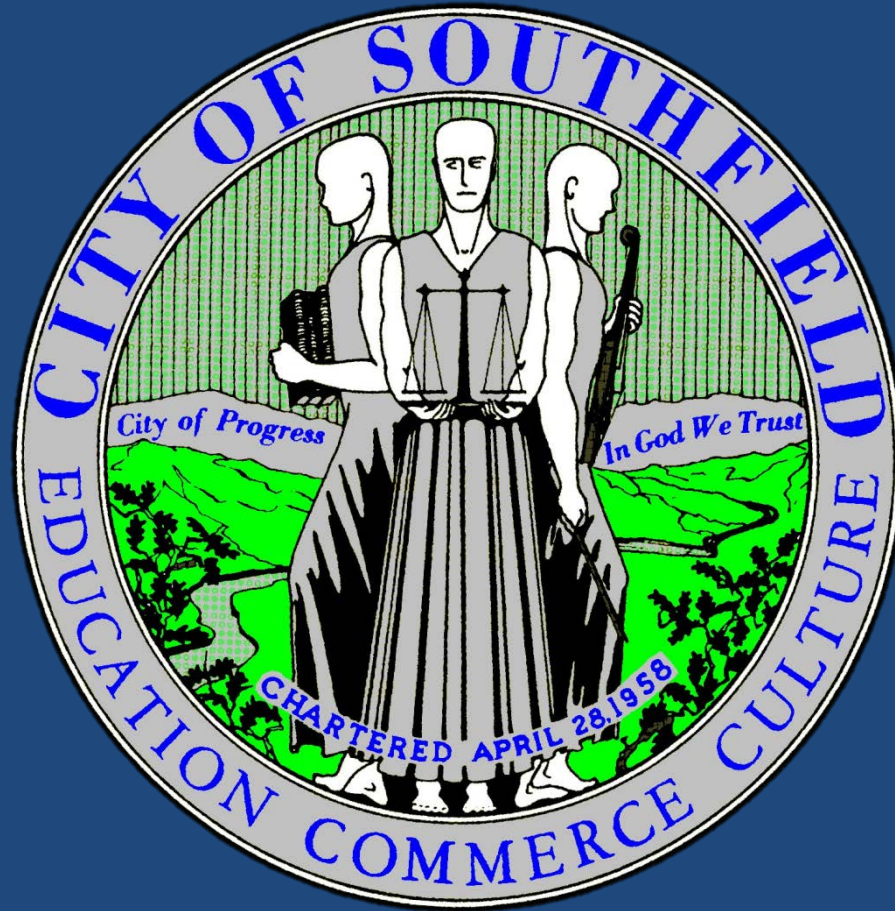
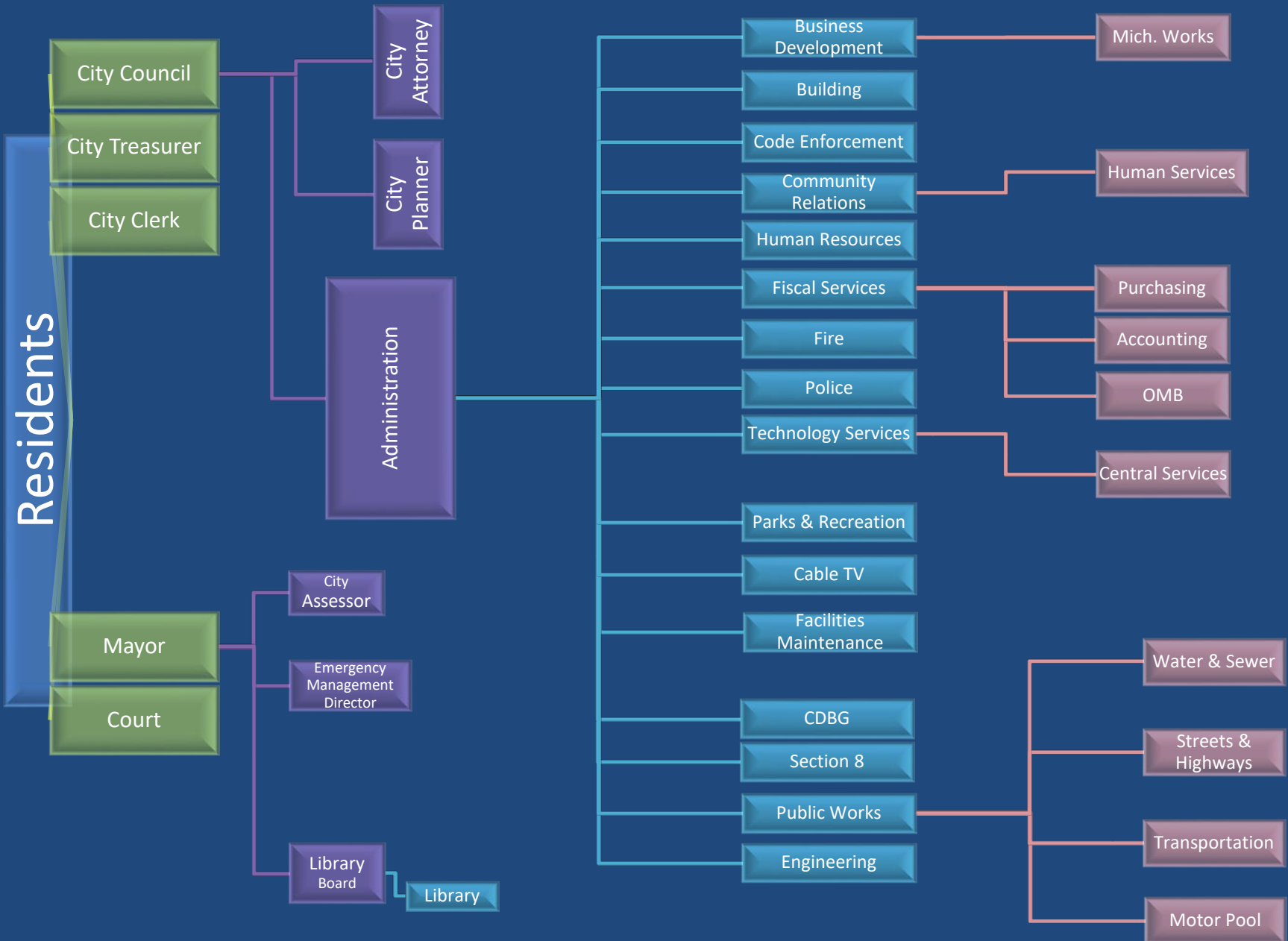


