

# **MUNICIPAL BUDGET EXECUTIVE SUMMARY**

**JULY 1, 2023 - JUNE 30, 2024  
SOUTHFIELD, MICHIGAN**



# City of Southfield

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

May 1, 2023

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

## **RE: Recommended Budget for 2023-24 Fiscal Year**

Dear Sirs & Mesdames:

Presented herewith, pursuant to Chapter VIII, Subsection 8.2 of the Charter of the City of Southfield, is the City Administrator's recommended municipal budget as reviewed and approved by the Mayor for the fiscal year beginning July 1, 2023.

### **General Fund Overview**

Despite the slow recovery from the Great Recession and the unique pressures brought on by the pandemic, the City continues to be resilient in the face of challenges and the Southfield community continues to thrive and grow. The proposed budget provides continuity of high-level services to our residents and other stakeholders while maintaining structural balance and long-term sustainability.

The proposed budget is based on projected revenues complemented by a judicious draw on existing fund balance. Total General Fund revenue of \$97,304,672 relies heavily on property taxes which comprise \$59,411,412 or 61% of total revenue. Revenue sharing and Local Community Stabilization funds expected to be received from the State of Michigan comprise \$12,477,645 or 13% of total revenue. Fees, licenses, permits and other charges for services are budgeted to bring in \$8,069,705 or 8% of total revenue. The draw on fund balance totals \$3,810,733 or 4% of total revenue and is comprised of a \$600,000 use of Metro Act funds in the restricted fund balance and a \$3,210,733 use of American Rescue Plan Act funds received in a prior year included in the unrestricted fund balance.

Total General Fund expenditures are budgeted at \$97,304,672 driven by personnel costs of \$70,587,731 or 73% of total expenditures. Implementation of wage increases based on a class and compensation study along with collective bargaining agreements increased personnel costs in the General Fund by approximately \$8.8 million with approximately \$4 million of that attributable to Police and \$3.2 million attributable to the Fire department. Police and Fire services continue to be a significant portion of General Fund expenditures at \$56,795,879 or 58% of total expenditures. The draw on fund balance is to provide for one-time projects including the following:

- \$1.5 million for pedestrian improvements, placemaking, and non-motorized transit improvements
- \$1.3 million in technology and software improvements
- \$650,000 for improvements to fire stations and purchase of fire protective equipment
- \$230,00 in Diversity, Equity, and Inclusion & other training initiatives

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**Mayor**  
Dr. Kenson J. Siver

**Council President**  
Michael "Ari" Mandelbaum

**City Clerk**  
Allyson Bettis

**City Treasurer**  
Irv M. Lowenberg

**City Council**  
Nancy L.M. Banks

Daniel Brightwell

Dr. Lloyd C. Crews

Myron Frasier

Coretta Houge

Linnie Taylor

## All Funds Overview

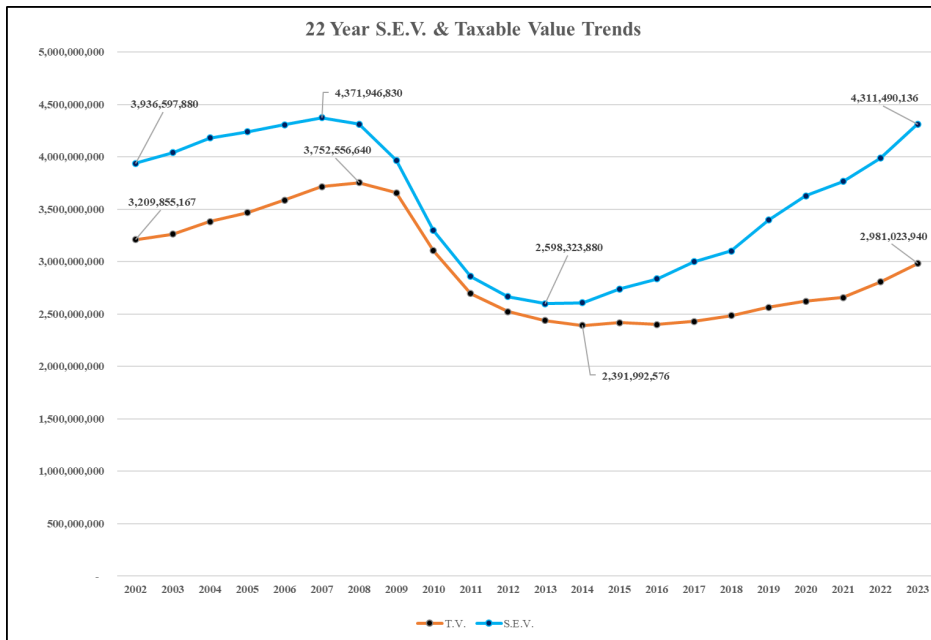
Total revenues and expenditures across funds, after eliminating interfund transactions, increased by \$27.3 million or 14.7% to \$212,370,628. This change is comprised of the following significant differences at the individual fund levels.

- General Fund increase of \$12.3 million as addressed previously
- Local Street Fund increase of \$7.9 million. Road construction projects include:
  - Section 24- Sherwood Village \$5.5 million
  - Tamarack Bridge \$100 thousand
  - Washington Heights \$6.0 million
- Major Street Fund decrease of \$3.7 million. Road construction projects include:
  - 12 Mile Rd (NW to Telegraph) \$200 thousand
  - Denso Drive \$3.0 million
  - Bridge Street bridge \$100 thousand
  - Civic Center pathway & streetlights \$518 thousand
- Parks & Recreation Fund increase of \$5.7 million. Significant capital projects include:
  - Beech Woods Master Plan implementation, phase 1 \$4.5 million
  - Inglenook Park restrooms, paths and signage \$1.0 million
  - Pavilion movable walls and senior programming \$500 thousand
  - Carpenter lake parking lot, shelter, and restrooms \$600 thousand
  - Evergreen Hills Golf Course drainage and cart paths \$550 thousand
- Library increased \$1.2 million. Significant projects include:
  - HVAC upgrades and repairs \$2.7 million
  - Electrical repairs and upgrades \$350 thousand
  - Carpet replacement \$325 thousand
  - Furniture replacement \$150 thousand
- Water & Sewer Fund increased \$4.0 million. Significant capital projects include:
  - Washington Heights \$6.6 million
  - Section 24 -Sherwood Village \$3.9 million

## Property Taxes

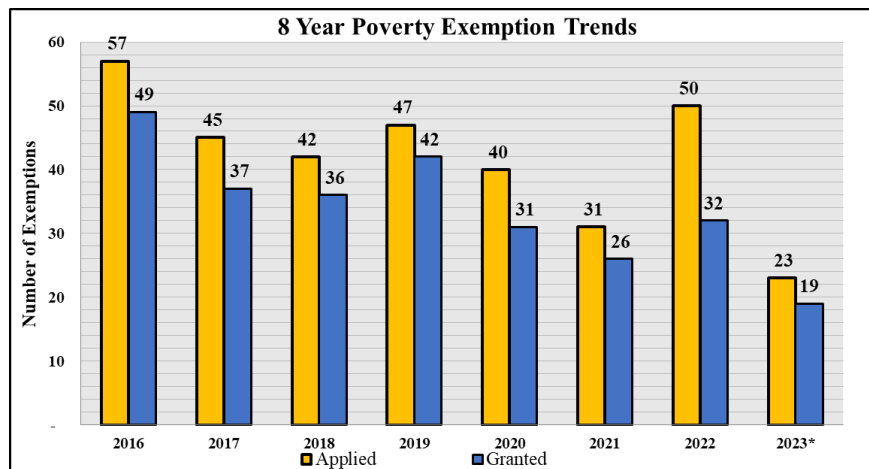
Property taxes are expected to generate just over \$82 million for the City to fund operations. Below are some of the challenges and factors that have resulted in reduced tax revenue to the City. In addition to Proposal A, as discussed below, the City had a Headlee rollback for fiscal year 2023 which permanently reduces the maximum allowable millage levy.

*State equalized & taxable value trends* - The graph below shows a 22-year history of State Equalized Value and Taxable Value trends in the City of Southfield. The gap between the State Equalized Value (SEV) and the Taxable Value (TV) is a result of Proposal A of 1994. Beginning in 2002, the SEV was \$3,936,597,880 and the TV was \$3,209,855,167. In 2007 the City hit its all-time high SEV and the following year, 2008, the TV peaked at \$3,752,556,640. The market collapse of 2008 occurred and the SEV and TV began sharp declines to reach their all-time lows for SEV in 2013 of \$2,598,323,880 and TV in 2014 of \$2,391,992,576. The City's 2023 Ad Valorem Taxable Value is \$2,981,023,940 and currently remains \$1,330,466,196 below the SEV of 4,311,490,136. This difference between SEV and TV increased by 12.6% from 2022. The differences in growth between the SEV and the "cap" of Proposal A's capped value have created the largest gap between SEV and TV since instituted in 1994. The current ratio of TV to SEV is 69.14% and prior to 2019 the ratio of TV to SEV was not below 80%. This represents a current year revenue loss to the City of just over \$29 million.



*Poverty exemption trends* - Typically, the City annually receives between 30 and 60 Poverty Exemption requests. The overwhelming majority of these applicants are senior citizens and retired persons on a minimal, fixed income. The 2023 March Board of Review adjourned on March 15, 2023. The Board received twenty-three (23) requests for Poverty Exemption and granted nineteen (19) of these requests. The estimated taxable value loss for these exemptions is \$1,016,002 and this results in a loss of taxes of approximately \$27,594.

