash, cash equivalents	<u>\$ 41,108,660</u>	<u>\$ 6,286,930</u>
<b>Reconciliation of operating income to net cash provided</b>		
by operating activities:		
Operating income	\$ 12,024,390	\$ 2,722,894
<b>Adjustments to reconcile operating income to net cash provided by</b>		
<b>(used in) operating activities:</b>		
Depreciation	6,341,629	1,900,504
Receivables	959,834	(7,162,813)
Prepays and other assets		(1,476,054)
Inventory	17,227	(133,258)
Deferred outflow	(213,411)	(266,007)
Accounts payable	595,987	(316,750)
Accrued liability	(16,366)	
Deposits		
Accrued payroll, including compensated absences		
due in less than one year	(41,549)	(439,906)
Payable from restricted assets	(541,344)	
Interest payable		
General insurance & workers' compensation accrual		(619,899)
Accrued compensated absences	(33,006)	(16,319)
Net pension liability	1,105,081	(917,613)
Net OPEB liability	(1,674,818)	1,543,181
Interfunds		4,357,378
Deferred inflow	(910,604)	(684,034)
Net cash provided by (used in) operating activities	<u>\$ 17,613,050</u>	<u>\$ (1,508,696)</u>

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

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## FIDUCIARY FUNDS

**City of Southfield**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	Pension and Other Post-Employment Benefits Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents <b>(Note 3)</b>	\$ 1,105,327	\$ 3,879,790
Investments, at fair value <b>(Note 3)</b> :		
Debt securities	62,715,045	
Equity securities	319,821,459	
Short-term investments	16,209,180	
Other investments	21,094,033	
Total investments	419,839,717	-
Cash and investments held as collateral for securities lending <b>(Note 3)</b> :		
Repurchase agreements	6,631,500	
Certificates of deposit	1,432,120	
Variable rate certificates of deposit	3,814,000	
Time deposits	2,701,583	
Commercial paper	2,080,873	
Asset backed commercial paper	1,809,780	
Sweep vehicles	50,479	
Municipal variable bonds	175,743	
Non-cash collateral	353,548	
Total securities lending	19,049,626	-
Receivables, net	1,019,223	
Prepays	1,024,353	
Total assets	442,038,246	3,879,790
<b>LIABILITIES</b>		
Accounts payable and accrued payroll	1,395,996	
Due to other governmental units	16,290,826	3,879,790
Obligations under securities lending agreements	19,049,626	
Total liabilities	36,736,448	3,879,790
<b>NET POSITION</b>		
Restricted for pension benefits	304,597,717	
Restricted for post-retirement health care benefits	100,704,081	
Total net position	\$ 405,301,798	\$ -

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

For the Year Ended June 30, 2022

	Pension and Other Post-Employment Benefits Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions:		
Plan members	\$ 2,355,503	
Employer	25,234,822	
Total contributions	27,590,325	-
Investment activity:		
Net decrease in fair value of investments	(41,895,280)	
Investment earnings	3,811,132	
Dividends	3,855,594	
Total investment activity	(34,228,554)	-
Less investment expense:	2,476,390	
Net investment activity	(36,704,944)	-
Property tax collections		\$ 88,651,759
District court collections		1,414,380
Total additions, net	(9,114,619)	90,378,022
<b>DEDUCTIONS</b>		
Benefits	32,261,658	
Health care expense	7,234,404	
Administrative expense	270,994	
Tax distributions to other governments		88,963,642
Other deductions		8,977
District court disbursements		1,405,403
Total deductions	39,767,056	90,378,022
Net decrease	(48,881,675)	
Net position - beginning	454,183,473	-
<b>Net position - ending</b>	<b>\$ 405,301,798</b>	<b>\$ -</b>

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



**DISCRETELY PRESENTED  
COMPONENT UNITS**



## City of Southfield

### Statement of Net Position

#### Discretely Presented Component Units

June 30, 2022

	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
<b>ASSETS</b>									
Cash and cash equivalents (Note 3)	\$ 18,885	\$ 4,617,927	\$ 901,921	\$ 969,921	\$ 868,905	\$ 1,524,748	\$ 148,049	\$ 352,604	\$ 9,402,960
Investments (Note 3)			242,416		5,013,785	3,150,545			8,406,746
Receivables, net (Note 5)	12	2,490	660	723	12,720	124,949			141,554
Property investments								15,000	15,000
Due from primary government				131					131
Total current assets	18,897	4,620,417	1,144,997	970,775	5,895,410	4,800,242	148,049	367,604	17,966,391
Capital assets, amortized leased assets (Note 6)				26,419					26,419
Capital assets, depreciable-net (Note 6)				125,907					125,907
Total assets	18,897	4,620,417	1,144,997	1,123,101	5,895,410	4,800,242	148,049	367,604	18,118,717
<b>Deferred Outflows of Resources</b>									
Related to Pensions							33,913		33,913
<b>LIABILITIES</b>									
Accounts payable and other current liabilities		1,571,496	116,617	23,041			22,662	3,452	1,737,268
Due to primary government							44,329		44,329
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				29,069					29,069
Due in more than one year (Note 7)				45,548					45,548
Net pension liability (Note 11)							247,537		247,537
Total non-current liabilities	-	-	-	74,617	-	-	247,537	-	322,154
Total liabilities	-	1,571,496	116,617	97,658	1,443,783	1,401,387	314,528	3,452	4,948,921
<b>NET POSITION</b>									
Net investment in capital assets				124,728					124,728
Restricted								364,152	364,152
Unrestricted	18,897	3,048,921	1,028,380	900,715	4,451,627	3,398,855	(132,566)		12,714,829
Total net position	\$ 18,897	\$ 3,048,921	\$ 1,028,380	\$ 1,025,443	\$ 4,451,627	\$ 3,398,855	\$ (132,566)	\$ 364,152	\$ 13,203,709

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, 2022**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position								Totals
		Charges for Services	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	
Economic development corporation												
Community improvement	\$	48		\$ 48								\$ 48
Brownfield re-development authority												
Community improvement	8,207,582		7,572,954		\$ (634,628)							(634,628)
Joint-local development finance authority												
Community improvement	527,141					\$ (527,141)						(527,141)
Downtown development authority												
Community improvement	301,999						\$ (301,999)					(301,999)
Tax increment finance authority												
Community improvement	953							\$ (953)				(953)
Local development finance authority												
Community improvement	832	138,503							\$ 137,671			137,671
Section 8 housing commission												
Social services	1,825,145		\$ 1,847,490							\$ 22,345		22,345
Southfield growth corporation												
Community improvement	186,621	\$ 299,458	68,512								\$ 181,349	181,349
Total component units	\$ 11,050,273	\$ 438,009	\$ 9,488,956									(1,123,308)
General revenues:												
Property taxes					1,632,190	521,257	196,736					2,350,183
Unrestricted investment earnings				29	12,610	5,189	4,540	141,948	104,044	35	168	268,563
Unrestricted change in fair value of investments				(582)	(97,628)	(40,728)	(30,243)	(722,693)	(542,619)			(1,434,493)
Miscellaneous						60,792						60,792
Total general revenues				(553)	1,547,172	546,510	171,033	(580,745)	(438,575)	35	168	1,245,045
Change in net position				(505)	912,544	19,369	(130,966)	(581,698)	(300,904)	22,380	181,517	121,737
Net position - beginning				19,402	2,136,377	1,009,011	1,156,409	5,033,325	3,699,759	(154,946)	182,635	13,081,972
Net position - ending	\$	18,897	\$ 3,048,921	\$ 1,028,380	\$ 1,025,443	\$ 4,451,627	\$ 3,398,855	\$ (132,566)	\$ 364,152	\$ 13,203,709		

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.

#### **The Retiree Health Care Benefits Plan and Trust**

The Retiree Health Care Benefits Plan and Trust is governed by a 11-member board that includes 4 members elected by plan members, 3 members that serve on the Administrative Civil Service Commission, 2 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. 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 retiree health care 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.

# 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

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.

#### *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.



# 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

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.

#### *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.

# 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

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.

#### *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 fund:

- 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.

#### **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 Major Streets, Local Streets, Parks & Recreation, Cable Television, Block Grant, Grants, Donations, Memorial Trusts & Sponsorships, Michigan Indigent Defense, Drug Law Enforcement, Library, Michigan Works Grants and Auto Theft Grant.
- 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 Capital Improvement, Road Construction, Local Improvement Revolving, Library Building Authority Construction 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 and Prepaid Items:** 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.

# 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.

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.

# 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

**(f) Leases:** The City is a lessee for noncancellable leases of building rental. The City recognizes a lease liability and an intangible right to use lease asset (lease asset) in the governmental activities column in the government wide financial statements. The City recognizes lease assets and liabilities with an initial value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

The City is a lessor for noncancellable leases of cellular towers. The City recognizes a lease receivable and a deferred inflow of resources in the government wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

# 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

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The City uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**(g) 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.

**(h) 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, OPEB, and leases are reported in the government-wide statement of net position and proprietary statement of net position. The pension and OPEB 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. The lease amounts are amortized over the life of their respective agreements.

# 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

(i) **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.

(j) **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.

(k) **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.

#### (l) **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

**(m) 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.

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.

# 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

**(n) 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.

**(o) 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.

**(p) 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, 2022 is \$21,852,923.

### 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.

# City of Southfield

## Notes to the Financial Statements

### 2. COMPLIANCE AND ACCOUNTABILITY (continued)

#### A. Budgetary Data

- 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.

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

Major streets  
Local streets  
Parks and recreation  
Cable television  
Block grant  
Grants

Donations, memorial trusts & sponsorships  
Michigan indigent defense  
Drug law enforcement  
Library  
Michigan works grant  
Auto Theft Grant

# City of Southfield

## Notes to the Financial Statements

### 2. COMPLIANCE AND ACCOUNTABILITY (continued)

#### 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)
<b>General Fund</b>			
<b>Revenues:</b>			
Intergovernmental:			
Federal	\$ 808,821	\$ 1,164,696	\$ 355,875
State	9,919,719	11,464,887	1,545,168
Change in fair value of investments	-	(4,044,409)	(4,044,409)
<b>Expenditures:</b>			
Public Safety:			
Police	22,520,684	24,687,337	(2,166,653)
Fire	19,444,388	23,470,318	(4,025,930)
Public Services:			
Road service administration	2,447,065	1,494,538	952,527
Other:			
Support Services	15,215,206	3,518,709	11,696,497

**Intergovernmental - Federal and State:** This positive variance is attributable to grant funding for Simms Park and Miller Park improvements project, primarily American Rescue Plan Act funding received by the City. Additionally, anticipated state shared revenue was conservatively budgeted.

**Change in fair value of investments:** Variance is due to adjustment to market value on investments.

**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.

**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.

**Support Services:** This positive variance relates to the final carry-forward of funds planned for use with the Northland Mall redevelopment project. Approximately \$11.2 million was brought forward from prior years' budget

# City of Southfield

## Notes to the Financial Statements

### 2. COMPLIANCE AND ACCOUNTABILITY (continued)

#### B. Budget Variances

	Unaudited Budget	Actual	Variance Positive (Negative)
<b>Major Streets Fund</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 7,260,300	\$ 7,743,462	\$ 483,162

**Intergovernmental:** This positive variance is primarily attributable to Act 51 which increased funding.

	Unaudited Budget	Actual	Variance Positive (Negative)
<b>Local Streets Fund</b>			
<b>Revenues:</b>			
Taxes	\$ 2,651,178	\$ 3,094,136	\$ 442,958
<b>Expenditures:</b>			
Snow removal	\$ 527,558	\$ 261,432	\$ 266,126
Appearance	617,808	288,224	329,584

**Taxes:** This positive variance is attributable to delinquent tax settlements.

**Snow removal and Appearance:** 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)
<b>Parks &amp; Recreation</b>			
<b>Revenues:</b>			
Charges for Services	\$ 1,696,475	1,586,284	(110,191)
<b>Expenses:</b>			
Change in fair value of investment:	\$ -	(250,455)	(250,455)

**Charges for Services:** Variance is due to limited program participation. This will be reviewed and appropriate adjustments will be made to future budget years.

**Change in fair value of investment:** This variance is an adjustment to market value on investments.

# City of Southfield

## Notes to the Financial Statements

### 2. COMPLIANCE AND ACCOUNTABILITY (continued)

#### B. Budget Variances

	Unaudited Budget	Actual	Variance Positive (Negative)
<b>Block Grant Fund</b>			
<b>Revenues:</b>			
Intergovernmental-Federal	\$ 963,610	701,005	(262,605)

**Intergovernmental Federal:** Revenues are reimbursement based and actual expenditures were lower than budget.

	Unaudited Budget	Actual	Variance Positive (Negative)
<b>Michigan Indigent Defense</b>			
<b>Revenues:</b>			
Intergovernmental - State	\$ 496,928	\$ 272,783	\$ (224,145)
<b>Expenditures:</b>			
46th District Court	578,900	354,755	224,145

**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)

#### B. Budget Variances

	Unaudited Budget	Actual	Variance Positive (Negative)
<b>Library</b>			
<b>Revenues:</b>			
Taxes	\$ 7,423,299	\$ 7,834,238	\$ 410,939
Change in fair value of investments	-	(1,136,188)	(1,136,188)
<b>Expenditures:</b>			
Administration	2,007,181	1,791,598	215,583
Adult reference	1,530,045	1,214,498	315,547
Children's division	861,354	578,127	283,227
Support services	1,024,399	779,360	245,039
Technology division	1,655,789	904,777	751,012
Total expenditures	7,078,768	5,268,360	1,810,408

**Taxes:** This variance is attributable to delinquent tax settlements.

**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 at the start of the year as a result of the pandemic.

	Unaudited Budget	Actual	Variance Positive (Negative)
<b>Michigan Works</b>			
<b>Revenues:</b>			
Intergovernmental-Federal	\$ 2,338,590	\$ 2,095,399	\$ (243,191)
Intergovernmental-State	381,250	253,285	(127,965)

**Intergovernmental Federal & State:** Revenues are reimbursement based and actual expenditures were lower than budget.

	Unaudited Budget	Actual	Variance Positive (Negative)
<b>Auto Theft</b>			
<b>Expenditures:</b>			
Public Safety	\$ 138,498	167,827	(29,329)

**Public Safety:** The actual expenditures exceeded the budgeted amounts for personnel costs. These amounts will be adjusted to accurately reflect anticipated costs in future years.

# City of Southfield

## Notes to the Financial Statements

### 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.

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 multiple 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 \$20,783,303, of which \$20,033,262 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.

<u>Investments:</u>	<u>Fair Market Value</u>	<u>Weighted Average Maturity</u>
U.S. government agencies	\$ 57,412,580	4.84 years
Municipal bonds	77,913,284	4.77 years
Oakland County LGIP Pooled	88,362,329	0.68 years
Michigan Class Investment Pool	163,884	0.21 years

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

<u>Investments:</u>	<u>Fair Market Value</u>	<u>Weighted Average Maturity</u>
US Government Obligations	\$ 4,756,449	7.53
Mortgage Backed Securities	2,153,045	27.56
Collateralized Mtg Obligations	1	0.04
Asset Backed Securities	126,507	11.50
Corporate Bonds	2,305,523	6.88
Open End Mutual Funds	5,512,569	9.54

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

<u>Investments:</u>	<u>Fair Market Value</u>	<u>Weighted Average Maturity</u>
Other fixed income	25,875,650	Not Available

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

<u>Investments:</u>	<u>Fair Market Value</u>	<u>Weighted Average Maturity</u>
Natixis Loomis Sayles Inv Gr - Y	\$ 15,920,830	6.58 years
JP Morgan Strategic Income Opportunities Fund-I	10,203,584	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	\$ 353,548	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	\$ 16,427,271	Not Available

#### **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
U.S. government agencies	\$ 57,412,580	AA+	S&P
Municipal bonds	3,968,012	AA-	S&P
Municipal bonds	5,621,437	AAA	S&P
Municipal bonds	9,802,967	AA+	S&P
Municipal bonds	35,482,996	AA	S&P
Municipal bonds	11,385,292	AA-	S&P
Municipal bonds	520,971	A+	S&P
Municipal bonds	342,947	A	S&P
Municipal bonds	10,788,662	NR	S&P
Local Governmental Investment Pool	88,362,329	Not rated	N/A
Michigan Class Investment Pool	163,884	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	\$ 1,429,527	Baa1 and below	Moody's
Corporate bonds	122,865	Aa3	Moody's
Corporate bonds	202,536	A1	Moody's
Corporate bonds	190,784	A2	Moody's
Corporate bonds	359,811	A3	Moody's
Collateralized mortgage obligations	1	NR	N/A
Mortgage backed securities	2,153,045	NR	N/A
U.S. treasury notes and bonds	4,756,449	Aaa	Moody's
Asset Backed Securities	126,507	Baa1 and below	Moody's
Mutual funds	2,157,973	AAA	S&P
Mutual funds	42,661	AA	S&P
Mutual funds	33,795	A	S&P
Mutual funds	3,176,754	BBB	S&P
Mutual funds	101,386	BB	S&P

**FPRS** – The FPRS does not have any investments at year-end that are subject to credit risk.

# 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 (15.2%)	\$ 2,419,966	US Treasurys - AAA	Moody's
Loomis Sayles Inv Gr - Y (5.8%)	923,408	Aaa	Moody's
Loomis Sayles Inv Gr - Y (5.7%)	907,487	Aa	Moody's
Loomis Sayles Inv Gr - Y (12.8%)	2,037,866	A	Moody's
Loomis Sayles Inv Gr - Y (36.3%)	5,779,261	Baa	Moody's
Loomis Sayles Inv Gr - Y (5.3%)	843,804	Ba	Moody's
Loomis Sayles Inv Gr - Y (1.6%)	254,733	B	Moody's
Loomis Sayles Inv Gr - Y (0.2%)	31,842	Caa or Lower	Moody's
Loomis Sayles Inv Gr - Y (4.4%)	700,517	Not Rated	Moody's
Loomis Sayles Inv Gr - Y (12.7%)	2,021,945	Cash	Moody's
JP Morgan Strategic Income Opportunities Fund-I	6,622,126	AAA	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I	1,612,166	AA	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (7.8%)	795,880	A	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (2.5%)	255,090	BBB	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (1.3%)	132,647	BB	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (1.2%)	122,443	B	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (3.9%)	397,940	CCC & Lower/Other	Moody's/S&P/Fitch's
JP Morgan Strategic Income Opportunities Fund-I (2.6%)	265,293	Not Rated	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	\$ 353,548	Not available	N/A