# City of Southfield Municipal Budget Executive Summary



July 1, 2022 – June 30, 2023

# City of Southfield Organization Chart

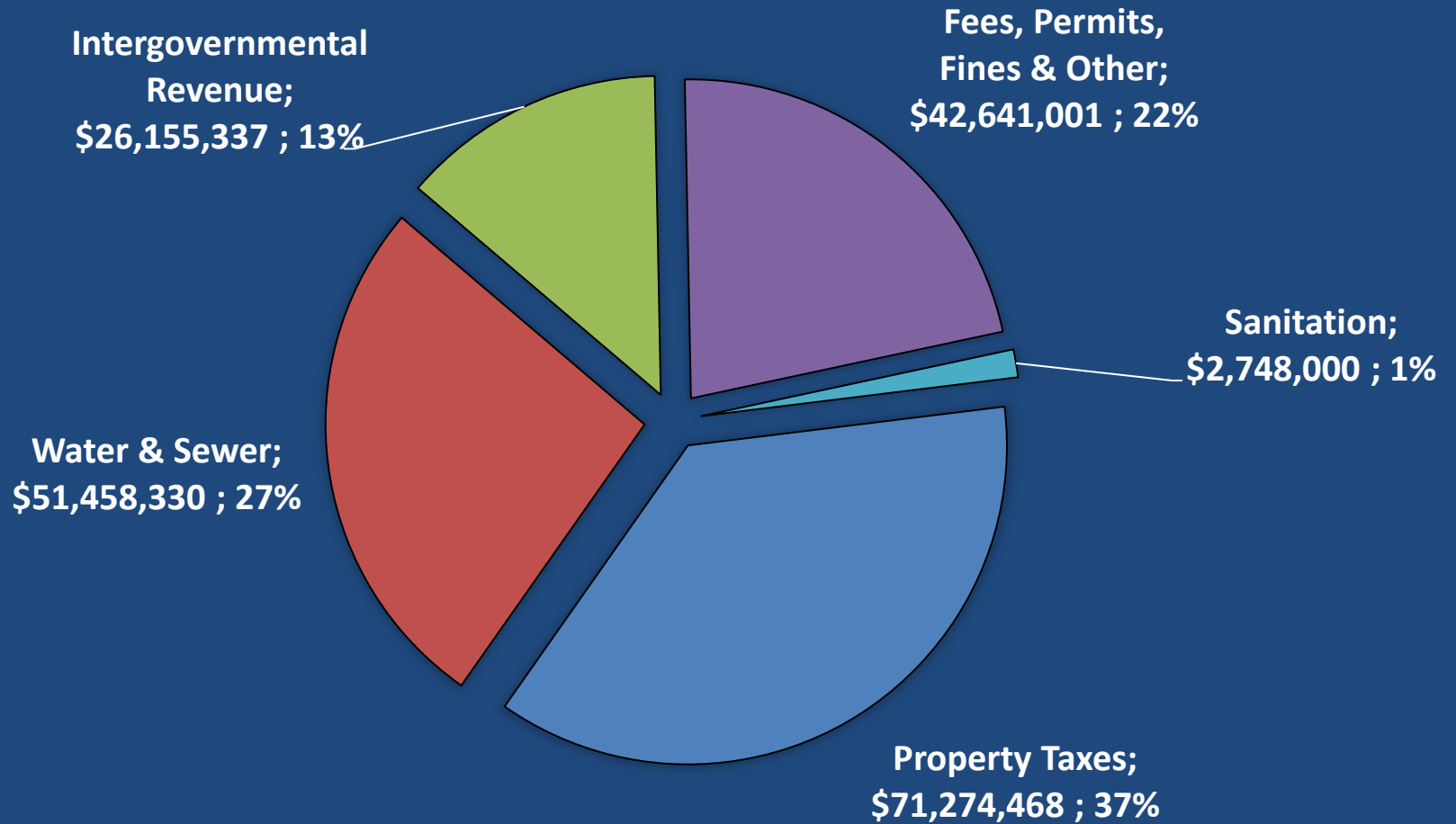


# Revenue Snapshot

- Property taxes represent 65% of General Fund Revenues. Projected taxable value is \$2,798,904,650 which represents an increase of approximately \$147 million or 5.6% over the 2021-22 projection
- The millage rate decreased by 0.7526 mills comprised of a 0.2342 reduction due to the Headlee rollback and a 0.5173 reduction in the Police & Fire Pension rate. The resultant levy is 27.3746 mills
- State shared revenues increased by approximately 14% compared to the prior budget year. Constitutional and statutory revenue payments from the State of Michigan are projected at \$7,354,620 and \$1,052,779, respectively and represent 10% of the General Fund revenues
- Combined General fund revenues are proposed at approximately \$85 million, a 3.4% increase over 2021-22
- Total revenues of all funds are proposed at approximately \$194.3 million, a 0.75% decrease from 2021-2022

# ALL FUNDS REVENUE

2022-2023



Total Revenues = \$194,277,136

# Expenditure Snapshot

- At \$50.5 million, Police and Fire services continue to be the largest General Fund expenditure, making up approximately 59% of all General Fund expenditures, an increase of \$2.4 million over the prior year
- The proposed budget includes approximately \$15 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 \$85 million, a 3.4% increase from 2021-22
- Total expenditures of all funds are proposed at approximately \$194.3 million, a 0.75% decrease from 2021-22

# Expenditure Snapshot (cont.)

- Proposed infrastructure Investments total approximately \$19.5 million based on available funding. The below table presents a comparison of proposed and current year projects

| <u>Department</u> | <b>2021-2022</b>     |                         | <b>2022-2023</b>     |                         |
|-------------------|----------------------|-------------------------|----------------------|-------------------------|
|                   | <u># of Projects</u> | <u>Total Investment</u> | <u># of Projects</u> | <u>Total Investment</u> |
| Local Streets     | 3                    | \$2,400,000             | 3                    | \$5,703,000             |
| Major Streets     | 6                    | 16,303,150              | 6                    | 5,700,000               |
| Water & Sewer     | <u>4</u>             | <u>12,350,000</u>       | <u>4</u>             | <u>8,117,000</u>        |
|                   | 13                   | <u>\$31,053,150</u>     | 13                   | <u>\$19,520,000</u>     |