The following chart shows the Poverty Exemption Trends for 8 years:

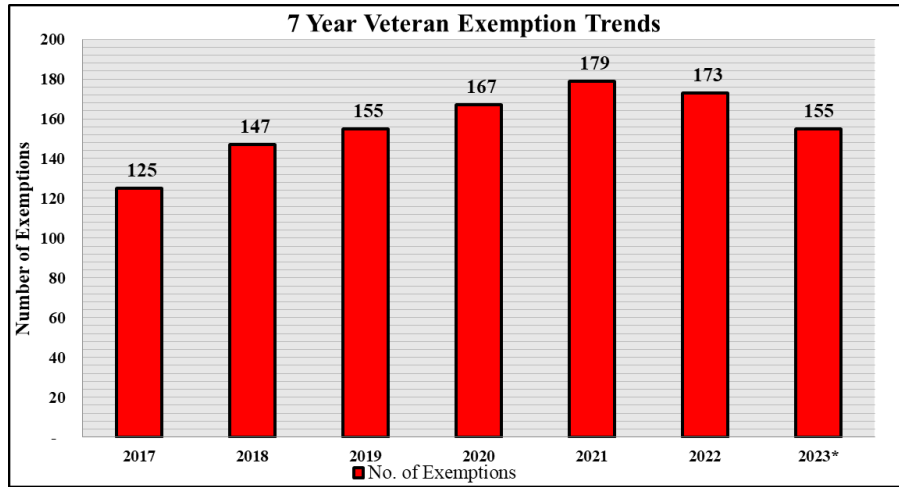


*Veteran exemption trends* - Michigan P.A. 161 of 2013 amended MCL 211.7b regarding the exemption for disabled veterans. Prior to this amendment a veteran needed specially adapted housing to qualify for the exemption. Section 7b(1), states that “Real property used and owned as a homestead by a disabled veteran who was discharged from the armed forces of the United States under honorable conditions or by an individual described in subsection (2) is exempt from the collection of taxes under this act...”

Each year since the institution of the disabled veteran exemption the number of qualified veterans has increased. The taxable value loss to veteran exemption for 2021 was \$10,196,770 and this equates to a loss

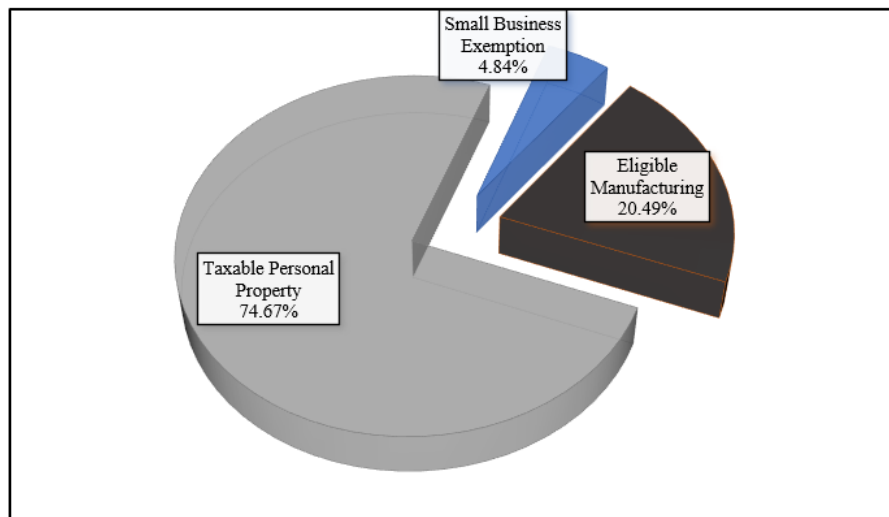
of approximately \$284,614 in revenue for the City of Southfield. In 2022, the taxable value loss to veteran exemptions was \$10,941,451 and this is a loss to tax dollars of \$297,160. For 2023, the March Board of Review approved 153 veteran exemption claims which is equivalent to 2022. The projected loss to the City due to veteran exemptions is approximately \$312,000.

The following chart shows the Veteran Exemption Trends for 7 years:



*Small Business and Eligible Manufacturing Personal Property exemption* – the below graph shows the annual Personal Property Exemption (PPE) Taxable Value (TV) loss, the estimated State reimbursements based on the lowest operating millages for the City and the distributions from the State. The 2013 Personal Property Taxable Value was \$345,141,195 and we are currently at \$254,817,750 for 2023, a \$90,323,445 loss. The graph roughly shows the current amount of TV for taxable personal property, and the estimated TV's for the exempt small businesses and eligible manufacturing parcels. The City has retained roughly 74.67% of our tax base that does not qualify for or has not yet filed for these exemptions. There are between 1,200 and 1,300 businesses that potentially qualify for the small business exemption currently. If these exemptions were all filed, the City would lose roughly 7.8% of our current tax base of personal property.

**2023**  
**Calculation of Small Business and**  
**Eligible Manufacturing Personal Property**  
**Reimbursement**



Despite the above challenges and significant loss of revenue to the City, Southfield continues to provide outstanding services to our residents and stakeholders and remains committed to keeping the City a vibrant, thriving community as we move into the future. The proposed 2023-2024 budget for all City funds anticipates balanced revenues and expenditures of \$212,370,628 to do so.

Respectfully submitted,



Kenson J. Siver, Ed. D.  
Mayor



Frederick E. Zorn, Jr., CEcD  
City Administrator



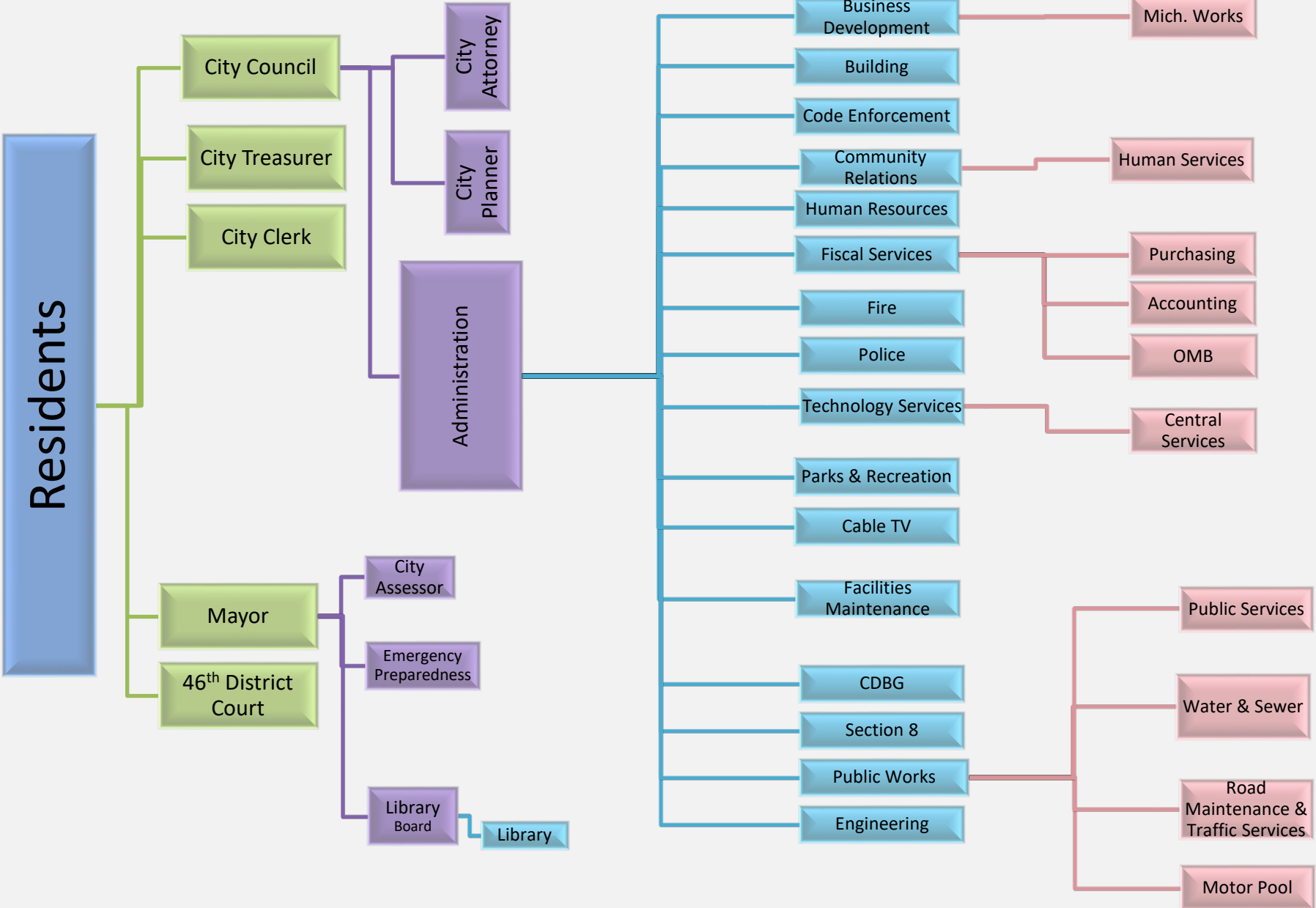
Austen T. Michaels, CPA  
Director of Fiscal Services

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# City of Southfield Organization Chart