#### FPRS –

Investments:	Fair Value	Rating	Rating Organization
Collateral Pool	\$ 16,427,271	Not available	N/A

Of the total investment disclosures for City accounts, approximately \$8.4 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	%
U.S. government agencies	\$ 57,412,580	23.32%
Municipal bonds	77,913,284	31.64%

##### **SERS –**

Investments:	Fair Market Value	%
AEW Core Property Trust	\$ 8,305,279	7.40%
LSV Asset Management	9,939,850	8.86%

##### **FPRS –**

Investments:	Fair Market Value	%
NHIT	\$ 25,875,650	13.53%
NANTUCKET	11,249,042	5.88%

**RHC** – There is no concentration of credit risk to disclose because no single issuer exceeds the 5% threshold.

#### 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.

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

**RHC** – The RHC 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:

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

Security	Foreign Currency	Fair Value
Cash & Equivalents *	Australian dollars	\$ 6,189
Equities	Australian dollars	2,055,183
Equities	Canadian dollars	938,590
Equities	Euro	3,570,260
Equities	British pound sterling	20,247,836
Cash & Equivalents *	British pound sterling	107,727
Cash & Equivalents *	New Zealand dollar	21

\* Values include pending foreign exchange sales/purchases

#### 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, 2022, 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, 2022, 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, 2022 was \$353,548 and \$417,306, 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, 2022, 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, 2022, 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, 2022 was \$16,427,271 and \$15,892,459.25, 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 –

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Debt Securities				
Agency bonds	\$ 57,120,785		\$ 57,120,785	
Government/municipal bonds	77,528,852		77,528,852	
Total debt securities	134,649,637	\$ -	134,649,637	\$ -
<b>Total investments by fair value level</b>	<b>\$ 134,649,637</b>	<b>\$ -</b>	<b>\$ 134,649,637</b>	<b>\$ -</b>
<b>Investments measured at the net asset value (NAV)</b>				
Local government investment pool	\$ 88,362,329			
Michigan class investment pool	163,884			
<b>Total investments measured at the NAV</b>	<b>\$ 88,526,213</b>			
<b>Grand total</b>	<b>\$ 223,175,850</b>			

# City of Southfield

## Notes to the Financial Statements

### 3. DEPOSITS AND INVESTMENTS (continued)

SERS –

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Debt securities				
U.S. treasury securities	\$ 4,756,449		\$ 4,756,449	
Mutual fund - fixed income	5,512,569		5,512,569	
Mortgage backed securities	2,153,045		2,153,045	
Asset-backed securities	126,507		126,507	
Corporate bonds	2,305,524		2,305,524	
Total debt securities	14,854,094	\$ -	14,854,094	\$ -
Equity securities				
Common and preferred stock	\$ 29,167,616	\$ 29,167,616		
Money market fund	1,934,292		\$ 1,934,292	
ADR	3,978,442	3,978,442		
Real estate investment trust	409,411	409,411		
Foreign stock	3,239,971	3,239,971		
Total equity securities	38,729,732	36,795,440	1,934,292	-
<b>Total investments by fair value level</b>	<b>\$ 53,583,826</b>	<b>\$ 36,795,440</b>	<b>\$ 16,788,386</b>	<b>\$ -</b>
<b>Investments measured at the net asset value (NAV)</b>				
Hedge Funds - fund of funds	\$ 6,693,651			
Collective investment funds	32,810,560			
Real estate investment trust	19,264,394			
<b>Total investments measured at the NAV</b>	<b>\$ 58,768,605</b>			
Grand total	<b>\$ 112,352,431</b>			

# City of Southfield

## Notes to the Financial Statements

### 3. DEPOSITS AND INVESTMENTS (continued)

FPRS –

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Equity securities				
Mutual fund - equities	\$ 32,517,876	\$ 32,517,876		
Money market fund	3,360,507		\$ 3,360,507	
Common and preferred stock	74,611,218	74,611,218		
Other equity	591	591		
Total equity securities	110,490,192	107,129,685	3,360,507	\$ -
<b>Total investments by fair value level</b>	<b>\$ 110,490,192</b>	<b>\$ 107,129,685</b>	<b>\$ 3,360,507</b>	<b>\$ -</b>
<b>Investments measured at the net asset value (NAV)</b>				
Multi-strategy hedge funds	\$ 15,286,103			
Collective investment fund	32,521,651			
Real estate investment trust	32,035,750			
<b>Total investments measured at the NAV</b>	<b>\$ 79,843,504</b>			
Grand total	\$ 190,333,696			

# City of Southfield

## Notes to the Financial Statements

### 3. DEPOSITS AND INVESTMENTS (continued)

RHC –

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Debt securities				
Mutual fund - fixed income	\$ 26,124,414	\$ 26,124,414		
Total debt securities	26,124,414	26,124,414	\$ -	\$ -
Equity securities				
Mutual fund - equities	\$ 25,930,866	\$ 25,930,866		
Money market fund	6,157,931		\$ 6,157,931	
Common stock	29,817,316	29,817,316		
ADR	330,388	330,388		
Real estate investment trusts	1,290,388	1,290,388		
Foreign stock	1,790,297	1,790,297		
Total equity securities	65,317,186	59,159,255	6,157,931	\$ -
Partnerships	\$ 582,687	\$ 582,687	\$ -	\$ -
<b>Total investments by fair value level</b>	<b>\$ 92,024,287</b>	<b>\$ 85,866,356</b>	<b>\$ 6,157,931</b>	<b>\$ -</b>
<b>Investments measured at the net asset value (NAV)</b>				
Private equity	\$ 6,540,189			
Infrastructure	1,348,573			
Hedge funds - fund of funds	8,245,948			
Real estate investment trust	8,751,510			
<b>Total investments measured at the NAV</b>	<b>\$ 24,886,220</b>			
Grand total	<b>\$ 116,910,507</b>			

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	\$	88,362,329	\$ -	No restrictions	None
Michigan class investment pool		163,884	-	No restrictions	None
<b>Total investments measured at the NAV</b>	<b>\$</b>	<b>88,526,213</b>	<b>\$ -</b>		

#### 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	\$	6,693,651	-	Quarterly	95 Days
Collective investment fund		32,810,560	-	Daily to Monthly	None to 15 Days
Real estate investment trust		19,264,394	\$ 3,688,535	None - Quarterly	None - 95 Days
<b>Total investments measured at the NAV</b>	<b>\$</b>	<b>58,768,605</b>	<b>\$ 3,688,535</b>		

# 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	\$ 15,286,103	\$ 1,800,000	Monthly - Quarterly - Semi Annual	95 days - 180 Days
Collective investment fund	32,521,651	-	Daily & Monthly	81% daily; 14% monthly
Real estate investment trust	32,035,750	10,319,624	None - Quarterly	None - 90 Days
<b>Total investments measured at the NAV</b>	<b>\$ 79,843,504</b>	<b>\$ 12,119,624</b>		

#### RHC –

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Private Equity	\$ 6,540,189	\$ 1,558,974	None	None
Infrastructure	1,348,573	564,340	None	None
Hedge funds - Fund of funds	8,245,948	-	None - Quarterly	None - 100 Days
Real estate investment trust	8,751,510	4,407,464	None	None
<b>Total investments measured at the NAV</b>	<b>\$ 24,886,220</b>	<b>\$ 6,530,778</b>		

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 several 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 58% 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:

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

#### **Governmental funds (with associated governmental funds):**

##### Capital Projects:

Unspent bond proceeds	\$ 17,956,411
Funds held by Oakland County drain commissioner to be used for construction and maintenance of drains	<u>37,130</u>
Total governmental funds	<u>17,993,541</u>

##### Internal Service:

Funds on deposit held by the insurance carrier related to workers' comp and general insurance accruals	<u>1,601,890</u>
Total governmental funds (with associated governmental funds)	<u>19,595,431</u>

##### Business-type activities:

Unspent bond proceeds	\$ <u>29,504,257</u>
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<b>Total restricted assets</b>	<b>\$ <u>49,099,688</u></b>
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### 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
Leases	\$ <u>1,665,767</u>
<b>Unavailable</b>	
Public safety	652,432
Special assessments	649,391
Community improvement	<u>96,796</u>
Total deferred inflow of resources - unavailable	\$ <u><u>1,398,619</u></u>
<b>Unearned</b>	
Indigent defense	\$ 280,793
Federal grant-ARP	<u>8,810,897</u>
Total unearned	\$ <u><u>9,091,690</u></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	Leases	Allowance for uncollectable taxes	Delinquent taxes	Total
Governmental activities:							
General fund	\$ 50,300	\$ 214,951	\$ 3,380,774	\$ 1,516,023	\$ (404,023)	\$ 470,229	\$ 5,228,254
Other non-major funds	36,582	86,243	2,178,538	196,158	(182,447)	203,075	2,518,149
Total governmental funds	86,882	301,194	5,559,312	1,712,181	(586,470)	673,304	7,746,403
Associated governmental activities:							
Internal service funds	32,424	16,230,573					16,262,997
Total governmental activities	\$ 119,306	\$ 16,531,767	\$ 5,559,312	\$ 1,712,181	\$ (586,470)	\$ 673,304	\$ 24,009,400
Component units:							
Economic development corporation	\$ 12						\$ 12
Brownfield re-development authority	2,240					\$ 250	2,490
Joint-local development finance authority	660						660
Downtown development authority	723						723
Tax increment finance authority	12,720						12,720
Local development finance authority	9,615					115,334	124,949
Total component units-governmental	\$ 25,970	\$ -	\$ -	\$ -	\$ -	\$ 115,584	\$ 141,554
Business-type activities:							
Water and sewer fund	\$ 32,110	\$ 17,301,073	\$ -	\$ -	\$ -	\$ -	\$ 17,333,183

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	\$ 765,972
Equipment	20,407,293
Building & park improvements	715,508
Water system improvements	20,667,865
	<u>\$ 42,556,638</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, 2021	Additions	Disposals & Reduction to CIP	Balance June 30, 2022
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>General</b>				
Capital assets, not being depreciated:				
Land	\$ 11,245,297	\$ 9,000	\$ -	\$ 11,254,297
Construction in progress	27,335,994	1,771,437	16,788,603	12,318,828
Total capital assets not being depreciated	38,581,291	1,780,437	16,788,603	23,573,125
Capital assets, being depreciated				
Land improvements	27,660,618	-	-	27,660,618
Building and improvements	77,298,643	141,177	-	77,439,820
Infrastructure	195,541,338	21,470,249	-	217,011,587
Intangibles	2,119,987	-	-	2,119,987
Drain usage rights	11,794,970	-	-	11,794,970
Equipment	7,464,295	154,196	-	7,618,491
Total capital assets being depreciated	321,879,851	21,765,622	-	343,645,473
Less accumulated depreciation:				
Land improvements	20,035,191	909,296	-	20,944,487
Building and improvements	50,237,170	2,184,968	-	52,422,138
Infrastructure	107,410,332	6,778,262	-	114,188,594
Intangibles	1,817,860	91,179	-	1,909,039
Drain usage rights	8,816,011	472,852	-	9,288,863
Equipment	6,682,699	125,310	-	6,808,009
Total accumulated depreciation	194,999,263	10,561,867	(a) -	205,561,130
Total general capital assets being depreciated, net	126,880,588	11,203,755	-	138,084,343
<b>Internal Service</b>				
Capital assets, being depreciated				
Intangibles	334,039	-	-	334,039
Equipment	27,947,186	1,876,456	457,703	29,365,939
Total capital assets being depreciated	28,281,225	1,876,456	457,703	29,699,978
Less accumulated depreciation:				
Intangibles	285,218	18,891	-	304,109
Equipment	20,270,560	1,881,613	457,703	21,694,470
Total accumulated depreciation	20,555,778	1,900,504	457,703	21,998,579
Total internal service capital assets being depreciated, net	7,725,447	(24,048)	-	7,701,399
Governmental activity capital assets depreciable, net	\$ 134,606,035	\$ 11,179,707	\$ -	\$ 145,785,742

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

General government	\$ 457,533
Public safety	397,048
Highways and streets	6,778,262
Public services	612,070
Culture and recreation	2,316,954
Total	\$ 10,561,867

# 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, 2021	Additions	Disposals & Reduction to CIP	Balance June 30, 2022
<b>Water and Sewer Fund</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 41,354,224	\$ 5,163,603	\$ 30,024,355	\$ 16,493,472
Capital assets, being depreciated:				
Infrastructure	200,889,420	40,392,339		241,281,759
Intangibles	1,507,498			1,507,498
Equipment	2,057,847	239,838	-	2,297,685
Total water and sewer fund	204,454,765	40,632,177	-	245,086,942
Less accumulated depreciation:				
Infrastructure	110,295,204	6,115,182		116,410,386
Intangibles	1,265,029	73,175		1,338,204
Equipment	1,651,072	153,272	-	1,804,344
Total accumulated depreciation	113,211,305	6,341,629	-	119,552,934
Total capital assets, being depreciated	91,243,460	34,290,548	-	125,534,008
Total capital assets	\$ 132,597,684	\$ 39,454,151	\$ 30,024,355	\$ 142,027,480

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

	Balance July 1, 2021	Additions	Disposals & Reduction to CIP	Balance June 30, 2022
<b>Downtown Development Authority</b>				
<b>Leased Asset</b>				
Leased asset-building	\$ 38,612			\$ 38,612
Less: accumulated amortization		\$ 12,193		12,193
Total leased assets, amortized	38,612	(12,193)	-	26,419
<b>Capital assets, being depreciated</b>				
Land improvement	\$ 265,066			\$ 265,066
Less: accumulated depreciation	125,906	13,253	-	139,159
Total capital assets, being depreciated	\$ 139,160	\$ (13,253)	-	\$ 125,907

# 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-21	Additions	Deductions	30-Jun-22	Due - 1 Year	Due - More 1 Year
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>Direct borrowings and direct placements</b>						
* 1.625% to 5.375 % Drains-at-large,						
City's share of county debt	\$ 1,977,698		804,303	1,173,395	474,299	699,096
2.17% Michigan transportation fund bonds	3,380,000		1,105,000	2,275,000	1,125,000	1,150,000
1.78% -2012 general obligation limited tax refunding	1,080,000		355,000	725,000	360,000	365,000
<b>Other debt</b>						
3.0% to 5.0% Library building authority refunding bonds	14,675,000		1,425,000	13,250,000	1,495,000	11,755,000
2.0 to 4.0% -2015 Street Improvement bond UTGO	15,270,000		3,990,000	11,280,000	4,035,000	7,245,000
3.0 to 4.0% -2018 Street Improvement bond UTGO	28,565,000		875,000	27,690,000	1,035,000	26,655,000
2.0 to 4.0% -2020 Street Improvement bond UTGO	21,605,000		200,000	21,405,000	250,000	21,155,000
<b>Deferred amounts:</b>						
Unamortized bond premiums	5,199,178		679,764	4,519,414		4,519,414
Unamortized bond discounts	(955)	955				
Total governmental debt	91,750,921	955	9,434,067	82,317,809	8,774,299	73,543,510
<b>Other long-term obligations</b>						
Compensated absences	8,003,863	4,498,024	3,318,050	9,183,837	4,408,510	4,775,327
Michigan tax tribunal contingency	133,805		68,922	64,883		64,883
<b>ASSOCIATED GOVERNMENTAL ACTIVITIES</b>						
Compensated absences	298,014	203,334	228,860	272,488	123,268	149,220
<b>Total governmental long-term debt</b>	<b>\$ 100,186,603</b>	<b>4,702,313</b>	<b>13,049,899</b>	<b>91,839,017</b>	<b>13,306,077</b>	<b>78,532,940</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
<b>Direct borrowings and direct placements</b>						
State of Michigan water supply and sewage disposal bonds series 1999 2.25 to 2.5%	\$ 746,741		746,741			
Evergreen & Farmington Sewage Disposal System Capital Improvement bonds, series 2018A 2.5 to 3.125%	2,980,931		207,872	2,773,059	214,301	2,558,758
<b>Other debt</b>						
2019 Water and Sewer Capital Improvement bonds 3 to 3.125%	65,445,000		2,080,000	63,365,000	2,910,000	60,455,000
<b>Deferred amounts:</b>						
Unamortized bond premiums	1,275,820		71,541	1,204,279		1,204,279
<b>Other long-term obligations</b>						
Compensated absences	269,115	154,283	205,911	217,487	172,439	45,048
<b>Total business-type long-term debt</b>	<b>\$ 70,717,607</b>	<b>154,283</b>	<b>3,312,065</b>	<b>67,559,825</b>	<b>3,296,740</b>	<b>64,263,085</b>
<b>GOVERNMENTAL COMPONENT UNITS ACTIVITIES</b>						
<b>Other long-term obligations</b>						
Long-term advances	\$ 1,401,387			1,401,387		1,401,387
Compensated absences	13,392	35,376	1,749	47,019	16,971	30,048
Lease liability - right of use	38,612		11,014	27,598	12,098	15,500
<b>Total governmental component units long-term debt</b>	<b>\$ 1,453,391</b>	<b>35,376</b>	<b>12,763</b>	<b>1,476,004</b>	<b>29,069</b>	<b>1,446,935</b>
<b>Total debt</b>	<b>\$ 172,357,601</b>	<b>4,891,972</b>	<b>16,374,727</b>	<b>160,874,846</b>	<b>16,631,886</b>	<b>144,242,960</b>

\* 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
2023	\$ 1,959	\$ 49	\$ 2,008	\$ 6,815	\$ 1,724	\$ 8,539
2024	1,996	25	2,021	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>\$ 4,173</u>	<u>\$ 74</u>	<u>\$ 4,247</u>	<u>\$ 73,625</u>	<u>\$ 7,868</u>	<u>\$ 81,493</u>

Business-type Water and sewer						
	Direct Borrowings and Direct Placements			Other Debt		
	Prin.	Int.	Total	Prin.	Int.	Total
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>\$ 2,773</u>	<u>\$ 771</u>	<u>\$ 3,544</u>	<u>\$ 63,365</u>	<u>\$ 18,642</u>	<u>\$ 82,007</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 \$3,544,000. During the current year, net operating income of the system, was \$12,804,306 compared to the annual debt requirement of approximately \$1,045,000.