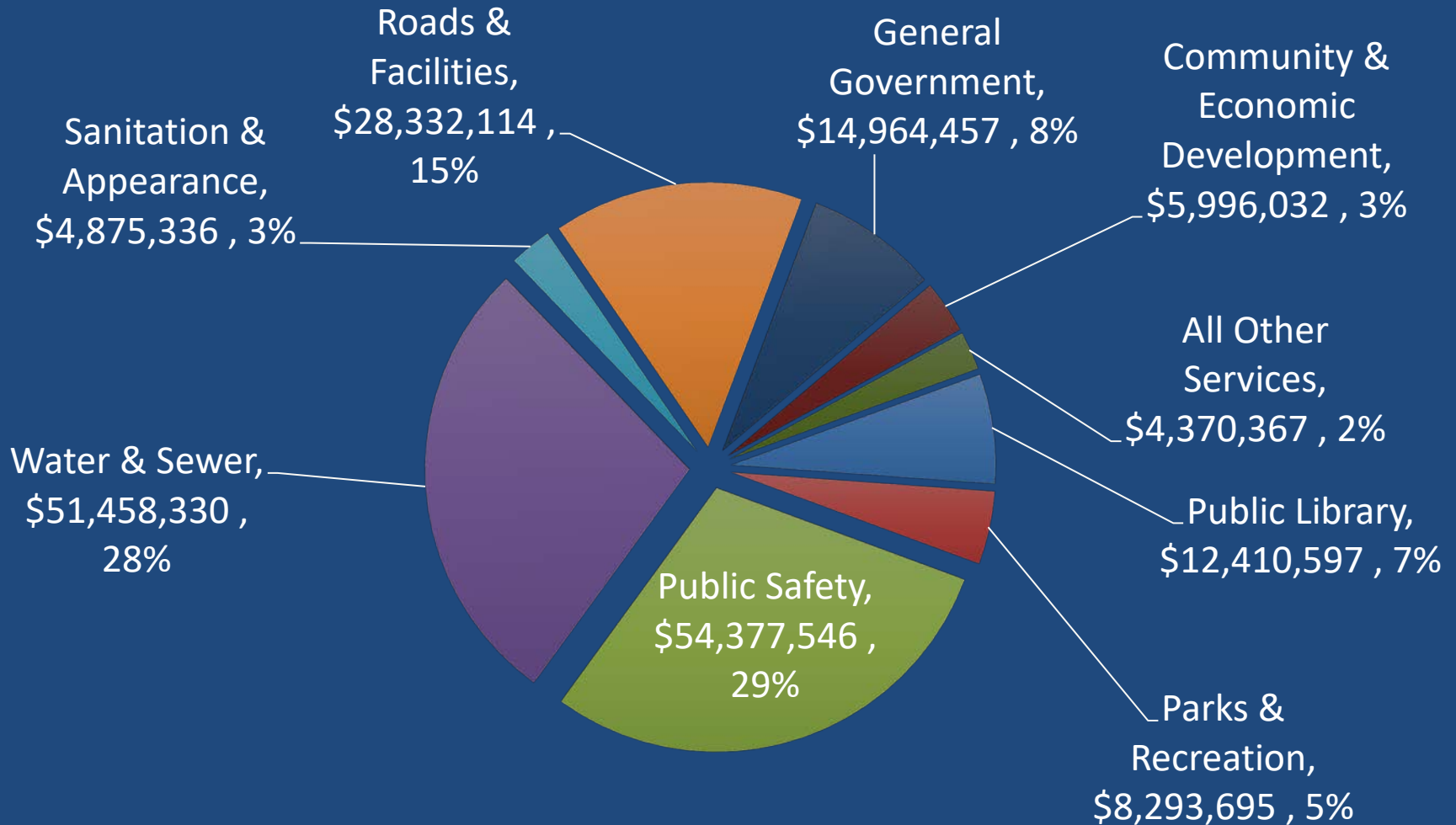
# Expenditure Snapshot (cont.)

- A comparison of budgeted full time employees for the City is as follows:

| <b>Budget Year</b> | <b>Employee<br/>Count<br/>(Career Only)</b> | <b>Change Over<br/>Prior Year</b> |
|--------------------|---|-----------------------------------|
| 2020-21            | 619   | 23                                |
| 2021-22            | 601   | -18                               |
| 2022-23            | 595   | -6                                |

# ALL FUNDS EXPENSES

2022-2023



Total Expenditures = \$ 194,277,136



# Budget Comparisons

## 2020-21 vs. 2021-22

### All Funds Significant Variances

|                    |         |             |
|--------------------|---------|-------------|
| General Fund       | + 3.4%  | \$2,803,834 |
| Library            | + 17.3% | 1,829,218   |
| Local Streets      | + 47.6% | 3,035,434   |
| Major Streets      | - 45.8% | 10,579,805  |
| Parks & Recreation | + 20.0% | 1,383,343   |

# Proposed Capital Projects

- Local Streets \$ 5,703,000  
– 3 Projects
- Major Streets \$5,700,000  
– 6 Projects
- Water & Sewer \$8,117,000  
– 4 Projects
- Total Capital Program \$19,520,000

# Local Streets Projects

| Location                           | Project Description    | Amount             |
|------------------------------------|------------------------|--------------------|
| Tanglewood                         | Water main and roads   | \$3,703,000        |
| Non-specific                       | Asphalt rehabilitation | 1,000,000          |
| Non-specific                       | Concrete patching      | 1,000,000          |
| <b>Total Local Street Projects</b> |                        | <b>\$5,703,000</b> |

# Major Street Projects

| Location   | Project Description              | Amount             |
|--|----------------------------------|--------------------|
| Berg (8 Mile to Simmons)                           | Pulverization and overlay        | \$2,300,000        |
| NB Northwestern Service Dr.<br>(Bell to Telegraph) | Heavy pavement<br>rehabilitation | 1,000,000          |
| Lockdale Pump Station                              | Repair                           | 325,000            |
| Shiawasee (Inkster to 8 Mile)                      | Pulverization and overlay        | 1,850,000          |
| MDOT 8 Mile Rd. (M-39 to M-<br>53)                 | Resurfacing                      | 75,000             |
| MDOT Telegraph and 8 Mile<br>Rd.                   | Reconstruction                   | 150,000            |
| <b>Total Major Street Projects</b>                 |                                  | <b>\$5,700,000</b> |

# Water & Sewer Projects

| Project                                      | Amount             |
|--|--------------------|
| Tanglewood                                   | \$3,197,000        |
| Harvard Lift Station                         | 2,070,000          |
| Section 11 water main lining                 | 2,800,000          |
| MDOT Telegraph and 8 Mile Rd.                | 50,000             |
| <b>Total Water &amp; Sewer Bond Projects</b> | <b>\$8,117,000</b> |