# 2023-2024 Recommended Budget

## City of Southfield

	<u>Recommended Revenues</u>		<u>Recommended Expenditures</u>
GENERAL FUND:		GENERAL FUND:	
General Operating Levy	19,415,911	Administration	\$803,745
Police & Fire Levy	20,241,550	Assessing	1,319,181
Police & Fire Pension Levy	16,983,308	Building	2,502,999
Publicity Levy	49,967	Business Development	416,672
Tax Administration Fees & Penalties	2,720,676	Central Services	1,097,759
Sales Tax Returns - Constitutional	9,684,305	City Attorney	1,178,843
Sales Tax Returns - Statutory	1,293,340	Clerk	1,365,491
Local Community Stabilization	1,500,000	Code Enforcement	1,504,459
Cable Franchise Fees	1,294,139	Community Relations	897,362
Sanitation Charges	3,062,893	Council	225,648
Building Revenues	2,828,873	Court - 46th District	3,971,492
Engineering Revenues	1,558,871	Emergency Preparedness	155,960
District Court Revenues	2,362,622	Engineering	1,993,262
Reimbursements and other	1,667,520	Fire	23,535,567
Fees, Licenses & Permits	3,633,267	Fiscal Services	3,186,278
Investment Income	1,000,000	Human Resources	2,262,820
Interfund Reimbursements	4,196,697	Mayor's Office	128,210
		Planning	2,377,079
Use of Restricted Fund Balance:		Police	32,858,761
Right-of-way/Metro Authority	600,000	Sanitation	3,062,893
		Road Maintenance & Administration	2,904,071
Use of Unrestricted Fund Balance	3,210,733	Support Services	4,169,153
		Technology Services	3,760,874
		Traffic Services	524,980
		Treasurer	1,101,113
TOTAL GENERAL FUND	\$97,304,672	TOTAL GENERAL FUND	\$97,304,672
CABLE TV FUND	\$730,672	CABLE TV FUND	\$730,672
DONATIONS, MEM. TRUSTS & SPONSORSHIPS	100,000	DONATIONS, MEM. TRUSTS & SPONSORSHIPS	100,000
DRUG LAW ENFORCEMENT FUND	71,073	DRUG LAW ENFORCEMENT FUND	71,073
FACILITIES MAINTENANCE FUND	4,595,622	FACILITIES MAINTENANCE FUND	4,595,622
LIBRARY FUND	14,014,538	LIBRARY FUND	14,014,538
LOCAL STREETS FUND	17,861,218	LOCAL STREETS FUND	17,861,218
MAJOR STREETS FUND	9,931,883	MAJOR STREETS FUND	9,931,883
MOTOR POOL FUND	4,868,899	MOTOR POOL FUND	4,868,899
PARKS & RECREATION FUND	14,180,978	PARKS & RECREATION FUND	14,180,978
WATER & SEWER FUND	55,377,677	WATER & SEWER FUND	55,377,677
TOTAL OUTSIDE FUNDS	\$121,732,560	TOTAL OUTSIDE FUNDS	\$121,732,560
AUTO THEFT PREVENTION	\$176,032	AUTO THEFT GRANT	\$176,032
COMM. DEVELOPMENT BLOCK GRANT	437,080	COMM. DEVELOPMENT BLOCK GRANT	437,080
MICHIGAN INDIGENT DEFENSE GRANT	591,900 *	MICHIGAN INDIGENT DEFENSE GRANT	591,900
MICHIGAN WORKS GRANTS	2,700,000 *	MICHIGAN WORKS GRANTS	2,700,000
SECTION 8 HOUSING GRANTS	2,200,000 *	SECTION 8 HOUSING GRANTS	2,200,000
TOTAL GRANT FUNDS	\$6,105,012	TOTAL GRANT FUNDS	\$6,105,012
TOTAL ALL FUNDS	\$225,142,244	TOTAL ALL FUNDS	\$225,142,244
(DUPLICATING TRANSFERS)	(\$8,397,712)	(DUPLICATING TRANSFERS)	(\$8,397,712)
<b>TOTAL REVENUES</b>	<b>\$216,744,532</b>	<b>TOTAL EXPENDITURES</b>	<b>\$216,744,532</b>

\* Preliminary Estimates Pending Awards

# 2022-2023 Recommended Budget

## City of Southfield

	<b>Recommended Revenues</b>		<b>Recommended Expenditures</b>
GENERAL FUND:		GENERAL FUND:	
General Operating Levy	\$18,271,529	Administration	\$737,196
Police & Fire Levy	19,048,785	Assessing	1,189,901
Police & Fire Pension Levy	15,409,090	Building	2,596,388
Publicity Levy	49,821	Business Development	384,601
Tax Administration Fees & Penalties	2,534,671	Central Services	1,058,050
Sales Tax Returns - Constitutional	7,354,620	City Attorney	1,070,897
Sales Tax Returns - Statutory	1,158,058	Clerk	1,220,475
Local Community Stabilization	1,500,000	Code Enforcement	1,487,259
Cable Franchise Fees	1,320,550	Community Relations	777,538
Sanitation Charges	2,748,000	Council	214,248
Building Revenues	2,737,207	Court - 46th District	3,619,318
Engineering Revenues	1,224,715	Emergency Preparedness	139,095
District Court Revenues	2,712,522	Engineering	1,579,766
Reimbursements and other	1,493,285	Fire	21,045,636
Fees, Licenses & Permits	3,208,978	Fiscal Services	3,002,131
Investment Income	750,000	Human Resources	1,929,797
Interfund Reimbursements	2,835,672	Mayor's Office	133,602
		Planning	1,079,705
Use of Restricted Fund Balance:		Police	29,411,094
Sanitation	398,414	Sanitation	3,146,414
Right-of-way/Metro Authority	200,000	Streets & Highways	1,530,346
		Support Services	3,416,065
		Technology Services	2,643,277
		Transportation	555,773
		Treasurer	987,345
<b>TOTAL GENERAL FUND</b>	<b>\$84,955,917</b>	<b>TOTAL GENERAL FUND</b>	<b>\$84,955,917</b>
CABLE TV FUND	\$789,221	CABLE TV FUND	\$789,221
DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000	DONATIONS, MEM. TRUSTS & SPONSORSHIPS	200,000
DRUG LAW ENFORCEMENT FUND	9,500	DRUG LAW ENFORCEMENT FUND	9,500
FACILITIES MAINTENANCE FUND	4,456,101	FACILITIES MAINTENANCE FUND	4,456,101
LIBRARY FUND	12,410,597	LIBRARY FUND	12,410,597
LOCAL STREETS FUND	9,408,963	LOCAL STREETS FUND	9,408,963
MAJOR STREETS FUND	12,530,087	MAJOR STREETS FUND	12,530,087
MOTOR POOL FUND	4,471,843	MOTOR POOL FUND	4,471,843
PARKS & RECREATION FUND	8,293,695	PARKS & RECREATION FUND	8,293,695
WATER & SEWER FUND	51,458,330	WATER & SEWER FUND	51,458,330
<b>TOTAL OUTSIDE FUNDS</b>	<b>\$104,028,337</b>	<b>TOTAL OUTSIDE FUNDS</b>	<b>\$104,028,337</b>
AUTO THEFT PREVENTION	\$152,903	AUTO THEFT GRANT	\$152,903
COMM. DEVELOPMENT BLOCK GRANT	448,079	COMM. DEVELOPMENT BLOCK GRANT	448,079
MICHIGAN INDIGENT DEFENSE GRANT	591,900 *	MICHIGAN INDIGENT DEFENSE GRANT	591,900
MICHIGAN WORKS GRANTS	1,900,000 *	MICHIGAN WORKS GRANTS	1,900,000
SECTION 8 HOUSING GRANTS	2,200,000 *	SECTION 8 HOUSING GRANTS	2,200,000
<b>TOTAL GRANT FUNDS</b>	<b>\$5,292,882</b>	<b>TOTAL GRANT FUNDS</b>	<b>\$5,292,882</b>
<b>TOTAL ALL FUNDS</b>	<b>\$194,277,136</b>	<b>TOTAL ALL FUNDS</b>	<b>\$194,277,136</b>
(DUPLICATING TRANSFERS)	(\$9,198,662)	(DUPLICATING TRANSFERS)	(\$9,198,662)
<b>TOTAL REVENUES</b>	<b>\$185,078,474</b>	<b>TOTAL EXPENDITURES</b>	<b>\$185,078,474</b>

\* Preliminary Estimates Pending Awards

## **RECOMMENDED BUDGET HIGHLIGHTS**

The fundamental message of this recommended budget continues to be sustainability and responsible budgeting to maintain structural balance and live within our means. The proposed budget is based on projected revenues complemented by a judicious draw on existing fund balance including both restricted (Metro Act) and unrestricted amounts.

Despite the slow recovery from the Great Recession and the unique pressures brought on by the pandemic, the City continues to be resilient in the face of challenges and the Southfield community continues to thrive and grow. The proposed budget provides continuity of high-level services to our residents and other stakeholders while maintaining structural balance and long-term sustainability.

### **Budget Assumptions**

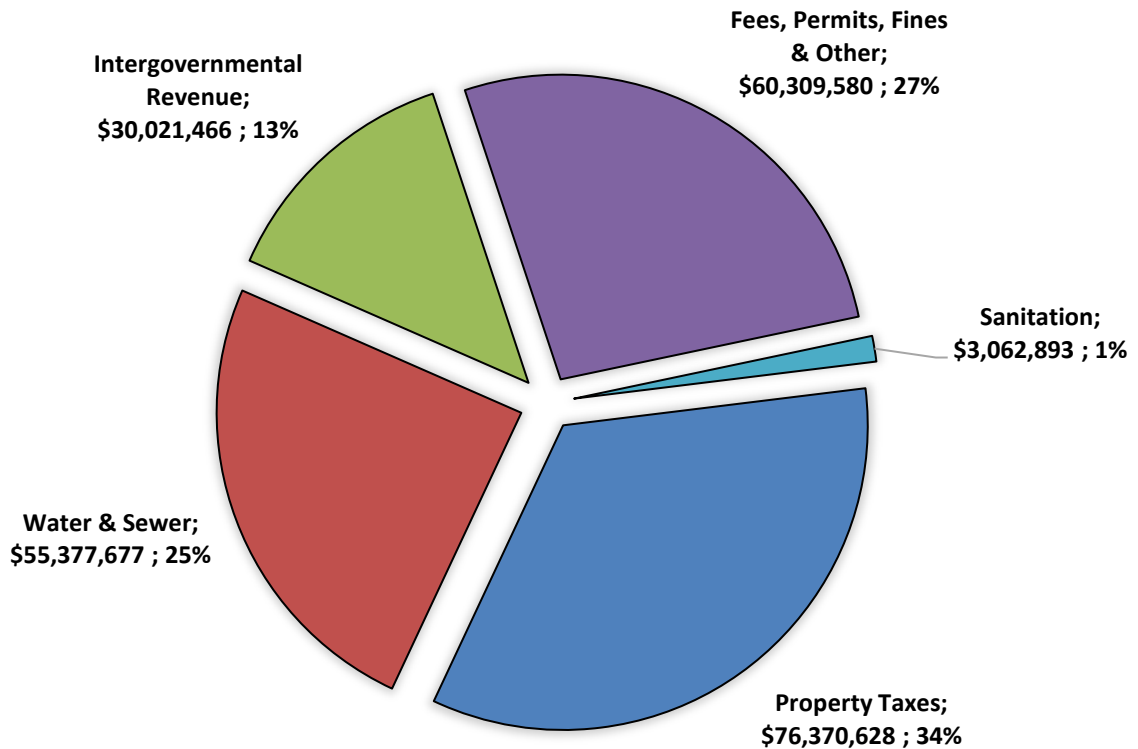
- Continued but modest growth in taxable property values are limited by State statute
- State shared revenues are based on State of Michigan projections
- Building revenue projections are based on Council approved fee schedule
- District Court revenues and expenses continue to decline with reduced caseload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