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
	General fund	Non-major governmental funds	Internal service funds	
Receivable Fund				
General fund		\$ 116,415	4,136,844	\$ 4,253,259
Non-major governmental funds		672	\$ 262	934
Total governmental activities	\$ -	117,087	4,137,106	4,254,193
Associated governmental activities:				
Internal service funds	120,117	300,000	60,701	480,818
Total receivable fund	\$ 120,117	\$ 417,087	\$ 4,197,807	\$ 4,735,011

# 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:

	Payable Fund		
	Section 8 housing commission	Internal service funds	Total receivable by fund
Receivable Fund			
General fund	\$ 37,373		\$ 37,373
Associated governmental activities:			
Internal service funds	6,956		6,956
Component unit:			
Downtown development authority		\$ 131	131
Total receivable fund	\$ 44,329	\$ 131	

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 In:		
	Non-major governmental funds	Total transfers out	
Transfers Out:			
Governmental activities:			
General fund	\$ 10,593,458	\$ 10,593,458	
Other non-major funds	4,945,192	4,945,192	
Total governmental activities and transfers in	\$ 15,538,650	\$ 15,538,650	

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	
Special assessment construction	Bridge St-Hilltop	\$ <u>1,377,391</u>

#### DISCRETELY PRESENTED COMPONENT UNITS

Local development finance authority	Bridge St-Hilltop	<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 \$196 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:

		<b>2022</b>		<b>2021</b>
Estimated liability - beginning of year	\$	2,955,473	\$	2,827,801
Estimated claims incurred, including				
reinsurance premiums and changes in estimates		964,186		2,683,182
Claim and insurance premium payments				
and reinsurance recoveries		(1,584,085)		(2,555,510)
Estimated liability - end of year	\$	<u>2,335,574</u>	\$	<u>2,955,473</u>

The City estimates that claims incurred but not reported for self-insured medical plan totaled \$363,065 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 \$1,881,243 for a net prepaid of \$1,518,178.

#### 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. 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 \$11,059,198 in taxable value to the Michigan Tax Tribunal. The City estimates the full contested amount in tax dollars to be \$310,833 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 \$64,800. 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, 2021 valuation, was \$3,766,000,490 and the unadjusted taxable value was \$2,657,993,690. 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 28.1272 (excluding the DDA millage). The sum of these rates generated \$76,958,795 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 2021 rate of inflation cap of 3.3%, the City of Southfield's 2020-21 State Equalized Evaluation (SEV) of \$3,766,000,490 was capped at a Taxable Assessed Valuation (TAV) of \$2,657,993,690.

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 2022 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, 2022, the City abated \$219,054 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, 2022, the Brownfield captured approximately \$1,350,565 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 \$1,332,973 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, 2022, the City abated approximately \$932,900 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	6/30/2021	6/30/2021
Inactive plan members or beneficiaries currently receiving benefits	369	389
Inactive plan members entitled to but not yet receiving benefits	46	3
Active employees	295	214
Total	710	606

# 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, 2022, 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 44.55 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 \$4,603,072 and \$9,132,635 for SERS and FPRS, respectively, for the year ended June 30, 2022.

#### B. Net Pension Liability of the City

The June 30, 2022 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, 2022) for both plans. The net pension liability was as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, which used update procedures to roll forward the estimated liability to June 30, 2022.

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, 2021	\$ 172,448,283	\$ 130,382,595	\$ 42,065,688
Service cost	1,888,614		1,888,614
Interest on total pension liability	11,702,874		11,702,874
Changes of benefit terms	-		-
Experience differences	130,396		130,396
Changes of assumptions	-		-
Investment earnings		(10,231,311)	10,231,311
Contributions - employer		4,603,072	(4,603,072)
Contributions - employee		1,129,746	(1,129,746)
Benefit payments, including refunds	(12,417,360)	(12,417,360)	-
Administrative costs		(84,111)	84,111
Net changes	1,304,524	(16,999,964)	18,304,488
Balance at June 30, 2022	\$ 173,752,807	\$ 113,382,631	\$ 60,370,176

The Plan's fiduciary net position represents 65% 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, 2021	\$ 292,328,285	\$ 220,733,105	\$ 71,595,180
Service cost	3,314,502		3,314,502
Interest on total pension liability	19,174,446		19,174,446
Changes of benefit terms	-		-
Experience differences	2,093,709		2,093,709
Changes of assumptions	-		-
Investment earnings (loss)		(19,371,331)	19,371,331
Contributions - employer		9,132,635	(9,132,635)
Contributions - employee		763,608	(763,608)
Benefit payments, including refunds	(19,839,336)	(19,839,336)	-
Administrative costs		(203,596)	203,596
Net changes	4,743,321	(29,518,020)	34,261,341
Balance at June 30, 2022	<u>\$ 297,071,606</u>	<u>\$ 191,215,085</u>	<u>\$ 105,856,521</u>

The Plan's fiduciary net position represents 64% 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, 2021	\$ 464,776,568	\$ 351,115,700	\$ 113,660,868
Service cost	5,203,116		5,203,116
Interest on total pension liability	30,877,320		30,877,320
Changes of benefit terms	-		-
Experience differences	2,224,105		2,224,105
Changes of assumptions	-		-
Investment earnings (loss)		(29,602,642)	29,602,642
Contributions - employer		13,735,707	(13,735,707)
Contributions - employee		1,893,354	(1,893,354)
Benefit payments, including refunds	(32,256,696)	(32,256,696)	-
Administrative costs		(287,707)	287,707
Net changes	6,047,845	(46,517,984)	52,565,829
Balance at June 30, 2022	<u>470,824,413</u>	<u>\$ 304,597,716</u>	<u>\$ 166,226,697</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, \$247,537. Total Primary Government Net Pension Liability is \$165,979,160 for the year ended June 30, 2022. The City recognized pension expense of \$24,570,948 from all plans.

At June 30, 2022, 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	\$ 2,188,833	\$ (194,757)
Changes in assumptions	8,961,120	-
Net difference between projected and actual earnings on pension plan investments	14,834,463	-
Total	\$ 25,984,416	\$ (194,757)

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
2023	\$ 11,939,945
2024	5,346,336
2025	(2,106,871)
2026	10,610,249
2027	-

# 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.

For changes in assumptions refer to Required Supplementary Information footnotes.



# 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%	5.37%
International equity	16.00%	6.22%
Domestic bonds	20.00%	1.20%
International bonds	0.00%	0.00%
Real estate	14.00%	4.87%
Alternative assets	16.00%	6.72%

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

For the year ended June 30, 2022, the annual money-weighted rate of return on pension investments, net of pension plan investment expense was -8.45 and -9.61 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	\$78,433,326	\$60,370,176	\$45,014,998
Net Pension Liability for FPRS	\$136,411,356	\$105,856,521	\$80,654,693

#### 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, 2022, the Plan has \$14,847,987 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, 2021 (the valuation date for which the Net OPEB Liability as of June 30, 2022 was determined), plan membership consisted of the following:

	OPEB
Inactive plan members or beneficiaries currently receiving benefits	637
Inactive plan members entitled to but not yet receiving benefits	27
Active employees	241
Total	905

**Contributions** – Contribution rates are established by the collective bargaining units. For the year ended June 30, 2022, the City contributed \$11,499,115 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, 2022 as its measurement date for the net OPEB liability. The June 30, 2022 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, 2022 measurement date. The June 30, 2022 OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, which used update procedures to roll forward the estimated liability to June 30, 2022.

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, 2021	\$ 67,668,001	\$ 30,920,333	\$ 36,747,668
Service cost	530,989		530,989
Interest on total OPEB liability	4,647,696		4,647,696
Changes to benefit terms	-		-
Experience differences	(21,086,068)		(21,086,068)
Changes of assumptions	1,713,769		1,713,769
Investment earnings		(2,149,098)	2,149,098
Contributions - employer		4,756,320	(4,756,320)
Contributions - employee		158,846	(158,846)
Benefit payments, including refunds	(3,075,671)	(3,075,671)	-
Administrative costs		(7,183)	7,183
Other		(392,323)	392,323
Net changes	(17,269,285)	(709,109)	(16,560,176)
Balance at June 30, 2022	<u>\$ 50,398,716</u>	<u>\$ 30,211,224</u>	<u>\$ 20,187,492</u>

The Plan's fiduciary net position represents 59.9% 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, 2021	\$ 114,699,055	\$ 72,147,441	\$ 42,551,614
Service cost	1,236,255		1,236,255
Interest on total OPEB liability	7,927,683		7,927,683
Changes to benefit terms	-		-
Experience differences	(28,532,765)		(28,532,765)
Changes of assumptions	6,006,255		6,006,255
Investment earnings		(4,953,205)	4,953,205
Contributions - employer		6,742,795	(6,742,795)
Contributions - employee		303,303	(303,303)
Benefit payments, including refunds	(4,129,148)	(4,129,148)	-
Administrative costs		(10,652)	10,652
Other		392,323	(392,323)
Net changes	(17,491,720)	(1,654,584)	(15,837,136)
Balance at June 30, 2022	\$ <u>97,207,335</u>	\$ <u>70,492,857</u>	\$ <u>26,714,478</u>

The Plan's fiduciary net position represents 72.5% 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, 2021	\$ 182,367,056	\$ 103,067,774	\$ 79,299,282
Service cost	1,767,244		1,767,244
Interest on total OPEB liability	12,575,379		12,575,379
Changes to benefit terms	-		-
Experience differences	(49,618,833)		(49,618,833)
Changes of assumptions	7,720,024		7,720,024
Investment earnings		(7,102,303)	7,102,303
Contributions - employer		11,499,115	(11,499,115)
Contributions - employee		462,149	(462,149)
Benefit payments, including refunds	(7,204,819)	(7,204,819)	-
Administrative costs		(17,835)	17,835
Other		-	-
Net changes	(34,761,005)	(2,363,693)	(32,397,312)
Balance at June 30, 2022	\$ <u>147,606,051</u>	\$ <u>100,704,081</u>	\$ <u>46,901,970</u>

The Plan's fiduciary net position represents 68.2% 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

For the year ended June 30, 2022, the City recognized net OPEB recovery of \$16,990,561. This is comprised of contributions made of \$11,499,115 offset by total recovered expenses of \$27,714,703.

At June 30, 2022, 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	\$ -	\$ (20,570,288)
Changes in assumptions	3,197,198	-
Net difference between projected and actual earnings on OPEB plan investments	<u>4,762,079</u>	<u>-</u>
Total	\$ <u>7,959,277</u>	\$ <u>(20,570,288)</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
2023	\$ (15,897,017)
2024	939,576
2025	(550,149)
2026	2,896,579
2027	-

#### Actuarial Assumption

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, which used procedures to roll forward the liability to June 30, 2022. The actuarial valuation was determined using the following assumptions:

Inflation	2.5 percent	
Healthcare cost trend rate	7.5 to 3.5 percent	Gradually decreasing to an ultimate rate of 3.5 percent
Salary increases	3.0 percent to 12.75 percent	Including inflation
Investment rate of return	7.0 percent	Net of OPEB plan investment expense, including inflation

# City of Southfield

## Notes to the Financial Statements

### 12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Mortality rates were based on the following:

*Healthy 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.

*Healthy 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.

*Disability 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.

The actuarial assumptions were updated for the June 30, 2021 valuation pursuant to experience studies performed for SERS and FPRS covering the five-year period ended June 30, 2020.

#### Changes in Assumptions

Updated actuarial demographic assumptions pursuant to the experience studies for both the Fire and Police group and the SERS group and updated health care trend assumptions

#### Discount Rate

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

# City of Southfield

## Notes to the Financial Statements

### 12. OTHER POST-EMPLOYMENT BENEFITS (continued)

#### 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, 2022:

Asset class	Target Allocation	Long-term expected real rate of return
US Equities	30.0%	6.1%
International Equities	10.0%	4.9%
Emerging Markets Equities	5.0%	6.3%
Fixed Income	25.0%	1.5%
Equity Hedge Assets	10.0%	4.3%
Private Equity	10.0%	10.4%
Real Assets	2.0%	3.7%
Private Real Estate	8.0%	5.3%

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, 2022 for each major asset class are included in the target asset allocation summarized in the above table.

For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB investments, net of OPEB plan investment expense was -6.81 percent.

**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	\$59,793,084	\$46,901,970	\$31,635,893



# City of Southfield

## Notes to the Financial Statements

### 12. OTHER POST-EMPLOYMENT BENEFITS (continued)

**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 8.25 percent, decreasing to 3.5 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 (7.25 percent, decreasing to 2.5 percent) or 1 percentage point higher (9.25 percent, decreasing to 4.5 percent) than the current rate:

	1% decrease	Cost trend rate	1% increase
	7.25%, decreasing to 2.5%	8.25%, decreasing to 3.5%	9.25%, decreasing to 4.5%
Net OPEB Liability	\$29,879,486	\$46,901,970	\$61,893,173

### 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.

# City of Southfield

## Notes to the Financial Statements

### 14. FUND BALANCE CONSTRAINTS

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

	<u>Major fund</u>	<u>Non-major funds</u>
	<u>General fund</u>	<u>Other governmental</u>
<b>Non-spendable</b>		
Prepays	\$ 762,037	\$ 47,033
Inventory	383,538	
Long-term receivable		2,778,778
<b>Restricted for:</b>		
Right-of-way funds/metro authority	1,859,328	
Sanitation reserve	155,313	
Major streets		3,325,237
Local streets		12,843,676
Parks and recreation		6,380,589
Cable PEG fees		263,541
Block grant		189,961
Grants		148,448
Donations, memorial trusts & sponsorships		385,591
Drug law enforcement		262,692
Library		10,340,770
Michigan works grants		84,326
Auto theft grant		69,800
Road bond debt		1,598,811
Drains-at-large debt		315,062
Capital improvement construction		532,839
Road bond construction		17,392,189
Special assessment construction		378,404
<b>Committed to:</b>		
Specific programs (General)		
Dispatch improvements	1,213,683	
Equalization reserve	2,000,000	
Local improvement revolving - Northland	3,648,834	
Building infrastructure reserve	25,500,000	
Tax base initiatives and quality of life	2,000,000	
Wage adjustment	3,600,000	
Donations, memorial trusts & sponsorships		455,657
<b>Assigned to:</b>		
* Encumbrances	1,631,653	
Capital improvement construction		4,914,765
Local improvement revolving		7,495,648
Library building authority		48,713
Special assessment construction		1,767,426
<b>Unassigned</b>	<u>16,074,444</u>	
	<u>\$ 58,828,830</u>	<u>\$ 72,019,956</u>

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

# City of Southfield

## Notes to the Financial Statements

### 15. LEASES

The City leases certain assets from various third parties. The asset leased is for the Downtown Development Authority's office space. Payments are generally fixed monthly rates.

Lease asset activity of the City is included in Note 6.

Future principal and interest payment requirements related to the City's lease liability at June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023 \$	12,098	\$ 885	\$ 12,983
2024	13,226	381	13,607
2025	2,274	11	2,285
\$	<u><b>27,598</b></u>	<u><b>1,277</b></u>	<u><b>28,875</b></u>

The City leases cell towers to third parties. Payments are generally fixed monthly with escalation over the lease term. In addition, the City receives certain variable payments not included in the measurement of the lease receivable which are not guaranteed.

At June 30, 2022, the City reported a lease receivable and deferred inflow of resources related to leases of \$1,712,180 and \$1,665,767, respectively.

During the year ended June 30, 2022, the City recognized \$113,463 in lease revenue and \$52,461 in interest income related to its lessor agreements.

### 16. 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, 2022, the City expensed \$7,252,240 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.

# City of Southfield

## Notes to the Financial Statements

### **17. BROWNFIELD-NORTHLAND**

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 purchaser. Under the terms of the agreement, the City has committed to contribute \$13,300,000 from governmental activities and \$6,800,000 from Water and Sewer to the BRDA to directly pay for certain developer eligible activities.

At 6/30/22 the governmental activities and the Water and Sewer have contributed \$4,985,473 and \$2,587,481, respectively, for a total of \$7,572,954. This represents the total for which the developer has requested reimbursement through 6/30/22 and has been recorded by the BRDA as contribution revenue. Of the total to date, \$6,001,458 has been reimbursed to the developer from the BRDA through 6/30/22, with remaining amounts either remitted subsequent to year-end or held in retainage. All such expenses have been reflected in the BRDA as of 6/30/22.

The BRDA has committed to returning the contribution to governmental activities and Water and Sewer for \$4,985,473 and \$2,587,481, respectively. Amounts directly paid will be reimbursed from allowed capture of future increased property tax revenues for state and local taxing authorities as those captures become available. At 6/30/22, the amounts received from the governmental activities and the Water and Sewer fund are committed for repayment, but repayment is contingent upon future events.

### **18. SUBSEQUENT EVENTS**

Subsequent to year-end, the City entered into a purchase commitment for Public Safety video surveillance and related equipment, software and accessories in the amount of \$4.1 million. The City will make installment payments ranging from \$385,000 to \$435,000 through September 2031.

### **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 \$127.54 million, of which the City of Southfield will be responsible for 38.17% or approximately \$48.68 million.

### **19. REPORTING CHANGE – CHANGE IN ACCOUNTING PRINCIPLE**

During the current year, the City adopted GASB Statement No. 87, *Leases*. As a result, the governmental activities now include a liability for the present value of payments expected to be made and right to use assets. The governmental activities now include receivables for the presented value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 15.

# City of Southfield

## Notes to the Financial Statements

### 20. UPCOMING REPORTING CHANGES

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 April 2022, the Governmental Accounting Standards Board issued GASB Statement No. 99, Omnibus 2022, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenues, the focus of government wide financial statements, and terminology. 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.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 100, Accounting Changes and Error Corrections, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2025.