# Water and Sewer Rates

- Proposed rates per Mcf\*:

|                       |              |
|-----------------------|--------------|
| • Water Service       | \$ 38.08     |
| • Sewer Service       | 62.67        |
| • Capital maintenance | <u>37.28</u> |
| • Total               | \$138.02     |
- \*Mcf = 1,000 cubic feet

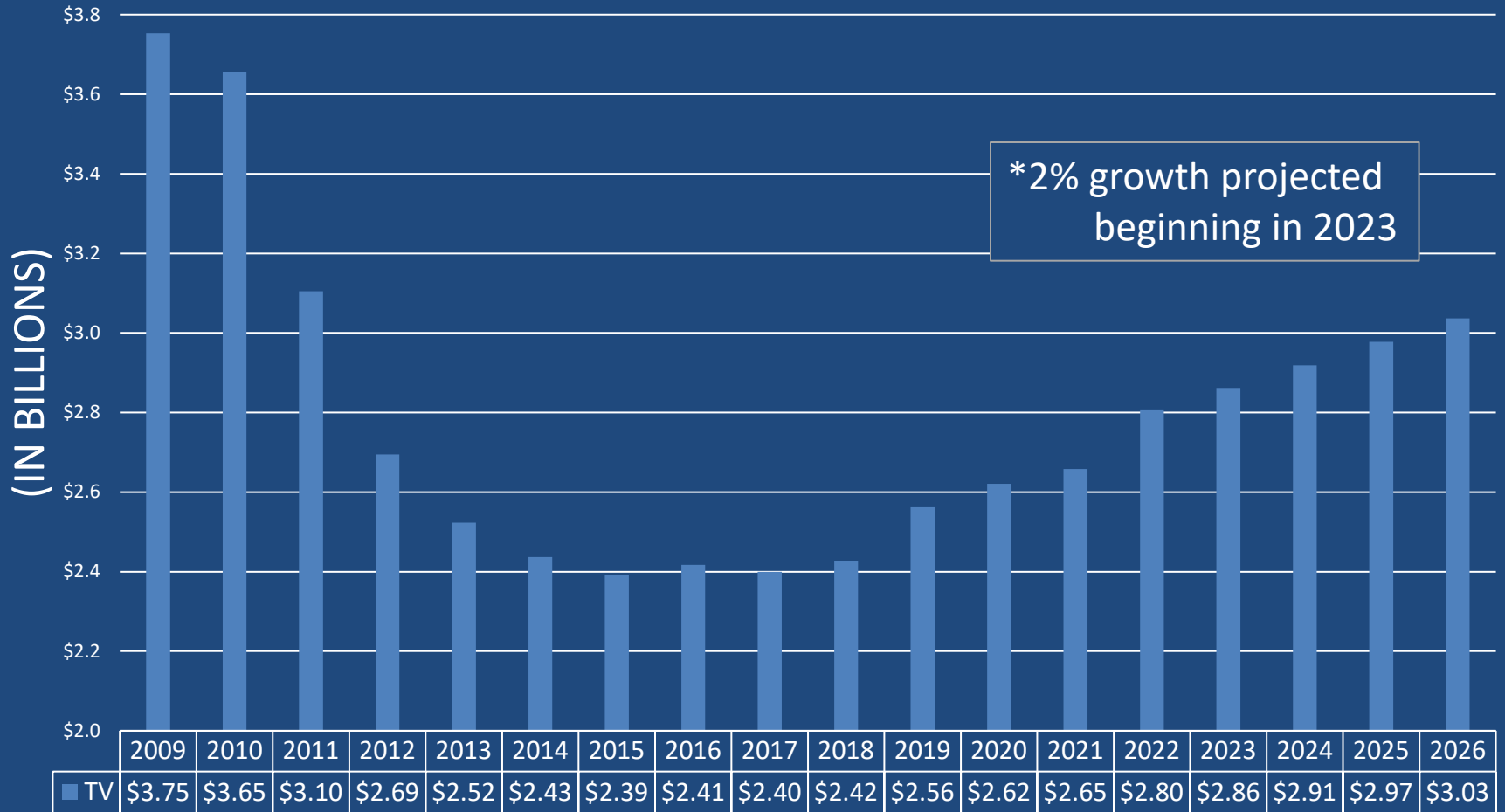
# Water and Sewer Rates (continued)

- Proposed rates per Ccf\*:

|                 |         |
|-----------------|---------|
| • Water Service | \$ 5.68 |
| • Sewer Service | 8.13    |
  