**RECOMMENDED BUDGET HIGHLIGHTS (cont.)**

**Revenue Snapshot**

- Property taxes represent 61% of General Fund Revenues. Projected taxable value is \$2,974,205,453 which represents an increase of approximately \$175 million or 6.3% over the 2022-23 projection
- The millage rate increased by 0.1838 mills comprised of 0.2048 increase in the Police & Fire Pension rate offset by a decrease of 0.001 to the Public Act 59 rate and a 0.02 decrease in the UTGO Road Bond rate. The resultant levy is 27.5579 mills
- State shared revenues increased by approximately 25% compared to the prior budget year. Constitutional and statutory revenue payments from the State of Michigan are projected at \$9,684,305 and \$1,293,340, respectively and represent 13% of the General Fund revenues
- Combined General fund revenues are proposed at approximately \$97.3 million, a 14.5% increase over 2022-23
- Total revenues of all funds are proposed at approximately \$225.1 million, a 15.9% increase from 2022-2023

**ALL FUNDS REVENUE**



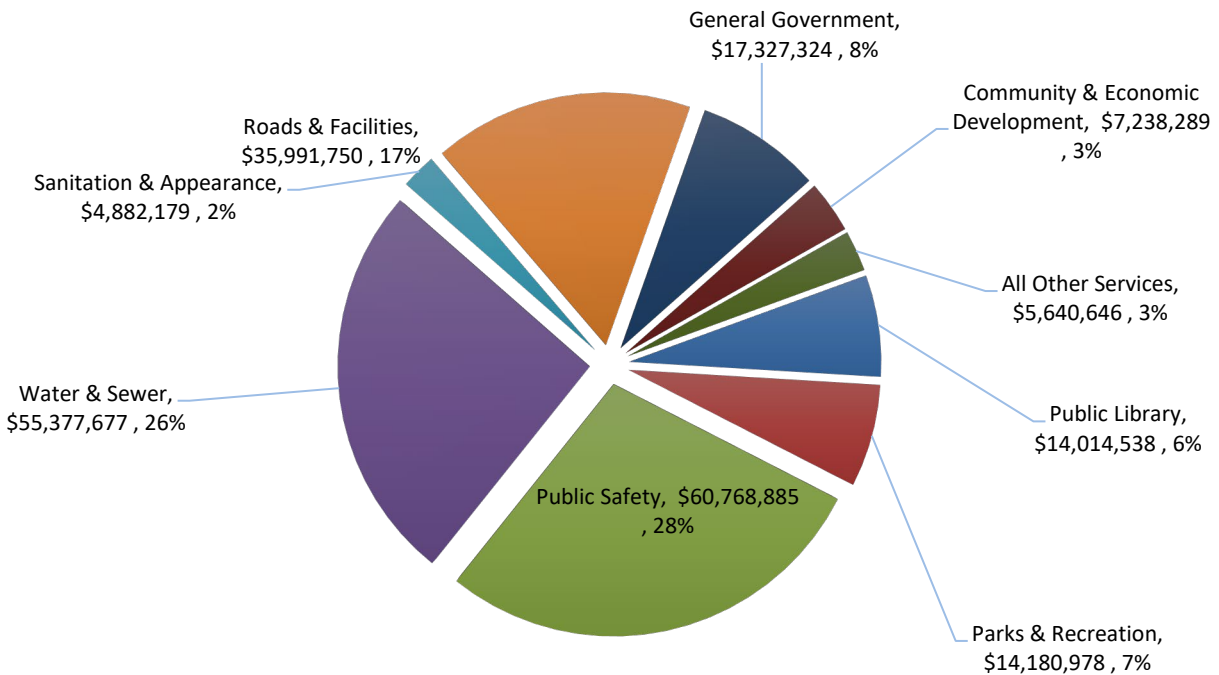
Total Revenues = \$225,142,244

**RECOMMENDED BUDGET HIGHLIGHTS (cont.)**

**Expenditure Snapshot**

- At \$56.4 million, Police and Fire services continue to be the largest General Fund expenditure, making up approximately 58% of all General Fund expenditures, an increase of \$5.9 million over the prior year
- The proposed budget includes approximately \$17 million for general government expenditures. These costs comprise approximately 18% of the General Fund expenditures and include Administration, elected officials, City Clerk, City Attorney, City Treasurer, Assessing, Fiscal Services, Technology Services, Human Resources, and Community Relations
- Combined General Fund expenditures are proposed at approximately \$97.3 million, a 14.5% increase from 2022-23
- Total expenditures of all funds are proposed at approximately \$225.1 million, a 15.9% increase from 2022-23

**ALL FUNDS EXPENSES**



Total Expenditures = \$225,142,244

**RECOMMENDED BUDGET HIGHLIGHTS (cont.)**

- Proposed infrastructure Investments total approximately \$35.9 million based on available funding. The below table presents a comparison of proposed and current year projects

**Comparison of Proposed and current year projects**

<b>Department</b>	<b>2022-2023</b>		<b>2023-2024</b>	
	<b># of Projects</b>	<b>Total Investment</b>	<b># of Projects</b>	<b>Total Investment</b>
Local Streets	3	\$5,703,000	5	\$13,600,000
Major Streets	6	5,700,000	6	3,958,000
Water & Sewer	4	8,117,000	7	18,300,000
	<b>13</b>	<b><u>\$19,520,000</u></b>	<b>18</b>	<b><u>\$35,858,000</u></b>

**Comparison of budgeted career employees**

<b>Budget Year</b>	<b>Employee Count (Career only)</b>	<b>Change Over Prior Year</b>
2021-22	601	-18
2022-23	595	-6
2023-24	606	+11

**Summary Statement**

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

**CITY OF SOUTHFIELD  
MUNICIPAL BUDGET  
EXECUTIVE SUMMARY  
2023-2024**

**BUDGET COMPARISON - ALL FUNDS**

<b><u>FUND</u></b>	<b><u>22-23 APPROVED BUDGET</u></b>	<b><u>23-24 RECOMM. BUDGET</u></b>	<b><u>% CHANGE</u></b>
General Fund	\$84,955,917	\$97,304,672	14.5%
Cable TV Fund	789,221	730,672	-7.4%
Donations, Mem.Trusts and Sponsorships	200,000	100,000	-
Drug Law Enforcement Fund	9,500	71,073	648.1%
Facilities Maintenance Fund	4,456,101	4,595,622	3.1%
Library Fund	12,410,597	14,014,538	12.9%
Local Street Fund	9,408,963	17,861,218	89.8%
Major Street Fund	12,530,087	9,931,883	-20.7%
Motor Pool Fund	4,471,843	4,868,899	8.9%
Parks and Recreation Fund	8,293,695	14,180,978	71.0%
Water and Sewer Fund	51,458,330	55,377,677	7.6%
Auto Theft Grant	152,903	176,032	15.1%
Community Development Block Grant	448,079	437,080	-2.5%
Michigan Indigent Defense Grant	591,900	591,900	0.0%
Michigan Works Grants	1,900,000 *	2,700,000	42.1%
Section 8 Housing Grants	2,200,000 *	2,200,000	-
Total Operating funds	<u>194,277,136</u>	<u>225,142,244</u>	<u>15.9%</u>
(Less Duplicating Transfers)	<u>(9,198,662)</u>	<u>(8,397,712)</u>	<u>-8.7%</u>
<b>TOTAL BUDGET</b>	<b><u><u>\$185,078,474</u></u></b>	<b><u><u>\$216,744,532</u></u></b>	<b><u><u>17.1%</u></u></b>



**CITY OF SOUTHFIELD  
MUNICIPAL BUDGET  
EXECUTIVE SUMMARY  
2023-2024**

**INFRASTRUCTURE CAPITAL PROJECTS**

**LOCAL STREETS**

Sherwood Village	\$	5,500,000
Concrete Patching		1,000,000
Asphalt Rehabilitation		1,000,000
Tamarack Bridge		100,000
Washington Heights		6,000,000
Sub-total	\$	<u>13,600,000</u>

**MAJOR STREETS**

12 Mile Road (Northwestern to Telegraph) RCOC	\$	200,000
13 Mile & Greenfield Traffic Signal Replacement (RCOC)/Mt Vernon approach		140,000
Bridge Street bridge		100,000
Denso Drive		3,000,000
Civic Center Road Streetlights		100,000
Civic Center Pathway		418,000
Sub-total	\$	<u>3,958,000</u>