## **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, 2022

	Unaudited Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 54,292,348	\$ 53,392,348	\$ 53,446,960	\$ 54,612
Charges for services	3,168,520	3,293,520	3,993,965	700,445
Sanitation	2,748,000	2,698,000	2,705,463	7,463
Licenses and permits	2,866,140	2,866,140	3,467,130	600,990
Fines and forfeitures	3,191,000	2,491,000	2,527,790	36,790
Cable franchise fees	1,347,500	1,272,500	1,279,938	7,438
Intergovernmental:				
Federal	108,821	808,821	1,164,696	355,875
State	9,019,719	9,919,719	11,464,887	1,545,168
Other	695,175	695,675	732,383	36,708
Investment earnings	750,000	750,000	1,052,600	302,600
Change in fair value of investments			(4,044,409)	(4,044,409)
Other	2,446,959	2,446,959	2,970,898	523,939
Total revenues	80,634,182	80,634,682	80,762,301	127,619
<b>EXPENDITURES</b>				
General government:				
Council	202,684	202,684	177,669	25,015
Mayor	128,348	128,348	102,439	25,909
Clerk's	1,140,207	1,164,800	1,086,727	78,073
Treasurer's	890,809	919,968	889,854	30,114
Administration	696,828	737,864	727,392	10,472
Assessing	1,178,639	1,178,639	1,037,570	141,069
Fiscal services	1,866,550	1,866,549	1,789,033	77,516
Legal	1,050,678	1,077,235	997,125	80,110
Human resources	1,417,654	1,504,550	1,499,805	4,745
Technology & central services	3,239,393	3,591,830	2,707,701	884,129
Community relations	791,554	791,554	688,832	102,722
Total general government	12,603,344	13,164,021	11,704,147	1,459,874
Public Safety:				
Police	22,544,806	22,576,064	24,687,337	(2,111,273)
Fire	19,343,644	19,444,388	25,083,681	(5,639,293)
Building and safety engineering	3,911,784	3,940,929	3,237,393	703,536
46th Michigan district court	3,531,925	3,490,161	3,315,202	174,959
Civilian support services	4,384,941	4,473,671	4,207,539	266,132
Total public safety	53,717,100	53,925,213	60,531,152	(6,605,939)
Public Services:				
Planning	932,125	1,031,648	901,007	130,641
Community development	396,308	405,358	361,946	43,412
Sanitation	3,095,301	3,105,301	3,100,839	4,462
Road service administration	2,292,899	2,447,065	1,494,538	952,527
Total public services	6,716,633	6,989,372	5,858,330	1,131,042
Other:				
Insurance and bonds	1,110,410	1,148,697	1,145,186	3,511
Support services	4,194,651	4,901,824	3,518,709	1,383,115
Total other	5,305,061	6,050,521	4,663,895	1,386,626
Capital outlay	2,712,900	3,242,930	243,074	2,999,856
Debt service:				
Principal retirement	355,000	355,000	355,000	-
Interest and fiscal charges	16,065	16,065	16,065	-
Total debt	371,065	371,065	371,065	-
Total expenditures	81,426,103	83,743,122	83,371,663	371,459
Excess (deficiency) of revenues over (under) expenditures	(791,921)	(3,108,440)	(2,609,362)	499,078
<b>OTHER FINANCING USES (Note 8)</b>				
Transfers out	(155,380)	(10,685,218)	(10,593,458)	91,760
Net change in fund balances	(947,301)	(13,793,658)	(13,202,820)	590,838
Fund balances - beginning	72,031,650	72,031,650	72,031,650	-
<b>Fund balances - ending</b>	<b>\$ 71,084,349</b>	<b>\$ 58,237,992</b>	<b>\$ 58,828,830</b>	<b>\$ 590,838</b>

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>2022</u>	<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>
Actuarially determined contributions	\$ 4,603,072	\$ 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
Contributions in relation to the actuarially determined contribution	<u>4,603,072</u>	<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>
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 15,983,495	\$ 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
Contribution as a Percentage of Covered Payroll	28.80%	28.32%	24.94%	24.62%	27.08%	20.45%	21.38%	24.03%	22.11%	16.22%

Actuarial valuation information relative to the determination of contributions:

Valuation date: Actuarially determined contribution amounts for fiscal year 2022 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 percent, Closed
Remaining amortization period	26 years for the June 30, 2020 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>2022</u>	<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>
Actuarially determined contributions	\$ 9,132,635	\$ 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
Contributions in relation to the actuarially determined contribution	<u>9,132,635</u>	<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>
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 19,841,111	\$ 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
Contribution as a Percentage of Covered Payroll	46.03%	46.54%	38.06%	37.69%	35.11%	33.30%	30.44%	32.15%	27.93%	26.88%

Actuarial valuation information relative to the determination of contributions:

Valuation date: June 30, 2020      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      26 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>2022</u>	<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>
Actuarially determined contributions	\$ 11,980,307	\$ 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
Contributions in relation to the actuarially determined contribution	<u>11,499,115</u>	<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>
Contribution deficiency	\$ 481,192	\$ 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
Covered Employee Payroll	\$ 18,935,330	\$ 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
Contribution as a Percentage of Covered Employee Payroll	60.73%	52.35%	55.13%	39.05%	31.88%	27.32%	27.14%	23.43%	21.78%	18.00%

Actuarial valuation information relative to the determination of contributions:

Valuation date: June 30      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	21 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	<b>Post Retirement:</b> 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. <b>Disabled Retirement:</b> 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. <b>Pre-Retirement:</b> 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	Investment 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
<b>Total pension liability</b>										
Service cost	\$ 1,888,614	\$ 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	11,702,874	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	130,396	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	(12,417,360)	(12,308,598)	(11,759,957)	(11,895,234)	(11,119,463)	(10,693,898)	(10,393,455)	(9,507,989)	(9,787,091)	
<b>Net change in total pension liability</b>	<u>1,304,524</u>	<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>	
<b>Total pension liability – beginning of year</b>	<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>	<u>135,243,027</u>	
<b>Total pension liability – end of year</b>	<u>\$ 173,752,807</u>	<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>	
<b>Plan fiduciary net position</b>										
Contributions – employer	\$ 4,603,072	\$ 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	1,129,746	1,040,024	822,698	772,659	729,155	720,834	689,397	711,807	717,449	
Net investment income	(10,231,311)	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	(12,417,360)	(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	(84,111)	(71,620)	(78,022)	(61,018)	(33,827)	(60,693)	(166,074)	(141,901)	(121,077)	
Other			397,851	(31,268)		148,506				
<b>Net change in plan fiduciary net position</b>	<u>(16,999,964)</u>	<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>	
<b>Plan fiduciary net position – beginning of year</b>	<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>	<u>104,265,371</u>	
<b>Plan fiduciary net position – end of year</b>	<u>\$ 113,382,631</u>	<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>	
<b>City's net pension liability - ending</b>	<u>\$ 60,370,176</u>	<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>	
<b>Plan fiduciary net position as a % of total pension liability</b>	<u>65.26%</u>	<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>	
<b>Covered payroll</b>	<u>\$ 15,983,495</u>	<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>	
<b>City's net pension liability as a % of covered payroll</b>	<u>377.70%</u>	<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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
<b>Total pension liability</b>										
Service cost	\$ 3,314,502	\$ 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	19,174,446	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	2,093,709	(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	(19,839,336)	(21,894,500)	(19,268,715)	(20,554,811)	(18,090,480)	(17,513,738)	(16,376,212)	(15,477,676)	(14,410,229)	
<b>Net change in total pension liability</b>	<b>4,743,321</b>	<b>7,189,131</b>	<b>14,860,159</b>	<b>3,555,987</b>	<b>7,955,214</b>	<b>5,421,377</b>	<b>15,416,173</b>	<b>5,620,442</b>	<b>5,677,916</b>	
<b>Total pension liability – beginning of year</b>	<b>292,328,285</b>	<b>285,139,154</b>	<b>270,278,995</b>	<b>266,723,008</b>	<b>258,767,794</b>	<b>253,346,417</b>	<b>237,930,244</b>	<b>232,309,802</b>	<b>226,631,886</b>	
<b>Total pension liability – end of year</b>	<b>\$ 297,071,606</b>	<b>\$ 292,328,285</b>	<b>\$ 285,139,154</b>	<b>\$ 270,278,995</b>	<b>\$ 266,723,008</b>	<b>\$ 258,767,794</b>	<b>\$ 253,346,417</b>	<b>\$ 237,930,244</b>	<b>\$ 232,309,802</b>	
<b>Plan fiduciary net position</b>										
Contributions – employer	\$ 9,132,635	\$ 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	763,608	678,115	610,417	506,015	453,274	457,293	444,861	466,794	475,435	
Net investment income (loss)	(19,371,331)	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	(19,839,336)	(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	(133,313)	(125,574)	(183,978)	(218,587)	(307,479)	(155,064)	(431,274)	(403,477)	(342,022)	
Other	(70,283)	(88,958)		(32)	(1,659)					
<b>Net change in plan fiduciary net position</b>	<b>(29,518,020)</b>	<b>41,662,815</b>	<b>(15,176,228)</b>	<b>(5,537,365)</b>	<b>2,546,166</b>	<b>9,196,686</b>	<b>(8,476,555)</b>	<b>(6,382,093)</b>	<b>21,524,563</b>	
<b>Plan fiduciary net position – beginning of year</b>	<b>220,733,105</b>	<b>179,070,290</b>	<b>194,246,518</b>	<b>199,783,883</b>	<b>197,237,717</b>	<b>188,041,031</b>	<b>196,517,586</b>	<b>202,899,679</b>	<b>181,375,116</b>	
<b>Plan fiduciary net position – end of year</b>	<b>\$ 191,215,085</b>	<b>\$ 220,733,105</b>	<b>\$ 179,070,290</b>	<b>\$ 194,246,518</b>	<b>\$ 199,783,883</b>	<b>\$ 197,237,717</b>	<b>\$ 188,041,031</b>	<b>\$ 196,517,586</b>	<b>\$ 202,899,679</b>	
<b>City’s net pension liability - ending</b>	<b>\$ 105,856,521</b>	<b>\$ 71,595,180</b>	<b>\$ 106,068,864</b>	<b>\$ 76,032,477</b>	<b>\$ 66,939,125</b>	<b>\$ 61,530,077</b>	<b>\$ 65,305,386</b>	<b>\$ 41,412,658</b>	<b>\$ 29,410,123</b>	
<b>Plan fiduciary net position as a % of total pension liability</b>	<b>64.37%</b>	<b>75.51%</b>	<b>62.80%</b>	<b>71.87%</b>	<b>74.90%</b>	<b>76.22%</b>	<b>74.22%</b>	<b>82.59%</b>	<b>87.34%</b>	
<b>Covered payroll</b>	<b>\$ 19,841,111</b>	<b>\$ 19,025,223</b>	<b>\$ 18,552,867</b>	<b>\$ 18,595,691</b>	<b>\$ 18,904,937</b>	<b>\$ 18,741,427</b>	<b>\$ 18,610,174</b>	<b>\$ 18,452,501</b>	<b>\$ 18,819,454</b>	
<b>City’s net pension liability as a % of covered payroll</b>	<b>533.52%</b>	<b>376.32%</b>	<b>571.71%</b>	<b>408.87%</b>	<b>354.08%</b>	<b>328.31%</b>	<b>350.91%</b>	<b>224.43%</b>	<b>156.28%</b>	

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>						
Service cost	\$ 1,767,244	\$ 1,881,207	\$ 2,007,468	\$ 4,977,185	\$ 5,202,468	\$ 7,193,640
Interest	12,575,379	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	(49,618,833)	(2,230,943)	6,068,727	79,224	32,261,718	
Changes in assumptions	7,720,024		(3,783,419)	(69,294,419)	(19,904,841)	(39,136,829)
Benefit payments, including refunds	(7,204,819)	(8,416,943)	(7,068,465)	(12,150,509)	(10,231,956)	(8,744,194)
<b>Net change in total OPEB liability</b>	<u>(34,761,005)</u>	<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>
<b>Total OPEB liability – beginning of year</b>	<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>	<u>367,400,057</u>
<b>Total OPEB liability – end of year</b>	<u>\$ 147,606,051</u>	<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>
<b>Plan fiduciary net position</b>						
Contributions – employer	\$ 11,499,115	\$ 11,014,550	\$ 12,371,933	\$ 10,722,115	\$ 8,751,955	\$ 8,378,689
Contributions – member	462,149	506,648	517,430	541,859	592,825	666,218
Net investment income	(7,102,303)	22,784,223	(2,054,036)	2,549,251	4,963,952	7,021,541
Benefit payments, including refunds	(7,204,819)	(8,416,943)	(7,068,465)	(12,150,509)	(10,231,956)	(8,744,194)
Other—Pension plan administrative expense	(17,835)	(28,008)	(25,554)	(2,436)	(22,677)	(10,404)
Other		(1,097,263)	790,824	2	(82,202)	42,822
<b>Net change in plan fiduciary net position</b>	<u>(2,363,693)</u>	<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>
<b>Plan fiduciary net position – beginning of year</b>	<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>	<u>60,785,583</u>
<b>Plan fiduciary net position – end of year</b>	<u>\$ 100,704,080</u>	<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>
<b>City's net OPEB liability - ending</b>	<u>\$ 46,901,971</u>	<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>
<b>Plan fiduciary net position as a % of total OPEB liability</b>	<u>68.22%</u>	<u>56.52%</u>	<u>43.78%</u>	<u>43.42%</u>	<u>20.01%</u>	<u>20.09%</u>
<b>Covered employee payroll</b>	<u>\$ 18,935,330</u>	<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>
<b>City's net OPEB liability as a % of covered employee payroll</b>	<u>247.70%</u>	<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

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
-8.45%	30.17%	15.00%	4.15%	7.80%	15.54%	-3.04%	1.19%	26.98%	18.39%

**Fire and Police Retirement System pension benefits**

Annual money-weighted rate of return, net of investment expense

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
-9.61%	30.06%	-1.46%	3.75%	7.18%	11.06%	1.06%	1.25%	16.74%	9.08%

**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

2022	2021	2020	2019	2018	2017
-6.81%	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	
		Approved Revenues	Approved Expenditures
Council adopted budget	\$	81,581,483	\$ 81,581,483
Transfers		(947,301)	(210,760)
Original (as presented)		80,634,182	81,370,723
Council adjustments		500	12,712,373
Final (as presented)	\$	<u>80,634,682</u>	<u>\$ 94,083,096</u>

#### NON-MAJOR FUNDS

		Major Streets		Local Streets	
		Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$	23,109,892	\$ 23,109,892	\$ 6,373,529	\$ 6,373,529
Transfers		(15,325,332)	-	(1,101,796)	-
Council adjustments		-	375,728	(280,855)	1,203,449
Final (as presented)	\$	<u>7,784,560</u>	<u>\$ 23,485,620</u>	<u>\$ 4,990,878</u>	<u>\$ 7,576,978</u>



# City of Southfield

## Required Supplementary Information

### Schedule of the Adopted Budget to Final Presentation Reconciliation - Unaudited

(continued)

#### NON-MAJOR FUNDS

		Parks and Recreation		Cable Television	
		Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$	6,910,352	\$ 6,910,352	\$ 836,702	\$ 836,702
Transfers		(100,000)	-	-	-
Council adjustments		9,430	2,175,777	(175,502)	5,019
Final (as presented)	\$	<u>6,819,782</u>	<u>\$ 9,086,129</u>	<u>\$ 661,200</u>	<u>\$ 841,721</u>
		Block Grant		Grants	
		Approved Revenues	Approved Expenditures	Revenues	Expenditures
Council adopted budget	\$	455,531	\$ 455,531	\$ 25,000	\$ 25,000
Council adjustments		508,079	508,079	-	-
Final (as presented)	\$	<u>963,610</u>	<u>\$ 963,610</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>
		Donations, Memorial Trusts & Sponsorships		Michigan Indigent Defense	
		Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$	200,000	\$ 200,000	\$ 573,700	\$ 573,700
Transfers		-	-	(76,772)	-
Approved encumbrances		-	-	-	5,200
Council adjustments		18,500	163,500	-	-
Final (as presented)	\$	<u>218,500</u>	<u>\$ 363,500</u>	<u>\$ 496,928</u>	<u>\$ 578,900</u>
		Drug Law Enforcement		Library	
		Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$	144,500	\$ 144,500	\$ 10,581,379	\$ 10,581,379
Fund balance draws		(144,500)	-	(2,753,180)	-
Council adjustments		-	266,820	-	169,890
Final (as presented)	\$	<u>-</u>	<u>\$ 411,320</u>	<u>\$ 7,828,199</u>	<u>\$ 10,751,269</u>
		Michigan Works Grants		Auto Theft Grant	
		Approved Revenues	Approved Expenditures	Approved Revenues	Approved Expenditures
Council adopted budget	\$	1,900,000	\$ 1,900,000	\$ 138,498	\$ 138,498
Transfers		-	-	(55,380)	-
Council adjustments		819,840	819,840	-	-
Final (as presented)	\$	<u>2,719,840</u>	<u>\$ 2,719,840</u>	<u>\$ 83,118</u>	<u>\$ 138,498</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 base 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

2022

- Updated actuarial demographic assumptions pursuant to the experience studies for both the Fire and Police group and the SERS group and updated health care trend 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)

#### Changes in Benefit Terms

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



## **NON-MAJOR GOVERNMENTAL FUNDS**

**City of Southfield**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,286,013	\$ 1,677,626	\$ 12,327,353	\$ 27,290,992
Investments	22,405,982	248,600	4,449,360	27,103,942
Receivables, net <b>(Note 5)</b>	2,464,737	2,104	51,308	2,518,149
Special assessments			566,253	566,253
Prepays	47,033			47,033
Due from other funds <b>(Note 8)</b>	934			934
Due from other governmental units	126,849			126,849
Advances to other funds			1,377,391	1,377,391
Advances to component units			1,401,387	1,401,387
Restricted assets: <b>(Note 4)</b>				
Cash and cash equivalents			10,958,617	10,958,617
Investments			7,034,924	7,034,924
Receivables, net			23,065	23,065
<b>Total assets</b>	<u>\$ 38,331,548</u>	<u>\$ 1,928,330</u>	<u>\$ 38,189,658</u>	<u>\$ 78,449,536</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,109,419		\$ 908,326	\$ 3,017,745
Accrued payroll	360,601			360,601
Due to other funds <b>(Note 8)</b>	417,087			417,087
Other short-term liabilities	25,086	\$ 14,457		39,543
Unearned revenue	280,793			280,793
Advances from local improvement revolving fund <b>(Note 8)</b>			1,377,391	1,377,391
<b>Total liabilities</b>	<u>3,192,986</u>	<u>14,457</u>	<u>2,285,717</u>	<u>5,493,160</u>
Deferred inflows of resources				
Leases <b>(Note 15)</b>	190,233			190,233
Unavailable <b>(Note 5)</b>	151,008		595,179	746,187
<b>Fund balance: (Note 14)</b>				
Non-spendable	47,033		2,778,778	2,825,811
Restricted	34,294,631	1,913,873	18,303,432	54,511,936
Committed	455,657			455,657
Assigned			14,226,552	14,226,552
<b>Total fund balances</b>	<u>34,797,321</u>	<u>1,913,873</u>	<u>35,308,762</u>	<u>72,019,956</u>
<b>Total liabilities, deferred inflows     and fund balances</b>	<u>\$ 38,331,548</u>	<u>\$ 1,928,330</u>	<u>\$ 38,189,658</u>	<u>\$ 78,449,536</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, 2022