- \*Ccf = 100 cubic feet

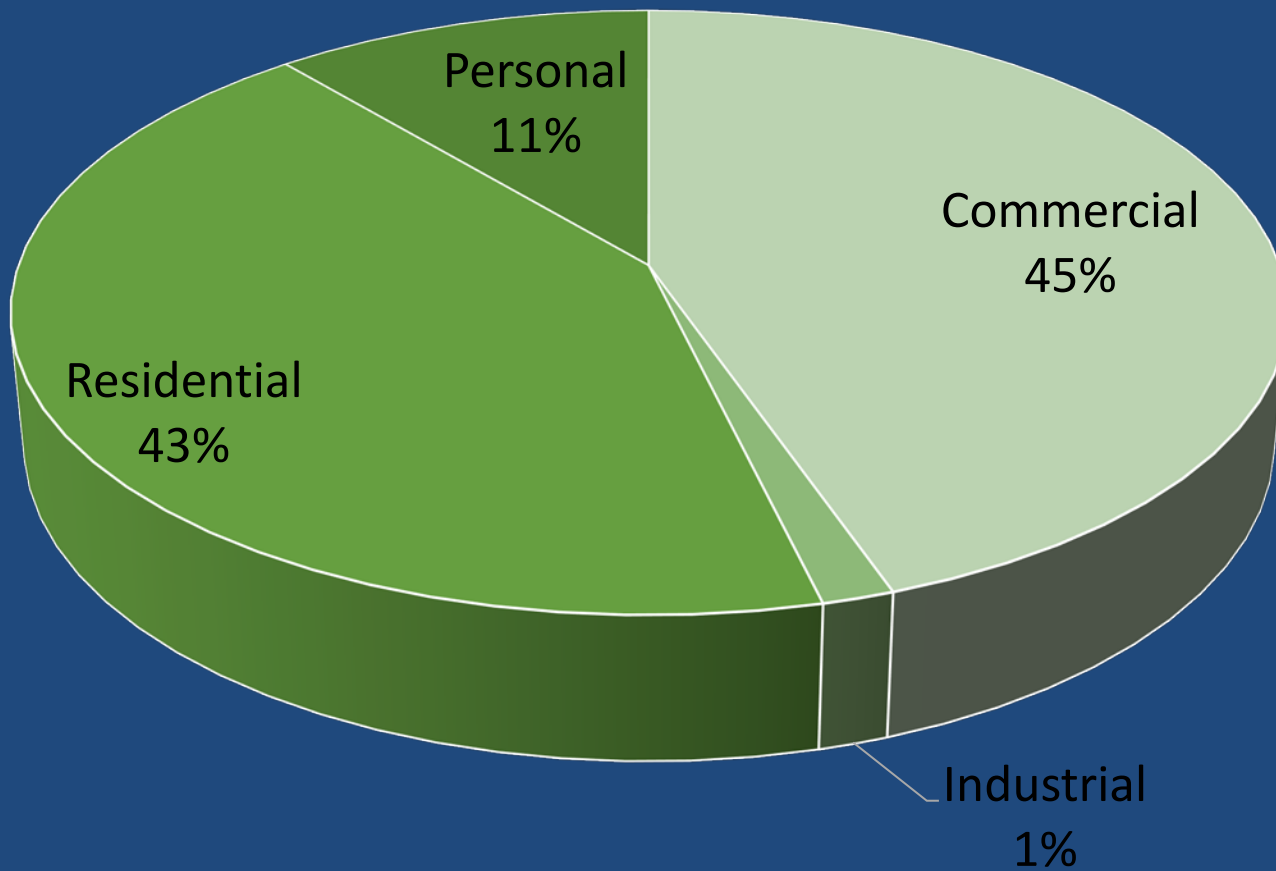
# Taxable Property Values

## 2009-2026\*





# Composition of Taxable Value 2022-2023



# Property Tax Rates

| Levy                   | 2021-2022      | 2022-2023      | Change         |
|------------------------|----------------|----------------|----------------|
| General Operating      | 6.6094         | 6.5281         | -0.0813        |
| Police & Fire          | 6.8906         | 6.8058         | -0.0848        |
| Police & Fire Pension  | 6.0227         | 5.5054         | -0.5173        |
| Residential Streets    | 1.0000         | 0.9877         | -0.0123        |
| Parks & Recreation     | 1.7500         | 1.7285         | -0.0215        |
| Library                | 2.8000         | 2.7656         | -0.0344        |
| PA 298 - Appearance    | 0.2207         | 0.2207         | -              |
| PA 59 - Publicity      | 0.0188         | 0.0178         | -0.0010        |
| <b>Total Operating</b> | <b>25.3122</b> | <b>24.5596</b> | <b>-0.7526</b> |
| County Drains at Large | 0.2150         | 0.2150         | -              |
| UTGO Road Bond         | 2.6000         | 2.6000         | -              |
| <b>Grand Total</b>     | <b>28.1272</b> | <b>27.3746</b> | <b>-0.7526</b> |