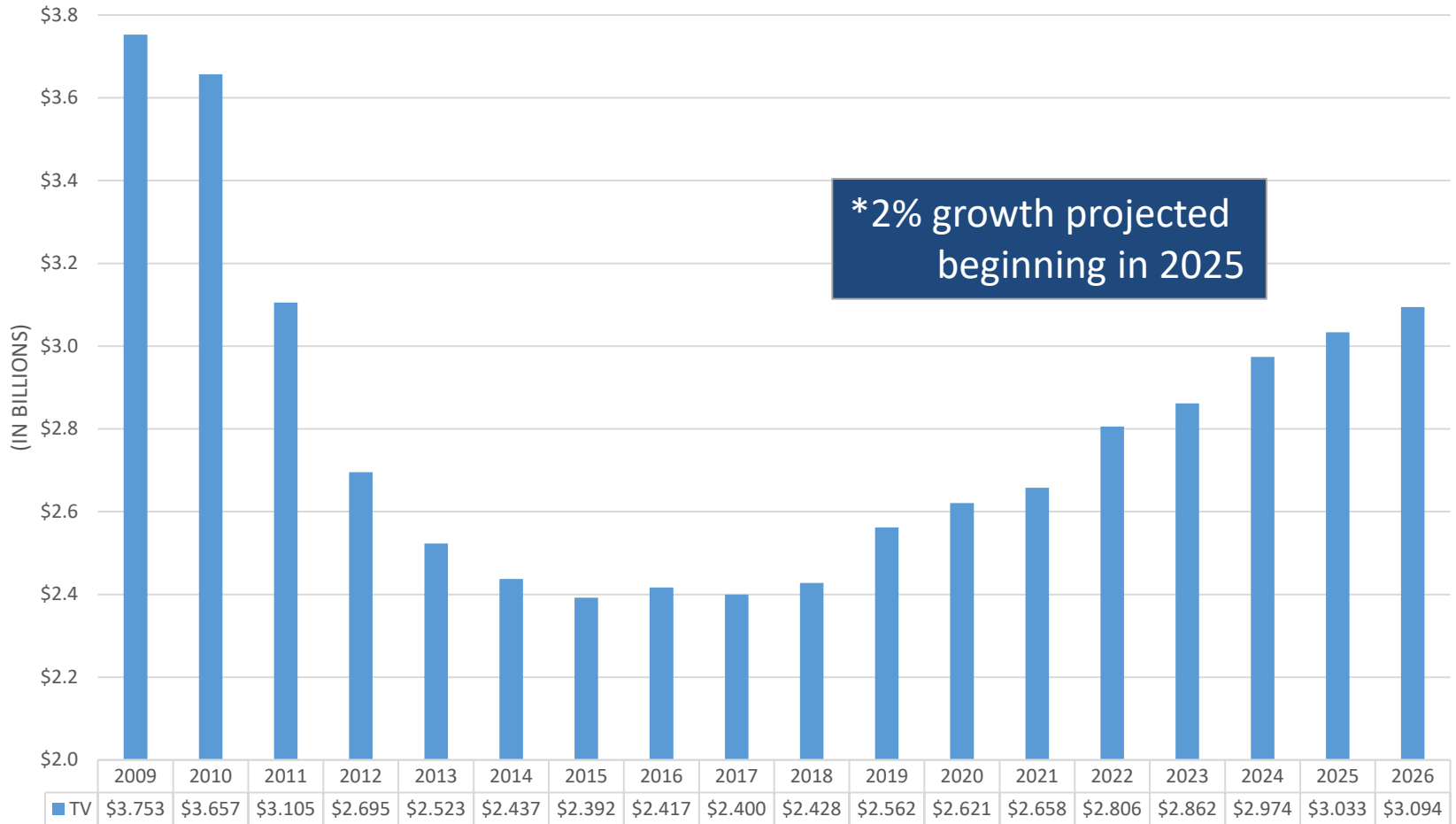
**WATER & SEWER**

Water Infrastructure	\$	5,000,000
Redesign of City Hall lift station		100,000
Water Lining Replacements		2,000,000
Section 24 - Sherwood Village		3,900,000
Hyde Park & Roseland		700,000
Washington Heights		6,600,000
Sub-Total	\$	<u>18,300,000</u>

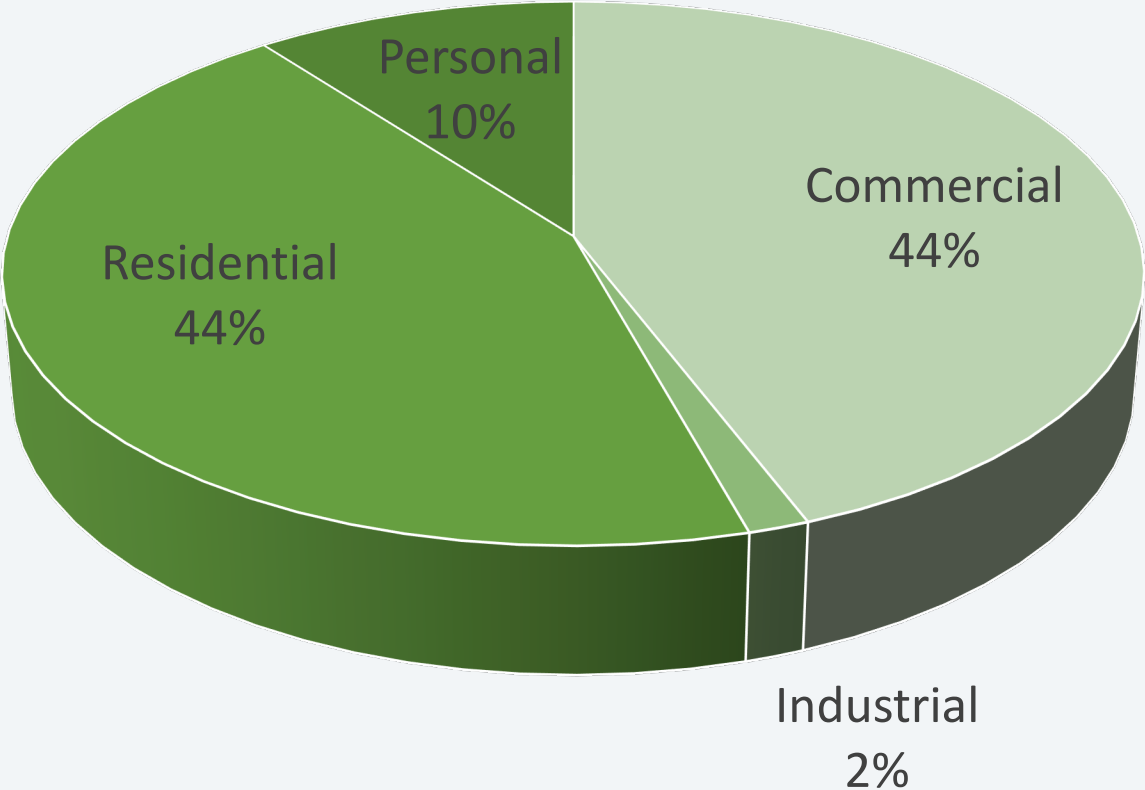
**INFRASTRUCTURE CAPITAL PROJECTS GRAND TOTAL**

**\$ 35,858,000**

# Taxable Property Values 2009-2026



# Composition of Taxable Value



**TAX RATE COMPARATIVE**

	<u>2022-23</u>	<u>2023-24</u>	<u>Increase / (Decrease)</u>
<b>Operating:</b>			
General Operations	6.5281	6.5281	0.0000
Public Safety	6.8057	6.8057	0.0000
Police & Fire Pension	5.5054	5.7102	0.2048
Residential Street Maintenance	0.9876	0.9876	0.0000
Parks & Recreation	1.7283	1.7283	0.0000
Library	2.7655	2.7655	0.0000
Public Act 298	0.2207	0.2207	0.0000
Public Act 59	0.0178	0.0168	(0.0010)
Total Operating	<u>24.5591</u>	<u>24.7629</u>	<u>0.2038</u>
<b>Debt Service:</b>			
County Drains At Large	0.2150	0.2150	-
UTGO Road Bond	2.6000	2.5800	(0.0200)
Total Levy	<u>27.3741</u>	<u>27.5579</u>	<u>0.1838</u>
<b><u>Tax Levy</u></b>		<b><u>Total Mills</u></b>	<b><u>Revenue</u></b>
Operations		24.7629	\$73,649,952
Non-operating		<u>2.7950</u>	<u>\$8,312,904</u>
Totals		<u><u>27.5579</u></u>	<u><u>\$81,962,856</u></u>

**2023-2024 RECOMMENDED BUDGET**  
**PROPERTY TAX REVENUES AND RATES**

	<u>Revenue</u>	<u>Rate*</u>
General Operations	19,415,911	6.5281
Police & Fire	20,241,550	6.8057
Police & Fire Pension	16,983,308	5.7102
Residential Street Maintenance	2,937,325	0.9876
Parks & Recreation	5,140,319	1.7283
Library	8,225,165	2.7655
Public Act 298	656,407	0.2207
Public Act 59	49,967	0.0168
Total Operating	<u>73,649,952</u>	<u>24.7629</u>
County Drains at Large	639,454	0.2150
UTGO Road Bond	7,673,450	2.5800
Local Development Finance Authority III	-	**
Smart Zone	63,068	**
Brownfield Redevelopment Authority	1,437,064	**
Renaissance Zone (Tool and Die)	17,641	**
Grand Total	<u>83,480,630</u>	<u>27.5579</u>
Taxable Valuation (TV)	2,974,205,453	
Less:		
Captured by LDFA III	-	
Captured by DDA/TIF	-	
Captured by Smart Zone	2,288,558	
Captured by Brownfield Redevelopment Authority	52,147,095	
Captured by Renaissance Zone (Tool & Die)	640,157	
Total Taxable Value excluding Capture Districts	<u>2,919,129,643</u>	

\*Mills per \$1,000 of TV

\*\*Total millage of 24.9779 (total reduced by UTGO road bond millage) applied to taxable value of LDFA and other special authorities.