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>REVENUES</b>				
Property taxes	\$ 16,145,726	\$ 8,024,379		\$ 24,170,105
Special assessments	25,733		\$ 760,061	785,794
Charges for services	1,852,078			1,852,078
Federal forfeitures	500			500
Cable franchise fees	681,641			681,641
Intergovernmental:				
Federal	2,927,756			2,927,756
State	10,717,273			10,717,273
Other	300,000			300,000
Contributions and donations	343,414		3,223	346,637
Investment earnings	365,676	25,633	429,612	820,921
Change in fair value of investments	(1,646,304)	(66,652)	(2,299,108)	(4,012,064)
Other	313,929		331,536	645,465
Total revenues	<u>32,027,422</u>	<u>7,983,360</u>	<u>(774,676)</u>	<u>39,236,106</u>
<b>EXPENDITURES</b>				
Current:				
General government	24,167			24,167
Public safety	585,917			585,917
Highways and streets	9,155,077			9,155,077
Public services	12,175			12,175
Community improvement	834,209			834,209
Social services	2,554,170			2,554,170
Culture and recreation	12,543,150			12,543,150
Other		234,316	7,525,898	7,760,214
Capital outlay	6,104,239			6,104,239
Debt service:				
Principal retirement	2,589,865	5,650,853		8,240,718
Interest and fiscal charges	686,780	2,350,675		3,037,455
Total expenditures	<u>35,089,749</u>	<u>8,235,844</u>	<u>7,525,898</u>	<u>50,851,491</u>
Deficiency of revenues under expenditures	(3,062,327)	(252,484)	(8,300,574)	(11,615,385)
<b>OTHER FINANCING SOURCES (USES) (Note 8)</b>				
Transfers in	5,748,682		9,789,968	15,538,650
Transfers out	(289,968)		(4,655,224)	(4,945,192)
Total other financing sources (uses)	<u>5,458,714</u>	<u>-</u>	<u>5,134,744</u>	<u>10,593,458</u>
Net change in fund balances	2,396,387	(252,484)	(3,165,830)	(1,021,927)
Fund balances - beginning	32,400,934	2,166,357	38,474,592	73,041,883
<b>Fund balances - ending</b>	<u>\$ 34,797,321</u>	<u>\$ 1,913,873</u>	<u>\$ 35,308,762</u>	<u>\$ 72,019,956</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:

#### **MAJOR 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. Major streets may include federal and state trunk lines maintained by the County and other relatively heavily traversed roads ("mile" roads) maintained by the City. 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.

**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).

#### **GRANTS**

This fund accounts for individual grants received from Federal, State or other sources.

#### **DONATIONS, MEMORIAL TRUSTS & SPONSORSHIPS**

This fund accounts for endowments, restricted donations and contributions in memory of City employees and City residents.



## **NON-MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS (continued)**

#### **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.

#### **LIBRARY**

Specific property taxes, grants, user fees, state aid 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.

# City of Southfield

## Combining Balance Sheet

### Non-major Governmental Funds - Special Revenue Funds

For the Year Ended June 30, 2022

	Major Streets	Local Streets	Parks and Recreation	Cable Television	Block Grant	Grants	Donations, Memorial Trusts & Sponsorships	Michigan Indigent Defense	Drug Law Enforcement	Library	Michigan Works Grants	Auto Theft Grant	Total
<b>ASSETS</b>													
Cash and cash equivalents	\$ 2,024,958	\$ 2,486,005	\$ 4,911,027	\$ 8,362	\$ 344,272	\$ 148,352	\$ 853,437	\$ 315,718	\$ 270,541	\$ 1,549,549	\$ 289,870	\$ 83,922	\$ 13,286,013
Investments	356,291	10,645,038	2,515,879	106,510						8,782,264			22,405,982
Receivables, net	1,211,881	367,516	220,873	161,788	148,545	54,308	3,133		365	201,642	94,686		2,464,737
Prepays			20,996							26,037			47,033
Due from other funds	262		672										934
Due from other governmental units											126,849		126,849
<b>Total assets</b>	<b>\$ 3,593,392</b>	<b>\$ 13,498,559</b>	<b>\$ 7,669,447</b>	<b>\$ 276,660</b>	<b>\$ 492,817</b>	<b>\$ 202,660</b>	<b>\$ 856,570</b>	<b>\$ 315,718</b>	<b>\$ 270,906</b>	<b>\$ 10,559,492</b>	<b>\$ 511,405</b>	<b>\$ 83,922</b>	<b>\$ 38,331,548</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>													
<b>Liabilities:</b>													
Accounts payable	\$ 267,510	\$ 649,769	\$ 929,898	\$ 5,203	\$ 77,682	\$	\$ 15,322	\$ 34,925	\$ 2,623	\$ 78,653	\$ 47,834		\$ 2,109,419
Accrued payroll			139,869	7,916	11,291				5,591	102,567	79,245	\$ 14,122	360,601
Due to other funds					117,087						300,000		417,087
Other short-term liabilities	645	5,114	7,862							11,465			25,086
Unearned revenue								280,793					280,793
<b>Total liabilities</b>	<b>268,155</b>	<b>654,883</b>	<b>1,077,629</b>	<b>13,119</b>	<b>206,060</b>	<b>-</b>	<b>15,322</b>	<b>315,718</b>	<b>8,214</b>	<b>192,685</b>	<b>427,079</b>	<b>14,122</b>	<b>3,192,986</b>
Deferred inflows of resources													
Leases			190,233										190,233
Unavailable					96,796	54,212							151,008
<b>Fund balance:</b>													
Non-spendable			20,996							26,037			47,033
Restricted	3,325,237	12,843,676	6,380,589	263,541	189,961	148,448	385,591		262,692	10,340,770	84,326	69,800	34,294,631
Committed							455,657						455,657
<b>Total fund balances</b>	<b>3,325,237</b>	<b>12,843,676</b>	<b>6,401,585</b>	<b>263,541</b>	<b>189,961</b>	<b>148,448</b>	<b>841,248</b>	<b>-</b>	<b>262,692</b>	<b>10,366,807</b>	<b>84,326</b>	<b>69,800</b>	<b>34,797,321</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 3,593,392</b>	<b>\$ 13,498,559</b>	<b>\$ 7,669,447</b>	<b>\$ 276,660</b>	<b>\$ 492,817</b>	<b>\$ 202,660</b>	<b>\$ 856,570</b>	<b>\$ 315,718</b>	<b>\$ 270,906</b>	<b>\$ 10,559,492</b>	<b>\$ 511,405</b>	<b>\$ 83,922</b>	<b>\$ 38,331,548</b>

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, 2022

	Major Streets	Local Streets	Parks and Recreation	Cable Television	Block Grant	Grants	Donations, Memorial Trusts & Sponsorships	Michigan Indigent Defense	Drug Law Enforcement	Library	Michigan Works Grants	Auto Theft Grant	Total
<b>REVENUES</b>													
Property taxes	\$ 321,047	\$ 3,094,136	\$ 4,896,305						\$ 7,834,238				\$ 16,145,726
Special assessments						\$ 25,733							25,733
Charges for services			1,586,284							265,794			1,852,078
Federal forfeitures									\$ 500				500
Cable PEG programming				\$ 681,641									681,641
Intergovernmental:													
Federal	126,735		4,617		\$ 701,005						\$ 2,095,399		2,927,756
State	7,743,462	2,325,220						\$ 272,783		41,514	253,385	\$ 80,909	10,717,273
Other			300,000										300,000
Contributions and donations			2,537				\$ 340,877						343,414
Investment earnings	15,158	58,579	53,121	2,320		496	820		2,221	232,961			365,676
Change in fair value of investments	(72,014)	(136,682)	(250,455)	(18,615)		(4,443)	(24,754)		(3,153)	(1,136,188)			(1,646,304)
Other	199,201	23,007	76,593	10		2,454				12,664			313,929
Total revenues	8,333,589	5,364,260	6,669,002	665,356	701,005	24,240	316,943	272,783	(432)	7,250,983	2,348,784	80,909	32,027,422
<b>EXPENDITURES</b>													
Current:													
General government						24,050	117						24,167
Public safety							1,332	354,755	62,003			167,827	585,917
Highways and streets	5,795,809	3,359,268											9,155,077
Public services							12,175						12,175
Community improvement					834,180	29							834,209
Social services							203,062		-		2,351,108		2,554,170
Culture and recreation			6,380,774	836,641			57,375			5,268,360			12,543,150
Capital outlay	3,400,120	2,406,222							297,897				6,104,239
Debt service:													
Principal retirement	1,105,000	59,865								1,425,000			2,589,865
Interest and fiscal charges	73,346	2,784	2,450							608,200			686,780
Total expenditures	10,374,275	5,828,139	6,383,224	836,641	834,180	24,079	274,061	354,755	359,900	7,301,560	2,351,108	167,827	35,089,749
Excess (deficiency) of revenues over (under) expenditures	(2,040,686)	(463,879)	285,778	(171,285)	(133,175)	161	42,882	(81,972)	(360,332)	(50,577)	(2,324)	(86,918)	(3,062,327)
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers in	3,157,521	1,497,703	956,106					81,972				55,380	5,748,682
Transfers out			(289,968)										(289,968)
Total other financing sources (uses)	3,157,521	1,497,703	666,138	-	-	-	-	81,972	-	-	-	55,380	5,458,714
Net change in fund balances	1,116,835	1,033,824	951,916	(171,285)	(133,175)	161	42,882	-	(360,332)	(50,577)	(2,324)	(31,538)	2,396,387
Fund balances - beginning	2,208,402	11,809,852	5,449,669	434,826	323,136	148,287	798,366	-	623,024	10,417,384	86,650	101,338	32,400,934
<b>Fund balances - ending</b>	<u>\$ 3,325,237</u>	<u>\$ 12,843,676</u>	<u>\$ 6,401,585</u>	<u>\$ 263,541</u>	<u>\$ 189,961</u>	<u>\$ 148,448</u>	<u>\$ 841,248</u>	<u>\$ -</u>	<u>\$ 262,692</u>	<u>\$ 10,366,807</u>	<u>\$ 84,326</u>	<u>\$ 69,800</u>	<u>\$ 34,797,321</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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 304,260	\$ 321,047	\$ 16,787
Intergovernmental:			
Federal	125,000	126,735	1,735
State	7,310,300	7,743,462	433,162
Investment earnings	10,000	15,158	5,158
Change in fair value of investments		(72,014)	(72,014)
Other	35,000	199,201	164,201
Total revenues	7,784,560	8,333,589	549,029
<b>EXPENDITURES</b>			
Highways and streets:			
Administration	869,268	862,487	6,781
Road maintenance	2,210,534	2,209,476	1,058
Traffic services	864,587	765,771	98,816
Snow removal	965,516	962,339	3,177
Appearance	1,053,950	995,736	58,214
Total highways and streets	5,963,855	5,795,809	168,046
Capital outlay	16,110,998	3,400,120	12,710,878
Debt service:			
Principal	1,339,114	1,105,000	234,114
Interest and fiscal charges	71,653	73,346	(1,693)
Total expenditures	23,485,620	10,374,275	13,111,345
Excess (deficiency) of revenues over (under) expenditures	(15,701,060)	(2,040,686)	13,660,374
<b>OTHER FINANCING SOURCES</b>			
Transfers in	15,325,332	3,157,521	(12,167,811)
Net change in fund balances	(375,728)	1,116,835	1,492,563
Fund balances - beginning	2,208,402	2,208,402	0
<b>Fund balances - ending</b>	<b>\$ 1,832,674</b>	<b>\$ 3,325,237</b>	<b>\$ 1,492,563</b>

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 2,651,178	\$ 3,094,136	\$ 442,958
Intergovernmental:			
State	2,293,700	2,325,220	31,520
Investment earnings	41,000	58,579	17,579
Change in fair value of investments		(136,682)	(136,682)
Other	5,000	23,007	18,007
Total revenues	4,990,878	5,364,260	373,382
<b>EXPENDITURES</b>			
Highways and streets:			
Administration	379,940	303,998	75,942
Road maintenance	2,348,951	2,333,985	14,966
Traffic services	191,730	171,629	20,101
Snow removal	527,558	261,432	266,126
Appearance	617,808	288,224	329,584
Total highways and streets	4,065,987	3,359,268	706,719
Capital outlay	3,401,787	2,406,222	995,565
Debt service:			
Principal retirement	99,866	59,865	40,001
Interest and fiscal charges	9,338	2,784	6,554
Total expenditures	7,576,978	5,828,139	1,748,839
Excess (deficiency) of revenues over (under) expenditures	(2,586,100)	(463,879)	2,122,221
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,101,796	1,497,703	395,907
Net change in fund balances	(1,484,304)	1,033,824	2,518,128
Fund balance - beginning	11,809,852	11,809,852	-
<b>Fund balance - ending</b>	<b>\$ 10,325,548</b>	<b>\$ 12,843,676</b>	<b>\$ 2,518,128</b>

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 4,789,562	\$ 4,896,305	\$ 106,743
Charges for services	1,696,475	1,586,284	(110,191)
Intergovernmental:			
Federal	3,700	4,617	917
Other	211,010	300,000	88,990
Contributions	1,000	2,537	1,537
Investment earnings	45,000	53,121	8,121
Change in fair value of investments		(250,455)	(250,455)
Other	73,035	76,593	3,558
Total revenues	<u>6,819,782</u>	<u>6,669,002</u>	<u>(150,780)</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Administration	4,317,609	2,828,168	1,489,441
Recreation division	1,062,834	695,575	367,259
Cultural arts division	68,119	58,152	9,967
Senior center division	343,224	183,939	159,285
Operations & facilities division	2,369,147	2,065,846	303,301
Golf	631,273	549,094	82,179
Total culture and recreation	<u>8,792,206</u>	<u>6,380,774</u>	<u>2,411,432</u>
Capital outlay			-
Debt service:			
Principal retirement	289,968		289,968
Interest and fiscal charges	3,955	2,450	1,505
Total expenditures	<u>9,086,129</u>	<u>6,383,224</u>	<u>2,702,905</u>
Excess (deficiency) of revenues over (under) expenditures	(2,266,347)	285,778	2,552,125
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,215,610	956,106	(259,504)
Transfers out		(289,968)	(289,968)
Total other financing sources (uses)	<u>1,215,610</u>	<u>666,138</u>	<u>(549,472)</u>
Net change in fund balances	(1,050,737)	951,916	2,002,653
Fund balance - beginning	<u>5,449,669</u>	<u>5,449,669</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 4,398,932</u>	<u>\$ 6,401,585</u>	<u>\$ 2,002,653</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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Cable PEG programming	\$ 659,200	\$ 681,641	\$ 22,441
Investment earnings	2,000	2,320	320
Change in fair value of investments		(18,615)	(18,615)
Other	-	10	10
Total revenues	661,200	665,356	4,156
<b>EXPENDITURES</b>			
Culture and recreation	841,721	836,641	5,080
Total expenditures	841,721	836,641	5,080
Net change in fund balances	(180,521)	(171,285)	9,236
Fund balance - beginning	434,826	434,826	-
<b>Fund balance - ending</b>	<b>\$ 254,305</b>	<b>\$ 263,541</b>	<b>\$ 9,236</b>

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental:			
Federal	\$ 963,610	\$ 701,005	\$ (262,605)
<b>EXPENDITURES</b>			
Community improvement	963,610	834,180	129,430
Net change in fund balances	-	(133,175)	(133,175)
Fund balance - beginning	323,136	323,136	-
<b>Fund balance - ending</b>	<b>\$ 323,136</b>	<b>\$ 189,961</b>	<b>\$ (133,175)</b>

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Special assessments	\$ 25,000	\$ 25,733	\$ 733
Investment earnings		496	496
Change in fair value of investments		(4,443)	(4,443)
Other		2,454	2,454
Total revenues	25,000	24,240	(760)
<b>EXPENDITURES</b>			
General government	24,800	24,050	750
Community improvement	200	29	171
Total expenditures	25,000	24,079	921
Net change in fund balances	-	161	161
Fund balance - beginning	148,287	148,287	-
<b>Fund balance - ending</b>	<b>\$ 148,287</b>	<b>\$ 148,448</b>	<b>\$ 161</b>

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Contributions	\$ 218,500	\$ 340,877	\$ 122,377
Investment earnings		820	820
Change in fair value of investments		(24,754)	(24,754)
Total revenues	218,500	316,943	98,443
<b>EXPENDITURES</b>			
General government	1,500	117	1,383
Public safety	1,500	1,332	168
Public services	51,500	12,175	39,325
Social services	210,955	203,062	7,893
Culture and recreation	98,045	57,375	40,670
Total expenditures	363,500	274,061	89,439
Net change in fund balances	(145,000)	42,882	187,882
Fund balances - beginning	798,366	798,366	-
<b>Fund balances - ending</b>	<b>\$ 653,366</b>	<b>\$ 841,248</b>	<b>\$ 187,882</b>

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental:			
State	\$ 496,928	\$ 272,783	\$ (224,145)
<b>EXPENDITURES</b>			
46th District Court	578,900	354,755	224,145
Excess (deficiency) of revenues over (under) expenditures	(81,972)	(81,972)	-
<b>OTHER FINANCING SOURCES</b>			
Transfers in	81,972	81,972	-
Net change in fund balances	-	-	-
Fund balance - beginning	-	-	-
<b>Fund balance - ending</b>	\$ -	\$ -	\$ -

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Federal forfeitures		\$ 500	\$ 500
Investment earnings		2,221	2,221
Change in fair value of investments		(3,153)	(3,153)
Total revenues	\$ -	(432)	(432)
<b>EXPENDITURES</b>			
Public safety	72,671	62,003	10,668
Capital outlay	338,649	297,897	40,752
Total expenditures	411,320	359,900	51,420
Net change in fund balances	(411,320)	(360,332)	50,988
Fund balance - beginning	623,024	623,024	-
<b>Fund balance - ending</b>	<b>\$ 211,704</b>	<b>\$ 262,692</b>	<b>\$ 50,988</b>