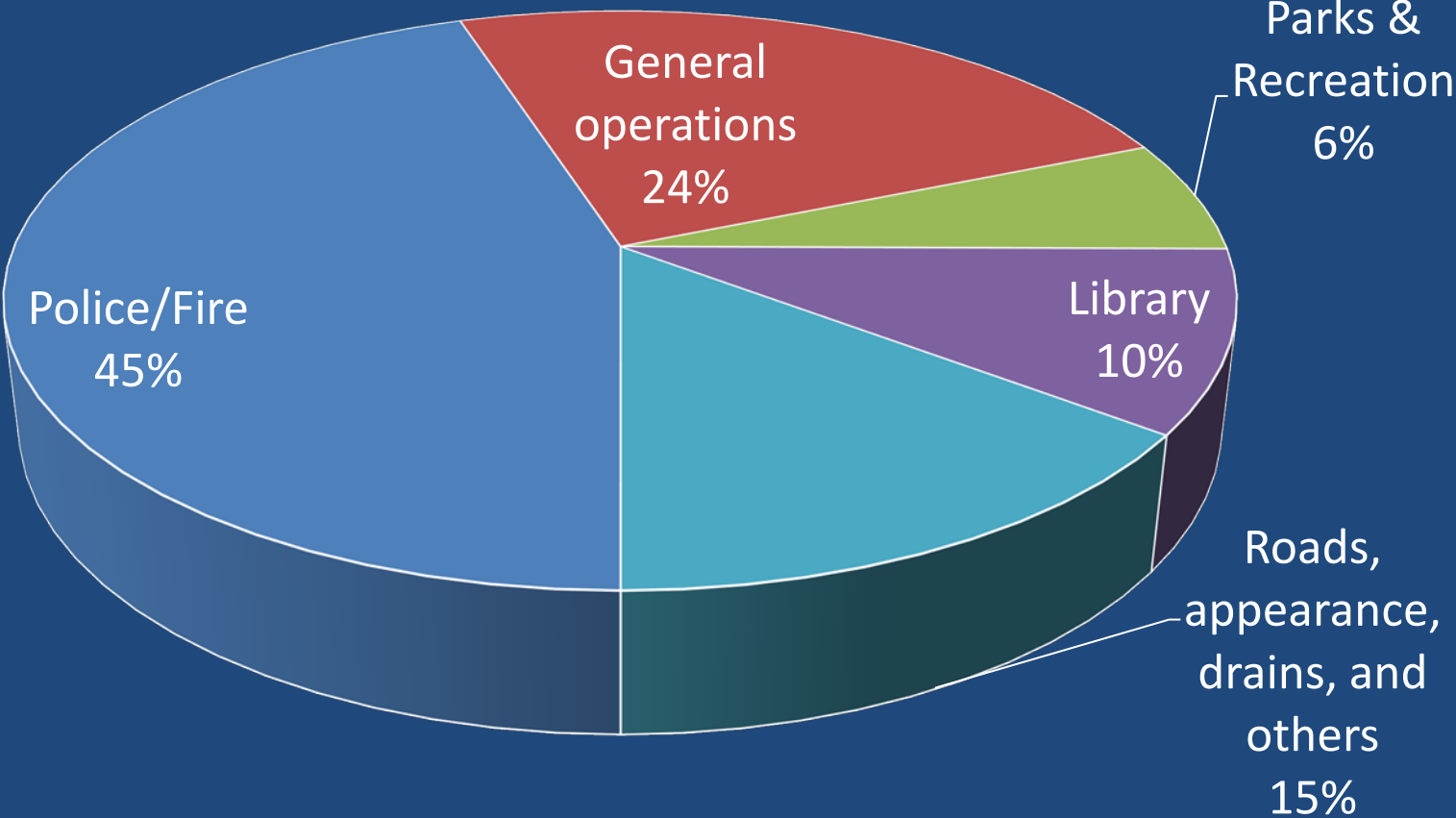


# Services Provided for Property Tax Dollars

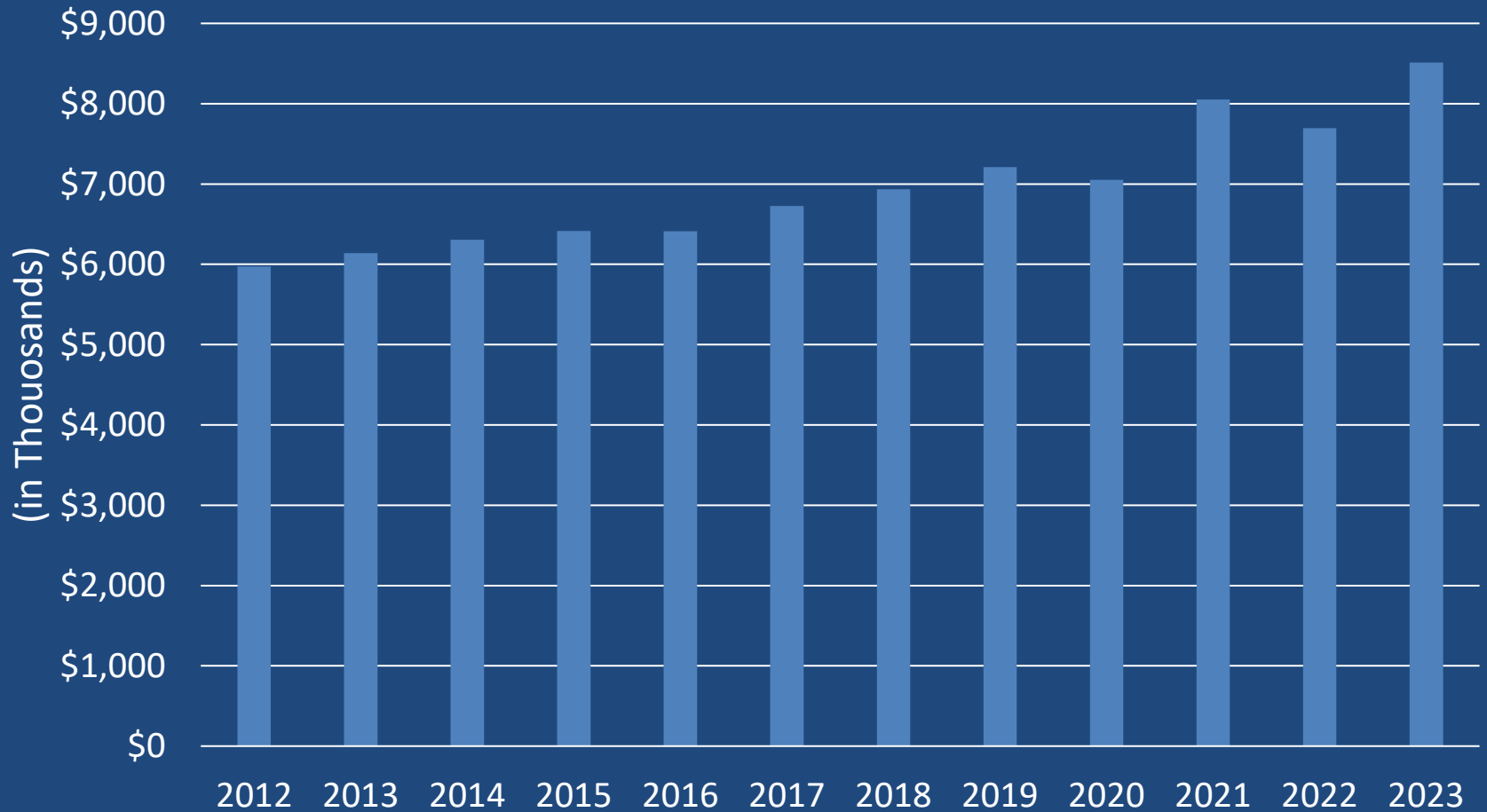
| City Services Provided:               | <u>Millage<br/>Rate</u> | <u>Annual<br/>Property Taxes</u> |
|---------------------------------------|-------------------------|----------------------------------|
| Police/Fire                           | 12.3112                 | \$1,231                          |
| General operations                    | 6.5281                  | 653                              |
| Parks & Recreation                    | 1.7285                  | 173                              |
| Library                               | 2.7656                  | 277                              |
| Roads, appearance, drains, and others | 4.0412                  | 404                              |
| Total City services                   | <u>27.3746</u>          | <u>\$2,738</u>                   |

Based on a Southfield home with a market value of \$200,000 and a taxable value of \$100,000