**TAX REVENUE FACTORS**

23-24 TAX BASE FOR CITY OPERATIONS	\$2,974,205,453
22-23 TAX BASE FOR CITY OPERATIONS	\$2,798,904,650
	A difference of: \$175,300,803 or 6.3%

**CHANGE IN TAX REVENUES FOR CITY OPERATIONS**

	<u>22-23</u>	<u>23-24</u>	<u>\$ / %</u>		
			<u>Difference</u>		
GENERAL FUND:					
General Operating	\$18,271,529	\$19,415,911	1,144,382	/	6.3%
Police & Fire	19,048,785	20,241,550	1,192,765	/	6.3%
Police & Fire Pension	15,409,090	16,983,308	1,574,218	/	10.2%
Publicity (PA59)*	49,821	49,967	146	/	0.3%
Total General Fund Operating	<u>52,779,225</u>	<u>56,690,736</u>	<u>3,911,511</u>	/	7.4%
ROADSIDE APPEARANCE (PA298)	617,718	656,407	38,689	/	6.3%
RESIDENTIAL STREETS	2,764,478	2,937,325	172,847	/	6.3%
PARKS & RECREATION	4,837,907	5,140,319	302,412	/	6.3%
LIBRARY	7,740,651	8,225,165	484,514	/	6.3%
Total Operating	<u>68,739,979</u>	<u>73,649,952</u>	<u>4,909,973</u>	/	7.1%

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

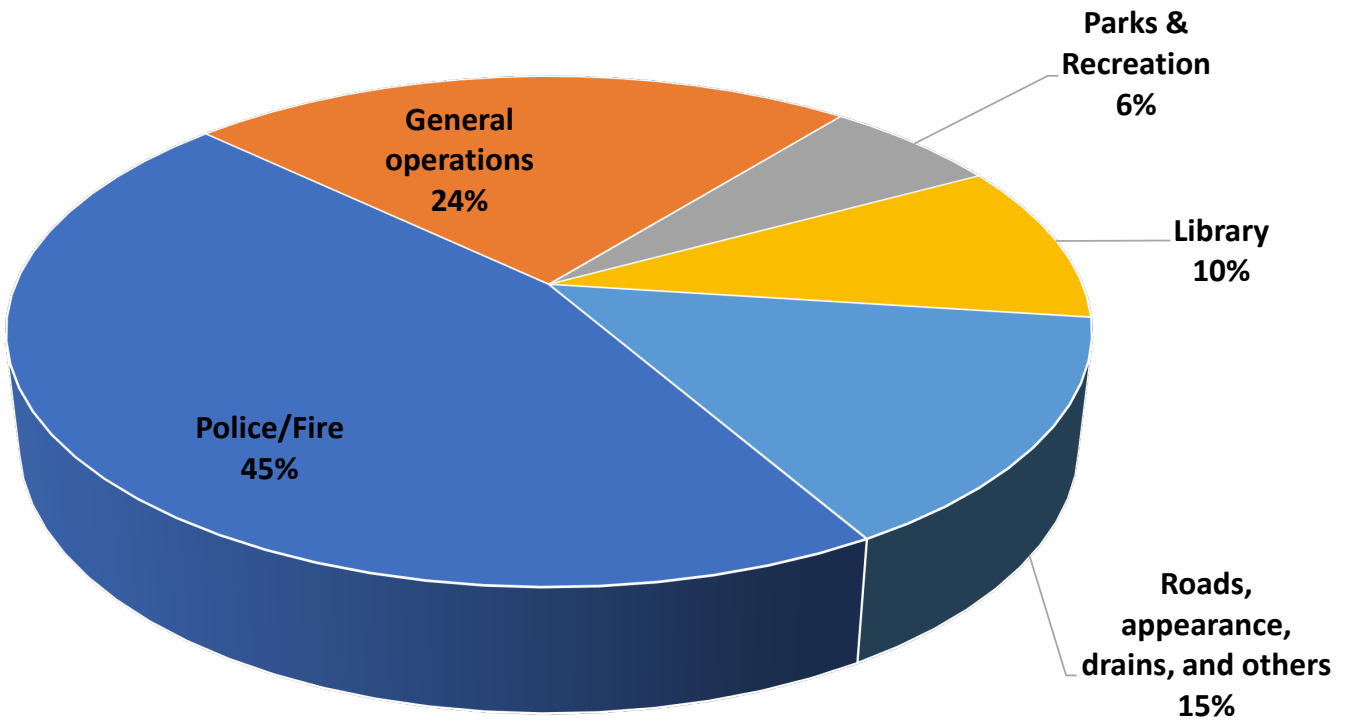
**CITY OF SOUTHFIELD  
MUNICIPAL BUDGET  
EXECUTIVE SUMMARY  
2023-2024**

**SERVICES PROVIDED FOR PROPERTY TAX DOLLARS**

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

<b>City Services Provided:</b>	<b>Millage Rate</b>	<b>Annual Property Taxes</b>
Police/Fire	12.5159	\$ 1,252
General operations	6.5281	653
Parks & Recreation	1.7283	173
Library	2.7655	277
Roads, appearance, drains, and others	4.0201	402
<b>Total City services</b>	<b>27.5579</b>	<b>\$ 2,756</b>