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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 7,423,299	\$ 7,834,238	\$ 410,939
Charges for services	254,900	265,794	10,894
Intergovernmental:			
Federal	-		
State	41,514	41,514	
Investment earnings	108,486	232,961	124,475
Change in fair value of investments	-	(1,136,188)	(1,136,188)
Other		12,664	12,664
Total revenues	<u>7,828,199</u>	<u>7,250,983</u>	<u>(577,216)</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Administration	2,007,182	1,791,598	215,584
Adult reference	1,530,045	1,214,498	315,547
Children's division	861,354	578,127	283,227
Support services	1,024,399	779,360	245,039
Technology division	1,655,789	904,777	751,012
Total culture and recreation	<u>7,078,769</u>	<u>5,268,360</u>	<u>1,810,409</u>
Capital outlay	1,639,300		1,639,300
Debt service:			
Principal	1,425,000	1,425,000	-
Interest and fiscal charges	608,200	608,200	-
Total expenditures	<u>10,751,269</u>	<u>7,301,560</u>	<u>3,449,709</u>
Net change in fund balances	(2,923,070)	(50,577)	2,872,493
Fund balance - beginning	<u>10,417,384</u>	<u>10,417,384</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 7,494,314</u>	<u>\$ 10,366,807</u>	<u>\$ 2,872,493</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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental:			
Federal	\$ 2,338,590	\$ 2,095,399	\$ (243,191)
State	381,250	253,385	(127,865)
Total revenues	<u>2,719,840</u>	<u>2,348,784</u>	<u>(371,056)</u>
<b>EXPENDITURES</b>			
Social services	<u>2,719,840</u>	<u>2,351,108</u>	<u>368,732</u>
Net change in fund balances	-	(2,324)	(2,324)
Fund balance - beginning	<u>86,650</u>	<u>86,650</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 86,650</u>	<u>\$ 84,326</u>	<u>\$ (2,324)</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, 2022

	Unaudited Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental:			
State	\$ 83,118	\$ 80,909	\$ (2,209)
<b>EXPENDITURES</b>			
Public safety	138,498	167,827	(29,329)
Deficiency of revenues under expenditures	(55,380)	(86,918)	(31,538)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	55,380	55,380	-
Net change in fund balances	-	(31,538)	(31,538)
Fund balances - beginning	101,338	101,338	-
<b>Fund balances - ending</b>	<b>\$ 101,338</b>	<b>\$ 69,800</b>	<b>\$ (31,538)</b>

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

## **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, 2022**

	Road Bond Debt	Drains-at- Large	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,608,324	\$ 69,302	\$ 1,677,626
Investments	2,131	246,469	248,600
Receivables, net	1,361	743	2,104
<b>Total assets</b>	<u>\$ 1,611,816</u>	<u>\$ 316,514</u>	<u>\$ 1,928,330</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Other short-term liabilities	\$ <u>13,005</u>	\$ <u>1,452</u>	\$ <u>14,457</u>
<b>Fund balance:</b>			
Restricted for debt service	\$ <u>1,598,811</u>	\$ <u>315,062</u>	\$ <u>1,913,873</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 1,611,816</u>	<u>\$ 316,514</u>	<u>\$ 1,928,330</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, 2022

	Road Bond Debt	Drains-at- Large	Total
<b>REVENUES</b>			
Property taxes	\$ 7,416,361	\$ 608,018	\$ 8,024,379
Investment earnings	21,015	4,618	25,633
Change in fair value of investments	(42,664)	(23,988)	(66,652)
Total revenues	7,394,712	588,648	7,983,360
<b>EXPENDITURES</b>			
Other	(21,008)	255,324	234,316
Debt service:			
Principal retirement	5,065,000	585,853	5,650,853
Interest and fiscal charges	2,308,257	42,418	2,350,675
Total expenditures	7,352,249	883,595	8,235,844
Net change in fund balances	42,463	(294,947)	(252,484)
Fund balances - beginning	1,556,348	610,009	2,166,357
<b>Fund balances - ending</b>	<b>\$ 1,598,811</b>	<b>\$ 315,062</b>	<b>\$ 1,913,873</b>

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.

#### **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.

#### **ROAD BOND CONSTRUCTION FUND**

This fund is used to account for proceeds used for construction of City roads.

#### **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.

#### **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.

#### **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, 2022**

	Capital Improvement	Road Construction	Local Improvement Revolving	Library Building Authority Construction	Special Assessment Construction	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,089,802		\$ 7,351,397	\$ 48,678	\$ 3,837,476	\$ 12,327,353
Investments	4,306,405		142,955			4,449,360
Receivables, net	18,816		1,987	35	30,470	51,308
Special assessments					566,253	566,253
Advances to other funds			1,377,391			1,377,391
Advances to component units			1,401,387			1,401,387
Restricted assets:						
Cash and cash equivalents	37,130	\$ 10,921,487				10,958,617
Investments		7,034,924				7,034,924
Receivables, net		23,065				23,065
<b>Total assets</b>	<b>\$ 5,452,153</b>	<b>\$ 17,979,476</b>	<b>\$ 10,275,117</b>	<b>\$ 48,713</b>	<b>\$ 4,434,199</b>	<b>\$ 38,189,658</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	4,549	587,287	691		315,799	908,326
Advances from local improvement revolving					1,377,391	1,377,391
<b>Total liabilities</b>	<b>4,549</b>	<b>587,287</b>	<b>691</b>	<b>-</b>	<b>1,693,190</b>	<b>2,285,717</b>
Deferred inflows of resources - unavailable					595,179	595,179
<b>Fund balances:</b>						
Non-spendable			2,778,778			2,778,778
Restricted	532,839	17,392,189			378,404	18,303,432
Committed						
Assigned	4,914,765		7,495,648	48,713	1,767,426	14,226,552
<b>Total fund balances</b>	<b>5,447,604</b>	<b>17,392,189</b>	<b>10,274,426</b>	<b>48,713</b>	<b>2,145,830</b>	<b>35,308,762</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 5,452,153</b>	<b>\$ 17,979,476</b>	<b>\$ 10,275,117</b>	<b>\$ 48,713</b>	<b>\$ 4,434,199</b>	<b>\$ 38,189,658</b>

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, 2022

	Capital Improvement	Road Construction	Local Improvement Revolving	Library Building Authority Construction	Special Assessment Construction	Total
<b>REVENUES</b>						
Special assessments					\$ 760,061	\$ 760,061
Contributions and donations					3,223	3,223
Investment earnings	\$ 153,776	\$ 253,288	\$ 12,906	\$ 213	9,429	429,612
Change in fair value of investments	(737,565)	(1,307,288)	(206,138)	(1,499)	(46,618)	(2,299,108)
Other	92,688		238,848			331,536
Total revenues	(491,101)	(1,054,000)	45,616	(1,286)	726,095	(774,676)
<b>EXPENDITURES</b>						
Construction and other costs	1,476,782	5,769	5,043,680	13	999,654	7,525,898
Excess (deficiency) of revenues over (under) expenditures	(1,967,883)	(1,059,769)	(4,998,064)	(1,299)	(273,559)	(8,300,574)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	289,968		9,500,000			9,789,968
Transfers out		(4,655,224)				(4,655,224)
Total other financing sources (uses)	289,968	(4,655,224)	9,500,000	-	-	5,134,744
Net change in fund balances	(1,677,915)	(5,714,993)	4,501,936	(1,299)	(273,559)	(3,165,830)
Fund balances - beginning	7,125,519	23,107,182	5,772,490	50,012	2,419,389	38,474,592
<b>Fund balances - ending</b>	<u>\$ 5,447,604</u>	<u>\$ 17,392,189</u>	<u>\$ 10,274,426</u>	<u>\$ 48,713</u>	<u>\$ 2,145,830</u>	<u>\$ 35,308,762</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, 2022**

	Health Care	Facilities Maintenance	Motor Pool	Equipment Revolving	Insurance Risk Retention	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents <b>(Note 3)</b>		\$ 1,480,609	\$ 2,023,923	\$ 271,736	\$ 908,772	\$ 4,685,040
Investments <b>(Note 3)</b>		2,682,009	8,619,254	2,256,984	701,165	14,259,412
Receivables, net <b>(Note 5)</b>	\$ 16,232,767	4,105	12,834	8,274	5,017	16,262,997
Prepays and other assets	735,843		7,072	12,567	1,518,178	2,273,660
Due from other funds <b>(Note 8)</b>	480,653		165			480,818
Due from component units	6,956					6,956
Due from governmental units	10,223					10,223
Inventory			473,089			473,089
Total current assets	17,466,442	4,166,723	11,136,337	2,549,561	3,133,132	38,452,195
Noncurrent assets:						
Restricted cash and cash equivalents <b>(Note 4)</b>					1,601,890	1,601,890
Capital assets: <b>(Note 6)</b>						
Equipment and intangibles		447,898	16,524,443	12,727,637		29,699,978
Less accumulated depreciation		(383,287)	(12,896,596)	(8,718,696)		(21,998,579)
Net capital assets	-	64,611	3,627,847	4,008,941	-	7,701,399
Total noncurrent assets	-	64,611	3,627,847	4,008,941	1,601,890	9,303,289
Total assets	17,466,442	4,231,334	14,764,184	6,558,502	4,735,022	47,755,484
<b>Deferred Outflows of Resources</b>						
Related to Pensions		333,056	331,602			664,658
Related to OPEB		103,569	35,674			139,243
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	63,857	549,835	252,357	190,785		1,056,834
Accrued liability						
Accrued payroll	133,949	30,087	60,711			224,747
General insurance & workers' compensation accrual - payable from current assets						
Provision for medical claims						
Due to other funds <b>(Note 8)</b>	4,137,271	60,536				4,197,807
Due to component units	131					131
Accrued compensated absences- due within 1 year <b>(Note 7)</b>		42,848	80,420			123,268
Total current liabilities	4,335,208	683,306	393,488	190,785	-	5,602,787
Noncurrent liabilities:						
General insurance & workers' compensation accrual					2,335,574	2,335,574
Medical claims						
Accrued compensated absences- due more 1 year <b>(Note 7)</b>		46,867	102,353			149,220
Net pension liability <b>(Note 11)</b>		2,431,005	2,420,383			4,851,388
Net OPEB liability <b>(Note 12)</b>		963,995	332,045			1,296,040
Total noncurrent liabilities	-	3,441,867	2,854,781	-	2,335,574	8,632,222
Total liabilities	4,335,208	4,125,173	3,248,269	190,785	2,335,574	14,235,009
<b>Deferred Inflows of Resources</b>						
Related to OPEB		411,208	141,639			552,847
<b>NET POSITION</b>						
Net investment in capital assets		64,611	3,627,847	4,008,941		7,701,399
Restricted for claims					1,601,890	1,601,890
Unrestricted	13,131,234	66,967	8,113,705	2,358,776	797,558	24,468,240
Total net position (deficit)	\$ 13,131,234	\$ 131,578	\$ 11,741,552	\$ 6,367,717	\$ 2,399,448	\$ 33,771,529

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, 2022

	Health Care	Facilities Maintenance	Motor Pool	Equipment Revolving	Insurance Risk Retention	Total
<b>OPERATING REVENUES</b>						
Charges for consumption and service:						
Charges to other funds	\$ 10,424,969	\$ 5,003,271	\$ 4,744,796			\$ 20,173,036
Other		40		\$ 870,154	\$ 1,929,301	2,799,495
Total operating revenues	10,424,969	5,003,311	4,744,796	870,154	1,929,301	22,972,531
<b>OPERATING EXPENSES</b>						
Administration		1,701,999	110,845			1,812,844
OPEB recovery		(557,907)	(122,146)			(680,053)
Health Care	10,194,916					10,194,916
Equipment and facility operation:						
Equipment maintenance			2,851,871	759,312		3,611,183
Communications			320,763			320,763
Maintenance		1,545,424				1,545,424
Custodial		1,102,363				1,102,363
Depreciation		19,943	998,953	881,608		1,900,504
Other	111,119				330,574	441,693
Total operating expenses	10,306,035	3,811,822	4,160,286	1,640,920	330,574	20,249,637
Operating income (loss)	118,934	1,191,489	584,510	(770,766)	1,598,727	2,722,894
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Grants		5,000				5,000
Investment earnings	6,206	39,235	133,587	62,492	52,595	294,115
Change in fair value of investments	(6,836)	(232,335)	(671,216)	(304,786)	(283,459)	(1,498,632)
Other	(283)		177,089	(373)	(340)	176,093
Total nonoperating revenues (expenses)	(913)	(188,100)	(360,540)	(242,667)	(231,204)	(1,023,424)
Change in net position	118,021	1,003,389	223,970	(1,013,433)	1,367,523	1,699,470
Total net position - beginning	13,013,213	(871,811)	11,517,582	7,381,150	1,031,925	32,072,059
<b>Total net position (deficit) - ending</b>	<u>\$ 13,131,234</u>	<u>\$ 131,578</u>	<u>\$ 11,741,552</u>	<u>\$ 6,367,717</u>	<u>\$ 2,399,448</u>	<u>\$ 33,771,529</u>

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, 2022**

	Health Care	Facilities Maintenance	Motor Pool	Equipment Revolving	Insurance Risk Retention	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from users	\$ 3,330,384	\$ 5,011,462	\$ 4,735,301	\$ 849,894	\$ 406,623	\$ 14,333,664
Cash paid to employees	(420,021)	(993,311)	(1,329,899)		(529,816)	(3,273,047)
Cash paid to suppliers	(10,438,311)	(3,462,379)	(1,635,670)	(571,446)	(848,284)	(16,956,090)
Cash received on interfunds	4,076,398	304,375	6,004			4,386,777
Net cash provided by (used in) operating activities	(3,451,550)	860,147	1,775,736	278,448	(971,477)	(1,508,696)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of property equipment & adjustments, net of proceeds	(284)		(1,356,241)	(343,500)	(339)	(1,700,364)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of investments, net of proceeds		(1,350,450)	(4,339,982)	(143,484)	1,136,383	(4,697,533)
Investment losses	(630)	(188,098)	(537,629)	(242,294)	(230,864)	(1,199,515)
Net cash provided by (used in) investing activities	(630)	(1,538,548)	(4,877,611)	(385,778)	905,519	(5,897,048)
Net decrease in cash, cash equivalents	(3,452,464)	(678,401)	(4,458,116)	(450,830)	(66,297)	(9,106,108)
Cash, cash equivalents, beginning of year	3,452,464	2,159,010	6,482,039	722,566	2,576,959	15,393,038
Cash, cash equivalents, end of year	\$ -	\$ 1,480,609	\$ 2,023,923	\$ 271,736	\$ 2,510,662	\$ 6,286,930
<b>Balance sheet reconciliation of cash &amp; cash equivalents</b>						
Cash, cash equivalents	\$	\$ 1,480,609	\$ 2,023,923	\$ 271,736	\$ 908,772	\$ 4,685,040
Restricted cash, cash equivalents					1,601,890	1,601,890
Total cash, cash equivalents	\$ -	\$ 1,480,609	\$ 2,023,923	\$ 271,736	\$ 2,510,662	\$ 6,286,930
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 118,934	\$ 1,191,489	\$ 584,510	\$ (770,766)	\$ 1,598,727	\$ 2,722,894
<b>Adjustments to reconcile operating income to net cash provided by (used in) operating activities:</b>						
Depreciation		19,943	998,953	881,608		1,900,504
Receivables	(7,149,613)	8,151	(9,158)	(7,693)	(4,500)	(7,162,813)
Prepays and other assets	55,028		(337)	(12,567)	(1,518,178)	(1,476,054)
Inventory			(133,258)			(133,258)
Deferred outflow		(146,475)	(119,532)			(266,007)
Accounts payable	(102,877)	(71,705)	97,593	187,866	(427,627)	(316,750)
Accrued payroll, including compensated absences due in less than one year	(420,021)	(40,486)	20,601			(439,906)
General insurance & workers' compensation accrual					(619,899)	(619,899)
Accrued compensated absences		(25,065)	8,746			(16,319)
Net pension liability		(730,767)	(186,846)			(917,613)
Net OPEB liability		646,494	896,687			1,543,181
Interfunds	4,046,999	304,375	6,004			4,357,378
Deferred inflow		(295,807)	(388,227)			(684,034)
Net cash provided by (used in) operating activities	\$ (3,451,550)	\$ 860,147	\$ 1,775,736	\$ 278,448	\$ (971,477)	\$ (1,508,696)

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, 2022

	Pension		Other Post-Employment Benefits	
	Southfield Employee Retirement System	Fire & Police Retirement System	Retiree Health Care Benefits Plan & Trust	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 250	\$ 815,736	\$ 289,341	\$ 1,105,327
Investments:				
Debt securities	10,635,781	25,954,850	26,124,414	62,715,045
Equity securities	91,466,774	148,523,066	79,831,619	319,821,459
Short-term investments	6,690,742	3,360,507	6,157,931	16,209,180
Other investments	3,723,018	12,574,474	4,796,541	21,094,033
Total investments	112,516,315	190,412,897	116,910,505	419,839,717
Cash and investments held as collateral for securities lending:				
Repurchase agreements		6,631,500		6,631,500
Certificates of deposit		1,432,120		1,432,120
Variable rate certificates of deposit		3,814,000		3,814,000
Time deposits		2,701,583		2,701,583
Commercial paper		2,080,873		2,080,873
Asset backed commercial paper		1,809,780		1,809,780
Sweep vehicles		50,479		50,479
Municipal variable bonds		175,743		175,743
Non-cash collateral	353,548			353,548
Total securities lending	353,548	18,696,078	-	19,049,626
Receivables, net	199,734	483	819,006	1,019,223
Prepaid	1,024,353			1,024,353
Total assets	114,094,200	209,925,194	118,018,852	442,038,246
<b>LIABILITIES</b>				
Accounts payable and accrued payroll	358,020	3,808	1,034,168	1,395,996
Due to other governmental units		10,223	16,280,603	16,290,826
Obligations under securities lending agreements	353,548	18,696,078		19,049,626
Total liabilities	711,568	18,710,109	17,314,771	36,736,448
<b>NET POSITION</b>				
Restricted for pension benefits	113,382,632	191,215,085		304,597,717
Restricted for post-retirement health care benefits			100,704,081	100,704,081
<b>Total net position</b>	\$ 113,382,632	\$ 191,215,085	\$ 100,704,081	\$ 405,301,798