# Property Tax Dollars Distribution 2021-2022



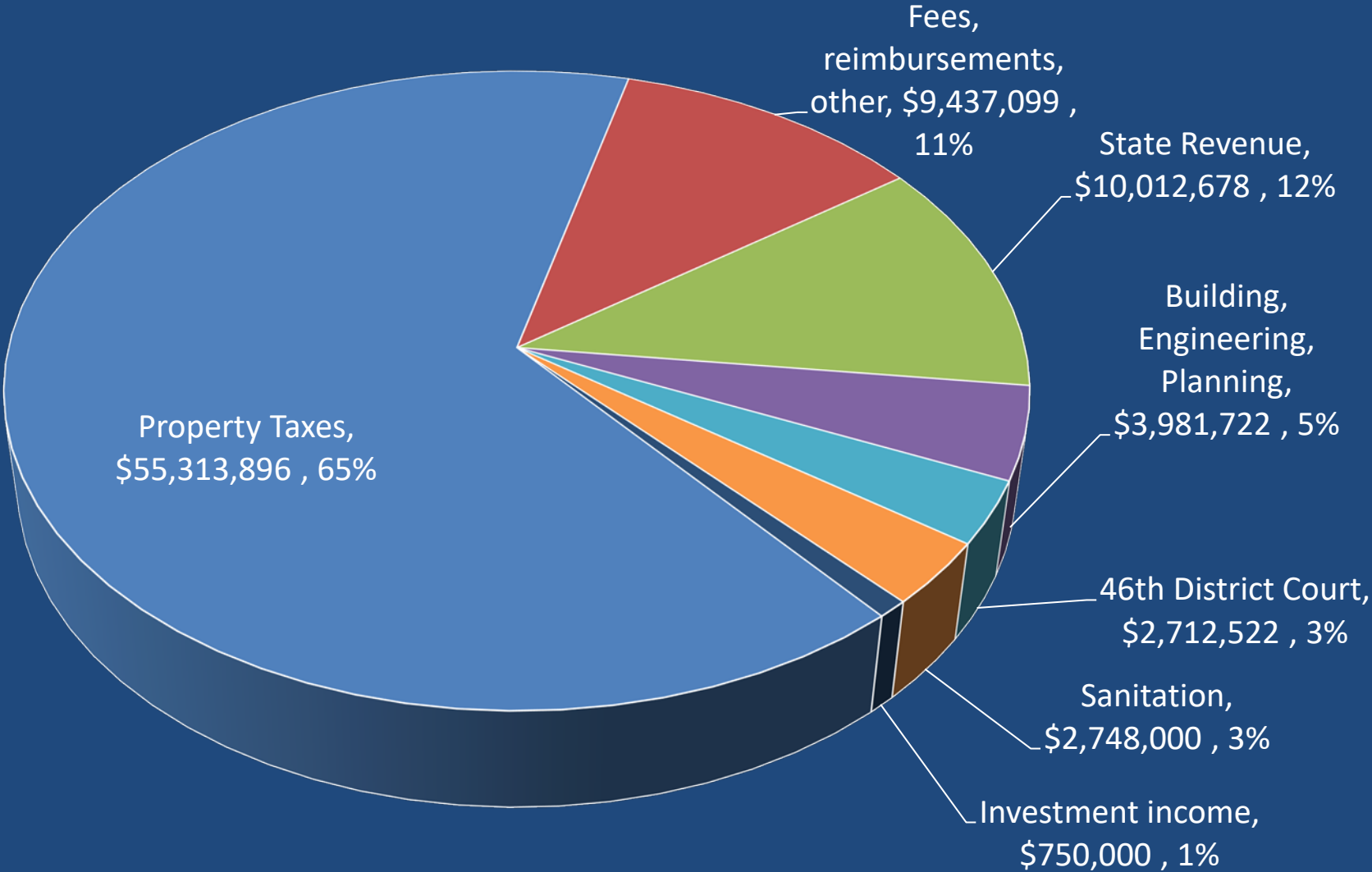
# State Shared Revenue



# General Fund Revenues

|                                     |              |                                 |              |
|-------------------------------------|--------------|---------------------------------|--------------|
| General Operating Levy              | \$18,271,529 | Engineering Revenues            | 1,224,715    |
| Police & Fire Levy                  | 19,048,785   | District Court Revenues         | 2,712,522    |
| Police & Fire Pension Levy          | 15,409,090   | Reimbursements and other        | 1,493,285    |
| Publicity Levy                      | 49,821       | Fees, Licenses & Permits        | 3,208,978    |
| Tax Administration Fees & Penalties | 2,534,671    | Investment Income               | 750,000      |
| Sales Tax Returns - Constitutional  | 7,354,620    | Interfund Reimbursements        | 2,835,672    |
| Sales Tax Returns - Statutory       | 1,158,058    | Use of Restricted Fund Balance: |              |
| Local Community Stabilization       | 1,500,000    | Sanitation                      | 398,414      |
| Cable Franchise Fees                | 1,320,550    | Right-of-way/Metro Authority    | 200,000      |
| Sanitation Charges                  | 2,748,000    |                                 |              |
| Building Revenues                   | 2,737,207    | TOTAL GENERAL FUND              | \$84,955,917 |