**PROPERTY TAX DOLLARS DISTRIBUTION**





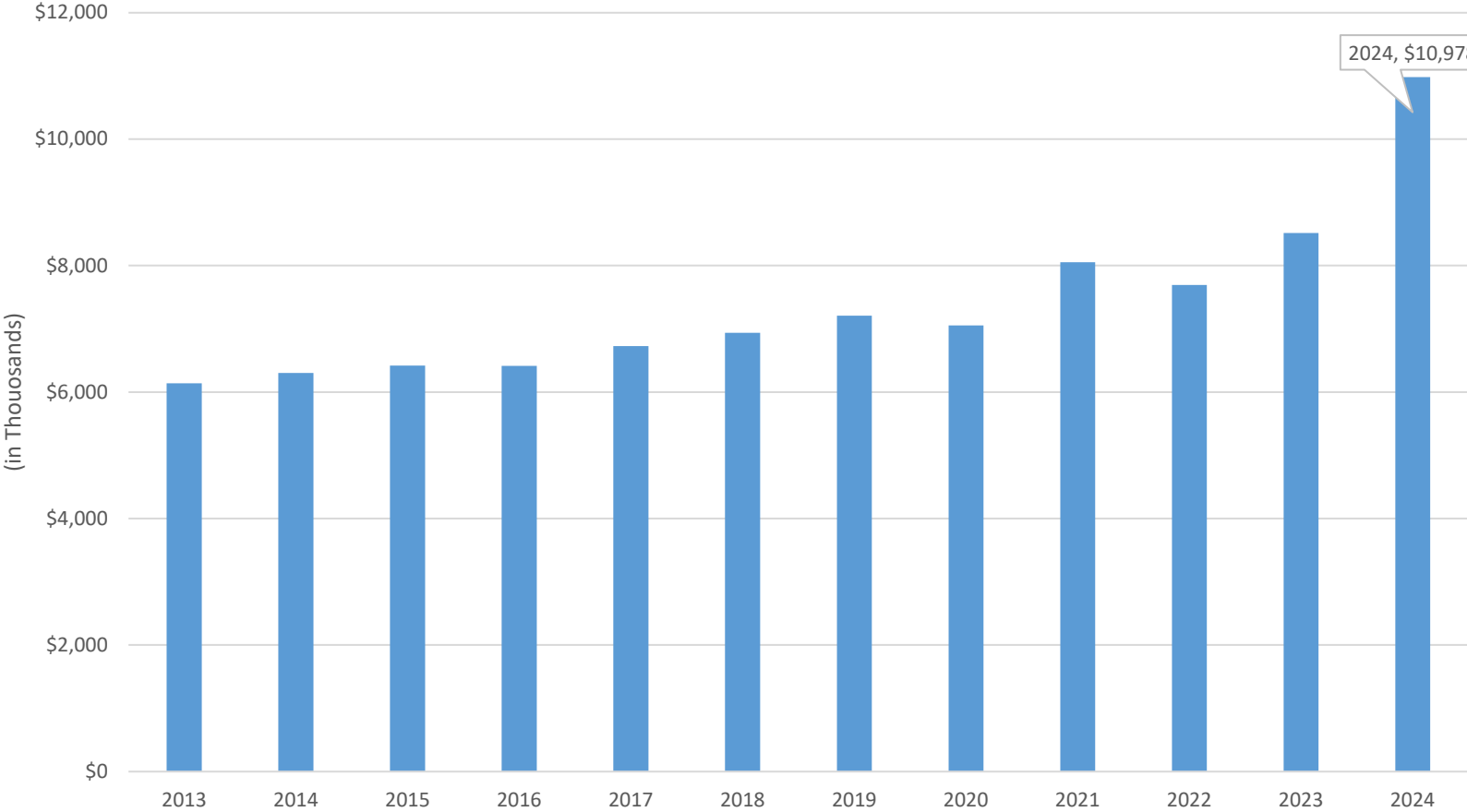
**CITY OF SOUTHFIELD  
MUNICIPAL BUDGET  
EXECUTIVE SUMMARY  
2023-2024**

**MILLAGE HISTORY**

<b>OPERATING</b>	<b>02-03</b>	<b>03-04</b>	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>	<b>07-08</b>	<b>08-09</b>	<b>09-10</b>	<b>10-11</b>	<b>11-12*</b>	<b>12-13</b>
General Operations	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094
Public Safety	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	2.8325	6.8906	6.8906
Police / Fire Pension	1.3063	1.4583	1.6017	1.7096	1.6772	1.7672	1.6889	1.7000	1.8788	3.0004	3.9424
Res. Street Maint.	.9440	.9440	.9440	.9440	.9440	.9440	.9440	.9440	.9440	1.0000	1.0000
R-O-W Appearance	.4401	.4913	.4227	.4227	.3361	.2539	.3322	.3370	.1582	0.2207	.2207
Parks & Recreation	1.6524	1.6524	1.6524	1.6524	1.6524	1.6524	1.6524	1.6524	1.6524	1.7500	1.7500
Library	<u>2.0934</u>	<u>2.0934</u>	<u>2.0934</u>	<u>2.0934</u>	<u>2.0934</u>	<u>2.0934</u>	<u>2.0934</u>	<u>2.0934</u>	<u>2.0934</u>	<u>2.8000</u>	2.8000
Public Act 59	-	-	-	-	-	-	-	-	-	-	0.0214
<b>Total Operating</b>	<b>15.8781</b>	<b>16.0813</b>	<b>16.1561</b>	<b>16.2640</b>	<b>16.1450</b>	<b>16.1528</b>	<b>16.1528</b>	<b>16.1687</b>	<b>16.1687</b>	<b>22.2711</b>	<b>23.2345</b>
Debt Service	.2748	.2615	.0277	-	-	-	-	-	-	-	-
UTGO Road Bond	-	-	-	-	-	-	-	-	-	-	-
Drains-at-Large	-	-	.1590	.0788	.1978	.1900	.1900	.1741	.1741	.3591	.4873
<b>TOTAL</b>	<b>16.1529</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>16.3428</b>	<b>22.6302</b>	<b>23.7218</b>
<b>OPERATING</b>	<b>13-14</b>	<b>14-15</b>	<b>15-16</b>	<b>16-17</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>22-23</b>
General Operations	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.6094	6.5281	6.5281
Public Safety	6.8906	6.8906	6.8906	6.8906	6.8906	6.8906	6.8906	6.8906	6.8906	6.8057	6.8057
Police / Fire Pension	4.7197	4.4500	4.3971	4.3714	4.5249	5.0552	5.7423	5.7075	6.0227	5.5054	5.7102
Res. Street Maint.	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	.9876	.9876
R-O-W Appearance	.2207	.2207	.2207	.2207	.2207	.2207	.2207	.2207	.2207	.2207	.2207
Parks & Recreation	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7283	1.7283
Library	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.7655	2.7655
Public Act 59	0.0234	0.0234	<u>0.0234</u>	<u>0.0212</u>	<u>0.0208</u>	<u>0.0203</u>	<u>0.0195</u>	<u>0.0191</u>	<u>0.0188</u>	<u>0.0178</u>	<u>0.0168</u>
<b>Total Operating</b>	<b>24.0138</b>	<b>23.7441</b>	<b>23.6912</b>	<b>23.6633</b>	<b>23.8164</b>	<b>24.3462</b>	<b>25.0325</b>	<b>24.9973</b>	<b>25.3122</b>	<b>24.5591</b>	<b>24.7629</b>
Debt Service	-	-	-	-	-	-	-	-	-	-	-
UTGO Road Bond	-	-	2.5800	2.5800	2.5800	2.5800	2.5800	2.5800	2.6000	2.6000	2.5800
Drains-at-Large	.4873	.4873	.4873	.1467	.0267	.1467	.2150	.2150	.2150	.2150	.2150
<b>TOTAL</b>	<b>24.5011</b>	<b>24.2314</b>	<b>26.7585</b>	<b>26.3900</b>	<b>26.4231</b>	<b>27.0729</b>	<b>27.8275</b>	<b>27.7923</b>	<b>28.1272</b>	<b>27.3741</b>	<b>27.5579</b>

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

# State Shared Revenue

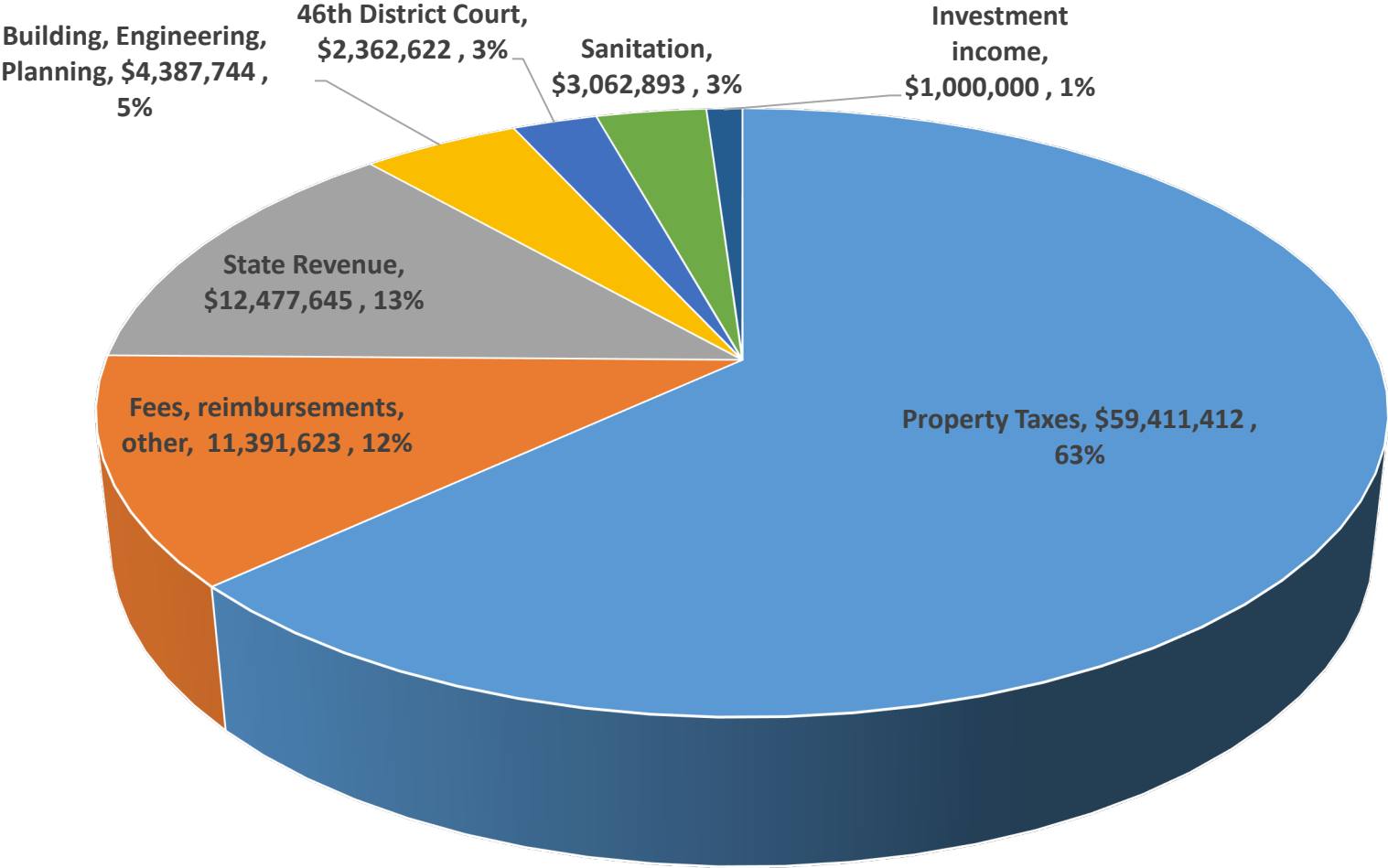


**CITY OF SOUTHFIELD  
MUNICIPAL BUDGET  
EXECUTIVE SUMMARY  
2023-2024**

**BUDGET COMPARISON - GENERAL FUND REVENUES**

	<b>22-23 APPROVED BUDGET</b>	<b>23-24 RECOMM. BUDGET</b>	<b>% CHANGE</b>
General Operating Levy	\$ 18,271,529	\$ 19,415,911	6.3%
Police & Fire Levy	19,048,785	20,241,550	6.3%
Police & Fire Pension Levy	15,409,090	16,983,308	10.2%
Publicity Levy	49,821	49,967	0.0%
Tax Administration Fees & Penalties	2,534,671	2,720,676	7.3%
Sales Tax Returns - Constitutional	7,354,620	9,684,305	31.7%
Sales Tax Returns - Statutory	1,158,058	1,293,340	11.7%
Local Community Stabilization	1,500,000	1,500,000	0.0%
Cable Franchise Fees	1,320,550	1,294,139	-2.0%
Sanitation Charges	2,748,000	3,062,893	11.5%
Building Department Revenues	2,737,207	2,828,873	3.3%
Engineering Revenues	1,224,715	1,558,871	27.3%
District Court Revenues	2,712,522	2,362,622	-12.9%
Reimbursements	1,493,285	1,667,520	11.7%
Fees, Licenses, and Permits	3,208,978	3,633,267	13.2%
Investment Income	750,000	1,000,000	33.3%
Interfund Reimbursements	<u>2,835,672</u>	<u>4,196,697</u>	48.0%
Total Revenues Exclusive of Fund Balance	84,357,503	93,493,939	
Use of Restricted Fund Balance:			
Sanitation:	398,414		
Right-of-way/Metro Authority:	200,000	600,000	
Use of Unrestricted Fund Balance		<u>3,210,733</u>	
<b>Total General Fund</b>	<b><u>\$ 84,955,917</u></b>	<b><u>\$ 97,304,672</u></b>	<b><u>14.5%</u></b>