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, 2022

	Pension		Other Post- Employment Benefits	
	Southfield Employee Retirement System	Fire & Police Retirement System	Retiree Health Care Benefits Plan & Trust	Totals
<b>ADDITIONS</b>				
Contributions:				
Plan members	\$ 1,129,746	\$ 763,608	\$ 462,149	\$ 2,355,503
Employer	4,603,072	9,132,635	11,499,115	25,234,822
Total contributions	5,732,818	9,896,243	11,961,264	27,590,325
Investment activity:				
Net decrease in fair value of investments	(10,254,498)	(21,933,498)	(9,707,284)	(41,895,280)
Investment earnings	208,663	3,583,437	19,032	3,811,132
Dividends	824,767	43,067	2,987,760	3,855,594
Total investment activity	(9,221,068)	(18,306,994)	(6,700,492)	(34,228,554)
Less investment expense:	1,010,243	1,064,336	401,811	2,476,390
Net investment activity	(10,231,311)	(19,371,330)	(7,102,303)	(36,704,944)
Total additions, net	(4,498,493)	(9,475,087)	4,858,961	(9,114,619)
<b>DEDUCTIONS</b>				
Benefits	12,417,359	19,844,299		32,261,658
Health care expense		29,585	7,204,819	7,234,404
Administrative expense	84,111	169,048	17,835	270,994
Total deductions	12,501,470	20,042,932	7,222,654	39,767,056
Net decrease	(16,999,963)	(29,518,019)	(2,363,693)	(48,881,675)
Net position - beginning	130,382,595	220,733,104	103,067,774	454,183,473
<b>Net position - ending</b>	<b>\$ 113,382,632</b>	<b>\$ 191,215,085</b>	<b>\$ 100,704,081</b>	<b>\$ 405,301,798</b>

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 46<sup>th</sup> 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**  
**June 30, 2022**

	Custodial Funds		
	46th District Court	Tax Collection	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 641,628	\$ 3,238,162	\$ 3,879,790
Total assets	<u>\$ 641,628</u>	<u>\$ 3,238,162</u>	<u>\$ 3,879,790</u>
<b>LIABILITIES</b>			
Due to other governmental units	\$ 641,628	\$ 3,238,162	\$ 3,879,790
Total liabilities	<u>\$ 641,628</u>	<u>\$ 3,238,162</u>	<u>\$ 3,879,790</u>
<b>NET POSITION</b>			
Organizations and other governments	\$ -	\$ -	\$ -
Total net position	<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, 2022

	Custodial Funds		
	46th District Court	Tax Collection	Totals
<b>ADDITIONS</b>			
Property tax collections		\$ 88,651,759	\$ 88,651,759
Other additions		311,883	311,883
District court collections	\$ 1,414,380		1,414,380
Total additions	1,414,380	88,963,642	90,378,022
<b>DEDUCTIONS</b>			
Tax distributions to other governments		88,963,642	88,963,642
Other deductions	8,977		8,977
District court disbursements	1,405,403		1,405,403
Total deductions	1,414,380	88,963,642	90,378,022
Net increase (decrease)	-	-	-
Net position - beginning	-	-	-
<b>Net position - ending</b>	\$ -	\$ -	\$ -

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, 2022

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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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	206
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	211
<b>Debt Capacity</b>	
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.	217
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	220
<b>Operating Information</b>	
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.	228
<b>Continuing Disclosure</b>	
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.	232

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>2022</u>	<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>
Governmental activities										
Net investment in capital assets	104,782,910	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
Restricted	42,144,800	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
Unrestricted	(98,227,885)	(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
Total governmental activities net position	<u>48,699,825</u>	<u>40,990,236</u>	<u>5,498,202</u>	<u>(16,408,027)</u>	<u>(162,114,738)</u>	<u>44,405,444</u>	<u>61,799,802</u>	<u>74,888,608</u>	<u>127,837,124</u>	<u>135,872,897</u>
Business-type activities										
Net investment in capital assets	103,466,074	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
Restricted										
Unrestricted	34,652,474	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
Total business-type activities net position	<u>138,118,548</u>	<u>126,794,369</u>	<u>115,287,679</u>	<u>101,756,124</u>	<u>91,830,426</u>	<u>96,510,000</u>	<u>95,809,977</u>	<u>93,526,574</u>	<u>91,218,401</u>	<u>88,162,004</u>
Primary government										
Net investment in capital assets	208,248,984	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
Restricted	42,144,800	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
Unrestricted	(63,575,411)	(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
Total primary government net position	<u>186,818,373</u>	<u>167,784,605</u>	<u>120,785,881</u>	<u>85,348,097</u>	<u>(70,284,312)</u>	<u>140,915,444</u>	<u>157,609,779</u>	<u>168,415,182</u>	<u>219,055,525</u>	<u>224,034,901</u>

**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)

	2022	2021	2020	2019*	2018	2017	2016	2015	2014	2013
<b>Expenses net of Recovery</b>										
Governmental activities:										
General government	20,363,131	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
Public safety	53,019,818	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
Highway and streets	15,010,230	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
Public services	2,315,552	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
Sanitation	3,100,839	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
Community improvement	834,209	920,214	497,972	452,328	535,271	571,835	435,655	547,084	503,364	378,392
Social services	1,939,694	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
Culture and recreation	12,841,064	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
Interest on long-term debt	2,804,302	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
Total governmental activities expenses	112,228,839	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
Business-type activities:										
Water and sewer	39,029,877	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
Total primary government expenses	151,258,716	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
<b>Program revenues</b>										
Charges for services:										
General government	1,916,702	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
Public safety	9,155,986	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
Highways and streets					1,300,000					
Public services	480,161	558,213	579,514	558,912	1,315,538	666,814	1,245,286	706,405	482,508	605,056
Sanitation	2,705,463	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
Community improvement	766,129	552,647	604,846		541,309	1,987,860	376,099	363,381	210,232	149,078
Culture and recreation	2,378,659	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
Operating grants and contributions	15,598,194	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
Capital grants and contributions	303,223	285,131	448,293	1,491	114,250		2,075			332,053
Total governmental activities program revenues	33,304,517	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
Business-type activities:										
Charges for services:										
Water and sewer	49,076,476	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
Capital grants and contributions	2,587,481								3,345	121,440
Total business-type activities program revenues	51,663,957	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
Total primary government program revenues	84,968,474	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
<b>Net (Expense)/Revenue</b>										
Governmental activities	(78,924,322)	(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)
Business-type activities	12,634,080	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
Total primary government net expense	(66,290,242)	(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)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	76,958,796	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
Unrestricted state shared revenues	11,240,978	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
Unrestricted investment earnings	1,873,517	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
Unrestricted investment earnings, fair value	(8,056,473)	(499,501)	2,118,270	1,092,860	705,968	(832,153)				
Miscellaneous	4,617,093	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
Transfers								(263,300)	986,505	
Total governmental activities	86,633,911	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
Business-type activities:										
Grants and contributions not restricted to specific programs										
Unrestricted investment earnings (loss)	298,280	670,309	1,555,296	183,820	47,455	73,846	431,341	744,480	914,669	(112,248)
Unrestricted investment earnings (loss), fair value	(1,608,181)	(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
Transfers									263,300	(986,505)
Total business-type activities	(1,309,901)	413,537	2,032,436	428,244	21,097	40,207	506,271	817,708	1,386,018	(1,078,095)
Total primary government	85,324,010	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
<b>Change in Net Position</b>										
Governmental activities	7,709,589	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)
Business-type activities	11,324,179	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
Total primary government	19,033,768	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

### 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>2022</u>	<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>
General fund										
Non-spendable	1,145,575	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
Restricted	2,014,641	2,147,042	2,198,702	1,602,557	1,000,439	690,567	737,229	281,160	1,274,069	1,682,768
Committed	37,962,517	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
Assigned	1,631,653	670,281	463,577	777,519	348,733	12,848,733	224,063	121,944	586,969	2,366,529
Unassigned	16,074,444	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
Total general fund	<u>58,828,830</u>	<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>
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
Total local streets						<u>7,934,388</u>				<u>1,985,106</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>		
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	2,825,811	3,102,718	3,255,794	3,518,810	71,434	61,236	61,460	111,969	249,055	100,832
Restricted	54,511,936	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
Committed	455,657	371,230	359,949	866,053	920,433	443,879	857,837	4,417,821	5,057,228	3,817,656
Assigned	14,226,552	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
Unassigned		-	-	(42,079)					(162,584)	(140,715)
Total other governmental funds	<u>72,019,956</u>	<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>

### 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

\*\*\* 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)

	<u>2022</u>	<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>
<b>Revenues</b>										
Property taxes	77,617,065	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
Special assessments	785,794	741,902	959,441	731,373	1,147,885	471,232	376,100	363,379	210,234	337,955
Charges for services	5,846,043	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
Sanitation	2,705,463	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
Licenses and permits	3,467,130	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
Fines and forfeitures	2,527,790	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
Federal forfeitures	500	21,892	263,798	87,475	189,393	132,371	63,471	15,640	27,631	60,531
Cable franchise fees	1,961,579	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
Intergovernmental:										
Federal	4,092,452	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
State	22,182,160	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
Other	1,032,383	1,344,825	866,660	1,016,835	2,213,780	790,374	844,810	1,301,666	725,760	771,331
Contributions and donations	346,637	445,721	92,088	154,357	345,608	280,980	648,277	120,060	442,991	80,855
Net investment earnings	1,873,521	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
Net investment earnings, fair value	(8,056,473)	(499,501)	2,118,271	1,092,860	345,161	(832,147)				
Other	3,616,363	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
<b>Total revenues</b>	<b>119,998,407</b>	<b>130,954,618</b>	<b>120,010,306</b>	<b>117,638,674</b>	<b>112,664,376</b>	<b>103,036,882</b>	<b>105,659,035</b>	<b>97,193,412</b>	<b>96,686,238</b>	<b>93,774,267</b>
<b>Expenditures</b>										
General government	11,728,314	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
Public safety	61,117,069	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
Highways and streets	9,155,077	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
Public services	2,769,666	2,442,910	2,326,352	1,651,681	2,457,165	1,402,491	901,302	692,765	677,969	609,558
Sanitation	3,100,839	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
Community improvement	834,209	920,214	497,972	452,328	535,271	571,835	435,655	547,084	503,364	378,392
Social services	2,554,170	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
Culture and recreation	12,543,150	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
Insurance and bonds	1,145,186	886,035	621,584	678,225	127,107	132,930	76,853	56,250	49,951	529,432
Support services	3,518,709	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
Other	7,760,214	1,460,527	1,213,433	177,158	4,088	42,615	46,975	575,505	468,123	387,455
Capital outlay	6,347,313	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
Debt service										
Principal retirement	8,595,718	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
Interest and fiscal charges	3,053,520	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
<b>Total expenditures</b>	<b>134,223,154</b>	<b>127,086,883</b>	<b>123,818,825</b>	<b>120,205,828</b>	<b>116,382,251</b>	<b>119,020,469</b>	<b>119,046,096</b>	<b>95,938,461</b>	<b>89,967,190</b>	<b>91,317,044</b>
Excess of revenues over (under) expenditures	(14,224,747)	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
<b>Other Financing Sources (Uses)</b>										
Transfers in	15,538,650	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
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	(15,538,650)	(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)
Payment to escrow fund for refunding								(29,284,999)		(3,387,861)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>24,246,494</b>	<b>916,703</b>	<b>1,171,660</b>	<b>32,856,817</b>	<b>13,353,325</b>	<b>1,682,689</b>	<b>48,539,150</b>	<b>1,357,546</b>	<b>1,566,641</b>
<b>Net change in fund balances</b>	<b>(14,224,747)</b>	<b>28,114,229</b>	<b>(2,891,816)</b>	<b>(1,395,494)</b>	<b>29,138,942</b>	<b>(2,630,262)</b>	<b>(11,704,372)</b>	<b>49,794,101</b>	<b>8,076,594</b>	<b>4,023,864</b>

## City Of Southfield, Michigan

### General Fund Balance Compared To Annual Expenditures Last Ten Fiscal Years

<b>Fiscal Year Ending June 30</b>	<b>Unassigned Fund Balance</b>	<b>Annual Expenditures</b>	<b>Balance As Percent Of Expenditures</b>	
2022	\$ 16,074,444	\$ 83,371,663	19.3	%
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	

# 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					
	<u>General Fund</u>	Special Revenue				Debt Service	
		<u>Major Streets</u>	<u>Local Streets</u>	<u>Parks &amp; Recreation</u>	<u>Library</u>	<u>Drains-at-Large</u>	<u>Capital</u>
2022	19.7622	0.0560	0.9440	1.7500	2.8000	0.2150	2.6000
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	2.5800
2018	18.0452	0.0560	0.9440	1.7500	2.8000	0.0267	2.5800
2017	17.8926	0.1148	0.1059	1.7500	2.8000	0.1467	2.5800
2016	17.9205	0.1148	1.1059	1.7500	2.8000	0.4873	2.5800
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	-

## 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>
2022	\$ 74,073,736	\$ 70,993,595	95.8 %	\$ 2,868,465	\$ 12,857	\$ 73,874,916	99.7 %	\$ 198,820	0.3 %
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

## City Of Southfield, Michigan

### Largest Taxpayers Last Ten Fiscal Years

2022 Rank	Taxpayer	2022 Taxable Value	Percentage of Total	2013 Rank	Taxpayer	2013 Taxable Value	Percentage
1	SL TOWN ETAL	\$ 81,120,868	0.2533 %	1	BRE Southfield (SL Town)	\$ 67,667,590	0.2382 %
2	REDICO	47,885,341	0.1496	2	Verizon Wireless	35,412,980	0.1247
3	HARTMAN & TYNER	43,347,266	0.1354	3	Galleria Properties	31,784,030	0.1119
4	DTE ELECTRIC COMPANY	31,772,322	0.0992	4	DTE Electric Company	27,382,760	0.0964
5	SOUTHFIELD-GALLERIA OWNER, LLC	26,969,168	0.0842	5	Denso International America	24,689,820	0.0869
6	GOLDOLLER REAL ESTATE INVEST.	24,215,893	0.0756	6	Ramco Gershenson Properties	21,933,060	0.0772
7	DENSO INTERNATIONAL AMERICA INC	17,484,472	0.0546	7	Lear Corporation	21,703,030	0.0764
8	LEAR CORPORATION	15,905,483	0.0497	8	AT&T Services	18,435,800	0.0649
9	ROSIN & ROSIN	15,845,709	0.0495	9	Allied Phase One Venture	17,922,390	0.0631
10	CONSUMERS ENERGY COMPANY	15,647,040	0.0489	10	Hartman & Tyner	17,119,690	0.0603
Total taxable value 2022 -->		\$ 320,193,562				284,051,150	<-- 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)

<b>FY Ending June 30</b>	<b>Real Property(AV)</b>	<b>Personal Property(AV)</b>	<b>Total Property(SEV)</b>	<b>TV</b>	<b>Increase/ (Decrease)</b>	
2022	\$ 3,674,356,590	\$ 312,990,820	\$ 3,987,347,410	\$ 2,805,714,867	5.3	%
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)	

**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
	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	Total All Rates	
2022	6.6094	6.8906	0.0188	6.0227	1.7500	2.8000	1.0000	0.2207	0.2150	2.6000	28.1272	
2021	6.6094	6.8906	0.0191	5.7075	1.7500	2.8000	1.0000	0.2207	0.2150	2.5800	27.7923	
2020	6.6094	6.8906	0.0195	5.7423	1.7500	2.8000	1.0000	0.2207	0.2150	2.5800	27.8275	
2019	6.6094	6.8906	0.0201	5.0552	1.7500	2.8000	1.0000	0.2207	0.1467	2.5800	27.0727	
2018	6.6094	6.8906	0.0203	4.5249	1.7500	2.8000	1.0000	0.2210	0.0270	2.5800	26.4232	
2017	6.6094	6.8906	0.0212	4.3714	1.7500	2.8000	1.0000	0.2207	0.1467	2.5800	26.3900	
2016	6.6094	6.8906	0.0234	4.3971	1.7500	2.8000	1.0000	0.2210	0.4873	2.5800	26.7588	
2015	6.6094	6.8906	0.0234	4.4500	1.7500	2.8000	1.0000	0.2207	0.4873		24.2314	
2014	6.6094	6.8906	0.0234	4.7197	1.7500	2.8000	1.0000	0.2207	0.4873		24.5011	
2013	6.6094	6.8906	0.0214	3.9424	1.7500	2.8000	1.0000	0.2207	0.4873		23.7218	

#### 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 +
2022	19.5415	5.7707	0.2150	2.6000	28.1272	19.9492	3.2012	5.8309	1.5057	58.6142	47.9870 %	16.0788	14.9503
2021	19.2266	5.7707	0.2150	2.5800	27.7923	24.1108	3.2280	5.8383	1.5184	62.4878	44.4764	16.7618	14.9758
2020	19.2618	5.7707	0.2150	2.5800	27.8275	23.9377	3.2539	5.7675	1.5303	62.3169	44.6548	16.9761	14.9773
2019	18.5753	5.7707	0.1467	2.5800	27.0727	25.9868	3.2813	5.3327	1.5431	63.2166	42.8253	17.4429	14.9991
2018	18.0450	5.7710	0.0270	2.5800	26.4230	25.9870	3.3080	5.7710	1.5560	63.0450	41.9113	18.0730	15.0000
2017	17.8926	5.7707	0.1467	2.5800	26.3900	25.9868	3.3398	5.7850	1.5707	63.0723	41.8409	17.3951	15.4592
2016	17.9205	5.7710	0.4873	2.5800	26.7588	25.9868	3.3633	6.2296	1.5819	63.9204	41.8627	18.6272	15.5000
2015	17.9734	5.7707	0.4873		24.2314	27.0768	3.3690	4.6461	1.5844	60.9077	39.7838	19.2240	15.5000
2014	18.2431	5.7707	0.4873		24.5011	26.4868	3.3690	5.5361	1.5844	61.4774	39.8538	19.9825	16.5000
2013	17.4638	5.7707	0.4873		23.7218	26.4868	3.3690	5.5361	1.5840	60.6977	39.0819	19.4600	16.5000

**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

<b>Fiscal Year Ending June 30</b>	<b>Preceding Year's TAV</b>	<b>-</b>	<b>Losses</b>	<b>X</b>	<b>CPI</b>	<b>=</b>	<b>TAV Ceiling</b>	<b>Actual TAV</b>	<b>-</b>	<b>New TAV</b>	<b>=</b>	<b>Adjusted TAV</b>	<b>Ratio (1)</b>	<b>Rollback Factor (2)</b>
2022	\$ 2,621,420,310	\$	47,826,823		1.014	\$	2,609,623,796	\$ 2,657,993,690	\$	50,608,422	\$	2,607,385,268	1.0009	1.0000
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