# General Fund Revenues 2022-2023

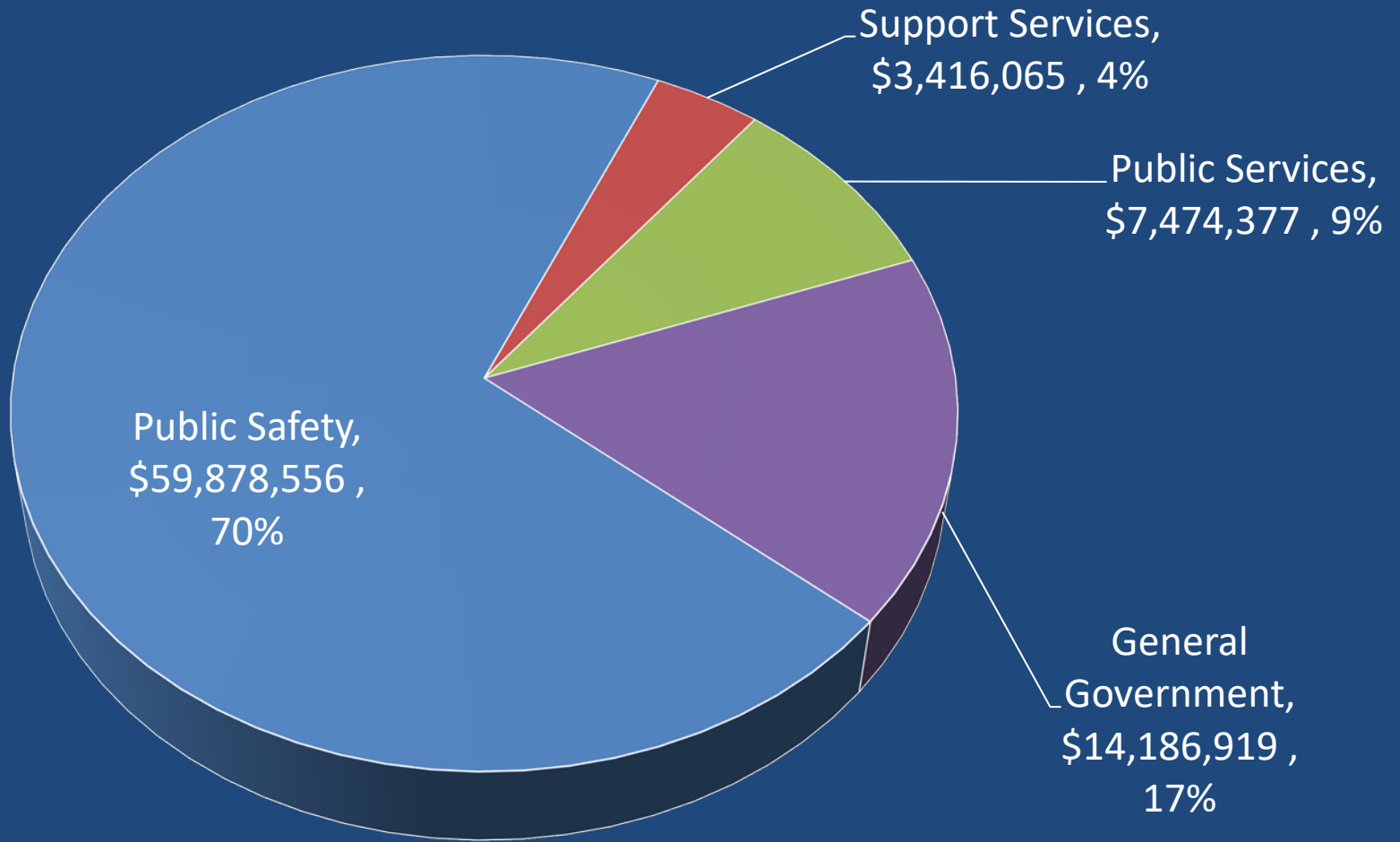




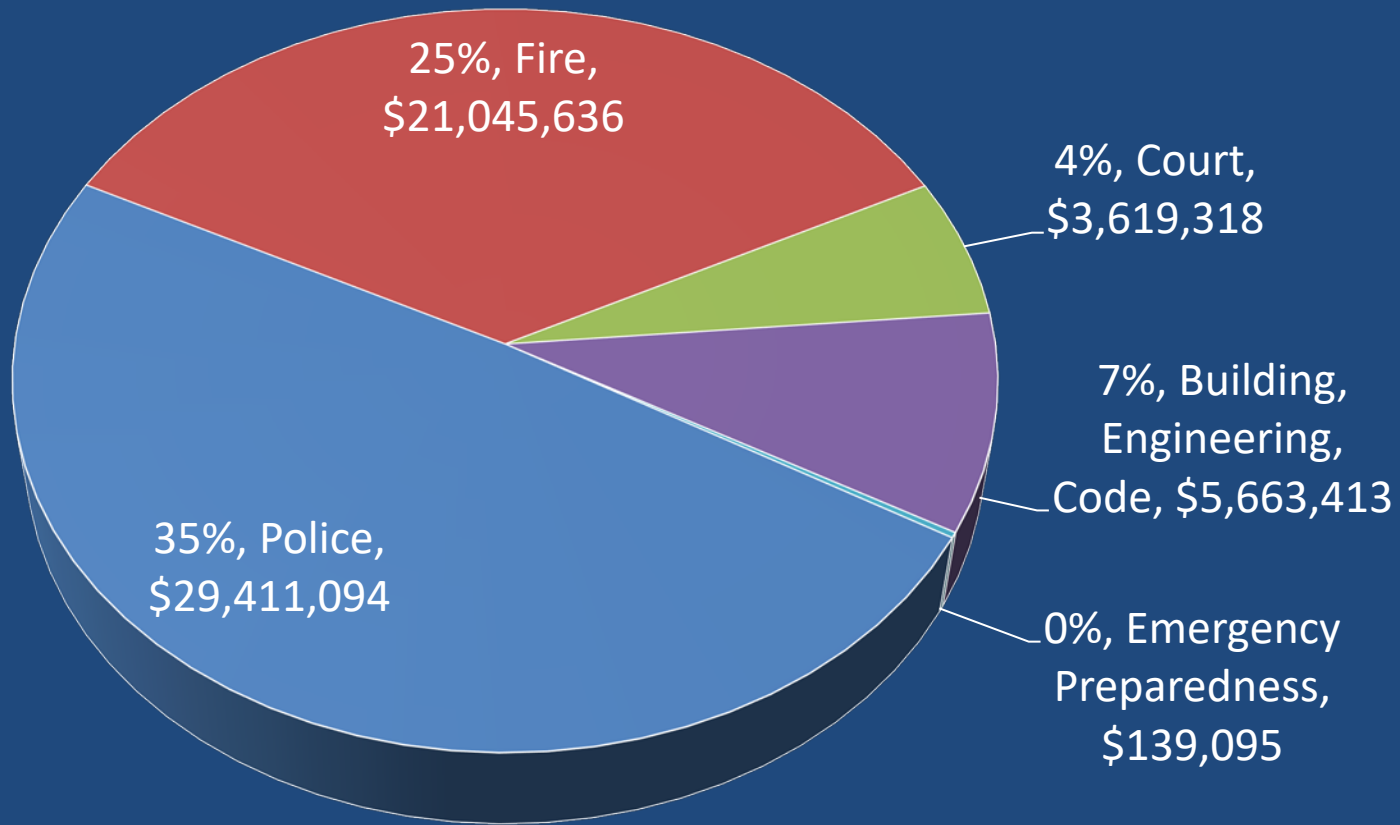
# General Fund Expenditures

|                        |           |                     |              |
|------------------------|-----------|---------------------|--------------|
| Administration         | \$737,196 | Fire                | 21,045,636   |
| Assessing              | 1,189,901 | Fiscal Services     | 3,002,131    |
| Building               | 2,596,388 | Human Resources     | 1,929,797    |
| Business Development   | 384,601   | Mayor's Office      | 133,602      |
| Central Services       | 1,058,050 | Planning            | 1,079,705    |
| City Attorney          | 1,070,897 | Police              | 29,411,094   |
| Clerk                  | 1,220,475 | Sanitation          | 3,146,414    |
| Code Enforcement       | 1,487,259 | Streets & Highways  | 1,530,346    |
| Community Relations    | 777,538   | Support Services    | 3,416,065    |
| Council                | 214,248   | Technology Services | 2,643,277    |
| Court - 46th District  | 3,619,318 | Transportation      | 555,773      |
| Emergency Preparedness | 139,095   | Treasurer           | 987,345      |
| Engineering            | 1,579,766 | TOTAL GENERAL FUND  | \$84,955,917 |

# General Fund Expenditures 2022-2023



# Public Safety Percent of General Fund Expenditures 2022-2023



Percentages shown are in relation to total General Fund expenditures

# Fund Balance Components

## General Fund as of 6/30/2021

|                        |                     |
|------------------------|---------------------|
| Non-spendable          | \$12,471,718        |
| Restricted             | 2,147,042           |
| Committed              | 38,871,302          |
| Assigned               | 670,281             |
| Unassigned             | <u>17,871,307</u>   |
| Fund Balance - 6/30/21 | <u>\$72,031,650</u> |

# Budgeted Use of Fund Balance

| <b>Fund</b>  | <b>Estimated<br/>Balance 6/30/22</b> | <b>Budgeted<br/>FY2023 Use</b> | <b>Estimated<br/>Balance 6/30/23</b> |
|--------------|--------------------------------------|--------------------------------|--------------------------------------|
| General Fund | \$71,084,349                         | \$598,414                      | \$70,485,935                         |
| Cable        | 259,323                              | 245,546                        | 13,777                               |
| Library      | 7,664,205                            | 4,150,100                      | 3,514,105                            |
|              |                                      |                                |                                      |

*Thank you*