# General Fund Revenues 2023-2024

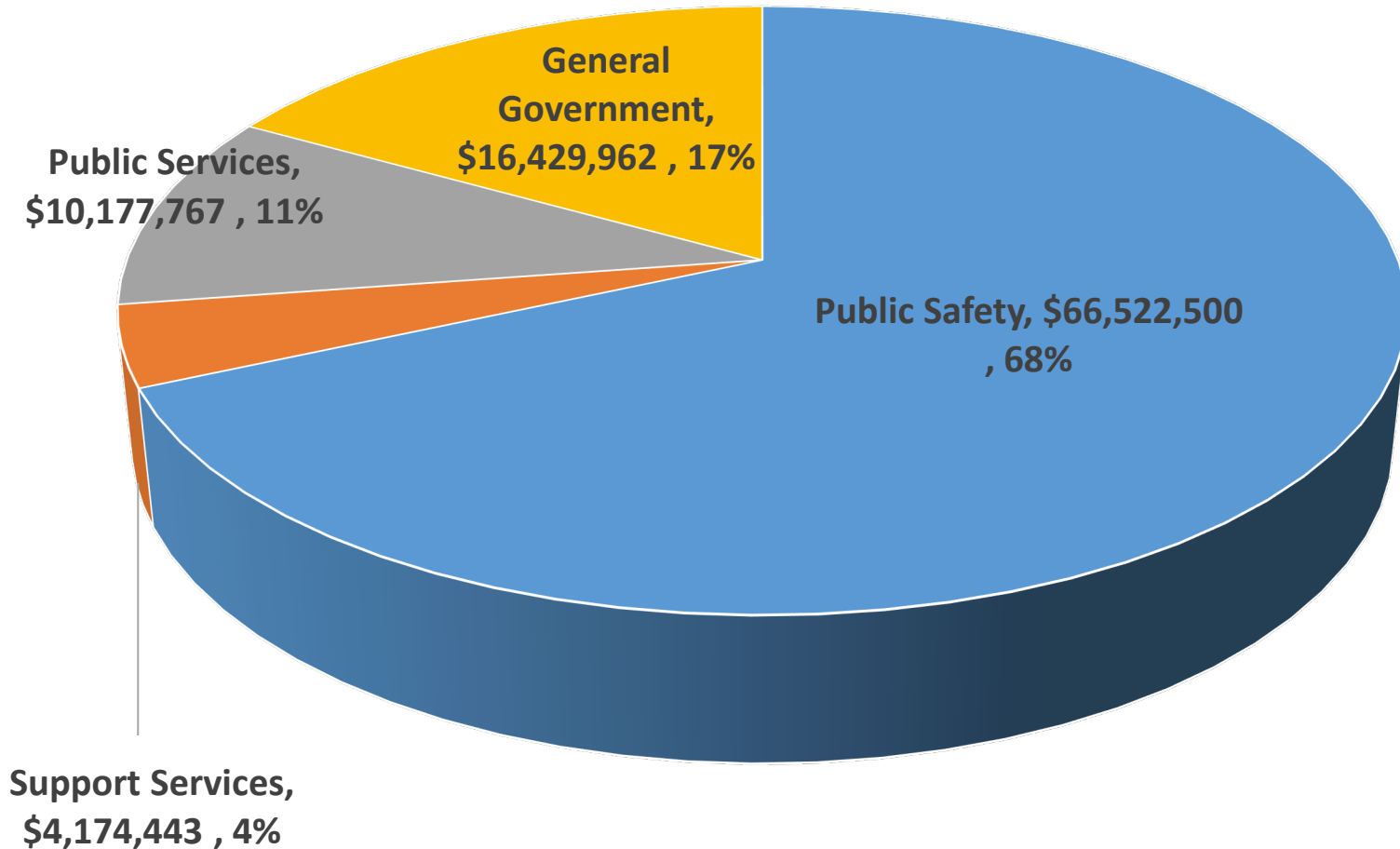


**CITY OF SOUTHFIELD  
MUNICIPAL BUDGET  
EXECUTIVE SUMMARY  
2023-2024**

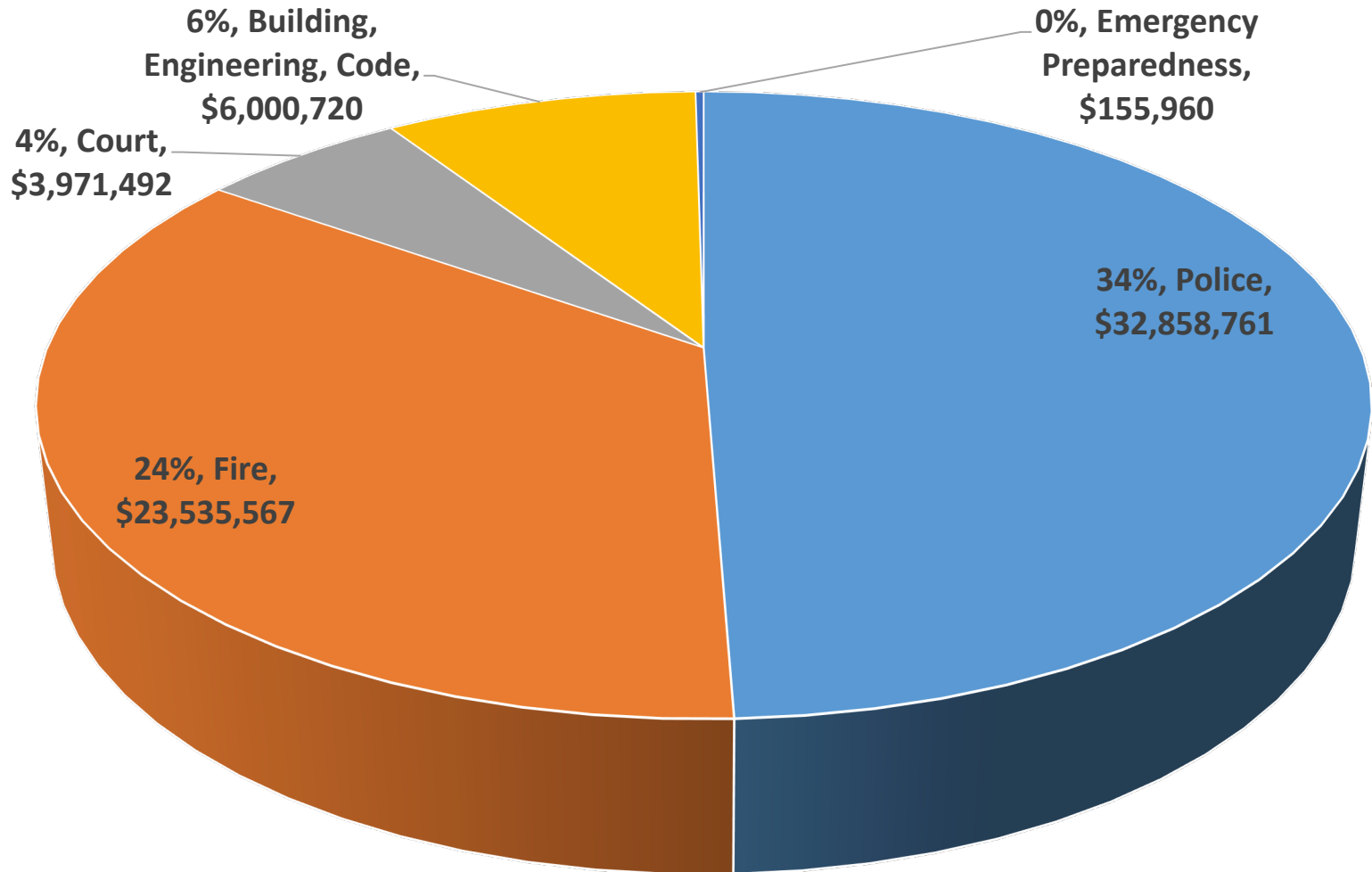
**BUDGET COMPARISON - GENERAL FUND EXPENDITURES**

	<b>22-23 APPROVED BUDGET</b>	<b>23-24 RECOMM. BUDGET</b>	<b>% CHANGE</b>
Administration	\$ 737,196	\$ 803,745	9.0%
Assessing	1,189,901	1,319,181	10.9%
Building	2,596,388	2,502,999	-3.6%
Business Development	384,601	416,672	8.3%
Central Services	1,058,050	1,097,759	3.8%
City Attorney	1,070,897	1,178,843	10.1%
Clerk	1,220,475	1,365,491	11.9%
Code Enforcement	1,487,259	1,504,459	1.2%
Community Relations	777,538	897,362	15.4%
Council	214,248	225,648	5.3%
Court - 46th District	3,619,318	3,971,492	9.7%
Emergency Preparedness	139,095	155,960	12.1%
Engineering	1,579,766	1,993,262	26.2%
Fire	21,045,636	23,535,567	11.8%
Fiscal Services	3,002,131	3,186,278	6.1%
Human Resources	1,929,797	2,262,820	17.3%
Mayor's Office	133,602	128,210	-4.0%
Planning	1,079,705	2,377,079	120.2%
Police	29,411,094	32,858,761	11.7%
Sanitation	3,146,414	3,062,893	-2.7%
Road Maintenance & Administration	1,530,346	2,904,071	89.8%
Support Services	3,416,065	4,169,153	22.0%
Technology Services	2,643,277	3,760,874	42.3%
Traffic Services	555,773	524,980	-5.5%
Treasurer	987,345	1,101,113	11.5%
<b>Total General Fund</b>	<b><u>\$84,955,917</u></b>	<b><u>\$97,304,672</u></b>	<b><u>14.5%</u></b>

# General Fund Expenditures 2023-2024



# Public Safety Percent of General Fund Expenditures 2023-2024





**CITY OF SOUTHFIELD  
MUNICIPAL BUDGET  
EXECUTIVE SUMMARY  
2023-2024**

**GENERAL FUND - FUND BALANCE CONSTRAINTS**

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

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

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

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

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

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

<b>Fund Balance Classification</b>	<b>Amount</b>
Non-spendable	\$1,145,575
Restricted for right-of-way (Metro Act)	1,859,328
Sanitation reserve	155,313
Committed to specific programs:	
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 reserve	2,000,000
Wage adjustments	3,600,000
Total Committed	<u>\$37,962,517</u>
Assigned:	
Encumbrances	\$1,631,653
Unassigned	\$16,074,444
<b>Total Fund Balance - June 30, 2022 *</b>	<b><u><u>\$58,828,830</u></u></b>

\* 2021-2022 Comprehensive Annual Financial Report