**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, 2022

			<u>Principal Amount Outstanding</u>	<u>Debt Principal Per Capita (1) (Pop. 76,618)</u>	<u>% Of State Equalized Value 3,987,347,410</u>
<b>DIRECT AND INDIRECT DEBT</b>					
<b><u>Direct Debt</u></b>					
General Obligation Bonds-Unlimited Tax		\$	11,280,000		
General Obligation Bonds-Unlimited Tax			27,690,000		
General Obligation Bonds-Unlimited Tax			21,405,000		
General Obligation Bonds-Limited Tax-Refunding			725,000		
Building Authority Bonds			13,250,000		
Water & Sewer Revenue Bonds					
General Obligation -Limited Tax			2,773,059		
Water and Sewer Capital - Limited Tax			63,365,000		
Michigan Transportation Fund Bonds			2,275,000		
Direct Debt			142,763,059	\$ 1,863.31	3.58 %
<b><u>Indirect Debt</u></b>					
Oakland County Contractual Obligations:					
Drains-At-Large		\$	1,173,396		
Indirect Debt			1,173,396	15.31	0.03
Gross Debt			143,936,454	1,878.62	3.61
<b><u>OVERLAPPING DEBT (2)</u></b>					
Southfield School District	94.08 %	\$	40,270,944		
Oak Park School District	16.59		2,496,795		
Birmingham School District	1.85		3,970,008		
Oakland County at Large	4.02		8,870,319		
Oakland County Intermediate School District	4.04		1,659,228		
Total Overlapping Debt			57,267,294	747.44	1.44
		\$	201,203,748	\$ 2,626.06	5.05 %

**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, 2022

	Debt Margin Calculation			
	Gross Indebtedness	Statutory (1) Deductions	Net Indebtedness	Percentage
State Equalized Value at 12/31/21				100% \$
				<u><u>3,987,347,410</u></u>
Debt Subject to Statutory Limitation				
General Obligation Bonds-Unlimited Tax	\$ 11,280,000		\$ 11,280,000	
General Obligation Bonds-Unlimited Tax	27,690,000		27,690,000	
General Obligation Bonds-Unlimited Tax	21,405,000		21,405,000	
General Obligation -Limited Tax	2,773,059		2,773,059	
Water and Sewer Capital - Limited Tax	63,365,000		63,365,000	
General Obligation Bonds-Limited Tax-Refunding	725,000		725,000	
Building Authority Bonds	13,250,000		13,250,000	
Oakland County Contractual Obligations-Drains	1,173,396		1,173,396	
Restricted Indebtedness	141,661,454		141,661,454	10%
Michigan Transportation Fund Bond	2,275,000		2,275,000	
Emergency Bonds				3.75%
Special Assessment Bonds				12%
Total	143,936,454		\$ <u>143,936,454</u>	\$ <u>892,168,983</u>
State of Michigan Water Supply and Sewage Disposal Revenue Bonds Series to 6/30/02 1998B (LTGO) 2.50% 1999 (LTGO) 2.50%	0			
Total Water and Sewage Disposal Revenue Bonds		\$ 0		
Gross City Debt		\$ <u>143,936,454</u>		

### 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

<b>Fiscal Year Ending June 30</b>	<b>Population <sup>(2)</sup></b>	<b>Taxable Value</b>	<b>Bonded Debt <sup>(1)</sup></b>	<b>Less Funds Available In Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Ratio Of Net Bonded Debt To Taxable Value</b>	<b>Net Bonded Debt Per Capita</b>
2022	75,898 \$	2,805,714,867 \$	143,936,454 \$	1,913,873 \$	142,022,581	5.06 %	\$ 1,871
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

### Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures Last Ten Fiscal Years

<b>Fiscal Year Ending June 30</b>	<b>Debt Service Requirements</b>			<b>Total General Expenditures <sup>(3)</sup></b>	<b>Ratio Of Debt Service To Expenditures</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
2022	\$ 8,595,718	\$ 3,053,520	\$ 11,649,238	\$ 123,500,641	9.43 %
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 <sup>(4)</sup>	2,051,732	4,387,522	94,468,782	4.64

**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

<b>Fiscal Year Ending Jun 30</b>	<b>Population</b> (1)	<b>Per Capita Income</b> (2)(5)	<b>Median Age</b> (2)(5)	<b>School Enrollment</b> (3)	<b>Unemployment Rate Percentage</b> (4)	<b>Retail Sales (000)</b> (2)(6)
2022	75,898 \$	33,793	42.2	5,182	5.0 %	*
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

### 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	2022 Employees	Percentage of Total	Rank	Taxpayer 2013	2013 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	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>
2022	4	\$ 238,806,001	0	\$ -	27	\$ 5,641,050
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

### Property S.E.V. By Category

	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>
2022	\$ 1,528,195,350	\$ 52,138,590	\$ 2,094,022,650
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

#### Notes:

Source: City of Southfield Building and Assessing Departments

# City of Southfield, Michigan

## Economic and Statistical History

June 30, 2022

### 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

	Building	Mechanical	
<u>Year</u>	<u>Permits</u>	<u>Permits</u>	<u>Value</u>
2022	2163	3995	\$ 345,798,322
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

## Economic and Statistical History (continued)

### WATER & SEWER SERVICES

Users/Consumers:	19,290 Water and Sewer combined; 67 Sewer only and 956 Water only.
Use & Consumption:	405,358,9000 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 2,408 Detroit Edison owned and 2 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 <sup>st</sup> Line/ Fire Reserve
Cars	35	6/0
Trucks	0	9/3
Life Support	0	5/3
Vans, 4WD, etc.	66	10/2**
Total	101*	30/8

\*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:

## Economic and Statistical History (continued)

### POLICE PROTECTION (continued)

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.

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-	1,802
	Non-Index Crimes-	2,699

Traffic Violations: 6,446

Incidents Handled: 46,532

## 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
2021	4	52	60	223	214	794	357	8	1,802	2,699	4,501

### FIRE PROTECTION

Alarms Answered: 15,894 runs  
Medical Emergency: 13,433 runs  
Fire Runs: 2,461 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 farmhouse 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; a regulation NHL indoor ice surface; and Beech Woods Recreation Center featuring 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. Additionally, 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 *Soulful Santa, Daddy Daughter Dinner & Dance, Spring-a-ling, 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

2021-2022 was a year of rebuilding and growth for the Southfield Library.

We started the year by reopening the floors of the Library for Grab and Go (30-minute visits to obtain materials), offering computer usage by reservation only, and providing virtual reference service and programming.

By the end of the FY, all in-person services had been restored; labs, computers, and study rooms had been fully opened to the public; and the majority of programming was in-person. Starting in Fall 2022, in-Library story times for children will return.

The Library extended open service hours to their highest number in 10 years, and also reinstated evening service four nights a week, also for the first time in 10 years. Starting in September, the Library will once again offer service 7 days a week.

Some highlights of 2021-2022 include:

- More than doubled circulation, checking out almost 200,000 items to our patrons.
- Issued almost 1700 new library cards.
- Reduced patron wait time for new materials and holds by more than 50%.
- Returned in-person attendance at programs to pre-pandemic levels.
- Debuted AskSPL, allowing patrons to ask questions via chat or text.
- Started providing mobile printing.
- Obtained Raspberry Pis, Chrome Books, MacBook Air laptops and Hotspots for patron use through Federal Grants.
- Obtained indoor and outdoor programming equipment through a consortium grant.
- Tripled the number of downloadable materials available to our patrons through a consortium sharing agreement. This includes ebooks, audiobooks, movies.
- Introduced new child literacy programs: 1000 Books Before Kindergarten, Text2Talk, and We Read 2-3.

The Southfield Library is pleased to have restored **and** enhanced service to our residents in 2021-2022. We look forward to continuing to grow in 2022-2023 – and to live our motto “We Help People Succeed.”

## City of Southfield, Michigan

### Operating Indicators by Function/Program Last Ten Fiscal Years

	<u>2022</u>	<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>
<b>Function/Program</b>										
<u>Election Data (1)</u>										
Registered voters	63,701	64,491	57,926	61,065	60,015	60,775	59,648	61,739	60,747	60,451
Absentee voters	11,542	35,930	6,328	11,805	5,220	13,308	5,309	8,375	5,240	14,020
Percent voting	18.12	72.30	17.62	59.64	18.84	71.02	21.27	49.08	18.67	72.67
<u>District Court</u>										
Number of Court Cases	33,135	30,567	33,778	41,638	38,022	40,917	47,118	52,209	54,354	57,305
<u>Police (2) (#)</u>										
Offenses-Group A (3)						4,929	4,547	5,081	5,081	5,434
Offenses-Group B (4)						992	1,253	1,414	1,414	1,216
Index Crimes (5)	1,802	2,251	1,640	1,738	2,208					
Non-Index Crimes (6)	2,699	3,815	2,693	3,193	3,219					
Traffic Violations	6,446	4,786	9,528	7,359	5,740	8,566	10,367	13,469	13,469	10,054
Incidents Handled	46,532	44,012	53,324	51,551	52,321	51,637	54,185	50,193	50,193	49,933
<u>Fire</u>										
Medical Emergencies (7)	13,433	12,054	12,653	12,950	12,116	12,116	12,155	11,295	11,114	11,538
Fire Runs (8)	2,461	2,173	2,150	1,894	2,139	2,139	1,977	2,072	1,620	1,978
<u>Library</u>										
Circulation	188,954	85,521	235,996	328,829	441,040	348,543	386,275	383,549	445,316	496,851
Collection Volume	227,841	227,736	241,033	255,940	312,308	259,344	315,318	297,916	291,728	291,168

**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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Fire</u>										
Stations	5	5	5	5	5	5	5	5	5	5
Vehicles	38	37	36	33	33	34	34	34	34	34
<u>Police</u>										
Stations	1	1	1	2	2	2	3	3	3	3
Vehicles	101	99	98	98	97	93	92	92	94	94
<u>Streets</u>										
Miles on major street system	70.58	70.58	70.58	64.71	64.71	64.71	64.71	64.71	64.71	64.71
Total miles of streets	250.00	250.00	250.00	246.40	246.40	246.40	246.40	246.40	246.40	246.40
Miles of unpaved	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5
Miles of alleyways	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5	less than 5
Miles of sidewalks	319.32	319.32	319.32	201.29	201.29	201.29	201.29	201.29	201.29	201.29
Miles of paved bike paths	15	15	15	12	12	12	12	10	10	10
<u>Street Lights</u>										
Detroit Edison owned	2,408	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221	2,221
City owned	2	190	190	190	190	190	190	190	190	190
<u>Water</u>										
Annual distribution in million cubic feet	405,358,900	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
Miles of watermain	381.9	381.9	381.9	375.5	375.5	375.50	375.50	375.32	375.32	375.32
Number of hydrants	4,771	4,771	4,217	4,206	4,178	4,178	4,165	4,838	4,048	4,038
<u>Sewers</u>										
Miles sanitary	239	239	239	237.5	237.5	237.50	237.50	237.23	237.23	237.23
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	42.94	46.16	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
Acres of public parks	775	775	775	775	775	775	775	775	775	775
Number of tennis courts	16	13	13	13	12	18	16	16	16	16
Outdoor education center/farm	1	1								
9-hole golf courses	1	1	1	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	2022	2021	2020	2019	2018 <sup>(1)</sup>	2017	2016	2015	2014	2013
Accounting <sup>(4)</sup>			7.00	10.00	9.00	5.50	6.50	6.00	4.50	5.50
Administration	4.00	4.00	4.00	5.00	5.00	3.00	3.00	2.00	2.00	3.00
Assessing	8.00	8.00	9.50	8.50	8.50	6.50	7.65	7.65	7.65	7.00
Building	20.00	20.00	22.00	21.40	20.90	9.90	14.40	15.40	15.40	16.40
Cable TV	4.00	4.00	7.00	9.00	9.00	7.50	5.50	6.00	6.50	5.50
Central Services	3.00	3.00	3.00	2.50	2.50	2.50	4.00	4.00	4.00	4.00
City Clerk	8.00	8.00	7.00	9.00	10.00	7.00	6.00	6.00	6.00	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	14.00	22.00	22.00	23.50	21.25	7.00	8.00	8.00	8.00
Community Develop. Block Grant <sup>(2)</sup>	0.75	0.75	2.75	2.25	2.25					
Community Relations <sup>(3)</sup>	6.00	6.00	5.00	5.00	5.00	6.00	3.00	3.00	3.00	4.00
Code Enforcement <sup>(5)</sup>	8.00									
District Court	36.48	40.25	37.98	40.75	38.75	36.75	33.75	36.25	36.25	38.25
Downtown Development Authority <sup>(2)</sup>	2.00	2.00	3.00	2.00	2.00					
Emergency Management	1.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Engineering	8.00	8.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	6.00
Facilities Maintenance	23.50	33.00	31.45	33.00	27.00	30.00	33.00	33.00	33.00	26.00
Fire	99.00	100.00	100.00	103.00	92.00	88.00	90.00	94.00	94.00	93.00
Fiscal Services/OMB <sup>(4)</sup>	13.00	13.00	4.00	6.50	4.50	2.50	2.00	1.00	1.00	2.00
Human Resources	9.00	9.00	9.00	7.50	7.50	6.50	6.50	6.50	6.50	6.00
Human Services <sup>(3)</sup>							3.50	3.50	3.50	4.00
Legal	6.00	6.00	6.00	6.00	6.00	6.00	7.00	6.75	6.75	7.50
Library	31.00	61.88	50.75	50.75	50.75	46.75	46.75	46.75	46.75	54.25
Mayor	1.00	1.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50
Motor Pool	12.80	13.00	13.00	15.50	14.50	7.00	8.50	9.50	9.50	12.25
Parks and Recreation	23.00	91.55	85.30	85.30	85.30	75.30	78.30	79.30	79.30	81.05
Planning	5.00	5.00	5.00	5.50	5.50	5.50	4.50	4.50	4.50	4.50
Police & Auto Theft	161.75	173.13	182.05	184.66	182.16	158.66	154.66	158.66	158.66	169.16
Public Works Admin.										
Purchasing <sup>(4)</sup>			3.00	3.00	3.00	1.00	1.00	1.50	1.00	2.00
Retirement Administration <sup>(3)</sup>										
Section 8 <sup>(2)</sup>	1.00	1.00	4.00	1.50	1.50					
Streets And Highways	32.51	39.95	41.20	40.00	38.00	33.00	29.50	25.50	25.50	25.00
Support Services										
Support Services <sup>(2)</sup>				0.50	0.50					
Technology Services	10.01	10.75	11.75	13.25	12.00	8.00	8.50	8.50	8.50	9.00
Transportation		5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.00
Treasurer	8.00	8.00	8.00	11.00	10.00	8.00	7.00	6.50	6.50	7.50
Water And Sewer	26.69	29.45	30.30	35.00	35.00	23.00	28.00	24.00	24.00	17.00
Totals	593.48	726.70	736.53	760.86	732.11	625.61	619.51	623.76	622.26	637.86

#### Notes:

<sup>(1)</sup> Prior to 2018, position count was configured using Employees on Staff totals

<sup>(2)</sup> Prior to 2018, this department was not included in the count

<sup>(3)</sup> As of 2017, Human Services was moved to Community Relations

<sup>(4)</sup> In fiscal year 2021 Accounting and Purchasing merged into Fiscal Services

<sup>(5)</sup> Beginning FY22 Code will be reported on a separated line.

Source: City of Southfield Fiscal Services

## City of Southfield, Michigan

### Management Group Personnel Salary Schedule June, 2022

<p><b>Grade L, \$59,643- \$80,697</b> Attorney I</p>
<p><b>Grade M, \$64,627 - \$87,442</b> Attorney II Manager, Human Resources - Operations</p>
<p><b>Grade N, \$70,279 - \$95,082</b> Attorney III Deputy City Assessor Deputy City Clerk Deputy City Librarian Deputy City Planner Deputy City Treasurer Labor Relations Director Purchasing Agent</p>
<p><b>Grade O, \$76,841 - \$103,958</b> Director of Community Relations</p>
<p><b>Grade P, \$84,316 - \$114,071</b> Attorney IV Building Official Bus &amp; Econ Development Director City Assessor City Engineer Code Enforcement/Comm App Dir Deputy Human Resources Director</p>
<p><b>Grade Q, \$88,336 - \$119,515</b> City Librarian Dep Director of Fiscal Services/City Controller Dep Director of Fiscal Services Director of Parks &amp; Recreation Director of Technology Services</p>
<p><b>Grade R, \$92,983 - \$125,802</b> Building Official City Planner Director of Human Resources</p>
<p><b>Grade S, \$99,717 - \$134,918</b> Deputy City Attorney Director of Fiscal Services Director of Public Works Fire Chief Police Chief</p>
<p><b>Grade T, \$104,448 - \$141,315</b> Deputy City Administrator</p>

**Notes:**

Source: City of Southfield, Human Resources/Payroll

# City of Southfield, Michigan

## State Shared Revenues Last Ten Fiscal Years

<b>Fiscal Year Ending June 30</b>	<b>State Shared Revenue</b>
2022	\$ 9,327,969
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

## Gas and Weight Taxes Last Ten Fiscal Years

<b>Fiscal Year Ending June 30</b>	<b>Type of Street</b>		<b>Total Gas and Weight Tax (Act 51) Receipts</b>
	<b>Major Road</b>	<b>Local Road</b>	
2022	\$ 8,473,950	\$ 1,594,733	\$ 10,068,682
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

### 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 *	64
AFSCME Supervisors	6/30/2022 *	31
Technical, Professional, and Office Worker Association TPOAM	6/30/2022 *	119
Southfield Fire Fighters Association SFFA	6/30/2018 *	99
Southfield Police Officers Association SPOA	6/30/2025	90
Michigan Association of Police (MAP) Public Safety Communication Supervisors	6/30/2022	4
Police Officers Association of Michigan POAM	6/30/2022	9
Southfield Police Command Officers' Association SPCOA	6/30/2022 *	25
Southfield Deputy Chiefs Association SPDC	6/30/2022 *	3
Administrative Civil Service ACS		28
Management Group		26

**Notes:**

\*Contract expired

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